Martin Marietta

Q3 2020

Supplemental Information*

October 29, 2020

** All the information provided in these slides is qualified in its entirety by reference to the Company's filings with the Securities and Exchange Commission (SEC), which are available on both our own and the SEC websites.*

DISCLAIMER

Statement Regarding Safe Harbor for Forward-Looking Statements

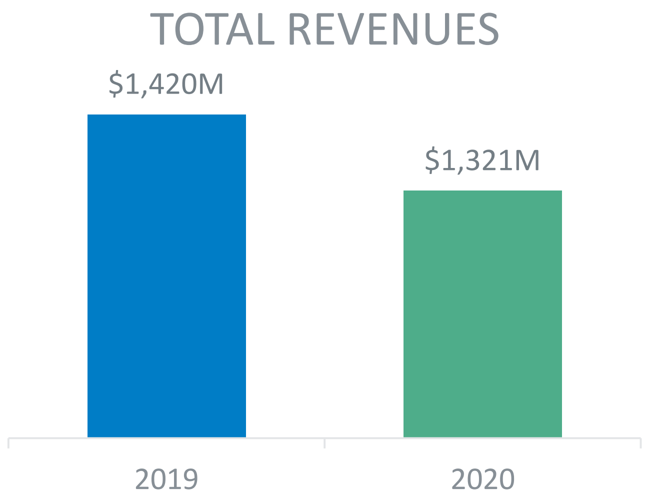
This presentation may contain forward-looking statements – that is, information related to future, not past, events. Like other businesses, Martin Marietta (the "Company") is subject to risks and uncertainties that could cause its actual results to differ materially from its projections or that could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

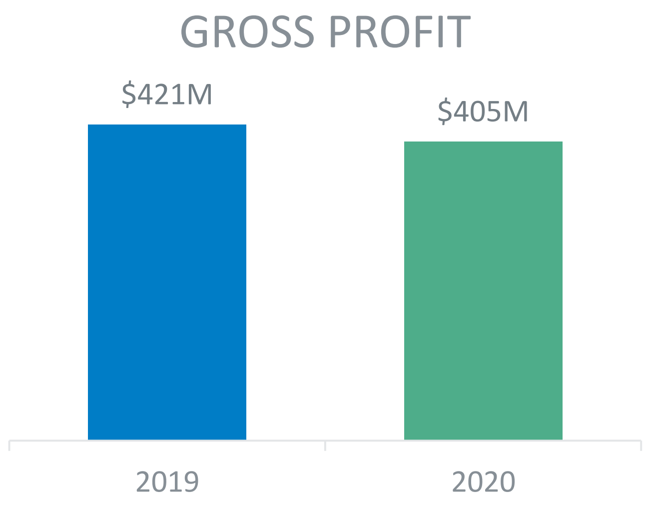
Non-GAAP Financial Measures

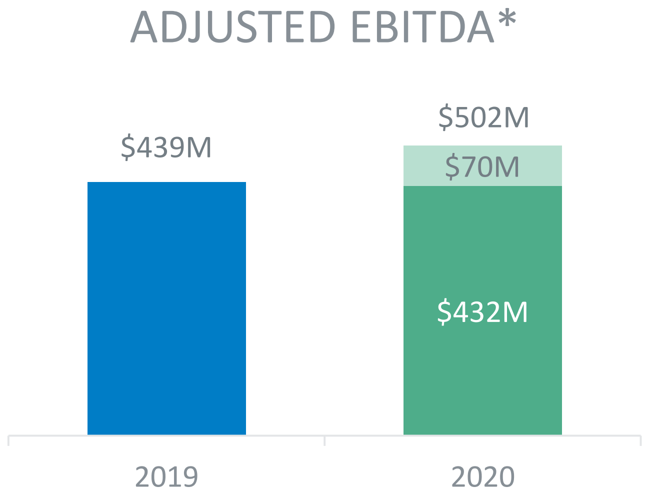
These slides contain certain "non-GAAP financial measures" which are defined in the Appendix. Reconciliations of non-GAAP measures to the closest GAAP measures are also provided in the Appendix. Management believes these non-GAAP measures are commonly used financial measures for investors to evaluate the Company's operating performance, and when read in conjunction with the Company's consolidated financial statements, present a useful tool to evaluate the Company's ongoing operations, performance from period to period and anticipated performance. In addition, these are some of the factors the Company used in internal evaluation of the overall performance of its businesses. Management acknowledges there are many items that impact a company's reported results and the adjustments reflected in these non-GAAP measures are not intended to present all items that may have impacted these results. In addition, these non-GAAP measures are not necessarily comparable to similarly titled measures used by other companies.

Q3 2020
REVIEW

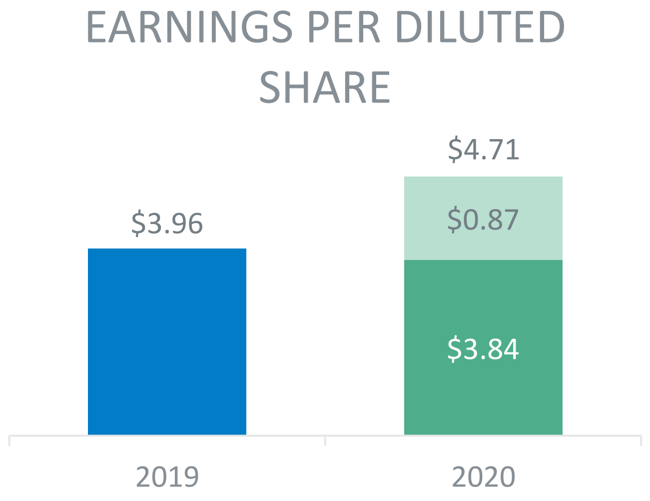
THIRD-QUARTER HIGHLIGHTS







*Adjusted EBITDA is a non-GAAP financial measure. See slide 15 for reconciliation to nearest GAAP measure.

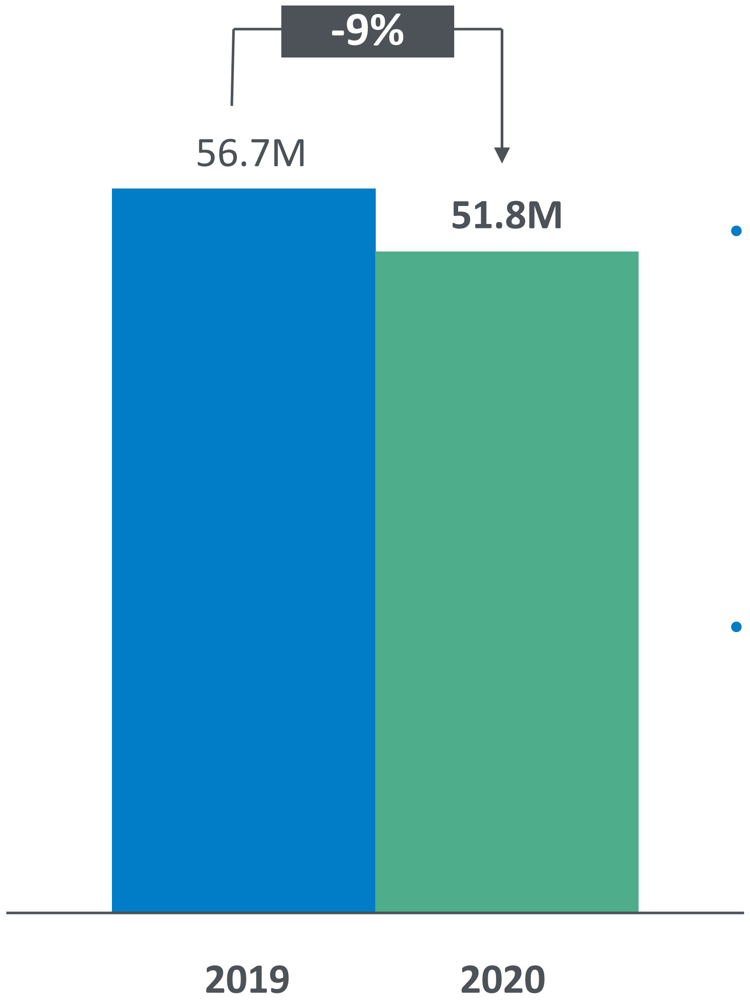


- Established new quarterly records for consolidated and aggregates gross margin
- Aggregates unit profitability improved 6.5 percent
- Increased pricing and cost discipline helped offset anticipated shipment declines, demonstrating the resiliency of our business and variable cost flexibility
- Adjusted EBITDA and earnings per diluted share included $70 million and $0.87, respectively, of nonrecurring gains on surplus, non-core land sales and divested assets
- Full-year 2020 Adjusted EBITDA (inclusive of nonrecurring gains) expected to range from $1.35 billion to $1.37 billion

Note: Third-quarter results and trends described in this Supplemental Information may not necessarily be indicative of the Company's future performance.

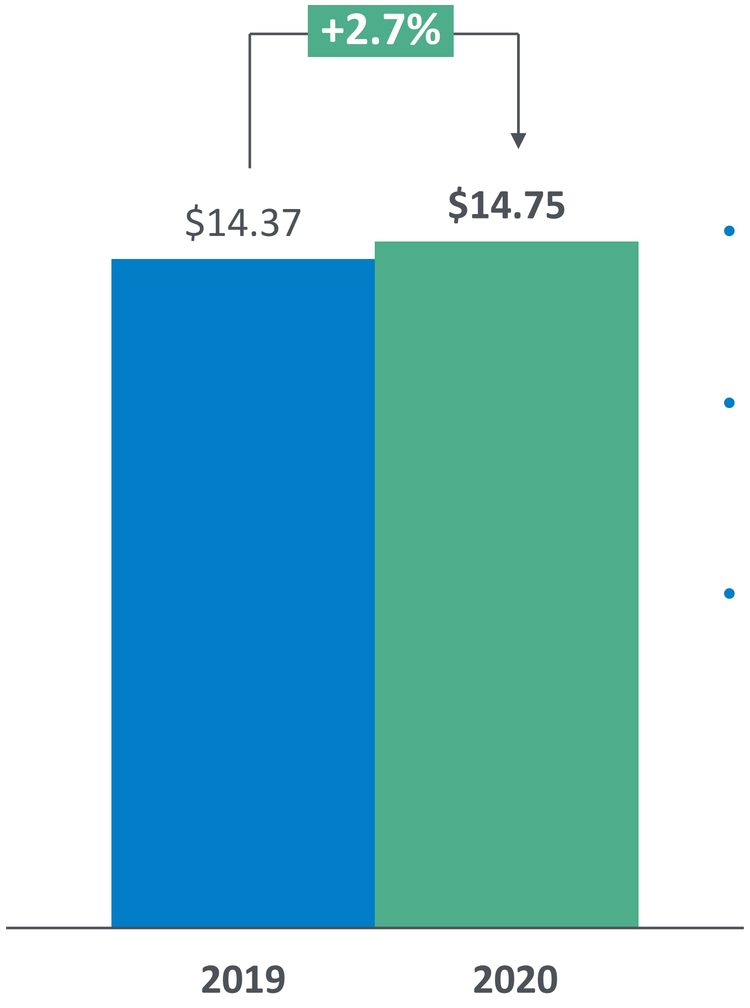
AGGREGATES PERFORMANCE (THIRD-QUARTER RESULTS)

SHIPMENTS (tons)



- Volume declines versus a relatively robust prior-year quarter driven by the broader economic slowdown, lower energy-sector demand and, to a certain extent, weather-delayed projects in the East
- In line with macroeconomic trends, shipments to the residential market improved slightly, while infrastructure and nonresidential shipments decreased

PRICE



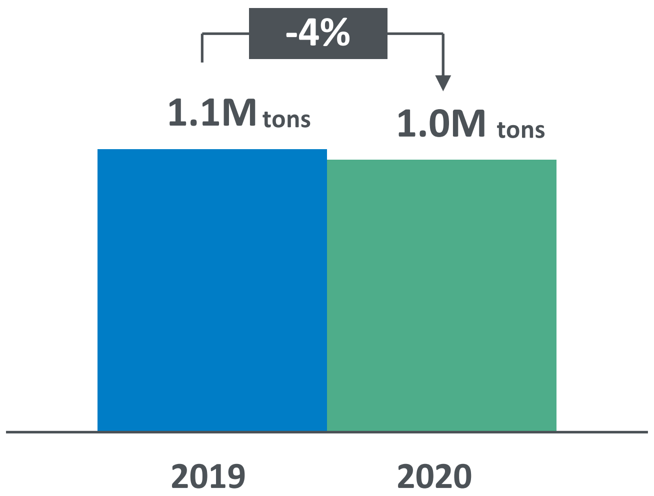
- Pricing increased 4 percent on a mix-adjusted basis
(see slide 16 for reconciliation)
- Pricing gains demonstrated disciplined execution of locally-driven pricing strategy
- Full-year 2020 pricing expected to increase 3 percent to 4 percent

CEMENT AND DOWNSTREAM PERFORMANCE (THIRD-QUARTER RESULTS)

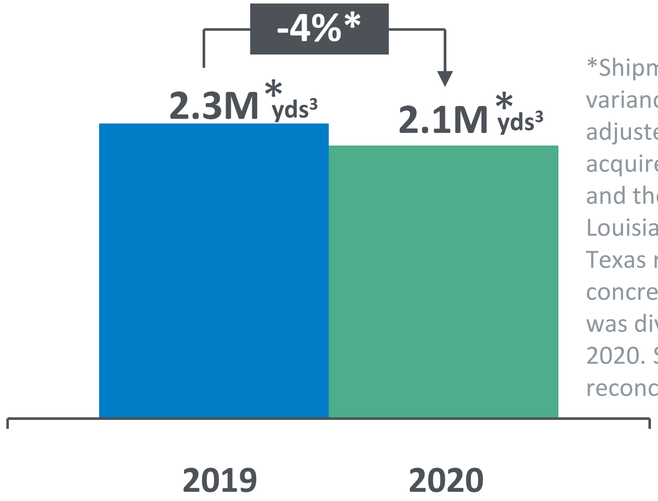
Martin Marietta

SHIPMENTS

CEMENT

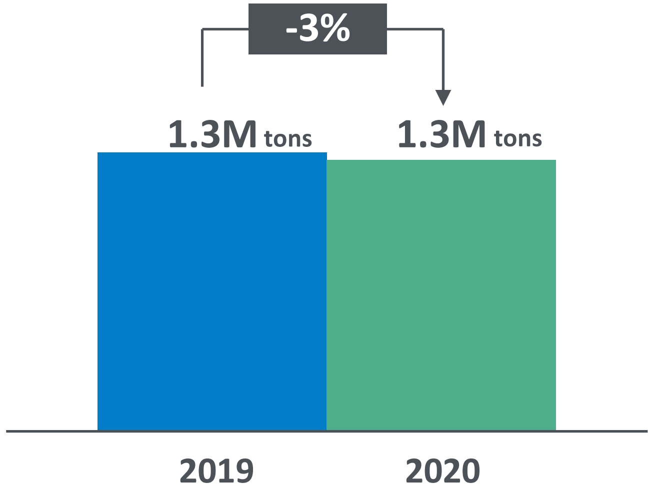


READY MIXED CONCRETE

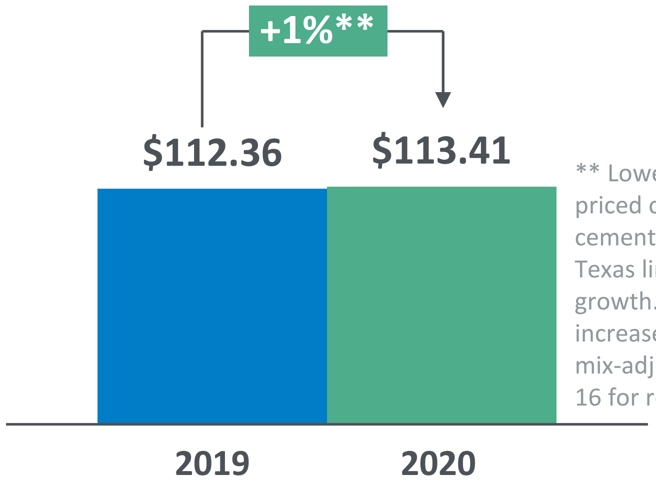


*Shipments and volume variance have been adjusted to exclude acquired operations and the Arkansas, Louisiana and Eastern Texas ready mixed concrete business that was divested in January 2020. See slide 17 for reconciliation.

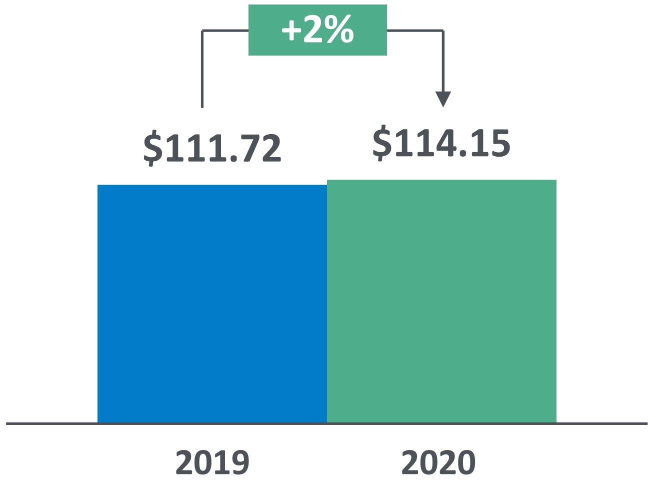
ASPHALT

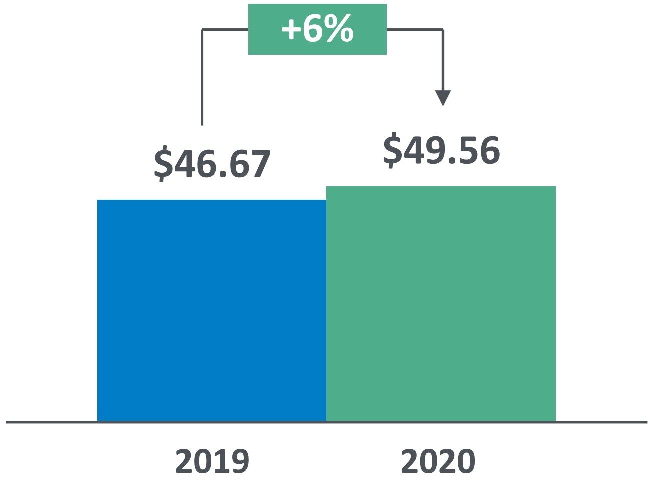


PRICE



** Lower shipments of higher-priced oil-well specialty cement products to West Texas limited overall pricing growth. Cement pricing increased 3.4 percent on a mix-adjusted basis. See slide 16 for reconciliation.





Consolidated gross margin improved 100 basis points to 30.6 percent, an all-time record, as increased pricing and disciplined cost management helped offset anticipated shipment declines.

Despite lower shipments, aggregates gross profit per ton shipped improved 6.5 percent and product gross margin expanded 130 basis points to 36.4 percent, a new record.

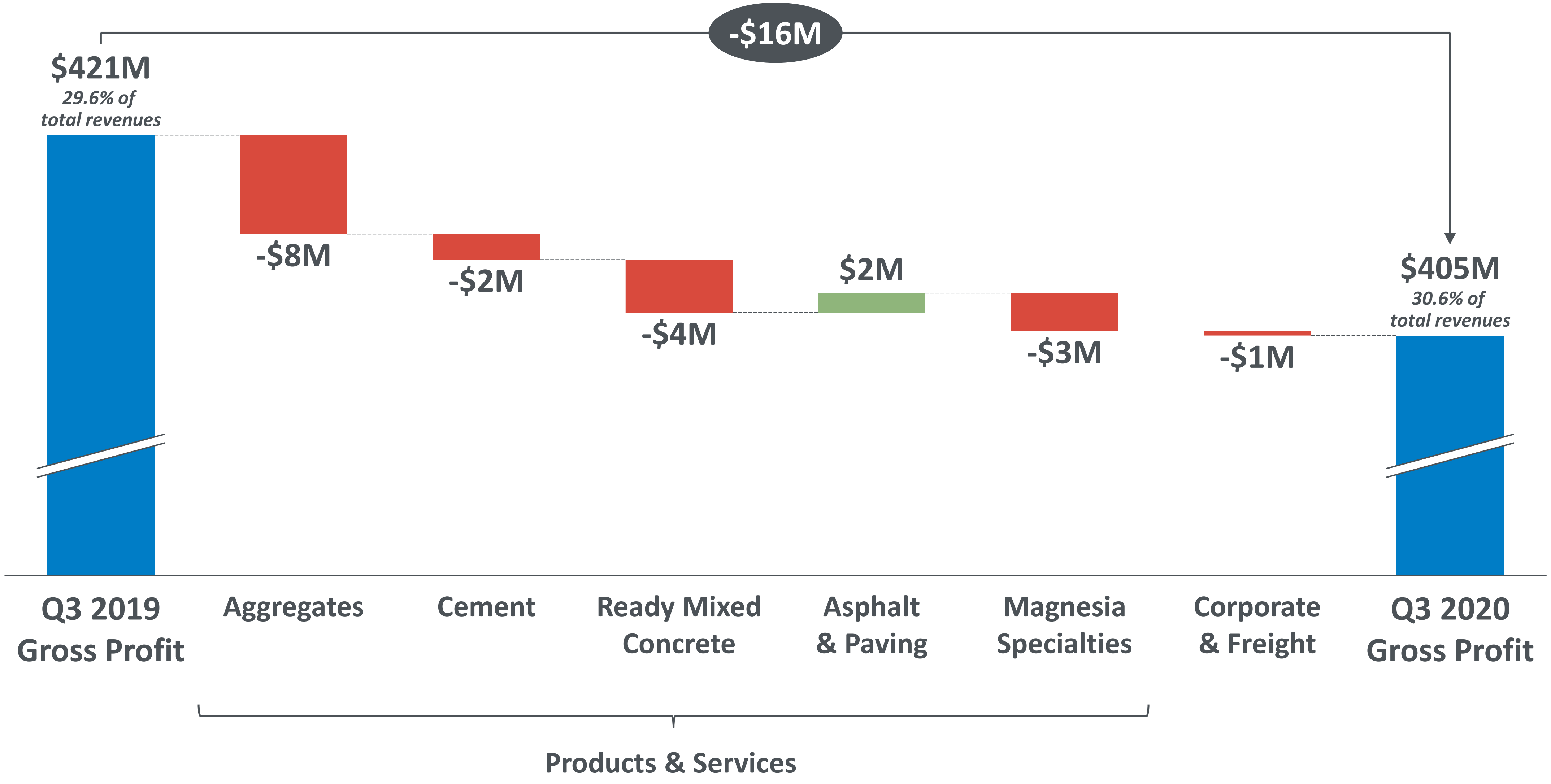
The cement business reported product gross margin of 40.2 percent, as improved kiln reliability from prior-period investments and lower fuel costs limited the decline to 40 basis points.

Ready mixed concrete product gross margin decreased 90 basis points, driven by higher raw materials costs.

Asphalt and paving delivered record gross profit.

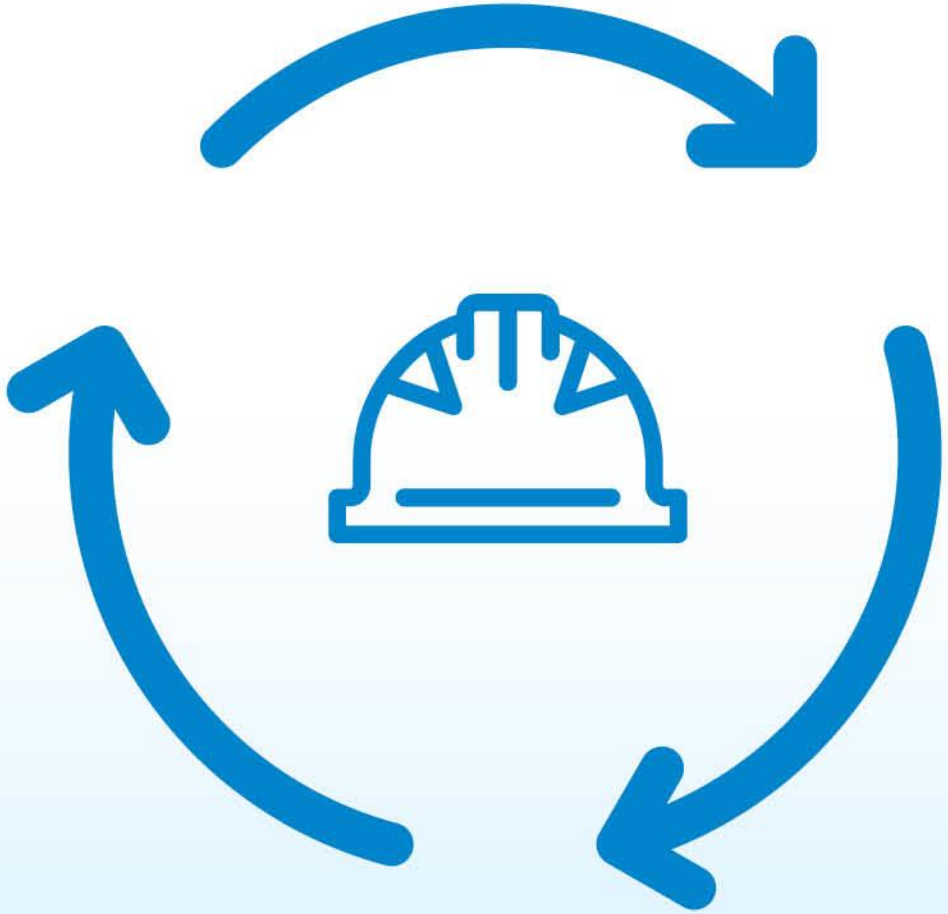
Magnesia Specialties business product gross margin declined 240 basis points on a 7-percent-decrease in product revenues.

GROSS PROFIT (THIRD-QUARTER RESULTS)



COMPANY OUTLOOK

MARTIN MARIETTA OUTLOOK



- We are confident that favorable pricing trends will continue, supported by our locally-driven pricing strategy, and that the attractive underlying fundamentals and long-term secular growth trends across our three primary end use markets and key geographies will remain intact.

- October average daily shipments are trending above prior-year levels. While we are cautiously optimistic about these trends, we anticipate product demand to remain modest through the first half of 2021 due to COVID-19 and related governmental actions.

- Martin Marietta remains well-positioned to capitalize on the emerging growth trends that are expected to support steady and sustainable construction activity over the long-term.

END-USE MARKET OUTLOOK

Martin Marietta

DESPITE NEAR-TERM UNCERTAINTY, CURRENT MACRO TRENDS SUPPORT A CONSTRUCTION-LED RECOVERY

- ✓ ***Historically low interest rates and accommodative FED policy***
- ✓ ***Underbuilt conditions relative to prior peak***
- ✓ ***Hourly workforce availability***

INFRASTRUCTURE

- ☑ Infrastructure remains resilient with projected state Department of Transportation (DOT) shortfalls less than feared and expectations for state and local government support in the next round of federal stimulus
- ☑ Bipartisan support for increased surface transportation funding with Senate and House proposals significantly above current Fixing America's Surface Transportation (FAST) Act levels

NON-RESIDENTIAL

- ☑ Accelerating e-commerce and remote work trends require increased heavy industrial investment in warehouses and data centers
- ☑ Heavy industrial construction projects are more aggregates intensive than retail / light commercial projects due to larger project scope and scale
- ☑ Our key markets are experiencing their strongest nonresidential backlogs in years based on these trends

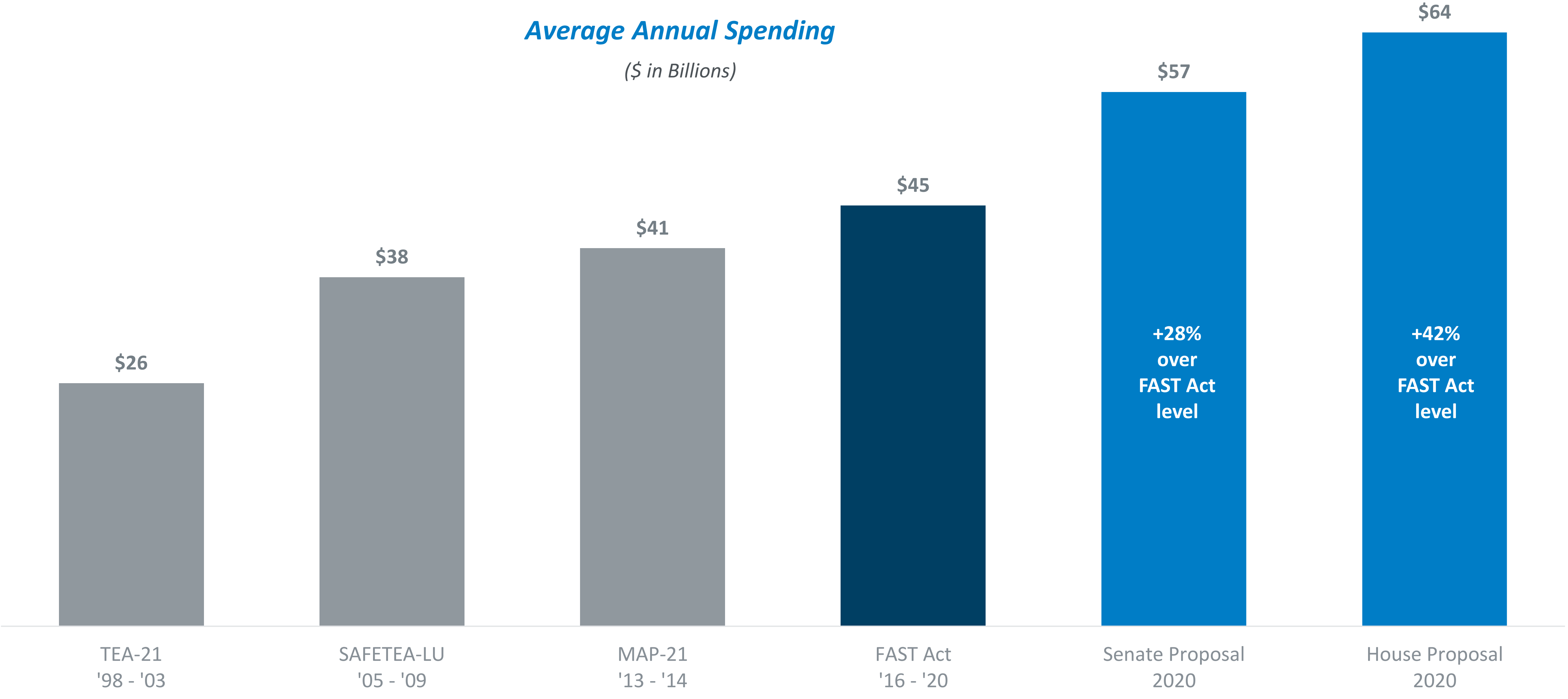
RESIDENTIAL

- ☑ The muted housing recovery following the Great Recession was driven primarily by less aggregates-intensive urban, multi-family mixed-use developments
- ☑ Stay-at-home orders have prompted families to migrate from city centers to suburban markets, driving increased demand for aggregates-intensive single-family housing
- ☑ Single family housing starts remain ~50% below prior peak levels resulting in a supply/demand imbalance in our key markets

NOTABLE TRENDS POINT TO AN AGGREGATES-INTENSIVE RECOVERY
INFRASTRUCTURE

INFRASTRUCTURE REMAINS RESILIENT WITH EARLY STATE DOT BUDGET SHORTFALL PROJECTIONS LESS THAN ANTICIPATED AND LIKELIHOOD OF INCREASED FEDERAL FUNDING

Infrastructure reauthorization has historically been renewed at higher levels



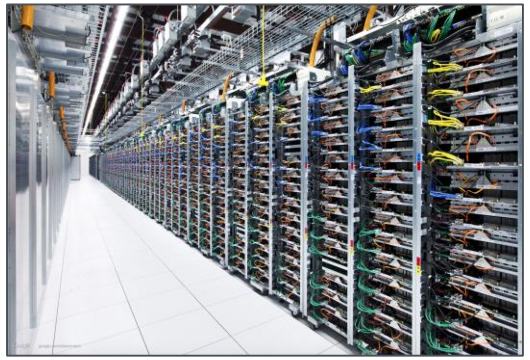
NOTABLE TRENDS POINT TO AN AGGREGATES-INTENSIVE RECOVERY

NONRESIDENTIAL

ACCELERATING E-COMMERCE AND REMOTE WORK TRENDS REQUIRE INCREASED INVESTMENT IN FULFILLMENT AND DATA CENTERS

Heavy Industrial – Warehouses and Data Centers

2-3MM SF

Retail – Light Commercial

100-200K SF

✓ *Higher expected demand for heavy industrial facilities to support e-commerce and cloud-based businesses*

✓ *Heavy industrial facilities consume significantly more aggregates than retail / light commercial projects*

NOTABLE TRENDS POINT TO AN AGGREGATES-INTENSIVE RECOVERY

RESIDENTIAL

SINGLE-FAMILY HOUSING STARTS REMAIN UNDERBUILT

Suburban and rural migration

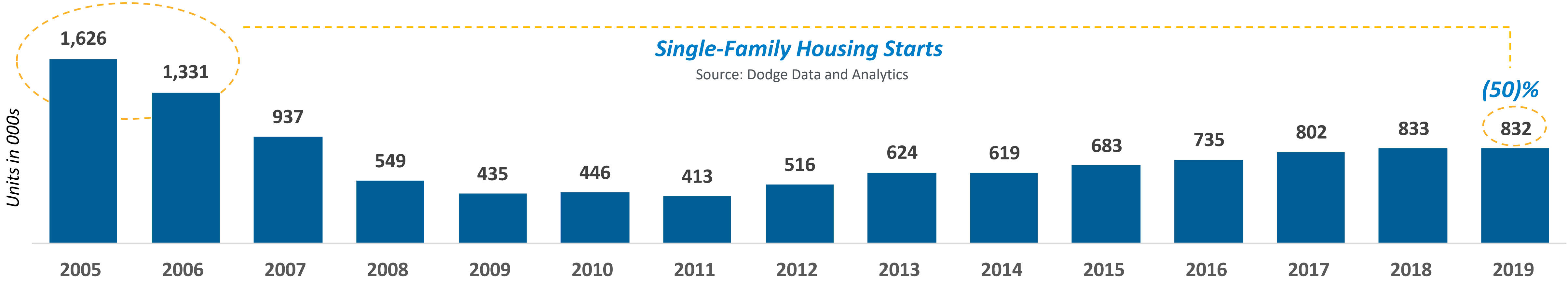
Trend Reversal

- The muted housing recovery following the Great Recession was driven primarily by urban, multi-family mixed-use developments after a previous single-family peak.
- Stay-at-home orders across the U.S. have prompted families and individuals to evaluate whether the recent trend towards urban living and increased city density is the best long-term choice.
- Early data suggests that the deurbanization flight to the suburbs trend is accelerating.

Benefits

New community, single-family residential development is ***2x-3x*** *more aggregates intensive than multi-family given the typical ancillary nonresidential and infrastructure construction activity:*

- ✓ Curbs, sewers and gutters in new residential development
- ✓ New schools, healthcare and municipal facilities
- ✓ New roads and widening of existing roads to access newly-developed areas
- ✓ Enhanced retail, commercial and warehouse capacity necessary to support new community



…WITH NOTABLE UPSIDE FROM EXPECTED ACCELERATION IN DEURBANIZATION

APPENDIX

DEFINITIONS AND RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES

Adjusted EBITDA, defined as earnings before interest; income taxes; depreciation, depletion and amortization; and the earnings/loss from nonconsolidated equity affiliates, is an indicator used by the Company and investors to evaluate the Company's operating performance from period to period. Adjusted EBITDA is not defined by generally accepted accounting principles and, as such, should not be construed as an alternative to earnings from operations, net earnings or operating cash flow. Adjusted EBITDA anticipated for full-year 2020 is calculated in a manner consistent with the historical presentation of this measure in the table below. Because of the forward-looking nature of this estimate, it is impractical to present a quantitative reconciliation of this measure to the GAAP measure, and accordingly no such reconciliation is presented.

	Quarter Ended September 30,	
($ in millions)	2019	2020
NET EARNINGS ATTRIBUTABLE TO MARTIN MARIETTA	**$ 248.6**	**$ 294.4**
Add back:		
Interest expense, net of interest income	32.3	28.6
Income tax expense for controlling interests	66.2	81.5
Depreciation, depletion and amortization and earnings/loss from nonconsolidated equity affiliates	92.0	97.2
ADJUSTED EBITDA [1]	**$ 439.1**	**$ 501.7**

[1] 2020 Adjusted EBITDA included $69.9 million of gains on surplus land sales and divested assets. These gains are nonrecurring in nature.

DEFINITIONS AND RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES

Mix-adjusted average selling price (mix-adjusted ASP) excludes the impacts of product, geographic and other mix from the current-period average selling price and is a non-GAAP measure. Mix-adjusted ASP is calculated by assuming current-period shipments reflect the same product, geographic and other mix as the comparable prior period. Management uses this metric to evaluate the effectiveness of the Company's pricing increases and believes this information is useful to investors as it provides same-on-same pricing trends. The following reconciles reported average selling price to mix-adjusted ASP and corresponding variances.

	Quarter Ended September 30,	
	2019	**2020**
AGGREGATES		
REPORTED AVERAGE SELLING PRICE	**$14.37**	**$14.75**
Adjustment for unfavorable impact of product, geographic and other mix		0.19
MIX-ADJUSTED AVERAGE SELLING PRICE		**$14.94**
REPORTED AVERAGE SELLING PRICE VARIANCE		**2.7%**
MIX-ADJUSTED ASP VARIANCE		**4.0%**
CEMENT		
REPORTED AVERAGE SELLING PRICE	**$112.36**	**$113.41**
Adjustment for unfavorable impact of product, geographic and other mix		2.82
MIX-ADJUSTED AVERAGE SELLING PRICE		**$116.23**
REPORTED AVERAGE SELLING PRICE VARIANCE		**0.9%**
MIX-ADJUSTED ASP VARIANCE		**3.4%**

DEFINITIONS AND RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES

The following table presents ready mixed concrete shipment data and volume variance excluding ready mixed concrete operations acquired in the third quarter of 2020 and excluding the Arkansas, Louisiana and Eastern Texas ready mixed concrete business (ArkLaTex business that was divested in January 2020) during the period of Martin Marietta's ownership to provide a more comparable analysis of ready mixed concrete volume variance:

(Cubic yards in millions)	Quarter Ended September 30, 2019	Quarter Ended September 30, 2020
REPORTED READY MIXED CONCRETE SHIPMENTS	**2.4**	**2.2**
Less: Ready mixed concrete shipments of acquired operations	**-**	**(0.1)**
Less: Ready mixed concrete shipments for the ArkLaTex business during the period of Martin Marietta ownership	(0.1)	-
ADJUSTED READY MIXED CONCRETE SHIPMENTS	**2.3**	**2.1**
REPORTED READY MIXED CONCRETE VOLUME VARIANCE		**(8.3)%**
ADJUSTED READY MIXED CONCRETE VOLUME VARIANCE		**(4.0)%**

THANK YOU FOR YOUR INTEREST IN MARTIN MARIETTA

FOR MORE INFORMATION, PLEASE VISIT WWW.MARTINMARIETTA.COM