

Covenant Transportation Group, Inc.
Key Financial and Operating Statistics

(\$000s, except per share data)	<u>INCOME STATEMENT DATA</u>			<u>INCOME STATEMENT DATA</u>		
	Three Months Ended June 30,			Six Months Ended June 30,		
	2019	2018	% Change	2019	2018	% Change
Freight revenue	\$194,917	\$170,635	14.2%	\$390,679	\$321,097	21.7%
Fuel surcharge revenue	24,381	25,683	-5.1%	47,800	48,787	-2.0%
Total revenue	\$219,298	\$196,318	11.7%	\$438,479	\$369,884	18.5%
Operating expenses:						
Salaries, wages, and related expenses	75,781	64,633		155,284	125,253	
Fuel expense	29,215	29,209		57,047	56,390	
Operations and maintenance	14,898	12,595		30,072	24,325	
Revenue equipment rentals and purchased transportation	47,169	37,388		95,839	68,079	
Operating taxes and licenses	3,365	2,613		6,549	5,273	
Insurance and claims	10,472	9,908		21,707	18,593	
Communications and utilities	1,760	1,666		3,478	3,406	
General supplies and expenses	7,284	6,423		14,015	10,562	
Depreciation and amortization, including gains and losses on disposition of property and equipment	20,510	17,818		40,218	37,513	
Total operating expenses	210,454	182,253		424,209	349,394	
Operating income	8,844	14,065		14,270	20,490	
Interest expense, net	2,683	1,941		5,129	3,900	
Income from equity method investment	(2,375)	(1,775)		(5,410)	(3,265)	
Income before income taxes	8,536	13,899		14,551	19,855	
Income tax expense	2,465	3,928		4,047	5,467	
Net income	\$6,071	\$9,971		\$10,504	\$14,388	

Basic and diluted earnings per share	\$0.33	\$0.54	\$0.57	\$0.78
Basic weighted average shares outstanding (000s)	18,438	18,337	18,410	18,334
Diluted weighted average shares outstanding (000s)	18,606	18,441	18,570	18,424

(\$000s)	Three Months Ended June 30,			Six Months Ended June 30,		
	2019	2018	% Change	2019	2018	% Change
	<u>SEGMENT REVENUES</u>			<u>SEGMENT REVENUES</u>		
Asset-based truckload revenues	\$151,183	\$145,028	4.2%	\$300,589	\$276,472	8.7%
Managed freight revenues	43,734	25,607	70.8%	90,090	44,625	101.9%
Freight revenue	\$194,917	\$170,635	14.2%	\$390,679	\$321,097	21.7%

	<u>OPERATING STATISTICS</u>			<u>OPERATING STATISTICS</u>		
	2019	2018	% Change	2019	2018	% Change
	Average freight revenue per loaded mile	\$2.040	\$2.028	0.6%	\$2.067	\$1.990
Average freight revenue per total mile	\$1.842	\$1.860	-1.0%	\$1.863	\$1.816	2.6%
Average freight revenue per tractor per week	\$3,767	\$4,287	-12.1%	\$3,745	\$4,142	-9.6%
Average miles per tractor per period	26,589	29,974	-11.3%	51,973	58,989	-11.9%
Weighted avg. tractors for period	3,087	2,602	18.7%	3,104	2,581	20.2%
Tractors at end of period	3,101	2,632	17.8%	3,101	2,632	17.8%
Trailers at end of period	6,921	6,340	9.2%	6,921	6,340	9.2%

(\$000s, except per share data)	<u>SELECTED BALANCE SHEET DATA</u>	
	6/30/2019	12/31/2018
Total assets	\$851,529	\$773,524
Total stockholders' equity	\$351,685	\$343,142
Total indebtedness, net of cash	\$294,475	\$254,544
Net Indebtedness to Capitalization Ratio	45.6%	42.6%
Tangible book value per basic share	\$15.08	\$14.65

Covenant Transportation Group, Inc.
Non-GAAP Reconciliation (Unaudited)
Adjusted Operating Income and Adjusted Operating Ratio (1) (2)

<i>(Dollars in thousands)</i> GAAP Presentation	Three Months Ended June 30,			Six Months Ended June 30,		
	2019	2018	bps Change	2019	2018	bps Change
Total revenue	\$219,298	\$196,318		\$438,479	\$369,884	
Total operating expenses	210,454	182,253		424,209	349,394	
Operating income	\$8,844	\$14,065		\$14,270	\$20,490	
Operating ratio	96.0%	92.8%	320	96.7%	94.5%	220
Non-GAAP Presentation	2019	2018	bps Change	2019	2018	bps Change
Total revenue	\$219,298	\$196,318		\$438,479	\$369,884	
Fuel surcharge revenue	(24,381)	(25,683)		(47,800)	(48,787)	
Freight revenue (total revenue, excluding fuel surcharge)	194,917	170,635		390,679	321,097	
Total operating expenses	210,454	182,253		424,209	349,394	
Adjusted for:						
Fuel surcharge revenue	(24,381)	(25,683)		(47,800)	(48,787)	
Amortization of intangibles (3)	(731)	-		(1,462)	-	
Adjusted operating expenses	185,342	156,570		374,947	300,607	
Adjusted operating income	9,575	14,065		15,732	20,490	
Adjusted operating ratio	95.1%	91.8%	330	96.0%	93.6%	240

(1) Pursuant to the requirements of Regulation G, this table reconciles consolidated GAAP operating income and operating ratio to consolidated non-GAAP Adjusted operating income and Adjusted operating ratio.

(2) The reported results do not include the results of operations of Landair Holdings and its subsidiaries ("Landair") prior to its acquisition by Covenant Transportation Group on July 3, 2018 in accordance with the accounting treatment applicable to the transaction.

(3) "Amortization of intangibles" reflects the non-cash amortization expense relating to intangible assets identified in the July 3, 2018 acquisition of Landair. Certain data necessary to complete the purchase price allocation for the Landair acquisition is open for adjustments during the measurement period. We believe the estimates used are reasonable, but are subject to change as additional information becomes available.

Non-GAAP Reconciliation (Unaudited)
Adjusted Net Income and Adjusted EPS (1) (2)

<i>(Dollars in thousands)</i> GAAP Presentation - Net income	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Adjusted for:				
Income tax expense	2,465	3,928	4,047	5,467
Income before income taxes	8,536	13,899	14,551	19,855
Amortization of intangibles (3)	731	-	1,462	-
Adjusted income before income taxes	9,267	13,899	16,013	19,855
Provision for income tax expense at effective rate	(2,676)	(3,928)	(4,454)	(5,467)
Non-GAAP Presentation - Adjusted net income	\$6,591	\$9,971	\$11,559	\$14,388
GAAP Presentation - Diluted earnings per share ("EPS")	\$0.33	\$0.54	\$0.57	\$0.78
Adjusted for:				
Income tax expense	0.13	0.21	0.22	0.30
Income before income taxes	0.46	0.75	0.78	1.08
Amortization of intangibles (3)	0.04	-	0.08	-
Adjusted income before income taxes	0.50	0.75	0.86	1.08
Provision for income tax expense at effective rate	(0.14)	(0.21)	(0.24)	(0.30)
Non-GAAP Presentation - Adjusted EPS	\$0.35	\$0.54	\$0.62	\$0.78

(1) Pursuant to the requirements of Regulation G, this table reconciles consolidated GAAP net income to consolidated non-GAAP adjusted net income and consolidated GAAP diluted earnings per share to non-GAAP consolidated Adjusted EPS.

(2) The reported results do not include the results of operations of Landair Holdings and its subsidiaries ("Landair") on and prior to its acquisition by Covenant Transportation Group on July 3, 2018 in accordance with the accounting treatment applicable to the transaction.

(3) "Amortization of intangibles" reflects the non-cash amortization expense relating to intangible assets identified in the July 3, 2018 acquisition of Landair. Certain data necessary to complete the purchase price allocation for the Landair acquisition is open for adjustments during the measurement period. We believe the estimates used are reasonable, but are subject to change as additional information becomes available.