



MARTEN TRANSPORT, LTD.

2024 Annual Report



Who We Are

Marten Transport, Ltd., with headquarters in Mondovi, Wisconsin, strives to be the premier supplier of time and temperature-sensitive and dry transportation and distribution services to customers in the United States, Mexico and Canada. Our multifaceted business offers a network of truck-based transportation capabilities across each of our distinct business platforms.

Truckload – regional and over-the-road fleets, both temperature-sensitive and dry van, operating from Marten’s 15 regional operating centers.

Dedicated – customized solutions tailored to each individual customer’s requirements utilizing refrigerated trailers, dry vans and other specialized equipment.

Intermodal – refrigerated COFC (container on flatcar) services providing the economies and energy efficiencies of long-haul rail transportation with extended door-to-door support from Marten’s truck network.

Brokerage – surge flexibility to supplement Marten’s capabilities through temperature-controlled and dry van services provided by smaller third-party carriers.

MRTN de México – industry-leading door-to-door temperature-controlled and dry van services between Mexico, the United States and Canada utilizing our Mexican partner carriers within Mexico.

We will accomplish our mission by exceeding the expectations of our customers, employees, stockholders and society. We serve customers with demanding delivery deadlines, as well as those who ship products requiring modern temperature-controlled trailers and containers to protect goods.

Founded in 1946, we have been a public company since 1986. Our common stock trades on the NASDAQ Global Select Market under the symbol MRTN. At December 31, 2024, we employed 3,776 people, including drivers, office personnel and mechanics.

Five-Year Financial Summary

	Years ended December 31,				
	2024	2023	2022	2021	2020
<i>(Dollars in thousands, except per share amounts)</i>					
For the Year					
Operating revenue	\$ 963,708	\$1,131,455	\$1,263,878	\$973,644	\$874,374
Operating income	33,220	90,110	143,344	111,689	93,246
Net income	26,922	70,373	110,354	85,428	69,500
Operating ratio ⁽¹⁾	96.6%	92.0%	88.7%	88.5%	89.3%
Operating ratio, net of fuel surcharges ⁽²⁾	96.0%	90.7%	86.4%	87.0%	88.2%
Per-Share Data					
Basic earnings per common share	\$ 0.33	\$ 0.87	\$ 1.35	\$ 1.03	\$ 0.84
Diluted earnings per common share	0.33	0.86	1.35	1.02	0.84
Dividends declared per common share	0.24	0.24	0.24	0.66	0.633
Book value	9.43	9.31	8.68	7.85	7.50
At Year End					
Total assets	\$ 968,757	\$ 990,339	\$ 965,679	\$ 870,690	\$ 831,636
Long-term debt	–	–	–	–	–
Stockholders’ equity	767,922	757,386	703,919	651,677	620,333

(1) Represents operating expenses as a percentage of operating revenue.

(2) Represents operating expenses as a percentage of operating revenue, with both amounts net of fuel surcharges.

To Our Stockholders and Employees

The brutal freight market recession of 2023 continued into 2024—and got worse. Its unprecedented depth and duration meant the end of the road for a large number of trucking companies. Marten Transport faced the same challenges, yet our multifaceted business model gave us the flexibility and resilience needed to keep us profitable while developing forward-looking enhancements in technology, energy management and on-the-road safety.

But it wasn't easy. We, along with the entire trucking industry, were caught in an unyielding squeeze between severe inflationary operating costs and a decline in industry freight rates to unsustainable levels. The industry's severe overcapacity in the face of continuing weak demand and the cumulative impact of freight rate reductions and related freight network disruptions put unrelenting pressure on our earnings throughout the year.

We needed the full range of the talent and experience of our people to sustain the focus promised in our annual report one year ago: *minimizing the freight market's impact on our operations while investing in and positioning our operations to capitalize on profitable organic growth opportunities as the market moves toward equilibrium—with fair compensation for our premium services.*

We have held the line on that, and for the first time in more than two years we are seeing some encouraging evidence that the market recession is bottoming out. For the fourth quarter of 2024 we had sequential quarterly improvement in net income, operating income and operating ratio, net of fuel surcharges, for the first time since the second quarter of 2022. Our Truckload and Dedicated operations each produced sequential fourth quarter increases in revenue per tractor, rate per total mile and miles per tractor, important measures of equipment utilization.

2024 Financial Results

Operating revenue was \$963.7 million for 2024, compared with \$1.131 billion for 2023. Excluding fuel surcharges, operating revenue was \$840.0 million for 2024, compared with \$972.0 million for 2023. Fuel surcharge revenue decreased to \$123.7 million from \$159.4 million for 2023.

Operating income was \$33.2 million for 2024, compared with \$90.1 million for 2023. Our operating ratio (operating expenses as a percentage of operating revenue) was 96.6% for 2024 and 92.0% for 2023. Excluding fuel surcharges, the ratio was 96.0% for 2024 and 90.7% for 2023.

Net income for 2024 was \$26.9 million, or 33 cents per

diluted share, compared with \$70.4 million, or 86 cents per diluted share, for 2023.

Collaborative Flexibility

Marten's multifaceted business model has given us multiple avenues of growth across a wide range of market conditions—and provided something of a safety net when conditions have plummeted. Unique in our industry, our model is regional in structure, national in scope, international in reach. Marten has transitioned from a long-haul refrigerated carrier into a network of distinct but complementary truck-based transportation capabilities—Truckload, Dedicated, Intermodal, Brokerage and MRTN de México—operating across 15 regional service centers. The value of our collaborative flexibility in minimizing the freight market recession's impact is highlighted by the operating results of our Dedicated and Brokerage operations—which together produced our operating income—and MRTN de México, our single most profitable platform.

Truckload – Reflecting the industry-wide supply-demand imbalance, Truckload revenue, including both temperature-sensitive and dry freight, declined to \$439.8 million for 2024 from \$465.5 million for 2023. Excluding fuel surcharges, Truckload revenue was \$377.5 million, compared with \$395.6 million for 2023. Operating income was \$3.3 million for 2024, down from \$24.8 million for 2023. The 2024 Truckload operating ratio was 99.3% and the operating ratio, net of fuel surcharges, was 99.1%.

Dedicated – Though down from a year earlier, the Dedicated platform contributed one-third of Marten's 2024 operating revenue and more than two-thirds of our operating income. Dedicated revenue was \$319.1 million for 2024, compared with \$408.3 million for 2023. Excluding fuel surcharges, 2024 revenue was \$267.1 million, compared with \$335.0 million for 2023. Operating income was \$23.0 million, compared with \$48.4 million for 2023. The 2024 Dedicated operating ratio was 92.8%, and the operating ratio, net of fuel surcharges, was 91.4%.

Our Dedicated operations were honored in 2024 with the 2023 North American Gold Carrier of the Year award from Chemours Company, recognizing “an unwavering commitment to service, reliability and safety.” Marten increased its specialty chemical truckloads with Chemours by 25% with an on-time delivery rate of 99%. This was the fourth consecutive year Marten received Chemours' gold or platinum carrier of the year award.



Intermodal – Reflecting reduced industry demand for intermodal services largely due to the drop in truckload rates, our Intermodal revenue declined to \$58.8 million for 2024 from \$92.1 million for 2023. Excluding fuel surcharges, 2024 revenue was \$49.5 million, compared with \$75.9 million for 2023. The operating loss was \$3.9 million versus an operating loss of \$156,000 for 2023. The 2024 Intermodal operating ratio was 106.7%, and the operating ratio, net of fuel surcharges, was 107.9%.

Brokerage – The Brokerage platform has effectively capitalized on our dry van market opportunity as we continue to focus on increasing our volume of non-dedicated and dry van freight. Dry vans made up 21% of our Brokerage freight during 2024. Brokerage revenue was \$146.0 million for 2024 versus \$165.6 million for 2023. Operating income was \$10.8 million, compared with \$17.1 million for 2023. The 2024 Brokerage operating ratio was 92.6%.

MRTN de México – Operating profitably within our Truckload and Brokerage segments, MRTN de México offers our customers door-to-door temperature-controlled and dry van service between Mexico, the United States and Canada utilizing our Mexican partner carriers within Mexico. It continued to produce stand-out results in 2024, further expanding its dry van business and contributing \$62.9 million in operating revenue, excluding fuel surcharges. We’ve had quarterly increases in MRTN de México dry truckload and Brokerage loads in all but one of the eleven quarters since we expanded into dry freight with our Mexico operations in February 2022, including the last three quarters of 2024.

MRTN de México has expanded all three of its border-crossing terminals—at Laredo and McAllen, Texas, and Otay Mesa, California, and has purchased land in McAllen for a new facility with increased capacity.

Safety, Technology and Energy

On equal footing with our focus on minimizing the freight recession’s impact is a deepened effort to streamline and strengthen Marten for a return to strong profitable growth as the market recovers. We can report significant progress in three vital interrelated areas: safety, technology and energy management.

Safety has long been Marten’s No. 1 priority. We’ve established industry leadership through proactive measures such as hiring only experienced drivers and providing them with the safest tractors available—tractors equipped with radar-based collision avoidance, lane departure and blind

spot detection systems. We pay our drivers for shutting down in inclement weather. And, we’ve embraced several recent technology enhancements, including the SmartDrive video-based safety system which provides forward-facing camera technology focused on driver behavior. The cameras use an AI program to detect 40 types of unsafe driving events and send each event to our managers to coach or terminate using our conservative enforcement standards.

We have aggressively implemented SmartDrive in our fleet, ending 2024 with 2,707 seated drivers on the system.

A solar advantage: Marten has installed solar energy panels in all its facilities nationally as a way of reducing our carbon footprint and cutting costs. Solar panels have also been installed on our tractors to enhance the savings on fuel usage provided by our auxiliary power units.

The installations produce 3 million kilowatt-hours, or 2,125 metric tons, of generation and offset annually—enough energy to power more than 400 homes. The carbon sequestration from this much clean energy offset each year is equivalent to the impact of over 2,500 acres of forest.

Emphasis on Fundamentals

The freight recession interrupted 12 consecutive years of record operating revenue, excluding fuel surcharges (2011-2022), and five consecutive double-digit increases in annual earnings, excluding a deferred tax benefit in 2017 (2018-2022). We want to get back on that track and believe that the rigorous testing of our operations over the past two years has sharpened the tools needed to do so.

Our confrontation with the freight recession proved the worth of our adaptive and proprietary model and technology, while requiring intensified emphasis on our operating efficiencies and cost controls—discipline that will serve us well as the market moves toward equilibrium.



Sincerely,

A handwritten signature in black ink that reads "Randolph L. Marten". The signature is fluid and cursive.

Randolph L. Marten
Executive Chairman of the Board

February 14, 2025

This Annual Report contains forward-looking statements that involve risks and uncertainties that could cause results to differ materially from those projected. Please refer to the “Risk Factors” section in Item 1A of the attached Form 10-K.



Corporate Information

Corporate Headquarters

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www.marten.com

Stockholder Information

Additional copies of our 2024 Annual Report on Form 10-K as filed with the Securities and Exchange Commission are available by writing to James J. Hinnendael, executive vice president and chief financial officer, at our corporate headquarters.

Annual Meeting

Stockholders, employees and friends may attend our annual meeting on Tuesday, May 6, 2025, at 2:00 p.m. at the Roger Marten Community Center, 120 South Franklin Street, Mondovi, Wisconsin.

Stock Listing

NASDAQ Global Select Market symbol: MRTN

Legal Counsel

Fox Rothschild LLP
33 South Sixth Street, Suite 3600
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Independent Registered Public Accounting Firm

Grant Thornton LLP
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Transfer Agent and Registrar

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Direct communications about stock certificates or a change of address to Computershare Shareowner Services.



Executive Officers and Directors

Randolph L. Marten

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Chief Executive Officer

Douglas P. Petit

President

James J. Hinnendael

Executive Vice President and Chief Financial Officer

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Executive Vice President and Chief Operating Officer

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Fox Rothschild LLP

Minneapolis, Minnesota

Larry B. Hagness

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Chief Executive Officer,

Durand Builders Service, Inc.

Durand, Wisconsin

Thomas J. Winkel

Director

Management Consultant

Pewaukee, Wisconsin

Jerry M. Bauer

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Chairman of the Board and Chief Executive Officer,
Bauer Built, Inc.

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MOCON, Inc.

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Ronald R. Booth

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Retired Partner,

KPMG LLP

Dellwood, Minnesota

Kathleen P. Iverson

Director

Retired President, Chief Executive Officer and
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CyberOptics Corporation

Cumberland, Wisconsin

Patricia L. Jones

Director

Founder and Chief Executive Officer,

Culture Circus LLC

Minneapolis, Minnesota

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