

Risk Factors Comparison 2025-02-21 to 2024-02-23 Form: 10-K

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An investment in Martin Marietta common stock or debt securities involves risks and uncertainties. You should consider the following factors carefully, in addition to the other information contained in this Form 10-K, before deciding to purchase or otherwise trade the Company's securities. This Form 10-K and other written reports and oral statements made from time to time by the Company contain statements that, to the extent they are not recitations of historical fact, constitute forward-looking statements within the meaning of federal securities law. Investors are cautioned that all forward-looking statements involve risks and uncertainties, and are based on assumptions that the Company believes in good faith are reasonable, but which may be materially different from actual results. Investors can identify these statements by the fact that they do not relate only to historic or current facts. The words "may," "will," "could," "should," "anticipate," "believe," "estimate," "expect," "forecast," "intend," "outlook," "plan," "project," "scheduled," and similar expressions in connection with future events or future operating or financial performance are intended to identify forward-looking statements. Any or all of the Company's forward-looking statements in this Form 10-K and in other publications may turn out to be wrong. Statements and assumptions on future revenues, income and cash flows, performance, economic trends, the outcome of litigation, regulatory compliance, and environmental remediation cost estimates are examples of forward-looking statements. Numerous factors, including potentially the risk factors described in this section, could affect the Company's forward-looking statements and actual performance. Investors are also cautioned that it is not possible to predict or identify all such factors. Consequently, the reader should not consider any such list to be a complete statement of all potential risks or uncertainties. Other factors besides those listed may also adversely affect the Company and may be material to the Company. The Company has listed the known material risks it considers relevant in evaluating the Company and its operations. The forward-looking statements in this document are intended to be subject to the safe harbor protection provided by Section 27A of the Securities Act of 1933 and Section 21E of the Exchange Act. These forward-looking statements are made as of the date hereof based on management's current expectations, and the Company does not undertake an obligation to update such statements, whether as a result of new information, future events, or otherwise, other than as required by law. For a discussion identifying some important factors that could cause actual results to vary materially from those anticipated in the forward-looking statements, see the factors listed below, along with the discussion of "~~Competition~~" under Item 1 of this Form 10-K, "~~Management's Discussion and Analysis of Financial Condition and Results of Operations~~" under Item 7 of this Form 10-K, and "~~Note A: Accounting Policies~~" and "~~Note N: Commitments and Contingencies~~" of the "~~Notes to Financial Statements~~" of the Company's consolidated financial statements included under Item 8, "~~Financial Statements and Supplemental Data~~," of this Form 10-K. Industry Risk Factors Our business depends on activity within the construction industry, which can be cyclical. Economic and political uncertainty can impede growth in the markets in which we operate. Demand for our products, particularly in the private nonresidential and residential construction markets, could decline if companies and consumers are unable to obtain credit for construction projects or if an economic slowdown causes delays or cancellations of capital projects. State and federal budget issues sometimes undermine the funding available for infrastructure spending. The lack of available credit may limit the ability of states to issue bonds to finance construction projects. As a result of these issues, several of our top revenue-generating states, from time to time, stop bidding or slow bid projects in their transportation departments. We sell most of our aggregates (our primary business) and our cement products to the construction industry and, therefore, our results depend on that industry's strength. Since our businesses depend on construction spending, which can be cyclical, our profits are sensitive to national, regional and local economic conditions and the intensity of the underlying spending on aggregates and cement products. Construction spending is affected by economic conditions, changes in interest rates, inflation, employment levels, demographic and population shifts, and changes in construction spending budgets by federal, state and local governments. If economic conditions worsen, a recession in the construction industry may occur and affect the demand for our products. ~~The recessions-~~ recession of the late 2000s ~~and early 2010s-~~ (the Great Recession) and continued decline in construction spending in the early 2010s were examples, and our shipment volumes were significantly reduced and remain below peak shipment levels, excluding the contribution of acquisitions. Construction spending can also be disrupted by terrorist activity and armed conflicts. ♦ Page Part I ♦ Item 1A – Risk Factors While our business operations cover a wide geographic area, our earnings depend on the strength of the local economies in which we operate due to the high cost to transport our products relative to their selling price. If economic conditions and construction spending decline significantly in one or more areas, particularly in our Building Materials business' top ten revenue-generating states of Texas, North Carolina, Colorado, California, Georgia, Florida, Minnesota, Arizona, South Carolina and Iowa, ~~Florida and Indiana~~, our profitability will decrease. We experienced this situation during the Great Recession. Demand for aggregates products, particularly in the infrastructure construction market, is affected by federal, state and local budget and deficit issues. Remote working trends or other factors that reduce vehicle miles driven can have a negative impact on various revenue streams that fund roadway projects. Further, delays or cancellations of projects in the nonresidential and residential construction markets, which combined accounted for 59-58% of aggregates shipments in 2023-2024, could occur if companies and consumers are unable to obtain financing for construction projects or if consumer confidence continues to be eroded by economic uncertainty. Our Building Materials business is seasonal and subject to the weather, which can significantly impact operations. ~~The~~ ~~Since the~~ heavy-side construction business is conducted outdoors. Accordingly, erratic weather patterns, seasonal changes and other weather-related conditions affect our business. Adverse weather conditions, including hurricanes and tropical storms, extreme temperatures, snow, heavy or sustained rainfall, wildfires and earthquakes,

reduce construction activity, restrict the demand for our products and impede our ability to efficiently transport material. Adverse weather conditions also increase our costs and reduce our production output as a result of power loss, needed plant and equipment repairs, time required to remove water from flooded operations and similar events. Severe drought conditions can restrict available water supplies and restrict production. Production and shipment levels of the Building Materials business' products follow activity in the construction industry, which typically is strongest in the spring, summer and fall. Because of the weather's effect on the construction industry's activity, the production and shipment levels for our Building Materials business, including all of our aggregates-related downstream operations, vary by quarter. The second and third quarters are generally subject to heavy precipitation, and, thus, are more profitable if precipitation is lighter. The first and fourth quarters, which are subject to the impacts of winter weather, are generally the least profitable, but can be more profitable if the impact of winter weather is less. Our operations in near the Atlantic Ocean and Gulf Coast regions of the United States and The Bahamas are at risk for hurricane activity, most notably in August, September and October. Our California operations are at risk for Pacific Ocean storms, wildfire activity and water use restrictions in the event of severe drought conditions. These weather events and conditions may be exacerbated by climate change in the near and long term.

Competition and Growth Risk Factors Our Building Materials business depends on the availability of quality aggregates reserves or deposits and our ability to mine them economically. Our challenge is to find quality aggregates deposits that we can mine economically, with appropriate permits, near either growing markets or long-haul transportation corridors that can economically serve applicable markets. As communities in many of our geographic markets have grown, they have settled in and around attractive quarrying locations and have imposed restrictions on mining. We try to meet this challenge by identifying and permitting sites prior to economic expansion, buying more land around our existing quarries to increase our mineral reserves, developing underground mines and expanding a distribution network that transports aggregates products by various methods, including rail and water. While our distribution network allows us to transport our products longer distances than would normally be considered economical, we can give no assurances that we will continue to be successful at this strategy. Our businesses face many competitors. Our businesses have many competitors, some of whom which are bigger larger and have more resources than we do. Some of our competitors operate on a worldwide basis. Our results are affected by the number of competitors in a market, the production capacity that a particular market can accommodate, the pricing practices of other competitors and the entry of new competitors in a market. We also face competition for some of our products from alternative products. For example, our Magnesite Specialties business competes with other chemical products that could be used instead of our magnesite-based products. In addition As other examples, our aggregates, ready mixed concrete, asphalt and paving businesses compete with recycled asphalt and concrete products that could be used in certain applications instead of new products and our cement operations compete with international competitors who import products into the United States from jurisdictions with lower production and regulatory costs and burdens. Our future growth depends in part on acquiring other businesses in our industry, and we have the ability to acquire businesses by paying all or in part with shares of our common stock. We expect to continue to grow, in part, by acquiring other businesses. In the past, we have made acquisitions to strengthen our existing locations, expand our operations and enter new geographic markets. We will continue to pursue selective acquisitions, joint ventures or other business arrangements we believe will help our Company grow. However, the continued success of our acquisition program will depend on our ability to find and buy other attractive businesses at an appropriate price and our ability to integrate acquired businesses into our existing operations. We cannot assume there will continue to be attractive acquisition opportunities for sale at reasonable prices that we can successfully integrate into our operations. We have the ability to pay all or part of the purchase price of any future acquisition with shares of our common stock. We also have the ability to use our stock to make strategic investments in other companies to complement and expand our operations. If we use our common stock in this way, the ownership interests of our existing shareholders at that time will be diluted and the price of our stock could decline. We operate our businesses with the objective of maximizing long-term shareholder return. Our integration of the acquisition or business combination with other businesses may not be as successful as projected. We have a successful history of business combinations and integration of these businesses into our heritage operations. However, in connection with the integration of any other business that we acquire, there is a risk that we will not be able to achieve such integration in a successful manner or on the time schedule we have projected or in a way that will achieve the level of synergies, cost savings or operating efficiencies we forecast from the acquisition. Any significant business acquisition or combination we might choose to undertake may require that we devote significant management attention and resources to preparing for and then integrating our business practices and operations. Based on our history, we believe we would be successful in this integration process. Nevertheless, we may fail to realize some of the anticipated benefits of any potential acquisition or other business combination that we pursue in the future if the integration process takes longer or is more costly than expected. Potential difficulties we may encounter in the integration process include the following:

- inability to successfully combine operations in a manner that permits us to achieve the synergies anticipated to result from the proposed acquisition or business combination, which would result in the anticipated benefits of the acquisition or business combination not being realized partly or wholly in the anticipated time frame currently anticipated or at all;
- lost sales and customers as a result of certain customers of either the Company or former customers of the acquired or combined company deciding not to do business with us;
- complexities associated with managing the combined operations;
- integration of personnel;
- creation of uniform standards, internal controls, procedures, policies and information systems;
- discovery of previously unknown liabilities and unforeseen increased expenses, delays or regulatory issues associated with integrating the remaining operations; and
- performance shortfalls at business units as a result of the diversion of management attention caused by completing the remaining integration of the operations.

Our acquisitions and divestitures could harm our results of operations. In pursuing our business strategy, we conduct discussions, evaluate opportunities and enter into acquisition and divestiture agreements. Acquisitions involve significant challenges and risks, including risks that:

- we may not realize a satisfactory return on our investment;
- we may not obtain required regulatory approvals and / or required financing on favorable

terms; • we may not be able to retain key personnel of acquired businesses; • we may experience difficulty in integrating new employees, business systems and technology; • our due diligence process may not identify compliance issues or other liabilities that are in existence at the time of our acquisition; • we may not be able to bring the acquired business up to our expected levels of safety standards as **soon quickly** as anticipated; • we may have difficulty entering into new geographic markets in which we are not experienced; or • we may be unable to retain the customers and partners of acquired businesses following the acquisition. Divestitures also involve significant challenges and risks, including risks that: • we may not obtain required regulatory approvals or our counterparties may not obtain required financing on favorable terms; • management time and attention may be diverted **in to** businesses held for sale; • we may have to write ~~off~~ certain assets, including those relating to goodwill and other intangibles; • we may experience difficulties in the separation of operations; and • we may lose key employees. Our cement and Magnesia Specialties businesses may become capacity- constrained. If our cement or Magnesia Specialties businesses becomes and / or remains capacity- constrained, we may be unable to timely satisfy the demand for some of our products, and any resulting changes in customers would introduce volatility to the earnings of these segments. We can address capacity needs by enhancing our manufacturing productivity, increasing the operational availability of equipment, reducing machinery down time and extending machinery useful life. Future demand for our products may require us to expand our manufacturing capacity further, particularly through the purchase of additional manufacturing equipment. However, we may not be able to increase our capacity in time to satisfy increases in demand that may occur from time to time. Our Texas cement ~~operations~~ **operation is** ~~are currently~~ capacity constrained **from time to time**, which may prevent us from satisfying customer orders and result in a loss of sales to competitors that are not capacity- constrained. **In August 2024, we completed a finishing capacity expansion project** ~~We are permitted to expand production by up to 0.8 million additional tons~~ at our Midlothian cement facility **that and are currently in the process of effecting an expansion to add added 0.545 million tons of annual incremental cement** production capacity. However, we may suffer excess capacity if we increase our capacity to meet actual or anticipated demand and that demand decreases or does not materialize **in a timely manner or at all**. Our cement business could suffer if cement or clinker imports from other countries significantly increase or are sold in the United States in violation of U. S. fair trade laws. In the past, the **U. S.** cement industry has benefited from antidumping orders imposing duties on imports of cement and clinker from other countries that violated U. S. fair trade laws. Cement operators with import facilities can purchase cement from other countries, such as those in Latin America and Asia, which could compete with domestic producers. In addition, if environmental regulations increase the costs of domestic producers compared to foreign producers that are not subject to similar regulations, imported cement could achieve a significant cost advantage over domestically produced cement. An influx of cement or clinker products from countries not subject to antidumping orders, or sales of imported cement or clinker in violation of U. S. fair trade laws, could adversely affect our cement product line. Economic, Political and Legal Risk Factors Changes in legal requirements and governmental policies concerning zoning, land use, the environment, health and safety and other areas of the law, as well as litigation relating to these matters, affect our businesses. Our operations expose us to the risk of material environmental liabilities. Many federal, state and local laws and regulations relating to zoning, land use, air emissions (including carbon dioxide and other greenhouse gases), water use, allocation and discharges, waste management, noise and dust control, mining, land reclamation and other environmental, health and safety matters govern our operations. Some of our operations require permits, which may impose additional operating standards and are subject to modification, renewal and revocation. Certain of our operations may from time to time involve the use of substances that are classified as toxic or hazardous within the meaning of these laws and regulations. Despite our extensive efforts to remain in strict compliance at all times with all applicable laws and regulations, the risk of liabilities, particularly environmental liabilities, is inherent in the operation of our businesses. These potential liabilities could result in material costs, including fines or personal injury or damages claims, which could have an adverse impact on our operations and profitability. Future events, including changes in existing laws or regulations or enforcement policies, or further investigation or evaluation of the potential health hazards of some of our products or business activities may result in additional or unanticipated compliance and other costs. We could be required to invest in preventive or remedial action, like pollution control facilities, which could be substantial or which could result in restrictions on our operations or delays in obtaining required permits or other approvals. Our operations are subject to manufacturing, operating and handling risks associated with the products we produce and the products we use in our operations, including the related storage and transportation of raw materials, explosives, products, hazardous substances and wastes. We are exposed to hazards, including storage tank leaks, explosions, discharges or releases of hazardous substances, exposure to dust, and the operation of mobile equipment and manufacturing machinery. These risks can subject us to potentially significant liabilities relating to personal injury, death or property damage, and may result in significant civil or criminal penalties, which could **hurt damage** our productivity or profitability. For example, from time to time, we investigate and remediate environmental contamination relating to our prior or current operations, as well as operations we have acquired from others, and, in some cases, we have been or could be named as a defendant in litigation brought by governmental agencies or private parties to investigate or clean up such contamination. We are involved from time to time in litigation and claims arising from our operations. While we do not believe the outcome of pending or threatened litigation will have a material adverse effect on our operations or our financial condition, an unexpected and material adverse outcome in a pending or future legal action could potentially have a negative effect on our Company. Legislation or regulations to address climate change and transition to a low- carbon economy may adversely impact our business, including financial impacts. A number of governmental bodies, including ~~the~~ **U. S. Congress regulatory agencies** and various U. S. states, have proposed, enacted or are contemplating legislative and regulatory changes to mitigate or address the potential impacts of climate change, including provisions for greenhouse gas (GHG) emissions reductions or the use of alternative fuels, carbon credits (such as a cap- and- trade system) and a carbon tax. For example, in the United States, the United States Environmental Protection Agency (USEPA) promulgated a mandatory reporting rule covering GHG emissions from sources considered to be large emitters. Our cement ~~plants~~ **plant and**, as well as

our Magnesia Specialties plants are strictly regulated with respect to GHG emissions and hold Title V Permits under USEPA regulations, and each (other than the Manistee Michigan facility) is also subject to the U. S. Clean Air Act's Prevention of Significant Deterioration (PSD) requirements which require a permit program for certain new or modified sources of emissions. If future modifications to our Magnesia Specialties or cement facilities require PSD review for other pollutants, GHG permitting requirements may also be triggered, which could require us to incur significant additional costs. It is not possible, however, to estimate the cost of any future requirements at this time. ~~In 2021, a pair of executive orders and a presidential memorandum were issued making climate change central to U. S. policy and setting out several administrative priorities and undertakings to reduce GHG emissions. The United States reentered the Paris Agreement in January 2021 and later announced the U. S. reduction commitments under the Paris Agreement, including a 50 % to 52 % economy-wide reduction in net GHG emissions from 2005 levels by 2030. The United States has also entered a pact with 103 countries and jurisdictions, known as the Global Methane Pledge, to reduce global methane emissions by 30 % from 2020 levels by the end of the decade. Although it is impossible to determine the actions the federal government will ultimately take to implement these or other orders, commitments and laws, or the full scope, timing or ramifications of such measures, the United States, like other signatories to the Paris Agreement, is currently pursuing a goal of a Net Zero GHG by 2050. It is also possible that the USEPA and other agencies will use their rule-making authority and procurement decisions to further address climate change.~~ Various states where we have operations have enacted or are considering climate change initiatives as well, and we have been and may continue to be subject to state regulations in addition to any federal laws and rules that are passed. For example, California has had a cap- and-trade program for emissions rights since 2012. In addition, in October 2023, California adopted its California Climate Accountability Package which includes annual reporting of Scope 1, Scope 2 and Scope 3 emissions on a phased- in implementation schedule, climate- related risk reporting for certain companies and heightened disclosure standards around net zero emissions claims, carbon- neutral claims or significant GHG emissions reduction claims and the purchase or use of voluntary carbon offsets used to achieve those claims. These and other state climate- related regulations may result in significantly higher compliance costs and risks. In addition, although our aggregates, ready mixed concrete, asphalt and paving operations are not considered "major" sources of GHG emissions subject to the USEPA reporting rule, any additional regulatory restrictions on emissions of GHGs imposed by the USEPA would likely impact our magnesia- based chemicals operations in Woodville, Ohio, and Manistee, Michigan, as well as our cement ~~operations-~~ **operation** in Texas, which in **2023 2024** filed annual reports of GHG emissions as required by the USEPA reporting rule. We may not be able to recover any increased operating costs, taxes or capital investments (other than with respect to any carbon reduction or capture technologies) relating to GHG emission limitations at those plants from our customers in order to remain competitive in pricing in the relevant markets. Our businesses also are dependent on reliable sources of energy and fuels. We could incur increased costs or disruptions in our operations if climate change legislation and regulation (including regulatory changes with respect to alternative fuel use) or severe weather affect the price or availability of purchased energy or fuels or other materials used in our operations. While we do not currently believe such requirements will have a material adverse effect on the financial condition or results of the operations of either the Magnesia Specialties business or Building Materials business, in light of the various regulatory uncertainties, **the Company cannot presently** it is very difficult at this time to reasonably- predict the costs of any future compliance requirements. We continue to monitor GHG regulations and legislation and its potential impact on our business, financial condition and product demand. ~~Climate change~~ **Weather patterns** may result in physical impacts that could have adverse effects on our operations or financial condition. Given the nature of our operations, physical impacts **of weather patterns** may include disruptions in production, regional supply or product distribution networks, as well as negative impacts on the price or availability of purchased energy or fuels, due to major storm events or other severe weather, shifts in regional rainfall and temperature patterns and intensities, and flooding from sea level changes. In addition, production and shipment demand for our Building Materials business correlate with general construction activity and rely on road, rail and water transportation networks, most of which occurs outdoors and, as a result, is affected by erratic weather patterns, seasonal changes and other unusual or unexpected weather- related conditions, which can significantly affect that business. In our cement and downstream businesses, the physical impacts of ~~climate change~~ **weather patterns** may result in disruptions to our operations and to our customers' transportation activities, including impacts on production capabilities and capacities, supply chain interruptions and project delays, which can impact our reputation and result in additional costs to our Company. Excessive rainfall and other severe weather events also jeopardize production, shipments and profitability in all markets served by our Building Materials business. In particular, our operations in the Atlantic **Ocean** and Gulf Coast regions of the United States and The Bahamas are at risk for hurricane activity, most notably in August, September and October. In addition, our California operations are at risk for wildfires, which is exacerbated by drought, which may also result in water restrictions. **Throughout 2024**, while recent unprecedented storms and flooding have caused operational delays and challenges **across much** ~~Increased intensity and frequency of extreme weather events have been linked to climate change, and further global warming may increase the risk of adverse weather conditions~~ **Company's geographic footprint**. ~~Climate and inclement~~ **Inclement** weather can also reduce the useful life of an asset. These and other ~~climate~~ **weather** - related risks, such as a downturn in the construction sector due to harsh weather, significant precipitation or other changes in weather, could impact our customers, which could lead to reduced demand for our products. We may not be able to pass on to our customers all the costs related to mitigating these risks. Our business is dependent on funding from a combination of federal, state and local sources. Our products are used in public infrastructure projects, which include the construction, maintenance and improvement of highways, streets, roads, bridges, schools and similar projects. Accordingly, our business is dependent on the level of federal, state and local **government** spending on these projects. We cannot be assured, however, of the amount and timing of appropriations for spending on infrastructure projects. Our businesses could be impacted by rising **or sustained high** interest rates. Our operations are highly dependent upon the interest rate- sensitive construction and steelmaking industries. Therefore, our business in these industries

may **experience decline** ~~declines~~ from **sustained high or** rising interest rates and cost increases. Notably, demand in the residential construction market in which we sell our aggregates products is affected by interest rates. ~~The~~ **While the** Federal Reserve **raised** ~~lowered~~ interest rates **throughout** ~~several times during~~ **2023-2024** ~~to attempt to address high inflation,~~ **they remain above historical levels**. Sustained high interest rates may affect our business in an adverse manner. The residential construction market accounted for **24-23** % of our **2023-2024** aggregates shipments. ~~Aside from these inherent risks from within our operations, our earnings are also affected by changes in short-term interest rates. However, rising interest rates are not necessarily predictive of weaker operating results.~~ Rising interest rates could also result in disruptions in the credit markets, which could affect our business, as described in greater detail under **"** ~~Disruptions in the credit markets could affect our business~~ **"** risk factor. Increases in our effective income tax rate may harm our results of operations. A number of factors may increase our future effective income tax rate, including: • governmental authorities increasing ~~taxes~~ **tax rates** or eliminating deductions, particularly the depletion deduction; • the mix of earnings from depletable versus non- depletable businesses; • the jurisdictions in which earnings are taxed; • the resolution of issues arising from tax audits with various tax authorities; • changes in the valuation of our deferred tax assets and liabilities; • adjustments to estimated taxes upon finalization of various tax returns; • changes in **the available availability of** tax credits; • changes in stock- based compensation; • the write- off of nondeductible goodwill resulting from divestitures; • other changes in tax laws; and • the interpretation of tax laws and / or administrative practices. ~~The Infrastructure Investment and Jobs Act imposes a minimum corporate income tax rate of 15% on companies with at least \$1 billion of pretax earnings.~~ Any significant increase in our future effective income tax rate could reduce our net earnings and free cash flow for future periods. **Investor and stakeholder focus on Climate** ~~climate~~ change and sustainability matters and any related reporting obligations may impact our businesses. Investors, other stakeholders, and U. S. and international regulators are often focused on climate change and sustainability matters. For example, new **and** proposed ~~U-~~ **U-** laws ~~and~~ regulations **and investor and proxy advisory guidelines** relating to and requiring disclosure of such matters, including those relating to sustainability, **emissions** ~~climate change~~, supply chain, **and** human capital **management and diversity**, are under consideration or being adopted, or may be proposed in the future. These requirements have resulted in and may continue to result in our need to make additional investments and implement new practices and reporting processes, all entailing management attention and additional compliance risk. Any failure or perceived failure to achieve or accurately report on our current or future **climate sustainability** - related commitments, including our GHG reduction and net zero **ambition and** targets, and any differences between our commitments and those of any companies to which we are compared, could harm our reputation, adversely affect our ability to effectively compete (including as a result of disclosure of proprietary information regarding our plants or changes in our ability to raise capital), adversely affect our recruitment and retention efforts or expose us to potential legal liability. In addition, while we are committed to pursuing our sustainability objectives, there is no assurance that we will achieve any of our sustainability goals or commitments, that low- or non- carbon- based energy sources and technologies required to meet long- term emissions reductions in some of the sectors in which we operate will be available at scale in the United States on an economically feasible basis or that **we or** our suppliers can meet sustainability, **diversity** **emissions reductions** and other standards that are required by current or future laws or established as investment criteria, voting guidelines or activism triggers by our investors and other stakeholders. Failure to meet these commitments could result in reputational harm to our Company and changes regarding climate risk management and practices may result in higher regulatory and compliance risks and costs. Our businesses could be adversely affected by outbreak of disease, epidemic or pandemic, or similar public health threat, or fear of such an event and its related economic and societal response. Our businesses could be negatively impacted by the widespread outbreak of an illness or other communicable disease, or any other public health crisis that results in economic and trade disruptions. Public health threats can negatively impact economic activity, consumer confidence and discretionary spending, and overall market conditions and these conditions could have an impact on our Company to the extent that they occur in regions where our Building Materials business principally operates. Further, outbreaks of illnesses could negatively affect the health of our employees, employee productivity, customer purchasing patterns and fulfillment of purchase orders, availability of supplies, pricing for raw materials and the ability to transport materials via the Company' s distribution network. We actively monitor public health situations as part of our health and safety measures **and acted during the COVID-19 pandemic** to comply with federal, state and local mandates and to protect the health and safety of our employees. We may take further actions that alter our business operations, including any that may be required by federal, state or local authorities or that we determine are in the best interests of our employees, customers, suppliers, vendors, communities and other stakeholders as we adapt to public health events from time to time. Personnel Risks Labor disputes could disrupt operations of our businesses. Labor unions ~~represent~~ **represented** 14 % of the hourly employees of our Building Materials business and all of the hourly employees of our Magnesia Specialties business **as of December 31, 2024**. Our collective bargaining agreements for employees of our Magnesia Specialties business at the Woodville, Ohio, lime plant and the Manistee, Michigan magnesia chemicals plant expire in June 2026 and August 2027, respectively. Disputes with our trade unions, or the inability to renew our labor agreements, could lead to **strikes work stoppages** or other actions that could disrupt our businesses, raise costs and reduce revenues and earnings from the affected locations. We depend on the recruitment and retention of qualified personnel, and our failure to attract and retain such personnel could adversely affect our business. Our success depends to a significant degree upon the continued services of, and on our ability to attract and retain, our key personnel and executive officers, including qualified management, technical, marketing and sales, and support personnel. Competition for such personnel is intense, and we may not be successful in attracting or retaining such qualified personnel, which could negatively affect our business. In addition, because of our reliance on our senior management team, the unanticipated departure of any key member could have an adverse effect on our business. Our future success depends, in part, on our ability to identify and develop or recruit talent to succeed our senior management and other key positions throughout the organization. If we fail to identify and develop or recruit successors, we are at risk of being harmed by the departures of these key employees. Effective

succession planning is also important to our long- term success. Failure to ensure effective transfer of knowledge and smooth transitions involving key employees could hinder our strategic planning and execution. Our reputation,ability to do business and results of operations could be impaired by improper conduct by any of our employees,agents or business partners.We are subject to regulation under a wide variety of U.S.federal and state and some non- U.S.laws,regulations and policies,including laws related to anticorruption,antibribery,export and import compliance,antitrust and money laundering,due to our operations.We cannot provide assurance that our compliance policies and internal controls will always protect us from the improper conduct of our employees,agents and business partners.Any violations of law or improper conduct could damage our reputation and,depending on the circumstances,subject us to,among other things,civil and criminal penalties,material fines,equitable remedies (including profit disgorgement and injunctions on future conduct),securities litigation and a general loss of investor confidence,any one of which could have a material adverse impact on our business prospects,financial condition,results of operations,cash flows and the market value of our stock. Investment returns on our pension assets may be lower than expected, or interest rates may decline, requiring us to make significant additional cash contributions to our benefit plans. A portion of our current and former employees has accrued benefits under our defined benefit pension plans. Requirements for funding our pension plan liabilities are based on a number of actuarial assumptions, including the expected rate of return on our plan assets and the discount rate applied to our pension plan obligations. Fluctuations in equity market returns and changes in long- term interest rates could increase our costs under our defined benefit pension plans and may significantly affect future contribution requirements. It is unknown what the actual investment return on our pension assets will be in future years and what interest rates may be at any given point in time. We cannot therefore provide any assurance of what our actual pension plan costs will be in the future, or whether we will be required under applicable law to make future material plan contributions. **Our reputation, ability to do business..... the market value of our stock.** Financial, Accounting and Cost Management Risk Factors Our business is ~~a capital -intensive business~~. The property and machinery needed to produce our products are very expensive. Therefore, we require large amounts of cash to operate our businesses. We believe that our cash on hand, along with our projected operating cash flows and our available financing resources, is adequate to support our anticipated operating and capital needs. Our ability to generate sufficient cash flow depends on future performance, which will be subject to general economic conditions, industry cycles and financial, business and other factors affecting our operations, many of which are beyond our control. If we are unable to generate sufficient cash to operate our business, we may be required, among other things, to reduce or delay planned capital or operating expenditures. Our earnings are affected by the application of accounting standards and our critical accounting policies, which involve subjective judgments and estimates by our management. Our estimates and assumptions could be wrong. The accounting standards we use in preparing our financial statements are often complex and require that we make significant estimates and assumptions in interpreting and applying those standards. These estimates and assumptions involve matters that are inherently uncertain and require our subjective and complex judgments. If we used different estimates and assumptions or used different ways to determine these estimates, our financial results could differ. While we believe our estimates and assumptions are appropriate, we could be wrong. Accordingly, our financial results could be different, either higher or lower. We urge you to read "Critical Accounting Policies and Estimates" included under Item 7, "Management' s Discussion and Analysis of Financial Condition and Results of Operations," of the Form 10- K. The adoption of new accounting standards may affect our financial results. The accounting standards we apply in preparing our financial statements are reviewed by regulatory bodies and are periodically changed. New or revised accounting standards could, either positively or negatively, affect results reported for periods after adoption of the standards as compared with the prior periods, or require retrospective application changing results reported for prior periods. We urge you to read about our accounting policies and new accounting pronouncements in Note A: Accounting Policies of our consolidated financial statements included under Item 8, "Financial Statements and Supplementary Data," of this Form 10- K. Reports from the Public Company Accounting Oversight Board' s (PCAOB) inspections of public accounting firms continue to outline findings and recommendations that could require these firms to perform additional work as part of their financial statement audits. Our costs to respond to these additional requirements may increase. Impairment charges could have a material adverse effect on our financial results. Goodwill and other **certain** acquired intangible assets expected to contribute indefinitely to our cash flows are not amortized, but must be evaluated for impairment by management at least annually. If the carrying value of a reporting unit exceeds its fair value, the reporting unit' s goodwill is considered impaired and a non- cash charge to earnings is recorded for the difference. If the carrying value of an indefinite- lived intangible asset is greater than its fair value, the intangible asset is considered impaired and is reduced to fair value via a non- cash charge to earnings. Future events may occur that would adversely affect the fair value of our goodwill or other acquired intangible assets and require impairment charges. Such events may include, but are not limited to, lower- than- forecasted revenues **or profitability**, construction growth rates that fall below our assumptions, actions of key customers, increases in **discount interest** rates, continued economic uncertainty, higher levels of unemployment, weak consumer confidence, lower levels of discretionary consumer spending and a decline in the trading price of our common stock. We continue to evaluate the impact of economic and other developments to assess whether impairment indicators are present. Accordingly, we may be required to perform impairment tests based on changes in the economic environment and other factors, and these tests could result in impairment charges in the future. Disruptions in the credit markets could affect **our business. We have considered the current economic environment and its potential impact to** our business. Demand for aggregates products, particularly in the infrastructure construction market, has historically been negatively affected by federal and state budget challenges and the uncertainty over future highway funding levels. Further, delays to or cancellations of capital projects in the nonresidential and residential construction markets could occur if companies and consumers are unable to obtain financing for construction projects or if consumer confidence is eroded by economic uncertainty. A recessionary construction economy can also increase the likelihood we will not be able to collect all our accounts receivable from our customers. While we are protected in part by payment bonds posted by many of our customers or end- users, as well as statutory lien rights, we have

experienced delays in payment from some of our customers during **downturns especially in the construction downturns markets** and expect that we would experience such delays in the future, which would negatively affect operating cash flows. The credit environment could impact our ability to borrow money in the future. Additional financing or refinancing might not be available and, if available, may not be at economically favorable terms. Further, an increase in leverage could lead to deterioration in our credit ratings. A reduction in our credit ratings, regardless of the cause, could also limit our ability to obtain additional financing and / or increase our cost of obtaining financing. There is no guarantee we will be able to access the capital markets at financially economical interest rates, which could negatively affect our business. We may be required to obtain financing in order to fund certain strategic acquisitions, if they arise, or to refinance our outstanding debt **or for other corporate purposes**. It is possible a large strategic acquisition would require that we issue new equity and debt securities in order to maintain our investment- grade credit rating and could result in a ratings downgrade notwithstanding our issuance of equity securities to fund the transaction. We are also exposed to risks from tightening credit markets, through the interest payable on any variable- rate debt, including the interest cost on future borrowings under our credit facilities. While we believe our credit ratings will remain at a composite investment- grade level, we cannot be assured these ratings will remain at those levels. Also, while we believe ~~our the~~ Company will continue to have adequate credit available to meet its needs, there can be no assurance of that **such credit will be available on acceptable terms or on a timely basis**. Our Magnesia Specialties business faces currency risks from its overseas activities. Our Magnesia Specialties business sells some of its products outside the United States. Therefore, the operations of the Magnesia Specialties business are affected from time to time by the fluctuating values of the currency exchange rates of the countries in which it does business in relation to the value of the U. S. Dollar. The business tries to mitigate the short- term effects of currency exchange rates by ~~primarily~~ denominating sales in the U. S. Dollar. This still leaves the business subject to certain risks, depending on the strength of the U. S. Dollar. Unexpected equipment failures, catastrophic events and scheduled maintenance may lead to production curtailments or shutdowns. Our manufacturing processes are dependent upon critical pieces of equipment, such as our kilns and finishing mills. This equipment, on occasion, is out of service as a result of planned or unplanned maintenance, failures or damage during accidents. In addition to equipment failures, our facilities are also subject to the risk of catastrophic loss due to unanticipated events, such as fires, explosions or violent weather conditions. We have scheduled outages that can range from one to several weeks at least once a year to refurbish our cement and dolomitic lime production facilities. In ~~2023-2024~~, our cement and Magnesia Specialties operations incurred shutdown costs of \$ ~~22.38.4~~ million and \$ ~~9.9~~ million, respectively. Any significant interruption in production capability may require us to make significant capital expenditures to remedy problems or damage as well as cause us to lose revenue due to lost production time. Our paving operations present additional risks to our business. Our paving operations face challenges when our contracts have penalties for late completion. In some instances, including many of our fixed- price contracts, we guarantee project completion by a certain date. If we subsequently fail to complete the project as scheduled, we may be held responsible for costs resulting from the delay, generally in the form of contractually agreed- upon liquidated damages. Under these circumstances, the total project cost could exceed our original estimate, and we could experience a **lower** loss of profit or a loss on the project. In our paving operations, we also have fixed- price and fixed- unit- price contracts where our profits can be adversely affected by a number of factors beyond our control, which can cause our actual costs to materially exceed the costs estimated at the time of our original bid. These same issues and risks can also impact some of our contracts in our asphalt and ready mixed concrete operations. These risks are somewhat mitigated by the fact that a majority of our road paving contracts are for short- term projects. Our ready mixed concrete and asphalt and paving product lines have lower profit margins and operating results can be more volatile. Our ready mixed concrete and asphalt and paving operations typically generate lower profit margins than our aggregates and cement operations due to potentially volatile input costs, highly competitive market dynamics and lower barriers to entry. To reduce our exposure to fluctuations in raw materials costs, we divested ~~our ready mixed concrete operations in Colorado and Central Texas in 2022~~. Additionally, on February 9, 2024, we sold 20 ready mixed concrete plants serving the Austin and San Antonio, Texas, region **regions in February 2024**. Suppliers, Raw Materials and Energy Costs Risk Factors Short supplies and high costs of fuel, energy and raw materials affect our businesses. Our businesses require a continued supply of diesel fuel, natural gas, coal, petroleum coke and other energy. Our financial results have historically been affected by the short supply or high costs of these fuels and energy. Changes in energy costs also affect the prices that we pay for related supplies, including explosives, conveyor belting and tires. While we can contract for some fuels and sources of energy, such as fixed- price supply contracts for natural gas, coal and petroleum coke, significant increases in costs or reduced availability of these items have and may in the future reduce our financial results. Moreover, fluctuations in the supply and costs of these fuels and energy can make planning for our businesses more difficult. Because of the fluctuating trends in diesel fuel prices, we may enter into fixed- price fuel agreements from time to time for a portion of our diesel fuel to reduce our diesel fuel price risk. Cement production requires large amounts of energy, including electricity and fossil fuels. **Energy costs represented 18 % of the 2023 total cost of revenues, excluding inventory change, for our cement operations**. Therefore, the cost of energy is one of our largest expenses. Prices for energy are subject to market forces largely beyond our control and can be volatile. Cost increases that we are unable to pass through to the customer in the form of price increases for our products or disruption of the uninterrupted supply of fuel and electricity could adversely affect us. Accordingly, energy cost volatility can adversely affect the financial results of our cement ~~operations business~~. The **Midlothian cement operations- operation have has** fixed- price agreements for a portion of ~~their~~ **its anticipated 2024-2025** coal, electricity and natural gas needs. Similarly, our downstream operations also require a continued supply of liquid asphalt and cement, which serve as key raw materials in the production of hot mix asphalt and ready mixed concrete, respectively. Some of these raw materials we produce internally, but most are purchased from third parties. These purchased raw materials are subject to potential supply constraints and significant price fluctuations, which are beyond our control. The financial results of our ready mixed concrete and asphalt and paving operations have been affected by the short supply or high costs of these raw materials. We generally see frequent volatility in the prices for

these raw materials. Our Magnesia Specialties business has fixed-price agreements for 81-43 % of its **anticipated 2024-2025** coal, petroleum coke and natural gas needs. Cement is sensitive to supply and price volatility. Cement competition is often based primarily on price, which is highly sensitive to changes in supply and demand. Prices fluctuate significantly in response to relatively minor changes in supply and demand, general economic conditions and other market conditions, which we cannot control. When cement producers increase production capacity or more cement is imported into the market, an oversupply of cement in the market may occur if supply exceeds demand. In that case, cement prices generally decline. We cannot be assured that prices for our cement products ~~will not decline in the future or that such decline will not have a material adverse effect on our cement product line.~~ Our Magnesia Specialties business depends in part on the steel industry and the supply of reasonably priced fuels. Our Magnesia Specialties business sells some of its products to companies in the steel industry. **Accordingly** ~~While we have reduced this risk over the last few years,~~ this business is ~~still~~ dependent, in part, on the strength of the cyclical steel industry. Our Magnesia Specialties business also requires significant amounts of natural gas, coal and petroleum coke, and financial results are negatively affected by increases in fuel prices or shortages. Cyber and Information Security Risk Factors We are dependent on information technology and our systems and infrastructure face certain risks, including cybersecurity risks and data leakage risks. **We** ~~Our operations rely on the secure processing, storage and transmission of confidential, sensitive, proprietary and other types of information~~ **technology** relating to our business operations, as well as confidential and sensitive information about our customers and employees maintained in our computer systems and networks, **some** certain products and services and in the computer systems and networks of our **which are managed by** third-party vendors, including cloud-based systems and managed service providers, **to operate our business and to securely process, store and transmit confidential, sensitive and proprietary information relating to our business operations including sensitive information about our customers and employees.** Cyber threats are rapidly evolving as threat actors have become increasingly sophisticated and carry out direct large-scale, complex attacks against a company **and are reportedly using artificial intelligence to increase the virulence of attacks.** In addition, we have relied on our information technology infrastructure to support remote work from time to time and may need to do so in the future, which can increase cyber risks. We are not able to anticipate or prevent all such attacks and could be held liable for any resulting material security breach or data loss. In addition, it is not always possible to deter **or detect** misconduct by employees or third-party vendors. While we have experienced attacks to breach the security of our information technology systems, we are not aware that we have experienced a material cybersecurity incident during the ~~2023-2024~~ **2024** fiscal year. Breaches of our technology systems, or those of our vendors and customers, whether from circumvention of security systems, denial-of-service attacks or other cyber-attacks, hacking, "phishing" or "quishing" attacks, computer viruses, ransomware or malware, employee or insider error, malfeasance, social engineering, vendor software supply chain compromises, physical breaches or other actions, may result in manipulation or corruption of sensitive data, material interruptions or malfunctions in our Company's or such vendors' and customers' websites, applications, data processing and certain products and services, or disruption of other business operations. Furthermore, any such breaches could compromise the confidentiality and integrity of material information held by our Company (including information about our business, employees or customers), as well as sensitive personally identifiable information, the disclosure of which could lead to identity theft **and liability under data privacy laws.** Breaches of our products that rely on technology and internet connectivity can expose our Company to product and other liability risk and reputational harm. Measures that we take to avoid, detect, mitigate or recover from material incidents ~~may be insufficient, circumvented, or may become ineffective.~~ We have invested and continue to invest in risk management and information security and data privacy measures in order to protect our systems and data, including employee training, organizational investments, incident response plans, table top exercises and technical defenses. The cost and operational consequences of implementing, maintaining and enhancing further data or system protection measures could increase significantly to overcome increasingly intense, complex and sophisticated global cyber threats. Despite our best efforts, we are not fully insulated from data breaches and system disruptions. In addition, we are subject to complex and evolving laws, rules and regulations related to cybersecurity. These laws or regulations may be subject to uncertain or inconsistent interpretations and enforcement. Any material breaches of cybersecurity, including the accidental loss, inadvertent disclosure or unapproved dissemination of proprietary information or sensitive or confidential data, or failure or perceived failure by us to comply with applicable laws, rules, or regulations, or any media reports of perceived security vulnerabilities to our systems, products and services or those of third parties relied upon by our Company could cause us to experience reputational harm, loss of customers and revenue, fines, regulatory actions and scrutiny, sanctions or other statutory penalties, litigation, liability for failure to safeguard our customers' information or financial losses that are either not insured against or not fully covered through any insurance maintained by our Company. The report, rumor or assumption regarding a potential breach may have similar results, even if no breach has been attempted or occurred. Any of the foregoing may have a material adverse effect on our business, operating results and financial condition. ~~We are exposed to risks related to compliance with data privacy laws. To conduct certain of our operations, we move data across national borders, and consequently are subject to a variety of continuously evolving and developing laws and regulations in the United States and abroad regarding privacy, data protection and data security. The scope of the laws that may be applicable to our business is often uncertain and may be conflicting, particularly with respect to foreign laws. The California Consumer Privacy Act of 2018 (CCPA), which went into effect in January 2020, provides, among other things, a new private right of action for data breaches, requires companies that process information on California residents to make new disclosures to consumers about their data collection, use and sharing practices, and provides consumers with additional rights. The California Privacy Rights and Enforcement Act, which became effective on January 1, 2023, amends and expands the CCPA, creating new industry requirements, consumer privacy rights and enforcement mechanisms. In addition, the European Union's General Data Protection Regulation (GDPR), which became effective in May 2018, greatly increased the jurisdictional reach of European Union law and added a broad array of requirements for handling personal data, including the public disclosure of significant data breaches. Our reputation and brand and our ability to attract~~

~~new customers could also be adversely impacted if we fail, or are perceived to have failed, to properly respond to security breaches of ours or third party's information technology systems. Such failure to properly respond could also result in similar exposure to liability. All of these evolving compliance and operational requirements impose significant costs that are likely to increase over time. Privacy laws that may be implemented in the future will continue to require changes to certain business practices, thereby increasing costs, or may result in negative publicity, require significant management time and attention, and may subject our Company to remedies that may harm our business, including fines or demands or orders that we modify or cease existing business practices.~~ Other Risk Factors Delays or interruptions in shipping products of our businesses could affect our operations. Transportation logistics play an important role in allowing us to supply products to our customers, whether by road, rail or water. We also rely heavily on third- party truck and rail transportation to ship coal, natural gas and other fuels to our plants. Any significant delays, disruptions or the non- availability of our transportation support system could negatively affect our operations. Transportation operations are subject to capacity constraints, high fuel costs and various hazards, including extreme weather conditions and slowdowns due to labor strikes and other work stoppages. In Texas, we compete for third- party trucking services with operations in the oil and gas fields, which can significantly constrain the availability of those services to us. If there are material changes in the availability or cost of transportation services, we may not be able to arrange alternative and timely means to transport our products or fuels at a reasonable cost, which could lead to interruptions or slowdowns in our businesses or increases in our costs. The availability of railcars can also affect our ability to transport our products. Railcars can be used to transport many different types of products across all of our segments. If owners sell or lease railcars for use in other industries, we may not have enough railcars to transport our products. We have ~~long-term~~ agreements with shipping companies to provide ships to transport our aggregates products from our Bahamas and Nova Scotia operations to various coastal ports that expire in 2026 and 2027, respectively. Our inability to renew these agreements or enter into new ones with other shipping companies could affect our ability to transport our products. Some of our products are distributed by barges along rivers in Ohio and West Virginia. We may experience, to a lesser degree, risks associated with distributing our products by barges, including significant delays, disruptions or the non- availability of our barge transportation system that could negatively affect our operations, water levels that could affect our ability to transport our products by barge, and barges that may not be available in quantities that we might need from time to time to support our operations. Our articles of incorporation and bylaws and North Carolina law may inhibit a change in control that you may favor. Our restated articles of incorporation and restated bylaws and North Carolina law contain provisions that may delay, deter or inhibit a future acquisition of us not approved by our Board of Directors. This could occur even if our shareholders are offered an attractive value for their shares or if many or even a majority of our shareholders believe the takeover is in their best interest. These provisions are intended to encourage any person interested in acquiring us to negotiate with and obtain the approval of our Board of Directors in connection with the transaction. Provisions that could delay, deter or inhibit a future acquisition include the following: • the ability of our Board of Directors to establish the terms of, and issue, preferred stock without shareholder approval; • the requirement that our shareholders may ~~only~~ remove directors **only** for cause; • the inability of our shareholders to call special meetings of shareholders; • super- majority shareholder approval requirements for business combination transactions with certain five percent shareholders; and • advance notice requirements for nominations for election to our board or for proposing matters that can be acted upon by our shareholders at shareholder meetings. Additionally, the occurrence of certain change- of- control events could result in an event of default under certain of our existing or future debt instruments.