CEO Commentary
Marking 25 Years as a Public Company
July 30, 2019

Martin Marietta is proudly celebrating our 25th year as a public company. Since our listing on the New York Stock Exchange in February 1994, we have solidified our position as a leading American supplier of aggregates and heavy-side building materials with a proven track record of responsibly growing our business and creating shareholder value. At the cornerstone of this longstanding success is our steadfast commitment to our core values and the disciplined execution of our long-term strategic plan. This foundation is what has distinguished us since 1994 and what continues to guide Martin Marietta’s path forward.

A Long Track Record of Industry-Leading Performance
Our unwavering commitment to our core values and disciplined execution of our long-term priorities serve as the foundation for Martin Marietta’s ability to repeatedly deliver industry-leading financial and operational performance.

We are proud of:

- Achieving profitability for 25 consecutive years as a public company.
- Consistently outperforming the S&P 500 Index and our peers. With a stock price of $223.82 as of July 26, 2019, an investment in Martin Marietta’s common stock on February 17, 1994, the date of our initial public offering, has yielded a total return of approximately 810 percent over this period.
- Being the only public company in our industry to have never reduced or suspended our dividend payments. Notably, in May 2019, we declared our 100th consecutive quarterly cash dividend as part of our balanced approach to capital allocation. Since February 1994, the Company has returned more than $1.4 billion to shareholders through meaningful and sustainable dividends, representing a 33 percent cumulative earnings payout ratio.
- Consistently executing a disciplined, locally-driven pricing strategy. Since 1994, we have increased aggregates pricing every year except at the depths of the Great Recession in 2010. In fact, over the past 25 years, the Company’s aggregates selling price has increased, on average, four percent annually.
- Strategically positioning our aggregates-led business to be #1 or #2 in 90 percent of the markets in which we operate. In doing so, we have not only met or exceeded our major acquisition synergy targets, but also secured more than 17 billion tons of irreplaceable, high-quality aggregates reserves, up from 4 billion tons in 1994.
A Culture Built on Safety and Ethics

Every facet of our business starts with safety and ethics. These core values define Martin Marietta – this was true in 1994 when we had 4,000 employees and it continues to hold true today with our nearly 9,000 employees.

Historically, each Martin Marietta division operated under its own branded safety program. The “best of the best” of these programs ultimately coalesced into one – our Guardian Angel program. United by the Guardian Angel safety culture, Martin Marietta is committed to providing a safe environment that allows everyone who comes in contact with our business to safely leave our premises every day. Whether at an operation or a corporate office, Martin Marietta employees are empowered and expected to take any action necessary to maintain a safe working environment, even if that means shutting down production.

Importantly, our safety statistics underscore the success of our Guardian Angel culture. In 2018, we achieved the best heritage safety performance in our Company’s history and, company-wide, we achieved world-class lost time incident rate levels for a second consecutive year. In 2019 and beyond, Martin Marietta is committed to further improving our safety performance with an ongoing goal of zero incidents. We are extremely proud that elevated safety awareness across the Company has reduced downtime from workplace incidents, leading to higher revenues, profitability and shareholder value. Our industry-leading safety performance clearly differentiates Martin Marietta from our peers.

Furthermore, Martin Marietta is committed to the highest standard of ethical business principles. Our integrity has enabled us to build trusted long-term relationships with our employees, customers, vendors, investors and communities. We strongly believe a culture built on safety and ethics is not only the right way to do business, but the only way to do business.

A Strategic Plan Built to be Sustainable

Grounded by our core values, Martin Marietta’s strategic plan provides the framework to responsibly grow our business and deploy capital for long-term success. Our 1994 Annual Report articulated our long-term strategy to our stakeholders:

- Our goal is disciplined growth in a cyclical industry. Our approach is simple. We will invest in our core businesses by pursuing a clear-cut strategy of identifying high-return geographic and product markets and rejecting business opportunities which do not meet strategic criteria, either because we consider the price too high or the reward too low.

Our strategic plan, known today as SOAR, or Strategic Operating Analysis and Review, builds on those same objectives:

- To expand our platform for growth in markets with attractive underlying fundamentals.
- To align the business profile to generate industry-leading performance.
- To allocate capital while maintaining financial flexibility.
From 1994 to 2006, Martin Marietta focused on building a solid aggregates company, completing 60 acquisitions and investing in an extensive rail-based and waterborne long-haul distribution network. From 2007 to 2010, during the most challenging economic environment our industry ever experienced, we focused on fundamentals – we responsibly addressed our business needs and focused on remaining profitable, preserving a healthy balance sheet and maintaining our dividend. Since successfully navigating the Great Recession, we have further transformed our business through aggregates-led expansion, most notably in high-growth markets in Texas, Colorado, Georgia and Maryland.

We are proud to have successfully completed, integrated and synergized more than 100 acquisitions over the past 25 years, expanding from a well-respected regional aggregates business in a fragmented industry to a leading aggregates-led building materials company in the nation’s fastest-growing geographies. Industry consolidation will likely continue over the coming years and decades. We believe Martin Marietta has the unparalleled ability to successfully maintain a responsible leading role in our industry’s evolution to further enhance our strategic geographic footprint.

**Well-Positioned for the Future, Driven by a Strong Past**

Martin Marietta has a remarkable history and is well-positioned for an exceptional future. Today, we are safer, more efficient, more profitable and more sustainable than when we started out two and a half decades ago. We are building a world-class organization committed to the long-term success of our employees, communities and other stakeholders. We will continue to leverage the world-class attributes of our business – including safety, ethics, cost discipline, sustainability and operational excellence – to drive continuous improvement and excellence in all that we do. We remain committed to our core values and disciplined execution of our strategic plan to drive our continued growth and value creation.

As we celebrate 25 years as a public company, we are grateful for the enduring trust and confidence our shareholders, employees, customers and communities have placed in Martin Marietta throughout our journey.