Martin Marietta Materials, Inc. (MLM)

Updated November 19th, 2025, by Ian Bezek

Key Metrics

Current Price:	$597	**5 Year Annual Expected Total Return:**	-1.1%	**Market Cap:**	$35.8 B
Fair Value Price:	$407	**5 Year Growth Estimate:**	6.0%	**Ex-Dividend Date:**	12/01/25
% Fair Value:	147%	**5 Year Valuation Multiple Estimate:**	-7.4%	**Dividend Payment Date:**	12/31/25
Dividend Yield:	0.6%	**5 Year Price Target**	$545	**Years Of Dividend Growth:**	11
Dividend Risk Score:	B	**Sector:**	Materials	**Rating:**	Hold

Overview & Current Events

Martin Marietta Materials is a materials company focused primarily on building and infrastructure products generally sourced from local mines and quarries. Some leading products include cement, asphalt, paving, and concrete. The company has a focus of operations in the South, Texas, and Florida. These regions have generally enjoyed strong demand for building materials in recent years.

The company's core aggregates business faces limited competition and thus can prosper during periods of high demand. The company's specialty chemical business has enjoyed an unusually strong operating environment in recent years. The positive post-pandemic momentum has now reversed itself. 2024 showed marked deceleration from recent growth trends, though this year has been a bit better.

The company released its Q3 results on November 4th, 2025. In it, revenues grew 13% to $1.85 billion. Adjusted earnings per share of $6.85 rose from the $5.91 reported in the same period of last year. While these numbers seem appealing at first glance, results were bolstered by both M&A and profits from discontinued operations. Specifically, adjusted earnings from continuing operations came in at $5.97, significantly below the headline figure. We trimmed our full-year 2025 EPS outlook following this slightly disappointing quarter.

In August, Martin Marietta Materials announced that it will be exchanging assets with Quikrete. MLM will receive aggregate operations with about 20 million tons of annual capacity. In return, it will give Quikrete its Midlothian cement plant along with certain cement terminals and ready-mixed concrete assets.

MLM issued middle-of-the-road guidance for 2026, suggesting that both volumes and pricing will be up by low-to-mid-single digits. That's fine in isolation, but probably not compelling enough to support MLM's elevated valuation.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	$4.26	$6.63	$7.16	$8.08	$9.74	$11.54	$12.28	$12.07	$18.82	$17.80	***$18.50***	***$24.76***
DPS	$1.60	$1.64	$1.72	$1.84	$2.06	$2.24	$2.36	$2.54	$2.80	$3.06	***$3.32***	***$4.66***
Shares[1]	64	63	63	63	62	62	62	62	62	62	***62***	***62***

Martin Marietta Materials has achieved a strong earnings growth track record over the past decade. It jumpstarted its expansion in 2014 with the $2.7 billion purchase of Texas Industries. The company continues to make acquisitions, albeit on a much smaller scale. In October 2024, it made bolt-on purchases in South Florida and Southern California which should help bolster the firm's position in these attractive markets.

The company had paused its dividend growth in the early 2010s. However, Martin Marietta Materials started to increase its dividend annually once it began to benefit from the Texas Industries acquisition. Following a small dividend bump in 2016, the company has given shareholders substantial increases, averaging an 8% annualized rate in recent years.

Earnings per share growth of more than 17% annualized over the past decade has given the company wide latitude for dividend increases. That said, we believe future growth will slow as demand for construction materials levels off.

[1] In millions.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

Martin Marietta Materials, Inc. (MLM)

Updated November 19th, 2025, by Ian Bezek

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	34.4	26.9	30.2	25.2	23.7	19.7	29.4	24.2	23.9	31.2	***32.3***	***22.0***
Avg. Yld.	1.1%	0.9%	0.8%	0.9%	0.9%	1.0%	0.7%	0.8%	0.6%	0.6%	***0.6%***	***0.9%***

Martin Marietta Materials started off the 2010s with a high P/E ratio due to depressed earnings coming out of the 2008 housing bust. Following the Texas Industries acquisition, the company's P/E ratio started to move to more normal levels. While the company's P/E has been highly variable, we project that it will settle around 22 going forward.

Though the company's dividend yield has been over 1% in the past, the stock has been a growth equity in recent years and has ended up with a correspondingly lower yield. We expect the yield to remain below the 1% mark.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	38%	25%	24%	23%	21%	19%	19%	21%	15%	17%	***18%***	***19%***

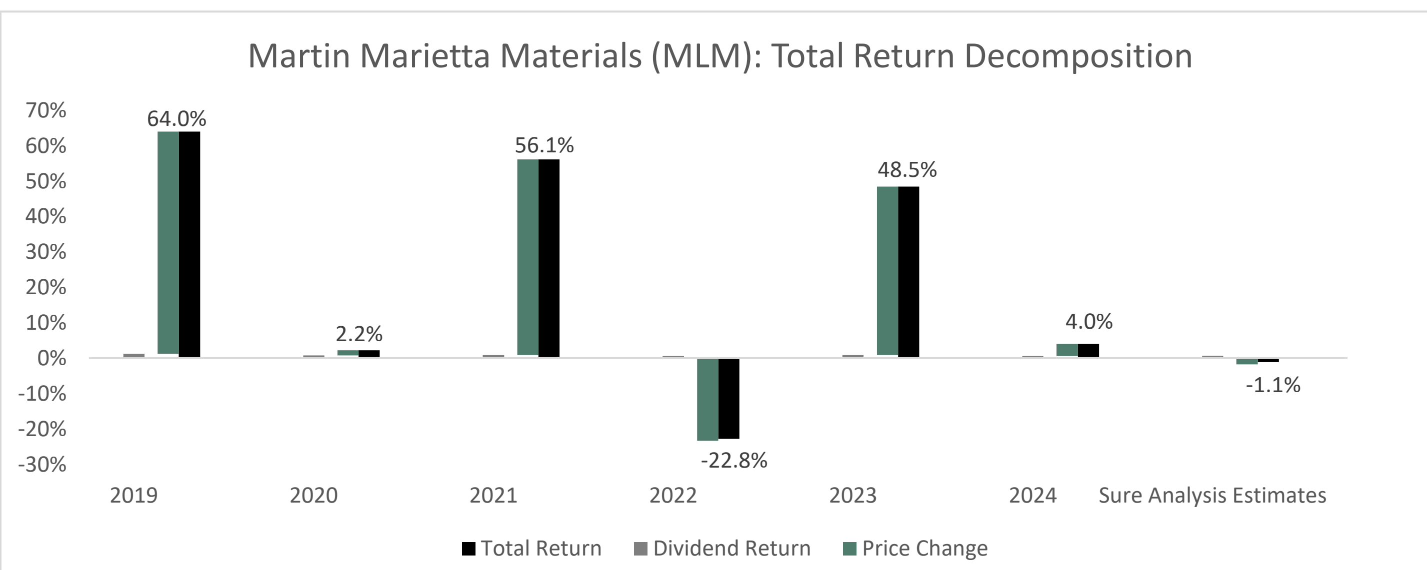
The building materials industry has a spotty track record in terms of consistent earnings growth and strong capital allocation. However, Martin Marietta Materials has historically exceeded its peers by a wide margin. That, combined with its favorable geographic positioning, has given the company a sustainable competitive advantage.

The company has $5.3 billion of long-term debt which is not inconsiderable compared to the size of its asset base. But the company's consistent earnings and strong interest coverage should keep it on fine financial footing and allow it to manage its liabilities. The dividend also seems safe, as the company has consistently settled on a payout ratio of 20% or less in recent years, leaving it well-covered by earnings.

Final Thoughts & Recommendation

Martin Marietta Materials has done a fine job delivering superior results in what is generally viewed to be a challenging industry. However, shares have sharply advanced over the past couple of years, and we do not believe the underlying business can generate nearly enough sustained earnings growth to support a 32x P/E ratio. The stock price has not moved much in recent months and it remains significantly above our fair value estimate. With a -1.1% total annualized return forecast, shares earn a hold rating today.

Total Return Breakdown by Year



Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

Martin Marietta Materials, Inc. (MLM)

Updated November 19th, 2025, by Ian Bezek

Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	3,540	3,819	3,966	4,244	4,739	4,730	5,414	6,161	6,777	6,536
Gross Profit	727	912	972	967	1,179	1,253	1,348	1,423	2,023	1,878
Gross Margin	20.5%	23.9%	24.5%	22.8%	24.9%	26.5%	24.9%	23.1%	29.9%	28.7%
SG&A Exp.	211	242	262	281	303	306	351	397	443	447
Operating Profit	501	678	709	704	885	1,007	1,032	1,216	1,608	2,757
Op. Margin	14.1%	17.8%	17.9%	16.6%	18.7%	21.3%	19.1%	19.7%	23.7%	42.2%
Net Profit	289	425	713	470	612	721	703	867	1,169	1,995
Net Margin	8.2%	11.1%	18.0%	11.1%	12.9%	15.2%	13.0%	14.1%	17.2%	30.5%
Free Cash Flow	262	302	247	329	573	690	715	509	878	604
Income Tax	125	182	(95)	106	136	168	153	235	293	600

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	6,958	7,301	8,993	9,551	10,132	10,581	14,393	14,994	15,120	18,170
Cash & Equivalents	168	50	1,446	45	21	207	258	358	1,272	670
Acc. Receivable	411	458	487	523	574	575	774	786	747	678
Inventories	469	522	601	663	691	709	753	874	989	1,115
Goodwill & Int.	2,579	2,671	2,667	2,900	2,884	2,922	4,559	4,497	4,087	4,497
Total Liabilities	2,897	3,158	4,310	4,602	4,778	4,688	7,855	7,821	7,089	8,714
Accounts Payable	165	179	184	211	230	208	356	---	343	375
Long-Term Debt	1,579	1,686	3,027	3,120	2,774	2,626	5,101	5,040	4,345	5,413
Total Equity	4,057	4,140	4,680	4,946	5,351	5,891	6,535	7,173	8,033	9,453
LTD/E Ratio	0.39	0.41	0.65	0.63	0.52	0.45	0.78	0.70	0.54	0.57

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	4.1%	6.0%	8.8%	5.1%	6.2%	7.0%	5.6%	5.9%	7.8%	12.0%
Return on Equity	6.9%	10.4%	16.2%	9.8%	11.9%	12.8%	11.3%	12.6%	15.4%	22.8%
ROIC	5.0%	7.4%	10.5%	6.0%	7.6%	8.7%	7.0%	7.3%	9.5%	14.6%
Shares Out.	64	63	63	63	62	62	62	62	62	61.6
Revenue/Share	52.81	59.80	62.75	67.26	75.58	75.80	86.49	98.57	109.13	106.10
FCF/Share	3.91	4.72	3.91	5.22	9.13	11.06	11.42	8.15	14.14	9.81

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.