Eagle Materials

October 26, 2022

Second Quarter Fiscal 2023
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, and 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; 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; 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; 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; 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 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. 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. Any resurgence of the COVID-19 pandemic and responses thereto may disrupt our business operations or have an adverse effect on demand for our products. These and other factors are described in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2022 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 2023 Second Quarter Financial Highlights

Strong first half of year – exceeded expectations

- **Delivered record results for another consecutive quarter**
  - Revenue up 19% to record $605 million
  - Gross profit margin increased 160 bps to 32.1%
  - Diluted EPS up 51% to record $3.72
- **Pricing actions across both business lines mitigated cost inflation pressures**

Fiscal Year 2023 Second Quarter Strategic Highlights

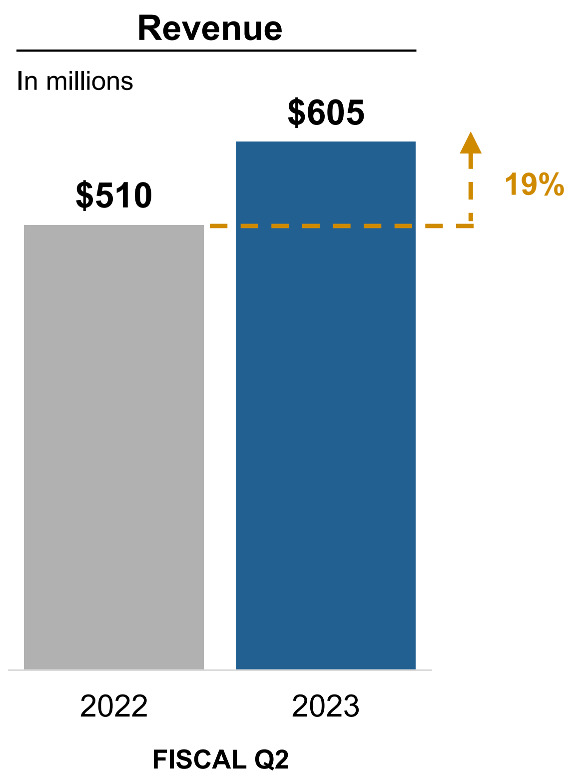
Steady progress on strategic priorities

- **Invested in strategic growth opportunities**
  - Acquired cement distribution terminal in Nashville, Tennessee, extending operations in high-growth Southeastern region
  - Purchased aggregates quarry in northern Nevada increasing access to aggregates reserves
- **Returned $110 million to shareholders**
  - Repurchased approximately 840,000 shares for $101 million
  - Paid quarterly dividend of $0.25 per share
- **Continued progress on Portland Limestone Cement initiative**
  - Accounted for 25% of our cement shipments this quarter

Record Revenue Up 19%

INCREASE DRIVEN BY:

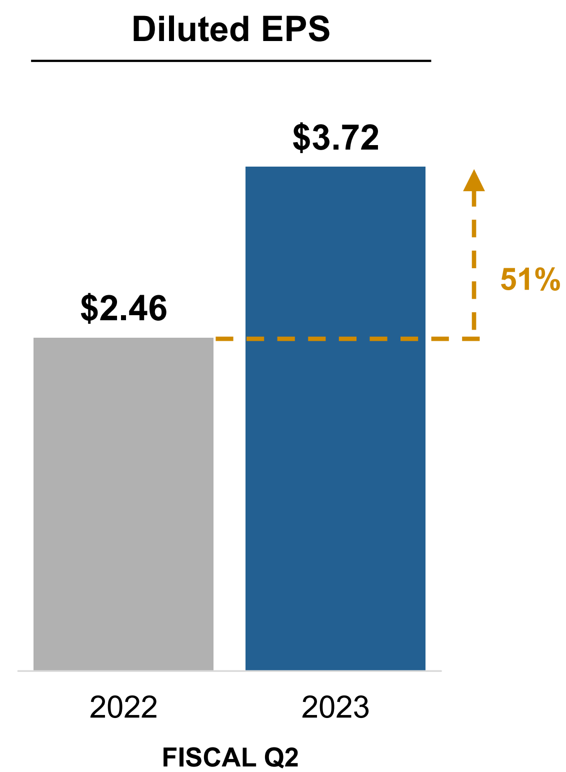
- Higher Cement and Wallboard sales prices
- Gain in Wallboard sales volume



Record EPS Up 51%

INCREASE REFLECTS:

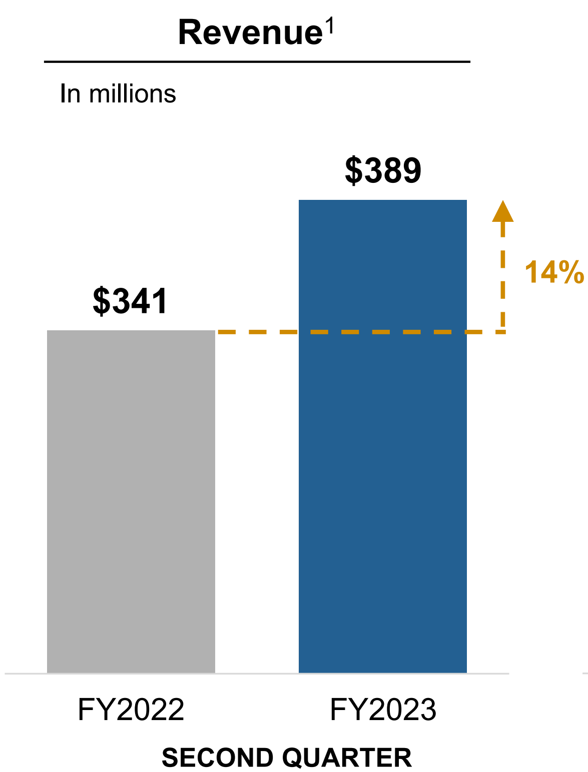
- Robust price improvement
- Reduced share count due to share buybacks
- Non-routine expenses of $0.27 per share in prior year

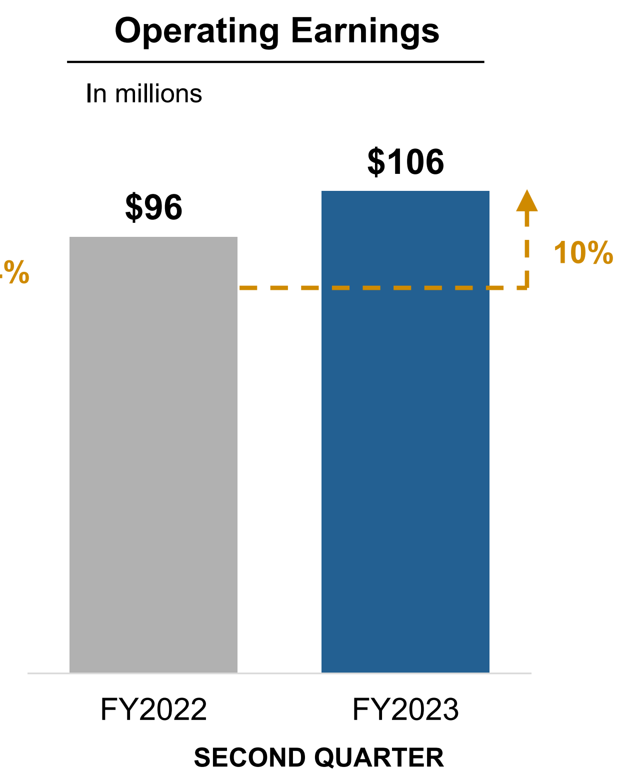


Heavy Materials Second Quarter Results Reflect Strong Pricing Momentum

SECOND QUARTER CEMENT

- Net sales prices +12%
- Sales volume -2%





[1] Includes Cement, Concrete and Aggregates and Cement Intersegment revenue, and our proportionate share of the Joint Venture.

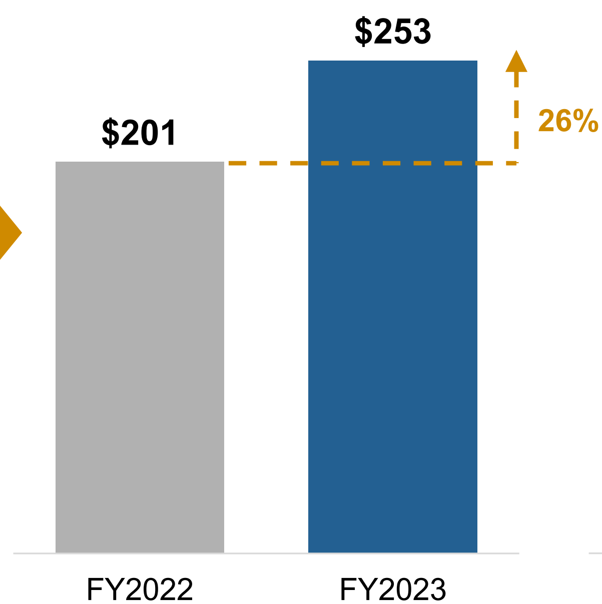
Light Materials Second Quarter Results Driven by Higher Wallboard Sales Price and Volume

SECOND QUARTER WALLBOARD

- Net sales prices +22%
- Sales volume +6%

Revenue

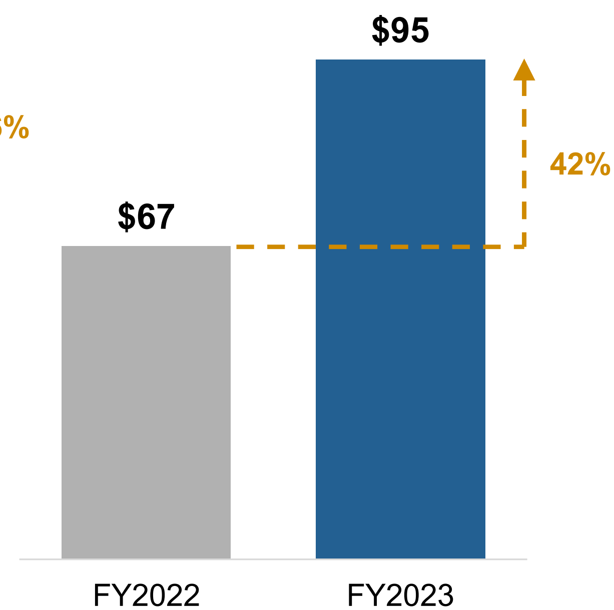
In millions



SECOND QUARTER

Operating Earnings

In millions



SECOND QUARTER

Continued Strong Cash Flow Generation

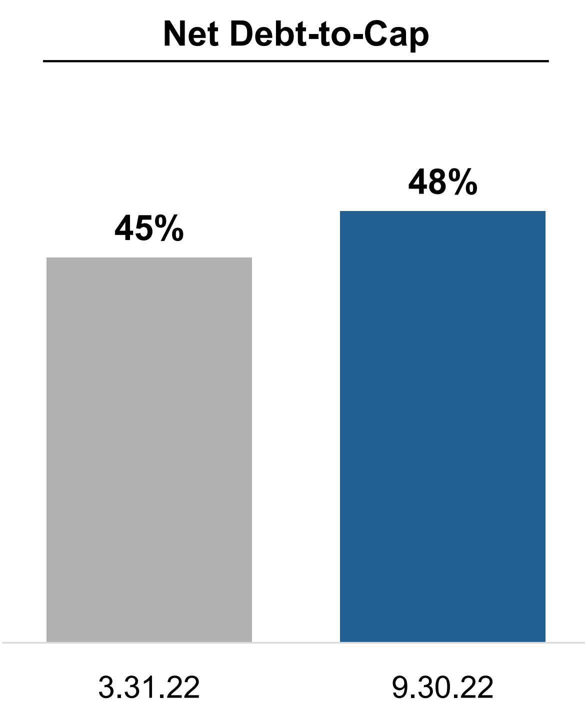
Eagle Materials

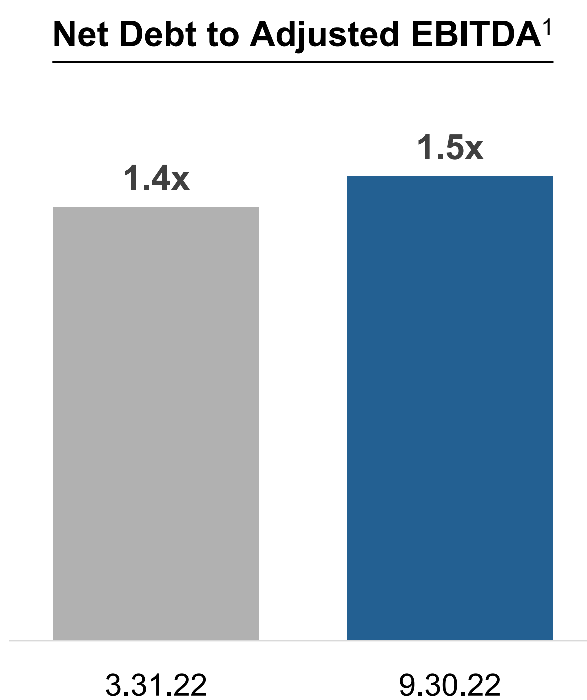
$300 million of cash flow from operations

	Six months ended September 30 in millions		
	2021	**2022**	
Operating Cash Flow[1]	$262	**$300**	**+15%**
Capex, net	(27)	**(43)**	
Free Cash Flow	$235	**$257**	
Acquisition Spending	-	**(159)**	
Dividends Paid	(11)	**(19)**	
Share Repurchases	(248)	**(210)**	
Change in Debt	(196)	**198**	
Other	(3)	**(2)**	
Net Change in Cash Balance	$(223)	**$65**	

[1] Includes depreciation of $64 million and $69 million for the six months ended September 30, 2021 and 2022, respectively.

Capital Structure Provides Significant Financial Flexibility





[1] "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.

An archive of this web cast will be available at eaglematerials.com later today.

Appendix

Reconciliation of EBITDA and Adjusted EBITDA

In millions	Fiscal Year ended March 31, 2022	TTM September 30, 2022
Net Earnings, as reported	$374	$421
Income Tax Expense	101	116
Interest Expense	31	28
Depreciation, Depletion and Amortization	129	134
EBITDA	635	699
Loss on Early Retirement of Senior Notes [1]	8	-
Purchase Accounting Impact [2]	-	2
Stock-based Compensation	14	18
Adjusted EBITDA	$657	$719

We present Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) and Adjusted EBITDA to provide 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, 2022, and the trailing twelve-month period ended September 30, 2022.

[1] Represents the loss on the early redemption of our 4.50% senior notes due 2026

[2] Represents the cost impact of purchase accounting on inventory valuations.

Reconciliation of Net Debt to Adjusted EBITDA

In millions	As of March 31, 2022	As of September 30, 2022
Total debt, excluding debt issuance costs	$950	$1,148
Cash and cash equivalents	19	84
Net Debt	$931	$1,064
Adjusted EBITDA (TTM)	$657	$719
Net Debt to Adjusted EBITDA	1.4x	1.5x

GAAP does not define “Net Debt” and it should not be considered as an alternative to cash flow or liquidity measures 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 from Continuing Operations, as a metric of its current 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.