CTG

COVENANT TRANSPORTATION GROUP

Covenant Transport

SRT
SOUTHERN REFRIGERATED TRANSPORT

STAR TRANSPORTATION, INC.

COVENANT TRANSPORT SOLUTIONS

TEL
TRANSPORT ENTERPRISE LEASING LLC

Cowen
September 2016

DISCLOSURE STATEMENT

Forward-Looking Statements

This presentation and discussion includes forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended, and such statements are subject to the safe harbor created by those sections and the Private Securities Litigation Reform Act of 1995, as amended. All statements, other than statements of historical fact, including without limitation statements regarding the financial position, strategic plan and other plans, future industry characteristics, growth expectations, and objectives for our future operations, are forward-looking statements. Such statements may be identified by their use of terms or phrases such as "may," "could," "expects," "estimates," "projects," "believes," "anticipates," "plans," "intends," and similar terms and phrases. Forward-looking statements are based upon the current beliefs and expectations of our management and are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified, which could cause future events and actual results to differ materially from those set forth in, contemplated by, or underlying the forward-looking statements. Although we believe that such forward-looking statements are based on reasonable assumptions, we give no assurance that our expectations will in fact occur. For 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, see "Risk Factors" in the prospectus to which this offering relates and the documents incorporated by reference therein. Existing and prospective investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof. We undertake no obligation to publicly update or revise any forward-looking statements after the date they are made, whether as a result of new information, future events or otherwise, except for the extent required by applicable securities laws.

Industry and Market Data

This presentation has been prepared by the Company and includes market data and other statistical information from third-party sources, including independent industry publications, government publications or other published independent sources. Although the Company believes these third-party sources are reliable as of their respective dates, the Company has not independently verified the accuracy or completeness of this information. Some data are also based on the Company's good faith estimates, which are derived from its review of internal sources as well as the third-party sources described above.

Non-GAAP Financial Data

This presentation includes the use of Adjusted EBITDA and Adjusted EPS, financial measures that are not in accordance with generally accepted accounting principles ("GAAP"). Each such measure is a supplemental non-GAAP financial measure that is used by management and external users of our financial statements, such as industry analysts, investors and lenders. While management believes such measures are useful for investors, they should not be used as a replacement for financial measures that are in accordance with GAAP. Please see the Appendix to this presentation for a reconciliation to the closest GAAP financial measures.

We define EBITDA (also a non-GAAP measure) as net income (loss) before income taxes, interest expense, depreciation and amortization. In defining each of Adjusted EBITDA and Adjusted EPS and we have excluded the following items, which we believe to be unusual: the expense associated with an increase in claims accruals in relation to an adverse judgment in 2014 concerning a cargo claim from 2008, which remains on appeal; the income associated with a gain on disposition of real estate in 2012, and the expense associated with an impairment of goodwill in 2011.

Our presentation of Adjusted EBITDA, and Adjusted EPS should not be construed as an inference that our results will be unaffected by unusual or non-recurring items. Our computations of Adjusted EBITDA and Adjusted EPS may not be comparable to other similarly titled measures of other companies.

COMPANY PRESENTERS

DAVID R. PARKER – *Chairman of the Board & Chief Executive Officer*

- Founded Covenant Transport in 1985
- CEO since 1994
- Serves on the Board of Directors of the American Trucking Associations
- Primary focus on culture of quality and integrity, capital allocation, accountability of subsidiaries, and enterprise-wide customer experience

RICHARD B. CRIBBS – *Executive Vice President & Chief Financial Officer*

- With Covenant Transportation Group since 2006
- Formerly Chief Financial Officer of Modern Industries, Inc.
- Primary focus on financial planning, business intelligence, accounting and treasury functions, investor relations and oversight of factoring division

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INVESTMENT HIGHLIGHTS (NASDAQ GS: CVTI)

- A top-10 publicly-held U.S. truckload carrier.
- Building on current momentum of successful transformation, since 2012.
- Focused on growing market segments where CTG can make a difference.
  - Expedited teams
  - Dedicated
  - Temperature-controlled
  - Capacity provider solutions
- **Well-positioned within growing verticals (much faster pace than GDP growth):**
  - E-commerce / omni-channel
  - Organic food
  - LTL linehaul
  - Dedicated automotive
- Disciplined capital allocation process and appropriate use of financial leverage.
- **Substantial earnings leverage on improving internal initiatives and helpful proposed upcoming new regulations.**

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COMPANY OVERVIEW

CTG COMPANIES OVERVIEW

CTG's mission is to be a problem solver for every customer through a group of companies that are passionate about providing safe, courteous, and on-time service. Quality and integrity are the guiding principles among all our stakeholders.

Covenant Transport

Approx. 55% of LTM revenue

- Expedited team focus— Top 5 provider[(1)]
- Freight - High value, high security, critical freight in growing time -sensitive markets

SRT Southern Refrigerated Transport

Approx. 25% of LTM revenue

- Refrigerated focus—Top 12 provider[(2)] in growing market with improving lane mix and intermodal offering
- 10% intermodal; 90% truckload

Star Transportation, Inc.

Approx. 10% of LTM revenue

- Dedicated contract focus—Long term contracts; southeastern US manufacturing base set to grow

Covenant Transport Solutions | TEL Transport Enterprise Leasing LLC

Approx. 10% of LTM revenue plus equity income

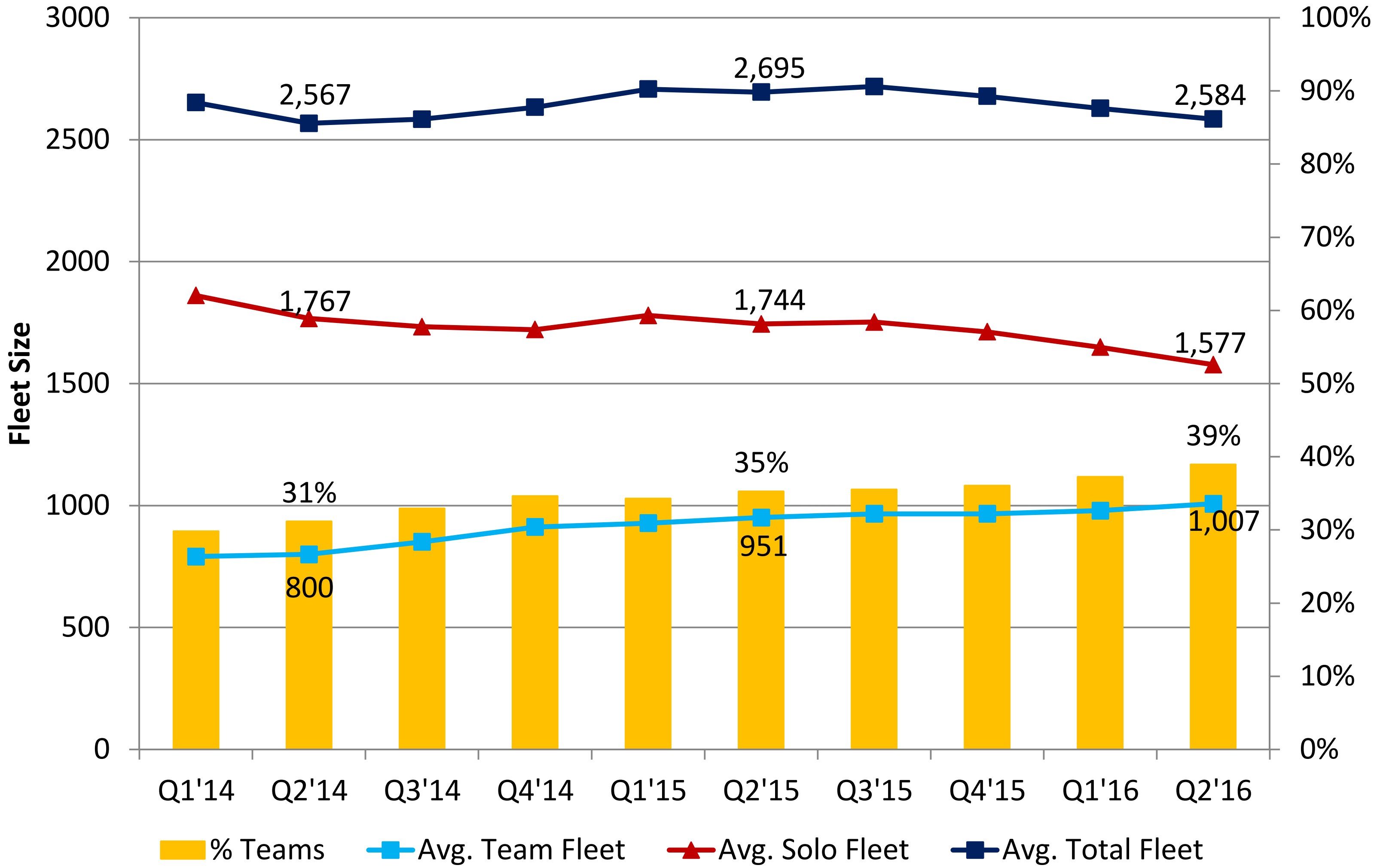
- Solutions for customers and capacity providers
- Brokerage to cover loads beyond asset capacity
- Truck / trailer sales and leasing
- Factoring for capacity providers

TFS Transport Financial Solutions Financing Success

CTG Covenant Transportation Group

(1) Source: Company estimates.
(2) Source: Transport Topics US For-Hire Carrier Rankings as of 2016.

FLEET TRENDS



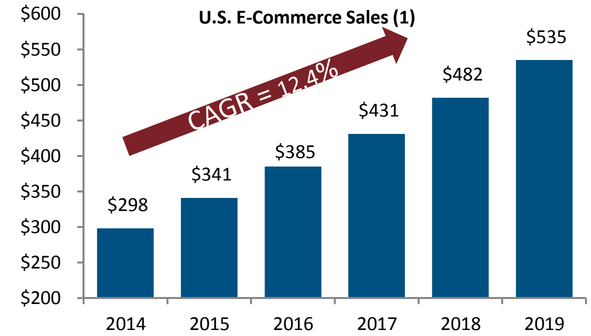
GROWING WITH BLUE CHIP CUSTOMERS IN SERVICE SENSTIVE MARKETS

MARKET SEGMENT	TOP CUSTOMERS	MARKET GROWTH

Expedited: E-Commerce / LTL

- E-commerce growing materially above GDP growth.
- Time-sensitive nature of E-commerce limits substitutes to expedited.
- LTL dynamics are increasing the demand for outsourced linehaul services
- **2015 Online retail sales were up 15%, while brick-and –mortar retail sales were up only 0.5%** (4)
- **Q2-16 e-commerce sales increased 15.8% from Q2-15, while total retail sales increased only 2.3% from the same period.** (4)
- **E-commerce represented 8.1% of retail sales in Q2-16, up from 7.1% in Q2-15**(4)

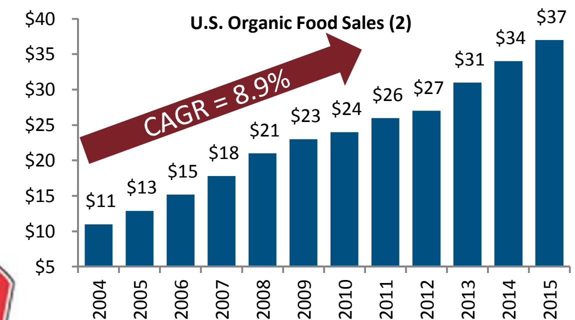
Top customers: UPS, CEVA, Amazon, FedEx Express, Shaw Floors



Organic/Refrigerated

- **Fresh/organic market growing materially above GDP growth. U.S. organic sales were up 7.7% from 2014 to 2015 at $4.2 billion in sales** (2)
- Food-related business is an attractive complement to consumer discretionary.
- Other protective services such as pharmaceuticals, cosmetics are growing.

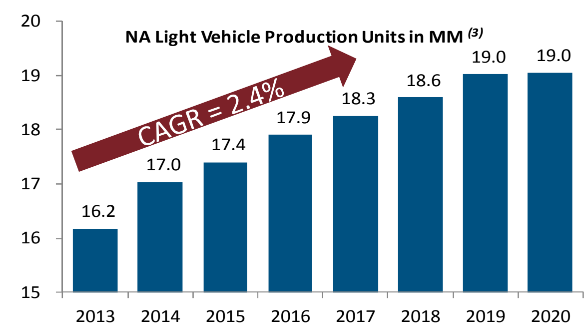
Top customers: Walmart, Tyson, Armada, Dole, Fresh Express



Dedicated

- Tight capacity, manufacturing demand drive interest in dedicated fleets.
- **New auto lines in southeast offer further growth potential.**

Top customers: Nissan, GM, Denso Manufacturing Tennessee, Inc.



(1) Source: Forrester Research.
(2) Source: The Organic Trade Association and United States Organic Food Market Forecast & Opportunities, 2018
(3) Source: 2015 IHS Automotive Industry Outlook.
(4) US Census Bureau for E-Commerce figures

CTG STRATEGIC PLAN IS UNLOCKING SUBSTANTIAL EARNINGS LEVERAGE

CTG TRANSFORMATION: THEN AND NOW

	2011	2015
Covenant Transport	- ≈1,600 trucks / $367 mm revenue - East-west expedited and irregular route - Vulnerable to intermodal substitution - General commodities	- ≈1,400 trucks / $400 mm revenue - **Higher percentage of team expedited trucks** - E-commerce, LTL linehaul, organic food - Needed part of distribution chains especially where intermodal is less viable
SRT Southern Refrigerated Transport	- ≈975 trucks / $194 mm revenue - 100% trucking / longer length of haul	- ≈970 trucks / $200 mm revenue - **8% intermodal** / 92% trucking **(25% regional**)
Star Transportation, Inc.	- ≈435 trucks / $64 mm revenue - Retail, construction - 90% SE, NE & MW regional **/ 10% dedicated**	- ≈330 trucks / $57 mm revenue - Automotive, retail, construction - **95% dedicated** / 5% SE regional
Covenant Transport Solutions	- $27 mm revenue - 15 employees - **Agent based model** - Poor integration with CTG companies	- $68 mm revenue - 50 employees - **Company-store model** - **Material integration with CTG companies** - Financing solutions for **carrier partners**
TEL	- 49% ownership - **$0.7** mm pretax benefit to CTG	- 49% ownership - **$4.6** mm pretax benefit to CTG
Total Revenue	- $653 mm	- $724 mm
Adj. Operating Ratio (Exc. FSC) (1)	- 98.0%	- 90.0%
Adj. EPS (1)	- $(0.33)	- $1.92

(1) *Excludes unusual items. See GAAP reconciliation / Adjusted Operating Ratio.*

STRATEGIC PLAN UPDATE: EXPAND/MAINTAIN/CONTRACT

CTG Service Offering Perspective:

Expedited:

- E-commerce/LTL
- Organic Produce
- Construction- related
- Irregular route OTR

Dedicated:

- Temperature Controlled
- Automotive

Solo Refrigerated:

- Irregular Route OTR

Logistics:

- Brokerage Services
- 3PL Services

Other:

- Factoring
- Outside Tractor/trailer sales
- Outside Tractor/trailer leasing

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STRATEGIC PLAN UPDATE: INITIATIVES

Key 2-Year Strategic Initiatives Launched August 2016:

- Development and deeper penetration of growing **dedicated** service offering
- Development and deeper penetration of **Mexico** freight opportunities
  - Expedited
    - Temperature-controlled
    - Electronics
  - Dedicated
    - Automotive
    - Temperature-controlled
- **Employee Satisfaction**
  - Professional driver retention
  - Non-driver productivity & training
  - Collaborative culture
- Southern Refrigerated Transport **("SRT")** Performance Improvement Plan

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SRT PERFORMANCE IMPROVEMENT PLAN

- New leadership effective 7/1/16, including Herb Schmidt consulting through 12/31/16+
- Build lane density and optimize freight network
  - Reduce deadhead percentage
  - Improve utilization, reducing "tweener" LOH loads
  - Accelerate number of engineered and true dedicated lanes
- Improve driver culture initiative
  - Reduce turnover
  - Improve productivity and safety focus
- Remove excess equipment to improve capital costs
- Through improved excellence in customer service, position SRT for rate increases when supply/demand dynamics tighten

CAPITAL STRUCTURE AND OUTLOOK

CAPITALIZATION

(Dollars in Millions)

CAPITALIZATION						
	As of 12/31/13	% of Total Capitalization	As of 12/31/15	% of Total Capitalization	As of 6/30/16	% of Total Capitalization
Cash & Cash Equivalents	($9.3)	(2.3%)	($3.4)	(0.7%)	($8.4)	(1.9%)
Total Debt:						
Revolving Credit Facility	7.0	1.7%	3.0	0.6%	10.9	2.5%
Revenue Equip. Inst. Notes	202.3	49.9%	201.8	43.1%	150.9	34.5%
Real Estate Note	3.9	1.0%	31.3	6.7%	30.7	7.0%
Note Payable	0.3	0.1%	0.0	0.0%	0.0	0.0%
Capital Lease Obligations	21.9	5.4%	14.6	3.1%	13.7	3.1%
Off -Balance Sheet Debt	**78.9**	**19.5%**	**18.6**	**4.0%**	**19.9**	**4.6%**
Net Debt	$305.1	75.2%	$265.9	56.8%	$217.7	49.8%
Stockholders Equity	$100.4	24.8%	$202.2	43.2%	$219.8	50.2%
Total Capitalization	$405.5	100.0%	$468.1	100.0%	$437.5	100.0%

	As of 12/31/13	As of 12/31/15
Net Debt to Adjusted EBITDAR	3.26	1.81

CAPITALIZATION PHILOSOPHY

- Strategic imperative to improve and maintain a strong balance sheet.
- Prudent use of debt to achieve effective weighted average cost of capital.
- May flex for significant investments that meet capital allocation criteria.

CTG'S SUBSTANTIAL EARNINGS LEVERAGE

(Dollars in Millions, Except Per Total Mile and Per Share Amounts)

CTG retains significant earnings leverage, with identifiable areas of focus and goals management strives to achieve.

	Unit of Change	Annual Impact on Operating Income	Annual Impact on EPS	Focus Areas
Miles / Tractor (1)	1.0%	$1.6	~$0.06	▪ Increase team driver truck % ▪ High growth market customers ▪ Optimize SRT lane density
Rev / Total Mile (2) or Cost / Total Mile (2)	$0.01/mile $0.005/mile	$3.2 $1.6	~$0.11 ~$0.05	Revenue: ▪ Lower deadhead /out-of-route miles ▪ Accessorial charges ▪ Prudent contractual pricing Cost: ▪ Increasing driver pay ▪ Unfavorable used truck market ▪ MPG improvement ▪ Improving fixed cost of fuel hedges- '17 ▪ WIG = 50 Cost savings initiatives
Adj. Operating Ratio (Ex. FSC) (2)	1.0%	$5.8	~$0.19	▪ Improve SRT O/R to historical average (Optimizing customer mix and tightening network) ▪ Strategic plan execution

(1) Assumes all else equal as of LTM 12/31/14. Miles per tractor assumes a 30% contribution margin, 38.5% incremental tax rate and 18.1 million pro forma diluted shares outstanding.
(2) Assumes 38.5% incremental tax rate and 18.1 million pro forma diluted shares outstanding.

POTENTIAL IMPACT OF CURRENT/FUTURE REGULATIONS:

- **ELD Rule:** Carriers and drivers who are using paper logs or logging software must transition to ELDs no later than December 18, 2017.
  - Mainly small carriers are non-compliant, which make up about 80% of the truckload industry
  - Impact: Estimates range anywhere from 4%-10% capacity lost in the industry
- **Rule prohibiting coercion of drivers by carriers and brokers:** Final rule on 11/30/2015
- **Speed Limiters:** As of April 28, 2016 the deadline to publish the rule was set, with it expected to not take effect until late 2018 or early 2019
- **Carrier Safety Fitness:** Published January 21, 2016. Under the present system, it is possible for carriers with a conditional safety rating to operate indefinitely, Using the proposed process, the Agency estimates that 75,000 carriers a month would be assessed for safety fitness.
- **CDL Drug and Alcohol Clearinghouse:** Set to be published late summer/early fall of 2016.
- **New Minimum Insurance (Public Liability):** Effective as of Dec. 12, 2015. Changes in amounts & types of insurance required for Motor Carriers, Freight Forwarders, and Freight Brokers
- **Hair follicle test** to be discussed by FMCSA; **Key #s**: Between May 2006 and Dec. 2014 J.B. Hunt conducted hair and urine drug screens on more than 82K drivers, of those 3,845 drivers passed the urine exam but failed the hair follicle test

- Source: FMSCA & Transport Topics , J.B Hunt

FUTURE TRENDS AND INITIATIVES:

- Fleet/Yield Outlook
  - Estimates for ‘16 include smaller average fleet size by 3%-6% and utilization up slightly
  - Goal to maintain flat average revenue per tractor for peak in Q4’16 vs. Q4’15

- Professional Driver Focus
  - Estimate per mile wage increases of 3.0%-4.0%, better miles, and great equipment
  - Position CTG to add professional drivers in ‘17 upon greater ELD compliance by smaller fleets

- Improve safety through use of technology, driver behavior modification, and use of predictive analytics

- Rising capital cost pressures resulting from weak used tractor market through 2017

- Double-digit YOY growth of partner carrier-focused business units for 2016

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QUESTIONS?

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APPENDIX

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GAAP RECONCILIATION / ADJUSTED OPERATING RATIO

Dollars in Millions except Percentages

	For the FYE Ending December 31,				For the Quarter Ended				
	2012	2013	2014	2015	6/30/2015	9/30/2015	12/31/2015	3/31/2016	6/30/2016
GAAP Net Income (Loss)	$6.1	$5.2	$17.8	$42.1	$11.0	$7.6	$13.2	$4.4	$3.6
Adjusted For:									
Income Tax Expense (Benefit)	$6.3	$7.5	$14.8	$21.8	$7.4	$6.0	$9.5	$1.6	$2.9
Net Interest Expense	12.7	10.4	10.8	8.4	1.7	2.0	2.5	2.3	2.0
Depreciation & Amortizaton	43.2	43.7	46.4	61.4	14.3	14.7	18.0	16.9	16.0
EBITDA	**$68.3**	**$66.8**	**$89.8**	**$133.7**	**$34.4**	**$30.3**	**$43.2**	**$25.2**	**$24.5**
EBITDAR	**$91.7**	**$93.6**	**$115.0**	**$150.3**	**$38.4**	**$35.3**	**$46.6**	**$28.0**	**$27.5**
(+) Insurance Commutation	-	-	-	($3.5)					
(+) 2008 Cargo Claim Judgement Add Back	-	-	$7.5		($3.5)	-	-	-	-
(+) Gain on Sale of Long Beach Terminal	($2.6)	-	-	-	-	-	-	-	-
(+) Impairment of Goodwill	-	-	-	-	-	-	-	-	-
Adjusted EBITDA	**$65.7**	**$66.8**	**$97.3**	**$130.2**	**$30.9**	**$30.3**	**$43.2**	**$25.2**	**$24.5**
(+) Rent Expense	23.4	26.8	25.2	16.5	4.0	5.0	3.4	2.9	3.1
Adjusted EBITDAR	**$89.1**	**$93.6**	**$122.5**	**$146.8**	**$34.9**	**$35.3**	**$46.6**	**$28.0**	**$27.5**
(-) Depreciation & Amortization	(43.2)	(43.7)	(46.4)	(61.4)	(14.3)	(14.7)	(18.0)	(16.9)	(16.0)
Adjusted EBIT	**$22.5**	**$23.1**	**$50.9**	**$68.9**	**$16.6**	**$15.6**	**$25.2**	**$8.3**	**$8.5**
Additional Below EBIT Adjustments									
Tax Effect From Charges	(1.0)	$ -	2.9	4.7	-	-	-	$0.6	
Adjusted Net Income (Loss)	**$4.5**	**$5.2**	**$22.4**	**$35.2**	**$8.8**	**$7.6**	**$13.2**	**$3.8**	**$3.6**
Diluted Shares Outstanding	14.8	15.0	15.5	18.3	18.4	18.3	18.3	18.3	18.3
Adjusted EPS	**$0.30**	**$0.35**	**$1.45**	**$1.92**	**$0.48**	**$0.42**	**$0.73**	**$0.21**	**$0.20**
Operating Expenses	$651.0	$664.2	$679.3	$656.5	$156.7	$158.9	$183.7	$148.9	$151.5
Fuel Surcharge Revenue	146.8	145.6	140.4	84.1	23.3	20.0	16.9	11.7	14.4
Total Revenue	674.3	684.5	719.0	724.2	175.5	173.5	208.1	156.3	158.8
Operating Ratio(1)	**95.6%**	**96.2%**	**93.1%**	**89.4%**	**87.7%**	**90.5%**	**87.3%**	**94.9%**	**94.9%**
Adjusted Operating Ratio	**96.1%**	**96.2%**	**91.9%**	**90.0%**	**90.0%**	**90.5%**	**87.3%**	**94.9%**	**94.9%**

(1) We define Operating Ratio as (i) operating expenses minus fuel surcharge revenue, divided by (ii) total revenue excluding fuel surcharge revenue.
(2) Adjusted Operating Ratio excludes the following items, which we believe to be unusual: 2008 Cargo Claim Judgment Add Back, Gain on Sale of Long Beach Terminal, Impairment of Goodwill, and Insurance Commutation

NOTES TO ADJUSTMENTS

2008 Cargo Claim Judgment Add Back:

- Insurance and claims expense adjusted to exclude $7.5 million due to adverse judgment suffered in Q3-14 relating to 2008 cargo claim.

Gain on Sale of Long Beach Terminal:

- An approximately $2.6 million pretax gain on sale of the Company's Long Beach property in Q2-12 has been excluded.

Impairment of Goodwill:

- Goodwill impairment of $11.5 million relating to write-down of intangibles associated with Star Transportation has been excluded from operating expense in 2011.

Tax-Affected Charges:

- The adjustments above resulted in total tax-affected charges of $2.1 million in 2011, ($1.0) million in 2012, $2.9 million in Q3-14, and $555K in Q1-16

Discretionary Tax Credit:

- An approximately $4.7 million net favorable tax credit in Q1-15 has been excluded.

Insurance Commutation:

- Insurance and claims expense adjusted to exclude $3.5 million due to favorable commutation of insurance policy in Q2-15.

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