

MARTIN MARIETTA MATERIALS, INC.

Adjusted Metrics for Nonrecurring Items for Three Months and Year Ended December 31, 2018 and 2017

(Dollars, in thousands)

The following reconciles consolidated gross profit in accordance with GAAP to adjusted consolidated gross profit:

	Three Months Ended December 31,		Year Ended December 31,	
	2018	2017	2018	2017
Consolidated gross profit in accordance with GAAP	\$ 227,284	\$ 259,102	\$ 966,577	\$ 971,940
Add back:				
Impact of selling acquired inventory due to the markup to fair value as part of acquisition accounting	222	-	18,738	-
Adjusted consolidated gross profit	<u>\$ 227,506</u>	<u>\$ 259,102</u>	<u>\$ 985,315</u>	<u>\$ 971,940</u>

The following reconciles consolidated earnings from operations in accordance with GAAP to adjusted consolidated earnings from operations:

	Three Months Ended December 31,		Year Ended December 31,	
	2018	2017	2018	2017
Consolidated earnings from operations in accordance with GAAP	\$ 147,041	\$ 183,413	\$ 690,737	\$ 700,381
Add back:				
Acquisition-related expenses, net	554	5,320	13,479	8,638
Impact of selling acquired inventory due to the markup to fair value as part of acquisition accounting	222	-	18,738	-
Asset and portfolio rationalization charge	11,725	-	18,838	-
Adjusted consolidated earnings from operations	<u>\$ 159,542</u>	<u>\$ 188,733</u>	<u>\$ 741,792</u>	<u>\$ 709,019</u>

Aggregates shipments in the Southeast Group for January through April of 2018 and the year ended December 31, 2017 include the Forsyth, Georgia operation, which was divested in April 2018.

The following table presents aggregates shipment data and volume variance excluding the Forsyth, Georgia operation from the periods of Martin Marietta's ownership to provide a more comparable analysis of aggregates volume variance (tons in 000s).

	Three Months Ended December 31,		Year Ended December 31,	
	2018	2017	2018	2017
Southeast Group:				
Reported heritage aggregates shipments	4,695	4,849	20,161	20,429
Less: Aggregates shipments for the Forsyth, Georgia quarry during periods of Martin Marietta ownership	-	(243)	(230)	(927)
Adjusted heritage aggregates shipments	4,695	4,606	19,931	19,502
Heritage aggregates volume variance excluding shipments for the Forsyth, Georgia quarry	<u>1.9%</u>		<u>2.2%</u>	
Total Heritage Business:				
Reported heritage aggregates shipments	37,802	37,858	157,907	157,698
Less: Aggregates shipments for the Forsyth, Georgia quarry during periods of Martin Marietta ownership	-	(243)	(230)	(927)
Adjusted heritage aggregates shipments	37,802	37,615	157,677	156,771
Heritage aggregates volume variance excluding shipments for the Forsyth, Georgia quarry	<u>0.5%</u>		<u>0.6%</u>	