



July 30, 2024

# First Quarter Fiscal 2025 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 as to future events. 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; fluctuations in public infrastructure expenditures; adverse weather conditions and their effects on infrastructure and other construction projects; 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; the availability and fluctuations in the cost 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 (for example, 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; consolidation of our customers; 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 or the nature or level of activity in any one or more of the markets or industries in which the Company or its customers are engaged; severe weather conditions (such as winter storms, tornados and hurricanes) and their*

*effects on our facilities, operations and contractual arrangements with third parties; competition; cyber-attacks or data security breaches; 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; the availability of acquisitions or other growth opportunities that meet our financial return standards and fit our strategic focus; 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, including inflation and recessionary conditions; and changes in interest rates and the resulting effects on the Company and demand for our products. 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) or the cost of our raw materials can be expected to adversely 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. Finally, any forward-looking statements made by the Company are subject to the risks and impacts associated with natural disasters, the outbreak, escalation or resurgence of health emergencies, 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 our operations and on economic conditions, capital and financial markets. These and other factors are described in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2024 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 2025 First Quarter Highlights

### Strong quarter despite challenging weather conditions

- **Delivered record results for another consecutive quarter**
  - Revenue up 1% to record \$609 million
  - Gross profit margin increased 140 bps to 30.7%
  - EPS up 16% to \$3.94
- **Continued disciplined execution on strategic initiatives**
  - Maintained industry-leading safety record
  - Initiated construction on Laramie, WY cement plant modernization and expansion
- **Generated \$133 million of operating cash flow**
- **Returned \$94 million to shareholders**
  - Repurchased 348,000 shares for \$85.5 million
  - Paid quarterly dividend

# Sound Underlying Fundamentals, Steady Demand in Both Sectors



## Market conditions for construction materials remain favorable

### Cement

- Federal infrastructure spending continuing to increase
- CBO data and IIJA bill point to years of public infrastructure spending ahead
- Ongoing demand outpacing supply, with limited ability to add new supply
- Entire Eagle footprint across US Heartland remains tight

### Gypsum Wallboard

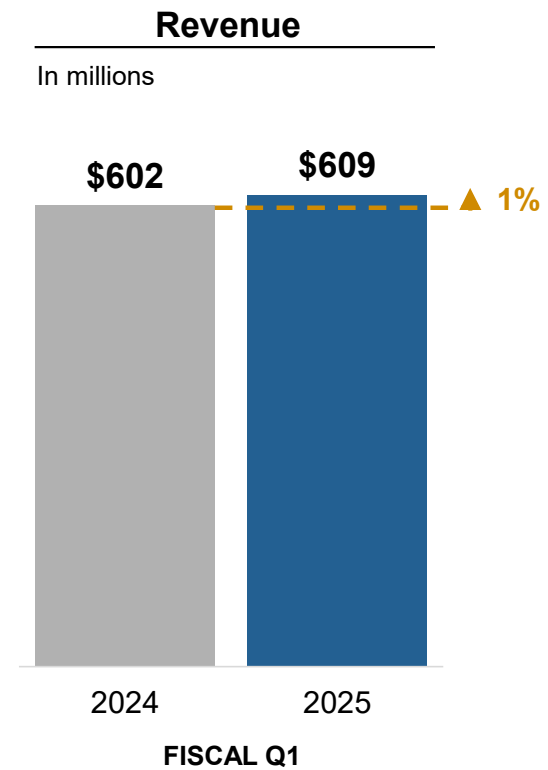
- Residential construction is favorable in the medium and long term
  - Well-chronicled housing supply shortages support need for new housing
  - Repair and remodel demand should remain strong with aging US housing stock
- Continuing industry capacity constraints

# Record Revenue Up 1%



## INCREASE DRIVEN BY:

- Higher Cement and Wallboard sales prices
- Record Recycled Paperboard sales volume

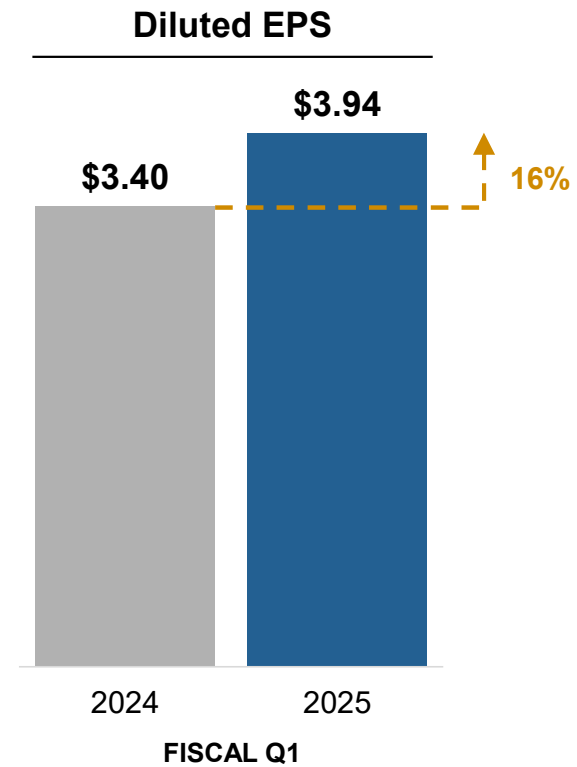


# Record EPS Up 16%



## INCREASE REFLECTS:

- Higher Cement and Wallboard margins
- Reduced share count due to share buybacks

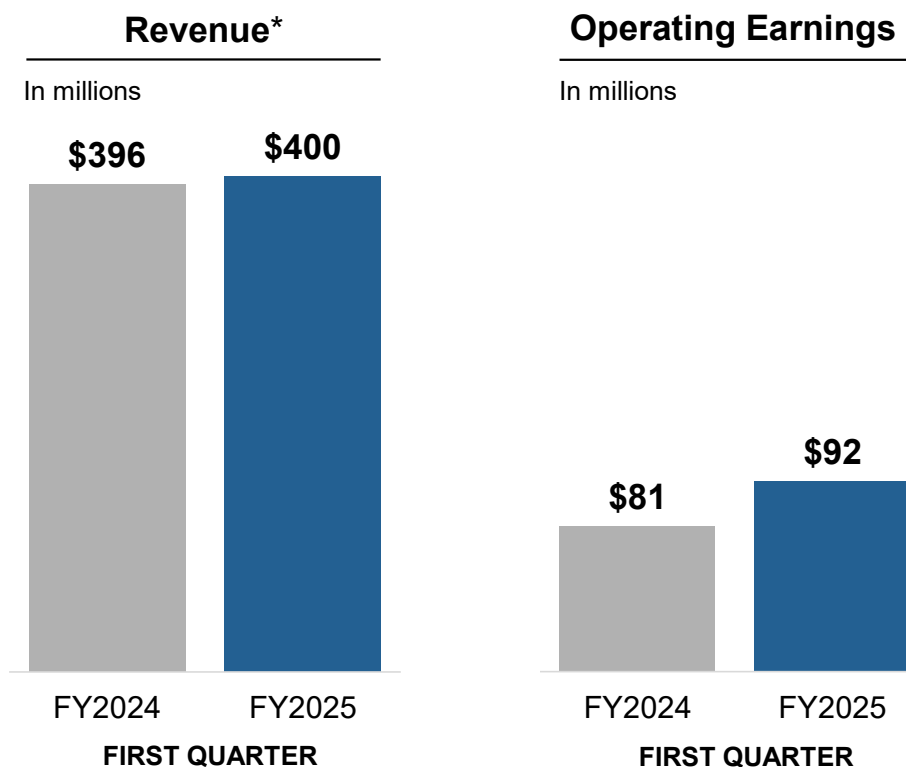


# Heavy Materials First Quarter Results Reflect Steady Price Momentum



## FIRST QUARTER CEMENT

- Net sales prices +6%
- Sales volume -3%



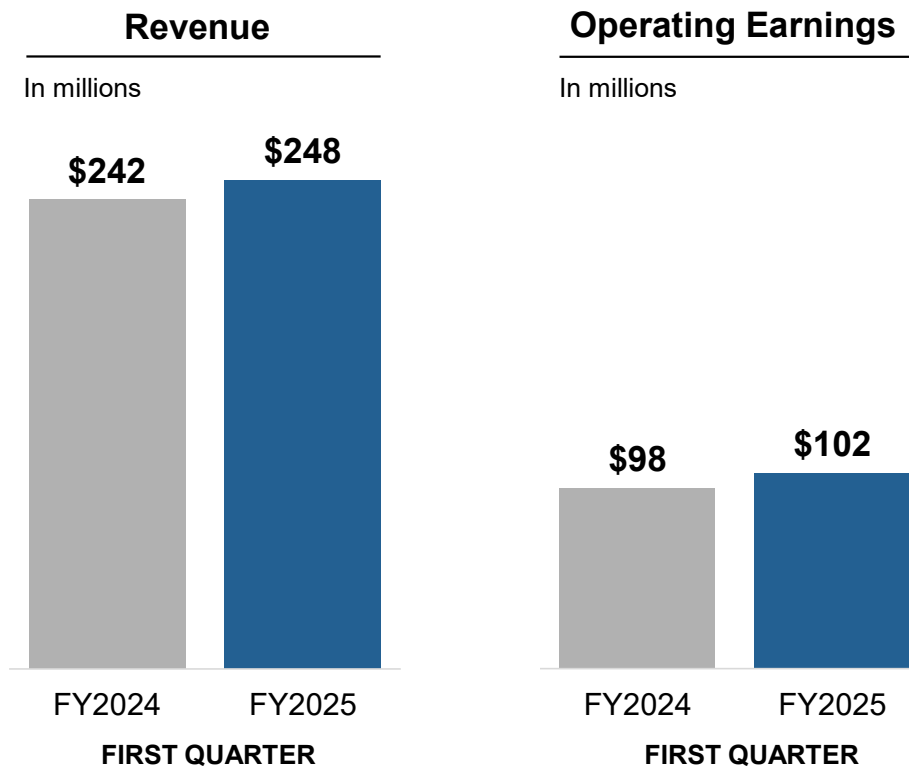
\* Includes Cement, Concrete and Aggregates and Cement Intersegment revenue, and our proportionate share of the Joint Venture

# Light Materials Results Driven by Higher Wallboard Sales Price and Recycled Paperboard Sales Volume



## FIRST QUARTER

- Wallboard net sales prices +1%
- Wallboard sales volume -1%
- Record Recycled Paperboard sales volume +10%





# Substantial Cash Flow Generation



**\$133 million of cash flow from operations**

	Quarter ended June 30 in millions		
	2023	2024	
Operating Cash Flow <sup>1</sup>	\$140	<b>\$133</b>	<b>-6%</b>
Capex, net	(36)	<b>(33)</b>	
Free Cash Flow	\$104	<b>\$100</b>	
Acquisition Spending	(55)	-	
Dividends Paid	(9)	<b>(9)</b>	
Share Repurchases	(74)	<b>(85)</b>	
Change in Debt	63	<b>8</b>	
Other	9	<b>(2)</b>	
Net Change in Cash Balance	\$38	<b>\$12</b>	

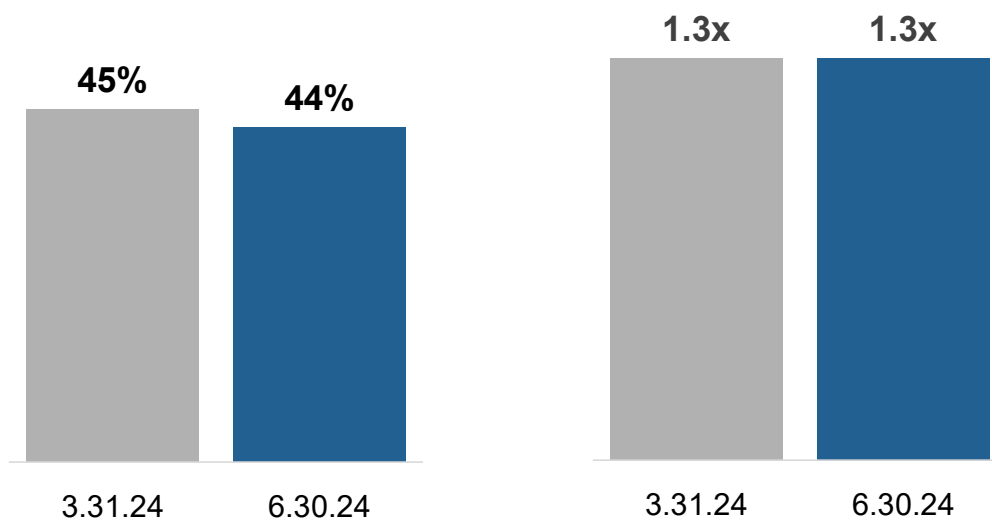
<sup>1</sup> Includes depreciation of \$37 million and \$38 million for the quarter ended June 30, 2023 and 2024, respectively.

# Capital Structure Continues to Provide Significant Financial Flexibility



**Net Debt-to-Cap**

**Net Debt to Adjusted EBITDA <sup>1</sup>**



<sup>1</sup> "Net Debt to Adjusted EBITDA" is defined as Net Debt divided by Adjusted EBITDA. Net Debt to Adjusted EBITDA and Adjusted EBITDA are non-GAAP financial measures and are described in the Appendix.



## Question & Answer



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

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



# Appendix



# Reconciliation of EBITDA and Adjusted EBITDA

	Fiscal Year ended March 31, 2024	TTM June 30, 2024
	In millions	
Net Earnings, as reported	\$478	\$491
Income Tax Expense	140	143
Interest Expense	42	41
Depreciation, Depletion and Amortization	150	152
<b>EBITDA</b>	<b>810</b>	<b>826</b>
Purchase Accounting Impact <sup>1</sup>	5	1
Stock-based Compensation	20	18
<b>Adjusted EBITDA</b>	<b>\$834</b>	<b>\$845</b>

We present Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) and Adjusted EBITDA to provide additional measures of operating performance and allow for more consistent comparison of operating performance from period to period. EBITDA is a non-GAAP financial measure that provides supplemental information regarding the operating performance of our business without regard to financing methods, capital structures or historical cost basis. Adjusted EBITDA is also a non-GAAP financial measure that excludes the impact from non-routine items (Non-routine Items) and stock-based compensation. Management uses EBITDA and Adjusted EBITDA as alternative bases for comparing the operating performance of Eagle from period to period and for purposes of its budgeting and planning processes. Adjusted EBITDA may not be comparable to similarly titled measures of other companies because other companies may not calculate Adjusted EBITDA in the same manner. Neither EBITDA nor Adjusted EBITDA should be considered in isolation or as an alternative to net income, cash flow from operations or any other measure of financial performance in accordance with GAAP. The table beside shows the calculation of EBITDA and Adjusted EBITDA and reconciles them to net earnings in accordance with GAAP for the fiscal year ended March 31, 2024, and the trailing twelve-month period ended June 30, 2024.

<sup>1</sup> Represents the impact of purchase accounting on acquired inventory costs and related business development costs.

Due to rounding, numbers may not add up precisely to the total provided.

# Reconciliation of Net Debt to Adjusted EBITDA



	As of March 31, 2024	As of June 30, 2024
In millions		
Total debt, excluding debt issuance costs	\$1,103	\$1,110
Cash and cash equivalents	35	47
Net Debt	\$1,068	\$1,063
Trailing Twelve Months Adjusted EBITDA	\$834	\$845
Net Debt to Adjusted EBITDA	1.3x	1.3x

GAAP does not define "Net Debt" and it should not be considered as an alternative to debt as defined by GAAP. We define Net Debt as total debt minus cash and cash equivalents to indicate the amount of total debt that would remain if the Company applied the cash and cash equivalents held by it to the payment of outstanding debt. The Company also uses "Net Debt to Adjusted EBITDA," which it defines as Net Debt divided by Adjusted EBITDA, as an alternative metric to assist it in understanding its leverage position. We present this metric for the convenience of the investment community and rating agencies who use such metrics in their analysis, and for investors who need to understand the metrics we use to assess performance and monitor our cash and liquidity positions.

Due to rounding, numbers may not add up precisely to the total provided.