



CAPTRUST

March 24, 2023

| Company | Ticker | Sector | Industry |
|----------------------|--------|-----------|------------------------|
| Eagle Materials Inc. | EXP-US | Materials | Construction Materials |

Business Description

Eagle Materials, Inc. engages in the provision of heavy construction materials and light building materials. It operates through the following segments: Cement, Concrete and Aggregates, Gypsum Wallboard, and Recycled Paperboard. The Cement segment deals with the manufacture, production, distribution, and sale of Portland cement. The Concrete and Aggregates segment is involved in mixing cement, sand, gravel, or crushed stone and water to form concrete, which is then sold and distributed to construction contractors. The Gypsum Wallboard segment mines and extracts natural gypsum rock, which is used in the manufacture of gypsum wallboard. The Recycled Paperboard segment processes paper fiber, water, and paper chemicals to form recycled paperboards that are sold to gypsum wallboard manufacturers. The company was founded in 1963 and is headquartered in Dallas, TX.

Price Chart

Key Info & Metrics



| | |
|-----------------------------------|----------------------------|
| Empirical Research Rank: | 1 |
| Date Purchased: | 03/22/2023 |
| Price: | \$139.06 |
| 52-Week Range: | \$103.28 - \$151.16 |
| Dividend Yield: | 0.72% |
| Market Cap (\$M): | \$5,013 |
| Forward Price-to-Earnings: | 11 |

Total Return

| | |
|----------------------|---------------|
| Year-to-Date: | 4.9% |
| 1 Year: | 11.7% |
| 3 Year: | 227.5% |
| 5 Year: | 43.7% |

Investment Case - Updated: March 21, 2023

Eagle Materials (EXP) manufactures basic construction materials that are mostly used in residential, commercial, industrial, infrastructure and energy applications. The company currently produces Cement (49% of Sales), Concrete and Aggregates (9%), Gypsum Wallboard (33%), and Recycled Paperboard (9%). The company has grown mostly due to capacity expansions and secure access to raw materials. The US cement industry has been operating near its capacity for many years which has resulted in supply shortages. The company has been operating at full capacity with little remaining inventory which supports ongoing pricing power. Moving forward, the company is well positioned to benefit from the upcoming wave of infrastructure spending pouring into its end markets. Moreover, aging housing stock and the undersupply of homes should serve as a tailwind to both single-family and multi-family construction for the foreseeable future.

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