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 June 29, 2019

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: 0-51142

UNIVERSAL LOGISTICS HOLDINGS, INC.
(Exact Name of Registrant as Specified in Its Charter)

Michigan	**38-3640097**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

12755 E. Nine Mile Road
Warren, Michigan 48089
(Address, including Zip Code of Principal Executive Offices)

(586) 920-0100
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, no par value	ULH	The NASDAQ Stock Market LLC

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 every Interactive Data File required to be submitted 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 such files). Yes ☒ No ☐

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

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☒
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares of the registrant's common stock, no par value, outstanding as of August 5, 2019, was 28,383,827.

PART I – FINANCIAL INFORMATION

ITEM 1: FINANCIAL STATEMENTS

UNIVERSAL LOGISTICS HOLDINGS, INC.

Unaudited Consolidated Balance Sheets

(In thousands, except share data)

	June 29, 2019	December 31, 2018
Assets		
Current assets:		
Cash and cash equivalents	$ 6,459	$ 5,727
Marketable securities	9,646	9,333
Accounts receivable – net of allowance for doubtful accounts of $1,706 and $1,772, respectively	204,070	215,991
Other receivables	18,827	19,130
Prepaid expenses and other	22,024	19,830
Due from affiliates	4,202	5,247
Total current assets	265,228	275,258
Property and equipment – net of accumulated depreciation of $249,953 and $231,319, respectively	300,501	303,234
Operating lease right-of-use asset	86,223	-
Goodwill	159,313	145,152
Intangible assets – net of accumulated amortization of $70,825 and $62,624, respectively	111,220	113,775
Deferred income taxes	2,526	2,549
Other assets	3,173	3,179
Total assets	$ 928,184	$ 843,147
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	$ 95,058	$ 92,019
Current portion of long-term debt	56,276	51,903
Insurance and claims	31,583	31,679
Accrued expenses and other current liabilities	23,886	25,126
Current portion of operating lease liabilities	26,298	-
Due to affiliates	16,968	17,764
Income taxes payable	1,010	2,678
Total current liabilities	251,079	221,169
Long-term liabilities:		
Long-term debt, net of current portion	308,110	348,549
Operating lease liabilities, net of current portion	61,122	-
Deferred income taxes	65,751	59,228
Other long-term liabilities	4,749	4,902
Total long-term liabilities	439,732	412,679
Shareholders' equity:		
Common stock, no par value. Authorized 100,000,000 shares; 30,970,452 and 30,965,452 shares issued; 28,383,827 and 28,378,827 shares outstanding, respectively	30,972	30,967
Paid-in capital	4,298	4,230
Treasury stock, at cost; 2,586,625 shares	(52,462)	(52,462)
Retained earnings	259,712	231,525
Accumulated other comprehensive income (loss):		
Interest rate swaps, net of income taxes of $(25) and $94, respectively	(81)	298
Foreign currency translation adjustments	(5,066)	(5,259)
Total shareholders' equity	237,373	209,299
Total liabilities and shareholders' equity	$ 928,184	$ 843,147

See accompanying notes to consolidated financial statements.

UNIVERSAL LOGISTICS HOLDINGS, INC.
Unaudited Consolidated Statements of Income
(In thousands, except per share data)

	Thirteen Weeks Ended		Twenty-six Weeks Ended	
	June 29, 2019	June 30, 2018	June 29, 2019	June 30, 2018
Operating revenues:				
Truckload services	$ 64,846	$ 82,657	$ 130,517	$ 159,849
Brokerage services	89,371	92,486	175,238	170,645
Intermodal services	93,853	54,871	185,021	101,480
Dedicated services	35,867	35,700	72,888	70,720
Value-added services	99,238	100,211	196,917	198,344
Total operating revenues	383,175	365,925	760,581	701,038
Operating expenses:				
Purchased transportation and equipment rent	178,356	178,252	355,681	340,263
Direct personnel and related benefits	93,650	87,403	186,817	173,359
Operating supplies and expenses	30,737	30,336	61,507	58,428
Commission expense	7,858	9,733	15,694	18,645
Occupancy expense	9,859	7,791	19,143	15,164
General and administrative	9,633	7,618	18,874	15,605
Insurance and claims	4,951	5,294	11,303	10,754
Depreciation and amortization	17,415	13,246	34,333	25,464
Total operating expenses	352,459	339,673	703,352	657,682
Income from operations	30,716	26,252	57,229	43,356
Interest income	21	18	43	36
Interest expense	(4,119)	(2,972)	(8,510)	(5,543)
Other non-operating income (expense)	96	336	1,049	(59)
Income before income taxes	26,714	23,634	49,811	37,790
Income tax expense	6,742	5,965	12,542	9,687
Net income	$ 19,972	$ 17,669	$ 37,269	$ 28,103
Earnings per common share:				
Basic	$ 0.70	$ 0.62	$ 1.31	$ 0.99
Diluted	$ 0.70	$ 0.62	$ 1.31	$ 0.99
Weighted average number of common shares outstanding:				
Basic	28,383	28,395	28,382	28,391
Diluted	28,385	28,402	28,383	28,398
Dividends declared per common share	$ 0.105	$ 0.105	$ 0.210	$ 0.210

See accompanying notes to consolidated financial statements.

UNIVERSAL LOGISTICS HOLDINGS, INC.
Unaudited Consolidated Statements of Comprehensive Income
(In thousands)

	Thirteen Weeks Ended		Twenty-six Weeks Ended	
	June 29, 2019	June 30, 2018	June 29, 2019	June 30, 2018
Net Income	$ 19,972	$ 17,669	$ 37,269	$ 28,103
Other comprehensive income:				
Unrealized changes in fair value of interest rate swaps, net of income taxes of $(75), $28, $(120) and $90, respectively	(236)	31	(378)	231
Foreign currency translation adjustments	(36)	(1,346)	192	175
Total other comprehensive income	(272)	(1,315)	(186)	406
Total comprehensive income	$ 19,700	$ 16,354	$ 37,083	$ 28,509

See accompanying notes to consolidated financial statements.

UNIVERSAL LOGISTICS HOLDINGS, INC.
Unaudited Consolidated Statements of Cash Flows
(In thousands)

	Twenty-six Weeks Ended	
	June 29, 2019	**June 30, 2018**
Cash flows from operating activities:		
Net income	$ 37,269	$ 28,103
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	34,333	25,464
Noncash lease expense	14,788	-
(Gain) loss on marketable equity securities	(870)	306
Gain on disposal of property and equipment	(90)	(69)
Amortization of debt issuance costs	293	172
Stock-based compensation	73	246
Provision for doubtful accounts	927	279
Deferred income taxes	5,173	245
Change in assets and liabilities:		
Trade and other accounts receivable	15,361	(36,047)
Prepaid expenses and other assets	(2,025)	188
Accounts payable, accrued expenses and other current liabilities, insurance and claims, and income taxes payable	941	29,791
Principal reduction in operating lease liabilities	(13,938)	—
Due to/from affiliates, net	253	(5,563)
Other long-term liabilities	(651)	259
Net cash provided by operating activities	91,837	43,374
Cash flows from investing activities:		
Capital expenditures	(25,128)	(31,621)
Proceeds from the sale of property and equipment	1,172	1,626
Purchases of marketable securities	—	(499)
Proceeds from sale of marketable securities	557	2,811
Acquisition of business	(22,457)	(35,105)
Net cash used in investing activities	(45,856)	(62,788)
Cash flows from financing activities:		
Proceeds from borrowing - revolving debt	111,771	195,846
Repayments of debt - revolving debt	(139,337)	(188,071)
Proceeds from borrowing - term debt	18,528	34,678
Repayments of debt - term debt	(26,780)	(23,545)
Borrowings under margin account	—	9,521
Repayments under margin account	(541)	(4,231)
Payment of capital lease obligations	—	(45)
Capitalized financing costs	—	(124)
Dividends paid	(9,082)	(4,969)
Net cash (used in) provided by financing activities	(45,441)	19,060
Effect of exchange rate changes on cash and cash equivalents	192	346
Net increase in cash	732	(8)
Cash and cash equivalents – beginning of period	5,727	1,672
Cash and cash equivalents – end of period	$ 6,459	$ 1,664

See accompanying notes to consolidated financial statements.

UNIVERSAL LOGISTICS HOLDINGS, INC.

Unaudited Consolidated Statements of Cash Flows - Continued

(In thousands)

	Twenty-six Weeks Ended	
	June 29, 2019	June 30, 2018
Supplemental cash flow information:		
Cash paid for interest	$ 8,090	$ 5,167
Cash paid for income taxes	$ 9,251	$ 2,751
Acquisition of business:		
Fair value of assets acquired	$ 23,981	$ 38,943
Liabilities assumed	(2,779)	(3,838)
Payment of acquisition obligations	1,255	—
Net cash paid for acquisition of business	$ 22,457	$ 35,105

See accompanying notes to consolidated financial statements.

UNIVERSAL LOGISTICS HOLDINGS, INC.
Unaudited Consolidated Statements of Shareholders' Equity
(In thousands, except per share data)

	Common stock	Paid-in capital	Treasury stock	Retained earnings	Accumulated other comprehensive income (loss)	Total
Balances – December 31, 2017	$ 30,943	$ 3,841	$ (51,532)	$ 186,226	$ (713)	$ 168,765
Net income	—	—	—	10,434	—	10,434
Comprehensive income	—	—	—	—	1,721	1,721
Cumulative effect adjustment - ASU 2014-09 revenue recognition	—	—	—	228	—	228
Cumulative effect adjustment - ASU 2016-01 financial instruments	—	—	—	3,823	(3,823)	—
Dividends paid ($0.070 per share)	—	—	—	(1,988)	—	(1,988)
Stock based compensation	12	233	—	—	—	245
Balances - March 31, 2018	30,955	4,074	(51,532)	198,723	(2,815)	179,405
Net income	—	—	—	17,669	—	17,669
Comprehensive income	—	—	—	—	(1,315)	(1,315)
Dividends paid ($0.105 per share)	—	—	—	(2,981)	—	(2,981)
Balances – June 30, 2018	$ 30,955	$ 4,074	$ (51,532)	$ 213,411	$ (4,130)	$ 192,778
Balances – December 31, 2018	$ 30,967	$ 4,230	$ (52,462)	$ 231,525	$ (4,961)	$ 209,299
Net income	—	—	—	17,297	—	17,297
Comprehensive income	—	—	—	—	86	86
Dividends paid ($0.215 per share)	—	—	—	(6,101)	—	(6,101)
Stock based compensation	5	68	—	—	—	73
Balances - March 30, 2019	30,972	4,298	(52,462)	242,721	(4,875)	220,654
Net income	—	—	—	19,972	—	19,972
Comprehensive income	—	—	—	—	(272)	(272)
Dividends paid ($0.105 per share)	—	—	—	(2,981)	—	(2,981)
Balances – June 29, 2019	$ 30,972	$ 4,298	$ (52,462)	$ 259,712	$ (5,147)	$ 237,373

See accompanying notes to consolidated financial statements.

(1) Basis of Presentation

The accompanying unaudited consolidated financial statements of Universal Logistics Holdings, Inc. and its wholly-owned subsidiaries (collectively, "Universal" or the "Company") have been prepared by the Company's management. In the opinion of management, the unaudited consolidated financial statements include all normal recurring adjustments necessary to present fairly the information required to be set forth therein. All intercompany transactions and balances have been eliminated in consolidation. Certain information and note disclosures normally included in financial statements prepared in accordance with U.S. generally accepted accounting principles have been condensed or omitted from these statements pursuant to such rules and regulations and, accordingly, should be read in conjunction with the consolidated financial statements as of December 31, 2018 and 2017 and for each of the years in the three-year period ended December 31, 2018 included in the Company's Form 10-K filed with the Securities and Exchange Commission. The preparation of the consolidated financial statements requires the use of management's estimates. Actual results could differ from those estimates.

Our fiscal year ends on December 31 and consists of four quarters, each with thirteen weeks.

The Company made certain immaterial reclassifications to items in its prior financial statements so that their presentation is consistent with the format in the financial statements for the period ended June 29, 2019. These reclassifications, however, had no effect on reported consolidated net income, comprehensive income, earnings per common share, cash flows, total assets or shareholders' equity as previously reported.

(2) Recent Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases*. The objective of the new standard is to establish principles for lessees and lessors to report information about the amount, timing, and uncertainty of cash flows arising from a lease. The ASU requires a lessee to recognize the assets and liabilities that arise from leases, including operating leases. Under the new requirements, a lessee will recognize in the statement of financial position a liability to make lease payments (the lease liability) and the right-of-use asset representing the right to the underlying asset for the lease term. For leases with a term of 12 months or less, the lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. In July 2018, the FASB issued additional authoritative guidance providing companies with the option to apply this ASU to new and existing leases within the scope of the guidance as of the beginning of the period of adoption. We elected this transition method of applying the new lease standard on January 1, 2019. In doing so, we also elected the package of practical expedients provided under the guidance, however; we did not elect the hindsight practical expedient when determining the lease term for existing leases. The practical expedient package applies to leases that commenced prior to adoption of the new standard and permits companies not to reassess whether existing or expired contracts are or contain a lease, the lease classification, and any initial direct costs. Upon adoption of the standard, we recorded offsetting lease assets and lease liabilities, resulting in a $88.8 million increase in total assets, a $26.0 million increase in total current liabilities and a $62.8 million increase in total long-term liabilities in our consolidated balance sheet. The amount of accrued rent as of adoption was not material. Prior period amounts were not adjusted and are reported under the accounting standards in effect for those periods. The adoption of the standard did not have a material impact on our results of operations or cash flows. See Note 9 for additional information pertaining to leases.

In February 2018, the FASB issued ASU 2018-02, *Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income*, which amends existing guidance for reporting comprehensive income to reflect changes resulting from the Tax Cuts and Jobs Act of 2017. The amendment provides the option to reclassify stranded tax effects within accumulated other comprehensive income (AOCI) to retained earnings in each period in which the effect of the change in the U.S. federal corporate income tax rate in the Act is recorded. The adoption of this standard did not have a material impact on our financial condition, results of operations, or cash flows.

In June 2016, the FASB issued ASU 2016-13, ("ASU 2016-13"), *Accounting for Credit Losses* (Topic 326). ASU 2016-13 requires the use of an "expected loss" model on certain types of financial instruments. The standard also amends the impairment model for available-for-sale debt securities and requires estimated credit losses to be recorded as allowances instead of reductions to amortized cost of the securities. ASU 2016-13 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2019, with early adoption permitted. The Company is evaluating the new guidance, but does not expect it to have a material impact on its financial condition, results of operations, or cash flows.

(3) Revenue Recognition

The Company broadly groups its services into the following categories: truckload services, brokerage services, intermodal services, dedicated services and value-added services. We disaggregate these categories and report our service lines separately on the Consolidated Statements of Income.

Truckload services include dry van, flatbed, heavy-haul and refrigerated operations. We transport a wide variety of general commodities, including automotive parts, machinery, building materials, paper, food, consumer goods, furniture, steel and other metals on behalf of customers in various industries.

To complement our available capacity, we provide customers freight brokerage services by utilizing third-party transportation providers to move freight. Brokerage services also include full service domestic and international freight forwarding, and customs brokerage.

Intermodal services include rail-truck, steamship-truck and support services. Our intermodal support services are primarily short-to-medium distance delivery of rail and steamship containers between the railhead or port and the customer and drayage services.

Dedicated services are primarily provided in support of automotive and retail customers using van equipment. Dedicated services also include our final mile and ground expedited services. Our dedicated services are primarily short run or round-trip moves within a defined geographic area.

Transportation services are short-term in nature; agreements governing their provision generally have a term of less than one year. They do not contain significant financing components. The Company recognizes revenue over the period transportation services are provided to the customer, including service performed as of the end of the reporting period for loads currently in-transit, in order to recognize the value that is transferred to a customer over the course of the transportation service.

We determine revenue in-transit using the input method, under which revenue is recognized based on the duration of time that has lapsed from the departure date (start of transportation services) to the arrival date (completion of transportation services). Measurement of revenue in-transit requires the application of significant judgment. We calculate the estimated percentage of an order's transit time that is complete at period end, and we apply that percentage of completion to the order's estimated revenue.

Value-added services, which are typically dedicated to individual customer requirements, include material handling, consolidation, sequencing, sub-assembly, cross-dock services, kitting, repacking, warehousing and returnable container management. Value-added revenues are substantially driven by the level of demand for outsourced logistics services. Major factors that affect value-added service revenue includes changes in manufacturing supply chain requirements and production levels in specific industries, particularly the North American automotive and Class-8 heavy-truck industries.

Revenue is recognized as control of the promised goods or services is transferred to our customers, in an amount that reflects the consideration the Company expects to receive in exchange for its services. We have elected to use the "right to invoice" practical expedient to recognize revenue, reflecting that a customer obtains the benefit associated with value-added services as they are provided. The contracts in our value-added services businesses are negotiated agreements, which contain both fixed and variable components. The variability of revenues is driven by volumes and transactions, which are known as of an invoice date. Value-added service contracts typically have terms that extend beyond one year, and they do not include financing components.

The following table provides information related to contract balances associated with our contracts with customers (in thousands):

	June 29, 2019	December 31, 2018
Prepaid expenses and other - contract assets	$ 2,380	$ 1,901

We generally receive payment for performance obligations within 45 days of completion of transportation services and 65 days for completion of value-added services. Contract assets in the table above generally relate to revenue in-transit at the end of the reporting period.

(4) Marketable Securities

The Company accounts for its marketable equity securities in accordance with ASC Topic 321 "*Investments- Equity Securities*." ASC Topic 321 requires companies to measure equity investments at fair value, with changes in fair value recognized in net income. The Company's investments in marketable securities consist of equity securities with readily determinable fair values. The cost of securities sold is based on the specific identification method, and interest and dividends on securities are included in non-operating income (expense).

Marketable equity securities are carried at fair value, with gains and losses in fair market value included in the determination of net income. The fair value of marketable equity securities is determined based on quoted market prices in active markets, as described in Note 8.

The following table sets forth market value, cost, and unrealized gains on equity securities (in thousands):

	June 29, 2019	December 31, 2018
Fair value	$ 9,646	$ 9,333
Cost	8,890	11,143
Unrealized gain (loss)	$ 756	$ (1,810)

The following table sets forth the gross unrealized gains and losses on the Company's marketable securities (in thousands):

	June 29, 2019	December 31, 2018
Gross unrealized gains	$ 912	$ 89
Gross unrealized losses	(156)	(1,899)
Net unrealized gains (losses)	$ 756	$ (1,810)

The following table shows the Company's net realized gains (loss) on marketable equity securities (in thousands):

	Thirteen weeks ended		Twenty-six weeks ended	
	June 29, 2019	June 30, 2018	June 29, 2019	June 30, 2018
Realized gain				
Sale proceeds	$ 557	$ —	$ 557	$ 2,811
Cost of securities sold	443	—	443	2,684
Realized gain	$ 114	$ —	$ 114	$ 127
Realized gain, net of taxes	$ 85	$ —	$ 85	$ 94

During the thirteen-week and twenty-six week periods ended June 29, 2019, our marketable equity securities portfolio experienced a net unrealized pre-tax gain (loss) in market value of approximately $(119,000) and $756,000, respectively, which was reported in other non-operating income (expense) for the period.

During the thirteen-week and twenty-six week periods ended June 30, 2018, our marketable equity securities portfolio experienced a net unrealized pre-tax gain (loss) in market value of approximately $214,000 and $(433,000), respectively, which was reported in other non-operating income (expense) for the period.

(5) Acquisitions

On April 22, 2019, the Company acquired Michael's Cartage, Inc. ("Michael's"). Headquartered in Bridgeview, Illinois, Michael's provides intermodal drayage services to customers primarily within a 300-mile radius of the Chicagoland area. The total cash purchase price was $22.0 million, subject to post-closing adjustments. The Company used available cash and borrowings on its revolving credit facility to finance the acquisition, and is in the process of finalizing the purchase accounting for this transaction. Approximately $0.4 million of transaction related costs were incurred in the acquisition.

The Company accounted for the acquisition in accordance with ASC 805 "*Business Combinations*." Assets acquired and liabilities assumed were recorded at their estimated fair value at acquisition, with the remaining unallocated purchase price recorded as goodwill. The goodwill recorded is included in our transportation segment, and is deductible for income tax purposes. The Company is in the process of finalizing post-closing purchase price adjustments and valuations related to certain assets and liabilities. The preliminary allocation of the purchase price is as follows (in thousands):

Current assets	$	4,198
Property and equipment		2,831
Goodwill		7,717
Intangible assets		9,235
Current liabilities		(461)
Deferred tax liabilities, net		(2,318)
	$	21,202

The intangible assets represent the acquired company's customer relationships and non-competition agreements. The acquired customer relationships are being amortized over a period of 11 years and the non-competition agreements are being amortized over a period of five years. The Company used the discounted cash flow method to estimate the fair value of these acquired intangible assets.

The following unaudited pro forma results of operations present consolidated information of the Company as if Michael's was acquired on January 1, 2018 (in thousands, except per share data):

	Thirteen Weeks Ended				Twenty-six Weeks Ended			
	June 29, 2019		June 30, 2018		June 29, 2019		June 30, 2018	
Operating revenues	$	384,659	$	373,912	$	769,530	$	716,279
Income from operations	$	30,520	$	27,130	$	58,009	$	44,755
Net income	$	19,787	$	18,161	$	37,650	$	28,816
Earnings per common share:								
Basic	$	0.70	$	0.64	$	1.33	$	1.01
Diluted	$	0.70	$	0.64	$	1.33	$	1.01

(6) Goodwill

The changes in the carrying amount of goodwill during the twenty-six weeks ended June 29, 2019 are as follows:

Balance as of January 1, 2019	$	145,152
Michael's Cartage acquisition		7,717
Purchase accounting adjustments		6,444
Balance as of June 29, 2019	$	159,313

During the twenty-six weeks ended June 29, 2019, the Company made purchase accounting adjustments to the preliminary purchase price allocations of the Company's December 7, 2018 acquisition of Deco Logistics, Inc., d/b/a Container Connection, and Oaktree Logistics, Inc. and October 12, 2018 acquisition of Specialized Rail Service, Inc. The adjustments resulted in an increase in goodwill of $6.4 million and in deferred tax liabilities of $0.8 million, with offsetting decreases in intangible assets of $3.6 million, $3.4 million in property and equipment and $0.2 million in other current assets.

At June 29, 2019 and December 31, 2018, $103.0 million and $88.9 million of goodwill was recorded in our transportation segment, respectively. At both June 29, 2019 and December 31, 2018, $56.3 million of goodwill was recorded in our logistics segment.

(7) Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities are comprised of the following (in thousands):

		June 29, 2019		December 31, 2018
Payroll related items	$	12,352	$	11,476
Driver escrow liabilities		6,387		3,923
Commissions, taxes and other		5,147		9,727
Total	$	23,886	$	25,126

(8) Debt

Debt is comprised of the following (in thousands):

	Interest Rates at June 29, 2019		June 29, 2019		December 31, 2018
Outstanding Debt:					
Credit and Security Agreement (1)					
Term Loan	3.90%	$	146,250	$	150,000
Revolver	3.90%		53,022		80,588
Equipment Financing (2)	3.18% to 5.13%		124,606		126,162
Real Estate Financing (3)	4.65%		42,918		45,864
Margin Facility (4)	3.50%		—		541
Unamortized debt issuance costs			(2,410)		(2,703)
			364,386		400,452
Less current portion of long-term debt			56,276		51,903
Total long-term debt, net of current portion		$	308,110	$	348,549

(1) The Credit and Security Agreement (the "Credit Agreement") provides for maximum borrowings of $350 million in the form of a $150 million term loan and a $200 million revolver. Term loan proceeds were advanced on November 27, 2018 and mature on November 26, 2023. The term loan will be repaid in consecutive quarterly installments, as defined in the Credit Agreement, commencing March 31, 2019, with the remaining balance due at maturity. Borrowings under the revolving credit facility may be made until and mature on November 26, 2023. Borrowings under the Credit Agreement bear interest at LIBOR or a base rate, plus an applicable margin for each based the Company's leverage ratio. The Credit Agreement is secured by a first priority pledge of the capital stock of applicable subsidiaries, as well as first priority perfected security interest in cash, deposits, accounts receivable, and selected other assets of the applicable borrowers. The Credit Agreement includes customary affirmative and negative covenants and events of default, as well as financial covenants requiring minimum fixed charge coverage and leverage ratios, and customary mandatory prepayments provisions. At June 29, 2019, we were in compliance with all covenants under the facility, and $147.0 million was available for borrowing on the revolver.

(8) Debt – continued

(2) The Equipment Financing consists of a series of promissory notes issued by a wholly-owned subsidiary in order to finance transportation equipment. The equipment notes, which are secured by liens on selected titled vehicles, include certain affirmative and negative covenants and are generally payable in 60 monthly installments and bear interest at fixed rates ranging from 3.18% to 5.13%. At June 29, 2019, we were in compliance with all covenants.

(3) The Real Estate Financing consists of a series of promissory notes issued by a wholly-owned subsidiary in order to finance certain real property. The promissory notes, which are secured by first mortgages and assignment of leases on specific parcels of real estate and improvements, include certain affirmative and negative covenants and are generally payable in 120 monthly installments. Each of the notes bears interest at LIBOR plus 2.25%. At June 29, 2019, we were in compliance with all covenants.

(4) The Margin Facility is a short-term line of credit secured by our portfolio of marketable securities. It bears interest at LIBOR plus 1.10%. The amount available under the line of credit is based on a percentage of the market value of the underlying securities. At June 29, 2019, the maximum available borrowings under the line of credit were $5.3 million.

The Company is also party to two interest rate swap agreements that qualify for hedge accounting. The swap agreements were executed to fix a portion of the interest rates on its variable rate debt that have a combined notional amount of $15.7 million at June 29, 2019. Under the swap agreements, the Company receives interest at the one-month LIBOR rate plus 2.25%, and pays a fixed rate. The March 2016 swap (swap A) became effective October 2016, has a rate of 4.16% (amortizing notional amount of $10.0 million) and expires July 2026, and an additional March 2016 swap (swap B) became effective October 2016, has a rate of 3.83% (amortizing notional amount of $5.7 million) and expires May 2022. At June 29, 2019, the fair value of the swap agreements was a liability of $0.1 million. Since these swap agreements qualify for hedge accounting, the changes in fair value are recorded in other comprehensive income (loss), net of tax. See Note 9 for additional information pertaining to interest rate swaps.

(9) Fair Value Measurements and Disclosures

FASB ASC Topic 820, "*Fair Value Measurements and Disclosures*," defines fair value as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date and expanded disclosures with respect to fair value measurements.

FASB ASC Topic 820 also establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- Level 1 — Quoted prices in active markets for identical assets or liabilities.
- Level 2 — Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3 — Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

(9) Fair Value Measurements and Disclosures – continued

We have segregated all financial assets and liabilities that are measured at fair value on a recurring basis into the most appropriate level within the fair value hierarchy based on the inputs used to determine the fair value at the measurement date in the tables below (in thousands):

	June 29, 2019			
	Level 1	Level 2	Level 3	Fair Value Measurement
Assets				
Cash equivalents	$ 17	$ —	$ —	$ 17
Marketable securities	9,646	—	—	9,646
Total	$ 9,663	$ —	$ —	$ 9,663
Liabilities				
Interest rate swaps	$ —	$ 100	$ —	$ 100
Total	$ —	$ 100	$ —	$ 100

	December 31, 2018			
	Level 1	Level 2	Level 3	Fair Value Measurement
Assets				
Marketable securities	$ 9,333	$ —	$ —	$ 9,333
Interest rate swaps	—	392	—	392
Total	$ 9,333	$ 392	$ —	$ 9,725

The valuation techniques used to measure fair value for the items in the tables above are as follows:

- Cash equivalents – This category consists of money market funds which are listed as Level 1 assets and measured at fair value based on quoted prices for identical instruments in active markets.
- Marketable securities – Marketable securities represent equity securities, which consist of common and preferred stocks, are actively traded on public exchanges and are listed as Level 1 assets. Fair value was measured based on quoted prices for these securities in active markets.
- Interest rate swaps – The fair value of our interest rate swaps, as provided by a third party service provider, is determined using a methodology of netting the discounted future fixed cash payments (or receipts) and the discounted expected variable cash receipts (or payments). The variable cash receipts (or payments) are based on the expectation of future interest rates (forward curves) derived from observed market interest rate curves. The fair value measurement also incorporates credit valuation adjustments to appropriately reflect both the Company's nonperformance risk and the respective counterparty's nonperformance risk.

Our revolving credit and term loan agreements and our real estate promissory notes consist of variable rate borrowings. We categorize borrowings under these credit agreements as Level 2 in the fair value hierarchy. The carrying value of these borrowings approximate fair value because the applicable interest rates are adjusted frequently based on short-term market rates.

For our equipment promissory notes, the fair values are estimated using discounted cash flow analyses, based on our current incremental borrowing rates for similar types of borrowing arrangements. We categorize borrowings under this credit agreement as Level 2 in the fair value hierarchy. The carrying value and estimated fair value of these promissory notes at June 29, 2019 is summarized as follows:

	Carrying Value	Estimated Fair Value
Equipment promissory notes	$ 124,606	$ 125,322

We have not elected the fair value option for any of our financial instruments.

(10) Leases

On January 1, 2019, we adopted ASU 2016-02, *Leases*, which required us to recognize a right-of-use asset and a corresponding lease liability on our balance sheet for most leases classified as operating leases under previous guidance. Right-of-use assets represent our right to use an underlying asset over the lease term and lease liabilities represent the obligation to make lease payments resulting from the lease agreement. We recognize a right-of-use asset and a lease liability on the effective date of a lease agreement.

We initially record these assets and liabilities based on the present value of lease payments over the lease term using our incremental borrowing rate applicable to the leased asset or the implicit rate in the lease if it is readily determinable. Most of our leases did not provide a readily determinable implicit rate, and therefore we estimated our incremental borrowing rate based on information available at lease commencement. The incremental borrowing rate is defined as the rate of interest that we would have to pay to borrow, on a collateralized basis and over a similar term, an amount equal to the lease payments in a similar economic environment. We elected to utilize a portfolio approach and applied the rates to a portfolio of leases with similar underlying assets and terms. Upon adoption of the new lease standard, discount rates used for existing leases were established at January 1, 2019. ASU 2016-02 was adopted as of the effective date, and as such prior period amounts are reported under the accounting standards in effect for those periods.

As of June 29, 2019, our obligations under operating lease arrangements primarily related to the rental of office space, warehouses, freight distribution centers, terminal yards and equipment. Our lease obligations typically do not include options to purchase the leased property, nor do they contain residual value guarantees or material restrictive covenants. Options to extend or terminate an agreement are included in the lease term when it becomes reasonably certain the option will be exercised. As of June 29, 2019, we were not reasonably certain of exercising any renewal or termination options, and as such, no adjustments were made to the right-of-use lease assets or corresponding liabilities.

We did not separate lease and nonlease components of contracts for purposes of determining the right-of use lease asset and corresponding liability. Variable lease components that do not depend on an index or a rate, and variable nonlease components were also not contemplated in the calculation of the right-of-use asset and corresponding liability. For facility leases, variable lease costs include the costs of common area maintenance, taxes, and insurance for which we pay the lessors an estimate that is adjusted to actual expense on a quarterly or annual basis depending on the underlying contract terms. For equipment leases, variable lease costs may include additional fees associated with using equipment in excess of estimated amounts. Leases with an initial term of 12 months or less, short-term leases, are not recorded on the balance sheet. Lease expense for short-term and long-term operating leases is recognized on a straight-line basis over the lease term.

The following table summarizes our lease costs for the thirteen weeks and twenty-six weeks ended June 29, 2019 and related information (in thousands):

	Thirteen weeks ended June 29, 2019		
	With Affiliates	With Third Parties	Total
Lease cost			
Operating lease cost	$ 2,864	$ 5,933	$ 8,797
Short-term lease cost	105	888	993
Variable lease cost	209	311	520
Sublease income	-	(701)	(701)
Total lease cost	$ 3,178	$ 6,431	$ 9,609

	Twenty-six weeks ended June 29, 2019		
	With Affiliates	With Third Parties	Total
Lease cost			
Operating lease cost	$ 5,701	$ 11,273	$ 16,974
Short-term lease cost	295	2,091	2,386
Variable lease cost	297	556	853
Sublease income	-	(1,372)	(1,372)
Total lease cost	$ 6,293	$ 12,548	$ 18,841

(10) Leases – continued

The following table summarizes other lease related information as of and for the twenty-six week period ended June 29, 2019 (in thousands):

	With Affiliates	With Third Parties	Total
Other information			
Cash paid for amounts included in the measurement of operating leases	$ 5,841	$ 10,238	$ 16,079
Right-of-use assets obtained in exchange for new operating lease liabilities	$ 3,335	$ 4,433	$ 7,768
Weighted-average remaining lease term (in years)	5.1	4.4	4.6
Weighted-average discount rate	5.0%	5.0%	5.0%

Future minimum lease payments under these operating leases as of June 29, 2019, are as follows (in thousands):

	With Affiliates	With Third Parties	Total
Year one	$ 10,038	$ 19,892	$ 29,930
Year two	7,011	15,358	22,369
Year three	4,853	8,081	12,934
Year four	3,622	6,120	9,742
Year five	3,598	4,358	7,956
Thereafter	6,305	9,001	15,306
Total required lease payments	$ 35,427	$ 62,810	$ 98,237
Less amounts representing interest			(10,817)
Present value of lease liabilities			$ 87,420

(11) Transactions with Affiliates

CenTra, Inc. (“CenTra”), an affiliate of the Company that is owned by our controlling shareholders, provides administrative support services to Universal in the ordinary course of business, including legal, human resources, tax, and IT infrastructure and related services. The cost of these services is based on the actual or estimated utilization of the specific service.

Universal also purchases other services from CenTra and other affiliates under common control with CenTra. Following is a schedule of costs incurred and included in operating expenses for services provided by affiliates for the thirteen weeks and twenty-six weeks ended June 29, 2019 and June 30, 2018 (in thousands):

	Thirteen weeks ended		Twenty-six weeks ended	
	June 29, 2019	June 30, 2018	June 29, 2019	June 30, 2018
Administrative support services	$ 786	$ 616	$ 1,500	$ 1,731
Truck fuel, tolls and maintenance	212	377	514	881
Real estate rent and related costs	1,950	3,575	5,193	7,581
Insurance and employee benefit plans	15,938	12,224	25,412	23,513
Purchased transportation and equipment rent	9	1,069	17	1,072
Total	$ 18,895	$ 17,861	$ 32,636	$ 34,778

We pay CenTra the direct variable cost of maintenance, fueling and other operational support costs for services delivered at our affiliate’s trucking terminals that are geographically remote from our own facilities. Such costs are billed when incurred, paid on a routine basis, and reflect actual labor utilization, repair parts costs or quantities of fuel purchased. In connection with our transportation services, we also pay tolls and other fees for international bridge crossings to certain related entities which are under common control with CenTra.

(11) Transactions with Affiliates – continued

A significant number of our operating locations are located in facilities leased from affiliates. At 36 facilities, occupancy is based on either month-to-month or contractual, multi-year lease arrangements which are billed and paid monthly. Leasing properties provided by an affiliate that owns a substantial commercial property portfolio affords us significant operating flexibility; however, we are not limited to such arrangements.

We purchase workers' compensation, property and casualty, cargo, warehousing and other general liability insurance from an insurance company controlled by our majority shareholders. Our employee health care benefits and 401(k) programs are also provided by this affiliate.

Other services from affiliates, including contracted transportation services, are delivered to us on a per-transaction-basis or pursuant to separate contractual arrangements provided in the ordinary course of business. At June 29, 2019 and December 31, 2018, amounts due to affiliates were $17.0 million and $17.8 million, respectively. In our Consolidated Balance Sheets, we record our insured claims liability and the related recovery from an affiliate insurance provider in insurance and claims, and other receivables. At June 29, 2019 and December 31, 2018, there were $9.8 million and $10.5 million, respectively, included in each of these accounts for insured claims.

We made purchases of used equipment from an affiliate during the twenty-six weeks ended June 30, 2018 totaling $8,300, and purchased wheels and tires from an affiliate for new trailering equipment totaling $23,000 during the same period. There were no such purchases made during the twenty-six weeks ended June 29, 2019.

Services provided by Universal to Affiliates

We periodically assist our affiliates by providing selected transportation and logistics services in connection with their specific customer contracts or purchase orders. Following is a schedule of services provided to affiliates for the thirteen weeks and twenty-six weeks ended June 29, 2019 and June 30, 2018 (in thousands):

	Thirteen weeks ended		Twenty-six weeks ended	
	June 29, 2019	June 30, 2018	June 29, 2019	June 30, 2018
Purchased transportation and equipment rent	$ 483	$ 195	$ 732	$ 337
Total	$ 483	$ 195	$ 732	$ 337

At June 29, 2019 and December 31, 2018, amounts due from affiliates were $4.2 million and $5.2 million, respectively.

(12) Stock Based Compensation

On April 23, 2014, our Board of Directors adopted the 2014 Amended and Restated Stock Incentive Plan, or the Plan. The Plan was approved by our shareholders at the 2014 Annual Meeting and became effective as of the date it was adopted by the Board of Directors. The Plan replaced our 2004 Stock Incentive Plan and carried forward the shares of common stock that remained available for issuance under the 2004 Stock Incentive Plan. The grants may be made in the form of stock options, restricted stock bonuses, restricted stock purchase rights, stock appreciation rights, phantom stock units, restricted stock units or unrestricted common stock. Restricted stock awards currently outstanding under the 2004 Stock Incentive Plan will remain outstanding in accordance with the terms of that plan.

On February 22, 2017 and February 24, 2016, the Company granted 10,000 and 10,000 shares, respectively, of restricted stock to our Chief Executive Officer. The restricted stock grants have fair values of $13.45 per share and $15.55 per share, respectively, based on the closing price of the Company's stock on each grant date. For each award, 25% of the shares vested immediately on the grant dates, and the remaining shares vest in three equal installments with the final vesting of the 2017 award to occur on March 5, 2020, in each case subject to continued employment with the Company.

On February 20, 2019, the Company granted 44,500 shares of restricted stock to certain of its employees, including 12,000 shares to our Chief Executive Officer and 10,000 shares to our Chief Financial Officer. The restricted stock grants have a grant date fair value of $23.56 per share, based on the closing price of the Company's stock, and will vest in four equal increments on each February 20 in 2020, 2021, 2022 and 2023, in each case subject to continued employment with the Company.

A grantee's vesting of restricted stock awards may be accelerated under certain conditions, including retirement.

(12) Stock Based Compensation - continued

The following table summarizes the status of the Company's non-vested shares and related information for the period indicated:

	Shares	Weighted Average Grant Date Fair Value
Non-vested at January 1, 2019	7,500	$ 14.15
Granted	44,500	$ 23.56
Vested	(5,000)	$ 14.50
Forfeited	—	$ —
Balance at June 29, 2019	47,000	$ 23.02

In the twenty-six week periods ended June 29, 2019 and June 30, 2018, the total grant date fair value of vested shares recognized as compensation costs was $0.1 million and $0.2 million, respectively. As of June 29, 2019, there was approximately $1.2 million of total unrecognized compensation cost related to non-vested share-based compensation arrangements. That cost is expected to be recognized on a straight-line basis over the remaining vesting period. As a result, the Company expects to recognize stock-based compensation expense of $0.3 million in each year of 2020, 2021, 2022 and 2023.

(13) Earnings Per Share

Basic earnings per common share amounts are based on the weighted average number of common shares outstanding, excluding outstanding non-vested restricted stock. Diluted earnings per common share include dilutive common stock equivalents determined by the treasury stock method. For the thirteen weeks and twenty-six weeks ended June 29, 2019, there were 926 and 904 weighted average non-vested shares of restricted stock, respectively, included in the denominator for the calculation of diluted earnings per share. For the thirteen weeks and twenty-six weeks ended June 30, 2018, there were 7,200 and 6,976 weighted average non-vested shares of restricted stock, respectively, included in the denominator for the calculation of diluted earnings per share

In each of the thirteen weeks and twenty-six weeks ended June 29, 2019, 44,500 shares of non-vested restricted stock were excluded from the calculation of diluted earnings per share because such shares were anti-dilutive. No shares were excluded from the calculation of diluted earnings per share for the thirteen weeks or twenty-six weeks ended June 30, 2018.

(14) Dividends

On April 25, 2019, our Board of Directors declared the regular quarterly cash dividend of $0.105 per share of common stock, payable to shareholders of record at the close of business on May 6, 2019 and paid on May 16, 2019. Declaration of future cash dividends is subject to final determination by the Board of Directors each quarter after its review of our financial condition, results of operations, capital requirements, any legal or contractual restrictions on the payment of dividends and other factors the Board of Directors deems relevant.

(15) Segment Reporting

We report our financial results in two reportable segments, the transportation segment and the logistics segment, based on the nature of the underlying customer commitment and the types of investments required to support these commitments. This presentation reflects the manner in which management evaluates our operating segments, including an evaluation of economic characteristics and applicable aggregation criteria.

Operations aggregated in our transportation segment are associated with individual freight shipments coordinated by our agents, company-managed terminals and specialized services operations. In contrast, operations aggregated in our logistics segment deliver value-added services or transportation services to specific customers on a dedicated basis, generally pursuant to contract terms of one year or longer. Other non-reportable operating segments are comprised of the Company's subsidiaries that provide support services to other subsidiaries and to owner-operators, including shop maintenance and equipment leasing.

The following tables summarize information about our reportable segments as of and for the thirteen week and twenty-six week periods ended June 29, 2019 and June 30, 2018 (in thousands):

	Thirteen weeks ended June 29, 2019			
	Transportation	Logistics	Other	Total
Operating revenues	$ 251,777	$ 131,160	$ 238	$ 383,175
Eliminated inter-segment revenues	415	126	-	541
Income from operations	13,294	17,339	83	30,716
Total assets	539,943	350,027	38,214	928,184

	Thirteen weeks ended June 30, 2018			
	Transportation	Logistics	Other	Total
Operating revenues	$ 234,157	$ 131,397	$ 371	$ 365,925
Eliminated inter-segment revenues	159	2,945	-	3,104
Income from operations	10,275	15,014	963	26,252
Total assets	370,212	296,947	20,752	687,911

	Twenty-six weeks ended June 29, 2019			
	Transportation	Logistics	Other	Total
Operating revenues	$ 498,482	$ 261,559	$ 540	$ 760,581
Eliminated inter-segment revenues	926	625	-	1,551
Income from operations	25,826	31,159	244	57,229
Total assets	539,943	350,027	38,214	928,184

	Twenty-six weeks ended June 30, 2018			
	Transportation	Logistics	Other	Total
Operating revenues	$ 440,265	$ 260,046	$ 727	$ 701,038
Eliminated inter-segment revenues	930	5,747	—	6,677
Income from operations	20,388	22,447	521	43,356
Total assets	370,212	296,947	20,752	687,911

(16) Commitments and Contingencies

Our principal commitments relate to long-term real estate leases and payment obligations to equipment vendors.

On October 16, 2017, a jury in state court in Cook County, Illinois rendered a verdict of $54.2 million against Universal Am-Can, Ltd. ("UACL") in the matter of Denton v. UACL, et al. The litigation relates to a vehicular accident that occurred on February 8, 2011 on I-65 in Rensselaer, Indiana. The accident involved a tractor-trailer being driven by an independent owner-operator of UACL. The driver was braking on the expressway in order to avoid another vehicle being driven the wrong way on the interstate. The truck attempted to avoid the oncoming vehicle and the plaintiff's vehicle and, in so doing, struck the plaintiff's vehicle. As a result of the accident, the plaintiff sustained non-life threatening injuries. In connection with the verdict, the jury determined that UACL was responsible for the liability associated with the accident. The verdict included $19.2 million in compensatory damages and $35.0 million in punitive damages against UACL. Interest on the verdict accrues at a rate of 9% per year. The insurance coverage available for reimbursement of UACL's damages underlying the verdict is limited to $1.0 million. We believe the facts and the law do not support the jury's findings of liability against UACL. The Company has filed an appeal with the Appellate Court of Illinois First Judicial District to overturn the verdict and the judgment. Enforcement of the judgment has been stayed pending the outcome of the appeal. The Company currently estimates the possible range of financial exposure in the matter, net of insurance coverage and before advances made to plaintiffs, to be between $18.2 and $53.2 million. Based on the Company's best estimate of the liability at this time, the Company recorded an accrued liability for this matter of $18.2 million, which is inclusive of any interest accruing and before consideration of advances made. In September 2018, the Company made a $7.0 million advance, the amount of which will be used as an offset against the ultimate resolution. As such, this amount was recorded as a reduction of the Company's accrued liability. While we cannot predict with any certainty the outcome of this litigation, its ultimate resolution could be significantly different from our estimate and materially affect our financial condition, results of operations and cash flows.

The Company was plaintiff in a lawsuit that was filed on June 11, 2015 against, among others, Dalton Logistics, Inc. ("Dalton") in the United States District Court for the Southern District of Texas. The Company was seeking approximately $1.9 million in damages from a debtor relating to unpaid freight charges. In response to the filing of the complaint, the shareholders of Dalton filed a counterclaim against the Company alleging that the Company, in connection with certain unrelated negotiations with the defendant, breached an alleged agreement to acquire Dalton. The respective claims proceeded to trial and, on July 21, 2017, a jury returned two separate verdicts: One in favor of Universal for $1.9 million, and a second in favor of the defendant for approximately $5.7 million. On October 30, 2017, the court entered a judgment against Universal for the $5.7 million, but ignored the $1.9 million jury award in favor of Universal. The Company has filed an appeal with the United States Court of Appeals for the Fifth Circuit to overturn the verdict and the judgment. Enforcement of the judgment has been stayed pending the outcome of the appeal. The Company currently estimates the possible range of financial exposure in the matter to be between $0 and $5.7 million. Based on the Company's best estimate of the liability at this time, the Company has recorded an accrued liability for this matter of $1.8 million. While we cannot predict with any certainty the outcome of this litigation, management does not believe the outcome will have a material adverse effect on our business, financial condition, results of operations or cash flows.

The Company is involved in certain other claims and pending litigation arising from the ordinary conduct of business. We also provide accruals for claims within our self-insured retention amounts. Based on the knowledge of the facts, and in certain cases, opinions of outside counsel, in the Company's opinion the resolution of these claims and pending litigation will not have a material effect on our financial position, results of operations or cash flows. However, if we experience claims that are not covered by our insurance or that exceed our estimated claim reserve, it could increase the volatility of our earnings and have a materially adverse effect on our financial condition, results of operations or cash flows.

At June 29, 2019, approximately 27% of our employees in the United States, Canada and Colombia, and 87% of our employees in Mexico are subject to collective bargaining agreements that are renegotiated periodically, less than 10% of which are subject to contracts that expire in 2019.

(17) Subsequent Events

On July 25, 2019, our Board of Directors declared Universal's second quarter cash dividend of $0.105 per share of common stock, payable to shareholders of record at the close of business on August 5, 2019 and expected to be paid on August 12, 2019. The Board also declared that Universal's third quarter cash dividend of $0.105 per share is payable on October 1, 2019 to shareholders of record on September 2, 2019. Declaration of future cash dividends is subject to final determination by the Board of Directors each quarter after its review of our financial condition, results of operations, capital requirements, any legal or contractual restrictions on the payment of dividends and other factors the Board of Directors deems relevant.

On August 2, 2019, our Board of Directors authorized the repurchase of up to 300,000 shares of our common stock through a "Dutch auction" tender offer. Subject to certain limitations and legal requirements, we could repurchase up to an additional 2% of our outstanding shares. The tender offer began on the date of the announcement, August 5, 2019 and will expire on September 3, 2019. Through this tender offer, the Company's shareholders will have the opportunity to tender some or all of their shares at a price within the range of $21.00 to $24.00 per share. The Company anticipates using available cash and cash equivalents and from funds borrowed under its revolving credit facility to pay for the shares tendered.

ITEM 2: MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Some of the statements and assumptions in this Form 10-Q are forward-looking statements. These statements identify prospective information. Important factors could cause actual results to differ, possibly materially, from those in the forward-looking statements. In some cases you can identify forward-looking statements by words such as “anticipate,” “believe,” “could,” “estimate,” “plan,” “intend,” “may,” “should,” “will” and “would” or other similar words. You should read statements that contain these words carefully because they discuss our future expectations, contain projections of our future results of operations or of our financial position or state other “forward-looking” information. Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times at, or by which, such performance or results will be achieved. Forward-looking information is based on information available at the time and/or management’s good faith belief with respect to future events, and is subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in the statements. The factors listed in the section captioned “Risk Factors” in Item 1A in our Form 10-K for the year ended December 31, 2018, as well as any other cautionary language in that Form 10-K, provide examples of risks, uncertainties and events that may cause our actual results to differ materially from the expectations we describe in our forward-looking statements.

Forward-looking statements speak only as of the date the statements are made. We assume no obligation to update forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information except to the extent required by applicable securities laws. If we do update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect thereto or with respect to other forward-looking statements.

Overview

We are a leading asset-light provider of customized transportation and logistics solutions throughout the United States and in Mexico, Canada and Colombia. We offer our customers a broad array of services across their entire supply chain, including truckload, brokerage, intermodal, dedicated and value-added services.

We provide a comprehensive suite of transportation and logistics solutions that allow our customers and clients to reduce costs and manage their global supply chains more efficiently. We market our services through a direct sales and marketing network focused on selling our portfolio of services to large customers in specific industry sectors, through a network of agents who solicit freight business directly from shippers, and through company-managed facilities and full-service freight forwarding and customs house brokerage offices. We believe our asset-light business model is highly scalable and will continue to support our growth with comparatively modest capital expenditure requirements. Our asset-light model, combined with a disciplined approach to contract structuring and pricing, creates a highly flexible cost structure that allows us to expand and contract quickly in response to changes in demand from our customers.

We generate substantially all of our revenues through fees charged to customers for the transportation of freight and for the customized logistics services we provide. We also derive revenue from fuel surcharges, where separately identifiable, loading and unloading activities, equipment detention, container management and storage and other related services. Operations aggregated in our transportation segment are associated with individual freight shipments coordinated by our agents, company-managed terminals and specialized services operations. In contrast, operations aggregated in our logistics segment deliver value-added services and transportation services to specific customers on a dedicated basis, generally pursuant to contract terms of one year or longer. Our segments are distinguished by the amount of forward visibility we have in regards to pricing and volumes, and also by the extent to which we dedicate resources and Company-owned equipment.

The following discussion of the Company’s financial condition and results of operations should be read in conjunction with Management’s Discussion and Analysis of Financial Condition and Results of Operations and Consolidated Financial Statements and related notes included in our Annual Report on Form 10-K for the year ended December 31, 2018 and the unaudited Consolidated Financial Statements and related notes contained in this Quarterly Report on Form 10-Q.

Operating Revenues

We broadly group our services into the following categories: truckload services, brokerage services, intermodal services, dedicated services and value-added services. Our truckload, brokerage and intermodal services associated with individual freight shipments coordinated by our agents and Company-managed terminals are generally aggregated into our reportable transportation segment, while our dedicated and value-added services to specific customers on a contractual basis make up our logistics segment. The following table sets forth operating revenues resulting from each of these categories for the thirteen weeks and twenty-six weeks ended June 29, 2019 and June 30, 2018, presented as a percentage of total operating revenues:

	Thirteen Weeks Ended		Twenty-six Weeks Ended	
	June 29, 2019	June 30, 2018	June 29, 2019	June 30, 2018
Operating revenues:				
Truckload services	16.9%	22.6%	17.2%	22.8%
Brokerage services	23.3	25.3	23.0	24.3
Intermodal services	24.5	15.0	24.3	14.5
Dedicated services	9.4	9.8	9.6	10.1
Value-added services	25.9	27.4	25.9	28.3
Total operating revenues	100.0%	100.0%	100.0%	100.0%

Results of Operations

The following table sets forth items derived from our consolidated statements of income for the thirteen weeks and twenty-six weeks ended June 29, 2019 and June 30, 2018, presented as a percentage of operating revenues:

	Thirteen Weeks Ended		Twenty-six Weeks Ended	
	June 29, 2019	June 30, 2018	June 29, 2019	June 30, 2018
Operating revenues:	100.0%	100.0%	100.0%	100.0%
Operating expenses:				
Purchased transportation and equipment rent	46.5	48.7	46.8	48.5
Direct personnel and related benefits	24.4	23.9	24.6	24.7
Operating supplies and expenses	8.0	8.3	2.1	2.7
Commission expense	2.1	2.7	8.1	8.3
Occupancy expense	2.6	2.1	2.5	2.2
General and administrative	2.5	2.1	2.5	2.2
Insurance and claims	1.3	1.4	1.5	1.5
Depreciation and amortization	4.5	3.6	4.5	3.6
Total operating expenses	92.0	92.8	92.5	93.8
Income from operations	8.0	7.2	7.5	6.2
Interest and other non-operating income (expense), net	(1.0)	(0.7)	(1.0)	(0.9)
Income before income taxes	7.0	6.4	6.5	5.4
Income tax expense	1.8	1.6	1.6	1.4
Net income	5.2%	4.8%	4.9%	4.0%

Thirteen Weeks Ended June 29, 2019 Compared to Thirteen Weeks Ended June 30, 2018

Operating revenues. Operating revenues for the thirteen weeks ended June 29, 2019 increased $17.3 million, or 4.7%, to $383.2 million from $365.9 million for the thirteen weeks ended June 30, 2018. Operating revenues increased mainly due to $41.5 million of acquisition revenues related to our intermodal acquisitions made in the second half of 2018 and second quarter of 2019 2018 and 2019. The increase was partially offset by a decrease in truckload services, brokerage services, and value-added services revenues. Included in operating revenues are separately-identified fuel surcharges of $22.9 million for the thirteen weeks ended June 29, 2019 compared to $20.1 million for the thirteen weeks ended June 30, 2018. Consolidated income from operations increased $4.5 million, or 17.0%, to $30.7 million during the thirteen week period ended June 29, 2019 compared to $26.3 million during the same period last year. Revenues from our transportation segment increased $17.6 million, or 7.5%, and income from operations increased $3.0 million, or 29.4%, compared to the same period last year. The increase in operating income was primarily attributable to $3.2 million of incremental operating income from Universal's 2018 and 2019 acquisitions. In our logistics segment, revenues decreased $0.2 million, or 0.2%, over the same period last year and income from operations increased $2.3 million, or 15.5%. The increase in operating income was primarily attributable to improved operating performance in our dedicated transportation businesses as well as our operations supporting Class 8 heavy-truck production.

Operating revenues from truckload services decreased $17.8 million to $64.8 million during the thirteen weeks ended June 29, 2019, compared to $82.7 million for the same period last year. Included in truckload revenues for the recently completed quarter were $7.0 million in separately identified fuel surcharges compared to $9.2 million during the same period last year. The decrease in truckload services reflects an 18.0% decrease in the number of loads hauled as well as a 4.0% decrease in average operating revenue per load, excluding fuel surcharges. During the quarter ended June 29, 2019, Universal moved 61,423 loads compared to 74,878 during the same period last year.

Revenues during the thirteen weeks ended June 29, 2019 from brokerage services decreased $3.1 million, or 3.4%, to $89.4 million compared to $92.5 million one year earlier. The decrease in brokerage services reflects a 10.5% decrease in the average operating revenue per load, which was partially offset by an 8.7% increase in the number of brokerage loads moved. During the second quarter of 2019, Universal moved 57,710 loads, compared to 53,101 loads during the same period last year.

Intermodal services revenues increased $39.0 million, or 71.0%, to $93.9 million during the thirteen weeks ended June 29, 2019, up from $54.9 million during the same period last year. Intermodal revenues included $41.5 million of acquisition revenues from companies acquired in the second half of 2018 and second quarter of 2019. Intermodal revenues during the thirteen weeks ended June 29, 2019 also included $11.6 million in separately identified fuel surcharges, compared to $5.8 million during the same period last year. The growth is also due to increases in the average operating revenue per load, excluding fuel surcharges, and in the number of loads hauled. During the thirteen weeks ended June 29, 2019, Universal moved 164,761 intermodal loads, compared to 98,468 loads during the same period last year, an increase of 67.3%, while also increasing its average operating revenue per load, excluding fuel surcharges, by 1.4%.

Operating revenues from dedicated services during the thirteen weeks ended June 29, 2019 increased to $35.9 million compared to $35.7 million one year earlier. Dedicated services revenues included $4.3 million in separately identified fuel surcharges in the thirteen weeks ended June 29, 2019 compared to $4.5 million during the same period last year. The increase was primarily attributable to increases in both shuttle moves and in the number of over-the-road loads hauled. During the thirteen weeks ended June 29, 2019, Universal Dedicated moved 151,755 loads, compared to 142,178 loads during the same period last year.

Value-added services revenues decreased $1.0 million to $99.2 million in the thirteen weeks ended June 29, 2019. This compares to $100.2 million from value-added services one year earlier. Operations supporting passenger vehicle programs declined during the period due to a plant shutdown at a major program location and reduced production during its ramp up, while those supporting heavy-truck production continued to record strong growth. Value-added operations supporting heavy-truck production grew $3.1 million in the thirteen weeks ended June 29, 2019 compared to the same period last year.

Purchased transportation and equipment rent. Purchased transportation and equipment rental costs for the thirteen weeks ended June 29, 2019 increased by $0.1 million, or 0.1%, to $178.4 million from $178.3 million for the thirteen weeks ended June 30, 2018. Purchased transportation and equipment rent generally increases or decreases in proportion to the revenues generated through owner-operators and other third party providers, and is correlated with changes in demand for transportation-related services, which includes truckload, brokerage, intermodal and dedicated services. As a percentage of operating revenues, purchased transportation and equipment rent expense decreased to 46.5% for the thirteen weeks ended June 29, 2019 from 48.7% during the same period last year. The decrease was primarily attributable to an increase in the mix of intermodal revenues, where the cost of transportation is typically lower than our other transportation businesses. As a percentage of revenues, intermodal services increased to 24.5% in the second quarter of 2019 compared to 15.0% in the second quarter of 2018.

Direct personnel and related benefits. Direct personnel and related benefits expenses for the thirteen weeks ended June 29, 2019 increased by $6.2 million, or 7.1%, to $93.7 million compared to $87.4 million for the thirteen weeks ended June 30, 2018. Trends in these expenses are generally correlated with changes in operating facilities and headcount requirements and, therefore, increase and decrease with the level of demand for our value-added services and staffing needs of our operations. Increases in direct personnel and related benefits were primarily driven by increases in labor costs in our dedicated transportation businesses, value-added operations supporting heavy-truck production, as well as company-managed brokerage operations. A portion of the increase was also attributable to personnel and related benefits from companies acquired in 2018 and 2019, which totaled $5.7 million. As a percentage of operating revenues, personnel and related benefits expenses increased to 24.4% for the thirteen weeks ended June 29, 2019, compared to 23.9% during the same period last year. The percentage of direct personnel and related benefit expenses is derived on an aggregate basis from both existing and new programs, and from customer operations at various stages in their lifecycles. Individual operations may be impacted by additional production shifts or by overtime at selected operations. While generalizations about the impact of personnel and related benefits costs as a percentage of total revenue are difficult, we manage compensation and staffing levels, including the use of contract labor, to maintain target economics based on near-term projections of demand for our services.

Operating supplies and expenses. Operating supplies and expenses increased by $0.4 million, or 1.3%, to $30.7 million for the thirteen weeks ended June 29, 2019 compared to $30.3 million for the thirteen weeks ended June 30, 2018. These expenses include items such as fuel, maintenance, cost of materials, communications, utilities and other operating expenses, and generally relate to fluctuations in customer demand. The primary elements of the increase included increases of $1.4 million in vehicle maintenance, $0.4 million in operational support services, $0.2 million in permit expense, $0.2 million in communication expense, and $0.1 million in travel and entertainment. These increases were partially offset by decreases of $0.9 million in operating supplies and material costs in operations supporting heavy-truck programs, $0.6 million in fuel expense on company tractors, $0.1 million in office supplies and $0.1 million in plate expenses.

Commission expense. Commission expense for the thirteen weeks ended June 29, 2019 decreased by $1.9 million, or 19.3%, to $7.9 million from $9.7 million for the thirteen weeks ended June 30, 2018. Commission expense decreased due to decreased revenue in the agency based truckload business. As a percentage of operating revenues, commission expense decreased to 2.1% compared to 2.7% for the thirteen weeks ended June 30, 2018.

Occupancy expense. Occupancy expenses increased by $2.1 million, or 26.5%, to $9.9 million for the thirteen weeks ended June 29, 2019 compared to $7.8 million for the thirteen weeks ended June 30, 2018. The increase was primarily attributable to an increase in building rents due to new locations added from the acquisitions made in 2018 and 2019.

General and administrative. General and administrative expense increased by $2.0 million, or 26.5%, to $9.6 million from $7.6 million in the thirteen weeks ended June 30, 2018. The increase was primarily attributable to an increase in salaries, wages, and benefit costs as well as an increase in professional fees. As a percentage of operating revenues, general and administrative expense increased to 2.5% compared to 2.1% for the thirteen weeks ended June 30, 2018.

Insurance and claims. Insurance and claims expense for the thirteen weeks ended June 29, 2019 decreased by $0.3 million, or 6.5%, to $5.0 million from $5.3 million for the thirteen weeks ended June 30, 2018. The decrease was primarily attributable to a decrease in cargo services claims. This was partially offset by an increase in our auto liability premiums. As a percentage of operating revenues, insurance and claims decreased to 1.3% for the thirteen weeks ended June 29, 2019 compared to 1.4% for the thirteen weeks ended June 30, 2018.

Depreciation and amortization. Depreciation and amortization expense for the thirteen weeks ended June 29, 2019 increased by $4.2 million, or 31.5%, to $17.4 million from $13.2 million for the thirteen weeks ended June 30, 2018. During the thirteen weeks ended June 29, 2019, depreciation expense increased $0.8 million and amortization expense increased $3.4 million. The increase in depreciation expense is attributable to continued recapitalization of our fleet, while the increase in amortization expense is attributable to amortization of intangible assets acquired in connection with Universal’s 2018 and 2019 acquisitions.

Interest expense, net. Net interest expense was $4.1 million for the thirteen weeks ended June 29, 2019 compared to $3.0 million for the thirteen weeks ended June 30, 2018. The increase of net interest expense reflects an increase in outstanding borrowings. As of June 29, 2019, our outstanding borrowings were $366.8 million compared to $273.4 million at June 30, 2018.

Other non-operating income (expense). Other non-operating income for the thirteen weeks ended June 29, 2019 was $0.1 million compared to $0.3 million for the thirteen weeks ended June 30, 2018. There were no gains on the sales of marketable securities during the thirteen weeks ended June 29, 2019 compared to $0.2 million in gains in the thirteen weeks ended June 30, 2018.

Income tax expense. Income tax expense for the thirteen weeks ended June 29, 2019 was $6.7 million compared to $6.0 million for the thirteen weeks ended June 30, 2018, based on an effective tax rate 25.2% in both periods. The increase in income tax expense is attributable to an increase in taxable earnings.

Twenty-six Weeks Ended June 29, 2019 Compared to Twenty-six Weeks Ended June 30, 2018

Operating revenues. Operating revenues for the twenty-six weeks ended June 29, 2019 increased $59.5 million, or 8.5%, to $760.6 million from $701.0 million for the twenty-six weeks ended June 30, 2018. Operating revenues increased mainly due to $82.1 million of acquisition revenues related to our intermodal acquisitions made in the second half of 2018 and second quarter of 2019. Revenues also increased due to increases in brokerage services and dedicated services revenues. The increase was partially offset by a decrease in truckload services revenue. Included in operating revenues are separately-identified fuel surcharges of $45.1 million for the twenty-six weeks ended June 29, 2019 compared to $38.4 million for the twenty-six weeks ended June 30, 2018. Consolidated income from operations increased $13.9 million, or 32.0%, to $57.2 million during the twenty-six week period ended June 29, 2019 compared to $43.4 million during the same period last year. Revenues from our transportation segment increased $58.2 million, or 13.2%, and income from operations increased $5.4 million, or 26.7%, compared to the same period last year. The increase in operating income was primarily attributable to $6.5 million of incremental operating income attributable to Universal's 2018 and 2019 acquisitions. In our logistics segment, revenues increased $1.5 million, or 0.6%, over the same period last year and income from operations increased $8.7 million, or 38.8%. The increase in operating income was primarily attributable to improved operating performance in our dedicated transportation businesses as well as our operations supporting Class 8 heavy-truck production.

Operating revenues from truckload services decreased $29.3 million to $130.5 million during the twenty-six weeks ended June 29, 2019, compared to $159.8 million for the same period last year. Included in truckload revenues for the recently completed twenty-six week period were $13.8 million in separately identified fuel surcharges compared to $17.6 million during the same period last year. The decrease in truckload services reflects a 17.1% decrease in the number of loads hauled and a 1.6% decrease in average operating revenue per load, excluding fuel surcharges. During the twenty-six weeks ended June 29, 2019, Universal moved 122,515 loads compared to 147,844 during the same period last year.

Revenues during the twenty-six weeks ended June 29, 2019 from brokerage services increased $4.6 million, or 2.7%, to $175.2 million compared to $170.6 million one year earlier. The growth is primarily due to a 12.3% increase in the number of brokerage loads moved, which was partially offset by a 9.3% decrease in the average operating revenue per load. During the twenty-six weeks ended June 29, 2019, Universal moved 111,319 loads, compared to 99,099 loads during the same period last year.

Intermodal services revenues increased $83.5 million, or 82.3%, to $185.0 million during the twenty-six weeks ended June 29, 2019, up from $101.5 million during the same period last year. Intermodal revenues included $82.1 million of acquisition revenues from the companies acquired by Universal in the second half of 2018 and second quarter of 2019. Intermodal revenues during the twenty-six weeks ended June 29, 2019 also included $22.2 million in separately identified fuel surcharges, compared to $10.9 million during the same period last year. The growth is also due to increases in the average operating revenue per load, excluding fuel surcharges, and in the number of loads hauled. During the twenty-six weeks ended June 29, 2019, Universal moved 329,938 intermodal loads, compared to 192,497 loads during the same period last year, an increase of 71.4%, while also increasing its average operating revenue per load, excluding fuel surcharges, by 6.7%.

Operating revenues from dedicated services during the twenty-six weeks ended June 29, 2019 increased to $72.9 million compared to $70.7 million one year earlier. Dedicated services revenues included $8.9 million in separately identified fuel surcharges in the twenty-six weeks ended June 29, 2019 compared to $8.9 million during the same period last year. The increase was primarily attributable to increases in both shuttle moves and in the number of over-the-road loads hauled. During the twenty-six weeks ended June 29, 2019, Universal Dedicated moved 295,003 loads, compared to 276,109 loads during the same period last year.

Value-added services revenues decreased $1.4 million to $196.9 million in the twenty-six weeks ended June 29, 2019. This compares to $198.3 million from value-added services one year earlier. Operations supporting passenger vehicle programs declined during the period due to extended plant shut-downs and reduced production during ramp up, while those supporting heavy-truck production continued to record strong growth. Value-added operations supporting heavy-truck production grew $8.9 million in the first half of 2019.

Purchased transportation and equipment rent. Purchased transportation and equipment rental costs for the twenty-six weeks ended June 29, 2019 increased by $15.4 million, or 4.5%, to $355.7 million from $340.3 million for the twenty-six weeks ended June 30, 2018. Purchased transportation and equipment rent generally increases or decreases in proportion to the revenues generated through owner-operators and other third party providers, and is correlated with changes in demand for transportation-related services, which includes truckload, brokerage, intermodal and dedicated services. The absolute increase in purchased transportation and equipment rental costs was primarily the result of an increase in transportation-related service revenues. For the twenty-six weeks ended June 29, 2019, transportation-related services revenues increased 12.1% compared to the same period last year. As a percentage of operating revenues, purchased transportation and equipment rent expense decreased to 46.8% for the twenty-six weeks ended June 29, 2019 from 48.5% during the same period last year. The decrease was primarily attributable to an increase in the mix of intermodal revenues, where the cost of transportation is typically lower than our other transportation businesses. As a percentage of revenues, intermodal services increased to 24.3% in the first half of 2019 compared to 14.5% in the first half of 2018.

Direct personnel and related benefits. Direct personnel and related benefits expenses for the twenty-six weeks ended June 29, 2019 increased by $13.5 million, or 7.8%, to $186.8 million compared to $173.4 million for the twenty-six weeks ended June 30, 2018. Trends in these expenses are generally correlated with changes in operating facilities and headcount requirements and, therefore, increase and decrease with the level of demand for our value-added services and staffing needs of our operations. However, in the first half of 2019, we experienced extended plant shutdowns in operations supporting passenger vehicles, and thus value-added revenues associated with those operations were lower compared to the prior year. Increases in direct personnel and related benefits were primarily driven by increases in labor costs in our dedicated transportation businesses, value-added operations supporting heavy-truck production, as well as company-managed brokerage operations. A portion of the increase was also attributable to personnel and related benefits from companies acquired in 2018 and 2019, which totaled $10.4 million. As a percentage of operating revenues, personnel and related benefits expenses decreased to 24.6% for the twenty-six weeks ended June 29, 2019, compared to 24.7% during the same period last year, reflecting a decrease in the mix of value-added services revenue as a percentage of total operating revenues. The percentage of direct personnel and related benefit expenses is derived on an aggregate basis from both existing and new programs, and from customer operations at various stages in their lifecycles. Individual operations may be impacted by additional production shifts or by overtime at selected operations. While generalizations about the impact of personnel and related benefits costs as a percentage of total revenue are difficult, we manage compensation and staffing levels, including the use of contract labor, to maintain target economics based on near-term projections of demand for our services.

Operating supplies and expenses. Operating supplies and expenses increased by $3.1 million, or 5.3%, to $61.5 million for the twenty-six weeks ended June 29, 2019 compared to $58.4 million for the twenty-six weeks ended June 30, 2018. These expenses include items such as fuel, maintenance, cost of materials, communications, utilities and other operating expenses, and generally relate to fluctuations in customer demand. The main elements of the increase included increases of $2.3 million in vehicle maintenance, $0.6 million in permit expense, $0.6 million in travel and entertainment, $0.4 million in fuel expense on company tractors, $0.3 million in operational support services, and $0.2 million in communication expense. These increases were partially offset by decreases of $1.8 million in operating supplies and material costs in operations supporting heavy-truck programs and $0.2 million in office supplies.

Commission expense. Commission expense for the twenty-six weeks ended June 29, 2019 decreased by $3.0 million, or 15.8%, to $15.7 million from $18.6 million for the twenty-six weeks ended June 30, 2018. Commission expense decreased due to decreased revenue in the agency based truckload business. As a percentage of operating revenues, commission expense decreased to 2.1% compared to 2.7% for the twenty-six weeks ended June 30, 2018.

Occupancy expense. Occupancy expenses increased by $4.0 million, or 26.2%, to $19.1 million for the twenty-six weeks ended June 29, 2019 compared to $15.2 million for the twenty-six weeks ended June 30, 2018. The increase was primarily attributable to an increase in building rents due to new locations added from the acquisitions made in 2018 and 2019.

General and administrative. General and administrative expense increased by $3.3 million, or 20.9%, to $18.9 million from $15.6 million in the twenty-six weeks ended June 30, 2018. The increase was primarily attributable to an increase in salaries, wages, and benefit costs as well as an increase in professional fees. As a percentage of operating revenues, general and administrative expense increased to 2.5% for the thirteen weeks ended June 29, 2019 compared to 2.2% for the thirteen weeks ended June 30, 2018.

Insurance and claims. Insurance and claims expense for the twenty-six weeks ended June 29, 2019 increased by $0.5 million, or 5.1%, to $11.3 million from $10.8 million for the twenty-six weeks ended June 30, 2018. The increase was primarily attributable to an increase in our auto liability premiums, which was partially offset by a decrease in cargo services claims. As a percentage of operating revenues, insurance and claims remained at 1.5% for the twenty-six weeks ended June 29, 2019.

Depreciation and amortization. Depreciation and amortization expense for the twenty-six weeks ended June 29, 2019 increased by $8.9 million, or 34.8%, to $34.3 million from $25.5 million for the twenty-six weeks ended June 30, 2018. During the twenty-six weeks ended June 29, 2019, depreciation expense increased $2.4 million and amortization expense increased $6.4 million. The increase in depreciation expense is attributable to continued recapitalization of our fleet, while the increase in amortization expense is attributable to amortization of intangible assets acquired in connection with Universal’s 2018 and 2019 acquisitions.

Interest expense, net. Net interest expense was $8.5 million for the twenty-six weeks ended June 29, 2019 compared to $5.5 million for the twenty-six weeks ended June 30, 2018. The increase of net interest expense reflects an increase in outstanding borrowings. As of June 29, 2019, our outstanding borrowings were $366.8 million compared to $273.4 million at June 30, 2018.

Other non-operating income (expense). Other non-operating income for the twenty-six weeks ended June 29, 2019 was $1.0 million compared to other non-operating expense of $0.1 million for the twenty-six weeks ended June 30, 2018. Included in other non-operating income in the twenty-six weeks ended June 29, 2019 were $0.9 million of gains on marketable securities compared to $0.3 million in losses in the twenty-six weeks ended June 30, 2018.

Income tax expense. Income tax expense for the twenty-six weeks ended June 29, 2019 was $12.5 million compared to $9.7 million for the twenty-six weeks ended June 30, 2018, based on an effective tax rate of 25.2% and 25.6%, respectively. The increase in income tax expense is attributable to an increase in taxable earnings, which was partially offset by a decrease in the effective tax rate.

Liquidity and Capital Resources

Our primary sources of liquidity are funds generated by operations, loans and extensions of credit under our credit facilities, on margin against our marketable securities and from installment notes, and proceeds from the sales of marketable securities. We use secured, asset lending to fund a substantial portion of purchases of tractors, trailers and material handling equipment.

We employ an asset-light operating strategy which we believe lowers our capital expenditure requirements. In general, our facilities used in our value-added services are leased on terms that are either substantially matched to our customer's contracts, are month-to-month or are provided to us by our customers. We also utilize owner-operators and third-party carriers to provide a significant portion of our transportation and specialized services. A significant portion of the tractors and trailers used in our business are provided by our owner-operators. In addition, our use of agents reduces our overall need for large terminals. As a result, our capital expenditure requirements are limited in comparison to most large transportation and logistics service providers, which maintain significant properties and sizable fleets of owned tractors and trailers.

During the twenty-six weeks ended June 29, 2019, our capital expenditures totaled $25.1 million. These expenditures primarily consisted of transportation equipment and investments in support of our value-added service operations. Our asset-light business model depends somewhat on the customized solutions we implement for specific customers. As a result, our capital expenditures will depend on specific new contracts and the overall age and condition of our owned transportation equipment. Through the remainder of 2019, exclusive of any acquisitions of businesses, we expect our capital expenditures to be in the range of 5% to 6% of operating revenues. We expect to make these capital expenditures for the acquisition of transportation equipment, to support our new and existing value-added service operations, and for the acquisition of real property and improvements to our existing terminal yard and container facilities.

We have a cash dividend policy that anticipates a regular dividend of $0.42 per share of common stock, payable in quarterly increments of $0.105 per share of common stock. After taking into account the regular quarterly dividends made during the year, the Board of Directors also evaluates the potential declaration of an annual special dividend payable in the first quarter of each year. On July 25, 2019, our Board of Directors declared Universal's second quarter cash dividend of $0.105 per share of common stock, payable to shareholders of record at the close of business on August 5, 2019 and expected to be paid on August 12, 2019. The Board also declared that Universal's third quarter cash dividend of $0.105 per share is payable on October 1, 2019 to shareholders of record on September 2, 2019. Declaration of future cash dividends is subject to final determination by the Board of Directors each quarter after its review of our financial condition, results of operations, capital requirements, any legal or contractual restrictions on the payment of dividends and other factors the Board of Directors deems relevant. During the year ended December 31, 2018, we paid a total of $0.385 per common share, or $10.9 million. Future dividend policy and the payment of dividends, if any, will be determined by the Board of Directors in light of circumstances then existing, including our earnings, financial condition and other factors deemed relevant by the Board of Directors.

We expect that our cash flow from operations, working capital and available borrowings will be sufficient to meet our capital commitments, to fund our operational needs for at least the next twelve months, and to fund mandatory debt repayments. Based on the availability of borrowings under our credit facilities, against our marketable security portfolio and other financing sources, and assuming the continuation of our current level of profitability, we do not expect that we will experience any liquidity constraints in the foreseeable future.

We continue to evaluate business development opportunities, including potential acquisitions that fit our strategic plans. There can be no assurance that we will identify any opportunities that fit our strategic plans or will be able to execute any such opportunities on terms acceptable to us. Depending on the prospective consideration to be paid for an acquisition, any such opportunities would be financed first from available cash and cash equivalents and availability of borrowings under our credit facilities.

Revolving Credit, Promissory Notes and Term Loan Agreements

Our secured credit facility (the "Credit Facility") provides for maximum borrowings of $350 million in the form of a $150 million term loan and a $200 million revolver at a variable rate of interest based on LIBOR or a base rate and matures on November 26, 2023. The Credit Facility, which is secured by cash, deposits, accounts receivable, and selected other assets of the applicable borrowers, includes customary affirmative and negative covenants and events of default, as well as financial covenants requiring minimum fixed charge coverage and leverage ratios, and customary mandatory prepayments provisions. Our Credit Facility includes an accordion feature which allows us to increase availability by up to $100 million upon our request. At June 29, 2019, we were in compliance with all covenants under the Credit Facility, and $147.0 million was available for borrowing.

A wholly-owned subsidiary issued a series of promissory notes in order to finance transportation equipment (the "Equipment Financing"). The notes issued in connection with the Equipment Financing, which are secured by liens on selected titled vehicles, include certain affirmative and negative covenants, are generally payable in 60 monthly installments and bear interest at fixed rates ranging from 3.18% to 5.13%. At June 29, 2019, we were in compliance with all covenants.

A wholly-owned subsidiary issued a series of promissory notes in order to finance certain purchases of real property (the "Real Estate Financing"). The promissory notes, which are secured by first mortgages and assignment of leases on specific parcels of real estate and improvements, include certain affirmative and negative covenants and are generally payable in 120 monthly installments. Each of the notes bears interest at LIBOR plus 2.25%. At June 29, 2019, we were in compliance with all covenants.

We also maintain a short-term line of credit secured by our portfolio of marketable securities (the “Margin Facility”). It bears interest at LIBOR plus 1.10%. The amount available under the Margin Facility is based on a percentage of the market value of the underlying securities. We did not have any amounts advanced against the line as of June 29, 2019, and the maximum available borrowings were $5.3 million.

Discussion of Cash Flows

At June 29, 2019, we had cash and cash equivalents of $6.5 million compared to $5.7 million at December 31, 2018. Operating activities provided $91.8 million in net cash, and we used $45.9 million in investing activities and $45.4 million in financing activities.

The $91.8 million in net cash provided by operations was primarily attributed to $37.3 million of net income, which reflects non-cash depreciation and amortization, noncash lease expense, gains on marketable equity securities and equipment sales, amortization of debt issuance costs, stock-based compensation, provisions for doubtful accounts and a change in deferred income taxes totaling $54.6 million, net. Net cash provided by operating activities also reflects an aggregate increase in net working capital totaling $0.1 million. Principal reduction in operating lease liabilities, decreases in prepaid expenses and other assets, and increases in other long-term liabilities were the primary drivers behind the increase in working capital. This was almost entirely offset by a decrease in accounts receivable at the end of the period and increases in accounts payable, accrued expenses and other current liabilities and affiliated transactions. Affiliate transactions increased net cash provided by operating activities by $0.3 million. The increase in net cash resulted from a decrease in accounts receivable to affiliates of $1.1 million and a decrease in accounts payable from affiliates of $0.8 million.

The $45.9 million in net cash used in investing activities consisted of $25.1 million in capital expenditures and $22.5 million in the acquisition of Michael’s Cartage and payment of acquisition related liabilities. These uses were partially offset by $1.2 million in proceeds from the sale of equipment and $0.6 million in proceeds from the sale of marketable securities.

We used $45.4 million in financing activities during the twenty-six weeks ended June 29, 2019. We had outstanding borrowings totaling $366.8 million at June 29, 2019 compared to $403.2 million at December 31, 2018. We made net repayments on our revolving lines of credit and margin facility totaling $28.1 million and borrowed an additional $18.5 million for new equipment. We also made term loan, and equipment and real estate note payments totaling $26.8 million during the period. We also paid cash dividends of $9.1 million.

Off Balance Sheet Arrangements

None.

Critical Accounting Policies

We adopted Accounting Standards Codification ("ASC") Topic 842 Leases on January 1, 2019. Prior amounts were not adjusted and continue to be reported in accordance with the accounting standards in effect for those periods. Changes to our accounting for leases under the new standard are discussed in Note 10, Leases, to the Unaudited Consolidated Financial Statements included in this Quarterly Report on Form 10-Q is incorporated herein by reference.

Seasonality

Generally, demand for our value-added services delivered to existing customers increases during the second calendar quarter of each year as a result of the automotive industry’s spring selling season and decreases during the third quarter of each year due to the impact of scheduled OEM customer plant shutdowns in July and August for vacations and changeovers in production lines for new model years. Our value-added services business is also impacted in the fourth quarter by plant shutdowns during the December holiday period. Prolonged adverse weather conditions, particularly in winter months, can also adversely impact margins due to productivity declines and related challenges meeting customer service requirements.

Additionally, our transportation services business, excluding dedicated transportation tied to specific customer supply chains, is generally impacted by decreased activity during the post-holiday winter season and, in certain states during hurricane season, because some shippers reduce their shipments and inclement weather impedes trucking operations or underlying customer demand.

ITEM 3: QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have not been any material changes to the Company's market risk during the thirteen weeks ended June 29, 2019. For additional information, please see the Company's Annual Report on Form 10-K for the year ended December 31, 2018.

ITEM 4: CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

We carried out an evaluation under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to paragraph (b) of Rule 13a-15 or 15d-15 of the Securities Exchange Act of 1934, as amended (or the Exchange Act). Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of June 29, 2019, our disclosure controls and procedures were effective in causing the material information required to be disclosed in the reports that it files or submits under the Exchange Act (i) to be recorded, processed, summarized and reported, to the extent applicable, within the time periods required for us to meet the Securities and Exchange Commission's (or SEC) filing deadlines for these reports specified in the SEC's rules and forms and (ii) to be accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Internal Controls

There have been no changes in our internal controls over financial reporting during the thirteen weeks ended June 29, 2019 identified in connection with our evaluation that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

PART II – OTHER INFORMATION

ITEM 1: LEGAL PROCEEDINGS

On October 16, 2017, a jury in state court in Cook County, Illinois rendered a verdict of $54.2 million against Universal Am-Can, Ltd. ("UACL") in the matter of Denton v. UACL, et al. The litigation relates to a vehicular accident that occurred on February 8, 2011 on I-65 in Rensselaer, Indiana. The accident involved a tractor-trailer being driven by an independent owner-operator of UACL. The driver was braking on the expressway in order to avoid another vehicle being driven the wrong way on the interstate. The truck attempted to avoid the oncoming vehicle and the plaintiff's vehicle and, in so doing, struck the plaintiff's vehicle. As a result of the accident, the plaintiff sustained non-life threatening injuries. In connection with the verdict, the jury determined that UACL was responsible for the liability associated with the accident. The verdict included $19.2 million in compensatory damages and $35.0 million in punitive damages against UACL. Interest on the verdict accrues at a rate of 9% per year. The insurance coverage available for reimbursement of UACL's damages underlying the verdict is limited to $1.0 million. We believe the facts and the law do not support the jury's findings of liability against UACL. The Company has filed an appeal with the Appellate Court of Illinois First Judicial District to overturn the verdict and the judgment. Enforcement of the judgment has been stayed pending the outcome of the appeal. The Company currently estimates the possible range of financial exposure in the matter, net of insurance coverage and before advances made to plaintiffs, to be between $18.2 million and $53.2 million. Based on the Company's best estimate of the liability at this time, the Company recorded an accrued liability for this matter of $18.2 million, which is inclusive of any interest accruing and before consideration of advances made. In September 2018, the Company made a $7.0 million advance, the amount of which will be used as an offset against the ultimate resolution. As such, this amount was recorded as a reduction of the Company's accrued liability. While we cannot predict with any certainty the outcome of this litigation, its ultimate resolution could be significantly different from our estimate and materially affect our financial condition, results of operations and cash flows.

The Company was plaintiff in a lawsuit that was filed on June 11, 2015 against, among others, Dalton Logistics, Inc. ("Dalton") in the United States District Court for the Southern District of Texas. The Company was seeking approximately $1.9 million in damages from a debtor relating to unpaid freight charges. In response to the filing of the complaint, the shareholders of Dalton filed a counterclaim against the Company alleging that the Company, in connection with certain unrelated negotiations with the defendant, breached an alleged agreement to acquire Dalton. The respective claims proceeded to trial and, on July 21, 2017, a jury returned two separate verdicts: One in favor of Universal for $1.9 million, and a second in favor of the defendant for approximately $5.7 million. On October 30, 2017, the court entered a judgment against Universal for the $5.7 million, but ignored the $1.9 million jury award in favor of Universal. The Company believes this ruling was in error and further believes the jury erred in their findings of any damages against Universal. The Company has filed an appeal with the United States Court of Appeals for the Fifth Circuit to overturn the verdict and the judgment. Enforcement of the judgment has been stayed pending the outcome of the appeal. The Company currently estimates the possible range of financial exposure in the matter to be between $0 and $5.7 million. Based on the Company's best estimate of the liability at this time, the Company has recorded an accrued liability for this matter of $1.8 million, which is inclusive of any interest owed on the verdict. While we cannot predict with any certainty the outcome of this litigation, management does not believe the outcome will have a material adverse effect on our business, financial condition, results of operations or cash flows.

The Company is involved in certain other claims and pending litigation arising from the ordinary conduct of business. We also provide accruals for claims within our self-insured retention amounts. Based on the knowledge of the facts, and in certain cases, opinions of outside counsel, in the Company's opinion the resolution of these claims and pending litigation will not have a material effect on our financial position, results of operations or cash flows. However, if we experience claims that are not covered by our insurance or that exceed our estimated claim reserve, it could increase the volatility of our earnings and have a materially adverse effect on our financial condition, results of operations or cash flows.

ITEM 1A: RISK FACTORS

There have been no material changes to our risk factors as previously disclosed in Item 1A to Part 1 of our Form 10-K for the fiscal year ended December 31, 2018.

ITEM 2: UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3: DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4: MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5: OTHER INFORMATION

None.

ITEM 6: EXHIBITS

The exhibits listed on the Exhibit Index are furnished as part of this quarterly report on Form 10-Q.

Exhibit No.	Description
3.1	Amended and Restated Articles of Incorporation (incorporated by reference to Exhibit 3.1 to the Registrant's Registration Statement on Form S-1 filed on November 15, 2004).
3.2	Amendment to Articles of Incorporation (incorporated by reference to Exhibit 3(i)-1 and 3(i)-2 to the Registrant's Current Report on Form 8-K filed on November 1, 2012).
3.3	Certificate of Amendment to Restated Articles of Incorporation (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on May 2, 2016).
3.4	Fourth Amended and Restated Bylaws, as amended effective April 28, 2016 (incorporated by reference to Exhibit 3.2 to the Registrant's Current Report on Form 8-K filed on May 2, 2016).
4.1	Amended and Restated Registration Rights Agreement among the Registrant, Matthew T. Moroun, the Manuel J. Moroun Revocable Trust and the M.J. Moroun 2012 Annuity Trust (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed July 26, 2012).
31.1*	Chief Executive Officer certification, as adopted pursuant to section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Chief Financial Officer certification, as adopted pursuant to section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Chief Executive Officer and Chief Financial Officer certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	XBRL Instance Document
101.SCH*	XBRL Schema Document
101.CAL*	XBRL Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Labels Linkbase Document
101.PRE*	XBRL Presentation Linkbase Document

* Filed herewith.

** Furnished herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report on Form 10-Q to be signed on its behalf by the undersigned, thereunto duly authorized.

		Universal Logistics Holdings, Inc. (Registrant)
Date: August 8, 2019	By:	*/s/ Jude Beres* Jude Beres Chief Financial Officer
Date: August 8, 2019	By:	*/s/ Jeff Rogers* Jeff Rogers Chief Executive Officer

Exhibit 31.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT

I, Jeff Rogers, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Universal Logistics Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2019

/s/ Jeff Rogers
Jeff Rogers
Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT

I, Jude Beres, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Universal Logistics Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2019

/s/ Jude Beres
Jude Beres
Chief Financial Officer

Exhibit 32.1

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND
CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report, or the Report, of Universal Logistics Holdings, Inc., or the Company, on Form 10-Q for the period ended June 29, 2019, as filed with the Securities and Exchange Commission on the date hereof, each of the undersigned, Jeff Rogers, as Chief Executive Officer of the Company, and Jude Beres, as Chief Financial Officer of the Company, each certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of his knowledge, respectively, that (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 8, 2019

/s/ Jeff Rogers
Jeff Rogers
Chief Executive Officer

/s/ Jude Beres
Jude Beres
Chief Financial Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.