



**MAY 19, 2022**

# Fiscal Year and Fourth Quarter 2022 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. 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 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 (such as fluctuations in 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; 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) and 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, 2021, 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 2022 Financial Highlights



## Delivered record results, in spite of continued external constraints

- Revenue up 15% to record \$1.9 billion
- Net Earnings from Continuing Operations up 12% to \$374 million
- Gross profit margin expanded 270bps to 27.9%
- Diluted EPS from Continuing Operations up 14% to record \$9.14
- Pricing trends improved across all product lines

# Fiscal Year 2022 Strategic Highlights



## Continued prudent capital management

- **Invested in strategic growth opportunities**
  - Negotiated \$120 million acquisition of aggregates-led business in core Colorado market
  - Complementary with Cement operating footprint
  - Acquisition closed April 2022
- **Secured long-term, low-cost capital structure**
  - Issued \$750 million 10-year bonds with an interest rate of 2.5%
- **Returned cash to shareholders**
  - \$621 million returned to shareholders through share repurchases and dividends
  - Repurchased nearly 4 million shares, or 9% of our outstanding shares
  - In May 2022, the Board approved increasing the share repurchase authorization, bringing the total authorization to 10.3 million shares

# Meaningful Progress on ESG Priorities



## Fiscal Year 2022 ESG Highlights

- Achieved industry-leading safety performance
- Launched eco-friendly Portland Limestone Cement
- Enhanced Governance disclosures, including those related to CEO ESG goals, detailed in our 2021 Proxy

# Steady Demand Outlook



**Sustained growth in construction activity, despite some economic headwinds**

## Residential

- Housing demand outpacing supply in our core geographies
- New-home construction remains strong despite rising interest rate environment

## Infrastructure

- Strong state and local government budgets supporting increased infrastructure spending
- Federal *Infrastructure Investment and Jobs Act* spending should further support cement demand

## Private Non-Residential

- The Architectural Billings Index (ABI), leading indicator of nonresidential construction activity, remains in expansion territory
- Other leading indicators, such as the Dodge Momentum Index, have also ticked higher recently

# Record Annual and Q4 Revenue

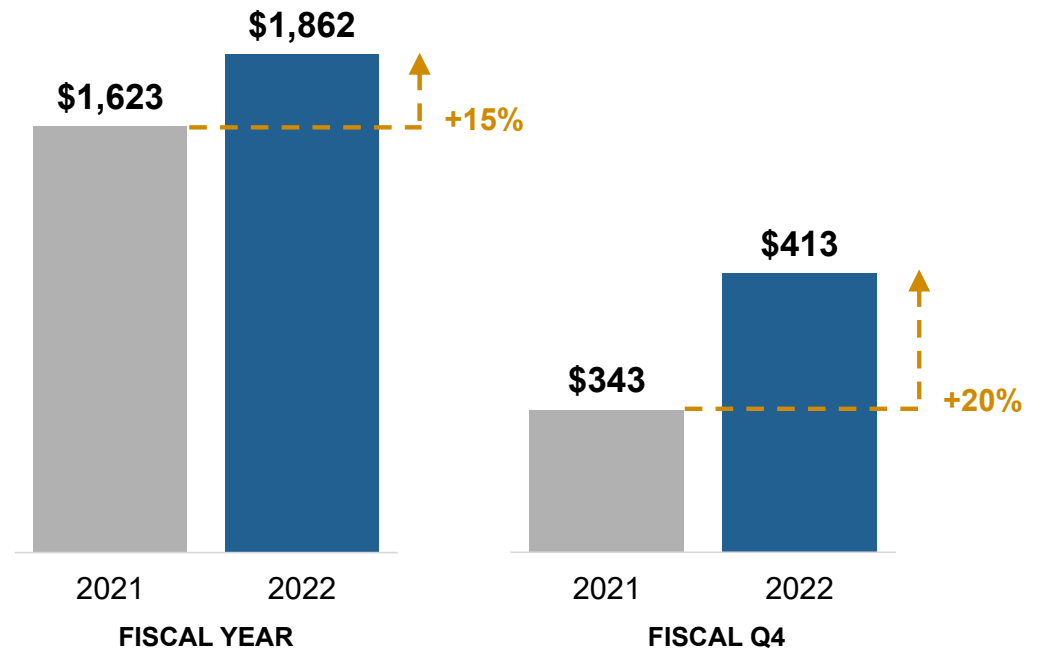


## Revenue

In millions

### 15% ANNUAL INCREASE REFLECTS:

- Higher Cement and Wallboard sales volume and prices



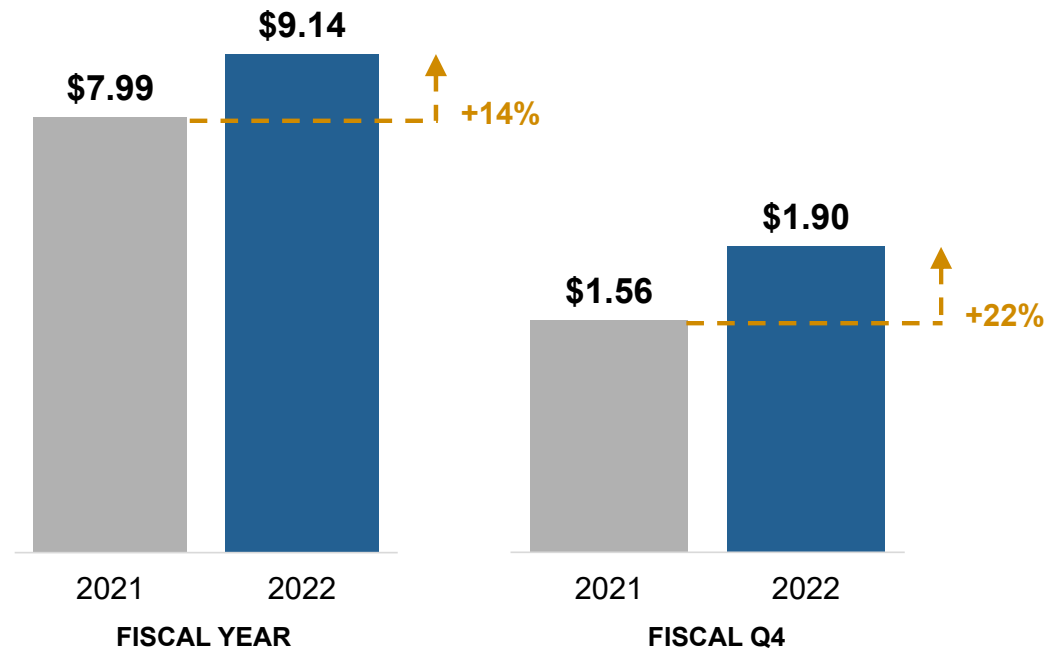
# Annual EPS from Continuing Operations Up 14%



## Diluted EPS

### 14% ANNUAL INCREASE REFLECTS:

- Robust price improvement across all products
- Reduced share count due to share buybacks



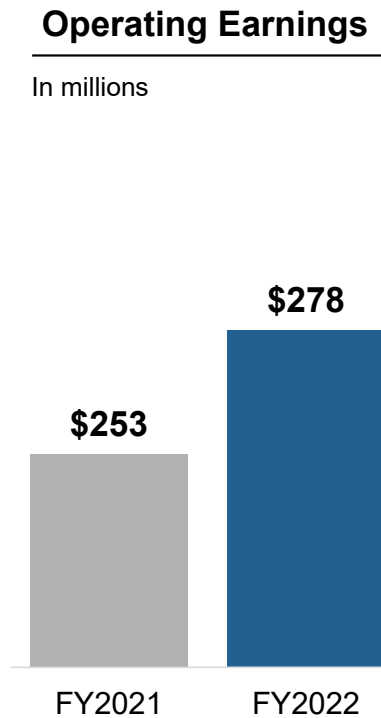
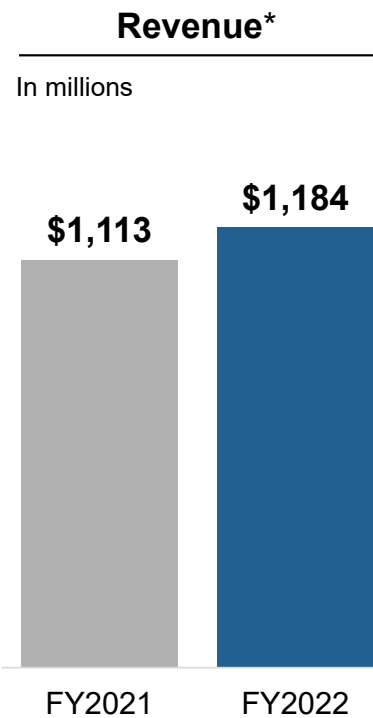


# Heavy Materials Annual Results Driven Primarily by Price Improvement



## FISCAL 2022 CEMENT

- Sales volume +1%
- Net sales prices +7%



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

# Light Materials Annual Results

## Driven by Higher Sales Volume and Prices



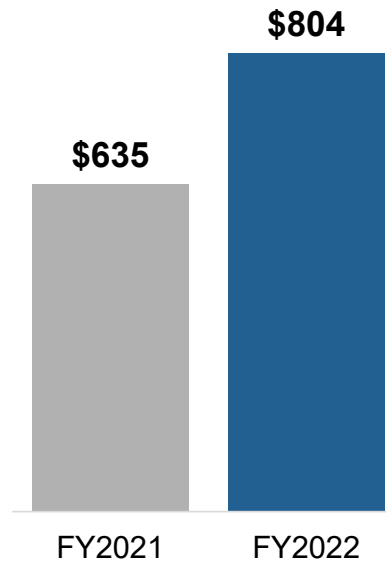
### FISCAL 2022 WALLBOARD

- Sales volume +3%
- Net sales prices +27%



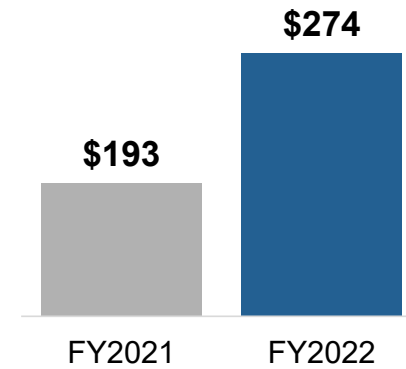
### Revenue

In millions



### Operating Earnings

In millions



# Strong Cash Flow Generation



**\$517 million of cash flow from operations**

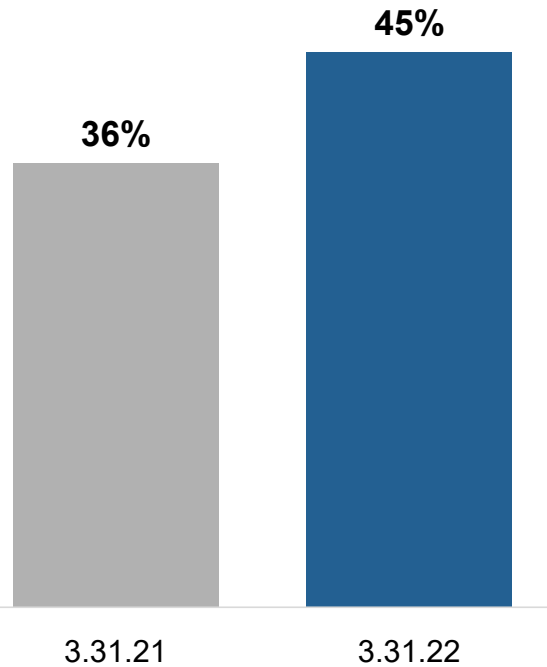
	Fiscal Year ended March 31 in millions	
	2021	2022
Operating Cash Flow <sup>1</sup>	\$643	<b>\$517</b>
Capex, net	(54)	<b>(74)</b>
Free Cash Flow	\$589	<b>\$443</b>
Proceeds from Sale of Business	91	–
Dividends Paid	(4)	<b>(31)</b>
Share Repurchases	–	<b>(590)</b>
Change in Debt	(560)	<b>(71)</b>
Other	34	–
Net Change in Cash Balance	\$150	<b>\$(249)</b>

<sup>1</sup> Includes depreciation of \$129 million for fiscal years 2021 and 2022, respectively.

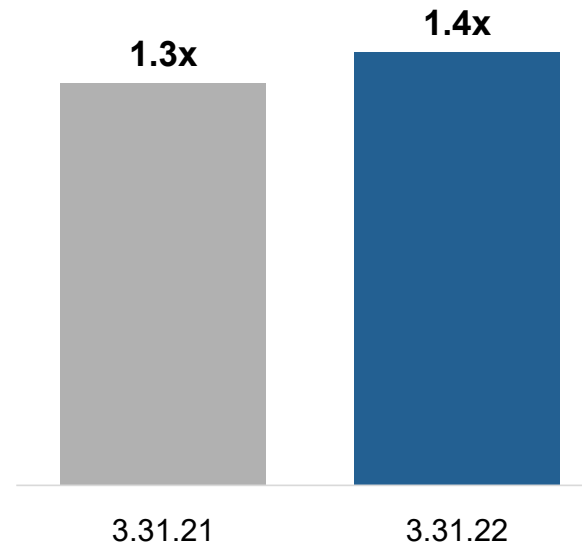
# Leverage Profile Provides Significant Financial Flexibility



**Net Debt-to-Cap**



**Net Debt to Adjusted EBITDA**





## 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 Adjusted EBITDA from Continuing Operations



	Fiscal Year ended March 31, 2021	Fiscal Year ended March 31, 2022
In millions		
Net Earnings, as reported	\$339	\$374
(Earnings) from Discontinued Operations	(5)	-
Income Tax Expense	90	101
Interest Expense	44	31
Depreciation, Depletion and Amortization	129	129
EBITDA from Continuing Operations	597	635
Gain on Sale of Businesses	(52)	-
Business Development Costs	7	-
Kosmos purchasing accounting <sup>1</sup>	4	-
Premium Paid on Early Retirement of Senior Notes	-	8
Stock-based Compensation	15	14
Adjusted EBITDA from Continuing Operations	\$571	\$657

We present Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA from Continuing Operations) and Adjusted EBITDA from Continuing Operations to provide more consistent comparison of operating performance from period to period. EBITDA from Continuing Operations 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 from Continuing Operations is also a non-GAAP financial measure that excludes the impact from non-routine items, such as impairment losses, business development costs and gains on sale of businesses (Non-routine Items) and stock-based compensation. Management uses EBITDA from Continuing Operations and Adjusted EBITDA from Continuing Operations 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 from Continuing Operations may not be comparable to similarly titled measures of other companies because other companies may not calculate Adjusted EBITDA from Continuing Operations in the same manner. Neither EBITDA from Continuing Operations nor Adjusted EBITDA from Continuing Operations 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 from Continuing Operations and Adjusted EBITDA from Continuing Operations and reconciles them to net earnings in accordance with GAAP for the fiscal years ended March 31, 2022 and 2021.

<sup>1</sup> Represents the cost impact of purchase accounting inventory valuations.



# Reconciliation of Net Debt to Adjusted EBITDA



	As of March 31, 2021	As of March 31, 2022
In millions		
Total debt, excluding debt issuance costs	\$ 1,015	\$950
Cash and cash equivalents	264	19
Net Debt	\$751	\$931
Adjusted EBITDA from Continuing Operations	\$571	\$657
Net Debt to Adjusted EBITDA	1.3x	1.4x

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.