

Summit Materials, Inc.  
 Form 10-K/A  
 February 20, 2019  
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UNITED STATES  
 SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549  
 FORM 10-K/A  
 Amendment No. 1  
 (Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
 For the fiscal year ended December 29, 2018

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 numbers:  
 001-36873 (Summit Materials, Inc.)  
 333-187556 (Summit Materials, LLC)  
 SUMMIT MATERIALS, INC.  
 SUMMIT MATERIALS, LLC  
 (Exact name of registrants as specified in their charters)  
 Delaware (Summit Materials, Inc.) 47-1984212  
 Delaware (Summit Materials, LLC) 26-4138486  
 (State or other jurisdiction of (I.R.S. Employer  
 incorporation or organization) Identification No.)  
 1550 Wynkoop Street, 3rd Floor 80202  
 Denver, Colorado  
 (Address of principal executive offices) (Zip Code)

Registrants' telephone number, including area code: (303) 893-0012

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

Title of each class	Name of each exchange on which registered
Class A Common Stock (par value \$.01 per share)	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Summit Materials, Inc.	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Summit Materials, LLC	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Summit Materials, LLC	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
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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.

Summit Materials, Inc.	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Summit Materials, LLC	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

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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 (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Summit Materials, Inc.

Yes  No

Summit Materials, LLC

Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant’s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K

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.

Summit Materials, Inc.

Large accelerated filer  Accelerated filer   
 Non-accelerated filer  Smaller reporting company   
 Emerging growth company

Summit Materials, LLC

Large accelerated filer  Accelerated filer   
 Non-accelerated filer  Smaller reporting company   
 Emerging growth company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

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.

Summit Materials, Inc. Yes  No

Summit Materials, LLC Yes  No

The aggregate market value of the Summit Materials, Inc. voting stock held by non-affiliates of the Registrants as of July 1, 2017 was approximately \$3.1 billion.

As of January 30, 2019, the number of shares of Summit Materials, Inc.’s outstanding Class A and Class B common stock, par value \$0.01 per share for each class, was 111,671,837 and 99, respectively.

As of January 30, 2019, 100% of Summit Materials, LLC's outstanding limited liability company interests were held by Summit Materials Intermediate Holdings, LLC, its sole member and an indirect subsidiary of Summit Materials, Inc.

**DOCUMENTS INCORPORATED BY REFERENCE**

Certain information required by Items 10, 11, 12, 13 and 14 of Part III incorporate information by reference from Summit Materials, Inc.'s definitive proxy statement relating to its 2019 annual meeting of stockholders to be filed with the Securities and Exchange Commission within 120 days after the close of Summit Materials, Inc.'s fiscal year.

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EXPLANATORY NOTE

Summit Materials, Inc. (the “Company”) files this Amendment No. 1 (“Amendment No. 1”) to its Annual Report on Form 10-K for the year ended December 29, 2018 filed with the Securities and Exchange Commission (“SEC”) on February 6, 2019 (the “Original 10-K”) at the request of KPMG LLP to provide an amended report of its independent registered public accounting firm (the “KPMG report”) that includes a statement inadvertently omitted from the previously filed version that confirms that the Company’s independent registered accounting firm did not audit the internal controls over financial reporting for the consolidated financial statements of Summit Materials, LLC whose consolidated financial statements were filed as Exhibit 99.1 to the Company’s Original 10-K. The KPMG report, as replaced in Amendment No. 1, does not modify KPMG LLP’s unqualified opinion on the Summit Materials, LLC consolidated financial statements included in the Original 10-K.

As required by Rule 12b-15 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), currently-dated certifications from the Company’s Chief Executive Officer and Chief Financial Officer have been included as exhibits to this Amendment No. 1. Furthermore, pursuant to Rule 12b-15 promulgated under the Exchange Act, the Company has repeated the entire text of Item 8 and Item 15 of the Original 10-K in this Amendment No. 1, however, there have been no changes to the text of such items other than to replace the KPMG report as described above and to file an updated consent of KPMG LLP as Exhibit 23.1.

Amendment No. 1 speaks as of the date of the Original 10-K, does not reflect events that may have occurred after the date of the Original 10-K and does not modify or update in any way the disclosures made in the Original 10-K, except as described above. Accordingly, Amendment No. 1 should be read in conjunction with the Original 10-K and with the Company’s other filings with the SEC subsequent to the filing of the Original 10-K, including any amendments thereto.

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SUMMIT MATERIALS, INC. AND SUBSIDIARIES

FORM 10-K/A

For the Fiscal Year ended December 29, 2018

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PART II

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors  
Summit Materials, Inc.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Summit Materials, Inc. and subsidiaries (the Company) as of December 29, 2018 and December 30, 2017, the related consolidated statements of operations, comprehensive loss, changes in redeemable noncontrolling interest and stockholders' equity, and cash flows for each of the fiscal years ended December 29, 2018, December 30, 2017 and December 31, 2016 and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 29, 2018 and December 30, 2017, and the results of its operations and its cash flows for each of the fiscal years ended December 29, 2018, December 30, 2017 and December 31, 2016, in conformity with U.S. generally accepted accounting principles. We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 29, 2018, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 6, 2019 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ KPMG LLP

We have served as the Company's auditor since 2012.  
Denver, Colorado  
February 6, 2019

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## SUMMIT MATERIALS, INC. AND SUBSIDIARIES

## Consolidated Balance Sheets

December 29, 2018 and December 30, 2017

(In thousands, except share and per share amounts)

	2018	2017
Assets		
Current assets:		
Cash and cash equivalents	\$128,508	\$383,556
Accounts receivable, net	214,518	198,330
Costs and estimated earnings in excess of billings	18,602	9,512
Inventories	213,851	184,439
Other current assets	16,061	7,764
Total current assets	591,540	783,601
Property, plant and equipment	1,780,132	1,615,424
Goodwill	1,192,028	1,036,320
Intangible assets	18,460	16,833
Deferred tax assets	225,397	284,092
Other assets	50,084	51,063
Total assets	\$3,857,641	\$3,787,333
Liabilities and Stockholders' Equity		
Current liabilities:		
Current portion of debt	\$6,354	\$4,765
Current portion of acquisition-related liabilities	34,270	14,087
Accounts payable	107,702	98,744
Accrued expenses	100,491	116,629
Billings in excess of costs and estimated earnings	11,840	15,750
Total current liabilities	260,657	249,975
Long-term debt	1,807,502	1,810,833
Acquisition-related liabilities	49,468	58,135
Tax receivable agreement liability	309,674	331,340
Other noncurrent liabilities	88,195	65,329
Total liabilities	2,515,496	2,515,612
Commitments and contingencies (see note 16)		
Stockholders' equity:		
Class A common stock, par value \$0.01 per share; 1,000,000,000 shares authorized, 111,658,927 and 110,350,594 shares issued and outstanding as of December 29, 2018 and December 30, 2017, respectively	\$1,117	\$1,104
Class B common stock, par value \$0.01 per share; 250,000,000 shares authorized, 99 and 100 shares issued and outstanding as of December 29, 2018 and December 30, 2017, respectively	—	—
Additional paid-in capital	1,194,204	1,154,220
Accumulated earnings	129,739	95,833
Accumulated other comprehensive income	2,681	7,386
Stockholders' equity	1,327,741	1,258,543
Noncontrolling interest in Summit Holdings	14,404	13,178
Total stockholders' equity	1,342,145	1,271,721
Total liabilities and stockholders' equity	\$3,857,641	\$3,787,333

See accompanying notes to consolidated financial statements.





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## SUMMIT MATERIALS, INC. AND SUBSIDIARIES

## Consolidated Statements of Operations

Years ended December 29, 2018, December 30, 2017 and December 31, 2016

(In thousands, except share and per share amounts)

	2018	2017	2016	
Revenue:				
Product	\$ 1,600,159	\$ 1,449,936	\$ 1,223,008	
Service	309,099	302,473	265,266	
Net revenue	1,909,258	1,752,409	1,488,274	
Delivery and subcontract revenue	191,744	180,166	137,789	
Total revenue	2,101,002	1,932,575	1,626,063	
Cost of revenue (excluding items shown separately below):				
Product	1,058,544	898,281	751,419	
Service	225,491	203,330	182,584	
Net cost of revenue	1,284,035	1,101,611	934,003	
Delivery and subcontract cost	191,744	180,166	137,789	
Total cost of revenue	1,475,779	1,281,777	1,071,792	
General and administrative expenses	253,609	242,670	243,512	
Depreciation, depletion, amortization and accretion	204,910	179,518	149,300	
Transaction costs	4,238	7,733	6,797	
Operating income	162,466	220,877	154,662	
Interest expense	116,548	108,549	97,536	
Loss on debt financings	149	4,815	—	
Tax receivable agreement (benefit) expense	(22,684	) 271,016	14,938	
Gain on sale of business	(12,108	) —	—	
Other (income) loss, net	(15,516	) (5,303	) 1,361	
Income (loss) from operations before taxes	96,077	(158,200	) 40,827	
Income tax expense (benefit)	59,747	(283,977	) (5,299	)
Net income	36,330	125,777	46,126	
Net (loss) income attributable to noncontrolling interest in subsidiaries	—	(27	) 16	
Net income attributable to Summit Holdings	2,424	3,974	9,327	
Net income attributable to Summit Inc.	\$33,906	\$ 121,830	\$ 36,783	
Income per share of Class A common stock:				
Basic	\$0.30	\$ 1.12	\$ 0.52	
Diluted	\$0.30	\$ 1.11	\$ 0.52	
Weighted average shares of Class A common stock:				
Basic	111,380,175	108,696,438	70,355,042	
Diluted	112,316,646	109,490,898	70,838,508	

See accompanying notes to consolidated financial statements.

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## SUMMIT MATERIALS, INC. AND SUBSIDIARIES

## Consolidated Statements of Comprehensive Loss

Years ended December 29, 2018, December 30, 2017 and December 31, 2016

(In thousands)

	2018	2017	2016
Net income	\$36,330	\$125,777	\$46,126
Other comprehensive income (loss):			
Postretirement curtailment adjustment	—	429	—
Postretirement liability adjustment	1,661	699	426
Foreign currency translation adjustment	(9,348 )	7,768	2,125
Income (loss) on cash flow hedges	1,206	1,413	(1,529 )
Less tax effect of other comprehensive income (loss) items	1,578	(288 )	—
Other comprehensive (loss) income:	(4,903 )	10,021	1,022
Comprehensive income	31,427	135,798	47,148
Less comprehensive (loss) income attributable to the noncontrolling interest in consolidated subsidiaries	—	(27 )	16
Less comprehensive income attributable to Summit Holdings	2,226	4,360	9,803
Comprehensive income attributable to Summit Inc.	\$29,201	\$131,465	\$37,329

See accompanying notes to consolidated financial statements.

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## SUMMIT MATERIALS, INC. AND SUBSIDIARIES

## Consolidated Statements of Cash Flows

Years ended December 29, 2018, December 30, 2017 and December 31, 2016

(In thousands)

	2018	2017	2016
Cash flow from operating activities:			
Net income	\$36,330	\$125,777	\$46,126
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation, depletion, amortization and accretion	208,772	193,107	160,633
Share-based compensation expense	25,378	21,140	49,940
Net gain on asset disposals	(30,093 )	(7,638 )	(3,102 )
Non-cash loss on debt financings	—	3,856	—
Change in deferred tax asset, net	57,490	(289,219 )	(4,263 )
Other	2,018	(2,359 )	(1,282 )
(Increase) decrease in operating assets, net of acquisitions and dispositions:			
Accounts receivable, net	(5,796 )	(3,720 )	2,511
Inventories	(11,598 )	(18,609 )	(10,297 )
Costs and estimated earnings in excess of billings	(8,702 )	(1,825 )	(2,684 )
Other current assets	(7,159 )	8,703	(5,518 )
Other assets	(106 )	(3,103 )	(2,350 )
(Decrease) increase in operating liabilities, net of acquisitions and dispositions:			
Accounts payable	(13,403 )	6,192	(5,751 )
Accrued expenses	(16,544 )	(7,006 )	13,196
Billings in excess of costs and estimated earnings	(5,052 )	109	700
Tax receivable agreement liability	(21,666 )	273,194	58,145
Other liabilities	(501 )	(6,416 )	(51,141 )
Net cash provided by operating activities	209,368	292,183	244,863
Cash flow from investing activities:			
Acquisitions, net of cash acquired	(246,017 )	(374,930 )	(336,958 )
Purchases of property, plant and equipment	(220,685 )	(194,146 )	(153,483 )
Proceeds from the sale of property, plant and equipment	21,635	17,072	16,868
Proceeds from sale of business	21,564	—	—
Other	3,804	(471 )	2,921
Net cash used for investing activities	(419,699 )	(552,475 )	(470,652 )
Cash flow from financing activities:			
Proceeds from equity offerings	—	237,600	—
Capital issuance costs	—	(627 )	(136 )
Proceeds from debt issuances	64,500	302,000	354,000
Debt issuance costs	(550 )	(6,416 )	(5,801 )
Payments on debt	(85,042 )	(16,438 )	(120,702 )
Purchase of noncontrolling interests	—	(532 )	—
Payments on acquisition-related liabilities	(36,504 )	(34,650 )	(32,040 )
Distributions from partnership	(69 )	(1,974 )	(13,034 )
Proceeds from stock option exercises	15,615	21,661	440
Other	(1,943 )	(869 )	(20 )
Net cash (used in) provided by financing activities	(43,993 )	499,755	182,707
Impact of foreign currency on cash	(724 )	701	69
Net (decrease) increase in cash	(255,048 )	240,164	(43,013 )
Cash and cash equivalents—beginning of period	383,556	143,392	186,405

Cash and cash equivalents—end of period	\$ 128,508	\$ 383,556	\$ 143,392
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See accompanying notes to consolidated financial statements.

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SUMMIT MATERIALS, INC. AND SUBSIDIARIES

Consolidated Statements of Changes in Redeemable Noncontrolling Interest and Stockholders' Equity  
 Years ended December 29, 2018, December 30, 2017 and December 31, 2016

(In thousands, except share amounts)

	Summit Materials, Inc.									
	Noncontrolling Interest in Subsidiaries		Accumulated Other Comprehensive Income (Loss)	Class A Common Shares	Class A Common Stock Dollars	Class B Common Shares	Class B Common Stock Dollars	Additional Paid-in Capital	Noncontrolling Interest in Summit Holdings	Total Equity
Balance — January 2, 2016	\$1,362	\$10,870	\$(2,795)	49,745,944	\$497	69,007,297	\$690	\$619,003	\$138,233	\$767,000
Net income	16	36,783	—	—	—	—	—	—	9,327	46,126
LP Unit exchanges	—	—	—	45,124,528	451	—	—	117,813	(118,264)	—
Other comprehensive income	—	—	546	—	—	—	—	—	476	1,022
Stock option exercises	—	—	—	24,354	2	—	—	438	—	440
Class B share cancellation	—	—	—	—	—	(69,007,197)	(690)	690	—	—
Share-based compensation	—	(1,684)	—	—	—	—	—	51,624	—	49,940
Dividend (0.012/share)	—	(26,941)	—	1,135,692	11	—	—	27,047	(121)	(4)
Distributions from partnership	—	—	—	—	—	—	—	—	(13,034)	(13,034)
Other	—	—	—	2,704	—	—	—	7,689	—	7,689
Balance — December 31, 2016	\$1,378	\$19,028	\$(2,249)	96,033,222	\$961	100	\$—	\$824,304	\$16,617	\$860,000
Net (loss) income	(27)	121,830	—	—	—	—	—	—	3,974	125,703
Issuance of Class A Shares	—	—	—	10,000,000	100	—	—	238,367	(1,496)	236,971
LP Unit exchanges	—	—	—	1,461,677	15	—	—	4,159	(4,174)	—
Other comprehensive income, net of tax	—	—	9,635	—	—	—	—	—	386	10,021
Stock option exercises	—	—	—	1,203,121	12	—	—	21,649	—	21,661
Share-based compensation	—	—	—	—	—	—	—	21,140	—	21,140
Dividend (0.014/share)	—	(45,025)	—	1,521,056	15	—	—	45,163	(155)	(2)
Distributions from partnership	—	—	—	—	—	—	—	—	(1,974)	(1,974)
Purchase of noncontrolling	(1,148)	—	—	—	—	—	—	—	—	(1,148)

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interest

Shares redeemed to settle taxes and other	(203 )	—	—	131,518	1	—	—	(562 )	—	(764
Balance — December 30, 2017	\$—	\$95,833	\$7,386	110,350,594	\$1,104	100	\$—	\$1,154,220	\$13,178	\$1,27
Net income	—	33,906	—	—	—	—	—	—	2,424	36,33
LP Unit exchanges	—	—	—	254,102	2	—	—	929	(931 )	—
Other comprehensive loss, net of tax	—	—	(4,705 )	—	—	—	—	—	(198 )	(4,903
Stock option exercises	—	—	—	863,898	9	—	—	15,607	—	15,61
Share-based compensation	—	—	—	—	—	—	—	25,378	—	25,37
Distributions from partnership	—	—	—	—	—	—	—	—	(69 )	(69
Shares redeemed to settle taxes and other	—	—	—	190,333	2	(1 )	—	(1,930 )	—	(1,928
Balance — December 29, 2018	\$—	\$129,739	\$2,681	111,658,927	\$1,117	99	\$—	\$1,194,204	\$14,404	\$1,34

See accompanying notes to consolidated financial statements.

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SUMMIT MATERIALS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in tables in thousands, unless otherwise noted)

(1) Summary of Organization and Significant Accounting Policies

Summit Materials, Inc. (“Summit Inc.” and, together with its subsidiaries, the “Company”) is a vertically-integrated construction materials company. The Company is engaged in the production and sale of aggregates, cement, ready-mix concrete, asphalt paving mix and concrete products and owns and operates quarries, sand and gravel pits, two cement plants, cement distribution terminals, ready-mix concrete plants, asphalt plants and landfill sites. It is also engaged in paving and related services. The Company’s three operating and reporting segments are the West, East and Cement segments.

Substantially all of the Company’s products and services are produced, consumed and performed outdoors, primarily in the spring, summer and fall. Seasonal changes and other weather-related conditions can affect the production and sales volumes of its products and delivery of services. Therefore, the financial results for any interim period are typically not indicative of the results expected for the full year. Furthermore, the Company’s sales and earnings are sensitive to national, regional and local economic conditions and to cyclical changes in construction spending, among other factors.

On September 23, 2014, Summit Inc. was formed as a Delaware corporation to be a holding company. Its sole material asset is a controlling equity interest in Summit Materials Holdings L.P. (“Summit Holdings”). Pursuant to a reorganization into a holding company structure (the “Reorganization”) consummated in connection with Summit Inc.’s March 2015 initial public offering, Summit Inc. became a holding corporation operating and controlling all of the business and affairs of Summit Holdings and its subsidiaries. Summit Inc. owns the majority of the partnership interests of Summit Holdings (see note 11, Stockholders’ Equity). Summit Materials, LLC (“Summit LLC”) an indirect wholly owned subsidiary of Summit Holdings, conducts the majority of our operations. Continental Cement Company, L.L.C. (“Continental Cement”) is also a wholly owned subsidiary of Summit LLC. Summit Materials Finance Corp. (“Summit Finance”), an indirect wholly owned subsidiary of Summit LLC, has jointly issued our Senior Notes as described below.

**Principles of Consolidation**—The consolidated financial statements include the accounts of Summit Inc. and its majority owned subsidiaries. All intercompany balances and transactions have been eliminated. As a result of the Reorganization, Summit Holdings became a variable interest entity over which Summit Inc. has 100% voting power and control and for which Summit Inc. has the obligation to absorb losses and the right to receive benefits.

The Company’s fiscal year is based on a 52-53 week year with each quarter composed of 13 weeks ending on a Saturday. The 53-week year occurs approximately once every seven years and last occurred in 2015.

For a summary of the changes in Summit Inc.’s ownership of Summit Holdings, see Note 11, Stockholders’ Equity.

The Company attributes consolidated stockholders’ equity and net income separately to the controlling and noncontrolling interests. The Company accounts for investments in entities for which it has an ownership of 20% to 50% using the equity method of accounting.

**Use of Estimates**—Preparation of these consolidated financial statements in conformity with U.S. generally accepted accounting principles (“U.S. GAAP”) requires management to make estimates and assumptions. These estimates and the

underlying assumptions affect the amounts of assets and liabilities reported, disclosures about contingent assets and liabilities and reported amounts of revenue and expenses. Such estimates include the valuation of accounts receivable, inventories, valuation of deferred tax assets, goodwill, intangibles and other long-lived assets, the tax receivable agreement (“TRA”) liability, pension and other postretirement obligations, and asset retirement obligations. Estimates also include revenue earned on contracts and costs to complete contracts. Most of the Company’s paving and related services are performed under fixed unit-price contracts with state and local governmental entities. Management regularly evaluates its estimates and assumptions based on historical experience and other factors, including the current economic environment. As future events and their effects cannot be determined with precision, actual results can differ significantly from estimates made. Changes in estimates, including those resulting from continuing changes in the economic environment, are reflected in the Company’s consolidated financial statements when the change in estimate occurs.

Business and Credit Concentrations—The Company’s operations are conducted primarily across 23 U.S. states and in British Columbia, Canada, with the most significant revenue generated in Texas, Utah, Kansas and Missouri. The Company’s



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accounts receivable consist primarily of amounts due from customers within these areas. Therefore, collection of these accounts is dependent on the economic conditions in the aforementioned states, as well as specific situations affecting individual customers. Credit granted within the Company's trade areas has been granted to many customers and management does not believe that a significant concentration of credit exists with respect to any individual customer or group of customers. No single customer accounted for more than 10% of the Company's total revenue in 2018, 2017 or 2016.

**Accounts Receivable**—Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the collectability of individual accounts. In establishing the allowance, management considers historical losses adjusted to take into account current market conditions and its customers' financial condition, the amount of receivables in dispute, the current receivables aging and current payment terms. Balances that remain outstanding after reasonable collection efforts are exercised are written off through a charge to the valuation allowance.

The balances billed but not paid by customers, pursuant to retainage provisions included in contracts, are generally due upon completion of the contracts.

**Revenue Recognition**—We earn revenue from the sale of products, which primarily include aggregates, cement, ready-mix concrete and asphalt, but also include concrete products and plastics components, and from the provision of services, which are primarily paving and related services, but also include landfill operations, the receipt and disposal of waste that is converted to fuel for use in our cement plants and underground storage space rental.

### Products

We earn revenue from the sale of products, which primarily include aggregates, cement, ready-mix concrete and asphalt, but also include concrete products, net of discounts or allowances, if any, and freight and delivery charges billed to customers. Freight and delivery charges associated with cement sales are recorded on a net basis together with freight costs within cost of sales. Revenue for product sales is recognized when evidence of an arrangement exists and when control passes, which generally is when the product is shipped.

Aggregates and cement products are sold point-of-sale through purchase orders. When the product is sold on account, collectability typically occurs 30 to 60 days after the sale. Revenue is recognized when cash is received from the customer at the point of sale or when the products are delivered or collected on site. There are no other timing implications that will create a contract asset or liability, and contract modifications are unlikely given the timing and nature of the transaction. Material sales are likely to have multiple performance obligations if the product is sold with delivery. In these instances, delivery most often occurs on the same day as the control of the product transfers to the customer. As a result, even in the case of multiple performance obligations, the performance obligations are satisfied concurrently and revenue is recognized simultaneously.

### Services

We earn revenue from the provision of services, which are primarily paving and related services, but also include landfill operations, the receipt and disposal of waste that is converted to fuel for use in our cement plants, and underground storage space rental. Revenue from the receipt of waste fuels is recognized when the waste is accepted and a corresponding liability is recognized for the costs to process the waste into fuel for the manufacturing of cement or to ship the waste offsite for disposal in accordance with applicable regulations.

Collectability of service contracts is due reasonably after certain milestones in the contract are performed. Milestones vary by project, but are typically calculated using monthly progress based on the percentage of completion or a customer's engineer review of progress. The majority of the time, collection occurs within 90 days of billing and cash is received within the same fiscal year as services performed. On most projects, the customer will withhold a portion of the invoice for retainage, which may last longer than a year depending on the job.

Revenue derived from paving and related services is recognized using the percentage of completion method, which approximates progress towards completion. Under the percentage of completion method, we recognize paving and related services revenue as services are rendered. The majority of our construction service contracts are completed within one year, but may occasionally extend beyond this time frame. We estimate profit as the difference between total estimated revenue and total estimated cost of a contract and recognize that profit over the life of the contract based on input measures. We generally measure progress toward completion on long-term paving and related services contracts based on the proportion of costs incurred to date relative to total estimated costs at completion. We include revisions of estimated profits on contracts in earnings under the cumulative catch-up method, under which the effect of revisions in estimates is recognized immediately. If a

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revised estimate of contract profitability reveals an anticipated loss on the contract, we recognize the loss in the period it is identified.

The percentage of completion method of accounting involves the use of various estimating techniques to project costs at completion, and in some cases includes estimates of recoveries asserted against the customer for changes in specifications or other disputes. Contract estimates involve various assumptions and projections relative to the outcome of future events over multiple periods, including future labor productivity and availability, the nature and complexity of the work to be performed, the cost and availability of materials, the effect of delayed performance, and the availability and timing of funding from the customer. These estimates are based on our best judgment. A significant change in one or more of these estimates could affect the profitability of one or more of our contracts. We review our contract estimates regularly to assess revisions in contract values and estimated costs at completion. Inherent uncertainties in estimating costs make it at least reasonably possible that the estimates used will change within the near term and over the life of the contracts. No material adjustments to a contract were recognized in the year ended December 29, 2018.

We recognize claims when the amount of the claim can be estimated reliably and its realization is probable. In evaluating these criteria, we consider the contractual basis for the claim, the cause of any additional costs incurred, the reasonableness of those costs and the objective evidence available to support the claim.

When the contract includes variable consideration, we estimate the amount of consideration to which we will be entitled in exchange for transferring the promised goods or services to a customer. The amount of estimated variable consideration included in the transaction price is the amount for which it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Types of variable consideration include, but are not limited to, liquidated damages and other performance penalties and production and placement bonuses.

The majority of contract modifications relate to the original contract and are often an extension of the original performance obligation. Predominately, modifications are not distinct from the terms in the original contract; therefore, they are considered part of a single performance obligation. We account for the modification using a cumulative catch-up adjustment. However, there are instances where goods or services in a modification are distinct from those transferred prior to the modification. In these situations, we account for the modifications as either a separate contract or prospectively depending on the facts and circumstances of the modification.

Generally, construction contracts contain mobilization costs which are categorized as costs to fulfill a contract. These costs are excluded from any measure of progress toward contract fulfillment. These costs do not result in the transfer of control of a good or service to the customer and are amortized over the life of the contract.

Costs and estimated earnings in excess of billings are composed principally of revenue recognized on contracts on the percentage of completion method for which billings had not been presented to customers because the amounts were not billable under the contract terms at the balance sheet date. In accordance with the contract terms, the unbilled receivables at the balance sheet date are expected to be billed in following periods. Billings in excess of costs and estimated earnings represent billings in excess of revenue recognized. Contract assets and liabilities are netted on a contract-by-contract basis.

Inventories—Inventories consist of stone that has been removed from quarries and processed for future sale, cement, raw materials and finished concrete blocks. Inventories are valued at the lower of cost or market and are accounted for on a first-in first-out basis or an average cost basis. If items become obsolete or otherwise unusable or if quantities exceed what is projected to be sold within a reasonable period of time, they will be charged to costs of production in the period that the items are designated as obsolete or excess inventory. Stripping costs are costs of removing

overburden and waste material to access aggregate materials and are expensed as incurred.

Property, Plant and Equipment, net—Property, plant and equipment are recorded at cost, less accumulated depreciation, depletion and amortization. Expenditures for additions and improvements that significantly add to the productive capacity or extend the useful life of an asset are capitalized. Repair and maintenance costs that do not substantially expand productive capacity or extend the life of property, plant and equipment are expensed as incurred.

Landfill airspace is included in property, plant and equipment at cost and is amortized based on the portion of the airspace used during the period compared to the gross estimated value of available airspace, which is updated periodically as circumstances dictate. Management reassesses the landfill airspace capacity with any changes in value recorded in cost of revenue. Capitalized landfill costs include expenditures for the acquisition of land and related airspace, engineering and permitting costs, cell construction costs and direct site improvement costs.

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Upon disposal of an asset, the cost and related accumulated depreciation are removed from the Company's accounts and any gain or loss is included in general and administrative expenses.

The Company reviews the carrying value of property, plant and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. Such indicators may include, among others, deterioration in general economic conditions, adverse changes in the markets in which an entity operates, increases in input costs that have a negative effect on earnings and cash flows or a trend of negative or declining cash flows over multiple periods.

Property, plant and equipment is tested for impairment at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets. As a result, the property, plant and equipment impairment test is at a significantly lower level than the level at which goodwill is tested for impairment. In markets where the Company does not produce downstream products, such as ready-mix concrete, asphalt paving mix and paving and related services, the lowest level of largely independent identifiable cash flows is at the individual aggregates operation or a group of aggregates operations collectively serving a local market or the cement operations. Conversely, in vertically-integrated markets, the cash flows of the downstream and upstream businesses are not largely independently identifiable and the vertically-integrated operations are considered the lowest level of largely independent identifiable cash flows.

Accrued Mining and Landfill Reclamation—The mining reclamation reserve and financial commitments for landfill closure and post-closure activities are based on management's estimate of future cost requirements to reclaim property at both currently operating and closed sites. Estimates of these obligations have been developed based on management's interpretation of current requirements and proposed regulatory changes and are intended to approximate fair value. Costs are estimated in current dollars, inflated until the expected time of payment, and then discounted back to present value using a credit-adjusted, risk-free rate on obligations of similar maturity, adjusted to reflect the Company's credit rating. Changes in the credit-adjusted, risk-free rate do not change recorded liabilities. However, subsequent increases in the recognized obligations are measured using a current credit-adjusted, risk-free rate. Decreases in the recognized obligations are measured at the initial credit-adjusted, risk-free rate.

Significant changes in inflation rates or the amount or timing of future cost estimates typically result in both (1) a current adjustment to the recorded liability (and corresponding adjustment to the asset) and (2) a change in accretion of the liability and depreciation of the asset to be recorded prospectively over the remaining capacity of the unmined quarry or landfill.

Goodwill—Goodwill represents the purchase price paid in excess of the fair value of net tangible and intangible assets acquired. Goodwill recorded in connection with the Company's acquisitions is primarily attributable to the expected profitability, assembled workforces of the acquired businesses and the synergies expected to arise after the Company's acquisition of those businesses. Goodwill is not amortized, but is tested annually for impairment as of the first day of the fourth quarter and at any time that events or circumstances indicate that goodwill may be impaired. A qualitative approach may first be applied to determine whether it is more likely than not that the estimated fair value of a reporting unit is less than its carrying amount. If, as a result of the qualitative assessment, it is determined that an impairment is more likely than not, the two-step quantitative impairment test is then performed, otherwise further analysis is not required. The two-step impairment test first identifies potential goodwill impairment for each reporting unit and then, if necessary, measures the amount of the impairment loss.

Income Taxes—Summit Inc. is a corporation subject to income taxes in the United States. Certain subsidiaries, including Summit Holdings, or subsidiary groups of the Company are taxable separate from Summit Inc. The provisions, or Summit Inc.'s proportional share of the provision, are included in the Company's consolidated financial statements.

The Company's deferred income tax assets and liabilities are computed for differences between the tax basis and financial statement amounts that will result in taxable or deductible amounts in the future. The computed deferred balances are based on enacted tax laws and applicable rates for the periods in which the differences are expected to affect taxable income. A valuation allowance is recognized for deferred tax assets if it is more likely than not that some portion or all of the net deferred tax assets will not be realized. In making such a determination, all available positive and negative evidence is considered, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. If the Company determines it would be able to realize its deferred tax assets for which a valuation allowance had been recorded then an adjustment would be made to the deferred tax asset valuation allowance, which would reduce the provision for income taxes.

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The Company evaluates the tax positions taken on income tax returns that remain open and positions expected to be taken on the current year tax returns to identify uncertain tax positions. Unrecognized tax benefits on uncertain tax positions are recorded on the basis of a two-step process in which (1) the Company determines whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, the largest amount of tax benefit that is more than 50 percent likely to be realized is recognized. Interest and penalties related to unrecognized tax benefits are recorded in income tax benefit.

**Tax Receivable Agreement**— When Summit Inc. purchases LP Units for cash or LP Units are exchanged for shares of Class A common stock, this results in increases in Summit Inc.’s share of the tax basis of the tangible and intangible assets, which increases the tax depreciation and amortization deductions that otherwise would not have been available to Summit Inc. These increases in tax basis and tax depreciation and amortization deductions are expected to reduce the amount of cash taxes that we would otherwise be required to pay in the future. Prior to our IPO, we entered into a TRA with the pre-IPO owners that require us to pay the pre-IPO owners 85% of the amount of cash savings, if any, in U.S. federal, state, and local income tax that we actually realize as a result of these exchanges. These benefits include (1) increases in the tax basis of tangible and intangible assets of Summit Holdings and certain other tax benefits related to entering into the TRA, (2) tax benefits attributable to payments under the TRA, or (3) under certain circumstances such as an early termination of the TRA, we are deemed to realize, as a result of the increases in tax basis in connection with exchanges by the pre-IPO owners described above and certain other tax benefits attributable to payments under the TRA.

As noted above, we periodically evaluate the realizability of the deferred tax assets resulting from the exchange of LP Units for Class A common stock. If the deferred tax assets are determined to be realizable, we then assess whether payment of amounts under the TRA have become probable. If so, we record a TRA liability equal to 85% of such deferred tax assets. In subsequent periods, we assess the realizability of all of our deferred tax assets subject to the TRA. Should we determine a deferred tax asset with a valuation allowance is realizable in a subsequent period, the related valuation allowance will be released and consideration of a corresponding TRA liability will be assessed. The realizability of deferred tax assets, including those subject to the TRA, is dependent upon the generation of future taxable income during the periods in which those deferred tax assets become deductible and consideration of prudent and feasible tax-planning strategies.

The measurement of the TRA liability is accounted for as a contingent liability. Therefore, once we determine that a payment to a pre-IPO owner has become probable and can be estimated, the estimate of payment will be accrued.

**Earnings per Share**—The Company computes basic earnings per share attributable to stockholders by dividing income attributable to Summit Inc. by the weighted-average shares of Class A common stock outstanding. Diluted earnings per share reflects the potential dilution beyond shares for basic earnings per share that could occur if securities or other contracts to issue common stock were exercised, converted into common stock, or resulted in the issuance of common stock that would have shared in the Company’s earnings. Since the Class B common stock has no economic value, those shares are not included in the weighted-average common share amount for basic or diluted earnings per share. In addition, as the shares of Class A common stock are issued by Summit Inc., the earnings and equity interests of noncontrolling interests are not included in basic earnings per share.

**New Accounting Standards** — In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2014-09, Revenue from Contracts with Customers, which prescribes a five-step model for revenue recognition that will replace most existing revenue recognition guidance in U.S. GAAP. The ASU will supersede nearly all existing revenue recognition guidance under U.S. GAAP and provides that an entity recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This update also requires additional

disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments, and assets recognized from costs incurred to obtain or fulfill a contract. In July 2015, the FASB postponed the effective date of the new revenue standard by one year to the first quarter of 2018. We adopted this new standard in January 2018 using the modified retrospective approach. The adoption of this new ASU did not have a material impact on our consolidated financial results.

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), which will result in lessees recognizing most leases on the balance sheet. Lessees are required to disclose more quantitative and qualitative information about the leases than current U.S. GAAP requires. The ASU and subsequent amendments issued in 2018, are effective for public entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. We have compiled our leases, and currently estimate that we will record additional right of use assets and liabilities of approximately \$30 to \$40 million beginning in 2019. We plan to adopt this ASU, as amended, using the modified retrospective approach.



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In January 2017, the FASB issued ASU No. 2017-01, Clarifying the Definition of a Business, which narrows the definition of a business. This ASU provides a screen to determine whether a group of assets constitutes a business. The screen requires that when substantially all of the fair value of the gross assets acquired (or disposed of) is concentrated in a single identifiable asset or a group of similar identifiable assets, the set is not a business. This screen reduces the number of transactions that need to be further evaluated as acquisitions. If the screen is not met, this ASU (1) requires that to be considered a business, a set must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create an output and (2) removes the evaluation of whether a market participant could replace missing elements. Although outputs are not required for a set to be a business, outputs generally are a key element of a business; therefore, the FASB has developed more stringent criteria for sets without outputs. We adopted this ASU beginning in 2018. The adoption of this ASU did not have a material impact on the consolidated financial statements.

In August 2017, the FASB issued ASU No. 2017-12, Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities, allowing more financial and nonfinancial hedging strategies to be eligible for hedge accounting. The ASU is effective for fiscal years beginning after December 15, 2018 and interim periods within those fiscal years. The adoption of this ASU is not expected to have a material impact on the consolidated financial statements.

In June 2018, the FASB issued ASU No. 2018-07, Compensation—Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting, increasing the scope of Topic 718 to include share-based payment transactions for acquiring goods and services from nonemployees. The ASU is effective for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. The adoption of this ASU is not expected to have a material impact on the consolidated financial statements.

(2) Acquisitions

The Company has completed numerous acquisitions since its formation, which have been financed through a combination of debt and equity funding. The operations of each acquisition have been included in the Company's consolidated results of operations since the respective closing dates of the acquisitions. The Company measures all assets acquired and liabilities assumed at their acquisition-date fair value. The following table summarizes the Company's acquisitions by region and year:

	2018	2017	2016
West	5	6	3
East (1)	7	8	5
Cement	—	—	1

(1) In addition, the Company acquired certain assets of a small ready-mix concrete operation in the second quarter of 2018.

The purchase price allocation for certain 2018 acquisitions has not yet been finalized due to the recent timing of the acquisitions and status of the valuation of property, plant and equipment, among other items. The table below summarizes aggregated information regarding the fair values of the assets acquired and liabilities assumed as of the respective acquisition dates. Information related to the 2018 acquisitions is shown on an aggregated basis as the acquisitions were not material individually, or collectively.

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	2018	2017
Financial assets	\$14,769	\$31,615
Inventories	18,313	8,300
Property, plant and equipment	124,957	160,975
Intangible assets	3,175	161
Other assets	1,539	4,200
Financial liabilities	(13,529 )	(15,501 )
Other long-term liabilities	(8,125 )	(17,610 )
Net assets acquired	141,099	172,140
Goodwill	154,120	247,536
Purchase price	295,219	419,676
Acquisition-related liabilities	(49,202 )	(43,452 )
Other	—	(1,294 )
Net cash paid for acquisitions	\$246,017	\$374,930

Acquisition-Related Liabilities—A number of acquisition-related liabilities have been recorded subject to terms in the relevant purchase agreements, including deferred consideration and noncompete payments. Noncompete payments have been accrued where certain former owners of newly acquired companies have entered into standard noncompete arrangements. Subject to terms and conditions stated in these noncompete agreements, payments are generally made over a five-year period. Deferred consideration is purchase price consideration paid in the future as agreed to in the purchase agreement and is not contingent on future events. Deferred consideration is generally scheduled to be paid in years ranging from five to 20 years in annual installments. The remaining payments due under these noncompete and deferred consideration agreements are as follows:

2019	\$32,960
2020	31,745
2021	9,705
2022	3,411
2023	2,657
Thereafter	9,640
Total scheduled payments	90,118
Present value adjustments	(12,949 )
Total noncompete obligations and deferred consideration	\$77,169

Accretion on the deferred consideration and noncompete obligations is recorded in interest expense.

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## (3) Goodwill

As of December 29, 2018, the Company had 12 reporting units with goodwill for which the annual goodwill impairment test was completed. We perform the annual impairment test on the first day of the fourth quarter each year. We initially perform a qualitative analysis. As a result of this analysis, it was determined that it is more likely than not that the fair value of four reporting units were greater than its carrying value. For the remaining reporting units we perform a two-step quantitative analysis. Step 1 of that analysis compares the estimated the fair value of the reporting units using an income approach (i.e., a discounted cash flow technique) and a market approach to the carrying value of the reporting unit. If the estimated fair value exceeds its carrying value, the goodwill of the reporting unit is not considered impaired. If the carrying value of the reporting unit exceeds its fair value, we proceed to the second step to measure the amount of potential impairment loss. Based on this analysis, it was determined that the reporting units' fair values were greater than their carrying values and no impairment charges were recognized in 2018. The accumulated impairment charges recognized in periods prior to 2016 totaled \$68.2 million.

These estimates of a reporting unit's fair value involve significant management estimates and assumptions, including but not limited to sales prices of similar assets, assumptions related to future profitability, cash flows, and discount rates. These estimates are based upon historical trends, management's knowledge and experience and overall economic factors, including projections of future earnings potential. Developing discounted future cash flow estimates in applying the income approach required management to evaluate its intermediate to longer-term strategies, including, but not limited to, estimates about revenue growth, operating margins, capital requirements, inflation and working capital management. The development of appropriate rates to discount the estimated future cash flows required the selection of risk premiums, which can materially affect the present value of estimated future cash flows.

In addition to the financial impact of Hurricane Harvey, our operations in Austin continue to be pressured by aggressive competition, which has further impacted volumes and pricing. We expect the Austin market to continue to grow, and the Texas Department of Transportation to invest in infrastructure projects in that area. The Austin reporting unit has approximately \$18 million of goodwill as of December 29, 2018, which we continue to believe is realizable. The key assumptions around the realizability analysis are revenue growth, as well as the discount rate of 10%. Our discount rate came under pressure in the fourth quarter of 2018 due to decreases in the market price of our Class A common stock. We will continue to monitor whether an event indicates the carrying value of the Austin based reporting unit may be impaired.

The following table presents goodwill by reportable segments and in total:

	West	East	Cement	Total
Balance, December 31, 2016	\$334,257	\$243,417	\$204,538	\$782,212
Acquisitions	187,883	61,957	118	249,958
Foreign currency translation adjustments	4,150	—	—	4,150
Balance, December 30, 2017	\$526,290	\$305,374	\$204,656	\$1,036,320
Acquisitions (1)	59,148	101,431	—	160,579
Foreign currency translation adjustments	(4,871 )	—	—	(4,871 )
Balance, December 29, 2018	\$580,567	\$406,805	\$204,656	\$1,192,028

(1) Reflects goodwill from 2018 acquisitions and working capital adjustments from prior year acquisitions.

## (4) Revenue Recognition

We derive our revenue predominantly by selling construction materials, products and providing paving and related services. Construction materials consist of aggregates and cement. Products consist of related downstream products,

including ready-mix concrete, asphalt paving mix and concrete products. Paving and related service revenue is generated primarily from the asphalt paving services that we provide.

Revenue by product for the years ended December 29, 2018, December 30, 2017 and December 31, 2016 consisted of the following:

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	2018	2017	2016
Revenue by product*:			
Aggregates	\$373,824	\$313,383	\$264,609
Cement	258,876	282,041	250,349
Ready-mix concrete	584,114	492,302	395,917
Asphalt	301,247	285,653	239,419
Paving and related services	379,540	371,763	304,041
Other	203,401	187,433	171,728
Total revenue	\$2,101,002	\$1,932,575	\$1,626,063

\* Revenue from the liquid asphalt terminals is included in asphalt revenue.

The following table outlines the significant changes in contract assets and contract liability balances from December 30, 2017 to December 29, 2018. Also included in the table is the net change in the estimate as a percentage of aggregate revenue for such contracts:

	Costs and estimated earnings in excess of billings	Billings in excess of costs and estimated earnings
Balance—December 30, 2017	\$9,512	\$15,750
Changes in revenue billed, contract price or cost estimates	8,702	(5,052 )
Acquisitions	483	1,179
Other	(95 )	(37 )
Balance—December 29, 2018	\$18,602	\$11,840

Accounts receivable, net consisted of the following as of December 29, 2018 and December 30, 2017:

	2018	2017
Trade accounts receivable	\$157,601	\$137,696
Construction contract receivables	47,994	49,832
Retention receivables	15,010	14,973
Receivables from related parties	629	468
Accounts receivable	221,234	202,969
Less: Allowance for doubtful accounts	(6,716 )	(4,639 )
Accounts receivable, net	\$214,518	\$198,330

Retention receivables are amounts earned by the Company but held by customers until paving and related service contracts and projects are near completion or fully completed. Amounts are generally billed and collected within one year.

## (5) Inventories

Inventories consisted of the following as of December 29, 2018 and December 30, 2017:

	2018	2017
Aggregate stockpiles	\$151,300	\$126,791
Finished goods	34,993	34,667
Work in process	7,478	7,729

Raw materials	20,080	15,252
Total	\$213,851	\$184,439

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## (6) Property, Plant and Equipment, net and Intangibles, net

Property, plant and equipment, net consisted of the following as of December 29, 2018 and December 30, 2017:

	2018	2017
Land (mineral bearing) and asset retirement costs	\$323,553	\$274,083
Land (non-mineral bearing)	184,029	168,501
Buildings and improvements	173,559	170,615
Plants, machinery and equipment	1,239,793	1,068,007
Mobile equipment and barges	468,313	391,256
Truck and auto fleet	51,938	47,270
Landfill airspace and improvements	49,754	49,480
Office equipment	39,794	33,314
Construction in progress	43,650	44,739
Property, plant and equipment	2,574,383	2,247,265
Less accumulated depreciation, depletion and amortization	(794,251 )	(631,841 )
Property, plant and equipment, net	\$1,780,132	\$1,615,424

Depreciation on property, plant and equipment, including assets subject to capital leases, is generally computed on a straight-line basis. Depletion of mineral reserves is computed based on the portion of the reserves used during the period compared to the gross estimated value of proven and probable reserves, which is updated periodically as circumstances dictate. Leasehold improvements are amortized on a straight-line basis over the lesser of the asset's useful life or the remaining lease term. The estimated useful lives are generally as follows:

Buildings and improvements	10 - 30years
Plant, machinery and equipment	15 - 20years
Office equipment	3 - 7 years
Truck and auto fleet	5 - 8 years
Mobile equipment and barges	6 - 8 years
Landfill airspace and improvements	10 - 30years
Other	4 - 20 years

Depreciation, depletion and amortization expense of property, plant and equipment was \$199.6 million, \$174.4 million and \$144.2 million in the years ended December 29, 2018, December 30, 2017 and December 31, 2016, respectively.

Property, plant and equipment at December 29, 2018 and December 30, 2017 included \$67.7 million and \$51.2 million, respectively, of capital leases for certain equipment and a building with accumulated amortization of \$19.3 million and \$18.5 million, respectively. The equipment leases generally have terms of less than five years and the building lease had an original term of 30 years. Approximately \$15.6 million and \$19.3 million of the future obligations associated with the capital leases are included in accrued expenses as of December 29, 2018 and December 30, 2017, respectively, and the present value of the remaining capital lease payments, \$33.6 million and \$16.4 million, respectively, is included in other noncurrent liabilities on the consolidated balance sheets. Future minimum rental commitments under long-term capital leases are \$17.9 million, \$13.9 million, \$15.3 million, \$3.0 million, and \$1.0 million for the years ended 2019, 2020, 2021, 2022 and 2023, respectively.

Assets are assessed for impairment charges when identified for disposition. The net gain from asset dispositions recognized in general and administrative expenses in fiscal years 2018, 2017 and 2016 was \$12.6 million, \$7.5 million and \$6.8 million, respectively. No material impairment charges have been recognized on assets held for use in fiscal 2018, 2017 or 2016. The losses are commonly a result of the cash flows expected from selling the asset being less than

the expected cash flows that could be generated from holding the asset for use.

**Intangible Assets**—The Company’s intangible assets are primarily composed of lease agreements and reserve rights. The assets related to lease agreements reflect the submarket royalty rates paid under agreements, primarily, for extracting aggregates. The values were determined as of the respective acquisition dates by a comparison of market-royalty rates to contract-royalty rates. The reserve rights relate to aggregate reserves to which the Company has the rights of ownership, but do



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not own the reserves. The intangible assets are amortized on a straight-line basis over the lives of the leases. The following table shows intangible assets by type and in total:

	December 29, 2018			December 30, 2017		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Leases	\$19,064	\$ (5,259 )	\$ 13,805	\$15,888	\$ (4,178 )	\$ 11,710
Reserve rights	6,234	(1,940 )	4,294	6,234	(1,625 )	4,609
Trade names	1,000	(858 )	142	1,000	(758 )	242
Other	409	(190 )	219	409	(137 )	272
Total intangible assets	\$26,707	\$ (8,247 )	\$ 18,460	\$23,531	\$ (6,698 )	\$ 16,833

Amortization expense in fiscal 2018, 2017 and 2016 was \$1.5 million, \$1.3 million and \$2.6 million, respectively. The estimated amortization expense for intangible assets for each of the next five years and thereafter is as follows:

2019	\$1,588
2020	1,510
2021	1,475
2022	1,482
2023	1,349
Thereafter	11,056
Total	\$18,460

## (7) Accrued Expenses

Accrued expenses consisted of the following as of December 29, 2018 and December 30, 2017:

	2018	2017
Interest	\$26,223	\$24,095
Payroll and benefits	15,952	33,915
Capital lease obligations	15,557	19,276
Insurance	13,625	11,455
Non-income taxes	7,442	7,236
Professional fees	1,408	1,717
Other (1)	20,284	18,935
Total	\$100,491	\$116,629

(1) Consists primarily of subcontractor and working capital settlement accruals and deferred revenue.

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## (8) Debt

Debt consisted of the following as of December 29, 2018 and December 30, 2017:

	2018	2017
Term Loan, due 2024:		
\$630.6 million and \$635.4 million, net of \$1.3 million and \$1.6 million discount at December 29, 2018 and December 30, 2017, respectively	\$629,268	\$633,805
8 1/2% Senior Notes, due 2022	250,000	250,000
6 1/8% Senior Notes, due 2023:		
\$650.0 million, net of \$1.1 million and \$1.4 million discount at December 29, 2018 and December 30, 2017, respectively	648,891	648,650
5 1/8% Senior Notes, due 2025	300,000	300,000
Total	1,828,159	1,832,455
Current portion of long-term debt	6,354	4,765
Long-term debt	\$1,821,805	\$1,827,690

The contractual payments of long-term debt, including current maturities, for the five years subsequent to December 29, 2018, are as follows:

2019	\$6,354
2020	7,942
2021	6,354
2022	256,354
2023	656,354
Thereafter	897,253
Total	1,830,611
Less: Original issue net discount (2,452 )	
Less: Capitalized loan costs (14,303 )	
Total debt	\$1,813,856

Senior Notes— On June 1, 2017, Summit LLC and Summit Finance (together, the “Issuers”) issued \$300 million of 5 1/8% senior notes due June 1, 2025 (the “2025 Notes”). The 2025 Notes were issued at 100% of their par value with proceeds of \$295.4 million, net of related fees and expenses. The 2025 Notes were issued under an indenture dated June 1, 2017 (as amended and supplemented, the “2017 Indenture”). The 2017 Indenture contains covenants limiting, among other things, Summit LLC and its restricted subsidiaries’ ability to incur additional indebtedness or issue certain preferred shares, pay dividends, redeem stock or make other distributions, make certain investments, sell or transfer certain assets, create liens, consolidate, merge, sell or otherwise dispose of all or substantially all of its assets, enter into certain transactions with affiliates, and designate subsidiaries as unrestricted subsidiaries. The 2017 Indenture also contains customary events of default. Interest on the 2025 Notes is payable semi-annually on June 1 and December 1 of each year commencing on December 1, 2017.

In 2016, the Issuers issued \$250.0 million of 8.5% senior notes due April 15, 2022 (the “2022 Notes”). The 2022 Notes were issued at 100% of their par value with proceeds of \$246.3 million, net of related fees and expenses. The proceeds from the sale of the 2022 Notes were used to fund the acquisition of Boxley Materials Company, replenish cash used for the acquisition of American Materials Company and pay expenses incurred in connection with these acquisitions. The 2022 Notes were issued under an indenture dated March 8, 2016, the terms of which are generally consistent with the 2017 Indenture. Interest on the 2022 Notes is payable semi-annually in arrears on April 15 and October 15 of each year.

In 2015, the Issuers issued \$650 million of 6.125% senior notes due July 2023 (the “2023 Notes” and collectively with the 2022 Notes and the 2025 Notes, the “Senior Notes”). Of the aggregate \$650.0 million of 2023 Notes, \$350.0 million were issued at par and \$300.0 million were issued at 99.375% of par. The 2023 Notes were issued under an indenture dated July 8, 2015, the terms of which are generally consistent with the 2017 Indenture. Interest on the 2023 Notes is payable semi-annually in arrears on January 15 and July 15 of each year.

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In April, August and November 2015, \$288.2 million, \$183.0 million and \$153.8 million, respectively, in aggregate principal amount of the then outstanding 10 1/2% senior notes due January 31, 2020 (the “2020 Notes”) were redeemed at a price equal to par plus an applicable premium and the indenture under which the 2020 Notes were issued was satisfied and discharged. As a result of the redemptions, net charges of \$56.5 million were recognized for the year ended December 31, 2016. The fees included \$66.6 million for the applicable prepayment premium and \$11.9 million for the write-off of deferred financing fees, partially offset by \$22.0 million of net benefit from the write-off of the original issuance net premium.

As of December 29, 2018 and December 30, 2017, the Company was in compliance with all financial covenants under the applicable indentures.

Senior Secured Credit Facilities— Summit LLC has credit facilities that provide for term loans in an aggregate amount of \$650.0 million and revolving credit commitments in an aggregate amount of \$235.0 million (the “Senior Secured Credit Facilities”). Under the Senior Secured Credit Facilities, required principal repayments of 0.25% of the refinanced aggregate amount of term debt are due on the last business day of each March, June, September and December, commencing with the March 2018 payment. The unpaid principal balance is due in full on the maturity date, which is November 21, 2024.

On January 19, 2017, Summit LLC entered into Amendment No. 1 (“Amendment No. 1”) to the credit agreement governing the Senior Secured Credit Facilities (the “Credit Agreement”), which, among other things, reduced the applicable margin in respect of then outstanding \$640.3 million principal amount of term loans thereunder. All other material terms and provisions remain substantially identical to the terms and provisions in place immediately prior to the effectiveness of Amendment No. 1. On November 21, 2017, Summit LLC entered into Amendment No. 2 to the Credit Agreement, which, among other things, extended the maturity date from 2022 to 2024 and reduced the applicable margin in respect of the \$635.4 million outstanding principal amount of term loans thereunder. On May 22, 2018, Summit LLC entered into Amendment No. 3 to the Credit Agreement, which, among other things, reduced the applicable margin in respect of the \$633.8 million outstanding principal amount of term loans thereunder.

The revolving credit facility bears interest per annum equal to, at Summit LLC’s option, either (i) a base rate determined by reference to the highest of (a) the federal funds rate plus 0.50%, (b) the prime rate of Bank of America, N.A. and (c) LIBOR plus 1.00%, plus an applicable margin of 2.25% for base rate loans or (ii) a LIBOR rate determined by reference to Reuters prior to the interest period relevant to such borrowing adjusted for certain additional costs plus an applicable margin of 3.25% for LIBOR rate loans.

There were no outstanding borrowings under the revolving credit facility as of December 29, 2018 or December 30, 2017. As of December 29, 2018, we had remaining borrowing capacity of \$219.6 million under the revolving credit facility, which is net of \$15.4 million of outstanding letters of credit. The outstanding letters of credit are renewed annually and support required bonding on construction projects and the Company’s insurance liabilities.

Summit LLC’s Consolidated First Lien Net Leverage Ratio, as such term is defined in the Credit Agreement, should be no greater than 4.75:1.0 as of each quarter-end. As of December 29, 2018 and December 30, 2017, Summit LLC was in compliance with all financial covenants under the Credit Agreement.

Summit LLC’s wholly-owned domestic subsidiary companies, subject to certain exclusions and exceptions, are named as subsidiary guarantors of the Senior Notes and the Senior Secured Credit Facilities. In addition, Summit LLC has pledged substantially all of its assets as collateral, subject to certain exclusions and exceptions, for the Senior Secured Credit Facilities.

The following table presents the activity for the deferred financing fees for the years ended December 29, 2018 and December 30, 2017:

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	Deferred financing fees
Balance—December 31, 2016	\$ 18,290
Loan origination fees	6,416
Amortization	(3,990 )
Write off of deferred financing fees	(1,683 )
Balance—December 30, 2017	\$ 19,033
Loan origination fees	550
Amortization	(4,108 )
Balance—December 29, 2018	\$ 15,475

Other—On January 15, 2015, the Company’s wholly-owned subsidiary in British Columbia, Canada entered into an agreement with HSBC for a (i) \$6.0 million Canadian dollar (“CAD”) revolving credit commitment to be used for operating activities that bears interest per annum equal to the bank’s prime rate plus 0.20%, (ii) \$0.5 million CAD revolving credit commitment to be used for capital equipment that bears interest per annum at the bank’s prime rate plus 0.90% and (iii) \$0.4 million CAD revolving credit commitment to provide guarantees on behalf of that subsidiary. There were no amounts outstanding under this agreement as of December 29, 2018 or December 30, 2017.

## (9) Income Taxes

Summit Inc.’s tax provision includes its proportional share of Summit Holdings’ tax attributes. Summit Holdings’ subsidiaries are primarily limited liability companies, but do include certain entities organized as C corporations and a Canadian subsidiary. The tax attributes related to the limited liability companies are passed on to Summit Holdings and then to its partners, including Summit Inc. The tax attributes associated with the C corporation and Canadian subsidiaries are fully reflected in the Company’s consolidated financial statements. For the years ended December 29, 2018, December 30, 2017 and December 31, 2016, income taxes consisted of the following:

	2018	2017	2016
Provision for income taxes:			
Current	\$463	\$2,530	\$2,835
Deferred	59,284	(286,507 )	(8,134 )
Income tax expense (benefit)	\$59,747	\$(283,977)	\$(5,299)

The effective tax rate on pre-tax income differs from the U.S. statutory rate of 21%, 35%, and 35% for 2018, 2017 and 2016, respectively, due to the following:

	2018	2017	2016
Income tax expense (benefit) at federal statutory tax rate	\$20,177	\$(55,365 )	\$14,290
Less: Income tax benefit at federal statutory tax rate for LLC entities	(561 )	(2,123 )	(10,608 )
State and local income taxes	4,894	(5,209 )	2,490
Permanent differences	(5,537 )	(4,410 )	(5,902 )
Effective tax rate change	4,034	216,904	(1,432 )
Unrecognized tax benefits	22,663	—	—
Tax receivable agreement (benefit) expense	(8,282 )	104,804	5,228
Change in valuation allowance	17,592	(500,162 )	239,008
Impact of LP Unit ownership change	—	(31,790 )	(252,456)
Other	4,767	(6,626 )	4,083
Income tax expense (benefit)	\$59,747	\$(283,977)	\$(5,299)

The following table summarizes the components of the net deferred income tax asset (liability) as December 29, 2018 and December 30, 2017:

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	2018	2017
Deferred tax assets (liabilities):		
Net intangible assets	\$275,412	\$316,950
Accelerated depreciation	(185,020 )	(147,943 )
Net operating loss	143,234	94,751
Investment in limited partnership	(29,981 )	(14,467 )
Mining reclamation reserve	1,600	1,239
Inventory purchase accounting adjustments	—	—
Working capital (e.g., accrued compensation, prepaid assets)	36,932	35,237
Interest expense limitation carryforward	2,586	—
Less valuation allowance	(19,366 )	(1,675 )
Deferred tax assets	225,397	284,092
Less foreign deferred tax liability (included in other noncurrent liabilities)	(5,133 )	(3,992 )
Net deferred tax asset	\$220,264	\$280,100

As of December 29, 2018, \$379.4 million of our deferred tax assets subject to our TRA are included in the net intangible assets and the net operating loss line items above.

Our income tax expense (benefit) was \$59.7 million, \$(284.0) million and \$(5.3) million in the fiscal years ended 2018, 2017 and 2016, respectively. Our effective income tax rate in 2018 was impacted by the IRS interpretative guidance of TCJA, a change in state tax rates and a reduction in the amount of our TRA liability. We recorded an income tax benefit in fiscal 2017, primarily related to the release of the valuation allowance as discussed below, partially offset by charge related to the decrease in the federal statutory corporate tax rate. Our effective income tax rate in 2017 was higher as compared to 2016, primarily due to the benefit associated with the release of the valuation allowance discussed below, the accrual of the TRA expense, the statutory rate change referred to below and depletion in excess of U.S. GAAP depletion recognized in 2017. During the year ended 2016, our income tax benefit was \$5.3 million.

The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible, as well as consideration of tax-planning strategies we may seek to utilize net operating loss carryforwards that begin to expire in 2030. Due to our limited operating history as of December 31, 2016, during which we incurred only a small amount of pre-tax income over the previous three years, as well as our acquisitive business strategy, after considering both positive and negative evidence, we concluded that it was not more likely than not that we would fully realize those deferred tax assets, and therefore recorded a partial valuation allowance against those deferred tax assets as of December 31, 2016. However, the amount of cumulative income increased significantly during the year ended December 30, 2017. As a result of this significant positive evidence, we determined that the deferred tax assets had become more likely than not of becoming realizable and therefore released the majority of the valuation allowance in the third quarter of 2017. The Company updated the analysis as of December 30, 2018, and adjusted the valuation allowance for interest expense carryforwards limited under TCJA.

On December 22, 2017, the Tax Cuts and Jobs Act of 2017 (“TCJA”) was enacted. Among other things, the TCJA, beginning January 1, 2018, reduced the federal statutory rate from 35% to 21% and extended bonus depreciation provisions. In addition, the TCJA prescribes the application of net operating loss carryforwards generated in 2018 and beyond will be limited, 100% asset expensing will be allowed through 2022 and begin to phase out in 2023, and the amount of interest expense we are able deduct may also be limited in future years. As a result of the enactment of TCJA and other state effective rate changes, we reduced the carrying value of our net deferred tax assets in the fourth quarter of 2017 by \$216.9 million to reflect the revised federal statutory rate and other state statutory rates which will be in effect at the time those deferred tax assets are expected to be realized. The TCJA contains many provisions



which continue to be clarified through new regulations. As permitted by Staff Accounting Bulletin 118 issued by the SEC on December 22, 2017, we completed our accounting of the impacts of the TCJA. We completed our analysis within 2018 consistent with the guidance of SAB 118 and any adjustments during the measurement period have been included in net earnings from continuing operations as an adjustment to income tax expense. We recorded additional tax expense of \$17.6 million resulting from the IRS interpretative guidance of TCJA during the fourth quarter of 2018.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

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	Unrealized Tax Benefits
Balance—December 30, 2017	\$ —
Additions based on tax position in 2018	22,663
Balance—December 29, 2018	\$ 22,663

At December 29, 2018, there was \$22.7 million of unrecognized tax benefits that if recognized would affect the annual effective tax rate. We did not recognize interest or penalties related to this amount as it is offset by other attributes. There were no uncertain tax positions for the years ended December 30, 2017 and December 31, 2016.

Our net operating loss carryforward deferred tax assets begin to expire in 2030 and are expected to reverse before expiration. Therefore, we have not given consideration to any potential tax planning strategies as a source of future taxable income to monetize those net operating loss carryforwards. The Company will continue to monitor facts and circumstances, including our analysis of other sources of taxable income, in the reassessment of the likelihood that the tax benefit of our deferred tax assets will be realized.

As of December 29, 2018, Summit Inc. had federal net operating loss carryforwards of \$664 million, which expire between 2030 and 2037. As of December 29, 2018, \$322.5 million of our federal net operating losses were under the terms of our TRA. In addition, Summit Inc. has alternative minimum tax credits of \$0.2 million as of December 29, 2018, which do not expire. As of December 29, 2018 and December 30, 2017, Summit Inc. had a valuation allowance on net deferred tax assets of \$19.4 million and \$1.7 million, respectively, where realization of our interest tax attributes and net operating losses are not more likely than not.

	2018	2017
Valuation Allowance:		
Beginning balance	\$(1,675 )	\$(502,839 )
Additional basis from exchanged LP Units	(99 )	(31,790 )
Current year increases from operations	(17,592 )	—
Release of valuation allowance and other	—	532,954
Ending balance	\$(19,366 )	\$(1,675 )

Tax Receivable Agreement— During 2015, the Company entered into a TRA with the holders of LP Units and certain other pre-initial public offering owners (“Investor Entities”) that provides for the payment by Summit Inc. to exchanging holders of LP Units of 85% of the benefits, if any, that Summit Inc. actually realizes (or, under certain circumstances such as an early termination of the TRA, is deemed to realize) as a result of increases in the tax basis of tangible and intangible assets of Summit Holdings and certain other tax benefits related to entering into the TRA, including tax benefits attributable to payments under the TRA.

When LP Units are exchanged for an equal number of newly-issued shares of Summit Inc.’s Class A common stock, these exchanges result in new deferred tax assets. Using tax rates in effect as of each year end, \$2.0 million, \$12.4 million, and \$422.5 million of deferred tax assets were created during the years ended December 29, 2018, December 30, 2017 and December 31, 2016, respectively, when LP Units were exchanged for shares of Class A common stock.

As noted above, when payments are made under the TRA, we expect the amount that is characterized as imputed interest will be limited under the proposed IRS regulations, and therefore the Company will not benefit from that deduction. Further, in 2018, we updated our estimate of the state income tax rate that will be in effect at the date the TRA payments are made. As a result of the updated state income tax rate, and the imputed interest limitation noted above, we have reduced our TRA liability by \$22.7 million as of December 29, 2018.

In the third quarter of 2017, as a result of the analysis of the realizability of our deferred tax assets as indicated above, we reduced the valuation allowance against our deferred tax assets, including those deferred tax assets subject to the TRA. Further, we determined the TRA liability to be probable of being payable and, as such, we recorded 85% of the deferred tax assets subject to the TRA, or \$501.8 million, as TRA liability. Our TRA liability as of December 29, 2018 and December 30, 2017 was \$310.4 million and \$331.9 million, respectively, of which \$0.7 million and \$0.6 million was classified as accrued expenses, respectively.

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Tax Distributions – The holders of Summit Holdings’ LP Units, including Summit Inc., incur U.S. federal, state and local income taxes on their share of any taxable income of Summit Holdings. The limited partnership agreement of Summit Holdings provides for pro rata cash distributions (“tax distributions”) to the holders of the LP Units in an amount generally calculated to provide each holder of LP Units with sufficient cash to cover its tax liability in respect of the LP Units. In general, these tax distributions are computed based on Summit Holdings’ estimated taxable income allocated to Summit Inc. multiplied by an assumed tax rate equal to the highest effective marginal combined U.S. federal, state and local income tax rate applicable to a corporate resident in New York, New York.

For the years ended December 29, 2018 and December 30, 2017, Summit Holdings paid tax distributions totaling \$0.1 million and \$1.8 million, respectively, to holders of its LP Units, other than Summit Inc.

C Corporation Subsidiaries — The effective income tax rate for the C corporations differ from the statutory federal rate primarily due to (1) tax depletion expense (benefit) in excess of the expense recorded under U.S. GAAP, (2) state income taxes and the effect of graduated tax rates, (3) various other items such as limitations on meals and entertainment and other costs and (4) unrecognized tax benefits. The effective income tax rate for the Canadian subsidiary is not significantly different from its historical effective tax rate.

No material interest or penalties were recognized in income tax expense during the years ended December 29, 2018, December 30, 2017 or December 31, 2016. Tax years from 2014 to 2018 remain open and subject to audit by federal, Canadian, and state tax authorities.

## (10) Earnings Per Share

Basic earnings per share is computed by dividing net earnings by the weighted average common shares outstanding and diluted net earnings is computed by dividing net earnings, adjusted for changes in the earnings allocated to Summit Inc. as a result of the assumed conversion of LP Units, by the weighted-average common shares outstanding assuming dilution.

The following table shows the calculation of basic income per share:

	2018	2017	2016
Net income attributable to Summit Inc.	\$ 33,906	\$ 121,830	\$ 36,783
Weighted average shares of Class A stock outstanding	111,380,175	108,696,438	70,355,042
Basic income per share	\$ 0.30	\$ 1.12	\$ 0.52
Net income (loss) attributable to Summit Inc.	\$ 33,906	\$ 121,830	\$ 36,783
Weighted average shares of Class A stock outstanding	111,380,175	108,696,438	70,355,042
Add: weighted average of LP Units	—	—	—
Add: stock options	282,329	308,355	140,142
Add: warrants	25,049	42,035	16,123
Add: restricted stock units	459,280	308,221	240,633
Add: performance stock units	169,813	135,849	86,568
Weighted average dilutive shares outstanding	112,316,646	109,490,898	70,838,508
Diluted earnings per share	\$ 0.30	\$ 1.11	\$ 0.52

Excluded from the above calculations were the shares noted below as they were antidilutive:

	2018	2017	2016
Antidilutive shares:			
LP Units	3,512,669	4,371,705	32,327,907

(11) Stockholders' Equity

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Our capital stock consists of 1.0 billion shares of \$0.01 par value Class A common stock authorized, of which 110,350,594 shares were issued and outstanding as of December 29, 2018. We also have authorized 250 million shares of \$0.01 par value Class B common stock, of which 99 shares were issued and outstanding as of December 29, 2018. The Class B common stock entitles holders thereof, who are also holders of LP Units, with a number of votes that is equal to the number of LP Units they hold. The Class B common stock does not participate in dividends and does not have any liquidation rights.

Equity Offerings—On January 10, 2017, Summit Inc. raised \$237.6 million, net of underwriting discounts, through the issuance of 10,000,000 shares of Class A common stock at a public offering price of \$24.05 per share. Summit Inc. used these proceeds to purchase an equal number of LP Units.

From time to time, limited partners of Summit Holdings exchange their LP Units for shares of Class A common stock of Summit Inc. The following table summarizes the changes in our ownership of Summit Holdings:

	Summit Inc. Shares (Class A)	LP Units	Total	Summit Inc. Ownership Percentage
Balance — December 31, 2016	7,554,278	5,151,297	102,705,575	95.0 %
January 2017 public offering	10,000,000	—	10,000,000	
Exchanges during period	1,461,677	(1,461,677)	—	
Other equity transactions	1,334,639	—	1,334,639	
Balance — December 30, 2017	10,350,594	3,689,620	114,040,214	96.8 %
Exchanges during period	254,102	(254,102)	—	
Other equity transactions	1,054,231	—	1,054,231	
Balance — December 29, 2018	11,658,927	3,435,518	115,094,445	97.0 %

Accumulated other comprehensive income (loss) - The changes in each component of accumulated other comprehensive income (loss) consisted of the following:

	Change in	Foreign currency translation adjustments	Cash flow hedge adjustments	Accumulated other comprehensive income (loss)
Balance — December 31, 2016	\$ 1,450	\$ (3,106)	\$ (593)	\$ (2,249)
Postretirement curtailment adjustment, net of tax	309	—	—	309
Postretirement liability adjustment, net of tax	605	—	—	605
Foreign currency translation adjustment, net of tax	—	7,743	—	7,743
Income on cash flow hedges, net of tax	—	—	978	978
Balance — December 30, 2017	\$ 2,364	\$ 4,637	\$ 385	\$ 7,386
Postretirement liability adjustment, net of tax	1,209	—	—	1,209
Foreign currency translation adjustment, net of tax	—	(6,784)	—	(6,784)
Income on cash flow hedges, net of tax	—	—	870	870
Balance — December 29, 2018	\$ 3,573	\$ (2,147)	\$ 1,255	\$ 2,681

## (12) Supplemental Cash Flow Information

Supplemental cash flow information for the years ended December 29, 2018, December 30, 2017 and December 31, 2016 was as follows:



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	2018	2017	2016
Cash payments:			
Interest	\$ 103,250	\$ 96,320	\$ 82,540
Income taxes	3,340	1,711	2,645
Non cash financing activities:			
Purchase of noncontrolling interest	\$—	\$(716 )	\$—
Stock Dividend	—	(45,023 )	(26,939 )
Exchange of LP Units to shares of Class A common stock	7,499	41,126	953,752

**(13) Stock-Based Compensation**

Prior to the IPO and related Reorganization, the capital structure of Summit Holdings consisted of six different classes of limited partnership units, each of which was subject to unique distribution rights. In connection with the IPO and the related Reorganization, the limited partnership agreement of Summit Holdings was amended and restated to, among other things, modify its capital structure by creating LP Units (“the Reclassification”). Immediately after the Reclassification, 69.0 million LP Units were outstanding, of which 575,256 time vesting interests had not yet vested, and 2.4 million of performance vesting interests had not yet vested. In the first quarter of 2018, the Board of Directors vested the time-vesting units outstanding and we recognized the remaining \$1.0 million of stock based compensation related to these LP units.

Further in 2015, warrants to purchase 160,333 shares of Class A common stock were issued to holders of Class C interests, and options to purchase 4.4 million shares of Class A common stock were issued to holders of Class D interests as leverage restoration options. The exercise price of the warrants and the leverage restoration options is \$18.00 per share. In connection with the Reclassification of the equity-based awards, we recognized \$14.5 million modification charge in general and administrative expenses in the year ended January 2, 2016.

In 2015, the Board of Directors approved the Summit Materials, Inc. 2015 Omnibus Incentive Plan (the "Plan"). In August 2016, the Board of Directors determined that it was in the best interest of the Company to waive certain vesting criteria related to options to purchase 4.4 million shares of Class A common stock and certain performance-based LP Units. This waiver was accounted for as a modification of both interests. The fair value of the LP Units was based on the closing stock price of Summit Inc.’s shares of Class A common stock on the modification date and the fair value of the leverage restoration options was determined using the Black-Scholes, Merton model. The Company recognized \$37.7 million in general and administrative expenses in the year ended December 31, 2016 related to the vesting of these performance-based awards.

**Omnibus Incentive Plan**

In 2015, our Board of Directors and stockholders adopted the Plan, which allows for grants of equity-based awards in the form of stock options, stock appreciation rights, restricted stock and restricted stock units, performance units, and other stock-based awards. The Plan authorizes the issuance of up to 13,500,000 shares of Class A common stock in the form of restricted stock units and stock options, of which 6.6 million shares were available for future grants as of December 29, 2018.

**Restricted Stock**

**Restricted Stock with Service-Based Vesting**—Under the Plan, the Compensation Committee of the Board of Directors (“the Compensation Committee”) has granted restricted stock to members of the Board of Directors, executive officers and other key employees. These awards contain service conditions associated with continued employment or service. The terms of the restricted stock provide voting and regular dividend rights to holders of the awards. Upon vesting, the



restrictions on the restricted stock lapse and the shares are considered issued and outstanding for accounting purposes.

In each of 2018, 2017 and 2016, the Compensation Committee granted restricted stock to executives and key employees under the Plan as part of our annual equity award program, which vest over a three year period, subject to continued employment or service. From time to time, the Compensation Committee grants restricted stock to newly hired or promoted employees or other employees or consultants who have achieved extraordinary personal performance objectives.

Further, in each of 2018, 2017 and 2016, the Compensation Committee granted 38,232, 34,928 and 28,140 shares, respectively, to non-employee members of the Board of Directors for their annual service as directors. These restricted stock grants vest over a one year period.

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In measuring compensation expense associated with the grant of restricted stock, we use the fair value of the award, determined as the closing stock price for our common stock on the date of grant. Compensation expense is recorded monthly over the vesting period of the award.

Restricted stock with Service- and Market-Condition-Based Vesting—In each of 2018, 2017 and 2016, the Compensation Committee granted restricted stock to certain members of our executive team as part of their annual compensation package. The restricted stock vests at the end of a three year performance period, based on our total stock return (“TSR”) ranking relative to companies in the S&P Building & Construction Select Industry Index, subject to continued employment.

Compensation expense is recorded monthly over the vesting period of the awards. The following table summarizes information for the equity awards granted in 2018:

	Options		Restricted Stock Units		Performance Stock Units		Warrants	
	Number of options	Weighted average grant date fair value per unit	Number of restricted stock units	Weighted average grant date fair value per unit	Number of performance stock units	Weighted average grant date fair value per unit	Number of warrants	Weighted average grant date fair value per unit
Beginning balance—December 30, 2017	4,153,613	\$ 9.13	508,586	\$ 20.14	211,455	\$ 23.69	102,778	\$ 18.00
Granted	—	—	689,386	28.68	102,842	40.83	—	—
Forfeited	(22,566 )	10.91	(21,551 )	28.11	(19,045 )	26.26	—	—
Exercised	(863,898 )	8.88	—	—	—	—	(2,741 )	18.00
Vested	—	—	(252,113 )	21.95	—	—	—	—
Balance—December 29, 2018	3,267,149	\$ 9.09	924,308	\$ 24.57	295,252	\$ 29.12	100,037	\$ 18.00

The fair value of the time-vesting options granted was estimated as of the grant date using the Black-Scholes-Merton model, which requires the input of subjective assumptions, including the expected volatility and the expected term. The fair value of the performance stock units granted was estimated as of the grant date using Monte Carlo simulations, which requires the input of subjective assumptions, including the expected volatility and the expected term. The following table presents the weighted average assumptions used to estimate the fair value of grants in 2018, 2017 and 2016:

	Options		Performance Stock Units		
	2017	2016	2018	2017	2016
Risk-free interest rate	2.06% - 2.31%	1.75% - 1.97%	2.38%	1.45%	0.88%
Dividend yield	N/A	N/A	N/A	N/A	N/A
Volatility	47%	48%	38%	39%	37%
Expected term	7 years	10 years	3 years	3 years	3 years

The risk-free rate is based on the yield at the date of grant of a U.S. Treasury security with a maturity period approximating the expected term. As Summit Holdings has not historically and does not plan to issue regular dividends, a dividend yield of zero was used. The volatility assumption is based on reported data of a peer group of publicly traded companies for which historical information was available adjusted for the Company’s capital structure. The expected term is based on expectations about future exercises and represents the period of time that the units granted are expected to be outstanding.

Compensation expense for time-vesting interests granted is based on the grant date fair value. The Company recognizes compensation costs on a straight-line basis over the service period, which is generally the vesting period of the award. Forfeitures are recognized as they occur. Share-based compensation expense, which is recognized in general and administrative expenses, totaled \$25.4 million, \$49.9 million and \$19.9 million in the years ended December 29, 2018, December 30, 2017 and December 31, 2016, respectively. As of December 29, 2018, unrecognized compensation cost totaled \$23.3 million. The weighted average remaining contractual term over which the unrecognized compensation cost is to be recognized is 1.8 years as of year-end 2018.

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As of December 29, 2018, the intrinsic value of outstanding options, restricted stock units and performance stock units was zero, \$11.4 million and \$3.6 million, respectively, and the remaining contractual term was 6.2 years, 1.0 year and 1.1 years, respectively. The weighted average strike price of stock options outstanding as of December 29, 2018 was \$18.54 per share. The intrinsic value of 1.9 million exercisable stock options as of December 29, 2018 was \$11.5 million with a weighted average strike price of \$18.26 and a weighted average remaining vesting period of 5.9 years.

(14) Employee Benefit Plans

**Defined Contribution Plan**—The Company sponsors employee 401(k) savings plans for its employees, including certain union employees. The plans provide for various required and discretionary Company matches of employees' eligible compensation contributed to the plans. The expense for the defined contribution plans was \$11.2 million, \$9.3 million and \$8.6 million for the years ended December 29, 2018, December 30, 2017 and December 31, 2016, respectively.

**Defined Benefit and Other Postretirement Benefits Plans**—The Company's subsidiary, Continental Cement, sponsors two noncontributory defined benefit pension plans for hourly and salaried employees. The plans are closed to new participants and benefits are frozen. As a result of the collective bargaining unit negotiations in 2017, the hourly defined benefit pension plan was amended to stop future benefit accruals for the Davenport employees effective December 31, 2017. Pension benefits for eligible hourly employees are based on a monthly pension factor for each year of credited service. Pension benefits for eligible salaried employees are generally based on years of service and average eligible compensation.

Continental Cement also sponsors two unfunded healthcare and life insurance benefits plans for certain eligible retired employees. Effective January 1, 2014, the plan covering employees of the Hannibal, Missouri location was amended to eliminate all future retiree health and life coverage for current employees. During 2015, Continental Cement adopted one new unfunded healthcare plan to provide benefits prior to Medicare eligibility for certain hourly employees of the Davenport, Iowa location.

The funded status of the pension and other postretirement benefit plans is recognized in the consolidated balance sheets as the difference between the fair value of plan assets and the benefit obligations. For defined benefit pension plans, the benefit obligation is the projected benefit obligation ("PBO") and for the healthcare and life insurance benefits plans, the benefit obligation is the accumulated postretirement benefit obligation ("APBO"). The PBO represents the actuarial present value of benefits expected to be paid upon retirement based on estimated future compensation levels. However, since the plans' participants are not subject to future compensation increases, the plans' PBO equals the accumulated benefit obligation ("ABO"). The APBO represents the actuarial present value of postretirement benefits attributed to employee services already rendered. The fair value of plan assets represents the current market value of assets held by an irrevocable trust fund for the sole benefit of participants. The measurement of the benefit obligations is based on the Company's estimates and actuarial valuations. These valuations reflect the terms of the plan and use participant-specific information, such as compensation, age and years of service, as well as certain assumptions that require significant judgment, including estimates of discount rates, expected return on plan assets, rate of compensation increases, interest-crediting rates and mortality rates.

The Company uses December 31 as the measurement date for its defined benefit pension and other postretirement benefit plans.

**Obligations and Funded Status**—The following information is as of December 29, 2018 and December 30, 2017 and for the years ended December 29, 2018, December 30, 2017 and December 31, 2016:



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	2018		2017	
	Pension benefits	Healthcare & Life Ins.	Pension benefits	Healthcare & Life Ins.
Change in benefit obligations:				
Beginning of period	\$27,984	\$ 9,793	\$27,608	\$ 12,770
Service cost	67	170	285	184
Interest cost	898	317	998	365
Actuarial (gain) loss	(3,136 )	(173 )	1,182	(338 )
Curtailements	—	—	(430 )	—
Change in plan provision	—	—	—	(2,325 )
Benefits paid	(1,610 )	(904 )	(1,659 )	(863 )
End of period	\$24,203	\$ 9,203	\$27,984	\$ 9,793
Change in fair value of plan assets:				
Beginning of period	\$19,012	\$ —	\$18,395	\$ —
Actual return on plan assets	(551 )	—	1,415	—
Employer contributions	598	904	861	863
Benefits paid	(1,610 )	(904 )	(1,659 )	(863 )
End of period	\$17,449	\$ —	\$19,012	\$ —
Funded status of plans				
Current liabilities	\$ (6,754 )	\$ (9,203 )	\$ (8,972 )	\$ (9,793 )
Noncurrent liabilities	\$ —	\$ —	\$ —	\$ (702 )
Liability recognized	(6,754 )	(9,203 )	(8,972 )	(9,091 )
Amounts recognized in accumulated other comprehensive income:				
Net actuarial (gain) loss	\$(1,300 )	\$ 1,995	\$ 9,341	\$ 2,285
Prior service cost	(312 )	(2,172 )	—	(2,413 )
Total amount recognized	\$(1,612 )	\$ (177 )	\$ 9,341	\$ (128 )

The amount recognized in accumulated other comprehensive income (“AOCI”) is the actuarial loss (credit) and prior service cost, which has not yet been recognized in periodic benefit cost.

	2018		2017		2016	
	Pension benefits	Healthcare & Life Ins.	Pension benefits	Healthcare & Life Ins.	Pension benefits	Healthcare & Life Ins.
Amounts recognized in other comprehensive (income) loss:						
Net actuarial (loss) gain	\$(1,300 )	\$ (172 )	\$ 1,068	\$ (338 )	\$ 688	\$ (682 )
Prior service cost	—	—	—	(572 )	—	64
Amortization of prior year service cost	—	241	—	168	—	174
Curtailement benefit	—	—	(429 )	—	—	—
Amortization of gain	(312 )	(118 )	(547 )	(64 )	(463 )	(207 )
Adjustment to plan benefits	—	—	—	(414 )	—	—
Total amount recognized	\$(1,612 )	\$ (49 )	\$ 92	\$ (1,220 )	\$ 225	\$ (651 )

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## Components of net periodic benefit cost:

Service cost	\$ 67	\$ 170	\$ 285	\$ 184	\$ 279	\$ 230
Interest cost	898	317	998	365	1,049	470
Amortization of gain	312	118	547	64	463	207
Expected return on plan assets	(1,284)	—	(1,302)	—	(1,386)	—
Curtailments	—	—	—	—	—	—
Amortization of prior service credit	—	(241)	—	(168)	—	(174)
Net periodic (expense) benefit cost	\$ (7)	\$ 364	\$ 528	\$ 445	\$ 405	\$ 733

Assumptions—Weighted-average assumptions used to determine the benefit obligations as of year-end 2018 and 2017 are:

	2018		2017	
	Pension benefits	Healthcare & Life Ins.	Pension benefits	Healthcare & Life Ins.
Discount rate	3.90% - 4.02%	3.87% - 3.91%	3.23% - 3.37%	3.20% - 3.25%
Expected long-term rate of return on plan assets	7.00%	N/A	7.00%	N/A

Weighted-average assumptions used to determine net periodic benefit cost for years ended December 29, 2018, December 30, 2017 and December 31, 2016:

	2018		2017		2016	
	Pension benefits	Healthcare & Life Ins.	Pension benefits	Healthcare & Life Ins.	Pension benefits	Healthcare & Life Ins.
Discount rate	3.23% - 3.37%	3.20% - 3.25%	3.61% - 3.81%	3.54% - 3.65%	3.74% - 3.97%	3.34% - 3.80%
Expected long-term rate of return on plan assets	7.00%	N/A	7.00%	N/A	7.30%	N/A

The expected long-term return on plan assets is based upon the Plans' consideration of historical and forward-looking returns and the Company's estimation of what a portfolio, with the target allocation described below, will earn over a long-term horizon. The discount rate is derived using the Citigroup Pension Discount Curve.

Assumed health care cost trend rates were 8.0% grading to 4.5% as of year-end 2018 and 2017. Assumed health care cost trend rates have a significant effect on the amounts reported for the Company's healthcare and life insurance benefits plans. A one percentage-point change in assumed health care cost trend rates would have the following effects as of year-end 2018 and 2017:

	2018		2017	
	Increase	Decrease	Increase	Decrease
Total service cost and interest cost components	\$ 31	\$ (27)	\$ 39	\$ (33)
APBO	765	(690)	857	(769)

Plan Assets—The defined benefit pension plans' (the "Plans") investment strategy is to minimize investment risk while generating acceptable returns. The Plans currently invest a relatively high proportion of the plan assets in fixed income securities, while the remainder is invested in equity securities, cash reserves and precious metals. The equity securities are diversified into funds with growth and value investment strategies. The target allocation for plan assets

is as follows: equity securities—30%; fixed income securities—63%; cash reserves—5%; and precious metals—2%. The Plans' current investment allocations are within the tolerance of the target allocation. The Company had no Level 3 investments as of or for the years ended December 29, 2018 and December 30, 2017.

At year-end 2018 and 2017, the Plans' assets were invested predominantly in fixed-income securities and publicly traded equities, but may invest in other asset classes in the future subject to the parameters of the investment policy. The Plans' investments in fixed-income assets include U.S. Treasury and U.S. agency securities and corporate bonds. The Plans' investments in equity assets include U.S. and international securities and equity funds. The Company estimates the fair value of



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the Plans' assets using various valuation techniques and, to the extent available, quoted market prices in active markets or observable market inputs. The descriptions and fair value methodologies for the Plans' assets are as follows:

**Fixed Income Securities**—Corporate and government bonds are classified as Level 2 assets, as they are either valued at quoted market prices from observable pricing sources at the reporting date or valued based upon comparable securities with similar yields and credit ratings.

**Equity Securities**—Equity securities are valued at the closing market price reported on a U.S. exchange where the security is actively traded and are therefore classified as Level 1 assets.

**Cash**—The carrying amounts of cash approximate fair value due to the short-term maturity.

**Precious Metals**—Precious metals are valued at the closing market price reported on a U.S. exchange where the security is actively traded and are therefore classified as Level 1 assets.

The fair value of the Plans' assets by asset class and fair value hierarchy level as of December 29, 2018 and December 30, 2017 are as follows:

	2018		
	Total fairmarket value	Quoted prices in active markets for identical assets (Level 1)	Observable inputs (Level 2)
Fixed income securities:			
Intermediate—government	\$3,547	\$ 3,547	\$ —
Intermediate—corporate	3,437	—	3,437
Short-term—government	756	756	—
Short-term—corporate	957	—	957
International	1,143	—	1,143
Equity securities:			
U.S. Large cap value	978	978	—
U.S. Large cap growth	976	976	—
U.S. Mid cap value	471	471	—
U.S. Mid cap growth	496	496	—
U.S. Small cap value	463	463	—
U.S. Small cap growth	474	474	—
Managed Futures	355	—	355
International	1,004	329	675
Emerging Markets	362	362	—
Commodities Broad Basket	1,048	388	660
Cash	982	982	—
Total	\$17,449	\$ 10,222	\$ 7,227

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	2017		
	Total fairmarkets for identical value	Quoted prices in active assets (Level 1)	Observable inputs (Level 2)
Fixed income securities:			
Intermediate—government	\$3,620	\$ 3,068	\$ 552
Intermediate—corporate	3,872	—	3,872
Short-term—government	497	497	—
Short-term—corporate	1,702	—	1,702
Equity securities:			
U.S. Large cap value	1,765	1,765	—
U.S. Large cap growth	588	588	—
U.S. Mid cap value	586	586	—
U.S. Mid cap growth	586	586	—
U.S. Small cap value	571	571	—
U.S. Small cap growth	580	580	—
Managed Futures	392	—	392
International	1,547	677	870
Commodities Broad Basket	801	—	801
Cash	1,522	—	1,522
Precious metals	383	383	—
Total	\$19,012	\$ 9,301	\$ 9,711

Cash Flows—The Company expects to contribute approximately \$1.0 million in 2019 to both its pension plans and to its healthcare and life insurance benefits plans.

The estimated benefit payments for each of the next five years and the five-year period thereafter are as follows:

	Pension benefits	Healthcare and Life Insurance Benefits
2019	\$ 1,736	\$ 687
2020	1,712	697
2021	1,680	681
2022	1,678	669
2023	1,676	664
2024 - 2028	7,806	3,415

Multiemployer Pension Plans— In 2018, The Company acquired Buildex, LLC and assumed its obligation to contribute to a number of multiemployer defined benefit pension plans under the terms of collective-bargaining agreements that cover its union-represented employees. The risks of participating in multiemployer pension plans are different from single-employer plans. Assets contributed to a multiemployer plan by one employer may be used to provide benefits to employees of other participating employers. If a participating employer ceases contributing to the plan, the unfunded obligations of the plan are the responsibility of the remaining participating employers.

The Company's participation in these plans for the annual period ended December 31, 2018, is outlined in the table below. The "EIN/Pension Plan Number" column provides the Employer Identification Number (EIN) and the three-digit plan number, if applicable. Unless otherwise noted, the most recent Pension Protection Act (PPA) zone status available in 2018 and 2017 is for the plan's year end at December 31, 2017, and December 31, 2016, respectively. The zone status is based on information the Company received from the plan and is certified by the

plan's actuary. Among other factors, plans in the red zone are generally less than 65% funded, plans in the yellow zone are less than 80% funded and plans in the green zone are at least 80% funded. The "FIP/RP Status Pending/Implemented" column indicates plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented. The "Surcharge Imposed" column indicates whether a surcharge has been imposed on contributions to the plan. The last column lists the expiration date(s) of the collective-

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bargaining agreement(s) to which the plans are subject. There have been no significant changes that affect the comparability of 2018 and 2017 contributions.

Pension Trust Fund	EIN/ Pension Plan Number	Pension Protection Act		FIP/RP Status	Contributions of Company (\$ in thousands)			Expiration Date of Collective-Bargaining Agreement (1)	
		Zone Status	2018		2017	Pending/ Implemented	2018		2017
Construction Industry Laborers Pension Fund	43-6060737/001	Green - as of December 31, 2017	Green - as of December 31, 2016	None		\$ 115	\$ 104	No	12/31/2018
Operating Engineers Local 101 Pension Plan	43-6059213/001	Green - as of December 31, 2017	Green - as of December 31, 2016	None		26	30	No	12/31/2018
Total Contributions						\$ 141	\$ 134		

(1) Currently in final negotiations to extend both collective-bargaining agreements.

The Company was not listed as providing more than 5% of the total contributions for the Operating Engineers Local 101 Pension Plan for the plan years 2017 and 2016 per the plan's Form 5500. The Company did not provide over 5% of total contributions in 2017 or 2016 for the Construction Industry Laborers Pension Fund per the plan's Form 5500. As of the date of the filing of this annual report on Form 10-K, Forms 5500 were not available for the plan year ending December 31, 2018.

## (15) Accrued Mining and Landfill Reclamation

The Company has asset retirement obligations arising from regulatory or contractual requirements to perform certain reclamation activities at the time that certain quarries and landfills are closed, which are primarily included in other noncurrent liabilities on the consolidated balance sheets. The current portion of the liabilities, \$4.1 million and \$3.9 million as of December 29, 2018 and December 30, 2017, respectively, is included in accrued expenses on the consolidated balance sheets. The total undiscounted anticipated costs for site reclamation as of December 29, 2018 and December 30, 2017 were \$92.5 million and \$67.9 million, respectively. The liabilities were initially measured at fair value and are subsequently adjusted for accretion expense, payments and changes in the amount or timing of the estimated cash flows. The corresponding asset retirement costs are capitalized as part of the carrying amount of the related long-lived asset and depreciated over the asset's remaining useful life. The following table presents the activity for the asset retirement obligations for the years ended December 29, 2018 and December 30, 2017:

	2018	2017
Beginning balance	\$24,329	\$23,906
Acquired obligations	3,937	2,303
Change in cost estimate	2,808	(1,759 )
Settlement of reclamation obligations	(1,680 )	(1,996 )
Accretion expense	1,605	1,875
Ending balance	\$30,999	\$24,329

## (16) Commitments and Contingencies

The Company is party to certain legal actions arising from the ordinary course of business activities. Accruals are recorded when the outcome is probable and can be reasonably estimated. While the ultimate results of claims and litigation cannot be predicted with certainty, management expects that the ultimate resolution of all current pending or threatened claims and litigation will not have a material effect on the Company's consolidated financial position, results of operations or liquidity. The Company records legal fees as incurred.

In March 2018, we were notified of an investigation by the Canadian Competition Bureau (the "CCB") into pricing practices by certain asphalt paving contractors in British Columbia, including Winvan Paving, Ltd. ("Winvan"). We believe the investigation is focused on time periods prior to our April 2017 acquisition of Winvan and we are cooperating with the CCB.

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Although we currently do not believe this matter will have a material adverse effect on our business, financial condition or results of operations, we are not able to predict the ultimate outcome or cost of the investigation at this time.

**Environmental Remediation and Site Restoration**—The Company’s operations are subject to and affected by federal, state, provincial and local laws and regulations relating to the environment, health and safety and other regulatory matters. These operations require environmental operating permits, which are subject to modification, renewal and revocation. The Company regularly monitors and reviews its operations, procedures and policies for compliance with these laws and regulations. Despite these compliance efforts, risk of environmental liability is inherent in the operation of the Company’s business, as it is with other companies engaged in similar businesses and there can be no assurance that environmental liabilities or noncompliance will not have a material adverse effect on the Company’s consolidated financial condition, results of operations or liquidity.

**Other**—The Company is obligated under various firm purchase commitments for certain raw materials and services that are in the ordinary course of business. Management does not expect any significant changes in the market value of these goods and services during the commitment period that would have a material adverse effect on the financial condition, results of operations and cash flows of the Company. The terms of the purchase commitments generally approximate one year.

**(17) Leasing Arrangements**

Rent expense, which primarily relates to land, plants and equipment, during the years ended December 29, 2018, December 30, 2017 and December 31, 2016 was \$25.2 million, \$21.7 million and \$18.6 million, respectively. The Company has lease agreements associated with quarry facilities under which royalty payments are made. The payments are generally based on tons sold in a particular period; however, certain agreements have minimum annual payments. Royalty expense recorded in cost of revenue during the years ended December 29, 2018, December 30, 2017 and December 31, 2016 was \$20.1 million, \$18.7 million and \$15.6 million, respectively. Minimum contractual commitments for the subsequent five years under long-term operating leases and under royalty agreements are as follows:

	Operating Leases	Royalty Agreements
2019	\$ 9,479	\$ 7,124
2020	8,101	6,929
2021	6,701	6,665
2022	4,279	6,742
2023	3,411	6,656

**(18) Fair Value of Financial Instruments**

**Fair Value Measurements**—Certain acquisitions made by the Company require the payment of contingent amounts of purchase consideration. These payments are contingent on specified operating results being achieved in periods subsequent to the acquisition and will only be made if earn-out thresholds are achieved. Contingent consideration obligations are measured at fair value each reporting period. Any adjustments to fair value are recognized in earnings in the period identified.

The Company has entered into interest rate derivatives on \$200.0 million of its term loan borrowings to add stability to interest expense and to manage its exposure to interest rate movements. The interest rate derivative expires in September 2019. The effective portion of changes in the fair value of derivatives designated and that qualify as cash

flow hedges is recorded in accumulated other comprehensive income and will be subsequently reclassified into earnings in the period that the hedged forecasted transaction affects earnings. The fair value of contingent consideration and derivatives as of December 29, 2018 and December 30, 2017 was:

	2018	2017
Current portion of acquisition-related liabilities and Accrued expenses:		
Contingent consideration	\$1,394	\$594
Cash flow hedges	—	488
Acquisition-related liabilities and Other noncurrent liabilities		
Contingent consideration	\$5,175	\$34,301
Cash flow hedges	—	492

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The fair value accounting guidance establishes the following fair value hierarchy that prioritizes the inputs used to measure fair value:

Level 1 — Unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 — Inputs other than Level 1 that are based on observable market data, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical assets or liabilities in inactive markets, inputs that are observable that are not prices and inputs that are derived from or corroborated by observable markets.

Level 3 — Valuations developed from unobservable data, reflecting the Company's own assumptions, which market participants would use in pricing the asset or liability.

The fair value of contingent consideration was based on unobservable, or Level 3, inputs, including projected probability-weighted cash payments and an 10.0% discount rate, which reflects a market discount rate. Changes in fair value may occur as a result of a change in actual or projected cash payments, the probability weightings applied by the Company to projected payments or a change in the discount rate. Significant increases or decreases in any of these inputs in isolation could result in a lower, or higher, fair value measurement. The fair value of the cash flow hedges are based on observable, or Level 2, inputs such as interest rates, bond yields and prices in inactive markets. There were no material adjustments to the fair value of contingent consideration in 2018 or 2017, or to cash flow hedges in 2018 or 2017.

Financial Instruments—The Company's financial instruments include debt and certain acquisition-related liabilities (deferred consideration and noncompete obligations). The carrying value and fair value of these financial instruments as of December 29, 2018 and December 30, 2017 were:

	December 29, 2018		December 30, 2017	
	Fair Value	Carrying Value	Fair Value	Carrying Value
Level 2				
Long-term debt(1)	\$1,777,722	\$1,828,159	\$1,893,239	\$1,832,455
Level 3				
Current portion of deferred consideration and noncompete obligations(2)	32,876	32,876	13,493	13,493
Long term portion of deferred consideration and noncompete obligations(3)	44,293	44,293	23,834	23,834

(1) \$6.4 million and \$4.8 million included in current portion of debt as of December 29, 2018 and December 30, 2017, respectively.

(2) Included in current portion of acquisition-related liabilities on the consolidated balance sheets.

(3) Included in acquisition-related liabilities on the consolidated balance sheets.

The fair value of debt was determined based on observable, or Level 2 inputs, such as interest rates, bond yields and quoted prices in inactive markets. The fair values of the deferred consideration and noncompete obligations were determined based on unobservable, or Level 3, inputs, including the cash payment terms in the purchase agreements and a discount rate reflecting the Company's credit risk. The discount rate used is generally consistent with that used when the obligations were initially recorded.

Securities with a maturity of three months or less are considered cash equivalents and the fair value of these assets approximates their carrying value.





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## (19) Segment Information

The Company has three operating segments: West; East; and Cement, which are its reporting segments. These segments are consistent with the Company's management reporting structure. The operating results of each segment are regularly reviewed and evaluated by the Chief Executive Officer, the Company's Chief Operating Decision Maker ("CODM"). The CODM primarily evaluates the performance of its segments and allocates resources to them based on a segment profit metric that we call Adjusted EBITDA, which is computed as earnings from continuing operations before interest, taxes, depreciation, depletion, amortization, accretion, share-based compensation, and transaction costs, as well as various other non-recurring, non-cash amounts.

The West and East segments have several acquired subsidiaries that are engaged in various activities including quarry mining, aggregate production and contracting. The Cement segment is engaged in the production of Portland cement. Assets employed by each segment include assets directly identified with those operations. Corporate assets consist primarily of cash, property, plant and equipment for corporate operations and other assets not directly identifiable with a reportable business segment. The accounting policies applicable to each segment are consistent with those used in the consolidated financial statements.

The following tables display selected financial data for the Company's reportable business segments as of and for the years ended December 29, 2018, December 30, 2017 and December 31, 2016:

	2018	2017	2016
Revenue*:			
West	\$1,117,066	\$998,843	\$813,682
East	703,147	629,919	531,294
Cement	280,789	303,813	281,087
Total revenue	\$2,101,002	\$1,932,575	\$1,626,063

\* Intercompany sales are immaterial and the presentation above only reflects sales to external customers.

	2018	2017	2016
Income (loss) from operations before taxes	\$96,077	\$(158,200)	\$40,827
Interest expense	116,548	108,549	97,536
Depreciation, depletion and amortization	203,305	177,643	147,736
Accretion	1,605	1,875	1,564
IPO/ Legacy equity modification costs	—	—	37,257
Loss on debt financings	149	4,815	—
Tax receivable agreement (benefit) expense	(22,684 )	271,016	14,938
Gain on sale of business	(12,108 )	—	—
Transaction costs	4,238	7,733	6,797
Management fees and expenses	—	—	(1,379 )
Non-cash compensation	25,378	21,140	12,683
Other	(6,247 )	1,206	13,388
Total Adjusted EBITDA	\$406,261	\$435,777	\$371,347

## Total Adjusted EBITDA by Segment:

West	\$188,999	\$203,590	\$167,434
East	138,032	139,108	126,007
Cement	111,394	127,547	112,991
Corporate and other	(32,164 )	(34,468 )	(35,085 )
Total Adjusted EBITDA	\$406,261	\$435,777	\$371,347



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	2018	2017	2016
Purchases of property, plant and equipment			
West	\$120,657	\$83,591	\$77,335
East	64,384	68,556	45,492
Cement	28,036	35,803	25,408
Total reportable segments	213,077	187,950	148,235
Corporate and other	7,608	6,196	5,248
Total purchases of property, plant and equipment	\$220,685	\$194,146	\$153,483

	2018	2017	2016
Depreciation, depletion, amortization and accretion:			
West	\$91,794	\$71,314	\$65,345
East	75,433	67,252	51,540
Cement	35,061	38,351	30,006
Total reportable segments	202,288	176,917	146,891
Corporate and other	2,622	2,601	2,409
Total depreciation, depletion, amortization and accretion	\$204,910	\$179,518	\$149,300

	2018	2017	2016
Total assets:			
West	\$1,370,501	\$1,225,463	\$902,763
East	1,253,640	1,035,609	870,613
Cement	877,586	870,652	868,440
Total reportable segments	3,501,727	3,131,724	2,641,816
Corporate and other	355,914	655,609	139,650
Total	\$3,857,641	\$3,787,333	\$2,781,466

## (20) Supplementary Data (Unaudited)

Supplemental financial information (unaudited) by quarter is shown below for the years ended December 29, 2018 and December 30, 2017.

	2018				2017			
	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q
Net revenue	\$445,090	\$625,017	\$549,235	\$289,916	\$440,610	\$574,387	\$478,368	\$259,044
Operating income (loss)	28,545	108,167	77,279	(51,525 )	57,306	113,911	82,444	(32,784 )
Net income (loss)	(18,627 )	73,992	36,913	(55,948 )	44,510	84,287	52,088	(55,108 )
Net income (loss) attributable to Summit Inc.	(19,163 )	71,289	35,509	(53,729 )	43,010	81,264	50,000	(52,444 )
Basic earnings per share attributable to Summit Inc.	\$(0.17 )	\$0.64	\$0.32	\$(0.49 )	\$0.39	\$0.74	\$0.46	\$(0.49 )
Diluted earnings per share attributable to Summit Inc.	(0.17 )	0.64	0.32	(0.49 )	0.38	0.73	0.46	(0.49 )

## SUMMIT MATERIALS, LLC AND SUBSIDIARIES

## CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements and notes thereto for Summit Materials, LLC and subsidiaries are included as Exhibit 99.1 to this Amendment No. 1 and are incorporated by reference herein.

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PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

1. Financial statements:

Financial statements for Summit Inc. and Summit LLC are included under Item 8 of this report, which incorporates Exhibit 99.1 with respect to Summit LLC.

2. Financial statement schedules:

Financial statement schedules are omitted because of the absence of conditions under which they are required or because the required information is provided in the financial statements or notes thereto.

3. Exhibits:

2.1 Asset Purchase Agreement, dated as of April 16, 2015, among Continental Cement Company, L.L.C., Lafarge North America Inc., Summit Materials, LLC and Summit Materials Holdings L.P. (incorporated by reference to Exhibit 2.1 of Summit Materials, LLC's Current Report on Form 8-K filed on April 17, 2015 (File No. 333-187556)).

2.2 Asset Purchase Agreement, dated as of April 16, 2015, among Continental Cement Company, L.L.C., Lafarge North America Inc., Summit Materials, LLC and Summit Materials Holdings L.P. (incorporated by reference to Exhibit 2.2 of Summit Materials, LLC's Current Report on Form 8-K filed on April 17, 2015 (File No. 333-187556)).

3.1 Certificate of Formation of Summit Materials, LLC, as amended (incorporated by reference to Exhibit 3.1 to Summit Materials, LLC's Registration Statement on Form S-4, filed March 27, 2013 (File No. 333-187556)).

3.2 Amended and Restated Limited Liability Company Agreement of Summit Materials, LLC (incorporated by reference to Exhibit 3.2 to Summit Materials, LLC's Registration Statement on Form S-4, filed March 27, 2013 (File No. 333-187556)).

3.3 Amended and Restated Certificate of Incorporation of Summit Materials, Inc. (incorporated by reference to Exhibit 3.1 to Summit Materials, Inc.'s Current Report on Form 8-K filed on March 17, 2015 (File No. 001-36873)).

3.4 Amended and Restated By-Laws of Summit Materials, Inc. (incorporated by reference to Exhibit 3.2 to Summit Materials, Inc.'s Current Report on Form 8-K filed on March 17, 2015 (File No. 001-36873)).

4.1 Indenture, dated as of July 8, 2015, among Summit Materials, LLC, Summit Materials Finance Corp., the guarantors named therein and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.1 to Summit Materials, Inc.'s Current Report on Form 8-K filed on July 8, 2015 (File No. 001-36873)).

4.2 First Supplemental Indenture, dated as of July 17, 2015, among Kilgore Partners, L.P., Lewis & Lewis, Inc., Summit Materials, LLC and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.14 to Summit Materials, Inc.'s Registration Statement on Form S-1/A, filed on July 27, 2015 (File No. 333-205561)).

- 4.3 Second Supplemental Indenture, dated as of October 7, 2015, between LeGrand Johnson Construction Co. and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.4 to Summit Materials, LLC's Registration Statement on Form S-4 filed on December 11, 2015 (File No. 333-208471)).

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- 4.4 Third Supplemental Indenture, dated as of November 19, 2015, by and among Summit Materials, LLC, Summit Materials Finance Corp., the guarantors named therein and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.3 to Summit Materials, LLC's Current Report on Form 8-K filed on November 19, 2015 (File No. 333-187556)).
- 4.5 Fourth Supplemental Indenture, dated as of February 3, 2016, between Pelican Asphalt Company, LLC and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.16 to the Registrants' Annual Report on Form 10-K filed on February 22, 2016 (File No. 001-36873)).
- 4.6 Fifth Supplemental Indenture, dated as of April 5, 2016, between American Materials Company, LLC, Boxley Materials Company and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.5 to the Registrants' Quarterly Report on Form 10-Q, filed May 4, 2016 (File No. 001-36873)).
- 4.7 Sixth Supplemental Indenture, dated as of May 25, 2016, between Sierra Ready Mix Limited Liability Company and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.4 to the Registrants' Quarterly Report on Form 10-Q, filed August 10, 2016 (File No. 001-36873)).
- 4.8 Seventh Supplemental Indenture, dated as of September 23, 2016, among H.C. Rustin Corporation, R.D. Johnson Excavating Company, LLC and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.9 to Summit Materials, LLC's Registration Statement on Form S-4, filed September 30, 2016 (File No. 333-213904)).
- 4.9 Eighth Supplemental Indenture, dated as of March 30, 2017, among Peak Materials, LLC and Razorback Concrete Company and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.2 to the Registrants' Quarterly Report on Form 10-Q, filed May 3, 2017 (File No. 001-36873)).
- 4.10 Ninth Supplemental Indenture, dated as of June 21, 2017, among Glasscock Company, Inc. and Glasscock Logistics Company, LLC and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.5 to the Registrants' Quarterly Report on Form 10-Q, filed August 4, 2017 (File No. 001-36873)).
- 4.11 Tenth Supplemental Indenture, dated as of September 6, 2017, among Ready Mix Concrete of Somerset, LLC and Alan Ritchey Materials Company, L.C. and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.11 to the Registrants' Annual Report on Form 10-K, filed February 14, 2018 (File No. 001-36873)).
- 4.12 Eleventh Supplemental Indenture, dated as of November 9, 2017, among Columbia Silica Sand, LLC, Columbia Aggregates, LLC, Northwest Aggregates, Inc. and Northwest Ready Mix, Inc. and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.12 to the Registrants' Annual Report on Form 10-K, filed February 14, 2018 (File No. 001-36873)).
- 4.13 Twelfth Supplemental Indenture, dated as of January 26, 2018, among Georgia Stone Products, LLC, Broad River Crushed Stone, LLC, Stockman Quarry, L.L.C., Stockman Properties, L.L.C., McLanahan Crushed Stone, LLC and Ohio Valley Asphalt, LLC and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.13 to the Registrants' Annual Report on Form 10-K, filed February 14, 2018 (File No. 001-36873)).
- 4.14 Thirteenth Supplemental Indenture, dated as of May 3, 2018, among Laredo Paving, Inc., Metro Ready Mix, L.L.C., Price Construction, Ltd. and Mid-Missouri Limestone, LLC and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.30 to the Registrants' Quarterly Report on Form



10-Q, filed August 2, 2018 (File No. 001-36873)).

4.15 Form of 6.125% Senior Note due 2023 (included in Exhibit 4.1)

4.16 Indenture dated as of March 8, 2016, by and among Summit Materials, LLC, Summit Materials Finance Corp., the subsidiary guarantors named on the signature pages thereto and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.1 filed with the Registrants' Current Report on Form 8-K filed on March 8, 2016 (File No. 001-36873)).

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- 4.17 First Supplemental Indenture, dated as of April 5, 2016, between American Materials Company, LLC, Boxley Materials Company and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.4 to the Registrants' Quarterly Report on Form 10-Q, filed May 4, 2016 (File No. 001-36873)).
- 4.18 Second Supplemental Indenture, dated as of May 25, 2016, between Sierra Ready Mix Limited Liability Company and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.2 to the Registrants' Quarterly Report on Form 10-Q, filed August 10, 2016 (File No. 001-36873)).
- 4.19 Third Supplemental Indenture, dated as of September 23, 2016, among H.C. Rustin Corporation, R.D. Johnson Excavating Company, LLC and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.14 to Summit Materials, LLC's Registration Statement on Form S-4, filed September 30, 2016 (File No. 333-213904)).
- 4.20 Fourth Supplemental Indenture, dated as of March 30, 2017, among Peak Materials, LLC and Razorback Concrete Company and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Registrants' Quarterly Report on Form 10-Q, filed May 3, 2017 (File No. 001-36873)).
- 4.21 Fifth Supplemental Indenture, dated as of June 21, 2017, among Glasscock Company, Inc. and Glasscock Logistics Company, LLC and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.4 to the Registrants' Quarterly Report on Form 10-Q, filed August 4, 2017 (File No. 001-36873)).
- 4.22 Sixth Supplemental Indenture, dated as of September 6, 2017, among Ready Mix Concrete of Somerset, LLC and Alan Ritchey Materials Company, L.C. and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.21 to the Registrants' Annual Report on Form 10-K, filed February 14, 2018 (File No. 001-36873)).
- 4.23 Seventh Supplemental Indenture, dated as of November 10, 2017, among Columbia Silica Sand, LLC, Columbia Aggregates, LLC, Northwest Aggregates, Inc. and Northwest Ready Mix, Inc. and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.22 to the Registrants' Annual Report on Form 10-K, filed February 14, 2018 (File No. 001-36873)).
- 4.24 Eighth Supplemental Indenture, dated as of January 26, 2018, among Georgia Stone Products, LLC, Broad River Crushed Stone, LLC, Stockman Quarry, L.L.C., Stockman Properties, L.L.C., McLanahan Crushed Stone, LLC and Ohio Valley Asphalt, LLC and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.23 to the Registrants' Annual Report on Form 10-K, filed February 14, 2018 (File No. 001-36873)).
- 4.25 Ninth Supplemental Indenture, dated as of May 3, 2018, among Laredo Paving, Inc., Metro Ready Mix, L.L.C., Price Construction, Ltd. and Mid-Missouri Limestone, LLC and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.2 to the Registrants' Quarterly Report on Form 10-Q, filed August 2, 2018 (File No. 001-36873)).
- 4.26 Form of 8.500% Senior Note due 2022 (included in Exhibit 4.16).
- 4.27 Indenture, dated as of June 1, 2017, by and among Summit Materials, LLC, Summit Materials Finance Corp., the subsidiary guarantors named on the signature pages thereto and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.2 to the Registrants' Current Report on Form 8-K, filed June 1, 2017 (File No. 001-36873)).

4.28 Form of 5.125% Senior Note due 2025 (included in Exhibit 4.27).

First Supplemental Indenture, dated as of June 21, 2017, among Glasscock Company, Inc. and Glasscock  
4.29 Logistics Company, LLC and Wilmington Trust, National Association, as trustee (incorporated by reference to  
Exhibit 4.2 to the Registrants' Quarterly Report on Form 10-Q, filed August 4, 2017 (File No. 001-36873)).

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4.30 Second Supplemental Indenture, dated as of September 6, 2017, among Ready Mix Concrete of Somerset, LLC and Alan Ritchey Materials Company, L.C. and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.28 to the Registrants' Annual Report on Form 10-K, filed February 14, 2018 (File No. 001-36873)).

4.31 Third Supplemental Indenture, dated as of November 10, 2017, among Columbia Silica Sand, LLC, Columbia Aggregates, LLC, Northwest Aggregates, Inc. and Northwest Ready Mix, Inc. and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.29 to the Registrants' Annual Report on Form 10-K, filed February 14, 2018 (File No. 001-36873)).

4.32 Fourth Supplemental Indenture, dated as of January 26, 2018, among Georgia Stone Products, LLC, Broad River Crushed Stone, LLC, Stockman Quarry, L.L.C., Stockman Properties, L.L.C., McLanahan Crushed Stone, LLC and Ohio Valley Asphalt, LLC and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.30 to the Registrants Annual Report on Form 10-K, filed February 14, 2018 (File No. 001-36873)).

4.33 Fifth Supplemental Indenture, dated as of May 3, 2018, among Laredo Paving, Inc., Metro Ready Mix, L.L.C., Price Construction, Ltd. and Mid-Missouri Limestone, LLC and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.3 to the Registrants' Quarterly Report on Form 10-Q, filed August 2, 2018 (File No. 001-36873)).

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- 10.1 Fourth Amended and Restated Limited Partnership Agreement of Summit Materials Holdings L.P., dated as of March 11, 2015 (incorporated by reference to Exhibit 10.1 to Summit Materials, Inc.'s Current Report on Form 8-K filed on March 17, 2015 (File No. 001-36873)).
- 10.2 Tax Receivable Agreement, dated as of March 11, 2015, by and among Summit Materials, Inc. and each of the other persons from time to time party thereto (incorporated by reference to Exhibit 10.3 to Summit Materials, Inc.'s Current Report on Form 8-K filed on March 17, 2015 (File No. 001-36873)).
- 10.3 Exchange Agreement, dated as of March 11, 2015, among Summit Materials, Inc., Summit Holdings and the holders of LP Units from time to time party thereto (incorporated by reference to Exhibit 10.2 to Summit Materials, Inc.'s Current Report on Form 8-K filed on March 17, 2015 (File No. 001-36873)).
- 10.4 Amendment No. 1 to Exchange Agreement, dated as of August 4, 2015, among Summit Materials, Inc., Summit Holdings and the other parties identified on the signature pages thereto (incorporated by reference to Exhibit 10.1 to Summit Materials, LLC's Quarterly Report on Form 10-Q filed on November 3, 2015 (File No. 333-187556)).
- 10.5 Registration Rights Agreement, dated as of March 17, 2015, by and among Summit Materials, Inc. and the holders from time to time party thereto (incorporated by reference to Exhibit 10.4 to Summit Materials, Inc.'s Current Report on Form 8-K filed on March 17, 2015 (File No. 001-36873)).
- 10.6+ Summit Materials, Inc. 2015 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.7 to Summit Materials, Inc.'s Current Report on Form 8-K filed on March 17, 2015 (File No. 001-36873)).
- 10.7+ Form of Restricted LP Unit Agreement (incorporated by reference to Exhibit 10.7 to Summit Materials, Inc.'s Amendment No. 1 to the Registration Statement on Form S-1, filed January 9, 2015 (File No. 333-201058)).
- 10.8+ Form of Stock Option Agreement (Leverage Restoration Options) (incorporated by reference to Exhibit 10.8 to Summit Materials, Inc.'s Amendment No. 1 to the Registration Statement on Form S-1, filed January 9, 2015 (File No. 333-201058)).
- 10.9+ Form of Restricted Stock Unit Award Notice and Agreement for Directors (incorporated by reference to Exhibit 10.1 to the Registrants' Quarterly Report on Form 10-Q, filed May 4, 2016 (File No. 001-36873)).
- 10.10+ Form of Restricted Stock Unit Award Notice and Agreement for Executive Officers (incorporated by reference to Exhibit 10.2 to the Registrants' Quarterly Report on Form 10-Q, filed May 4, 2016 (File No. 001-36873)).
- 10.11+ Form of Nonqualified Stock Option Award Notice and Agreement for Executive Officers (incorporated by reference to Exhibit 10.3 to the Registrants' Quarterly Report on Form 10-Q, filed May 4, 2016 (File No. 001-36873)).
- 10.12+ Form of Performance Unit Award Notice and Agreement for Executive Officers (incorporated by reference to Exhibit 10.4 to the Registrants' Quarterly Report on Form 10-Q, filed May 4, 2016 (File No. 001-36873)).
- 10.13+ Form of Director and Officer Indemnification Agreement (incorporated by reference to Exhibit 10.9 to Summit Materials, Inc.'s Amendment No. 1 to the Registration Statement on Form S-1, filed January 9, 2015 (File No. 333-201058)).



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- 10.14 Credit Agreement, dated as of January 30, 2012, by and among Summit Materials, LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Citigroup Global Markets Inc., as joint lead arrangers, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Citigroup Global Markets Inc., UBS Securities LLC, Barclays Capital, Credit Suisse Securities (USA) LLC and Deutsche Bank Securities Inc., as joint bookrunners, Bank of America, N.A., as administrative agent, collateral agent and swing line lender, Bank of America, N.A., as letter of credit issuer, and Citigroup Global Markets Inc., as syndication agent (incorporated by reference to Exhibit 10.1 of Amendment No. 1 to Summit Materials, LLC's Registration Statement on Form S-4, filed May 3, 2013 (File No. 333-187556)).
- 10.15 Amendment No. 1, dated as of February 5, 2013, to the Credit Agreement, dated as of January 30, 2012, by and among Summit Materials, LLC, Bank of America, N.A. as sole lead arranger, and Bank of America, N.A. and Citigroup Global Markets Inc., as joint bookrunners (incorporated by reference to Exhibit 10.2 of Summit Materials, LLC's Registration Statement on Form S-4, filed March 27, 2013 (File No. 333-187556)).
- 10.16 Amendment No. 2, dated as of January 16, 2014, to the Credit Agreement, dated as of January 30, 2012, by and among Summit Materials, LLC, the guarantors party thereto, Bank of America, N.A., as administrative agent, collateral agent, L/C issuer and swing line lender and the other parties thereto (incorporated by reference to Exhibit 10.1 to Summit Materials, LLC's Current Report on Form 8-K, filed January 23, 2014 (File No. 333-187556)).
- 10.17 Amendment No. 3, dated as of March 11, 2015, to the Credit Agreement, dated as of January 30, 2012, by and among Summit Materials, LLC, the guarantors party thereto, Bank of America, N.A., as administrative agent, collateral agent, L/C issuer and swing line lender and the other parties thereto (incorporated by reference to Exhibit 10.1 filed Summit Materials, LLC's Current Report on Form 8-K, filed March 17, 2015 (File No. 333-187556)).
- 10.18 Tranche A Revolving Credit Commitment Conversion Agreement, dated as of February 11, 2013, under the Credit Agreement, dated as of January 30, 2012, among Summit Materials, LLC, the guarantors party thereto, the several banks and other financial institutions or entities from time to time parties to the Credit Agreement, Bank of America, N.A., as administrative agent, collateral agent, L/C issuer and swing line lender and the other parties thereto (incorporated by reference to Exhibit 10.3 of Summit Materials, LLC's Registration Statement on Form S-4, filed March 27, 2013 (File No. 333-187556)).
- 10.19 Security Agreement, dated as of January 30, 2012, by and among the grantors identified therein and Bank of America, N.A., as collateral agent (incorporated by reference to Exhibit 10.4 of Summit Materials, LLC's Registration Statement on Form S-4, filed March 27, 2013 (File No. 333-187556)).
- 10.20 Restatement Agreement, providing for the Amended and Restated Credit Agreement, dated as of July 17, 2015, among Summit Materials, LLC, Summit Materials Intermediate Holdings, LLC, the subsidiary guarantors party thereto, the lenders party thereto and Bank of America, N.A., as administrative agent, collateral agent, L/C issuer and swing line lender (incorporated by reference to Exhibit 10.1 to Summit Materials, Inc.'s Current Report on Form 8-K filed on July 20, 2015 (File No. 001-36873)).
- 10.21 Amendment No. 1, dated as of January 19, 2017, to the Amended and Restated Credit Agreement, dated as of July 17, 2015, among Summit Materials, LLC, as the borrower, the guarantors party thereto, the several banks and other financial institutions or entities from time to time party thereto, Bank of America, N.A., as administrative agent, collateral agent, L/C issuer and swing line lender and the other parties thereto (incorporated by reference to Exhibit 10.1 to the Registrants' Current Report on Form 8-K, filed January 19, 2017 (File No. 001-36873)).

10.22 Amendment No. 2, dated as of November 21, 2017, to the Amended and Restated Credit Agreement, dated as of July 17, 2015, among Summit Materials, LLC, as the borrower, the guarantors party thereto, the several banks and other financial institutions or entities from time to time party thereto, Bank of America, N.A., as administrative agent, collateral agent, L/C issuer and swing line lender and the other parties thereto (incorporated by reference to Exhibit 10.1 to the Registrants' Current Report on Form 8-K filed on November 21, 2017 (File No. 001-36873)).

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- 10.23 Amendment No. 3, dated as of May 22, 2018, to the Amended and Restated Credit Agreement, dated as of July 17, 2015 (as amended by Amendment No. 1, dated as of January 19, 2017 and Amendment No. 2, dated as of November 21, 2017), among Summit Materials, LLC, as the borrower, the guarantors party thereto, the several banks and other financial institutions or entities from time to time party thereto, Bank of America, N.A., as administrative agent, collateral agent, L/C issuer and swing line lender and the other parties thereto (incorporated by reference to Exhibit 10.1 to the Registrants' Current Report on Form 8-K, filed May 22, 2018).
- 10.24 Acquisition Agreement, dated as of December 5, 2013, among Alleyton Resource Corporation, Colorado Gulf, LP, Texas CGC, LLC, Barten Shepard Investments, LP, TBGSI Corp., the individuals signatory thereto and Summit Materials, LLC (incorporated by reference to Exhibit 10.6 to Summit Materials, LLC's Annual Report on Form 10-K, filed March 7, 2014 (File No. 333-187556)).
- 10.25 Amendment dated January 14, 2014, to Acquisition Agreement, dated as of December 5, 2013, among Alleyton Resource Corporation, Colorado Gulf, LP, Texas CGC, LLC, Barten Shepard Investments, LP, TBGSI Corp., the individuals signatory thereto and Summit Materials, LLC (incorporated by reference to Exhibit 10.7 to Summit Materials, LLC's Annual Report on Form 10-K, filed March 7, 2014 (File No. 333-187556)).
- 10.26+ Form of Management Interest Subscription Agreement for executive officers (incorporated by reference to Exhibit 10.8 to Summit Materials, LLC's Annual Report on Form 10-K, filed March 7, 2014 (File No. 333-187556)).
- 10.27+ Form of Management Interest Subscription Agreement for directors (incorporated by reference to Exhibit 10.9 to Summit Materials, LLC's Annual Report on Form 10-K, filed March 7, 2014 (File No. 333-187556)).
- 10.28+ Employment Agreement, dated July 30, 2009, by and between Summit Materials Holdings L.P. and Thomas Hill (incorporated by reference to Exhibit 10.5 to Summit Materials, LLC's Registration Statement on Form S-4, filed March 27, 2013 (File No. 333-187556)).
- 10.29+ Employment Agreement, dated as of December 3, 2013, between Summit Materials Holdings L.P. and Brian J. Harris (incorporated by reference to Exhibit 10.1 to Summit Materials, LLC's current Quarterly Report on Form 8-K/A, filed December 4, 2013 (File No. 333-187556)).
- 10.30 Contribution and Purchase Agreement, dated December 18, 2014, between Summit Materials, Inc., Summit Materials Holdings L.P., Summit Materials Holdings GP, Ltd., and Summit Owner Holdco LLC, and Missouri Materials Company, L.L.C., J&J Midwest Group, L.L.C., R. Michael Johnson Family Limited Liability Company, and Thomas A. Beck Family, LLC, and Continental Cement Company, L.L.C (incorporated by reference to Exhibit 10.27 to Summit Materials, Inc.'s Registration Statement on Form S-1/A, filed on January 9, 2015 (File No. 333-201058)).
- 10.31+ Michael J. Brady offer letter (incorporated by reference to Exhibit 10.19 of Summit Materials, LLC's Annual Report on Form 10-K, filed February 23, 2015 (File No. 333-187556)).
- 10.32+ Form of Warrant to Purchase Class A Common Stock (incorporated by reference to Exhibit 10.28 to Summit Materials, Inc.'s Amendment No. 3 to the Registration Statement on Form S-1, filed March 2, 2015 (File No. 333-201058)).
- 10.33+

Agreement and Release, dated as of December 15, 2017, between Douglas C. Rauh, Summit Materials Holdings L.P., and solely for certain purposes specified therein, Summit Materials, Inc. (incorporated by reference to Exhibit 10.1 to Summit Materials, Inc.'s Current Report on Form 8-K filed on December 21, 2017 (File No. 001-36873).

10.34+ Summit Materials, Inc. Executive Severance Plan (incorporated by reference to Exhibit 10.2 to Summit Materials, Inc.'s Current Report on Form 8-K filed on December 21, 2017 (File No. 001-36873).

10.35+ Offer Letter, dated as of December 19, 2017, between Summit Materials Holdings L.P. and Karl Watson (incorporated by reference to Exhibit 10.1 to Summit Materials, Inc.'s Current Report on Form 8-K filed on January 4, 2018 (File No. 001-36873).

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21#	<u>Subsidiaries of Summit Materials, LLC and Summit Materials, Inc. (incorporated by reference to Exhibit 21 to the Registrants' Annual Report on Form 10-K, filed February 6, 2019 (File No. 001-36873))</u>
23.1*	<u>Consent of KPMG LLP, Independent Registered Public Accounting Firm.</u>
31.1*	<u>Summit Materials, Inc.'s Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
31.2*	<u>Summit Materials, Inc.'s Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
31.3*	<u>Summit Materials, LLC's Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
31.4*	<u>Summit Materials, LLC's Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
32.1**	<u>Summit Materials, Inc.'s Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
32.2**	<u>Summit Materials, Inc.'s Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
32.3**	<u>Summit Materials, LLC's Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
32.4**	<u>Summit Materials, LLC's Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
95.1#	<u>Mine Safety Disclosures (incorporated by reference to Exhibit 95.1 to the Registrants' Annual Report on Form 10-K, filed February 6, 2019 (File No. 001-36873))</u>
99.1*	<u>Summit Materials, LLC's Consolidated Financial Statements and Notes to Consolidated Financial Statements.</u>
101.INS#	XBRL Instance Document
101.SCH#	XBRL Taxonomy Extension Schema Document.
101.CAL#	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF#	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB#	XBRL Taxonomy Extension Label Linkbase Document.

101.PRE# XBRL Taxonomy Extension Presentation Linkbase Document.

# Filed as an exhibit to the Original 10-K

\* Filed herewith

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- \*\* Furnished herewith
- + Indicates management or compensating plan or arrangement

The agreements and other documents filed as exhibits to this report are not intended to provide factual information or other disclosure other than with respect to the terms of the agreements or other documents themselves, and you should not rely on them for that purpose. In particular, any representations and warranties made by us in these agreements or other documents were made solely within the specific context of the relevant agreement or document and may not describe the actual state of affairs as of the date they were made or at any other time.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned, thereunto duly authorized.

SUMMIT MATERIALS, INC.  
SUMMIT MATERIALS, LLC

Date: February 20, 2019 By: /s/ Thomas W. Hill  
Thomas W. Hill  
Chief Executive Officer  
(Principal Executive Officer)

Pursuant to the requirements of the Securities Act of 1934, this report has been signed by the following persons in the capacities indicated on the 20<sup>th</sup> day of February 2019.

Signature	Title
/s/ Thomas W. Hill Thomas W. Hill	President and Chief Executive Officer; Director of Summit Materials, Inc. (Principal Executive Officer)
/s/ Brian J. Harris Brian J. Harris	Chief Financial Officer (Principal Financial and Accounting Officer)