

By Brandon Noel, Editor-in-Chief

Top 40 Sealcoating Contractors: A Second Projection Didn't Hold

There are positive signs that the sector erosion may have tapered off.

For the second consecutive category in this year's report, last year's projected decline failed to materialize at the contractor level. The TC 2025 analysis used an eleven-year compound annual growth rate of approximately -3.97% to project the Sealcoating Top 50 would fall to roughly \$159.4 million in 2026, \$153.1 million in 2027, and \$147.0 million in 2028. The TC 2026 Top 40 reported \$144.0 million in sealcoat-only revenue, which on the surface looks like a confirmation, but on a per-contractor basis, however, the sealcoat-only average grew to \$3.60 million, up 8.6% from the TC 2025 average of \$3.32 million, and up 17.7% from TC 2024.

While that is a positive piece of data, it's still important to understand that the long-term aggregate decline from 2015-to 2025 is a real signal that has not been refuted by this year's data. Additionally, the shrinking respondent pool that drove the Top 50 to Top 40 contraction is almost certainly a contributing factor in the aggregate-dollar figures and cannot be easily separated from the underlying trend. Third, the per-contractor numbers do not look like a sector in decline. They look like a sector holding the line.

Both pictures are true, and they will likely reconcile in one direction or the other, eventually.

TOTAL SALES FOR THE SEALCOATING TOP 40

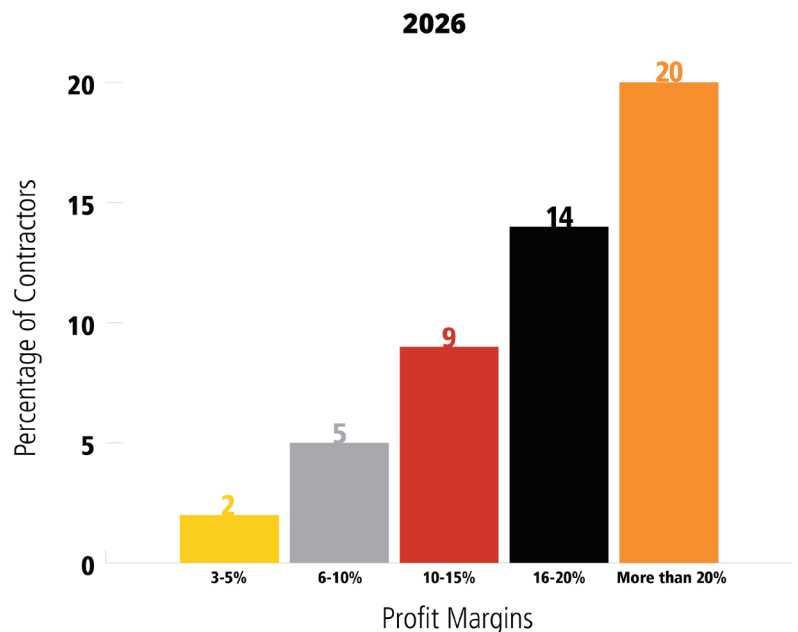
The Top 40 Sealcoating Contractors

reported \$1.183 billion in total gross sales, averaging \$29.59 million per contractor. The total gross average came in -18% below the TC 2025 Top 50 average of \$36.21 million, which fits the broader contraction pattern I've seen.

The more interesting movement, however, happened inside the revenue mix. Sealcoating climbed to 26.3% of the average Top 40 contractor's gross, up from 23.9% in TC 2025. That is a 2.4-point gain in a single year, and it reverses the erosion trend I was concerned with from last year's analysis. Paving fell to 34.5% of the average mix, down from 38.2%. Pavement repair dropped to 15.7% from 18.5%. Stripping rose to 11.4% from 8.7%. Surface

Sponsored by **CRAFCO**
PRESERVATION PRODUCTS

SEALCOATING PROFIT MARGINS



treatments climbed to 1.8% from 0.6%. Other work held at 10.4%, down marginally from 11.1%.

Sealcoating, which last year looked like a service slowly losing ground in the portfolio of the Top 50, gained ground in the portfolio of the Top 40. The two outlier contractors who generated more than 90% of their income from sealcoating in TC 2025 are no longer the only contractors leaning hard into the service. The Top 40 averaged a higher sealcoating share than any Top 50 list in recent memory.

That change is consistent with one of two readings, and possibly both. Either the contractors who stuck with sealcoating as a meaningful portion of their

SEALCOATING 40

business outperformed the broader market in 2025, or the Top 40 framework filtered out lower-share sealcoaters who would have appeared in a Top 50. The data we have cannot fully separate those two effects, and only greater participation, with more contractor data would help sort things out in the future.

PROFIT MARGINS

The profit margin distribution shifted noticeably from last year. Among the TC 2026 Top 40:

- 35% (14) reported margins above 20%, down from 46% (23 of 50)
- 27.5% (11) reported margins in the 16% to 20% range, up from 10% (5 of 50)
- 20% (8) reported 11% to 15% margins, up from 14% (7 of 50)
- 12.5% (5) reported 6% to 10% margins, down from 28% (14 of 50)
- 5% (2) reported less than 5% margins, up from 2% (1 of 50)

The very top tier compressed, but the upper-middle band more than doubled in share. Combined, the two upper tiers account for 62.5% of the Top 40, essentially flat from the 56% combined share of the TC 2025 Top 50. The, “middle of the pack eroding,” pattern observed in last year’s analysis did not continue. The middle thickened instead, which I think is a healthy sign.

The most likely explanation is that last year’s run-up to 46% of contractors above 20% profit margins was a high-water mark driven by stabilizing material costs and contractors holding pricing power coming out of inflation shock. This year’s redistribution into the 16% to 20% range looks like a normalization toward sustainable margins, not a deterioration of profitability. Two of 40 contractors falling into the under-5% band is the only meaningful warning signal in the data, but it represents a smaller share of the list than it did last year on a strict-count basis.

WHERE THEY WORKED

Every contractor in the Top 40

Sealcoating did some parking lot work, averaging 66.8% of their composition, up from 64.4% in TC 2025. Driveway work averaged 11.1%, up from 10.3%, with 25 of 40 contractors doing some driveway work at an average composition of 17.7% among those who did. Residential roads and city streets averaged 15.9%, down from 17.9%. Highway work fell sharply to 2.8% on average, with only 6 of 40 contractors reporting any highway work at all, down from 11 of 50 a year ago. The other-locations category averaged 3.5%.

The slight drift toward driveways and away from residential roads tracks the broader residential pivot, but more gently than the Paving category showed.

WHO THEY WORKED FOR

Every Top 40 Sealcoating Contractor did commercial or industrial work, averaging 57.9% of customer mix, up from 56.5% in TC 2025. Municipal work averaged 11.5%, down from 12.6%, with 31 of 40 contractors reporting some municipal work. Multi-family residential averaged 18.3%, down from 20.3%, with all 40 contractors reporting at least some multi-family work. Single-family residential averaged 11.0%, up from 7.7%, with 25 of 40 contractors doing some single-family work at an average composition of 17.6% among those who did.

The customer mix in sealcoating moved less dramatically than in paving. The single-family share grew but the multi-family share remained the second-largest residential customer base, holding above 18% on average.

Again, all but one of the Top 40 self-performed at least 50% of their work, and that’s consistent with the 47 of 50 that did so in TC 2025. Subcontracted revenue averaged 18.4% of gross sales, down from 21.8% in TC 2025. That 3.4-point drop is smaller than the six-point drop in Paving and the nine-point drop reported in the overview, suggesting Sealcoating Top 40 contractors held their sub-work better than the broader market.

CUSTOMERS AND PROJECTS

- 37.5% (15) worked for more than 400 customers, and 55% (22) completed more than 400 projects
- 17.5% (7) worked for 201 to 300 customers, and 10% (4) completed 201 to 300 jobs
- 17.5% (7) worked for 151 to 200 customers, and 15% (6) completed 151 to 200 jobs
- 12.5% (5) worked for 101 to 150 customers, and 7.5% (3) completed 101 to 150 jobs
- 15% (6) worked for fewer than 100 customers, and 7.5% (3) completed fewer than 100 jobs
- No contractors reported between 301 and 400 customers, and 5% (2) completed 301 to 400 jobs

The Top 40 leaned slightly toward higher customer counts than the TC 2025 Top 50 did, with 37.5% serving more than 400 customers compared to 26% (13 of 50) a year ago. Job counts followed the same pattern. The high-volume operators stayed at the top of the list, and the smaller-volume tail shortened proportionally.

FLEET REPLACEMENT

60% (24) of the Top 40 reported fleet replacement values above \$2 million, down from 58% (29 of 50) on a count basis but slightly higher as a share of the list. Another 10% (4) fell into the \$1 million to \$2 million range, with 22.5% (9) reporting between \$500,000 and \$1 million, 5% (2) between \$250,000 and \$500,000, and one contractor at less than \$250,000.

The capital intensity of the Sealcoating Top 40 sits roughly where it did a year ago, with a slightly higher concentration of mid-size fleets in the \$500,000 to \$1 million range. As flagged in last year’s article, rising equipment costs and the implementation of import tariffs will most likely show up clearly in TC 2027 data, after a full year of impact has worked through fleet replacement cycles. ■

Sponsored by



SEALCOATING 40

	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
A. C. Moate Industries - Auburn, WA	30	48	4	12	12	0	24	0	0	100	0	0	75	17	8	0	0
A&A Paving - Roselle, IL	66	60	15	10	5	0	10	10	0	80	10	0	50	10	40	0	0
Advanced Asphalt Paving, Inc. - Twinsburg, OH	33	76	5	9	2	0	8	2	0	98	0	0	93	0	6	1	0
Affordable Striping & Sealing, LLC - Las Vegas, NV	19	0	0	47	53	0	0	12	0	53	35	0	48	10	30	12	0
Ameriseal LLC - Merrimack, NH	38	5	35	45	15	0	0	40	0	50	10	0	40	15	15	30	0
AMI Construction Inc - Lebanon, TN	31	56	10	2	3	1	28	0	0	60	37	3	61	0	2	37	0
ASAP Asphalt Sealing And Paving Co. - Meadow Lands, PA	21	50	15	20	5	0	10	5	0	90	0	5	80	5	10	5	0
Asphalt Authority - Auburn, IN	5	0	5	55	20	20	0	10	0	70	20	0	67	20	3	10	0
Asphalt Services - North Port, FL	12	0	10	80	10	0	0	0	0	40	60	0	60	0	40	0	0
Asphalt Solutions Inc. - Youngstown, OH	25	60	10	10	10	0	10	0	0	100	0	0	85	0	15	0	0
Asphaltech Pavement Solutions - Bridgeton, NJ	8	30	15	25	9	0	21	5	0	80	0	15	45	5	45	5	0
B&G Sealcoating - Endicott, NY	17	10	10	55	25	0	0	20	0	80	0	0	55	15	10	20	0
Central Paving, LLC - Ellensburg, WA	18	50	10	30	10	0	0	10	0	60	20	10	50	30	10	10	0
Cincinnati Asphalt - Harrison, OH	13	37	14	12	6	0	31	10	0	60	15	15	56	9	21	8	6
Collegiate Sealers and Paving - Chantilly, VA	40	40	1	58	1	0	0	96	0	3	1	0	2	0	1	97	0
DACS Asphalt & Concrete - Commerce City, CO	9	50	20	8	5	0	17	0	0	87	13	0	86	8	6	0	0
Daniel B. Krieg, Inc. - Harrisburg, PA	93	51	1	19	2	3	24	1	54	22	19	4	60	35	4	0	1
Doctor Asphalt LLC - Sun Prairie, WI	10	10	15	30	5	35	5	5	0	80	10	5	70	5	20	5	0
Dominion Paving & Sealing - Purcellville, VA	43	57	12	9	6	0	16	1	1	60	36	2	26	2	71	1	0
EcoSurface - Phoenix, AZ	3	40	15	25	10	5	5	0	0	80	10	10	70	0	30	0	0
Erskinesealcoating@gmail.com - Meadowbrook, WV	6	80	2	15	3	0	0	50	2	45	3	0	50	10	10	30	0
Finley Asphalt & Concrete - Manassas, VA	61	40	45	3	2	0	10	0	0	70	20	10	20	45	35	0	0
G-FORCE Parking Lot Striping of Alabama - Heflin, AL	7	0	0	40	60	0	0	5	0	75	15	5	70	20	5	5	0
G&M New England, LLC - Sherborn, MA	25	5	40	40	5	0	10	35	0	65	0	0	60	0	20	20	0
Love's Asphalt Solutions - Lafayette, LA	11	0	69	27	4	0	0	3	0	90	7	0	90	5	2	3	0
M & M Asphalt Maintenance Inc. dba All County Paving - Delray Beach, FL	38	60	10	16	8	0	6	0	4	33	63	0	24	34	21	0	21
Maul Paving, Inc - Plainfield, IL	26	40	25	22	3	0	10	0	0	95	5	0	70	5	25	0	0
O'Leary Asphalt Inc - Ijamsville, MD	41	25	25	10	5	0	35	0	0	80	20	0	75	5	15	5	0
Paramount Asphalt & Sealcoating - Naples, FL	10	60	5	15	20	0	0	0	10	40	50	0	70	10	20	0	0

Sponsored by



SEALCOATING 40

	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
Pavement Solutions, LLC - Richmond, IL	25	49	19	12	13	0	7	10	0	90	0	0	70	10	10	10	0
Pothole Heroes - Loveland, OH	6	0	70	20	10	0	0	5	0	80	15	0	70	5	20	0	5
Precision Striping and Sealcoating, Inc - Hardwick, NJ	40	0	5	70	25	0	0	45	0	35	10	10	35	5	10	50	0
Richland Sealcoating Co, Inc - Mansfield, OH	54	0	2	85	10	3	0	5	0	82	10	3	60	25	10	5	0
Sunland Asphalt - Phoenix, AZ	47	49	4	9	2	2	34	0	40	28	20	12	20	40	10	10	20
T&N Asphalt Services, Inc - Salt Lake City, UT	29	2	18	32	48	0	0	1	0	90	5	4	90	1	5	4	0
The Pavement Group Inc - Wexford, PA	8	46	12	8	5	0	29	0	0	95	2	3	94	0	6	0	0
The Surface Masters, Inc. - Marietta, GA	15	73	5	6	3	0	13	0	0	75	25	0	52	36	11	0	1
United Paving Co. - Corona, CA	26	25	30	20	9	1	15	3	0	70	25	2	65	10	20	5	0
Weaver Construction Services - Conway, SC	13	10	20	30	5	0	35	0	0	35	45	20	20	0	80	0	0
Yeager Asphalt Inc - Carrollton, MI	48	85	1	11	1	0	2	53	0	45	0	2	30	8	10	52	0