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 September 30, 2023

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**

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 November 3, 2023 there were 109,113,654 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

(In thousands, except share and per share data)		September 30, 2023 (Unaudited)		December 31, 2022
ASSETS				
Current assets:				
Cash and cash equivalents	**$**	**206,601**	$	186,312
Short-term investments		—		49,355
Customer receivables, less allowances of $11,432 and $10,689, respectively		**632,874**		578,648
Income taxes receivable		**16,007**		12,738
Other receivables		**14,846**		13,743
Prepaid expenses and other current assets		**83,888**		92,944
Total current assets		**954,216**		933,740
Property and equipment:				
Revenue equipment		**2,636,599**		2,501,995
Land and structures		**2,956,811**		2,750,100
Other fixed assets		**637,447**		550,442
Leasehold improvements		**14,497**		13,516
Total property and equipment		**6,245,354**		5,816,053
Accumulated depreciation		**(2,159,944)**		(2,128,985)
Net property and equipment		**4,085,410**		3,687,068
Other assets		**259,248**		217,802
Total assets	**$**	**5,298,874**	$	4,838,610

Note: The Condensed Balance Sheet at December 31, 2022 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)	September 30, 2023 (Unaudited)	December 31, 2022
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	**$ 115,712**	$ 106,275
Compensation and benefits	**278,064**	288,278
Claims and insurance accruals	**60,616**	63,307
Other accrued liabilities	**77,958**	51,933
Current maturities of long-term debt	**20,000**	20,000
Total current liabilities	**552,350**	529,793
Long-term liabilities:		
Long-term debt	**59,974**	79,963
Other non-current liabilities	**276,184**	265,422
Deferred income taxes	**347,243**	310,515
Total long-term liabilities	**683,401**	655,900
Total liabilities	**1,235,751**	1,185,693
Commitments and contingent liabilities		
Shareholders' equity:		
Common stock - $0.10 par value, 280,000,000 shares authorized, 109,178,942 and 110,222,819 shares outstanding at September 30, 2023 and December 31, 2022, respectively	**10,918**	11,022
Capital in excess of par value	**241,022**	244,590
Retained earnings	**3,811,183**	3,397,305
Total shareholders' equity	**4,063,123**	3,652,917
Total liabilities and shareholders' equity	**$ 5,298,874**	$ 4,838,610

Note: The Condensed Balance Sheet at December 31, 2022 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 per share data)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Revenue from operations	**$ 1,515,277**	$ 1,603,690	**$ 4,370,602**	$ 4,768,418
Operating expenses:				
Salaries, wages and benefits	**663,810**	675,084	**1,958,726**	2,060,983
Operating supplies and expenses	**180,653**	217,260	**538,410**	645,329
General supplies and expenses	**41,745**	45,951	**119,896**	120,580
Operating taxes and licenses	**36,527**	35,753	**110,118**	105,781
Insurance and claims	**16,004**	17,491	**47,413**	50,562
Communications and utilities	**10,724**	10,288	**33,256**	30,062
Depreciation and amortization	**84,055**	68,347	**239,786**	203,997
Purchased transportation	**30,835**	34,453	**90,046**	129,634
Miscellaneous expenses, net	**5,905**	2,983	**13,289**	11,087
Total operating expenses	**1,070,258**	1,107,610	**3,150,940**	3,358,015
Operating income	**445,019**	496,080	**1,219,662**	1,410,403
Non-operating (income) expense:				
Interest expense	**90**	997	**379**	1,283
Interest income	**(2,308)**	(1,333)	**(7,487)**	(1,933)
Other expense, net	**861**	351	**4,319**	1,706
Total non-operating (income) expense	**(1,357)**	15	**(2,789)**	1,056
Income before income taxes	**446,376**	496,065	**1,222,451**	1,409,347
Provision for income taxes	**107,089**	118,664	**305,764**	356,117
Net income	**$ 339,287**	$ 377,401	**$ 916,687**	$ 1,053,230
Earnings per share:				
Basic	**$ 3.11**	$ 3.38	**$ 8.37**	$ 9.32
Diluted	**$ 3.09**	$ 3.36	**$ 8.32**	$ 9.26
Weighted average shares outstanding:				
Basic	**109,193**	111,569	**109,554**	113,012
Diluted	**109,835**	112,295	**110,234**	113,747
Dividends declared per share	**$ 0.40**	$ 0.30	**$ 1.20**	$ 0.90

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 September 30, 2023 and 2022				
	Common Stock		Capital in Excess of	Retained	
(In thousands)	Shares	Amount	Par Value	Earnings	Total
Balance as of June 30, 2023	**109,337**	**$ 10,934**	**$ 239,039**	**$ 3,582,062**	**$ 3,832,035**
Net income	**—**	**—**	**—**	**339,287**	**339,287**
Share repurchases, including net excise tax	**(165)**	**(17)**	**—**	**(66,477)**	**(66,494)**
Cash dividends declared ($0.40 per share)	**—**	**—**	**—**	**(43,689)**	**(43,689)**
Share-based compensation and share issuances, net of forfeitures	**8**	**1**	**2,737**	**—**	**2,738**
Taxes paid in exchange for shares withheld	**(1)**	**—**	**(754)**	**—**	**(754)**
Balance as of September 30, 2023	**109,179**	**$ 10,918**	**$ 241,022**	**$ 3,811,183**	**$ 4,063,123**
Balance as of June 30, 2022	112,236	$ 11,224	$ 236,991	$ 3,307,614	$ 3,555,829
Net income	—	—	—	377,401	377,401
Share repurchases	(1,282)	(129)	—	(345,302)	(345,431)
Cash dividends declared ($0.30 per share)	—	—	—	(33,428)	(33,428)
Share-based compensation and share issuances, net of forfeitures	—	—	3,860	—	3,860
Taxes paid in exchange for shares withheld	—	—	(61)	—	(61)
Balance as of September 30, 2022	110,954	$ 11,095	$ 240,790	$ 3,306,285	$ 3,558,170

	Nine Months Ended September 30, 2023 and 2022				
	Common Stock		Capital in Excess of	Retained	
(In thousands)	Shares	Amount	Par Value	Earnings	Total
Balance as of December 31, 2022	**110,223**	**$ 11,022**	**$ 244,590**	**$ 3,397,305**	**$ 3,652,917**
Net income	**—**	**—**	**—**	**916,687**	**916,687**
Share repurchases, including net excise tax	**(1,097)**	**(110)**	**—**	**(371,346)**	**(371,456)**
Cash dividends declared ($1.20 per share)	**—**	**—**	**—**	**(131,463)**	**(131,463)**
Share-based compensation and share issuances, net of forfeitures	**87**	**9**	**8,396**	**—**	**8,405**
Taxes paid in exchange for shares withheld	**(34)**	**(3)**	**(11,964)**	**—**	**(11,967)**
Balance as of September 30, 2023	**109,179**	**$ 10,918**	**$ 241,022**	**$ 3,811,183**	**$ 4,063,123**
Balance as of December 31, 2021	115,011	$ 11,501	$ 174,445	$ 3,493,861	$ 3,679,807
Net income	—	—	—	1,053,230	1,053,230
Share repurchases, including settlements under accelerated share repurchase programs	(4,085)	(409)	62,500	(1,139,392)	(1,077,301)
Cash dividends declared ($0.90 per share)	—	—	—	(101,414)	(101,414)
Share-based compensation and share issuances, net of forfeitures	55	6	12,027	—	12,033
Taxes paid in exchange for shares withheld	(27)	(3)	(8,182)	—	(8,185)
Balance as of September 30, 2022	110,954	$ 11,095	$ 240,790	$ 3,306,285	$ 3,558,170

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)	Nine Months Ended September 30, 2023	2022
Cash flows from operating activities:		
Net income	**$ 916,687**	$ 1,053,230
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	**239,797**	204,009
Gain on disposal of property and equipment	**(7,446)**	(2,584)
Deferred income taxes	**37,404**	20,705
Other, net	**22,401**	24,772
Changes in operating assets and liabilities, net	**(76,401)**	30,102
Net cash provided by operating activities	**1,132,442**	1,330,234
Cash flows from investing activities:		
Purchase of property and equipment	**(651,363)**	(504,782)
Proceeds from sale of property and equipment	**22,226**	20,044
Purchase of short-term investments	**—**	(163,720)
Proceeds from maturities of short-term investments	**48,852**	259,623
Net cash used in investing activities	**(580,285)**	(388,835)
Cash flows from financing activities:		
Payments for share repurchases	**(368,095)**	(1,077,301)
Principal payments under debt agreements	**(20,000)**	—
Dividends paid	**(131,492)**	(101,440)
Other financing activities, net	**(12,281)**	(8,495)
Net cash used in financing activities	**(531,868)**	(1,187,236)
Increase (decrease) in cash and cash equivalents	**20,289**	(245,837)
Cash and cash equivalents at beginning of period	**186,312**	462,564
Cash and cash equivalents at end of period	**$ 206,601**	$ 216,727

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:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands)	**2023**	**2022**	**2023**	**2022**
LTL services	**$ 1,501,266**	$ 1,582,952	**$ 4,323,453**	$ 4,703,392
Other services	**14,011**	20,738	**47,149**	65,026
Total revenue from operations	**$ 1,515,277**	$ 1,603,690	**$ 4,370,602**	$ 4,768,418

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 September 30, 2023 are not necessarily indicative of the results that may be expected for the subsequent quarterly period or the year ending December 31, 2023.

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, 2022. 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, 2022, unless otherwise disclosed in this Form 10-Q.

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.

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, which does not have an expiration date, began after the completion of our prior repurchase program in January 2022. Under our 2021 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 2021 Repurchase Program are canceled at the time of repurchase and are classified as authorized but unissued shares of our common stock.

We entered into accelerated share repurchase agreements with a third-party financial institution on each of August 26, 2021 and February 24, 2022. The Company's accelerated share repurchase agreements are each 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

Company's accelerated share repurchase agreements are each 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. The table below summarizes our accelerated share repurchase activity for the nine months ended September 30, 2022. There was no accelerated share repurchase activity for the nine months ended September 30, 2023.

Agreement Date	Settlement Date		Agreement Amount *(In millions)*	Initial Shares Received	Shares Received at Settlement	Total Shares Received
August 2021	January 2022	$	250.0	655,365	123,410	778,775
February 2022	April 2022	$	400.0	1,018,157	372,809	1,390,966

At September 30, 2023, we had $311.0 million remaining authorized under the 2021 Repurchase Program.

On July 26, 2023, we announced that our Board of Directors had approved a new stock repurchase program authorizing us to repurchase up to an aggregate of $3.0 billion of our outstanding common stock. The new repurchase program, which does not have an expiration date, will be effective upon the completion of our 2021 Repurchase Program.

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:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands)	**2023**	**2022**	**2023**	**2022**
Weighted average shares outstanding - basic	**109,193**	111,569	**109,554**	113,012
Dilutive effect of share-based awards	**642**	726	**680**	735
Weighted average shares outstanding - diluted	**109,835**	112,295	**110,234**	113,747

Note 3. Long-Term Debt

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

(In thousands)		September 30, 2023		December 31, 2022
Notes	**$**	**79,974**	$	99,963
Credit agreement		**—**		—
Total long-term debt		**79,974**		99,963
Less: Current maturities		**(20,000)**		(20,000)
Total maturities due after one year	**$**	**59,974**	$	79,963

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, and on March 22, 2023, we entered into an amendment to that agreement (as amended, 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. Our first principal payment of $20.0 million was paid on May 4, 2023. The remaining $80.0 million will be paid in four 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 with Wells Fargo Bank, National Association serving as administrative agent for the lenders, which we entered into on March 22, 2023 (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 debt to 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 debt to 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 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 and 2022 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 $40.0 million and $38.7 million of outstanding letters of credit at September 30, 2023 and December 31, 2022, 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

We held no short-term investments as of September 30, 2023. A summary of the fair value of our short-term investments as of December 31, 2022 is shown in the table below.

(In thousands)	Total	Level 1	Level 2	Level 3
December 31, 2022				
Commercial paper	$ 49,355	-	$ 49,355	-

Our commercial paper was valued using broker quotes that utilized observable market inputs.

Long-term Debt

The carrying value of our total long-term debt, including current maturities, was $80.0 million and $100.0 million at September 30, 2023 and December 31, 2022, respectively. The estimated fair value of our total long-term debt, including current maturities, was $72.3 million and $92.6 million at September 30, 2023 and December 31, 2022, 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. 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 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, as well as 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.

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 September 30,		Nine Months Ended September 30,	
	2023	**2022**	**2023**	**2022**
Revenue from operations	**100.0 %**	100.0%	**100.0 %**	100.0%
Operating expenses:				
Salaries, wages and benefits	**43.8**	42.1	**44.8**	43.2
Operating supplies and expenses	**11.9**	13.5	**12.3**	13.5
General supplies and expenses	**2.8**	2.9	**2.7**	2.5
Operating taxes and licenses	**2.4**	2.2	**2.5**	2.2
Insurance and claims	**1.1**	1.1	**1.1**	1.1
Communications and utilities	**0.7**	0.6	**0.8**	0.6
Depreciation and amortization	**5.5**	4.4	**5.5**	4.4
Purchased transportation	**2.0**	2.1	**2.1**	2.7
Miscellaneous expenses, net	**0.4**	0.2	**0.3**	0.2
Total operating expenses	**70.6**	69.1	**72.1**	70.4
Operating income	**29.4**	30.9	**27.9**	29.6
Interest (income) expense, net	**(0.2)**	(0.0)	**(0.2)**	(0.0)
Other expense, net	**0.1**	0.0	**0.1**	0.0
Income before income taxes	**29.5**	30.9	**28.0**	29.6
Provision for income taxes	**7.1**	7.4	**7.0**	7.5
Net income	**22.4 %**	23.5%	**21.0 %**	22.1%

Key financial and operating metrics for the three- and nine-month periods ended September 30, 2023 and 2022 are presented below:

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2023	**2022**	**% Change**	**2023**	**2022**	**% Change**
Work days	**63**	64	(1.6)%	**191**	192	(0.5)%
Revenue *(in thousands)*	**$ 1,515,277**	$ 1,603,690	(5.5)%	**$ 4,370,602**	$ 4,768,418	(8.3)%
Operating ratio	**70.6 %**	69.1 %		**72.1 %**	70.4 %	
Net income *(in thousands)*	**$ 339,287**	$ 377,401	(10.1)%	**$ 916,687**	$ 1,053,230	(13.0)%
Diluted earnings per share	**$ 3.09**	$ 3.36	(8.0)%	**$ 8.32**	$ 9.26	(10.2)%
LTL tons *(in thousands)*	**2,342**	2,556	(8.4)%	**6,977**	7,881	(11.5)%
LTL tonnage per day	**37,181**	39,941	(6.9)%	**36,529**	41,047	(11.0)%
LTL shipments *(in thousands)*	**3,129**	3,274	(4.4)%	**9,155**	10,013	(8.6)%
LTL shipments per day	**49,670**	51,162	(2.9)%	**47,932**	52,149	(8.1)%
LTL weight per shipment *(lbs.)*	**1,497**	1,561	(4.1)%	**1,524**	1,574	(3.2)%
LTL revenue per hundredweight	**$ 31.87**	$ 30.90	3.1 %	**$ 31.01**	$ 29.93	3.6 %
LTL revenue per shipment	**$ 477.13**	$ 482.46	(1.1)%	**$ 472.66**	$ 471.13	0.3 %
Average length of haul *(miles)*	**927**	932	(0.5)%	**926**	935	(1.0)%

Our financial results for the third quarter and first nine months of 2023 include year-over-year reductions in revenue and profitability. The decline in our revenue was due to a decrease in LTL tons that was partially offset by an increase in our revenue per hundredweight. While our LTL volumes continued to be impacted by ongoing softness in the domestic economy during the third quarter, we maintained our disciplined approach to pricing, continued our focus on operating efficiently, and controlled discretionary spending. Despite these efforts, the improvements in some of our direct costs as a percentage of revenue were not enough to fully offset the negative impact on our operating ratio of increases in our overhead costs. As a result, our operating ratio increased to 70.6% and 72.1%, respectively, for the third quarter and first nine months of 2023. In addition, our net income and diluted earnings per share decreased by 10.1% and 8.0%, respectively, for the third quarter of 2023 as compared to the same period last year and by 13.0% and 10.2%, respectively, for the first nine months of 2023 as compared to the same period last year.

Revenue

Revenue decreased $88.4 million, or 5.5%, and $397.8 million, or 8.3%, in the third quarter and first nine months of 2023, respectively, as compared to the same periods of 2022. These declines reflect decreases in LTL tons that were partially offset by increases in LTL revenue per hundredweight. LTL tonnage per day decreased 6.9% and 11.0% for the third quarter and first nine months of 2023, respectively, primarily due to decreases in LTL shipments per day and LTL weight per shipment for both comparable periods. We believe these declines in our LTL shipments per day and LTL weight per shipment resulted primarily from a more challenging economic environment and changes in the mix of our freight.

Our LTL revenue per hundredweight increased 3.1% and 3.6% in the third quarter and first nine months of 2023, as compared to the same periods of 2022. Our LTL revenue per hundredweight includes the impact of lower fuel surcharges resulting from significant declines in the average price of diesel fuel for the comparable periods. Our revenue per hundredweight metrics also include the favorable impact of the declines in our LTL weight per shipment, which was partially offset by the negative effect of decreases in our average length of haul. Excluding fuel surcharges, LTL revenue per hundredweight increased 8.9% and 8.4% in the third quarter and first nine months of 2023, respectively, as compared to the same periods in 2022. We believe these increases reflect our ongoing commitment to our long-term yield management strategy, which is supported by our best-in-class service to our customers.

October 2023 Update

Revenue per day increased 2.0% in October 2023 compared to the same month last year. LTL tons per day decreased 1.9%, due primarily to a 4.5% decrease in LTL weight per shipment that was partially offset by a 2.7% increase in LTL shipments per day. LTL revenue per hundredweight increased 4.4% as compared to the same month last year. LTL revenue per hundredweight, excluding fuel surcharges, increased 8.1% as compared to the same month last year.

Operating Costs and Other Expenses

Salaries, wages and benefits decreased $11.3 million, or 1.7%, in the third quarter of 2023 as compared to the third quarter of 2022, due to a $20.7 million decrease in salaries and wages that was partially offset by a $9.4 million increase in employee benefit costs. Salaries, wages and benefits decreased $102.3 million, or 5.0%, for the first nine months of 2023 as compared to the same period of 2022, due to a $96.3 million decrease in salaries and wages and a $6.0 million decrease in employee benefit costs.

Our salaries and wages expenses were lower for both the third quarter and first nine months of 2023 as compared to the same periods of 2022 due primarily to decreases in the average number of active full-time employees. Our average number of active full-time employees decreased 9.4% and 8.2% for the third quarter and first nine months of 2023, respectively, as we reduced our workforce to align with the lower shipping trends and reduction in our volumes. As we continue to match the capacity of our workforce with current shipment trends, we would expect to hire additional employees during the fourth quarter of 2023. Salaries and wages also decreased as a result of lower performance-based and discretionary bonus compensation, the impacts of which were partially offset by the annual wage increase provided to our employees at the beginning of both September 2022 and 2023.

Our productive labor costs, which include wages for drivers, platform employees, and fleet technicians, increased as a percent of revenue to 23.1% and 23.5% in the third quarter and first nine months of 2023, respectively, from 22.5% and 22.9% for the same periods of 2022. While our platform shipments per hour and P&D stops per hour metrics improved during the third quarter and first nine months of 2023 as compared to the same periods of 2022, our linehaul laden load average declined due to the impact of the decreased operating density associated with the decrease in our shipments and weight per shipment. Our other salaries and wages as a percent of revenue remained generally consistent between the comparable periods.

The costs attributable to employee benefits increased $9.4 million, or 5.5%, and decreased $6.0 million, or 1.1%, respectively, for the third quarter and first nine months of 2023 as compared to the same periods of 2022. Our costs attributable to employee benefits were negatively impacted by higher group health benefits costs during the third quarter and year-to-date period of 2023 due to higher medical costs per claim and claim volumes per employee as compared to the same periods of 2022. The changes in our benefit costs were also impacted by a reduction in accrued benefits expense attributable to the termination of an employment agreement during the third quarter of 2022. These increases were partially offset by a decrease in retirement benefit plan costs directly linked to our net income as well as a reduction in our average number of active full-time employees. As a result, employee benefit costs as a percent of salaries and wages increased to 37.3% for both the third quarter and first nine months of 2023 compared to 33.9% and 35.3% for the comparable periods of 2022.

Operating supplies and expenses decreased $36.6 million and $106.9 million in the third quarter and first nine months of 2023, respectively, as compared to the same periods of 2022, due primarily to decreases in our costs for diesel fuel used in our vehicles. 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 17.0% and 19.5% in the third quarter and first nine months of 2023, respectively, as compared to the same periods last year. In addition, our gallons consumed decreased 8.4% and 9.9% in the third quarter and first nine months of 2023, respectively, which compares favorably to the decrease in our miles driven, in each instance 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 other operating supplies and expenses were relatively consistent as a percentage of revenue for the third quarter of 2023 compared to the third quarter of 2022. For the year-to-date comparison, our other operating supplies and expenses increased as a percentage of revenue due primarily to higher maintenance and repair costs during the first half of 2023.

Depreciation and amortization costs increased $15.7 million and $35.8 million in the third quarter and first nine months of 2023, respectively, as compared to the same periods of 2022. The increases in depreciation and amortization were due primarily to the assets acquired as part of our 2022 and 2023 capital expenditure programs. We believe depreciation costs will increase in future periods based on our 2023 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.

Purchased transportation expense decreased $3.6 million and $39.6 million in the third quarter and first nine months of 2023, respectively, as compared to the same periods in 2022. We primarily utilize purchased transportation services to support our LTL services to and from Canada as well as our truckload brokerage operations. We also periodically utilize purchased transportation for our domestic LTL service when we need to supplement the capacity of our workforce or fleet, which most frequently occurs during periods with significant growth. We used third-party transportation providers in our domestic linehaul network during the first half of 2022, but our utilization was normalized during the third quarter of 2022 when the capacity of our team was closely balanced with our volumes.

Our effective tax rate for the third quarter and first nine months of 2023 was 24.0% and 25.0%, respectively, as compared to 23.9% and 25.3% for the third quarter and first nine months of 2022. 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:

(In thousands)	Nine Months Ended September 30, 2023	2022
Cash and cash equivalents at beginning of period	**$ 186,312**	$ 462,564
Cash flows provided by (used in):		
Operating activities	**1,132,442**	1,330,234
Investing activities	**(580,285)**	(388,835)
Financing activities	**(531,868)**	(1,187,236)
Increase (decrease) in cash and cash equivalents	**20,289**	(245,837)
Cash and cash equivalents at end of period	**$ 206,601**	$ 216,727

The change in our cash flows provided by operating activities during the first nine months of 2023 as compared to the first nine months of 2022 was due to the $100.8 million decrease in net income, net of depreciation and amortization, and the impact of fluctuations in certain working capital accounts, primarily income taxes and compensation, benefits and other accrued liabilities.

The change in our cash flows used in investing activities during the first nine months of 2023 as compared to the first nine months of 2022 was impacted by the timing of expenditures under our 2022 and 2023 capital expenditure programs. Changes in our capital expenditures are more fully described below in "Capital Expenditures." The change in our cash flows used in investing activities was also impacted by a $47.1 million decrease in net cash provided by maturities, net of purchases, of short-term investments during the 2023 year-to-date period as compared to the same period last year.

The change in our cash flows used in financing activities during the first nine months of 2023 as compared to the first nine months of 2022 was due primarily to lower repurchases of our common stock, partially offset by cash utilized for increases 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, which we entered into on 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 entered into on March 22, 2023 (as amended, the "Note Agreement"). Our 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, including those obtained through noncash transactions, for the nine-month period ended September 30, 2023 and the years ended December 31, 2022 and 2021:

(In thousands)	September 30, 2023	December 31, 2022	2021
Land and structures	**$ 212,757**	$ 299,529	$ 252,155
Tractors	**203,201**	148,719	130,772
Trailers	**159,306**	216,697	140,595
Technology	**43,959**	33,783	17,139
Other equipment and assets	**32,140**	68,920	25,450
Proceeds from sales	**(22,226)**	(22,096)	(19,548)
Total	**$ 629,137**	$ 745,552	$ 546,563

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 $720 million for the year ending December 31, 2023. Approximately $260 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 $385 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, which does not have an expiration date, began after completion of our prior repurchase program.

On July 26, 2023, we announced that our Board of Directors had approved a new stock repurchase program authorizing us to repurchase up to an aggregate of $3.0 billion of our outstanding common stock. The new repurchase program, which does not have an expiration date, will be effective upon the completion of our 2021 Repurchase Program. At September 30, 2023, our 2021 Repurchase Program had $311.0 million remaining available.

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

Our Board of Directors declared a cash dividend of $0.40 per share for each quarter of 2023 and declared a cash dividend of $0.30 per share for each quarter of 2022.

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. Our first principal payment of $20.0 million was paid on May 4, 2023. The remaining $80.0 million will be paid in four 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:

(In thousands)		**September 30, 2023**		**December 31, 2022**
Facility limit	**$**	**250,000**	$	250,000
Line of credit borrowings		**—**		—
Outstanding letters of credit		**(39,966)**		(38,653)
Available borrowing capacity	**$**	**210,034**	$	211,347

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 September 30, 2023.

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, 2022 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. 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 2023. 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, 2022 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;
- various risks related to health epidemics, pandemics and similar outbreaks;
- 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;
- the availability and cost of equipment and parts, including regulatory changes and supply constraints that could impact the cost of these assets;
- increased costs, beyond what we may be able to recover through price increases, including as a result of inflation;
- the availability and cost of suitable real estate;
- the availability and cost of third-party transportation used to supplement our workforce and equipment needs;
- 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 LTL industry, including 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;
- the costs and potential liabilities related to 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;
- 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, which may decrease demand for our services or increase our costs;
- 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;

•the increase in costs associated with healthcare legislation 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, 2022.

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 September 30, 2023.

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, 2022, 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, 2022.

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 third quarter of 2023:

ISSUER PURCHASES OF EQUITY SECURITIES

	Total Number of Shares Purchased (1)		Average Price Paid per Share (2)	Total Number of Shares Purchased as Part of Publicly Announced Programs		Approximate Dollar Value of Shares that May Yet Be Purchased Under the Programs
July 1-31, 2023	66,913	$	381.02	66,308	$	351,583,154
August 1-31, 2023	51,373	$	409.92	50,727	$	330,795,434
September 1-30, 2023	48,344	$	415.79	47,735	$	310,954,905
Total	166,630	$	400.01	164,770		

(1)Total number of shares purchased during the quarter includes 1,860 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)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, which does not have an expiration date, began after the completion of our prior repurchase program in January 2022. 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 July 26, 2023, we announced that our Board of Directors had approved a new stock repurchase program authorizing up to an aggregate of $3.0 billion of our outstanding common stock. The new repurchase program, which does not have an expiration date, will be effective upon the completion of our 2021 Repurchase Program.

Item 5. Other Information

During the three months ended September 30, 2023, no member of the Board of Directors or Section 16 officer of the Company adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K.

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 September 30, 2023, filed on November 6, 2023, formatted in iXBRL (Inline eXtensible Business Reporting Language) includes: (i) the Condensed Balance Sheets at September 30, 2023 and December 31, 2022, (ii) the Condensed Statements of Operations for the three and nine months ended September 30, 2023 and 2022, (iii) the Condensed Statements of Changes in Shareholders' Equity for the three and nine months ended September 30, 2023 and 2022, (iv) the Condensed Statements of Cash Flows for the nine months ended September 30, 2023 and 2022, 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 September 30, 2023, 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:	November 6, 2023	/s/ ADAM N. SATTERFIELD
		Adam N. Satterfield Executive Vice President and Chief Financial Officer (Principal Financial Officer)
DATE:	November 6, 2023	/s/ KIMBERLY S. MAREADY
		Kimberly S. Maready Vice President - Accounting and Finance (Principal Accounting Officer)