

EAGLE MATERIALS INC
Form 10-Q
November 05, 2014

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 September 30, 2014

Commission File Number 1-12984

Eagle Materials Inc.

Delaware

(State of Incorporation)

75-2520779

(I.R.S. Employer Identification No.)

3811 Turtle Creek Blvd., Suite 1100, Dallas, Texas 75219

(Address of principal executive offices)

(214) 432-2000

(Registrant's telephone number)

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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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files).

YES NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

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 October 31, 2014, the number of outstanding shares of common stock was:

Class	Outstanding Shares
Common Stock, \$.01 Par Value	50,262,957

Eagle Materials Inc. and Subsidiaries

Form 10-Q

September 30, 2014

Table of Contents

PART I. FINANCIAL INFORMATION (unaudited)

	Page
Item 1. Consolidated Financial Statements	
<u>Consolidated Statements of Earnings for the Three and Six Months Ended September 30, 2014 and 2013</u>	1
<u>Consolidated Statements of Comprehensive Earnings for the Three and Six Months Ended September 30, 2014 and 2013</u>	2
<u>Consolidated Balance Sheets as of September 30, 2014 and March 31, 2014</u>	3
<u>Consolidated Statements of Cash Flows for the Six Months Ended September 30, 2014 and 2013</u>	4
<u>Notes to Unaudited Consolidated Financial Statements</u>	5
Item 2. <u>Management's Discussion and Analysis of Results of Operations and Financial Condition</u>	20
Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	34
Item 4. <u>Controls and Procedures</u>	34
 <u>PART II. OTHER INFORMATION</u>	
Item 1. <u>Legal Proceedings</u>	35
Item	
1a. <u>Risk Factors</u>	36
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	45
Item 4. <u>Mine Safety Information</u>	45
Item 6. <u>Exhibits</u>	46
<u>SIGNATURES</u>	47

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Eagle Materials Inc. and Subsidiaries

Consolidated Statements of Earnings

(dollars in thousands, except share data)

(unaudited)

	For the Three Months Ended September 30,		For the Six Months Ended September 30,	
	2014	2013	2014	2013
Revenues	\$284,808	\$252,646	\$551,059	\$479,690
Cost of Goods Sold	209,747	193,167	419,597	373,607
Gross Profit	75,061	59,479	131,462	106,083
Equity in Earnings of Unconsolidated Joint Venture	12,051	9,747	21,851	17,625
Corporate General and Administrative	(7,414)	(6,060)	(14,456)	(11,654)
Acquisition and Litigation Expense	(2,103)	-	(2,103)	-
Other Income	883	317	1,562	900
Interest Expense, Net	(3,901)	(4,795)	(7,953)	(9,750)
Earnings Before Income Taxes	74,577	58,688	130,363	103,204
Income Tax Expense	(24,258)	(18,785)	(42,334)	(33,200)
Net Earnings	\$50,319	\$39,903	\$88,029	\$70,004
EARNINGS PER SHARE:				
Basic	\$1.01	\$0.81	\$1.78	\$1.43
Diluted	\$1.00	\$0.80	\$1.75	\$1.40
AVERAGE SHARES OUTSTANDING:				
Basic	49,591,495	49,012,045	49,546,916	48,984,038
Diluted	50,427,286	49,860,100	50,357,914	49,835,382
CASH DIVIDENDS PER SHARE:				
	\$ 0.10	\$0.10	\$0.20	\$0.20

See notes to unaudited consolidated financial statements.

Eagle Materials Inc. and Subsidiaries

Consolidated Statements of Comprehensive Earnings

(unaudited – dollars in thousands)

	For the Three Months Ended September 30,		For the Six Months Ended September 30,	
	2014	2013	2014	2013
Net Earnings	\$ 50,319	\$ 39,903	\$ 88,029	\$ 70,004
Change in Funded Status of Defined Benefit Plans:				
Amortization of Net Actuarial Loss	163	238	326	476
Tax Expense	(57)	(83)	(114)	(166)
Comprehensive Earnings	\$ 50,425	\$ 40,058	\$ 88,241	\$ 70,314

See notes to unaudited consolidated financial statements.

Eagle Materials Inc. and Subsidiaries

Consolidated Balance Sheets

(dollars in thousands)

	September 30, 2014 (unaudited)	March 31, 2014
ASSETS		
Current Assets -		
Cash and Cash Equivalents	\$ 11,063	\$6,482
Accounts and Notes Receivable	132,823	102,917
Inventories	190,711	187,096
Prepaid and Other Assets	6,309	10,465
Total Current Assets	340,906	306,960
Property, Plant and Equipment -	1,698,495	1,660,975
Less: Accumulated Depreciation	(708,311)	(676,924)
Property, Plant and Equipment, net	990,184	984,051
Notes Receivable	2,966	3,063
Investment in Joint Venture	45,489	43,008
Goodwill and Intangible Assets	159,835	160,690
Other Assets	15,007	13,757
	\$ 1,554,387	\$ 1,511,529
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities -		
Accounts Payable	\$ 66,953	\$57,098
Accrued Liabilities	47,845	41,520
Income Taxes Payable	8,610	702
Current Portion of Long-term Debt	9,500	9,500
Total Current Liabilities	132,908	108,820
Long-term Debt	302,759	371,759
Other Long-term Liabilities	54,070	53,678
Deferred Income Taxes	142,259	145,773
Total Liabilities	631,996	680,030
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 50,265,957 and 50,053,738 Shares, respectively	503	501
Capital in Excess of Par Value	266,212	253,524
Accumulated Other Comprehensive Losses	(5,271)	(5,483)
Retained Earnings	660,947	582,957
Total Stockholders' Equity	922,391	831,499

\$ 1,554,387 \$1,511,529

See notes to the unaudited consolidated financial statements.

Eagle Materials Inc. and Subsidiaries

Consolidated Statements of Cash Flows

(unaudited – dollars in thousands)

For the Six Months
 Ended
 September 30,
 2014 2013

CASH FLOWS FROM OPERATING ACTIVITIES

Net Earnings	\$88,029	\$70,004
Adjustments to Reconcile Net Earnings to Net Cash Provided by Operating Activities -		
Depreciation, Depletion and Amortization	34,864	34,624
Deferred Income Tax Provision	(3,628)	(3,594)
Stock Compensation Expense	6,702	4,816
Excess Tax Benefits from Share Based Payment Arrangements	(3,195)	(1,053)
Equity in Earnings of Unconsolidated Joint Venture	(21,851)	(17,625)
Distributions from Joint Venture	19,375	20,500
Changes in Operating Assets and Liabilities:		