

**Covenant Transportation Group, Inc.
Key Financial and Operating Statistics**

INCOME STATEMENT DATA

Three Months Ended March 31,

(\$000s, except per share data)	<u>2019</u>	<u>2018</u>	<u>% Change</u>
Freight revenue	\$195,761	\$150,463	30.1%
Fuel surcharge revenue	23,420	23,103	1.4%
Total revenue	\$219,181	\$173,566	26.3%
Operating expenses:			
Salaries, wages, and related expenses	79,503	60,739	
Fuel expense	27,832	27,181	
Operations and maintenance	15,174	11,730	
Revenue equipment rentals and purchased transportation	48,670	30,691	
Operating taxes and licenses	3,183	2,660	
Insurance and claims	11,235	8,685	
Communications and utilities	1,718	1,741	
General supplies and expenses	6,731	4,019	
Depreciation and amortization, including gains and losses on disposition of property and equipment	19,709	19,695	
Total operating expenses	213,755	167,141	
Operating income	5,426	6,425	
Interest expense, net	2,446	1,960	
Income from equity method investment	(3,035)	(1,490)	
Income before income taxes	6,015	5,955	
Income tax expense	1,582	1,538	
Net income	\$4,433	\$4,417	
Basic earnings per share	\$0.24	\$0.24	
Diluted earnings per share	\$0.24	\$0.24	
Basic weighted average shares outstanding (000s)	18,381	18,331	
Diluted weighted average shares outstanding (000s)	18,533	18,406	

Three Months Ended March 31,

(\$000s)	<u>2019</u>	<u>2018</u>	<u>% Change</u>
	<u>SEGMENT REVENUES</u>		
Asset-based truckload revenues	\$149,405	\$131,445	13.7%
Managed freight revenues	46,356	19,018	143.7%
Freight revenue	\$195,761	\$150,463	30.1%

OPERATING STATISTICS

Average freight revenue per loaded mile	\$2.096	\$1.949	7.5%
Average freight revenue per total mile	\$1.886	\$1.770	6.6%
Average freight revenue per tractor per week	\$3,724	\$3,993	-6.7%
Average miles per tractor per period	25,389	29,010	-12.5%
Weighted avg. tractors for period	3,120	2,560	21.9%
Tractors at end of period	3,103	2,576	20.5%
Trailers at end of period	7,074	6,736	5.0%

SELECTED BALANCE SHEET DATA

(\$000s, except per share data)	<u>3/31/2019</u>	<u>12/31/2018</u>
Total assets	\$837,933	\$773,524
Total stockholders' equity	\$347,737	\$343,142
Total indebtedness, net of cash	\$278,965	\$254,544
Net Indebtedness to Capitalization Ratio	44.5%	42.6%
Tangible book value per basic share	\$14.94	\$14.65

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

<i>(Dollars in thousands)</i>	Three Months Ended March 31,		
	2019	2018	bps Change
GAAP Presentation			
Total revenue	\$219,181	\$173,566	
Total operating expenses	213,755	167,141	
Operating income	<u>\$5,426</u>	<u>\$6,425</u>	
Operating ratio	<u>97.5%</u>	<u>96.3%</u>	120
Non-GAAP Presentation	2019	2018	bps Change
Total revenue	\$219,181	\$173,566	
Fuel surcharge revenue	(23,420)	(23,103)	
Freight revenue (total revenue, excluding fuel surcharge)	<u>195,761</u>	<u>150,463</u>	
Total operating expenses	213,755	167,141	
Adjusted for:			
Fuel surcharge revenue	(23,420)	(23,103)	
Amortization of intangibles (3)	(731)	-	
Adjusted operating expenses	<u>189,604</u>	<u>144,038</u>	
Adjusted operating income	<u>6,157</u>	<u>6,425</u>	
Adjusted operating ratio	<u>96.9%</u>	<u>95.7%</u>	120

(1) Pursuant to the requirements of Regulation G, this table reconciles consolidated GAAP operating ratio to consolidated non-GAAP 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>	Three Months Ended March 31,	
	2019	2018
GAAP Presentation - Net income	\$4,433	\$4,417
Adjusted for:		
Income tax expense	1,582	1,538
Income before income taxes	<u>6,015</u>	<u>5,955</u>
Amortization of intangibles (3)	731	-
Adjusted income before income taxes	<u>6,746</u>	<u>5,955</u>
Provision for income tax expense at effective rate	(1,774)	(1,538)
Non-GAAP Presentation - Adjusted net income	<u>\$4,972</u>	<u>\$4,417</u>
GAAP Presentation - Diluted earnings per share ("EPS")	\$0.24	\$0.24
Adjusted for:		
Income tax expense	0.09	0.08
Income before income taxes	<u>0.32</u>	<u>0.32</u>
Amortization of intangibles (3)	0.04	-
Adjusted income before income taxes	<u>0.36</u>	<u>0.32</u>
Provision for income tax expense at effective rate	(0.10)	(0.08)
Non-GAAP Presentation - Adjusted EPS	<u>\$0.27</u>	<u>\$0.24</u>

(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.