

2021 OLD DOMINION FREIGHT LINE, INC.

# ANNUAL REPORT



Helping The World  
Keep Promises®



OD DOMESTIC

OD EXPEDITED

OD PEOPLE

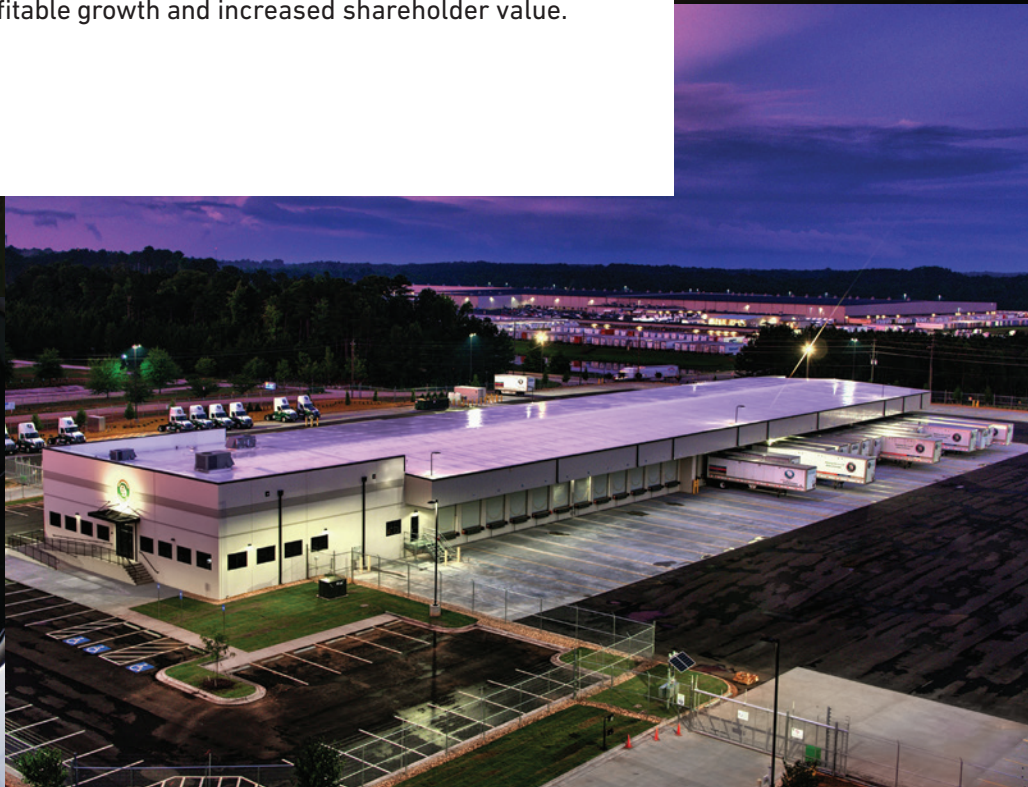
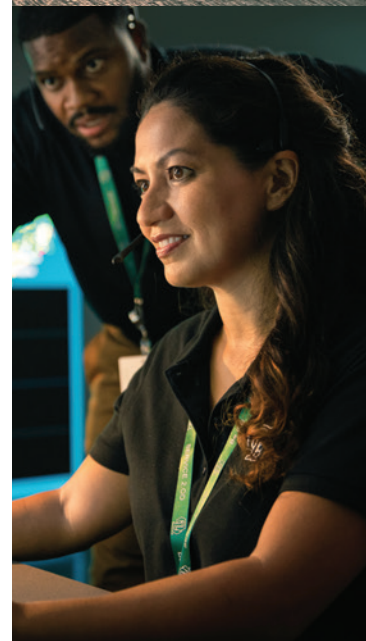
OD GLOBAL

OD TECHNOLOGY



## ONGOING BUSINESS INVESTMENT AND QUALITY SERVICE

Old Dominion Freight Line grew annual revenue by \$1.2 billion, or 30.9%, in 2021. This exceptional performance reflects our ability to build upon a strong foundation in all aspects of our business. Throughout the year, we invested in our OD Family of employees, our fleet, our service center network, and our technology, all of which support the superior service that we provide to our customers. We believe our commitment to these ongoing investments not only strengthens our ability to provide best-in-class service at a fair price, but also drives further profitable growth and increased shareholder value.





**OD DOMESTIC** OD's ongoing investment in our domestic service center network is key to developing and serving our customers. We have invested \$1.8 billion in our service center network over the last ten years, and we have expanded to more than 250 service centers across the United States to provide capacity for further customer growth and additional market share opportunities. In 2021, our superior customer service and commitment to excellence earned OD the Mastio Quality Award\* for an unprecedented 12<sup>th</sup> consecutive year.



**OD EXPEDITED** We are proud of our commitment to on-time delivery of time-sensitive and highly critical shipments. Our ability to consistently meet customer demand through various economic cycles is a hallmark of our success. As supply chains tighten and delivery windows contract, OD Expedited service provides customers with customizable solutions to meet their needs, from Guaranteed and On-Demand shipping to Weekend Promise with Friday pickup and Monday delivery. In addition, OD's Must Arrive By Date service helps our retail customers meet their increasingly complex and stringent supply chain demands.



**OD PEOPLE** OD's dedicated, highly-trained employees have made us an industry leader. We are proud to foster a culture of safety and performance excellence, while also providing industry-competitive compensation, a robust benefits package, and career advancement opportunities for our OD Family of employees. We value and support our employees' ability to grow and progress in their careers by offering skills and leadership development training programs, including Driver Training and Management Training. This unwavering commitment to our team allows us to attract and retain exceptional talent, which drives improvement across all areas of our business. Our efforts have earned us recognition as a great place to work, including being named as a 2021 Top Company for Women to Work for in Transportation\*\* and recognized on Forbes' annual listing of America's Best Large Employers for 2022\*\*\*.



**OD GLOBAL** OD Global offers established freight services with a global reach through our strategic alliances. Our customers enjoy extensive door-to-door freight tracking and professional customer service. OD Global helps our customers manage less-than-container load (LCL) and full-container load (FCL) shipping, nationwide container drayage, ocean and air freight forwarding and expedited LCL imports. We also provide access to customs compliance consulting for international cross-border shipments.



**OD TECHNOLOGY** We are committed to making our services efficient and convenient for our customers – and that means keeping up with the industry's latest developments in technology. We believe our sizable investments in information systems have made the OD network one of the most efficient in the industry. We create value for our customers by providing superior service and data visibility. From our convenient customer website and mobile experience, to our track-and-trace system, to our load planning and routing processes, OD's advanced technologies are just one more way we make it easy to do business with us.



# TO OUR SHAREHOLDERS AND THE OD FAMILY OF EMPLOYEES

We are extremely proud of our operational results for 2021. For the first time in our Company's history, we generated over \$5 billion in revenue and achieved an annual operating ratio of less than 75%. Our \$5.3 billion in revenue and 73.5% operating ratio resulted in net income of \$1.0 billion, or \$8.89 in earnings per diluted share - all Company records. These achievements are attributable to the consistent execution of our long-term strategic plan to provide superior service at a fair price, as well as the ongoing investment in our OD Family of employees, our fleet, technology, and service center capacity to support anticipated future growth. Our ability to deliver high-quality service while also increasing capacity, supported by a strong domestic economy, drove strong customer demand for our service offerings in 2021.

The OD Family of employees' focus and commitment to our customers in 2021 was exemplary. We continued to invest in our people by providing industry-competitive wages, a robust benefits package, employee safety enhancements, and ongoing education opportunities through our Driver Training, Supervisor Training, and Management Training programs. We added over 3,800 employees in 2021 despite a challenging labor market and continued to maintain a driver retention rate of over 90%. Our team's commitment to excellence led to OD being awarded the Mastio Quality Award for the twelfth consecutive year, and we dedicate this award to our OD Family of employees. We are also proud to have been named a 2021 Top Company for Women to Work for in Transportation and recognized on Forbes' annual listing of America's Best Large Employers for 2022.

Total capital expenditures were \$550.1 million in 2021. Over the last ten years, we have invested approximately \$1.8 billion in real estate and have increased our footprint to 251 service centers across the United States as of December 31, 2021. Although we currently have approximately 15% to 20% excess capacity in our service center network, we plan to continue to invest in this network to support our customers' needs and position us to win additional market share. We also intend to invest in additional revenue equipment in 2022 to address both our replacement cycle process and our anticipated growth, and we will continue to utilize purchased transportation as needed to support our capacity needs in 2022. In addition, our 2022 annual capital expenditure program includes ongoing investments in new technologies and other assets that support both our fleet and service center network operating efficiencies, which in turn help drive our superior customer service. We expect capital expenditures for 2022 to total approximately \$825 million, including \$300 million for real estate and service center expansion projects; \$485 million for tractors and trailers; and \$40 million for information technology and other assets.

While our priority for deploying capital will continue to be investment in our business, we also intend to continue returning capital to our shareholders. During 2021, we utilized \$599.0 million for our share repurchase program, and we plan to continue our share repurchase program in 2022. We also returned \$92.4 million to our shareholders through cash dividends in 2021 and increased our first-quarter



2022 dividend by 50.0% over 2021 to \$0.30 per share. We have increased our per share dividend by an average of 31.6% annually since the inception of this program in 2017.

We are committed to creating additional value for our shareholders and believe we can do so by continuing to execute on our long-term strategic plan of providing superior service at a fair price. We also recently announced a new long-term target of achieving a 70% annual operating ratio, which we believe can be accomplished through our ongoing initiatives to drive further operating efficiencies and long-term profitable growth. In addition, we believe our dividend and share repurchase programs will also continue to contribute to shareholder value. Total shareholder returns, including cumulative dividends, were 63.6%, 44.5%, and 35.0% over the past three-year, five-year, and ten-year periods, respectively.

Continuously improving our operating efficiencies is a key element of our Foundation of Success. These efforts include further reduction in our emissions, energy usage and waste. We recently released our inaugural 2020 Environmental, Social and Governance (ESG) Report to provide further details on our efforts in these areas. We are excited about our progress, including partnering with the Environmental Protection Agency (EPA) on its SmartWay® program and receiving the EPA's SmartWay® Excellence Award for the seventh consecutive year. In addition, we were recently named a 12-time Green 75 Supply Chain

Partner in recognition of our measurable green results, sustainability innovation, continuous improvement, and industry leadership.

Our operating results would not be possible without the hard work and commitment of our OD Family of employees. We thank each of you, on behalf of all our shareholders and our valued customers, for **Helping the World Keep Promises®** and driving our industry-leading performance. We also thank our fellow shareholders for your investment in Old Dominion Freight Line.

Sincerely,

**Greg C. Gantt**  
President and Chief Executive Officer

**David S. Congdon**  
Executive Chairman of the Board

# SELECTED FINANCIAL DATA

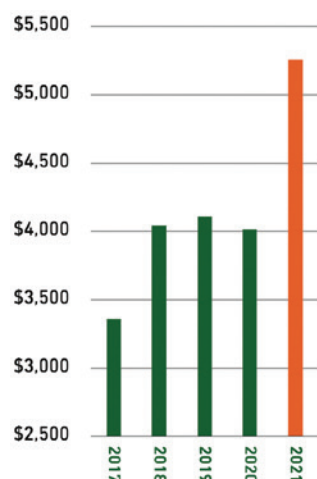
OPERATING STATISTICS:	2021	2020	2019	2018	2017
LTL revenue per hundredweight .....	\$ 25.59	\$ 22.62	\$ 22.64	\$ 21.25	\$ 19.39
LTL revenue per intercity mile .....	\$ 7.32	\$ 6.42	\$ 6.30	\$ 5.99	\$ 5.53
LTL intercity miles (in thousands) .....	707,611	617,805	644,287	665,697	597,616
LTL tons (in thousands) .....	10,119	8,770	8,964	9,379	8,519
LTL shipments (in thousands) .....	12,880	10,869	11,491	11,748	10,736
Average length of haul (in miles) .....	935	925	917	918	917
Service centers .....	251	244	236	235	228
Tractors .....	10,403	9,288	9,296	9,254	8,316
Trailers .....	41,220	36,650	37,539	35,729	32,890

FINANCIAL RESULTS: <sup>(1)</sup>	2021	2020	2019	2018	2017
Revenue from operations .....	\$ 5,256,328	\$ 4,015,129	\$ 4,109,111	\$ 4,043,695	\$ 3,358,112
Operating income .....	\$ 1,391,602	\$ 906,882	\$ 818,706	\$ 817,051	\$ 575,886
Net income .....	\$ 1,034,375	\$ 672,682	\$ 615,518	\$ 605,668	\$ 463,774
Operating ratio .....	73.5%	77.4%	80.1%	79.8%	82.9%
Diluted earnings per share .....	\$ 8.89	\$ 5.68	\$ 5.10	\$ 4.92	\$ 3.75
Diluted weighted average shares outstanding .....	116,410	118,493	120,610	123,030	123,611

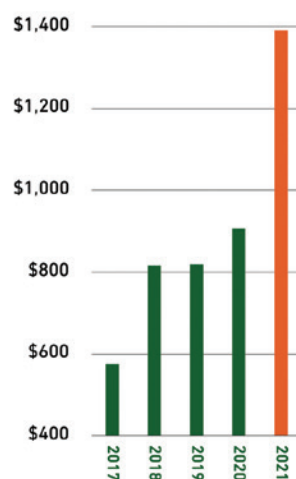
FINANCIAL POSITION: <sup>(1)</sup>	2021	2020	2019	2018	2017
Current assets .....	\$ 1,383,787	\$ 1,243,339	\$ 866,834	\$ 706,229	\$ 584,653
Total assets .....	\$ 4,821,544	\$ 4,369,410	\$ 3,995,568	\$ 3,545,283	\$ 3,068,424
Current liabilities .....	\$ 464,234	\$ 373,130	\$ 366,085	\$ 356,732	\$ 351,049
Long-term debt (including current maturities) .....	\$ 99,947	\$ 99,931	\$ 45,000	\$ 45,000	\$ 95,000
Shareholders' equity .....	\$ 3,679,807	\$ 3,326,288	\$ 3,080,717	\$ 2,680,483	\$ 2,276,854

<sup>(1)</sup> In thousands, except per share amounts and operating statistics.

**REVENUE FROM OPERATIONS**  
(in millions)



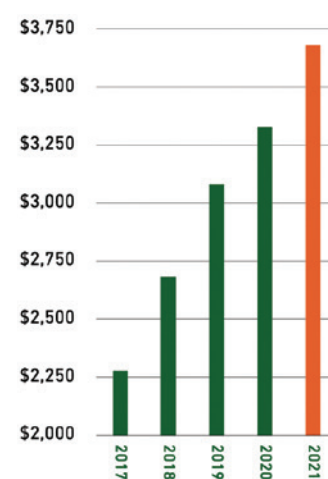
**OPERATING INCOME**  
(in millions)



**DILUTED EARNINGS PER SHARE**



**SHAREHOLDERS' EQUITY**  
(in millions)



# BOARD OF DIRECTORS AND EXECUTIVE OFFICERS

## DAVID S. CONGDON

Director; Executive Chairman of the Board

## SHERRY A. AAHOLM <sup>(1)</sup> <sup>(3)</sup>

Director; Vice President and Chief Digital Officer, Cummins, Inc.

## JOHN R. CONGDON, JR.

Director; Retired Chairman and Chief Executive Officer, Old Dominion Truck Leasing, Inc. and Dominion Dedicated Logistics, Inc.

## BRADLEY R. GABOSCH <sup>(1)</sup> <sup>(3)</sup>

Director; Retired Managing Director, Grant Thornton LLP

## GREG C. GANTT

Director; President and Chief Executive Officer

## PATRICK D. HANLEY <sup>(1)</sup> <sup>(2)</sup>

Director; Retired Senior Vice President - Finance and Accounting, UPS Freight

## JOHN D. KASARDA, PH.D. <sup>(3)</sup>\*

Director; President and Chief Executive Officer of Aerotropolis Business Concepts LLC; President of Aerotropolis Institute China; Faculty, University of North Carolina at Chapel Hill's Kenan-Flagler Business School

## WENDY T. STALLINGS <sup>(2)</sup>

Director; Owner and President, TPI Event Solutions, Inc.; Real estate investor

## THOMAS A. STITH, III <sup>(3)</sup>

Director; President, North Carolina Community College System

## LEO H. SUGGS <sup>(2)</sup> <sup>(3)</sup>

Lead Independent Director; Retired President and Chief Executive Officer, UPS Freight

## D. MICHAEL WRAY <sup>(1)</sup> <sup>(2)</sup>

Director; President, Riverside Brick & Supply Company, Inc.

## KEVIN M. FREEMAN

Executive Vice President and Chief Operating Officer

## DAVID J. BATES

Senior Vice President – Operations

## CHRISTOPHER T. BROOKS

Senior Vice President – Human Resources and Safety

## CECIL E. OVERBEY, JR.

Senior Vice President – Strategic Development

## ROSS H. PARR

Senior Vice President – Legal Affairs, General Counsel and Secretary

## GREGORY B. PLEMMONS

Senior Vice President – Sales

## ADAM N. SATTERFIELD

Senior Vice President – Finance, Chief Financial Officer and Assistant Secretary

(1) Audit Committee • (2) Compensation Committee • (3) Governance and Nomination Committee • \*Committee Chair

## SHAREHOLDER INFORMATION



### FORM 10-K/INVESTOR CONTACT

Our Annual Report on Form 10-K is available on our website, <https://ir.odfl.com/annual-reports>, or a copy (without exhibits) is available at no charge by contacting Adam N. Satterfield, Senior Vice President - Finance and Chief Financial Officer at our corporate office.

### ANNUAL SHAREHOLDERS' MEETING

The Annual Meeting of Shareholders will be held on May 18, 2022 at 10:00 a.m. EDT at our corporate office.

### REGISTRAR AND TRANSFER AGENT

Broadridge Corporate Issuer Solutions, Inc. • P.O. Box 1342 • Brentwood, NY 11717 • 877.830.4936

### INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Ernst & Young LLP • 4131 Parklake Avenue, Suite 500 • Raleigh, NC 27612



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