Martin Marietta Materials, Inc. (MLM)

Updated May 19th, 2026, by Ian Bezek

Key Metrics

Current Price:	$537	**5 Year Annual Expected Total Return:**	3.0%	**Market Cap:**	$33.4 B
Fair Value Price:	$451	**5 Year Growth Estimate:**	6.0%	**Ex-Dividend Date:**	06/01/26
% Fair Value:	119%	**5 Year Valuation Multiple Estimate:**	-3.4%	**Dividend Payment Date:**	06/30/26
Dividend Yield:	0.6%	**5 Year Price Target**	$603	**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, and full-year 2025 EPS came in slightly below 2023 levels as well.

The company released its Q1 results on April 30th, 2026. In Q1, revenues grew 17% to $1.36 billion and exceeded expectations. Adjusted earnings per share of $1.93 rose from the $1.70 reported in the same period of last year and came in ahead of the analyst consensus.

In August 2025, Martin Marietta Materials announced an asset exchange with Quikrete. MLM received aggregate operations with about 20 million tons of annual capacity. In return, it gave Quikrete its Midlothian cement plant along with certain cement terminals and ready-mixed concrete assets. The deal closed in February, and strength from the new operating unit led in large part to the Q1 earnings beat; organic sales growth was a more modest 7% for the quarter.

Additionally, MLM benefitted from favorable weather which led to an early start to this year's construction season. As a result, we don't see this strong quarter as particularly indicative of the firm's full-year outlook. In fact, we've cut our full-year estimate a bit given rising interest rates which could impact new construction activity later this year.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$6.63	$7.16	$8.08	$9.74	$11.54	$12.28	$12.07	$18.82	$17.80	$18.77	***$19.60***	***$26.23***
DPS	$1.64	$1.72	$1.84	$2.06	$2.24	$2.36	$2.54	$2.80	$3.06	$3.24	***$3.32***	***$4.66***
Shares[1]	63	63	63	62	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 12% 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.

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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	26.9	30.2	25.2	23.7	19.7	29.4	24.2	23.9	31.2	30.4	***27.4***	***23.0***
Avg. Yld.	0.9%	0.8%	0.9%	0.9%	1.0%	0.7%	0.8%	0.6%	0.6%	0.6%	***0.6%***	***0.8%***

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 23x 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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	25%	24%	23%	21%	19%	19%	21%	15%	17%	17%	***17%***	***18%***

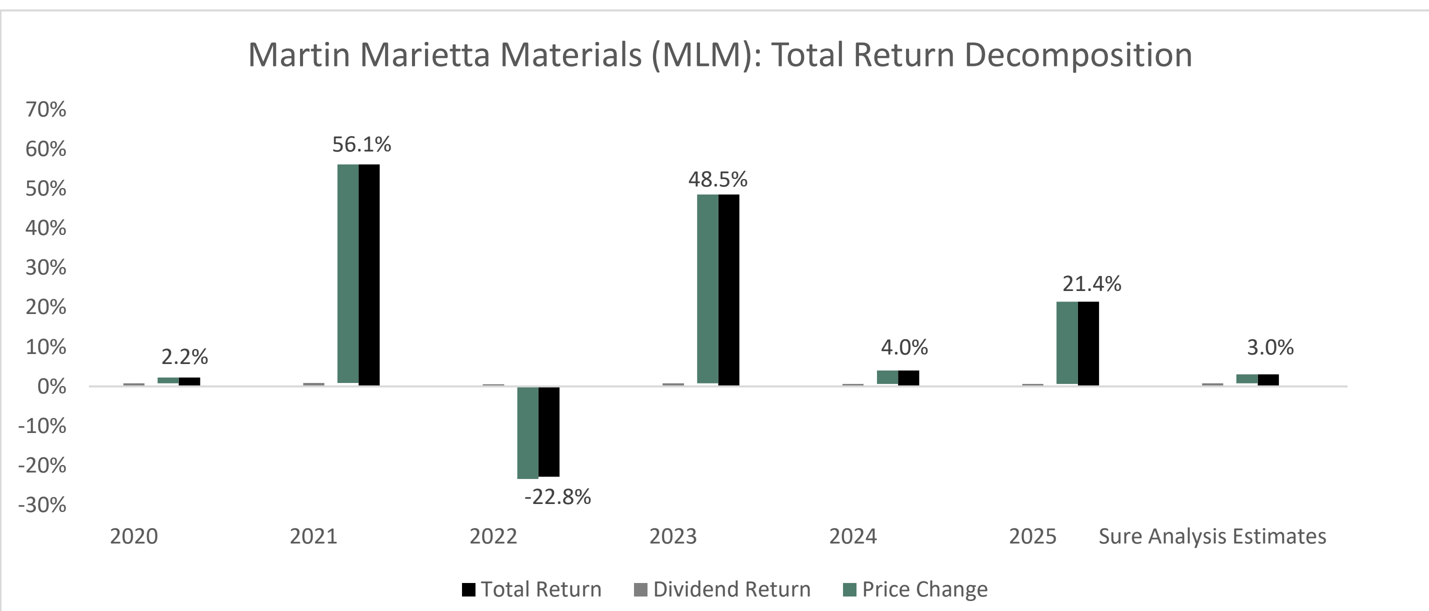
The building materials industry has a spotty track record in terms of consistent earnings growth and strong capital allocation. However, Martin Marietta Materials has historically exceeded its peers by a wide margin. That, combined with its favorable geographic positioning, has given the company a sustainable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

The company has $5.9 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. The market has rewarded that by assigning a P/E multiple above 30x to MLM stock in recent years. Shares have pulled back a fair bit over the past quarter, but remain above our fair value estimate. We anticipate 3.0% annualized total returns, as the firm's EPS growth will be somewhat offset by multiple compression. The stock is a hold 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.

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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	3,819	3,966	4,244	4,739	4,730	5,414	6,161	6,777	6,536	6,150
Gross Profit	912	972	967	1,179	1,253	1,348	1,423	2,023	1,878	1,889
Gross Margin	23.9%	24.5%	22.8%	24.9%	26.5%	24.9%	23.1%	29.9%	28.7%	30.7%
SG&A Exp.	242	262	281	303	306	351	397	443	447	443
Operating Profit	678	709	704	885	1,007	1,032	1,216	1,608	2,757	1,455
Op. Margin	17.8%	17.9%	16.6%	18.7%	21.3%	19.1%	19.7%	23.7%	42.2%	23.7%
Net Profit	425	713	470	612	721	703	867	1,169	1,995	990
Net Margin	11.1%	18.0%	11.1%	12.9%	15.2%	13.0%	14.1%	17.2%	30.5%	16.1%
Free Cash Flow	302	247	329	573	690	715	509	878	604	978
Income Tax	182	(95)	106	136	168	153	235	293	600	236

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	7,301	8,993	9,551	10,132	10,581	14,393	14,994	15,120	18,170	19,130
Cash & Equivalents	50	1,446	45	21	207	258	358	1,272	670	67
Acc. Receivable	458	487	523	574	575	774	786	747	678	708
Inventories	522	601	663	691	709	753	874	989	1,115	1,078
Goodwill & Int.	2,671	2,667	2,900	2,884	2,922	4,559	4,497	4,087	4,497	4,073
Total Liabilities	3,158	4,310	4,602	4,778	4,688	7,855	7,821	7,089	8,714	9,098
Accounts Payable	179	184	211	230	208	356	---	343	375	389
Long-Term Debt	1,686	3,027	3,120	2,774	2,626	5,101	5,040	4,345	5,413	5,945
Total Equity	4,140	4,680	4,946	5,351	5,891	6,535	7,173	8,033	9,453	10,030
LTD/E Ratio	0.41	0.65	0.63	0.52	0.45	0.78	0.70	0.54	0.57	0.60

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	6.0%	8.8%	5.1%	6.2%	7.0%	5.6%	5.9%	7.8%	12.0%	5.3%
Return on Equity	10.4%	16.2%	9.8%	11.9%	12.8%	11.3%	12.6%	15.4%	22.8%	10.2%
ROIC	7.4%	10.5%	6.0%	7.6%	8.7%	7.0%	7.3%	9.5%	14.6%	6.3%
Shares Out.	63	63	63	62	62	62	62	62	61.6	60.6
Revenue/Share	59.80	62.75	67.26	75.58	75.80	86.49	98.57	109.13	106.10	101.49
FCF/Share	4.72	3.91	5.22	9.13	11.06	11.42	8.15	14.14	9.81	16.14

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