KNX 2Q20 Earnings Presentation

KNIGHT TRANSPORTATION

SWIFT TRANSPORTATION

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 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.

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KNX Overview

Trucking

	Q2 '20	YTD 2020
Revenue (ex. fuel surcharge and intersegment transactions) [(1)]	$ 816M	$ 1,637M
Adjusted Operating Ratio [(1)]	85.5 %	86.0 %

- 13,382 irregular route tractors, 5,011 dedicated tractors, and 57,269 combined trailers
- Dry Van, Refrigerated, Dedicated, Flatbed, Drayage, and Expedited service offerings

Intermodal

	Q2 '20	YTD 2020
Revenue (ex intersegment transactions) [(1)]	$ 83M	$ 177M
Adjusted Operating Ratio [(1)]	105.3 %	104.0 %

- 571 tractors and 10,853 containers

Logistics

	Q2 '20	YTD 2020
Revenue (ex intersegment transactions) [(1)]	$ 67M	$ 144M
Adjusted Operating Ratio [(1)]	95.5 %	95.3 %

Shareholder Value

YTD 2020

- Free Cash Flow of $188M [(2)(3)]
- Return on Net Tangible Assets of 11.7% [(1)]
- Leverage Ratio of 0.80 [(1)]
- Repurchased $35M of our common stock in Q1
- $28M 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 capital expenditures.
3 Includes $93M for a legal settlement during the first quarter associated with pre-2017 Merger legal matters that were previously accrued and disclosed by Swift

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Second Quarter 2020 Comparative Results

Knight-Swift Consolidated		Q2 '20		Q2 '19	Change
	(Dollars in thousands, except per share data)				
Total revenue	$	1,060,698	$	1,242,083	(14.6 %)
Revenue xFSC	$	997,597	$	1,122,754	(11.1 %)
Operating income	$	102,167	$	108,593	(5.9 %)
Adj. Operating Income [1]	$	123,960	$	136,967	(9.5 %)
Net income attributable to Knight-Swift	$	80,189	$	79,205	1.2 %
Adj. Net income Attributable to Knight Swift [1]	$	96,498	$	100,627	(4.1 %)
Earnings per diluted share	$	0.47	$	0.46	2.2 %
Adj. EPS [1]	$	0.57	$	0.58	(1.7 %)

Adjustments

- $11.5M in Q2 2020 and $10.7M in Q2 2019 of amortization expense from mergers and acquisitions
- $0.4M in Q2 2020 and $2.2M in Q2 2019 of impairments
- $10.0M in Q2 2020 for COVID-19 incremental costs such as increased driver and shop mechanic pay and essential provisions for our driving associates
- $15.5M in legal accruals in Q2 2019

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

Q2 2020 Trends

- April volumes and rates were pressured due to reduced loads from non-essential shippers
- Freight volumes strengthened throughout May and June
- The strong freight conditions in June led to improved year-over-year miles per truck
- Revenue per mile began to inflect positive in certain areas of the business in June
- Strong freight volumes and improving revenue per mile has continued into July

Operating Performance – Trucking

- 85.5% Adjusted Operating Ratio in Q2 2020 compared to 85.8% the previous year
- Tractor count of 18,393 during Q2 2020 was 3.1% lower than Q2 2019 and relatively flat (down 0.4%) from Q1 2020
- Miles per tractor decreased 3.9% over the prior year
- 85.3% Swift Truckload Adj. Operating Ratio
- 84.0% Knight Truckload Adj. Operating Ratio
- 1.7% reduction in revenue excluding fsc per loaded mile from Q2 2019

Trucking Financial Metrics

	Q2 '20	Q2 '19	Change
	(Dollars in thousands)		
Revenue xFSC	$816,033	$900,648	(9.4 %)
Operating income	$107,788	$125,772	(14.3 %)
Adjusted Operating Income [1]	$118,166	$128,303	(7.9 %)
Operating ratio	87.7%	87.7%	— bps
Adjusted Operating Ratio [1]	85.5%	85.8%	(30 bps)

Trucking Operating Statistics

	Q2 '20	Q2 '19	Change
Average revenue per tractor	$44,366	$47,440	(6.5 %)
Average tractors	18,393	18,985	(3.1 %)
Average trailers	57,269	58,263	(1.7 %)
Miles per tractor	22,741	23,656	(3.9 %)

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

Operating Performance – Logistics

- 95.5% Adjusted Operating Ratio during Q2 2020 compared to 93.7% during the prior year
- 15.7% Brokerage Gross Margin during the quarter compared with 16.2% the prior year
- 4.5% reduction in Brokerage revenue per load
- 10.1% reduction in Brokerage load counts
- Power only loads increased 73.8% from the prior year and now account for 17.3% of total volume

Logistics Financial Metrics

	Q2 '20	Q2 '19	Change
	(Dollars in thousands)		
Revenue ex intersegment [1]	$67,066	$80,304	(16.5 %)
Operating income	$3,038	$5,021	(39.5 %)
Operating ratio	95.7%	93.9%	180 bps
Adjusted Operating Ratio [1]	95.5%	93.7%	180 bps

Brokerage Only Operating Statistics

	Q2 '20	Q2 '19	Change
Revenue per load	$1,408	$1,475	(4.5 %)
Gross margin	15.7%	16.2%	(50 bps)

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

Operating Performance – Intermodal

- 105.3% Adjusted Operating Ratio during Q2 2020 compared with 96.4% the prior year
- 7.8% reduction in revenue per load
- 23.9% reduction in load counts

Intermodal Financial Metrics

	Q2 '20	Q2 '19	Change
	(Dollars in thousands)		
Revenue ex intersegment [1]	$82,699	$117,727	(29.8 %)
Operating (loss) income	$(4,475)	$4,192	(206.8 %)
Adjusted Operating (Loss) Income [1]	$(4,410)	$4,192	(205.2 %)
Operating ratio	105.4%	96.5%	890 bps
Adjusted Operating Ratio [1]	105.3%	96.4%	890 bps

Intermodal Operating Statistics

	Q2 '20	Q2 '19	Change
Average revenue per load	$2,249	$2,438	(7.8 %)
Load count	36,769	48,290	(23.9 %)
Average tractors	571	651	(12.3 %)
Average containers	10,853	9,863	10.0 %

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

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Market Outlook 2nd Half 2020

- Expect the strong freight conditions to continue with the assumption that businesses will continue to remain open
- Spot rates continue to improve leading to stronger contract rates in 2021
- Supply continues to rationalize as a result of historically low class 8 orders, a weak used equipment market, and lower transportation employment data
- Sourcing and retaining drivers will become more challenging leading to driver wage inflation
- Limited visibility into project business in the fourth quarter
- Weak used equipment market will continue to result in less gains on sale year-over-year

2020 Guidance

Expected Adjusted EPS for the full year 2020 of $2.15 - $2.30

Guidance Assumptions

- Pandemic does not cause additional widespread business closures
- Revenue per loaded mile will inflect positively on a year-over-year basis in the low single digits
- Miles per truck will be flat to slightly positive year-over-year
- Modest fourth quarter project business
- Muted gains on sale of revenue equipment
- Inflationary pressure on driver wages
- Tax rate of 25.5% - 27.0% before discrete items
- Net Capex for the full year expected to be between $500M-$525M

Appendix

Non-GAAP Reconciliation

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

	Quarter-to-Date June 30,		Year-to-Date June 30,	
	2020	2019	2020	2019
GAAP Presentation	(Dollars in thousands)			
Total revenue	$1,060,698	$1,242,083	$2,185,496	$2,446,618
Total operating expenses	(958,531)	(1,133,490)	(1,981,210)	(2,221,726)
Operating income	$ 102,167	$ 108,593	$ 204,286	$ 224,892
Operating ratio	90.4 %	91.3 %	90.7 %	90.8 %
Non-GAAP Presentation				
Total revenue	$1,060,698	$1,242,083	$2,185,496	$2,446,618
Trucking fuel surcharge	(63,101)	(119,329)	(160,804)	(226,908)
Revenue, excluding trucking fuel surcharge	997,597	1,122,754	2,024,692	2,219,710
Total operating expenses	958,531	1,133,490	1,981,210	2,221,726
Adjusted for:				
Trucking fuel surcharge	(63,101)	(119,329)	(160,804)	(226,908)
Amortization of intangibles [2]	(11,474)	(10,692)	(22,948)	(21,385)
Impairments [3]	(353)	(2,182)	(1,255)	(2,182)
Legal Accruals [4]	—	(15,500)	—	(15,500)
COVID-19 incremental costs [5]	(9,966)	—	(12,259)	—
Adjusted Operating Expenses	873,637	985,787	1,783,944	1,955,751
Adjusted Operating Income	$ 123,960	$ 136,967	$ 240,748	$ 263,959
Adjusted Operating Ratio	87.6 %	87.8 %	88.1 %	88.1 %

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" reflects the non-cash impairment of certain tractors (within the Trucking segment) and certain legacy trailers (within the non-reportable segments) as a result of a softer used equipment market during the second quarter of 2020, as well as impairment charges of trailer tracking equipment (within the Trucking segment) during the first quarter of 2020. In the second quarter of 2019, we incurred a non-cash impairment of leasehold improvements (within the Trucking segment) which were incurred during the early termination of a lease related to one of our operating properties.

4 "Legal accruals" reflects costs incurred in the second quarter of 2019 associated with a jury verdict issued, which is included in "Miscellaneous operating expenses" in the condensed consolidated statements of comprehensive income.

5 "COVID-19 incremental costs" reflects costs incurred during 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.

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Non-GAAP Reconciliation

Non-GAAP Reconciliation (Unaudited):
Adjusted Net Income Attributable to Knight-Swift and Adjusted EPS [1]

	Quarter-to-Date June 30,		Year-to-Date June 30,	
	2020	2019	2020	2019
	(Dollars In thousands)			
GAAP: Net income attributable to Knight-Swift	$ 80,189	$ 79,205	$ 145,615	$ 167,143
Adjusted for:				
Income tax expense attributable to Knight-Swift	26,815	26,076	51,369	53,999
Income before income taxes attributable to Knight-Swift	107,004	105,281	196,984	221,142
Amortization of intangibles [2]	11,474	10,692	22,948	21,385
Impairments [3]	353	2,182	1,255	2,182
Legal Accruals [4]	—	15,500	—	15,500
COVID-19 incremental costs [5]	9,966	—	12,259	—
Adjusted income before income taxes	128,797	133,655	233,446	260,209
Provision for income tax expense at effective rate	(32,299)	(33,028)	(60,743)	(63,401)
Non-GAAP: Adjusted Net Income Attributable to Knight-Swift	$ 96,498	$ 100,627	$ 172,703	$ 196,808

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 and 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):
Adjusted Net Income Attributable to Knight-Swift and Adjusted EPS [1]

	Quarter-to-Date June 30,		Year-to-Date June 30,	
	2020	2019	2020	2019
GAAP: Earnings per diluted share	$ 0.47	$ 0.46	$ 0.85	$ 0.97
Adjusted for:				
Income tax expense attributable to Knight-Swift	0.16	0.15	0.30	0.31
Income before income taxes attributable to Knight-Swift	0.63	0.61	1.15	1.28
Amortization of intangibles [2]	0.07	0.06	0.13	0.12
Impairments [3]	—	0.01	0.01	0.01
Legal Accruals [4]	—	0.09	—	0.09
COVID-19 incremental costs [5]	0.06	—	0.07	—
Adjusted income before income taxes	0.75	0.77	1.37	1.50
Provision for income tax expense at effective rate	(0.19)	(0.19)	(0.36)	(0.37)
Non-GAAP: Adjusted EPS	$ 0.57	$ 0.58	$ 1.01	$ 1.14

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]

Trucking Segment	Quarter-to-Date June 30, 2020	Quarter-to-Date June 30, 2019	Year-to-Date June 30, 2020	Year-to-Date June 30, 2019
GAAP Presentation	(Dollars in thousands)			
Total revenue	$ 879,369	$1,020,027	$1,798,430	$1,993,272
Total operating expenses	(771,581)	(894,255)	(1,583,308)	(1,752,325)
Operating income	$ 107,788	$ 125,772	$ 215,122	$ 240,947
Operating ratio	87.7 %	87.7 %	88.0 %	87.9 %
Non-GAAP Presentation				
Total revenue	$ 879,369	$1,020,027	$1,798,430	$1,993,272
Fuel surcharge	(63,101)	(119,329)	(160,804)	(226,908)
Intersegment transactions	(235)	(50)	(509)	(86)
Revenue, excluding fuel surcharge and intersegment transactions	816,033	900,648	1,637,117	1,766,278
Total operating expenses	771,581	894,255	1,583,308	1,752,325
Adjusted for:				
Fuel surcharge	(63,101)	(119,329)	(160,804)	(226,908)
Intersegment transactions	(235)	(50)	(509)	(86)
Amortization of intangibles [2]	(324)	(349)	(648)	(698)
Impairments [3]	(153)	(2,182)	(1,055)	(2,182)
COVID-19 incremental costs [4]	(9,901)	—	(12,146)	—
Adjusted Operating Expenses	697,867	772,345	1,408,146	1,522,451
Adjusted Operating Income	$ 118,166	$ 128,303	$ 228,971	$ 243,827
Adjusted Operating Ratio	85.5 %	85.8 %	86.0 %	86.2 %

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 Abilene Acquisition and 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.

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Non-GAAP Reconciliation

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

	Quarter-to-Date June 30,		Year-to-Date June 30,	
Logistics Segment	2020	2019	2020	2019
GAAP Presentation	(Dollars in thousands)			
Total revenue	$ 70,104	$ 82,929	$ 149,302	$ 171,881
Total operating expenses	(67,066)	(77,908)	(142,545)	(159,577)
Operating income	$ 3,038	$ 5,021	$ 6,757	$ 12,304
Operating ratio	95.7 %	93.9 %	95.5 %	92.8 %
Non-GAAP Presentation				
Total revenue	$ 70,104	$ 82,929	$ 149,302	$ 171,881
Intersegment transactions	(3,038)	(2,625)	(5,479)	(4,386)
Revenue, excluding intersegment transactions	67,066	80,304	143,823	167,495
Total operating expenses	67,066	77,908	142,545	159,577
Adjusted for:				
Intersegment transactions	(3,038)	(2,625)	(5,479)	(4,386)
Adjusted Operating Expenses	64,028	75,283	137,066	155,191
Adjusted Operating Income	$ 3,038	$ 5,021	$ 6,757	$ 12,304
Adjusted Operating Ratio	95.5 %	93.7 %	95.3 %	92.7 %

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-to-Date June 30,		Year-to-Date June 30,	
Intermodal Segment	**2020**	**2019**	**2020**	**2019**
GAAP Presentation	**(Dollars in thousands)**			
Total revenue	$ 82,820	$ 118,195	$ 177,551	$ 234,562
Total operating expenses	(87,295)	(114,003)	(184,763)	(228,009)
Operating (loss) income	$ (4,475)	$ 4,192	$ (7,212)	$ 6,553
Operating ratio	105.4 %	96.5 %	104.1 %	97.2 %
Non-GAAP Presentation				
Total revenue	$ 82,820	$ 118,195	$ 177,551	$ 234,562
Intersegment transactions	(121)	(468)	(230)	(1,158)
Revenue, excluding intersegment transactions	82,699	117,727	177,321	233,404
Total operating expenses	87,295	114,003	184,763	228,009
Adjusted for:				
Intersegment transactions	(121)	(468)	(230)	(1,158)
COVID-19 incremental costs [2]	(65)	—	(113)	—
Adjusted Operating Expenses	87,109	113,535	184,420	226,851
Adjusted Operating (Loss) Income	$ (4,410)	$ 4,192	$ (7,099)	$ 6,553
Adjusted Operating Ratio	105.3 %	96.4 %	104.0 %	97.2 %

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):
Return on Net Tangible Assets [1]

	June 30,	
	2020	2019
	(Dollars in thousands)	
Total Assets	$8,279,028	$ 8,213,584
Adjusted for:		
Intangible assets, net	(1,412,192)	(1,399,534)
Goodwill	(2,922,970)	(2,919,219)
Tangible Assets	$3,943,866	$ 3,894,831
Total Liabilities	$2,513,439	$ 2,681,564
Adjusted for:		
Revolving line of credit, finance lease obligations, and long-term debt	(686,917)	(759,418)
Accounts receivable securitization	(164,840)	(144,684)
Deferred income tax liabilities	(792,839)	(749,077)
Non-Interest Bearing Liabilities, excluding deferred income tax liabilities	$ 868,843	$ 1,028,385
Net Tangible Assets	$3,075,023	$ 2,866,446
Average Net Tangible Assets	$2,970,735	
Adjusted Net Income TTM June 30, 2020	$ 348,977	
Return on Net Tangible Assets	11.7 %	

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

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Non-GAAP Reconciliation

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

	Year-to-Date June 30, 2020	Year-to-Date December 31, 2019	Year-to-Date June 30, 2019	TTM June 30, 2020
		(Dollars in thousands)		
GAAP: Net income attributable to Knight-Swift	$ 145,615	309,206	167,143	287,678
Adjusted for:				
Income tax expense attributable to Knight-Swift	51,369	103,798	53,999	101,168
Income before income taxes attributable to Knight-Swift	196,984	413,004	221,142	388,846
Amortization of intangibles [2]	22,948	42,876	21,385	44,439
Impairments [3]	1,255	3,486	2,182	2,559
Legal accruals [4]	—	35,840	15,500	20,340
COVID-19 incremental costs [5]	12,259	—	—	12,259
Adjusted income before income taxes	233,446	495,206	260,209	468,443
Provision for income taxes at effective tax rate	(60,743)	(122,124)	(63,401)	(119,466)
Adjusted net income	$ 172,703	$ 373,082	$ 196,808	$ 348,977

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, Abilene Acquisition, and other acquisitions.

3 "Impairments" reflects the non-cash impairment of certain tractors (within the Trucking segment) and certain legacy trailers (within the non-reportable segments) as a result of a softer used equipment market during the second quarter of 2020, as well as impairment charges of trailer tracking equipment (within the Trucking segment) during the first quarter of 2020. In the second quarter of 2019, we incurred a non-cash impairment of leasehold improvements (within the Trucking segment) which were incurred during the early termination of a lease related to one of our operating properties. In addition to the impairment charges in the second quarter of 2019, we incurred impairment charges in the fourth quarter of 2019, which were associated with certain revenue equipment technology, warehousing equipment no longer in use, and certain Swift legacy trailer models as a result of a softer used equipment market. The impairments were recorded across various segments, depending on the nature of the impairment.

4 "Legal accruals" reflects costs incurred in the second quarter of 2019 associated with a jury verdict issued, which is included in "Miscellaneous operating expenses" in the condensed consolidated statements of comprehensive income.

5 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]		
	June 30, 2020	
	($ in thousands)	
Term loan	$	365,000
Revolving line of credit		235,000
Accounts receivable securitization		165,000
Other secured debt and finance leases		86,975
Total face value of debt		851,975
Unrestricted cash and cash equivalents		(117,760)
Non-GAAP: Net Leverage	$	734,215
Non-GAAP: Adjusted EBITDA TTM June 30, 2020	$	912,946
Non-GAAP: Leverage Ratio		0.80

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 June 30, 2020**	**Year-to-Date December 31, 2019**	**Year-to-Date June 30, 2019**	**TTM June 30, 2020**
		($ in thousands)		
GAAP: Net income	$ 146,050	$ 310,178	$ 167,622	$ 288,606
Adjusted for:				
Depreciation and amortization of property and equipment	224,822	420,082	203,875	441,029
Amortization of intangibles	22,948	42,876	21,385	44,439
Interest expense	10,128	29,433	14,504	25,057
Interest income	(1,269)	(3,834)	(1,993)	(3,110)
Income tax expense	51,369	103,798	53,999	101,168
Non-GAAP: EBITDA	454,048	902,533	459,392	897,189
Impairments [2]	1,255	3,486	2,182	2,559
Stock compensation expense	8,363	13,375	6,569	15,169
Other non-cash gains, net [3]	(401)	(7,087)	(5,517)	(1,971)
Non-GAAP: Adjusted EBITDA	$ 463,265	$ 912,307	$ 462,626	$ 912,946

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