



Jefferies 12th Annual Industrials Conference

August 11, 2016

Investor Presentation

www.martinmarietta.com



Disclaimer

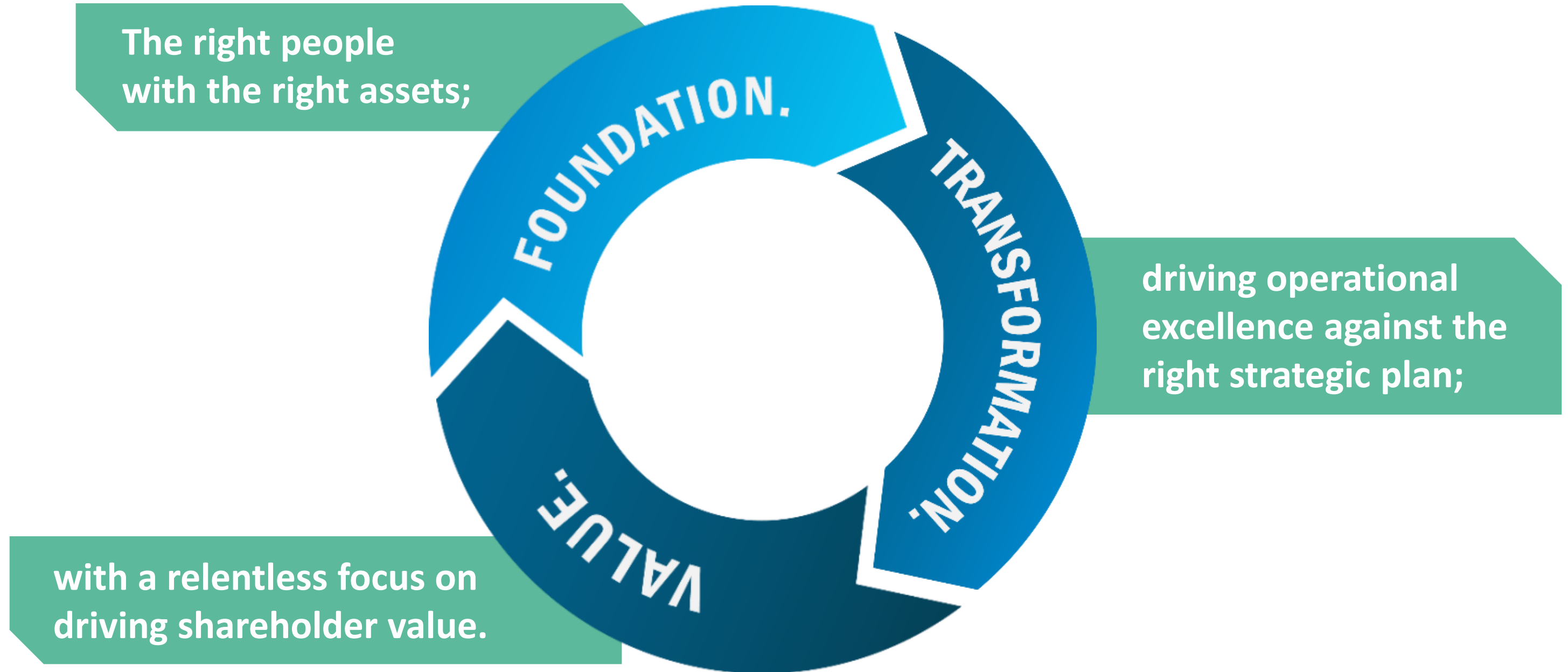
Statement Regarding Safe Harbor for Forward-Looking Statements

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.





FOUNDATION

TRANSFORMATION

VALUE

THE PATH FORWARD



Pillars of Shareholder Value



COMMUNITY WELL-BEING

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

EMPLOYEE WELL-BEING

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

ENVIRONMENTAL STEWARDSHIP

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

World-Class Safety

WORLD-CLASS SAFETY DRIVES...

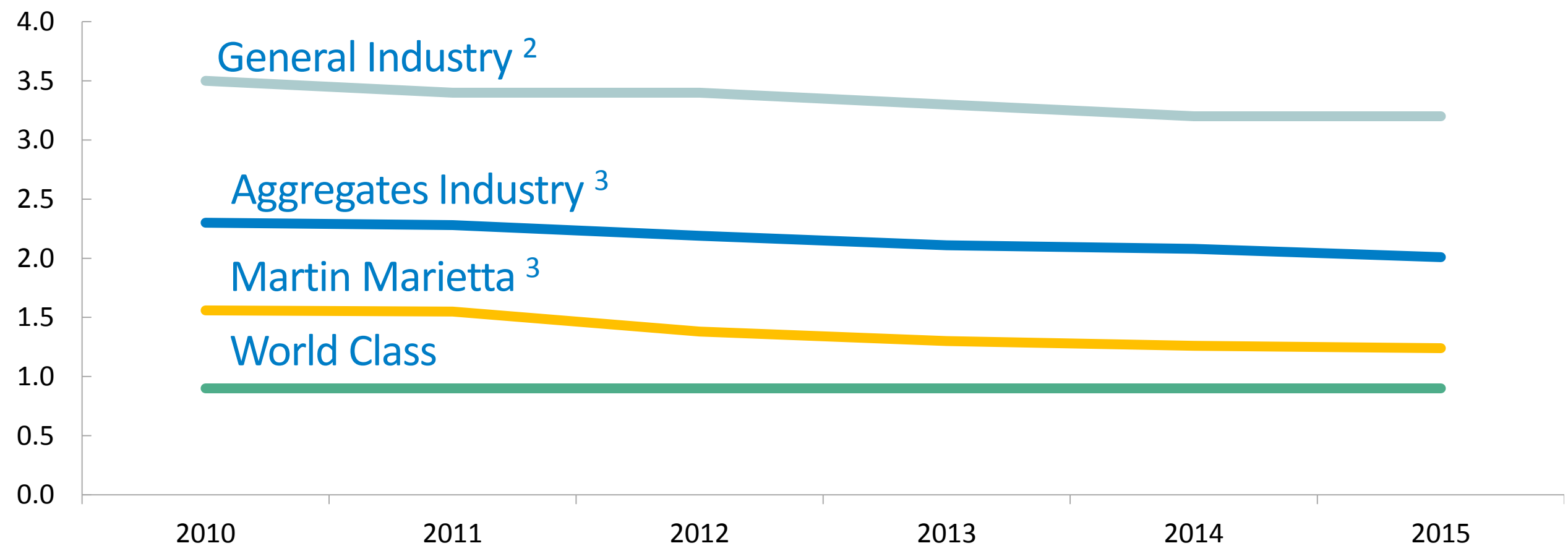
MM GUARDIAN ANGEL



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

World-Class Safety

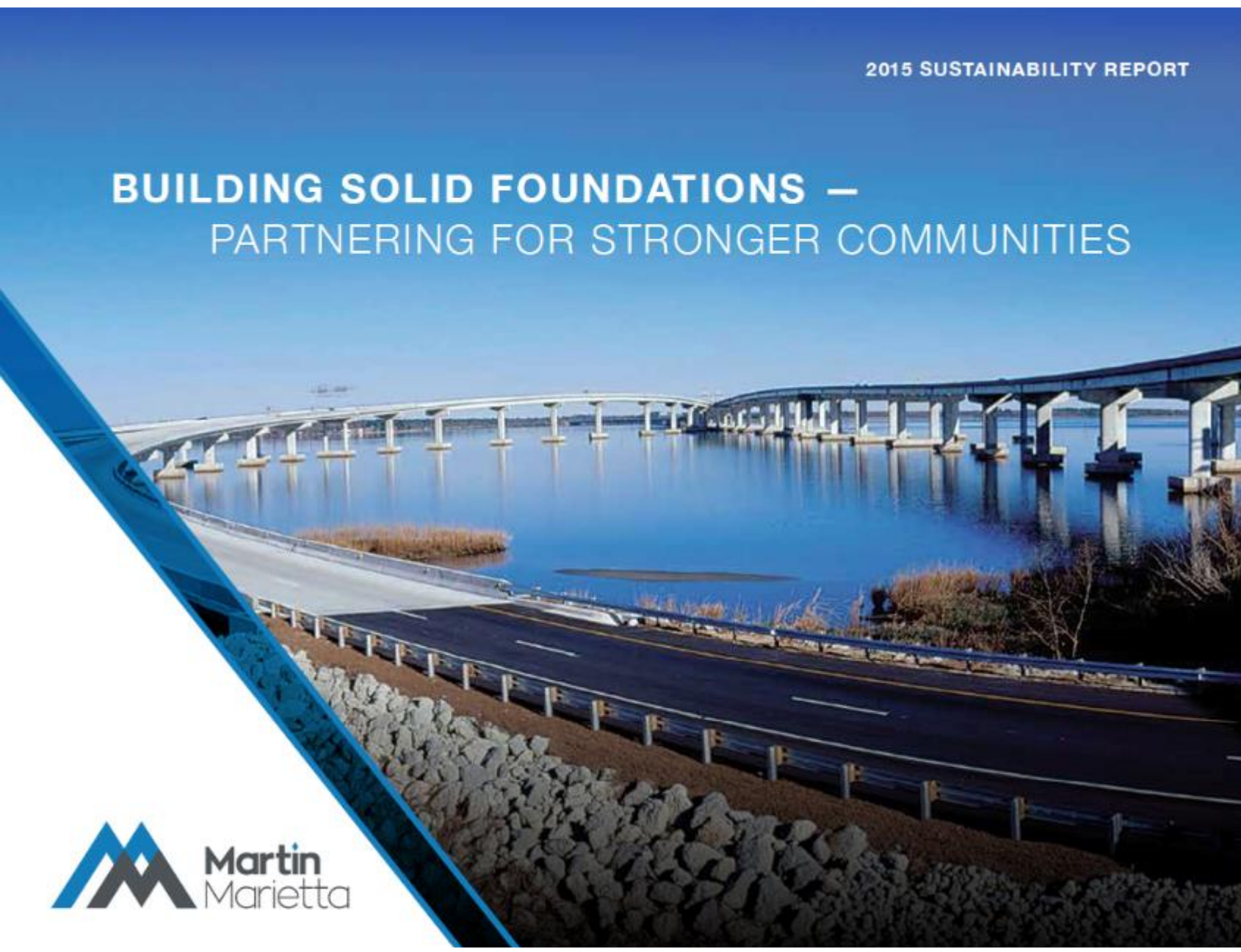
TOTAL INCIDENT INJURY RATE ¹



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 12.31.15 by MSHA for the Aggregates Industry and Martin Marietta.



Sustainability



FOUNDATION

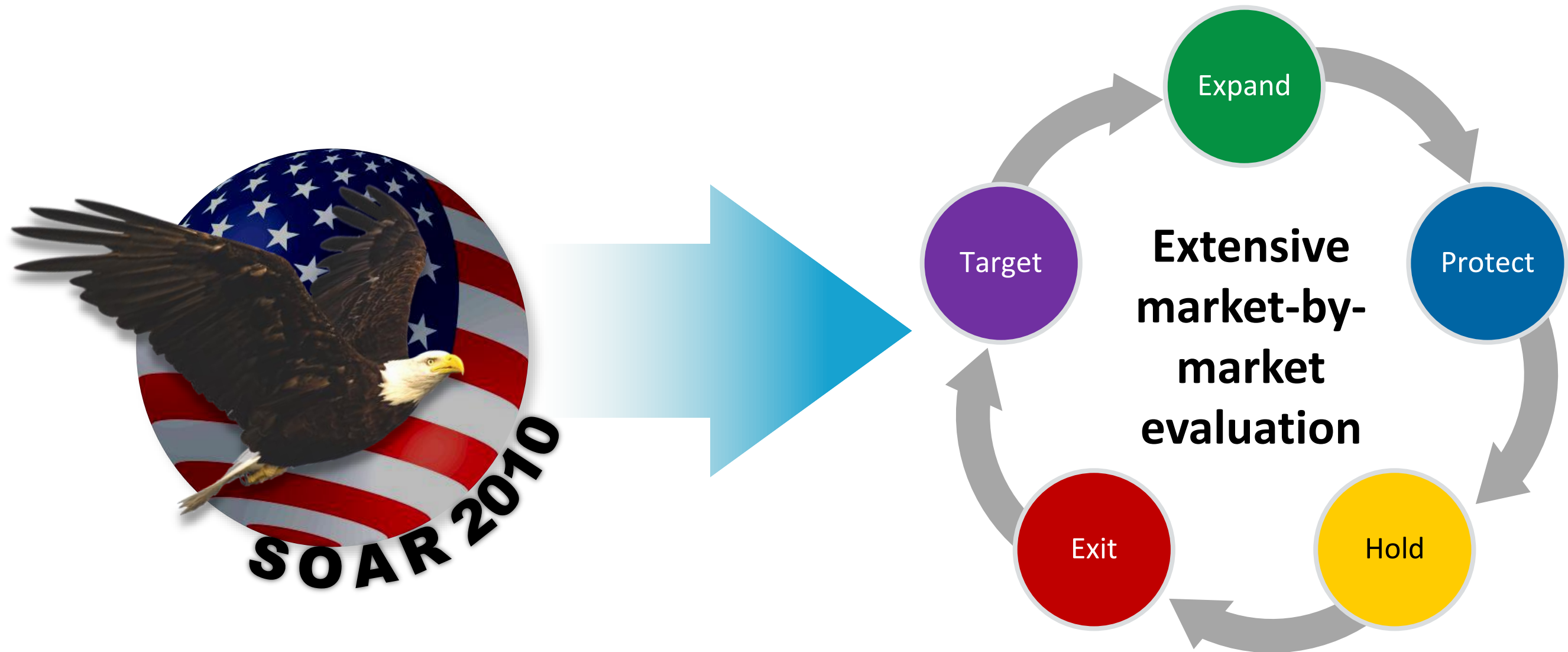
TRANSFORMATION

VALUE

THE PATH FORWARD



Strategic Operations Analysis and Review (SOAR)



SOAR 2010 Key Accomplishments

2010	2011	2012	2013	2014
SOAR Process Launch	Tausch Acquisition	New Kiln at Specialty Products	Atlanta Acquisition	Texas Industries Acquisition
Port Canaveral, FL Marine Terminal	River/Colorado Swap	Bird Hill Trap Rock Greenfield		Gregory Yard Expansion
Loamy Sand & Gravel Acquisition (SC)	Suburban Ready Mix Acquisition	Avard, OK Rail Yard		Medina Rock & Rail
Kansas City Rail Yard	Texas Millet Yard			Boral – Davis, OK Acquisition

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Kansas City Rail Yard	Texas Millet Yard			Boral – Davis, OK Acquisition



Became a Leading Aggregates and Heavy Building Materials Supplier

	2009	2015
Aggregates		
Reserves (tons) ¹	13.5 billion	15.6 billion
Years of production available ²	109	102
Aggregates facilities	289	272
Number of production states (plus Bahamas, Nova Scotia)	27	26
Ready mix and asphalt plants	15	131
Cement plants	--	2

¹ Current probable reserves as of December 31

² At then current production rates.

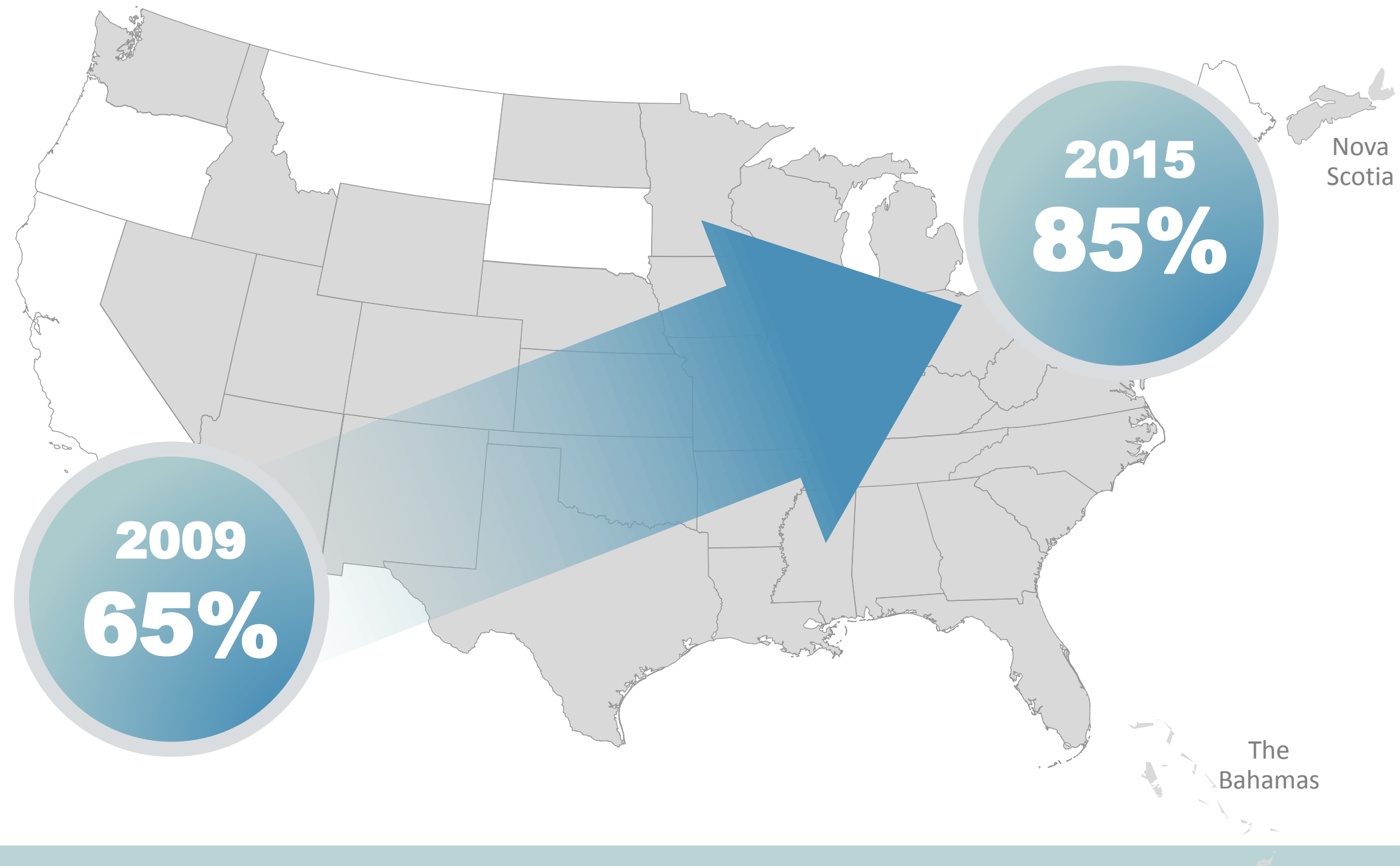
Validated the Success of SOAR 2010

	2010 ¹		2015 ¹
			
Net Sales	\$1.6 billion	↑	\$3.3 billion
Operating Income	\$196 million	↑	\$479 million
Market Capitalization	\$4.2 billion	↑	\$8.8 billion
Earnings Per Share	\$2.10	↑	\$4.29
<i>\$12.8 billion Market Capitalization as of July 31, 2016</i>			

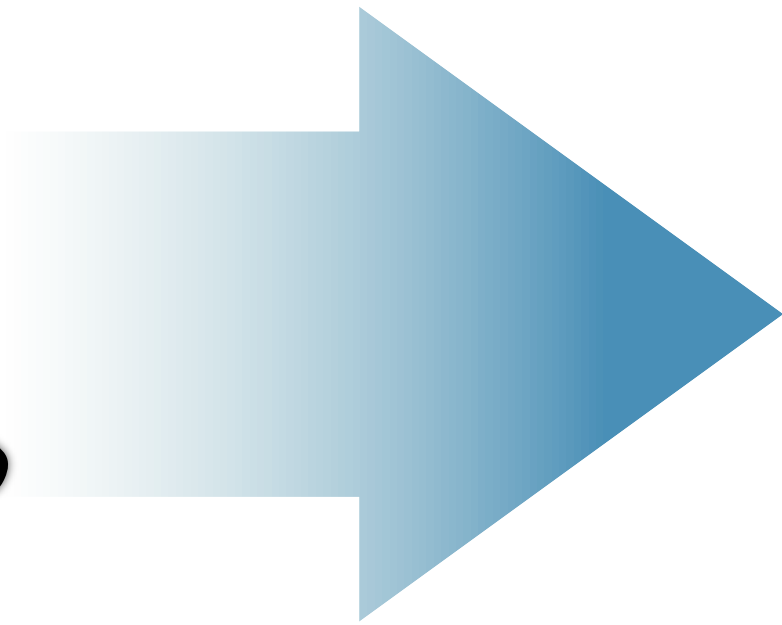
¹ As of December 31



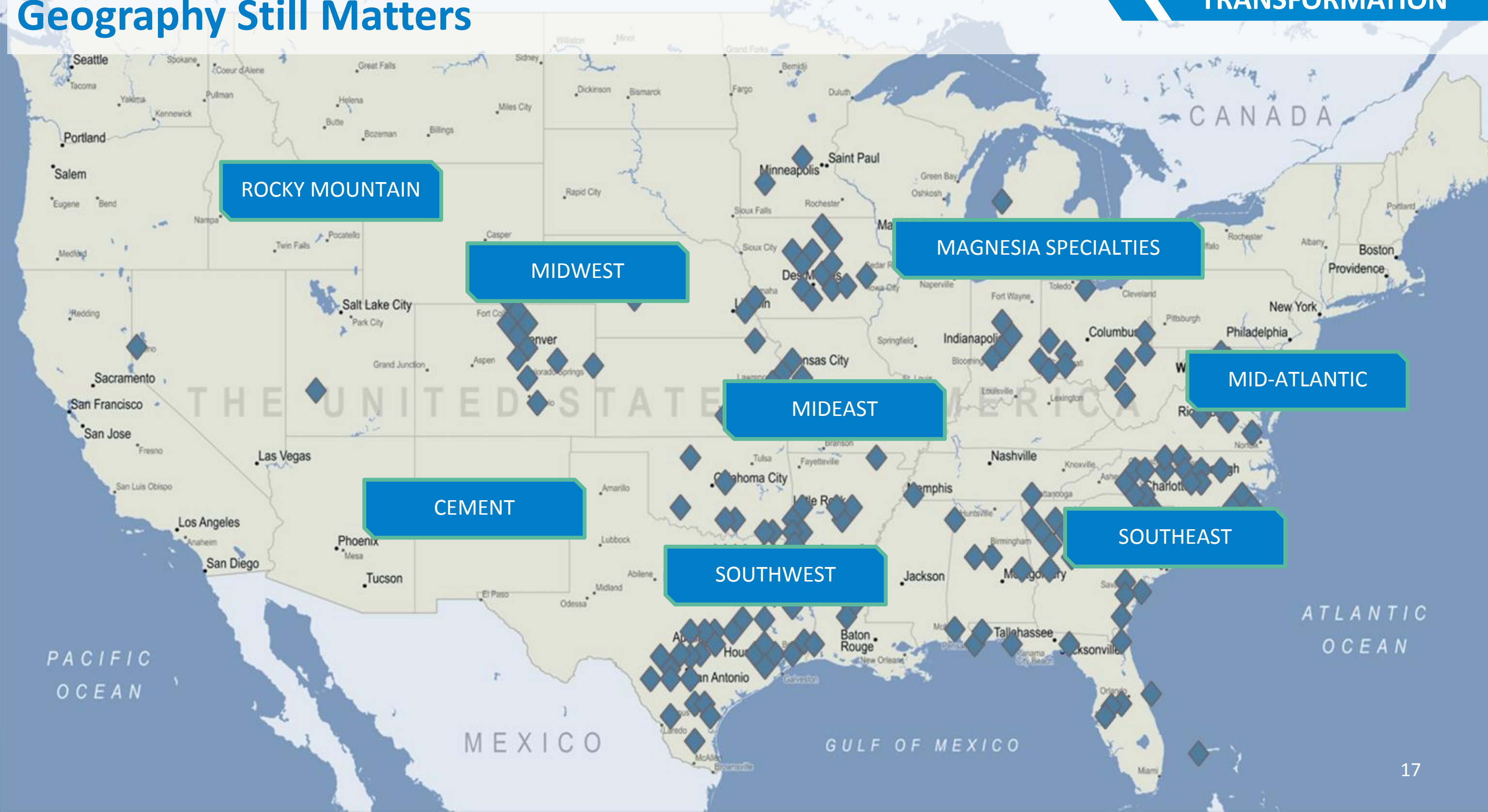
Where Is Martin Marietta Today?



Strategically Positioning for the Next Five Years



Geography Still 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

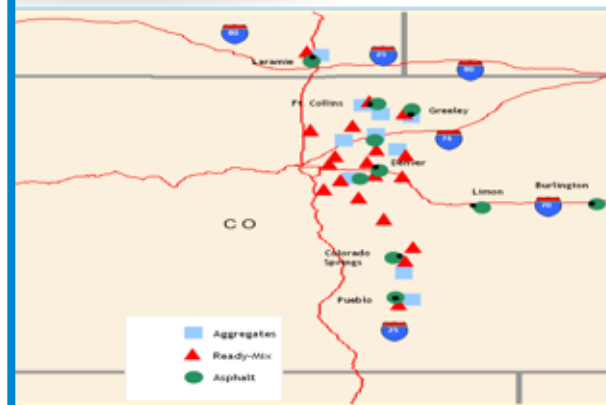


EXPANDED
PLATFORM
FOR
GROWTH

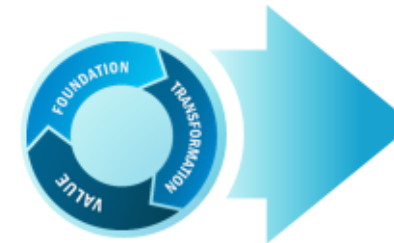
SOAR: A Colorado Case Study

Trading the River for the Rockies

2011



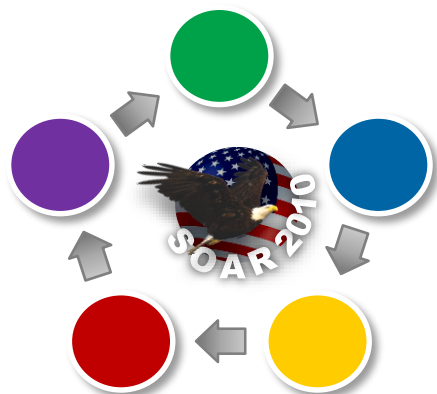
2014



Results vs. the River at Peak ¹

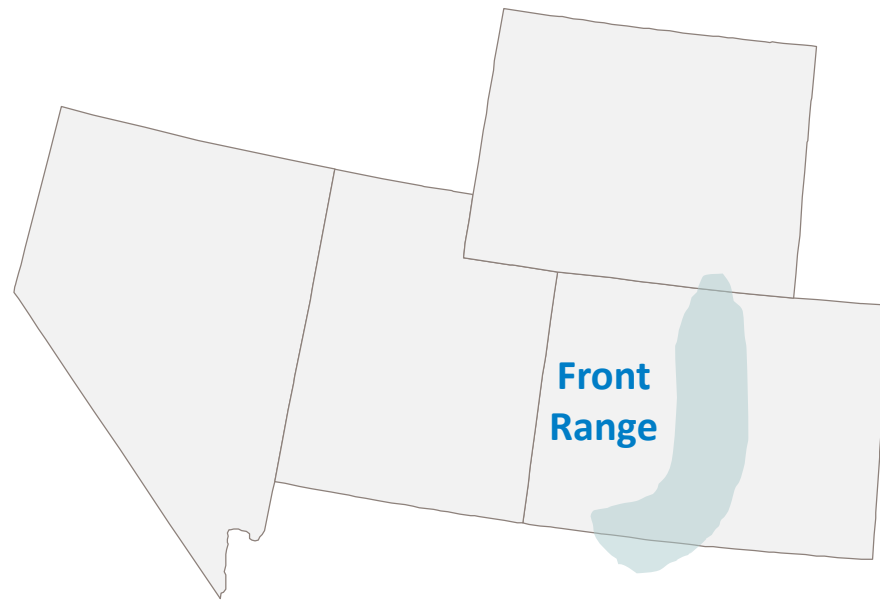
- 4x greater sales
- 4x greater gross profit
- 3.6x greater EBITDA
- 820 bps higher return on assets

¹ 2014 Rocky Mountain Division results versus the River District Results in 2007



Rocky Mountain Division

Division Profile



Key Performance Drivers

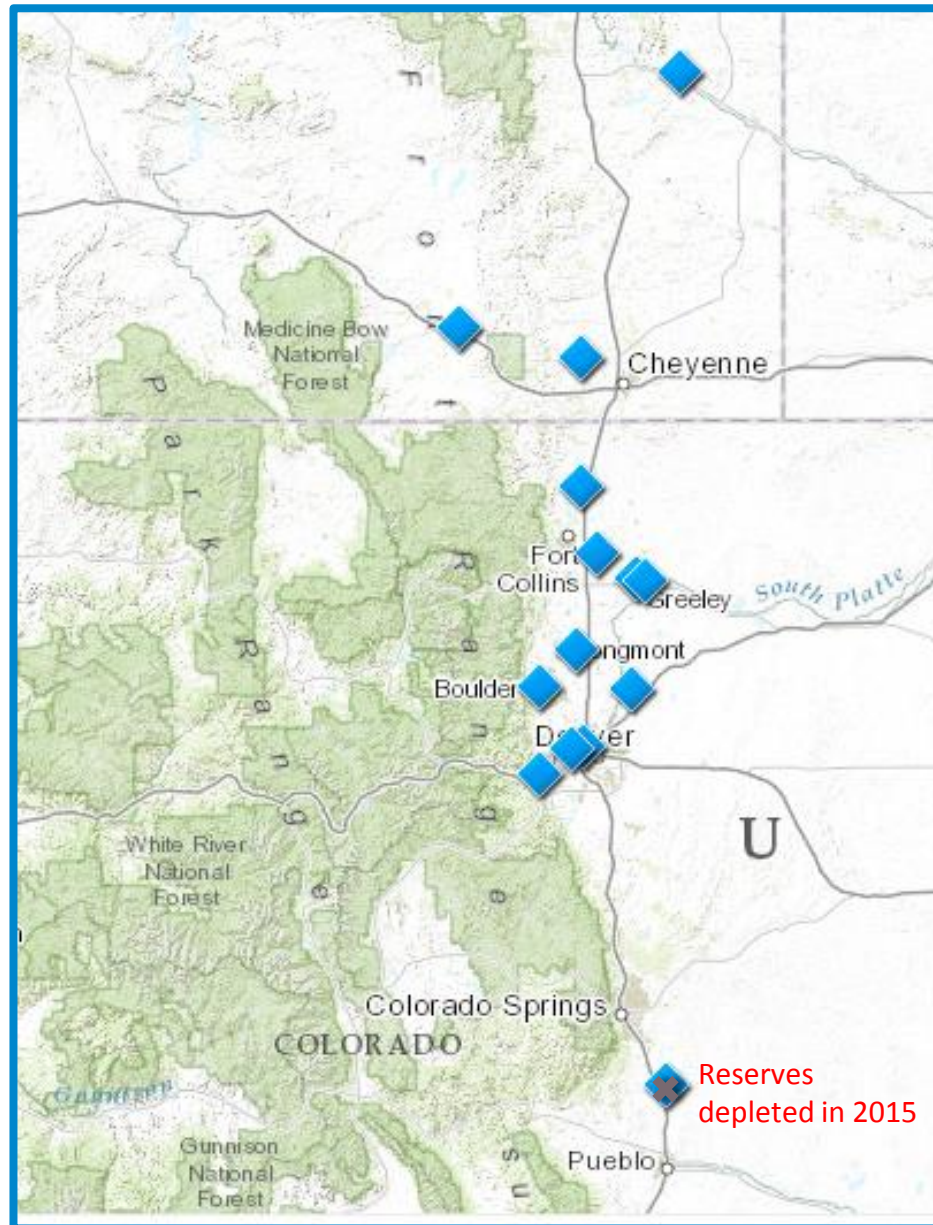
- ◆ Front Range houses 80% of Colorado's population
- ◆ Fastest growing region in the country
- ◆ High demand and limited availability of coarse aggregates
- ◆ Future growth with rail access

2015 Statistics

- ◆ Over 14 million tons of aggregates
- ◆ Over 2 million cubic yards of ready mixed concrete
- ◆ Nearly 3 million tons of asphalt
- ◆ Over 200 million tons of reserves¹

¹ Excludes February 2016 acquisition of nearly one billion tons of aggregates reserves

Transforming Colorado's Front Range



◆ RMD Aggregates Locations

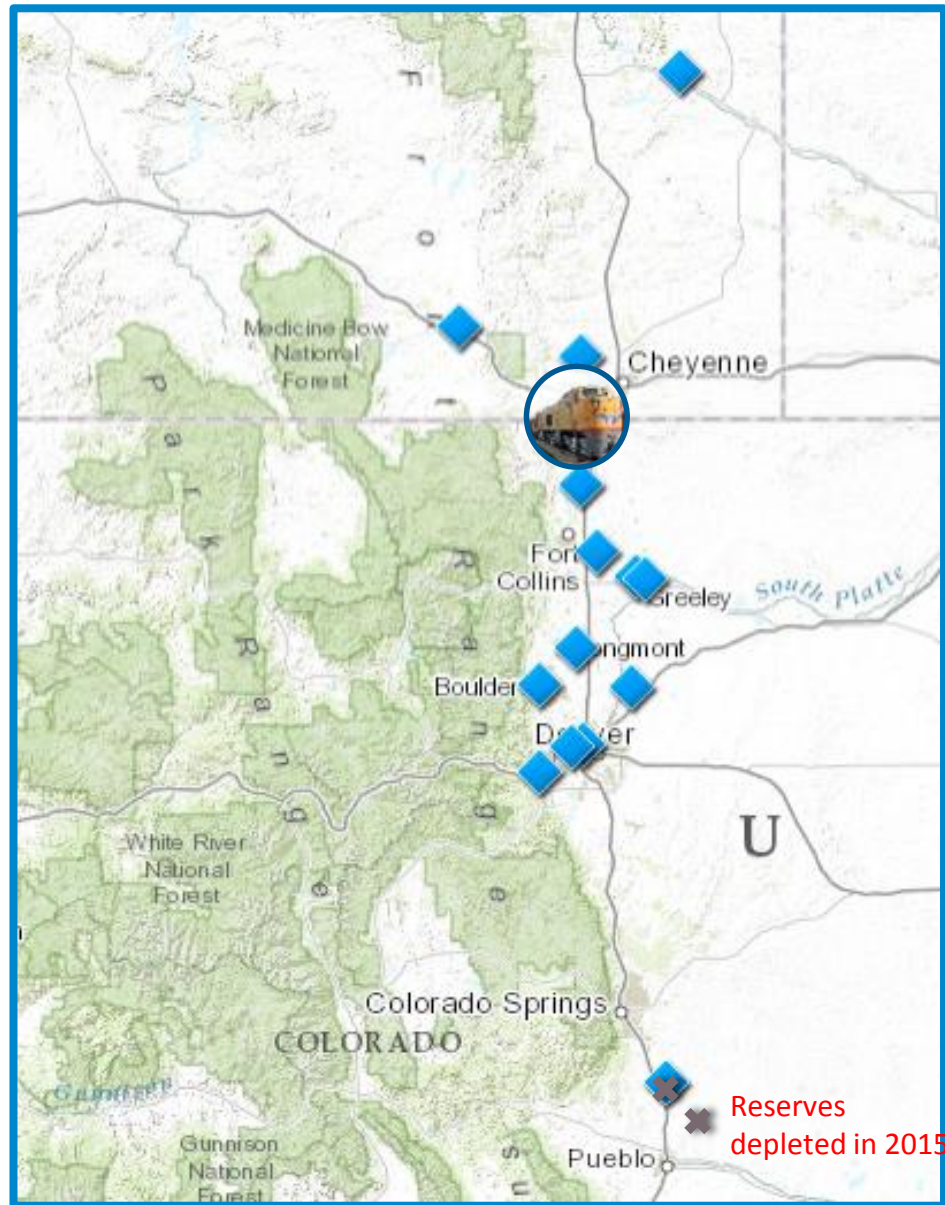
- ◆ Transition from local alluvial (sand and gravel) material market to long-haul granite market over the next 5 to 10 years
- ◆ Well-positioned to provide long-haul materials via existing northern assets and acquisitive expansion in southern Colorado
- ◆ Continued growth from Fort Collins to Pueblo



PROTECT
EXPAND

Strategic source and distribution locations need to be secured to better provide products and services to customers

Transitioning from Alluvial to Rail



◆ RMD Aggregates Locations

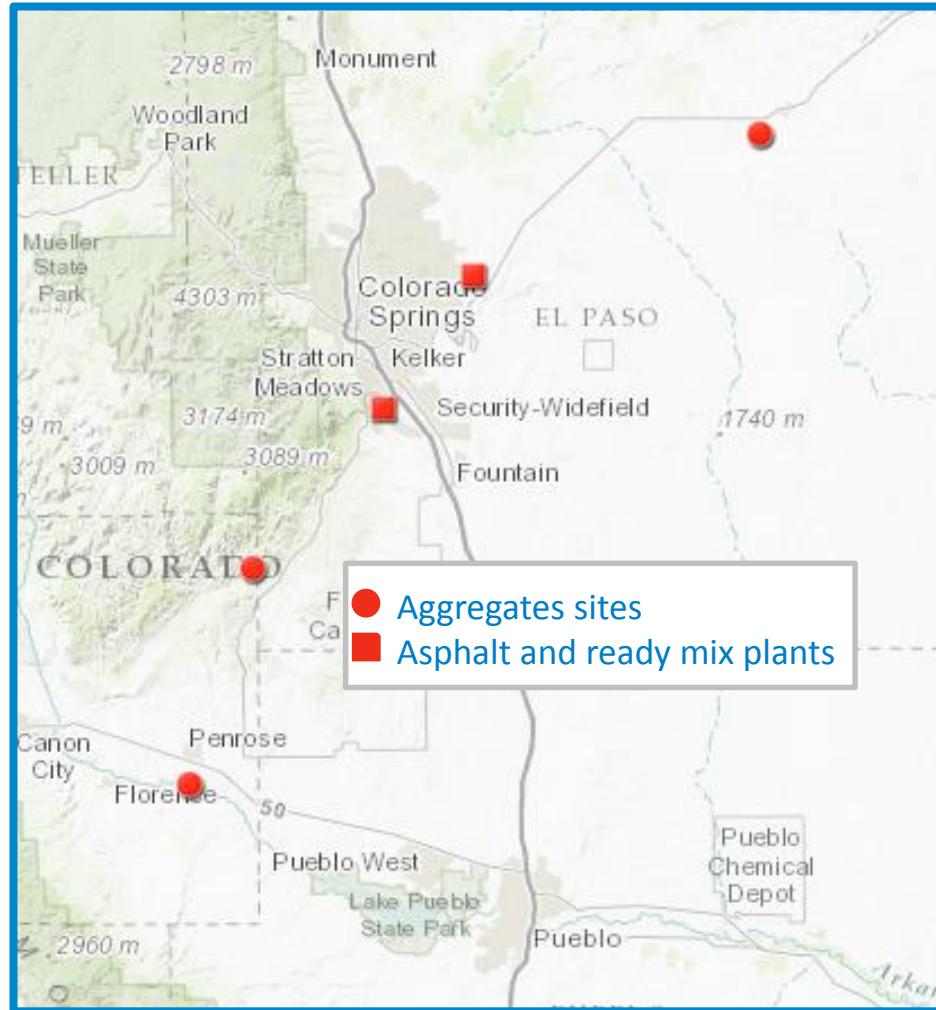
- ◆ Greenfield development of aggregates rail yard, ready mix plant and asphalt plant
- ◆ Capable of railing 2 million tons of aggregates annually
- ◆ Aggregates to be sourced from our Granite Canyon Quarry
- ◆ Aim is to be operational in 2017

Robust
Economy

Rapid Alluvial
Reserve Depletion

Highway 34 Rock & Rail

Establishing a Southern Colorado Platform

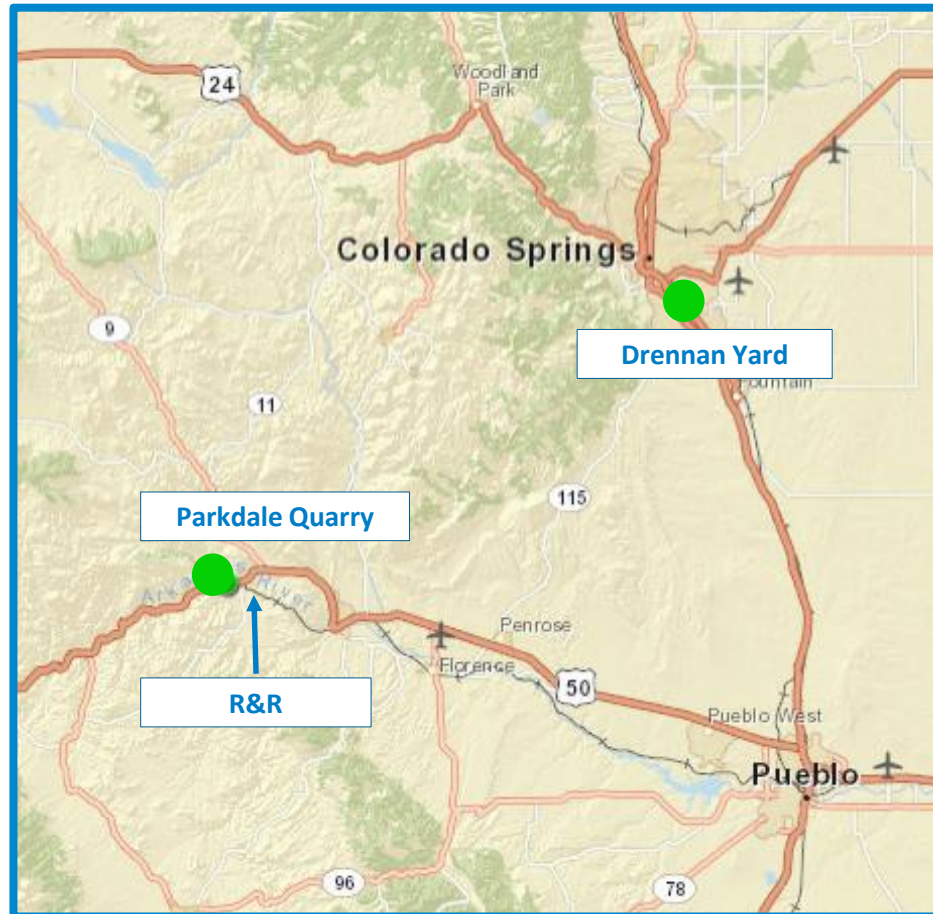


Rocky Mountain Materials

- ◆ Producer of aggregates, asphalt and ready mix in southern Colorado (3 quarries, 2 asphalt plants and 2 ready mix plants)
- ◆ ***Over 900 million permitted tons of proven and probable aggregates reserves***
- ◆ Strategic locations



Linking Northern and Southern Colorado

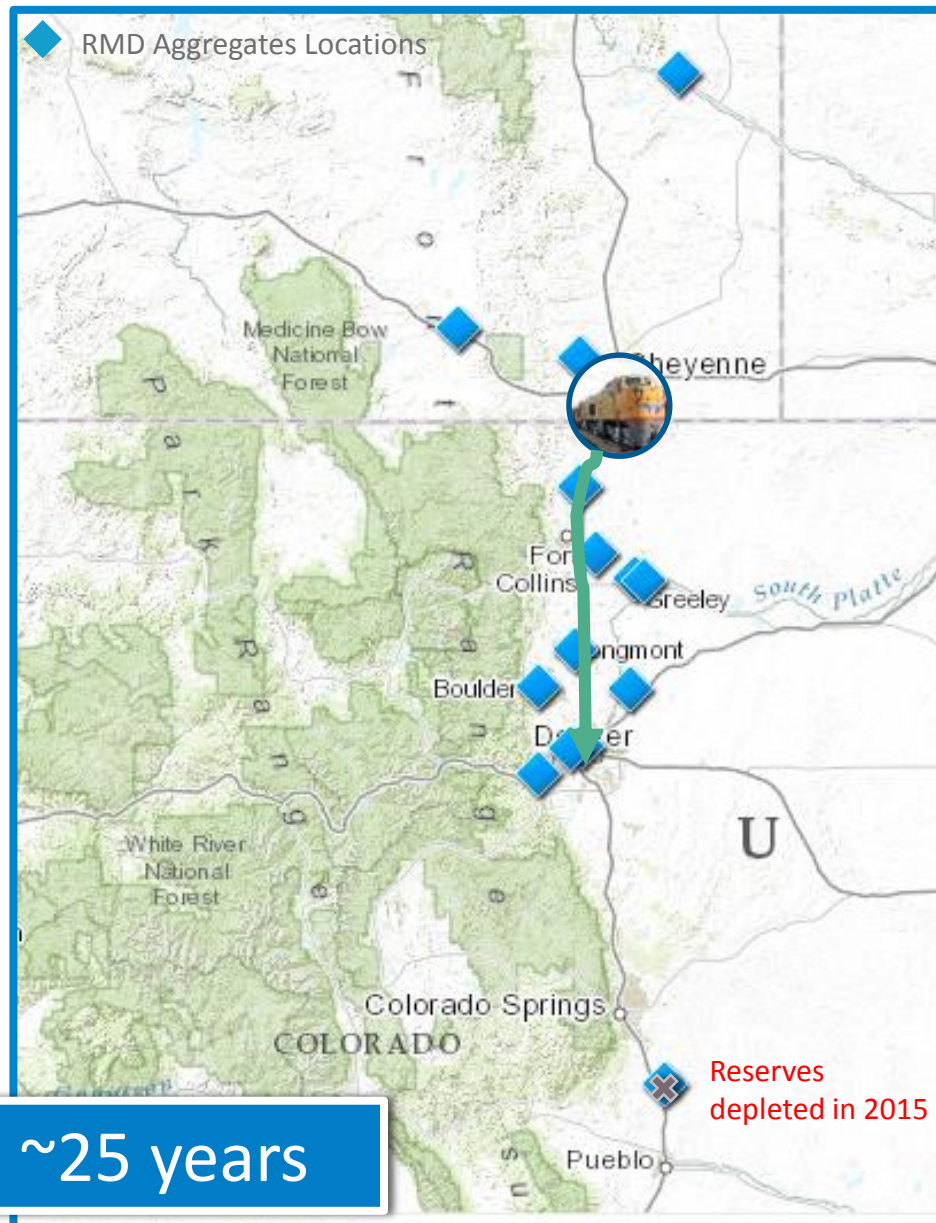


Front Range Aggregates, LLC

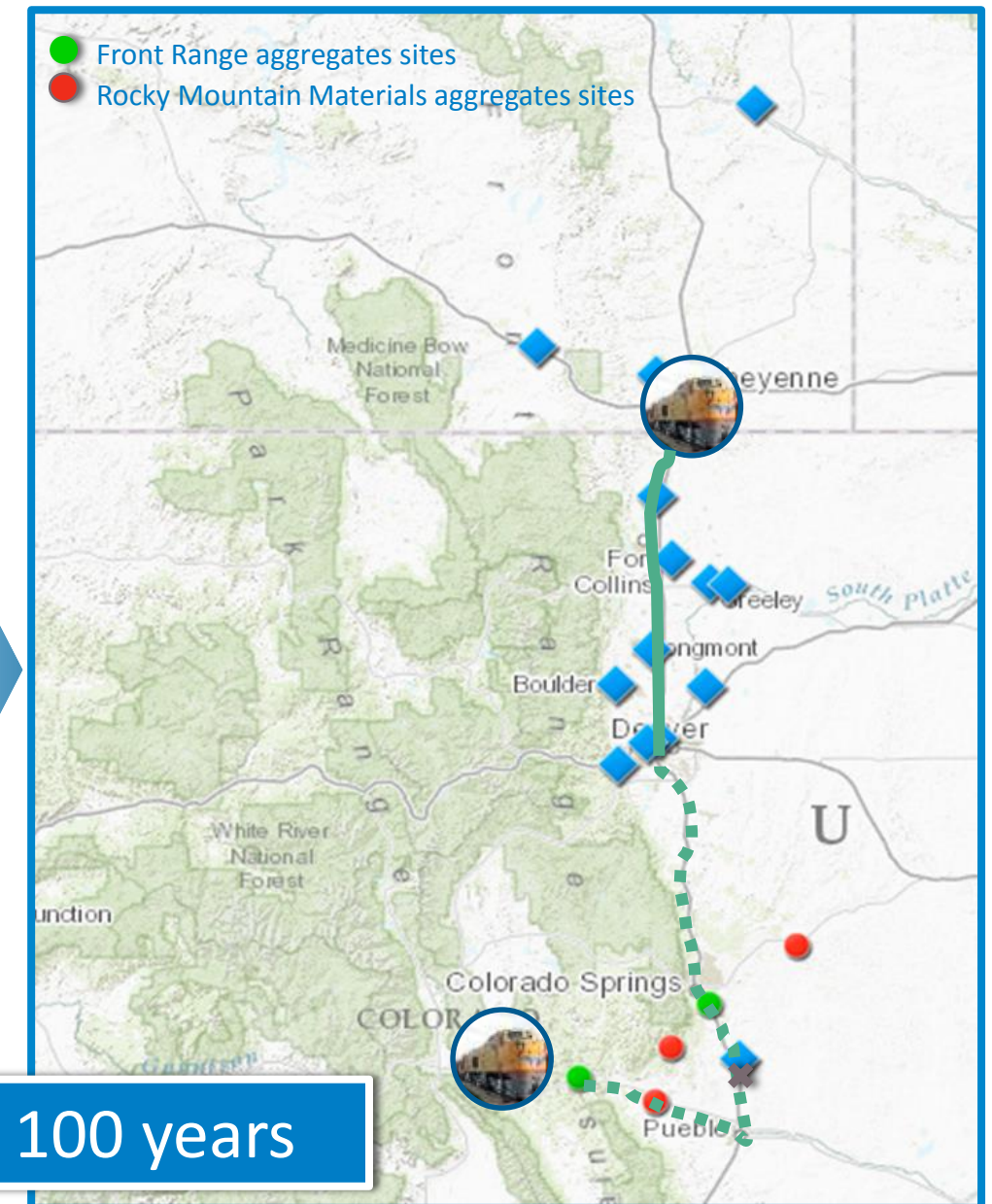
- ◆ Over 50M tons of owned alluvial and granite reserves
- ◆ Life-of-mine permit
- ◆ Potentially 200M tons of adjacent granite reserves on Bureau of Land Management property
- ◆ Strategic locations



Transforming Colorado's Front Range



◆ Highway 34 Rock & Rail



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Delivered Against 2015 Objectives



\$120 million
synergy expectations



Completed
divestiture of
California Cement



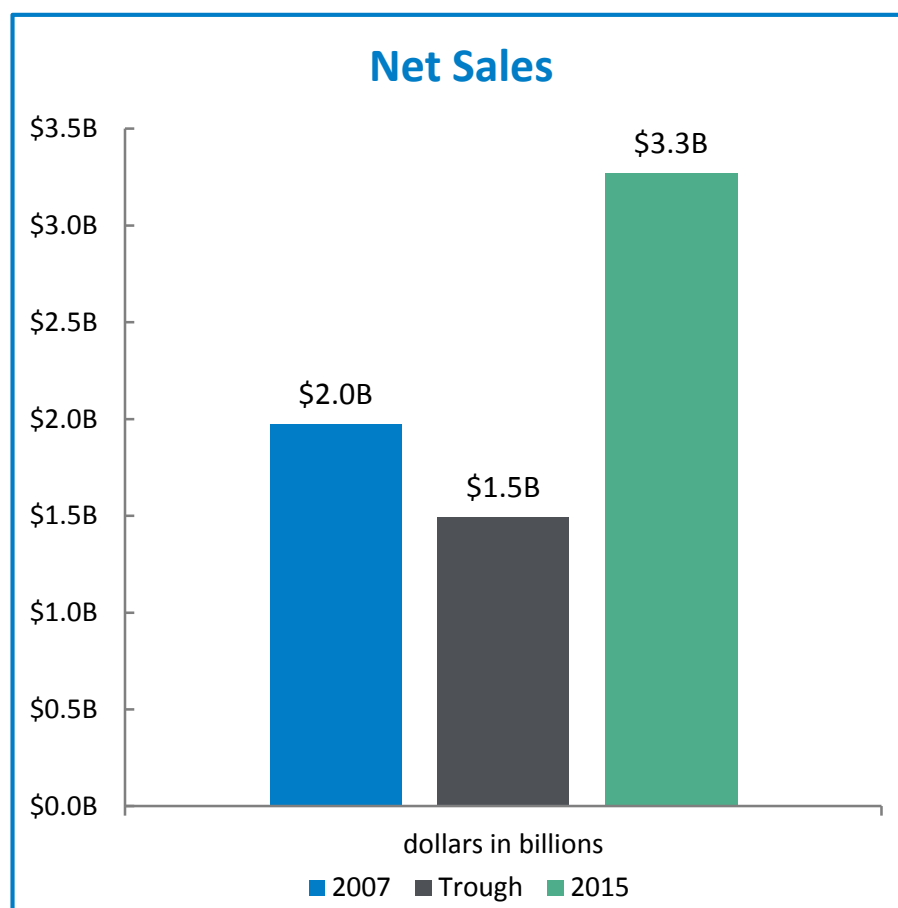
Record financial
performance



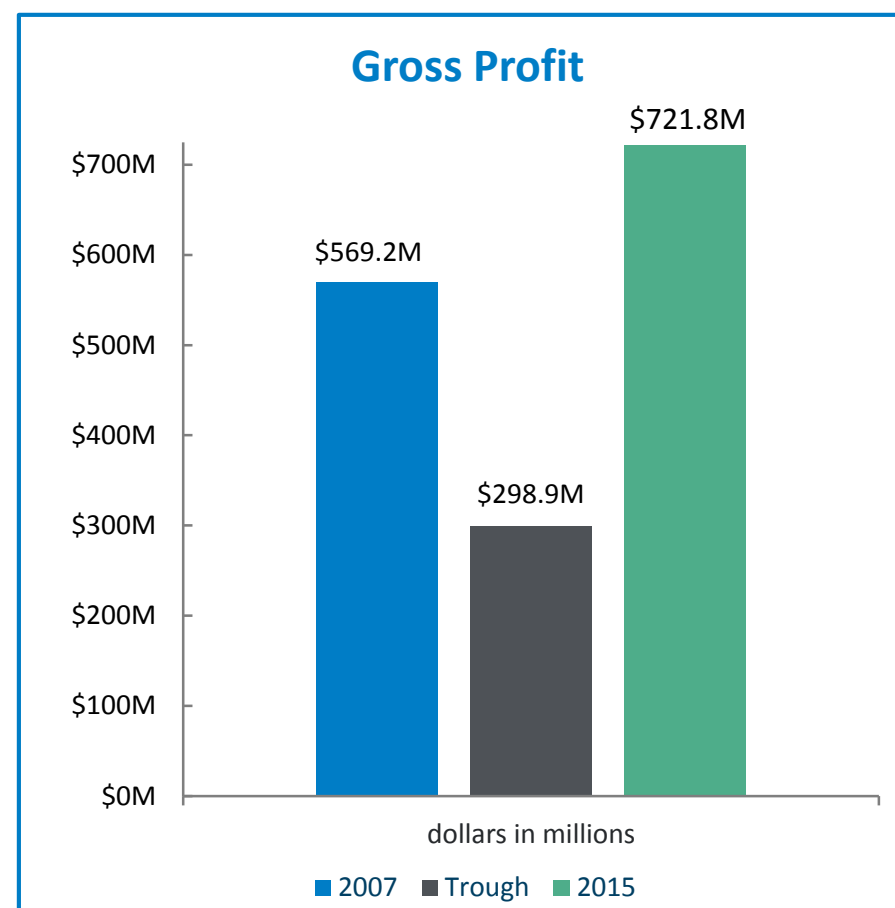
Executed
against share
repurchase program

Full-Year 2015 Record Consolidated Operating Results

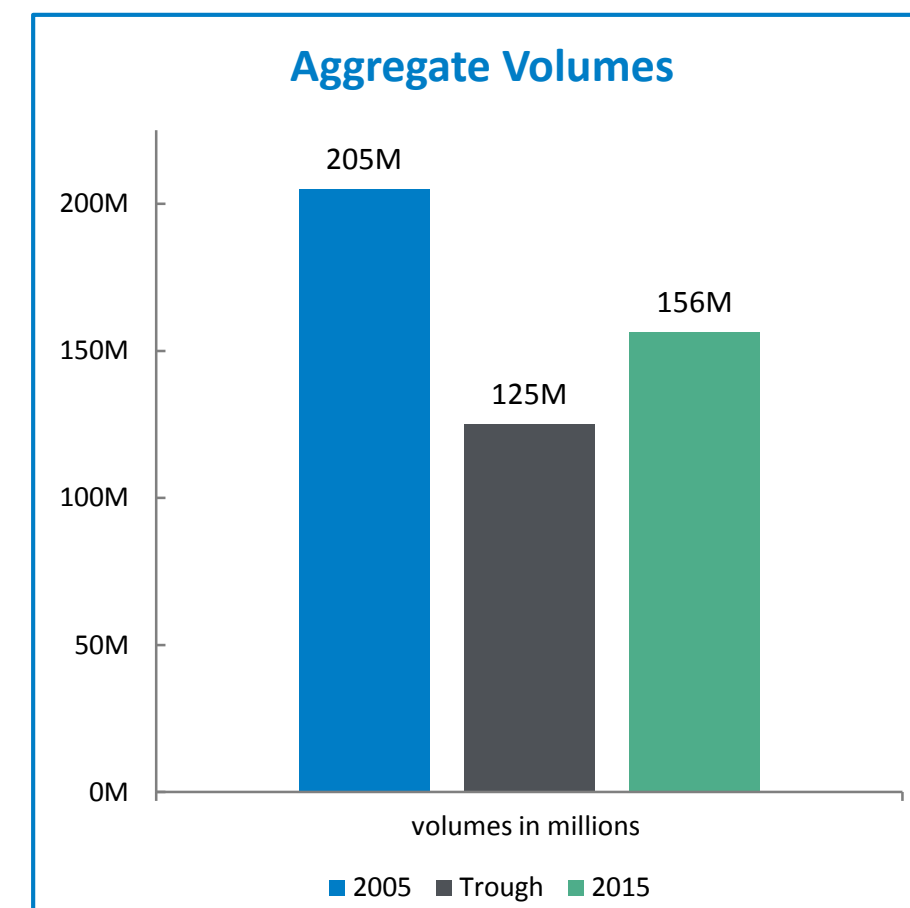
Record net sales of
\$3.3 billion



Record gross profit of
\$721.8 million

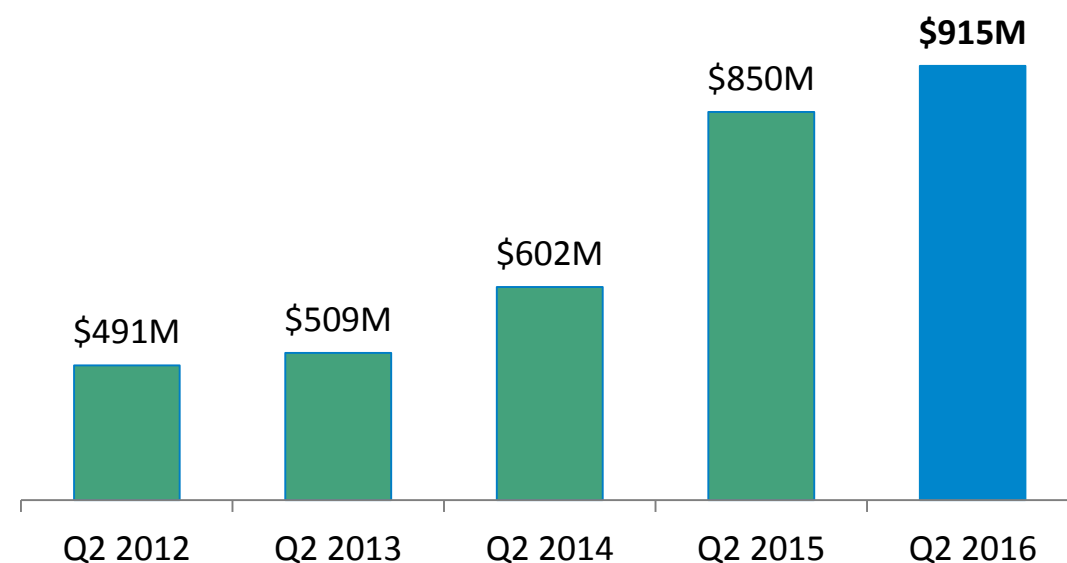


Record net sales and gross
profits with less than 75%
of peak volumes

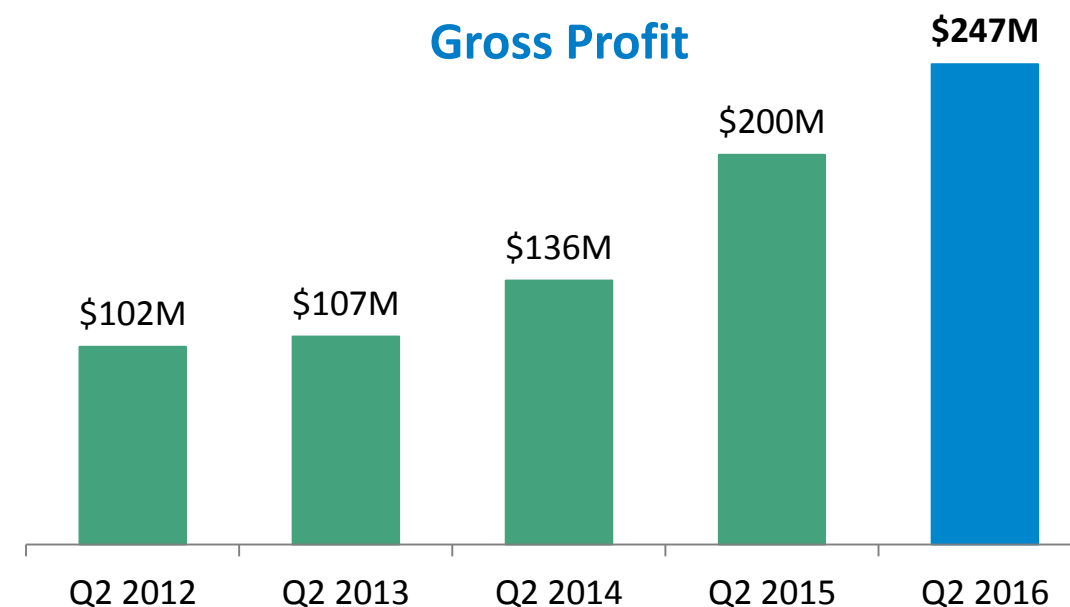


Second-Quarter 2016 Consolidated Operating Results

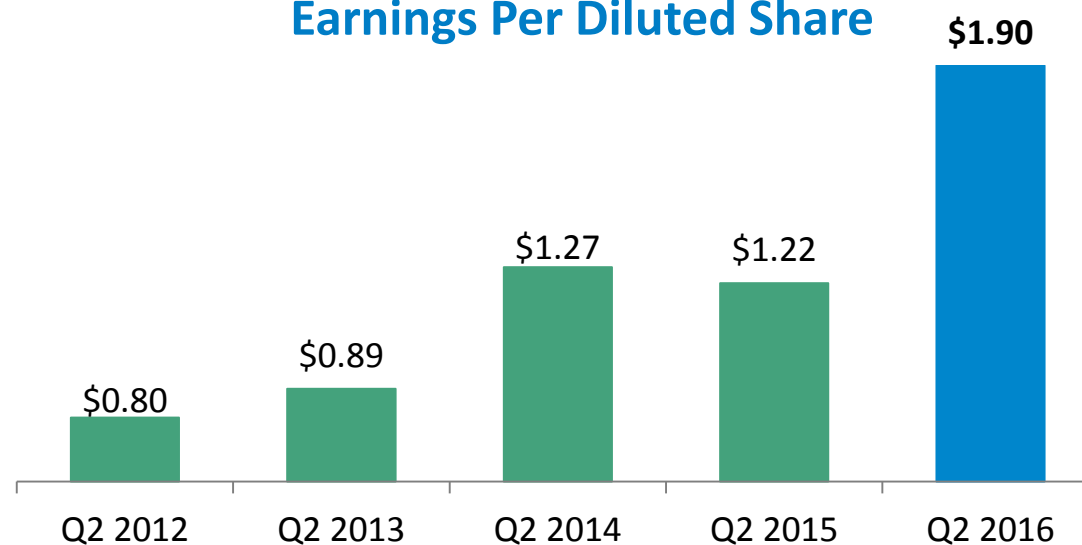
Net Sales



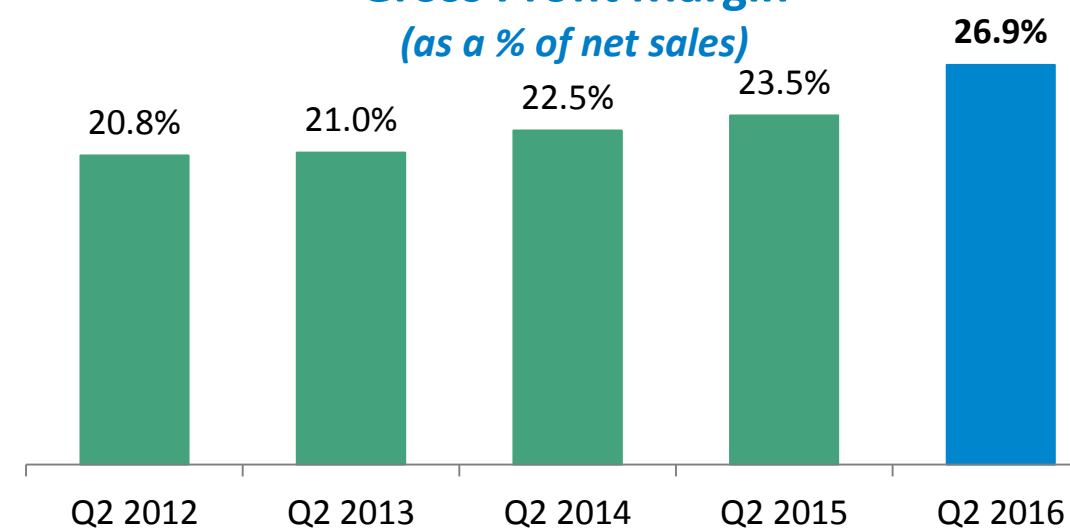
Gross Profit



Earnings Per Diluted Share



Gross Profit Margin (as a % of net sales)

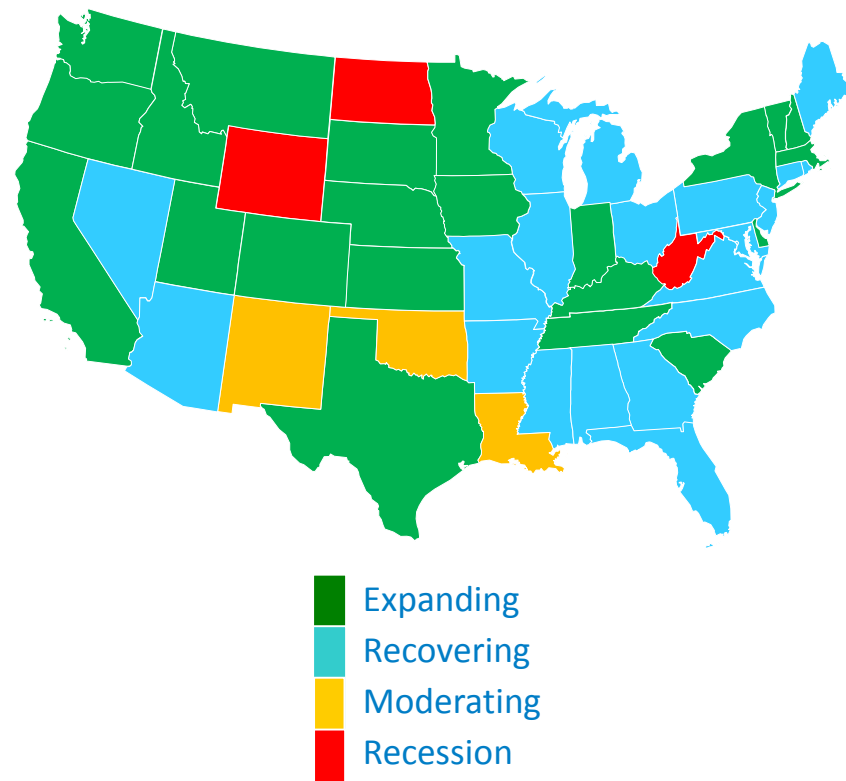


Note: Net sales, gross profit, earnings per diluted share and gross profit margin presented as reported.



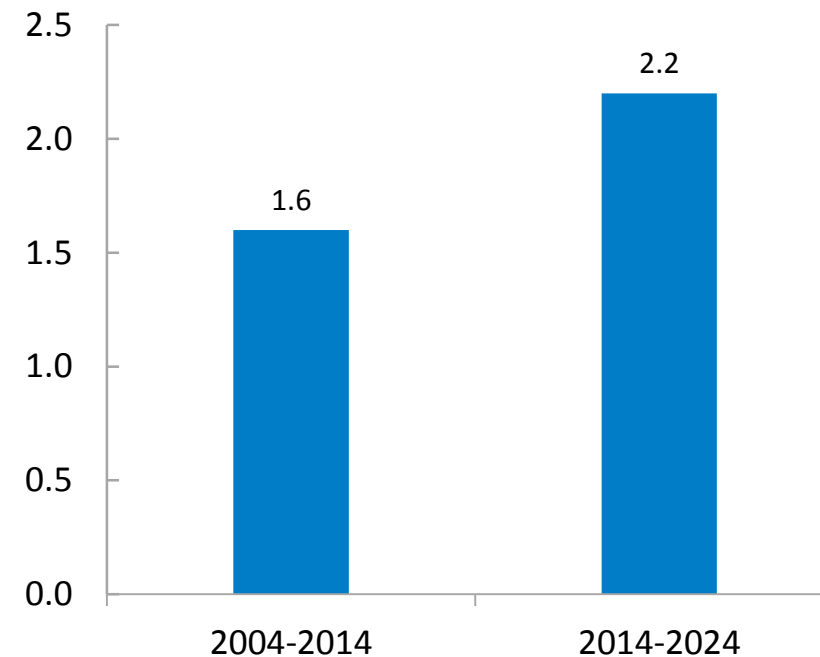
Macroeconomic Drivers Support Construction-Centric Growth

Early stage southeastern US recovery



Source: April 2016 Economy.com

Rising GDP growth



Growth in GDP; 10-year CAGR (%)
Source: US Bureau of Labor Statistics

Growing population

Rank	2030 State Population
1	California
2	Texas
3	Florida
4	New York
5	Illinois
6	Pennsylvania
7	North Carolina
8	Georgia
9	Ohio
10	Arizona

Projected US Population, 2030
Source: US Census Bureau

Federal Infrastructure Funding... A Decade in the Making



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

HIGHWAY BILL BENEFITS

- ◆ Multi-year highway bill passed
- ◆ Funding certainty and project visibility
- ◆ Enable long-term planning
- ◆ Strengthens state infrastructure spending initiatives
- ◆ New construction more aggregates intensive
- ◆ Stimulates rural market transportation construction

State-Level Infrastructure Funding Initiatives



Nonresidential and Residential Construction Trends

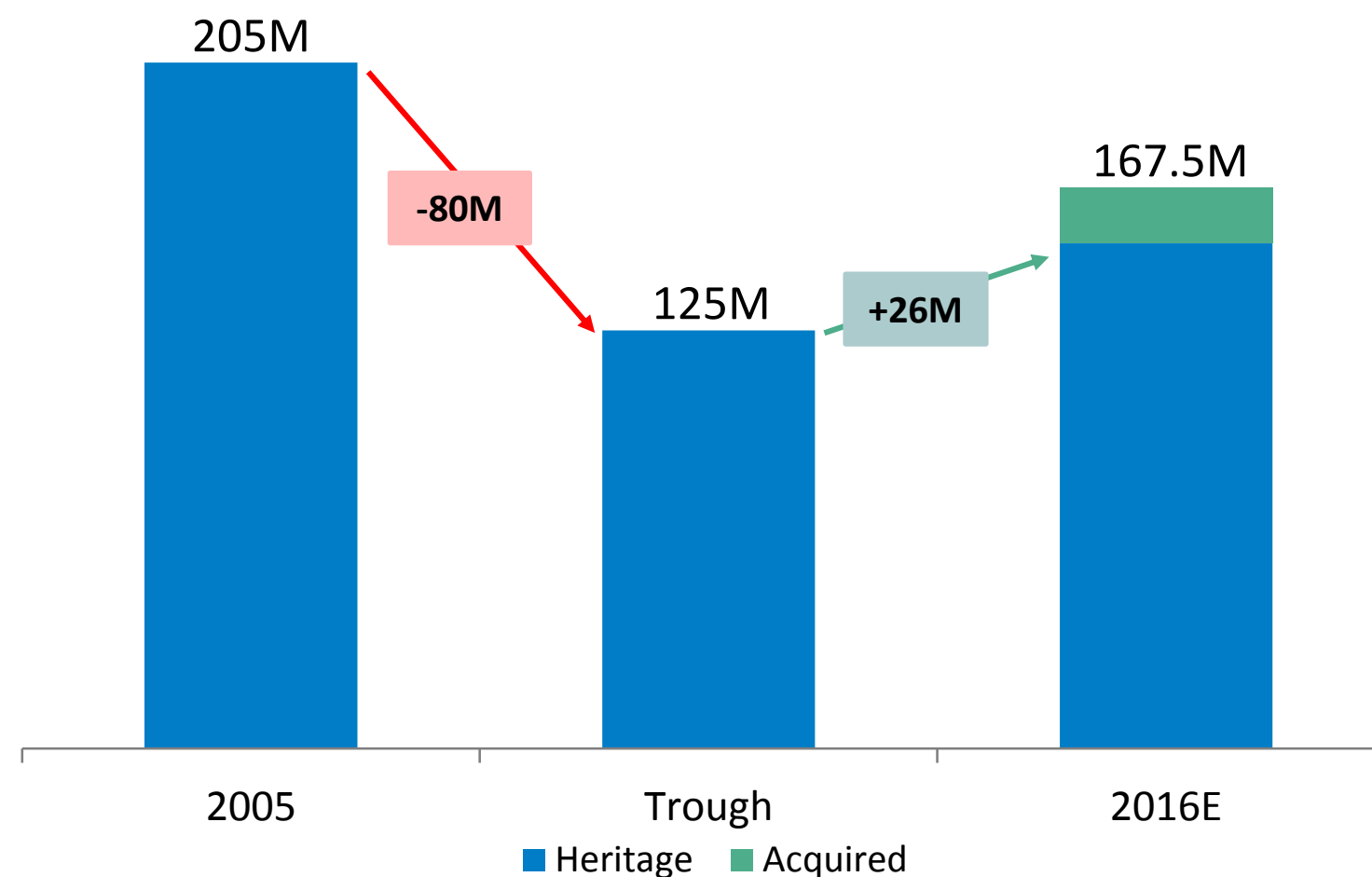


Steady
annual
growth



Early Cycle Aggregates Volume Recovery

- ◆ Based on the midpoint of 2016 guidance, heritage aggregates volumes ~70 percent of peak



2016 Outlook by End Market

Infrastructure



- ◆ State department of transportation initiatives drive growth
- ◆ New federal dollars expected in the second half of 2016



2016¹

Mid-to-high
single digits

Nonresidential



- ◆ Both heavy industrial and light commercial sectors increase



High-single
digits

Residential



- ◆ 2015 housing permits drive 2016 construction
- ◆ Top 10 Starts: Florida, Texas, Colorado, Georgia and North Carolina



Double-
digits

ChemRock/Rail



- ◆ Ballast construction dependent



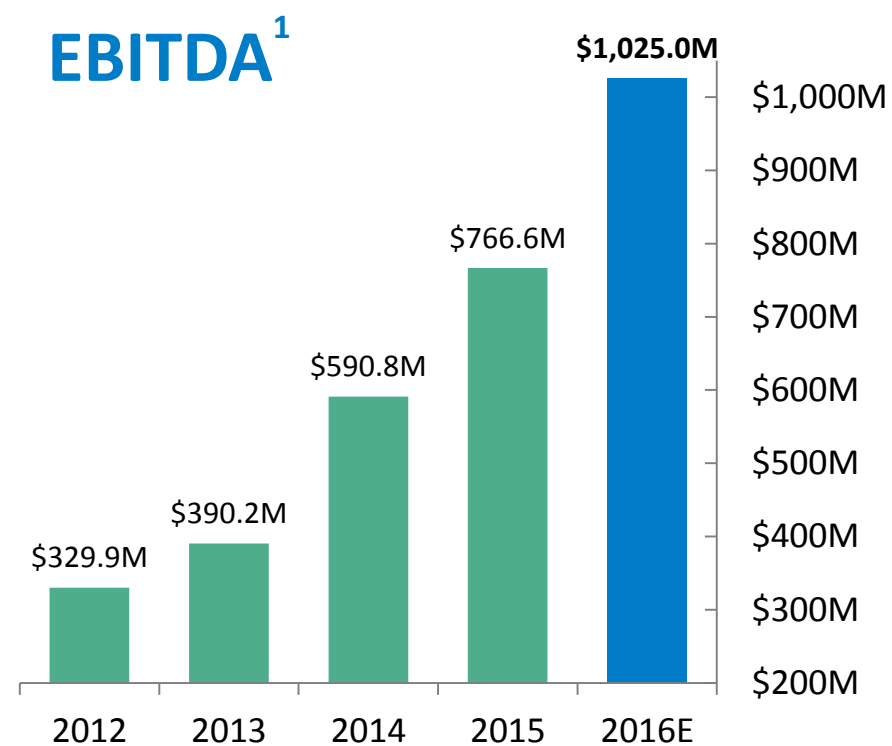
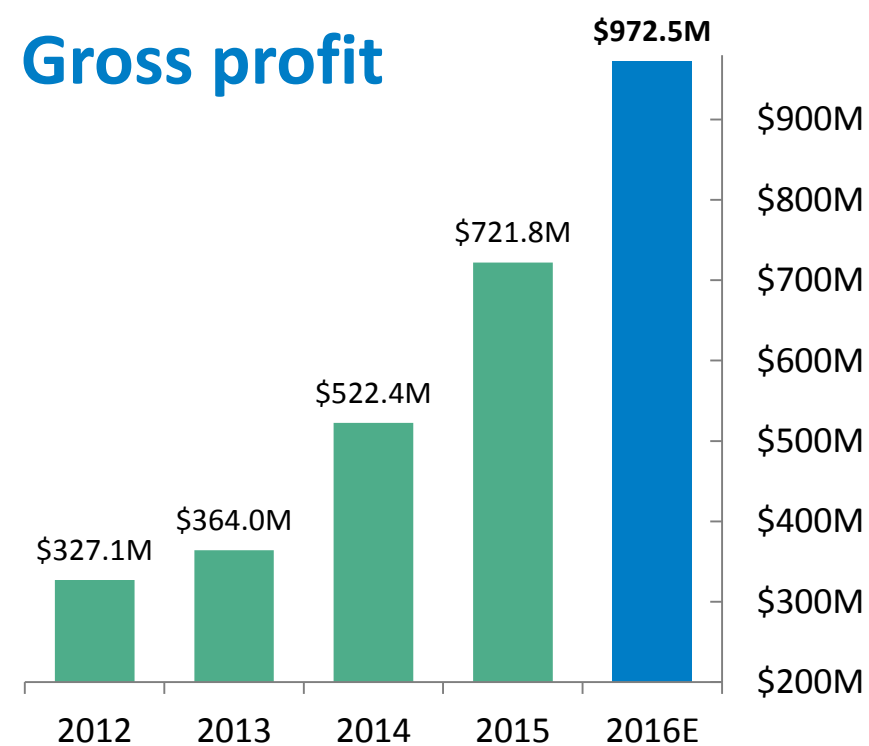
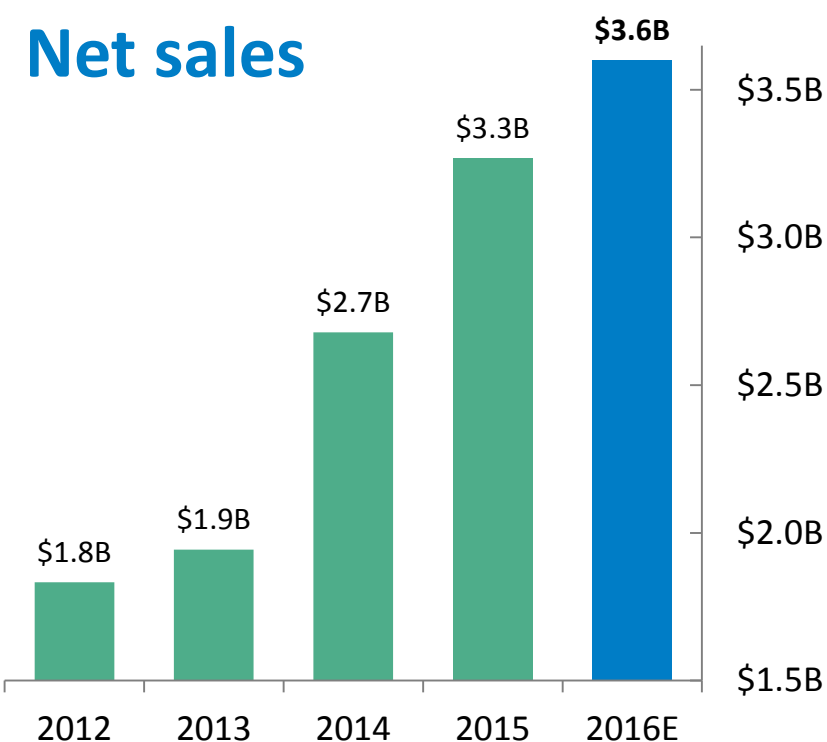
Modest
decrease

¹ Growth rate as compared to prior comparable period

2016 Outlook

Based on the midpoint of 2016 guidance:

- ◆ Net sales growth of **10 percent** year-over-year
- ◆ Gross profit growth of **35 percent** year-over-year
- ◆ EBITDA of **\$1.025 billion**; growth of **34 percent** over 2015 adjusted EBITDA



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

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Early Stages of Steady Economic Recovery Drives

What if...

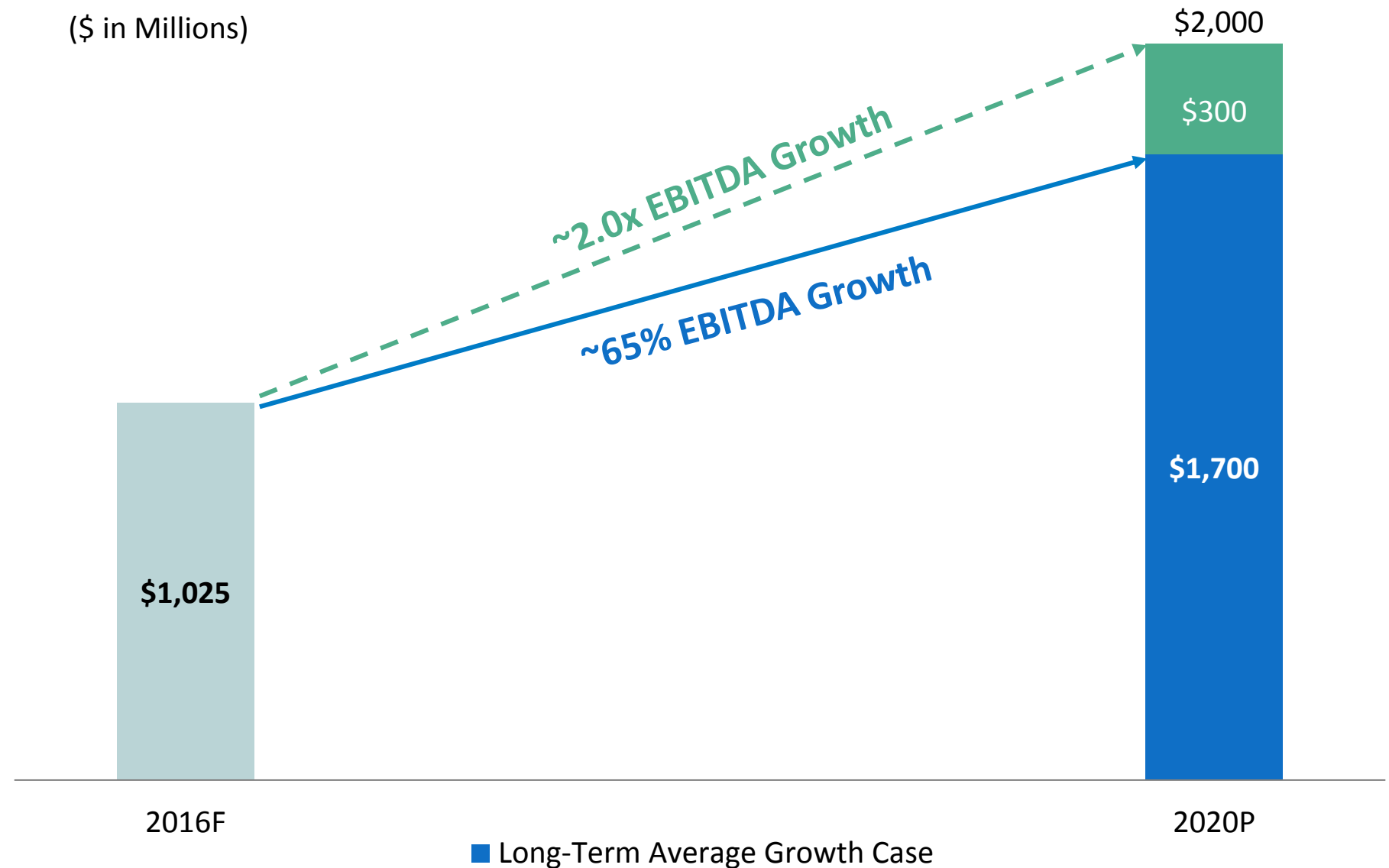
- ◆ **Aggregates:** ~30-year average volume and pricing growth
- ◆ **Cement:** Practical volume capacity by 2020 ¹ with 2.5% pricing growth
- ◆ Margin expansion of 820 bps driven by operating leverage and performance improvements
- ◆ All organic growth

+1.25% CAGR Case

- ◆ **Aggregates:** +1.25% volume and pricing

EBITDA

(\$ in Millions)



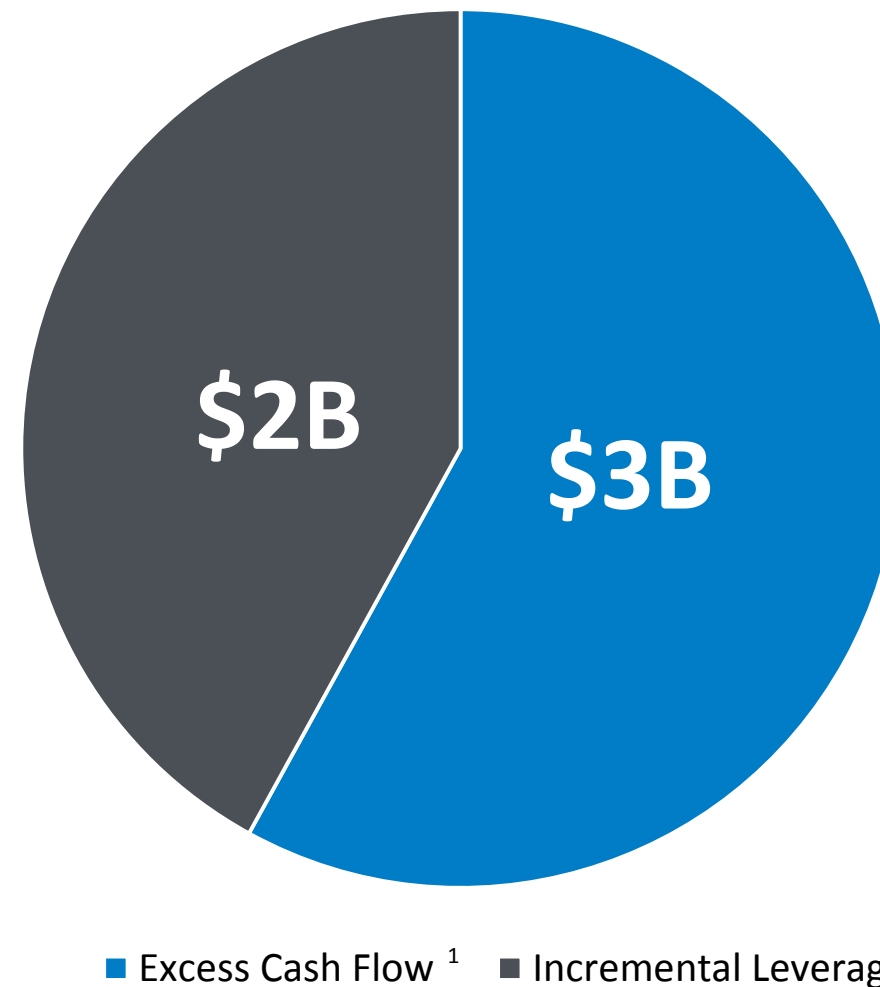
¹ Implied 2016F to 2020P CAGR of 2.7%

Financial Flexibility to Execute Strategic Plan

What if...

- ◆ Aggregates: ~30-year average volume and pricing growth
- ◆ Cement: Practical volume capacity by 2020 with 2.5% pricing growth
- ◆ Margin expansion of 820 bps driven by operating leverage and performance improvements
- ◆ All organic growth
- ◆ **Operating cash flow approximately 73% of EBITDA**
- ◆ **Minimum leverage target of 2.0x debt-to-EBITDA**
- ◆ **Rounded to nearest billion**

SOAR 2020 Horizon



¹ Excess cash flow defined as operating cash flow less capital expenditures and dividends

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



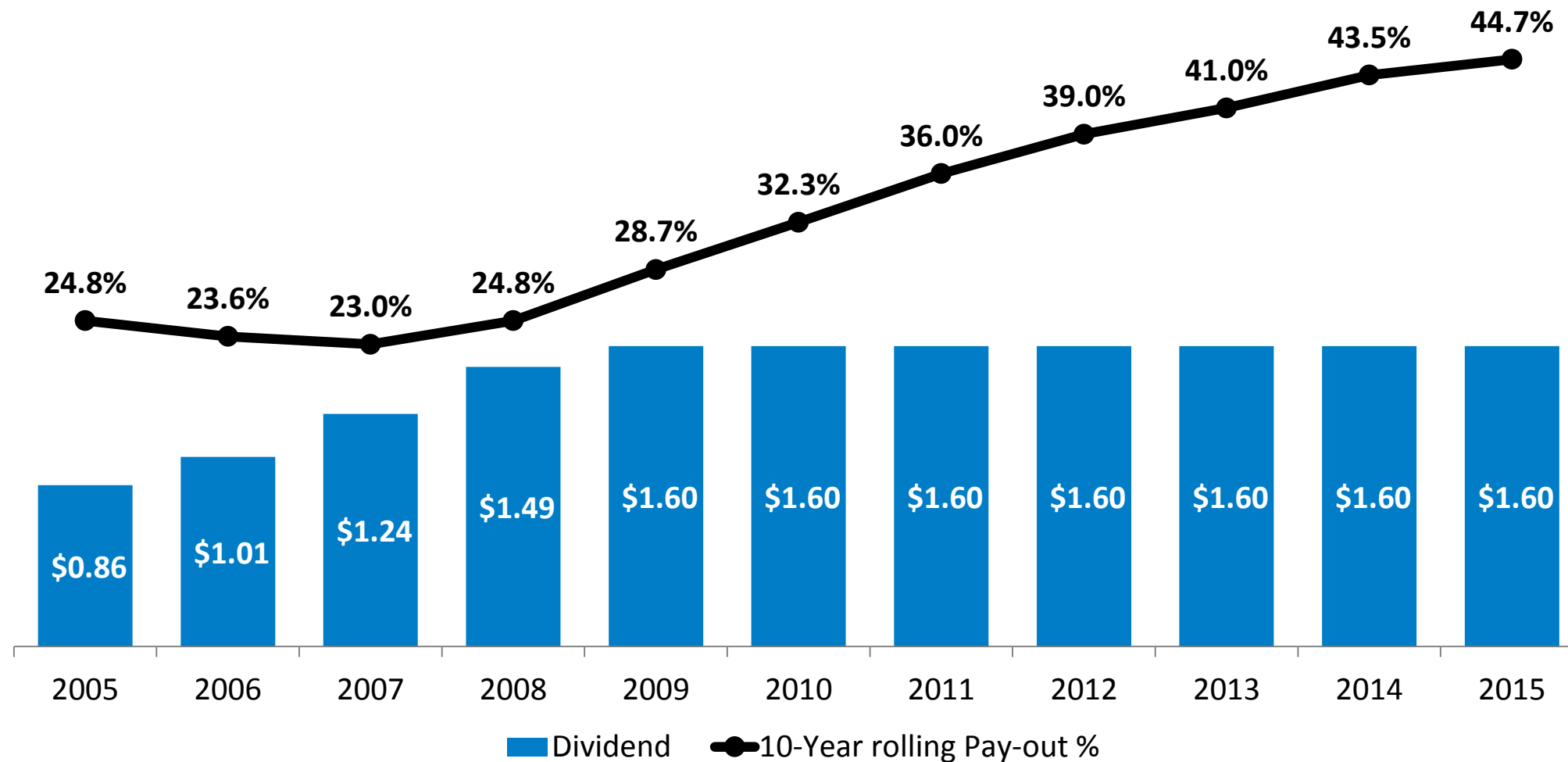
Earnings payout practice of 25% to 30% over a 10-year cycle

Share Repurchases



Repurchase authorization of 20.0M shares
≈ 30% of outstanding; 15.5M shares remaining

Return of Cash through Sustained, Meaningful Dividend



Earnings Payout Target of 25% to 30% over ten-year cycle

Return of Cash through Share Repurchases

Systematic Structured Share Repurchase

–Target a 20 million share buy back

Leverage



- ◆ Target 2.0x to 2.5x EBITDA through cycle
- ◆ Preserve financial flexibility

Liquidity



- ◆ Free cash flow after dividends

Financial Impact



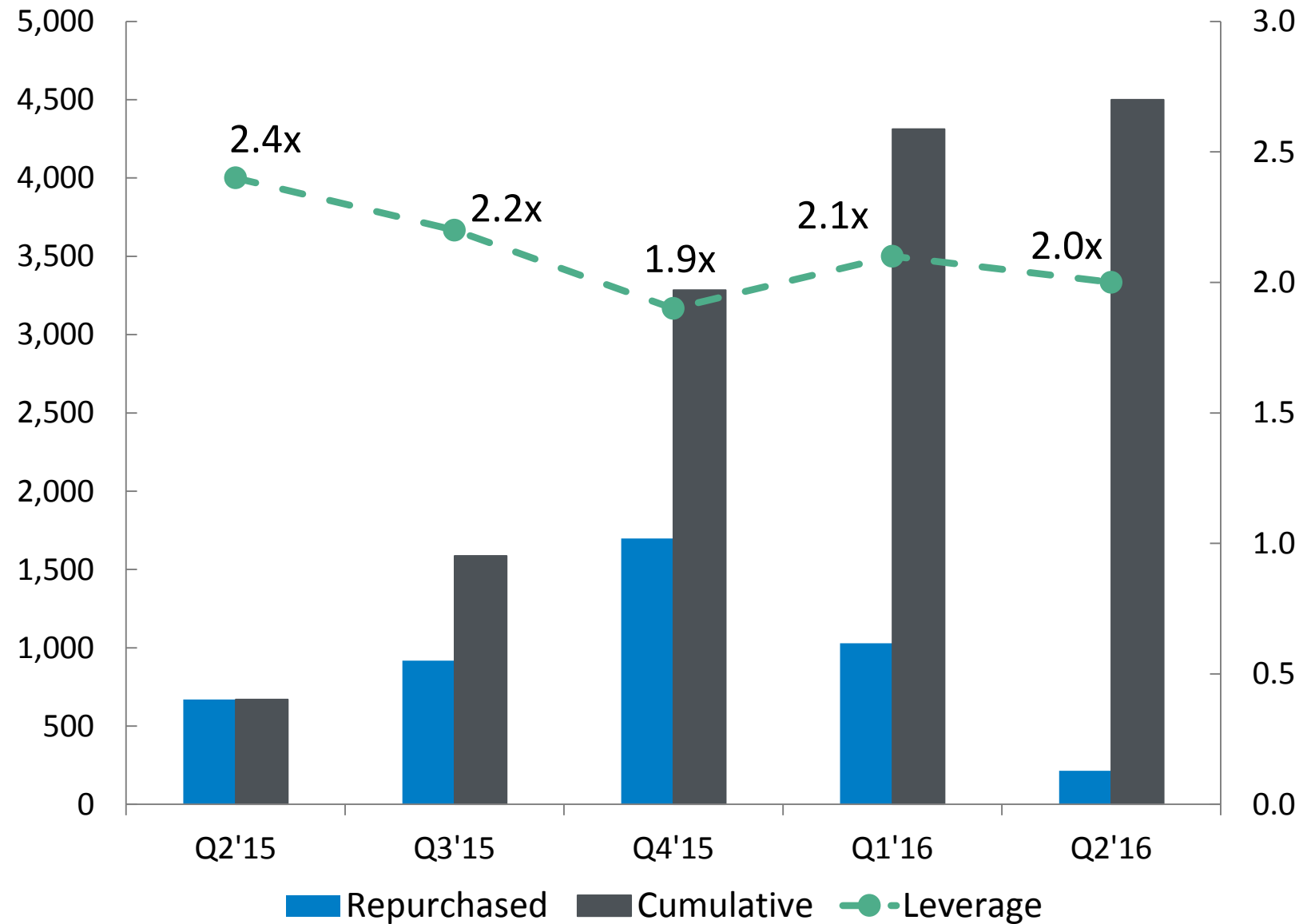
- ◆ Accretive

Capital Allocation Priority



- ◆ SOAR 2020 strategic opportunities

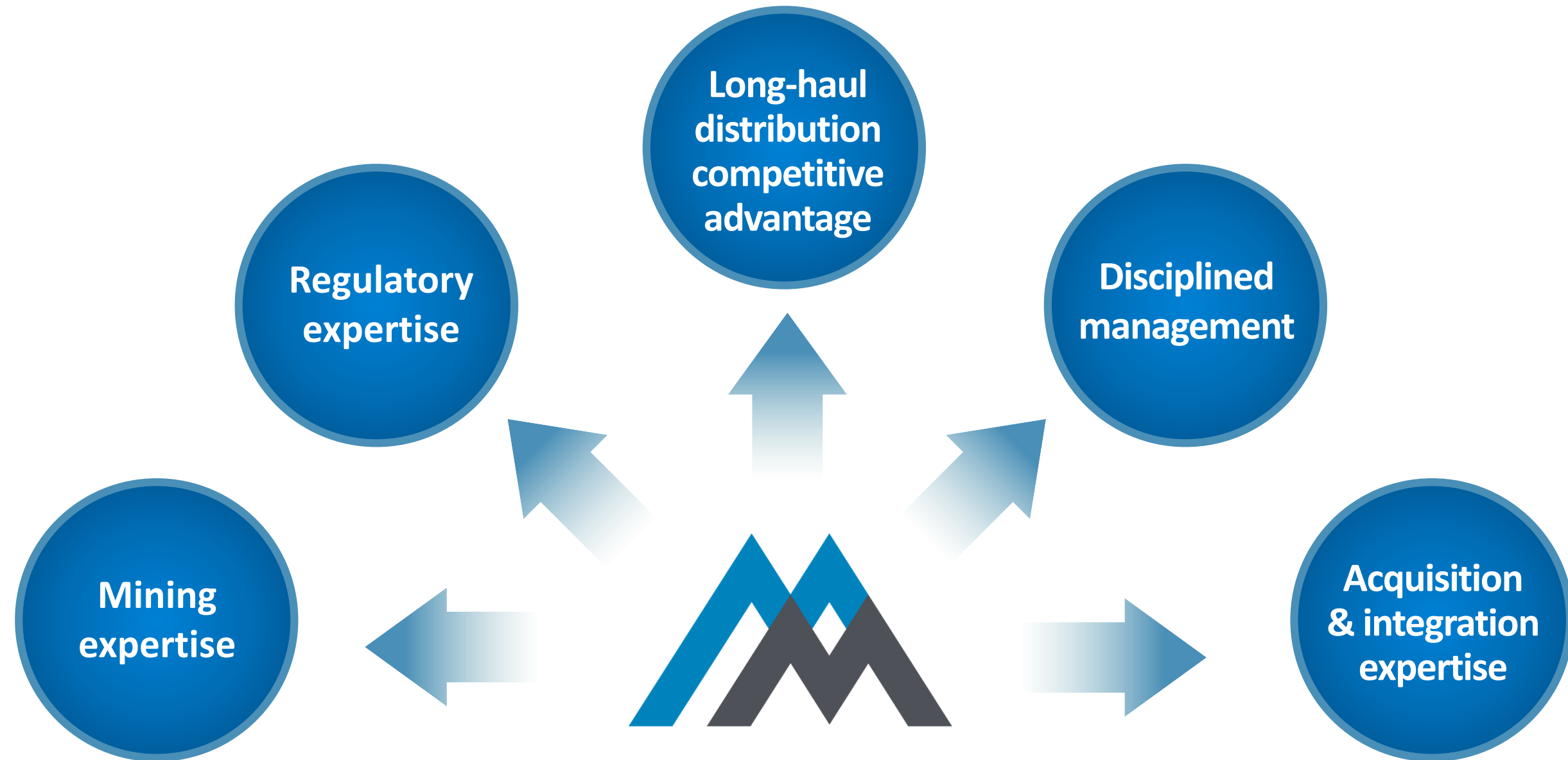
Share Repurchase Program in Line with Objectives



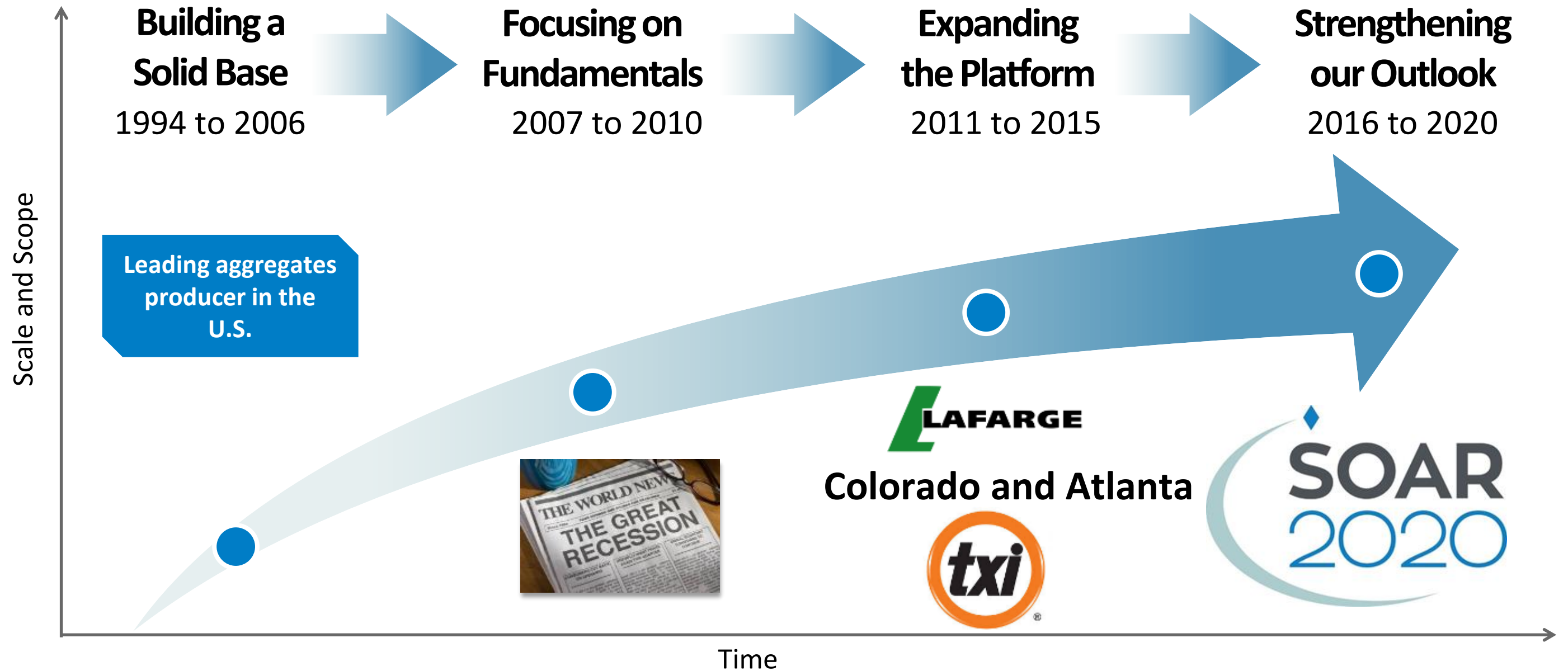
- ◆ 20 million share authorization in February 2015
- ◆ 4.5 million shares repurchased through June 30, 2016
- ◆ Maintained reasonable leverage targets
- ◆ Funded organic capital needs
- ◆ Executed against strategic acquisition targets
- ◆ Returned \$869 million to shareholders¹

¹ Inclusive of the continued payment of a \$1.60 annual dividend per share.

Core Competencies Drive Forward Value Growth



Where Do We Go From Here?





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APPENDIX

Gross 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 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.

Adjusted net earnings and **Adjusted Earnings Per Diluted Share** are non-GAAP measures and 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. Management believes these adjusted measures provide investors more relevant metrics for forecasting future operating results. The non-GAAP measures are reconciled to net earnings and earnings per diluted share in accordance with generally accepted accounting principles.

APPENDIX

	Quarter-ended June 30,				
	2016	2015	2014	2013	2012
<i>(dollars in millions)</i>					
Gross profit margin in accordance with GAAP					
Total revenues	\$ 977.3	\$ 921.4	\$ 669.2	\$ 562.7	\$ 545.7
Gross profit	\$ 246.7	\$ 200.2	\$ 135.6	\$ 106.8	\$ 102.1
Gross profit margin, as a percentage of total revenues	25.2%	21.7%	20.3%	19.0%	18.7%
Gross profit margin, as a percentage of net sales					
Total revenues	\$ 977.3	\$ 921.4	\$ 669.2	\$ 562.7	\$ 545.7
Less: freight and delivery revenues	(61.9)	(71.2)	(67.3)	(54.0)	(54.5)
Net sales	\$ 915.4	\$ 850.2	\$ 601.9	\$ 508.7	\$ 491.2
Gross profit	\$ 246.7	\$ 200.2	\$ 135.6	\$ 106.8	\$ 102.1
Gross profit margin, as a percentage of net sales	26.9%	23.5%	22.5%	21.0%	20.8%

APPENDIX

	Six-months ended June 30,				
	2016	2015	2014	2013	2012
<i>(dollars in millions)</i>					
Gross profit margin in accordance with GAAP					
Total revenues	\$ 1,766.0	\$ 1,612.7	\$ 1,097.8	\$ 947.7	\$ 939.7
Gross profit	\$ 391.3	\$ 274.4	\$ 161.4	\$ 119.4	\$ 125.9
Gross profit margin, as a percentage of total revenues	22.2%	17.0%	14.7%	12.6%	13.4%
Gross profit margin, as a percentage of net sales					
Total revenues	\$ 1,766.0	\$ 1,612.7	\$ 1,097.8	\$ 947.7	\$ 939.7
Less: freight and delivery revenues	(116.6)	(130.6)	(116.2)	(93.9)	(97.9)
Net sales	\$ 1,649.4	\$ 1,482.1	\$ 981.6	\$ 853.8	\$ 841.8
Gross profit	\$ 391.3	\$ 274.4	\$ 161.4	\$ 119.4	\$ 125.9
Gross profit margin, as a percentage of net sales	23.7%	18.5%	16.4%	14.0%	15.0%

APPENDIX

The following table presents the calculation of consolidated incremental gross profit margin (excluding freight and delivery revenues) for the quarter- and six-months ended June 30, 2016.

	Quarter-ended June 30,				Six-months ended June 30,		
	2016	2015	variance		2016	2015	variance
<i>(dollars in millions)</i>							
Consolidated incremental gross profit margin, as a percentage of net sales:							
Net sales	\$ 915.4	\$ 850.2	\$ 65.2		\$ 1,649.4	\$ 1,482.1	\$ 167.3
Gross profit	\$ 246.7	\$ 200.2	\$ 46.5		\$ 391.3	\$ 274.4	\$ 116.9
Consolidated incremental gross profit margin (excluding freight and delivery revenues)	71%				70%		

APPENDIX

	Year-ended December 31,			
	2015	2014	2013	2012
<i>(dollars in millions)</i>				
Net earnings attributable to Martin Marietta	\$ 288.8	\$ 155.6	\$ 121.3	\$ 84.5
Add back:				
Interest expense	76.3	66.1	53.5	53.3
Income tax expense for controlling interests	124.9	94.8	43.5	16.6
Depreciation, depletion & amortization expense	260.7	220.5	171.9	175.5
EBITDA	\$ 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	\$ 766.6	\$ 590.8	\$ 390.2	\$ 329.9

APPENDIX

	Quarter-ended June 30,			Six-months ended June 30,	
	2016	2015		2016	2015
<i>(dollars in millions)</i>					
Pretax earnings attributable to Martin Marietta	\$ 175.5	\$ 120.8		\$ 240.1	\$ 126.2
Add back:					
Interest expense	20.3	19.1		40.3	38.4
Depreciation, depletion & amortization expense	70.7	67.0		138.7	133.5
EBITDA	\$ 266.5	\$ 206.9		\$ 419.1	\$ 298.1
EBITDA margin as a % of net sales	29.1%	24.3%		25.4%	20.1%



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