One Year Price Chart

July 17, 2013

Marten Transport, Ltd.
MRTN – NASDAQ
Hold
Trucking/Logistics

Analysis of Sales/Earnings

Missed Street By $0.01, But 2H13 EPS Comps Should Get Easier; Maintain Hold

- **Missed Street by $0.01:** reported 2Q13 EPS of $0.23. In addition, 2Q13 EPS missed our $0.25 Stifel estimate by $0.02. Year-over-year 2Q13 EPS were flat. Relative to our EPS estimate, revenue came in slightly lower and the company's operating ratio, net of fuel surcharge revenue, was 40 basis points higher, leading to the miss.
- **Total operating revenues increased 2.8% y/y** to $161.4 million, driven by a 5.5% increase in Truckload segment revenue. The Truckload segment increase was driven by a 3.5% y/y increase in average truck count and a 2.8% increase in utilization somewhat offset by a 1.1% y/y decline in yield. Logistics segment revenue grew 21% y/y, excluding the deconsolidated MWL segment, due to a 41% increase in intermodal loads handled.
- **2Q13 operating ratio, net of fuel surcharge revenue, unfavorably increased 30 basis points y/y to 89.9%.** The 2Q13 OR would be considered solid had the company not posted its best OR in the past 27 quarters a year earlier in 2Q12. Driving the unfavorable y/y variance were increases in depreciation and insurance/claims expenses as a percentage of revenue, which were somewhat offset by a decline in fuel and fuel taxes, net of total fuel surcharge revenue, as a percentage of revenue.
- **Balance sheet ended 2Q13 with $7.4 million in debt and a small cash balance:** debt-to-total capitalization ended the quarter at a minuscule 2.1%.
- **We are tweaking our 2013, 2014, and 2015 EPS estimates downward slightly.** Our updated estimates decrease from $0.96, $1.06, and $1.17, respectively, to $1.93, $1.04, and $1.15, mainly to reflect the softer pricing environment and 2Q13 EPS miss. However, we believe the company is set up for meaningful EPS improvement in 2H13 as 1) reefer freight demand continues to outperform general dry van freight demand, 2) the company laps its implementation of driver pay increases in 3Q12, and 3) we expect a continuance of the company's improvement in tractor productivity/utilization metrics.
- **Maintaining our Hold rating.** Our 12-month fair value estimate becomes $17 (or 14.5x our updated 2015 EPS estimate of $1.15), but provides no upside potential over the coming 12-month horizon. In fact, shares appear slightly over-valued, in our view, trading at 17.0x our updated 2014 EPS estimate—whereas the average of the asset-based truckload carriers is trading at 16.0x our 2014 EPS estimates (excluding J.B. Hunt).

Changes	Previous	Current
Rating	—	Hold
Target Price	—	NA
FY13E EPS (Net)	$0.96	$0.93
FY14E EPS (Net)	$1.06	$1.04
FY13E Rev (Net)	$665.0	$667.2
FY14E Rev (Net)	$689.1	$698.0

Price (07/16/13):	$17.64
52-Week Range:	$18 – $11
Market Cap.(mm):	593.4
Shr.O/S-Diluted (mm):	33.6
Enterprise Val. (mm):	$611.9
Avg Daily Vol (3 Mo):	129,211
LT Debt/Total Cap.:	2.1%
Net Cash/Share:	$0.02
Book Value/Share:	$10.23
Dividend($ / %)	$0.10 / 0.6%
S&P Index	1,676.26

EPS (Net)	2012A	2013E	2014E
Q1	$0.16	$0.22A	$0.22
Q2	0.23	0.23A	0.27
Q3	0.20	0.23	0.27
Q4	0.23	0.25	0.29
FY Dec	$0.82A	$0.93	$1.04
P/E	21.5x	19.0x	17.0x

Rev (Net)	2012A	2013E	2014E
Q1	$151.5	$164.5A	$166.9
Q2	157.0	161.4A	172.7
Q3	163.6	169.4	178.5
Q4	166.4	171.9	180.0
FY Dec	$638.5A	$667.2	$698.0
EV/Revenue	1.0x	0.9x	0.9x

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All relevant disclosures and certifications appear on pages 9 - 10 of this report.

Marten Transport reported 2Q13 EPS of $0.23, $0.01 below the Street consensus estimate. In addition, 2Q13 EPS missed our $0.25 Stifel estimate by $0.02. Overall, the seven analysts carrying quarterly estimates for the company had forecasted 2Q13 EPS in a tight $0.01 range carrying a low of $0.24 and a high of $0.25. Year-over-year 2Q13 EPS were flat. Relative to our EPS estimate, revenue came in slightly lower and the company's operating ratio, net of fuel surcharge revenue, was 40 basis points higher (even with a more favorable gain on sale of equipment than anticipated), leading to the miss. Net fuel expense in the truckload operation improved y/y; we estimate that this added approximately $0.01 to 2Q13 EPS y/y. Excluding that adjustment, 2Q13 EPS would have been closer to $0.22 and down y/y.

Total operating revenues increased 2.8% y/y to $161.4 million, driven by a 5.5% increase in Truckload segment revenue. Logistics segment revenue decrease 5.8% y/y as the MWL segment was deconsolidated at the end of 1Q13**.** Excluding MWL and net of fuel surcharges, total operating revenue improved 8.9% y/y to $129.7 million and Logistics segment revenue, excluding MWL revenue, increased 20.8% y/y.

Truckload revenue, net of fuel surcharges, increased 5.5% to $100.0 million. The increase was driven by a 3.5% y/y increase in average truck count, a favorable reduction in empty mile percentage from 11.3% in 2Q12 to 10.5% in 2Q13, and a 2.8% increase in utilization (miles per tractor in the quarter). However, yield (i.e., average revenue per loaded mile excluding fuel surcharge) decreased 1.1% y/y to $1.91—but was sequentially flat. So it appears that softer reefer rates experienced during the quarter were enough to offset some of the operational improvements exhibited in the quarter's results.

Year-over-year revenue growth in the Logistics segment (intermodal and brokerage) was primarily driven by increased revenue from its intermodal segment. Intermodal segment revenue—which made up over 62% of Logistics revenue—was up 39% y/y on a 48% y/y increase in loads handled. Excluding fuel surcharge revenue, intermodal revenue increased 41% y/y. However, Marten's brokerage segment revenue decreased 1% y/y, despite a 9% increase in the number of loads brokered during the quarter.

The company's 2Q13 operating ratio, net of fuel surcharge revenue, unfavorably increased 30 basis points y/y to 89.9%. The aforementioned operating ratio is calculated by subtracting fuel surcharge revenues from total revenues and fuel expense. This version of the operating ratio, in our view, better allows us to properly gauge the company's operational improvement from one year to the next. The 89.9% OR registered in 2Q13 would be considered solid—when compared to the typical low 90s ORs seen in years past—had the company not posted its best OR in the past 27 quarters a year earlier in 2Q12. Driving the unfavorable y/y variance were increases in depreciation and insurance/claims expenses as a percentage of revenue. Salaries and wages were up as well as a percentage of revenue (result of driver pay increases enacted in 3Q12), but appear to be wholly offset by a decrease in purchased transportation as a percentage of revenue (likely from the deconsolidation of MWL). The increases in depreciation and insurance/claims were somewhat offset by a decline in fuel and fuel taxes, net of total fuel surcharge revenue, as a percentage of revenue. The decrease in fuel expense is attributed to the increase in intermodal loads, which are considerably more fuel efficient than truckload, especially the portion of intermodal moves for which the company is responsible for fuel.

Broken down by segment, the adjusted truckload operating ratio saw a 30 basis point unfavorable increase y/y to 88.6%, while the logistics segment saw an unfavorable 110 basis point y/y increase—both helped lead to the miss relative to our EPS estimate.

The company's average tractor age of 1.9 years at the end of 2Q13 is down slightly from an average of 2.0 years in 2Q12, but up from 1.8 years at the end of 1Q13. It appears that the company continued to refresh its fleet while increasing its fleet size y/y and sequentially. Average trailer age is up slightly y/y from 2.2 years at the end of 2Q12 to 2.4 years at the end of 2Q13, while total trailers in the fleet decreased by 1% y/y. At those average ages, Marten's rolling stock remains amongst the newest in the temperature controlled segment of the industry, which is a positive for the company as a new fleet leads to improved fuel efficiency, improved driver recruiting and retention, and lower maintenance costs—however, the company has experienced the aforementioned increase in depreciation costs as a result.

The company's balance sheet ended 2Q13 with $7.4 million in debt and a small cash balance. This is only the second quarter in the past two years where the company has ended with debt on its balance sheet—previously the company funded a special dividend in 4Q12 from borrowings. The debt incurred during the quarter was likely drawn in order to grow and refresh the company's tractor fleet. So, debt-to-total capitalization ended the quarter at a minuscule 2.1%. Going forward we expect the company to use its future cash flow to continue refreshing and modestly increasing the size of its tractor and temperature-controlled trailer fleets and paying down its small debt balance. In addition, the company should have no trouble continuing to pay its $0.025 quarterly dividend from internally generated cash flows. We also note that the company does not use any form of off-balance sheet financing to fund its equipment acquisitions and has a very small amount (less than $1.0 million) of operating lease payments in the future. As such, we believe the company remains in a strong financial condition and—should the company choose to pay another special dividend or find a compelling strategic acquisition—its theoretical borrowing capacity is $200+ million (say 2.0x TTM EBITDA), in our view.

We are tweaking our 2013, 2014, and 2015 EPS estimates downward slightly. Our updated estimates decrease from $0.96, $1.06, and $1.17, respectively, to $1.93, $1.04, and $1.15, mainly to reflect the softer pricing environment and 2Q13 EPS miss. However, we believe the company is set up for meaningful EPS improvement in 2H13 as 1) reefer freight demand continues to outperform general dry van freight demand, 2) the company laps its implementation of driver pay increases in 3Q12, and 3) we expect a continuance of the company's improvement in tractor productivity/utilization metrics. Our updated 2013, 2014, and 2015 EPS estimates are driven by total y/y revenue increases of 4.5%, 4.6%, and 4.8%, respectively. Those revenue increases are primarily a function of annual truckload volume increases of 6.2%, 3.5%, and 3.0%, respectively, and annual core truckload price increases of 0.4%., 2.6%, and 2.5% over the three-year forecast horizon. Lastly, our estimates are based upon operating ratio assumptions, excluding fuel surcharges, of 90.2% for 2013, 89.9% for 2014, and 89.5% for 2015.

We are maintaining our Hold rating on the common shares of Marten Transport. Our 12-month fair value estimate becomes $17 (or 14.5x our updated 2015 EPS estimate of $1.15), but provides no upside potential over the coming 12-month horizon. In fact, shares appear slightly over-valued, in our view, trading at 17.0x our updated 2014 EPS estimate—whereas the average of the asset-based truckload carriers is trading at 16.0x our 2014 EPS estimates (excluding J.B. Hunt).

Company Description

Marten Transport is one of the leading temperature-sensitive truckload carriers in the United States. The company specializes in transporting food and other consumer packaged goods that require a temperature-controlled, refrigerated, or insulated environment. Headquartered in Mondovi, WI, Marten operates primarily in the long-haul lanes between the Midwest and West Coast, between California and the Pacific Northwest, and in the Southwest, Southeast, and East Coast regions but is growing faster in the regional markets. The company also has grown significantly into intermodal and truck brokerage services, as its Logistics division now accounts for nearly 20% of operating revenue.

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Equity Comps - Transportation

Comparative Valuation Matrix

(figures in $US millions, except per share amounts)

Company name (Ticker)	Rating	Closing Price 7/16/2013	Diluted S/O	Market cap.	Total Debt	Cash & equiv.	TEV [(a)]	Equity value as a multiple of Earnings per Share 2012A[(b)]	2013E[(b)]	2014E[(b)]	Book value	Enterprise value as a multiple of TTM Revenue	2013E EBITDA	TTM EBITDA	TTM EBITDAR [(c)]	TTM EBIT	TTM ROA	TTM ROE	TTM ROIC	PEG ratio[(d)]	Div. Yield	2013E FCF Yld
Truckload																						
Celadon Group (CGI)	Buy	19.64	23.7	465.7	277.4	4.5	738.6	15.0x	17.5x	14.4x	2.1x	1.2x	6.8x	7.3x	6.9x	14.3x	5.3%	14.2%	7.2%	1.0	0.4%	-4.9%
Covenant Transport (CVTI)	NC	6.79	14.8	100.2	166.6	0.0	266.8	16.6x	22.6x	13.9x	1.1x	0.4x	NE	4.1x	4.0x	13.2x	1.1%	5.2%	3.6%	1.9	0.0%	NE
Frozen Food Express (FFEX)	NC	2.07	18.1	37.4	28.9	1.0	65.4	NM	NE	NE	1.5x	0.2x	NE	NM	4.3x	NM	NM	NM	NM	NM	0.0%	NE
Heartland Express (HTLD)	Buy	14.67	84.8	1,243.9	0.0	147.5	1,096.4	20.7x	17.9x	16.9x	4.0x	2.0x	6.5x	6.9x	6.9x	10.8x	12.1%	19.4%	19.4%	2.4	0.5%	5.7%
J.B. Hunt Transport Svcs. (JBHT)	Hold	75.48	117.9	8,899.4	674.1	5.9	9,567.6	29.1x	25.7x	21.9x	9.9x	1.8x	11.2x	12.1x	11.9x	17.4x	12.9%	40.0%	22.8%	1.5	0.8%	3.0%
Knight Transportation (KNX)	Hold	17.21	80.1	1,379.2	43.0	10.2	1,421.1	20.2x	18.7x	16.7x	2.7x	1.5x	6.7x	7.1x	7.1x	12.5x	9.1%	13.9%	12.7%	1.2	1.4%	4.6%
Landstar System (LSTR)	Hold	52.12	46.8	2,438.7	130.5	139.8	2,429.4	18.8x	19.5x	17.7x	6.0x	0.9x	10.5x	10.4x	10.3x	11.8x	15.3%	35.2%	26.2%	1.2	0.0%	5.3%
Marten Transport (MRTN)	**Hold**	**17.64**	**33.6**	**593.4**	**7.4**	**0.6**	**611.9**	**21.5x**	**19.0x**	**17.0x**	**1.7x**	**0.9x**	**5.2x**	**5.5x**	**5.4x**	**12.6x**	**5.7%**	**8.6%**	**8.4%**	**1.2**	**0.6%**	**0.0%**
P.A.M. Transportation Svcs. (PTSI)	NC	10.57	8.7	91.6	116.7	0.9	207.4	NM	NM	19.2x	0.7x	0.5x	NE	5.1x	5.0x	NM	0.3%	0.8%	1.3%	NM	0.0%	NE
Quality Distribution (QLTY)	Buy	10.59	27.9	295.6	406.9	1.2	701.3	15.3x	13.2x	10.6x	NM	0.8x	7.6x	9.4x	8.5x	13.8x	4.4%	NM	10.7%	1.1	0.0%	13.8%
Swift Transportation (SWFT)	Buy	16.93	142.1	2,405.5	1,506.4	38.7	3,873.2	16.9x	15.3x	13.4x	9.4x	1.1x	6.9x	7.1x	6.4x	11.3x	5.5%	NM	12.0%	0.8	0.0%	5.1%
Universal Truckload Svcs. (UACL)	Buy	25.91	30.1	780.0	136.0	4.8	911.2	19.2x	16.0x	14.2x	11.2x	0.9x	8.8x	9.1x	8.8x	11.2x	17.8%	69.9%	33.0%	0.7	0.0%	4.4%
USA Truck (USAK)	NC	6.40	10.5	67.3	150.1	0.3	217.0	NM	NM	NM	0.6x	0.4x	NE	8.6x	8.2x	NM	-4.5%	-13.3%	-5.0%	NM	0.0%	NE
Werner Enterprises (WERN)	Hold	24.74	73.5	1,818.1	40.0	19.5	1,838.6	17.7x	18.3x	16.3x	2.5x	0.9x	5.4x	5.5x	5.5x	11.2x	7.5%	13.5%	13.1%	1.4	0.8%	9.4%
Min				37.4	0.0	0.0	65.4	15.0x	13.2x	10.6x	0.6x	0.2x	5.2x	4.1x	4.0x	10.8x	-4.5%	-13.3%	-5.0%	0.7	0.0%	-4.9%
Mean				1,472.6	263.1	26.8	1,710.4	19.2x	18.5x	16.0x	4.1x	1.0x	7.6x	7.5x	7.1x	12.7x	7.1%	18.9%	12.7%	1.3	0.3%	4.6%
Mean (Asset-based TL only)				1,554.7	273.7	20.8	1,809.4	19.7x	19.4x	16.6x	3.3x	1.0x	7.0x	6.9x	6.5x	12.9x	5.5%	11.4%	9.5%	1.4	0.4%	3.3%
Median				686.7	133.3	4.7	824.9	18.8x	18.3x	16.5x	2.5x	0.9x	6.8x	7.1x	6.9x	12.5x	5.7%	13.9%	12.0%	1.2	0.0%	4.8%
Max				8,899.4	1,506.4	147.5	9,567.6	29.1x	25.7x	21.9x	11.2x	2.0x	11.2x	12.1x	11.9x	17.4x	17.8%	69.9%	33.0%	2.4	1.4%	13.8%
Stifel Transportation Average				**8,486.7**	**1,567.3**	**481.0**	**9,611.9**	**20.2x**	**18.3x**	**16.4x**	**3.1x**	**2.3x**	**9.1x**	**9.5x**	**6.7x**	**14.3x**	**5.2%**	**15.5%**	**10.2%**	**1.3**	**1.0%**	**2.5%**

(a) Total Enterprise Value = Market Capitalization of Equity + Total Debt - Cash + Market Value of Minority Interest

(b) Stifel estimates for those rated and First Call mean estimates for unrated securities

(c) Enterprise value adjusted to include the capitalization of off balance sheet operating leases with lease expense (or rent expense) being added back to EBITDA for the valuation multiple calculation

(d) 2014E P/E divided by First Call mean or Stifel estimated long-term growth rate

Excludes non-recurring items

Calculations may vary due to rounding

Source: Company data , First Call, and Stifel estimates

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Marten Transport Income Statement

(figures in $ millions, except per share amounts)										2012					2013					2014					
	2003A	**2004A**	**2005A**	**2006A**	**2007A**	**2008A**	**2009A**	**2010A**	**2011A**	**1QA**	**2QA**	**3QA**	**4QA**	**2012A**	**1QA**	**2QA**	**3QE**	**4QE**	**2013E**	**1QE**	**2QE**	**3QE**	**4QE**	**2014E**	**2015E**
By segment:																									
Truckload																									
Volume growth (change in loaded miles)						*-8.1%*	*-10.5%*	*-10.5%*	*0.0%*	*2.5%*	*5.1%*	*5.7%*	*4.5%*	*4.5%*	*6.6%*	*7.4%*	*5.0%*	*6.0%*	*6.2%*	*3.5%*	*3.5%*	*3.5%*	*3.5%*	*3.5%*	*3.0%*
Pricing growth (change in rev./loaded mile excl. FSC)						*2.7%*	*0.9%*	*4.9%*	*9.7%*	*6.2%*	*-0.1%*	*-0.3%*	*-0.3%*	*1.3%*	*-0.1%*	*-1.1%*	*1.0%*	*2.0%*	*0.4%*	*3.0%*	*3.0%*	*2.5%*	*2.0%*	*2.6%*	*2.5%*
Revenue excl. FSC				402.3	406.8	384.3	347.0	325.8	357.8	89.2	94.1	96.9	98.1	378.4	95.0	100.0	102.8	106.1	403.8	101.2	106.6	109.1	112.0	428.9	452.7
% change y/y				*NA*	*1.1%*	*-5.5%*	*-9.7%*	*-6.1%*	*9.8%*	*8.8%*	*5.0%*	*5.4%*	*4.2%*	*5.8%*	*6.5%*	*6.2%*	*6.1%*	*8.1%*	*6.7%*	*6.6%*	*6.6%*	*6.1%*	*5.6%*	*6.2%*	*5.6%*
FSC				75.3	83.8	123.9	49.8	67.0	98.1	25.3	26.1	25.9	27.6	104.9	26.8	26.9	29.3	29.5	112.4	28.0	30.4	30.3	30.0	118.7	122.2
% change y/y				*NA*	*11.2%*	*47.9%*	*-59.8%*	*34.5%*	*46.4%*	*14.3%*	*2.3%*	*4.4%*	*8.0%*	*7.0%*	*6.0%*	*2.8%*	*12.9%*	*6.8%*	*7.1%*	*4.4%*	*13.3%*	*3.5%*	*1.5%*	*5.6%*	*3.0%*
TL revenue incl. FSC	*NA*	*NA*	*NA*	477.7	490.5	508.2	396.8	392.8	455.8	114.5	120.3	122.9	125.7	483.3	121.7	126.9	132.1	135.6	516.3	129.2	137.0	139.4	142.0	547.6	575.0
% change y/y	*NA*	*NA*	*NA*	*NA*	*2.7%*	*3.6%*	*-21.9%*	*-1.0%*	*16.1%*	*10.0%*	*4.4%*	*5.1%*	*5.0%*	*6.0%*	*6.4%*	*5.5%*	*7.5%*	*7.8%*	*6.8%*	*6.1%*	*8.0%*	*5.5%*	*4.7%*	*6.1%*	*5.0%*
Operating ratio	*NA*	*NA*	*NA*	*92.1%*	*95.4%*	*93.2%*	*93.4%*	*92.7%*	*92.3%*	*93.8%*	*90.9%*	*93.5%*	*91.4%*	*92.4%*	*91.8%*	*91.0%*	*91.5%*	*91.3%*	*91.4%*	*92.8%*	*90.9%*	*90.7%*	*90.6%*	*91.2%*	*90.9%*
Logistics																									
Revenue excl. FSC				39.3	66.2	90.2	103.2	115.2	132.9	33.4	33.0	36.4	36.1	139.0	37.8	29.7	32.9	31.9	132.4	33.6	31.2	34.6	33.5	132.9	138.2
% change y/y				*NA*	*68.4%*	*36.3%*	*14.4%*	*11.7%*	*15.3%*	*9.6%*	*2.6%*	*2.6%*	*4.0%*	*4.6%*	*12.9%*	*-10.1%*	*-9.5%*	*-11.5%*	*-4.8%*	*-11.0%*	*5.0%*	*5.0%*	*5.0%*	*0.4%*	*4.0%*
FSC				1.9	3.3	8.7	5.9	8.9	14.9	3.6	3.7	4.3	4.6	16.2	5.0	4.8	4.3	4.4	18.6	4.1	4.5	4.5	4.5	17.5	18.0
% change y/y				*NA*	*70.6%*	*163.1%*	*-32.2%*	*51.1%*	*67.3%*	*9.5%*	*-3.2%*	*8.3%*	*18.1%*	*8.2%*	*38.8%*	*32.6%*	*0.2%*	*-4.2%*	*14.8%*	*-18.3%*	*-7.7%*	*3.5%*	*1.5%*	*-5.7%*	*3.0%*
Logistics revenue incl. FSC	*NA*	*NA*	*NA*	41.2	69.5	98.9	109.1	124.2	147.8	37.0	36.7	40.7	40.7	155.1	42.7	34.6	37.3	36.3	150.9	37.7	35.7	39.1	38.0	150.4	156.3
% change y/y	*NA*	*NA*	*NA*	*NA*	*68.5%*	*42.4%*	*10.3%*	*13.8%*	*19.1%*	*9.6%*	*2.0%*	*3.1%*	*5.5%*	*4.9%*	*15.4%*	*-5.8%*	*-8.5%*	*-10.7%*	*-2.7%*	*-11.9%*	*3.2%*	*4.8%*	*4.6%*	*-0.3%*	*3.9%*
Operating ratio	*NA*	*NA*	*NA*	*91.1%*	*92.6%*	*92.6%*	*93.7%*	*94.7%*	*94.8%*	*93.5%*	*93.7%*	*95.3%*	*94.0%*	*94.2%*	*94.1%*	*95.0%*	*95.5%*	*94.5%*	*94.7%*	*93.4%*	*94.0%*	*95.0%*	*94.2%*	*94.2%*	*93.5%*
Gross revenues	**334.7**	**380.0**	**460.2**	**518.9**	**560.0**	**607.1**	**505.9**	**516.9**	**603.7**	**151.5**	**157.0**	**163.6**	**166.4**	**638.5**	**164.5**	**161.4**	**169.4**	**171.9**	**667.2**	**166.9**	**172.7**	**178.5**	**180.0**	**698.0**	**731.2**
% change y/y	*14.2%*	*13.6%*	*21.1%*	*12.8%*	*7.9%*	*8.4%*	*-16.7%*	*2.2%*	*16.8%*	*9.9%*	*3.9%*	*4.6%*	*5.1%*	*5.8%*	*8.6%*	*2.8%*	*3.5%*	*3.3%*	*4.5%*	*1.5%*	*7.0%*	*5.4%*	*4.7%*	*4.6%*	*4.8%*
Operating expenses:																									
Salaries, wages, and benefits	101.0	107.3	126.6	144.4	153.8	152.6	138.8	131.5	147.6	38.3	39.4	42.4	43.2	163.2	42.1	42.3	44.8	45.1	174.3	43.7	44.7	46.8	47.0	182.3	190.2
Purchased transportation	71.1	77.9	81.9	84.4	103.8	113.2	106.6	110.4	120.3	29.9	29.7	32.4	32.2	124.3	34.2	28.1	30.5	31.6	124.5	31.8	30.8	32.7	32.9	128.2	133.8
Fuel and fuel taxes	56.4	70.9	107.7	135.1	149.0	175.9	99.9	114.9	155.6	39.1	39.5	43.0	41.9	163.6	40.3	40.6	42.7	43.2	166.8	42.0	43.5	44.8	44.9	175.2	183.5
Supplies and maintenance	24.8	25.1	28.2	33.2	38.6	38.4	38.2	35.2	40.3	9.5	9.8	10.6	10.0	39.9	9.5	10.0	10.3	10.8	40.6	10.5	10.9	11.3	11.3	44.1	46.8
Depreciation	30.0	32.8	38.2	44.4	47.0	49.7	53.1	51.9	57.5	14.5	15.0	15.5	15.8	60.9	15.7	16.2	17.1	17.2	66.2	16.7	17.1	16.7	16.9	67.4	71.3
Operating taxes and licenses	5.7	6.3	7.1	7.5	6.8	6.7	6.7	6.2	6.4	1.6	1.6	1.7	1.8	6.7	1.8	1.8	1.7	1.6	6.9	1.7	1.7	1.8	1.8	7.1	7.4
Insurance and claims	15.2	18.6	18.9	21.2	22.4	25.4	19.9	16.6	18.2	5.8	5.2	4.8	4.9	20.7	5.8	5.8	5.0	5.1	21.7	4.7	5.2	5.2	5.3	20.4	20.4
Communication and utilities	3.3	3.2	3.4	3.6	3.9	3.7	4.2	4.0	4.6	1.2	1.2	1.3	1.3	4.9	1.3	1.3	1.3	1.1	4.9	1.2	1.4	1.3	1.3	5.3	5.4
Gain on disposition of revenue equipment	(0.6)	(2.2)	(3.9)	(7.0)	(3.4)	(2.7)	(1.6)	(1.1)	(3.8)	(1.5)	(1.2)	(1.3)	(1.2)	(5.3)	(2.4)	(1.2)	(0.5)	(0.8)	(4.9)	(0.5)	(0.8)	(0.8)	(0.8)	(2.9)	(3.0)
Other	7.3	9.0	9.9	11.0	10.9	11.4	10.9	12.0	13.9	3.5	3.4	3.4	3.2	13.6	3.6	3.3	3.6	3.3	13.9	3.1	3.5	3.8	3.8	14.1	13.4
Total operating expenses	314.3	348.8	417.9	477.7	532.7	574.4	476.5	481.6	560.6	142.0	143.7	153.8	153.2	592.6	151.9	148.3	156.5	158.1	614.8	155.1	158.1	163.5	164.4	641.1	669.1
Operating ratio	*93.9%*	*91.8%*	*90.8%*	*92.1%*	*95.1%*	*94.6%*	*94.2%*	*93.2%*	*92.9%*	*93.7%*	*91.5%*	*94.0%*	*92.1%*	*92.8%*	*92.4%*	*91.9%*	*92.4%*	*92.0%*	*92.2%*	*92.9%*	*91.5%*	*91.6%*	*91.4%*	*91.9%*	*91.5%*
Operating ratio, net of FSC	*93.9%*	*91.8%*	*90.8%*	*90.7%*	*94.2%*	*93.1%*	*93.5%*	*92.0%*	*91.2%*	*92.2%*	*89.6%*	*92.6%*	*90.2%*	*91.1%*	*90.6%*	*89.9%*	*90.5%*	*90.0%*	*90.2%*	*91.3%*	*89.4%*	*89.6%*	*89.3%*	*89.9%*	*89.5%*
EBIT	20.3	31.2	42.3	41.2	27.3	32.7	29.4	35.3	43.0	9.5	13.3	9.8	13.2	45.9	12.5	13.1	12.9	13.8	52.4	11.8	14.6	14.9	15.5	56.9	62.2
% margin	*6.1%*	*8.2%*	*9.2%*	*7.9%*	*4.9%*	*5.4%*	*5.8%*	*6.8%*	*7.1%*	*6.3%*	*8.5%*	*6.0%*	*7.9%*	*7.2%*	*7.6%*	*8.1%*	*7.6%*	*8.0%*	*7.8%*	*7.1%*	*8.5%*	*8.4%*	*8.6%*	*8.1%*	*8.5%*
EBITDA	50.4	64.0	80.5	85.5	74.3	82.4	82.4	87.2	100.6	24.1	28.3	25.4	29.0	106.8	28.2	29.3	30.0	31.0	118.6	28.5	31.7	31.6	32.5	124.3	133.4
% margin	*15.1%*	*16.8%*	*17.5%*	*16.5%*	*13.3%*	*13.6%*	*16.3%*	*16.9%*	*16.7%*	*15.9%*	*18.0%*	*15.5%*	*17.4%*	*16.7%*	*17.2%*	*18.2%*	*17.7%*	*18.0%*	*17.8%*	*17.1%*	*18.3%*	*17.7%*	*18.0%*	*17.8%*	*18.2%*
Interest expense, net	2.8	2.1	2.4	3.6	3.8	1.1	0.2	0.1	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.2)	(0.1)	(0.1)	(0.4)	(0.1)	(0.2)	(0.2)	(0.2)	(0.7)	(1.1)
Interest income and other expense (income), net	(1.5)	(1.6)	(1.6)	(0.3)	0.1	0.9	0.4	0.5	0.8	0.2	0.2	0.1	0.0	0.5	0.0	0.0	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)
Minority interest loss (income)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)	(0.4)
Profit before tax	19.1	30.7	41.5	37.9	23.3	30.6	28.7	34.7	42.2	9.4	13.1	9.8	13.2	45.4	12.5	13.3	13.1	14.0	52.8	12.0	14.9	15.2	15.9	58.0	63.8
% margin	*5.7%*	*8.1%*	*9.0%*	*7.3%*	*4.2%*	*5.0%*	*5.7%*	*6.7%*	*7.0%*	*6.2%*	*8.3%*	*6.0%*	*7.9%*	*7.1%*	*7.6%*	*8.2%*	*7.7%*	*8.1%*	*7.9%*	*7.2%*	*8.6%*	*8.5%*	*8.8%*	*8.3%*	*8.7%*
Tax rate	*38.0%*	*42.9%*	*39.6%*	*38.8%*	*38.2%*	*41.0%*	*43.4%*	*43.1%*	*42.5%*	*41.9%*	*41.9%*	*33.4%*	*41.5%*	*39.9%*	*42.2%*	*42.2%*	*40.0%*	*40.0%*	*41.1%*	*40.0%*	*40.0%*	*40.0%*	*40.0%*	*40.0%*	*40.0%*
Net income (loss) from continuing operations	11.8	17.5	25.1	23.2	14.4	18.1	16.3	19.7	24.3	5.4	7.6	6.5	7.7	27.3	7.2	7.7	7.8	8.4	31.1	7.2	8.9	9.1	9.5	34.8	38.3
Extraordinary item (net of tax) [(4)(5)(6)(7)]	0.0	0.0	0.0	1.3	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	11.8	17.5	25.1	24.5	15.0	18.1	16.3	19.7	24.3	5.4	7.6	6.5	7.7	27.3	7.2	7.7	7.8	8.4	31.1	7.2	8.9	9.1	9.5	34.8	38.3
% margin	*3.5%*	*4.6%*	*5.4%*	*4.7%*	*2.7%*	*3.0%*	*3.2%*	*3.8%*	*4.0%*	*3.6%*	*4.8%*	*4.0%*	*4.6%*	*4.3%*	*4.4%*	*4.7%*	*4.6%*	*4.9%*	*4.7%*	*4.3%*	*5.2%*	*5.1%*	*5.3%*	*5.0%*	*5.2%*
Average shares outstanding - diluted [(1)(2)(3)]	26.0	32.6	32.9	32.9	32.9	32.9	33.0	33.1	33.1	33.2	33.2	33.2	33.2	33.2	33.3	33.4	33.4	33.4	33.4	33.4	33.4	33.4	33.4	33.4	33.4
EPS - diluted (continuing operations)	**$0.46**	**$0.54**	**$0.76**	**$0.71**	**$0.44**	**$0.55**	**$0.49**	**$0.60**	**$0.73**	**$0.16**	**$0.23**	**$0.20**	**$0.23**	**$0.82**	**$0.22**	**$0.23**	**$0.23**	**$0.25**	**$0.93**	**$0.22**	**$0.27**	**$0.27**	**$0.29**	**$1.04**	**$1.15**
% change y/y	*70.4%*	*17.4%*	*40.7%*	*-6.6%*	*-38.0%*	*25.0%*	*-10.9%*	*22.4%*	*21.7%*	*33.3%*	*21.1%*	*5.3%*	*0.0%*	*12.3%*	*37.5%*	*0.0%*	*15.0%*	*8.7%*	*13.4%*	*0.0%*	*17.4%*	*17.4%*	*16.0%*	*11.8%*	*10.6%*
EPS - diluted	$0.46	$0.54	$0.76	$0.74	$0.45	$0.55	$0.49	$0.60	$0.73	$0.16	$0.23	$0.20	$0.23	$0.82	$0.22	$0.23	$0.23	$0.25	$0.93	$0.22	$0.27	$0.27	$0.29	$1.04	$1.15
% change y/y	*70.4%*	*17.4%*	*40.7%*	*-2.6%*	*-39.2%*	*22.2%*	*-10.9%*	*22.4%*	*21.7%*	*33.3%*	*21.1%*	*5.3%*	*0.0%*	*12.3%*	*37.5%*	*0.0%*	*15.0%*	*8.7%*	*13.4%*	*0.0%*	*17.4%*	*17.4%*	*16.0%*	*11.8%*	*10.6%*

(1) Adjusted for 3:2 stock split, in which a 100% stock dividend was paid, effective July 24, 2003
(2) Adjusted for 3:2 stock split, in which a 100% stock dividend was paid, effective December 5, 2003
(3) Adjusted for 3:2 stock split, in which a 100% stock dividend was paid, effective December 23, 2005
(4) 2Q06 excludes one-time tax benefit of $0.875 million, or $0.04 per diluted share, due to a decrease in the company's deferred income tax liability (as a result of the change in the company's income apportionment for several states)
(5) 4Q06 excludes one-time tax benefit of $0.425 million, or $0.02 per diluted share, due to a decrease in the company's deferred income tax liability (as a result of the change in the company's income apportionment for several states)
(6) 1Q07 excludes one-time benefit of $0.524 million, or $0.02 per diluted share, due to a decrease in the company's bad debt allowance
(7) 3Q07 excludes one-time tax benefit of $0.205 million, or $0.01 per diluted share, due to a decrease in the company's deferred income tax liability
Source: Company data and Stifel estimates

STIFEL

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Marten Transport Balance Sheet

(figures in $ millions, except per share amounts)

										2012				2013				2014			
	2003A	**2004A**	**2005A**	**2006A**	**2007A**	**2008A**	**2009A**	**2010A**	**2011A**	**1QA**	**2QA**	**3QA**	**4QA**	**1QA**	**2QE**	**3QE**	**4QE**	**1QE**	**2QE**	**3QE**	**4QE**	**2015E**
ASSETS																						
Current assets																						
Cash and cash equivalents	0.0	0.9	1.1	3.0	3.6	2.4	5.4	5.3	20.8	25.6	5.2	5.1	3.5	9.0	0.6	2.0	2.0	3.4	3.0	3.0	9.1	14.5
Marketable securities	19.2	0.1	0.5	0.3	0.4	2.6	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trade receivables, net	34.6	39.1	47.4	48.0	51.5	50.1	45.4	51.1	59.4	58.6	64.1	68.8	66.2	66.0	68.6	66.2	66.7	67.0	68.1	69.0	69.8	73.1
Other receivables	7.3	8.4	7.0	6.5	6.2	7.4	4.4	13.0	3.4	4.9	5.4	4.7	7.2	5.4	2.9	5.3	5.3	6.0	5.4	5.5	5.6	5.8
Prepaid expenses and other	10.0	11.9	13.3	14.2	13.8	13.7	12.3	13.4	15.4	14.3	14.0	13.2	15.5	13.5	13.8	13.9	14.0	14.1	14.3	14.5	14.7	15.4
Deferred income taxes	3.0	5.9	3.9	4.5	4.7	6.1	5.2	4.8	2.7	2.6	2.5	2.4	3.2	3.3	3.3	3.3	3.3	4.0	4.1	4.1	4.2	4.4
Total current assets	74.2	66.1	73.1	76.5	80.2	82.4	72.8	87.7	101.8	106.0	91.3	94.3	95.5	97.1	89.1	90.7	91.4	94.5	94.9	96.1	103.3	113.2
Property and equipment																						
Revenue equipment	247.8	283.2	339.6	406.4	423.3	423.2	455.6	469.4	469.0				484.4									
Buildings and land	8.0	10.5	10.9	10.9	12.1	14.1	18.8	25.7	30.6				39.7									
Office equipment and other	7.7	9.1	11.8	11.3	12.1	13.9	16.7	20.5	24.4				27.1									
Total property and equipment	263.5	302.8	362.3	428.7	447.4	451.2	491.1	515.6	524.0	531.6	547.8	556.3	551.1	560.0	595.4	620.4	645.4	665.4	690.4	715.4	735.4	840.4
Less accumulated depreciation	(93.7)	(87.1)	(92.3)	(98.8)	(122.2)	(136.9)	(149.7)	(143.6)	(155.8)	(147.3)	(145.2)	(149.3)	(156.7)	(152.1)	(168.3)	(185.3)	(202.6)	(219.3)	(236.4)	(253.1)	(270.0)	(341.3)
Property and equipment, net	169.8	215.7	269.9	329.9	325.2	314.3	341.5	372.1	368.2	384.3	402.6	407.0	394.5	407.9	427.1	435.1	442.9	446.1	454.0	462.4	465.4	499.2
Other assets	5.6	7.1	6.7	4.4	2.0	0.8	0.5	0.5	0.6	0.6	0.6	0.6	0.6	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2
Total assets	**249.6**	**288.9**	**349.7**	**410.8**	**407.4**	**397.4**	**414.8**	**460.3**	**470.6**	**490.9**	**494.5**	**502.0**	**490.6**	**508.3**	**519.5**	**529.0**	**537.5**	**543.8**	**552.2**	**561.7**	**572.0**	**615.6**
LIABILITIES AND EQUITY																						
Current liabilities																						
Checks issued in excess of cash balances	0.5	3.7	1.4	0.8	0.0	1.8	1.7	1.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable and accrued liabilities	17.1	16.9	26.2	37.5	32.4	32.9	31.9	30.5	33.3	44.8	41.5	40.8	33.1	47.7	42.6	39.7	38.0	37.5	38.1	39.3	39.8	41.7
Insurance and claims accruals	12.1	13.7	13.1	16.1	17.4	21.4	19.2	17.7	13.0	14.0	12.4	13.3	13.8	13.6	14.0	19.9	20.0	20.1	20.4	20.7	20.9	21.9
Current maturities of long-term debt	5.0	5.0	5.0	5.0	5.0	1.4	1.4	19.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total current liabilities	34.7	39.2	45.8	59.4	54.8	57.5	54.2	68.6	46.4	58.8	53.9	54.1	46.9	61.3	56.6	59.6	58.0	57.6	58.6	60.0	60.7	63.6
Long-term debt, less current maturities	22.9	25.3	43.3	53.7	39.6	1.4	0.1	0.0	0.0	0.0	0.0	0.0	2.7	0.0	7.4	3.5	5.0	5.0	2.3	0.5	0.0	0.0
Deferred income taxes	47.5	56.5	66.3	75.8	74.7	81.0	85.6	95.8	103.8	105.6	106.2	107.3	109.1	110.7	112.4	115.8	116.8	117.2	119.2	120.7	122.1	128.0
Minority Interest			0.4	0.9	1.3	1.7	1.7	1.9	2.2	2.2	2.4	2.4	2.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Common stock	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2								
Additional paid-in capital	64.3	70.1	71.0	73.6	74.6	75.3	76.5	78.4	80.1	81.1	81.8	82.1	82.7	82.9								
Retained earnings	80.1	97.7	122.7	147.2	162.1	180.2	196.5	215.3	237.9	242.9	249.9	255.9	246.5	253.1								
Accumulated other comprehensive loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0								
Total shareholders' investment	144.5	167.9	193.9	221.0	236.9	255.7	273.2	294.0	318.2	324.2	332.0	338.2	329.4	336.2	343.1	350.1	357.6	364.0	372.1	380.4	389.1	424.0
Total liabilities and shareholders' investment	**249.6**	**288.9**	**349.7**	**410.8**	**407.4**	**397.4**	**414.8**	**460.3**	**470.6**	**490.9**	**494.5**	**502.0**	**490.6**	**508.3**	**519.5**	**529.0**	**537.5**	**543.8**	**552.2**	**561.7**	**572.0**	**615.6**

Book value/share	**$4.46**	**$5.11**	**$5.88**	**$6.71**	**$7.20**	**$7.77**	**$8.28**	**$8.88**	**$9.61**	**$9.76**	**$9.98**	**$10.18**	**$9.91**	**$10.09**	**$10.28**	**$10.49**	**$10.71**	**$10.91**	**$11.15**	**$11.40**	**$11.66**	**$12.70**
Average age of trade receivables (days)	36.7	34.9	35.0	35.8	35.1	36.8	33.8	34.5	35.2	35.5	35.7	37.1	37.0	36.7	38.0	36.3	35.3	36.6	35.7	35.0	35.2	35.3
Net working capital	39.6	26.9	27.3	17.1	25.3	24.9	18.6	19.1	55.4	47.2	37.4	40.2	48.6	35.8	32.5	31.1	33.4	36.9	36.4	36.1	42.6	49.6
Current ratio	2.1x	1.7x	1.6x	1.3x	1.5x	1.4x	1.3x	1.3x	2.2x	1.8x	1.7x	1.7x	2.0x	1.6x	1.6x	1.5x	1.6x	1.6x	1.6x	1.6x	1.7x	1.8x
Total assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term debt	22.9	25.3	43.3	53.7	39.6	1.4	0.1	0.0	0.0	0.0	0.0	0.0	2.7	0.0	7.4	3.5	5.0	5.0	2.3	0.5	0.0	0.0
Total debt	28.4	34.0	49.7	59.5	44.6	4.7	3.2	20.4	0.0	0.0	0.0	0.0	2.7	0.0	7.4	3.5	5.0	5.0	2.3	0.5	0.0	0.0
Net debt (cash)	9.2	33.0	48.2	56.2	40.7	(0.3)	(2.4)	15.0	(20.8)	(25.6)	(5.2)	(5.1)	(0.7)	(9.0)	6.7	1.5	3.0	1.6	(0.7)	(2.5)	(9.1)	(14.5)
Debt/total book capitalization	16.4%	16.8%	20.4%	21.2%	15.9%	1.8%	1.1%	6.5%	0.0%	0.0%	0.0%	0.0%	0.8%	0.0%	2.1%	1.0%	1.4%	1.4%	0.6%	0.1%	0.0%	0.0%
Net debt/total book capitalization	16.4%	16.4%	20.0%	20.1%	14.6%	0.9%	-0.8%	4.8%	-6.5%	-7.9%	-1.6%	-1.5%	-0.2%	-2.7%	1.9%	0.4%	0.8%	0.4%	-0.2%	-0.6%	-2.3%	-3.4%
Debt/EBITDA	0.6x	0.4x	0.5x	0.7x	0.7x	0.1x	0.0x	0.3x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x
Debt/EBIT	1.3x	0.7x	0.9x	1.7x	2.3x	0.2x	0.1x	0.7x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.1x	0.1x	0.1x	0.1x	0.1x	0.0x	0.0x	0.0x
Stockholders' equity	144.5	167.9	193.9	221.0	236.9	255.7	273.2	294.0	318.2	324.2	332.0	338.2	329.4	336.2	343.1	350.1	357.6	364.0	372.1	380.4	389.1	424.0

Source: Company data and Stifel estimates

STIFEL

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Marten Transport Cash Flow Statement

										2012					2013					2014					
(figures in $ millions, except per share amounts)	**2003A**	**2004A**	**2005A**	**2006A**	**2007A**	**2008A**	**2009A**	**2010A**	**2011A**	**1QA**	**2QA**	**3QA**	**4QA**	**2012A**	**1QA**	**2QE**	**3QE**	**4QE**	**2013E**	**1QE**	**2QE**	**3QE**	**4QE**	**2014E**	**2015E**
Operating Activities																									
Net income	11.8	17.5	25.1	24.5	15.0	18.1	16.3	19.7	24.3	5.4	7.6	6.5	7.7	27.3	7.2	7.7	7.8	8.4	31.1	7.2	8.9	9.1	9.5	34.8	38.3
Adjustments																									
Depreciation	30.0	32.8	38.2	44.4	47.0	49.7	53.1	51.9	57.5	14.5	15.0	15.5	15.8	60.9	15.7	16.2	17.1	17.2	66.2	16.7	17.1	16.7	16.9	67.4	71.3
Loss (gain) on disposition of revenue equipment	(0.6)	(2.2)	(3.9)	(7.0)	(3.4)	(2.7)	(1.6)	(1.1)	(3.8)	(1.5)	(1.2)	(1.3)	(1.2)	(5.3)	(2.4)	0.0	0.0	0.0	(2.4)	0.0	0.0	0.0	0.0	0.0	0.0
Deferred tax provision	4.2	6.2	11.8	8.9	(1.2)	4.8	5.6	10.6	10.1	1.9	0.7	1.1	1.1	4.8	1.6	1.7	3.4	0.9	7.5	(0.3)	1.9	1.5	1.4	4.5	5.6
Tax benefit of stock option exercises	0.4	2.6	0.4	0.1	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Share-based arrangement compensation expense	0.0	0.0	0.0	0.4	0.5	0.7	0.6	1.3	1.3	0.2	0.5	0.3	0.2	1.2	0.2	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0
Minority interest in undistributed earnings of affiliate	0.0	0.0	0.4	0.5	0.4	0.4	0.0	0.6	0.8	0.2	0.2	0.1	0.0	0.5	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Changes in working capital items:																									
Receivables	(4.7)	(5.5)	(6.9)	(0.1)	(3.3)	0.2	7.7	(14.2)	1.2	(0.7)	(6.0)	(4.1)	3.0	(7.8)	(0.3)	(0.1)	(0.0)	(0.6)	(1.0)	(0.9)	(0.6)	(1.0)	(0.9)	(3.3)	(3.6)
Prepaid expenses and other	(2.2)	(1.8)	(1.4)	(1.0)	0.4	0.1	1.4	(1.1)	(2.0)	1.2	0.2	0.8	(2.3)	(0.1)	1.8	(0.3)	(0.1)	(0.1)	1.2	(0.1)	(0.2)	(0.2)	(0.2)	(0.6)	(0.7)
Accounts payable	(1.2)	0.9	3.1	5.0	2.0	(2.1)	3.5	0.3	(1.6)	(2.5)	4.6	2.9	(4.1)	1.0	(1.6)	(5.1)	(2.9)	(1.7)	(11.3)	(0.5)	0.6	1.2	0.5	1.8	1.9
Other current liabilities	1.9	0.5	5.7	1.3	4.4	7.0	(5.4)	(3.5)	(1.7)	1.0	(1.6)	0.9	2.6	2.9	(0.3)	0.4	5.8	0.2	6.2	0.1	0.3	0.3	0.2	0.9	1.0
Total change in net working capital	(6.3)	(6.0)	0.5	5.2	3.6	5.2	7.2	(18.5)	(4.1)	(1.0)	(2.7)	0.6	(0.8)	(3.9)	(0.3)	(5.1)	2.8	(2.2)	(4.8)	(1.4)	0.2	0.3	(0.3)	(1.3)	(1.4)
Net cash provided by operations	**39.6**	**50.9**	**72.5**	**77.1**	**61.8**	**76.4**	**81.1**	**64.5**	**86.2**	**19.8**	**20.2**	**22.8**	**22.8**	**85.5**	**22.0**	**20.5**	**31.0**	**24.4**	**97.9**	**22.3**	**28.1**	**27.6**	**27.5**	**105.5**	**113.7**
Investing Activities																									
Revenue equipment additions	(55.2)	(103.0)	(117.7)	(125.4)	(74.7)	(64.5)	(104.8)	(109.3)	(75.3)	(28.6)	(50.8)	(28.5)	(13.9)	(121.8)	(24.0)	(35.4)	(25.0)	(25.0)	(109.4)	(20.0)	(25.0)	(25.0)	(20.0)	(90.0)	(105.0)
Proceeds from revenue equipment dispositions	16.2	30.8	32.8	37.3	27.9	31.9	32.9	40.1	36.5	17.4	13.7	10.4	5.1	46.6	14.5	0.0	0.0	0.0	14.5	0.0	0.0	0.0	0.0	0.0	0.0
Buildings and land, office equipment and other additions, n	(0.4)	(4.2)	(3.7)	(1.3)	(2.4)	(4.1)	(7.9)	(11.9)	(9.5)	(3.9)	(3.1)	(4.7)	(1.2)	(12.9)	(1.7)	0.0	0.0	0.0	(1.7)	0.0	0.0	0.0	0.0	0.0	0.0
Net change in other assets	1.3	(1.6)	0.4	2.5	2.4	1.3	0.2	(0.0)	0.1	(0.0)	(0.0)	0.5	(0.6)	(0.0)	(1.8)	0.0	0.0	0.0	(1.8)	0.0	0.0	0.0	0.0	0.0	0.0
Net cash (used in) provided by investing activities	**(38.1)**	**(78.0)**	**(88.1)**	**(86.8)**	**(46.8)**	**(35.3)**	**(79.7)**	**(81.2)**	**(48.3)**	**(15.2)**	**(40.1)**	**(22.3)**	**(10.5)**	**(88.1)**	**(13.1)**	**(35.4)**	**(25.0)**	**(25.0)**	**(98.5)**	**(20.0)**	**(25.0)**	**(25.0)**	**(20.0)**	**(90.0)**	**(105.0)**
Cash available for (required by) financing	1.5	(27.1)	(15.7)	(9.8)	15.0	41.0	1.5	(16.7)	37.9	4.6	(19.9)	0.5	12.2	(2.6)	8.9	(14.9)	6.0	(0.6)	(0.6)	2.3	3.1	2.6	7.5	15.5	8.7
Purchases and sales of marketable securities, net	(19.2)	19.2	(0.4)	0.0	(0.1)	(2.3)	2.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term borrowings	35.2	58.4	130.7	131.0	139.1	154.3	1.1	160.4	37.6	0.0	4.7	9.6	7.3	21.5	2.6	7.4	0.0	1.5	11.5	0.0	0.0	0.0	0.0	0.0	0.0
Repayment of long-term borrowings	(71.0)	(56.0)	(112.7)	(120.7)	(153.1)	(196.1)	(2.5)	(142.5)	(57.0)	0.0	(4.7)	(9.6)	(4.6)	(18.8)	(5.4)	0.0	(3.8)	0.0	(9.2)	0.0	(2.7)	(1.8)	(0.5)	(5.0)	0.0
Issuance of common stock	53.1	3.2	0.5	0.8	0.3	0.4	0.3	0.3	0.1	0.5	0.1	0.0	0.4	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Repurchase of common stock	0.0	0.0	0.0	0.0	0.0	(0.8)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Excess tax benefit from share-based payment exercises	0.0	0.0	0.0	1.2	0.2	0.5	0.2	0.3	0.1	0.2	0.1	0.0	0.1	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in net checks issued in excess of cash balances	0.4	3.2	(2.3)	(0.6)	(0.8)	1.8	(0.1)	(0.6)	(1.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(1.3)	(2.3)	(0.5)	(0.6)	(0.6)	(17.0)	(18.8)	(0.6)	(0.8)	(0.8)	(0.8)	(3.1)	(0.8)	(0.8)	(0.8)	(0.8)	(3.3)	(3.3)
Net cash (used in) provided by financing activities	**(1.5)**	**28.0**	**15.9**	**11.7**	**(14.4)**	**(42.2)**	**1.5**	**16.6**	**(22.4)**	**0.2**	**(0.5)**	**(0.6)**	**(13.9)**	**(14.8)**	**(3.3)**	**6.5**	**(4.7)**	**0.6**	**(0.8)**	**(0.8)**	**(3.5)**	**(2.6)**	**(1.4)**	**(8.4)**	**(3.3)**
Beginning cash balance	0.0	0.0	0.9	1.1	3.0	3.6	2.4	5.4	5.3	20.8	25.6	5.2	5.1	20.8	3.5	9.0	0.6	2.0	3.5	2.0	3.4	3.0	3.0	2.0	9.1
Net increase (decrease) in cash and equivalents	0.0	0.9	0.2	1.9	0.6	(1.2)	3.0	(0.1)	15.5	4.8	(20.4)	(0.1)	(1.7)	(17.3)	5.6	(8.4)	1.4	0.0	(1.5)	1.4	(0.4)	0.0	6.1	7.1	5.4
Ending cash balance	**0.0**	**0.9**	**1.1**	**3.0**	**3.6**	**2.4**	**5.4**	**5.3**	**20.8**	**25.6**	**5.2**	**5.1**	**3.5**	**3.5**	**9.0**	**0.6**	**2.0**	**2.0**	**2.0**	**3.4**	**3.0**	**3.0**	**9.1**	**9.1**	**14.5**
Free cash flow	**0.5**	**(21.3)**	**(12.3)**	**(11.0)**	**15.0**	**43.8**	**9.2**	**(6.1)**	**45.0**	**8.0**	**(17.5)**	**4.1**	**(3.0)**	**(8.4)**	**11.8**	**(15.8)**	**5.2**	**(1.5)**	**(0.2)**	**1.4**	**2.3**	**1.8**	**6.6**	**12.1**	**5.4**
Per share	$0.02	($0.65)	($0.37)	($0.33)	$0.46	$1.33	$0.28	($0.18)	$1.36	$0.24	($0.53)	$0.12	($0.09)	($0.25)	$0.36	($0.47)	$0.16	($0.04)	($0.01)	$0.04	$0.07	$0.05	$0.20	$0.36	$0.16
Current share price $17.64																									
FCF yield	**0.1%**	**-3.7%**	**-2.1%**	**-1.9%**	**2.6%**	**7.5%**	**1.6%**	**-1.0%**	**7.7%**					**-1.4%**					**0.0%**					**2.1%**	**0.9%**
Dividend/FCF	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	21.8%	-5.1%					223.7%					1466.5%					-27.5%	-61.9%
CapEx, net/OCF	99.6%	150.2%	122.2%	115.9%	79.5%	48.0%	98.5%	125.8%	56.1%					103.0%					98.8%					85.3%	92.3%

Source: Company data and Stifel estimates

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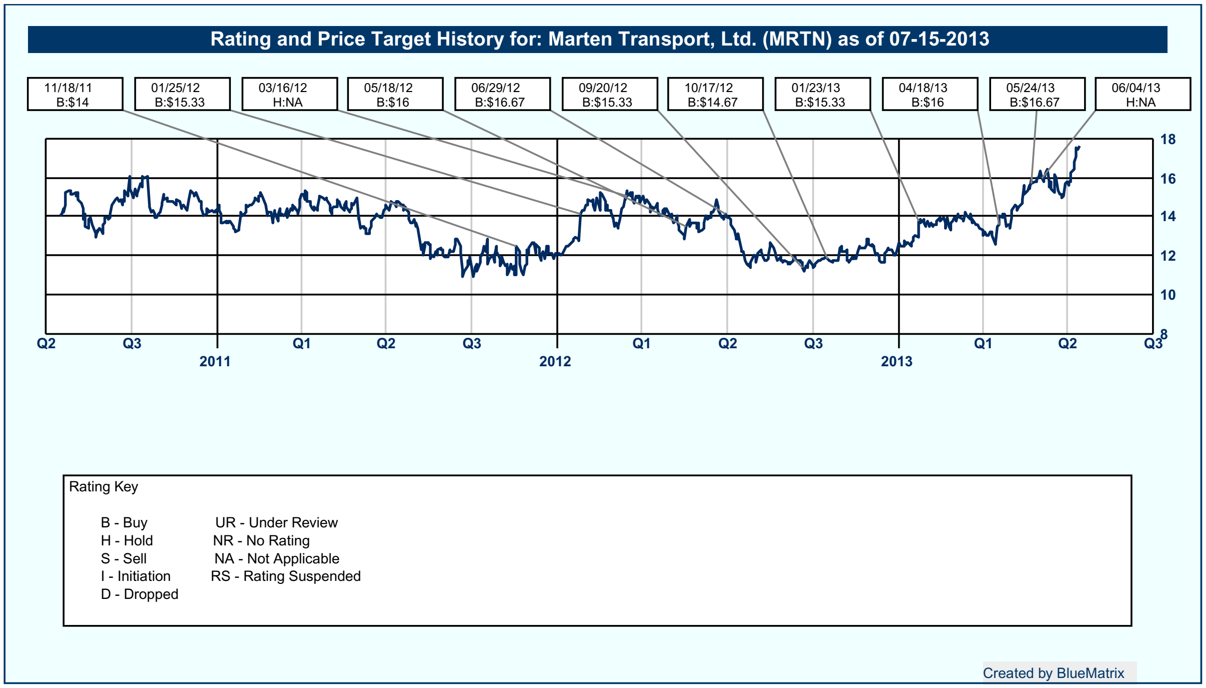

For a price chart with our ratings and target price changes for MRTN go to http://sf.bluematrix.com/bluematrix/Disclosure?ticker=MRTN

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