

## Top 40 Pavement Repair Contractors: Tailwinds Fading

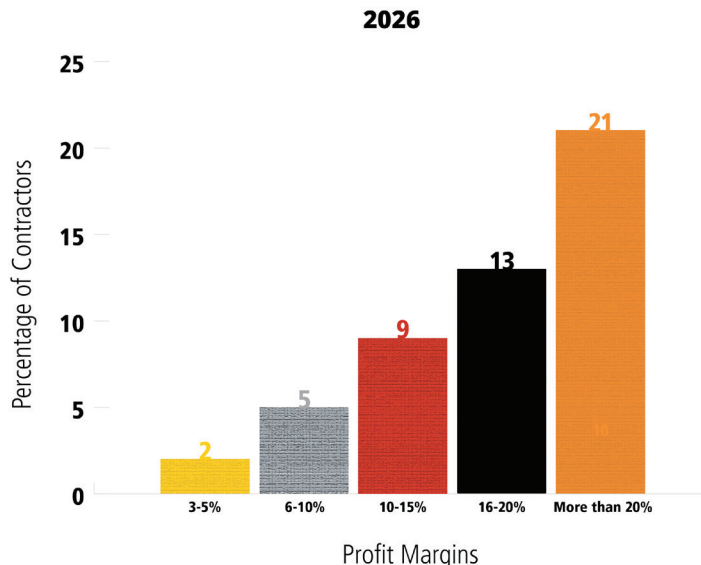
The pavement repair sector recorded the most dramatic per-contractor reversal of any category.

The TC 2026 Top 40 Pavement Repair Contractors generated \$184.8 million in pavement-repair-only revenue, averaging \$4.62 million per contractor. That per-contractor figure sits 58.5% below the TC 2025 Top 50 average of \$11.14 million, and it's below the TC 2024 baseline of \$5.71 million. The +95.1% per-contractor surge that defined the category in TC 2025 not only failed to hold, it gave back the entire run-up and then some.

Last year's analysis posed a specific structural concern. The piece anticipated what would happen as the funding period for the Infrastructure Investment and Jobs Act (IIJA), which technically concludes in September of this year. CY 2025 is the data year for this report, and it is the first reporting period where IIJA-driven work was no longer a meaningful tailwind. The pavement repair sector, which depends more directly on federal infrastructure dollars than the other three Top Contractor categories, felt the pullback first and hardest.

One possible explanation is that federal-money cycle peaked, and then began to normalize. What we are seeing this year is that the data caught up to the reality on the ground. What this means for next season could be more dire if the federal government is slow to approve reauthorization and get the funds moving again.

### PAVEMENT REPAIR PROFIT MARGINS



#### THE IIJA PULLBACK EFFECT

The pavement repair contraction did not show up where contractors might have expected it. Average total gross sales for the Top 40 held up relatively well, dropping only 6.5% from the TC 2025 Top 50 average of \$33.96 million to \$31.74 million per contractor. That is the smallest per-contractor gross drop of any category in this year's report.

The damage concentrated almost entirely on pavement-repair-specific revenue. The Top 40 averaged 19.8% of gross from pavement repair work, down from 23.4% in TC 2025. Pavement repair fell as a share of contractor business, even as those same contractors held their overall scale together by leaning into other service lines. Paving climbed back to 41.1% of the average revenue mix from 42.1%, sealcoating rose to 16.6% from 14.0%, striping held essentially flat at 9.7%, surface treatments climbed to 1.1% from 0.6%, and other

work rose to 11.6% from 10.3%.

The customer mix data confirmed where the contraction lived, and it's the strongest evidence that supports my theory. Commercial and industrial work held strong at 57.8% of mix, up from 55.1% in TC 2025. Municipal work, however, fell to 10.4% from 15.7%, a 5.3-point drop and the largest municipal contraction in any category this year. That movement is consistent with what IIJA money disappearing from the cycle should look like. Federal dollars route through state DOTs, get awarded to road builders, and trickle into pavement repair work largely through municipal contracts and subcontracted scope.

As the federal pipeline tightened, the municipal mix tightened along with it. Multi-family residential dropped to 17.8% from 21.1%, and single-family residential nearly doubled to 9.6% from 5.2%. The residential pivot showed up here too, but it was muted compared to

the Paving and Sealcoating categories. Pavement repair contractors did not chase smaller residential work as aggressively. They held commercial relationships and let the municipal share absorb the loss.

The subcontractor data closed the loop. Top 40 Pavement Repair contractors averaged 15.3% of gross from sub-contracted work, down from 22.7% in TC 2025. That is a 7.4-point drop, the second-largest of any category in this year's report. Pavement repair specialists are routinely subbed work by larger contractors and road builders. When those GCs had less federal work to push downstream, the specialists felt it directly.

## PROFIT MARGINS HELD

The profit margin distribution followed the upper-middle thickening pattern visible across every category in this year's report. Among the TC 2026 Top 40 Pavement Repair Contractors:

- 37.5% (15) reported margins above 20%, down from 40% (20 of 50) in TC 2025
- 27.5% (11) reported margins in the 16% to 20% range, up sharply from 12% (6 of 50)
- 17.5% (7) reported 11% to 15% margins, down from 18% (9 of 50)
- 12.5% (5) reported 6% to 10% margins, down from 30% (15 of 50)
- 5% (2) reported less than 5% margins

Last year's analysis celebrated a notable milestone. The TC 2025 Top 50 Pavement Repair list had no contractors below 6% margin, which was a first for the category. The TC 2026 Top 40 has two contractors below 5%, but the broader pattern is more constructive.

The combined upper tiers, margins of 16% or higher, climbed to 65% of the Top 40 from 52% of the TC 2025 Top 50. Pavement repair contractors took less volume and held more margin per job, which is the same defensive posture visible in Paving, Sealcoating, and Striping this year. The IJJA tailwind may have faded, but pricing seemed about the same overall.

## TYPE OF WORK

Every contractor in the Top 40 Pavement Repair did some parking lot work, averaging 65.5% of their typical work composition, up from 63.1% in TC 2025. Driveway work averaged 9.3%, with 23 of 40 contractors doing some driveway work at an average composition of 16.2% among those who did, down from 29 of 50 in TC 2025. Highway work averaged 4.1%, with only 9 of 40 contractors reporting any highway pavement repair at all, down from 14 of 50. Residential streets averaged 17.2%, down from 19.5%. The other-locations category averaged 3.9%.

Highway work going down in this category was the most significant signal of the IJJA wind down impact. Pavement repair on highways is almost entirely federal-dollar-driven, either directly through DOT contracts or indirectly through road-builder sub-contracts. Nine contractors doing some highway work versus 14 a year ago, with an average composition of 18.1% among those who did is pretty stark.

## CUSTOMERS AND PROJECTS

- 32.5% (13) worked for more than 400 customers, and 50% (20) completed more than 400 projects
- 2.5% (1) worked for 301 to 400 customers, and 7.5% (3) completed 301 to 400 jobs
- 15% (6) worked for 201 to 300 customers, and 5% (2) completed 201 to 300 jobs
- 15% (6) worked for 151 to 200 customers, and 20% (8) completed 151 to 200 jobs
- 12.5% (5) worked for 101 to 150 customers, and 7.5% (3) completed 101 to 150 jobs
- 22.5% (9) worked for fewer than 100 customers, and 10% (4) completed fewer than 100 jobs

The Top 40 ran with a higher concentration at both ends of the customer-count distribution than the TC 2025 Top 50 did. Half completed more than

400 jobs, the same share as a year ago, but the middle of the project-count distribution thinned. The category looks more bimodal in TC 2026, with high-volume generalists at one end and lower-volume specialists at the other.

As we've seen throughout the report, all but one of the Top 40 self-performed at least 50% of their work, consistent with the 48 of 50 in TC 2025.

## WHY IT COULD GET WORSE BEFORE IT GETS BETTER

The honest forecast for the pavement repair sector through TC 2027 and TC 2028 is not encouraging. The federal reauthorization that would replace IJJA does not currently have a clear or predictable legislative path. Surface transportation funding mechanisms remain unresolved, and the gap between IJJA's expiration and any successor program is the kind of policy uncertainty that pavement repair specialists cannot price into bids or plan operations around.

If a reauthorization stalls into late-2026 and beyond, the contractors on this list will navigate a multi-year stretch with no clear federal-dollar tailwind and no certainty about when one might return. The CY 2025 contraction in the TC 2026 data could very well prove to be the start of the cycle rather than its valley. Pavement repair specialists who built operating capacity around the IJJA-era surge may need to recalibrate, and the contractors who do that work earliest and most decisively could be the ones who appear on the TC 2027 and TC 2028 lists in the strongest position.

The category's structural fundamentals are sound, as existing pavement maintenance still drove 84.3% of the Top 40's reported work, up from 80.5% in TC 2025. This confirmed that the repair-and-rehabilitation thesis that runs through the entire report applies here as much as anywhere. The market for this work exists and will continue to exist. The question is who funds it, at what scale, and on what timeline. ■

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	Year in Business	Sales Composition (%)						Where We Work (%)					Customer Mix (%)				
		Paving	Pavement Repair	Sealcoating	Striping	Surface Treatments	Other	Driveways	Highways	Parking Lots	Streets/Roads	Other	Commercial	Municipal	Multi-family	Single-family	Other
<b>A. C. Moate Industries</b> - Auburn, WA	30	48	4	12	12	0	24	0	0	100	0	0	75	17	8	0	0
<b>A&amp;A Paving</b> - Roselle, IL	66	60	15	10	5	0	10	10	0	80	10	0	50	10	40	0	0
<b>AAA Striping &amp; Seal Coating Service</b> - Edmonton, AB	45	0	5	1	94	0	0	0	88	2	10	0	5	20	25	25	25
<b>Advanced Asphalt Paving, Inc.</b> - Twinsburg, OH	33	76	5	9	2	0	8	2	0	98	0	0	93	0	6	1	0
<b>Ameriseal LLC</b> - Merrimack, NH	38	5	35	45	15	0	0	40	0	50	10	0	40	15	15	30	0
<b>AMI Construction Inc</b> - Lebanon, TN	31	56	10	2	3	1	28	0	0	60	37	3	61	0	2	37	0
<b>ASAP Asphalt Sealing And Paving Co.</b> - Meadow Lands, PA	21	50	15	20	5	0	10	5	0	90	0	5	80	5	10	5	0
<b>Asphalt Services</b> - North Port, FL	12	0	10	80	10	0	0	0	0	40	60	0	60	0	40	0	0
<b>Asphalt Solutions Inc.</b> - Youngstown, OH	25	60	10	10	10	0	10	0	0	100	0	0	85	0	15	0	0
<b>Asphaltech Pavement Solutions</b> - Bridgeton, NJ	8	30	15	25	9	0	21	5	0	80	0	15	45	5	45	5	0
<b>Bear Owen Paving Company Inc.</b> - Peckville, PA	57	90	10	0	0	0	0	75	0	20	5	0	20	0	0	80	0
<b>Central Paving, LLC</b> - Ellensburg, WA	18	50	10	30	10	0	0	10	0	60	20	10	50	30	10	10	0
<b>Cincinnati Asphalt</b> - Harrison, OH	13	37	14	12	6	0	31	10	0	60	15	15	56	9	21	8	6
<b>DACS Asphalt &amp; Concrete</b> - Commerce City, CO	9	50	20	8	5	0	17	0	0	87	13	0	86	8	6	0	0
<b>Doctor Asphalt LLC</b> - Sun Prairie, WI	10	10	15	30	5	35	5	5	0	80	10	5	70	5	20	5	0
<b>Dominion Paving &amp; Sealing</b> - Purcellville, VA	43	57	12	9	6	0	16	1	1	60	36	2	26	2	71	1	0
<b>EcoSurface</b> - Phoenix, AZ	3	40	15	25	10	5	5	0	0	80	10	10	70	0	30	0	0
<b>Erskinesealcoating@gmail.com</b> - Meadowbrook, WV	6	80	2	15	3	0	0	50	2	45	3	0	50	10	10	30	0
<b>Finley Asphalt &amp; Concrete</b> - Manassas, VA	61	40	45	3	2	0	10	0	0	70	20	10	20	45	35	0	0
<b>G-FORCE Parking Lot Striping of Utah</b> - West Jordan, UT	5	3	26	25	20	0	26	2	0	79	1	18	96	1	2	1	0
<b>G&amp;M New England, LLC</b> - Sherborn, MA	25	5	40	40	5	0	10	35	0	65	0	0	60	0	20	20	0
<b>Giordano Construction Incorporated</b> - Houston, TX	26	30	60	5	5	0	0	5	0	85	10	0	90	10	0	0	0
<b>Laurel Asphalt LLC</b> - Windber, PA	31	69	9	7	4	0	11	32	3	42	12	11	42	15	0	32	11
<b>Love's Asphalt Solutions</b> - Lafayette, LA	11	0	69	27	4	0	0	3	0	90	7	0	90	5	2	3	0
<b>M &amp; M Asphalt Maintenance Inc. dba All County Paving</b> - Delray Beach, FL	38	60	10	16	8	0	6	0	4	33	63	0	24	34	21	0	21
<b>Maul Paving, Inc</b> - Plainfield, IL	26	40	25	22	3	0	10	0	0	95	5	0	70	5	25	0	0
<b>Mr.Pave, LLC</b> - Lynchburg, VA	5	63	14	1	0	0	22	4	5	6	76	9	6	3	1	2	88
<b>O'Leary Asphalt Inc</b> - Ijamsville, MD	41	25	25	10	5	0	35	0	0	80	20	0	75	5	15	5	0
<b>Paramount Asphalt &amp; Sealcoating</b> - Naples, FL	10	60	5	15	20	0	0	0	10	40	50	0	70	10	20	0	0



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<b>Pave It Forward Asphalt</b> - Louisville, KY	3	70	15	10	0	0	5	50	0	40	10	0	30	5	15	50	0
<b>Pavement Solutions, LLC</b> - Richmond, IL	25	49	19	12	13	0	7	10	0	90	0	0	70	10	10	10	0
<b>Pothole Heroes</b> - Loveland, OH	6	0	70	20	10	0	0	5	0	80	15	0	70	5	20	0	5
<b>Ruston Paving Co., Inc.</b> - Gainesville, VA	83	68	30	0	0	0	2	0	0	98	0	2	75	10	15	0	0
<b>Steed Paving</b> - Jackson, SC	12	60	20	5	5	0	10	10	10	40	40	0	60	30	5	5	0
<b>Sunland Asphalt</b> - Phoenix, AZ	47	49	4	9	2	2	34	0	40	28	20	12	20	40	10	10	20
<b>T&amp;N Asphalt Services, Inc</b> - Salt Lake City, UT	29	2	18	32	48	0	0	1	0	90	5	4	90	1	5	4	0
<b>The Pavement Group Inc</b> - Wexford, PA	8	46	12	8	5	0	29	0	0	95	2	3	94	0	6	0	0
<b>The Surface Masters, Inc.</b> - Marietta, GA	15	73	5	6	3	0	13	0	0	75	25	0	52	36	11	0	1
<b>United Paving Co.</b> - Corona, CA	26	25	30	20	9	1	15	3	0	70	25	2	65	10	20	5	0
<b>Weaver Construction Services</b> - Conway, SC	13	10	20	30	5	0	35	0	0	35	45	20	20	0	80	0	0