



Martin
Marietta

Q2 2018

SUPPLEMENTAL INFORMATION

July 26, 2018

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 that 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 Measures

These slides contain certain “non-GAAP financial measures” which are defined in the Appendix. Reconciliations of non-GAAP measures to the closest GAAP measure are also provided in the Appendix.





Q2 2018 REVIEW

QUARTERLY HIGHLIGHTS



COMPANY ACHIEVED RECORD REVENUES, PROFITABILITY AND DILUTED EARNINGS PER SHARE

QUARTER ENDED JUNE 30

(\$ in thousands, except per share)	2018	2017
Total revenues ¹	\$ 1,202,403	\$ 1,063,524
Products and services revenues ²	\$ 1,128,777	\$ 996,843
Building Materials business products and services revenues	\$ 1,060,620	\$ 931,115
Magnesia Specialties business products and services revenues	\$ 68,157	\$ 65,728
Gross profit	\$ 315,917	\$ 274,094
Adjusted gross profit ³	\$ 326,084	N/A
Earnings from operations	\$ 263,953	\$ 212,852
Adjusted earnings from operations ⁴	\$ 286,246	\$ 214,834
Net earnings attributable to Martin Marietta	\$ 185,377	\$ 142,279
Adjusted net earnings attributable to Martin Marietta ⁴	\$ 206,388	\$ 143,503
Adjusted EBITDA ⁴	\$ 378,959	\$ 294,280
Earnings per diluted share	\$ 2.92	\$ 2.25
Adjusted earnings per diluted share ⁴	\$ 3.25	\$ 2.27

¹ Total revenues include the sales of products and services to customers (net of any discounts or allowances) and freight revenues.

² Products and services revenues include the sales of aggregates, cement, ready mixed concrete, asphalt and Magnesia Specialties products, and paving services to customers and exclude related freight revenues.

³ Excludes an increase in cost of sales from the impact of selling acquired inventory after its markup to fair value as part of acquisition accounting. See slide 6 for a reconciliation to reported amounts.

⁴ Excludes acquisition-related expenses, net, and an increase in cost of sales from the impact of selling acquired inventory after its markup to fair value as part of acquisition accounting. See Slide 6 for a reconciliation to reported amounts and appendix for reconciliation of EBITDA to net earnings from attributable to Martin Marietta.

HIGHLIGHTS

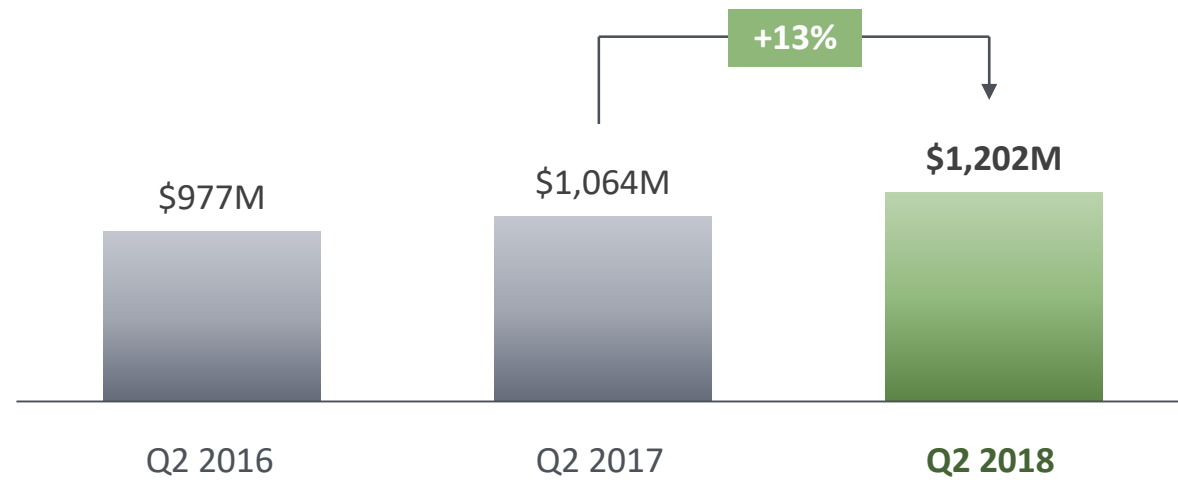
- ◆ Underlying product demand and customer backlogs remain strong across our markets
- ◆ Heritage aggregates pricing increased 4 percent and shipments increased 3 percent; volume growth in Company's three primary end-use markets
- ◆ Acquired operations contributed to 13 percent growth in total revenues
- ◆ Cement product gross margin expanded 680 basis points as a result of strong demand and a tight supply environment
- ◆ Magnesia Specialties business posted record revenues
- ◆ **Full-year 2018 adjusted EBITDA guidance increased**

...2018 ON PACE TO BE ANOTHER RECORD YEAR

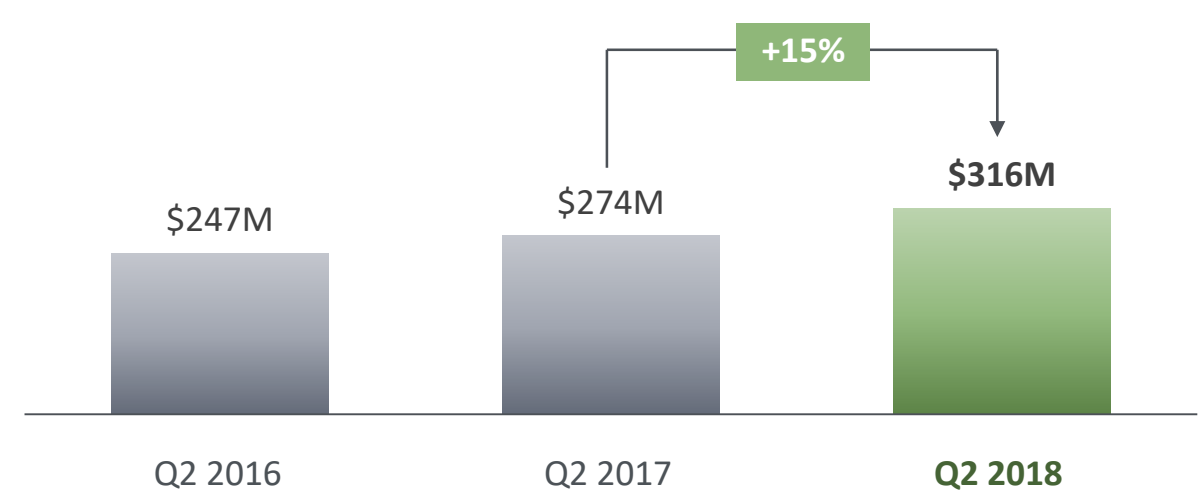
CONSOLIDATED FINANCIAL RESULTS (AS REPORTED)



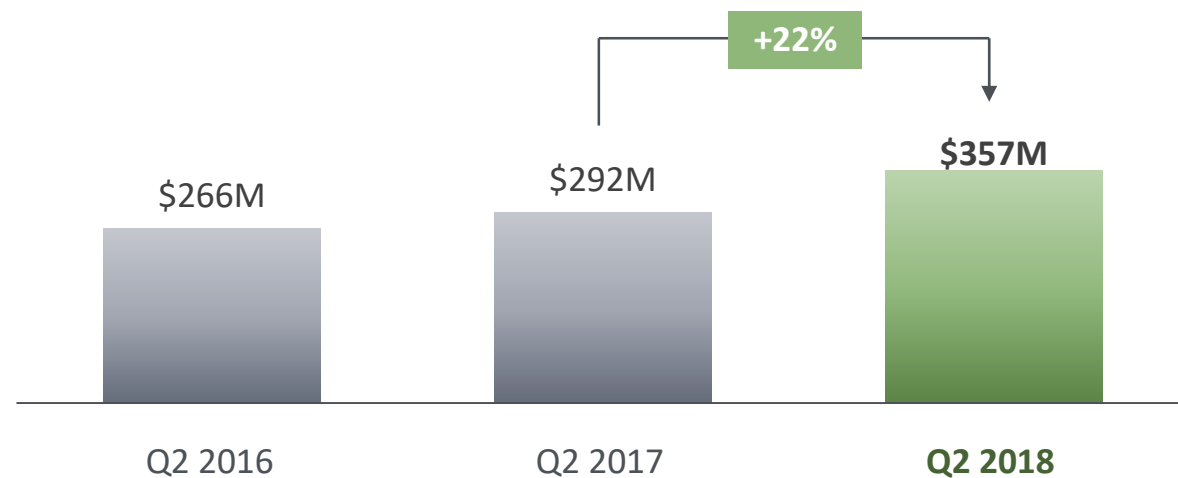
TOTAL REVENUES



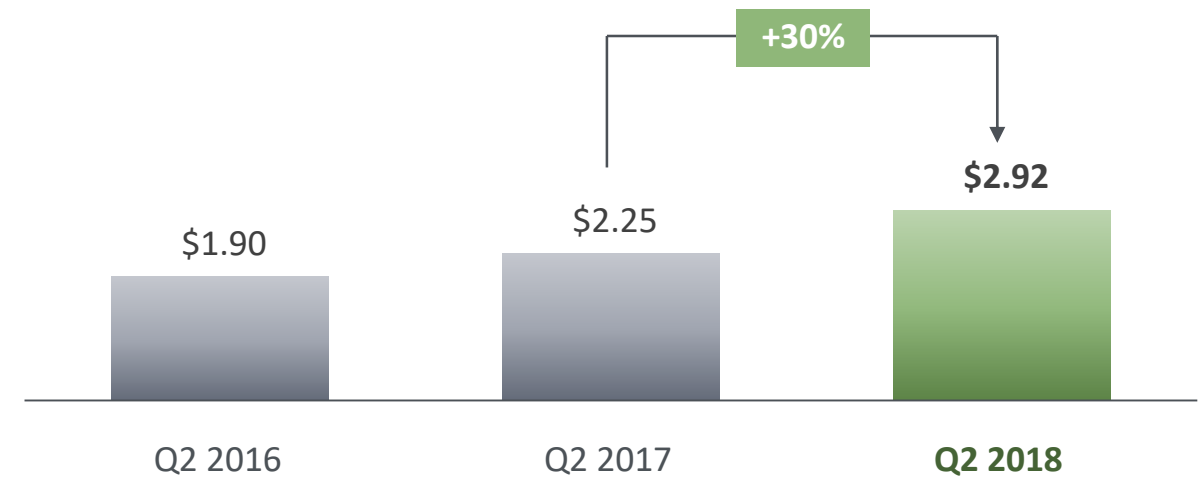
GROSS PROFIT



EBITDA



EARNING PER DILUTED SHARE



ADJUSTED FINANCIAL RESULTS



(\$ in thousands, except per share)	Aggregates Product Gross Profit	CONSOLIDATED				
		Total Gross Profit	Earnings from Operations	Net Earnings Attributable to Martin Marietta	EBITDA	Diluted EPS
Q2 2018, as reported	\$ 198,540	\$ 315,917	\$ 263,953	\$ 185,377	\$ 356,666	\$ 2.92
Impact of selling acquired inventory due to the markup to fair value	\$ 10,167	\$ 10,167	\$ 10,167	\$ -	\$ 10,167	\$ -
After tax impact of selling acquired inventory due to the markup to fair value	\$ -	\$ -	\$ -	\$ 7,781	\$ -	\$ 0.12
Acquisition-related expenses, net	\$ -	\$ -	\$ 12,126	\$ -	\$ 12,126	\$ -
After tax impact of acquisition-related expenses, net	\$ -	\$ -	\$ -	\$ 13,230	\$ -	\$ 0.21
Adjusted Q2 2018	\$ 208,707	\$ 326,084	\$ 286,246	\$ 206,388	\$ 378,959	\$ 3.25

Note: Adjusted financial results exclude acquisition-related expenses, net, and the impact of selling acquired inventory after its markup to fair value as part of acquisition accounting.

REVENUES AND GROSS PROFIT BY BUSINESS

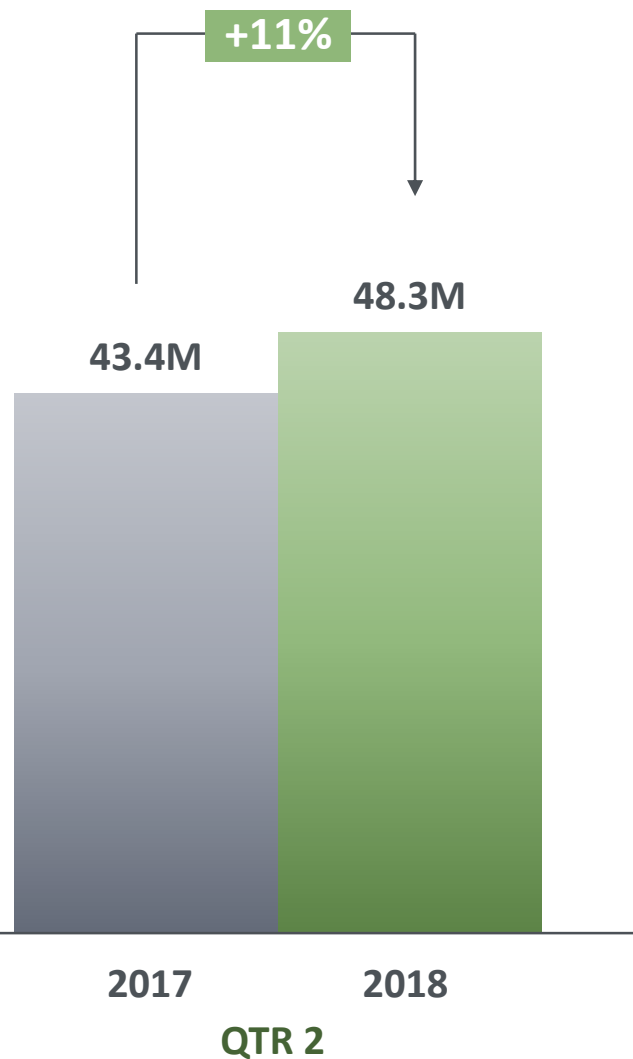


QUARTER ENDED JUNE 30 (\$ in thousands)	2018			2017		
	Revenues	Gross profit (loss)	Gross margin	Revenues	Gross profit (loss)	Gross margin
Building Materials business:						
Products and services:						
Aggregates	\$665,308	\$198,540	29.8%	\$577,913	\$173,012	29.9%
Cement	113,148	41,305	36.5%	98,937	29,369	29.7%
Ready mixed concrete	277,202	29,952	10.8%	241,871	26,840	11.1%
Asphalt and paving	83,140	18,512	22.3%	82,943	20,314	24.5%
Less: interproduct revenues	(78,178)	-	---	(70,549)	---	---
Products and services	1,060,620	288,309	27.2%	931,115	249,535	26.8%
Freight	68,821	598	NM	62,380	621	NM
Total Building Materials business	1,129,441	288,907	25.6%	993,495	250,156	25.2%
Magnesia Specialties business:						
Products and services	68,157	24,870	36.5%	65,728	24,798	37.7%
Freight	4,805	(1,028)	NM	4,301	(1,174)	NM
Total Magnesia Specialties business	72,962	23,842	32.7%	70,029	23,624	33.7%
Corporate	-	3,168	NM	-	314	NM
Total	\$1,202,403	\$315,917	26.3%	\$1,063,524	\$274,094	25.8%

AGGREGATES PERFORMANCE

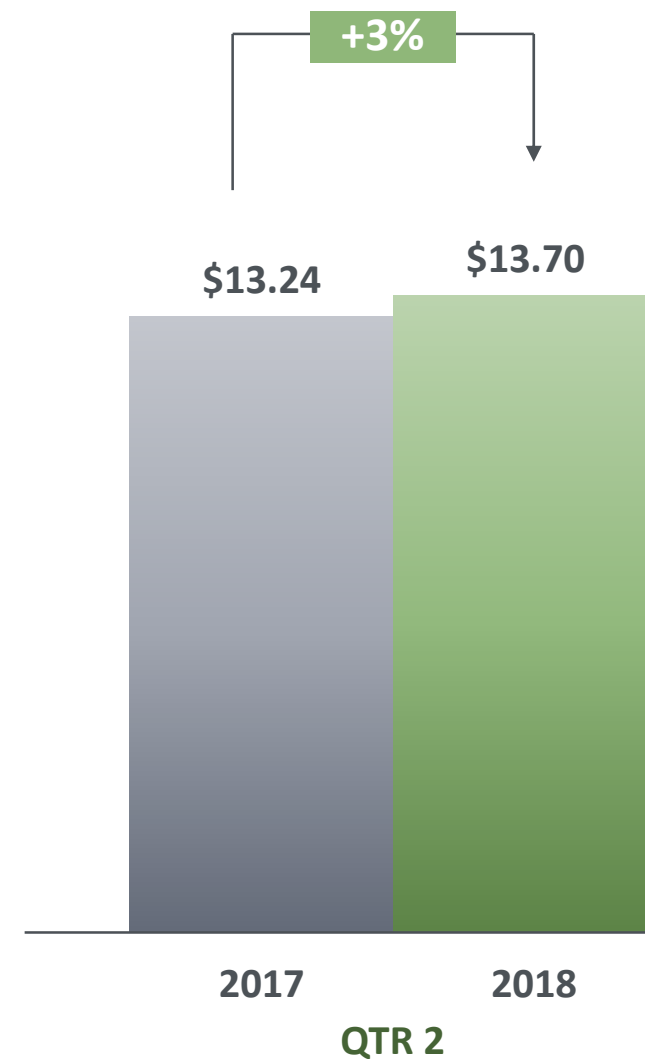


VOLUME



- ◆ Heritage shipments increased 3 percent with growth in the Company's three primary end-use markets
- ◆ Second-quarter volume growth muted by contractor capacity limitations and transportation logistics
- ◆ Acquired operations contributed 3.4 million tons

PRICE



- ◆ Heritage pricing increased 4 percent
- ◆ Continued price discipline led to 6 percent increase for heritage Mid-America Group
- ◆ Geographic mix limited heritage Southeast Group increase to 2 percent with railroad inefficiencies and weather hindering the ability to move higher-priced aggregates to distribution yards in Florida and South Georgia
- ◆ Robust pricing in Colorado was partially offset by product mix and a lower percentage of commercial rail-shipped volumes in Texas, driving a 3 percent increase for West Group
- ◆ Reduced commercial rail-shipped volumes and unfavorable product mix lowered heritage ASP by \$0.20 per ton
- ◆ Consistent with management's expectations, pricing for acquired operations was 10 percent to 15 percent below the Company's average

CEMENT AND DOWNSTREAM PERFORMANCE

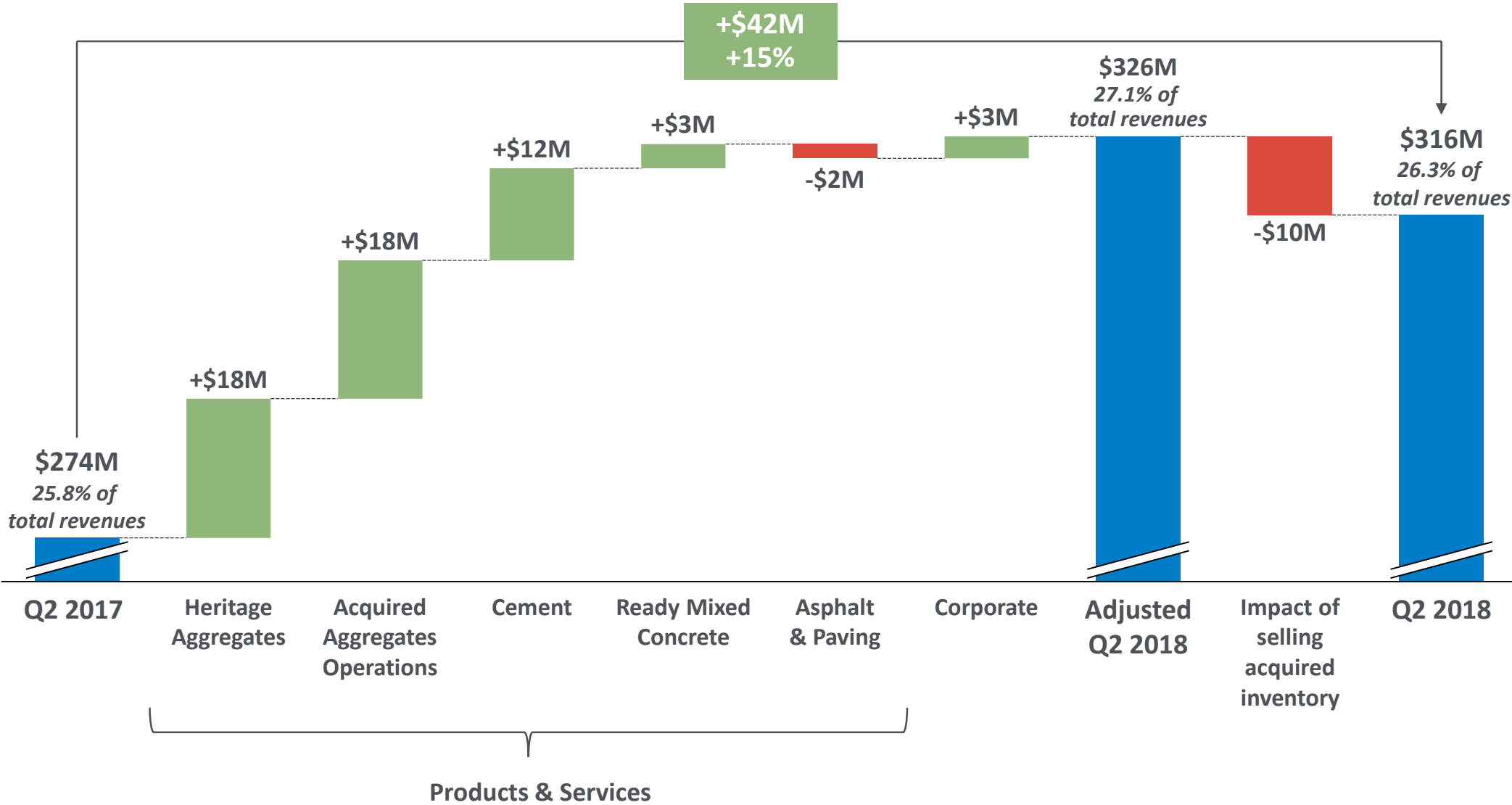


Note: Volume and pricing variances are versus the comparable prior-year period and are based on total tons, except for ready mixed concrete which is based on cubic yards.

GROSS PROFIT



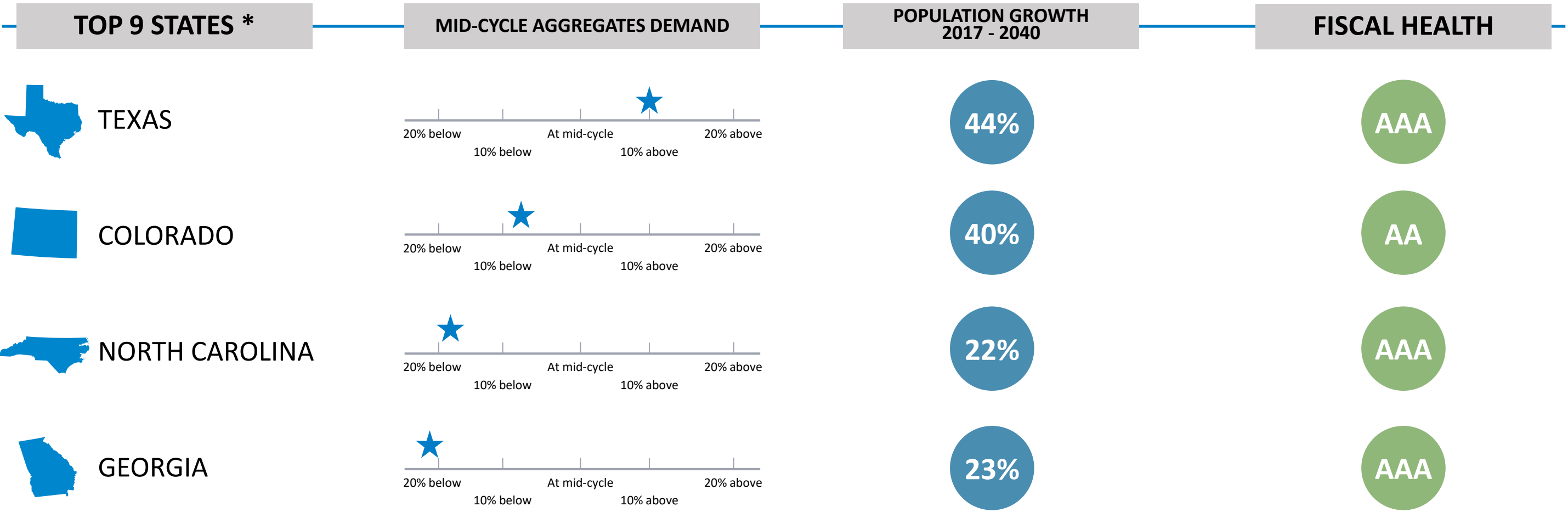
Increased shipments, improved pricing and contributions from acquired operations generated record gross profit.



A large yellow mining truck is the central focus, parked on a gravel road. The background is a blue-tinted image of a mining site with a conveyor belt system. The scene is overlaid with semi-transparent blue geometric shapes, including triangles and rectangles. The text '2018 OUTLOOK' is prominently displayed in white on the right side of the image.

2018 OUTLOOK

MACROECONOMIC DRIVERS SUPPORT CONTINUED, MULTI-YEAR CONSTRUCTION RECOVERY



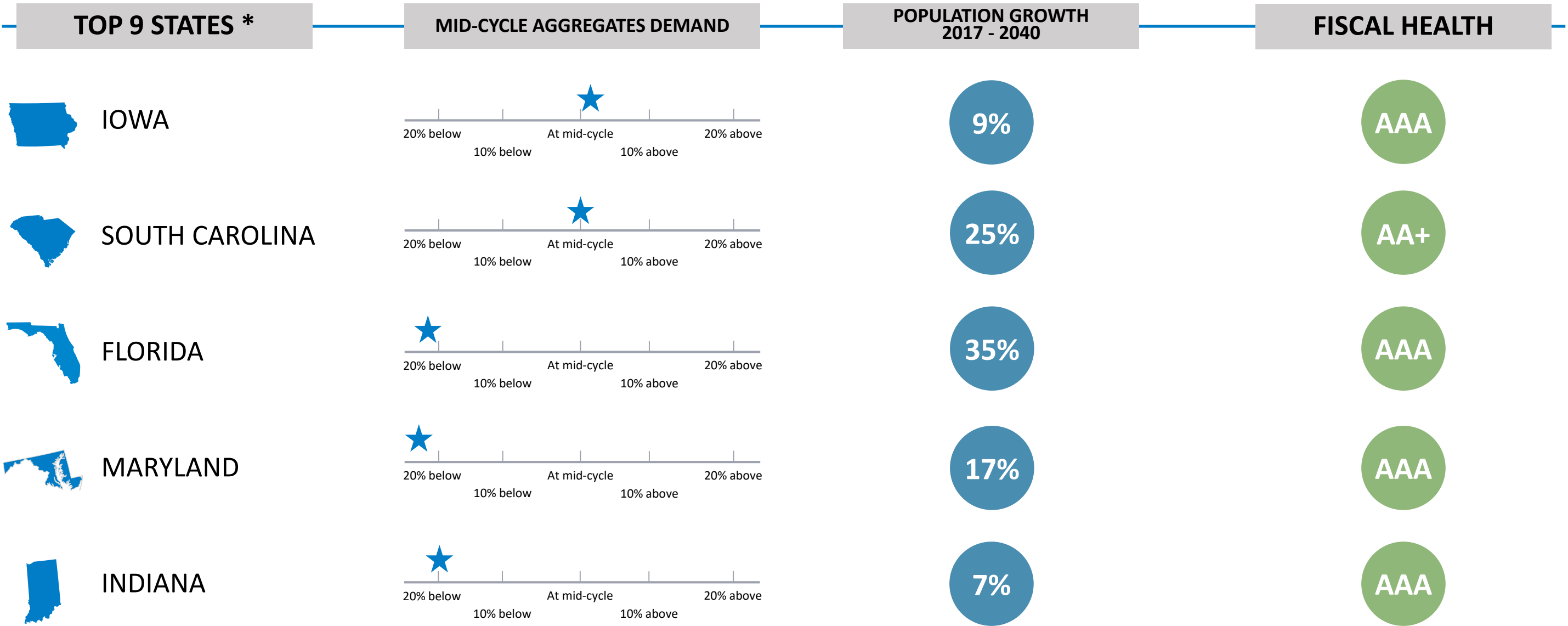
* Martin Marietta's top 9 revenue-generating states based on 2017 Building Materials net sales by state of destination and adjusted for Bluegrass

Management calculation based on aggregates consumption per capital multiplied by estimated state population

Sources: U.S. Bureau, Population Division (December 2017) and Weldon Cooper Center for Public Service (May 2016)

U.S. State Ratings and Outlooks April 13, 2018 Source: S&P Global

MACROECONOMIC DRIVERS SUPPORT CONTINUED, MULTI-YEAR CONSTRUCTION RECOVERY



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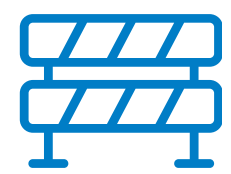


INFRASTRUCTURE

ANTICIPATED INCREASED AGGREGATES DEMAND FROM CONSTRUCTION ACTIVITY



Undeniable need to **restore and modernize our nation's infrastructure** exists.



Construction activity should see benefits from the funding provided by the **Fixing America's Surface Transportation Act (FAST Act)** and state and local initiatives.



Dodge Data & Analytics forecasts a **positive outlook for aggregates-intensive highways and streets** construction in 2018 and 2019.

2018 OUTLOOK



MID-SINGLE-DIGIT GROWTH

ANTICIPATED INCREASED AGGREGATES DEMAND FROM CONSTRUCTION ACTIVITY



Commercial and institutional construction activity should remain **healthy** in 2018 as supported by the Dodge Momentum Index and Architectural Billing Index.



Continued federal regulatory approvals, coupled with increasing oil prices, should notably contribute to **increased aggregates consumption from new energy-related projects**, a significant demand driver for Texas.

2018
OUTLOOK



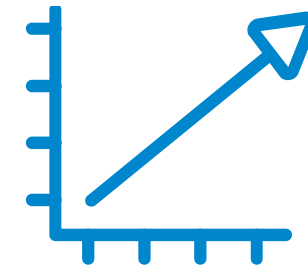
LOW-TO-MID-SINGLE-DIGIT GROWTH



ANTICIPATED INCREASED AGGREGATES DEMAND FROM CONSTRUCTION ACTIVITY



Residential construction **drives future** nonresidential and infrastructure activity.



Outlook remains robust, **particularly in key Martin Marietta markets**, supported by favorable demographics, job growth, land availability and efficient permitting. **Six of Martin Marietta's key states** rank in the top 10 nationally for growth in single-family housing unit starts.

**2018
OUTLOOK**

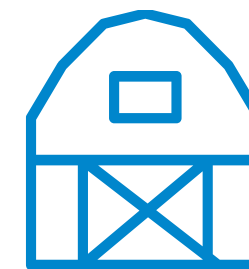


**STEADY GROWTH TOWARDS
1.4 M STARTS NATIONALLY**

ANTICIPATED AGGREGATES DEMAND FROM CONSTRUCTION ACTIVITY



Ballast demand is **dependent on railroad activity.**



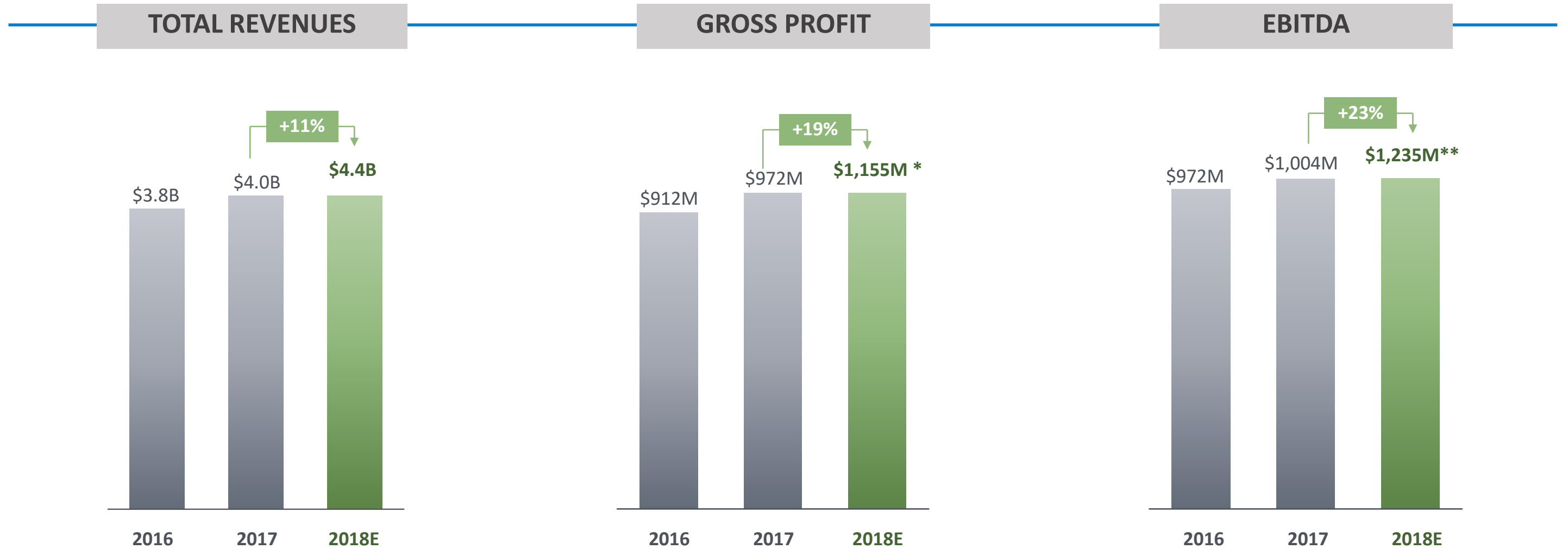
Agricultural lime is **based on farm economy.**

**2018
OUTLOOK**



DECLINE

2018 GUIDANCE



2018E based on midpoint of full-year guidance included in Q2 Earnings Release dated July 26, 2018

* 2018 gross profit excludes the impact of selling acquired inventory after its markup to fair value as part of acquisition accounting.

** 2018 EBITDA represents adjusted EBITDA and excludes acquisition-related expenses, net, and the impact of selling acquired inventory after its markup to fair value as part of acquisition accounting.



APPENDIX

DEFINITIONS AND RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES



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.

(\$ in thousands)	QUARTER ENDED JUNE 30			YEAR ENDED DECEMBER 31		
	2018	2017	2016	2018E	2017	2016
NET EARNINGS ATTRIBUTABLE TO MARTIN MARIETTA	\$ 185,377	\$ 142,279	\$ 122,052	\$ 575,000	\$ 713,342	\$ 425,386
Add back:						
Interest expense	32,971	24,045	20,294	137,500	91,487	81,677
Income tax expense (benefit) for controlling interests	52,581	51,981	53,406	152,500	(94,401)	181,524
Depreciation, depletion and amortization expense	85,737	73,993	70,728	335,000	293,951	283,003
EBITDA	356,666	292,298	266,480	1,200,000	1,004,379	971,590
Add back:						
Acquisition-related expenses, net	12,126	1,982	-	15,000	8,638	-
Impact of selling acquired inventory due to the markup to fair value as part of acquisition accounting	10,167	-	-	20,000	-	-
ADJUSTED EBITDA	\$ 378,959	\$ 294,280	\$ 266,480	\$ 1,235,000	\$ 1,013,017	\$ 971,590

Note: 2018E based on mid-point of 2018 guidance

DEFINITIONS AND RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES



Adjusted gross profit excludes the impact of selling acquired inventory that was marked up to fair value as part of acquisition accounting. Adjusted gross profit represents a non-GAAP financial measure and is reconciled to the nearest GAAP measure below.

(\$ in thousands)	CONSOLIDATED Total Gross Profit
Gross profit, midpoint of 2018 guidance	\$ 1,135,000
Impact of selling acquired inventory due to the markup to fair value	\$ 20,000
Adjusted gross profit, midpoint of 2018 guidance	\$ 1,155,000

DEFINITIONS AND RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES



Adjusted consolidated earnings from operations, adjusted net earnings attributable to Martin Marietta and adjusted diluted EPS for the quarter ended June 30, 2017 exclude the impact of acquisition-related expenses, net. Adjusted consolidated earnings from operations, adjusted earnings per diluted share and adjusted EBITDA represent non-GAAP financial measures and are reconciled to the nearest GAAP measure below.

(\$ in thousands, except per share)	CONSOLIDATED		
	Earnings from Operations	Net Earnings Attributable to Martin Marietta	Diluted EPS
Q2 2017, as reported	\$ 212,852	\$ 142,279	\$ 2.25
Acquisition-related expenses, net	\$ 1,982	\$ -	\$ -
After tax impact of acquisition-related expenses, net	\$ -	\$ 1,224	\$ 0.02
Adjusted Q2 2017	\$ 214,834	\$ 143,503	\$ 2.27

OTHER SUPPLEMENTAL FINANCIAL INFORMATION

2017 REVENUES AND GROSS PROFIT BY BUSINESS



(dollars in millions)	Qtr 1 2017			Qtr 2 2017			Qtr 3 2017			Qtr 4 2017			Full Year 2017		
	Revenues	Gross profit	Gross margin	Revenues	Gross profit	Gross margin	Revenues	Gross profit	Gross margin	Revenues	Gross profit	Gross margin	Revenues	Gross profit	Gross margin
Building Materials business:															
Products and services:															
Aggregates	\$451.1	\$79.0	17.5%	\$577.9	\$173.0	29.9%	\$590.3	\$187.1	31.7%	\$515.6	\$160.6	31.2%	\$2,134.9	\$599.7	28.1%
Cement	93.6	30.8	32.9%	98.9	29.4	29.7%	88.5	27.5	31.0%	90.3	29.4	32.6%	371.2	117.0	31.5%
Ready mixed concrete	222.4	19.8	8.9%	241.9	26.8	11.1%	240.2	23.9	10.0%	231.6	21.1	9.1%	936.0	91.6	9.8%
Asphalt and paving	21.7	(4.7)	-21.8%	82.9	20.3	24.5%	111.0	28.9	26.0%	76.9	20.2	26.3%	292.6	64.7	22.1%
Less: interproduct revenues	(60.7)	0.0	---	(70.5)	0.0	---	(67.4)	0.0	---	(65.4)	0.0	---	(264.0)	0.0	---
Products and services	728.0	124.8	17.1%	931.1	249.5	26.8%	962.6	267.3	27.8%	849.0	231.4	27.3%	3,470.8	873.0	25.2%
Freight	47.3	0.4	NM	62.4	0.6	NM	61.2	1.0	NM	54.0	0.6	NM	224.8	2.6	NM
Total Building Materials business	775.3	125.2	16.1%	993.5	250.2	25.2%	1,023.8	268.3	26.2%	903.0	232.0	25.7%	3,695.6	875.6	23.7%
Magnesia Specialties business:															
Products and services	64.3	23.4	36.3%	65.7	24.8	37.7%	59.9	21.3	35.5%	62.8	24.6	39.2%	252.7	94.1	37.2%
Freight	4.3	(1.0)	NM	4.3	(1.2)	NM	4.0	(1.4)	NM	4.7	(1.1)	NM	17.3	(4.7)	NM
Total Magnesia Specialties business	68.6	22.3	32.5%	70.0	23.6	33.7%	63.9	19.9	31.2%	67.5	23.6	34.9%	270.0	89.4	33.1%
Corporate	---	(0.4)	NM	---	0.3	NM	---	3.4	NM	---	3.6	NM	---	6.9	NM
Total	\$843.9	\$147.1	17.4%	\$1,063.5	\$274.1	25.8%	\$1,087.7	\$291.7	26.8%	\$970.5	\$259.1	26.7%	\$3,965.6	\$971.9	24.5%

OTHER SUPPLEMENTAL FINANCIAL INFORMATION

2016 REVENUES AND GROSS PROFIT BY BUSINESS



(dollars in millions)	Qtr 1 2016			Qtr 2 2016			Qtr 3 2016			Qtr 4 2016			Full Year 2016		
	Revenues	Gross profit	Gross margin	Revenues	Gross profit	Gross margin	Revenues	Gross profit	Gross margin	Revenues	Gross profit	Gross margin	Revenues	Gross profit	Gross margin
Building Materials business:															
Products and services:															
Aggregates	\$429.9	\$81.0	18.9%	\$547.0	\$164.7	30.1%	\$581.4	\$173.7	29.9%	\$500.5	\$136.6	27.3%	\$2,058.7	\$556.1	27.0%
Cement	96.7	32.5	33.6%	87.5	24.1	27.5%	94.6	36.7	38.8%	85.3	26.6	31.2%	364.1	119.9	32.9%
Ready mixed concrete	187.0	18.0	9.6%	214.9	25.3	11.8%	263.7	32.8	12.4%	237.1	23.0	9.7%	902.7	99.1	11.0%
Asphalt and paving	11.4	(6.3)	-55.3%	65.6	12.8	19.6%	111.6	30.2	27.1%	69.4	16.2	23.4%	257.9	53.0	20.6%
Less: interproduct revenues	(51.5)	0.0	---	(58.7)	0.0	---	(73.5)	0.0	---	(63.4)	0.0	---	(247.1)	0.0	---
Products and services	673.4	125.3	18.6%	856.2	226.9	26.5%	977.8	273.4	28.0%	828.8	202.5	24.4%	3,336.3	828.1	24.8%
Freight	51.1	1.0	NM	57.4	0.3	NM	61.0	0.3	NM	55.9	0.8	NM	225.4	2.5	NM
Total Building Materials business	724.6	126.3	17.4%	913.7	227.3	24.9%	1,038.8	273.8	26.4%	884.7	203.3	23.0%	3,561.7	830.6	23.3%
Magnesia Specialties business:															
Products and services	60.6	24.1	39.8%	60.1	22.9	38.2%	61.5	24.1	39.2%	60.2	22.9	38.0%	242.4	94.0	38.8%
Freight	3.5	(1.1)	NM	3.6	(1.2)	NM	3.7	(1.2)	NM	3.9	(0.8)	NM	14.7	(4.4)	NM
Total Magnesia Specialties business	64.2	23.0	35.8%	63.6	21.7	34.1%	65.1	22.8	35.1%	64.1	22.0	34.4%	257.1	89.6	34.9%
Corporate	---	(4.0)	NM	---	(1.6)	NM	---	(3.3)	NM	---	0.4	NM	---	(8.5)	NM
Total	\$788.7	\$145.2	18.4%	\$977.3	\$247.4	25.3%	\$1,103.9	\$293.3	26.6%	\$948.8	\$225.8	23.8%	\$3,818.7	\$911.7	23.9%



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