

MARTEN TRANSPORT LTD
Form 10-Q
May 10, 2013

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

Quarterly Report Under Section 13 or 15(d)
of the Securities Exchange Act of 1934

For the Quarter ended March 31, 2013

Commission File Number 0-15010

MARTEN TRANSPORT, LTD.
(Exact name of registrant as specified in its charter)

Delaware
(State of incorporation)

39-1140809
(I.R.S. employer identification no.)

129 Marten Street, Mondovi, Wisconsin 54755
(Address of principal executive offices)

715-926-4216
(Registrant's telephone number)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files). Yes No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. Large accelerated filer Accelerated filer Smaller reporting company Non-accelerated filer (Do not check if a smaller reporting company)

Indicate by check mark whether the Registrant is a shell company (as defined in Exchange Act Rule 12b-2). Yes No

The number of shares outstanding of the Registrant's Common Stock, par value \$.01 per share, was 22,146,819 as of May 3, 2013.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

MARTEN TRANSPORT, LTD.
CONSOLIDATED CONDENSED BALANCE SHEETS
(Unaudited)

(In thousands, except share information)	March 31, 2013	December 31, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	\$9,041	\$3,473
Receivables:		
Trade, net	65,990	66,239
Other	5,388	7,177
Prepaid expenses and other	13,466	15,490
Deferred income taxes	3,260	3,155
Total current assets	97,145	95,534
Property and equipment:		
Revenue equipment, buildings and land, office equipment and other	560,017	551,136
Accumulated depreciation	(152,071)	(156,660)
Net property and equipment	407,946	394,476
Other assets	3,206	613
TOTAL ASSETS	\$508,297	\$490,623
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$47,718	\$33,062
Insurance and claims accruals	13,588	13,838
Total current liabilities	61,306	46,900
Long-term debt, less current maturities	-	2,726
Deferred income taxes	110,743	109,074
Total liabilities	172,049	158,700
Stockholders' equity:		
Marten Transport, Ltd. 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; 48,000,000 shares authorized; 22,121,505 shares at March 31, 2013, and 22,109,619 shares at December 31, 2012, issued and outstanding	221	221
Additional paid-in capital	82,918	82,679
Retained earnings	253,109	246,460
Total Marten Transport, Ltd. stockholders' equity	336,248	329,360
Noncontrolling interest	-	2,563
Total stockholders' equity	336,248	331,923
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$508,297	\$490,623

The accompanying notes are an integral part of these consolidated condensed financial statements.

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

(In thousands, except per share information)	Three Months Ended March 31,	
	2013	2012
OPERATING REVENUE	\$164,474	\$151,474
OPERATING EXPENSES (INCOME):		
Salaries, wages and benefits	42,125	38,271
Purchased transportation	34,184	29,859
Fuel and fuel taxes	40,323	39,124
Supplies and maintenance	9,533	9,536
Depreciation	15,688	14,535
Operating taxes and licenses	1,770	1,582
Insurance and claims	5,811	5,822
Communications and utilities	1,283	1,211
Gain on disposition of revenue equipment	(2,415)	(1,525)
Other	3,634	3,540
Total operating expenses	151,936	141,955
OPERATING INCOME	12,538	9,519
NET INTEREST INCOME	(15)	(21)
INCOME BEFORE INCOME TAXES	12,553	9,540
Less: Income before income taxes attributable to noncontrolling interest	84	161
INCOME BEFORE INCOME TAXES ATTRIBUTABLE TO MARTEN TRANSPORT, LTD.	12,469	9,379
PROVISION FOR INCOME TAXES	5,267	3,933
NET INCOME	\$7,202	\$5,446
BASIC EARNINGS PER COMMON SHARE	\$0.33	\$0.25
DILUTED EARNINGS PER COMMON SHARE	\$0.32	\$0.25
DIVIDENDS PAID PER COMMON SHARE	\$0.025	\$0.02

The accompanying notes are an integral part of these consolidated condensed financial statements.

MARTEN TRANSPORT, LTD.

CONSOLIDATED CONDENSED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)

(In thousands)	Marten Transport, Ltd. Stockholders					Total Stockholders' Equity
	Common Stock Shares	Amount	Additional Paid-In Capital	Retained Earnings	Non-controlling Interest	
Balance at December 31, 2011	21,985	\$220	\$80,078	\$237,872	\$ 2,189	\$ 320,359
Net income	-	-	-	5,446	-	5,446
Issuance of common stock from share-based payment arrangement exercises and vesting of performance unit awards	73	1	540	-	-	541
Tax benefits from share-based payment arrangement exercises	-	-	272	-	-	272
Share-based payment arrangement compensation expense	-	-	248	-	-	248
Dividends on common stock	-	-	-	(441)	-	(441)
Income before income taxes attributable to noncontrolling interest	-	-	-	-	161	161
Noncontrolling interest distributions	-	-	-	-	(104)	(104)
Balance at March 31, 2012	22,058	221	81,138	242,877	2,246	326,482
Net income	-	-	-	21,821	-	21,821
Issuance of common stock from share-based payment arrangement exercises and vesting of performance unit awards	52	-	427	-	-	427
Tax benefits from share-based payment arrangement exercises	-	-	137	-	-	137
Share-based payment arrangement compensation expense	-	-	977	-	-	977
Dividends on common stock	-	-	-	(18,238)	-	(18,238)
Income before income taxes attributable to noncontrolling interest	-	-	-	-	336	336
Noncontrolling interest distributions	-	-	-	-	(19)	(19)
Balance at December 31, 2012	22,110	221	82,679	246,460	2,563	331,923
Net income	-	-	-	7,202	-	7,202
Issuance of common stock from share-based payment arrangement exercises and vesting of performance unit awards	12	-	22	-	-	22
Share-based payment arrangement compensation expense	-	-	217	-	-	217

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Dividends on common stock	-	-	-	(553)	-	(553)
Income before income taxes attributable to noncontrolling interest	-	-	-	-	84	84
Noncontrolling interest distributions and other	-	-	-	-	(84)	(84)
Change to equity method of accounting	-	-	-	-	(2,563)	(2,563)
Balance at March 31, 2013	22,122	\$221	\$82,918	\$253,109	\$ -	\$ 336,248

The accompanying notes are an integral part of these consolidated condensed financial statements.

MARTEN TRANSPORT, LTD.

CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited)

(In thousands)	Three Months	
	Ended March 31, 2013	2012
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES:		
Operations:		
Net income	\$7,202	