



2Q 2017 Earnings Call 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. 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 Securities Exchange Commission.

Non-GAAP Financial Data

This presentation includes the use of adjusted operating income, operating ratio, adjusted operating ratio, adjusted net income, and adjusted earnings per share, which are financial measures that are not in accordance with 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, operating ratio excludes trucking segment fuel surcharges from revenue and nets these surcharges against fuel expense.

Second Quarter 2017 Results

(dollars in thousands, except per share data)

Three Months Ended June 30,

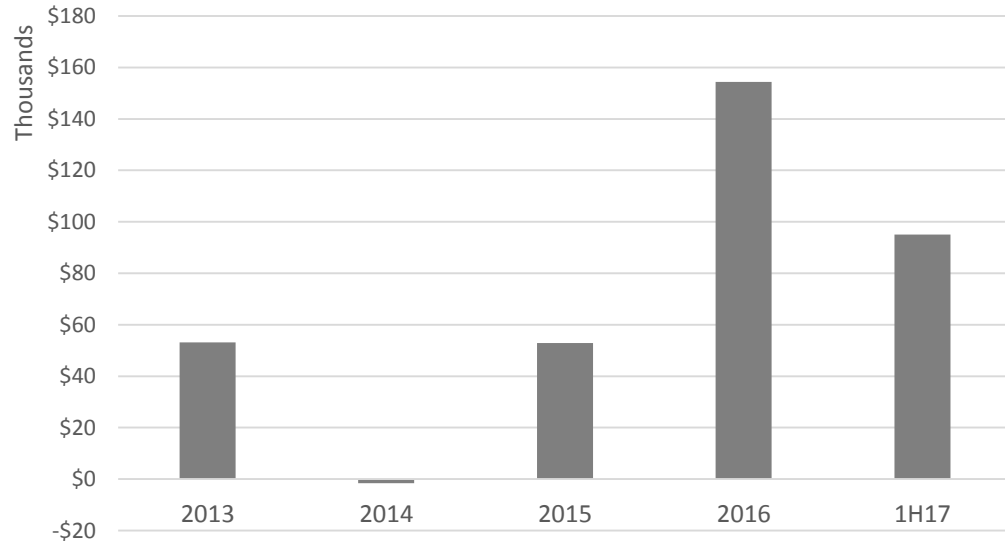
	2017	2016	Chg
Total Revenue	\$273,243	\$276,318	-1.1%
Revenue, x fsc	\$247,022	\$253,859	-2.7%
Operating Income	\$28,410	\$38,081	-25.4%
Adj. Operating Income ⁽¹⁾	\$32,588	\$38,081	-14.4%
Net Income	\$17,970	\$24,918*	-27.9%
Adj. Net Income ⁽²⁾	\$20,577	\$24,918*	-17.4%
Earnings per diluted share	\$0.22	\$0.31	-28.3%
Adj. Earnings per diluted share ⁽²⁾	\$0.25	\$0.31	-17.9%

* Recast to reflect the impact of the Company's adoption of ASU 2016-09, Compensation-Stock Compensation (Topic 718): Improvement to Employee Share-based Payment Accounting, to simplify several aspects of the accounting for employee share-based payment transactions, including the income tax consequences. The standard was early adopted in the fourth quarter of 2016, and impacted the income statement by reducing the income tax expense and therefore net income, while reducing additional paid-in capital in the balance sheet for all periods of 2016.

Financial Strength

- Shareholders Equity \$819 million
- Average tractor age 2.6 year
- \$95 million of free cash flow in 1H17
- Debt Free
- \$89 million of cash and cash equivalents

Free Cash Flow*



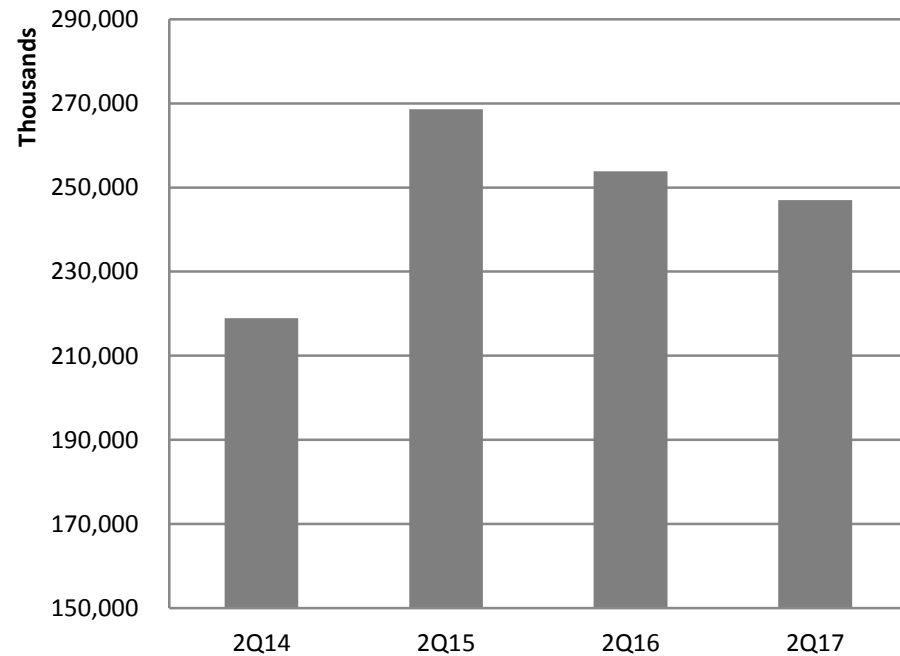
*Free cash flow defined as cash flow from operations less net capital expenditures

Revenue

(excluding trucking fsc)

- Miles per tractor declined 3.0%
- Revenue per loaded mile up year over year 0.3%
- Brokerage revenue up 12.1%
- Brokerage load count up 12.4%
- Brokerage revenue per load down 0.3%

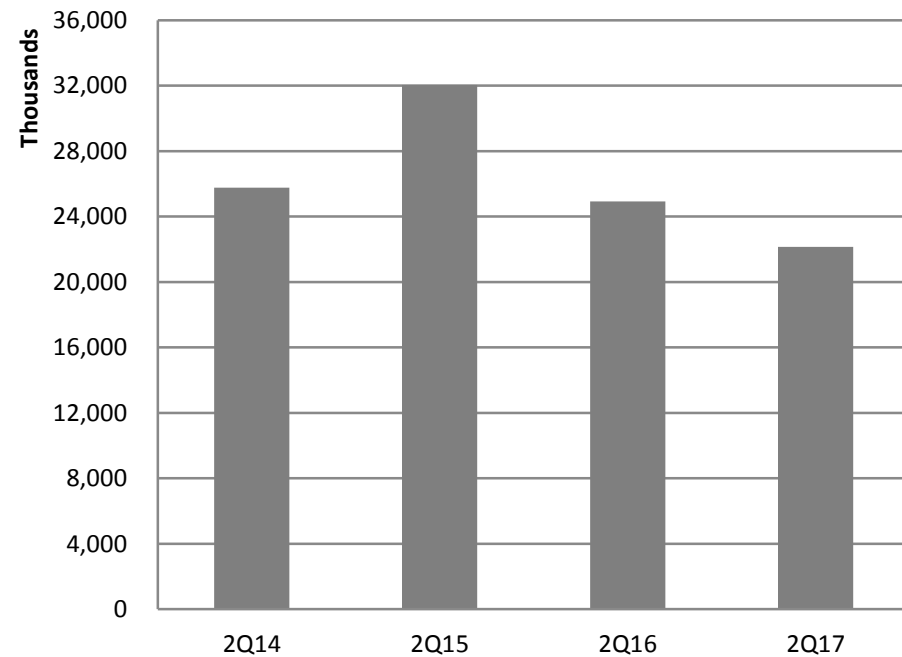
2nd Qtr Revenue



Earnings

- Lower utilization
- Higher driver related expenses
- Less gain on sale
- Less other income

2nd Qtr Adj. Net Income



Operating Performance

Adjusted Operating Ratio ⁽¹⁾

	2Q17	2Q16	Change
Trucking	84.6%	82.7%	190 bps
Logistics	95.0%	94.4%	60 bps
Consolidated	86.8%	85.0%	180 bps

Revenue, excluding trucking fsc

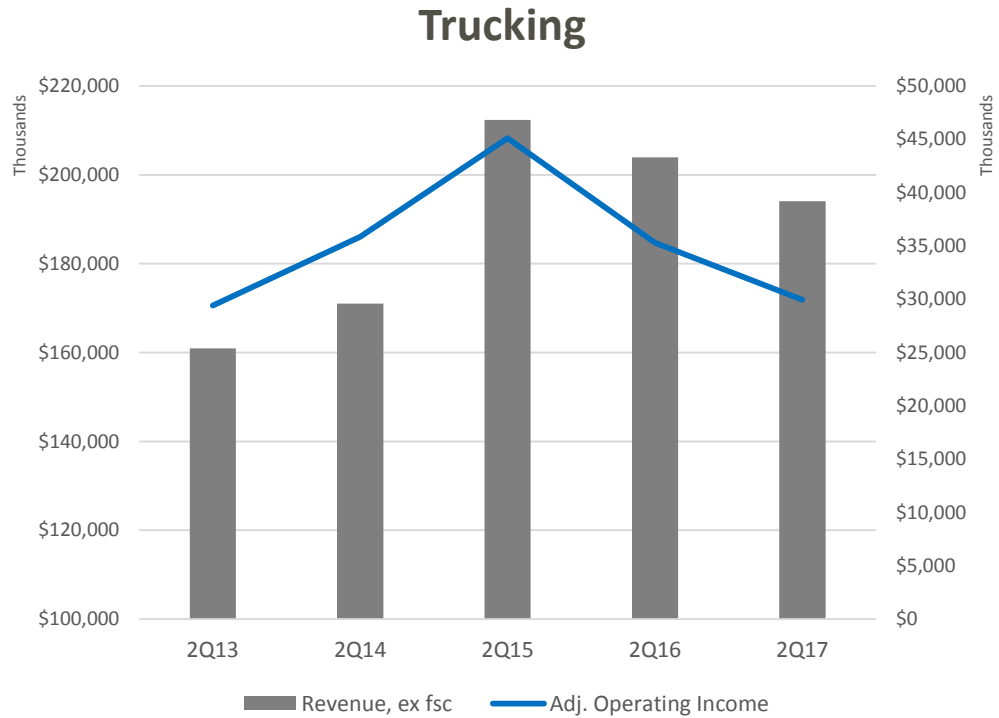
(dollars in thousands)

	2Q17	2Q16	Change
Trucking	\$194,049	\$203,930	-4.8%
Logistics	\$52,973	\$49,929	6.1%
Consolidated	\$247,022	\$253,859	-2.7%

(1) Non-GAAP financial measure. Please see appendix for reconciliation to the most comparable GAAP measurement

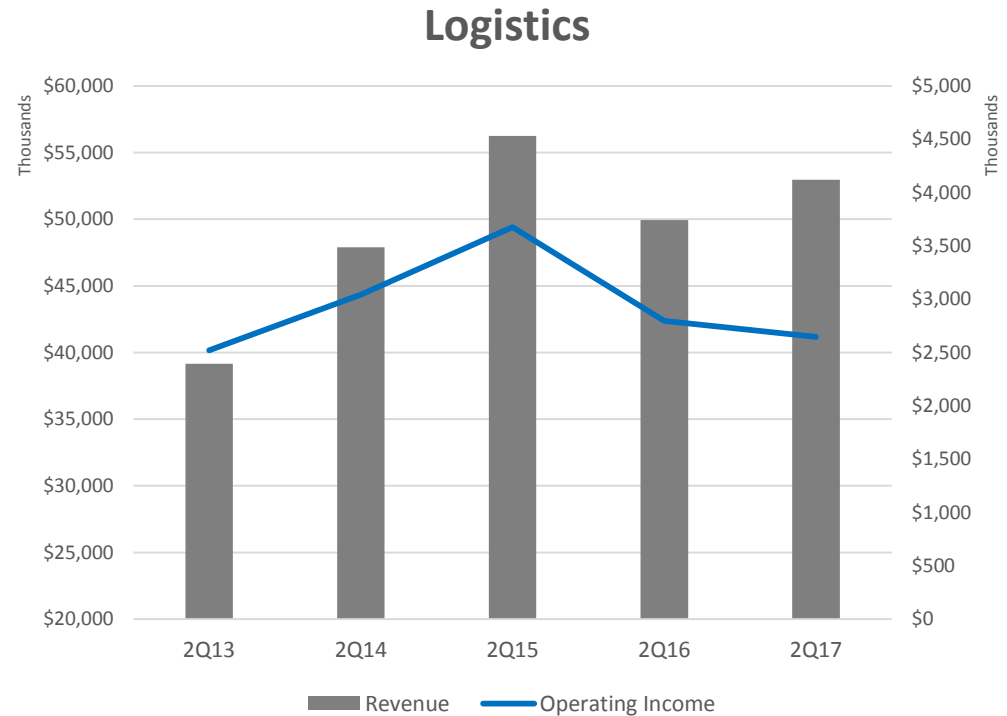
Trucking Segment

- Revenue per tractor down 2.9%
- Revenue per loaded mile up 0.3%
- Less gain on sale
- Rising driver recruiting cost



Logistics Segment

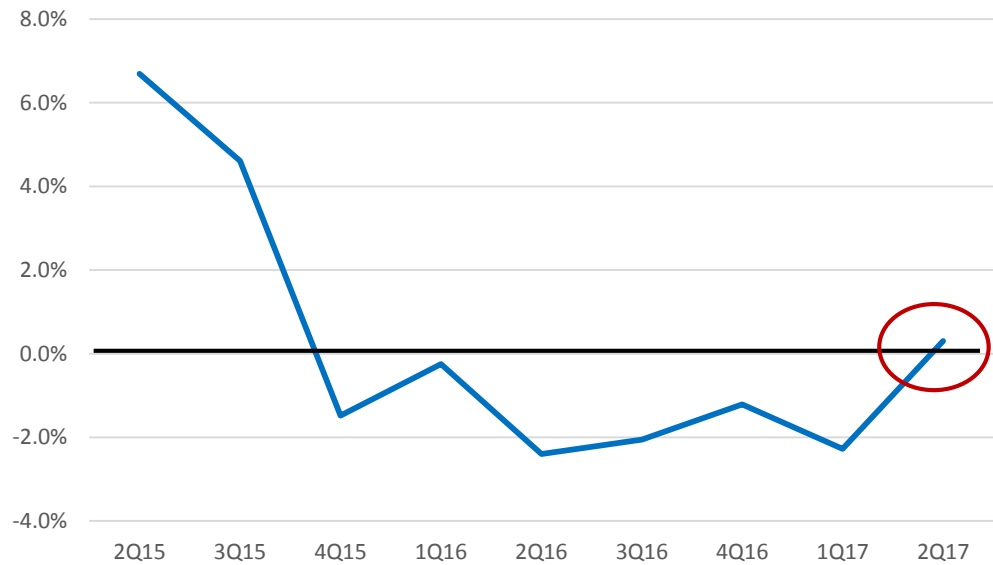
- Brokerage load count up 12.4%
- Brokerage revenue up 12.1%
- Brokerage gross margins 14.3% vs 16.8% in 2016
- Continued investment in transportation management technology



Market Update

- Pent up rate improvement
- Brokerage Gross Margins
- Bid environment

Loaded Rate Per Mile Change Year over Year



Execution Strategy

- Continue to develop transition plans with Swift management
- Excel at safety and service
- Improve productivity on a per tractor basis
- Improve yield and lane density in target markets
- Increase number of customers utilizing multiple services
- Grow profitably in our non-asset based businesses
- Efficient operating costs and overhead

Appendix

Non-GAAP Reconciliation

GAAP to Non-GAAP Reconciliation Schedules:

(1)

Non-GAAP reconciliation

Adjusted operating income, operating ratio, and adjusted operating ratio reconciliation (a)

	Three Months Ended June 30,		(Unaudited, in thousands)	Six Months Ended June 30,	
	2017	2016		2017	2016
Total revenue	\$ 273,243	\$ 276,318		\$ 544,425	\$ 548,406
Less: Trucking fuel surcharge	26,221	22,459		52,423	40,964
Revenue, excluding trucking fuel surcharge	\$ 247,022	\$ 253,859		\$ 492,002	\$ 507,442
Operating expense	244,833	238,237		493,377	471,598
Adjusted for:					
Trucking fuel surcharge	(26,221)	(22,459)		(52,423)	(40,964)
Acquisition-related costs ^(b)	(4,178)	-		(4,178)	-
Adjusted operating expenses	214,434	215,778		436,776	430,634
Adjusted operating income	\$ 32,588	\$ 38,081		\$ 55,226	\$ 76,808
Operating ratio	89.6%	86.2%		90.6%	86.0%
Adjusted operating ratio	86.8%	85.0%		88.8%	84.9%

(a) Adjusted operating ratio as reported in this press release is based upon total operating expenses, net of fuel surcharge, as a percentage of revenue before fuel surcharge. We measure our revenue, before fuel surcharge, and our operating expenses, net of fuel surcharge, because we believe that eliminating this sometimes volatile source of revenue affords a more consistent basis for comparing our results of operations from period to period.

(b) During the second quarter of 2017, we recorded approximately \$4.2 million of direct and incremental costs (\$2.6 million after-tax) related to the proposed merger with Swift. These costs were primarily incurred for legal and professional fees associated with the merger.

Non-GAAP Reconciliation

GAAP to Non-GAAP Reconciliation Schedules:

(2)

Non-GAAP reconciliation

Adjusted net income attributable to Knight and adjusted earnings per diluted share reconciliation:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
	(Unaudited, in thousands, except per share amounts)			
Net Income attributable to Knight	\$ 17,970	\$ 24,918	\$ 32,847	\$ 47,935
Adjusted for:				
Acquisition-related costs (net of tax) ^(b)	2,607	-	2,607	-
Adjusted net income attributable to Knight	\$ 20,577	\$ 24,918	\$ 35,454	\$ 47,935
Weighted Average Shares Outstanding - Diluted	81,349	80,983	81,276	81,191
Earnings per diluted share	\$ 0.22	\$ 0.31	\$ 0.40	\$ 0.59
Adjusted for:				
Acquisition-related costs ^(b)	0.03	-	0.03	-
Adjusted earnings per diluted share	\$ 0.25	\$ 0.31	\$ 0.44	\$ 0.59

(b) During the second quarter of 2017, we recorded approximately \$4.2 million of direct and incremental costs (\$2.6 million after-tax) related to the proposed merger with Swift. These costs were primarily incurred for legal and professional fees associated with the merger.

Non-GAAP Reconciliation

GAAP to Non-GAAP Reconciliation Schedules:

(3)

Non-GAAP reconciliation

Operating ratio and adjusted operating ratio for trucking segment (a)

	Three Months Ended June 30,		(Unaudited, in thousands)	Six Months Ended June 30,	
	2017	2016		2017	2016
Trucking					
Total revenue	\$ 220,270	\$ 226,389		\$ 438,932	\$ 444,307
Less: Trucking fuel surcharge	26,221	22,459		52,423	40,964
Revenue, excluding trucking fuel surcharge	\$ 194,049	\$ 203,930		\$ 386,509	\$ 403,343
Operating expense	194,508	191,103		392,910	373,099
Adjusted for:					
Trucking fuel surcharge	(26,221)	(22,459)		(52,423)	(40,964)
Acquisition-related costs ^(b)	(4,178)	-		(4,178)	-
Adjusted operating expenses	164,109	168,644		336,309	332,135
Adjusted operating income	\$ 29,940	\$ 35,286		\$ 50,200	\$ 71,208
Operating ratio	88.3%	84.4%		89.5%	84.0%
Adjusted operating ratio	84.6%	82.7%		87.0%	82.3%

(a) Adjusted operating ratio as reported in this press release is based upon total operating expenses, net of fuel surcharge, as a percentage of revenue before fuel surcharge. We measure our revenue, before fuel surcharge, and our operating expenses, net of fuel surcharge, because we believe that eliminating this sometimes volatile source of revenue affords a more consistent basis for comparing our results of operations from period to period.

(b) During the second quarter of 2017, we recorded approximately \$4.2 million of direct and incremental costs (\$2.6 million after-tax) related to the proposed merger with Swift. These costs were primarily incurred for legal and professional fees associated with the merger.



 **KNIGHT**
TRANSPORTATION

Delivering More.SM