



Martin Marietta Fourth Quarter 2014

Supplemental Financial Information

February 10, 2015



Disclaimer

Statement Regarding Safe Harbor for Forward-Looking Statements

This presentation may contain forward-looking statements, that is, information related to future, not past, events. Like other businesses, Martin Marietta is subject to risks and uncertainties which could cause its actual results to differ materially from its projections or that could cause forward-looking statements to prove incorrect. Except as legally required, Martin Marietta undertakes no obligation to publicly update or revise any forward-looking statements, whether resulting from new information, future developments or otherwise. Please refer to the legal disclaimers contained in Martin Marietta's most recent Annual Report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, which have been filed with the Securities and Exchange Commission and are readily available on the Internet at www.sec.gov.

Non-GAAP Financial Terms

These slides contain certain "non-GAAP financial terms" which are defined in the Appendix. Reconciliations of non-GAAP terms to the closest GAAP term are also provided in the Appendix.

Heritage Martin Marietta

For the 3-months ended December 31, 2014 (in millions of dollars)	Q4 2014	Q4 2013	Variance – Favorable (Unfavorable)
Net sales	\$ 541.5	\$ 491.4	\$ 50.1
Freight and delivery revenues	63.3	53.6	9.7
Total revenues	604.8	545.0	59.8
Cost of sales	410.3	390.4	(19.9)
Freight and delivery costs	63.3	53.6	(9.7)
Total cost of revenues	473.6	444.0	(29.6)
Gross profit	131.2	101.0	30.2
Selling, general & administrative expenses	38.4	37.5	(0.9)
Acquisition-related expenses, net	0.1	--	(0.1)
Other operating (income) expense, net	(4.0)	0.7	4.7
Earnings from operations	\$ 96.7	\$ 62.8	\$ 33.9

Heritage Operations - Product Line Metrics

For the 3-months ended December 31, 2014 compared with prior-year quarter	Volume Variance	Price Variance
Aggregates product line		
Mid-America Group	7.7%	3.9%
Southeast Group	4.1%	7.2%
West Group	8.6%	9.3%
Heritage aggregates product line	7.6%	6.0%
Asphalt	3.6%	(5.1%)
Ready mixed concrete	2.5%	10.7%

Acquired Operations

For the 3-months ended December 31, 2014 (in millions of dollars)	Aggregates	Ready Mixed Concrete	Cement	Corporate	Total Acquired Operations
Net Sales	\$30.8	\$107.2	\$100.0	-	\$238.0
Gross Profit	\$2.8	\$3.8	\$28.3	\$(0.8)	\$34.1
Gross Margin, as a percentage of net sales*	9.1%	3.6%	28.3%	<i>Not Meaningful</i>	14.3%

* Definitions of non-GAAP financial terms and reconciliations to the closest GAAP term are provided in the Appendix.

Acquired Operations

For the year ended December 31, 2014 (in millions of dollars)	Aggregates	Ready Mixed Concrete	Cement	Corporate	Total Acquired Operations
Net Sales	\$67.5	\$234.5	\$209.6	-	\$511.6
Gross Profit	\$3.1	\$13.5	\$52.5	\$(1.3)	\$67.8
Gross Margin, as a percentage of net sales*	4.6%	5.8%	25.0%	<i>Not meaningful</i>	13.2%
Adjusted Gross Profit*	\$9.9	\$13.5	\$56.8	\$(1.3)	\$78.9
Adjusted Gross Margin, as a percentage of net sales*	14.7%	5.8%	27.1%	<i>Not meaningful</i>	15.4%

* Definitions of non-GAAP financial terms and reconciliations to the closest GAAP term are provided in the Appendix.

Acquired Operations - Product Line Metrics

For the 3-months ended December 31, 2014 (volume in 000s)	Volume	Price
Aggregates – external customers	2,541	
Internal aggregates used in other product lines	986	
Total aggregates (measured in tons)	3,527	\$ 12.13
Ready mixed concrete (measured in cubic yards)	1,280	\$ 82.74
Cement – external customers	1,048	
Internal cement used in other product lines	252	
Total cement (measured in tons)	1,300	\$ 93.02

Consolidated Earnings from Operations

For the 3-months ended December 31, 2014
(in millions of dollars)

Consolidated earnings from operations, Q4 2013		\$62.8
Gross profit (loss):		
Heritage aggregates product line:		
Volume strength	\$25.3	
Pricing strength	21.4	
Adjusted cost increases, net	(24.8)	
Increase in heritage aggregates product line gross profit	21.9	
Increase in heritage aggregates-related downstream product lines	5.0	
Acquired Aggregates business operations	6.6	
Cement	28.3	
Decrease in Specialty Products	(0.5)	
Increase in Corporate – heritage and acquired	3.0	
Increase in consolidated adjusted gross profit		64.3
Increase in selling, general & administrative expenses		(12.5)
Change in other operating income, net		4.0
Consolidated earnings from operations, Q4 2014		\$118.6

Appendix: Definitions and Reconciliations of Non-GAAP Measures

Gross margin, as a percentage of net sales represents a non-GAAP measure. Martin Marietta presents this ratio calculated based on net sales, as it is consistent with the basis by which management reviews the Corporation's results. Further, management believes it is consistent with the basis by which investors analyze the Corporation's results, given that freight and delivery revenues and costs represent pass-throughs and have no profit markup. Gross margin calculated as a percentage of total revenues represents the most directly comparable financial measure calculated in accordance with generally accepted accounting principles (GAAP).

Adjusted gross profit and adjusted gross margin, as a percentage of net sales represent non-GAAP measures as they exclude the impact of the one-time markup of inventory to fair value as part of accounting for the Texas Industries, Inc. (TXI) acquisition. Martin Marietta presents this information for investors and analysts to evaluate the Corporation's financial results without the impact of this nonrecurring item as this will improve the period-to-period and peer-to-peer comparability of financial results.

Appendix: Definitions and Reconciliations of Non-GAAP Measures

For the 3-months ended December 31, 2014 (in millions of dollars)	Total Acquired Operations
Gross margin in accordance with GAAP	
Gross profit	\$ 34.1
Total revenues	\$ 251.5
Gross margin	13.6%
Gross margin, as a percentage of net sales	
Gross Profit	\$ 34.1
Total revenues	\$ 251.5
Less: freight and delivery revenues	(13.5)
Net sales	\$ 238.0
Gross margin, as a percentage of net sales	14.3%

Appendix: Definitions and Reconciliations of Non-GAAP Measures

For the year ended December 31, 2014 (in millions of dollars)	Total Acquired Operations
Gross margin in accordance with GAAP	
Gross profit	\$ 67.8
Total revenues	\$ 539.0
Gross margin	12.6%
Gross margin, as a percentage of net sales	
Gross Profit	\$ 67.8
Total revenues	\$ 539.0
Less: freight and delivery revenues	(27.4)
Net sales	\$ 511.6
Gross margin, as a percentage of net sales	13.2%

Appendix: Definitions and Reconciliations of Non-GAAP Measures

For the year ended December 31, 2014 (in millions of dollars)	Total Acquired Operations
Gross profit in accordance with GAAP – Acquired Operations	\$ 67.8
Gross profit in accordance with GAAP	\$ 67.8
Impact of one-time markup of inventory to fair value as part of accounting for TXI acquisition	11.1
Adjusted gross profit	\$ 78.9
Total revenues	\$ 539.0
Less: freight and delivery revenues	(27.4)
Net sales	\$ 511.6
Adjusted gross margin, as a percentage of net sales	15.4%



Thank you for your interest in Martin Marietta. For additional information, please visit www.martinmarietta.com.