P&O PRINCESS CRUISES PLC
Form 6-K
June 28, 2002

SCHEDULE 10

NOTIFICATION OF MAJOR INTERESTS IN SHARES

1) Name of company

P&O Princess Cruises plc

2) Name of shareholder having a major interest

AXA S.A. and subsidiary companies

3) Please state whether notification indicates that it is in respect of
holding of the shareholder named in 2 above or in respect of a
non-beneficial interest or in the case of an individual holder if it is a
holding of that persons spouse or children under the age of 18

A beneficial interest in 21,186,299 shares
A non-beneficial interest in 6,691,014 shares

4) Name of the registered holder(s) and, if more than one holder, the
number of shares held by each of them

5) Number of shares/amount of stock acquired

Not stated

6) Percentage of issued class

Not stated

7) Number of shares/amount of stock disposed

Not stated

8) Percentage of issued class

Not stated

9) Class of security

Ordinary shares of 50c each

10) Date of transaction

Not stated

11) Date company informed

28 June 2002

12) Total holding following this notification

27,877,313 ordinary shares

13) Total percentage holding of issued class following this
notification

4.02%

14) Any additional information

15) Name of contact and telephone number for queries

Simon Pearce 020 7805 1208

16) Name and signature of authorised company official responsible
for
making this notification

Simon Pearce, Company Secretary

Date of notification ...28 June 2002.....

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5,283

Other

(12,377)

(8,562)

(3,815)

Total revenue

$

143,219

$

123,717

$

19,502

*Revenue by product includes intercompany and intracompany sales transferred at market value. The elimination of intracompany transactions is included in Other. Revenue from the liquid asphalt terminals is included in asphalt revenue.

The West segment's percent changes in sales volumes and pricing in the three months ended April 1, 2017 from the three months ended April 2, 2016 were as follows:

	Percentage Change in			
	Volume		Pricing	
Aggregates	3.0	%	3.0	%
Ready-mix concrete	19.6	%	(3.4)	%
Asphalt	71.0	%	(7.9)	%

Revenue from aggregates in the West segment increased $2.1 million primarily due to a 3.0% increase in both volumes and pricing. The increase in aggregates volumes was primarily in the Utah, Austin, northeast Texas and Vancouver, British Columbia markets. Aggregates volume increased due to organic growth in these markets with contribution from the 2017 and 2016 acquisitions, partially offset by a decrease in organic volumes in Houston. Aggregates pricing improved across most of our markets in the three months ended April 1, 2017 as compared to the prior year period.

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Revenue from ready-mix concrete in the West segment increased $9.7 million in the first quarter of 2017 as compared to the first quarter of 2016 due to higher volumes offset by slightly lower pricing. The increase in ready-mix concrete volumes was primarily a result of the 2017 and 2016 acquisitions partially offset by a decrease in organic volumes.

Revenue from asphalt in the West segment increased $6.3 million in the first quarter of 2017 as compared to the same period a year ago, primarily due to higher volumes partially offset by slightly lower pricing. Organic asphalt volumes increased 71.0% due to improvement in our Austin, Texas market. Asphalt pricing decreased consistent with lower input prices. Revenue for paving and related services in the West segment increased by $5.3 million in the three months ended April 1, 2017, primarily due to organic growth.

Prior to eliminations of intercompany transactions, the net effect of volume and pricing changes on gross revenue in the three months ended April 1, 2017 was approximately $19.9 million and $(1.9) million, respectively.

Our reporting unit based in Austin, Texas, where the economy has been expanding, has seen new market entrants, one of which aggressively sought market share, which negatively impacted Adjusted EBITDA in the West segment in 2016. Our efforts to improve our profitability in that area are showing positive results in 2017. We will continue to monitor the effect of this activity to assess whether an event occurs that indicates the carrying amount of the Austin-based reporting unit may be impaired requiring a goodwill impairment analysis.

East Segment

	Three months ended			
	April 1,	April 2,		
($ in thousands)	2017	2016	Variance	
Net revenue	$ 83,235	$ 60,204	$ 23,031	38.3 %
Operating loss	(11,518)	(7,569)	(3,949)	(52.2) %
Operating margin percentage	(13.8) %	(12.6) %		
Adjusted EBITDA	$ 4,348	$ 3,173	$ 1,175	37.0 %

The East segment’s net revenue increased 38.3%, primarily due to acquisitions and organic operations contributing $17.0 million and $6.0 million in the three months ended April 1, 2017, respectively.

The East segment’s operating loss and Adjusted EBITDA increased by $3.9 million and $1.2 million in the three months ended April 1, 2017, respectively. The increase in Adjusted EBITDA was a result of volume increases across all of our product lines.

Operating margin percentage for the three months ended April 1, 2017 decreased from (12.6)% to (13.8)%, as revenue from paving and related services, which generally has lower operating margins than materials and products increased slightly.

Gross revenue by product/ service was as follows:

	Three months ended		
(in thousands)	April 1, 2017	April 2, 2016	Variance
Revenue by product*:			
Aggregates	$ 42,696	$ 31,463	$ 11,233
Ready-mix concrete	21,329	17,873	3,456
Asphalt	2,519	1,886	633
Paving and related services	21,143	11,818	9,325
Other	9,536	7,634	1,902
Total revenue	$ 97,223	$ 70,674	$ 26,549

*Revenue by product includes intercompany and intracompany sales transferred at market value. The elimination of intracompany transactions is included in Other. Revenue from the liquid asphalt terminals is included in asphalt revenue.

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The East segment's percent changes in sales volumes and pricing in the three months ended April 1, 2017 from the three months ended April 2, 2016 were as follows:

	Percentage Change in			
	Volume		Pricing	
Aggregates	27.9	%	6.2	%
Ready-mix concrete	16.4	%	2.3	%
Asphalt	44.1	%	(7.3)	%

Revenue from aggregates increased $11.2 million in the first quarter of 2017 as compared to 2016 due primarily to the acquisition of Razorback in 2017, as well as the AMC, Boxley, Oldcastle Assets, and RD Johnson acquisitions in 2016. Aggregate volumes in the three months ended April 1, 2017 increased 27.9%, primarily as a result of those acquisitions. Aggregates pricing increased as a result of an improved market and shift in product mix.

Revenue from ready-mix concrete in the East region increased $3.5 million primarily as a result of the acquisitions mentioned above. Ready-mix volumes increased due to acquisitions, offset by an organic volumes decline of 2.9%.

Revenue from asphalt increased $0.6 million in the East segment due to an increase in asphalt volumes, offset by pricing decline. The $9.3 million increase in paving and related service revenue in the three months ended April 1, 2017 was primarily a result of acquisitions in Kansas and Virginia.

Prior to eliminations of intercompany transactions, the net effect of volume and pricing changes on gross revenue in the three months ended April 1, 2017 was approximately $13.0 million and $2.3 million, respectively.

Cement Segment

	Three months ended						
	April 1,		April 2,				
($ in thousands)	2017		2016		Variance		
Net revenue	$ 43,835		$ 33,988		$ 9,847	29.0	%
Operating loss	(5,270)		(4,239)		(1,031)	(24.3)	%
Operating margin percentage	(12.0)	%	(12.5)	%			
Adjusted EBITDA	$ 2,685		$ 971		$ 1,714	176.5	%

The Cement segment's net revenue increased 29.0%, primarily due to organic operations and the acquisition of the Angelle Assets contributing $6.4 million and $3.4 million in the three months ended April 1, 2017, respectively.

The Cement segment's operating loss increased $1.0 million in the three months ended April 1, 2017, while Adjusted EBITDA improved $1.7 million. The increase in operating loss was primarily due to increased depreciation from the Angelle Assets acquisition. Operating margin percentage for the three months ended April 1, 2017 improved slightly from (12.5)% to (12.0)%, primarily attributable to pricing improvements and operational efficiencies. The operational efficiencies have been driven by a reduction in unscheduled downtime and improved cost management and production processes.

Gross revenue by product was as follows:

	Three months ended		
(in thousands)	April 1, 2017	April 2, 2016	Variance
Revenue by product*:			
Cement	$ 40,304	$ 29,511	$ 10,793
Other	3,531	4,477	(946)
Total revenue	$ 43,835	$ 33,988	$ 9,847

*Revenue by product includes intercompany and intracompany sales transferred at market value. Revenue from waste processing and the elimination of intracompany transactions is included in Other.

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The Cement segment's percent changes in sales volumes and pricing in the three months ended April 1, 2017 from the three months ended April 2, 2016 were as follows:

	Percentage Change in	
	Volume	Pricing
Cement	27.5 %	7.3 %

For the three months ended April 1, 2017, cement volumes and pricing increased 27.5% and 7.3%, respectively. The acquisition of the Angelle Assets contributed 9.9% and 19.0% in cement volumes and pricing increases, respectively. Organic cement volumes increased 17.6% quarter over quarter, with the balance attributable to the acquisition referred to above.

Liquidity and Capital Resources

Our primary sources of liquidity include cash on-hand, cash provided by operations, amounts available for borrowing under our senior secured credit facilities and capital-raising activities in the debt and capital markets. As of April 1, 2017, we had $156.1 million in cash and cash equivalents and $281.6 million of working capital compared to $143.4 million and $244.4 million, respectively, at December 31, 2016. Working capital is calculated as current assets less current liabilities. There were no restricted cash balances as of April 1, 2017 or December 31, 2016. Our remaining borrowing capacity on our senior secured revolving credit facility was $215.4 million as of April 1, 2017, which is net of $19.6 million of outstanding letters of credit, and is fully available to us within the terms and covenant requirements of our credit agreement governing the senior secured credit facilities (the "Credit Agreement").

Given the seasonality of our business, we typically experience significant fluctuations in working capital needs and balances throughout the year. Our working capital requirements generally increase during the first half of the year as we build up inventory and focus on repair and maintenance and other set-up costs for the upcoming season. Working capital levels then decrease as the construction season winds down and we enter the winter months, which is when we see significant inflows of cash from the collection of receivables.

Our acquisition strategy has historically required us to raise capital through equity issuances or debt financings. As of April 1, 2017 and December 31, 2016, our long-term borrowings, including the current portion without giving effect to original issue discount, totaled $1.5 billion, for which we incurred $21.6 million and $18.3 million of interest expense for the three months ended April 1, 2017 and April 2, 2016, respectively. Although the amounts borrowed and related interest expense are material to us, we have been in compliance with our debt covenants and, when we have made additional issuances of senior notes to fund acquisitions, we have complied with the incurrence tests in the indentures governing our senior notes. In addition, our cash flows provided by operating activities were $244.9 million in the year ended December 31, 2016, which is net of interest payments. Our senior secured revolving credit

facility has been adequate to fund our seasonal working capital needs and certain acquisitions. We had no outstanding borrowings on the revolving credit facility as of April 1, 2017.

We believe we have access to sufficient financial resources from our liquidity sources to fund our business and operations, including contractual obligations, capital expenditures and debt service obligations, for at least the next twelve months. Our growth strategy contemplates future acquisitions for which we believe we have sufficient access to capital.

We and our affiliates may from time to time purchase our outstanding debt through open market purchases, privately negotiated transactions or otherwise. Purchases or retirement of debt, if any, will depend on prevailing market conditions, liquidity requirements, contractual restrictions and other factors. The amounts involved may be material.

Indebtedness

Please refer to the notes to the consolidated interim financial statements for detailed information about our long-term debt, scheduled maturities of long-term debt and affirmative and negative covenants, including the maximum allowable consolidated first lien net leverage ratio. As of April 1, 2017, we were in compliance with all debt covenants.

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At April 1, 2017 and December 31, 2016, $1.5 billion of total debt, without giving effect to original issuance discount, were outstanding under our respective debt agreements. Summit LLC has senior secured 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”). Summit LLC’s domestic wholly-owned subsidiary companies are named as guarantors of the Senior Notes and the Senior Secured Credit Facilities. Certain other partially-owned subsidiaries, and the wholly-owned Canadian subsidiary, Mainland, do not guarantee the Senior Notes or Senior Secured Credit Facilities. Summit LLC has pledged substantially all of its assets as collateral for the Senior Secured Credit Facilities.

On January 19, 2017, Summit LLC entered into Amendment No. 1 (“Amendment No. 1”) to the Credit Agreement, which, among other things, reduced the applicable margin in respect of the $640.3 million outstanding principal amount of term loans thereunder and included a 1.00% prepayment premium in connection with certain further repricing events that occur on or prior to the six-month anniversary of the effective date of Amendment No. 1. 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 March 8, 2016, the Issuers issued $250.0 million in aggregate principal amount of 8.500% senior notes due April 15, 2022. The 2022 notes were issued at par and interest on the 2022 Notes is payable semi-annually in arrears on April 15 and October 15 of each year commencing on October 15, 2016. The net proceeds of the 2022 Notes were used to fund the Boxley acquisition, replenish cash used for the AMC acquisition and pay expenses incurred therewith.

Cash Flows

The following table summarizes our net cash used for or provided by operating, investing and financing activities and our capital expenditures in the three months ended April 1, 2017 and April 2, 2016:

	Summit Inc.	
(in thousands)	April 1, 2017	April 2, 2016
Net cash (used for) provided by:		
Operating activities	$ (45,539)	$ (41,958)
Investing activities	(158,090)	(282,217)
Financing activities	216,244	229,568
Cash paid for capital expenditures	$ (51,056)	$ (39,125)

Operating activities

During the three months ended April 1, 2017, cash used in operating activities was $45.5 million primarily as a result of:

- Net loss of $55.1 million, adjusted for $44.9 million of non-cash expenses, including $43.3 million of depreciation, depletion, amortization and accretion and $4.7 million of share-based compensation.

- Additional investment in inventory of $24.7 million consistent with the seasonality of our business for which our inventory levels typically increase in the first half of the year in preparation for the upcoming season.

- $6.4 million of accounts receivable collections (billed and unbilled) as a result of the seasonality of our business. The majority of our sales occur in the spring, summer and fall and we typically incur an increase in accounts receivable (net billed and unbilled) during the second and third quarters of each year. This amount is typically converted to cash in the fourth and first quarters.

- The timing of payments associated with accounts payable and accrued expenses added $16.5 million of cash, which is consistent with the seasonality of our business whereby we build-up inventory levels and incur repairs and maintenance costs to ready the business for increased sales volumes in the summer and fall. These costs are typically incurred in the first half of the year and paid by year-end. In addition, we made $26.7 million of interest payments in the three months ended April 1, 2017.

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During the three months ended April 2, 2016, cash used in operating activities was $42.0 million primarily as a result of:

- Net loss of $42.5 million, adjusted for $37.3 million of non-cash expenses, including $36.8 million of depreciation, depletion, amortization and accretion.

- Additional investment in inventory of $25.6 million consistent with the seasonality of our business for which our inventory levels typically increase in the first quarter in preparation for the upcoming season.

- The timing of payments associated with accounts payable and accrued expenses withdrew $18.5 million of cash in conjunction with the build-up of inventory levels and incurrence of repairs and maintenance costs to ready the business for increased sales volumes in the summer and fall. Almost all of our products are consumed and services provided outdoors. In addition, we made $27.5 million of interest payments in the three months ended April 2, 2016.

- $20.3 million of accounts receivable collections (billed and unbilled) as a result of the seasonality of our business. The majority of our sales occur in the spring, summer and fall and we typically incur an increase in accounts receivable (net billed and unbilled) during the second and third quarters of each year. This amount is typically converted to cash in the fourth and first quarters.

Investing activities

During the three months ended April 1, 2017, cash used for investing activities was $158.1 million, of which $112.3 million related to the three acquisitions completed in the period and $51.1 million was invested in capital expenditures, which was partially offset by $4.3 million of proceeds from asset sales.

During the three months ended April 2, 2016, cash used for investing activities was $282.2 million, of which $249.1 million related to the acquisitions of AMC and Boxley and $39.1 million was invested in capital expenditures, which was partially offset by $6.0 million of proceeds from asset sales.

Financing activities

During the three months ended April 1, 2017, cash provided by financing activities was $216.2 million, which was primarily composed of $237.6 million of net proceeds from the January 2017 issuance of 10,000,000 shares of Class A common stock. We made $16.4 million of payments on acquisition related liabilities, and $1.3 million in payments

for debt and capital issuance costs.

During the three months ended April 2, 2016, cash provided by financing activities was $229.6 million, which was primarily composed of $246.3 million of proceeds from the 2022 Notes, net of fees. Summit made $12.0 million of payments on acquisition related liabilities, and $5.0 million in debt issuance costs.

Cash paid for capital expenditures

We expended approximately $51.1 million in capital expenditures in the three months ended April 1, 2017 compared to $39.1 million in the three months ended April 2, 2016. The first quarter 2017 capital expenditures were primarily composed of rolling stock and plant upgrades.

We estimate that we will invest between $140.0 million and $160.0 million in capital expenditures in 2017, which we have funded or expect to fund through cash on hand, cash from operations, outside financing arrangements and available borrowings under our revolving credit facility. In 2017, we expect to invest in our cement operations, including approximately $13.0 million in plant and terminal projects. We also plan to invest $5.0 million for an aggregate plant upgrade in northeast Texas and $5.0 million for a new ready-mix concrete plant near Houston.

Commitments and contingencies

We are 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

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litigation cannot be predicted with certainty, management expects that the ultimate resolution of all pending or threatened claims and litigation will not have a material effect on our consolidated results of operations, financial position or liquidity. We record legal fees as incurred.

Litigation and Claims—We are obligated under an indemnification agreement entered into with the sellers of Harper Contracting for the sellers' ownership interests in a joint venture agreement. We have the rights to any benefits under the joint venture as well as the assumption of any obligations, but do not own equity interests in the joint venture. The joint venture has incurred significant losses on a highway project in Utah, which have resulted in requests for funding from the joint venture partners and ultimately from us. Through April 1, 2017, we have funded $8.8 million, $4.0 million in 2012 and $4.8 million in 2011. In 2012 and 2011, we recognized losses on the indemnification agreement of $8.0 million and $1.9 million, respectively. As of April 1, 2017 and December 31, 2016, an accrual of $4.3 million was recorded in other noncurrent liabilities as management's best estimate of future funding obligations.

Environmental Remediation—Our 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. We regularly monitor and review 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 our business, as it is with other companies engaged in similar businesses and there can be no assurance that environmental liabilities and noncompliance will not have a material adverse effect on our consolidated financial condition, results of operations or liquidity.

Other—We are 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.

Off-Balance sheet arrangements

As of April 1, 2017, we had no material off-balance sheet arrangements.

New Accounting Pronouncements Not Yet Adopted

In January 2017, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 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 constitute 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. The ASU is effective for public companies for annual periods beginning after December 15, 2017. The adoption of this ASU is not expected to have a material impact on the consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, Leases, which will result in lessees recognizing most leases on the balance sheet. Lessees are required to disclose more quantitative and qualitative information about their leases than current U.S. GAAP requires. The ASU is effective for public entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. We are beginning to compile all operating and capital leases to assess the impact of adopting this standard.

In May 2014, the FASB issued 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

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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. In applying these ASUs, an entity is permitted to use either the full retrospective or cumulative effect transition approach. We plan to adopt these ASU’s using the cumulative effect transition approach. While we are currently evaluating the impact of adoption of these standards on our consolidated financial statements, we expect to identify similar performance obligations compared with the deliverables and separate units of account we have identified under existing accounting standards. As a result, we do not expect the adoption of these ASU’s to have a material impact on our consolidated statements of operations.

Non-GAAP Performance Measures

We evaluate our operating performance using metrics that we refer to as “Adjusted EBITDA,” "gross profit" and “gross margin” which are not defined by U.S. GAAP and should not be considered as an alternative to earnings measures defined by U.S. GAAP. We define Adjusted EBITDA as EBITDA, adjusted to exclude accretion, loss on debt financings, loss from discontinued operations and certain non-cash and non-operating items. We define gross profit as operating income before general and administrative expenses, depreciation, depletion, amortization and accretion and transaction costs and gross margin as gross profit as a percentage of net revenue.

We present Adjusted EBITDA, gross profit and gross margin for the convenience of investment professionals who use such metrics in their analyses. The investment community often uses these metrics to assess the operating performance of a company’s business and to provide a consistent comparison of performance from period to period. We use these metrics, among others, to assess the operating performance of our individual segments and the consolidated company.

Non-GAAP financial measures are not standardized; therefore, it may not be possible to compare such financial measures with other companies’ non-GAAP financial measures having the same or similar names. We strongly encourage investors to review our consolidated financial statements in their entirety and not rely on any single financial measure.

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The tables below reconcile our net loss to EBITDA and Adjusted EBITDA and present Adjusted EBITDA by segment and reconcile operating loss to gross profit for the periods indicated:

Reconciliation of Net Loss to Adjusted EBITDA	Three months ended April 1, 2017				
by Segment	West	East	Cement	Corporate	Consolidated
(in thousands)					
Net loss (1)	$ (2,026)	$ (12,093)	$ (4,713)	$ (36,276)	$ (55,108)
Interest expense (1)	1,904	685	(650)	23,030	24,969
Income tax expense (benefit)	2	—	—	(2,180)	(2,178)
Depreciation, depletion and amortization	15,468	15,187	7,990	659	39,304
EBITDA	$ 15,348	$ 3,779	$ 2,627	$ (14,767)	$ 6,987
Accretion	195	191	58	—	444
Loss on debt financings	—	—	—	190	190
Transaction costs	37	—	—	1,236	1,273
Non-cash compensation	—	—	—	4,748	4,748
Other	119	378	—	(509)	(12)
Adjusted EBITDA (1)	$ 15,699	$ 4,348	$ 2,685	$ (9,102)	$ 13,630

Reconciliation of Net Loss to Adjusted EBITDA	Three months ended April 2, 2016				
by Segment	West	East	Cement	Corporate	Consolidated
(in thousands)					
Net loss (1)	$ (4,562)	$ (9,437)	$ (7,462)	$ (21,073)	$ (42,534)
Interest expense (1)	1,986	1,891	3,174	14,526	21,577
Income tax benefit	(61)	—	—	(8,105)	(8,166)
Depreciation, depletion and amortization	15,748	10,273	5,245	634	31,900
EBITDA	$ 13,111	$ 2,727	$ 957	$ (14,018)	$ 2,777
Accretion	288	158	14	—	460
Transaction costs	148	—	—	3,168	3,316
Non-cash compensation	—	—	—	2,036	2,036
Other	(268)	288	—	(200)	(180)
Adjusted EBITDA (1)	$ 13,279	$ 3,173	$ 971	$ (9,014)	$ 8,409

(1) The reconciliation of net loss to Adjusted EBITDA is based on the financial results of Summit Inc. and its subsidiaries, which was $0.3 million less than Summit LLC and its subsidiaries in the three months ended April 2, 2016, due to interest expense associated with a deferred consideration obligation, which is an obligation of Summit Holdings and is thus excluded from Summit LLC's consolidated interest expense.

Reconciliation of Working Capital	April 1, 2017	December 31, 2016
(in thousands)		
Total current assets	$ 524,913	$ 483,698

Less total current liabilities	(243,322)	(239,288)
Working capital	$ 281,591	$ 244,410

	Three months ended	
Reconciliation of Operating Loss to Gross Profit	April 1, 2017	April 2, 2016
(in thousands)		
Operating loss	$ (32,784)	$ (29,457)
General and administrative expenses	58,468	45,370
Depreciation, depletion, amortization and accretion	39,748	32,360
Transaction costs	1,273	3,316
Gross Profit (exclusive of items shown separately)	$ 66,705	$ 51,589
Gross Margin (exclusive of items shown separately) (1)	25.8 %	24.8 %

(1) Gross margin, which we define as gross profit as a percentage of net revenue.

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ITEM 3.QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to certain market risks arising from transactions that are entered into in the normal course of business. Our operations are highly dependent upon the interest rate-sensitive construction industry as well as the general economic environment. These marketplaces could experience lower levels of economic activity in an environment of rising interest rates or escalating costs. For a discussion of quantitative and qualitative disclosures about market risk, please refer to the Annual Report from which our exposure to market risk has not materially changed.

ITEM 4.CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Summit Inc.

Summit Inc. maintains disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)), that are designed to ensure that information required to be disclosed in Summit Inc.’s reports under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to Summit Inc.’s management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. Any controls and procedures, no matter how well designed and operated, can provide only reasonable, not absolute, assurance of achieving the desired control objectives. Summit Inc.’s management, with the participation of its Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of Summit Inc.’s disclosure controls and procedures as of April 1, 2017. Based upon that evaluation, Summit Inc.’s Chief Executive Officer and Chief Financial Officer concluded that, as of April 1, 2017, Summit Inc.’s disclosure controls and procedures were effective to accomplish their objectives at the reasonable assurance level.

Summit LLC

Summit LLC maintains disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) that are designed to ensure that information required to be disclosed in Summit LLC’s reports under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to Summit LLC’s management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. Any controls and procedures, no matter how well designed and operated, can provide only

reasonable, not absolute, assurance of achieving the desired control objectives. Summit LLC's management, with the participation of its Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of Summit LLC's disclosure controls and procedures as of April 1, 2017. Based upon that evaluation, Summit LLC's Chief Executive Officer and Chief Financial Officer concluded that, as of April 1, 2017, Summit LLC's disclosure controls and procedures were effective to accomplish their objectives at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

Summit Inc.

There was no change in Summit Inc.'s internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during its last fiscal quarter that has materially affected, or is reasonably likely to materially affect, Summit Inc.'s internal control over financial reporting.

Summit LLC

There was no change in Summit LLC's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during its last fiscal quarter that has materially affected, or is reasonably likely to materially affect, Summit LLC's internal control over financial reporting.

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Part II—OTHER INFORMATION

ITEM 1.LEGAL PROCEEDINGS

We are 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 our results of operations, financial position or liquidity.

ITEM 1A.RISK FACTORS

In addition to the other information set forth in this report, you should carefully consider the factors discussed in the section entitled “Risk Factors” in the Annual Report, which could materially affect the Company’s business, financial condition, operating results or liquidity or future results. The risks described in the Annual Report are not the only risks facing the Company. Additional risks and uncertainties not currently known to the Company or that it currently deems to be immaterial also may materially adversely affect its results of operations, financial condition or liquidity. There have been no material changes to the risk factors disclosed in the Annual Report.

ITEM 2.UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3.DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4.MINE SAFETY DISCLOSURES

The information concerning mine safety violations and other regulatory matters required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K (17 CFR 229.104) is included in Exhibit 95.1 to this report.

ITEM 5.OTHER INFORMATION

None.

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ITEM 6.EXHIBITS

3.1	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).
3.2	Amended and Restated Bylaws 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).
3.3	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)).
3.4	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)).
4.1*	Fourth Supplemental Indenture, dated as of March 30, 2017, among Peak Materials, LLC and Razorback Concrete Company and Wilmington Trust, National Association, as trustee.
4.2*	Eighth Supplemental Indenture, dated as of March 30, 2017, among Peak Materials, LLC and Razorback Concrete Company and Wilmington Trust, National Association, as trustee.
10.1	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 Summit Materials, Inc.'s Current Report on Form 8-K filed on January 19, 2017).
31.1*	Summit Materials, Inc.'s Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Summit Materials, Inc.'s Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.3*	Summit Materials, LLC's Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.4*	Summit Materials, LLC's Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	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.
32.2**	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.
32.3**	Summit Materials, LLC'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.
32.4**	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.
95.1*	Mine Safety Disclosures
99.1*	Summit Materials, LLC's Unaudited Consolidated Financial Statements and Notes to Unaudited Consolidated Financial Statements.
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 herewith

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** Furnished herewith

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 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: May 3, 2017 By: /s/ Thomas W. Hill
Thomas W. Hill
Chief Executive Officer
(Principal Executive Officer)

Date: May 3, 2017 By: /s/ Brian J. Harris
Brian J. Harris
Chief Financial Officer
(Principal Financial and Accounting Officer)