

Eagle Oil & Gas Proppants Holdings LLC
Form 424B2
July 25, 2016
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Filed Pursuant to Rule 424(b)(2)
Registration Statement No. 333-206222

This preliminary prospectus supplement relates to an effective registration statement but is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these notes and are not soliciting an offer to buy these notes in any jurisdiction where the offer or sale is not permitted.

Subject to completion, dated July 25, 2016

Preliminary prospectus supplement

(To prospectus dated July 25, 2016)

Eagle Materials Inc.

\$300,000,000

% Senior Notes due 2026

Interest payable and

Issue price: %

We are offering \$300,000,000 aggregate principal amount of our % Senior Notes due 2026, which we refer to as the notes. The notes will mature on , 2026. Interest will accrue on the notes from , 2016, and the first interest payment date will be , 2017.

We may redeem some or all of the notes at any time on or after , 2021, at the redemption prices set forth in this prospectus supplement, plus accrued and unpaid interest, if any, to, but excluding, the redemption date. We may also redeem up to 40% of the notes using the proceeds of certain equity offerings before , 2019, at a redemption price equal to % of the principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the redemption date. In addition, at any time prior to , 2021, we may redeem some or all of the notes at a price equal to 100% of the principal amount thereof, plus a make-whole premium plus accrued and unpaid interest, if any, to, but excluding, the redemption date. See Description of notes Optional redemption.

The notes will initially be guaranteed on a senior unsecured basis by all of our existing majority-owned subsidiaries and, in the future, by such subsidiaries that guarantee certain debt facilities of, or any debt securities issued by, Eagle Materials Inc. or the guarantors of the notes. The notes will be our senior unsecured obligations and will rank equally in right of payment to all of our existing and future senior unsecured debt and senior in right of payment to all of our existing and future subordinated debt. The notes will be effectively subordinated to any of our existing and future secured debt to the extent of the value of the assets securing such debt. The note guarantees will rank equally in right of payment with all of our subsidiary guarantors existing and future senior debt and senior in right of payment to all of our subsidiary guarantors

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existing and future subordinated debt. In addition, the notes will be structurally subordinated to the liabilities of our non-guarantor subsidiaries.

You should read this prospectus supplement, together with the accompanying prospectus, carefully before you invest in the notes. Investing in the notes involves risks. See Risk factors beginning on page S-15 of this prospectus supplement and page 7 of the accompanying prospectus for a discussion of certain risks that you should consider in connection with an investment in the notes.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these notes or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Price to public(1)	Underwriting discounts and commissions	Proceeds, before expenses, to Eagle Materials Inc.(1)
	\$	\$	\$
Per note	%	%	%
Total			

(1) Plus accrued interest, if any, from _____, 2016.
The notes will not be listed on any securities exchange. Currently, there is no public market for the notes.

We expect that delivery of the notes will be made to investors in book-entry form through The Depository Trust Company on or about _____ 2016.

Joint book-running managers

J.P. Morgan
Co-managers

BofA Merrill Lynch

Wells Fargo Securities

BB&T Capital Markets

Goldman, Sachs & Co.
The date of this prospectus supplement is

PNC Capital Markets LLC, 2016.

SunTrust Robinson Humphrey

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The notes are being offered for sale only in jurisdictions where it is lawful to make such offers. The distribution of this prospectus supplement and the accompanying prospectus and the offering of the notes in certain jurisdictions may be restricted by law. Persons outside the United States who receive this prospectus supplement and the accompanying prospectus should inform themselves about and observe any such restrictions. This prospectus supplement and the accompanying prospectus do not constitute, and may not be

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used in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or any person to whom it is unlawful to make such offer or solicitation. See Underwriting (conflicts of interest).

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About this prospectus supplement

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of the notes we are offering and certain other matters relating to us and our financial condition. The second part, the accompanying prospectus, gives more general information about securities we may offer from time to time, some of which may not apply to the notes we are offering hereby. You should read this prospectus supplement along with the accompanying prospectus, the documents incorporated by reference herein and therein, as well as any free writing prospectus that is filed, including the term sheet for the notes we are offering. If the description of the offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement. Generally, when we refer to this prospectus, we are referring to this prospectus supplement and the accompanying prospectus combined together with all documents incorporated by reference herein or therein.

You should rely only on the information contained in or incorporated by reference into this prospectus supplement and the accompanying prospectus and any related free writing prospectus. Neither we nor the underwriters have authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. Neither we nor the underwriters are making an offer to sell the notes in any jurisdiction where the offer or sale is not permitted.

You should not assume that the information contained in or incorporated by reference into this prospectus supplement, the accompanying prospectus, and any related free writing prospectus, or any other offering materials is accurate as of any date other than the date on the front of each document, regardless of the time of delivery of this prospectus supplement, the accompanying prospectus, any related free writing prospectus or any sale of the notes. Our business, financial condition, results of operations and prospects may have changed since those respective dates.

Non-GAAP financial measures

In this prospectus supplement, we use the non-U.S. generally accepted accounting principles (GAAP) financial measures of EBITDA and Adjusted EBITDA. See Summary Summary historical consolidated financial data. EBITDA and Adjusted EBITDA are not GAAP metrics and have important limitations as analytical tools. You should not consider EBITDA and Adjusted EBITDA in isolation or as a substitute for analysis of our results as reported under GAAP. Because EBITDA and Adjusted EBITDA exclude some, but not all, items that affect net income and net cash provided by operating activities and are defined differently by different companies, our definition of EBITDA and Adjusted EBITDA may not be comparable to similarly titled measures of other companies. For a reconciliation of EBITDA and Adjusted EBITDA to the most directly comparable GAAP measure and a discussion of our use of EBITDA and Adjusted EBITDA in this prospectus supplement, including the reasons that we believe this information is useful to management and investors, see footnote (7) under the heading Summary Selected historical consolidated financial information.

Forward-looking statements

This prospectus supplement, the accompanying prospectus and any free writing prospectus, in each case including the documents incorporated by reference herein or therein, include statements that express our opinions, expectations, beliefs, plans, objectives, assumptions or projections regarding future events or future results and therefore are, or may be deemed to be, forward-looking statements within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking

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statements can generally be identified by the use of forward-looking terminology, including the terms believes, estimates, anticipates, expects, estimates, goal, seeks, aims, strives, projects, predicts, intends, plans, continues, strategy, future, likely, may, and similar terms, or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this prospectus supplement, the accompanying prospectus and any free writing prospectus, in each case including the documents incorporated by reference herein or therein, and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which we operate. Statements in this prospectus supplement, the accompanying prospectus and any free writing prospectus, including the documents incorporated by reference herein or therein, that are not historic facts, including statements about our fiscal 2017 and other future financial and growth expectations and anticipated tax rates, are forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially from those projected.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. We believe that these risks and uncertainties include, but are not limited to, those described under the heading **Risk factors** in this prospectus supplement, the accompanying prospectus and our Annual Report on Form 10-K for the year ended March 31, 2016. Those factors should not be construed as exhaustive and should be read with the other cautionary statements included or incorporated by reference in this prospectus supplement, the accompanying prospectus and any free writing prospectus.

Although we base these forward-looking statements on assumptions that we believe are reasonable when made, we caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and the development of the industry in which we operate may differ materially from those made in or suggested by the forward-looking statements contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any free writing prospectus. In addition, even if our results of operations, financial condition and liquidity, and the development of the industry in which we operate are consistent with the forward-looking statements contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any free writing prospectus, those results or developments may not be indicative of results or developments in subsequent periods.

Given these risks and uncertainties, you are cautioned not to place undue reliance on these forward-looking statements. Any forward-looking statements that we make in this prospectus supplement, the accompanying prospectus and any free writing prospectus, in each case including the documents incorporated by reference herein or therein, speak only as of the date of those statements, and we undertake no obligation to update those statements or to publicly announce the results of any revisions to any of those statements to reflect future events or developments. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.

Market, ranking and other data

The data in this prospectus supplement, the accompanying prospectus and any free writing prospectus, including the documents incorporated by reference herein or therein, regarding markets and ranking, including the size of certain markets and our position and the position of our competitors and products within these markets, are based on our estimates based on management's knowledge and experience in the markets in

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which we operate. Our estimates have been based on information provided by customers, suppliers, trade and business organizations and other contacts in the markets in which we operate. While we are not aware of any misstatements regarding our market and ranking data presented herein, our estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed under the heading **Risk factors** in this prospectus supplement. This information may prove to be inaccurate because of the method by which we obtained some of the data for our estimates or because this information cannot always be verified with complete certainty due to the limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in a survey of market size. As a result, you should be aware that market, ranking and other similar data included in this prospectus supplement, the accompanying prospectus and any free writing prospectus, including the documents incorporated by reference herein or therein, and estimates and beliefs based on that data, may not be reliable. Neither we nor the underwriters can guarantee the accuracy or completeness of such information contained in or incorporated by reference into this prospectus supplement, the accompanying prospectus and any free writing prospectus.

Trademarks, service marks and copyrights

We own or have rights to trademarks, service marks or trade names that we use in connection with the operation of our business. Eagle Materials, the Eagle Materials logo, and all other Eagle Materials product names and logos are trademarks or registered trademarks of Eagle Materials Inc. or its subsidiaries. All other companies referenced herein are trademarks or registered trademarks of their respective holders. We also own or have the rights to copyrights that protect the content of our products. Solely for convenience, the trademarks, service marks, tradenames and copyrights referred to in this prospectus supplement are listed without the ©, ® and TM symbols, but we will assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensors to these trademarks, service marks and tradenames.

Corporate information

Eagle Materials Inc. is a Delaware corporation. Our principal executive offices are located at 3811 Turtle Creek Boulevard, Suite 1100, Dallas, Texas 75219, and our telephone number at that address is (214) 432-2000. Our website is located at www.eaglematerials.com. Our website and the information contained on our website is not incorporated into, or deemed to be a part of this prospectus supplement or the accompanying prospectus, and you should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any free writing prospectus when making a decision as to whether to invest in the notes.

Unless otherwise indicated or the context otherwise requires, in this prospectus supplement and the accompanying prospectus, the terms **Eagle Materials Inc.**, **us**, **we** and **our** refer to Eagle Materials Inc. and its consolidated subsidiaries. References to the **notes** include related guarantees unless the context requires otherwise. References to **underwriters** refer to the firms listed on the cover page of this prospectus supplement.

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Summary

This summary highlights information appearing elsewhere or incorporated by reference in this prospectus supplement and the accompanying prospectus. This summary is not complete and does not include all of the information that you should consider before investing in the notes. You should carefully read this prospectus supplement and the accompanying prospectus in their entirety, including our audited consolidated financial statements, and the related notes thereto, included herein and in Exhibit 99.1 to our Current Report on Form 8-K filed with the SEC on July 25, 2016 (the Current Report), which is incorporated by reference into this prospectus supplement, and the sections under the heading Risk factors in this prospectus supplement and in Item 1A of our most recent Annual Report on Form 10-K for the fiscal year ended March 31, 2016 (the Annual Report), which is incorporated by reference into this prospectus supplement, before making any investment decision. As used in this prospectus supplement, except as otherwise indicated or the context otherwise implies, when we refer to Eagle Materials, the Company, we, us, or our, we are describing Eagle Materials Inc., together with its subsidiaries. With respect to any description of the terms of the offer or the notes, references to Eagle Materials, us, we, or our, refer only to Eagle Materials Inc. and not to its subsidiaries. In this prospectus supplement, fiscal refers to the twelve month period ended March 31. For example, fiscal 2016 refers to the twelve months ended March 31, 2016.

Our company

We are a diversified producer of basic construction products and building materials used in residential, industrial, commercial and infrastructure construction and products used in oil and natural gas extraction. Our construction products are used in residential, industrial, commercial and infrastructure construction and include cement, slag, concrete and aggregates. Our building materials are sold into similar markets and include gypsum wallboard. Our basic materials used for oil and natural gas extraction include frac sand and oil well cement.

We conduct our operations through five different business segments, which are briefly described as follows:

Cement and slag. We manufacture, produce, distribute and sell Portland cement, which is a basic construction material that is the essential binding ingredient in concrete, and specialty cement products, which are used in the casing of oil and gas wells. We also sell slag cement, which is used in concrete mix designs to improve the durability of concrete and reduce future maintenance costs.

Gypsum wallboard. We mine gypsum and manufacture and sell gypsum wallboard, which is used to construct interior walls and ceilings in residential, commercial and industrial structures.

Recycled paperboard. We manufacture and sell recycled paperboard, which is used to produce gypsum wallboard (including with respect to our own gypsum wallboard), and other industrial and consumer paperboard products.

Concrete and aggregates. We distribute and sell readymix concrete, which is a versatile, low-cost material widely used in construction, and mine and sell aggregates, including crushed stone, sand and gravel, which are used as components of composite building and construction materials.

Oil and gas proppants. We mine sand from open pit mines, and process the sand in our plants, where the sand is processed into various mesh sizes, dried and marketed primarily to oil service companies for use in hydraulic fracturing (frac sand). Our principal lines of business are our cement and gypsum wallboard businesses. Our cement business is supported by our concrete and aggregates business and our gypsum wallboard business is supported by our recycled paperboard business.

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- (1) Includes intersegment revenue and our proportionate share of revenue generated by Texas Lehigh Cement Company LP (the Joint Venture), a cement production joint venture owned 50% by us and 50% by Lehigh Cement Company LLC, a subsidiary of Heidelberg Cement AG.
- (2) Represents depreciation, depletion and amortization.
- (3) Includes the following add-backs: (i) an approximately \$35.0 million impairment of intangible assets in fiscal 2016 related to customer contracts; (ii) \$2.0 million of bad debt expense; and (iii) an approximately \$11.5 million write-down in raw sand inventory values. See subnotes (a), (b) and (c) to footnote (7) under the heading Summary historical consolidated financial data.

As of March 31, 2016, we operated six cement plants (one of which belongs to the Joint Venture), one slag grinding facility, 16 cement distribution terminals, five gypsum wallboard plants, one recycled paperboard plant, 17 concrete batching plants, four aggregates facilities, three frac sand wet processing facilities, three frac sand drying facilities and six frac sand trans-load locations. Our gypsum wallboard plant in Bernalillo, New Mexico has been idled since 2009. During the fourth quarter of fiscal 2016, we idled our Corpus Christi, Texas frac sand processing plant and our Kenedy, Texas and Fowlerton, Texas trans-load facilities, along with our Utica, Illinois frac sand mine. We intend to re-open the idled facilities when market conditions improve.

Our operations are geographically diversified within the United States, which subjects us to economic conditions in each geographic market as well as the national construction market. We sell cement in six regional markets, including northern Nevada and California, the greater Chicago area, the Rocky Mountain region, the Central Plains region and Texas, and we sell slag in the greater Chicago, Illinois area and the greater Midwest area. We have three concrete and aggregates businesses serving the areas immediately surrounding Austin, Texas, the greater Kansas City area and north of Sacramento, California. Gypsum wallboard is distributed throughout the U.S. with particular emphasis in the geographic markets nearest to our production facilities. We also operate a recycled paperboard business which sells internally to our wallboard business as well as to external customers. Oil well cement and frac sand are sold into shale deposit zones across the United States.

Our revenues for fiscal 2016 were \$1,143.5 million, of which approximately 40% was generated by our cement business, 35% by our gypsum wallboard business, 11% by our recycled paperboard business, 10% by our concrete and aggregates business, and 4% by our oil and gas proppants business. During fiscal 2016, we sold 4.8 million short tons of cement, 2,394 million square feet of gypsum wallboard, 288,000 tons of recycled paperboard, 3.0 million tons of aggregates and 1.1 million cubic yards of concrete.

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The drivers of construction products demand continue to improve incrementally, indicating that a cyclical recovery is underway. The pace of this recovery continues to depend on the pace of growth in the U.S. economy. New residential construction has continued to recover, as demonstrated by a 10% increase in single family and 12% increase multi-family housing starts during 2015. In December 2015, the Fixing America's Surface Transportation Act (the FAST Act), was signed into law. This is the first significant transportation act enacted in ten years. The FAST Act is legislation to improve the nation's surface transportation infrastructure, including roads, bridges, transit systems and rail transportation network over a five-year period. Increased infrastructure spending in the future should positively impact both our cement and concrete and aggregates businesses.

Our cement sales network stretches across the central U.S., both east to west and north to south. While we anticipate construction grade cement consumption to continue to increase during 2016, we expect that each region will increase at a different pace. Cement markets are affected by infrastructure spending, industrial construction and residential building activity. We expect volume and pricing improvements to vary in each of our cement markets.

Wallboard demand is heavily influenced by new residential housing construction as well as repair and remodeling. Most forecasts point to a continued increase in demand in both of these areas in 2016. Industry shipments of gypsum wallboard totaled approximately 22.0 billion square feet in 2015, compared to 21.5 billion square feet in 2014, and we anticipate demand continuing to improve in 2016.

We anticipate increased demand for gypsum wallboard to positively impact our recycled paperboard business as sales of higher contribution gypsum paper are expected to continue to increase during 2016, both in gross tons and as a percentage of total sales volumes.

We believe we are positioned to benefit as economic conditions continue to improve due to our competitive strengths and business strategy, as outlined below.

Competitive strengths

We believe the following competitive strengths differentiate us from our competitors and contribute to our continued success.

Low-cost producer. We believe that maintaining our position as a low-cost producer is a key factor to our success in the largely commodities-based industries in which we operate. We strive to remain a low-cost producer by operating more efficiently than our competitors, specifically in the areas of raw material extraction, energy usage, waste and overhead. We focus on maintaining our facilities in like-new condition through our strategic investment and maintenance program. We have also realized significant savings by vertically integrating our recycled paperboard and gypsum wallboard operations. We have a differentiated strategy whereby our core products are the primary focus, as opposed to committing resources to particular trends and following the market. As a result of these efforts, and unlike many of our competitors, we were able to generate positive cash flow and maintain profitability on a consolidated basis in each fiscal year during the recent economic downturn, and believe we are positioned to benefit from future market and economic improvements.

Diversified product, geographic and customer mix. Our revenues are diversified across the various construction materials we sell, including cement, gypsum wallboard, recycled paperboard and concrete and aggregates. These products exhibit somewhat different drivers of demand, with cement being more dependent on infrastructure, non-residential construction and oil and gas drilling activity, and wallboard being more dependent on levels of new residential housing and repair and remodel activity. We are also diversified across

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various regions in the United States, many of which we believe have favorable growth rates relative to national averages due to longstanding demographic and industry trends. We maintain a broad and diverse base of long-term customers, with no single customer accounting for more than 5% of revenues in fiscal 2016.

Leading market positions in attractive markets. Many of our plants are strategically located in close proximity to markets with favorable end-user demand for our products. The high cost of transporting cement provides us with a competitive advantage relative to out-of-market competitors. In addition, we believe that our customer service and in-depth market knowledge are essential to maintaining existing customers and securing new business in our principal markets. Demand continues to increase for our construction products and building materials businesses, as underlying economic fundamentals in the U.S. continue to improve. Cement consumption in the United States, as estimated by the Portland Cement Association, increased approximately 4% in 2015 to 99.0 million short tons, compared to 95.4 million short tons in 2014. Demand for gypsum wallboard continues to improve as well, as industry shipments of gypsum wallboard increased, primarily due to the approximately 10% and 12% increase in single family and multi-family housing starts, respectively, during 2015.

High barriers to competitive entry. The U.S. cement industry has relatively high barriers to entry. Zoning, environmental permitting and recent emissions regulations make it difficult to establish new cement plants in the United States, particularly in closer-to-market urban and suburban areas. In addition, establishing a new plant would involve significant up-front costs and a long lead time. Additionally, any new entrant in the U.S. cement industry would need to obtain access to limestone and aggregates reserves proximal to its operations. Our reserves provide us with a competitive advantage due to their overall sufficiency with respect to our existing and future needs, and proximity to our production facilities. We believe that the estimated recoverable limestone reserves owned or leased by us will permit each of our cement plants to operate at our present production capacity for at least 30 years. In addition, based on its current production capacity, we estimate our northern California and Austin, Texas quarries contain over 100 years and approximately 25 years of reserves, respectively. Our quarries in the Kansas City market currently have approximately 50 years of reserves.

Experienced management team. Our senior management team has extensive experience, with an average of over 20 years in the industry, spanning several business cycles. Our senior management team, led by our chief executive officer, David Powers, and our chief financial officer, Craig Kesler, have been integral to our successful navigation through the prolonged economic downturn by continuing to execute on our low cost producer strategy.

Business strategy

We intend to grow our business profitably through the following strategic initiatives.

Maintain low-cost operating structure. Our focus on being a low-cost producer has enabled us to generate significant cash flow from our business and remain profitable on a consolidated basis during the recent economic downturn. We have exhibited strong cost management at all stages of recent economic cycles. As demand rebounds from distressed levels, we have historically experienced increases in pricing, creating opportunities to increase operating leverage and cash flow. Accordingly, we seek to optimize cash flow during all demand cycles with our focus on cost management.

Grow through opportunistic acquisitions. We have periodically used acquisitions and joint venture arrangements to capitalize on opportunities and to enhance our operations and business lines. In general, we are very selective and disciplined in pursuing acquisitions of businesses that we believe are a compelling fit with

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our existing operations, and provide an opportunity to generate attractive returns. For example, during fiscal 2016, we acquired the Skyway Plant in South Chicago, which enables us to sell a different grade of cement and complimentary product (slag cement) to our existing customer base while leveraging our existing infrastructure. We expect to continue to evaluate potential acquisition and joint venture opportunities.

Maintain disciplined financial policy. Our conservative balance sheet strategy focuses on maintaining prudent levels of leverage and liquidity through the business cycle. When financing organic or acquisition growth opportunities, we consider the appropriate mix of debt and equity funding to protect our balance sheet from potential downturns in economic and construction. We believe this disciplined financial policy and conservative capital structure will enable us to continue to efficiently execute our growth strategy, even during challenging economic environments.

Industry overview

Cement and slag. Cement is the basic binding agent for concrete, a primary construction material. Slag is used in concrete mix designs to improve the durability of concrete and reduce future maintenance costs. The principal raw material used in the production of Portland cement is calcium carbonate in the form of limestone. Limestone is obtained principally through mining and extraction operations conducted at quarries.

The principal sources of demand for cement and slag are infrastructure, commercial construction and residential construction. Cement consumption in the United States, as estimated by the Portland Cement Association, increased approximately 4% to 99.0 million short tons in 2015. The Portland Cement Association forecasts cement consumption will increase 3.4% in 2016. Demand for slag has increased as the availability of fly ash has decreased due to the conversion of power plants to natural gas from coal.

The cement industry is extremely competitive as a result of multiple domestic suppliers and the importation of foreign cement through various terminal operations. Approximately 75% of the U.S. cement industry is owned by foreign multi-national companies. Competition among producers and suppliers of cement is based primarily on price, with consistency of quality and service to customers also being important. Price competition among individual producers and suppliers of cement within a geographic area is intense because of the fungible nature of the product. Because of cement's low value-to-weight ratio, the relative cost of transporting cement on land is high and limits the geographic area in which each company can market its products profitably. Accordingly, the U.S. cement industry is largely a regional business rather than a single national one. No single cement company has a distribution of plants extensive enough to serve all geographic areas, so profitability is sensitive to shifts in the balance between regional supply and demand. Cement imports into the U.S. occur primarily to supplement domestic cement production or to supply a particular region. Cement is typically imported into deep water ports or transported on the Mississippi River system near major population centers to take advantage of lower waterborne freight costs versus higher truck and rail transportation costs.

Gypsum wallboard and recycled paperboard. Gypsum wallboard is used to construct the interior walls and ceilings in residential, commercial and industrial structures. There are four primary steps in the gypsum wallboard manufacturing process: (1) gypsum is mined and extracted from the ground (or, in the case of synthetic gypsum, received from a power generation company); (2) the gypsum is then calcined and converted into plaster; (3) the plaster is mixed with various other materials and water to produce a mixture known as slurry, which is extruded between two continuous sheets of recycled paperboard on a high-speed production line and allowed to harden; and (4) the sheets of gypsum wallboard are then cut to appropriate lengths, dried and bundled for sale.

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The principal sources of demand for gypsum wallboard are (i) residential construction, (ii) repair and remodeling, and (iii) non-residential construction, which we estimate accounted for approximately 45%, 45%, and 10%, respectively, of 2016 industry sales. Demand for gypsum wallboard remains highly cyclical, and closely follows construction industry cycles, particularly housing construction. Demand for wallboard can be seasonal and is generally greater from spring through the middle of autumn. Although gypsum wallboard is distributed principally in local areas, certain industry producers have the ability to ship gypsum wallboard by rail outside their usual regional distribution areas to regions where demand is strong.

The gypsum wallboard segment in the U.S. is dominated by a few players. We estimate that the three largest producers (USG, National Gypsum and Koch Industries) account for approximately 60% of gypsum wallboard sales in the U.S. Due to the commodity nature of the product, competition is based principally on price, which is highly sensitive to changes in supply and demand.

Concrete and aggregates. Readymix concrete is a versatile, low-cost building material used in almost all types of construction. The production of readymix concrete involves the mixing of cement, sand, gravel, or crushed stone and water to form concrete, which is then sold and distributed to numerous construction contractors. Concrete is produced in batch plants and transported to the customer's job site in mixer trucks. The construction aggregates business consists of the mining, extraction, production and sale of crushed stone, sand, gravel and lightweight aggregates such as expanded clays and shales. Construction aggregates of suitable characteristics are employed in virtually all types of construction, including the production of readymix concrete and asphaltic mixes used in highway construction and maintenance. Demand for readymix concrete and aggregates largely depend on local levels of construction activity.

Oil and gas proppants. The frac sand production process includes stripping the overburden overlaying the planned mining area, and removing the sand through blasting or mechanically with the use of mobile equipment. Processing includes washing the sand with water, and screening to remove non-salable material after which the sand is dried and further screened to its final mesh sizes. The recent decline in U.S. rig count and completion activity has adversely impacted oil and gas activity leading to reduced annual demand and pricing for proppants.

Recent developments

First quarter results

Below is an update regarding our preliminary expectations with respect to our results of operations for the three-month period ended June 30, 2016, our first quarter of fiscal 2017. These results are preliminary and are subject to final quarterly closing procedures and adjustments. Notable items include the following:

Revenues of approximately \$297.5 million, 4% greater than revenues for the three-month period ended June 30, 2015.

Earnings before interest and income taxes of approximately \$71.2 million, 18% greater than earnings before interest and income taxes for the three-month period ended June 30, 2015.

Net earnings of approximately \$45.3 million, 20% greater than net earnings for the three-month period ended June 30, 2015.

Net debt-to-capitalization ratio of 32%, compared to a 33.0% net debt-to-capitalization ratio for the three-month period ended June 30, 2015.

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Set forth below are certain unaudited financial results for the three-month period ended June 30, 2016, compared with corresponding results for the three-month period ended June 30, 2015.

(in thousands, except net sales prices and as otherwise indicated)	June 30, 2016	Fiscal quarter ended June 30, 2015
Consolidated statements of earnings:		
Revenues	\$ 297,504	\$ 284,963
Cost of goods sold	225,549	223,866
Gross profit	71,955	61,097
Equity in earnings of unconsolidated joint venture(1)	7,980	7,830
Corporate general and administrative expense	(9,833)	(8,991)
Other, net	1,075	435
Earnings before interest and income taxes	71,177	60,371
Interest expense, net	(3,901)	(4,486)
Earnings before income taxes	67,276	55,885
Income taxes	(21,932)	(18,123)
Net earnings	\$ 45,344	\$ 37,762
Balance sheet data (as of period end):		
Cash and cash equivalents	\$ 9,180	\$ 7,551
Total assets	1,889,085	1,908,348
Total current liabilities	119,750	166,061
Total debt	498,714	523,759
Total liabilities	832,642	860,123
Total stockholders' equity	1,056,443	1,048,225
Additional segment operating statistics:		
Revenues(2):		
Cement	\$ 116,369	\$ 98,039
Gypsum wallboard	113,262	115,052
Recycled paperboard	28,309	20,767
Oil and gas proppants	5,096	22,825
Concrete and aggregates	34,468	28,280
Operating earnings:		
Cement(3)	\$ 31,600	\$ 25,713
Gypsum wallboard	39,336	40,894
Recycled paperboard	11,227	6,030
Oil and gas proppants	(5,912)	(5,636)
Concrete and aggregates	3,684	1,926
Other, net	1,075	435
Sub-total	81,010	69,362
Corporate general and administrative expense	(9,833)	(8,991)
Earnings before interest and income taxes	\$ 71,177	\$ 60,371

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(in thousands, except net sales prices and as otherwise indicated)	June 30, 2016	Fiscal quarter ended June 30, 2015
Sales volume:		
Cement (in thousands of tons)(3)	1,251	1,203
Gypsum wallboard (in millions of square feet)	587	577
Recycled paperboard (in thousands of tons)	83	69
Concrete (in thousands of cubic yards)	287	249
Aggregates (in thousands of tons)	944	667
Frac sand (in thousands of tons)	74	231
Average net sales prices(4):		
Cement (per ton)	\$ 100.63	\$ 98.39
Gypsum wallboard (per thousand square feet)	157.69	163.46
Recycled paperboard (per ton)	498.92	503.80
Concrete (per cubic yard)	92.73	92.04
Aggregates (per ton)	8.30	7.94

(1) We conduct one of our six cement plant operations through the Joint Venture. We own a 50% interest in the Joint Venture and account for our interest using the equity method of accounting.

(2) Net of intersegment and Joint Venture revenues.

(3) Includes our proportionate share of the Joint Venture.

(4) Net of freight and delivery costs.

Our financial statement closing and review procedures for the three-month period ended June 30, 2016 are not yet complete. The preliminary financial data included in this prospectus supplement has been prepared by, and is the responsibility of, our management. Our independent auditors have not completed their quarterly procedures with respect to these results and have not expressed an opinion or other form of assurance with respect thereto. In connection with what remains of our quarterly closing and review process for the fiscal quarter with our independent auditors, we may identify items that would require us to make adjustments to the preliminary operating results set forth above. This section should be read in conjunction with Forward-looking statements, Summary historical consolidated financial data, Risk factors and Management discussion and analysis of financial condition and results of operations.

Refinancing transactions

We intend to use the net proceeds of this offering to repay a portion of the amounts outstanding under our senior unsecured revolving credit facility. Substantially concurrently with the consummation of this offering, we also intend to amend our senior unsecured revolving credit facility to, among other things, extend its maturity from October 2019 to August 2021. Depending on the context in which it is used, Credit Facility refers to our unsecured revolving credit facility prior to or after such amendment. We refer to the amendment of the Credit Facility, the consummation of this offering, the application of the net proceeds from this offering to repay a portion of the amounts outstanding under the Credit Facility, and the payment of fees and expenses related to the foregoing, as the Refinancing Transactions. In addition, we intend, substantially concurrently with the consummation of this offering, to provide guarantees from each of our majority-owned subsidiaries in favor of obligations under our Credit Facility and each of our outstanding Series 2005A Senior Notes and Series 2007A Senior Notes (together, the Private Placement Senior Notes) to result in an identical guarantee structure across each tranche of our debt.

Table of Contents**The offering**

The summary below describes the principal terms of the notes and is not intended to be complete. Some of the terms and covenants described below are subject to important limitations and exceptions. The Description of notes section of this prospectus supplement contains a more detailed description of the terms and covenants of the notes and the note guarantees.

Issuer	Eagle Materials Inc.
Securities offered	\$300,000,000 aggregate principal amount of % Senior Notes due 2026.
Maturity date	, 2026.
Interest rate	% per year.
Interest payment dates	and , commencing , 2017. Interest will accrue from , 2016.
Optional redemption	<p>The notes will be redeemable at our option, in whole or in part, at any time on or after , 2021, at the redemption prices set forth in this prospectus supplement, together with accrued and unpaid interest, if any, to, but excluding, the date of redemption.</p> <p>At any time prior to , 2019, we may redeem up to 40% of the original aggregate principal amount of the notes (calculated after giving effect to any issuance of additional notes) with the proceeds of certain equity offerings at a redemption price of % of the principal amount of the notes, together with accrued and unpaid interest, if any, to, but excluding, the date of redemption.</p> <p>At any time prior to , 2021, we may also redeem some or all of the notes at a price equal to 100% of the principal amount of the notes plus a make-whole premium, together with accrued and unpaid interest, if any, to, but excluding, the date of redemption.</p> <p>See Description of notes Optional redemption.</p>
Change of control offer	Upon the occurrence of a Change of Control (as defined under Description of notes Change of control) you will have the right, as holders of the notes, to cause us to repurchase some or all of your notes at 101% of their face amount, plus accrued and unpaid interest, if any, to, but excluding, the repurchase date. See Description of notes Change of control.
Guarantees	Initially, the notes will be guaranteed on a senior unsecured basis by all of our existing majority-owned subsidiaries and, in the future, by such subsidiaries that guarantee certain debt facilities of, or any debt securities issued by, Eagle Materials Inc. or the guarantors of the notes. Under certain circumstances, subsidiary guarantors may be released from their note guarantees without the consent of the holders of

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notes. See Description of notes Guarantees.

Texas Lehigh Cement Company LP, a Texas limited partnership in which we hold a 50% interest (the Joint Venture), will not guarantee the notes. The Joint Venture is accounted for in our audited consolidated financial statements, and

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the related notes thereto, included herein and in our Current Report, which is incorporated by reference into this prospectus supplement, using the equity method. Accordingly, the Joint Venture is not reflected in our consolidated revenues, assets or liabilities. For the year ended March 31, 2016, the Joint Venture:

represented approximately 18% of our net earnings; and

represented approximately 10% of our EBITDA.

Ranking

The notes and the note guarantees will be our and the subsidiary guarantors' senior unsecured obligations. Accordingly, they will:

rank senior in right of payment to all of our and the subsidiary guarantors' existing and future subordinated indebtedness;

rank equally in right of payment with all of our and the subsidiary guarantors' existing and future senior indebtedness;

be effectively subordinated to any of our and the subsidiary guarantors' existing and future secured debt, to the extent of the value of the assets securing such debt; and

be structurally subordinated to all of the existing and future liabilities (including trade payables) of the Joint Venture and any future non-guarantor subsidiaries.

As of March 31, 2016, after giving effect to the Refinancing Transactions:

we and our subsidiary guarantors would have had approximately \$508.0 million of total indebtedness (including the notes), all of which would have ranked equally with the notes;

we and our subsidiary guarantors would have had commitments available to be borrowed under our Credit Facility of approximately \$409.0 million (after giving effect to \$9.0 million of outstanding letters of credit), which could increase by up to an additional \$250.0 million in the aggregate if the existing or additional lenders are willing to make such increased commitments; and

the Joint Venture would have had approximately \$16.0 million of total liabilities (including trade payables), all of which would have been structurally senior to the notes.

Ratio of earnings to fixed charges

Our ratio of earnings to fixed charges for the fiscal year ended March 31, 2016 and the three months ended June 30, 2016 were 12.8x and 16.5x, respectively.

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Our pro forma ratio of earnings to fixed charges (giving effect to the Refinancing Transactions) for the fiscal year ended March 31, 2016 and the three months ended June 30, 2016 would have been x and x , respectively. The pro forma ratio of earnings to fixed charges does not necessarily represent what the actual ratio of earnings to fixed charges would have been had the Refinancing Transactions occurred as assumed.

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Covenants

We will issue the notes under an indenture with The Bank of New York Mellon Trust Company, N.A., as trustee. The indenture that will govern the notes will, among other things, limit our ability and the ability of our subsidiaries to:

incur liens;
enter into certain sale and leaseback transactions; and
consolidate, merge or sell all or substantially all of our assets.

These covenants will be subject to a number of important exceptions and qualifications. For more details, see Description of notes.

Absence of public market for the notes

The notes are a new issue of securities and there is currently no established trading market for the notes. The underwriters have advised us that they presently intend to make a market in the notes. However, they are not obligated to do so, and any market making may be discontinued without notice. We do not intend to apply for a listing of the notes on any securities exchange or an automated dealer quotation system. Accordingly, there can be no assurance as to the development or liquidity of any market for the notes. See Risk factors An active trading market for the notes may not develop or be sustained.

Use of proceeds

We intend to use the net proceeds of this offering to repay a portion of the amounts outstanding under our Credit Facility and to pay certain fees relating to such repayment and the other Refinancing Transactions. See Use of proceeds.

Underwriting (conflicts of interest)

Affiliates of J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Wells Fargo Securities, LLC, BB&T Capital Markets, a division of BB&T Securities, LLC, PNC Capital Markets LLC and SunTrust Robinson Humphrey, Inc. will receive at least 5% of the net proceeds of this offering in connection with the repayment of outstanding indebtedness under our Credit Facility. See Use of proceeds. Accordingly, this offering is being made in compliance with the requirements of Rule 5121 of the Financial Industry Regulatory Authority, Inc. (FINRA). In accordance with that rule, no qualified independent underwriter is required. See Underwriting (conflicts of interest).

Risk factors

Investing in the notes involves substantial risk. In evaluating an investment in the notes, prospective investors should carefully consider, along with the other information contained in or incorporated by in this prospectus supplement and the accompanying prospectus, the specific factors set forth under the heading Risk factors for risks involved with an investment in the notes.

Table of Contents**Summary historical consolidated financial data**

The following tables contain summary historical consolidated financial and other data derived from our audited consolidated financial statements as of and for the fiscal years ended March 31, 2016, 2015 and 2014. The balance sheet data as of March 31, 2016 and 2015 and the statements of earnings and cash flow data for the fiscal year ended March 31, 2016, 2015 and 2014 have been derived from audited consolidated financial statements included herein and in our Current Report, which is incorporated by reference into this prospectus supplement. The balance sheet data as of March 31, 2014 has been derived from audited consolidated financial statements, which are not incorporated by reference into this prospectus supplement. This summary financial data is not necessarily indicative of the results of future operations and should be read in conjunction with Capitalization, Selected historical consolidated financial information, Management's discussion and analysis of financial condition and results of operations in this prospectus supplement, and our audited consolidated financial statements, and the related notes thereto, included herein and in our Current Report, which is incorporated by reference into this prospectus supplement.

(in thousands, except net sales prices and as otherwise indicated)	Fiscal year ended		
	March 31, 2016	March 31, 2015	March 31, 2014
Consolidated statements of earnings(1)(2):			
Revenues	\$ 1,143,492	\$ 1,066,368	\$ 898,396
Cost of goods sold(3)	911,875	812,235	712,937
Gross profit	231,617	254,133	185,459
Equity in earnings of unconsolidated joint venture(4)	39,083	44,967	37,811
Corporate general and administrative expense	(37,193)	(30,751)	(24,552)
Other operating income	2,328	3,201	1,368
Acquisition and litigation expense(5)		(6,880)	
Interest expense, net	(16,583)	(11,743)	(18,282)
Earnings before income taxes	219,252	252,927	181,804
Income taxes(6)	(66,660)	(66,074)	(57,561)
Net earnings	\$ 152,592	\$ 186,853	\$ 124,243
Balance sheet data (as of period end):			
Cash and cash equivalents	\$ 5,391	\$ 7,514	\$ 6,482
Total assets	1,883,635	1,880,326	1,511,529
Total current liabilities	120,589	184,576	108,820
Total debt	507,714	512,759	381,259
Total liabilities	843,104	869,733	680,030
Total stockholders' equity	1,040,531	1,010,593	831,499
Cash flow data:			
Net cash provided by operating activities	\$ 265,767	\$ 234,121	\$ 170,633
Net cash (used in) investing activities	(121,990)	(348,744)	(59,490)
Net cash provided by (used in) financing activities	(145,900)	115,655	(108,558)
Other data:			
EBITDA(7)	\$ 332,940	\$ 340,969	\$ 270,107
Adjusted EBITDA(7)	384,252	349,407	280,182
Depreciation, depletion amortization	97,105	76,299	70,021
Capital expenditures	89,563	111,573	59,490

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(in thousands, except net sales prices and as otherwise indicated)	March 31, 2016	March 31, 2015	Fiscal year ended March 31, 2014
Adjusted data(8):			
Ratio of total debt to Adjusted EBITDA(7)			1.3x
Ratio of Adjusted EBITDA to interest expense(7)			23.2x
Additional segment operating statistics:			
Revenues(9):			
Cement(10)	\$ 528,499	\$ 488,644	\$ 438,224
Gypsum wallboard	461,457	437,514	387,016
Recycled paperboard	149,192	142,690	130,178
Oil and gas proppants	57,591	81,381	19,557
Concrete and aggregates	128,073	107,892	96,908
Operating earnings:			
Cement(10)	\$ 137,854	\$ 117,527	\$ 89,486
Gypsum wallboard	159,352	145,871	114,852
Recycled paperboard	32,153	31,512	23,610
Oil and gas proppants	(68,466)	(2,546)	(4,890)
Concrete and aggregates	9,807	6,736	212
Sales volume:			
Cement (in thousands of tons)(10)	4,778	4,799	4,593
Gypsum wallboard (in millions of square feet)	2,394	2,210	2,112
Recycled paperboard (in thousands of tons)	288	276	256
Concrete (in thousands of cubic yards)	1,101	958	899
Aggregates (in thousands of tons)	3,009	3,026	3,228
Average net sales prices(11):			
Cement (per ton)(10)	\$ 98.07	\$ 92.91	\$ 87.31
Gypsum wallboard (per thousand square feet)	157.91	162.06	148.33
Recycled paperboard (per ton)	505.35	507.47	504.41
Concrete (per cubic yard)	92.70	87.93	82.55
Aggregates (per ton)	8.28	7.50	6.76

- (1) Fiscal year ended March 31, 2015 includes operations related to CRS Holdco LLC, CRS Proppants LLC, Great Northern Sand LLC, and related entities (collectively, CRS Proppants), a supplier of frac sand to the energy industry, which we acquired on November 14, 2014, from the date of such acquisition (the CRS Acquisition) through March 31, 2015.
- (2) Fiscal year ended March 31, 2016 includes operations related to a 600,000 ton per year granulated ground blast furnace slag plant in South Chicago (the Skyway Plant) that we acquired on July 10, 2015 from Holcim (US) Inc., from the date of such acquisition (the Skyway Acquisition) through March 31, 2016.
- (3) See subnotes (a), (b) and (c) of footnote (7) below.
- (4) We conduct one of our six cement plant operations through the Joint Venture. We own a 50% interest in the Joint Venture and account for our interest using the equity method of accounting.
- (5) Consists of litigation expenses related to our lawsuit against the Internal Revenue Service, as well as expenses related to the CRS Acquisition and Skyway Acquisition, and due diligence efforts associated with the growth our construction products business. Legal fees related to our lawsuit against the Internal Revenue Service were approximately \$4.3 million, while our expenses related to the CRS Acquisition and Skyway Acquisition were approximately \$2.6 million in fiscal 2015. The remaining expense was related to our due diligence efforts during fiscal 2015. See footnote (H) of the notes to our audited consolidated financial statements included herein and in our Current Report, which is incorporated by reference into this prospectus supplement, for more information.

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- (6) Reflects a decrease in our effective tax rate to approximately 26% in fiscal 2015 compared to approximately 32% in fiscal 2014. This decrease was primarily due to the settlement of our lawsuit with the Internal Revenue Service. Under the terms of the settlement, we dismissed our lawsuit seeking to recover taxes, interest and penalties paid, in exchange for the Internal Revenue Service conceding 40% of the penalties, plus related interest, to date. In accordance with the settlement, we recorded an income tax benefit of approximately \$16.6 million during the fourth quarter of fiscal 2015. Excluding the impact of the IRS settlement, our effective tax rate would have been 33% in fiscal 2015. See footnote (H) of the notes to our audited consolidated financial statements included herein and in our Current Report, which is incorporated by reference into this prospectus supplement, for more information.

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(7) EBITDA is defined by us as net earnings before income taxes, interest expense and depreciation, depletion and amortization. Adjusted EBITDA is defined by us as EBITDA before impairment of intangible assets, write-down of raw sand inventory, reduction of prepaid sand liability, equity in earnings of the Joint Venture, net of distributions from the Joint Venture, and stock compensation expense. We present EBITDA and Adjusted EBITDA because we believe that EBITDA and Adjusted EBITDA are useful supplemental measures in evaluating the performance of our business and provide greater transparency into our results of operations. EBITDA and Adjusted EBITDA are used by our management to perform such evaluation. We also believe that EBITDA and Adjusted EBITDA facilitate company-to-company operating performance comparisons by backing out potential differences caused by variations in capital structures (affecting net interest expense), taxation and the age and book appreciation of facilities (affecting relative depreciation expense), which may vary for different companies for reasons unrelated to operating performance. We believe that EBITDA and Adjusted EBITDA are frequently used by investors, securities analysts and other interested parties in their evaluation of companies, many of which present EBITDA and Adjusted EBITDA when reporting their results. Our presentation of EBITDA and Adjusted EBITDA may not be comparable to similarly titled measures used by other companies. EBITDA and Adjusted EBITDA have limitations as analytical tools, and you should not consider them either in isolation or as substitutes for analyzing our results as reported under GAAP. Some of these limitations are:

EBITDA and Adjusted EBITDA do not reflect changes in, or cash requirements for, our working capital needs;

EBITDA and Adjusted EBITDA do not reflect our interest expense, or the cash requirements necessary to service interest or principal payments, on our debt;

EBITDA and Adjusted EBITDA do not reflect our income tax expense or the cash requirements to pay our taxes;

EBITDA and Adjusted EBITDA do not reflect historical cash expenditures or future requirements for capital expenditures or contractual commitments;

although depreciation, depletion and amortization are non-cash charges, the assets being depreciated, depleted and amortized will often have to be replaced in the future, and EBITDA and Adjusted EBITDA do not reflect any cash requirements for such replacements; and

other companies in our industry may calculate EBITDA and Adjusted EBITDA differently so they may not be comparable.

The following is a reconciliation of net earnings, the most directly comparable GAAP performance measure, to EBITDA, and EBITDA to Adjusted EBITDA:

(in thousands)	March 31, 2016	March 31, 2015	Fiscal year ended March 31, 2014
Net earnings	\$ 152,592	\$ 186,853	\$ 124,243
Income taxes	66,660	66,074(6)	57,561
Interest expense, net	16,583	11,743	18,282
Depreciation, depletion and amortization	97,105	76,299	70,021
EBITDA	\$ 332,940	\$ 340,969	\$ 270,107
Impairment of intangible assets(a)	34,999		
Write-down of raw sand inventory(b)	11,500		
Reduction of prepaid sand liability(c)	(10,700)		
Equity in earnings of unconsolidated joint venture(d)	(39,083)	(44,967)	(37,811)
Distributions from Joint Venture(d)	37,250	40,375	37,750
Stock compensation expense	17,346	13,030	10,136
Adjusted EBITDA	\$ 384,252	\$ 349,407	\$ 280,182

(a)

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Consists of an approximately \$35.0 million impairment charge of intangible assets reflected in cost of goods sold in fiscal 2016, relating to several contracts acquired in connection with the CRS Acquisition, which resulted primarily from the decreased demand and pricing for proppants due to the decline in oil and gas activity.

- (b) Consists of an approximately \$11.5 million write-down in raw sand inventory values reflected in cost of goods sold in fiscal 2016, relating to values associated primarily with a downward revaluation of raw sand inventory that CRS Proppants purchased from a third party pursuant to a purchase contract entered into in connection with a plant expansion.

- (c) Reflects the forfeiture by a customer of its prepayment of \$15.0 million for sand to be purchased at CRS Proppants. Pursuant to the underlying agreement, this prepayment was to be credited to the customer based on future purchases. Because the customer has not made the required purchases in accordance with the terms of the contract, it has forfeited approximately \$10.7 million of the prepaid balance as of March 31, 2016. The reversal of the \$10.7 million was recorded as a reduction to cost of goods sold in our oil and gas proppants segment during fiscal 2016. We have a \$2.0 million liability related to the remaining customer prepayment of sand, which is included in Other long-term liabilities on our consolidated balance sheet. The contract terminated on June 30, 2016, at which time the remaining \$2.0 million was forfeited because the customer did not place any additional orders for the contracted amount of sand.

- (d) See footnote (4) above.

- (8) Calculated using historical financial data as adjusted to give effect to the Refinancing Transactions.

- (9) Gross revenue, before freight and delivery costs.

- (10) Includes our proportionate share of the Joint Venture.

- (11) Net of freight and delivery costs.

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Risk factors

Any investment in the notes involves a significant degree of risk. Our business, operations and financial condition are subject to various risks and uncertainties. Some of these are described below and other factors are noted throughout this prospectus supplement, the accompanying prospectus and any free writing prospectus, including the documents incorporated by reference herein or therein, and you should take those risks into account in evaluating us or any investment decision involving us or in deciding whether to purchase the notes offered by this prospectus supplement. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations. This section does not describe all risks or uncertainties applicable to us, our industry, our business, or an investment in the notes and it is intended only as a summary of certain material factors.

If one or more of these risks or uncertainties materialize, or if underlying assumptions prove incorrect, actual outcomes may vary materially from those contained in any forward-looking statement included in this prospectus supplement, the accompanying prospectus and any free writing prospectus, including the documents incorporated by reference herein or therein.

This discussion of risk factors should be read in conjunction with Management's discussion and analysis of financial condition and results of operations, included herein and in our Annual Report, which is incorporated by reference into this prospectus supplement, and our audited consolidated financial statements, and the related notes thereto, included herein and in our Current Report, which is incorporated by reference into this prospectus supplement.

Risks related to our business

We are affected by the level of demand in the construction industry.

Demand for our construction products and building materials is directly related to the level of activity in the construction industry, which includes residential, commercial and infrastructure construction. While the most recent downturn in residential and commercial construction, which began in calendar 2007, materially impacted our business, certain economic fundamentals began improving in calendar 2012, and have continued to improve through calendar 2015 and into calendar 2016; however, the rate and sustainability of such improvement remains uncertain. Infrastructure spending continues to be adversely impacted by a number of factors, including the budget constraints currently being experienced by federal, state and local governments. Any decrease in the amount of government funds available for such projects or any decrease in construction activity in general (including any weakness in residential construction or commercial construction) could have a material adverse effect on our business, financial condition and results of operations.

Our business is seasonal in nature, and this causes our quarterly results to vary significantly.

A majority of our business is seasonal with peak revenues and profits occurring primarily in the months of April through November when the weather in our markets is more suitable for construction activity. Quarterly results have varied significantly in the past and are likely to vary significantly in the future. Such variations could have a negative impact on the price of our common stock.

We are subject to the risk of unfavorable weather conditions, particularly during peak construction periods, as well as other unexpected operational difficulties.

Unfavorable weather conditions, such as snow, cold weather, hurricanes, tropical storms and heavy or sustained rainfall, can reduce construction activity and adversely affect demand for construction products. Such weather conditions can also increase our costs, reduce our production or impede our ability to transport our

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products in an efficient and cost-effective manner. Similarly, operational difficulties, such as business interruption due to required maintenance, capital improvement projects or loss of power, can increase our costs and reduce our production. In particular, the occurrence of unfavorable weather conditions and other unexpected operational difficulties during peak construction periods could adversely affect operating income and cash flow and could have a disproportionate impact on our results of operations for the full year.

We and our customers participate in cyclical industries and regional markets, which are subject to industry downturns.

A majority of our revenues are from customers who are in industries and businesses that are cyclical in nature and subject to changes in general economic conditions. For example, many of our customers operate in the construction industry, which is affected by a variety of factors, such as general economic conditions, changes in interest rates, demographic and population shifts, levels of infrastructure spending and other factors beyond our control. In addition, since our operations are in a variety of geographic markets, our businesses are subject to differing economic conditions in each such geographic market. Economic downturns in the industries to which we sell our products or localized downturns in the regions where we have operations generally have an adverse effect on demand for our products and adversely affect the collectability of our receivables. In general, any downturns in these industries or regions could have a material adverse effect on our business, financial condition and results of operations.

Our products are commodities, which are subject to significant changes in supply and demand and price fluctuations.

The products sold by us are commodities and competition among manufacturers is based largely on price. Prices are often subject to material changes in response to relatively minor fluctuations in supply and demand, general economic conditions and other market conditions beyond our control. Increases in the production capacity of industry participants for products such as gypsum wallboard or cement or increases in cement imports tend to create an oversupply of such products leading to an imbalance between supply and demand, which can have a negative impact on product prices. Currently, there continues to be significant excess capacity in the gypsum wallboard industry in the United States. There can be no assurance that prices for products sold by us will not decline in the future or that such declines will not have a material adverse effect on our business, financial condition and results of operations.

Our Cement business is capital intensive, resulting in significant fixed and semi-fixed costs. Therefore, our earnings are sensitive to changes in volume.

Due to the high levels of fixed capital required to produce cement, our profitability is susceptible to significant changes in volume. Although we believe that our current cash balance, along with our projected internal cash flows and our available financing resources, will provide sufficient cash to support our currently anticipated operating and capital needs, if we are unable to generate sufficient cash to purchase and maintain the property and machinery necessary to operate our cement business, we may be required to reduce or delay planned capital expenditures or incur additional debt. In addition, given the level of fixed and semi-fixed costs within our cement business and at our cement production facilities, decreases in volumes could have an adverse effect on our financial condition, results of operations and liquidity.

Our Oil and Gas Proppants business and financial performance depends on the level of activity in the oil and natural gas industries.

Our operations that produce frac sand are materially dependent on the levels of activity in natural gas and oil exploration, development and production. More specifically, the demand for the frac sand we produce is closely related to the number of natural gas and oil wells completed in geological formations where sand-based

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proppants are used in fracture treatments. These activity levels are affected by both short- and long-term trends in natural gas and oil prices. In recent years, natural gas and oil prices and, therefore, the level of exploration, development and production activity, have experienced significant fluctuations. Worldwide economic, political and military events, including war, terrorist activity, events in the Middle East and initiatives by the Organization of the Petroleum Exporting Countries, have contributed, and are likely to continue to contribute, to price volatility. Additionally, warmer than normal winters in North America and other weather patterns may adversely impact the short-term demand for natural gas and, therefore, demand for our products. Reduction in demand for natural gas to generate electricity could also adversely impact the demand for frac sand. A prolonged reduction in natural gas and oil prices would generally depress the level of natural gas and oil exploration, development, production and well completion activity and result in a corresponding decline in the demand for the frac sand we produce. In addition, any future decreases in the rate at which oil and natural gas reserves are discovered or developed, whether due to increased governmental regulation, limitations on exploration and drilling activity or other factors, could have material adverse effect on our Oil and Gas Proppants business, even in a stronger natural gas and oil price environment.

Any material nonpayment or nonperformance by any of our key customers could have a material adverse effect on our business and results of operations.

Any material nonpayment or nonperformance by any of our key customers could have a material adverse effect on our revenue and cash flows, in particular with respect to our Oil and Gas Proppants business. Our contracts with our customers provide for different potential remedies to us in the event a customer fails to purchase the minimum contracted amount of product in a given period. If we were to pursue legal remedies in the event a customer failed to purchase the minimum contracted amount of product under a fixed-volume contract or failed to satisfy the take-or-pay commitment under a take-or-pay contract, we may receive significantly less in a judgment or settlement of any claimed breach than we would have received had the customer fully performed under the contract. In the event of any customer's breach, we may also choose to renegotiate any disputed contract on less favorable terms (including with respect to price and volumes) to us to preserve the relationship with that customer. Accordingly, any material nonpayment or performance by our customers could have a material adverse effect on our revenue and cash flows.

Volatility and disruption of financial markets could affect access to credit.

Difficult economic conditions can cause a contraction in the availability, and increase the cost, of credit in the marketplace. A number of our customers or suppliers have been and may continue to be adversely affected by unsettled conditions in capital and credit markets, which in some cases have made it more difficult or costly for them to finance their business operations. These unsettled conditions have the potential to reduce the sources of liquidity for us and our customers.

Our and our customers' operations are subject to extensive governmental regulation, including environmental laws, which can be costly and burdensome.

Our operations and those of our customers are subject to and affected by federal, state and local laws and regulations with respect to such matters as land usage, street and highway usage, noise level and health and safety and environmental matters. In many instances, various certificates, permits or licenses are required in order for us or our customers to conduct business or carry out construction and related operations. Although we believe that we are in compliance in all material respects with applicable regulatory requirements, there can be no assurance that we will not incur material costs or liabilities in connection with regulatory requirements or that demand for our products will not be adversely affected by regulatory issues affecting our customers. In addition, future developments, such as the discovery of new facts or conditions, the enactment or adoption of new or stricter laws or regulations or stricter interpretations of existing laws or regulations, may impose new

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liabilities on us, require additional investment by us or prevent us from opening, expanding or modifying plants or facilities, any of which could have a material adverse effect on our financial condition or results of operations.

For example, greenhouse gasses (GHGs) currently are regulated as pollutants under the Clean Air Act (the CAA) and are subject to reporting and permitting requirements. Future consequences of GHG permitting requirements and potential emission reduction measures for our operations may be significant because (1) the cement manufacturing process requires the combustion of large amounts of fuel, (2) in our cement manufacturing process, the production of carbon dioxide is a byproduct of the calcination process, whereby carbon dioxide is removed from calcium carbonate to produce calcium oxide, and (3) our gypsum wallboard manufacturing process combusts a significant amount of fossil fuel, especially natural gas. In addition, the United States Environmental Protection Agency (the EPA) has proposed to regulate GHG emissions from existing fossil fuel-fired power plants as a result of the EPA 's promulgation of new source performance standards for the same sources. In the future, the EPA is expected to propose new source performance standards for cement manufacturing, which similarly will trigger a requirement for the EPA to promulgate regulations relating to existing cement manufacturing facilities. The timing of such regulation is uncertain.

On September 9, 2010, the EPA finalized National Emissions Standards for Hazardous Air Pollutants (NESHAP), for Portland cement plants (PC NESHAP). The PC NESHAP will require a significant reduction in emissions of certain hazardous air pollutants from Portland cement kilns. The PC NESHAP sets limits on mercury emissions from existing Portland cement kilns and increases the stringency of emission limits for new kilns. The PC NESHAP also sets emission limits for total hydrocarbons, particulate matter (as a surrogate for metal pollutants) and acid gases from cement kilns of all sizes. The PC NESHAP was scheduled to take full effect in September 2013; however, as a result of a decision by the U.S. Court of Appeals for the District of Columbia Circuit in *Portland Cement Ass'n v. EPA*, 665 F.3d 177 (D.C. Cir.) arising from industry challenges to the PC NESHAP, the EPA proposed a settlement agreement with industry petitioners in May 2012. In February 2013, the EPA published the final revised rule to the PC NESHAP which extended the compliance date until September 9, 2015 for existing cement kilns and made certain changes to the rules governing particulate matter monitoring methods and emissions limits, among other revisions. The 2013 revised rule was challenged in the U.S. Court of Appeals for the D.C. Circuit and on April 18, 2014, the court vacated the affirmative defense provision. The court upheld the EPA 's particulate matter emission standards and extended compliance date. On November 19, 2014, the EPA proposed a rule removing the affirmative defense provision and making minor technical corrections to the regulations. The PC NESHAP will materially increase capital costs and costs of production for us and the industry as a whole.

On March 21, 2011 the EPA proposed revised Standards of Performance for New Sources and Emissions Guidelines for Existing Sources for Commercial/Industrial Solid Waste Incinerators (the CISWI Rule) per Section 129 of the CAA, which created emission standards for 4 subcategories of industrial facilities, one of which is Waste Burning Kilns. The EPA simultaneously stayed the CISWI Rule for further reconsideration. Effective as of February 13, 2013, the EPA finalized revisions to the CISWI Rule. For those cement kilns that utilize non-hazardous secondary materials (NHSM) as defined in a rule first finalized on March 21, 2011 (and slightly revised effective February 13, 2013), the CISWI Rule will require significant reductions in emissions of certain pollutants from applicable cement kilns. The CISWI Rule sets forth emission standards for mercury, carbon monoxide, acid gases, nitrogen oxides, sulfur dioxide, certain metals (lead and cadmium) and more stringent standards than PC NESHAP for particulate matter and dioxin/furans. The CISWI Rule as currently promulgated may materially increase capital costs and costs for production but only for those facilities that will be using applicable solid wastes as fuel. The compliance date for this rule is expected to be March 1, 2018 (either 3 years after State CISWI plan approval, or 5 years from the date of the final CISWI Rule, whichever is sooner). It is anticipated that the CISWI Rule may materially increase capital costs and costs of production for the Company and the industry as a whole.

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On April 17, 2015, the EPA published its final rule addressing the storage, reuse and disposal of coal combustion products, which include fly ash and flue gas desulfurization gypsum (synthetic gypsum). We use synthetic gypsum in wallboard manufactured at our Georgetown, South Carolina plant. The rule, which applies only to electric utilities and independent power producers, establishes standards for the management of coal combustion residuals (CCRs) under Subtitle D of the Resource Conservation and Recovery Act (RCRA), which is the Subtitle that regulates non-hazardous wastes. The rule imposes requirements addressing CCR surface impoundments and landfills, including location restrictions, design and operating specifications, groundwater monitoring requirements, corrective action requirements, recordkeeping and reporting obligations, and closure requirements. Beneficial encapsulated uses of CCRs, including synthetic gypsum, are exempt from regulation. The rule became effective on October 14, 2015, with many of the requirements phased in months or years after the effective date. Given the EPA's decision to continue to allow CCR to be used in synthetic gypsum and to regulate CCR under the non-hazardous waste sections of RCRA, we do not expect the rule to materially affect our business, financial condition and results of operations.

On October 1, 2015, the EPA lowered the primary and secondary ozone standards from the current 8-hour standard of 75 parts per billion (ppb) to 70 ppb. The EPA also strengthened the secondary ozone standard to improve protection for trees, plants and ecosystems. Like the primary standard, an area will meet the secondary standard if the fourth-highest maximum daily 8-hour ozone concentration per year, averaged over three years, is equal to or less than 70 ppb. The EPA based the secondary standard on the W126 metric, an index designed to show the cumulative impact of ozone on plants and trees seasonally. The EPA has issued an implementation memo describing how it will determine whether the ozone levels in areas across the country, typically on a county level, are above the new standards. Areas above the new standards will be designated as nonattainment; areas at or below the new standards will be designated attainment. In states with major emitting sources located in or near designated nonattainment areas, States will impose new and costly regulatory requirements. For areas that are determined to be in non-attainment, states will be required to develop plans to bring the areas into attainment by as early as 2020. At this time, it is not possible to determine whether any area in which we operate will be designated nonattainment. However, if that occurs, we may be required to meet new control requirements requiring significant capital expenditures for compliance.

Our cement plants located in Kansas City, Missouri and Tulsa, Oklahoma are subject to certain obligations under a consent decree with the United States requiring the establishment of facility-specific emissions limitations for certain air pollutants. Limitations that significantly restrict emissions levels beyond current operating levels may require additional investments by us or place limitations on operations, any of which could have a material adverse effect on our financial condition or results of operations.

Our cement plant in Tulsa, Oklahoma is subject to NESHAP for hazardous waste combustors (the HWC MACT), which imposes emission limitations and operating limits on cement kilns that are fueled by hazardous wastes. Compliance with the HWC MACT could impose additional liabilities on us or require additional investment by us, which could have a material adverse effect on our financial condition or results of operations. In addition, new developments, such as new laws or regulations, may impose new liabilities on us, require additional investment by us or prevent us from operating or expanding plants or facilities, any of which could have a material adverse effect on our financial condition or results of operations. For example, while the HWC MACT has not been updated since 2008, 73 Fed. Reg. 64068 (Oct. 28, 2008), future revisions to the HWC MACT regulations would apply to both of the cement kilns used at our cement plant in Tulsa, Oklahoma. Such revision could require new control requirements and significant capital expenditure for compliance. In 2013, the EPA adopted the final CISWI Rule (as discussed above) that likely will apply to the cement kiln used by our cement plant in Sugar Creek, Missouri and the two cement kilns at Nevada Cement Company, and may impose new control requirements requiring significant capital expenditures for compliance. Existing CISWI units will need to comply with the CISWI Rule when it becomes effective, which is expected to occur in early 2018.

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We may incur significant costs in connection with pending and future litigation.

We are, or may become, party to various lawsuits, claims, investigations and proceedings, including but not limited to personal injury, environmental, antitrust, tax, asbestos, property entitlements and land use, intellectual property, commercial, contract, product liability, health and safety, and employment matters. The outcome of pending or future lawsuits, claims, investigations or proceedings is often difficult to predict, but could be adverse and material in amount. In addition, the defense of these lawsuits, claims, investigations and proceedings may divert our management's attention and we may incur significant costs in defending these matters. See Business Legal Proceedings.

Our results of operations are subject to significant changes in the cost and availability of fuel, energy and other raw materials.

Major cost components in each of our businesses are the costs of fuel, energy and raw materials. Significant increases in the costs of fuel, energy or raw materials or substantial decreases in their availability could materially and adversely affect our sales and operating profits. Prices for fuel, energy or raw materials used in connection with our businesses could change significantly in a short period of time for reasons outside our control. Prices for fuel and electrical power, which are significant components of the costs associated with our gypsum wallboard and cement businesses, have fluctuated significantly in recent years and may increase in the future. In the event of large or rapid increases in prices, we may not be able to pass the increases through to our customers in full, which would reduce our operating margin.

Changes in the cost or availability of raw materials supplied by third parties may adversely affect our operating and financial performance.

We generally maintain our own reserves of limestone, gypsum, aggregates and other materials that we use to manufacture our products. However, we obtain certain raw materials used to manufacture our products, such as synthetic gypsum, from third parties who produce such materials as by-products of industrial processes. While we try to secure our needed supply of such materials through long-term contracts, those contracts may not be sufficient to meet our needs or we may be unable to renew or replace existing contracts when they expire or are terminated in the future. Should our existing suppliers cease operations or reduce or eliminate production of these by-products, our costs to procure these materials may increase significantly or we may be obliged to procure alternatives to replace these materials, which may not be available on commercially reasonable terms or at all. Any such development may adversely affect our operations and financial condition.

We may become subject to significant clean-up, remediation and other liabilities under applicable environmental laws.

Our operations are subject to state, federal and local environmental laws and regulations, which impose liability for cleanup or remediation of environmental pollution and hazardous waste arising from past acts. These laws and regulations also require pollution control and prevention, site restoration and operating permits and/or approvals to conduct certain of our operations or expand or modify our facilities. Certain of our operations may from time-to-time involve the use of substances that are classified as toxic or hazardous substances within the meaning of these laws and regulations. Additionally, any future laws or regulations addressing GHG emissions would likely have a negative impact on our business or results of operations, whether through the imposition of raw material or production limitations, fuel-use or carbon taxes emission limitations or reductions or otherwise. We are unable to estimate accurately the impact on our business or results of operations of any such law or regulation at this time. Risk of environmental liability (including the incurrence of fines, penalties or other sanctions or litigation liability) is inherent in the operation of our businesses. As a result, it is possible that environmental liabilities and compliance with environmental regulations could have a material adverse effect on our operations in the future.

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Significant changes in the cost and availability of transportation could adversely affect our business, financial condition and results of operations.

Some of the raw materials used in our manufacturing processes, such as coal or coke, are transported to our facilities by truck or rail. In addition, transportation logistics play an important part in allowing us to supply products to our customers, whether by truck, rail or barge. For example, we deliver gypsum wallboard to many areas of the United States and the transportation costs associated with the delivery of our wallboard products represent a significant portion of the variable cost of our gypsum wallboard segment. Significant increases in the cost of fuel or energy can result in material increases in the cost of transportation, which could materially and adversely affect our operating profits. In addition, reductions in the availability of certain modes of transportation such as rail or trucking could limit our ability to deliver product and therefore materially and adversely affect our operating profits.

Our production facilities may experience unexpected equipment failures, catastrophic events and scheduled maintenance.

Interruptions in our production capabilities may cause our productivity and results of operations to decline significantly during the affected period. Our manufacturing processes are dependent upon critical pieces of equipment. Such equipment may, on occasion, be out of service as a result of unanticipated events such as fires, explosions, violent weather conditions or unexpected operational difficulties. We also have periodic scheduled shut-downs to perform maintenance on our facilities. Any significant interruption in production capability may require us to make significant capital expenditures to remedy problems or damage as well as cause us to lose revenue and profits due to lost production time, which could have a material adverse effect on our results of operations and financial condition.

Increases in interest rates and inflation could adversely affect our business and demand for our products, which would have an adverse effect on our results of operations.

Our business is significantly affected by the movement of interest rates. Interest rates have a direct impact on the level of residential, commercial and infrastructure construction activity by impacting the cost of borrowed funds to builders. Higher interest rates could result in decreased demand for our products, which would have a material adverse effect on our business and results of operations. In addition, increases in interest rates could result in higher interest expense related to borrowings under our Credit Facility. Inflation can result in higher interest rates. With inflation, the costs of capital increase, and the purchasing power of our cash resources can decline. Current or future efforts by the government to stimulate the economy may increase the risk of significant inflation, which could have a direct and indirect adverse impact on our business and results of operations.

Any new business opportunities we may elect to pursue will be subject to the risks typically associated with the early stages of business development or product line expansion.

We are continuing to pursue opportunities which are natural extensions of our existing core businesses and which allow us to leverage our core competencies, existing infrastructure and customer relationships. See Management's Discussion and Analysis of Financial Conditions and Results of Operations Executive Summary. Our likelihood of success in pursuing and realizing these opportunities must be considered in light of the expenses, difficulties and delays frequently encountered in connection with the early phases of business development or product line expansion, including the difficulties involved in obtaining permits; planning and constructing new facilities; transporting and storing products; establishing, maintaining or expanding customer relationships; as well as navigating the regulatory environment in which we operate. There can be no assurance that we will be successful in the pursuit and realization of these opportunities.

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We may be adversely affected by decreased demand for frac sand or the development of either effective alternative proppants or new processes to replace hydraulic fracturing.

Frac sand is a proppant used in the completion and re-completion of natural gas and oil wells through hydraulic fracturing. Frac sand is the most commonly used proppant and is less expensive than ceramic proppant, which is also used in hydraulic fracturing to stimulate and maintain oil and natural gas production. A significant shift in demand from frac sand to other proppants, such as ceramic proppants, could have a material adverse effect on our oil and gas proppants business. The development and use of other effective alternative proppants or the development of new processes to replace hydraulic fracturing altogether, could also cause a decline in demand for the frac sand we produce and could have a material adverse effect on our oil and gas proppants business.

Our operations are dependent on our rights and ability to mine our properties and on our having renewed or received the required permits and approvals from governmental authorities and other third parties.

We hold numerous governmental, environmental, mining and other permits, water rights and approvals authorizing operations at many of our facilities. A decision by a governmental agency or other third party to deny or delay issuing a new or renewed permit or approval, or to revoke or substantially modify an existing permit or approval, could have a material adverse effect on our ability to continue operations at the affected facility. Expansion of our existing operations is also predicated on securing the necessary environmental or other permits, water rights or approvals, which we may not receive in a timely manner or at all.

Title to, and the area of, mineral properties and water rights may also be disputed. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that we do not have title to one or more of our properties or lack appropriate water rights could cause us to lose any rights to explore, develop and extract any minerals on that property, without compensation for our prior expenditures relating to such property. Our business may suffer a material adverse effect in the event one or more of our properties are determined to have title deficiencies.

In some instances, we have received access rights or easements from third parties, which allow for a more efficient operation than would exist without the access or easement. A third party could take action to suspend the access or easement, and any such action could be materially adverse to or results of operations or financial conditions.

A cyber-attack or data security breach affecting our information technology systems may negatively affect our businesses, financial condition and operating results.

We use information technology systems to collect, store and transmit the data needed to operate our businesses, including our confidential and proprietary information. Although we have implemented industry-standard security safeguards and policies to prevent unauthorized access or disclosure of such information, we cannot prevent all cyber-attacks or data security breaches. If such an attack or breach occurs, our businesses could be negatively affected, and we could incur additional costs in remediating the attack or breach and suffer reputational harm due to the theft or disclosure of our confidential information.

We may pursue acquisitions, joint ventures and other transactions that are intended to complement or expand our businesses. We may not be able to complete proposed transactions, and even if completed, the transactions may involve a number of risks that may result in a material adverse effect on our business, financial condition, operating results and cash flows.

As business conditions warrant and our financial resources permit, we may pursue opportunities to acquire businesses or technologies and to form joint ventures that we believe could complement, enhance or expand our current businesses or product lines or that might otherwise offer us growth opportunities. We may have

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difficulty identifying appropriate opportunities, or if we do identify opportunities, we may not be successful in completing transactions for a number of reasons. Any transactions that we are able to identify and complete may involve one or more of a number of risks, including:

the diversion of management's attention from our existing businesses to integrate the operations and personnel of the acquired business or joint venture;

possible adverse effects on our operating results during the integration process;

failure of the acquired business or joint venture to achieve expected operational, profitability and investment return objectives;

the incurrence of significant charges, such as impairment of goodwill or intangible assets, asset devaluation or restructuring charges;

the assumption of unanticipated liabilities and costs for which indemnification is unavailable or inadequate;

unforeseen difficulties encountered in operating in new geographic areas; and

the inability to achieve other intended objectives of the transaction.

In addition, we may not be able to successfully or profitably integrate, operate, maintain and manage our newly acquired operations or their employees. We may not be able to maintain uniform standards, controls, procedures and policies, which may lead to operational inefficiencies. In addition, future acquisitions may result in dilutive issuances of equity securities or the incurrence of additional indebtedness.

Our bylaws include a forum selection clause, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us.

Our bylaws provide that, unless we consent in writing to the selection of an alternative forum, the sole and exclusive forum for (i) any internal corporate claims within the meaning of the Delaware General Corporation Law ("DGCL"), (ii) any derivative action or proceeding brought on our behalf, (iii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, or employees to us or to our stockholders, or (iv) any action asserting a claim arising pursuant to any provision of the DGCL, will be a state or federal court located within the State of Delaware in all cases subject to the court's having personal jurisdiction over the indispensable parties named as defendants. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock is deemed to have notice of and consented to the foregoing provisions. This forum selection provision in our bylaws may limit our stockholders' ability to obtain a favorable judicial forum for disputes with us. It is also possible that, notwithstanding the forum selection clause included in our bylaws, a court could rule that such a provision is inapplicable or unenforceable.

Risks relating to the notes

Our substantial indebtedness could adversely affect our business, financial condition and results of operations, as well as prevent us from fulfilling our obligations under the notes.

We have, and after the offering contemplated by this prospectus supplement will continue to have, a significant amount of indebtedness. As of March 31, 2016, after giving effect to the Refinancing Transactions, our total debt would have been approximately \$508.0 million, and we would have had unused commitments of approximately \$409.0 million under our Credit Facility (after giving effect to approximately \$9.0 million of outstanding letters of credit), which may be increased by up to an additional \$250.0 million in the aggregate if the existing or additional lenders are willing to make such increased commitments.

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Subject to the limits contained in the credit agreement governing our Credit Facility and the note purchase agreements governing our Private Placement Senior Notes, we may be able to incur substantial additional debt from time to time to finance working capital, capital expenditures, investments or acquisitions, or for other purposes. If we do so, the risks related to our high level of debt could intensify. Specifically, our high level of debt could have significant consequences to the holders of the notes, including:

making it more difficult for us to satisfy our debt obligations, including the notes, and other ongoing business obligations, which may result in defaults;

events of default if we fail to comply with the financial and other covenants contained in the agreements governing our debt instruments, which could result in all of our debt becoming immediately due and payable or require us to negotiate an amendment to financial or other covenants that could cause us to incur additional fees and expenses;

limiting our ability to obtain additional financing to fund future working capital, capital expenditures, acquisitions or other general corporate requirements;

reducing the availability of our cash flow to fund working capital, capital expenditures, acquisitions and other general corporate purposes and limiting our ability to obtain additional financing for these purposes;

increasing our vulnerability to the impact of adverse economic and industry conditions;

exposing us to the risk of increased interest rates as certain of our borrowings, including borrowings under our Credit Facility, are at variable rates of interest;

limiting our flexibility in planning for, or reacting to, and increasing our vulnerability to, changes in our business, the industries in which we operate, and the overall economy;

placing us at a competitive disadvantage compared to other, less leveraged competitors; and

increasing our cost of borrowing.

Any of the above-listed factors could have an adverse effect on our business, financial condition and results of operations and our ability to meet our payment obligations under the notes and our other debt.

The notes will be effectively subordinated to any of our and our subsidiary guarantors' existing and future secured indebtedness, to the extent of the value of the collateral securing such indebtedness.

The notes will not be secured by any of our or our subsidiary guarantors' assets. As a result, the notes and the note guarantees will be effectively subordinated to any of our and our subsidiary guarantors' existing and future secured indebtedness. The effect of this subordination is that upon a default in payment on, or the acceleration of, any of such secured indebtedness, or in the event of bankruptcy, insolvency, liquidation, dissolution or reorganization of our company or the subsidiary guarantors, the proceeds from the sale of assets securing such secured indebtedness may only be available to pay obligations on the notes after all indebtedness under such secured indebtedness has been paid in full. As a result, the holders of the notes may receive less, ratably, than the holders of secured debt in the event of our or our subsidiary guarantors' bankruptcy, insolvency, liquidation, dissolution or reorganization.

The notes will be structurally subordinated to all obligations of our existing and future subsidiaries that are not and do not become guarantors of the notes.

Initially, the notes will be guaranteed on a senior unsecured basis by all of our existing majority-owned subsidiaries and, in the future, by such subsidiaries that guarantee debt facilities with an aggregate principal

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amount or commitments of \$50.0 million or more (including the Credit Facility), or any debt securities issued by, Eagle Materials Inc. or the guarantors of the notes. Except for such subsidiary guarantors of the notes, our subsidiaries will have no obligation, contingent or otherwise, to pay amounts due under the notes or to make any funds available to pay those amounts, whether by dividend, distribution, loan or other payment. The notes and guarantees will be structurally subordinated to all indebtedness and other obligations of any non-guarantor subsidiary such that in the event of insolvency, liquidation, reorganization, dissolution or other winding up of any subsidiary that is not a guarantor, all of that subsidiary's creditors (including trade creditors) would be entitled to payment in full out of that subsidiary's assets before we would be entitled to any payment.

In addition, the indenture that will govern the notes will permit these subsidiaries to incur additional unsecured indebtedness without limit, and will not contain any limitation on the amount of other liabilities, such as trade payables, that may be incurred by these subsidiaries.

For the year ended March 31, 2016, the Joint Venture, which will not guarantee the notes, represented approximately 18% of our net earnings and 10% of our EBITDA. As of March 31, 2016, after giving effect to the Refinancing Transactions, the Joint Venture would have had approximately \$16.0 million of total liabilities (including trade payables), all of which would have been structurally senior to the notes.

In addition, our subsidiaries that provide, or will provide, note guarantees will be automatically released from those note guarantees upon the occurrence of certain events, including but not limited to, at our election, when such subsidiary no longer guarantees debt facilities with an aggregate principal amount or commitments of \$50.0 million or more (including the Credit Facility), or any debt securities (other than the notes) issued by, Eagle Materials Inc. or the guarantors of the notes. If any note guarantee is released, no holder of the notes will have a claim as a creditor against that subsidiary, and the indebtedness and other liabilities of that subsidiary will be effectively senior to the claim of any holders of the notes. See Description of notes Guarantees.

As part of the Refinancing Transactions, we intend, substantially concurrently with the consummation of this offering, to provide guarantees from each of our majority-owned subsidiaries in favor of obligations under our Credit Facility and each of our outstanding Private Placement Senior Notes to result in an identical guarantee structure across each tranche of our debt. However, under the credit agreement governing our Credit Facility and subject to certain conditions, our majority-owned subsidiaries are only required to provide guarantees when such subsidiary or subsidiaries, individually or in the aggregate, accounts or account for greater than 15% of our Consolidated EBITDA or Consolidated Total Assets (each as defined in the Credit Facility) over an applicable period. Accordingly, in the event that a subsidiary's guarantee is not required under the Credit Agreement pursuant to the foregoing, such guarantee of the Credit Facility may be released and, as a result, such subsidiary's guarantee of the Private Placement Senior Notes and the notes would be required to be released as well.

We may not be able to generate sufficient cash to service all of our indebtedness, including the notes, and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.

Our ability to make scheduled payments on or refinance our debt obligations, including the notes, depends on our financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business, legislative, regulatory and other factors beyond our control. We may be unable to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness, including the notes.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets or operations, seek additional debt or equity capital or restructure or refinance our indebtedness, including the notes. We may not be able to effect any such alternative measures, if

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necessary, on commercially reasonable terms or at all and, even if successful, those alternative actions may not allow us to meet our scheduled debt service obligations. The credit agreement governing our Credit Facility and the note purchase agreements governing our Private Placement Senior Notes restrict our ability to dispose of assets and use the proceeds from those dispositions and also restricts our ability to raise debt or equity capital to be used to repay other indebtedness when it becomes due. We may not be able to consummate those dispositions or to obtain proceeds in an amount sufficient to meet any debt service obligations then due. See [Description of certain indebtedness](#) and [Description of notes](#).

In addition, we conduct a substantial portion of our operations through our subsidiaries, certain of which will not be guarantors of the notes or our other indebtedness. Accordingly, repayment of our indebtedness, including the notes, is dependent on the generation of cash flow by our subsidiaries and their ability to make such cash available to us, by dividend, debt repayment or otherwise. Unless they are guarantors of the notes or our other indebtedness, our subsidiaries do not have any obligation to pay amounts due on the notes or our other indebtedness or to make funds available for that purpose. Our subsidiaries may not be able to, or may not be permitted to, make distributions to enable us to make payments in respect of our indebtedness, including the notes. Each subsidiary is a distinct legal entity, and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from our subsidiaries. While the credit agreement governing our Credit Facility limits the ability of our subsidiaries to incur consensual restrictions on their ability to pay dividends or make other intercompany payments to us, these limitations are subject to qualifications and exceptions. In the event that we do not receive distributions from our subsidiaries, we may be unable to make required principal and interest payments on our indebtedness, including the notes.

If we are unable to generate sufficient cash flows to satisfy our debt obligations, or to refinance our indebtedness on commercially reasonable terms or at all, such inability would materially and adversely affect our financial position and results of operations and our ability to satisfy our obligations under the notes.

If we cannot make scheduled payments on our debt, we will be in default and holders of the notes could declare all outstanding principal and interest to be due and payable, the lenders under our Credit Facility could terminate their commitments to loan money, the lenders could foreclose against the assets securing their borrowings and we could be forced into bankruptcy or liquidation. All of these events could result in your losing the full value of your investment in the notes.

Despite our current level of indebtedness, we and our subsidiaries will still be able to incur substantially more debt. This could further exacerbate the risks to our financial condition described above.

We and our subsidiaries may be able to incur significant additional indebtedness in the future. Although the credit agreement governing our Credit Facility and the note purchase agreements governing our Private Placement Senior Notes contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of qualifications and exceptions, and the additional indebtedness incurred in compliance with these restrictions could be substantial. If we incur any additional indebtedness that ranks equally with the notes, subject to collateral arrangements, the holders of that debt will be entitled to share ratably with you in any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or other winding up of our company. This may have the effect of reducing the amount of proceeds paid to you. These restrictions also will not prevent us from incurring obligations that do not constitute indebtedness. In addition, as of March 31, 2016, after giving effect to the Refinancing Transactions, our Credit Facility would have provided for unused commitments of approximately \$409.0 million (after giving effect to approximately \$9.0 million of outstanding letters of credit), which could increase by an additional \$250.0 million in the aggregate, subject to certain conditions. If new debt is added to our current debt levels, the related risks that we and the subsidiary guarantors now face could intensify. See [Description of certain indebtedness](#) and [Description of notes](#).

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Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly.

Borrowings under our Credit Facility are at variable rates of interest and expose us to interest rate risk. As of March 31, 2016, after giving effect to the Refinancing Transactions, the aggregate principal amount of our debt with exposure to interest rate risk was approximately \$87.0 million and our Credit Facility would have provided for unused commitments of approximately \$404.0 million (after giving effect to approximately \$9.0 million of outstanding letters of credit), which could increase by an additional \$250.0 million in the aggregate, subject to certain conditions. As of the same date, after giving effect to the Refinancing Transactions, each change in interest rates of 100 basis points would result in an approximate \$0.9 million change in our annual cash interest expense before any principal payment on our financial instruments with exposure to interest rate risk. As a result, increases in interest rates will increase the cost of servicing our financial instruments with exposure to interest rate risk and could materially reduce our profitability and cash flows.

The indenture that will govern the notes, the credit agreement governing our Credit Facility and the note purchase agreements governing our Private Placement Senior Notes contain various covenants that limit our management's discretion in the operation of our business.

The indenture that will govern the notes, the credit agreement governing our Credit Facility and the note purchase agreements governing our Private Placement Senior Notes contain various provisions that limit our management's discretion by restricting our and our subsidiaries' ability to, among other things:

incur additional indebtedness or guarantee indebtedness;

incur liens;

pay dividends or make other distributions;

prepay, redeem or repurchase certain debt;

make loans, investments, advances or guarantees;

sell assets or make other fundamental changes;

enter into certain sale and leaseback transactions;

enter into transactions with affiliates;

enter into agreements restricting our subsidiaries' ability to pay dividends; and

consolidate, merge or sell all or substantially all of our assets.

In addition, our Credit Facility and the note purchase agreements governing our Private Placement Senior Notes require us to meet certain financial ratios and tests. Any failure to comply with the restrictions of our Credit Facility, Private Placement Senior Notes and the indenture that will govern the notes, or any other subsequent financing agreements, may result in an event of default. An event of default may allow the creditors, if the agreements so provide, to accelerate the related debt as well as any other debt to which a cross-acceleration or cross-default provision applies. In addition, the lenders may be able to terminate any commitments they had made to supply us with further funds.

We may not be able to repurchase the notes upon a change of control.

Upon the occurrence of certain specific kinds of change of control events, we will be required to offer to repurchase all outstanding notes at 101% of their principal amount, plus accrued and unpaid interest, if any, to,

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but excluding, the purchase date. Additionally, under our Credit Facility, a change in control (as defined therein) constitutes or will constitute an event of default that permits the lenders to accelerate the maturity of borrowings under our Credit Facility and the commitments to lend would terminate. The source of funds for any purchase of the notes and repayment of borrowings under our Credit Facility will be our available cash or cash generated from our subsidiaries' operations or other sources, including borrowings, sales of assets or sales of equity. We may not be able to repurchase the notes upon a change of control because we may not have sufficient financial resources to purchase all the debt securities that are tendered upon a change of control and repay our other indebtedness that will become due. If we fail to repurchase the notes in that circumstance, we will be in default under the indenture that will govern the notes. We may require additional financing from third parties to fund any such purchases, and we may be unable to obtain financing on satisfactory terms or at all. Finally, our ability to repurchase the notes may be limited by law. In order to avoid the obligations to repurchase the notes and events of default and potential breaches of our Credit Facility, we may have to avoid certain change of control transactions that would otherwise be beneficial to us.

In addition, certain important corporate events, such as leveraged recapitalizations, may not, under the indenture that will govern the notes, constitute a change of control that would require us to repurchase the notes, even though those corporate events could increase the level of our indebtedness or otherwise adversely affect our capital structure, credit ratings or the value of the notes. See Description of notes Change of control.

The exercise by the holders of notes of their right to require us to repurchase the notes pursuant to a change of control offer could cause a default under the agreements governing our other indebtedness, including future agreements, even if the change of control itself does not, due to the financial effect of such repurchases on us. In the event a change of control offer is required to be made at a time when we are prohibited from purchasing notes, we could attempt to refinance the borrowings that contain such prohibitions. If we do not obtain a consent or repay those borrowings, we will remain prohibited from purchasing notes. In that case, our failure to purchase tendered notes would constitute an event of default under the indenture that will govern the notes which could, in turn, constitute a default under our other indebtedness. Finally, our ability to pay cash to the holders of notes upon a repurchase may be limited by our then existing financial resources.

Holders of the notes may not be able to determine when a change of control giving rise to their right to have the notes repurchased has occurred following a sale of substantially all of our assets.

One of the circumstances under which a change of control may occur is upon the sale or disposition of all or substantially all of our assets. There is no precise established definition of the phrase substantially all under applicable law, and the interpretation of that phrase will likely depend upon particular facts and circumstances. Accordingly, the ability of a holder of notes to require us to repurchase its notes as a result of a sale of less than all our assets to a third party may be uncertain.

An active trading market for the notes may not develop or be sustained.

The notes are new securities for which there currently is no market. We have not listed and do not intend to list the notes on any United States national securities exchange or quotation system. We cannot assure you that any market for the notes will develop or be sustained. If an active market is not developed or sustained, the market price and liquidity of the notes may be adversely affected. In that case, the holders of the notes may not be able to sell their notes at a particular time or at a favorable price.

Even if an active trading market for the notes does develop, there is no guarantee that it will continue. Historically, the market for non-investment grade debt has been subject to severe disruptions that have caused substantial volatility in the prices of securities similar to the notes. The market, if any, for the notes may experience similar disruptions, and any such disruptions may adversely affect the liquidity in that market or the

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prices at which you may sell your notes. In addition, subsequent to their initial issuance, the notes may trade at a discount from their initial offering price, depending upon prevailing interest rates, the market for similar notes, our performance and other factors.

Federal and state statutes allow courts, under specific circumstances, to void the notes and/or the note guarantees, and if that occurs, you may not receive any payments on the notes.

Federal and state fraudulent transfer and conveyance statutes may apply to the issuance of the notes and the incurrence of the notes guarantees. Under federal bankruptcy law and comparable provisions of state fraudulent transfer or conveyance laws, which may vary from state to state, the notes or the note guarantees thereof could be voided as a fraudulent transfer or conveyance if we or any of the subsidiary guarantors, as applicable, (a) issued the notes or incurred the note guarantees with the intent of hindering, delaying or defrauding current or future creditors or (b) received less than the reasonably equivalent value or fair consideration in return for either issuing the notes or incurring the note guarantees and, in the case of (b) only, one of the following is also true at the time thereof:

we or any of the subsidiary guarantors, as applicable, were insolvent or rendered insolvent by reason of the issuance of the notes or the incurrence of the note guarantees;

the issuance of the notes or the incurrence of the note guarantees left us or any of the subsidiary guarantors, as applicable, with an unreasonably small amount of capital or assets to carry on our business;

we or any of the subsidiary guarantors intended to, or believed that we or such subsidiary guarantor would, incur debts beyond our or such subsidiary guarantor's ability to pay as they mature; or

we or any of the subsidiary guarantors were a defendant in an action for money damages, or had a judgment for money damages docketed against us or the subsidiary guarantor if, in either case, the judgment is unsatisfied after final judgment.

As a general matter, value is given for a transfer or an obligation if, in exchange for the transfer or obligation, property is transferred or a valid antecedent debt is secured or satisfied. A court would likely find that a subsidiary guarantor did not receive reasonably equivalent value or fair consideration for its note guarantee to the extent the subsidiary guarantor did not obtain a reasonably equivalent benefit directly or indirectly from the issuance of the notes.

We cannot be certain as to the standards a court would use to determine whether or not we or the subsidiary guarantors were insolvent at the relevant time or, regardless of the standard that a court uses, whether the notes or the note guarantees would be subordinated to any of our or any of our subsidiary guarantors' other debt. In general, however, a court would deem an entity insolvent if:

the sum of its debts, including contingent and unliquidated liabilities, was greater than the fair saleable value of all of its assets;

the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or

it could not pay its debts as they became due.

If a court were to find that the issuance of the notes or the incurrence of a note guarantee was a fraudulent transfer or conveyance, the court could void the payment obligations under the notes or that note guarantee, could subordinate the notes or that note guarantee to presently existing and future indebtedness of ours or of the related subsidiary guarantor or could require the holders of the notes to repay any amounts received with

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respect to that note guarantee. In the event of a finding that a fraudulent transfer or conveyance occurred, you may not receive any repayment on the notes. Further, the avoidance of the notes could result in an event of default with respect to our and our subsidiaries' other debt that could result in acceleration of that debt.

Finally, as a court of equity, a bankruptcy court may subordinate the claims in respect of the notes to other claims against us under the principle of equitable subordination if the court determines that (1) the holder of the notes engaged in some type of inequitable conduct, (2) the inequitable conduct resulted in injury to our other creditors or conferred an unfair advantage upon the holders of notes and (3) equitable subordination is not inconsistent with the provisions of the bankruptcy code.

A lowering or withdrawal of the ratings assigned to our debt securities by rating agencies may increase our future borrowing costs and reduce our access to capital.

Any rating assigned to our debt could be lowered or withdrawn entirely by a rating agency if, in that rating agency's judgment, future circumstances relating to the basis of the rating, such as adverse changes, so warrant. Consequently, real or anticipated changes in our credit ratings will generally affect the market value of the notes. Credit ratings are not recommendations to purchase, hold or sell the notes. Additionally, credit ratings may not reflect the potential effect of risks relating to the structure or marketing of the notes.

Any future lowering of our ratings likely would make it more difficult or more expensive for us to obtain additional debt financing. If any credit rating initially assigned to the notes is subsequently lowered or withdrawn for any reason, you may not be able to resell your notes without a substantial discount or at all.

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Use of proceeds

We expect to receive net proceeds from this offering of approximately \$295.0 million after deducting the underwriting discounts and estimated offering expenses payable by us.

We intend to use the net proceeds from this offering to repay a portion of the amounts outstanding under our Credit Facility and to pay certain fees relating to such repayment and the other Refinancing Transactions. Amounts repaid under the Credit Facility may be re-borrowed in the future. As of March 31, 2016, there were borrowings of \$382.0 million outstanding, including \$9.0 million in letters of credit, under the Credit Facility. The weighted average interest rate on the aggregate amount outstanding at that date was 1.6875%. Outstanding borrowings under the Credit Facility were used to fund working capital, capital expenditures, and acquisitions, and for general corporate purposes. The Credit Facility currently matures on October 2019, but we intend to extend such maturity date to August 2021 as part of the Refinancing Transactions.

Affiliates of J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Wells Fargo Securities, LLC, BB&T Capital Markets, a division of BB&T Securities, LLC, PNC Capital Markets LLC and SunTrust Robinson Humphrey, Inc. are lenders under the Credit Facility, and accordingly, such underwriters and affiliates will receive a portion of the net proceeds from this offering. See Underwriting (conflicts of interest).

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The following table sets forth our ratio of earnings to fixed charges for the periods indicated.

	Three months ended		Years ended March 31,			
	June 30, 2016	2016	2015	2014	2013	2012
Ratio of earnings to fixed charges(1)	16.5x	12.8x	15.7x	11.1x	6.1x	1.9x

(1) Earnings represent earnings before income taxes and before income from equity method investments plus: (a) fixed charges; and (b) cash distributions from equity method investments. Fixed charges include: (i) interest expense, whether expensed or capitalized, less interest accrued for uncertain tax positions; and (ii) the portion of operating rental expense which management believes is representative of the interest component of rent expense.

Our pro forma ratio of earnings to fixed charges (giving effect to the Refinancing Transactions) for the fiscal year ended March 31, 2016 and the three months ended June 30, 2016 is set forth below. The pro forma ratio of earnings to fixed charges does not necessarily represent what the actual ratio of earnings to fixed charges would have been had the Refinancing Transactions occurred as assumed.

	Three months ended	Year ended
	June 30, 2016	March 31, 2016
Pro forma ratio of earnings to fixed charges(1)	x	x

(1) Earnings represent earnings before income taxes and before income from equity method investments, giving effect to the Refinancing Transactions, plus: (a) fixed charges; and (b) cash distributions from equity method investments. Fixed charges include: (i) interest expense, whether expensed or capitalized, less interest accrued for uncertain tax positions; and (ii) the portion of operating rental expense which management believes is representative of the interest component of rent expense.

Table of Contents**Capitalization**

The following table sets forth our cash and cash equivalents and our capitalization as of March 31, 2016:

on an actual basis; and

on an as adjusted basis after giving effect to the Refinancing Transactions.

You should read this table in conjunction with Use of proceeds and Selected historical consolidated financial information in this prospectus supplement, and our audited consolidated financial statements, and the related notes thereto, included herein and in our Current Report, which is incorporated by reference into this prospectus supplement.

(in thousands)	As of March 31, 2016	
	Actual	As adjusted
Cash and cash equivalents	\$ 5,391	\$ 5,391
Debt:		
Credit Facility(1)	\$ 382,000	\$ 87,000
Private Placement Senior Notes	125,714	125,714
Notes offered hereby		300,000
Total debt	507,714	512,714
Stockholders' equity:		
Preferred stock, par value \$0.01 per share; 5,000,000 shares authorized; no shares issued or outstanding, actual and as adjusted		
Common stock, par value \$0.01 per share; 100,000,000 shares authorized; 48,526,843 shares issued or outstanding, actual and as adjusted	485	485
Capital in excess of par value	168,969	168,969
Accumulated other comprehensive losses	(11,409)	(11,409)
Retained earnings	882,486	882,486
Total stockholders' equity	1,040,531	1,040,531
Total capitalization	\$ 1,548,245	\$ 1,553,245

- (1) As of March 31, 2016, on an as adjusted basis, our Credit Facility consisted of a \$500.0 million revolving line of credit, which could increase by up to an additional \$250.0 million in the aggregate, and included a swingline loan sublimit of \$25.0 million. As of March 31, 2016 on an as adjusted basis, we would have had approximately \$87.0 million of borrowings outstanding under our Credit Facility and approximately \$9.0 million of outstanding letters of credit.

Table of Contents**Selected historical consolidated financial information**

The following tables contain selected historical consolidated financial and other data derived from our audited consolidated financial statements as of and for the fiscal years ended March 31, 2016, 2015, 2014, 2013 and 2012. The balance sheet data as of March 31, 2016 and 2015 and the statements of earnings and cash flow data for the fiscal years ended March 31, 2016, 2015 and 2014 have been derived from audited consolidated financial statements included herein and in our Current Report, which is incorporated by reference into this prospectus supplement. The balance sheet data as of March 31, 2014, 2013 and 2012 and the statements of earnings and cash flow data for the fiscal years ended March 31, 2013 and 2012 have been derived from audited consolidated financial statements, which are not incorporated by reference into this prospectus supplement. This selected financial data is not necessarily indicative of the results of future operations and should be read in conjunction with Management's discussion and analysis of financial condition and results of operations in this prospectus supplement and our audited consolidated financial statements, and the related notes thereto, included herein and in our Current Report, which is incorporated by reference into this prospectus supplement.

(in thousands, except net sales prices and as otherwise indicated)	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	Fiscal year ended March 31, 2012
Consolidated statements of earnings(1)(2):					
Revenues	\$ 1,143,492	\$ 1,066,368	\$ 898,396	\$ 642,562	\$ 495,023
Cost of goods sold	911,875	812,235	712,937	539,317	454,546
Gross profit	231,617	254,133	185,459	103,245	40,477
Equity in earnings of unconsolidated joint venture(3)	39,083	44,967	37,811	32,507	28,528
Corporate general and administrative expense	(37,193)	(30,751)	(24,552)	(23,918)	(19,617)
Other operating income (Loss)	2,328	3,201	1,368	(1,232)	356
Acquisition, litigation and other expense(4)		(6,880)		(10,683)	(9,117)
Interest expense, net	(16,583)	(11,743)	(18,282)	(15,823)	(16,621)
Earnings before income taxes	219,252	252,927	181,804	84,096	21,912
Income taxes(5)	(66,660)	(66,074)	(57,561)	(26,352)	(3,180)
Net earnings	\$ 152,592	\$ 186,853	\$ 124,243	\$ 57,744	\$ 18,732
Balance sheet data (as of period end):					
Cash and cash equivalents	\$ 5,391	\$ 7,514	\$ 6,482	\$ 3,897	\$ 6,481
Total assets	1,883,635	1,880,326	1,511,529	1,476,233	985,145
Total current liabilities	120,589	184,576	108,820	100,229	77,043
Total debt	507,714	512,759	381,259	489,259	266,936
Total liabilities	843,104	869,733	680,030	780,063	512,634
Total stockholders' equity	1,040,531	1,010,593	831,499	696,170	472,511
Cash flow data:					
Net cash provided by operating activities	\$ 265,767	\$ 234,121	\$ 170,633	\$ 124,407	\$ 60,852
Net cash (used in) investing activities	(121,990)	(348,744)	(59,490)	(506,431)	(26,099)
Net cash provided by (used in) financing activities	(145,900)	115,655	(108,558)	379,440	(30,146)

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(in thousands, except net sales prices and as otherwise indicated)	March 31, 2016	March 31, 2015	March 31, 2014	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2012
Additional segment operating statistics:					
Revenues:					
Cement(6)	\$ 528,499	\$ 488,644	\$ 438,224	\$ 304,125	\$ 243,978
Gypsum wallboard	461,457	437,514	387,016	306,529	217,633
Recycled paperboard	149,192	142,690	130,178	121,930	118,794
Oil and gas proppants	57,591	81,381	19,557		
Concrete and aggregates	128,073	107,892	96,908	56,287	45,515
Operating earnings:					
Cement(6)	\$ 137,854	\$ 117,527	\$ 89,486	\$ 46,228	\$ 46,850
Gypsum wallboard	159,352	145,871	114,852	69,712	6,264
Recycled paperboard	32,153	31,512	23,610	25,200	16,988
Oil and gas proppants	(68,466)	(2,546)	(4,890)		
Concrete and aggregates	9,807	6,736	212	(5,388)	(1,097)
Sales volume:					
Cement (in thousands of tons)(6)	4,778	4,799	4,593	3,303	2,723
Gypsum wallboard (in millions of square feet)	2,394	2,210	2,112	1,909	1,633
Recycled paperboard (in thousands of tons)	288	276	256	244	230
Concrete (in thousands of cubic yards)	1,101	958	899	577	507
Aggregates (in thousands of tons)	3,009	3,026	3,228	2,631	2,221
Average net sales prices(7):					
Cement (per ton)(6)	\$ 98.07	\$ 92.91	\$ 87.31	\$ 83.49	\$ 81.42
Gypsum wallboard (per million square feet)	157.91	162.06	148.33	125.53	98.79
Recycled paperboard (per ton)	505.35	507.47	504.41	496.84	515.97
Concrete (per cubic yard)	92.70	87.93	82.55	69.74	63.83
Aggregates (per ton)	8.28	7.50	6.76	6.06	5.89

- (1) Fiscal year ended March 31, 2015 includes operations related to CRS Holdco LLC, CRS Proppants LLC, Great Northern Sand LLC, and related entities (collectively, CRS Proppants), a supplier of frac sand to the energy industry, which we acquired on November 14, 2014, from the date of such acquisition (the CRS Acquisition) through March 31, 2015.
- (2) Fiscal year ended March 31, 2016 includes operations related to a 600,000 ton per year granulated ground blast furnace slag plant in South Chicago (the Skyway Plant) that we acquired on July 10, 2015 from Holcim (US) Inc., from the date of such acquisition (the Skyway Acquisition) through March 31, 2016.
- (3) We conduct one of our six cement plant operations through the Joint Venture. We own a 50% interest in the Joint Venture and account for our interest using the equity method of accounting.
- (4) Consists of litigation expenses related to our lawsuit against the Internal Revenue Service, as well as expenses related to the CRS Acquisition and Skyway Acquisition, and due diligence efforts associated with the growth our construction products business. Legal fees related to our lawsuit against the Internal Revenue Service were approximately \$4.3 million, while our expenses related to the CRS Acquisition and Skyway Acquisition were approximately \$2.6 million in fiscal 2015. The remaining expense was related to our due diligence efforts during fiscal 2015. See footnote (H) of the notes to our audited consolidated financial statements included herein and in our Current Report, which is incorporated by reference into this prospectus supplement, for more information.
- (5) Reflects a decrease in our effective tax rate to approximately 26% in fiscal 2015 compared to approximately 32% in fiscal 2014. This decrease was primarily due to the settlement of our lawsuit with the Internal Revenue Service. Under the terms of the settlement, we dismissed our lawsuit seeking to recover taxes,

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interest and penalties paid, in exchange for the Internal Revenue Service conceding 40% of the penalties, plus related interest, to date. In accordance with the settlement, we recorded an income tax benefit of approximately \$16.6 million during the fourth quarter of fiscal 2015. Excluding the impact of the IRS settlement, our effective tax rate would have been 33% in fiscal 2015. See footnote (H) of the notes to our audited consolidated financial statements included herein and in our Current Report, which is incorporated by reference into this prospectus supplement, for more information.

(6) Includes our proportionate share of the Joint Venture.

(7) Net of freight and delivery costs.

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Management's discussion and analysis of financial condition and results of operations

Executive summary

We are a diversified producer of basic building products used in residential, industrial, commercial and infrastructure construction. Information presented for the fiscal years ended March 31, 2016, 2015 and 2014, respectively, reflects the our business segments, consisting of Cement, Gypsum Wallboard, Recycled Paperboard, Oil and Gas Proppants and Concrete and Aggregates. These operations are conducted in the United States and include the mining of limestone and the manufacture, production, distribution and sale of Portland cement (a basic construction material which is the essential binding ingredient in concrete) and specialty oil well cement; the grinding of slag, the mining of gypsum and 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, the mining and sale of aggregates (crushed stone, sand and gravel) and the mining and sale of sand used in hydraulic fracturing (frac sand). The products that we manufacture, distribute and sell are basic materials with broad application as construction products, building materials and basic materials used for oil and natural gas extraction. Our construction products are used in residential, industrial, commercial and infrastructure construction and include cement, concrete and aggregates. Our building materials are sold into similar markets and include gypsum wallboard. Our basic materials used for oil and gas extraction include frac sand and oil well cement. Certain information for each of Concrete and Aggregates is broken out separately in the segment discussions.

On July 10, 2015, we completed the acquisition of a 600,000 ton per year Granulated Ground Blast Furnace Slag (Slag) plant in South Chicago (the Skyway Plant) from Holcim (US) Inc. (the Skyway Acquisition). Among other applications, slag is used in conjunction with Portland cement to make a lower permeability concrete. The Skyway Plant purchases its primary raw material, slag, pursuant to a long term supply agreement with a third party.

The purchase price (the Skyway Purchase Price) for the Skyway Acquisition was approximately \$29.9 million, net of \$2.5 million which will be refunded by the seller. We received \$1.5 million of the expected refund in January 2016, and we expect to receive the remaining \$1.0 million in January 2017. We funded the payment of the Skyway Purchase Price and expenses incurred in connection with the Skyway Acquisition through operating cash flow. We also assumed certain liabilities, including contractual obligations, related to the Skyway Plant.

On November 14, 2014, we acquired all of the outstanding equity interests of CRS Holdco LLC, CRS Proppants LLC, Great Northern Sand LLC, and related entities (collectively, CRS Proppants) (such acquisition, the CRS Acquisition). CRS Proppants is a supplier of frac sand to the energy industry, and its business currently consists of a frac sand mine in New Auburn, Wisconsin, and a trans-load network into Texas and southwest Oklahoma. The purchase price (the CRS Purchase Price) paid by us for the CRS Acquisition was approximately \$236.1 million in cash, including approximately \$8.9 million for in-process capital expenditures paid through the closing date, and estimated working capital and other estimated closing amounts. The CRS Purchase Price was funded through borrowings under our Credit Facility. CRS Proppants was in the process of expanding its frac sand mine in New Auburn, Wisconsin at the time of purchase. This expansion was completed during the first quarter of fiscal 2016, at a cost of approximately \$8.0 million.

The decline in oil prices throughout fiscal 2016 adversely impacted United States oil and gas drilling activity leading to further reductions in demand and pricing for proppants. As a result, we recorded impairments to several intangible assets originally booked in connection with our acquisition of CRS Proppants and revalued downward certain raw sand inventory values associated with the downward revaluation of raw sand inventory that CRS Proppants purchased from a third party pursuant to a purchase contract entered into in connection

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with the plant expansion. We have fulfilled our obligations under this purchase contract. The impairments and inventory revaluation charges totaled approximately \$44.4 million (pre-tax) and were recorded within our Oil and Gas Proppants segment during fiscal 2016. One of the customer contracts contained a liability related to prepaid sand, which was to be credited to the customer based on future sand purchases required by the contract. This customer has not made the required purchases in accordance with the terms of the contract, and therefore has forfeited approximately \$10.7 million of the prepaid balances, which partially offsets the write-off of the intangible assets in fiscal 2016.

We operate in cyclical commodity businesses that are affected by changes in market conditions and the overall construction environment. Our operations, depending on each business segment, range from local in nature to national businesses. We have operations in a variety of geographic markets, which subject us to the economic conditions in those geographic markets as well as economic conditions in the national market. 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 Cement companies focus on the United States heartland in Texas, Oklahoma, Missouri, Colorado, Wyoming and Nevada, as well as the Chicago, Illinois metropolitan area. Due to the low value-to-weight ratio of cement, it is usually shipped within a 150 mile radius of the plants by truck and up to 300 miles by rail. Slag is sold primarily in Illinois, Pennsylvania, Iowa, Ohio, Minnesota and Kansas. Concrete and Aggregates are even more regional as our operations serve the areas immediately surrounding Austin, Texas, north of Sacramento, California and the greater Kansas City, Missouri area, while frac sand is currently sold into shale deposit zones across the United States. Cement, concrete and aggregates and frac sand demand may fluctuate more widely because local and regional markets and economies may be more sensitive to changes than the national markets. Our Wallboard and Paperboard operations are more national in scope and shipments are made throughout most of the continental United States, except for the northeast.

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 revenues 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.

General outlook

The drivers of construction products demand continue to improve incrementally, supporting the notion that a cyclic recovery is underway. The recovery continues to hinge on the pace of growth in the United States economy. In December 2015, the Fixing America s Surface Transportation Act (the FAST Act) was signed into law. This is the first significant transportation act enacted in ten years. The FAST Act is legislation to improve the nation s surface transportation infrastructure, including roads, bridges, transit systems and rail transportation network over a five year period. Increased infrastructure spending in the future should positively impact both our cement and concrete and aggregates businesses.

Our cement sales network stretches across the central United States, both east to west and north to south. While we anticipate construction grade cement consumption to continue to increase during calendar 2016, each region will increase at a different pace. Cement markets are affected by infrastructure spending, industrial construction and residential building activity. We expect volume and pricing improvements to vary in each of our cement markets.

We do not anticipate significant increases in concrete and aggregate sales volumes in northern California. We are experiencing a recovery in both volume and price in our Austin, Texas markets, and expect prices and

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volumes to continue to improve throughout calendar 2016. Demand in the greater Kansas City area is expected to improve during calendar 2016, compared to calendar 2015.

Wallboard demand is heavily influenced by new residential housing construction as well as repair and remodeling. Most forecasts point to a continued pick-up in demand in both of these areas throughout calendar 2016. Industry shipments of gypsum wallboard were approximately 22.0 billion square feet in calendar 2015, and we anticipate demand continuing to improve in calendar 2016.

We anticipate increased demand for gypsum wallboard to positively impact our recycled paperboard business as sales of higher priced gypsum paper are expected to continue to increase during calendar 2016 both in gross tons and as a percentage of total sales volumes.

The decline in oil and gas rig count and well completion activity has adversely impacted oil and gas activity, leading to reduced demand and pricing for proppants. In connection with the reduction in demand and pricing, during fiscal 2016, we impaired several of our customer contracts, resulting in a write-down of \$35.0 million, and reduced the value of our sand inventories by approximately \$11.5 million. We anticipate these conditions to persist throughout calendar 2016; however, we remain focused on strengthening our low-cost position and continuing to improve our low delivered cost position to targeted shale plays.

We will continue to consider the impact reduced oil prices and rig counts have on the operating performance of our oil and gas proppants business and, if necessary, determine whether these trends indicate additional impairment in the value of the tangible and intangible assets of this business. If market conditions continue to deteriorate, both in terms of oil pricing and reduced rig counts, we will perform impairment tests to determine if any actual impairment has occurred.

Results of operations*Fiscal year 2016 compared to fiscal year 2015*

	For the years ended March 31,		
	2016	2015	Change
	(in thousands, except per share)		
Revenues	\$ 1,143,492	\$ 1,066,368	7%
Cost of goods sold	(911,875)	(812,235)	12%
Gross profit	231,617	254,133	(9%)
Equity in earnings of unconsolidated Joint Venture	39,083	44,967	(13%)
Corporate general and administrative	(37,193)	(30,751)	21%
Other income	2,328	3,201	(27%)
Acquisition and litigation expense		(6,880)	(100%)
Interest expense, net	(16,583)	(11,743)	41%
Earnings before income taxes	219,252	252,927	(13%)
Income tax expense	(66,660)	(66,074)	1%
Net earnings	\$ 152,592	\$ 186,853	(18%)
Diluted earnings per share	\$ 3.05	\$ 3.71	(18%)

Revenues

Revenues increased \$77.0 million to \$1,143.4 million in fiscal 2016, compared to \$1,066.4 million in fiscal 2015. Revenues from the CRS and Skyway Acquisitions positively impacted revenues by approximately \$18.7 million

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and \$21.3 million, respectively. Revenues increased in all of our segments except our legacy Oil and Gas Proppants segment. The increase in revenues was due primarily to increased average net sales prices in our Cement and Concrete and Aggregates segments and increased sales volumes in our Gypsum Wallboard, Recycled Paperboard and Concrete segments, partially offset by decreased sales volumes in the Aggregates segment. The reduction in revenues from our legacy oil and gas proppants business was due primarily to reduced sales volumes. Excluding revenues from the CRS and Skyway Acquisitions, increased average net sales prices and sales volumes positively impacted revenue from our historical businesses for fiscal 2016, compared to fiscal 2015, by approximately \$13.1 million and \$23.9 million, respectively.

Cost of goods sold

Cost of goods sold increased \$99.7 million to \$911.9 million in fiscal 2016, compared to \$812.2 million in fiscal 2015. Excluding cost of goods sold of \$81.3 million from our CRS and Skyway Acquisitions, cost of goods sold increased approximately \$18.4 million during fiscal 2016, compared to fiscal 2015. The increase in cost of goods sold during fiscal 2016, compared to fiscal 2015, was due to increased sales volumes and increased operating costs, which increased cost of goods sold by approximately \$10.4 million and \$8.0 million, respectively. The increase in cost of goods sold related to sales volumes in fiscal 2016, compared to fiscal 2015, was due primarily to increases in our Cement, Wallboard, Paperboard and Concrete and Aggregates segments of approximately \$11.9 million, \$24.3 million, \$2.0 million and \$11.5 million, respectively, partially offset by reduced sales volumes of approximately \$39.3 million in our Oil and Gas Proppants segment. Operating costs in fiscal 2016, compared to fiscal 2015, increased approximately \$1.3 million, \$5.5 million and \$15.6 million for our Paperboard, Concrete and Aggregates and Oil and Gas Proppants segments, partially offset by decreased operating costs of approximately \$0.6 million and \$13.8 million for our Cement and Wallboard segments. Cost of goods sold includes an impairment charge of approximately \$35.0 million of intangible assets (customer contracts) generated from the CRS Acquisition and a write-down of approximately \$11.5 million in raw sand inventory values associated primarily with downward revaluation of raw sand inventory that CRS Proppants purchased from a third party pursuant to a purchase contract entered into in connection with the plant expansion. We have fulfilled our obligations under this purchase contract. These write-downs were partially offset by a customer's forfeiture of approximately \$10.7 million of prepaid sand during fiscal 2016. We had a \$2.0 million liability related to the remaining customer prepayment of sand. Because the customer did not place orders for approximately 112,000 tons of sand by June 30, 2016, the remaining \$2.0 million was forfeited.

Gross profit

Gross profit was \$231.6 million in fiscal 2016 and \$254.1 million in fiscal 2015. The 9% decrease in gross profit was primarily due to decreased operating earnings in our Oil and Gas Proppants segment, which was primarily due to reduced sales volumes and the increased operating costs. The increase in operating costs in our Oil and Gas Proppants segment is primarily due to lower sales volumes and the write-off of certain customer contract intangible assets in fiscal 2016. This is discussed in more detail in the paragraph labeled "Oil and gas proppants" below.

Equity in earnings of unconsolidated joint venture

Equity in earnings of our unconsolidated joint venture decreased \$5.9 million, or 13%, for fiscal 2016, compared to fiscal 2015. The decrease is primarily due to a decrease in sales volumes, partially offset by an increase in average net sales prices. The impact of the decrease in sales volume on equity in earnings of our unconsolidated joint venture during fiscal 2016 was approximately \$21.6 million, partially offset by increased average net sales prices and decreased cost of goods sold of approximately \$2.8 million and \$12.9 million,

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respectively. The decrease in sales volumes was primarily due to the decrease in demand for oil well cement during the year, due to the decline in drilling activity during fiscal 2016. The decrease in oil well cement was partially offset by the increase in demand for construction grade cement. The decrease in cost of goods sold was primarily due to reduced sales volumes, which reduced cost of goods sold by approximately \$13.9 million, partially offset by increased operating costs, which increased cost of sales by approximately \$1.0 million. The increase in operating costs in fiscal 2016, compared to fiscal 2015, was due primarily to an approximately \$1.8 million increase in maintenance, partially offset by a decrease in energy costs of \$0.9 million.

Corporate general and administrative

Corporate general and administrative expenses increased 21% to \$37.2 million in fiscal 2016, compared to \$30.8 million in fiscal 2015. The approximately \$6.4 million increase in corporate general and administrative expenses for fiscal 2016, compared to fiscal 2015, is due primarily to increased incentive compensation and legal expenses. Incentive compensation and legal expenses increased approximately \$5.0 million and \$0.5 million, respectively, during fiscal 2016, compared to fiscal 2015. The increase in incentive compensation was primarily due to increased operating earnings in each of our segments except Oil and Gas Proppants.

Acquisition and litigation expense

Acquisition and litigation expense consists of litigation expenses related to our lawsuit against the United States Internal Revenue Service (the IRS), the CRS and Skyway Acquisitions, and due diligence efforts at growing our construction products business. Legal fees related to our lawsuit against the IRS were approximately \$4.3 million, while our expenses related to the CRS and Skyway Acquisitions were approximately \$2.6 million in fiscal 2015. The remaining expense was related to our due diligence efforts during fiscal 2015. As discussed in footnote (H) of the notes to our audited consolidated financial statements included herein and in our Current Report, which is incorporated by reference into this prospectus supplement, the United States Department of Justice approved the proposed settlement of our lawsuit against the IRS in January 2015, and the case was dismissed.

Other Income (Expense)

Other income was \$2.3 million in fiscal 2016, compared to other income of \$3.2 million in fiscal 2015, and consists of a variety of items that are non-segment operating in nature, including non-inventoried aggregates income, gypsum wallboard distribution center income, asset sales and other miscellaneous income and cost items.

Interest expense, net

Interest expense, net, increased approximately \$4.9 million during fiscal 2016 to \$16.6 million, compared to \$11.7 million in fiscal 2015. The 41% increase in interest expense, net, during fiscal 2016, compared to fiscal 2015, is due primarily to the \$4.4 million refund of interest received from the IRS upon settlement of our lawsuit in fiscal 2015. See the discussion below in *Income taxes* for more information about the settlement. The remaining increase in interest expense in fiscal 2016, compared to 2015, was the result of greater average borrowings under our Credit Facility, due to our repurchase and retirement of common shares during fiscal 2016.

Earnings before income taxes

Earnings before income taxes decreased to \$219.3 million during fiscal 2016, compared to \$252.9 million in fiscal 2015, primarily due to decreased gross profit, equity in earnings of our unconsolidated joint venture and increased corporate general and administrative and interest expenses.

Table of Contents*Income taxes*

The effective tax rate for fiscal 2016 was approximately 30% compared to approximately 26% in fiscal 2015. The increase in the effective tax rate during fiscal 2016 is primarily due to the settlement of our lawsuit with the IRS in fiscal 2015. Under the terms of the settlement, we dismissed our lawsuit seeking to recover taxes, interest and penalties paid, in exchange for the IRS conceding 40% of the penalties, plus related interest, to date. In accordance with the settlement, we recorded an income tax benefit of approximately \$16.6 million during the fourth quarter of fiscal 2015. Excluding the impact of the IRS settlement, our effective tax rate would have been 33% in fiscal 2015, which is greater than the 30% effective tax rate in fiscal 2016. The decrease in the fiscal 2016 tax rate is due primarily to an increase in our percentage depletion deduction. See footnote (H) of the notes to our audited consolidated financial statements included herein and in our Current Report, which is incorporated by reference into this prospectus supplement, for more information.

Net earnings and diluted earnings per share

Net earnings in fiscal 2016 of \$152.6 million decreased 18% from fiscal 2015 net earnings of \$186.9 million. Diluted earnings per share in fiscal 2016 were \$3.05, compared to \$3.71 for fiscal 2015.

Segment disclosure

The following table highlights certain operating information related to our business segments:

	For the years ended March 31,		Percentage change
	2016	2015	
	(in thousands, except net sales prices)		
Revenues(1):			
Cement(2)	\$ 528,499	\$ 488,644	8%
Gypsum wallboard	461,457	437,514	5%
Recycled paperboard	149,192	142,690	5%
Oil and gas proppants	57,591	81,381	(29%)
Concrete and aggregates	128,073	107,892	19%
Gross revenues	1,324,812	1,258,121	5%
Less: Inter-segment revenues	(73,862)	(65,533)	13%
Less: Joint Venture revenues	(107,458)	(126,220)	(15%)
Net revenues	\$ 1,143,492	\$ 1,066,368	7%
Sales volume:			
Cement (M Tons)(2)	4,778	4,799	
Gypsum wallboard (MMSF)	2,394	2,210	8%
Recycled paperboard (M Tons)	288	276	4%
Concrete (M Yards)	1,101	958	15%
Aggregates (M Tons)	3,009	3,026	(1%)
Average net sales prices(3):			
Cement(2)	\$ 98.07	\$ 92.91	6%
Gypsum wallboard	157.91	162.06	(3%)
Recycled paperboard	505.35	507.47	
Concrete	92.70	87.93	5%
Aggregates	8.28	7.50	10%

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	For the years ended March 31,		Percentage change
	2016 (in thousands, except net sales prices)	2015	
Operating Earnings:			
Cement ⁽²⁾	\$ 137,854	\$ 117,527	17%
Gypsum wallboard	159,352	145,871	9%
Recycled paperboard	32,153	31,512	2%
Oil and gas proppants	(68,466)	(2,546)	(2589%)
Concrete and aggregates	9,807	6,736	46%
Other operating income, net	2,328	3,201	(27%)
Net operating earnings	\$ 273,028	\$ 302,301	(10%)

(1) Gross revenue, before freight and delivery costs.

(2) Includes proportionate share of our Joint Venture.

(3) Net of freight and delivery costs.

Cement operations

Cement revenues were \$528.5 million for fiscal 2016, which is an 8% increase over revenues of \$488.6 million for fiscal 2015. Approximately \$21.3 million of the increase in revenues for fiscal 2016, compared to fiscal 2015, was related to the Skyway Acquisition. The remaining increase in revenue during fiscal 2016 compared to fiscal 2015 is primarily due to a 6% increase in average net sales prices, partially offset by a slight decrease in sales volumes. The increase in average net sales prices during fiscal 2016, compared to fiscal 2015, positively impacted cement revenues by approximately \$20.7 million, while the decrease in sales volumes negatively impacted cement revenues by approximately \$2.1 million. The decrease in sales volumes during fiscal 2016, compared to fiscal 2015, was primarily related to above average rainfall during April and May 2015 in our Texas, Oklahoma and Colorado markets, as well as wet weather in our Texas and Oklahoma markets during October and November. In Texas, demand for construction grade cement continues to offset much of the impact from lower oil well cement demand.

Cement operating earnings increased 17% to \$137.9 million from \$117.5 million for fiscal 2016 and 2015, respectively. Approximately \$4.5 million of the increase in operating earnings fiscal 2016, compared to fiscal 2015, was related to the Skyway Acquisition. The remaining increase in operating earnings was due primarily to increased average net sales prices, which positively impacted operating earnings by approximately \$20.7 million, partially offset by decreased sales volumes and increased operating costs of approximately \$4.4 million and \$0.4 million. The increase in operating costs in fiscal 2016, compared to fiscal 2015, is primarily related to increased maintenance, which adversely impacted operating earnings by approximately \$8.4 million, partially offset by decreased energy costs of approximately \$4.4 million. Additionally, the percentage of purchased cement sold during fiscal 2016, declined approximately 3% compared to the percentage of purchased cement sold for fiscal 2015, which positively impacted our operating costs by approximately \$3.4 million. The increase in maintenance costs was due primarily to a shift in the timing of some of our annual maintenance outages, which adversely impacted operating earnings by approximately \$3.0 million during the first quarter of fiscal 2016, compared to the first quarter of fiscal 2015 and increased maintenance activity at certain plants in fiscal 2016. The operating margin increased to 26% in fiscal 2016, compared to 24% in fiscal 2015, primarily due to increased sales prices and a reduction in the percentage of sales of lower margin purchased cement.

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Gypsum wallboard operations

Sales revenues increased 5% to \$461.5 million for fiscal 2016, from \$437.5 million for fiscal 2015, primarily due to an 8% increase in sales volumes, partially offset by a 3% decrease in average net sales prices. The increase in sales volumes positively impacted revenues by approximately \$36.5 million, partially offset by a \$12.5 million decrease in sales revenues due to lower average net sales prices. The increased sales volumes are primarily due to increased construction activity in fiscal 2016, compared to fiscal 2015. Our market share was essentially unchanged during fiscal 2016, compared to fiscal 2015.

Operating earnings increased to \$159.4 million for fiscal 2016, from \$145.9 million for fiscal 2015, primarily due to the increase in sales volumes and the reduction in operating costs, which positively impacted operating earnings by approximately \$12.2 million and \$13.8 million, partially offset by decreased average net sales prices of approximately \$12.5 million. The decrease in operating costs was primarily related to natural gas, raw materials and customer freight, which decreased approximately \$5.6 million, \$4.6 million and \$2.5 million, respectively. During fiscal 2016, our gross margin improved to 35% from 33% in fiscal 2015, primarily due to the reduction in operating expenses, partially offset by decreased average net sales prices. Fixed costs are not a significant part of the overall cost of wallboard; therefore, changes in volume have a relatively minor impact on our operating cost per unit.

Recycled paperboard operations

Revenues increased 5% to \$149.2 million for fiscal 2016, from \$142.7 million for fiscal 2015. The increase in net revenue during fiscal 2016, compared to fiscal 2015, is primarily due to increased sales volumes, which contributed approximately \$6.7 million to revenues; partially offset by a decrease in average net sales prices that adversely impacted revenue by approximately \$0.2 million. The decrease in average net sales price is due to the pricing provisions in our long-term sales agreement.

Operating earnings increased to \$32.2 million for fiscal 2016, compared to \$31.5 million for fiscal 2015, while gross margin remained consistent at 22% for both fiscal 2016 and fiscal 2015. The increase in operating earnings is primarily due to increased sales volumes, which increased operating earnings by approximately \$2.0 million, partially offset by increased operating costs of approximately \$1.3 million. The increase in operating costs was due primarily to recycled fiber costs, customer freight and chemicals, which adversely impacted operating earnings by approximately \$1.3 million, \$1.1 million and \$0.5 million, respectively, partially offset by decreased natural gas and electricity costs of approximately \$1.8 million and \$0.5 million, respectively.

Oil and gas proppants

Revenues from our Oil and Gas Proppants segment decreased approximately \$23.8 million to \$57.6 million for fiscal 2016, compared to \$81.4 million for fiscal 2015. Excluding revenues from the CRS Acquisition of approximately \$46.7 million and \$28.0 million for fiscal 2016 and 2015, respectively, revenues decreased \$42.5 million in fiscal 2016, compared to fiscal 2015. The decrease in revenues in fiscal 2016, compared to 2015, was due to a decline in sales volumes and average net sales prices at our legacy facility in Corpus Christi which adversely impacted revenues by approximately \$41.3 million and \$1.2 million, respectively.

The operating loss for fiscal 2016 was approximately \$68.5 million, which grew from an operating loss of approximately \$2.5 million during fiscal 2015. The increased operating loss was primarily due to increased operating costs and reduced average net sales prices that increased the operating loss by \$50.0 million and \$15.9 million, respectively. The operating loss for fiscal 2016 includes an impairment charge of approximately \$35.0 million of intangible assets (customer contracts) generated from the CRS Acquisition, \$2.0 million of bad debt reserves and a write-down of \$11.5 million in raw sand inventory values associated primarily with

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downward revaluation of raw sand inventory that CRS Proppants purchased from a third party pursuant to a purchase contract entered into in connection with the plant expansion, that has since expired. This loss was partially offset by a customer forfeiture of approximately \$10.7 million of prepaid sand during fiscal 2016.

Concrete and aggregates operations

Concrete and aggregates revenues increased 19% to \$128.1 million for fiscal 2016, compared to \$107.9 million for fiscal 2015. The primary reason for the increase in revenue for fiscal 2016, compared to fiscal 2015, was the 5% and 10% increase in average net sales prices for concrete and aggregates, respectively, which positively impacted revenues by approximately \$7.7 million. In addition to the increase in average net sales prices, sales volume increased 15% for concrete during fiscal 2016, compared to fiscal 2015, which positively impacted revenues by \$12.6 million. This increase was partially offset by a 1% decrease in sales volumes for our aggregates business, which adversely impacted revenues by approximately \$0.1 million. Sales volumes in our concrete business increased in all of our markets during fiscal 2016, but the largest increase was in the greater Kansas City market.

Operating income for fiscal 2016 was approximately \$9.8 million, compared to operating income of approximately \$6.7 million for fiscal 2015. The operating income was positively impacted by increased average net sales prices and sales volumes, which increased operating income by approximately \$7.7 million and \$0.9 million, respectively. The increase in operating profit was partially offset by increased operating costs of approximately \$5.5 million. The increased operating expenses were primarily related to increased cost of materials and depreciation in our concrete business of approximately \$5.1 million and \$0.7 million, partially offset by reduced delivery cost of approximately \$0.9 million. The increase in depreciation expense is related to the addition of concrete trucks during fiscal 2015.

Fiscal year 2015 compared to fiscal year 2014

	For the years ended March 31,		Change
	2015	2014	
	(in thousands, except per share)		
Revenues	\$ 1,066,368	\$ 898,396	19%
Cost of goods sold	(812,235)	(712,937)	14%
Gross profit	254,133	185,459	37%
Equity in earnings of unconsolidated Joint Venture	44,967	37,811	19%
Corporate general and administrative	(30,751)	(24,552)	25%
Other income	3,201	1,368	134%
Acquisition and litigation expense	(6,880)		
Interest expense, net	(11,743)	(18,282)	(36%)
Earnings before income taxes	252,927	181,804	39%
Income tax expense	(66,074)	(57,561)	15%
Net earnings	\$ 186,853	\$ 124,243	50%
Diluted earnings per share	\$ 3.71	\$ 2.49	49%

Revenues

Revenues increased \$168.0 million to \$1,066.4 million in fiscal 2015, compared to \$898.4 million in fiscal 2014. Revenues from the CRS Acquisition positively impacted revenues by approximately \$28.0 million. The remaining

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increase in revenues from our historical businesses was due primarily to increased average net selling prices for all of our segments and increased sales volumes for all of our segments except aggregates. The impact of the increased net sales prices and sales volumes on revenue from our historical businesses for fiscal 2015, as compared to fiscal 2014, was approximately \$62.6 million and \$77.4 million, respectively.

Cost of goods sold

Cost of goods sold increased \$99.3 million to \$812.2 million in fiscal 2015, compared to \$712.9 million in fiscal 2014. The 14% increase in cost of goods sold for fiscal 2015, compared to fiscal 2014, was primarily due to increased sales volumes and operating costs, which increased cost of goods sold by approximately \$93.5 million and \$5.8 million, respectively. Approximately \$33.0 million of the increase in cost of goods sold that related to volumes is due to the CRS Acquisition. The increase in operating costs in fiscal 2015, compared to fiscal 2014, is primarily related to our cement and gypsum wallboard segments, which increased approximately \$6.5 million and \$6.7 million, respectively, partially offset by decreased operating costs of approximately \$3.6 million in our recycled paperboard segment.

Gross profit

Gross profit was \$254.1 million in fiscal 2015 and \$185.5 million in fiscal 2014. The 37% increase in gross profit was primarily due to increased average sales prices, sales volumes and lower operating costs, as noted above.

Equity in earnings of unconsolidated joint venture

Equity in earnings of our unconsolidated joint venture increased \$7.2 million, or 19%, for fiscal 2015, compared to fiscal 2014. The increase is primarily due to increases in the average net sales price and sales volume. The impact of the increases in sales volume and average net sales price on equity in earnings of our unconsolidated joint venture during fiscal 2015 was approximately \$10.2 million and \$4.6 million, respectively, partially offset by increased cost of sales of approximately \$7.6 million. The increase in cost of sales was primarily due to operating costs, which increased cost of goods sold by approximately \$4.6 million, and increased sales volume, which increased cost of sales by approximately \$3.0 million. The increased operating costs in fiscal 2015, compared to fiscal 2014, were due primarily to a \$3.0 million and \$0.6 million increase in purchased cement and power, respectively.

Corporate general and administrative

Corporate general and administrative expenses increased 25% to \$30.8 million in fiscal 2015, as compared to \$24.6 million in fiscal 2014. The approximately \$6.2 million increase in corporate general and administrative expenses for fiscal 2015, compared to fiscal 2014, is due primarily to increased incentive compensation and relocation expenses. Incentive compensation and relocation expenses increased approximately \$4.2 million and \$0.6 million, respectively, during fiscal 2015, as compared to fiscal 2014. The increase in incentive compensation was primarily due to increased operating earnings.

Acquisition and litigation expense

Acquisition and litigation expense consists of litigation expenses related to our lawsuit against the IRS, the CRS and Skyway Acquisitions, and due diligence efforts at growing our construction products business. Legal fees related to our lawsuit against the IRS were approximately \$4.3 million, while our expenses related to the CRS and Skyway Acquisitions were approximately \$2.6 million in fiscal 2015. The remaining expense was related to our due diligence efforts during fiscal 2015. As discussed in footnote (H) of the notes to our audited

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consolidated financial statements included herein and in our Current Report, which is incorporated by reference into this prospectus supplement, the United States Department of Justice approved the proposed settlement of our lawsuit against the IRS in January 2015, and the case was dismissed.

Other income (expense)

Other income was \$3.2 million in fiscal 2015, compared to other income of \$1.4 million in fiscal 2014, and consists of a variety of items that are non-segment operating in nature, including non-inventoried aggregates income, gypsum wallboard distribution center income, asset sales and other miscellaneous income and cost items.

Interest expense, net

Interest expense, net, decreased approximately \$6.5 million during fiscal 2015 to \$11.7 million, as compared to \$18.3 million in fiscal 2014. The 36% decrease in interest expense, net, during fiscal 2015, compared to fiscal 2014, is due primarily to the \$4.4 million refund of interest received from the IRS upon settlement of our lawsuit. See the discussion below in *Income taxes* for more information about the settlement. The remaining reduction in interest expense in fiscal 2015, compared to 2014, was the result of lower average borrowings under our Credit Facility, due to the repayment of outstanding amounts during fiscal 2014 and the first half of fiscal 2015, prior to the CRS Acquisition.

Earnings before income taxes

Earnings before income taxes increased to \$252.9 million during fiscal 2015, compared to \$181.8 million in fiscal 2014, primarily due to increased gross profit and increased equity in earnings of our unconsolidated joint venture, partially offset by increased corporate general and administrative and interest expenses.

Income taxes

The effective tax rate for fiscal 2015 was approximately 26% compared to approximately 32% in fiscal 2014. The decrease in the effective tax rate during fiscal 2015 is primarily due to the settlement of our lawsuit with the IRS. Under the terms of the settlement, we dismissed our lawsuit seeking to recover taxes, interest and penalties paid, in exchange for the IRS conceding 40% of the penalties, plus related interest, to date. In accordance with the settlement, we recorded an income tax benefit of approximately \$16.6 million during the fourth quarter of fiscal 2015. Excluding the impact of the IRS settlement, our effective tax rate would have been 33% in fiscal 2015. See footnote (H) of the notes to our audited consolidated financial statements included herein and in our Current Report, which is incorporated by reference into this prospectus supplement, for more information.

Net earnings and diluted earnings per share

Net earnings in fiscal 2015 of \$186.9 million increased 50% from fiscal 2014 net earnings of \$124.2 million. Diluted earnings per share in fiscal 2015 were \$3.71, compared to \$2.49 for fiscal 2014.

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Segment disclosure

The following table highlights certain operating information related to our business segments:

	For the years ended March 31,		Percentage change
	2015	2014	
	(in thousands, except net sales prices)		
Revenues(1):			
Cement(2)	\$ 488,644	\$ 438,224	12%
Gypsum wallboard	437,514	387,016	13%
Recycled paperboard	142,690	130,178	10%
Oil and gas proppants	81,381	19,557	316%
Concrete and aggregates	107,892	96,908	11%
Gross revenues	1,258,121	1,071,883	17%
Less: Inter-segment revenues	(65,533)	(62,094)	6%
Less: Joint venture revenues	(126,220)	(111,393)	13%
Net revenues	\$ 1,066,368	\$ 898,396	19%
Sales volume:			
Cement (M Tons)(2)	4,799	4,593	4%
Gypsum wallboard (MMSF)	2,210	2,112	5%
Recycled paperboard (M Tons)	276	256	8%
Concrete (M Yards)	958	899	7%
Aggregates (M Tons)	3,026	3,228	(6%)
Average net sales prices(3):			
Cement(2)	\$ 92.91	\$ 87.31	6%
Gypsum wallboard	162.06	148.33	9%
Recycled paperboard	507.47	504.41	1%
Concrete	87.93	82.55	7%
Aggregates	7.50	6.76	11%
Operating earnings:			
Cement(2)	\$ 117,527	\$ 89,486	31%
Gypsum wallboard	145,871	114,852	27%
Recycled paperboard	31,512	23,610	33%
Oil and gas proppants	(2,546)	(4,890)	48%
Concrete and aggregates	6,736	212	3077%
Other operating income, net	3,201	1,368	134%
Net operating earnings	\$ 302,301	\$ 224,638	35%

(1) Gross revenue, before freight and delivery costs.

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(2) Includes proportionate share of our Joint Venture.

(3) Net of freight and delivery costs.

Cement operations

Cement revenues were \$488.6 million for fiscal 2015, which is a 12% increase over revenues of \$438.2 million for fiscal 2014. The increase in revenues during fiscal 2015, compared to fiscal 2014, is primarily due to a 6% increase in the average net sales price, as well as a 4% increase in sales volumes. The increase in the average

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net sales price and sales volumes positively impacted revenues by approximately \$30.6 million and \$19.8 million, respectively, in fiscal 2015, compared to fiscal 2014. Average net sales price increased in virtually all of our markets.

The increase in average net sales price during fiscal 2015, compared to fiscal 2014, enabled us to increase our operating margin from 20% in fiscal 2014 to 24% in fiscal 2015. Cement operating earnings increased 31% to \$117.5 million in fiscal 2015, from \$89.5 million in fiscal 2014. The increase in operating earnings was due primarily to increased average net sales prices and sales volumes, which contributed approximately \$30.6 million and \$3.9 million to operating earnings, partially offset by increased operating expenses, which adversely impacted operating earnings by approximately \$6.5 million. The increase in operating costs related primarily to purchased cement, maintenance and power, which adversely impacted earnings by approximately \$4.8 million, \$1.7 million and \$1.0 million, respectively, partially offset by decreased fuel costs of approximately \$3.3 million.

Gypsum wallboard operations

Sales revenues increased 13% to \$437.5 million for fiscal 2015, from \$387.0 million for fiscal 2014, primarily due to a 9% increase in the average net sales price and a 5% increase in sales volumes. The increase in the average net sales price and sales volumes positively impacted revenues by approximately \$32.5 million and \$18.0 million, respectively. The increase in average net sales price was due to the implementation of price increases in January 2015 and 2014. The increased sales volumes are primarily due to increased construction activity in fiscal 2015, compared to fiscal 2014. Our market share was essentially unchanged during fiscal 2015, compared to fiscal 2014.

Operating earnings increased to \$145.9 million for fiscal 2015, from \$114.9 million for fiscal 2014, primarily due to the increase in average net sales price and sales volumes, which positively impacted operating earnings by approximately \$32.5 million and \$5.2 million, partially offset by increased operating expenses of approximately \$6.7 million. The increase in operating costs was primarily related to natural gas, raw materials, maintenance and paper, which increased approximately \$0.7 million, \$1.1 million, \$0.5 million and \$0.4 million, respectively. Additionally, operating costs were adversely impacted by approximately \$3.2 million in legal expense. During fiscal 2015 our gross margin improved to 33% from 30% in fiscal 2014, primarily due to the increase in average net sales price, partially offset by increased operating costs. Fixed costs are not a significant part of the overall cost of wallboard; therefore, changes in volume have a relatively minor impact on our operating cost per unit.

Recycled paperboard operations

Revenues increased 10% to \$142.7 million in fiscal 2015, from \$130.2 million in fiscal 2014. The increase in net revenue during fiscal 2015, compared to fiscal 2014, is due to both increased sales volumes and average net sales prices, which contributed approximately \$10.1 million and \$2.4 million, respectively, to revenues. The increase in average net sales price is due to the pricing provisions in our long-term sales agreement, as well as an increase in the percentage of higher priced gypsum paper sold in fiscal 2015, as compared to fiscal 2014.

Operating earnings increased to \$31.5 million for fiscal 2015, compared to \$23.6 million for fiscal 2014, while gross margin increased to 22% for fiscal 2015, compared to 18% for fiscal 2014. The increase in operating earnings and gross margin are primarily due to increased average net sales prices and sales volumes, which increased operating earnings by approximately \$2.4 million and \$1.9 million, respectively. Operating earnings were also positively impacted by decreased operating costs of approximately \$3.6 million, namely recycled fiber costs and chemicals, which positively impacted operating earnings by approximately \$3.4 million and \$0.9 million, respectively, partially offset by increased repair and maintenance costs of approximately \$0.6 million. Operating earnings and margin were also positively impacted by a change in the product sales mix as sales of higher margin gypsum liner increased to 90% for fiscal 2015, from 78% for fiscal 2014, which positively impacted operating earnings by approximately \$1.4 million.

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Oil and gas proppants

Revenues for our oil and gas proppants segment increased approximately \$61.8 million to \$81.4 million during fiscal 2015, compared to \$19.6 million during fiscal 2014. Approximately \$28.0 million of the increase in fiscal 2015, compared to fiscal 2014, related to the CRS Acquisition and approximately \$33.8 of the increase reflects sales volume growth at our Corpus Christi, Texas location. Fiscal 2015 represents the first full year of operations in Corpus Christi, Texas.

The operating loss for fiscal 2015 was approximately \$2.5 million, which improved from an operating loss of approximately \$4.9 million during fiscal 2014. Approximately \$7.4 million of the decrease in operating loss was related to improved earnings at our Corpus Christi location, partially offset by an operating loss of \$5.0 million related to the CRS Acquisition. Operating income related to the CRS Acquisition was adversely impacted by approximately \$1.5 million related to the step-up of inventory acquired on November 14, 2014 and sold prior to March 31, 2015, as well as amortization expense of approximately \$5.1 million related to CRS sales contracts in existence at November 14, 2014 and \$1.3 million depreciation on the assets valued at the acquisition date. Fiscal 2015 represented the first full year of operations at Corpus Christi, Texas, and we began selling internally produced sand during the fourth quarter of fiscal 2015.

Concrete and aggregates operations

Concrete and aggregates revenues increased 11% to \$107.9 million for fiscal 2015, compared to \$96.9 million for fiscal 2014. The primary reason for the increase in revenue for fiscal 2015, compared to fiscal 2014, was the 7% and 11% increase in average net sales prices for concrete and aggregates, respectively, which positively impacted revenues by approximately \$7.7 million. In addition to the increase in average net sales prices, sales volume increased 7% for concrete during fiscal 2015, compared to fiscal 2014, which positively impacted revenues by \$4.8 million. This increase was partially offset by a 6% decrease in sales volumes for our aggregates business, which adversely impacted revenues by approximately \$1.5 million. The increase in sales volumes in our concrete business was due to primarily to increased construction activity in our Austin, Texas market, while the reduction in sales volumes in our aggregates business was primarily related to the greater Kansas City market.

Operating income for fiscal 2015 was approximately \$6.7 million, as compared to operating income of approximately \$0.2 million for fiscal 2014. The operating income was positively impacted by increased average net sales prices, which increased operating income by approximately \$7.7 million. The increase in operating profit was partially offset by decreased sales volumes and increased operating expenses of approximately \$0.3 million and \$0.7 million, respectively. The increased operating expenses were primarily related to increased cost of materials in our concrete business of approximately \$2.5 million, partially offset by fuel and maintenance expenses of approximately \$0.6 million and \$0.4 million in our aggregates business.

Critical accounting policies

Certain of our critical accounting policies require the use of judgment in their application or require estimates of inherently uncertain matters. Although our accounting policies are in compliance with generally accepted accounting principles, a change in the facts and circumstances of the underlying transactions could significantly change the application of the accounting policies and the resulting financial statement impact. Listed below are those policies that we believe are critical and require the use of complex judgment in their application.

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Impairment of long-lived assets

We assess our long-lived assets, including mining and related assets, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets is measured by comparing the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. These evaluations for impairment are significantly impacted by estimates of revenues, costs and expenses, and in the case of our mining assets, changes in the costs and availability of extraction of our mineral assets and other factors. If these assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets.

During calendar 2015, the continued decline in prices adversely impacted oil and gas drilling activity, leading to further reductions in demand and pricing for proppants. This reduction in overall proppant demand resulted in a decline in sales volumes and average net sales prices for our Oil and Gas Proppants segment. In response to the decline in demand, we elected to temporarily idle our Utica, Illinois and Corpus Christi, Texas facilities during the fourth quarter of fiscal 2016. Additionally, we idled the Fowlerton, Texas and Kenedy, Texas; trans-load operations. In connection with the closure of these facilities and trans-load locations, we determined that our long lived assets related to the oil and gas proppants segment should be tested for impairment. In connection with this test, we determined that the entire network of plants and trans-load locations should be considered an individual operating unit for the purposes of testing for potential impairment. In performing this test, we compared the weighted average undiscounted cash flows to the carrying value of the asset group, noting that the undiscounted cash flows significantly exceeded the carrying value of the asset group; therefore, no impairment was noted. We will continue to monitor market conditions and our performance in the market. We will also continue to review relevant factors and circumstances related to the overall market condition and our performance and, if necessary, perform an additional test for impairment at such time we believe it is necessary.

This reduction in demand and pricing for proppants also adversely impacted performance under our customer contracts, resulting in the amendment of certain of these contracts. Based on the reduced demand and reduced pricing for proppants, we concluded that long-lived asset impairment indicators were present during the quarters ended September 30, 2015 and March 31, 2016 for our customer contract intangible assets. We performed recovery tests to determine if any of the customer contract intangible assets related to our oil and gas proppants business unit were impaired at September 30, 2015 and March 31, 2016. Based on our analysis of the undiscounted cash flows for each of our customer contract intangibles related to our oil and gas proppants business, we concluded that the carrying value of certain customer contract intangible assets exceeded the undiscounted cash flows for the related assets at both September 30, 2015 and March 31, 2016. For those contracts whose carrying value exceeded the undiscounted cash flows, we calculated an estimated fair value of each contract using the weighted-average probable cash flows related to each contract (level 3 inputs), discounted using a weighted-average cost of capital (WACC). The WACC was determined from relevant market comparisons, and adjusted for specific risks. This analysis resulted in an impairment loss of approximately \$28.4 million and \$6.6 million for the quarters ended September 30, 2015 and March 31, 2016, respectively, which is included in cost of goods sold in the Consolidated Statement of Earnings for fiscal year 2016.

Goodwill

Goodwill is subject to an assessment at least annually for impairment by applying a fair-value-based test. We have elected to test for goodwill impairment in the fourth quarter of each fiscal year. The goodwill impairment test is a two-step process, which requires management to make judgments in determining what assumptions to use in the calculation. The first step of the process consists of estimating the fair value of each reporting unit based on a discounted cash flow model using revenues and profit forecasts and comparing those estimated fair

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values with the carrying value; a second step is performed, if necessary, to compute the amount of the impairment by determining an implied fair value of goodwill. Similar to the review for impairment of other long-lived assets, evaluations for impairment are significantly impacted by estimates of future prices for our products, capital needs, economic trends and other factors.

The segment breakdown of goodwill at March 31, 2016 and 2015 is as follows:

	For the years ended March 31,	
	2016	2015
	(dollars in thousands)	
Cement	\$ 9,729	\$ 8,359
Gypsum wallboard	116,618	116,618
Paperboard	7,538	7,538
	\$ 133,885	\$ 132,515

Impairment testing for the cement business is done at the plant level because the relatively low value-to-weight ratio limits the geographic area in which a company can market its products profitably; therefore, the United States cement industry is fragmented into regional geographic areas rather than a national selling area. Impairment testing for the gypsum wallboard and paperboard segments is done at the segment level because of the national nature of the businesses and customer base. See Note (A) of the notes to our audited consolidated financial statements included herein and in our Current Report, which is incorporated by reference into this prospectus supplement, for more information. The results of the first step of the annual impairment tests performed in the fiscal fourth quarter of 2016 and 2015 indicated that the fair values of the reporting units with goodwill substantially exceeded their carrying values. Determining the fair value of our reporting units involves the use of significant estimates and assumptions and considerable management judgment. We base our fair value estimates on assumptions we believe to be reasonable at the time, but such assumptions are subject to inherent uncertainty. The most important assumption underlying our estimates is a cyclical recovery in U.S. construction activity from the current low levels. Actual results may differ materially from those estimates. Changes in key assumptions or management judgment with respect to a reporting unit or its prospects, which may result from a change in market conditions, market trends, interest rates or other factors outside of our control, or significant underperformance relative to historical or projected future operating results, could result in a significantly different estimate of the fair value of our reporting units, which could result in an impairment charge in the future.

Environmental liabilities

Our operations are subject to state, federal and local environmental laws and regulations, which impose liability for clean up or remediation of environmental pollution and hazardous waste arising from past acts and require pollution control and prevention, site restoration and operating permits and/or approvals to conduct certain of its operations. We record environmental accruals when it is probable that a reasonably estimable liability has been incurred. Environmental remediation accruals are based on internal studies and estimates, including shared financial liability with third parties. Environmental expenditures that extend the life, increase the capacity, improve the safety or efficiency of assets or mitigate or prevent future environmental contamination may be capitalized. Other environmental costs are expensed when incurred.

Estimation of reserves and valuation allowances

We evaluate the collectability of accounts receivable based on a combination of factors. In circumstances when we are aware of a specific customer's inability to meet its financial obligation to the Company, the balance in

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the reserve for doubtful accounts is evaluated, and if it is determined to be deficient, a specific amount will be added to the reserve. For all other customers, the reserve for doubtful accounts is determined by the length of time the receivables are past due or the customer's financial condition.

Income taxes

In determining net income for financial statement purposes, we must make certain estimates and judgments in the calculation of tax provisions and the resultant tax liabilities, and in the recoverability of deferred tax assets that arise from temporary differences between the tax and financial statement recognition of revenue and expense.

In the ordinary course of business, there may be many transactions and calculations where the ultimate tax outcome is uncertain. The calculation of tax liabilities involves dealing with uncertainties in the application of complex tax laws. We recognize potential liabilities for anticipated tax audit issues in both the United States and state tax jurisdictions based on an estimate of the ultimate resolution of whether, and the extent to which, additional taxes will be due. Although we believe the estimates are reasonable, no assurance can be given that the final outcome of these matters will not be different than what is reflected in the historical income tax provisions and accruals.

As part of our process for preparing financial statements, we must assess the likelihood that our deferred tax assets can be recovered. If recovery is not likely, the provision for taxes must be increased by recording a reserve in the form of a valuation allowance for the deferred tax assets that are estimated not to be ultimately recoverable. In this process, certain relevant criteria are evaluated including the existence of deferred tax liabilities that can be used to absorb deferred tax assets, the taxable income in prior years that can be used to absorb net operating losses and credit carrybacks, and taxable income in future years. Our judgment regarding future taxable income may change due to market conditions, changes in United States tax laws and other factors. These changes, if any, may require material adjustments to the deferred tax assets and an accompanying reduction or increase in net income in the period when such determinations are made.

Business combinations

The acquisition method of accounting requires that we recognize the assets acquired and liabilities assumed at their acquisition date fair values. Goodwill is measured as the excess of consideration transferred over the acquisition date net fair values of the assets acquired and the liabilities assumed.

The measurement of the fair values of assets acquired and liabilities assumed requires considerable judgment. Although independent appraisals may be used to assist in the determination of the fair values of certain assets and liabilities, the appraised values are usually based on significant estimates provided by management, such as forecasted revenue or profit. In determining the fair value of intangible assets, an income approach is generally used and may incorporate the use of a discounted cash flow method. In applying the discounted cash flow method, the estimated future cash flows and residual values for each intangible asset are discounted to a present value using a discount rate based on an estimated weighted average cost of capital for the building materials industry. These cash flow projections are based on management's estimates of economic and market conditions including revenue growth rates, operating margins, capital expenditures and working capital requirements.

While we use our best estimates and assumptions as part of the process to value assets acquired and liabilities assumed at the acquisition date, our estimates are inherently uncertain and subject to refinement. During the measurement period, which occurs before finalization of the purchase price allocation, changes in assumptions

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and estimates that result in adjustments to the fair values of assets acquired and liabilities assumed are recorded on a retroactive basis as of the acquisition date, with the corresponding offset to goodwill. Any adjustments subsequent to the conclusion of the measurement period will be recorded to our consolidated statements of earnings.

Liquidity and capital resources***Cash flow***

The following table provides a summary of our cash flows:

	For the fiscal years ended March 31,	
	2016	2015
	(dollars in thousands)	
Net cash provided by operating activities:	\$ 265,767	\$ 234,121
Investing activities:		
Additions to property, plant and equipment	(89,563)	(111,573)
Acquisitions	(32,427)	(237,171)
Net cash used in investing activities	(121,990)	(348,744)
Financing activities:		
Increase in Credit Facility	52,000	141,000
Repayment of Private Placement Senior Notes	(57,045)	(9,500)
Dividends paid to stockholders	(20,020)	(20,072)
Purchase and retirement of common stock	(123,530)	
Proceeds from stock option exercises	2,866	4,311
Shares redeemed to settle employee taxes on stock compensation	(4,273)	(4,166)
Payment of debt acquisition costs		(1,661)
Excess tax benefits from share based payment arrangements	4,102	5,743
Net cash provided by (used in) financing activities	(145,900)	115,655
Net increase (decrease) in cash	\$ (2,123)	\$ 1,032

Cash flows from operating activities increased \$31.7 million to \$265.8 million for fiscal 2016 from \$234.1 million for fiscal 2015. This increase was largely attributable to increased net earnings adjusted for depreciation and amortization, impairment and reduction of prepaid sand liability of approximately \$10.8 million, and an increase in cash flow from the change in operating assets and liabilities, partially offset by a decrease in distributions from our unconsolidated joint venture. The decrease in distributions from our unconsolidated joint venture is primarily due to decreased earnings in fiscal 2016, compared to fiscal 2015. Cash flows from operating activities were negatively impacted during fiscal 2016 by increased inventories and accounts receivable of approximately \$5.7 million and \$4.6 million, respectively, and decreased income taxes payable and accounts payable and accrued liabilities of approximately \$4.5 million and \$7.1 million, respectively, partially offset by reduced other assets of approximately \$4.5 million. Excluding the impact of the working capital purchased in the CRS Acquisition in fiscal 2015, cash flows from operating activities were negatively impacted in fiscal 2015 by increased inventories of approximately \$38.7 million and a decrease in accounts payable and accrued liabilities of \$11.5 million, partially offset by reduced accounts and notes receivable, other assets and increased income taxes payable of approximately \$4.2 million, \$0.5 million and \$8.0 million, respectively.

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Working capital increased to \$259.4 million at March 31, 2016, compared to \$179.8 million at March 31, 2015, primarily due to increased accounts and notes receivable, net, inventories and income tax receivables, of approximately \$6.6 million, \$8.1 million and \$8.6 million, respectively, and decreased accounts payable and current portion of long-term debt, of approximately \$11.1 million and \$49.0 million, respectively, partially offset by decreased cash and prepaid and other assets of approximately \$2.1 million and \$2.6 million, respectively. The current portion of long-term debt declined due to payments made during fiscal 2016. These payments were made with borrowings under our Credit Facility, which is classified as long-term on our balance sheet. Working capital related to the Skyway Acquisition decreased working capital at March 31, 2016 by approximately \$1.8 million, and primarily consisted of accounts payable and accrued liabilities, partially offset by accounts receivable and inventories.

The increase in accounts and notes receivable at March 31, 2016, compared to March 31, 2015, is primarily due to increased revenues during the fourth quarter of fiscal 2016, compared to the fourth quarter of fiscal 2015. The increase in accounts receivable at March 31, 2016, compared to March 31, 2015, was consistent with the increase in revenues during the periods then ended. As a percentage of quarterly sales generated in the fiscal fourth quarter, accounts receivable were 48% at March 31, 2016 and 51% at March 31, 2015. 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 March 31, 2016. Notes receivable are monitored on an individual basis, and no significant deterioration in the collectability of notes receivable was identified at March 31, 2016 however, during fiscal 2016 we increased our allowance for doubtful accounts approximately \$3.1 million in recognition of the downturn in our oil and gas proppants business, and potential financial impact of this downturn on our customers.

Our inventory balance at March 31, 2016 increased approximately \$8.1 million, or 3%, from the inventory balance at March 31, 2015. Excluding the \$1.7 million of inventory acquired in the Skyway Acquisition, the increase in inventory related primarily to raw materials and materials in process and repair parts, which increased approximately \$2.1 million and \$6.1 million, respectively at March 31, 2016, compared to March 31, 2015. Most of the increase in raw materials and materials in process is due to increased clinker inventories of approximately \$13.7 million, partially offset by a \$4.5 million decline in frac sand inventories. The increase in clinker inventory is primarily due to the timing of the outages at certain of our plants. Additionally, most of our cement plants had extended outages in April, and the increase in clinker is necessary to ensure they will have enough supply during the outage. The decrease in frac sand inventory was due primarily to the write-down of \$9.4 million in raw sand inventory values at September 30, 2015 associated primarily with downward revaluation of raw sand inventory that CRS Proppants purchased from a third party pursuant to a purchase contract entered into in connection with the plant expansion, partially offset by increased raw sand tonnage at March 31, 2016, compared to March 31, 2015. Repair parts, which are a significant part of our inventory, are necessary given the size and complexity of our manufacturing plants, as well as the age of certain of our plants, which creates the need to stock a greater level of repair parts inventory. We believe all of these repair parts are necessary and we perform an annual analysis to identify obsolete parts. We have less than one year's sales of all product inventories with the exception of raw frac sand inventory, and our inventories have a low risk of obsolescence due to our products being basic construction materials or sand used in hydraulic fracturing. We believe no additional revision is necessary at March 31, 2016.

Net cash used in investing activities during fiscal 2016 was approximately \$122.0 million, compared to net cash used in investing activities of \$348.7 million during fiscal 2015, a decrease of approximately \$226.7 million. A substantial majority of the decrease related to the CRS Acquisition in fiscal 2015 that increased net cash used in investing activities by \$237.2 million, compared to the Skyway acquisition that increased net cash used in investing activities by \$32.4 million. Excluding both the CRS and Skyway Acquisitions, capital expenditures

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decreased by approximately \$22.0 million in fiscal 2016, compared to fiscal 2015. This decrease is related primarily to the completion of several projects related our oil and gas proppants business that began in fiscal 2015 and were completed in early fiscal 2016. We anticipate spending between \$20 million and \$25 million on sustaining capital expenditures during fiscal year 2017, which is consistent with historic levels.

Net cash used in financing activities was \$145.9 million during fiscal 2016, compared to net cash provided by financing activities of approximately \$115.7 million during fiscal 2015. This \$261.6 million increase in net cash used in financing activities is primarily due to the repayment of approximately \$5.0 million in debt during fiscal 2016, compared to borrowings of \$131.5 million in fiscal 2015. The borrowings in fiscal 2015 related to the CRS Acquisition in November 2014. Additionally, during fiscal 2016, we repurchased and retired approximately \$123.5 million of our outstanding common stock. Our debt-to-capitalization ratio and net-debt-to-capitalization ratio was 32.8% and 32.6%, respectively, at March 31, 2016, as compared to 33.7% and 33.4%, respectively, at March 31, 2015.

Debt financing activities

Senior unsecured revolving credit facility

On October 30, 2014, we entered into a third amended and restated credit agreement with JPMorgan Chase Bank, N.A. as administrative agent, and a syndicate of banks to govern our Credit Facility. Our Credit Facility consists of a \$500.0 million revolving line of credit, which may be increased by up to an additional \$250.0 million in the aggregate if the existing or additional lenders are willing to make such increased commitments, and includes a swingline loan sublimit of \$25.0 million. Borrowings under the Credit Facility are guaranteed by substantially all of our subsidiaries. The debt under the Credit Facility is not rated by ratings agencies.

At our option, outstanding principal amounts on the Credit Facility bear interest at a variable rate equal to (i) the London Interbank Offered Rate (LIBOR) for the selected period (with such modifications as set forth in the Credit Facility), plus an applicable rate (ranging from 100 basis points to 225 basis points), which is to be established quarterly based upon a ratio of Consolidated EBITDA to Consolidated Total Indebtedness (each as defined in the Credit Facility) (the Leverage Ratio), or (ii) an alternative base rate which is the higher of (a) the prime rate or (b) the federal funds rate plus $\frac{1}{2}\%$ per annum, plus an applicable rate (ranging from 0 to 125 basis points). Interest payments are payable, in the case of loans bearing interest at a rate based on the federal funds rate, quarterly, or in the case of loans bearing interest at a rate based on LIBOR, at the end of the applicable interest period. We are also required to pay a commitment fee on unused available borrowings under the Credit Facility ranging from 10 to 35 basis points depending on the Leverage Ratio.

The Credit Facility contains customary covenants that restrict our ability to incur additional debt, encumber our assets, sell assets, make or enter into certain investments, loans or guaranties and enter in to sale and leaseback arrangements. The Credit Facility also requires us to maintain a Leverage Ratio of 3.50:1.00 or less and an interest coverage ratio (Consolidated EBITDA to Consolidated Interest Expense (each as defined in the Credit Facility)) of at least 2.50:1.00. As of March 31, 2016, we had \$382.0 million of borrowings outstanding under the Credit Facility. Based on our Leverage Ratio as of March 31, 2016, and net of outstanding letters of credit, we had \$109.0 million of available borrowings.

Substantially concurrently with the consummation of this offering, as part of the Refinancing Transactions, we intend to amend the Credit Facility to, among other things, extend its maturity from October 2019 to August 2021. In addition, we intend, substantially concurrently with the consummation of this offering, to provide guarantees from each of our majority-owned subsidiaries in favor of obligations under our Credit Facility to result in an identical guarantee structure across each tranche of our debt. However, under the credit agreement governing our Credit Facility and subject to certain conditions, our majority-owned subsidiaries are

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only required to provide guarantees when such subsidiary or subsidiaries, individually or in the aggregate, accounts or account for greater than 15% of our Consolidated EBITDA or Consolidated Total Assets (each as defined in the Credit Facility) over an applicable period. Accordingly, in the event that a subsidiary's guarantee is not required under the Credit Agreement pursuant to the foregoing, such guarantee of the Credit Facility may be released and, as a result, such subsidiary's guarantee of the Private Placement Senior Notes and the notes would be required to be released as well.

Senior unsecured private placement notes

On November 15, 2005, we entered into a Note Purchase Agreement (the 2005 Note Purchase Agreement) in connection with our sale of \$200 million of senior unsecured notes, designated as Series 2005A Senior Notes (the Series 2005A Senior Notes), in a private placement transaction. The Series 2005A Senior Notes, which are guaranteed by substantially all of our subsidiaries, were sold at par and issued in three tranches. As of March 31, 2016, the amount outstanding for the remaining tranche was as follows:

	Principal	Maturity date	Interest rate
Tranche C	\$ 57.2 million	November 15, 2017	5.48%

Interest for this tranche of Series 2005A Senior Notes is payable semi-annually on May 15 and November 15 of each year until all principal is paid for the remaining tranche.

On October 2, 2007, we also entered into an additional Note Purchase Agreement (the 2007 Note Purchase Agreement) in connection with our sale of \$200 million of senior, unsecured notes, designated as Series 2007A Senior Notes (the Series 2007A Senior Notes) in a private placement transaction. The Series 2007A Senior Notes, which are guaranteed by substantially all of our subsidiaries, were sold at par and issued in four tranches. As of March 31, 2016, the amounts outstanding for each of the remaining tranches are as follows:

	Principal	Maturity date	Interest rate
Tranche B	\$ 8.0 million	October 2, 2016	6.27%
Tranche C	\$ 24.0 million	October 2, 2017	6.36%
Tranche D	\$ 36.5 million	October 2, 2019	6.48%

Interest for each tranche of Series 2007A Senior Notes is payable semi-annually on April 2 and October 2 of each year until all principal is paid for the respective tranche.

Our obligations under the 2005 Note Purchase Agreement and 2007 Note Purchase Agreement (together, the Private Placement Note Purchase Agreements) and the Private Placement Senior Notes are equal in right of payment with all other senior, unsecured indebtedness of the Company, including our indebtedness under the Credit Facility. The Private Placement Senior Notes are not rated by ratings agencies. The Private Placement Note Purchase Agreements contain customary restrictive covenants, including, but not limited to, covenants that place limits on our ability to encumber our assets, to incur additional debt, to sell assets, or to merge or consolidate with third parties.

The Private Placement Note Purchase Agreements require us to maintain a Consolidated Debt to Consolidated EBITDA (each as defined in the Private Placement Note Purchase Agreements) ratio of 3.50 to 1.00 or less. The 2007 Note Purchase Agreement requires us to maintain an interest coverage ratio (Consolidated EBITDA to Consolidated Interest Expense (each as defined in the 2007 Note Purchase Agreement)) of at least 2.50:1.00. In addition, the 2007 Note Purchase Agreement requires us to ensure that at all times either (i) Consolidated Total Assets (as defined in the 2007 Note Purchase Agreement) equal at least 80% of our and our subsidiaries

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consolidated total assets or (ii) that for the period of the four most recent consecutive fiscal quarters, our and our restricted subsidiaries consolidated total revenues equals at least 80% of our and our subsidiaries consolidated total revenues during such period.

Pursuant to a Subsidiary Guaranty Agreement, substantially all of our subsidiaries have guaranteed the punctual payment of all principal, interest, and Make-Whole Amounts (as defined in the Private Placement Note Purchase Agreements) on the Private Placement Senior Notes and the other payment and performance obligations of the Company contained in the Private Placement Senior Notes and in the Private Placement Note Purchase Agreements. We are permitted, at our option and without penalty, to prepay from time to time at least 10% of the original aggregate principal amount of the Private Placement Senior Notes at 100% of the principal amount to be prepaid, together with interest accrued on such amount to be prepaid to the date of payment, plus a Make-Whole Amount. The Make-Whole Amount is computed by discounting the remaining scheduled payments of interest and principal of the Private Placement Senior Notes being prepaid at a discount rate equal to the sum of 50 basis points and the yield to maturity of United States treasury securities having a maturity equal to the remaining average life of the Private Placement Senior Notes being prepaid. The Refinancing Transactions will have no effect on the outstanding principal balance or any other term of the Private Placement Senior Notes.

We intend, substantially concurrently with the consummation of this offering, to provide guarantees from each of our majority-owned subsidiaries in favor of obligations under the Private Placement Senior Notes to result in an identical guarantee structure across each tranche of our debt. However, under the credit agreement governing our Credit Facility and subject to certain conditions, our majority-owned subsidiaries are only required to provide guarantees when such subsidiary or subsidiaries, individually or in the aggregate, accounts or account for greater than 15% of our Consolidated EBITDA or Consolidated Total Assets (each as defined in the Credit Facility) over an applicable period. Accordingly, in the event that a subsidiary's guarantee is not required under the Credit Agreement pursuant to the foregoing, such guarantee of the Credit Facility may be released and, as a result, such subsidiary's guarantee of the Private Placement Senior Notes and the notes would be required to be released as well.

Industrial revenue bonds

We lease one of our cement plants from the city of Sugar Creek, Missouri. The city of Sugar Creek issued industrial revenue bonds to partly finance improvements to the cement plant. The lease payments due to the city of Sugar Creek under the cement plant lease, which was entered into upon the sale of the industrial revenue bonds, are equal in amount to the payments required to be made by the city of Sugar Creek to the holders of the industrial revenue bonds. Because we are the holder of all of the outstanding industrial revenue bonds, no debt is reflected on our financial statements in connection with our lease of the cement plant. At the conclusion of the lease in fiscal 2021, we have the option to purchase the cement plant for a nominal amount.

Other

Other than the Credit Facility, we have no other source of committed external financing in place. In the event the Credit Facility is terminated, no assurance can be given as to our ability to secure a new source of financing. Consequently, if a balance was outstanding on the Credit Facility at the time of termination, and an alternative source of financing cannot be secured, it would have a material adverse impact on us. None of our debt is rated by the rating agencies.

We do not have any off balance sheet debt except for operating leases. Also, we have no outstanding debt guarantees. We have available under the Credit Facility a \$50.0 million Letter of Credit Facility. At March 31, 2016, we had \$9.0 million of letters of credit outstanding that renew annually. We are contingently liable for performance under \$14.6 million in performance bonds relating primarily to our mining operations.

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We believe that our cash flow from operations and available borrowings under our Credit Facility, as the same will be amended in connection with the Refinancing Transactions, should be sufficient to meet our currently anticipated operating needs, capital expenditures and dividend and debt service requirements for at least the next twelve 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 Credit Facility, the level of competition and general and economic factors beyond our control. We cannot predict what effect these factors will have on our future liquidity. For additional information on factors impacting our liquidity and capital resources, please refer to Risk factors.

As market conditions warrant, we may from time to time seek to purchase or repay our outstanding debt securities or loans, including the notes offered hereby, the Private Placement Senior Notes and borrowings under our 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 the aggregate, may be material. Any such purchases of the notes offered hereby may be with respect to a substantial amount of such notes, with an attendant reduction in the trading liquidity of such notes.

Cash used for share repurchases and stock repurchase program

On August 10, 2015, the Board of Directors authorized the Company to repurchase up to an additional 6,782,700 shares, for a total outstanding authorization of 7,500,000 shares. During fiscal 2016, we repurchased 1,894,000 shares, at an average price of \$65.24. We did not repurchase any shares in the open market during the fiscal years ended March 31, 2015 and 2014.

Share repurchases may be made from time-to-time in the open market or in privately negotiated transactions. The timing and amount of any repurchases of shares will be determined by the Company's 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 to comply with the safe-harbor provided by Rule 10b5-1 promulgated under the Securities Exchange Act of 1934, as amended (the Exchange Act).

Capital expenditures

The following table compares capital expenditures:

		For the fiscal years	
	Skyway Acquisition	2016	March 31, 2015
		(dollars in thousands)	
Land and quarries	\$ 2,290	\$ 20,124	\$ 1,030
Plants	18,331	39,683	71,042
Buildings, machinery and equipment	3,955	29,756	39,501
Total Capital Expenditures	\$ 24,576	\$ 89,563	\$ 111,573

Historically, annual maintenance capital expenditures have been approximately \$20.0 to \$25.0 million, which we anticipate will be similar for fiscal 2017. Historically, we have financed such expenditures with cash from operations and borrowings under our revolving credit facility.

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We have certain contractual obligations arising from indebtedness, operating leases and purchase obligations. Future payments due, aggregated by type of contractual obligation, are set forth as follows (prior to and after giving effect to the Refinancing Transactions):

	Total	Payments due by period			
		Less than year	1-3 years	3-5 years	More than 3-5 years
(dollars in thousands)					
Contractual obligations:					
Credit Facility(1)	\$ 382,000	\$	\$	\$ 382,000	\$
Private Placement Senior Notes	125,714	8,000	81,214	36,500	
Interest on Private Placement Senior Notes	15,913	7,277	7,453	1,183	
Interest on Credit Facility(2)	17,050	6,198	9,052	1,800	
Operating leases	38,593	9,262	13,665	6,731	8,935
Purchase obligations(3)	66,273	17,264	11,089	9,320	28,600
Total	\$ 645,543	\$ 48,001	\$ 122,473	\$ 437,534	\$ 37,535

	Total	Payments due by period			
		Less than year	1-3 years	3-5 years	More than 3-5 years
(dollars in thousands)					
Contractual obligations:					
Credit Facility(1)	\$ 87,000	\$	\$	\$ 87,000	\$
Private Placement Senior Notes	125,714	8,000	81,214	36,500	
Interest on Private Placement Senior Notes	15,913	7,277	7,453	1,183	
Interest on Credit Facility(2)	8,639				