## Covenant Logistics Group, Inc. Key Financial and Operating Statistics

KCy 1 in	ianciai an	d Operating	Stat	istics	Income Statemer	nt Data		
		Three Mor	nths 1	Ended Decem	ber 31,	Year	Ended Dece	mber 31,
(\$s in 000s, except per share data)		2020		2019	% Change	2020	2019	% Change
Freight revenue	S	210,856	\$	207,311	1.7%	\$ 776,218	\$ 791,260	(1.9%)
Fuel surcharge revenue		14,372		23,245	(38.2%)	62,343	94,127	(33.8%)
Total revenue	\$	225,228	\$	230,556	(2.3%)	\$ 838,561	\$ 885,387	(5.3%)
Operating expenses:								
Salaries, wages, and related expenses		79,059		82,218		315,023	320,498	
Fuel expense		18,179		29,449		77,443	115,307	
Operations and maintenance		11,412		14,691		48,368	59,506	
Revenue equipment rentals and purchased transportation		71,028		58,387		222,705	204,655	
Operating taxes and licenses		2,066		3,305		11,621	13,024	
Insurance and claims		12,562		11,964		53,052	47,719	
Communications and utilities		1,241		1,699		5,898	6,968	
General supplies and expenses		6,575		8,596		34,143	30,089	
Depreciation and amortization		14,199		19,272		65,472	80,502	
Gain on disposition of property and equipment, net		(659)		(691)		(7,706)	(1,650)	)
Impairment of long lived property & equipment		-		-		26,569	-	_
Total operating expenses		215,662		228,890		852,588	876,618	_
Operating income (loss)		9,566		1,666		(14,027)	8,769	
Interest expense, net		924		2,170		6,841	8,218	
Income from equity method investment		(2,973)		531		(3,944)	(7,017)	<u>)</u>
Income (loss) from continuing operations before income taxes		11,615		(1,035)		(16,924)	7,568	
Income tax expense (benefit)		4,166		(1,296)		(2,804)	2,349	_
Income (loss) from continuing operations		7,449		261		(14,120)	5,219	
Income from discontinued operations, net of tax		(33,114)		901		(28,598)	3,258	_
Net income (loss)	\$	(25,665)	\$	1,162		\$ (42,718)	\$ 8,477	_
Basic earnings (loss) per share								_
Income (loss) from continuing operations	\$	0.43	\$	0.01		\$ (0.81)	\$ 0.28	
Income from discontinued operations	\$	(1.93)	\$	0.05		\$ (1.65)	\$ 0.18	
Net income (loss)	\$	(1.50)	\$	0.06		\$ (2.46)	\$ 0.46	_
Diluted earnings (loss) per share								
Income (loss) from continuing operations	\$	0.43	\$	0.01		\$ (0.81)	\$ 0.28	
Income from discontinued operations	\$	(1.93)	\$	0.05		\$ (1.65)	\$ 0.17	_
Net income (loss)	\$	(1.50)	\$	0.06		\$ (2.46)	\$ 0.45	_
Basic weighted average shares outstanding (000s)		17,135		18,462		17,358	18,435	
Diluted weighted average shares outstanding (000s)								

(\$s in 000's)
Expedited - Truckload
Dedicated - Truckload
Combined Truckload

Managed Freight

Warehousing

Consolidated Freight Revenue

Average freight revenue per loaded mile
Average freight revenue per total mile
Average freight revenue per tractor per week
Average miles per tractor per period
Weighted avg. tractors for period
Tractors at end of period
Trailers at end of period

(in '000's, except per share data)
Total assets
Total stockholders' equity
Total indebtedness net of cash

Net Indebtedness to Capitalization Ratio Tangible book value per end-of-quarter basic share

ighted avg. tractors for period		۷,
ctors at end of period		2,
ilers at end of period		5,
	Se	elected
'000's, except per share data)		12/31/2
al assets	\$	667,
al stockholders' equity	\$	200

			Segment Freig	ht Revenues		
Three Mo	nths	Ended Dece	mber 31,	Year l	Ended Dece	mber 31,
2020		2019	% Change	2020	2019	% Change
\$ 69,434	\$	80,643	(13.9%)	\$ 291,471	\$ 314,839	(7.4%)
61,972		72,202	(14.2%)	255,503	290,602	(12.1%)
131,406		152,845	(14.0%)	546,974	605,441	(9.7%)
64,884		42,891	51.3%	177,579	138,614	28.1%
14,566		11,575	25.8%	51,665	47,205	9.4%
\$ 210,856	\$	207,311	1.7%	\$ 776,218	\$ 791,260	(1.9%)

			Truckload Operation	ng Statisti	cs				
Three Mo	nths	<b>Ended Dece</b>	mber 31,		Year	led Decei	ecember 31,		
2020		2019	% Change		2020		2019	% Change	
\$ 2.11	\$	2.09	0.7%	\$	2.04	\$	2.07	(1.4%)	
\$ 1.90	\$	1.89	0.4%	\$	1.85	\$	1.87	(1.2%)	
\$ 4,032	\$	3,857	4.5%	\$	3,872	\$	3,778	2.5%	
27,867		26,774	4.1%		109,622		105,379	4.0%	
2,480		3,015	(17.8%)		2,702		3,073	(12.1%)	
2,461		3,021	(18.5%)		2,461		3,021	(18.5%)	
5,647		6,739	(16.2%)		5,647		6,739	(16.2%)	

 Selected Balan	ice :	Sheet Data
12/31/2020		12/31/2019
\$ 667,513	\$	881,640
\$ 290,642	\$	350,110
\$ 101,963	\$	304,573
26.0%		46.5%
\$ 13.03	\$	15.01

#### Covenant Logistics Group, Inc. Non-GAAP Reconciliation (Unaudited)

Adjusted Operating Income and Adjusted Operating Ratio (1)

Adjusted Operating Inc						
(Dollars in thousands)		s Ended Dece	· · · · · · · · · · · · · · · · · · ·		nded Decer	,
GAAP Presentation	2020	2019	bps Change	2020	2019	bps Change
Total revenue	\$225,228	\$230,556		\$838,561	\$885,387	
Total operating expenses	215,662	228,890	_	852,588	876,618	_
Operating income (loss)	\$9,566	\$1,666	_	(\$14,027)	\$8,769	_
Operating ratio	95.8%	99.3%	(350)	101.7%	99.0%	270
Non-GAAP Presentation	2020	2019	bps Change	2020	2019	bps Change
Total revenue	\$225,228	\$230,556	<u> </u>	\$838,561	\$885,387	
Fuel surcharge revenue	(14,372)	(23,245)		(62,343)	(94,127)	
Freight revenue (total revenue, excluding fuel surcharge)	210,856	207,311	-	776,218	791,260	-
Total operating expenses Adjusted for:	215,662	228,890		852,588	876,618	
Fuel surcharge revenue	(14,372)	(23,245)		(62,343)	(94,127)	
Amortization of intangibles (2)	(1,152)	(731)		(5,097)	(2,924)	
Bad debt expense associated with customer bankruptcy and high credit risk customers	-	-		(2,617)	-	
Insurance policy erosion	-	-		(4,447)	-	
Strategic restructuring adjusting items:						
(Loss) gain on disposal of terminals, net	(972)	-		4,740	-	
Impairment of real estate and related tangible assets	-	-		(9,790)	-	
Impairment of revenue equipment and related charges	-	-		(17,604)	-	
Restructuring related severance and other	(1,543)	-		(4,334)	-	
Abandonment of information technology infrastructure	-	-		(1,048)	-	
Contract exit costs and other restructuring	-	-		(695)	-	
Adjusted operating expenses	197,623	204,914	_	749,353	779,567	=
Adjusted operating income	13,233	2,397	-	26,865	11,693	-
Adjusted operating ratio	93.7%	98.8%	(510)	96.5%	98.5%	(200)

- (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
- (2) "Amortization of intangibles" reflects the non-cash amortization expense relating to intangible assets.

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

(Dollars in thousands)	Three Moi	nths E	nded December 31,	Year Eı	ded December 31
	2020		2019	2020	2019
GAAP Presentation - Net (loss) income	\$ (25,665)	\$	1,162	\$ (42,718)	8,477
Adjusted for:					
Amortization of intangibles (2)	1,152		731	5,097	2,924
Bad debt expense associated with customer bankruptcy and high credit risk customers	-		-	2,617	-
Insurance policy erosion	-		-	4,447	-
Strategic restructuring adjusting items:					
Discontinued operations loss contingency, net (3)	44,151		-	40,431	-
Loss (gain) on disposal of terminals, net	972		-	(4,740)	-
Impairment of real estate and related tangible assets	-		-	9,790	-
Impairment of revenue equipment and related charges	-		-	17,604	-
Restructuring related severance and other	1,543		-	4,334	-
Abandonment of information technology infrastructure	-		-	1,048	-
Contract exit costs and other restructuring	-		-	695	-
Total adjustments before taxes	 47,818		731	81,323	2,924
Provision for income tax expense at effective rate (4)	(11,715)		(20)	(19,924)	-
Tax effected adjustments	\$ 36,103	\$	711	\$ 61,399	3 2,924
Non-GAAP Presentation - Adjusted net income	\$ 10,438	\$	1,873	\$ 18,681	3 11,401
GAAP Presentation - Diluted (loss) earnings per share ("EPS")	(\$1.50)		\$0.06	(\$2.46)	\$0.45
Adjusted for:					
Amortization of intangibles (2)	0.07		0.04	0.29	0.16
Bad debt expense associated with customer bankruptcy and high credit risk customers	-		-	0.15	-
Insurance policy erosion and premium reinstatement expense	-		-	0.26	-
Strategic restructuring adjusting items:					
Discontinued operations loss contingency, net (3)	2.58		-	2.33	-
Loss (gain) on sale of terminal, net	0.06		-	(0.27)	-
Impairment of real estate and related tangible assets	-		-	0.56	-
Impairment of revenue equipment and related charges	-		-	1.01	-
Restructuring related severance and other	0.09		-	0.25	-
Abandonment of information technology infrastructure	-		-	0.06	-
Contract exit costs and other restructuring	 -			0.04	-
Total adjustments before taxes	2.79		0.04	4.69	0.16
Provision for income tax expense at effective rate (4)	 (0.68)		<u> </u>	(1.15)	<u> </u>
Tax effected adjustments	\$2.11		\$0.04	\$3.54	\$0.16
Non-GAAP Presentation - Adjusted EPS	\$0.61		\$0.10	\$1.08	\$0.61

- (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
- (2) "Amortization of intangibles" reflects the non-cash amortization expense relating to intangible assets.
- (2) A \$3,720 gain on disposal of TFS was recognized in Q3 2020, but a contingent liability was subsequently recognized in Q4 related to the indemnification of TBK.

  (4) Year-to-date 2019 includes the non-cash reversal of a portion of a previously recorded federal income tax credit that was settled with the IRS during the third quarter of 2019 totaling \$455 and the recording of a reserve for an uncertain tax position that was previously recorded as a tax benefit in a prior year totaling \$394, where new information effected teh tax position.

# Covenant Logistics Group, Inc. Non-GAAP Reconciliation (Unaudited) Adjusted Operating Income and Adjusted Operating Ratio

(Dollars in thousands)						ended December 31,				
GAAP Presentation			2019							
	Expedited	Dedicated	Truckload	Managed Freight	Warehousing	Expedited	Dedicated	Truckload	22 41,588 41,51303 598 97,099 97,099 98 42,891 41,588 42,891 42 41,588 43,999 (58	Warehousing
Total revenue	\$75,855	\$69,819	\$145,674	\$64,884	\$14,670	\$90,856	\$85,112	\$175,968	\$42,891	\$11,697
Total operating expenses	71,073	71,533	\$142,606	\$59,509	13,548	90,252	86,630	176,882	41,588	10,421
Operating income (loss)	\$4,782	(\$1,714)	\$3,068	\$5,375	\$1,122	\$604	(\$1,518)	(\$914)	\$1,303	\$1,276
Operating ratio	93.7%	102.5%	97.9%	91.7%	92.4%	99.3%	101.8%	100.5%	97.0%	89.1%
Non-GAAP Presentation										
Total revenue	\$75,855	\$69,819	\$145,674	\$64,884	\$14,670	\$90,856	\$85,112	\$175,968	\$42,891	\$11,697
Fuel surcharge revenue	(6,421)	(7,847)	(14,268)	-	(104)	(10,213)	(12,910)	(23,123)	-	(122)
Freight revenue (total revenue, excluding fuel surcharge)	69,434	61,972	131,406	64,884	14,566	80,643	72,202	152,845	42,891	11,575
Total operating expenses	71,073	71,533	142,606	59,509	13,548	90,252	86,630	176,882	41,588	10,421
Adjusted for:										
Fuel surcharge revenue	(6,421)	(7,847)	(14,268)	-	(104)	(10,213)	(12,910)	(23,123)	-	(122)
Amortization of intangibles (2)	-	(601)	(601)	(164)	(387)	-	(379)	(379)	(58)	(294)
Bad debt expense associated with customer bankruptcy and high credit risk customers	-	-	-	-	-	-	-	-	-	-
Strategic restructuring adjusting items:	-	-	-	-	-	-	-	-	-	-
Insurance policy erosion and premium reinstatement expense	-	-	-	-	-	-	-	-	-	-
Gain on sale of terminal	(514)	(458)	(972)	-	-	-		-	-	-
Impairment of real estate and related tangible assets	-	-	-	-	-	-	-	-	-	-
Impairment of revenue equipment and related charges	-	-	-	-	-	-	-	-	-	-
Restructuring related severance and other	(815)	(728)	(1,543)	-	-	-	-	-	-	-
Abandonment of information technology infrastructure	-	-	-	-	-	-	-	-	-	-
Contract exit costs and other restructuring		-	-	-			-	-	-	-
Adjusted operating expenses	63,323	61,899	125,222	59,345	13,057	80,039	73,341	153,380		10,005
Adjusted operating income (loss)	6,111	73	6,184	5,539	1,509	604	(1,139)	(535)	1,361	1,570
Adjusted operating ratio	91.2%	99.9%	95.3%	91.5%	89.6%	99.3%	101.6%	100.4%	96.9%	86.4%
					For the twelve month	s ended December 31,				
GAAP Presentation			2020					2019		
	Expedited	Dedicated	Truckload	Managed Freight	Warehousing	Expedited	Dedicated	Truckload		Warehousing
Total revenue	\$320,201	\$288,652	\$608,853	\$177,579	\$52,128	\$356,521	\$342,473	\$698,994		\$47,778
Total operating expenses	327,239	\$304,188	\$631,427	\$173,097	\$48,065	\$357,781	\$341,285	\$699,066	\$135,292	\$42,256
Operating (loss) income	(\$7,038)	(\$15,536)	(\$22,574)	\$4,482	\$4,063	(\$1,260)				
Operating ratio	102.2%						\$1,188	(\$72)	\$3,323	\$5,522
	102.270	105.4%	103.7%	97.5%	92.2%	100.4%	99.7%	100.0%		
Non-GAAP Presentation					92.2%	100.4%	99.7%	100.0%	97.6%	88.4%
Total revenue	\$320,201	\$288,652	\$608,853	97.5% \$177,579	92.2% \$52,128	100.4% \$356,521	99.7% \$342,473	100.0% \$698,994		\$8.4% \$47,778
Total revenue Fuel surcharge revenue	\$320,201 (28,731)	\$288,652 (33,149)	\$608,853 (\$61,880)	\$177,579	92.2% \$52,128 (463)	\$356,521 (41,682)	99.7% \$342,473 (51,871)	\$698,994 (93,553)	97.6% \$138,615	\$8.4% \$47,778 (573)
Total revenue	\$320,201	\$288,652	\$608,853		92.2% \$52,128	100.4% \$356,521	99.7% \$342,473	100.0% \$698,994	97.6%	\$8.4% \$47,778
Total revenue Fuel surcharge revenue Freight revenue (total revenue, excluding fuel surcharge) Total operating expenses	\$320,201 (28,731)	\$288,652 (33,149)	\$608,853 (\$61,880)	\$177,579	92.2% \$52,128 (463)	\$356,521 (41,682)	99.7% \$342,473 (51,871)	\$698,994 (93,553)	97.6% \$138,615	\$8.4% \$47,778 (573)
Total revenue Fuel surcharge revenue Freight revenue (total revenue, excluding fuel surcharge) Total operating expenses Adjusted for:	\$320,201 (28,731) 291,470 327,239	\$288,652 (33,149) 255,503 304,188	\$608,853 (\$61,880) 546,973 631,427	\$177,579 - 177,579 173,097	92.2% \$52,128 (463) 51,665 48,065	\$356,521 (41,682) 314,839	99.7% \$342,473 (51,871) 290,602 341,285	\$698,994 (93,553) 605,441	97.6% \$138,615 - 138,615 135,292	\$47,778 (573) 47,205 42,256
Total revenue Fuel surcharge revenue Freight revenue (total revenue, excluding fuel surcharge) Total operating expenses Adjusted for: Fuel surcharge revenue	\$320,201 (28,731) 291,470	\$288,652 (33,149) 255,503 304,188 (33,149)	\$608,853 (\$61,880) 546,973 631,427 (61,880)	\$177,579 - 177,579 173,097	92.2% \$52,128 (463) 51,665 48,065 (463)	\$356,521 (41,682) 314,839	99.7% \$342,473 (51,871) 290,602 341,285 (51,871)	\$698,994 (93,553) 605,441 699,066 (93,553)	97.6% \$138,615	\$88.4% \$47,778 (573) 47,205 42,256 (573)
Total revenue Fuel surcharger revenue Freight revenue (total revenue, excluding fuel surcharge)  Total operating expenses Adjusted for: Fuel surcharge revenue Amortization of intangibles (1)	\$320,201 (28,731) 291,470 327,239 (28,731)	\$288,652 (33,149) 255,503 304,188 (33,149) (2,777)	\$608,853 (\$61,880) 546,973 631,427 (61,880) (2,777)	\$177,579 - 177,579 173,097 - (633)	92.2% \$52,128 (463) 51,665 48,065	\$356,521 (41,682) 314,839	99.7% \$342,473 (51,871) 290,602 341,285	\$698,994 (93,553) 605,441	97.6% \$138,615	\$47,778 (573) 47,205 42,256
Total revenue Fuel surcharge revenue Freight revenue (total revenue, excluding fuel surcharge)  Total operating expenses Adjusted for: Fuel surcharge revenue Amortization of intangibles (1) Bad debt expense associated with customer bankruptey and high credit risk customers	\$320,201 (28,731) 291,470 327,239 (28,731)	\$288,652 (33,149) 255,503 304,188 (33,149)	\$608,853 (\$61,880) 546,973 631,427 (61,880)	\$177,579 - 177,579 173,097	92.2% \$52,128 (463) 51,665 48,065 (463)	\$356,521 (41,682) 314,839	99.7% \$342,473 (51,871) 290,602 341,285 (51,871)	\$698,994 (93,553) 605,441 699,066 (93,553)	97.6% \$138,615 138,615	\$88.4% \$47,778 (573) 47,205 42,256 (573)
Total revenue Fuel surcharge revenue Freight revenue (total revenue, excluding fuel surcharge)  Total operating expenses Adjusted for: Fuel surcharge revenue Amortization of intangibles (1) Bad debt expense associated with customer bankruptey and high credit risk customers Strategic restructuring adjusting items:	\$320,201 (28,731) 291,470 327,239 (28,731) - (972)	\$288,652 (33,149) 255,503 304,188 (33,149) (2,777) (867)	\$608,853 (\$61,880) 546,973 631,427 (61,880) (2,777) (1,839)	\$177,579 - 177,579 173,097 - (633)	92.2% \$52,128 (463) 51,665 48,065 (463)	\$356,521 (41,682) 314,839	99.7% \$342,473 (51,871) 290,602 341,285 (51,871)	\$698,994 (93,553) 605,441 699,066 (93,553)	97.6% \$138,615 138,615	\$88.4% \$47,778 (573) 47,205 42,256 (573)
Total revenue Fuel surcharge revenue Freight revenue (total revenue, excluding fuel surcharge)  Total operating expenses Adjusted for: Fuel surcharge revenue Amortization of intangibles <sup>(1)</sup> Bad debt expense associated with customer bankruptey and high credit risk customers Strategie restructuring adjusting items: Insurance policy erosion and premium reinstatement expense	\$320,201 (28,731) 291,470 327,239 (28,731) - (972) (2,627)	\$288,652 (33,149) 255,503 304,188 (33,149) (2,777) (867) - (1,820)	\$608,853 (\$61,880) 546,973 631,427 (61,880) (2,777) (1,839)	\$177,579 - 177,579 173,097 - (633)	92.2% \$52,128 (463) 51,665 48,065 (463)	\$356,521 (41,682) 314,839	99.7% \$342,473 (51,871) 290,602 341,285 (51,871)	\$698,994 (93,553) 605,441 699,066 (93,553)	97.6% \$138,615 138,615	\$47,778 (573) 47,205 42,256 (573)
Total revenue Fuel surcharge revenue Freight revenue (total revenue, excluding fuel surcharge)  Total operating expenses Adjusted for: Fuel surcharge revenue Amortization of intangibles <sup>(1)</sup> Bad debt expense associated with customer bankruptcy and high credit risk customers Strategic restructuring adjusting items: Insurance policy crossion and premium reinstatement expense Gain on sale of terminal	\$320,201 (28,731) 291,470 327,239 (28,731) - (972) (2,627) 2,505	\$288,652 (33,149) 255,503 304,188 (33,149) (2,777) (867) - (1,820) 2,235	\$608,853 (\$61,880) 546,973 631,427 (61,880) (2,777) (1,839) - (4,447) 4,740	\$177,579 177,579 173,097 (633) (778)	92.2% \$52,128 (463) 51,665 48,065 (463)	\$356,521 (41,682) 314,839	99.7% \$342,473 (51,871) 290,602 341,285 (51,871)	\$698,994 (93,553) 605,441 699,066 (93,553)	97.6% \$138,615 138,615	\$88.4% \$47,778 (573) 47,205 42,256 (573)
Total revenue Fuel surcharge revenue Freight revenue (total revenue, excluding fuel surcharge)  Total operating expenses Adjusted for: Fuel surcharge revenue Amortization of intangibles (1) Bad debt expense associated with customer bankruptcy and high credit risk customers Strategic restructuring adjusting items: Insurance policy erosion and premium reinstatement expense Gain on sale of terminal Impairment of real estate and related tangible assets	\$320,201 (28,731) 291,470 327,239 (28,731) - (972) - (2,627) 2,505 (3,991)	\$288,652 (33,149) 255,503 304,188 (33,149) (2,777) (867) - (1,820) 2,235 (3,563)	\$608,853 (\$61,880) \$46,973 631,427 (61,880) (2,777) (1,839) 4,740 (7,554)	\$177,579 - 177,579 173,097 - (633)	92.2% \$52,128 (463) 51,665 48,065 (463)	\$356,521 (41,682) 314,839	99.7% \$342,473 (51,871) 290,602 341,285 (51,871)	\$698,994 (93,553) 605,441 699,066 (93,553)	97.6% \$138,615 138,615	\$47,778 (573) 47,205 42,256 (573)
Total revenue Fuel surcharge revenue Freight reverae (total reverue, excluding fuel surcharge)  Total operating expenses Adjusted for: Fuel surcharge revenue Amortization of intangibles (a) Bad debt expense associated with customer bankruptcy and high credit risk customers Strategic restructuring adjusting items: Insurance policy crosion and premium reinstatement expense Gain on asle of treminal Impairment of read estate and related tangible assets Impairment of revenue equipment and related charges	\$320,201 (28.731) 291,470 327,239 (28.731) - (972) (2,627) 2,505 (3,991) (8,046)	\$288,652 (33,149) 255,503 304,188 (33,149) (2,777) (867) - (1,820) 2,235 (3,563) (9,558)	\$608,853 (\$61,880) \$46,973 631,427 (61,880) (2,777) (1,839) - (4,447) 4,740 (7,554) (17,504)	\$177,579 177,579 173,097 - (633) (778) - (2,236)	92.2% \$52,128 (463) 51,665 48,065 (463)	\$356,521 (41,682) 314,839	99.7% \$342,473 (51,871) 290,602 341,285 (51,871)	\$698,994 (93,553) 605,441 699,066 (93,553)	97.6% \$138,615 138,615	\$47,778 (573) 47,205 42,256 (573)
Total revenue Fuel surcharge revenue Freight revenue (total revenue, excluding fuel surcharge)  Total operating expenses Adjusted for: Fuel surcharge revenue Amortization of intangibles (a) Bad debt expense associated with customer bankruptey and high credit risk customers Strategic restructuring adjusting items: Insurance policy erosion and premium reinstatement expense Gain on sale of terminal Impairment of real estate and related tangible assets Impairment of revenue equipment and related charges Restructuring related severance and other	\$320,201 (28,731) 291,470 327,239 (28,731) - (2,627) 2,505 (3,991) (8,046) (2,290)	\$288,652 (33,149) 255,503 304,188 (33,149) (2,777) (867) - (1,820) 2,235 (3,563) (9,558) (2,044)	\$608,853 (\$61,880) \$46,973 631,427 (61,880) (2,777) (1,839) - (4,447) 4,740 (7,554) (17,604) (4,334)	\$177,579 177,579 173,097  (633) (778)  (2,236)	92.2% \$52,128 (463) 51,665 48,065 (463)	\$356,521 (41,682) 314,839	99.7% \$342,473 (51,871) 290,602 341,285 (51,871)	\$698,994 (93,553) 605,441 699,066 (93,553)	97.6% \$138,615 138,615	\$47,778 (573) 47,205 42,256 (573)
Total revenue Freight revenue (total revenue, excluding fuel surcharge)  Total operating expenses Adjusted for: Fuel surcharge revenue Amorization of intangibles (1) Bad debt expense associated with customer bankruptey and high credit risk customers Strategic restructuring adjusting items: Insurance policy erosion and premium reinstatement expense Gain on sale of terminal Impairment of real estate and related tangible assets Inpairment of revenue equipment and related charges Restructuring related severance and other Abandonment of information technology infrastructure	\$320,201 (28,731) 291,470 327,239 (28,731) (972) (2,627) 2,505 (3,991) (8,046) (2,290) (554)	\$288,652 (33,149) 255,503 304,188 (33,149) (2,777) (867) - (1,820) 2,235 (3,563) (9,558) (2,044) (494)	\$608,853 (\$61,880) 546,973 631,427 (61,880) (2,777) (1,839) - (4,447) 4,740 (7,554) (17,604) (4,334) (1,048)	\$177,579 177,579 173,097  (633) (778)  (2,236)	92.2% \$52,128 (463) 51,665 48,065 (463)	\$356,521 (41,682) 314,839	99.7% \$342,473 (51,871) 290,602 341,285 (51,871)	\$698,994 (93,553) 605,441 699,066 (93,553)	97.6% \$138,615 138,615	\$88.4% \$47,778 (573) 47,205 42,256 (573)
Total revenue Fuel surcharge reverae Freight reverae (total revenue, excluding fuel surcharge)  Total operating expenses Adjusted for: Fuel surcharge revenue Amortization of intangibles <sup>(1)</sup> Bad debt expense associated with customer bankruptey and high credit risk customers Strategic restructuring adjusting items: Insurance policy erosion and premium reinstatement expense Gain on sale of terminal Impairment of real estate and related tangible assets Impairment of revenue equipment and related charges Restructuring related severance and other Abandonment of information technology infrastructure Contract exit costs and other restructuring	\$320,201 (28,731) 291,470 327,239 (28,731) - (2,627) 2,505 (3,991) (8,046) (2,290) (554) (367)	\$288,652 (33,149) 255,503 304,188 (33,149) (2,777) (867) - (1,820) 2,235 (3,563) (9,558) (2,044) (494) (328)	\$608,853 (\$61,880) 546,973 631,427 (61,880) (2,777) (1,839) (4,447) 4,740 (7,554) (17,604) (4,334) (1,048) (695)	\$177.579 177,579 173,097	92.2%  \$52,128 (463) \$1,665  48,065 (463) (1,686)	100.4%  \$356,521 (41.682) 314,839  357,781 (41.682)	99.7%  \$342,473 (51.871) 290,602  341,285 (51.871) (1,516)	100.0%  \$698,994 (93.553) 605,441  699,066 (93.553) (1,516)	97.6%  \$138,615  138,615  135,292	\$8.4% \$47,778 (573) 47,205 42,256 (573) (1,176) - - - -
Total revenue Freight revenue (total revenue, excluding fuel surcharge)  Total operating expenses Adjusted for: Fuel surcharge revenue Amorization of intangibles (1) Bad debt expense associated with customer bankruptey and high credit risk customers Strategic restructuring adjusting items: Insurance policy erosion and premium reinstatement expense Gain on sale of terminal Impairment of real estate and related tangible assets Impairment of revenue equipment and related charges Restructuring related severance and other Abandonment of information technology infrastructure Contract exit costs and other restructuring Adjusted operating expenses	\$320,201 (28,731) 291,470 327,239 (28,731) - (972) 2,505 (3,991) (8,046) (2,290) (554) (554) (367) 28,166	\$288,652 (33,149) 255,503 304,188 (33,149) (2,777) (867) - (1,820) 2,235 (3,563) (9,558) (2,044) (494) (328) (3,583)	\$608,853 (\$61,880) \$46,973 631,427 (61,880) (2,777) (1,839) - (4,447) (7,554) (17,604) (4,334) (1,048) (695) \$33,989	\$177,579 177,579 173,097 - (633) (778) - (2,236) - - 169,450	92.2%  \$52,128 (463) \$1,665  48,065 (463) (1,686) 45,916	100.4%  \$356,521 (41,682) 314,839  357,781 (41,682) 316,099	99.7%  \$342,473 (51,871) 290,602  341,285 (51,871) (1,516)	\$698,994 (93,553) (605,441 (699,066 (93,553) (1,516)	97.6% \$138,615 138,615 135,292 (232) 135,060	\$8.4% \$47,778 (573) 47,205 42,256 (573) (1,176)
Total revenue Fuel surcharge reverae Freight reverae (total revenue, excluding fuel surcharge)  Total operating expenses Adjusted for: Fuel surcharge revenue Amortization of intangibles <sup>(1)</sup> Bad debt expense associated with customer bankruptey and high credit risk customers Strategic restructuring adjusting items: Insurance policy erosion and premium reinstatement expense Gain on sale of terminal Impairment of real estate and related tangible assets Impairment of revenue equipment and related charges Restructuring related severance and other Abandonment of information technology infrastructure Contract exit costs and other restructuring	\$320,201 (28,731) 291,470 327,239 (28,731) - (2,627) 2,505 (3,991) (8,046) (2,290) (554) (367)	\$288,652 (33,149) 255,503 304,188 (33,149) (2,777) (867) - (1,820) 2,235 (3,563) (9,558) (2,044) (494) (328)	\$608,853 (\$61,880) 546,973 631,427 (61,880) (2,777) (1,839) (4,447) 4,740 (7,554) (17,604) (4,334) (1,048) (695)	\$177.579 177,579 173,097	92.2%  \$52,128 (463) \$1,665  48,065 (463) (1,686)	100.4%  \$356,521 (41.682) 314,839  357,781 (41.682)	99.7%  \$342,473 (51.871) 290,602  341,285 (51.871) (1,516)	100.0%  \$698,994 (93.553) 605,441  699,066 (93.553) (1,516)	97.6%  \$138,615  138,615  135,292	\$8.4% \$47,778 (573) 47,205 42,256 (573) (1,176) - - - -

<sup>(1)</sup> 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) "Amortization of intangibles" reflects the non-eash amortization expense relating to intangible assets.