



KNIGHT
TRANSPORTATION



SWIFT
TRANSPORTATION

Third Quarter 2023 Earnings



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.

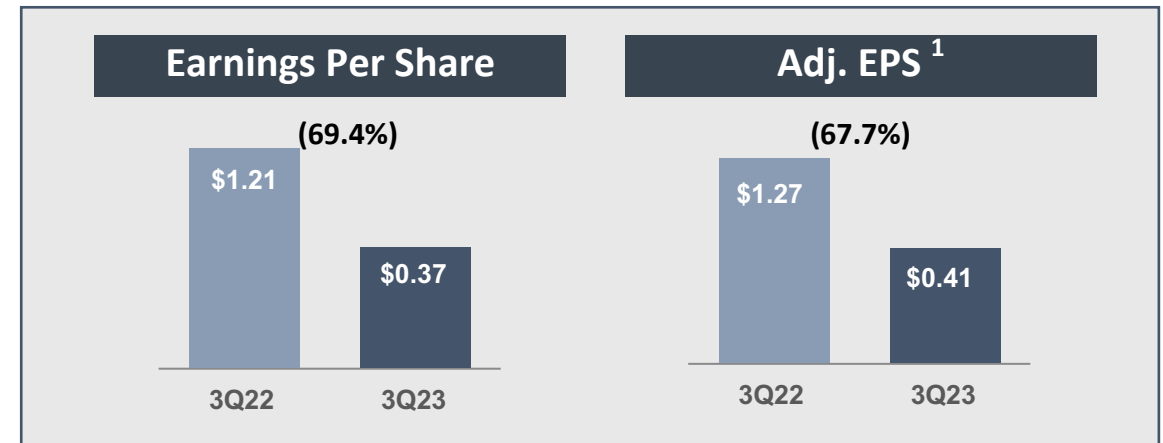
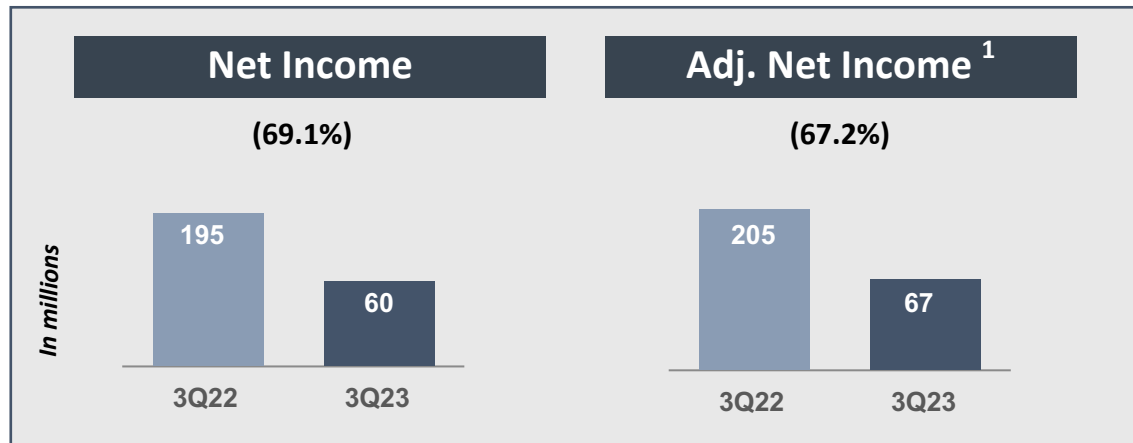
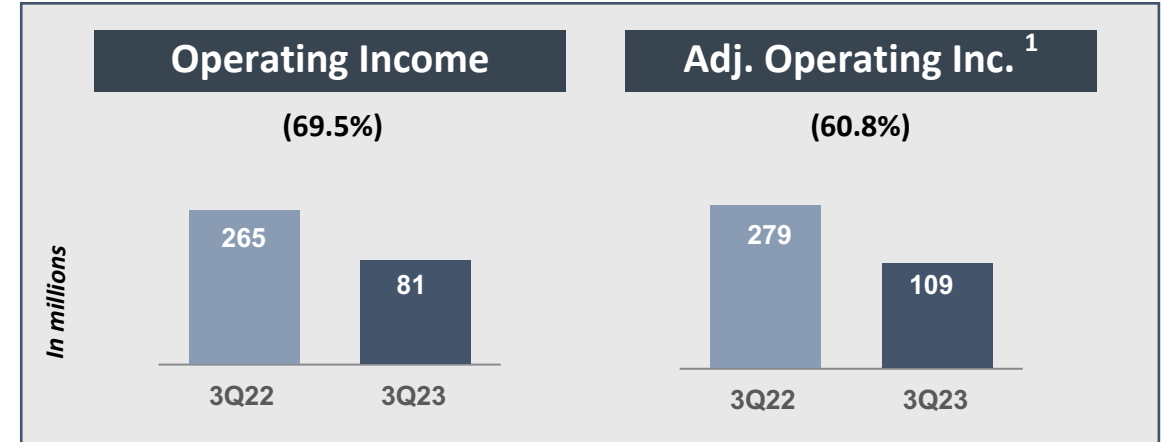
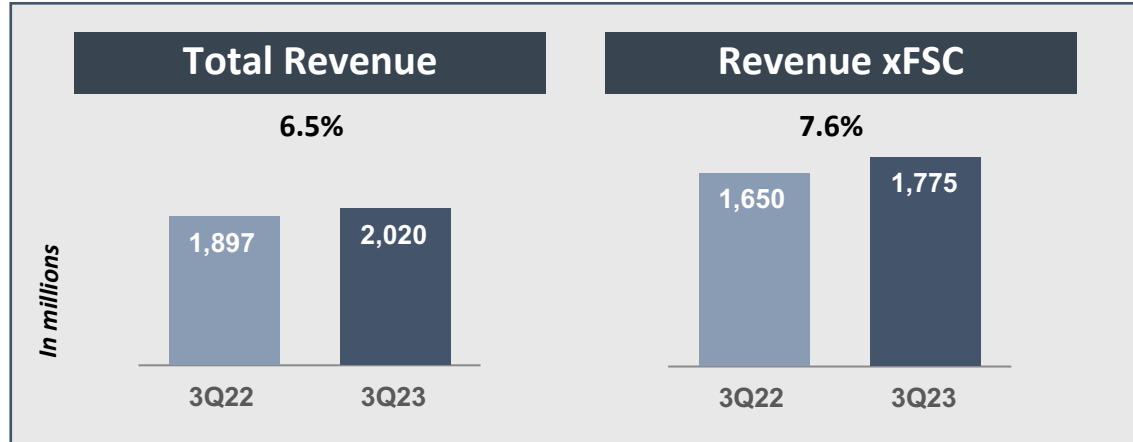
Non-GAAP Financial Data

This presentation includes the use of adjusted operating income, operating ratio, adjusted operating ratio, adjusted earnings per share, adjusted income before taxes and adjusted operating expenses, 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 truckload and LTL segment fuel surcharges from revenue and nets these surcharges against fuel expense.

KNX Q3 2023 Comparative Results



Truckload market remains challenging while LTL demand is strong (U.S. Xpress now included)



Adjustments

- \$18.9M in Q3 2023 and \$16.3M in Q3 2022 of amortization expense from mergers and acquisitions
- \$0.2M increase and \$2.6M decrease in legal accrual related to settlements in Q3 2023 and Q3 2022, respectively
- \$0.9M decrease in fair value of contingent consideration in Q3 2023

1 See GAAP to non-GAAP reconciliation in the schedules following this presentation (Adj. NI / EPS uses normalized tax rate)

Segment Overview



LTL strength helping offset truckload freight demand weakness

Truckload ²

	Q3 2023	YTD Q3 2023
Revenue xFSC ³	\$ 1,180.0M	\$ 2,875.3M
Adjusted Op Income ¹	\$ 60.1M	\$ 244.6M
Adjusted OR ¹	94.9 %	91.5 %

~ 16,952 irregular and 7,207 dedicated tractors

Less-than-Truckload

	Q3 2023	YTD Q3 2023
Revenue xFSC	\$ 240.0M	\$ 682.5M
Adjusted Op Income ¹	\$ 36.2M	\$ 100.9M
Adjusted OR ¹	84.9 %	85.2 %

~ Approximately 112 Service Centers

~ Terminal door count of 4,462

Intermodal

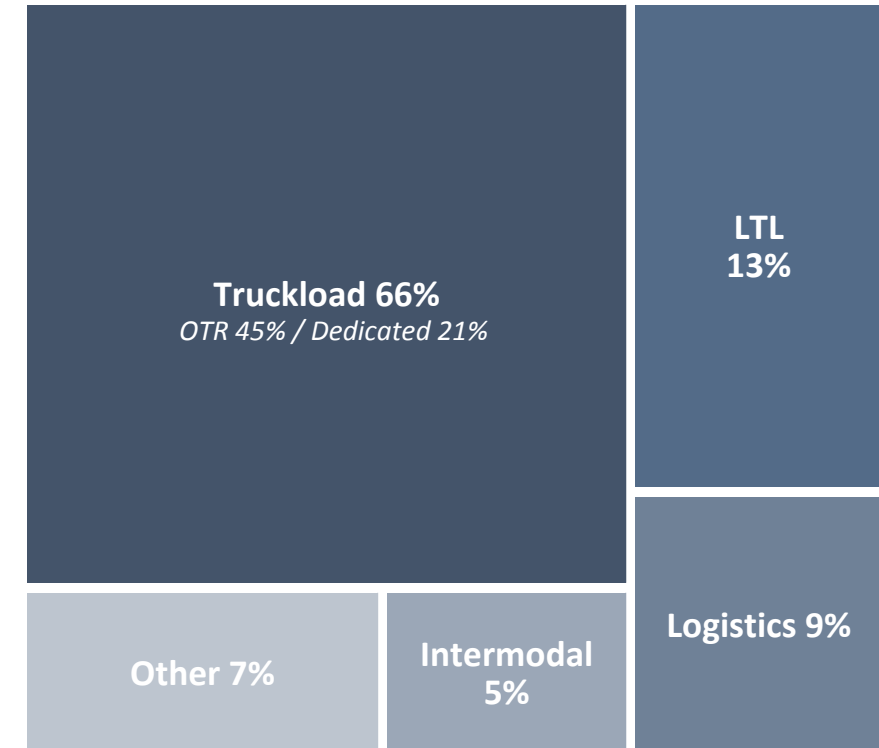
	Q3 2023	YTD Q3 2023
Revenue ³	\$ 101.2M	\$ 316.1M
Adjusted Op Income ¹	\$ (4.5)M	\$ (6.1)M
Adjusted OR ¹	104.5 %	101.9 %

~ 677 tractors, 12,669 containers

Logistics

	Q3 2023	YTD Q3 2023
Revenue ³	\$ 158.6M	\$ 413.2M
Adjusted Op Income ¹	\$ 10.7M	\$ 33.8M
Adjusted OR ¹	93.3 %	91.8 %

Q3 2023 Revenue Diversification



¹ See GAAP to non-GAAP reconciliation in the schedules following this presentation
² Truckload YTD Revenue includes proforma results of USX prior to the July 1st acquisition
³ Excludes intersegment transactions

Operating Performance - Truckload



Demand stable, but lower rates and rising fuel prices were headwinds

Truckload Financial Metrics

	Q3 2023	Q3 2022	Change
	(Dollars in thousands)		
Revenue xFSC	\$1,179,978	\$967,769	21.9 %
Operating income	\$48,361	\$175,802	(72.5 %)
Adjusted Operating Income ¹	\$60,148	\$176,126	(65.8 %)
Operating ratio	96.5%	84.9%	1,160 bps
Adjusted Operating Ratio ¹	94.9%	81.8%	1,310 bps

- 94.9% Adjusted Operating Ratio¹ in Q3 2023 compared to 81.8% the previous year
- Excluding the results of U.S. Xpress, Adjusted Operating Ratio improved sequentially
- Sequentially our cost actions helped offset lower rates and higher fuel prices
- Inclusion of U.S. Xpress truckload business negatively impacted the Adjusted Operating Ratio by 340 bps

Truckload Operating Statistics

	Q3 2023	Q3 2022	Change
Average revenue per tractor	\$48,842	\$53,186	(8.2 %)
Average tractors	24,159	18,196	32.8 %
Average trailers	95,976	75,432	27.2 %
Miles per tractor	20,384	19,391	5.1 %



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

Operating Performance - LTL



Continued strong performance, poised for further growth

LTL Financial Metrics

	Q3 2023	Q3 2022	Change
(Dollars in thousands)			
Revenue xFSC	\$239,984	\$224,443	6.9 %
Operating income	\$32,275	\$30,859	4.6 %
Adjusted Operating Income ¹	\$36,195	\$34,891	3.7 %
Operating ratio	88.6%	88.9%	(30 bps)
Adjusted Operating Ratio ¹	84.9%	84.5%	40 bps

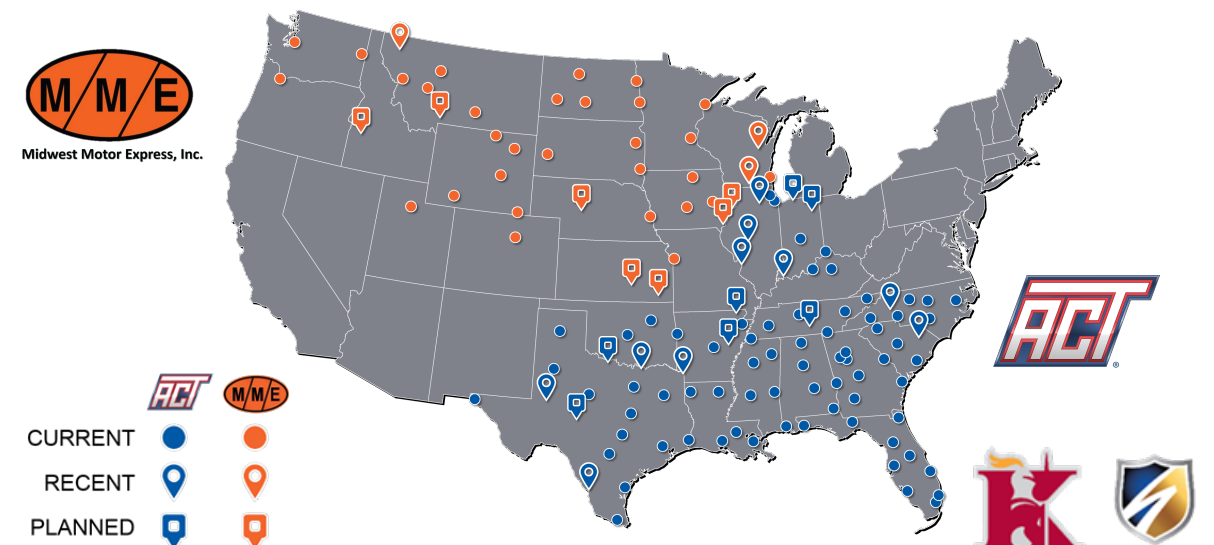
LTL Operating Statistics

	Q3 2023	Q3 2022	Change
LTL shipments per day	19,712	18,809	4.8 %
LTL weight per shipment	1,042	1,052	(1.0 %)
LTL revenue xFSC per hundredweight	\$15.91	\$14.37	10.7 %
LTL revenue xFSC per shipment	\$165.80	\$151.07	9.8 %

- 84.9% Adjusted Operating Ratio¹ in Q3 2023
- \$36.2M of Adjusted Operating Income¹
- Volumes built throughout the quarter as a result of disruption in the industry
- Connected LTL network and use of shipment dimensioning technology will provide revenue growth opportunities



Midwest Motor Express, Inc.



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

Operating Performance - Logistics



Remaining nimble in a challenging environment, U.S. Xpress making meaningful progress

Logistics Financial Metrics

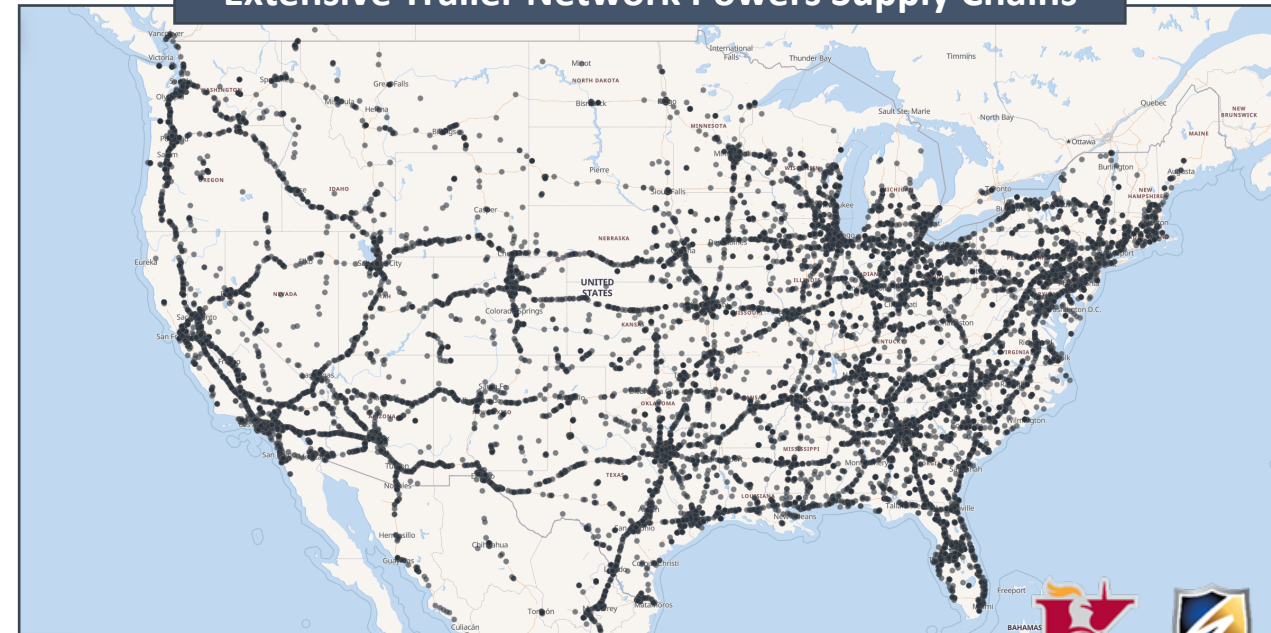
	Q3 2023	Q3 2022	Change
	(Dollars in thousands)		
Revenue ex intersegment	\$158,601	\$209,964	(24.5 %)
Operating income	\$10,364	\$27,459	(62.3 %)
Adjusted Operating Income ¹	\$10,699	\$27,794	(61.5 %)
Operating ratio	93.5%	87.0%	650 bps
Adjusted Operating Ratio ¹	93.3%	86.8%	650 bps

Logistics Operating Statistics

	Q3 2023	Q3 2022	Change
Revenue per load	\$1,671	\$1,985	(15.8 %)
Gross margin	18.0%	20.9%	(290 bps)

- 93.3% Adjusted Operating Ratio¹ during the quarter
- 18.0% Gross margin, 290 bps decrease from prior year
- Excluding the results of U.S.Xpress, revenue was stable sequentially

Extensive Trailer Network Powers Supply Chains



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



Competitive truckload market continues to challenge revenue

Intermodal Financial Metrics

	Q3 2023	Q3 2022	Change
	(Dollars in thousands)		
Revenue ex intersegment	\$101,219	\$130,777	(22.6 %)
Operating income	\$(4,524)	\$12,834	(135.3 %)
Operating ratio	104.5%	90.2%	1,430 bps

- 104.5% operating ratio during Q3 2023 compared with 90.2% the prior year
- 26.6% year-over-year decrease in average revenue per load
- 5.5% increase in load counts
- Average container count stable sequentially at approximately 12,700 units
- Intermodal reached breakeven in September, expect additional modest improvement for balance of year

Intermodal Operating Statistics

	Q3 2023	Q3 2022	Change
Average revenue per load	\$2,714	\$3,699	(26.6 %)
Load count	37,292	35,354	5.5 %
Average tractors	677	628	7.8 %
Average containers	12,669	12,138	4.4 %



Insurance challenges continue, evaluating strategic alternatives

Non-Reportable Financial Metrics

	Q3 2023	Q3 2022	Change
	(Dollars in thousands)		
Revenue	\$119,677	\$139,435	(14.2 %)
Operating (loss) income	\$(5,420)	\$18,487	(129.3 %)

Q3 Non-Reportable Performance:

- (14.2%) decrease in revenue to \$119.7M
- (\$5.4M) in operating loss
 - Third party insurance business posted \$15.9M loss largely due to prior year unfavorable claim development

Executing Strategic Pivot on Third Party Insurance

- Significantly reduced exposure to third party insurance risk in an unusually difficult environment for small operators
- Near term headwind to revenue growth for this program
- Evaluating strategic alternatives to mitigate volatility, including reinsurance strategies



Ahead of schedule, positioning for accretion

Measurable and meaningful progress underway

- Cost per mile improved mid-single digits sequentially
- Rate per mile up low-single digits sequentially
- Converted 9 of 10 locations to terminal-centric model
- Reduced spot exposure from ~45% to ~15%
- Eliminated broker freight
- Capturing synergies, realizing ~\$8M per month exiting Q3



Ahead of schedule to achieve operating profit, before interest expense, in 1H of 2024

- Expect business to be accretive to EPS for full year 2024
- On track to achieve \$1.00 EPS accretion in 2026



- LTL demand remains solid as recent disruption continues to be sorted out
- LTL improvement in revenue (excluding fuel) per hundredweight year-over-year
- Truckload - muted peak season demand with limited non-contract opportunities
- Truckload - spot rates show minimal improvement in line with seasonal patterns
- Truckload - capacity continues to exit at an accelerating rate
- Cost inflation continues to be a challenge, though pace eases
- Equipment availability continues to improve
- Demand in the used equipment market weakens further as small carriers struggle
- Labor alternatives in the general economy remain attractive, providing a headwind to hiring and utilization until freight conditions improve



Updated expected Adjusted EPS for 2023 from \$2.10 - \$2.30 to new range of \$2.10 - \$2.20

Q4 2023 Guidance Assumptions

- Truckload rates stabilize at current levels for the fourth quarter
- Truckload tractor count down modestly sequentially
- Excluding the results of U.S. Xpress miles per tractor increase low single digits year-over-year in Q4
- LTL revenue (xFSC) increases mid-teens Q4 year over year with similar margin profile
- LTL shipment count and revenue (xFSC) per hundredweight improve high single digit % year over year in Q4
- U.S. Xpress Adjusted EPS estimated dilutive impact in Q4 expected to be approximately (\$0.05) as performance continues to improve
- Logistics volume and revenue per load stabilize in Q4 with OR stable in the low 90's
- Intermodal Operating Ratio slightly profitable with volumes stable sequentially
- Non-reportable operating income to decline roughly \$10M - \$15M sequentially as third-party insurance losses are expected to be \$10M - \$15M and our other businesses experience their typical seasonal slowdown
- Gain on sale range \$8M to \$12M including U.S. Xpress
- Expect minimal increase in interest expense from Q3
- Net cash capex is expected to be \$700M - \$750M for the full year including U.S. Xpress
- Tax rate expected to be approximately 26% for 4Q 2023

Appendix

Non-GAAP Reconciliation

Adjusted Operating Income and Adjusted Operating Ratio ^{1 2} (Unaudited)

	Quarter Ended September 30,		Year-to-Date September 30,	
	2023	2022	2023	2022
GAAP Presentation				
(Dollars in thousands)				
Total revenue	\$ 2,019,936	\$ 1,896,839	\$ 5,209,847	\$ 5,684,959
Total operating expenses	(1,938,880)	(1,631,398)	(4,889,974)	(4,795,654)
Operating income	\$ 81,056	\$ 265,441	\$ 319,873	\$ 889,305
Operating ratio	96.0 %	86.0 %	93.9 %	84.4 %
Non-GAAP Presentation				
Total revenue	\$ 2,019,936	\$ 1,896,839	\$ 5,209,847	\$ 5,684,959
Truckload fuel surcharge	(244,687)	(246,857)	(593,857)	(692,568)
Revenue, excluding truckload fuel surcharge	1,775,249	1,649,982	4,615,990	4,992,391
Total operating expenses	1,938,880	1,631,398	4,889,974	4,795,654
Adjusted for:				
Truckload fuel surcharge	(244,687)	(246,857)	(593,857)	(692,568)
Amortization of intangibles ³	(18,907)	(16,254)	(51,595)	(48,635)
Impairments ⁴	—	—	—	(810)
Legal accruals ⁵	(150)	2,640	(1,150)	(415)
Transaction fees ⁶	—	—	(6,868)	—
Other acquisition related expenses ⁷	(6,546)	—	(6,546)	—
Severance expense ⁸	(3,699)	—	(5,151)	—
Change in fair value of deferred earnout ⁹	859	—	3,359	—
Adjusted Operating Expenses	1,665,750	1,370,927	4,228,166	4,053,226
Adjusted Operating Income	\$ 109,499	\$ 279,055	\$ 387,824	\$ 939,165
Adjusted Operating Ratio	93.8 %	83.1 %	91.6 %	81.2 %

Non-GAAP Reconciliation

Adjusted Operating Income and Adjusted Operating Ratio (Unaudited)

- 1 Pursuant to the requirements of Regulation G, this table reconciles consolidated GAAP operating ratio to consolidated non-GAAP Adjusted Operating Ratio.
- 2 The reported results do not include the results of operations of U.S. Xpress and its subsidiaries prior to its acquisition by Knight-Swift on July 1, 2023 in accordance with the accounting treatment applicable to the transaction.
- 3 "Amortization of intangibles" reflects the non-cash amortization expense relating to intangible assets identified in the 2017 Merger, the ACT acquisition, the U.S. Xpress acquisition, and other acquisitions.
- 4 "Impairments" reflects the non-cash impairment of building improvements (within our non-reportable segments).
- 5 "Legal accruals" are included in "Miscellaneous operating expenses" in the condensed consolidated statements of comprehensive income and reflect the following:
 - During the second and third quarters of 2023, legal expense reflects the increased estimated exposures for various accrued legal matters based on recent settlement agreements. First quarter 2023 legal expense reflects a decrease in the estimated exposure related to an accrued legal matter previously identified as probable and estimable in prior periods based on a recent settlement agreement.
 - During the second and third quarters of 2022, the company decreased the estimated exposure related to an accrued legal matter previously identified as probable and estimable in prior periods based on a recent settlement agreement. Additional 2022 legal costs relate to certain lawsuits arising from employee and contract related matters.
- 6 "Transaction fees" reflects certain legal and professional fees associated with the July 1, 2023 acquisition of U.S. Xpress. The transaction fees are primarily included within "Miscellaneous operating expenses" and "Salaries, Wages, and benefits" and with smaller amounts included in other line items in the condensed statements of comprehensive income.
- 7 "Other acquisition related expenses" represents one-time expenses associated with the U.S. Xpress acquisition, including certain severance expense, including the acceleration of stock compensation as well as other operating expenses. These are primarily included within "Salaries, wages, and benefits" in the condensed statements of comprehensive income.
- 8 "Severance expense" is included within "Salaries, wages, and benefits" in the condensed statements of comprehensive income.
- 9 "Change in fair value of deferred earnout" reflects the benefits for the change in fair value of deferred earnouts related to various acquisitions in the prior years, which are recorded in "Miscellaneous operating expenses."

Non-GAAP Reconciliation

Adjusted Net Income Attributable to Knight-Swift and Adjusted EPS ^{1 2} (Unaudited)

	Quarter Ended September 30,		Year-to-Date September 30,	
	2023	2022	2023	2022
	(Dollars in thousands, except per share data)			
GAAP: Net income attributable to Knight-Swift	\$ 60,194	\$ 194,795	\$ 227,804	\$ 622,624
Adjusted for:				
Income tax expense attributable to Knight-Swift	(1,220)	65,679	53,474	206,943
Income before income taxes attributable to Knight-Swift	58,974	260,474	281,278	829,567
Amortization of intangibles ³	18,907	16,254	51,595	48,635
Impairments ⁴	—	—	—	810
Legal accruals ⁵	150	(2,640)	1,150	415
Transaction fees ⁶	—	—	6,868	—
Other acquisition related expenses ⁷	6,546	—	6,546	—
Severance expense ⁸	3,699	—	5,151	—
Change in fair value of deferred earnout ⁹	(859)	—	(3,359)	—
Adjusted income before income taxes ¹⁰	87,417	274,088	349,229	879,427
Provision for income tax expense at effective rate	(20,255)	(69,121)	(84,958)	(219,408)
Non-GAAP: Adjusted Net Income Attributable to Knight-Swift	\$ 67,162	\$ 204,967	\$ 264,271	\$ 660,019

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.

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

7 Refer to Non-GAAP Reconciliation (Unaudited): Adjusted Operating Income and Adjusted Operating Ratio – footnote 7.

8 Refer to Non-GAAP Reconciliation (Unaudited): Adjusted Operating Income and Adjusted Operating Ratio – footnote 8.

9 Refer to Non-GAAP Reconciliation (Unaudited): Adjusted Operating Income and Adjusted Operating Ratio – footnote 9.

10 For the third quarter and year-to-date of 2023, an effective tax rate of 23.2% and 24.3%, respectively was applied in our Adjusted EPS calculation to exclude the tax benefit from the partial release of the pre-acquisition allowance associated with the U.S. Xpress net operating loss and tax credit carryforward benefits.

Non-GAAP Reconciliation

Adjusted Net Income Attributable to Knight-Swift and Adjusted EPS ^{1 2} (Unaudited)

	Quarter Ended September 30,		Year-to-Date September 30,	
	2023	2022	2023	2022
GAAP: Earnings per diluted share	\$ 0.37	\$ 1.21	\$ 1.41	\$ 3.80
Adjusted for:				
Income tax expense attributable to Knight-Swift	(0.01)	0.41	0.33	1.26
Income before income taxes attributable to Knight-Swift	0.36	1.61	1.74	5.07
Amortization of intangibles ³	0.12	0.10	0.32	0.30
Impairments ⁴	—	—	—	—
Legal accruals ⁵	—	(0.02)	0.01	—
Transaction fees ⁶	—	—	0.04	—
Other acquisition related expenses ⁷	0.04	—	0.04	—
Severance expense ⁸	0.02	—	0.03	—
Change in fair value of deferred earnout ⁹	(0.01)	—	(0.02)	—
Adjusted income before income taxes	0.54	1.70	2.16	5.37
Provision for income tax expense at effective rate	(0.13)	(0.43)	(0.53)	(1.34)
Non-GAAP: Adjusted EPS	\$ 0.41	\$ 1.27	\$ 1.63	\$ 4.03

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.

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

7 Refer to Non-GAAP Reconciliation (Unaudited): Adjusted Operating Income and Adjusted Operating Ratio – footnote 7.

8 Refer to Non-GAAP Reconciliation (Unaudited): Adjusted Operating Income and Adjusted Operating Ratio – footnote 8.

9 Refer to Non-GAAP Reconciliation (Unaudited): Adjusted Operating Income and Adjusted Operating Ratio – footnote 9.

10 For the third quarter and year-to-date of 2023, an effective tax rate of 23.2% and 24.3%, respectively was applied in our Adjusted EPS calculation to exclude the tax benefit from the partial release of the pre-acquisition allowance associated with the U.S. Xpress net operating loss and tax credit carryforward benefits.

Non-GAAP Reconciliation

Segment Adjusted Operating Income and Adjusted Operating Ratio ¹ (Unaudited)

	Quarter Ended September 30,		Year-to-Date September 30,	
	2023	2022	2023	2022
Truckload Segment²				
GAAP Presentation				
	(Dollars in thousands)			
Total revenue	\$ 1,380,781	\$ 1,160,735	\$ 3,346,685	\$ 3,430,075
Total operating expenses	(1,332,420)	(984,933)	(3,114,514)	(2,842,860)
Operating income	\$ 48,361	\$ 175,802	\$ 232,171	\$ 587,215
Operating ratio	96.5 %	84.9 %	93.1 %	82.9 %
Non-GAAP Presentation				
Total revenue	\$ 1,380,781	\$ 1,160,735	\$ 3,346,685	\$ 3,430,075
Fuel surcharge	(200,503)	(192,685)	(469,771)	(538,277)
Intersegment transactions	(300)	(281)	(1,583)	(1,016)
Revenue, excluding fuel surcharge and intersegment transactions	1,179,978	967,769	2,875,331	2,890,782
Total operating expenses	1,332,420	984,933	3,114,514	2,842,860
Adjusted for:				
Fuel surcharge	(200,503)	(192,685)	(469,771)	(538,277)
Intersegment transactions	(300)	(281)	(1,583)	(1,016)
Amortization of intangibles ³	(2,605)	(324)	(3,247)	(971)
Other acquisition related expenses ⁴	(6,546)	—	(6,546)	—
Severance ⁵	(2,636)	—	(2,636)	—
Adjusted Operating Expenses	1,119,830	791,643	2,630,731	2,302,596
Adjusted Operating Income	\$ 60,148	\$ 176,126	\$ 244,600	\$ 588,186
Adjusted Operating Ratio	94.9 %	81.8 %	91.5 %	79.7 %

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 2.

3 "Amortization of intangibles" reflects the non-cash amortization expense relating to intangible assets identified in historical Knight acquisitions and the U.S. Xpress acquisition.

4 Refer to Non-GAAP Reconciliation (Unaudited): Adjusted Operating Income and Adjusted Operating Ratio – footnote 7.

5 Refer to Non-GAAP Reconciliation (Unaudited): Adjusted Operating Income and Adjusted Operating Ratio – footnote 8.

Non-GAAP Reconciliation

Segment Adjusted Operating Income and Adjusted Operating Ratio ¹ (Unaudited)

LTL Segment	Quarter Ended September 30,		Year-to-Date September 30,	
	2023	2022	2023	2022
GAAP Presentation	(Dollars in thousands)			
Total revenue	\$ 284,168	\$ 278,615	\$ 806,577	\$ 817,587
Total operating expenses	(251,893)	(247,756)	(717,482)	(716,584)
Operating income	\$ 32,275	\$ 30,859	\$ 89,095	\$ 101,003
Operating ratio	88.6 %	88.9 %	89.0 %	87.6 %
Non-GAAP Presentation				
Total revenue	\$ 284,168	\$ 278,615	\$ 806,577	\$ 817,587
Fuel surcharge	(44,184)	(54,172)	(124,086)	(154,291)
Revenue, excluding fuel surcharge	239,984	224,443	682,491	663,296
Total operating expenses	251,893	247,756	717,482	716,584
Adjusted for:				
Fuel surcharge	(44,184)	(54,172)	(124,086)	(154,291)
Amortization of intangibles ²	(3,920)	(4,032)	(11,760)	(11,972)
Adjusted Operating Expenses	203,789	189,552	581,636	550,321
Adjusted Operating Income	\$ 36,195	\$ 34,891	\$ 100,855	\$ 112,975
Adjusted Operating Ratio	84.9 %	84.5 %	85.2 %	83.0 %

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 the ACT and MME acquisitions.

Non-GAAP Reconciliation

Segment Adjusted Operating Income and Adjusted Operating Ratio ¹ (Unaudited)

	Quarter Ended September 30,		Year-to-Date September 30,	
	2023	2022	2023	2022
Logistics Segment				
GAAP Presentation				
	(Dollars in thousands)			
Total revenue	\$ 159,489	\$ 210,673	\$ 417,715	\$ 741,374
Total operating expenses	(149,125)	(183,214)	(384,965)	(630,565)
Operating income	\$ 10,364	\$ 27,459	\$ 32,750	\$ 110,809
Operating ratio	93.5 %	87.0 %	92.2 %	85.1 %
Non-GAAP Presentation				
Total revenue	\$ 159,489	\$ 210,673	\$ 417,715	\$ 741,374
Intersegment transactions	(888)	(709)	(4,555)	(3,920)
Revenue, excluding intersegment transactions	158,601	209,964	413,160	737,454
Total operating expenses	149,125	183,214	384,965	630,565
Adjusted for:				
Intersegment transactions	(888)	(709)	(4,555)	(3,920)
Amortization of intangibles ²	(335)	(335)	(1,003)	(1,003)
Adjusted Operating Expenses	147,902	182,170	379,407	625,642
Adjusted Operating Income	\$ 10,699	\$ 27,794	\$ 33,753	\$ 111,812
Adjusted Operating Ratio	93.3 %	86.8 %	91.8 %	84.8 %

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 the UTXL acquisition.

Non-GAAP Reconciliation

Segment Adjusted Operating Income and Adjusted Operating Ratio ¹ (Unaudited)

	Quarter Ended September 30,		Year-to-Date September 30,	
	2023	2022	2023	2022
Intermodal Segment				
GAAP Presentation				
	(Dollars in thousands)			
Total revenue	\$ 101,219	\$ 130,777	\$ 316,118	\$ 372,870
Total operating expenses	(105,743)	(117,943)	(322,172)	(330,694)
Operating (loss) income	\$ (4,524)	\$ 12,834	\$ (6,054)	\$ 42,176
Operating ratio	104.5 %	90.2 %	101.9 %	88.7 %
Non-GAAP Presentation				
Total revenue	\$ 101,219	\$ 130,777	\$ 316,118	\$ 372,870
Intersegment transactions	—	—	—	(47)
Revenue, excluding intersegment transactions	101,219	130,777	316,118	372,823
Total operating expenses	105,743	117,943	322,172	330,694
Adjusted for:				
Intersegment transactions	—	—	—	(47)
Adjusted Operating Expenses	105,743	117,943	322,172	330,647
Adjusted Operating (Loss) Income	\$ (4,524)	\$ 12,834	\$ (6,054)	\$ 42,176
Adjusted Operating Ratio	104.5 %	90.2 %	101.9 %	88.7 %

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