# STIFEL

**One Year Price Chart** 

January 29, 2014

Knight Transportation, Inc. KNX – NYSE Hold Trucking/Logistics

# Analysis of Sales/Earnings

Knight Transportation Reports 4Q13 EPS of \$0.25, Up 14% Y/Y; First Quarter of Double-Digit Y/Y EPS Growth Since 2Q12

- Beat Street: Reported 4Q13 EPS of \$0.25, up 14%y/y, \$0.01 ahead of the Street consensus estimate and our Stifel estimate, and at the upper end of its recent guidance range. One month ago and prior to the company's favorable pre-announcement, the Street consensus 4Q13 EPS estimate had been \$0.21. With 5.7% y/y growth in freight revenue in the quarter (excluding the impact of fuel surcharge revenue), a solid 3.4% y/y increase in revenue per total mile (excluding fuel surcharge), a slight 0.2% y/y decrease in tractor productivity (primarily due to the July 1 implementation of the new federal driver hours-of-service rules), a nearly 4% drop in the average number of tractors, an 80 basis point favorable decrease in the unpaid empty mile ratio, and a pronounced focus on growing the company's asset-light businesses, the company was able to return to the realm of double digit y/y EPS growth during the 4Q13. Management is to be complimented for keeping its nose to the grindstone and employing Trucking 101 blocking and tackling principles to once again drive its' trucking-based operating ratio to 81% and "change".
- Total 4Q13 revenue increased 3.1% y/y to \$249.7 million. Non asset based businesses grew dramatically and more than offset a slight decline on the asset-based trucking side of the business. The overall operating ratio favorably dropped 100 basis points y/y to 84.4%. The asset based operating ratio (net of fuel surcharge revenue) favorably decreased from 83.8% to a very "Knight-like" 81.6% while the non-asset-based operating ratio deteriorated 150 basis points y/y to a still respectable 95.6%, in our view.
- Balance sheet remains strong, in our view. The company ended the 4Q13 with a \$1.0 million cash balance and \$38 million in debt on its balance sheet. The company has paid down approximately \$42 million in debt since the beginning of 2013. We would expect the company to return to debt free status sometime during the next year or two.
- We are tweaking our 2014 and 2015 EPS estimates up from \$0.95 and \$1.05 to \$0.96 and \$1.08, respectively.
- Maintain Hold: Our new 12-month fair value estimate increases from \$17 (or 16.5x our previous 2015 EPS estimate of \$1.05) to \$18 (or 16.5x our upwardly revised 2015 EPS estimate of \$1.08). Even after the upward revision, our 12-month fair value estimate provides virtually no upside potential over the coming 12-months. All things remaining equal, we would revisit our Hold rating should the company's common shares fall to \$15 or below.

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<u>Changes</u>	Previous	Current	t
Rating	_	Hold	
Target Price	_	NA	
FY14E EPS (Net)	\$0.95	\$0.96	
FY15E EPS (Net)	\$1.05	\$1.08	
FY14E Rev (Net)	\$1.01B	\$1.01B	
FY15E Rev (Net)	\$1.06B	\$1.06B	
Price (01/29/14):		\$20.7	5
52-Week Range:		\$21 – \$15	5
Market Cap.(mm):		1,677.8	3
Shr.O/S-Diluted (m	ım):	80.9	)
Enterprise Val. (m	m):	\$1,732.7	7
Avg Daily Vol (3 M	o):	611,835	5
LT Debt/Total Cap.	:	6.3%	)
Net Cash/Share:		\$0.0 <sup>-</sup>	1
Book Value/Share	:	\$6.83	3
Dividend(\$ / %)		\$0.24 / 1.2%	ó
S&P Index		1,778.83	3
Prices are intraday	, 1/29/14.		
Net Cash/Share in	cludes short	term	
investments			
EPS (Net)	2013A 20	14E 2015	E

EPS (Net)	2013A	2014E	2015E
Q1	\$0.19	\$0.20	\$NE
Q2	0.24	0.26	NE
Q3	0.19	0.22	NE
Q4	0.25	0.27	NE
FY Dec	\$0.87A	\$0.96	\$1.08
P/E	23.9x	21.6x	19.2x
Rev (Net)	2013A	2014E	2015E
Rev (Net) Q1	<b>2013A</b> \$235.4	<b>2014E</b> \$241.1	<b>2015E</b> \$NE
· · ·			
Q1	\$235.4	\$241.1	\$NE
Q1 Q2	\$235.4 244.8	\$241.1 251.7	\$NE NE
Q1 Q2 Q3	\$235.4 244.8 239.3	\$241.1 251.7 252.0	\$NE NE NE



Stifel does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision. All relevant disclosures and certifications appear on pages 8 - 9 of this report. Knight Transportation reported 4Q13 EPS of \$0.25, up 14%y/y, \$0.01 ahead of the Street consensus estimate and our Stifel estimate, and at the upper end of its recent guidance range. The 21 analysts publishing 4Q13 EPS estimates prior to the company's earnings release carried estimates ranging from \$0.20 to \$0.25, a little surprising given the company's recently updated 4Q13 EPS guidance range had been \$0.24 to \$0.25. There was a one \$0.20 estimate and one \$0.22 estimate still in place subsequent to the company's favorable pre-announcement regarding 4Q13 issued on January 21, 2014. Fortunately, these two "asleep at the switch" low outliers did not adversely impact the consensus estimate. One month ago and prior to the company's favorable pre-announcement, the Street consensus 4Q13 EPS estimate had been \$0.21. With 5.7% y/y growth in freight revenue in the guarter (excluding the impact of fuel surcharge revenue), a solid 3.4% y/y increase in revenue per total mile (excluding fuel surcharge), a slight 0.2% y/y decrease in tractor productivity (primarily due to the July 1 implementation of the new federal driver hours-of-service rules), a nearly 4% drop in the average number of tractors, an 80 basis point favorable decrease in the unpaid empty mile ratio, and a pronounced focus on growing the company's asset-light businesses, the company was able to return to the realm of double digit y/y EPS growth during the 4Q13. Management is to be complimented for keeping its nose to the grindstone and employing Trucking 101 blocking and tackling principles to once again drive its' trucking-based operating ratio to 81% and "change".

Total 4Q13 revenue increased 3.1% y/y to \$249.7 million. Non asset based businesses grew dramatically and more than offset a slight decline on the asset-based trucking side of the business. The overall operating ratio favorably dropped 100 basis points y/y to 84.4%. Revenue, net of fuel surcharge revenue, saw a 5.7% y/y increase to \$206.3 million. The asset based business experienced a y/y revenue decline of 0.8% y/y (net of fuel surcharge revenue) during the 4Q13 while the non-asset based business grew revenues 42.6% y/y during the 4Q13. For the 4Q13, the asset based operating ratio (net of fuel surcharge revenue) favorably decreased from 83.8% to a very "Knight-like" 81.6% while the non-asset-based operating ratio deteriorated 150 basis points y/y to a still respectable 95.6%, in our view. The overall operating ratio would have dropped even further (i.e., down 160 basis points y/y) to 83.8%, if not for the \$1.2 million spent by the company on acquisition activity and non-recurring litigation claims. We suspect the bulk of the \$1.2 million in expenses is related to the company's unsuccessful attempt, so far at least, to acquire USA Truck.

The company's balance sheet remains strong, in our view. The company ended the 4Q13 with a \$1.0 million cash balance and \$38 million in debt on its balance sheet. The company has paid down approximately \$42 million in debt since the beginning of 2013. The \$80 million in original debt was drawn at the end of 2012 in order to pay a one-time special dividend prior to the dividend tax rate rising on January 1, 2013. The company's debt/total capitalization ratio was only 6.4% at the end of the 4Q13. We would expect the company to return to debt free status sometime during the next year or two. Our model projects a debt-free balance sheet by the end of the 4Q14. The company experienced a y/y decrease in its capital expenditures during 2013. The company spent \$85.4 million on capital expenditures, net of trades, during the entirety of 2013, down 29.3% y/y. Even with the reduced capital spending, the company was able to end the quarter with an average tractor age of 1.9 years.

We are tweaking our 2014 and 2015 EPS estimates up from \$0.95 and \$1.05 to \$0.96 and \$1.08, respectively. Our EPS estimate reductions reflect a generally mediocre freight environment, consistent with 2% y/y GDP growth continuing through 2015. Similarly, we are not assuming much of a change in industry dynamics as a result of the coming onslaught of federal safety

regulations. Our new 2014 and 2015 EPS estimates are driven by total year-over-year revenue increases of 4.5% and 5.7%, respectively. Those revenue increases are a function of annual volume increases of 2.0% and 2.8%, respectively, and annual core price/productivity increases of 2.5% and 3.0%, respectively, over the two year forecast period. Lastly, our estimates are based upon overall operating ratios, net of fuel surcharges, of 84.5% for 2014 and 83.5% for 2015. With our estimates predicated on the continuation of the current slow rate of economic growth (say 2% annually y/y), any acceleration in the rate of economic growth would likely render our estimates too conservative. Conversely, further deceleration in the rate of economic growth could result in our estimates being too optimistic.

We are maintaining our Hold rating on the common shares of Knight Transportation. Our new 12-month fair value estimate for the company's common shares becomes \$18 (or 16.5x our upwardly revised 2015 EPS estimate of \$1.08). Our 12-month fair value estimate had previously been \$17 (or 16.5x our previous 2015 EPS estimate of \$1.05). Even after the upward revision, our 12-month fair value estimate provides virtually no upside potential over the coming 12-months. With no upside potential over the coming year we are hard pressed to justify anything other than a Hold rating on the company's common shares. All things remaining equal, we would revisit our Hold rating should the company's common shares fall to \$15 or below.

## **Company Description**

Knight Transportation is a truckload carrier (dry van and temperature-controlled) focused on serving regional markets nationwide but historically in the western one-third of the United States. Knight provides time-definite service to its customers and has generated an impressive financial track record since its IPO in 1994. Additionally, the company has recently started Knight Brokerage, Knight Intermodal, and Knight Port and Rail Services to grow its non-asset-based capabilities.

# STIFEL

# **Equity Comps - Transportation**

							Com	parative	Valuatio	on Matrix	x											
(figures in \$US millions, except per share amounts)																						
		Intraday	<b>D</b> <sup>1</sup> . 1	<b>M 1</b> .	<b>m</b> . 1	a 1 4			1	s a multiple		TTT) (			a multiple of	(T)				DEC	D.'	20145
		Price	Diluted	Market	Total	Cash &	TEV (a)		nings per S 2013E <sup>(b)</sup>		Book	TTM	2014E	TTM	TTM EBITDAR <sup>(c)</sup>	TTM	TTM	TTM	TTM	PEG ratio <sup>(d)</sup>	Div.	2014E
Company name (Ticker)	Rating	1/29/2014	S/O	cap.	Debt	equiv.	IEV	2012A	2013E	2014E	value	Revenue	EBITDA	EBITDA	EBIIDAK	EBIT	ROA	ROE	ROIC	rano	Yield	FCF Yld
Truckload																						
Celadon Group (CGI)	Hold	18.94	24.3	461.0	314.4	3.6	771.8	14.5x	19.1x	17.2x	2.0x	1.2x	6.0x	7.3x	7.0x	17.1x	4.1%	11.6%	5.6%	1.1	0.4%	9.2%
Covenant Transport (CVTI)	NC	9.02	14.9	134.1	202.3	10.5	325.9	22.0x	37.6x	23.7x	1.4x	0.5x	NE	5.5x	5.1x	19.6x	0.8%	3.5%	3.4%	3.1	0.0%	NE
Heartland Express (HTLD)	Hold	20.55	84.9	1,745.3	0.0	174.5	1,570.8	28.9x	24.2x	20.3x	5.1x	2.9x	5.8x	9.1x	9.1x	14.2x	12.7%	19.3%	19.3%	2.9	0.4%	4.8%
J.B. Hunt Transport Svcs. (JBHT)	Hold	74.37	118.0	8,778.7	708.4	5.8	9,481.3	28.7x	25.9x	23.2x	8.7x	1.7x	10.1x	11.4x	11.3x	16.4x	13.0%	38.0%	22.3%	1.5	0.8%	0.1%
Knight Transportation (KNX)	Hold	20.75	80.9	1,677.9	38.0	1.0	1,732.7	24.4x	24.4x	21.6x	3.0x	1.8x	7.9x	8.7x	8.7x	15.2x	8.7%	13.3%	12.0%	1.6	1.2%	2.3%
Landstar System (LSTR)	Hold	56.76	46.0	2,612.8	145.0	132.1	2,625.6	20.5x	22.8x	20.7x	6.2x	1.0x	11.6x	11.9x	11.8x	13.8x	12.9%	30.3%	22.6%	1.4	0.0%	3.6%
Marten Transport (MRTN)	Hold	19.38	33.6	650.7	0.0	13.7	638.8	23.6x	21.5x	18.8x	1.8x	1.0x	5.2x	5.5x	5.5x	12.3x	5.9%	8.7%	8.7%	1.3	0.5%	5.2%
P.A.M. Transportation Svcs. (PTSI)	NC	20.00	8.7	174.6	107.0	0.3	281.3	NM	26.7x	20.0x	1.4x	0.7x	NE	5.8x	5.7x	NM	1.6%	3.9%	3.3%	NM	0.0%	NE
Quality Distribution (QLTY)	Hold	13.82	28.3	390.8	389.0	3.3	776.5	20.0x	20.0x	15.4x	NM	0.9x	8.5x	10.0x	9.1x	15.1x	3.6%	NM	8.7%	1.5	0.0%	7.5%
Swift Transportation (SWFT)	Hold	21.42	143.6	3,076.6	1,603.2	59.2	4,620.6	21.4x	17.4x	15.5x	10.8x	1.2x	6.9x	8.0x	7.3x	12.8x	6.1%	NM	12.4%	0.9	0.0%	7.8%
Universal Truckload Svcs. (UACL)	Buy	30.23	30.1	911.3	124.0	5.5	1,029.8	22.4x	17.3x	14.6x	9.6x	1.0x	8.0x	9.5x	9.1x	11.5x	21.1%	48.7%	30.2%	0.7	0.9%	4.5%
USA Truck (USAK)	NC	13.66	10.6	144.6	142.4	0.0	287.0	NM	NM	NM	1.4x	0.5x	NE	7.7x	7.5x	NM	-2.3%	-7.1%	-2.0%	NM	0.0%	NE
Werner Enterprises (WERN)	Hold	25.97	72.8	1,889.3	40.0	23.7	1,905.7	18.6x	22.0x	20.0x	2.4x	0.9x	5.7x	6.1x	6.1x	13.6x	6.5%	11.7%	10.9%	1.7	0.8%	6.0%
Min			Γ	134.1	0.0	0.0	281.3	14.5x	17.3x	14.6x	1.4x	0.5x	5.2x	5.5x	5.1x	11.5x	-2.3%	-7.1%	-2.0%	0.7	0.0%	0.1%
Mean				1,742.1	293.4	33.3	2,003.7	22.3x	23.2x	19.3x	4.5x	1.2x	7.6x	8.2x	7.9x	14.7x	7.3%	16.5%	12.1%	1.6	0.4%	5.1%
Mean (Asset-based TL only)				1,873.3	315.6	29.2	2,161.6	22.8x	24.3x	20.1x	3.8x	1.2x	6.8x	7.5x	7.3x	15.2x	5.7%	11.4%	9.6%	1.8	0.4%	5.1%
Median				911.3	142.4	5.8	1,029.8	22.0x	22.4x	20.0x	2.7x	1.0x	7.4x	8.0x	7.5x	14.2x	6.1%	11.7%	10.9%	1.5	0.4%	5.0%
Max				8,778.7	1,603.2	174.5	9,481.3	28.9x	37.6x	23.7x	10.8x	2.9x	11.6x	11.9x	11.8x	19.6x	21.1%	48.7%	30.2%	3.1	1.2%	9.2%
Stifel Transportation Average				9,069,3	1,595.5	455.3	10,306.1	22.4x	21.2x	18.4x	3.4x	2.2x	9.1x	9.9x	8.6x	14.9x	5.4%	13.9%	10.0%	1.5	0.9%	4.0%

(a) Total Enterprise Value = Market Capitalization of Equity + Total Debt - Cash + Market Value of Minority Interest

(b) Stifel estimates for those rated and First Call mean estimates for unrated securities

(c) Enterprise value adjusted to include the capitalization of off balance sheet operating leases with lease expense (or rent expense) being added back to EBITDA for the valuation multiple calculation

(d) 2014E P/E divided by First Call mean or Stifel estimated long-term growth rate

Excludes non-recurring items

Calculations may vary due to rounding Source: Company data , First Call, and Stifel estimates

# January 29, 2014

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Knight Transportation Income Statement																									
(figures in \$ millions, except per share amounts)											201	2				201	3		I [		201	14			
0.8	2003A	2004A	2005A	2006A	2007A	2008A	2009A	2010A	2011A	1QA	2QA	3QA	4QA	2012A	1QA	2QA	3QA	4QA	2013A	1QE	2QE	3QE	4QE	2014E	2015E
Gross revenues	340.1	442.3	566.8	664.4	713.6	766.9	651.7	730.7	866.2	219.5	236.3	237.9	242.3	936.0	235.4	244.8	239.3	249.7	969.2	241.1	251.7	252.0	264.0	1,008.7	1,059.8
% change y/y	19.0%	30.1%	28.2%	17.2%	7.4%	7.5%	-15.0%	12.1%	18.5%	17.7%	3.4%	4.8%	8.1%	8.1%	7.2%	3.6%	0.6%	3.1%	3.5%	2.4%	2.8%	5.3%	5.7%	4.1%	5.1%
Revenues, net of fuel surcharge	326.9	411.7	499.0	568.4	601.4	595.6	571.5	615.7	697.3	175.6	188.8	192.6	195.2	752.2	189.6	200.1	195.8	206.3	791.9	194.3	206.1	207.6	219.7	827.8	875.3
% change y/y	17.0%	26.0%	21.2%	13.9%	5.8%	-1.0%	-4.0%	7.7%	13.3%	16.7%	3.6%	5.0%	7.8%	7.9%	8.0%	6.0%	1.7%	5.7%	5.3%	2.5%	3.0%	6.0%	6.5%	4.5%	5.7%
Operating expenses:																									
Salaries, wages and benefits	104.8	133.8	162.8	191.5	201.9	210.9	198.8	204.0	218.7	57.0	59.1	58.2	60.0	234.3	57.7	56.8	60.1	59.7	234.3	56.5	57.8	60.0	62.1	236.4	245.5
Fuel (gross)	56.6	85.1	133.5	165.6	189.1	237.9	140.4	174.4	226.5	57.3	56.6	59.5	56.8	230.2	55.7	52.7	54.3	52.1	214.8	55.9	55.0	54.1	54.4	219.4	224.7
Operations and maintenance	20.3	26.4	34.5	35.9	39.1	42.2	42.8	46.6	53.7	13.7	15.1	16.1	17.0	61.9	15.9	15.9	17.1	15.8	64.7	16.0	16.4	17.0	17.6	67.1	70.2
Insurance and claims	16.6	22.3	25.2	26.2	29.4	26.1	22.1	25.1	30.1	7.6	8.3	7.8	8.4	32.1	7.2	7.3	7.2	7.7	29.4	8.4	8.6	8.9	9.2	35.0	36.5
Operating taxes and licenses	9.1	9.8	12.4	13.5	14.8	14.9	13.5	14.0	15.2	4.1	4.0	3.9	4.2	16.2	3.9	4.0	3.8	4.0	15.6	4.2	4.3	4.4	4.6	17.5	18.3
Communications	3.0	3.6	4.3	5.7	5.5	5.9	5.4	5.5	5.5	1.4	1.3	1.2	1.3	5.2	1.2	1.2	1.2	1.4	5.0	1.3	1.4	1.4	1.5	5.6	5.8
Depreciation and amortization	30.1	40.8	52.6	60.4	65.7	69.8	71.4	71.0	75.8	20.4	20.9	21.8	21.9	85.1	21.5	21.1	22.0	21.6	86.1	21.7	22.2	23.1	23.9	90.9	95.0
Lease expense - revenue equipment	7.6	3.0	0.2	0.4	0.4	09.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Purchased transportation	25.2	29.3	31.8	39.9	52.4	51.5	61.8	82.0	129.1	31.9	36.1	39.1	41.0	148.0	42.8	49.9	45.6	51.4	189.7	46.3	47.4	49.2	50.9	193.7	203.9
Gain on sales of equipment	0.0	29.3	(2.8)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	42.8	49.9	43.0	0.0	0.0	40.5	47.4	49.2	0.0	0.0	203.9
Other operating expenses	7.3	8.8	10.8	5.8	10.0	14.9	13.5	10.4	11.5	2.3	2.9	2.6	3.1	10.9	4.1	3.9	3.8	3.9	15.7	3.5	3.6	3.7	3.9	14.7	15.3
Total operating expenses	280.6	362.9	465.1	544.9	608.1	674.3	569.7	633.0	766.2	195.7	2.9	210.2	213.7	823.8	209.9	212.9	215.1	217.6	855.3	213.8	216.6	221.9	228.0	880.3	915.3
Operating ratio (1)	81.8%	80.7%	79.6%	79.0%	82.5%	84.4%	85.7%	84.1%	85.7%	86.4%	83.0%	85.6%	85.4%	85.1%	86.5%	84.0%	87.6%	84.4%	85.6%	86.0%	83.0%	85.5%	83.6%	84.5%	83.5%
EBIT	59.4	79.4	101.7	119.5	105.4	92.7	82.0	97.7	100.0	23.8	32.1	27.8	28.6	112.2	25.5	31.9	24.3	32.2	113.9	27.2	35.0	30.1	36.0	128.4	144.5
% margin	17.5%	17.9%	17.9%	18.0%	14.8%	12.1%	12.6%	13.4%	11.5%	10.8%	13.6%	11.7%	11.8%	12.0%	10.9%	13.0%	10.1%	12.9%	11.8%	11.3%	13.9%	11.9%	13.6%	12.7%	13.6%
EBITDA	89.5	120.1	154.3	179.9	171.1	162.5	153.4	168.7	175.9	44.2	53.0	49.6	50.5	197.3	47.1	53.0	46.3	53.7	200.0	48.9	57.3	53.2	59.9	219.3	239.5
% margin	26.3%	27.2%	27.2%	27.1%	24.0%	21.2%	23.5%	23.1%	20.3%	20.1%	22.4%	20.8%	20.8%	21.1%	20.0%	21.7%	19.3%	21.5%	20.6%	20.3%	22.8%	21.1%	22.7%	21.7%	22.6%
Interest income	0.6	0.4	0.7	1.1	1.3	1.2	1.5	1.6	1.1	0.1	0.1	0.1	0.1	0.4	0.1	0.1	0.1	0.1	0.4	0.0	0.0	0.0	0.0	0.1	0.5
Interest (expense)	(0.9)	0.0	0.0	(0.0)	0.0	0.0	0.0	0.0	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)	(0.5)	(0.1)	(0.1)	(0.1)	(0.2)	(0.5)	(0.1)	(0.0)	(0.0)	(0.0)	(0.2)	0.0
Other income (expense), net	(0.3)	0.0	0.4	(0.7)	0.7	0.2	0.4	0.8	0.3	0.2	0.2	0.0	1.1	1.6	0.2	(0.2)	1.0	1.8	2.8	0.0	0.0	0.0	0.0	0.0	0.0
Duefit hefene ter	58.8	79.8	102.7	119.8	107.4	94.1	83.9	100.1	101.2	24.0	32.3	27.8	29.7	113.8	25.7	31.8	25.2	34.0	116.7	27.2	35.0	30.1	36.0	128.3	145.0
Profit before tax % margin	58.8 17.3%	19.8 18.0%	102.7	119.8	107.4	94.1 12.3%	85.9 12.9%	13.7%	101.2	24.0 10.9%	32.3 13.7%	27.8 11.7%	29.7 12.3%	115.8	25.7 10.9%	51.8 13.0%	25.2 10.5%	34.0 13.6%	116.7	27.2 11.3%	35.0 13.9%	50.1 11.9%	30.0 13.6%	128.5	145.0
																							10.00/		
Tax rate	39.7%	40.0%	39.9%	39.1%	39.5%	40.2%	39.7%	39.1%	40.0%	39.4%	40.0%	40.0%	39.1%	39.6%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
Net income (loss) from continuing operations	35.5	47.9	61.7	73.0	64.9	56.3	50.6	61.0	60.7	14.6	19.4	16.7	18.1	68.7	15.4	19.1	15.2	20.4	70.0	16.3	21.0	18.1	21.6	77.0	87.0
Noncontrolling interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	(0.5)	(0.1)	(0.1)	(0.1)	(0.4)	(0.6)	(0.3)	(0.1)	(0.1)	(0.3)	(0.7)	0.0	0.0	0.0	0.0	0.0	0.0
Net income for common shareholders (continuing ops)	35.5	47.9	61.7	73.0	64.9	56.3	50.6	61.1	60.2	14.4	19.3	16.6	17.7	68.0	15.2	18.9	15.1	20.1	69.3	16.3	21.0	18.1	21.6	77.0	87.0
Extraordinary item (net of tax)	0.0	0.0	0.0	0.0	(1.8)	0.0	0.0	(2.0)	0.0	(3.9)	0.0	0.0	0.0	(3.9)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	35.5	47.9	61.7	73.0	63.1	56.3	50.6	59.1	60.2	10.5	19.3	16.6	17.7	64.1	15.2	18.9	15.1	20.1	69.3	16.3	21.0	18.1	21.6	77.0	87.0
% margin	10.4%	10.8%	10.9%	11.0%	8.8%	7.3%	7.8%	8.1%	7.0%	4.8%	8.2%	7.0%	7.3%	6.8%	6.4%	7.7%	6.3%	8.0%	7.1%	6.8%	8.4%	7.2%	8.2%	7.6%	8.2%
Average shares outstanding - diluted $^{\rm (2) \cdot  (4)}$	86.0	86.5	87.0	87.0	87.2	85.8	83.6	84.3	81.9	80.0	80.1	80.2	80.0	80.0	80.1	80.3	80.4	80.6	80.0	80.6	80.6	80.6	80.6	80.6	80.6
EPS - diluted	\$0.41	\$0.55	\$0.71	\$0.84	\$0.72	\$0.66	\$0.60	\$0.70	\$0.74	\$0.13	\$0.24	\$0.21	\$0.22	\$0.80	\$0.19	\$0.24	\$0.19	\$0.25	\$0.87	\$0.20	\$0.26	\$0.22	\$0.27	\$0.96	\$1.08
% change y/y	24.2%	34.1%	29.1%	18.3%	-14.3%	-8.3%	-9.1%	16.7%	5.7%	8.3%	20.0%	0.0%	0.0%	8.1%	46.2%	0.0%	-9.5%	13.6%	8.7%	5.3%	8.3%	15.8%	8.0%	10.3%	12.5%
EPS - diluted (continuing operations)	\$0.41	\$0.55	\$0.71	\$0.84	\$0.74	\$0.66	\$0.60	\$0.72	\$0.74	\$0.18	\$0.24	\$0.21	\$0.22	\$0.85	\$0.19	\$0.24	\$0.19	\$0.25	\$0.87	\$0.20	\$0.26	\$0.22	\$0.27	\$0.96	\$1.08
% change y/y	24.2%	34.1%	29.1%	18.3%	-11.9%	-10.8%	-9.1%	20.0%	2.8%	50.0%	20.0%	0.0%	0.0%	14.9%	5.6%	0.0%	-9.5%	13.6%	2.4%	5.3%	8.3%	15.8%	8.0%	10.3%	12.5%

(1) Operating ratio based upon total operating expenses, net of fuel surcharge, as a percentage of revenue, before fuel surcharge

(2) Adjusted for 3:2 stock split effective December 28, 2001 for shareholders of record as of December 7, 2001

Adjusted to 5.2 stock spit effective December 26, 2001 to is indenoiders of record as of Dialy 12, 2004
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Source: Company data , First Call and Stifel estimates

# January 29, 2014

# STIFEL

John Larkin, CFA / jglarkin@stifel.com
Brady Cox / coxbr@stifel.com

						K	night '	Fransp	ortatio	n Bala	nce She	et										
figures in \$ millions, except per share amounts)	2012 2013																20	14				
	2003A	2004A	2005A	2006A	2007A	2008A	2009A	2010A	2011A	1QA	2QA	3QA	4QA	1QA	2QA	3QA	4QE	1QE	2QE	3QE	4QE	2015E
ASSETS																						
Current assets																						
Cash and equivalents	40.6	25.4	18.8	1.6	23.7	22.0	30.8	28.0	9.6	11.6	2.8	8.2	5.7	10.2	0.7	5.3	4.4	2.3	6.0	2.0	5.5	38.5
Short-term investments	0.0	0.0	2.3	0.0	7.6	31.9	66.9	24.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable, net	38.8	58.7	79.8	85.4	88.5	70.8	73.4	78.5	101.3	105.6	113.3	107.1	102.6	112.6	109.7	117.3	116.4	115.5	120.4	122.2	120.0	126.9
Notes receivable, net	0.5	0.2	0.2	0.3	0.0	0.2	4.4	1.4	1.0	1.0	0.9	0.9	0.8	0.7	0.7	0.7	0.0	0.0	0.0	0.0	0.0	0.0
Other current assets	1.3	2.3	3.4	16.6	25.0	13.3	15.8	11.9	31.9	32.7	33.7	33.5	33.6	27.7	26.7	27.5	35.6	31.9	32.1	32.6	33.1	35.0
Prepaid expenses	7.5	5.2	7.2	8.3	8.8	7.1	7.3	8.5	10.1	18.4	15.1	19.7	17.0	14.2	11.4	16.2	15.0	13.5	13.6	13.8	14.1	14.9
Income tax receivable	1.8	3.2	0.0	0.0	3.6	0.8	0.0	6.9	3.8	0.0	0.0	0.0	0.0	0.0	0.0	1.3	0.0	0.0	0.0	0.0	0.0	0.0
Restricted cash	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	57	7.5	8.5	8.8	10.2	6.5	5.8	5.7	2.3	2.9	3.2	2.4	3.4	4.0	4.2	3.2	3.2	3.2	3.2	3.3	3.3	3.5
Total current assets	96.1	102.5	120.4	121.0	167.3	152.5	204.5	165.2	160.1	172.3	169.1	171.7	163.1	169.4	153.5	171.6	174.6	166.4	175.3	173.8	176.0	218.8
	20.1	102.0	120.1	121.0	107.5	152.5	20115	105.2	100.1	1/200	107.1		105.1	107.1	10010	171.0	171.0	100.1	17515	175.0	170.0	210.0
roperty and equipment																						
Land and improvements	13.9	16.5	18.2	21.8	26.9	28.6	31.9	31.9	36.1	36.1	38.7	38.9	39.0	39.2	41.0	41.0						
Buildings and improvements	17.2	26.9	34.5	38.7	46.7	58.4	69.3	77.9	81.6	86.8	87.2	89.3	100.2	106.7	109.1	114.0						
Furnitures and fixtures	4.9	6.6	7.5	6.4	6.9	7.5	7.6	8.1	11.4	11.7	13.8	14.9	16.0	16.4	16.9	17.3						
Shop and service equipment	2.4	2.7	2.8	3.7	3.9	5.0	6.0	6.5	7.9	8.1	9.0	9.1	9.1	8.6	8.7	9.1						
Revenue equipment	256.8	338.4	430.0	496.1	521.1	558.6	548.5	584.2	636.6	631.2	651.7	676.5	681.9	661.6	669.4	684.0						
	2.50.8	0.8	430.0	490.1	0.8	558.0	1.0	2.5	2.0	2.9	2.9	3.0	3.0	3.0	3.0	3.2						
Leasehold improvements						1.2	1.9	2.5	4.7							5.5	000 6	010 6	0.10.7	050 4	1 000 4	1.100.4
otal property and equipment	296.2	392.1	493.4	567.2	606.3	659.1	665.1	711.2	776.4	776.8	803.3	831.6	849.0	835.4	848.2	868.6	888.6	918.6	948.6	978.6	1,008.6	1,138.6
Less accumulated depreciation	(83.2)	(104.1)	(141.1)	(133.4)	(146.7)	(186.9)	(204.1)	(227.5)	(229.4)	(232.1)	(243.6)	(255.5)	(264.9)	(272.3)	(278.6)	(281.7)	(303.2)	(324.9)	(347.2)	(370.2)	(394.1)	(489.1
roperty and equipment, net	212.9	287.9	352.3	433.8	459.5	472.2	461.0	483.7	547.0	544.8	559.7	576.1	584.1	563.1	569.6	587.0	585.4	593.7	601.5	608.4	614.5	649.5
otes receivable, net of current portion	0.4	0.1	0.3	0.3	0.9	0.7	2.9	4.2	4.0	3.7	3.6	3.5	3.7	3.1	3.3	3.8	2.4	0.8	0.8	0.8	0.8	0.9
Other assets, net	11.9	12.3	10.7	15.1	15.6	21.5	18.1	23.8	26.5	29.1	28.5	28.6	31.7	31.8	32.3	42.8	39.6	39.8	40.1	40.7	41.4	43.8
otal assets	321.2	402.9	483.8	570.2	643.4	646.9	686.5	677.0	737.6	749.8	760.9	779.9	782.5	767.5	758.7	805.1	802.0	800.7	817.7	823.8	832.8	912.9
Accounts payable Accrued payroll Accrued payroll Accrued payroll Accrued fiabilities Current portion of long-term debt Line of credit Income taxes payable Other current liabilities Ctal current liabilities Chal current liabilities Chal current fiabilities Dther liabilities Deferred income taxes Preferred stock Common stock Additional paid in capital Retained earnings	3.4 3.4 4.5 0.0 0.0 0.0 0.0 26.2 0.0 0.0 0.0 55.1 0.0 0.4 77.9 161.6 0.0	5.0 4.6 5.7 0.0 0.0 23.9 0.0 23.9 0.0 0.0 39.2 0.0 0.0 0.0 72.7 0.0 0.0 6 6 8.2.1 208.3 0.0 0.0 0.0	7.5 5.5 5.3 3.3 0.0 0.0 0.2 54.3 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 87.1 264.9 0.0 0.0 0.0 0.0	13.1 7.4 15.2 0.0 0.0 25.9 0.0 25.9 0.0 0.0 61.6 0.0 0.0 0.0 82.5 0.0 0.9 94.2 331.0 0.0 0.0 0.0	17.7 8.0 8.0 0.0 0.0 28.7 0.0 0.0 62.4 0.0 0.0 0.0 93.4 0.0 0.0 93.4 0.0 0.0 93.4 0.0 0.0 9.0 9.0 0.0 0.0 0.0 0.0 0.0 0.0	6.2 7.4 6.3 0.0 0.0 15.2 0.0 0.0 15.2 112.7 0.0 0.0 15.2 112.7 0.0 0.8 108.9 374.2 0.0 0.0 0.8	14.0 6.2 11.2 0.0 0.0 0.1 14.3 0.0 0.0 12.4 108.1 108.1 108.1 108.1 108.1 115.3 404.0 0.0 0.8	7.6 6.5 11.1 0.0 0.0 1.4 13.8 0.0 0.0 40.5 0.0 0.0 10.2 118.9 0.0 0.8 127.0 339.6 0.0 0.0 0.8	14.3 9,1 13.6 0,0 0,0 0,1.5 12.9 0,0 51.5 55.0 0,0 8.7 145.7 145.7 0,0 0,8 132.7 343.7 343.7 343.7	6.7 10.5 19.7 0.0 0.0 0.2 7 13.8 0.0 0.0 53.5 55.0 0.0 8.5 143.2 0.0 0.8 140.2 348.7 0.0 0.8	6.4 10.5 20.6 0.0 0.0 2.5 13.9 0.0 53.8 50.0 0.0 8.6 143.7 0.0 8.8 141.5 363.1 (0.4) 0.0	18.4 11.7 18.7 0.0 0.0 2.3 14.7 0.0 65.8 45.0 0.0 9.1 142.6 0.0 9.1 142.6 0.8 142.1 374.8 374.8 30.0 0.0	11.3 10.5 16.0 0.0 0.0 2.8 15.9 0.0 0.0 56.5 80.0 0.0 10.3 144.9 0.0 0.8 142.8 344.5 142.8 344.5 (0.3) 0.0	15.4 12.7 21.2 0.0 0.0 2.5 16.4 0.0 0.0 68.2 43.0 0.0 10.5 143.2 0.0 0.8 144.5 357.3 (0.1) 0.0	20.9 11.2 13.3 0.0 0.0 2.5 15.6 0.0 63.5 26.0 0.0 9.7 141.4 0.0 0.8 146.2 371.3 (0.3) 0.0	21.2 15.0 0.0 0.0 0.0 2.5 15.1 0.0 0.0 71.9 52.0 0.0 9.3 140.2 0.8 147.8 381.5 1.6 0.0	14.3 11.9 15.8 0.0 0.0 15.8 0.0 15.8 0.0 0.0 57.8 38.0 0.0 9.3 149.7	15.9 11.9 15.9 0.0 0.0 0.0 15.9 0.0 0.0 0.0 9.3 152.9	16.1 12.0 0.0 0.0 16.1 0.0 16.1 0.0 60.2 20.0 0.0 9.3 153.3	16.3 12.2 16.3 0.0 0.0 16.3 0.0 61.1 10.5 0.0 9.3 154.7	16.6 12.4 16.6 0.0 0.0 0.0 16.6 0.0 0.0 62.1 0.0 0.0 0.0 9.3 156.4	17.5 13.1 17.5 0.0 0.0 0.0 017.5 0.0 0.0 05.6 0.0 0.0 0.0 0.0 3 165.4
Accumulated other comprehensive income (loss) Less treasury stock, at cost	0.0	201.0		426.1	487.6	483.9	520.2	507.5	476.8	489.7	505.0	517.4	490.8	502.5	518.1	531.7	547.3	558.7	574.9	588.1	604.9	672.5
ess treasury stock, at cost	0.0 239.9	291.0	352.9										782.5	767.5	758.7	805.1	802.0	800.7	817.7	823.8		
ess treasury stock, at cost otal stockholders' equity		291.0 402.9	483.8	570.2	643.4	646.9	686.5	677.0	737.6	749.8	760.9	779.9	/82.5				00210	000.7	01/11	823.8	832.8	912.9
ess treasury stock, at cost otal stockholders' equity otal liabilities and stockholders' equity	239.9			570.2 \$4.89	643.4 \$5.60	646.9 \$5.71	686.5 \$6.21	677.0 \$6.01	737.6 \$5.98	749.8 \$6.12	760.9 \$6.31	\$6.45	\$6.14	\$6.27	\$6.45	\$6.61	\$6.79	\$6.93	\$7.13	\$7.30	\$7.51	
ess treasury stock, at cost ofal stockholders' equity otal liabilities and stockholders' equity ook value / share	239.9 321.2	402.9	483.8	\$4.89	\$5.60	\$5.71		\$6.01	\$5.98		\$6.31	\$6.45					\$6.79	\$6.93				\$8.35
ess treasury stock, at cost otal stockholders' equity otal liabilities and stockholders' equity ook value / share verage age of trade receivables (days)	239.9 321.2 \$2.79 41.7	<b>402.9</b> <b>\$3.35</b> 44.2	483.8 \$4.05 49.4	<b>\$4.89</b> 50.8		<b>\$5.71</b> 51.5	<b>\$6.21</b> 45.8	<b>\$6.01</b> 46.7	<b>\$5.98</b> 50.6	\$6.12 53.8	<b>\$6.31</b> 52.9	\$6.45 52.2	<b>\$6.14</b> 49.0	51.8	50.7	\$6.61	<b>\$6.79</b> 51.7	<b>\$6.93</b> 54.4	<b>\$7.13</b> 52.2	<b>\$7.30</b> 53.3	<b>\$7.51</b> 50.3	\$8.35 50.5
ess treasury stock, at cost total stockholders' equity 'otal liabilities and stockholders' equity 'ook value / share verage age of trade receivables (days) et working capital	239.9 321.2 \$2.79 41.7 69.9	<b>402.9</b> <b>\$3.35</b> 44.2 63.3	<b>483.8</b> <b>\$4.05</b> 49.4 66.1	<b>\$4.89</b> 50.8 59.4	<b>\$5.60</b> 53.2 104.9	<b>\$5.71</b> 51.5 117.4	<b>\$6.21</b> 45.8 158.7	<b>\$6.01</b> 46.7 124.8	<b>\$5.98</b> 50.6 108.6	<b>\$6.12</b> 53.8 118.8	<b>\$6.31</b> 52.9 115.3	\$6.45 52.2 105.9	<b>\$6.14</b> 49.0 106.6	51.8 101.2	50.7 90.0	<b>\$6.61</b> 52.9 99.7	<b>\$6.79</b> 51.7 116.8	<b>\$6.93</b> 54.4 106.6	<b>\$7.13</b> 52.2 115.1	<b>\$7.30</b> 53.3 112.8	<b>\$7.51</b> 50.3 113.9	\$8.35 50.5 153.1
ess treasury stock, at cost otal stockholders' equity otal liabilities and stockholders' equity ook value / share verage age of trade receivables (days) et working capital urrent ratio	239.9 321.2 \$2.79 41.7 69.9 3.7x	<b>402.9</b> <b>\$3.35</b> 44.2 63.3 2.6x	<b>483.8</b> <b>\$4.05</b> 49.4 66.1 2.2x	<b>\$4.89</b> 50.8 59.4 2.0x	<b>\$5.60</b> 53.2 104.9 2.7x	<b>\$5.71</b> 51.5 117.4 4.3x	<b>\$6.21</b> 45.8 158.7 4.5x	<b>\$6.01</b> 46.7 124.8 4.1x	<b>\$5.98</b> 50.6 108.6 3.1x	<b>\$6.12</b> 53.8 118.8 3.2x	<b>\$6.31</b> 52.9 115.3 3.1x	<b>\$6.45</b> 52.2 105.9 2.6x	<b>\$6.14</b> 49.0 106.6 2.9x	51.8 101.2 2.5x	50.7 90.0 2.4x	<b>\$6.61</b> 52.9 99.7 2.4x	<b>\$6.79</b> 51.7 116.8 3.0x	<b>\$6.93</b> 54.4 106.6 2.8x	<b>\$7.13</b> 52.2 115.1 2.9x	<b>\$7.30</b> 53.3 112.8 2.8x	<b>\$7.51</b> 50.3 113.9 2.8x	\$8.35 50.5 153.1 3.3
ess treasury stock, at cost otal stockholders' equity otal liabilities and stockholders' equity ook value / share verage age of trade receivables (days) et working capital urrent ratio otal assets	239.9 321.2 \$2.79 41.7 69.9 3.7x 321.2	<b>402.9</b> <b>\$3.35</b> 44.2 63.3 2.6x 402.9	<b>483.8</b> <b>\$4.05</b> 49.4 66.1 2.2x 483.8	<b>\$4.89</b> 50.8 59.4 2.0x 570.2	<b>\$5.60</b> 53.2 104.9 2.7x 643.4	<b>\$5.71</b> 51.5 117.4 4.3x 646.9	<b>\$6.21</b> 45.8 158.7 4.5x 686.5	<b>\$6.01</b> 46.7 124.8 4.1x 677.0	<b>\$5.98</b> 50.6 108.6 3.1x 737.6	<b>\$6.12</b> 53.8 118.8 3.2x 749.8	<b>\$6.31</b> 52.9 115.3 3.1x 760.9	<b>\$6.45</b> 52.2 105.9 2.6x 779.9	<b>\$6.14</b> 49.0 106.6 2.9x 782.5	51.8 101.2 2.5x 767.5	50.7 90.0 2.4x 758.7	<b>\$6.61</b> 52.9 99.7 2.4x 805.1	<b>\$6.79</b> 51.7 116.8 3.0x 802.0	<b>\$6.93</b> 54.4 106.6 2.8x 800.7	<b>\$7.13</b> 52.2 115.1 2.9x 817.7	<b>\$7.30</b> 53.3 112.8 2.8x 823.8	<b>\$7.51</b> 50.3 113.9 2.8x 832.8	\$8.35 50.5 153.1 3.3 912.9
ess treasury stock, at cost total stockholders' equity total liabilities and stockholders' equity took value / share verage age of trade receivables (days) et working capital urrent ratio otal assets ong-term debt	239.9 321.2 \$2.79 41.7 69.9 3.7x 321.2 0.0	<b>402.9</b> <b>\$3.35</b> 44.2 63.3 2.6x 402.9 0.0	<b>483.8</b> <b>\$4.05</b> 49.4 66.1 2.2x 483.8 0.0	<b>\$4.89</b> 50.8 59.4 2.0x 570.2 0.0	<b>\$5.60</b> 53.2 104.9 2.7x 643.4 0.0	<b>\$5.71</b> 51.5 117.4 4.3x 646.9 0.0	<b>\$6.21</b> 45.8 158.7 4.5x 686.5 0.0	<b>\$6.01</b> 46.7 124.8 4.1x 677.0 0.0	<b>\$5.98</b> 50.6 108.6 3.1x 737.6 55.0	<b>\$6.12</b> 53.8 118.8 3.2x 749.8 55.0	<b>\$6.31</b> 52.9 115.3 3.1x 760.9 50.0	<b>\$6.45</b> 52.2 105.9 2.6x 779.9 45.0	<b>\$6.14</b> 49.0 106.6 2.9x 782.5 80.0	51.8 101.2 2.5x 767.5 43.0	50.7 90.0 2.4x 758.7 26.0	<b>\$6.61</b> 52.9 99.7 2.4x 805.1 52.0	<b>\$6.79</b> 51.7 116.8 3.0x 802.0 38.0	<b>\$6.93</b> 54.4 106.6 2.8x 800.7 20.0	<b>\$7.13</b> 52.2 115.1 2.9x 817.7 20.0	<b>\$7.30</b> 53.3 112.8 2.8x 823.8 10.5	\$7.51 50.3 113.9 2.8x 832.8 0.0	\$8.35 50.5 153.1 3.32 912.9 0.0
ess treasury stock, at cost otal stockholders' equity otal liabilities and stockholders' equity ook value / share werage age of trade receivables (days) fet working capital urrent ratio otal assets ong-term debt otal debt	239.9 321.2 \$2.79 41.7 69.9 3.7x 321.2 0.0 0.0	<b>402.9</b> <b>\$3.35</b> 44.2 63.3 2.6x 402.9 0.0 0.0	<b>483.8</b> <b>\$4.05</b> 49.4 66.1 2.2x 483.8 0.0 0.0	<b>\$4.89</b> 50.8 59.4 2.0x 570.2 0.0 0.0	<b>\$5.60</b> 53.2 104.9 2.7x 643.4 0.0 0.0	<b>\$5.71</b> 51.5 117.4 4.3x 646.9 0.0 0.0	<b>\$6.21</b> 45.8 158.7 4.5x 686.5 0.0 0.0	<b>\$6.01</b> 46.7 124.8 4.1x 677.0 0.0 0.0	<b>\$5.98</b> 50.6 108.6 3.1x 737.6 55.0 55.0	<b>\$6.12</b> 53.8 118.8 3.2x 749.8 55.0 55.0	<b>\$6.31</b> 52.9 115.3 3.1x 760.9 50.0 50.0	<b>\$6.45</b> 52.2 105.9 2.6x 779.9 45.0 45.0	<b>\$6.14</b> 49.0 106.6 2.9x 782.5 80.0 80.0	51.8 101.2 2.5x 767.5 43.0 43.0	50.7 90.0 2.4x 758.7 26.0 26.0	<b>\$6.61</b> 52.9 99.7 2.4x 805.1 52.0 52.0	\$6.79 51.7 116.8 3.0x 802.0 38.0 38.0 38.0	<b>\$6.93</b> 54.4 106.6 2.8x 800.7 20.0 20.0	<b>\$7.13</b> 52.2 115.1 2.9x 817.7 20.0 20.0	<b>\$7.30</b> 53.3 112.8 2.8x 823.8 10.5 10.5	<b>\$7.51</b> 50.3 113.9 2.8x 832.8 0.0 0.0	\$8.35 50.5 153.1 3.3x 912.9 0.0 0.0
ess treasury stock, at cost otal stockholders' equity otal liabilities and stockholders' equity ook value / share werage age of trade receivables (days) fet working capital urrent ratio otal assets ong-term debt otal debt	239.9 321.2 \$2.79 41.7 69.9 3.7x 321.2 0.0	<b>402.9</b> <b>\$3.35</b> 44.2 63.3 2.6x 402.9 0.0	<b>483.8</b> <b>\$4.05</b> 49.4 66.1 2.2x 483.8 0.0	<b>\$4.89</b> 50.8 59.4 2.0x 570.2 0.0	<b>\$5.60</b> 53.2 104.9 2.7x 643.4 0.0	<b>\$5.71</b> 51.5 117.4 4.3x 646.9 0.0	<b>\$6.21</b> 45.8 158.7 4.5x 686.5 0.0	<b>\$6.01</b> 46.7 124.8 4.1x 677.0 0.0	<b>\$5.98</b> 50.6 108.6 3.1x 737.6 55.0	<b>\$6.12</b> 53.8 118.8 3.2x 749.8 55.0	<b>\$6.31</b> 52.9 115.3 3.1x 760.9 50.0	<b>\$6.45</b> 52.2 105.9 2.6x 779.9 45.0	<b>\$6.14</b> 49.0 106.6 2.9x 782.5 80.0	51.8 101.2 2.5x 767.5 43.0	50.7 90.0 2.4x 758.7 26.0	<b>\$6.61</b> 52.9 99.7 2.4x 805.1 52.0	<b>\$6.79</b> 51.7 116.8 3.0x 802.0 38.0	<b>\$6.93</b> 54.4 106.6 2.8x 800.7 20.0	<b>\$7.13</b> 52.2 115.1 2.9x 817.7 20.0	<b>\$7.30</b> 53.3 112.8 2.8x 823.8 10.5	\$7.51 50.3 113.9 2.8x 832.8 0.0	\$8.35 50.5 153.1 3.3x 912.9 0.0 0.0
ess treasury stock, at cost 'otal stockholders' equity 'otal liabilities and stockholders' equity took value / share everage age of trade receivables (days) et working capital 'urrent ratio 'otal assets ong-term debt otal debt fer debt (cash)	239.9 321.2 \$2.79 41.7 69.9 3.7x 321.2 0.0 0.0	<b>402.9</b> <b>\$3.35</b> 44.2 63.3 2.6x 402.9 0.0 0.0	<b>483.8</b> <b>\$4.05</b> 49.4 66.1 2.2x 483.8 0.0 0.0	<b>\$4.89</b> 50.8 59.4 2.0x 570.2 0.0 0.0	<b>\$5.60</b> 53.2 104.9 2.7x 643.4 0.0 0.0	<b>\$5.71</b> 51.5 117.4 4.3x 646.9 0.0 0.0	<b>\$6.21</b> 45.8 158.7 4.5x 686.5 0.0 0.0	<b>\$6.01</b> 46.7 124.8 4.1x 677.0 0.0 0.0	<b>\$5.98</b> 50.6 108.6 3.1x 737.6 55.0 55.0	<b>\$6.12</b> 53.8 118.8 3.2x 749.8 55.0 55.0	<b>\$6.31</b> 52.9 115.3 3.1x 760.9 50.0 50.0	<b>\$6.45</b> 52.2 105.9 2.6x 779.9 45.0 45.0	<b>\$6.14</b> 49.0 106.6 2.9x 782.5 80.0 80.0	51.8 101.2 2.5x 767.5 43.0 43.0	50.7 90.0 2.4x 758.7 26.0 26.0	<b>\$6.61</b> 52.9 99.7 2.4x 805.1 52.0 52.0	\$6.79 51.7 116.8 3.0x 802.0 38.0 38.0 38.0	<b>\$6.93</b> 54.4 106.6 2.8x 800.7 20.0 20.0	<b>\$7.13</b> 52.2 115.1 2.9x 817.7 20.0 20.0	<b>\$7.30</b> 53.3 112.8 2.8x 823.8 10.5 10.5	<b>\$7.51</b> 50.3 113.9 2.8x 832.8 0.0 0.0 (5.5) 0.0%	<b>\$8.35</b> 50.5 153.1 3.3x 912.9 0.0 0.0
	239.9 321.2 \$2.79 41.7 69.9 3.7x 321.2 0.0 0.0 (40.6)	<b>402.9</b> <b>\$3.35</b> 44.2 63.3 2.6x 402.9 0.0 0.0 (25.4)	<b>483.8</b> <b>\$4.05</b> 49.4 66.1 2.2x 483.8 0.0 0.0 (18.8)	\$4.89 50.8 59.4 2.0x 570.2 0.0 0.0 (1.6)	\$5.60 53.2 104.9 2.7x 643.4 0.0 0.0 (23.7)	<b>\$5.71</b> 51.5 117.4 4.3x 646.9 0.0 0.0 (22.0)	\$6.21 45.8 158.7 4.5x 686.5 0.0 0.0 (30.8)	\$6.01 46.7 124.8 4.1x 677.0 0.0 0.0 (28.0)	<b>\$5.98</b> 50.6 108.6 3.1x 737.6 55.0 55.0 45.4	<b>\$6.12</b> 53.8 118.8 3.2x 749.8 55.0 55.0 43.4	<b>\$6.31</b> 52.9 115.3 3.1x 760.9 50.0 50.0 47.2	\$6.45 52.2 105.9 2.6x 779.9 45.0 45.0 36.8	\$6.14 49.0 106.6 2.9x 782.5 80.0 80.0 74.3	51.8 101.2 2.5x 767.5 43.0 43.0 32.8	50.7 90.0 2.4x 758.7 26.0 26.0 25.3	<b>\$6.61</b> 52.9 99.7 2.4x 805.1 52.0 52.0 46.7	\$6.79 51.7 116.8 3.0x 802.0 38.0 38.0 38.0 33.6	\$6.93 54.4 106.6 2.8x 800.7 20.0 20.0 17.7	<b>\$7.13</b> 52.2 115.1 2.9x 817.7 20.0 20.0 14.0 3.4%	<b>\$7.30</b> 53.3 112.8 2.8x 823.8 10.5 10.5 8.5	<b>\$7.51</b> 50.3 113.9 2.8x 832.8 0.0 0.0 (5.5)	\$8.35 50.5 153.1 3.3x 912.9 0.0 0.0 (38.5 0.0%
ess treasury stock, at cost Fotal stockholders' equity Fotal liabilities and stockholders' equity Stock value / share Vverage age of trade receivables (days) Net working capital Urrent ratio Otal assets .ong-term debt Fotal debt Fotal debt Vet debt (cash) Debt/ total book capitalization	239.9 321.2 \$2.79 41.7 69.9 3.7x 321.2 0.0 0.0 (40.6) 0.0%	<b>\$3.35</b> 44.2 63.3 2.6x 402.9 0.0 0.0 (25.4) 0.0%	<b>483.8</b> <b>\$4.05</b> 49.4 66.1 2.2x 483.8 0.0 0.0 (18.8) 0.0%	\$4.89 50.8 59.4 2.0x 570.2 0.0 0.0 (1.6) 0.0%	\$5.60 53.2 104.9 2.7x 643.4 0.0 0.0 (23.7) 0.0%	<b>\$5.71</b> 51.5 117.4 4.3x 646.9 0.0 0.0 (22.0) 0.0%	\$6.21 45.8 158.7 4.5x 686.5 0.0 0.0 (30.8) 0.0%	\$6.01 46.7 124.8 4.1x 677.0 0.0 0.0 (28.0) 0.0%	<b>\$5.98</b> 50.6 108.6 3.1x 737.6 55.0 55.0 45.4 10.3%	<b>\$6.12</b> 53.8 118.8 3.2x 749.8 55.0 55.0 43.4 10.1%	<b>\$6.31</b> 52.9 115.3 3.1x 760.9 50.0 50.0 47.2 9.0%	\$6.45 52.2 105.9 2.6x 779.9 45.0 45.0 36.8 8.0%	\$6.14 49.0 106.6 2.9x 782.5 80.0 80.0 74.3 14.0%	51.8 101.2 2.5x 767.5 43.0 43.0 32.8 7.9%	50.7 90.0 2.4x 758.7 26.0 26.0 25.3 4.8%	<b>\$6.61</b> 52.9 99.7 2.4x 805.1 52.0 52.0 46.7 8.9%	\$6.79 51.7 116.8 3.0x 802.0 38.0 38.0 33.6 6.5%	\$6.93 54.4 106.6 2.8x 800.7 20.0 20.0 17.7 3.5%	<b>\$7.13</b> 52.2 115.1 2.9x 817.7 20.0 20.0 14.0	\$7.30 53.3 112.8 2.8x 823.8 10.5 10.5 8.5 1.8%	<b>\$7.51</b> 50.3 113.9 2.8x 832.8 0.0 0.0 (5.5) 0.0%	3.3x 912.9 0.0 0.0 (38.5

Source: Company data and Stifel estimates

Knight	<b>Transportation</b>	Inc.	(KNX)
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STIFEL
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John Larkin, CFA / jglarkin@stifel.com Brady Cox / coxbr@stifel.com

(figures in \$ millions, except per share amounts)											201	2		[		201	3		[		201	4			
	2003A	2004A	2005A	2006A	2007A	2008A	2009A	2010A	2011A	1QA	2QA	3QA	4QA	2012A	1QA	2QA	3QA	4QE	2013E	1QE	2QE	3QE	4QE	2014E	2015E
Operating Activities																									
Net income	35.5	47.9	61.7	73.0	63.1	56.3	50.6	59.1	60.2	10.5	19.3	16.6	17.7	64.1	15.2	18.9	15.1	20.1	69.3	16.3	21.0	18.1	21.6	77.0	87.0
Adjustments																									
Depreciation and amortization Gain on sales of equipment	30.1 0.0	40.8 0.0	52.6 (2.8)	60.4 (8.5)	65.7 (4.9)	69.8 (1.8)	71.4 (2.8)	71.0 (6.2)	75.8 (6.9)	20.4 (2.7)	20.9 (2.2)	21.8 (2.1)	21.9 (2.0)	85.1 (8.9)	21.5 (1.4)	21.1 (1.6)	22.0 (2.0)	21.6 0.0	86.1 (5.0)	21.7 0.0	22.2 0.0	23.1 0.0	23.9 0.0	90.9 0.0	95.0 0.0
Earn-out on sold investment	0.0	0.0	(2.8)	(8.5)	(4.9)	(0.2)	(2.8)	(0.2)	(0.9)	0.0	0.0	0.0	(0.2)	(0.2)	(1.4)	0.0	0.0	0.0	(5.0)	0.0	0.0	0.0	0.0	0.0	
Earn-out on sold investment Gain on sale of investment in Concentrek. Inc.	0.0	0.0	0.0	0.0	0.2	(0.2)	0.0	(0.7)	(0.1)	0.0	0.0	(0.1)	(0.2)	(0.2)	(0.0)	0.0	(0.9)	0.0	(0.9)	0.0	0.0	0.0	0.0	0.0	0.0 0.0
Gain for TRP I earnout	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loss from Investment in TRP III	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.1)	0.0	(0.2)	0.0	(0.3)	(0.3)	(0.2)	0.0	(0.1)	0.0	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0
Write-off of investment in communications company	0.3	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-cash compensation expense for issuance of																									
common stock to certain Board members	0.0	0.0	0.0	0.1	0.2	0.1	0.1	0.1	0.1	0.0	0.1	0.0	(0.0)	0.1	0.0	0.2	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0
Allowance for doubtful accounts and notes receivable	0.8	0.4	(0.0)	0.4	0.2	3.6	2.8	1.6	0.6	0.2	0.4	(0.0)	0.3	0.9	0.2	0.3	0.2	0.0	0.7	0.0	0.0	0.0	0.0	0.0	0.0
Stock option expense	0.0	0.0	0.0	3.0	2.6	3.4	3.3	6.7	3.5	4.8	0.5	0.5	0.5	6.3	0.6	0.6	0.7	0.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred income taxes, net	8.6	15.7	1.3	5.4	9.6	17.1	2.1	10.8	30.4	(3.4)	0.4	(0.2)	1.2	(2.0)	(2.4)	(2.0)	(1.2)	9.5	3.8	3.3	0.3	1.4	1.7	6.6	8.8
Income from non-controlling interest	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.1	0.1	0.1	0.4	0.6	0.3	0.1	0.1	0.3	0.7	0.0	0.0	0.0	0.0	0.0	0.0
Impairment of investment	0.0	0.0	0.0	0.7	0.0	0.0	0.0	1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tax benefit of stock option exercises	2.2	2.3	2.5	0.0	0.0	(0.5)	(0.4)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Changes in working capital items: Tax benefits related to stock-based compensation	0.0	0.0	0.0	(1.5)		0.0	0.0	(0.5)	(0.1)	(0.0)	(0.0)	0.0	0.1	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		0.0		(1.5)	(1.4)				(0.1)	(0.0)	(0.0)	0.0	0.1	(0.0)	0.0	0.0	0.0	0.0	0.0		0.0		0.0	0.0	
Change in short-term investments Trade receivables	0.0 0.8	(20.4)	(0.1) (17.8)	(6.0)	(7.6)	(24.3)	(35.1)	42.6 (6.3)	(23.0)	(4.5)	(8.1)	6.2	4.3	(2.2)	(10.3)	2.7	(7.8)	0.0	(14.5)	0.0	(4.9)	0.0 (1.8)	2.1	(3.6)	0.0 (6.9)
Other current assets	0.8	(20.4)	(17.8)	(0.6)	(0.3)	0.5	(0.4)	(0.3)	(23.0)	(4.5)	(8.1) (2.2)	(0.1)	4.5	(2.2) (2.8)	2.1	(0.6)	(0.6)	(8.1)	(14.5) (7.2)	3.8	(4.9)	(0.5)	(0.5)	(3.6)	(0.9)
Prepaid expenses	2.2	2.3	(1.0)	(0.0)	(0.3)	1.7	(0.4)	(1.0)	(1.6)	(8.3)	3.3	(4.5)	2.6	(6.9)	2.1	2.8	(4.9)	1.2	2.0	1.5	(0.2)	(0.2)	(0.2)	1.0	(0.8)
Other assets	(0.8)	(1.9)	(0.1)	(0.2)	(3.6)	2.7	0.4	(6.9)	3.1	0.0	3.8	0.1	(0.1)	3.8	0.0	(1.0)	(4.9)	1.2	(0.9)	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	(0.3)	1.6	0.0	0.6	1.2	(1.2)	(0.8)	2.0	(3.0)	1.1	(1.0)	5.5	(0.1)	4.8	6.0	(0.2)	1.5	(6.9)	0.4	1.7	0.1	0.0	0.3	2.3	1.0
Accrued liabilities, claims accrual and other	4.5	11.4	13.6	4.9	(2.8)	0.1	0.4	(2.0)	1.7	12.6	(3.0)	0.5	(1.8)	8.4	5.8	(9.6)	7.5	(7.1)	(3.4)	0.3	0.3	0.6	0.7	2.0	2.6
Total change in net working capital	6.5	(8.1)	(7.2)	(1.4)	(18.4)	(6.3)	(40.2)	26.6	(3.4)	(0.0)	(7.3)	7.6	4.7	5.0	6.5	(5.8)	(5.4)	(18.8)	(23.5)	8.1	(4.8)	(1.6)	2.4	4.2	(6.0)
Net cash provided by operations	84.4	98.9	107.8	133.0	118.4	141.4	86.9	170.2	160.7	30.3	32.2	44.3	44.1	150.8	40.3	31.9	28.5	32.6	133.3	49.4	38.8	41.0	49.5	178.7	184.7
Investing Activities																									
Purchases of property and equipment, net	(70.3)	(115.7)	(103.6)	(127.7)	(91.9)	(81.3)	(55.7)	(91.5)	(138.3)	(24.3)	(32.2)	(29.4)	(34.9)	(120.8)	1.8	(19.6)	(39.3)	(20.0)	(77.2)	(30.0)	(30.0)	(30.0)	(30.0)	(120.0)	(130.0)
Investment in communications company	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase in other assets	0.0	0.0	0.0	0.0	0.0	0.0	0.7	(4.8)	0.1	0.0	0.0	0.0	(1.9)	(1.9)	0.0	0.0	0.0	3.2	3.2	(0.2)	(0.3)	(0.6)	(0.7)	(1.8)	(2.4)
Acquisition activity	0.0	0.0	(3.3)	(16.0)	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proceeds from investment earn-out	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Investment in / advances to other companies	1.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Restricted cash received	0.0	0.0	(0.2)	(0.4)	0.0	0.0	(2.3)	(0.1)	(0.7)	(0.0)	(0.0)	(0.0)	(0.4)	(0.4)	(0.0)	0.4	(0.0)	0.0	0.3	0.0	0.0	0.0	0.0	0.0	0.0
Cash proceeds from related party notes receivable	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.1	(0.1)	0.0	0.7	0.0	(4.3)	0.0	(3.5)	0.0	0.0	0.0	0.0	0.0	0.0
Cash received from business acquired	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Investments in Transportation Resource Partners	0.0	0.0	(1.5)	(1.8)	(0.0)	(0.1)	(0.3)	(1.9)	(2.2)	(2.0)	0.0	(0.1)	(0.1)	(2.2)	(0.1)	(1.8)	(1.0)	0.0	(3.0)	0.0	0.0	0.0	0.0	0.0	0.0
Proceeds from sale of investment in Knight Flight Services	0.0	0.0	1.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proceeds from sale of investment in Concentrek, Inc.	0.0	0.0	2.8	0.0	0.2	0.0	0.0	0.7	0.0	0.0	0.0	0.0	0.0	0.0	2.1	0.0	(2.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Decrease (increase) in notes receivable	1.6	0.6	(0.3)	0.3	(0.2)	1.5	(2.9)	2.0	0.9	0.5	0.5	0.4	0.1	1.5	0.9	0.7	0.7	2.2	4.4	1.6	(0.0)	(0.0)	(0.0)	1.5	(0.0)
Net cash (used in) provided by investing activities	(67.4)	(115.0)	(104.7)	(145.7)	(92.0)	(79.6)	(60.4)	(95.6)	(140.1)	(25.8)	(31.7)	(29.1)	(37.3)	(123.8)	5.3	(20.4)	(46.0)	(14.7)	(75.7)	(28.7)	(30.3)	(30.6)	(30.7)	(120.2)	(132.4)
recensi (asea in) provided by investing activities	(0/14)	(11010)	(10417)	(140.77)	()2.0)	(1510)	(0011)	(5510)	(14011)	(2010)	(010)	(2)(1)	(07.0)	(12010)	010	(2014)	(40.0)	(1417)	(1211)	(2017)	(0010)	(5010)	(5017)	(12012)	(10214)
Cash available for (required by) financing	17.0	(16.1)	3.1	(12.6)	26.4	61.8	26.5	74.6	20.6	4.5	0.5	15.2	6.9	27.0	45.6	11.6	(17.5)	17.9	57.6	20.7	8.5	10.4	18.8	58.5	52.3
Cash available for (required by) infancing	17.0	(10.1)	5.1	(12.0)	20.4	01.0	20.5	74.0	20.0	4.3	0.5	15.2	0.9	27.0	45.0	11.0	(17.5)	17.9	57.0	20.7	0.0	10.4	10.0	56.5	32.3
Borrowings (payments) on line of credit, net	(12.2)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	55.0	0.0	(5.0)	(5.0)	35.0	25.0	(37.0)	(17.0)	26.0	(14.0)	(42.0)	(18.0)	0.0	(9.5)	(10.5)	(38.0)	0.0
Proceeds from sale of notes receivable	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Borrowings of long-term debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payments of long-term debt	(2.7)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payments of accounts payable - equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payment of note payable acquired	0.0	0.0	(6.8)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Purchase of treasury stock, at cost	0.0	0.0	0.0	0.0	0.0	(53.6)	(4.9)	0.0	(76.6)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proceeds from exercise of stock options	2.2	2.1	2.8	2.4	3.8	2.4	2.6	4.2	2.0	2.6	0.6	0.1	0.3	3.6	1.0	1.0	0.9	0.0	2.9	0.0	0.0	0.0	0.0	0.0	0.0
Payment of stock offering costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividends paid	0.0	(1.1)	(3.4)	(8.6)	(9.5)	(12.8)	(15.8)	(82.0)	(19.5)	(4.9)	(4.8)	(4.8)	(44.7)	(59.1)	(5.0)	(4.8)	(4.8)	(4.8)	(19.5)	(4.8)	(4.8)	(4.8)	(4.8)	(19.3)	(19.3)
Tax benefits related to stock-based compensation	0.0	0.0	0.0	1.5	1.4	0.5	0.4	0.5	0.1	0.0	0.0	(0.0)	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Distribution to noncotrolling interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.2)	(0.1)	(0.1)	0.0	(0.4)	(0.2)	(0.2)	(0.1)	0.0	(0.4)	0.0	0.0	0.0	0.0	0.0	0.0
Net proceeds from public offering of common stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net cash (used in) provided by financing activities	(12.7)	0.9	(7.4)	(4.6)	(4.3)	(63.5)	(17.7)	(77.3)	(39.0)	(2.5)	(9.3)	(9.8)	(9.4)	(30.9)	(41.1)	(21.0)	22.0	(18.8)	(58.9)	(22.8)	(4.8)	(14.3)	(15.4)	(57.3)	(19.3)
Beginning cash balance	36.2	40.6	23.2	18.8	1.6	23.7	22.0	30.8	28.1	9.6	11.6	2.8	8.2	9.7	5.7	10.2	0.7	5.3	5.7	4.4	2.3	6.0	2.0	4.4	5.5
Net increase (decrease) in cash and equivalents	4.4	(15.2)	(4.3)	(17.2)	22.1	(1.7)	8.8	(2.7)	(18.4)	2.0	(8.8)	5.4	(2.5)	(3.9)	4.5	(9.4)	4.5	(0.9)	(1.3)	(2.1)	3.7	(3.9)	3.5	1.1	33.0
Ending cash balance	40.6	25.4	18.8	1.6	23.7	22.0	30.8	28.1	9.7	11.6	2.8	8.2	5.7	5.7	10.2	0.7	5.3	4.4	4.4	2.3	6.0	2.0	5.5	5.5	38.5
Free cash flow	14.1 \$0.16	(17.9) (\$0.21)	0.8 \$0.01	(3.3)	17.0	47.4	15.4	(3.3) (\$0.04)	2.8 \$0.03	1.1 \$0.01	(4.8) (\$0.06)	10.0 \$0.13	(35.5) (\$0.44)	(29.2)	37.1 \$0.46	7.6 \$0.09	(15.7) (\$0.20)	7.8 \$0.10	36.7 \$0.46	14.6 \$0.18	4.0 \$0.05	6.1 \$0.08	14.7 \$0.18	39.4 \$0.49	35.4 \$0.44
Per share	\$0.16	(\$0.21)	\$0.01	(\$0.04)	\$0.19	\$0.55	\$0.18	(\$0.04)	\$0.03	\$0.01	(\$0.06)	\$0.15	(\$0.44)	(\$0.36)	\$0.46	\$0.09	(\$0.20)	\$0.10	\$0.46	\$0.18	\$0.05	\$0.08	\$0.18	\$0.49	\$0.44
Current share price \$20.75																									
FCF yield	0.8%	-1.0%	0.0%	-0.2%	0.9%	2.7%	0.9%	-0.2%	0.2%					-1.8%					2.2%					2.4%	2.1%
Dividend/FCF	0.0%	-6.3%	NM	-261.6%	56.0%	26.9%	102.7%	NM	685.9%					-202.8%					53.0%					49.1%	54.6%
CapEx, net/OCF	83.3%	117.0%	96.1%	96.0%	77.6%	57.5%	64.1%	53.8%	86.1%					80.1%					57.9%					67.2%	70.4%

Knight Transportation Cash Flow Statement

Source: Company data and Stifel estimates

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