UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

☑ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **September 30, 2021**

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number **001-33841**

VULCAN MATERIALS COMPANY
(Exact name of registrant as specified in its charter)

New Jersey	**20-8579133**
(State or other jurisdiction of incorporation)	(I.R.S. Employer Identification No.)
1200 Urban Center Drive, Birmingham, Alabama	**35242**
(Address of principal executive offices)	(zip code)

(205) 298-3000
(Registrant's telephone number including area code)

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, $1 par value	**VMC**	**New York Stock Exchange**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☑ Accelerated filer ☐ Smaller reporting company ☐

Non-accelerated filer ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes ☐ No ☑

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

Class	Shares outstanding at October 22, 2021
Common Stock, $1 Par Value	132,705,028

VULCAN MATERIALS COMPANY

FORM 10-Q
QUARTER ENDED SEPTEMBER 30, 2021

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Unless otherwise stated or the context otherwise requires, references in this report to “Vulcan,” the “Company,” “we,” “our,” or “us” refer to Vulcan Materials Company and its consolidated subsidiaries.

VULCAN MATERIALS COMPANY AND SUBSIDIARY COMPANIES

CONDENSED CONSOLIDATED BALANCE SHEETS

Unaudited in thousands	***September 30 2021***	*December 31 2020*	*September 30 2020*
Assets			
Cash and cash equivalents	**$ 135,683**	$ 1,197,068	$ 1,084,100
Restricted cash	**747**	945	630
Accounts and notes receivable			
Accounts and notes receivable, gross	**948,347**	558,848	647,362
Allowance for credit losses	**(10,158)**	(2,551)	(3,155)
Accounts and notes receivable, net	**938,189**	556,297	644,207
Inventories			
Finished products	**411,872**	378,389	384,575
Raw materials	**58,223**	33,780	34,562
Products in process	**3,815**	4,555	5,098
Operating supplies and other	**38,320**	31,861	31,226
Inventories	**512,230**	448,585	455,461
Other current assets	**131,567**	74,270	80,935
Total current assets	**1,718,416**	2,277,165	2,265,333
Investments and long-term receivables	**34,108**	34,301	41,778
Property, plant & equipment			
Property, plant & equipment, cost	**10,362,862**	9,102,086	8,958,342
Allowances for depreciation, depletion & amortization	**(4,815,913)**	(4,676,087)	(4,614,543)
Property, plant & equipment, net	**5,546,949**	4,425,999	4,343,799
Operating lease right-of-use assets, net	**656,881**	423,128	431,227
Goodwill	**3,674,763**	3,172,112	3,172,112
Other intangible assets, net	**1,819,778**	1,123,544	1,107,091
Other noncurrent assets	**237,107**	230,656	229,193
Total assets	**$ 13,688,002**	$ 11,686,905	$ 11,590,533
Liabilities			
Current maturities of long-term debt	**12,228**	515,435	509,435
Trade payables and accruals	**410,340**	273,080	263,296
Other current liabilities	**454,125**	259,368	297,162
Total current liabilities	**876,693**	1,047,883	1,069,893
Long-term debt	**3,874,116**	2,772,240	2,777,072
Deferred income taxes, net	**1,053,415**	706,050	685,520
Deferred revenue	**168,138**	174,045	174,488
Noncurrent operating lease liabilities	**622,275**	399,582	407,336
Other noncurrent liabilities	**644,226**	559,775	547,872
Total liabilities	**$ 7,238,863**	$ 5,659,575	$ 5,662,181
Other commitments and contingencies (Note 8)			
Equity			
Common stock, $1 par value, Authorized 480,000 shares, Outstanding 132,704, 132,516 and 132,454 shares, respectively	**132,704**	132,516	132,454
Capital in excess of par value	**2,810,257**	2,802,012	2,797,222
Retained earnings	**3,659,657**	3,274,107	3,204,671
Accumulated other comprehensive loss	**(176,520)**	(181,305)	(205,995)
Total shareholders' equity	**6,426,098**	6,027,330	5,928,352
Noncontrolling interest	**23,041**	0	0
Total equity	**$ 6,449,139**	$ 6,027,330	$ 5,928,352
Total liabilities and equity	**$ 13,688,002**	$ 11,686,905	$ 11,590,533

The accompanying Notes to the Condensed Consolidated Financial Statements are an integral part of these statements.

VULCAN MATERIALS COMPANY AND SUBSIDIARY COMPANIES

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Unaudited	*Three Months Ended September 30*		*Nine Months Ended September 30*	
in thousands, except per share data	***2021***	*2020*	***2021***	*2020*
Total revenues	**$ 1,516,506**	$ 1,309,890	**$ 3,945,897**	$ 3,681,707
Cost of revenues	**1,122,445**	929,392	**2,924,206**	2,702,967
Gross profit	**394,061**	380,498	**1,021,691**	978,740
Selling, administrative and general expenses	**103,792**	83,511	**293,052**	261,146
Gain on sale of property, plant & equipment and businesses	**2,940**	1,576	**120,316**	2,317
Other operating expense, net	**(30,843)**	(10,459)	**(49,541)**	(20,610)
Operating earnings	**262,366**	288,104	**799,414**	699,301
Other nonoperating income, net	**3,152**	5,787	**17,288**	3,818
Interest expense, net	**36,776**	35,782	**111,589**	100,509
Earnings from continuing operations before income taxes	**228,742**	258,109	**705,113**	602,610
Income tax expense	**51,770**	56,984	**169,692**	130,530
Earnings from continuing operations	**176,972**	201,125	**535,421**	472,080
Loss on discontinued operations, net of tax	**(212)**	(1,337)	**(2,702)**	(2,118)
Net earnings	**176,760**	199,788	**532,719**	469,962
Loss attributable to noncontrolling interest	**146**	0	**146**	0
Net earnings attributable to Vulcan	**$ 176,906**	$ 199,788	**$ 532,865**	$ 469,962
Other comprehensive income (loss), net of tax				
Deferred loss on interest rate derivative	**0**	0	**0**	(14,679)
Amortization of prior interest rate derivative loss	**364**	350	**1,080**	1,338
Amortization of actuarial loss and prior service cost for benefit plans	**1,235**	1,695	**3,705**	5,085
Other comprehensive income (loss)	**1,599**	2,045	**4,785**	(8,256)
Comprehensive income	**178,359**	201,833	**537,504**	461,706
Comprehensive loss attributable to noncontrolling interest	**146**	0	**146**	0
Comprehensive income attributable to Vulcan	**$ 178,505**	$ 201,833	**$ 537,650**	$ 461,706
Basic earnings (loss) per share attributable to Vulcan				
Continuing operations	**$ 1.33**	$ 1.52	**$ 4.03**	$ 3.56
Discontinued operations	**0.00**	(0.01)	**(0.02)**	(0.01)
Net earnings	**$ 1.33**	$ 1.51	**$ 4.01**	$ 3.55
Diluted earnings (loss) per share attributable to Vulcan				
Continuing operations	**$ 1.33**	$ 1.51	**$ 4.01**	$ 3.54
Discontinued operations	**(0.01)**	(0.01)	**(0.02)**	(0.01)
Net earnings	**$ 1.32**	$ 1.50	**$ 3.99**	$ 3.53
Weighted-average common shares outstanding				
Basic	**132,810**	132,573	**132,780**	132,564
Assuming dilution	**133,544**	133,268	**133,480**	133,192
Effective tax rate from continuing operations	**22.6%**	22.1%	**24.1%**	21.7%

The accompanying Notes to the Condensed Consolidated Financial Statements are an integral part of these statements.

VULCAN MATERIALS COMPANY AND SUBSIDIARY COMPANIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Unaudited *in thousands*	*Nine Months Ended September 30* ***2021***	*2020*
Operating Activities		
Net earnings	**$ 532,719**	$ 469,962
Adjustments to reconcile net earnings to net cash provided by operating activities		
Depreciation, depletion, accretion and amortization	**320,992**	295,912
Noncash operating lease expense	**32,697**	27,820
Net gain on sale of property, plant & equipment and businesses	**(120,316)**	(2,317)
Contributions to pension plans	**(6,032)**	(6,540)
Share-based compensation expense	**25,200**	23,239
Deferred tax expense	**71,449**	50,346
Changes in assets and liabilities before initial effects of business acquisitions and dispositions	**(144,635)**	(76,545)
Other, net	**12,742**	(3,951)
Net cash provided by operating activities	**$ 724,816**	$ 777,926
Investing Activities		
Purchases of property, plant & equipment	**(318,620)**	(268,989)
Proceeds from sale of property, plant & equipment	**192,367**	9,440
Proceeds from sale of businesses	**0**	651
Payment for businesses acquired, net of acquired cash	**(1,634,492)**	(5,668)
Other, net	**161**	10,819
Net cash used for investing activities	**$ (1,760,584)**	$ (253,747)
Financing Activities		
Payment of current maturities and long-term debt	**(1,444,024)**	(250,018)
Proceeds from issuance of long-term debt	**1,600,000**	750,000
Debt issuance and exchange costs	**(13,286)**	(15,394)
Settlements of interest rate derivatives	**0**	(19,863)
Purchases of common stock	**0**	(26,132)
Dividends paid	**(147,267)**	(135,161)
Share-based compensation, shares withheld for taxes	**(15,776)**	(16,303)
Other, net	**(5,462)**	(1,084)
Net cash provided by (used for) financing activities	**$ (25,815)**	$ 286,045
Net increase (decrease) in cash and cash equivalents and restricted cash	**(1,061,583)**	810,224
Cash and cash equivalents and restricted cash at beginning of year	**1,198,013**	274,506
Cash and cash equivalents and restricted cash at end of period	**$ 136,430**	$ 1,084,730

The accompanying Notes to the Condensed Consolidated Financial Statements are an integral part of the statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

Vulcan Materials Company (the "Company," "Vulcan," "we," "our"), a New Jersey corporation, is one of the nation's largest suppliers of construction aggregates (primarily crushed stone, sand and gravel) and a major producer of asphalt mix and ready-mixed concrete.

We operate primarily in the United States and our principal product — aggregates — is used in virtually all types of public and private construction projects and in the production of asphalt mix and ready-mixed concrete. We serve markets in twenty-three states, the U.S. Virgin Islands, Washington D.C., and the local markets surrounding our operations in Quintana Roo, Mexico and British Columbia, Canada. Our primary focus is serving metropolitan markets in the United States that are expected to experience the most significant growth in population, households and employment. These three demographic factors are significant drivers of demand for aggregates. While aggregates is our focus and primary business, we produce and sell asphalt mix and/or ready-mixed concrete in our Alabama, Arizona, California, Maryland, New Jersey, New Mexico, New York, Oklahoma, Pennsylvania, Tennessee, Texas, Virginia, the U. S. Virgin Islands and Washington D.C. markets.

BASIS OF PRESENTATION

Our accompanying unaudited condensed consolidated financial statements were prepared in compliance with the instructions to Form 10-Q and Article 10 of Regulation S-X and thus do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America (GAAP) for complete financial statements. We prepared the accompanying condensed consolidated financial statements on the same basis as our annual financial statements, except for the adoption of new accounting standards as described in Note 17. Our Condensed Consolidated Balance Sheet as of December 31, 2020 was derived from the audited financial statement, but it does not include all disclosures required by GAAP. In the opinion of our management, the statements reflect all adjustments, including those of a normal recurring nature, necessary to present fairly the results of the reported interim periods. For further information, refer to the consolidated financial statements and footnotes included in our most recent Annual Report on Form 10-K.

Operating results for the three and nine month periods ended September 30, 2021 are not necessarily indicative of the results that may be expected for the year ending December 31, 2021, particularly in light of 1) our acquisition of U.S. Concrete in August 2021, and 2) the uncertainty over the economic and operational impacts of the current novel coronavirus (COVID-19) pandemic as construction activity continues to be impacted by capacity constraints (supply chain bottlenecks, labor shortages and transportation availability) and cost inflation. Additionally, period-over-period comparisons are significantly impacted by our acquisition of U.S. Concrete (see Note 16).

Our condensed consolidated financial statements reflect estimates and assumptions made by management that affect the reported amounts of assets, liabilities, revenues and expenses. The most significant estimates and assumptions included in the preparation of these financial statements are related to goodwill and long-lived asset impairments, business combinations and purchase price allocation (see Note 16 for our 2021 acquisition of U.S. Concrete), pension and other postretirement benefits, environmental compliance, claims and litigation including self-insurance, and income taxes. Events and changes in circumstances arising after September 30, 2021, will be reflected in management's estimates for future periods.

Due to the 2005 sale of our Chemicals business as described within this Note under the caption Discontinued Operations, the results of the Chemicals business are presented as discontinued operations in the accompanying Condensed Consolidated Statements of Comprehensive Income.

RESTRICTED CASH

Restricted cash primarily consists of cash proceeds from the sale of property held in escrow for the acquisition of replacement property under like-kind exchange agreements. The escrow accounts are administered by an intermediary. Cash restricted pursuant to like-kind exchange agreements remains restricted for a maximum of 180 days from the date of the property sale pending the acquisition of replacement property. Restricted cash may also include cash reserved by other contractual agreements (such as asset purchase agreements) for a specified purpose and therefore is not available for use for other purposes. Restricted cash is included with cash and cash equivalents in the accompanying Condensed Consolidated Statements of Cash Flows.

DISCONTINUED OPERATIONS

In 2005, we sold substantially all the assets of our Chemicals business to Basic Chemicals, a subsidiary of Occidental Chemical Corporation. The financial results of the Chemicals business are classified as discontinued operations in the accompanying Condensed Consolidated Statements of Comprehensive Income for all periods presented. Results from discontinued operations are as follows:

	Three Months Ended September 30		Nine Months Ended September 30	
in thousands	***2021***	*2020*	***2021***	*2020*
Discontinued Operations				
Pretax loss	**$ (292)**	$ (1,810)	**$ (3,650)**	$ (2,868)
Income tax benefit	**80**	473	**948**	750
Loss on discontinued operations, net of tax	**$ (212)**	$ (1,337)	**$ (2,702)**	$ (2,118)

Our discontinued operations include charges/credits related to general and product liability costs, including legal defense costs, and environmental remediation costs associated with our former Chemicals business (including certain matters as discussed in Note 8). There were no revenues from discontinued operations for the periods presented.

EARNINGS PER SHARE (EPS)

Earnings per share are computed by dividing net earnings by the weighted-average common shares outstanding (basic EPS) or weighted-average common shares outstanding assuming dilution (diluted EPS), as set forth below:

	Three Months Ended September 30		Nine Months Ended September 30	
in thousands	***2021***	*2020*	***2021***	*2020*
Weighted-average common shares outstanding	**132,810**	132,573	**132,780**	132,564
Dilutive effect of				
Stock-Only Stock Appreciation Rights	**303**	314	**308**	307
Other stock compensation plans	**431**	381	**392**	321
Weighted-average common shares outstanding, assuming dilution	**133,544**	133,268	**133,480**	133,192

All dilutive common stock equivalents are reflected in our earnings per share calculations. In periods of loss, shares that otherwise would have been included in our diluted weighted-average common shares outstanding computation would be excluded.

Antidilutive common stock equivalents are not included in our earnings per share calculations. The number of antidilutive common stock equivalents for which the exercise price exceeds the weighted-average market price is as follows:

	Three Months Ended September 30		Nine Months Ended September 30	
in thousands	***2021***	*2020*	***2021***	*2020*
Antidilutive common stock equivalents	**65**	146	**65**	269

NOTE 2: LEASES

Our portfolio of nonmineral leases is composed of leases for real estate (including office buildings, aggregates sales yards and terminals, and concrete and asphalt sites) and equipment (including railcars and rail track, barges, and office, plant and mobile equipment).

Lease right-of-use (ROU) assets and liabilities and the weighted-average lease terms and discount rates are as follows:

dollars in thousands	*Classification on the Balance Sheet*	***September 30 2021***	*December 31 2020*	*September 30 2020*
Assets				
Operating lease ROU assets		**$ 728,763**	$ 482,513	$ 483,659
Accumulated amortization		**(71,882)**	(59,385)	(52,432)
Operating leases, net	Operating lease right-of-use assets, net	**656,881**	423,128	431,227
Finance lease assets		**125,624**	7,796	7,003
Accumulated amortization		**(4,975)**	(1,640)	(1,148)
Finance leases, net	Property, plant & equipment, net	**120,649**	6,156	5,855
Total lease assets		**$ 777,530**	$ 429,284	$ 437,082
Liabilities				
Current				
Operating	Other current liabilities	**$ 48,727**	$ 36,969	$ 36,434
Finance	Other current liabilities	**38,395**	2,047	1,875
Noncurrent				
Operating	Noncurrent operating lease liabilities	**622,275**	399,582	407,336
Finance	Other noncurrent liabilities	**63,172**	4,139	4,000
Total lease liabilities		**$ 772,569**	$ 442,737	$ 449,645
Lease Term and Discount Rate				
Weighted-average remaining lease term (years)				
Operating leases		**21.0**	9.5	10.1
Finance leases		**3.4**	4.2	4.2
Weighted-average discount rate				
Operating leases		**3.9%**	3.6%	3.9%
Finance leases		**1.2%**	1.4%	1.5%

The increases in ROU assets and liabilities presented above primarily relate to the acquisition of U.S. Concrete (see Note 16 for additional information). Our lease agreements do not contain residual value guarantees, restrictive covenants or early termination options that we deem material. We have not sought or been granted any material lease concessions as a result of the COVID-19 pandemic.

The components of lease expense are as follows:

	Three Months Ended September 30		***Nine Months Ended September 30***	
in thousands	***2021***	*2020*	***2021***	*2020*
Lease Cost				
Finance lease cost				
Amortization of right-of-use assets	**$ 828**	$ 449	**$ 2,158**	$ 1,122
Interest on lease liabilities	**172**	27	**231**	75
Operating lease cost	**18,390**	14,837	**49,199**	43,177
Short-term lease cost [1]	**7,717**	7,787	**17,878**	24,507
Variable lease cost	**2,225**	3,236	**7,696**	10,141
Sublease income	**(668)**	(677)	**(2,325)**	(2,133)
Total lease cost	**$ 28,664**	$ 25,659	**$ 74,837**	$ 76,889

[1] *Our short-term lease cost includes the cost of leases with an initial term of one month or less.*

Cash paid for operating leases was $44,592,000 and $40,456,000 for the nine months ended September 30, 2021 and 2020, respectively. Cash paid for finance leases was $4,767,000 and $1,104,000 for the nine months ended September 30, 2021 and 2020, respectively.

NOTE 3: INCOME TAXES

Our estimated annual effective tax rate (EAETR) is based on full-year expectations of pretax earnings, statutory tax rates, permanent differences between book and tax accounting such as percentage depletion, and tax planning alternatives available in the various jurisdictions in which we operate. For interim financial reporting, we calculate our quarterly income tax provision in accordance with the EAETR. Each quarter, we update our EAETR based on our revised full-year expectation of pretax earnings and calculate the income tax provision so that the year-to-date income tax provision reflects the EAETR. Significant judgment is required in determining our EAETR.

In the third quarter of 2021, we recorded income tax expense from continuing operations of $51,770,000 compared to $56,984,000 in the third quarter of 2020. The decrease in tax expense was primarily related to a decrease in pretax earnings.

For the first nine months of 2021, we recorded income tax expense from continuing operations of $169,692,000 compared to $130,530,000 for the first nine months of 2020. The increase in tax expense was primarily related to an increase in pretax earnings and an increase in the Alabama net operating loss (NOL) valuation allowance as discussed below.

In February 2021, the Alabama Business Competitiveness Act (Act) was signed into law. This Act contained a provision requiring most taxpayers to change from a three-factor, double-weighted sales method to a single-sales factor method to apportion income to Alabama. This provision had the effect of significantly reducing our apportionment of income to Alabama, thereby further inhibiting our ability to utilize our Alabama NOL carryforward. As a result, we recorded a charge in the first quarter to increase the valuation allowance by $13,695,000. No other material tax impacts resulted from the enactment of this Act.

We recognize deferred tax assets and liabilities (which reflect our best assessment of the future taxes we will pay) based on the differences between the book basis and tax basis of assets and liabilities. Deferred tax assets represent items to be used as a tax deduction or credit in future tax returns while deferred tax liabilities represent items that will result in additional tax in future tax returns. A summary of our deferred tax assets and liabilities is included in Note 9 “Income Taxes” in our Annual Report on Form 10-K for the year ended December 31, 2020.

Each quarter we analyze the likelihood that our deferred tax assets will be realized. Realization of the deferred tax assets ultimately depends on the existence of sufficient taxable income of the appropriate character in either the carryback or carryforward period. A valuation allowance is recorded if, based on the weight of all available positive and negative evidence, it is more likely than not (a likelihood of more than 50%) that some portion, or all, of a deferred tax asset will not be realized. We project Alabama NOL carryforward deferred tax assets at December 31, 2021 of $63,221,000 against which we have a valuation allowance of $42,931,000 (after considering the Act). Almost all of the Alabama NOL carryforward would expire between 2023 and 2029 if not utilized.

We recognize a tax benefit associated with a tax position when, in our judgment, it is more likely than not that the position will be sustained based upon the technical merits of the position. For a tax position that meets the more likely than not recognition threshold, we measure the income tax benefit as the largest amount that we judge to have a greater than 50% likelihood of being realized. A liability is established for the unrecognized portion of any tax benefit. Our liability for unrecognized tax benefits is adjusted periodically due to changing circumstances, such as the progress of tax audits, case law developments and new or emerging legislation. While it is often difficult to predict the final outcome or the timing of resolution of any particular tax matter, we believe our liability for unrecognized tax benefits is appropriate.

NOTE 4: REVENUES

Revenues are measured as the amount of consideration we expect to receive in exchange for transferring goods or providing services. Sales and other taxes we collect are recorded as liabilities until remitted and thus are excluded from revenues. Costs to obtain and fulfill contracts (primarily asphalt construction paving contracts) are immaterial and are expensed as incurred when the expected amortization period is one year or less.

Our segment total revenues by geographic market (excluding the U.S. Concrete acquisition which is only presented by segment) for the three and nine month periods ended September 30, 2021 and 2020 are disaggregated as follows:

	Three Months Ended September 30, 2021				
in thousands	*Aggregates*	*Asphalt*	*Concrete*	*Calcium*	*Total*
Total Revenues by Geographic Market [1]					
East	**$ 362,913**	**$ 44,019**	**$ 63,137**	**$ 0**	**$ 470,069**
Gulf Coast	**616,832**	**52,601**	**19,688**	**1,474**	**690,595**
West	**159,334**	**124,032**	**14,696**	**0**	**298,062**
U.S. Concrete	**33,330**	**0**	**121,704**	**0**	**155,034**
Segment sales	**$ 1,172,409**	**$ 220,652**	**$ 219,225**	**$ 1,474**	**$ 1,613,760**
Intersegment sales	**(97,254)**				**(97,254)**
Total revenues	**$ 1,075,155**	**$ 220,652**	**$ 219,225**	**$ 1,474**	**$ 1,516,506**

	Three Months Ended September 30, 2020				
in thousands	*Aggregates*	*Asphalt*	*Concrete*	*Calcium*	*Total*
Total Revenues by Geographic Market [1]					
East	$ 360,985	$ 46,212	$ 73,181	$ 0	$ 480,378
Gulf Coast	535,215	55,894	18,889	1,354	611,352
West	152,762	133,095	10,737	0	296,594
Segment sales	$ 1,048,962	$ 235,201	$ 102,807	$ 1,354	$ 1,388,324
Intersegment sales	(78,434)	0	0	0	(78,434)
Total revenues	$ 970,528	$ 235,201	$ 102,807	$ 1,354	$ 1,309,890

	Nine Months Ended September 30, 2021				
in thousands	*Aggregates*	*Asphalt*	*Concrete*	*Calcium*	*Total*
Total Revenues by Geographic Market [1]					
East	**$ 960,679**	**$ 104,216**	**$ 184,492**	**$ 0**	**$ 1,249,387**
Gulf Coast	**1,743,200**	**140,088**	**55,714**	**5,494**	**1,944,496**
West	**455,476**	**336,092**	**34,874**	**0**	**826,442**
U.S. Concrete	**33,330**	**0**	**121,705**	**0**	**155,035**
Segment sales	**$ 3,192,685**	**$ 580,396**	**$ 396,785**	**$ 5,494**	**$ 4,175,360**
Intersegment sales	**(229,463)**				**(229,463)**
Total revenues	**$ 2,963,222**	**$ 580,396**	**$ 396,785**	**$ 5,494**	**$ 3,945,897**

	Nine Months Ended September 30, 2020				
in thousands	*Aggregates*	*Asphalt*	*Concrete*	*Calcium*	*Total*
Total Revenues by Geographic Market [1]					
East	$ 951,090	$ 102,053	$ 206,954	$ 0	$ 1,260,097
Gulf Coast	1,596,321	140,253	53,801	5,269	1,795,644
West	440,373	355,634	37,500	0	833,507
Segment sales	$ 2,987,784	$ 597,940	$ 298,255	$ 5,269	$ 3,889,248
Intersegment sales	(207,541)	0	0	0	(207,541)
Total revenues	$ 2,780,243	$ 597,940	$ 298,255	$ 5,269	$ 3,681,707

[1] *The geographic markets are defined by states/countries as follows:*

East market — Arkansas, Delaware, Illinois, Kentucky, Maryland, North Carolina, Pennsylvania, Tennessee, Virginia, and Washington D.C.
Gulf Coast market — Alabama, Florida, Georgia, Louisiana, Mississippi, Oklahoma, Quintana Roo (Mexico), South Carolina and Texas
West market — Arizona, California and New Mexico
U.S. Concrete — British Columbia (Canada), California, Hawaii, New Jersey, New York, Oklahoma, Pennsylvania, Texas, the U.S. Virgin Islands, and Washington D.C.

Total revenues are primarily derived from our product sales of aggregates (crushed stone, sand and gravel, sand and other aggregates), asphalt mix and ready-mixed concrete, and include freight & delivery costs that we pass along to our customers to deliver these products. We also generate service revenues from our asphalt construction paving business and service revenues related to our aggregates business, such as landfill tipping fees. Our total service revenues were $66,183,000 (4.4% of total revenues) and $63,347,000 (4.8% of total revenues) for the three months ended September 30, 2021 and 2020, respectively, and $168,201,000 (4.3% of total revenues) and $160,285,000 (4.4% of total revenues) for the nine months ended September 30, 2021 and 2020, respectively.

Our products typically are sold to private industry and not directly to governmental entities. Although approximately 45% to 55% of our aggregates shipments have historically been used in publicly-funded construction, such as highways, airports and government buildings, relatively insignificant sales are made directly to federal, state, county or municipal governments/agencies. Therefore, although reductions in state and federal funding can curtail publicly-funded construction, the vast majority of our aggregates business is not directly subject to renegotiation of profits or termination of contracts with state or federal governments.

PRODUCT REVENUES

Revenue is recognized when obligations under the terms of a contract with our customer are satisfied; generally this occurs at a point in time when our aggregates, asphalt mix and ready-mixed concrete are shipped/delivered and control passes to the customer. Revenue for our products is recorded at the fixed invoice amount and payment is due by the 15th day of the following month — we do not offer discounts for early payment.

Freight & delivery generally represents pass-through transportation we incur (including our administrative costs) and pay to third-party carriers to deliver our products to customers and are accounted for as a fulfillment activity. Likewise, the costs related to freight & delivery are included in cost of revenues.

Freight & delivery revenues are as follows:

	Three Months Ended September 30		***Nine Months Ended September 30***	
in thousands	***2021***	*2020*	***2021***	*2020*
Freight & Delivery Revenues				
Total revenues	**$ 1,516,506**	$ 1,309,890	**$ 3,945,897**	$ 3,681,707
Freight & delivery revenues [1]	**(206,127)**	(187,562)	**(564,595)**	(566,785)
Total revenues excluding freight & delivery	**$ 1,310,379**	$ 1,122,328	**$ 3,381,302**	$ 3,114,922

[1] *Includes freight & delivery to remote distribution sites.*

CONSTRUCTION PAVING SERVICE REVENUES

Revenue from our asphalt construction paving business is recognized over time using the percentage-of-completion method under the cost approach. The percentage of completion is determined by costs incurred to date as a percentage of total costs estimated for the project. Under this approach, recognized contract revenue equals the total estimated contract revenue multiplied by the percentage of completion. Our construction contracts are unit priced, and an account receivable is recorded for amounts invoiced based on actual units produced. Contract assets for estimated earnings in excess of billings, contract assets related to retainage provisions and contract liabilities for billings in excess of costs are immaterial. Variable consideration in our construction paving contracts is immaterial and consists of incentives and penalties based on the quality of work performed. Our construction paving contracts may contain warranty provisions covering defects in equipment, materials, design or workmanship that generally run from nine months to one year after project completion. Due to the nature of our construction paving projects, including contract owner inspections of the work during construction and prior to acceptance, we have not experienced material warranty costs for these short-term warranties.

VOLUMETRIC PRODUCTION PAYMENT DEFERRED REVENUES

In 2013 and 2012, we sold a percentage interest in certain future aggregates production for net cash proceeds of $226,926,000. These transactions, structured as volumetric production payments (VPPs):

- relate to eight quarries in Georgia and South Carolina
- provide the purchaser solely with a nonoperating percentage interest in the subject quarries' future aggregates production
- contain no minimum annual or cumulative guarantees by us for production or sales volume, nor minimum sales price
- are both volume and time limited (we expect the transactions will last approximately 20 years, limited by volume rather than time)

We are the exclusive sales agent for, and transmit quarterly to the purchaser the proceeds from the sale of, the purchaser's share of aggregates production. Our consolidated total revenues exclude the revenue from the sale of the purchaser's share of aggregates.

The proceeds we received from the sale of the percentage interest were recorded as deferred revenue on the balance sheet. We recognize revenue on a unit-of-sales basis (as we sell the purchaser's share of production) relative to the volume limitations of the transactions. Given the nature of the risks and potential rewards assumed by the buyer, the transactions do not reflect financing activities.

Reconciliation of the VPP deferred revenue balances (current and noncurrent) is as follows:

	Three Months Ended September 30		***Nine Months Ended September 30***	
in thousands	***2021***	*2020*	***2021***	*2020*
Deferred Revenue				
Balance at beginning of period	**$ 174,076**	$ 181,963	**$ 177,962**	$ 185,339
Revenue recognized from deferred revenue	**(2,022)**	(2,046)	**(5,908)**	(5,422)
Balance at end of period	**$ 172,054**	$ 179,917	**$ 172,054**	$ 179,917

Based on expected sales from the specified quarries, we expect to recognize $7,500,000 of VPP deferred revenue as income during the 12-month period ending September 30, 2022 (reflected in other current liabilities in our September 30, 2021 Condensed Consolidated Balance Sheet).

NOTE 5: FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels as described below:

Level 1: Quoted prices in active markets for identical assets or liabilities

Level 2: Inputs that are derived principally from or corroborated by observable market data

Level 3: Inputs that are unobservable and significant to the overall fair value measurement

Our assets subject to fair value measurement on a recurring basis are summarized below:

	Level 1 Fair Value		
in thousands	***September 30 2021***	*December 31 2020*	*September 30 2020*
Fair Value Recurring			
Rabbi Trust			
Mutual funds	**$ 30,489**	$ 28,058	$ 24,447
Total	**$ 30,489**	$ 28,058	$ 24,447

	Level 2 Fair Value		
in thousands	***September 30 2021***	*December 31 2020*	*September 30 2020*
Fair Value Recurring			
Rabbi Trust			
Money market mutual fund	**$ 1,303**	$ 837	$ 1,581
Total	**$ 1,303**	$ 837	$ 1,581

We have two Rabbi Trusts for the purpose of providing a level of security for the employee nonqualified retirement and deferred compensation plans and for the directors' nonqualified deferred compensation plans. The fair values of these investments are estimated using a market approach. The Level 1 investments include mutual funds for which quoted prices in active markets are available. Level 2 investments are stated at estimated fair value based on the underlying investments in the fund (high-quality, short-term, U.S. dollar-denominated money market instruments).

Net gains of the Rabbi Trusts' investments were $2,374,000 and $1,352,000 for the nine months ended September 30, 2021 and 2020, respectively. The portions of the net gains related to investments still held by the Rabbi Trusts at September 30, 2021 and 2020 were $2,020,000 and $1,360,000, respectively.

Interest rate swaps are measured at fair value using quoted market prices or pricing models that use prevailing market interest rates as of the measurement date. These interest rate swaps are more fully described in Note 6.

The carrying values of our cash equivalents, restricted cash, accounts and notes receivable, short-term debt, trade payables and accruals, and all other current liabilities approximate their fair values because of the short-term nature of these instruments. Additional disclosures for derivative instruments and interest-bearing debt are presented in Notes 6 and 7, respectively.

NOTE 6: DERIVATIVE INSTRUMENTS

During the normal course of operations, we are exposed to market risks including interest rates, foreign currency exchange rates and commodity prices. From time to time, we use derivative instruments to balance the cost and risk of such exposures. We do not use derivative instruments for trading or other speculative purposes.

In 2007, 2018 and 2020, we entered into interest rate locks of future debt issuances to hedge the risk of higher interest rates. These interest rate locks were designated as cash flow hedges. The gain/loss upon settlement of these interest rate hedges is deferred (recorded in accumulated other comprehensive income (AOCI)) and amortized to interest expense over the term of the related debt.

This amortization was reflected in the accompanying Condensed Consolidated Statements of Comprehensive Income as follows:

in thousands	*Location on Statement*	*Three Months Ended September 30* ***2021***	*2020*	*Nine Months Ended September 30* ***2021***	*2020*
Interest Rate Hedges					
Loss reclassified from AOCI	Interest expense	**$ (493)**	$ (473)	**$ (1,461)**	$ (1,810)

For the 12-month period ending September 30, 2022, we estimate that $2,028,000 of the $22,863,000 net of tax loss in AOCI will be reclassified to interest expense.

NOTE 7: DEBT

Debt is detailed as follows:

in thousands	*Effective Interest Rates*	***September 30 2021***	*December 31 2020*	*September 30 2020*
Short-term Debt				
Bank line of credit expires 2025 [1]		**$ 0**	$ 0	$ 0
Total short-term debt		**$ 0**	$ 0	$ 0
Long-term Debt				
Bank line of credit expires 2025 [1]		**$ 0**	$ 0	$ 0
Delayed draw term loan expires 2024	*1.21%*	**1,100,000**	0	0
Floating-rate notes due 2021		**0**	500,000	500,000
8.85% notes due 2021	*8.88%*	**6,000**	6,000	6,000
4.50% notes due 2025	*4.65%*	**400,000**	400,000	400,000
3.90% notes due 2027	*4.00%*	**400,000**	400,000	400,000
3.50% notes due 2030	*3.94%*	**750,000**	750,000	750,000
7.15% notes due 2037	*8.05%*	**129,239**	129,239	129,239
4.50% notes due 2047	*4.59%*	**700,000**	700,000	700,000
4.70% notes due 2048	*5.42%*	**460,949**	460,949	460,949
Other notes	*2.45%*	**11,020**	11,711	11,718
Total long-term debt - face value		**$ 3,957,208**	$ 3,357,899	$ 3,357,906
Unamortized discounts and debt issuance costs		**(70,864)**	(70,224)	(71,399)
Total long-term debt - book value		**$ 3,886,344**	$ 3,287,675	$ 3,286,507
Less current maturities		**12,228**	515,435	509,435
Total long-term debt - reported value		**$ 3,874,116**	$ 2,772,240	$ 2,777,072
Estimated fair value of long-term debt		**$ 4,442,119**	$ 3,443,225	$ 3,341,097

1 Borrowings on the bank line of credit are classified as short-term if we intend to repay within twelve months and as long-term if we have the intent and ability to extend payment beyond twelve months.

Discounts and debt issuance costs are amortized using the effective interest method over the terms of the respective notes resulting in $12,647,000 and $6,028,000 of net interest expense for these items for the nine months ended September 30, 2021 and 2020, respectively.

BRIDGE FACILITY, DELAYED DRAW TERM LOAN AND LINE OF CREDIT

In June 2021, concurrent with the announcement of the pending acquisition of U.S. Concrete (see Note 16 for additional information), we obtained a $2,200,000,000 bridge facility commitment from Truist Bank. Later, in June 2021, we entered into a $1,600,000,000 delayed draw term loan facility with a subset of the banks that provide our line of credit. The bridge facility commitment was terminated as a condition to the execution of the delayed draw term loan facility. The delayed draw term loan was drawn in August 2021 for $1,600,000,000 in connection with the acquisition of U.S. Concrete and was subsequently paid down to $1,100,000,000 prior to September 30, 2021. Any amounts repaid are no longer available for borrowing and outstanding borrowings are due August 2024. The delayed draw term loan contains covenants customary for an unsecured investment-grade facility and mirror those in our line of credit. As of September 30, 2021, we were in compliance with the delayed draw term loan covenants.

Financing costs for the bridge facility commitment and the delayed draw term loan facility totaled $13,316,000, $9,384,000 of which was recognized as interest expense in the second quarter of 2021. Borrowings on the delayed draw term loan bear interest, at our option, at either LIBOR plus a credit margin ranging from 0.875% to 1.375%, or Truist Bank's base rate (generally, its prime rate) plus a credit margin ranging from 0.000% to 0.375%. The credit margins and commitment fee are determined by our credit ratings. As of September 30, 2021, the credit margin for LIBOR borrowings was 1.000% and the credit margin for base rate borrowings was 0.000%.

In September 2020, we executed a new five-year unsecured line of credit of $1,000,000,000, incurring $4,632,000 of deferred transaction costs. The line of credit contains covenants customary for an unsecured investment-grade facility. As of September 30, 2021, we were in compliance with the line of credit covenants.

Borrowings on the line of credit bear interest, at our option, at either LIBOR plus a credit margin ranging from 1.000% to 1.625%, or Truist Bank's base rate (generally, its prime rate) plus a credit margin ranging from 0.000% to 0.625%. The credit margin for both LIBOR and base rate borrowings is determined by our credit ratings. Standby letters of credit, which are issued under the line of credit and reduce availability, are charged a fee equal to the credit margin for LIBOR borrowings plus 0.175%. We also pay a commitment fee on the daily average unused amount of the line of credit that ranges from 0.090% to 0.225% determined by our credit ratings. As of September 30, 2021, the credit margin for LIBOR borrowings was 1.125%, the credit margin for base rate borrowings was 0.125%, and the commitment fee for the unused amount was 0.100%.

As of September 30, 2021, our available borrowing capacity under the line of credit was $941,665,000. Utilization of the borrowing capacity was as follows:

- none was borrowed
- $58,335,000 was used to provide support for outstanding standby letters of credit

TERM DEBT

Essentially all of our $3,957,208,000 (face value) of term debt is unsecured. $2,846,188,000 of such debt is governed by three essentially identical indentures that contain customary investment-grade type covenants. As of September 30, 2021, we were in compliance with all term debt covenants.

In August 2021, we assumed $434,463,000 (fair value) of senior notes due 2029 in connection with the acquisition of U.S. Concrete and subsequently retired these notes in September 2021.

In May 2020, we issued $750,000,000 of 3.50% senior notes due 2030. Total proceeds were $741,417,000 (net of discounts and transaction costs). $250,000,000 of the proceeds were used to retire the $250,000,000 floating rate notes due June 2020. The remainder of the proceeds, together with cash on hand, was used to retire the $500,000,000 floating rate notes due March 2021.

STANDBY LETTERS OF CREDIT

We provide, in the normal course of business, certain third-party beneficiaries with standby letters of credit to support our obligations to pay or perform according to the requirements of an underlying agreement. Such letters of credit typically have an initial term of one year, typically renew automatically, and can only be modified or canceled with the approval of the beneficiary. Except for $24,850,000 of risk management letters of credit that expire in July 2022, our standby letters of credit are issued by banks that participate in our $1,000,000,000 line of credit, and reduce the borrowing capacity thereunder. Our standby letters of credit as of September 30, 2021 are summarized by purpose in the table below:

in thousands	
Standby Letters of Credit	
Risk management insurance	**$ 74,794**
Reclamation/restoration requirements	**8,391**
Total	**$ 83,185**

NOTE 8: COMMITMENTS AND CONTINGENCIES

Certain of our aggregates reserves are burdened by volumetric production payments (nonoperating interest) as described in Note 4. As the holder of the working interest, we have responsibility to bear the cost of mining and producing the reserves attributable to this nonoperating interest.

As stated in Note 2, our lease liabilities totaled $772,569,000 as of September 30, 2021.

As summarized by purpose in Note 7, our standby letters of credit totaled $83,185,000 as of September 30, 2021.

As described in Note 9, our asset retirement obligations totaled $298,332,000 as of September 30, 2021.

LITIGATION AND ENVIRONMENTAL MATTERS

We are subject to occasional governmental proceedings and orders pertaining to occupational safety and health or to protection of the environment, such as proceedings or orders relating to noise abatement, air emissions or water discharges. As part of our continuing program of stewardship in safety, health and environmental matters, we have been able to resolve such proceedings and to comply with such orders without any material adverse effects on our business.

We have received notices from the United States Environmental Protection Agency (EPA) or similar state or local agencies that we are considered a potentially responsible party (PRP) at a limited number of sites under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA or Superfund) or similar state and local environmental laws. Generally, we share the cost of remediation at these sites with other PRPs or alleged PRPs in accordance with negotiated or prescribed allocations. There is inherent uncertainty in determining the potential cost of remediating a given site and in determining any individual party's share in that cost. As a result, estimates can change substantially as additional information becomes available regarding the nature or extent of site contamination, remediation methods, other PRPs and their probable level of involvement, and actions by or against governmental agencies or private parties.

We have reviewed the nature and extent of our involvement at each Superfund site, as well as potential obligations arising under other federal, state and local environmental laws. While ultimate resolution and financial liability is uncertain at a number of the sites, in our opinion based on information currently available, the ultimate resolution of claims and assessments related to these sites will not have a material effect on our consolidated results of operations, financial position or cash flows, although amounts recorded in a given period could be material to our results of operations or cash flows for that period. Amounts accrued for environmental matters (measured on an undiscounted basis) are presented below:

in thousands	***September 30 2021***	*December 31 2020*	*September 30 2020*
Accrued Environmental Remediation Costs			
Continuing operations	**$ 25,414**	$ 25,544	$ 26,094
Retained from former Chemicals business	**10,696**	10,971	10,900
Total	**$ 36,110**	$ 36,515	$ 36,994

We are a defendant in various lawsuits in the ordinary course of business. It is not possible to determine with precision the outcome, or the amount of liability, if any, under these lawsuits, especially where the cases involve possible jury trials with as yet undetermined jury panels.

In addition to these lawsuits in which we are involved in the ordinary course of business, certain other material legal proceedings are more specifically described below:

- LOWER PASSAIC RIVER STUDY AREA (DISCONTINUED OPERATIONS and SUPERFUND SITE) — The Lower Passaic River Study Area is part of the Diamond Shamrock Superfund Site in New Jersey. Vulcan and approximately 70 other companies are parties (collectively the Cooperating Parties Group, CPG) to a May 2007 Administrative Order on Consent (AOC) with the EPA to perform a Remedial Investigation/Feasibility Study (draft RI/FS) of the lower 17 miles of the Passaic River (River). The draft RI/FS was submitted recommending a targeted hot spot remedy; however, the EPA issued a record of decision (ROD) in March 2016 that calls for a bank-to-bank dredging remedy for the lower 8 miles of the River. The EPA estimates that the cost of implementing this proposal is $1.38 billion. In September 2016, the EPA entered into an Administrative Settlement Agreement and Order on Consent with Occidental Chemical Corporation (Occidental) in which Occidental agreed to undertake the remedial design for this bank-to-bank dredging remedy and to reimburse the United States for certain response costs.

Efforts to investigate and remediate the River have been underway for many years and have involved hundreds of entities that have had operations on or near the River at some point during the past several decades. We formerly owned a chemicals operation near the mouth of the River, which was sold in 1974. The major risk drivers in the River have been identified to include dioxins, PCBs, DDx and mercury. We did not manufacture any of these risk drivers and have no evidence that any of these were discharged into the River by Vulcan.

In August 2017, the EPA informed certain members of the CPG, including Vulcan, that it planned to use the services of a third-party allocator with the expectation of offering cash-out settlements to some parties in connection with the bank-to-bank remedy identified in the ROD. This voluntary allocation process is intended to establish an impartial third-party expert recommendation that may be considered by the government and the participants as the basis of possible settlements, including settlements related to future remediation actions. The final allocation recommendations, which are subject to confidentiality provisions, were submitted to the EPA for its review and consideration in late December 2020. Certain PRPs, including Vulcan, have since received a joint confidential settlement demand from the EPA/DOJ. The demand will be subject to further negotiation. If the PRPs who received the joint confidential settlement demand use the allocator's recommendation as the basis to allocate the demand amongst themselves, Vulcan's portion would be within the immaterial loss recorded for this matter in 2015.

In July 2018, Vulcan, along with more than one hundred other defendants, was sued by Occidental in United States District Court for the District of New Jersey, Newark Vicinage. Occidental is seeking cost recovery and contribution under CERCLA. It is unknown at this time how the proposed settlement with the EPA/DOJ would affect the Occidental lawsuit.

- TEXAS BRINE MATTER (DISCONTINUED OPERATIONS) — During the operation of its former Chemicals Division, Vulcan secured the right to mine salt out of an underground salt dome formation in Assumption Parish, Louisiana from 1976 - 2005. Throughout that period, the Texas Brine Company (Texas Brine) was the operator contracted by Vulcan (and later Occidental Chemical Company (Occidental)) to mine and deliver the salt. We sold our Chemicals Division in 2005 and transferred our rights and interests related to the salt and mining operations to the purchaser, a subsidiary of Occidental, and we have had no association with the leased premises or Texas Brine since that time. In August 2012, a sinkhole developed in the vicinity of the Texas Brine mining operations, and numerous lawsuits were filed in state court in Assumption Parish, Louisiana. Other lawsuits, including class action litigation, were also filed in federal court before the Eastern District of Louisiana in New Orleans.

There have been numerous defendants, including Texas Brine and Occidental, to the litigation in state and federal court. Vulcan was first brought into the litigation as a third-party defendant in August 2013 by Texas Brine. We have since been added as a direct and third-party defendant by other parties, including a direct claim by the state of Louisiana. Damage categories encompassed within the litigation include, but are not limited to, individual plaintiffs' claims for property damage; a claim by the state of Louisiana for response costs and civil penalties; claims by Texas Brine for past and future response costs, lost profits and investment costs, indemnity payments, attorneys' fees, other litigation costs and judicial interests; claims for physical damages to nearby oil and gas pipelines and storage facilities (pipelines); and business interruption claims.

In addition to the plaintiffs' claims, we were also sued for contractual indemnity and comparative fault by both Texas Brine and Occidental. It is alleged that the sinkhole was caused, in whole or in part, by our negligent or fraudulent actions or failure to act. It is also alleged that we breached the salt lease with Occidental, as well as an operating agreement and related contracts with Texas Brine; that we are strictly liable for certain property damages in our capacity as a former lessee of the salt lease; and that we violated certain covenants and conditions in the agreement under which we sold our Chemicals Division to Occidental. We likewise made claims for contractual indemnity and on a basis of comparative fault against Texas Brine and Occidental. Vulcan and Occidental have since dismissed all of their claims against one another. Texas Brine has claims that remain pending against Vulcan and against Occidental.

A joint bench trial (judge only) began in September 2017 and ended in October 2017 in the pipeline cases. The trial was limited in scope to the allocation of comparative fault or liability for causing the sinkhole, with a second trial phase addressed to contract and damages to be held at a later date. In December 2017, the judge issued a ruling on the allocation of fault among the three defendants as follows: Occidental 50%, Texas Brine 35% (and its wholly-owned subsidiary) and Vulcan 15%. This ruling was appealed by the parties in each of the pipeline cases. In December 2020, the Louisiana Court of Appeal, First Circuit issued its Notice of Judgment and Disposition in one of the pipeline cases reversing in part and amending the trial court judgment to reallocate 20% of the fault from Occidental to Texas Brine, with the result that 30% of the fault is now allocated to Occidental and 55% of the fault is now allocated to Texas Brine (and its wholly-owned subsidiary). The Court of Appeal affirmed the 15% fault allocation to Vulcan. The Court of Appeal made various other findings, including findings related to the arbitrability of certain claims between Occidental and Texas Brine.

In March 2021, Texas Brine and Vulcan each filed a writ application with the Louisiana Supreme Court seeking review of various portions of the lower court decision, including fault allocations. In May 2021, the Court of Appeal issued a ruling in one of the other two pipeline cases, assigning the same allocation of fault between the parties. The Louisiana Supreme Court denied the parties' March 2021 writ applications in one of the three pipeline cases; however, related appeal and writ proceedings remain pending.

We have settled claims by all plaintiffs except in two outstanding cases, and our insurers to date have funded these settlements in excess of our self-insured retention amount. The remaining claims involve Texas Brine and the State of Louisiana. Discovery remains ongoing and we cannot reasonably estimate a range of liability pertaining to these open cases at this time.

- NEW YORK WATER DISTRICT CASES (DISCONTINUED OPERATIONS) — During the operation of our former Chemicals Division, which was divested to Occidental in 2005, Vulcan manufactured a chlorinated solvent known as 1,1,1-trichloroethane. We are a defendant in 27 cases allegedly involving 1,1,1-trichloroethane. All of the cases are filed in the United States District Court for the Eastern District of New York. According to the various complaints, the plaintiffs are public drinking water providers who serve customers in seven New York counties (Nassau, Orange, Putnam, Sullivan, Ulster, Washington and Westchester). It is alleged that our 1,1,1-trichloroethane was stabilized with 1,4-dioxane and that various water wells of the plaintiffs are contaminated with 1,4-dioxane. The plaintiffs are seeking unspecified compensatory and punitive damages. We will vigorously defend the cases. At this time we cannot determine the likelihood or reasonably estimate a range of loss, if any, pertaining to the cases.

- HEWITT LANDFILL MATTER (SUPERFUND SITE) — In September 2015, the Los Angeles Regional Water Quality Control Board (RWQCB) issued a Cleanup and Abatement Order directing Vulcan to assess, monitor, cleanup and abate wastes that have been discharged to soil, soil vapor, and/or groundwater at the former Hewitt Landfill in Los Angeles.

Following an onsite and offsite investigation and pilot scale testing, the RWQCB approved a corrective action that includes leachate recovery, storm water capture and conveyance improvements, and a groundwater pump, treat and reinjection system. Certain on-site source control measures have been implemented and the new treatment system is fully operational. Currently-anticipated costs of these on-site source control activities have been fully accrued.

We are also engaged in an ongoing dialogue with the EPA, Honeywell, and the Los Angeles Department of Water and Power (LADWP) regarding the potential contribution of the Hewitt Landfill to groundwater contamination in the North Hollywood Operable Unit (NHOU) of the San Fernando Valley Superfund Site.

The EPA and Vulcan entered into an AOC and Statement of Work having an effective date of September 2017 for the design of two extraction wells south of the Hewitt Landfill to protect the North Hollywood West (NHW) well field located within the NHOU. In November 2017, we submitted a Pre-Design Investigation (PDI) Work Plan to the EPA, which sets forth the activities and schedule for collection of data in support of our evaluation of the need for an offsite remedy. In addition, this evaluation was expanded as part of the PDI to include the evaluation of a remedy in light of a new project by LADWP at the Rinaldi-Toluca (RT) wellfield. PDI investigative activities were completed between the first and third quarters of 2018, and in December 2018 we submitted a Draft PDI Evaluation Report to the EPA. The PDI Evaluation Report summarizes data collection activities conducted pursuant to the Draft PDI Work Plan and provides model updates and evaluation of remediation alternatives for offsite areas. The EPA provided an initial set of comments on the Draft PDI Evaluation Report in May 2019 and a final set of comments in October 2020. The final set of comments includes a request for Vulcan to revise and develop a final PDI Evaluation Report. The final comments further provide, if Vulcan agrees, a proposal for an alternative approach for offsite remediation (as opposed to installation of offsite extraction wells) and development of a Supplemental PDI Evaluation Report that would require the EPA to modify the remedy in the 2009 ROD as it relates to the Hewitt Landfill. In December 2020, Vulcan submitted the Final PDI Evaluation Report, which includes edits to the Draft PDI Evaluation Report and responses to the EPA's comments. Until the EPA's review and approval of the Final PDI Evaluation Report and any Supplemental PDI Evaluation Report on remedial alternative(s) is complete and an effective remedy has been selected by the EPA or agreed upon, we cannot identify an appropriate remedial action that will be required under the AOC. Given the various stakeholders involved and the uncertainties relating to remediation alternatives, we cannot reasonably estimate a loss pertaining to Vulcan's responsibility for future remedial action required by the EPA.

In December 2019, Honeywell agreed with LADWP to build a water treatment system (often referred to as the Cooperative Containment Concept or CCC or the second interim remedy) that will provide treated groundwater in the NHOU to LADWP for public water supply purposes. Honeywell contends that some of the contamination to be remediated by the system it will build originated from the Hewitt Landfill, and that Vulcan should fund some portion of the costs that Honeywell has incurred and will incur in developing the second interim remedy. During the third quarter 2020, Vulcan recorded an immaterial accrual related to Honeywell's contribution claim for certain types of cost incurred. We are also gathering and analyzing data and developing technical information to determine the extent of possible contribution by the Hewitt Landfill to the groundwater contamination in the area. This work is also intended to assist in identification of other PRPs that may have contributed to groundwater contamination in the area. At this time, we cannot reasonably estimate a range of an additional loss to Vulcan pertaining to this contribution claim.

Further, LADWP has announced plans to install new treatment capabilities at two city wellfields located near the Hewitt Landfill — the NHW wellfield and the RT wellfield. LADWP has alleged that the Hewitt Landfill is one of the primary PRPs for the contamination at the NHW wellfield and is one of many PRPs for the contamination at the RT wellfield. We are gathering and analyzing data and developing technical information to determine the extent of possible contribution by the Hewitt Landfill to the groundwater contamination in the area, consistent with the parallel request by the EPA. This work is also intended to assist in identification of other PRPs that may have contributed to groundwater contamination in the area. Vulcan is also seeking access to LADWP's list of PRPs. At this time, we cannot reasonably estimate a range of a loss to Vulcan pertaining to this contribution claim.

- NAFTA ARBITRATION — In September 2018, our subsidiary Legacy Vulcan, LLC (Legacy Vulcan), on its own behalf, and on behalf of our Mexican subsidiary Calizas Industriales del Carmen, S.A. de C.V. (Calica), served the United Mexican States (Mexico) a Notice of Intent to Submit a Claim to Arbitration under Chapter 11 of the North American Free Trade Agreement (NAFTA). Our NAFTA claim relates to the treatment of a portion of our quarrying operations in Playa del Carmen (Cancun), Mexico, arising from, among other measures, Mexico's failure to comply with a legally binding zoning agreement and relates to other unfair, arbitrary and capricious actions by Mexico's environmental enforcement agency. We assert that these actions are in breach of Mexico's international obligations under NAFTA and international law.

  As required by Article 1118 of NAFTA, we sought to settle this dispute with Mexico through consultations. Notwithstanding our good faith efforts to resolve the dispute amicably, we were unable to do so and filed a Request for Arbitration, which we filed with the International Centre for Settlement of Investment Disputes (ICSID) in December 2018. In January 2019, ICSID registered our Request for Arbitration.

  We expect that the NAFTA arbitration will be concluded in the second half of 2022. At this time, there can be no assurance whether we will be successful in our NAFTA claim, and we cannot quantify the amount we may recover, if any, under this arbitration proceeding if we were successful.

It is not possible to predict with certainty the ultimate outcome of these and other legal proceedings in which we are involved, and a number of factors, including developments in ongoing discovery or adverse rulings, or the verdict of a particular jury, could cause actual losses to differ materially from accrued costs. No liability was recorded for claims and litigation for which a loss was determined to be only reasonably possible or for which a loss could not be reasonably estimated. Legal costs incurred in defense of lawsuits are expensed as incurred. In addition, losses on certain claims and litigation described above may be subject to limitations on a per occurrence basis by excess insurance, as described in our most recent Annual Report on Form 10-K.

NOTE 9: ASSET RETIREMENT OBLIGATIONS

Asset retirement obligations (AROs) are legal obligations associated with the retirement of long-lived assets resulting from the acquisition, construction, development and/or normal use of the underlying assets, including legal obligations for land reclamation at both owned properties and mineral leases. Recognition of a liability for an ARO is required in the period in which it is incurred at its estimated fair value. The associated asset retirement costs are capitalized as part of the carrying amount of the underlying asset and depreciated over the estimated useful life of the asset. The liability is accreted through charges to operating expenses. If the ARO is settled for other than the carrying amount of the liability, we recognize a gain or loss on settlement.

ARO operating costs related to accretion of the liabilities and depreciation of the assets are as follows:

	Three Months Ended September 30		***Nine Months Ended September 30***	
in thousands	***2021***	*2020*	***2021***	*2020*
ARO Operating Costs				
Accretion	**$ 3,341**	$ 3,115	**$ 9,796**	$ 9,270
Depreciation	**2,916**	2,123	**8,241**	6,022
Total	**$ 6,257**	$ 5,238	**$ 18,037**	$ 15,292

ARO operating costs are reported in cost of revenues. AROs are reported within other noncurrent liabilities in our accompanying Condensed Consolidated Balance Sheets.

Reconciliations of the carrying amounts of our AROs are as follows:

	Three Months Ended September 30		***Nine Months Ended September 30***	
in thousands	***2021***	*2020*	***2021***	*2020*
Asset Retirement Obligations				
Balance at beginning of period	**$ 286,435**	$ 263,748	**$ 283,163**	$ 210,323
Liabilities incurred	**10,712**	353	**11,650**	353
Liabilities settled	**(5,321)**	(2,459)	**(10,274)**	(11,047)
Accretion expense	**3,341**	3,115	**9,796**	9,270
Revisions, net	**3,165**	(5,809)	**3,997**	50,049
Balance at end of period	**$ 298,332**	$ 258,948	**$ 298,332**	$ 258,948

ARO liabilities incurred during 2021 primarily relate to those assumed in the acquisition of U.S. Concrete (see Note 16). ARO revisions during the first nine months of 2020 primarily include increases in estimated costs at two aggregates locations, including reclamation activities required under a development agreement at an aggregates site on owned property in Southern California. The reclamation required under the development agreement will result in the restoration of previously mined property to conditions suitable for retail and commercial development.

NOTE 10: BENEFIT PLANS

PENSION PLANS

We sponsor two qualified, noncontributory defined benefit pension plans, the Vulcan Materials Company Pension Plan (VMC Pension Plan) and the CMG Hourly Pension Plan (CMG Pension Plan). The VMC Pension Plan has been closed to new entrants since 2007 and benefit accruals, based on salaries or wages and years of service, ceased in 2005 for hourly participants and 2013 for salaried participants. The CMG Pension Plan is closed to new entrants other than through one small union and benefits continue to accrue equal to a flat dollar amount for each year of service. In addition to these qualified plans, we sponsor three unfunded, nonqualified pension plans.

The following table sets forth the components of net periodic pension benefit cost:

PENSION BENEFITS	*Three Months Ended September 30*		*Nine Months Ended September 30*	
in thousands	***2021***	*2020*	***2021***	*2020*
Components of Net Periodic Benefit Cost				
Service cost	**$ 1,193**	$ 1,331	**$ 3,580**	$ 3,993
Interest cost	**4,879**	7,531	**14,638**	22,593
Expected return on plan assets	**(11,375)**	(12,485)	**(34,125)**	(37,454)
Amortization of prior service cost	**337**	335	**1,010**	1,005
Amortization of actuarial loss	**2,178**	3,140	**6,535**	9,419
Net periodic pension benefit credit	**$ (2,788)**	$ (148)	**$ (8,362)**	$ (444)
Pretax reclassifications from AOCI included in net periodic pension benefit cost	**$ 2,515**	$ 3,475	**$ 7,545**	$ 10,424

The contributions to pension plans for the nine months ended September 30, 2021 and 2020, as reflected on the Condensed Consolidated Statements of Cash Flows, pertain to benefit payments under nonqualified plans for both periods.

Subsequent to September 30, 2021, we purchased (using pension plan assets) an irrevocable group annuity contract from an insurance company to transfer $87,660,000 of our outstanding defined pension benefit obligations (PBO), representing approximately 10% of the total PBO as of the purchase date. As a result of this transaction, we were relieved of all responsibility for these pension obligations and the insurance company is now required to pay and administer the retirement benefits owed to 2,764 U.S. retirees and beneficiaries (representing approximately 50% of retirees currently in payment status), with no change to the amount, timing or form of monthly retirement benefit payments.

POSTRETIREMENT PLANS

In addition to pension benefits, we provide certain healthcare and life insurance benefits for some retired employees. In 2012, we amended our postretirement healthcare plan to cap our portion of the medical coverage cost at the 2015 level. Substantially all our salaried employees and, where applicable, certain of our hourly employees may become eligible for these benefits if they reach a qualifying age and meet certain service requirements. Generally, Company-provided healthcare benefits end when covered individuals become eligible for Medicare benefits, become eligible for other group insurance coverage or reach age 65, whichever occurs first.

The following table sets forth the components of net periodic other postretirement benefit cost:

OTHER POSTRETIREMENT BENEFITS	*Three Months Ended September 30*		*Nine Months Ended September 30*	
in thousands	***2021***	*2020*	***2021***	*2020*
Components of Net Periodic Benefit Cost				
Service cost	**$ 265**	$ 380	**$ 795**	$ 1,140
Interest cost	**107**	242	**319**	727
Amortization of prior service credit	**(476)**	(980)	**(1,429)**	(2,939)
Amortization of actuarial gain	**(367)**	(201)	**(1,101)**	(604)
Net periodic postretirement benefit credit	**$ (471)**	$ (559)	**$ (1,416)**	$ (1,676)
Pretax reclassifications from AOCI included in net periodic postretirement benefit credit	**$ (843)**	$ (1,181)	**$ (2,530)**	$ (3,543)

DEFINED CONTRIBUTION PLANS

In addition to our pension and postretirement plans, we sponsor five defined contribution plans including three plans related to the U.S. Concrete acquisition. Substantially all salaried and nonunion hourly employees are eligible to be covered by one of these plans. Under these plans, we match employees' eligible contributions at established rates. Expense recognized in connection with these matching obligations totaled $14,877,000 and $13,707,000 for the three months ended September 30, 2021 and 2020, respectively, and totaled $49,899,000 and $37,574,000 for the nine months ended September 30, 2021 and 2020, respectively.

NOTE 11: OTHER COMPREHENSIVE INCOME

Comprehensive income comprises two subsets: net earnings and other comprehensive income (OCI). The components of OCI are presented in the accompanying Condensed Consolidated Statements of Comprehensive Income, net of applicable taxes.

Amounts in accumulated other comprehensive income (AOCI), net of tax, are as follows:

in thousands	***September 30 2021***	*December 31 2020*	*September 30 2020*
AOCI			
Interest rate hedges	**$ (22,863)**	$ (23,943)	$ (24,294)
Pension and postretirement plans	**(153,657)**	(157,362)	(181,701)
Total	**$ (176,520)**	$ (181,305)	$ (205,995)

Changes in AOCI, net of tax, for the nine months ended September 30, 2021 are as follows:

in thousands	*Interest Rate Hedges*	*Pension and Postretirement Benefit Plans*	*Total*
AOCI			
Balances as of December 31, 2020	$ (23,943)	$ (157,362)	$ (181,305)
Amounts reclassified from AOCI	1,080	3,705	4,785
Net current period OCI changes	1,080	3,705	4,785
Balances as of September 30, 2021	**$ (22,863)**	**$ (153,657)**	**$ (176,520)**

Amounts reclassified from AOCI to earnings, are as follows:

	Three Months Ended September 30		***Nine Months Ended September 30***	
in thousands	***2021***	*2020*	***2021***	*2020*
Amortization of Interest Rate Hedge Losses				
Interest expense	**$ 493**	$ 473	**$ 1,461**	$ 1,810
Benefit from income taxes	**(129)**	(123)	**(381)**	(472)
Total	**$ 364**	$ 350	**$ 1,080**	$ 1,338
Amortization of Pension and Postretirement Plan Actuarial Loss and Prior Service Cost				
Other nonoperating expense	**$ 1,671**	$ 2,294	**$ 5,014**	$ 6,881
Benefit from income taxes	**(436)**	(599)	**(1,309)**	(1,796)
Total	**$ 1,235**	$ 1,695	**$ 3,705**	$ 5,085
Total reclassifications from AOCI to earnings	**$ 1,599**	$ 2,045	**$ 4,785**	$ 6,423

NOTE 12: EQUITY

Our capital stock consists solely of common stock, par value $1.00 per share, of which 480,000,000 shares may be issued. Holders of our common stock are entitled to one vote per share. We may also issue 5,000,000 shares of preferred stock, but no shares have been issued. The terms and provisions of such shares will be determined by our Board of Directors upon any issuance of preferred shares in accordance with our Certificate of Incorporation.

There were no shares held in treasury as of September 30, 2021, December 31, 2020 and September 30, 2020.

Our common stock purchases (all of which were open market purchases) and subsequent retirements for the year-to-date periods ended are as follows:

in thousands, except average cost	***September 30 2021***	*December 31 2020*	*September 30 2020*
Shares Purchased and Retired			
Number	**0**	214	214
Total purchase price	**$ 0**	$ 26,132	$ 26,132
Average cost per share	**$ 0.00**	$ 121.92	$ 121.92

As of September 30, 2021, 8,064,851 shares may be purchased under the current authorization of our Board of Directors.

Changes in total shareholders' equity are summarized below:

	Three Months Ended September 30		***Nine Months Ended September 30***	
in thousands, except per share data	***2021***	*2020*	***2021***	*2020*
Total Shareholders' Equity				
Balance at beginning of period	**$ 6,293,113**	$ 5,764,151	**$ 6,027,330**	$ 5,621,857
Net earnings attributable to Vulcan	**176,906**	199,788	**532,865**	469,962
Common stock issued				
Share-based compensation plans, net of shares withheld for taxes	**(3,938)**	(617)	**(16,815)**	(17,157)
Purchase and retirement of common stock	**0**	0	**0**	(26,132)
Share-based compensation expense	**7,512**	8,019	**25,200**	23,239
Cash dividends on common stock ($0.37/$0.34/$1.11/$1.02 per share, respectively)	**(49,094)**	(45,034)	**(147,267)**	(135,161)
Other comprehensive income (expense)	**1,599**	2,045	**4,785**	(8,256)
Balance at end of period	**$ 6,426,098**	$ 5,928,352	**$ 6,426,098**	$ 5,928,352

Total equity as presented in the Condensed Consolidated Balance Sheet for the period ending September 30, 2021 includes a noncontrolling interest of $23,041,000 representing the unowned portion of subsidiaries. In August 2021, we obtained (via the U.S. Concrete acquisition, see Note 16) the controlling interest in a subsidiary. Through our ownership of Polaris Materials Corp. (Polaris), we hold an 88% interest in the Orca Sand and Gravel Limited Partnership (Orca). Orca was formed to develop the Orca quarry in British Columbia, Canada, with the remaining 12% noncontrolling interest held by the Namgis First Nation (Namgis). Noncontrolling interest consists of the Namgis's share of the fair value equity in the partnership offset by capital contributions loaned to the Namgis by Polaris. Our condensed consolidated financial statements recognize the full fair value of all of the subsidiary's assets and liabilities offset by the noncontrolling interest in total equity.

NOTE 13: SEGMENT REPORTING

We have four operating (and reportable) segments organized around our principal product lines: Aggregates, Asphalt, Concrete and Calcium. The vast majority of our activities are domestic. We sell a relatively small amount of construction aggregates outside the United States. Our Asphalt and Concrete segments are primarily supplied with their aggregates requirements from our Aggregates segment. These intersegment sales are made at local market prices for the particular grade and quality of product used in the production of asphalt mix and ready-mixed concrete and are excluded from total revenues. Management reviews earnings from the product line reporting segments principally at the gross profit level.

SEGMENT FINANCIAL DISCLOSURE

	Three Months Ended September 30		*Nine Months Ended September 30*	
in thousands	***2021***	*2020*	***2021***	*2020*
Total Revenues				
Aggregates [1]	**$ 1,172,409**	$ 1,048,962	**$ 3,192,685**	$ 2,987,784
Asphalt [2]	**220,652**	235,201	**580,396**	597,940
Concrete	**219,225**	102,807	**396,785**	298,255
Calcium	**1,474**	1,354	**5,494**	5,269
Segment sales	**$ 1,613,760**	$ 1,388,324	**$ 4,175,360**	$ 3,889,248
Aggregates intersegment sales	**(97,254)**	(78,434)	**(229,463)**	(207,541)
Total revenues	**$ 1,516,506**	$ 1,309,890	**$ 3,945,897**	$ 3,681,707
Gross Profit				
Aggregates	**$ 372,346**	$ 337,891	**$ 969,817**	$ 883,184
Asphalt	**7,075**	30,217	**17,616**	58,246
Concrete	**14,301**	12,157	**32,362**	35,597
Calcium	**339**	233	**1,896**	1,713
Total	**$ 394,061**	$ 380,498	**$ 1,021,691**	$ 978,740
Depreciation, Depletion, Accretion and Amortization (DDA&A)				
Aggregates	**$ 93,344**	$ 82,487	**$ 258,480**	$ 240,370
Asphalt	**8,956**	8,644	**27,111**	26,046
Concrete	**8,655**	3,987	**16,633**	12,070
Calcium	**38**	49	**116**	146
Other	**6,524**	5,795	**18,652**	17,280
Total	**$ 117,517**	$ 100,962	**$ 320,992**	$ 295,912
Identifiable Assets [3]				
Aggregates			**$ 10,940,545**	$ 9,497,041
Asphalt			**617,794**	559,416
Concrete			**1,720,748**	315,349
Calcium			**3,896**	3,611
Total identifiable assets			**$ 13,282,983**	$ 10,375,417
General corporate assets			**268,589**	130,386
Cash and cash equivalents and restricted cash			**136,430**	1,084,730
Total assets			**$ 13,688,002**	$ 11,590,533

[1] *Includes product sales (crushed stone, sand and gravel, sand, and other aggregates), as well as freight & delivery costs that we pass along to our customers, and service revenues (see Note 4) related to aggregates.*

[2] *Includes product sales, as well as service revenues (see Note 4) from our asphalt construction paving business.*

[3] *Certain temporarily idled assets are included within a segment's Identifiable Assets but the associated DDA&A is shown within Other in the DDA&A section above as the related DDA&A is excluded from segment gross profit.*

NOTE 14: SUPPLEMENTAL CASH FLOW INFORMATION

Supplemental information referable to our Condensed Consolidated Statements of Cash Flows is summarized below:

	Nine Months Ended September 30	
in thousands	***2021***	*2020*
Cash Payments		
Interest (exclusive of amount capitalized)	**$ 81,474**	$ 75,058
Income taxes	**122,069**	72,544
Noncash Investing and Financing Activities		
Accrued liabilities for purchases of property, plant & equipment	**$ 27,486**	$ 16,765
Recognition of new and revised asset retirement obligations (AROs)	**15,647**	50,402
Recognition of new and revised right-of-use (ROU) assets for [1]		
Operating lease liabilities	**272,566**	46,979
Finance lease liabilities	**117,841**	5,817
Amounts referable to business acquisitions (excluding AROs and ROU assets)		
Liabilities assumed (excluding lease liabilities)	**687,561**	5,637
Consideration payable to seller	**0**	8,980
Fair value of noncash assets and liabilities exchanged	**0**	21,214
Debt issued for purchases of property, plant & equipment	**0**	2,571

[1] *The 2021 amounts include leases assumed in the acquisition of U.S. Concrete (see Note 16).*

NOTE 15: GOODWILL

Goodwill is recognized when the consideration paid for a business exceeds the fair value of the tangible and identifiable intangible assets acquired. Goodwill is allocated to reporting units for purposes of testing goodwill for impairment. There were no charges for goodwill impairment in the nine month periods ended September 30, 2021 and 2020. Accumulated goodwill impairment losses amount to $252,664,000 (year 2008) in the Calcium segment.

We have four reportable segments organized around our principal product lines: Aggregates, Asphalt, Concrete and Calcium. Changes in the carrying amount of goodwill by reportable segment from December 31, 2020 to September 30, 2021 are shown below:

in thousands	*Aggregates*	*Asphalt*	*Concrete*	*Calcium*	*Total*
Goodwill					
Totals at December 31, 2020	$ 3,080,479	$ 91,633	$ 0	$ 0	$ 3,172,112
Goodwill of acquired businesses [1]	185,981		316,670		502,651
Totals at September 30, 2021	**$ 3,266,460**	**$ 91,633**	**$ 316,670**	**$ 0**	**$ 3,674,763**

[1] *See Note 16 for a summary of the current year acquisitions.*

We test goodwill for impairment on an annual basis or more frequently if events or circumstances change in a manner that would more likely than not reduce the fair value of a reporting unit below its carrying value. A decrease in the estimated fair value of one or more of our reporting units could result in the recognition of a material, noncash write-down of goodwill.

NOTE 16: ACQUISITIONS AND DIVESTITURES

BUSINESS ACQUISITIONS

2021 BUSINESS ACQUISITIONS — On August 26, 2021, we purchased the following operations in connection with the acquisition of U.S. Concrete, Inc. (NASDAQ: USCR) for total consideration of $1,634,492,000, net of cash acquired:

- British Columbia, Canada — aggregates and aggregates blue-water transportation operations
- California — aggregates distribution terminals and concrete operations
- New Jersey — aggregates and concrete operations
- New York — aggregates and concrete operations
- Oklahoma — aggregates and concrete operations
- Pennsylvania — concrete operations
- Texas — aggregates and concrete operations
- U.S. Virgin Islands — aggregates and concrete operations
- Washington, D.C. — concrete operations

The amounts of total revenues and net earnings attributable to Vulcan from the U.S. Concrete acquisition are included in our Condensed Consolidated Statement of Comprehensive Income for the three and nine months ended September 30, 2021, as follows:

	Three Months Ended September 30	Nine Months Ended September 30
in thousands	***2021***	***2021***
Actual Results		
Total revenues	**$ 141,067**	**$ 141,067**
Net loss attributable to Vulcan	**$ (8,808)**	**$ (8,808)**

The unaudited pro forma financial information in the table below summarizes the results of operations for Vulcan and U.S. Concrete as if they were combined as of January 1, 2020. The pro forma financial information does not reflect any cost savings, operating efficiencies or synergies as a result of this combination. Consistent with the assumed acquisition date of January 1, 2020, the pro forma information excludes transactions between Vulcan and U.S. Concrete. The following pro forma information also includes 1) charges directly attributable to the acquisition, including acquisition related expenses of $21,092,000, 2) cost of sales related to the sale of acquired inventory marked up to fair value, 3) depreciation, depletion, amortization & accretion expense related to the mark up to fair value of acquired assets and 4) interest expense and debt retirement costs reflecting the new debt structure:

	Three Months Ended September 30		Nine Months Ended September 30	
in thousands	*2021*	*2020*	*2021*	*2020*
Supplemental Pro Forma Results				
Total revenues	$ 1,731,856	$ 1,673,603	$ 4,755,124	$ 4,683,544
Net earnings attributable to Vulcan	$ 225,458	$ 215,061	$ 543,676	$ 448,286

The unaudited pro forma results above may not be indicative of the results that would have been obtained had this acquisition occurred at the beginning of 2020, nor does it intend to be a projection of future results.

The fair value of consideration transferred for the U.S. Concrete acquisition and the preliminary amounts (pending appraisals of intangible assets and property, plant & equipment and related deferred taxes) of assets acquired and liabilities assumed as of the acquisition date are summarized below:

in thousands	***August 26 2021***
Fair Value of Purchase Consideration	
Cash [1]	**$ 1,634,492**
Total fair value of purchase consideration	**$ 1,634,492**
Identifiable Assets Acquired and Liabilities Assumed	
Accounts and notes receivable, net	**$ 241,368**
Inventories	**80,083**
Other current assets	**11,087**
Property, plant & equipment	**1,136,617**
Intangible assets	**729,415**
Other noncurrent assets	**199,807**
Deferred income taxes, net	**(274,226)**
Liabilities assumed	**(970,049)**
Noncontrolling interest	**(22,261)**
Net identifiable assets acquired	**$ 1,131,841**
Goodwill	**$ 502,651**

[1] *Includes $1,268,507,000 paid to acquire all issued and outstanding shares of U.S. Concrete common stock and $384,402,000 of U.S. Concrete obligations paid on the acquisition date, less $18,417,000 of cash acquired.*

As a result of this acquisition, we recognized $729,415,000 of amortizable intangible assets and $502,651,000 of goodwill. The amortizable intangible assets will be amortized against earnings over a weighted-average period in excess of 15 years. The $502,651,000 of goodwill recognized represents deferred tax liabilities generated from carrying over the seller's tax basis in the assets acquired and synergies expected to be realized from acquiring an established business with assets that have been assembled over a long period of time — the collection of those assets combined with our assets can earn a higher rate of return than either individually. Of the total goodwill recognized, $116,615,000 will be deductible for income tax purposes.

2020 BUSINESS ACQUISITIONS — For the full year 2020, we purchased the following operations, for total consideration of $73,416,000 ($43,223,000 cash and $30,193,000 noncash):

- business to support our aggregates operations across most of our footprint
- Texas — asphalt mix and recycle operations

The 2020 acquisitions listed above are reported in our consolidated financial statements as of their respective acquisition dates. None of these acquisitions were material to our results of operations or financial position either individually or collectively.

As a result of the 2020 acquisitions, we recognized $65,545,000 of amortizable intangible assets and $5,051,000 of goodwill. The amortizable intangible assets will be amortized against earnings ($65,545,000 - straight-line basis over a weighted-average 20.0 years) and $25,712,000 will be deductible for income tax purposes over 15 years. The goodwill represents the balance of deferred tax liabilities generated from carrying over the seller's tax basis in the assets acquired and is not deductible for income tax purposes.

DIVESTITURES AND PENDING DIVESTITURES

In 2021, we sold:

- First quarter — a reclaimed quarry in Southern California resulting in a pretax gain of $114,695,000 (net of a $12,900,000 contingency and other directly related obligations)

In 2020, we sold:

- Fourth quarter — a Virginia ready-mix concrete business, resulting in an immaterial loss. We retained all real property which is being leased to the buyer and obtained a 20-year aggregates supply agreement
- Second quarter — our New Mexico ready-mix concrete business, resulting in an immaterial gain. We retained the concrete plants and mobile fleet and are leasing these assets to the buyer. Additionally, we obtained a 20-year aggregates supply agreement

No material assets met the criteria for held for sale at September 30, 2021, December 31, 2020 or September 30, 2020.

NOTE 17: NEW ACCOUNTING STANDARDS

ACCOUNTING STANDARDS RECENTLY ADOPTED

INCOME TAXES During the first quarter of 2021, we adopted Accounting Standards Update (ASU) 2019-12, “Simplifying the Accounting for Income Taxes,” which added new guidance to simplify the accounting for income taxes and changed the accounting for certain income tax transactions. The adoption of this standard did not materially impact our consolidated financial statements.

CONVERTIBLE INSTRUMENTS During the first quarter of 2021, we adopted ASU 2020-06, “Accounting for Convertible Instruments and Contracts in an Entity’s Own Equity.” This ASU reduced the number of models used to account for convertible instruments and modified the diluted earnings per share calculations for convertible instruments. This ASU also amended the accounting for certain contracts in an entity’s own equity that are currently accounted for as derivatives. The adoption of this standard did not materially impact our consolidated financial statements.

ACCOUNTING STANDARDS PENDING ADOPTION

None

GENERAL COMMENTS

OVERVIEW

We provide the basic materials for the infrastructure needed to maintain and expand the U.S. economy. We operate primarily in the U.S. and are one of the nation's largest suppliers of construction aggregates (primarily crushed stone, sand and gravel) and a major producer of asphalt mix and ready-mixed concrete. Our strategy and competitive advantage are based on our strength in aggregates which are used in most types of construction and in the production of asphalt mix and ready-mixed concrete.

Demand for our products is dependent on construction activity and correlates positively with changes in population growth, household formation and employment. End uses include public construction (e.g., highways, bridges, buildings, airports, schools, prisons, sewer and waste disposal systems, water supply systems, dams, reservoirs and other public construction projects), private nonresidential construction (e.g., manufacturing, retail, offices, industrial and institutional) and private residential construction (e.g., single-family houses, duplexes, apartment buildings and condominiums).

Aggregates have a very high weight-to-value ratio and, in most cases, must be produced near where they are used; if not, transportation can cost more than the materials, rendering them uncompetitive compared to locally produced materials. Exceptions to this typical market structure include areas along the U.S. Gulf Coast and the Eastern Seaboard where there are limited supplies of locally available, high-quality aggregates. We serve these markets from quarries that have access to cost-effective long-haul transportation — shipping by barge and rail — and from our quarry on Mexico's Yucatan Peninsula with our fleet of Panamax-class, self-unloading ships. Additionally, as a result of our 2021 acquisition of U.S. Concrete, we serve markets in California and Hawaii from our quarry in British Columbia, Canada by means of a long-term marine shipping agreement with CSL Americas.

There are limited substitutes for quality aggregates. Due to zoning and permitting regulation and high transportation costs relative to the value of the product, the location of reserves is a critical factor to our long-term success.

No material part of our business depends upon any single customer whose loss would have a significant adverse effect on our business. In 2020, our five largest customers accounted for 7.5% of our total revenues, and no single customer accounted for more than 1.8% of our total revenues. Although approximately 45% to 55% of our aggregates shipments have historically been used in publicly-funded construction, such as highways, airports and government buildings, a relatively small portion of our sales are made directly to federal, state, county or municipal governments/agencies. Therefore, although reductions in state and federal funding can curtail publicly-funded construction, the vast majority of our business is not directly subject to renegotiation of profits or termination of contracts with local, state or federal governments. In addition, our sales to government entities span several hundred entities coast-to-coast, ensuring that negative changes to various government budgets would have a muted impact across such a diversified set of government customers.

While aggregates is our focus and primary business, we believe vertical integration between aggregates and downstream products, such as asphalt mix and ready-mixed concrete, can be managed effectively in certain markets to generate attractive financial returns and enhance financial returns in our core Aggregates segment. We produce and sell asphalt mix and/or ready-mixed concrete primarily in our Alabama, Arizona, California, Maryland, New Jersey, New Mexico, New York, Oklahoma, Pennsylvania, Tennessee, Texas, the U.S. Virgin Islands, Virginia and Washington D.C. markets. Aggregates comprise approximately 95% of asphalt mix by weight and 80% of ready-mixed concrete by weight. In both of these downstream businesses, aggregates are primarily supplied from our operations.

SEASONALITY AND CYCLICAL NATURE OF OUR BUSINESS

Almost all of our products are produced and consumed outdoors. Seasonal changes and other weather-related conditions can affect the production and sales volume of our products. Therefore, the financial results for any quarter do not necessarily indicate the results expected for the year. Normally, the highest sales and earnings are in the third quarter and the lowest are in the first quarter. Furthermore, our sales and earnings are sensitive to national, regional and local economic conditions, demographic and population fluctuations, and particularly to cyclical swings in construction spending, primarily in the private sector.

EXECUTIVE SUMMARY
FINANCIAL HIGHLIGHTS FOR THIRD QUARTER 2021

Compared to third quarter of 2020:

- Total revenues increased $206.6 million, or 16%, to $1,516.5 million
- Gross profit increased $13.6 million, or 4%, to $394.1 million
- Aggregates segment sales increased $123.4 million, or 12%, to $1,172.4 million
- Aggregates segment freight-adjusted revenues increased $90.4 million, or 11%, to $898.0 million
  - Shipments increased 8%, or 4.2 million tons, to 60.2 million tons
    - Same-store shipments increased 5%, or 3.0 million tons, to 58.9 million tons
  - Freight-adjusted sales price increased 3.4%, or $0.49 per ton to $14.93
    - Same-store freight-adjusted sales price increased 3.1%, or $0.45 per ton to $14.89
- Aggregates segment gross profit increased $34.5 million, or 10%, to $372.3 million
  - Unit profitability (as measured by gross profit per ton) increased 2.5% to $6.19 per ton
    - Same-store unit profitability (as measured by gross profit per ton) increased 5.1% to $6.35 per ton.
- Asphalt, Concrete and Calcium segment gross profit decreased $20.9 million, or 49%, to $21.7 million, collectively
- Selling, administrative and general (SAG) expenses increased $20.3 million and increased 0.4 percentage points (40 basis points) as a percentage of total revenues
- Operating earnings decreased $25.7 million, or 9%, to $262.4 million
- Earnings attributable to Vulcan from continuing operations were $1.33 per diluted share compared to $1.51 per diluted share
- Adjusted earnings attributable to Vulcan from continuing operations were $1.54 per diluted share, compared to $1.56 per diluted share
- Net earnings attributable to Vulcan were $176.9 million, a decrease of $22.9 million, or 11%
- Adjusted EBITDA was $417.7 million, an increase of $14.2 million, or 4%
- Returned capital to shareholders via dividends ($49.1 million @ $0.37 per share versus $45.0 million @ $0.34 per share)

Our aggregates-focused business is built for times like these. We expanded our industry-leading trailing-twelve month unit profitability for the thirteenth consecutive quarter despite a challenging operating environment caused by inflationary pressures and labor constraints. This consistent growth in the underlying business is driven by our execution on Vulcan's four strategic disciplines and is further enhanced by strategic growth through acquisitions and greenfield investments. Since completing the U.S. Concrete acquisition in late August, our teams are making progress integrating the businesses across the expanded footprint and are identifying additional opportunities to accelerate our growth and create value for shareholders.

Throughout a difficult eighteen months of pandemic disruptions and economic challenges, our people strengthened their operating disciplines and moved pricing higher. Now that trailing-twelve month aggregates volumes are back to pre-pandemic levels, these solid fundamentals, coupled with our leading positions in attractive geographies, position us well to capitalize on positive demand trends going forward and will allow us to deliver both revenue and earnings growth.

Capital expenditures in the third quarter were $126.9 million ($292.1 million year-to-date September), including $69.2 million for growth projects. For the full year 2021, we expect to spend between $450 million and $475 million on capital expenditures, including growth projects. We will continue to review our plans and will adjust as needed, while being thoughtful about preserving liquidity.

As of September 30, 2021, total debt to trailing-twelve month Adjusted EBITDA was 2.8 times (2.7 times on a net debt basis) reflecting financing actions taken to complete the U.S. Concrete acquisition during the quarter. We remain committed to our stated target leverage range of 2.0 to 2.5 times.

Interest expense, net of interest income, was $36.8 million in the third quarter compared with $35.8 million in the prior year. Year-to-date, net interest expense was $111.6 million compared to $100.5 million in the prior year. This increase includes $9.4 million of cost in the second quarter associated with financing the pending acquisition of U.S. Concrete. We expect full year interest expense to be approximately $145 million.

On a trailing-twelve month basis, return on invested capital was 14.2%, reflecting the investment in the U.S. Concrete acquisition and its earnings contribution since August 26, 2021. We remain committed to driving further improvement through solid operating earnings growth coupled with disciplined capital management and a balanced approach to growth.

OUTLOOK

We are increasing our full-year Adjusted EBITDA range to reflect the earnings contribution of U.S. Concrete as well as the recent trends in demand, price and cost inflation. As a result, we expect full-year Adjusted EBITDA to be between $1.430 to $1.460 billion in 2021 (excluding the $114.7 million gain from a land sale completed in the first quarter and including the U.S. Concrete acquisition).

As we look ahead, we believe our aggregates-focused business is uniquely positioned for broad participation in improving demand and is capable of navigating any changes in the macro environment. The U.S. Concrete acquisition extends our growth platform, and we are excited about the opportunities in front of us. The prospects continue to be positive for the most significant federal investment in infrastructure since the creation of the Interstate Highway System in 1956, and we are well situated with leading positions in attractive growth areas where the need is greatest. Finally, we expect favorable pricing dynamics to continue, leading to attractive price growth.

RESULTS OF OPERATIONS

Total revenues are primarily derived from our product sales of aggregates, asphalt mix and ready-mixed concrete, and include freight & delivery costs that we pass along to our customers to deliver these products. We also generate service revenues from our asphalt construction paving business and services related to our aggregates business. We present separately our discontinued operations, which consist of our former Chemicals business.

The following table highlights significant components of our consolidated operating results including EBITDA and Adjusted EBITDA.

CONSOLIDATED OPERATING RESULTS HIGHLIGHTS

	Three Months Ended September 30		Nine Months Ended September 30	
in millions, except unit and per unit data	**2021**	2020	**2021**	2020
Total revenues	**$ 1,516.5**	$ 1,309.9	**$ 3,945.9**	$ 3,681.7
Cost of revenues	**1,122.4**	929.4	**2,924.2**	2,703.0
Gross profit	**$ 394.1**	$ 380.5	**$ 1,021.7**	$ 978.7
Gross profit margin	***26.0%***	*29.0%*	***25.9%***	*26.6%*
Selling, administrative and general (SAG)	**$ 103.8**	$ 83.5	**$ 293.1**	$ 261.1
SAG as a percentage of total revenues	***6.8%***	*6.4%*	***7.4%***	*7.1%*
Gain on sale of property, plant & equipment and businesses	**$ 2.9**	$ 1.6	**$ 120.3**	$ 2.3
Operating earnings	**$ 262.4**	$ 288.1	**$ 799.4**	$ 699.3
Interest expense, net	**$ 36.8**	$ 35.8	**$ 111.6**	$ 100.5
Earnings from continuing operations before income taxes	**$ 228.7**	$ 258.1	**$ 705.1**	$ 602.6
Income tax expense	**$ 51.8**	$ 57.0	**$ 169.7**	$ 130.5
Effective tax rate from continuing operations	***22.6%***	*22.1%*	***24.1%***	*21.7%*
Earnings from continuing operations	**$ 177.0**	$ 201.1	**$ 535.4**	$ 472.1
Loss on discontinued operations, net of income taxes	**(0.2)**	(1.3)	**(2.6)**	(2.1)
Loss attributable to noncontrolling interest	**0.1**	0.0	**0.1**	0.0
Net earnings attributable to Vulcan	**$ 176.9**	$ 199.8	**$ 532.9**	$ 470.0
Diluted earnings (loss) per share attributable to Vulcan				
Continuing operations	**$ 1.33**	$ 1.51	**$ 4.01**	$ 3.54
Discontinued operations	**(0.01)**	(0.01)	**(0.02)**	(0.01)
Diluted net earnings per share attributable to Vulcan	**$ 1.32**	$ 1.50	**$ 3.99**	$ 3.53
EBITDA [1]	**$ 383.2**	$ 394.9	**$ 1,137.8**	$ 999.0
Adjusted EBITDA [1]	**$ 417.7**	$ 403.5	**$ 1,068.0**	$ 1,012.3
Average Sales Price and Unit Shipments				
Aggregates				
Tons (thousands)	**60,163**	55,920	**165,128**	157,163
Freight-adjusted sales price	**$ 14.93**	$ 14.44	**$ 14.86**	$ 14.45
Asphalt Mix				
Tons (thousands)	**3,202**	3,493	**8,553**	8,953
Average sales price	**$ 59.43**	$ 58.36	**$ 58.27**	$ 58.05
Ready-mixed concrete				
Cubic yards (thousands)	**1,596**	775	**2,940**	2,295
Average sales price	**$ 136.29**	$ 131.51	**$ 133.88**	$ 128.93
Calcium				
Tons (thousands)	**52**	49	**197**	193
Average sales price	**$ 28.29**	$ 27.51	**$ 27.81**	$ 27.18

[1] *Non-GAAP measures are defined and reconciled within this Item 2 under the caption Reconciliation of Non-GAAP Financial Measures.*

THIRD QUARTER 2021 COMPARED TO THIRD QUARTER 2020

Third quarter 2021 total revenues were $1,516.5 million, up 16% from the third quarter of 2020. Shipments increased in aggregates (+8%) and ready-mixed concrete (+106%) while decreasing in asphalt mix (-8%). Likewise, gross profit increased in the Aggregates (+$34.5 million or 10%) and Concrete (+$2.1 million or 18%) segments while decreasing in the Asphalt (-$23.1 million or 77%) segment. A 59% increase in the unit cost of diesel fuel increased same-store costs by $13.8 million from the prior year's third quarter with most ($12.8 million) of this cost increase reflected in the Aggregates segment.

Net earnings attributable to Vulcan for the third quarter of 2021 were $176.9 million, or $1.32 per diluted share, compared to $199.8 million, or $1.50 per diluted share, in the third quarter of 2020. Each period's results were impacted by discrete items, as follows:

Net earnings attributable to Vulcan for the third quarter of 2021 include:

- pretax charges of $0.4 million associated with divested operations
- pretax charges of $24.7 million associated with non-routine business development
- pretax charges of $5.9 million for COVID-19 pandemic direct incremental costs
- pretax charges of $3.5 million for managerial restructuring (related to U.S. Concrete)

Net earnings attributable to Vulcan for the third quarter of 2020 include:

- pretax charges of $5.9 million associated with divested operations
- pretax charges of $0.3 million associated with non-routine business development
- pretax charges of $2.4 million for COVID-19 pandemic direct incremental costs

Adjusted for these discrete items, earnings attributable to Vulcan from continuing operations (Adjusted Diluted EPS) was $1.54 per diluted share for the third quarter of 2021 compared to $1.56 per diluted share in the third quarter of 2020.

CONTINUING OPERATIONS — Changes in earnings from continuing operations before income taxes for the third quarter of 2021 versus the third quarter of 2020 are summarized below:

EARNINGS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES

in millions		
Third quarter 2020	$	258.1
Higher aggregates gross profit		34.5
Lower asphalt gross profit		(23.1)
Higher concrete gross profit		2.1
Higher calcium gross profit		0.1
Higher selling, administrative and general expenses		(20.3)
Higher gain on sale of property, plant & equipment and businesses		1.4
Higher interest expense, net		(1.0)
U.S. Concrete acquisition related expenses		(21.1)
All other		(2.0)
Third quarter 2021	$	228.7

Third quarter Aggregates segment sales increased 12%, while gross profit increased 10% to $372.3 million. The year-over-year earnings improvement was widespread across our footprint and resulted from both volume and price growth, as well as effective cost control. Gross profit margin decreased 0.4 percentage points (40 basis points) due to the unfavorable impacts of selling acquired inventory after its markup to fair value as part of acquisition accounting and a significantly higher unit cost of diesel fuel, $3.0 million and $12.8 million respectively.

Total aggregates shipments were 60.2 million tons versus 55.9 million in last year's third quarter, an increase of 8%. Same-store aggregates shipments increased 5%, reflecting improving demand across all end-market segments and despite severe wet weather in certain key markets. The pricing environment continues to be positive across our footprint as demand visibility improves. The rate of pricing growth has improved sequentially each quarter this year. In the third quarter, same-store freight-adjusted pricing increased 3.1% year-over-year (mix-adjusted pricing increased 3.5%) with the growth widespread across geographies.

In the third quarter, solid execution helped to offset a 59% increase in the average unit cost of diesel fuel, inflation for certain parts and supplies, and operational disruptions caused by wet weather in the Southeast and along the Gulf Coast due in part to Hurricane Ida. Same-store freight-adjusted unit cost of sales increased 1.7% over the prior year's third quarter but decreased almost 1% excluding the impact of higher diesel prices. Total aggregates gross profit per ton improved 2% to $6.19 while cash gross profit per ton improved 3% to $7.74. Positive pricing opportunities and improved operating efficiencies are expected to continue to help offset some of the cost inflation going forward.

Overall, non-aggregates segments gross profit of $21.7 million was $20.9 million lower than the prior year's third quarter.

Asphalt segment gross profit was $7.1 million for the third quarter compared to $30.2 million in the prior year period. The decrease in earnings was driven primarily by the impact of sharply higher energy costs and weather-related impacts on volumes. The average cost of liquid asphalt during the third quarter was over $100 per ton higher than in the same period last year ($16.2 million impact). A rise in the cost of natural gas, used in plant production, also negatively affected quarterly gross profit. Average selling prices for asphalt mix increased 2%, or $1.07 per ton, versus the prior year's third quarter as pricing actions began to gain traction. Efforts to mitigate the earnings impact of energy inflation will continue with positive results expected in the first half of next year. Asphalt volumes declined 8% as volume growth in California was more than offset by lower volumes in Arizona. A record-setting number of rainy days disrupted asphalt shipments in Arizona, our second largest asphalt market. Additionally, construction activity in Tennessee was also negatively impacted by hurricane-related wet weather.

Concrete segment gross profit was $14.3 million for the third quarter compared to $12.2 million in the prior year. The current year's third quarter includes results from U.S. Concrete operations. Same-store shipments decreased 7% versus the prior year due to fewer large projects in the current year's quarter, while same-store average selling prices increased 2% compared to the prior year. Segment results were negatively impacted by higher diesel prices and by the availability of drivers in certain markets.

Calcium segment gross profit of $0.3 million was $0.1 million higher than the prior year's third quarter.

SAG expenses were $103.8 million in the quarter, or 6.8% of total revenues. The current year's third quarter includes overhead expenses associated with the U.S. Concrete business that were not in the prior year's quarter. Additionally, increased routine business development activities and more normalized travel expenses, due in part to integration activities, contributed to the year-over-year increase.

Other operating expense, which has an approximate run-rate of $12.0 million a year (exclusive of discrete items), is composed primarily of idle facilities expense, environmental remediation costs, property abandonments and gain (loss) on settlement of AROs. Total other operating expense and significant items included in the total were:

- $30.8 million in third quarter 2021 — includes discrete items as follows:
  - $21.7 million of non-routine business development charges
  - $5.9 million for COVID-19 pandemic direct incremental costs
  - $3.5 million for managerial restructuring (related to U. S. Concrete)
- $10.5 million in third quarter 2020 — includes discrete items as follows:
  - $5.9 million of charges associated with divested operations
  - $2.4 million for COVID-19 pandemic direct incremental costs

Other nonoperating income, net was a net income of $3.2 million for the third quarter of 2021 and was unfavorable by $2.6 million from the third quarter of 2020. This unfavorable variance resulted primarily from a $1.2 million foreign currency translation loss in the current period versus a $0.7 million gain in the prior year's third quarter.

Net interest expense was $36.8 million in the third quarter of 2021 compared to $35.8 million in the third quarter of 2020.

Income tax expense from continuing operations was $51.8 million in the third quarter of 2021 compared to $57.0 million in the third quarter of 2020. The decrease in tax expense was primarily related to a decrease in pretax earnings.

Earnings attributable to Vulcan from continuing operations were $1.33 per diluted share in the third quarter of 2021 compared to $1.51 per diluted share in the third quarter of 2020.

DISCONTINUED OPERATIONS — Third quarter pretax loss from discontinued operations was $0.3 million in 2021 compared with a pretax loss of $1.8 million in 2020. Both periods include charges/credits related to general and product liability costs, including legal defense costs, and environmental remediation costs associated with our former Chemicals business. For additional details, see Note 1 to the condensed consolidated financial statements under the caption Discontinued Operations.

YEAR-TO-DATE SEPTEMBER 30, 2021 COMPARED TO YEAR-TO-DATE SEPTEMBER 30, 2020

Total revenues for the first nine months of 2021 were $3,945.9 million, up 7% from the first nine months of 2020. Shipments increased in aggregates (+5%) and ready-mixed concrete (+28%) while decreasing in asphalt mix (-4%). Gross profit increased in the Aggregates (+$86.6 million or 10%) segment while decreasing in the Asphalt (-$40.6 million or 70%) and Concrete (-$3.2 million or 9%) segments. A 43% increase in the unit cost of diesel fuel increased same-store costs by $28.7 million from the first nine months of 2020 with most ($26.4 million) of this cost increase reflected in the Aggregates segment.

Net earnings attributable to Vulcan for the first nine months of 2021 were $532.9 million, or $3.99 per diluted share, compared to $470.0 million, or $3.53 per diluted share, in the first nine months of 2020. Each period's results were impacted by discrete items, as follows:

Net earnings attributable to Vulcan for the first nine months of 2021 include:

- $13.7 million of tax charges related to an increase in the Alabama NOL carryforward valuation allowance
- pretax net gain of $114.7 million related to the sale of a reclaimed quarry in Southern California
- pretax charges of $1.1 million associated with divested operations
- pretax charges of $30.6 million associated with non-routine business development
- pretax charges of $9.7 million for COVID-19 pandemic direct incremental costs
- pretax changes of $3.5 million for managerial restructuring (related to U.S. Concrete)
- pretax interest charges of $9.4 million related to financing the U.S. Concrete acquisition

Net earnings attributable to Vulcan for the first nine months of 2020 include:

- pretax charges of $6.7 million associated with divested operations
- pretax gains of $2.1 million associated with non-routine business development
- pretax charges of $7.4 million for COVID-19 pandemic direct incremental costs
- pretax charges of $1.3 million for restructuring

Adjusted for these discrete items, earnings attributable to Vulcan from continuing operations (Adjusted Diluted EPS) was $3.80 per diluted share for the first nine months of 2021 compared to $3.62 per diluted share in the first nine months of 2020.

CONTINUING OPERATIONS — Changes in earnings from continuing operations before income taxes for year-to-date September 30, 2021 versus year-to-date September 30, 2020 are summarized below:

EARNINGS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES

in millions		
Year-to-date September 30, 2020	$	602.6
Higher aggregates gross profit		86.6
Lower asphalt gross profit		(40.6)
Lower concrete gross profit		(3.2)
Higher calcium gross profit		0.2
Higher selling, administrative and general expenses		(31.9)
Higher gain on sale of property, plant & equipment and businesses		118.0
Higher interest expense, net		(11.1)
U.S. Concrete acquisition related expenses		(21.1)
All other		5.6
Year-to-date September 30, 2021	$	705.1

Aggregates segment sales for the first nine months of 2021 were $3,192.7 million (up 7%) while aggregates shipments increased 5%, or 8.0 million tons (same-store up 4%, or 6.7 million tons), compared to the prior year. Freight-adjusted average sales price for aggregates increased 2.8%, or $0.41 per ton, versus the first nine months of 2020. Same-store freight-adjusted pricing increased 2.7%, or $0.39 per ton (mix-adjusted pricing increased 2.8%).

Aggregates segment gross profit was $969.8 million ($5.87 per ton) versus $883.2 million ($5.62 per ton) in the first nine months of 2020. Cash gross profit per ton increased 4% from the prior year's first nine months to $7.44 per ton. First nine months 2021 freight-adjusted unit cost increased 2%, or $0.16 per ton, versus the prior year reflecting the aforementioned higher cost of diesel fuel.

Overall, non-aggregates segments gross profit of $51.9 million was $43.7 million lower than the first nine months of 2020.

Asphalt segment gross profit of $17.6 million was down $40.6 million from the first nine months of 2020. The decrease in earnings was primarily driven by the impact of sharply higher liquid asphalt costs and the aforementioned impacts of weather and energy costs in the third quarter. The average price paid for liquid asphalt was over $60 per ton higher than the prior year ($24.2 million impact). Pricing increased 0.4%, or $0.22 per ton, versus the first nine months of 2020.

Concrete segment gross profit was $32.4 million for the first nine months of 2021, a decrease of $3.2 million from the prior year period. Same-store shipments decreased 10% versus the prior year due to the timing of large projects in the current year and unfavorable weather during the third quarter, while same-store average selling prices increased 2.4% compared to the prior year. Segment results were negatively impacted by higher diesel prices and by the availability of truck drivers in certain markets.

Our Calcium segment's gross profit of $1.9 million was up $0.2 million compared to the first nine months of 2020.

SAG expenses were $293.1 million versus $261.1 million in the prior year's first nine months reflecting a 0.3 percentage point (30 basis point) increase as a percentage of total revenues.

Gain on sale of property, plant & equipment and businesses was $120.3 million in the first nine months of 2021 versus $2.3 million in the first nine months of 2020. The 2021 amount includes the aforementioned net pretax gain of $114.7 million from the sale of a reclaimed quarry in Southern California.

Other operating expense, which has an approximate run-rate of $12 million a year (exclusive of discrete items), is composed primarily of idle facilities expense, environmental remediation costs, property abandonments and gain (loss) on settlement of AROs. Total other operating expense and significant items included in the total were:

- $49.5 million in first nine months of 2021 — includes discrete items as follows:
  - $27.6 million of non-routine business development charges
  - $9.7 million for COVID-19 pandemic direct incremental costs
  - $3.5 million for managerial restructuring (related to U. S. Concrete)
- $20.6 million in first nine months of 2020 — includes discrete items as follows:
  - $6.7 million of charges associated with divested operations
  - $2.1 million of net gain associated with non-routine business development
  - $7.4 million for COVID-19 pandemic direct incremental costs

Other nonoperating income, net was a net income of $17.3 million for the first nine months of 2021, favorable by $13.5 million from the first nine months of 2020. This favorable variance resulted primarily from two items: 1) a $4.2 million reduction in foreign currency translation losses and 2) a $7.5 million reduction in pension related costs (see Note 10 to the condensed consolidated financial statements).

Net interest expense was $111.6 million in the first nine months of 2021 compared to $100.5 million in the first nine months of 2020. This increase resulted primarily from an additional $9.4 million of interest expense related to financing the acquisition of U.S. Concrete (see Note 7 to the condensed consolidated financial statements).

Income tax expense from continuing operations was $169.7 million in the first nine months of 2021 compared to $130.5 million in the first nine months of 2020. The increase in tax expense was primarily related to an increase in pretax earnings and a $13.7 million increase in our Alabama NOL valuation allowance as discussed in Note 3 to the condensed consolidated financial statements.

Earnings from continuing operations attributable to Vulcan were $4.01 per diluted share in the first nine months of 2021 compared to $3.54 per diluted share in the first nine months of 2020.

DISCONTINUED OPERATIONS — First nine months pretax loss from discontinued operations was $3.7 million in 2021 compared with a pretax loss of $2.9 million in 2020. Both periods include charges/credits related to general and product liability costs, including legal defense costs, and environmental remediation costs associated with our former Chemicals business. For additional details, see Note 1 to the condensed consolidated financial statements under the caption Discontinued Operations.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

SAME-STORE

We have provided certain information on a same-store basis. When discussing our financial results in comparison to prior periods, we may exclude the operating results of recently acquired/divested businesses that do not have comparable results in the periods being discussed. These recently acquired/divested businesses are disclosed in Note 16 "Acquisitions and Divestitures." This approach allows us to evaluate the performance of our operations on a comparable basis. We believe that measuring performance on a same-store basis is useful to investors because it enables evaluation of how our operations are performing period over period without the effects of acquisition and divestiture activity. Our same-store information may not be comparable to similar measures used by other companies.

AGGREGATES SEGMENT FREIGHT-ADJUSTED REVENUES

Aggregates segment freight-adjusted revenues is not a Generally Accepted Accounting Principle (GAAP) measure and should not be considered as an alternative to metrics defined by GAAP. We present this metric as it is consistent with the basis by which we review our operating results. We believe that this presentation is consistent with our competitors and meaningful to our investors as it excludes revenues associated with freight & delivery, which are pass-through activities. It also excludes immaterial other revenues related to services, such as landfill tipping fees, that are derived from our aggregates business. Additionally, we use this metric as the basis for calculating the average sales price of our aggregates products. Reconciliation of this metric to its nearest GAAP measure is presented below:

	Three Months Ended September 30		***Nine Months Ended September 30***	
in millions, except per ton data	***2021***	*2020*	***2021***	*2020*
Aggregates segment				
Segment sales	**$ 1,172.4**	$ 1,049.0	**$ 3,192.7**	$ 2,987.8
Less				
Freight & delivery revenues [1]	**253.1**	225.4	**685.2**	672.0
Other revenues	**21.3**	16.0	**54.4**	45.5
Freight-adjusted revenues	**$ 898.0**	$ 807.6	**$ 2,453.1**	$ 2,270.3
Unit shipments - tons	**60.2**	55.9	**165.1**	157.2
Freight-adjusted sales price	**$ 14.93**	$ 14.44	**$ 14.86**	$ 14.45

[1] *At the segment level, freight & delivery revenues include intersegment freight & delivery (which are eliminated at the consolidated level) and freight to remote distribution sites.*

AGGREGATES SEGMENT INCREMENTAL GROSS PROFIT

Aggregates segment incremental gross profit flow-through rate is not a GAAP measure and represents the year-over-year change in gross profit divided by the year-over-year change in segment sales excluding freight & delivery (revenues and costs). This metric should not be considered as an alternative to metrics defined by GAAP. We evaluate this metric on a trailing-twelve month basis as quarterly gross profit flow-through rates can vary widely from quarter to quarter. We present this metric as it is consistent with the basis by which we review our operating results. We believe that this presentation is consistent with our competitors and meaningful to our investors as it excludes revenues associated with freight & delivery, which are pass-through activities. Reconciliation of this metric to its nearest GAAP measure is presented below:

MARGIN IN ACCORDANCE WITH GAAP

	Three Months Ended September 30		***Trailing-Twelve Months September 30***	
dollars in millions	***2021***	*2020*	***2021***	*2020*
Aggregates segment				
Gross profit	**$ 372.3**	$ 337.9	**$ 1,245.8**	$ 1,157.7
Segment sales	**$ 1,172.4**	$ 1,049.0	**$ 4,149.2**	$ 3,947.9
Gross profit margin	**31.8%**	32.2%	**30.0%**	29.3%
Incremental gross profit margin	**27.9%**		**43.8%**	

FLOW-THROUGH RATE (NON-GAAP)

	Three Months Ended September 30		***Trailing-Twelve Months September 30***	
dollars in millions	***2021***	*2020*	***2021***	*2020*
Aggregates segment				
Gross profit	**$ 372.3**	$ 337.9	**$ 1,245.8**	$ 1,157.7
Less: Contribution from acquisitions (same-store)	**(1.9)**	0.0	**(1.8)**	0.0
Same-store gross profit	**$ 374.2**	$ 337.9	**$ 1,247.6**	$ 1,157.7
Segment sales	**$ 1,172.4**	$ 1,049.0	**$ 4,149.2**	$ 3,947.9
Less: Freight & delivery revenues [1]	**253.1**	225.4	**890.2**	897.1
Segment sales excluding freight & delivery	**$ 919.3**	$ 823.6	**$ 3,259.0**	$ 3,050.8
Less: Contribution from acquisitions (same-store)	**25.0**	0.0	**25.2**	0.0
Same-store segment sales excluding freight & delivery	**$ 894.3**	$ 823.6	**$ 3,233.8**	$ 3,050.8
Gross profit margin excluding freight & delivery	**40.5%**	41.0%	**38.2%**	37.9%
Same-store gross profit margin excluding freight & delivery	**41.8%**	41.0%	**38.6%**	37.9%
Incremental gross profit flow-through rate	**36.0%**		**42.3%**	
Same-store incremental gross profit flow-through rate	**51.4%**		**49.1%**	

[1] *At the segment level, freight & delivery revenues include intersegment freight & delivery (which are eliminated at the consolidated level) and freight to remote distribution sites.*

CASH GROSS PROFIT

GAAP does not define "cash gross profit," and it should not be considered as an alternative to earnings measures defined by GAAP. We and the investment community use this metric to assess the operating performance of our business. Additionally, we present this metric as we believe that it closely correlates to long-term shareholder value. We do not use this metric as a measure to allocate resources. Cash gross profit adds back noncash charges for depreciation, depletion, accretion and amortization to gross profit. Aggregates segment cash gross profit per ton is computed by dividing Aggregates segment cash gross profit by tons shipped. Reconciliation of this metric to its nearest GAAP measure is presented below:

	Three Months Ended September 30		*Nine Months Ended September 30*	
in millions, except per ton data	***2021***	*2020*	***2021***	*2020*
Aggregates segment				
Gross profit	**$ 372.3**	$ 337.9	**$ 969.8**	$ 883.2
Depreciation, depletion, accretion and amortization	**93.3**	82.5	**258.5**	240.4
Aggregates segment cash gross profit	**$ 465.6**	$ 420.4	**$ 1,228.3**	$ 1,123.6
Unit shipments - tons	**60.2**	55.9	**165.1**	157.2
Aggregates segment gross profit per ton	**$ 6.19**	$ 6.04	**$ 5.87**	$ 5.62
Aggregates segment cash gross profit per ton	**$ 7.74**	$ 7.52	**$ 7.44**	$ 7.15
Asphalt segment				
Gross profit	**$ 7.1**	$ 30.2	**$ 17.6**	$ 58.2
Depreciation, depletion, accretion and amortization	**9.0**	8.6	**27.1**	26.0
Asphalt segment cash gross profit	**$ 16.1**	$ 38.8	**$ 44.7**	$ 84.2
Concrete segment				
Gross profit	**$ 14.3**	$ 12.2	**$ 32.4**	$ 35.6
Depreciation, depletion, accretion and amortization	**8.7**	4.0	**16.6**	12.1
Concrete segment cash gross profit	**$ 23.0**	$ 16.2	**$ 49.0**	$ 47.7
Calcium segment				
Gross profit	**$ 0.3**	$ 0.2	**$ 1.9**	$ 1.7
Depreciation, depletion, accretion and amortization	**0.0**	0.0	**0.1**	0.1
Calcium segment cash gross profit	**$ 0.3**	$ 0.2	**$ 2.0**	$ 1.8

NET DEBT TO ADJUSTED EBITDA

Net debt to Adjusted EBITDA is not a GAAP measure and should not be considered as an alternative to metrics defined by GAAP. We, the investment community and credit rating agencies use this metric to assess our leverage. Net debt subtracts cash and cash equivalents and restricted cash from total debt. Reconciliation of this metric to its nearest GAAP measure is presented below:

	September 30	
in millions	***2021***	*2020*
Debt		
Current maturities of long-term debt	**$ 12.2**	$ 509.4
Short-term debt	**0.0**	0.0
Long-term debt	**3,874.1**	2,777.1
Total debt	**$ 3,886.3**	$ 3,286.5
Less: Cash and cash equivalents and restricted cash	**136.4**	1,084.7
Net debt	**$ 3,749.9**	$ 2,201.8
Trailing-Twelve Months (TTM) Adjusted EBITDA	**$ 1,379.2**	$ 1,310.8
Total debt to TTM Adjusted EBITDA	**2.8x**	2.5x
Net debt to TTM Adjusted EBITDA	**2.7x**	1.7x

EBITDA AND ADJUSTED EBITDA

GAAP does not define "Earnings Before Interest, Taxes, Depreciation and Amortization" (EBITDA), and it should not be considered as an alternative to earnings measures defined by GAAP. We use this metric to assess the operating performance of our business and as a basis for strategic planning and forecasting as we believe that it closely correlates to long-term shareholder value. We do not use this metric as a measure to allocate resources. We adjust EBITDA for certain items to provide a more consistent comparison of earnings performance from period to period. Reconciliation of this metric to its nearest GAAP measure is presented below (numbers may not foot due to rounding):

	Three Months Ended September 30		***Nine Months Ended September 30***		***Trailing-Twelve Months September 30***	
in millions	***2021***	*2020*	***2021***	*2020*	***2021***	*2020*
Net earnings attributable to Vulcan	**$ 176.9**	$ 199.8	**$ 532.9**	$ 470.0	**$ 647.4**	$ 611.1
Income tax expense	**51.8**	57.0	**169.7**	130.5	**195.0**	154.0
Interest expense, net of interest income	**36.8**	35.8	**111.6**	100.5	**145.5**	131.3
Loss on discontinued operations, net of tax	**0.2**	1.3	**2.7**	2.1	**4.1**	3.6
EBIT	**265.7**	293.9	**816.8**	703.1	**991.9**	900.0
Depreciation, depletion, accretion and amortization	**117.5**	101.0	**321.0**	295.9	**421.9**	391.6
EBITDA	**$ 383.2**	$ 394.9	**$ 1,137.8**	$ 999.0	**$ 1,413.8**	$ 1,291.6
Gain on sale of real estate and businesses, net	**$ 0.0**	$ 0.0	**$ (114.7)**	$ 0.0	**$ (114.7)**	$ (9.3)
Property donation	**0.0**	0.0	**0.0**	0.0	**0.0**	10.8
Charges associated with divested operations	**0.4**	5.9	**1.1**	6.7	**1.4**	9.7
Business development [1]	**24.7**	0.3	**30.6**	(2.1)	**40.0**	(0.8)
COVID-19 direct incremental costs [2]	**5.9**	2.4	**9.7**	7.4	**12.5**	7.4
Pension settlement charge	**0.0**	0.0	**0.0**	0.0	**22.7**	0.0
Restructuring charges	**3.5**	0.0	**3.5**	1.3	**3.5**	1.3
Adjusted EBITDA	**$ 417.7**	$ 403.5	**$ 1,068.0**	$ 1,012.3	**$ 1,379.2**	$ 1,310.8
Depreciation, depletion, accretion and amortization	**(117.5)**	(101.0)	**(321.0)**	(295.9)	**(421.9)**	(391.6)
Adjusted EBIT	**$ 300.2**	$ 302.5	**$ 747.0**	$ 716.4	**$ 957.3**	$ 919.2

1 *Represents non-routine charges or gains associated with acquisitions and dispositions. Costs in the third quarter of 2021 include U.S. Concrete acquisition related expenses of $21,092,000 and the cost impact of purchase accounting inventory valuations of $3,000,000.*

2 *These costs include $3,049,000 related to our COVID-19 vaccination incentive program initiated in the third quarter of 2021.*

ADJUSTED DILUTED EPS ATTRIBUTABLE TO VULCAN FROM CONTINUING OPERATIONS

Similar to our presentation of Adjusted EBITDA, we present Adjusted diluted earnings per share (EPS) attributable to Vulcan from continuing operations to provide a more consistent comparison of earnings performance from period to period. This metric is not defined by GAAP and should not be considered as an alternative to earnings measures defined by GAAP. Reconciliation of this metric to its nearest GAAP measure is presented below:

	Three Months Ended September 30		***Nine Months Ended September 30***	
	2021	*2020*	***2021***	*2020*
Diluted Earnings Per Share				
Net earnings attributable to Vulcan	**$ 1.32**	$ 1.50	**$ 3.99**	$ 3.53
Less: Discontinued operations	**(0.01)**	(0.01)	**(0.02)**	(0.01)
Diluted EPS attributable to Vulcan from continuing operations	**$ 1.33**	$ 1.51	**$ 4.01**	$ 3.54
Items included in Adjusted EBITDA above	**$ 0.21**	$ 0.05	**$ (0.36)**	$ 0.08
AL NOL carryforward valuation allowance	**0.00**	0.00	**0.10**	0.00
Acquisition financing interest costs	**0.00**	0.00	**0.05**	0.00
Adjusted diluted EPS attributable to Vulcan from continuing operations	**$ 1.54**	$ 1.56	**$ 3.80**	$ 3.62

2021 PROJECTED EBITDA

The following reconciliation to the mid-point of the range of 2021 Projected EBITDA excludes adjustments (as noted in Adjusted EBITDA above) as they are difficult to forecast (timing or amount). Due to the difficulty in forecasting such adjustments, we are unable to estimate their significance. This metric is not defined by GAAP and should not be considered as an alternative to earnings measures defined by GAAP. Reconciliation of this metric to its nearest GAAP measure is presented below:

in millions		***2021 Projected Mid-point***
Net earnings attributable to Vulcan	**$**	**640**
Income tax expense		**195**
Interest expense, net of interest income		**145**
Depreciation, depletion, accretion and amortization		**465**
Projected EBITDA	**$**	**1,445**

RETURN ON INVESTED CAPITAL

We define "Return on Invested Capital" (ROIC) as Adjusted EBITDA for the trailing-twelve months divided by average invested capital (as illustrated below) during the trailing 5-quarters. Our calculation of ROIC is considered a non-GAAP financial measure because we calculate ROIC using the non-GAAP metric EBITDA. We believe that our ROIC metric is meaningful because it helps investors assess how effectively we are deploying our assets. Although ROIC is a standard financial metric, numerous methods exist for calculating a company's ROIC. As a result, the method we use to calculate our ROIC may differ from the methods used by other companies. This metric is not defined by GAAP and should not be considered as an alternative to earnings measures defined by GAAP. Reconciliation of this metric to its nearest GAAP measure is presented below (numbers may not foot due to rounding):

	Trailing-Twelve Months September 30			
dollars in millions		***2021***		*2020*
Adjusted EDITDA	**$**	**1,379.2**	$	1,310.8
Average invested capital [1]				
Property, plant & equipment, net	**$**	**4,609.1**	$	4,346.2
Goodwill		**3,272.6**		3,169.1
Other intangible assets		**1,253.6**		1,093.6
Fixed and intangible assets	**$**	**9,135.3**	$	8,608.9
Current assets	**$**	**2,090.9**	$	1,655.2
Less: Cash and cash equivalents		**855.7**		477.6
Less: Current tax		**29.6**		16.0
Adjusted current assets		**1,205.6**		1,161.6
Current liabilities		**831.9**		731.0
Less: Current maturities of long-term debt		**213.6**		201.9
Less: Short-term debt		**0.0**		0.0
Adjusted current liabilities		**618.3**		529.1
Adjusted net working capital	**$**	**587.3**	$	632.5
Average invested capital	**$**	**9,722.6**	$	9,241.4
Return on invested capital		**14.2%**		14.2%

[1] *Average invested capital is based on trailing 5-quarters.*

LIQUIDITY AND FINANCIAL RESOURCES

Our primary sources of liquidity are cash provided by our operating activities and a substantial, committed bank line of credit. Additional sources of capital include access to the capital markets, the sale of surplus real estate, and dispositions of nonstrategic operating assets. We believe these financial resources are sufficient to fund our business requirements for 2021, including:

- contractual obligations
- capital expenditures
- debt service obligations
- dividend payments
- potential acquisitions
- potential share repurchases

Our balanced approach to capital deployment remains unchanged. We intend to balance reinvestment in our business, growth through acquisitions and return of capital to shareholders, while sustaining financial strength and flexibility.

We actively manage our capital structure and resources in order to balance the cost of capital and the risk of financial stress. We seek to meet these objectives by adhering to the following principles:

- maintain substantial bank line of credit borrowing capacity
- proactively manage our debt maturity schedule such that repayment/refinancing risk in any single year is low
- maintain an appropriate balance of fixed-rate and floating-rate debt
- minimize financial and other covenants that limit our operating and financial flexibility

As the impact of the COVID-19 pandemic on the economy and our operations evolves, we will continue to assess our liquidity sources and needs and take appropriate actions.

CASH

Included in our September 30, 2021 cash and cash equivalents and restricted cash balances of $136.4 million is $0.7 million of restricted cash as described in Note 1 under the caption Restricted Cash.

CASH FROM OPERATING ACTIVITIES

in millions	*Nine Months Ended September 30* **2021**	*2020*
Net earnings	**$ 532.7**	$ 470.0
Depreciation, depletion, accretion and amortization (DDA&A)	**321.0**	295.9
Noncash operating lease expense	**32.7**	27.8
Net gain on sale of property, plant & equipment and businesses	**(120.3)**	(2.3)
Contributions to pension plans	**(6.0)**	(6.5)
Deferred tax expense	**71.4**	50.3
Other operating cash flows, net [1]	**(106.7)**	(57.3)
Net cash provided by operating activities	**$ 724.8**	$ 777.9

[1] *Primarily reflects changes to working capital balances.*

Net cash provided by operating activities was $724.8 million during the nine months ended September 30, 2021, a $53.1 million decrease compared to the same period of 2020. This decrease primarily resulted from unfavorable changes in working capital balances.

Days sales outstanding, a measurement of the time it takes to collect receivables, were 45.9 days at September 30, 2021 compared to 43.5 days at September 30, 2020. All customer accounts are actively managed and no losses in excess of amounts reserved are currently expected; attention is being paid to the potential negative impact of the COVID-19 pandemic on our customers' ability to pay their amounts owed to us.

CASH FROM INVESTING ACTIVITIES

Net cash used for investing activities was $1,760.6 million during the first nine months of 2021, a $1,506.8 million increase compared to cash used of $253.7 million in the same period of 2020. During the first nine months of 2021, we invested $318.6 million in our existing operations compared to $269.0 million in the prior year period. Of this $318.6 million, $134.1 million was invested in internal growth projects to enhance our distribution capabilities, develop new production sites and enhance existing production facilities and other growth opportunities. Reducing cash used, proceeds from the sale of property, plant & equipment were up $182.9 million from the first nine months of 2020 primarily reflecting the sale of a reclaimed quarry in Southern California (see Note 16 to the condensed consolidated financial statements). In August 2021, we completed the acquisition of U.S. Concrete for $1,634.5 million of cash consideration (see Note 16 to the condensed consolidated financial statements) compared with only $5.7 million of acquisitions in the first nine months of 2020.

CASH FROM FINANCING ACTIVITIES

Net cash used for financing activities in the first nine months of 2021 was $25.8 million, compared to cash provided of $286.0 million in the same period of 2020. The current year includes: a) cash paid to retire the $500.0 million floating rate notes due March 2021, b) $13.3 million of financing costs for a bridge facility commitment and delayed draw term loan facility (see Note 7 to the condensed consolidated financial statements), c) initial proceeds of $1,600.0 million from the August draw on the delayed draw term loan facility, d) the subsequent pay down of $500.0 million on the delayed draw term loan facility, and e) $434.5 million of cash paid in September to retire U.S. Concrete's outstanding notes assumed in the acquisition. The prior year includes: a) net cash proceeds of $734.6 million from the issuance of debt, b) cash paid to retire the $250.0 million floating rate notes due June 2020, and c) $19.9 million of cash paid to settle interest rate derivatives.

Additionally, capital returned to our shareholders decreased by $14.0 million as higher dividends of $12.1 million ($1.11 per share compared to $1.02 per share) were offset by lower share repurchases of $26.1 million (no shares repurchased compared to 214,338 shares repurchased @ $121.92 average price per share).

DEBT

Certain debt measures are presented below:

dollars in millions		***September 30 2021***		*December 31 2020*		*September 30 2020*
Debt						
Current maturities of long-term debt	**$**	**12.2**	$	515.4	$	509.4
Short-term debt		**0.0**		0.0		0.0
Long-term debt		**3,874.1**		2,772.3		2,777.1
Total debt	**$**	**3,886.3**	$	3,287.7	$	3,286.5
Capital						
Total debt	**$**	**3,886.3**	$	3,287.7	$	3,286.5
Total equity		**6,449.1**		6,027.3		5,928.4
Total capital	**$**	**10,335.4**	$	9,315.0	$	9,214.9
Total Debt as a Percentage of Total Capital		**37.6%**		35.3%		35.7%
Weighted-average Effective Interest Rates						
Delayed draw term loan [1]		**1.00%**		n/a		n/a
Line of credit [1]		**1.13%**		1.25%		1.38%
Term debt		**4.64%**		4.10%		4.10%
Fixed versus Floating Interest Rate Debt						
Fixed-rate debt		**72.2%**		85.1%		85.1%
Floating-rate debt		**27.8%**		14.9%		14.9%

[1] *Reflects the margin above LIBOR for LIBOR-based borrowings; we also paid upfront fees that are amortized to interest expense and pay fees for unused borrowing capacity and standby letters of credit.*

BRIDGE FACILITY, DELAYED DRAW TERM LOAN AND LINE OF CREDIT

In June 2021, concurrent with the announcement of the pending acquisition of U.S. Concrete (see Note 16 for additional information), we obtained a $2,200.0 million bridge facility commitment from Truist Bank. Later, in June 2021, we entered into a $1,600.0 million delayed draw term loan facility with a subset of the banks that provide our line of credit. The bridge facility commitment was terminated as a condition to the execution of the delayed draw term loan facility. The delayed draw term loan was drawn in August 2021 for $1,600.0 million in connection with the acquisition of U.S. Concrete and was subsequently paid down to $1,100.0 million prior to September 30, 2021. Any amounts repaid are no longer available for borrowing and any outstanding borrowings are due August 2024. The delayed draw term loan contains covenants customary for an unsecured investment-grade facility and mirror those in our line of credit. As of September 30, 2021, we were in compliance with the delayed draw term loan covenants. Borrowings, cost ranges and other details are described in Note 7 to the condensed consolidated financial statements. Financing costs for the bridge facility commitment and the delayed draw term loan facility totaled $13.3 million, $9.4 million of which was recognized as interest expense in the second quarter of 2021.

In September 2020, we executed a new five-year unsecured line of credit of $1,000.0 million, incurring $4.6 million of deferred transaction costs. Covenants, borrowings, cost ranges and other details are described in Note 7 to the condensed consolidated financial statements. As of September 30, 2021, we were in compliance with the line of credit covenants, the credit margin for LIBOR borrowings was 1.125%, the credit margin for base rate borrowings was 0.125%, and the commitment fee for the unused amount was 0.100%.

As of September 30, 2021, our available borrowing capacity under the line of credit was $941.7 million. Utilization of the borrowing capacity was as follows:

- none was borrowed
- $58.3 million was used to provide support for outstanding standby letters of credit

TERM DEBT

Essentially all of our $3,957.2 million (face value) of term debt is unsecured. $2,846.2 million of such debt is governed by three essentially identical indentures that contain customary investment-grade type covenants. As of September 30, 2021, we were in compliance with all term debt covenants.

In August 2021, we assumed $434.5 million (fair value) of senior notes due 2029 in connection with the acquisition of U.S. Concrete and subsequently retired these notes in September 2021.

In May 2020, we issued $750.0 million of 3.50% senior notes due 2030. Total proceeds were $741.4 million (net of discounts and transaction costs). $250.0 million of the proceeds were used to retire the $250.0 million floating rate notes due June 2020, and the remainder of the proceeds, together with cash on hand, was used to retire the $500.0 million floating rate notes due March 2021.

CURRENT MATURITIES OF LONG-TERM DEBT

The $12.2 million of current maturities of long-term debt as of September 30, 2021 is due as follows:

in millions	*Current Maturities*
Fourth quarter 2021	$7.6
First quarter 2022	2.3
Second quarter 2022	1.1
Third quarter 2022	1.2

DEBT RATINGS

Our debt ratings and outlooks as of September 30, 2021 are as follows:

	Rating/Outlook	*Date*	*Description*
Senior Unsecured Term Debt			
Fitch	BBB/stable	2/22/2021	rating revised
Moody's	Baa2/stable	11/9/2020	rating revised
Standard & Poor's	BBB+/stable	2/28/2020	rating revised

LIBOR TRANSITION

The London Interbank Offered Rate (LIBOR) is an indicative measure of the average rate at which major global banks could borrow from one another and is used extensively globally as a reference rate for financial contracts (e.g., corporate bonds and loans) and commercial contracts (e.g., real estate leases). The United Kingdom’s Financial Conduct Authority (FCA), which regulates LIBOR, announced in July 2017 that it intends to cease requiring banks to submit LIBOR rates after 2021. ICE Benchmark Administration (IBA), the administrator of LIBOR, has announced that it would have to cease the publication of LIBOR quotes in June 2023 for the most actively used maturities on legacy transactions and December 2021 for all other maturities unless the FCA exercises its new powers under the Financial Services Act 2021 to require IBA to continue publishing LIBOR quotes using a “synthetic” basis.

The expected discontinuation of LIBOR has led to the formation of working groups in the U.S. and elsewhere to recommend alternative reference rates. The U.S. working group is the Alternative Reference Rates Committee (ARRC) convened by the Federal Reserve Board and the Federal Reserve Bank of New York. The ARRC has selected the Secured Overnight Financing Rate (SOFR) as the preferred alternative to LIBOR.

As of September 30, 2021, we had two material debt instruments with LIBOR as a reference rate: 1) our $1,000.0 million line of credit (none outstanding at September 30, 2021) and 2) our $1,600.0 million delayed draw term loan facility ($1,100.0 million outstanding at September 30, 2021). At this time, we cannot predict the future impact of a departure from LIBOR as a reference rate; however, if future rates based upon the successor reference rate (or a new method of calculating LIBOR) are higher than LIBOR rates as currently determined, our interest expense would increase.

EQUITY

The number of our common stock issuances and purchases for the year-to-date periods ended are as follows:

in thousands	***September 30 2021***	*December 31 2020*	*September 30 2020*
Common stock shares at January 1, issued and outstanding	**132,516**	132,371	132,371
Common Stock Issuances			
Share-based compensation plans	**188**	359	297
Common Stock Purchases			
Purchased and retired	**0**	(214)	(214)
Common stock shares at end of period, issued and outstanding	**132,704**	132,516	132,454

As of September 30, 2021, there were 8,064,851 shares remaining under the February 2017 Board of Directors' share purchase authorization. Depending upon market, business, legal and other conditions, we may purchase shares from time to time through open market (including plans designed to comply with Rule 10b5-1 of the Securities Exchange Act of 1934) and/or privately negotiated transactions. The authorization has no time limit, does not obligate us to purchase any specific number of shares, and may be suspended or discontinued at any time.

The detail of our common stock purchases (all of which were open market purchases) for the year-to-date periods ended are as follows:

in thousands, except average cost	***September 30 2021***	*December 31 2020*	*September 30 2020*
Shares Purchased and Retired			
Number	**0**	214	214
Total purchase price	**$ 0**	$ 26,132	$ 26,132
Average cost per share	**$ 0.00**	$ 121.92	$ 121.92

There were no shares held in treasury as of September 30, 2021, December 31, 2020 and September 30, 2020.

OFF-BALANCE SHEET ARRANGEMENTS

We have no off-balance sheet arrangements, such as financing or unconsolidated variable interest entities.

STANDBY LETTERS OF CREDIT

For a discussion of our standby letters of credit, see Note 7 to the condensed consolidated financial statements.

CONTRACTUAL OBLIGATIONS

Our obligation to make future payments under contracts is presented in our most recent Annual Report on Form 10-K.

CRITICAL ACCOUNTING POLICIES

We follow certain significant accounting policies when preparing our consolidated financial statements. A summary of these policies is included in our Annual Report on Form 10-K for the year ended December 31, 2020 (Form 10-K).

We prepare these financial statements to conform with accounting principles generally accepted in the United States of America. These principles require us to make estimates and judgments that affect our reported amounts of assets, liabilities, revenues and expenses, and the related disclosures of contingent assets and contingent liabilities at the date of the financial statements. We base our estimates on historical experience, current conditions and various other assumptions we believe reasonable under existing circumstances and evaluate these estimates and judgments on an ongoing basis. The results of these estimates form the basis for our judgments about the carrying values of assets and liabilities as well as identifying and assessing the accounting treatment with respect to commitments and contingencies. Our actual results may materially differ from these estimates.

We believe that the accounting policies described in the “Management's Discussion and Analysis of Financial Condition and Results of Operations” section of our Form 10-K require the most significant judgments and estimates used in the preparation of our consolidated financial statements, so we consider these to be our critical accounting policies. There have been no changes to our critical accounting policies during the three months ended September 30, 2021.

NEW ACCOUNTING STANDARDS

For a discussion of the accounting standards recently adopted or pending adoption and the effect such accounting changes will have on our results of operations, financial position or liquidity, see Note 17 to the condensed consolidated financial statements.

FORWARD-LOOKING STATEMENTS

Certain matters discussed in this report, including expectations regarding future performance, contain forward-looking statements that are subject to assumptions, risks and uncertainties that could cause actual results to differ materially from those projected. These assumptions, risks and uncertainties include, but are not limited to:

- general economic and business conditions
- a pandemic, epidemic or other public health emergency, such as the COVID-19 outbreak
- our dependence on the construction industry, which is subject to economic cycles
- the timing and amount of federal, state and local funding for infrastructure
- changes in the level of spending for private residential and private nonresidential construction
- changes in our effective tax rate
- the increasing reliance on information technology infrastructure, including the risks that the infrastructure does not work as intended, experiences technical difficulties or is subjected to cyber-attacks
- the impact of the state of the global economy on our businesses and financial condition and access to capital markets
- the highly competitive nature of the construction industry
- the impact of future regulatory or legislative actions, including those relating to climate change, wetlands, greenhouse gas emissions, the definition of minerals, tax policy or international trade
- the outcome of pending legal proceedings
- pricing of our products
- weather and other natural phenomena, including the impact of climate change and availability of water
- availability and cost of trucks, railcars, barges and ships as well as their licensed operators for transport of our materials
- energy costs
- costs of hydrocarbon-based raw materials
- healthcare costs
- the amount of long-term debt and interest expense we incur
- changes in interest rates
- the impact of a discontinuation of the London Interbank Offered Rate (LIBOR)
- volatility in pension plan asset values and liabilities, which may require cash contributions to the pension plans
- the impact of environmental cleanup costs and other liabilities relating to existing and/or divested businesses
- our ability to secure and permit aggregates reserves in strategically located areas
- our ability to manage and successfully integrate acquisitions
- the effect of changes in tax laws, guidance and interpretations
- significant downturn in the construction industry may result in the impairment of goodwill or long-lived assets
- changes in technologies, which could disrupt the way we do business and how our products are distributed
- other assumptions, risks and uncertainties detailed from time to time in our periodic reports filed with the SEC

All forward-looking statements are made as of the date of filing or publication. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent required by law. Investors are cautioned not to rely unduly on such forward-looking statements when evaluating the information presented in our filings, and are advised to consult any of our future disclosures in filings made with the Securities and Exchange Commission (SEC) and our press releases with regard to our business and consolidated financial position, results of operations and cash flows.

INVESTOR INFORMATION

We make available on our website, *www.vulcanmaterials.com*, free of charge, copies of our:

- Annual Report on Form 10-K
- Quarterly Reports on Form 10-Q
- Current Reports on Form 8-K

Our website also includes amendments to those reports filed with or furnished to the Securities and Exchange Commission (SEC) pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 as well as all Forms 3, 4 and 5 filed with the SEC by our executive officers and directors, as soon as the filings are made publicly available by the SEC on its EDGAR database (*www.sec.gov*).

In addition to accessing copies of our reports online, you may request a copy of our Annual Report on Form 10-K, including financial statements, by writing to Denson N. Franklin III, Senior Vice President, General Counsel and Secretary, Vulcan Materials Company, 1200 Urban Center Drive, Birmingham, Alabama 35242.

We have a:

- Business Conduct Policy applicable to all employees and directors
- Code of Ethics for the CEO and Senior Financial Officers

Copies of the Business Conduct Policy and the Code of Ethics are available on our website under the heading “Corporate Governance.” If we make any amendment to, or waiver of, any provision of the Code of Ethics, we will disclose such information on our website as well as through filings with the SEC.

Our Board of Directors has also adopted:

- Corporate Governance Guidelines
- Charters for its Audit, Compensation, Executive, Finance, Governance and Safety, Health & Environmental Affairs Committees

These documents meet all applicable SEC and New York Stock Exchange regulatory requirements.

The Charters of the Audit, Compensation and Governance Committees are available on our website under the heading “Corporate Governance” under the “Investor Relations” tab or you may request a copy of any of these documents by writing to Denson N. Franklin III, Senior Vice President, General Counsel and Secretary, Vulcan Materials Company, 1200 Urban Center Drive, Birmingham, Alabama 35242.

Information included on our website is not incorporated into, or otherwise made a part of, this report.

MARKET RISK

We are exposed to certain market risks arising from transactions that are entered into in the normal course of business. To manage these market risks, we may use derivative financial instruments. We do not enter into derivative financial instruments for trading or speculative purposes.

As discussed in the Liquidity and Financial Resources section of Part I, Item 2, we actively manage our capital structure and resources to balance the cost of capital and risk of financial stress. Such activity includes balancing the cost and risk of interest expense. In addition to floating-rate borrowings, we at times use interest rate swaps to manage the mix of fixed-rate and floating-rate debt.

At September 30, 2021, the estimated fair value of our long-term debt including current maturities was $4,454.3 million compared to a book value of $3,886.3 million. The estimated fair value was determined by averaging several asking price quotes for the publicly traded notes and assuming par value for the remainder of the debt. The fair value estimate is based on information available as of the balance sheet date. The effect of a decline in interest rates of one percentage point would increase the fair value of our debt by approximately $385.5 million.

We are exposed to certain economic risks related to the costs of our pension and other postretirement benefit plans. These economic risks include changes in the discount rate for high-quality bonds and the expected return on plan assets. The impact of a change in these assumptions on our annual pension and other postretirement benefits costs is discussed in our most recent Annual Report on Form 10-K.

ITEM 4
CONTROLS AND PROCEDURES

DISCLOSURE CONTROLS AND PROCEDURES

We maintain a system of controls and procedures designed to ensure that information required to be disclosed in reports we file with the SEC is recorded, processed, summarized and reported within the time periods specified by the SEC's rules and forms. These disclosure controls and procedures (as defined in the Securities Exchange Act of 1934 Rules 13a - 15(e) or 15d - 15(e)), include, without limitation, controls and procedures designed to ensure that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure. Our Chief Executive Officer and Chief Financial Officer, with the participation of other management officials, evaluated the effectiveness of the design and operation of the disclosure controls and procedures as of September 30, 2021. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of September 30, 2021.

Excluding the U.S. Concrete acquisition noted below, no material changes were made during the third quarter of 2021 to our internal controls over financial reporting, nor have there been other factors that materially affect these controls.

On August 26, 2021, we completed our acquisition of U.S. Concrete, which operated under its own set of systems and internal controls. Subsequent to the acquisition, we began the process of integrating certain of U.S. Concrete’s processes to our internal control over financial reporting environment. This integration will continue during the first year of the business combination.

PART II OTHER INFORMATION

ITEM 1
LEGAL PROCEEDINGS

Certain legal proceedings in which we are involved are discussed in Note 12 to the consolidated financial statements and Part I, Item 3 of our Annual Report on Form 10-K for the year ended December 31, 2020 and in Note 8 to the condensed consolidated financial statements and Part II, Item 1 of our Quarterly Report on Form 10-Q for the quarters ended March 31, 2021 and June 30, 2021. See Note 8 to the condensed consolidated financial statements of this Form 10-Q for a discussion of certain recent developments concerning our legal proceedings.

ITEM 1A
RISK FACTORS

There were no material changes to the risk factors disclosed in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2020.

ITEM 2
UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Purchases of our equity securities during the quarter ended September 30, 2021 are summarized below.

Period	*Total Number of Shares Purchased*	*Average Price Paid Per Share*	*Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs*	*Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs* [1]
2021				
July 1 - July 31	0	$ 0.00	0	8,064,851
Aug 1 - Aug 31	0	$ 0.00	0	8,064,851
Sept 1 - Sept 30	0	$ 0.00	0	8,064,851
Total	0	$ 0.00	0	

[1] *In February 2017, our Board of Directors authorized us to purchase up to 10,000,000 shares of our common stock. As of September 30, 2021, there were 8,064,851 shares remaining under the authorization. Depending upon market, business, legal and other conditions, we may make share purchases from time to time through open market (including plans designed to comply with Rule 10b5-1 of the Securities Exchange Act of 1934) and/or privately negotiated transactions. The authorization has no time limit, does not obligate us to purchase any specific number of shares, and may be suspended or discontinued at any time.*

We did not have any unregistered sales of equity securities during the third quarter of 2021.

ITEM 4
MINE SAFETY DISCLOSURES

The information concerning mine safety violations or other regulatory matters required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K is included in Exhibit 95 of this report.

Exhibit 10.1	First Amendment to Credit Agreement, dated August 16, 2021, by and between Vulcan Materials Company and Truist Bank, as Administrative Agent
Exhibit 10.2	Second Amendment to Credit Agreement, dated August 16, 2021, by and between Vulcan Materials Company and Truist Bank, as Administrative Agent
Exhibit 31(a)	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
Exhibit 31(b)	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
Exhibit 32(a)	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
Exhibit 32(b)	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
Exhibit 95	MSHA Citations and Litigation
Exhibit 101	The following unaudited financial information from this Quarterly Report on Form 10-Q for the quarter ended September 30, 2021 are formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) the Condensed Consolidated Balance Sheets, (ii) the Condensed Consolidated Statements of Comprehensive Income, (iii) the Condensed Consolidated Statements of Cash Flows and (iv) the Notes to Condensed Consolidated Financial Statements.
Exhibit 104	Cover Page Interactive Data File – the cover page from this Quarterly Report on Form 10-Q for the quarter ended September 30, 2021 is formatted in iXBRL (contained in Exhibit 101).

Our SEC file number for documents filed with the SEC pursuant to the Securities Exchange Act of 1934, as amended, is 001-33841.

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

VULCAN MATERIALS COMPANY

		/s/ Randy L. Pigg Randy L. Pigg Vice President, Controller
Date	November 5, 2021	(Principal Accounting Officer)
		/s/ Suzanne H. Wood Suzanne H. Wood Senior Vice President and Chief Financial Officer
Date	November 5, 2021	(Principal Financial Officer)

THIS FIRST AMENDMENT TO CREDIT AGREEMENT (this "Amendment") is made and entered into as of August 16, 2021, by and between VULCAN MATERIALS COMPANY, a New Jersey corporation (the "Borrower"), and TRUIST BANK, as the Administrative Agent (the "Administrative Agent").

W I T N E S S E T H :

WHEREAS, the Borrower, the Lenders, and the Administrative Agent are party to that certain Credit Agreement dated as of June 30, 2021 (as amended, restated, supplemented, or otherwise modified from time to time, the "Credit Agreement");

WHEREAS, pursuant to Section 10.12 of the Credit Agreement, the Credit Agreement may be amended by the Borrower and the Administrative Agent to cure any ambiguity, omission, defect or inconsistency so long as the Lenders shall have received five Business Days' prior written notice thereof and the Administrative Agent shall not have received, within five Business Days of the date of such notice to the Lenders, a written notice from the Required Lenders stating that the Required Lenders object to such amendment;

WHEREAS, the Borrower and the Administrative have agreed, as permitted by Section 10.12 of the Credit Agreement and subject to the terms and conditions and in the manner set forth herein, to amend the Credit Agreement to cure certain ambiguities, omissions, defects and/or inconsistencies.

NOW, THEREFORE, for and in consideration of the above premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, the parties hereto hereby covenant and agree as follows:

SECTION 1. Definitions. Unless otherwise specifically defined herein, each term used herein (and in the preamble and recitals above) which is defined in the Credit Agreement shall have the meaning assigned to such term in the Credit Agreement.

SECTION 2. Amendments to Credit Agreement.

(a) Section 7.6 of the Credit Agreement is hereby amended so that it reads, in its entirety, as follows:

> Section 7.6 Restrictive Agreements. No Credit Party will, nor will it permit any of its Material Subsidiaries to, directly or indirectly, enter into after the Effective Date any agreement that prohibits, restricts or imposes any condition upon (a) its ability to create, incur or permit any Lien upon any of its assets, or (b) the ability of any of its Subsidiaries to pay dividends or other distributions with respect to its Equity Interests, to make or repay loans or advances to any Credit Party, to Guarantee Indebtedness of any Credit Party or to transfer any of its assets to any Credit Party; provided that (i) the foregoing shall not apply to restrictions or conditions imposed by (A) law, (B) this Agreement or any other Loan Document, (C) the Revolving Credit Agreement or any other Loan Document (as defined in the Revolving Credit Agreement), in each case with respect to this clause (C), as in effect on the Effective Date or (D) for so long as the same are permitted to remain outstanding pursuant to Section 7.11, the USCR 2024 Notes or the USCR 2029 Notes, (ii) the foregoing shall not apply to (A) customary restrictions and conditions contained in agreements

relating to the sale of a Subsidiary or assets pending such sale, provided such restrictions and conditions apply only to the Subsidiary or the assets being sold and such sale is permitted hereunder or (B) customary restrictions and conditions contained in agreements with depositaries, securities intermediaries and other financial institutions relating to accounts maintained by a Credit Party or a Material Subsidiary, (iii) clause (a) shall not apply to restrictions or conditions imposed by any agreement relating to secured Indebtedness permitted by this Agreement if such restrictions and conditions apply only to the assets securing such Indebtedness, (iv) clause (a) shall not apply to customary provisions in leases restricting the assignment thereof and (v) clauses (a) and (b) shall not apply to Indebtedness incurred after the Effective Date so long as restrictions contained in such Indebtedness are not more restrictive, taken as a whole, than the restrictions in the 2007 Indenture as in effect on the Revolving Credit Agreement Closing Date.

(b) Section 7.11 of the Credit Agreement is hereby amended so that it reads, in its entirety, as follows:

Section 7.11 Priority Indebtedness. The Borrower will not permit any Subsidiary to create, incur, assume, suffer to exist or be obligated under any Indebtedness for borrowed money (as a borrower, guarantor or otherwise), other than (a) intercompany Indebtedness owed by any Subsidiary of the Company to the Company or any other Subsidiary of the Company, (b) the USCR 2024 Notes and the USCR 2029 Notes so long as, in each case, (x) a notice of redemption for the entire outstanding amount thereof shall have been delivered, on the Funding Date (or by such later date as the Administrative Agent may approve in writing in its sole discretion), to the trustee thereof in accordance with the redemption provisions applicable thereto and (y) such Indebtedness is redeemed and discharged in its entirety on or prior to the date that is 90 days after the Funding Date (or such later date as the Administrative Agent may approve in writing in its sole discretion), (c) capital leases and purchase money equipment financings of USCR and its Subsidiaries assumed in connection with the USCR Acquisition (including, without limitation, any such Indebtedness secured by a Lien set forth on Schedule 1.1(b)) and (d) other Indebtedness in an amount not to exceed $25,000,000 in the aggregate outstanding at any time, unless the Borrower shall have, prior to or concurrent with the incurrence of such Indebtedness, caused such Subsidiary to guarantee the Obligations and become a Credit Party hereunder by entering into a guaranty and joinder agreement in form and substance reasonably acceptable to the Administrative Agent and delivering such other documentation (including customary certificates, resolutions and legal opinions) and taking such other actions as reasonably requested by the Administrative Agent in connection with such guaranty; provided that no Foreign Subsidiary shall be required to provide such guaranty if doing so would reasonably be expected to result in material adverse tax consequences to the Borrower and its Subsidiaries.

SECTION 3. Representations and Warranties. The Borrower hereby represents and warrants to the Administrative Agent and the Lenders as follows:

(a) Each of the representations and warranties made by the Borrower in or pursuant to the Loan Documents is true and correct in all material respects (or, if any such representation or warranty already includes a materiality or material adverse effect qualifier, such representation or warranty is true and correct in all respects) on and as of the date hereof as if made on and as of such date except to the extent that such representations and warranties relate to an earlier date, in which case such representation and warranty was true and correct in all material respects (or, if any such representation or warranty already includes a materiality or material adverse effect qualifier, such representation or warranty was true and correct in all respects) as of such earlier date.

(b) As of the date hereof there exists no Default or Event of Default and immediately after giving effect to this Amendment there will exist no Default or Event of Default.

(c) The Borrower has the power and is duly authorized to enter into, deliver, and perform this Amendment.

(d) This Amendment is the legal, valid, and binding obligation of the Borrower enforceable against the Borrower in accordance with its terms.

SECTION 4. Conditions Precedent. This Amendment shall become effective only upon satisfaction of each of the following conditions:

(a) the receipt by the Administrative Agent of this Amendment duly executed by each of the Borrower and the Administrative Agent;

(b) delivery of notice of this Amendment to the Lenders and the Administrative Agent shall not have received, within five Business Days of the date of such notice, a written notice from the Required Lenders stating that the Required Lenders object to this Amendment; and

(c) the receipt by the Administrative Agent, and the effectiveness, of an amendment to the Revolving Credit Agreement, in form and substance satisfactory to the Administrative Agent duly executed by the Borrower and the Administrative Agent (each as defined therein).

SECTION 5. Miscellaneous Terms.

(a) Loan Document. For avoidance of doubt, the Borrower and the Administrative Agent hereby acknowledge and agree that this Amendment is a Loan Document.

(b) Effect of Amendment. Except as set forth expressly hereinabove, all terms of the Credit Agreement and the other Loan Documents shall be and remain in full force and effect, and shall constitute the legal, valid, binding, and enforceable obligations of the Borrower.

(c) No Novation or Mutual Departure. The Borrower expressly acknowledges and agrees that (i) there has not been, and this Amendment does not constitute or establish, a novation with respect to the Credit Agreement or any of the other Loan Documents, or a mutual departure from the strict terms, provisions, and conditions thereof, other than with respect to the amendments contained in Section 2 above, and (ii) nothing in this Amendment shall affect or limit the Administrative Agent's or any Lender's right to demand payment of liabilities owing from the Borrower to the Administrative Agent or the Lender under, or to demand strict performance of the terms, provisions, and conditions of, the Credit Agreement and the other Loan Documents, to exercise any and all rights, powers, and remedies under the Credit Agreement or the other Loan Documents or at law or in equity, or to do any and all of the foregoing, immediately at any time after the occurrence of a Default or an Event of Default under the Credit Agreement or the other Loan Documents.

(d) Ratification. The Borrower hereby restates, ratifies, and reaffirms all of its obligations and covenants set forth in the Credit Agreement and the other Loan Documents to which it is party effective as of the date hereof.

(e) Claims. To induce the Administrative Agent and the Lenders to agree to this Amendment and to continue to make advances pursuant to the Credit Agreement (subject to the terms and conditions thereof), the Borrower hereby acknowledges and agrees that, as of the date hereof, and after giving effect to the terms hereof, there exists no right of offset, defense, counterclaim, claim, or objection in favor of the Borrower or arising out of or with respect to any of the Loans or other obligations of the Borrower owed to the Administrative Agent and the Lenders under the Credit Agreement or any other Loan Document.

(f) Release. In consideration of the agreements contained herein, the Borrower hereby waives and releases each of the Lender Group members and their respective directors, partners, officers, employees and agents, from any and all claims and defenses, known or unknown as of the date of this Amendment, with respect to the Credit Agreement, the other Loan Documents and the transactions contemplated thereby on or before the date of this Amendment.

(g) Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same instrument.

(h) Fax or Other Transmission. Delivery by one or more parties hereto of an executed counterpart of this Amendment via facsimile, telecopy, or other electronic method of transmission pursuant to which the signature of such party can be seen (including, without limitation, Adobe Corporation's Portable Document Format) shall have the same force and effect as the delivery of an original executed counterpart of this Amendment.

(i) Recitals Incorporated Herein. The preamble and the recitals to this Amendment are hereby incorporated herein by this reference.

(j) Section References. Section titles and references used in this Amendment shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreements among the parties hereto evidenced hereby.

(k) Further Assurances. The Borrower agrees to take, at the Borrower's expense, such further actions as the Administrative Agent shall reasonably request from time to time to evidence the amendments set forth herein and the transactions contemplated hereby.

(l) Governing Law. This Amendment shall be governed by and construed and interpreted in accordance with the internal laws of the State of New York but excluding any principles of conflicts of law or other rule of law that would cause the application of the law of any jurisdiction other than the laws of the State of New York.

(m) Severability. Any provision of this Amendment which is prohibited or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof in that jurisdiction or affecting the validity or enforceability of such provision in any other jurisdiction.

[SIGNATURES ON FOLLOWING PAGES]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective authorized officers as of the day and year first above written.

BORROWER:

VULCAN MATERIALS COMPANY, as the Borrower

By: /s/ C. Wes Burton, Jr.
Name: C. Wes Burton, Jr.
Title: VP & Treasurer

ADMINISTRATIVE AGENT:

TRUIST BANK, as the Administrative Agent

By: /s/ Troy R. Weaver

Name: Troy R. Weaver

Title: Managing Director

THIS SECOND AMENDMENT TO CREDIT AGREEMENT (this "Amendment") is made and entered into as of August 16, 2021, by and between VULCAN MATERIALS COMPANY, a New Jersey corporation (the "Borrower"), and TRUIST BANK, as the Administrative Agent (the "Administrative Agent").

W I T N E S S E T H :

WHEREAS, the Borrower, the Lenders, and the Administrative Agent are party to that certain Credit Agreement dated as of September 10, 2020 (as amended, restated, supplemented, or otherwise modified from time to time, the "Credit Agreement");

WHEREAS, pursuant to Section 10.12 of the Credit Agreement, the Credit Agreement may be amended by the Borrower and the Administrative Agent to cure any ambiguity, omission, defect or inconsistency so long as the Lenders shall have received five Business Days' prior written notice thereof and the Administrative Agent shall not have received, within five Business Days of the date of such notice to the Lenders, a written notice from the Required Lenders stating that the Required Lenders object to such amendment;

WHEREAS, the Borrower and the Administrative have agreed, as permitted by Section 10.12 of the Credit Agreement and subject to the terms and conditions and in the manner set forth herein, to amend the Credit Agreement to cure certain ambiguities, omissions, defects and/or inconsistencies.

NOW, THEREFORE, for and in consideration of the above premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, the parties hereto hereby covenant and agree as follows:

SECTION 1. Definitions. Unless otherwise specifically defined herein, each term used herein (and in the preamble and recitals above) which is defined in the Credit Agreement shall have the meaning assigned to such term in the Credit Agreement.

SECTION 2. Amendments to Credit Agreement.

(a) Section 7.6 of the Credit Agreement is hereby amended so that it reads, in its entirety, as follows:

> Section 7.6 Restrictive Agreements. No Credit Party will, nor will it permit any of its Material Subsidiaries to, directly or indirectly, enter into after the Closing Date any agreement that prohibits, restricts or imposes any condition upon (a) its ability to create, incur or permit any Lien upon any of its assets, or (b) the ability of any of its Subsidiaries to pay dividends or other distributions with respect to its Equity Interests, to make or repay loans or advances to any Credit Party, to Guarantee Indebtedness of any Credit Party or to transfer any of its assets to any Credit Party; provided that (i) the foregoing shall not apply to restrictions or conditions imposed by (A) law, (B) this Agreement or any other Loan Document, (C) the DDTL Credit Agreement or any other Loan Document (as defined in the DDTL Credit Agreement), in each case with respect to this clause (C), as in effect on the DDTL Credit Agreement Effective Date or (D) for so long as the same are permitted to remain outstanding pursuant to Section 7.11, the USCR 2024 Notes or the USCR 2029 Notes, (ii) the foregoing shall not apply to (A) customary restrictions and conditions contained in

agreements relating to the sale of a Subsidiary or assets pending such sale, provided such restrictions and conditions apply only to the Subsidiary or the assets being sold and such sale is permitted hereunder or (B) customary restrictions and conditions contained in agreements with depositaries, securities intermediaries and other financial institutions relating to accounts maintained by a Credit Party or a Material Subsidiary, (iii) clause (a) shall not apply to restrictions or conditions imposed by any agreement relating to secured Indebtedness permitted by this Agreement if such restrictions and conditions apply only to the assets securing such Indebtedness, (iv) clause (a) shall not apply to customary provisions in leases restricting the assignment thereof and (v) clauses (a) and (b) shall not apply to Indebtedness incurred after the Closing Date so long as restrictions contained in such Indebtedness are not more restrictive, taken as a whole, than the restrictions in the 2007 Indenture as in effect on the Closing Date.

(b) Section 7.11 of the Credit Agreement is hereby amended so that it reads, in its entirety, as follows:

Section 7.11 Priority Indebtedness. The Borrower will not permit any Subsidiary to create, incur, assume, suffer to exist or be obligated under any Indebtedness for borrowed money (as a borrower, guarantor or otherwise), other than (a) intercompany Indebtedness owed by any Subsidiary of the Company to the Company or any other Subsidiary of the Company, (b) the USCR 2024 Notes and the USCR 2029 Notes so long as, in each case, (x) a notice of redemption for the entire outstanding amount thereof shall have been delivered, on the Funding Date (as defined in the DDTL Credit Agreement) (or by such later date as the Administrative Agent may approve in writing in its sole discretion), to the trustee thereof in accordance with the redemption provisions applicable thereto and (y) such Indebtedness is redeemed and discharged in its entirety on or prior to the date that is 90 days after the Funding Date (as defined in the DDTL Credit Agreement) (or such later date as the Administrative Agent may approve in writing in its sole discretion), (c) capital leases and purchase money equipment financings of USCR and its Subsidiaries assumed in connection with the USCR Acquisition (including, without limitation, any such Indebtedness secured by a Lien set forth on Schedule 1.1(b)) and (d) other Indebtedness in an amount not to exceed $25,000,000 in the aggregate outstanding at any time, unless the Borrower shall have, prior to or concurrent with the incurrence of such Indebtedness, caused such Subsidiary to guarantee the Obligations and become a Credit Party hereunder by entering into a guaranty and joinder agreement in form and substance reasonably acceptable to the Administrative Agent and delivering such other documentation (including customary certificates, resolutions and legal opinions) and taking such other actions as reasonably requested by the Administrative Agent in connection with such guaranty; provided that no Foreign Subsidiary shall be required to provide such guaranty if doing so would reasonably be expected to result in material adverse tax consequences to the Borrower and its Subsidiaries.

SECTION 3. Representations and Warranties. The Borrower hereby represents and warrants to the Administrative Agent and the Lenders as follows:

(a) Each of the representations and warranties made by the Borrower in or pursuant to the Loan Documents is true and correct in all material respects (or, if any such representation or warranty already includes a materiality or material adverse effect qualifier, such representation or warranty is true and correct in all respects) on and as of the date hereof as if made on and as of such date except to the extent that such representations and warranties relate to an earlier date, in which case such representation and warranty was true and correct in all material respects (or, if any such representation or warranty already includes a materiality or material adverse effect qualifier, such representation or warranty was true and correct in all respects) as of such earlier date.

(b) As of the date hereof there exists no Default or Event of Default and immediately after giving effect to this Amendment there will exist no Default or Event of Default.

(c) The Borrower has the power and is duly authorized to enter into, deliver, and perform this Amendment.

(d) This Amendment is the legal, valid, and binding obligation of the Borrower enforceable against the Borrower in accordance with its terms.

SECTION 4. Conditions Precedent. This Amendment shall become effective only upon satisfaction of each of the following conditions:

(a) the receipt by the Administrative Agent of this Amendment duly executed by each of the Borrower and the Administrative Agent;

(b) delivery of notice of this Amendment to the Lenders and the Administrative Agent shall not have received, within five Business Days of the date of such notice, a written notice from the Required Lenders stating that the Required Lenders object to this Amendment; and

(c) the receipt by the Administrative Agent, and the effectiveness, of an amendment to the DDTL Credit Agreement, in form and substance satisfactory to the Administrative Agent duly executed by the Borrower and the Administrative Agent (each as defined therein).

SECTION 5. Miscellaneous Terms.

(a) Loan Document. For avoidance of doubt, the Borrower and the Administrative Agent hereby acknowledge and agree that this Amendment is a Loan Document.

(b) Effect of Amendment. Except as set forth expressly hereinabove, all terms of the Credit Agreement and the other Loan Documents shall be and remain in full force and effect, and shall constitute the legal, valid, binding, and enforceable obligations of the Borrower.

(c) No Novation or Mutual Departure. The Borrower expressly acknowledges and agrees that (i) there has not been, and this Amendment does not constitute or establish, a novation with respect to the Credit Agreement or any of the other Loan Documents, or a mutual departure from the strict terms, provisions, and conditions thereof, other than with respect to the amendments contained in Section 2 above, and (ii) nothing in this Amendment shall affect or limit the Administrative Agent's or any Lender's right to demand payment of liabilities owing from the Borrower to the Administrative Agent or the Lender under, or to demand strict performance of the terms, provisions, and conditions of, the Credit Agreement and the other Loan Documents, to exercise any and all rights, powers, and remedies under the Credit Agreement or the other Loan Documents or at law or in equity, or to do any and all of the foregoing, immediately at any time after the occurrence of a Default or an Event of Default under the Credit Agreement or the other Loan Documents.

(d) Ratification. The Borrower hereby restates, ratifies, and reaffirms all of its obligations and covenants set forth in the Credit Agreement and the other Loan Documents to which it is party effective as of the date hereof.

(e) Claims. To induce the Administrative Agent and the Lenders to agree to this Amendment and to continue to make advances pursuant to the Credit Agreement (subject to the terms and conditions thereof), the Borrower hereby acknowledges and agrees that, as of the date hereof, and after giving effect to the terms hereof, there exists no right of offset, defense, counterclaim, claim, or objection in favor of the Borrower or arising out of or with respect to any of the Loans or other obligations of the Borrower owed to the Administrative Agent and the Lenders under the Credit Agreement or any other Loan Document.

(f) Release. In consideration of the agreements contained herein, the Borrower hereby waives and releases each of the Lender Group members and their respective directors, partners, officers, employees and agents, from any and all claims and defenses, known or unknown as of the date of this Amendment, with respect to the Credit Agreement, the other Loan Documents and the transactions contemplated thereby on or before the date of this Amendment.

(g) Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same instrument.

(h) Fax or Other Transmission. Delivery by one or more parties hereto of an executed counterpart of this Amendment via facsimile, telecopy, or other electronic method of transmission pursuant to which the signature of such party can be seen (including, without limitation, Adobe Corporation's Portable Document Format) shall have the same force and effect as the delivery of an original executed counterpart of this Amendment.

(i) Recitals Incorporated Herein. The preamble and the recitals to this Amendment are hereby incorporated herein by this reference.

(j) Section References. Section titles and references used in this Amendment shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreements among the parties hereto evidenced hereby.

(k) Further Assurances. The Borrower agrees to take, at the Borrower's expense, such further actions as the Administrative Agent shall reasonably request from time to time to evidence the amendments set forth herein and the transactions contemplated hereby.

(l) Governing Law. This Amendment shall be governed by and construed and interpreted in accordance with the internal laws of the State of New York but excluding any principles of conflicts of law or other rule of law that would cause the application of the law of any jurisdiction other than the laws of the State of New York.

(m) Severability. Any provision of this Amendment which is prohibited or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof in that jurisdiction or affecting the validity or enforceability of such provision in any other jurisdiction.

[SIGNATURES ON FOLLOWING PAGES]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective authorized officers as of the day and year first above written.

BORROWER:

VULCAN MATERIALS COMPANY, as the Borrower

By: /s/ C. Wes Burton, Jr.
Name: C. Wes Burton, Jr.
Title: VP & Treasurer

ADMINISTRATIVE AGENT:

TRUIST BANK, as the Administrative Agent

By: /s/ Troy R. Weaver
Name: Troy R. Weaver
Title: Managing Director

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, J. Thomas Hill, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Vulcan Materials Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date November 5, 2021

/s/ J. Thomas Hill
J. Thomas Hill
Chairman, President and Chief Executive Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Suzanne H. Wood, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Vulcan Materials Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date November 5, 2021

/s/ Suzanne H. Wood
Suzanne H. Wood, Senior Vice President and
Chief Financial Officer

EXHIBIT 32(a)

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
OF
VULCAN MATERIALS COMPANY
PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES OXLEY ACT OF 2002

I, J. Thomas Hill, Chairman, President and Chief Executive Officer of Vulcan Materials Company, certify that the Quarterly Report on Form 10-Q (the “report”) for the quarter ended September 30, 2021, filed with the Securities and Exchange Commission on the date hereof:

(i) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and

(ii) the information contained in the report fairly presents, in all material respects, the financial condition and results of operations of Vulcan Materials Company.

/s/ J. Thomas Hill
J. Thomas Hill
Chairman, President and Chief Executive Officer
November 5, 2021

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Vulcan Materials Company and will be retained by Vulcan Materials Company and furnished to the Securities and Exchange Commission or its staff upon request.

CERTIFICATION OF CHIEF FINANCIAL OFFICER
OF
VULCAN MATERIALS COMPANY
PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES OXLEY ACT OF 2002

I, Suzanne H. Wood, Senior Vice President and Chief Financial Officer of Vulcan Materials Company, certify that the Quarterly Report on Form 10-Q (the “report”) for the quarter ended September 30, 2021, filed with the Securities and Exchange Commission on the date hereof:

(i) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and

(ii) the information contained in the report fairly presents, in all material respects, the financial condition and results of operations of Vulcan Materials Company.

/s/ Suzanne H. Wood
Suzanne H. Wood, Senior Vice President and
Chief Financial Officer
November 5, 2021

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Vulcan Materials Company and will be retained by Vulcan Materials Company and furnished to the Securities and Exchange Commission or its staff upon request.

On July 21, 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act) was enacted. Section 1503 of the Dodd-Frank Act requires companies that are “operators” (as such term is defined in the Federal Mine Safety and Health Act of 1977 (the Mine Act)) to disclose certain mine safety information in each periodic report to the Securities and Exchange Commission. This information is related to the enforcement of the Mine Act by the Mine Safety and Health Administration (MSHA).

The Dodd-Frank Act and the subsequent implementing regulation issued by the SEC require disclosure of the following categories of violations, orders and citations: (1) Section 104 S&S Citations, which are citations issued for violations of mandatory health or safety standards that could significantly and substantially contribute to the cause and effect of a mine safety or health hazard; (2) Section 104(b) Orders, which are orders issued upon a follow up inspection where the inspector finds the violation previously cited has not been totally abated in the prescribed time period; (3) Section 104(d) Citations and Orders, which are issued upon violations of mandatory health or safety standards caused by an unwarrantable failure of the operator to comply with the standards; (4) Section 110(b)(2) Violations, which result from the reckless and repeated failure to eliminate a known violation; (5) Section 107(a) Orders, which are given when MSHA determines that an imminent danger exists and results in an order of immediate withdrawal from the area of the mine affected by the condition; and (6) written notices from MSHA of a pattern of violations of mandatory health or safety standards that are of such nature as could have significantly and substantially contributed to the cause and effect of mine health or safety hazards under Section 104(e). In addition, the Dodd-Frank Act requires the disclosure of the total dollar value of proposed assessments from MSHA under the Mine Act and the total number of mining related fatalities.

The following disclosures are made pursuant to Section 1503.

During the three months ended September 30, 2021, none of our operations: (i) received any orders under Section 104(b), which are issued upon a follow up inspection where the inspector finds the violation previously cited has not been totally abated in the prescribed time period; (ii) had any flagrant violations under Section 110(b)(2); (iii) received notice from MSHA of a pattern of violations of mandatory health or safety standards under Section 104(e); or (iv) had any mining related fatalities.

THIRD QUARTER 2021

The table below sets forth, by mine, the total number of citations and/or orders issued by MSHA during the period covered by this report under the indicated provisions of the Mine Act, together with the total dollar value of proposed assessments, if any, from MSHA, received during the three months ended September 30, 2021. Of our 269 active MSHA-regulated facilities during the quarter, we received 133 federal mine safety inspections at 128 facilities during the reporting period. Of our inspected facilities, 114 did not receive any reportable citations or orders.

Name of Operation	Number of Inspections	Total Number of S&S Citations	Mine Act § 104(b) Orders	Mine Act § 104(d) Citations and Orders	Mine Act § 110(b)(2) Violations	Mine Act § 107(a) Orders	Total Dollar Value of Proposed MSHA Assessments (dollars in thousands)	Total Number of Mining Related Fatalities	Received Written Notice under Mine Act § 104(e) (yes/no)
1604 CLEAN, TX	1	1	0	0	0	0	$0.0	0	No
BARIN, GA	2	1	0	0	0	0	$0.0	0	No
BARTLETT, IL	1	1	0	0	0	0	$0.0	0	No
BRISTOL, TN	1	1	0	0	0	0	$0.0	0	No
BRONTE QUARRY, TX	1	1	0	0	0	0	$0.0	0	No
BROOKMAN QUARRY, USVI	1	2	0	0	0	0	$0.0	0	No
COLUMBIA SED, SC	1	1	0	0	0	0	$0.0	0	No
LAGRANGE, GA	1	1	0	0	0	0	$0.0	0	No
LEMONT, IL	1	1	0	0	0	0	$0.0	0	No
LEXINGTON COUNTY, SC	1	2	0	0	0	0	$0.0	0	No
MACON SED, GA	1	1	0	0	0	0	$0.0	0	No
MCCOOK, IL	1	7	0	0	0	0	$5.5	0	No
PLACITAS, NM	1	1	0	0	0	0	$0.0	0	No
TORRANCE, NM	1	1	0	0	0	0	$0.0	0	No
OTHER OPERATIONS - 114	118	0	0	0	0	0	$0.0	0	No
Total	**133**	**22**	**0**	**0**	**0**	**0**	**$5.5**	**0**	

The total dollar value of proposed assessments received during the three months ended September 30, 2021 for all other citations, as well as proposed assessments received during the reporting period for citations previously issued, is $15,615.

The table below sets forth, by mine, category of legal action and number of legal actions pending before the Federal Mine Safety and Health Review Commission as of September 30, 2021.

	Number of Legal Actions		
Name of Operation	**Contest Penalty**	**Contest Citations**	**Complaint of Discharge, Discrimination**
NONE			

The table below sets forth, by mine, category of legal action and number of legal actions filed before the Federal Mine Safety and Health Review Commission during the three months ended September 30, 2021.

	Number of Legal Actions		
Name of Operation	**Contest Penalty**	**Contest Citations**	**Complaint of Discharge, Discrimination**
WILSON COUNTY, TN	0	0	1
YORK PLANT, PA	1	0	0
SPRUCE PINE, NC	2	0	0

The table below sets forth, by mine, category of legal action and number of legal actions resolved (disposed) by the Federal Mine Safety and Health Review Commission during the three months ended September 30, 2021.

	Number of Legal Actions		
Name of Operation	**Contest Penalty**	**Contest Citations**	**Complaint of Discharge, Discrimination**
AUGUSTA PLANT, VA	1	0	0
HUNTSVILLE NORTH QUARRY, AL	2	0	0