



***Delivering More.<sup>SM</sup>***

**Canada Arizona Business Council Presentation**

**Dave Jackson, President**

# Disclosure

This presentation, including documents incorporated herein by reference, contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, projections of revenues, income or loss, capital expenditures, acquisitions, plans for future operations, financing needs or plans, the impact of economic and business factors and plans relating to our products or services, as well as assumptions relating to the foregoing. The words “believe”, “expect”, “anticipate”, and “project” and similar expressions generally identify forward-looking statements. Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified. Future events and actual results could differ materially from those set forth in, contemplated by, or underlying Knight’s forward-looking statement.

# Overview



**KNX  
LISTED  
NYSE**

## Company Information

- Established: **1990**
- 2012 Total Revenue: **\$936.0 million**
- Shareholders' Equity: **\$501.8 million**
- Debt (3/31/13): **\$43 million**

## Stock Information

- Initial Public Offering: **1994**
- NYSE Ticker: **KNX**
- Shares Outstanding: **79.9 million**
- Market Capitalization: **\$1.3 billion**
- Recent Price (6/27/13): **\$16.85**
- 52-week Range: **\$13.74 – \$17.73**
- Insider Ownership: **Approx. 26%**

# Financial Strength

- Stockholders equity of \$501.8 million
- \$95.9 million returned to shareholders through dividends and repurchased shares over the last 24 months.
- Average tractor age of 2.0 years

# KNIGHT *Our Capacity and Network*

## Dry Van

Capacity: 4,000 + Tractors  
Trailers: 8,275  
Dry Van Truckload  
Irregular Route  
Local & Multi-Stop Service

## Refrigerated

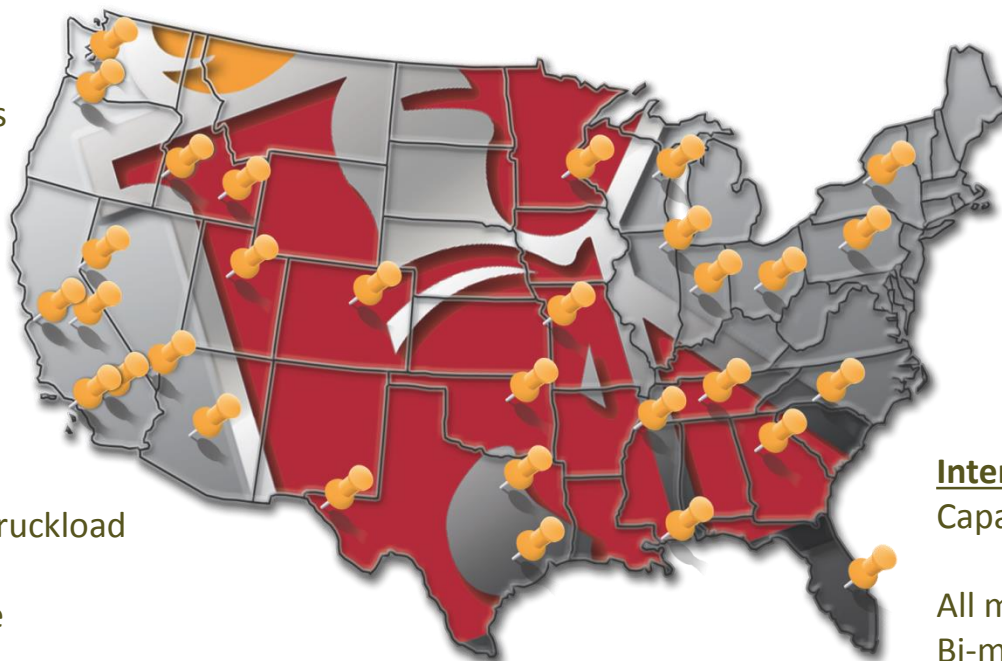
Capacity: 715 Tractors  
Trailers: 1,091  
Temperature Controlled Truckload  
Irregular Route  
Local & Multi-stop Service

## Dedicated

Services Include:  
Dry Van, Temp Controlled,  
Hostler Services, Fully  
Customizable with a Variety  
of Trailing Equipment

## Brokerage

Capacity: 10,031 Dry Van Carriers  
1200 Temp-Controlled Carriers  
Truckload Brokerage



## Port & Rail Services

Capacity: 353 Tractors  
98 Chassis  
Port & Rail Drayage  
Tri-axle and Super Chassis  
Warehousing

## Intermodal

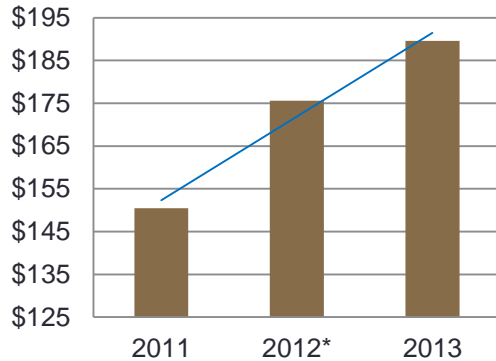
Capacity: Access to 60,000  
domestic containers  
All major U.S. railroads  
Bi-modal provider (Knight P & D)

# Revenue and Earnings Growth

## 1<sup>st</sup> Qtr Results

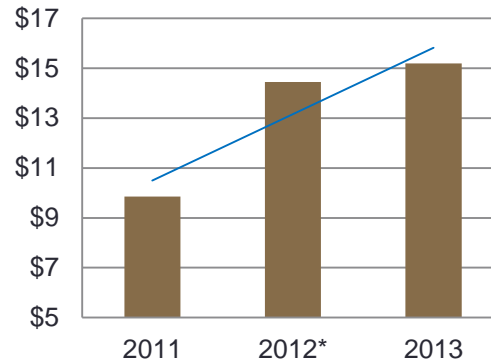
(\$ in Millions)

**Revenue** (before trucking fsc)

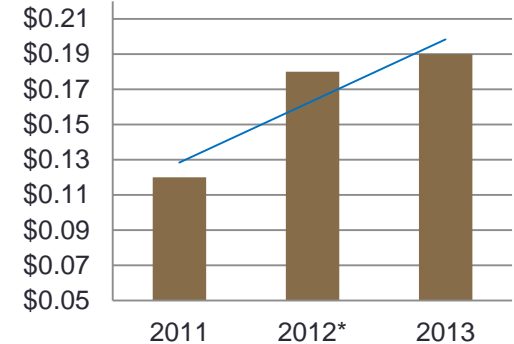


(\$ in Millions)

**Net Income**



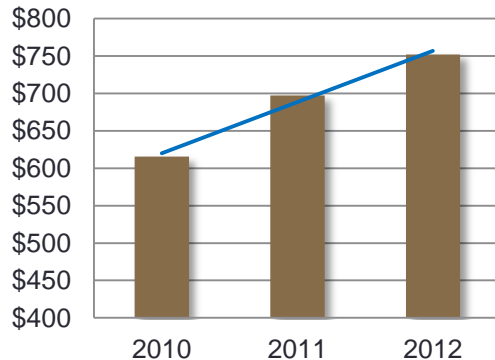
**Diluted EPS**



## Annual Results

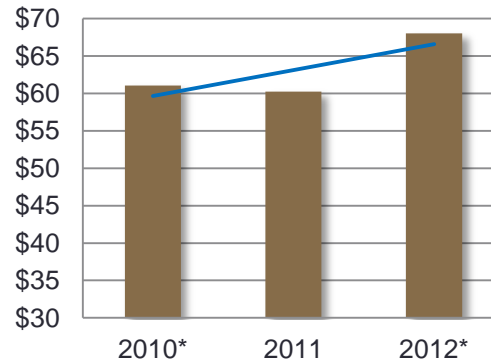
(\$ in Millions)

**Revenue** (before trucking fsc)

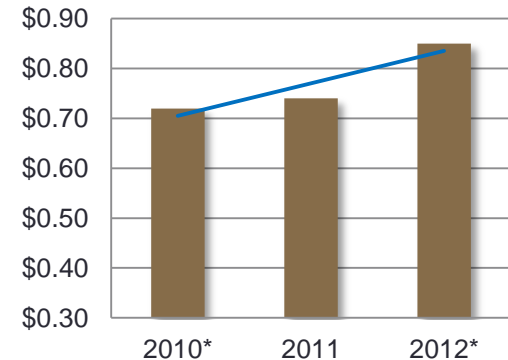


(\$ in Millions)

**Net Income**

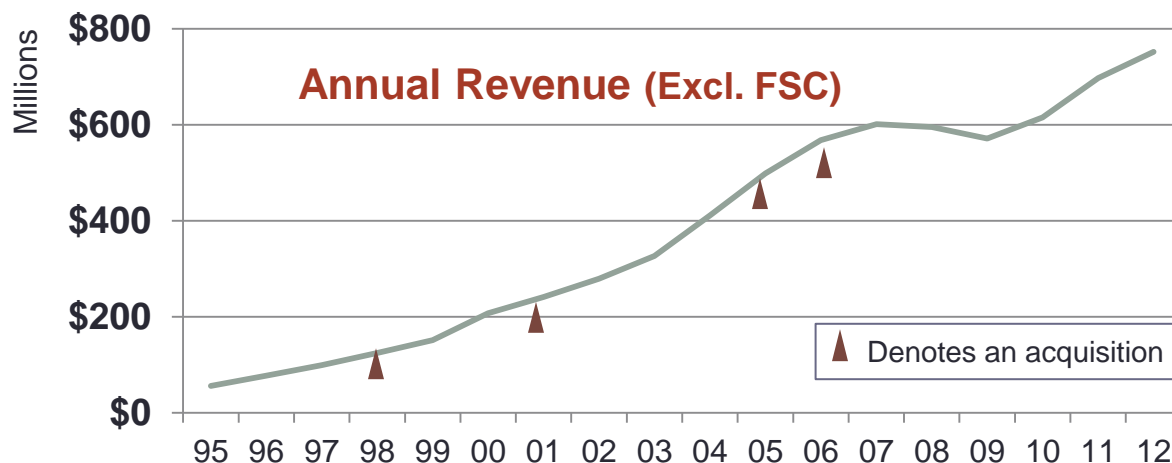


**Diluted EPS**

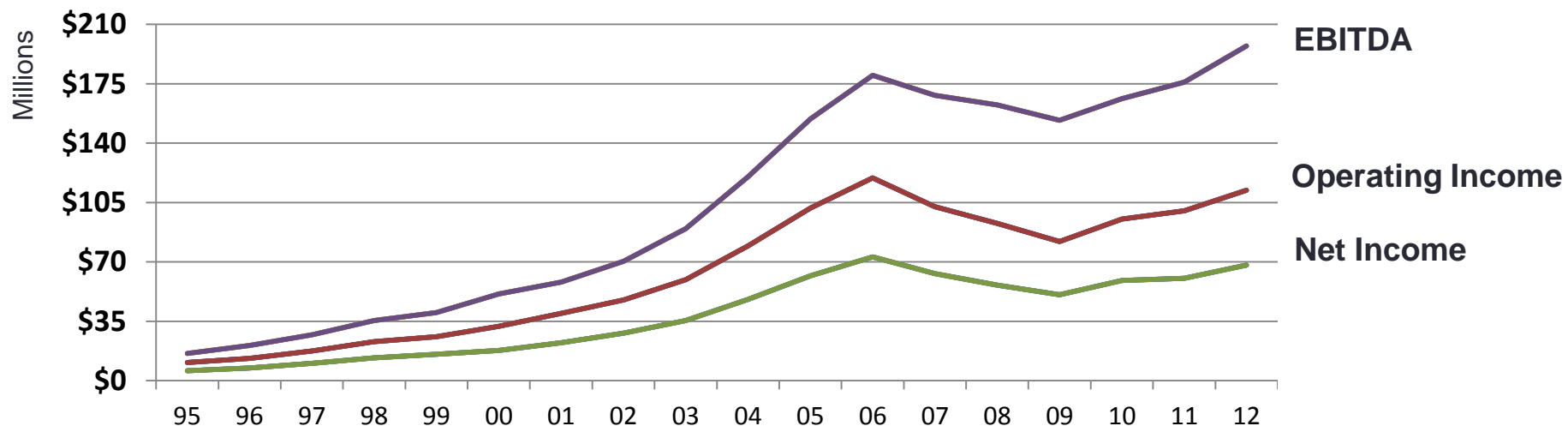


\*Excluding one-time charges

# Growth with Minimal Cyclicalty

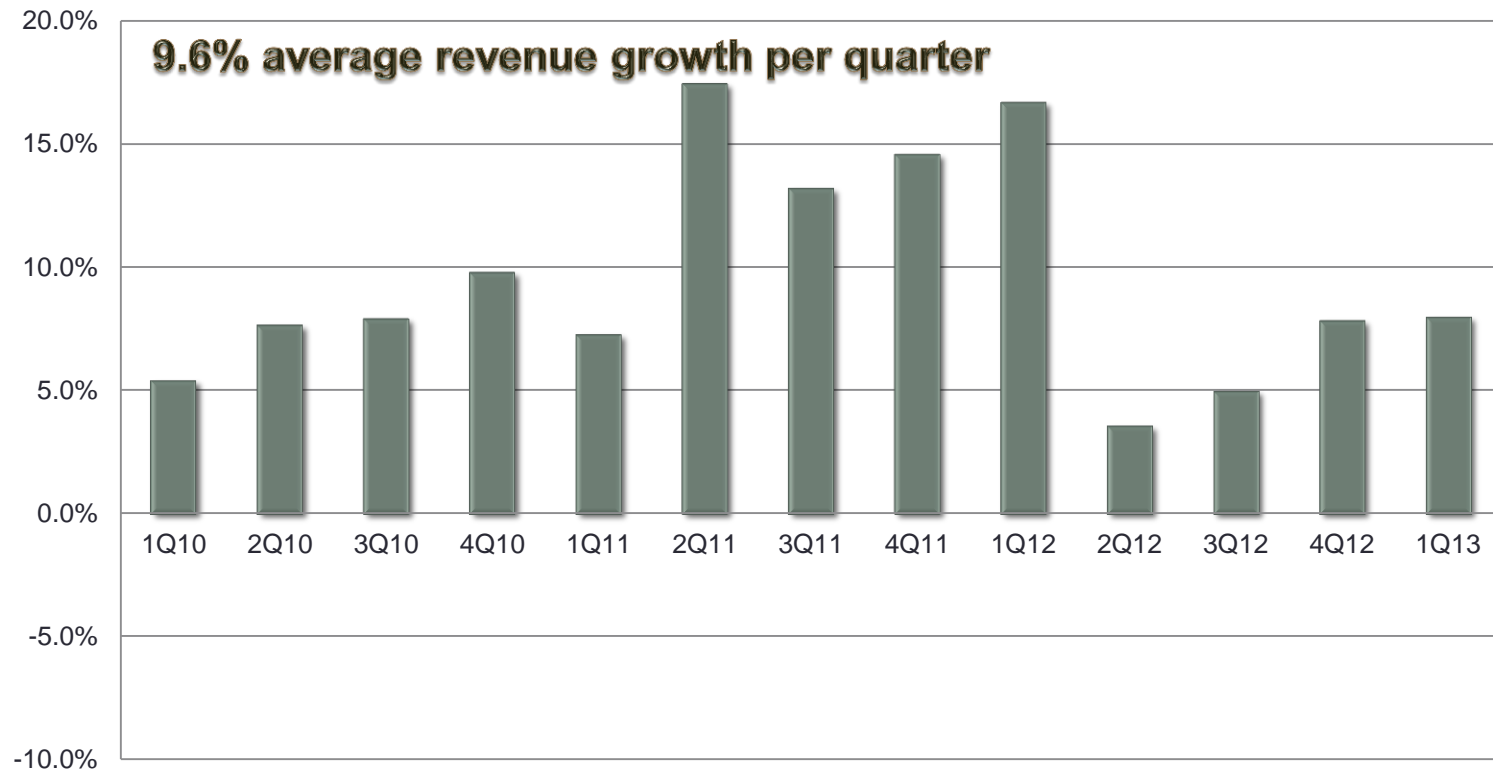


- **\$216.9 million** paid in dividends since 2004.
- **4.5%** Trailing Annual Dividend Yield
- **1.3%** 5 yr Avg Dividend Yield



# Consistent Growth

## Revenue (excluding fsc) Growth Year Over Year





# Creating Shareholder Value

- Improve asset production (Rev per Trk/Day)
- Unleash pent up operating leverage within service center network (approx 130 tractors per facility)
- Sell more services to existing customers
- Grow 3<sup>rd</sup> party carrier capacity (triple ROIC)
- Find intermodal matches (double ROIC)
- Maintain our cost advantages (in all businesses)

# Environmental Progress

- SmartWay<sup>SM</sup> Transport Partner
- Trailer Blades
- Aerodynamic Trucks
- 2010 and 2007 EPA compliant engines
- Consistent MPG improvement
- Driver behavior initiatives



# Industry Challenges

- Driver development
- Volatile fuel prices
- Aging equipment
- Higher tractor and trailer costs
- Increased regulation
- Ever-changing markets

# Knight in Canada

- Growing presence in western Canada  
Expected 2013 volumes:
  - **British Columbia** 3,200 loads, approx. \$2.8M Rev. (USD)
  - **Alberta** 2,100 loads, approx. \$3.0M Rev. (USD)
- Exploring opportunities in Saskatchewan & Toronto
- CTPAT & FAST Certified

# Successes

- 7 day a week service
- Density in key lanes
- Expedited border crossing available (10 mins.)

# Challenges

- Many U.S. drivers are hesitant to cross the border
- High Canadian standards for drivers entering Canada
- No intra-Canada loads, all loads must cross border
- One man's *head-haul* is another man's *back-haul*.

# Customers Served in Canada



The Healthy Hydration Company®



## Crate&Barrel





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