## Marten Transport, Ltd. MRTN – NASDAQ Hold

Trucking/Logistics

Analysis of Sales/Earnings

### Continues to Gradually Improve its Operating Performance; 3Q13 EPS up 20% y/y

Marten Transport reported 3Q13 EPS of \$0.24, \$0.01 ahead of the Street consensus and our Stifel estimate. On a yly basis, EPS were up 20% in the 3Q13. If one brings the 3Q12 tax up from the reported effective rate of 33.4% to the 3Q13 reported effective rate of 42.1%, 3Q12 EPS hypothetically drop to \$0.17. Using a flat yly tax rate comparison, we calculate that, on an adjusted basis, EPS would have been up over 41% yly. Simply put, we would expect few, if any, carriers to post yly performance improvement of that magnitude given the challenging economic landscape, the worsening driver shortage, the adverse impact of the new Hours-of-Service rules on productivity, and shippers' general unwillingness to "pony up" meaningful rate increases.

- Operating revenue, net of fuel surcharges and MWL revenue, was up 7.0% to \$134.5 million in the 3Q13. Driving the revenue increase was 3.0% y/y increase in average truck count, a 1.7% y/y increase in truckload segment equipment utilization (measured in terms of total miles per truck in the quarter), a 1.6% increase in revenue per total truckload mile, a 3.2% y/y increase in loads brokered to other carriers, and a 28.7% increase in the number of loads handled intermodally. These numbers are especially impressive in light of the change in hours of service rules, which crimped many carriers' equipment utilization during the quarter, and the sluggish economic growth evident for much of the quarter.
- The company's operating ratio, net of fuel surcharge revenue, improved 270 basis points y/y to 89.9% in the 3Q13. Contributing to the improved margins were improved equipment utilization, improved revenue productivity, and a significant 100 basis point y/y drop in the empty mile percentage to 10.4%.
- The company's equipment fleet remains relatively new. Average company-owned tractor age declined from 2.0 years old at the end of the 3Q12 to 1.9 years old at the end of the 3Q13. Average trailer age increased slightly from 2.2 years old to 2.4 years old over that same period.
- The company's balance sheet remains net debt free. The company's modest long-term debt balance is more than offset by the company's cash and cash equivalents balance.
- **Estimates remain unchanged.** Our 4Q13, 2014, and 2015 EPS are \$0.25, \$1.04, and \$1.15, respectively.
- Maintaining our Hold Rating. Our 12-month fair value estimate becomes \$18 or 15.5x our unchanged 2015 EPS estimate of \$1.15. We would be inclined to revisit our Hold rating should Marten's common shares drop to \$15 or below.

<u>Changes</u>	Previous	Current
Rating	_	Hold
Target Price	_	NA
FY13E EPS (Net)	_	\$0.93
FY14E EPS (Net)	_	\$1.04
FY13E Rev (Net)	\$667.2	\$664.4
FY14E Rev (Net)	\$698.0	\$696.0
Price (10/15/13):		\$16.53
,		\$16.53 \$19 – \$11
52-Week Range:		
52-Week Range: Market Cap.(mm):	m):	\$19 – \$11
52-Week Range: Market Cap.(mm): Shr.O/S-Diluted (m	,	\$19 – \$11 552.7
52-Week Range: Market Cap.(mm): Shr.O/S-Diluted (m Enterprise Val. (mn	n):	\$19 – \$11 552.7 33.4
Price (10/15/13): 52-Week Range: Market Cap.(mm): Shr.O/S-Diluted (m Enterprise Val. (mn Avg Daily Vol (3 Mo LT Debt/Total Cap.:	n): o):	\$19 – \$11 552.7 33.4 \$562.9

Book Value/Share:

Dividend(\$ / %)

S&P Index

EPS (Net)	2012A	2013E	2014E
Q1	\$0.16	\$0.22A	\$0.22
Q2	0.23	0.23A	0.27
Q3	0.20	0.24A	0.27
Q4	0.23	0.25	0.29
FY Dec	\$0.82A	\$0.93	\$1.04
P/E	20.2x	17.8x	15.9x

Rev (Net)	2012A	2013E	2014E
Q1	\$151.5	\$164.5A	\$165.9
Q2	157.0	161.4A	172.2
Q3	163.6	167.1A	178.4
Q4	166.4	171.4	179.6
FY Dec	\$638.5A	\$664.4	\$696.0
EV/Revenue	0.9x	0.8x	0.8x

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\$10.51

1,698.06

\$0.10 / 0.6%

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All relevant disclosures and certifications appear on pages 8 - 9 of this report.

Marten Transport reported 3Q13 EPS of \$0.24, \$0.01 ahead of the Street consensus and our Stifel estimate. On a y/y basis, EPS were up 20% in the 3Q13. The eight sell-side analysts publishing estimates on the company were carrying 3Q13 EPS estimates ranging from a low of \$0.21 to a high of \$0.25. If one brings the 3Q12 tax up from the reported effective rate of 33.4% to the 3Q13 reported effective rate of 42.1%, 3Q12 EPS hypothetically drop to \$0.17. Using a flat y/y tax rate comparison, we calculate that, on an adjusted basis, EPS would have been up over 41% y/y. Simply put, we would expect few, if any, carriers to post y/y performance improvement of that magnitude given the challenging economic landscape, the worsening driver shortage, the adverse impact of the new Hours-of-Service rules on productivity, and shippers' general unwillingness to "pony up" meaningful rate increases.

Operating revenue, net of fuel surcharges and net of MW Logistics (note: MW Logistics financial performance is no longer consolidated in Marten's overall results) was up 7.0% to \$134.5 million in the 3Q13. Driving the revenue increase was 3.0% y/y increase in average truck count, a 1.7% y/y increase in truckload segment equipment utilization (measured in terms of total miles per truck in the quarter), a 1.6% increase in revenue per total truckload mile, a 3.2% y/y increase in loads brokered to other carriers, and a 28.7% increase in the number of loads handled intermodally. These numbers are especially impressive in light of the change in hours of service rules, which crimped many carriers' equipment utilization during the quarter, and the sluggish economic growth evident for much of the quarter.

The company's operating ratio, net of fuel surcharge revenue, improved 270 basis points y/y to 89.9% in the 3Q13. Contributing to the improved margins were improved equipment utilization, improved revenue productivity, and a significant 100 basis point y/y drop in the empty mile percentage to 10.4%. We estimate that the drop in empty mile percentage drove about 100 basis points of the operating ratio improvement while much of the remainder of the improvement was split between improved equipment utilization (up 1.7% y/y even in the face of a 5.9% y/y decline in average length of haul) and improved revenue yield (up 1.6% y/y). We also note that the improvement in the company's truckload segment operating ratio (down 370 basis points y/y) was more than enough to offset the unfavorable 80 basis point increase in its logistics segment's operating ratio—which we believe is the result of lower brokerage margins and flat intermodal pricing exhibited in 3Q13.

The company's equipment fleet remains relatively new. Average company-owned tractor age declined from 2.0 years old at the end of the 3Q12 to 1.9 years old at the end of the 3Q13. However, average trailer age increased slightly from 2.2 years old at the end of the 3Q12 to 2.4 years old at the end of the 3Q13. The ratio of tractors to trailers held steady at 1.8, which suggests that intermodal assets turns have improved. Otherwise, one might have expected an increase in the trailer to tractor ratio.

The company's balance sheet remains net debt free. The company's modest long-term debt balance (\$0.8 million) is more than offset by the company's cash and cash equivalents balance. We expect the company to maintain a conservative debt posturing going forward, and pay-off the remainder of its debt balance in 4Q13 as its capex program has tailed off in 2H13 (management forecasts total investing activities use of cash to be \$78 million in 2013, down \$10 million y/y from \$88 million in 2012).

Our 4Q13, 2014, and 2015 EPS estimates remain unchanged at \$0.25, \$1.04, and \$1.15. These estimates are predicted on y/y revenue growth of 4.1%, 4.8%, and 4.8%, in 2013, 2014, and 2015. Those revenue growth rates are a function of

6.5%, 3.9%, and 3.2% overall y/y volume growth and 0.2%, 2.0%, and 2.3% overall y/y unit revenue growth during 2013, 2014, and 2015, respectively. Our operating ratio assumptions, net of fuel surcharge revenue, are 90.1% for 2013, 89.8% for 2014, and 89.4% for 2015. We are comfortable that these numbers are achievable provided the economy continues to grow at a slow 1% to 2% rate y/y. Economic growth slower than the assumed range would likely set up a less robust EPS growth trajectory while a more rapidly growing economy would likely drive actual performance beyond our EPS forecast.

Our investment rating on the common shares of Marten Transport remains Hold. Our 12-month fair value estimate becomes \$18 or 15.5x our unchanged 2015 EPS estimate of \$1.15. We would be inclined to revisit our Hold rating should Marten's common shares drop to \$15 or below.

### **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)		GI :						- г		1.1	-		г		10.1 6							
		Closing Price	Diluted	Market	Total	Cash &		Equity value as a multiple of Earnings per Share Book T				TTM	2013E	TTM	a multiple of TTM	TTM	TTM	TTM	TTM	PEG	Div.	2013E
Company name (Ticker)	Rating	10/15/2013	S/O	cap.	Debt	equiv.	TEV (a)		2013E <sup>(b)</sup>		value	Revenue			EBITDAR (c)	EBIT	ROA	ROE	ROIC	ratio <sup>(d)</sup>		FCF Yld
Truckload				*		•																
Celadon Group (CGI)	Buy	17.53	23.7	416.1	294.4	1.3	709.2	13.4x	15.4x	12.9x	1.8x	1.2x	6.3x	6.7x	6.3x	14.6x	4.7%	13.0%	6.4%	0.9	0.5%	-5.0%
Covenant Transport (CVTI)	NC	6.38	14.8	94.2	166.6	8.6	252.2	15.6x	26.6x	14.5x	1.0x	0.4x	NE	4.3x	4.1x	16.3x	0.6%	2.6%	3.2%	2.2	0.0%	NE
Heartland Express (HTLD)	Buy	14.13	84.8	1,198.9	0.0	152.3	1,046.6	19.9x	16.1x	17.0x	3.7x	1.9x	5.7x	6.3x	6.3x	10.1x	12.4%	18.9%	18.9%	2.4	0.6%	4.4%
J.B. Hunt Transport Svcs. (JBHT)	Hold	72.75	117.9	8,574.5	687.5	6.0	9,256.0	28.1x	25.1x	22.0x	8.7x	1.7x	11.0x	11.4x	11.3x	16.3x	13.0%	38.0%	22.6%	1.5	0.8%	2.6%
Knight Transportation (KNX)	Hold	16.73	80.2	1,341.1	26.0	0.7	1,378.8	19.7x	20.2x	17.6x	2.6x	1.4x	7.0x	6.9x	6.9x	12.1x	9.0%	13.4%	12.5%	1.3	1.4%	4.1%
Landstar System (LSTR)	Hold	56.95	46.0	2,621.4	146.3	102.0	2,665.7	20.6x	21.3x	19.3x	6.7x	1.0x	11.6x	11.8x	11.7x	13.5x	14.0%	33.6%	24.4%	1.3	0.0%	6.0%
Marten Transport (MRTN)	Hold	16.53	33.4	552.7	0.8	1.1	562.9	20.1x	17.8x	15.9x	1.6x	0.9x	4.8x	4.8x	4.9x	10.7x	6.0%	8.9%	9.0%	1.1	0.6%	6.0%
P.A.M. Transportation Svcs. (PTSI)	NC	16.31	8.7	142.7	116.7	0.9	258.5	NM	24.0x	18.1x	1.2x	0.7x	NE	5.8x	5.7x	NM	0.9%	2.2%	2.1%	NM	0.0%	NE
Quality Distribution (QLTY)	Buy	9.89	27.8	274.9	406.6	2.4	679.1	14.3x	12.7x	9.9x	NM	0.9x	7.6x	8.8x	8.0x	13.2x	3.7%	NM	8.8%	1.0	0.0%	6.3%
Swift Transportation (SWFT)	Buy	19.67	142.9	2,810.5	1,491.9	43.5	4,258.8	19.7x	15.9x	13.9x	9.2x	1.2x	7.1x	7.7x	6.9x	12.2x	6.5%	NM	13.6%	0.8	0.0%	6.5%
Universal Truckload Svcs. (UACL)	Buy	27.45	30.1	826.6	128.0	6.2	948.4	20.3x	15.6x	13.7x	9.9x	0.9x	8.8x	9.0x	8.7x	11.1x	21.2%	50.7%	29.8%	0.7	1.0%	5.0%
USA Truck (USAK)	NC	9.02	10.5	94.8	150.1	0.3	244.5	NM	NM	NM	0.9x	0.5x	NE	8.4x	8.1x	NM	-3.8%	-11.2%	-4.0%	NM	0.0%	NE
Werner Enterprises (WERN)	Hold	23.20	72.9	1,691.1	40.0	24.2	1,706.8	16.6x	19.2x	16.6x	2.3x	0.8x	5.4x	5.2x	5.2x	10.9x	7.1%	12.5%	12.2%	1.4	0.9%	3.5%
Min				94.2	0.0	0.3	244.5	13.4x	12.7x	9.9x	0.9x	0.4x	4.8x	4.3x	4.1x	10.1x	-3.8%	-11.2%	-4.0%	0.7	0.0%	-5.0%
Mean				1,587.6	281.1	26.9	1,843.6	18.9x	19.1x	16.0x	4.1x	1.0x	7.5x	7.5x	7.2x	12.8x	7.3%	16.6%	12.3%	1.3	0.4%	3.9%
Mean (Asset-based TL only)				1,691.6	297.4	23.9	1,967.4	19.1x	20.0x	16.5x	3.3x	1.1x	6.7x	6.8x	6.6x	12.9x	5.6%	10.9%	9.6%	1.5	0.5%	3.2%
Median				826.6	146.3	6.0	948.4	19.7x	18.5x	16.2x	2.4x	0.9x	7.0x	6.9x	6.9x	12.2x	6.5%	13.0%	12.2%	1.3	0.5%	4.7%
Max			ļ	8,574.5	1,491.9	152.3	9,256.0	28.1x	26.6x	22.0x	9.9x	1.9x	11.6x	11.8x	11.7x	16.3x	21.2%	50.7%	29.8%	2.4	1.4%	6.5%
Stifel Transportation Average				8,854.0	1,546.5	432.1	10,030.6	20.6x	19.3x	16.5x	3.2x	2.3x	9.1x	9.8x	9.1x	18.2x	5.3%	17.4%	9.8%	1.3	0.9%	2.2%

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

Excludes non-recurring items

Calculations may vary due to rounding

Source: Company data , First Call, and Stifel estimates

<sup>(</sup>b) Stifel estimates for those rated and First Call mean estimates for unrated securities

<sup>(</sup>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

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

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								Mart	ten Tra	nsport l	<b>Income</b>	Staten	ent												
(figures in \$ millions, except per share amounts)									ı		201:	2	-			201	1	-	1 1		201	4			
(figures in \$ millions, except per share amounts)	2003A	2004A	2005A	2006A	2007A	2008A	2009A	2010A	2011A	1QA	2QA	3QA	4QA	2012A	1QA	2QA	3QA	4QE	2013E	1QE	2QE	3QE	4QE	2014E	2015E
By segment:  Truckload  Volume growth (change in loaded miles)  Pricing growth (change in rev./loaded mile excl. FSC)						-8.1% 2.7%	-10.5% 0.9%	-10.5% 4.9%	0.0% 9.7%	2.5% 6.2%	5.1% -0.1%	5.7% -0.3%	4.5% -0.3%	4.5% 1.3%	6.6% -0.1%	7.4% -1.1%	5.9% 0.4%	6.0% 1.5%	6.5% 0.2%	3.5% 2.0%	3.5% 2.5%	4.5% 2.0%	4.0% 1.5%	3.9% 2.0%	3.2% 2.3%
Revenue excl. FSC % change y/y FSC % change y/y				402.3 NA 75.3 NA	406.8 1.1% 83.8 11.2%	384.3 -5.5% 123.9 47.9%	347.0 -9.7% 49.8 -59.8%	325.8 -6.1% 67.0 34.5%	357.8 9.8% 98.1 46.4%	89.2 8.8% 25.3 14.3%	94.1 5.0% 26.1 2.3%	96.9 5.4% 25.9 4.4%	98.1 4.2% 27.6 8.0%	378.4 5.8% 104.9 7.0%	95.0 6.5% 26.8 6.0%	100.0 6.2% 26.9 2.8%	103.1 6.4% 27.1 4.6%	105.5 7.6% 29.5 6.8%	403.7 6.7% 110.3 5.1%	100.3 5.6% 28.0 4.4%	106.1 6.1% 30.4 13.3%	109.9 6.6% 30.9 13.8%	111.4 5.6% 30.1 2.0%	427.7 6.0% 119.4 8.3%	451.5 5.6% 123.3 3.2%
TL revenue incl. FSC % change y/y Operating ratio	NA NA NA	NA NA NA	NA NA NA	477.7 NA 92.1%	490.5 2.7% 95.4%	508.2 3.6% 93.2%	396.8 -21.9% 93.4%	392.8 -1.0% 92.7%	455.8 16.1% 92.3%	114.5 10.0% 93.8%	120.3 4.4% 90.9%	122.9 5.1% 93.5%	125.7 5.0% 91.4%	483.3 6.0% 92.4%	121.7 6.4% 91.8%	126.9 5.5% 91.0%	130.3 6.0% 90.6%	135.1 7.4% 91.3%	513.9 6.3% 91.2%	128.2 5.3% 92.6%	136.5 7.6% 90.8%	140.8 8.1% 90.4%	141.5 4.8% 90.5%	547.1 6.5% 91.0%	574.8 5.1% 90.8%
Logistics Revenue excl. FSC % change y/y FSC % change y/y				39.3 NA 1.9	66.2 68.4% 3.3 70.6%	90.2 36.3% 8.7 163.1%	103.2 14.4% 5.9	115.2 11.7% 8.9 51.1%	132.9 15.3% 14.9 67.3%	33.4 9.6% 3.6 9.5%	33.0 2.6% 3.7 -3.2%	36.4 2.6% 4.3 8.3%	36.1 4.0% 4.6 18.1%	139.0 4.6% 16.2 8.2%	37.8 12.9% 5.0 38.8%	29.7 -10.1% 4.8 32.6%	31.4 -13.8% 5.4 25.3%	31.9 -11.5% 4.4 -4.2%	130.8 -5.9% 19.7 21.5%	33.6 -11.0% 4.1 -18.3%	31.2 5.0% 4.5 -7.7%	33.0 5.0% 4.6	33.5 5.0% 4.5 2.0%	131.3 0.4% 17.6 -10.4%	136.6 4.0% 18.2 3.2%
Logistics revenue incl. FSC % change y/y Operating ratio	NA NA NA	NA NA NA	NA NA NA	41.2 NA 91.1%	69.5 68.5% 92.6%	98.9 42.4% 92.6%	109.1 10.3% 93.7%	124.2 13.8% 94.7%	147.8 19.1% 94.8%	37.0 9.6% 93.5%	36.7 2.0% 93.7%	40.7 3.1% 95.3%	40.7 5.5% 94.0%	155.1 4.9% 94.2%	42.7 15.4% 94.1%	34.6 -5.8% 95.0%	36.8 -9.6% 96.2%	36.3 -10.7% 94.5%	150.5 -3.0% 94.9%	37.7 -11.9% 93.6%	35.7 3.2% 94.5%	37.5 1.9% 96.0%	38.0 4.6% 94.2%	148.9 -1.0% 94.6%	154.7 3.9% 93.9%
Gross revenues % change y/y	334.7 14.2%	<b>380.0</b> 13.6%	<b>460.2</b> 21.1%	<b>518.9</b> 12.8%	<b>560.0</b> 7.9%	<b>607.1</b> 8.4%	<b>505.9</b> -16.7%	<b>516.9</b> 2.2%	<b>603.7</b> 16.8%	151.5 9.9%	157.0 3.9%	163.6 4.6%	<b>166.4</b> 5.1%	<b>638.5</b> 5.8%	164.5 8.6%	161.4 2.8%	167.1 2.1%	<b>171.4</b> 3.0%	<b>664.4</b> 4.1%	165.9 0.9%	172.2 6.7%	178.4 6.7%	179.6 4.8%	<b>696.0</b> 4.8%	<b>729.5</b> 4.8%
Operating expenses: Salaries, wages, and benefits Purchased transportation Fuel and fuel taxes Supplies and maintenance	101.0 71.1 56.4 24.8	107.3 77.9 70.9 25.1	126.6 81.9 107.7 28.2	144.4 84.4 135.1 33.2	153.8 103.8 149.0 38.6	152.6 113.2 175.9 38.4	138.8 106.6 99.9 38.2	131.5 110.4 114.9 35.2	147.6 120.3 155.6 40.3	38.3 29.9 39.1 9.5	39.4 29.7 39.5 9.8	42.4 32.4 43.0 10.6	43.2 32.2 41.9 10.0	163.2 124.3 163.6 39.9	42.1 34.2 40.3 9.5	42.3 28.1 40.6 10.0	43.3 30.1 42.5 10.3	44.9 31.5 43.0 10.7	172.7 124.0 166.5 40.5	43.4 31.6 41.7 10.5	44.6 30.7 43.4 10.9	46.7 32.7 44.8 11.3	46.9 32.8 44.7 11.3	181.6 127.8 174.6 43.9	189.7 133.4 182.9 46.7
Suppries and maintenance Depreciation Operating taxes and licenses Insurance and claims Communication and utilities Gain on disposition of revenue equipment	30.0 5.7 15.2 3.3 (0.6)	32.8 6.3 18.6 3.2 (2.2)	38.2 7.1 18.9 3.4 (3.9)	44.4 7.5 21.2 3.6 (7.0)	47.0 6.8 22.4 3.9 (3.4)	49.7 6.7 25.4 3.7 (2.7)	53.1 6.7 19.9 4.2 (1.6)	51.9 6.2 16.6 4.0 (1.1)	57.5 6.4 18.2 4.6 (3.8)	14.5 1.6 5.8 1.2 (1.5)	15.0 1.6 5.2 1.2 (1.2)	15.5 1.7 4.8 1.3 (1.3)	15.8 1.8 4.9 1.3 (1.2)	60.9 6.7 20.7 4.9 (5.3)	15.7 1.8 5.8 1.3 (2.4)	16.2 1.8 5.8 1.3 (1.2)	16.2 1.8 5.7 1.3 (1.5)	17.2 1.6 5.0 1.1 (0.8)	65.3 7.0 22.4 5.0 (5.9)	16.6 1.7 4.6 1.2 (0.5)	17.0 1.7 5.2 1.4 (0.8)	11.3 16.7 1.8 5.2 1.3 (0.8)	11.3 16.9 1.8 5.2 1.3 (0.8)	67.2 7.0 20.3 5.3 (2.9)	71.0 7.3 20.4 5.3 (3.0)
Other Total operating expenses Operating ratio Operating ratio, net of FSC	7.3 314.3 93.9% 93.9%	9.0 348.8 91.8% 91.8%	9.9 417.9 90.8% 90.8%	11.0 477.7 92.1% 90.7%	10.9 532.7 95.1% 94.2%	11.4 574.4 94.6% 93.1%	10.9 476.5 94.2% 93.5%	12.0 481.6 93.2% 92.0%	13.9 560.6 92.9% 91.2%	3.5 142.0 93.7% 92.2%	3.4 143.7 91.5% 89.6%	3.4 153.8 94.0% 92.6%	3.2 153.2 92.1% 90.2%	13.6 592.6 92.8% 91.1%	3.6 151.9 92.4% 90.6%	3.3 148.3 91.9% 89.9%	3.5 153.5 91.8% 89.9%	3.3 157.7 92.0% 90.0%	13.8 611.3 92.0% 90.1%	3.1 154.0 92.8% 91.1%	3.5 157.7 91.6% 89.4%	3.8 163.3 91.6% 89.5%	3.8 163.9 91.3% 89.2%	14.1 638.9 91.8% 89.8%	13.3 667.1 91.4% 89.4%
EBIT % margin	20.3 6.1%	31.2 8.2%	42.3 9.2%	41.2 7.9%	27.3 4.9%	32.7 5.4%	29.4 5.8%	35.3 6.8%	43.0 7.1%	9.5 6.3%	13.3 8.5%	9.8 6.0%	13.2 7.9%	45.9 7.2%	12.5 7.6%	13.1 8.1%	13.7 8.2%	13.7 8.0%	53.1 8.0%	11.9 7.2%	14.5 8.4%	15.0 8.4%	15.7 8.7%	57.1 8.2%	62.4 8.6%
EBITDA % margin	50.4 15.1%	64.0 16.8%	80.5 17.5%	85.5 16.5%	74.3 13.3%	82.4 13.6%	82.4 16.3%	87.2 16.9%	100.6 16.7%	24.1 15.9%	28.3 18.0%	25.4 15.5%	29.0 17.4%	106.8 16.7%	28.2 17.2%	29.3 18.2%	29.9 17.9%	30.9 18.0%	118.4 17.8%	28.5 17.2%	31.5 18.3%	31.7 17.8%	32.5 18.1%	124.3 17.9%	133.4 18.3%
Interest expense, net Interest income and other expense (income), net Minority interest loss (income)	2.8 (1.5) 0.0	2.1 (1.6) 0.0	2.4 (1.6) 0.0	3.6 (0.3) 0.0	3.8 0.1 0.0	1.1 0.9 0.0	0.2 0.4 0.0	0.1 0.5 0.0	(0.0) 0.8 0.0	(0.0) 0.2 0.0	(0.0) 0.2 0.0	(0.0) 0.1 0.0	(0.0) 0.0 0.0	(0.0) 0.5 0.0	(0.0) 0.0 0.1	(0.2) 0.0 0.0	(0.1) 0.0 0.0	(0.1) (0.0) (0.1)	(0.4) (0.0) 0.0	(0.1) (0.0) (0.1)	(0.2) (0.0) (0.1)	(0.2) (0.0) (0.1)	(0.2) (0.0) (0.1)	(0.7) (0.0) (0.4)	(1.1) (0.1) (0.4)
Profit before tax % margin	19.1 5.7%	30.7 8.1%	41.5 9.0%	37.9 7.3%	23.3 4.2%	30.6 5.0%	28.7 5.7%	34.7 6.7%	42.2 7.0%	9.4 6.2%	13.1 8.3%	9.8 6.0%	13.2 7.9%	45.4 7.1%	12.5 7.6%	13.3 8.2%	13.8 8.2%	14.0 8.1%	53.5 8.1%	12.1 7.3%	14.8 8.6%	15.3 8.6%	16.0 8.9%	58.2 8.4%	64.0 8.8%
Tax rate  Net income (loss) from continuing operations	38.0% 11.8	42.9% 17.5	39.6%	38.8% 23.2	38.2% 14.4	41.0% 18.1	43.4% 16.3	43.1% 19.7	42.5% 24.3	41.9% 5.4	41.9% 7.6	33.4% 6.5	41.5% 7.7	39.9% 27.3	42.2% 7.2	42.2% 7.7	42.1% 8.0	40.0% 8.4	41.6% 31.2	40.0% 7.3	40.0% 8.9	40.0% 9.2	40.0% 9.6	40.0%	40.0% 38.4
Extraordinary item (net of tax) (4)(5)(6)(7)  Net income % margin	0.0 11.8 3.5%	0.0 17.5 4.6%	0.0 25.1 5.4%	1.3 24.5 4.7%	0.5 15.0 2.7%	0.0 18.1 3.0%	0.0 16.3 3.2%	0.0 19.7 3.8%	0.0 24.3 4.0%	0.0 5.4 3.6%	7.6 7.6 4.8%	0.0 6.5 4.0%	0.0 7.7 4.6%	0.0 27.3 4.3%	7.2 7.2 4.4%	0.0 7.7 4.7%	0.0 8.0 4.8%	0.0 8.4 4.9%	0.0 31.2 4.7%	7.3 7.3 4.4%	0.0 8.9 5.2%	9.2 9.2 5.1%	9.6 5.3%	0.0 34.9 5.0%	0.0 38.4 5.3%
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	33.5	33.5	33.4	33.5	33.5	33.5	33.5	33.5	33.5
EPS - diluted (continuing operations) % change y/y	\$0.46 70.4%	\$0.54 17.4%	<b>\$0.76</b> 40.7%	\$0.71 -6.6%	<b>\$0.44</b> -38.0%	\$0.55 25.0%	\$0.49 -10.9%	\$0.60 22.4%	\$0.73 21.7%	\$0.16 33.3%	<b>\$0.23</b> 21.1%	\$0.20 5.3%	\$0.23 0.0%	\$0.82 12.3%	<b>\$0.22</b> 37.5%	\$0.23 0.0%	\$0.24 20.0%	<b>\$0.25</b> 8.7%	<b>\$0.93</b> 13.4%	\$0.22 0.0%	<b>\$0.27</b> 17.4%	<b>\$0.27</b> 12.5%	\$0.29 16.0%	\$1.04 11.8%	\$1.15 10.6%
EPS - diluted % change y/y	\$0.46 70.4%	\$0.54 17.4%	\$0.76 40.7%	\$0.74 -2.6%	\$0.45 -39.2%	\$0.55 22.2%	\$0.49 -10.9%	\$0.60 22.4%	\$0.73 21.7%	\$0.16 33.3%	\$0.23 21.1%	\$0.20 5.3%	\$0.23 0.0%	\$0.82 12.3%	\$0.22 37.5%	\$0.23 0.0%	\$0.24 20.0%	\$0.25 8.7%	\$0.93 13.4%	\$0.22 0.0%	\$0.27 17.4%	\$0.27 12.5%	\$0.29 16.0%	\$1.04 11.8%	\$1.15 10.6%

<sup>(1)</sup> Adjusted for 3:2 stock split, in which a 100% stock dividend was paid, effective July 24, 2003

Source: Company data and Stifel estimates

<sup>(1)</sup> Adjusted for 3:2 stock splt, in which a 100% stock dividend was paid, effective Ducy 124, 2003
(2) Adjusted for 3:2 stock splt, in which a 100% stock dividend was paid, effective December 5, 2003
(3) Adjusted for 3:2 stock splt, in which a 100% stock dividend was paid, effective December 23, 2005
(4) 2006 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) 4006 excludes one-time tax benefit of \$0.872 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) 1007 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

<sup>(7) 3</sup>Q07 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

John Larkin, CFA / jglarkin@stifel.com David Tamberrino, CFA / tamberrinod@stifel.com

Marten	Transport	Balance	Sheet

(6 - 10 - 11)									Г		201	•			201	1			20.	14		
(figures in \$ millions, except per share amounts)	2003A	2004A	2005A	2006A	2007A	2008A	2009A	2010A	2011A	10A	201 20A	30A	4QA	10A	201 20A	3QE	4QE	10E	20E	3QE	4OE	2015E
ASSETS	200011	2001.1	200011	200011	200711	2000.1	200311	2010.1	2011.1	14.1	24.1			14.1		UQL	.QL	142	-42	UQL	.QL	20101
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	1.1	22.4	23.7	30.8	37.9	44.6	66.9
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	72.7	66.4	66.6	67.7	68.8	69.6	73.0
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	4.7	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	12.5	14.0	14.0	14.2	14.4	14.6	15.3
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	3.4	2.0	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	89.3	92.9	111.4	114.2	122.1	130.7	138.5	165.4
Total Current assets	74.2	00.1	73.1	70.5	80.2	02.4	72.0	07.7	101.8	100.0	91.3	74.3	95.5	97.1	07.3	74.7	111.4	114.2	122.1	130.7	136.3	105.4
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									
	7.7	9.1	11.8	11.3	12.1	13.9	16.7	20.5	24.4				27.1									
Office equipment and other											515.0			5.00.0	500.0	500.4	611.6	621.6	651.6	671.6	601.6	770.6
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	588.0	598.4	611.6	631.6	651.6	671.6	691.6	779.6
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)	(160.2)	(176.4)	(193.6)	(210.2)	(227.2)	(243.9)	(260.8)	(331.8)
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	427.9	421.9	418.0	421.4	424.4	427.7	430.8	447.8
Other assets	5.0	7.1	6.7	4.4	2.0	0.8	0.5	0.5	0.6	0.6	0.6	0.6	0.6	2.2	2.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
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	520.5	518.2	532.8	539.0	549.8	561.8	572.7	616.6
Total assets	249.0	200.9	349.7	410.0	407.4	397.4	414.0	400.3	4/0.0	490.9	494.3	302.0	490.0	300.3	320.3	310.2	334.0	559.0	349.0	301.0	314.1	010.0
LIABILITIES AND EQUITY																						
Current liabilities	0.5	2.7		0.0	0.0				0.0		0.0	0.0	0.0	0.0		0.0	0.0				0.0	0.0
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
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	38.1	37.9	37.3	37.9	39.2	39.7	41.6
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	13.8	19.9	20.0	20.3	20.6	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	52.0	57.8	57.3	58.2	59.8	60.6	63.5
*	22.0	25.0	42.2	50.5	20.6		0.1	0.0	0.0	0.0	0.0	0.0	2.7	0.0	- 4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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	0.9	0.0	0.0	0.0	0.0	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	114.1	116.3	116.5	118.4	120.4	121.8	127.7
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
	0.1	0.1	0.2	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.2							
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	0.3							
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	83.7							
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	260.1							
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	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	344.1	351.2	358.8	365.2	373.3	381.6	390.4	425.4
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	520.5	518.2	532.8	539.0	549.8	561.8	572.7	616.6
Total habilities and shareholders investment	247.0	200.7	347.1	410.0	407.4	371.4	414.0	400.5	470.0	470.7	474.5	302.0	470.0	200.5	320.3	310.2	332.0	337.0	347.0	501.0	312.1	010.0
Dealers Involved	64.4	65.11	65.00	¢/ 7*	\$7.20	¢= ==	¢0.30	é0 00	60.71	\$0.7C	¢0.00	¢10.10	¢0.01	610.00	610.21	\$10.46	610.72	\$10.01	611.15	611.40	\$11.66	613.51
Book value/share	\$4.46	\$5.11	\$5.88	\$6.71		\$7.77	\$8.28	\$8.88	\$9.61	\$9.76	\$9.98	\$10.18	\$9.91	\$10.09	\$10.31	\$10.49	\$10.72	\$10.91	\$11.15	\$11.40	\$11.66	\$12.71
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	38.6	37.0	36.6	35.6	34.9	35.2	35.2
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	32.7	41.0	53.6	57.0	63.9	70.9	78.0	101.9
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	1.8x	1.9x	2.0x	2.1x	2.2x	2.3x	2.6x
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	0.9	0.0	0.0	0.0	0.0	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	0.9	0.0	0.0	0.0	0.0	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)	6.8	(0.1)	(22.4)	(23.7)	(30.8)	(37.9)	(44.6)	(66.9)
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%	0.3%	0.0%	0.0%	0.0%	0.0%	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%	0.0%	-6.2%	-6.5%	-8.2%	-9.9%	-11.4%	-15.7%
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	0.0%	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x
Debt/EBIT	1.3x	0.4x 0.7x	0.5x 0.9x	1.7x	2.3x	0.1x 0.2x	0.0x 0.1x	0.5x 0.7x	0.0x 0.0x	0.0x	0.0x 0.0x	0.0x 0.0x	0.0x	0.0x 0.0x	0.0x 0.1x	0.0x 0.1x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x
		167.9	193.9		2.3x 236.9	255.7	273.2	294.0		324.2	332.0	338.2	329.4	336.2	0.1x 344.1		358.8	365.2	373.3	381.6	390.4	425.4
Stockholders' equity	144.5	167.9	193.9	221.0	236.9	255.7	215.2	294.0	318.2	524.2	332.0	558.2	529.4	550.2	544.1	351.2	358.8	365.2	5/5.3	381.6	390.4	425.4

Source: Company data and Stifel estimates

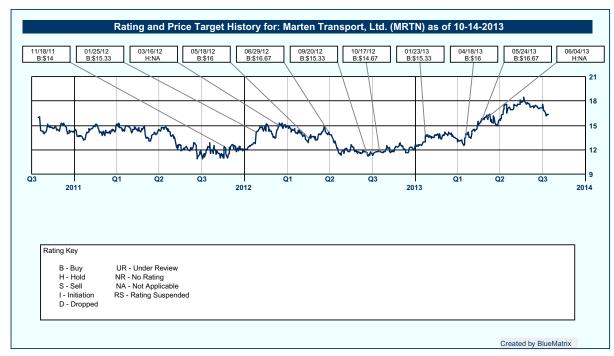
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	Marten Transport Cash Flow Statement																								
									ſ		2012					201	3		1		201	4			
(figures in \$ millions, except per share amounts)	2003A	2004A	2005A	2006A	2007A	2008A	2009A	2010A	2011A	1QA	2QA	3QA	4QA	2012A	1QA	2QA	3QE	4QE	2013E	1QE	2QE	3QE	4QE	2014E	2015E
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	8.0	8.4	31.2	7.3	8.9	9.2	9.6	34.9	38.4
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	16.2	17.2	65.3	16.6	17.0	16.7	16.9	67.2	71.0
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)	(1.2)	0.0	0.0	(3.7)	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	1.6	3.1	0.8	7.0	(0.4)	1.8	1.9	1.4	4.7	5.7
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	0.4	0.0	0.0	0.7	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	0.0	0.0	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)	(3.0)	(5.9)	5.6	(3.6)	(0.8)	(0.5)	(1.2)	(0.9)	(3.4)	(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	(0.4)	1.3	(1.4)	1.3	(0.0)	(0.2)	(0.2)	(0.2)	(0.7)	(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)	4.1	(4.5)	(0.3)	(2.2)	(0.6)	0.6	1.3	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	(0.2)	6.1	6.1	0.0	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)	1.2	(9.2)	10.0	1.6	(1.4)	0.2	0.2	(0.3)	(1.3)	(1.4
	(0.0)	(0.0)						(10.0)	()	()	(=)		(0.0)	()	()		()		-1.0	()			(0.0)	(110)	(
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	25.8	18.0	36.4	102.2	22.1	27.9	28.0	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)	(44.5)	(10.3)	(13.3)	(92.0)	(20.0)	(20.0)	(20.0)	(20.0)	(80.0)	(88.0)
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	11.2	0.0	0.0	25.6	0.0	0.0	0.0	0.0	0.0	0.0
Buildings and land, office equipment and other additions,	r (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)	(7.9)	0.0	0.0	(9.6)	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)	(0.1)	0.0	0.0	(1.9)	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)	(41.3)	(10.3)	(13.3)	(78.0)	(20.0)	(20.0)	(20.0)	(20.0)	(80.0)	(88.0)
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	(15.5)	7.7	23.1	24.2	2.1	7.9	8.0	7.5	25.5	25.7
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	34.3	0.0	0.0	36.9	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)		(142.5)	(57.0)	0.0	(4.7)	(9.6)	(4.6)	(18.8)	(5.4)	(26.9)	(6.4)	(0.9)	(39.7)	0.0	0.0	0.0	0.0	0.0	0.0
Issuance of common stock	53.1			0.8		0.4	(2.5)	0.3		0.0	0.1	0.0	0.4		0.0	0.2	0.0	0.9)		0.0	0.0	0.0	0.0	0.0	0.0
		3.2	0.5		0.3		0.3		0.1					1.0					0.2						
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 0.1	0.0	0.0	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
Excess tax benefit from share-based payment exercises	0.0	0.0 3.2	0.0	(0.6)	0.2	0.5	0.2	0.3	0.1	0.2	0.1	0.0	0.1	0.3	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Change in net checks issued in excess of cash balances	0.4		(2.3)		(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	(3.3)
Dividends paid  Net cash (used in) provided by financing activities	(1.5)	28.0	0.0 15.9	0.0 11.7	(14.4)	(42.2)	0.0 1.5	(1.3) 16.6	(22.4)	0.5)	(0.6)	(0.6)	(17.0) (13.9)	(18.8)	(0.6)	7.1	(0.8)	(0.8) (1.8)	(2.9)	(0.8) (0.8)	(0.8) (0.8)	(0.8)	(0.8) (0.8)	(3.3)	(3.3
rect cash (used in) provided by infancing activities	(1.5)	20.0	15.5	11.7	(14.4)	(42.2)	1	10.0	(22.4)	0.2	(0.5)	(0.0)	(13.7)	(14.0)	(3.3)	/.1	(7.5)	(1.0)	(5.5)	(0.0)	(0.0)	(0.0)	(0.0)	(3.3)	(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	1.1	3.5	22.4	23.7	30.8	37.9	22.4	44.6
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)	0.4	21.3	18.9	1.3	7.1	7.1	6.7	22.1	22.4
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	1.1	22.4	22.4	23.7	30.8	37.9	44.6	44.6	66.9
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	(8.1)	6.9	22.3	33.0	1.3	7.1	7.1	6.7	22.1	22.4
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	(\$0.24)	\$0.21	\$0.67	\$0.99	\$0.04	\$0.21	\$0.21	\$0.20	\$0.66	\$0.67
Current share price \$16.53																									
FCF yield	0.1%	-4.0%	-2.3%	-2.0%	2.8%	8.1%	1.7%	-1.1%	8.2%					-1.5%					6.0%					4.0%	4.0%
Dividend/FCF	0.0%	0.0%			0.0%	0.0%	0.0%	21.8%	-5.1%					223.7%					-8.7%					-15.1%	-15.0%
CapEx, net/OCF	99.6%	150.2%	122.2%	115.9%	79.5%	48.0%	98.5%	125.8%	56.1%					103.0%					74.4%					75.8%	77.4%

Source: Company data and Stifel estimates

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