# Martin Marietta

## FOUNDATION ♦ TRANSFORMATION ♦ VALUE

8th Annual Deutsche Bank Global Industrials and Materials Summit

June 7, 2017
Chicago, Illinois
www.martinmarietta.com

# Disclaimer

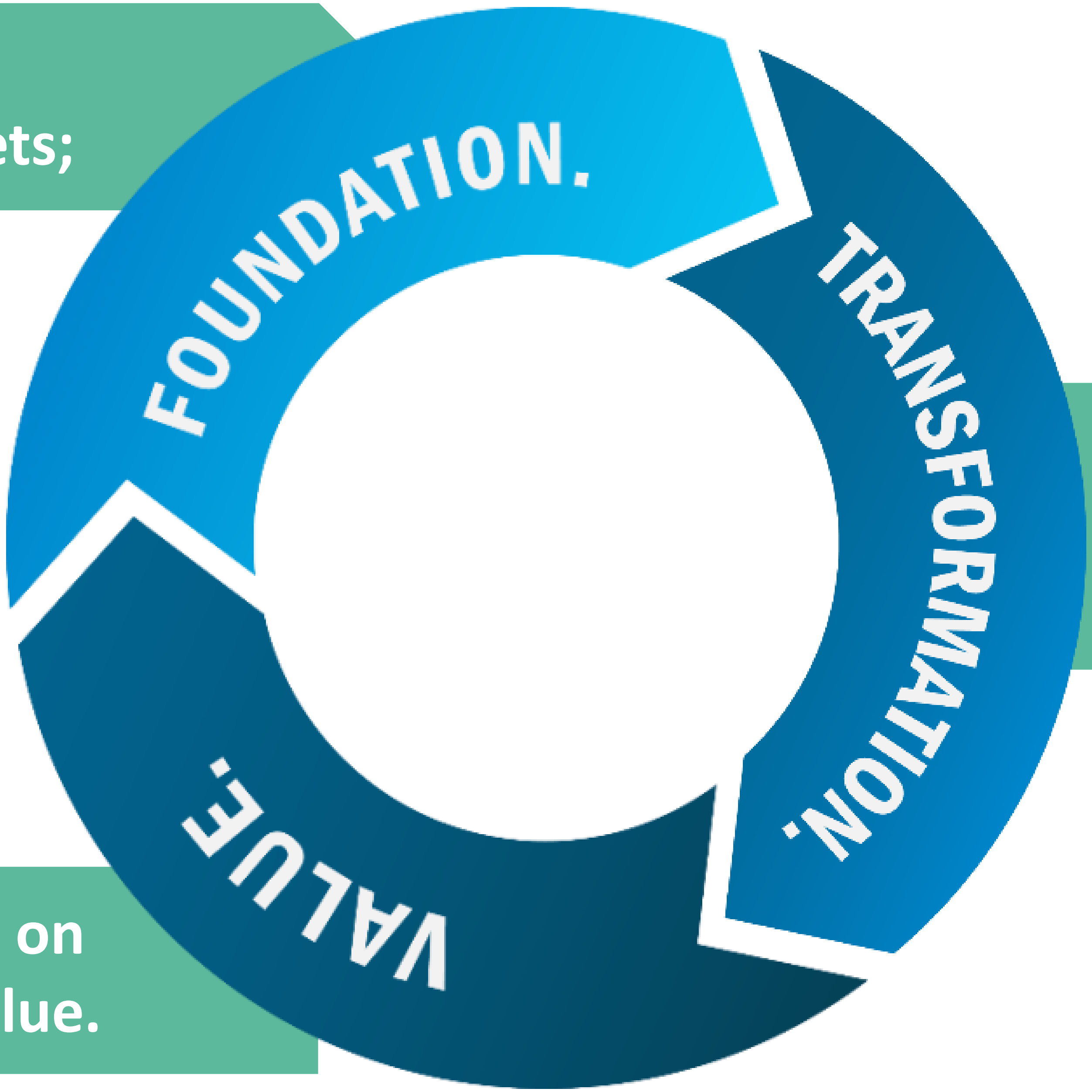
## Statement Regarding Safe Harbor for Forward-Looking Statements

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.

The right people
with the right assets;




driving operational
excellence against the
right strategic plan;

with a relentless focus on
driving shareholder value.

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TRANSFORMATION

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THE PATH FORWARD

# Pillars of Shareholder Value


**SAFETY AND ETHICS**
- World-class safety
- Guardian Angel
- Annual ethics training

**SUSTAINABILITY**
- Community well-being
- Employee well-being
- Environmental stewardship

**OPERATIONAL EXCELLENCE**
- Strategic plan (SOAR) execution
- Sustainable competitive advantage
- Commitment to core competencies

**COST DISCIPLINE**
- Profit and earnings growth
- Capital allocation
- Portfolio optimization

**CUSTOMER SATISFACTION**
- Supplier of choice
- Customer service and relationships

# Collective Commitment to Safety and Ethics

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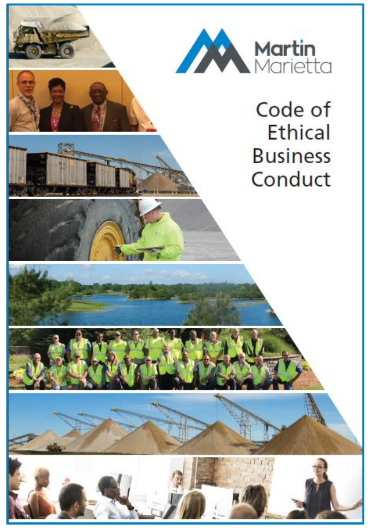


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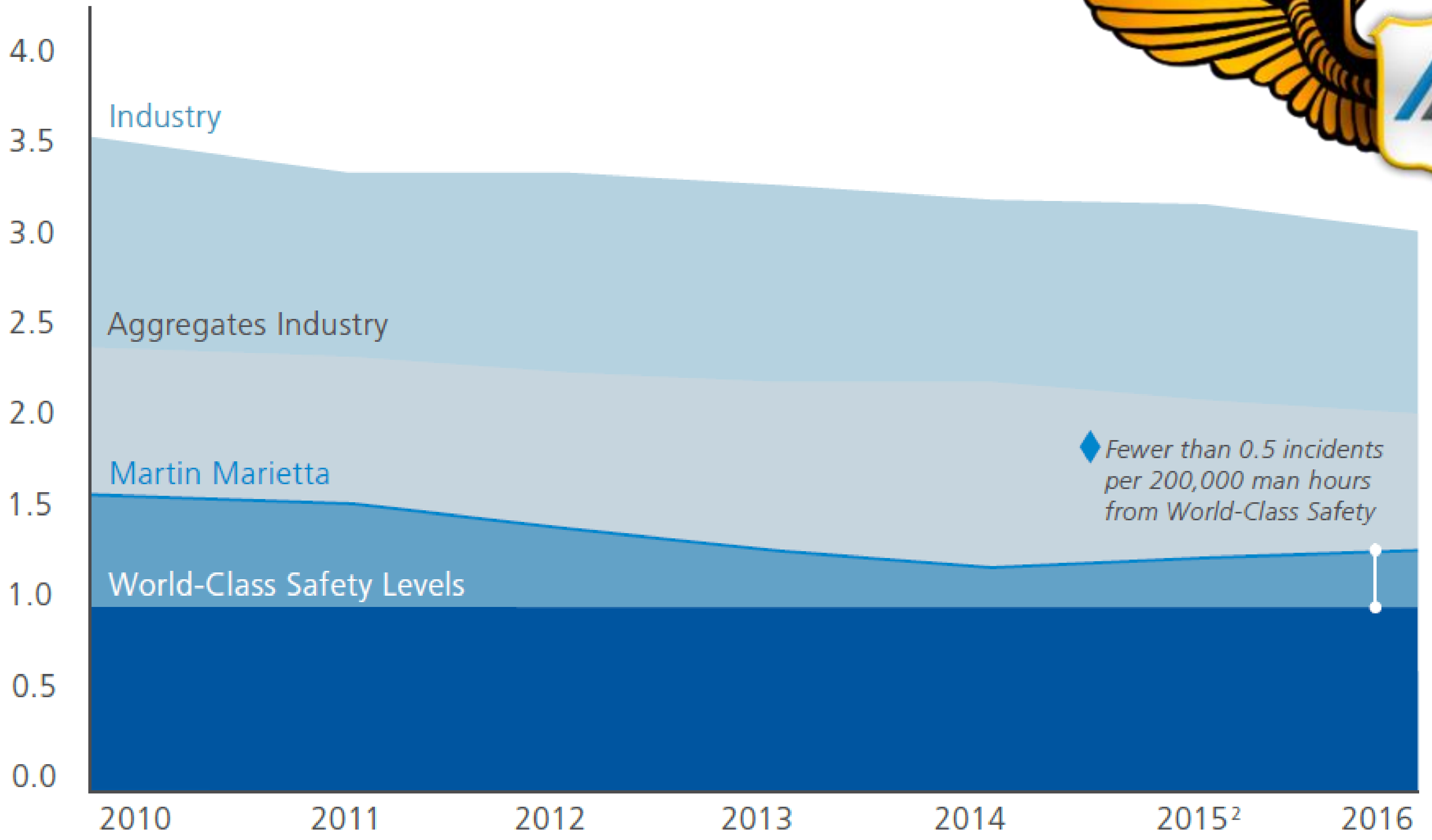
*Safety and ethics are the foundational elements of Martin Marietta*

# World-Class Safety

## TOTAL INCIDENT INJURY RATE [1]

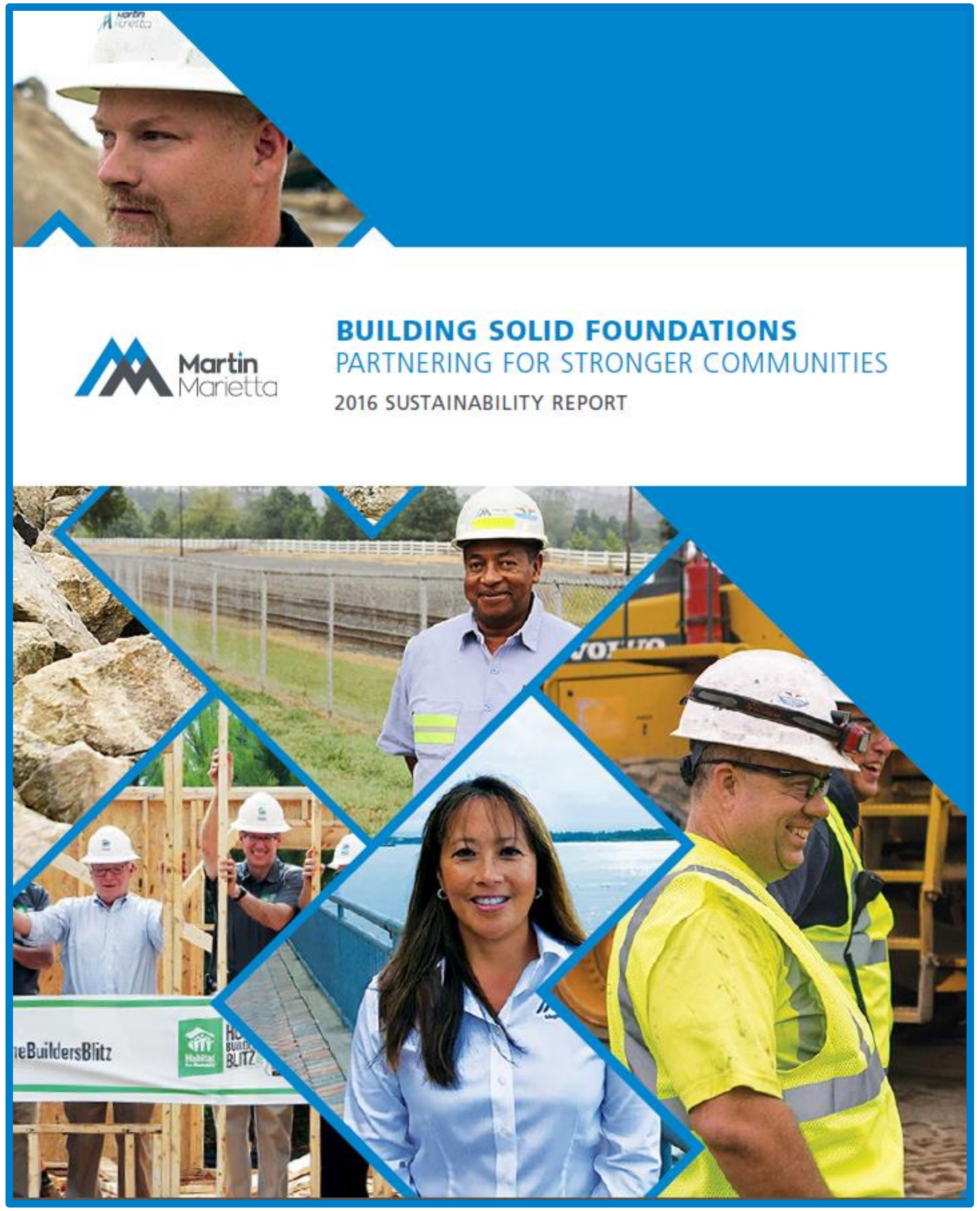



Data current as of 12/31/16

[1] Total Incident Injury Rate per 200,000 man hours worked.

[2] Reported per the National Stone, Sand and Gravel Association (NSSGA) and the U.S. Bureau of Labor Statistics (BLS).

# Sustainability Focuses on Well-Being

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# Strategic Operations Analysis and Review (SOAR)


# SOAR 2010 Key Accomplishments

| 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|---|
| SOAR Process Launch | **Tausch Acquisition** | **New Kiln at Specialty Products** | **Atlanta Acquisition** | **Texas Industries Acquisition** |
| Port Canaveral, FL Marine Terminal | **River/Colorado Swap** | Bird Hill Trap Rock Greenfield | | Gregory Yard Expansion |
| Loamy Sand & Gravel Acquisition (SC) | **Suburban Ready Mix Acquisition** | Avard, OK Rail Yard | | **Medina Rock & Rail** |
| Kansas City Rail Yard | Texas Millet Yard | | | Boral – Davis, OK Acquisition |

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| Kansas City Rail Yard | Texas Millet Yard | | | Boral – Davis, OK Acquisition |

# Validated the Success of SOAR 2010

| | 2010[1] | 2016[1] |
|---|---|---|
| | Martin Marietta Materials | Martin Marietta |
| **Net Sales** | $1.6 billion | $3.6 billion |
| **Earnings from Operations** | $196 million | $667 million |
| **Market Capitalization** | $4.2 billion | $14.0 billion |
| **Earnings Per Diluted Share** | $2.10 | $6.63 |

[1] As of December 31

# Strategically Positioned

SOAR 2010

SOAR 2020

# Aligning Key Value Drivers

Martin Marietta

**Key Value Drivers**

| | |
|---|---|
| AGGREGATES | AGGREGATES-LED |
| CEMENT | STRATEGIC CEMENT |
| DOWNSTREAM PRODUCTS | TARGETED DOWNSTREAM PRODUCTS |

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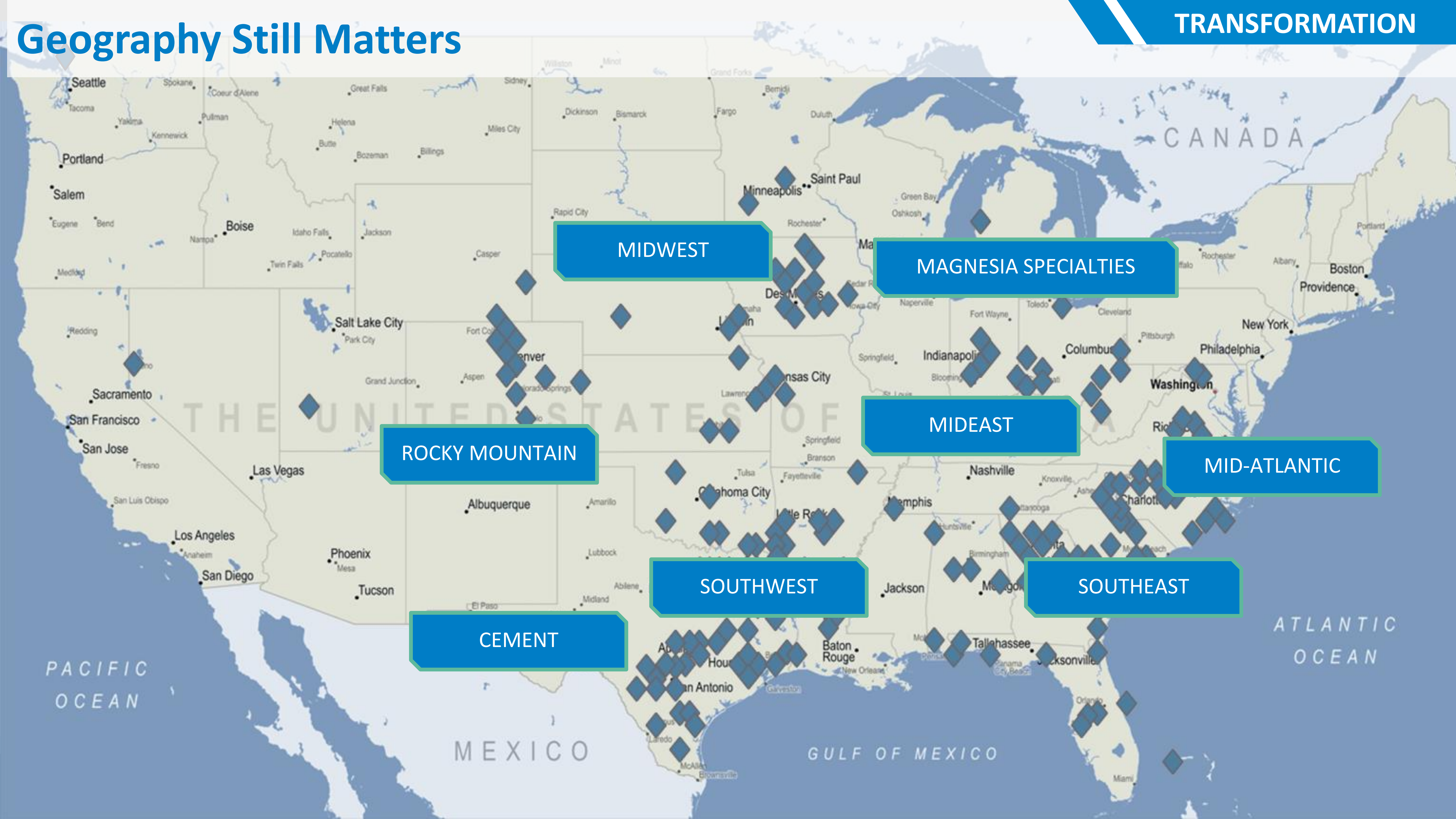
**EXPANDED PLATFORM FOR GROWTH**

# Geography Still Matters

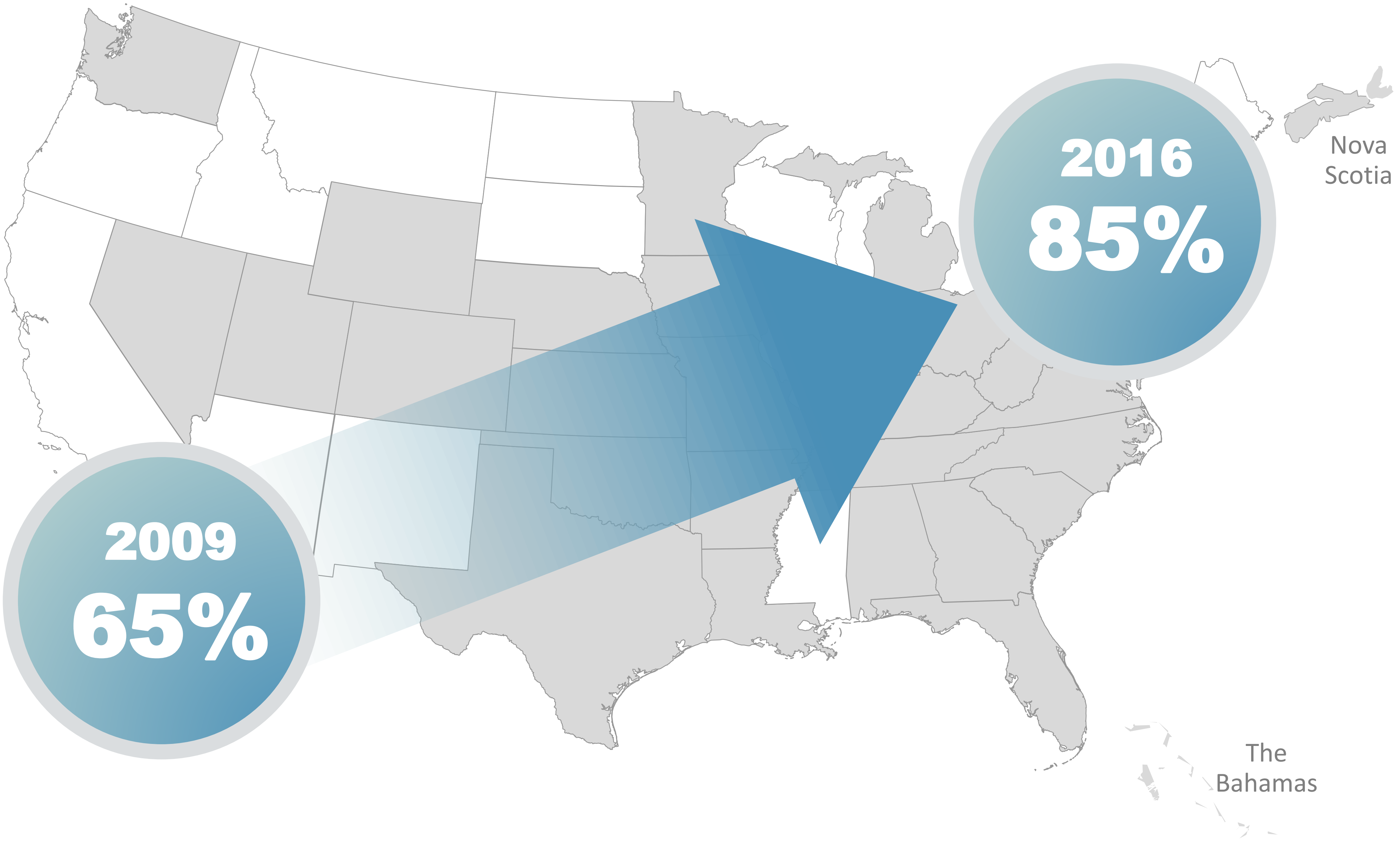




# Where You Are Matters

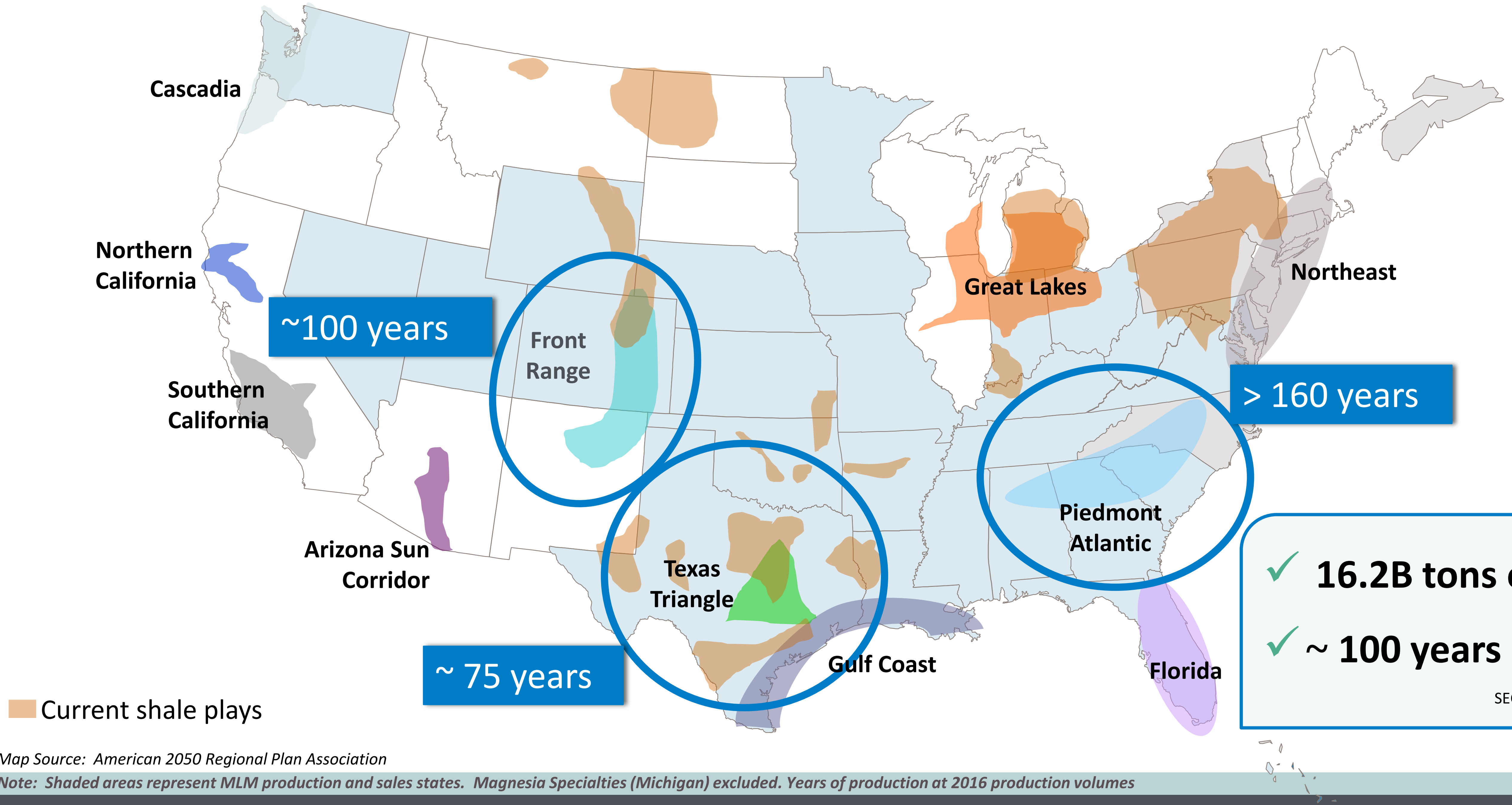
| | MARKET ATTRACTIVENESS DRIVER | ADVANTAGE |
|---|---|---|
|  | Population growth | Increased per capita aggregates consumption |
|  | Market economic diversity | Market stability |
|  | Superior state financial position | Supports infrastructure growth |
|  | Population density | Large infrastructure network leads to increased repair & maintenance expenditures |
|  | High barriers to entry | Protects location advantage |

# Where Is Martin Marietta Today?




*Note: Percentages indicate regional markets in which Martin Marietta holds a number 1 or number 2 competitive position.*

# Land and Mineral Resources Support Long-Term Reserve Position




- ✓ 16.2B tons of reserves
- ✓ ~ 100 years of production

SEC Form 10-K for December 31, 2016

*Map Source: American 2050 Regional Plan Association*

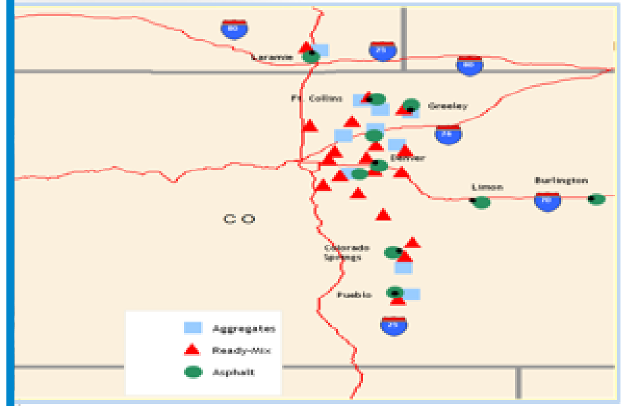
*Note: Shaded areas represent MLM production and sales states. Magnesia Specialties (Michigan) excluded. Years of production at 2016 production volumes*

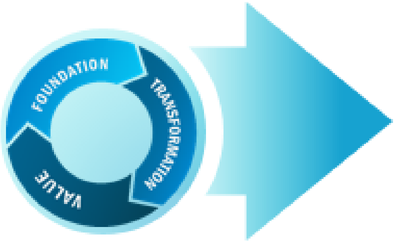
# SOAR: A Colorado Case Study

TRANSFORMATION

## Trading the River for the Rockies

**2011**



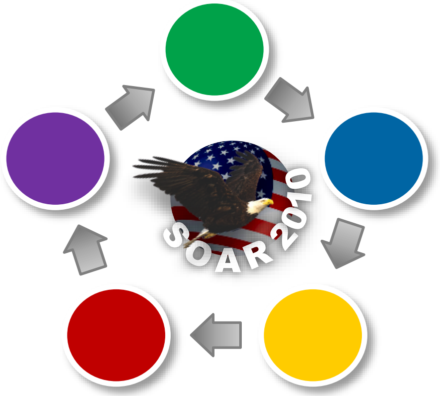




**2014**

### Results vs. the River at Peak [1]

- 4x greater sales
- 4x greater gross profit
- 3.6x greater EBITDA
- 820 bps higher return on assets

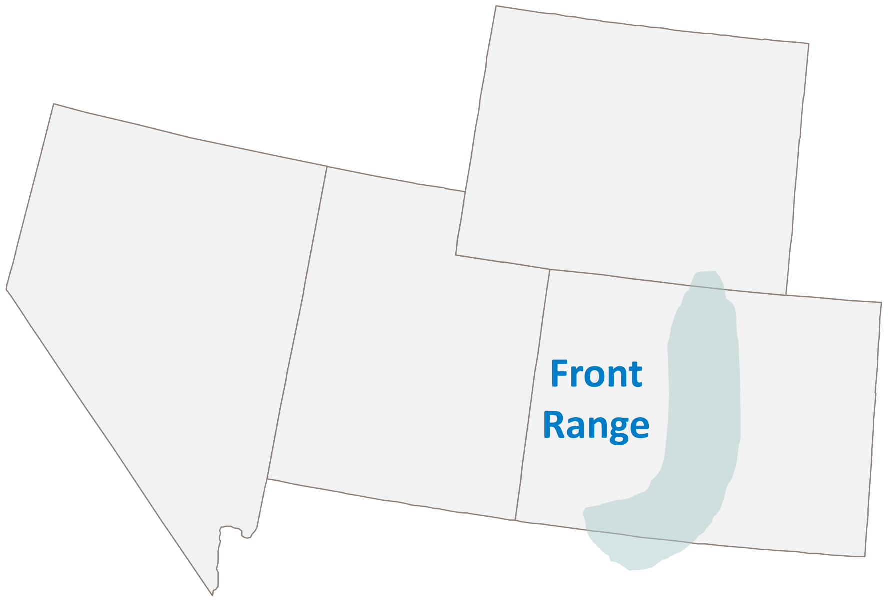
[1] 2014 Rocky Mountain Division results versus the River District Results in 2007




Source: 2015 Analyst and Investor Day – then current slide

# Rocky Mountain Division

## Division Profile



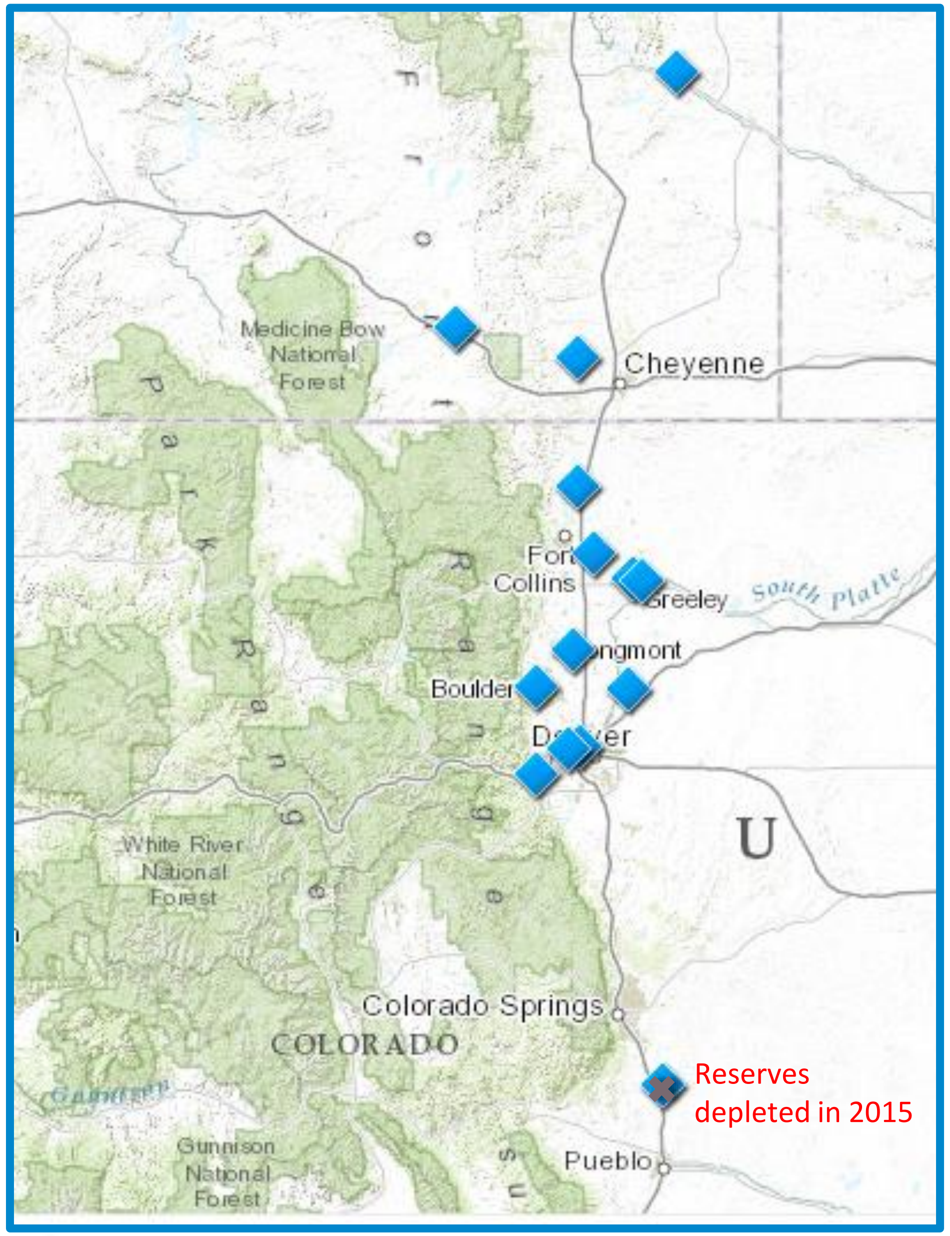

## Key Performance Drivers

- Front Range houses 80% of Colorado's population
- Fastest growing region in the country
- High demand and limited availability of coarse aggregates
- Future growth with rail access

## 2016 Statistics

- Over 14 million tons of aggregates
- Over 2 million cubic yards of ready mixed concrete
- Over 3 million tons of asphalt
- Nearly 900 million tons of reserves

# Transforming Colorado's Front Range




RMD Aggregates Locations

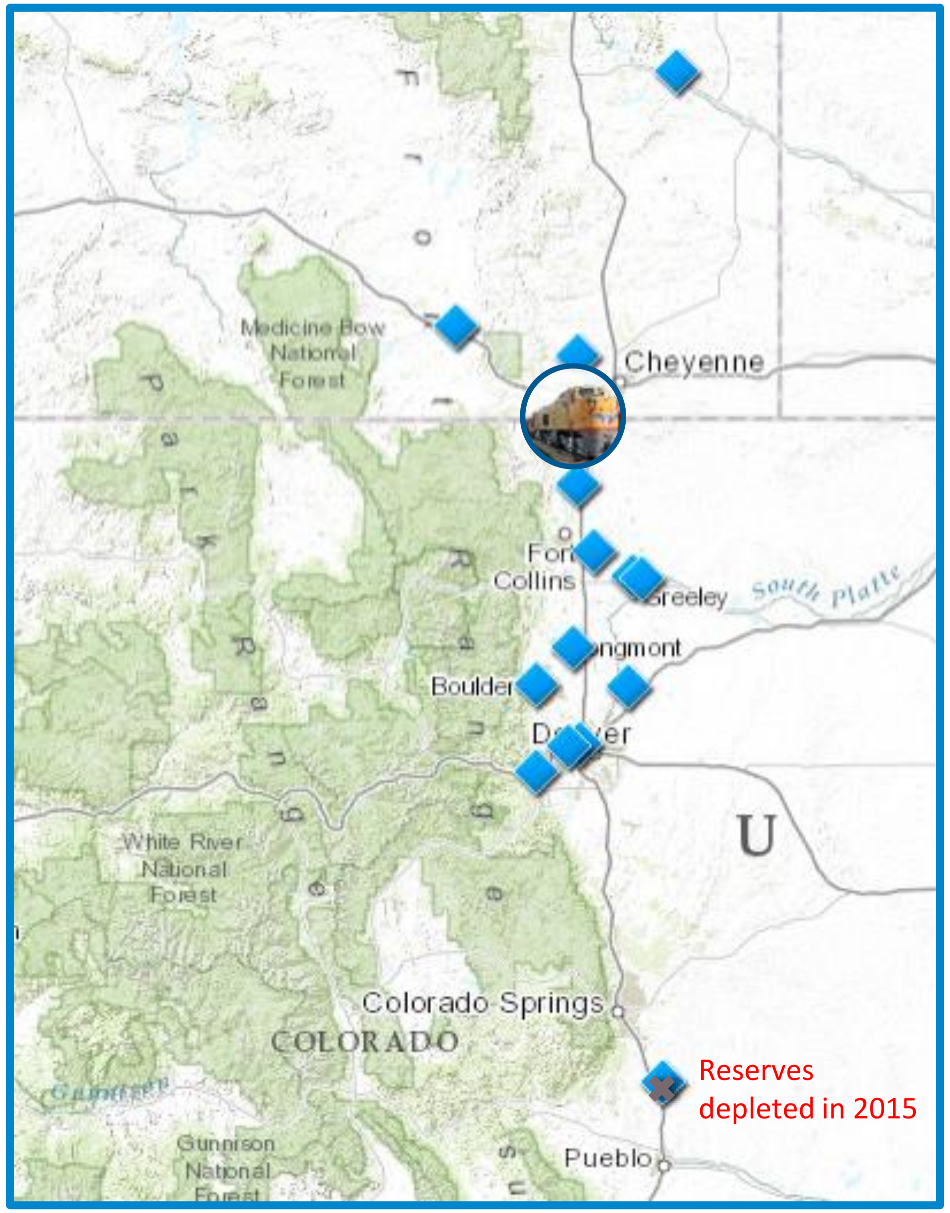
- Transition from local alluvial (sand and gravel) material market to long-haul granite market over the next 5 to 10 years
- Well-positioned to provide long-haul materials via existing northern assets and acquisitive expansion in southern Colorado
- Continued growth from Fort Collins to Pueblo

SOAR 2020

**PROTECT**
**EXPAND**

Strategic source and distribution locations need to be secured to better provide products and services to customers

# Transitioning from Alluvial to Rail




RMD Aggregates Locations

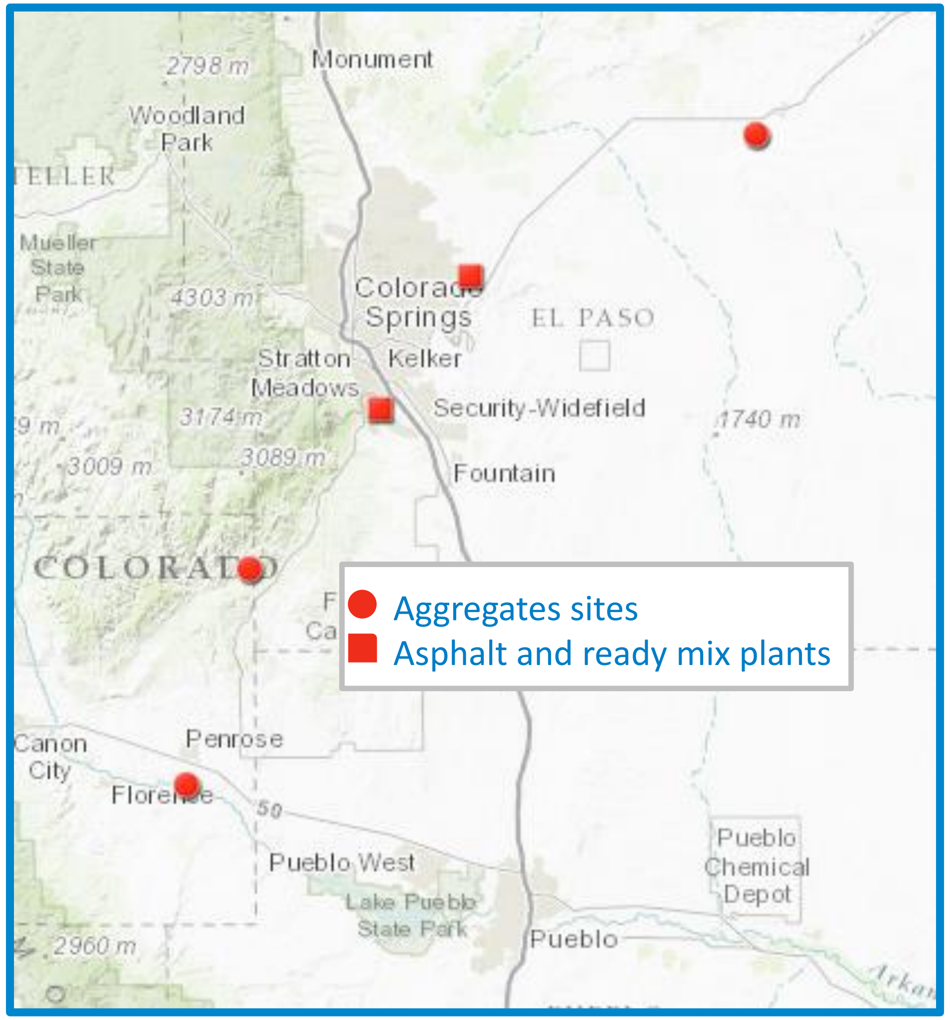
- Greenfield development of aggregates rail yard, ready mix plant and asphalt plant
- Capable of railing 2 million tons of aggregates annually
- Aggregates to be sourced from our Granite Canyon Quarry
- Aim is to be operational in 2017

Robust Economy

Rapid Alluvial Reserve Depletion

**Highway 34 Rock & Rail**

# Establishing a Southern Colorado Platform



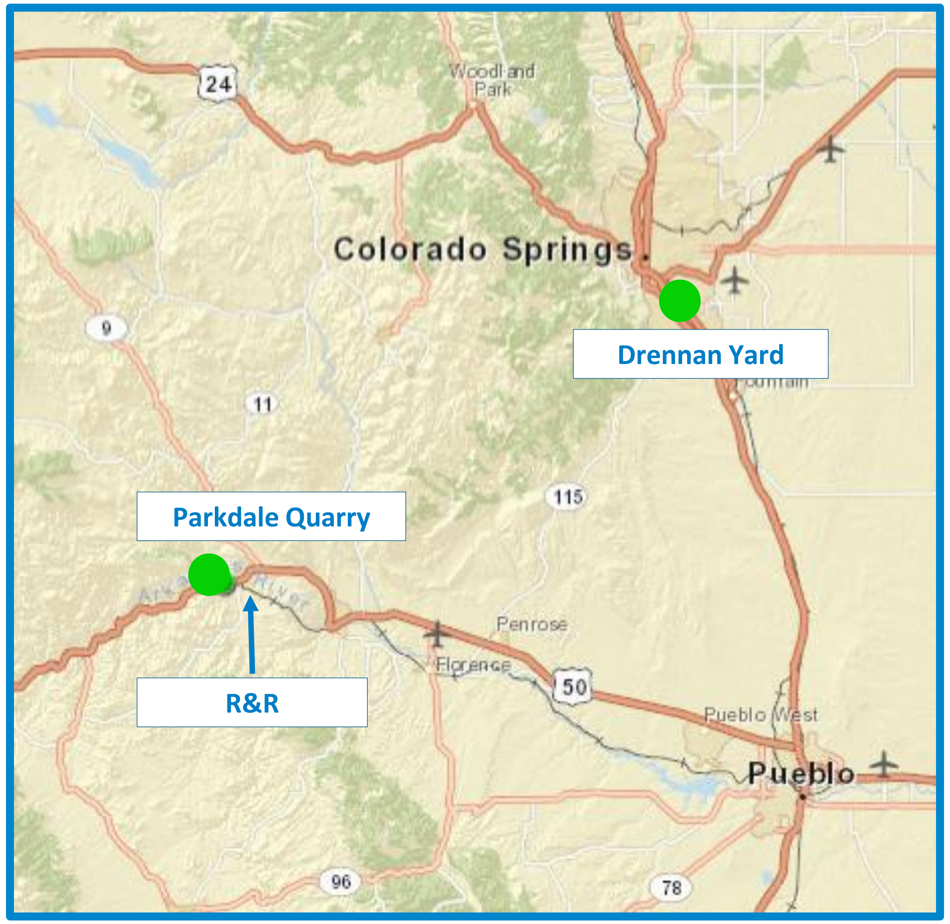

## Rocky Mountain Materials

- Producer of aggregates, asphalt and ready mix in southern Colorado (3 quarries, 2 asphalt plants and 2 ready mix plants)
- ***Over 900 million permitted tons of proven and probable aggregates reserves***
- Strategic locations




ROCKY MOUNTAIN MATERIALS & ASPHALT, INC.

# Linking Northern and Southern Colorado




## Front Range Aggregates, LLC

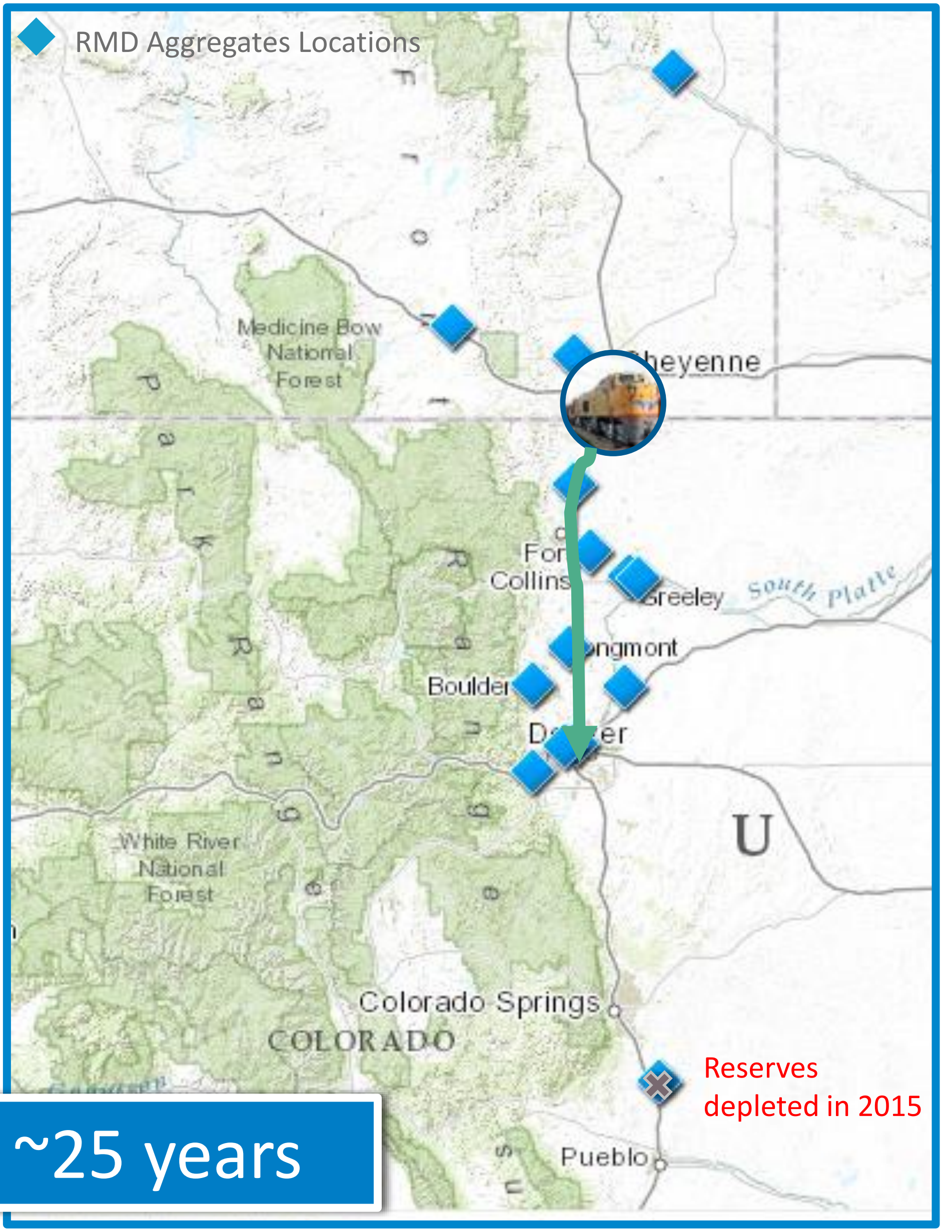
- Over 50M tons of owned alluvial and granite reserves
- Life-of-mine permit
- Potentially 200M tons of adjacent granite reserves on Bureau of Land Management property
- Strategic locations





FRONT RANGE AGGREGATES

# Transforming Colorado's Front Range

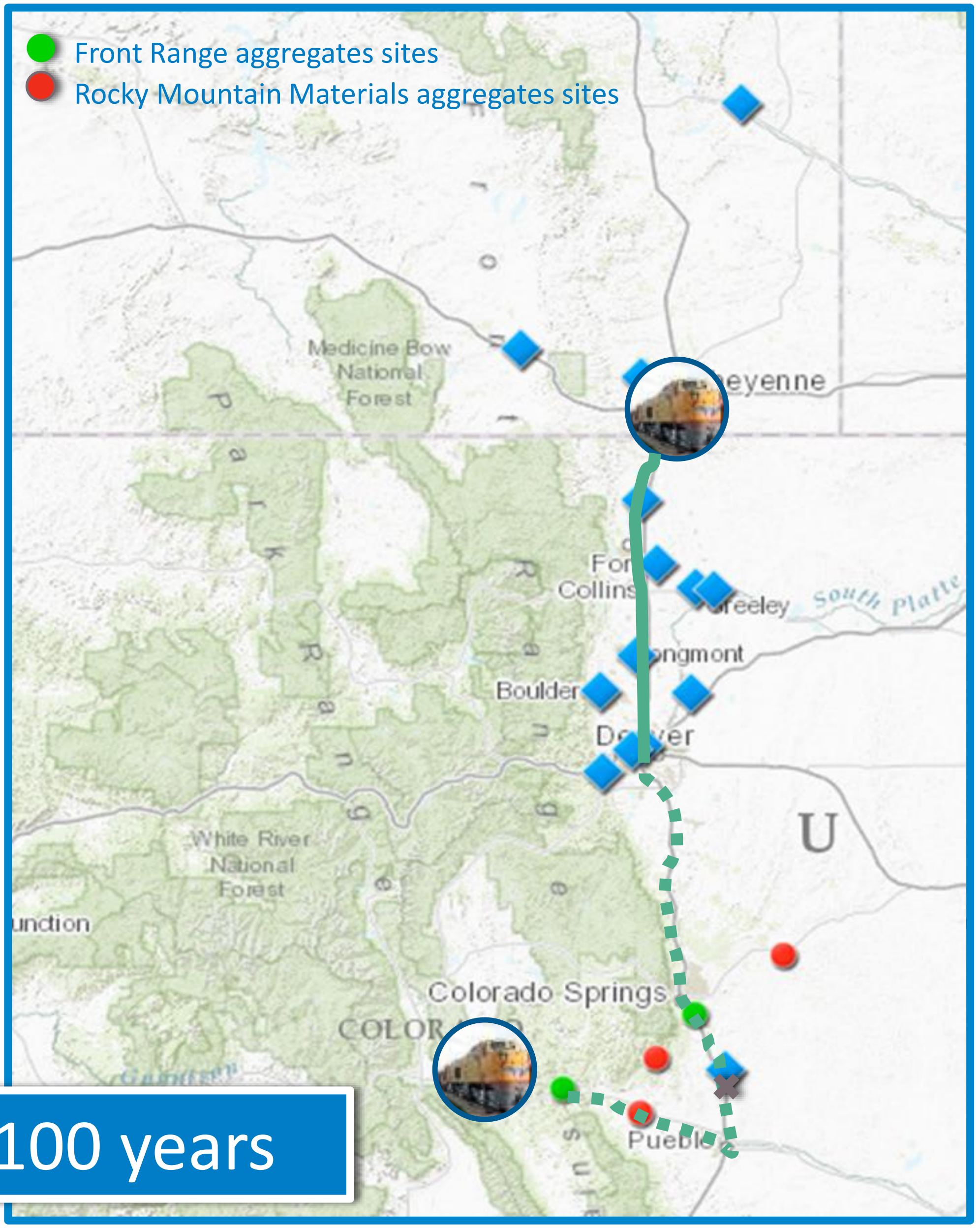



SOAR 2020

- Highway 34 Rock & Rail

FRONT RANGE AGGREGATES

ROCKY MOUNTAIN MATERIALS & ASPHALT, INC.



# SOAR: Strategic Expansion in the Texas Triangle

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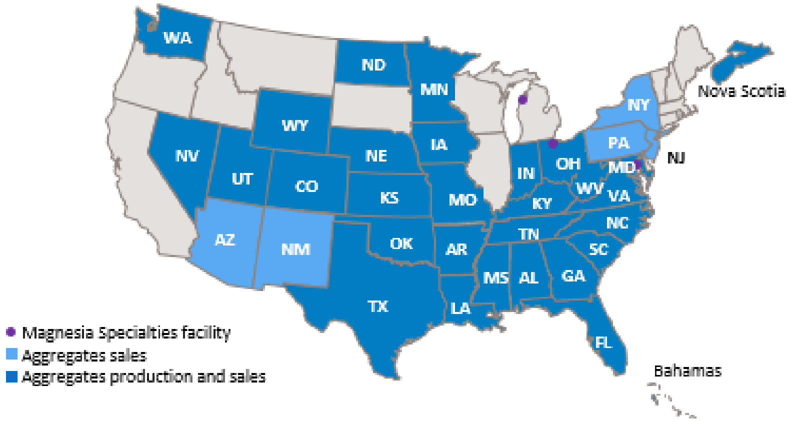
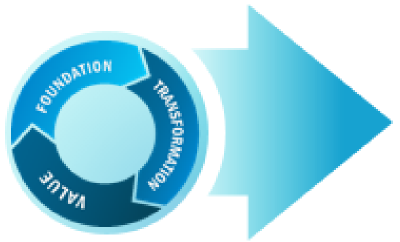
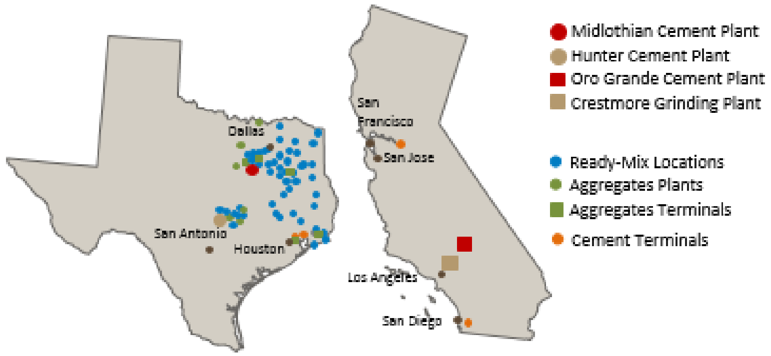
## Expanding the Foundation for Growth




| MARTIN MARIETTA | | TEXAS INDUSTRIES |
|---|---|---|
| #2 U.S. aggregates producer | | #1 cement producer in Texas<br>#3 in California by cement capacity |
| $2.1bn | LTM Net Sales[1] | $0.8bn |
| 4,948 | Employees[2] | 2,040 |
| Approximately 300 operating facilities<br>12.6bn tons of aggregates reserves | Operations | 800 million tons of aggregates reserves<br>7.4mm tons of cement capacity106 ready-mix plants |
| Aggregates, ready-mix, asphalt / road paving, dolomitic lime and magnesia chemicals | Key Products | Aggregates, cement and ready-mix |

Source: Company filings
[1] Martin Marietta as of 9/30/2013. Texas Industries as of 11/30/2013. Excludes intersegment sales.
[2] Martin Marietta as of 12/31/2012. Texas Industries as of 5/31/2013.


Source: 2015 Analyst and Investor Day – then current slide

# The Texas Triangle: Why It Matters

- Texas Triangle Region contains 71% of total Texas population or 19 million people
- Connects three of the nation's top 10 cities via I-35, I-45 and I-10 interstate corridors
- Over 85,000 square miles
- Expect 35 million people, 70% of Texas' population by 2050
- Major commerce corridors spurred by favorable business and tax climate

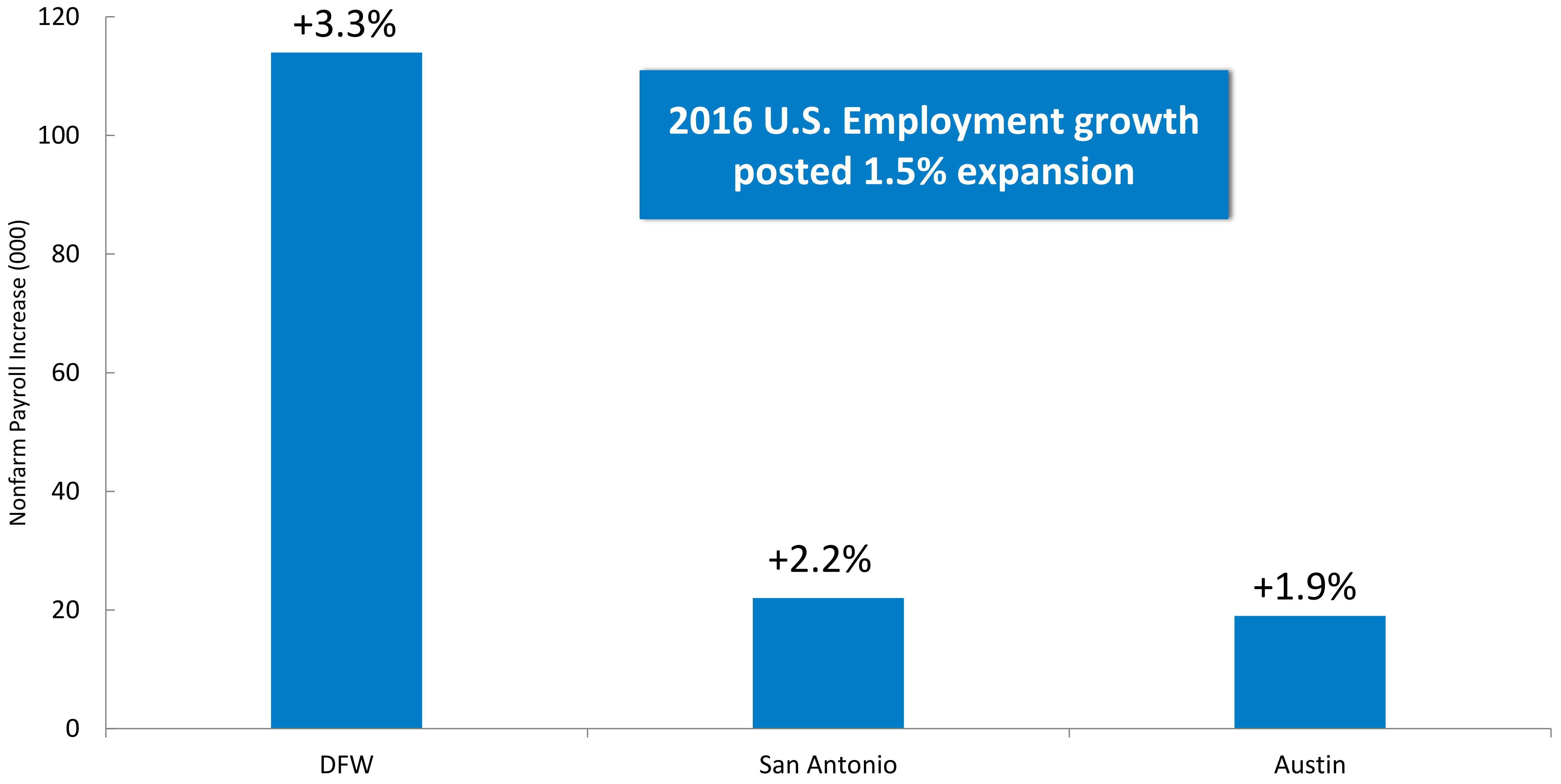

Central Texas Region: Waco, Killeen-Temple, Austin-Round Rock, and San Antonio-New Braunfels

Houston Region: College Station-Bryan, Houston, and Beaumont-Port Arthur

I-35 Corridor: Dallas-Fort Worth-Arlington, Waco, Killeen-Temple, Austin-Round Rock, and San Antonio-New Braunfels

Source: 2014 U.S. Bureau of Census and Real Estate Center at Texas A&M University

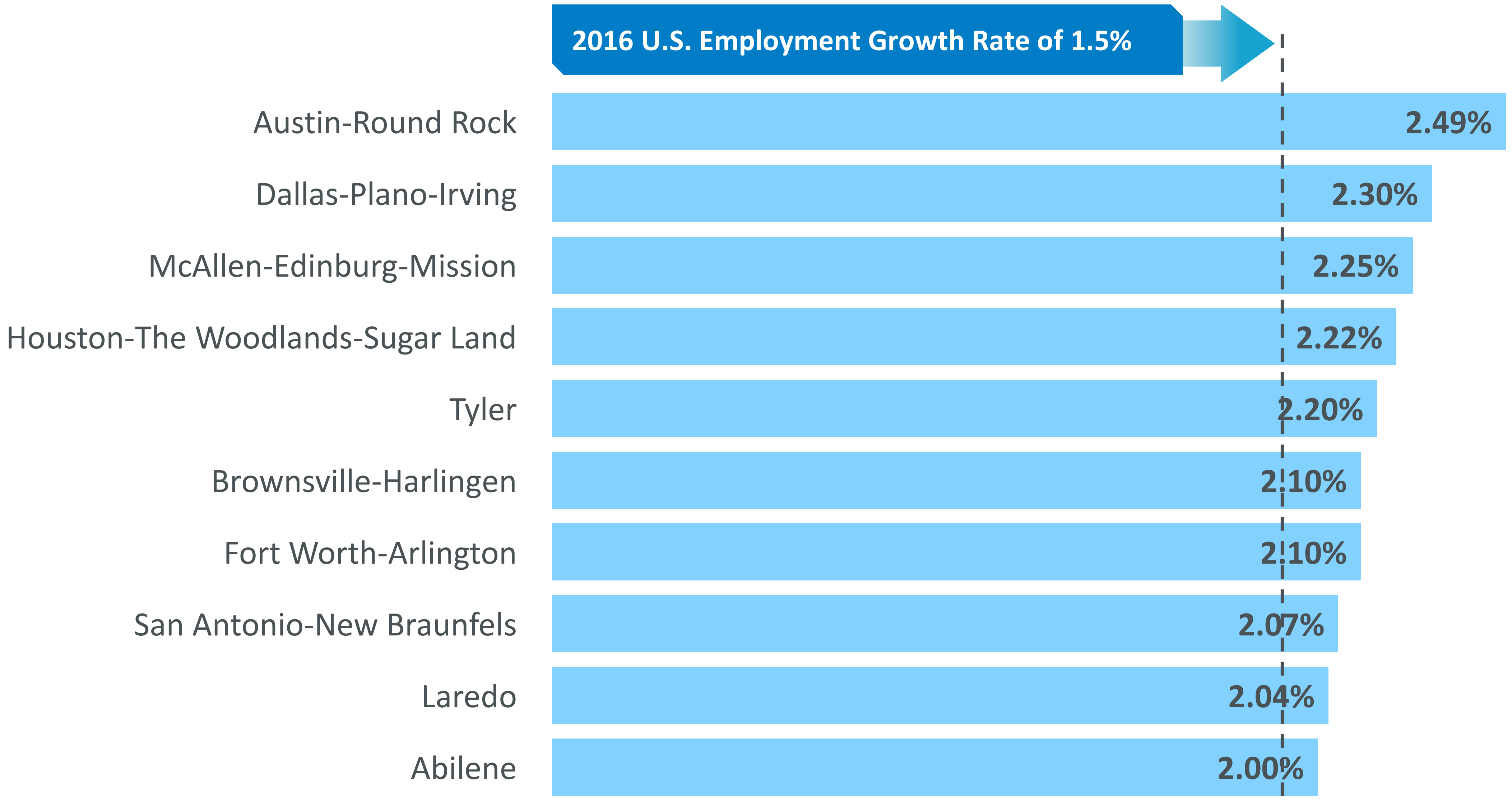
# Strong Employment Growth Along Texas I-35 Corridor




**2016 U.S. Employment growth posted 1.5% expansion**

Source: U.S. Bureau of Labor Statistics

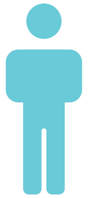
# Positive Outlook for Texas Employment Gains Through 2020

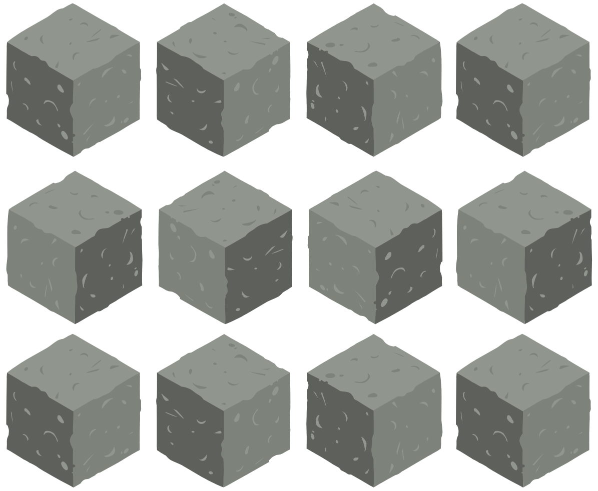



*Sorted by projected compound annual growth rate of wage and salary employment from 2015 to 2020. All regions refer to their respective metropolitan statistical areas with the exception of the Dallas-Plano-Irving and Fort Worth-Arlington metropolitan divisions.

Source: The Perryman Group

# Why Population Growth Matters





1 Person

8-12 tons of annual aggregate demand *

* Company estimates based on aggregate demand in Texas

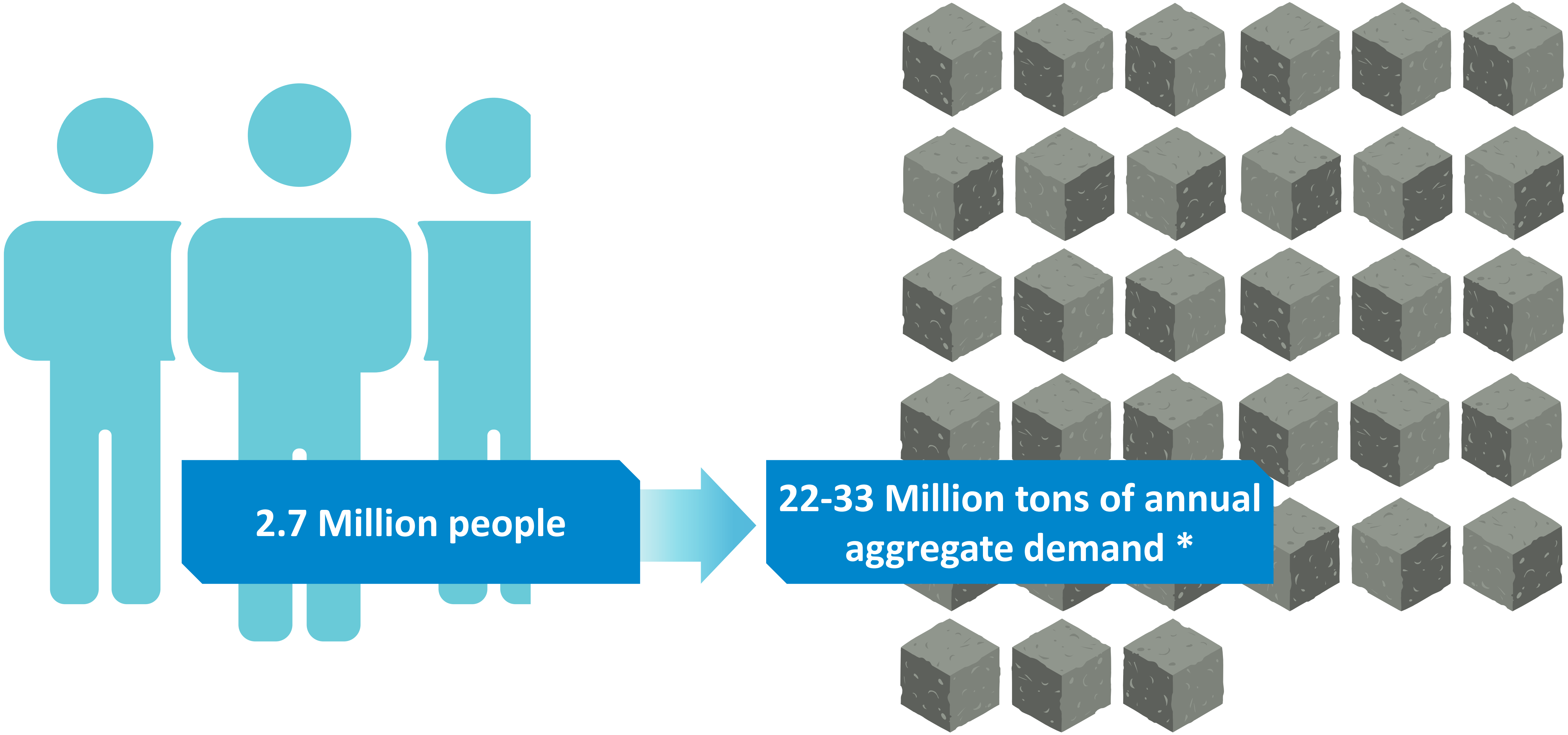
# Texas Triangle Population Growth Outlook

| TRIANGLE MSA's | 2014 | 2020 [1] | GROWTH |
|---|---|---|---|
| Dallas/Fort Worth | 6,954 | 7,921 | 966 |
| Houston/Beaumont | 6,896 | 7,846 | 950 |
| San Antonio/Austin | 4,272 | 4,942 | 670 |
| Central Triangle | 928 | 1,058 | 130 |
| **Totals** | **19,050** | **21,767** | **2,717** |

Population in 000's

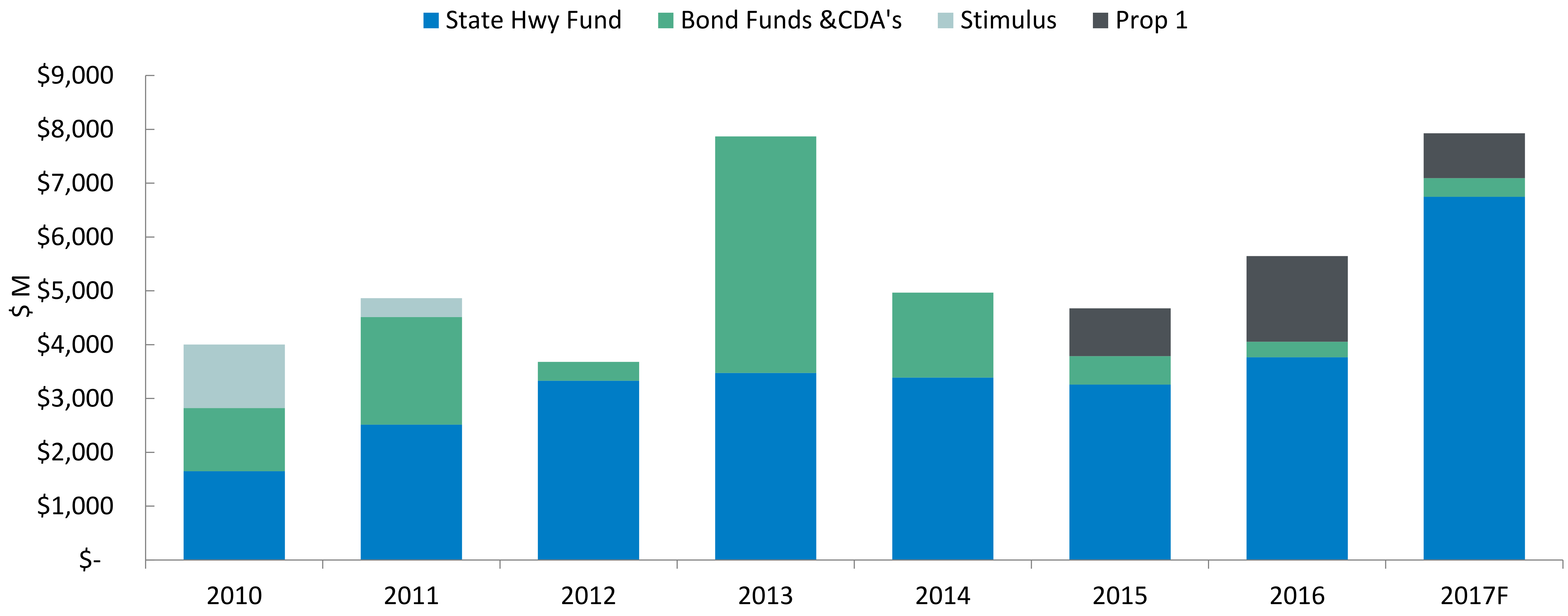
[1] Data projection from Office of State Demographer - Texas State Data Center

# Why Texas Triangle Population Growth Matters




* Company estimates based on aggregate demand in Texas

# Texas Department of Transportation Funding




**TxDOT announced plans to spend at least $66B over next 10 years**

# Positive Texas Nonresidential Fundamentals

## Labor Market

- Strong employment growth along the I-35 corridor
- I-35 corridor growth in office-using employment (professional, information, and financial services)

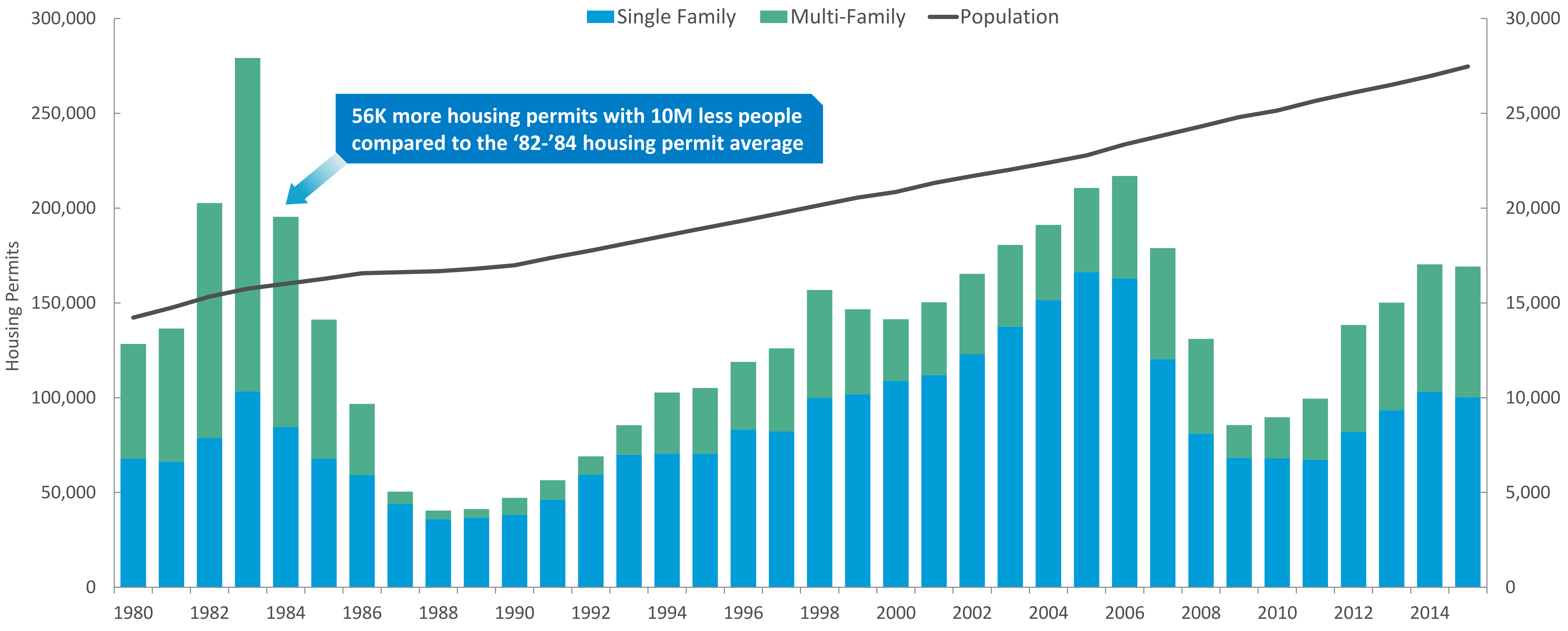
## Office Space Demand

- Headquarter relocations
- Corporate campus expansions
- Low vacancy rates and increasing leasing rates

## Industrial Expansion

- Houston's east side petro chemical industry growth
- Gulf Coast LNG facilities expansion
- I-35 corridor warehouse and distribution centers

# Texas Housing Market Continues to Grow




Source: U.S. Bureau of Census and Real Estate Center at Texas A&M University

# Texas Construction Market Outlook Remains Bright

- Texas economic conditions are much different than the mid-1980s recessionary dynamics
- The energy consuming I-35 Corridor markets have less or minimal dependency on the energy producing sector; continue to demonstrate healthy growth
- Strong multi-year industrial expansion fueled by large LNG and petro chemical projects along the Gulf Coast
- Robust infrastructure investment program with additional funding boost provided by Proposition 7 beginning fiscal year 2018

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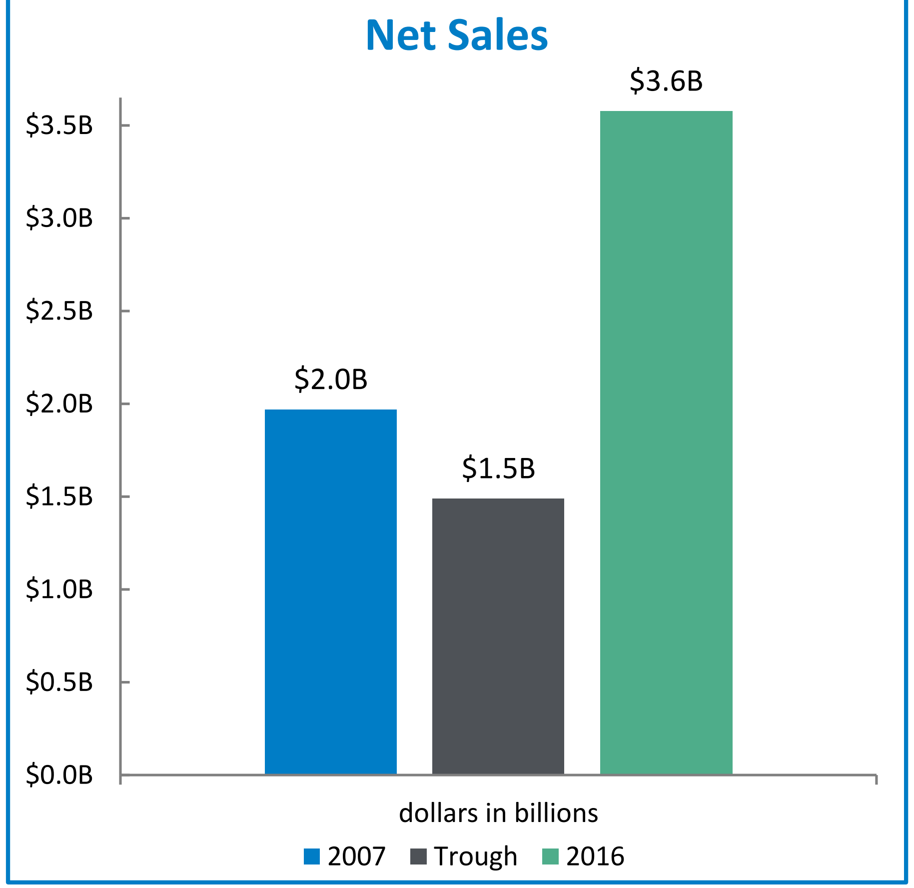
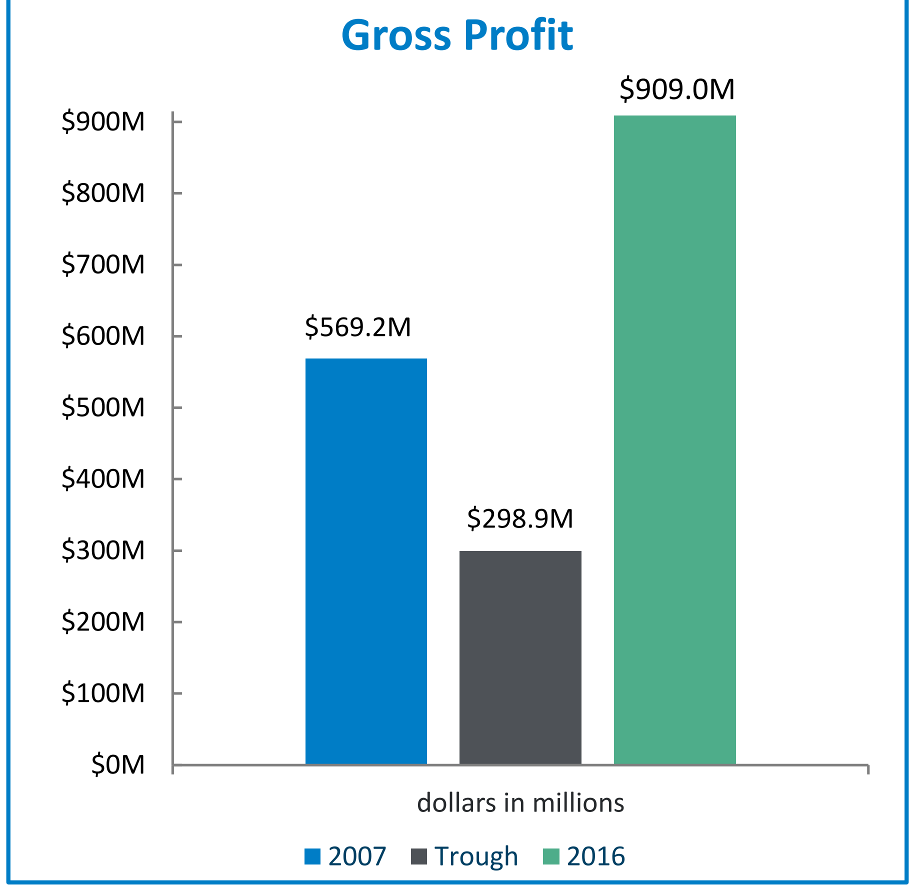
# Full-Year 2016 Record Consolidated Operating Results

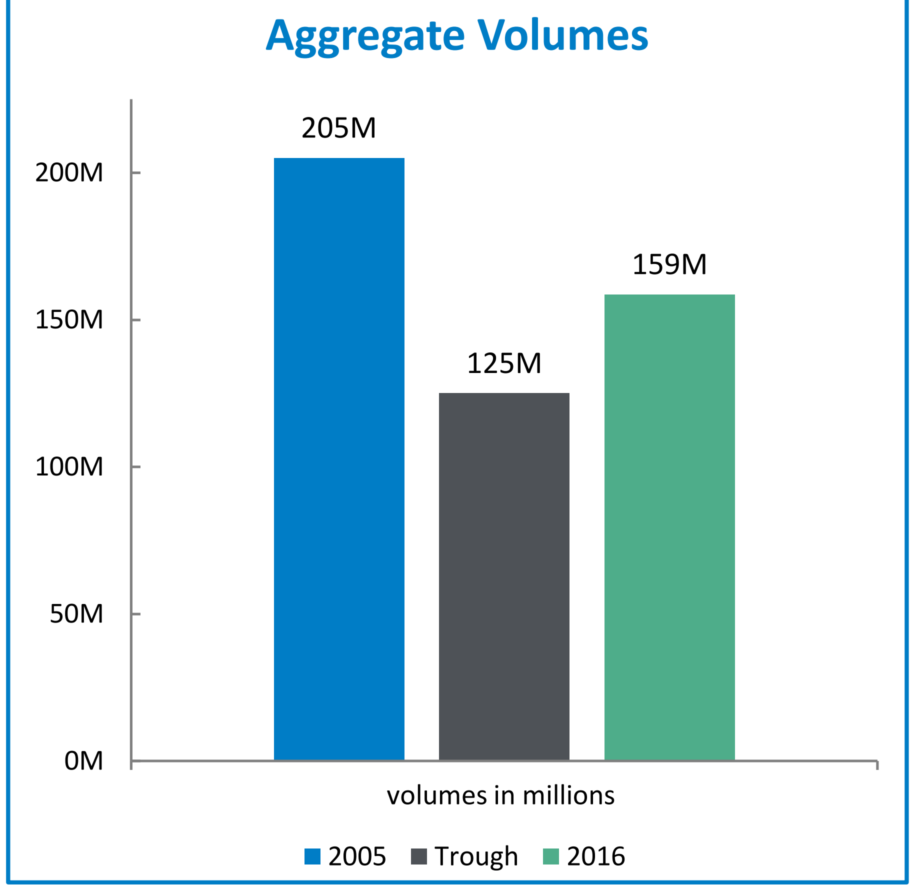
**Record net sales of $3.6 billion**

**Record gross profit of $909.0 million**

**Record net sales and gross profits with less than 80% of peak volumes**

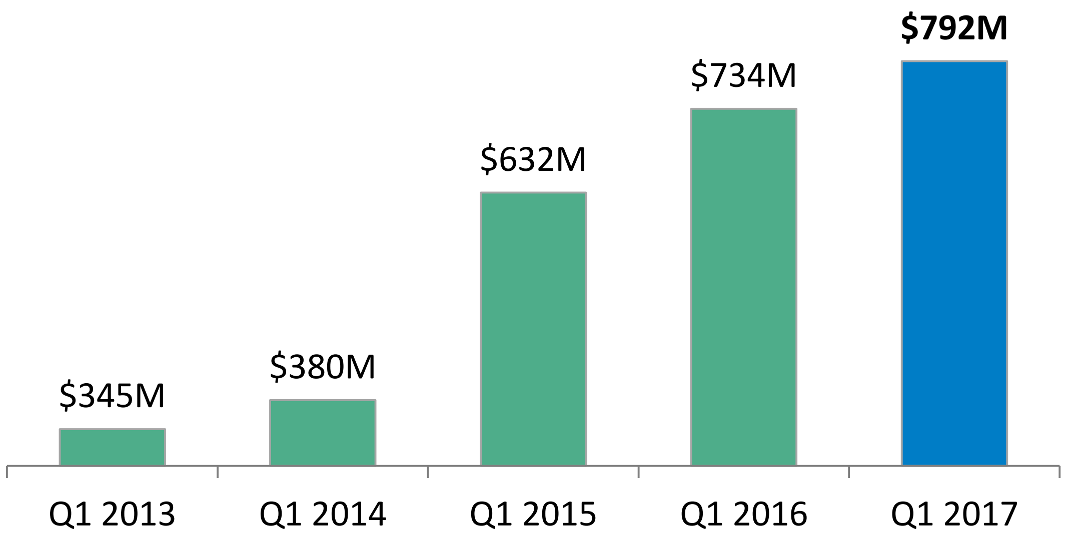


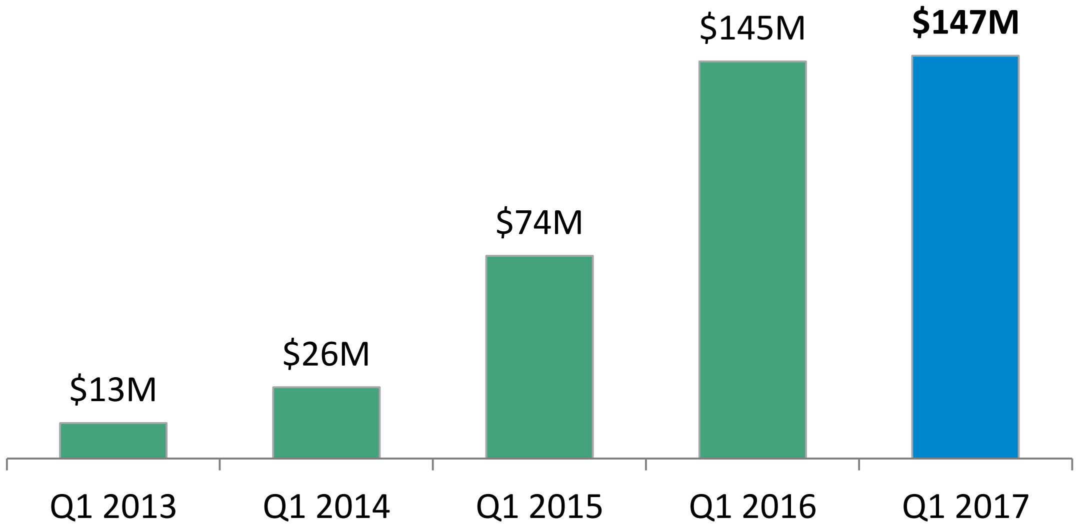



# First-Quarter Consolidated Operating Results

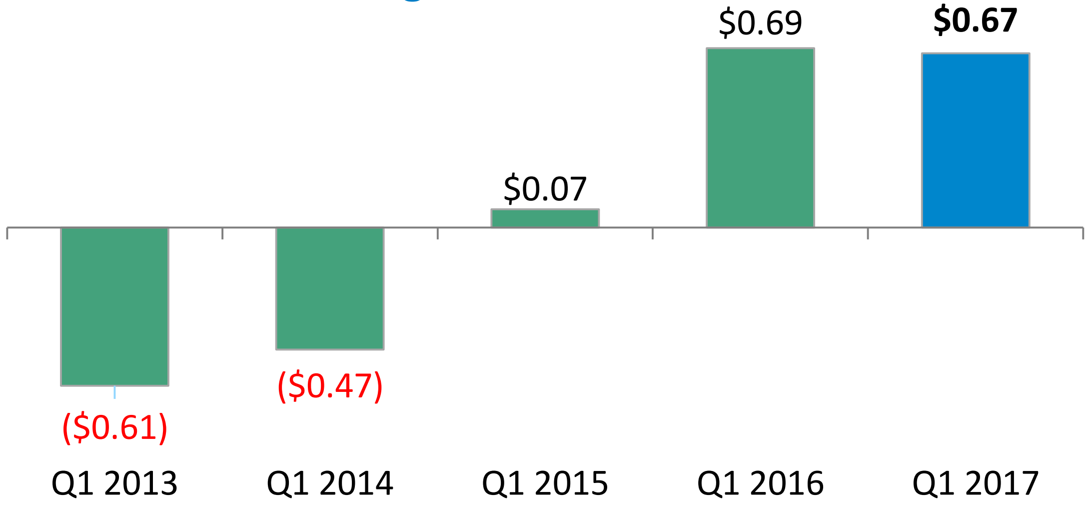
## Net Sales



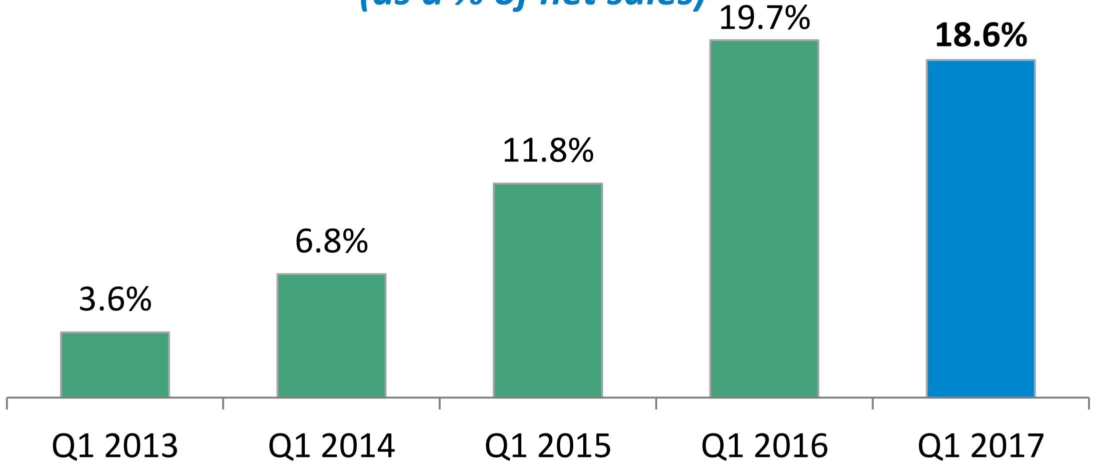

## Gross Profit




## Earnings Per Diluted Share

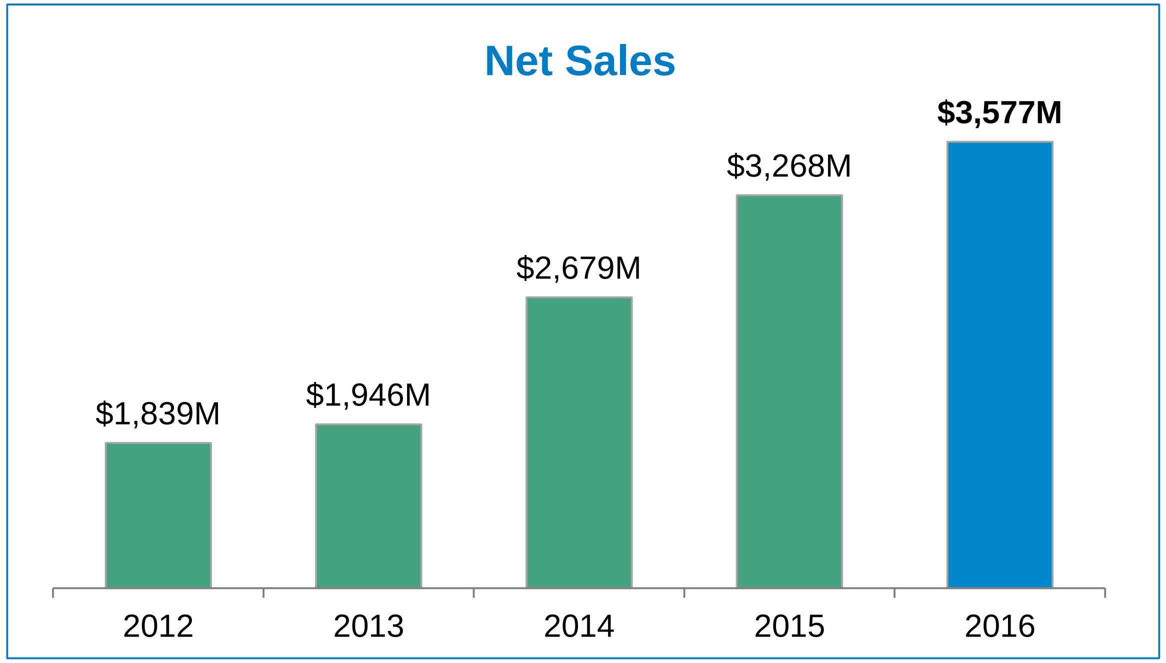


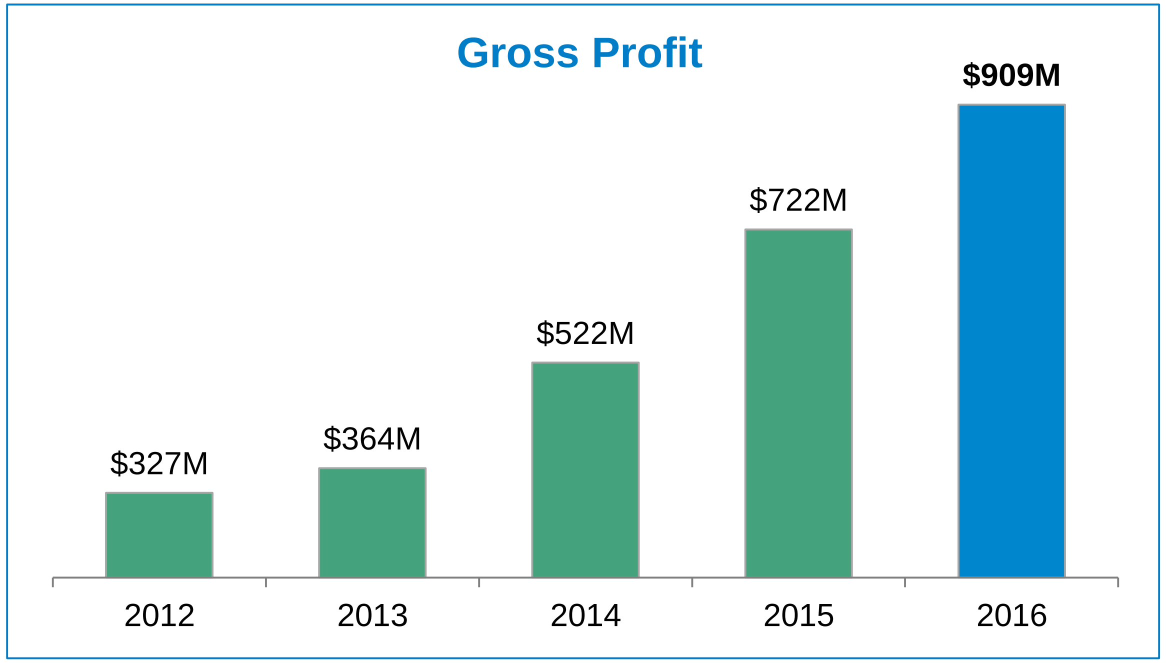

## Gross Profit Margin
*(as a % of net sales)*

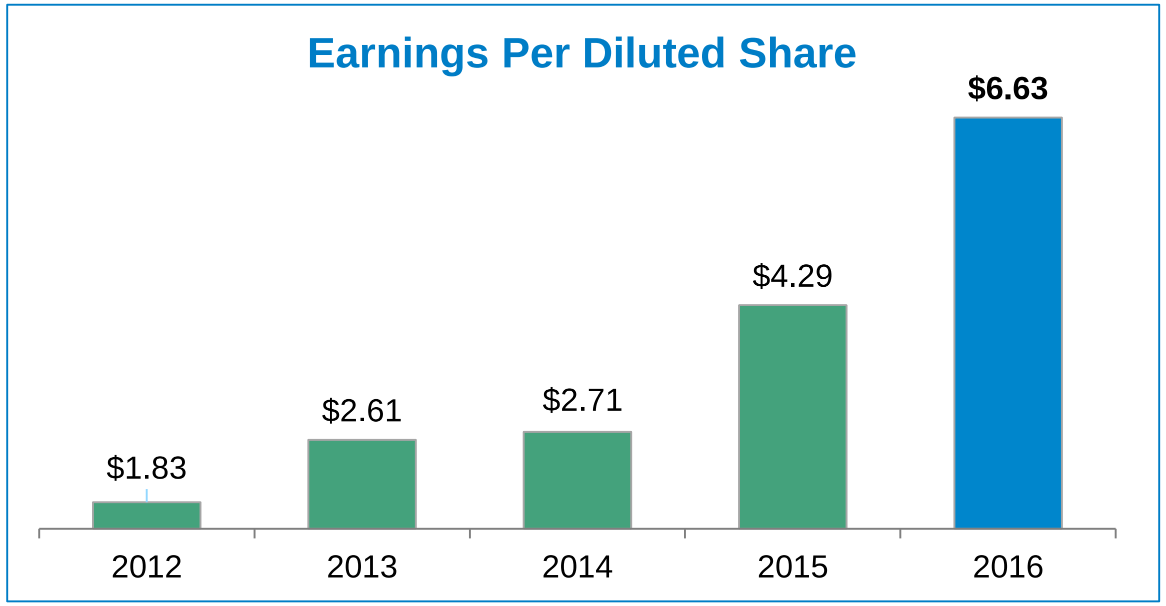


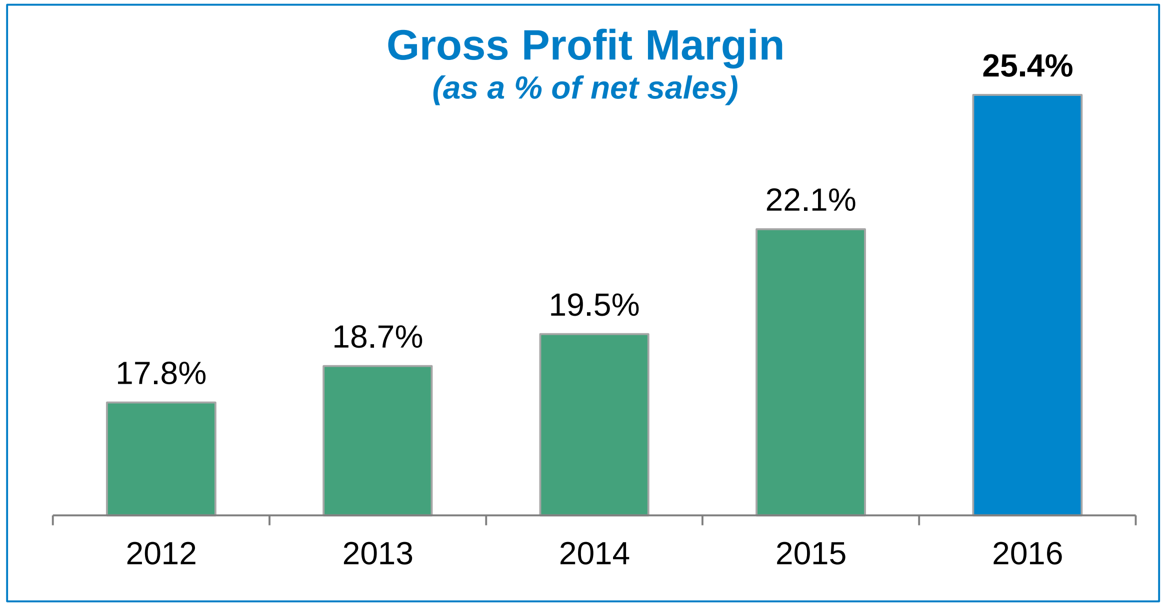

*Note: Net sales, gross profit, earnings per diluted share and gross profit margin presented as originally reported. Further, 2015 includes the California cement operations sold in September 2015.*

# Full-Year Consolidated Operating Results

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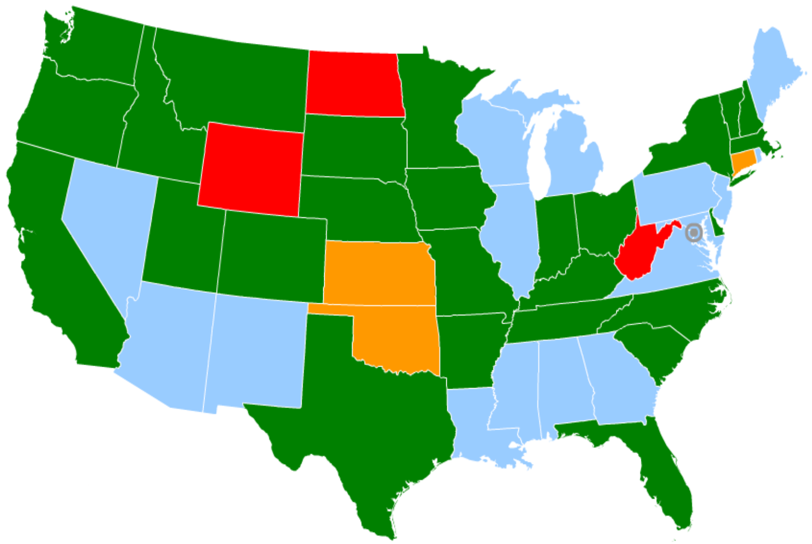
# Macroeconomic Drivers Support Construction-Centric Growth

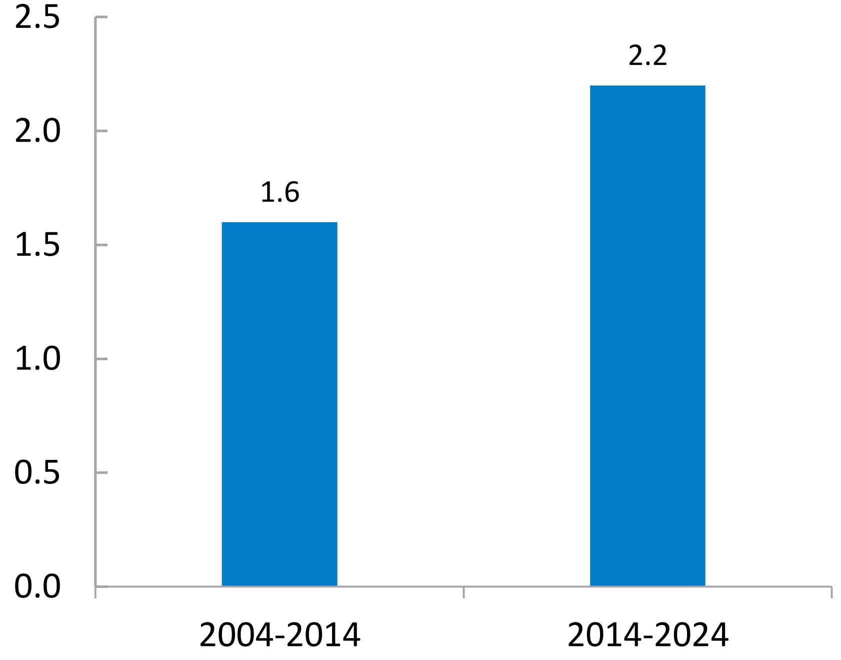
## Southeastern economic recovery



SOURCE: Moody's Analytics, Economy.com © 2017

- Expanding
- Recovering
- Moderating
- Recession

## Rising GDP growth




Growth in GDP; 10-year CAGR (%)
*Source: US Bureau of Labor Statistics*

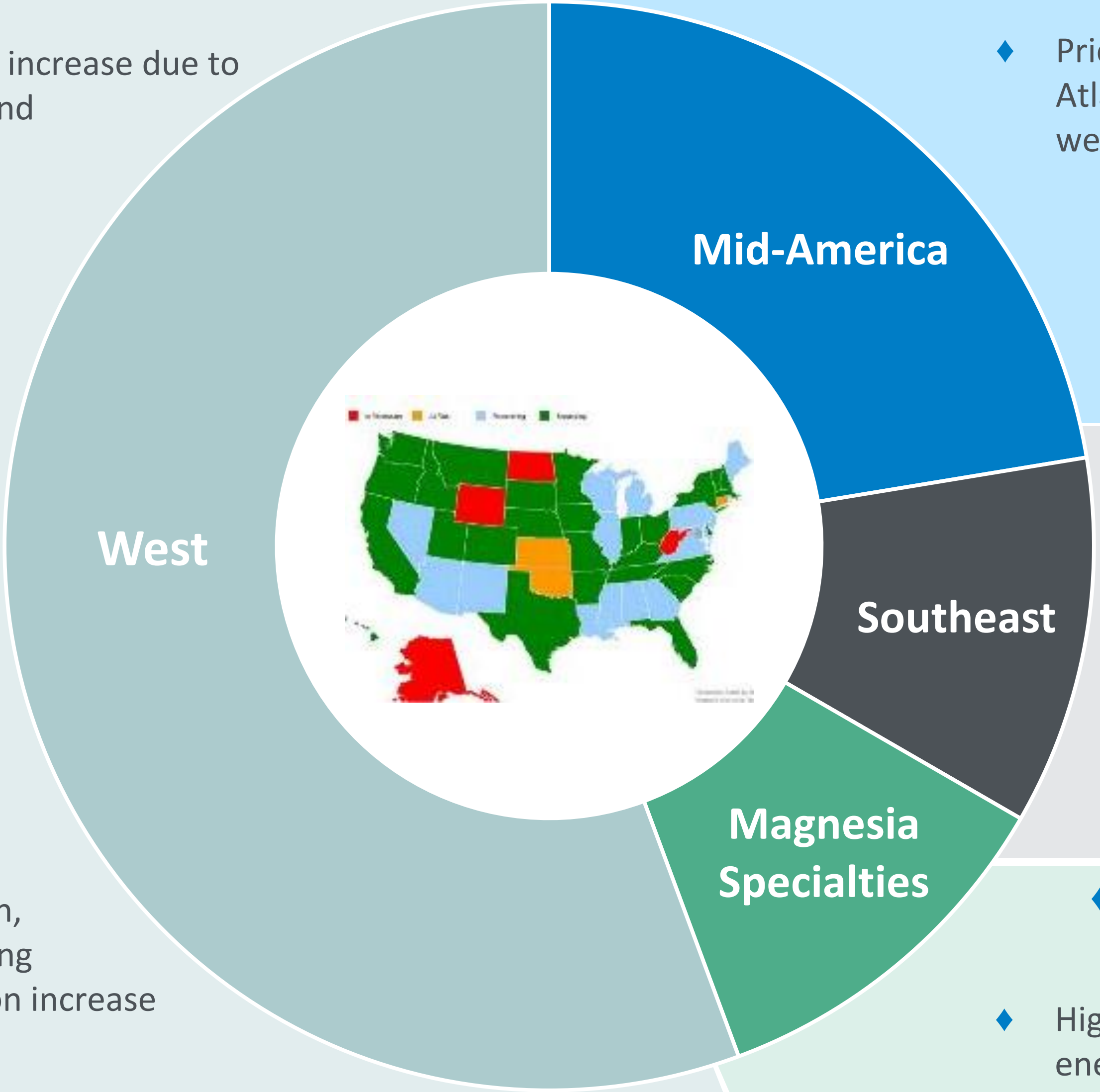
## Growing population

| Rank | 2030 State Population |
|---|---|
| 1 | California |
| 2 | **Texas** |
| 3 | **Florida** |
| 4 | New York |
| 5 | Illinois |
| 6 | Pennsylvania |
| 7 | **North Carolina** |
| 8 | **Georgia** |
| 9 | **Ohio** |
| 10 | Arizona |

Projected US Population, 2030
*Source: US Census Bureau*

# Key Trends in Martin Marietta Segments

- Net sales improvement of 7.1%, or $30.6 million, led by Rocky Mountain Division
- Rocky Mountain contributed $27.3 million to net sales increase due to strong markets in aggregates, ready mixed concrete and asphalt/paving operations
- Aggregates volume declined 7% in Southwest Division, with volume gains in Houston and Dallas/Fort Worth more than offset by volume decreases in South Texas
- Strategic acquisitions benefited West Group, adding $27 million in net sales growth
- Product line mix contributed to gross margin decline, as $35.5 million of net sales growth was from ready mixed concrete at a 9% gross margin, compared with 21% margin from aggregates product line
- Cement net sales were lower by $3.2 million (3% reduction). The impact of the 52K ton volume decline was softened by improved pricing of $2.50/ton, a 3% increase over prior year. Q1 2017 renewed pricing growth was in advance of the announced $8.00 per ton increase effective April 1, 2017.




- Net sales increased $4 million, or 2.3%
- Pricing and volume impacts led to net sales growth in Mid-Atlantic and Midwest Divisions, while Mideast Division net sales were lower
- Increased costs, namely stripping and repair and maintenance costs incurred to prepare for expected demand in the Mid-Atlantic Division, combined with the Mideast volume decline reduced gross margin 111 bps to 14.8%

- The Southeast Group reported net sales increase of $19.4 million, or 29%, driven by the Florida market
- Volume and strong pricing both contributed to the increase, adding $11 million and $8 million, respectively
- Gross profit increased 117 bps to 16.6%

- Net sales improved $3.8 million, or 6.3%, with growth in both Chemicals and Lime & Stone
- Higher maintenance costs, unplanned outages and increased energy costs negate the impact of additional net sales and reduced gross margin 338 bps to 35.3%

# 2017 Outlook by End Market

| | | | 2017 [1] GROWTH RATE |
| --- | --- | --- | --- |
| **Infrastructure**  | ♦ State department of transportation initiatives drive growth.<br>♦ New federal and state monies expected in 2017, with more meaningful impact from the FAST Act in the second half of the year. | + | Mid-single digits |
| **Nonresidential**  | ♦ Both industrial and commercial sectors expected to increase. | + | Low- to Mid-single digits |
| **Residential**  | ♦ 2016 single-family housing permits drive 2017 consumption.<br>♦ Top 10 for gains in single-family housing starts includes Florida, North Carolina, Georgia and South Carolina. | + | Mid- to High-single digits |
| **ChemRock/Rail**  | ♦ Ballast demand dependent on railroad activity. | – | Stable |

[1] Growth rate as compared to prior comparable period

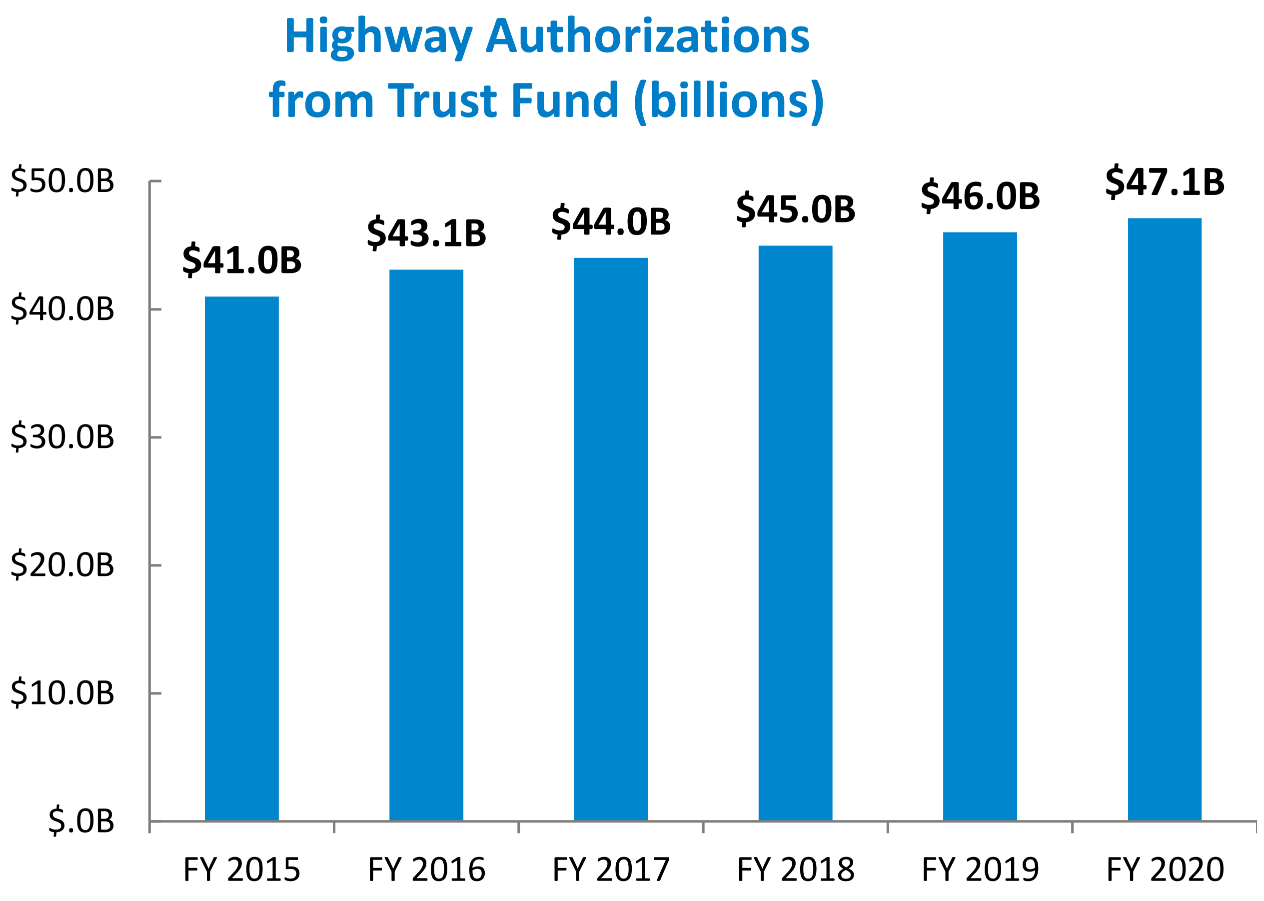
# Federal Infrastructure Funding… A Decade in the Making


***Fixing America's Surface Transportation Act, "The FAST Act"***

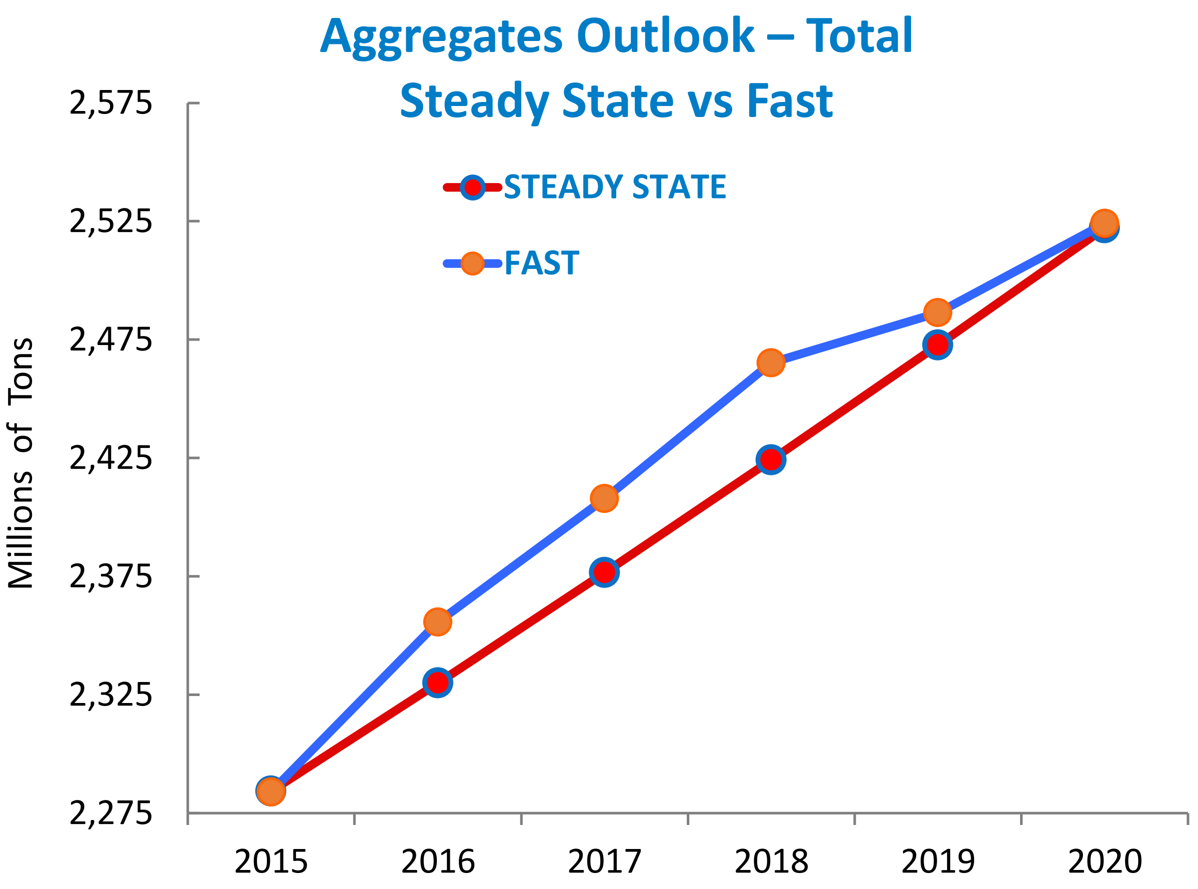
## HIGHWAY BILL BENEFITS

- Multi-year highway bill passed
- Funding certainty and project visibility
- Enable long-term planning
- Strengthens state infrastructure spending initiatives
- New construction more aggregates intensive
- Stimulates rural market transportation construction

# Increased Funding Drives Aggregates Consumption




P.L. 114-94 US Department of Transportation Federal Highway Administration




SC Market Analytics analysis, January 2016

**FAST Act drives an estimated 114 million tons of incremental aggregates consumption**

# State-Level Infrastructure Funding Initiatives

Texas Department of Transportation

DOT DEPARTMENT OF TRANSPORTATION

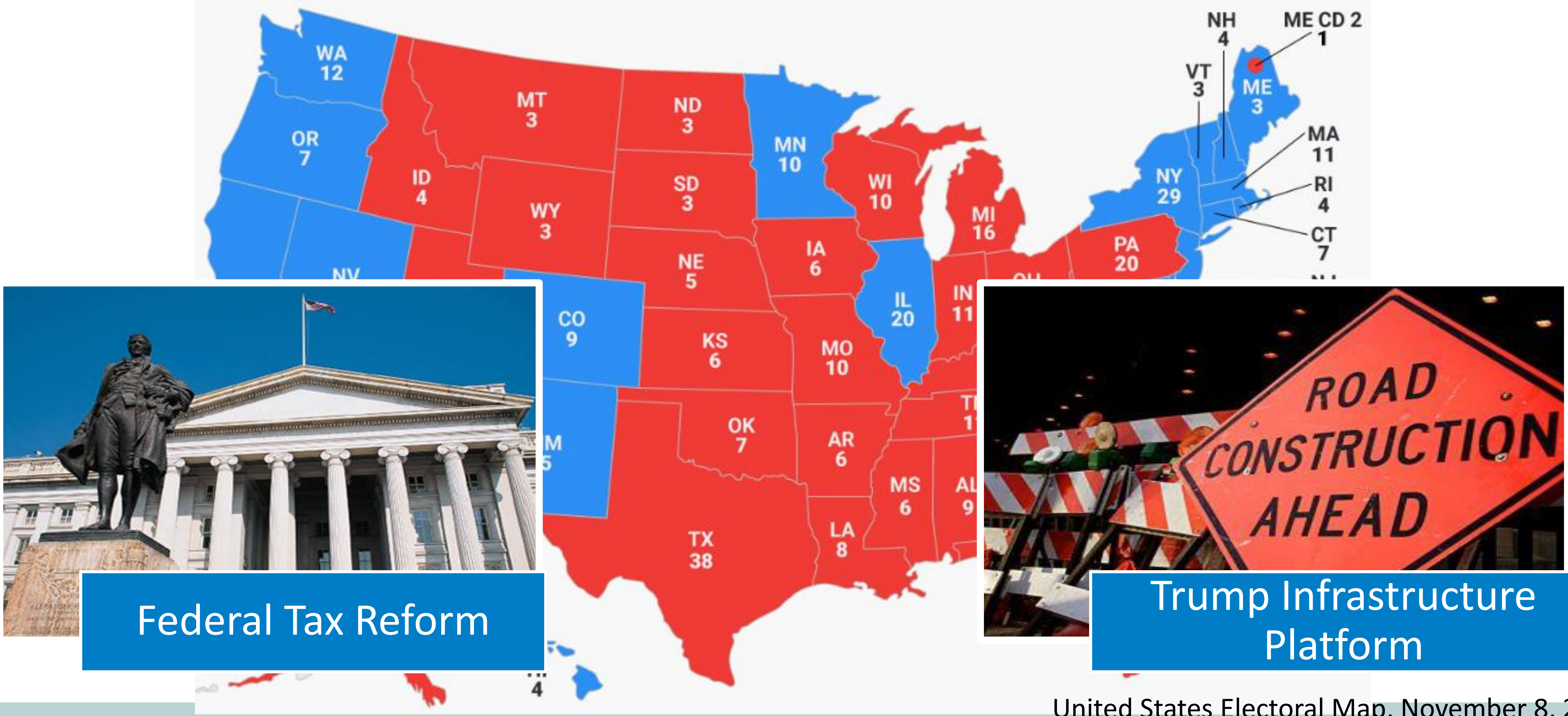
NCDOT NORTH CAROLINA DEPARTMENT OF TRANSPORTATION

GDOT Georgia Department of Transportation

IOWA DOT SMARTER I SIMPLER I CUSTOMER DRIVEN

**$6.2 billion of funding initiatives approved November 8, 2016 in Top 5 MLM states**

# Focus on Increased Federal Infrastructure Funding vs. Financing




Federal Tax Reform

Trump Infrastructure Platform

United States Electoral Map, November 8, 2016

# Nonresidential and Residential Construction Trends

Steady annual growth

# Ongoing Multi-Year Industrial Construction Expansion

***Population and energy dynamics continue to draw mega projects to Texas and the Gulf Coast***

| Project | Project Cost ($millions) | Est. Volume | | Est. Start | Status |
|---|---|---|---|---|---|
| | | Aggregates | Ready Mix | | |
| Sabine Pass | $ 1,000 | -- | 100K yards | 2H 2017 | Awaiting Final Investment Decision (FID) |
| Lake Charles LNG | 6,000 | 1M tons | 325K yards | Q3 2017 | Awaiting FID |
| Golden Pass LNG | 10,000 | 5M tons | 400K yards | Q4 2017 | To be awarded Q4 2017 |
| Calcasieu Pass | 5,000 | 2.5M tons | 260K yards | Q1 2018 | Awaiting FID |
| Quintana Freeport LNG | 1,000 | 1M tons | 100K yards | Q1 2018 | Awaiting FID |
| Rio Grande LNG | 8,000 | 2M tons | 220K yards | Q2 2018 | Awaiting FID |
| Magnolia LNG | 6,500 | 1M tons | 280K yards | Q4 2018 | Awaiting FID |
| Driftwood LNG | 8,000 | 6M tons | 500K yards | Q4 2018 | Awaiting Final FERC Permit and FID |
| Port Arthur LNG | 10,000 | 4.5M tons | 350K yards | Q1 2019 | Awaiting Final FERC Permit and FID |
| Texas LNG | 6,000 | TBD | TBD | 2019 | Awaiting Final FERC Permit and FID |
| **Total Projects** | **$ 61,500** | **23M tons** | **2.5M yards** | | |




*Source: Company data*

FOUNDATION

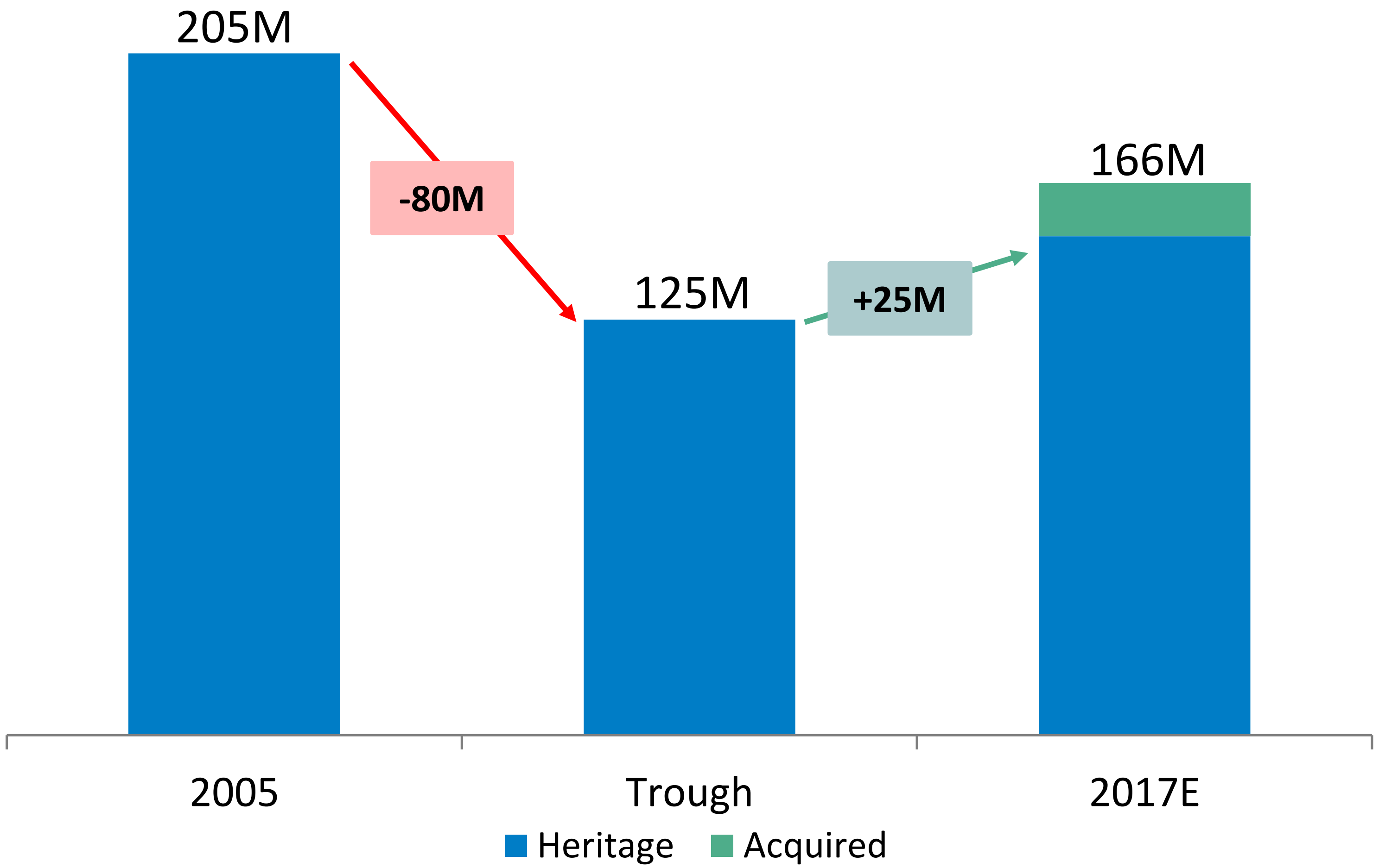
TRANSFORMATION

VALUE

## THE PATH FORWARD

# Early Cycle Aggregates Volume Recovery

- Based on the midpoint of 2017 guidance, heritage aggregates volumes ~70 percent of peak

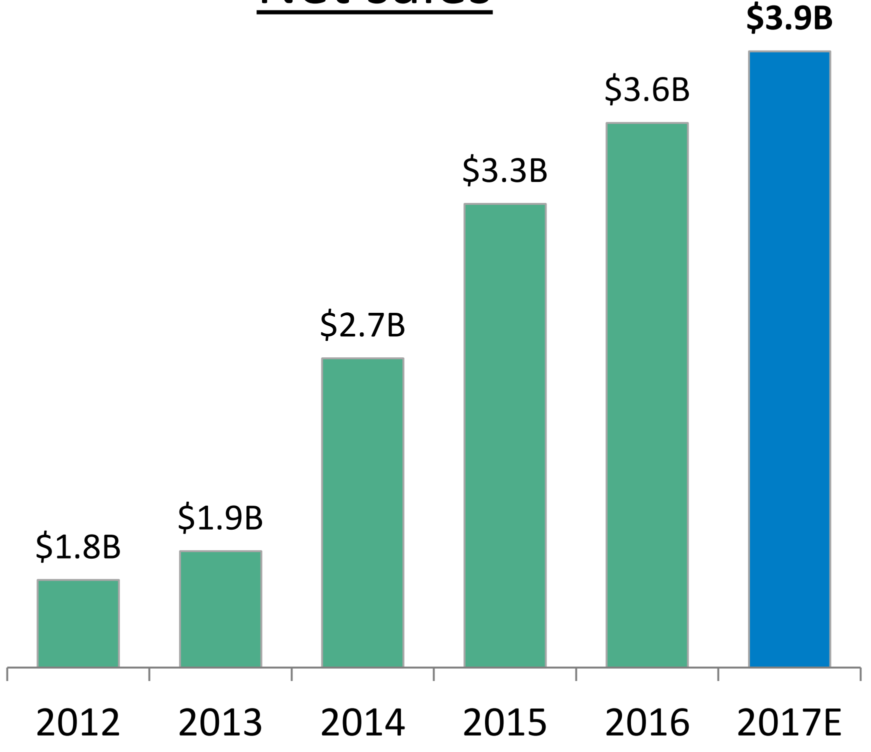


# 2017 Outlook

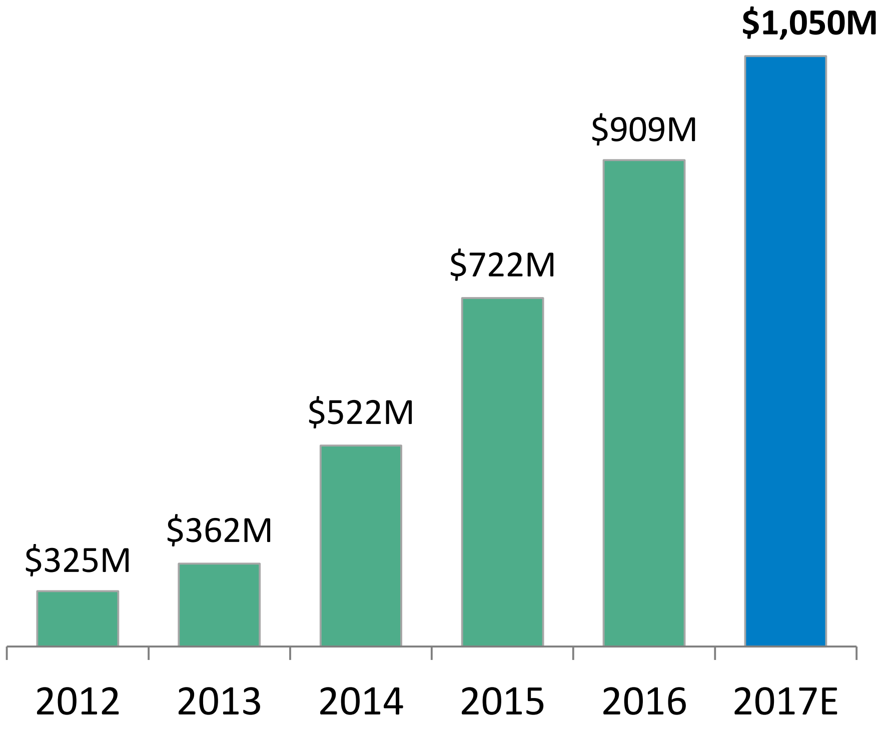
Based on the midpoint of 2017 guidance:

- Net sales of $3.85 billion; growth of 8 percent year-over-year
- Gross profit of $1.05 billion; growth of 15 percent year-over-year
- EBITDA of $1.09 billion; growth of 12 percent year-over-year

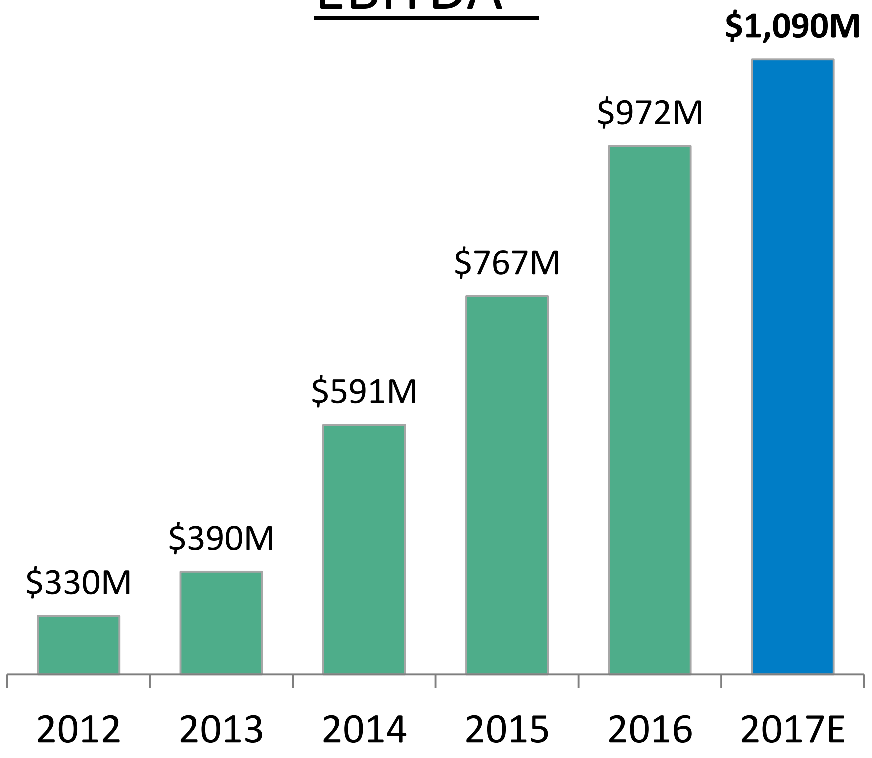
Net sales




Gross profit




EBITDA [1]




[1] *As reported adjusted EBITDA is presented for 2014 and 2015.*

# The Next Five-Year End Market Trend

**2017 Outlook**

**Next Five-Year Trend**

**Infrastructure**

Mid-single digit annual growth

**Nonresidential**

Mid-single digit annual growth

**Residential**

Steady growth towards 1.4 million starts

**ChemRock/Rail**

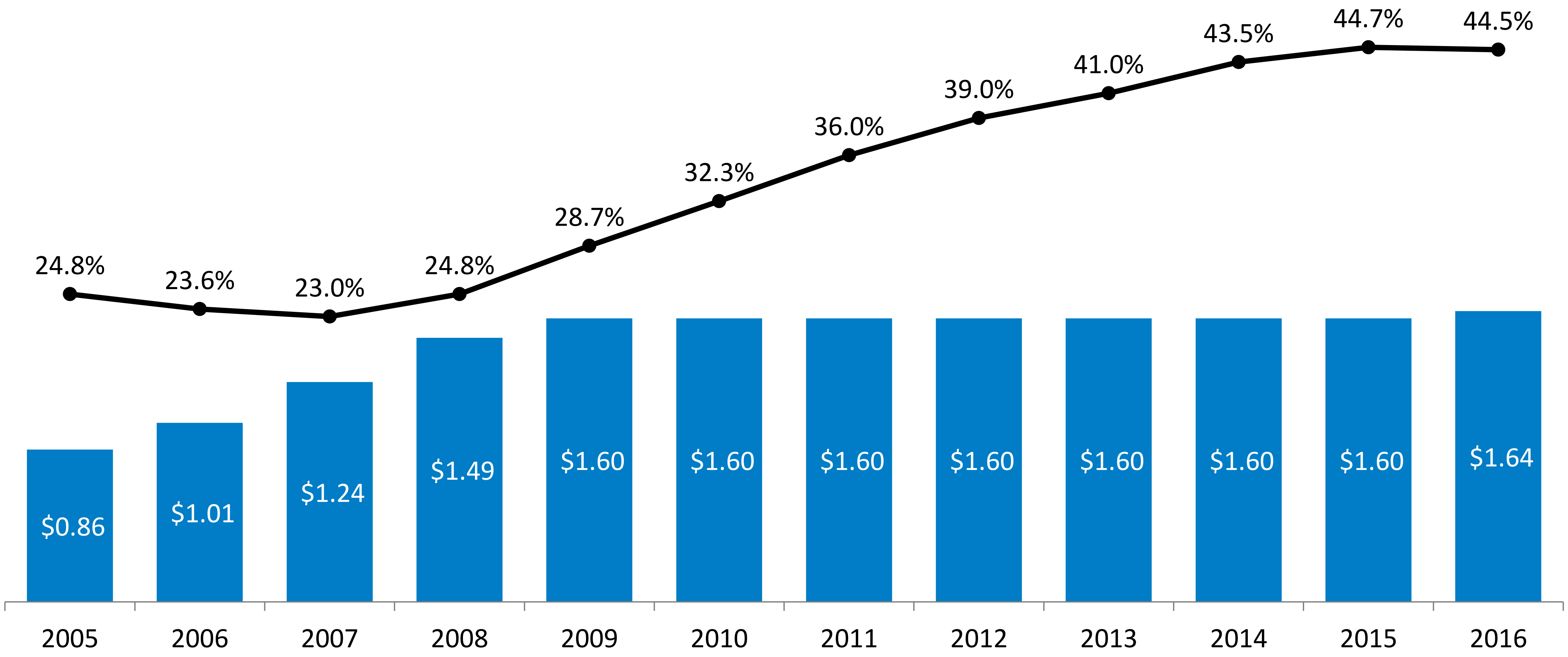
Neutral

**Steady growth supports trend**

# Capital Allocation Priorities

| PRIORITIES | | FORWARD VIEW |
|---|---|---|
| **Acquisitions** |  | Execution against strategic assessment |
| **Organic Capital Investment** |  | Above maintenance level of capital spending expected over long range operating plan horizon |
| **Return of Cash to Shareholders** | | |
| **Dividends** |  | Earnings payout practice of 25% to 30% over a 10-year cycle |
| **Share Repurchases** |  | Repurchase authorization of 20.0M shares; 14.6M shares remaining |

# Return of Cash Through Sustained, Meaningful Dividend

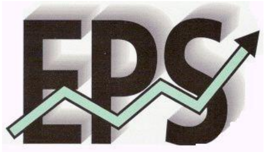



**Earnings Payout Target of 25% to 30% over ten-year cycle**

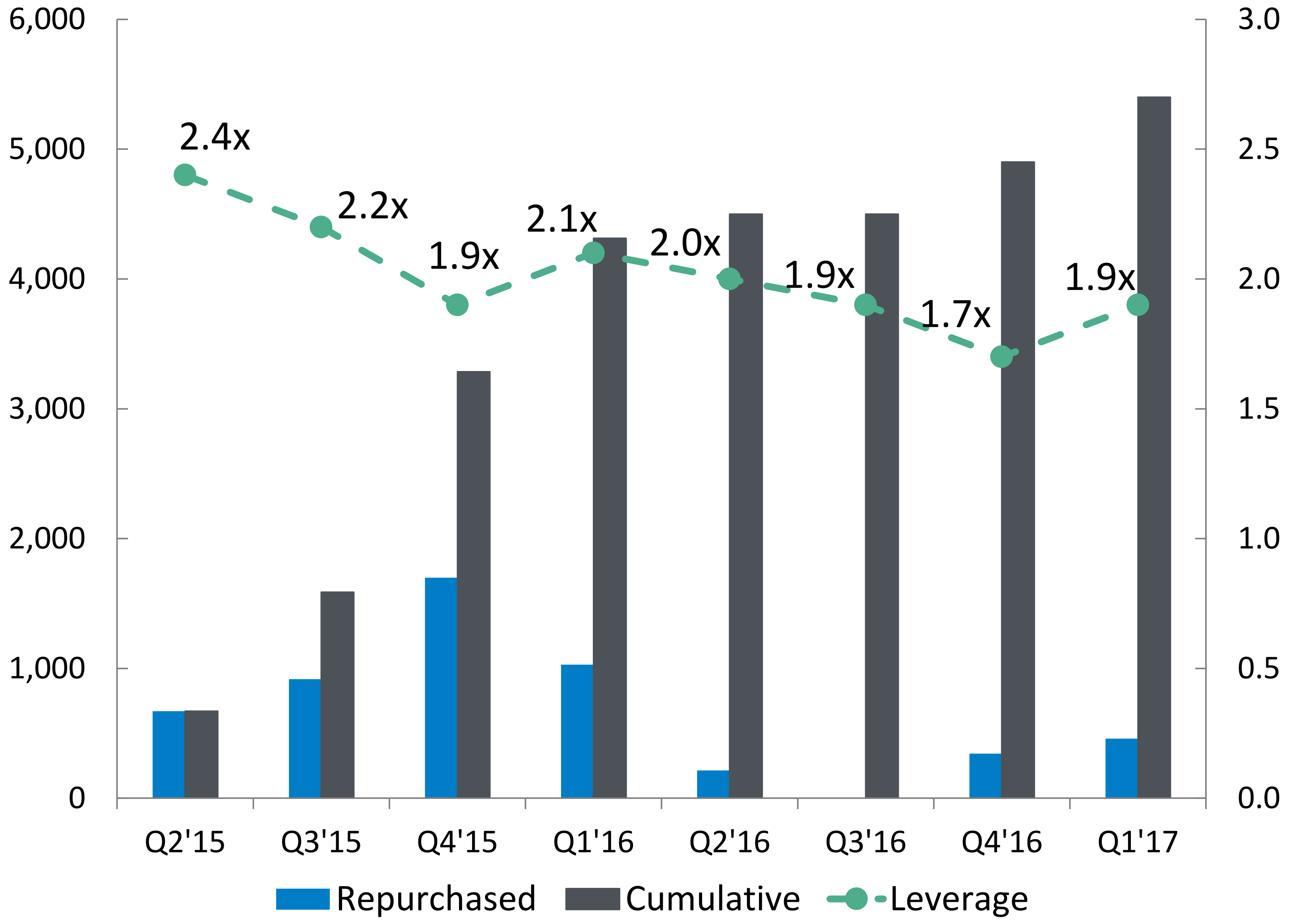
# Return of Cash Through Share Repurchases

## Systematic Structured Share Repurchase

– Target a 20 million share buy back

| | | |
|---|---|---|
| Leverage |   | ♦ Target 2.0x to 2.5x EBITDA through cycle<br>♦ Preserve financial flexibility |
| Liquidity |   | ♦ Free cash flow after dividends |
| Financial Impact |   | ♦ Accretive |
| Capital Allocation Priority | SOAR 2020 | ♦ SOAR 2020 strategic opportunities |

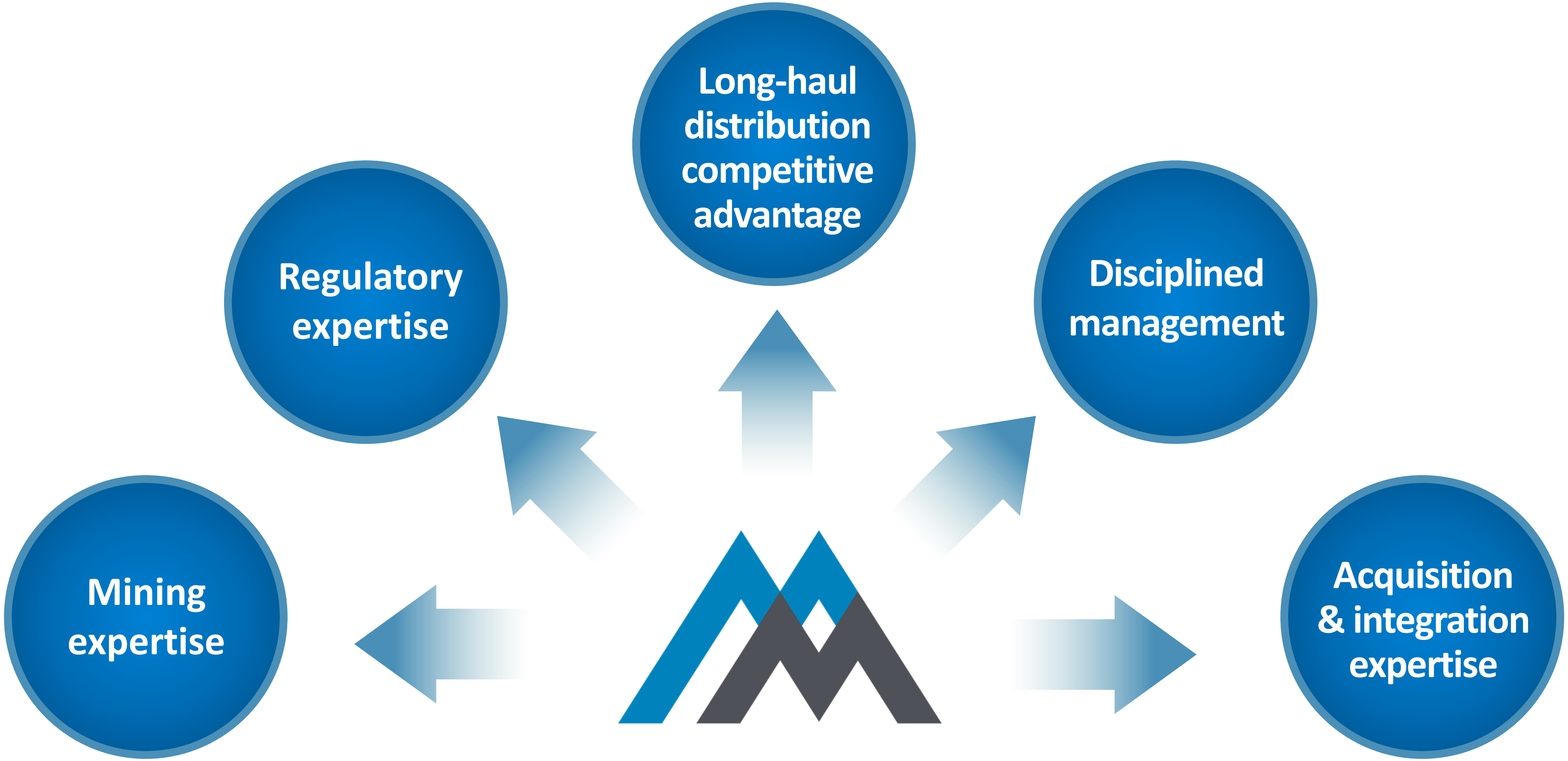
# Share Repurchase Program in Line with Objectives




- 20 million share authorization in February 2015
- 5.4 million shares repurchased through March 31, 2017
- Maintained reasonable leverage targets
- Funded organic capital needs
- Executed against strategic acquisition targets
- Returned $1.12 billion to shareholders[1]

[1] Inclusive of share repurchases and dividends since the February 2015 announcement of the repurchase authorization.

# Core Competencies Drive Forward Value Growth



# The Path Forward – The Next Five

- World-class safety
- Capitalize on core competencies
- Target the right growth opportunities
- Invest in capital projects that provide significant returns
- Generate value from surplus land
- Expand talent, processes and platform
- Deliver consistently against stated sustainability objectives

SOAR 2020

**MAXIMIZE SHAREHOLDER RETURNS**

# Where Do We Go From Here?

**Building a Solid Base**
1994 to 2006

**Focusing on Fundamentals**
2007 to 2010

**Expanding the Platform**
2011 to 2015

**Strengthening our Outlook**
2016 to 2020

Scale and Scope

**Leading aggregates producer in the U.S.**


LAFARGE

**Colorado and Atlanta**

txi

SOAR 2020

Time

# Martin Marietta

## FOUNDATION ♦ TRANSFORMATION ♦ VALUE

8th Annual Deutsche Bank Global Industrials and Materials Summit

June 7, 2017
Chicago, Illinois
www.martinmarietta.com

# 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).

**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, | | | | |
|---|---|---|---|---|---|
| | **2017** | **2016** | **2015** | **2014** | **2013** |
| **Gross profit margin in accordance with GAAP:** | | | | | |
| Total revenues | $ 843.9 | $ 788.8 | $ 691.4 | $ 428.7 | $ 383.9 |
| Gross profit | $ 147.1 | $ 145.3 | $ 74.3 | $ 25.8 | $ 12.8 |
| **Gross profit margin, as a percentage of total revenues** | **17.4%** | **18.4%** | **10.7%** | **6.0%** | **3.3%** |
| | | | | | |
| **Gross profit margin** ***(excluding freight and delivery revenues)*****:** | | | | | |
| Total revenues | $ 843.9 | $ 788.8 | $ 691.4 | $ 428.7 | $ 383.9 |
| Less: freight and delivery revenues | (52.2) | (54.8) | (59.5) | (49.0) | (39.8) |
| Net sales | $ 791.7 | $ 734.0 | $ 631.9 | $ 379.7 | $ 344.1 |
| Gross profit | $ 147.1 | $ 145.3 | $ 74.3 | $ 25.8 | $ 12.8 |
| **Gross profit margin** ***(excluding freight and delivery revenues)*** | **18.6%** | **19.8%** | **11.8%** | **6.8%** | **3.6%** |

# APPENDIX

| | Year-ended December 31, | | | | |
|---|---|---|---|---|---|
| *(dollars in millions)* | **2016** | **2015** | **2014** | **2013** | **2012** |
| **Gross profit margin in accordance with GAAP:** | | | | | |
| Total revenues | $ 3,818.8 | $ 3,539.6 | $ 2,958.0 | $ 2,155.5 | $ 2,031.9 |
| Gross profit | $ 909.0 | $ 721.8 | $ 522.4 | $ 364.0 | $ 327.1 |
| **Gross profit margin, as a percentage of total revenues** | **23.8%** | **20.4%** | **17.7%** | **16.9%** | **16.1%** |
| | | | | | |
| **Gross profit margin** ***(excluding freight and delivery revenues)*****:** | | | | | |
| Total revenues | $ 3,818.8 | $ 3,539.6 | $ 2,958.0 | $ 2,155.5 | $ 2,031.9 |
| Less: freight and delivery revenues | (242.0) | (271.5) | (278.9) | (212.3) | (198.9) |
| Net sales | $ 3,576.8 | $ 3,268.1 | $ 2,679.1 | $ 1,943.2 | $ 1,833.0 |
| Gross profit | $ 909.0 | $ 721.8 | $ 522.4 | $ 364.0 | $ 327.1 |
| **Gross profit margin** ***(excluding freight and delivery revenues)*** | **25.4%** | **22.1%** | **19.5%** | **18.7%** | **17.8%** |

# APPENDIX

| *(dollars in millions)* | Year-ended December 31, | | | | |
|---|---|---|---|---|---|
| | **2016** | **2015** | **2014** | **2013** | **2012** |
| Net earnings attributable to Martin Marietta | $ 425.4 | $ 288.8 | $ 155.6 | $ 121.3 | $ 84.5 |
| Add back: | | | | | |
| Interest expense | 81.7 | 76.3 | 66.1 | 53.5 | 53.3 |
| Income tax expense for controlling interests | 181.6 | 124.9 | 94.8 | 43.5 | 16.6 |
| Depreciation, depletion & amortization expense | 282.9 | 260.7 | 220.5 | 171.9 | 175.5 |
| **EBITDA** | **$ 971.6** | **$ 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** | **$ 971.6** | **$ 766.6** | **$ 590.8** | **$ 390.2** | **$ 329.9** |

Martin Marietta

# FOUNDATION ♦ TRANSFORMATION ♦ VALUE

8th Annual Deutsche Bank Global Industrials and Materials Summit

June 7, 2017
Chicago, Illinois
www.martinmarietta.com