

# Second Quarter Fiscal Year 2017 Earnings Release and Conference Call

October 24, 2016



# 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 business; public infrastructure expenditures; adverse weather conditions; the fact that many of 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 and cement 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 revenues 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. These and other factors are described in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2016 and the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2016. These reports are filed with the Securities and Exchange Commission. With respect to our proposed acquisition of certain assets from Cemex as described in this presentation, factors, risks and uncertainties that may cause actual events and developments to vary materially from those anticipated in such forward-looking statements include, but are not limited to, the need to obtain antitrust clearance of the transaction under the Hart-Scott-Rodino Antitrust Improvements Act and other factors that may create obstacles for or interfere with our ability to complete the acquisition within the expected timeframe or at all, failure to realize any expected synergies from or other benefits of the transaction, possible negative effects of announcement or consummation of the transaction, significant transaction or ownership transition costs, unknown liabilities or other adverse developments affecting the assets to be acquired and the target business, including the results of operations of the target business prior and after the closing, the effect on the target business of the same or similar factors discussed above to which our business is subject, including changes in market conditions in the construction industry and general economic and business conditions that may affect us following acquisition. 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.*

# Eagle Materials Results

	<u>Second Quarter</u>		
	<u>2016</u>	<u>2017</u>	<u>Change</u>
Revenues	\$ 329.0	\$ <b>332.7</b>	+ 1%
Segment Operating Earnings	\$ 56.5	\$ <b>103.9</b>	+ 84%
Earnings Per Share			
Basic	\$ 0.60	\$ <b>1.26</b>	+ 110%
Diluted	\$ 0.59	\$ <b>1.25</b>	+ 112%

\$ millions, except per share data

# Cement, Concrete and Aggregates

(\$ in Millions)

	Second Quarter 2016	Second Quarter 2017	Change
Revenues	\$ 201.5	\$ 206.0	+ 2%
Segment operating income	\$ 52.4	\$ 55.5	+ 6%

## Highlights

- Average net cement sales price improved 3%
- Second quarter cement sales volumes declined 3%

\* Includes intersegment revenues and our proportionate share of our Joint Venture

# Wallboard and Paperboard

	Second Quarter 2016	Second Quarter 2017	Change
Revenues	\$ 143.3	\$ 151.9	+ 6%
Segment operating income	\$ 48.1	\$ 51.9	+ 8%

## Highlights

- Wallboard sales volumes increased 5% year-over-year
- Wallboard average net sales prices declined 2% year-over-year
- Paperboard sales volumes improved 15% year-over-year

# Oil and Gas Proppants

(\$ in Millions)

	Second Quarter 2016	Second Quarter 2017	Change
Revenues	\$ 18.3	\$ 6.6	- 64%
Segment operating income	\$ (44.6)	\$ (4.1)	N/A

## Highlights

- Sales volumes reflect our strategy of avoiding non-profitable business and the goal of operating near cash flow break-even during the deepest troughs

# Eagle Materials Inc.

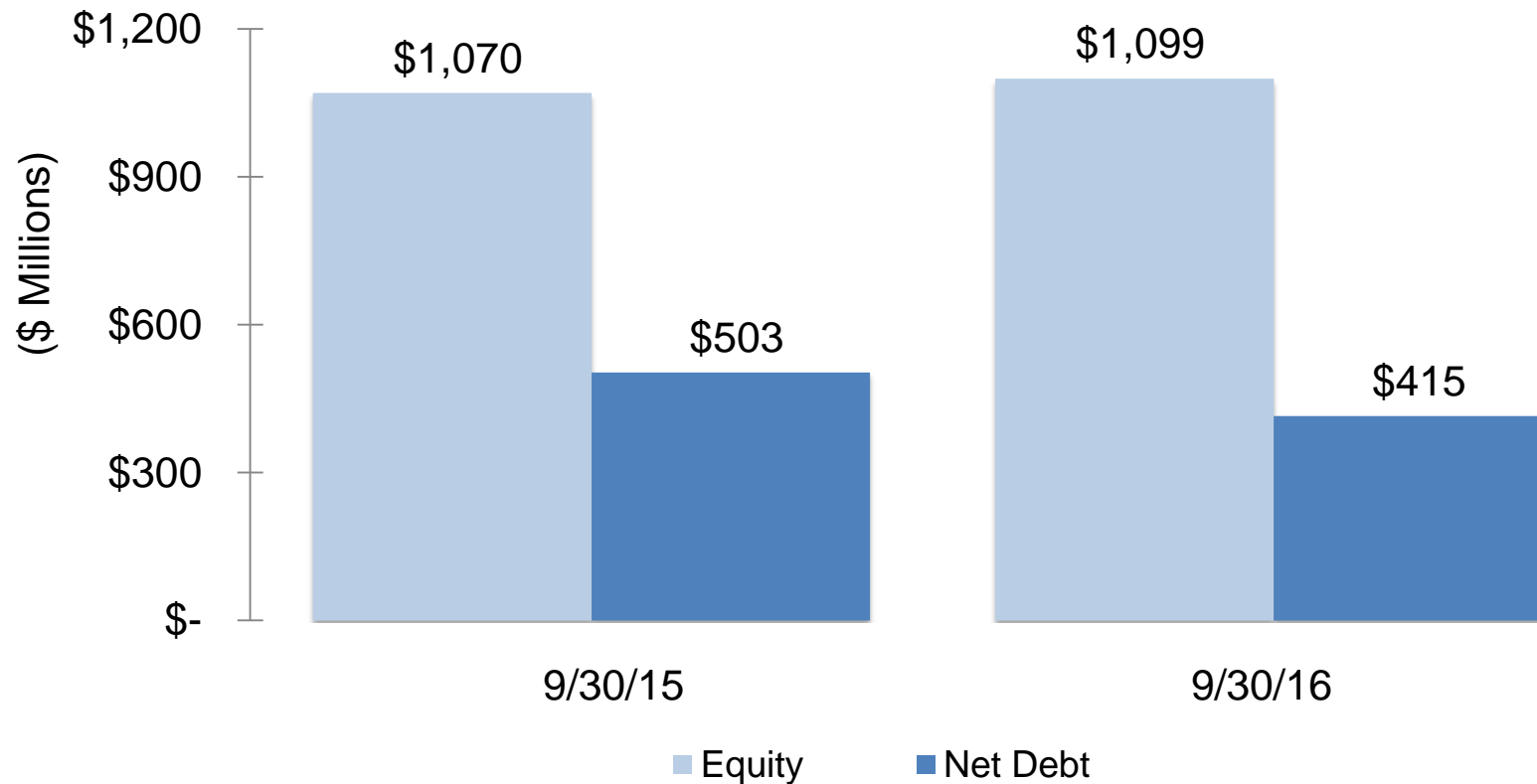
## Cash Flow Information

<i>\$ Millions</i>	Quarter Ended September 30,		
	2015	2016	
Operating Cash Flow <sup>(1)</sup>	\$ 87.0	\$ 106.1	+ 22%
Capex, net	(28.8)	(9.3)	
Acquisition Spending	(32.4)	-	
Free Cash Flow	\$ 25.8	\$ 96.8	
Dividends Paid	(5.0)	(4.8)	
Share Repurchases	(10.7)	(20.9)	
Repayment of Debt, net	(14.0)	(23.0)	
Other	2.7	(2.8)	
Net Change in Cash Balance	\$ (1.2)	\$ 45.3	

<sup>(1)</sup> Includes depreciation of \$24.8 million and \$22.4 million for the quarters ended September 30, 2015 and 2016, respectively.

# Capital Structure

Net Debt-to-Cap                      32%                      **27%**





# Question & Answer

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

An archive of this web cast will be available at  
<http://www.eaglematerials.com> later today.