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DELTA REPORT

10-Q

KNX - KNIGHT-SWIFT TRANSPORTATI

10-Q - JUNE 30, 2024 COMPARED TO 10-Q - MARCH 31, 2024

The following comparison report has been automatically generated

TOTAL DELTAS 1258

■ CHANGES	306
■ DELETIONS	508
■ ADDITIONS	444

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **March 31, June 30, 2024**

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission File Number: 001-35007



Knight-Swift Transportation Holdings Inc.

(Exact name of registrant as specified in its charter)

Delaware

20-5589597

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

2002 West Wahalla Lane
Phoenix, Arizona 85027

(Address of principal executive offices and zip code)

(602) 269-2000

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock \$0.01 Par Value	KNX	New York Stock Exchange

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically, every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer
Non-accelerated Filer

Accelerated Filer
Smaller Reporting Company
Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

There were approximately **161,611,000** **161,864,000** shares of the registrant's common stock outstanding as of **April 24, 2024** **July 24, 2024**.

[Glossary of Terms](#)

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

QUARTERLY REPORT ON FORM 10-Q

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KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

GLOSSARY OF TERMS

The following glossary defines certain acronyms and terms used in this Quarterly Report on Form 10-Q. These acronyms and terms are specific to our company, commonly used in our industry, or are otherwise frequently used throughout our document.

Term	Definition
Knight-Swift/the Company/Management/We/Us/Our	Unless otherwise indicated or the context otherwise requires, these terms represent Knight-Swift Transportation Holdings Inc. and its subsidiaries.
2017 Merger	The September 8, 2017 merger of Knight Transportation, Inc. and its subsidiaries and Swift Transportation Company and its subsidiaries, pursuant to which we became Knight-Swift Transportation Holdings Inc.
2021 Debt Agreement	The Company's unsecured credit agreement, entered into on September 3, 2021, consisting of the 2021 Revolver and 2021 Term Loans, which are defined below
2021 Prudential Notes	Third amended and restated note purchase and private shelf agreement, entered into on September 3, 2021 by ACT with unrelated financial entities
2021 Revolver	Revolving line of credit under the 2021 Debt Agreement, maturing on September 3, 2026
2021 Term Loans	The Company's term loans under the 2021 Debt Agreement, collectively consisting of the 2021 Term Loan A-1, 2021 Term Loan A-2 and 2021 Term Loan A-3
2021 Term Loan A-1	The Company's term loan under the 2021 Debt Agreement, which matured on December 3, 2022
2021 Term Loan A-2	The Company's term loan under the 2021 Debt Agreement, maturing on September 3, 2024
2021 Term Loan A-3	The Company's term loan under the 2021 Debt Agreement, maturing on September 3, 2026
2023 Term Loan	The Company's term loan entered into on June 22, 2023, maturing on September 3, 2026
2022 RSA	Sixth Amendment to the Amended and Restated Receivables Sales Agreement, entered into on October 3, 2022 by Swift Receivables Company II, LLC with unrelated financial entities
2023 RSA	Seventh Amendment to the Amended and Restated Receivables Sales Agreement, entered into on October 23, 2023 by Swift Receivables Company II, LLC with unrelated financial entities
ACT	AAA Cooper Transportation, and its affiliated entity
ACT Acquisition	The Company's acquisition of 100% of the securities of ACT on July 5, 2021
Annual Report	Annual Report on Form 10-K
ASC	Accounting Standards Codification
ASU	Accounting Standards Update
Board	Knight-Swift's Board of Directors
BSBY	Bloomberg Short-Term Bank Yield Index
DOE	United States Department of Energy
EPS	Earnings Per Share
ESPP	Knight-Swift Transportation Holdings Inc. Amended and Restated 2012 Employee Stock Purchase Plan
GAAP	United States Generally Accepted Accounting Principles
IRS	Internal Revenue Service
NYSE	New York Stock Exchange
LT	Less-than-truckload
MME	MME, Inc. and its subsidiary, Midwest Motor Express, Inc.
Quarterly Report	Quarterly Report on Form 10-Q
RSU	Restricted Stock Unit
SEC	United States Securities and Exchange Commission
SOFR	Secured overnight financing rate as administered by the Federal Reserve Bank of New York
US	The United States of America
U.S. Xpress	U.S. Xpress Enterprises, Inc. and its subsidiaries
U.S. Xpress Acquisition	The Company's acquisition of 100% of the securities of U.S. Xpress on July 1, 2023
UTXL	UTXL Enterprises, Inc.

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KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

PART I FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Condensed Consolidated Balance Sheets (Unaudited)

	March 31, 2024	December 31, 2023
	June 30, 2024	December 31, 2023
(In thousands, except per share data)		
ASSETS		
Current assets:		
Current assets:		
Current assets:		
Cash and cash equivalents		
Cash and cash equivalents		
Cash and cash equivalents		
Cash and cash equivalents – restricted		
Restricted investments, held-to-maturity, amortized cost		
Trade receivables, net of allowance for doubtful accounts of \$40,739 and \$39,458, respectively		
Trade receivables, net of allowance for doubtful accounts of \$39,720 and \$39,458, respectively		
Contract balance – revenue in transit		
Prepaid expenses		
Assets held for sale		
Income tax receivable		
Other current assets		
Other current assets		
Other current assets		
Total current assets		
Gross property and equipment		
Less: accumulated depreciation and amortization		
Property and equipment, net		
Operating lease right-of-use-assets		
Goodwill		
Intangible assets, net		
Other long-term assets		
Total assets		
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current liabilities:		
Current liabilities:		
Accounts payable		
Accounts payable		
Accounts payable		
Accrued payroll and purchased transportation		
Accrued liabilities		
Claims accruals – current portion		
Finance lease liabilities and long-term debt – current portion		
Operating lease liabilities – current portion		
Total current liabilities		
Total current liabilities		
Total current liabilities		
Revolving line of credit		
Long-term debt – less current portion		

Finance lease liabilities – less current portion		
Operating lease liabilities – less current portion		
Accounts receivable securitization		
Claims accruals – less current portion		
Deferred tax liabilities		
Other long-term liabilities		
Total liabilities		
Commitments and contingencies (Notes 7, 8, and 9)	Commitments and contingencies (Notes 7, 8, and 9)	Commitments and contingencies (Notes 7, 8, and 9)
Stockholders' equity:		
Preferred stock, par value \$0.01 per share; 10,000 shares authorized; none issued		
Preferred stock, par value \$0.01 per share; 10,000 shares authorized; none issued		
Preferred stock, par value \$0.01 per share; 10,000 shares authorized; none issued		
Common stock, par value \$0.01 per share; 500,000 shares authorized; 161,593 and 161,385 shares issued and outstanding as of March 31, 2024 and December 31, 2023, respectively.		
Common stock, par value \$0.01 per share; 500,000 shares authorized; 161,836 and 161,385 shares issued and outstanding as of June 30, 2024 and December 31, 2023, respectively.		
Additional paid-in capital		
Accumulated other comprehensive loss		
Retained earnings		
Total Knight-Swift stockholders' equity		
Noncontrolling interest		
Total stockholders' equity		
Total liabilities and stockholders' equity		

See accompanying notes to condensed consolidated financial statements (unaudited).

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KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

Condensed Consolidated Statements of Comprehensive Income (Unaudited)

	Quarter Ended March 31,		Quarter Ended June 30,		Year-to-Date June 30,	
	2024	2023	2024	2023	2024	2023
(In thousands, except per share data)						(In thousands, except per share data)

Revenue:

Revenue, excluding truckload and LTL fuel surcharge

Revenue, excluding truckload and LTL fuel surcharge

Revenue, excluding truckload and LTL fuel surcharge

Truckload and LTL fuel surcharge

Total revenue

Operating expenses:

Salaries, wages, and benefits

Salaries, wages, and benefits

Salaries, wages, and benefits

Fuel

Operations and maintenance

Insurance and claims

Operating taxes and licenses

Communications

Depreciation and amortization of property and equipment

Amortization of intangibles

Rental expense

Purchased transportation
Impairments
Miscellaneous operating expenses
Total operating expenses
Operating income
Other (expenses) income:
Interest income
Interest income
Interest income
Interest expense
Other income, net
Total other (expenses) income, net
(Loss) Income before income taxes
Income tax (benefit) expense
Net (loss) income
Income before income taxes
Income tax expense
Net income
Net loss attributable to noncontrolling interest
Net (loss) income attributable to Knight-Swift
Other comprehensive (loss) income
Comprehensive (loss) income
Net income attributable to Knight-Swift
Other comprehensive income
Comprehensive income
(Loss) Earnings per share:
(Loss) Earnings per share:
(Loss) Earnings per share:
Earnings per share:
Earnings per share:
Earnings per share:
Basic
Basic
Basic
Diluted
Dividends declared per share:
Dividends declared per share:
Dividends declared per share:
Weighted average shares outstanding:
Weighted average shares outstanding:
Weighted average shares outstanding:
Basic
Basic
Basic
Diluted

See accompanying notes to the condensed consolidated financial statements (unaudited).

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KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

Condensed Consolidated Statements of Cash Flows (Unaudited)

	Quarter Ended March 31,		Year-to-Date June 30,	
	2024	2023	2024	2023
(In thousands)				
Cash flows from operating activities:				
Net (loss) income				
Net (loss) income				
Net (loss) income				
Adjustments to reconcile net (loss) income to net cash provided by operating activities:				
Net income				
Net income				
Net income				
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization of property, equipment, and intangibles				
Depreciation and amortization of property, equipment, and intangibles				
Depreciation and amortization of property, equipment, and intangibles				
Gain on sale of property and equipment				
Impairments				
Deferred income taxes				
Non-cash lease expense				
Gain on equity securities				
Other adjustments to reconcile net (loss) income to net cash provided by operating activities				
Other adjustments to reconcile net (loss) income to net cash provided by operating activities				
Other adjustments to reconcile net (loss) income to net cash provided by operating activities				
Other adjustments to reconcile net income to net cash provided by operating activities				
Other adjustments to reconcile net income to net cash provided by operating activities				
Other adjustments to reconcile net income to net cash provided by operating activities				
Increase (decrease) in cash resulting from changes in:				
Trade receivables				
Trade receivables				
Trade receivables				
Income tax receivable				
Accounts payable				
Accrued liabilities and claims accrual				
Operating lease liabilities				
Other assets and liabilities				
Net cash provided by operating activities				
Cash flows from investing activities:				
Proceeds from maturities of held-to-maturity investments				
Proceeds from maturities of held-to-maturity investments				
Proceeds from maturities of held-to-maturity investments				
Purchases of held-to-maturity investments				
Proceeds from sale of property and equipment, including assets held for sale				
Purchases of property and equipment				
Expenditures on assets held for sale				
Net cash, restricted cash, and equivalents invested in acquisitions				
Other cash flows from investing activities				
Other cash flows from investing activities				
Other cash flows from investing activities				
Net cash used in investing activities				

Cash flows from financing activities:

Repayments of finance leases and long-term debt
Repayments of finance leases and long-term debt
Repayments of finance leases and long-term debt
Borrowings (repayments) on revolving lines of credit, net
Borrowings (repayments) on revolving lines of credit, net
Borrowings (repayments) on revolving lines of credit, net
Proceeds from long-term debt
Borrowings on revolving lines of credit, net
Borrowings under accounts receivable securitization
Repayments of accounts receivable securitization
Proceeds from common stock issued
Proceeds from common stock issued
Proceeds from common stock issued
Dividends paid
Dividends paid
Dividends paid
Other cash flows from financing activities
Net cash used in financing activities
Net cash (used in) provided by financing activities
Net (decrease) increase in cash, restricted cash, and equivalents
Cash, restricted cash, and equivalents at beginning of period
Cash, restricted cash, and equivalents at end of period

See accompanying notes to condensed consolidated financial statements (unaudited).

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KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

Condensed Consolidated Statements of Cash Flows (Unaudited) — Continued

	Quarter Ended March 31,		Year-to-Date June 30,	
	2024	2023	2024	2023
(In thousands)				

Supplemental disclosures of cash flow information:

Cash paid (received) during the period for:

Cash paid (received) during the period for:

Cash paid (received) during the period for:

Cash paid during the period for:

Cash paid during the period for:

Cash paid during the period for:

Interest

Interest

Interest

Income taxes

Non-cash investing and financing activities:

Equipment acquired included in accounts payable

Equipment acquired included in accounts payable

Equipment acquired included in accounts payable

Financing provided to independent contractors for equipment sold

Transfers from property and equipment to assets held for sale

Right-of-use assets obtained in exchange for operating lease liabilities
Right-of-use assets obtained in exchange for operating lease liabilities
Right-of-use assets obtained in exchange for operating lease liabilities
Property and equipment obtained in exchange for finance lease liabilities
Property and equipment obtained in exchange for finance lease liabilities
Property and equipment obtained in exchange for finance lease liabilities
Property and equipment obtained in exchange for debt and finance lease liabilities reclassified from operating lease liabilities

Reconciliation of Cash, Restricted Cash, and Equivalents:	Reconciliation of Cash, Restricted Cash, and Equivalents:				Reconciliation of Cash, Restricted Cash, and Equivalents:			
	March 31, 2024	December 31, 2023	March 31, 2023	December 31, 2022	June 30, 2024	December 31, 2023	June 30, 2023	December 31, 2022

(In thousands)

Consolidated Balance Sheets

Cash and cash equivalents
Cash and cash equivalents
Cash and cash equivalents
Cash and cash equivalents – restricted ¹
Other long-term assets ¹
Other long-term assets ¹
Acquisition escrow ²
Other long-term assets ¹

Consolidated Statements of Cash Flows

Cash, restricted cash, and equivalents
Cash, restricted cash, and equivalents
Cash, restricted cash, and equivalents

¹ Reflects cash and cash equivalents that are primarily restricted for claims payments.

² Reflects restricted cash for the U.S. Xpress acquisition which closed on July 1, 2023.

See accompanying notes to condensed consolidated financial statements (unaudited).

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KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

Condensed Consolidated Statements of Stockholders' Equity (Unaudited)

	Accumulated								Total Stockholders' Equity	
	Common Stock		Additional		Other	Total Knight-Swift Stockholders' Equity	Noncontrolling Interest			
	Shares	Par Value	Paid-in Capital	Retained Earnings	Comprehensive Loss	Equity	Interest	Interest		
(In thousands, except per share data)										
Balances – December 31, 2023	161,385	\$ 1,613	\$ 4,426,852	\$ 2,659,755	\$ (830)	\$ 7,087,390	\$ 16,691	\$ 7,104,081		
Common stock issued to employees	191	2	(2)				—	—	—	
Common stock issued under ESPP	17	1	952				953		953	
Shares withheld – RSU settlement				(6,435)			(6,435)		(6,435)	
Employee stock-based compensation expense			3,981				3,981		3,981	
Cash dividends paid and dividends accrued (\$0.16 per share)				(26,019)			(26,019)		(26,019)	
Net loss				(2,635)			(2,635)	(358)	(2,993)	
Other comprehensive loss				(38)			(38)		(38)	
Investment in noncontrolling interest								730	730	

Distribution to noncontrolling interest	(1,047)				(1,047)		(991)	(2,038)
Balances – March 31, 2024	161,593	\$ 1,616	\$ 4,430,736	\$ 2,624,666	\$ (868)	\$ 7,056,150	\$ 16,072	\$ 7,072,222
Accumulated								
	Common Stock			Other	Total	Knight-Swift		
	Shares	Par Value	Additional Paid-in Capital	Retained Earnings	(Loss) Income	Stockholders' Equity	Noncontrolling Interest	Total Stockholders' Equity
(In thousands, except per share data)								
Balances – December 31, 2022	160,706	\$ 1,607	\$ 4,392,266	\$ 2,553,567	\$ (2,436)	\$ 6,945,004	\$ 10,277	\$ 6,955,281
Common stock issued to employees	282	3	43			46		46
Common stock issued under ESPP	21	—	1,040			1,040		1,040
Shares withheld – RSU settlement				(11,748)		(11,748)		(11,748)
Employee stock-based compensation expense				7,927		7,927		7,927
Cash dividends paid and dividends accrued (\$0.14 per share)				(22,730)		(22,730)		(22,730)
Net income (loss)				104,284		104,284	(571)	103,713
Other comprehensive income					1,090	1,090		1,090
Investment in noncontrolling interest							975	975
Balances – March 31, 2023	161,009	\$ 1,610	\$ 4,401,276	\$ 2,623,373	\$ (1,346)	\$ 7,024,913	\$ 10,681	\$ 7,035,594

Distribution to noncontrolling interest	(1,047)				(1,047)		(1,047)	(2,057)
Balances – December 31, 2023	161,385	\$ 1,613	\$ 4,426,852	\$ 2,659,755	\$ (830)	\$ 7,087,390	\$ 16,691	\$ 7,104,081
Accumulated								
	Common Stock			Other	Total	Knight-Swift		
	Shares	Par Value	Additional Paid-in Capital	Retained Earnings	(Loss) Income	Stockholders' Equity	Noncontrolling Interest	Total Stockholders' Equity
(In thousands, except per share data)								
Common stock issued to employees	393	4	—			4		4
Common stock issued to the Board	24	—	1,206			1,206		1,206
Common stock issued under ESPP	34	1	1,897			1,898		1,898
Shares withheld – RSU settlement				(11,651)		(11,651)		(11,651)
Employee stock-based compensation expense				10,581		10,581		10,581
Cash dividends paid and dividends accrued (\$0.32 per share)				(52,085)		(52,085)		(52,085)
Net income (loss)				17,665		17,665	(765)	16,900
Other comprehensive income					3	3		3
Investment in noncontrolling interest							1,473	1,473
Distribution to noncontrolling interest							(1,010)	(2,057)
Balances – June 30, 2024	161,836	\$ 1,618	\$ 4,439,489	\$ 2,613,684	\$ (827)	\$ 7,053,964	\$ 16,389	\$ 7,070,353

Distribution to noncontrolling interest	(1,047)				(1,047)		(1,047)	(2,057)
Balances – December 31, 2022	160,706	\$ 1,607	\$ 4,392,266	\$ 2,553,567	\$ (2,436)	\$ 6,945,004	\$ 10,277	\$ 6,955,281
Accumulated								
	Common Stock			Other	Total	Knight-Swift		
	Shares	Par Value	Additional Paid-in Capital	Retained Earnings	(Loss) Income	Stockholders' Equity	Noncontrolling Interest	Total Stockholders' Equity
(In thousands, except per share data)								
Common stock issued to employees	512	5	158			163		163
Common stock issued to the Board	18	—	977			977		977
Common stock issued under ESPP	40	1	2,081			2,082		2,082
Shares withheld – RSU settlement				(18,271)		(18,271)		(18,271)
Employee stock-based compensation expense				16,587		16,587		16,587
Cash dividends paid and dividends accrued (\$0.28 per share)				(45,491)		(45,491)		(45,491)
Net income (loss)				167,610		167,610	(993)	166,617
Other comprehensive income					1,621	1,621		1,621
Investment in noncontrolling interest							1,716	1,716

Distribution to noncontrolling interest							(239)	(239)
Balances – June 30, 2023	161,276	\$ 1,613	\$ 4,412,069	\$ 2,657,415	\$ (815)	\$ 7,070,282	\$ 10,761	\$ 7,081,043

See accompanying notes to condensed consolidated financial statements (unaudited).

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KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

Condensed Consolidated Statements of Stockholders' Equity (Unaudited) — Continued

	Accumulated						Total Knight-Swift Stockholders' Equity	Total Stockholders' Equity
	Common Stock		Additional		Other	Total		
	Shares	Par Value	Paid-in Capital	Retained Earnings	Comprehensive (Loss) Income	Stockholders' Equity		
(In thousands, except per share data)								
Balances – March 31, 2024	161,593	\$ 1,616	\$ 4,430,736	\$ 2,624,666	(868)	\$ 7,056,150	\$ 16,072	\$ 7,072,222
Common stock issued to employees	202	2	—				2	2
Common stock issued to the Board	24	—	1,208				1,208	1,208
Common stock issued under ESPP	17	—	945				945	945
Shares withheld – RSU settlement				(5,216)			(5,216)	(5,216)
Employee stock-based compensation expense			6,600				6,600	6,600
Cash dividends paid and dividends accrued (\$0.16 per share)				(26,066)			(26,066)	(26,066)
Net income (loss)				20,300			20,300	(407)
Other comprehensive income					41	41		41
Investment in noncontrolling interest							743	743
Distribution to noncontrolling interest							(19)	(19)
Balances – June 30, 2024	161,836	\$ 1,618	\$ 4,439,489	\$ 2,613,684	\$ (827)	\$ 7,053,964	\$ 16,389	\$ 7,070,353

	Accumulated						Total Knight-Swift Stockholders' Equity	Total Stockholders' Equity
	Common Stock		Additional		Other	Total		
	Shares	Par Value	Paid-in Capital	Retained Earnings	Comprehensive (Loss) Income	Stockholders' Equity		
(In thousands, except per share data)								
Balances – March 31, 2023	161,009	\$ 1,610	\$ 4,401,276	\$ 2,623,373	(1,346)	\$ 7,024,913	\$ 10,681	\$ 7,035,594
Common stock issued to employees	230	2	115				117	117
Common stock issued to the Board	18	—	977				977	977
Common stock issued under ESPP	19	1	1,041				1,042	1,042
Shares withheld – RSU settlement				(6,523)			(6,523)	(6,523)
Employee stock-based compensation expense			8,660				8,660	8,660
Cash dividends paid and dividends accrued (\$0.14 per share)				(22,761)			(22,761)	(22,761)
Net income (loss)				63,326			63,326	(422)
Other comprehensive income					531	531		531
Investment in noncontrolling interest							741	741
Distribution to noncontrolling interest							(239)	(239)
Balances – June 30, 2023	161,276	\$ 1,613	\$ 4,412,069	\$ 2,657,415	\$ (815)	\$ 7,070,282	\$ 10,761	\$ 7,081,043

See accompanying notes to condensed consolidated financial statements (unaudited).

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KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

Notes to Condensed Consolidated Financial Statements (Unaudited)

Note 1 — Introduction and Basis of Presentation

Certain acronyms and terms used throughout this Quarterly Report are specific to the Company, commonly used in the trucking industry, or are otherwise frequently used throughout this document. Definitions for these acronyms and terms are provided in the "Glossary of Terms," available in the front of this document.

Description of Business

Knight-Swift is a transportation solutions provider, headquartered in Phoenix, Arizona. During the quarter year-to-date period ended March 31, 2024 June 30, 2024, the Company operated an average of 23,314 23,071 tractors (comprised of 21,120 20,913 company tractors and 2,194 2,158 independent contractor tractors) and 94,410 93,495 trailers within the Truckload segment and leasing activities within the non-reportable segments. The LTL segment operated an average of 3,357 3,393 tractors and 8,699 8,796 trailers. Additionally, the Intermodal segment operated an average of 609 611 tractors and 12,582 12,581 intermodal containers. As of March 31, 2024 June 30, 2024, the Company's four reportable segments were Truckload, LTL, Logistics, and Intermodal.

Basis of Presentation

The condensed consolidated financial statements and footnotes included in this Quarterly Report include the accounts of Knight-Swift Transportation Holdings Inc. and its subsidiaries and should be read in conjunction with the consolidated financial statements and footnotes included in Knight-Swift's 2023 Annual Report. In management's opinion, these condensed consolidated financial statements were prepared in accordance with GAAP and include all adjustments necessary (consisting of normal recurring adjustments) for the fair statement of the periods presented.

With respect to transactional/durational data, references to years pertain to calendar years. Similarly, references to quarters pertain to calendar quarters.

Note regarding comparability — The reported results do not include U.S. Xpress's operating results prior to its acquisition by the Company on July 1, 2023 in accordance with the accounting treatment applicable to the transaction. Accordingly, comparisons between the Company's first quarter 2024 results current and prior periods period results may not be meaningful.

Seasonality

In the full truckload transportation industry, results of operations generally follow a seasonal pattern. Freight volumes in the first quarter are typically lower due to less consumer demand, customers reducing shipments following the holiday season, and inclement weather. At the same time, operating expenses generally increase, and tractor productivity of the Company's Truckload fleet, independent contractors and third-party carriers decreases during the winter months due to decreased fuel efficiency, increased cold weather-related equipment maintenance and repairs, and increased insurance claims and costs attributed to higher accident frequency from harsh weather. These factors typically lead to lower operating profitability, as compared to other parts of the year. Additionally, beginning in the latter half of the third quarter and continuing into the fourth quarter, the Company typically experiences surges pertaining to holiday shopping trends toward delivery of gifts purchased over the Internet, as well as the length of the holiday season (consumer shopping days between Thanksgiving and Christmas). However, as the Company continues to diversify its business through expansion into the LTL industry, warehousing, and other activities, seasonal volatility is becoming more tempered. Additionally, macroeconomic trends and cyclical changes in the trucking industry, including imbalances in supply and demand, can override the seasonality faced in the industry.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) — CONTINUED

Note 2 — Recently Issued Accounting Pronouncements

Date Issued	Reference	Description	Expected Adoption Date and Method	Financial Statement Impact
March 2024	ASU No. 2024-02: Codification Improvements - Amendments to Remove References to the Concepts Statements	The amendments in this ASU contain amendments to the Codification that remove references to various Concepts Statements. In most cases, the references are extraneous and not required to understand or apply the guidance. In other instances, the references were used in prior Statements to provide guidance in certain topical areas.	January 2025, Prospective or retrospective	Currently under evaluation, but not expected to be material
March 2024	ASU No. 2024-01: Compensation - Stock Compensation (Topic 718)	The amendments in this ASU improve GAAP by adding an illustrative example that includes four fact patterns to demonstrate how an entity should apply the scope guidance in paragraph 718-10-15-3 to determine whether a profits interest award should be accounted for in accordance with Topic 718.	January 2025, Prospective or retrospective	Currently under evaluation, but not expected to be material

Note 3 — Acquisitions

First Second quarter 2024 developments related to the Company's recent acquisitions are discussed below.

U.S. Xpress

On July 1, 2023, the Company acquired Chattanooga, Tennessee-based U.S. Xpress Enterprises, Inc. ("U.S. Xpress"), one of the largest asset-based truckload carriers in the United States.

During the quarter ended **March 31, 2024** **June 30, 2024**, the Company's consolidated operating results included U.S. Xpress' total revenue of **\$413.5** **\$405.6** million and a net loss of **\$6.0** **\$13.3** million. U.S. Xpress' net loss during the quarter ended **March 31, 2024** **June 30, 2024** included **\$2.3** million related to the amortization of intangible assets acquired in the U.S. Xpress Acquisition.

For the year-to-date period ended June 30, 2024, the Company's consolidated operating results included U.S. Xpress' total revenue of \$819.0 million and a net loss of \$19.3 million. U.S. Xpress' net loss for the year-to-date period ended June 30, 2024 included \$4.6 million related to the amortization of intangible assets acquired in the U.S. Xpress Acquisition.

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KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC. **NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) — CONTINUED**

Purchase Price Allocation

The purchase price allocation for U.S. Xpress is preliminary and has been **was** allocated based on estimated fair values of the assets **acquired** and liabilities **assumed** at **acquired as of the acquisition date**, and among other things may be pending the completion of the valuation of acquired tangible assets, an independent valuation of certain acquired intangible assets, assessment of lease agreements, assessment of certain liabilities, the calculation of deferred taxes based upon the underlying tax basis of assets acquired and liabilities assumed, and assessment of other tax related items as applicable. As the Company obtains more information, the preliminary purchase price allocation disclosed below is subject to change. Any future adjustments to the preliminary purchase price allocation, including changes within identifiable intangible assets or estimation uncertainty impacted by market conditions, may impact future net earnings. **date**. The purchase price allocation **was open for adjustments can be made** through the end of the measurement period, which is not to exceed **closed** one year from the **July 1, 2023** acquisition date.

	July 1, 2023 Opening Balance Sheet as Reported at December 31, 2023		July 1, 2023 Opening Balance Sheet as Reported at March 31, 2024		July 1, 2023 Opening Balance Sheet as Reported at June 30, 2024
	July 1, 2023 Opening Balance Sheet as Reported at December 31, 2023	Adjustments		Adjustments	
Fair value of the consideration transferred					
Fair value of the consideration transferred					
Fair value of the consideration transferred					
Cash and cash equivalents					
Cash and cash equivalents					
Cash and cash equivalents					
Receivables					
Receivables					
Receivables					
Prepaid expenses					
Other current assets					
Property and equipment					
Operating lease right-of-use assets					
Identifiable intangible assets ¹					
Other noncurrent assets					
Other noncurrent assets					
Other noncurrent assets					
Total assets					
Accounts payable					
Accounts payable					
Accounts payable					
Accrued payroll and payroll-related expenses					
Accrued liabilities					
Claims accruals – current and noncurrent portions					
Operating lease liabilities – current and noncurrent portions					

Long-term debt and finance leases – current and noncurrent portions

Deferred tax liabilities

Other long-term liabilities

Total liabilities

Noncontrolling interest

Noncontrolling interest

Noncontrolling interest

Total stockholders' equity

Goodwill

Goodwill

Goodwill

1 Includes \$184.5 million in customer relationships and \$163.5 million in trade names.

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KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) — CONTINUED

Pro Forma Information — The following unaudited pro forma information combines the historical operations of the Company and U.S. Xpress giving effect to the U.S. Xpress Acquisition, and related transactions as if consummated on January 1, 2023, the beginning of the comparative period presented.

	Quarter Ended March 31,	
	2023	
	(In thousands, except per share data)	
Total revenue	\$	2,129,658
Net income attributable to Knight-Swift		78,148
Earnings per share – diluted		0.48

	Quarter Ended June 30,	Year-to-Date June 30,
	2023	2023
	(In thousands, except per share data)	
Total revenue	\$ 2,015,537	\$ 4,145,195
Net income attributable to Knight-Swift	34,790	112,938
Earnings per share – diluted	0.21	0.70

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KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) — CONTINUED

The unaudited pro forma condensed combined financial information has been presented for comparative purposes only and includes certain adjustments such as recognition of assets acquired at estimated fair values and related depreciation and amortization, elimination of transaction costs incurred by Knight-Swift and U.S. Xpress during the periods presented that were directly related to the U.S. Xpress Acquisition, and related income tax effects of these items. As a result of the U.S. Xpress Acquisition, both Knight-Swift and U.S. Xpress incurred certain acquisition-related expenses, including professional legal and advisory fees, acceleration of share-based compensation, bonus incentives, severance payments, filing fees and other miscellaneous expenses. These acquisition-related expenses totaled \$4.6 million \$20.7 million and \$25.3 million during the quarter and year-to-date periods ended **March 31, 2023** **June 30, 2023**. These expenses were eliminated in the presentation of the unaudited pro forma "Net income attributable to Knight-Swift" presented above.

The unaudited pro forma condensed combined financial information does not purport to represent the actual results of operations that Knight-Swift and U.S. Xpress would have achieved had the companies been combined during the periods presented in the unaudited pro forma condensed combined financial statements and is not intended to project the future results of operations that the combined company may achieve after the identified transactions. The unaudited pro forma condensed combined financial information does not reflect any cost savings that may be realized as a result of the U.S. Xpress Acquisition and also does not reflect any restructuring or integration-related costs to achieve those potential cost savings.

The Company did not complete any material acquisitions during the quarter ended **March 31, 2024** **June 30, 2024**.

Subsequent to June 30, 2024, the Company acquired the remaining 18.5% non-controlling interest of Eleos.

Effective July 30, 2024, the Company, through a wholly owned subsidiary, acquired the operating assets and assumed certain liabilities of the regional less-than-truckload division of Dependable Highway Express, Inc. based in Los Angeles, California for total cash consideration of approximately \$185 million funded by the 2021 Revolver. The Company has not completed the initial accounting for this transaction as it is still in the preliminary stages of assessing the fair value of the underlying tangible and intangible assets.

Note 4 — Income Taxes

Effective Tax Rate — The quarter ended **March 31, 2024** June 30, 2024 and **March 31, 2023** June 30, 2023 effective tax rates were **55.1%** **37.2%** and **24.0%** **25.9%**, respectively. The year-to-date June 30, 2024 and June 30, 2023 effective tax rates were 32.4% and 24.7% respectively. The current quarter effective tax rate was primarily impacted by a reduction in pre-tax income.

Valuation Allowance — Valuation allowances are provided if, based upon the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. As of **March 31, 2024** June 30, 2024 and December 31, 2023, the Company has \$10.4 million in valuation allowance associated with the capital loss and state operating loss carryforwards which may not be utilized in the future.

Unrecognized Tax Benefits — The Company has unrecognized tax benefits associated with tax credit carryforwards. Management does not expect a decrease in unrecognized tax benefits relating to credits to be necessary within the next twelve months.

Interest and Penalties — The Company did not have accrued interest and penalties related to unrecognized tax benefits as of **March 31, 2024** June 30, 2024 and December 31, 2023.

Tax Examinations — Certain of the Company's subsidiaries are currently under examination by various Federal and state jurisdictions for tax years ranging from 2009 to **2021**, 2022. At the completion of these examinations, management does not expect any adjustments which would have a material impact on the Company's effective tax rate. Years subsequent to **2019**, 2018 remain subject to examination.

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KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) — CONTINUED

Note 5 — Accounts Receivable Securitization

On October 23, 2023, the Company entered into the 2023 RSA, which further amended the 2022 RSA. The 2023 RSA is a secured borrowing that is collateralized by the Company's eligible receivables, for which the Company is the servicing agent. The Company's receivable originator subsidiaries sell, on a revolving basis, undivided interests in all of their eligible accounts receivable to Swift Receivables Company II, LLC ("SRCII") who in turn sells a variable percentage ownership in those receivables to the various purchasers. The Company's eligible receivables are included in "Trade receivables, net of allowance for doubtful accounts" in the consolidated balance sheets. As of **March 31, 2024** June 30, 2024, the Company's eligible receivables generally have high credit quality, as determined by the obligor's corporate credit rating.

The 2023 RSA is subject to fees, various affirmative and negative covenants, representations and warranties, and default and termination provisions customary for facilities of this type. The Company was in compliance with these covenants as of **March 31, 2024** June 30, 2024. Collections on the underlying receivables by the Company are held for the benefit of SRCII and the various purchasers and are unavailable to satisfy claims of the Company and its subsidiaries.

The following table summarizes the key terms of the 2023 RSA (dollars in thousands):

	2023 RSA (Dollars in thousands)
Effective date	October 23, 2023
Final maturity date	October 1, 2025
Borrowing capacity	\$575,000
Accordion option ¹	\$100,000
Unused commitment fee rate ²	20 to 40 basis points
Program fees on outstanding balances ³	one month SOFR + credit adjustment spread 10 basis points + 82.5 basis points

¹ The accordion option increases the maximum borrowing capacity, subject to participation of the purchasers.

² The commitment fee rates are based on the percentage of the maximum borrowing capacity utilized.

³ As identified within the 2023 RSA, the lender can trigger an amendment by identifying and deciding upon a replacement index for SOFR.

Availability under the 2023 RSA is calculated as follows:

March 31, 2024
June 30, 2024

	March 31, 2024	
	June 30, 2024	
	March 31, 2024	December 31, 2023
	June 30, 2024	December 31, 2023
(In thousands)		

Borrowing base, based on eligible receivables

Less: outstanding borrowings ¹

Less: outstanding letters of credit

Availability under accounts receivable securitization facilities

1 Outstanding borrowings are included in "Accounts receivable securitization" in the condensed consolidated balance sheets and are offset by deferred loan costs of \$0.4 million and \$0.5 million as of **March 31, 2024** **June 30, 2024** and December 31, 2023, respectively. Interest accrued on the aggregate principal balance at a rate of 6.3% and 6.3% as of **March 31, 2024** **June 30, 2024** and December 31, 2023, respectively.

Refer to Note 12 for information regarding the fair value of the 2023 RSA.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) — CONTINUED

Note 6 — Debt and Financing

Other than the Company's accounts receivable securitization as discussed in Note 5, the Company's long-term debt consisted of the following:

	March 31, 2024	December 31, 2023
	June 30, 2024	December 31, 2023
(In thousands)		
2021 Term Loan A-2, due September 3, 2024, net ^{1,2}		
2021 Term Loan A-3, due September 3, 2026, net ^{1,2}		
2023 Term Loan, due September 3, 2026, net ^{1,3}		
Revenue equipment installment notes ^{1,4}		
Prudential Notes, net ¹		
Other		
Total long-term debt, including current portion		
Less: current portion of long-term debt		
Long-term debt, less current portion		
	March 31, 2024	December 31, 2023
	June 30, 2024	December 31, 2023
(In thousands)		
Total long-term debt, including current portion		

2021 Revolver, due September 3, 2026 ^{1,5}

Long-term debt, including revolving line of credit

1 Refer to Note 12 for information regarding the fair value of debt.

2 As of **March 31, 2024** **June 30, 2024**, the carrying amounts of the 2021 Term Loan A-2 and 2021 Term Loan A-3 were net of \$0.1 million \$25,000 and \$0.9 million \$0.8 million in deferred loan costs, respectively. As of December 31, 2023, the carrying amounts of the 2021 **Term** **Term** Loan A-2 and 2021 Term Loan A-3 were net of \$0.1 million \$0.1 million and \$0.9 million in deferred loan costs, respectively.

3 As of **March 31, 2024** **June 30, 2024**, the carrying amount of the 2023 Term Loan was net of \$0.8 million \$0.7 million in deferred loan costs. As of December 31, 2023, the carrying amounts of the 2023 Term Loan was net of \$0.9 million in deferred loan costs.

4 The revenue equipment installment loans were assumed at the close of the U.S. Xpress Acquisition and have a weighted average interest rate of 5.83% 4.82% and 4.70% as of **March 31, 2024** **June 30, 2024** and December 31, 2023, respectively.

5 The Company also had outstanding letters of credit of \$18.1 million and \$18.0 million under the 2021 Revolver, primarily related to workers' compensation and self-insurance liabilities for both **March 31, 2024** **June 30, 2024** and December 31, 2023, respectively. The Company also had outstanding letters of credit of \$264.5 million \$265.0 million and \$264.3 million under a separate bilateral agreement which do not impact the availability of the 2021 Revolver as of **March 31, 2024** **June 30, 2024** and December 31, 2023, respectively.

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KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) — CONTINUED

Credit Agreements

2021 Debt Agreement — On September 3, 2021, the Company entered into the \$2.3 billion 2021 Debt Agreement (an unsecured credit facility) with a group of banks, replacing the Company's prior debt agreements. The 2021 Debt Agreement included the 2021 Term Loan A-1 which was paid off on December 3, 2022. The following table presents the key terms of the 2021 Debt Agreement:

	2021 Term Loan A-2	2021 Term Loan A-3	2021 Revolver ²
2021 Debt Agreement Terms	(Dollars in thousands)		
Maximum borrowing capacity	\$200,000	\$800,000	\$1,100,000
Final maturity date	September 3, 2024	September 3, 2026	September 3, 2026
Interest rate margin reference rate	BSBY	BSBY	BSBY
Interest rate minimum margin ¹	0.75%	0.88%	0.88%
Interest rate maximum margin ¹	1.38%	1.50%	1.50%
Minimum principal payment — amount	\$—	\$10,000	\$—
Minimum principal payment — frequency	Once	Quarterly	Once
Minimum principal payment — commencement date	September 3, 2024	September 30, 2024	September 3, 2026

1 The interest rate margin for the 2021 Term Loans and 2021 Revolver is based on the Company's consolidated leverage ratio. As of **March 31, 2024** **June 30, 2024**, interest accrued at **6.50%** **6.72%** on the 2021 Term Loan A-2, **6.62%** **6.84%** on the 2021 Term Loan A-3, and **6.63%** **6.84%** on the 2021 Revolver.

2 The commitment fee for the unused portion of the 2021 Revolver is based on the Company's consolidated leverage ratio, and ranges from 0.1% to 0.2%. As of **March 31, 2024** **June 30, 2024**, commitment fees on the unused portion of the 2021 Revolver accrued at 0.2% and outstanding letter of credit fees accrued at **1.3%** **1.5%**.

Pursuant to the 2021 Debt Agreement, the 2021 Revolver and the 2021 Term Loans contain certain financial covenants with respect to a maximum net leverage ratio and a minimum consolidated interest coverage ratio. The 2021 Debt Agreement provides flexibility regarding the use of proceeds from asset sales, payment of dividends, stock repurchases, and equipment financing. In addition to the financial covenants, the 2021 Debt Agreement includes usual and customary events of default for a facility of this nature and provides that, upon the occurrence and continuation of an event of default, payment of all amounts payable under the 2021 Debt Agreement may be accelerated, and the lenders' commitments may be terminated. The 2021 Debt Agreement contains certain usual and customary restrictions and covenants relating to, among other things, dividends (which are restricted only if a default or event of default occurs and is continuing or would result therefrom), liens, affiliate transactions, and other indebtedness. As of **March 31, 2024** **June 30, 2024**, the Company was in compliance with the covenants under the 2021 Debt Agreement.

Borrowings under the 2021 Debt Agreement are made by Knight-Swift Transportation Holdings Inc. and are guaranteed by certain of the Company's material domestic subsidiaries (other than its captive insurance subsidiaries, driving academy subsidiary, and bankruptcy-remote special purpose subsidiary).

2023 Term Loan — On June 22, 2023, the Company entered into the \$250.0 million 2023 Term Loan (an unsecured credit facility) with a group of banks. The 2023 Term Loan matures on September 3, 2026. There are no scheduled principal payments due until maturity. The 2023 Term Loan contains terms similar to the 2021 Debt Agreement. The proceeds received from the 2023 Term Loan were used to pay fees, commissions and expenses in connection with the Company's acquisition of U.S. Xpress. The interest rate applicable to the 2023 Term Loan is subject to a leverage-based grid and as of **March 31, 2024** **June 30, 2024** is equal to SOFR plus the 0.1% SOFR adjustment plus 1.50%. As of **March 31, 2024** **June 30, 2024**, interest accrued at **6.82%** **7.17%** on the 2023 Term Loan.

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KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) — CONTINUED

U.S. Xpress's Revenue Equipment Installment Notes — In connection with the U.S. Xpress Acquisition, the Company assumed revenue equipment installment notes with various lenders to finance tractors and trailers. Payments are due in monthly installments with final maturities at various dates through March 15, 2028, and the notes are secured by related revenue equipment with a net book value of **\$212.1 million** **\$217.0 million** as of **March 31, 2024** **June 30, 2024**. Payment terms generally range from 36 months to 84 months. The interest rates as of **March 31, 2024** **June 30, 2024** range from 2.0% to **7.0%** **5.3%**.

2021 Prudential Notes — The 2021 Prudential Notes previously allowed ACT to borrow up to \$125 million, less amounts currently outstanding with Prudential Capital Group, provided that certain financial ratios are maintained. The 2021 Prudential Notes have interest rates ranging from 4.05% to 4.40% and various maturity dates ranging from January 2025 through January 2028. The 2021 Prudential Notes are unsecured and contain usual and customary restrictions on, among other things, the ability to make certain payments to stockholders, similar to the provisions of the Company's 2021 Debt Agreement. As of **March 31, 2024** **June 30, 2024**, the Company was in compliance with the covenants under the 2021 Prudential Notes.

Fair Value Measurement — See Note 12 for fair value disclosures regarding the Company's debt instruments.

Note 7 — Defined Benefit Pension Plan

Net periodic pension income and benefits paid during the quarter ended **March 31, 2024** **June 30, 2024** and 2023 were immaterial.

Assumptions

A weighted-average discount rate of **5.03%** **5.25%** was used to determine benefit obligations as of **March 31, 2024** **June 30, 2024**.

The following weighted-average assumptions were used to determine net periodic pension cost:

	Quarter Ended		Year-to-Date	
	March 31,		June 30,	
	Quarter Ended		Year-to-Date	
	2024	2024	2024	2023
Discount rate	Discount rate	4.73 %	4.92 %	5.03 %
Expected long-term rate of return on pension plan assets	Expected long-term rate of return on pension plan assets	6.00 %	6.00 %	6.00 %
				4.65 %
				4.86 %
				4.76 %
				6.00 %
				6.00 %
				2024 2023

Refer to Note 12 for additional information regarding fair value measurements of the Company's investments.

Note 8 — Purchase Commitments

As of **March 31, 2024** **June 30, 2024**, the Company had outstanding commitments to purchase revenue equipment of **\$505.3 million** **\$418.7 million** in the remainder of 2024 (**\$440.1 million** **368.4 million** of which were tractor commitments), and none thereafter. These purchases may be financed through any combination of finance leases, operating leases, debt, proceeds from sales of existing equipment, and cash flows from operations.

As of **March 31, 2024** **June 30, 2024**, the Company had outstanding commitments to purchase facilities and non-revenue equipment of **\$102.1 million** **\$56.8 million** in the remainder of 2024, **\$12.3 million** **\$63.6 million** from 2025 through 2026, **\$0.2 million** **\$1.9 million** from 2027 through 2028, and none thereafter. Factors such as costs and opportunities for future terminal expansions may change the amount of such expenditures.

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KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) — CONTINUED

Note 9 — Contingencies and Legal Proceedings

Legal Proceedings

The Company is party to certain legal proceedings incidental to its business. The majority of these claims relate to bodily injury, property damage, cargo and workers' compensation incurred in the transportation of freight, as well as certain class action litigation related to personnel and employment matters. We record a liability when we believe that it is probable that a loss has been incurred and the amount can be reasonably estimated.

Based on our present knowledge of the facts and, in certain cases, advice of outside counsel, management believes the resolution of open claims and pending litigation, taking into account existing reserves, is not likely to have a materially adverse impact on our condensed consolidated financial statements. However, any future claims or adverse developments in existing claims could impact this analysis. There are inherent uncertainties in these legal matters, some of which are beyond management's control, making the ultimate outcomes difficult to predict. Moreover, management's views and estimates related to these matters may change in the future, as new events and circumstances arise and the matters continue to develop. Cash flows or results of operations could be materially affected in any particular period by the resolution of one or more of these contingencies.

The Company has made accruals with respect to its legal matters where appropriate, as well as legal fees which are included in "Accrued liabilities" in the condensed consolidated balance sheets. The Company has recorded an aggregate accrual of approximately **\$6.8 million** **\$6.6 million**, relating to the Company's outstanding legal proceedings as of **March 31, 2024** **June 30, 2024**.

Commutation of Third-Party Carrier Insurance Risk

On February 14, 2024, the Company finalized the terms of a transaction with the insurer under the third-party reinsurance agreement covering auto liability associated with the Company's third-party carrier insurance business. The agreement effectively transferred \$161.1 million in third-party auto liability insurance claim liabilities to the insurer for policy periods from October 1, 2020 through March 31, 2023 funded by transferring the corresponding restricted cash held in trust for payment of the third-party insurance claims.

Note 10 — Share Repurchase Plans

In April 2022, the Company announced that the Board approved the repurchase of up to \$350.0 million of the Company's outstanding common stock (the "2022 Knight-Swift Share Repurchase Plan"). With the adoption of the 2022 Knight-Swift Share Repurchase Plan, the Company terminated the 2020 Knight-Swift Share Repurchase Plan, which had approximately \$42.8 million of authorized purchases remaining upon termination.

The Company made no share repurchases during the quarter and year-to-date periods ended **March 31, 2024** **June 30, 2024** and 2023.

Under As of June 30, 2024 and December 31, 2023, the Company had \$200.0 million remaining under the 2022 Knight-Swift Share Repurchase Plan, \$200.0 million remained available as of March 31, 2024 and December 31, 2023. Plan.

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KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) — CONTINUED

Note 11 — Weighted Average Shares Outstanding

Earnings per share, basic and diluted, as presented in the condensed consolidated statements of comprehensive income, are calculated by dividing net income attributable to Knight-Swift by the respective weighted average common shares outstanding during the period.

The following table reconciles basic weighted average shares outstanding to diluted weighted average shares outstanding:

	Quarter Ended March 31,			Quarter Ended June 30,			Year-to-Date June 30,		
				2024	2023	2024	2023	2024	2023
				(In thousands)				(In thousands)	
Basic weighted average common shares outstanding									
Dilutive effect of equity awards									
Diluted weighted average common shares outstanding									
Anti-dilutive shares excluded from earnings per diluted share ¹									

1 Shares were excluded from the dilutive-effect calculation because the outstanding awards' exercise prices were greater than the average market price of the Company's common stock for the periods presented.

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KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) — CONTINUED

Note 12 — Fair Value Measurement

The following table presents the carrying amounts and estimated fair values of the Company's major categories of financial assets and liabilities:

	Condensed Consolidated Balance Sheets Caption	Condensed Consolidated Balance Sheets Caption	March 31, 2024	December 31, 2023	June 30, 2024	December 31, 2023
			Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Financial Assets:						

Equity method investments

Equity method investments

Equity method investments

Financial Liabilities:

Financial Liabilities:

2021 Term Loan A-2, due September 2024 ¹

2021 Term Loan A-2, due September 2024 ¹

2021 Term Loan A-2, due September 2024 ¹

2021 Term Loan A-3, due

September 2026 ¹

2023 Term Loan, due September

2026 ²

2021 Revolver, due September

2026

Revenue equipment installment
notes 3
2021 Prudential Notes 4
2023 RSA, due October 2025 5
2023 RSA, due October 2025 5
2023 RSA, due October 2025 5

Mandatorily redeemable contingent consideration 6
Contingent consideration 6

1 As of **March 31, 2024** **June 30, 2024**, the carrying amounts of the 2021 Term Loan A-2 and 2021 Term Loan A-3 were net of **\$0.1 million** **\$25,000** and **\$0.9 million** **\$0.8 million** in deferred loan costs, respectively. As of December 31, 2023, the carrying amounts of the 2021 Term Loan A-2 and 2021 Term Loan A-3 were net of \$0.1 million and \$0.9 million in deferred loan costs, respectively.

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KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) — CONTINUED

2 As of **March 31, 2024** **June 30, 2024**, the carrying amount of the 2023 Term Loan was net of **\$0.8** **\$0.7 million** in deferred loan costs. As of December 31, 2023, the carrying amount of the 2023 Term Loan was net of \$0.9 million in deferred loan costs.

3 As of **March 31, 2024** **June 30, 2024**, the carrying amount of the revenue equipment installment notes included **\$1.1** **\$0.9 million** in fair value adjustments. As of December 31, 2023, the carrying amount of the revenue equipment installment notes included \$1.3 million in fair value adjustments.

4 As of **March 31, 2024** **June 30, 2024**, the carrying amount of the 2021 Prudential Notes was net of approximately **\$19,000** **\$16,000** in deferred loan costs and included **\$1.0** **\$0.9 million** in fair value adjustments. As of December 31, 2023, the carrying amount of the 2021 Prudential Notes was net of \$22,000 in deferred loan costs and included \$1.1 million in fair value adjustments.

5 The carrying amount of the 2023 RSA was net of \$0.4 million and \$0.5 million in deferred loan costs as of **March 31, 2024** **June 30, 2024** and December 31, 2023, respectively.

6 The contingent consideration is primarily related to the U.S. Xpress Acquisition.

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KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) — CONTINUED

Recurring Fair Value Measurements (Assets) — As of **March 31, 2024** **June 30, 2024** and December 31, 2023, there were no major categories of assets estimated at fair value that were measured on a recurring basis.

Recurring Fair Value Measurements (Liabilities) — The following table depicts the level in the fair value hierarchy of the inputs used to estimate the fair value of liabilities measured on a recurring basis as of **March 31, 2024** **June 30, 2024** and December 31, 2023:

Estimated Fair Value	Estimated Fair Value							
	Estimated Fair Value				Total Gain (Loss)	Estimated Fair Value		
	Estimated Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
(In thousands)								
As of March 31, 2024								
As of June 30, 2024								
Mandatorily redeemable contingent consideration 1								
Mandatorily redeemable contingent consideration 1								
Mandatorily redeemable contingent consideration 1								
Contingent consideration 1								
As of December 31, 2023								
Mandatorily redeemable contingent consideration 1								
Mandatorily redeemable contingent consideration 1								
Mandatorily redeemable contingent consideration 1								
Contingent consideration 1								

1 Contingent consideration is associated with the U.S. Xpress Acquisition and certain other investments. The Company did not recognize any gains (losses) in the quarters quarter and year-to-date periods ended **March 31, 2024** **June 30, 2024**. The Company recognized a gain of \$2.5 million during the quarter and 2023 related to the revaluation of these liabilities. year-to-date periods ended June 30, 2023.

Nonrecurring Fair Value Measurements (Assets) — The following table depicts the level in the fair value hierarchy of the inputs used to estimate fair value of assets measured on a nonrecurring basis as of **March 31, 2024** **June 30, 2024** and December 31, 2023:

	Fair Value Measurements at Reporting Date Using						Total Loss		
	Estimated Fair Value	Level 1 Inputs		Level 2 Inputs		Level 3 Inputs			
		(In thousands)							
As of March 31, 2024 June 30, 2024									
Buildings 1	\$	—	\$	—	\$	—	\$ (288)		
Equipment Operating lease right-of-use assets 2	\$	—	\$	—	\$	—	\$ (3,694) (5,300)		
Equipment 3	\$	—	\$	—	\$	—	\$ (4,271)		
As of December 31, 2023									
Buildings 1	\$	—	\$	—	\$	—	\$ (187)		
Equipment 4	\$	—	\$	—	\$	—	\$ (469)		
Software 5	\$	—	\$	—	\$	—	\$ (1,580)		

1 Reflects the non-cash impairment of building improvements (within the Truckload segment and the All Other Segments).

2 Reflects the non-cash impairment related to the market value of a facility lease (within the Truckload Segment).

3 Reflects the non-cash impairment of certain revenue equipment held for sale and other equipment (within the Truckload segment and the All Other Segments).

4 Reflects the non-cash impairment of software (within the All Other Segments).

Nonrecurring Fair Value Measurements (Liabilities) — As of June 30, 2024 and December 31, 2023, the Company had no major categories of liabilities estimated at fair value that were measured on a nonrecurring basis.

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KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) — CONTINUED

2 Reflects the non-cash impairment of certain revenue equipment held for sale (within the Truckload segment and the All Other Segments).

3 Reflects the non-cash impairment of software (within the All Other Segments).

Nonrecurring Fair Value Measurements (Liabilities) — As of March 31, 2024 and December 31, 2023, the Company had no major categories of liabilities estimated at fair value that were measured on a nonrecurring basis.

Gain on Sale of Revenue Equipment — Net gains on disposals, including disposals of property and equipment classified as assets held for sale, are reported in "Miscellaneous operating expenses" in the condensed consolidated statements of comprehensive income, were \$6.7 million income. The Company recorded net gains on disposals of:

- \$6.0 million and \$20.9 million \$14.3 million for the quarter quarters ended March 31, 2024 June 30, 2024 and 2023, respectively.
- \$12.6 million and \$35.2 million for the year-to-date periods ended June 30, 2024 and 2023 respectively.

Fair Value of Pension Plan Assets — The following table sets forth by level the fair value hierarchy of ACT's pension plan financial assets accounted for at fair value on a recurring basis. Assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. ACT's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and their placement within the fair value hierarchy levels.

	Fair Value Measurements at Reporting Date Using:						Estimated Fair Value											
	Estimated Fair Value	Level 1 Inputs			Level 2 Inputs													
		(In thousands)																
As of March 31, 2024																		
As of June 30, 2024																		
Fixed income funds																		
Fixed income funds																		
Fixed income funds																		
Cash and cash equivalents																		
Total pension plan assets																		
As of December 31, 2023																		
As of December 31, 2023																		
As of December 31, 2023																		
Fixed income funds																		
Fixed income funds																		

Fixed income funds
Cash and cash equivalents
Total pension plan assets

Note 13 — Related Party Transactions

Quarter Ended March 31,		Year-to-Date June 30,							
Quarter Ended March 31,		Year-to-Date June 30,							
Quarter Ended March 31,		Year-to-Date June 30,							
Quarter Ended June 30,		Year-to-Date June 30,							
2024	2024	2023	2024	2023	2024	2023	2024	2023	2024
Provided by Knight-Swift	Provided by Knight-Swift	Received by Knight-Swift	Provided by Knight-Swift						
(In thousands)					(In thousands)				(In thousands)
Facility and Equipment Leases									
Facility and Equipment Leases									
Facility and Equipment Leases									
Other Services									
Other Services									
Other Services									
March 31, 2024		December 31, 2023							
June 30, 2024		December 31, 2023							
Receivable	Receivable	Payable	Receivable	Payable	Receivable	Payable	Receivable	Payable	Receivable
Certain affiliates 1									
Certain affiliates 1									
Certain affiliates 1									

1 "Certain affiliates" includes entities that are associated with various board members and executives and require approval by the Audit Committee of the Board prior to completing transactions. Transactions with these entities generally include facility and equipment leases, equipment sales, and other services.

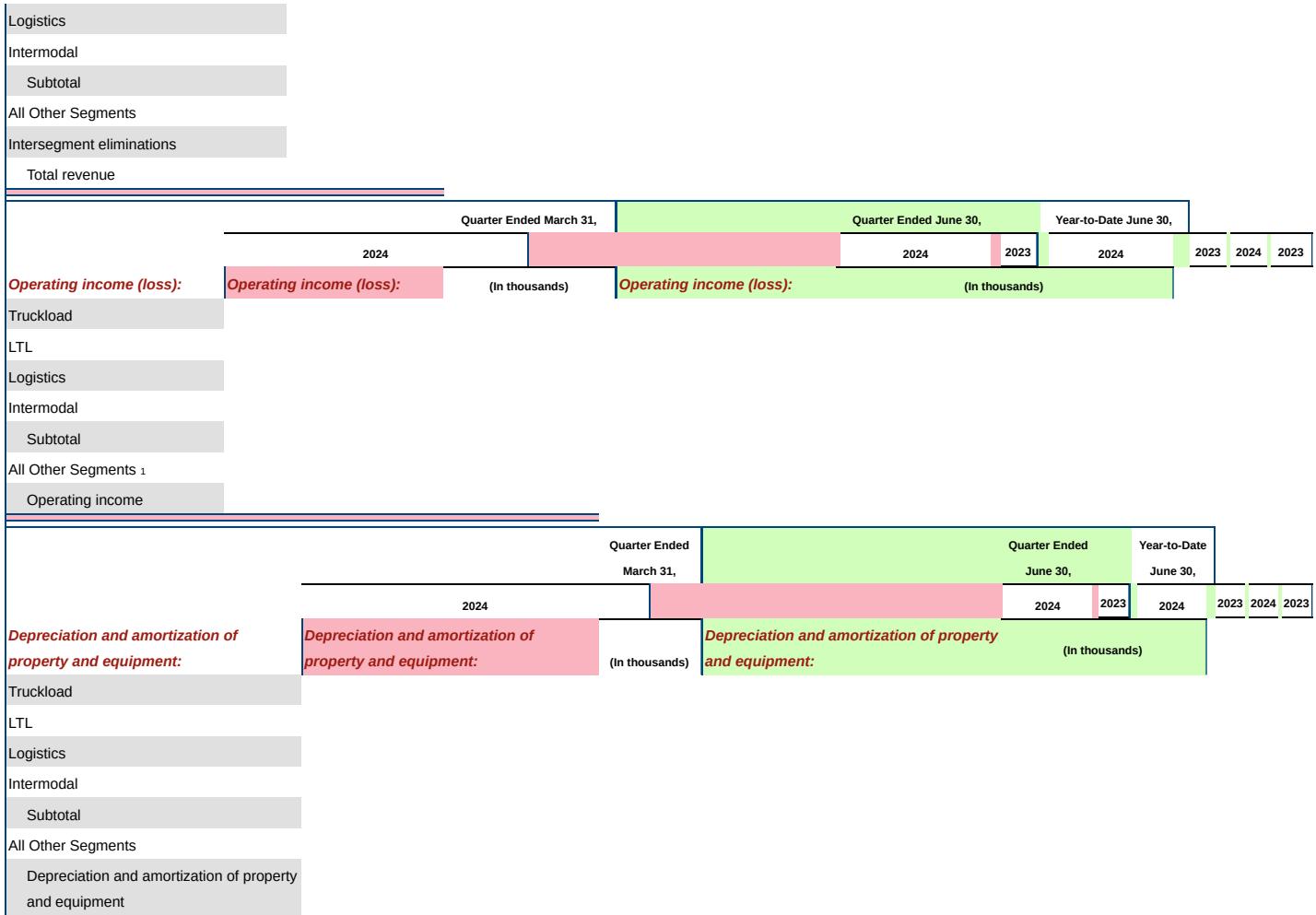
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KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC. NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) — CONTINUED

Note 14 — Financial Information by Segment and Geography

Segment Information

Quarter Ended March 31,		Year-to-Date June 30,							
Quarter Ended March 31,		Year-to-Date June 30,							
Quarter Ended March 31,		Year-to-Date June 30,							
Quarter Ended June 30,		Year-to-Date June 30,							
Revenue:	Revenue:	(In thousands)	Revenue:	(In thousands)	2024	2023	2024	2023	2024
Truckload									
LTL									



1 The \$20.4 million year-to-date \$16.6 million operating loss within our All Other Segments is primarily driven by the \$19.5 \$16.3 million operating loss in the third-party insurance business.

Geographical Information

In the aggregate, total revenue from the Company's international operations was less than 5.0% of consolidated total revenue for the quarters quarter and year-to-date periods ended March 31, 2024 June 30, 2024 and 2023. Additionally, long-lived assets on the Company's international subsidiary balance sheets were less than 5.0% of consolidated total assets as of March 31, 2024 June 30, 2024 and December 31, 2023.

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KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report contains certain statements that may be considered "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and Section 27A of the Securities Act of 1933, as amended. All statements, other than statements of historical or current fact, are statements that could be deemed forward-looking statements, including without limitation:

- any projections of or guidance regarding earnings, earnings per share, revenues, cash flows, dividends, capital expenditures, or other financial items,
- any statement of plans, strategies, and objectives of management for future operations,
- any statements concerning proposed acquisition plans, new services, or developments,
- any statements regarding future economic conditions or performance, and
- any statements of belief and any statements of assumptions underlying any of the foregoing.

In this Quarterly Report, forward-looking statements include, but are not limited to, statements we make concerning:

- our ability to gain market share and adapt to market conditions, the ability of our infrastructure to support future growth, future market position, and the ability, desire, and effects of expanding our service offerings (including expansion of our LTL network), whether we grow organically or through potential acquisitions,
- our ability to recruit and retain qualified driving associates,
- future safety performance,
- future performance of our segments or businesses,
- future capital expenditures, equipment prices (including used equipment) and availability, our equipment purchasing or leasing plans, and mix of our owned versus leased revenue equipment, and our equipment turnover,
- the impact of pending legal proceedings,
- future insurance claims, coverage, coverage limits, premiums, and retention limits, including exposure through our Iron Insurance line of business,
- the expected freight environment, including freight demand, capacity, seasonality, and volumes,
- economic conditions and growth, including future inflation, consumer spending, supply chain conditions, labor supply and relations, and US Gross Domestic Product ("GDP") changes,
- expected liquidity and methods for achieving sufficient liquidity, including our expected need or desire to incur indebtedness and our ability to comply with debt covenants,
- future fuel prices and availability and the expected impact of fuel efficiency initiatives,
- future expenses, including depreciation and amortization, purchased transportation, impairments, interest rates, cost structure, and our ability to control costs,
- future rates, operating profitability and margin, load count, asset utilization, and return on capital,
- future third-party service provider relationships and availability, including pricing terms,
- future contracted pay rates with independent contractors, ability to lease equipment to independent contractors, and compensation arrangements with driving associates,
- future capital allocation, capital structure, capital requirements, and growth strategies and opportunities,
- future share repurchases and dividends,
- future tax rates,
- expected tractor and trailer fleet age, fleet size, and demand for trailer fleet,
- future investment in and deployment of new or updated technology or services,

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KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED

- future classification of our independent contractors, including the impact of new laws and regulations regarding classification,
- political conditions and regulations, including conflicts, trade regulation, quotas, duties, or tariffs, and any future changes to the foregoing,
- the U.S. Xpress transaction, including integration efforts and any future effects of the acquisition, and
- others.

Such statements may be identified by their use of terms or phrases such as "believe," "may," "could," "will," "would," "should," "expects," "estimates," "designed," "likely," "foresee," "goals," "seek," "target," "forecast," "projects," "anticipates," "plans," "intends," "hopes," "strategy," "potential," "objective," "mission," "continue," "outlook," "feel," and similar terms and phrases. Forward-looking statements are based on currently available operating, financial, and competitive information. Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified, which could cause future events and actual results to materially differ from those set forth in, contemplated by, or underlying the forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in Part I, Item 1A "Risk Factors" in our 2023 Annual Report, and various disclosures in our press releases, stockholder reports, and other filings with the SEC.

All such forward-looking statements speak only as of the date of this Quarterly Report. You are cautioned not to place undue reliance on such forward-looking statements. We expressly disclaim any obligation or undertaking to publicly release any updates or revisions to any forward-looking statements contained herein, to reflect any change in our expectations with regard thereto, or any change in the events, conditions, or circumstances on which any such statement is based.

Reference to Glossary of Terms

Certain acronyms and terms used throughout this Quarterly Report are specific to our company, commonly used in our industry, or are otherwise frequently used throughout our document. Definitions for these acronyms and terms are provided in the "Glossary of Terms," available in the front of this document.

Reference to Annual Report

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the condensed consolidated financial statements (unaudited) and footnotes included in this Quarterly Report, as well as the consolidated financial statements and footnotes included in our 2023 Annual Report.

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KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

Executive Summary

Company Overview

Knight-Swift Transportation Holdings Inc. is one of North America's largest and most diversified freight transportation companies, providing multiple full truckload, LTL, intermodal, and other complementary services. Our objective is to operate our business with industry-leading margins and continued organic growth and growth through acquisitions while providing safe, high-quality, cost-effective solutions for our customers. Knight-Swift uses a nationwide network of business units and terminals in the US and Mexico to serve customers throughout North America. In addition to operating the country's largest truckload fleet, Knight-Swift also contracts with third-party equipment providers to provide a broad range of transportation services to our customers while creating quality driving jobs for our driving associates and successful business opportunities for independent contractors. Our four reportable segments are Truckload, LTL, Logistics, and Intermodal. Additionally, we have various non-reportable segments.

Key Financial Highlights — Year-to-Date March 31, 2024 June 30, 2024

Consolidated operating income decreased **85.8%** **64.8%** to **\$20.6** **\$84.0** million during the **quarter ended March 31, 2024**, **first half of 2024**, as compared to the same period last year. Net income attributable to Knight-Swift decreased **102.5%** **89.5%** to a **\$2.6** million net loss. **\$17.7** million.

- **Truckload** — 98.2% operating ratio during the **quarter ended March 31, 2024**, **first half of 2024**. The Adjusted Operating Ratio¹ was 97.3%, with a **26.3%** **29.6%** year-over-year increase in revenue, excluding fuel surcharge and intersegment transactions, as a result of the inclusion of the truckload business of U.S. Xpress. Adjusted Operating Ratio worsened by **1,070** **820** basis points year-over-year primarily due to the **10.2%** **7.7%** decline in revenue per loaded mile, excluding fuel surcharge and intersegment transactions, and the 2.7% increase in cost per mile largely as a result of weather disruptions in the current quarter, due to inflationary prices.
- **LTL** — **92.8%** **90.9%** operating ratio during the **quarter ended March 31, 2024**, **first half of 2024**. The Adjusted Operating Ratio¹ increased **430** **250** basis **point** **points** year-over-year to **90.0%** **87.9%**, as a result of weather disruptions on **volumes** and **volume**, **incremental** operating, **costs**, and **incremental** maintenance, and labor costs as we expand. We opened **seven** **18** new locations during the **quarter** **first half of 2024** as we continue to grow our network.
- **Logistics** — **98.0%** **97.2%** operating ratio during the **quarter ended March 31, 2024**, **first half of 2024**. The Adjusted Operating Ratio¹ was **97.1%** **96.3%** with a gross margin of **16.8%** **17.3%** while revenue, excluding intersegment transactions, **declined** **7.3%**, remained relatively flat, including the U.S. Xpress logistics business. Load count decreased **10.1%** **5.5%** due to the **weather** disruptions as well as our decision to divert loads to the Truckload segment to offset the **loss** of **contractual** **volumes** in **recent** **bids**, **soft** **demand** **environment**.
- **Intermodal** — **105.6%** **103.6%** operating ratio during the **quarter ended March 31, 2024**, **first half of 2024**, as load count declined **1.6%** **1.7%** and revenue per load declined **19.1%** **12.2%** year-over-year, partly due to less project revenue in the current period, as a result of soft demand and competitive truck capacity.
- **All Other Segments** — Operating loss **increased** **decreased** to **\$20.4** **\$16.6** million **in** **the** **current** **quarter** **including** **first** **half** **of** **2024** **from** **\$22.7** **million** **during** **the** **\$19.5** **million** **operating** **loss** **comparable** **period** **of** **our** **2023**, largely as a result of exiting the third-party insurance business as well as **\$8.2** **million** of severance, legal accruals, and impairment charges. The third-party insurance business has ceased all operations as of the end of the first quarter, business.
- **Liquidity and Capital** — During the quarter ended March 31, 2024, first half of 2024, we generated **\$37.3** **million** **\$310.7** **million** in operating cash **flows**, **flows** and Free Cash Flow¹ for the quarter ended March 31, 2024 of **\$52.1** **million**, which was a **deficit** of **\$104.0** **million**, largely driven **negatively** **impacted** by our decision to transfer **\$161.1** **million** **\$161.1** **million** of third-party insurance **claims** **claim** **liabilities** to another insurance company **which** **was** **as** **discussed** **during** **the** **previous** **quarter**, funded by transferring the corresponding restricted cash held in trust for payment of the third-party insurance claims. The use of restricted cash in this transaction does not impact the availability of operating cash for the needs of our ongoing business, businesses. We paid down **\$20.5** **million** **\$39.7** **million** in finance lease liabilities, and **\$54.3** **million** **\$91.4** **million** in operating lease **liabilities**. We obtained financing of **\$62.0** **liabilities**, and **\$21.6** **million** from net **borrowings** **repayments** on our 2021 Revolver and 2023 RSA. As of March 31, 2024 June 30, 2024, we had a balance of **\$204.8** **million** **\$186.5** **million** in unrestricted cash and cash equivalents, **\$1.3** **billion** face value outstanding on the 2021 Term Loans and 2023 Term Loan, and **\$7.1** **billion** of stockholders' equity. We do not foresee material liquidity constraints or any issues with our ongoing ability to meet our debt covenants. See discussion under "Liquidity and Capital Resources" for additional information.

¹ Refer to "Non-GAAP Financial Measures" below.

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KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED

ability to meet our debt covenants. See discussion under "Liquidity and Capital Resources" for additional information.

¹ Refer to "Non-GAAP Financial Measures" below.

Key Financial Data and Operating Metrics

	Quarter Ended March 31, 2024	Quarter Ended June 30, 2023	Year-to-Date June 30, 2024	2023	2024

GAAP financial data:	GAAP financial data:	(Dollars in thousands, except per share data)	GAAP financial data:	(Dollars in thousands, except per share data)
Total revenue				
Revenue, excluding truckload and LTL fuel surcharge				
Net income attributable to Knight-Swift				
Earnings per diluted share				
Operating ratio	Operating ratio	98.9 %	Operating ratio	96.6 % 93.9 % 97.7 % 92.5 %
Non-GAAP financial data:				
Non-GAAP financial data:				
Non-GAAP financial data:				
Adjusted Net Income Attributable to Knight-Swift ¹				
Adjusted Net Income Attributable to Knight-Swift ¹				
Adjusted Net Income Attributable to Knight-Swift ¹				
Adjusted EPS ¹				
Adjusted Operating Ratio ¹	Adjusted Operating Ratio ¹	96.8 %	Adjusted Operating Ratio ¹	94.6 % 91.8 % 95.7 % 90.2 %
Revenue equipment statistics by segment:				
Revenue equipment statistics by segment:				
Revenue equipment statistics by segment:				
Truckload				
Truckload				
Truckload				
Average tractors ²				
Average tractors ²				
Average tractors ²				
Average trailers ³				
LTL				
Average tractors ⁴				
Average tractors ⁴				
Average tractors ⁴				
Average trailers ⁵				
Intermodal				
Average tractors				
Average tractors				
Average tractors				
Average containers				

- 1 Adjusted Net Income Attributable to Knight-Swift, Adjusted EPS, and Adjusted Operating Ratio are non-GAAP financial measures and should not be considered alternatives, or superior to, the most directly comparable GAAP financial measures. However, management believes that presentation of these non-GAAP financial measures provides useful information to investors regarding the Company's results of operations. Adjusted Net Income Attributable to Knight-Swift, Adjusted EPS, and Adjusted Operating Ratio are reconciled to the most directly comparable GAAP financial measures under "Non-GAAP Financial Measures," below.
- 2 Our tractor fleet within the Truckload segment had a weighted average age of **2.6** **2.7** years and **2.7** **2.6** years as of **March 31, 2024** **June 30, 2024** and 2023, respectively.
- 3 Our average trailers includes **8,769** **8,876** and **8,988** **8,377** trailers related to leasing activities recorded within our non-reportable segments for the **quarter** **quarters** ended **March 31, 2024** **June 30, 2024** and 2023, respectively. Our trailer fleet within the Truckload segment had a weighted average age of **8.4** **9.1** years and **10.2** **10.0** years as of **March 31, 2024** **June 30, 2024** and 2023, respectively. Our average trailers includes 8,822 and 8,683 trailers related to leasing activities recorded within our non-reportable segments for the year-to-date periods June 30, 2024 and 2023, respectively.
- 4 Our LTL tractor fleet had a weighted average age of **4.3** years and **4.2** years as of **March 31, 2024** both **June 30, 2024** and **2023**, respectively. Our LTL tractor fleet includes **611** **612** and **619** **604** tractors from ACT's and MME's dedicated and other businesses for the quarters ended **March 31, 2024** **June 30, 2024** and 2023, respectively. Our LTL tractor fleet includes **612** and **611** tractors from ACT's and MME's dedicated and other businesses for the year-to-date period June 30, 2024 and 2023, respectively.
- 5 Our LTL trailer fleet had a weighted average age of **8.6** years and **8.4** years as of **June 30, 2024** and **2023**, respectively. Our LTL trailer fleet includes **829** and **778** trailers from ACT's and MME's dedicated and other businesses for the quarters ended **June 30, 2024** and **2023**, respectively. Our LTL trailer fleet includes **825** and **778** trailers from ACT's and MME's dedicated and other businesses for the year-to-date periods June 30, 2024 and 2023, respectively.

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KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED

5 Our LTL trailer fleet had a weighted average age of 8.6 years and 8.3 years as of March 31, 2024 and 2023, respectively. Our LTL trailer fleet includes 821 and 778 trailers from ACT's and MME's dedicated and other businesses for the quarter ended March 31, 2024 and 2023, respectively.

Market Trends and Outlook

The national unemployment rate was 3.8%^{4.1%} as of **March 31, 2024** June 30, 2024, as compared to 3.5%^{3.6%} as of **March 31, 2023** June 30, 2023. The US gross domestic product, which is the broadest measure of goods and services produced across the economy, increased by 1.6%^{2.8%} on a quarter-over-quarter basis, per preliminary third-party forecasts. The increase, compared to the **fourth** first quarter increase of 3.4%^{1.4%}, primarily reflected increases in consumer spending, private inventory investment, and housing investment that nonresidential fixed investments. These were **partly** offset by a decrease in inventory investment. Early estimates of the first quarter 2024 increased imports. The most recent US employment cost index **indicate** indicates a quarter-over-quarter increase of 4.2%¹ and a sequential increase of 1.2%¹.

Our Company outlook for the **second** third and **third** fourth quarters of 2024 includes the following:

Truckload

- Truckload Segment revenue up slightly sequentially in the **second** third quarter and again into the **third** fourth quarter with slight sequential improvements in operating margins each quarter resulting in mid-90's adjusted operating ratios including U.S. Xpress breakeven operating results through steadily improving into the **second** quarter and high-90's Adjusted Operating Ratio in the **third** quarter, low to mid-90's;
- Truckload tractor count down modestly sequentially into the **second** third quarter before stabilizing for the **third** fourth quarter;
- Truckload miles per tractor increasing high-single digit percent year-over-year in the **second** quarter and low-single digit percent year-over-year in the **third** quarter and **fourth** quarters as the prior year comparisons begin to include U.S. Xpress,

LTL

- LTL low double-digit percent growth in revenue, growth of 12-15% excluding fuel surcharge, year-over-year as shipment count in the **second** third and **third** fourth quarters improves mid-to-high single digit mid single-digit percent year-over-year and revenue per hundredweight, excluding fuel surcharge, improves low-to-mid-teens high single-digit percent year-over-year, with an
- Adjusted operating ratio ratios in line with 2023 results, the mid-to-high 80's as a result of normal seasonal progression and as we continue to expand the network,

Logistics

- Logistics volume up low single digit load count sequentially growing mid single-digit percent year-over-year in the **second** quarter and down mid-teens percent year-over-year in the **third** quarter as and stabilizing in the prior year comparisons begin to include U.S. Xpress, **fourth** quarter, with adjusted operating ratios in the mid-90's,

Intermodal

- Intermodal volumes flat year-over-year in the **second** quarter before improving high-single digit load count sequentially growing high single-digit percent year-over-year in the **third** quarter and stabilizing in the **fourth** quarter with an operating ratios near ratio modestly below breakeven by the **fourth** quarter,

All Other

- All Other segments operating income, before including the \$11.7 million quarterly intangible asset amortization, of approximately \$10-15 million for the **second** third quarter and **third** quarters before including modestly negative for the \$11.7 million intangible asset amortization, **fourth** quarter as some of these services experience their typical seasonal slowdown,

Additional

- Equipment gains to be in the range of \$5 million to \$10 million per quarter,
- Net interest expense up modestly sequentially in the **second** third quarter and stable into **third** fourth quarter,
- Net cash capital expenditures for the full year 2024 expected range of \$625 million^{\$600 million} - \$675 million^{\$650 million},
- Expected tax rate of approximately 25%^{29%} to 26%^{30%} for the year.

In addition to the above, we expect the Truckload segment will continue to pursue opportunities, as we implement a decentralized operating model within our new U.S. Xpress locations, and the Logistics segment will continue to provide value to our customers through our power-only and traditional brokerage service offerings. Our ACT and MME teams are working together to further build out a super-regional network that we expect will provide additional yield and revenue opportunities. The Intermodal segment continues to build out its network that aligns with our new rail partners as we pursue a more diversified portfolio of customers. Our All Other Segments are further expanding to complement our other service offerings.

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KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED

We anticipate that depreciation and amortization expense will increase, as a percentage of revenue, excluding truckload and LTL fuel surcharge, as we intend to purchase, rather than enter into operating leases, for a majority of our revenue equipment, terminal improvements, or terminal expansions during 2024. With significant tightening in the insurance markets, we may also experience changes in premiums, retention limits, and excess coverage limits in the remainder of 2024. While fuel expense is generally offset by fuel surcharge revenue, our fuel expense, net of truckload and LTL fuel surcharge revenue, may increase in the future, particularly during periods of sharply rising fuel prices. In periods of declining prices the opposite is true. Overall, we remain committed to long-term profitability as we continue to leverage opportunities across the Knight-Swift brands, and efficiently deploy our assets, while maintaining a relentless focus on cost control. This includes seeking acquisition opportunities to improve earnings, gain customers, and reach more professional drivers, as illustrated by the acquisition of U.S. Xpress and our intention to expand the geographic footprint of our LTL network.

Results of Operations — Summary

Note: The reported results do not include U.S. Xpress's operating results prior to its acquisition by the Company on July 1, 2023, in accordance with the accounting treatment applicable to the transaction. Accordingly, comparisons between the Company's quarter and year-to-date **March 31, 2024** **June 30, 2024** results and prior periods may not be meaningful.

Operating Results: First Second Quarter 2024 Compared to First Second Quarter 2023

The **\$106.9 million** **\$43.0 million** decrease in net income attributable to Knight-Swift to a **\$2.6 million net loss** **\$20.3 million** during the **first second** quarter of 2024 from **\$104.3 million** **\$63.3 million** during the same period last year includes the following:

- **Contributor** — **\$92.8 million** decrease in operating income within our Truckload segment primarily due to the **10.2% \$12.5 million charge for the settlement of an auto liability claim from 2020**, **5.5% decline in revenue per loaded mile, excluding fuel surcharge and intersegment transactions**, and the **2.7% 1.8% increase in cost per mile largely as a result of weather disruptions in the current quarter**.
- **Contributor** — **\$10.3 million** **\$4.8 million** decrease in operating income within our Logistics segment due to **10.1% decline increases in purchased transportation costs**, while load count as a result of weather disruptions as well as our decision to divert loads to the Truckload segment to offset the loss of contractual volumes in recent bids.
- **Contributor** — **\$10.0 million** decrease in operating income within our Intermodal segment, driven by a **19.1% decrease in revenue per load** and a **1.6% decrease in load count** remained relatively flat.
- **Contributor** — **\$6.3 million** decrease in operating income within our LTL segment primarily due to the impact of weather disruptions on volumes and operating costs, and incremental maintenance and labor costs as we expand our network. This was partially offset by a **6.1% increase in shipments per day** and a **13.3 % increase in revenue per hundredweight excluding fuel surcharge**.
- **Contributor** — **\$4.8 million** increase in operating loss within the All Other Segments, primarily due to a **\$19.5 million operating loss** of our third-party insurance business as well as **\$8.2 million of severance, legal accrual, and impairment charges**.
- **Contributor** — **\$18.1 million** increase in consolidated interest expense primarily driven by higher debt balances related to the U.S. Xpress Acquisition and higher interest rates.
- **Offset** — **\$4.9 million** decrease in operating loss within our Intermodal segment, driven by a **10.6% decrease in operating expenses**, partially offset by a **6.5% decrease in total revenue**.
- **Offset** — **\$2.8 million** increase in operating income within our LTL segment primarily due to an **8.4% increase in shipments per day** and a **13.4% increase in revenue per hundredweight excluding fuel surcharge**.
- **Offset** — **\$10.9 million** increase in operating income within the All Other Segments, largely as a result of exiting the third-party insurance business at the end of the first quarter of 2024.
- **Offset** — **\$36.4 million** **10.2 million** decrease in consolidated income tax expense, primarily due to a reduction of pre-tax income. Our effective tax rate for the **first second** quarter of 2024 was **55.1% 37.2%**, compared to **24.0% 25.9%** for the second quarter of 2023.

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED

Operating Results: First Half 2024 Compared to First Half 2023

The **\$149.9 million** decrease in net income attributable to Knight-Swift to **\$17.7 million** during the first half of 2024 from **\$167.6 million** during the same period last year includes the following:

- **Contributor** — **\$137.2 million** decrease in operating income within our Truckload segment primarily due to the **7.7% decline in revenue per loaded mile, excluding fuel surcharge and intersegment transactions**, and the **2.7% increase in cost per mile**.
- **Contributor** — **\$15.2 million** decrease in operating income within our Logistics segment due to a **5.5% decline in load count**.
- **Contributor** — **\$5.1 million** increase in operating loss within our Intermodal segment, driven by a **12.2% decrease in revenue per load**.
- **Contributor** — **\$3.5 million** decrease in operating income within our LTL segment partly due to severe winter weather disruptions during the first quarter.
- **Contributor** — **\$34.3 million** increase in consolidated interest expense primarily driven by higher debt balances related to the U.S. Xpress Acquisition and higher interest rates.
- **Offset** — **\$6.1 million** decrease in operating loss within the All Other Segments, largely as a result of exiting the third-party insurance business at the end of the first quarter.
- **Offset** — **\$46.6 million** decrease in consolidated income tax expense, primarily due to a reduction of pre-tax income. This resulted in an effective tax rate of **32.4%** for the first quarter half of 2024, and **24.7%** for the first half of 2023.

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KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

Results of Operations — Segment Review

The Company has four reportable segments: Truckload, LTL, Logistics, and Intermodal, as well as certain other operating segments included within our All Other Segments.

Consolidating Tables for Total Revenue and Operating Income (Loss)

	Quarter Ended March 31,		Quarter Ended June 30,		Year-to-Date June 30,		2024		2023		2024		2023	
							2024	2023	2024	2023	2024	2023	2024	2023
Revenue:	Revenue:	(In thousands)												
Truckload														
LTL														
Logistics														
Intermodal														
Subtotal														
All Other Segments														
Intersegment eliminations														
Total revenue														
	Quarter Ended March 31,		Quarter Ended June 30,		Year-to-Date June 30,		2024		2023		2024		2023	
							2024	2023	2024	2023	2024	2023	2024	2023
Operating income (loss):	Operating income (loss):	(In thousands)												
Truckload														
LTL														
Logistics														
Intermodal														
Subtotal														
All Other Segments														
Operating income														

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED

Revenue

- Our truckload services include irregular route and dedicated, refrigerated, expedited, flatbed, and cross-border transportation of various products, goods, and materials for our diverse customer base with approximately 16,600 16,400 irregular route and 6,700 6,500 dedicated tractors.
- Our LTL business, which was initially established in 2021 through the ACT acquisition and later the MME acquisition, provides our customers with regional LTL transportation service through our growing network of over 120 130 facilities and a door count of approximately 4,700 5,100. Our LTL segment operates approximately 3,400 tractors and approximately 8,700 8,900 trailers and also provides national coverage to our customers by utilizing partner carriers for areas outside of our direct network.
- Our Logistics and Intermodal segments provide a multitude of shipping solutions, including additional sources of truckload capacity and alternative transportation modes, by utilizing our vast network of third-party capacity providers and rail providers, as well as certain logistics and freight management services. We offer power-only services through our Logistics segment leveraging our fleet of nearly 94,000 93,000 trailers.
- Our All Other Segments include support services provided to our customers and third-party carriers including insurance, equipment maintenance, equipment leasing, warehousing, trailer parts manufacturing, and warranty services, as well as insurance prior to the first quarter of 2024. Our All Other Segments also include certain corporate expenses (such as legal settlements and accruals, certain impairments, and amortization of intangibles related to the 2017 Merger and various acquisitions).

- In addition to the revenues earned from our customers for the trucking and non-trucking services discussed above, we also earn fuel surcharge revenue from our customers through our fuel surcharge programs, which serve to recover a majority of our fuel costs. This generally applies only to loaded miles for our Truckload and LTL segments and typically does not offset non-paid empty miles, idle time, and out-of-route miles driven. Fuel surcharge programs involve a computation based on the change in national or regional fuel prices. These programs may update as often as weekly, but typically require a specified minimum change in fuel cost to prompt a change in fuel surcharge revenue. Therefore, many of these programs have a time lag between when fuel costs change and when the change is reflected in fuel surcharge revenue for our Truckload and LTL segments.

Expenses

Our most significant expenses typically vary with miles traveled and include fuel, driving associate-related expenses (such as wages and benefits), and services purchased from third-party service providers (including other trucking companies, railroad and drayage providers, and independent contractors). Maintenance and tire expenses, as well as the cost of insurance and claims generally vary with the miles we travel, but also have a controllable component based on safety performance, fleet age, operating efficiency, and other factors. Our primary fixed costs are depreciation and lease expense for revenue equipment and terminals, non-driver employee compensation, amortization of intangible assets, and interest expenses.

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED

Operating Statistics

We measure our consolidated and segment results through the operating statistics listed in the table below. Our chief operating decision makers monitor the GAAP results of our reportable segments, supplemented by certain non-GAAP information. Refer to "Non-GAAP Financial Measures" for more details. Additionally, we use a number of primary indicators to monitor our revenue and expense performance and efficiency.

Operating Statistic	Relevant Segment(s)	Description
Average Revenue per Tractor	Truckload	Measures productivity and represents revenue (excluding fuel surcharge and intersegment transactions) divided by average tractor count
Total Miles per Tractor	Truckload	Total miles (including loaded and empty miles) a tractor travels on average
Average Length of Haul	Truckload, LTL	For our Truckload segment this is calculated as average miles traveled with loaded trailer cargo per order. For our LTL segment this is calculated as average miles traveled from the origin service center to the destination service center.
Non-paid Empty Miles Percentage	Truckload	Percentage of miles without trailer cargo
Shipments per Day	LTL	Average number of shipments completed each business day
Weight per Shipment	LTL	Total weight (in pounds) divided by total shipments
Revenue per shipment	LTL	Total revenue divided by total shipments
Revenue xFSC per shipment	LTL	Total revenue, excluding fuel surcharge, divided by total shipments
Revenue per hundredweight	LTL	Measures yield and is calculated as total revenue divided by total weight (in pounds) times 100
Revenue xFSC per hundredweight	LTL	Total revenue, excluding fuel surcharge, divided by total weight (in pounds) times 100
Average Tractors	Truckload, LTL, Intermodal	Average tractors in operation during the period including company tractors and tractors provided by independent contractors
Average Trailers	Truckload, LTL	Average trailers in operation during the period
Average Revenue per Load	Logistics, Intermodal	Total revenue (excluding intersegment transactions) divided by load count
Gross Margin Percentage	Logistics	Logistics gross margin (revenue, excluding intersegment transactions, less purchased transportation expense, excluding intersegment transactions) as a percentage of logistics revenue, excluding intersegment transactions
Average Containers	Intermodal	Average containers in operation during the period
GAAP Operating Ratio	Truckload, LTL, Logistics, Intermodal	Measures operating efficiency and is widely used in our industry as an assessment of management's effectiveness in controlling all categories of operating expenses. Calculated as operating expenses as a percentage of total revenue, or the inverse of operating margin.
Non-GAAP Adjusted Operating Ratio	Truckload, LTL, Logistics, Intermodal	Measures operating efficiency and is widely used in our industry as an assessment of management's effectiveness in controlling all categories of operating expenses. Consolidated and segment Adjusted Operating Ratios are reconciled to their corresponding GAAP operating ratios under "Non-GAAP Financial Measures," below.

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED

Segment Review

Truckload Segment

We generate revenue in the Truckload segment primarily through irregular route, dedicated, refrigerated, expedited, flatbed, and cross-border service operations across our brands. We operated approximately 16,600 16,400 irregular route tractors and approximately 6,700 6,500 dedicated route tractors in use during the quarter ended **March 31, 2024** June 30, 2024. Generally, we are paid a predetermined rate per mile or per load for our truckload services. Additional revenues are generated by charging for tractor and trailer detention, loading and unloading activities, dedicated services, and other specialized services, as well as through the collection of fuel surcharge revenue to mitigate the impact of increases in the cost of fuel. The main factors that affect the revenue generated by our Truckload segment are rate per mile from our customers, the percentage of miles for which we are compensated, and the number of loaded miles we generate with our equipment.

The most significant expenses in the Truckload segment are primarily variable and include fuel and fuel taxes, driving associate-related expenses (such as wages, benefits, training, and recruitment), and costs associated with independent contractors primarily included in "Purchased transportation" in the condensed consolidated statements of comprehensive income. Maintenance expense (which includes costs for replacement tires for our revenue equipment) and insurance and claims expenses have both fixed and variable components. These expenses generally vary with the miles we travel, but also have a controllable component based on safety, fleet age, efficiency, and other factors. The main fixed costs in the Truckload segment are depreciation and rent expense from tractors, trailers, and terminals, as well as compensating our non-driver employees.

		Quarter Ended March 31,		Quarter Ended March 31,		Quarter Ended March 31,		Quarter Ended June 30,		Increase Year-to (Decrease)	Date June 30,	QTD 2024 vs.		YTD 2024 vs.	
		2024		2024		2023		2024		2024	2024	2023		QTD 2023	
		(Dollars in thousands, except per tractor data)		(Dollars in thousands, except per tractor data)		(Dollars in thousands, except per tractor data)		(Dollars in thousands, except per tractor data)				(Dollars in thousands, except per tractor data)		(Dollars in thousands, except per tractor data)	
Total revenue															
Total revenue		\$ 1,263,015	\$	\$ 1,012,245	24.8	24.8 %	\$	\$ 1,264,237	\$	\$ 953,659	\$	\$	\$ 2,527,252		
Revenue, excluding fuel surcharge and intersegment transactions	Revenue, excluding fuel and intersegment transactions	\$ 1,094,051	\$	\$ 865,980	26.3	26.3 %	\$	\$ 1,102,790	\$	\$ 829,373	\$	\$	\$ 2,196,84		
GAAP: Operating income	GAAP: Operating income	\$ 23,147	\$	\$ 115,899	(80.0)	(80.0 %)	\$	\$ 23,483	\$	\$ 67,911	\$	\$	\$ 46,63		
Non-GAAP: Adjusted Operating Income ¹	Non-GAAP: Adjusted Operating Income ¹	\$ 29,114	\$	\$ 116,242	(75.0)	(75.0 %)	\$	\$ 31,156	\$	\$ 68,210	\$	\$	\$ 60,27		
Average revenue per tractor ²	Average revenue per tractor ²	\$ 46,927	\$	\$ 47,707	(1.6)	(1.6 %)	\$	\$ 48,309	\$	\$ 46,461	\$	\$	\$ 95,22		
GAAP: Operating ratio ²	GAAP: Operating ratio ²	98.2 %		88.6 %		960 bps		GAAP: Operating ratio ²	98.1 %		92.9 %		91.8 %		
Non-GAAP: Adjusted Operating Ratio ^{1,2}	Non-GAAP: Adjusted Operating Ratio ^{1,2}	97.3 %		86.6 %		1,070 bps		Non-GAAP: Adjusted Operating Ratio ^{1,2}	97.2 %		91.8 %		91.8 %		

Non-paid empty miles percentage ²	Non-paid empty miles percentage ²	14.1 %	15.0 %	(90 bps)	Non-paid empty miles percentage ²	14.0 %	15.2 %	1.	
Average length of haul (miles) ²	Average length of haul (miles) ²	395	391	391	1.0 %	385	385	385	390
Total miles per tractor ²	Total miles per tractor ²	19,894	18,405	18,405	8.1 %	20,518	18,904	18,904	40,405
Average tractors ^{2,3}	Average tractors ^{2,3}	23,314	18,152	18,152	28.4 %	22,828	17,851	17,851	23,071
Average trailers ^{2,4}	Average trailers ^{2,4}	94,410	79,490	79,490	18.8 %	92,581	79,911	79,911	93,495

1 Refer to "Non-GAAP Financial Measures" below.

2 Defined under "Operating Statistics," above.

3 Includes 21,120 20,706 and 16,262 15,995 average company-owned tractors for the first second quarter of 2024 and 2023, respectively. Includes 20,913 and 16,128 average company-owned tractors for the year-to-date periods June 30, 2024 and 2023, respectively.

4 Our average trailers includes 8,769 8,876 and 8,988 8,377 trailers related to leasing activities recorded within our All Other Segments for the quarter quarters ended March 31, 2024 June 30, 2024 and 2023, respectively. Our average trailers includes 8,822 and 8,683 trailers related to leasing activities recorded within our All Other Segments for the year-to-date periods June 30, 2024 and 2023, respectively.

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED

Comparison Between the Quarters Ended March 31, 2024 June 30, 2024 and 2023 — The Truckload segment revenue, excluding fuel surcharge and intersegment transactions, was \$1.1 billion, an increase of 33.0% year-over-year, reflecting a 5.7% decline in the legacy truckload business prior to the inclusion of U.S. Xpress. This segment continues to experience an extremely difficult environment, operating with a 97.3% 97.2% Adjusted Operating Ratio in the second quarter, which was negatively impacted by 120 basis points from a settlement of an auto liability claim from 2020. The Adjusted Operating Ratio was essentially flat with the first quarter as the seasonal demand patterns that saw a more challenging pricing environment than anticipated and greater than average weather disruption that led to reduced volumes and higher operating costs. Excluding improved late in the second quarter were largely offset by the claim settlement. Further, the inclusion of U.S. Xpress negatively impacted the Adjusted Operating Ratio by 130 basis points as this brand maintained breakeven results for the legacy truckload business worsened sequentially as a result of a 2.1% sequential quarter. The year-over-year decline in revenue per loaded mile, excluding fuel surcharge (a 9.2% decline year-over-year), the headwinds on utilization and operating costs from the weather disruptions in January, and the loss of some contractual freight volumes early intersegment transactions, narrowed to 5.5% in the bid season current quarter as we were not willing rates held stable with the first quarter. Cost per mile increased 1.8% year-over-year and was also flat with the first quarter, including the impact of the claim settlement in the current quarter. We remain disciplined on pricing and are unwilling to make further concessions commit our capacity on what we view as unsustainable contractual rates. These volume losses negatively impacted our network and utilization, and they pushed more of our capacity into the spot market. This increased spot exposure caused the sequential decline in revenue per mile as our primary contractual revenue per mile was fairly stable throughout the quarter. If there continues to be downward pressure on contractual rates, there may be additional exposure to the volatility of the spot market.

Truckload segment miles per tractor increased 8.1% 8.5% year-over-year, (5.9% before including U.S. Xpress), largely driven by our earlier decision to reduce the number of unseated tractors in the legacy businesses in order to reduce cost. We have been intentionally trimming our capital equipment over the past few quarters in order to improve our cost structure through the downcycle, trough of the freight cycle but without cutting so far as to sacrifice our ability to flex when the market improves. Revenue, Excluding U.S. Xpress, revenue, excluding fuel surcharge, per tractor increased 3.5% year-over-year, which was the first year-over-year increase in six quarters as we improve miles per tractor while the decline in pricing decelerates. We are diligently focused on improving our cost structure and equipment utilization to mitigate pressure on margins through the bottom of this prolonged freight cycle with the intention of maximizing the benefits of operating leverage as the cycle turns.

Comparison Between Year-to-Date June 30, 2024 and 2023 — Truckload segment revenue, excluding fuel surcharge and intersegment transactions, was \$1.1 billion \$2.2 billion, an increase of 26.3% 29.6% year-over-year, reflecting an 11.4% 8.6% decline in the legacy truckload business prior to the inclusion of U.S. Xpress. Excluding U.S. Xpress, Adjusted Operating Ratio was 97.3%, largely driven by a 7.7% decrease in revenue per loaded mile, excluding fuel surcharge and intersegment transactions and a 2.7% increase in cost per tractor decreased 3.6% year-over-year as the decline in rates outweighed the improvement in miles per tractor mile, net of fuel surcharge recovery.

LTL Segment

Dothan, Alabama-based ACT and Bismarck, North Dakota-based MME, both acquired in 2021, comprise our LTL segment. We provide regional direct service and serve our customers' national transportation needs by utilizing key partner carriers for coverage areas outside of our network. We primarily generate revenue by transporting freight for our customers through our core LTL services.

Our revenues are impacted by shipment volume and tonnage levels that flow through our network. Additional revenues are generated through fuel surcharges and accessorial services provided during transit from shipment origin to destination. We focus on the following multiple revenue generation factors when reviewing revenue yield: revenue per

hundredweight, revenue per shipment, weight per shipment, and length of haul. Fluctuations within each of these metrics are analyzed when determining the revenue quality of our customers' shipment density.

Our most significant expense is related to direct costs associated with the transportation of our freight moves including direct salary, wage and benefit costs, fuel expense, and depreciation expense associated with revenue equipment costs. Other expenses associated with revenue generation that can fluctuate and impact operating results are insurance and claims expenses, as well as maintenance costs of our revenue equipment. These expenses can be influenced by multiple factors including our safety performance, equipment age, and other factors. A key component of lowering our operating costs is labor efficiency within our network. We continue to focus on technological advances to improve the customer experience and reduce our operating costs.

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		Quarter Ended March 31,												
		Quarter Ended March 31,												
		Quarter Ended March 31,												
		Quarter Ended June 30,		Increase (Decrease)		Year-to-Date June 30,		QTD 2024 vs.		YTD 2024 vs.				
		2024		2024		2023		2024		2023		QTD 2023		
		(Dollars in thousands, except per tractor data)												
		(Dollars in thousands, except per tractor data)												
		(Dollars in thousands, except per tractor data)						(Dollars in thousands, except per tractor data)						
												Increase (Decrease)		
Total revenue														
Total revenue		\$ 282,122		\$ 255,304		10.5 %		10.5 %		\$ 306,478		\$ 267,105		
Revenue, excluding fuel surcharge	Revenue, excluding fuel surcharge	\$ 240,990	\$	\$ 213,929	12.6	12.6 %		\$ 263,095	\$	\$ 228,578	\$	\$ 588,600	\$	
GAAP: Operating income	GAAP: Operating income	\$ 20,287	\$	\$ 26,582	(23.7)	(23.7 %)		\$ 33,049	\$	\$ 30,238	\$	\$ 53,336	\$	
Non-GAAP: Adjusted Operating Income 1	Non-GAAP: Adjusted Operating Income 1	\$ 24,207	\$	\$ 30,502	(20.6)	(20.6 %)		\$ 36,969	\$	\$ 34,158	\$	\$ 61,176	\$	
GAAP: Operating ratio 2	GAAP: Operating ratio 2	92.8 %		89.6 %		320 bps		GAAP: Operating ratio 2	89.2 %		88.7 %		90.9	
Non-GAAP: Adjusted Operating Ratio 12	Non-GAAP: Adjusted Operating Ratio 12	90.0 %		85.7 %		430 bps		Non-GAAP: Adjusted Operating Ratio 12	85.9 %		85.1 %		87.9	
LTL shipments per day 2														
LTL shipments per day 2		18,800	17,717	17,717	6.1	6.1 %		20,482	18,898		18,898	19,641	19,641	
LTL weight per shipment 2	LTL weight per shipment 2	1,007	1,061	1,061	(5.1)	(5.1 %)		1,008	1,058		1,058	1,008	1,008	
LTL average length of haul (miles) 2	LTL average length of haul (miles) 2	573	535	535	7.1	7.1 %		585	545		545	579		

LTL revenue per shipment ²	LTL revenue per shipment ²	\$ 199.84	\$ 189.31	5.6	5.6 %	LTL revenue per shipment ²	\$ 202.46	\$ 187.92	\$ 201.20
LTL revenue xFSC per shipment ²	LTL revenue xFSC per shipment ²	\$ 170.40	\$ 158.45	7.5	7.5 %	LTL revenue xFSC per shipment ²	\$ 173.50	\$ 160.66	\$ 172.02
LTL revenue per hundredweight ²	LTL revenue per hundredweight ²	\$ 19.84	\$ 17.84	11.2	11.2 %	LTL revenue per hundredweight ²	\$ 20.09	\$ 17.77	\$ 19.97
LTL revenue xFSC per hundredweight ²	LTL revenue xFSC per hundredweight ²	\$ 16.91	\$ 14.93	13.3	13.3 %	LTL revenue xFSC per hundredweight ²	\$ 17.22	\$ 15.19	\$ 17.07
LTL average tractors ^{2,3}	LTL average tractors ^{2,3}	3,357	3,163	3,163	6.1	LTL average tractors ^{2,3}	3,429	3,163	3,393
LTL average trailers ^{2,4}	LTL average trailers ^{2,4}	8,699	8,387	8,387	3.7	LTL average trailers ^{2,4}	8,893	8,452	8,796

1 Refer to "Non-GAAP Financial Measures" below.

2 Defined under "Operating Statistics," above.

3 Our LTL tractor fleet includes 611 612 and 619 604 tractors from ACT's and MME's dedicated and other businesses for the ~~first~~ ^{second} quarter of 2024 and 2023, respectively. Our LTL tractor fleet includes 612 and 611 tractors from ACT's and MME's dedicated and other businesses for the year-to-date periods June 30, 2024 and 2023, respectively.

4 Our LTL trailer fleet includes 821 829 and 778 trailers from ACT's and MME's dedicated and other businesses for the ~~first~~ ^{second} quarter of 2024 and 2023, respectively. Our LTL trailer fleet includes 825 and 778 trailers from ACT's and MME's dedicated and other businesses for the year-to-date periods June 30, 2024 and 2023, respectively.

Comparison Between the Quarters Ended March 31, 2024 June 30, 2024 and 2023 — Our LTL segment produced a 90.0% ~~an 85.9%~~ ^{an 85.9%} Adjusted Operating Ratio during the ~~first~~ ^{second} quarter of 2024, as revenue, excluding fuel surcharge, grew 12.6% ~~15.1%~~ ^{15.1%} and Adjusted Operating Income increased 8.2% year-over-year. Average shipments per day increased 8.4% year-over-year for the quarter. Revenue per hundredweight, excluding fuel surcharge, increased 13.4%, while revenue per shipment, excluding fuel surcharge, increased by 8.0%, reflecting a 4.7% decrease in weight per shipment.

Comparison Between Year-to-Date June 30, 2024 and 2023 — The LTL segment produced an 87.9% Adjusted Operating Ratio during the first half of 2024, as revenue, excluding fuel surcharge, increased 13.9%. Adjusted Operating Income decreased 20.6% year-over-year. With our LTL activities concentrated in regions exposed 5.4% due to severe winter weather experienced during the ~~first~~ quarter ^{the} disruption was particularly impactful to our network and operating costs for our LTL segment, of 2024. In addition, maintenance and labor costs were higher than normal ~~given initial set-up costs~~ as we ~~stretch~~ work to cover growing volumes and extend ~~scale up~~ our reach into new facilities. We anticipate these costs should normalize as we scale volumes and staffing while growing revenue in new locations. After being significantly impacted by the weather disruptions in January, volumes recovered well as average ~~Average~~ shipments per day increased 6.8% month-over-month in February and held steady into March, resulting in a 6.1% year-over-year increase for the quarter ~~7.3%~~. Revenue per hundredweight, excluding fuel surcharge, increased 13.3%, while revenue per shipment, excluding fuel surcharge, increased by ~~7.5%~~ ^{7.8%}, reflecting a ~~5.1%~~ ^{4.8%} decrease in weight per shipment.

During the quarter, we opened seven terminals that had been recently acquired from various parties. We expect to open another 25 terminals by the end of 2024. Overall, the 32 locations planned to open in 2024 will represent a 16% increase to our door count from the end of 2023, meaningfully impacting the reach of our service offering and increasing the density of our network. We expect these investments will bring opportunities to service additional freight and customers. We remain encouraged by the strong performance within our LTL segment, and we continue to look for both organic and inorganic opportunities to geographically expand our footprint within the LTL market.

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During the quarter, we opened 11 additional terminals in new markets and now expect to open another 20 terminals by the end of 2024. Overall, the 38 locations planned to open in 2024 will represent an addition of over 1,000 doors this year, for a 22.1% increase to our door count from the beginning of the year, which we believe will meaningfully impact the reach of our service offering and increase the density of our network. We expect these investments will bring opportunities to service additional freight and customers. While these new locations initially bring set up costs and operational inefficiencies, we expect that as the locations continue to scale, and particularly as they participate in the next bid cycle, they will help drive growth and margin expansion in the business. We remain encouraged by the strong performance within our LTL segment, and we continue to look for both organic and inorganic opportunities to geographically expand our footprint within the LTL market.

Logistics Segment

The Logistics segment is less asset-intensive than the Truckload and LTL segments and is dependent upon capable non-driver employees, modern and effective information technology, and third-party capacity providers. Logistics revenue is generated by its brokerage operations. We generate additional revenue by offering specialized logistics solutions (including, but not limited to, trailing equipment, origin management, surge volume, disaster relief, special projects, and other logistics needs). Logistics revenue is mainly affected

by the rates we obtain from customers, the freight volumes we ship through third-party capacity providers, and our ability to secure third-party capacity providers to transport customer freight.

The most significant expense in the Logistics segment is purchased transportation that we pay to third-party capacity providers, which is primarily a variable cost and is included in "Purchased transportation" in the condensed consolidated statements of comprehensive income. Variability in this expense depends on truckload capacity, availability of third-party capacity providers, rates charged to customers, current freight demand, and customer shipping needs. Fixed Logistics operating expenses primarily include non-driver employee compensation and benefits recorded in "Salaries, wages, and benefits" and depreciation and amortization expense recorded in "Depreciation and amortization of property and equipment" in the condensed consolidated statements of comprehensive income.

		Quarter Ended March 31,		Quarter Ended March 31,		Quarter Ended March 31,		Quarter Ended June 30, 2024		Date June 30,		QTD 2024 vs.		YTD 2024 vs.	
2024	2024	2024	2024	2023	Increase (Decrease) Year-to-	Date	2024	2024	2023	Date	2024	2023	QTD 2023 vs.	YTD 2023 vs.	YTD 2023

Comparison Between the Quarters Ended March 31, 2024 and 2023 — The Logistics segment Adjusted Operating Ratio was 97.1%, with a gross margin of 16.8% in the first quarter of 2024, down from 19.8% in the first quarter of 2023. The first quarter was challenging for volumes, as the persistently weak demand environment was further pressured by weather disruptions and our decision to divert loads to our existing truckload businesses to partially offset their losses of contractual volumes through the bid activity as noted above. As a result, Logistics load count declined by 10.1% year-over-year. We remain disciplined on price, which allowed our Logistics businesses to maintain profitability but is a headwind to volumes. Revenue per load increased by 2.1% year-over-year but declined by 5.2% from the prior quarter. We continue to leverage our power-only capabilities to complement our asset business, build a broader and more diversified freight portfolio, enhance the returns on our capital assets, and innovate with technology intended to remove friction and allow seamless connectivity, leading to services that we expect will capture new opportunities for revenue growth.

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Comparison Between the Quarters Ended June 30, 2024 and 2023 — The Logistics segment Adjusted Operating Ratio was 95.5%, with a gross margin of 17.9% in the second quarter of 2024, down from 19.4% in the second quarter of 2023. The second quarter was challenged by the persistently soft demand environment as well as increases in purchased transportation costs later in the quarter that pressured gross margins. Logistics load count for the quarter was flat year-over-year, reflecting the inclusion of U.S. Xpress logistics volumes in the current period. We remain disciplined on price, which allowed our Logistics business to maintain profitability but is a headwind to volumes. After first turning modestly positive last quarter, revenue per load increased by 10.8% year-over-year in the second quarter, representing a 4.6% increase from the prior quarter. The year-over-year increase in revenue per load is largely driven by the inclusion of U.S. Xpress logistics in the current quarter, as it has a different business mix. We continue to leverage our power-only capabilities to complement our asset business, build a broader and more diversified freight portfolio, and to enhance the returns on our capital assets.

Comparison Between Year-to-Date June 30, 2024 and 2023 — The Logistics segment Adjusted Operating Ratio was 96.3%, with a gross margin of 17.3% in the first half of 2024, down from 19.6% in the first half of 2023. The Logistics segment was challenged by the persistently soft demand environment as well as increases in purchased transportation costs that pressured gross margins. Logistics load count decreased 5.5%, reflecting the inclusion of U.S. Xpress logistics volumes. Revenue per load increased by 6.3% year-over-year, largely driven by the inclusion of U.S. Xpress logistics in the current period, as it has a different business mix.

Intermodal Segment

The Intermodal segment complements our regional operating model, allows us to better serve customers in longer haul lanes, and reduces our investment in fixed assets. Through the Intermodal segment, we generate revenue by moving freight over the rail in our containers and other trailing equipment, combined with revenue for drayage to transport loads between railheads and customer locations. The most significant expense in the Intermodal segment is the cost of purchased transportation that we pay to third-party capacity providers (including rail providers), which is primarily variable and included in "Purchased transportation" in the condensed consolidated statements of comprehensive income. While rail pricing is determined on an annual basis, purchased transportation varies as it relates to rail capacity, freight demand, and customer shipping needs. The main fixed costs in the Intermodal segment are depreciation of our company tractors related to drayage, containers, and chassis, as well as non-driver employee compensation and benefits.

	Quarter Ended March 31,			Increase Year-to-Date (Decrease)	June 30,		QTD 2024 vs.		YTD 2024 vs.		
	2024	2024	2023		2024	2023	2023	2023	2023	2023	
(Dollars in thousands, except per load data)											
(Dollars in thousands, except per load data)											
(Dollars in thousands, except per load data)											
(Dollars in thousands, except per load data)											
(Dollars in thousands, except per load data)											
Increase (Decrease)											
Total revenue	\$ 87,985	\$	\$ 110,572	(20.4 %)	\$ 97,528	\$	\$ 104,327	\$	\$ 185,513	\$	
GAAP: Operating (loss) income											
GAAP: Operating (loss) income											
GAAP: Operating (loss) income	\$ (4,908)		\$ 5,102		(196.2 %)						
GAAP: Operating loss											
GAAP: Operating loss											

GAAP: Operating loss	\$ (1,717)	\$ (6,632)	\$ (6,625)	\$ (1,530)	74.1 %	(333.0 %)
Average revenue per load ¹						
Average revenue per load ¹						
Average revenue per load ¹	\$ 2,615	\$ 3,234	(19.1 %)	\$ 2,615	\$ 2,749	\$ 2,615
GAAP: Operating ratio ¹	GAAP: Operating ratio ¹	105.6 %	95.4 %	1,020 bps	GAAP: Operating ratio ¹	101.8 %
Load count						
Load count						
Load count	33,647	34,193	34,193	(1.6 %)	37,290	37,945
Average tractors ^{1,2}	Average tractors ^{1,2}	609	607	0.3	Average tractors ^{1,2}	613
Average containers ¹	Average containers ¹	12,582	12,829	(1.9 %)	Average containers ¹	12,580

1. Defined under "Operating Statistics," above.

2. Includes 552 555 and 542 595 company-owned tractors for the first second quarter of 2024 and 2023, respectively.

Comparison Between Includes 554 and 568 company-owned tractors for the Quarters Ended March 31, 2024 year-to-date periods ended June 30, 2024 and 2023. — The Intermodal segment operated with a 105.6% operating ratio while total revenue decreased 20.4% year-over-year to \$88.0 million. The drop in revenue was driven by a 19.1% decline in revenue per load, partly due to the inclusion of project revenue in the prior year period, and a 1.6% decline in load count as a result of soft demand and competitive truck capacity. The sequential decline in our load count of 4.0% as compared to the fourth quarter of 2023 is better than the historical average decline between fourth quarter and first quarter, and we remain focused on growing our load count with disciplined pricing and improving the efficiency of our assets as Intermodal continues to provide value to our customers and is complementary to the many services we offer.

We expect to continue to grow with new customers and expand with existing customers. With our container fleet count now approximately 12,600, we do not expect to order additional containers until we achieve meaningful improvement in our turns per container. Our capex strategy is shifting to chassis moving forward as we work to better optimize our operation and reduce equipment costs, respectively.

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Comparison Between the Quarters Ended June 30, 2024 and 2023 — The Intermodal segment improved its operating ratio to 101.8%, while the year-over-year decline in total revenue slowed to 6.5%, resulting in \$97.5 million in revenue for the quarter. The drop in revenue was driven by a 4.9% decline in revenue per load, and a 1.7% decline in load count year-over-year as a result of soft demand and competitive truck capacity. We grew load count sequentially by 10.8% while maintaining stable revenue per load as compared to the first quarter, which helped improve the operating ratio by 380 basis points over the first quarter. We remain focused on growing our load count with disciplined pricing across a diverse group of customers and expect load count to continue to grow sequentially into the back half of the year.

Comparison Between Year-to-Date June 30, 2024 and 2023 — The Intermodal segment operated with a 103.6% operating ratio, while total revenue decreased 13.7% year-over-year to \$185.5 million. The drop in revenue was driven by a 12.2% decline in revenue per load, and a 1.7% decline in load count year-over-year as a result of soft demand and competitive truck capacity.

All Other Segments

Our All Other Segments include support services provided to our customers and third-party carriers including insurance, equipment maintenance, equipment leasing, warehousing, trailer parts manufacturing, and warranty services, as well as insurance prior to the first quarter of 2024. Our All Other Segments also include certain corporate expenses (such as legal settlements and accruals, certain impairments, and \$11.7 million in quarterly amortization of intangibles related to the 2017 Merger and various acquisitions).

Quarter Ended March 31,	Quarter Ended March 31,	Quarter Ended March 31,	Quarter Ended June 30, 2024	Increase (Decrease) Year-to-Date June 30,	QTD 2024 vs. 2023	YTD 2024 vs. 2023	QTD 2023	YTD 2023
2024	2024	2023						

	(Dollars in thousands)			
	(Dollars in thousands)			
	(Dollars in thousands)		(Dollars in thousands)	
Total revenue				
Total revenue				
Total revenue	\$ 85,079	\$ 141,986	(40.1 %)	(40.1 %)
Operating loss	\$ (20,444)	\$ (15,616)		(30.9 %)
Operating income (loss)	\$ 3,886	\$ (7,053)	\$ (16,558)	\$ (22,669)
				155.1 %
				27.0 %
				Increase (Decrease)

Comparison Between the Quarters Ended March 31, 2024, June 30, 2024 and 2023 — Revenue declined 40.1% / 47.5% year-over-year, largely as a result of exiting our third-party insurance business. Operating income of \$3.9 million within our All Other Segments was primarily driven by the warehousing and equipment leasing businesses.

Comparison Between Year-to-Date June 30, 2024 and 2023 — Revenue declined 43.6% year-over-year, largely as a result of winding down our third-party insurance program, which ceased ultimately ceasing operations at the end of the first quarter. The \$20.4 million \$16.6 million operating loss within our All Other Segments is primarily driven by the \$19.5 \$18.6 million operating loss in our third-party insurance business, as well as \$8.2 million of severance, legal accruals, and impairments. In order to further reduce risk of ongoing income statement volatility from potential adverse development of the claims accruals generated over the four-year existence of this business, we executed a transaction during the quarter to transfer the majority of the risk to another insurance company. The costs of this transaction are included in the operating loss of the insurance business for the quarter. business.

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Results of Operations — Consolidated Operating and Other Expenses

Consolidated Operating Expenses

The following tables present certain operating expenses from our condensed consolidated statements of comprehensive income, including each operating expense as a percentage of total revenue and as a percentage of revenue, excluding truckload and LTL fuel surcharge. Truckload and LTL fuel surcharge revenue can be volatile and is primarily dependent upon the cost of fuel, rather than operating expenses unrelated to fuel. Therefore, we believe that revenue, excluding truckload and LTL fuel surcharge is a better measure for analyzing many of our expenses and operating metrics.

Note: The reported results do not include U.S. Xpress's operating results prior to its acquisition by the Company on July 1, 2023, in accordance with the accounting treatment applicable to the transaction. Accordingly, comparisons between the Company's quarter and year-to-date **March 31, 2024** **June 30, 2024** results and prior periods may not be meaningful.

Quarter Ended March 31,		Quarter Ended March 31,		Quarter Ended March 31,		Quarter Ended June 30,		Increase (Decrease) Year-to-Date June 30,		QTD 2024 vs. 2023		YTD 2024 vs. YTD 2023					
2024	2024	2023	2023	2024	2023	2024	2023	2024	2023	2024	2023						
(Dollars in thousands)																	
(Dollars in thousands)																	
(Dollars in thousands)																	
(Dollars in thousands)																	
Increase (Decrease)																	
<i>Salaries, wages, and benefits</i>																	
\$692,907	\$	\$536,742	29.1	29.1 %	\$	691,878	\$	\$533,237	\$	\$1,384,785	\$	\$1,069,979	29.8	29.8 %	29.4 %		
% of total revenue	% of total revenue			38.0 %		32.8 %		520 bps	% of total revenue	37.5 %		34.3 %		37.7 %	33.5 %	320 bps	420 bps

% of revenue, excluding truckload and LTL fuel surcharge	% of revenue, excluding truckload and LTL fuel surcharge	43.0 %	37.0 %	600 bps	% of revenue, excluding truckload and LTL fuel surcharge	42.1 %	38.4 %	42.5 %	37.7 %	370 bps	480 bps
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Salaries, wages, and benefits expense is primarily affected by the total number of miles driven by and rates we pay to our company driving associates, and employee benefits including healthcare, workers' compensation, and other benefits. To a lesser extent, non-driver employee headcount, compensation, and benefits affect this expense. Driving associate wages represent the largest component of salaries, wages, and benefits expense.

Several ongoing market factors have reduced the pool of available driving associates, contributing to a challenging driver sourcing market, which we believe will continue. Having a sufficient number of qualified driving associates is a significant headwind, although we continue to seek ways to attract and retain qualified driving associates, including heavily investing in our recruiting efforts, our driving academies, technology, our equipment, and our terminals that improve the experience of driving associates. We expect labor costs (related to both driving associates and non-driver employees) to remain inflationary, which we expect will result in additional pay increases in the future, thereby increasing our salaries, wages, and benefits expense.

Comparison Between the Quarters Ended March 31, 2024 June 30, 2024 and 2023 — The \$156.2 million \$158.6 million increase in consolidated salaries, wages, and benefits for the second quarter of 2024, as compared to the second quarter of 2023, includes \$149.0 million from the results of U.S. Xpress.

Comparison Between Year-to-Date June 30, 2024 and 2023 — The \$314.8 million increase in consolidated salaries, wages, and benefits for the first quarter half of 2024, as compared to the first quarter half of 2023, includes \$152.6 million \$301.6 million from the results of U.S. Xpress.

	Quarter Ended March 31,			Increase (Decrease)
			2024	
	(Dollars in thousands)			
Fuel	\$	234,589	\$	187,759
% of total revenue		12.9 %		11.5 %
% of revenue, excluding truckload and LTL fuel surcharge		14.5 %		12.9 %
				24.9 %
				140 bps
				160 bps

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	Quarter Ended June 30,		Year-to-Date June 30,		QTD 2024 vs.	YTD 2024 vs.
			2024	2023	QTD 2023	YTD 2023
	(Dollars in thousands)					Increase (Decrease)
Fuel	\$	222,573	\$	168,300	\$	356,059
% of total revenue		12.1 %		10.8 %		11.2 %
% of revenue, excluding truckload and LTL fuel surcharge		13.6 %		12.1 %		14.0 %
						32.2 %
						130 bps
						130 bps
						150 bps
						150 bps

Fuel expense consists primarily of diesel fuel expense for our company-owned tractors. The primary factors affecting our fuel expense are the cost of diesel fuel, the fuel economy of our equipment, and the miles driven by company driving associates.

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Our fuel surcharge programs help to offset increases in fuel prices, but generally apply only to loaded miles for our Truckload and LTL segments and typically do not offset non-paid empty miles, idle time, or out-of-route miles driven. Typical fuel surcharge programs involve a computation based on the change in national or regional fuel prices. These programs may update as often as weekly, but typically require a specified minimum change in fuel cost to prompt a change in fuel surcharge revenue for our Truckload and LTL segments. Therefore, many of these programs have a time lag between when fuel costs change and when the change is reflected in fuel surcharge revenue. Due to this time lag, our fuel expense, net of fuel surcharge, negatively impacts our operating income during periods of sharply rising fuel costs and positively impacts our operating income during periods of falling fuel costs. We continue to utilize our fuel efficiency initiatives such as trailer blades, idle-control, management of tractor speeds, fleet updates for more fuel-efficient engines, management of fuel procurement, and driving associate training programs that we believe contribute to controlling our fuel expense.

Comparison Between Quarters Ended March 31, 2024 June 30, 2024 and 2023 — The \$46.8 million \$54.3 million increase in consolidated fuel expense for the second quarter of 2024 includes \$55.1 million from the results of U.S. Xpress. The increase was partially offset by the decrease in the average weekly DOE fuel prices for the second quarter of 2024,

as compared to the second quarter of 2023. Average weekly DOE fuel prices were \$3.86 per gallon for the second quarter of 2024 and \$3.94 per gallon for the second quarter of 2023.

Comparison Between Year-to-Date June 30, 2024 and 2023 — The \$101.1 million increase in consolidated fuel expense for the first quarter half of 2024 includes \$61.3 million \$116.3 million from the results of U.S. Xpress. The increase was partially offset by the decrease in the average weekly DOE fuel prices for the first quarter half of 2024, as compared to the first quarter half of 2023. Average weekly DOE fuel prices were \$3.96 \$3.91 per gallon for the first quarter half of 2024 and \$4.40 \$4.16 per gallon for the first quarter half of 2023.

		Quarter Ended March 31,		Quarter Ended March 31,		Quarter Ended March 31,		Quarter Ended June 30, 30,		Increase (Decrease) Year-to-Date June 30,		QTD 2024 vs. 2024		YTD 2024 vs. 2023	
		2024		2024		2023		2024		2023		QTD 2024 vs. 2023		YTD 2023	
<i>Operations and maintenance</i>															
<i>Operations and maintenance</i>		\$134,633		\$ 99,311		35.6 %		35.6 %		\$ 138,251		\$ 101,380		\$ 272,884	
% of total revenue		% of total revenue		7.4 %		6.1 %		130 bps		% of total revenue		7.5 %		6.5 %	
% of revenue, excluding truckload and LTL fuel surcharge		% of revenue, excluding truckload and LTL fuel surcharge		8.3 %		6.8 %		150 bps		% of revenue, excluding truckload and LTL fuel surcharge		8.4 %		7.3 %	

Operations and maintenance expense consists of direct operating expenses, such as driving associate hiring and recruiting expenses, equipment maintenance, and tire expense. Operations and maintenance expenses are typically affected by the age of our company-owned fleet of tractors and trailers and the miles driven. We expect the driver market to remain competitive throughout 2024, which could increase future driving associate development and recruiting costs and negatively affect our operations and maintenance expense. We expect to prudently decrease our idle tractor and trailer capacity, in the coming quarters, to reduce operations and maintenance expense while remaining well positioned for potential market inflection.

Comparison Between Quarters Ended March 31, 2024 and 2023 — Operations and maintenance expense increased \$35.3 million for the quarter ended March 31, 2024 as compared to the same period last year. The increase for the quarter ended March 31, 2024 includes \$35.0 million from the results of U.S. Xpress.

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	Quarter Ended March 31,		Increase (Decrease)	
	(Dollars in thousands)			
<i>Insurance and claims</i>	\$ 122,446	\$ 138,039	(11.3 %)	
% of total revenue	6.7 %	8.4 %	(170 bps)	
% of revenue, excluding truckload and LTL fuel surcharge	7.6 %	9.5 %	(190 bps)	

Comparison Between Quarters Ended June 30, 2024 and 2023 — Operations and maintenance expense increased \$36.9 million for the second quarter of 2024, as compared to the same period last year. The increase for the second quarter of 2024 includes \$36.6 million from the results of U.S. Xpress.

Comparison Between Year-to-Date June 30, 2024 and 2023 — Operations and maintenance expense increased \$72.2 million for the first half of 2024, as compared to the same period last year. The increase for the first half of 2024 includes \$71.6 million from the results of U.S. Xpress.

	Quarter Ended June 30,		Year-to-Date June 30,		QTD 2024 vs.		YTD 2024 vs.	
	2024		2023		2024		2023	
	(Dollars in thousands)				Increase (Decrease)			
Insurance and claims	\$ 105,438	\$ 137,306	\$ 227,884	\$ 275,345	(23.2 %)	—	(17.2 %)	—
% of total revenue	5.7 %	8.8 %	6.2 %	8.6 %	(310 bps)	—	(240 bps)	—
% of revenue, excluding truckload and LTL fuel surcharge	6.4 %	9.9 %	7.0 %	9.7 %	(350 bps)	—	(270 bps)	—

Insurance and claims expense consists of premiums for liability, physical damage, and cargo, and will vary based upon the frequency and severity of claims, our level of self-insurance, and premium expense. In recent years, insurance carriers have raised premiums for many businesses, including transportation companies, and as a result, our insurance and claims expense could increase in the future, or we could raise our self-insured retention limits or reduce excess coverage limits when our policies are renewed or replaced. Insurance and claims expense also varies based on the number of miles driven by company driving associates and independent contractors, the frequency and severity of accidents, trends in development factors used in actuarial accruals, and developments in large, prior-year claims. In future periods, our higher self-insured retention limits and lower excess coverage limits, may cause increased volatility in our consolidated insurance and claims expense.

In the first quarter of 2024, we exited our third-party insurance business, which offered insurance products to third-party carriers, earning premium revenues, which were partially offset by increased insurance reserves, and which exposed us to claims and inability to collect premiums. We ceased operating this business in the first quarter of 2024, which we expect will result in some reduction of volatility as we will no longer be exposed to new claims from the third-party insurance business.

Comparison Between Quarters Ended March 31, 2024 June 30, 2024 and 2023 — Consolidated insurance and claims expense decreased by \$15.6 million \$31.9 million for the second quarter ended March 31, 2024, of 2024, as compared to the same period last year. The decrease for the second quarter ended March 31, 2024 of 2024 includes a \$51.4 million \$65.4 million decrease within our third-party insurance business as a result of the Company exiting the third-party insurance business at the end of the first quarter. This was partially offset by an increase of \$25.9 million \$21.0 million from the results of U.S. Xpress. Xpress and an increase of \$12.5 million for the settlement of an auto liability claim from 2020.

	Quarter Ended March 31,				Increase (Decrease)	
	2024		2023			
	(Dollars in thousands)					
Operating taxes and licenses	\$ 31,329	\$ 25,890	—	—	21.0 %	
% of total revenue	1.7 %	1.6 %	—	—	10 bps	
% of revenue, excluding truckload and LTL fuel surcharge	1.9 %	1.8 %	—	—	10 bps	

Comparison Between Year-to-Date June 30, 2024 and 2023 — Consolidated insurance and claims expense decreased by \$47.5 million for the first half of 2024, as compared to the same period last year. The decrease for the first half of 2024 includes a \$116.8 million decrease within our third-party insurance business as a result of the Company exiting the third-party insurance business at the end of the first quarter. This was partially offset by an increase of \$46.9 million from the results of U.S. Xpress and an increase of \$12.5 million for the settlement of an auto liability claim from 2020.

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	Quarter Ended June 30,		Year-to-Date June 30,		QTD 2024 vs.		YTD 2024 vs.	
	2024		2023		2024		2023	
	(Dollars in thousands)				Increase (Decrease)			
Operating taxes and licenses	\$ 30,374	\$ 28,332	\$ 61,703	\$ 54,222	(7.2 %)	—	(13.8 %)	—
% of total revenue	1.6 %	1.8 %	1.7 %	1.7 %	(20 bps)	—	— bps	—
% of revenue, excluding truckload and LTL fuel surcharge	1.9 %	2.0 %	1.9 %	1.9 %	(10 bps)	—	— bps	—

Operating taxes and licenses include state franchise taxes, state and federal highway use taxes, property taxes, vehicle license and registration fees, and fuel and mileage taxes, among others. The expense is impacted by changes in the tax rates and registration fees associated with our tractor fleet and regional operating facilities.

Comparison Between Quarters Ended March 31, 2024 June 30, 2024 and 2023 — Operating taxes and licenses expenses increased by \$5.4 million \$2.0 million for the second quarter ended March 31, 2024, of 2024, as compared to the same period last year. The change includes \$4.0 million from the results of U.S. Xpress, partially offset by a decrease in tractor count excluding U.S. Xpress. However, it remained relatively flat as a percentage of revenue, excluding truckload and LTL fuel surcharge, as compared to the same period last year.

Comparison Between Year-to-Date June 30, 2024 and 2023 — Operating taxes and licenses expenses increased by \$7.5 million for the first half of 2024, as compared to the same period last year. The change includes \$8.0 million from the results of U.S. Xpress. However, it remained relatively flat as a percentage of revenue, excluding truckload and LTL fuel

surcharge, as compared to the same period last year.

	Quarter Ended June 30,		Year-to-Date June 30,		QTD 2024 vs.		YTD 2024 vs.	
	2024		2023		2024		2023	
	(Dollars in thousands)				Increase (Decrease)			
Communications	\$ 8,264	\$ 6,184	\$ 15,797	\$ 11,933	—	33.6 %	32.4 %	
% of total revenue	0.4 %	0.4 %	0.4 %	0.4 %	—	— bps	— bps	
% of revenue, excluding truckload and LTL fuel surcharge	0.5 %	0.4 %	0.5 %	0.4 %	10 bps	10 bps		

Communications expense is comprised of costs associated with our tractor and trailer tracking systems, information technology systems, and phone systems.

Comparison Between Quarters Ended June 30, 2024 and 2023 — Communications expense increased \$2.1 million for the second quarter of 2024, as compared to the same period last year. The change includes \$2.1 million from the results of U.S. Xpress. However, it remained relatively flat as a percentage of revenue, excluding truckload and LTL fuel surcharge, as compared to the same period last year.

Comparison Between Year-to-Date June 30, 2024 and 2023 — Communications expense increased \$3.9 million for the first half of 2024, as compared to the same period last year. The change includes \$4.3 million from the results of U.S. Xpress. However, it remained relatively flat as a percentage of revenue, excluding truckload and LTL fuel surcharge, as compared to the same period last year.

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED

	Quarter Ended March 31,		2024		2023		Increase (Decrease)	
	(Dollars in thousands)				Increase (Decrease)			
	Communications	\$ 7,533	\$ 5,749	—	31.0 %	— bps	— bps	10 bps
% of total revenue		0.4 %	0.4 %	—	—	—	—	
% of revenue, excluding truckload and LTL fuel surcharge		0.5 %	0.4 %	10 bps	10 bps	10 bps	10 bps	

Communications expense is comprised of costs associated with our tractor and trailer tracking systems, information technology systems, and phone systems.

Comparison Between Quarters Ended March 31, 2024 and 2023 — Communications expense increased \$1.8 million for the quarter ended March 31, 2024, as compared to the same period last year. The change includes \$2.3 million from the results of U.S. Xpress. However, it remained relatively flat as a percentage of revenue, excluding truckload and LTL fuel surcharge, as compared to the same period last year.

	Quarter Ended March		31,		Quarter Ended March		31,	
	31,		31,		31,		31,	
	Quarter Ended June		30,		Increase (Decrease)		Year-to-Date June 30,	
	2024	2024	2023	2023	2024	2023	2024	2023
	(Dollars in thousands)		(Dollars in thousands)		QTD 2024 vs.	QTD 2023 vs.	YTD 2024 vs.	YTD 2023 vs.
	(Dollars in thousands)		(Dollars in thousands)					
	(Dollars in thousands)		(Dollars in thousands)					
Depreciation and amortization of property and equipment								
Depreciation and amortization of property and equipment								

Depreciation and amortization of property and equipment	\$181,865	\$155,966	16.6 %	\$178,850	\$156,381	\$360,715	\$312,347	14.4 %	14.4 %	15.5 %
% of total revenue	% of total revenue	10.0 %	9.5 %	50 bps	% of total revenue	9.7 %	10.1 %	9.8 %	9.8 %	— bps
% of revenue, excluding truckload and LTL fuel surcharge	% of revenue, excluding truckload and LTL fuel surcharge	11.3 %	10.8 %	50 bps	% of revenue, excluding truckload and LTL fuel surcharge	10.9 %	11.2 %	11.1 %	11.0 %	(30 bps) 10 bps

Depreciation relates primarily to our owned tractors, trailers, buildings, electronic logging devices, other communication units, and other similar assets. Changes to this fixed cost are generally attributed to increases or decreases to company-owned equipment, the relative percentage of owned versus leased equipment, and fluctuations in new equipment purchase prices. Depreciation can also be affected by the cost of used equipment that we sell or trade and the replacement of older used equipment. Management periodically reviews the condition, average age, and reasonableness of estimated useful lives and salvage values of our equipment and considers such factors in light of our experience with similar assets, used equipment market conditions, and prevailing industry practices.

Comparison Between Quarters Ended March 31, 2024 June 30, 2024 and 2023 — Consolidated depreciation and amortization of property and equipment increased by \$25.9 million \$22.5 million for the second quarter ended March 31, 2024, of 2024, as compared to the same period last year. The increase includes \$26.8 million \$25.5 million from the results of U.S. Xpress, partially offset by a decrease in tractor depreciation due to a decrease in tractor count (excluding U.S. Xpress).

Comparison Between Year-to-Date June 30, 2024 and 2023 — Consolidated depreciation and amortization of property and equipment increased by \$48.4 million for the first half of 2024, as compared to the same period last year. The increase includes \$52.3 million from the results of U.S. Xpress, partially offset by a decrease in tractor depreciation due to a decrease in tractor count (excluding U.S. Xpress).

We anticipate that depreciation and amortization expense will increase, as a percentage of revenue, excluding truckload and LTL fuel surcharge, as we intend to purchase, rather than enter into operating leases, for a majority of our revenue equipment, terminal improvements, or terminal expansions in the remainder of 2024.

Quarter Ended March 31,		Quarter Ended March 31,		Quarter Ended March 31,		Quarter Ended June 30,		Increase (Decrease) Year-to-Date June 30,	QTD 2024 vs.	YTD 2024 vs.
2024	2024	2024	2024	2024	2024	2023	2023	QTD 2023	YTD 2023	
(Dollars in thousands)										
Amortization of intangibles								(Dollars in thousands)		
Amortization of intangibles		\$18,543		\$16,183		14.6 %		(Dollars in thousands)		
% of total revenue	% of total revenue	1.0 %	1.0 %	— bps	% of total revenue	1.0 %	1.1 %	1.0 %	1.0 %	— bps
% of revenue, excluding truckload and LTL fuel surcharge	% of revenue, excluding truckload and LTL fuel surcharge	1.1 %	1.1 %	— bps	% of revenue, excluding truckload and LTL fuel surcharge	1.1 %	1.2 %	1.1 %	1.2 %	(10 bps) (10 bps)

Amortization of intangibles relates to intangible assets identified with the 2017 Merger, ACT Acquisition, U.S. Xpress Acquisition, various other acquisitions. See Note 3 in Part I, Item 1, of this Quarterly Report for more details regarding details of our acquisitions.

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KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED

Quarter Ended March 31,		Quarter Ended March 31,		Quarter Ended March 31,		Quarter Ended June 30,		Date June 30,		QTD 2024 vs.		YTD 2024 vs.	
2024	2024	2024	2023	2024	2023	2024	2023	2024	2023	QTD 2023	YTD 2023		
(Dollars in thousands)													
(Dollars in thousands)													
(Dollars in thousands)													
(Dollars in thousands)													
Increase (Decrease)													
Rental expense													
Rental expense													
Rental expense		\$ 42,996	\$ 15,068	185.3 %	185.3 %	\$ 43,930	\$ 16,073	\$ 86,926	\$ 31,141	173.3 %	173.3 %	179.1 %	
% of total revenue	% of total revenue	2.4 %	0.9 %	150 bps		% of total revenue	2.4 %	1.0 %	2.4 %	1.0 %		140 bps	140 bps
% of revenue, excluding truckload and LTL fuel surcharge	% of revenue, excluding truckload and LTL fuel surcharge	2.7 %	1.0 %	170 bps		% of revenue, excluding truckload and LTL fuel surcharge	2.7 %	1.2 %	2.7 %	1.1 %		150 bps	160 bps

Rental expense consists primarily of payments for revenue equipment assumed in the U.S. Xpress Acquisition, as well as our terminals and other real estate leases.

Comparison Between Quarters Ended March 31, 2024, June 30, 2024 and 2023 — Consolidated rental expense increased \$27.9 million for the second quarter ended March 31, 2024, of 2024, as compared to the same period last year. The increase is primarily related to the inclusion of \$26.6 million \$27.6 million from the results of U.S. Xpress.

Comparison Between Year-to-Date June 30, 2024 and 2023 — Consolidated rental expense increased \$55.8 million for the first half of 2024, as compared to the same period last year. The increase is primarily related to the inclusion of \$54.2 million from the results of U.S. Xpress. Additional increases relate to the incorporation of new facilities as we expand our LTL network and were partially offset by a decrease in the rental expense for revenue equipment.

Quarter Ended March 31,	Quarter Ended March 31,	Quarter Ended March 31,	Increase (Decrease) Year-to- Date June 30,	QTD 2024 vs. 2023	YTD 2024 vs. 2023
2024	2024	2023	2024	2023	QTD 2023
(Dollars in thousands)					YTD 2023
(Dollars in thousands)					
(Dollars in thousands)			(Dollars in thousands)		Increase (Decrease)

Purchased transportation																				
Purchased transportation	\$ 277,257	\$	\$ 280,729	(1.2 %)	(1.2 %)	\$	286,768	\$	\$ 258,259	\$	\$ 564,025	\$	\$ 538,988	11.0 %	11.0 %	4.6 %				
% of total revenue	% of total revenue	15.2 %		17.1 %		(190 bps)	% of total revenue	15.5 %		16.6 %		15.4 %		16.9 %		(110 bps)	(150 bps)			
% of revenue, excluding truckload and LTL fuel surcharge	% of revenue, excluding truckload and LTL fuel surcharge	17.2 %		19.4 %		(220 bps)	% of revenue, excluding truckload and LTL fuel surcharge	17.5 %		18.6 %		17.3 %		19.0 %		(110 bps)	(170 bps)			

Purchased transportation expense is comprised of payments to independent contractors in our trucking operations, as well as payments to third-party capacity providers related to logistics, freight management, and non-trucking services in our logistics and intermodal businesses. Purchased transportation is generally affected by capacity in the market as well as changes in fuel prices. As capacity tightens, our payments to third-party capacity providers and to independent contractors tend to increase. Additionally, as fuel prices increase, payments to third-party capacity providers and independent contractors increase. Purchased transportation expense may also fluctuate as a percentage of revenue based on the relative growth of our logistics and intermodal businesses as compared to our full truckload and LTL businesses.

Comparison Between Quarters Ended March 31, 2024 June 30, 2024 and 2023 — Consolidated purchased transportation expense decreased \$3.5 million increased \$28.5 million for the second quarter ended March 31, 2024, of 2024, as compared to the same period last year. The decrease increase is primarily due to the inclusion of \$74.2 million from the results of U.S. Xpress, partially offset by decreased load volume within our logistics and intermodal businesses, partially offset by \$70.7 million businesses.

Comparison Between Year-to-Date June 30, 2024 and 2023 — Consolidated purchased transportation expense increased \$25.0 million for the first half of 2024, as compared to the same period last year. The increase is primarily due to the inclusion of \$144.9 million from the results of U.S. Xpress.

We expect that consolidated purchased transportation will increase as a percentage of revenue if we grow Xpress, partially offset by decreased load volume within our logistics and intermodal businesses faster than our full truckload and LTL businesses. The increase could be partially offset if independent contractors exit the market due to regulatory changes.

	Quarter Ended March 31,			Increase (Decrease)
	2024		2023	
	(Dollars in thousands)			
Impairments	\$ 3,982	\$ —	—	100.0 %

For the quarter ended March 31, 2024, we incurred impairment charges associated with building improvements and certain revenue equipment held for sale (within the Truckload segment and All Other Segments). In connection with our acquisitions, changes to estimates following the acquisition date could require the Company to record impairment charges.

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KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED

	Quarter Ended March 31,		Quarter Ended March 31,		Quarter Ended March 31,				
	Quarter Ended June 30,		Year-to-Date (Decrease),		QTD 2024 vs.		YTD 2024 vs.		
	2024	2024	2023		2024	2023	QTD 2023	YTD 2023	
(Dollars in thousands)									
(Dollars in thousands)									
(Dollars in thousands)			(Dollars in thousands)			Increase (Decrease)			
<i>Miscellaneous operating expenses</i>									
<i>Impairments</i>									
<i>Miscellaneous operating expenses</i>									
<i>Impairments</i>									
<i>Miscellaneous operating expenses</i>	\$	53,832	\$	30,709	75.3 %				
<i>Impairments</i>	\$	5,877	\$	—	\$ 9,859	\$ —	100.0 %	100.0 %	

In 2024, we incurred impairment charges associated with building improvements certain revenue equipment held for sale, leases, and other equipment (within the Truckload segment and All Other Segments).

Quarter Ended June 30, Year-to-Date June 30, QTD 2024 vs. YTD 2024 vs.

	2024	2023	2024	2023	QTD 2023	YTD 2023
	(Dollars in thousands)				Increase (Decrease)	
Miscellaneous operating expenses	\$ 52,447	\$ 36,992	\$ 106,279	\$ 67,701	41.8 %	57.0 %

Miscellaneous operating expenses primarily consist of legal and professional services fees, general and administrative expenses, other costs, as well as net gain on sales of equipment.

Comparison Between the Quarters Ended March 31, 2024 June 30, 2024 and 2023 — The \$23.1 million \$15.5 million increase in net consolidated miscellaneous operating expenses is primarily due to the inclusion of \$9.3 million \$10.5 million from the results of U.S. Xpress as well as a \$14.3 million \$7.4 million decrease in gain on sales of equipment.

Comparison Between Year-to-Date June 30, 2024 and 2023 — The \$38.6 million increase in net consolidated miscellaneous operating expenses is primarily due to the inclusion of \$19.8 million from the results of U.S. Xpress as well as a \$21.7 million decrease in gain on sales of equipment.

Consolidated Other Expenses (Income)

Quarter Ended March 31,	Quarter Ended March 31,	Quarter Ended March 31,	Quarter Ended June 30,	Increase Year-to-Date June 30,	QTD 2024 vs.	YTD 2024 vs.	YTD 2023
2024	2024	2023	2024	2023	QTD 2023	YTD 2023	
(Dollars in thousands)	(Dollars in thousands)	(Dollars in thousands)	(Dollars in thousands)	(Dollars in thousands)			
Interest expense							
Interest expense	\$ 41,236	\$ 23,091	78.6 %	\$ 40,482	\$ 24,354	\$ 81,718	\$ 47,445
Other (income) expenses, net	(8,992)	(9,703)	(7.3 %)	(4,888)	(9,679)	(9,679)	(13,880)
Income tax (benefit) expense	(3,674)	32,735	(111.2 %)				
Income tax expense	11,790	21,959	8,116	54,694	(46.3 %)	(85.2 %)	66.2

Interest expense — Interest expense is comprised of debt and finance lease interest expense as well as amortization of deferred loan costs. The increase in interest expense during the second quarter ended March 31, 2024 and the first half of 2024 was primarily due to higher debt balances related to the acquisition of U.S. Xpress as well as higher interest rates. Additional details regarding our debt are discussed in Note 6 in Part I, Item 1 of this Quarterly Report.

Other (income) expenses, net — Other (income) expenses, net is primarily comprised of losses and (gains) from our various equity investments, as well as certain other non-operating income and expense items that may arise outside of the normal course of business.

Comparison Between the Quarters Ended March 31, 2024 June 30, 2024 and 2023 — The \$0.7 million \$4.8 million decrease in other (income) expenses, net is primarily driven by a decrease in the net gain recorded within our portfolio of investments during the second quarter of 2024.

Comparison Between Year-to-Date June 30, 2024 and 2023 — The \$5.5 million decrease in other (income) expenses, net is primarily driven by a decrease in the net gain recorded within our portfolio of investments during the first quarter half of 2024.

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KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED

Income tax expense — In addition to the discussion below, Note 4 in Part I, Item 1 of this Quarterly Report provides further analysis related to income taxes.

Comparison Between the Quarters Ended March 31, 2024 June 30, 2024 and 2023 — The \$36.4 million \$10.2 million decrease in consolidated income tax expense was primarily due to a reduction of pre-tax income. Our effective tax rate for the first second quarter of 2024 was 55.1% 37.2%, compared to 24.0% 25.9% for the second quarter of 2023.

Comparison Between Year-to-Date June 30, 2024 and 2023 — The \$46.6 million decrease in consolidated income tax expense was primarily due to a reduction of pre-tax income. This resulted in an effective tax rate of 32.4% for the first quarter half of 2024, and 24.7% for the first half of 2023.

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KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED

Non-GAAP Financial Measures

The terms "Adjusted Net Income Attributable to Knight-Swift," "Adjusted EPS," "Adjusted Operating Income," "Adjusted Operating Ratio," and "Free Cash Flow," as we define them, are not presented in accordance with GAAP. These financial measures supplement our GAAP results in evaluating certain aspects of our business. We believe that using these measures improves comparability in analyzing our performance because they remove the impact of items from our operating results that, in our opinion, do not reflect our core operating performance. Management and the Board focus on Adjusted Net Income Attributable to Knight-Swift, Adjusted EPS, Adjusted Operating Income, and Adjusted Operating Ratio as key measures of our performance, all of which are reconciled to the most comparable GAAP financial measures and further discussed below. Management and the Board use Free Cash Flow as a key measure of our liquidity. Free Cash Flow does not represent residual cash flow available for discretionary expenditures. We believe our presentation of these non-GAAP financial measures is useful because it provides investors and securities analysts the same information that we use internally for purposes of assessing our core operating performance.

Adjusted Net Income Attributable to Knight-Swift, Adjusted EPS, Adjusted Operating Income, Adjusted Operating Ratio, and Free Cash Flow are not substitutes for their comparable GAAP financial measures, such as net income, cash flows from operating activities, operating income, or other measures prescribed by GAAP. There are limitations to using non-GAAP financial measures. Although we believe that they improve comparability in analyzing our period to period performance, they could limit comparability to other companies in our industry if those companies define these measures differently. Because of these limitations, our non-GAAP financial measures should not be considered measures of income generated by our business or discretionary cash available to us to invest in the growth of our business. Management compensates for these limitations by primarily relying on GAAP results and using non-GAAP financial measures on a supplemental basis.

Pursuant to the requirements of Regulation G, the following tables reconcile GAAP consolidated net income attributable to Knight-Swift to non-GAAP consolidated Adjusted Net Income attributable to Knight-Swift, GAAP consolidated earnings per diluted share to non-GAAP consolidated Adjusted EPS, GAAP consolidated operating ratio to non-GAAP consolidated Adjusted Operating Ratio, GAAP reportable segment operating income to non-GAAP reportable segment Adjusted Operating Income, GAAP reportable segment operating ratio to non-GAAP reportable segment Adjusted Operating Ratio, and GAAP cash flow from operations to non-GAAP Free Cash Flow.

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED

Non-GAAP Reconciliation: Consolidated Adjusted Net Income Attributable to Knight-Swift and Adjusted EPS

	Quarter Ended March 31,			Year-to-Date June 30,		
	Quarter Ended March 31,			Year-to-Date June 30,		
	Quarter Ended March 31,			Year-to-Date June 30,		
	2024	2024	2024	2024	2023	2023
	(In thousands)	(In thousands)	(In thousands)	(In thousands)	(In thousands)	(In thousands)
GAAP: Net (loss) income attributable to Knight-Swift						
GAAP: Net income attributable to Knight-Swift						
Adjusted for:						
Income tax (benefit) expense attributable to Knight-Swift						
Income tax (benefit) expense attributable to Knight-Swift						
Income tax (benefit) expense attributable to Knight-Swift						
(Loss) Income before income taxes attributable to Knight-Swift						
Income tax expense attributable to Knight-Swift						
Income tax expense attributable to Knight-Swift						
Income tax expense attributable to Knight-Swift						
Income before income taxes attributable to Knight-Swift						
Amortization of intangibles ¹						
Impairments ²						
Legal accruals and loss contingencies ³						
Legal accruals ³						
Transaction fees ⁴						
Severance expense ⁵						
Severance expense ⁵						
Severance expense ⁵						
Change in fair value of deferred earnout ⁶						

Adjusted income before income taxes
Adjusted income before income taxes
Adjusted income before income taxes
Provision for income tax expense at effective rate ⁶
Provision for income tax expense at effective rate ⁷

Non-GAAP: Adjusted Net Income Attributable to Knight-Swift

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

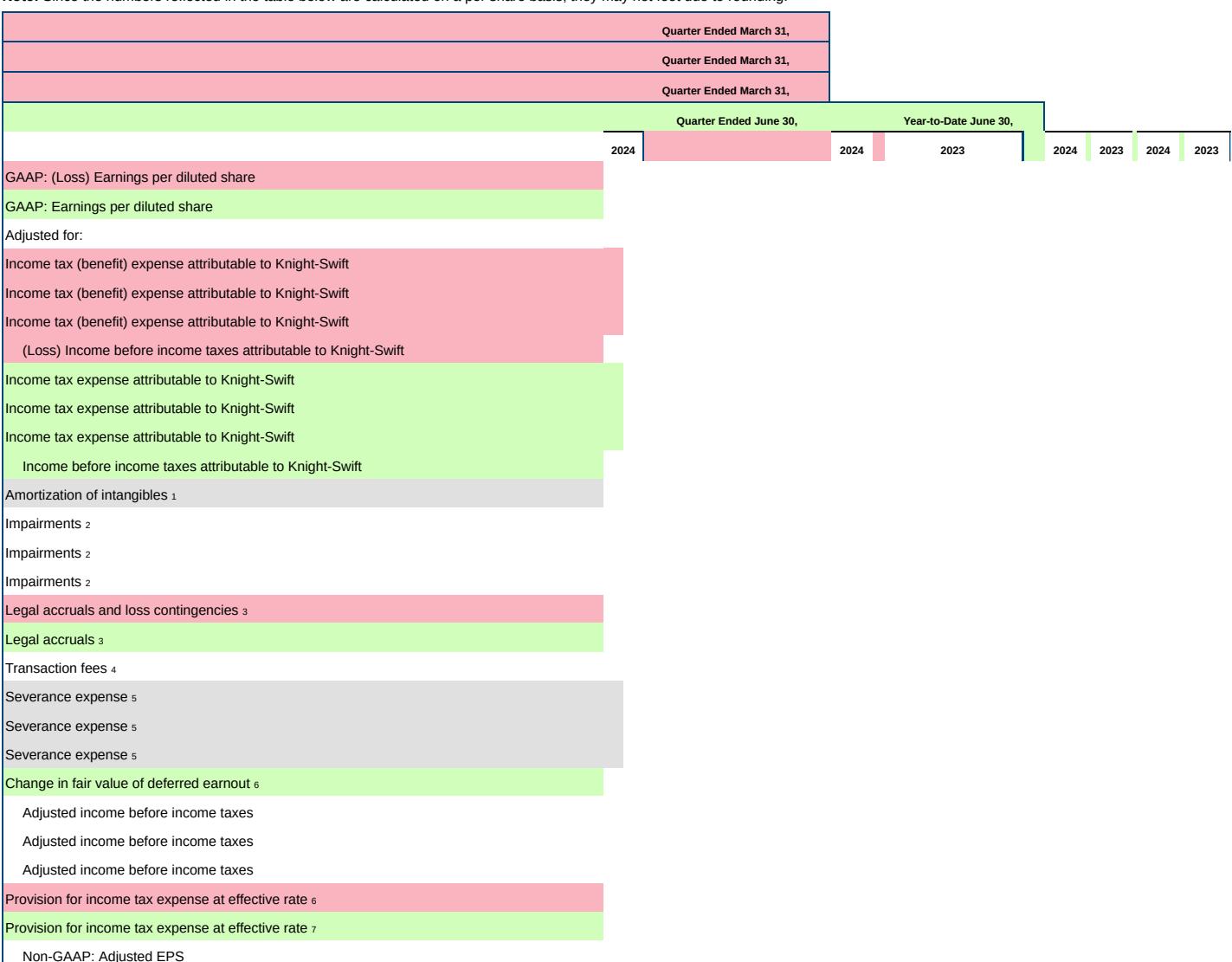


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KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED

- "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. Refer to Note 3 in Part I, Item 1 of this Quarterly Report for additional details regarding our acquisitions.
- "Impairments" reflects the non-cash **impairment** impairments of building improvements, and certain revenue equipment held for sale, **leases**, and **other equipment** (within the Truckload segment and All Other Segments).
- "Legal accruals and loss contingencies" **accruals** are included in "Miscellaneous operating expenses" in the condensed consolidated statements of comprehensive income and reflect the following:
 - Second quarter 2024 legal expense reflects the increased estimated exposures for accrued legal matters based on recent settlement agreements. First quarter 2024 legal expense reflects the increased estimated exposures for an accrued legal matter based on a recent settlement agreement.

- Second quarter 2023 legal expense reflects the increased estimated exposure for an accrued legal matter based on a recent settlement agreement.
- 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.

4 "Transaction fees" consists of 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" in the condensed statements of comprehensive income.

5 "Severance expense" is included within "Salaries, wages, and benefits" in the condensed statements of comprehensive income.

6 "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 UTXL, which is recorded in "Miscellaneous operating expenses."

7 For the second quarter of 2024, an adjusted effective tax rate of 31.1% was applied in our Adjusted EPS calculation to exclude certain discrete items. For the year-to-date period ended June 30, 2024, an adjusted effective tax rate of 27.7% was applied in our Adjusted EPS calculation to exclude certain discrete items.

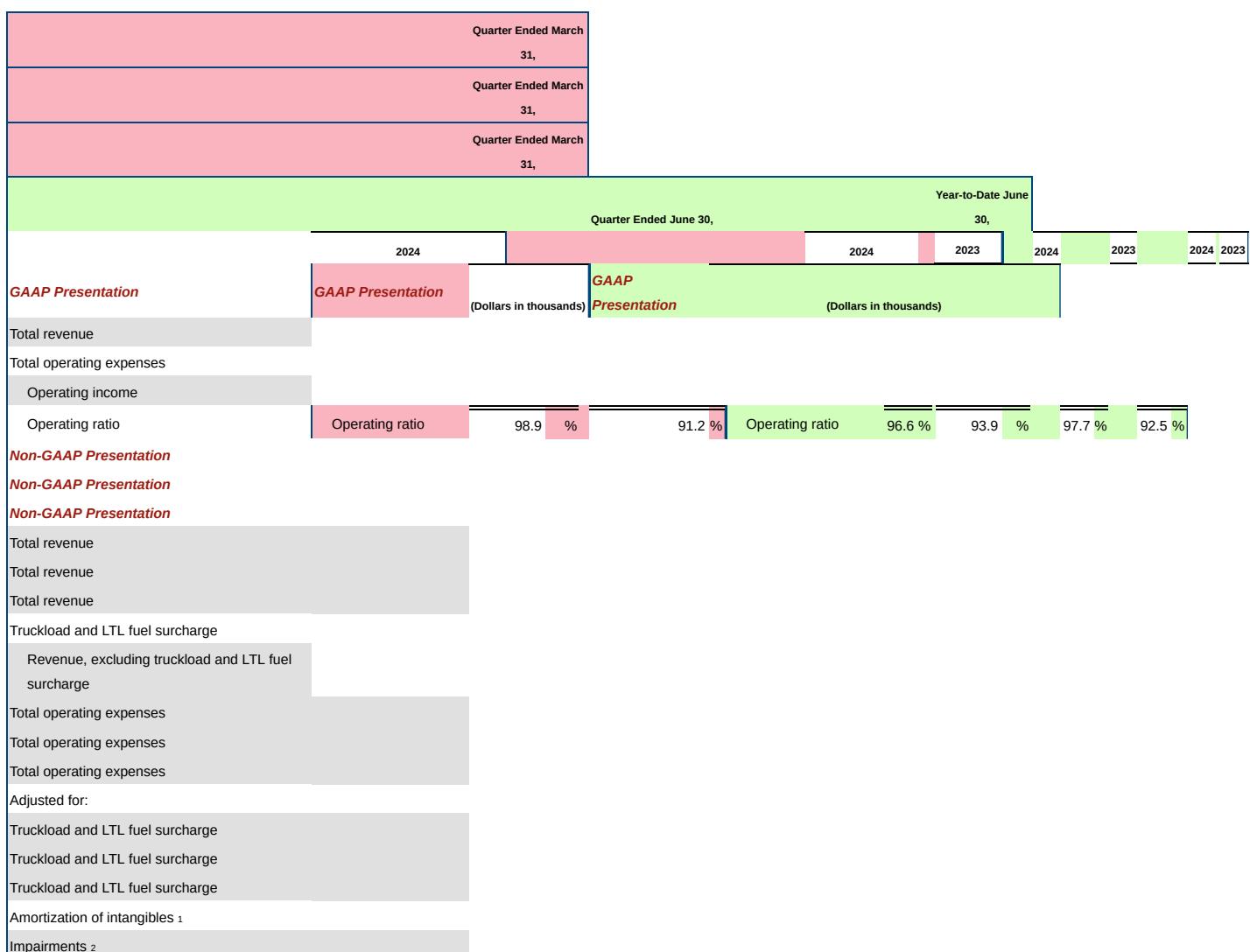
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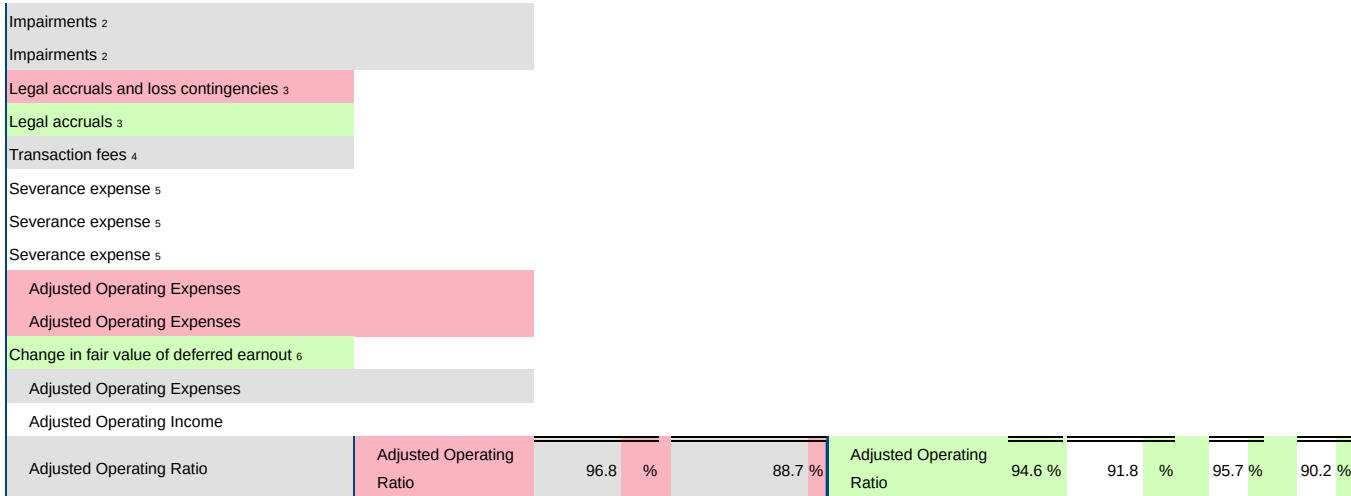
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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED

6 For the first quarter of 2024, an adjusted effective tax rate of 19.7% was applied in our Adjusted EPS calculation to exclude certain discrete items.

Non-GAAP Reconciliation: Consolidated Adjusted Operating Income and Adjusted Operating Ratio





1 See Non-GAAP Reconciliation: Consolidated Adjusted Net Income Attributable to Knight-Swift and Adjusted EPS footnote 1.

2 See Non-GAAP Reconciliation: Consolidated Adjusted Net Income Attributable to Knight-Swift and Adjusted EPS footnote 2.

3 See Non-GAAP Reconciliation: Consolidated Adjusted Net Income Attributable to Knight-Swift and Adjusted EPS footnote 3.

4 See Non-GAAP Reconciliation: Consolidated Adjusted Net Income Attributable to Knight-Swift and Adjusted EPS footnote 4.

5 See Non-GAAP Reconciliation: Consolidated Adjusted Net Income Attributable to Knight-Swift and Adjusted EPS footnote 5.

6 See Non-GAAP Reconciliation: Consolidated Adjusted Net Income Attributable to Knight-Swift and Adjusted EPS footnote 6.

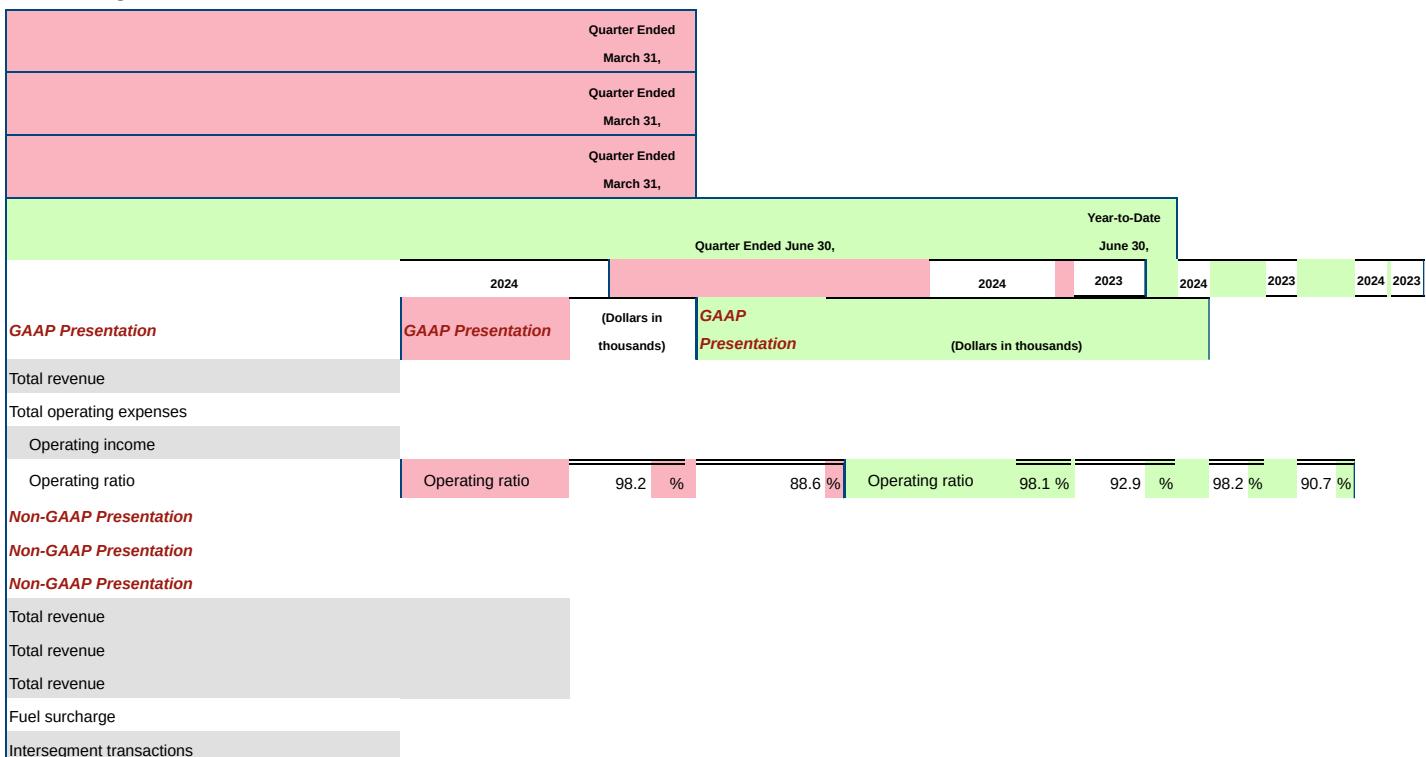
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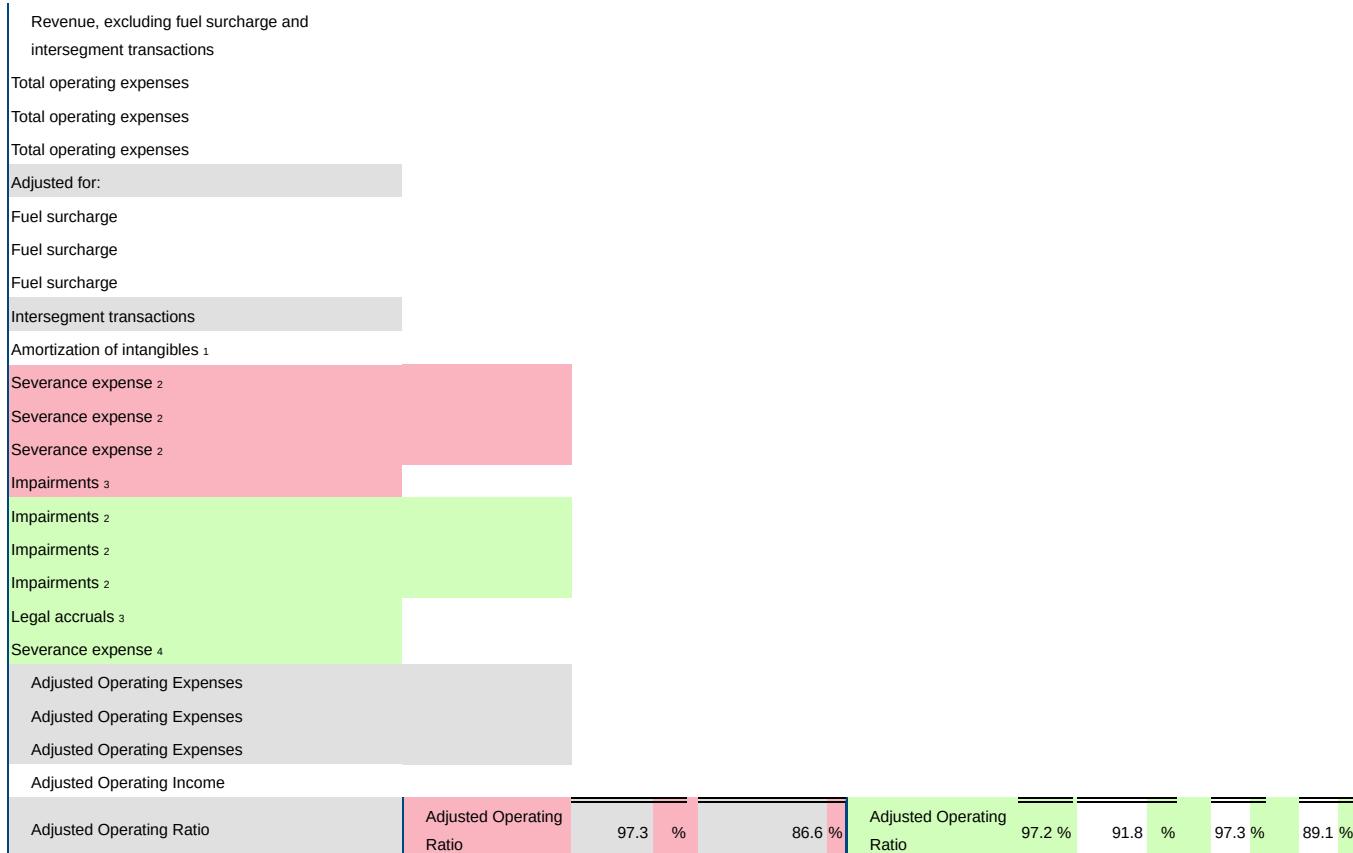
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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED

Non-GAAP Reconciliation: Reportable Segment Adjusted Operating Income and Adjusted Operating Ratio

Truckload Segment





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

2 See Non-GAAP Reconciliation: Consolidated Adjusted Net Income Attributable to Knight-Swift and Adjusted EPS footnote 5.

3 See Non-GAAP Reconciliation: Consolidated Adjusted Net Income Attributable to Knight-Swift and Adjusted EPS footnote 2.

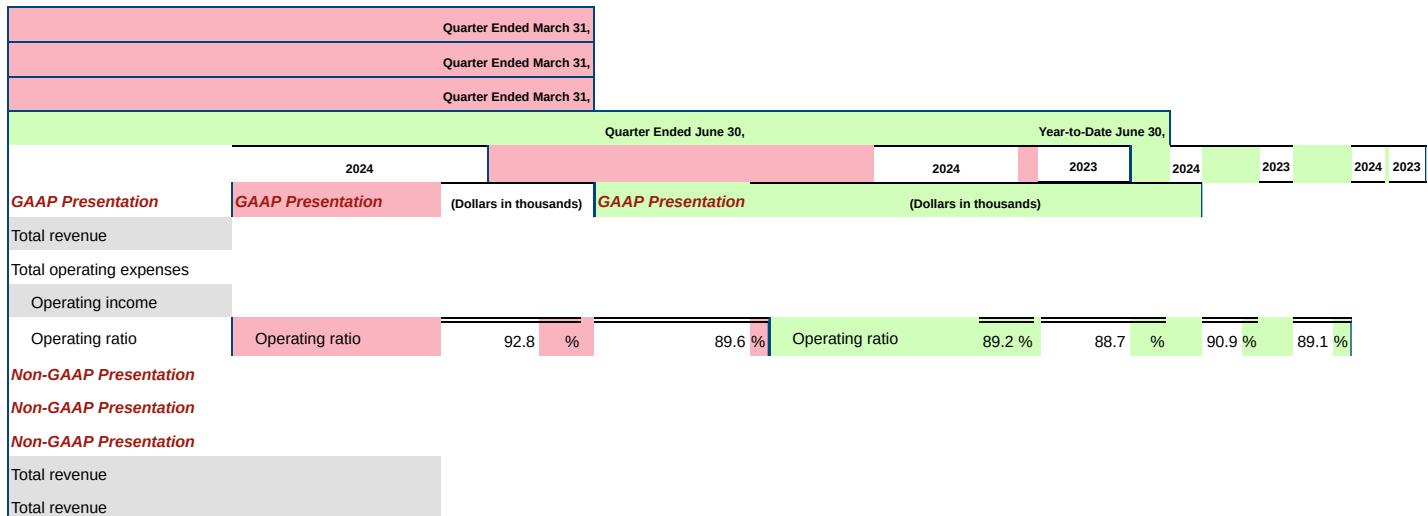
4 See Non-GAAP Reconciliation: Consolidated Adjusted Net Income Attributable to Knight-Swift and Adjusted EPS footnote 5.

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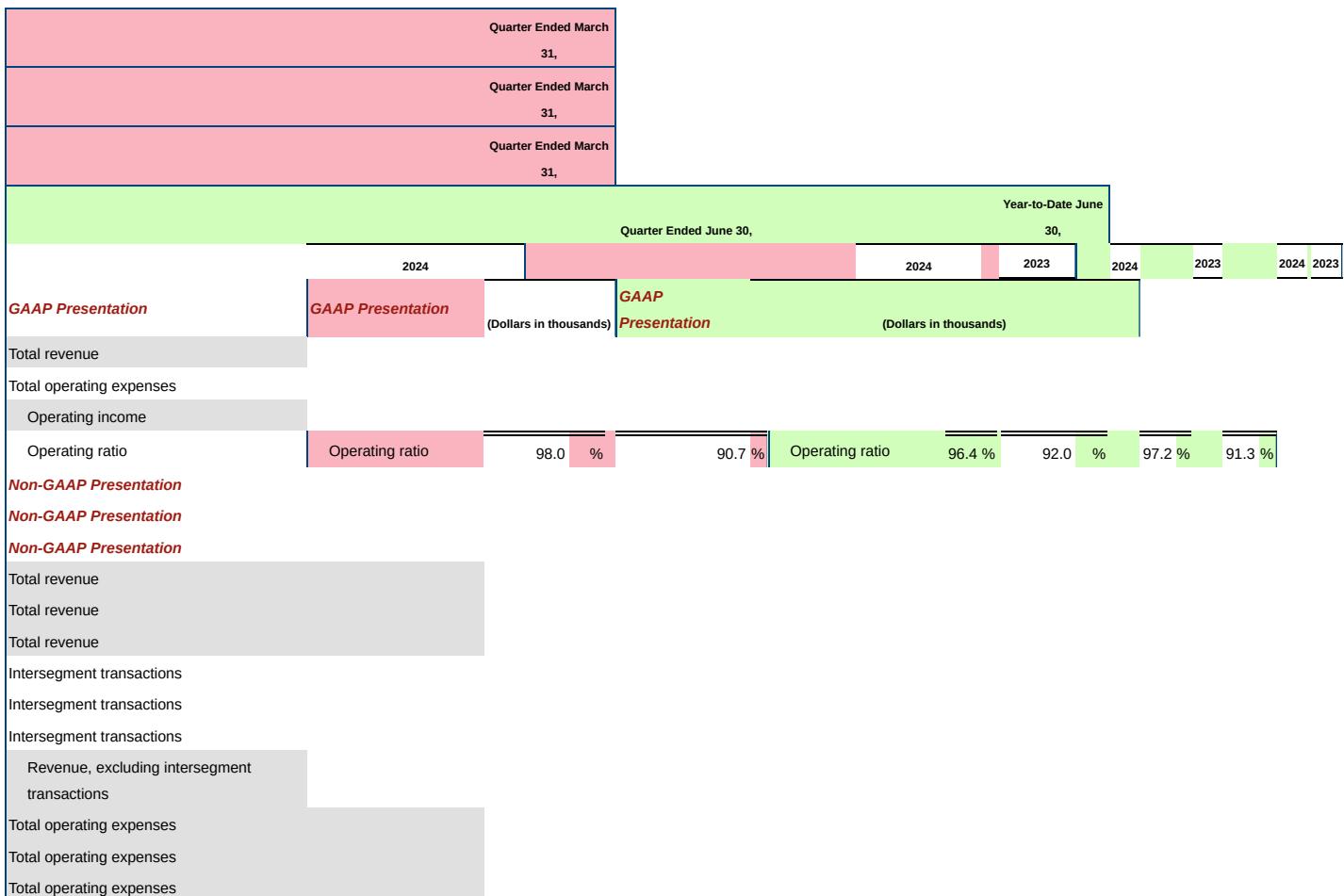
LTL Segment



Total revenue	
Fuel surcharge	
Revenue, excluding fuel surcharge	
Revenue, excluding fuel surcharge	
Revenue, excluding fuel surcharge	
Total operating expenses	
Total operating expenses	
Total operating expenses	
Adjusted for:	
Fuel surcharge	
Fuel surcharge	
Fuel surcharge	
Amortization of intangibles ¹	
Amortization of intangibles ¹	
Amortization of intangibles ¹	
Adjusted Operating Expenses	
Adjusted Operating Expenses	
Adjusted Operating Expenses	
Adjusted Operating Income	
Adjusted Operating Ratio	Adjusted Operating Ratio 90.0 %
	85.7 %
	Adjusted Operating Ratio 85.9 %
	85.1 %
	87.9 %
	85.4 %

1 "Amortization of intangibles" reflects the non-cash amortization expense relating to intangible assets identified with the ACT and MME acquisitions.

Logistics Segment



Adjusted for:								
Intersegment transactions								
Intersegment transactions								
Intersegment transactions								
Amortization of intangibles ¹								
Adjusted Operating Expenses								
Adjusted Operating Expenses								
Adjusted Operating Expenses								
Adjusted Operating Income								
Adjusted Operating Ratio	Adjusted Operating Ratio	97.1 %	90.4 %	Adjusted Operating Ratio	95.5 %	91.6 %	96.3 %	90.9 %

¹ "Amortization of intangibles" reflects the non-cash amortization expense relating to intangible assets identified in the U.S. Xpress and UTXL acquisitions.

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KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED

Intermodal Segment

	Quarter Ended March 31,							
	Quarter Ended March 31,							
	Quarter Ended March 31,							
		Quarter Ended June 30,		Year-to-Date June 30,				
		2024		2024	2023	2024	2023	2024
GAAP Presentation	GAAP Presentation	(Dollars in thousands)	GAAP Presentation	(Dollars in thousands)				
Total revenue								
Total operating expenses								
Operating (loss) income								
Operating loss								
Operating ratio	Operating ratio	105.6 %	95.4 %	Operating ratio	101.8 %	106.4 %	103.6 %	100.7 %

Non-GAAP Reconciliation: Free Cash Flow

	Quarter Ended March 31, 2024	Year-to-Date June 30, 2024
GAAP: Cash flows from operations	\$ 37,275	310,700
Adjusted for:		
Proceeds from sale of property and equipment, including assets held for sale	50,605	114,033
Purchases of property and equipment	(191,905)	(372,661)
Non-GAAP: Free Cash Flow	\$ (104,025)	52,072

Liquidity and Capital Resources

Sources of Liquidity

Our primary sources of liquidity are funds provided by operations and the following:

Source	March 31, June 30, 2024
(In thousands)	
Cash and cash equivalents, excluding restricted cash	\$ 204,762 186,473
Availability under 2021 Revolver, due September 2026 ¹	880,007 961,899
Availability under 2023 RSA, due October 2025 ²	3,875 333
Total unrestricted liquidity	\$ 1,088,644 1,148,705
Cash and cash equivalents – restricted ³	140,229 152,784
—	
Total liquidity, including restricted cash and restricted investments	\$ 1,228,873 1,301,489

- As of March 31, 2024 June 30, 2024, we had \$202.0 million \$120.0 million borrowings under our \$1.1 billion 2021 Revolver. We additionally had \$18.0 million \$18.1 million in outstanding letters of credit (discussed below) issued under the 2021 Revolver, leaving \$880.0 million \$961.9 million available under the 2021 Revolver.
- Based on eligible receivables at March 31, 2024 June 30, 2024, our borrowing base for the 2023 RSA was \$479.6 million \$479.9 million, while outstanding borrowings were \$454.0 million \$452.4 million, along with \$27.2 million in outstanding letters of credit, leaving \$3.9 million \$0.3 million available under the 2023 RSA. Refer to Note 5 in Part I, Item 1 of this Quarterly Report for more information regarding the 2023 RSA.
- Restricted cash and restricted investments are primarily held by our captive insurance companies for claims payments. "Cash and cash equivalents – restricted" consists of \$136.2 million \$149.6 million included in "Cash and cash equivalents – restricted" on the condensed consolidated balance sheet held by Mohave and Red Rock for claims payments. The remaining \$4.1 million \$3.2 million is included in "Other long-term assets" and is held in escrow accounts to meet statutory requirements.

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KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED

Uses of Liquidity

Our business requires substantial amounts of cash for operating activities, including salaries and wages paid to our employees, contract payments to independent contractors, insurance and claims payments, tax payments, and others. We also use large amounts of cash and credit for the following activities:

Capital Expenditures — When justified by customer demand, as well as our liquidity and our ability to generate acceptable returns, we make substantial cash capital expenditures to maintain a modern company tractor fleet, refresh and expand our trailer fleet, expand our network of LTL service centers, and, to a lesser extent, fund upgrades to our terminals and technology in our various service offerings. In connection with our business strategy, we regularly evaluate acquisition and strategic partnership opportunities. We expect net cash capital expenditures, will be in the range of \$625.0 \$600.0 – \$675.0 million \$650.0 million for full-year 2024. This range Our expected net cash capital expenditures primarily represent replacements of existing tractors and trailers and investments in our terminal network, driver amenities, and technology, and excludes cash outlays for completed and potential acquisitions. We believe we have ample flexibility in our trade cycle and purchase agreements to alter our current plans if economic and other conditions warrant.

Over the long-term, we will continue to have significant capital requirements, which may require us to seek additional borrowing, lease financing, or equity capital. The availability of financing or equity capital will depend upon our financial condition and results of operations as well as prevailing market conditions. If such additional borrowing, lease financing, or equity capital is not available at the time we need it, then we may need to borrow more under the 2021 Revolver (if not then fully drawn), extend the maturity of then-outstanding debt, rely on alternative financing arrangements, engage in asset sales, limit our fleet size, or operate our revenue equipment for longer periods.

There can be no assurance that we will be able to obtain additional debt under our existing financial arrangements to satisfy our ongoing capital requirements. However, we believe the combination of our expected cash flows, financing available through operating and finance leases, available funds under our accounts receivable securitization, and availability under the 2021 Revolver will be sufficient to fund our expected capital expenditures for at least the next twelve months.

Principal and Interest Payments — As of March 31, 2024 June 30, 2024, we had debt, accounts receivable securitization, and finance lease obligations of \$2.7 billion, which are discussed under "Material Debt Agreements," below. Certain cash flows from operations are committed to minimum payments of principal and interest on our debt and lease obligations. Additionally, when our financial position allows, we periodically make voluntary prepayments on our outstanding debt balances.

Letters of Credit — Pursuant to the terms of the 2021 Debt Agreement and the 2023 RSA, our lenders may issue standby letters of credit on our behalf. When we have certain letters of credit outstanding, the availability under the 2021 Revolver or 2023 RSA is reduced accordingly. As of March 31, 2024 June 30, 2024, we also had outstanding letters of credit of \$264.5 million \$265.0 million pursuant to a bilateral agreement which do not impact the availability of the 2021 Revolver and 2023 RSA. Standby letters of credit are typically issued for the benefit of regulatory authorities, insurance companies and state departments of insurance for the purpose of satisfying certain collateral requirements, primarily related to our automobile, workers' compensation, and general insurance liabilities.

Share Repurchases — From time to time, and depending on Free Cash Flow, availability, debt levels, common stock prices, general economic and market conditions, as well as internal approval requirements, we may repurchase shares of our outstanding common stock. As of March 31, 2024 June 30, 2024, the Company had \$200.0 million remaining under the 2022 Knight-Swift Share Repurchase Plan. Additional details regarding our share repurchase plans are discussed in Note 10 in Part I, Item 1 of this Quarterly Report.

¹ Refer to "Non-GAAP Financial Measures."

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KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED

Working Capital

We had a working capital deficit of **\$111.1 million** **\$199.9 million** as of **March 31, 2024** **June 30, 2024** and a working capital deficit of \$116.3 million as of December 31, 2023. Our working capital deficit is primarily **related** **attributed** to the current maturity related to the 2021 Term Loan A-2 which matures in September 2024.

Material Debt Agreements

As of **March 31, 2024** **June 30, 2024**, we had \$2.7 billion in material debt obligations at the following carrying values:

- **\$199.9** **200.0** million: 2021 Term Loan A-2, due September 2024, net of **\$0.1 million** **\$25,000** in deferred loan costs
- **\$799.1** **799.2** million: 2021 Term Loan A-3, due September 2026, net of **\$0.9 million** in deferred loan costs
- **\$249.2 million**: 2023 Term Loan, due September 2026, net of **\$0.8 million** in deferred loan costs
- **\$453.6** **249.3** million: 2023 Term Loan, due September 2026, net of **\$0.7 million** in deferred loan costs
- **\$452.0** million: 2023 RSA outstanding borrowings, net of **\$0.4 million** in deferred loan costs
- **\$532.7** **569.5** million: Finance lease obligations
- **\$202.0** **120.0** million: 2021 Revolver, due September 2026
- **\$269.3** **251.3** million: Revenue equipment installment notes
- **\$24.8** **24.1** million: Other, net of approximately **\$19,000** **\$16,000** in deferred loan costs

As of December 31, 2023, we had \$2.7 billion in material debt obligations at the following carrying values:

- \$199.9 million: 2021 Term Loan A-2, due September 2024, net of \$0.1 million in deferred loan costs
- \$799.1 million: 2021 Term Loan A-3, due September 2026, net of \$0.9 million in deferred loan costs
- \$249.1 million: 2023 Term Loan, due September 2026, net of \$0.9 million in deferred loan costs
- \$526.5 million: 2023 RSA outstanding borrowings, net of \$0.5 million in deferred loan costs
- \$528.9 million: Finance lease obligations
- \$67.0 million: 2021 Revolver, due September 2026
- \$279.3 million: Revenue equipment installment notes
- \$33.6 million: Other, net of \$22,000 in deferred loan costs

Cash Flow Analysis

	Quarter Ended March 31,	Change
	Year-to-Date June 30,	Change
Net cash provided by operating activities		(In thousands)
Net cash provided by operating activities		(In thousands)
Net cash provided by operating activities		(In thousands)
Net cash used in investing activities		
Net cash used in financing activities		
Net cash (used in) provided by financing activities		
Net Cash Provided by Operating Activities		

Comparison Between Quarter Ended March 31, 2024 Year-to-Date June 30, 2024 and 2023 — The **\$307.9 million** **\$411.5 million** decrease in net cash provided by operating activities included a **\$124.2 million** **\$154.8 million** decrease in operating income for year-to-date **March 31, 2024** **June 30, 2024**, a \$161.1 million cash payment for a commutation agreement to transfer certain outstanding insurance reserves to a third party, and a **\$19.3** **\$41.1** million increase in cash paid for **interest**, which was partially offset by a **\$2.0 million** decrease in cash paid for taxes. **interest**. **Note:** Factors affecting the increase in operating income are discussed in "Results of Operations — Consolidated Operating and Other Expenses."

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KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED

Net Cash Used in Investing Activities

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Comparison Between Quarter Ended March 31, 2024 Year-to-Date June 30, 2024 and 2023 — The \$57.6 million \$157.1 million decrease in net cash used in investing activities was primarily due to a \$59.7 million \$160.5 million decrease in net cash capital expenditures.

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KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED

Net Cash Used in Financing Activities

Comparison Between Quarter Ended March 31, 2024 Year-to-Date June 30, 2024 and 2023 — Net cash used in financing activities decreased increased by \$112.4 million \$418.9 million, primarily due to \$178.0 a \$250.0 million increase decrease in proceeds from the 2023 Term Loan, \$114.0 million decrease in net proceeds from our 2021 Revolver, which was partially offset by the \$38.0 million and a \$62.0 million increase in net repayments our 2023 RSA, and a \$35.8 million increase in payments on our finance leases and long-term debt.

Seasonality

Discussion regarding the impact of seasonality on our business is included in Note 1 in the notes to the condensed consolidated financial statements, included in Part I, Item 1 of this Quarterly Report, incorporated by reference herein.

Inflation

Most of our operating expenses are inflation-sensitive, with inflation generally leading to increased costs of operations. Price increases in manufacturer manufactured revenue equipment has impacted the cost for us to acquire new equipment. Cost increases have also impacted the cost of parts for equipment repairs and maintenance. The qualified driver shortage experienced by the trucking industry overall has had the effect of increasing compensation paid to our driving associates. We have also experienced inflation in insurance and claims cost related to health insurance and claims as well as auto liability insurance and claims. Prolonged periods of inflation have recently and could continue to cause interest rates, fuel, wages, and other costs to increase as well. Any of these factors could adversely affect our results of operations unless freight rates correspondingly increase.

Recently Issued Accounting Pronouncements

See Note 2 in Part I, Item 1 of this Quarterly Report, which is incorporated herein by reference, for the impact of recently issued accounting pronouncements on the Company's condensed consolidated financial statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

We have exposure from variable interest rates, primarily related to our 2021 Debt Agreement, 2023 Term Loan, and 2023 RSA. These variable interest rates are impacted by changes in short-term interest rates. We primarily manage interest rate exposure through a mix of variable rate debt (weighted average rate of 6.3% 6.7% as of March 31, 2024 June 30, 2024) and fixed rate equipment lease financing. Assuming the level of borrowings as of March 31, 2024 June 30, 2024, a hypothetical one percentage point increase in interest rates would increase our annual interest expense by \$19.1 million \$18.4 million.

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KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

Commodity Price Risk

We have commodity exposure with respect to fuel used in company-owned tractors. Increases in fuel prices would continue to raise our operating costs, even after applying fuel surcharge revenue. Historically, we have been able to recover a majority of fuel price increases from our customers in the form of fuel surcharges. The weekly average diesel price per gallon in the US decreased to \$3.96 \$3.86 for the first second quarter of 2024 from an average of \$4.40 \$3.94 in the first second quarter of 2023. The weekly average diesel price per gallon decreased to \$3.91 for year-to-date June 30, 2024 from an average price of \$4.16 for year-to-date June 30, 2023. We cannot predict the extent or speed of potential changes in fuel price levels in the future, the degree to which the lag effect of our fuel surcharge programs will impact us as a result of the timing and magnitude of such changes, or the extent to which effective fuel surcharges can be maintained and collected to offset such increases. We generally have not used derivative financial instruments to hedge our fuel price exposure in the past, but continue to evaluate this possibility. To mitigate the impact of rising fuel costs, we contract with some of our fuel suppliers to buy fuel at a fixed price or within banded pricing for a specified period, usually not exceeding twelve months. However, these purchase commitments only cover a small portion of our fuel consumption. Accordingly, fuel price fluctuations may still negatively impact us.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

We have established disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) to ensure that material information relating to us, including our consolidated subsidiaries, is made known to the officers who certify our financial reports and to other members of senior management and the Board. Our management, with the participation of our principal executive officer and principal financial officer, conducted an evaluation of the effectiveness of our disclosure controls and procedures. Based on this evaluation, as of the end of the period covered by this Quarterly Report on Form 10-Q our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures are effective to ensure that the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is (1) recorded, processed, summarized, and reported within the time periods specified in the SEC rules and forms, and (2) accumulated and communicated to management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended **March 31, 2024** **June 30, 2024**, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. We base our internal control over financial reporting on the criteria set forth in the 2013 COSO Internal Control: Integrated Framework.

We have confidence in our disclosure controls and procedures and internal control over financial reporting. Nevertheless, our management, including our principal executive officer and principal financial officer, does not expect that our disclosure controls and procedures and internal control over financial reporting will prevent all errors, misstatements, or fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected.

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KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

PART II OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Information about our legal proceedings is included in Note 9 of the notes to our condensed consolidated financial statements, included in Part I, Item 1, of this Quarterly Report for the period ended **March 31, 2024** **June 30, 2024**, and is incorporated by reference herein.

ITEM 1A. RISK FACTORS

While we attempt to identify, manage, and mitigate risks and uncertainties associated with our business, some level of risk and uncertainty will always be present. Our 2023 Annual Report in the **sections** section entitled "Item 1A. Risk Factors," describes some of the risks and uncertainties associated with our business.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs		Approximate Dollar Value That May Yet be Purchased Under the Plans or Programs ¹
			(in thousands, except per share data)	Programs	
January April 1, 2024 to January 31, 2024 April 30, 2024	—	\$ —	—	—	\$ 200,041
February May 1, 2024 to February 29, 2024 May 31, 2024	—	\$ —	—	—	\$ 200,041
March June 1, 2024 to March 31, 2024 June 30, 2024	—	\$ —	—	—	\$ 200,041
Total	—	\$ —	—	—	\$ 200,041

¹ In April 2022, we announced that the Board had approved the \$350.0 million 2022 Knight-Swift Share Repurchase Plan, replacing the 2020 Knight-Swift Share Repurchase Plan. There is no expiration date associated with the 2022 Knight-Swift Share Repurchase Plan. See Note 10 in Part I, Item 1 of this Quarterly Report regarding our share repurchase plans.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

During the quarter ended **March 31, 2024** **June 30, 2024**, no director or officer adopted or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement.

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KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

ITEM 6. EXHIBITS

Exhibit Number	Description	Page or Method of Filing
3.1	Fourth Amended and Restated Certificate of Incorporation of Knight-Swift Transportation Holdings Inc.	Incorporated by reference to Exhibit 3.1 of Form 10-Q for the quarter ended June 30, 2020
3.2	Fifth Amended and Restated By-laws of Knight-Swift Transportation Holdings Inc.	Incorporated by reference to Exhibit 3.1 of Form 8-K filed on November 12, 2023
31.1	Certification pursuant to Item 601(b)(31) of Regulation S-K, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, by Adam W. Miller, the Company's Chief Executive Officer (principal executive officer).	Filed herewith
31.2	Certification pursuant to Item 601(b)(31) of Regulation S-K, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, by Andrew Hess, the Company's Chief Financial Officer (principal financial officer).	Filed herewith
32.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, by Adam W. Miller, the Company's Chief Executive Officer.	Furnished herewith
32.2	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, by Andrew Hess, the Company's Chief Financial Officer.	Furnished herewith
101.INS	Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document	
101.SCH	XBRL Taxonomy Extension Schema Document	Filed herewith
101.CAL	XBRL Taxonomy Calculation Linkbase Document	Filed herewith
101.LAB	XBRL Taxonomy Label Linkbase Document	Filed herewith
101.PRE	XBRL Taxonomy Presentation Linkbase Document	Filed herewith
101.DEF	XBRL Taxonomy Extension Definition Document	Filed herewith
104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)	Filed herewith

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KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

Date: May 1, July 31, 2024

/s/ Adam W. Miller

Adam W. Miller
Chief Executive Officer, in his capacity as such and on
behalf of the registrant

Date: May 1, July 31, 2024

/s/ Andrew Hess

Andrew Hess
Chief Financial Officer, in his capacity as such and on
behalf of the registrant

Severance Agreement and Release

This Severance Agreement and Release (this "Agreement") confirms the terms of the separation of employment of David A. Jackson ("you") from Knight-Swift Transportation Holdings Inc. (the "Company," and collectively with its direct and indirect subsidiaries, the "Company Group"). You and the Company are referred to herein as the "Parties."

1. Separation Date. Your last day of employment with the Company Group was February 26, 2024 (the "Separation Date") and as of such date you ceased to be employed by the Company Group in any capacity and you automatically resigned from all positions you then hold with the Company Group, including as a member of the Board of Directors of the Company (as well as of the Board of Directors of any member of the Company Group, to the extent applicable). You agree to execute any additional document required or requested by the Company Group to effectuate such resignations. Following the Separation Date, you will not represent yourself to be associated in any ongoing capacity with the Company Group.

2. Accrued Benefits; Severance; Equity Awards.

a. Whether or not this Agreement becomes effective pursuant to its terms, the Company will pay or cause to be paid to you (i) your base salary earned through the Separation Date; (ii) all outstanding amounts subject to reimbursement incurred prior to the Separation Date in accordance with Company Group policy; (iv) the amounts accrued and credited to your account under the Company Group's 401(k) Savings Plan in accordance with the terms and conditions of such employee benefit plan; and (v) accrued and unpaid vacation payable to you under the vacation policy, which the Parties acknowledge to be zero days as of the Separation Date (collectively, the "Accrued Benefits"), less all applicable withholdings and deductions.

b. Provided that this Agreement becomes effective pursuant to its terms and you remain in compliance with this Agreement, and with the Restrictive Covenants, at all times, the Company will pay and provide to you (or cause to be paid and provided to you) the cash severance benefits set forth on Appendix A, less all applicable withholdings and deductions, at the time and in the form set forth on Appendix A for each item.

c. Whether this Agreement becomes effective pursuant to its terms or not, all unvested equity awards held by you as of the Separation Date shall be forfeited in accordance with the terms of the applicable plan and award documents.

d. You acknowledge and agree that the payments and benefits provided in Section 2(b) constitute consideration beyond that which, but for the mutual covenants set forth in this Agreement (including, without limitation, the release set forth in Section 3 (the "Release")), the Company Group otherwise would not be obligated to provide to you as of the Separation Date. You acknowledge that you will no longer be entitled to any other benefits, payments or contributions from the Company Group other than those specifically provided for in this Agreement or under an employee benefit plan governed by the Employee Retirement Income Security Act of 1974, as amended.

e. You understand and agree that your material breach of this Agreement, including without limitation any Restrictive Covenants, will eliminate your entitlement to any severance benefits under this Agreement, including such benefits already received and, with respect to benefits received, upon request from the Company Group, you will be required to immediately return such amounts or monetary equivalent of such benefit requested by the Company Group in the event of a breach. **YOU ACKNOWLEDGE THE SIGNIFICANCE AND MATERIALITY OF THIS PROVISION TO THIS AGREEMENT, AND YOUR UNDERSTANDING OF THIS PROVISION.**

3. Release.

a. In exchange for the benefits and undertakings described herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, you hereby release, discharge and forever acquit the Company Group and each of their respective past, present and future stockholders, members, partners, directors, officers, managers, employees, agents, attorneys, heirs, legal representatives, and each of the successors and assigns of the foregoing, in their personal and representative capacities (individually, "Company Group Party," and collectively, the "Company Group Parties"), from liability for, and hereby waive, any and all claims, charges, liabilities, causes of action, rights, complaints, sums of money, suits, debts, covenants, contracts, agreements, promises, benefits, obligations, damages, demands or liabilities of every nature, kind and description, in law, equity or otherwise, whether known or unknown, suspected or unsuspected (collectively, "Claims") which you or your heirs, executors, administrators, spouse, relatives, successors or assigns ever had, now have or may hereafter claim to have by reason of any matter, cause or thing whatsoever: (i) arising from the beginning of time through the date upon which you sign this

Agreement including, but not limited to (A) any such Claims relating in any way to your employment relationship with the Company Group or any other Company Group Parties, and (B) any such Claims arising under any federal, state, local or foreign statute or regulation, including, without limitation, the Age Discrimination in Employment Act of 1967, as amended by the Older Workers Benefit Protection Act (the "ADEA"), Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act of 1990, the Employee Retirement Income Security Act of 1974, Arizona wage laws, Arizona equal pay laws, the Arizona Employment Protection Act, the Arizona Civil Rights Act, the Arizona Occupational Health and Safety Act, Arizona right to work laws, Arizona employee drug testing laws, the Arizona Medical Marijuana Act, Arizona genetic testing laws, the Arizona criminal code, and any other federal, state, local or foreign law (statutory, regulatory or otherwise) that may be legally waived and released; (ii) relating to wrongful employment termination; or (iii) arising under or relating to any policy, agreement, understanding or promise, written or oral, formal or informal, between the Company Group or any of the other Company Group Parties and you, including, without limitation, any incentive compensation plan or equity plan with any Company Group Party. Notwithstanding the above, this release does not extend to (I) claims for Accrued Benefits; (II) claims for worker's compensation benefits or for an occupational disease; (III) any whistleblower claims arising under the Sarbanes-Oxley Act or Dodd-Frank Wall Street Reform and Consumer Protection Act; (IV) claims to require the Company or any member of the Company Group to honor its commitments set forth in this Agreement; (V) claims to interpret or to determine the scope, meaning or effect of this Agreement; (VII) claims for indemnification and officers and directors liability insurance coverage under the charter or by-laws of any member of the Company Group, or applicable law, as applicable; and/or (VIII) claims that cannot be waived as a matter of law pursuant to federal, state, or local law (collectively, clauses (I) through (VIII) are the "Excluded Claims").

b. You further acknowledge and agree that, except with respect to the Accrued Benefits, the Company Group Parties have fully satisfied any and all obligations whatsoever owed to you arising out of your employment with the Company Group or any other Company Group Party, and that no further payments or benefits are owed to you by the Company Group or any other Company Group Party.

c. You represent to each of the Company Group Parties that at no time prior to execution of this Agreement have you filed or caused or permitted the filing of any Claim which you may now have or have ever had against any of the Company Group Parties which is based in whole or in part on any matter referred to in Section 3(a) above; and you acknowledge that, subject to the Company's performance under this Agreement, to the maximum extent permitted by law, you are prohibited from doing so. You further agree that if any person, organization, or other entity should bring a claim against any of the Company Group Parties involving any such matter, you will not accept any personal relief in such action.

d. You agree that, to the maximum extent permitted by law, you will not encourage or voluntarily assist or aid in any way any non-governmental attorneys or their clients or individuals acting on their own behalf in making or filing any lawsuits, complaints, or other proceedings against any of the Company Group Parties, and represent that you have not previously engaged in any such conduct.

e. You understand that you may later discover Claims or facts that may be different than, or in addition to, those which you now know or believe to exist with regards to the subject matter of this Agreement, and which, if known at the time of executing this Agreement, may have materially affected this Agreement or your decision to enter into it. To ensure that the releases described in this Section 3 are fully enforced in accordance with their terms, with respect to any and all Claims released herein, you stipulate and agree that upon the Separation Date, you expressly waive any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or principle of common law, which gives you the right not to release existing Claims of which you are not aware, unless you voluntarily choose to waive this right. Having been so apprised, you nevertheless hereby voluntarily elect to and do waive the right not to release such Claims, and elect to assume all risks for Claims that exist, existed or may hereafter exist in your favor, known or unknown, suspected or unsuspected, arising out of or related to Claims purported to be released pursuant to this Section 3, in each case, effective at the Separation Date. You acknowledge and agree that the foregoing waiver is an essential and material term of the release provided pursuant to this Section 3 and that, without such waiver, the Company would not have agreed to the terms of this Agreement. You agree that, notwithstanding the choice of Arizona law herein and your Arizona residency, to the extent Cal. Civ. Code § 1542 (which provides: "A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."), or a comparable law of another jurisdiction, is deemed applicable, your waiver of rights herein is intended to, and shall be interpreted to, waive the benefit of all of such laws and principles.

f. You represent that you have made no assignment or transfer of any right or Claim covered by this Section 3 and that you further agree that you are not aware of any such right or Claim covered by this Section 3.

g. Through the date upon which it executes this Agreement, the Company, on behalf of the Company Group, agrees that, to the maximum extent permitted by law, neither it nor any member of the Company Group has any known Claims against you.

4. **Attorney Consultation; Voluntary Agreement.** You acknowledge that (a) the Company has advised you to consult with an attorney of your own choosing before signing this Agreement, (b) you have been given the opportunity to seek the advice of counsel, (c) you have carefully read and fully understand all of the provisions of this Agreement, including the Release, (d) the Release specifically applies to any rights or claims you may have against the Company Group Parties pursuant to the ADEA, (e) you are entering into this Agreement knowingly, freely and voluntarily in exchange for good and valuable consideration to which you are not otherwise entitled and (f) you have the full power, capacity and authority to enter into this Agreement.

5. **Review and Revocation Period.**

a. You have twenty-one (21) days following your receipt of this Agreement (the "Consideration Period") to review its terms, including the Release, and to reflect upon them and consider whether you want to sign it, although you may sign it sooner; provided, however, that you may not sign this Agreement prior to the Separation Date. You acknowledge and agree that changes to this Agreement,

whether material or immaterial, do not restart the running of the Consideration Period. You understand and agree that you may consent to this Agreement, including the Release, by signing and returning this Agreement within the applicable time frame to Todd Carlson, General Counsel and Secretary, Knight-Swift Transportation Holdings Inc., 2002 West Wahalla Lane, Phoenix, Arizona 85027 or by e-mail to TCarlson@knighttrans.com.

b. You may revoke your consent to the Release within the seven-day period beginning on the date you execute this Agreement (such seven-day period being referred to herein as the "Release Revocation Period"). To be effective, such revocation must be in writing signed by you and delivered to the Company at the above address before 11:59 p.m., Phoenix, AZ time, on the last day of the Release Revocation Period.

c. In the event of such revocation by you, the Release shall be of no force or effect, and you will not have any rights and neither the Company nor any member of the Company Group will have any obligations under Section 2(b) of this Agreement. Provided that you do not revoke your consent to the Release within the Release Revocation Period, the Release shall become effective on the eighth (8th) calendar day after the date upon which you execute this Agreement (the "Release Effective Date").

6. **Restrictive Covenants.**

a. ***Non-Solicitation of Company Employees at the Vice President Level or Higher.*** For a period of 24 months following the Separation Date, you will not, directly or indirectly (whether as a partner, joint venturer, employee, agent, salesperson, consultant, investor, lender, officer and/or director of any firm, association, partnership, corporation, limited liability company or other entity, or as an equity holder of any entity in which you or your spouse, child or parent owns, directly or indirectly, individually or in the aggregate, more than five percent of the outstanding equity interests), solicit for employment or to serve as a consultant, any person who is, or during the three months prior to the date in question was, a vice president level or higher employee of any member of the Company Group, or encourage any such person to leave employment with the Company Group, or attempt to do so, or cause any other person to do so or attempt to do so, provided that general advertising, including Internet postings and use of search firms, shall not be deemed a breach hereof.

b. ***Restrictions Regarding Acquisition Targets.*** For a period of 24 months following the Separation Date, you will not, directly or indirectly, be employed, engaged, or retained by; act as lender to; invest in; acquire (whether through merger, consolidation, tender offer, direct or indirect purchase of equity interests, assets, or business, or otherwise) all or any portion of; sell or assist in the sale of all or any portion of; or otherwise transact or deal with, any Acquisition Target, or take any action to induce or influence, or attempt to induce or influence, any Acquisition Target to consummate or attempt to consummate any merger, consolidation, tender offer, acquisition (whether through direct or indirect purchase of equity interests, assets, or business), investment or other similar transaction (collectively, "Transaction") with any person or entity other than the Company Group, or induce or influence, or attempt to induce or influence, any Acquisition Target to curtail or cease dealings, discussions, or negotiations with the Company Group. For purposes of this Section, "Acquisition Target" means the entities identified as Listed Acquisition Targets in the mutually agreed record dated today (which you agree constitutes confidential information and trade secrets of the Company subject to your ongoing obligations of confidentiality).

c. ***Noncompete, Non-Solicitation of Customers, and Non-Solicitation of Employee (not covered in Section 6 (a) above).*** For a period of 18 months following the Separation Date (the "Noncompete Period"), you will not directly compete with any member of the Company Group, without first obtaining the Company's prior written consent, which consent the Company may, in its reasonable discretion, withhold.

For this purpose, you will be considered to be directly competing with a member of the Company Group if you are engaged in any of the following activities:

(i) you are employed by, contract with, or obtain an interest in (whether as a partner, joint venturer, employee, agent, salesperson, consultant, investor, lender, officer and/or director of any firm, association, partnership, corporation, limited liability company or other entity, or as an equity holder of any entity in which you or your spouse, child or parent owns, directly or indirectly, individually or in the aggregate, more than five percent of the outstanding equity interests), any business or corporation that competes directly with any member of the Company Group (as such direct competition is defined below), but excluding a passive investment of one percent (1%) or less in any publicly traded company, provided, however, that restrictions on your service as an outside director on the board of any business or corporation that competes directly with any member of the Company Group shall be governed by the terms of Section 6(d) below;

(ii) on your own behalf, or on behalf of any other person with whom you may be employed, engaged, or retained by, you solicit or divert from any member of the Company Group the business of any person who is either a customer of any member of the Company Group during your employment or is identified in any of the Company Group's confidential business records as a potential customer of any member of the Company Group; or

(iii) you solicit, divert, or encourage any person who is an employee of any member of the Company Group (other than those employees covered in Section 6(a) above) to leave employment and to become employed by a person who directly competes with any member of the Company Group as defined in this Section 6(c).

For purposes of this Section 6, you (x) will be considered to compete directly with the Company Group and (y) a person, business or corporation will be considered a direct competitor of the Company Group, if either you or it is engaged in a truckload business (dry van, refrigerated, brokerage, drayage, intermodal, logistics, or any combination thereof) or less-than-truckload business (including less-than-truckload brokerage or logistics) that conducts significant operations in the same traffic lanes in which a member of the Company Group operates, or in which a member of the Company Group has internally identified as a planned area of operation or expansion of its business as of the Separation Date.

d. *Board Member Restrictions.* For a period of 18 months following the Separation Date, you will not serve as a director or similar position on any board of directors or similar governing body of any business or corporation that competes directly with any member of the Company Group (as defined in Section 6(c) above). For a period of 24 months following the Separation Date, you will not serve as a director or similar position on any board of directors or similar governing body of any Acquisition Target (as defined in Section 6(b) above). In the event you receive an opportunity that may violate this Section 6(d), you may send a written request to the Board of Directors of the Company seeking a waiver of this Section 6(d) or confirmation that such board appointment would not violate this Section 6(d). The Board of Directors of the Company may, in its sole discretion, approve or deny such a request. In the event that the Board of Directors of the Company concludes that such board appointment would violate this Section 6(d) but elects to provide such a waiver for a particular board opportunity, such waiver shall only apply to the particular board opportunity summarized in the written request provided to the Board of Directors of the Company and shall not be deemed to be a waiver of (x) any other section of this Agreement for this or any other opportunity or (y) this Section 6(d) for any other opportunity not described in the waiver request.

e. *Exceptions to the Restrictions Above.* Nothing herein shall prevent your passive ownership of no more than 1% of the equity securities of any publicly traded company.

f. *Nondisclosure of Confidential Information.* Confidential information includes all non-public information that might be of use to competitors, or harmful to the Company Group, its customers or investors, and any other confidential information or trade secrets of the Company Group (collectively "Confidential Information"). Confidential Information includes, but is not limited to, customer data and records, the terms offered or prices charged to customers or by suppliers, current and potential customer and investor lists, marketing or strategic plans, product specifications, unreleased earnings information, information concerning possible transactions with other companies, and information received from or concerning other companies, such as Company Group customers or possible acquisition parties. You acknowledge and agree that in connection with your employment with the Company Group, you have obtained Confidential Information. You agree (i) to maintain the confidentiality of Confidential Information and not to transmit or disclose Confidential Information to any other person or entity, except when

disclosure is authorized by the Company or legally mandated, and (ii) not to use Confidential Information for your own benefit or the personal benefit of other persons.

g. *Permitted Disclosures of Confidential Information.* Nothing in this Agreement or any other agreement between the Parties or any other policies of the Company Group shall prohibit or restrict you or your attorneys from: (i) making any disclosure of relevant and necessary information or documents in any action, investigation, or proceeding relating to this Agreement, or as required by law or legal process, including with respect to possible violations of law; (ii) participating, cooperating, or testifying in any action, investigation, or proceeding with, or providing information to, any governmental agency or legislative body, any self-regulatory organization, and/or pursuant to the Sarbanes-Oxley Act; or (iii) accepting any U.S. Securities and Exchange Commission awards. In addition, nothing in this Agreement or any other agreement between the Parties or any other policies of the Company Group prohibits or restricts you from initiating communications with, or responding to any inquiry from, any regulatory or supervisory authority regarding any good faith concerns about possible violations of law or regulation. Pursuant to 18 U.S.C. § 1833(b), you will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret of the Company Group that (A) is made (1) in confidence to a federal, state, or local government official, either directly or indirectly, or to your attorney and (2) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. If you file a lawsuit for retaliation by the Company or any member of the Company Group for reporting a suspected violation of law, you may disclose the trade secret to your attorney and use the trade secret information in the court proceeding, if you file any document containing the trade secret under seal, and does not disclose the trade secret, except pursuant to court order. Nothing in this Agreement or any other agreement between the Parties or any other policies of the Company or its affiliates is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by such section.

h. The restrictive covenants set forth in this Section 6 (the *"Restrictive Covenants"*) supersede and replace any and all noncompete, nonsolicitation, confidentiality, non-disclosure, or other restrictive covenant agreements between the Company Group and you, including but not limited to the Noncompete and Non-Solicitation provisions set forth in Section 8 of all Restricted Stock Unit (Time Vested) Officer Grant Agreements between the Company and you, and other policies by which you may be bound, including without limitation, the confidentiality provisions of the Company's Team Member Handbook.

7. Cooperation; Return of Company Group Property.

a. You agree that, at mutually agreeable times, you will meet with representatives of the Company Group and provide any information you acquired during the course of your employment relating in any way to any legal disputes involving the Company Group. You further agree that you will cooperate fully

with the Company Group relating to any such litigation matter or other legal proceeding in which you were involved or on which you have knowledge by virtue of your employment with the Company Group, including any existing or future litigation or other legal proceeding involving any member of the Company Group, whether administrative, civil or criminal in nature in which and to the extent the Company deems your cooperation necessary. You will be entitled to reimbursement by the Company Group of reasonable costs and expenses incurred by you in connection with complying with your obligations under this Section 7.

b. After the Separation Date, to the extent reasonably requested and at mutually convenient times, you will make yourself reasonably available by telephone and video conference (or in person to the extent mutually agreed) for consultation with the Company's Chief Executive Officer on matters of Company Group and industry interest.

c. You agree that you (i) have returned to the Company, (ii) immediately will return to the Company, or (iii) promptly will make other arrangements in writing with the Company's CEO regarding any and all property or equipment of the Company Group that was or is, as applicable, in your possession, including but not limited to any: computers, handheld electronic devices, credit cards, keys, software, work product, hard/soft document originals/copies, current/former/prospective customer lists, Confidential Information of any member of the Company Group (including, but not limited to board materials, financial information, and trade secrets) and any other materials in any media. Upon request, you will provide the Company Group access to any of your personal electronic document storage accounts or electronic devices to confirm or permit removal of any property of the Company Group. The foregoing notwithstanding, the Company will facilitate porting your mobile phone number to you upon request.

8. *Non-Disparagement.* You agree that you will not make any negative comments or disparaging remarks, in writing, orally, or electronically ("Disparaging Remarks"), about the Company or any member of the Company Group or their respective products and services. The Company (defined for purposes of this sentence of Section 8 as its senior-level officers and members of its Board of Directors) for itself and on behalf of the members of the Company Group (defined for purposes of this sentence of Section 8 as the members of the Company Group's senior-level officers and members of their Board of Directors) agree that they will not to make any Disparaging Remarks about you; provided, however, that nothing in this Section 8 shall prohibit you, the Company, or the Company Group and their respective representatives from (a) making truthful and accurate statements or disclosures that are required by applicable law or legal process; (b) making any

voluntary disclosure of information or documents concerning possible violations of law to any governmental agency or legislative body, or any self-regulatory organization; or (c) exercising protected rights to the extent that such rights, by law, cannot be waived by agreement.

9. No Admission. Nothing herein will be deemed to constitute an admission of wrongdoing by you or any of the Company Group Parties. Neither this Agreement nor any of its terms may be used as an admission or introduced as evidence as to any issue of law or fact in any proceeding, suit or action, other than an action to enforce this Agreement.

10. Counterparts. This Agreement may be executed in counterparts, and each counterpart, when so executed and delivered, will be deemed to be an original and both counterparts, taken together, will constitute one and the same Agreement. A faxed or .pdf-ed signature will operate the same as an original signature.

11. Successors and Assigns. This Agreement will inure to the benefit of and be binding upon the Company and any successor organization which shall succeed to the Company by acquisition, merger, consolidation or operation of law, or by acquisition of assets of the Company and any assigns. You may not assign this Agreement, provided that in the event of your death prior to receiving all of the payments

provided by Section 2 of this Agreement, any remaining payments will be made to the beneficiary designated in writing by you and delivered to the Company for this purpose (your "Beneficiary") or, if no such beneficiary designation has been executed by you and delivered to the Company, to your estate (your "Estate").

12. Severability; Blue-Penciling. The provisions of this Agreement are severable and the invalidity of any one or more provisions will not affect the validity of any other provision. In the event that a court of competent jurisdiction shall determine that any provision of this Agreement or the application thereof is unenforceable in whole or in part because of the scope thereof, the Parties hereto agree that said court in making such determination shall have the power to reduce the scope of such provision to the extent necessary to make it enforceable, and that this Agreement in its reduced form shall be valid and enforceable to the full extent permitted by law.

13. Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of Arizona, without regard to any conflict of law principles thereof that would give rise to the application of the laws of any other jurisdiction.

14. Entire Agreement/No Oral Modifications. This Agreement constitutes the entire agreement between you and any of the Company Group Parties with respect to the subject matter hereof and supersedes all prior discussions, negotiations, representations, arrangements or agreements relating thereto, whether written or oral. You represent that in executing this Agreement, you have not relied on any representation or statement not set forth herein. No amendment or modification of this Agreement shall be valid or binding on the Parties unless in writing and signed by both Parties.

Section 409A. This Agreement shall be administered in accordance with the requirements of Internal Revenue Code Section 409A and the applicable Treasury Regulations ("Code Section 409A") or an exception thereto, and each provision of the Agreement shall be interpreted, to the extent possible, to comply with Code Section 409A or an exception thereto. Although the Agreement has been designed to comply with Code Section 409A or to fit within an exception to the requirements of Code Section 409A, the Company does not specifically warrant such compliance. Except for the Company's (or applicable member of the Company Group's) responsibility to withhold applicable income and employment taxes from compensation paid or provided to you, the Company will not be responsible for the payment of any applicable taxes on compensation paid or provided to you pursuant to this Agreement. For any payment that is subject to Code Section 409A, a "termination," "termination of employment" or like terms shall mean "separation from service" as defined in Treasury Regulation Section 1.409A-1(h). If as of the Separation Date, you are determined to be a "specified employee" as defined in Treasury Regulation Section 1.409A-1(i), then any payment that is subject to Code Section 409A that is payable as a result of your "Separation from Service" shall be delayed until a date that is six months after the date of the Separation Date to the extent necessary to comply with the requirements of Code Section 409A. The payments to which you would have been entitled during such six-month period, but for this subparagraph, shall be accumulated and paid to you without interest in a lump sum within ten days following the date that is six months following the Separation Date, and any remaining payments shall continue to be paid to you on their original schedule. If you die during such six-month period and prior to the payment of the portion that is required to be delayed on account of Code Section 409A, such amount shall be paid to the Jackson Revocable Living Trust within 60 days after your death. Each installment payment hereunder will be treated as a separate payment for purposes of Code Section 409A. Any reimbursements or in-kind benefits provided to or for your benefit that constitute a "deferral of compensation" for purposes of Code Section 409A will be provided in a manner that complies with Treasury Regulation Section 1.409A-3(i)(1)(iv). Accordingly, (x) all such reimbursements will be made not later than the last day of the calendar year after the calendar year in which the expenses were incurred, (y) any right to such reimbursements or in-kind benefits will not be subject to liquidation or exchange for

another benefit, and (z) the amount of the expenses eligible for reimbursement, or the amount of any in-kind benefit provided, during any taxable year will not affect the amount of expenses eligible for reimbursement, or the in-kind benefits provided, in any other taxable year.

[Remainder of Page Left Intentionally Blank]

IN WITNESS WHEREOF, the Parties have signed this Agreement as of the dates indicated below.

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

By: /s/ Gary J. Knight
Name: Gary Knight
Its: Vice Chairman
Date: March 8, 2024

/s/ David A. Jackson
David A. Jackson
Date: March 8, 2024

APPENDIX A
SEVERANCE BENEFITS

You will be paid or provided with the following payments/benefits:

1. \$1,850,000, representing 24 months of your base salary as in effect on the Separation Date, payable in a lump sum within ten (10) days following the Release Effective Date.
2. \$1,850,000, representing 24 months of your base salary as in effect on the Separation Date, payable in equal installments over the 24-month period following the Release Effective Date in accordance with the Company Group's regular payroll practices, commencing with the first regular payroll date that occurs at least three business days after the Release Effective Date.
3. \$1,800,000, which includes, but is not limited to, amounts for the following: (a) COBRA continuation for 18 months after the Separation Date, (b) payment for the Restrictive Covenants, and (c) a discretionary amount equal to approximately 50% achievement of your target bonus for 2024, all payable in a lump sum within ten (10) days after the Release Effective Date.
4. Reimbursement of your legal fees incurred in connection with the review of this Agreement, not in excess of \$15,000, subject to your submission of the invoice for the legal services.

RULE 13a-14(a)/15d-14(a) CERTIFICATION

I, Adam W. Miller, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Knight-Swift Transportation Holdings Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **May 1, July 31, 2024**

/s/ Adam W. Miller

Adam W. Miller

Chief Executive Officer (principal executive officer)

RULE 13a-14(a)/15d-14(a) CERTIFICATION

I, Andrew Hess, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Knight-Swift Transportation Holdings Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **May 1, July 31, 2024**

/s/ Andrew Hess

Andrew Hess
Chief Financial Officer
(principal financial officer)

EXHIBIT 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Knight-Swift Transportation Holdings Inc. (the "Company") on Form 10-Q for the quarterly period ended **March 31, 2024** **June 30, 2024**, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Adam W. Miller, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

a Delaware corporation

Date: **May 1, July 31, 2024**

By: */s/ Adam W. Miller*

Adam W. Miller
Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to Knight-Swift Transportation Holdings Inc. and will be retained by Knight-Swift Transportation Holdings Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Knight-Swift Transportation Holdings Inc. (the "Company") on Form 10-Q for the quarterly period ended **March 31, 2024** **June 30, 2024**, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Andrew Hess, Chief Financial Officer, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

a Delaware corporation

Date: **May 1, July 31, 2024**

By: /s/ Andrew Hess

Andrew Hess
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Knight-Swift Transportation Holdings Inc. and will be retained by Knight-Swift Transportation Holdings Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

DISCLAIMER

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