



Martin
Marietta

Q1 2018

**SUPPLEMENTAL
INFORMATION**

May 8, 2018

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 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 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 Measures

These slides contain certain “non-GAAP financial measures” which are defined in the Appendix. Reconciliations of non-GAAP measures to the closest GAAP measure are also provided in the Appendix.





Q1 2018 REVIEW

QUARTERLY HIGHLIGHTS



FIRST-QUARTER RESULTS AND BUSINESS TRENDS CONSISTENT WITH EXPECTATIONS...

QUARTER ENDED MARCH 31

(\$ in millions, except per share)	2018	2017
Total revenues ¹	\$ 802.0	\$ 843.9
Products and services revenues ²	\$ 753.3	\$ 792.3
<i>Building Materials business products and services revenues</i>	\$ 688.4	\$ 728.0
<i>Magnesia Specialties business products and services revenues</i>	\$ 64.9	\$ 64.3
Gross profit	\$ 110.4	\$ 147.1
Earnings from operations	\$ 39.1	\$ 77.2
Net earnings attributable to Martin Marietta	\$ 10.0	\$ 42.3
EBITDA ³	\$ 123.3	\$ 147.7
Earnings per diluted share	\$0.16	\$0.67

¹ Total revenues include the sales of products and services to customers (net of any discounts or allowances) and freight revenues.

² Products and services revenues include the sales of aggregates, cement, ready mixed concrete, asphalt and Magnesia Specialties products and paving services to customers and exclude related freight revenues.

³ See appendix for a reconciliation to net earnings attributable to Martin Marietta.

HIGHLIGHTS

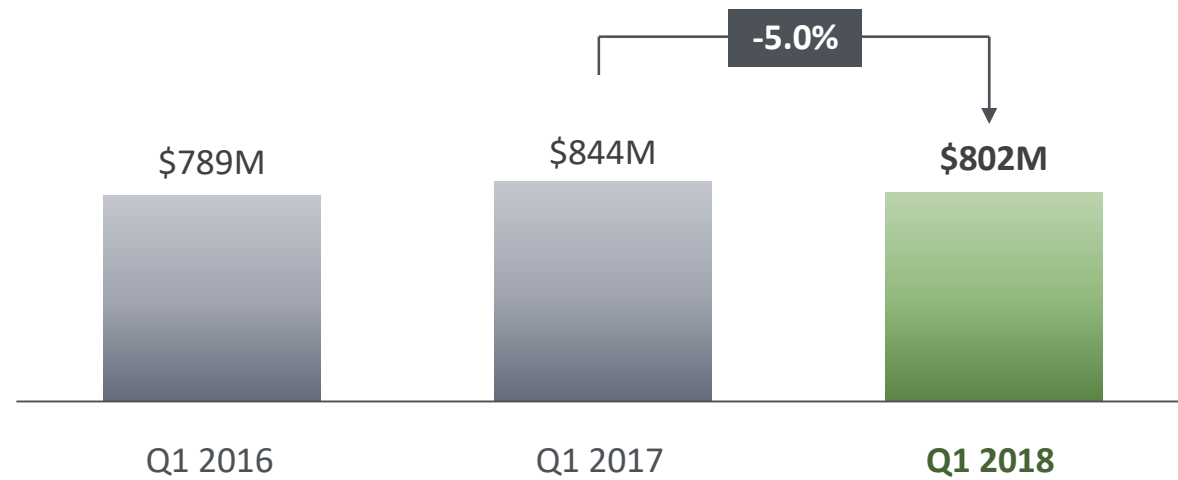
- ◆ Building Materials business shipments reflect normal seasonality, railroad services issues and extended cement outages
- ◆ **Strong shipment volumes on days not impacted by typical winter weather**
- ◆ Pricing improvement across all products and segments
- ◆ Record Magnesia Specialties business revenues
- ◆ Consolidated gross margin of 13.8% driven by reduced operating leverage, coupled with increased diesel and freight costs
- ◆ **2018 guidance increased to reflect contribution from acquired Bluegrass operations**

...UNDERLYING DEMAND TRENDS REINFORCE FULL-YEAR OUTLOOK

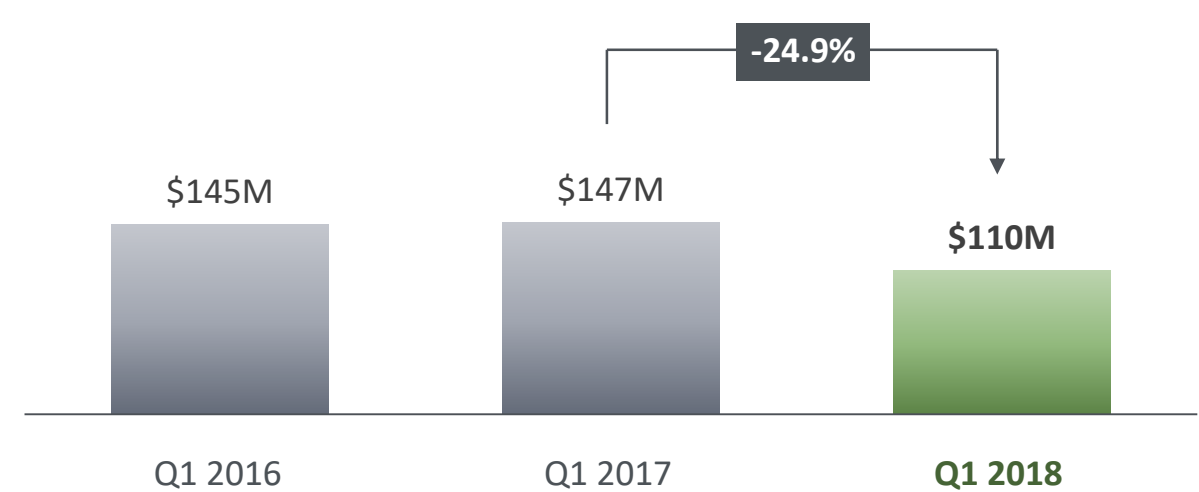
CONSOLIDATED FINANCIAL RESULTS



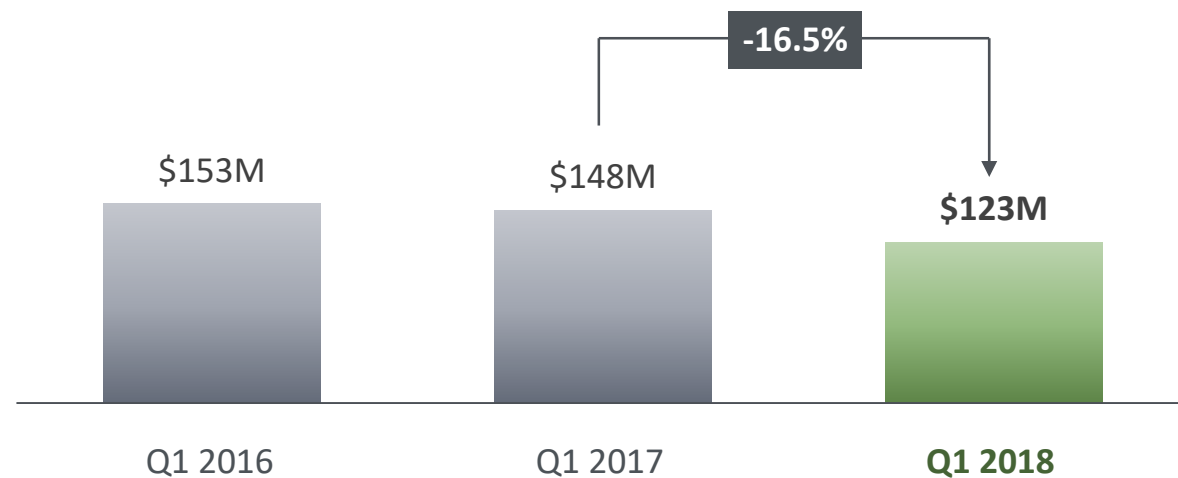
TOTAL REVENUES



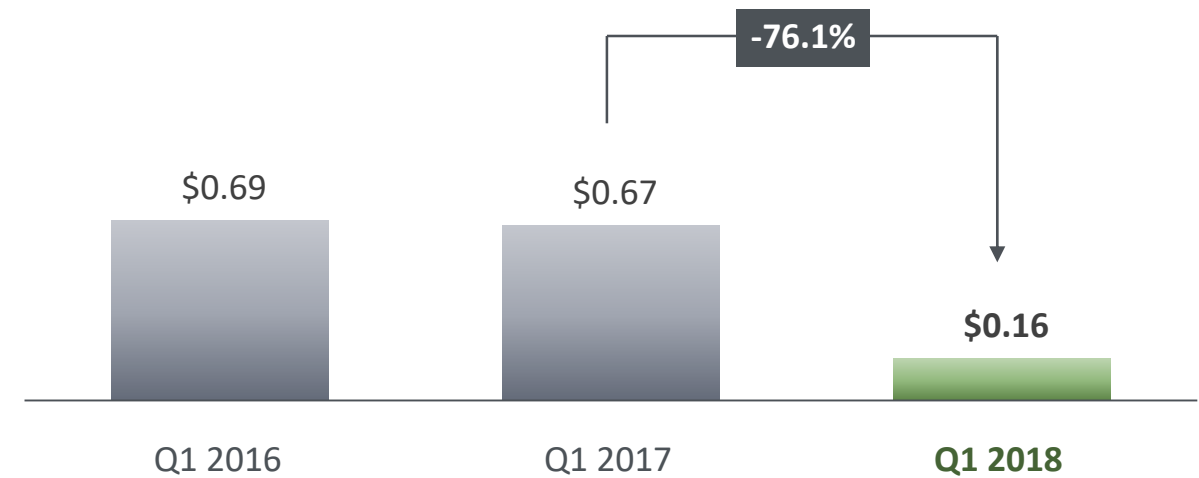
GROSS PROFIT



EBITDA



EARNING PER DILUTED SHARE



REVENUES AND GROSS PROFIT BY BUSINESS

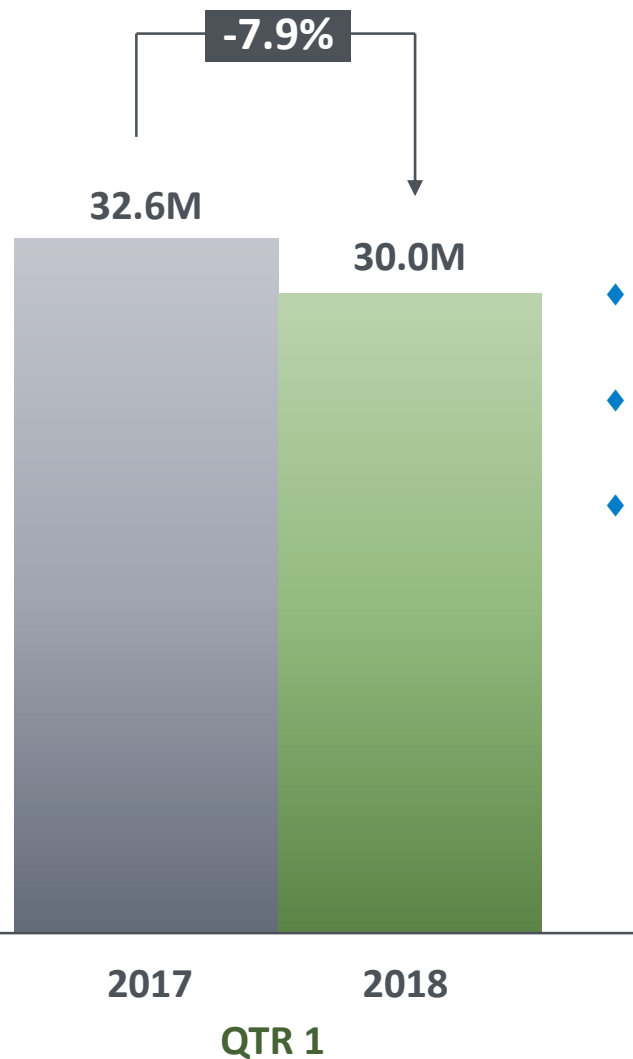


QUARTER ENDED MARCH 31

(\$ in millions)	2017			2018		
	Revenues	Gross profit (loss)	Gross margin	Revenues	Gross profit (loss)	Gross margin
Building Materials business:						
Products and services:						
Aggregates	\$451.1	\$78.9	17.5%	\$425.0	\$53.0	12.5%
Cement	93.6	30.8	32.9%	89.2	23.7	26.6%
Ready mixed concrete	222.3	19.8	8.9%	218.5	15.6	7.2%
Asphalt and paving	21.7	(4.7)	-21.8%	16.4	(7.6)	-46.7%
Less: interproduct revenues	(60.7)	---	---	(60.7)	---	---
Products and services	728.0	124.8	17.1%	688.4	84.7	12.3%
Freight	47.3	0.4	NM	44.3	(0.1)	NM
Total Building Materials business	775.3	125.2	16.1%	732.7	84.6	11.5%
Magnesia Specialties business:						
Products and services	64.3	23.3	36.3%	64.9	25.1	38.6%
Freight	4.3	(1.0)	NM	4.4	(1.2)	NM
Total Magnesia Specialties business	68.6	22.3	32.5%	69.3	23.9	34.5%
Corporate	---	(0.4)	NM	---	1.9	NM
Total	\$843.9	\$147.1	17.4%	\$802.0	\$110.4	13.8%

AGGREGATES PERFORMANCE

VOLUME



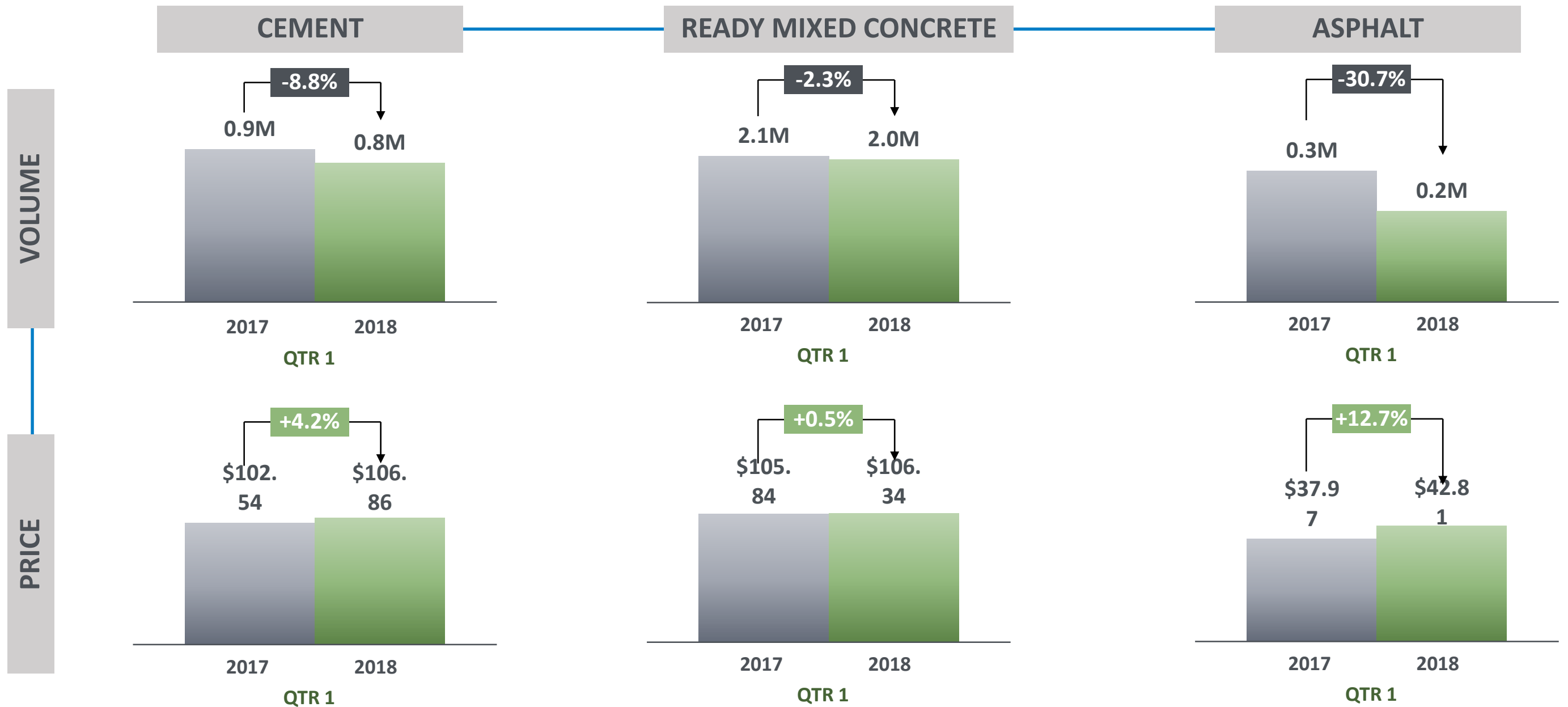
- ◆ Volume decrease for Q1 contemplated in full-year guidance
- ◆ Winter weather limited outdoor construction activity in key geographies
- ◆ Class I railroad inefficiencies contributed to shipment decline for Southeast and West Groups

PRICE



- ◆ Favorable product mix and continued price discipline led to 4.9% increase for Mid-America Group, a predominately truck-served market
- ◆ Geographic mix held Southeast Group pricing growth to 2.2% as winter weather and railroad service issues limited ability to move higher-priced aggregates to distribution yards
- ◆ Modest increase for West Group due to product mix, reduced long-haul shipments and ongoing competitive dynamics in portions of Texas
- ◆ **3.4% ASP growth, excluding product mix and reduced commercial rail-shipped volumes**

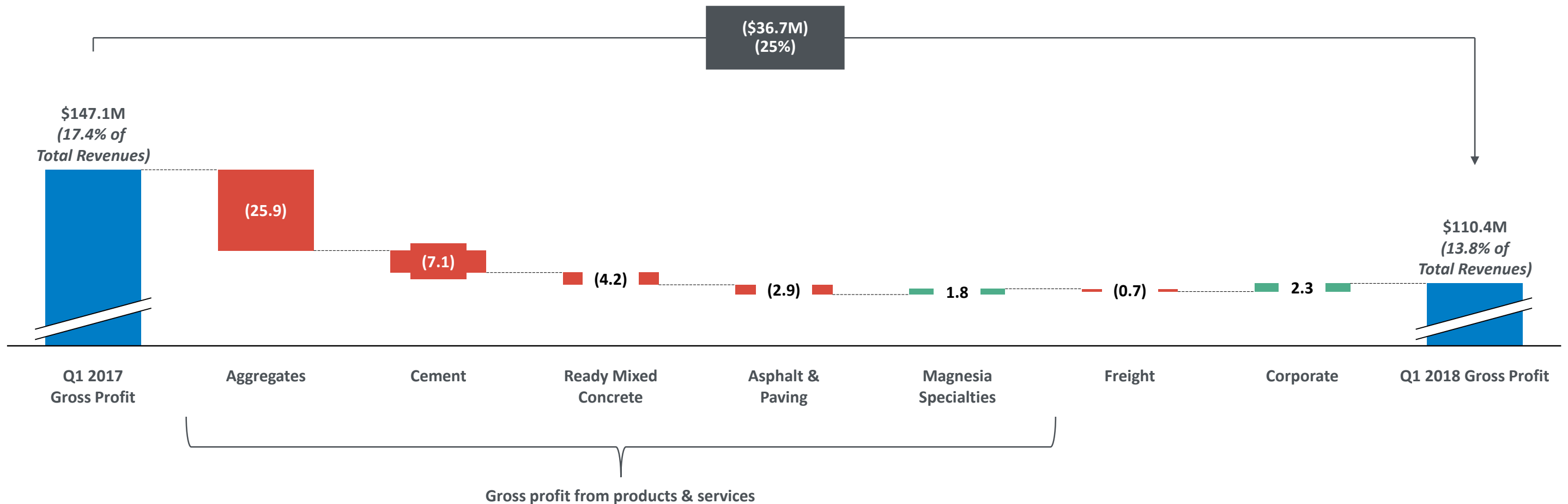
CEMENT AND DOWNSTREAM PERFORMANCE



Note: Volume and pricing variances are versus the comparable prior-year period and are based on total tons, except for ready mixed concrete which is based on cubic yards.

GROSS PROFIT

Winter weather, coupled with transportation logistic issues and extended cement maintenance outages, contributed to reduced volumes, production inefficiencies and unfavorable operating leverage.



A large yellow mining truck is the central focus, parked on a gravel road. The background is a blue-tinted sky with white clouds. Two large, semi-transparent blue triangles are overlaid on the scene, one on the left and one in the center. The truck has the number '605' visible on its side. The overall image has a blue color cast.

2018 OUTLOOK

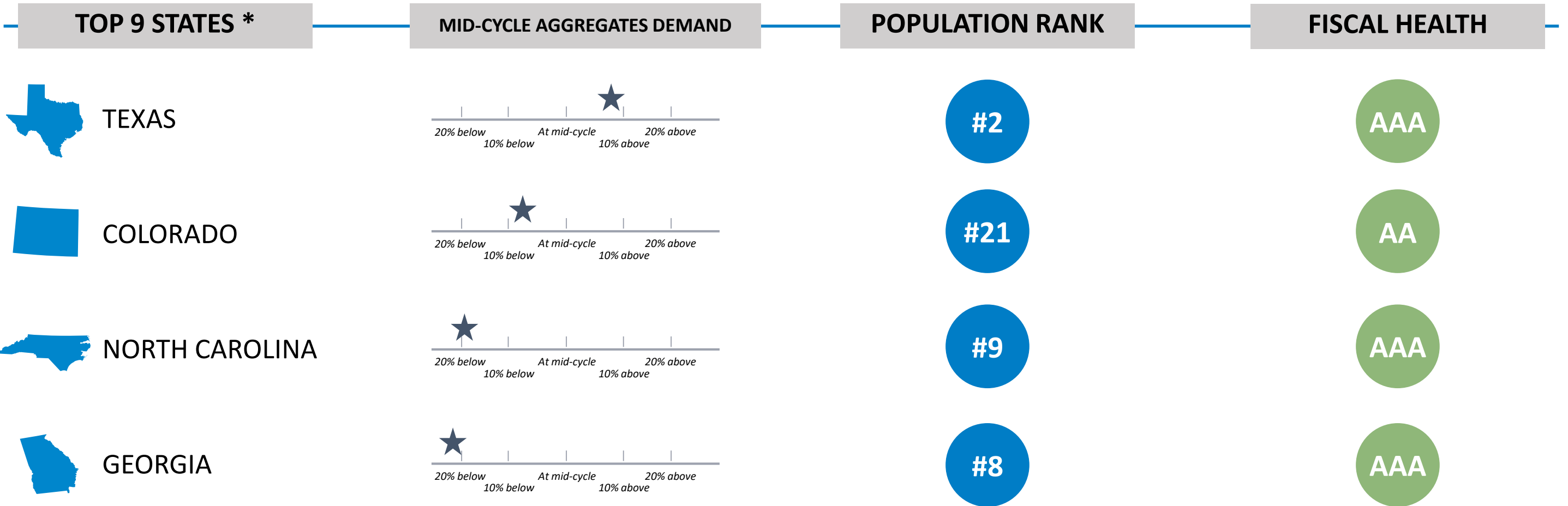
COMPANY SUCCESSFULLY COMPLETES BLUEGRASS ACQUISITION



- ◆ Strengthens **aggregates-led position in high-growth regions** of Southeast and Mid-Atlantic
- ◆ Provides over **2 billion tons of high-quality reserves**
- ◆ Expands **product offerings** to new and existing customers
- ◆ Enhanced geographic footprint positions Company to **meaningfully benefit from anticipated increased aggregates demand**
- ◆ Generates **best-in-class profit margins**

**SECOND LARGEST TRANSACTION IN COMPANY'S HISTORY
DEMONSTRATES SUCCESSFUL EXECUTION OF LONG-TERM STRATEGIC GROWTH PLAN**

MACROECONOMIC DRIVERS CONTINUE TO SUPPORT CONSTRUCTION-CENTRIC GROWTH



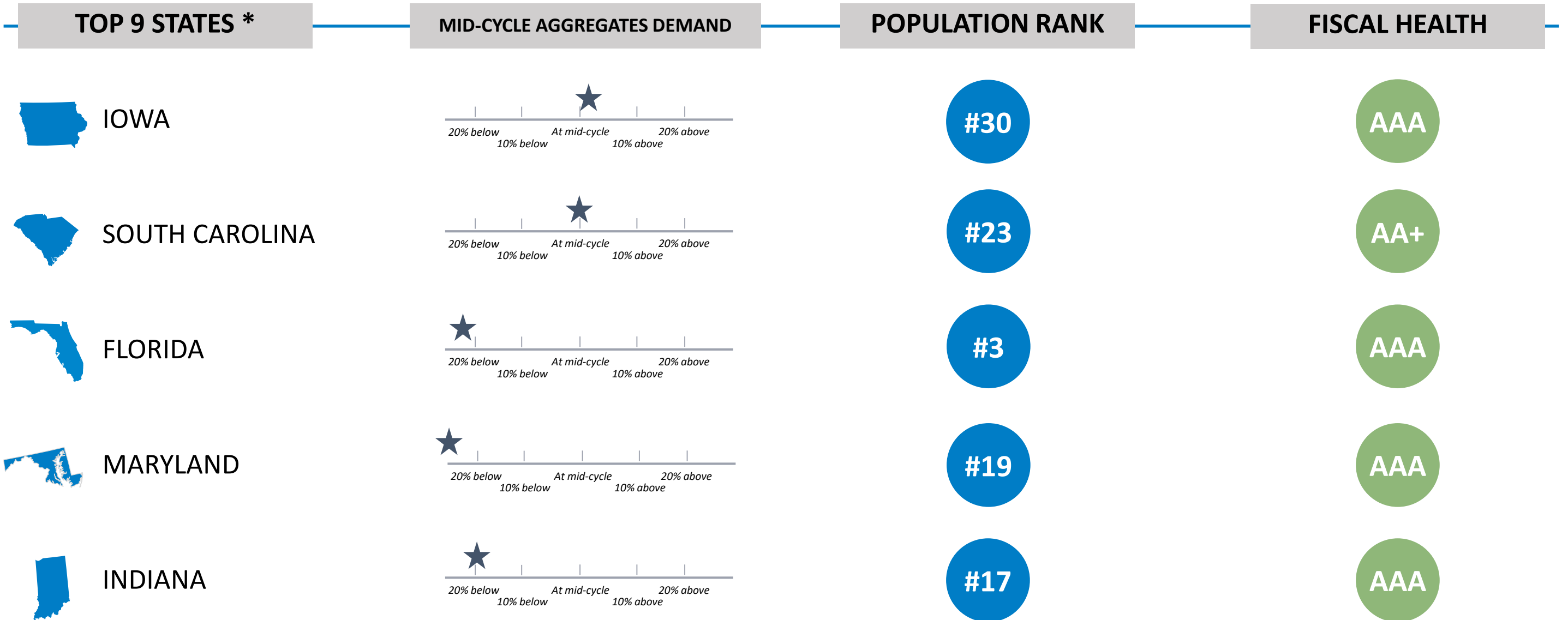
* Martin Marietta's top 9 sales-generating states based on 2017 Building Materials net sales by state of destination and adjusted for Bluegrass

Management calculation based on aggregates consumption per capital multiplied by estimated state population

2017 Annual Estimate of Population
Release Date: December 2017
Source: U.S. Bureau, Population Division

U.S. State Ratings and Outlooks
April 13, 2018
Source: S&P Global

MACROECONOMIC DRIVERS CONTINUE TO SUPPORT CONSTRUCTION-CENTRIC GROWTH



* Martin Marietta's top 9 sales-generating states based on 2017 Building Materials net sales by state of destination and adjusted for Bluegrass

Management calculation based on aggregates consumption per capital multiplied by estimated state population

2017 Annual Estimate of Population
Release Date: December 2017
Source: U.S. Bureau, Population Division

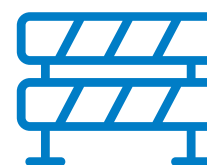
U.S. State Ratings and Outlooks
April 13, 2018
Source: S&P Global

THE CURRENT BROAD-BASED RECOVERY CONTINUES ON A STEADY AND EXTENDED BASIS

INFRASTRUCTURE



Undeniable need to **restore and modernize our nation's infrastructure** exists.



Construction activity should see benefits from the funding provided by the **Fixing America's Surface Transportation Act (FAST Act)** and state and local initiatives.



Dodge Data & Analytics forecasts a **positive outlook for aggregates-intensive highways and streets** construction in 2018 and 2019.

**2018
OUTLOOK**

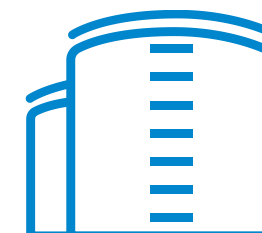


**MID-SINGLE-DIGIT
GROWTH**

THE CURRENT BROAD-BASED RECOVERY CONTINUES ON A STEADY AND EXTENDED BASIS



Commercial and institutional construction activity should remain healthy in 2018 as supported by the Dodge Momentum Index and Architectural Billing Index.



Continued federal regulatory approvals, coupled with increasing oil prices, should notably contribute to **increased aggregates consumption from new energy-related projects**, a significant demand driver for Texas.

NONRESIDENTIAL

2018
OUTLOOK



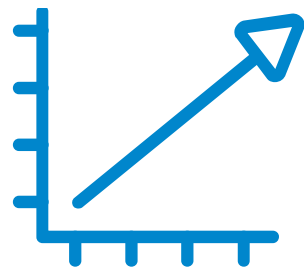
LOW-TO-MID-SINGLE-DIGIT GROWTH



THE CURRENT BROAD-BASED RECOVERY CONTINUES ON A STEADY AND EXTENDED BASIS



Residential construction **drives future** nonresidential and infrastructure activity.

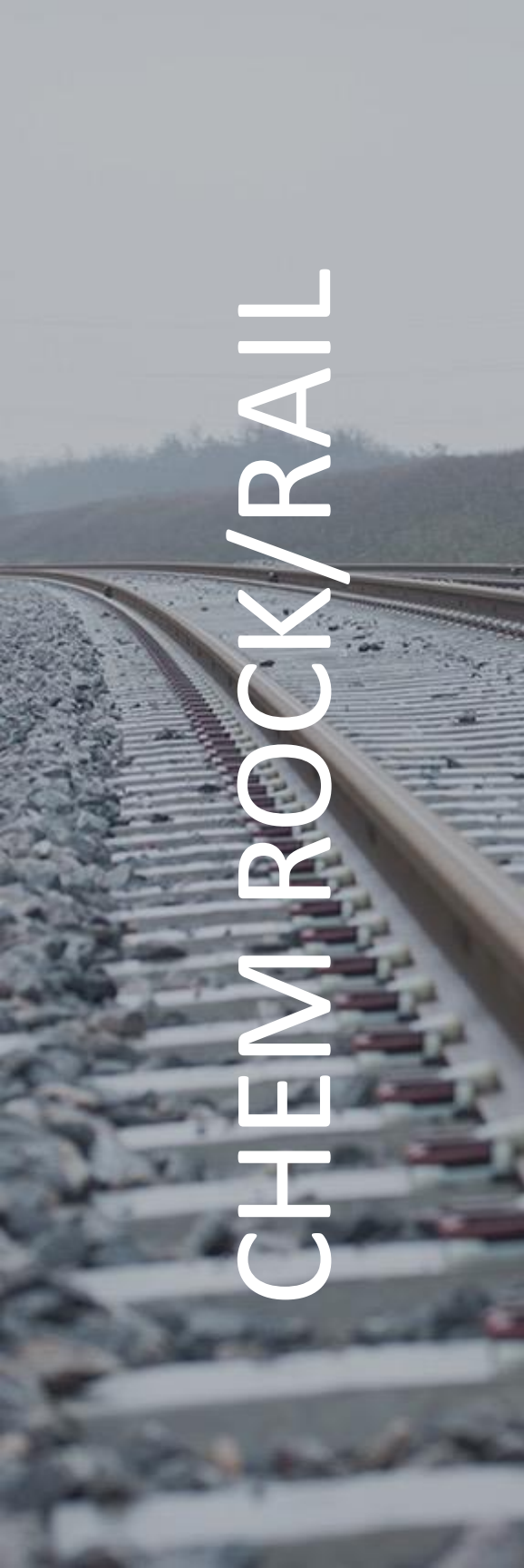


Outlook remains robust, **particularly in key Martin Marietta markets**, supported by favorable demographics, job growth, land availability and efficient permitting. **Six of Martin Marietta's key states** rank in the top 10 for growth in single-family housing unit starts.

**2018
OUTLOOK**



**STEADY GROWTH TOWARDS
1.4 M STARTS NATIONALLY**



CHEM ROCK/RAIL

THE CURRENT BROAD-BASED RECOVERY CONTINUES ON A STEADY AND EXTENDED BASIS



Ballast demand is **dependent on railroad activity.**



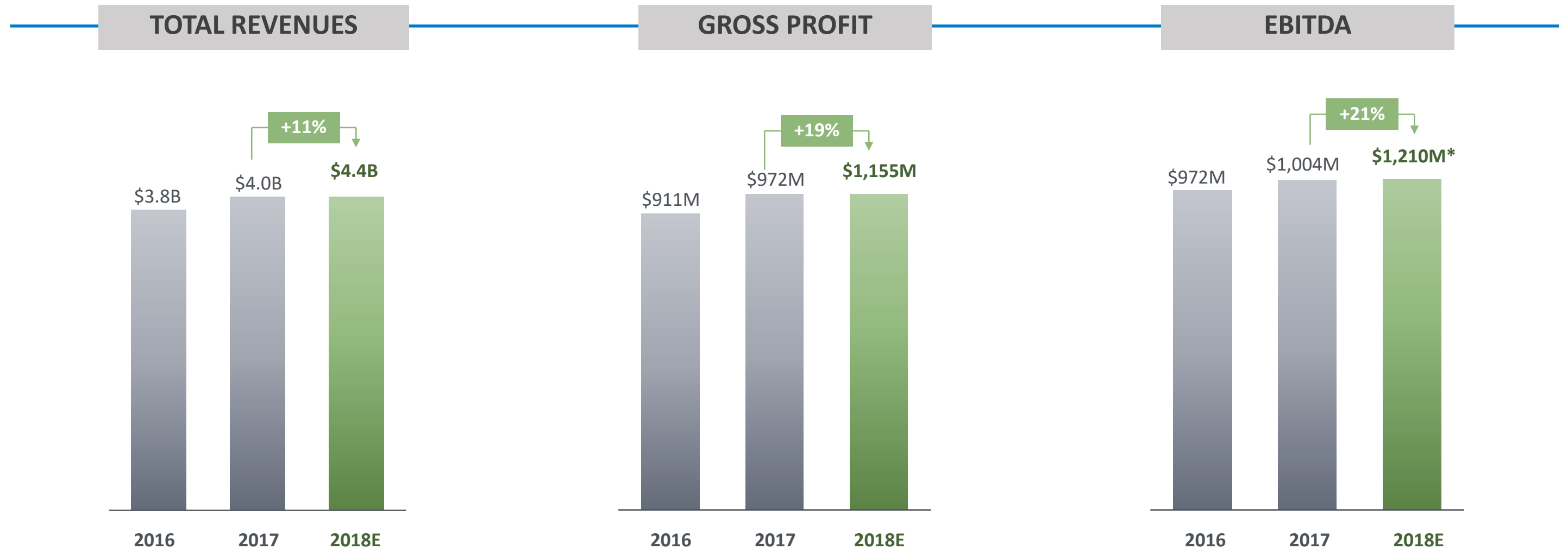
Agricultural lime is **based on farm economy.**

2018
OUTLOOK



STABLE

2018 GUIDANCE INCREASED TO REFLECT BLUEGRASS CONTRIBUTION



2018E based on midpoint of full-year guidance included in First Quarter Earnings Release dated May 8, 2018

* Represents Adjusted EBITDA and excludes acquisition-related expenses, net, associated with the Bluegrass acquisition; see appendix for reconciliation of net earnings attributable to Martin Marietta to Adjusted EBITDA



APPENDIX

2017 REVENUES AND GROSS PROFIT BY BUSINESS



(dollars in millions)	QE MARCH 31			QE JUNE 30			QE SEPTEMBER 30			QE DECEMBER 31			FULL YEAR		
	Revenues	Gross profit (loss)	Gross margin	Revenues	Gross profit (loss)	Gross margin	Revenues	Gross profit (loss)	Gross margin	Revenues	Gross profit (loss)	Gross margin	Revenues	Gross profit (loss)	Gross margin
Building Materials business:															
Products and services:															
Aggregates	\$ 451.1	\$ 78.9	17.5%	\$ 577.9	\$ 173.0	29.9%	\$ 590.3	\$ 187.1	31.7%	\$ 515.6	\$ 160.6	31.2%	\$ 2,134.9	\$ 599.6	28.1%
Cement	93.6	30.8	32.9%	98.9	29.4	29.7%	88.5	27.5	31.0%	90.3	29.4	32.6%	371.3	117.1	31.5%
Ready mixed concrete	222.3	19.8	8.9%	241.9	26.8	11.1%	240.2	23.9	10.0%	231.6	21.1	9.1%	936.0	91.6	9.8%
Asphalt and paving	21.7	(4.7)	-21.8%	82.9	20.3	24.5%	111.0	28.9	26.0%	76.9	20.2	26.3%	292.5	64.7	22.1%
Less: interproduct revenues	(60.7)	---	---	(70.5)	---	---	(67.4)	---	---	(65.4)	---	---	(264.0)	---	---
Products and services	728.0	124.8	17.1%	931.1	249.5	26.8%	962.6	267.4	27.8%	849.0	231.3	27.3%	3,470.7	873.0	25.2%
Freight	47.3	0.4	NM	62.4	0.6	NM	61.2	0.9	NM	54.0	0.7	NM	224.9	2.6	NM
Total Building Materials business	775.3	125.2	16.1%	993.5	250.1	25.2%	1,023.8	268.3	26.2%	903.0	232.0	25.7%	3,695.6	875.6	23.7%
Magnesia Specialties business:															
Products and services	64.3	23.3	36.3%	65.7	24.8	37.7%	59.9	21.3	35.5%	62.8	24.6	39.2%	252.7	94.0	37.2%
Freight	4.3	(1.0)	NM	4.3	(1.2)	NM	4.0	(1.4)	NM	4.7	(1.0)	NM	17.3	(4.6)	NM
Total Magnesia Specialties business	68.6	22.3	32.5%	70.0	23.6	33.7%	63.9	19.9	31.2%	67.5	23.6	34.9%	270.0	89.4	33.1%
Corporate	---	(0.4)	NM	---	0.3	NM	---	3.5	NM	---	3.5	NM	---	6.9	NM
Total	\$ 843.9	\$ 147.1	17.4%	\$ 1,063.5	\$ 274.0	25.8%	\$ 1,087.7	\$ 291.7	26.8%	\$ 970.5	\$ 259.1	26.7%	\$ 3,965.6	\$ 971.9	24.5%

Revenues and gross profit by business for 2017 has been reclassified to conform to the 2018 presentation.

2016 REVENUES AND GROSS PROFIT BY BUSINESS



(dollars in millions)	QE MARCH 31			QE JUNE 30			QE SEPTEMBER 30			QE DECEMBER 31			FULL YEAR		
	Revenues	Gross profit (loss)	Gross margin	Revenues	Gross profit (loss)	Gross margin	Revenues	Gross profit (loss)	Gross margin	Revenues	Gross profit (loss)	Gross margin	Revenues	Gross profit (loss)	Gross margin
Building Materials business:															
Products and services:															
Aggregates	\$ 429.9	\$ 81.0	18.9%	\$ 547.0	\$ 164.7	30.1%	\$ 581.4	\$ 173.7	29.9%	\$ 500.5	\$ 136.6	27.3%	\$ 2,058.8	\$ 556.0	27.0%
Cement	96.7	32.5	33.6%	87.5	24.1	27.5%	94.6	36.7	38.8%	85.3	26.6	31.2%	364.1	119.6	32.8%
Ready mixed concrete	187.0	18.0	9.6%	214.9	25.3	11.8%	263.7	32.8	12.4%	237.1	23.1	9.7%	902.7	99.1	11.0%
Asphalt and paving	11.4	(6.3)	-55.3%	65.6	12.8	19.6%	111.6	30.2	27.1%	69.4	16.2	23.4%	258.0	52.9	20.5%
Less: interproduct revenues	(51.4)	---	---	(58.6)	---	---	(73.5)	---	---	(63.5)	---	---	(247.0)	---	---
Products and services	673.6	125.2	18.6%	856.4	226.9	26.5%	977.8	273.4	28.0%	828.8	202.5	24.4%	3,336.6	827.6	24.8%
Freight	50.9	1.0	NM	57.3	0.4	NM	61.0	0.4	NM	55.9	0.8	NM	225.1	3.0	NM
Total Building Materials business	724.5	126.2	17.4%	913.7	227.3	24.9%	1,038.8	273.8	26.4%	884.7	203.3	23.0%	3,561.7	830.6	23.3%
Magnesia Specialties business:															
Products and services	60.6	24.1	39.8%	60.1	22.9	38.2%	61.5	24.1	39.2%	60.2	22.8	37.8%	242.4	93.9	38.7%
Freight	3.6	(1.1)	NM	3.5	(1.2)	NM	3.6	(1.3)	NM	3.9	(0.8)	NM	14.6	(4.4)	NM
Total Magnesia Specialties business	64.2	23.0	35.8%	63.6	21.7	34.1%	65.1	22.8	35.1%	64.1	22.0	34.4%	257.0	89.5	34.8%
Corporate	---	(4.0)	NM	---	(1.6)	NM	---	(3.3)	NM	---	0.5	NM	---	(8.4)	NM
Total	\$ 788.7	\$ 145.2	18.4%	\$ 977.3	\$ 247.4	25.3%	\$ 1,103.9	\$ 293.3	26.6%	\$ 948.8	\$ 225.8	23.8%	\$ 3,818.7	\$ 911.7	23.9%

Revenues and gross profit by business for 2016 has been reclassified to conform to the 2018 presentation.

DEFINITIONS AND RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES



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.

QUARTER ENDED MARCH 31

(dollars in millions)	2016	2017	2018
NET EARNINGS ATTRIBUTABLE TO MARTIN MARIETTA	\$45.0	\$42.3	\$10.0
ADD BACK:			
Interest expense	20.0	20.9	35.1
Income tax expense (benefit) for controlling interests	19.7	14.5	2.5
Depreciation, depletion & amortization expense	67.9	70.0	75.7
EBITDA	\$152.6	\$147.7	\$123.3

YEAR ENDED DECEMBER 31

(dollars in millions)	2016	2017	2018E
NET EARNINGS ATTRIBUTABLE TO MARTIN MARIETTA	\$425.4	\$713.3	\$567.5
ADD BACK:			
Interest expense	81.7	91.5	137.5
Income tax expense (benefit) for controlling interests	181.5	(94.4)	155.0
Depreciation, depletion & amortization expense	283.0	294.0	335.0
EBITDA	\$971.6	\$1,004.4	\$1,195.0
ADD BACK:			
Bluegrass acquisition-related expenses, net	---	---	15.0
ADJUSTED EBITDA	\$971.6	\$1,004.4	\$1,210.0



THANK YOU FOR YOUR INTEREST IN MARTIN MARIETTA

FOR MORE INFORMATION, PLEASE VISIT [MARTINMARIETTA.COM](https://www.martinmarietta.com)