Martin Marietta

Martin Marietta
Fourth-Quarter and Full-Year 2015

Supplemental Financial Information

February 9, 2016

Disclaimer

Statement Regarding Safe Harbor for Forward-Looking Statements

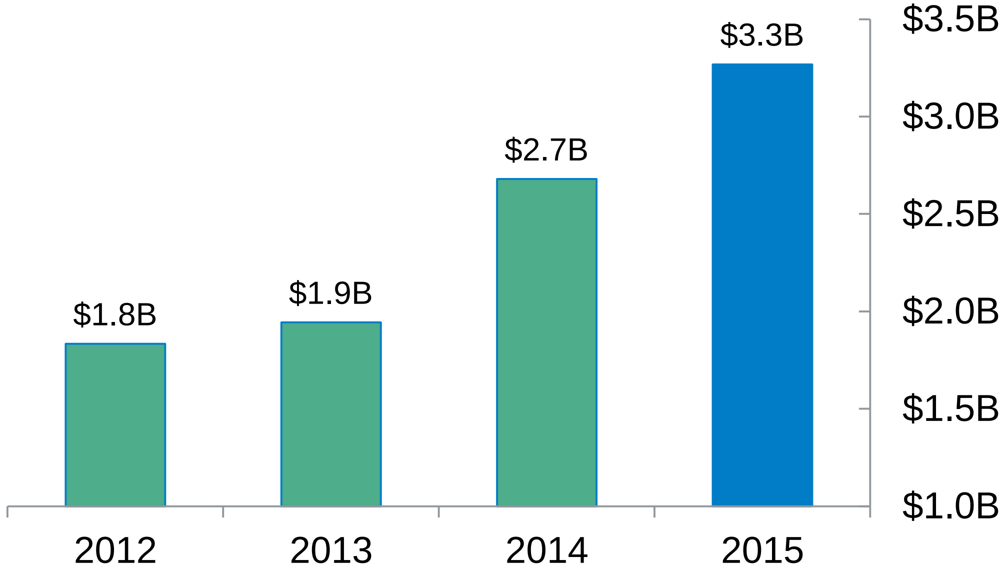
This presentation may contain forward-looking statements – that is, information related to future, not past, events. Like other businesses, Martin Marietta is subject to risks and uncertainties which could cause its actual results to differ materially from its projections or that could cause forward-looking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

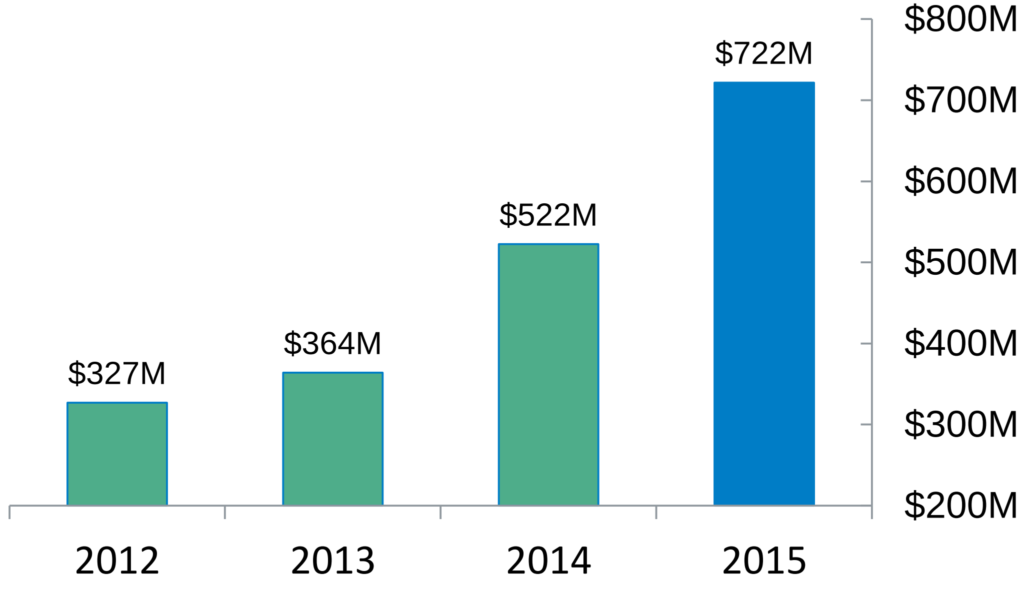
These slides contain certain "non-GAAP financial terms" which are defined in the Appendix. Reconciliations of non-GAAP terms to the closest GAAP term are also provided in the Appendix.

Full-Year 2015 Record Consolidated Operating Results

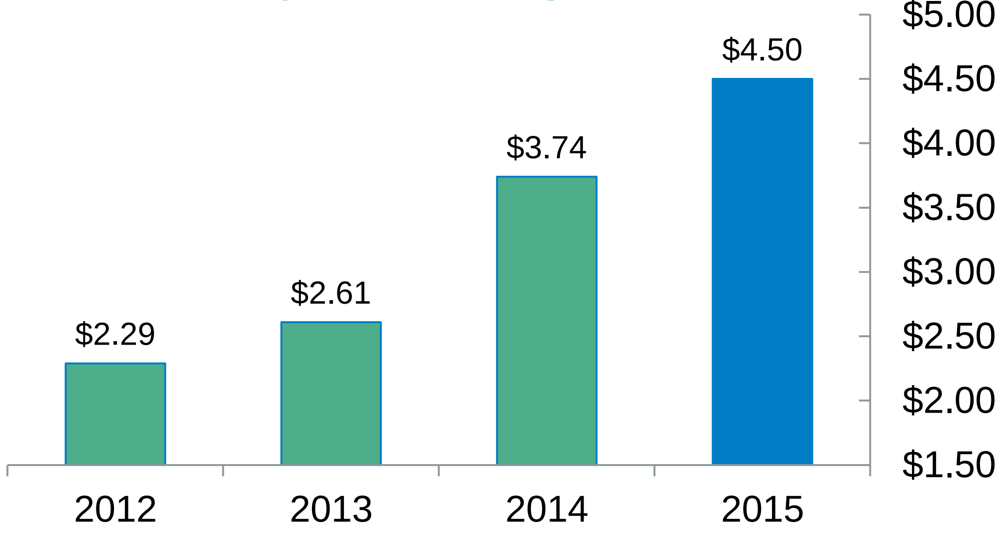
2015 Net Sales up 22.0% [1]



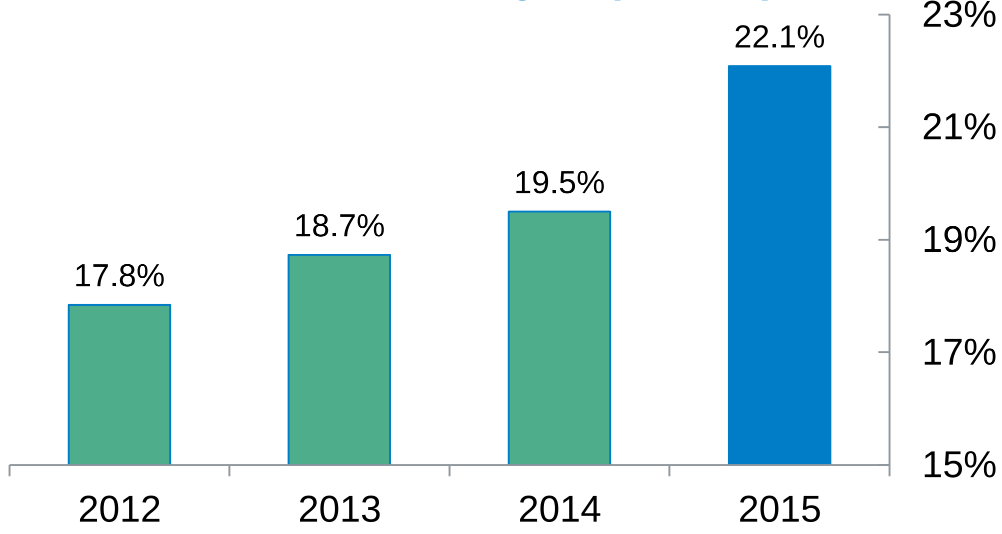
2015 Gross Profit up 38.2% [1]



2015 Adjusted EPS up 20.3% [1]



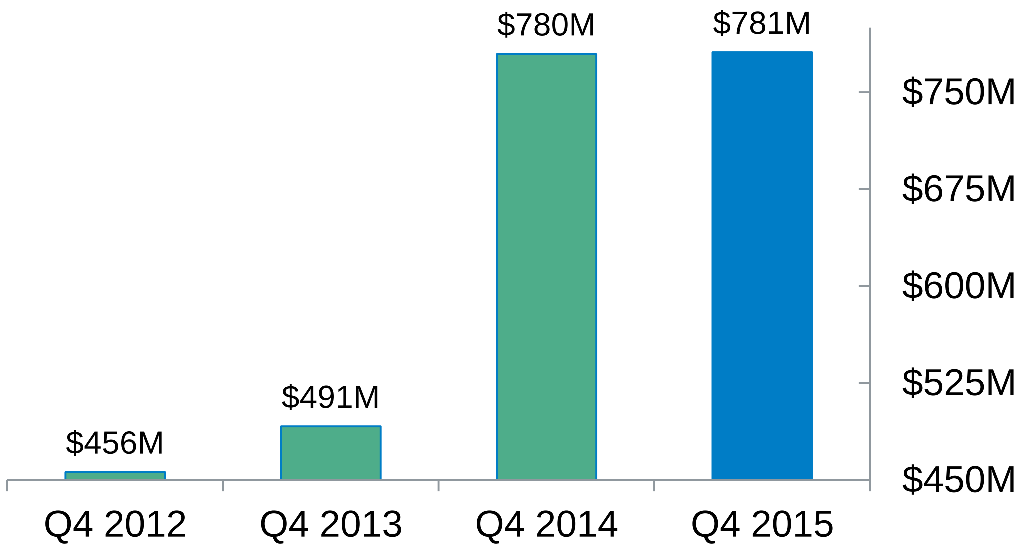
2015 Gross Profit Margin up 260 bps [1]



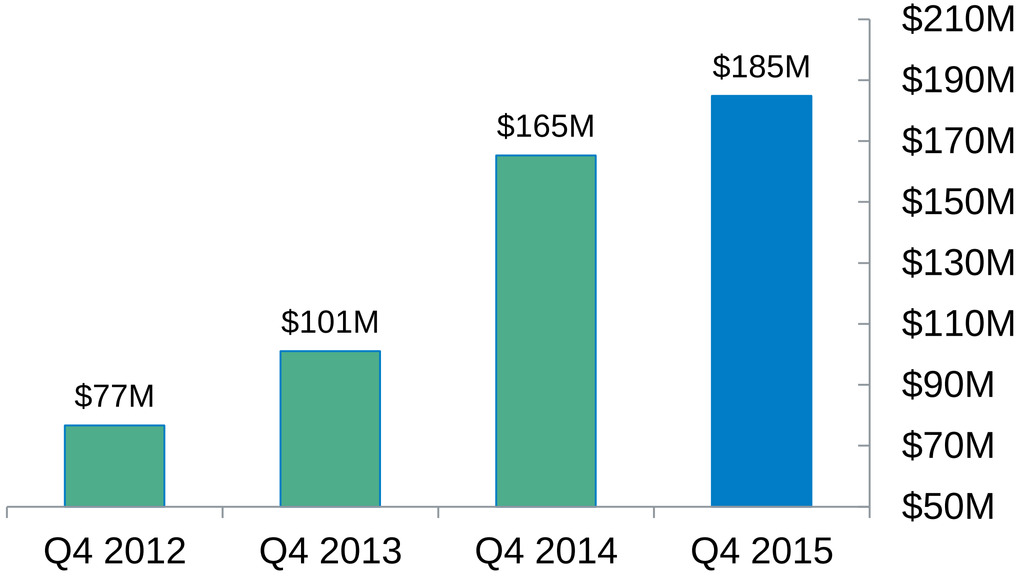
[1] Represents full-year 2015 growth percentage as compared to full-year 2014.

Fourth-Quarter 2015 Consolidated Operating Results

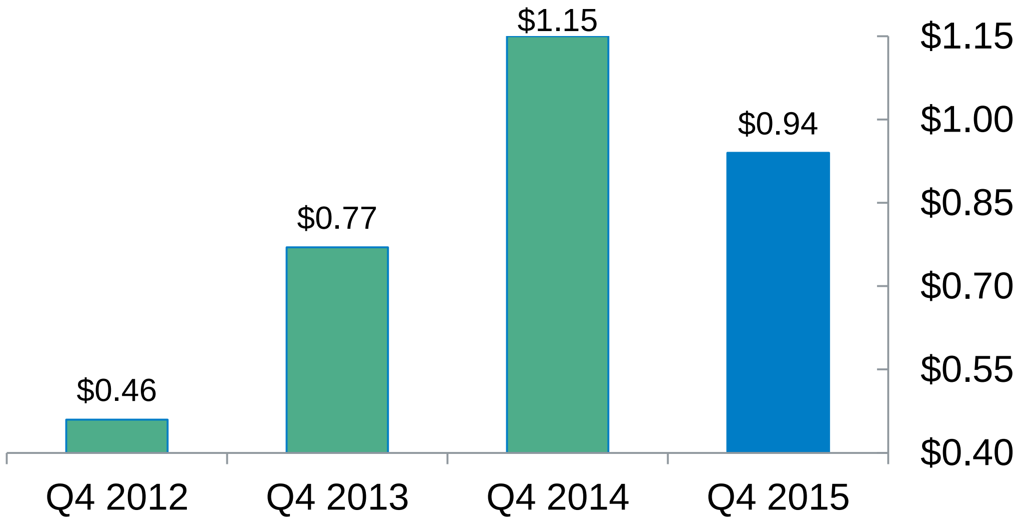
Net Sales



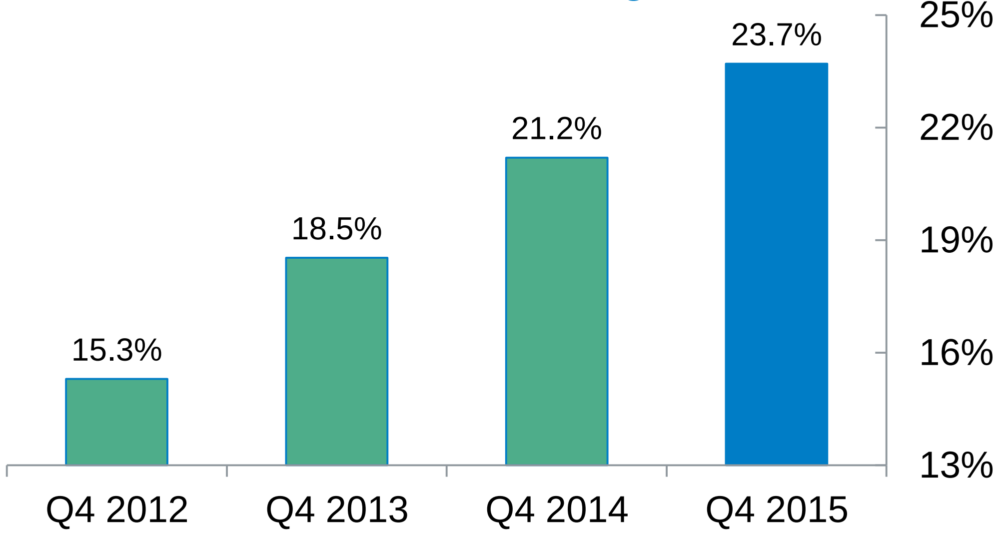
Gross Profit



Adjusted EPS



Gross Profit Margin



Record 2015 Operating Results

Aggregates pricing up 8.0%

Aggregates volume up 7.1%

Record net sales up 22%

Heritage aggregates business incremental margin of 82%

Acquired operations contribute $154 million gross profit

Record gross profit up 38.2%

Weather defers gross profit by ≈ $60 million to $70 million

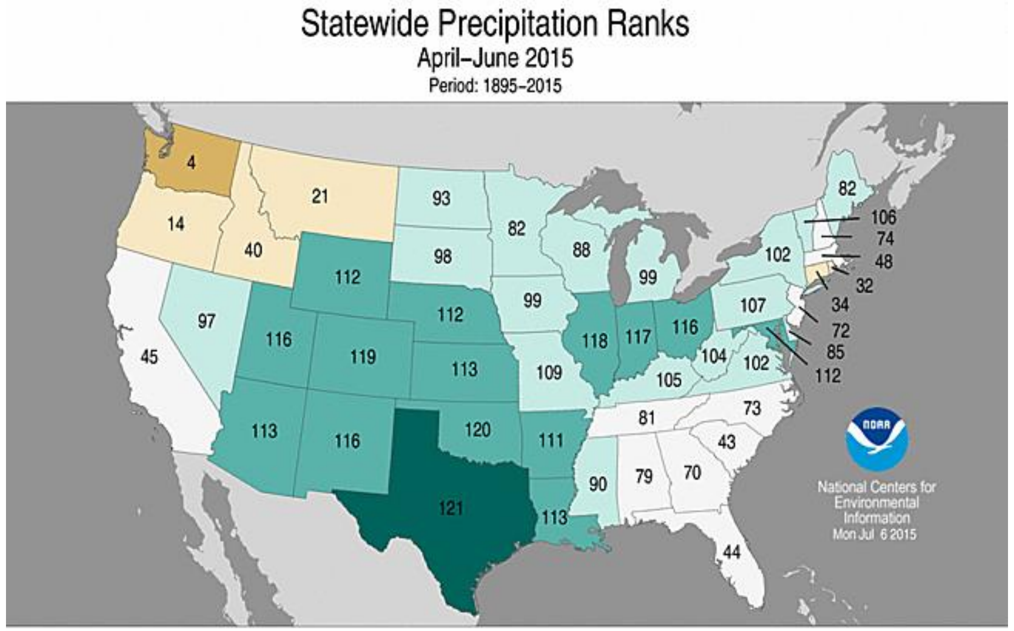
Adjusted net earnings up 41.1%

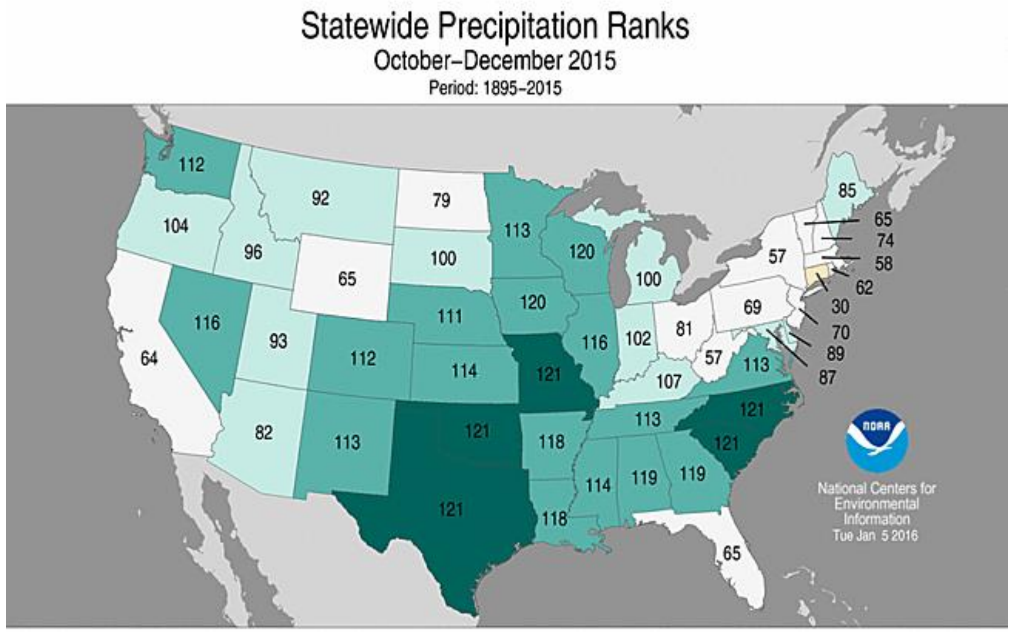
Operating cash flow up $191 million

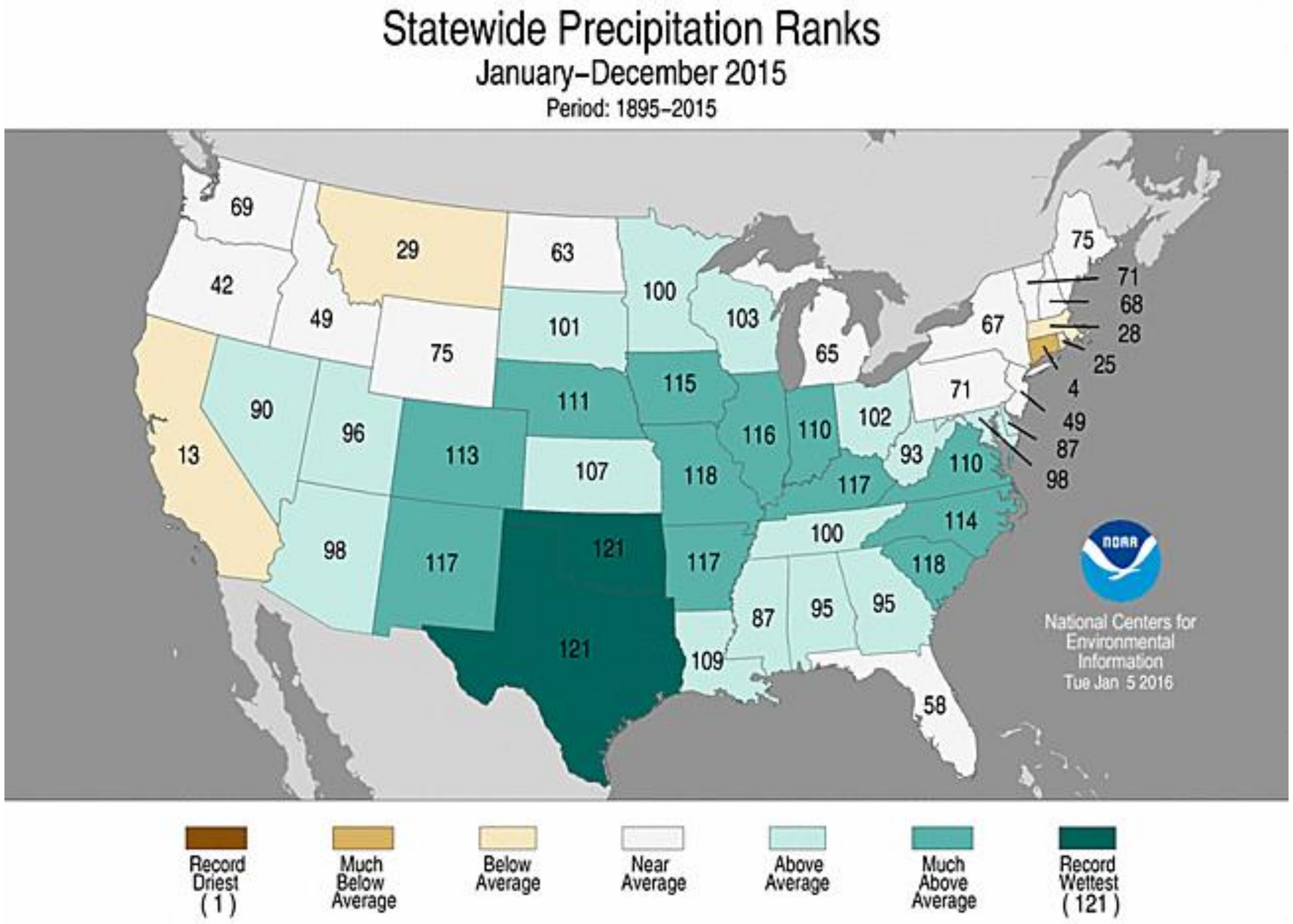
CAPITAL EXPENDITURES & ACQUISITIONS $361 million

RETURN OF CASH TO SHAREHOLDERS $630 million

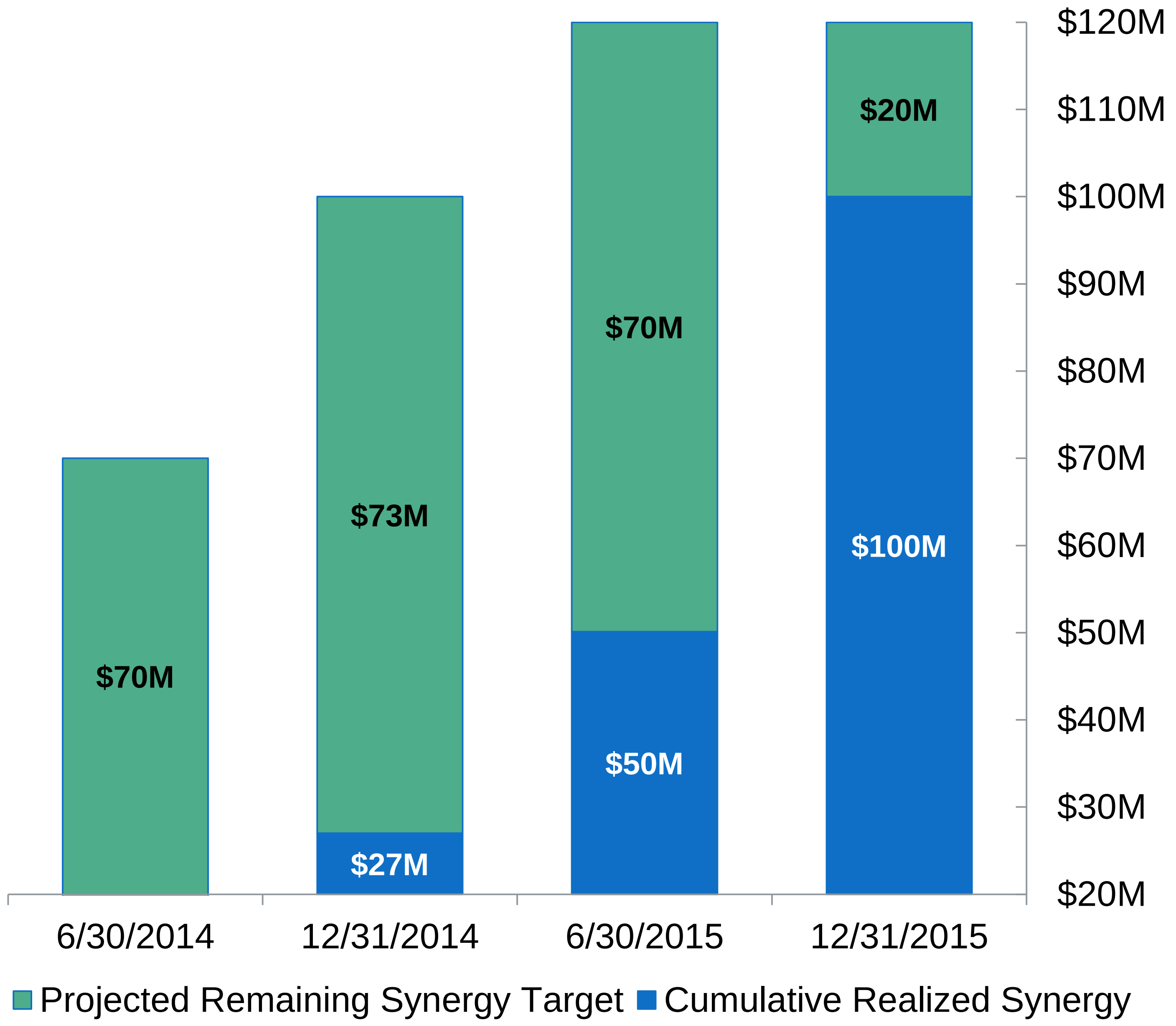
Record Operating Results Despite Extraordinary Weather







Increased Original Synergy Target – Operating Efficiencies



Synergy creation through improvements such as:

- Improved operational efficiencies with location and market position
- Additional rail car set creating productivity improvements
- Operational improvements through replacement of haul trucks with conveyor system
- Increased cement productive capacity through efficient planned kiln maintenance
- Purchasing power related to large equipment and related maintenance savings

Product Line Metrics

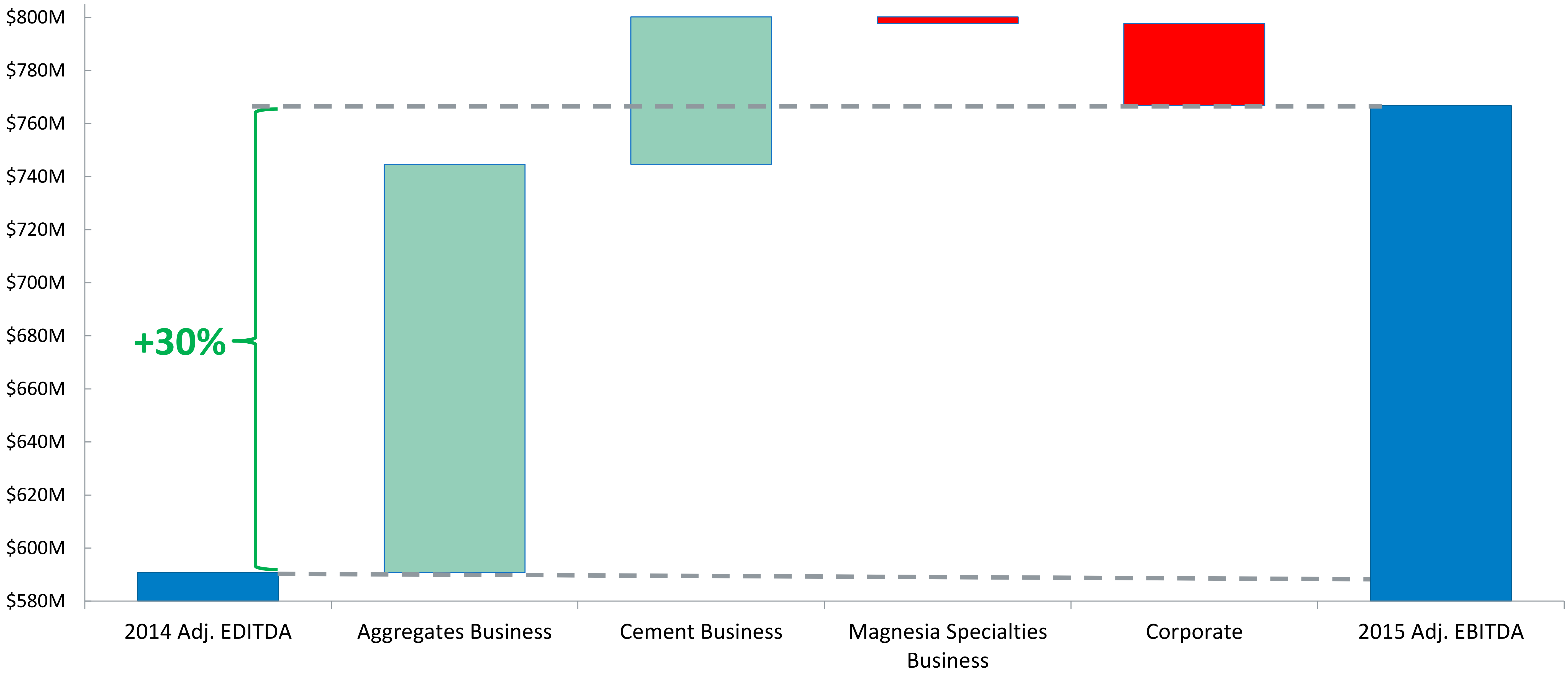
	Quarter-ended December 31, 2015		Year-ended December 31, 2015	
	Volume Variance	Price Variance	Volume Variance	Price Variance
Heritage aggregates product line:				
Mid-America Group	3.2%	4.9%	5.2%	4.7%
Southeast Group	8.1%	7.8%	6.5%	5.4%
West Group [1]	(2.0%)	11.9%	1.2%	11.4%
Heritage aggregates product line [1]	1.9%	8.0%	3.8%	7.2%
Consolidated aggregates product line [1]	1.7%	8.4%	8.8%	7.8%
Asphalt	(26.3%)	4.3%	(12.0%)	3.2%
Ready mixed concrete:				
Heritage	*10.5%*	*8.1%*	*4.9%*	*9.6%*
Acquired [2]	*(16.2%)*	*23.2%*	*66.6%*	*10.6%*
Cement [3]	*(16.0%)*	*1.0%*	*75.3%*	*8.9%*

[1] Represents full-year 2015 growth excluding 2014 results related to the required divestiture in the third-quarter 2014.
[2] Volume variances for the full-year 2015 reflect a full year of ownership in 2015 as compared to six months of 2014.
[3] Volume and pricing variances for the fourth-quarter and full-year 2015 exclude the California cement operations in the prior year. Volume variances for the full-year 2015 reflect a full year of ownership in 2015 as compared to six months of 2014.

Product Line Metrics

(dollars in millions)	2014					2015				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
Net sales:										
Texas cement operations	-	-	$ 72.9	$ 68.7	$ 141.6	$ 64.1	$ 66.5	$ 80.5	$ 60.1	$ 271.2
California cement operations	-	-	36.6	31.4	68.0	32.5	33.9	30.0	-	96.4
TOTAL	**-**	**-**	**$ 109.5**	**$ 100.1**	**$ 209.6**	**$ 96.6**	**$ 100.4**	**$ 110.5**	**$ 60.1**	**$ 367.6**
Gross (loss) profit:										
Texas cement operations	-	-	$ 25.8	$ 24.6	$ 50.4	$ 23.0	$ 26.7	$ 34.8	$ 15.8	$ 100.4
California cement operations	-	-	(1.6)	3.7	2.1	(4.0)	3.7	3.4	-	3.1
TOTAL	**-**	**-**	**$ 24.2**	**$ 28.3**	**$ 52.5**	**$ 19.0**	**$ 30.4**	**$ 38.2**	**$ 15.8**	**$ 103.5**
Volumes (000s external tons):										
Texas cement operations	-	-	804	677	1,481	649	626	752	569	2,596
California cement operations	-	-	466	371	837	376	367	328	-	1,071
TOTAL	**-**	**-**	**1,270**	**1,048**	**2,318**	**1,025**	**993**	**1,080**	**569**	**3,667**

Full-Year 2015 Adjusted EBITDA Rollforward



2016 Outlook by End Market

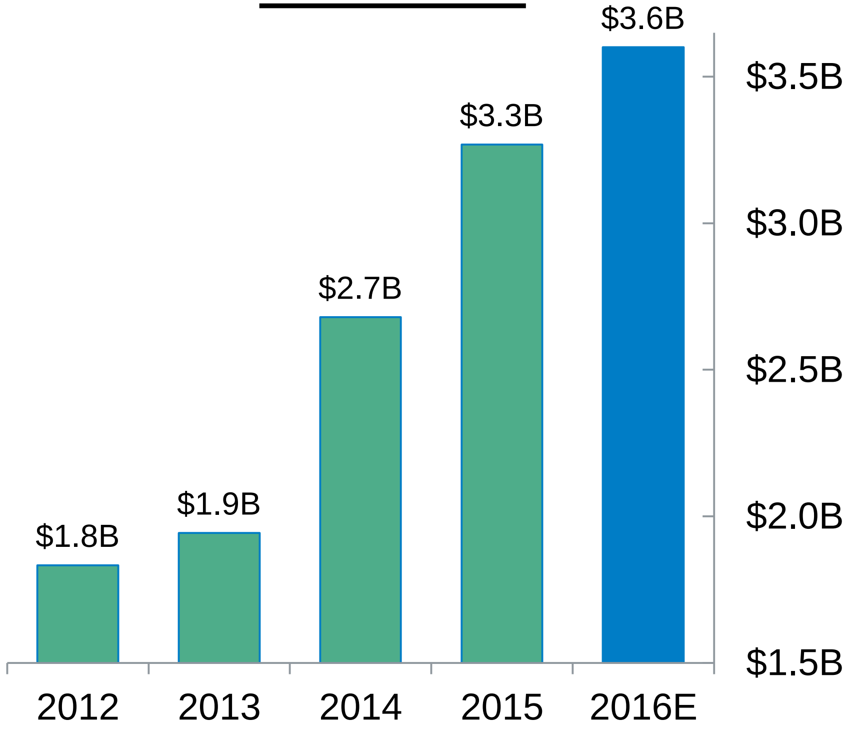
		GROWTH RATE
Infrastructure 	• State initiatives to finance projects, including support from TIFIA, are expected to grow. • Modest growth expected as new monies begin to flow into the system, particularly in the second half of the year.	+ Mid-single digits
Nonresidential 	• Both the heavy industrial and heavy commercial sectors expected to increase. • Energy-related economic activity will be mixed with overall strength in downstream activity.	+ High-single digits
Residential 	• Housing permits up double-digit in 2015, indicating further future gains in housing construction. • Florida, Texas, Colorado, Georgia and North Carolina, each rank in the top-ten states for housing starts.	+ Double-digits
ChemRock/Rail 	• Ballast construction dependent.	↔ Relatively flat to modestly down

2016 Outlook

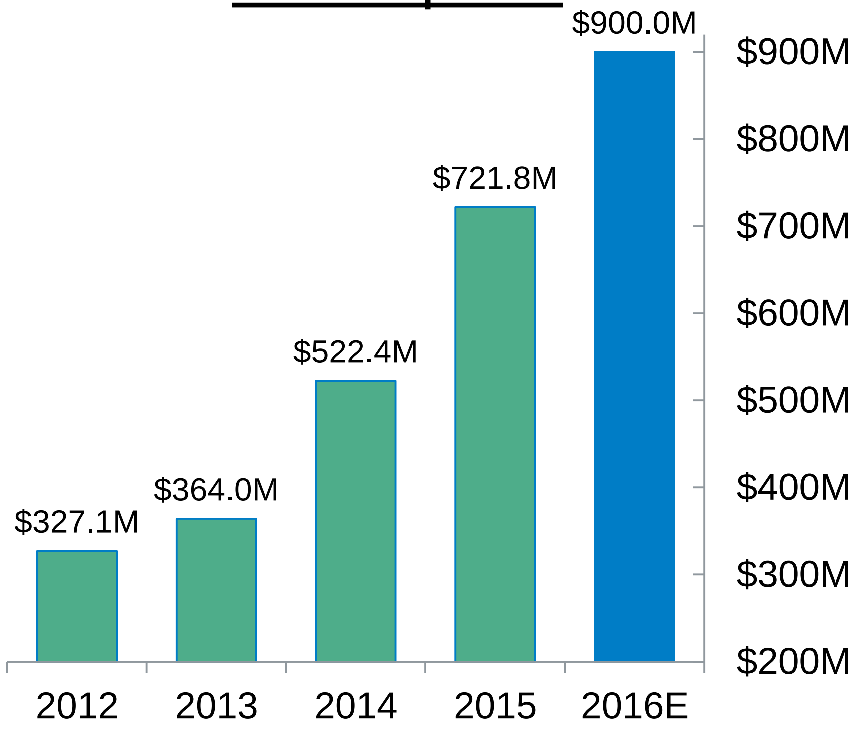
Based on the midpoint of 2016 guidance:

- Net sales of $3.6 billion; growth of 10 percent year-over-year
- Gross profit of $900 million; growth of 25 percent year-over-year
- EBITDA of $955 million; growth of 25 percent over 2015 adjusted EBITDA

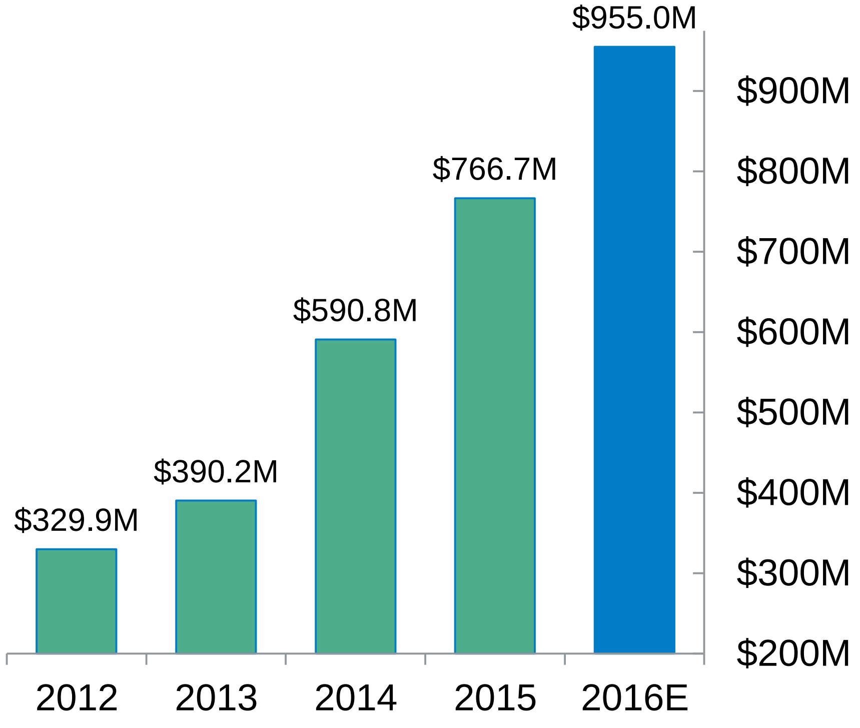
Net sales



Gross profit



EBITDA [1]

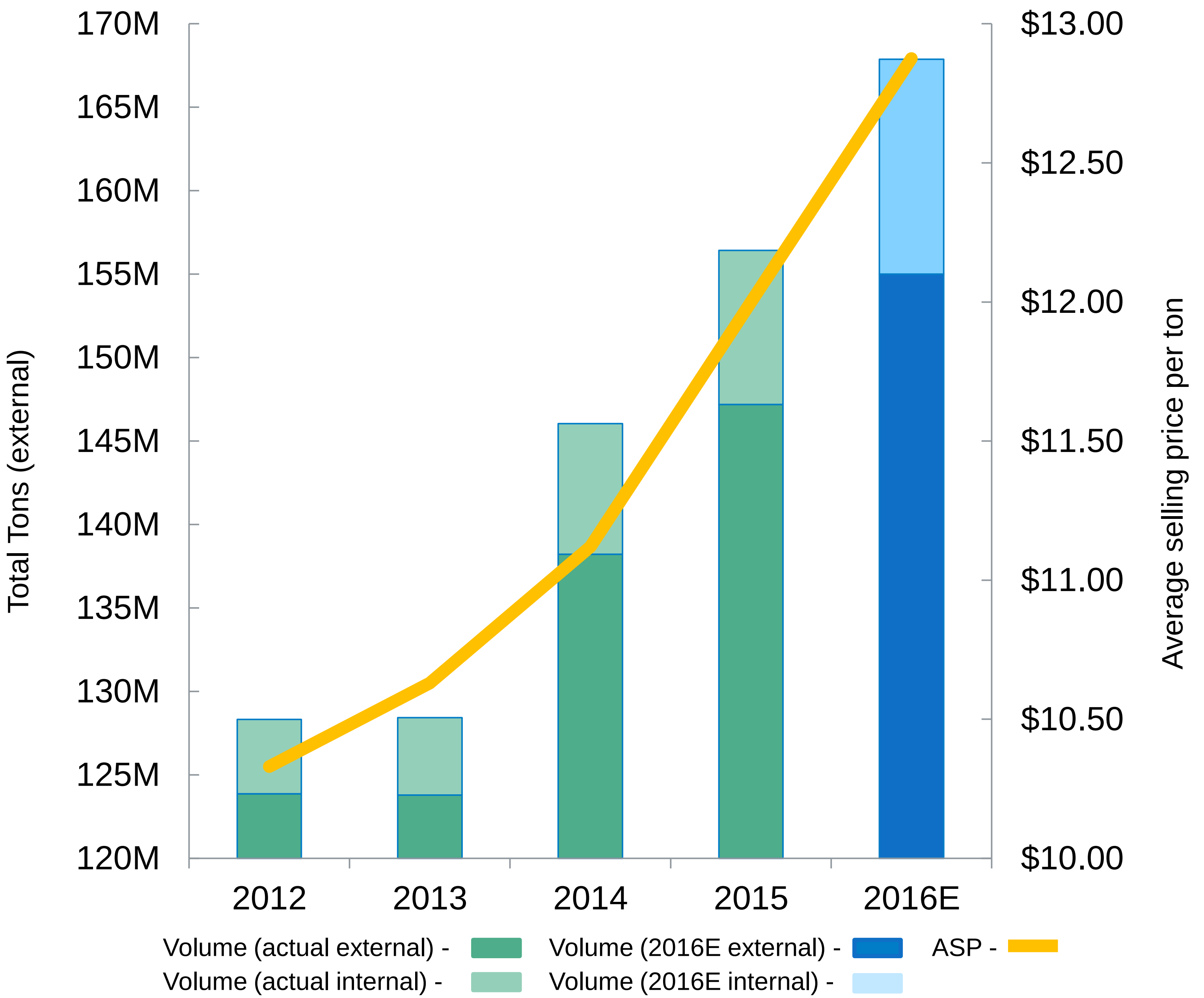


[1] *As reported adjusted EBITDA is presented for 2014 and 2015.*

2016 Outlook – Total Aggregates Product Line

Based on the midpoint of 2016 guidance:

- External volumes of 156 million tons; growth of 6.0 percent year-over-year
- Total external volumes 23 percent below prior peak volumes of 203 million tons
- Average selling price of $12.88; growth of 7.3 percent over 2015
- Net sales of $2.0 billion; growth of 11.5 percent year-over-year
- Gross profit of $585 million; growth of 25.3 percent year-over-year



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, 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.

Adjusted net earnings and **Adjusted Earnings Per Diluted Share** are non-GAAP measures and exclude the impact of TXI acquisition-related expenses, net; the impact of the markup of acquired inventory to fair value; and the gain or loss on business divestitures. Management believes these adjusted measures provide investors more relevant metrics for forecasting future operating results. The non-GAAP measures are reconciled to net earnings and earnings per diluted share in accordance with generally accepted accounting principles.

Volume and Pricing Variances Excluding Divested Operations is a non-GAAP measure that is presented to show period-to-period comparisons on a more comparable basis. The reconciliations present the impact of divested operations and the volume and pricing variances excluding those operations.

APPENDIX

(dollars in millions)	Quarter-ended December 31, 2015	Quarter-ended December 31, 2014	Year-ended December 31, 2015	Year-ended December 31, 2014
Gross margin in accordance with GAAP				
Total revenues	$ 844.6	$ 856.3	$ 3,539.6	$ 2,958.0
Gross profit	$ 184.8	$ 165.3	$ 721.8	$ 522.4
Gross margin, as a percentage of total sales	**21.9%**	**19.3%**	**20.4%**	**17.7%**
Gross margin, as a percentage of net sales				
Total revenues	$ 844.6	$ 856.3	$ 3,539.6	$ 2,958.0
Less: freight and delivery revenues	(63.8)	(76.8)	(271.5)	(278.9)
Net sales	$ 780.8	$ 779.5	$ 3,268.1	$ 2,679.1
Gross profit	$ 184.8	$ 165.3	$ 721.8	$ 522.4
Gross margin, as a percentage of net sales	**23.7%**	**21.2%**	**22.1%**	**19.5%**

APPENDIX

The following table presents the calculation of incremental gross margin (excluding freight and delivery revenues) for the heritage Aggregates business as presented in the financial results for the quarter and year-ended December 31, 2015.

Heritage Aggregates Business *(dollars in millions)*	**Quarter-ended December 31,**			**Year-ended December 31,**		
	2015	**2014**	*variance*	**2015**	**2014**	*variance*
Incremental Gross margin, as a percentage of net sales						
Net sales	$ 522.1	$ 483.4	*$ 38.7*	$ 2,090.5	$ 1,931.4	*$ 159.1*
Gross profit	$ 130.4	$ 105.1	*$ 25.3*	$ 497.1	$ 366.6	*$ 130.5*
Incremental Gross Margin (excluding freight and delivery revenues)			**65.4%**			**82.0%**

APPENDIX

(dollars in millions)	Quarter-ended December 31, 2015	Quarter-ended December 31, 2014	Year-ended December 31, 2015	Year-ended December 31, 2014
Net earnings attributable to Martin Marietta	$ 83.2	$ 64.0	$ 288.8	$ 155.6
Add back:				
Interest expense	18.9	21.1	76.3	66.1
Income tax expense for controlling interests	39.3	35.3	124.9	94.8
Depreciation, depletion & amortization expense	63.0	67.9	260.7	220.5
EBITDA	**$ 204.4**	**$ 188.3**	**$ 750.7**	**$ 537.0**
Nonrecurring expenses (acquisition-related expenses, net loss on divestitures and other noncash related charge)	(13.9)	-	16.0	53.8
Adjusted EBITDA	**$ 190.5**	**$ 188.3**	**$ 766.7**	**$590.8**

APPENDIX

(dollars in millions)	Year-ended December 31, 2015	Year-ended December 31, 2014
Net earnings attributable to Martin Marietta in accordance with generally accepted accounting principles	$ 288.8	$ 155.6
Add back:		
Loss on sale of California cement operations	20.4	--
TXI acquisition-related expenses, net	--	42.7
Impact of selling acquired inventory due to markup to fair value	--	11.1
Income tax expense on acquisition-related expenses, net & inventory markup	--	5.0
Less:		
Gain on sale of San Antonio asphalt operations	(6.7)	--
Adjusted net earnings attributable to Martin Marietta	**$ 302.5**	**$ 214.4**

APPENDIX

	Quarter-ended December 31,		Year-ended December 31,	
	2015	**2014**	**2015**	**2014**
Earnings per diluted share in accordance with generally accepted accounting principles	$1.26	$0.94	$4.29	$2.71
Add back:				
Loss on sale of California cement operations	(0.01)	--	0.31	--
TXI acquisition-related expenses, net	--	--	--	0.91
Impact of selling acquired inventory due to markup to fair value	--	--	--	0.12
Less:				
Gain on sale of San Antonio asphalt operations	(0.10)	--	(0.10)	--
Adjusted earnings per diluted share	**$1.15**	**$0.94**	**$4.50**	**$3.74**

APPENDIX

(volume in thousands)	Year-ended December 31, 2015		Year-ended December 31, 2014	
	Volume	*Price*	*Volume*	*Price*
Heritage West Group aggregates product line shipments (total tons)	53,212	$10.35	54,867	$9.34
Less: Aggregates product line shipments at divested operations (North Troy Quarry and 2 sales yards in Dallas and Frisco, Texas)	--		(2,301)	
Heritage West Group aggregates product line shipments excluding divested locations	**53,212**	**$10.35**	**52,566**	**$9.29**
Heritage aggregates product line shipments (total tons)	141,015	$11.88	138,121	$11.07
Less: Aggregates product line shipments at divested operations (North Troy Quarry and 2 sales yards in Dallas and Frisco, Texas)	--		(2,301)	
Heritage aggregates product line shipments excluding divested locations	**141,015**	**$11.88**	**135,820**	**$11.08**
Consolidated aggregates product line shipments (total tons)	156,422	$12.00	146,050	$11.12
Less: Aggregates product line shipments at divested operations (North Troy Quarry and 2 sales yards in Dallas and Frisco, Texas)	--		(2,301)	
Consolidated aggregates product line shipments excluding divested locations	**156,422**	**$12.00**	**143,749**	**$11.13**

APPENDIX

	Quarter-ended December 31, 2015		Quarter-ended December 31, 2014		Year-ended December 31, 2015		Year-ended December 31, 2014	
(volume in thousands)	*Volume*	*Price*	*Volume*	*Price*	*Volume*	*Price*	*Volume*	*Price*
Cement external shipments (external tons)	569	$102.44	1,048	$93.02	3,667	$98.35	2,318	$89.21
Less: California cement operations	--		(371)		(1,071)		(837)	
Cement external shipments excluding California cement operations	**569**	**$102.44**	**677**	**$101.47**	**2,596**	**$104.28**	**1,481**	**$95.73**

Martin Marietta

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