



FOUNDATION. TRANSFORMATION. VALUE.

Basic Materials Conference | Longbow Research

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New York, NY

www.martinmarietta.com



Disclaimer

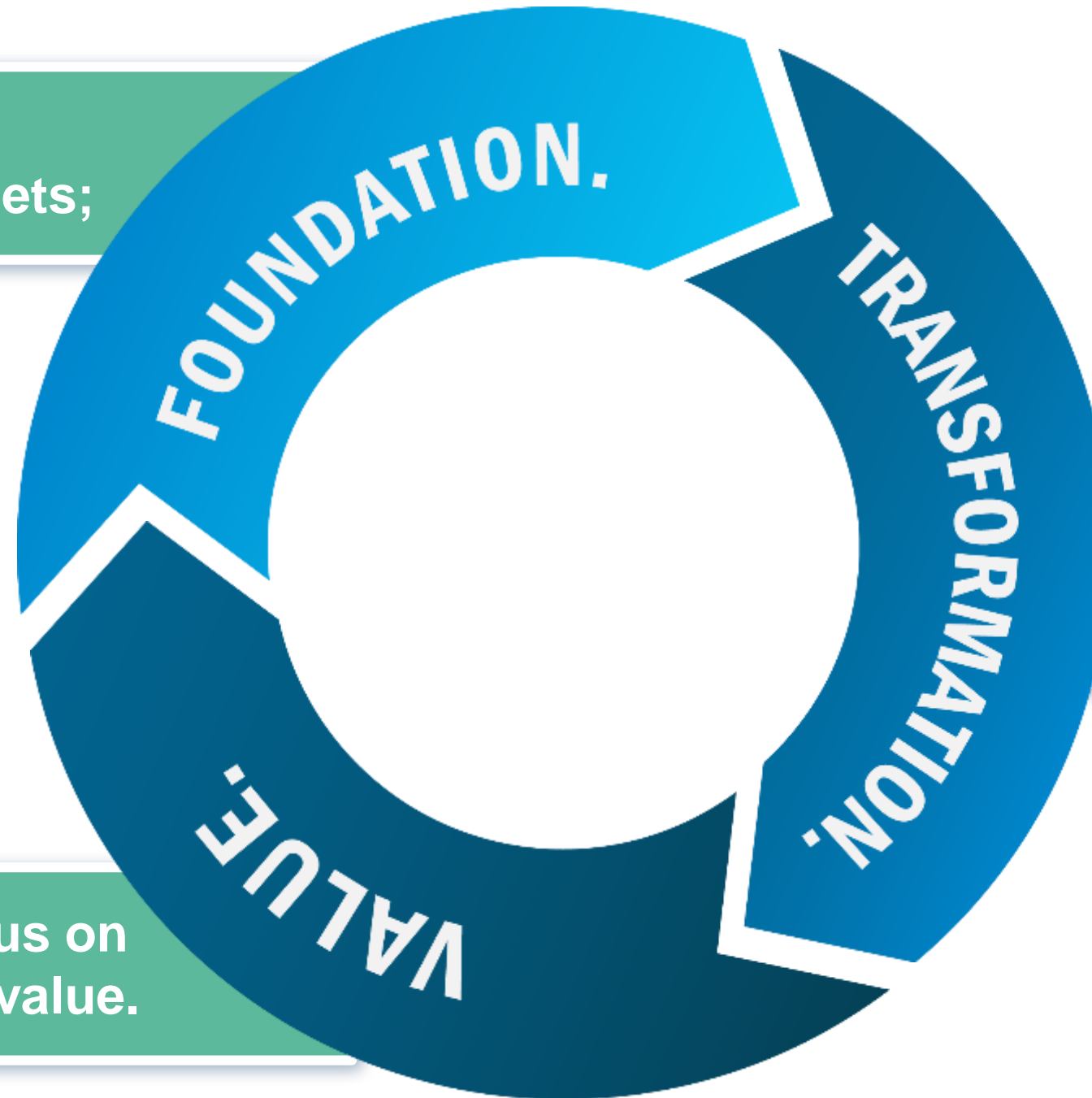
Statement Regarding Safe Harbor for Forward-Looking Statements

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, including the risks and uncertainties discussed 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. 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.

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.





The right people
with the right assets;

driving operational
excellence against the
right strategic plan;

with a relentless focus on
driving shareholder value.

FOUNDATION

TRANSFORMATION
VALUE



Pillars of Shareholder Value



World-Class Safety

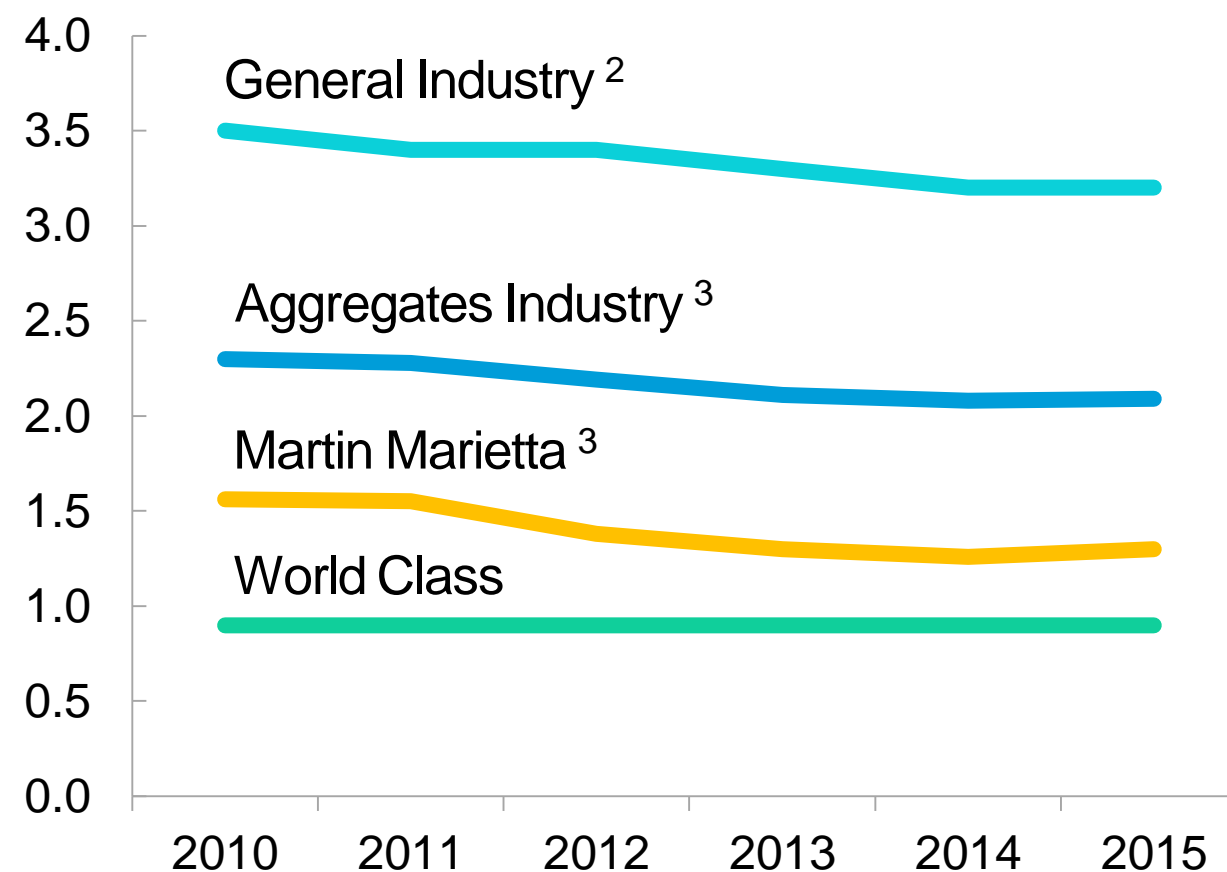
WORLD-CLASS SAFETY DRIVES...



- ✓ Well-being of all we touch
- ✓ Reduced workers compensation claims and related costs

**“DOING GOOD,
WHILE DOING GOOD.”**

TOTAL INCIDENT INJURY RATE ¹

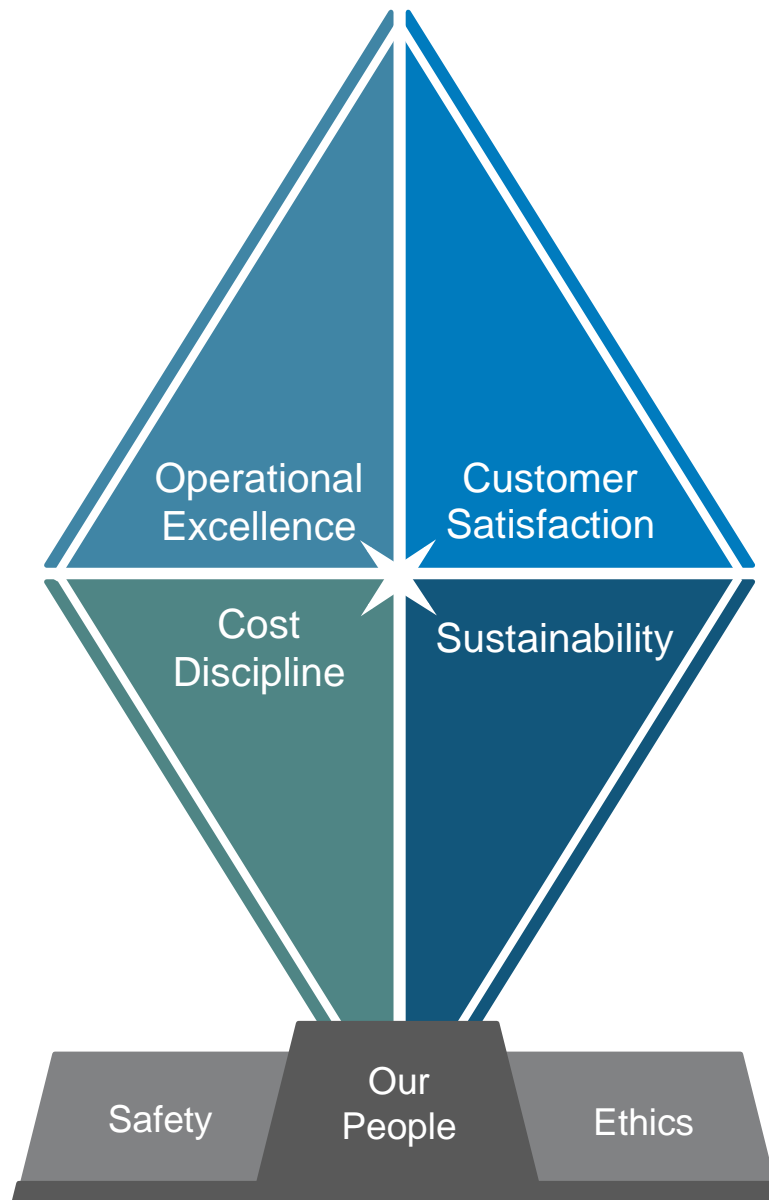


¹ Total Incident Injury Rate per 200,000 man hours worked.

² Reported as of 12.31.14 by BLS. Latest available data.

³ Reported as of 10.31.15 by MSHA for the Aggregates Industry and Martin Marietta.

Sustainability



Community Well-Being

Martin Marietta is committed to being a responsible neighbor and supporting the communities that are home to our businesses.

- ◆ Significant focus on education, including school tours and training opportunities at our facilities.

Employee Well-Being

Martin Marietta recognizes that our people are the foundation of our success.

- ◆ Significant focus on the health and welfare of our employees, including assistance for our employees, their spouses or their children in reaching higher education goals.

Environmental Stewardship

Martin Marietta is committed to protecting the Earth's resources and reducing our environmental impact.

- ◆ Significant focus on developing and employing innovative technologies to reduce our environmental footprint and enhance our manufacturing efficiency.

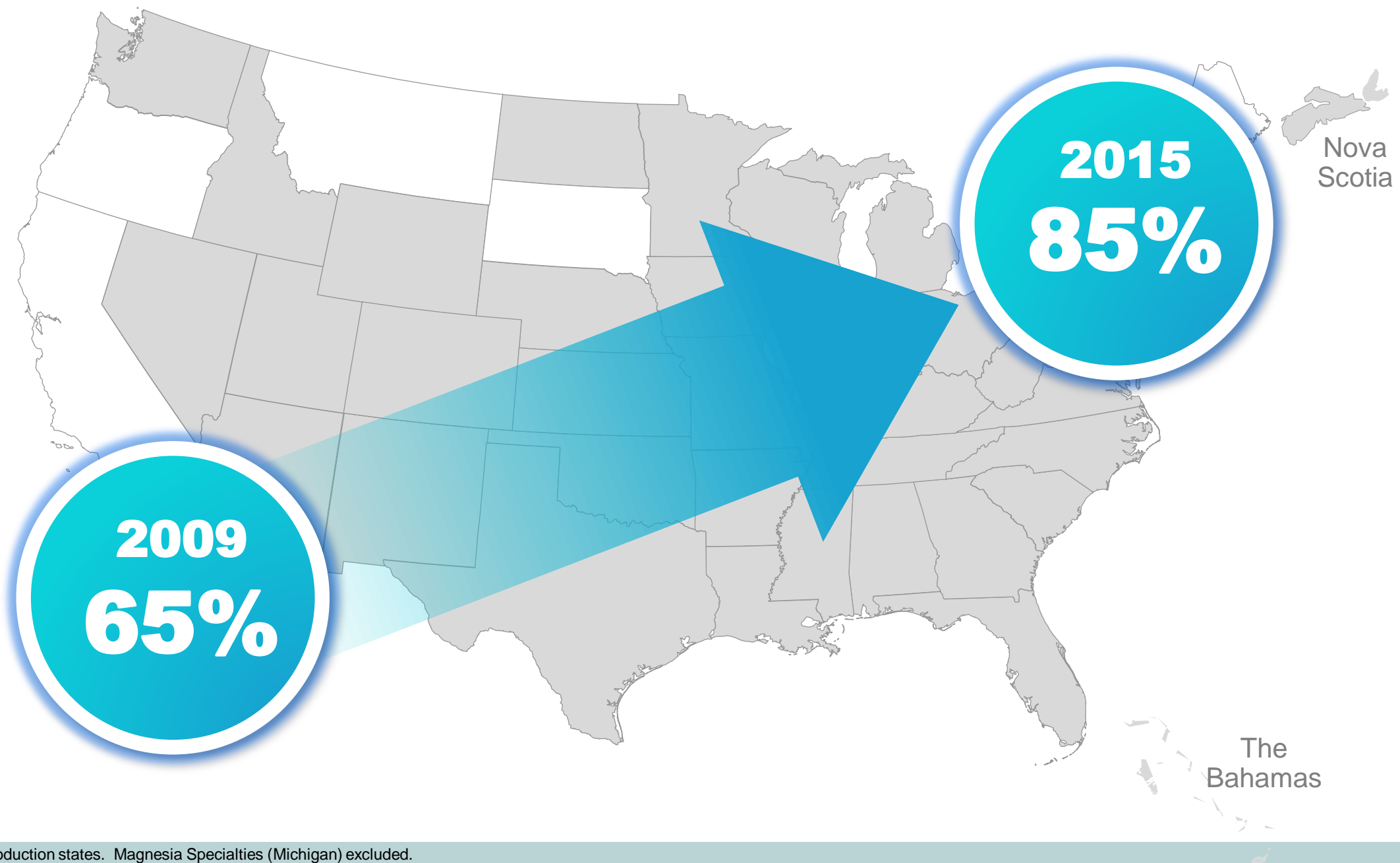
FOUNDATION

TRANSFORMATION

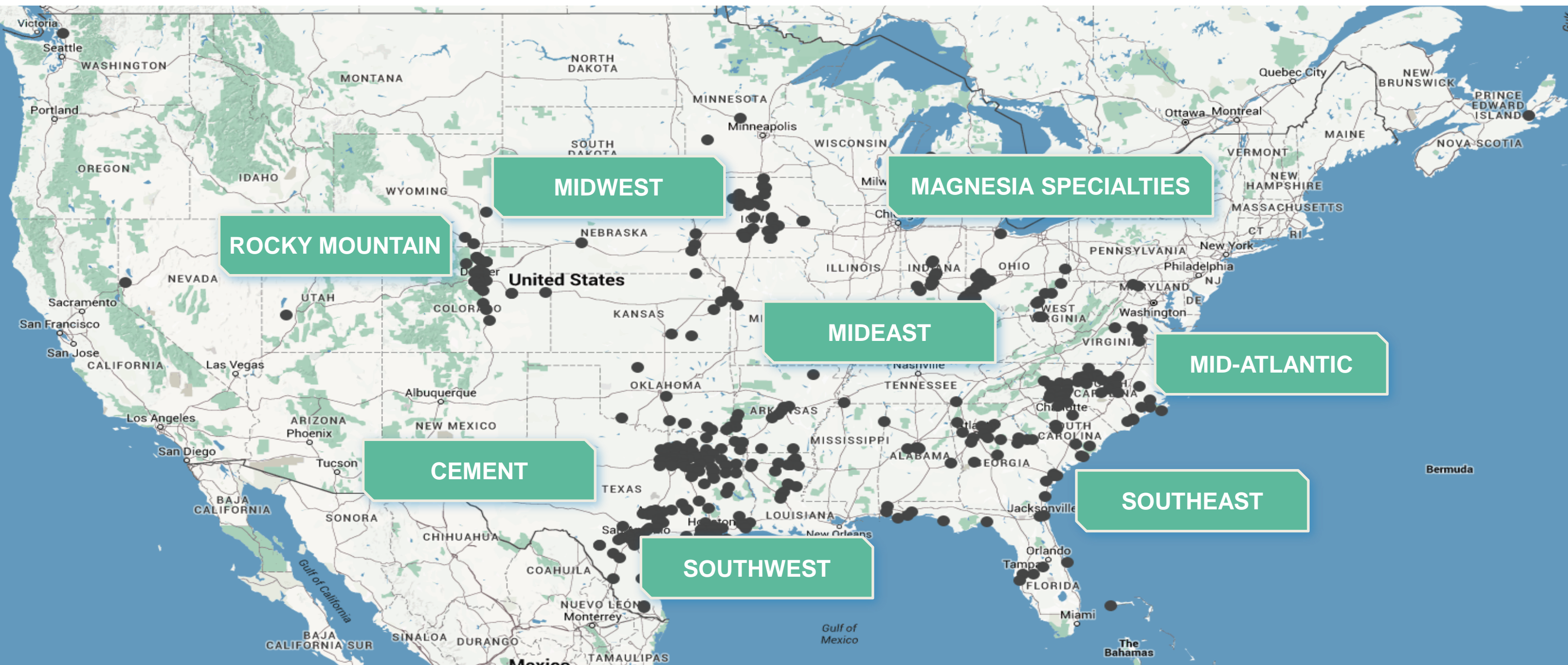
VALUE



Where Is Martin Marietta Today?



Geography Matters



Where You are Matters

MARKET ATTRACTIVENESS DRIVER

ADVANTAGE



Population growth



Increased per capita aggregates consumption



Market economic diversity



Market stability



Superior state financial position



Supports infrastructure growth



Population density



Large infrastructure network leads to increased repair & maintenance expenditures



High barriers to entry



Protects location advantage

Aligning Key Value Drivers



Key Value Drivers

AGGREGATES

AGGREGATES-LED

CEMENT

STRATEGIC CEMENT

DOWNSTREAM
PRODUCTS

TARGETED
DOWNSTREAM
PRODUCTS



EXPANDED
PLATFORM
FOR
GROWTH



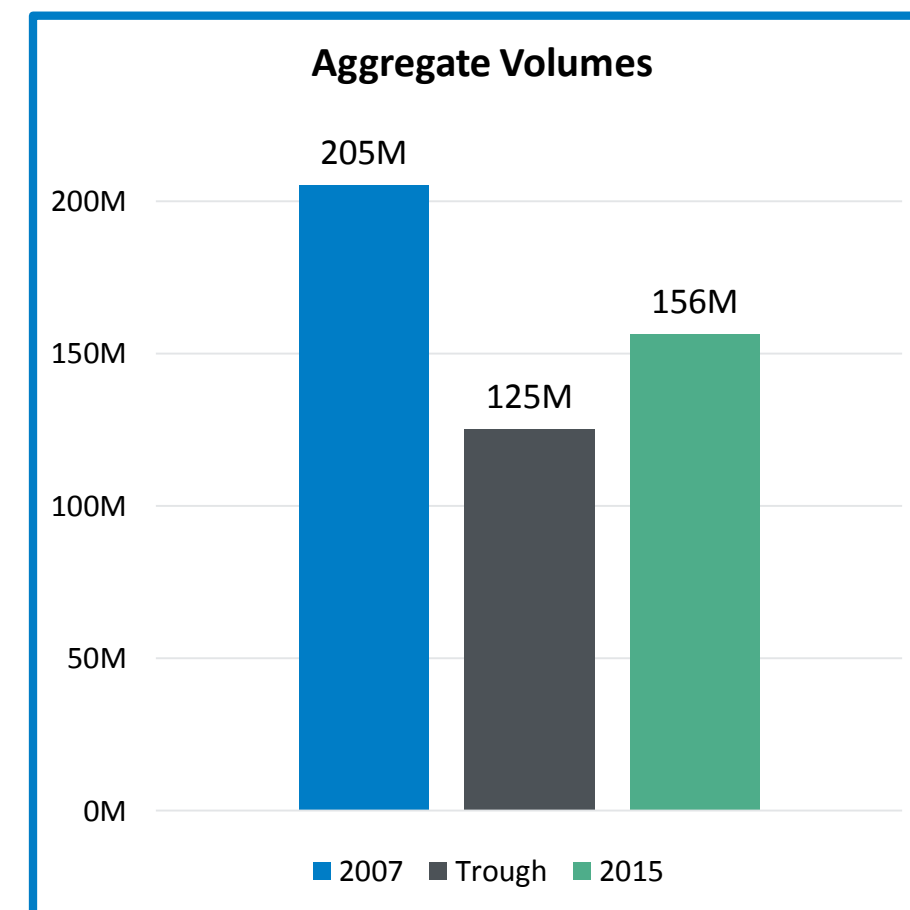
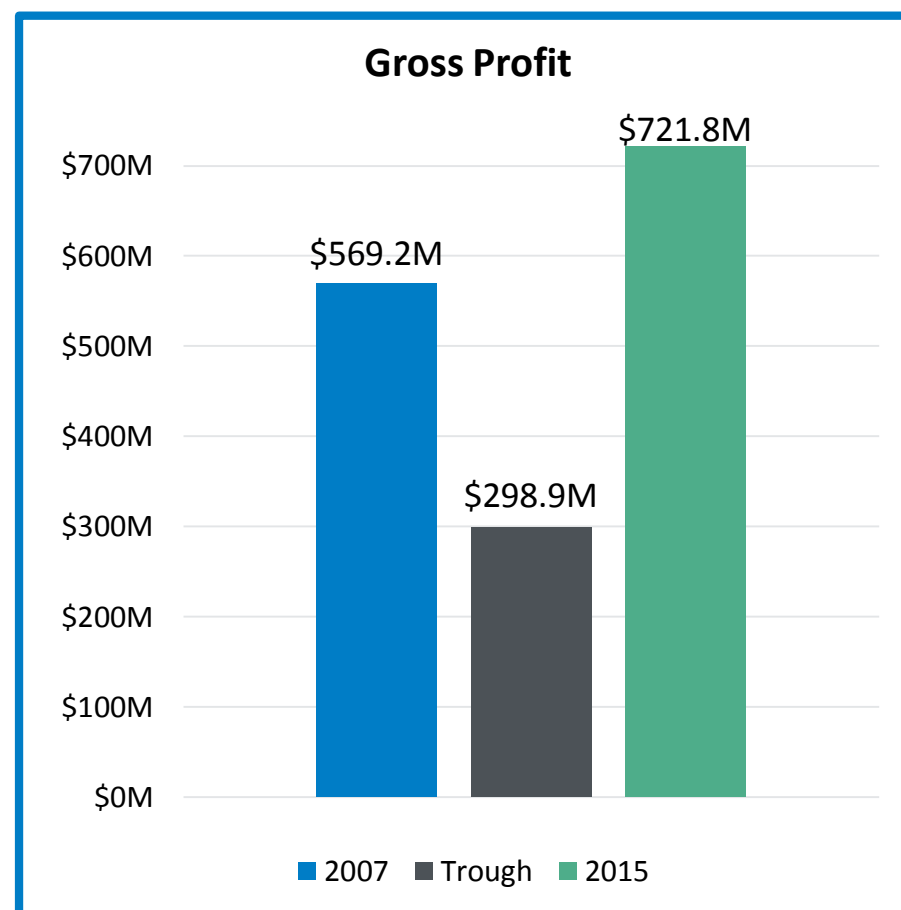
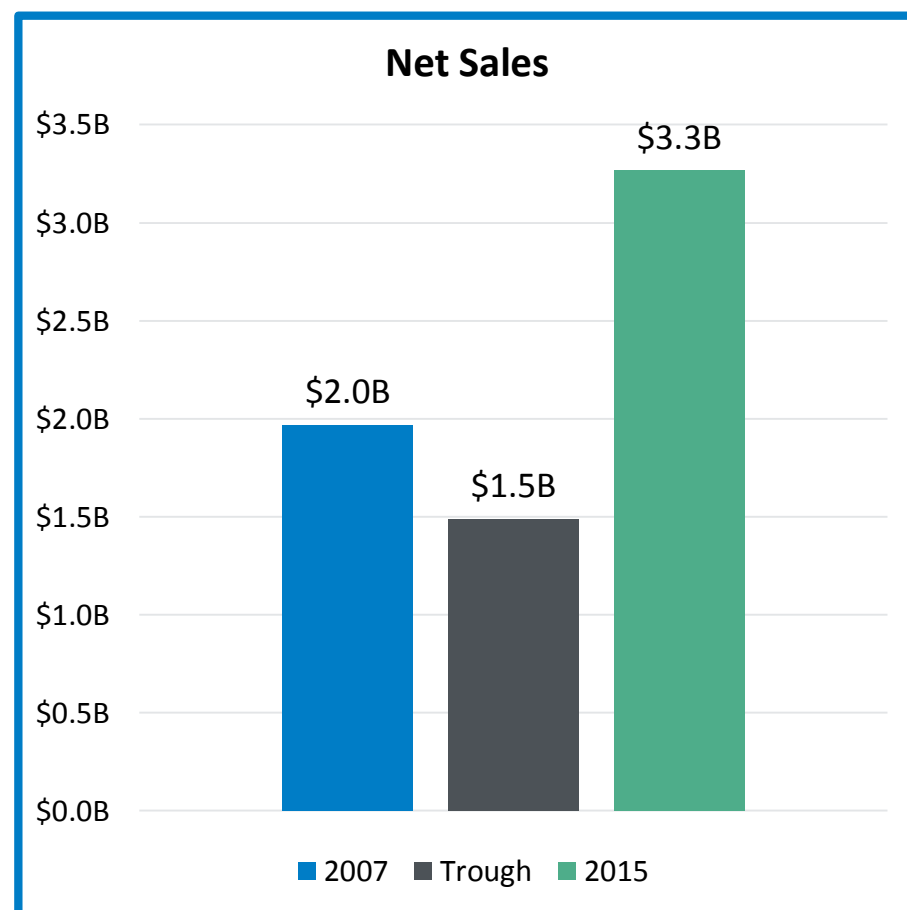
FOUNDATION
TRANSFORMATION

VALUE

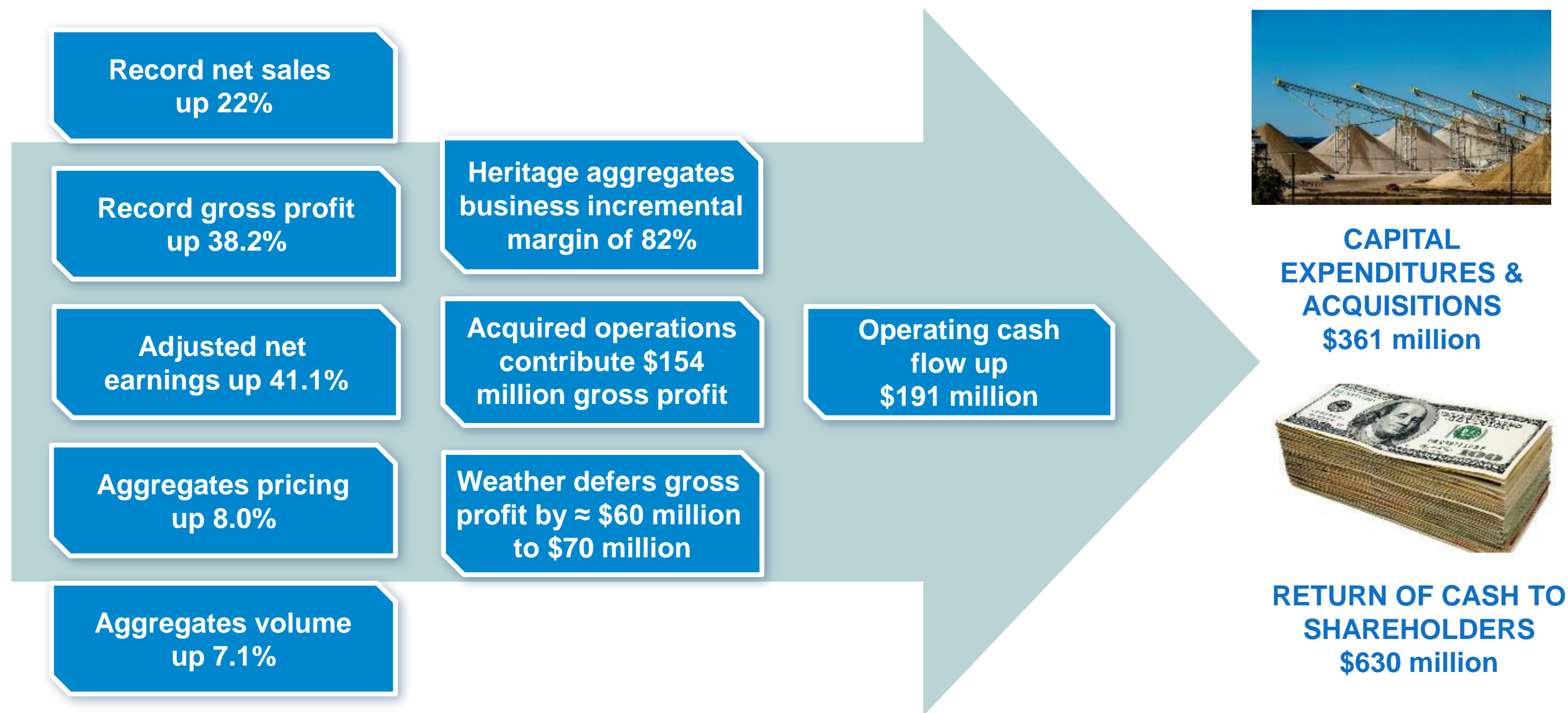


Full-Year 2015 Record Consolidated Operating Results

- ◆ Record net sales of \$3.3 billion
- ◆ Record gross profit of \$721.8 million
- ◆ Record net sales and gross profits with less than 75% of peak volumes

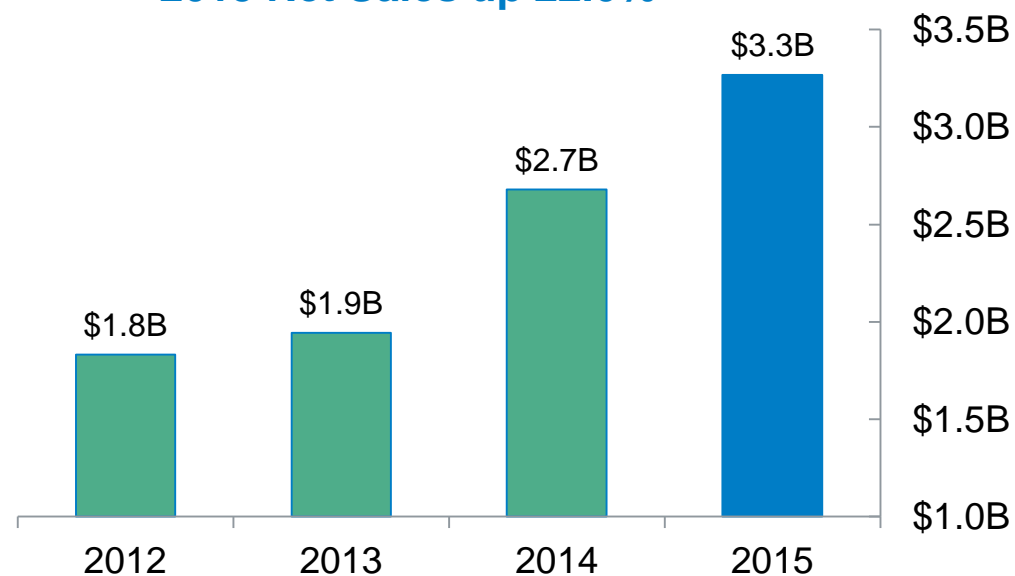


Consistent Commitment Yields Record 2015 Results

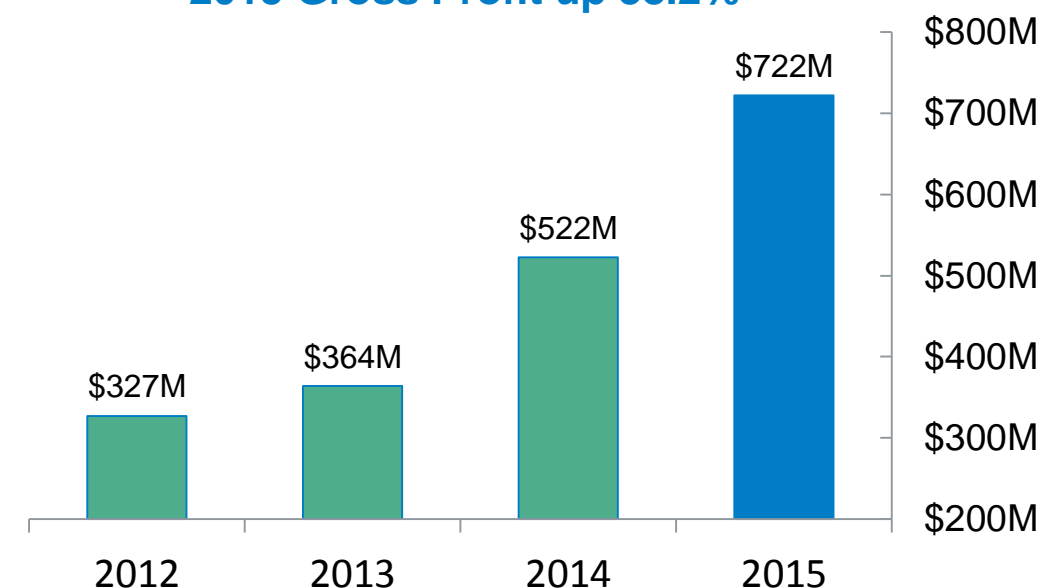


Full-Year 2015 Record Consolidated Operating Results

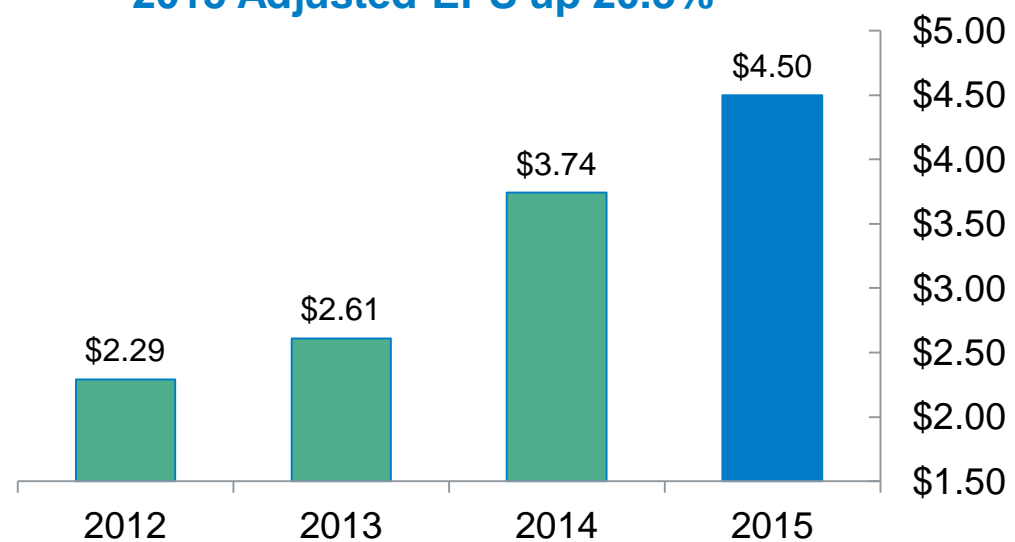
2015 Net Sales up 22.0% ¹



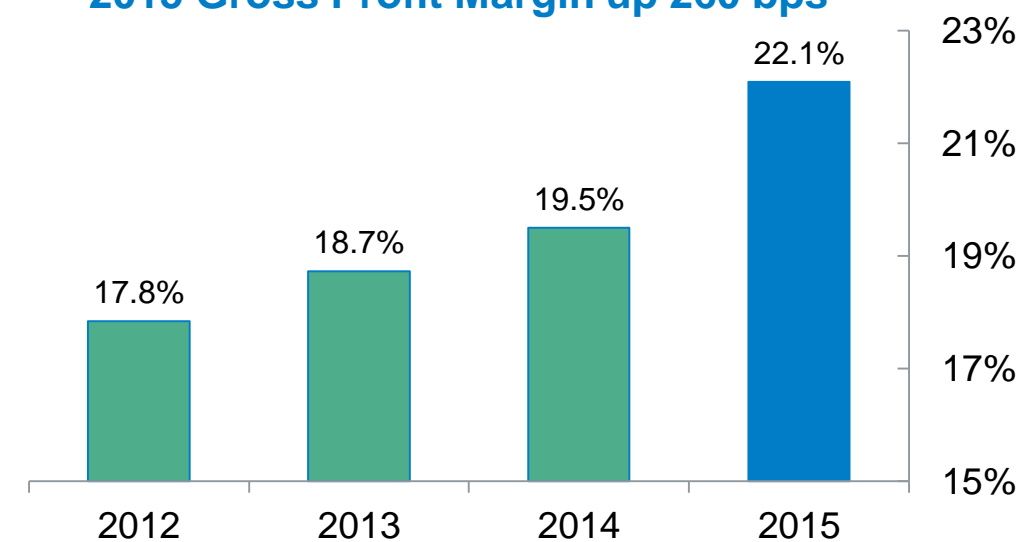
2015 Gross Profit up 38.2% ¹



2015 Adjusted EPS up 20.3% ¹



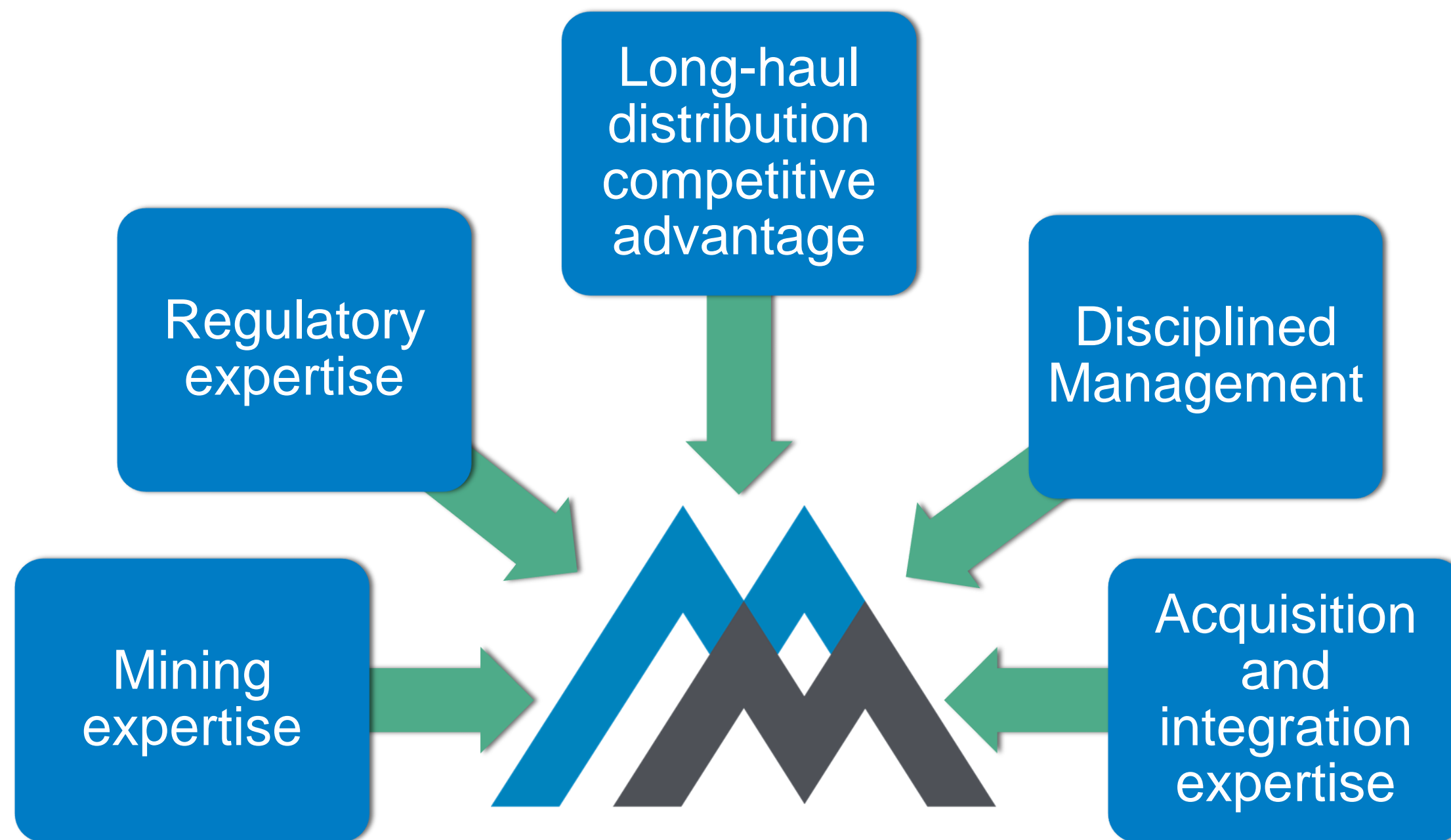
2015 Gross Profit Margin up 260 bps ¹



¹ Represents full-year 2015 growth percentage as compared to full-year 2014.



Core Competencies Drive Forward Value Growth



2016 Outlook by End Market

Infrastructure



- State initiatives to finance projects, including support from TIFIA, are expected to grow.
- Modest growth expected as new monies begin to flow into the system, particularly in the second half of the year.



GROWTH RATE

Mid-single digits

Nonresidential



- Both the heavy industrial and heavy commercial sectors expected to increase.
- Energy-related economic activity will be mixed with overall strength in downstream activity.



High-single digits

Residential



- Housing permits up double-digit in 2015, indicating further future gains in housing construction.
- Florida, Texas, Colorado, Georgia and North Carolina, each rank in the top-ten states for housing starts.



Double-digits

ChemRock/Rail



- Ballast construction dependent.



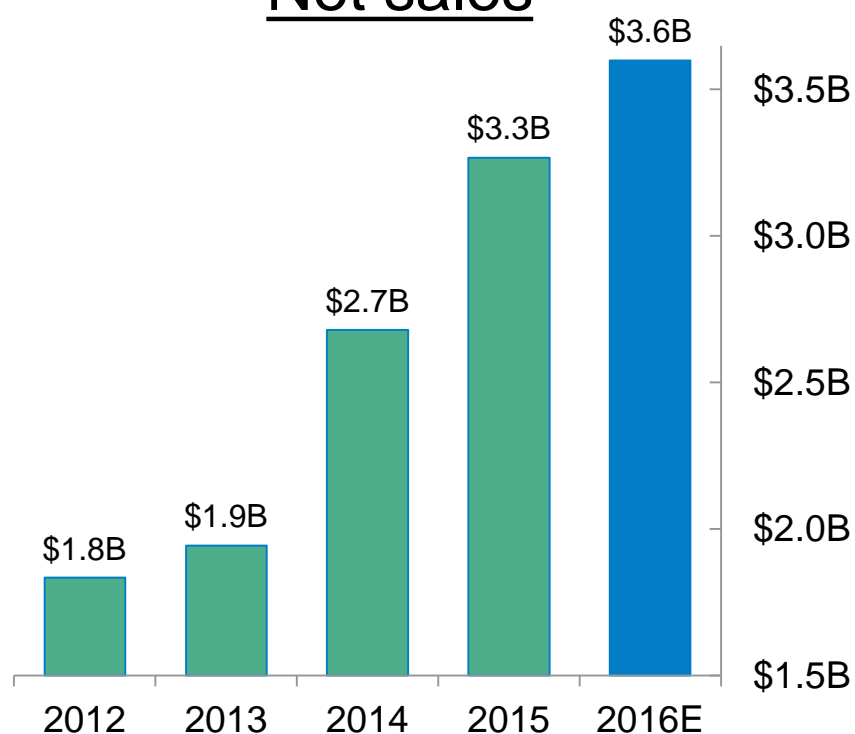
Relatively flat to modestly down

2016 Outlook

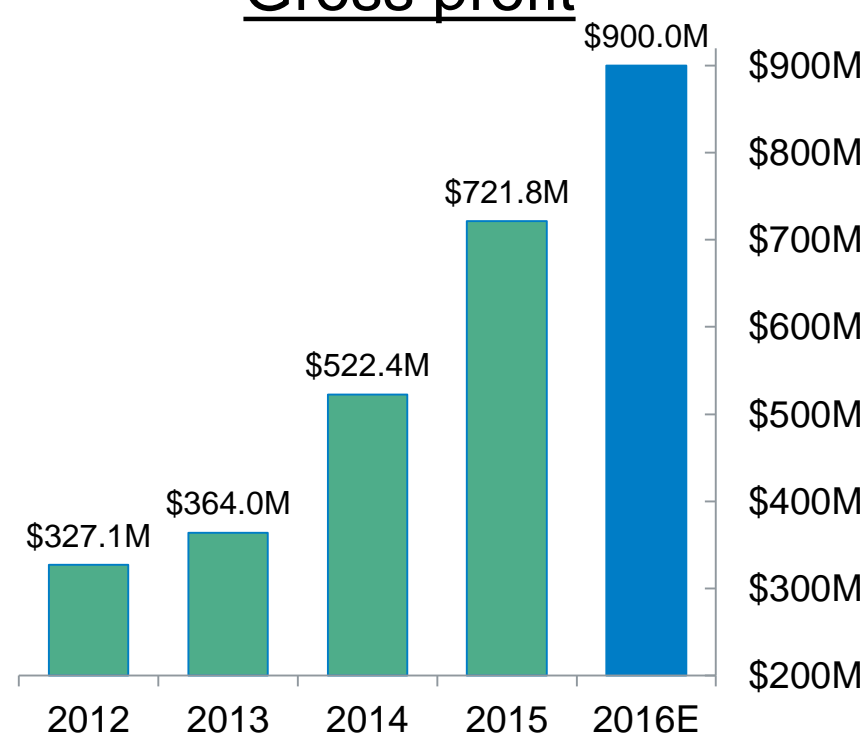
Based on the midpoint of 2016 guidance:

- ◆ Net sales of \$3.6 billion; growth of 10 percent year-over-year
- ◆ Gross profit of \$900 million; growth of 25 percent year-over-year
- ◆ EBITDA of \$955 million; growth of 25 percent over 2015 adjusted EBITDA

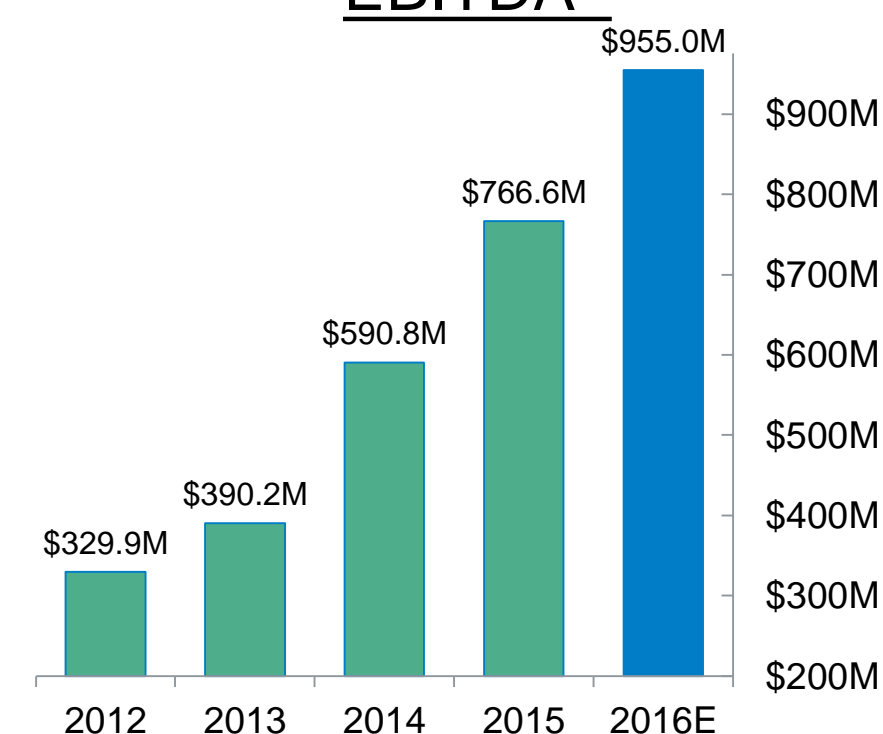
Net sales



Gross profit



EBITDA¹



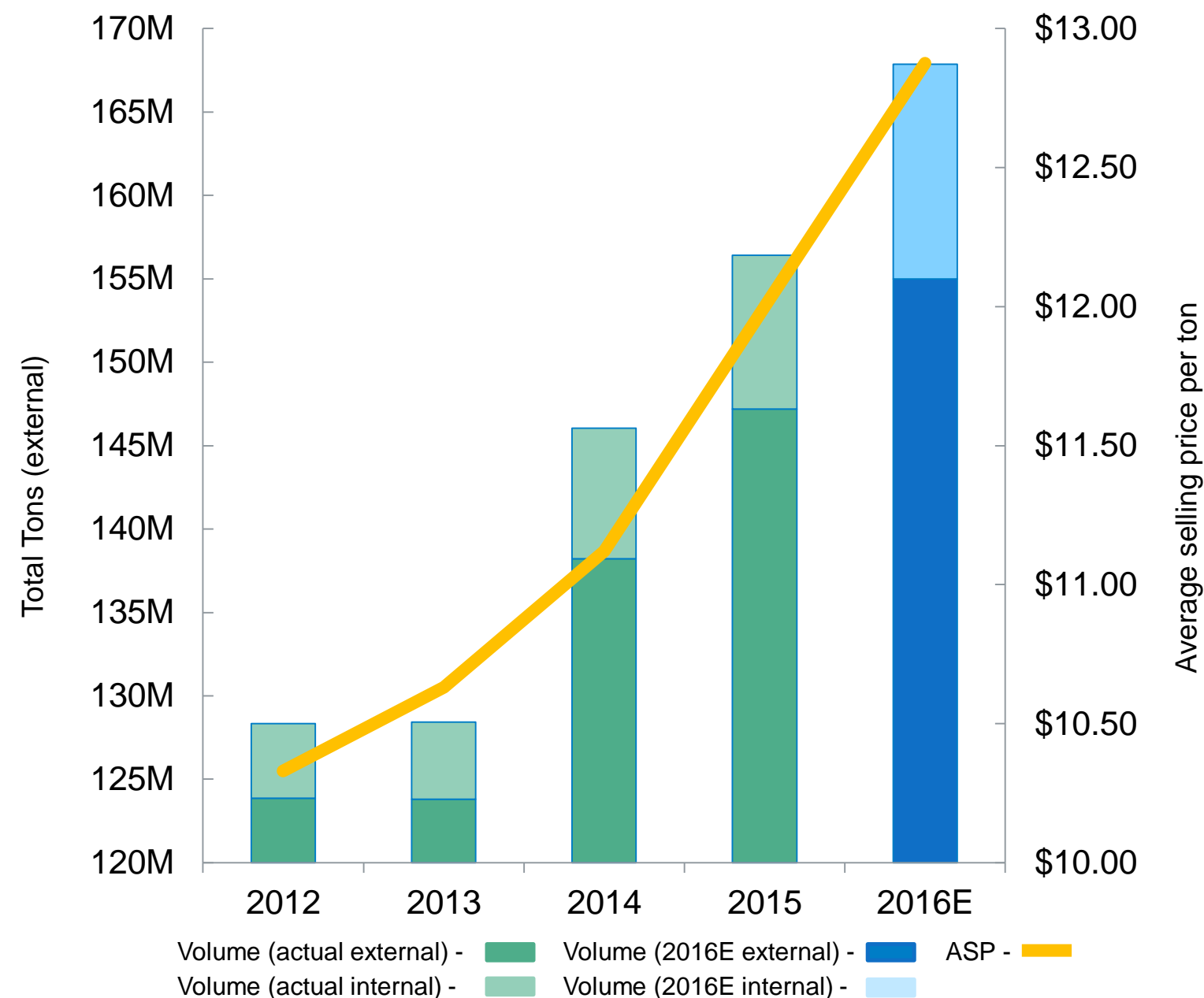
¹ As reported adjusted EBITDA is presented for 2014 and 2015.



2016 Outlook – Total Aggregates Product Line

Based on the midpoint of 2016 guidance:

- ◆ External volumes of 156 million tons; growth of 6.0 percent year-over-year
- ◆ Total external volumes 23 percent below prior peak volumes of 203 million tons
- ◆ Average selling price of \$12.88; growth of 7.3 percent over 2015
- ◆ Net sales of \$2.0 billion; growth of 11.5 percent year-over-year
- ◆ Gross profit of \$585 million; growth of 25.3 percent year-over-year



Capital Allocation Priorities

PRIORITIES

FORWARD VIEW

Acquisitions



Execution against strategic assessment

Organic Capital Investment



Above maintenance level of capital spending expected over long range operating plan horizon

Return of Cash to Shareholders

Dividends



Earnings payout practice of 25% to 30% over a 10-year cycle

Share Repurchases



Repurchase authorization of 20.0M shares \approx 30% of outstanding; 16.7M shares remaining

Five Questions Through the Cycle

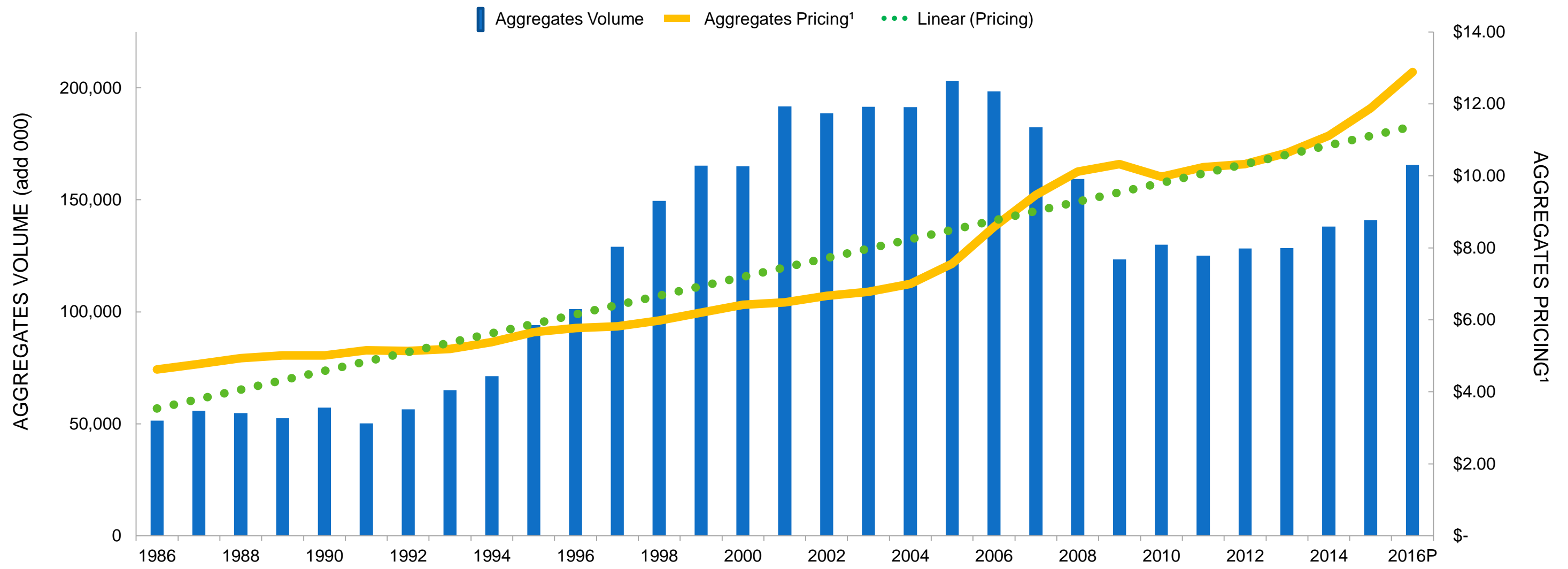


Q1: What are Martin Marietta's expectations for aggregates price and volume?



Cycle Dynamics – Pricing

Pricing accelerates at 4% CAGR over 30-year horizon

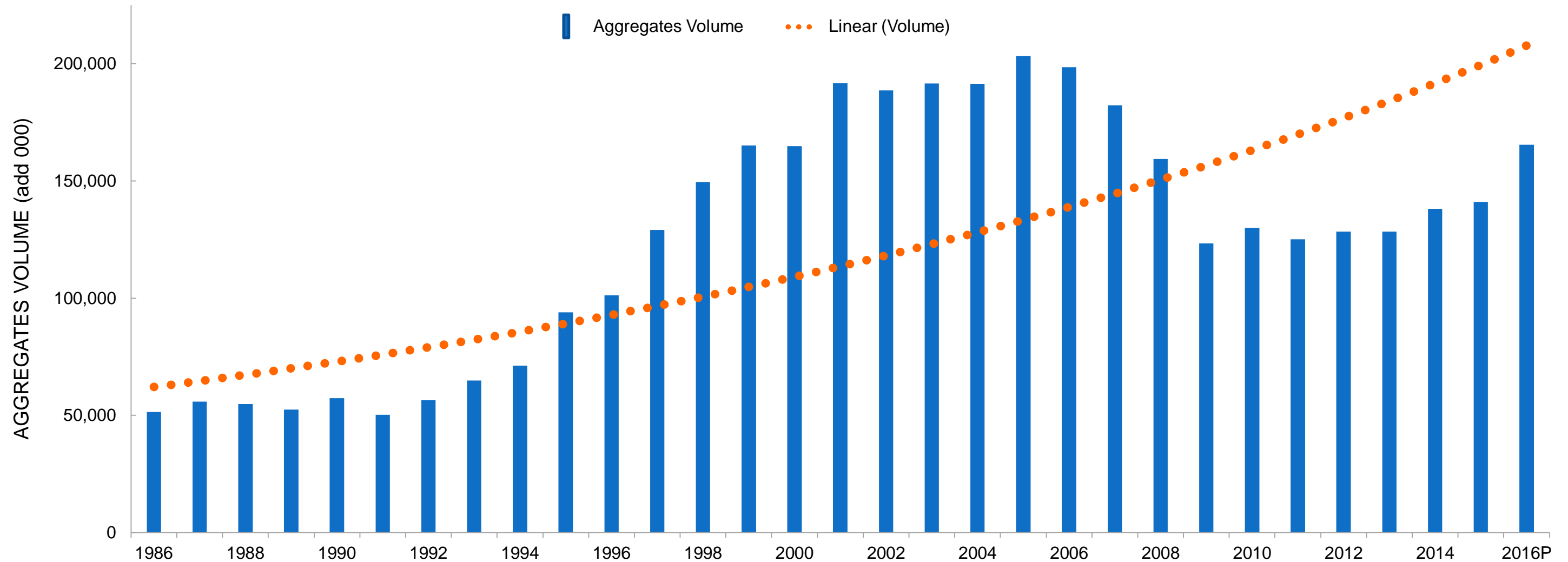


NOTE: 2016P assumes midpoint of guidance range for consolidated aggregates volume and pricing.
¹ Selling price is established locally at the point of sale and is subject to specific factors at each locality. Pricing reflects the average of the Corporation's selling price across all regions. Local prices can vary significantly from this average.



Cycle Dynamics – Heritage Aggregates Volume

Volume accelerates at 3.6% CAGR over 30-year horizon

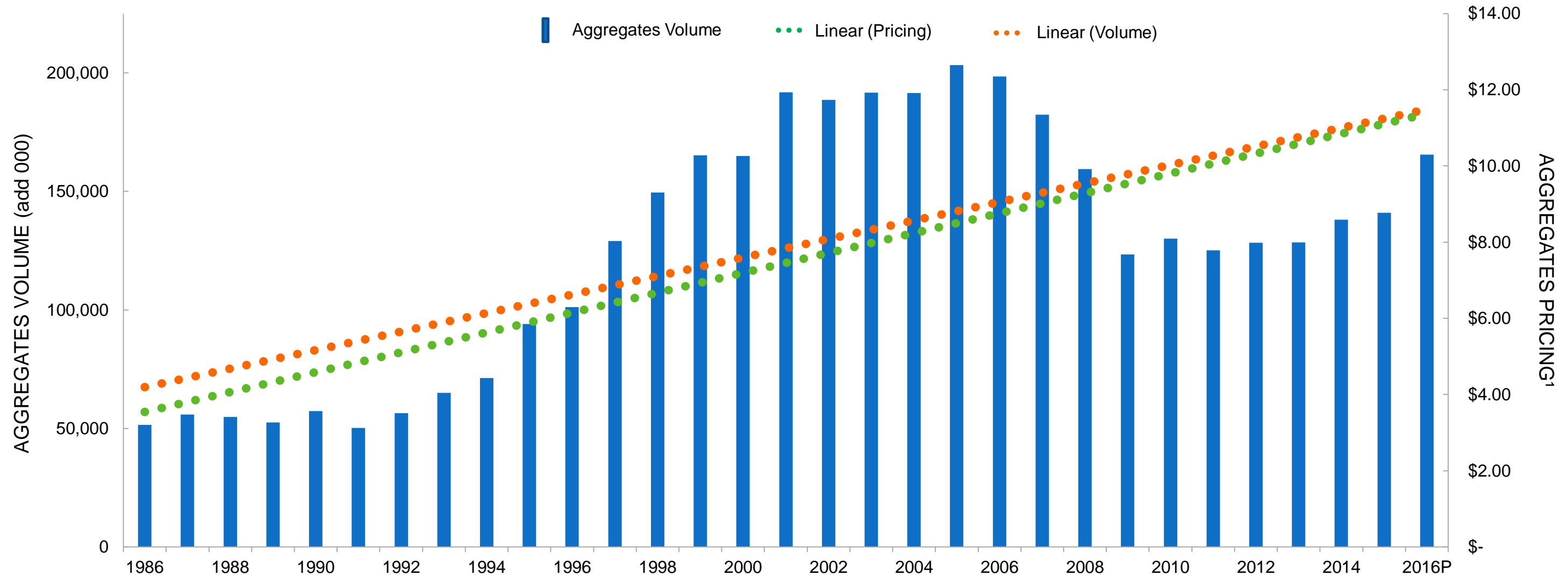


NOTE: 2016P assumes midpoint of guidance range for consolidated aggregates volume and pricing.



Cycle Dynamics – Volume and Price Relationship

Pricing expected to accelerate above trend line in relation to volume



NOTE: 2016P assumes midpoint of guidance range for consolidated aggregates volume and pricing.

¹ Selling price is established locally at the point of sale and is subject to specific factors at each locality. Pricing reflects the average of the Corporation's selling price across all regions. Local prices can vary significantly from this average.



Q2: *What do end market demand drivers look like?*



End Market Dynamics Drive Growth

Infrastructure



- Passage of federal highway bill provides multi-year visibility
- Growth enhanced from state-level programs

Non-residential



- Continued energy-related industrial activity
- Increased light commercial activity

Residential



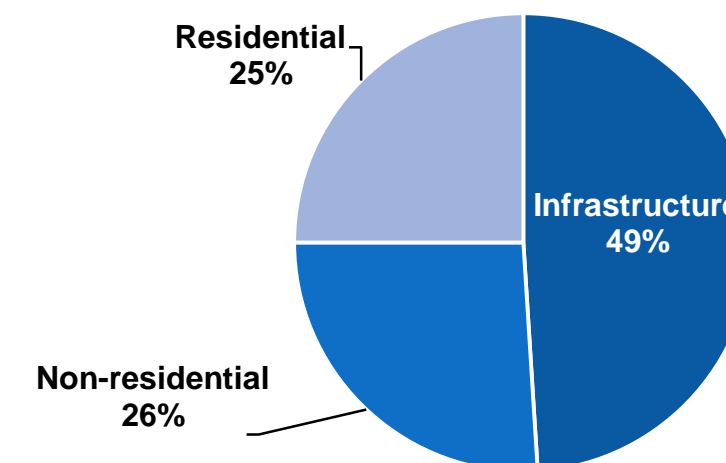
- Housing permits up double-digits in 2015
- Build-out in 2016 and 2017

ChemRock/Rail

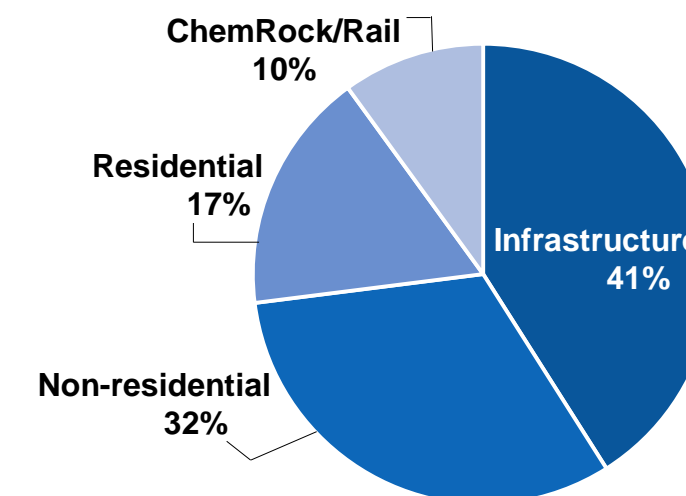


- Driven by ballast and agriculture

U.S. PORTLAND CEMENT



MARTIN MARIETTA 2015 AGGREGATES PRODUCT LINE



Federal Infrastructure Funding

HIGHWAY BILL BENEFITS

Fixing America's Surface Transportation Act, "The FAST Act"



- Multi-year highway bill passed following 36 short-term continuing resolutions
- Provides certainty of funding and visibility to enable longer-term projects
- Federal highway bill strengthens state infrastructure spending initiatives
- New construction as compared to repairs and maintenance is much more aggregates intensive
- Alleviation of state-level uncertainty is particularly relevant for rural markets

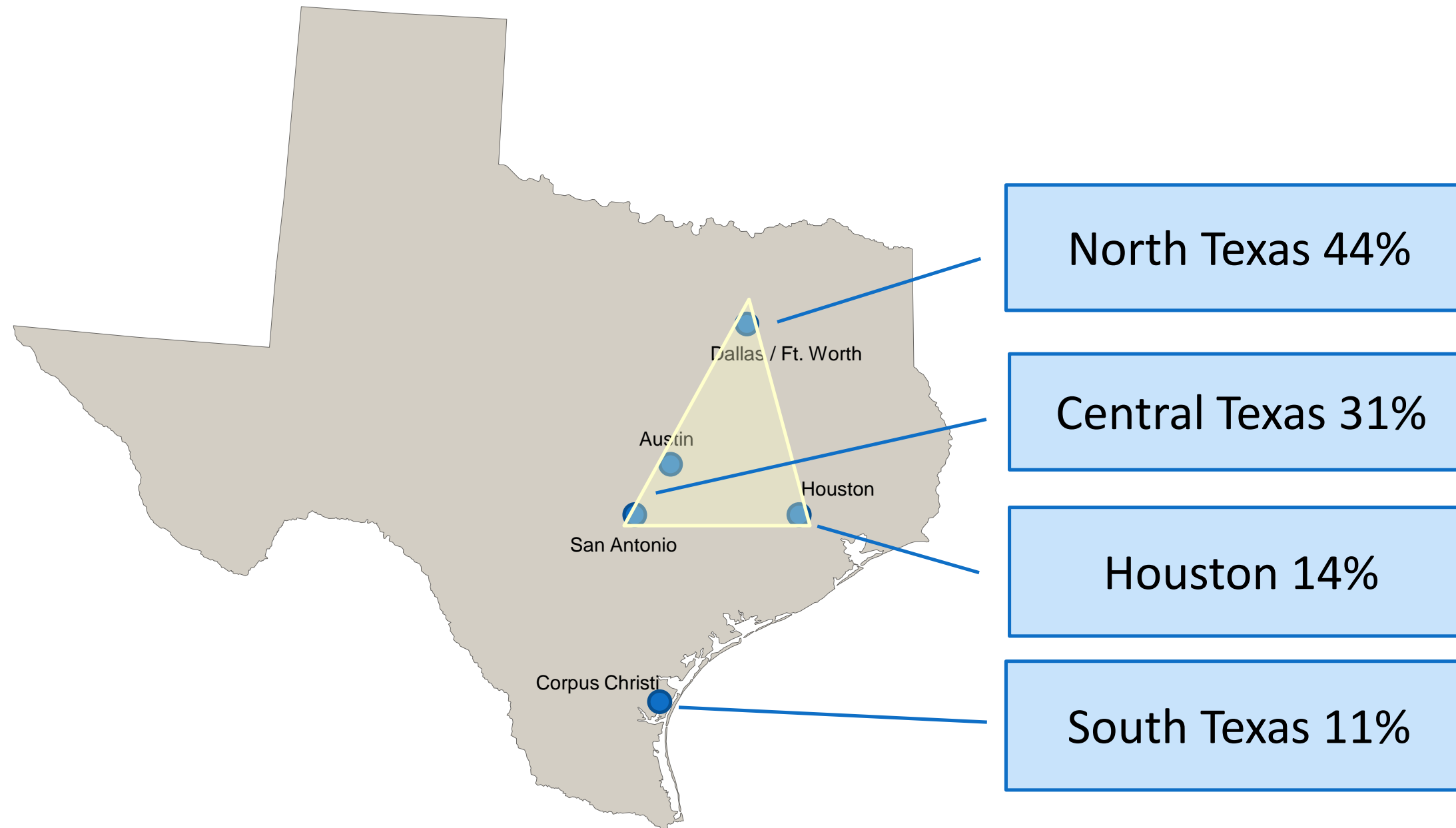
State-Level Infrastructure Funding Initiatives



Q3: *What is the state of the State of Texas?*



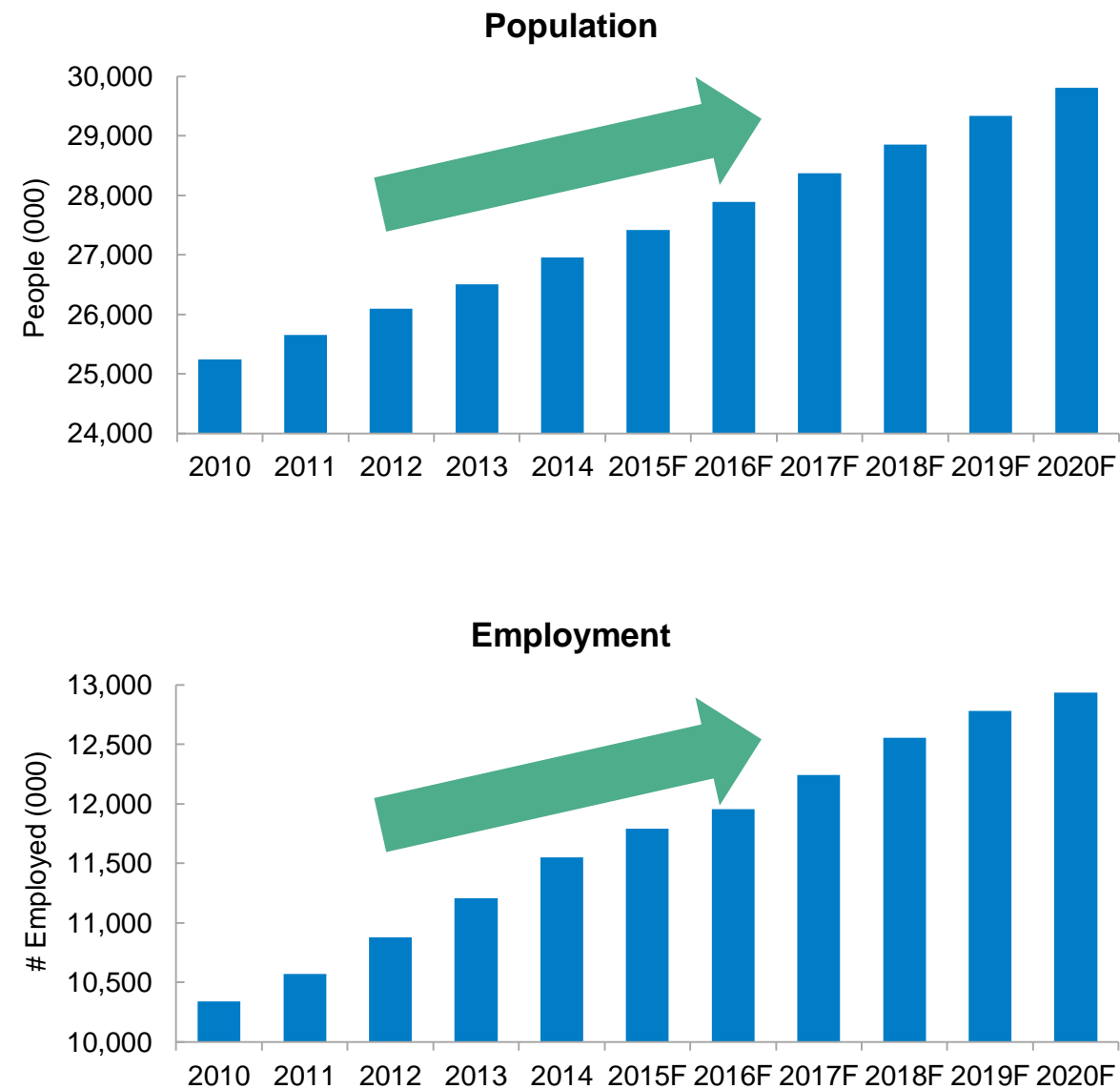
Martin Marietta's Texas Aggregates Shipments



Source: Company Data. Percentage of 2015 Texas aggregates shipments by area.

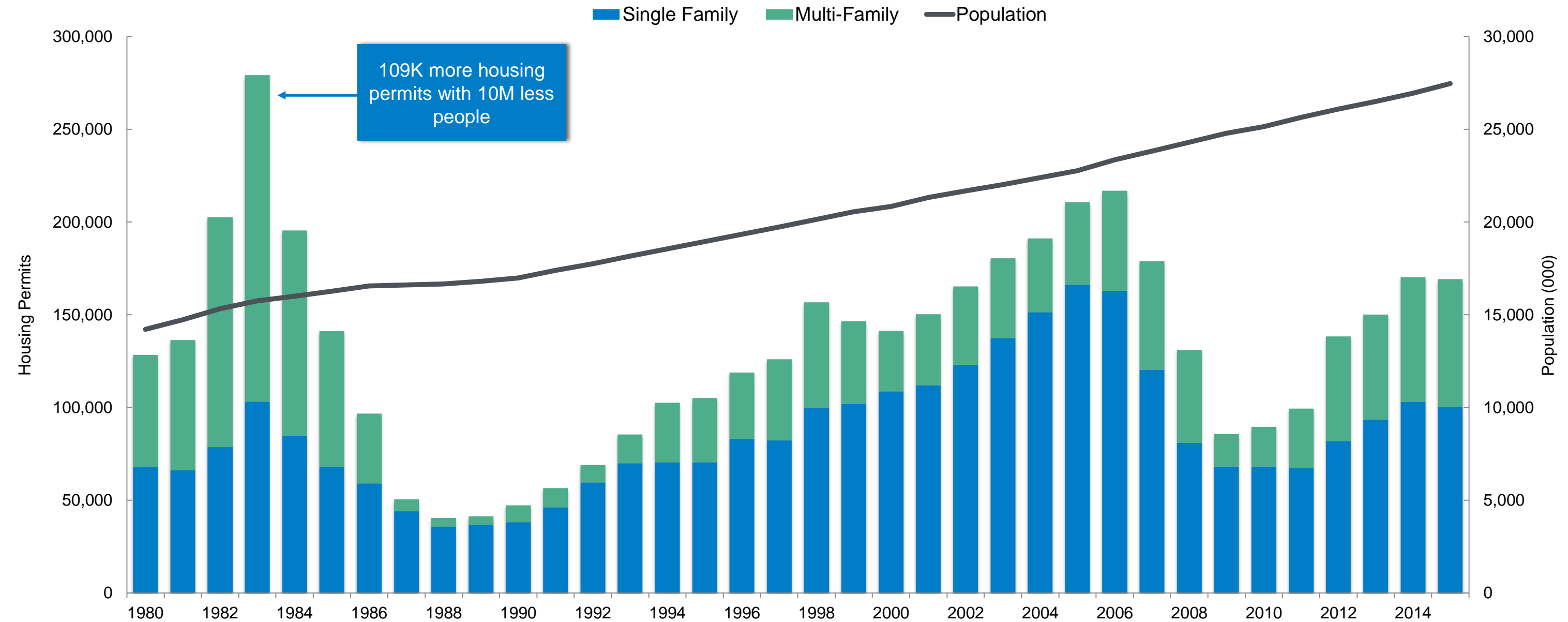


Texas Continues to Add People and Jobs



- Above-average population gains
 - Migration
 - Immigration
 - Higher birthrate than national average
- Solid foundation of available workers
 - More young people entering prime working years
 - Fewer elderly residents
- Oilfield layoffs being absorbed by other sectors

Texas Housing Market Is Not Overbuilt

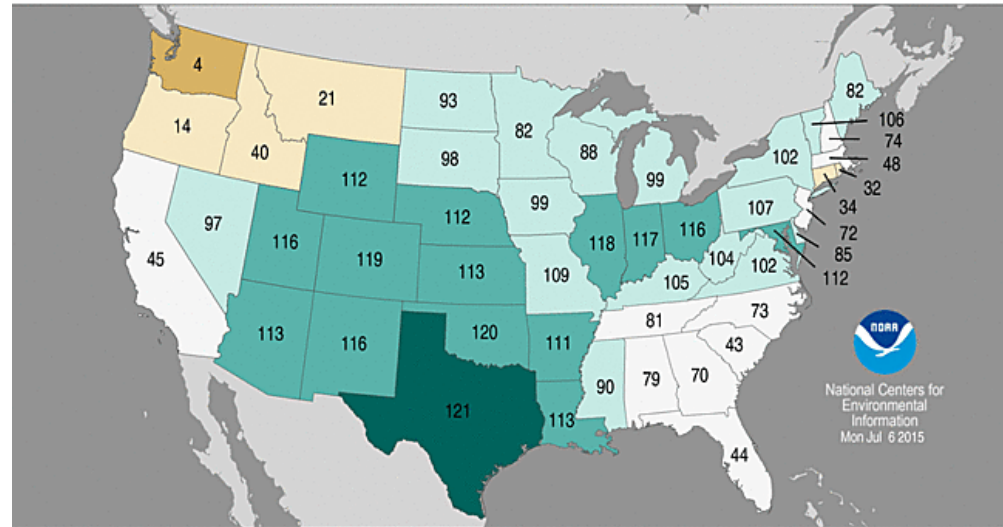


Source: U.S. Bureau of Census and Real Estate Center at Texas A&M University

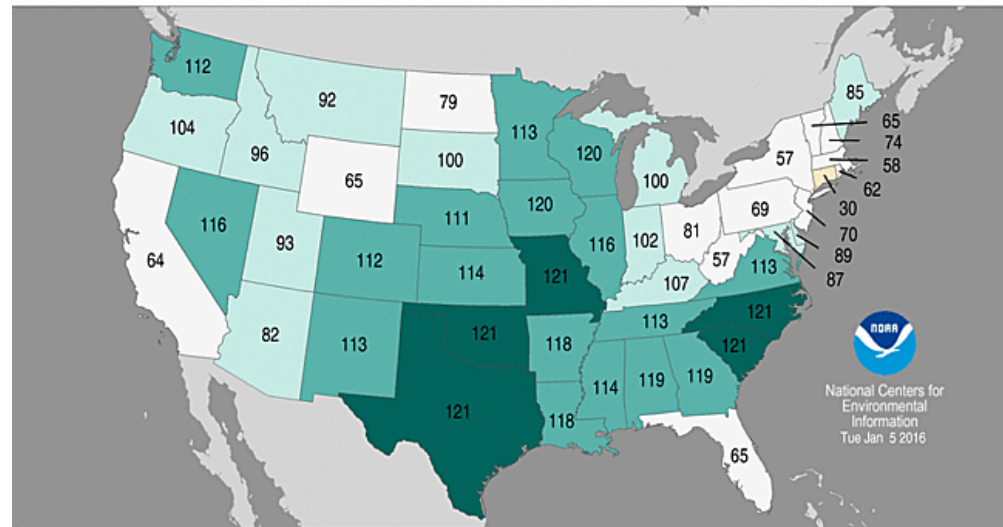


Weather and the Impact on Texas Construction Activity

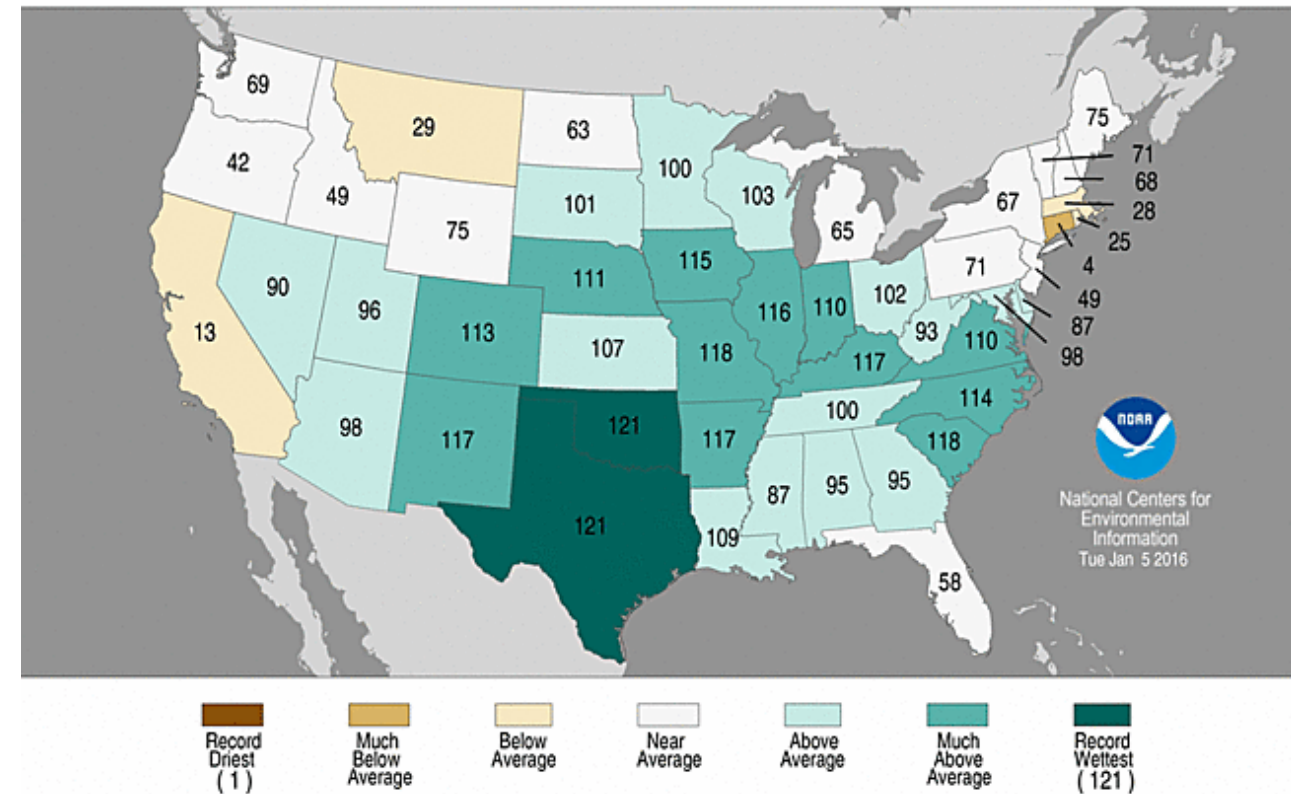
Statewide Precipitation Ranks
April–June 2015
Period: 1895–2015



Statewide Precipitation Ranks
October–December 2015
Period: 1895–2015



Statewide Precipitation Ranks
January–December 2015
Period: 1895–2015



Source: National Oceanic and Atmospheric Administration

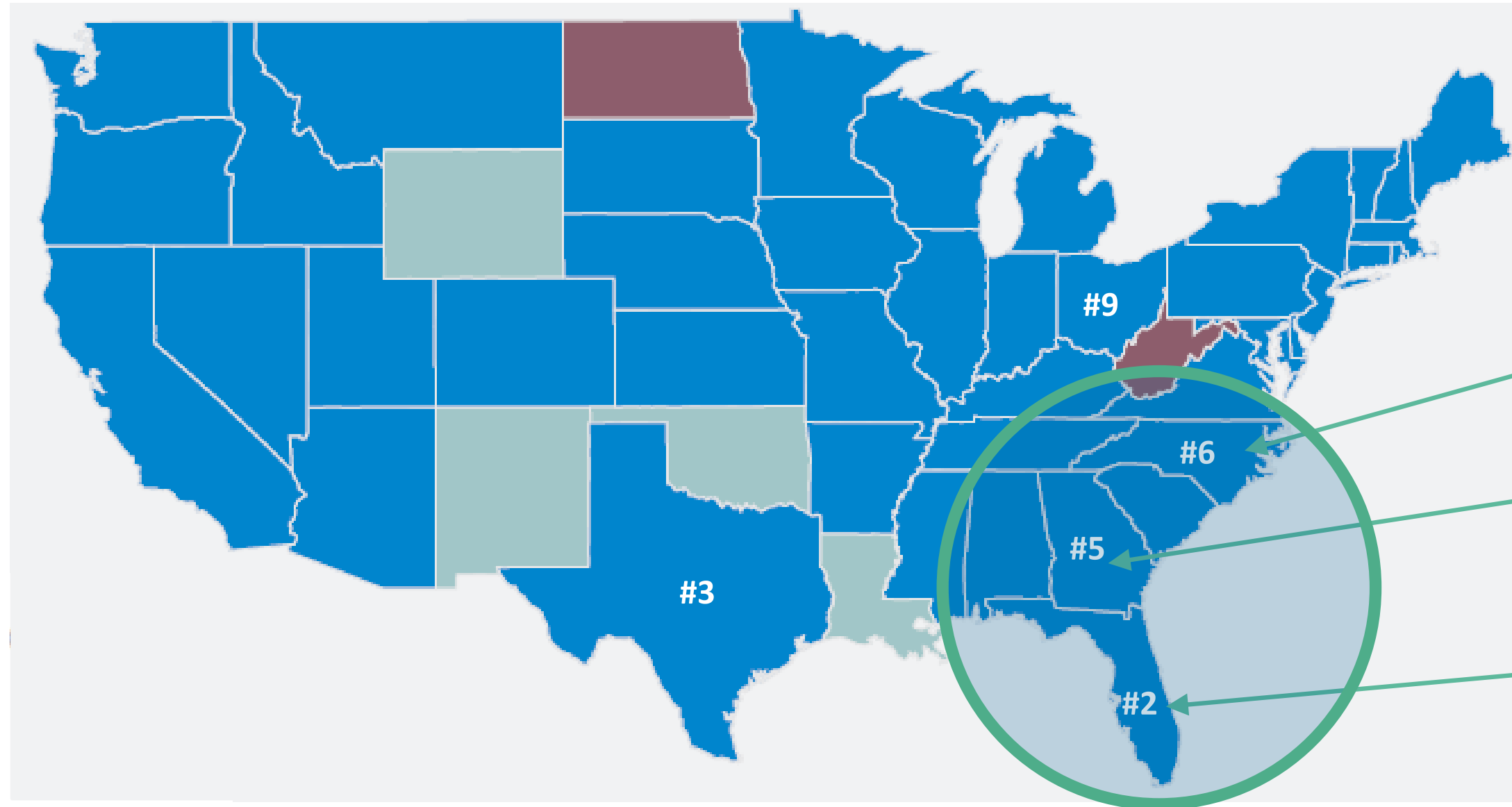


Q4: *What does recovery look like in the Southeast U.S.?*



Where You Are Matters

■ - Recovering / Expanding
 ■ - At Risk
 ■ - Recession



2009

#45

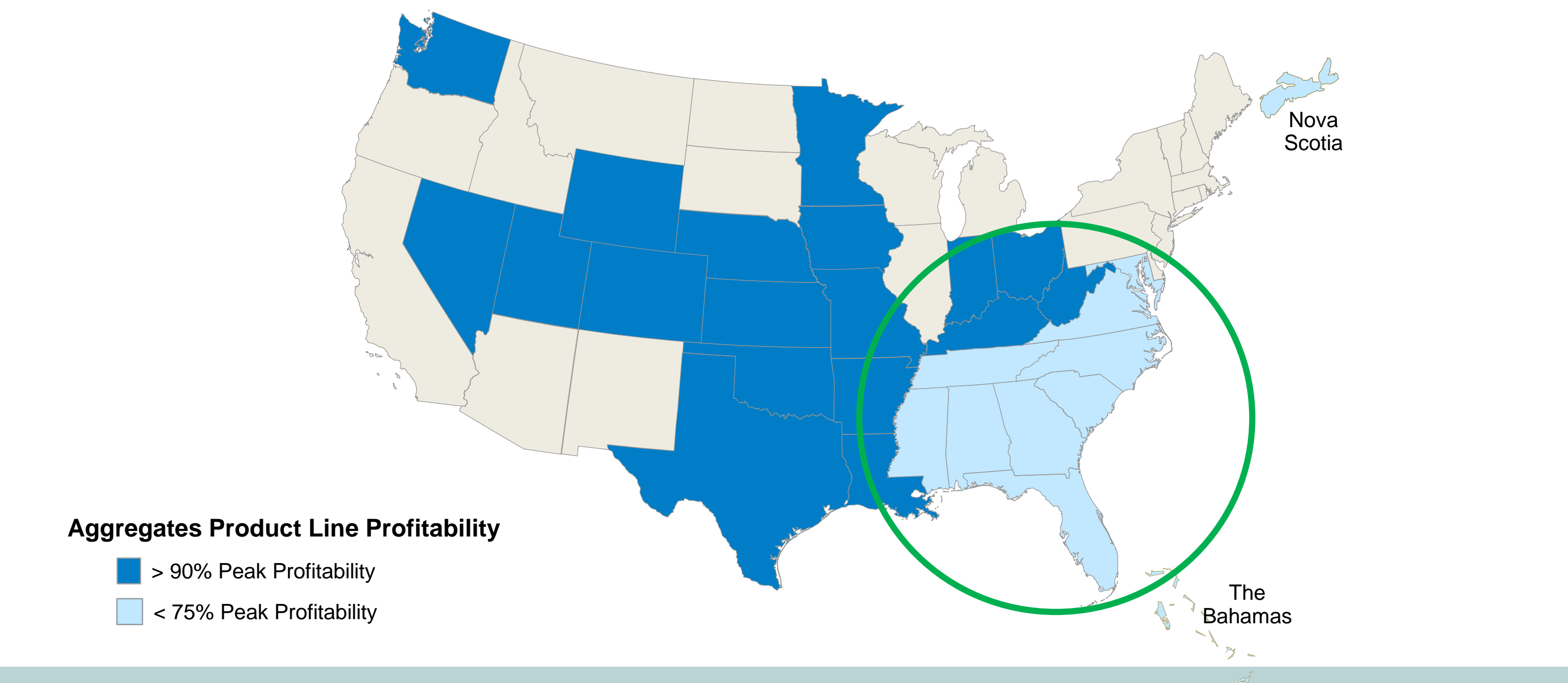
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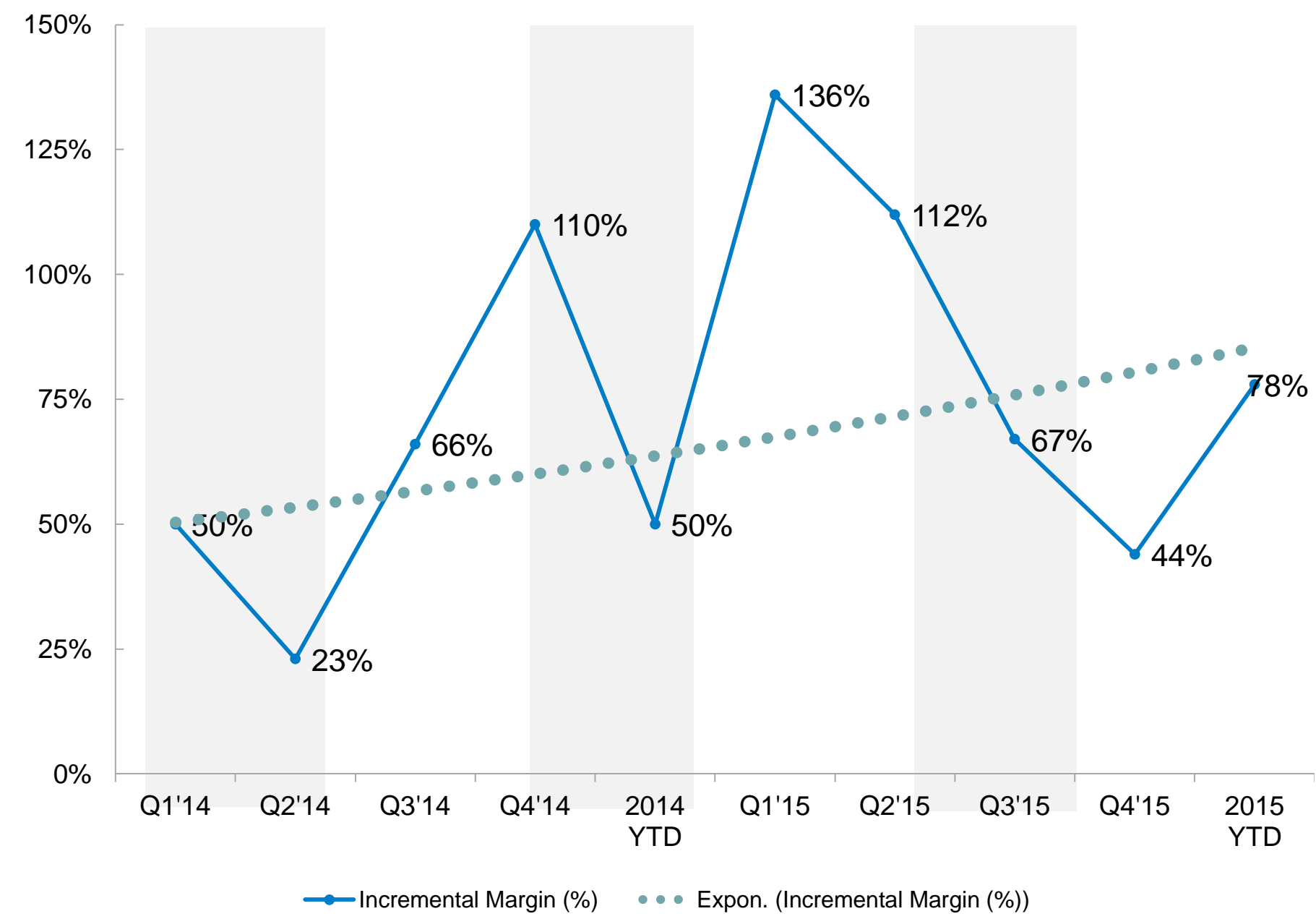
- Employment growth ranking (seasonally adjusted as of November 30, 2015)

Source: Moody's Economy.com Inc.





Southeast Group Performance



Accelerating incremental margin with volume recovery

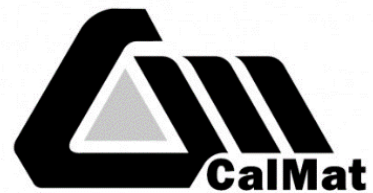
NOTE: See Appendix for definition and calculation of incremental margin, a non-GAAP measure.



Q5: *Who are Martin Marietta's competitors?*



Competitive Landscape – 1998



HEIDELBERGCEMENT



RMC Group



Competitive Landscape – 2015 and beyond



HEIDELBERGCEMENT





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APPENDIX

Non-GAAP Measure

Adjusted EBITDA is a non-GAAP measure and is used internally to evaluate financial performance. EBITDA and adjusted EBITDA are not defined by GAAP and, as such, should not be construed as alternatives to net earnings or operating cash flow.

The following table presents the calculation of adjusted EBITDA as presented in the financial results for the 2014 and 2015 quarterly and annual periods.

	Quarter-ended December 31,		Year-ended December 31,	
	2015	2014	2015	2014
<i>(dollars in millions)</i>				
Net earnings attributable to Martin Marietta	\$ 83.2	\$ 64.0	\$ 288.8	\$ 155.6
Add back:				
Interest expense	18.9	21.1	76.3	66.1
Income tax expense for controlling interests	39.3	35.3	124.9	94.8
Depreciation, depletion & amortization expense	63.0	67.9	260.7	220.5
EBITDA	\$ 204.4	\$ 188.3	\$ 750.7	\$ 537.0
Nonrecurring expenses (acquisition-related expenses, net loss on divestitures and other noncash related charge)	(13.9)	-	16.0	53.8
Adjusted EBITDA	\$ 190.5	\$ 188.3	\$ 766.7	\$ 590.8



APPENDIX

Non-GAAP Measure (continued)

Adjusted earnings per diluted share is a non-GAAP measure and is used internally to evaluate financial performance. Management believes this measure is indicative of operating leverage, efficiency and economic conditions. Adjusted earnings per diluted share exclude the impact of TXI acquisition-related expenses, net; the impact of the markup of acquired inventory to fair value; and the gain or loss on business divestitures. The Company presents these measures to allow investors to analyze and forecast the Corporation's operating results given that these costs do not reflect the ongoing cost of its operations.

The following table presents the calculation of adjusted earnings per diluted share as presented in the financial results for the 2014 and 2015 quarterly and annual periods.

	Quarter-ended December 31,		Year-ended December 31,	
	2015	2014	2015	2014
Earnings per diluted share in accordance with generally accepted accounting principles	\$1.26	\$0.94	\$4.29	\$2.71
Add back:				
Loss on sale of California cement operations	(0.01)	--	0.31	--
TXI acquisition-related expenses, net	--	--	--	0.91
Impact of selling acquired inventory due to markup to fair value	--	--	--	0.12
Less:				
Gain on sale of San Antonio asphalt operations	(0.10)	--	(0.10)	--
Adjusted earnings per diluted share	\$1.15	\$0.94	\$4.50	\$3.74



APPENDIX

Non-GAAP Measure (continued)

Incremental gross margin (excluding freight and delivery revenues), expressed as a percentage (%), is a non-GAAP measure and is used internally to evaluate financial performance. Management believes this measure is indicative of operating leverage, efficiency and economic conditions. Due to the significant amount of fixed costs, gross margin (excluding freight and delivery revenues) typically increases at a disproportionate rate in periods of increased shipment activity. Incremental gross margin (excluding freight and delivery revenues) is not defined by GAAP and, as such, should not be construed as alternatives to gross profit or net gross margin.

The following table presents the calculation of incremental gross margin (excluding freight and delivery revenues) for the Southeast Group as presented in the financial results for the 2014 and 2015 quarterly and annual periods.

Southeast Group Performance

Incremental Margin (\$ in 000s)

	2014					2015				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
Net Sales (Current period)	\$ 55,381	\$ 70,725	\$ 68,042	\$ 60,838	\$254,986	\$ 59,770	\$ 76,483	\$ 78,283	\$ 70,766	\$ 285,302
<i>Net Sales Increase as compared to comparable period prior year</i>	\$ 4,057	\$ 15,464	\$ 3,171	\$ 5,857	\$ 28,549	\$ 4,389	\$ 5,758	\$ 10,241	\$ 9,928	\$ 30,316
Gross Profit (Current period)	\$ (2,867)	\$ 3,053	\$ 4,650	\$ 5,817	\$ 10,653	\$ 3,099	\$ 9,493	\$ 11,468	\$ 10,137	\$ 34,197
<i>Gross Profit Increase as compared to comparable period prior year</i>	\$ 2,038	\$ 3,604	\$ 2,105	\$ 6,421	\$ 14,168	\$ 5,966	\$ 6,440	\$ 6,818	\$ 4,320	\$ 23,544
Incremental Gross Margin % (excluding freight and delivery revenues)	50%	23%	66%	110%	50%	136%	112%	67%	44%	78%



APPENDIX

Non-GAAP Measure (continued)

The following table presents the calculation of incremental gross margin (excluding freight and delivery revenues) for the heritage Aggregates business as presented in the financial results for the year-ended December 31, 2015.

Heritage Aggregates Business Performance

Incremental Margin (\$ in 000s)

	For the year-ended December 31,		
	2015	2014	Variance
Net Sales	\$ 2,090,519	\$ 1,931,411	\$ 159,108
Gross Profit	\$ 497,061	\$ 366,582	\$ 130,479
Incremental Gross Margin % (excluding freight and delivery revenues)			82%

Intrinsic Value of Reserves

The intrinsic value of aggregates reserves represents management’s estimate of the value of the 15.6 billion of aggregates reserves, either owned (55%) or leased (45%), at December 31, 2015. The calculation of intrinsic value assumes a royalty rate of \$1.00 per ton for owned reserves and \$0.40 per ton for leased reserves, representing the estimated per ton royalty rate that would be currently paid to replace reserves of the same quality, in the same geographic location and in the same competitive position. The per ton rate for leased reserves reflects a reduction for the current average royalty rate paid for leased reserves. Intrinsic value for reserves, and therefore, the amount currently paid to acquire reserves, varies, sometimes widely, based on the nature and location of the aggregates acquired, among other things. The value of reserves is highly dependent on specific location, quality and other factors.

