Vulcan Materials Company

INVESTOR PRESENTATION

February 2020

Disclaimer

Safe Harbor

This presentation 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 presentation. 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 presentation 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 presentation except as required by law.

Non-GAAP Financial Terms

This presentation contains certain non-GAAP financial terms which are defined in the Appendix. Reconciliations of non-GAAP terms to the closest GAAP terms are also provided in the Appendix.

Vulcan's Value Proposition

What we offer investors

Industry Leader with Unique Aggregates Focus

Well Positioned to Benefit from Demand Growth and Operational Excellence

Strong Balance Sheet Supports Future Growth

Vulcan Materials Company

Our Company

Aggregates-focused building materials business

16.2	Billion tons (~80 years) Aggregates reserves
>350	Aggregates operations Serving attractive U.S. markets across 20 states
$4.9	Billion Revenues in 2019
$1.3	Billion Adjusted EBITDA* in 2019
215	Million Tons of aggregates shipped in 2019
63	Years As a public company focused on aggregates

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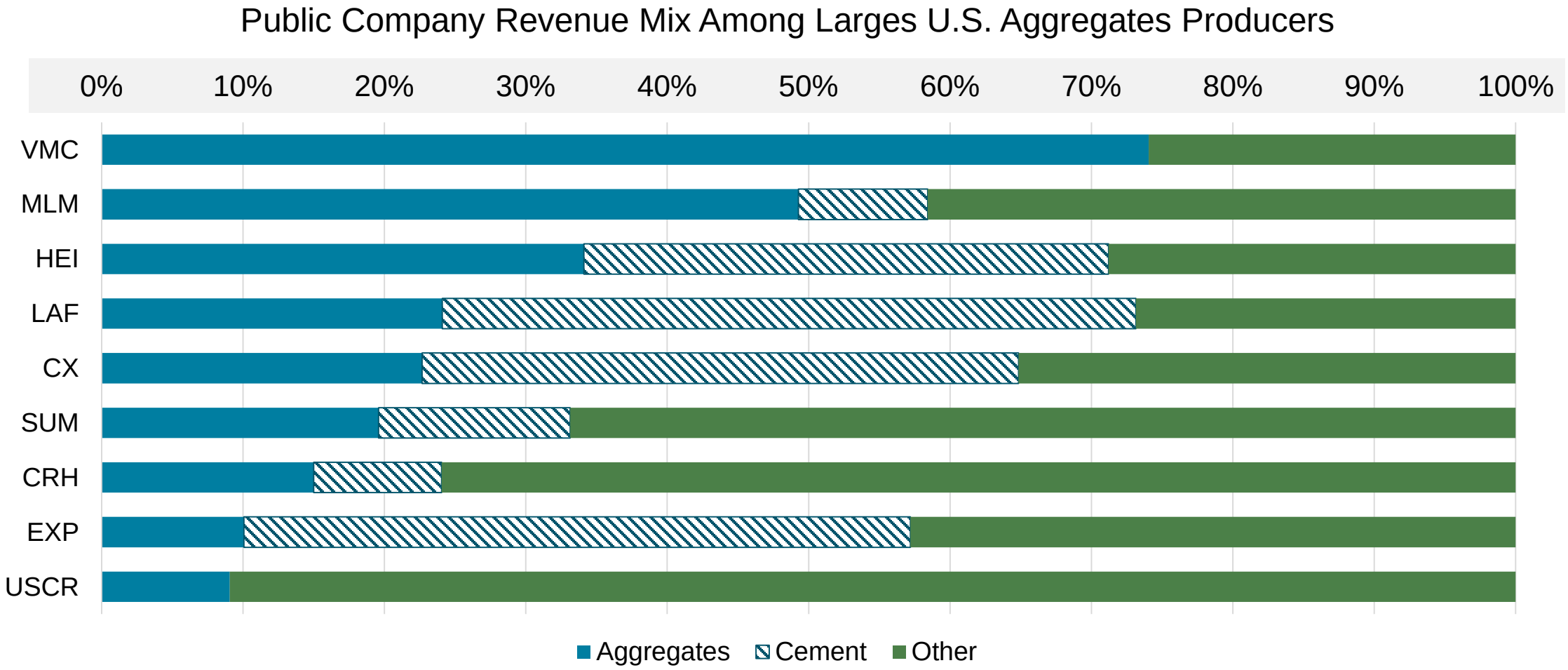
* Adjusted EBITDA is a non-GAAP measure. See Appendix for reconciliation.

Uniquely Positioned With Aggregates Focus

Vulcan stands alone as the largest and most aggregates-focused public company



Source: 2019 reported financial information. CX and HEI 2018 reported financial information.

Why Aggregates?

The heavy materials supply chain

Stronger fundamentals, lower risk through the cycle

- ✓ Flexible production capacity
- ✓ Wide logistical moats
- ✓ Barriers to entry
- ✓ Limited substitute products
- ✓ Estimated U.S. market size 2.7 billion tons, or $27 billion

- ✓ Production economics of aggregates does not create downstream pressure on price
- ✓ Can mirror aggregates structure
- ✓ Large public demand exposure
- ✓ Estimated U.S. market size 385 million tons, or $22 billion

AGGREGATES

ASPHALT MIX
~95% Aggregates by weight

Upstream

Downstream

CEMENT

READY-MIX CONCRETE
~80% Aggregates by weight

Weaker fundamentals, higher risk through the cycle

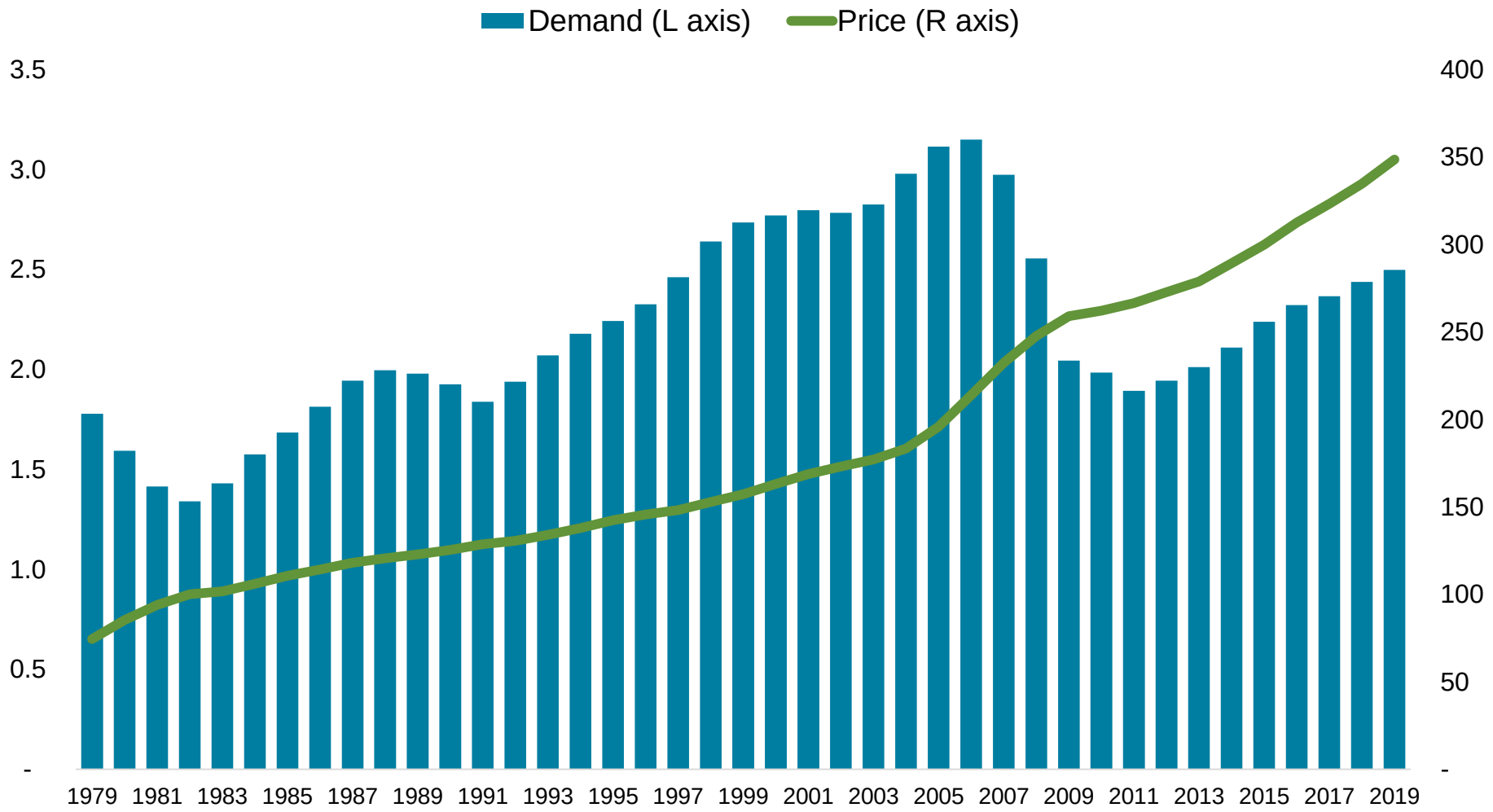
- ✗ Inflexible production capacity, high start-up/shut-down costs
- ✗ Weight-to-price ratio limits logistical moat
- ✗ Energy cost is significant
- ✗ Estimated U.S. market size 110 million tons, or $14 billion

- ✗ Flexible production capacity, but often economics driven by cement
- ✗ Specialized delivery equipment
- ✗ Low barriers to entry
- ✗ Estimated U.S. market size 370 million cubic yards, or $35 billion

Source: Company estimates.

Attractive Fundamentals Lead To Compounding Results

Price growth in Aggregates through all parts of a cycle



Source: BLS and Company estimates. Demand in billions of tons. Price is indexed (1982 = 100)

Demand For Aggregates

Broad end market exposure

Private ~50%	Public ~50%
Residential	Highways
Nonresidential Buildings	Buildings and Non highway infrastructure

Aggregates Intensity

Less

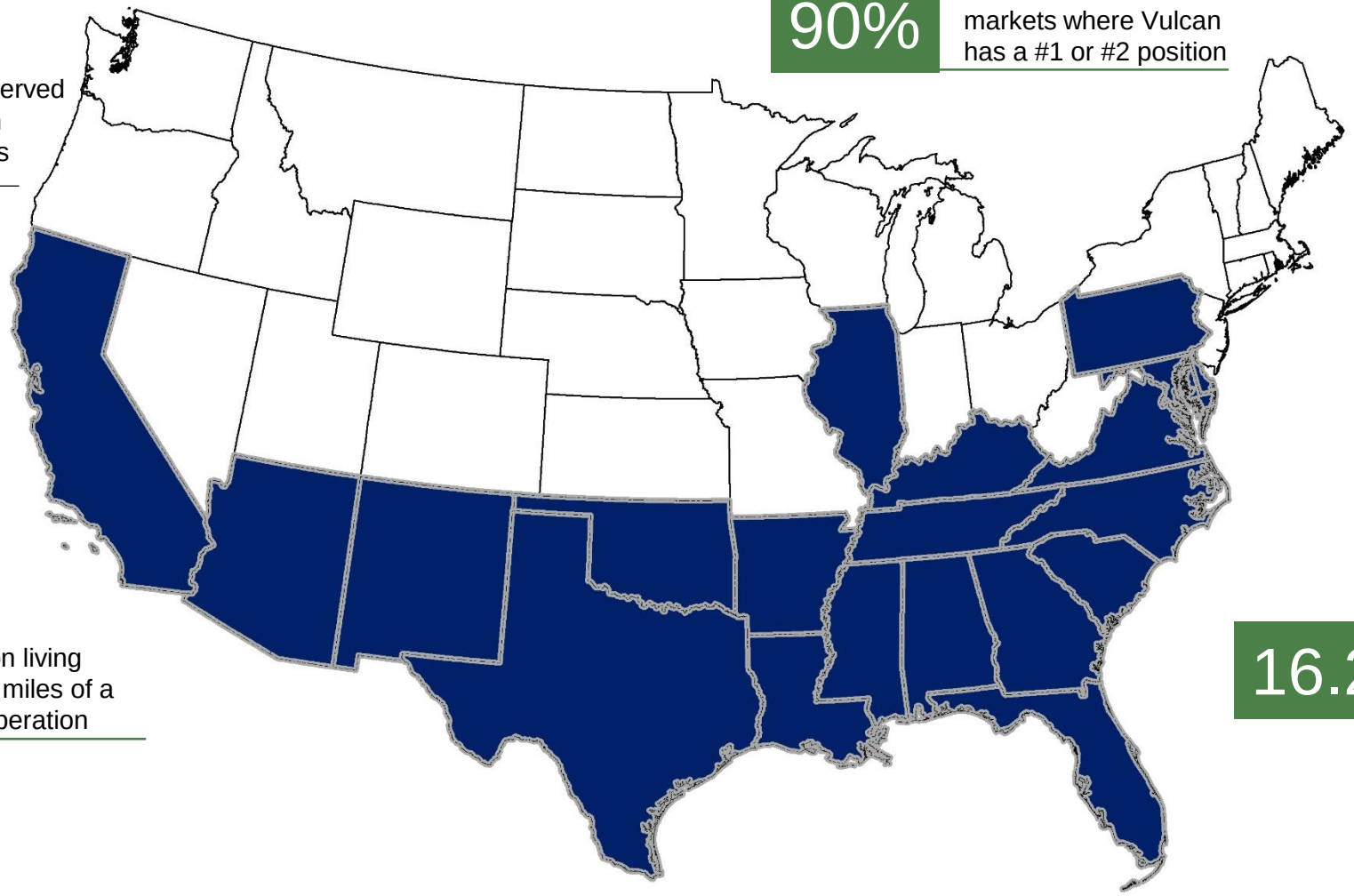
More

Vulcan's Unique And Irreplaceable Asset Base…

More than 60 years of steady, strategic growth creates a franchise of enduring value

19 of 25 Fastest growing markets served by Vulcan operations

90% Revenues tied to markets where Vulcan has a #1 or #2 position



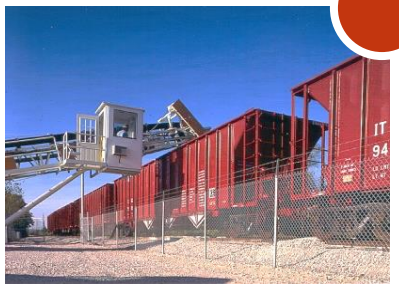
50% Population living within 50 miles of a Vulcan operation

16.2 Billions of tons of aggregates reserves

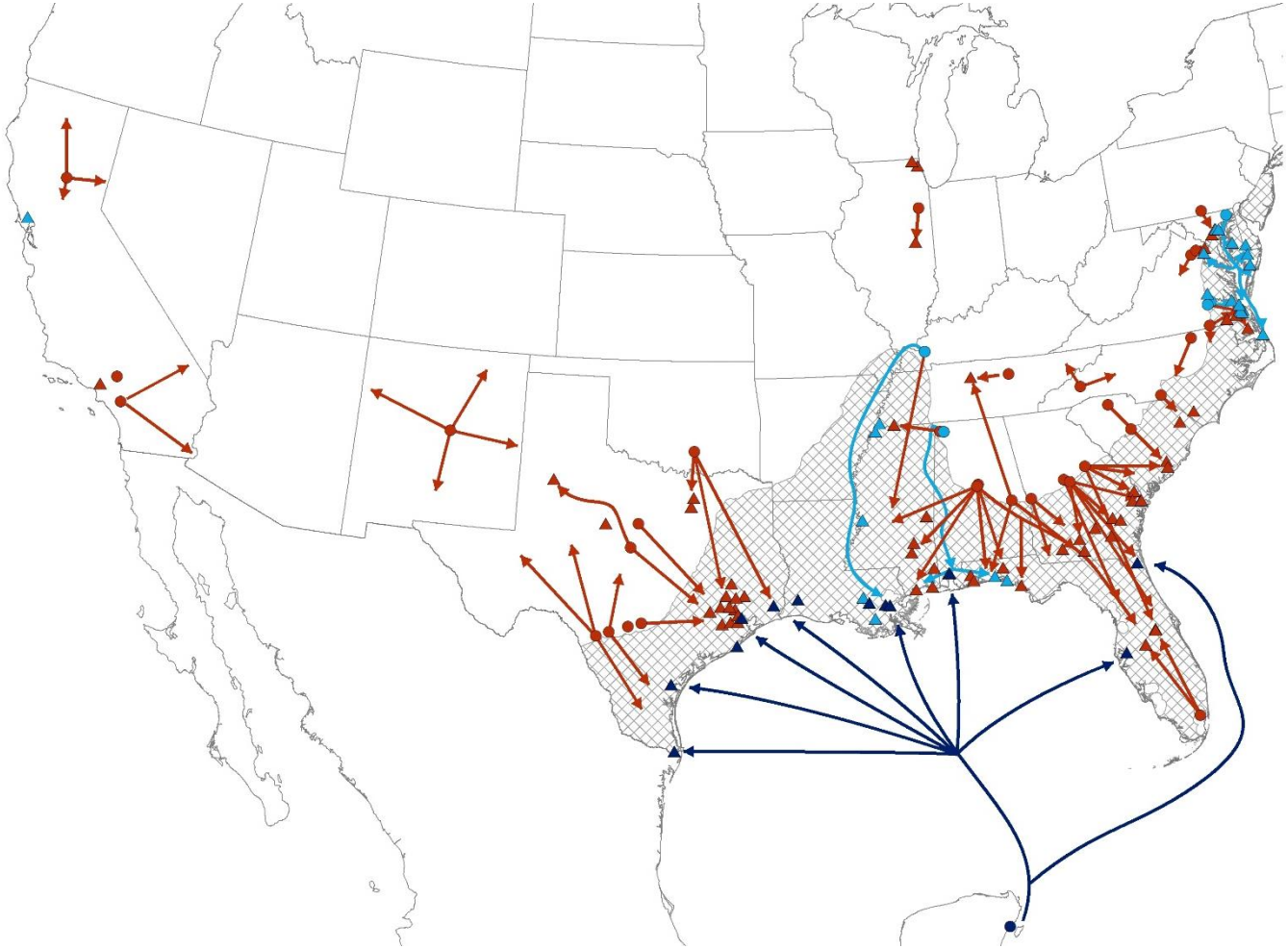
Vulcan Materials Company

…Also Includes Valuable Logistics Network

Shipping by Truck
20-25 tons per truck
$0.15-0.35 per ton mile



Shipping by Rail
4-5 truckloads per rail car
$0.04-0.12 per ton mile



SHIPPING BY BARGE
~65 truckloads per barge
$0.02-0.03 per ton mile

SHIPPING BY OCEAN VESSEL
~2,500 truckloads per ship
Less **than** $0.01 per ton mile

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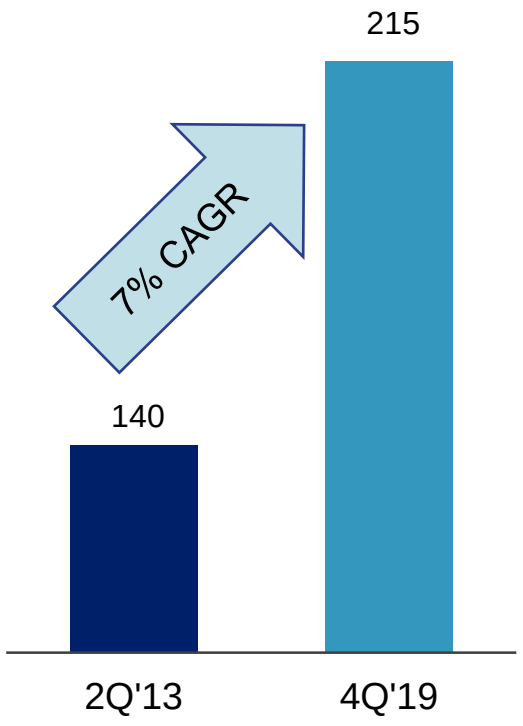
Per ton mile cost excludes loading and unloading

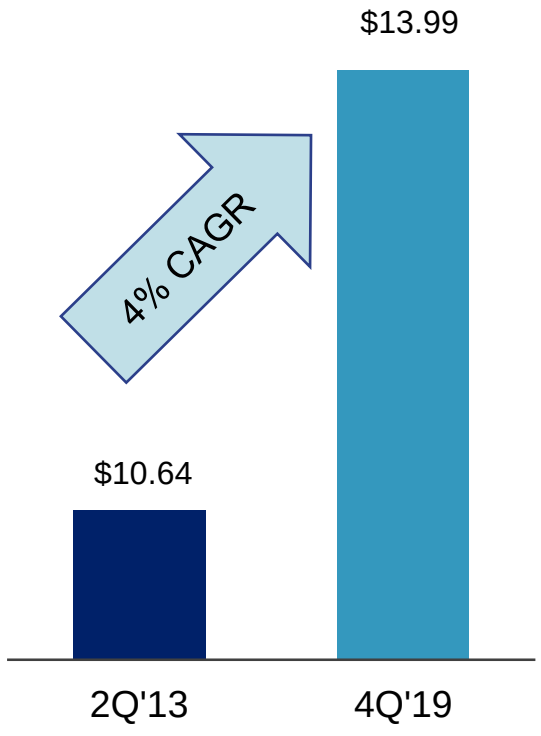
Proven Performance

Aggregates Volume Growth



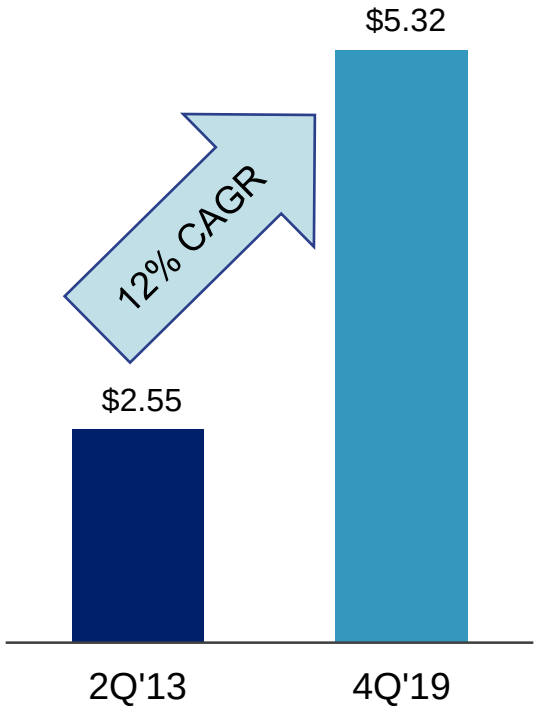
Millions of tons. Figures shown on a trailing 12 month basis (TTM).
TTM 2Q'13 represents the cyclical low in aggregates volumes.

Aggregates Pricing Growth



Unit price in $ / Ton. Figures shown on a trailing 12 month basis (TTM).
TTM 2Q'13 represents the cyclical low in aggregates volumes.

Aggregates Gross Profit Per Ton



Figures shown on a trailing 12 month basis (TTM).
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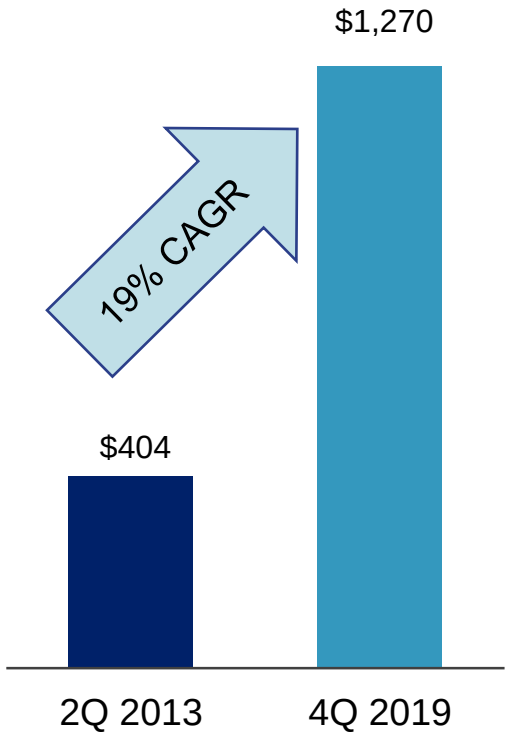
Adjusted EBITDA



Amounts in millions. Figures shown on a trailing 12 month basis (TTM).
TTM 2Q'13 represents the cyclical low in aggregates volumes.
Adjusted EBITDA is a non-GAAP measure. See Appendix for reconciliation.

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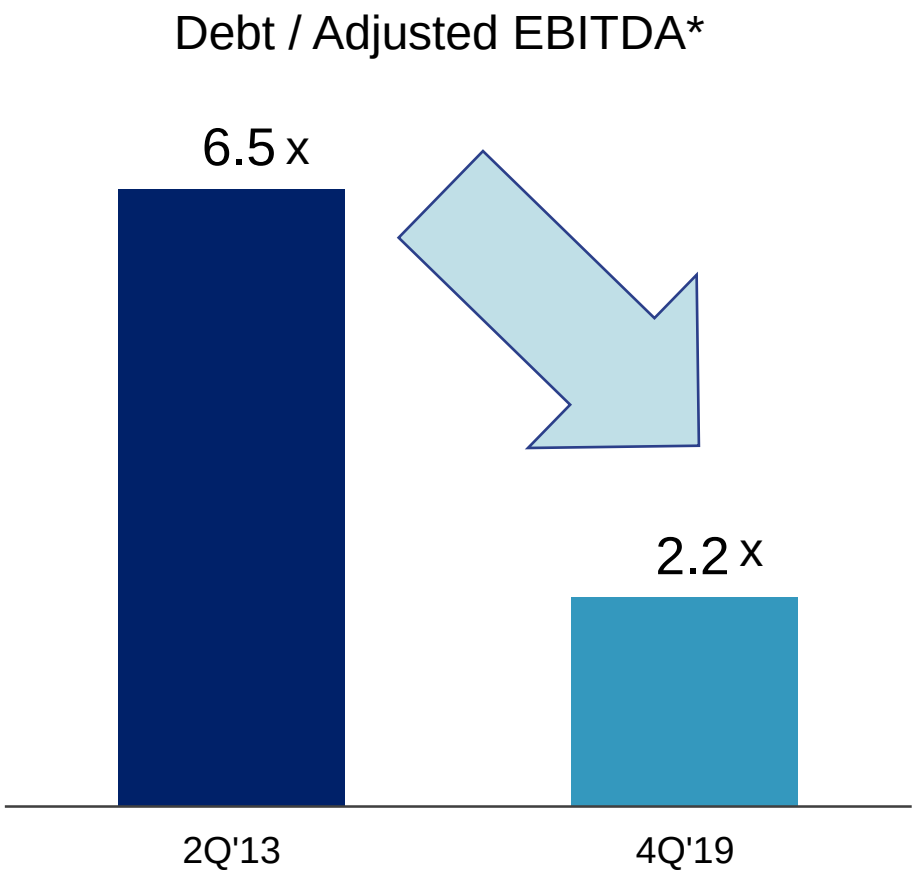
Investment Grade Balance Sheet Supports Future Growth

Leverage reduced to within target range



- Stated leverage target 2.0 to 2.5x
- Average maturity of debt is 14 years
- Weighted average interest rate of 4.4%
- Investment grade rating will be maintained

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Figures shown on a trailing 12 month basis (TTM). TTM 2Q'13 represents the cyclical low in aggregates volumes.
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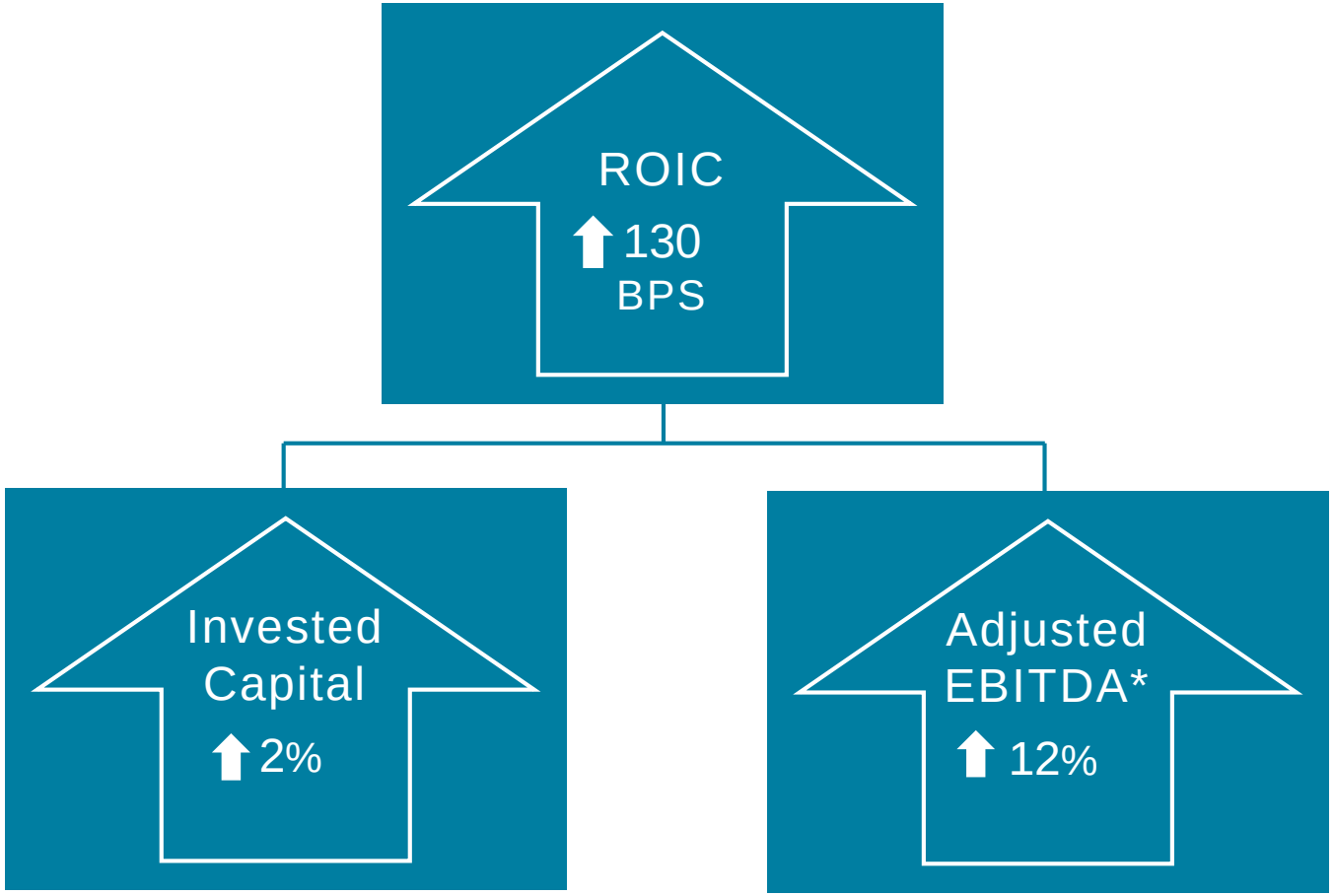
Return on Invested Capital – 2019 versus 2018

Leveraging our capital base to drive shareholder value



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Commitment To Customers, Employees and Environment

"Vulcan Way" is at the core of our success

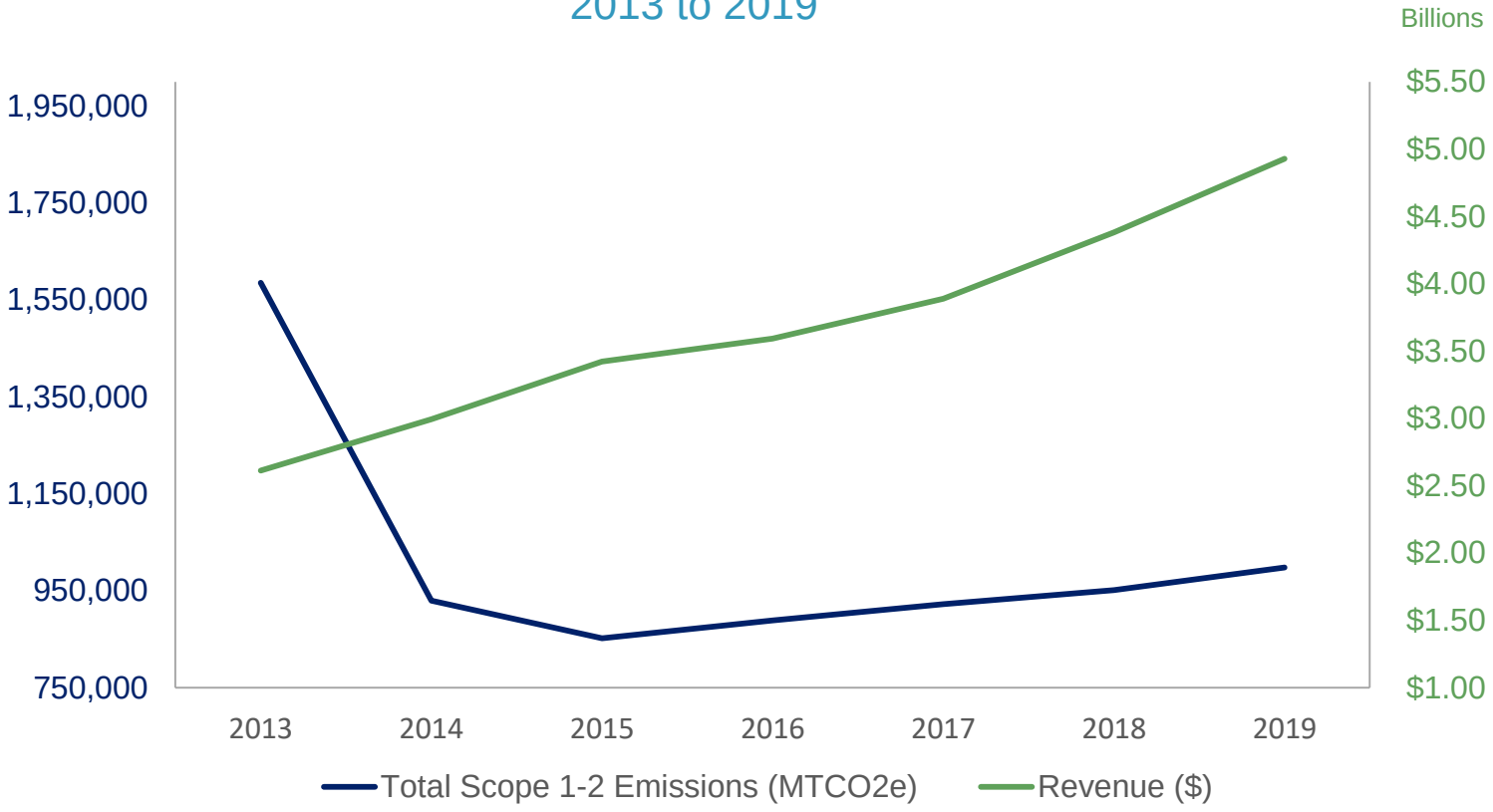
Vulcan Materials Company

Environmental Stewardship

Protecting the environment is the right social and business policy

- Committed to responsible, sustainable operations
  - Significant reduction in Greenhouse Gas Emissions
  - Retire-and-replace mobile equipment program to meet higher engine emission standards
  - Innovative technologies that improve energy efficiencies of blue-water fleet
  - Utilize closed-loop water systems in production process to minimize water usage
  - Comprehensive land and water management programs
  - >40 certified Wildlife Habitats

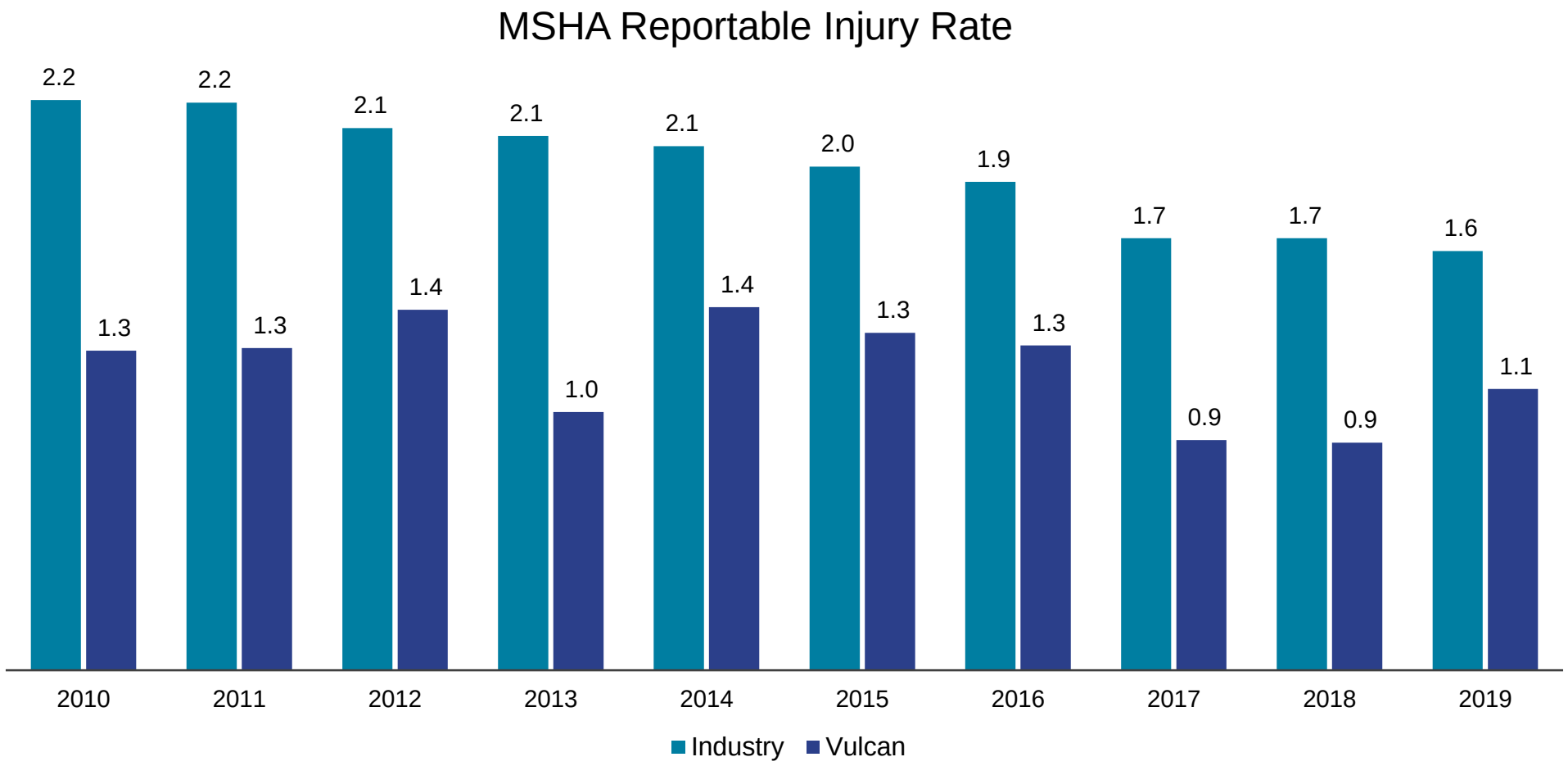
37% Decrease in Emissions vs. 89% Revenue Growth from 2013 to 2019 *



* Vulcan exited the cement business in 2013.

Safety – Industry Leader

Commitment to our people



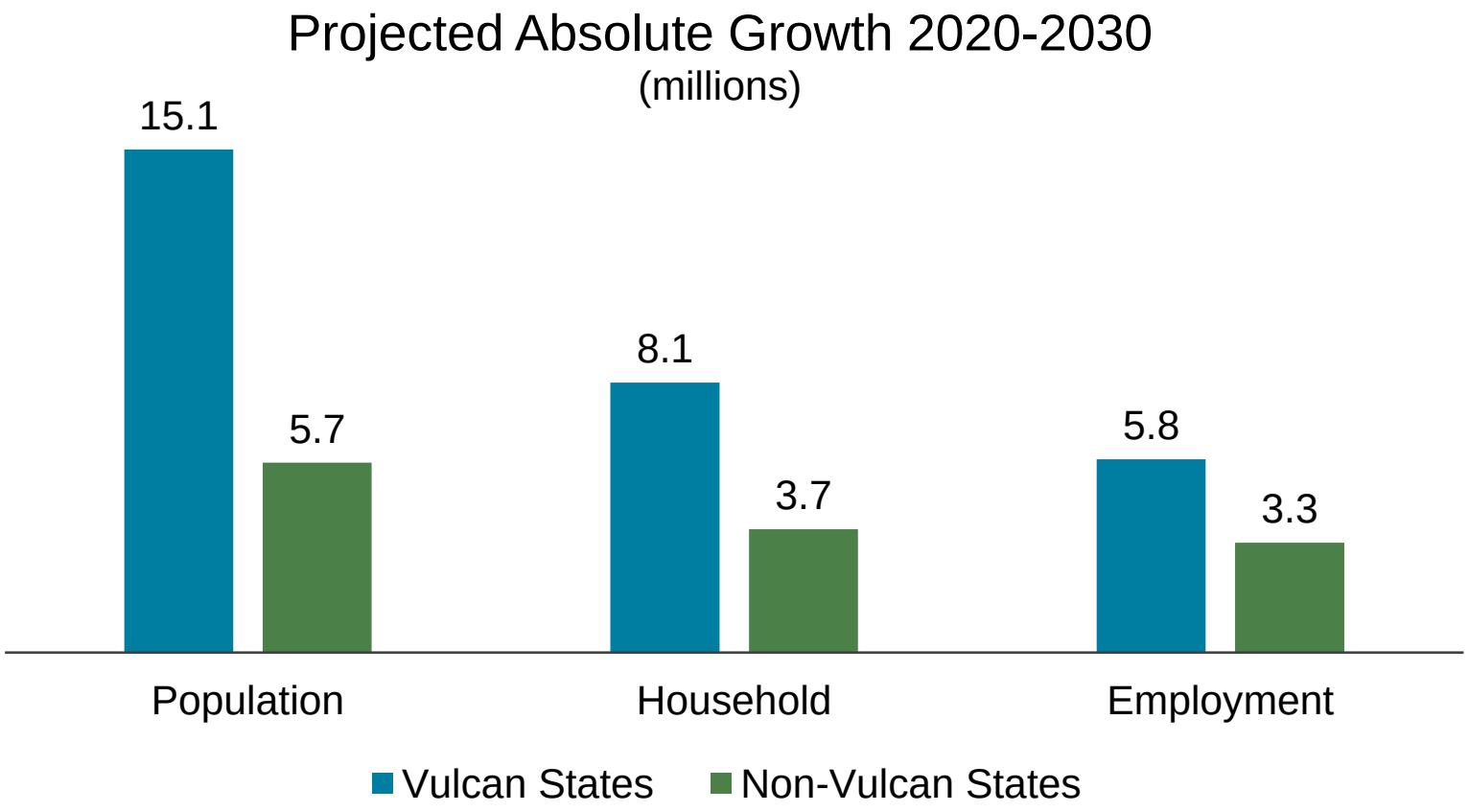
MSHA = Mine Safety and Health Administration. Injuries per 200,000 hours

POSITIONED FOR GROWTH AND VALUE CREATION

Vulcan
Materials Company

Positioned For Growth

The proximity of our operations and reserves creates opportunities for continued growth



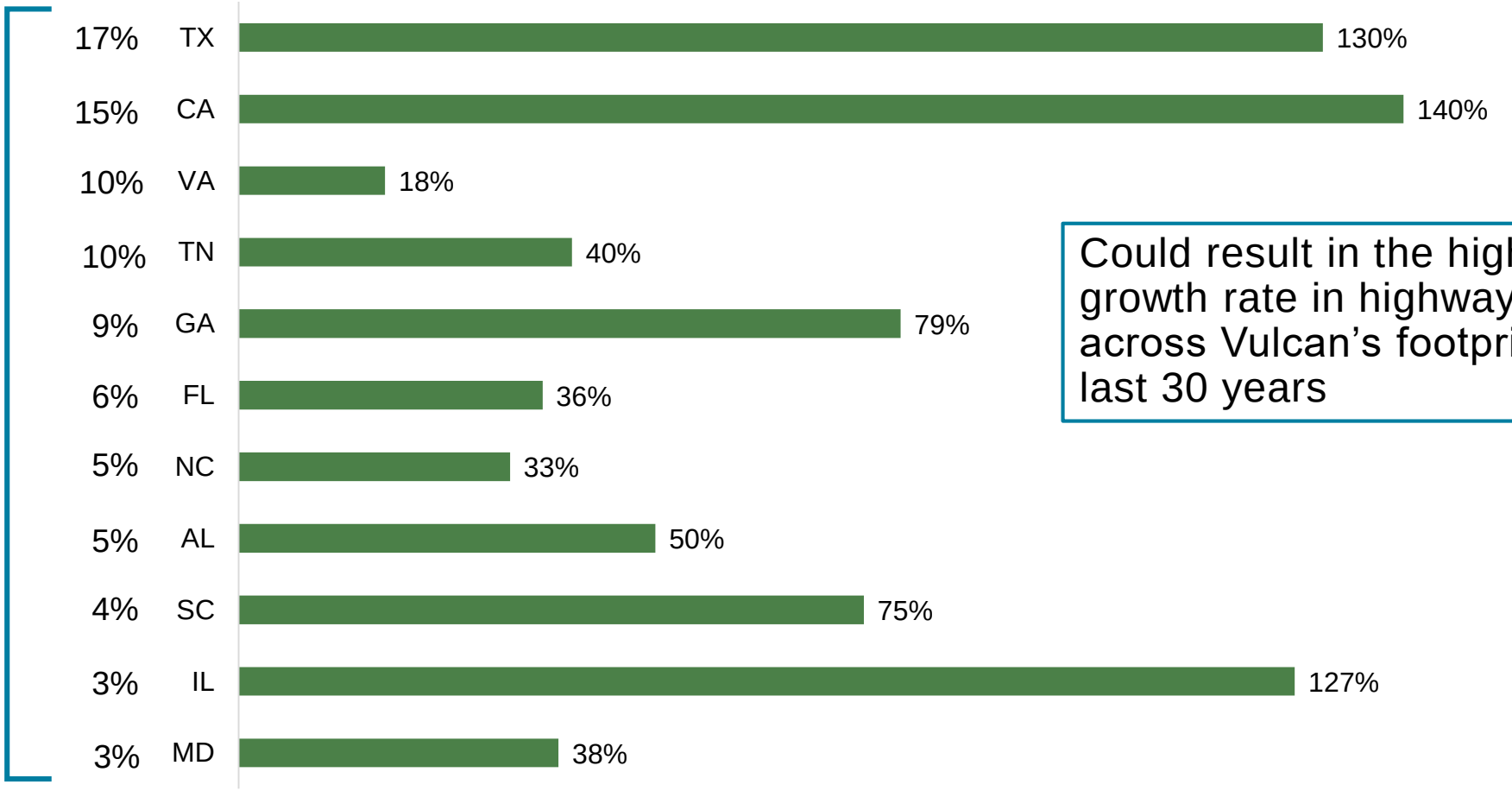
Moody's Analytics, August 2019

Strong State Transportation Funding

Vulcan is well-positioned to capitalize on an average 60% increase in revenue for highways

87%

of VMC 2019 Total Revenues are produced in these states



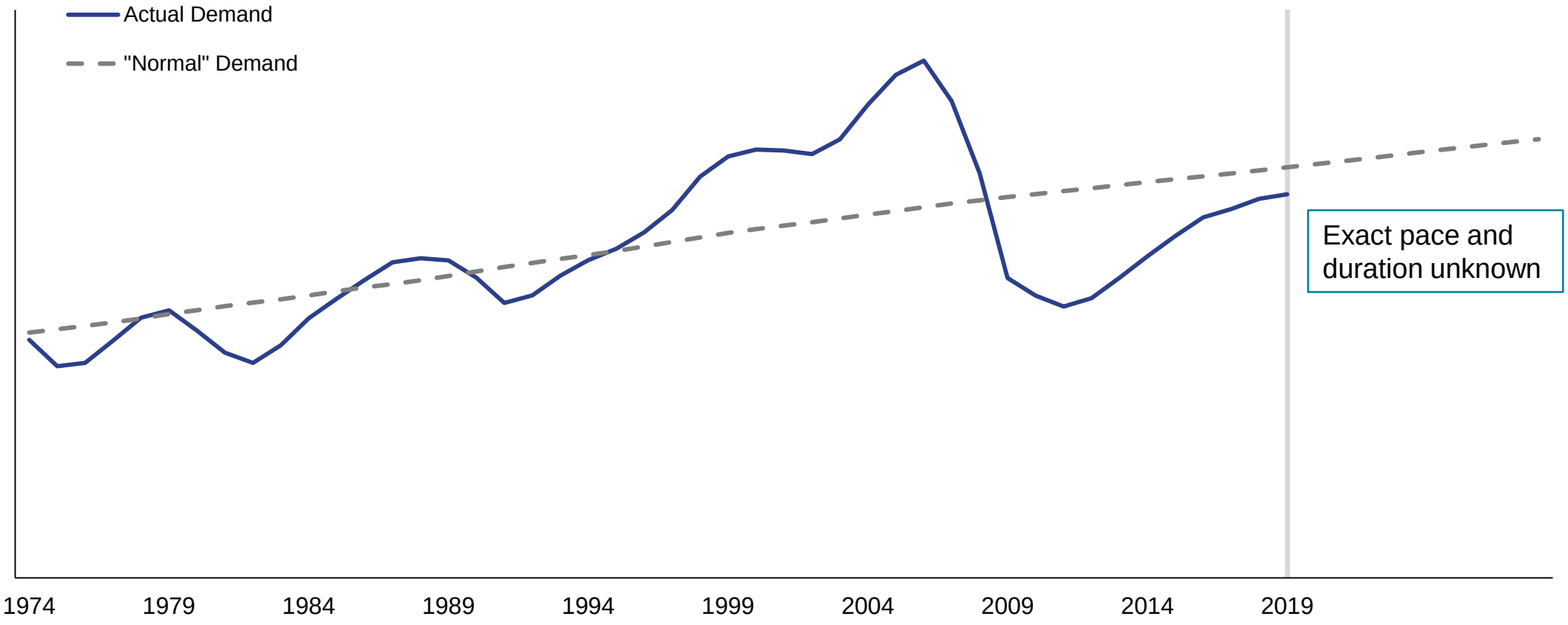
Could result in the highest growth rate in highway demand across Vulcan's footprint in the last 30 years

Note: Percent increase is calculated as the change in funding from the base year (year signed into law) to the year of full implementation of new revenue collections. Project spending may not align with revenue collections.

Returning to Normalized Demand

Aggregates demand remains below “normal” historic levels

Normal Demand = Long-term average of demand



No specific timetable for recovery to normal demand. The company believes a full recovery in aggregates demand may take several years.
Actual future results will depend on many factors, including the ultimate pace of recovery in demand for aggregates.
Sources: USGS and Company estimates.

Underlying Demand Drivers Remain Firmly In Place

Slower but bigger public demand with advantage to Vulcan given our market positions

Private Demand

- ✓ Current imbalance of housing stock and housing demand
- ✓ Current interest rate environment
- ✓ Household income and wage gains
- ✓ Population growth
- ✓ Total employment
- ✓ Household formations

Public Demand

- ✓ Sea-change in state and local funding
- ✓ Growth in public construction just beginning to contribute to this recovery
- ✓ Multi-year federal transportation bill
- ✓ Record state tax receipts
- ✓ Population growth
- ✓ Public investment ~20% below 45-year average; unsustainable under-investment
- ✓ Increasing political awareness and acceptance of need to invest in infrastructure

Five Core Disciplines We Concentrate On Every Day

1

Sales & Marketing Excellence

Grow shipments and revenues faster than the markets as a whole

2

Operational Excellence

Achieve 60% flow through of incremental revenue

3

SAG Productivity

Drive SAG expenses to 6% of sales

4

Capital Productivity

Increase capital turnover while enhancing the efficiency of our operations

5

Portfolio Management

Improve both long-term growth and returns on capital already in place

Making the Best Better – Our Strategic Initiatives

Each effort supports both near-term performance and longer-term competitiveness

OPERATIONAL EXCELLENCE

STRATEGIC SOURCING

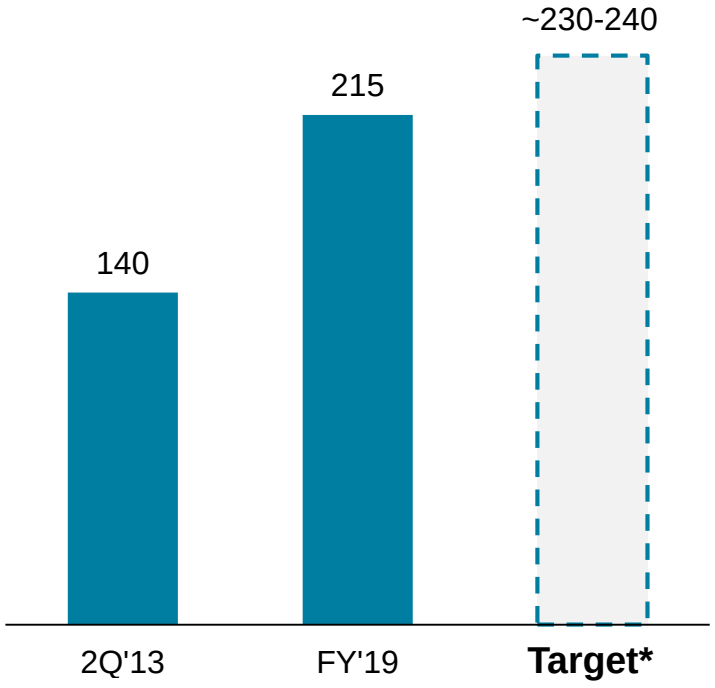
COMMERCIAL EXCELLENCE

LOGISTICS INNOVATIONS

CONTROLLING WHAT WE CAN CONTROL

Significant Upside Potential

Aggregates Volumes



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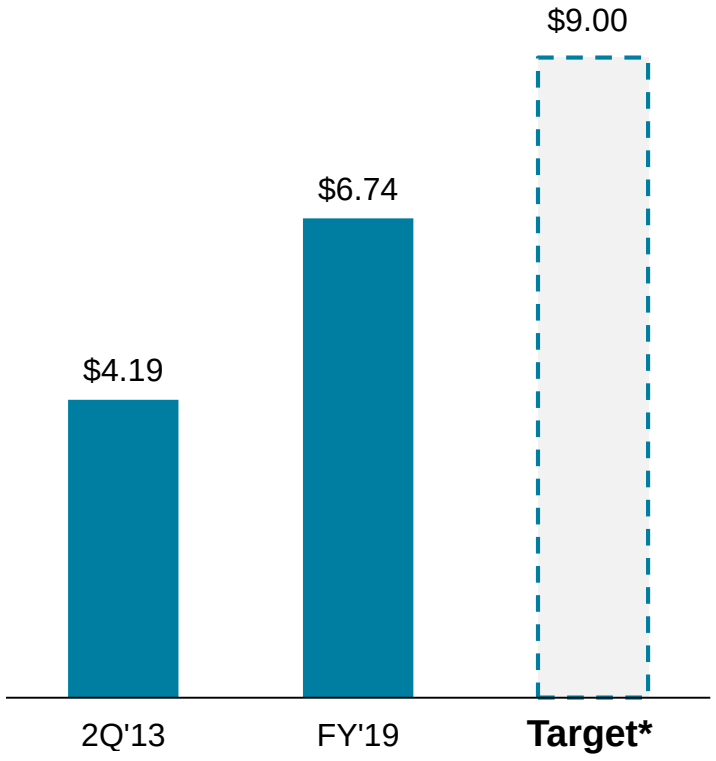
Cash Gross Profit Per Ton



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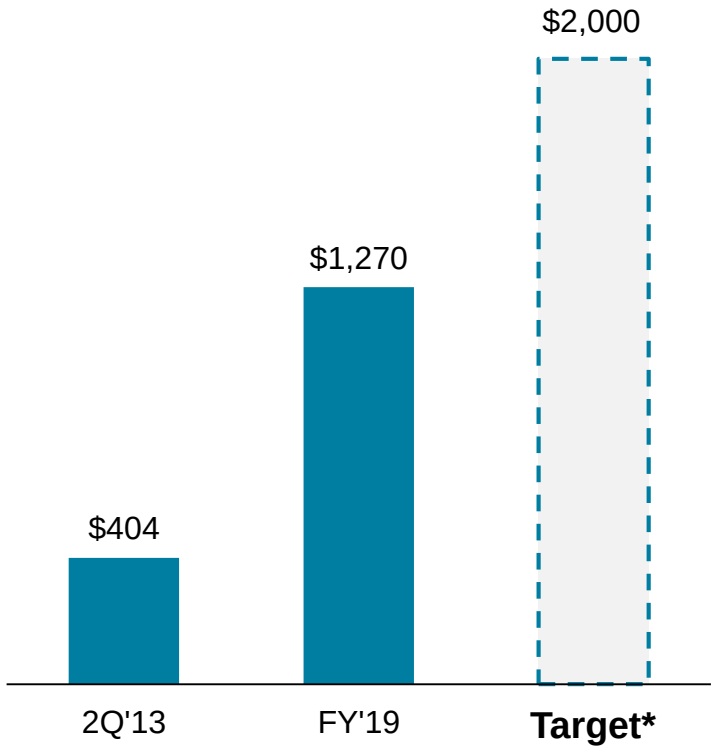
Adjusted EBITDA



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* Refer to Safe Harbor Disclaimer. Target figures reflect Vulcan's current long-range goals. Actual future results will depend on many factors, including the ultimate pace of recovery in demand for construction aggregates. The Company believes a full recovery in aggregates demand may take several years.

Capital Allocation Priorities

Unchanged priorities that drive shareholder value

1. Operating Capital

(maintain and grow value of franchise)

2. Growth Capital

(including greenfields and bolt-on acquisitions)

3. Dividend Growth with Earnings

(with a keen focus on sustainability)

4. Return Excess Cash to Shareholders

(primarily via share repurchase)

Vulcan Materials Company

Vulcan's Value Proposition

What we offer investors

Leading Building Materials Business Uniquely Positioned with an Aggregates Focus

- Largest U.S. aggregates producer with better geographic diversity
- #1 or #2 aggregates position in markets accounting for 90% of revenues
- Operational expertise and pricing performance provide attractive unit profitability growth potential
- 72% of the U.S. population growth from 2020 to 2030 is projected to occur in Vulcan-served states.[1]

Well Positioned to Benefit from Demand Growth and Operational Excellence

- 12% CAGR in Aggregates unit profitability since the recovery began
- Well positioned to further leverage fixed costs to sales as we move forward (current production at ~70% of prior peak in demand)
- Sea-change in state and local transportation funding in Vulcan states accounting for 87% of revenues
- Fundamentals remain favorable in our markets for continued growth in private construction

Strong Balance Sheet To Support Future Growth and Higher Returns on Capital

- Capacity to sustain capital reinvestment in our current asset base and fund growth
- Maintain an investment-grade credit position
- Continue to leverage current capital base to grow earnings and maximize cash generation
- Prudently pursue attractive bolt-on acquisitions and greenfields

[1] Moody's Analytics, August 2019

Vulcan
Materials Company

Contact:
ir@vmcmail.com
205-298-3220

Experienced and Skilled Management Team

J. Thomas Hill

Chairman of the Board, President and Chief Executive Officer

Tom Hill was elected chairman of the board for Vulcan Materials Company in December 2015, and president and chief executive officer in July 2014. Mr. Hill has been with Vulcan for more than 25 years, serving in a variety of operations and general management assignments of increasing responsibility since first joining the Company in 1979. Prior to being named CEO, Mr. Hill was executive vice president and chief operating officer for the Company, having previously served as senior vice president of Vulcan's South Region. Mr. Hill has also served as president of Vulcan's former Florida Rock Division, as well as the Company's Southwest Division.

Mr. Hill worked for Redlands Stone Products from 1990 to 1996 in sales and operations management, before rejoining Vulcan as vice president and general manager of the Company's Southwest Division.

Mr. Hill is a graduate of the University of Pittsburgh and the Wharton School of Business, Executive Management Program.

Thompson S. Baker II

Chief Operating Officer

Tom Baker is chief operating officer for Vulcan Materials Company. He previously served as senior vice president with senior corporate management responsibility for the Mideast, Southeast, Southwest and Southern & Gulf Coast Divisions. Prior to serving as senior vice president, Mr. Baker was president and chief executive officer of Patriot Transportation Holding, Inc. and Florida Rock Properties. Mr. Baker also served as president of Vulcan's Florida Rock Division from 2008 to 2010. Prior to that, Mr. Baker spent 24 years in various leadership capacities at Florida Rock Industries, Inc., before its acquisition by Vulcan in 2007.

Mr. Baker is a graduate of Davidson College with a Bachelor of Science degree in History.

Suzanne H. Wood

Senior Vice President, Chief Financial Officer and Secretary

Suzanne Wood is senior vice president and chief financial officer for Vulcan Materials Company. She joined the Company and was appointed to her current role on September 1, 2018.

Prior to joining Vulcan, Ms. Wood was group finance director and chief financial officer from 2012 to 2018 at Ashtead Group plc, a FTSE 50 international equipment rental company serving the construction industry and other markets. Previously, Ms. Wood was executive vice president and chief financial officer of Sunbelt Rentals, Inc., the North American subsidiary of Ashtead Group plc. A certified public accountant, Ms. Wood also held chief financial officer positions at Tultex Corporation and Oakwood Homes Corporation.

Ms. Wood is a graduate of Virginia Polytechnic Institute and State University.

Stanley G. Bass

Chief Growth Officer

Stan Bass is chief growth officer for Vulcan Materials Company. Mr. Bass has served in a variety of operations and general management assignments since first joining the Company in 1996. Prior to his current position, Mr. Bass was senior vice president of the West Region. He has also served as senior vice president of the Central Region and president of the Midsouth and Southwest Divisions.

Mr. Bass graduated from Virginia Military Institute with a Bachelor's Degree in Civil Engineering. He also attended the Wharton School of Business Advanced Management Program.

Mr. Bass serves on the board of the National Asphalt Pavement Association.

Appendix

Reconciliation of Non-GAAP Financial 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 EBITDA	**Actual**	**Actual**	**TTM**
(in millions)	**FY 2019**	**FY 2018**	**Q3 2013**
Net earnings (loss)	$ 617.7	$ 515.9	$ (8.2)
Income tax expense (benefit)	135.2	105.4	(43.0)
Interest expense, net	129.0	137.4	209.6
(Earnings) Loss on discontinued operations, net of tax	4.8	2.0	(3.0)
EBIT	$886.7	$760.7	$155.4
Depreciation, depletion, accretion and amortization	374.6	346.2	315.4
EBITDA	$1,261.3	$1,107.0	$470.4
Gain on sale of businesses	(13.4)	(2.9)	(73.0)
Property donation	10.8	-	
Business Interruption claims recovery	-	(2.3)	-
Charges associated with divested operations	3.0	18.5	1.2
Business development	1.7	5.2	-
Restructuring charges	6.5	6.2	5.0
Adjusted EBITDA	$1,270.0	$1,131.7	$403.6

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Appendix

Reconciliation of Non-GAAP Financial Measures

Cash Gross Profit

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

Aggregates Segment			**TTM**
(in millions, except per ton data)	**FY 2019**	**FY 2018**	**Q2 2013**
Gross profit	$1,146.6	$991.9	$358.1
DDA&A	305.0	281.6	229.2
Segment cash gross profit	$ 1,451.7	$ 1,273.5	$ 587.3
Units shipments - tons	215.5	201.4	140.2
Aggregates segment gross profit per ton	$ 5.32	$ 4.93	$ 2.55
Aggregates segment cash gross profit per ton	$ 6.74	$ 6.32	$ 4.19

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