Martin Marietta

Martin Marietta
First-Quarter 2016

Supplemental Financial Information

May 5, 2016

Disclaimer

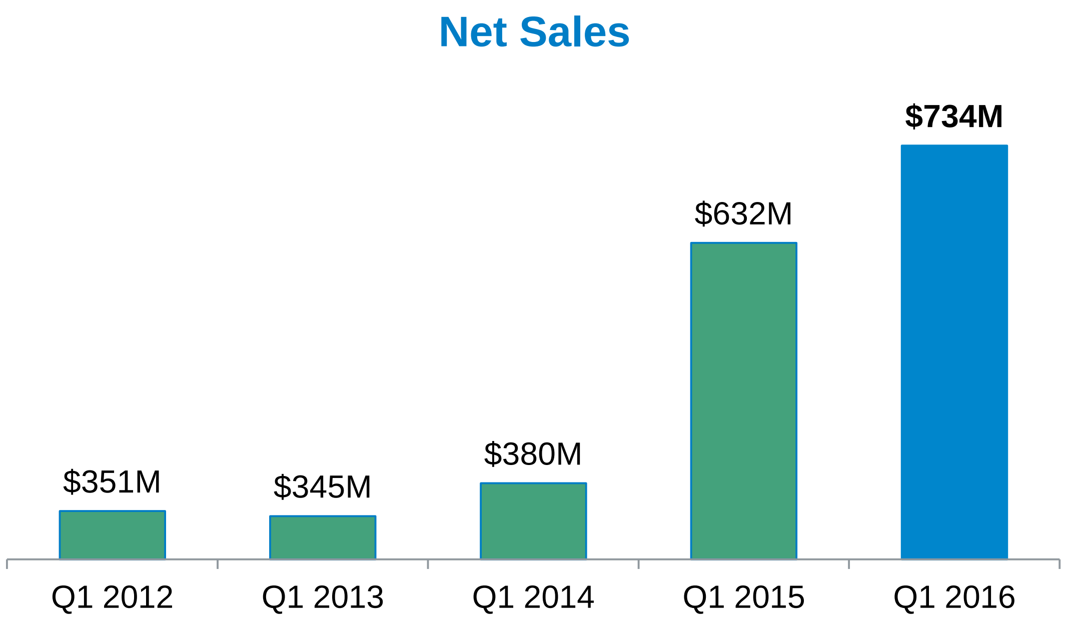
Statement Regarding Safe Harbor for Forward-Looking Statements

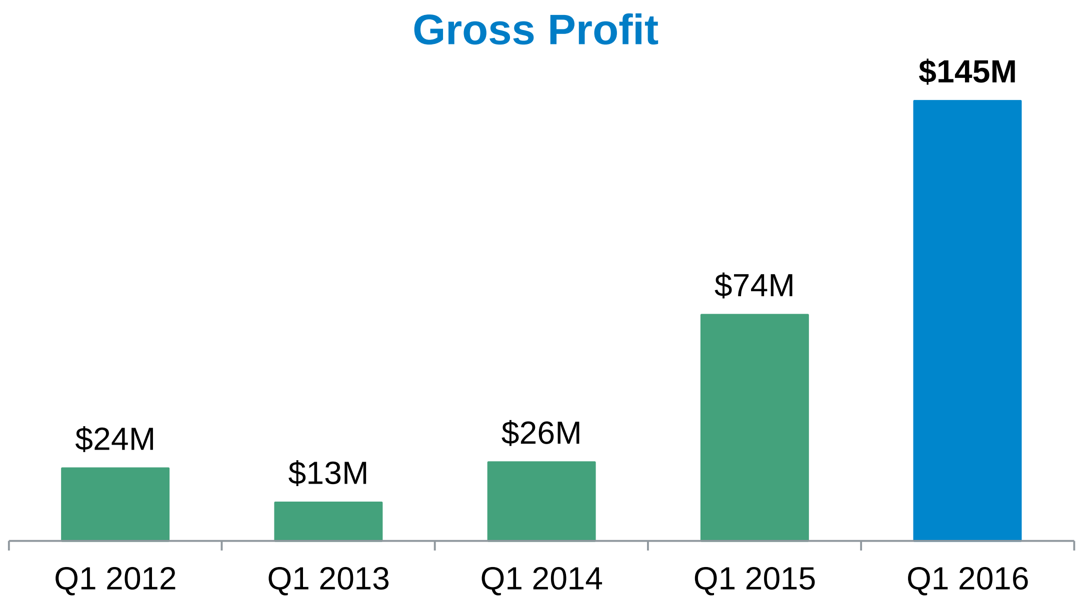
This presentation may contain forward-looking statements – that is, information related to future, not past, events. Like other businesses, Martin Marietta is subject to risks and uncertainties which could cause its actual results to differ materially from its projections or that could cause forward-looking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

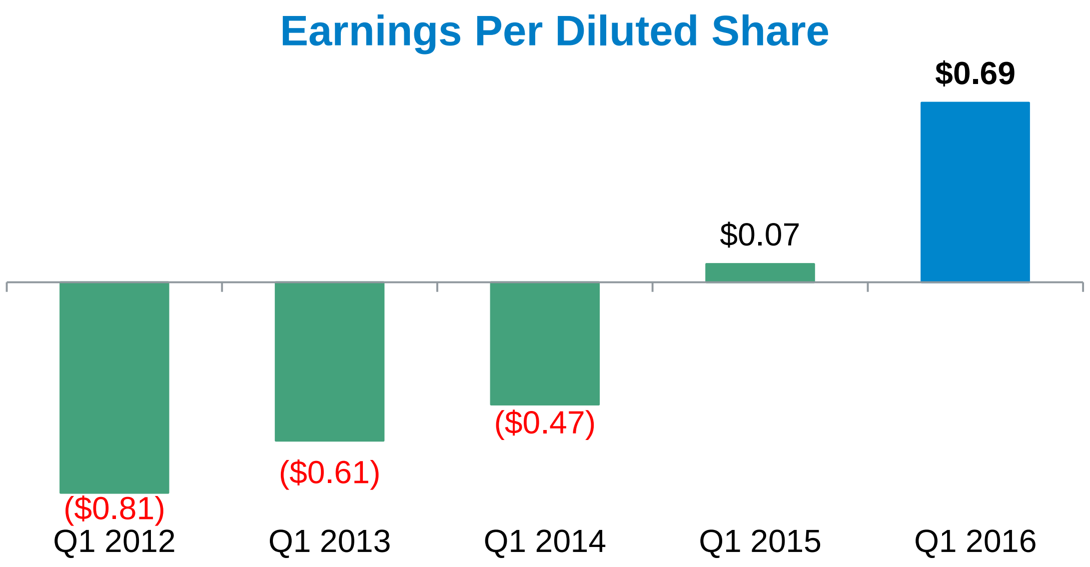
Non-GAAP Financial Terms

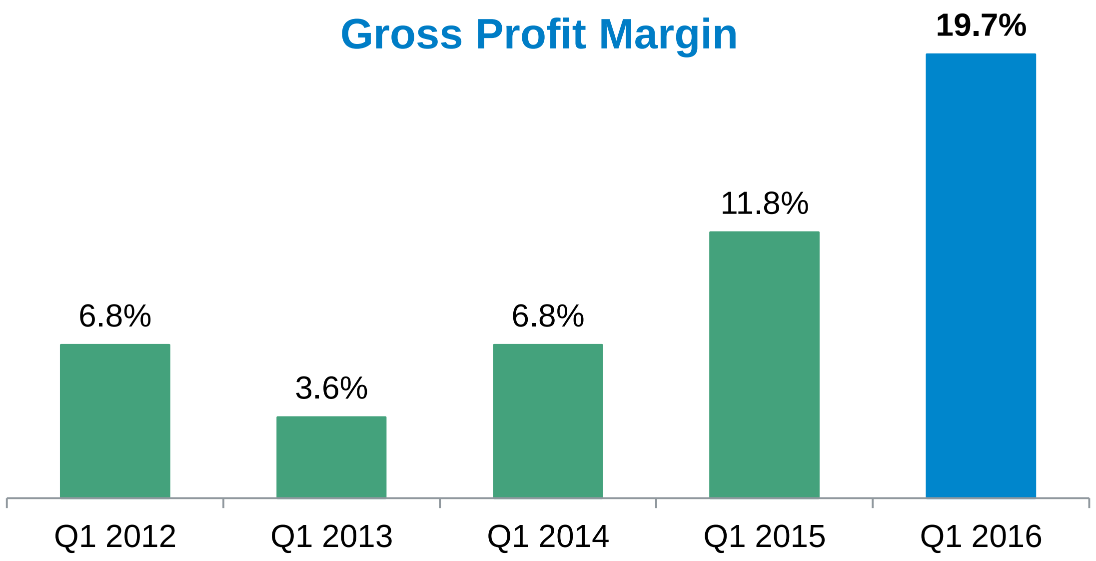
These slides contain certain "non-GAAP financial terms" which are defined in the Appendix. Reconciliations of non-GAAP terms to the closest GAAP term are also provided in the Appendix.

First-Quarter 2016 Consolidated Operating Results









Product Line Metrics

	Quarter-ended March 31, 2016	
	Volume Variance[1]	Price Variance[1]
Heritage aggregates product line:		
Mid-America Group	27.8%	4.3%
Southeast Group	5.6%	7.3%
West Group	4.4%	11.3%
Total heritage aggregates product line	12.8%	8.1%
Aggregates product line	13.3%	8.1%
Asphalt	(46.3%)	(2.4%)
Ready mixed concrete	31.0%	11.7%
Cement [2]	13.8%	3.6%

[1] *Volume and pricing variances for the first-quarter 2016 are based on comparisons with the first-quarter 2015.*
[2] *Cement volume and pricing variances exclude the California cement operations from the prior-year quarter.*

Cement Business Metrics

(dollars in millions)	2015					2016				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
Net sales:										
Texas cement operations	$ 64.1	$ 66.5	$ 80.5	$ 60.1	$ 271.2	$ 69.9				
California cement operations	32.5	33.9	30.0	-	96.4	-	-	-	-	-
TOTAL	**$ 96.6**	**$ 100.4**	**$ 110.5**	**$ 60.1**	**$ 367.6**	**$ 69.9**				
Gross (loss) profit:										
Texas cement operations	$ 23.0	$ 26.7	$ 34.8	$ 15.8	$ 100.4	$ 32.6				
California cement operations	(4.0)	3.7	3.4	-	3.1	-	-	-	-	-
TOTAL	**$ 19.0**	**$ 30.4**	**$ 38.2**	**$ 15.8**	**$ 103.5**	**$ 32.6**				
Volumes (000s external tons):										
Texas cement operations	649	626	752	569	2,596	685				
California cement operations	376	367	328	-	1,071	-	-	-	-	-
TOTAL	**1,025**	**993**	**1,080**	**569**	**3,667**	**685**				

2016 Outlook by End Market

GROWTH RATE

Infrastructure

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

Mid-to-high single digits

Nonresidential

- Both heavy industrial and light commercial sectors expected to increase.

High-single digits

Residential

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

Double-digits

ChemRock/Rail

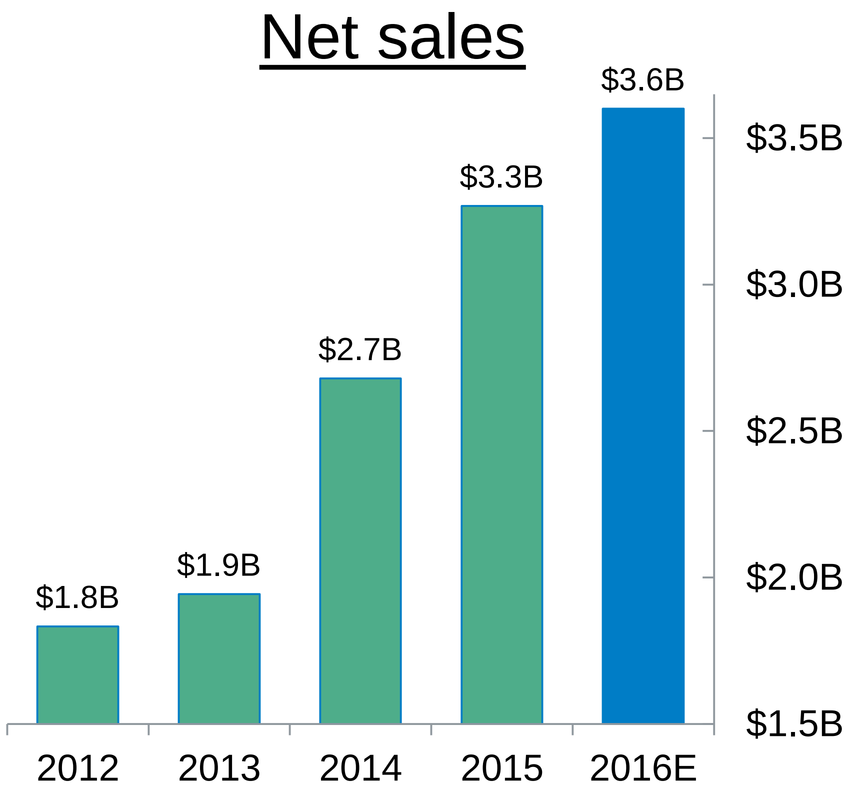
- Ballast construction dependent.

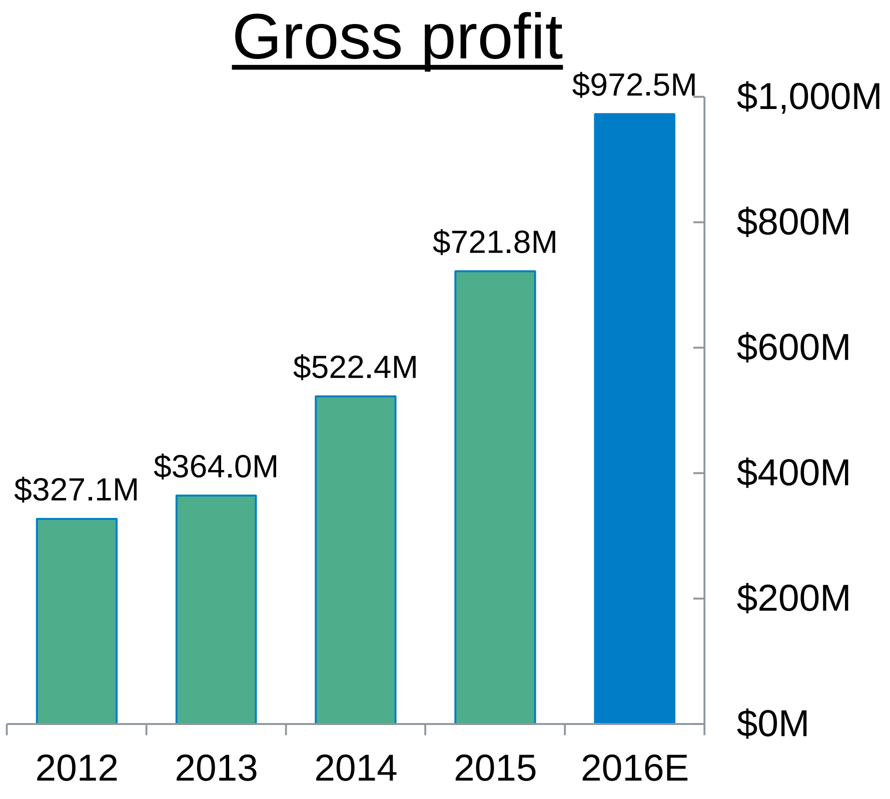
Relatively flat to modestly down

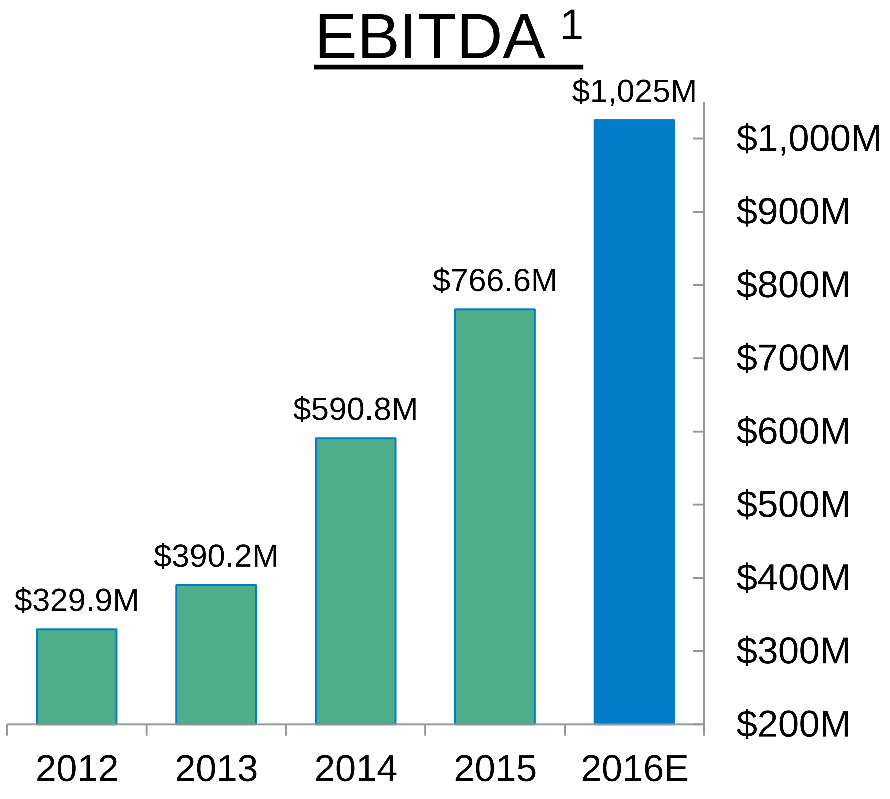
2016 Outlook

Based on the midpoint of 2016 guidance:

- Net sales of $3.6 billion; growth of 10 percent year-over-year
- Gross profit of $972.5 million; 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.*

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).

Incremental gross margin (excluding freight and delivery revenues), expressed as a percentage (%), is a non-GAAP measure and is used internally to evaluate financial performance. Management believes this measure is indicative of operating leverage, efficiency and economic conditions. Due to the significant amount of fixed costs, gross margin (excluding freight and delivery revenues) typically increases at a disproportionate rate in periods of increased shipment activity. Incremental gross margin (excluding freight and delivery revenues) is not defined by GAAP and, as such, should not be construed as alternatives to gross profit or net gross margin.

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.

APPENDIX

(dollars in millions)	Quarter-ended March 31, 2016	2015	2014	2013	2012
Gross margin in accordance with GAAP					
Total revenues	$ 788.8	$ 691.4	$ 428.7	$ 383.9	$ 394.0
Gross profit	$ 144.6	$ 74.3	$ 25.8	$ 12.8	$ 23.8
Gross margin, as a percentage of total sales	**18.3%**	**10.7%**	**6.0%**	**3.3%**	**6.0%**
Gross margin, as a percentage of net sales					
Total revenues	$ 788.8	$ 691.4	$ 428.7	$ 383.9	$ 394.0
Less: freight and delivery revenues	(54.8)	(59.5)	(49.0)	(39.8)	(43.5)
Net sales	$ 734.0	$ 631.9	$ 379.7	$ 344.1	$ 350.5
Gross profit	$ 144.6	$ 74.3	$ 25.8	$ 12.8	$ 23.8
Gross margin, as a percentage of net sales	**19.7%**	**11.8%**	**6.8%**	**3.6%**	**6.8%**

APPENDIX

(dollars in millions)	Quarter-ended March 31, 2016		
	Ready Mixed Concrete	**Cement**	**Magnesia Specialties**
Gross margin in accordance with GAAP			
Total revenues	$ 187.1	$ 73.6	$ 64.2
Gross profit	$ 18.1	$ 32.6	$ 23.0
Gross margin, as a percentage of total sales	**9.7%**	**44.3%**	**35.8%**
Gross margin, as a percentage of net sales			
Total revenues	$ 187.1	$ 73.6	$ 64.2
Less: freight and delivery revenues	(0.3)	(3.7)	(4.7)
Net sales	$ 186.8	$ 69.9	$ 59.5
Gross profit	$ 18.1	$ 32.6	$ 23.0
Gross margin, as a percentage of net sales	**9.7%**	**46.6%**	**38.6%**

APPENDIX

The following table presents the calculation of consolidated incremental gross margin (excluding freight and delivery revenues) for the quarter-ended March 31, 2016.

	Quarter-ended March 31,		
(dollars in millions)	**2016**	**2015**	*variance*
Consolidated incremental gross margin, as a percentage of net sales:			
Net sales	$ 734.0	$ 631.9	*$ 102.1*
Gross profit	$ 144.6	$ 74.3	*$ 70.3*
Consolidated incremental gross margin (excluding freight and delivery revenues)			**69%**

APPENDIX

(dollars in millions)	Year-ended December 31, 2015	2014	2013	2012
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

(dollars in millions)	Quarter-ended March 31, 2016	Quarter-ended March 31, 2015
Pretax earnings	$ 26.3	$ 12.2
Add back:		
Depreciation, depletion & amortization expense	11.5	15.3
EBITDA	**$ 37.8**	**$ 27.5**

[1] 2015 results as reported, which includes the loss of $3.5 million for the first-quarter 2015 from the California cement operations that were sold in the third quarter 2015.

Thank you for your interest in Martin Marietta. For additional information, please visit www.martinmarietta.com.