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, 2019
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	**56-0751714**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
500 Old Dominion Way Thomasville, North Carolina	**27360**
(Address of principal executive offices)	**(Zip Code)**

(336) 889-5000
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock ($0.10 par value)	**ODFL**	**The Nasdaq Stock Market LLC (Nasdaq Global Select Market)**

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	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

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 6, 2019 there were 80,006,284 shares of the registrant's Common Stock ($0.10 par value) outstanding.

INDEX

Part I – FINANCIAL INFORMATION

Part II – OTHER INFORMATION

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

OLD DOMINION FREIGHT LINE, INC.
CONDENSED BALANCE SHEETS

(In thousands, except share and per share data)	June 30, 2019 (Unaudited)	December 31, 2018
ASSETS		
Current assets:		
Cash and cash equivalents	**$ 228,960**	$ 190,282
Customer receivables, less allowances of $10,019 and $9,913, respectively	**449,984**	427,569
Other receivables	**8,161**	40,691
Prepaid expenses and other current assets	**54,315**	47,687
Total current assets	**741,420**	706,229
Property and equipment:		
Revenue equipment	**1,906,675**	1,811,233
Land and structures	**1,898,900**	1,796,868
Other fixed assets	**477,870**	454,432
Leasehold improvements	**11,008**	10,619
Total property and equipment	**4,294,453**	4,073,152
Accumulated depreciation	**(1,436,282)**	(1,318,209)
Net property and equipment	**2,858,171**	2,754,943
Goodwill	**19,463**	19,463
Other assets	**139,649**	64,648
Total assets	**$ 3,758,703**	$ 3,545,283

Note: The Condensed Balance Sheet at December 31, 2018 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)

(In thousands, except share and per share data)		**June 30, 2019 (Unaudited)**		**December 31, 2018**
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities:				
Accounts payable	**$**	**85,125**	$	78,518
Compensation and benefits		**191,132**		198,456
Claims and insurance accruals		**50,803**		53,263
Other accrued liabilities		**45,897**		26,495
Income taxes payable		**13,148**		—
Total current liabilities		**386,105**		356,732
Long-term liabilities:				
Long-term debt		**45,000**		45,000
Other non-current liabilities		**281,444**		215,399
Deferred income taxes		**247,669**		247,669
Total long-term liabilities		**574,113**		508,068
Total liabilities		**960,218**		864,800
Commitments and contingent liabilities				
Shareholders' equity:				
Common stock - $0.10 par value, 140,000,000 shares authorized, 80,138,666 and 81,231,131 shares outstanding at June 30, 2019 and December 31, 2018, respectively		**8,014**		8,123
Capital in excess of par value		**144,938**		142,176
Retained earnings		**2,645,533**		2,530,184
Total shareholders' equity		**2,798,485**		2,680,483
Total liabilities and shareholders' equity	**$**	**3,758,703**	$	3,545,283

Note: The Condensed Balance Sheet at December 31, 2018 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)

(In thousands, except share and per share data)	Three Months Ended June 30, 2019	Three Months Ended June 30, 2018	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018
Revenue from operations	**$ 1,060,666**	$ 1,033,498	**$ 2,051,448**	$ 1,958,518
Operating expenses:				
Salaries, wages and benefits	**532,583**	522,249	**1,054,927**	1,023,560
Operating supplies and expenses	**122,410**	126,566	**243,767**	242,502
General supplies and expenses	**32,391**	29,891	**63,951**	59,867
Operating taxes and licenses	**29,384**	28,165	**58,455**	54,953
Insurance and claims	**11,587**	11,342	**22,759**	22,441
Communications and utilities	**6,134**	7,439	**13,973**	14,485
Depreciation and amortization	**62,571**	56,235	**125,644**	109,716
Purchased transportation	**24,468**	26,044	**45,155**	47,784
Miscellaneous expenses, net	**4,649**	5,086	**9,902**	13,389
Total operating expenses	**826,177**	813,017	**1,638,533**	1,588,697
Operating income	**234,489**	220,481	**412,915**	369,821
Non-operating (income) expense:				
Interest expense	**160**	11	**282**	22
Interest income	**(1,769)**	(668)	**(3,252)**	(1,124)
Other expense (income), net	**524**	(334)	**(76)**	1,965
Total non-operating (income) expense	**(1,085)**	(991)	**(3,046)**	863
Income before income taxes	**235,574**	221,472	**415,961**	368,958
Provision for income taxes	**61,502**	58,038	**108,566**	96,191
Net income	**$ 174,072**	$ 163,434	**$ 307,395**	$ 272,767
Earnings per share:				
Basic	**$ 2.16**	$ 1.99	**$ 3.81**	$ 3.32
Diluted	**$ 2.16**	$ 1.99	**$ 3.80**	$ 3.32
Weighted average shares outstanding:				
Basic	**80,522,276**	82,067,872	**80,776,296**	82,160,159
Diluted	**80,645,364**	82,169,552	**80,893,083**	82,262,285
Dividends declared per share	**$ 0.17**	$ 0.13	**$ 0.34**	$ 0.26

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)

(In thousands)	Three Months Ended June 30, 2019	Three Months Ended June 30, 2018	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018
Common stock:				
Beginning balance	**$ 8,107**	$ 8,229	**$ 8,123**	$ 8,238
Share repurchases	**(93)**	(21)	**(115)**	(33)
Share-based compensation and restricted share issuances, net of taxes	**—**	—	**6**	3
Ending balance	**8,014**	8,208	**8,014**	8,208
Capital in excess of par value:				
Beginning balance	**143,123**	138,921	**$ 142,176**	138,359
Share-based compensation and restricted share issuances, net of taxes	**1,815**	636	**2,762**	1,198
Ending balance	**144,938**	139,557	**144,938**	139,557
Retained earnings:				
Beginning balance	**2,619,141**	2,211,601	**$ 2,530,184**	2,130,257
Share repurchases	**(134,043)**	(30,074)	**(164,617)**	(47,361)
Cash dividends declared	**(13,637)**	(10,675)	**(27,429)**	(21,377)
Net income	**174,072**	163,434	**307,395**	272,767
Ending balance	**2,645,533**	2,334,286	**2,645,533**	2,334,286
Total shareholders' equity	**$ 2,798,485**	$ 2,482,051	**$ 2,798,485**	$ 2,482,051

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

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

(In thousands)	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018
Cash flows from operating activities:		
Net income	**$ 307,395**	$ 272,767
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	**125,644**	109,716
Loss on sale of property and equipment	**718**	785
Share-based compensation	**4,216**	2,275
Other operating activities, net	**23,910**	39,148
Net cash provided by operating activities	**461,883**	424,691
Cash flows from investing activities:		
Purchase of property and equipment	**(229,956)**	(292,269)
Proceeds from sale of property and equipment	**366**	528
Net cash used in investing activities	**(229,590)**	(291,741)
Cash flows from financing activities:		
Principal payments under long-term debt agreements	**—**	(50,000)
Payments for share repurchases	**(164,732)**	(47,394)
Dividends paid	**(27,435)**	(21,373)
Other financing activities, net	**(1,448)**	(1,074)
Net cash used in financing activities	**(193,615)**	(119,841)
Increase in cash and cash equivalents	**38,678**	13,109
Cash and cash equivalents at beginning of period	**190,282**	127,462
Cash and cash equivalents at end of period	**$ 228,960**	$ 140,571

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

Note 1. Significant Accounting Policies

Business

We are a leading, less-than-truckload ("LTL"), union-free motor carrier providing regional, inter-regional and national LTL services through a single integrated 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:

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands)	**2019**	**2018**	**2019**	**2018**
LTL services	**$ 1,047,208**	$ 1,018,491	**$ 2,023,771**	$ 1,929,545
Other services	**13,458**	15,007	**27,677**	28,973
Total revenue from operations	**$ 1,060,666**	$ 1,033,498	**$ 2,051,448**	$ 1,958,518

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, 2019 are not necessarily indicative of the results that may be expected for the subsequent quarterly periods or the year ending December 31, 2019.

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, 2018. 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, 2018, other than those 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.

Fair Values of Financial Instruments

The carrying values of financial instruments in current assets and current liabilities approximate their fair value due to the short maturities of these instruments. The carrying value of our total long-term debt was $45.0 million at each of June 30, 2019 and December 31, 2018. The estimated fair value of our total long-term debt was $46.2 million and $45.6 million at June 30, 2019 and December 31, 2018, respectively. The fair value measurement of our senior 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 (the "FASB").

Stock Repurchase Program

During the second quarter of 2019, we completed our stock repurchase program, previously announced on May 17, 2018, to repurchase up to an aggregate of $250.0 million of our outstanding common stock. On May 16, 2019, we announced that our Board of Directors had approved a new two-year stock repurchase program authorizing us to repurchase up to an aggregate of $350.0 million of our outstanding common stock (the “2019 Repurchase Program”). Under the 2019 Repurchase Program, which became effective upon the expiration of our prior stock repurchase program, 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.

During the three and six months ended June 30, 2019, we repurchased 930,105 shares of our common stock for $134.1 million and 1,151,914 shares of our common stock for $164.7 million under our repurchase programs, respectively. As of June 30, 2019, we had $317.0 million remaining authorized under the 2019 Repurchase Program.

Recent Accounting Pronouncements

In February 2016, the FASB issued Accounting Standards Update (“ASU”) 2016-02, “Leases” (Topic 842). This ASU requires a lessee to recognize a right-of-use asset and a lease liability on its balance sheet for most operating leases. ASU 2016-02 is effective for annual and interim periods beginning after December 15, 2018, including interim periods within those fiscal years. In July 2018, the FASB issued ASU 2018-11, “Leases (Topic 842): Targeted Improvements,” which provided companies with an additional optional transition method to apply the new standard to leases in effect at the adoption date through a cumulative effect adjustment. We adopted the new lease standard on January 1, 2019 using this optional transition method.

We elected the package of practical expedients referenced in ASU 2016-02, which permits companies to retain original lease identification and classification without reassessing initial direct costs for existing leases. We also elected (i) the practical expedient that exempts leases with an initial lease term of twelve months or less, (ii) the practical expedient that allows companies to select, by class of underlying asset, not to separate lease and non-lease components, and (iii) the practical expedient that allows companies to apply hindsight in determining lease terms. Our adoption of this standard resulted in the recognition of right-of-use assets and corresponding lease liabilities of $68.0 million and $69.1 million, respectively, as of January 1, 2019. There were no material impacts to our results of operations or our cash flows. Disclosures related to the amount, timing, and uncertainty of cash flows arising from our leases are included in Note 4.

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 shares of unvested restricted stock and contingently-issuable shares. Unvested restricted stock is included in shares of common stock 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 shares of unvested restricted stock, but excludes contingently-issuable shares under performance-based award agreements because 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:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	**2018**	**2019**	**2018**
Weighted average shares outstanding - basic	**80,522,276**	82,067,872	**80,776,296**	82,160,159
Dilutive effect of share-based awards	**123,088**	101,680	**116,787**	102,126
Weighted average shares outstanding - diluted	**80,645,364**	82,169,552	**80,893,083**	82,262,285

Note 3. Long-Term Debt

Long-term debt consisted of the following:

(In thousands)	June 30, 2019		December 31, 2018	
Senior notes	$	**45,000**	$	45,000
Revolving credit facility		**—**		—
Total long-term debt		**45,000**		45,000
Less: Current maturities		**—**		—
Total maturities due after one year	$	**45,000**	$	45,000

We had one unsecured senior note agreement with an amount outstanding of $45.0 million at each of June 30, 2019 and December 31, 2018. Our unsecured senior note agreement calls for a scheduled principal payment of $45.0 million due on January 3, 2021. The interest rate on the January 3, 2021 scheduled principal payment is 4.79%.

On December 15, 2015, we entered into an amended and restated credit agreement with Wells Fargo Bank, National Association ("Wells Fargo") serving as administrative agent for the lenders (the "Credit Agreement"). The Credit Agreement originally provided for a five-year, $250.0 million senior unsecured revolving line of credit and a $100.0 million accordion feature, which if fully exercised and approved, would expand the total borrowing capacity up to an aggregate of $350.0 million.

On September 9, 2016, we exercised a portion of the accordion feature and entered into an amendment to the Credit Agreement to increase the aggregate commitments from existing lenders by $50.0 million to an aggregate of $300.0 million. Of the $300.0 million line of credit commitments under the Credit Agreement, as amended, 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) LIBOR plus an applicable margin (based on our ratio of net debt-to-total capitalization) that ranges from 1.0% to 1.50%; or (ii) a Base Rate plus an applicable margin (based on our ratio of net debt-to-total capitalization) that ranges from 0.0% to 0.5%. Letter of credit fees equal to the applicable margin for LIBOR 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 0.125% to 0.2% (based upon the ratio of net debt-to-total capitalization) 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 LIBOR loans and letter of credit fees were 1.0% and commitment fees were 0.125%. There were $49.0 million and $61.5 million of outstanding letters of credit at June 30, 2019 and December 31, 2018, respectively.

Note 4. Leases

We lease certain assets under operating leases, which at June 30, 2019 primarily consist of real estate leases for 30 of our 233 service center locations and automotive leases for our Company-owned vehicles. Certain operating leases provide for renewal options, which can vary by lease and are typically offered at their fair rental value. We have not made any residual value guarantees related to our operating leases; therefore, we have no corresponding liability recorded on our Condensed Balance Sheets.

The right-of-use assets and corresponding lease liabilities on our Condensed Balance Sheet represent payments over the lease term, which includes renewal options for certain real estate leases that we are likely to exercise. These renewal options begin in 2020 and continue through 2033, and range from one to ten years in length. Short-term leases, which have an initial term of 12 months or less, are not included in our right-of-use assets.

Of our total lease liabilities, $10.5 million is classified as current and is presented within "Other accrued liabilities," and $57.9 million is classified as non-current and is presented within "Other non-current liabilities," on our Condensed Balance Sheet as of June 30, 2019. Our right-of-use assets totaled $67.3 million and are presented within "Other assets," which is classified as long-term, on our Condensed Balance Sheet as of June 30, 2019.

Future lease payments for assets under operating leases, as well as a reconciliation to our total lease liabilities as of June 30, 2019, are as follows:

(In thousands)		Lease Payments [(a)]
Remainder of 2019	$	6,795
2020		12,073
2021		9,460
2022		7,037
2023		5,771
Thereafter		47,256
Total lease payments		88,392
Less: Imputed interest		(19,948)
Total lease liabilities	$	68,444

(a) Lease payments include lease extensions that are reasonably certain to be exercised and exclude $4.8 million in lease payments for leases that have been executed but not yet commenced.

The weighted average lease term for our operating leases was 9.4 years as of June 30, 2019. The discount rate used in the calculation of our right-of-use assets and corresponding lease liabilities was determined based on the stated rate within each contract when available, or our collateralized borrowing rate from lending institutions. The weighted average discount rate for our operating leases was 4.2% as of June 30, 2019.

For the three- and six-month periods ended June 30, 2019, cash paid for amounts included in the measurement of our operating leases was $3.7 million and $7.2 million, respectively, while the aggregate lease expense under operating leases was $3.7 million and $7.3 million, respectively. Certain operating leases include rent escalation provisions, which we recognize as expense on a straight-line basis. Lease expense is presented within “Operating supplies and expenses” or “General supplies and expenses,” depending on the nature of the use of the leased asset.

Note 5. 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.

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

Overview

We are a leading, less-than-truckload ("LTL"), union-free motor carrier providing regional, inter-regional and national LTL services through a single integrated 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 97% 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 services using the following key metrics, which exclude certain transportation and logistics services where pricing is generally not determined by weight, commodity or distance:

- *LTL Revenue Per Hundredweight* - 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. 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 better indicator of changes in this metric by matching total billed revenue with the corresponding weight of those shipments.

  Revenue per hundredweight is a commonly-used indicator of pricing trends, but this metric can be influenced by many other factors, such as changes in fuel surcharges, weight per shipment, length of haul and the class, or mix, of our freight. As a result, changes in revenue per hundredweight do not necessarily indicate actual changes in underlying base rates.

- *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.

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 to offset our cost inflation and support our ongoing investments in capacity and technology. We regularly monitor the components of our pricing, including base freight rates, accessorial charges and fuel surcharges. 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. We believe our yield management process focused on individual account profitability, and ongoing improvements in operating efficiencies, are both key components of our ability to produce 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.

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,	
	2019	**2018**	**2019**	**2018**
Revenue from operations	**100.0 %**	100.0 %	**100.0 %**	100.0 %
Operating expenses:				
Salaries, wages and benefits	**50.2**	50.5	**51.4**	52.3
Operating supplies and expenses	**11.5**	12.3	**11.9**	12.4
General supplies and expenses	**3.1**	2.9	**3.1**	3.1
Operating taxes and licenses	**2.8**	2.7	**2.9**	2.8
Insurance and claims	**1.1**	1.1	**1.1**	1.1
Communications and utilities	**0.6**	0.7	**0.7**	0.7
Depreciation and amortization	**5.9**	5.5	**6.1**	5.6
Purchased transportation	**2.3**	2.5	**2.2**	2.4
Miscellaneous expenses, net	**0.4**	0.5	**0.5**	0.7
Total operating expenses	**77.9**	78.7	**79.9**	81.1
Operating income	**22.1**	21.3	**20.1**	18.9
Interest income, net	**(0.2)**	(0.1)	**(0.2)**	(0.0)
Other expense (income), net	**0.1**	(0.0)	**(0.0)**	0.1
Income before income taxes	**22.2**	21.4	**20.3**	18.8
Provision for income taxes	**5.8**	5.6	**5.3**	4.9
Net income	**16.4 %**	15.8 %	**15.0 %**	13.9 %

Results of Operations

Key financial and operating metrics for the three- and six-month periods ended June 30, 2019 and 2018 are presented below:

	Three Months Ended June 30,			Six Months Ended June 30,		
	2019	**2018**	**% Change**	**2019**	**2018**	**% Change**
Work days	**64**	64	—%	**127**	128	(0.8)%
Revenue *(in thousands)*	**$ 1,060,666**	$ 1,033,498	2.6 %	**$ 2,051,448**	$ 1,958,518	4.7 %
Operating ratio	**77.9 %**	78.7 %		**79.9 %**	81.1 %	
Net income *(in thousands)*	**$ 174,072**	$ 163,434	6.5 %	**$ 307,395**	$ 272,767	12.7 %
Diluted earnings per share	**$ 2.16**	$ 1.99	8.5 %	**$ 3.80**	$ 3.32	14.5 %
LTL tons *(in thousands)*	**2,306**	2,462	(6.3)%	**4,512**	4,736	(4.7)%
LTL tonnage per day	**36,031**	38,469	(6.3)%	**35,528**	37,000	(4.0)%
LTL shipments *(in thousands)*	**2,970**	3,049	(2.6)%	**5,789**	5,837	(0.8)%
LTL weight per shipment *(lbs.)*	**1,553**	1,615	(3.8)%	**1,559**	1,623	(3.9)%
LTL revenue per hundredweight	**$ 22.72**	$ 20.74	9.5 %	**$ 22.42**	$ 20.46	9.6 %
LTL revenue per shipment	**$ 352.88**	$ 334.95	5.4 %	**$ 349.54**	$ 332.00	5.3 %
Average length of haul *(miles)*	**917**	915	0.2 %	**918**	915	0.3 %

Our financial results for the second quarter of 2019 included continued growth in revenue, net income, and earnings per diluted share. Despite reductions in LTL shipments and tonnage, which we believe are the result of a softening demand environment, we remained focused on increasing efficiencies and continuing to execute our long-term strategy of providing superior service at a fair price. This led to 80 and 120 basis-point improvements in our operating ratio for the second quarter and first half of 2019, respectively. As a result, our net income and earnings per diluted share increased 6.5% and 8.5%, respectively, as compared to the same period last year.

Revenue

Revenue increased $27.2 million and $92.9 million in the second quarter and first six months of 2019, respectively, as compared to the same periods of 2018, due primarily to increases in LTL revenue per hundredweight that were partially offset by decreases in LTL tons and LTL shipments.

We improved our LTL revenue per hundredweight by 9.5% and 9.6% in the second quarter and first six months of 2019, respectively, as compared to the same periods of 2018. We believe the increases in our LTL revenue per hundredweight reflect our focus on the consistent execution of our yield management process and a generally stable pricing environment. These increases include the favorable impact of the decline in our LTL weight per shipment on this metric. Our LTL revenue per hundredweight, excluding fuel surcharges, increased 10.0% and 9.8% in the second quarter and first six months of 2019, respectively, for the periods compared.

The decreases in LTL tons during the second quarter and first six months of 2019 were due to decreases in LTL weight per shipment and LTL shipments per day. The decrease in our weight per shipment was primarily attributable to operational changes we implemented throughout our network at the end of the second quarter of 2018, as well as fluctuations in the overall mix of our freight. We believe the decline in our shipments per day was driven primarily by a slower growth environment.

July 2019 Update

Revenue per day decreased 2.1% in July 2019 compared to the same month last year. LTL tons per day decreased 6.0%, due primarily to a 5.3% decrease in LTL shipments per day and a 0.7% decrease in LTL weight per shipment. LTL revenue per hundredweight increased approximately 4.6% as compared to the same month last year. LTL revenue per hundredweight excluding fuel surcharges increased approximately 5.8% as compared to the same month last year.

Operating Costs and Other Expenses

Salaries, wages and benefits for the second quarter of 2019 increased $10.3 million, or 2.0%, as compared to the second quarter of 2018 due to a $3.9 million increase in the costs attributable to salaries and wages and a $6.4 million increase in benefit costs. Salaries, wages and benefits for the first six months of 2019 increased $31.4 million, or 3.1%, as compared to the same period of 2018 due to a $20.5 million increase in the costs attributable to salaries and wages and a $10.9 million increase in benefit costs.

The increases in the costs attributable to salaries and wages was due primarily to increases in both the number of full-time employees and our employees' wages. Our average number of full-time employees increased 1.1% and 4.2% for the second quarter and first six months of 2019, respectively. Salaries and wages also increased as a result of an annual wage increase provided to our employees at the beginning of September 2018.

Although our costs increased, our productive labor costs, which include drivers, dock workers, and technicians, as a percent of revenue improved to 27.0% and 27.6% in the second quarter and first six months of 2019, respectively, compared to 27.7% and 28.2% for the same periods of 2018.

Employee benefit costs increased $6.4 million, or 5.0%, and $10.9 million, or 4.2%, in the second quarter and first six months of 2019, respectively, as compared to the same prior-year periods. These increases were due primarily to increases in headcount, wage rates, and higher health benefit costs.

Operating supplies and expenses for the second quarter of 2019 decreased $4.2 million as compared to the second quarter of 2018 due to a decrease in diesel fuel costs, which was partially offset by increased maintenance costs. Operating supplies and expenses for the first six months of 2019 increased $1.3 million as compared to the same period of 2018 due to higher maintenance costs, which were partially offset by a decrease in diesel fuel 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 6.8% and 5.3% in the second quarter and first six months of 2019, respectively, as compared to the same periods last year. In addition, our gallons consumed decreased 5.3% and 2.8% in the second quarter and first six months of 2019, respectively, as compared to the same periods last year due to a decrease in miles driven. We do not use diesel fuel hedging instruments, and as a result our costs are subject to market price fluctuations. Other operating supplies and expenses increased slightly as a percent of revenue between the periods compared, due primarily to higher maintenance costs associated with our fleet increasing at a rate higher than our revenue growth.

Depreciation and amortization increased $6.3 million and $15.9 million in the second quarter and first six months of 2019, respectively, as compared to the same periods of 2018, due primarily to the assets acquired as part of our 2018 and 2019 capital expenditure programs. We believe depreciation will continue to increase based on our 2019 capital expenditure program. 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 growth and strategic initiatives.

Our effective tax rate for both the second quarter and first six months of 2019 was 26.1%, as compared to 26.2% and 26.1%, respectively, for the same periods of 2018. 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:

	Six Months Ended June 30,	
(In thousands)	**2019**	**2018**
Cash and cash equivalents at beginning of period	**$ 190,282**	$ 127,462
Cash flows provided by (used in):		
Operating activities	**461,883**	424,691
Investing activities	**(229,590)**	(291,741)
Financing activities	**(193,615)**	(119,841)
Increase in cash and cash equivalents	**38,678**	13,109
Cash and cash equivalents at end of period	**$ 228,960**	$ 140,571

The change in our cash flows provided by operating activities during the first six months of 2019 as compared to the first six months of 2018 was due primarily to increases in net income and depreciation, partially offset by changes in other working capital accounts.

The change in our cash flows used in investing activities during the first six months of 2019 as compared to the first six months of 2018 was due primarily to fluctuations in our capital expenditure programs as well as the timing of these expenditures during the year. Changes in our capital expenditures are more fully described below under “Capital Expenditures.”

The change in our cash flows used in financing activities during the first six months of 2019 as compared to the first six months of 2018 was due primarily to increased share repurchases and the timing of scheduled long-term debt principal payments. Our financing arrangements are more fully described below under “Financing Agreements.” Our return of capital to shareholders is more fully described below under “Stock Repurchase Program.”

We have three primary sources of available liquidity: cash and cash equivalents, cash flows from operations and available borrowings under our senior unsecured revolving credit agreement, which are described below. 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, 2019 and the years ended December 31, 2018, 2017 and 2016:

	June 30,	December 31,		
(In thousands)	**2019**	**2018**	**2017**	**2016**
Land and structures	**$ 102,734**	$ 247,291	$ 179,150	$ 161,646
Tractors	**68,799**	185,209	123,152	114,166
Trailers	**29,803**	98,835	37,424	94,040
Technology	**10,823**	20,309	19,329	18,428
Other equipment and assets	**17,797**	36,648	23,070	29,661
Proceeds from sales	**(366)**	(6,983)	(12,240)	(10,541)
Total	**$ 229,590**	$ 581,309	$ 369,885	$ 407,400

Our capital expenditures vary based upon the projected increase 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 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 $480 million for the year ending December 31, 2019. Approximately $220 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 $165 million is allocated for the purchase of tractors and trailers; and approximately $95 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 the use of our senior unsecured revolving credit facility. We believe our current sources of liquidity will be sufficient to satisfy our expected capital expenditures.

Stock Repurchase Program

During the second quarter of 2019, we completed our stock repurchase program, previously announced on May 17, 2018, to repurchase up to an aggregate of $250.0 million of our outstanding common stock. On May 16, 2019, we announced that our Board of Directors had approved a new two-year stock repurchase program authorizing us to repurchase up to an aggregate of $350.0 million of our outstanding common stock (the "2019 Repurchase Program"). Under the 2019 Repurchase Program, which became effective upon the expiration of our prior stock repurchase program, 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. As of June 30, 2019, we had $317.0 million remaining authorized under the 2019 Repurchase Program.

Dividends to Shareholders

Our Board of Directors declared cash dividends of $0.17 per share for both the first and second quarters of 2019, and declared a cash dividend of $0.13 per share in each quarter of fiscal year 2018.

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 revolving credit facility. We anticipate that any future quarterly cash dividends will be funded through cash flows from operations and, if needed, borrowings under our revolving credit facility.

Financing Agreements

We had one unsecured senior note agreement with a principal amount outstanding of $45.0 million at each of June 30, 2019 and December 31, 2018. Our unsecured senior note agreement calls for a scheduled principal payment of $45.0 million on January 3, 2021. The interest rate on the January 3, 2021 scheduled principal payment is 4.79%.

On December 15, 2015, we entered into an amended and restated credit agreement with Wells Fargo Bank, National Association ("Wells Fargo") serving as administrative agent for the lenders (the "Credit Agreement"). The Credit Agreement originally provided for a five-year, $250.0 million senior unsecured revolving line of credit and a $100.0 million accordion feature, which if fully exercised and approved, would expand the total borrowing capacity up to an aggregate of $350.0 million.

On September 9, 2016, we exercised a portion of the accordion feature and entered into an amendment to the Credit Agreement to increase the aggregate commitments from existing lenders by $50.0 million to an aggregate of $300.0 million. Of the $300.0 million line of credit commitments under the Credit Agreement, as amended, up to $100.0 million may be used for letters of credit.

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

(In thousands)	June 30, 2019	December 31, 2018
Facility limit	**$ 300,000**	$ 300,000
Line of credit borrowings	**—**	—
Outstanding letters of credit	**(48,975)**	(61,455)
Available borrowing capacity	**$ 251,025**	$ 238,545

With the exception of borrowings pursuant to the Credit Agreement, interest rates are fixed on all of our debt instruments. Therefore, short-term exposure to fluctuations in interest rates is limited to our line of credit facility. We do not currently use interest rate derivative instruments to manage exposure to interest rate changes.

Our senior note agreement and Credit 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. Any future wholly-owned material domestic subsidiaries of the Company would be required to guarantee payment of all of our obligations under these agreements. The Credit Agreement also includes 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).

A significant decrease in demand for our services could limit our ability to generate cash flow and affect our profitability. Our debt agreements have covenants that require stated levels of financial performance, which if not achieved could cause acceleration of the payment schedules. As of June 30, 2019, we were in compliance with these covenants. We do not anticipate a significant decline in business levels or financial performance that would cause us to violate any such covenants in the future, and we believe the combination of our existing Credit Agreement along with our additional borrowing capacity will be sufficient to meet foreseeable seasonal and long-term capital needs.

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, 2018 that affect judgments and estimates of amounts recorded for 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. Harsh winter weather or natural disasters, such as hurricanes, tornadoes, floods, fires and other storms, can also adversely impact our performance by reducing demand and increasing operating expenses. We believe seasonal trends will continue to impact our business.

Environmental Regulation

We are subject to various federal, state and local environmental laws and regulations that focus on, among other things: the emission and discharge of hazardous 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 the remainder of 2019 or fiscal year 2020. 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, 2018 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 competitive environment with respect to industry capacity and pricing, including the use of fuel surcharges, which could negatively impact our total overall pricing strategy and our ability to cover our operating expenses;
- our ability to collect fuel surcharges and the effectiveness of those fuel surcharges in mitigating the impact of fluctuating prices for diesel fuel and other petroleum-based products;
- the negative impact of any unionization, or the passage of legislation or regulations that could facilitate unionization, of our employees;

- the challenges associated with executing our growth strategy, including our ability to successfully consummate and integrate any acquisitions;
- changes in our goals and strategies, which are subject to revision at any time at our discretion;
- various economic factors such as recessions, 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, which may decrease demand for our services or increase our costs;
- the impact of changes in tax laws, rates, guidance and interpretations, including those related to certain provisions of the Tax Cuts and Jobs Act;
- increases in driver and maintenance technician compensation or difficulties attracting and retaining qualified drivers and maintenance technicians to meet freight demand;
- our exposure to claims related to cargo loss and damage, property damage, personal injury, workers' compensation, group health and group dental, including increased premiums, adverse loss development, increased self-insured retention or deductible levels and claims in excess of insured coverage levels;
- cost increases associated with employee benefits, including costs associated with employee healthcare plans;
- the availability and cost of capital for our significant ongoing cash requirements;
- the availability and cost of new equipment and replacement parts, including regulatory changes and supply constraints that could impact the cost of these assets;
- decreases in demand for, and the value of, used equipment;
- the availability and cost of diesel fuel;
- the costs and potential liabilities related to compliance with, or violations of, existing or future governmental laws and regulations, including environmental laws, engine emissions standards, hours-of-service for our drivers, driver fitness requirements and new safety standards for drivers and equipment;
- the costs and potential liabilities related to various legal proceedings and claims that have arisen in the ordinary course of our business, some of which include collective and/or class action allegations;
- the costs and potential liabilities related to governmental proceedings, inquiries, notices or investigations;
- the costs and potential liabilities related to our international business relationships;
- the costs and potential adverse impact of compliance with, or violations of, current and future rules issued by the Department of Transportation, the Federal Motor Carrier Safety Administration (the "FMCSA") and other regulatory agencies;
- the costs and potential adverse impact of compliance associated with FMCSA's electronic logging device ("ELD") regulations and guidance, including the transition of our fleet and safety management systems from our legacy electronic automatic on-board recording devices to a new ELD hardware and software platform;
- seasonal trends in the less-than-truckload industry, including harsh weather conditions and disasters;
- our ability to retain our key employees and continue to effectively execute our succession plan;
- the concentration of our stock ownership with the Congdon family;
- the costs and potential adverse impact associated with future changes in accounting standards or practices;
- potential costs and liabilities associated with cyber incidents and other risks with respect to our systems and networks or those of our third-party service providers, including system failure, security breach, disruption by malware or ransomware or other damage;
- failure to comply with data privacy, security or other laws and regulations;
- 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;
- the costs and potential adverse impact associated with transitional challenges in upgrading or enhancing our technology systems;
- damage to our reputation through unfavorable perceptions or publicity, including those related to environmental, social and governance issues, cybersecurity and data privacy concerns;
- the costs and potential adverse impact of compliance with anti-terrorism measures on our business;
- dilution to existing shareholders caused by any issuance of additional equity;
- the impact of a quarterly cash dividend or the failure to declare future cash dividends;
- recent and future 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, 2018.

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.

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, 2018, 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.

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 2019:

	ISSUER PURCHASES OF EQUITY SECURITIES			
	Total Number of Shares Purchased	Average Price Paid per Share	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 - April 30, 2019	58,496	$ 152.12	58,496	$ 92,235,547
May 1 - May 31, 2019 (1)	708,666	$ 144.93	705,287	$ 340,000,182
June 1 - June 30, 2019	166,322	$ 138.30	166,322	$ 316,997,349
Total	933,484	$ 144.20	930,105	

(1) This amount includes 3,379 shares of our common stock surrendered by employees to satisfy tax withholding obligations in connection with the vesting of employee restricted stock awards granted under our 2016 Stock Incentive Plan.

During the second quarter of 2019, we completed our stock repurchase program, previously announced on May 17, 2018, to repurchase up to an aggregate of $250.0 million of our outstanding common stock. On May 16, 2019, we announced that our Board of Directors had approved a new two-year stock repurchase program authorizing us to repurchase up to an aggregate of $350.0 million of our outstanding common stock (the "2019 Repurchase Program"). Under the 2019 Repurchase Program, which became effective upon the expiration of our prior stock repurchase program, 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.

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
31.1	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
31.2	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
32.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101	The following financial information from our Quarterly Report on Form 10-Q for the quarter ended June 30, 2019, filed on August 7, 2019, formatted in iXBRL (Inline eXtensible Business Reporting Language) includes: (i) the Condensed Balance Sheets at June 30, 2019 and December 31, 2018, (ii) the Condensed Statements of Operations for the three and six months ended June 30, 2019 and 2018, (iii) the Condensed Statements of Changes in Shareholders' Equity for the three and six months ended June 30, 2019 and 2018, (iv) the Condensed Statements of Cash Flows for the six months ended June 30, 2019 and 2018, 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, 2019, 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 7, 2019	/s/ ADAM N. SATTERFIELD Adam N. Satterfield Senior Vice President - Finance and Chief Financial Officer (Principal Financial Officer)
DATE:	August 7, 2019	/s/ KIMBERLY S. MAREADY Kimberly S. Maready Vice President - Accounting and Finance (Principal Accounting Officer)

EXHIBIT 31.1

CERTIFICATION

I, Greg C. Gantt, 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 7, 2019

/s/ GREG C. GANTT
President and Chief Executive Officer

EXHIBIT 31.2

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 7, 2019

/s/ ADAM N. SATTERFIELD
Senior Vice President - Finance and
Chief Financial Officer

EXHIBIT 32.1

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

I, Greg C. Gantt, 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, 2019 (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/ GREG C. GANTT
Name: Greg C. Gantt
Date: August 7, 2019

EXHIBIT 32.2

**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 Senior Vice President - Finance 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, 2019 (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 7, 2019