

OLD DOMINION FREIGHT LINE INC/VA

Form 10-Q

November 09, 2009

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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2009

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**  
(State or other jurisdiction of  
incorporation or organization)

**56-0751714**  
(I.R.S. Employer  
Identification No.)

**500 Old Dominion Way**  
**Thomasville, NC 27360**

(Address of principal executive offices)

(Zip Code)

**(336) 889-5000**

(Registrant's telephone number, including area code)

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

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Large accelerated filer

Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company)

Smaller reporting company

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 9, 2009 there were 37,284,675 shares of the registrant's Common Stock (\$0.10 par value) outstanding.

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**Table of Contents****PART I. FINANCIAL INFORMATION****Item 1. Financial Statements****OLD DOMINION FREIGHT LINE, INC.****CONDENSED BALANCE SHEETS**

<b>(In thousands, except share data)</b>	<b>September 30, 2009 (Unaudited)</b>	<b>December 31, 2008</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 3,641	\$ 24,104
Short-term investments		4,861
Customer receivables, less allowances of \$12,592 and \$11,735, respectively	150,175	139,211
Other receivables	8,450	7,325
Prepaid expenses	15,600	13,461
Deferred income taxes	17,977	20,268
<b>Total current assets</b>	<b>195,843</b>	<b>209,230</b>
Property and equipment:		
Revenue equipment	673,977	611,836
Land and structures	593,617	499,106
Other fixed assets	153,132	138,550
Leasehold improvements	4,017	3,937
<b>Total property and equipment</b>	<b>1,424,743</b>	<b>1,253,429</b>
Accumulated depreciation	(491,102)	(428,944)
<b>Net property and equipment</b>	<b>933,641</b>	<b>824,485</b>
Intangible assets, net	24,864	25,550
Other assets	20,414	15,640
<b>Total assets</b>	<b>\$ 1,174,762</b>	<b>\$ 1,074,905</b>

Note: The Condensed Balance Sheet at December 31, 2008 has been derived from the audited financial statements at that date, but does not include all of the information and footnotes required by U.S. generally accepted accounting principles for complete financial statements.

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

**Table of Contents****OLD DOMINION FREIGHT LINE, INC.****CONDENSED BALANCE SHEETS**

(CONTINUED)

(In thousands, except share data)	September 30, 2009 (Unaudited)	December 31, 2008
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 31,404	\$ 40,999
Compensation and benefits	46,772	43,129
Claims and insurance accruals	31,656	31,181
Other accrued liabilities	17,546	14,909
Current maturities of long-term debt	36,505	11,972
Total current liabilities	163,883	142,190
Long-term liabilities:		
Long-term debt	277,412	240,017
Other non-current liabilities	66,504	60,601
Deferred income taxes	83,644	73,968
Total long-term liabilities	427,560	374,586
Commitments and contingent liabilities		
Total liabilities	591,443	516,776
Shareholders' equity:		
Common stock - \$0.10 par value, 70,000,000 shares authorized, 37,284,675 shares outstanding	3,728	3,728
Capital in excess of par value	90,893	90,893
Retained earnings	488,698	463,508
Total shareholders' equity	583,319	558,129
Total liabilities and shareholders' equity	\$ 1,174,762	\$ 1,074,905

Note: The Condensed Balance Sheet at December 31, 2008 has been derived from the audited financial statements at that date, but does not include all of the information and footnotes required by U.S. generally accepted accounting principles for complete financial statements.

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

**Table of Contents****OLD DOMINION FREIGHT LINE, INC.****CONDENSED STATEMENTS OF OPERATIONS****(Unaudited)**

<b>(In thousands, except share and per share data)</b>	<b>Three Months Ended September 30,</b>		<b>Nine Months Ended September 30,</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
Revenue from operations	\$ 322,763	\$ 415,874	\$ 934,081	\$ 1,201,888
Operating expenses:				
Salaries, wages and benefits	183,755	209,767	541,745	619,509
Operating supplies and expenses	47,994	85,999	132,394	250,425
General supplies and expenses	9,620	12,284	28,030	35,343
Operating taxes and licenses	12,402	13,361	36,844	40,641
Insurance and claims	6,155	8,454	18,790	23,329
Communications and utilities	3,659	3,819	11,212	11,418
Depreciation and amortization	24,036	22,045	70,983	64,727
Purchased transportation	9,296	11,752	25,994	34,383
Building and office equipment rents	3,378	3,620	10,126	10,901
Miscellaneous expenses, net	2,513	2,336	6,493	4,939
Total operating expenses	302,808	373,437	882,611	1,095,615
Operating income	19,955	42,437	51,470	106,273
Non-operating expense (income):				
Interest expense	3,109	3,584	9,693	10,592
Interest income		(230)	(40)	(706)
Other (income) expense, net	(389)	790	148	1,913
Total non-operating expense	2,720	4,144	9,801	11,799
Income before income taxes	17,235	38,293	41,669	94,474
Provision for income taxes	6,740	14,934	16,479	36,845
Net income	\$ 10,495	\$ 23,359	\$ 25,190	\$ 57,629
Basic and diluted earnings per share	\$ 0.28	\$ 0.63	\$ 0.68	\$ 1.55
Weighted average shares outstanding:				
Basic and diluted	37,284,675	37,284,675	37,284,675	37,284,675

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

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## OLD DOMINION FREIGHT LINE, INC.

## CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY

(In thousands)	Common Stock		Capital in	Retained	Total
	Shares	Amount	Excess of Par Value	Earnings	
Balance as of December 31, 2008	37,285	\$ 3,728	\$ 90,893	\$ 463,508	\$ 558,129
Net income (Unaudited)				25,190	25,190
<b>Balance as of September 30, 2009 (Unaudited)</b>	<b>37,285</b>	<b>\$ 3,728</b>	<b>\$ 90,893</b>	<b>\$ 488,698</b>	<b>\$ 583,319</b>

Note: The Condensed Statement of Changes in Shareholders Equity includes information derived from the audited financial statements as of December 31, 2008, but does not include all of the information and footnotes required by U.S. generally accepted accounting principles for complete financial statements.

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



**Table of Contents****OLD DOMINION FREIGHT LINE, INC.****CONDENSED STATEMENTS OF CASH FLOWS**

	Nine Months Ended September 30,	
	2009 (Unaudited)	2008 (Unaudited)
<b>(In thousands)</b>		
Cash flows from operating activities:		
Net income	<b>\$ 25,190</b>	\$ 57,629
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	<b>70,983</b>	64,749
Loss (gain) on sale of property and equipment	<b>10</b>	(2,329)
Deferred income taxes	<b>11,967</b>	3,829
Changes in assets and liabilities, net	<b>(15,939)</b>	7,571
Net cash provided by operating activities	<b>92,211</b>	131,449
Cash flows from investing activities:		