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 30, 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: 001-36605

PATRIOT TRANSPORTATION HOLDING, INC.

(Exact name of registrant as specified in its charter)

Florida	**47-2482414**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
200 W. Forsyth St., 7th Floor, Jacksonville, FL	**32202**
(Address of principal executive offices)	(Zip Code)

904-396-5733
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically 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," "non-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 ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	June 30, 2019
Common Stock	3,347,329

PATRIOT TRANSPORTATION HOLDING, INC.
FORM 10-Q
QUARTER ENDED JUNE 30, 2019

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Preliminary Note Regarding Forward-Looking Statements.

Certain matters discussed in this report contain forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ materially from those indicated by such forward-looking statements.

These forward-looking statements relate to, among other things, capital expenditures, liquidity, capital resources and competition and may be indicated by words or phrases such as ”anticipate”, ”estimate”, ”plans”, ”projects”, ”continuing”, ”ongoing”, ”expects”, ”management believes”, ”the Company believes”, ”the Company intends” and similar words or phrases. The following factors and others discussed in the Company’s periodic reports and filings with the Securities and Exchange Commission are among the principal factors that could cause actual results to differ materially from the forward-looking statements: freight demand for petroleum products including recessionary and terrorist impacts on travel in the Company’s markets; fuel costs and the Company’s ability to recover fuel surcharges; accident severity and frequency; risk insurance markets; driver availability and cost; the impact of future regulations regarding the transportation industry; availability and terms of financing; competition in our markets; interest rates, and inflation and general economic conditions. However, this list is not a complete statement of all potential risks or uncertainties.

These forward-looking statements are made as of the date hereof based on management’s current expectations, and the Company does not undertake an obligation to update such statements, whether as a result of new information, future events or otherwise. Additional information regarding these and other risk factors may be found in the Company’s other filings made from time to time with the Securities and Exchange Commission.

PART I. FINANCIAL INFORMATION, ITEM 1. FINANCIAL STATEMENTS

PATRIOT TRANSPORTATION HOLDING, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(In thousands)
(Unaudited)

Assets		**June 30, 2019**	**September 30, 2018**
Current assets:			
Cash and cash equivalents	$	6,020	1
Treasury bills available for sale		14,430	17,298
Accounts receivable (net of allowance for doubtful accounts of $165 and $153, respectively)		7,472	7,866
Federal and state taxes receivable		117	547
Inventory of parts and supplies		944	895
Prepaid tires on equipment		1,666	1,746
Prepaid taxes and licenses		196	609
Prepaid insurance		1,994	2,348
Prepaid expenses, other		373	134
Total current assets		33,212	31,444
Property and equipment, at cost		93,729	94,710
Less accumulated depreciation		59,678	60,799
Net property and equipment		34,051	33,911
Goodwill		3,431	3,431
Intangible assets, net		740	855
Other assets, net		171	176
Total assets	$	71,605	69,817
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable	$	3,221	3,271
Bank overdraft		—	625
Accrued payroll and benefits		3,892	3,963
Accrued insurance		2,339	1,896
Accrued liabilities, other		310	408
Total current liabilities		9,762	10,163
Deferred income taxes		6,017	5,940
Accrued insurance		204	204
Other liabilities		1,096	1,104
Total liabilities		17,079	17,411
Commitments and contingencies			
Shareholders' Equity:			
Preferred stock, 5,000,000 shares authorized, of which 250,000 shares are designated Series A Junior Participating Preferred Stock; $0.01 par value; none issued and outstanding		—	—
Common stock, $.10 par value; (25,000,000 shares authorized; 3,347,329 and 3,328,466 shares issued and outstanding, respectively)		335	333
Capital in excess of par value		37,966	37,436
Retained earnings		16,041	14,472
Accumulated other comprehensive income, net		184	165
Total shareholders' equity		54,526	52,406
Total liabilities and shareholders' equity	$	71,605	69,817

See notes to consolidated financial statements.

PATRIOT TRANSPORTATION HOLDING, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(In thousands)
(Unaudited)

	THREE MONTHS ENDED JUNE 30,		NINE MONTHS ENDED JUNE 30,	
	2019	2018	2019	2018
Revenues:				
Transportation revenues	$ 24,907	26,445	$ 74,424	77,391
Fuel surcharges	2,619	2,959	8,164	7,893
Total revenues	27,526	29,404	82,588	85,284
Cost of operations:				
Compensation and benefits	11,985	12,132	35,875	36,048
Fuel expenses	3,988	4,623	12,268	13,049
Repairs & tires	1,901	1,817	5,572	5,075
Other operating	1,189	1,247	3,510	3,353
Insurance and losses	2,211	2,614	7,155	8,499
Depreciation expense	1,976	2,137	5,922	6,690
Rents, tags & utilities	833	792	2,571	2,534
Sales, general & administrative	2,479	2,465	7,508	7,229
Corporate expenses	426	399	1,825	1,676
Loss (gain) on disposition of PP&E	115	(175)	(1,441)	(674)
Total cost of operations	27,103	28,051	80,765	83,479
Total operating profit	423	1,353	1,823	1,805
Interest income and other	116	64	330	97
Interest expense	(8)	(10)	(25)	(29)
Income before income taxes	531	1,407	2,128	1,873
Provision for (benefit from) income taxes	135	321	559	(2,617)
Net income	$ 396	1,086	$ 1,569	4,490
Unrealized investment gains, net	7	—	19	—
Tax reform gain on retiree health	—	—	—	32
Comprehensive income	$ 403	1,086	$ 1,588	4,522
Earnings per common share:				
Net Income -				
Basic	$ 0.12	0.33	.47	1.35
Diluted	$ 0.12	0.33	.47	1.35
Number of shares (in thousands) used in computing:				
-basic earnings per common share	3,347	3,324	3,339	3,315
-diluted earnings per common share	3,348	3,328	3,340	3,316

See notes to consolidated financial statements.

PATRIOT TRANSPORTATION HOLDING, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED JUNE 30, 2019 AND 2018
(In thousands)
(Unaudited)

	Nine months ended June 30, 2019	2018
Cash flows from operating activities:		
Net income	$ 1,569	4,490
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	6,373	7,226
Deferred income taxes	77	(3,950)
Gain on asset dispositions	(1,441)	(687)
Stock-based compensation	532	534
Net changes in operating assets and liabilities:		
Accounts receivable	394	440
Inventory of parts and supplies	(49)	(24)
Prepaid expenses	608	(254)
Other assets	(292)	38
Accounts payable and accrued liabilities	224	(1,983)
Income taxes payable and receivable	430	718
Long-term insurance liabilities and other long-term Liabilities	(8)	—
Net cash provided by operating activities	8,417	6,548
Cash flows from investing activities:		
Purchase of property and equipment	(7,603)	(2,269)
Purchase of Treasury bills	(14,810)	—
Maturities of Treasury bills	18,000	—
Proceeds from the sale of property, plant and equipment	2,649	1,338
Net cash used in investing activities	(1,764)	(931)
Cash flows from financing activities:		
Decrease in bank overdrafts	(625)	—
Debt issue costs	(9)	—
Proceeds from exercise of employee stock options	—	126
Net cash (used in) provided by financing activities	(634)	126
Net increase in cash and cash equivalents	6,019	5,743
Cash and cash equivalents at beginning of period	1	11,289
Cash and cash equivalents at end of the period	$ 6,020	17,032

See notes to consolidated financial statements.

PATRIOT TRANSPORTATION HOLDING, INC. AND SUBSIDIARIES
CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019
(Unaudited)

(1) Description of Business and Basis of Presentation.

Description of Business

Company's Business. The business of the Company, conducted through our wholly owned subsidiary, Florida Rock & Tank Lines, Inc., is to transport petroleum and other liquids and dry bulk commodities. We do not own any of the products we haul, rather, we act as a third party carrier to deliver our customer's products from point A to point B predominately using Company employees driving Company owned tractors and tank trailers. Approximately 86% of our business consists of hauling liquid petroleum products (mostly gas and diesel fuel) from large scale fuel storage facilities to our customers' retail outlets (e.g. convenience stores, truck stops and fuel depots) where we off-load the product into our customer's fuel storage tanks for ultimate sale to the retail consumer. The remaining 14% of our business consists of hauling our customer's dry bulk commodities such as cement, lime and various industrial powder products and liquid chemicals. As of June 30, 2019, we employed 527 revenue-producing drivers who operated our fleet of 369 company tractors (excluding 21 being placed in service and 24 being prepared for sale), 22 owner operators and 518 trailers from our 19 terminals and 6 satellite locations in Florida, Georgia, Alabama, North Carolina and Tennessee.

Basis of Presentation

These statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and the instructions to Form 10-Q and do not include all the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. In the opinion of management, all adjustments (primarily consisting of normal recurring accruals) considered necessary for a fair statement of the results for the interim periods have been included. Operating results for the nine months ended June 30, 2019 are not necessarily indicative of the results that may be expected for the fiscal year ending September 30, 2019. The accompanying consolidated financial statements and the information included under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" should be read in conjunction with the audited financial statements and notes for the year ended September 30, 2018.

(2) **Recently Issued Accounting Standards.** In May 2014, the FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers" which replaces existing revenue recognition standards and significantly expand the disclosure requirements for revenue arrangements. The new standard requires an entity to recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration the entity expects to receive in exchange for those goods or services. This update also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. It may be adopted either retrospectively or on a modified retrospective basis to new contracts and existing contracts with remaining performance obligations as of the effective date. Management has identified that a legally enforceable contract with its customers is executed by both parties at the point of pickup of the shipper's product, as evidenced by the bill of lading. Although the Company may have master agreements with its customers, these master agreements only establish terms. There is no financial obligation to the shipper until the Company takes possession of the load. Revenue is recognized for each individual load and the amount of revenue in progress at the end of each quarter is insignificant. There is no significant amount of judgment or uncertainty in recording revenue. The Company adopted this standard on October 1, 2018, and its adoption of this guidance did not result in a material impact on its financial statements.

In February 2016, the FASB issued ASU No. 2016-02, “Leases”, which requires lessees to recognize a right-to-use asset and a lease obligation for all leases. Lessees are permitted to make an accounting policy election to not recognize an asset and liability for leases with a term of twelve months or less. Additional qualitative and quantitative disclosures, including significant judgments made by management, will be required. The new standard will become effective for the Company beginning with the first quarter 2020 and requires a modified retrospective transition approach and includes a number of practical expedients. Early adoption of the standard is permitted. The Company is currently evaluating the impacts the adoption of this accounting guidance will have on the consolidated financial statements. The Company has relatively few leases extending over 12 months, primarily the corporate office and 30 leased tractors. The total gross contractual obligation for leases with commitments greater than 12 months at September 30, 2018 was $3,875,000.

(3) **Related Party Agreements.** The Company provides FRP Holdings, Inc. (FRP) certain services including the services of certain shared executive officers. FRP may be considered a related party due to common significant shareholder ownership and shared common officers. A written agreement exists outlining the terms of such services and the boards of the respective companies amended and extended this agreement for one year effective April 1, 2019.

The consolidated statements of income reflect charges and/or allocation to FRP Holdings, Inc. for these services of $328,000 and $371,000 for the three months ended June 30, 2019 and 2018, and $1,051,000 and $1,081,000 for the nine months ended June 30, 2019 and 2018, respectively. Included in the charges above are amounts recognized for corporate executive stock-based compensation expense. These charges are reflected as a reduction to corporate expenses.

We employ an allocation method to allocate said expenses and thus we believe that the allocations to FRP are a reasonable approximation of the costs related to FRP’s operations, but any such related-party transactions cannot be presumed to be carried out on an arm’s-length basis.

(4) **Long-Term debt.** The Company had no long-term debt outstanding at June 30, 2019 and September 30, 2018. On December 28, 2018 the Company entered into a First Amendment to the 2015 Credit Agreement (the "Credit Agreement") with Wells Fargo Bank, N.A. ("Wells Fargo"), effective December 14, 2018. The Credit Agreement modifies the Company's prior Credit Agreement with Wells Fargo, dated January 30, 2015. The Credit Agreement establishes a five year revolving credit facility with a maximum facility amount of $35 million, with a separate sublimit for standby letters of credit. The credit facility limit may be increased to $50 million upon request by the Company, subject to the lender's discretion and the satisfaction of certain conditions. The interest rate under the Credit Agreement will be a maximum of 1.50% over LIBOR, which may be reduced quarterly to 1.25% or 1.0% over LIBOR if the Company meets a specified ratio of consolidated total debt to consolidated total capital. A commitment fee of 0.144% per annum is payable quarterly on the unused portion of the commitment but the amount may be reduced to 0.1145% or 0.086% if the Company meets a specified ratio of consolidated total debt to consolidated total capital. The Credit Agreement contains certain conditions, affirmative financial covenants and negative covenants. As of June 30, 2019, we had no outstanding debt borrowed on this revolver, $3,043,000 in commitments under letters of credit and $31,957,000 available for additional borrowings. The letter of credit fee is 1% and the applicable interest rate would have been 3.402% on June 30, 2019. This credit agreement contains certain conditions, affirmative financial covenants and negative covenants including a minimum tangible net worth. The Company was in compliance with all of its loan covenants as of June 30, 2019.

(5) **Earnings per share.** Basic earnings per common share are based on the weighted average number of common shares outstanding during the periods. Diluted earnings per common share are based on the weighted average number of common shares and potential dilution of securities that could share in earnings. The differences between basic and diluted shares used for the calculation are the effect of employee and director stock options.

The following details the computations of the basic and diluted earnings per common share (dollars and shares in thousands, except per share amounts):

	Three Months ended June 30,		Nine months ended June 30,	
	2019	2018	2019	2018
Weighted average common shares outstanding during the period - shares used for basic earnings per common share	3,347	3,324	3,339	3,315
Common shares issuable under share based payment plans which are potentially dilutive	1	4	1	1
Common shares used for diluted earnings per common share	3,348	3,328	3,340	3,316
Net income	$ 396	1,086	1,569	4,490
Earnings per common share:				
-basic	$ 0.12	0.33	0.47	1.35
-diluted	$ 0.12	0.33	0.47	1.35

For the three and nine months ended June 30, 2019, 181,983 and 185,983 shares attributable to outstanding stock options, respectively, were excluded from the calculation of diluted earnings per share because their inclusion would have been anti-dilutive. For the three and nine months ended June 30, 2018, 139,688 and 158,718 shares attributable to outstanding stock options, respectively, were excluded from the calculation of diluted earnings per share because their inclusion would have been anti-dilutive.

(6) **Stock-Based Compensation Plans.**

Participation in FRP Plans
Prior to the Company's spin-off from FRP Holdings, Inc. (FRP) in January 2015, the Company's directors, officers and key employees previously were eligible to participate in FRP's 2000 Stock Option Plan and the 2006 Stock Option Plan under which options for shares of common stock were granted to directors, officers and key employees.

Post Spin-Off Patriot Incentive Stock Plan
As part of the spin-off transaction, the Board of Directors of the Company adopted the Patriot Transportation Holding, Inc. Incentive Stock Plan ("Patriot Plan") in January, 2015. In exchange for all outstanding FRP options held on January 30, 2015, existing Company directors, officers and key employees holding option grants in the FRP Stock Option Plan(s) were issued new grants in the Patriot and FRP Plans based upon the relative value of Patriot and FRP immediately following the completion of the spin-off with the same remaining terms. All related compensation expense has been allocated to the Company (rather than FRP) and included in corporate expenses. The number of common shares available for future issuance in the Patriot Plan was 271,043 at June 30, 2019.

In December 2016, the Company approved and issued a long-term performance incentive to an officer in the form of stock appreciation rights. The Company granted 80,000 stock appreciation rights. The market price was $23.13 on the date of grant and the executive will get a cash award at age 65 based upon the stock price at that date compared to the stock price at the date of grant but in no event will the award be less than $500,000. The Company plans to expense the fair value of the award over the 9.1 year vesting period to the officer's attainment of age 65.

The Company recorded the following stock compensation expense in its consolidated statements of income (in thousands):

	Three Months ended June 30,		Nine months ended June 30,	
	2019	2018	2019	2018
Stock option grants	$ 57	56	169	166
Annual director stock award	—	—	363	368
	$ 57	56	532	534

A summary of Company stock options is presented below (in thousands, except share and per share amounts):

Options	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Term (yrs)	Weighted Average Grant Date Fair Value
Outstanding at				
October 1, 2018	173,095	$ 21.49	6.3	$ 1,398
Granted	29,920	20.10		240
Forfeited	(10,000)	18.24		(76)
Outstanding at				
June 30, 2019	193,015	$ 21.44	6.5	$ 1,562
Exercisable at				
June 30, 2019	108,084	$ 22.32	5.0	$ 885
Vested during				
nine months ended				
June 30, 2019	19,724			$ 174

The aggregate intrinsic value of exercisable Company options was $3,000 and the aggregate intrinsic value of all outstanding in-the-money options was $3,000 based on the Company's market closing price of $16.97 on June 28, 2019 less exercise prices.

The realized tax benefit from option exercises during the first nine months of fiscal 2019 was $52,000 which pertained to FRP options exercised that were granted to persons employed by Patriot. The unrecognized compensation expense of Patriot options granted as of June 30, 2019 was $551,000, which is expected to be recognized over a weighted-average period of 3.3 years.

(7) **Fair Value Measurements**. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. Level 1 means the use of quoted prices in active markets for identical assets or liabilities. Level 2 means the use of values that are derived principally from or corroborated by observable market data. Level 3 means the use of inputs are those that are unobservable and significant to the overall fair value measurement.

During the nine months ending June 30, 2019, the Company invested in treasury bills with maturities at time of purchase of 3 months to 1 year. The unrealized gains on these investments of $19,000 was recorded as part of comprehensive income and was based on the market value (Level 1). The amortized cost of the investments was $14,417,000 and the carrying amount and fair value was $14,430,000 as of June 30, 2019.

At June 30, 2019 and September 30, 2018, the carrying amount reported in the consolidated balance sheets for cash and cash equivalents, accounts receivable, accounts payable and other financial instruments approximate their fair value based upon the short-term nature of these items.

(8) **Contingent liabilities**. The Company is involved in litigation on a number of matters and is subject to certain claims which arise in the normal course of business. The Company has retained certain self-insurance risks with respect to losses for third party liability and property damage. There is a reasonable possibility that the Company's estimate of vehicle and workers' compensation liability may be understated or overstated but the possible range cannot be estimated. The liability at any point in time depends upon the relative ages and amounts of the individual open claims. In the opinion of management none of these matters are expected to have a material adverse effect on the Company's financial condition, results of operations or cash flows.

(9) **Concentrations**.

Market: The Company primarily serves customers in the petroleum industry in the Southeastern U.S. Significant economic disruption or downturn in this geographic region or within these industries could have an adverse effect on our financial statements.

Customers: During the first nine months of fiscal 2019, the Company's ten largest customers accounted for approximately 63.1% of our revenue and one of these customers accounted for 18.9% of our revenue. Accounts receivable from the ten largest customers was $4,877,000 and $4,875,000 at June 30, 2019 and September 30, 2018 respectively. The loss of any one of these customers could have a material adverse effect on the Company's revenues and income.

Deposits: Cash and cash equivalents are comprised of cash at Wells Fargo Bank, N.A. The balances may exceed FDIC limits.

(10) **Unusual or Infrequent Items Impacting Quarterly Results**.

First quarter 2019 net income included $634,000, or $.19 per share, from gains on real estate sales. Second quarter 2019 net income included $179,000 or $.05 per share, from a gain of $247,000 on the insurance settlement for hurricane damages and losses sustained at our Panama City, Florida location in this year's first quarter.

First quarter 2018 net income included $3,041,000, or $.92 per share, due to a deferred tax benefit resulting from revaluing the company's net deferred tax liabilities per the *Tax Cuts and Jobs Act of 2017*. As the Company has a September 30 fiscal year-end, the lower corporate income tax rate will be phased in, resulting in a U.S. statutory federal rate of approximately 24.28% for our fiscal year ending September 30, 2018, and 21% for subsequent fiscal years. The effective tax rate including the effect of state income taxes, but not including excess tax benefits from stock option exercises, decreased from 39.5% to 30.5% for fiscal 2018 and is projected to be 27.5% for subsequent years.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the consolidated financial information and related notes that appear in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Overview

The business of the Company, conducted through our wholly owned subsidiary, Florida Rock & Tank Lines, Inc., is to transport petroleum and other liquids and dry bulk commodities. We do not own any of the products we haul, rather, we act as a third party carrier to deliver our customer's products from point A to point B predominately using Company employees driving Company owned tractors and tank trailers. Approximately 86% of our business consists of hauling liquid petroleum products (mostly gas and diesel fuel) from large scale fuel storage facilities to our customers' retail outlets (e.g. convenience stores, truck stops and fuel depots) where we off-load the product into our customer's fuel storage tanks for ultimate sale to the retail consumer. The remaining 14% of our business consists of hauling our customer's dry bulk commodities such as cement, lime and various industrial powder products and liquid chemicals. As of June 30, 2019, we employed 527 revenue-producing drivers who operated our fleet of 369 company tractors (excluding 21 being placed in service and 24 being prepared for sale), 22 owner operators and 518 trailers from our 19 terminals and 6 satellite locations in Florida, Georgia, Alabama, North Carolina and Tennessee. We experience increased seasonal demand in Florida in the spring and in most of our other locations during the summer months.

Our industry is characterized by such barriers to entry as the time and cost required to develop the capabilities necessary to handle hazardous material, the resources required to recruit, train and retain drivers, substantial industry regulatory and insurance requirements and the significant capital investments required to build a fleet of equipment, establish a network of terminals and, in recent years, the cost to build and maintain sufficient information technology resources to allow us to interface with and assist our customers in the day-to-day management of their product inventories.

Our ability to provide superior customer service at competitive rates and to operate safely and efficiently is important to our success in growing our revenues and increasing profitability. Our focus is to grow our profitability by executing on our key strategies of (i) increasing our business with existing and new customers, particularly hypermarket and large convenience store chains, that are willing to compensate us for our ability to provide superior, safe and reliable service, (ii) expanding our service offerings with respect to dry bulk and chemical products particularly in markets where we already operate terminals, (iii) earning the reputation as the preferred employer for tank truck drivers in all the markets in which we operate and (iv) pursuing strategic acquisitions. Our ability to execute this strategy depends on continuing our dedicated commitments to customer service and safety and continuing to recruit and retain qualified drivers.

Our industry is experiencing a severe driver shortage. As the need to hire drivers has risen across our industry the trend we are seeing is that more and more of the applicants are drivers with little to no experience in the tank truck business. Our management team is keenly focused on continuing to grow our driver count in markets where there are opportunities for us to grow our business and to retain all of our drivers at the levels we have historically achieved while balancing the aforementioned trends and associated risks of the "new to the industry" driver applicant pool. Through the implementation of a software program, we have enhanced our ability to quickly identify, communicate with and ultimately hire qualified drivers.

There are several opportunities available today in our markets that will allow us to execute on our strategy so long as we can find, hire and retain qualified drivers to meet the demands of these opportunities. We believe the tighter driver market has and will continue to provide us with opportunities to capture new business. As these opportunities arise, we are willing to let certain lower priced business go in this environment to grow our business with customers willing to pay for our reliability and superior customer service.

We generate both transportation based revenue as well as fuel surcharge revenue. Our transportation revenue consists of base revenue for each delivery which is generally calculated by multiplying a negotiated mileage-based rate by the quantity of product delivered plus any fees for extra stops to load or unload, powered product unloading and toll cost reimbursements. These negotiated transportation rates compensate us both for transporting the products as well as for loading and unloading time. While our base rates include a fixed amount to cover our cost of fuel using an assumed price for diesel, we have fuel surcharges in place with our customers that allow us to obtain additional compensation for fuel expense incurred when the price of diesel rises above that assumed price. Likewise, for some customers, the fuel surcharge system allows the customer to receive a lower cost from us when the price of diesel drops below that assumed price. There is a time lag between fuel price fluctuations and changes to fuel surcharges to our customers. In a rapidly rising price environment this time lag can negatively impact the Company's financial results as we must pay the higher fuel cost immediately but in most cases aren't able to adjust fuel surcharges to our customers until the end of the month.

The main factors that affect our total revenue are the number of revenue miles driven, rates per mile, quantity of products hauled and the amount of fuel surcharges.

The Company's operations are influenced by a number of external and internal factors. External factors include levels of economic and industrial activity in the United States and the Southeast, driver availability and cost, government regulations regarding driver qualifications and limitations on the hours drivers can work, petroleum product demand in the Southeast which is driven in part by tourism and commercial aviation, and fuel costs. Internal factors include revenue mix, equipment utilization, Company imposed restrictions on hiring drivers under the age of 23 or drivers without at least one year of driving experience, auto and workers' compensation accident frequencies and severity, administrative costs, and group health claims experience.

Our operating costs primarily consist of the following:

- *Compensation and Benefits* - Wages and employee benefits for our drivers and terminal support personnel is the largest component of our operating costs. These costs are impacted by such factors as miles driven, driver pay increases, driver turnover and training costs and additional driver pay due to temporary out-of-town deployments to serve new business;
- *Fuel Expenses* - Our fuel expenses will vary depending on miles driven as well as such factors as fuel prices (which can be highly volatile), the fuel efficiency of our fleet and the average haul length;
- *Repairs and Tires* – This category consists of vehicle maintenance and repairs (excluding shop personnel) and tire expense (including amortization of tire cost and road repairs). These expenses will vary based on such factors as miles driven, the age of our fleet, and tire prices.
- *Other Operating Expenses* – This category consists of tolls, hiring costs, out-of-town driver travel cost, terminal facility maintenance and other operating expenses. These expenses will vary based on such factors as, driver availability and out-of-town driver travel requirements, business growth and inflation among others;

- *Insurance and Losses* – This category includes costs associated with insurance premiums, and the self-insured portion of liability, worker's compensation, health insurance and cargo claims and wreck repairs. We work very hard to manage these expenses through our safety and wellness programs, but these expenses will vary depending on the frequency and severity of accident and health claims, insurance markets and deductible levels;
- *Depreciation Expense* – Depreciation expense consists of the depreciation of the cost of fixed assets such as tractors and trailers over the life assigned to those assets. The amount of depreciation expense is impacted by equipment prices and the timing of new equipment purchases. We expect the cost of new tractors and trailers to continue to increase, impacting our future depreciation expense;
- *Rents, Tags and Utilities Expenses* – This category consists of rents payable on leased facilities and leased equipment, federal highway use taxes, vehicle registrations, license and permit fees and personal property taxes assessed against our equipment, communications, utilities and real estate taxes;
- *Sales, General and Administrative Expenses* - This category consists of the wages, bonus accruals, benefits, travel, vehicle and office costs for our administrative personnel as well as professional fees and amortization charges for intangible assets purchased in acquisitions of other businesses;
- *Corporate Expenses* – Corporate expenses consist of wages, bonus accruals, insurance and other benefits, travel, vehicle and office costs for corporate executives, director fees, stock option expense and aircraft expense;
- *Gains/Loss on Disposition of Property, Plant & Equipment* - Our financial results for any period may be impacted by any gain or loss that we realize on the sale of used equipment, losses on wrecked equipment, and disposition of other assets. We periodically sell used equipment as we replace older tractors and trailers. Gains or losses on equipment sales can vary significantly from period to period depending on the timing of our equipment replacement cycle, market prices for used equipment and losses on wrecked equipment.

To measure our performance, management focuses primarily on transportation revenue growth, revenue miles, our preventable accident frequency rate ("PAFR"), our operating ratio (defined as our operating expenses as a percentage of our operating revenue), turnover rate (excluding drivers related to Charlotte closure) and average driver count (defined as average number of revenue producing drivers including owner operators (O.O.) under employment over the specified time period) as compared to the same period in the prior year.

ITEM	**Nine Months 2019 vs. 2018**
Total Revenue	Down 3.2%
Transportation Revenue	Down 3.8%
Revenue Miles	Down 4.3%
PAFR	Improved from 2.01 to 1.91
Operating Ratio	Improved from 97.9% to 97.8%
Driver Turnover Rate	Increased from 67.7% to 72.9%
Avg. Driver Count incl. owner operators	Down 7.3%

Highlights of the Third quarter of Fiscal 2019

- The Company reported net income of $396,000, or $.12 per share, compared to $1,086,000, or $.33 per share, in the same quarter last year.
- Transportation revenues (excludes fuel surcharges) were down $1,538,000 on 865,000 fewer miles due primarily to running approximately 30 less average drivers this year versus last year.

Comparative Results of Operations for the Three Months ended June 30, 2019 and 2018

(dollars in thousands)	Three months ended June 30			
	2019	%	2018	%
Revenue miles (in thousands)	8,947		9,812	
Revenues:				
Transportation revenue	$ 24,907	90.5%	26,445	89.9%
Fuel surcharges	2,619	9.5%	2,959	10.1%
Total Revenues	27,526	100.0%	29,404	100.0%
Cost of operations:				
Compensation and benefits	11,985	43.6%	12,132	41.3%
Fuel expenses	3,988	14.5%	4,623	15.7%
Repairs & tires	1,901	6.9%	1,817	6.2%
Other operating	1,189	4.3%	1,247	4.2%
Insurance and losses	2,211	8.0%	2,614	8.9%
Depreciation expense	1,976	7.2%	2,137	7.3%
Rents, tags & utilities	833	3.0%	792	2.7%
Sales, general & administrative	2,479	9.0%	2,465	8.4%
Corporate expenses	426	1.6%	399	1.3%
Gain on disposition of PP&E	115	0.4%	(175)	-0.6%
Total cost of operations	27,103	98.5%	28,051	95.4%
Total operating profit	$ 423	1.5%	1,353	4.6%

Total revenues for the quarter were $27,526,000, down $1,878,000 from the same quarter last year. Transportation revenues (excludes fuel surcharges) were $24,907,000, down $1,538,000. The decrease in transportation revenues is primarily due to the decrease of 865,000 miles over the same quarter last year as we have continually been running with ~30 less average drivers this year versus last year. Transportation revenue per mile was up $.08 due to increased freight rates which has helped to offset the negative impact of fewer miles. Fuel surcharge revenue was $2,619,000, down $340,000 from the same quarter last year.

Compensation and benefits decreased $147,000 mainly due to lower company miles partially offset by higher driver training pay and more owner operators. Fuel expenses decreased $635,000 due to lower company miles and lower cost per gallon. Repair and tire expense increased $84,000 due to several high dollar repairs. Insurance and losses decreased $403,000 primarily due to lower health and workers' compensation claims. The lower health claims are partly attributable to the new Specialty Drug program we implemented January 1, 2019 which has resulted in ~$25,000 of monthly savings since implementation. Depreciation expense was down $161,000 as a result of downsizing our fleet. Loss on disposition of assets was ($115,000) this quarter versus a gain of $175,000 in the same quarter last year due primarily to a loss from a single vehicle rollover accident during the quarter and lower equipment sales activity. During the month of May, we closed our Charlotte terminal. Charlotte has been a very tough driver market as well as a low freight rate environment for the past several years. As a result, Management determined it was in the Company's best financial interest to exit the market. In the quarter, the Charlotte terminal generated an operating loss before overhead allocation of ($121,000) versus ($7,000) last quarter and ($20,000) in the same quarter last year primarily due to the added expense associated with the closure (e.g. severance, relocating equipment, etc.).

As a result, operating profit this quarter was $423,000 compared to $1,353,000 in the same quarter last year. Operating ratio was 98.5 this quarter versus 95.4 in the same quarter last year.

Comparative Results of Operations for the Nine Months ended June 30, 2019 and 2018

(dollars in thousands)	Nine months ended June 30			
	2019	**%**	**2018**	**%**
Revenue miles (in thousands)	27,199		28,418	
Revenues:				
Transportation revenue	$ 74,424	90.1%	77,391	90.7%
Fuel surcharges	8,164	9.9%	7,893	9.3%
Total Revenues	82,588	100.0%	85,284	100.0%
Cost of operations:				
Compensation and benefits	35,875	43.4%	36,048	42.3%
Fuel expenses	12,268	14.9%	13,049	15.3%
Repairs & tires	5,572	6.7%	5,075	6.0%
Other operating	3,510	4.2%	3,353	3.9%
Insurance and losses	7,155	8.7%	8,499	10.0%
Depreciation expense	5,922	7.2%	6,690	7.8%
Rents, tags & utilities	2,571	3.1%	2,534	3.0%
Sales, general & administrative	7,508	9.1%	7,229	8.5%
Corporate expenses	1,825	2.2%	1,676	1.9%
Gain on disposition of PP&E	(1,441)	-1.7%	(674)	-0.8%
Total cost of operations	80,765	97.8%	83,479	97.9%
Total operating profit	$ 1,823	2.2%	1,805	2.1%

The Company reported net income of $1,569,000, or $.47 per share, compared to net income of $4,490,000, or $1.35 per share in the same period last year. Income before income taxes was $2,128,000 versus $1,873,000 in the same period last year. The first nine months of 2019 income included $634,000, or $.19 per share, from gains on real estate sales. The first nine months of 2018 net income included $3,041,000, or $.92 per share, due to a deferred tax benefit resulting from revaluing the company's net deferred tax liabilities per the *Tax Cuts and Jobs Act of 2017*.

Total revenues for the first nine months were $82,588,000, down $2,696,000 from the same period last year. Transportation revenues (excludes fuel surcharges) were $74,424,000, down $2,967,000. Miles declined by 1,219,000 to 27,199,000 versus 28,418,000 in the same period last year.

Net fuel expense (i.e. gross fuel expenses less fuel surcharges) decreased by $1,052,000 due to fewer miles driven and higher fuel surcharges in the early part of the period. Repair and tire expense increased $497,000 due to several high dollar repairs and the expensing of prepaid tires as we purchased more tractors and trailers in this period versus the same period last year. Other operating expenses were up $157,000 due to increased tolls, driver hiring and driver travel expense. Insurance and losses were down $1,344,000 due mainly to lower auto liability ($1,117,000) and lower health ($223,000) claims. Depreciation expense was down $768,000 as we sold excess equipment to right size our fleet. Sales, general & administrative costs increased $279,000 due mainly to increased driver recruiting efforts and higher IT expense (on-going system upgrades). Gain on disposition of assets increased $767,000 due primarily to a gain of $866,000 on the sale of a prior terminal site in Ocoee, Florida and a gain of $231,000 on the insurance settlement for hurricane damages and losses sustained at our Panama City, Florida location.

As a result, operating profit was $1,823,000 compared to $1,805,000 in the same period last year. Operating ratio was 97.8 versus 97.9 last year.

Liquidity and Capital Resources. The Company maintains its operating accounts with Wells Fargo Bank, N.A. and these accounts directly sweep overnight against the Wells Fargo revolver. As of June 30, 2019, we had no debt outstanding on this revolver, $3,043,000 letters of credit and $31,957,000 available for additional borrowings. The Company expects our fiscal year 2019 cash generation to cover the cost of our operations and all our budgeted capital expenditures.

Cash Flows - The following table summarizes our cash flows from operating, investing and financing activities for each of the periods presented (in thousands of dollars):

	Nine months Ended June 30,	
	2019	**2018**
Total cash provided by (used for):		
Operating activities	$ 8,417	6,548
Investing activities	(1,764)	(931)
Financing activities	(634)	126
Increase in cash and cash equivalents	$ 6,019	5,743
Outstanding debt at the beginning of the period	—	—
Outstanding debt at the end of the period	—	—

Operating Activities - Net cash provided by operating activities (as set forth in the cash flow statement) was $8,417,000 for the nine months ended June 30, 2019, compared to $6,548,000 in the same period last year. The total of net income plus depreciation and amortization and less gains on sales of property and equipment decreased $4,528,000 versus the same period last year. These changes are described above under "Comparative Results of Operations." Deferred income tax decreased $3,950,000 in the same period last year primarily due to a reduction in income tax expense related to the enactment of the Tax Cuts and Jobs Act. Accounts Payable and Accrued Liabilities decreased $1,983,000 in the same period last year due to the timing of payments related to equipment purchases and lower bonus payments paid for the prior fiscal year. These changes comprise the majority of the increase in net cash provided by operating activities.

Investing Activities – Investing activities include the purchase of property and equipment, purchase and maturity of Treasury bills, any business acquisitions and proceeds from sales of property and equipment upon retirement. For the nine months ended June 30, 2019, we spent $1,764,000 on investing activities which included $4,954,000 for the purchase of plant, property and equipment net of proceeds from retirements and $14,810,000 for the purchase of Treasury bills offset by $18,000,000 in proceeds on maturities of Treasury bills. For the nine months ended June 30, 2018 we spent $931,000 on equipment net of retirements.

Financing Activities – Financing activities primarily include net changes to our outstanding revolving debt and proceeds from the sale of shares of common stock through employee equity incentive plans. For the nine months ended June 30, 2019, cash used in financing activities was $634,000 versus cash provided by financing activities of $126,000 for the nine months ended June 30, 2018 due to bank overdrafts in the prior year, debt issue costs related to a revised and restated revolver credit agreement and stock option exercises in the prior year. We had no outstanding long-term debt on June 30, 2019 or June 30, 2018.

Credit Facilities - On December 28, 2018 the Company entered into a First Amendment to the 2015 Credit Agreement (the "Credit Agreement") with Wells Fargo Bank, N.A. ("Wells Fargo"), effective December 14, 2018. The Credit Agreement modifies the Company's prior Credit Agreement with Wells Fargo, dated January 30, 2015. The Credit Agreement establishes a five year revolving credit facility with a maximum facility amount of $35 million, with a separate sublimit for standby letters of credit. The credit facility limit may be increased to $50 million upon request by the Company, subject to the lender's discretion and the satisfaction of certain conditions. The interest rate under the Credit Agreement will be a maximum of 1.50% over LIBOR, which may be reduced quarterly to 1.25% or 1.0% over LIBOR if the Company meets a specified ratio of consolidated total debt to consolidated total capital. A commitment fee of 0.144% per annum is payable quarterly on the unused portion of the commitment but the amount may be reduced to 0.1145% or 0.086% if the Company meets a specified ratio of consolidated total debt to consolidated total capital. The credit agreement contains certain conditions, affirmative financial covenants and negative covenants, including a minimum tangible net worth. As of June 30, 2019, the tangible net worth covenant would have limited our ability to pay dividends or repurchase stock with borrowed funds to a maximum of $22.1 million combined.

Cash Requirements - The Company currently expects its fiscal 2019 capital expenditures to be approximately $10 million for the replacement equipment which we expect to be fully funded by our cash generated from our operations. The Company does not currently pay any cash dividends on common stock

Summary and Outlook. Our balance sheet remains solid with $20,000,000 of cash and investments and zero debt. We have grown our shareholder equity by $2,100,000 thus far this fiscal year. This quarter was negatively impacted by the lower driver count resulting in lower revenue miles. Although we continue to see a higher number of drivers in training our turnover rate has not improved resulting in a flattening of our driver count this year versus the decline we saw throughout last year. Management believes the biggest challenge we face today is driver retention and we are keenly focused on continuing to develop our strategy around improving retention. There is plenty of business available in many of our markets that we believe we can add if we can grow the driver count in those markets. Management is pleased with the efforts this year to improve freight rates which resulted in an increase of $.08 per mile on transportation revenue quarter over quarter. The cost of hiring and retaining drivers continues to rise as do insurance premiums across the transportation industry. As a result, we are optimistic that freight rates will continue in a positive direction for the foreseeable future.

The decrease in equipment is producing significant recurring savings as are the recent changes we made to our specialty drug and wellness plans. We are in the early stages of renegotiating our pharmacy and health plan agreements and thus far we are optimistic about potential recurring savings moving into fiscal 2020. We will continue to pursue relationships with those customers who are willing to properly compensate us for the safe, reliable service we provide, particularly during this severe driver shortage. We are optimistic that the strategic plan we have in place will lead to improved operating profits.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

Interest Rate Risk - We are exposed to the impact of interest rate changes through our variable-rate borrowings under the credit agreements. Under the Wells Fargo revolving credit line of credit, the applicable spread for borrowings at June 30, 2019 was 1.0% over LIBOR. The applicable margin for such borrowings will be increased in the event that our debt to capitalization ratio as calculated under the credit agreement exceeds certain thresholds.

Commodity Price Risk - The price and availability of diesel fuel are subject to fluctuations due to changes in the level of global oil production, seasonality, weather, global politics and other market factors. Historically, we have been able to recover a significant portion of fuel price increases from our customers in the form of fuel surcharges. The typical fuel surcharge table provides some margin contribution at higher diesel fuel prices but also results in some margin erosion at the lower diesel fuel prices. The price and availability of diesel fuel can be unpredictable as well as the extent to which fuel surcharges can be collected to offset such increases.

ITEM 4. CONTROLS AND PROCEDURES

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Company's reports under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including the Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), as appropriate, to allow timely decisions regarding required disclosure.

The Company also maintains a system of internal accounting controls over financial reporting that are designed to provide reasonable assurance to the Company's management and Board of Directors regarding the preparation and fair presentation of published financial statements.

All control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance of achieving the desired control objectives.

As of June 30, 2019, the Company, under the supervision and with the participation of the Company's management, including the CEO, CFO and CAO, carried out an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on this evaluation, the Company's CEO, CFO and CAO concluded that the Company's disclosure controls and procedures are effective in alerting them in a timely manner to material information required to be included in periodic SEC filings.

There have been no changes in the Company's internal controls over financial reporting during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1A. RISK FACTORS

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, “Item 1A. Risk Factors” in our Annual Report on Form 10-K for the year ended September 30, 2018, which could materially affect our business, financial condition or future results. The risks described in our Annual Report on Form 10-K are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

Item 2. PURCHASES OF EQUITY SECURITIES BY THE ISSUER

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased As Part of Publicly Announced Plans or Programs	(d) Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (1)
April 1 Through April 30	—	$ —	—	$ 5,000,000
May 1 Through May 31	—	$ —	—	$ 5,000,000
June 1 Through June 30	—	$ —	—	$ 5,000,000
Total	—	$	—	

(1) On February 4, 2015, the Board of Directors authorized management to expend up to $5,000,000 to repurchase shares of the Company’s common stock from time to time as opportunities arise. To date, the Company has not repurchased any common stock of the Company.

Item 6. EXHIBITS

(a) Exhibits. The response to this item is submitted as a separate Section entitled "Exhibit Index", on page 24.

SIGNATURES

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

PATRIOT TRANSPORTATION HOLDING, INC.

Date: August 14, 2019

By ROBERT E. SANDLIN
Robert E. Sandlin
President and Chief Executive Officer
(Principal Executive Officer)

By MATTHEW C. MCNULTY
Matthew C. McNulty
Vice President, Secretary and Chief Financial Officer
(Principal Financial Officer)

By JOHN D. KLOPFENSTEIN
John D. Klopfenstein
Controller, Treasurer and Chief Accounting
Officer (Principal Accounting Officer)

PATRIOT TRANSPORTATION HOLDING, INC.
FORM 10-Q FOR THE QUARTER ENDED JUNE 30, 2019

EXHIBIT INDEX

(14)	Financial Code of Ethical Conduct between the Company, Chief Executive Officers, and Financial Managers (incorporated by reference to Form 8-K filed February 2, 2015).
(31)(a)	Certification of Robert E. Sandlin.
(31)(b)	Certification of Matthew C. McNulty
(31)(c)	Certification of John D. Klopfenstein.
(32)	Certification of Chief Executive Officer, Chief Financial Officer, and Chief Accounting Officer under Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document
101.XSD	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase

CERTIFICATIONS

Exhibit 31(a)

I, Robert E. Sandlin, certify that:

1. I have reviewed this report on Form 10-Q of Patriot Transportation Holding, 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 officers 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)) for the registrant and have:
   a) designed such disclosure controls and procedures, or caused such disclosure controls 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) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosures controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   c) disclosed in this report any changes 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 report; and
5. The registrant's other certifying officers 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 registrant's board of directors (or persons performing the equivalent functions):
   a) all significant deficiencies 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 14, 2019

By: /s/ Robert E. Sandlin
President and Chief Executive Officer

CERTIFICATIONS

Exhibit 31(b)

I, Matthew C. McNulty, certify that:

1. I have reviewed this report on Form 10-Q of Patriot Transportation Holding, 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 officers 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)) for the registrant and have:
   a) designed such disclosure controls and procedures, or caused such disclosure controls 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) evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosures controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   c) disclosed in this report any changes 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 report; and
5. The registrant’s other certifying officers 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 registrant’s board of directors (or persons performing the equivalent functions):
   a) all significant deficiencies 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 14, 2019

By: /s/ Matthew C. McNulty
Vice President, Secretary and Chief Financial Officer

CERTIFICATIONS

Exhibit 31(c)

I, John D. Klopfenstein, certify that:

1. I have reviewed this report on Form 10-Q of Patriot Transportation Holding, 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 officers 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)) for the registrant and have:
   a) designed such disclosure controls and procedures, or caused such disclosure controls 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) evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosures controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   c) disclosed in this report any changes 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 report; and
5. The registrant’s other certifying officers 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 registrant’s board of directors (or persons performing the equivalent functions):
   a) all significant deficiencies 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 14, 2019

By: /s/ John D. Klopfenstein
Controller, Treasurer and Chief Accounting Officer

Exhibit 32

CERTIFICATION UNDER SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, each of the undersigned certifies that this periodic report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in this periodic report fairly presents, in all material respects, the financial condition and results of operations of Patriot Transportation Holding, Inc.

PATRIOT TRANSPORTATION HOLDING, INC.

Date: August 14, 2019

By /s/ROBERT E. SANDLIN
Robert E. Sandlin
President and Chief Executive Officer

By /s/MATTHEW C. MCNULTY
Matthew C. McNulty
Vice President, Secretary and Chief Financial Officer

By /s/JOHN D. KLOPFENSTEIN
John D. Klopfenstein
Controller, Treasurer and Chief Accounting Officer

A signed original of this written statement required by Section 906 has been provided to Patriot Transportation Holding, Inc. and will be retained by Patriot Transportation Holding, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification accompanies the issuer's Quarterly report on Form 10-Q and is not filed as provided in SEC Release Nos. 33-8212, 34-4751 and IC-25967, dated June 30, 2003.