



MAY 19, 2021

Fiscal Year and Fourth Quarter 2021  
Earnings Release and Conference Call

# Forward-Looking Statements



**Forward-Looking Statements.** This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the context of the statement and generally arise when the Company is discussing its beliefs, estimates or expectations. These statements are not historical facts or guarantees of future performance but instead represent only the Company's belief at the time the statements were made regarding future events which are subject to certain risks, uncertainties and other factors, many of which are outside the Company's control. Actual results and outcomes may differ materially from what is expressed or forecast in such forward-looking statements. The principal risks and uncertainties that may affect the Company's actual performance include the following: the cyclical and seasonal nature of the Company's businesses; public infrastructure expenditures; adverse weather conditions; the fact that our products are commodities and that prices for our products are subject to material fluctuation due to market conditions and other factors beyond our control; availability of raw materials; changes in the costs of energy, including, without limitation, natural gas, coal and oil, and the nature of our obligations to counterparties under energy supply contracts, such as those related to market conditions (such as fluctuations in spot market prices), governmental orders and other matters; changes in the cost and availability of transportation; unexpected operational difficulties, including unexpected maintenance costs, equipment downtime and interruption of production; material nonpayment or non-performance by any of our key customers; fluctuations in or changes in the nature of activity in the oil and gas industry; inability to timely execute announced capacity expansions; difficulties and delays in the development of new business lines; governmental regulation and changes in governmental and public policy (including, without limitation, climate change and other environmental regulation); possible outcomes of pending or future litigation or arbitration proceedings; changes in economic conditions specific to any one or more of the Company's markets; severe weather conditions (such as winter storms, tornados and hurricanes) on our facilities, operations and contractual arrangements with third parties; competition; cyber-attacks or data security breaches; announced increases in capacity in the gypsum wallboard and cement industries; changes in the demand for residential housing construction or commercial construction or construction projects undertaken by state or local governments; risks related to pursuit of acquisitions, joint ventures and other transactions or the execution or implementation of such transactions, including the

integration of operations acquired by the Company; general economic conditions; and interest rates. For example, increases in interest rates, decreases in demand for construction materials or increases in the cost of energy (including, without limitation, natural gas, coal and oil) could affect the revenue and operating earnings of our operations. In addition, changes in national or regional economic conditions and levels of infrastructure and construction spending could also adversely affect the Company's result of operations. With respect to our acquisition of certain assets from Kosmos Cement Company, factors, risks and uncertainties that may cause actual future events and developments to vary materially from those anticipated in such forward-looking statements include, but are not limited to, failure to realize expected synergies from or other benefits of the transaction, significant difficulties encountered in integration or unexpected ownership transition costs, unknown liabilities or other adverse developments affecting the assets acquired and the target business, including the effect on the acquired business of the same or similar factors discussed above to which our Heavy Materials business is subject. Finally, any forward-looking statements made by the Company are subject to the risks and impacts associated with natural disasters, pandemics or other unforeseen events, including, without limitation, the COVID-19 pandemic and responses thereto designed to contain its spread and mitigate its public health effects, as well as their impact on economic conditions, capital and financial markets. The COVID-19 pandemic and responses thereto may disrupt our business and are likely to have an adverse effect on demand for our products, attributable to, among other things, reductions in consumer spending, increases in unemployment and decreases in revenues and construction budgets of state or local governments. These and other factors are described in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2020 and subsequent quarterly and annual reports upon filing. These reports are filed with the Securities and Exchange Commission. All forward-looking statements made herein are made as of the date hereof, and the risk that actual results will differ materially from expectations expressed herein will increase with the passage of time. The Company undertakes no duty to update any forward-looking statement to reflect future events or changes in the Company's expectations.

# Fiscal Year 2021 Financial Highlights



## Achieved record full year results despite COVID-19 disruptions

- Record revenue of \$1.6 billion, up 16%
- Gross profit margin expanded 80bps
- Diluted EPS from Continuing Operations of \$7.99, up 46%
- Operating cash flow up 61% to \$643 million
- Repaid the entire purchase price of the Kosmos Acquisition (\$665 million) providing significant financial flexibility and balance sheet capacity
- Pricing trends improved across all product lines
- Volume and production quickly rebounded from historic February winter storm

# Fiscal Year 2021 Strategic Highlights



## Continued to grow, improve and streamline

- **Kosmos Cement Business fully integrated**
  - Acquired in March 2020
  - Strong contribution in-line with expectations
- **Completed expansion of paper mill**
  - Added ~20% additional capacity
  - Set record monthly production in March 2021
- **Divested non-core businesses**
  - Oil and Gas Proppants business sold in September 2020
  - Northern California concrete and aggregates businesses sold in April 2020
- **Industry-leading safety performance**
  - Leading indicator measurements (aka Safety Observations) grew 114%
  - Incident rates better than industry averages

# Continued Progress on ESG Initiatives



## Fiscal Year 2021 ESG Highlights

- Environmental and Social Disclosure Report to be published in our fiscal first quarter
- Enhanced Governance disclosures to be included in 2021 Proxy
- Invested in infrastructure to improve metrics and reporting
- Integrated ESG into strategic planning and investment decision-making processes

# Favorable Demand Outlook



## Underlying economic fundamentals support both sectors

### Residential

- Historic low interest rates, favorable demographics and home-ownership trends should drive increased demand for wallboard intensive single-family construction
- Eagle-served markets outpacing national average

### Infrastructure

- State transportation budgets healthier than most expected at the onset of COVID-19
- Growing support for federal infrastructure program could lead to increasing levels of demand

### Private Non-Residential

- Certain sub-categories (distribution centers, warehouses and data centers) remain very strong
- Smallest demand driver for Eagle's business

# Eagle to Remain a Combined Company



## Board decision to remain a combined company informed by events since the separation announcement

- Size, scale and diversification of the combined company provide value to our shareholders, employees, customers and suppliers during uncertain times
- A combined company with greater financial scale and flexibility is better positioned to pursue key strategic growth options and enhance shareholder value
- Divestiture of non-core businesses, including the Oil and Gas Proppants business, has simplified and streamlined the organization

# Disciplined Capital Allocation



## Reinstatement and increase of the Quarterly Cash Dividend

- **Capital Allocation Priorities Remain Unchanged**
  - Investments in Profitable Strategic Growth Opportunities
  - Investments to Maintain and Improve Existing Assets
  - Return of Cash to Shareholders through Share Repurchases and Dividends
  
- **Reinstatement and Increase of the Quarterly Cash Dividend**
  - \$0.25 per share
  - 150% increase from pre-pandemic levels
  - Reflects Eagle's strong operational and financial results and confidence in the resilience of our business



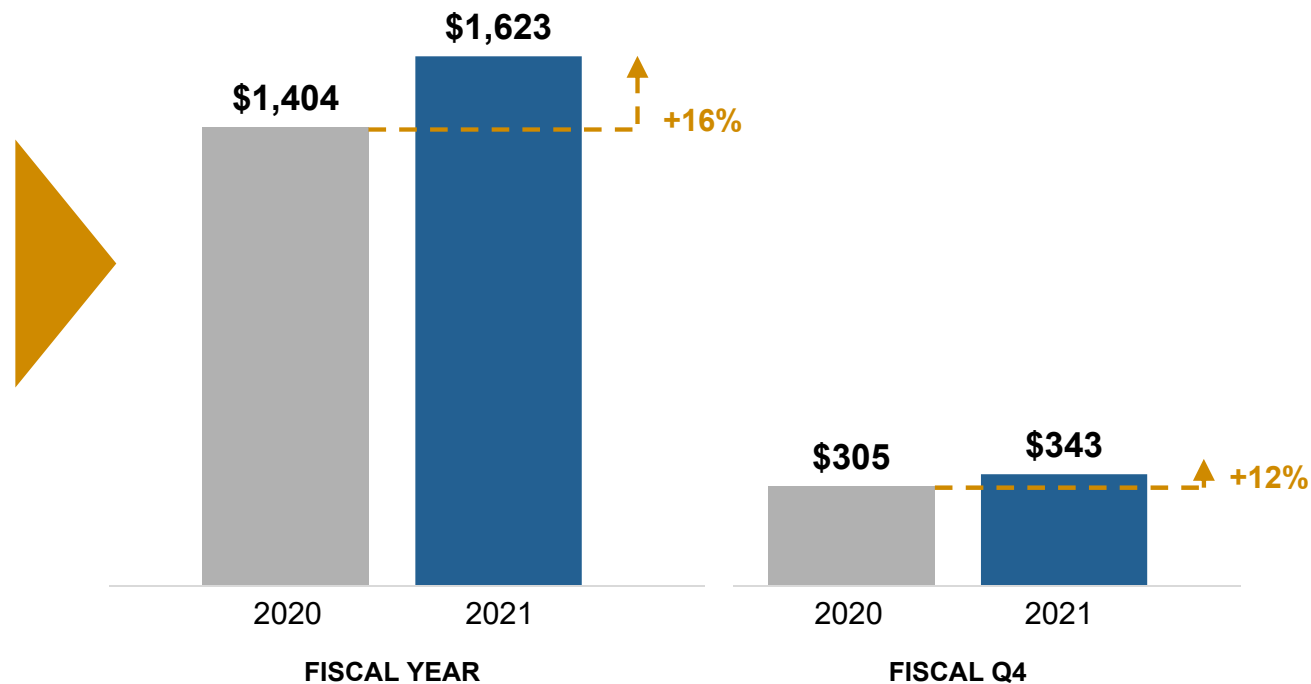
# Record Annual and Q4 Revenue



In millions

## 16% ANNUAL INCREASE REFLECTS:

- Higher Cement and Wallboard sales volume and prices
- Contribution from the acquired Kosmos Cement Business



# EPS from Continuing Operations Up 46%

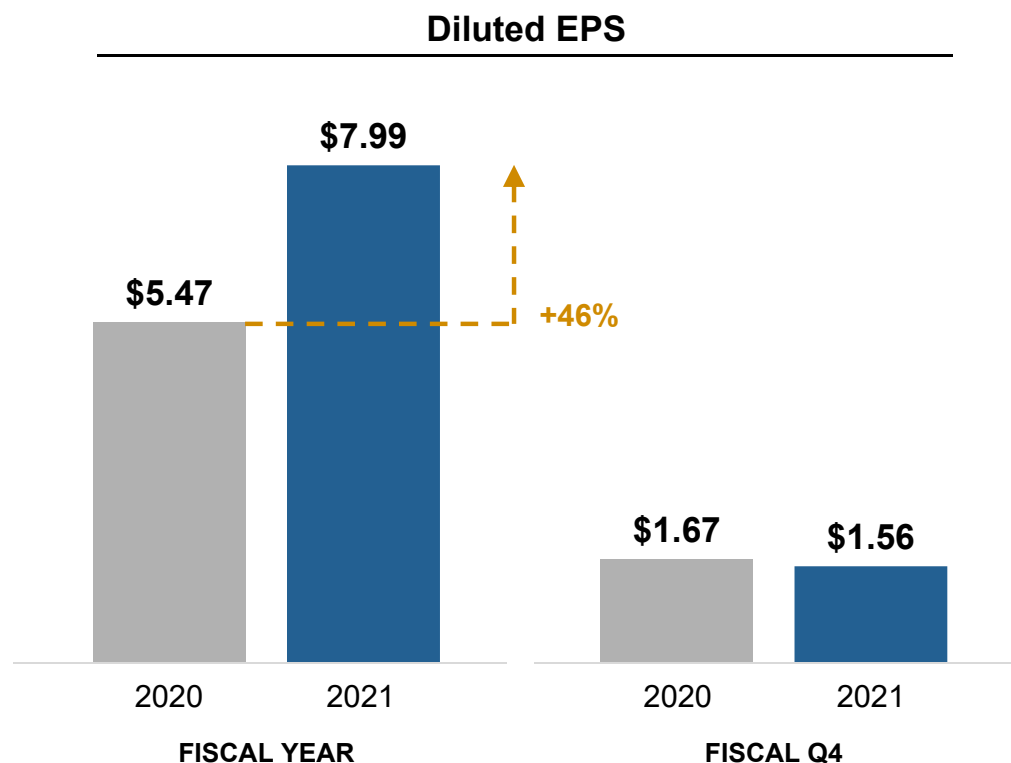
## 46% ANNUAL INCREASE REFLECTS:

- Contribution from acquired business
- Improvement in underlying businesses
- Gain on sale of businesses in Q1 (\$0.98 per share)



## 7% QUARTERLY DECREASE REFLECTS:

- \$0.76 per share CARES Act tax benefit in prior-year EPS



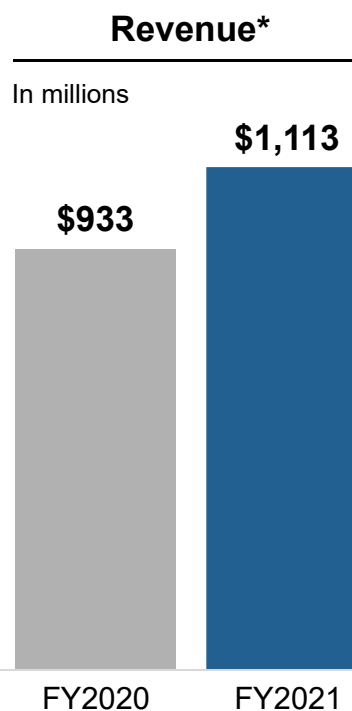
# Heavy Materials Annual Results

## Driven by Contribution from Acquired Cement Business



### FISCAL 2021 CEMENT

- Organic sales volume +1%
- Organic net sales prices +3%
- Acquired Cement business contributed \$176 million of revenue, \$34 million of OE in FY21



\* Includes Cement, Concrete and Aggregates and Cement Intersegment revenue, and our proportionate share of our Joint Venture

# Light Materials Annual Results

## Driven by Strong Wallboard Sales Volume Growth



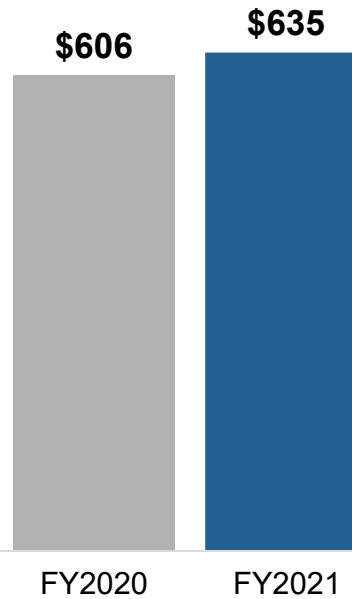
### FISCAL 2021 WALLBOARD

- Sales volume +6%
- Net sales prices +1%



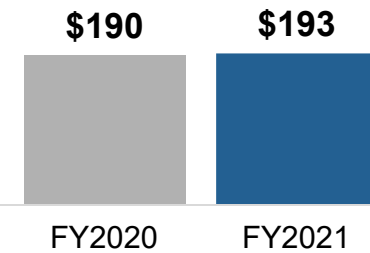
### Revenue

In millions



### Operating Earnings

In millions



# Strong Cash Flow Generation

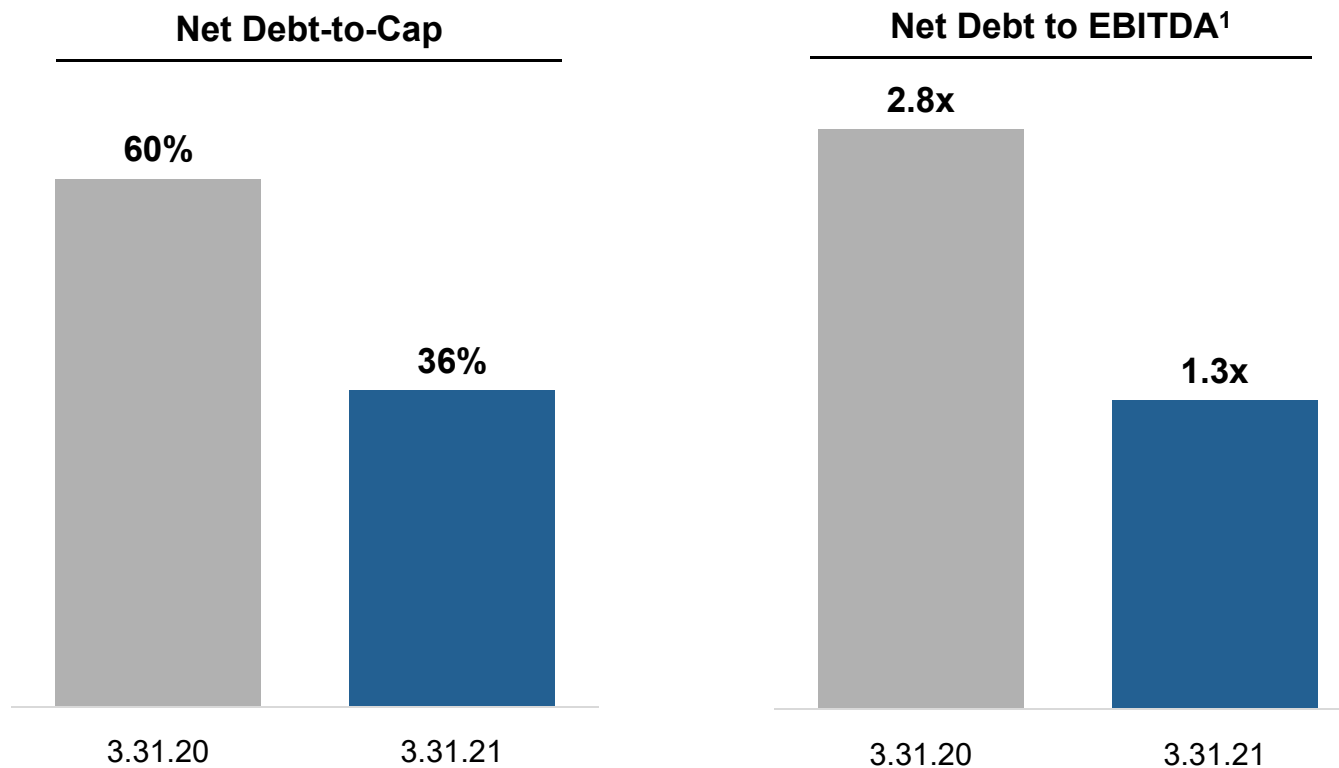


**\$643 million of cash flow from operations**

	Fiscal Year ended March 31 in millions		
	2020	2021	
Operating Cash Flow <sup>1</sup>	\$399	<b>\$643</b>	<b>+61%</b>
Capex, net	(132)	<b>(54)</b>	
Free Cash Flow	\$267	<b>\$589</b>	
Proceeds from Sale of Business	–	<b>91</b>	
Acquisition Spending	(699)	–	
Dividends Paid	(17)	<b>(4)</b>	
Share Repurchases	(314)	–	
Change in Debt	879	<b>(560)</b>	
Other	(6)	<b>34</b>	
Net Change in Cash Balance	\$110	<b>\$150</b>	

<sup>1</sup> Includes depreciation of \$114 million and \$129 million for fiscal years 2020 and 2021, respectively.

# Leverage Reduction Post-Kosmos Cement Acquisition Provides Significant Financial Flexibility



<sup>1</sup> Fiscal 2020 includes \$48 million of EBITDA from the Kosmos Cement Business Acquisition to calculate leverage ratio



## Question & Answer



**Thank you for participating in  
today's conference call web cast.**

---

An archive of this web cast will be  
available at [eaglematerials.com](http://eaglematerials.com)  
later today.