

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2024

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____.

Commission File Number: 0-19582

OLD DOMINION FREIGHT LINE, INC.

(Exact name of registrant as specified in its charter)

VIRGINIA

(State or other jurisdiction of
incorporation or organization)

56-0751714

(I.R.S. Employer
Identification No.)

500 Old Dominion Way
Thomasville, North Carolina

(Address of principal executive offices)

27360

(Zip Code)

(336) 889-5000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock (\$0.10 par value)	ODFL	The Nasdaq Stock Market LLC

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 every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

As of August 2, 2024 there were 214,296,552 shares of the registrant's Common Stock (\$0.10 par value) outstanding.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

**OLD DOMINION FREIGHT LINE, INC.
CONDENSED BALANCE SHEETS**

<i>(In thousands, except share and per share data)</i>	June 30, 2024 (Unaudited)	December 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 74,304	\$ 433,799
Short-term investments	30,271	—
Customer receivables, less allowances of \$9,989 and \$10,405, respectively	578,101	578,885
Income taxes receivable	6,823	18,554
Other receivables	19,414	17,884
Prepaid expenses and other current assets	98,200	94,211
Total current assets	807,113	1,143,333
Property and equipment:		
Revenue equipment	2,670,203	2,590,770
Land and structures	3,192,073	3,021,447
Other fixed assets	655,854	623,164
Leasehold improvements	14,645	14,436
Total property and equipment	6,532,775	6,249,817
Accumulated depreciation	(2,254,955)	(2,154,412)
Net property and equipment	4,277,820	4,095,405
Other assets	258,163	273,655
Total assets	<u>\$ 5,343,096</u>	<u>\$ 5,512,393</u>

Note: The Condensed Balance Sheet at December 31, 2023 has been derived from the audited financial statements at that date, but does not include all of the information and notes required by U.S. generally accepted accounting principles for complete financial statements.

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

OLD DOMINION FREIGHT LINE, INC.
CONDENSED BALANCE SHEETS
(CONTINUED)

<i>(In thousands, except share and per share data)</i>	June 30, 2024 (Unaudited)	December 31, 2023
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 112,606	\$ 112,774
Compensation and benefits	259,895	278,953
Claims and insurance accruals	61,271	63,346
Other accrued liabilities	73,015	69,585
Income taxes payable	25,967	—
Current maturities of long-term debt	20,000	20,000
Total current liabilities	552,754	544,658
Long-term liabilities:		
Long-term debt	39,983	59,977
Other non-current liabilities	275,328	286,815
Deferred income taxes	363,132	363,132
Total long-term liabilities	678,443	709,924
Total liabilities	1,231,197	1,254,582
Commitments and contingent liabilities		
Shareholders' equity:		
Common stock - \$0.10 par value, 560,000,000 shares authorized, 214,758,093 and 217,930,932 shares outstanding at June 30, 2024 and December 31, 2023, respectively	21,476	21,793
Capital in excess of par value	186,584	231,449
Retained earnings	3,903,839	4,004,569
Total shareholders' equity	4,111,899	4,257,811
Total liabilities and shareholders' equity	<u>\$ 5,343,096</u>	<u>\$ 5,512,393</u>

Note: The Condensed Balance Sheet at December 31, 2023 has been derived from the audited financial statements at that date, but does not include all of the information and notes required by U.S. generally accepted accounting principles for complete financial statements.

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

OLD DOMINION FREIGHT LINE, INC.
CONDENSED STATEMENTS OF OPERATIONS
(UNAUDITED)

<i>(In thousands, except per share data)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenue from operations	\$ 1,498,697	\$ 1,413,189	\$ 2,958,770	\$ 2,855,325
Operating expenses:				
Salaries, wages and benefits	683,784	642,841	1,352,174	1,294,916
Operating supplies and expenses	161,020	165,373	333,492	357,757
General supplies and expenses	44,371	38,606	89,947	78,151
Operating taxes and licenses	36,282	36,890	72,120	73,591
Insurance and claims	17,141	15,381	35,335	31,409
Communications and utilities	10,158	11,515	21,153	22,532
Depreciation and amortization	84,563	79,784	169,094	155,731
Purchased transportation	32,010	28,596	62,720	59,211
Miscellaneous expenses, net	7,677	2,609	14,618	7,384
Total operating expenses	1,077,006	1,021,595	2,150,653	2,080,682
Operating income	421,691	391,594	808,117	774,643
Non-operating (income) expense:				
Interest expense	131	89	168	289
Interest income	(5,961)	(2,368)	(13,333)	(5,179)
Other expense, net	1,075	1,947	1,954	3,458
Total non-operating income	(4,755)	(332)	(11,211)	(1,432)
Income before income taxes	426,446	391,926	819,328	776,075
Provision for income taxes	104,401	99,564	204,979	198,675
Net income	<u>\$ 322,045</u>	<u>\$ 292,362</u>	<u>\$ 614,349</u>	<u>\$ 577,400</u>
Earnings per share:				
Basic	\$ 1.49	\$ 1.33	\$ 2.83	\$ 2.63
Diluted	\$ 1.48	\$ 1.33	\$ 2.82	\$ 2.61
Weighted average shares outstanding:				
Basic	216,369	219,042	216,981	219,475
Diluted	217,541	220,398	218,174	220,877
Dividends declared per share	\$ 0.26	\$ 0.20	\$ 0.52	\$ 0.40

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

OLD DOMINION FREIGHT LINE, INC.
CONDENSED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(UNAUDITED)

	Three Months Ended June 30, 2024 and 2023				
<i>(In thousands)</i>	Common Stock		Capital in Excess of Par Value	Retained Earnings	Total
	Shares	Amount			
Balance as of March 31, 2024	217,599	\$ 21,760	\$ 225,497	\$ 4,154,380	\$ 4,401,637
Net income	—	—	—	322,045	322,045
Share repurchases	(2,868)	(287)	—	(516,612)	(516,899)
Forward contract for accelerated share repurchases	—	—	(40,000)	—	(40,000)
Cash dividends declared (\$0.26 per share)	—	—	—	(55,974)	(55,974)
Share-based compensation and share issuances, net of forfeitures	37	4	2,952	—	2,956
Taxes paid in exchange for shares withheld	(10)	(1)	(1,865)	—	(1,866)
Balance as of June 30, 2024	<u>214,758</u>	<u>\$ 21,476</u>	<u>\$ 186,584</u>	<u>\$ 3,903,839</u>	<u>\$ 4,111,899</u>
Balance as of March 31, 2023	219,662	\$ 21,966	\$ 228,517	\$ 3,496,016	\$ 3,746,499
Net income	—	—	—	292,362	292,362
Share repurchases	(1,003)	(100)	—	(161,962)	(162,062)
Cash dividends declared (\$0.20 per share)	—	—	—	(43,780)	(43,780)
Share-based compensation and share issuances, net of forfeitures	34	3	1,868	—	1,871
Taxes paid in exchange for shares withheld	(18)	(2)	(2,853)	—	(2,855)
Balance as of June 30, 2023	<u>218,675</u>	<u>\$ 21,867</u>	<u>\$ 227,532</u>	<u>\$ 3,582,636</u>	<u>\$ 3,832,035</u>

	Six Months Ended June 30, 2024 and 2023				
<i>(In thousands)</i>	Common Stock		Capital in Excess of Par Value	Retained Earnings	Total
	Shares	Amount			
Balance as of December 31, 2023	217,931	\$ 21,793	\$ 231,449	\$ 4,004,569	\$ 4,257,811
Net income	—	—	—	614,349	614,349
Share repurchases	(3,290)	(329)	—	(602,522)	(602,851)
Forward contract for accelerated share repurchases	—	—	(40,000)	—	(40,000)
Cash dividends declared (\$0.52 per share)	—	—	—	(112,557)	(112,557)
Share-based compensation and share issuances, net of forfeitures	170	17	6,273	—	6,290
Taxes paid in exchange for shares withheld	(53)	(5)	(11,138)	—	(11,143)
Balance as of June 30, 2024	<u>214,758</u>	<u>\$ 21,476</u>	<u>\$ 186,584</u>	<u>\$ 3,903,839</u>	<u>\$ 4,111,899</u>
Balance as of December 31, 2022	220,446	\$ 22,045	\$ 233,086	\$ 3,397,786	\$ 3,652,917
Net income	—	—	—	577,400	577,400
Share repurchases	(1,864)	(186)	—	(304,776)	(304,962)
Cash dividends declared (\$0.40 per share)	—	—	—	(87,774)	(87,774)
Share-based compensation and share issuances, net of forfeitures	158	15	5,652	—	5,667
Taxes paid in exchange for shares withheld	(65)	(7)	(11,206)	—	(11,213)
Balance as of June 30, 2023	<u>218,675</u>	<u>\$ 21,867</u>	<u>\$ 227,532</u>	<u>\$ 3,582,636</u>	<u>\$ 3,832,035</u>

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

OLD DOMINION FREIGHT LINE, INC.
CONDENSED STATEMENTS OF CASH FLOWS
(UNAUDITED)

<i>(In thousands)</i>	Six Months Ended June 30,	
	2024	2023
Cash flows from operating activities:		
Net income	\$ 614,349	\$ 577,400
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	169,100	155,738
Loss (Gain) on disposal of property and equipment	1,300	(6,431)
Other, net	15,005	14,871
Changes in operating assets and liabilities, net	11,994	(38,371)
Net cash provided by operating activities	811,748	703,207
Cash flows from investing activities:		
Purchase of property and equipment	(357,638)	(479,396)
Proceeds from sale of property and equipment	4,829	17,610
Purchase of short-term investments	(30,000)	—
Proceeds from maturities of short-term investments	—	48,852
Net cash used in investing activities	(382,809)	(412,934)
Cash flows from financing activities:		
Payments for share repurchases	(597,113)	(302,195)
Forward contract for accelerated share repurchases	(40,000)	—
Principal payments under debt agreements	(20,000)	(20,000)
Dividends paid	(112,584)	(87,827)
Other financing activities, net	(18,737)	(11,422)
Net cash used in financing activities	(788,434)	(421,444)
Decrease in cash and cash equivalents	(359,495)	(131,171)
Cash and cash equivalents at beginning of period	433,799	186,312
Cash and cash equivalents at end of period	\$ 74,304	\$ 55,141

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

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

Note 1. Significant Accounting Policies

Business

We are one of the largest North American less-than-truckload (“LTL”) motor carriers. We provide regional, inter-regional and national LTL services through a single integrated, union-free organization. Our service offerings, which include expedited transportation, are provided through an expansive network of service centers located throughout the continental United States. Through strategic alliances, we also provide LTL services throughout North America. In addition to our core LTL services, we offer a range of value-added services including container drayage, truckload brokerage and supply chain consulting. We have one operating segment and the composition of our revenue is summarized below:

<i>(In thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
LTL services	\$ 1,484,967	\$ 1,397,815	\$ 2,931,700	\$ 2,822,187
Other services	13,730	15,374	27,070	33,138
Total revenue from operations	<u>\$ 1,498,697</u>	<u>\$ 1,413,189</u>	<u>\$ 2,958,770</u>	<u>\$ 2,855,325</u>

Basis of Presentation

The accompanying unaudited, interim condensed financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) for interim financial information and, in management’s opinion, contain all adjustments (consisting of normal recurring items) necessary for a fair presentation, in all material respects, of the financial position and results of operations for the periods presented. Accordingly, they do not include all of the information and notes required by U.S. GAAP for complete financial statements.

The preparation of condensed financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions. Such estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the condensed financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Our operating results are subject to seasonal trends; therefore, the results of operations for the interim period ended June 30, 2024 are not necessarily indicative of the results that may be expected for the subsequent quarterly periods or the year ending December 31, 2024.

The condensed financial statements should be read in conjunction with the financial statements and related notes, which appear in our Annual Report on Form 10-K for the year ended December 31, 2023. There have been no significant changes in the accounting principles and policies, long-term contracts or estimates inherent in the preparation of the condensed financial statements of Old Dominion Freight Line, Inc. as previously described in our Annual Report on Form 10-K for the year ended December 31, 2023, unless otherwise disclosed in this Form 10-Q.

Certain amounts in prior years have been reclassified to conform prior years’ financial statements to the current presentation.

Unless the context requires otherwise, references in these Notes to “Old Dominion,” the “Company,” “we,” “us” and “our” refer to Old Dominion Freight Line, Inc.

Common Stock Split

On February 16, 2024, we announced that our Board of Directors approved a two-for-one split of our common stock for shareholders of record as of the close of business on the record date of March 13, 2024. On March 27, 2024, those shareholders received one additional share of common stock for every share owned.

All references in this report to shares outstanding, weighted average shares outstanding, earnings per share, and dividends per share amounts have been restated retroactively to reflect this stock split.

Stock Repurchase Program

On July 28, 2021, we announced that our Board of Directors had approved a stock repurchase program authorizing us to repurchase up to an aggregate of \$2.0 billion of our outstanding common stock (the "2021 Repurchase Program"). The 2021 Repurchase Program began after completion of our prior repurchase program in January 2022 and was completed in May 2024.

On July 26, 2023, we announced that our Board of Directors had approved a stock repurchase program authorizing us to repurchase up to an aggregate of \$3.0 billion of our outstanding common stock (the "2023 Repurchase Program"). The 2023 Repurchase Program, which does not have an expiration date, began after the completion of the 2021 Repurchase Program in May 2024.

Under our repurchase programs, we may repurchase shares from time to time in open market purchases or through privately negotiated transactions. Shares of our common stock repurchased under our repurchase programs are canceled at the time of repurchase and are classified as authorized but unissued shares of our common stock.

On May 28, 2024, we entered into an accelerated share repurchase agreement (the "ASR Agreement") with a third-party financial institution. The ASR Agreement is accounted for as a settled treasury stock purchase and a forward stock purchase contract. The par value of the initial shares received is recorded as a reduction to common stock, with the excess purchase price recorded as a reduction to retained earnings. The forward stock purchase contract is accounted for as a contract indexed to our own stock and is classified within capital in excess of par value on our Condensed Balance Sheets. The ASR Agreement is settled with the final number of shares received based on the daily volume-weighted average share price of our common stock over the term of the agreement, less a negotiated discount.

Under the ASR Agreement, we paid the third-party financial institution \$200.0 million and received an initial delivery of 923,201 shares of our common stock for \$160.0 million, representing approximately 80% of the total value of shares to be received by us under the ASR Agreement. The remaining shares are expected to settle no later than November 2024.

At June 30, 2024, our 2023 Repurchase Program had \$2.63 billion remaining available. The amount available and uncommitted is \$2.59 billion, which reflects the \$40.0 million forward stock purchase contract under the ASR Agreement.

Note 2. Earnings Per Share

Basic earnings per share is computed by dividing net income by the daily weighted average number of shares of our common stock outstanding for the period, excluding unvested restricted stock. Unvested restricted stock is included in common shares outstanding on our Condensed Balance Sheets.

Diluted earnings per share is computed using the treasury stock method. The denominator used in calculating diluted earnings per share includes the impact of unvested restricted stock and other dilutive, non-participating securities under our equity award agreements. The denominator excludes contingently-issuable shares under performance-based award agreements when the performance target has not yet been deemed achieved.

The following table provides a reconciliation of the number of shares of common stock used in computing basic and diluted earnings per share:

<i>(In thousands)</i>	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Weighted average shares outstanding - basic	216,369	219,042	216,981	219,475
Dilutive effect of share-based awards	1,172	1,356	1,193	1,402
Weighted average shares outstanding - diluted	217,541	220,398	218,174	220,877

Note 3. Long-Term Debt

Long-term debt, net of unamortized debt issuance costs, consisted of the following:

<i>(In thousands)</i>	June 30, 2024	December 31, 2023
Notes	\$ 59,983	\$ 79,977
Credit agreement	—	—
Total long-term debt	59,983	79,977
Less: Current maturities	(20,000)	(20,000)
Total maturities due after one year	\$ 39,983	\$ 59,977

Note Agreement

On May 4, 2020, we entered into a Note Purchase and Private Shelf Agreement with PGIM, Inc. (“Prudential”) and certain affiliates and managed accounts of Prudential (as subsequently amended on March 22, 2023, the “Note Agreement”). The Note Agreement, which is uncommitted and subject to Prudential’s sole discretion, provides for the issuance of senior promissory notes with an aggregate principal amount of up to \$350.0 million through March 22, 2026. On May 4, 2020, we issued \$100.0 million aggregate principal amount of senior promissory notes (the “Series B Notes”). Borrowing availability under the Note Agreement is reduced by the outstanding amount of the existing Series B Notes, and all other senior promissory notes issued pursuant to the Note Agreement.

The Series B Notes bear interest at 3.10% per annum and mature on May 4, 2027, unless prepaid. The second principal payment of \$20.0 million was paid on May 4, 2024. The remaining \$60.0 million will be paid in three equal annual installments of \$20.0 million through May 4, 2027. The Series B Notes are senior unsecured obligations and rank pari passu with borrowings under our third amended and restated credit agreement, dated March 22, 2023, with Wells Fargo Bank, National Association serving as administrative agent for the lenders (the “Credit Agreement”) or other senior promissory notes issued pursuant to the Note Agreement.

Credit Agreement

The Credit Agreement provides for a five-year, \$250.0 million senior unsecured revolving line of credit and a \$150.0 million accordion feature, which if fully exercised and approved, would expand the total borrowing capacity up to an aggregate of \$400.0 million. Of the \$250.0 million line of credit commitments under the Credit Agreement, up to \$100.0 million may be used for letters of credit.

At our option, borrowings under the Credit Agreement bear interest at either: (i) the Secured Overnight Financing Rate (SOFR) plus the Term SOFR Adjustment, as defined in the Credit Agreement, equal to 0.100%, plus an applicable margin that ranges from 1.000% to 1.375%; or (ii) a Base Rate, as defined in the Credit Agreement, plus an applicable margin that ranges from 0.000% to 0.375%. The applicable margin for each of the foregoing options is dependent upon our consolidated debt to consolidated total capitalization ratio. Letter of credit fees equal to the applicable margin for SOFR loans are charged quarterly in arrears on the daily average aggregate stated amount of all letters of credit outstanding during the quarter. Commitment fees ranging from 0.090% to 0.175% (based upon our consolidated debt to total consolidated capitalization ratio) are charged quarterly in arrears on the aggregate unutilized portion of the Credit Agreement.

For periods covered under the Credit Agreement, the applicable margin on SOFR loans and letter of credit fees were 1.000% and commitment fees were 0.090%.

The Credit Agreement replaced our previous five-year, \$250.0 million senior unsecured revolving credit agreement dated as of November 21, 2019 (the “Prior Credit Agreement”). For periods in 2023 covered under the Prior Credit Agreement, the applicable margin on LIBOR loans and letter of credit fees was 1.000% and commitment fees were 0.100%.

There were \$38.1 million and \$40.0 million of outstanding letters of credit at June 30, 2024 and December 31, 2023, respectively.

General Debt Provisions

The Credit Agreement and Note Agreement contain customary covenants, including financial covenants that require us to observe a maximum ratio of debt to total capital and a minimum fixed charge coverage ratio. The Credit Agreement and Note

Agreement also include a provision limiting our ability to make restricted payments, including dividends and payments for share repurchases, unless, among other conditions, no defaults or events of default are ongoing (or would be caused by such restricted payment).

Note 4. Commitments and Contingencies

We are involved in or addressing various legal proceedings and claims, governmental inquiries, notices and investigations that have arisen in the ordinary course of our business and have not been fully adjudicated, some of which may be covered in whole or in part by insurance. Certain of these matters include collective and/or class-action allegations. We do not believe that the resolution of any of these matters will have a material adverse effect upon our financial position, results of operations or cash flows.

Note 5. Fair Value Measurements

Short-term Investments

A summary of the fair value of our short-term investments as of June 30, 2024 is shown in the table below. We held no short-term investments as of December 31, 2023.

<u>(In thousands)</u>	Total	Level 1	Level 2	Level 3
June 30, 2024				
Certificates of deposit	<u>\$ 30,271</u>	<u>-</u>	<u>\$ 30,271</u>	<u>-</u>

Our certificates of deposit are measured at carrying value including accrued interest, which approximates fair value due to their short-term nature.

Long-term Debt

The carrying value of our total long-term debt, including current maturities, was \$60.0 million and \$80.0 million at June 30, 2024 and December 31, 2023, respectively. The estimated fair value of our total long-term debt, including current maturities, was \$56.0 million and \$75.4 million at June 30, 2024 and December 31, 2023, respectively. The fair value measurement of our Series B Notes was determined using a discounted cash flow analysis that factors in current market yields for comparable borrowing arrangements under our credit profile. Since this methodology is based upon market yields for comparable arrangements, the measurement is categorized as Level 2 under the three-level fair value hierarchy as established by the Financial Accounting Standards Board.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

We are one of the largest North American less-than-truckload ("LTL") motor carriers. We provide regional, inter-regional and national LTL services through a single integrated, union-free organization. Our service offerings, which include expedited transportation, are provided through an expansive network of service centers located throughout the continental United States. Through strategic alliances, we also provide LTL services throughout North America. In addition to our core LTL services, we offer a range of value-added services including container drayage, truckload brokerage and supply chain consulting. More than 98% of our revenue has historically been derived from transporting LTL shipments for our customers, whose demand for our services is generally tied to industrial production and the overall health of the U.S. domestic economy.

In analyzing the components of our revenue, we monitor changes and trends in our LTL volumes and LTL revenue per hundredweight. While LTL revenue per hundredweight is a yield measurement, it is also a commonly-used indicator for general pricing trends in the LTL industry. This yield metric is not a true measure of price, however, as it can be influenced by many other factors, such as changes in fuel surcharges, weight per shipment and length of haul. As a result, changes in revenue per hundredweight do not necessarily indicate actual changes in underlying base rates. LTL revenue per hundredweight and the key factors that can impact this metric are described in more detail below:

- *LTL Revenue Per Hundredweight* - Our LTL transportation services are generally priced based on weight, commodity, and distance. This measurement reflects the application of our pricing policies to the services we provide, which are influenced by competitive market conditions and our growth objectives. Generally, freight is rated by a class system, which is established by the National Motor Freight Traffic Association, Inc. Light, bulky freight typically has a higher class and is priced at higher revenue per hundredweight than dense, heavy freight. Fuel surcharges, accessorial charges, revenue adjustments and revenue for undelivered freight are included in this measurement, and we regularly monitor the components that impact our pricing. The fuel surcharge is generally designed to offset fluctuations in the cost of our petroleum-based products and is indexed to diesel fuel prices published by the U.S. Department of Energy, which reset each week. Revenue for undelivered freight is deferred for financial statement purposes in accordance with our revenue recognition policy; however, we believe including it in our revenue per hundredweight metrics results in a more accurate representation of the underlying changes in our yields by matching total billed revenue with the corresponding weight of those shipments.
- *LTL Weight Per Shipment* - Fluctuations in weight per shipment can indicate changes in the mix of freight we receive from our customers, as well as changes in the number of units included in a shipment. Generally, increases in weight per shipment indicate higher demand for our customers' products and overall increased economic activity. Changes in weight per shipment can also be influenced by shifts between LTL and other modes of transportation, such as truckload and intermodal, in response to capacity, service and pricing issues. Fluctuations in weight per shipment generally have an inverse effect on our revenue per hundredweight, as a decrease in weight per shipment will typically cause an increase in revenue per hundredweight.
- *Average Length of Haul* - We consider lengths of haul less than 500 miles to be regional traffic, lengths of haul between 500 miles and 1,000 miles to be inter-regional traffic, and lengths of haul in excess of 1,000 miles to be national traffic. This metric is used to analyze our tonnage and pricing trends for shipments with similar characteristics, and also allows for comparison with other transportation providers serving specific markets. By analyzing this metric, we can determine the success and growth potential of our service products in these markets. Changes in length of haul generally have a direct effect on our revenue per hundredweight, as an increase in length of haul will typically cause an increase in revenue per hundredweight.
- *LTL Revenue Per Shipment* - This measurement is primarily determined by the three metrics listed above and is used in conjunction with the number of LTL shipments we receive to evaluate LTL revenue.

Our primary revenue focus is to increase density, which is shipment and tonnage growth within our existing infrastructure. Increases in density allow us to maximize our asset utilization and labor productivity, which we measure over many different functional areas of our operations including linehaul load factor, pickup and delivery ("P&D") stops per hour, P&D shipments per hour, platform pounds handled per hour and platform shipments per hour. In addition to our focus on density and operating efficiencies, it is critical for us to obtain an appropriate yield, which is measured as revenue per hundredweight, on the shipments we handle. We focus on the profitability of each customer account and generally seek to obtain an appropriate yield to offset our cost inflation and support our ongoing investments in capacity and technology. We believe the continued execution of this

yield-management philosophy, continued increases in density, and ongoing improvements in operating efficiencies are the key components of our ability to produce further improvement in our operating ratio and long-term profitable growth.

Our primary cost elements are direct wages and benefits associated with the movement of freight, operating supplies and expenses, which include diesel fuel, and depreciation of our equipment fleet and service center facilities. We gauge our overall success in managing costs by monitoring our operating ratio, a measure of profitability calculated by dividing total operating expenses by revenue, which also allows for industry-wide comparisons with our competition.

We regularly upgrade our technological capabilities to improve our customer service and lower our operating costs. Our technology provides our customers with visibility of their shipments throughout our network, increases the productivity of our workforce, and provides key metrics that we use to monitor and enhance our processes.

Results of Operations

The following table sets forth, for the periods indicated, expenses and other items as a percentage of revenue from operations:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenue from operations	100.0 %	100.0 %	100.0 %	100.0 %
Operating expenses:				
Salaries, wages and benefits	45.6	45.5	45.7	45.4
Operating supplies and expenses	10.7	11.7	11.3	12.5
General supplies and expenses	3.0	2.8	3.0	2.7
Operating taxes and licenses	2.4	2.6	2.5	2.6
Insurance and claims	1.2	1.1	1.2	1.1
Communications and utilities	0.7	0.8	0.7	0.8
Depreciation and amortization	5.6	5.6	5.6	5.4
Purchased transportation	2.2	2.0	2.1	2.1
Miscellaneous expenses, net	0.5	0.2	0.6	0.3
Total operating expenses	71.9	72.3	72.7	72.9
Operating income	28.1	27.7	27.3	27.1
Interest (income) expense, net	(0.5)	(0.1)	(0.5)	(0.2)
Other expense, net	0.1	0.1	0.1	0.1
Income before income taxes	28.5	27.7	27.7	27.2
Provision for income taxes	7.0	7.0	6.9	7.0
Net income	<u>21.5 %</u>	<u>20.7 %</u>	<u>20.8 %</u>	<u>20.2 %</u>

Key financial and operating metrics for the three- and six-month periods ended June 30, 2024 and 2023 are presented below:

	Three Months Ended June 30,			% Change	Six Months Ended June 30,			% Change
	2024	2023			2024	2023		
Work days	64	64		— %	128	128		— %
Revenue (<i>in thousands</i>)	\$ 1,498,697	\$ 1,413,189		6.1 %	\$ 2,958,770	\$ 2,855,325		3.6 %
Operating ratio	71.9 %	72.3 %			72.7 %	72.9 %		
Net income (<i>in thousands</i>)	\$ 322,045	\$ 292,362		10.2 %	\$ 614,349	\$ 577,400		6.4 %
Diluted earnings per share	\$ 1.48	\$ 1.33		11.3 %	\$ 2.82	\$ 2.61		8.0 %
LTL tons (<i>in thousands</i>)	2,340	2,296		1.9 %	4,604	4,635		(0.7) %
LTL tonnage per day	36,560	35,878		1.9 %	35,970	36,209		(0.7) %
LTL shipments (<i>in thousands</i>)	3,100	3,008		3.1 %	6,104	6,026		1.3 %
LTL shipments per day	48,444	46,998		3.1 %	47,687	47,077		1.3 %
LTL weight per shipment (<i>lbs.</i>)	1,509	1,527		(1.2) %	1,509	1,538		(1.9) %
LTL revenue per hundredweight	\$ 31.77	\$ 30.44		4.4 %	\$ 31.87	\$ 30.58		4.2 %
LTL revenue per shipment	\$ 479.48	\$ 464.79		3.2 %	\$ 480.84	\$ 470.34		2.2 %
Average length of haul (<i>miles</i>)	918	925		(0.8) %	919	925		(0.6) %

All references in this report to shares outstanding, weighted average shares outstanding, earnings per share, and dividends per share amounts have been restated retroactively to reflect the two-for-one stock split effected in March 2024.

Our financial results for the second quarter and first six months of 2024 include growth in revenue, net income and earnings per diluted share, despite continued softness in the domestic economy. We improved our financial results for the second quarter and first six months of 2024 by continuing to execute our long-term strategic plan, which is centered on our ability to provide customers with superior service at a fair price. This has created an unmatched value proposition in our industry and allowed us to both win market share and improve our revenue quality. Our operating ratio improved in both the second quarter and first six months of 2024, primarily due to the quality of our revenue growth and continued focus on operating efficiencies. Our net income and earnings per diluted share increased by 10.2% and 11.3%, respectively, for the second quarter of 2024 and 6.4% and 8.0%, respectively, for the first six months of 2024 as compared to the same periods of 2023.

Revenue

Revenue increased \$85.5 million, or 6.1%, and \$103.4 million, or 3.6%, in the second quarter and first six months of 2024, respectively, as compared to the same periods of 2023. LTL tonnage per day increased 1.9% in the second quarter of 2024 due primarily to increases in LTL shipments per day that were partially offset by a decrease in LTL weight per shipment. LTL tonnage per day decreased 0.7% for the first half of 2024 due primarily to a decrease in LTL weight per shipment, partially offset by an increase in LTL shipments per day.

Our LTL revenue per hundredweight increased 4.4% and 4.2% in the second quarter and first six months of 2024, respectively, as compared to the same periods of 2023. Excluding fuel surcharges, LTL revenue per hundredweight increased 4.9% and 5.8% in the second quarter and first six months of 2024, respectively, as compared to the same periods in 2023 due primarily to the success of our long-term yield management strategy. Our consistent, cost-based approach to pricing focuses on offsetting our cost inflation while also supporting additional investment back into our business to expand capacity and enhance our technology.

July 2024 Update

Revenue per day increased 4.6% in July 2024 as compared to the same month last year due primarily to a 5.7% increase in LTL revenue per hundredweight that was partially offset by a 0.9% decrease in LTL tons per day. The decrease in LTL tons per day resulted from a 2.2% decrease in LTL weight per shipment that was partially offset by a 1.3% increase in LTL shipments per day. LTL revenue per hundredweight, excluding fuel surcharges, increased 5.9% as compared to the same month last year.

Operating Costs and Other Expenses

Salaries, wages and benefits increased \$40.9 million, or 6.4%, in the second quarter of 2024 as compared to the second quarter of 2023, due to a \$31.2 million increase in salaries and wages and a \$9.7 million increase in employee benefit costs. Salaries, wages

and benefits increased \$57.3 million, or 4.4%, for the first six months of 2024 as compared to the same period of 2023, due to a \$48.1 million increase in salaries and wages and a \$9.2 million increase in employee benefit costs.

Our salaries and wages expenses were higher for both the second quarter and first six months of 2024 as compared to the same periods of 2023 resulting from the annual wage increase provided to employees in September 2023 and higher performance-based bonus compensation. In addition, our average number of active full-time employees increased 1.2% and 0.4% for the second quarter and first six months of 2024, respectively, as we balanced our workforce with current shipping trends.

Our productive labor costs, which include wages for drivers, platform employees, and fleet technicians, decreased as a percent of revenue to 23.7% in the second quarter of 2024 and increased as a percent of revenue to 23.9% in the first six months of 2024 as compared to 23.8% for the same periods of 2023. While our P&D productivity metrics improved, we had decreases in our platform shipments per hour and our linehaul laden load factor. Our other salaries and wages as a percent of revenue also increased to 9.5% in the second quarter of 2024 and increased to 9.6% in the first six months of 2024 as compared to 9.3% for the same periods of 2023.

The costs attributable to employee benefits were higher for both the second quarter and first six months of 2024 as compared to the same periods of 2023 due primarily to the annual wage increase and the slight increase in our average number of active full-time employees. These increases were partially offset by lower costs for employee group health benefits. The decrease in group health benefit costs were due to decreases in both costs per claim and claim volumes in the second quarter and first six months of 2024 as compared to the same periods of 2023. Employee benefit costs as a percent of salaries and wages decreased to 37.2% and 36.4% for the second quarter and first six months of 2024, respectively, from 37.6% and 37.3% for the comparable periods of 2023.

Operating supplies and expenses decreased \$4.4 million and \$24.3 million in the second quarter and first six months of 2024, respectively, as compared to the same periods of 2023, due to decreases in our costs for diesel fuel used in our vehicles and lower maintenance and repair costs. The cost of diesel fuel, excluding fuel taxes, represents the largest component of operating supplies and expenses, and can vary based on both average price per gallon and consumption. Our average cost per gallon of diesel fuel decreased 3.4% and 8.3% in the second quarter and first six months of 2024, respectively, as compared to the same periods last year. We do not use diesel fuel hedging instruments; therefore, our costs are subject to market price fluctuations. Our gallons consumed increased 0.6% in the second quarter of 2024, as compared to the same period in 2023, due to an increase in miles driven that was partially offset by an improvement in our miles per gallon. Our gallons consumed decreased 2.0% in the first six months of 2024, as compared to the same period in 2023, due to a decrease in miles driven as well as an improvement in our miles per gallon. Our other operating supplies and expenses as a percent of revenue decreased in the second quarter and first six months of 2024 as compared to the same periods of 2023 due to lower maintenance and repair costs, as we improved the average age of our fleet by consistently executing our capital expenditure programs.

Depreciation and amortization costs increased \$4.8 million and \$13.4 million in the second quarter and first six months of 2024, respectively, as compared to the same periods of 2023. The increases in depreciation and amortization were due primarily to the assets acquired as part of our 2023 and 2024 capital expenditure programs. We believe depreciation costs will increase in future periods based on our 2024 capital expenditure plan. While our investments in real estate, equipment, and technology can increase our costs in the short-term, we believe these investments are necessary to support our continued long-term growth and strategic initiatives.

Our effective tax rate for both the second quarter and first six months of 2024 was 24.5% and 25.0%, respectively, as compared to 25.4% and 25.6% for both the second quarter and first six months of 2023. Our effective tax rate generally exceeds the federal statutory rate due to the impact of state taxes and, to a lesser extent, certain other non-deductible items.

Liquidity and Capital Resources

A summary of our cash flows is presented below:

<i>(In thousands)</i>	Six Months Ended June 30,	
	2024	2023
Cash and cash equivalents at beginning of period	\$ 433,799	\$ 186,312
Cash flows provided by (used in):		
Operating activities	811,748	703,207
Investing activities	(382,809)	(412,934)
Financing activities	(788,434)	(421,444)
Decrease in cash and cash equivalents	(359,495)	(131,171)
Cash and cash equivalents at end of period	<u>\$ 74,304</u>	<u>\$ 55,141</u>

The change in our cash flows provided by operating activities during the first half of 2024 as compared to the first half of 2023 was due primarily to increases in net income and depreciation, as well as fluctuations in certain working capital accounts.

The change in our cash flows used in investing activities during the first half of 2024 as compared to the first half of 2023 was impacted by the timing of expenditures under our 2023 and 2024 capital expenditure programs and the timing of purchases and maturities of short-term investments. Changes in our capital expenditures are more fully described below in "Capital Expenditures."

The change in our cash flows used in financing activities during the first half of 2024 as compared to the first half of 2023 was due primarily to higher repurchases of our common stock, as well as an increase in dividend payments to our shareholders. Our return of capital to shareholders is more fully described below under "Stock Repurchase Program" and "Dividends to Shareholders."

We have four primary sources of available liquidity: cash flows from operations, our existing cash and cash equivalents, available borrowings under our third amended and restated credit agreement with Wells Fargo Bank, National Association serving as administrative agent for the lenders, dated March 22, 2023 (the "Credit Agreement"), and our Note Purchase and Private Shelf Agreement with PGIM, Inc. ("Prudential") and certain affiliates and managed accounts of Prudential, as amended by the First Amendment dated March 22, 2023 (as amended, the "Note Agreement"). The Credit Agreement and the Note Agreement are described in more detail below under "Financing Arrangements." We believe we also have sufficient access to debt and equity markets to provide other sources of liquidity, if needed.

Capital Expenditures

The table below sets forth our net capital expenditures for property and equipment for the six-month period ended June 30, 2024 and the years ended December 31, 2023 and 2022:

<i>(In thousands)</i>	June 30,		December 31,	
	2024	2023	2023	2022
Land and structures	\$ 175,424	\$ 291,070	\$ 299,529	
Tractors	104,838	203,417	148,719	
Trailers	39,173	181,534	216,697	
Technology	12,988	44,358	33,783	
Other equipment and assets	25,215	36,930	68,920	
Proceeds from sales	(4,829)	(48,637)	(22,096)	
Total	<u>\$ 352,809</u>	<u>\$ 708,672</u>	<u>\$ 745,552</u>	

Our capital expenditures vary based upon the change in the number and size of our service center facilities necessary to support our plan for long-term growth, our planned tractor and trailer replacement cycle, and forecasted tonnage and shipment growth. Expenditures for land and structures can be dependent upon the availability of land in the geographic areas where we are looking to expand. We historically spend 10% to 15% of our revenue on capital expenditures each year. We expect to continue to maintain a high level of capital expenditures in order to support our long-term plan for market share growth.

We currently estimate capital expenditures will be approximately \$750 million for the year ending December 31, 2024. Approximately \$350 million is allocated for the purchase of service center facilities, construction of new service center facilities or expansion of existing service center facilities, subject to the availability of suitable real estate and the timing of construction projects;

approximately \$325 million is allocated for the purchase of tractors and trailers; and approximately \$75 million is allocated for investments in technology and other assets. We expect to fund these capital expenditures primarily through cash flows from operations, our existing cash and cash equivalents and, if needed, borrowings available under our Credit Agreement or Note Agreement. We believe our current sources of liquidity will be sufficient to satisfy our expected capital expenditures.

Stock Repurchase Program

On July 28, 2021, we announced that our Board of Directors had approved a stock repurchase program authorizing us to repurchase up to an aggregate of \$2.0 billion of our outstanding common stock (the “2021 Repurchase Program”). The 2021 Repurchase Program began after completion of our prior repurchase program in January 2022 and was completed in May 2024.

On July 26, 2023, we announced that our Board of Directors had approved a stock repurchase program authorizing us to repurchase up to an aggregate of \$3.0 billion of our outstanding common stock (the “2023 Repurchase Program”). The 2023 Repurchase Program, which does not have an expiration date, began after the completion of the 2021 Repurchase Program in May 2024. At June 30, 2024, our 2023 Repurchase Program had \$2.63 billion remaining available. The amount available and uncommitted is \$2.59 billion, which reflects the \$40.0 million forward stock purchase contract under the ASR Agreement.

Under our repurchase programs, we may repurchase shares from time to time in open market purchases or through privately negotiated transactions. Shares of our common stock repurchased under our repurchase programs are canceled at the time of repurchase and are classified as authorized but unissued shares of our common stock.

Dividends to Shareholders

On February 16, 2024, we announced that our Board of Directors approved a two-for-one split of our common stock for shareholders of record as of the close of business on the record date of March 13, 2024. On March 27, 2024, those shareholders received one additional share of common stock for every share owned.

All references in this report to dividend amounts have been restated retroactively to reflect this stock split. Split-adjusted per-share metrics may not recalculate precisely due to rounding.

Our Board of Directors also declared a cash dividend of \$0.26 per share for each of the first three quarters of 2024 and declared a cash dividend of \$0.20 per share for each quarter of 2023.

Although we intend to pay a quarterly cash dividend on our common stock for the foreseeable future, the declaration and amount of any future dividend is subject to approval by our Board of Directors, and is restricted by applicable state law limitations on distributions to shareholders as well as certain covenants under our Credit Agreement and Note Agreement. We anticipate that any future quarterly cash dividends will be funded through cash flows from operations, our existing cash and cash equivalents and, if needed, borrowings under our Credit Agreement or Note Agreement.

Financing Agreements

Note Agreement

The Note Agreement, which is uncommitted and subject to Prudential’s sole discretion, provides for the issuance of senior promissory notes with an aggregate principal amount of up to \$350.0 million through March 22, 2026. On May 4, 2020, we issued \$100.0 million aggregate principal amount of senior promissory notes (the “Series B Notes”). Borrowing availability under the Note Agreement is reduced by the outstanding amount of the existing Series B Notes, and all other senior promissory notes issued pursuant to the Note Agreement.

The Series B Notes bear interest at 3.10% per annum and mature on May 4, 2027, unless prepaid. The second principal payment of \$20.0 million was paid on May 4, 2024. The remaining \$60.0 million will be paid in three equal annual installments of \$20.0 million through May 4, 2027. The Series B Notes are senior unsecured obligations and rank pari passu with borrowings under the Credit Agreement or other senior promissory notes issued pursuant to the Note Agreement.

Credit Agreement

The Credit Agreement provides for a five-year, \$250.0 million senior unsecured revolving line of credit and a \$150.0 million accordion feature, which if fully exercised and approved, would expand the total borrowing capacity up to an aggregate of \$400.0

million. Of the \$250.0 million line of credit commitments under the Credit Agreement, up to \$100.0 million may be used for letters of credit.

At our option, borrowings under the Credit Agreement bear interest at either: (i) the Secured Overnight Financing Rate (SOFR) plus the Term SOFR Adjustment, as defined in the Credit Agreement, equal to 0.100%, plus an applicable margin that ranges from 1.000% to 1.375%; or (ii) a Base Rate, as defined in the Credit Agreement, plus an applicable margin that ranges from 0.000% to 0.375%. The applicable margin for each of the foregoing options is dependent upon our consolidated debt to consolidated total capitalization ratio. Letter of credit fees equal to the applicable margin for SOFR loans are charged quarterly in arrears on the daily average aggregate stated amount of all letters of credit outstanding during the quarter. Commitment fees ranging from 0.090% to 0.175% (based upon our consolidated debt to consolidated total capitalization ratio) are charged quarterly in arrears on the aggregate unutilized portion of the Credit Agreement.

For periods covered under the Credit Agreement, the applicable margin on SOFR loans and letter of credit fees were 1.000% and commitment fees were 0.090%.

The amounts outstanding and available borrowing capacity under the Credit Agreement are presented below:

<i>(In thousands)</i>	June 30, 2024	December 31, 2023
Facility limit	\$ 250,000	\$ 250,000
Line of credit borrowings	—	—
Outstanding letters of credit	(38,106)	(39,966)
Available borrowing capacity	<u>\$ 211,894</u>	<u>\$ 210,034</u>

General Debt Provisions

The Credit Agreement and Note Agreement contain customary covenants, including financial covenants that require us to observe a maximum ratio of debt to total capital and a minimum fixed charge coverage ratio. The Credit Agreement and Note Agreement also include a provision limiting our ability to make restricted payments, including dividends and payments for share repurchases, unless, among other conditions, no defaults or events of default are ongoing (or would be caused by such restricted payment). We were in compliance with all covenants in our outstanding debt instruments for the period ended June 30, 2024.

We do not anticipate financial performance that would cause us to violate any such covenants in the future, and we believe the combination of our existing Credit Agreement and Note Agreement along with our additional borrowing capacity will be sufficient to meet foreseeable seasonal and long-term capital needs.

The interest rate is fixed on the Series B Notes. Therefore, short-term exposure to fluctuations in interest rates is limited to our Credit Agreement. We do not currently use interest rate derivative instruments to manage exposure to interest rate changes.

Critical Accounting Policies

In preparing our condensed financial statements, we applied the same critical accounting policies as described in our Annual Report on Form 10-K for the year ended December 31, 2023 that we believe affect our judgments and estimates of amounts recorded in certain assets, liabilities, revenue and expenses.

Seasonality

Our tonnage levels and revenue mix are subject to seasonal trends common in our industry, although other factors, such as macroeconomic changes, could cause variation in these trends. Our revenue and operating margins in the first and fourth quarters are typically lower than those during the second and third quarters due to reduced shipments during the winter months. We believe seasonal trends will continue to impact our business; however, our tonnage trends could continue to be inconsistent with historical trends until there is a sustained improvement in the domestic economy. Harsh winter weather, hurricanes, tornadoes, floods and other natural disasters can also adversely impact our performance by reducing demand and increasing operating expenses.

Environmental Regulation

We are subject to various federal, state and local environmental laws and regulations that focus on, among other things: the disposal, emission and discharge of hazardous waste, hazardous materials, or other materials into the environment or their presence at

our properties or in our vehicles; fuel storage tanks; transportation of certain materials; and the discharge or retention of storm water. Under specific environmental laws, we could also be held responsible for any costs relating to contamination at our past or present facilities and at third-party waste disposal sites, as well as costs associated with clean-up of accidents involving our vehicles. We do not believe that the cost of future compliance with current environmental laws or regulations will have a material adverse effect on our operations, financial condition, competitive position or capital expenditures for fiscal year 2024. However, future changes to laws or regulations may adversely affect our operations and could result in unforeseen costs to our business.

Forward-Looking Information

Forward-looking statements appear in this report, including, but not limited to, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and in other written and oral statements made by or on behalf of us. These forward-looking statements include, but are not limited to, statements relating to our goals, strategies, expectations, competitive environment, regulation, availability of resources, future events and future financial performance. Such forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements typically can be identified by such words as “anticipate,” “estimate,” “forecast,” “project,” “intend,” “expect,” “believe,” “should,” “could,” “may” or other similar words or expressions. We caution readers that such forward-looking statements involve risks and uncertainties, including, but not limited to, the risk factors set forth in our Annual Report on Form 10-K for the year ended December 31, 2023 and in other reports and statements that we file with the Securities and Exchange Commission (“SEC”). Such forward-looking statements involve risks and uncertainties that could cause actual events or results to differ materially from those expressed or implied herein, including, but not limited to, the following:

- the challenges associated with executing our growth strategy, and developing, marketing and consistently delivering high-quality services that meet customer expectations;
- changes in our relationships with significant customers;
- our exposure to claims related to cargo loss and damage, property damage, personal injury, workers’ compensation and healthcare, increased self-insured retention or deductible levels or premiums for excess coverage, and claims in excess of insured coverage levels;
- reductions in the available supply or increases in the cost of equipment and parts;
- various economic factors such as inflationary pressures or downturns in the domestic economy, and our inability to sufficiently increase our customer rates to offset the increase in our costs;
- higher costs for or limited availability of suitable real estate;
- the availability and cost of third-party transportation used to supplement our workforce and equipment needs;
- fluctuations in the availability and price of diesel fuel and our ability to collect fuel surcharges, as well as the effectiveness of those fuel surcharges in mitigating the impact of fluctuating prices for diesel fuel and other petroleum-based products;
- seasonal trends in the less-than-truckload (“LTL”) industry, harsh weather conditions and disasters;
- the availability and cost of capital for our significant ongoing cash requirements;
- decreases in demand for, and the value of, used equipment;
- our ability to successfully consummate and integrate acquisitions;
- various risks arising from our international business relationships;
- the costs and potential adverse impact of compliance with anti-terrorism measures on our business;
- the competitive environment with respect to our industry, including pricing pressures;

- our customers' and suppliers' businesses may be impacted by various economic factors such as recessions, inflation, downturns in the economy, global uncertainty and instability, changes in international trade policies, changes in U.S. social, political, and regulatory conditions or a disruption of financial markets;
- the negative impact of any unionization, or the passage of legislation or regulations that could facilitate unionization, of our employees;
- increases in the cost of employee compensation and benefit packages used to address general labor market challenges and to attract or retain qualified employees, including drivers and maintenance technicians;
- our ability to retain our key employees and continue to effectively execute our succession plan;
- potential costs and liabilities associated with cyber incidents and other risks with respect to our information technology systems or those of our third-party service providers, including system failure, security breach, disruption by malware or ransomware or other damage;
- the failure to adapt to new technologies implemented by our competitors in the LTL and transportation industry, which could negatively affect our ability to compete;
- the failure to keep pace with developments in technology, any disruption to our technology infrastructure, or failures of essential services upon which our technology platforms rely, which could cause us to incur costs or result in a loss of business;
- disruption in the operational and technical services (including software as a service) provided to us by third parties, which could result in operational delays and/or increased costs;
- the Compliance, Safety, Accountability initiative of the Federal Motor Carrier Safety Administration ("FMCSA"), which could adversely impact our ability to hire qualified drivers, meet our growth projections and maintain our customer relationships;
- the costs and potential adverse impact of compliance with, or violations of, current and future rules issued by the Department of Transportation, the FMCSA and other regulatory agencies;
- the costs and potential liabilities related to compliance with, or violations of, existing or future governmental laws and regulations, including environmental laws;
- the effects of legal, regulatory or market responses to climate change concerns;
- emissions-control and fuel efficiency regulations that could substantially increase operating expenses;
- expectations relating to environmental, social and governance considerations and related reporting obligations;
- the increase in costs associated with healthcare and other mandated benefits;
- the costs and potential liabilities related to legal proceedings and claims, governmental inquiries, notices and investigations;
- the impact of changes in tax laws, rates, guidance and interpretations;
- the concentration of our stock ownership with the Congdon family;
- the ability or the failure to declare future cash dividends;
- fluctuations in the amount and frequency of our stock repurchases;
- volatility in the market value of our common stock;

- the impact of certain provisions in our articles of incorporation, bylaws, and Virginia law that could discourage, delay or prevent a change in control of us or a change in our management; and
- other risks and uncertainties described in our most recent Annual Report on Form 10-K and other filings with the SEC.

Our forward-looking statements are based upon our beliefs and assumptions using information available at the time the statements are made. We caution the reader not to place undue reliance on our forward-looking statements as (i) these statements are neither a prediction nor a guarantee of future events or circumstances; and (ii) the assumptions, beliefs, expectations and projections about future events may differ materially from actual results. We undertake no obligation to publicly update any forward-looking statement to reflect developments occurring after the statement is made, except as otherwise required by law.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

There have been no material changes to our market risk exposures since our most recent fiscal year end. For a discussion of our exposure to market risk, refer to Item 7A, “Quantitative and Qualitative Disclosures About Market Risk,” contained in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

Item 4. Controls and Procedures

a)Evaluation of disclosure controls and procedures

As of the end of the period covered by this quarterly report, our management, with the participation of our Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”), conducted an evaluation of the effectiveness of our disclosure controls and procedures in accordance with Rule 13a-15 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Based on the evaluation of our disclosure controls and procedures as of the end of the period covered by this quarterly report, our CEO and CFO concluded that, as of such date, our disclosure controls and procedures were effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is (a) accumulated and communicated to our management, including our CEO and CFO, as appropriate to allow timely decisions regarding required disclosure, and (b) recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms.

b)Changes in internal control over financial reporting

There were no changes in our internal control over financial reporting that occurred during our last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

We are involved in or addressing various legal proceedings and claims, governmental inquiries, notices and investigations that have arisen in the ordinary course of our business and have not been fully adjudicated, some of which may be covered in whole or in part by insurance. Certain of these matters include collective and/or class-action allegations. We do not believe that the resolution of any of these matters will have a material adverse effect upon our financial position, results of operations or cash flows.

Consistent with SEC Regulation S-K Item 103, we have elected to disclose any environmental legal proceedings with a governmental authority if management reasonably believes that the proceedings may involve potential monetary sanctions of \$1.0 million or more. Applying this threshold, there are no such unresolved proceedings to disclose as of June 30, 2024.

Item 1A. Risk Factors

In addition to the other information set forth in this report and in our other reports and statements that we file with the SEC, including our quarterly reports on Form 10-Q, careful consideration should be given to the factors discussed in Part I, "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023, which could materially affect our business, financial condition and future results. The risks described in our Annual Report on Form 10-K are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and operating results.

There have been no material changes to the risk factors identified in Part I, "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table provides information regarding our repurchases of our common stock during the second quarter of 2024:

	ISSUER PURCHASES OF EQUITY SECURITIES			
	Total Number of Shares Purchased ⁽¹⁾	Average Price Paid per Share ⁽³⁾	Total Number of Shares Purchased as Part of Publicly Announced Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Programs
April 1-30, 2024	231,386	\$ 211.05	228,147	\$ 92,032,141
May 1-31, 2024 ⁽²⁾	2,012,259	\$ 176.45	2,009,020	\$ 2,737,562,355
June 1-30, 2024	633,572	\$ 173.31	630,333	\$ 2,628,324,335
Total	<u>2,877,217</u>	\$ 178.54	<u>2,867,500</u>	

⁽¹⁾Total number of shares purchased during the quarter includes 9,717 shares of our common stock surrendered by participants to satisfy tax withholding obligations in connection with the vesting of equity awards issued under our 2016 Stock Incentive Plan.

⁽²⁾The total number of shares purchased includes the initial delivery of 923,201 shares of our common stock under an accelerated share repurchase agreement entered into with a third-party financial institution on May 28, 2024, representing approximately 80% of the total value of shares to be received by us under the terms of the agreement. The remaining shares are expected to settle during the fourth quarter of 2024, but may settle earlier in certain circumstances. The total number of shares repurchased and the related cost per share will be based on the daily volume-weighted average share price of our common stock during the term of the agreement, less a negotiated discount.

⁽³⁾Average price paid per share excludes any excise tax imposed on certain stock repurchases as part of the Inflation Reduction Act of 2022.

On July 28, 2021, we announced that our Board of Directors had approved a stock repurchase program authorizing us to repurchase up to an aggregate of \$2.0 billion of our outstanding common stock (the "2021 Repurchase Program"). The 2021 Repurchase Program began after completion of our prior repurchase program in January 2022 and was completed in May 2024.

On July 26, 2023, we announced that our Board of Directors had approved a stock repurchase program authorizing us to repurchase up to an aggregate of \$3.0 billion of our outstanding common stock (the "2023 Repurchase Program"). The 2023 Repurchase Program, which does not have an expiration date, began after the completion of the 2021 Repurchase Program in May 2024. At June 30, 2024, our 2023 Repurchase Program had \$2.63 billion remaining available. The amount available and uncommitted is \$2.59 billion, which reflects the \$40.0 million forward stock purchase contract under the ASR Agreement.

Item 6. Exhibits

The exhibits listed in the accompanying Exhibit Index are filed as a part of this report.

EXHIBIT INDEX
TO QUARTERLY REPORT ON FORM 10-Q

Exhibit No.	Description
3.1(4)	<u>Articles of Amendment of Old Dominion Freight Line, Inc.</u>
31.1	<u>Certification Pursuant to Rule 13a-14(a) or 15d-14(a) of the Exchange Act, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>
31.2	<u>Certification Pursuant to Rule 13a-14(a) or 15d-14(a) of the Exchange Act, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>
32.1	<u>Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>
32.2	<u>Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>
101	The following financial information from our Quarterly Report on Form 10-Q for the quarter ended June 30, 2024, filed on August 5, 2024, formatted in iXBRL (Inline eXtensible Business Reporting Language) includes: (i) the Condensed Balance Sheets at June 30, 2024 and December 31, 2023, (ii) the Condensed Statements of Operations for the three and six months ended June 30, 2024 and 2023, (iii) the Condensed Statements of Changes in Shareholders' Equity for the three and six months ended June 30, 2024 and 2023, (iv) the Condensed Statements of Cash Flows for the six months ended June 30, 2024 and 2023, and (v) the Notes to the Condensed Financial Statements
104	The cover page from our Quarterly Report on Form 10-Q for the quarter ended June 30, 2024, formatted in iXBRL

Our SEC file number reference for documents filed with the SEC pursuant to the Securities Exchange Act of 1934, as amended, is 0-19582.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

OLD DOMINION FREIGHT LINE, INC.

DATE: August 5, 2024

/s/ ADAM N. SATTERFIELD
Adam N. Satterfield
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

DATE: August 5, 2024

/s/ CLAYTON G. BRINKER
Clayton G. Brinker
Vice President - Accounting and Finance
(Principal Accounting Officer)

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

ARTICLES OF AMENDMENT
OF
OLD DOMINION FREIGHT LINE, INC.

The undersigned, on behalf of the corporation set forth below, pursuant to Title 13.1, Chapter 9, Article 11 of the Code of Virginia, states as follows:

1. The name of the corporation is Old Dominion Freight Line, Inc. (the "Corporation").
2. The Corporation has adopted an amendment to Article II of its Amended and Restated Articles of Incorporation, restating Article II in its entirety as follows:

II.

The Corporation shall have the authority to issue Five Hundred Sixty Million (560,000,000) shares of Common Stock having a par value of Ten Cents (\$0.10) per share.

3. The foregoing amendment was adopted on May 15, 2024.
4. The amendment was proposed by the board of directors and submitted to the shareholders in accordance with the provisions of Title 13.1, Chapter 9 of the Code of Virginia, and:
 - (a) The designation, number of outstanding shares, and number of votes entitled to be cast by the holders of the Corporation's common stock, the only group entitled to vote on the amendment, were:

Designation Number of outstanding shares Number of votes

Common Stock	108,812,971	108,812,971
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- (b) The total number of undisputed votes cast for the amendment was:

Voting group Total undisputed votes **FOR**

Holders of Common Stock	97,224,417	
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- (c) And the number cast for the amendment was sufficient for approval.
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Executed in the name of the Corporation by:

/s/ Ross H. Parr May 16, 2024

Signature Date

Ross H. Parr Senior Vice President – Legal Affairs, General Name Counsel and Secretary
Title

0060493-4

Corporation's SCC ID #

CERTIFICATION

I, Kevin M. Freeman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Old Dominion Freight Line, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2024

/s/ KEVIN M. FREEMAN
President and Chief Executive Officer

CERTIFICATION

I, Adam N. Satterfield, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Old Dominion Freight Line, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2024

/s/ ADAM N. SATTERFIELD
Executive Vice President and Chief Financial Officer

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

I, Kevin M. Freeman, state and attest that:

- (1) I am the President and Chief Executive Officer of Old Dominion Freight Line, Inc. (the "Issuer").
- (2) Accompanying this certification is the Issuer's Quarterly Report on Form 10-Q for the quarter ended June 30, 2024 (the "Quarterly Report"), a periodic report filed by the Issuer with the Securities and Exchange Commission pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which contains financial statements.
- (3) I hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:
 - The Quarterly Report containing the financial statements fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act, and
 - The information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Issuer for the periods presented.

/s/ KEVIN M. FREEMAN

Name: Kevin M. Freeman

Date: August 5, 2024

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

I, Adam N. Satterfield, state and attest that:

- (1) I am the Executive Vice President and Chief Financial Officer of Old Dominion Freight Line, Inc. (the "Issuer").
- (2) Accompanying this certification is the Issuer's Quarterly Report on Form 10-Q for the quarter ended June 30, 2024 (the "Quarterly Report"), a periodic report filed by the Issuer with the Securities and Exchange Commission pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which contains financial statements.
- (3) I hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:
 - The Quarterly Report containing the financial statements fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act, and
 - The information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Issuer for the periods presented.

/s/ ADAM N. SATTERFIELD

Name: Adam N. Satterfield

Date: August 5, 2024
