Knight-Swift Transportation Holdings Inc. (KNX)

Updated April 27th, 2026, by Josh Arnold

Key Metrics

Current Price:	$65	**5 Year CAGR Estimate:**	8.4%	**Market Cap:**	$10.6 B
Fair Value Price:	$37	**5 Year Growth Estimate:**	20.0%	**Ex-Dividend Date:**	06/06/26[1]
% Fair Value:	176%	**5 Year Valuation Multiple Estimate:**	-10.7%	**Dividend Payment Date:**	06/23/26
Dividend Yield:	1.2%	**5 Year Price Target**	$92	**Years Of Dividend Growth:**	7
Dividend Risk Score:	B	**Sector:**	Industrials	**Rating:**	Hold

Overview & Current Events

Knight-Swift Transportation Holdings provides freight transportation services in the US and Mexico. The company operates in four segments, including: Truckload, Less-than-truckload, Logistics, and Intermodal. Through these segments, Knight-Swift operates over 100,000 trailers and roughly 30,000 tractors that offer dedicated, irregular route, refrigerated, expedited, flatbed, and cross-border operations. In addition, the company provides repair and maintenance, equipment leasing, warranty and insurance services, and other ancillary services. The company was founded in 1989, employs about 35,000 people, and generates annual revenue of about $8 billion.

Knight-Swift posted first quarter earnings on April 22nd, 2026, and results were somewhat weak. Adjusted earnings-per-share came to nine cents, which missed estimates for 16 cents. Revenue was up fractionally year-over-year to $1.86 billion, meeting expectations.

Consolidated revenue excluding fuel surcharges was basically flat from the year-ago period. There was a cost for claim development, as well as weather disruptions and net negative impact of volumes, but offset by rising fuel surcharge revenue. The company's adjusted operating ratio of 96.3% was down 70 basis points year-over-year, but management noted the first quarter was the seventh consecutive quarter of year-over-year improvement in miles per tractor. Indeed, average daily tonnage was up 7% year-over-year.

In Logistics, the company volumes were off 19%, while revenue per load was up 10.4% and gross margin was 16.6% for the quarter. Management noted truckload pricing has improved significantly and bids for future jobs are rising more quickly than expected.

We now see $1.85 in adjusted earnings-per-share for this year, with strong growth looking ahead.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$1.16	$4.34	$2.36	$1.80	$2.40	$4.45	$4.73	$1.34	$1.06	$1.26	***$1.85***	***$4.60***
DPS	$0.33	$0.31	$0.24	$0.24	$0.32	$0.38	$0.48	$0.56	$0.64	$0.72	***$0.80***	***$1.23***
Shares[2]	80.2	178.0	172.8	170.7	166.6	166.0	160.7	161.4	161.9	162.3	***162***	***165***

Knight-Swift's earnings have been choppy to put it mildly. In the past decade, there have been 5 occasions where earnings declined year-over-year, including 2024. Logistics is a highly cyclical business, and the fact is that much of the company's success is out of its control. It is beholden to shipment volumes and market pricing, in addition to things like fuel and labor costs. To put a point on this, the company's 2024 earnings were well below that of 2015. We note there still is a long way to go between this year's estimates and normalized historical earnings.

We think Knight-Swift can see rapid expansion in earnings from here, as we forecast 20% annualized growth off of 2026 levels. That is a long way from a normalized growth rate for Knight-Swift, but the base of earnings is so low that we think earnings will at least double in the next five years at a minimum.

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[1] Estimated date

[2] Share count in millions

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

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The dividend should grow much less quickly than earnings, and we see the payout normalizing back into 30% area. It was elevated last year due to poor earnings, not a high payout.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	28.5	10.1	11.2	20.3	17.4	13.7	11.7	42.1	50.0	27.5	***35.1***	***20.0***
Avg. Yld.	1.0%	0.7%	0.9%	0.7%	0.8%	0.6%	0.9%	1.0%	1.2%	1.4%	***1.2%***	***1.3%***

The multiple stands at 35.1 today, but that's reflective of still-depressed earnings. We see the middle of the range at 20 times earnings, and set fair value there. That makes the stock quite expensive today, but that should normalize as earnings rise quickly in the coming years. The yield is relatively unattractive despite being slightly better than the S&P 500, and should remain about where it is today for the foreseeable future.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	28%	7%	10%	13%	13%	9%	10%	42%	60%	57%	***43%***	***27%***

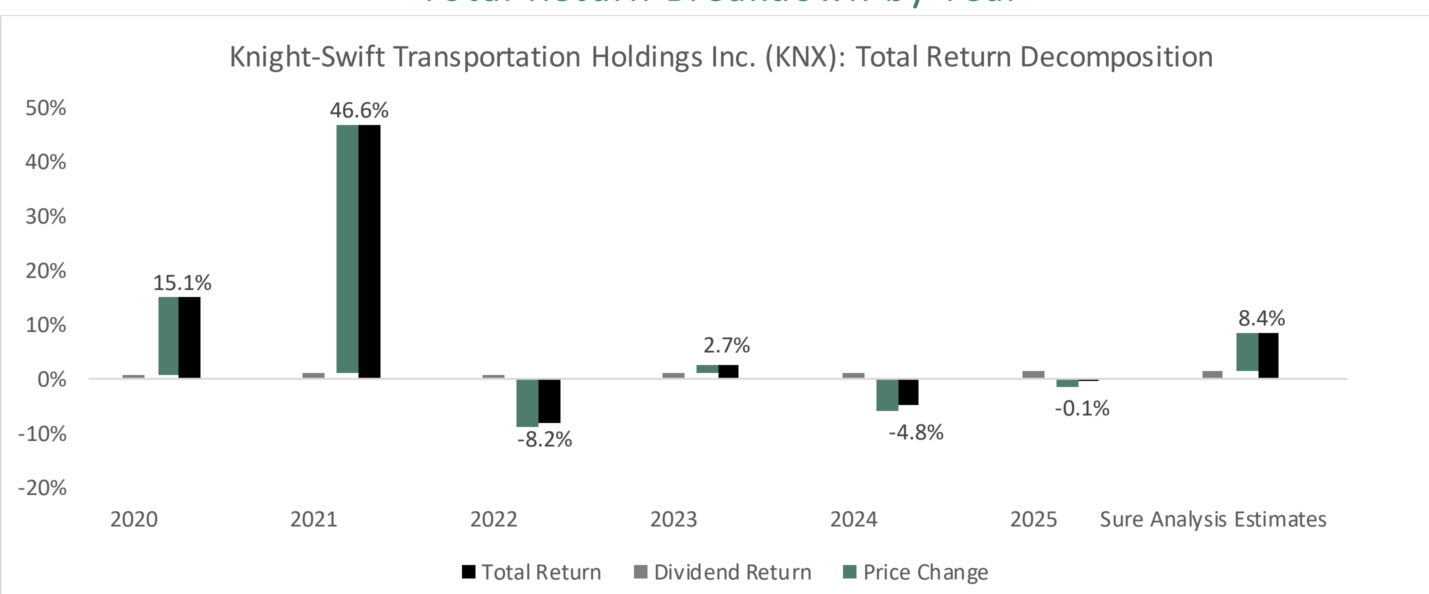
The payout ratio is generally extremely low and we expect 2024/2025's elevated level to be an anomaly. As earnings growth drastically outpaces dividend growth, it should come well off of current levels. We see no risk of a cut today, particularly with earnings growing as rapidly as they are.

The company's competitive advantage is fairly weak given it is just one of scale. Logistics is an industry where all of the players offer essentially the same thing; they take goods from one place to another. Knight-Swift operates an enormous number of trailers, giving it scale others cannot match. However, we caution there's no other advantage as it operates in a commoditized business.

Final Thoughts & Recommendation

We see Knight-Swift as having 8.4% total returns projected annually. That consists of 20% earnings growth, the 1.2% yield, and a valuation headwind of 10.7%. The stock looks expensive because of depressed earnings, but we see earnings rising sharply off today's levels, driving decent returns. We reiterate our hold rating on the stock, but note that it is likely to be volatile and speculative given the industry it competes in. It is also exposed to tariff changes over time.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	1,118	2,425	5,344	4,844	4,674	5,998	7,429	7,142	7,410	7,470
Gross Profit	223	422	961	843	969	1,413	1,775	1,254	1,035	825
Gross Margin	20.0%	17.4%	18.0%	17.4%	20.7%	23.6%	23.9%	17.6%	14.0%	11.0%
D&A Exp.	116	207	430	463	507	578	660	735	793	---
Operating Profit	148	234	572	431	570	966	1,093	340	262	316
Operating Margin	13.3%	9.6%	10.7%	8.9%	12.2%	16.1%	14.7%	4.8%	3.5%	4.2%
Net Profit	94	484	419	309	410	743	771	217	118	66
Net Margin	8.4%	20.0%	7.8%	6.4%	8.8%	12.4%	10.4%	3.0%	1.6%	0.9%
Free Cash Flow	89	-65	126	10	399	656	635	90	-20	763
Income Tax	58	-292	131	104	150	231	249	55	33	30

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	1,079	7,683	7,912	8,282	8,468	10,656	10,952	12,871	12,699	11,955
Cash & Equivalents	8	77	82	160	157	261	197	169	218	303
Accounts Receivable	134	574	601	519	578	911	842	889	804	315
Goodwill & Int. Ass.	50	4,329	4,340	4,298	4,312	5,346	5,296	5,908	6,019	5870
Total Liabilities	290	2,443	2,449	2,613	2,596	4,112	3,996	5,767	5,582	4864
Accounts Payable	18	120	118	99	101	225	221	355	330	201
Long-Term Debt	18	795	799	484	509	1,576	1,486	1,817	2,136	2558
Shareholder's Equity	786	5,238	5,461	5,666	5,870	6,533	6,945	7,087	7,109	---
LTD/E Ratio	0.02	0.15	0.15	0.09	0.09	0.24	0.21	0.26	0.30	0.38

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	8.5%	11.1%	5.4%	3.8%	4.9%	7.8%	7.1%	1.8%	0.9%	0.5%
Return on Equity	12.3%	16.1%	7.8%	5.6%	7.1%	12.0%	11.4%	3.1%	1.7%	0.9%
ROIC	11.3%	14.2%	6.8%	5.0%	6.5%	10.3%	9.3%	2.5%	1.3%	0.7%
Shares Out.	81.2	111.7	178.0	172.1	170.5	167.1	163.2	161.8	162.2	162.6
Revenue/Share	13.76	21.71	30.02	28.14	27.40	35.90	45.52	44.13	45.69	45.94
FCF/Share	1.10	-0.58	0.71	0.06	2.34	3.93	3.89	0.56	-0.12	4.69

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise. Not all 2024 data available yet from our data provider when this table was created.