UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2024

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number: 1-12744

MARTIN MARIETTA MATERIALS, INC.

(Exact Name of Registrant as Specified in its Charter)

North Carolina	**56-1848578**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
4123 Parklake Avenue, Raleigh, NC	**27612**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (919) 781-4550

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock (Par Value $0.01)	MLM	The New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐

Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of Common Stock, as of the latest practicable date.

Class	Outstanding as of April 25, 2024
Common Stock, $0.01 par value	61,640,190

MARTIN MARIETTA MATERIALS, INC. AND CONSOLIDATED SUBSIDIARIES
FORM 10-Q
For the Quarter Ended March 31, 2024

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

MARTIN MARIETTA MATERIALS, INC. AND CONSOLIDATED SUBSIDIARIES
(UNAUDITED) CONSOLIDATED BALANCE SHEETS

	March 31, 2024	December 31, 2023
	(In Millions, Except Share and Par Value Data)	
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 2,648	$ 1,272
Restricted cash	2	10
Accounts receivable, net	703	753
Inventories, net	1,077	989
Current assets held for sale	18	807
Other current assets	70	88
Total Current Assets	4,518	3,919
Property, plant and equipment	11,257	10,708
Allowances for depreciation, depletion and amortization	(4,657)	(4,522)
Net property, plant and equipment	6,600	6,186
Goodwill	3,479	3,389
Other intangibles, net	702	698
Operating lease right-of-use assets, net	382	372
Other noncurrent assets	559	561
Total Assets	$ 16,240	$ 15,125
LIABILITIES AND EQUITY		
Current Liabilities:		
Accounts payable	$ 266	$ 343
Accrued salaries, benefits and payroll taxes	37	102
Accrued income taxes	457	6
Accrued other taxes	37	47
Accrued interest	40	41
Current maturities of long-term debt	400	400
Current operating lease liabilities	52	53
Current liabilities held for sale	—	18
Other current liabilities	140	160
Total Current Liabilities	1,429	1,170
Long-term debt	3,947	3,946
Deferred income taxes, net	865	874
Noncurrent operating lease liabilities	344	327
Noncurrent asset retirement obligations	388	383
Other noncurrent liabilities	390	389
Total Liabilities	7,363	7,089
Equity:		

Common stock, par value $0.01 per share (61,639,965 shares and 61,821,421 shares outstanding at March 31, 2024 and December 31, 2023, respectively)	1	1
Preferred stock, par value $0.01 per share	—	—
Additional paid-in capital	3,512	3,519
Accumulated other comprehensive loss	(49)	(49)
Retained earnings	5,411	4,563
Total Shareholders' Equity	8,875	8,034
Noncontrolling interests	2	2
Total Equity	8,877	8,036
Total Liabilities and Equity	$ 16,240	$ 15,125

See accompanying notes to the consolidated financial statements.

MARTIN MARIETTA MATERIALS, INC. AND CONSOLIDATED SUBSIDIARIES
(UNAUDITED) CONSOLIDATED STATEMENTS OF EARNINGS AND COMPREHENSIVE EARNINGS

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
	(In Millions, Except Per Share Data)	
Total Revenues	$ 1,251	$ 1,354
Total cost of revenues	979	1,051
Gross Profit	272	303
Selling, general and administrative expenses	118	104
Acquisition, divestiture and integration expenses	20	1
Other operating (income) expense, net	(1,287)	2
Earnings from Operations	1,421	196
Interest expense	40	42
Other nonoperating income, net	(33)	(17)
Earnings from continuing operations before income tax expense	1,414	171
Income tax expense	368	36
Earnings from continuing operations	1,046	135
Loss from discontinued operations, net of income tax benefit	—	(13)
Consolidated net earnings	1,046	122
Less: Net earnings attributable to noncontrolling interests	1	1
Net Earnings Attributable to Martin Marietta	$ 1,045	$ 121
Consolidated Comprehensive Earnings (See Note 1):		
Earnings attributable to Martin Marietta	$ 1,045	$ 122
Earnings attributable to noncontrolling interests	1	1
	$ 1,046	$ 123
Net Earnings (Loss) Attributable to Martin Marietta Per Common Share:		
Basic earnings per share from continuing operations attributable to common shareholders	$ 16.92	$ 2.17
Basic loss per share from discontinued operations attributable to common shareholders	—	(0.21)
	$ 16.92	$ 1.96
Diluted earnings per share from continuing operations attributable to common shareholders	$ 16.87	$ 2.16
Diluted loss per share from discontinued operations attributable to common shareholders	—	(0.21)

	$ 16.87	$ 1.95
Weighted-Average Common Shares Outstanding:		
Basic	61.8	62.1
Diluted	62.0	62.2

See accompanying notes to the consolidated financial statements.

MARTIN MARIETTA MATERIALS, INC. AND CONSOLIDATED SUBSIDIARIES
(UNAUDITED) CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
	(Dollars in Millions)	
Cash Flows from Operating Activities:		
Consolidated net earnings	$ 1,046	$ 122
Adjustments to reconcile consolidated net earnings to net cash provided by operating activities:		
Depreciation, depletion and amortization	130	124
Stock-based compensation expense	15	14
Gain on divestitures and sales of assets	(1,333)	(1)
Deferred income taxes, net	(95)	6
Noncash asset and portfolio rationalization charge	49	—
Other items, net	(2)	(2)
Changes in operating assets and liabilities, net of effects of acquisitions and divestitures:		
Accounts receivable, net	55	(14)
Inventories, net	(85)	(82)
Accounts payable	15	18
Other assets and liabilities, net	377	(24)
Net Cash Provided by Operating Activities	172	161
Cash Flows from Investing Activities:		
Additions to property, plant and equipment	(200)	(174)
Acquisitions, net of cash acquired	(488)	—
Proceeds from divestitures and sales of assets	2,107	22
Investments in life insurance contracts, net	6	4
Other investing activities, net	—	(4)
Net Cash Provided by (Used for) Investing Activities	1,425	(152)
Cash Flows from Financing Activities:		
Payments on finance lease obligations	(5)	(4)
Dividends paid	(46)	(42)
Repurchases of common stock	(150)	(75)
Distributions to owners of noncontrolling interest	(1)	—
Shares withheld for employees’ income tax obligations	(27)	(17)
Net Cash Used for Financing Activities	(229)	(138)
Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash	1,368	(129)
Cash, Cash Equivalents and Restricted Cash, beginning of period	1,282	359
Cash, Cash Equivalents and Restricted Cash, end of period	$ 2,650	$ 230

See accompanying notes to the consolidated financial statements.

MARTIN MARIETTA MATERIALS, INC. AND CONSOLIDATED SUBSIDIARIES
(UNAUDITED) CONSOLIDATED STATEMENTS OF TOTAL EQUITY

(In Millions, Except Share and Per Share Data)	Shares of Common Stock	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total Shareholders' Equity	Noncontrolling Interests	Total Equity
Balance at December 31, 2022	62,102,353	$ 1	$ 3,489	$ (38)	$ 3,719	$ 7,171	$ 2	$ 7,173
Consolidated net earnings	—	—	—	—	121	121	1	122
Other comprehensive earnings, net of tax	—	—	—	1	—	1	—	1
Dividends declared ($0.66 per common share)	—	—	—	—	(41)	(41)	—	(41)
Issuances of common stock for stock award plans	69,374	—	1	—	—	1	—	1
Shares withheld for employees' income tax obligations	—	—	(17)	—	—	(17)	—	(17)
Repurchases of common stock	(203,770)	—	—	—	(75)	(75)	—	(75)
Stock-based compensation expense	—	—	14	—	—	14	—	14
Balance at March 31, 2023	61,967,957	$ 1	$ 3,487	$ (37)	$ 3,724	$ 7,175	$ 3	$ 7,178
Balance at December 31, 2023	61,821,421	$ 1	$ 3,519	$ (49)	$ 4,563	$ 8,034	$ 2	$ 8,036
Consolidated net earnings	—	—	—	—	1,045	1,045	1	1,046
Dividends declared ($0.74 per common share)	—	—	—	—	(46)	(46)	—	(46)
Issuances of common stock for stock award plans	74,145	—	5	—	—	5	—	5
Shares withheld for employees' income tax obligations	—	—	(27)	—	—	(27)	—	(27)
Repurchases of common stock	(255,601)	—	—	—	(151)	(151)	—	(151)
Stock-based compensation expense	—	—	15	—	—	15	—	15
Distributions to owners of noncontrolling interest	—	—	—	—	—	—	(1)	(1)
Balance at March 31, 2024	61,639,965	$ 1	$ 3,512	$ (49)	$ 5,411	$ 8,875	$ 2	$ 8,877

See accompanying notes to the consolidated financial statements.

MARTIN MARIETTA MATERIALS, INC. AND CONSOLIDATED SUBSIDIARIES
FORM 10-Q
For the Quarter Ended March 31, 2024
(UNAUDITED) NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Significant Accounting Policies

Organization

Martin Marietta Materials, Inc. (the Company or Martin Marietta) is a natural resource-based building materials company. As of March 31, 2024, the Company supplies aggregates (crushed stone, sand and gravel) through its network of approximately 360 quarries, mines and distribution yards in 28 states, Canada and The Bahamas. Martin Marietta also provides cement and downstream products and services, namely, ready mixed concrete, asphalt and paving, in vertically-integrated structured markets where the Company also has a leading aggregates position. The Company's heavy-side building materials are used in infrastructure, nonresidential and residential construction projects. Aggregates are also used in agricultural, utility and environmental applications and as railroad ballast. The aggregates, cement and ready mixed concrete and asphalt and paving product lines are reported collectively as the "Building Materials" business.

The Company's Building Materials business includes two reportable segments: the East Group and the West Group.

BUILDING MATERIALS BUSINESS

Reportable Segments	East Group	West Group
Operating Locations	Alabama, Florida, Georgia, Indiana, Iowa, Kansas, Kentucky, Maryland, Minnesota, Missouri, Nebraska, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia, West Virginia, Nova Scotia and The Bahamas	Arizona, Arkansas, California, Colorado, Louisiana, Oklahoma, Texas, Utah, Washington and Wyoming
Product Lines	Aggregates and Asphalt	Aggregates, Cement and Ready Mixed Concrete, Asphalt and Paving

The Company's Magnesia Specialties business, which represents a separate reportable segment, has manufacturing facilities in Manistee, Michigan, and Woodville, Ohio. The Magnesia Specialties business produces magnesia-based chemicals products used in industrial, agricultural and environmental applications, and dolomitic lime sold primarily to customers for steel production and soil stabilization.

Basis of Presentation and Use of Estimates

The accompanying unaudited consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP) for interim financial information and with the instructions to the Quarterly Report on Form 10-Q and in Article 10 of Regulation S-X. The Company has continued to follow the accounting policies set forth in the audited consolidated financial statements and related notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023. In the opinion of management, the interim consolidated financial information provided herein reflects all adjustments, consisting of normal recurring accruals, necessary for a fair statement of the results of operations, financial position and cash flows for the interim periods. The consolidated results of operations for the three months ended March 31, 2024 are not necessarily indicative of the results expected for other interim periods or the full year. The consolidated balance sheet at December 31, 2023 has been derived from the audited consolidated financial statements at that date but does not include all of the information and notes required by U.S. GAAP for complete financial statements. These consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

The preparation of the Company's consolidated financial statements requires management to make certain estimates and assumptions about future events. As future events and their effects cannot be fully determined with precision, actual results could differ significantly from estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which the change in estimate occurs.

Restricted Cash

At March 31, 2024 and December 31, 2023, the Company had restricted cash of $2 million and $10 million, respectively. The 2024 amount is designated to collateralize certain letters of credit, while the 2023 amount was invested in an account designated for the purchase of like-kind exchange replacement assets under Section 1031 of the Internal Revenue Code and related IRS procedures (Section 1031). The Company was restricted from utilizing the 2023 cash for purposes other than the purchase of qualified assets for 180 days from receipt of the proceeds from the sale of the exchanged property. Any unused restricted cash at the end of the 180 days is transferred to unrestricted accounts of the Company and used for general corporate purposes.

The statements of cash flows reflect cash flow changes and balances for cash, cash equivalents and restricted cash on an aggregated basis. The following table reconciles cash, cash equivalents and restricted cash as reported on the consolidated balance sheets to the aggregated amounts presented on the consolidated statements of cash flows:

	March 31, 2024	December 31, 2023
	(Dollars in Millions)	
Cash and cash equivalents	$ 2,648	$ 1,272
Restricted cash	2	10
Total cash, cash equivalents and restricted cash presented in the consolidated statements of cash flows	$ 2,650	$ 1,282

Consolidated Comprehensive Earnings and Accumulated Other Comprehensive Loss

Consolidated comprehensive earnings consist of consolidated net earnings, adjustments for the funded status of pension and postretirement benefit plans and foreign currency translation adjustments, and are presented in the Company's consolidated statements of earnings and comprehensive earnings.

Consolidated comprehensive earnings attributable to Martin Marietta are as follows:

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
	(Dollars in Millions)	
Net earnings attributable to Martin Marietta	$ 1,045	$ 121
Other comprehensive earnings, net of tax	—	1
Consolidated comprehensive earnings attributable to Martin Marietta	$ 1,045	$ 122

Accumulated other comprehensive loss consists of unrecognized gains and losses related to the funded status of the pension and postretirement benefit plans and foreign currency translation adjustments and is presented on the Company's consolidated balance sheets.

The components of the changes in accumulated other comprehensive loss, net of tax, are as follows:

	(Dollars in Millions)		
	Pension and Postretirement Benefit Plans	Foreign Currency	Accumulated Other Comprehensive Loss
	Three Months Ended March 31, 2024		
Balance at beginning of period	$ (48)	$ (1)	$ (49)
Other comprehensive loss before reclassifications, net of tax	—	(1)	(1)
Amounts reclassified from accumulated other comprehensive loss, net of tax	1	—	1
Other comprehensive earnings (loss), net of tax	1	(1)	—
Balance at end of period	$ (47)	$ (2)	$ (49)
	Three Months Ended March 31, 2023		
Balance at beginning of period	$ (36)	$ (2)	$ (38)
Amounts reclassified from accumulated other comprehensive loss, net of tax	1	—	1
Other comprehensive earnings, net of tax	1	—	1
Balance at end of period	$ (35)	$ (2)	$ (37)

Changes in net noncurrent deferred tax assets related to accumulated other comprehensive loss are as follows:

	Pension and Postretirement Benefit Plans	
	Three Months Ended March 31,	
	2024	2023
	(Dollars in Millions)	
Balance at beginning of period	$ 54	$ 50
Tax effect of other comprehensive earnings	(1)	—
Balance at end of period	$ 53	$ 50

Reclassifications out of accumulated other comprehensive loss are as follows:

	Three Months Ended March 31,		Affected line items in the consolidated statements of earnings and comprehensive earnings
	2024	2023	
	(Dollars in Millions)		
Pension and postretirement benefit plans			
Amortization of prior service cost	2	1	Other nonoperating income, net
Tax effect	(1)	—	Income tax expense
Total	$ 1	1	

Earnings per Common Share

The numerator for basic and diluted earnings per common share is net earnings attributable to Martin Marietta. The denominator for basic earnings per common share is the weighted-average number of common shares outstanding during the period. Diluted earnings per common share is computed assuming that the weighted-average number of common shares is increased by the conversion, using the treasury stock method, of awards to be issued to employees and nonemployee members of the Company’s Board of Directors under certain stock-based compensation arrangements if the conversion is dilutive. For the three months ended March 31, 2024 and 2023, the diluted per-share computations reflect the number of common shares outstanding including the number of additional shares that would have been outstanding if the potentially dilutive common shares had been issued.

The following table reconciles the denominator for basic and diluted earnings from continuing operations per common share:

	Three Months Ended March 31,	
	2024	2023
	(In Millions)	
Basic weighted-average common shares outstanding	61.8	62.1
Effect of dilutive employee and director awards	0.2	0.1
Diluted weighted-average common shares outstanding	62.0	62.2

New Accounting Pronouncements

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which requires a public entity to disclose significant segment expenses and other segment items on an annual and interim basis and provide in interim periods all disclosures about a reportable segment’s profit or loss and assets that are currently required annually. Additionally, it requires a public entity to disclose the title and position of the Chief Operating Decision Maker. The ASU does not change how a public entity identifies its operating segments, aggregates them, or applies the quantitative thresholds to determine its reportable segments. The new standard is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. This ASU requires companies to apply retrospectively to all prior periods presented in the financial statements. The ASU will impact the Company's disclosures, but will have no impacts to its results of operations, cash flows and financial condition.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which focuses on the rate reconciliation and income taxes paid. ASU 2023-09 requires public entities to disclose, on annual basis, a tabular tax rate reconciliation using both percentages and currency amounts with specific categories, broken out into specified categories with certain reconciling items further broken out by nature and jurisdiction to the extent those items exceed a specified threshold. Additionally, all entities are required to disclose income taxes paid, net of refunds received, disaggregated by federal, state, local, and foreign taxes and by individual jurisdiction if the amount is at least 5% of total income tax payments, net of refunds received. The ASU also requires additional qualitative disclosures. ASU 2023-09 is effective prospectively for annual periods beginning after December 15, 2024, and early adoption and retrospective application are permitted. The ASU will impact the Company's income tax disclosures, but not its results of operations, cash flows and financial condition.

Reclassifications

Certain reclassifications have been made in the Company's financial statements of the prior year to conform to the current-year presentation. The reclassifications had no impact on the Company’s previously reported results of operations, financial position or cash flows.

2. Business Combinations, Divestitures, Discontinued Operations and Assets and Liabilities Held for Sale

Business Combinations

On January 12, 2024, the Company acquired Albert Frei & Sons, Inc. (AFS), a leading aggregates producer in Colorado. This acquisition provides more than 60 years (at 2023 production levels) of high-quality, hard rock reserves to better serve new and existing customers and enhances the Company's aggregates platform in the high-growth Denver metropolitan area. The Company has recorded preliminary fair values of the assets acquired and liabilities assumed, which are subject to additional reviews, such as asset verification, that are not yet complete. Thus, these amounts are subject to change during the measurement period, which remains open as of March 31, 2024. The goodwill generated by the transaction is not deductible for income tax purposes. The acquisition is reported in the Company's West Group but is immaterial for pro-forma financial statement disclosures.

On February 11, 2024, the Company entered into a definitive agreement to acquire 20 active aggregates operations in Alabama, South Carolina, South Florida, Tennessee, and Virginia from affiliates of Blue Water Industries LLC (BWI Southeast) for $2.05 billion of cash on hand. The BWI Southeast acquisition complements Martin Marietta’s existing geographic footprint in the dynamic southeast region by allowing the Company to expand into new growth platforms in target markets including Nashville and Miami. The transaction closed on April 5, 2024 and the Company is in the process of determining the acquisition-date fair values of assets acquired and liabilities assumed.

Divestitures

On February 9, 2024, the Company completed the sale of its South Texas cement business and certain of its related ready mixed concrete operations to CRH Americas Materials, Inc., a subsidiary of CRH plc, for $2.10 billion in cash. Specifically, the divested facilities included the Hunter cement plant in New Braunfels, Texas, related cement distribution terminals and 20 ready mixed concrete plants that served the Austin and San Antonio region, all of which were classified as assets held for sale as of December 31, 2023. The divestiture provided additional balance sheet flexibility to redeploy net proceeds into pure-play aggregates acquisitions. The transaction resulted in a pretax gain of $1.3 billion, which is included in Other operating (income) expense, net, on the Company's consolidated statement of earnings and comprehensive earnings for the three months ended March 31, 2024 and is exclusive of expenses incurred due to the divestiture. The divested operations and the gain on divestiture are reported in the West Group.

Discontinued Operations

For the three months ended March 31, 2023, discontinued operations included the Company's Tehachapi, California cement plant, which was divested in October 2023, and the Stockton, California cement import terminal, which was divested in May 2023. There were no discontinued operations for the three months ended March 31, 2024.

Financial results for the Company's discontinued operations are as follows:

	Three Months Ended March 31, 2023
	(Dollars in Millions)
Total revenues	$ 25
Pretax loss from discontinued operations	$ (17)
Income tax benefit	(4)
Loss from discontinued operations, net of income tax benefit	$ (13)

Cash flow information for the Company's discontinued operations is as follows:

	Three Months Ended March 31, 2023
	(Dollars in Millions)

Net cash used for operating activities	$ (4)
Net cash used for investing activities (capital expenditures)	$ (2)

Assets and Liabilities Held for Sale

Assets and liabilities held for sale at March 31, 2024 included certain nonoperating land. At December 31, 2023, assets and liabilities held for sale also included the South Texas cement plant, related cement distribution terminals and 20 ready mixed concrete plants that were sold in February 2024.

Assets and liabilities held for sale are as follows:

	March 31, 2024	December 31, 2023
	Continuing Operations	
	(Dollars in Millions)	
Inventories, net	$ —	$ 61
Investment land	18	18
Other assets	—	4
Property, plant and equipment	—	327
Intangible assets, excluding goodwill	—	122
Operating lease right-of-use assets	—	15
Goodwill	—	260
Total current assets held for sale	$ 18	$ 807
Lease obligations	—	$ (16)
Asset retirement obligations	—	(2)
Total current liabilities held for sale	$ —	$ (18)

3. Goodwill

The following table shows the changes in goodwill by reportable segment and in total:

	East Group	West Group	Total
		(Dollars in Millions)	
Balance at January 1, 2024	$ 764	$ 2,625	$ 3,389
Acquisitions	—	90	90
Balance at March 31, 2024	$ 764	$ 2,715	$ 3,479

4.Inventories, Net

	March 31, 2024	December 31, 2023
	(Dollars in Millions)	
Finished products	$ 1,265	$ 1,152
Products in process	14	25
Raw materials	84	60
Supplies and expendable parts	153	155
Total inventories	1,516	1,392
Less: allowances	(439)	(403)
Inventories, net	$ 1,077	$ 989

5.Long-Term Debt

	March 31, 2024	December 31, 2023
	(Dollars in Millions)	
4.250% Senior Notes, due 2024	$ 400	$ 400
7% Debentures, due 2025	125	125
3.450% Senior Notes, due 2027	299	299
3.500% Senior Notes, due 2027	492	492
2.500% Senior Notes, due 2030	472	472
2.400% Senior Notes, due 2031	890	890
6.25% Senior Notes, due 2037	229	228
4.250% Senior Notes, due 2047	590	590
3.200% Senior Notes, due 2051	850	850
Total debt	4,347	4,346
Less: current maturities	(400)	(400)
Long-term debt	$ 3,947	$ 3,946

The Company has a credit agreement with JPMorgan Chase Bank, N.A., as Administrative Agent, Deutsche Bank Securities, Inc., PNC Bank, Truist Bank and Wells Fargo Bank, N.A., as Syndication Agents, and the lenders party thereto (the Credit Agreement), which provides for an $800 million five-year senior unsecured revolving facility (the Revolving Facility) with a maturity date of December 21, 2028. Borrowings under the Revolving Facility bear interest, at the Company’s option, at rates based upon the Secured Overnight Financing Rate (SOFR) or a base rate, plus, for each rate, a margin determined in accordance with a ratings-based pricing grid. Any outstanding principal amounts, together with interest accrued thereon, are due in full on that maturity date. There were no borrowings outstanding under the Credit Agreement as of March 31, 2024 and December 31, 2023. Available borrowings under the Revolving Facility are reduced by any outstanding letters of credit issued by the Company under the Revolving Facility. At March 31, 2024 and December 31, 2023, the Company had $3 million of outstanding letters of credit issued under the Revolving Facility.

The Credit Agreement requires the Company’s ratio of consolidated net debt-to-consolidated earnings before interest, taxes, depreciation, depletion and amortization (EBITDA), as defined by the Revolving Facility, for the trailing-twelve months (the Ratio) to not exceed 3.50x as of the end of any fiscal quarter, provided that the Company may exclude from the Ratio any debt incurred in connection with certain acquisitions during the quarter or three preceding quarters so long as the Ratio calculated without such exclusion does not exceed 4.00x. Additionally, if no amounts are outstanding under the Revolving Facility or the Company's trade receivable securitization facility (discussed below), consolidated debt, as defined, which includes debt for which the Company is a guarantor, shall be reduced in an amount equal to the lesser of $500 million or the sum of the Company’s unrestricted cash and temporary investments, for purposes of the covenant calculation. The Company was in compliance with the Ratio at March 31, 2024.

The Company, through a wholly-owned special-purpose subsidiary, has a $400 million trade receivable securitization facility (the Trade Receivable Facility) that matures on September 19, 2024. The Trade Receivable Facility, with Truist Bank, Regions Bank, First-Citizens Bank & Trust Company, and certain other lenders that may become a party to the facility from time to time, is backed by eligible trade receivables, as defined. Borrowings are limited to the lesser of the facility limit or the borrowing base, as defined. These receivables are originated by the Company and then sold or contributed to the wholly-owned special-purpose subsidiary. The Company continues to be responsible for the servicing and administration of the receivables purchased by the wholly-owned special-purpose subsidiary. Borrowings under the Trade Receivable Facility bear interest at a rate equal to Adjusted Term Secured Overnight Financing Rate (Adjusted Term SOFR), as defined, plus 0.7%. The Trade Receivable Facility contains a cross-default provision to the Company’s other debt agreements. Subject to certain conditions, including lenders providing the requisite commitments, the Trade Receivable Facility may be increased to a borrowing base not to exceed $500 million. There were no borrowings outstanding under the Trade Receivable Facility at March 31, 2024 and December 31, 2023.

6. Financial Instruments

The Company’s financial instruments include temporary cash investments, restricted cash, accounts receivable, accounts payable, publicly-registered long-term notes and debentures.

Temporary cash investments are placed primarily in money market funds, money market demand deposit accounts and Eurodollar time deposit accounts with financial institutions. The Company’s cash equivalents have maturities of less than three months. Due to the short maturity of these investments, they are carried on the consolidated balance sheets at cost, which approximates fair value.

Restricted cash is held in a trust account with a third-party intermediary. Due to the short-term nature of this account, the carrying value of restricted cash approximates its fair value.

Accounts receivable are due from a large number of customers, primarily in the construction industry, and are dispersed across wide geographic and economic regions. However, accounts receivable are more heavily concentrated in certain states, namely Texas, North Carolina, Colorado, California, Georgia, Minnesota, Arizona, Iowa, Florida and Indiana. The carrying values of accounts receivable approximate their fair values.

Accounts payable represent amounts owed to suppliers and vendors. The estimated carrying value of accounts payable approximates its fair value due to the short-term nature of the payables.

The carrying value and fair value of the Company’s long-term debt were $4.3 billion and $3.8 billion, respectively, at March 31, 2024 and $4.3 billion and $3.9 billion, respectively, at December 31, 2023. The estimated fair value of the Company’s publicly-registered long-term debt was estimated based on Level 1 of the fair value hierarchy using quoted market prices.

7.Income Taxes

The effective income tax rate reflects the effect of federal and state income taxes on earnings and the impact of differences in book and tax accounting arising primarily from the permanent tax benefits associated with the statutory depletion deduction for mineral reserves. The effective income tax rates for continuing operations were 26.0% and 20.9% for the three months ended March 31, 2024 and 2023, respectively. The higher 2024 effective income tax rate versus 2023 was driven by the impact of the divestiture of the South Texas cement business and certain related ready mixed concrete operations, which reflected the write off of certain nondeductible goodwill and was treated as a discrete tax event to the quarter.

8.Pension Benefits

The net periodic benefit cost for pension benefits includes the following components:

	Pension	
	Three Months Ended March 31,	
	2024	2023
	(Dollars in Millions)	
Service cost	$ 9	$ 8
Interest cost	14	13
Expected return on assets	(20)	(18)
Amortization of prior service cost	2	1
Net periodic benefit cost	$ 5	$ 4

The components of net periodic benefit cost, other than service cost, are included in the line item Other nonoperating income, net, in the consolidated statements of earnings and comprehensive earnings. Based on the roles of the employees, service cost is included in the Cost of revenues or Selling, general and administrative expenses line items in the consolidated statements of earnings and comprehensive earnings.

9. Commitments and Contingencies

Legal and Administrative Proceedings

The Company is engaged in certain legal and administrative proceedings incidental to its normal business activities, including matters relating to environmental protection. The Company considers various factors in assessing the probable outcome of each matter, including but not limited to the nature of existing legal proceedings and claims, the asserted or possible damages, the jurisdiction and venue of the case and whether it is a jury trial, the progress of the case, existing law and precedent, the opinions or views of legal counsel and other advisers, the Company’s experience in similar cases and the experience of other companies, the facts available to the Company at the time of assessment, and how the Company intends to respond to the proceeding or claim. The Company’s assessment of these factors may change over time as proceedings or claims progress. The Company believes the probability is remote that the outcome of any currently pending legal or administrative proceeding will result in a material loss to the Company's financial condition, results of operations or cash flows, as a whole, based on currently available facts.

Letters of Credit

In the normal course of business, the Company provides certain third parties with standby letter of credit agreements guaranteeing its payment for certain insurance claims, contract performance and permit requirements. At March 31, 2024, the Company was contingently liable for $34 million in letters of credit.

10. Segments

The Building Materials business contains two reportable segments: the East Group and the West Group. The Company also has a Magnesia Specialties reportable segment. The Chief Operating Decision Maker's evaluation of performance and allocation of resources are based primarily on earnings from operations. Segment earnings from operations include total revenues less cost of revenues; selling, general and administrative expenses; other operating income and expenses, net; and exclude interest income and expense; other nonoperating income and expenses, net; and income tax expense. Corporate loss from operations primarily includes depreciation; expenses for corporate administrative functions; acquisition, divestiture and integration expenses; and other nonrecurring income and expenses not attributable to operations of the Company's operating segments.

Assets employed by segment include assets directly identified with those operations. Corporate assets consist primarily of cash, cash equivalents and restricted cash; restricted investments; property, plant and equipment for corporate operations; and other assets not directly identifiable with a reportable segment.

The following table displays selected financial data for the Company’s reportable segments. Total revenues, as presented on the consolidated statements of earnings and comprehensive earnings, reflect the elimination of intersegment revenues, which represent sales from one segment to another segment. Total revenues and earnings (loss) from operations reflect continuing operations only.

(UNAUDITED) NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

	Three Months Ended March 31,	
	2024	2023
	(Dollars in Millions)	
Total revenues:		
East Group	$ 526	$ 530
West Group	644	741
Total Building Materials business	1,170	1,271
Magnesia Specialties	81	83
Total	$ 1,251	$ 1,354
Earnings (Loss) from operations:		
East Group	$ 128	$ 109
West Group	1,299	95
Total Building Materials business	1,427	204
Magnesia Specialties	24	20
Total reportable segments	1,451	224
Corporate	(30)	(28)
Consolidated earnings from operations	1,421	196
Interest expense	40	42
Other nonoperating income, net	(33)	(17)
Consolidated earnings from continuing operations before income tax expense	$ 1,414	$ 171

Earnings from operations for the West Group for 2024 included a $1.3 billion gain on the divestiture of the South Texas cement business and certain of its related ready mixed concrete operations and a noncash asset and portfolio rationalization charge of $49 million.

	March 31, 2024	December 31, 2023
	(Dollars in Millions)	
Assets employed:		
East Group	$ 5,198	$ 5,131
West Group	7,383	7,697
Total Building Materials business	12,581	12,828
Magnesia Specialties	252	250
Total reportable segments	12,833	13,078
Corporate	3,407	2,047
Total	$ 16,240	$ 15,125

The increase in Corporate assets employed as of March 31, 2024, as compared to December 31, 2023, reflects net cash proceeds from acquisitions and divestitures that closed during the first quarter.

11.Revenues and Gross Profit

The following tables, which are reconciled to consolidated amounts, provide total revenues and gross profit (loss) by line of business: Building Materials (further divided by product line) and Magnesia Specialties. Interproduct revenues represent sales from the aggregates product line to the ready mixed concrete and asphalt and paving product lines. Effective January 1, 2024, the Company combined the cement and ready mixed concrete product lines. This change was driven by the reduced significance of each of these product lines relative to the Building Materials business and consolidated operating results from recent divestitures. Additionally, there is a significant relationship between these product lines, as the ready mixed concrete product line is a significant customer of the cement product line. Total revenues and gross profit (loss) reflect continuing operations only.

	Three Months Ended March 31,	
	2024	2023
	(Dollars in Millions)	
Total revenues:		
Building Materials business:		
Aggregates	$ 885	$ 912
Cement and ready mixed concrete	265	340
Asphalt and paving services	59	58
Less: interproduct revenues	(39)	(39)
Total Building Materials business	1,170	1,271
Magnesia Specialties	81	83
Total	$ 1,251	$ 1,354
Gross profit (loss):		
Building Materials business:		
Aggregates	$ 239	$ 238
Cement and ready mixed concrete	31	58
Asphalt and paving services	(22)	(20)
Total Building Materials business	248	276
Magnesia Specialties	29	25
Corporate	(5)	2
Total	272	303

The above information for 2023 has been reclassified to conform to current-year presentation. For the quarter ended March 31, 2023, the cement product line reported total revenues of $169 million, inclusive of $49 million to the ready mixed concrete product line, and gross profit of $47 million. For the quarter ended March 31, 2023, the ready mixed concrete product line reported total revenues of $220 million and gross profit of $11 million. Revenues from sales of cement to the ready mixed concrete product line were previously eliminated in the interproduct revenues line.

Performance Obligations. Performance obligations are contractual promises to transfer or provide a distinct good or service for a stated price. The Company's product sales agreements are single-performance obligations that are satisfied at a point in time. Performance obligations within paving service agreements are satisfied over time, primarily ranging from one day to two years. Customer payments for the paving operations are based on a contractual billing schedule and are typically paid-when-paid.

Future revenues from unsatisfied performance obligations at March 31, 2024 and 2023 were $246 million and $241 million, respectively, where the remaining periods to complete these obligations ranged from one month to 21 months and one month to 30 months, respectively.

Service Revenues. Service revenues, which include paving services located in California and Colorado, were $26 million for each of the three month periods ended March 31, 2024 and 2023, and are reported in the West Group.

Contract Balances. Costs in excess of billings relate to the conditional right to consideration for completed contractual performance and are contract assets on the consolidated balance sheets. Costs in excess of billings are reclassified to accounts receivable when the right to consideration becomes unconditional. Billings in excess of costs relate to customers invoiced in advance of contractual performance and are contract liabilities on the consolidated balance sheets. The following table presents information about the Company's contract balances:

	March 31, 2024	December 31, 2023
	(Dollars in Millions)	
Costs in excess of billings	$ 4	$ 5
Billings in excess of costs	$ 9	$ 10

Revenues recognized from the beginning balance of contract liabilities for the three months ended March 31, 2024 and 2023 were $4 million and $5 million, respectively.

Retainage, which primarily relates to the paving services, represents amounts that have been billed to customers but payment is withheld until final acceptance of the performance obligation by the customer. Retainage, which is included in Other current assets on the Company's consolidated balance sheets, was $11 million and $17 million at March 31, 2024 and December 31, 2023, respectively.

12. Supplemental Cash Flow Information

Noncash investing and financing activities are as follows:

	Three Months Ended March 31,	
	2024	2023
	(Dollars in Millions)	
Accrued liabilities for purchases of property, plant and equipment	$ 35	$ 40
Right-of-use assets obtained in exchange for new operating lease liabilities	$ 17	$ 14
Right-of-use assets obtained in exchange for new finance lease liabilities	$ 5	$ 5
Remeasurement of operating lease right-of-use assets	$ —	$ 1
Acquisition of assets through asset exchange	$ —	$ 5
Accrued proceeds on the sale of property, plant and equipment	$ 1	$ —

Supplemental disclosures of cash flow information are as follows:

	Three Months Ended March 31,	
	2024	2023
	(Dollars in Millions)	
Cash paid for interest, net of capitalized amount	$ 39	$ 41
Cash paid for income taxes, net of refunds	$ 3	$ 4

13. Other Operating Income (Expense), Net

Other operating income (expense), net, is comprised generally of gains and losses on divestitures and the sale of assets; asset and portfolio rationalization charges; recoveries and losses related to certain customer accounts receivable; rental, royalty and services income; and accretion expense, depreciation expense and gains and losses related to asset retirement obligations. For the three months ended March 31, 2024, other operating (income) expense, net, included a $1.3 billion pretax gain on the divestiture of the South Texas cement business and certain of its related ready mixed concrete operations, which was partially offset by a $49 million pretax, noncash asset and portfolio rationalization charge.

The noncash asset and portfolio rationalization charge for the three months ended March 31, 2024 relates to the Company's decision to cease using a railroad to transport aggregates products into Colorado. In connection with the AFS acquisition completed in January 2024, the Company has more local supply available from its operations and has discontinued using the railroad. This charge, which is reported in the West Group, reflects the Company's evaluation of the recoverability of certain long-lived assets, including property, plant and equipment and operating lease right-of-use assets, for the cessation of these railroad operations.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

OVERVIEW

Martin Marietta Materials, Inc. (the Company or Martin Marietta) is a natural resource-based building materials company. As of March 31, 2024, the Company supplies aggregates (crushed stone, sand and gravel) through its network of approximately 360 quarries, mines and distribution yards in 28 states, Canada and The Bahamas. Martin Marietta also provides cement and downstream products, namely, ready mixed concrete, asphalt and paving services, in certain vertically-integrated structured markets where the Company has a leading aggregates position. The Company's heavy-side building materials are used in infrastructure, nonresidential and residential construction projects. Aggregates are also used in agricultural, utility and environmental applications and as railroad ballast. The aggregates, cement and ready mixed concrete and asphalt and paving product lines are reported collectively as the "Building Materials" business.

The Company's Building Materials business includes two reportable segments: the East Group and the West Group.

BUILDING MATERIALS BUSINESS

Reportable Segments	East Group	West Group
Operating Locations	Alabama, Florida, Georgia, Indiana, Iowa, Kansas, Kentucky, Maryland, Minnesota, Missouri, Nebraska, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia, West Virginia, Nova Scotia and The Bahamas	Arizona, Arkansas, California, Colorado, Louisiana, Oklahoma, Texas, Utah, Washington and Wyoming
Product Lines	Aggregates and Asphalt	Aggregates, Cement and Ready Mixed Concrete, Asphalt and Paving Services
Facility Types	Quarries, Mines, Asphalt Plants and Distribution Facilities	Quarries, Cement Plant, Asphalt Plants, Ready Mixed Concrete Plants and Distribution Facilities
Modes of Transportation	Truck, Railcar, Ship and Barge	Truck and Railcar

The Building Materials business is significantly affected by weather patterns, seasonal changes and other climate-related conditions. Production and shipment levels for aggregates, cement, ready mixed concrete and asphalt materials correlate with general construction activity levels, most of which occur in the spring, summer and fall. Thus, production and shipment levels vary by quarter. Operations concentrated in the northern, midwestern and mountain west regions of the United States generally experience more severe winter weather conditions than operations in the Southeast, Southwest and West. Excessive rainfall, drought, wildfire and extreme hot and cold temperatures can also jeopardize production, shipments and profitability in all markets served by the Company. Due to the potentially significant impact of weather on the Company’s operations, current-period results are not necessarily indicative of expected performance for other interim periods or the full year.

The Company has a Magnesia Specialties business with manufacturing facilities in Manistee, Michigan, and Woodville, Ohio. The Magnesia Specialties business produces magnesia-based chemicals products used in industrial, agricultural and environmental applications and dolomitic lime sold primarily to customers in the steel and mining industries.

CRITICAL ACCOUNTING POLICIES

The Company outlined its critical accounting policies in its Annual Report on Form 10-K for the year ended December 31, 2023. There were no changes to the Company's critical accounting policies during the three months ended March 31, 2024.

RESULTS OF OPERATIONS

Earnings from continuing operations before interest; income taxes; depreciation, depletion and amortization; earnings/loss from nonconsolidated equity affiliates; acquisition, divestiture and integration expenses; the impact of selling acquired inventory after its markup to fair value as part of acquisition accounting (the Inventory Markup) nonrecurring gain on divestiture; and noncash asset and portfolio rationalization charge, or Adjusted EBITDA, is an indicator used by the Company and investors to evaluate the Company's operating performance from period to period. Effective January 1, 2024, the Company has elected to add back, for purposes of its Adjusted EBITDA calculation, acquisition, divestiture and integration expenses and the Inventory Markup only for transactions with consideration of $2.0 billion or more and expected acquisition, divestiture and integration expenses of at least $15 million.

Adjusted EBITDA is not defined by accounting principles generally accepted in the United States (GAAP) and, as such, should not be construed as an alternative to net earnings attributable to Martin Marietta, earnings from operations or operating cash flow. Since Adjusted EBITDA excludes some, but not all, items that affect net earnings and may vary among companies, Adjusted EBITDA as presented by the Company may not be comparable with similarly titled measures of other companies.

The following table presents a reconciliation of net earnings from continuing operations attributable to Martin Marietta to Adjusted EBITDA:

	Three Months Ended March 31,	
	2024	2023
	(Dollars in Millions)	
Net earnings from continuing operations attributable to Martin Marietta	$ 1,045	$ 134
Add back (Deduct):		
Interest expense, net of interest income	14	32
Income tax expense for controlling interests	368	35
Depreciation, depletion and amortization expense and earnings/loss from nonconsolidated equity affiliates	128	122
Acquisition, divestiture and integration expenses	18	1
Nonrecurring gain on divestiture	(1,331)	—

Noncash asset and portfolio rationalization charge	49	—
Adjusted EBITDA	$ 291	$ 324

Mix-adjusted average selling price (mix-adjusted ASP) is a non-GAAP measure that excludes the impacts of period-over-period product, geographic and other mix on 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 as it provides same-on-same pricing trends.

The following reconciles reported average selling price to organic mix-adjusted ASP and corresponding variances:

	Three Months Ended March 31,	
	2024	2023
Aggregates:		
Reported average selling price	$ 22.26	$ 19.83
Adjustment for impact of acquisitions	0.05	—
Organic average selling price	$ 22.31	$ 19.83
Adjustment for impact of product, geographic and other mix	0.03	
Organic mix-adjusted ASP	$ 22.34	
Reported average selling price variance	12.2 %	
Organic average selling price variance	12.5 %	
Organic mix-adjusted ASP variance	12.7 %	

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
(Continued)

The following tables present total revenues and gross profit (loss) for the Company and its reportable segments by product line for continuing operations for the three months ended March 31, 2024 and 2023. Gross profit (loss) is stated as a percentage of revenues of the Company or the relevant segment or product line, as the case may be.

	Three Months Ended March 31, 2024 Amount	Three Months Ended March 31, 2023 Amount
	(Dollars in Millions)	
Total revenues:		
Building Materials business:		
East Group		
Aggregates	$ 526	$ 530
Asphalt	—	—
Less: Interproduct revenues	—	—
East Group Total	526	530
West Group		
Aggregates	359	382
Cement and ready mixed concrete	265	340
Asphalt and paving services	59	58
Less: Interproduct revenues	(39)	(39)
West Group Total	644	741
Total Building Materials business	1,170	1,271
Total Magnesia Specialties	81	83
Total	$ 1,251	$ 1,354

	Three Months Ended March 31, 2024		2023	
	Amount	% of Revenues	Amount	% of Revenues
	(Dollars in Millions)			
Gross profit (loss):				
Building Materials business:				
Aggregates	$ 239	27%	$ 238	26%
Cement and ready mixed concrete	31	12%	58	17%
Asphalt and paving services	(22)	(36)%	(20)	(35)%
Total Building Materials business	248	21%	276	22%
Magnesia Specialties	29	36%	25	30%

Corporate	(5)		2	
Total	$ 272	22%	$ 303	22%

Building Materials Business

The following table presents shipment data for the Building Materials business:

	Three Months Ended March 31,		
	2024	2023	% Change
	(In Millions)		
Aggregates tons	36.6	41.7	(12.3)%
Cement tons	0.6	1.0	(37.1)%
Ready Mixed Concrete cubic yards	1.2	1.5	(21.2)%
Asphalt tons	0.5	0.5	0.2%

First-quarter aggregates shipments decreased 12.3% from prior-year first-quarter shipments, due largely to a more weather-impacted start to the year in the Company's East and Southwest Divisions coupled with softening demand in warehouse, office and retail construction, partially offset by more favorable weather and relative strength in the Company's Central and West Divisions. Aggregates average selling price of $22.26 increased 12.2%, or 12.7% on an organic mix-adjusted basis, over the prior-year quarter, due to strong realization of January 1, 2024 pricing actions. Aggregates gross profit improved modestly to $239 million, as pricing growth more than offset lower shipments.

Cement and ready mixed concrete revenues decreased 22% to $265 million and gross profit decreased 47% to $31 million, compared with the prior-year quarter, primarily attributable to the February 9th, 2024, divestiture of the South Texas cement plant and related concrete operations, as well as extremely wet weather in Texas.

Asphalt and paving revenues increased modestly to $59 million. Consistent with the Company's historical first-quarter trends, the asphalt and paving business posted a gross loss of $22 million due to seasonal winter operational shutdowns in Minnesota and unfavorable weather conditions in Colorado.

Aggregates End-Use Markets

While aggregates shipments to the infrastructure market decreased 6%, the value of state and local government highway, bridge and tunnel contract awards, a leading indicator for future product demand, is meaningfully higher year-over-year. The infrastructure market accounted for 34% of first-quarter aggregates shipments.

Aggregates shipments to the nonresidential market decreased 16%, driven by inclement weather in many of the Company's markets. The nonresidential market represented 36% of first-quarter aggregates shipments.

Aggregates shipments to the residential market decreased 17%, resulting from the anticipated softening in single-family housing in the Company's geographies resulting from affordability concerns. The residential market accounted for 24% of first-quarter aggregates shipments.

The ChemRock/Rail market accounted for the remaining 6% of first-quarter aggregates shipments. Volumes to this end use were flat quarter-over-quarter.

Magnesia Specialties Business

Magnesia Specialties first-quarter total revenues of $81 million decreased 3%, due to continued headwinds in metal mining end markets. However, gross profit increased 15% to $29 million, as higher pricing combined with lower energy costs more than offset shipment declines.

Consolidated Operating Results

Consolidated SG&A for the first quarter of 2024 was 9.5% of total revenues compared with 7.7% in the prior-year quarter due to increases in personnel costs, coupled with lower revenues.

For the first quarter, consolidated other operating (income) expense, net, was income of $1.3 billion in 2024 and expense of $2 million in 2023. The 2024 amount included a $1.3 billion pretax gain on the February 2024 divestiture of the South Texas cement business and certain of its related ready mixed concrete operations (the Divestiture), which was partially offset by a $49 million pretax, noncash asset and portfolio rationalization charge (the Rationalization Charge; see Note 13 to the consolidated financial statements).

For the first quarter, other nonoperating income, net, was $33 million and $17 million in 2024 and 2023, respectively, with the increase resulting from higher interest income.

Earnings from operations for the quarter were $1.4 billion in 2024 compared with $196 million in 2023.

For the three months ended March 31, 2024 and 2023, the effective income tax rates for continuing operations were 26.0% and 20.9%, respectively. The higher 2024 effective income tax rate versus 2023 was driven by the Divestiture, which reflected the write-off of certain nondeductible goodwill and was treated as a discrete tax event to the quarter.

Net earnings from continuing operations attributable to Martin Marietta were $1.0 billion, or $16.87 per diluted share, in 2024 compared with $134 million, or $2.16 per diluted share, in 2023. 2024 included an after-tax gain of $976 million, or $15.75 per diluted share, on the Divestiture and an after-tax loss of $37 million, or $0.59 per diluted share, for the Rationalization Charge. Earnings per diluted share for 2024 also included acquisition, divestiture and integration expenses of $0.22 per diluted share.

LIQUIDITY AND CAPITAL RESOURCES

Cash provided by operating activities for the three months ended March 31, 2024 and 2023 was $172 million and $161 million, respectively. Operating cash flow is substantially derived from consolidated net earnings before deducting depreciation, depletion and amortization, and changes in working capital requirements.

The seasonal nature of construction activity impacts the Company's interim operating cash flow when compared with the full year. Full-year 2023 net cash provided by operating activities was $1.5 billion.

During the three months ended March 31, 2024 and 2023, the Company paid $200 million and $174 million, respectively, for additions to property, plant and equipment.

The Company can repurchase its common stock through open-market purchases pursuant to authority granted by its Board of Directors or through private transactions at such prices and upon such terms as the Chief Executive Officer deems appropriate. During the first three months of 2024, the Company repurchased 255,601 shares of common stock at an average price of $586.85 and an aggregate cost of $150 million. At March 31, 2024, 12.5 million shares of common stock remain under the Company's repurchase authorization.

The Company, through a wholly-owned special-purpose subsidiary, has a $400 million trade receivable securitization facility (the Trade Receivable Facility) that matures on September 19, 2024. The Trade Receivable Facility contains a cross-default provision to the Company's other debt agreements.

The Company has an $800 million five-year senior unsecured revolving facility (the Revolving Facility), which matures in December 2028. The Revolving Facility requires the Company's ratio of consolidated net debt-to-consolidated EBITDA, as defined, for the trailing-twelve-month period (the Ratio) to not exceed 3.50 times as of the end of any fiscal quarter, provided that the Company may exclude from the Ratio debt incurred in connection with certain acquisitions during the quarter or the three preceding quarters so long as the Ratio calculated without such exclusion does not exceed 4.00 times. Additionally, if there are no amounts outstanding under the Revolving Facility or the Trade Receivable Facility, consolidated debt, including debt for which the Company is a guarantor, shall be reduced in an amount equal to the lesser of $500 million or the sum of the Company's unrestricted cash and temporary investments, for purposes of the covenant calculation. The Company was in compliance with the Ratio at March 31, 2024.

In the event of a default on the Ratio, the lenders can terminate the Revolving Facility and Trade Receivable Facility and declare any outstanding balances as immediately due. There were no amounts outstanding under the Trade Receivable Facility or the Revolving Facility at March 31, 2024.

The Company used $2.05 billion of the cash on hand at March 31, 2024 to fund the acquisition of 20 active aggregates operations in Alabama, South Carolina, South Florida, Tennessee, and Virginia from affiliates of Blue Water Industries LLC on April 5th, 2024. The remaining cash on hand, along with the Company's projected internal cash flows and availability of financing resources, including its access to debt and equity capital markets, is expected to continue to be sufficient to provide the capital resources necessary to support anticipated operating needs, cover debt service requirements, address near-term debt maturities, meet capital expenditures and discretionary investment needs, fund certain acquisition opportunities that may arise, allow for payment of dividends for the foreseeable future and allow the repurchase of shares of the Company's common stock. At March 31, 2024, the Company had $1.20 billion of unused borrowing capacity under its Revolving Facility and Trade Receivable Facility, subject to complying with the related leverage covenant. Historically, the Company has successfully extended the maturity dates of these credit facilities.

TRENDS AND RISKS

The Company outlined the risks associated with its business in its Annual Report on Form 10-K for the year ended December 31, 2023. Management continues to evaluate its exposure to all operating risks on an ongoing basis.

OTHER MATTERS

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 Form 10-Q 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 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 "anticipate," "may," "expect," "should," "believe," "project," "intend," "will," and other words of similar meaning in connection with future events or future operating or financial performance. Any or all of management's forward-looking statements here and in other publications may turn out to be wrong.

The Company’s outlook is subject to 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 Form 10-Q 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 history of both cement and ready mixed concrete 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 level and timing of federal, state or local transportation or infrastructure or public projects funding, most particularly in Texas, North Carolina, Colorado, California, Georgia, Minnesota, Arizona, Iowa, Florida and Indiana;
- 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, particularly in Texas and West Virginia;
- sustained high residential mortgage interest rates and other factors that have resulted in a slowdown in residential construction in some geographies;
- unfavorable weather conditions, particularly Atlantic Ocean, Pacific Ocean and Gulf of Mexico storm and hurricane activity, wildfires, the late start to spring or the early onset of winter and the impact of a drought or excessive rainfall 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 costs and energy, 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;
- continued increases in the cost of other repair and supply parts;
- construction labor shortages and/or supply chain challenges;

- 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 new waves of COVID-19 or its variants, or any other outbreak of diseases, 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;
- increasing governmental regulation, including environmental laws and climate change regulations at the federal and state levels;
- 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, Colorado, Florida, Carolinas 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 the conflict between China and Taiwan;
- trade disputes with one or more nations impacting the U.S. economy, including the impact of tariffs on the steel industry;
- unplanned changes in costs or realignment of customers that introduce volatility to earnings, including that of the Magnesia Specialties business that is running at capacity;
- proper functioning of information technology and automated operating systems to manage or support operations;
- 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 covenant;
- the strategic benefits, outlook, performance and opportunities expected as a result of acquisitions and portfolio optimization;
- 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;
- cybersecurity risks;
- violation of the Company’s debt covenant if price and/or volumes return to previous levels of instability;
- 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.

You should consider these forward-looking statements in light of risk factors discussed in the Company's Annual Report on Form 10-K for the year ended December 31, 2023 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 the Company 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.

INVESTOR ACCESS TO COMPANY FILINGS

Shareholders may obtain, without charge, a copy of Martin Marietta's Annual Report on Form 10-K, as filed with the Securities and Exchange Commission for the fiscal year ended December 31, 2023, by writing to:

Martin Marietta
Attn: Corporate Secretary
4123 Parklake Avenue
Raleigh, North Carolina 27612

Additionally, Martin Marietta's Annual Report, press releases and filings with the Securities and Exchange Commission, including Forms 10-K, 10-Q, 8-K and 11-K, can generally be accessed via the Company's website. Filings with the Securities and Exchange Commission accessed via the website are available through a link with the Electronic Data Gathering, Analysis, and Retrieval (EDGAR) system. Accordingly, access to such filings is available upon EDGAR placing the related document in its database. Investor relations contact information is as follows:

Telephone: (919) 510-4736
Website address: www.martinmarietta.com

Information included on the Company's website is not incorporated into, or otherwise creates a part of, this report.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

The Company’s operations are highly dependent upon the interest rate-sensitive construction and steelmaking industries. Consequently, these marketplaces could experience lower levels of economic activity in an environment of rising interest rates or escalating costs.

Management has considered the current economic environment and its potential impact to the Company's business. Demand for aggregates products, particularly in the infrastructure construction market, is affected by federal, state and local budget and deficit issues. Further, delays or cancellations of capital projects in the nonresidential and residential construction markets could occur if companies and consumers are unable to obtain affordable financing for construction projects or if consumer confidence is eroded by economic uncertainty.

Demand in the nonresidential and residential construction markets, which combined accounted for 60% of aggregates shipments for the three months ended March 31, 2024, is affected by interest rates. While unchanged since December 31, 2023, the target federal funds rate remains above historical levels.

Aside from these inherent risks from within its operations, the Company’s earnings are also affected by changes in short-term interest rates and changes in enacted tax laws.

Variable-Rate Borrowing Facilities. At March 31, 2024, the Company had an $800 million Revolving Facility and a $400 million Trade Receivable Facility. Borrowings under these facilities bear interest at a variable interest rate. There were no borrowings outstanding on either facility at March 31, 2024. However, any future borrowings under the credit facilities or outstanding variable-rate debt are exposed to interest rate risk.

Pension Expense. The Company’s results of operations are affected by its pension expense. Assumptions that affect pension expense include the discount rate and, for the qualified defined benefit pension plan only, the expected long-term rate of return on assets. Therefore, the Company has interest rate risk associated with these factors. The impact of hypothetical changes in these assumptions on the Company’s annual pension expense is discussed in the Company’s Annual Report on Form 10-K for the year ended December 31, 2023.

Income Tax. Any changes in enacted tax laws, rules or regulatory or judicial interpretations, or any change in the pronouncements relating to accounting for income taxes could materially impact the Company’s effective tax rate, tax payments, financial condition and results of operations.

Energy Costs. Energy costs, including diesel fuel, natural gas, electricity, coal, petroleum coke and liquid asphalt, represent significant production costs of the Company. The Company may be unable to pass along increases in the costs of energy to customers in the form of price increases for the Company’s products. The cement product line and Magnesia Specialties business each have varying fixed-price agreements for a portion of their 2024 energy requirements. Organic energy expense for the three months ended March 31, 2024 decreased 18% compared with the prior-year period, reflecting a $0.40-per-gallon decrease in organic diesel costs. A hypothetical 10% change in the Company’s organic energy prices in 2024 as compared with 2023, assuming comparable volumes, would change 2024 energy expense by $36 million.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures. As of March 31, 2024, an evaluation was performed under the supervision and with the participation of the Company's management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and the operation of the Company's disclosure controls and procedures. Based on that evaluation, the Company's management, including the Chief Executive Officer and Chief Financial Officer, concluded that the Company's disclosure controls and procedures were effective as of March 31, 2024. There were no changes in the Company's internal control over financial reporting during the most recently completed fiscal quarter that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 1. Legal Proceedings.

See Note 9 Commitments and Contingencies, Legal and Administrative Proceedings of this Form 10-Q.

Item 1A. Risk Factors.

Reference is made to Part I. Item 1A. Risk Factors and Forward-Looking Statements of the Martin Marietta Annual Report on Form 10-K for the year ended December 31, 2023.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

ISSUER PURCHASES OF EQUITY SECURITIES

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet be Purchased Under the Plans or Programs
January 1, 2024 - January 31, 2024	—	$ —	—	12,721,096
February 1, 2024 - February 29, 2024	88,869	$ 557.35	88,869	12,632,227
March 1, 2024 - March 31, 2024	166,732	$ 602.58	166,732	12,465,495
Total	255,601		255,601	

Reference is made to the Company's press release dated February 10, 2015 for the December 31, 2014 fourth-quarter and full-year results and announcement of the share repurchase program. The Company’s Board of Directors authorized a maximum of 20 million shares to be repurchased under the program. The program does not have an expiration date.

Item 4. Mine Safety Disclosures.

The information concerning mine safety violations or other regulatory matters required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K (17 CFR 229.104) is included in Exhibit 95 to this Quarterly Report on Form 10-Q.

Item 5. Other Information

During the three months ended March 31, 2024, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits.

Exhibit No.	Document
31.01	Certification dated April 30, 2024 of Chief Executive Officer pursuant to Securities and Exchange Act of 1934 Rule 13a-14 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.02	Certification dated April 30, 2024 of Chief Financial Officer pursuant to Securities and Exchange Act of 1934 Rule 13a-14 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.01	Written Statement dated April 30, 2024 of Chief Executive Officer required by 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.02	Written Statement dated April 30, 2024 of Chief Financial Officer required by 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
95	Mine Safety Disclosures
101.INS	Inline XBRL Instance Document – The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MARTIN MARIETTA MATERIALS, INC.
(Registrant)

Date: April 30, 2024

By: /s/ James A. J. Nickolas
James A. J. Nickolas
Executive Vice President and
Chief Financial Officer