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, 2021

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 November 1, 2021 there were 115,011,172 shares of the registrant's Common Stock ($0.10 par value) outstanding.

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Part I – FINANCIAL INFORMATION

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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, 2021 (Unaudited)		December 31, 2020
ASSETS				
Current assets:				
Cash and cash equivalents	**$**	**339,761**	$	401,430
Short-term investments		**224,899**		330,274
Customer receivables, less allowances of $10,348 and $8,979, respectively		**591,783**		444,653
Other receivables		**62,266**		9,569
Prepaid expenses and other current assets		**60,143**		57,413
Total current assets		**1,278,852**		1,243,339
Property and equipment:				
Revenue equipment		**2,096,973**		1,885,649
Land and structures		**2,352,569**		2,218,290
Other fixed assets		**502,907**		475,264
Leasehold improvements		**13,055**		12,226
Total property and equipment		**4,965,504**		4,591,429
Accumulated depreciation		**(1,855,390)**		(1,677,398)
Net property and equipment		**3,110,114**		2,914,031
Other assets		**224,154**		212,040
Total assets	**$**	**4,613,120**	$	4,369,410

Note: The Condensed Balance Sheet at December 31, 2020 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, 2021 (Unaudited)		December 31, 2020
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities:				
Accounts payable	**$**	**135,044**	$	68,511
Compensation and benefits		**244,168**		191,303
Claims and insurance accruals		**58,253**		53,092
Other accrued liabilities		**96,826**		51,513
Income taxes payable		**—**		8,711
Total current liabilities		**534,291**		373,130
Long-term liabilities:				
Long-term debt		**99,943**		99,931
Other non-current liabilities		**330,321**		349,851
Deferred income taxes		**228,667**		220,210
Total long-term liabilities		**658,931**		669,992
Total liabilities		**1,193,222**		1,043,122
Commitments and contingent liabilities				
Shareholders' equity:				
Common stock - $0.10 par value, 280,000,000 shares authorized, 115,011,172 and 117,057,696 shares outstanding at September 30, 2021 and December 31, 2020, respectively		**11,501**		11,706
Capital in excess of par value		**170,340**		226,451
Retained earnings		**3,238,057**		3,088,131
Total shareholders' equity		**3,419,898**		3,326,288
Total liabilities and shareholders' equity	**$**	**4,613,120**	$	4,369,410

Note: The Condensed Balance Sheet at December 31, 2020 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 September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Revenue from operations	**$ 1,400,046**	$ 1,058,166	**$ 3,845,970**	$ 2,941,740
Operating expenses:				
Salaries, wages and benefits	**649,685**	524,658	**1,806,862**	1,510,047
Operating supplies and expenses	**146,509**	90,269	**408,242**	273,374
General supplies and expenses	**37,312**	27,383	**102,907**	86,872
Operating taxes and licenses	**34,028**	29,923	**98,550**	86,280
Insurance and claims	**15,674**	11,821	**43,579**	32,581
Communications and utilities	**8,738**	7,622	**25,324**	23,075
Depreciation and amortization	**65,160**	64,983	**193,094**	196,153
Purchased transportation	**52,037**	25,405	**130,678**	65,188
Miscellaneous expenses, net	**7,493**	5,858	**17,623**	15,590
Total operating expenses	**1,016,636**	787,922	**2,826,859**	2,289,160
Operating income	**383,410**	270,244	**1,019,111**	652,580
Non-operating expense (income):				
Interest expense	**371**	1,071	**1,343**	1,936
Interest income	**(178)**	(123)	**(660)**	(1,602)
Other expense, net	**266**	961	**1,781**	4,205
Total non-operating expense	**459**	1,909	**2,464**	4,539
Income before income taxes	**382,951**	268,335	**1,016,647**	648,041
Provision for income taxes	**96,317**	66,467	**261,078**	165,191
Net income	**$ 286,634**	$ 201,868	**$ 755,569**	$ 482,850
Earnings per share:				
Basic	**$ 2.48**	$ 1.72	**$ 6.52**	$ 4.09
Diluted	**$ 2.47**	$ 1.71	**$ 6.48**	$ 4.07
Weighted average shares outstanding:				
Basic	**115,411,032**	117,188,398	**115,905,834**	117,946,805
Diluted	**116,161,555**	117,933,440	**116,655,504**	118,696,836
Dividends declared per share	**$ 0.20**	$ 0.15	**$ 0.60**	$ 0.45

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 September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Common stock:				
Beginning balance	**$ 11,581**	$ 11,734	**$ 11,706**	$ 11,953
Share repurchases	**(80)**	—	**(209)**	(223
Share-based compensation and share issuances	—	(1)	**6**	6
Taxes paid in exchange for shares withheld	—	—	**(2)**	(2
Cash paid for fractional shares	—	—	—	(1
Ending balance	**11,501**	11,733	**11,501**	11,733
Capital in excess of par value:				
Beginning balance	**160,204**	181,895	**226,451**	218,462
Share-based compensation and share issuances	**3,886**	4,096	**10,928**	8,371
Taxes paid in exchange for shares withheld	—	—	**(4,539)**	(2,731
Forward contract (settlements) for accelerated share repurchases	**6,250**	—	**(62,500)**	(37,500
Cash paid for fractional shares	—	—	—	(611
Ending balance	**170,340**	185,991	**170,340**	185,991
Retained earnings:				
Beginning balance	**3,230,593**	2,788,839	**3,088,131**	2,850,302
Share repurchases	**(256,170)**	—	**(536,256)**	(306,568
Cash dividends declared	**(23,000)**	(17,598)	**(69,387)**	(53,475
Net income	**286,634**	201,868	**755,569**	482,850
Ending balance	**3,238,057**	2,973,109	**3,238,057**	2,973,109
Total shareholders' equity	**$ 3,419,898**	$ 3,170,833	**$ 3,419,898**	$ 3,170,833

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, 2021	2020
Cash flows from operating activities:		
Net income	$ **755,569**	$ 482,850
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	**193,106**	196,157
(Gain) Loss on disposal of property and equipment	**(179)**	255
Provision for deferred income taxes	**9,193**	(25,155)
Other, net	**22,915**	16,668
Changes in operating assets and liabilities, net	**(107,989)**	15,683
Net cash provided by operating activities	**872,615**	686,458
Cash flows from investing activities:		
Purchase of property and equipment	**(384,688)**	(166,459)
Proceeds from sale of property and equipment	**18,635**	3,411
Purchase of short-term investments	**(254,832)**	(205,301)
Proceeds from maturities of short-term investments	**360,203**	—
Other investing, net	**(500)**	(100)
Net cash used in investing activities	**(261,182)**	(368,449)
Cash flows from financing activities:		
Proceeds from issuance of long-term debt	—	99,923
Payments for share repurchases	**(536,465)**	(306,791)
Forward contract for accelerated share repurchases	**(62,500)**	(37,500)
Dividends paid	**(69,387)**	(53,471)
Other financing activities, net	**(4,750)**	(3,345)
Net cash used in financing activities	**(673,102)**	(301,184)
(Decrease) Increase in cash and cash equivalents	**(61,669)**	16,825
Cash and cash equivalents at beginning of period	**401,430**	403,571
Cash and cash equivalents at end of period	$ **339,761**	$ 420,396

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

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)	**2021**	2020	**2021**	2020
LTL services	**$ 1,378,339**	$ 1,044,640	**$ 3,787,721**	$ 2,903,140
Other services	**21,707**	13,526	**58,249**	38,600
Total revenue from operations	**$ 1,400,046**	$ 1,058,166	**$ 3,845,970**	$ 2,941,740

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, 2021 are not necessarily indicative of the results that may be expected for the subsequent quarterly periods or the year ending December 31, 2021.

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, 2020. 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, 2020, 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.

Stock Repurchase Programs

On May 1, 2020, we announced that our Board of Directors had approved a two-year stock repurchase program authorizing us to repurchase up to an aggregate of $700.0 million of our outstanding common stock (the "2020 Repurchase Program"). The 2020 Repurchase Program became effective upon the termination of our $350.0 million repurchase program on May 29, 2020. 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 28, 2021, we announced that our Board of Directors had approved a new 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, will begin after the completion of the 2020 Repurchase Program.

On May 29, 2020, we entered into an accelerated share repurchase agreement (the “May 2020 ASR Agreement”) with a third-party financial institution. The May 2020 ASR Agreement was settled during the fourth quarter of 2020, with the final number of shares received based on the daily volume-weighted average share price of our common stock over the term of the agreement, less a negotiated discount. Under the May 2020 ASR Agreement, we repurchased 683,434 shares for $125.0 million.

On February 25, 2021, we entered into an accelerated share repurchase agreement (the “February 2021 ASR Agreement”) with a third-party financial institution. The February 2021 ASR Agreement was settled during the third quarter of 2021, with the final number of shares received based on the daily volume-weighted average share price of our common stock over the term of the agreement, less a negotiated discount. Under the February 2021 ASR Agreement, we repurchased 1,101,046 shares for $275.0 million.

On August 26, 2021, we entered into an accelerated share repurchase agreement (the “August 2021 ASR Agreement”) with a third-party financial institution. Under the August 2021 ASR Agreement, we paid the third-party financial institution $250.0 million and received an initial delivery of 655,365 shares of our common stock for $187.5 million, representing approximately 75% of the total value of shares to be received by us under the August 2021 ASR Agreement. The remaining shares are expected to settle no later than the first quarter of 2022. At final settlement, we may receive additional shares of our common stock, or, under certain circumstances, we may be required to provide the third-party financial institution additional shares or may elect to make a cash payment to the third-party financial institution as part of the final settlement. The total shares repurchased will be based on the daily volume-weighted average share price of our common stock over the term of the agreement, less a negotiated discount.

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 share delivery 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 Statements of Changes in Shareholders’ Equity.

During the three and nine months ended September 30, 2021, we repurchased 796,081 shares of our common stock for $256.3 million and 2,082,598 shares of our common stock for $536.5 million under our repurchase programs, respectively, including shares repurchased under our accelerated share repurchase agreements. At September 30, 2021, our repurchase programs had $2.02 billion remaining available, including $62.5 million that is deferred until final settlement occurs on the August 2021 ASR Agreement, leaving $1.96 billion remaining available and uncommitted.

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,	
	2021	**2020**	**2021**	**2020**
Weighted average shares outstanding - basic	**115,411,032**	117,188,398	**115,905,834**	117,946,805
Dilutive effect of share-based awards	**750,523**	745,042	**749,670**	750,031
Weighted average shares outstanding - diluted	**116,161,555**	117,933,440	**116,655,504**	118,696,836

Note 3. Long-Term Debt

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

(In thousands)	September 30, 2021	December 31, 2020
Senior notes	**$ 99,943**	$ 99,931
Revolving credit facility	**—**	—
Total long-term debt	**99,943**	99,931
Less: Current maturities	**—**	—
Total maturities due after one year	**$ 99,943**	$ 99,931

Senior 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 (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 May 4, 2023. Pursuant to the Note Agreement, we issued $100.0 million aggregate principal amount of senior promissory notes (the "Series B Notes") on May 4, 2020. 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. Principal payments are required annually beginning on May 4, 2023 in equal 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 second amended and restated credit agreement with Wells Fargo Bank, National Association serving as administrative agent for the lenders, which we entered into on November 21, 2019 (the "Credit Agreement") or 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) LIBOR (including applicable successor provisions) plus an applicable margin (based on our ratio of net debt-to-total capitalization) that ranges from 1.000% to 1.375%; or (ii) a Base Rate, as defined in the Credit Agreement, plus an applicable margin (based on our ratio of net debt-to-total capitalization) that ranges from 0.000% to 0.375%. 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 0.100% to 0.175% (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 1.000% and commitment fees were 0.100%.

There were $39.2 million and $42.1 million of outstanding letters of credit at September 30, 2021 and December 31, 2020, respectively.

General Debt Provisions

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

Note 4. Commitments and Contingencies

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

Note 5. Fair Value Measurements

Short-term Investments

A summary of the fair value of our short-term investments as of September 30, 2021 and December 31, 2020 is shown in the tables below.

(In thousands)	September 30, 2021	Level 1	Level 2	Level 3
Certificates of deposit	$ 45,030	$ —	$ 45,030	$ —
U.S. government securities	—	—	—	—
Commercial paper	179,869	—	179,869	—
Total	**$ 224,899**	**$ —**	**$ 224,899**	**$ —**

(In thousands)	December 31, 2020	Level 1	Level 2	Level 3
Certificates of deposit	$ 75,032	$ —	$ 75,032	$ —
U.S. government securities	125,379	125,379	—	—
Commercial paper	129,863	—	129,863	—
Total	$ 330,274	$ 125,379	$ 204,895	$ —

Our certificates of deposit are measured at carrying value including accrued interest, which approximates fair value due to their short-term nature. Our commercial paper is valued using broker quotes that utilize observable market inputs.

Long-term Debt

The carrying value of our total long-term debt was $99.9 million at September 30, 2021 and December 31, 2020. The estimated fair value of our total long-term debt was $104.8 million and $105.4 million at September 30, 2021 and December 31, 2020, 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, 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.

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,	
	2021	**2020**	**2021**	**2020**
Revenue from operations	**100.0%**	100.0%	**100.0%**	100.0%
Operating expenses:				
Salaries, wages and benefits	**46.4**	49.6	**47.0**	51.3
Operating supplies and expenses	**10.5**	8.5	**10.6**	9.3
General supplies and expenses	**2.7**	2.6	**2.7**	3.0
Operating taxes and licenses	**2.4**	2.8	**2.6**	2.9
Insurance and claims	**1.1**	1.1	**1.1**	1.1
Communications and utilities	**0.6**	0.7	**0.7**	0.8
Depreciation and amortization	**4.7**	6.2	**5.0**	6.7
Purchased transportation	**3.7**	2.4	**3.4**	2.2
Miscellaneous expenses, net	**0.5**	0.6	**0.4**	0.5
Total operating expenses	**72.6**	74.5	**73.5**	77.8
Operating income	**27.4**	25.5	**26.5**	22.2
Interest expense, net	**0.0**	0.1	**0.0**	0.0
Other expense, net	**0.0**	0.1	**0.1**	0.2
Income before income taxes	**27.4**	25.3	**26.4**	22.0
Provision for income taxes	**6.9**	6.3	**6.8**	5.6
Net income	**20.5%**	19.0%	**19.6%**	16.4%

Key financial and operating metrics for the three- and nine-month periods ended September 30, 2021 and 2020 are presented below:

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2021	**2020**	**% Change**	**2021**	**2020**	**% Change**
Work days	**64**	64	—	**191**	192	(0.5)%
Revenue *(in thousands)*	**$ 1,400,046**	$ 1,058,166	32.3%	**$ 3,845,970**	$ 2,941,740	30.7%
Operating ratio	**72.6%**	74.5%		**73.5%**	77.8%	
Net income *(in thousands)*	**$ 286,634**	$ 201,868	42.0%	**$ 755,569**	$ 482,850	56.5%
Diluted earnings per share	**$ 2.47**	$ 1.71	44.4%	**$ 6.48**	$ 4.07	59.2%
LTL tons *(in thousands)*	**2,625**	2,309	13.7%	**7,555**	6,490	16.4%
LTL tonnage per day	**41,020**	36,078	13.7%	**39,556**	33,802	17.0%
LTL shipments *(in thousands)*	**3,413**	2,859	19.4%	**9,624**	8,054	19.5%
LTL shipments per day	**53,335**	44,672	19.4%	**50,388**	41,948	20.1%
LTL weight per shipment *(lbs.)*	**1,538**	1,615	(4.8)%	**1,570**	1,612	(2.6)%
LTL revenue per hundredweight	**$ 26.31**	$ 22.74	15.7%	**$ 25.17**	$ 22.44	12.2%
LTL revenue per shipment	**$ 404.65**	$ 367.28	10.2%	**$ 395.16**	$ 361.74	9.2%
Average length of haul *(miles)*	**940**	933	0.8%	**933**	924	1.0%

Our financial results for the third quarter and first nine months of 2021 include Company records for revenue, net income and diluted earnings per share. We believe our continued focus on delivering superior service at a fair price, while consistently investing in our service center network and OD Family of employees, provided us with the capital and available capacity to support the increased customer demand for our services. Our revenue growth reflects higher shipment volumes and further improvements in our yield, both of which are supported by the strength of the domestic economy and a favorable pricing environment. These factors led to increases in our density and yield that contributed to a 190 and 430 basis-point improvement in our operating ratio to 72.6% and 73.5%, respectively, for the third quarter and first nine months of 2021 as compared to the same periods last year. Our net income and earnings per diluted share increased by 42.0% and 56.5%, respectively, for the third quarter of 2021 and 44.4% and 59.2%, respectively, for the first nine months of 2021 as compared to the same periods of 2020.

Revenue

Revenue increased $341.9 million, or 32.3%, and $904.2 million, or 30.7%, in the third quarter and first nine months of 2021, respectively, as compared to the same periods of 2020, due to increases in both our LTL tonnage and LTL revenue per hundredweight. The increase in tonnage resulted from higher LTL shipments that were partially offset by a decrease in LTL weight per shipment, which declined in part due to our continuing efforts to reduce the number of heavy-weighted shipments in our network. We believe the increase in LTL tonnage was driven by the strength of the domestic economy and growth in our market share. We continue to win market share due to a combination of our available network capacity and increased demand for the superior service that our outstanding team of employees continues to provide our customers.

Our LTL revenue per hundredweight increased 15.7% and 12.2% in the third quarter and first nine months of 2021, respectively, as compared to the same periods in 2020. We believe these increases in LTL revenue per hundredweight were driven by the ongoing commitment to our long-term yield management process, which is focused on obtaining price increases necessary to offset our cost inflation and support our ongoing investments in capacity and technology. The increase reflects the impact of changes in the mix of our freight as well as the higher fuel surcharges associated with the increase in diesel fuel prices. Excluding fuel surcharges, LTL revenue per hundredweight increased 10.1% and 8.7% in the third quarter and first nine months of 2021, respectively, as compared to the same periods in 2020.

October 2021 Update

Revenue per day increased 35.7% in October 2021 compared to the same month last year. LTL tons per day increased 16.4%, due primarily to a 19.4% increase in LTL shipments per day that was partially offset by a 2.5% decrease in LTL weight per shipment. LTL revenue per hundredweight increased approximately 16.6% as compared to the same month last year. LTL revenue per hundredweight, excluding fuel surcharges, increased approximately 9.7% as compared to the same month last year. The fourth quarter of 2021 will include 61 workdays as compared to 62 workdays in the fourth quarter of 2020.

Operating Costs and Other Expenses

Salaries, wages and benefits increased $125.0 million, or 23.8%, in the third quarter of 2021 as compared to the third quarter of 2020, due primarily to a $86.2 million increase in salaries and wages and a $38.9 million increase in employee benefit costs. Salaries, wages and benefits increased $296.8 million, or 19.7%, for the first nine months of 2021 as compared to the same period of 2020, due primarily to a $206.1 million increase in salaries and wages and a $90.7 million increase in employee benefit costs.

The increases in salaries and wages for both the third quarter and first nine months of 2021 was due primarily to increases in the average number of active full-time employees as compared to the same periods of 2020. Our average number of active full-time employees increased 3,916, or 20.9%, and 2,719, or 14.4%, for the third quarter and first nine months of 2021, respectively. We believe our full-time employee headcount will continue to increase as we hire employees to balance our workforce with growing demand and shipment trends. Salaries and wages also increased as a result of the annual wage increases provided to our employees at the beginning of both September 2020 and 2021, as well as higher performance-based compensation associated with our record financial results.

Our productive labor costs, which include wages for drivers, platform employees, and fleet technicians, improved as a percent of revenue to 24.8% and 25.3% in the third quarter and first nine months of 2021, respectively, from 26.8% and 27.8% for the same periods of 2020. The increased density within our network allowed us to maintain efficiencies in our linehaul and P&D operations. We did, however, lose some productivity in our platform operations primarily due to the training requirements associated with onboarding our many new employees. Our other salaries and wages as a percent of revenue also decreased to 9.0% and 9.4% of revenue in the third quarter and first nine months of 2021, respectively, from 9.8% and 10.6% of revenue for the same periods of 2020, respectively.

The increase in the costs attributable to employee benefits for both the third quarter and first nine months of 2021 was primarily due to increases in the number of full-time employees eligible for our benefits. In addition, our employee benefit costs increased due to additional holiday pay benefits and increases in certain retirement benefit plan costs directly linked to our net income. Group health and dental costs increased for both the quarter and year-to-date periods due to increases in claim volumes and cost per claim. As a result of these increases, our employee benefit costs, as a percent of salaries and wages, increased to 37.2% and 35.4% for the third quarter and first nine months of 2021, respectively, from 35.5% and 33.8% for the comparable periods of 2020.

Operating supplies and expenses increased $56.2 million and $134.9 million in the third quarter and first nine months of 2021, respectively, as compared to the same periods of 2020, due primarily to an increase in costs for diesel fuel used in our vehicles and other petroleum-based products. Our diesel fuel costs, excluding fuel taxes, represents the largest component of operating supplies and expenses, and can vary based on both the average price per gallon and consumption. Our average cost per gallon of diesel fuel increased 76.4% and 53.3% in the third quarter and first nine months of 2021, respectively, as compared to the same periods last year. In addition, our gallons consumed increased 14.0% and 14.1% in the third quarter and first nine months of 2021, respectively, as compared to the same periods last year due to increases in miles driven. We do not use diesel fuel hedging instruments; therefore, our costs are subject to market price fluctuations. Our other operating supplies and expenses remained relatively consistent as a percent of revenue between the periods compared.

Depreciation and amortization costs were relatively consistent in the third quarter and first nine months of 2021, as compared to the same periods in 2020. While our capital expenditures are higher in 2021 compared to the prior year, our 2021 depreciation and amortization costs were impacted by our planned reduction in capital expenditures for revenue equipment in 2020 as we balanced our fleet with volumes, as well as delays in receipt of certain revenue equipment included in our 2021 capital expenditure plan. We believe depreciation costs will increase in future periods as we execute our 2021 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 increased $26.6 million and $65.5 million in the third quarter and first nine months of 2021, respectively, as compared to the same periods of 2020. The increase in purchased transportation expense was due to an increase in our use of third-party transportation providers to supplement our workforce as demand for our services increased. We expect to continue to purchase supplemental transportation until the capacity of our team can fully support our anticipated growth.

Our effective tax rate for the third quarter and first nine months of 2021 was 25.2% and 25.7%, as compared to 24.8% and 25.5%, respectively, for the same periods in 2020. 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, 2021	2020
Cash and cash equivalents at beginning of period	**$ 401,430**	$ 403,571
Cash flows provided by (used in):		
Operating activities	**872,615**	686,458
Investing activities	**(261,182)**	(368,449)
Financing activities	**(673,102)**	(301,184)
(Decrease) Increase in cash and cash equivalents	**(61,669)**	16,825
Cash and cash equivalents at end of period	**$ 339,761**	$ 420,396

The increase in our cash flows provided by operating activities during the first nine months of 2021 as compared to the first nine months of 2020 was due to the increase in net income that was partially offset by fluctuations in certain working capital accounts, primarily income taxes and accounts receivable.

The decrease in our cash flows used in investing activities during the first nine months of 2021 as compared to the first nine months of 2020 was due primarily to proceeds from the maturities of our short-term investments in excess of purchases, which were partially offset by increases in our capital expenditures in 2021 and the timing of these expenditures during the year. Changes in our capital expenditures are more fully described below in "*Capital Expenditures*".

The increase in our cash flows used in financing activities during the first nine months of 2021 as compared to the first nine months of 2020 was due primarily to increased share repurchases, reductions in proceeds from long-term debt issuances and higher cash dividends paid to shareholders. Our financing arrangements are more fully described below under "*Financing Arrangements*". Our return of capital to shareholders is more fully described below under "*Stock Repurchase Program*" and "*Dividends to Shareholders*".

We have five primary sources of available liquidity: cash flows from operations, our existing cash and cash equivalents, short-term investments, available borrowings under our second amended and restated credit agreement (the "Credit Agreement"), and our Note Purchase and Private Shelf Agreement (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 for the nine-month period ended September 30, 2021 and the years ended December 31, 2020 and 2019:

(In thousands)	September 30, 2021	December 31, 2020	2019
Land and structures	**$ 130,539**	$ 181,221	$ 250,387
Tractors	**116,216**	17,518	75,418
Trailers	**104,780**	2,151	88,115
Technology	**14,124**	11,925	30,424
Other equipment and assets	**19,028**	12,266	34,981
Proceeds from sales	**(18,635)**	(3,690)	(5,686)
Total	**$ 366,052**	$ 221,391	$ 473,639

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 $565 million for the year ending December 31, 2021. Approximately $235 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 $290 million is allocated for the purchase of tractors and trailers; and approximately $40 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, short-term investments 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 May 1, 2020, we announced that our Board of Directors had approved a two-year stock repurchase program authorizing us to repurchase up to an aggregate of $700.0 million of our outstanding common stock (the “2020 Repurchase Program”). The 2020 Repurchase Program became effective upon the termination of our $350.0 million repurchase program on May 29, 2020. 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 28, 2021, we announced that our Board of Directors had approved a new 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, will begin after the completion of the 2020 Repurchase Program.

At September 30, 2021, our stock repurchase programs had $2.02 billion remaining available, including $62.5 million that is deferred until final settlement occurs on our current accelerated share repurchase agreement, leaving $1.96 billion remaining available and uncommitted.

Dividends to Shareholders

Our Board of Directors declared a cash dividend of $0.20 per share for the first three quarters of 2021 and declared a cash dividend of $0.15 per share for each quarter of 2020.

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, short-term investments, and, if needed, borrowings under our Credit Agreement and Note Agreement.

Financing Arrangements

Senior Note Agreement

On May 4, 2020, we entered into the Note Agreement with PGIM, Inc. (“Prudential”) and certain affiliates and managed accounts of Prudential. 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 May 4, 2023. Pursuant to the Note Agreement, we issued $100.0 million aggregate principal amount of senior promissory notes (the “Series B Notes”) on May 4, 2020. 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 an annual interest rate of 3.10% and mature on May 4, 2027, unless prepaid. Principal payments are required annually beginning on May 4, 2023 in equal 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 second amended and restated credit agreement with Wells Fargo Bank, National Association serving as administrative agent for the lenders, which we entered into on November 21, 2019 (the “Credit Agreement”) or 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) LIBOR (including applicable successor provisions) plus an applicable margin (based on our ratio of net debt-to-total capitalization) that ranges from 1.000% to 1.375%; or (ii) a Base Rate, as defined in the Credit Agreement, plus an applicable margin (based on our ratio of net debt-to-total capitalization) that ranges from 0.000% to 0.375%. 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 0.100% to 0.175% (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 1.000% and commitment fees were 0.100%.

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

(In thousands)	September 30, 2021	December 31, 2020
Facility limit	**$ 250,000**	$ 250,000
Line of credit borrowings	**—**	—
Outstanding letters of credit	**(39,169)**	(42,134)
Available borrowing capacity	**$ 210,831**	$ 207,866

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, 2021.

The interest rate is fixed on the Note Agreement. 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.

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.

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, 2020 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; however, the effects of the COVID-19 pandemic on the domestic economy impacted our normal seasonal trends during 2020 and may continue to impact our seasonal trends in future periods. Harsh winter weather, hurricanes, tornadoes, floods and other natural disasters 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 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 the remainder of 2021 or fiscal year 2022. 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, 2020 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, many of which are currently amplified by and may continue to be amplified by or may, in the future, be amplified by, the current COVID-19 pandemic:

- 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 public 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 insurance coverage, and claims in excess of insured coverage levels;
- the availability and cost of new equipment, including regulatory changes and supply constraints that could impact the cost of these assets;
- the availability and price of diesel fuel and 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;
- 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, 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 driver and maintenance technician compensation or difficulties attracting and retaining qualified drivers and maintenance technicians to meet freight demand and maintain our customer relationships;
- 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;

- 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 Compliance, Safety, Accountability initiative of the Federal Motor Carrier Safety Administration ("FMCSA") 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 costs associated with healthcare legislation or rising healthcare costs;
- the costs and potential liabilities related to litigation and governmental proceedings, inquiries, notices or 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, 2020.

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 those 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. The following matter is disclosed in accordance with that requirement. We do not believe that any possible loss that may be incurred in connection with the matter will be material to our financial position, results of operations or cash flows.

On May 12, 2017, we received a letter from the Orange County California District Attorney's Office concerning suspected violations of California laws with respect to waste handling practices. As part of the civil investigation conducted in coordination with other California counties, we have shared information about our waste handling practices at our facilities throughout the state. We are in discussions concerning resolution of this matter.

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, 2020, 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, 2020.

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

On May 1, 2020, we announced that our Board of Directors had approved a two-year stock repurchase program authorizing us to repurchase up to an aggregate of $700.0 million of our outstanding common stock (the "2020 Repurchase Program"). The 2020 Repurchase Program became effective upon the termination of our $350.0 million repurchase program on May 29, 2020. 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 28, 2021, we announced that our Board of Directors had approved a new 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, will begin after the completion of the 2020 Repurchase Program. At September 30, 2021, our repurchase programs had $2.02 billion remaining available, including $62.5 million that is deferred until final settlement occurs on the August 2021 ASR Agreement (as defined below), leaving $1.96 billion remaining available and uncommitted.

The following table provides information regarding our repurchases of our common stock during the third quarter of 2021:

	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
July 1 - 31, 2021	-	$ -	-	$ 2,275,018,788
August 1 - 31, 2021 (1) (2)	796,081	$ 321.89	796,081	$ 2,018,768,935
September 1 - 30, 2021	-	$ -	-	$ 2,018,768,935
Total	796,081	$ 321.89	796,081	

(1) The total number of shares purchased includes the final settlement of 140,716 shares of our common stock under an accelerated share repurchase agreement entered into with a third-party financial institution on February 25, 2021. The final number of shares received was based on the daily volume-weighted average share price during the term of agreement, less a negotiated discount.

(2) The total number of shares purchased includes the initial delivery of 655,365 shares of our common stock under an accelerated share repurchase agreement entered into with a third-party financial institution on August 26, 2021 (the "August 2021 ASR Agreement"), representing approximately 75% of the total value of shares to be received by us under the terms of the agreement. The remaining shares are expected to settle during the first quarter of 2022, but may settle earlier in certain circumstances. The total number of shares repurchased and the related cost per share will be based on the daily volume-weighted average share price of our common stock during the term of the agreement, less a negotiated discount.

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, 2021, filed on November 3, 2021, formatted in iXBRL (Inline eXtensible Business Reporting Language) includes: (i) the Condensed Balance Sheets at September 30, 2021 and December 31, 2020, (ii) the Condensed Statements of Operations for the three and nine months ended September 30, 2021 and 2020, (iii) the Condensed Statements of Changes in Shareholders' Equity for the three and nine months ended September 30, 2021 and 2020, (iv) the Condensed Statements of Cash Flows for the nine months ended September 30, 2021 and 2020, 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, 2021, 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 3, 2021	/s/ ADAM N. SATTERFIELD Adam N. Satterfield Senior Vice President - Finance and Chief Financial Officer (Principal Financial Officer)
DATE:	November 3, 2021	/s/ KIMBERLY S. MAREADY Kimberly S. Maready Vice President - Accounting and Finance (Principal Accounting Officer)