

Martin Marietta Materials, Inc.

Reconciliation of Net Earnings Attributable to Martin Marietta to EBITDA and Adjusted EBITDA

(dollars in thousands)

	Three Months Ended December 31,		Year Ended December 31,	
	2018	2017	2018	2017
Consolidated Earnings Before Interest, Income Taxes, Depreciation, Depletion and Amortization (EBITDA)	\$ 239,349	\$ 262,427	\$ 1,052,710	\$ 1,004,379

A Reconciliation of Net Earnings Attributable to Martin Marietta to Consolidated EBITDA is as follows:

	Three Months Ended December 31,		Year Ended December 31,	
	2018	2017	2018	2017
Net Earnings Attributable to Martin Marietta	\$ 94,378	\$ 377,182	\$ 469,998	\$ 713,342
Add back:				
Interest Expense	33,542	23,449	137,069	91,487
Income Tax Expense (Benefit) for Controlling Interests	21,567	(213,647)	105,637	(94,401)
Depreciation, Depletion and Amortization Expense	89,862	75,443	340,006	293,951
Consolidated EBITDA	\$ 239,349	\$ 262,427	\$ 1,052,710	\$ 1,004,379

The following reconciles consolidated EBITDA to adjusted consolidated EBITDA:

	Three Months Ended December 31,		Year Ended December 31,	
	2018	2017	2018	2017
Consolidated EBITDA	\$ 239,349	\$ 262,427	\$ 1,052,710	\$ 1,004,379
Add back:				
Acquisition-related expenses, net	554	5,320	13,479	8,638
Impact of selling acquired inventory due to the markup to fair value as part of acquisition accounting	222	-	18,738	-
Asset and portfolio rationalization charge	11,725	-	18,838	-
Adjusted consolidated EBITDA	\$ 251,850	\$ 267,747	\$ 1,103,765	\$ 1,013,017

A reconciliation of Net Earnings Attributable to Martin Marietta to the midpoint for EBITDA included in the adjusted 2019 guidance:

2019 Guidance - EBITDA

Net Earnings Attributable to Martin Marietta	\$ 570,000
Add back:	
Interest Expense	135,000
Taxes on Income	150,000
Depreciation, Depletion and Amortization Expense	370,000
EBITDA	<u>\$1,225,000</u>

Martin Marietta Materials, Inc.
Reconciliation of Net Earnings to EBITDA

(dollars in thousands)

	2019	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994
Net Earnings Attributable to Martin Marietta Materials, Inc.	469,998	713,342	425,386	288,792	155,601	121,337	84,474	82,379	97,012	\$ 85,459	\$ 176,256	\$ 262,749	\$ 245,422	\$ 192,666	\$ 129,163	\$ 93,623	\$ 86,305	\$ 105,362	\$ 112,027	\$ 125,781	\$ 115,613	\$ 98,529	\$ 78,628	\$ 67,551	\$ 53,704
Cumulative Effect of Change in Accounting Principle	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,874	11,510	-	-	-	-	-	-	-	-
Extraordinary Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Earnings before Cumulative Effect of Change in Accounting Principle and Extraordinary Loss	469,998	713,342	425,386	288,792	155,601	121,337	84,474	82,379	97,012	85,459	176,256	262,749	245,422	192,666	129,163	100,497	97,815	105,362	112,027	125,781	115,613	98,529	78,628	67,551	58,345
Adjustment (Less):																									
Interest Expense	137,069	91,487	81,677	76,287	66,067	53,467	53,339	58,586	68,456	73,460	74,299	60,908	40,359	42,597	42,954	42,587	44,028	46,792	41,895	39,411	23,759	16,899	10,121	9,733	6,865
Income Tax (Benefit) Expense	105,637	(94,401)	181,524	124,863	94,729	43,496	16,504	23,198	29,307	27,462	77,297	116,610	107,817	71,152	58,656	42,505	46,455	53,077	56,794	68,532	58,529	52,683	40,325	36,240	32,075
Depreciation, Depletion and Amortization Expense	340,006	293,951	283,003	260,836	220,553	171,919	175,534	171,786	179,877	177,762	169,863	150,338	141,429	138,251	132,859	139,606	138,696	154,635	136,373	124,754	98,765	79,720	61,210	55,674	42,828
EBITDA	<u>\$ 1,052,710</u>	<u>\$ 1,004,379</u>	<u>\$ 971,690</u>	<u>\$ 750,778</u>	<u>\$ 636,950</u>	<u>\$ 390,219</u>	<u>\$ 329,851</u>	<u>\$ 335,949</u>	<u>\$ 374,652</u>	<u>\$ 364,143</u>	<u>\$ 497,715</u>	<u>\$ 590,605</u>	<u>\$ 535,027</u>	<u>\$ 444,666</u>	<u>\$ 383,632</u>	<u>\$ 325,195</u>	<u>\$ 326,994</u>	<u>\$ 359,866</u>	<u>\$ 347,089</u>	<u>\$ 358,478</u>	<u>\$ 296,666</u>	<u>\$ 247,831</u>	<u>\$ 190,284</u>	<u>\$ 189,198</u>	<u>\$ 140,113</u>

Reconciliations of earnings to EBITDA prior to 2009 have not been adjusted for reclasses made in 2009 related to the adoption of FAS 160, Noncontrolling Interests. The reclasses have no impact on previously-reported EBITDA.

Martin Marietta Materials, Inc.

Reconciliation of Net Earnings Attributable to Martin Marietta to EBITDA and Adjusted EBITDA

(dollars in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Consolidated Earnings Before Interest, Income Taxes, Depreciation, Depletion and Amortization (EBITDA)	<u>\$ 333,433</u>	<u>\$ 301,962</u>	<u>\$ 813,361</u>	<u>\$ 741,974</u>

A Reconciliation of Net Earnings Attributable to Martin Marietta to Consolidated EBITDA is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Net Earnings Attributable to Martin Marietta	\$ 180,221	\$ 151,546	\$ 375,621	\$ 336,159
Add back:				
Interest Expense	35,468	23,141	103,526	68,037
Income Tax Expense for Controlling Interests	29,051	52,744	84,070	119,247
Depreciation, Depletion and Amortization Expense	88,693	74,531	250,144	218,531
Consolidated EBITDA	<u>\$ 333,433</u>	<u>\$ 301,962</u>	<u>\$ 813,361</u>	<u>\$ 741,974</u>

The following reconciles consolidated EBITDA to adjusted consolidated EBITDA for the three months ended September 30:

	2018	2017
Consolidated EBITDA	\$ 333,433	\$ 301,962
Add back:		
Acquisition-related expenses, net	89	1,314
Impact of selling acquired inventory due to the markup to fair value as part of acquisition accounting	8,349	-
Restructuring charge	7,113	-
Adjusted consolidated EBITDA	<u>\$ 348,984</u>	<u>\$ 303,276</u>

A reconciliation of Net Earnings Attributable to Martin Marietta to the midpoint for Adjusted EBITDA included in the adjusted 2018 guidance:

2018 Guidance - Adjusted EBITDA

Net Earnings Attributable to Martin Marietta	\$ 482,500
Add back:	
Interest Expense	137,500
Taxes on Income	120,500
Depreciation, Depletion and Amortization Expense	340,000
EBITDA	<u>\$ 1,080,500</u>
Add back:	
Bluegrass acquisition-related expenses, net	15,000
Impact of selling acquired inventory due to the markup to fair value as part of acquisition accounting	20,000
Restructuring charge	7,000
Adjusted EBITDA	<u>\$ 1,122,500</u>

Martin Marietta Materials, Inc.

Reconciliation of Net Earnings Attributable to Martin Marietta to EBITDA and Adjusted EBITDA

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Consolidated Earnings Before Interest, Income Taxes, Depreciation, Depletion and Amortization (EBITDA)	\$ 356,666	\$ 292,298	\$ 479,928	\$ 440,012

A Reconciliation of Net Earnings Attributable to Martin Marietta to Consolidated EBITDA is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Net Earnings Attributable to Martin Marietta	\$ 185,377	\$ 142,279	\$ 195,400	\$ 184,613
Add back:				
Interest Expense	32,971	24,045	68,059	44,896
Income Tax Expense for Controlling Interests	52,581	51,981	55,018	66,503
Depreciation, Depletion and Amortization Expense	85,737	73,993	161,451	144,000
Consolidated EBITDA	\$ 356,666	\$ 292,298	\$ 479,928	\$ 440,012

The following reconciles consolidated EBITDA to adjusted consolidated EBITDA for the three months ended June 30:

	2018	2017
Consolidated EBITDA	\$ 356,666	\$ 292,298
Interest Expense		
Acquisition-related expenses, net	12,126	1,982
Impact of selling acquired inventory due to the markup to fair value as part of acquisition accounting	10,167	-
Adjusted consolidated EBITDA	\$ 378,959	\$ 294,280

A reconciliation of Net Earnings Attributable to Martin Marietta to the midpoint of the range for Adjusted EBITDA included in the full-year 2018 outlook is as follows:

2018 Guidance - Adjusted EBITDA

Net Earnings Attributable to Martin Marietta	\$ 575,000
Add back:	
Interest Expense	137,500
Taxes on Income	152,500
Depreciation, Depletion and Amortization Expense	335,000
EBITDA	\$ 1,200,000
Add back:	
Bluegrass acquisition-related expenses, net	15,000
Impact of selling acquired inventory due to the markup to fair value as part of acquisition accounting	20,000
Adjusted EBITDA	\$ 1,235,000

Martin Marietta Materials, Inc.

Reconciliation of Net Earnings Attributable to Martin Marietta to EBITDA and Adjusted EBITDA

(dollars in millions)

	Three Months Ended	
	March 31,	
	2018	2017
Consolidated Earnings Before Interest, Income Taxes, Depreciation, Depletion and Amortization (EBITDA)	\$ 123.3	\$ 147.7

A Reconciliation of Net Earnings Attributable to Martin Marietta to Consolidated EBITDA is as follows:

	Three Months Ended	
	March 31,	
	2018	2017
Net Earnings Attributable to Martin Marietta	\$ 10.0	\$ 42.3
Add back:		
Interest Expense	35.1	20.9
Income Tax Expense for Controlling Interests	2.5	14.5
Depreciation, Depletion and Amortization Expense	75.7	70.0
Consolidated EBITDA	\$ 123.3	\$ 147.7

A reconciliation of Net Earnings Attributable to Martin Marietta to the midpoint of the range for Adjusted EBITDA included in the full-year 2018 outlook is as follows:

Net Earnings Attributable to Martin Marietta	\$ 567.5
Add back:	
Interest Expense	137.5
Taxes on Income	155.0
Depreciation, Depletion and Amortization Expense	335.0
EBITDA	\$ 1,195.0
Add back:	
Bluegrass acquisition-related expenses, net	15.0
Adjusted EBITDA	\$ 1,210.0