



Second Quarter Fiscal Year 2021 Earnings Release and Conference Call

October 29, 2020

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 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 or changes in the nature of activity in the oil and gas industry, including fluctuations in the level of fracturing activities and the demand for frac sand and changes in processes or substitutions in materials used in well fracturing; 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; 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. Additionally, the proposed separation of our Heavy Materials and Light Materials businesses into two independent, publicly traded corporations is subject to various risks and uncertainties, including risks related to conditions in debt and equity markets and risks related to the effects of the COVID-19 pandemic and may not be completed on the terms or timeline currently contemplated, or at all. 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.*

CEO REMARKS

Revenue

In millions

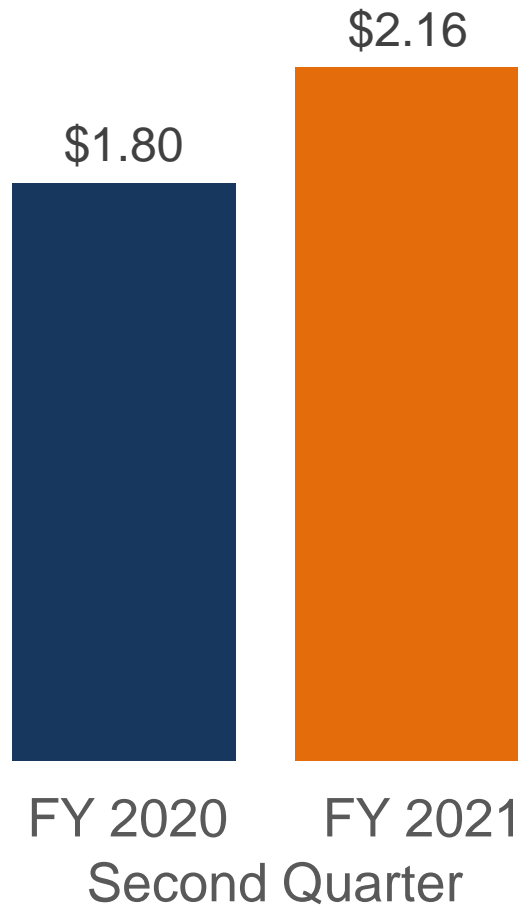


12% increase reflects:

- Contribution from acquired business
- Higher Cement and Wallboard sales volume

Earnings Per Share

Diluted



20% increase reflects:

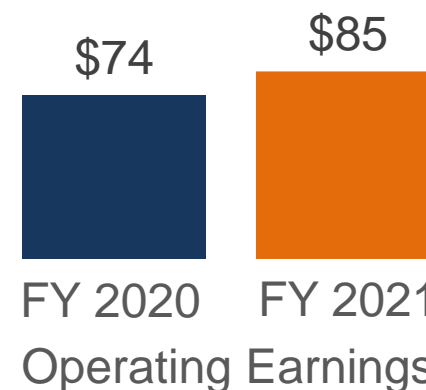
- Benefit from tax regulations (\$0.14 per share)
- Contribution from acquired business

Heavy Materials

Second Quarter, in millions



Organic net Cement prices improved 4%



Light Materials

Second Quarter, in millions



Wallboard sales volume up 6% and net sales prices down 3%



Cash Flow Information

In millions

	Six Months Ended September 30,		
	2019	2020	
Operating Cash Flow ⁽¹⁾	\$ 184.7	\$ 358.4	+ 94%
Capex, net	(60.0)	(40.7)	
Free Cash Flow	\$ 124.7	\$ 317.7	
Acquisition Spending	(30.9)	-	
Proceeds from Sale of Business	-	91.0	
Dividends Paid	(8.8)	(4.2)	
Share Repurchases	(313.9)	-	
Change in Debt, net	275.0	(315.0)	
Other	(1.0)	(2.3)	
Net Change in Cash Balance	\$ 45.1	\$ 87.2	

⁽¹⁾ Includes depreciation of \$56.3 million and \$64.2 million for the six months ended September 30, 2019 and 2020, respectively.

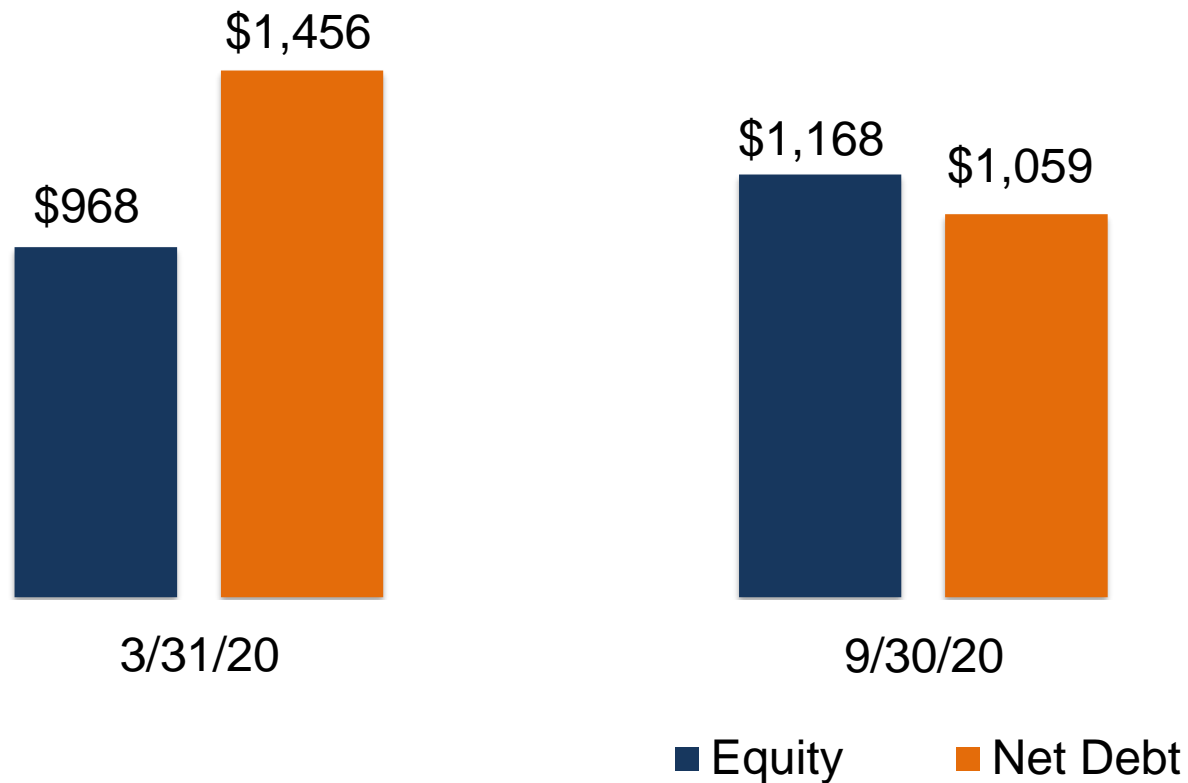
Capital Structure

In millions

Net Debt-to-Cap

60%

48%



Question & Answer

Thank you for participating
in today's
conference call and webcast.

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