



KNX 1Q21 Earnings Presentation



Disclosure

This presentation, including documents incorporated herein by reference, will contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated by the forward-looking statements. Please review our disclosures in filings with the United States Securities and Exchange Commission.

Non-GAAP Financial Data

This presentation includes the use of adjusted operating income, operating ratio, adjusted operating ratio, net income, adjusted earnings per share, adjusted pre-tax income, return on net tangible assets, adjusted leverage ratio, available liquidity, and free cash flow, which are financial measures that are not in accordance with United States 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. In addition, our use of these non-GAAP measures should not be interpreted as indicating that these or similar items could not occur in future periods. In addition, adjusted operating ratio excludes trucking segment fuel surcharges from revenue and nets these surcharges against fuel expense.

KNX Overview

Trucking

	Q1 '21	TTM Q1 '21
Revenue (ex. fuel surcharge and intersegment transactions)	\$ 872.8M	\$ 3,532.4M
Adjusted Operating Ratio ¹	81.8 %	81.9 %
<ul style="list-style-type: none"> • 13,130 irregular route tractors, 5,094 dedicated tractors, and 59,797 combined trailers • Dry Van, Refrigerated, Dedicated, Flatbed, Drayage, and Expedited service offerings 		

Intermodal

	Q1 '21	TTM Q1 '21
Revenue (ex intersegment transactions)	\$ 107.0M	\$ 403.4M
Adjusted Operating Ratio ¹	96.8 %	98.7 %
<ul style="list-style-type: none"> • 597 tractors and 10,846 containers 		

Logistics

	Q1 '21	TTM Q1 '21
Revenue (ex intersegment transactions)	\$ 115.7M	\$ 404.1M
Adjusted Operating Ratio ¹	93.5 %	94.0 %

Shareholder Value

Q1 '21

- Free Cash Flow of \$262M for Q1 and \$714M for the TTM ²
- TTM Return on Net Tangible Assets of 16.9% ¹
- Leverage Ratio of 0.54 ¹
- Repurchased \$54M of our common stock
- \$14M paid out in Dividends

¹ See GAAP to non-GAAP reconciliation in the schedules following this presentation

² Free Cash Flow is a non-GAAP measure defined as net cash provided by operating activities, less net cash capital expenditures.

First Quarter 2021 Comparative Results

Knight-Swift Consolidated	Q1 '21		Q1 '20		Change
	(Dollars in thousands, except per share data)				
Total revenue	\$	1,223,014	\$	1,124,798	8.7 %
Revenue xFSC	\$	1,133,105	\$	1,027,095	10.3 %
Operating income	\$	162,259	\$	102,119	58.9 %
Adj. Operating Income ¹	\$	175,250	\$	116,788	50.1 %
Net income attributable to Knight-Swift	\$	129,790	\$	65,426	98.4 %
Adj. Net income Attributable to Knight Swift ¹	\$	139,433	\$	76,205	83.0 %
Earnings per diluted share	\$	0.77	\$	0.38	102.6 %
Adj. EPS ¹	\$	0.83	\$	0.44	88.6 %

Adjustments

- \$11.7M in Q1 2021 and \$11.5M in Q1 2020 of amortization expense from mergers and acquisitions
- \$1.2M in Q1 2021 of legal accruals
- \$0.9M in Q1 2020 of impairments
- \$2.3M in Q1 2020 for Covid-19 incremental costs

¹ See GAAP to non-GAAP reconciliation in the schedules following this presentation

Operating Performance – Trucking

- 6.3% growth in Revenue xFSC
- 81.8% Adjusted Operating Ratio in Q1 2021 compared to 86.5% the previous year
- 43.3% year-over-year improvement in Adjusted Operating Income
- 11.3% Revenue xFSC growth and a 78.5% Adjusted Operating Ratio in Swift Truckload
- 10.0% Revenue xFSC growth and a 79.0% Adjusted Operating Ratio in Knight Trucking

Trucking Financial Metrics

	Q1 '21	Q1 '20	Change
	(Dollars in thousands)		
Revenue xFSC	\$872,814	\$821,084	6.3 %
Operating income	\$158,483	\$107,334	47.7 %
Adjusted Operating Income ¹	\$158,807	\$110,805	43.3 %
Operating ratio	83.5%	88.3%	(480 bps)
Adjusted Operating Ratio ¹	81.8%	86.5%	(470 bps)

Trucking Operating Statistics

	Q1 '21	Q1 '20	Change
Average revenue per tractor	\$47,894	\$44,474	7.7 %
Average tractors	18,224	18,462	(1.3 %)
Average trailers	59,797	57,716	3.6 %
Miles per tractor	20,928	22,568	(7.3 %)

¹ See GAAP to non-GAAP reconciliation in the schedules following this presentation.

Operating Performance – Logistics

- 50.8% increase in Revenue
- 103.7% increase in Operating income
- 43.0% increase in Brokerage revenue per load
- 5.4% increase in Brokerage load counts
- Power only loads increased 56.2% from the prior year and now account for over 25% of total Q1 volume
- 4,500 carriers were digitally matched through our Select platform representing 20% of brokerage load volume

Logistics Financial Metrics

	Q1 '21	Q1 '20	Change
	(Dollars in thousands)		
Revenue ex intersegment	\$115,722	\$76,757	50.8 %
Operating income	\$7,577	\$3,719	103.7 %
Operating ratio	93.6%	95.3%	(170 bps)
Adjusted Operating Ratio ¹	93.5%	95.2%	(170 bps)

Brokerage Only Operating Statistics

	Q1 '21	Q1 '20	Change
Revenue per load	\$1,971	\$1,378	43.0 %
Gross margin	14.4%	14.7%	(30 bps)

¹ See GAAP to non-GAAP reconciliation in the schedules following this presentation.

Operating Performance – Intermodal

- 13.1% increase in Revenue
- \$6.2M year-over-year improvement in Operating Income
- 96.8% Operating Ratio during Q1 2021 compared with 102.9% the prior year
- 10.2% year-over-year increase in average revenue per load
- 2.6% increase in load counts from Q1 2020

Intermodal Financial Metrics

	Q1 '21	Q1 '20	Change
	(Dollars in thousands)		
Revenue ex intersegment	\$106,971	\$94,622	13.1 %
Operating income (loss)	\$3,457	\$(2,737)	226.3 %
Adjusted Operating Income (loss) ¹	\$3,457	\$(2,689)	228.6 %
Operating ratio	96.8%	102.9%	(610 bps)
Adjusted Operating Ratio ¹	96.8%	102.8%	(600 bps)

Intermodal Operating Statistics

	Q1 '21	Q1 '20	Change
Average revenue per load	\$2,549	\$2,314	10.2 %
Load count	41,968	40,889	2.6 %
Average tractors	597	601	(0.7 %)
Average containers	10,846	9,856	10.0 %

1. See GAAP to non-GAAP reconciliation in the schedules following this presentation.

Focus on Sustainability

KNX improved CO2 emissions per mile by 3.6% in 2020, placing us on track to achieve established goals

Short-Term Goal (Intensity Based)

Reduce CO2 emissions per mile by 5% by 2025

Long-Term Goal (Intensity Based)

Reduce CO2 emissions per mile by 50% by 2035



Knight-Swift Zero Emissions Battery Electric Vehicle

SUSTAINABILITY INITIATIVE & ZERO-EMISSIONS VEHICLE

Knight-Swift anticipates meeting our goals through various initiatives, including:

- Implementing next generation tractor and trailer aerodynamic solutions;
- Continuing deployment of advanced idle reduction technologies;
- Utilizing next generation clean diesel engines;
- Operating Zero-Emissions vehicles, including battery electric and hydrogen fuel cell technology;
- Executing various other strategies as technology is developed and introduced to the market.

Market Outlook FY 2021

- Over-the-road truckload demand is at unprecedented levels and expected to continue into 2022
- Capacity expansion will be limited as new tractor builds are constrained by parts availability
- Inventory restocking and strong demand will continue to support a favorable rate environment
- The challenge of sourcing and retaining drivers will intensify and lead to additional driver wage inflation
- Increased demand for power only opportunities
- Continuing non-contract freight opportunities with tougher year-over-year comparisons in the back half of the year

2021 Guidance

Increasing expected Adjusted EPS for the full year 2021 from \$3.20 - \$3.40 to \$3.45 - \$3.60

Guidance Assumptions

- Over-the-road contract rate increases trending in the mid-teens
- Miles per truck will be pressured by the driver shortage
- Modest pressure on tractor count as sourcing drivers remains challenging
- Continued strength in Logistics revenue growth
- Double digit Intermodal revenue and pricing growth
- Margin improvement in Intermodal
- Inflationary pressure on driver wages, recruiting and hiring expenses
- Tax rate of 25.5% - 27.0% before discrete items for 2021
- Net Cash Capex for the full year 2021 expected range of \$450M - \$500M

Appendix

Non-GAAP Reconciliation

Non-GAAP Reconciliation (Unaudited):

Adjusted Operating Income and Adjusted Operating Ratio ¹

	Quarter Ended March 31,	
	2021	2020
(Dollars in thousands)		
GAAP Presentation		
Total revenue	\$ 1,223,014	\$ 1,124,798
Total operating expenses	(1,060,755)	(1,022,679)
Operating income	\$ 162,259	\$ 102,119
Operating ratio	86.7 %	90.9 %
Non-GAAP Presentation		
Total revenue	\$ 1,223,014	\$ 1,124,798
Trucking fuel surcharge	(89,909)	(97,703)
Revenue, excluding trucking fuel surcharge	1,133,105	1,027,095
Total operating expenses	1,060,755	1,022,679
Adjusted for:		
Trucking fuel surcharge	(89,909)	(97,703)
Amortization of intangibles ²	(11,749)	(11,474)
Impairments ³	—	(902)
Legal accruals ⁴	(1,242)	—
COVID-19 incremental costs ⁵	—	(2,293)
Adjusted Operating Expenses	957,855	910,307
Adjusted Operating Income	\$ 175,250	\$ 116,788
Adjusted Operating Ratio	84.5 %	88.6 %

1 Pursuant to the requirements of Regulation G, this table reconciles consolidated GAAP operating ratio to consolidated non-GAAP Adjusted Operating Ratio.

2 "Amortization of intangibles" reflects the non-cash amortization expense relating to intangible assets identified in the 2017 Merger and other acquisitions.

3 "Impairments" for the first quarter of 2020 reflect the impairment of trailer tracking equipment (within the Trucking segment).

4 "Legal accruals" are included in "Miscellaneous operating expenses" in the condensed consolidated statements of comprehensive income and reflect costs related to certain class action lawsuits arising from employee related matters.

5 "COVID-19 incremental costs" reflects costs incurred during the first quarter of 2020 that were directly attributable to the pandemic and were incremental to those incurred prior to the outbreak. These include payroll premiums paid to our drivers and shop mechanics, additional disinfectants and cleaning supplies, and various other pandemic-specific items. The costs are clearly separable from our normal business operations and are not expected to recur once the pandemic subsides.

Non-GAAP Reconciliation

Non-GAAP Reconciliation (Unaudited):

Adjusted Net Income Attributable to Knight-Swift and Adjusted EPS ¹

	Quarter Ended March 31,	
	2021	2020
	(Dollars in thousands, except per share data)	
GAAP: Net income attributable to Knight-Swift	\$ 129,790	\$ 65,426
Adjusted for:		
Income tax expense attributable to Knight-Swift	45,329	24,554
Income before income taxes attributable to Knight-Swift	175,119	89,980
Amortization of intangibles ²	11,749	11,474
Impairments ³	—	902
Legal accruals ⁴	1,242	—
COVID-19 incremental costs ⁵	—	2,293
Adjusted income before income taxes	188,110	104,649
Provision for income tax expense at effective rate	(48,677)	(28,444)
Non-GAAP: Adjusted Net Income Attributable to Knight-Swift	\$ 139,433	\$ 76,205

¹ Pursuant to the requirements of Regulation G, these tables reconcile consolidated GAAP net income attributable to Knight-Swift to non-GAAP consolidated Adjusted Net Income Attributable to Knight-Swift.

² Refer to Non-GAAP Reconciliation (Unaudited): Adjusted Operating Income and Adjusted Operating Ratio – footnote 2.

³ Refer to Non-GAAP Reconciliation (Unaudited): Adjusted Operating Income and Adjusted Operating Ratio – footnote 3.

⁴ Refer to Non-GAAP Reconciliation (Unaudited): Adjusted Operating Income and Adjusted Operating Ratio – footnote 4.

⁵ Refer to Non-GAAP Reconciliation (Unaudited): Adjusted Operating Income and Adjusted Operating Ratio – footnote 5.

Non-GAAP Reconciliation

Non-GAAP Reconciliation (Unaudited):

Adjusted Net Income Attributable to Knight-Swift and Adjusted EPS ¹

	Quarter Ended March 31,	
	2021	2020
GAAP: Earnings per diluted share	\$ 0.77	\$ 0.38
Adjusted for:		
Income tax expense attributable to Knight-Swift	0.27	0.14
Income before income taxes attributable to Knight-Swift	1.04	0.53
Amortization of intangibles ²	0.07	0.07
Impairments ³	—	0.01
Legal accruals ⁴	0.01	—
COVID-19 incremental costs ⁵	—	0.01
Adjusted income before income taxes	1.12	0.61
Provision for income tax expense at effective rate	(0.29)	(0.17)
Non-GAAP: Adjusted EPS	\$ 0.83	\$ 0.44

Note: Because the numbers reflected in the table above are calculated on a per share basis, they may not foot due to rounding.

- ¹ Pursuant to the requirements of Regulation G, these tables reconcile consolidated GAAP diluted earnings per share to non-GAAP consolidated Adjusted EPS.
- ² Refer to Non-GAAP Reconciliation (Unaudited): Adjusted Operating Income and Adjusted Operating Ratio – footnote 2.
- ³ Refer to Non-GAAP Reconciliation (Unaudited): Adjusted Operating Income and Adjusted Operating Ratio – footnote 3.
- ⁴ Refer to Non-GAAP Reconciliation (Unaudited): Adjusted Operating Income and Adjusted Operating Ratio – footnote 4.
- ⁵ Refer to Non-GAAP Reconciliation (Unaudited): Adjusted Operating Income and Adjusted Operating Ratio – footnote 5.

Non-GAAP Reconciliation

Non-GAAP Reconciliation (Unaudited): Segment Adjusted Operating Income and Adjusted Operating Ratio ¹

	Quarter Ended March 31,	
	2021	2020
Trucking Segment		
GAAP Presentation	(Dollars in thousands)	
Total revenue	\$ 962,947	\$ 919,061
Total operating expenses	(804,464)	(811,727)
Operating income	\$ 158,483	\$ 107,334
Operating ratio	83.5 %	88.3 %
Non-GAAP Presentation		
Total revenue	\$ 962,947	\$ 919,061
Fuel surcharge	(89,909)	(97,703)
Intersegment transactions	(224)	(274)
Revenue, excluding fuel surcharge and intersegment transactions	872,814	821,084
Total operating expenses	804,464	811,727
Adjusted for:		
Fuel surcharge	(89,909)	(97,703)
Intersegment transactions	(224)	(274)
Amortization of intangibles ²	(324)	(324)
Impairments ³	—	(902)
COVID-19 incremental costs ⁴	—	(2,245)
Adjusted Operating Expenses	714,007	710,279
Adjusted Operating Income	\$ 158,807	\$ 110,805
Adjusted Operating Ratio	81.8 %	86.5 %

¹ Pursuant to the requirements of Regulation G, this table reconciles GAAP operating ratio to non-GAAP Adjusted Operating Ratio.

² "Amortization of intangibles" reflects the non-cash amortization expense relating to intangible assets identified in historical Knight acquisitions.

³ Refer to Non-GAAP Reconciliation (Unaudited): Adjusted Operating Income and Adjusted Operating Ratio – footnote 3.

⁴ Refer to Non-GAAP Reconciliation (Unaudited): Adjusted Operating Income and Adjusted Operating Ratio – footnote 5.

Non-GAAP Reconciliation

Non-GAAP Reconciliation (Unaudited): Segment Adjusted Operating Income and Adjusted Operating Ratio ¹

	Quarter Ended March 31,	
	2021	2020
Logistics Segment		
GAAP Presentation	(Dollars in thousands)	
Total revenue	\$ 118,887	\$ 79,198
Total operating expenses	(111,310)	(75,479)
Operating income	\$ 7,577	\$ 3,719
Operating ratio	93.6 %	95.3 %
Non-GAAP Presentation		
Total revenue	\$ 118,887	\$ 79,198
Intersegment transactions	(3,165)	(2,441)
Revenue, excluding intersegment transactions	115,722	76,757
Total operating expenses	111,310	75,479
Adjusted for:		
Intersegment transactions	(3,165)	(2,441)
Adjusted Operating Expenses	108,145	73,038
Adjusted Operating Income	\$ 7,577	\$ 3,719
Adjusted Operating Ratio	93.5 %	95.2 %

¹ Pursuant to the requirements of Regulation G, this table reconciles GAAP operating ratio to non-GAAP Adjusted Operating Ratio.

Non-GAAP Reconciliation

Non-GAAP Reconciliation (Unaudited): Segment Adjusted Operating Income and Adjusted Operating Ratio ¹

	Quarter Ended March 31,	
	2021	2020
Intermodal Segment		
GAAP Presentation	(Dollars in thousands)	
Total revenue	\$ 107,066	\$ 94,731
Total operating expenses	(103,609)	(97,468)
Operating income (loss)	\$ 3,457	\$ (2,737)
Operating ratio	96.8 %	102.9 %
Non-GAAP Presentation		
Total revenue	\$ 107,066	\$ 94,731
Intersegment transactions	(95)	(109)
Revenue, excluding intersegment transactions	106,971	94,622
Total operating expenses	103,609	97,468
Adjusted for:		
Intersegment transactions	(95)	(109)
COVID-19 incremental costs ²	—	(48)
Adjusted Operating Expenses	103,514	97,311
Adjusted Operating Income (Loss)	\$ 3,457	\$ (2,689)
Adjusted Operating Ratio	96.8 %	102.8 %

¹ Pursuant to the requirements of Regulation G, this table reconciles GAAP operating ratio to non-GAAP Adjusted Operating Ratio.

² Refer to Non-GAAP Reconciliation (Unaudited): Adjusted Operating Income and Adjusted Operating Ratio – footnote 5.

Non-GAAP Reconciliation

Non-GAAP Reconciliation (Unaudited):

Segment Adjusted Operating Income and Adjusted Operating Ratio — Trailing Twelve Months ¹

Trucking Segment	Three Months Ended March 31, 2021	Year Ended December 31, 2020	Three Months Ended March 31, 2020	TTM March 31, 2021
GAAP Presentation	(Dollars in thousands)			
Total revenue	\$ 962,947	\$3,786,030	\$ 919,061	\$3,829,916
Total operating expenses	(804,464)	(3,207,518)	(811,727)	(3,200,255)
Operating income	<u>\$ 158,483</u>	<u>\$ 578,512</u>	<u>\$ 107,334</u>	<u>\$ 629,661</u>
Operating ratio	<u>83.5 %</u>	<u>84.7 %</u>	<u>88.3 %</u>	<u>83.6 %</u>
Non-GAAP Presentation				
Total revenue	\$ 962,947	\$3,786,030	\$ 919,061	\$3,829,916
Fuel surcharge	(89,909)	(304,656)	(97,703)	(296,862)
Intersegment transactions	(224)	(753)	(274)	(703)
Revenue, excluding fuel surcharge and intersegment transactions	<u>872,814</u>	<u>3,480,621</u>	<u>821,084</u>	<u>3,532,351</u>
Total operating expenses	804,464	3,207,518	811,727	3,200,255
Adjusted for:				
Fuel surcharge	(89,909)	(304,656)	(97,703)	(296,862)
Intersegment transactions	(224)	(753)	(274)	(703)
Amortization of intangibles ²	(324)	(1,296)	(324)	(1,296)
Impairments ³	—	(1,131)	(902)	(229)
COVID-19 incremental costs ⁴	—	(12,146)	(2,245)	(9,901)
Adjusted Operating Expenses	<u>714,007</u>	<u>2,887,536</u>	<u>710,279</u>	<u>2,891,264</u>
Adjusted Operating Income	<u>\$ 158,807</u>	<u>\$ 593,085</u>	<u>\$ 110,805</u>	<u>\$ 641,087</u>
Adjusted Operating Ratio	<u>81.8 %</u>	<u>83.0 %</u>	<u>86.5 %</u>	<u>81.9 %</u>

¹ Pursuant to the requirements of Regulation G, this table reconciles consolidated GAAP operating ratio to consolidated non-GAAP Adjusted Operating Ratio.

² "Amortization of intangibles" reflects the non-cash amortization expense relating to intangible assets identified in historical Knight acquisitions.

³ "Impairments" reflects the following non-cash impairments:

- First quarter 2020 impairments include trailer tracking equipment;
- Full-year 2020 also includes impairments of certain tractors and certain legacy trailers (within the non-reportable segments) as a result of a softer used equipment market.

⁴ Refer to Non-GAAP Reconciliation (Unaudited): Adjusted Operating Income and Adjusted Operating Ratio – footnote 5.

Non-GAAP Reconciliation

Non-GAAP Reconciliation (Unaudited): Segment Adjusted Operating Income and Adjusted Operating Ratio — Trailing Twelve Months ¹

Logistics Segment	Three Months Ended March 31, 2021	Year Ended December 31, 2020	Three Months Ended March 31, 2020	TTM March 31, 2021
GAAP Presentation	(Dollars in thousands)			
Total revenue	\$ 118,887	\$ 375,841	\$ 79,198	\$ 415,530
Total operating expenses	(111,310)	(355,596)	(75,479)	(391,427)
Operating income	\$ 7,577	\$ 20,245	\$ 3,719	\$ 24,103
Operating ratio	93.6 %	94.6 %	95.3 %	94.2 %
Non-GAAP Presentation				
Total revenue	\$ 118,887	\$ 375,841	\$ 79,198	\$ 415,530
Intersegment transactions	(3,165)	(10,742)	(2,441)	(11,466)
Revenue, excluding intersegment transactions	115,722	365,099	76,757	404,064
Total operating expenses	111,310	355,596	75,479	391,427
Adjusted for:				
Intersegment transactions	(3,165)	(10,742)	(2,441)	(11,466)
Adjusted Operating Expenses	108,145	344,854	73,038	379,961
Adjusted Operating Income	\$ 7,577	\$ 20,245	\$ 3,719	\$ 24,103
Adjusted Operating Ratio	93.5 %	94.5 %	95.2 %	94.0 %

¹ Pursuant to the requirements of Regulation G, this table reconciles consolidated GAAP operating ratio to consolidated non-GAAP Adjusted Operating Ratio.

Non-GAAP Reconciliation

Non-GAAP Reconciliation (Unaudited): Segment Adjusted Operating Income and Adjusted Operating Ratio — Trailing Twelve Months ¹

<i>Intermodal Segment</i>	Three Months Ended March 31, 2021	Year Ended December 31, 2020	Three Months Ended March 31, 2020	TTM March 31, 2021
GAAP Presentation	(Dollars in thousands)			
Total revenue	\$ 107,066	\$ 391,462	\$ 94,731	\$ 403,797
Total operating expenses	(103,609)	(392,405)	(97,468)	(398,546)
Operating income (loss)	\$ 3,457	\$ (943)	\$ (2,737)	\$ 5,251
Operating ratio	96.8 %	100.2 %	102.9 %	98.7 %
Non-GAAP Presentation				
Total revenue	\$ 107,066	\$ 391,462	\$ 94,731	\$ 403,797
Intersegment transactions	(95)	(364)	(109)	(350)
Revenue, excluding intersegment transactions	106,971	391,098	94,622	403,447
Total operating expenses	103,609	392,405	97,468	398,546
Adjusted for:				
Intersegment transactions	(95)	(364)	(109)	(350)
COVID-19 incremental costs ²	—	(113)	(48)	(65)
Adjusted Operating Expenses	103,514	391,928	97,311	398,131
Adjusted Operating Income (Loss)	\$ 3,457	\$ (830)	\$ (2,689)	\$ 5,316
Adjusted Operating Ratio	96.8 %	100.2 %	102.8 %	98.7 %

1 Pursuant to the requirements of Regulation G, this table reconciles consolidated GAAP operating ratio to consolidated non-GAAP Adjusted Operating Ratio.

2 Refer to Non-GAAP Reconciliation (Unaudited): Adjusted Operating Income and Adjusted Operating Ratio – footnote 5.

Non-GAAP Reconciliation

Non-GAAP Reconciliation (Unaudited): Return on Net Tangible Assets ¹

	March 31,	
	2021	2020
	(Dollars in thousands)	
Total Assets	\$8,519,475	\$ 8,288,323
Adjusted for:		
Intangible assets, net	(1,393,346)	(1,423,666)
Goodwill	(2,958,709)	(2,923,382)
Tangible Assets	\$4,167,420	\$ 3,941,275
Total Liabilities	\$2,570,137	\$ 2,597,999
Adjusted for:		
Revolving line of credit, finance lease obligations, and long-term debt	(626,439)	(726,880)
Accounts receivable securitization	(198,957)	(179,801)
Deferred income tax liabilities	(797,019)	(785,588)
Non-Interest Bearing Liabilities, excluding deferred income tax liabilities	\$ 947,722	\$ 905,730
Net Tangible Assets	\$3,219,698	\$ 3,035,545
Average Net Tangible Assets	\$3,127,622	
Adjusted Net Income	\$ 529,375	
Return on Net Tangible Assets	16.9 %	

¹ Pursuant to the requirements of Regulation G, this table reconciles Total Assets and Total Liabilities to Average Net Tangible Assets.

Non-GAAP Reconciliation

Non-GAAP Reconciliation (Unaudited): Adjusted Income Before Income Taxes and Adjusted Net Income ¹

	Year-to-Date March 31, 2021	Year-to-Date December 31, 2020	Year-to-Date March 31, 2020	TTM March 31, 2021
	(Dollars in thousands)			
GAAP: Net income attributable to Knight-Swift	\$ 129,790	410,002	65,426	474,366
Adjusted for:				
Income tax expense attributable to Knight-Swift	45,329	149,676	24,554	170,451
Income before income taxes attributable to Knight-Swift	175,119	559,678	89,980	644,817
Amortization of intangibles ²	11,749	45,895	11,474	46,170
Change in fair value of deferred earnout ³	—	6,730	—	6,730
Impairments ⁴	—	5,335	902	4,433
Legal accruals ⁵	1,242	6,160	—	7,402
COVID-19 incremental costs ⁶	—	12,259	2,293	9,966
Adjusted income before income taxes	188,110	636,057	104,649	719,518
Provision for income tax expense at effective rate	(48,677)	(169,910)	(28,444)	(190,143)
Non-GAAP Adjusted Net Income Attributable to Knight Swift	<u>\$ 139,433</u>	<u>\$ 466,147</u>	<u>\$ 76,205</u>	<u>\$ 529,375</u>

1 Pursuant to the requirements of Regulation G, this table reconciles Knight-Swift's GAAP Income before income taxes to Knight-Swift's non-GAAP Adjusted Income before Income Taxes and Adjusted Net Income.

2 "Amortization of intangibles" reflects the non-cash amortization expense relating to intangible assets identified in the 2017 Merger and other acquisitions.

3 "Change in fair value of deferred earnout" reflects the expense for the change in fair value of a deferred earnout related to the acquisition of a warehousing company, which is recorded in "Miscellaneous operating expenses."

4 "Impairments" reflects the non-cash impairments:

- Year-to-date 2020 includes impairments related to investments in certain alternative fuel technology (within the non-reportable segments), certain tractors (within the Trucking segment), certain legacy trailers (within the non-reportable segments) as a result of a softer used equipment market, and trailer tracking equipment (within the Trucking segment).

5 "Legal accruals" reflects costs incurred in the first quarter of 2021 and the third quarter of 2020 related to certain class action lawsuits involving pre-merger employment-related claims that were previously disclosed by Swift..

6 Refer to Non-GAAP Reconciliation (Unaudited): Adjusted Operating Income and Adjusted Operating Ratio – footnote 5.

Non-GAAP Reconciliation

Non-GAAP Reconciliation (Unaudited):

Net Leverage and Leverage Ratio ^{1 2}

	March 31, 2021
	(Dollars in thousands)
Term loan	\$ 300,000
Revolving line of credit	115,000
Accounts receivable securitization	199,000
Other secured debt and finance leases	212,376
Total face value of debt	826,376
Unrestricted cash and cash equivalents	(194,650)
Non-GAAP: Net Leverage	\$ 631,726
Non-GAAP: Adjusted EBITDA TTM March 31, 2021	\$ 1,179,735
Non-GAAP: Leverage Ratio	0.54

1 Pursuant to the requirements of Regulation G, these tables reconcile consolidated GAAP net income attributable to Knight-Swift to non-GAAP consolidated EBITDA, Adjusted EBITDA, Net Leverage, and Leverage Ratio

2 Leverage Ratio is calculated in accordance with the provisions of Knight-Swift's senior credit facility.

Non-GAAP Reconciliation

Non-GAAP Reconciliation (Unaudited):

Earnings before Interest, Taxes, Depreciation and Amortization ("EBITDA") and Adjusted EBITDA ¹

	Year-to-Date March 31, 2021	Year-to-Date December 31, 2020	Year-to-Date March 31, 2020	TTM March 31, 2021
	(Dollars in thousands)			
GAAP: Net income	\$ 129,843	\$ 410,635	\$ 65,783	\$ 474,695
Adjusted for:				
Depreciation and amortization of property and equipment	119,915	460,775	110,221	470,469
Amortization of intangibles	11,749	45,895	11,474	46,170
Interest expense	3,486	17,309	6,107	14,688
Interest income	(294)	(1,928)	(832)	(1,390)
Income tax expense	45,329	149,676	24,554	170,451
Non-GAAP: EBITDA	310,028	1,082,362	217,307	1,175,083
Impairments ²	—	5,335	902	4,433
Stock compensation expense	5,662	19,639	3,536	21,765
Other non-cash gains, net ³	(11,785)	(4,083)	5,678	(21,546)
Non-GAAP: Adjusted EBITDA	\$ 303,905	\$ 1,103,253	\$ 227,423	\$ 1,179,735

¹ Pursuant to the requirements of Regulation G, this table reconciles consolidated GAAP net income to consolidated non-GAAP EBITDA and Adjusted EBITDA.

² Refer to Non-GAAP Reconciliation (Unaudited): Adjusted Income Before Income Taxes and Adjusted Net Income – footnote 2.

³ "Other non-cash gains, net" includes unrealized positions on equity securities, and other various items.