Martin Marietta Materials Acquires Texas Industries

Associated Press

NEW YORK (AP) — Martin Marietta Materials is buying Texas Industries in an all-stock deal worth $2.06 billion, creating a leading supplier of aggregates and heavy building materials with a strong presence in large, fast-growing markets like California and Texas.

Martin Marietta said Tuesday shareholders of Texas Industries will get 0.7 shares of Martin Marietta for each share held. Based on Monday's closing price, that amounts to $71.95 per share, a premium of less than 1 percent from Texas Industries' closing price of $71.54.

Martin Marietta will also assume $700 million in Texas Industries debt.

It expects the deal to add to its net income in 2014 excluding one-time costs and assuming it is able to refinance Texas Industries' debt.

Martin Marietta sells granite, limestone, sand and gravel, and it had $2.16 billion in revenue in 2013. Texas Industries makes cement and building materials, and it had $697 million in revenue in its latest fiscal year.

The companies said that together, they have more than 400 quarries, mines, distribution yards, and plants in 36 states, Canada, the Bahamas and the Caribbean Islands. The combined company will keep the Martin Marietta Materials name and its headquarters in Raleigh, North Carolina. Martin Marietta executives including President and CEO Ward Nye will remain in charge, and one person jointly selected by Martin Marietta and Texas Industries will be appointed to the board.

The companies say their boards approved the deal. They expect it to close during the second quarter.

Shares of Texas Industries picked up $1.52, or 2.1 percent, to $73.06 in morning trading. The Dallas company's stock has climbed in recent weeks on speculation about a possible sale. Since Dec. 22 the shares are up 22.2 percent.

Martin Marietta stock rose $2.52, or 2.5 percent, to $105.30.

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