



2018

SUPPLEMENTAL INFORMATION

February 12, 2019

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.





2018 REVIEW

EARNINGS RELEASE



MARTIN MARIETTA REPORTS FOURTH QUARTER AND FULL YEAR 2018 RESULTS

COMPANY ACHIEVED FULL-YEAR RECORD REVENUES AND EBITDA

2018 Shipments and Pricing Improved for Aggregates, Cement and Ready Mixed Concrete

Magnesia Specialties Business Posted Record Revenues and Profitability

Growth in Company's Top Ten States Expected to Outperform the Nation in 2019;
Guidance Reaffirmed for Mid-Single-Digit Growth in 2019 Aggregates Shipments and Pricing

RALEIGH, N.C. (February 12, 2019) – Martin Marietta Materials, Inc. (NYSE:MLM) today reported results for the fourth quarter and year ended December 31, 2018.

Highlights include:

(\$ in thousands, except per share)	Quarter ended December 31,		Year ended December 31,	
	2018	2017	2018	2017
Total revenues ¹	\$ 1,020,218	\$ 970,478	\$ 4,244,265	\$ 3,965,594
Products and services revenues ²	\$ 956,051	\$ 911,831	\$ 3,980,351	\$ 3,723,478
<i>Building Materials business</i>	\$ 888,805	\$ 849,027	\$ 3,711,715	\$ 3,470,756
<i>Magnesia Specialties business</i>	\$ 67,246	\$ 62,804	\$ 268,636	\$ 252,722
Gross profit	\$ 227,284	\$ 259,102	\$ 966,577	\$ 971,940
Adjusted gross profit ³	\$ 227,506	\$ 259,102	\$ 985,315	\$ 971,940
Earnings from operations	\$ 147,041	\$ 183,413	\$ 690,737	\$ 700,381
Adjusted earnings from operations ⁴	\$ 159,542	\$ 188,733	\$ 741,792	\$ 709,019
Net earnings attributable to Martin Marietta ⁵	\$ 94,378	\$ 377,182	\$ 469,998	\$ 713,342
Adjusted EBITDA ⁶	\$ 251,850	\$ 267,747	\$ 1,103,765	\$ 1,013,017
Earnings per diluted share ^{5,7}	\$ 1.50	\$ 5.95	\$ 7.43	\$ 11.25

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 Adjusted gross profit excludes an increase in cost of revenues from the impact of selling acquired inventory after its markup to fair value as part of acquisition accounting. See appendix to this earnings release for a reconciliation to reported gross profit under generally accepted accounting principles (GAAP).

⁴ 2018 fourth-quarter and full-year adjusted earnings from operations exclude an increase in cost of revenues from the impact of selling acquired inventory after its markup to fair value as part of acquisition accounting; asset and portfolio rationalization charges; and acquisition-related expenses, net. 2017 fourth-quarter and full-year adjusted earnings from operations exclude acquisition-related expenses. See appendix to this earnings release for a reconciliation to reported earnings from operations under GAAP.

⁵ 2017 fourth-quarter and full-year results include a one-time, non-cash benefit of \$258.1 million, or \$4.07 per diluted share, resulting from the Tax Cuts and Jobs Act of 2017 (2017 Tax Act).

⁶ Adjusted EBITDA is a non-GAAP financial measure. See appendix to this earnings release for a reconciliation to net earnings attributable to Martin Marietta.

⁷ 2018 full-year earnings per diluted share includes a loss of \$0.22 per diluted share for the impact of selling acquired inventory after its markup to fair value as part of acquisition accounting; a loss of \$0.23 per diluted share for asset and portfolio rationalization charges; and a loss of \$0.20 per diluted share for acquisition-related expenses, net. 2017 full-year earnings per diluted share includes a loss of \$0.10 per diluted share for acquisition-related expenses.

Please visit the [Investor Relations](#) section of the Company's website to view the Fourth Quarter and Full Year 2018 Earnings Release and CEO Commentary .

2018 HIGHLIGHTS



COMPANY ACHIEVED FULL-YEAR RECORD FINANCIAL RESULTS FOR SEVENTH YEAR IN A ROW



EBITDA* of \$1.1 BILLION, an all-time high

** Adjusted for certain nonrecurring items. See slide 20 for reconciliation.*



Revenue and profitability growth driven largely by **BLUEGRASS MATERIALS ACQUISITION**



SOLID PRICING GAINS AND MODEST IMPROVEMENT IN SHIPMENTS

across heritage Building Materials business



Meaningful **INCREASE IN DIVIDEND** and resumed **SHARE REPURCHASE** program



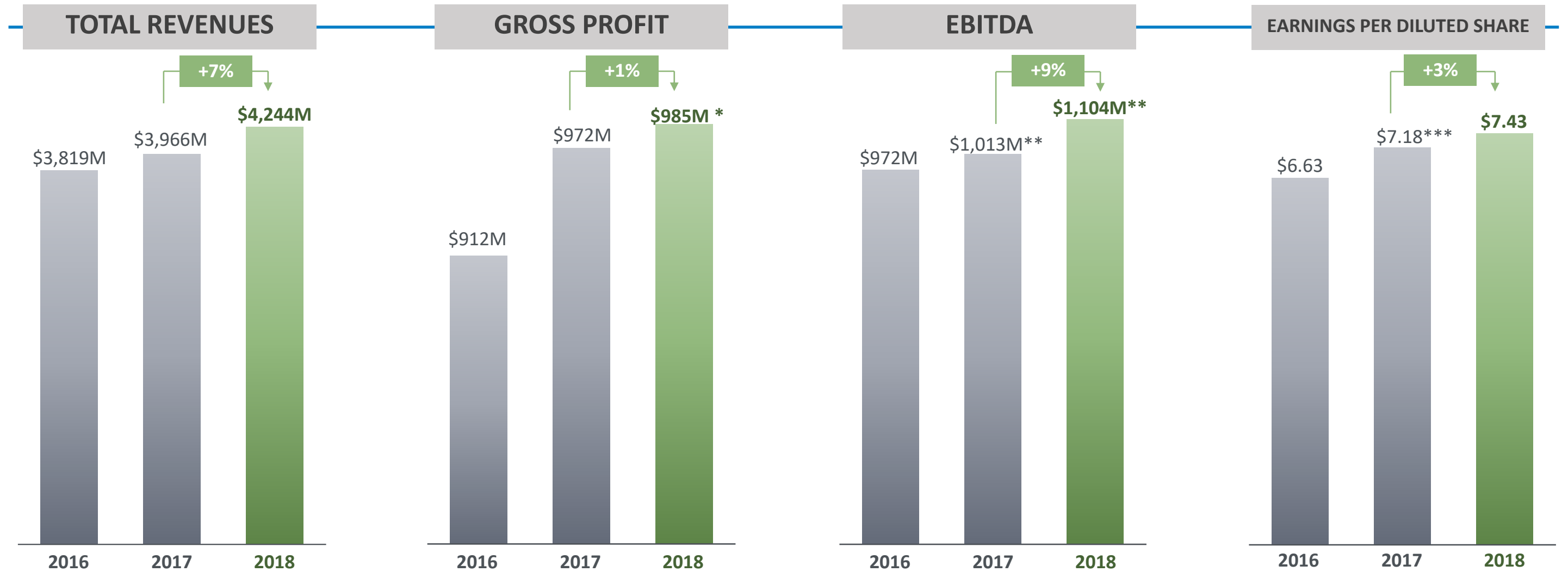
Disciplined execution of a **SOLID LONG-TERM STRATEGIC PLAN**



BEST HERITAGE SAFETY PERFORMANCE in Company's history

...2019 EXPECTED TO BE ANOTHER RECORD YEAR

FULL-YEAR CONSOLIDATED FINANCIAL RESULTS



* 2018 gross profit excludes the \$18.7 million impact of selling acquired inventory after its markup to fair value as part of acquisition accounting. See slide 21 for reconciliation to reported gross profit.

** 2017 and 2018 EBITDA have been adjusted for certain nonrecurring items. See slide 20 for reconciliation.

*** 2017 earnings per diluted share excludes the \$4.07 per share one-time tax benefit from the *Tax Cuts and Jobs Act of 2017 (2017 Tax Act)*. See slide 21 for reconciliation to reported earnings per diluted share.

2018 REVENUES AND GROSS PROFIT BY BUSINESS (AS REPORTED)

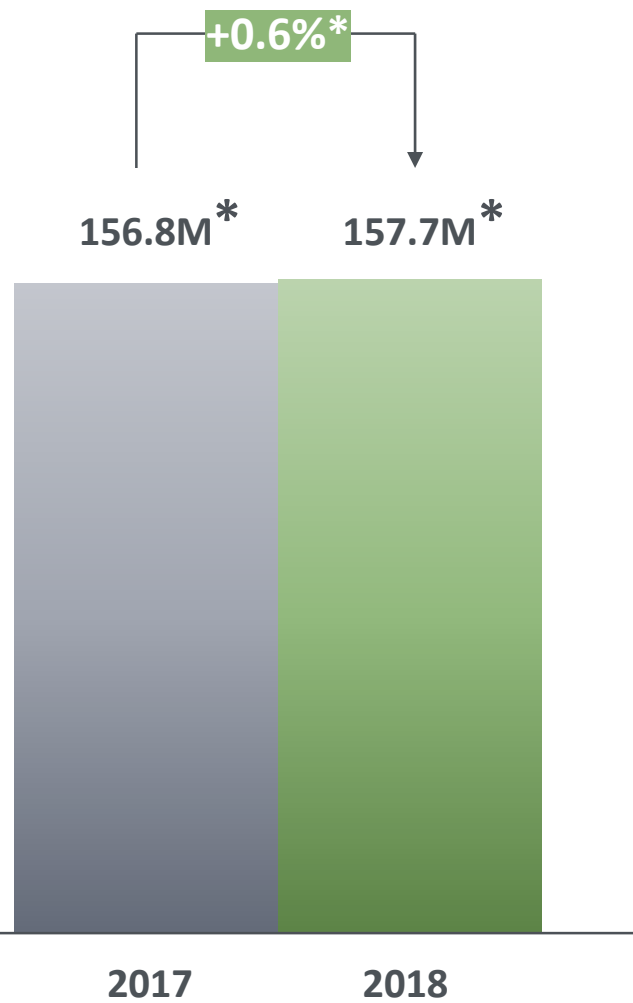


(\$ in thousands)	QTR 1			QTR 2			QTR 3			QTR 4			FULL YEAR		
	Revenues	Gross profit (loss)	Gross margin	Revenues	Gross profit (loss)	Gross margin	Revenues	Gross profit (loss)	Gross margin	Revenues	Gross profit (loss)	Gross margin	Revenues	Gross profit (loss)	Gross margin
Building Materials business:															
Products and services:															
Aggregates	\$425,016	\$53,004	12.5%	\$665,308	\$198,540	29.8%	\$687,800	\$209,082	30.4%	\$577,549	\$146,133	25.3%	\$2,355,673	\$606,759	25.8%
Cement	89,182	23,734	26.6%	113,148	41,305	36.5%	98,223	32,543	33.1%	87,277	28,631	32.8%	387,830	126,213	32.5%
Ready mixed concrete	218,536	15,641	7.2%	277,202	29,952	10.8%	254,686	20,632	8.1%	213,346	7,950	3.7%	963,770	74,175	7.7%
Asphalt and paving	16,366	(7,639)	-46.7%	83,140	18,512	22.3%	99,983	25,606	25.6%	69,190	16,438	23.8%	268,679	52,917	19.7%
Less: interproduct revenues	(60,663)	-	-	(78,178)	-	-	(66,839)	-	-	(58,557)	-	-	(264,237)	-	---
Products and services	688,437	84,740	12.3%	1,060,620	288,309	27.2%	1,073,853	287,863	26.8%	888,805	199,152	22.4%	3,711,715	860,064	23.2%
Freight	44,304	(119)	NM	68,821	598	NM	72,264	(47)	NM	59,438	(173)	NM	244,827	259	NM
Total Building Materials business	732,741	84,621	11.5%	1,129,441	288,907	25.6%	1,146,117	287,816	25.1%	948,243	198,979	21.0%	3,956,542	860,323	21.7%
Magnesia Specialties business:															
Products and services	64,868	25,061	38.6%	68,157	24,870	36.5%	68,365	26,823	39.2%	67,246	26,151	38.9%	268,636	102,905	38.3%
Freight	4,395	(1,175)	NM	4,805	(1,028)	NM	5,158	(1,076)	NM	4,729	(944)	NM	19,087	(4,223)	NM
Total Magnesia Specialties business	69,263	23,886	34.5%	72,962	23,842	32.7%	73,523	25,747	35.0%	71,975	25,207	35.0%	287,723	98,682	34.3%
Corporate	-	1,885	NM	-	3,168	NM	-	(579)	NM	-	3,098	NM	-	7,572	NM
Total	\$802,004	\$110,392	13.8%	\$1,202,403	\$315,917	26.3%	\$1,219,640	\$312,984	25.7%	\$1,020,218	\$227,284	22.3%	\$4,244,265	\$966,577	22.8%

HERITAGE AGGREGATES PERFORMANCE (FULL-YEAR RESULTS)

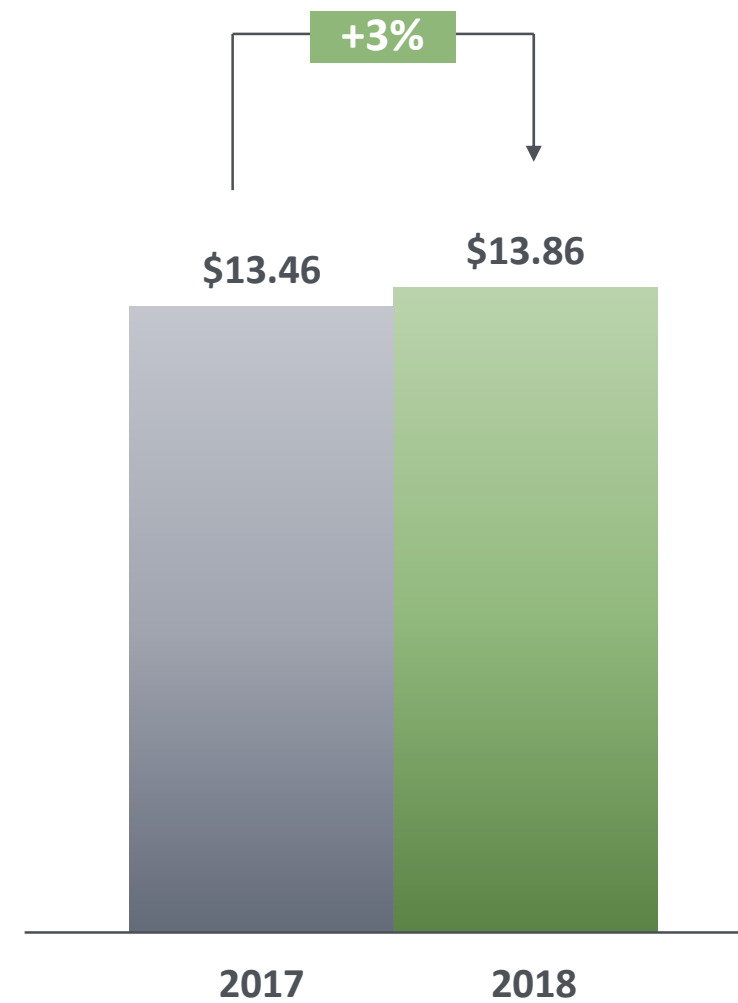


VOLUME



- ◆ **VOLUME GROWTH CONSTRAINED** by weather challenges, contractor capacity issues and logistics disruptions for both Martin Marietta and the industry,
- ◆ **STRONG SHIPMENT LEVELS ON DAYS NOT IMPACTED BY WEATHER**
- ◆ **NOTABLE INCREASE IN CUSTOMER BACKLOGS** heading into 2019

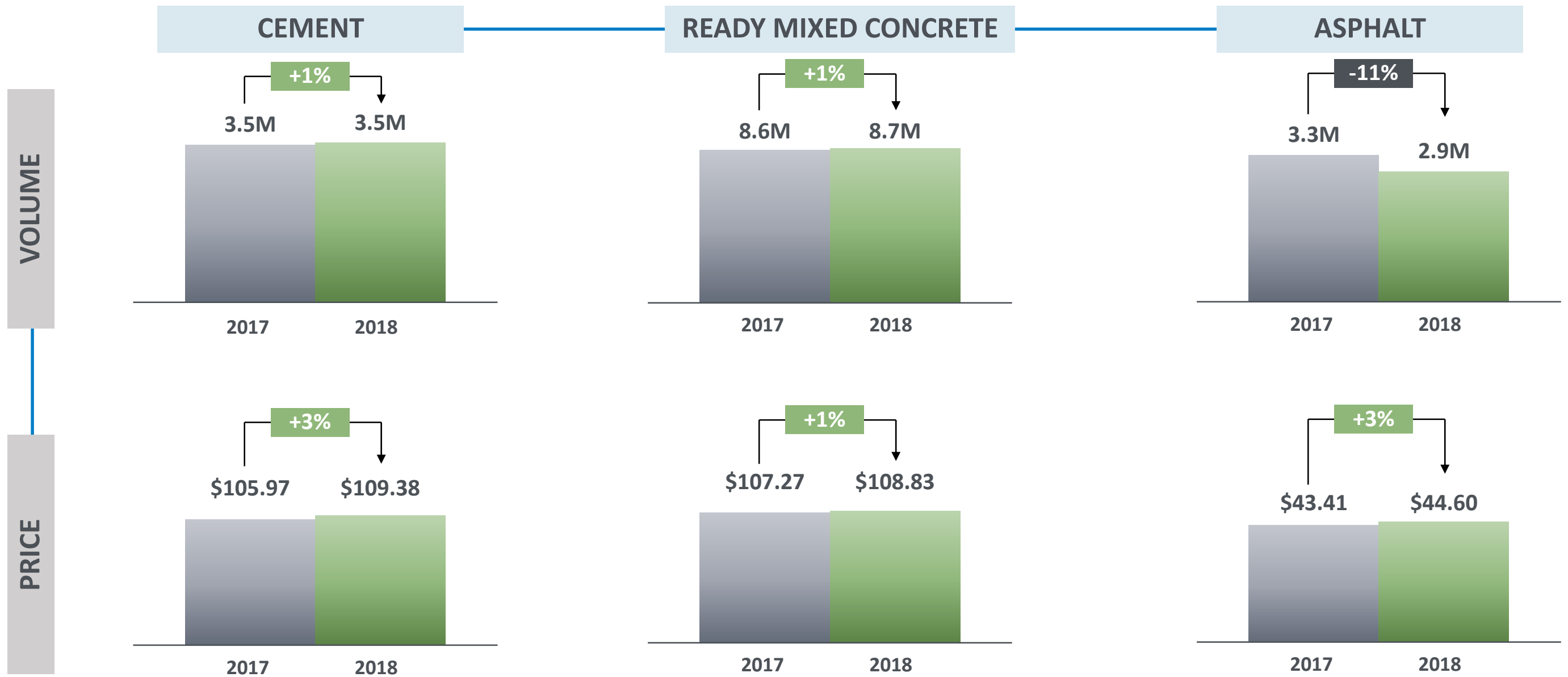
PRICE



- ◆ **HERITAGE PRICING INCREASE IN LINE WITH EXPECTATIONS**
- ◆ Pricing improvement despite unfavorable product and geographic mix that lowered heritage ASP by \$0.13 per ton
- ◆ Underlying market demand supports **ONGOING PRICING MOMENTUM** in 2019

* Excludes shipments for the Forsyth, Georgia, quarry divested in April 2018

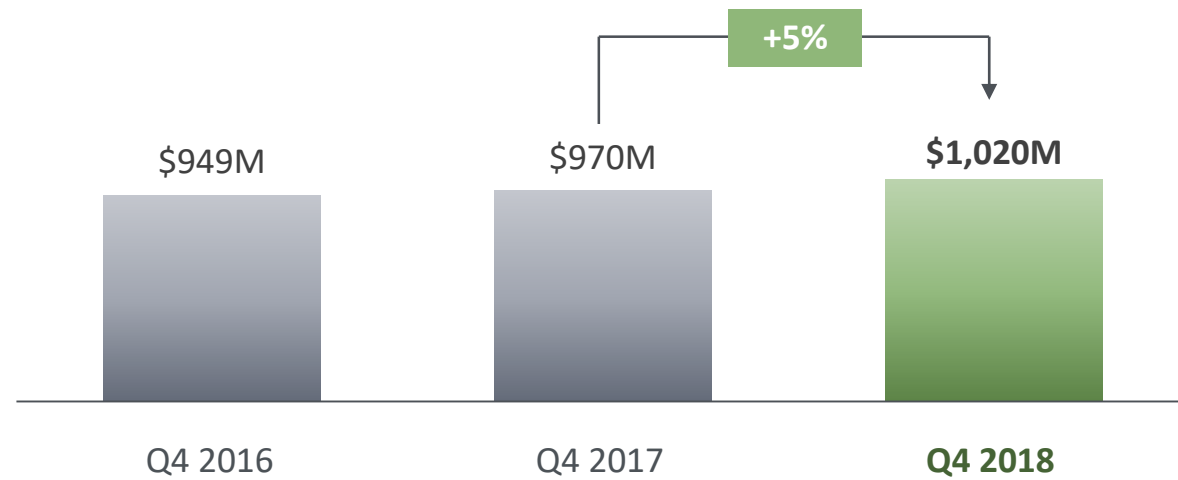
CEMENT AND DOWNSTREAM PERFORMANCE (FULL-YEAR RESULTS)



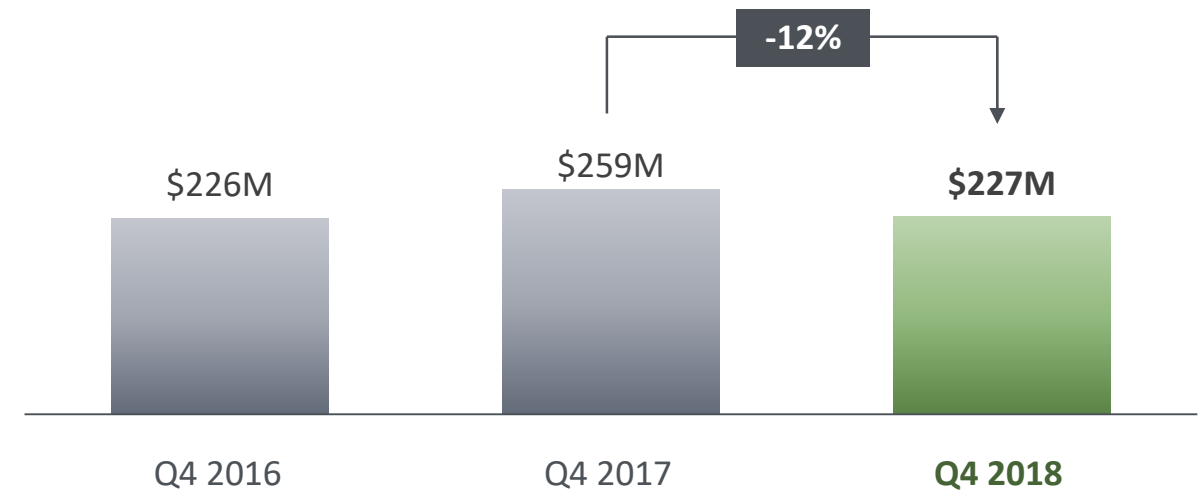
FOURTH-QUARTER CONSOLIDATED FINANCIAL RESULTS



TOTAL REVENUES

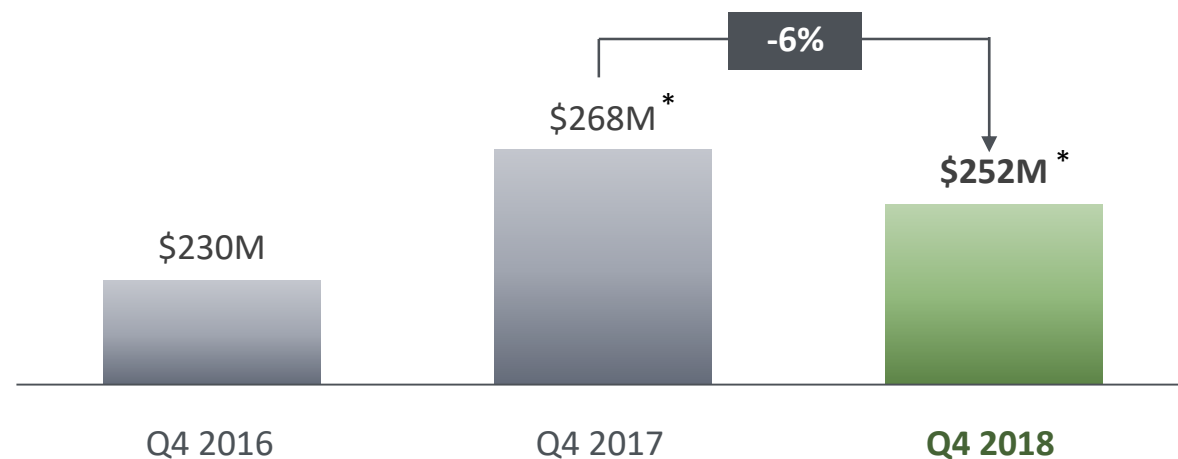


GROSS PROFIT



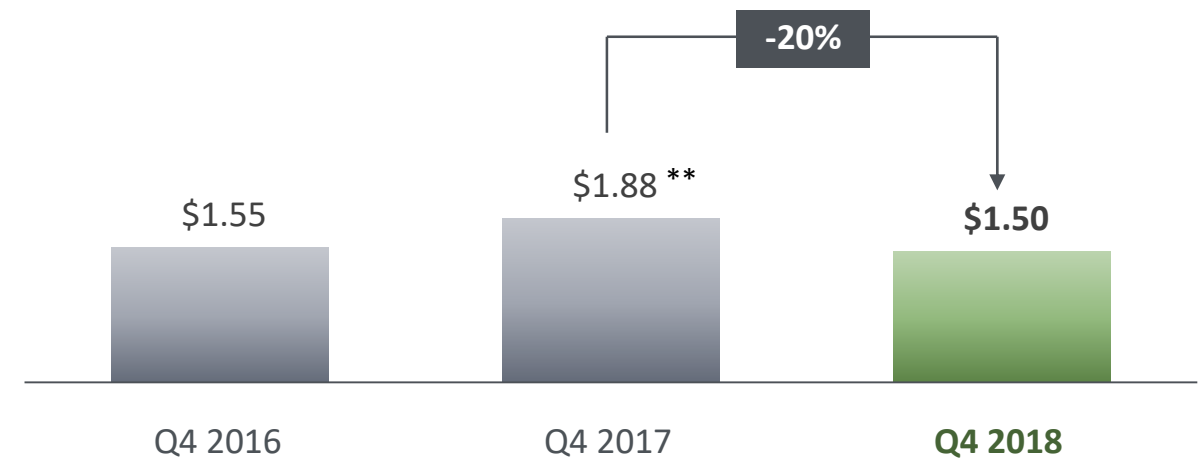
EBITDA

* 2017 and 2018 EBITDA have been adjusted for certain nonrecurring items. See slide 20 for reconciliation.



EARNING PER DILUTED SHARE

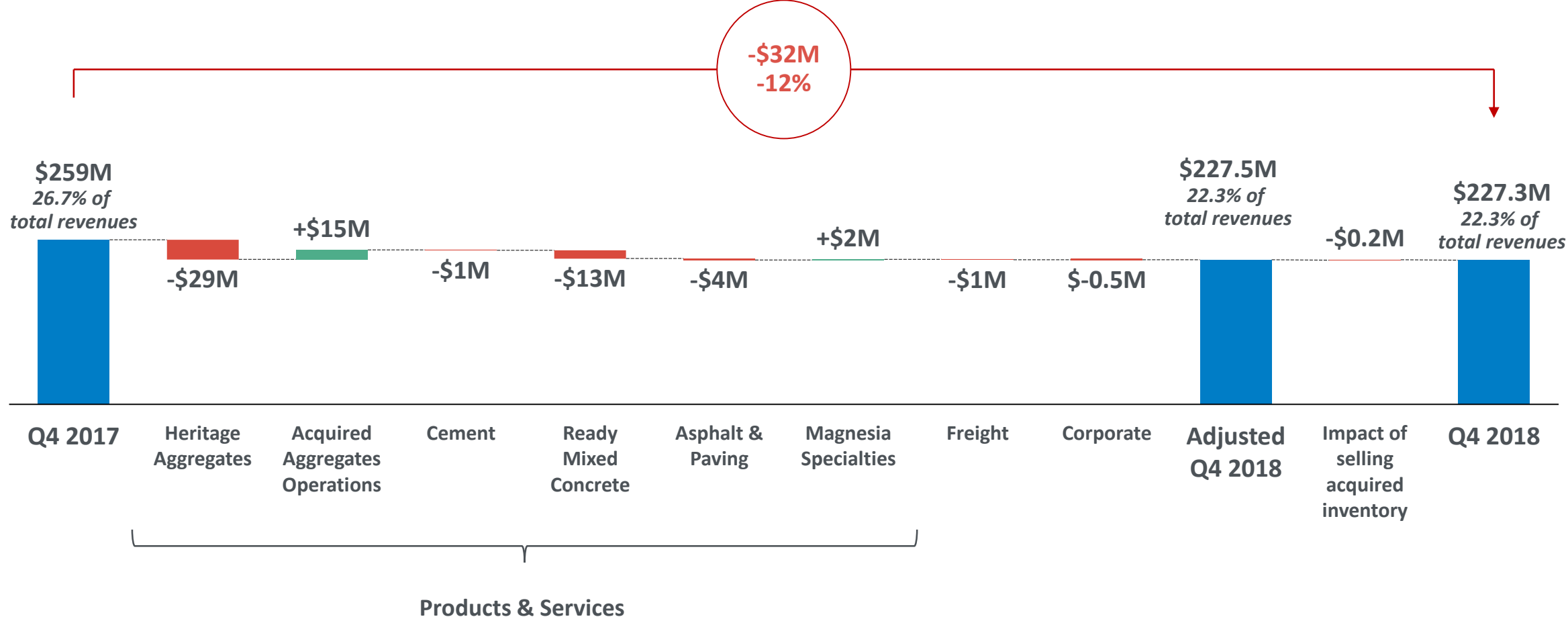
** 2017 EPS excludes the \$4.07 per share one-time tax benefit from the 2017 Tax Act. See slide 21 for reconciliation.



FOURTH-QUARTER GROSS PROFIT



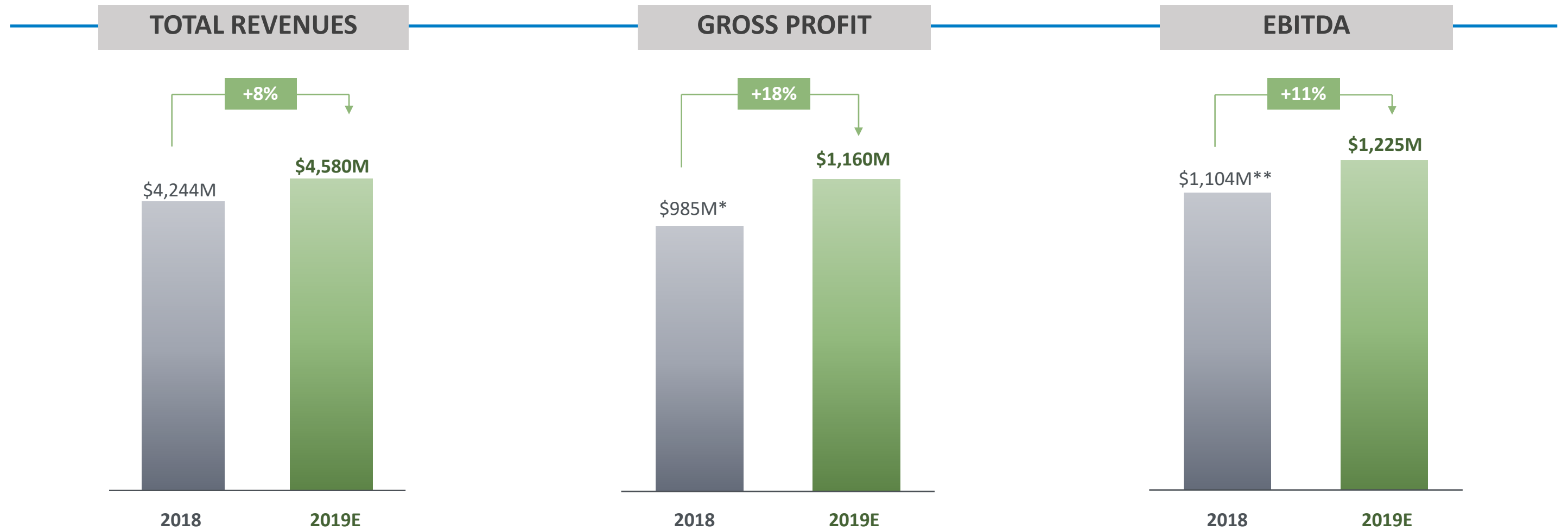
Significant and widespread weather events drove production inefficiencies and reduced consolidated gross profit by \$32 million.



A large yellow mining truck is the central focus, parked on a gravel road. The truck is viewed from a three-quarter front perspective. The background shows a quarry or construction site with a conveyor belt system and a blue sky with scattered white clouds. A semi-transparent blue overlay covers the entire image, and the text 'COMPANY OUTLOOK' is written in white, bold, sans-serif font across the middle. Two thin white horizontal lines are positioned above and below the text.

COMPANY OUTLOOK

2019 GUIDANCE

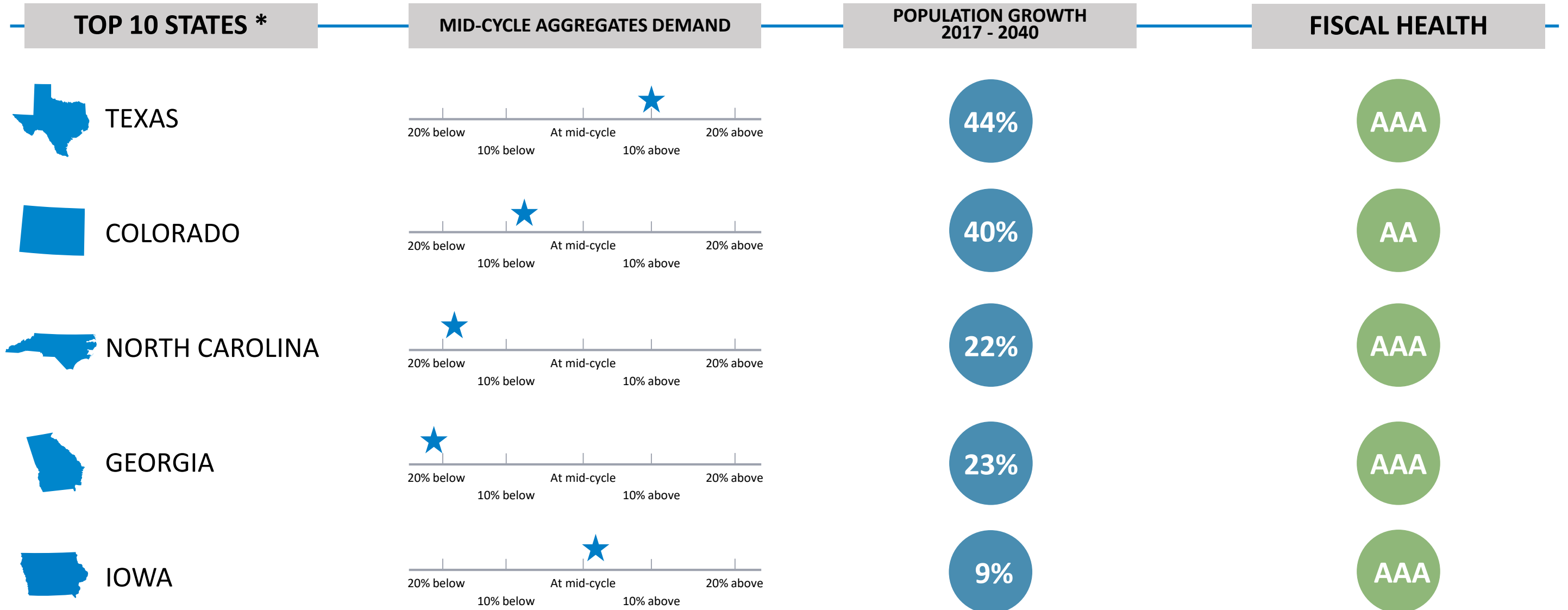


2019E based on midpoint of full-year guidance included in Earnings Release dated February 12, 2019

* 2018 gross profit excludes the \$18.7 million impact of selling acquired inventory after its markup to fair value as part of acquisition accounting. See slide 21 for reconciliation to reported gross profit.

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MACROECONOMIC DRIVERS SUPPORT CONTINUED EXPANSION OF CONSTRUCTION CYCLE



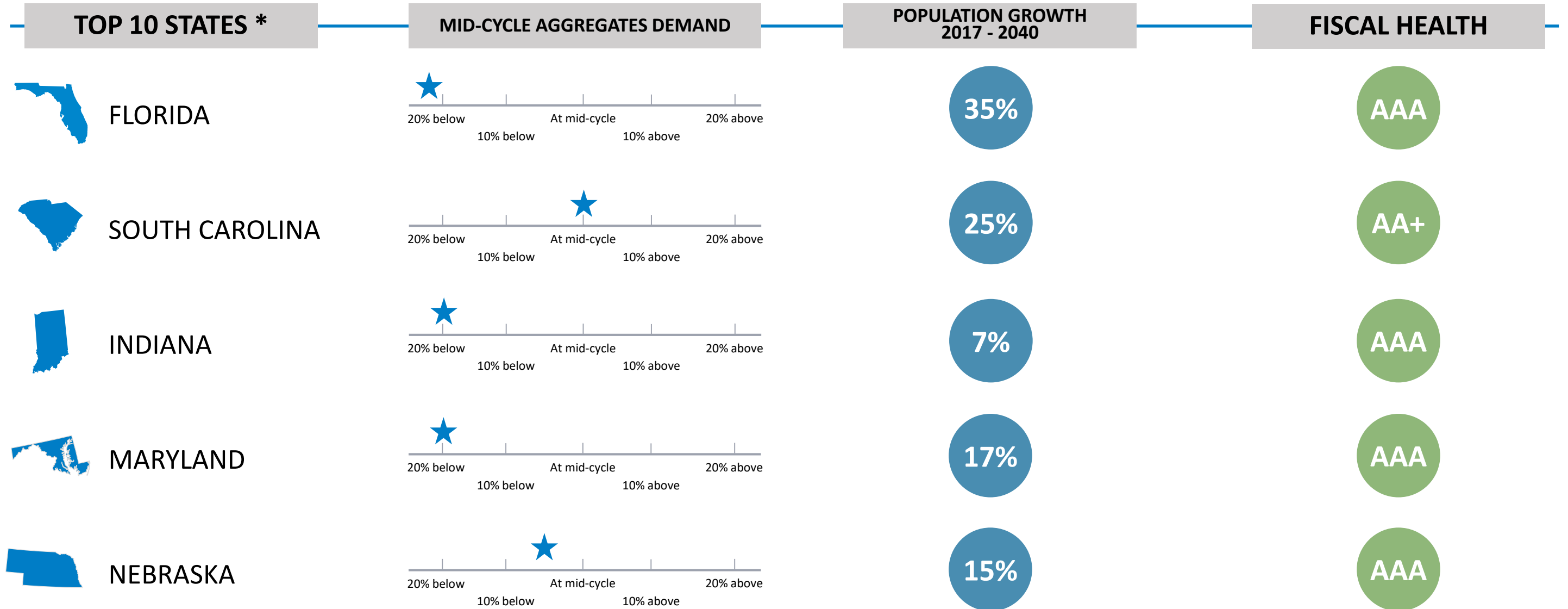
* Martin Marietta's top 10 sales-generating states based on 2018 Building Materials product revenues by state of destination

Management calculation based on aggregates consumption per capita 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 EXPANSION OF CONSTRUCTION CYCLE



* Martin Marietta's top 10 sales-generating states based on 2018 Building Materials product revenues by state of destination

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

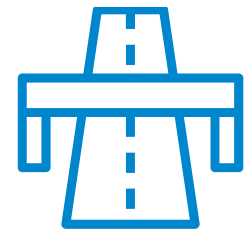
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U.S. State Ratings and Outlooks April 13, 2018 Source: S&P Global

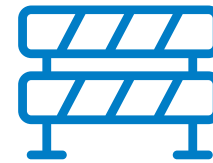


INFRASTRUCTURE

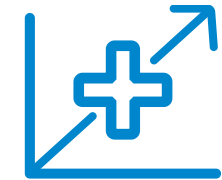
MAKING NEEDED INFRASTRUCTURE INVESTMENT DRIVES ECONOMIC GROWTH



Undeniable need to **RESTORE AND MODERNIZE OUR NATION'S INFRASTRUCTURE** exists.



Construction activity should benefit 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 2019.

2019
OUTLOOK

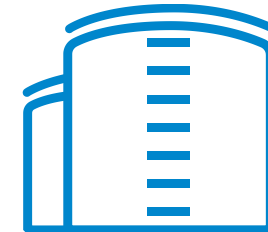




COMMERCIAL AND HEAVY INDUSTRIAL ACTIVITY REMAINS HEALTHY



COMMERCIAL AND INSTITUTIONAL CONSTRUCTION ACTIVITY SHOULD INCREASE as supported by the Dodge Momentum Index and Architectural Billing Index.



Continued federal regulatory approvals, coupled with final investment decisions, should notably contribute to **INCREASED HEAVY BUILDING MATERIALS CONSUMPTION FROM NEW ENERGY-RELATED PROJECTS**, a significant demand driver for Texas.

**2019
OUTLOOK**

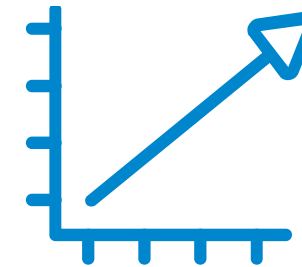




RESIDENTIAL CONSTRUCTION CONTINUES TO GROW

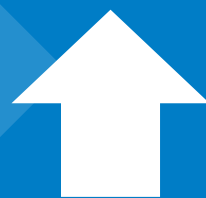


Residential construction **DRIVES FUTURE NONRESIDENTIAL AND INFRASTRUCTURE ACTIVITY.**



Outlook remains **POSITIVE FOR MARTIN MARIETTA'S KEY MARKETS**, supported by favorable demographics, job growth, land availability and efficient permitting. **MARTIN MARIETTA'S TOP NINE STATES OUTPACE THE NATION** for growth in single-family housing unit starts.

**2019
OUTLOOK**





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 (GAAP) and, as such, should not be construed as an alternative to net earnings or operating cash flow.

(\$ in thousands)	QUARTER ENDED DECEMBER 31		YEAR ENDED DECEMBER 31		
	2018	2017	2019E	2018	2017
NET EARNINGS ATTRIBUTABLE TO MARTIN MARIETTA	\$ 94,378	\$ 377,182	\$ 570,000	\$ 469,998	\$ 713,342
Add back:					
Interest expense	33,542	23,449	135,000	137,069	91,487
Income tax expense (benefit) for controlling interests	21,567	(213,647)	150,000	105,637	(94,401)
Depreciation, depletion and amortization expense	89,862	75,443	370,000	340,006	293,951
EBITDA	239,349	262,427	1,225,000	1,052,710	1,004,379
Add back:					
Acquisition-related expenses, net	554	5,320	-	13,479	8,638
Impact of selling acquired inventory after its markup to fair value as part of acquisition accounting	222	-	-	18,738	-
Asset and portfolio rationalization charges	11,725	-	-	18,838	-
ADJUSTED EBITDA	\$ 251,850	\$ 267,747	\$ 1,225,000	\$ 1,103,765	\$ 1,013,017

Note: 2019E based on midpoint of full-year guidance included in Earnings Release dated February 12, 2019

DEFINITIONS AND RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES



Adjusted gross profit represents a non-GAAP financial measure and excludes the impact of selling acquired inventory after its markup to fair value as part of acquisition accounting. Management presents this measure for investors and analysts to evaluate and forecast the Company's results, as the impact of selling acquired inventory after its markup to fair value as part of acquisition accounting is nonrecurring. The adjusted amount is reconciled to amounts reported under GAAP below:

(\$ in thousands)	2018
Consolidated gross profit in accordance with GAAP	\$ 966,577
Impact of selling acquired inventory after its markup to fair value	18,738
Adjusted consolidated gross profit	\$ 985,315

Adjusted earnings per diluted share represents a non-GAAP financial measure and excludes the one-time, non-cash benefit from the enactment of the *Tax Cuts and Jobs Act of 2017*. Management presents this measure for investors and analysts to evaluate and forecast the Company's results, as the adjustment is nonrecurring. The adjusted amount is reconciled to amounts reported under GAAP below:

	Q4 2017	2017
EARNINGS PER DILUTED SHARE	\$ 5.95	\$ 11.25
Less:		
One-time, non-cash benefit from the <i>Tax Cuts and Jobs Act of 2017</i>	(4.07)	(4.07)
ADJUSTED EARNINGS PER DILUTED SHARE	\$ 1.88	\$ 7.18

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%



THANK YOU FOR YOUR INTEREST IN MARTIN MARIETTA

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