Vulcan Materials Company

2Q 2018 Supplemental Information for Earnings Conference Call

July 31, 2018

Aggregates

Essential Material | Valuable Asset

IMPORTANT DISCLOSURES

Forward Looking Statements

This document contains forward-looking statements. Statements that are not historical fact, including statements about Vulcan's beliefs and expectations, are forward-looking statements. Generally, these statements relate to future financial performance, results of operations, business plans or strategies, projected or anticipated revenues, expenses, earnings (including EBITDA and other measures), dividend policy, shipment volumes, pricing, levels of capital expenditures, intended cost reductions and cost savings, anticipated profit improvements and/or planned divestitures and asset sales. These forward-looking statements are sometimes identified by the use of terms and phrases such as "believe," "should," "would," "expect," "project," "estimate," "anticipate," "intend," "plan," "will," "can," "may" or similar expressions elsewhere in this document. These statements are subject to numerous risks, uncertainties, and assumptions, including but not limited to general business conditions, competitive factors, pricing, energy costs, and other risks and uncertainties discussed in the reports Vulcan periodically files with the SEC.

Forward-looking statements are not guarantees of future performance and actual results, developments, and business decisions may vary significantly from those expressed in or implied by the forward-looking statements. The following risks related to Vulcan's business, among others, could cause actual results to differ materially from those described in the forward-looking statements: those associated with general economic and business conditions; the timing and amount of federal, state and local funding for infrastructure; changes in Vulcan's effective tax rate; the increasing reliance on information technology infrastructure for Vulcan's ticketing, procurement, financial statements and other processes could adversely affect operations in the event that the infrastructure does not work as intended or experiences technical difficulties or is subjected to cyber attacks; the impact of the state of the global economy on Vulcan's businesses and financial condition and access to capital markets; changes in the level of spending for private residential and private nonresidential construction; the highly competitive nature of the construction materials industry; the impact of future regulatory or legislative actions, including those relating to climate change, wetlands, greenhouse gas emissions, the definition of minerals, tax policy or international trade; the outcome of pending legal proceedings; pricing of Vulcan's products; weather and other natural phenomena; energy costs; costs of hydrocarbon-based raw materials; healthcare costs; the amount of long-term debt and interest expense incurred by Vulcan; changes in interest rates; volatility in pension plan asset values and liabilities, which may require cash contributions to the pension plans; the impact of environmental clean-up costs and other liabilities relating to existing and/or divested businesses; Vulcan's ability to secure and permit aggregates reserves in strategically located areas; the effect of changes in tax laws, guidance and interpretations, including those related to the Tax Cuts and Jobs Act that was enacted on December 22, 2017; Vulcan's ability to manage and successfully integrate acquisitions; significant downturn in the construction industry may result in the impairment of goodwill or long-lived assets; changes in technologies, which could disrupt the way we do business and how our products are distributed; and other assumptions, risks and uncertainties detailed from time to time in the reports filed by Vulcan with the SEC. All forward-looking statements in this communication are qualified in their entirety by this cautionary statement. Vulcan disclaims and does not undertake any obligation to update or revise any forward-looking statement in this document except as required by law.

COMPANY REITERATES FULL YEAR OUTLOOK

Aggregates performance in line as higher volumes offset increased diesel costs

Overall Guidance Unchanged

+ Favorable changes to outlook

- Higher aggregates revenue driven by shipments above expectations, albeit at a lower-priced geographic sales mix

  - Same-store full year aggregates shipments: +7-9% vs. +4-6%

  - Same-store full year reported aggregates freight-adjusted price: +2-3% vs. +3-5%

- Unfavorable changes to outlook

- Diesel costs higher than original plan, ~$15 million full year projected impact

- Lower Asphalt segment earnings compared to original plan driven by increased liquid asphalt costs, ~$20 million full year projected impact

- These costs will ultimately be reflected in higher pricing, but with a lag

Other management assumptions remain unchanged

FIRST HALF AGGREGATES SEGMENT RESULTS IN LINE WITH COMPANY PLAN

Aggregates segment same-store first half results*

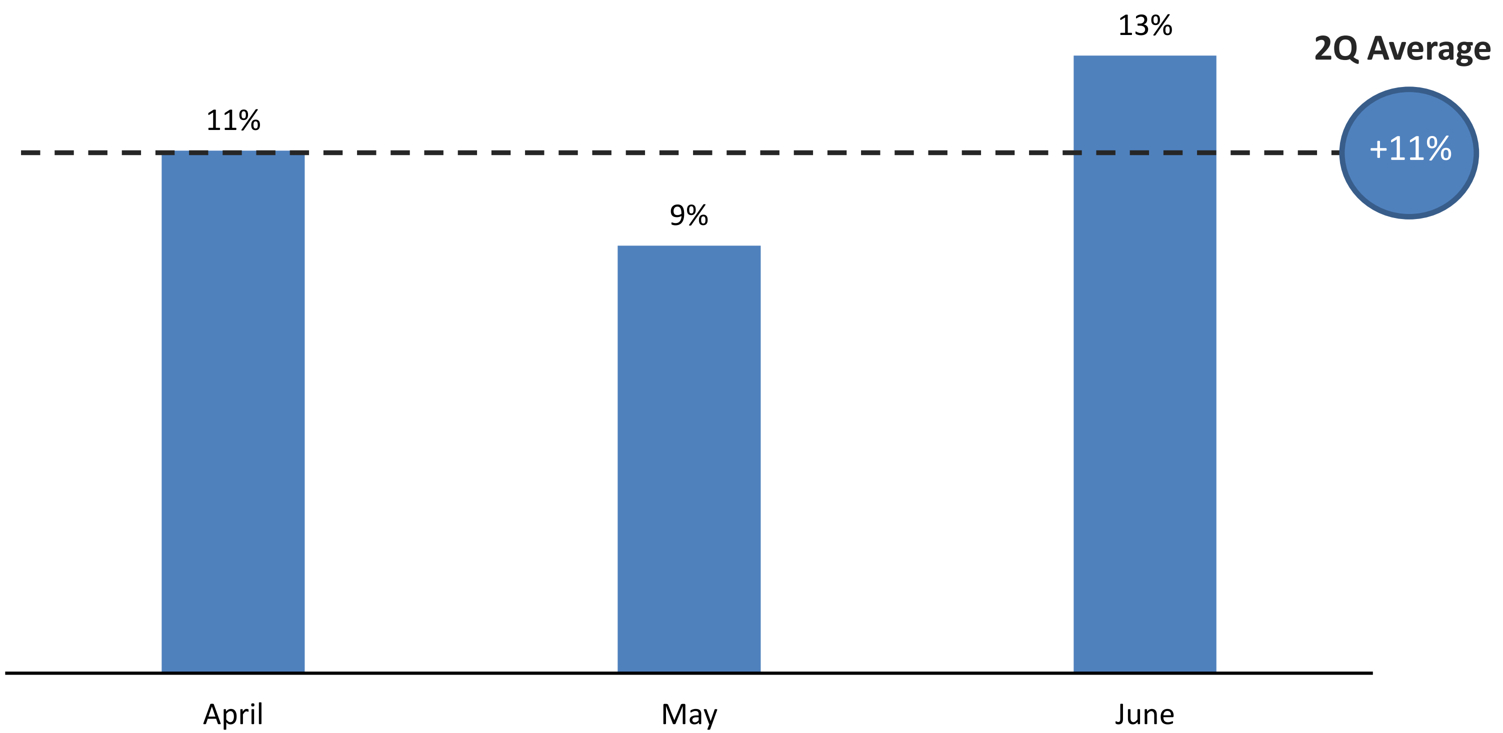
	First Half Year-over-Year	
Daily shipment rate	+ 6%	Daily shipping rates were strong throughout the second quarter (+11%) and backlogs in line with full year outlook
Pricing momentum	+ 3%	Adjusted for ~200 bps negative impact from geographic mix, building as the year progresses
Unit cost of sales (freight-adjusted)	- 2%	Excluding ~200 bps impact of higher diesel costs
Gross profit/ton	+ 3%	$4.69/ton, + $0.15 over prior year
Cash Gross Profit/ton	+ 2%	$6.04/ton, +$0.13 over prior year
Flow Through	56%	Excluding impact of higher unit cost of diesel fuel. Should improve further in second half of the year

- Excludes acquisitions. Note: The Company still projects $50 million in EBITDA contribution from the acquired Aggregates USA business.

** See Appendix for reconciliation of non-GAAP measures.

SHIPMENT GROWTH STRONG THROUGHOUT THE QUARTER…

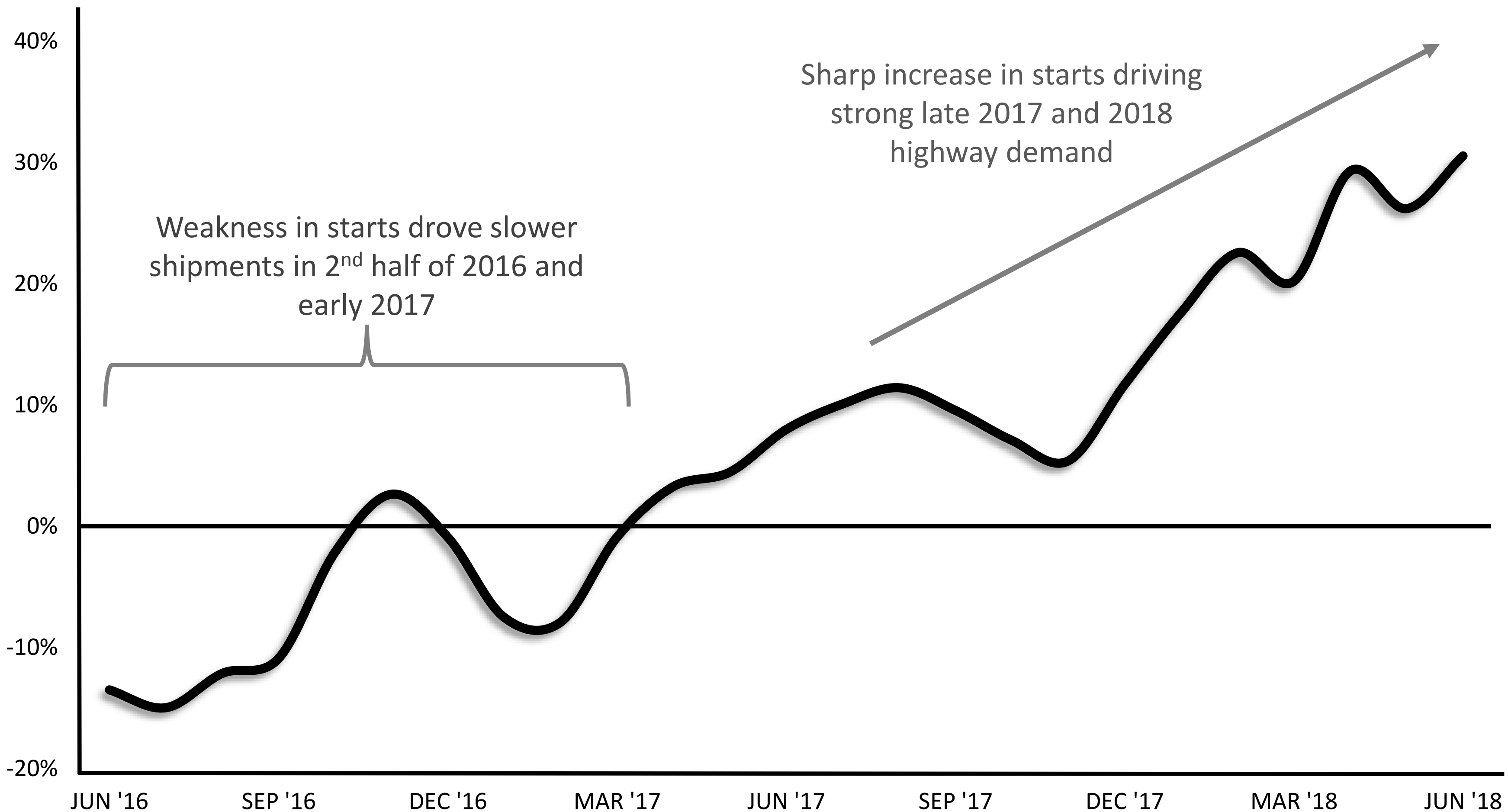
Change in YOY aggregates same-store daily shipping pace*



* Excludes acquisitions.

…SUPPORTED BY GROWING PUBLIC CONSTRUCTION ACTIVITY

Trailing-twelve-months highway award dollars for Vulcan-served markets

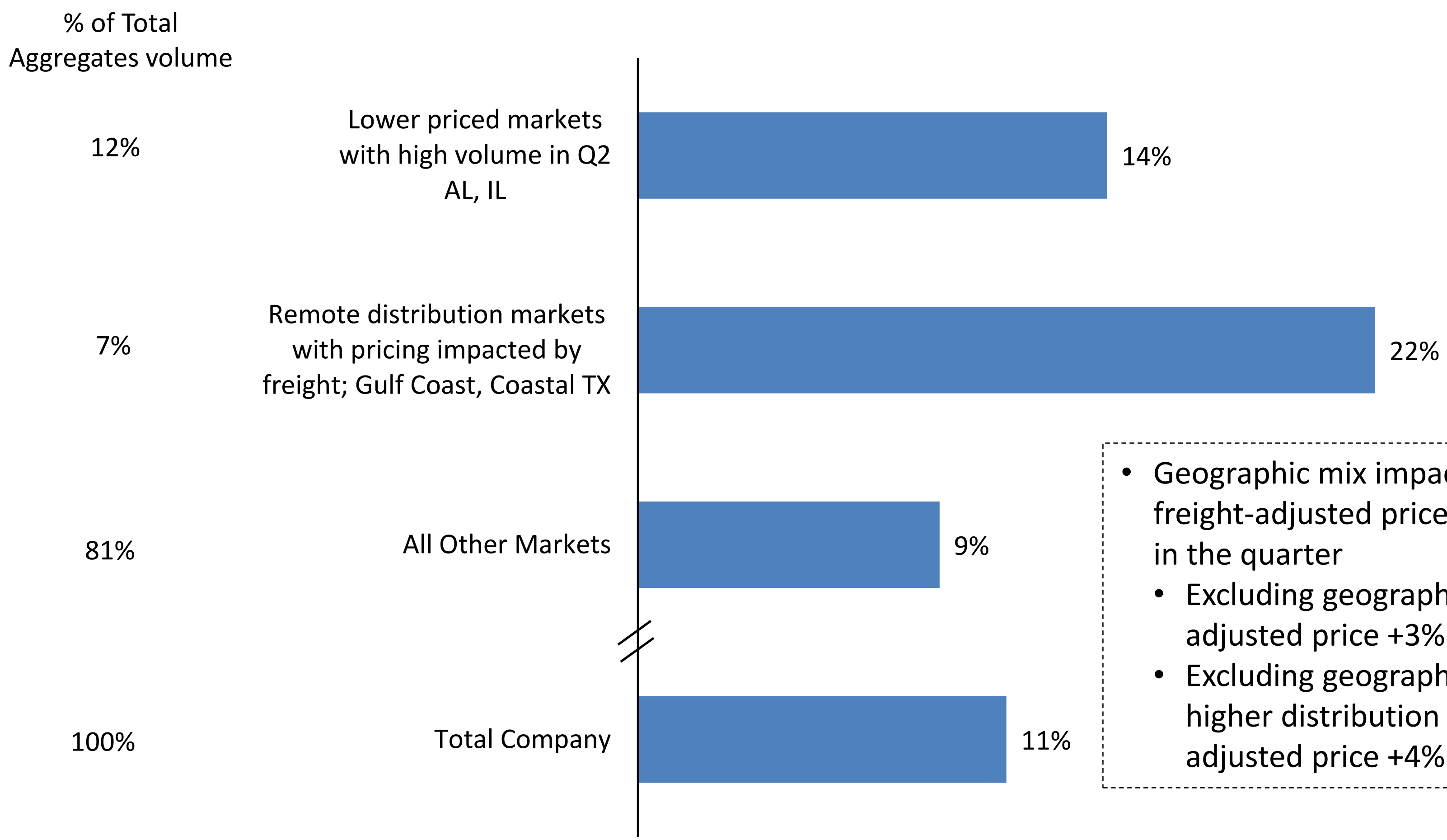


Source: Dodge Analytics and Company estimates.

SHIPMENT GROWTH STRONG BUT VARIABLE ACROSS MARKETS

2nd quarter geographic mix negatively impacted reported average selling price

% Change in Year-over-Year Q2 Aggregates Same-Store* Volume



- Geographic mix impacted reported freight-adjusted price by ~200 bps in the quarter
  - Excluding geographic mix, freight-adjusted price +3%
  - Excluding geographic mix and higher distribution costs, freight-adjusted price +4%

* Excludes acquisitions.

OVERALL PRICING CLIMATE VERY STRONG

Near-term and longer-term pricing climate remains positive

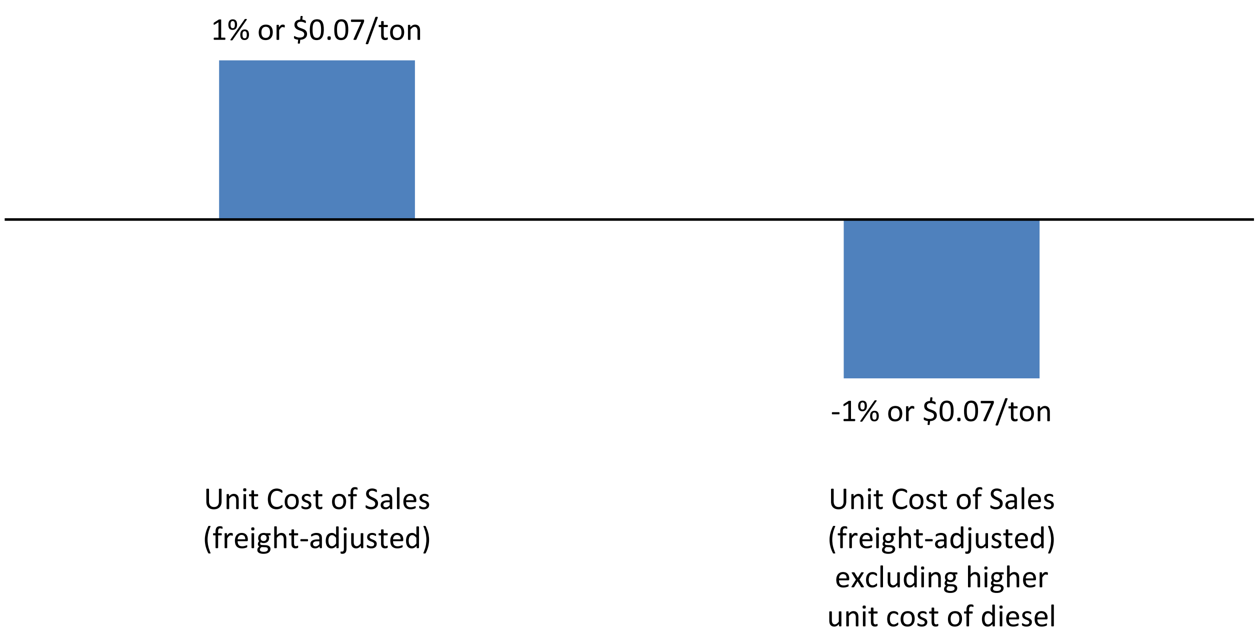
- ✓ Confidence in multi-year recovery, including visibility to growing public demand
- ✓ Other construction materials prices are rising
- ✓ Rising diesel and logistics costs, widening natural economic moats around quarries
- ✓ Continued emphasis by suppliers on improving returns on capital
- ✓ Certain markets 'supply-constrained' due to labor and trucking shortages
- ✓ Strong pattern of mid-year price increases

All further reinforced by current shipment strength

STRONG OPERATING COST DISCIPLINE

Aggregates unit cost of sales controlled despite higher input costs

% Change in Q2 Aggregates Same-Store* Unit Cost of Sales (freight-adjusted)

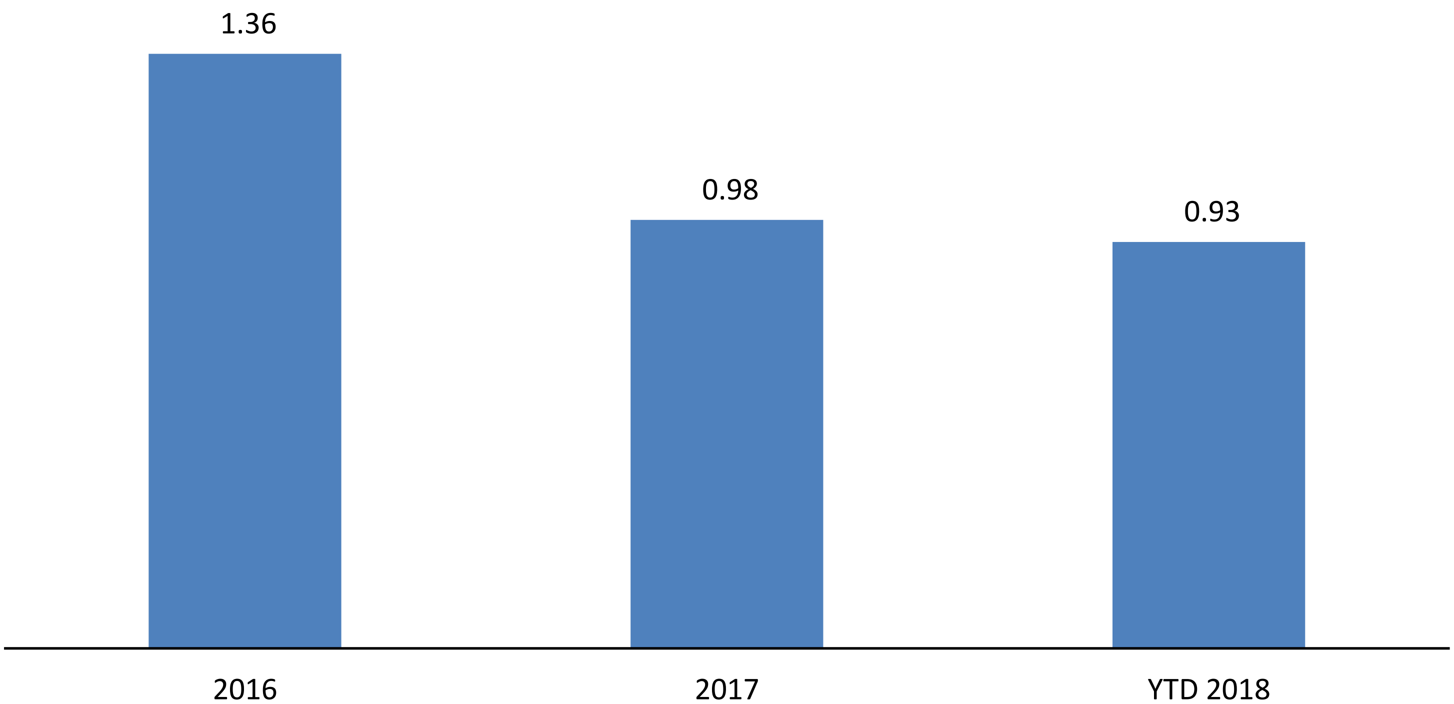


* Excludes acquisitions.

SAFETY PERFORMANCE REMAINS WORLD CLASS

Safety: Less than 1 injury per 200,000 hours worked

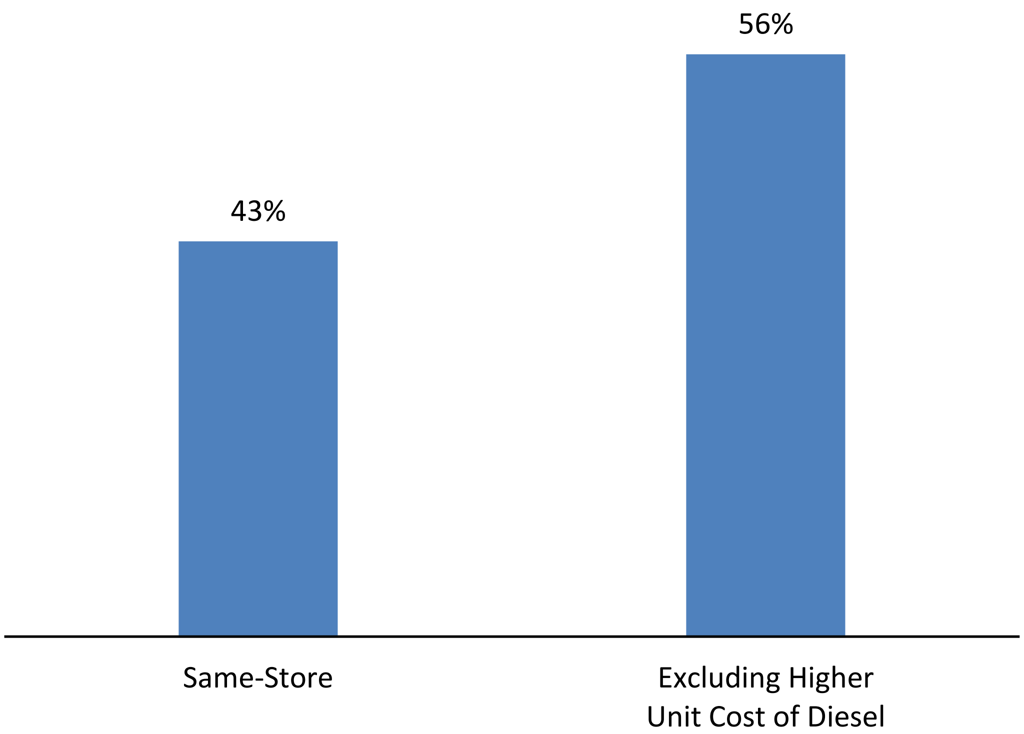
Number of MSHA/OSHA Injuries per 200,000 Hours Worked



FIRST HALF FLOW THROUGH RATES IN LINE WITH PLAN AND APPROACHING LONGER-TERM TREND

Aggregates same-store flow through*

First half of year conversion of incremental freight adjusted revenue into gross profit



- Flow through rates expected to improve further in 2nd half, driven by strong operating disciplines and certain cost headwinds not repeating

- Longer-term expectations unchanged with ~60% flow through expected over time

* Excludes acquisitions.

2018 PROJECTED AFTER-TAX CASH FLOW FROM EARNINGS

Solid and improving cash generation

See Appendix for reconciliation of non-GAAP measures.

AGGREGATES SEGMENT RESULTS DURING RECOVERY TO DATE

Compounding margin improvements

	Trailing-Twelve-Months 2Q 2018 vs. 2Q 2013 (beginning of demand recovery)	CAGR	
Shipments	+ 52 million tons	+ 6.5%	Still significantly below mid-cycle levels
Freight-adjusted price	+ $2.48/ton	+ 4.3%	Compounding pricing improvements across geographies and product types
Unit cost of sales (freight-adjusted)	+ $0.37/ton	+ 0.9%	Solid operating disciplines; more recent diesel increases should pass through to pricing (with a lag)
Gross profit/ton	+ $2.11/ton	+ 12.8%	Strong profitability gains across our geographic portfolio
Total gross profit	+ $538 million	+ 20.1%	On track with mid-cycle goals

RECONCILIATION OF NON-GAAP MEASURES

Projected EBITDA And After Tax Cash Flow from Earnings

The following reconciliation to the mid-point of the range of 2018 Projected EBITDA excludes adjustments, which are difficult to forecast. Due to the difficulty in forecasting such adjustments, we are unable to estimate the significance of the adjustments. Additionally, we present After Tax Cash Flow from Earnings to assess the operating performance of our business and as a basis for strategic planning and forecasting. These metrics are not defined by GAAP and should not be considered as alternatives to earnings measures defined by GAAP. We use these metrics to assess the operating performance of our business and for a basis of strategic planning and forecasting.

2018 Projected EBITDA	2018
(in millions)	Mid Point
Net earnings	$585
Income tax expense	140
Interest expense, net	135
Discontinued operations, net of tax	-
Depreciation, depletion, accretion and amortization	340
EBITDA	$1,200
Less	
Working capital change	50
Operating & maintenance capital expenditures	250
Cash taxes (current taxes)	75
Projected after tax cash flow from earnings	$825

Aggregates Segment Gross Profit Margin Excluding Freight & Delivery

We present this metric as it is consistent with the basis by which we review our operating results. We believe that this presentation is meaningful to our investors as it excludes revenues associated with freight & delivery, which are pass-through activities (we do not generate a profit associated with the transportation component of the selling price of the product). Incremental gross profit as a percentage of segment sales excluding freight & delivery represents the year-over-year change in gross profit divided by the year-over-year change in segment sales excluding freight & delivery.

Aggregates GP Margin Excluding Freight & Delivery	YTD	YTD
(in millions)	Q2 2018	Q2 2017
Gross profit	$431.7	$390.2
Contribution from acquisitions (same-store)	(1.6)	0.4
Same-store gross profit	$430.1	$390.6
Gross profit impact of higher diesel costs	12.2	-
Same-store gross profit adjusted for diesel	$442.2	$390.6
Segment Sales	$1,655.9	$1,467.9
Freight and delivery revenues	372.4	324.3
Segment sales excluding freight & delivery	$1,283.5	$1,143.6
Contribution from acquisitions (same-store)	(49.5)	(1.4)
Same-store segment sales excluding freight & delivery	$1,234.0	$1,142.2
Incremental GP margin excluding freight & delivery	30%	
Same-store incremental GP margin	43%	
Same-store incremental GP margin excluding diesel	56%	

Aggregates Segment Cash Gross Profit

Aggregates segment cash gross profit adds back noncash charges for depreciation, depletion, accretion and amortization (DDA&A) to Aggregates segment gross profit. Aggregates segment cash gross profit per ton is computed by dividing Aggregates segment cash gross profit by tons shipped. We present this metric as we believe it closely correlates to long-term shareholder value and we and the investment community use this metric to assess the operating performance of our business.

		Same Store		Same Store
Aggregates Segment	YTD	YTD	YTD	YTD
(in millions)	Q2 2018	Q2 2018	Q2 2017	Q2 2017
Gross profit	$431.7	$430.1	$390.2	$390.6
DDA&A	135.7	122.9	118.5	118.3
Aggregates segment cash gross profit	$ 567.4	$ 553.0	$ 508.7	$ 508.9
Units shipments - tons	95.5	91.6	86.2	86.1
Aggregates segment cash gross profit per ton	$ 5.94	$ 6.04	$ 5.90	$ 5.91