Ward Nye
CHAIR, PRESIDENT AND CEO

CEO Commentary and Market Perspective

August 7, 2025

Martin Marietta's performance in the first half of 2025 demonstrates the inherent resilience and agility of our differentiated business amid a dynamic macroeconomic environment. We are proud to have delivered record aggregates profitability and the safest performance in our Company's history, made possible by our unwavering commitment to safety and enterprise excellence. I am pleased to report that the first six months of 2025 represented the lowest total reportable incident rate in Martin Marietta's history. Given our strong first-half performance, together with the contributions from recent acquisitions and current shipment trends, we have raised our full-year 2025 Adjusted EBITDA guidance to $2.30 billion at the midpoint.

Our Company's industry-leading performance is firmly rooted in our steadfast commitment to our core values and the disciplined execution of our Strategic Operating Analysis and Review (SOAR) plan. Refreshed every five years, SOAR provides the framework to responsibly grow and hone our business while deploying capital for long-term success. Since its inception in 2010, this structured approach has transformed our Company into an increasingly durable business. We expect SOAR 2030, our strategic plan for the next five years, will build on Martin Marietta's legacy of excellence, creating enduring shareholder value through 2030 and beyond.

With SOAR 2030 now on the near-term horizon, our differentiated operating model remains grounded in three foundational drivers that are catalysts for long-term value creation:

(i) Pricing Resilience and Flexible Cost Structure;

(ii) Disciplined M&A; and

(iii) Diversified End Market Demand in our Key Geographies.

PRICING RESILIENCE AND FLEXIBLE COST STRUCTURE

As an indispensable material in virtually all heavy-side construction with no meaningful substitute, aggregates has proven to be an exceptionally resilient business during periods of macroeconomic uncertainty. Despite representing a small portion of the overall cost of a construction project, the inherently low value-to-weight ratio makes proximity to demand essential, creating natural logistical moats which we have fortified through decades of strategic positioning. Through the disciplined execution of our SOAR plan, and earnings accretive acquisitions, we have built our products and services footprint in geographies and markets with attractive population growth trends and favorable economic drivers. For example, according to S&P Global, the expected cumulative population growth for 2024 to 2029 in Martin Marietta's top ten states is nearly two times greater than the expected cumulative population growth of the entire United States. Moreover, as permitting and regulatory hurdles continue to rise so, too, do the barriers to entry, enhancing the attractiveness of our established positions. These core fundamentals all coalesce to reinforce aggregates' proven pricing resiliency through economic cycles.

While pricing remains the disproportionate driver of unit-profit growth, a key yet often overlooked core structural advantage is that aggregates production facilities do not operate on a 24/7 schedule. Unlike continuous manufacturing operations, this allows our teams considerable flexibility to match production with market demand – optimizing costs and strengthening our ability to navigate cyclical environments. This strategic advantage was clearly reflected in our first-half 2025 results: aggregates unit profitability saw double-digit growth, driven by organic pricing gains and targeted cost flexing, despite current softness in private construction.

DISCIPLINED M&A

Martin Marietta clearly and intentionally identifies as an aggregates-led business, a focus that drives our approach to M&A, our preferred strategy for growth. Where we operate matters and, as a result, our M&A strategy prioritizes accretive bolt-on acquisitions to enhance our footprint in growth regions and platform opportunities that unlock scale in high-potential domestic markets with attractive fundamentals.

Following our Company's most active year of M&A in 2024, during which we added nearly one billion tons of aggregates reserves to our footprint, on August 3, we entered into a definitive agreement with Quikrete Holdings, Inc. (Quikrete) for the exchange of certain assets. Specifically, Martin Marietta will receive aggregates operations producing approximately 20 million tons annually in Virginia, Missouri, Kansas and Vancouver, British Columbia, as well as $450 million of cash. In exchange, Quikrete will receive our Midlothian cement plant, related cement terminals and North Texas ready-mixed concrete assets. The transaction is expected to close in the first quarter of 2026, subject to regulatory approvals and other customary closing conditions.

Additionally, on July 25, 2025, we completed the acquisition of Premier Magnesia, LLC, a privately-owned producer of magnesia-based products with operations in Nevada, North Carolina, Indiana and Pennsylvania. This acquisition enhances our Company's position as the leading producer of natural and synthetic magnesia-based products in the United States and wholly aligns with our strategic plan to grow our highly complementary Magnesia Specialties business both organically and inorganically. Our Magnesia Specialties business begins with rock, quarried through drilling, blasting, loading, hauling and crushing, all core competencies that define Martin Marietta. This differentiated business for Martin Marietta possesses aggregates-like characteristics and compelling margins, as evidenced by its first-half performance.

Collectively, the record-setting portfolio actions we have executed during SOAR 2025 improve the durability of our aggregates-led business while maintaining ample balance sheet capacity to continue playing a leading role in our industry's evolution while simultaneously returning capital to shareholders.

DIVERSIFIED END-MARKET DEMAND IN OUR KEY GEOGRAPHIES

Identifying and prioritizing the right markets remains a strategic imperative for Martin Marietta. Our presence along high-growth corridors affords distinct advantages, including unlocking value during expansionary periods while mitigating exposure during market downturns. Through decades of planning, our disciplined approach to curating our geographic footprint continues to pay dividends as CNBC's "America's Top States for Business 2025" rankings once again place North Carolina, Texas, Florida, Georgia and Minnesota – all key Martin Marietta states – among the top ten nationally.

Our balanced exposure across public and private end markets provides substantial durability. While near-term cyclical headwinds persist, secular momentum across infrastructure, data centers and energy-related development, along with the eventual residential recovery, continues to support our long-term growth outlook.

Infrastructure construction, our single-most aggregates-intensive end use, continues to perform well, bolstered by robust federal and state investment, in large measure due to the Infrastructure Investment and Jobs Act (IIJA) which continues to drive a much-needed increase in related activity. As we assess 2026 state-specific department of transportation budgets, Martin Marietta's top ten states are trending positively, reaffirming our strategic focus on operating in states with robust transportation funding. Notably, in July, the U.S. Department of Transportation updated its Transportation Infrastructure Finance and Innovation Act (TIFIA) program. TIFIA helps public and private sponsors finance large-scale infrastructure projects that might otherwise be delayed due to cost or complexity by allowing all transportation projects to finance up to 49% of eligible costs with low-interest, long-term loans to accelerate the delivery of infrastructure. The timing is strategic, with Congressional focus increasingly geared toward the reauthorization of federal surface transportation programs. Encouragingly, early indications reveal the successor bill may prioritize programs with national or regional benefits, such as aggregates-intensive roads, bridges and ports.

Nonresidential demand is benefiting from rapid growth in data center development and normalization in warehouse construction. Over the medium-term, we expect strong energy tailwinds as utilities and hyperscalers continue investing in energy-generation capacity, including natural gas and nuclear, to reinforce grid reliability and support expanding data and artificial intelligence infrastructure. For example, as highlighted by U.S. News & World Report, Texas is seeing substantial data center growth, propelled by its low-cost energy, grid accessibility and business-friendly tax and regulatory environment. As a result, Texas authorities expect statewide power demand will nearly double by 2030 due to incoming energy needs from large users like data centers and crypto mining facilities. At the national level, we expect longer-term tailwinds will emerge from the newly enacted Reconciliation Bill, which reinstates immediate expensing for capital investment and expands R&D incentives and targeted tax credits, laying a strong foundation for a multi-year resurgence in U.S. manufacturing.

In residential construction, we expect activity to remain subdued until affordability headwinds subside. That said, long-term demand fundamentals remain intact with Zillow reporting the U.S. housing deficit has reached a record 4.7 million units. Martin Marietta is exceptionally well-positioned to benefit from this structural shortage as market conditions eventually normalize, particularly in high-growth Sunbelt geographies shaped by outsized population growth and nearly two decades of underbuilding. Importantly, while the residential end market represents the smallest percentage of our aggregates shipments, single-family housing starts are highly correlated with overall aggregates demand, as home construction tends to drive nonresidential community buildout with a lag. As a result, a return to more normalized shipment levels is expected as single-family housing recovers.

CONCLUSION

Through decades of disciplined execution of our strategic priorities, Martin Marietta's intentional focus on establishing strong footholds in the country's most dynamic markets has cultivated a resilient, efficient and cash-generative business. This platform, together with our strong financial position, experienced teams, and unmatched whitespace for quality growth, reinforces our ability to continue driving superior shareholder value for years to come. We look forward to discussing SOAR 2030, our strategic roadmap for Martin Marietta's exciting next chapter, at our Capital Markets Day on September 3, 2025.

If you are interested in Martin Marietta stock, management recommends that, at a minimum, you read the Company's current annual report and Forms 10-K, 10-Q and 8-K reports to the Securities and Exchange Commission (SEC) over the past year. The Company's recent proxy statement for the annual meeting of shareholders also contains important information. These and other materials that have been filed with the SEC are accessible through the Company's website at www.martinmarietta.com and are also available at the SEC's website at www.sec.gov. You may also write or call the Company's Corporate Secretary, who will provide copies of such reports.

Investors are cautioned that all statements in this Commentary that relate to the future involve risks and uncertainties and are based on assumptions that the Company believes in good faith are reasonable, but which may be materially different from actual results. These statements, which are forward-looking statements under the Private Securities Litigation Reform Act of 1995, provide the investor with the Company's current expectations or forecasts of future events. You can identify these statements by the fact that they do not relate only to historical or current facts. They may use words such as "guidance", "anticipate", "may", "expect", "should", "believe", "will", and other words of similar meaning in connection with future events or future operating or financial performance. Any, or all of, the Company's forward-looking statements herein and in other publications may turn out to be wrong.

Results and trends described in this Commentary may not necessarily be indicative of the Company's future performance. The Company's outlook is subject to various risks and uncertainties and is based on assumptions that the Company believes in good faith are reasonable, but which may be materially different from actual results. Factors that the Company currently believes could cause actual results to differ materially from the forward-looking statements in this Commentary (including the outlook and 2025 Guidance) include, but are not limited to: the ability of the Company to face challenges, including shipment declines resulting from economic and weather events beyond the Company's control; a widespread decline in aggregates pricing, including a decline in aggregates shipment volume negatively affecting aggregates price; the tendency of cement and ready mixed concrete sales being subject to significant changes in supply, demand and price fluctuations; the termination, capping and/or reduction or suspension of the federal and/or state fuel tax(es) or other revenue related to public construction; the impact of the new Administration on the amount available under and timing of federal and state infrastructure spending; the level and timing of federal, state or local transportation or infrastructure or public projects funding and any issues arising from such federal and state budgets, most particularly in Texas, North Carolina, Colorado, California, Georgia, Florida, Minnesota, Arizona, South Carolina and Iowa; the United States Congress' inability to reach agreement among themselves or with the Executive Branch on policy issues that impact the federal budget; the ability of states and/or other entities to finance approved projects either with tax revenues or alternative financing structures; levels of construction spending in the markets the Company serves; a reduction in defense spending and the subsequent impact on construction activity on or near military bases; a decline in energy-related construction activity resulting from a sustained period of low global oil prices or changes in oil production patterns or capital spending in response to such a decline, particularly in Texas; sustained high mortgage interest rates and other factors that have resulted in a slowdown in private construction in some geographies; unfavorable weather conditions, particularly Atlantic Ocean, Pacific Ocean and Gulf Coast storm and hurricane activity, wildfires, the late start to spring or the early onset of winter and the impact of a drought, excessive rainfall or extreme temperatures in the markets served by the Company, any of which can significantly affect production schedules, volumes, product and/or geographic mix and profitability; the volatility of fuel and energy costs, particularly diesel fuel, electricity, natural gas and the impact on the cost, or the availability generally, of other consumables, namely steel, explosives, tires and conveyor belts, and with respect to the Company's Magnesia Specialties business, natural gas; costs of raw materials, including bitumen; continued increases in the *cost of other repair and supply parts; construction labor shortages and/or supply chain challenges; labor relations risks, including unionization efforts, work stoppages or strikes, particularly in jurisdictions with increasing labor advocacy and evolving labor law frameworks; workforce demographics-related risks, including difficulty recruiting and retaining skilled employees, particularly for physically demanding roles in rural or less-populated markets; unexpected equipment failures, unscheduled maintenance, industrial accident or other prolonged and/or significant disruption to production facilities; the resiliency and potential declines of the Company's various construction end-use markets; the potential negative impacts of outbreak of disease, epidemic or pandemic, or similar public health threat, or fear of such event, and its related economic or societal response, including any impact on the Company's suppliers, customers or other business partners as well as on its employees; the performance of the United States economy; governmental regulation, including environmental laws and climate change regulations at both the state and federal levels; future implementation of emissions-based taxes or carbon-pricing schemes and/or more stringent state or federal climate-related regulatory requirements that may materially increase cement operating costs or restrict cement production capacity; difficulty in securing timely land use approvals or environmental permits for development, expansion, or ongoing operations in the face of potentially shifting public and regulatory expectations; the outcome of environmental or land use-related proceedings, or increased costs associated with regulatory obligations linked to resource extraction, including site reclamation; transportation availability or a sustained reduction in capital investment by the railroads, notably the availability of railcars, locomotive power and the condition of rail infrastructure to move trains to supply the Company's Texas, Southeast and Gulf Coast markets, including the movement of essential dolomitic lime for magnesia chemicals to the Company's plant in Manistee, Michigan and its customers; increased transportation costs, including increases from higher or fluctuating passed-through energy costs or fuel surcharges, and other costs to comply with tightening regulations, as well as higher volumes of rail and water shipments; availability of trucks and licensed drivers for transport of the Company's materials; availability and cost of construction equipment in the United States; weakening in the steel industry markets served by the Company's dolomitic lime products; potential impact on costs, supply chain, oil and gas prices, or other matters relating to geopolitical conflicts, including the war between Russia and Ukraine, the war in Israel and related conflict in the Middle East and any potential conflict between China and Taiwan; trade disputes with one or more nations impacting the U.S. economy, including the impact of tariffs; unplanned changes in costs or realignment of customers that introduce volatility to earnings, including that of the Magnesia Specialties business; proper functioning of information technology and automated operating systems to manage or support operations; risks associated with third-party technology vendors, including exposure to cybersecurity vulnerabilities or service outages due to reliance on external software platforms or IT infrastructure; inflation and its effect on both production and interest costs; the concentration of customers in construction markets and the increased risk of potential losses on customer receivables; the impact of the level of demand in the Company's end-use markets, production levels and management of production costs on the operating leverage and therefore profitability of the Company; the possibility that the expected synergies from acquisitions will not be realized or will not be realized within the expected time period, including achieving anticipated profitability to maintain compliance with the Company's leverage ratio debt covenants; the strategic benefits, outlook, performance and opportunities expected as a result of acquisitions and portfolio optimization will not be realized; risks related to executive succession planning, retention and development of leadership talent critical to strategic execution, including potential adverse effects in the event of unexpected transitions or departures; changes in tax laws, the interpretation of such laws and/or administrative practices, including acquisitions or divestitures, that would increase the Company's tax rate; violation of the Company's debt covenants if price and/or volumes return to previous levels of instability; cybersecurity risks; downward pressure on the Company's common stock price and its impact on goodwill* *impairment evaluations; the possibility of a reduction of the Company's credit rating to non-investment grade; and other risk factors listed from time to time found in the Company's filings with the SEC.*

Statements regarding the pending Quikrete transaction contain forward-looking statements that are subject to risks and uncertainties, including statements regarding the proposed acquisition. These statements are based on current expectations and assumptions that are subject to risks and uncertainties. Actual results may differ materially from those expressed or implied due to various factors including but not limited to the ability to obtain regulatory approvals, satisfy closing conditions, transaction costs, integration challenges, market conditions, the impact of the pending transaction on the Company's stakeholders, and other risks described in the Company's Securities and Exchange Commission filings.

You should consider these forward-looking statements in light of risk factors discussed in Martin Marietta's Annual Report on Form 10-K for the year ended December 31, 2024, and other periodic filings made with the SEC. All of the Company's forward-looking statements should be considered in light of these factors. In addition, other risks and uncertainties not presently known to the Company or that it considers immaterial could affect the accuracy of its forward-looking statements or adversely affect or be material to the Company. The Company assumes no obligation to update any such forward-looking statements.