

ModernGraham Valuation

Knight-Swift
Transportation
Holdings Inc



Company Name:

Company Ticker KNX

Date of Analysis

8/12/2018

Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

Defensive Investor; must pass 6 out of the following 7 tests.

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$5,840,169,100	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.47	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	274.51%	Pass
5. Earnings Growth	PEmg < 20	13.99	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.10	Pass
7. Moderate Price to Assets			

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	1.47	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.33	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Pass
	Score		

Suitability

Defensive	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.38
MG Growth Estimate	15.00%
MG Value	\$91.45
MG Value based on 3% Growth	\$34.44
MG Value based on 0% Growth	\$20.19
Market Implied Growth Rate	2.74%

MG Opinion

Current Price	\$33.22
% of Intrinsic Value	36.33%
Opinion	Undervalued
MG Grade	A-

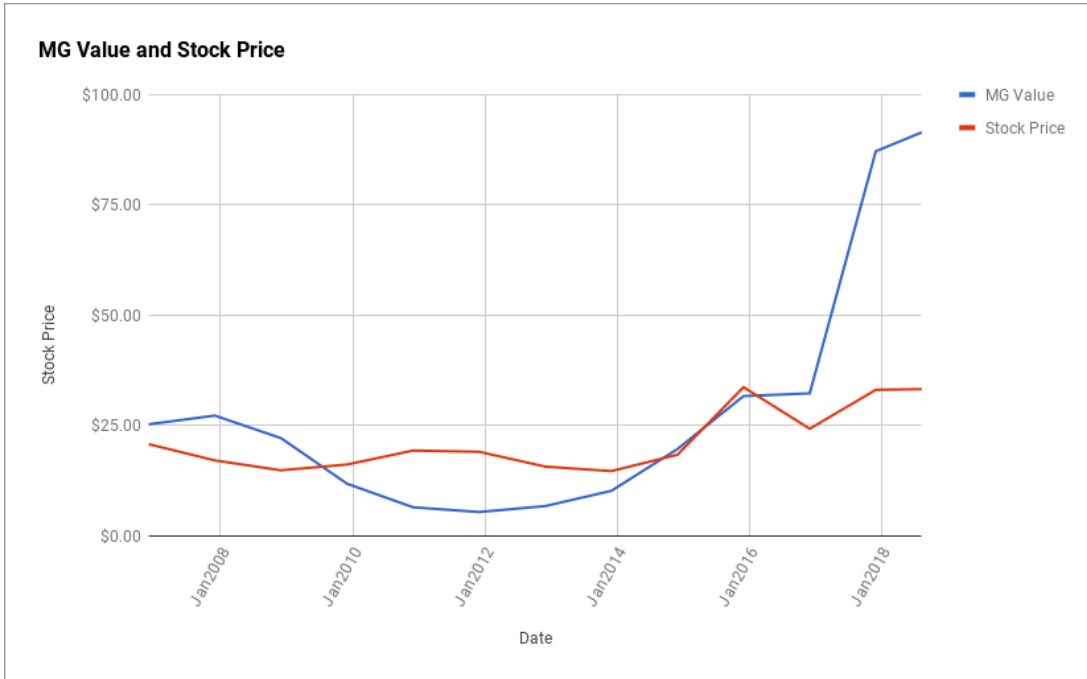
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$7.89
Graham Number	\$37.64
PEmg	13.99
Current Ratio	1.47
PB Ratio	1.10
Current Dividend	\$0.24
Dividend Yield	0.72%
Number of Consecutive Years of Dividend Growth	0

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$2.14	Next Fiscal Year Estimate	\$2.38
Dec2017	\$4.34	Dec2017	\$2.26
Dec2016	\$1.16	Dec2016	\$1.18
Dec2015	\$1.42	Dec2015	\$1.13
Dec2014	\$1.25	Dec2014	\$0.95
Dec2013	\$0.86	Dec2013	\$0.78
Dec2012	\$0.80	Dec2012	\$0.73
Dec2011	\$0.74	Dec2011	\$0.69
Dec2010	\$0.70	Dec2010	\$0.68
Dec2009	\$0.60	Dec2009	\$0.68
Dec2008	\$0.66	Dec2008	\$0.71
Dec2007	\$0.72	Dec2007	\$0.71
Dec2006	\$0.84	Dec2006	\$0.66
Dec2005	\$0.71	Dec2005	\$0.53
Dec2004	\$0.55	Dec2004	\$0.41
Dec2003	\$0.41	Dec2003	\$0.32
Dec2002	\$0.32	Dec2002	\$0.26
Dec2001	\$0.24	Balance Sheet Information	
Dec2000	\$0.24	6/1/2018	
Dec1999	\$0.20	Total Current Assets	\$941,332,000
Dec1998	\$0.17	Total Current Liabilities	\$641,221,000
		Long-Term Debt	\$699,473,000
		Total Assets	\$7,753,741,000
		Intangible Assets	\$4,360,291,000
		Total Liabilities	\$2,357,357,000
		Shares Outstanding (Diluted Average)	179,398,000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

Recommended Reading:

Other ModernGraham posts about the company [Knight Transportation Valuation – Initial Coverage \\$KNX](#)

Other ModernGraham posts about related companies [Saia Inc Valuation – July 2018 \\$SAIA](#)
[Ryder System Inc Valuation – June 2018 \\$R](#)
[United Parcel Service Inc Valuation – May 2018 \\$UPS](#)
[JB Hunt Transport Services Inc Valuation – May 2018 \\$JBHT](#)
[C.H. Robinson Worldwide Inc Valuation – April 2018 \\$CHRW](#)
[FedEx Corp Valuation – April 2018 \\$FDX](#)
[Expeditors International of Washington Inc Valuation – March 2018 \\$EXPD](#)
[TFI International Inc Valuation – Initial Coverage \\$TSE:TFII](#)
[Landstar System Inc Valuation – Initial Coverage \\$LSTR](#)
[Kirby Corporation Valuation – Initial Coverage \\$KEX](#)