

MARTEN TRANSPORT ANNOUNCES THIRD QUARTER RESULTS

Net income improves 20.6% in fifteenth consecutive quarter of year-over-year profit growth

MONDOVI, Wis., October 17, 2022 (GLOBE NEWSWIRE) -- Marten Transport, Ltd. (Nasdaq/GS:MRTN) today reported a 20.6% improvement in net income to \$25.6 million, or 32 cents per diluted share, for the third quarter ended September 30, 2022, from \$21.3 million, or 26 cents per diluted share, for the third quarter of 2021 – the Company’s fifteenth consecutive year-over-year increase in quarterly profitability. For the first nine months of 2022, net income improved 39.8% to \$84.8 million, or \$1.03 per diluted share, from \$60.7 million, or 73 cents per diluted share, for the first nine months of 2021.

| Operating Results Comparison | | | | | | |
|---|---|--|---|--|--|--|
| | Percentage Increase Three Months Ended September 30, 2022 vs. 2021 | Percentage Increase Three Months Ended June 30, 2022 vs. 2021 | Percentage Increase Three Months Ended March 31, 2022 vs. 2021 | Percentage Increase Year Ended December 31, 2021 vs. 2020 | Percentage Increase Year Ended December 31, 2020 vs. 2019 | Percentage Increase Year Ended December 31, 2019 vs. 2018 |
| Operating revenue | <u>29.1%</u> | <u>41.8%</u> | <u>28.8%</u> | <u>11.4%</u> | <u>3.7%</u> | <u>7.1%</u> |
| Operating revenue, net of fuel surcharges | <u>21.8%</u> | <u>32.1%</u> | <u>23.8%</u> | <u>8.3%</u> | <u>6.8%</u> | <u>8.6%</u> |
| Operating income | <u>18.5%</u> | <u>43.5%</u> | <u>49.4%</u> | <u>19.8%</u> | <u>21.9%</u> | <u>8.7%</u> |
| Net income | <u>20.6%</u> | <u>47.8%</u> | <u>52.9%</u> | <u>22.9%</u> | <u>13.8%</u> | <u>11.0%</u> |

Operating revenue improved 29.1% to \$324.4 million for the third quarter of 2022 from \$251.3 million for the third quarter of 2021. Excluding fuel surcharges, operating revenue improved 21.8% to \$269.3 million for the 2022 quarter from \$221.2 million for the 2021 quarter. Fuel surcharge revenue increased to \$55.1 million for the 2022 quarter from \$30.1 million for the 2021 quarter due to significantly higher fuel prices.

Operating revenue improved 33.2% to \$941.3 million for the first nine months of 2022 from \$706.8 million for the first nine months of 2021. Excluding fuel surcharges, operating revenue improved 25.8% to \$783.8 million for the 2022 period from \$623.0 million for the 2021 period. Fuel surcharge revenue increased to \$157.5 million for the 2022 period from \$83.7 million for 2021 period.

Operating income improved 18.5% to \$33.8 million for the third quarter of 2022 from \$28.5 million for the third quarter of 2021, and also improved 36.5% to \$110.6 million for the first nine months of 2022 from \$81.0 million for the first nine months of 2021.

Operating expenses as a percentage of operating revenue were 89.6% for the third quarter of 2022 and 88.7% for the third quarter of 2021. Operating expenses as a percentage of operating revenue, with both amounts net of fuel surcharges, were 87.5% for the 2022 quarter and 87.1% for the 2021 quarter.

Operating expenses as a percentage of operating revenue improved to 88.3% for the first nine months of 2022 from 88.5% for the first nine months of 2021. Operating expenses as a percentage of operating revenue, with both amounts net of fuel surcharges, improved to 85.9% from 87.0%.

Executive Chairman Randolph L. Marten stated, “The smart, hard work of our talented people executing our unique business model has produced improvements of 29.1% in top-line and 20.6% in bottom-line results over the third quarter of 2021. These results overcame significantly less gain on disposition of our revenue equipment, the negative effect of Hurricane Ian on our sizable Southeast truckload and dedicated operations, and a decrease in our intermodal volumes and margins resulting from weakness in rail service aggravated by the threat of a rail labor strike in mid-September.”

“We continue to drive strong fleet growth with our approach to overcoming the national shortage of qualified drivers of applying a heightened emphasis on structurally improving our drivers’ jobs and work-life balance by collaborating with our customers, while also increasing our driver compensation. This growth provides momentum to the coming quarters as we began this year’s fourth quarter with 199 more of the industry’s top drivers than we employed at the beginning of the third quarter – and have now increased our number of drivers by 621, or 22.6%, since June 30, 2021.”

Operating Results Since the Pandemic Began – Percentage Increase Over Same Quarter of Prior Year

| | <u>Q3</u> <u>2022</u> | <u>Q2</u> <u>2022</u> | <u>Q1</u> <u>2022</u> | <u>Q4</u> <u>2021</u> | <u>Q3</u> <u>2021</u> | <u>Q2</u> <u>2021</u> | <u>Q1</u> <u>2021</u> | <u>Q4</u> <u>2020</u> | <u>Q3</u> <u>2020</u> | <u>Q2</u> <u>2020</u> |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Operating revenue | <u>29.1%</u> | <u>41.8%</u> | <u>28.8%</u> | <u>17.4%</u> | <u>16.3%</u> | <u>9.4%</u> | <u>2.0%</u> | <u>4.7%</u> | <u>0.5%</u> | <u>0.1%</u> |
| Operating revenue, net of fuel surcharges | <u>21.8%</u> | <u>32.1%</u> | <u>23.8%</u> | <u>12.5%</u> | <u>12.8%</u> | <u>5.0%</u> | <u>2.5%</u> | <u>8.8%</u> | <u>3.8%</u> | <u>4.7%</u> |
| Operating income | <u>18.5%</u> | <u>43.5%</u> | <u>49.4%</u> | <u>20.0%</u> | <u>16.8%</u> | <u>12.9%</u> | <u>33.1%</u> | <u>36.0%</u> | <u>21.8%</u> | <u>26.6%</u> |
| Net income | <u>20.6%</u> | <u>47.8%</u> | <u>52.9%</u> | <u>26.1%</u> | <u>17.9%</u> | <u>18.1%</u> | <u>31.3%</u> | <u>24.5%</u> | <u>8.8%</u> | <u>19.4%</u> |

[Current Investor Presentation](#)

Marten Transport, with headquarters in Mondovi, Wis., is a multifaceted business offering a network of refrigerated and dry truck-based transportation capabilities across the Company’s five distinct business platforms - Truckload, Dedicated, Intermodal, Brokerage and MRTN de Mexico. Marten is one of the leading temperature-sensitive truckload carriers in the United States, specializing in transporting and distributing food, beverages and other consumer packaged goods that require a temperature-controlled or insulated environment. The Company offers service in the United States, Mexico and Canada, concentrating on expedited movements for high-volume customers. Marten’s common stock is traded on the Nasdaq Global Select Market under the symbol MRTN.

This press release contains certain statements that may be considered forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements include a discussion of Marten’s prospects for future growth and by their nature involve substantial risks and uncertainties, and actual results may differ materially from those expressed in such forward-looking statements. Important factors known to the Company that could cause actual results to differ materially from those discussed in the forward-looking statements are discussed in Part I, Item 1A of the Company’s Annual Report on Form 10-K for the year ended December 31, 2021. The Company undertakes no obligation to correct or update any forward-looking statements, whether as a result of new information, future events or otherwise.

CONTACTS: Tim Kohl, Chief Executive Officer, and Jim Hinnendael, Executive Vice President and Chief Financial Officer, of Marten Transport, Ltd., 715-926-4216.

MARTEN TRANSPORT, LTD.
CONSOLIDATED CONDENSED BALANCE SHEETS

| (In thousands, except share information) | September 30, 2022 | December 31, 2021 |
|---|-----------------------|----------------------|
| | (Unaudited) | |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 71,492 | \$ 56,995 |
| Receivables: | | |
| Trade, net | 124,587 | 99,003 |
| Other | 4,443 | 6,971 |
| Prepaid expenses and other | 24,787 | 23,980 |
| Total current assets | 225,309 | 186,949 |
| Property and equipment: | | |
| Revenue equipment, buildings and land, office equipment and other | 1,046,476 | 956,476 |
| Accumulated depreciation | (334,504) | (274,199) |
| Net property and equipment | 711,972 | 682,277 |
| Other noncurrent assets | 1,421 | 1,464 |
| Total assets | \$ 938,702 | \$ 870,690 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable | \$ 43,188 | \$ 20,150 |
| Insurance and claims accruals | 45,664 | 42,014 |
| Accrued and other current liabilities | 36,605 | 31,395 |
| Total current liabilities | 125,457 | 93,559 |
| Deferred income taxes | 130,594 | 125,163 |
| Noncurrent operating lease liabilities | 214 | 291 |
| Total liabilities | 256,265 | 219,013 |
| Stockholders' equity: | | |
| Preferred stock, \$.01 par value per share; 2,000,000 shares authorized; no shares issued and outstanding | - | - |
| Common stock, \$.01 par value per share; 192,000,000 shares authorized; 81,096,632 shares at September 30, 2022, and 83,034,404 shares at December 31, 2021, issued and outstanding | 811 | 830 |
| Additional paid-in capital | 46,366 | 85,718 |
| Retained earnings | 635,260 | 565,129 |
| Total stockholders' equity | 682,437 | 651,677 |
| Total liabilities and stockholders' equity | \$ 938,702 | \$ 870,690 |

MARTEN TRANSPORT, LTD.
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS
(Unaudited)

| (In thousands, except per share information) | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|-------------------------------------|------------|------------------------------------|------------|
| | 2022 | 2021 | 2022 | 2021 |
| Operating revenue | \$ 324,448 | \$ 251,280 | \$ 941,294 | \$ 706,768 |
| Operating expenses (income): | | | | |
| Salaries, wages and benefits | 99,773 | 81,091 | 285,582 | 229,385 |
| Purchased transportation | 64,403 | 52,861 | 189,193 | 138,629 |
| Fuel and fuel taxes | 57,299 | 33,909 | 163,004 | 94,853 |
| Supplies and maintenance | 14,855 | 11,685 | 40,520 | 33,867 |
| Depreciation | 28,381 | 25,371 | 81,389 | 76,598 |
| Operating taxes and licenses | 2,748 | 2,606 | 8,051 | 8,036 |
| Insurance and claims | 11,949 | 10,501 | 38,096 | 31,338 |
| Communications and utilities | 2,135 | 2,181 | 6,639 | 6,320 |
| Gain on disposition of revenue equipment | (1,070) | (4,536) | (10,422) | (11,859) |
| Other | 10,209 | 7,115 | 28,681 | 18,589 |
| Total operating expenses | 290,682 | 222,784 | 830,733 | 625,756 |
| Operating income | 33,766 | 28,496 | 110,561 | 81,012 |
| Other | (264) | (8) | (307) | (27) |
| Income before income taxes | 34,030 | 28,504 | 110,868 | 81,039 |
| Income taxes expense | 8,384 | 7,230 | 26,028 | 20,341 |
| Net income | \$ 25,646 | \$ 21,274 | \$ 84,840 | \$ 60,698 |
| Basic earnings per common share | \$ 0.32 | \$ 0.26 | \$ 1.04 | \$ 0.73 |
| Diluted earnings per common share | \$ 0.32 | \$ 0.26 | \$ 1.03 | \$ 0.73 |
| Dividends paid per common share | \$ 0.06 | \$ - | \$ 0.18 | \$ 0.08 |
| Dividends declared per common share | \$ 0.06 | \$ 0.54 | \$ 0.18 | \$ 0.62 |

MARTEN TRANSPORT, LTD.
SEGMENT INFORMATION
(Unaudited)

| | Three Months Ended September 30, | | Dollar Change Three Months Ended September 30, 2022 vs. 2021 | Percentage Change Three Months Ended September 30, 2022 vs. 2021 |
|--|--|-------------------|---|---|
| | 2022 | 2021 | | |
| (Dollars in thousands) | | | | |
| Operating revenue: | | | | |
| Truckload revenue, net of fuel surcharge revenue | \$ 105,905 | \$ 86,889 | \$ 19,016 | 21.9% |
| Truckload fuel surcharge revenue | 23,471 | 12,728 | 10,743 | 84.4 |
| Total Truckload revenue | <u>129,376</u> | <u>99,617</u> | <u>29,759</u> | <u>29.9</u> |
| Dedicated revenue, net of fuel surcharge revenue | 86,178 | 68,826 | 17,352 | 25.2 |
| Dedicated fuel surcharge revenue | 24,039 | 13,336 | 10,703 | 80.3 |
| Total Dedicated revenue | <u>110,217</u> | <u>82,162</u> | <u>28,055</u> | <u>34.1</u> |
| Intermodal revenue, net of fuel surcharge revenue | 24,303 | 22,716 | 1,587 | 7.0 |
| Intermodal fuel surcharge revenue | 7,600 | 4,031 | 3,569 | 88.5 |
| Total Intermodal revenue | <u>31,903</u> | <u>26,747</u> | <u>5,156</u> | <u>19.3</u> |
| Brokerage revenue | <u>52,952</u> | <u>42,754</u> | <u>10,198</u> | <u>23.9</u> |
| Total operating revenue | <u>\$ 324,448</u> | <u>\$ 251,280</u> | <u>\$ 73,168</u> | <u>29.1%</u> |
| Operating income: | | | | |
| Truckload | \$ 14,319 | \$ 11,670 | \$ 2,649 | 22.7% |
| Dedicated | 13,005 | 8,521 | 4,484 | 52.6 |
| Intermodal | 778 | 2,840 | (2,062) | (72.6) |
| Brokerage | 5,664 | 5,465 | 199 | 3.6 |
| Total operating income | <u>\$ 33,766</u> | <u>\$ 28,496</u> | <u>\$ 5,270</u> | <u>18.5%</u> |
| Operating ratio: | | | | |
| Truckload | 88.9% | 88.3% | | |
| Dedicated | 88.2 | 89.6 | | |
| Intermodal | 97.6 | 89.4 | | |
| Brokerage | 89.3 | 87.2 | | |
| Consolidated operating ratio | <u>89.6%</u> | <u>88.7%</u> | | |
| Operating ratio, net of fuel surcharges: | | | | |
| Truckload | 86.5% | 86.6% | | |
| Dedicated | 84.9 | 87.6 | | |
| Intermodal | 96.8 | 87.5 | | |
| Brokerage | 89.3 | 87.2 | | |
| Consolidated operating ratio, net of fuel surcharges | <u>87.5%</u> | <u>87.1%</u> | | |

MARTEN TRANSPORT, LTD.
SEGMENT INFORMATION
(Unaudited)

| (Dollars in thousands) | Nine Months Ended September 30, | | Dollar Change Nine Months Ended September 30, 2022 vs. 2021 | Percentage Change Nine Months Ended September 30, 2022 vs. 2021 |
|--|---------------------------------------|-------------------|--|--|
| | 2022 | 2021 | | |
| Operating revenue: | | | | |
| Truckload revenue, net of fuel surcharge revenue | \$ 302,883 | \$ 254,441 | \$ 48,442 | 19.0% |
| Truckload fuel surcharge revenue | 66,255 | 36,032 | 30,223 | 83.9 |
| Total Truckload revenue | <u>369,138</u> | <u>290,473</u> | <u>78,665</u> | <u>27.1</u> |
| Dedicated revenue, net of fuel surcharge revenue | 248,988 | 202,955 | 46,033 | 22.7 |
| Dedicated fuel surcharge revenue | 68,344 | 37,565 | 30,779 | 81.9 |
| Total Dedicated revenue | <u>317,332</u> | <u>240,520</u> | <u>76,812</u> | <u>31.9</u> |
| Intermodal revenue, net of fuel surcharge revenue | 77,589 | 64,193 | 13,396 | 20.9 |
| Intermodal fuel surcharge revenue | 22,923 | 10,150 | 12,773 | 125.8 |
| Total Intermodal revenue | <u>100,512</u> | <u>74,343</u> | <u>26,169</u> | <u>35.2</u> |
| Brokerage revenue | <u>154,312</u> | <u>101,432</u> | <u>52,880</u> | <u>52.1</u> |
| Total operating revenue | <u>\$ 941,294</u> | <u>\$ 706,768</u> | <u>\$ 234,526</u> | <u>33.2%</u> |
| Operating income: | | | | |
| Truckload | \$ 45,978 | \$ 36,282 | \$ 9,696 | 26.7% |
| Dedicated | 37,689 | 28,074 | 9,615 | 34.2 |
| Intermodal | 9,911 | 6,151 | 3,760 | 61.1 |
| Brokerage | 16,983 | 10,505 | 6,478 | 61.7 |
| Total operating income | <u>\$ 110,561</u> | <u>\$ 81,012</u> | <u>\$ 29,549</u> | <u>36.5%</u> |
| Operating ratio: | | | | |
| Truckload | 87.5% | 87.5% | | |
| Dedicated | 88.1 | 88.3 | | |
| Intermodal | 90.1 | 91.7 | | |
| Brokerage | 89.0 | 89.6 | | |
| Consolidated operating ratio | <u>88.3%</u> | <u>88.5%</u> | | |
| Operating ratio, net of fuel surcharges: | | | | |
| Truckload | 84.8% | 85.7% | | |
| Dedicated | 84.9 | 86.2 | | |
| Intermodal | 87.2 | 90.4 | | |
| Brokerage | 89.0 | 89.6 | | |
| Consolidated operating ratio, net of fuel surcharges | <u>85.9%</u> | <u>87.0%</u> | | |

MARTEN TRANSPORT, LTD.
OPERATING STATISTICS
(Unaudited)

| | Three Months | | Nine Months | |
|--|---------------------|-----------|---------------------|------------|
| | Ended September 30, | | Ended September 30, | |
| | 2022 | 2021 | 2022 | 2021 |
| Truckload Segment: | | | | |
| Revenue (in thousands) | \$ 129,376 | \$ 99,617 | \$ 369,138 | \$ 290,473 |
| Average revenue, net of fuel surcharges, per tractor per week ⁽¹⁾ | \$ 4,889 | \$ 4,411 | \$ 4,980 | \$ 4,202 |
| Average tractors ⁽¹⁾ | 1,648 | 1,499 | 1,560 | 1,553 |
| Average miles per trip | 508 | 502 | 512 | 516 |
| Non-revenue miles percentage ⁽²⁾ | 11.3% | 10.1% | 10.8% | 10.0% |
| Total miles (in thousands) | 38,441 | 35,945 | 110,565 | 111,513 |
| Dedicated Segment: | | | | |
| Revenue (in thousands) | \$ 110,217 | \$ 82,162 | \$ 317,332 | \$ 240,520 |
| Average revenue, net of fuel surcharges, per tractor per week ⁽¹⁾ | \$ 4,006 | \$ 3,438 | \$ 3,977 | \$ 3,305 |
| Average tractors ⁽¹⁾ | 1,637 | 1,523 | 1,605 | 1,574 |
| Average miles per trip | 337 | 328 | 340 | 319 |
| Non-revenue miles percentage ⁽²⁾ | 1.2% | 1.1% | 1.1% | 1.0% |
| Total miles (in thousands) | 34,513 | 31,511 | 101,400 | 95,765 |
| Intermodal Segment: | | | | |
| Revenue (in thousands) | \$ 31,903 | \$ 26,747 | \$ 100,512 | \$ 74,343 |
| Loads | 7,610 | 8,257 | 24,607 | 24,885 |
| Average tractors | 182 | 139 | 173 | 140 |
| Brokerage Segment: | | | | |
| Revenue (in thousands) | \$ 52,952 | \$ 42,754 | \$ 154,312 | \$ 101,432 |
| Loads | 24,896 | 18,251 | 69,902 | 47,167 |
| At September 30, 2022 and September 30, 2021: | | | | |
| Total tractors ⁽¹⁾ | 3,575 | 3,204 | | |
| Average age of company tractors (in years) | 1.7 | 1.4 | | |
| Total trailers | 5,679 | 5,291 | | |
| Average age of company trailers (in years) | 3.8 | 3.2 | | |
| Ratio of trailers to tractors ⁽¹⁾ | 1.6 | 1.7 | | |
| Total refrigerated containers | 803 | 607 | | |
| (In thousands) | | | | |
| | Three Months | | Nine Months | |
| | Ended September 30, | | Ended September 30, | |
| | 2022 | 2021 | 2022 | 2021 |
| Net cash provided by operating activities | \$ 64,551 | \$ 44,544 | \$ 163,221 | \$ 127,909 |
| Net cash (used for) investing activities | (57,412) | (40,704) | (92,416) | (102,142) |
| Net cash (used for) financing activities | (4,021) | (612) | (56,308) | (7,994) |
| Weighted average shares outstanding: | | | | |
| Basic | 81,061 | 82,907 | 81,889 | 82,835 |
| Diluted | 81,347 | 83,372 | 82,155 | 83,380 |

(1) Includes tractors driven by both company-employed drivers and independent contractors. Independent contractors provided 90 and 101 tractors as of September 30, 2022 and 2021, respectively.

(2) Represents the percentage of miles for which the company is not compensated.