UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):
November 25, 2019

Eagle Materials Inc.
(Exact name of registrant as specified in its charter)

Delaware	**1-12984**	**75-2520779**
(State or other jurisdiction of incorporation)	**(Commission File Number)**	**(I.R.S. Employer Identification No.)**

5960 Berkshire Ln., Suite 900 Dallas, Texas	**75225**
(Address of principal executive offices)	**(Zip code)**

Registrant's telephone number including area code: (214) 432-2000

Not Applicable
(Former name or former address, if changed from last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 par value	**EXP**	**New York Stock Exchange**

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 1.01. Entry into a Material Definitive Agreement.

Asset Purchase Agreement

On November 25, 2019, Eagle Materials Inc. (the “Company”) and Kosmos Cement Company (the “Seller”) entered into an Asset Purchase Agreement (the “Asset Purchase Agreement”) pursuant to which the Company will acquire (the “Acquisition”) (i) a cement plant located in Louisville, Kentucky, (ii) a limestone quarry located in Battletown, Kentucky, (iii) cement distribution terminals located in Indianapolis, Indiana; Cincinnati, Ohio; Pittsburgh, Pennsylvania; Charleston, West Virginia; Ceredo, West Virginia; Mt. Vernon, Indiana and Lexington, Kentucky, and (iv) certain other properties and assets used by the Seller in connection with the foregoing (collectively, the “Kosmos Business”).

The purchase price (the “Purchase Price”) to be paid by the Company in the Acquisition is $665 million in cash, subject to a customary post-closing inventory adjustment. In addition, the Company will assume certain liabilities and obligations of the Seller relating to the Kosmos Business, including contractual obligations, reclamation obligations and various other liabilities and obligations arising out of or relating to the Kosmos Business after the closing of the Acquisition (the “Closing”). The Company expects to fund the payment of the Purchase Price and expenses incurred in connection with the Acquisition through the debt financing arrangements described below.

The Asset Purchase Agreement contains customary representations, warranties and covenants, as well as indemnification provisions subject to specified limitations. The indemnification provided by the Seller under the Asset Purchase Agreement covers both breaches of representations and warranties and liabilities retained by the Seller. The indemnification provided by the Company covers both breaches of representations and warranties and liabilities assumed by the Company. In the case of the indemnification provided by the Seller with respect to breaches of certain representations and warranties, the obligations of the Seller are subject to a deductible in an amount equal to $6.650 million and a cap on losses equal to $49.875 million. Such deductible and cap only apply to indemnification in respect of breaches of certain representations and warranties and do not apply to other indemnification obligations of the Seller, including obligations to indemnify in in respect of the liabilities retained by the Seller.

The completion of the Acquisition is subject to certain conditions, including (i) the expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, (ii) the respective representations and warranties of the parties being true and correct, subject to certain materiality exceptions, (iii) obtaining certain governmental and third party consents and (iv) the performance by the parties of their respective obligations under the Asset Purchase Agreement in all material respects. The obligations of the Company under the Asset Purchase Agreement are not conditioned upon the availability of financing for payment of the Purchase Price.

The Asset Purchase Agreement contains certain termination rights that could be exercised by the Company or the Seller. For example, either party may terminate the Asset Purchase Agreement if the Closing has not occurred by March 31, 2020 and the conditions to Closing have not been satisfied by such date, except that a party cannot terminate the Asset Purchase Agreement if the failure of the Closing to occur is due to the failure of such party to perform or comply with its covenants, agreements and conditions under the Purchase Agreement.

In addition, either party may terminate the Asset Purchase Agreement if the other party breaches any representations, warranties, covenants and other agreements that would cause the obligations of the non-breaching party not to be satisfied and such breach is not cured by March 31, 2020, except that a party cannot terminate the Asset Purchase Agreement if such party is then in material breach of any provision of the Asset Purchase Agreement.

Subject to satisfaction of the conditions described above and assuming the Asset Purchase Agreement is not terminated, the Acquisition is expected to close in the first quarter of 2020.

The Asset Purchase Agreement will provide investors with information regarding the terms and conditions of the transactions governed thereby, and the Company intends to file the Asset Purchase Agreement as an exhibit to the Company's next Form 10-Q. The Asset Purchase Agreement is not intended to provide any other financial information about the Kosmos Business. The representations, warranties and covenants contained in the Asset Purchase Agreement were made only for purposes of that agreement and as of the dates specified therein; were made solely for the benefit of the parties to the agreement; may be subject to qualifications and limitations agreed upon by the parties; and may be subject to standards of materiality applicable to the contracting parties that differ from those that may be viewed as material to investors. Investors should not rely on the representations, warranties and covenants or any description thereof as characterizations of the actual state of facts or condition of the parties or any of their respective subsidiaries or affiliates. Moreover, information concerning the subject matter of the representations, warranties and covenants may change after the date of the Asset Purchase Agreement, which subsequent information may or may not be fully reflected in public disclosures by the Company.

In connection with the execution of the Asset Purchase Agreement, the Company has entered into an engagement letter and commitment letter (collectively, the "Commitment Letter"), dated November 25, 2019, with JPMorgan Chase Bank, N.A. and Goldman Sachs Bank, USA (such financial institutions being referred to as the "Commitment Parties"). Pursuant to the Commitment Letter, the Commitment Parties have agreed to arrange, on a best efforts basis, a $665 million syndicated Term Loan Facility, with a committed 364-day Bridge Facility of an equal amount available on a "certain funds" basis should the syndication of the Term Loan Facility be unsuccessful, in either case for the purpose of funding the cash consideration for the Acquisition and the fees and expenses incurred in connection with the transactions contemplated by the Asset Purchase Agreement. In addition, the Commitment Parties have agreed to arrange, on a best efforts basis, an amendment to the Company's existing Revolving Credit Facility, with a committed Backstop Facility available on a "certain funds" basis should the solicitation of the amendments be unsuccessful, in either case to allow for the consummation of the Acquisition on a "certain funds" basis and to make certain other changes. The financing commitments of the Commitment Parties expire five business days after March 31, 2020 and are subject to various customary conditions set forth in the Commitment Letter, including (i) the execution and delivery of the applicable credit agreements in accordance with the terms set forth in the Commitment Letter and (ii) the prior or substantially concurrent consummation of the Acquisition (without the waiver of any material condition).

Item 7.01. Regulation FD Disclosure.

On November 26, 2019, the Company issued a press release announcing the execution of the Asset Purchase Agreement. A copy of the press release is furnished as Exhibit 99.1 to this Current Report. In accordance with General Instruction B.2 of Form 8-K, the information set forth in this Item 7.01 and in Exhibit 99.1 shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

In accordance with General Instruction B.2 of Form 8-K, the information set forth in Exhibit 99.1 shall not be deemed to be "filed" for purposes of Section 18 of the Exchange Act.

Exhibit Number		Description
99.1	—	Press Release dated November 26, 2019 issued by Eagle Materials Inc. (announcing the execution of the Asset Purchase Agreement).
104	—	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

EAGLE MATERIALS INC.

By: /s/ James H. Graass
James H. Graass
Executive Vice President, General Counsel and Secretary

Date: November 26, 2019

Exhibit 99.1

Contact at 214/432-2000

Michael R. Haack
President and Chief Executive Officer
D. Craig Kesler
Executive Vice President & CFO
Robert S. Stewart
Executive Vice President

News for Immediate Release

Eagle Materials Inc. Announces Agreement to Acquire Kosmos Cement Plant and Related Assets

(DALLAS — November 26, 2019): Eagle Materials Inc. (NYSE: EXP) announced today that the Company has entered into a definitive agreement with Kosmos Cement Company (a joint venture between CEMEX S.A.B. de C.V. and Buzzi Unicem S.p.A.), to purchase Kosmos' Louisville, Kentucky cement plant, as well as related assets, which include seven distribution terminals and substantial raw material reserves. The plant has the capacity to produce nearly 1.7 million tons of cement annually.

The purchase price is $665 million, subject to customary post-closing adjustments. Eagle anticipates certain tax benefits arising from the transaction, the net present value of which is expected to be approximately $120 million. The transaction is expected to close in the first quarter of calendar 2020, following the receipt of required regulatory approvals and other customary closing conditions. Calendar 2019 normalized revenue and EBITDA before synergies for the acquired assets is estimated to be $170 million and $56 million, respectively. The acquisition will increase Eagle's US cement capacity by roughly 25% and is expected to be accretive to earnings and cash flow in the first full year of ownership.

Michael Haack, Eagle Materials Inc. President and Chief Executive Officer, said the agreement represents a significant milestone in the company's growth strategy. "At Eagle we have been disciplined in the strategic growth of our integrated network of cement plants in the US heartland, and the Kosmos facilities are a natural fit. The Kosmos facilities are high-quality, low-cost assets that align with our long-term strategic growth plans and meet our criteria for new investment. These assets will also enable us to participate more significantly in US construction and infrastructure market growth."

Mike Nicolais, Eagle Materials Board Chairman added, "This acquisition is an exceptional geographic fit with our existing system of heartland-US cement assets. It not only extends our reach in key US markets, but also enhances the near and long-term cash flow generation capabilities of our businesses. Also this acquisition is especially timely in light of our previously announced plans to separate our Heavy Materials and Light Materials businesses into two independent, publicly traded corporations. Moreover, this investment reflects the balanced approach Eagle takes in capital allocation between profitable growth and the return of capital to shareholders, and combined with the more than $320 million of capital we returned to shareholders in the first half of the year, it reflects the strong cash flow generation capabilities of our businesses."

Financial Terms

Eagle intends to finance the acquisition through a combination of cash on hand and borrowings under a new term loan. Eagle remains focused on maintaining a prudent capital structure and a strong financial position following the close and financing of the transaction.

Goldman, Sachs & Co. is acting as exclusive financial advisor to Eagle on this transaction.

About Eagle Materials Inc.

Eagle Materials Inc. manufactures and distributes Cement, Gypsum Wallboard, Recycled Paperboard, Concrete, Sand and Aggregates, from more than 75 facilities across the US. Eagle is headquartered in Dallas, Texas.

Use of Non-GAAP Financial Measures

This press release contains a non-GAAP financial measure, EBITDA, of the estimated performance during 2019 of the assets to be acquired by the Company. A portion of the period for which an EBITDA estimate is provided will occur in the future. In addition, the Company has not received historical net income information for the acquired business for all or a substantial portion of 2019. Moreover, the financial information provided to the Company with respect to the acquired assets includes the results of operations attributable to certain assets in addition to those to be acquired by the Company in this transaction. For these and other reasons, it is not feasible to provide reconciliation of EBITDA for the acquired assets to the most comparable U.S. GAAP measure. EBITDA generally reflects earnings, as adjusted to exclude, among other things, the impact of interest income and expense, depreciation and amortization expense, and income tax expense or benefit. There are limitations in using non-GAAP financial measures, as they are not prepared in accordance with generally accepted accounting principles, and may be different than non-GAAP financial measures used by other companies. In particular, we believe that the inclusion of supplementary non-GAAP financial measures in this press release helps investors to gain a meaningful understanding of core operating results and future prospects of the acquired assets without the effect of these other items, which would differ significantly in the case of Kosmos as compared to the Company. The non-GAAP financial measures included in this press release are not meant to be considered superior to or a substitute for results of operations prepared in accordance with GAAP.

Forward-Looking Statements

This press release 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 business; 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 energy costs including, without limitation, natural gas, coal and oil; 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 activity in the oil and gas industry, including the level of fracturing activities and the demand for frac-sand; 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 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; competition; a cyber-attack or data security breach; announced increases in capacity in the gypsum wallboard, cement and frac sand industries; changes in the demand for residential housing construction or commercial construction; risks related to pursuit of acquisitions, joint ventures and other transactions; 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. Finally, the proposed separation of our Heavy Materials and Light Materials businesses into two independent, publicly traded corporations is subject to various risks and uncertainties, and may not be completed on the terms or timeline currently contemplated, or at all. These and other factors are described in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2019 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.

For additional information, contact at 214-432-2000

Michael Haack
President and CEO

D. Craig Kesler
Executive Vice President and CFO

Robert S. Stewart
Executive Vice President, Strategy, Corporate Development and Communications