Martin Marietta

2020

Supplemental Information*

February 9, 2021

** All 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 the Company's and the SEC's 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.


2020
REVIEW

2020 HIGHLIGHTS

COMPANY ACHIEVED FULL-YEAR RECORD PROFITS AND EARNINGS PER DILUTED SHARE DESPITE COVID-19 DISRUPTIONS

Adjusted EBITDA* of $1.4 BILLION, an all-time high

** See slide 18 for reconciliation.*

IMPROVED PRICING AND PROFITABILITY across Building Materials business

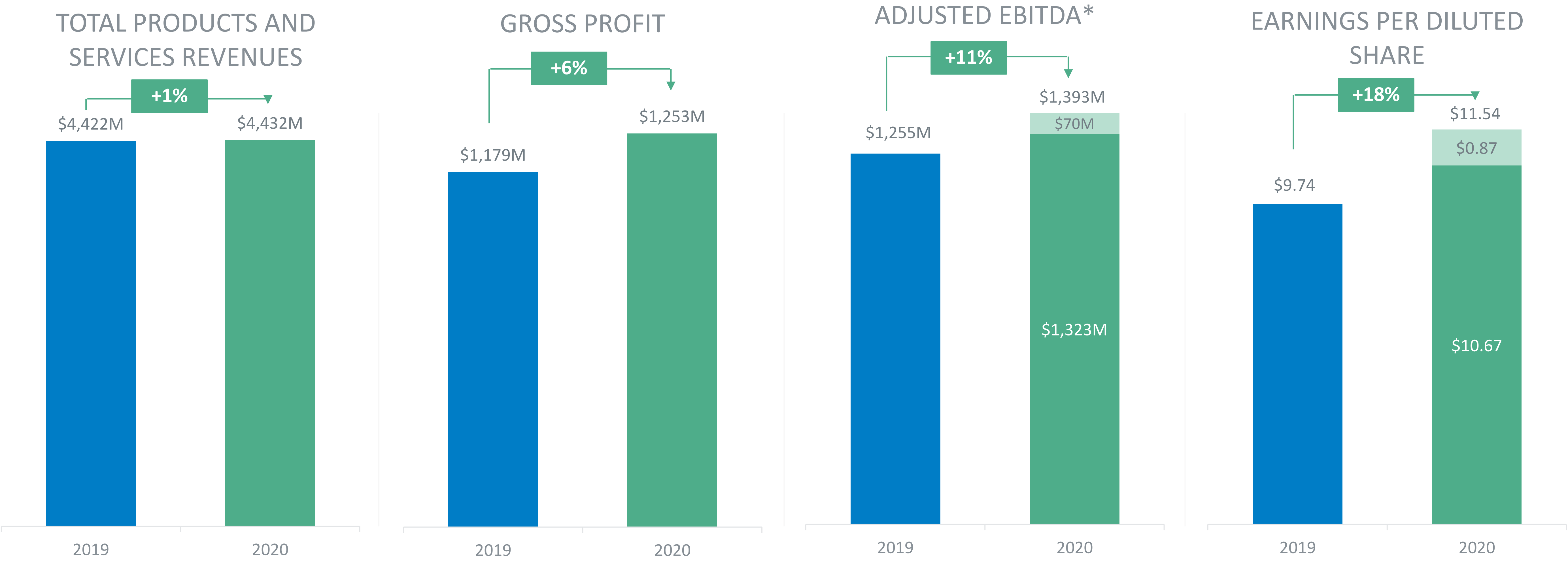
VALUE CAPTURED FROM EXCESS NONOPERATING PROPERTIES; generated record $70 million gain

SAFETY performance **TRENDING NEAR OR BETTER THAN WORLD-CLASS LEVELS**

Extended track record of **DIVIDEND GROWTH** as part of **BALANCED CAPITAL ALLOCATION STRATEGY**

Continued disciplined execution of a **SOLID LONG-TERM STRATEGIC PLAN**

FULL-YEAR RESULTS

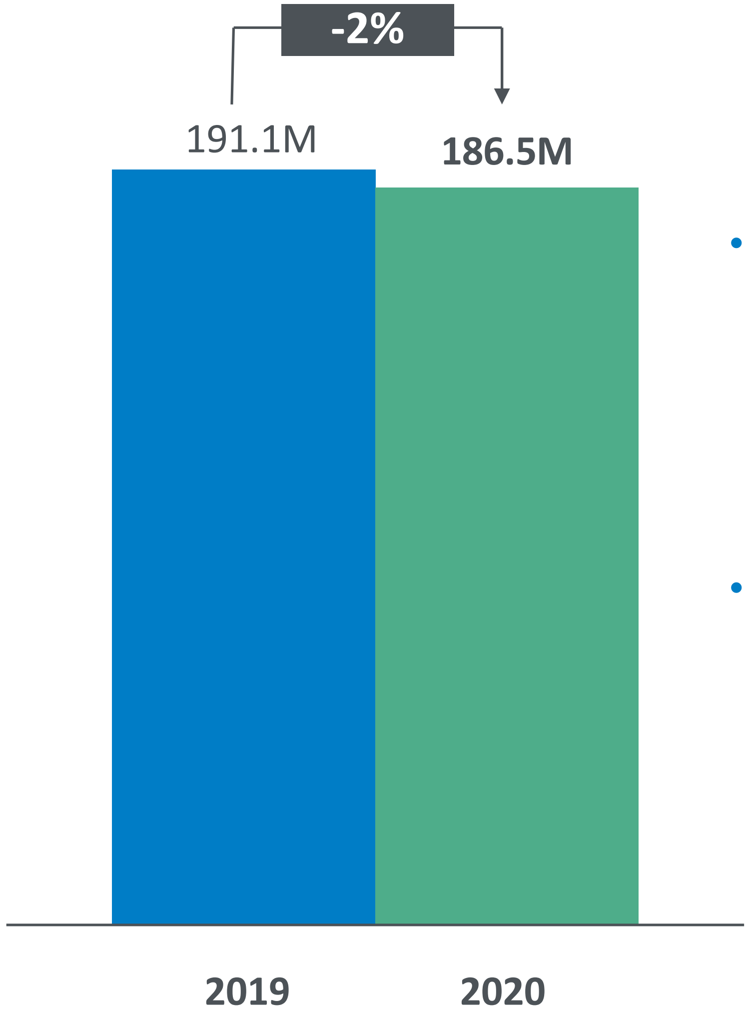


*Adjusted EBITDA is a non-GAAP financial measure. See slide 18 for reconciliation to nearest GAAP measure.

Note: 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

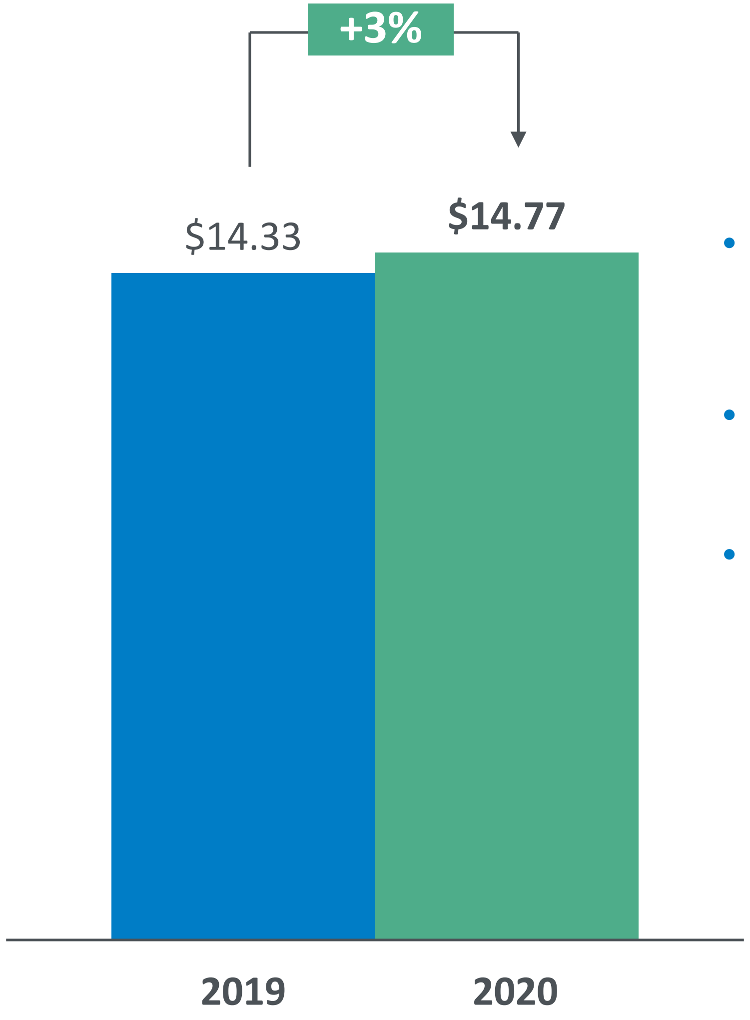
AGGREGATES PERFORMANCE (FULL-YEAR RESULTS)

SHIPMENTS (tons)



- Volume decline driven by anticipated lower infrastructure shipments in portions of North Carolina, reduced energy-sector demand and headwinds from COVID-19 disruptions
- By group:
  - ✓ East Group (3%)
  - ✓ West Group (1%)

PRICE



- Pricing increased 4 percent on a mix-adjusted basis
  (see slide 19 for reconciliation)
- Growth demonstrates resiliency of product line's pricing power
- Our sustainable pricing growth supported by disciplined execution of locally-driven pricing strategy and attractive underlying market fundamentals

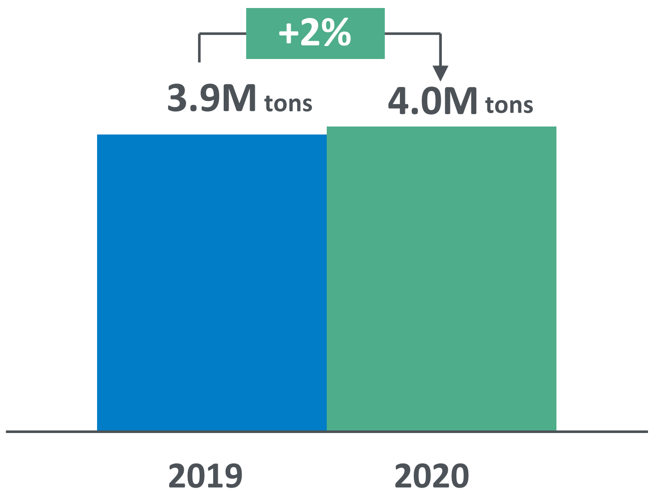
CEMENT AND DOWNSTREAM PERFORMANCE (FULL-YEAR RESULTS)

Martin Marietta

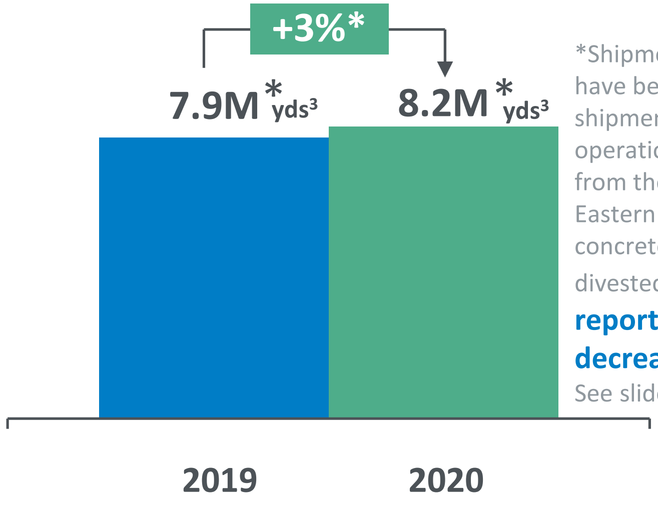
CEMENT | READY MIXED CONCRETE | ASPHALT

SHIPMENTS

CEMENT

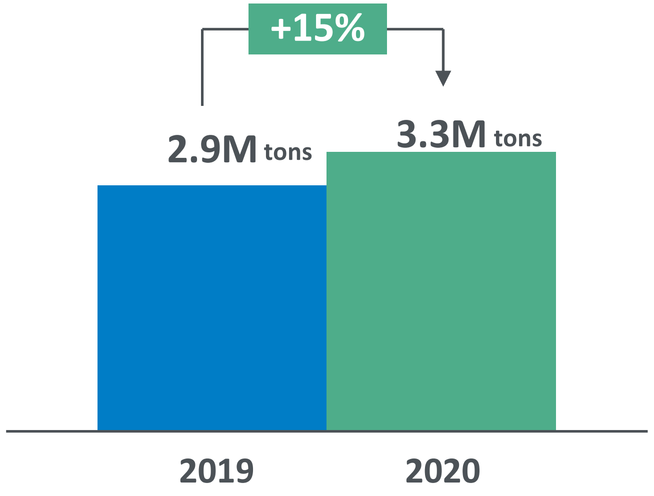


READY MIXED CONCRETE



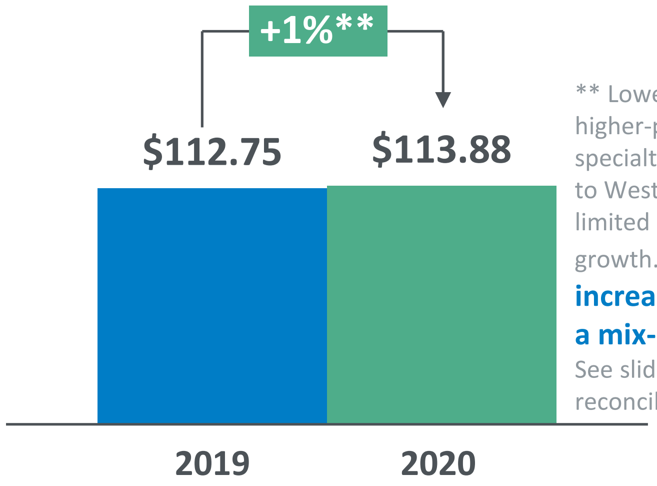
*Shipments and volume variance have been adjusted to exclude shipments from acquired operations and 2019 shipments from the Arkansas, Louisiana and Eastern Texas ready mixed concrete business that was divested in January 2020. **On a reported basis, shipments decreased nearly 2 percent.** See slide 20 for reconciliation.

ASPHALT



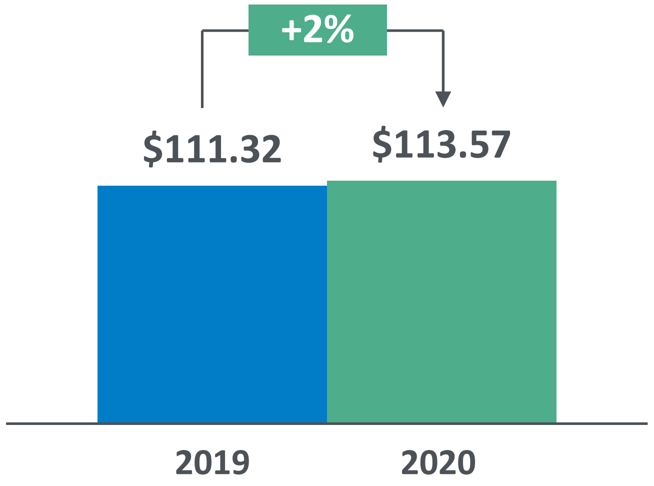
PRICE

CEMENT

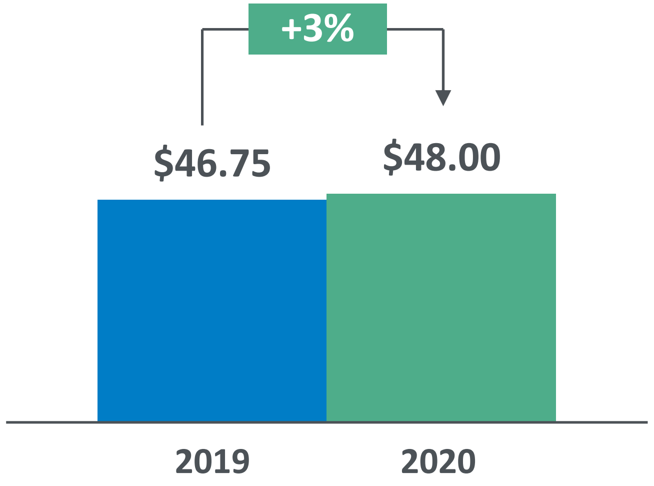


** Lower shipments of higher-priced oil-well specialty cement products to West Texas in 2020 limited overall pricing growth. **Cement pricing increased 3 percent on a mix-adjusted basis**. See slide 19 for reconciliation.

READY MIXED CONCRETE

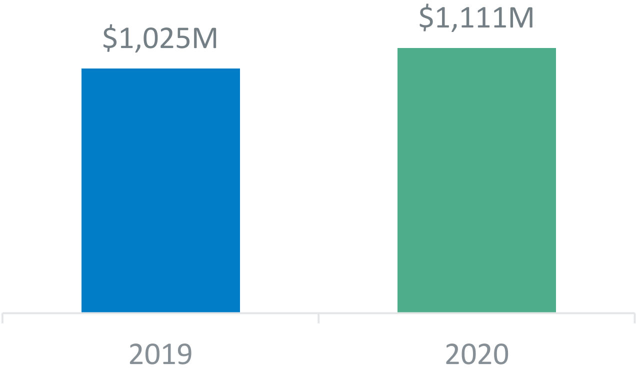


ASPHALT

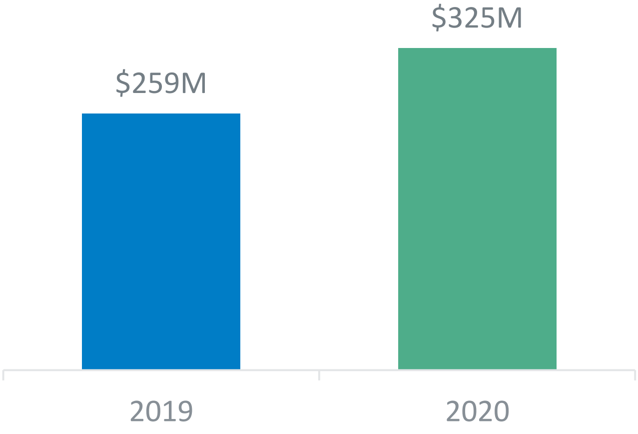


FOURTH-QUARTER HIGHLIGHTS

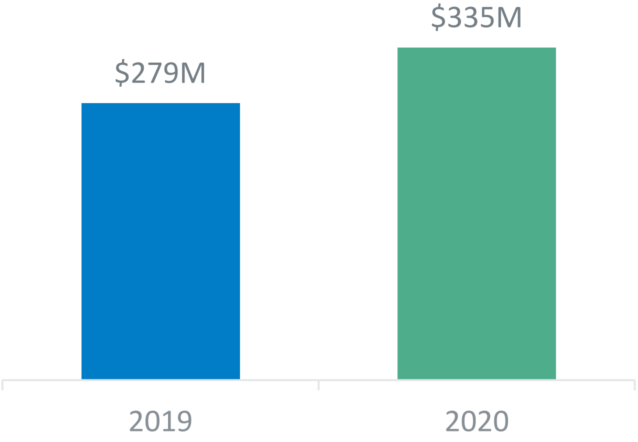
TOTAL PRODUCTS AND SERVICES REVENUES



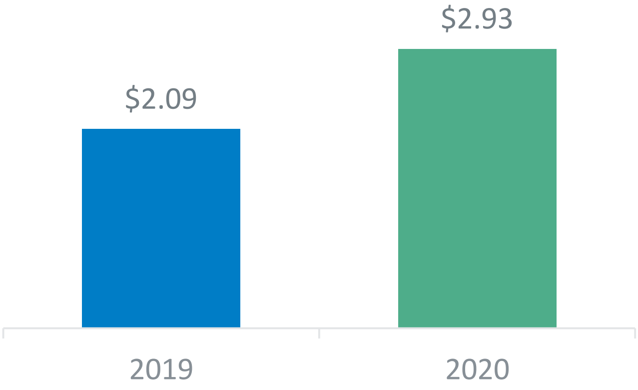
GROSS PROFIT



ADJUSTED EBITDA*



EARNINGS PER DILUTED SHARE



*Adjusted EBITDA is a non-GAAP financial measure. See slide 18 for reconciliation to nearest GAAP measure.

- Established fourth-quarter records for consolidated revenues, profitability and Adjusted EBITDA
- Shipment growth, pricing gains and disciplined cost management across all product lines
- Aggregates unit profitability improved 18 percent
- Cement business achieved product gross margin of 44.5 percent, an all-time quarterly record
- Earnings per diluted share increased 40 percent

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

Consolidated gross margin improved 410 basis points.

Aggregates gross profit per ton shipped improved 18 percent and product gross margin expanded 370 basis points to 30.7 percent. Higher shipments, pricing gains and lower production costs contributed to these results.

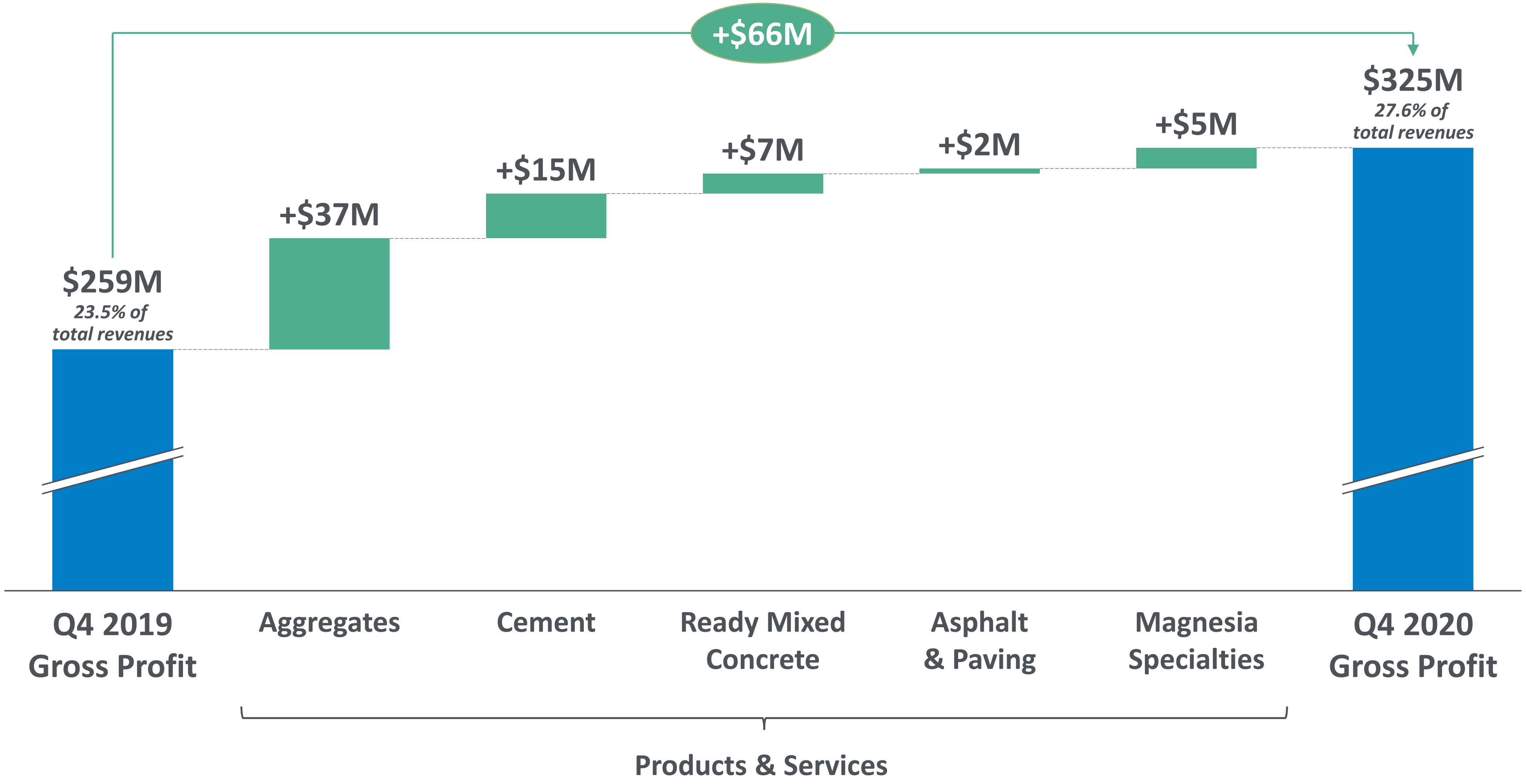
Cement reported product gross margin of 44.5 percent, a new quarterly record. Improved kiln reliability from prior-period investments, lower fuel costs and the timing of planned kiln outages contributed to the 850-basis-point gross margin expansion.

Ready mixed concrete product gross margin improved 140 basis points, driven by higher shipments and reduced fuel costs.

Asphalt and paving products and services gross margin improved 30 basis points.

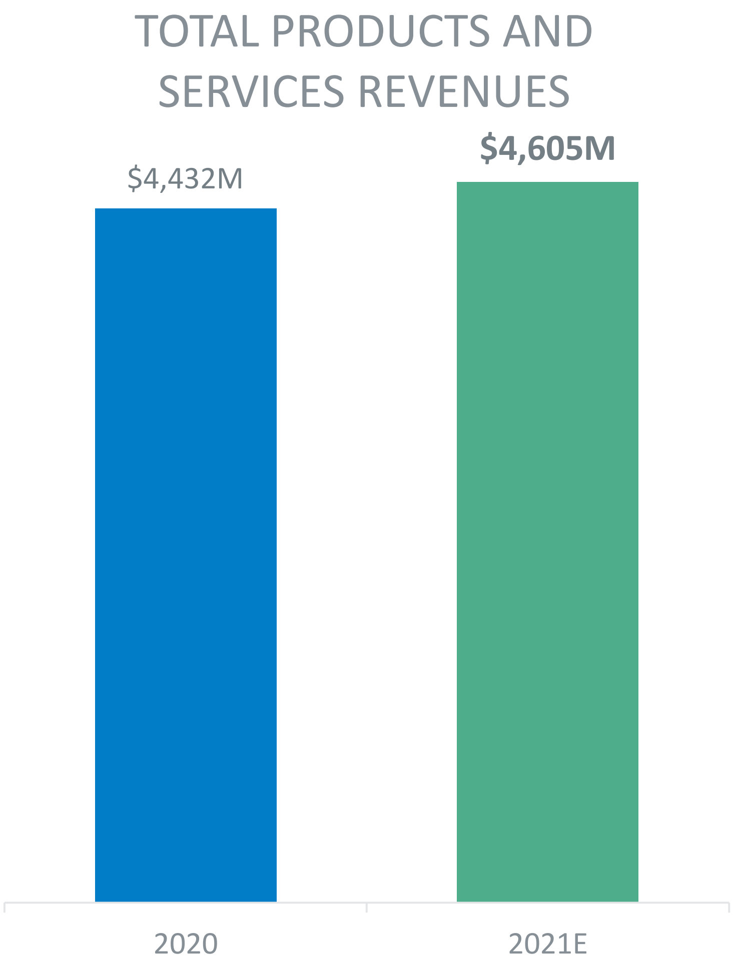
Magnesia Specialties business product gross margin improved 430 basis points to 42.8 percent, driven by higher revenues and disciplined cost control.

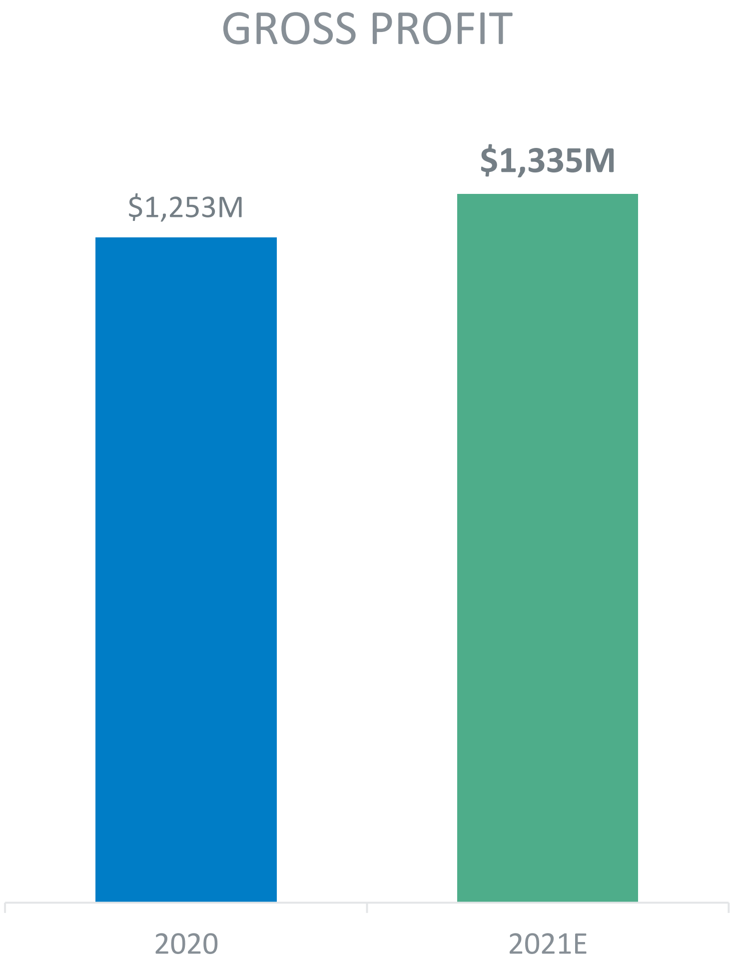
GROSS PROFIT (FOURTH-QUARTER RESULTS)

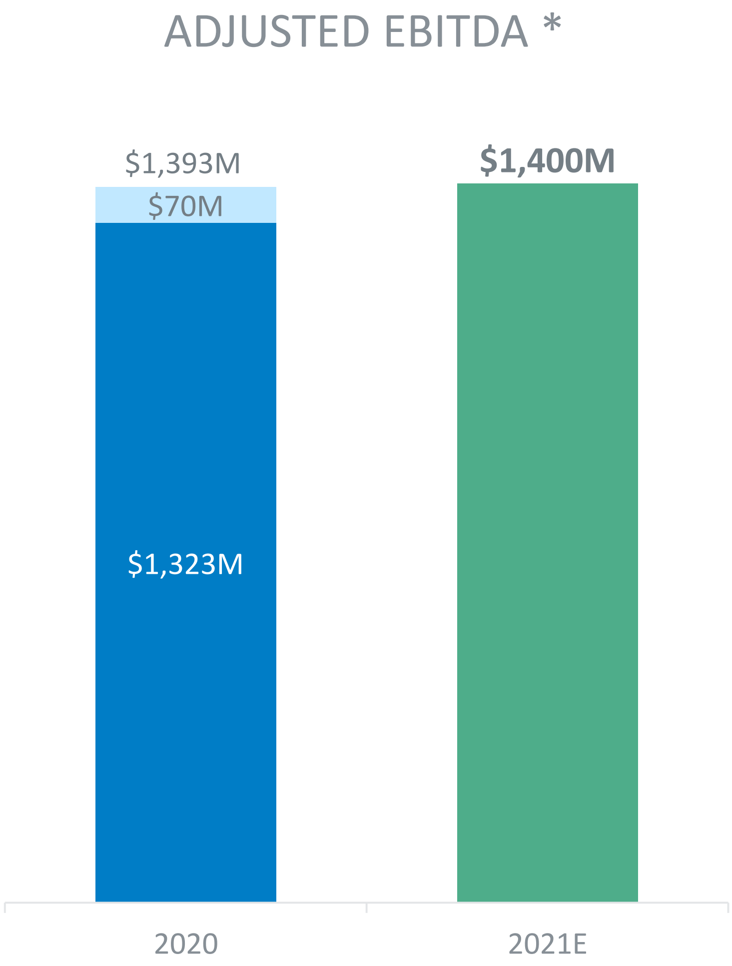


COMPANY
OUTLOOK

2021 GUIDANCE



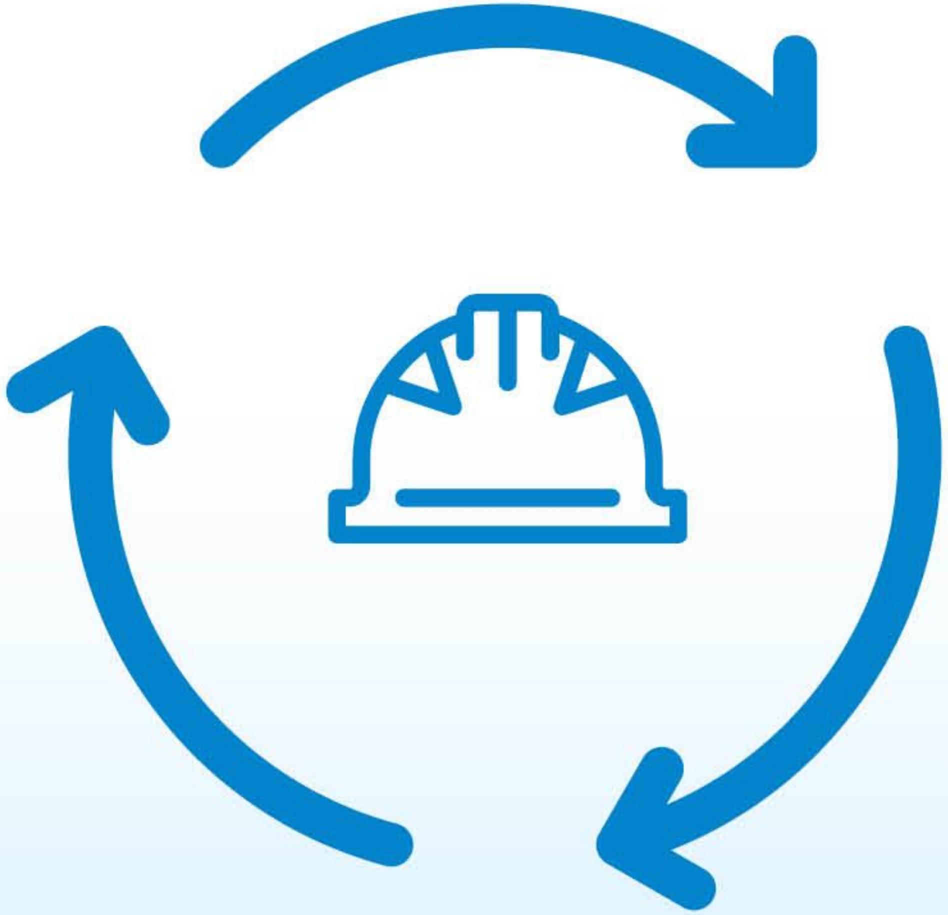




2021E based on midpoint of full-year guidance included in Earnings Release dated February 9, 2021

* Adjusted EBITDA reconciled to nearest GAAP measure on slide 18.

MARTIN MARIETTA OUTLOOK



- We believe underlying demand fundamentals will reset, establishing 2021 as the year during which the nation regains its economic footing.
- Supported by fourth-quarter 2020 shipment and pricing strength, our 2021 outlook anticipates single-family housing growth, expanded infrastructure investment and notable heavy industrial projects of scale, as well as favorable pricing trends.
- 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

CURRENT MACROECONOMIC TRENDS SUPPORT LONG-TERM CONSTRUCTION-LED GROWTH

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

INFRASTRUCTURE

- ☑ Infrastructure remains resilient with state Department of Transportation (DOT) FY2021 estimated lettings at or above prior-year levels, $10 billion of targeted DOT federal stimulus and voter-approved state and local transportation initiatives
- ☑ 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 continued strength in heavy industrial construction projects based on these trends

RESIDENTIAL

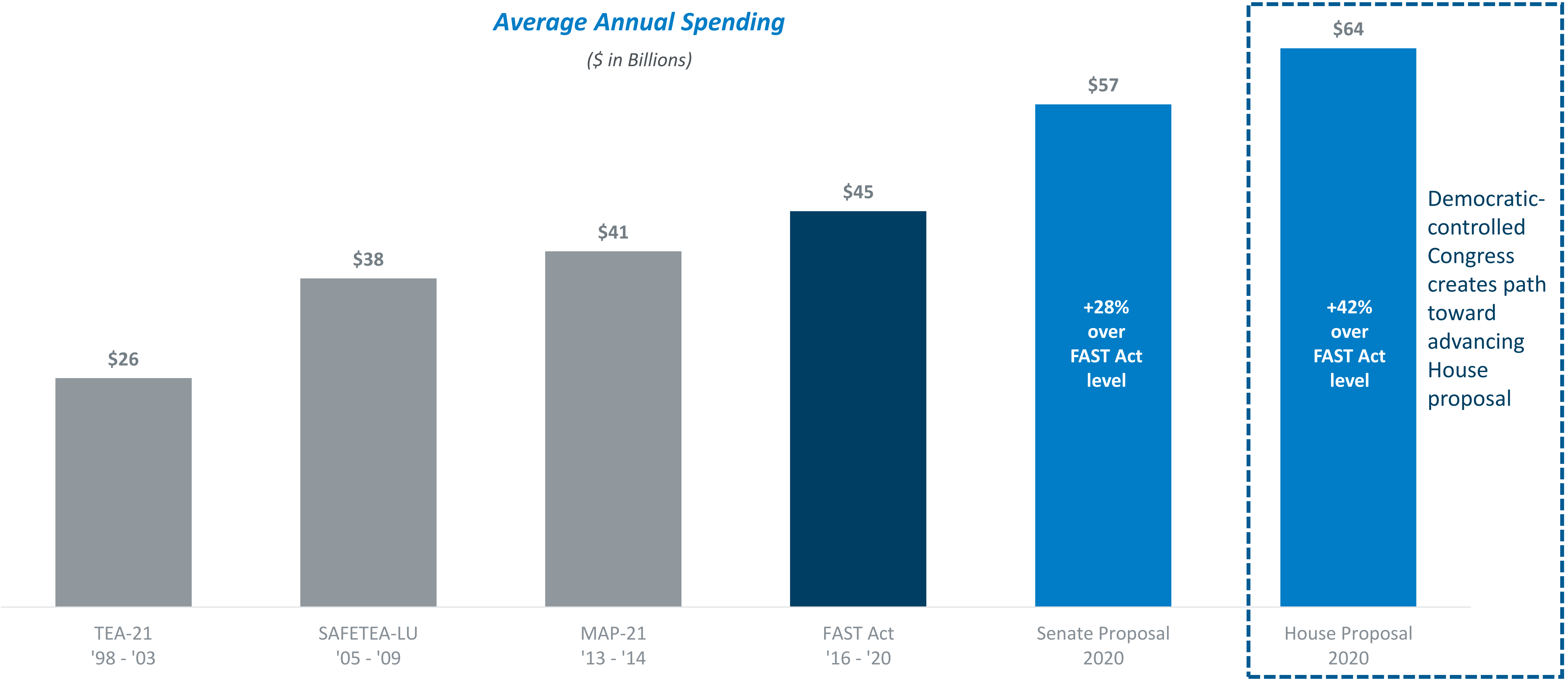
- ☑ The muted housing recovery following the Great Recession was driven primarily by less aggregates-intensive urban, multi-family mixed-use developments
- ☑ Accelerated deurbanization should drive increased demand for aggregates-intensive single-family housing
- ☑ Single-family housing starts remain ~40% below prior peak levels resulting in a supply/demand imbalance in our key markets

NOTABLE TRENDS POINT TO AGGREGATES-INTENSIVE GROWTH

INFRASTRUCTURE

INFRASTRUCTURE REMAINS RESILIENT WITH STATE DOT FY2021 ESTIMATED LETTINGS AT OR ABOVE PRIOR-YEAR LEVELS, VOTER-APPROVED STATE AND LOCAL TRANSPORTATION INITIATIVES AND LIKELIHOOD OF INCREASED FEDERAL FUNDING

Infrastructure reauthorization has historically been renewed at higher levels

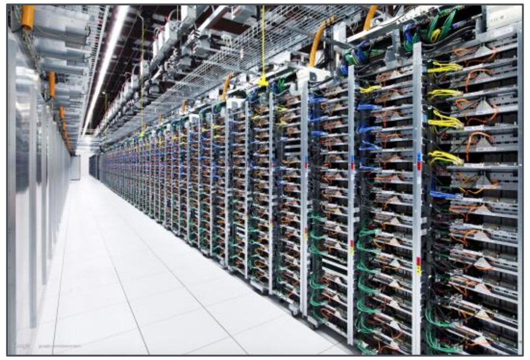


NOTABLE TRENDS POINT TO AGGREGATES-INTENSIVE GROWTH
NONRESIDENTIAL

Martin Marietta

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 AGGREGATES-INTENSIVE GROWTH
RESIDENTIAL

SINGLE-FAMILY HOUSING STARTS REMAIN UNDERBUILT

Suburban and rural migration

Trend Reversal

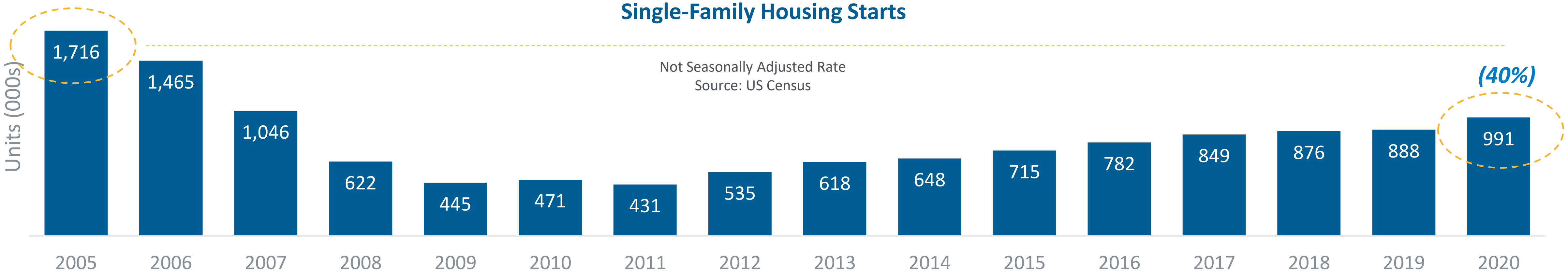
- The muted housing recovery following the Great Recession was driven primarily by urban, multi-family mixed-use developments after a previous single-family peak.
- Remote work trends have prompted families and individuals to evaluate whether urban living and increased city density is the best long-term choice.
- Deurbanization flight to the suburbs 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

Single-Family Housing Starts



…WITH NOTABLE UPSIDE FROM ACCELERATED 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.

	Quarter Ended December 31		Year Ended December 31		
($ in millions)	2019	2020	2019	2020 [1]	2021E*
NET EARNINGS ATTRIBUTABLE TO MARTIN MARIETTA	**$ 131.0**	**$ 183.0**	**$ 611.9**	**$ 721.0**	**$ 707.5**
Add back:					
Interest expense, net of interest income	30.6	28.4	128.9	117.6	112.5
Income tax expense for controlling interests	25.3	25.2	136.3	168.2	190.0
Depreciation, depletion and amortization and earnings/loss from nonconsolidated equity affiliates	91.9	98.5	377.4	386.0	390.0
ADJUSTED EBITDA	**$ 278.8**	**$ 335.1**	**$ 1,254.5**	**$ 1,392.8**	**$ 1,400.0**

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

*** 2021E based on midpoint of full-year guidance included in Earnings Release dated February 9, 2021**

DEFINITIONS AND RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES

Mix-adjusted average selling price (mix-adjusted ASP) is a non-GAAP measure that excludes the impact of period-over-period product, geographic and other mix on the average selling price. Mix-adjusted ASP is calculated by comparing current-period shipments to like-for-like shipments in the comparable prior period. Management uses this metric to evaluate the realization of pricing increases and believes this information is useful to investors. The following reconciles reported average selling price to mix-adjusted ASP and corresponding variances.

	Year Ended December 31	
	2019	2020
AGGREGATES		
REPORTED AVERAGE SELLING PRICE	$14.33	$14.77
Adjustment for unfavorable impact of product, geographic and other mix		0.13
MIX-ADJUSTED AVERAGE SELLING PRICE		$14.90
REPORTED AVERAGE SELLING PRICE VARIANCE		3.1%
MIX-ADJUSTED ASP VARIANCE		4.0%
CEMENT		
REPORTED AVERAGE SELLING PRICE	$112.75	$113.88
Adjustment for unfavorable impact of product, geographic and other mix		2.52
MIX-ADJUSTED AVERAGE SELLING PRICE		$116.40
REPORTED AVERAGE SELLING PRICE VARIANCE		1.0%
MIX-ADJUSTED ASP VARIANCE		3.2%

DEFINITIONS AND RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES

The following table presents ready mixed concrete shipment data and volume variance excluding shipments from acquired operations and from 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)	Year Ended December 31 2019	Year Ended December 31 2020
REPORTED READY MIXED CONCRETE SHIPMENTS	**8.5**	**8.4**
Less: Ready mixed concrete shipments of acquired operations	**-**	**(0.2)**
Less: Ready mixed concrete shipments for the ArkLaTex business during the period of Martin Marietta ownership	(0.6)	-
ADJUSTED READY MIXED CONCRETE SHIPMENTS	**7.9**	**8.2**
REPORTED READY MIXED CONCRETE VOLUME VARIANCE		**(1.6)%**
ADJUSTED READY MIXED CONCRETE VOLUME VARIANCE		**3.2%**

THANK YOU FOR YOUR INTEREST IN MARTIN MARIETTA

FOR MORE INFORMATION, PLEASE VISIT WWW.MARTINMARIETTA.COM