



KNX 2Q21 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, EBITDA, adjusted EBITDA, 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		Q2 '21	YTD 2021
	Revenue (ex. fuel surcharge and intersegment transactions)	\$ 882.6M	\$ 1,755.4M
	Adjusted Operating Ratio ¹	80.9 %	81.3 %
	<ul style="list-style-type: none"> • 12,967 irregular route tractors, 5,067 dedicated tractors, and 60,858 combined trailers • Dry Van, Refrigerated, Dedicated, Flatbed, Drayage, and Expedited service offerings 		
Intermodal		Q2 '21	YTD 2021
	Revenue (ex intersegment transactions)	\$ 115.3M	\$ 222.3M
	Adjusted Operating Ratio ¹	95.0 %	95.8 %
	<ul style="list-style-type: none"> • 611 tractors and 10,842 containers 		
Logistics		Q2 '21	YTD 2021
	Revenue (ex intersegment transactions)	\$ 162.2M	\$ 277.9M
	Adjusted Operating Ratio ¹	91.1 %	92.1 %
Shareholder Value	YTD 2021		
	<ul style="list-style-type: none"> • Free Cash Flow of \$339M ² • Return on Net Tangible Assets of 18.4% ¹ • Repurchased \$54M of our common stock • \$30M paid out in dividends • Acquisitions of Eleos in Q1, UTXL in Q2, and AAA Cooper in July 2021 		

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.

Investment in Growth

Acquisitions

- **Abilene** - *Mar 2018* - Expands full truckload services
- **NTTS** - *Jul 2019* - Provides academy accreditation
- **Hayes** - *Jan 2020* - Adds footprint into warehousing space
- **Eleos** - *Feb 2021* - Provides modern in-cab technology for 3rd party carriers
- **UTXL** - *Jun 2021* - Adds expedited brokerage to our suite of services
- **AAA Cooper** *Jul 2021* - Provides first significant step into LTL market

Organic Expansion

- **Power-Only** - *Launched 2019* - 3rd party carriers utilize KNX trailers
 - 2021 expected revenue of \$175M
- **Select platform** - *Launched 2020* - New 3rd party carrier platform
 - YTD 25K loads booked using *Select*
- **Leasing & Carrier Services** - *Launched 2020* - Leasing, Insurance, Maintenance
 - 2021 expected revenue of \$96M

Other Investments

- **Truckmovers** - *Oct 2020* - 21% ownership, adds truck delivery service offering
- **Embark** - *Apr 2021* - Investment with tractor technology company

Second Quarter 2021 Comparative Results

Knight-Swift Consolidated	Q2 '21		Q2 '20		Change
	(Dollars in thousands, except per share data)				
Total revenue	\$	1,315,701	\$	1,060,698	24.0 %
Revenue xFSC	\$	1,212,872	\$	997,597	21.6 %
Operating income	\$	191,115	\$	102,167	87.1 %
Adj. Operating Income ¹	\$	204,637	\$	123,960	65.1 %
Net income attributable to Knight-Swift	\$	152,804	\$	80,189	90.6 %
Adj. Net income Attributable to Knight Swift ¹	\$	162,998	\$	96,498	68.9 %
Earnings per diluted share	\$	0.92	\$	0.47	95.7 %
Adj. EPS ¹	\$	0.98	\$	0.57	71.9 %

Adjustments

- \$12.0M in Q2 2021 and \$11.5M in Q2 2020 of amortization expense from mergers and acquisitions
- \$0.9M in Q2 2021 of legal accruals
- \$0.7M in Q2 2021 of transaction fees
- \$0.4M in Q2 2020 of impairments
- \$10.0M in Q2 2020 for Covid-19 incremental costs

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

Operating Performance – Trucking

- 42.8% year-over-year improvement in Adjusted Operating Income
- 80.9% Adjusted Operating Ratio in Q2 2021 compared to 85.5% the previous year
- 15.0% Revenue xFSC growth and a 75.7% Adjusted Operating Ratio in Swift Truckload
- 13.7% Revenue xFSC growth and a 78.7% Adjusted Operating Ratio in Knight Trucking

Trucking Financial Metrics

	Q2 '21	Q2 '20	Change
	(Dollars in thousands)		
Revenue xFSC	\$882,560	\$816,033	8.2 %
Operating income	\$168,457	\$107,788	56.3 %
Adjusted Operating Income ¹	\$168,781	\$118,166	42.8 %
Operating ratio	82.9%	87.7%	(480 bps)
Adjusted Operating Ratio ¹	80.9%	85.5%	(460 bps)

Trucking Operating Statistics

	Q2 '21	Q2 '20	Change
Average revenue per tractor	\$48,939	\$44,366	10.3 %
Average tractors	18,034	18,393	(2.0 %)
Average trailers	60,858	57,269	6.3 %
Miles per tractor	20,913	22,741	(8.0 %)

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

Operating Performance – Logistics

- 141.8% increase in Revenue (120.6% excluding the UTXL acquisition)
- 372.5% increase in Operating income
- 55.3% increase in load counts
- 55.8% increase in revenue per load
- Power-only revenue increased 410.5% from the prior year and now accounts for over 25% of total Q2 2021 volume
- Over 4,500 carriers were digitally matched through our *Select* platform
- Loads booked through *Select* increased 18% from Q1 2021

Logistics Financial Metrics

	Q2 '21	Q2 '20	Change
	(Dollars in thousands)		
Revenue ex intersegment	\$162,167	\$67,066	141.8 %
Operating income	\$14,356	\$3,038	372.5 %
Adjusted Operating Income	\$14,453	\$3,038	375.7 %
Operating ratio	91.4%	95.7%	(430 bps)
Adjusted Operating Ratio ¹	91.1%	95.5%	(440 bps)

Operating Statistics

	Q2 '21	Q2 '20	Change
Revenue per load	\$2,193	\$1,408	55.8 %
Gross margin	15.7%	15.7%	— bps

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

Operating Performance – Intermodal

- 39.4% increase in Revenue
- \$10.3M year-over-year improvement in Operating Income
- 95.0% Operating Ratio during Q2 2021 compared with 105.4% the prior year
- 19.9% increase in load counts from Q2 2020
- 16.3% year-over-year increase in average revenue per load

Intermodal Financial Metrics

	Q2 '21	Q2 '20	Change
	(Dollars in thousands)		
Revenue ex intersegment	\$115,294	\$82,699	39.4 %
Operating income (loss)	\$5,812	\$(4,475)	
Adjusted Operating Income (Loss) ¹	\$5,812	\$(4,410)	
Operating ratio	95.0%	105.4%	(1,040 bps)
Adjusted Operating Ratio ¹	95.0%	105.3%	(1,030 bps)

Intermodal Operating Statistics

	Q2 '21	Q2 '20	Change
Average revenue per load	\$2,616	\$2,249	16.3 %
Load count	44,073	36,769	19.9 %
Average tractors	611	571	7.0 %
Average containers	10,842	10,853	(0.1 %)

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

Operating Performance – Non-Reportable

- 47.5% increase in Revenue driven by additional equipment leasing, warehousing activities, and expanded services provided to 3rd party carriers
- \$6.7M year-over-year improvement in Operating Income
- Expect continued growth in revenue and operating income in the 2nd half of 2021

Non-Reportable Financial Metrics

	Q2 '21	Q2 '20	Change
	(Dollars in thousands)		
Revenue	\$66,795	\$45,289	47.5 %
Operating income (loss)	\$2,490	\$(4,184)	

Acquisition of AAA Cooper (ACT)

- ACT acquired on July 5, 2021
- #15 on *Transport Topics* list of 2021 Top LTL carriers
- Operations include less-than-truckload, dedicated, and other services
- Approximately 70 Service Centers, with a terminal door count of over 3,400
- Nearly 3,000 Tractors and 7,000 Trailers



Transaction Terms	
Transaction Value:	\$1.35 billion
Consideration Paid:	
Cash	\$1.30 billion
Knight-Swift Stock	\$10.0 million
Estimated Net Debt ⁽¹⁾ Assumed:	\$40.0 million
Cash Funded Through:	
Existing Liquidity	\$0.1 billion
New Term Loan	\$1.2 billion
Tax Election (Internal Rev. Code)	Section 338(h)(10)

Full Year 2021 Forecast (without synergies)	
Revenue:	\$780 million
EBITDA ⁽²⁾ :	\$140 million
Operating Income:	\$80 million

(1) Net Debt is defined as amounts outstanding on revolvers, loans and notes payable, finance leases, and similar amounts outstanding under debt agreements, less unrestricted cash.

(2) EBITDA is a non-GAAP measure. EBITDA is defined as net income (loss) before interest, income taxes, depreciation, and amortization. We cannot estimate on a forward-looking basis, the impact of certain income and expense items on EBITDA, because these items, which could be significant, may be infrequent, are difficult to predict, and may be highly variable. As a result, we do not provide a reconciliation to our estimate of EBITDA.

Market Outlook 2H21 and Beyond

- We expect the unprecedented demand for over-the-road truckload capacity to continue throughout 2022
- Capacity expansion continues to be limited as new tractor builds are constrained by parts availability
- Sourcing and retaining drivers will remain challenging and lead to additional driver wage inflation
- The above factors should continue to support a favorable rate environment
- Demand for power-only opportunities continues

2021 Guidance

Increasing expected Adjusted EPS for the full year 2021 to \$3.90 - \$4.05 from \$3.45 - \$3.60 previously

Guidance Assumptions

- Over-the-road contract rate increases trending in the mid-teens
- Recent acquisitions expected to add \$0.16 to EPS in the second half of 2021
- Miles per truck will remain pressured by the driver shortage
- Modest pressure on tractor count as sourcing drivers remains challenging
- Continued strength in Logistics revenue growth
- Intermodal revenue growth with improved margins
- Inflationary pressure on driver wages, recruiting and hiring expenses
- Tax rate of 25.0% - 27.0% for the full year 2021
- Net Cash Capex for the full year 2021 expected range of \$500M - \$550M

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,	
	2021	2020	2021	2020
GAAP Presentation	(Dollars in thousands)			
Total revenue	\$ 1,315,701	\$ 1,060,698	\$ 2,538,715	\$ 2,185,496
Total operating expenses	(1,124,586)	(958,531)	(2,185,341)	(1,981,210)
Operating income	\$ 191,115	\$ 102,167	\$ 353,374	\$ 204,286
Operating ratio	85.5 %	90.4 %	86.1 %	90.7 %
Non-GAAP Presentation				
Total revenue	\$ 1,315,701	\$ 1,060,698	\$ 2,538,715	\$ 2,185,496
Trucking fuel surcharge	(102,829)	(63,101)	(192,738)	(160,804)
Revenue, excluding trucking fuel surcharge	1,212,872	997,597	2,345,977	2,024,692
Total operating expenses	1,124,586	958,531	2,185,341	1,981,210
Adjusted for:				
Trucking fuel surcharge	(102,829)	(63,101)	(192,738)	(160,804)
Amortization of intangibles ²	(11,984)	(11,474)	(23,733)	(22,948)
Impairments ³	—	(353)	—	(1,255)
Legal accruals ⁴	(879)	—	(2,121)	—
COVID-19 incremental costs ⁵	—	(9,966)	—	(12,259)
Transaction fees ⁶	(659)	—	(659)	—
Adjusted Operating Expenses	1,008,235	873,637	1,966,090	1,783,944
Adjusted Operating Income	\$ 204,637	\$ 123,960	\$ 379,887	\$ 240,748
Adjusted Operating Ratio	83.1 %	87.6 %	83.8 %	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.

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 and contract related matters.

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.

6 "Transaction fees" consisted of legal and professional fees associated with the acquisitions of UTXL and ACT. The transaction fees are included within "Miscellaneous operating expenses" in the condensed consolidated statements of comprehensive income.

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,	
	2021	2020	2021	2020
(Dollars in thousands, except per share data)				
GAAP: Net income attributable to Knight-Swift	\$ 152,804	\$ 80,189	\$ 282,594	\$ 145,615
Adjusted for:				
Income tax expense attributable to Knight-Swift	51,783	26,815	97,112	51,369
Income before income taxes attributable to Knight-Swift	204,587	107,004	379,706	196,984
Amortization of intangibles ²	11,984	11,474	23,733	22,948
Impairments ³	—	353	—	1,255
Legal accruals ⁴	879	—	2,121	—
COVID-19 incremental costs ⁵	—	9,966	—	12,259
Transaction fees ⁶	659	—	659	—
Adjusted income before income taxes	218,109	128,797	406,219	233,446
Provision for income tax expense at effective rate	(55,111)	(32,299)	(103,788)	(60,743)
Non-GAAP: Adjusted Net Income Attributable to Knight-Swift	\$ 162,998	\$ 96,498	\$ 302,431	\$ 172,703

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.

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,	
	2021	2020	2021	2020
GAAP: Earnings per diluted share	\$ 0.92	\$ 0.47	\$ 1.69	\$ 0.85
Adjusted for:				
Income tax expense attributable to Knight-Swift	0.31	0.16	0.58	0.30
Income before income taxes attributable to Knight-Swift	1.23	0.63	2.28	1.15
Amortization of intangibles ²	0.07	0.07	0.14	0.13
Impairments ³	—	—	—	0.01
Legal accruals ⁴	0.01	—	0.01	—
COVID-19 incremental costs ⁵	—	0.06	—	0.07
Transaction fees ⁶	—	—	—	—
Adjusted income before income taxes	1.31	0.75	2.44	1.37
Provision for income tax expense at effective rate	(0.33)	(0.19)	(0.62)	(0.36)
Non-GAAP: Adjusted EPS	\$ 0.98	\$ 0.57	\$ 1.81	\$ 1.01

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.

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,	
	2021	2020	2021	2020
Trucking Segment				
GAAP Presentation				
	(Dollars in thousands)			
Total revenue	\$ 985,858	\$ 879,369	\$ 1,948,805	\$ 1,798,430
Total operating expenses	(817,401)	(771,581)	(1,621,865)	(1,583,308)
Operating income	\$ 168,457	\$ 107,788	\$ 326,940	\$ 215,122
Operating ratio	82.9 %	87.7 %	83.2 %	88.0 %
Non-GAAP Presentation				
Total revenue	\$ 985,858	\$ 879,369	\$ 1,948,805	\$ 1,798,430
Fuel surcharge	(102,829)	(63,101)	(192,738)	(160,804)
Intersegment transactions	(469)	(235)	(693)	(509)
Revenue, excluding fuel surcharge and intersegment transactions	882,560	816,033	1,755,374	1,637,117
Total operating expenses	817,401	771,581	1,621,865	1,583,308
Adjusted for:				
Fuel surcharge	(102,829)	(63,101)	(192,738)	(160,804)
Intersegment transactions	(469)	(235)	(693)	(509)
Amortization of intangibles ²	(324)	(324)	(648)	(648)
Impairments ³	—	(153)	—	(1,055)
COVID-19 incremental costs ⁴	—	(9,901)	—	(12,146)
Adjusted Operating Expenses	713,779	697,867	1,427,786	1,408,146
Adjusted Operating Income	\$ 168,781	\$ 118,166	\$ 327,588	\$ 228,971
Adjusted Operating Ratio	80.9 %	85.5 %	81.3 %	86.0 %

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 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-to-Date June 30,		Year-to-Date June 30,	
	2021	2020	2021	2020
Logistics Segment				
GAAP Presentation	(Dollars in thousands)			
Total revenue	\$ 166,737	\$ 70,104	\$ 285,624	\$ 149,302
Total operating expenses	(152,381)	(67,066)	(263,691)	(142,545)
Operating income	\$ 14,356	\$ 3,038	\$ 21,933	\$ 6,757
Operating ratio	91.4 %	95.7 %	92.3 %	95.5 %
Non-GAAP Presentation				
Total revenue	\$ 166,737	\$ 70,104	\$ 285,624	\$ 149,302
Intersegment transactions	(4,570)	(3,038)	(7,735)	(5,479)
Revenue, excluding intersegment transactions	162,167	67,066	277,889	143,823
Total operating expenses	152,381	67,066	263,691	142,545
Adjusted for:				
Intersegment transactions	(4,570)	(3,038)	(7,735)	(5,479)
Amortization of intangibles ²	(97)	—	(97)	—
Adjusted Operating Expenses	147,714	64,028	255,859	137,066
Adjusted Operating Income	\$ 14,453	\$ 3,038	\$ 22,030	\$ 6,757
Adjusted Operating Ratio	91.1 %	95.5 %	92.1 %	95.3 %

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

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

	Quarter-to-Date June 30,		Year-to-Date June 30,	
	2021	2020	2021	2020
Intermodal Segment				
GAAP Presentation				
	(Dollars in thousands)			
Total revenue	\$ 115,378	\$ 82,820	\$ 222,444	\$ 177,551
Total operating expenses	(109,566)	(87,295)	(213,175)	(184,763)
Operating income (loss)	\$ 5,812	\$ (4,475)	\$ 9,269	\$ (7,212)
Operating ratio	95.0 %	105.4 %	95.8 %	104.1 %
Non-GAAP Presentation				
Total revenue	\$ 115,378	\$ 82,820	\$ 222,444	\$ 177,551
Intersegment transactions	(84)	(121)	(179)	(230)
Revenue, excluding intersegment transactions	115,294	82,699	222,265	177,321
Total operating expenses	109,566	87,295	213,175	184,763
Adjusted for:				
Intersegment transactions	(84)	(121)	(179)	(230)
COVID-19 incremental costs ²	—	(65)	—	(113)
Adjusted Operating Expenses	109,482	87,109	212,996	184,420
Adjusted Operating Income (Loss)	\$ 5,812	\$ (4,410)	\$ 9,269	\$ (7,099)
Adjusted Operating Ratio	95.0 %	105.3 %	95.8 %	104.0 %

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,	
	2021	2020
	(Dollars in thousands)	
Total Assets	\$8,682,459	\$ 8,279,028
Adjusted for:		
Intangible assets, net	(1,403,483)	(1,412,192)
Goodwill	(2,971,023)	(2,922,970)
Tangible Assets	\$4,307,953	\$ 3,943,866
Total Liabilities	\$2,584,406	\$ 2,513,439
Adjusted for:		
Revolving line of credit, finance lease obligations, and long-term debt	(592,286)	(686,917)
Accounts receivable securitization	(278,372)	(164,840)
Deferred income tax liabilities	(806,398)	(792,839)
Non-Interest Bearing Liabilities, excluding deferred income tax liabilities	\$ 907,350	\$ 868,843
Net Tangible Assets	\$3,400,603	\$ 3,075,023
Average Net Tangible Assets	\$3,237,813	
Adjusted Net Income	\$ 595,875	
Return on Net Tangible Assets	18.4 %	

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 June 30, 2021	Year-to-Date December 31, 2020	Year-to-Date June 30, 2020	TTM June 30, 2021
	(Dollars in thousands)			
GAAP: Net income attributable to Knight-Swift	\$ 282,594	410,002	145,615	546,981
Adjusted for:				
Income tax expense attributable to Knight-Swift	97,112	149,676	51,369	195,419
Income before income taxes attributable to Knight-Swift	379,706	559,678	196,984	742,400
Amortization of intangibles ²	23,733	45,895	22,948	46,680
Change in fair value of deferred earnout ³	—	6,730	—	6,730
Impairments ⁴	—	5,335	1,255	4,080
Legal accruals ⁵	2,121	6,160	—	8,281
COVID-19 incremental costs ⁶	—	12,259	12,259	—
Transaction fees ⁷	659	—	—	659
Adjusted income before income taxes	406,219	636,057	233,446	808,830
Provision for income tax expense at effective rate	(103,788)	(169,910)	(60,743)	(212,955)
Non-GAAP Adjusted Net Income Attributable to Knight Swift	\$ 302,431	\$ 466,147	\$ 172,703	\$ 595,875

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.

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

Non-GAAP Reconciliation

Non-GAAP Reconciliation (Unaudited):

Net Leverage and Leverage Ratio ^{1 2}

	June 30, 2021
	(Dollars in thousands)
Term loan	\$ 300,000
Revolving line of credit	55,000
Accounts receivable securitization	279,000
Other secured debt and finance leases	238,067
Total face value of debt	872,067
Unrestricted cash and cash equivalents	(179,032)
Non-GAAP: Net Leverage	\$ 693,035
Non-GAAP: Adjusted EBITDA TTM June 30, 2021	\$ 1,287,962
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 June 30, 2021	Year-to-Date December 31, 2020	Year-to-Date June 30, 2020	TTM June 30, 2021
	(Dollars in thousands)			
GAAP: Net income	\$ 282,978	\$ 410,635	\$ 146,050	\$ 547,563
Adjusted for:				
Depreciation and amortization of property and equipment	243,521	460,775	224,822	479,474
Amortization of intangibles	23,733	45,895	22,948	46,680
Interest expense	6,793	17,309	10,128	13,974
Interest income	(564)	(1,928)	(1,269)	(1,223)
Income tax expense	97,112	149,676	51,369	195,419
Non-GAAP: EBITDA	653,573	1,082,362	454,048	1,281,887
Impairments ²	—	5,335	1,255	4,080
Stock compensation expense	19,194	19,639	8,363	30,470
Other non-cash gains, net ³	(24,793)	(4,083)	(401)	(28,475)
Non-GAAP: Adjusted EBITDA	\$ 647,974	\$ 1,103,253	\$ 463,265	\$ 1,287,962

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.