

EAGLE MATERIALS INC  
Form 10-Q  
January 29, 2016  
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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, 2015

Commission File Number 1-12984

Eagle Materials Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

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

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(Registrant's telephone number, including area code)

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 January 27, 2016, the number of outstanding shares of common stock was:

Class	Outstanding Shares
Common Stock, \$.01 Par Value	49,309,781

Eagle Materials Inc. and Subsidiaries

Form 10-Q

December 31, 2015

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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 December 31,		For the Nine Months Ended December 31,	
	2015	2014	2015	2014
Revenues	\$277,409	\$291,529	\$891,360	\$842,588
Cost of Goods Sold	208,544	212,380	717,104	631,977
Gross Profit	68,865	79,149	174,256	210,611
Equity in Earnings of Unconsolidated Joint Venture	10,483	12,423	29,993	34,274
Corporate General and Administrative	(8,304 )	(9,371 )	(26,659 )	(23,827 )
Acquisition and Litigation Expense	-	(722 )	-	(2,825 )
Other Income	1,163	488	2,170	2,050
Interest Expense, Net	(4,002 )	(4,101 )	(12,830 )	(12,054 )
Earnings Before Income Taxes	68,205	77,866	166,930	208,229
Income Tax Expense	(22,357 )	(25,836 )	(53,501 )	(68,170 )
Net Earnings	\$45,848	\$52,030	\$113,429	\$140,059
<b>EARNINGS PER SHARE:</b>				
Basic	\$0.93	\$1.05	\$2.29	\$2.82
Diluted	\$0.92	\$1.03	\$2.26	\$2.78
<b>AVERAGE SHARES OUTSTANDING:</b>				
Basic	49,187,738	49,655,405	49,593,821	49,583,210
Diluted	49,770,020	50,411,147	50,230,091	50,375,619
CASH DIVIDENDS PER SHARE:	\$0.10	\$0.10	\$0.30	\$0.30

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 December 31,		For the Nine Months Ended December 31,	
	2015	2014	2015	2014
Net Earnings	\$ 45,848	\$ 52,030	\$ 113,429	\$ 140,059
Change in Funded Status of Defined Benefit Plans:				
Amortization of Net Actuarial Loss	506	163	1,522	489
Tax Expense	(188 )	(57 )	(564 )	(171 )
Comprehensive Earnings	\$ 46,166	\$ 52,136	\$ 114,387	\$ 140,377





See notes to unaudited consolidated financial statements.

## Eagle Materials Inc. and Subsidiaries

## Consolidated Balance Sheets

(dollars in thousands)

	December 31, 2015 (unaudited)	March 31, 2015
<b>ASSETS</b>		
Current Assets -		
Cash and Cash Equivalents	\$15,756	\$7,514
Accounts and Notes Receivable	103,859	113,577
Inventories	232,447	235,464
Income Tax Receivable	5,319	-
Prepaid and Other Assets	8,013	10,080
Total Current Assets	365,394	366,635
Property, Plant and Equipment -	2,065,745	1,962,215
Less: Accumulated Depreciation	(799,494 )	(740,396 )
Property, Plant and Equipment, net	1,266,251	1,221,819
Notes Receivable	2,716	2,847
Investment in Joint Venture	50,372	47,614
Goodwill and Intangible Assets	174,916	211,167
Other Assets	28,921	32,509
	\$1,888,570	\$1,882,591
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities -		
Accounts Payable	\$61,327	\$77,749
Accrued Liabilities	46,750	46,830
Income Taxes Payable	-	2,952
Current Portion of Long-term Debt	8,000	57,045
Total Current Liabilities	116,077	184,576
Long-term Debt	492,714	455,714
Other Long-term Liabilities	70,673	69,055
Deferred Income Taxes	159,790	162,653
Total Liabilities	839,254	871,998
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 49,305,408 and 50,245,364 Shares, respectively	493	502
Capital in Excess of Par Value	211,781	272,441
Accumulated Other Comprehensive Losses	(11,109 )	(12,067 )

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Retained Earnings	848,151	749,717
Total Stockholders' Equity	1,049,316	1,010,593
	\$1,888,570	\$1,882,591

See notes to the unaudited consolidated financial statements.

Eagle Materials Inc. and Subsidiaries

Consolidated Statements of Cash Flows

(unaudited – dollars in thousands)

For the Nine Months  
 Ended  
 December 31,  
 2015      2014

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net Earnings	\$ 113,429	\$ 140,059
Adjustments to Reconcile Net Earnings to Net Cash Provided by Operating Activities -		

Total assets at fair value

\$  
 216,790,442

\$  
 18,950,174

\$  
 —

\$  
 235,740,616

There are no restrictions on the ability of investors to redeem any of these investments at December 31, 2013 and 2012.

The Plan does not have any liabilities that are measured at fair value on a recurring basis as of December 31, 2013 and 2012.

## 7. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for plan benefits as presented in these financial statements to the balance per Form 5500 as of December 31:

	2013	2012
Net assets available for plan benefits	\$303,627,316	\$246,425,520
Adjustment from contract value to fair value for fully benefit-responsive investment contracts	250,852	719,732
Deemed distributions	(59,624 )	(62,633 )
Net assets available for plan benefits - Form 5500	\$303,818,544	\$247,082,619

Deemed distributions are defaulted and unpaid notes receivable from active participants that are disallowed on Form 5500.

The following is a reconciliation of changes in net assets available for plan benefits as presented in these financial statements and Form 5500 as of December 31:

	2013	2012
Increase (decrease) in net assets per statement of changes in net assets available for plan benefits	\$57,201,796	\$39,092,091
Adjustment from contract value to fair value for fully benefit-responsive investment contracts	(468,880 )	261,589
Deemed distributions	3,009	(2,050 )
Net Income (Loss) and Reconciliation - Form 5500	\$56,735,925	\$39,351,630

## 8. SUBSEQUENT EVENT

Effective January 1, 2014, the Plan was restated to include the following changes: an increase of the automatic enrollment percentage from 3% to 6% of participants' compensation; removal of the \$250 start-up matching contribution; implementation of automatic contribution rate increases of 1% each year for those employees with a contribution rate of 1% to 5% (with a cap at 6%); addition of a 2% nonelective company contribution for employees who are not eligible to accrue future benefits under the Aflac Incorporated defined benefit plan; and reduction of the maximum contribution rate for profit sharing bonuses from 90% to 75% (see Note 1).

## SCHEDULE 1

Aflac Incorporated 401(k) Savings and Profit Sharing Plan

EIN: 58-1167100 PN: 004

Form 5500, Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

As of December 31, 2013

Identity of Issue and Description of Investment	Shares/Units	Current Value
<b>Mutual Funds</b>		
PIMCO Total Return Fund, Institutional	657,268	\$ 7,026,200
Vanguard Inflation-Protected Securities Fund, Admiral	28,557	727,339
Vanguard Total Bond Market Index Fund, Institutional	63,764	673,350
American Funds Europacific Growth Fund, R6	266,983	13,090,171
T. Rowe Price Blue Chip Growth Fund*	237,831	15,363,877
T. Rowe Price Balanced Fund*	1,911,966	44,395,845
T. Rowe Price Equity Income Fund*	644,767	21,174,144
T. Rowe Price Mid-Cap Growth Fund*	151,761	11,045,187
T. Rowe Price Mid-Cap Value Fund*	58,863	1,768,832
T. Rowe Price Retirement Income Fund*	20,323	300,372
T. Rowe Price Retirement 2005 Fund*	7,844	101,342
T. Rowe Price Retirement 2010 Fund*	14,659	261,231
T. Rowe Price Retirement 2015 Fund*	217,094	3,108,790
T. Rowe Price Retirement 2020 Fund*	140,004	2,854,676
T. Rowe Price Retirement 2025 Fund*	160,250	2,464,644
T. Rowe Price Retirement 2030 Fund*	68,062	1,538,193
T. Rowe Price Retirement 2035 Fund*	124,969	2,034,500
T. Rowe Price Retirement 2040 Fund*	105,453	2,468,660
T. Rowe Price Retirement 2045 Fund*	113,579	1,772,972
T. Rowe Price Retirement 2050 Fund*	127,461	1,664,643
T. Rowe Price Retirement 2055 Fund*	35,221	455,406
Royce Pennsylvania Mutual Fund	316,283	4,658,843
Vanguard Extended Market Index Fund, Institutional	30,732	1,928,416
Vanguard Institutional Index Fund, Institutional	138,095	23,376,695
Vanguard Total International Stock Index, Investor	52,077	872,285
<b>Total Mutual Funds</b>		<b>165,126,613</b>
<b>Common/Collective Trusts</b>		
T. Rowe Price Stable Value Common Trust Fund*	17,698,930	17,949,782
T. Rowe Price U.S. Treasury Money Market Trust*	2,114,206	2,114,206
<b>Total Common/Collective Trusts</b>		<b>20,063,988</b>
Aflac Incorporated common stock*	1,615,065	107,886,357
Participant loans**** (2,317 loans outstanding with zero cost, interest rates from 5.25% to 10.25% and maturity dates of less than one year to 10 years)*		10,256,621
<b>Total</b>		<b>\$ 303,333,579</b>
*Indicates a party-in-interest to the Plan		
**Excludes deemed distributions of \$59,624		
***Also referred to as notes receivable from participants		

See accompanying report of independent registered public accounting firm.

SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

Aflac Incorporated 401(k) Savings and  
Profit Sharing Plan

Date: June 18, 2014

By: /s/ Matthew Owenby  
Matthew Owenby  
Vice President, Human Resources



Exhibit Index

23 - Consent of Independent Registered Public Accounting Firm

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