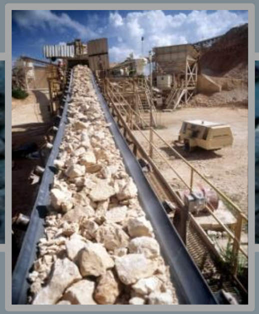
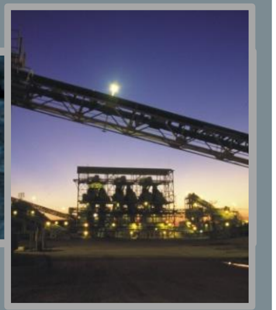
Vulcan
Materials Company

2Q 2019 Supplemental Information for Earnings Conference Call

July 25, 2019





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: general economic and business conditions; Vulcan's dependence on the construction industry, which is subject to economic cycles; the timing and amount of federal, state and local funding for infrastructure; changes in the level of spending for private residential and private nonresidential construction; 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, 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; 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, including the impact of climate change; 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 cleanup costs and other liabilities relating to existing and/or divested businesses; Vulcan's ability to secure and permit aggregates reserves in strategically located areas; Vulcan's ability to manage and successfully integrate acquisitions; the effect of changes in tax laws, guidance and interpretations; 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 Vulcan does business and how Vulcan's 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.

SECOND QUARTER HIGHLIGHTS

Aggregates focused business continued to execute well

Double digit earnings growth driven by strong Aggregates results

Total revenues of $1,328 million (+11%)

Net earnings of $198 million (+24%) and Adjusted EBITDA of $372 million (+15%)

Aggregates segment gross profit increased 16% and unit profitability expanded

Aggregates shipment growth consistent with full-year expectations

Aggregates price improvements widespread

See Appendix for reconciliation of non-GAAP measures.

AGGREGATES SEGMENT SECOND QUARTER HIGHLIGHTS

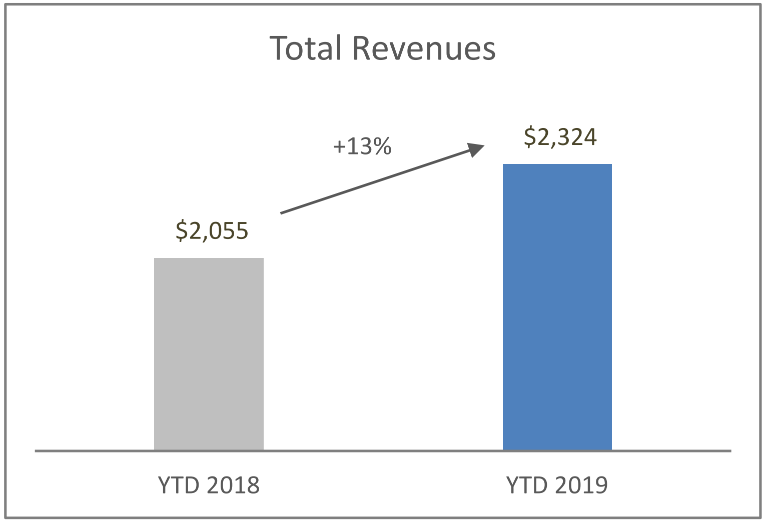
Aggregates gross profit margin and unit profitability expand

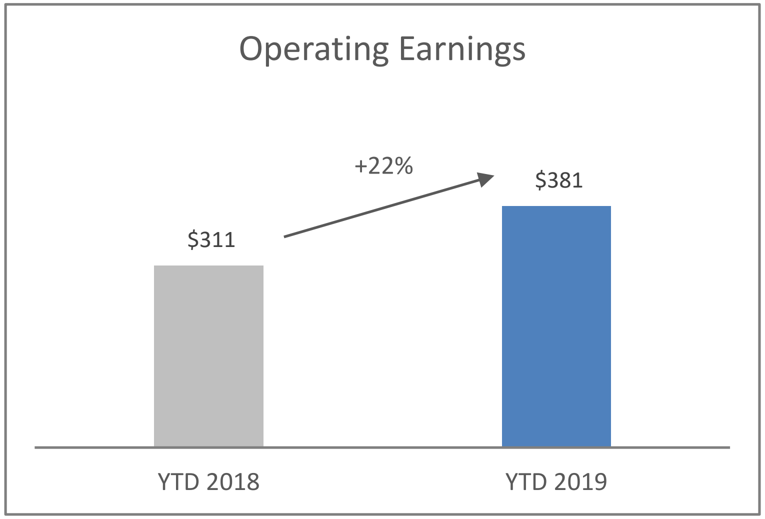
	Year-over-Year % Change	
Gross Profit	16%	Gross profit margin expanded 140 basis points
Shipments	4%	Shipment growth across most markets
Freight-adjusted price	6%	Momentum continued with growth across all markets
Unit cost of sales (freight-adjusted)	2%	Remain focused on fixed cost leverage and operating efficiencies
Gross profit/ton	11%	$5.74 per ton, + $0.58 over prior year period
Same-store flow-through (TTM 2Q 2019)	65%	Slightly ahead of longer-term expectations of 60%

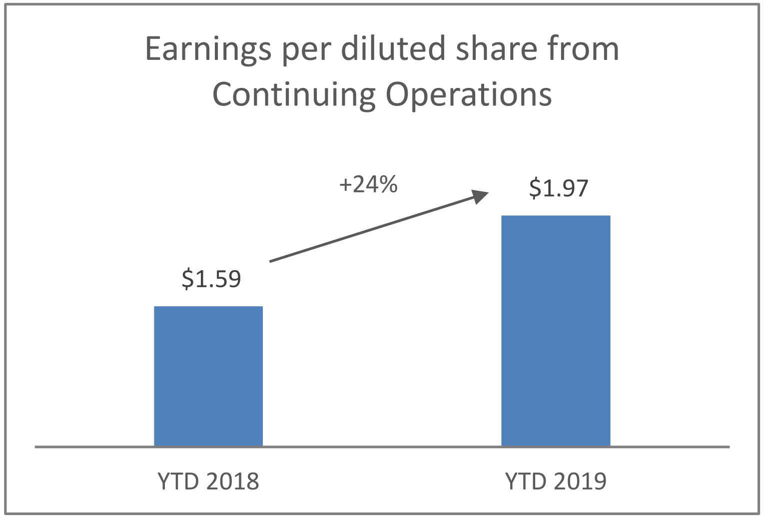
See Appendix for reconciliation of non-GAAP measures.

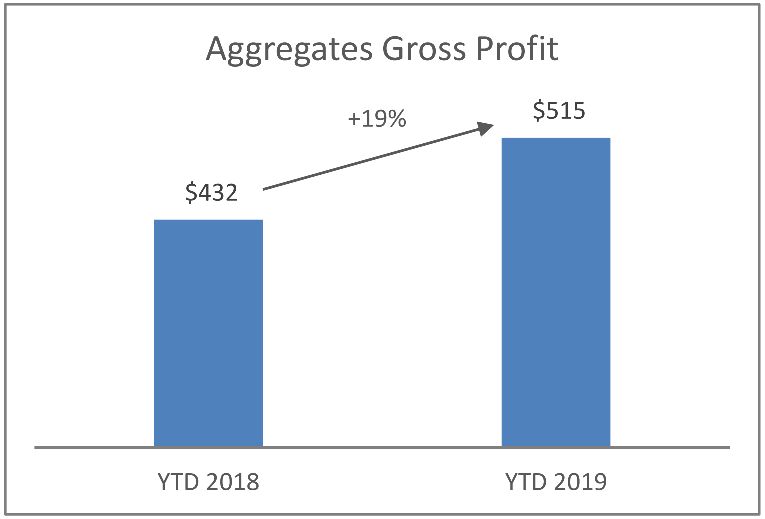
FIRST HALF HIGHLIGHTS

Strong earnings growth through the first half; well positioned to carry that momentum forward





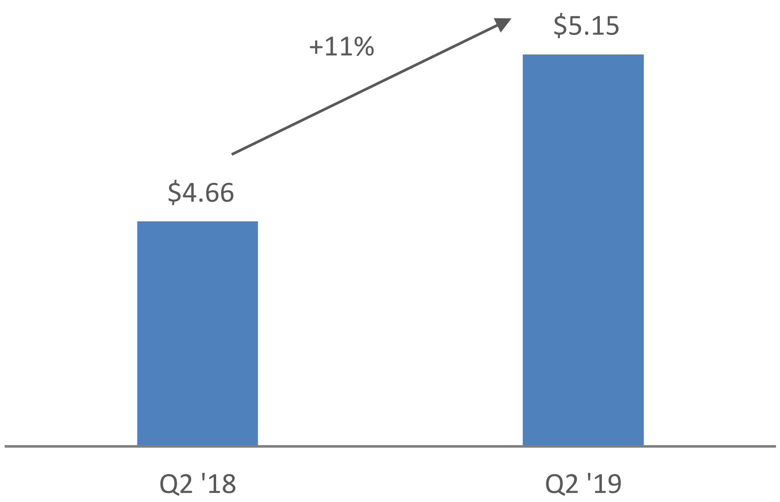




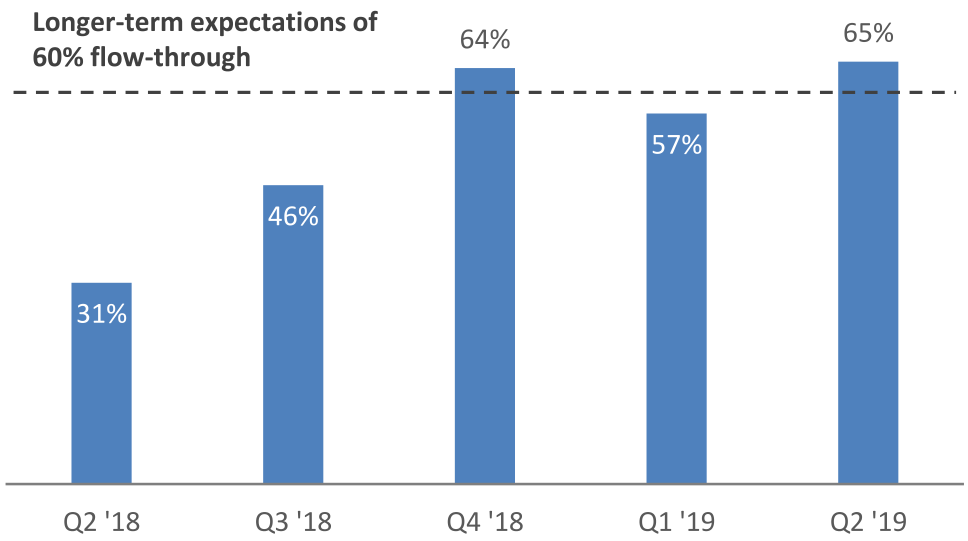
AGGREGATES TRAILING-TWELVE-MONTH PROFITABILITY

Unit profitability continues to expand and flow-through rates are in line with longer-term expectations

Gross Profit per Ton

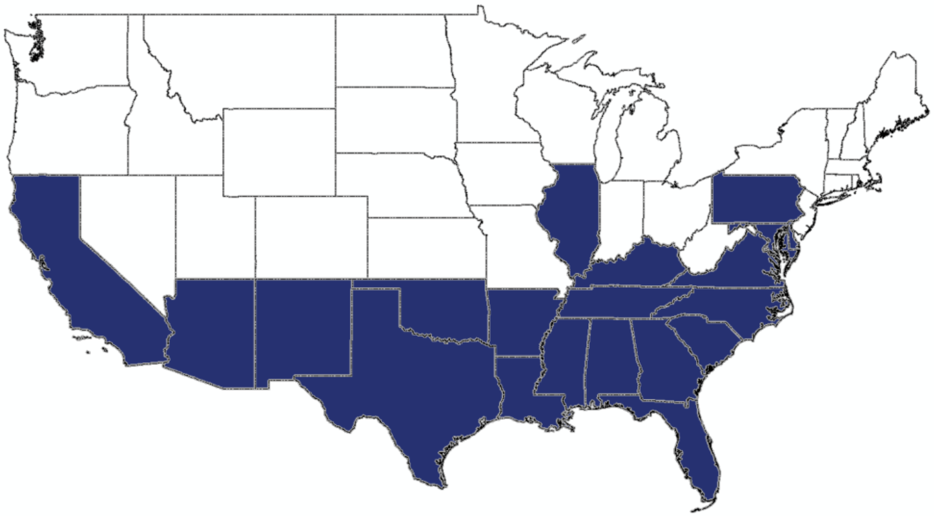


Same-Store Incremental Gross Profit Flow-Through



See Appendix for reconciliation of non-GAAP measures.

DEMAND ENVIRONMENT IN VULCAN-SERVED MARKETS CONTINUES TO BE POSITIVE



- Higher state-level transportation funding in Vulcan states has led to strong growth in highway construction activity
- Shipments into both housing and nonresidential continue to benefit from economic growth and solid fundamentals
- Above average population and total employment growth in Vulcan-served states
- Vulcan’s growing backlog and booking pace reflect the positive demand environment

Source: Dodge Analytics, U.S. Bureau of Labor and Statistics, and Company estimates

SOLID CASH GENERATION

2019 Projected discretionary cash flow

See Appendix for reconciliation of non-GAAP measures.

RECONCILIATION OF NON-GAAP MEASURES

EBITDA

EBITDA is an acronym for Earnings Before Interest, Taxes, Depreciation and Amortization and excludes discontinued operations. GAAP does not define EBITDA and it should not be considered as an alternative to earnings measures defined by GAAP. We adjust EBITDA for certain items to provide a more consistent comparison of earnings performance from period to period. We use this metric to assess the operating performance of our business and for a basis of strategic planning and forecasting as we believe it closely correlates to long-term shareholder value.

Adjusted and Projected EBITDA *(in millions)*	**Actual Q2 2019**	**Actual Q2 2018**	**Mid-point Projected FY 2019**
Net earnings	$ 197.6	$ 159.7	$ 640
Income tax expense	47.6	40.0	160
Interest expense, net	33.0	33.2	130
Loss on discontinued operations, net of tax	0.3	0.7	-
EBIT	$278.5	$233.6	$930
Depreciation, depletion, accretion and amortization	93.5	85.6	360
EBITDA	$372.0	$319.2	$1,290
Business development	-	4.5	
One-time employee bonus	-	-	
Asset impairment	-	-	
Restructuring charges	-	1.1	
Adjusted EBITDA	$372.0	$324.8	

Aggregates Segment Incremental Gross Profit Flow-Through Rate

Aggregates segment incremental gross profit flow-through rate is not a GAAP measure and represents the year-over-year change in gross profit divided by the year-over-year change in segment sales excluding freight & delivery (revenues and costs). We evaluate this metric on a trailing-twelve month basis as quarterly gross profit flow-through rates can vary widely from quarter to quarter. We present this metric as it is consistent with the basis by which we review our operating results. We believe that this presentation is consistent with our competitors and 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).

Aggregates Segment *(in millions)*	**2019** TTM Q2 2019	TTM Q2 2018	**2018** TTM Q2 2018	TTM Q2 2017
Gross profit	$1,075.1	$896.0	$896.0	$851.6
Contribution from acquisitions (same-store)	(13.2)	0.8	3.5	0.4
Same-store gross profit	$1,061.9	$896.8	$899.5	$852.0
Segment sales	$3,754.8	$3,284.1	$3,284.1	$3,003.4
Freight and delivery revenues	(861.0)	(718.8)	(718.8)	(659.0)
Segment sales excluding freight & delivery	$2,893.7	$2,565.3	$2,565.3	$2,344.3
Contribution from acquisitions (same-store)	(76.2)	(0.4)	(69.6)	(1.5)
Same-store segment sales excluding freight & delivery	$2,817.5	$2,564.9	$2,495.8	$2,342.8
Incremental gross profit margin (GAAP)	38%		16%	
Incremental flow-through rate (Non-GAAP)	55%		20%	
Same-store incremental flow-through rate (Non-GAAP)	65%		31%	