

## **KNIGHT-SWIFT TRANSPORTATION ADDS LESS-THAN-TRUCKLOAD GROWTH PLATFORM THROUGH ACQUISITION OF AAA COOPER**

**PHOENIX, ARIZONA** – **On Monday, July 5, 2021**, Knight-Swift Transportation Holdings Inc. (NYSE: KNX) ("Knight-Swift"), acquired 100% of Dothan, Alabama-based AAA Cooper Transportation and an affiliated entity ("AAA Cooper"). AAA Cooper is a leading less-than-truckload ("LTL") carrier that also offers dedicated contract carriage and ancillary services. The transaction is expected to be immediately accretive to Knight-Swift's adjusted earnings per share ("Adjusted EPS")

Knight-Swift CEO, Dave Jackson, expressed the following, "We have long had interest in the LTL space and admired the success of AAA Cooper. We feel honored to be stewards of the AAA Cooper brand and, similar to previous acquisitions, AAA Cooper will continue to operate independently, while benefitting from the many synergies we expect through Knight-Swift. Reid Dove has been appointed to the Knight-Swift board of directors and will continue to be the CEO of AAA Cooper.

"In seeking our first LTL partner, we had three main requirements – the scale for entry with significant market share, the profitability and management depth to operate independently and provide a platform for compelling growth opportunities, and a world class culture. We were excited to have identified AAA Cooper as a partner that meets all three requirements, and I couldn't be happier to finally find the right time for both of us to create a partnership. This transaction firmly positions us as a meaningful player in the LTL space, where we intend to grow both organically and through future acquisitions."

Reid Dove, CEO of AAA Cooper, noted, "Joining the Knight-Swift team is an exciting combination for the AAA Cooper team members and customers. It will allow us to pursue new opportunities and accelerate our growth. We will continue to operate as an independent company, headquartered in Dothan, Alabama, and will do so with the support and partnership of the strongest provider in the full truckload space. This is the fusion of two excellent companies in their respective sectors of the transportation industry, which makes this a win for our people, our customers, and for the newly expanded Knight-Swift team."

### **About AAA Cooper**

AAA Cooper is expected to generate approximately \$780 million in revenue, \$140 million in EBITDA<sup>1</sup>, and \$80 million in operating income for full-year 2021. AAA Cooper serves its blue-chip customer list through an extensive network of approximately 70 facilities (90% owned, with the remainder leased), consisting of a terminal door count of over 3,400, strategically located across the southeastern and midwestern United States. Nationwide service is provided through affiliations with other leading regional and national LTL companies. AAA Cooper's fleet includes nearly 3,000 tractors and 7,000 trailers, which execute at an operating ratio in the high 80's to low 90's. The company's highly skilled and efficient workforce includes approximately 4,800 associates. For each of the last five years AAA Cooper has been named one of America's Best Mid-sized Employers by Forbes Magazine.

### **About the Transaction**

The enterprise value of the transaction was \$1.35 billion. The purchase price consideration consisted of \$1.3 billion in cash, \$10 million in Knight-Swift shares, and approximately \$40 million in assumed debt, net of cash. Cash for the transaction was funded from a new \$1.2 billion term loan provided by Bank of America to Knight-Swift, as well as existing Knight-Swift liquidity. AAA Cooper was an S corporation for tax purposes, and the transaction included an election under Internal Revenue Code Section 338(h)(10).

The transaction is expected to be accretive to Knight-Swift's Adjusted EPS<sup>1</sup> during the third quarter of 2021. On a longer-term basis, the parties have identified multiple areas of revenue and cost synergies that are expected to lead to growth and margin expansion consistent with Knight-Swift's return on investment targets, while preserving AAA Cooper's brand, locations, people, and culture.

### **Advisors**

Scudder Law Firm, P.C., L.L.O. of Lincoln, Nebraska served as Knight-Swift's transaction and legal advisor and Maynard Cooper & Gale, LLP served as AAA Cooper's transaction and legal advisor. **SJ Consulting Group, Inc.** also provided advisory services to Knight-Swift in connection with the transaction.