

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

FORM 10-Q

QUARTERLY REPORT

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

For the Quarterly Period Ended

December 31, 2024

Commission File Number 1-12984



EAGLE MATERIALS INC.

(Exact name of registrant as specified in its charter)

Delaware (State of Incorporation)

75-2520779 (I.R.S. Employer Identification No.)

5960 Berkshire Lane, Suite 900, Dallas, Texas 75225 (Address of principal executive offices)

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

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 (par value \$.01 per share)	EXP	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES NO

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

YES NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.)

Yes No

As of January 27, 2025, the number of outstanding shares of common stock was:

Class	Outstanding Shares
Common Stock, \$.01 Par Value	33,287,642

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EAGLE MATERIALS INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF EARNINGS (unaudited)

	For the Three Months Ended December 31,		For the Nine Months Ended December 31,	
	2024	2023	2024	2023
	(dollars in thousands, except share and per share data)			
Revenue	\$ 558,025	\$ 558,833	\$ 1,790,333	\$ 1,782,590
Cost of Goods Sold	380,212	378,205	1,221,808	1,216,949
Gross Profit	177,813	180,628	568,525	565,641
Equity in Earnings of Unconsolidated Joint Venture	4,987	9,285	21,979	22,790
Corporate General and Administrative Expense	(20,818)	(14,201)	(54,346)	(42,456)
Other Non-Operating Income (Loss)	1,381	1,019	4,788	2,837
Interest Expense, net	(9,061)	(10,128)	(30,459)	(32,571)
Earnings Before Income Taxes	154,302	166,603	510,487	516,241
Income Taxes	(34,728)	(37,465)	(113,551)	(115,701)
Net Earnings	119,574	129,138	396,936	400,540
EARNINGS PER SHARE				
Basic	\$ 3.59	\$ 3.75	\$ 11.85	\$ 11.47
Diluted	\$ 3.56	\$ 3.72	\$ 11.75	\$ 11.38
AVERAGE SHARES OUTSTANDING				
Basic	33,317,168	34,466,141	33,493,382	34,931,378
Diluted	33,608,538	34,749,721	33,771,660	35,201,658
CASH DIVIDENDS PER SHARE	\$ 0.25	\$ 0.25	\$ 0.75	\$ 0.75

See Notes to Unaudited Consolidated Financial Statements.

EAGLE MATERIALS INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS (unaudited)

	For the Three Months Ended December 31,		For the Nine Months Ended December 31,	
	2024	2023	2024	2023
	(dollars in thousands)			
Net Earnings	\$ 119,574	\$ 129,138	\$ 396,936	\$ 400,540
Net Actuarial Change in Defined Benefit Plans				
Amortization of Net Actuarial Loss	60	63	180	189
Tax Expense	(15)	(15)	(45)	(45)
Comprehensive Earnings	\$ 119,619	\$ 129,186	\$ 397,071	\$ 400,684

See Notes to Unaudited Consolidated Financial Statements.

EAGLE MATERIALS INC. AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS (unaudited)

	December 31, 2024	March 31, 2024
	(dollars in thousands)	
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 31,173	\$ 34,925
Accounts and Notes Receivable, net	182,379	202,985
Inventories	392,266	373,923
Income Tax Receivable	1,743	9,910
Prepaid and Other Assets	10,901	5,950
Total Current Assets	<u>618,462</u>	<u>627,693</u>
Property, Plant, and Equipment, net	1,736,159	1,676,217
Investment in Joint Venture	135,672	113,478
Operating Lease Right-of-Use Assets	34,227	19,373
Goodwill and Intangible Assets, net	487,388	486,117
Other Assets	31,762	24,141
Total Assets	<u>\$ 3,043,670</u>	<u>\$ 2,947,019</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts Payable	\$ 118,718	\$ 127,183
Accrued Liabilities	86,999	94,327
Income Tax Payable	3,090	—
Operating Lease Liabilities	5,074	7,899
Current Portion of Long-Term Debt	10,000	10,000
Total Current Liabilities	<u>223,881</u>	<u>239,409</u>
Long-Term Debt	991,749	1,083,299
Noncurrent Operating Lease Liabilities	34,951	19,037
Other Long-Term Liabilities	50,696	51,942
Deferred Income Taxes	246,254	244,797
Total Liabilities	<u>1,547,531</u>	<u>1,638,484</u>
Stockholders' Equity		
Preferred Stock, Par Value \$0.01; Authorized 5,000,000 Shares; None Issued	—	—
Common Stock, Par Value \$0.01; Authorized 100,000,000 Shares; Issued and Outstanding 33,391,155 and 34,143,945 Shares, respectively	334	341
Capital in Excess of Par Value	—	—
Accumulated Other Comprehensive Losses	(3,238)	(3,373)
Retained Earnings	1,499,043	1,311,567
Total Stockholders' Equity	<u>1,496,139</u>	<u>1,308,535</u>
Total Liabilities and Stockholders' Equity	<u>\$ 3,043,670</u>	<u>\$ 2,947,019</u>

See Notes to Unaudited Consolidated Financial Statements.

EAGLE MATERIALS INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)

	For the Nine Months Ended December 31,	
	2024	2023
	(dollars in thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Earnings	\$ 396,936	\$ 400,540
Adjustments to Reconcile Net Earnings to Net Cash Provided by Operating Activities, Net of Effect of Non-Cash Activity		
Depreciation, Depletion, and Amortization	116,661	111,347
Deferred Income Tax Provision	1,457	9,324
Stock Compensation Expense	14,221	15,356
Equity in Earnings of Unconsolidated Joint Venture	(21,979)	(22,790)
Distributions from Joint Venture	—	7,000
Changes in Operating Assets and Liabilities		
Accounts and Notes Receivable	20,606	9,452
Inventories	(17,277)	(27,137)
Accounts Payable and Accrued Liabilities	(15,175)	3,278
Other Assets	(18,041)	(19,428)
Income Taxes Payable (Receivable)	8,371	13,607
Net Cash Provided by Operating Activities	<u>485,780</u>	<u>500,549</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to Property, Plant, and Equipment	(146,975)	(87,848)
Acquisition Spending	(24,881)	(55,053)
Net Cash Used in Investing Activities	<u>(171,856)</u>	<u>(142,901)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings Under Revolving Credit Facility	100,000	222,000
Repayment of Borrowings Under Revolving Credit Facility	(185,000)	(272,000)
Repayment of Term Loan	(7,500)	(7,500)
Dividends Paid to Stockholders	(25,373)	(26,692)
Purchase and Retirement of Common Stock	(201,276)	(248,852)
Payment of Excise Tax on Purchases and Retirements of Common Stock	(3,331)	—
Proceeds from Stock Option Exercises	6,260	11,560
Shares Redeemed to Settle Employee Taxes on Stock Compensation	(1,456)	(2,494)
Net Cash Used in Financing Activities	<u>(317,676)</u>	<u>(323,978)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>(3,752)</u>	<u>33,670</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>34,925</u>	<u>15,242</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>\$ 31,173</u>	<u>\$ 48,912</u>

See Notes to Unaudited Consolidated Financial Statements.

EAGLE MATERIALS INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (unaudited)

	Common Stock	Capital in Excess of Par Value	Retained Earnings <small>(dollars in thousands)</small>	Accumulated Other Comprehensive Losses	Total
Balance at March 31, 2023	\$ 358	\$ —	\$ 1,188,883	\$ (3,547)	\$ 1,185,694
Net Earnings	—	—	120,849	—	120,849
Stock Compensation Expense	—	6,457	—	—	6,457
Stock Option Exercises and Restricted Share Issuances	2	10,383	—	—	10,385
Shares Redeemed to Settle Employee Taxes	(1)	(1,359)	—	—	(1,360)
Purchase and Retirement of Common Stock	(5)	(15,481)	(59,313)	—	(74,799)
Dividends to Shareholders	—	—	(8,863)	—	(8,863)
Unfunded Pension Liability, net of tax	—	—	—	48	48
Balance at June 30, 2023	\$ 354	\$ —	\$ 1,241,556	\$ (3,499)	\$ 1,238,411
Net Earnings	—	—	150,553	—	150,553
Stock Compensation Expense	—	4,542	—	—	4,542
Stock Option Exercise and Restricted Share Issuances	—	1,084	—	—	1,084
Shares Redeemed to Settle Employee Taxes	—	(1,134)	—	—	(1,134)
Purchase and Retirement of Common Stock	(4)	(4,492)	(73,541)	—	(78,037)
Dividends to Shareholders	—	—	(8,833)	—	(8,833)
Unfunded Pension Liability, net of tax	—	—	—	48	48
Balance at September 30, 2023	\$ 350	\$ —	\$ 1,309,735	\$ (3,451)	\$ 1,306,634
Net Earnings	—	—	129,138	—	129,138
Stock Compensation Expense	—	4,357	—	—	4,357
Stock Option Exercise and Restricted Share Issuances	—	91	—	—	91
Purchase and Retirement of Common Stock	(5)	(4,448)	(94,051)	—	(98,504)
Dividends to Shareholders	—	—	(8,603)	—	(8,603)
Unfunded Pension Liability, net of tax	—	—	—	48	48
Balance at December 31, 2023	\$ 345	\$ —	\$ 1,336,219	\$ (3,403)	\$ 1,333,161

	Common Stock	Capital in Excess of Par Value	Retained Earnings <small>(dollars in thousands)</small>	Accumulated Other Comprehensive Losses	Total
Balance at March 31, 2024	\$ 341	\$ —	\$ 1,311,567	\$ (3,373)	\$ 1,308,535
Net Earnings	—	—	133,842	—	133,842
Stock Compensation Expense	—	4,539	—	—	4,539
Stock Option Exercises and Restricted Share Issuances	—	56	—	—	56
Shares Redeemed to Settle Employee Taxes	—	(1,421)	—	—	(1,421)
Purchase and Retirement of Common Stock	(3)	(3,174)	(83,168)	—	(86,345)
Dividends to Shareholders	—	—	(8,453)	—	(8,453)
Unfunded Pension Liability, net of tax	—	—	—	45	45
Balance at June 30, 2024	\$ 338	\$ —	\$ 1,353,788	\$ (3,328)	\$ 1,350,798
Net Earnings	—	—	143,520	—	143,520
Stock Compensation Expense	—	4,864	—	—	4,864
Stock Option Exercise and Restricted Share Issuances	—	2,149	—	—	2,149
Shares Redeemed to Settle Employee Taxes	—	(35)	—	—	(35)
Purchase and Retirement of Common Stock	(3)	(6,978)	(54,312)	—	(61,293)
Dividends to Shareholders	—	—	(8,399)	—	(8,399)
Unfunded Pension Liability, net of tax	—	—	—	45	45
Balance at September 30, 2024	\$ 335	\$ —	\$ 1,434,597	\$ (3,283)	\$ 1,431,649
Net Earnings	—	—	119,574	—	119,574
Stock Compensation Expense	—	4,818	—	—	4,818
Stock Option Exercise and Restricted Share Issuances	1	4,054	—	—	4,055
Purchase and Retirement of Common Stock	(2)	(8,872)	(46,777)	—	(55,651)
Dividends to Shareholders	—	—	(8,351)	—	(8,351)
Unfunded Pension Liability, net of tax	—	—	—	45	45
Balance at December 31, 2024	\$ 334	\$ —	\$ 1,499,043	\$ (3,238)	\$ 1,496,139

See Notes to Unaudited Consolidated Financial Statements.

Eagle Materials Inc. and Subsidiaries

Notes to Consolidated Financial Statements

(A) BASIS OF PRESENTATION

The accompanying Unaudited Consolidated Financial Statements as of and for the three and nine months ended December 31, 2024, include the accounts of Eagle Materials Inc. and its majority-owned subsidiaries (collectively, the Company, us, or we) and have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. These Unaudited Consolidated Financial Statements should be read in conjunction with the Audited Consolidated Financial Statements and the notes thereto included in our Annual Report on Form 10-K filed with the Securities and Exchange Commission on May 22, 2024.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, and we believe that the disclosures are adequate to make the information presented not misleading. In our opinion, all adjustments (consisting solely of normal recurring adjustments) necessary to present fairly the information in the following Unaudited Consolidated Financial Statements of the Company have been included. The results of operations for interim periods are not necessarily indicative of the results for the full year.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Recent Accounting Pronouncements

PENDING ADOPTION

In November 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures (ASU 2023-07), which is intended to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. ASU 2023-07 will become effective for public companies during annual reporting periods beginning after December 15, 2023, and interim reporting periods beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating the impact of adopting this guidance on its Consolidated Financial Statements.

In December 2023, the FASB issued Accounting Standards Update No. 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures (ASU 2023-09), which focuses on the rate reconciliation and income taxes paid. ASU 2023-09 requires public entities to disclose, on an annual basis, a tabular rate reconciliation using both percentages and currency amounts organized by specified categories with certain reconciling items that exceed a specified threshold broken out by nature and jurisdiction. Additionally, all entities are required to disclose income taxes paid, net of refunds received, disaggregated by federal, state, and local jurisdiction, if the amount is at least 5% of the total income tax payments, net of refunds received, by individual jurisdiction. ASU 2023-09 is effective prospectively for annual periods beginning after December 15, 2024. Early adoption and retrospective application are permitted. ASU 2023-09 will not have any impact on the Company's results of operations, cash flows, and financial condition.

(B) SUPPLEMENTAL CASH FLOW INFORMATION

Supplemental cash flow information is as follows:

	For the Nine Months Ended December 31,	
	2024	2023
	(dollars in thousands)	
Cash Payments		
Interest	\$ 37,223	\$ 38,797
Income Taxes	110,683	92,718
Operating Cash Flows Used for Operating Leases	6,802	7,016
Non-Cash Financing Activities		
Excise Tax on Share Repurchases	\$ 2,013	\$ 3,227
Right-of-Use Assets Acquired for Capitalized Operating Leases	19,588	6,018

(C) ACQUISITION

On August 9, 2024, we purchased the assets of an aggregates operation in Battletown, Kentucky (the Kentucky Acquisition), which was accounted for under the acquisition method. The purchase price of the Kentucky Acquisition was approximately \$24.9 million. The purchase price allocation has not yet been finalized. The purchase price was funded through borrowings under our Revolving Credit Facility. Operations related to the Kentucky Acquisition are included in the Concrete and Aggregates business in our segment reporting from August 9, 2024, through December 31, 2024.

The following table summarizes the preliminary allocation of the purchase price to the fair value of assets acquired and liabilities assumed (based on Level 3 inputs) as of December 31, 2024:

	Estimated Fair Value
Inventory	\$ 1,067
Property, Plant, and Equipment	16,815
Lease Right-of-Use Assets	757
Intangible Assets	1,309
Accrued Liabilities	(71)
Lease Obligations	(757)
Goodwill	5,761
Total Estimated Purchase Price	\$ 24,881

The estimated useful lives assigned to Property, Plant, and Equipment range from 5 to 30 years, while the estimated useful lives assigned to Intangible Assets are approximately 15 years. All goodwill generated from the Kentucky Acquisition is deductible for income tax purposes.

The following table presents the Revenue and Operating Loss related to the Kentucky Acquisition that has been included in our Consolidated Statement of Earnings from August 9, 2024, through December 31, 2024.

	For the Three Months Ended		For the Nine Months Ended	
	December 31, 2024			
	(dollars in thousands)			
Revenue	\$	3,086	\$	4,821
Operating Loss	\$	(296)	\$	(642)

Operating Loss for the three and nine months ended December 31, 2024, was affected by approximately \$0.6 million and \$1.0 million, respectively, related to depreciation and amortization. Operating Loss for the nine months ended December 31, 2024, was affected by approximately \$0.7 million related to the recording of acquired inventories at fair value.

Subsequent Acquisition

On January 7, 2025, we purchased Bullsken Stone & Lime, LLC, a pure-play aggregates business located in Western Pennsylvania (the Pennsylvania Acquisition), which will be accounted for under the acquisition method. The purchase price of the Pennsylvania Acquisition was approximately \$152.5 million, subject to customary post-closing adjustments. The purchase price was funded through borrowings under our Revolving Credit Facility. Operations related to the Pennsylvania Acquisition will be included in the Concrete and Aggregates business in our segment reporting.

(D) REVENUE

We earn Revenue primarily from the sale of products, which include cement, concrete, aggregates, gypsum wallboard, and recycled paperboard. The vast majority of Revenue from the sale of concrete, aggregates, and gypsum wallboard is originated by purchase orders from our customers, who are mostly third-party contractors and suppliers. Revenue from the sale of cement is recognized at the point-of-sale to customers under sales orders. Revenue from our Recycled Paperboard segment is generated mainly through long-term supply agreements. These agreements do not have a stated maturity date, but may be terminated by either party with a two- to three-year notice period. We invoice customers upon shipment, and our collection terms range from 30 to 75 days. Revenue from the sale of cement, concrete, aggregates, and gypsum wallboard not related to long-term supply agreements is recognized upon shipment of the related products to customers, which is when title and ownership are transferred, and the customer is obligated to pay.

Revenue from sales under our long-term supply agreements is also recognized upon transfer of control to the customer, which generally occurs at the time the product is shipped from the production facility or terminal location. Our long-term supply agreements with customers define, among other commitments, the volume of product that we must provide and the volume that the customer must purchase by the end of the defined periods. Pricing structures under our agreements are generally market-based, but are subject to certain contractual adjustments. Shortfall amounts, if applicable under these arrangements, are constrained and not recognized as Revenue until an agreement is reached with the customer and, therefore, are not subject to the risk of reversal.

The Company offers certain of its customers, including those with long-term supply agreements, rebates and incentives, which we treat as variable consideration. We adjust the amount of Revenue recognized for the variable consideration using the most likely amount method based on past history and projected volumes in the rebate and incentive period. Any amounts billed to customers for taxes are excluded from Revenue.

The Company has elected to treat freight and delivery charges we pay for the delivery of goods to our customers as a fulfillment activity rather than a separate performance obligation. When we arrange for a third party to deliver products to customers, fees for shipping and handling billed to the customer are recorded as Revenue, while costs we incur for shipping and handling are recorded as expenses and included in Cost of Goods Sold.

Other Non-Operating Income includes lease and rental income, asset sale income, non-inventoried aggregates sales income, distribution center income, and trucking income, as well as other miscellaneous revenue items and costs that have not been allocated to a business segment.

See Footnote (N) to the Unaudited Consolidated Financial Statements for disaggregation of revenue by segment.

(E) ACCOUNTS AND NOTES RECEIVABLE

Accounts Receivable are shown net of the allowance for credit losses totaling \$6.6 million and \$6.7 million at December 31, 2024, and March 31, 2024, respectively. We perform ongoing credit evaluations of our customers' financial condition and generally require no collateral from our customers. The allowance for credit losses is based on detailed analysis of economic trends in the construction industry, the expected collectability of past-due

accounts receivable, and the expected collectability of overall receivables. We have no significant credit risk concentration among our diversified customer base.

(F) INVENTORIES

Inventories are stated at the lower of average cost (including applicable material, labor, depreciation, and plant overhead) or net realizable value. Raw Materials and Materials-in-Progress include clinker, which is an intermediary product before it is ground into cement powder. Quantities of Raw Materials and Materials-in-Progress, Aggregates, and Coal inventories, are based on measured volumes, subject to estimation based on the size and location of the inventory piles, and are converted to tonnage using standard inventory density factors. Inventories consist of the following:

	December 31, 2024	March 31, 2024
	(dollars in thousands)	
Raw Materials and Materials-in-Progress	\$ 140,568	\$ 122,772
Finished Cement	65,839	71,396
Aggregates	16,676	12,149
Gypsum Wallboard	6,747	5,242
Recycled Paperboard	9,401	14,278
Repair Parts and Supplies	128,584	127,511
Fuel and Coal	24,451	20,575
	\$ 392,266	\$ 373,923

(G) ACCRUED EXPENSES

Accrued Expenses consist of the following:

	December 31, 2024	March 31, 2024
	(dollars in thousands)	
Payroll and Incentive Compensation	\$ 34,500	\$ 34,274
Benefits	17,374	17,507
Dividends	8,559	6,374
Interest	1,348	8,729
Property Taxes	4,902	5,921
Power and Fuel	3,359	2,993
Freight	4,004	2,893
Excise Tax	2,851	4,170
Legal and Professional	2,150	2,602
Sales and Use Tax	1,300	1,372
Other	6,652	7,492
	\$ 86,999	\$ 94,327

(H) LEASES

We lease certain real estate, buildings, and equipment, including railcars and barges. Certain of these leases contain escalations of rent over the term of the lease, as well as options for us to extend the term of the lease at the end of the original term. These extensions range from periods of 1 to 20 years. Our lease agreements do not contain material residual value guarantees or material restrictive covenants. In calculating the present value of future minimum lease payments, we use the rate implicit in the lease if it can be determined. Otherwise, we use our incremental borrowing rate in effect at the commencement of the lease to determine the present value of the future minimum lease payments. Additionally, we lease certain equipment under short-term leases with initial terms of less than 12 months, which are not recorded on the balance sheet. During December 2024 we extended the term of the lease of our corporate office from May 2029 to January 2036.

Lease expense for our operating and short-term leases is as follows:

	For the Three Months Ended December 31,		For the Nine Months Ended December 31,	
	2024	2023	2024	2023
	(dollars in thousands)			
Operating Lease Cost	\$ 1,982	\$ 1,921	\$ 5,933	\$ 6,148
Short-Term Lease Cost	317	187	962	601
Total Lease Cost	\$ 2,299	\$ 2,108	\$ 6,895	\$ 6,749

The Right-of-Use Assets and Lease Liabilities are reflected on our Balance Sheet as follows:

	December 31,	March 31,
	2024	2024
	(dollars in thousands)	
Operating Leases		
Operating Lease Right-of-Use Assets	\$ 34,227	\$ 19,373
Current Operating Lease Liabilities	\$ 5,074	\$ 7,899
Noncurrent Operating Lease Liabilities	34,951	19,037
Total Operating Lease Liabilities	\$ 40,025	\$ 26,936

Future payments for operating leases are as follows (dollars in thousands):

Fiscal Year	Amount
2025 (remaining three months)	\$ 1,893
2026	4,959
2027	4,183
2028	3,495
2029	3,530
Thereafter	34,094
Total Lease Payments	\$ 52,154
Less: Imputed Interest	(12,129)
Present Value of Lease Liabilities	\$ 40,025
Weighted-Average Remaining Lease Term (in years)	11.2
Weighted-Average Discount Rate	3.30 %

(I) SHARE-BASED EMPLOYEE COMPENSATION

On August 3, 2023, our stockholders approved the Eagle Materials Inc. 2023 Equity Incentive Plan (the Plan), which reserves 1,425,000 shares for future grants of stock awards. Under the terms of the 2023 Plan, we can issue equity awards, including stock options, restricted stock units, restricted stock, and stock appreciation rights to employees of the Company, members of the Board of Directors and consultants, independent contractors, and agents of the Company. The Compensation Committee of our Board of Directors (Compensation Committee) specifies grant terms for awards under the Plan.

Fiscal 2025 Equity Awards

In May 2024, the Compensation Committee awarded to certain officers and key employees an aggregate of 29,391 performance stock units and 1,963 performance stock options, as compensation for achievement of the target level of performance (collectively, the Performance Stock Awards). For the Performance Stock Awards to be earned, the Company must achieve performance vesting criteria as modified based on the Company's average absolute total stockholder return during the performance period. The performance vesting criteria are based on certain levels of average annual return on equity (as defined in the Performance Stock Award Agreements) ranging from 10.0% to 20.0% measured at the end of fiscal 2027 (three-year performance period) as modified by total stockholder return. Performance outcomes (taking into account both criteria) will result in a threshold vesting percentage of 50% of target, and maximum performance will result in a vesting percentage of

200% of target. If the threshold vesting percentage is not achieved, none of the Performance Stock Awards will be earned.

Our Performance Stock Awards are evaluated on a quarterly basis with adjustments to compensation expense based on the likelihood of the performance targets being achieved or exceeded. The maximum expense for our outstanding Performance Stock Awards is approximately \$11.7 million. Any forfeitures are recognized as a reduction to expense in the period in which they occur.

The fair value of the above Performance Stock Awards was determined using a Monte Carlo simulation. The following are key inputs in the Monte Carlo analysis for the Fiscal 2025 Employee Performance Stock Award.

Measurement Period (in years)	2.85
Risk-Free Interest Rate	4.7 %
Dividend Yield	0.4 %
Volatility	31.4 %
Estimated Fair Value of Market-Based PSAs at Grant Date	\$ 238.27

In addition to the Performance Stock Awards discussed above, the Compensation Committee approved the granting to certain officers and key employees an aggregate of 1,963 time-vesting stock options, which vest ratably over three years (the Fiscal 2025 Employee Time-Vesting Stock Option Grant) and 30,272 shares of time-vesting restricted stock units, which vest ratably over three years (the Fiscal 2025 Employee Restricted Stock Unit Time-Vesting Award). The Fiscal 2025 Employee Restricted Stock Unit Time-Vesting Award was valued at the closing price of the stock on the grant date and is being expensed over a three-year period. The Fiscal 2025 Employee Time-Vesting Stock Option Grant was valued at its grant date using the Black-Scholes option pricing model, which used similar inputs as the Monte Carlo analysis shown above.

In August 2024, the Compensation Committee granted 1,550 options to members of the Board of Directors (the Fiscal 2025 Board of Directors Stock Option Award). Options granted under the Fiscal 2025 Board of Directors Stock Option Award vest one year after the grant date and can be exercised from the date of vesting until their expiration on the tenth anniversary of the grant date.

The Fiscal 2025 Board of Directors Stock Option Award was valued at its grant date using the Black-Scholes option pricing model and is being expensed over a one-year period. The weighted-average assumptions used in the Black-Scholes model to value the Fiscal 2025 Board of Directors Stock Option Award are as follows:

Dividend Yield	0.5 %
Expected Volatility	38.8 %
Risk-Free Interest Rate	4.4 %
Expected Life	6.0 years

In August 2024, the Compensation Committee granted 7,078 shares of time-vesting restricted stock to members of the Board of Directors (the Fiscal 2025 Board of Directors Restricted Stock Award). Restricted stock granted under the Fiscal 2025 Board of Directors Restricted Stock Award vest one year after the grant date and were valued at the closing price of the stock on the grant date. The value of the Fiscal 2025 Board of Directors Restricted Stock Award is being expensed over a one-year period.

In addition to the awards described above, we may issue equity awards, including stock options, restricted stock, and restricted stock units, to certain employees from time to time. Any options issued are valued using the Black-Scholes options pricing model on the grant date and expensed over the vesting period, while restricted stock and restricted stock units are valued using the closing price on the date of grant and expensed over the vesting period.

Long-Term Compensation Plans

STOCK OPTIONS

Stock option expense for all outstanding stock option awards totaled approximately \$0.3 million and \$0.9 million for the three and nine months ended December 31, 2024, respectively, and \$0.5 million and \$1.5 million for the three and nine months ended December 31, 2023, respectively. At December 31, 2024, there was approximately \$1.4 million of unrecognized compensation expense related to outstanding stock options, which is expected to be recognized over a weighted-average period of 1.3 years.

The following table represents stock option activity for the nine months ended December 31, 2024:

	Number of Shares	Weighted-Average Exercise Price
Outstanding Options at March 31, 2024	252,364	\$ 91.28
Granted	5,476	\$ 244.92
Exercised	(71,353)	\$ 90.04
Cancelled	(1,054)	\$ 125.97
Outstanding Options at December 31, 2024	185,433	\$ 95.78
Options Exercisable at December 31, 2024	148,214	
Weighted-Average Fair Value of Options Granted During the Year	\$ 104.45	

The following table summarizes information about stock options outstanding at December 31, 2024:

Range of Exercise Prices	Options Outstanding			Options Exercisable	
	Number of Shares Outstanding	Weighted-Average Remaining Contractual Life (in years)	Weighted-Average Exercise Price	Number of Shares Outstanding	Weighted-Average Exercise Price
\$59.32 - \$81.28	88,060	4.78	\$ 63.01	88,060	\$ 63.01
\$91.21 - \$100.88	34,052	3.60	\$ 95.12	32,194	\$ 94.99
\$118.27 - \$139.25	48,931	7.36	\$ 126.59	22,043	\$ 126.41
\$143.09 - \$261.76	14,390	8.38	\$ 193.10	5,917	\$ 158.49
	185,433	5.52	\$ 95.78	148,214	\$ 83.19

At December 31, 2024, the aggregate intrinsic value of the outstanding and exercisable options was approximately \$28.0 million and \$24.2 million, respectively. The total intrinsic value of options exercised during the nine months ended December 31, 2024, was approximately \$14.5 million.

RESTRICTED STOCK UNITS AND RESTRICTED STOCK

The following table summarizes the activity for restricted stock units and nonvested restricted stock during the nine months ended December 31, 2024:

	Number of Shares	Weighted-Average Grant Date Fair Value
Restricted Stock Units and Nonvested Restricted Stock at March 31, 2024	204,946	\$ 121.12
Granted	66,741	\$ 240.61
Vested	(26,194)	\$ 183.42
Forfeited	—	\$ —
Restricted Stock Units and Nonvested Restricted Stock at December 31, 2024	245,493	\$ 156.30

Expense related to restricted stock units and restricted stock was approximately \$4.5 million and \$13.3 million for the three and nine months ended December 31, 2024, respectively, and \$4.0 million and \$13.8 million for the

three and nine months ended December 31, 2023, respectively. At December 31, 2024, there was approximately \$23.7 million of unearned compensation from restricted stock units and restricted stock, which will be recognized over a weighted-average period of 1.5 years.

The number of shares available for future grants of stock options, restricted stock units, stock appreciation rights, and restricted stock under the Plan was 1,343,966 at December 31, 2024.

(J) COMPUTATION OF EARNINGS PER SHARE

The calculation of basic and diluted common shares outstanding is as follows:

	For the Three Months Ended December 31,		For the Nine Months Ended December 31,	
	2024	2023	2024	2023
Weighted-Average Shares of Common Stock Outstanding	33,317,168	34,466,141	33,493,382	34,931,378
Effect of Dilutive Shares				
Assumed Exercise of Outstanding Dilutive Options	203,978	305,842	231,459	312,723
Less Shares Repurchased from Proceeds of Assumed Exercised Options	(67,763)	(169,413)	(86,173)	(170,910)
Restricted Stock and Restricted Stock Units	155,155	147,151	132,992	128,467
Weighted-Average Common Stock and Dilutive Securities Outstanding	33,608,538	34,749,721	33,771,660	35,201,658
Shares Excluded Due to Anti-Dilution Effects	5,476	5,558	4,047	22,145

(K) PENSION AND EMPLOYEE BENEFIT PLANS

We sponsor several single-employer defined benefit plans and defined contribution plans, which together cover substantially all our employees. Benefits paid under the single-employer defined benefit plans covering certain hourly employees were historically based on years of service and the employee's qualifying compensation over the last few years of employment. Over the last several years, these plans have been frozen to new participants and new benefits, with the last plan becoming frozen during fiscal 2020. Our defined benefit plans are all fully funded, with plan assets exceeding the benefit obligation at March 31, 2024. Due to the frozen status and current funding of the single-employer pension plans, our expected pension expense for fiscal 2025 is less than \$0.2 million.

(L) INCOME TAXES

Income Taxes for the interim periods presented have been included in the accompanying financial statements on the basis of an estimated annual effective tax rate. In addition to the amount of tax resulting from applying the estimated annual effective tax rate to pre-tax income, we will include, when appropriate, certain items treated as discrete events to arrive at an estimated overall tax amount. The effective tax rate for the nine months ended December 31, 2024, was approximately 22%, which was consistent with the effective tax rate of 22% for the nine months ended December 31, 2023. The effective tax rate was higher than the U.S. Statutory rate of 21% mainly due to state income taxes, partially offset by a benefit recognized related to percentage depletion.

(M) LONG-TERM DEBT

Long-term Debt at December 31, 2024 is as follows:

	December 31, 2024	March 31, 2024
	(dollars in thousands)	
Revolving Credit Facility	\$ 85,000	\$ 170,000
2.500% Senior Unsecured Notes Due 2031	750,000	750,000
Term Loan	175,000	182,500
Total Debt	1,010,000	1,102,500
Less: Current Portion of Long-Term Debt	(10,000)	(10,000)
Less: Unamortized Discounts and Debt Issuance Costs	(8,251)	(9,201)
Long-Term Debt	\$ 991,749	\$ 1,083,299

Revolving Credit Facility

We have an unsecured \$750.0 million revolving credit facility (the Revolving Credit Facility). The Revolving Credit Facility includes a separate \$200.0 million term loan facility (the Term Loan) and also provides the Company the option to increase the borrowing capacity by up to \$375.0 million (for a total borrowing capacity of \$1,125.0 million), provided the existing lenders, or new lenders, agree to such increase. The Revolving Credit Facility includes a \$40.0 million letter of credit facility and a swingline loan sub-facility of \$25.0 million, and expires on May 5, 2027.

The Revolving Credit Facility contains customary covenants for an unsecured investment-grade facility, including covenants that restrict the Company's and/or its subsidiaries' ability to incur additional debt; encumber assets; merge with or transfer or sell assets to other persons; and enter into certain affiliate transactions. The Revolving Credit Facility also requires the Company to maintain at the end of each fiscal quarter a Leverage Ratio of 3.50:1.00 or less and an Interest Coverage Ratio (both ratios, as defined in the Revolving Credit Facility) equal to or greater than 2.50 to 1.00 (collectively, the Financial Covenants).

At the Company's option, outstanding loans under the Revolving Credit Facility bear interest, at a variable rate equal to either (i) the adjusted term SOFR rate (secured overnight financing rate), plus 10 basis points, plus an agreed spread (ranging from 100 to 162.5 basis points, which is established based on the Company's credit rating); (ii) in respect of any Revolving Loans (until such time as the then-existing Benchmark (as defined in the Revolving Credit Facility) is replaced in accordance with the Revolving Credit Facility), the adjusted daily simple SOFR rate, plus 10 basis points, plus an agreed spread (ranging from 100 to 162.5 basis points, which is established based on the Company's credit rating) or (iii) an Alternate Base Rate (as defined in the Revolving Credit Facility), which is the highest of (a) the Prime Rate (as defined in the Revolving Credit Facility) in effect on any applicable day, (b) the NYFRB Rate (as defined in the Revolving Credit Facility) in effect on any applicable day, plus ½ of 1%, and (c) the Adjusted Term SOFR (as defined in the Revolving Credit Facility) for a one month interest period on any applicable day, or if such day is not a business day, the immediately preceding business day, plus 1.0%, in each case plus an agreed upon spread (ranging from 0 to 62.5 basis points), which is established quarterly based on the Company's credit rating. The Company is also required to pay a facility fee on unused available borrowings under the Revolving Credit Facility ranging from 9 to 22.5 basis points, which is established based on the Company's then credit rating.

The Company pays each lender a participation fee with respect to such lender's participations in letters of credit, which fee accrues at the same Applicable Rate (as defined in the Revolving Credit Facility) used to determine the interest rate applicable to Eurodollar Revolving Loans (as defined in the Revolving Credit Facility), plus a fronting fee for each letter of credit issued by the issuing bank in an amount equal to 12.5 basis points per annum on the daily maximum amount then available to be drawn under such letter of credit. The Company also pays each issuing bank such bank's standard fees with respect to issuance, amendment or extensions of letters of credit and other processing fees, and other standard costs and charges relating to such issuing bank's letters of credit from time to time.

There were \$85.0 million of outstanding borrowings under the Revolving Credit Facility, plus \$10.0 million outstanding letters of credit as of December 31, 2024. Subsequent to December 31, 2024, we borrowed approximately \$152.5 million to fund the Pennsylvania Acquisition. After this borrowing, we have \$502.5 million of available borrowings under the Revolving Credit Facility, net of the outstanding letters of credit. We were in compliance with all Financial Covenants on December 31, 2024; therefore, the entire \$502.5 million is available for future borrowings.

Term Loan

On May 5, 2022, we borrowed the \$200.0 million Term Loan under the Revolving Credit Facility, and used these proceeds to, among other things, pay down a portion of the Revolving Credit Facility. The Term Loan requires quarterly principal payments of \$2.5 million, with any unpaid amounts due upon maturity on May 5, 2027. At the Company's option, principal amounts outstanding under the Term Loan bear interest as set forth in the Revolving Credit Facility (but not, for the avoidance of doubt, at a daily simple SOFR rate unless and until such time as the then-existing Benchmark (as defined in the Revolving Credit Facility) is replaced in accordance with the Revolving Credit Facility).

2.500% Senior Unsecured Notes Due 2031

On July 1, 2021, we issued \$750.0 million aggregate principal amount of 2.500% senior notes due July 2031 (the 2.500% Senior Unsecured Notes). The 2.500% Senior Unsecured Notes are senior unsecured obligations of the Company and are not guaranteed by any of our subsidiaries. The 2.500% Senior Unsecured Notes were issued net of original issue discount of \$6.3 million and have an effective interest rate of approximately 2.6%. The original issue discount is being amortized by the effective interest method over the 10-year term of the notes. The 2.500% Senior Unsecured Notes are redeemable prior to April 1, 2031, at a redemption price equal to 100% of the aggregate principal amount of the 2.500% Senior Unsecured Notes being redeemed, plus the present value of remaining scheduled payments of principal and interest from the applicable redemption date to April 1, 2031, discounted to the redemption date on a semi-annual basis at the Treasury rate plus 20 basis points. The 2.500% Senior Unsecured Notes are redeemable on or after April 1, 2031, at a redemption price equal to 100% of the aggregate principal amount of the 2.500% Senior Unsecured Notes being redeemed, plus accrued and unpaid interest to, but excluding, the applicable redemption date. If we experience certain change of control triggering events, we would be required to offer to repurchase the 2.500% Senior Unsecured Notes at a purchase price equal to 101% of the aggregate principal amount of the 2.500% Senior Unsecured Notes being repurchased, plus accrued and unpaid interest to, but excluding, the applicable redemption date. The indenture governing the 2.500% Senior Unsecured Notes contains certain covenants that limit our ability to create or permit to exist certain liens; enter into sale and leaseback transactions; and consolidate, merge, or transfer all or substantially all of our assets, and provides for certain events of default that, if any occurred, would permit or require the principal of and accrued interest on the 2.500% Senior Unsecured Notes to become or be declared due and payable.

(N) SEGMENT INFORMATION

Operating segments are defined as components of an enterprise that engage in business activities that earn revenue, incur expenses, and prepare separate financial information that is evaluated regularly by our chief operating decision maker to allocate resources and assess performance.

Our business is organized into two sectors within which there are four reportable business segments. The Heavy Materials sector includes the Cement and Concrete and Aggregates segments. The Light Materials sector includes the Gypsum Wallboard and Recycled Paperboard segments.

Our primary products are commodities that are essential in commercial and residential construction; public construction projects to build, expand, and repair roads and buildings; and all repair and remodel activities. Demand for our products is generally cyclical and seasonal, depending on economic and geographic conditions. We distribute our products across many United States markets, which provides us with regional economic

diversification. Our operations are conducted in the U.S. and include the mining of limestone for the manufacture, production, distribution, and sale of portland cement (a basic construction material that is the essential binding ingredient in concrete); the grinding and sale of slag; the mining of gypsum for the manufacture and sale of gypsum wallboard; the manufacture and sale of recycled paperboard to the gypsum wallboard industry and other paperboard converters; the sale of readymix concrete; and the mining and sale of aggregates (crushed stone, sand, and gravel).

We operate eight modern cement plants (one of which is operated through our Texas Lehigh joint venture (The Joint Venture)), two slag grinding facilities (one of which is operated through the Joint Venture), and more than 30 cement distribution terminals. Our cement companies focus on the U.S. heartland and operate as an integrated network selling product primarily in California, Colorado, Illinois, Indiana, Iowa, Kansas, Kentucky, Missouri, Nebraska, Nevada, Ohio, Oklahoma, Tennessee, and Texas. We operate 25 readymix concrete batch plants and seven aggregates processing plants in markets that are complementary to our cement network.

We operate five gypsum wallboard plants and a recycled paperboard mill. We distribute gypsum wallboard and recycled paperboard throughout the continental U.S., with the exception of the Northeast.

We account for intersegment sales at market prices. For segment reporting purposes only, we proportionately consolidate our 50% share of the Joint Venture Revenue and Operating Earnings, consistent with the way management reports the segments within the Company for making operating decisions and assessing performance.

The following table sets forth certain financial information relating to our operations by segment. We do not allocate interest or taxes at the segment level; these costs are disclosed at the consolidated company level.

	For the Three Months Ended December 31,		For the Nine Months Ended December 31,	
	2024	2023	2024	2023
	(dollars in thousands)			
Revenue				
Cement	\$ 295,400	\$ 308,654	\$ 987,342	\$ 998,437
Concrete and Aggregates	60,716	61,186	195,511	201,526
Gypsum Wallboard	209,493	200,969	642,294	629,299
Recycled Paperboard	56,158	47,053	161,175	135,397
	<u>621,767</u>	<u>617,862</u>	<u>1,986,322</u>	<u>1,964,659</u>
Less: Intersegment Revenue	(37,316)	(32,346)	(111,428)	(99,356)
Less: Joint Venture Revenue	(26,426)	(26,683)	(84,561)	(82,713)
	<u>\$ 558,025</u>	<u>\$ 558,833</u>	<u>\$ 1,790,333</u>	<u>\$ 1,782,590</u>

	For the Three Months Ended December 31,		For the Nine Months Ended December 31,	
	2024	2023	2024	2023
	(dollars in thousands)			
Intersegment Revenue				
Cement	\$ 9,084	\$ 7,804	\$ 29,748	\$ 27,192
Concrete and Aggregates	4,311	3,414	12,138	10,235
Recycled Paperboard	23,921	21,128	69,542	61,929
	<u>\$ 37,316</u>	<u>\$ 32,346</u>	<u>\$ 111,428</u>	<u>\$ 99,356</u>
Cement Sales Volume (M tons)				
Wholly Owned	1,541	1,663	5,156	5,470
Joint Venture	161	161	517	496
	<u>1,702</u>	<u>1,824</u>	<u>5,673</u>	<u>5,966</u>

	For the Three Months Ended December 31,		For the Nine Months Ended December 31,	
	2024	2023	2024	2023
	(dollars in thousands)		(dollars in thousands)	
Operating Earnings				
Cement	\$ 86,763	\$ 105,566	\$ 291,821	\$ 301,056
Concrete and Aggregates	(1,397)	1,760	588	13,434
Gypsum Wallboard	86,393	75,063	270,510	251,625
Recycled Paperboard	11,041	7,524	27,585	22,316
Sub-Total	182,800	189,913	590,504	588,431
Corporate General and Administrative Expense	(20,818)	(14,201)	(54,346)	(42,456)
Other Non-Operating Income (Loss)	1,381	1,019	4,788	2,837
Earnings Before Interest and Income Taxes	163,363	176,731	540,946	548,812
Interest Expense, net	(9,061)	(10,128)	(30,459)	(32,571)
Earnings Before Income Taxes	\$ 154,302	\$ 166,603	\$ 510,487	\$ 516,241
Cement Operating Earnings				
Wholly Owned	\$ 81,776	\$ 96,281	\$ 269,842	\$ 278,266
Joint Venture	4,987	9,285	21,979	22,790
	\$ 86,763	\$ 105,566	\$ 291,821	\$ 301,056
Capital Expenditures				
Cement	\$ 35,609	\$ 11,571	\$ 102,384	\$ 38,288
Concrete and Aggregates	4,668	1,207	18,795	10,281
Gypsum Wallboard	2,560	7,386	9,925	23,866
Recycled Paperboard	4,309	1,868	12,425	7,733
Corporate and Other	224	403	3,446	7,680
	\$ 47,370	\$ 22,435	\$ 146,975	\$ 87,848
Depreciation, Depletion, and Amortization				
Cement	\$ 23,029	\$ 22,514	\$ 68,853	\$ 66,380
Concrete and Aggregates	5,261	4,857	15,074	14,850
Gypsum Wallboard	6,414	5,611	19,338	16,620
Recycled Paperboard	3,723	3,694	11,082	11,121
Corporate and Other	807	792	2,314	2,376
	\$ 39,234	\$ 37,468	\$ 116,661	\$ 111,347

	December 31,	March 31,
	2024	2024
	(dollars in thousands)	
Identifiable Assets		
Cement	\$ 2,115,736	\$ 2,042,499
Concrete and Aggregates	259,266	225,485
Gypsum Wallboard	409,056	432,122
Recycled Paperboard	168,690	170,832
Other, net	90,922	76,081
	\$ 3,043,670	\$ 2,947,019

Segment Operating Earnings, including the proportionately consolidated 50% interest in the revenue and expenses of the Joint Venture, represent Revenue, less direct operating expenses, segment Depreciation, and segment Selling, General, and Administrative expenses. We account for intersegment sales at market prices. Corporate assets consist mainly of cash and cash equivalents, general office assets, and miscellaneous other assets.

The basis used to disclose Identifiable Assets; Capital Expenditures; and Depreciation, Depletion, and Amortization conforms with the equity method, and is similar to how we disclose these accounts in our Unaudited Consolidated Balance Sheets and Unaudited Consolidated Statements of Earnings.

The segment breakdown of Goodwill is as follows:

	December 31, 2024 (dollars in thousands)		March 31, 2024	
Cement	\$	227,639	\$	227,639
Concrete and Aggregates		46,534		40,774
Gypsum Wallboard		116,618		116,618
Recycled Paperboard		7,538		7,538
	\$	398,329	\$	392,569

The increase in Goodwill in the Concrete and Aggregates segment is related to the Kentucky Acquisition. The purchase price allocation is still in progress, and may affect the recorded balance of Goodwill when completed.

Summarized financial information for the Joint Venture that is not consolidated is set out below. This summarized financial information includes the total amount for the Joint Venture and not our 50% interest in those amounts:

	For the Three Months Ended December 31,		For the Nine Months Ended December 31,	
	2024 (dollars in thousands)	2023	2024 (dollars in thousands)	2023
Revenue	\$ 52,852	\$ 53,366	\$ 153,619	\$ 165,426
Gross Margin	\$ 12,483	\$ 19,465	\$ 45,948	\$ 51,512
Earnings Before Income Taxes	\$ 10,058	\$ 18,711	\$ 41,733	\$ 45,925

	December 31, 2024 (dollars in thousands)		March 31, 2024	
Current Assets	\$	117,957	\$	111,164
Noncurrent Assets		206,037		158,618
Current Liabilities	\$	47,579	\$	27,994

(O) INTEREST EXPENSE

The following components are included in Interest Expense, net:

	For the Three Months Ended December 31,		For the Nine Months Ended December 31,	
	2024 (dollars in thousands)	2023	2024 (dollars in thousands)	2023
Interest Income	\$ (223)	\$ (150)	\$ (963)	\$ (523)
Interest Expense	8,810	9,804	29,998	31,671
Other Expenses	474	474	1,424	1,423
Interest Expense, net	\$ 9,061	\$ 10,128	\$ 30,459	\$ 32,571

Interest Income includes interest earned on investments of excess cash. Components of Interest Expense include interest associated with the Revolving Credit Facility, Term Loan, Senior Unsecured Notes, and commitment fees based on the unused portion of the Revolving Credit Facility. Other Expenses include amortization of debt issuance costs and Revolving Credit Facility costs.

(P) COMMITMENTS AND CONTINGENCIES

We have certain deductible limits under our workers' compensation and liability insurance policies for which reserves are established based on the undiscounted estimated costs of known and anticipated claims. We have entered into standby letter of credit agreements relating to workers' compensation, auto, and general liability self-insurance. At December 31, 2024, we had contingent liabilities under these outstanding letters of credit of approximately \$10.0 million.

In the ordinary course of business, we execute contracts involving indemnifications that are both standard in the industry and specific to a transaction, such as the sale of a business. These indemnifications may include claims relating to any of the following: environmental and tax matters; intellectual property rights; governmental regulations and employment-related matters; customer, supplier, and other commercial contractual relationships; and construction contracts and financial matters. While the maximum amount to which the Company may be exposed under such agreements cannot be estimated, management believes these indemnifications will not have a material adverse effect on our consolidated financial position, results of operations, or cash flows. We currently have no outstanding guarantees.

We are currently contingently liable for performance under \$30.0 million in performance bonds required by certain states and municipalities, and their related agencies. The bonds are principally for certain reclamation obligations and mining permits. We have indemnified the underwriting insurance company against any exposure under the performance bonds. In our experience, no material claims have been made against these financial instruments.

(Q) FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of our long-term debt has been determined using market transactions (level 1 inputs). The fair value of our 2.500% Senior Unsecured Notes at December 31, 2024, was as follows:

		Fair Value (dollars in thousands)
<u>2.500% Senior Unsecured Notes Due 2031</u>	\$	<u>639,000</u>

The carrying values of Cash and Cash Equivalents, Accounts Receivable, Accounts Payable, and Accrued Liabilities approximate their fair values at December 31, 2024, due to the short-term maturities of these assets and liabilities. The fair value of our Revolving Credit Facility and Term Loan also approximates the carrying value at December 31, 2024.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

EXECUTIVE SUMMARY

We are a leading manufacturer of heavy construction materials and light building materials in the United States. Our primary products, portland cement and gypsum wallboard, are commodities that are essential in commercial and residential construction; public construction projects; and projects to build, expand, and repair roads and highways. Demand for our products is generally cyclical and seasonal, depending on economic and geographic conditions. We distribute our products throughout most of the United States, except the Northeast, which provides us with regional economic diversification. However, general economic downturns or localized downturns in the regions where we have operations may have a material adverse effect on our business, financial condition, and results of operations.

Our business is organized into two sectors: Heavy Materials, which includes the Cement and Concrete and Aggregates segments; and Light Materials, which includes the Gypsum Wallboard and Recycled Paperboard segments. Financial results and other information for the three and nine months ended December 31, 2024, and 2023, are presented on a consolidated basis and by these business segments – Cement, Concrete and Aggregates, Gypsum Wallboard, and Recycled Paperboard.

We conduct one of our cement operations through a joint venture, Texas Lehigh Cement Company LP, which is located in Buda, Texas (the Joint Venture). We own a 50% interest in the Joint Venture and account for our interest under the equity method of accounting. We proportionately consolidate our 50% share of the Joint Venture's Revenue and Operating Earnings in the presentation of our Cement segment, which is the way management organizes the segments within the Company for making operating decisions and assessing performance.

All our business activities are conducted in the United States. These activities include the mining of limestone for the manufacture, production, distribution, and sale of portland cement, including portland limestone cement (portland cement and portland limestone cement are basic construction materials that are the essential binding ingredient in concrete); the grinding and sale of slag; the mining of gypsum for the manufacture and sale of gypsum wallboard; the manufacture and sale of recycled paperboard to the gypsum wallboard industry and other paperboard converters; the sale of readymix concrete; and the mining and sale of aggregates (crushed stone, sand, and gravel).

On August 9, 2024, we finalized the acquisition of an aggregates operation in Battletown, Kentucky. The purchase price of the Kentucky Acquisition was approximately \$24.9 million. The Kentucky Acquisition is included in our Heavy Materials sector, and its results of operations are reported in the Concrete and Aggregates business segment. See Footnote (C) in the Unaudited Consolidated Financial Statements for more information regarding the Kentucky Acquisition.

On January 7, 2025, we purchased Bullsken Stone & Lime, LLC, a pure-play aggregates business located in Western Pennsylvania (the Pennsylvania Acquisition), which will be accounted for under the acquisition method. The purchase price of the Pennsylvania Acquisition was approximately \$152.5 million, subject to customary post-closing adjustments. The Pennsylvania Acquisition will be included in our Heavy Materials sector, and its results of operations will be reported in the Concrete and Aggregates business segment beginning in the fourth quarter of fiscal 2025. See Footnote (C) in the Unaudited Consolidated Financial Statements for more information regarding the Pennsylvania Acquisition.

MARKET CONDITIONS AND OUTLOOK

Our end markets remained generally resilient despite adverse weather conditions, primarily in our Midwest and Great Plains markets, as well as the uncertainty around future monetary policy changes. The adverse weather

resulted in lower Cement Sales Volume in the third quarter of fiscal 2025, while Gypsum Wallboard Sales Volume increased during the quarter.

Demand Outlook

The macroeconomic environment continues to be constructive for our products. We expect demand for cement to remain steady in the near term given federal, state and local support for public infrastructure projects and continued spending on heavy manufacturing and private-nonresidential construction. To date, only approximately 25% of federal funding from the trillion-dollar *Infrastructure Investment and Jobs Act* (IIJA) has been spent. We anticipate a pick-up in demand as the remaining IIJA funds get spent on public construction and repair projects.

In residential construction, activity has remained steady. While the higher interest rate environment has been a headwind for housing demand and affordability, several factors, including the chronic housing shortage caused by more than a decade of underproduction and exacerbated by the "rate lock-in", have supported housing construction activity. While the path ahead for US Federal Reserve monetary policy is less certain than a quarter ago, we believe that continued healthy consumer balance sheets should also support residential construction. We believe our geographic footprint across the U.S. heartland and fast-growing Sun Belt region positions us to capitalize on these market dynamics.

Cost Outlook

We believe we are well-positioned to manage our cost structure and meet our customers' needs. Our substantial raw material reserves for our Cement, Aggregates, and Gypsum Wallboard businesses, and their proximity to our respective manufacturing facilities, support our low-cost producer position across all our business segments.

Energy costs decreased in all our businesses during the first nine months of fiscal 2025 compared with fiscal 2024; however, natural gas prices have recently increased and are expected to remain elevated during the winter months.

The primary raw material used to produce paperboard is old corrugated cardboard (OCC). Recycled fiber prices are subject to change upon short notice due to several factors, including supply of OCC and demand for OCC from both domestic and international companies. Our current customer contracts for gypsum liner include price adjustments that partially compensate for changes in the cost of raw materials, such as recycled fiber, natural gas, and electricity. However, because these price adjustments are not realized until future quarters, material costs in our Gypsum Wallboard segment are likely to fluctuate until the effects of these price adjustments are realized.

Maintenance costs increased during the first nine months of the fiscal year as equipment and contractor costs remain high, and we expect maintenance costs to remain elevated next fiscal year.

RESULTS OF OPERATIONS

THREE MONTHS ENDED DECEMBER 31, 2024, COMPARED WITH THREE MONTHS ENDED DECEMBER 31, 2023

	For the Three Months Ended December 31,		Change
	2024	2023	
	(dollars in thousands, except per share)		
Revenue	\$ 558,025	\$ 558,833	—
Cost of Goods Sold	(380,212)	(378,205)	1 %
Gross Profit	177,813	180,628	(2) %
Equity in Earnings of Unconsolidated Joint Venture	4,987	9,285	(46) %
Corporate General and Administrative Expense	(20,818)	(14,201)	47 %
Other Non-Operating Income	1,381	1,019	36 %
Interest Expense, net	(9,061)	(10,128)	(11) %
Earnings Before Income Taxes	154,302	166,603	(7) %
Income Tax Expense	(34,728)	(37,465)	(7) %
Net Earnings	\$ 119,574	\$ 129,138	(7) %
Diluted Earnings per Share	\$ 3.56	\$ 3.72	(4) %

REVENUE

Revenue decreased by \$0.8 million to \$558.0 million for the three months ended December 31, 2024. The Kentucky Acquisition contributed \$3.1 million of Revenue during the three months ended December 31, 2024. Excluding the Kentucky Acquisition, Revenue decreased by \$3.9 million. This decrease was due to lower Sales Volume, which adversely affected Revenue by approximately \$18.1 million, and was partially offset by higher gross sales prices, which increased Revenue by \$14.2 million.

COST OF GOODS SOLD

Cost of Goods Sold increased by \$2.0 million, or 1%, to \$380.2 million for the three months ended December 31, 2024. The Kentucky Acquisition contributed \$3.4 million of Cost of Goods Sold during the three months ended December 31, 2024. Excluding the Kentucky Acquisition, Cost of Goods Sold decreased by \$1.4 million. The decrease was due to lower Sales Volume of \$12.0 million, partially offset by higher operating costs of \$10.6 million. Higher operating costs were primarily related to our Cement and Concrete and Aggregates businesses and are discussed further in the segment analysis.

GROSS PROFIT

Gross Profit decreased 2% to \$177.8 million during the three months ended December 31, 2024. The decrease was primarily related to higher operating costs and lower Sales Volume, partially offset by higher gross sales prices. The gross margin remained consistent at 32%, with higher operating costs being offset by a rise in gross sales prices.

EQUITY IN EARNINGS OF UNCONSOLIDATED JOINT VENTURE

Equity in Earnings of our Unconsolidated Joint Venture decreased \$4.3 million, or 46%, for the three months ended December 31, 2024. The decrease was primarily due to lower gross sales prices and higher operating costs, which reduced earnings by approximately \$0.2 million and \$4.1 million, respectively. The increase in operating costs was primarily due to higher maintenance costs of approximately \$4.5 million.

CORPORATE GENERAL AND ADMINISTRATIVE

Corporate General and Administrative expenses increased by approximately \$6.6 million, or 47%, for the three months ended December 31, 2024, primarily because of increases in information technology, compensation, and professional costs of \$1.9 million, \$1.7 million, and \$1.3 million, respectively. The increase in professional costs includes costs associated with business development and transaction related activities.

OTHER NON-OPERATING INCOME

Other Non-Operating Income consists of a variety of items that are unrelated to segment operations and include non-inventoried Aggregates income, asset sales, and other miscellaneous income and cost items.

INTEREST EXPENSE, NET

Interest Expense, net decreased by approximately \$1.0 million, or 11%, during the three months ended December 31, 2024. The decrease resulted from lower interest on our Revolving Credit Facility, which was due to both lower interest rates and lower average balances outstanding during the period.

EARNINGS BEFORE INCOME TAXES

Earnings Before Income Taxes decreased to \$154.3 million during the three months ended December 31, 2024, primarily because of lower Gross Profit and Equity in Earnings of Unconsolidated Joint Venture and higher Corporate General and Administrative Expense.

INCOME TAX EXPENSE

Income Tax Expense was \$34.7 million for the three months ended December 31, 2024, compared with \$37.5 million for the three months ended December 31, 2023. The effective tax rate was consistent at 23%.

NET EARNINGS

Net Earnings decreased 7% to \$119.6 million for the three months ended December 31, 2024, as discussed above.

RESULTS OF OPERATIONS

NINE MONTHS ENDED DECEMBER 31, 2024, COMPARED WITH NINE MONTHS ENDED DECEMBER 31, 2023

	For the Nine Months Ended December 31,		Change
	2024	2023	
	(dollars in thousands, except per share)		
Revenue	\$ 1,790,333	\$ 1,782,590	—
Cost of Goods Sold	(1,221,808)	(1,216,949)	—
Gross Profit	568,525	565,641	1 %
Equity in Earnings of Unconsolidated Joint Venture	21,979	22,790	(4) %
Corporate General and Administrative Expense	(54,346)	(42,456)	28 %
Other Non-Operating Income	4,788	2,837	69 %
Interest Expense, net	(30,459)	(32,571)	(6) %
Earnings Before Income Taxes	510,487	516,241	(1) %
Income Tax Expense	(113,551)	(115,701)	(2) %
Net Earnings	\$ 396,936	\$ 400,540	(1) %
Diluted Earnings per Share	\$ 11.75	\$ 11.38	3 %

REVENUE

Revenue increased by \$7.7 million to \$1,790.3 million for the nine months ended December 31, 2024. The Kentucky Acquisition contributed \$4.8 million of Revenue during the nine months ended December 31, 2024. Excluding the Kentucky Acquisition, Revenue increased by \$2.9 million. The Revenue increase was due to higher gross sales prices, which positively affected Revenue by \$54.0 million, partially offset by lower Sales Volume, which adversely affected Revenue by approximately \$51.1 million.

COST OF GOODS SOLD

Cost of Goods Sold increased by \$4.9 million to \$1,221.8 million for the nine months ended December 31, 2024. The Kentucky Acquisition contributed \$5.5 million of Cost of Goods Sold during the nine months ended December 31, 2024. Excluding the Kentucky Acquisition, Cost of Goods Sold decreased by \$0.6 million. The decrease was due to lower Sales Volume of \$37.4 million, partially offset by higher operating costs of \$36.8 million. Higher operating costs were primarily related to our Cement and Concrete and Aggregates businesses and are discussed further in the segment analysis.

GROSS PROFIT

Gross Profit increased 1% to \$568.5 million during the nine months ended December 31, 2024. The increase was primarily related to higher gross sales prices, partially offset by lower Sales Volume and increased operating costs. The gross margin remained consistent at 32%, with higher gross sales prices being offset by a rise in operating costs.

EQUITY IN EARNINGS OF UNCONSOLIDATED JOINT VENTURE

Equity in Earnings of our Unconsolidated Joint Venture decreased \$0.8 million, or 4%, for the nine months ended December 31, 2024. The decrease was primarily due to lower gross sales prices and Sales Volume, which negatively affected earnings by \$1.5 million and \$1.2 million, respectively. This was partially offset by lower operating costs, which positively affected earnings by approximately \$1.9 million. The decrease in operating costs was primarily related to freight and distribution costs of approximately \$2.1 million.

CORPORATE GENERAL AND ADMINISTRATIVE

Corporate General and Administrative expenses increased by approximately \$11.8 million, or 28%, for the nine months ended December 31, 2024. The increase was primarily due to higher compensation of \$2.6 million, information technology upgrades of \$2.4 million, and legal costs, including those associated with business development and transaction related activities of \$4.5 million.

OTHER NON-OPERATING INCOME

Other Non-Operating Income consists of a variety of items that are unrelated to segment operations and include non-inventoried Aggregates income, asset sales, and other miscellaneous income and cost items.

INTEREST EXPENSE, NET

Interest Expense, net decreased by approximately \$2.1 million, or 6%, during the nine months ended December 31, 2024. This decrease was primarily due to approximately \$1.6 million of lower interest on our Revolving Credit Facility, which was related to both lower interest rates and lower average outstanding borrowings, as well as increased interest income of \$0.5 million on cash deposits.

EARNINGS BEFORE INCOME TAXES

Earnings Before Income Taxes decreased to \$510.5 million during the nine months ended December 31, 2024, primarily because of higher Corporate General and Administrative Expense and lower Equity in Earnings of Unconsolidated Joint Venture, partially offset by higher Gross Profit and lower Interest Expense, net.

INCOME TAX EXPENSE

Income Tax Expense was \$113.6 million for the nine months ended December 31, 2024, compared with \$115.7 million for the nine months ended December 31, 2023. The effective tax rate of 22% remained consistent with the prior-year period.

NET EARNINGS

Net Earnings decreased 1% to \$396.9 million for the nine months ended December 31, 2024, as discussed above.

THREE AND NINE MONTHS ENDED DECEMBER 31, 2024, COMPARED WITH THREE AND NINE MONTHS ENDED DECEMBER 31, 2023, BY SEGMENT

The following presents results within our two business sectors for the three and nine months ended December 31, 2024, and 2023. Revenue and operating results are organized by sector and discussed by individual business segments.

Heavy Materials

CEMENT ⁽¹⁾

	For the Three Months Ended December 31,			Percentage Change	For the Nine Months Ended December 31,			Percentage Change
	2024 (in thousands, except per ton information)	2023			2024 (in thousands, except per ton information)	2023		
Revenue, including Intersegment and Joint Venture	\$ 295,400	\$ 308,654	(4)%	\$ 987,342	\$ 998,437	(1)%		
Less Intersegment Revenue	(9,084)	(7,804)	16%	(29,748)	(27,192)	9%		
Less Joint Venture Revenue	(26,426)	(26,683)	(1)%	(84,561)	(82,713)	2%		
Revenue	\$ 259,890	\$ 274,167	(5)%	\$ 873,033	\$ 888,532	(2)%		
Sales Volume (M Tons)	1,702	1,824	(7)%	5,673	5,966	(5)%		
Freight and Delivery Costs billed to Customers	\$ (16,572)	\$ (16,944)	(2)%	\$ (57,561)	\$ (52,344)	10%		
Average Net Sales Price, per ton ⁽²⁾	\$ 156.82	\$ 151.32	4%	\$ 156.46	\$ 150.20	4%		
Operating Margin, per ton	\$ 50.98	\$ 57.88	(12)%	\$ 51.44	\$ 50.46	2%		
Operating Earnings	\$ 86,763	\$ 105,566	(18)%	\$ 291,821	\$ 301,056	(3)%		

(1) Total of wholly owned subsidiaries and proportionately consolidated 50% interest of the Joint Venture's results.

(2) Net of freight per ton, including Joint Venture.

Three months ended December 31, 2024

Cement Revenue for the three months ended December 31, 2024 was \$295.4 million, a 4% decrease from the prior-year period. The decrease was primarily due to lower Sales Volume, which reduced Cement Revenue by approximately \$18.8 million, partially offset by higher gross sales prices of \$5.6 million.

Cement Operating Earnings decreased by \$18.8 million to \$86.8 million for the three months ended December 31, 2024. The decrease was due to lower Sales Volume and higher operating costs of \$7.1 million and \$17.3 million, respectively, partially offset by higher average sales prices of \$5.6 million. Higher operating costs were primarily due to increased maintenance of \$7.8 million, as well as \$8.1 million related to increased fixed costs per unit, including labor, resulting from lower production during the quarter. The Operating Margin decreased to 33% from 39%, as a result of higher operating costs, partially offset by the higher gross sales prices.

Nine months ended December 31, 2024

Cement Revenue for the nine months ended December 31, 2024 was \$987.3 million, a 1% decrease from the prior-year period. The decrease was primarily due to lower Sales Volume, which reduced Cement Revenue by approximately \$45.0 million, partially offset by higher gross sales prices of \$33.9 million.

Cement Operating Earnings decreased by \$9.3 million to \$291.8 million for the nine months ended December 31, 2024. The decrease was due to lower Sales Volume and higher operating costs of \$15.0 million and \$28.2 million, respectively, which was partially offset by higher gross sales prices of \$33.9 million. Higher operating costs consisted of \$12.9 million of increased maintenance, \$4.9 million of higher freight costs, \$2.8 million increase in purchased raw materials, and \$8.3 million related to increased fixed costs, including labor, resulting from lower production. These higher costs were partially offset by the impact of recording in the prior year \$2.8 million of acquired inventories at fair value. Cement Operating Margin remained flat at 30%, as the higher operating costs were offset by higher gross sales prices.

CONCRETE AND AGGREGATES

	For the Three Months Ended December 31,		Percentage Change	For the Nine Months Ended December 31,		Percentage Change
	2024 (in thousands, except net sales prices)	2023 (in thousands, except net sales prices)		2024 (in thousands, except net sales prices)	2023 (in thousands, except net sales prices)	
Revenue, including Intersegment	\$ 60,716	\$ 61,186	(1)%	\$ 195,511	\$ 201,526	(3)%
Less Intersegment Revenue	(4,311)	(3,414)	26%	(12,138)	(10,235)	19%
Revenue	\$ 56,405	\$ 57,772	(2)%	\$ 183,373	\$ 191,291	(4)%
Sales Volume						
M Cubic Yards of Concrete	298	308	(3)%	989	1,055	(6)%
M Tons of Aggregate	893	1,034	(14)%	2,671	3,362	(21)%
Average Net Sales Price						
Concrete - Per Cubic Yard	\$ 147.53	\$ 149.54	(1)%	\$ 148.46	\$ 145.29	2%
Aggregates - Per Ton	\$ 13.19	\$ 11.18	18%	\$ 12.83	\$ 11.20	15%
Operating Earnings (Loss)	\$ (1,397)	\$ 1,760	(179)%	\$ 588	\$ 13,434	(96)%

Three months ended December 31, 2024

Concrete and Aggregates Revenue declined 1% to \$60.7 million for the three months ended December 31, 2024. Excluding the Kentucky Acquisition, Revenue declined \$3.6 million. The decline was due to lower Sales Volume, which reduced Revenue by \$4.6 million, partially offset by higher gross sales prices of \$1.0 million.

Operating Loss was approximately \$1.4 million for the three months ended December 31, 2024. Excluding the Kentucky Acquisition, Operating Loss was \$1.1 million. The decrease in Operating Earnings was due to lower Sales Volume and higher operating costs of \$1.6 million and \$2.3 million, respectively, partially offset by higher gross selling prices of \$1.0 million. The increase in operating costs was primarily due to higher cost of materials, maintenance, and labor costs of approximately \$0.2 million, \$0.7 million, and \$0.6 million, respectively.

Nine months ended December 31, 2024

Concrete and Aggregates Revenue declined 3% to \$195.5 million for the nine months ended December 31, 2024. Excluding the Kentucky Acquisition, Revenue declined \$10.8 million. The decrease was due to lower Sales Volume, which reduced Revenue by \$19.5 million. This was partially offset by higher gross sales prices of \$8.7 million.

Operating Earnings were approximately \$0.6 million for the nine months ended December 31, 2024. Excluding the Kentucky Acquisition, Operating Earnings decreased to \$1.2 million. The decline in Operating Earnings was due to lower Sales Volume and higher operating costs of \$4.9 million and \$16.0 million, respectively. This was partially offset by higher gross selling prices of \$8.7 million. The increase in operating costs was primarily due to higher cost of materials, maintenance, delivery, and labor expenses of approximately \$4.5 million, \$5.5 million, \$1.8 million, and \$1.7 million, respectively.

Light Materials

GYPSUM WALLBOARD

	For the Three Months Ended December 31,		Percentage Change	For the Nine Months Ended December 31,		Percentage Change
	2024 (in thousands, except per MSF information)	2023		2024 (in thousands, except per MSF information)	2023	
Revenue	\$ 209,493	\$ 200,969	4 %	\$ 642,294	\$ 629,299	2 %
Sales Volume (MMSF)	737	722	2 %	2,246	2,218	1 %
Freight and Delivery Costs billed to Customers	\$ (35,506)	\$ (36,569)	(3) %	\$ (108,854)	\$ (112,979)	(4) %
Average Net Sales Price, per MSF ⁽¹⁾	\$ 236.11	\$ 227.78	4 %	\$ 237.49	\$ 232.79	2 %
Freight, per MSF	\$ 48.18	\$ 50.65	(5) %	\$ 48.47	\$ 50.94	(5) %
Operating Margin, per MSF	\$ 117.22	\$ 103.97	13 %	\$ 120.44	\$ 113.45	6 %
Operating Earnings	\$ 86,393	\$ 75,063	15 %	\$ 270,510	\$ 251,625	8 %

(1) Net of freight per MSF.

Three months ended December 31, 2024

Gypsum Wallboard Revenue for the three months ended December 31, 2024 was \$209.5 million, a 4% increase from the prior-year period. The increase was primarily due to higher gross sales prices and Sales Volume, which increased Revenue by \$4.3 million and \$4.2 million, respectively. Our market share remained relatively consistent during the three months ended December 31, 2024.

Operating Earnings increased 15% to \$86.4 million, due to \$4.3 million of higher gross sales prices, a \$1.6 million increase in Sales Volume, and a \$5.4 million decrease in operating costs. Lower operating costs were primarily related to freight, energy, and maintenance, which increased Operating Earnings by approximately \$1.8 million, \$1.4 million, and \$1.2 million, respectively. Operating Margin increased to 41% for the three months ended December 31, 2024, primarily because of lower operating costs and higher gross sales prices. Fixed costs are not a significant portion of the overall cost of wallboard; therefore, changes in utilization have a relatively minor impact on our operating cost per unit.

Nine months ended December 31, 2024

Gypsum Wallboard Revenue for the nine months ended December 31, 2024 was \$642.3 million, a 2% increase from the prior-year period. The increase was primarily due to higher gross sales prices and Sales Volume, which positively affected Revenue by \$5.1 million and \$7.9 million, respectively. Our market share remained relatively consistent during the nine months ended December 31, 2024.

Operating Earnings increased 8% to \$270.5 million, primarily because of \$5.1 million higher gross sales prices, a \$3.2 million increase in Sales Volume, and a \$10.7 million decrease in operating costs. Lower operating costs were primarily related to freight and energy, which increased Operating Earnings by approximately \$5.6 million and \$3.9 million, respectively. Operating Margin increased to 42% for the nine months ended December 31, 2024, primarily because of higher gross sales prices and lower operating expenses. Fixed costs are not a significant portion of the overall cost of wallboard; therefore, changes in utilization have a relatively minor impact on our operating cost per unit.

RECYCLED PAPERBOARD

	For the Three Months Ended December 31,		Percentage Change	For the Nine Months Ended December 31,		Percentage Change
	2024 (in thousands, except per ton information)	2023		2024 (in thousands, except per ton information)	2023	
Revenue, including Intersegment	\$ 56,158	\$ 47,053	19 %	\$ 161,175	\$ 135,397	19 %
Less Intersegment Revenue	(23,921)	(21,128)	13 %	(69,542)	(61,929)	12 %
Revenue	\$ 32,237	\$ 25,925	24 %	\$ 91,633	\$ 73,468	25 %
Sales Volume (M Tons)	90	84	7 %	266	247	8 %
Average Net Sales Price, per ton ⁽¹⁾	\$ 627.04	\$ 559.49	12 %	\$ 606.68	\$ 546.21	11 %
Operating Margin, per ton	\$ 122.68	\$ 89.57	37 %	\$ 103.70	\$ 90.35	15 %
Operating Earnings	\$ 11,041	\$ 7,524	47 %	\$ 27,585	\$ 22,316	24 %

(1) Net of freight per ton.

Three months ended December 31, 2024

Recycled Paperboard Revenue increased 19% to \$56.2 million during the three months ended December 31, 2024. The increase was due to higher gross sales prices and Sales Volume, which increased Revenue by \$6.1 million and \$3.0 million, respectively. Higher gross sales prices were related to the pricing provisions in our long-term sales agreements.

Operating Earnings increased 47% to \$11.0 million, primarily because of higher gross sales prices and Sales Volume, which increased Operating Earnings by \$6.1 million and \$0.5 million, respectively. This was partially offset by higher operating costs, which reduced Operating Earnings by approximately \$3.1 million. The increase in operating costs was primarily related to higher input costs, namely recycled fiber, which reduced Operating Earnings by approximately \$2.9 million. The Operating Margin increased to 20% because of higher gross selling prices, partially offset by higher operating costs. Although the Company has certain provisions in its long-term sales agreements related to adjustments for the cost of raw materials, namely recycled fiber, natural gas, and electricity, prices are adjusted only at certain times throughout the year, so price adjustments are not always reflected in the same period as the change in costs.

Nine months ended December 31, 2024

Recycled Paperboard Revenue increased 19% to \$161.2 million during the nine months ended December 31, 2024. The increase was due to higher gross sales prices and Sales Volume, which positively affected Revenue by \$15.5 million and \$10.3 million, respectively. Higher gross sales prices were related to the pricing provisions in our long-term sales agreements.

Operating Earnings increased 24% to \$27.6 million, primarily because of higher gross sales prices and Sales Volume, which increased Operating Earnings by \$15.5 million and \$1.7 million, respectively. This was partially offset by higher operating costs, which reduced Operating Earnings by approximately \$11.9 million. The increase in operating costs was primarily related to higher input costs, namely recycled fiber, which lowered Operating Earnings by approximately \$15.4 million. This was partially offset by lower energy, chemicals, and freight costs of \$2.8 million, \$0.5 million, and \$0.5 million, respectively. The Operating Margin remained consistent at 16% as higher operating costs were offset by higher gross sales prices. Although the Company has certain provisions in its long-term sales agreements related to adjustments for the cost of raw materials, namely recycled fiber, natural gas, and electricity, prices are adjusted only at certain times throughout the year, so price adjustments are not always reflected in the same period as the change in costs.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements in accordance with accounting principles generally accepted in the United States requires management to adopt accounting policies and make significant judgments and estimates to develop amounts disclosed in the financial statements. In many cases, alternative policies or estimation techniques could be used. We maintain a thorough process to review the application of our accounting policies and to evaluate the appropriateness of the many estimates that are required to prepare our financial statements. However, even under optimal circumstances, estimates routinely require adjustment based on changing circumstances and the receipt of new or better information.

The three Critical Accounting Policies that are material to our financial statements and that we believe require either the most judgment, or the selection or application of alternative accounting policies, are those related to long-lived assets, goodwill, and business combinations. Management has discussed the development and selection of these Critical Accounting Policies and estimates with the Audit Committee of our Board of Directors and with our independent registered public accounting firm.

Information regarding our Critical Accounting Policies and a summary of our significant account policies can be found in our Annual Report, in Note (A) to the Consolidated Financial Statements.

Recent Accounting Pronouncements

Refer to Note (A) in the Notes to Unaudited Consolidated Financial Statements of this Form 10-Q for information regarding recently issued accounting pronouncements that may affect our financial statements.

LIQUIDITY AND CAPITAL RESOURCES

We believe we currently have access to sufficient financial resources from our liquidity sources to fund our business and operations, including contractual obligations, capital expenditures, and debt service obligations for at least the next twelve months. We regularly assess any potential disruptions to the economy and to our operations, particularly changing fiscal policy or economic conditions affecting our industries. Please see the Debt Financing Activities section below for a discussion of our Revolving Credit Facility and the amount of borrowings available to us in the next twelve-month period.

Cash Flow

The following table provides a summary of our cash flows:

	For the Nine Months Ended December 31,	
	2024	2023
	(dollars in thousands)	
Net Cash Provided by Operating Activities	\$ 485,780	\$ 500,549
Investing Activities		
Additions to Property, Plant, and Equipment	(146,975)	(87,848)
Acquisition Spending	(24,881)	(55,053)
Net Cash Used in Investing Activities	(171,856)	(142,901)
Financing Activities		
Increase (Decrease) in Revolving Credit Facility	(85,000)	(50,000)
Repayment of Term Loan and Term Loan Credit Agreement	(7,500)	(7,500)
Dividends Paid to Stockholders	(25,373)	(26,692)
Purchase and Retirement of Common Stock	(201,276)	(248,852)
Payment of Excise Tax on Purchase and Retirement of Common Stock	(3,331)	—
Proceeds from Stock Option Exercises	6,260	11,560
Shares Redeemed to Settle Employee Taxes on Stock Compensation	(1,456)	(2,494)
Net Cash Used in Financing Activities	(317,676)	(323,978)
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (3,752)	\$ 33,670

Net Cash Provided by Operating Activities decreased by \$14.7 million to \$485.8 million during the nine months ended December 31, 2024. This decrease was attributable to lower cash flows from Net Earnings, adjusted for non-cash charges of \$6.4 million, lower cash dividends from our Unconsolidated Joint Venture of \$7.0 million, and lower cash flow from changes in working capital of \$1.3 million.

Working capital increased by \$6.3 million to \$394.6 million at December 31, 2024, compared with March 31, 2024. The increase was due to higher Inventories and Prepaid and Other Assets of \$18.4 million and \$4.9 million, respectively, and lower Accounts Payable and Accrued Liabilities of \$15.8 million. This was partially offset by lower Cash and Accounts Receivable, net, of \$3.7 million and \$20.6 million, respectively. The August 2024 Acquisition increased working capital by approximately \$0.3 million at December 31, 2024.

The decrease in Accounts Receivable at December 31, 2024, was primarily related to increased collections during the three months ended December 31, 2024, compared with the three months ended March 31, 2024. As a percentage of quarterly sales generated for the respective quarter, Accounts Receivable was approximately 33% at December 31, 2024, and 43% at March 31, 2024. Management measures the change in Accounts Receivable by monitoring the days sales outstanding on a monthly basis to determine if any deterioration has occurred in the collectability of the Accounts Receivable. No significant deterioration in the collectability of our Accounts Receivable was identified at December 31, 2024.

Our Inventory balance at December 31, 2024, increased by approximately \$18.4 million from our balance at March 31, 2024. Excluding the Kentucky Acquisition, our Inventory balance increased by \$18.0 million. Within Inventory, Raw Materials and Materials-in-Progress, Aggregates, Gypsum Wallboard, Repair Parts, and Fuel and Coal increased by approximately \$17.8 million, \$4.2 million, \$1.5 million, \$1.1 million, and \$3.9 million, respectively. This was partially offset by Finished Cement and Recycled Paperboard, which declined \$5.6 million and \$4.9 million, respectively. The decline in Finished Cement is consistent with our business cycle; we generally build up clinker inventory over the winter months to meet the demand for cement in the spring and summer. The largest individual balance in our Inventory is our Repair Parts. The size and complexity of our manufacturing plants, as well as the age of certain of our plants, makes it necessary to stock a high level of repair parts inventory. We believe all of these repair parts are necessary, and we perform semi-annual analyses to identify obsolete parts. We have less than one year's sales of all product inventories, and our inventories have a low risk of obsolescence because our products are basic construction materials.

Net Cash Used in Investing Activities during the nine months ended December 31, 2024, was approximately \$171.9 million, compared with \$142.9 million during the same period in fiscal 2024. The \$29.0 million increase was primarily related to higher capital expenditures, most of which were related to the expansion of our Mountain Cement facility. This was partially offset by the lower purchase price for the Kentucky Acquisition in fiscal 2025, compared with the acquisition completed in fiscal 2024.

Net Cash Used in Financing Activities was approximately \$317.7 million during the nine months ended December 31, 2024, compared with \$324.0 million during the nine months ended December 31, 2023. The \$6.3 million decrease was primarily related to lower Purchase and Retirement of Common Stock and Dividends Paid to Stockholders of \$47.6 million and \$1.3 million, respectively. This was partially offset by higher net Repayments of Borrowings Under Revolving Credit Facility and Excise Tax on Purchase and Retirement of Common Stock of \$35.0 million and \$3.3 million, respectively, as well as lower Proceeds from Stock Option Exercises of \$5.3 million.

Our debt-to-capitalization ratio and net-debt-to-capitalization ratio were 40.3% and 39.5%, respectively, at December 31, 2024, compared with 45.7% and 44.9%, respectively, at March 31, 2024.

Debt Financing Activities

Below is a summary of the Company's outstanding debt facilities at December 31, 2024:

	Maturity
<u>Revolving Credit Facility</u>	May 2027
<u>Term Loan</u>	May 2027
<u>2.500% Senior Unsecured Notes</u>	July 2031

See Note (M) to the Unaudited Consolidated Financial Statements for further details on the Company's debt facilities, including interest rate, and financial and other covenants and restrictions.

The revolving borrowing capacity of our Revolving Credit Facility is \$750.0 million (any revolving loans borrowed under the Revolving Credit Facility, as applicable, the Revolving Loans). The Revolving Credit Facility also includes a swingline loan sublimit of \$25.0 million, and a \$40.0 million letter of credit facility. At December 31, 2024, we had \$85.0 million outstanding of Revolving Loans under the Revolving Credit Facility and \$10.0 million of outstanding letters of credit. Subsequent to December 31, 2024, we borrowed approximately \$152.5 million to fund the New Acquisition. After this borrowing we have \$502.5 million of available borrowings under the Revolving Credit Facility, net of the outstanding letters of credit. We are contingently liable for performance under \$30.0 million in performance bonds relating primarily to our mining operations. We do not have any off-balance sheet debt, or any outstanding debt guarantees.

Other than the Revolving Credit Facility, we have no additional source of committed external financing in place. Should the Revolving Credit Facility be terminated, no assurance can be given as to our ability to secure a new source of financing. Consequently, if any balance were outstanding on the Revolving Credit Facility at the time of termination, and an alternative source of financing could not be secured, it would have a material adverse impact on our business.

We believe that our cash flow from operations and available borrowings under our Revolving Credit Facility, as well as cash on hand, should be sufficient to meet our currently anticipated operating needs, capital expenditures, and dividend and debt service requirements for at least the next 12 months. However, our future liquidity and capital requirements may vary depending on a number of factors, including market conditions in the construction industry, our ability to maintain compliance with covenants in our Revolving Credit Facility, the level of competition, and general and economic factors beyond our control, such as supply chain constraints and inflation. These and other developments could reduce our cash flow or require that we seek additional sources of funding. We cannot predict what effect these factors will have on our future liquidity. See Market Conditions and Outlook section above for further discussion of the possible effects on our business.

As market conditions warrant, the Company may from time to time seek to purchase or repay its outstanding debt securities or loans, including the 2.500% Senior Unsecured Notes, Term Loan, and borrowings under the Revolving Credit Facility, in privately negotiated or open market transactions, by tender offer or otherwise. Subject to any applicable limitations contained in the agreements governing our indebtedness, any purchases made by us may be funded by the use of cash on our balance sheet or the incurrence of new debt. The amounts involved in any such purchase transactions, individually or in aggregate, may be material.

We have approximately \$40.0 million of lease liabilities at December 31, 2024, that have an average remaining life of approximately 11.2 years.

Dividends

Dividends paid were \$25.4 million and \$26.7 million for the nine months ended December 31, 2024 and 2023, respectively. Each quarterly dividend payment is subject to review and approval by our Board of Directors, who will continue to evaluate our dividend payment amount on a quarterly basis.

Share Repurchases

During the nine months ended December 31, 2024, our share repurchases were as follows:

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet be Purchased Under the Plans or Programs
April 1 through April 30, 2024	129,067	\$ 256.53	129,067	
May 1 through May 31, 2024	118,618	253.81	118,618	
June 1 through June 30, 2024	100,048	222.63	100,048	
Quarter 1 Totals	347,733	\$ 245.85	347,733	
July 1 through July 31, 2024	143,000	\$ 225.75	143,000	
August 1 through August 31, 2024	70,000	252.44	70,000	
September 1 through September 30, 2024	40,000	268.40	40,000	
Quarter 2 Totals	253,000	\$ 239.88	253,000	
October 1 through October 31, 2024	11,567	\$ 286.18	11,567	
November 1 through November 30, 2024	65,000	301.49	65,000	
December 1 through December 31, 2024	118,419	271.81	118,419	
Quarter 3 Totals	194,986	\$ 282.56	194,986	
Year-to-Date Totals	795,719	\$ 252.95	795,719	5,087,951

On May 17, 2022, the Board of Directors authorized us to repurchase an additional 7.5 million shares. This authorization brought the cumulative total of Common Stock our Board has approved for repurchase in the open market to 55.9 million shares since we became publicly held in April 1994. Through December 31, 2024, we have repurchased approximately 50.8 million shares.

Share repurchases may be made from time to time in the open market or in privately negotiated transactions. The timing and amount of any share repurchases are determined by management, based on its evaluation of market and economic conditions and other factors. In some cases, repurchases may be made pursuant to plans, programs, or directions established from time to time by the Company's management, including plans intended to comply with the safe harbor provided by Rule 10b5-1.

During the nine months ended December 31, 2024, the Company withheld from employees 5,636 shares of stock upon the vesting of Restricted Shares that were granted under the Plan. We withheld these shares to satisfy the employees' statutory tax withholding requirements, which is necessary once the Restricted Shares or Restricted Share Units are vested.

Capital Expenditures

The following table details capital expenditures by category:

	For the Nine Months Ended December 31,	
	2024	2023
	(dollars in thousands)	
Land and Quarries	\$ 5,758	\$ 11,178
Plants	91,100	33,650
Buildings, Machinery, and Equipment	50,117	16,123
Total Capital Expenditures	\$ 146,975	\$ 60,951

Capital expenditures for fiscal 2025 are expected to range from \$215.0 million to \$235.0 million and will be allocated across both Heavy Materials and Light Materials sectors. The increase from the prior year reflects our beginning construction of the previously announced modernization and expansion of our Mountain Cement facility. The Mountain Cement construction project will continue through fiscal 2027, with expected completion in late fiscal 2027. These estimated capital expenditures will include maintenance capital expenditures and improvements, as well as other safety and regulatory projects.

FORWARD-LOOKING STATEMENTS

Certain matters discussed in this report contain 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 statements 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, 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; the effects of adverse weather conditions on infrastructure and other construction projects as well as our facilities and operations; 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 of and fluctuations in the cost of raw materials; changes in the costs of energy, including, without limitation, natural gas, coal, and oil (including diesel), 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; consolidation of our 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 losses or other adverse outcomes from 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; competition; cyber-attacks or data security breaches, together with the costs of protecting our systems against such incidents and the possible effects thereof on our operations; 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 can be expected to adversely 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 results of operations. Finally, any forward-looking statements made by the Company are subject to the risks and impacts associated with natural disasters, the outbreak, escalation or resurgence of health emergencies, 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 our operations and on economic conditions, capital and financial markets. These and other factors are described in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2024, 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.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risks related to fluctuations in interest rates on our Revolving Credit Facility. We have occasionally utilized derivative instruments, including interest rate swaps, in conjunction with our overall strategy to manage the debt outstanding that is subject to changes in interest rates. We had a \$750.0 million Revolving Credit Facility at December 31, 2024, under which borrowings bear interest at a variable rate. A hypothetical 100 basis point increase in interest rates on the \$85.0 million of borrowings under the Revolving Credit Facility and the \$175.0 million of borrowings under the Term Loan at December 31, 2024, would increase interest expense by approximately \$2.6 million on an annual basis. At present, we do not utilize derivative financial instruments.

We are subject to commodity risk with respect to price changes principally in coal, coke, natural gas, and power. We attempt to limit our exposure to changes in commodity prices by entering into contracts or increasing our use of alternative fuels.

Item 4. Controls and Procedures

We have established a system of disclosure controls and procedures that are designed to ensure that information relating to the Company, which is required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934 (Exchange Act), is recorded, processed, summarized, and reported within the time periods specified by the SEC's rules and forms, and that such information is accumulated and communicated to management, including our Chief Executive Officer (CEO) and Chief Financial Officer (CFO), in a timely fashion. An evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) was performed as of the end of the period covered by this quarterly report. This evaluation was performed under the supervision and with the participation of management, including our CEO and CFO. Based upon that evaluation, our CEO and CFO have concluded that these disclosure controls and procedures were effective.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

In February 2023, the EPA published a final rule disapproving the State Implementation Plans (SIPs) for 21 states, which addressed each state's obligations under the 2015 ozone NAAQS to eliminate significant contributions to nonattainment, or interference with maintenance, in downwind states (interstate transport requirements). States subject to a SIP Disapproval under this final action relevant to our cement operations include Illinois, Kentucky, Missouri, Nevada, Ohio, Oklahoma, and Texas.

In March 2023, the EPA finalized a Federal Implementation Plan (FIP), also known as the "Good Neighbor Plan," which addresses interstate transport obligations for the 21 states with disapproved SIPs, as well as two additional states that had not submitted any revisions for their SIPs. The FIP went into effect on August 4, 2023, and requires kilns used in cement and cement product manufacturing in 20 states, including Illinois, Kentucky, Missouri, Nevada, Ohio, Oklahoma, and Texas, to comply with nitrogen oxide (NOx) emissions limitations during the ozone season (May 1 to September 30) beginning in 2026. The FIP has not been implemented in 12 of the states with disapproved SIPs due to legal challenges. In January 2024, the EPA proposed to extend the FIP to five additional states.

Our cement plants located in Nevada, Oklahoma, and Texas are most directly affected by the EPA's SIP Disapprovals and Good Neighbor Plan. Multiple parties have filed lawsuits challenging the EPA's SIP Disapprovals for 12 states including Nevada, Oklahoma, and Texas. Legal challenges to the EPA's SIP Disapprovals for Nevada, Oklahoma, and Texas are all ongoing, and have resulted in stays for each of these disapprovals and prevented implementation of the Good Neighbor Plan in these states. In each of these actions, the petitioners have challenged the failure on the part of the EPA to appropriately defer to the applicable state's analysis and determinations regarding interstate transport obligations. Multiple parties have also filed lawsuits challenging the EPA's Good Neighbor Plan, resulting in a stay order by the Supreme Court preventing enforcement nationwide, pending resolution of these challenges.

An adverse outcome in these actions resulting in implementation of the Good Neighbor Plan could require us to incur significant capital expenditures related to the installation of additional controls and additional operating costs at the affected facilities or, if the installation of controls proves impracticable, to modify or curtail our operations at such facilities, which could have a material adverse effect on their profitability. Challenges to both the SIP Disapprovals and the Good Neighbor Plan are ongoing in multiple courts, and no court has issued a final ruling on the validity of the disapprovals or the FIP.

At this time, we are unable to predict the likely outcome of the multiple legal challenges to both the state disapprovals and the Good Neighbor Plan. Nevertheless, on July 12, 2024, we entered into a settlement agreement with the EPA related to our cement operations in Nevada, which agreement provides (i) for the potential installation of additional emissions controls referred to as "low NOx burners" and (ii) if the controls are installed, that we perform a test-and-set process to determine an appropriate NOx emission limit by February 1, 2027. Assuming such emission limit is finalized and approved by the EPA, our Nevada cement operations would no longer be subject to the emissions limit in the Good Neighbor Plan. We estimate the cost of installing the low NOx burners to be approximately \$2.5 million.

In addition to the legal matters described in Part 1, Item 3 "Legal Proceedings" of our Form 10-K for the fiscal year ended March 31, 2024, from time to time, we have been and may in the future become involved in litigation or other legal proceedings in the ordinary course of our business activities or in connection with transactions or activities undertaken by us, including claims related to worker safety, worker health, environmental matters, commercial contracts, land use rights, taxes, and permits. While the outcome of these proceedings cannot be predicted with certainty, in the opinion of management (based on currently available facts), we do not believe that the ultimate outcome of any currently pending legal proceeding will have a material effect on our consolidated financial condition, results of operations, or liquidity.

For additional information regarding claims and other contingent liabilities to which we may be subject, see Footnote (P) in the Unaudited Consolidated Financial Statements.

Item 1A. Risk Factors

For information regarding factors that could affect our results of operations, financial condition, and liquidity, see Part 1. Item 1A. Risk Factors in our Form 10-K for the fiscal year ended March 31, 2024, filed with the Securities and Exchange Commission on May 22, 2024.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The disclosure required under this Item is included in “Management’s Discussion and Analysis of Results of Operations and Financial Condition” of this Quarterly Report on Form 10-Q under the heading “Share Repurchases” and is incorporated herein by reference.

Item 4. Mine Safety Disclosures

The information concerning mine safety violations or other regulatory matters required by Section 1503 (a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K is included in Exhibit 95 to this Form 10-Q.

Item 5. Other Information

None of the Company's directors or officers adopted, modified, or terminated a Rule 10b5-1 trading arrangement, or a non-Rule 10b5-1 trading arrangement during the Company's fiscal third quarter ended December 31, 2024.

Item 6. Exhibits

31.1*	<u>Certification of the Chief Executive Officer of Eagle Materials Inc. pursuant to Rules 13a-14 and 15d-14 promulgated under the Securities Exchange Act of 1934, as amended.</u>
31.2*	<u>Certification of the Chief Financial Officer of Eagle Materials Inc. pursuant to Rules 13a-14 and 15d-14 promulgated under the Securities Exchange Act of 1934, as amended.</u>
32.1*	<u>Certification of the Chief Executive Officer of Eagle Materials Inc. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
32.2*	<u>Certification of the Chief Financial Officer of Eagle Materials Inc. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
95*	<u>Mine Safety Disclosure.</u>
101.INS*	Inline XBRL Instance Document – The Instance Document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document with Embedded Linkbase Document.
104	Cover Page Interactive Data File – (formatted as Inline XBRL and Contained in Exhibit 101).

* Filed herewith.

(1) Management contract, compensatory plan, or arrangement.

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 thereunto duly authorized.

	<hr/> <p>EAGLE MATERIALS INC. Registrant</p> <hr/>
January 29, 2025	<hr/> <p>/s/ MICHAEL R. HAACK Michael R. Haack President and Chief Executive Officer (principal executive officer)</p> <hr/>
January 29, 2025	<hr/> <p>/s/ D. CRAIG KESLER D. Craig Kesler Executive Vice President – Finance and Administration and Chief Financial Officer (principal financial officer)</p> <hr/>
January 29, 2025	<hr/> <p>/s/ WILLIAM R. DEVLIN William R. Devlin Senior Vice President – Controller and Chief Accounting Officer (principal accounting officer)</p> <hr/>

Certification of Periodic Report Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Michael R. Haack, certify that:

1. I have reviewed this report on Form 10-Q of Eagle Materials Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures [as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)] and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: January 29, 2025

By /s/ Michael R. Haack
Michael R. Haack
President and Chief Executive Officer

Certification of Periodic Report Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, D. Craig Kesler, certify that:

1. I have reviewed this report on Form 10-Q of Eagle Materials Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures [as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)] and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: January 29, 2025

By /s/ D. Craig Kesler
D. Craig Kesler
Chief Financial Officer
(Principal Financial Officer)

Certification of Periodic Report Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Eagle Materials Inc. and subsidiaries (the "Company") on Form 10-Q for the period ended December 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael R. Haack, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (i) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: January 29, 2025

By /s/ Michael R. Haack
Michael R. Haack
President and Chief Executive Officer

Certification of Periodic Report Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Eagle Materials Inc. and subsidiaries (the "Company") on Form 10-Q for the period ended December 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, D. Craig Kesler, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (i) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: January 29, 2025

By /s/ D. Craig Kesler
D. Craig Kesler
Chief Financial Officer
(Principal Financial Officer)

MINE SAFETY DISCLOSURE

Section 1503 of the Dodd-Frank Wall Street Reform and Consumer Protection Act contains reporting requirements regarding mine safety. The operation of our quarries is subject to regulation by the federal Mine Safety and Health Administration, or MSHA, under the Federal Mine Safety and Health Act of 1977, or the Mine Act. Set forth below is the required information regarding certain mining safety and health matters for the three-month period ended December 31, 2024 for our facilities. In evaluating this information, consideration should be given to factors such as: (i) the number of citations and orders will vary depending on the size of the quarry, (ii) the number of citations issued will vary from inspector-to-inspector and mine-to-mine, and (iii) citations and orders can be contested and appealed, and in that process, may be reduced in severity and amount, and are sometimes dismissed.

Mine or Operating Name/MSHA Identification Number	Section 104 S&S Citations	Section 104(b) Orders	Section 104(d) Citations and Orders	Section 110(b) (2) Violations	Section 107(a) Orders	Total Dollar Value of MSHA Assessments Proposed	Total Number of Mining Related Fatalities	Received Notice of Pattern of Violations Under Section 104(e) (yes/no)	Received Notice of Potential to Have Pattern Under Section 104(e) (yes/no)	Legal Actions Pending as of Last Day of Period	Legal Actions Initiated During Period	Legal Actions Resolved During Period
3D Concrete LLC Lyon, Nevada (2602412)	0	0	0	0	0	\$ 0	0	no	no	0	0	0
American Gypsum Company LLC Albuquerque, NM (2900181)	0	0	0	0	0	\$ 0	0	no	no	0	0	0
American Gypsum Company LLC Duke, OK (3400256)	0	0	0	0	0	\$ 0	0	no	no	0	0	0
American Gypsum Company LLC Eagle, CO (0503997)	0	0	0	0	0	\$ 0	0	no	no	0	0	0
Battletown Quarry Battletown, KY (1500040)	0	0	0	0	0	\$ 0	0	no	no	0	0	0
Centex Materials LLC Buda, TX (4102241)	0	0	0	0	0	\$ 0	0	no	no	0	0	0
Central Plains Cement Company LLC Sugar Creek, MO (2302171)	3	0	0	0	0	\$ 0	0	no	no	1 ⁽¹⁾	1 ⁽¹⁾	0
Central Plains Cement Company LLC, Tulsa, OK (3400026)	4	0	0	0	0	\$16,317	0	no	no	0	0	0
Fairborn Cement Company LLC Greene County, OH (3300161)	1	0	0	0	0	\$ 0	0	no	no	0	0	0
Illinois Cement Company LLC LaSalle, IL (1100003)	4	0	0	0	0	\$ 0	0	no	no	0	0	0
Kosmos Cement Company LLC Jefferson, KY (1504469)	0	0	0	0	0	\$ 0	0	no	no	0	0	0
Mountain Cement	0	0	0	0	0	\$ 0	0	no	no	0	0	0

Company LLC Laramie, WY (4800007)													
Nevada Cement Company LLC Fernley, NV (2600015)	0	0	0	0	0	\$ 0	0	no	no	2 ⁽¹⁾	1 ⁽¹⁾	2 ⁽¹⁾	
Seguin Sand Guadalupe, TX (4105665)	0	0	0	0	0	0 \$	0	no	no	0	0	0	
Texas Lehigh Cement Company LP Buda, TX (4102781)	0	0	0	0	0	\$ 0	0	no	no	0	0	0	

(1) All legal actions were penalty contests.

