

MARTEN TRANSPORT ANNOUNCES THIRD QUARTER RESULTS

Reports highest operating income and operating revenue for any quarter in Company history

MONDOVI, Wis., October 16, 2018 (GLOBE NEWSWIRE) -- Marten Transport, Ltd. (Nasdaq/GS:MRTN) today reported the highest operating income and operating revenue for any quarter in its history. For the third quarter ended September 30, 2018, net income improved 94.2% to \$15.3 million, or 28 cents per diluted share, from \$7.9 million, or 14 cents per diluted share, for the third quarter of 2017. For the first nine months of 2018, net income improved 55.9% to \$39.3 million, or 71 cents per diluted share, from \$25.2 million, or 46 cents per diluted share, for the first nine months of 2017. Earnings for the third quarter of 2018 include an additional income tax benefit of \$493,000, or one cent per diluted share, net of related expenses.

Operating income improved 45.9% to a record \$19.0 million for the third quarter of 2018 from \$13.0 million for the third quarter of 2017, and improved 19.5% to \$50.8 million for the first nine months of 2018 from \$42.5 million for the 2017 nine-month period. The third quarter operating income also improved 4.2% sequentially from second quarter of 2018 operating income of \$18.2 million.

Operating revenue improved 17.0% to a record \$199.6 million for the third quarter of 2018 from \$170.7 million for the third quarter of 2017, and improved 13.3% to \$583.6 million for the first nine months of 2018 from \$515.3 million for the 2017 nine-month period. Excluding fuel surcharges, operating revenue improved 10.8% to \$171.8 million for the 2018 quarter from \$155.0 million for the 2017 quarter, and improved 8.0% to \$504.9 million for the first nine months of 2018 from \$467.5 million for the 2017 nine-month period. Fuel surcharge revenue increased to \$27.9 million for the 2018 quarter from \$15.6 million for the 2017 quarter, and increased to \$78.8 million for the first nine months of 2018 from \$47.8 million for the 2017 nine-month period.

Operating expenses for the third quarter of 2018 improved to 90.5% of operating revenue from 92.4% for the third quarter of 2017. Operating expenses as a percentage of operating revenue, with both amounts net of fuel surcharges, improved to 88.9% for the third quarter of 2018 from 91.6% for the third quarter of 2017.

Operating expenses for the first nine months of 2018 improved to 91.3% of operating revenue from 91.7% for the 2017 nine-month period. Operating expenses as a percentage of operating revenue, with both amounts net of fuel surcharges, improved to 89.9% for the first nine months of 2018 from 90.9% for the 2017 nine-month period.

Chairman and Chief Executive Officer Randolph L. Marten said, “We are encouraged by our record operating income and operating revenue in this quarter, along with our best operating ratio, net of fuel surcharges, over the last 14 quarters. These top- and bottom-line results are a direct result of the continued disciplined execution of our unique multifaceted business model by our dedicated and experienced Marten workforce while capitalizing on the strengthened freight environment. We also improved our balance sheet position with \$35.7 million in cash at September 30, 2018 compared with \$15.8 million at the beginning of the year. We expect to drive continued growth across all of our operating platforms with increasing compensation for our premium services, additional freight with existing and new customers, and our emphasis on operating efficiencies and cost controls.”

“Our agreements with a number of customers included a shift beginning in this year’s first quarter from line haul to fuel surcharge revenue, which reduced our Dedicated and Truckload revenue, net of fuel surcharges, by \$200 and \$43 per tractor per week in the third quarter, and by \$171 and \$33 per tractor per week in the first nine months of this year. The change reduced our revenue excluding fuel surcharges by \$3.8 million for the third quarter and by \$9.3 million for this year’s first nine months, while increasing our fuel surcharge revenue by the same amounts.”

Marten Transport, with headquarters in Mondovi, Wis., is one of the leading temperature-sensitive truckload carriers in the United States, specializing in transporting and distributing food and other consumer packaged

goods that require a temperature-controlled or insulated environment. Marten's dry freight services are expanding, with 1,580 dry trailers operating as of September 30, 2018. Marten offers service in the United States, Canada and Mexico, 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 the Company'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 Item 1A of the Company's Annual Report on Form 10-K for the year ended December 31, 2017. 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, President, 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, 2018 | December 31, 2017 |
|---|-----------------------|----------------------|
| | (Unaudited) | |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 35,739 | \$ 15,791 |
| Receivables: | | |
| Trade, net | 84,055 | 74,886 |
| Other | 6,993 | 6,131 |
| Prepaid expenses and other | 18,816 | 19,810 |
| Total current assets | 145,603 | 116,618 |
| Property and equipment: | | |
| Revenue equipment, buildings and land, office equipment and other | 820,523 | 783,648 |
| Accumulated depreciation | (223,087) | (211,728) |
| Net property and equipment | 597,436 | 571,920 |
| Other assets | 2,281 | 1,865 |
| Total assets | \$ 745,320 | \$ 690,403 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities | \$ 48,259 | \$ 38,100 |
| Insurance and claims accruals | 25,295 | 26,177 |
| Total current liabilities | 73,554 | 64,277 |
| Deferred income taxes | 107,696 | 100,626 |
| Total liabilities | 181,250 | 164,903 |
| 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; 54,662,924 shares at September 30, 2018, and 54,533,455 shares at December 31, 2017, issued and outstanding | 547 | 545 |
| Additional paid-in capital | 79,304 | 76,413 |
| Retained earnings | 484,219 | 448,542 |
| Total stockholders' equity | 564,070 | 525,500 |
| Total liabilities and stockholders' equity | \$ 745,320 | \$ 690,403 |

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, | |
|--|-------------------------------------|------------|------------------------------------|------------|
| | 2018 | 2017 | 2018 | 2017 |
| Operating revenue | \$ 199,649 | \$ 170,679 | \$ 583,633 | \$ 515,349 |
| Operating expenses (income): | | | | |
| Salaries, wages and benefits | 64,051 | 53,594 | 186,123 | 166,709 |
| Purchased transportation | 35,867 | 28,668 | 105,941 | 85,546 |
| Fuel and fuel taxes | 31,658 | 26,143 | 92,444 | 77,106 |
| Supplies and maintenance | 10,574 | 10,381 | 31,261 | 31,912 |
| Depreciation | 22,272 | 21,186 | 66,280 | 63,875 |
| Operating taxes and licenses | 2,404 | 2,314 | 7,055 | 6,813 |
| Insurance and claims | 8,567 | 11,336 | 27,798 | 29,098 |
| Communications and utilities | 1,663 | 1,463 | 4,993 | 4,531 |
| Gain on disposition of revenue equipment | (1,835) | (1,908) | (5,206) | (4,882) |
| Other | 5,435 | 4,480 | 16,134 | 12,112 |
| Total operating expenses | 180,656 | 157,657 | 532,823 | 472,820 |
| Operating income | 18,993 | 13,022 | 50,810 | 42,529 |
| Other | (120) | 14 | (447) | 280 |
| Income before income taxes | 19,113 | 13,008 | 51,257 | 42,249 |
| Income taxes expense | 3,856 | 5,153 | 11,967 | 17,039 |
| Net income | \$ 15,257 | \$ 7,855 | \$ 39,290 | \$ 25,210 |
| Basic earnings per common share | \$ 0.28 | \$ 0.14 | \$ 0.72 | \$ 0.46 |
| Diluted earnings per common share | \$ 0.28 | \$ 0.14 | \$ 0.71 | \$ 0.46 |
| Dividends declared per common share | \$ 0.025 | \$ 0.025 | \$ 0.075 | \$ 0.055 |

MARTEN TRANSPORT, LTD.
SEGMENT INFORMATION
(Unaudited)

| (Dollars in thousands) | Three Months Ended September 30, | | Dollar Change Three Months Ended September 30, | Percentage Change Three Months Ended September 30, |
|---|--|-------------------|--|--|
| | 2018 | 2017 | 2018 vs. 2017 | 2018 vs. 2017 |
| Operating revenue: | | | | |
| Truckload revenue, net of fuel surcharge revenue | \$ 80,563 | \$ 81,836 | \$ (1,273) | (1.6)% |
| Truckload fuel surcharge revenue | 13,357 | 10,172 | 3,185 | 31.3 |
| Total Truckload revenue | <u>93,920</u> | <u>92,008</u> | <u>1,912</u> | <u>2.1</u> |
| Dedicated revenue, net of fuel surcharge revenue | 48,500 | 39,154 | 9,346 | 23.9 |
| Dedicated fuel surcharge revenue | 10,291 | 2,995 | 7,296 | 243.6 |
| Total Dedicated revenue | <u>58,791</u> | <u>42,149</u> | <u>16,642</u> | <u>39.5</u> |
| Intermodal revenue, net of fuel surcharge revenue | 21,735 | 17,423 | 4,312 | 24.7 |
| Intermodal fuel surcharge revenue | 4,204 | 2,472 | 1,732 | 70.1 |
| Total Intermodal revenue | <u>25,939</u> | <u>19,895</u> | <u>6,044</u> | <u>30.4</u> |
| Brokerage revenue | <u>20,999</u> | <u>16,627</u> | <u>4,372</u> | <u>26.3</u> |
| Total operating revenue | <u>\$ 199,649</u> | <u>\$ 170,679</u> | <u>\$ 28,970</u> | <u>17.0%</u> |
| Operating income: | | | | |
| Truckload | \$ 10,026 | \$ 5,764 | \$ 4,262 | 73.9% |
| Dedicated | 5,249 | 4,514 | 735 | 16.3 |
| Intermodal | 2,507 | 1,588 | 919 | 57.9 |
| Brokerage | 1,211 | 1,156 | 55 | 4.8 |
| Total operating income | <u>\$ 18,993</u> | <u>\$ 13,022</u> | <u>\$ 5,971</u> | <u>45.9%</u> |
| Operating ratio: | | | | |
| Truckload | 89.3% | 93.7% | | |
| Dedicated | 91.1 | 89.3 | | |
| Intermodal | 90.3 | 92.0 | | |
| Brokerage | <u>94.2</u> | <u>93.0</u> | | |
| Consolidated operating ratio | <u>90.5%</u> | <u>92.4%</u> | | |

MARTEN TRANSPORT, LTD.
SEGMENT INFORMATION
(Unaudited)

| | Nine Months Ended September 30, | | Dollar Change Nine Months Ended September 30, 2018 vs. 2017 | Percentage Change Nine Months Ended September 30, 2018 vs. 2017 |
|---|---------------------------------------|-------------------|--|--|
| | 2018 | 2017 | | |
| (Dollars in thousands) | | | | |
| Operating revenue: | | | | |
| Truckload revenue, net of fuel surcharge revenue | \$ 241,304 | \$ 251,127 | \$ (9,823) | (3.9)% |
| Truckload fuel surcharge revenue | 40,037 | 31,453 | 8,584 | 27.3 |
| Total Truckload revenue | <u>281,341</u> | <u>282,580</u> | <u>(1,239)</u> | <u>(0.4)</u> |
| Dedicated revenue, net of fuel surcharge revenue | 138,096 | 114,654 | 23,442 | 20.4 |
| Dedicated fuel surcharge revenue | 26,499 | 9,274 | 17,225 | 185.7 |
| Total Dedicated revenue | <u>164,595</u> | <u>123,928</u> | <u>40,667</u> | <u>32.8</u> |
| Intermodal revenue, net of fuel surcharge revenue | 63,834 | 51,111 | 12,723 | 24.9 |
| Intermodal fuel surcharge revenue | 12,227 | 7,085 | 5,142 | 72.6 |
| Total Intermodal revenue | <u>76,061</u> | <u>58,196</u> | <u>17,865</u> | <u>30.7</u> |
| Brokerage revenue | <u>61,636</u> | <u>50,645</u> | <u>10,991</u> | <u>21.7</u> |
| Total operating revenue | <u>\$ 583,633</u> | <u>\$ 515,349</u> | <u>\$ 68,284</u> | <u>13.3%</u> |
| Operating income: | | | | |
| Truckload | \$ 25,530 | \$ 19,249 | \$ 6,281 | 32.6% |
| Dedicated | 13,321 | 14,075 | (754) | (5.4) |
| Intermodal | 7,997 | 5,777 | 2,220 | 38.4 |
| Brokerage | 3,962 | 3,428 | 534 | 15.6 |
| Total operating income | <u>\$ 50,810</u> | <u>\$ 42,529</u> | <u>\$ 8,281</u> | <u>19.5%</u> |
| Operating ratio: | | | | |
| Truckload | 90.9% | 93.2% | | |
| Dedicated | 91.9 | 88.6 | | |
| Intermodal | 89.5 | 90.1 | | |
| Brokerage | 93.6 | 93.2 | | |
| Consolidated operating ratio | <u>91.3%</u> | <u>91.7%</u> | | |

MARTEN TRANSPORT, LTD.
OPERATING STATISTICS
(Unaudited)

| | Three Months | | Nine Months | |
|--|---------------------|-----------|---------------------|------------|
| | Ended September 30, | | Ended September 30, | |
| | 2018 | 2017 | 2018 | 2017 |
| Truckload Segment: | | | | |
| Revenue (in thousands) | \$ 93,920 | \$ 92,008 | \$ 281,341 | \$ 282,580 |
| Average revenue, net of fuel surcharges, per tractor per week ⁽¹⁾ | \$ 3,925 | \$ 3,484 | \$ 3,797 | \$ 3,455 |
| Average tractors ⁽¹⁾ | 1,561 | 1,787 | 1,629 | 1,863 |
| Average miles per trip | 564 | 592 | 578 | 598 |
| Non-revenue miles percentage ⁽²⁾ | 10.4% | 8.1% | 8.9% | 8.9% |
| Total miles (in thousands) | 37,259 | 43,340 | 117,343 | 135,136 |
| Dedicated Segment: | | | | |
| Revenue (in thousands) | \$ 58,791 | \$ 42,149 | \$ 164,595 | \$ 123,928 |
| Average revenue, net of fuel surcharges, per tractor per week ⁽¹⁾ | \$ 3,287 | \$ 3,441 | \$ 3,279 | \$ 3,463 |
| Average tractors ⁽¹⁾ | 1,123 | 866 | 1,080 | 849 |
| Average miles per trip | 317 | 299 | 305 | 297 |
| Non-revenue miles percentage ⁽²⁾ | 0.6% | 0.6% | 0.8% | 0.7% |
| Total miles (in thousands) | 24,362 | 19,705 | 69,244 | 57,641 |
| Intermodal Segment: | | | | |
| Revenue (in thousands) | \$ 25,939 | \$ 19,895 | \$ 76,061 | \$ 58,196 |
| Loads | 10,573 | 10,265 | 31,932 | 29,642 |
| Average tractors | 89 | 78 | 87 | 79 |
| Brokerage Segment: | | | | |
| Revenue (in thousands) | \$ 20,999 | \$ 16,627 | \$ 61,636 | \$ 50,645 |
| Loads | 12,781 | 11,672 | 36,790 | 36,604 |
| At September 30, 2018 and September 30, 2017: | | | | |
| Total tractors ⁽¹⁾ | 2,751 | 2,649 | | |
| Average age of company tractors (in years) | 1.6 | 1.4 | | |
| Total trailers | 5,397 | 4,915 | | |
| Average age of company trailers (in years) | 2.6 | 2.8 | | |
| Ratio of trailers to tractors ⁽¹⁾ | 2.0 | 1.9 | | |
| (In thousands) | | | | |
| | Three Months | | Nine Months | |
| | Ended September 30, | | Ended September 30, | |
| | 2018 | 2017 | 2018 | 2017 |
| Net cash provided by operating activities | \$ 44,722 | \$ 29,490 | \$ 112,097 | \$ 94,710 |
| Net cash (used for) investing activities | (29,665) | (37,050) | (88,842) | (84,015) |
| Net cash (used for) financing activities | (1,321) | (1,339) | (3,307) | (10,024) |
| Weighted average shares outstanding: | | | | |
| Basic | 54,661 | 54,517 | 54,615 | 54,479 |
| Diluted | 55,194 | 54,890 | 55,151 | 54,803 |

(1) Includes tractors driven by both company-employed drivers and independent contractors. Independent contractors provided 50 and 63 tractors as of September 30, 2018 and 2017, respectively.

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