



First-Quarter 2017
Supplemental Financial
Information

May 2, 2017



Disclaimer

Statement Regarding Safe Harbor for Forward-Looking Statements

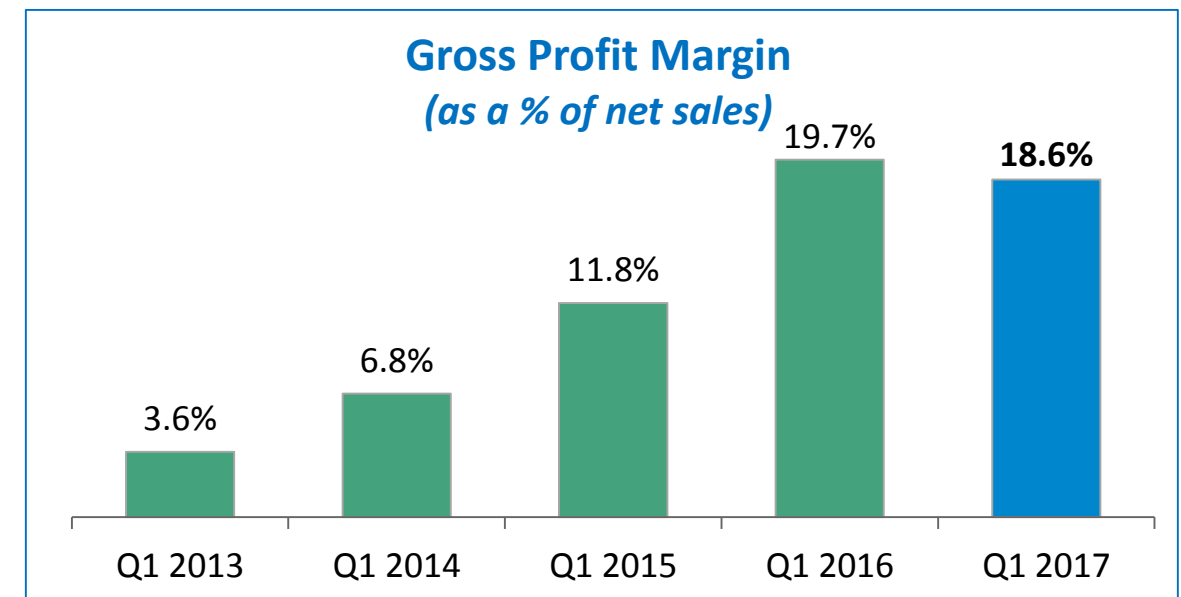
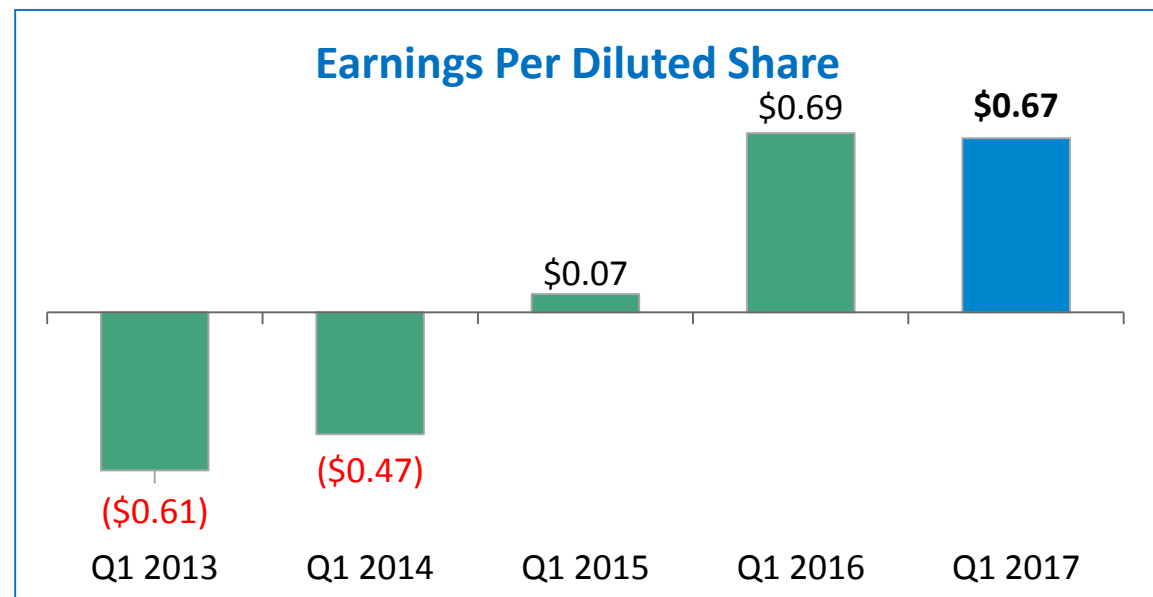
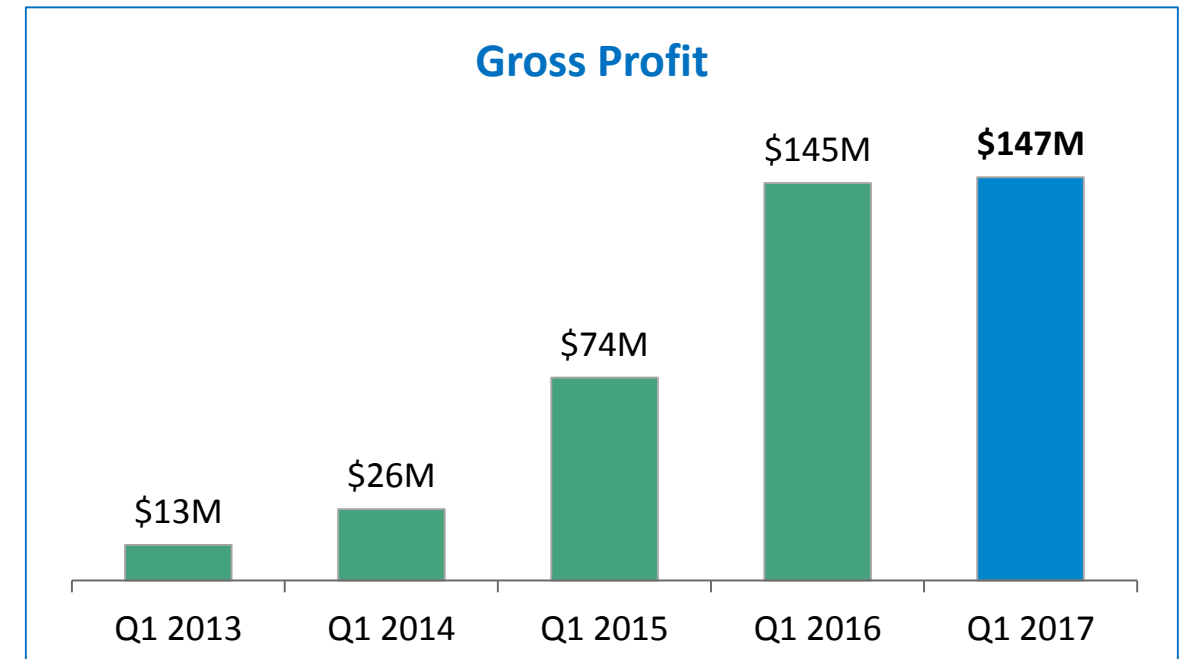
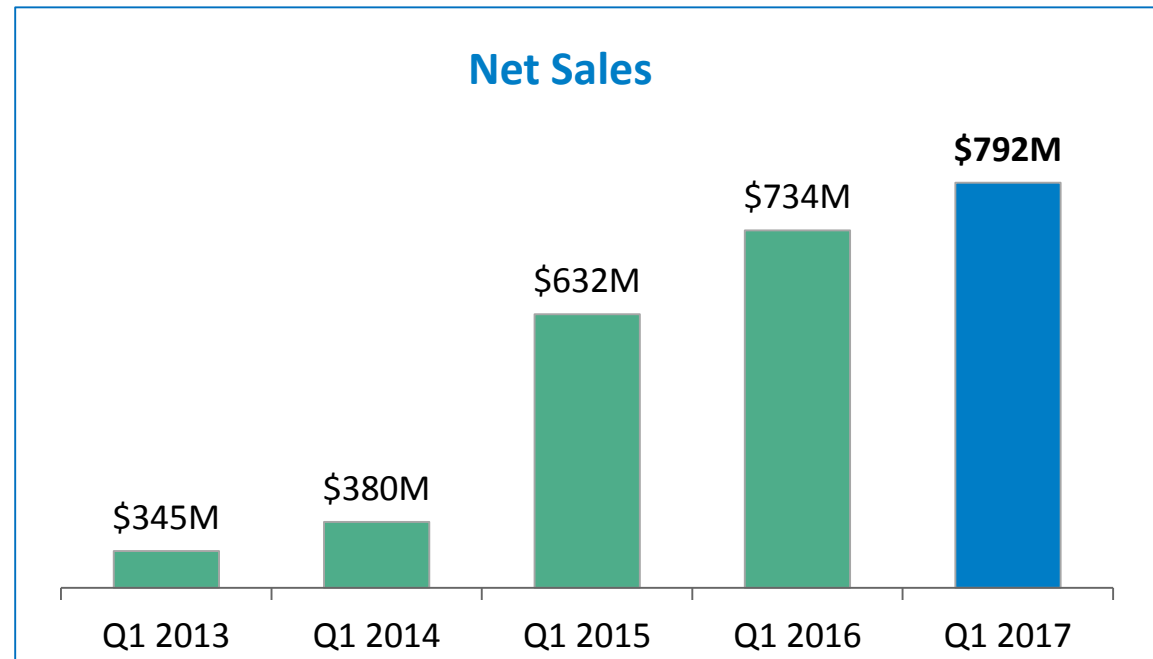
This presentation may contain forward-looking statements – that is, information related to future, not past, events. Like other businesses, Martin Marietta is subject to risks and uncertainties which could cause its actual results to differ materially from its projections or that could cause forward-looking 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.



First-Quarter Consolidated Operating Results



Note: Net sales, gross profit, earnings per diluted share and gross profit margin presented as originally reported. Further, 2015 includes the California cement operations sold in September 2015.

Product Line Metrics

	Volume Variance ¹			Price Variance ¹	
	Quarter-ended March 31,			Quarter-ended March 31,	
	2017	2016		2017	2016
Aggregates product line:					
Mid-America Group	(1.5%)	27.9%		4.4%	4.2%
Southeast Group	16.4%	5.6%		10.3%	7.3%
West Group	(3.8%)	5.1%		2.6%	11.2%
Total aggregates product line	(0.2%)	13.2%		5.3%	8.1%
Asphalt	91.0%	(46.1%)		(10.9%)	(2.4%)
Ready mixed concrete	15.1%	31.0%		3.3%	11.7%
Cement ²	(5.4%)	13.8%		2.5%	3.6%

¹ Volume and pricing variances for the quarter-ended March 31, 2017 are versus the comparable period in 2016 and are based on total tons, except for ready mixed concrete which is based on cubic yards.

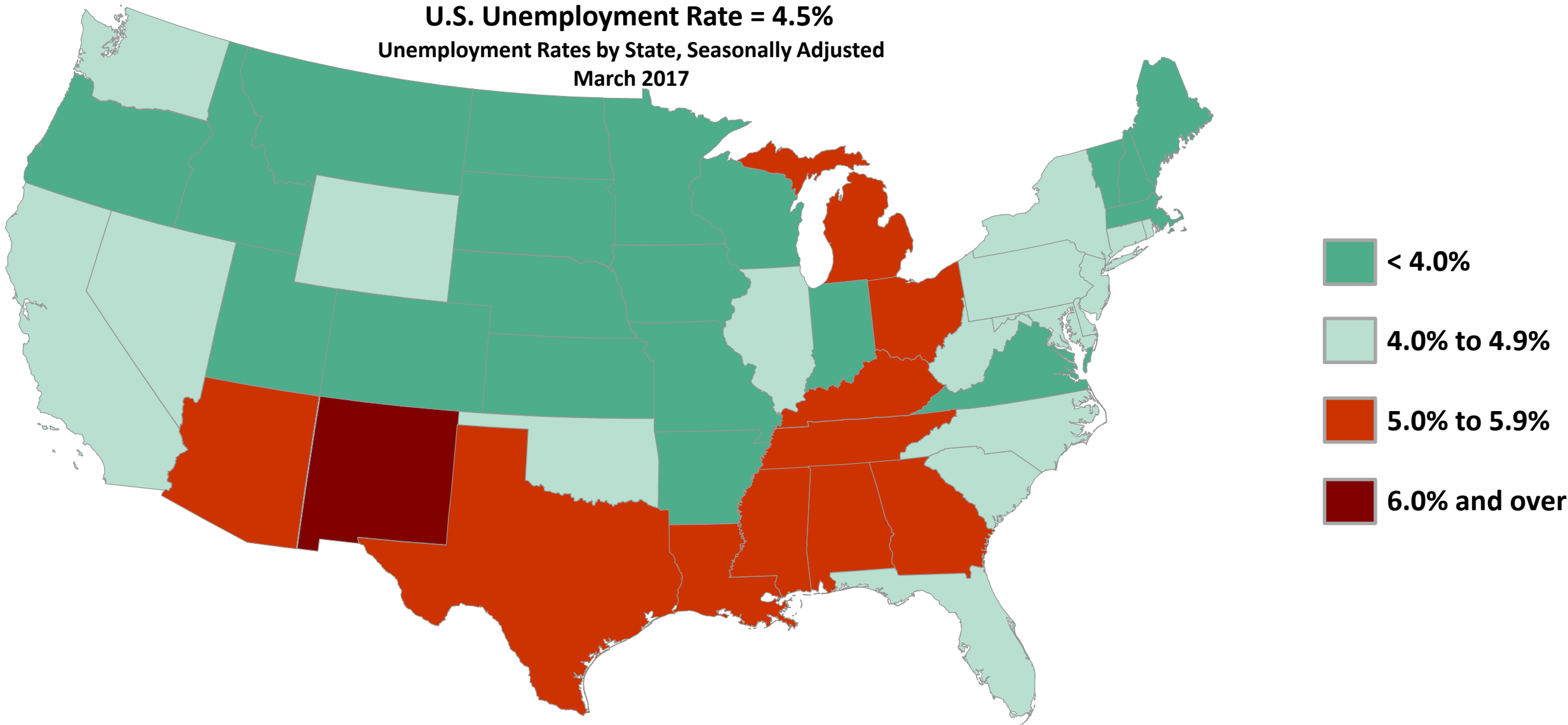
² Cement volume and pricing variances for 2016 exclude the California cement operations from the prior-year period.

Building Materials Business Net Sales

<i>(in millions)</i>	2016					2017
	Q1	Q2	Q3	Q4	FY	Q1
Building Materials Business:						
Aggregates	\$ 430.9	\$ 547.3	\$ 581.5	\$ 501.2	\$ 2,060.9	\$ 451.4
Cement ¹	96.9	87.4	94.7	85.4	364.4	93.7
Ready Mixed Concrete	186.9	214.9	263.7	237.1	902.6	222.4
Asphalt/Paving	13.8	88.1	149.8	89.7	341.4	26.6
Interproduct Eliminations	(54.0)	(81.0)	(111.6)	(83.8)	(330.5)	(65.7)
Total Building Materials Business	\$ 674.5	\$ 856.7	\$ 978.1	\$ 829.6	\$ 3,338.8	\$ 728.4
Magnesia Specialties	59.5	58.9	60.2	59.4	238.0	63.3
TOTAL	\$ 734.0	\$ 915.4	\$ 1,038.3	\$ 889.0	\$ 3,576.8	\$ 791.7

¹ Cement product line results are now included in the West Group reporting segment, therefore there are no longer Intersegment Eliminations.

United States Unemployment Statistics



Availability of workers can hinder the rate of growth in geographic regions at full employment

Source: Bureau of Labor Statistics, Local Area Unemployment Statistics



2017 Outlook by End Market

Infrastructure



- ◆ State department of transportation initiatives drive growth.
- ◆ New federal and state monies expected in 2017, with more meaningful impact from the FAST Act in the second half of the year.

GROWTH RATE



Mid-single digits

Nonresidential



- ◆ Both industrial and commercial sectors expected to increase.



Low- to Mid-single digits

Residential



- ◆ 2016 single-family housing permits drive 2017 consumption.
- ◆ Top 10 for gains in single-family housing starts includes Florida, North Carolina, Georgia and South Carolina.



Mid- to High-single digits

ChemRock/Rail



- ◆ Ballast demand dependent on railroad activity.

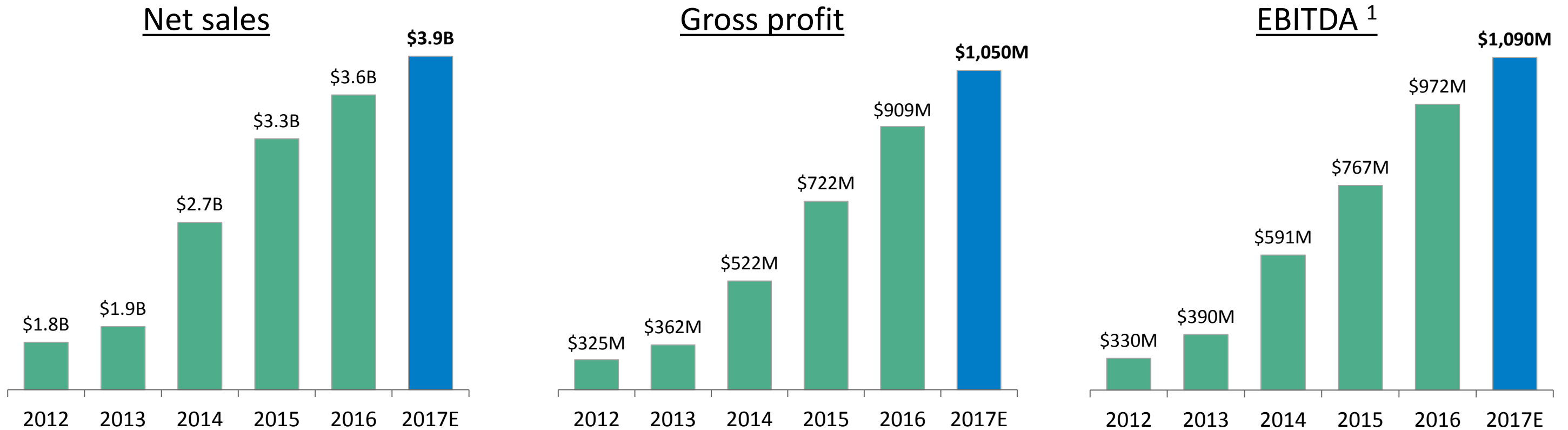


Stable

2017 Outlook

Based on the midpoint of 2017 guidance:

- ◆ Net sales of \$3.85 billion; growth of 8 percent year-over-year
- ◆ Gross profit of \$1.05 billion; growth of 15 percent year-over-year
- ◆ EBITDA of \$1.09 billion; growth of 12 percent year-over-year



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

APPENDIX

Gross profit margin (excluding freight and delivery revenues) 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 profit margin calculated as a percentage of total revenues represents the most directly comparable financial measure calculated in accordance with generally accepted accounting principles (GAAP).

Earnings before interest, income taxes, depreciation, depletion and amortization (EBITDA) is a widely accepted financial indicator of a company's ability to service and/or incur indebtedness. EBITDA is not defined by generally accepted accounting principles and, as such, should not be construed as an alternative to net earnings or operating cash flow. Further, 2015 adjusted EBITDA excludes the impact of the loss on the sale of the California cement business and related expenses as well as the gain on the sale of the San Antonio asphalt business. 2014 adjusted EBITDA excludes the impact of TXI acquisition-related expenses, net, and the impact of the write-up of acquired inventory to fair value.

APPENDIX

<i>(dollars in millions)</i>	Quarter-ended March 31,				
	2017	2016	2015	2014	2013
Gross profit margin in accordance with GAAP:					
Total revenues	\$ 843.9	\$ 788.8	\$ 691.4	\$ 428.7	\$ 383.9
Gross profit	\$ 147.1	\$ 145.3	\$ 74.3	\$ 25.8	\$ 12.8
Gross profit margin, as a percentage of total revenues	17.4%	18.4%	10.7%	6.0%	3.3%
Gross profit margin (excluding freight and delivery revenues):					
Total revenues	\$ 843.9	\$ 788.8	\$ 691.4	\$ 428.7	\$ 383.9
Less: freight and delivery revenues	(52.2)	(54.8)	(59.5)	(49.0)	(39.8)
Net sales	\$ 791.7	\$ 734.0	\$ 631.9	\$ 379.7	\$ 344.1
Gross profit	\$ 147.1	\$ 145.3	\$ 74.3	\$ 25.8	\$ 12.8
Gross profit margin (excluding freight and delivery revenues)	18.6%	19.8%	11.8%	6.8%	3.6%

APPENDIX

<i>(dollars in millions)</i>	Building Materials Business		Southeast Group		Magnesia Specialties	
	Quarter-ended March 31,		Quarter-ended March 31,		Quarter-ended March 31,	
	2017	2016	2017	2016	2017	2016
Gross profit margin in accordance with GAAP						
Total revenues	\$ 775.3	\$ 724.6	\$ 90.3	\$ 71.7	\$ 68.6	\$ 64.2
Gross profit	\$ 125.2	\$ 126.3	\$ 14.4	\$ 10.4	\$ 22.3	\$ 23.0
Gross profit margin, as a percentage of total revenues	16.1%	17.4%	15.9%	14.5%	32.5%	35.8%
Gross profit margin (excluding freight and delivery revenues):						
Total revenues	\$ 775.3	\$ 724.6	\$ 90.3	\$ 71.7	\$ 68.6	\$ 64.2
Less: freight and delivery revenues	(46.9)	(50.1)	(3.6)	(4.4)	(5.3)	(4.7)
Net sales	\$ 728.4	\$ 674.5	\$ 86.7	\$ 67.3	\$ 63.3	\$ 59.5
Gross profit	\$ 125.2	\$ 126.3	\$ 14.4	\$ 10.4	\$ 22.3	\$ 23.0
Gross profit margin (excluding freight and delivery revenues)	17.2%	18.7%	16.6%	15.4%	35.3%	38.6%

APPENDIX

<i>(dollars in millions)</i>	Year-ended December 31,				
	2016	2015	2014	2013	2012
Net earnings attributable to Martin Marietta	\$ 425.4	\$ 288.8	\$ 155.6	\$ 121.3	\$ 84.5
Add back:					
Interest expense	81.7	76.3	66.1	53.5	53.3
Income tax expense for controlling interests	181.6	124.9	94.8	43.5	16.6
Depreciation, depletion & amortization expense	282.9	260.7	220.5	171.9	175.5
EBITDA	\$ 971.6	\$ 750.7	\$ 537.0	\$ 390.2	\$ 329.9
Nonrecurring expenses (acquisition-related expenses, net loss on divestitures and other noncash related charge)	--	15.9	53.8	--	--
Adjusted EBITDA	\$ 971.6	\$ 766.6	\$ 590.8	\$ 390.2	\$ 329.9



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

