



RESULTS FOR USER QUERY:

Section 1: Upstream Suppliers

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Sterling Infrastructure Inc | Supply Chain Mapping

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As a Business Intelligence Analyst, I have analyzed Sterling Infrastructure Inc.'s operations, market positioning, and strategic initiatives to develop a comprehensive supply chain map. Below is the structured breakdown of Sterling's upstream and downstream segments, market moves, and value capture dynamics.

Section 1: Upstream Suppliers

Sterling Infrastructure relies on a network of third-party material suppliers, equipment providers, and specialized subcontractors to execute its heavy civil, site development, and building projects. ^[1] While specific vendor names are largely kept proprietary in public filings for competitive reasons, the critical supplier categories and their dependencies are well-documented. ^[2]  1 · 10K  2 · 10K

Supplier Name (Category)	Industry Sector	Location (Country, Region)	Relationship Type	Key Dependencies	Risk Factors	Sources
Raw Material Suppliers	Construction Materials	United States & Global	Raw Material Supplier	Supply of aggregates, cement, asphalt, concrete, steel, lumber, oil, and fuel.	Supply chain disruptions, price inflation, trade tariffs, and geopolitical conflicts impacting global commodity prices.	[3] [4]
Heavy Construction Equipment Dealers	Industrial Machinery	United States	Equipment Supplier / Lessor	Availability of specialized earthmoving machinery, transport equipment, and maintenance components.	Mechanical failures, rising lease and acquisition costs, and parts availability for ongoing maintenance.	[5]
Specialty Subcontractors	Construction Services	United States	Tier 1 Supplier (Service)	Provision of specialized labor, trade skills, and supplementary construction services.	Acute labor shortages, wage pressures, and the potential financial or operational instability of the subcontractor.	[6] [7]

Section 2: Downstream Partners

Sterling's downstream ecosystem consists of the end-users and project owners who contract the company for its E-Infrastructure, Transportation, and Building Solutions. ^[8]  8 • 10K

Partner Name	Industry Sector	Location (Country, Region)	Relationship Type	Key Dependencies	Risk Factors	Sources
Hyperscalers & E-Commerce (e.g., Amazon, Meta, SK, Hyundai, Rivian)	Technology, Auto, E-Commerce	US (Southeast, Mid-Atlantic, Rockies, Texas)	End Customer	Large-scale site development, multi-year capital deployment, and speed-to-market execution.	End-market demand volatility, project delays, and shifts in technology capital expenditure.	[9]
State Departments of Transportation (DOTs) & Authorities	Government / Public Sector	US (Utah, Arizona, Colorado, Nevada, Texas, Pacific Islands)	End Customer	Infrastructure rehabilitation, heavy highway, aviation, and rail projects.	Federal and state funding reductions, budget delays, and IIJA funding timing.	[10]
National, Regional & Custom Homebuilders	Residential & Commercial Real Estate	US (Dallas-Fort Worth, Houston, Phoenix)	End Customer	Concrete foundations, elevated slabs, and residential plumbing services.	Rising mortgage rates, housing affordability crises, and cyclical economic downturns.	[11] [12]

Section 3: Strategic Moves in the Market

Acquisitions & Expansions Sterling has actively utilized mergers and acquisitions to expand its capabilities and geographic footprint. ^[13]  13 • 10K

- **CEC Facilities Group:** In September 2025, Sterling acquired CEC for a purchase price of \$560.7 million, expanding its E-Infrastructure services into mission-critical electrical and mechanical contracting. ^[14]  14 • 10Q
- **Drake Concrete:** In the first quarter of 2025, Sterling acquired Drake for \$25 million to strengthen its residential concrete slab footprint in the Dallas-Fort Worth market. ^[15]  15 • 10Q
- **Geographic Expansion:** Driven by customer demand, Sterling is aggressively expanding its site development operations into new markets, including Texas and the Pacific Northwest, to support future mega-projects. ^[16]  16 • Transcript - Earnings Calls

Funding & Capital Allocation

- **Debt Financing:** In June 2025, Sterling secured \$300 million in debt financing to support its strategic growth and acquisition pipeline. ^[18] The company maintains a 5-year credit facility featuring a \$296 million term loan and a \$150 million revolving credit facility. ^[17] [17 • Investor Presentation](#) [Funding Screener • Filters: 1](#)
- **Share Repurchases:** Management authorized a new \$400 million stock repurchase program in November 2025, reflecting strong cash flow generation and confidence in the company's valuation. ^[19] [19 • Press Release](#)

Divestitures

- **RHB Deconsolidation:** At the end of 2024, Sterling executed an amendment to its operating agreement with Road and Highway Builders, LLC (RHB), transitioning from fully consolidating the joint venture to using equity method accounting. ^[20] [20 • 10K](#)

Backlog of \$3.01B was +78% Y/Y (+17% Q/Q) or +49% Y/Y ex. CEC contributions. ^[21]

[21 • D.A. Davidson](#)

Macro & Geopolitical Trends Impacting the Supply Chain

The infrastructure supply chain is currently being shaped by dual macro forces. ^[22] Domestically, the rapid adoption of artificial intelligence and cloud computing has triggered a massive infrastructure supercycle, forcing hyperscalers to deploy multi-year capital plans for data centers. ^[23] Concurrently, the CHIPS Act and a push for supply chain security are driving the reshoring of advanced semiconductor manufacturing back to the United States. ^[24] On the risk side, global geopolitical tensions—particularly in the Middle East and Eastern Europe—along with escalating trade tariffs, continue to threaten global supply chains, causing periodic volatility in fuel, energy, and raw material costs. ^[25] [22](#) [25 • ARS](#) [23 • 10Q](#) [24 • Investor Presentation](#)

Strong sales and profits in E-Infrastructure led the 4Q:25 beat. Better than expected sales and profits in E-Infrastructure led the beat, a function of the segment's ongoing shift to larger sized projects. ^[26]

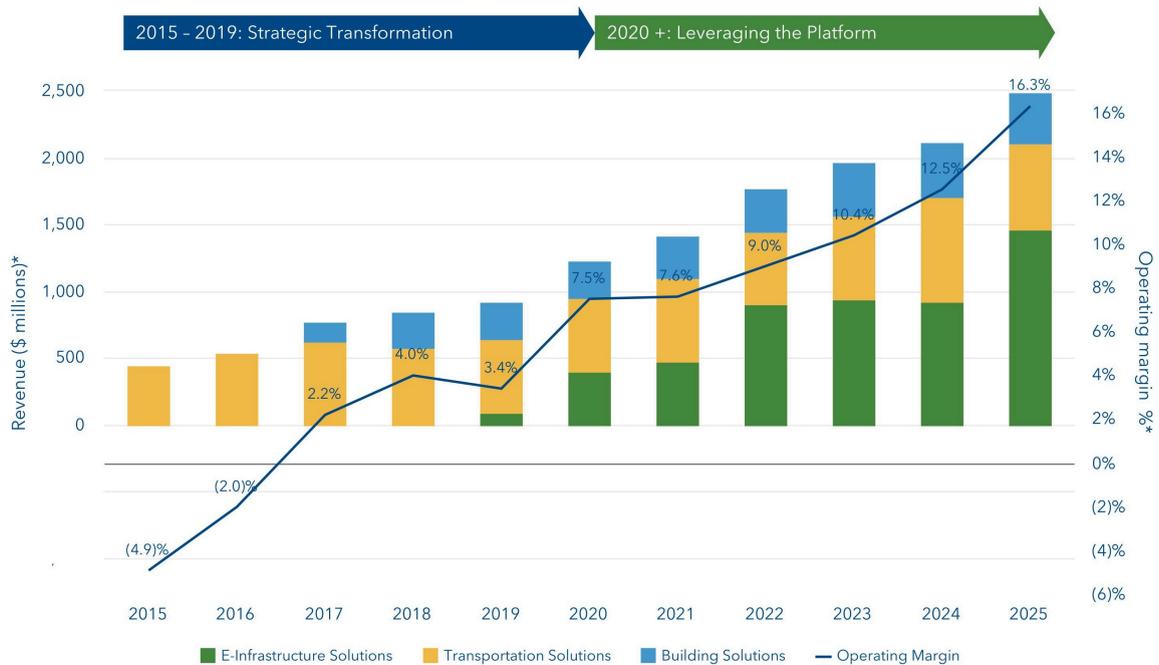
[26 • Sidoti Research](#)

Section 4: Value Capture in the Ecosystem

Sterling captures outsized value in the infrastructure ecosystem by intentionally shifting its portfolio away from high-risk, low-margin heavy highway bidding toward highly complex, time-sensitive E-Infrastructure projects. ^[27] By reducing its low-bid heavy highway revenue from 79% in 2016 down to just 9% by the end of 2025, the company has structurally elevated its gross margins. ^[28] ^[29] Furthermore, by integrating early-stage site development with mission-critical electrical and mechanical services (via the CEC acquisition), Sterling captures value across multiple phases of the project lifecycle, positioning itself as a single-source solution that accelerates build schedules for hyperscale customers. ^[31] [27](#) [28 • 10K](#) [31 • Transcript - Earnings Calls](#)

26 Feb • Sterling Infrastructure Inc – 2025 Q4 Presentation >

Sterling's revenue mix shift and operating margin expansion from 2015 to 2025



Needham & Co. points out that Sterling's intentional pivot toward faster-turn projects with less lump-sum risk has successfully positioned its E-Infrastructure segment as the primary growth and margin driver for the enterprise.

[32] 32 • Needham & Co.

Sidoti & Company highlights that Sterling accrues value by positioning itself at the very beginning of the construction cycle, allowing the company to successfully monetize large-scale site preparation and civil work well before any complex IT hardware or cooling systems are installed.

[33] 33 • Sidoti & Company

Citations

- [1] [4] 10K • Sterling Infrastructure Inc • 26 Feb 25 • "Annual Report FY 2024"
- [2] [12] 10K • Sterling Infrastructure Inc • 28 Feb 23 • "Annual Report FY 2022"
- [3] [10] [22] [25] ARS • Sterling Infrastructure Inc • 25 Mar 26 • "Scanned paper annual report submission"
- [5] [6] [8] [11] [13] [20] [27] [28] 10K • Sterling Infrastructure Inc • 26 Feb 26 • "Annual Report FY 2025"
- [7] 10K • Sterling Infrastructure Inc • 01 Mar 22 • "Annual Report FY 2021"
- [9] 10Q • Sterling Infrastructure Inc • 08 Aug 23 • "Quarterly Report Q2 2023"
- [14] [23] 10Q • Sterling Infrastructure Inc • 04 Nov 25 • "Quarterly Report Q3 2025"
- [15] 10Q • Sterling Infrastructure Inc • 05 Aug 25 • "Quarterly Report Q2 2025"
- [16] Transcript - Earnings Calls • Sterling Infrastructure Inc • 26 Feb 26 • "Sterling Infrastructure, Inc., Q4 2025 Earnings Call, Feb 26, 2026"
- [17] Investor Presentation • Sterling Infrastructure Inc • 09 Jan 26 • "Sterling Infrastructure, Inc. | STRL: IR Presentation"
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- [19] Press Release • Sterling Infrastructure Inc • 12 Nov 25 • "Sterling Announces Authorization of a New \$400 Million Stock Repurchase Program"
- [21] D.A. Davidson • Sterling Infrastructure Inc • 26 Feb 26 • "Biz Pipeline Very Healthy - Raise Estimates/PT"

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[24] Investor Presentation • Sterling Construction • 17 Jun 25 • "*Sterling Infrastructure Inc – M&A | Special Situations*"

[26] Sidoti Research • Sterling Infrastructure Inc • 02 Mar 26 • "*STRL's 4Q:25 Beat Expectations; Execution At Scale Continues To Resonate With Larger, Mission-Critical Projects; Lift Estimates, Price Target To \$505 (From \$470)*"

[29] [29] Earnings Presentation • Sterling Infrastructure Inc • 26 Feb 26 • "*Sterling Infrastructure Inc – 2025 Q4 Presentation*"

[31] Transcript - Earnings Calls • Sterling Infrastructure Inc • 05 Aug 25 • "*Sterling Infrastructure, Inc., Q2 2025 Earnings Call, Aug 05, 2025*"

[32] Needham & Co. • 30 Dec 25 • "*Power, Energy, Infrastructure : Needham Growth Conference Company Question Bank*"

[33] Sidoti & Company • Comfort Systems USA Inc • 09 Feb 26 • "*The AI Infrastructure Cycle: Constraints, Complexity, and Value Creation Beyond Compute*"

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