



J.B. HUNT

Q3 2020 RESULTS



DISCLOSURE



This presentation and discussion may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as “expects,” “anticipates,” “intends,” “estimates,” or similar expressions are intended to identify these forward-looking statements. These statements are based on J.B. Hunt’s current plans and expectations and involve risks and uncertainties that could cause future activities and results of operations to be materially different from those set forth in the forward-looking statements. For further information, please refer to J.B. Hunt’s reports and filings with the Securities and Exchange Commission.



DISTINCT & COMPLEMENTARY BUSINESSES



Intermodal (JBI)

- Largest, 100% 53' high-cube container fleet
- Largest drayage fleet in North America
- Priority loading and unloading at major rail terminals

Dedicated Contract Services (DCS)

- Fleet creation, conversion, and augmentation
- Design & implementation of value-driven supply chain solutions
- On-site management

Integrated Capacity Solutions (ICS)

- Non-asset based offering of dry van, flatbed, refrigerated, expedited, and LTL services.
- 40- and 20-foot box domestic and international containers and international intermodal services
- Services to all 50 States, Canada, and Mexico

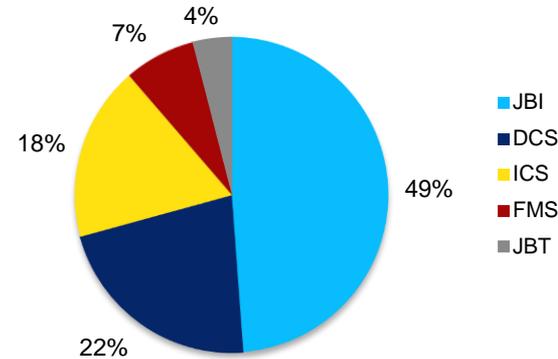
Final Mile Services (FMS)

- Largest final mile asset network in the US
- Provider of both asset and non-asset big and bulky delivery and installation services
- Nationwide fulfillment and retail-pooling distribution services

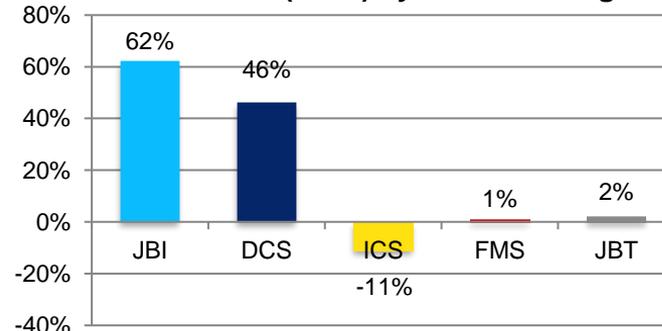
Truckload (JBT)

- One of the largest capacity networks in North America
- Instant tracking via the Internet
- GPS trailer tracking

3Q 2020 Revenue Mix



Percentage of 3Q 2020 Operating Income/(Loss) by Business Segment





OVERVIEW

3Q 2020 Revenue:

\$2.47 billion; up 5%

3Q 2020 Revenue, excl FSC:

\$2.30 billion, up 9%

3Q 2020 Operating Income:

\$175.5 million; up 5%

3Q 2020 EPS:

\$1.18 vs. \$1.10, up 7%

SEGMENT PERFORMANCE

Intermodal (JBI)

Revenue: \$1.21 billion; down 2%

Operating Income: \$108.4 million; up 22%

Dedicated Contract Services (DCS)

Revenue: \$553 million; up 1%

Operating Income: \$80.4 million; up 5%

Integrated Capacity Solutions (ICS)

Revenue: \$431 million; up 28%

Operating Loss: \$(18.3) million; compared to \$(5.6) million in 3Q'19

Final Mile Services (FMS)

Revenue: \$182 million; up 22%

Operating Income: \$2.1 million; up 13%

Truckload (JBT)

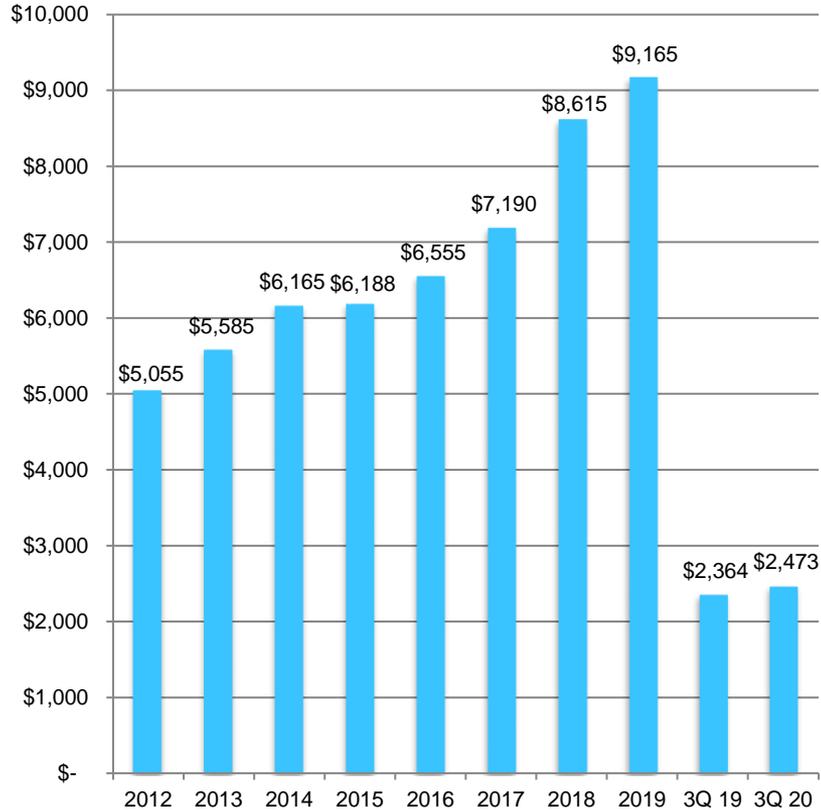
Revenue: \$109 million; up 16%

Operating Income: \$2.9 million; down 55%

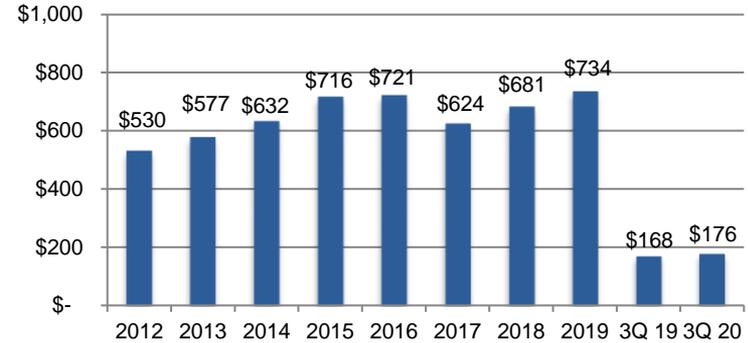
3Q RESULTS CONSOLIDATED



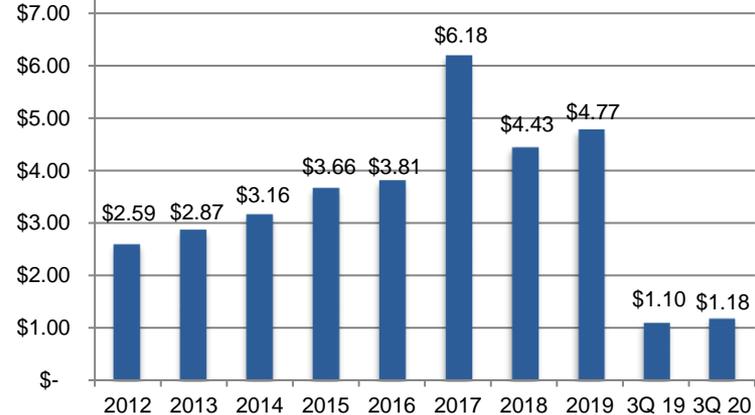
Revenue (in millions)



Operating Income (in millions)



Diluted EPS





- **Industry leading Intermodal franchise**
- **Differentiated and specialized Dedicated business**
- **Independent brokerage/management services**
- **Lighter Truckload asset model**

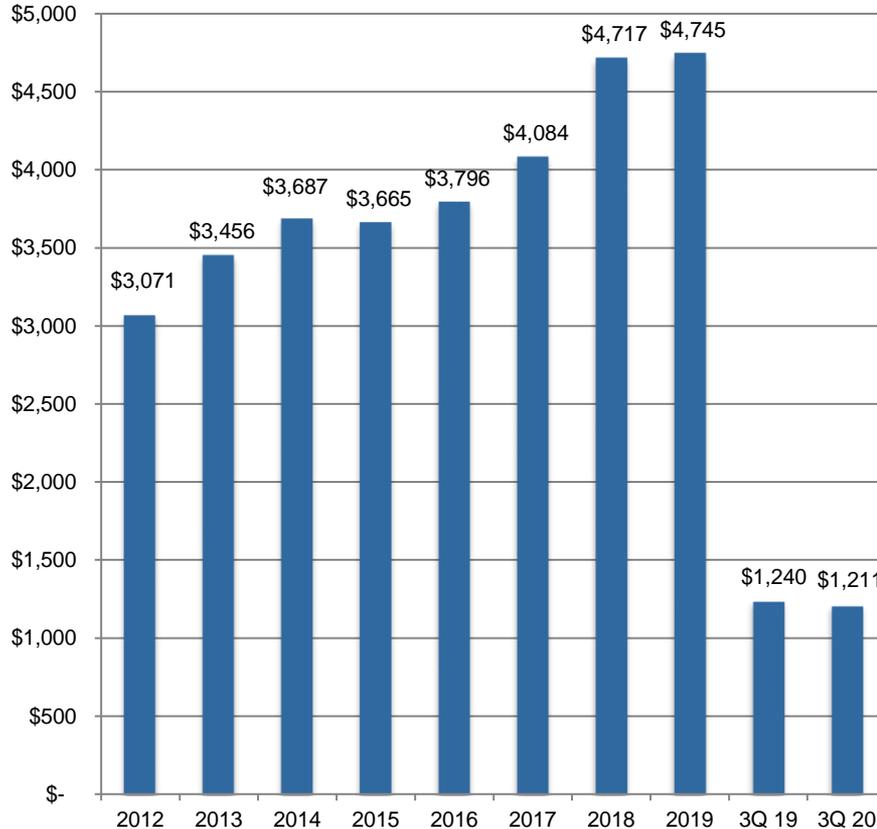
SEGMENT DISCUSSION



INTERMODAL (JBI)



JBI Revenue (in millions)



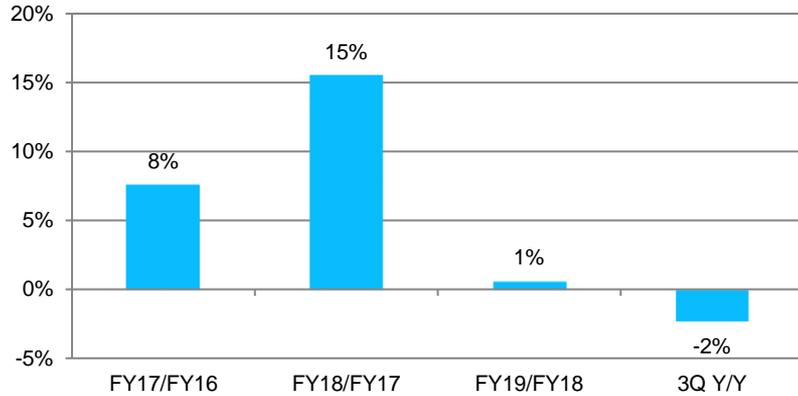
Overall intermodal volumes increased 2% vs. the same period in 2019. Eastern network loads grew 3%, while Transcon loads grew 2% compared to the third quarter 2019. Volumes in the quarter were heavily constrained by rail congestion and service issues stemming from a large and sudden increase in demand and intermittent labor challenges in both the rail and truck networks. Revenue declined by 2%, reflecting a 5% decline in revenue per load, partially offset by the 2% load growth; which is the combination of mix, customer rates, and fuel surcharges. Excluding fuel, revenue per load was flat year over year.

Operating income increased by 22% year over year, however the prior comparable period included \$44.2 million in charges related to the final award in the BNSF arbitration. Excluding those charges, operating income was down 18% year over year. The decline in operating income is attributable to higher rail purchased transportation costs, including costs to reposition empty containers, lower overall revenue per load, and higher dray costs stemming from dislocations in rail capacity and a tight labor and truck capacity environment. The current period ended with approximately 97,400 units of trailing capacity and 5,647 power units in the dray fleet.

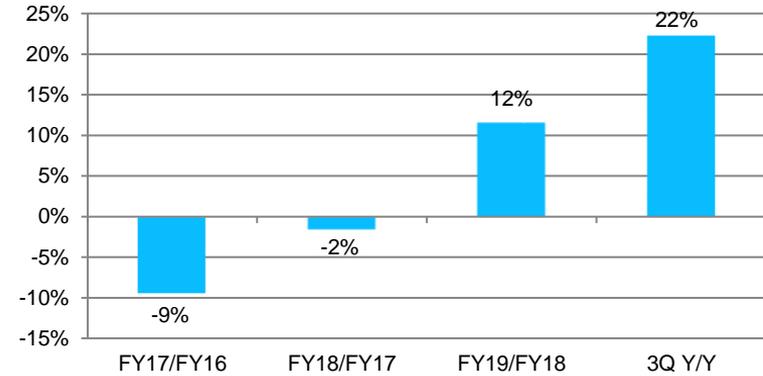
INTERMODAL (JBI) PERFORMANCE



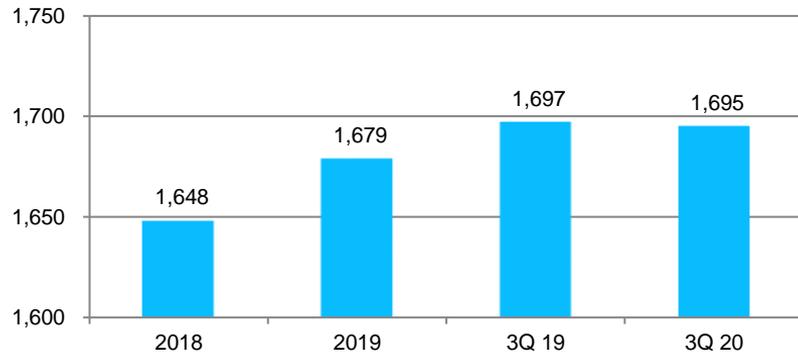
JBI Revenue Change



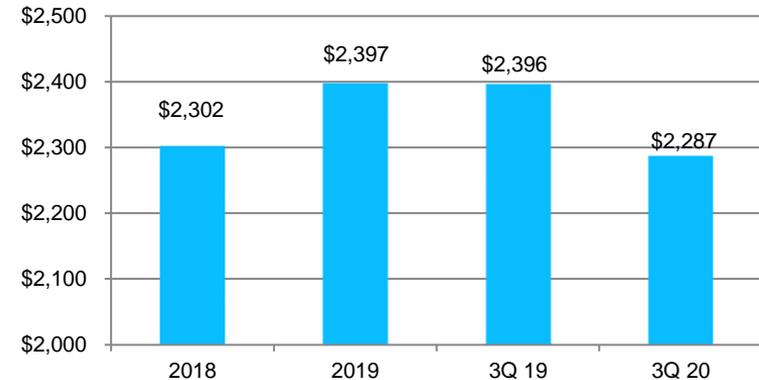
JBI Operating Income Change



JBI Average Length of Haul



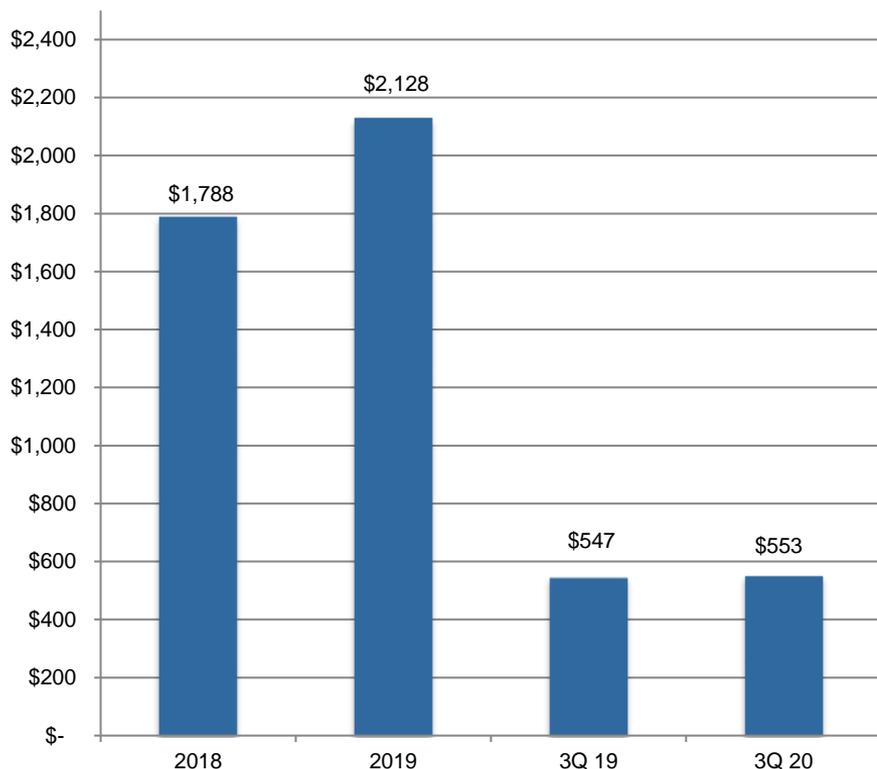
JBI Revenue per Load



DEDICATED (DCS)



DCS Revenue (in millions)



DCS revenue increased 1% during the current quarter over the same period in 2019. Productivity, defined as revenue per truck per week, was flat vs. 2019. Productivity excluding fuel surcharge revenue increased 2% vs. 2019. A net additional 63 revenue producing trucks were in the fleet by the end of the quarter compared to the prior year. Customer retention rates remain above 97%.

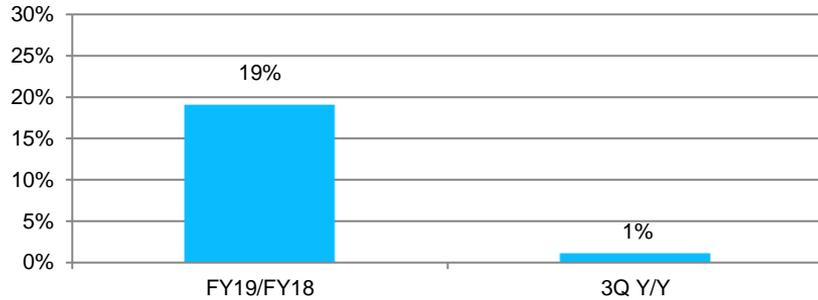
Operating income increased 5% over the prior year quarter. Benefits from increased productivity of assets, reduced driver turnover, fewer start-up costs, and lower travel and entertainment expenses, were partially offset by higher driver and account manager wages and benefits.

*In March 2020, J.B. Hunt separated its DCS segment into two reportable segments: DCS and FMS. See additional ["JBHT FMS Segmentation"](#) investor presentation.

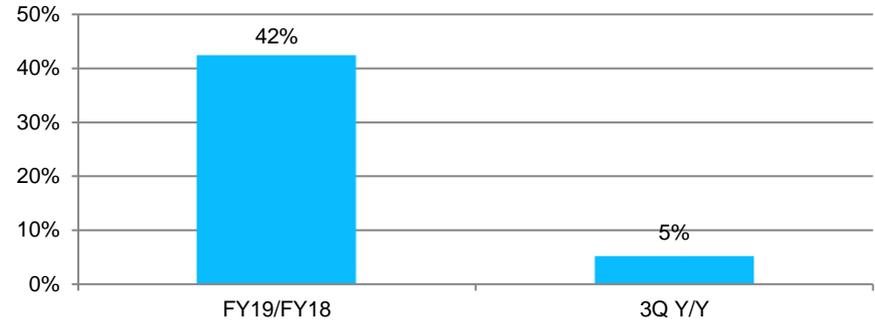
DEDICATED (DCS) PERFORMANCE



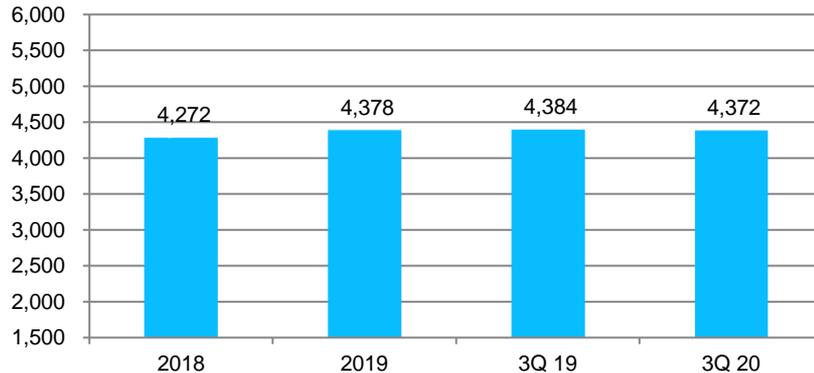
DCS Revenue Change



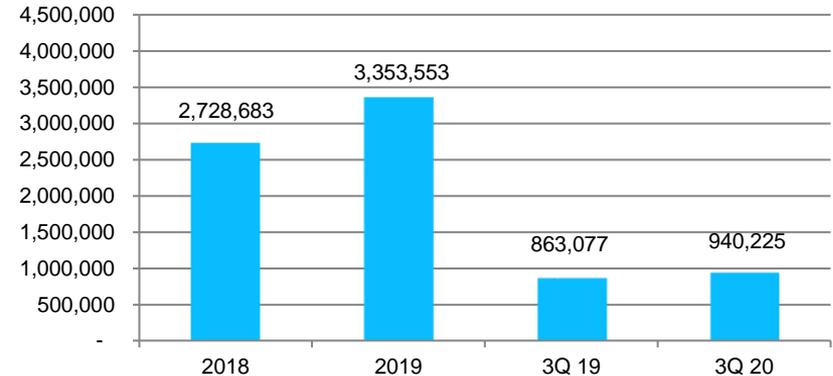
DCS Operating Income Change



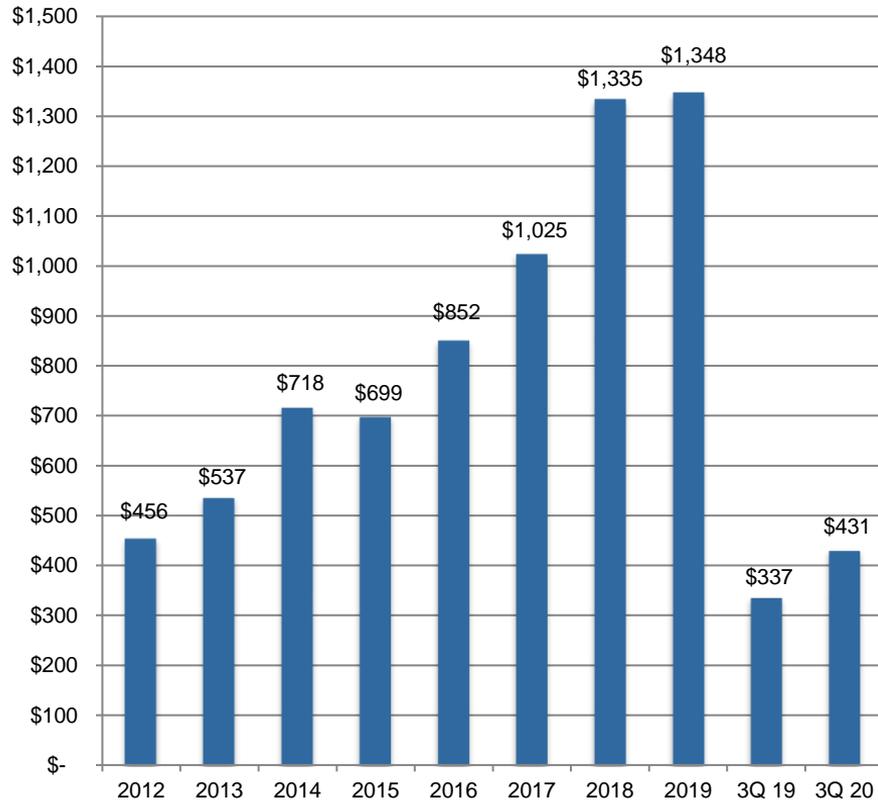
DCS Revenue Per Truck Per Week



DCS Loads



ICS Revenue (in millions)



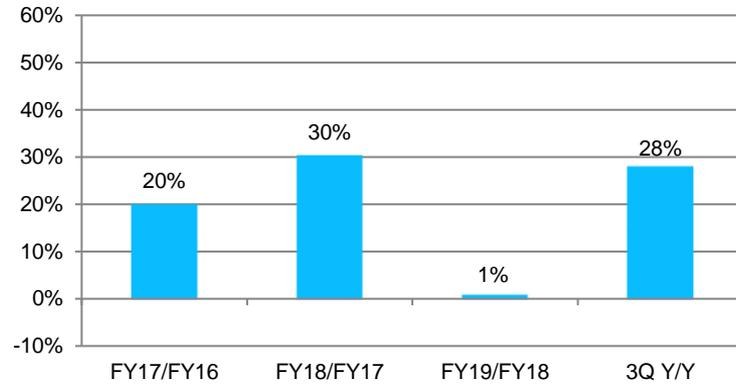
ICS revenue increased 28% in the current quarter vs. the third quarter 2019. Volumes increased 2% and revenue per load increased 25% due to customer freight mix changes and higher contractual and spot rates compared to the third quarter 2019. Contractual volumes represented approximately 58% of the total load volume and 38% of the total revenue in the current quarter compared to 68% and 52%, respectively, in third quarter 2019. Of the total reported ICS revenue, approximately \$291 million was executed through the Marketplace for J.B. Hunt 360 compared to \$205 million in third quarter 2019.

Operating income decreased by \$12.7 million from the third quarter 2019 primarily from lower gross profit margins. Gross profit margins decreased to 7.6% in the current period vs. 12.7% in the same period last year primarily from a competitive contractual pricing environment and tight supply dynamics that occurred throughout the quarter. ICS carrier base increased 14% vs. third quarter 2019.

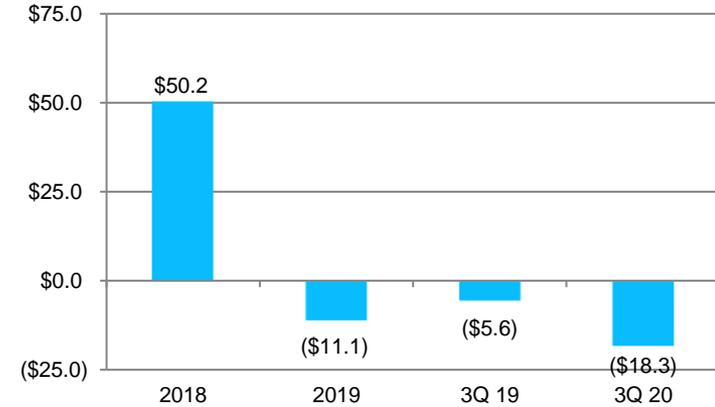
INTEGRATED (ICS) PERFORMANCE



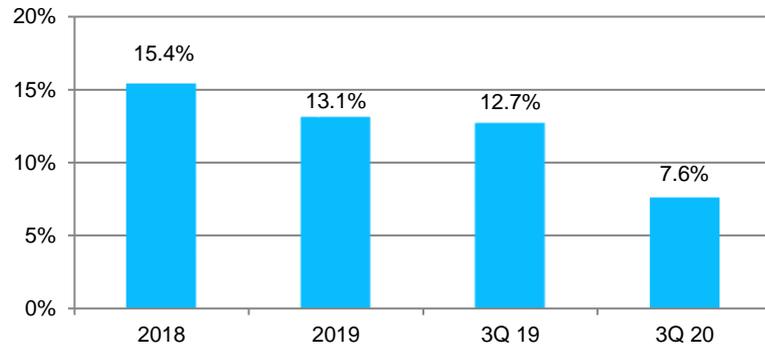
ICS Revenue Change



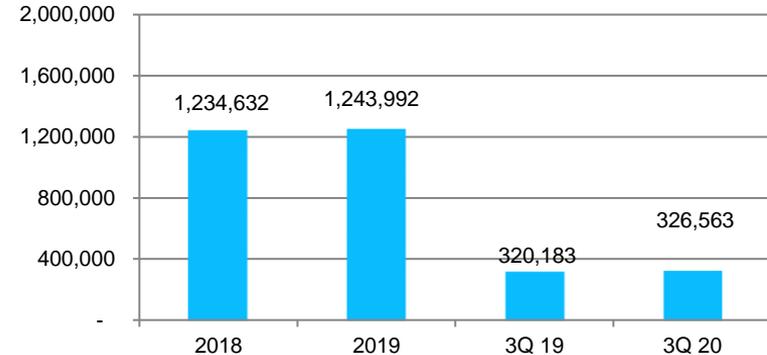
ICS Operating Income/(Loss) (in millions)



ICS Gross Profit Margin



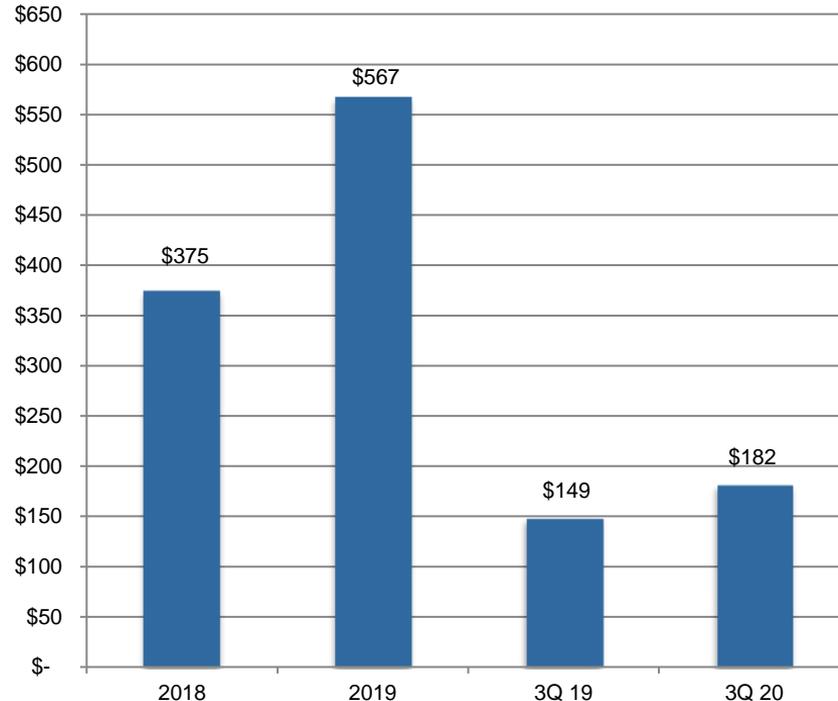
ICS Loads



FINAL MILE SERVICES (FMS)*



FMS Revenue (in millions)



FMS revenue increased 22% compared to the same period 2019. Stop count within FMS increased 34% during the current quarter vs. a year ago, primarily from the December 2019 acquisition and the addition of multiple customer contracts implemented throughout 2020. Productivity, defined as revenue per stop, decreased approximately 9% compared to the prior year period primarily from the shift in mix between the asset and asset-light nature of the additional contracts that were implemented.

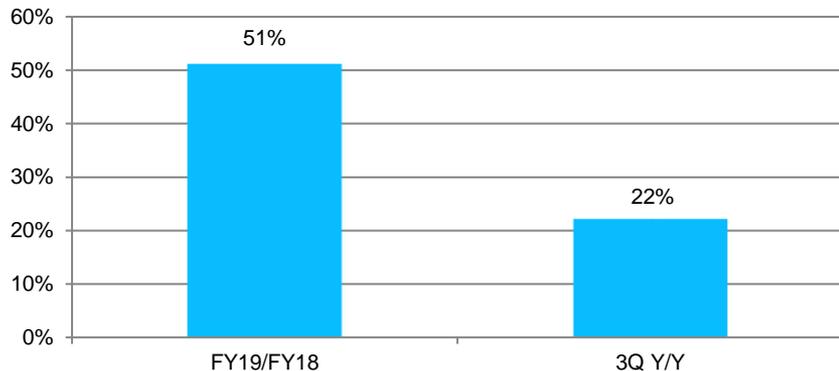
Operating income increased 13% over the prior year quarter driven primarily by increases in revenue from both the December 2019 acquisition and the addition of multiple customer contracts throughout 2020. Continued reductions in travel and entertainment compared to a year ago also benefited the current quarter that were partially offset by increased investment in service quality performance controls.

*In March 2020, J.B. Hunt separated its DCS segment into two reportable segments: DCS and FMS. See additional ["JBHT FMS Segmentation"](#) investor presentation.

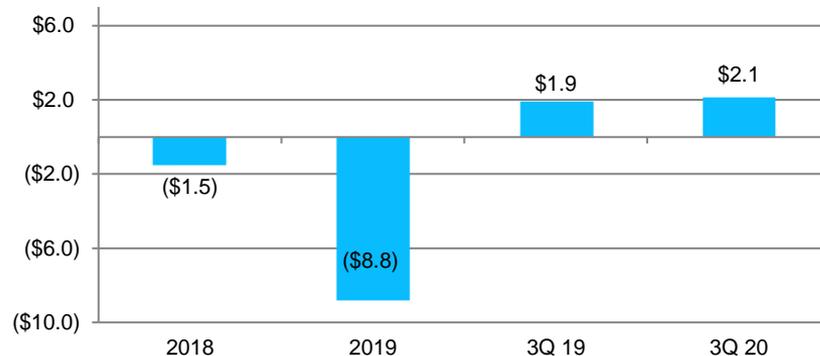
FINAL MILE SERVICES (FMS)



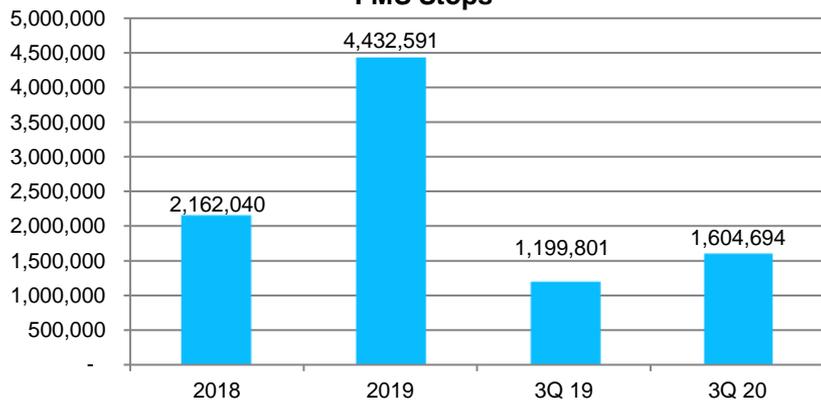
FMS Revenue Change



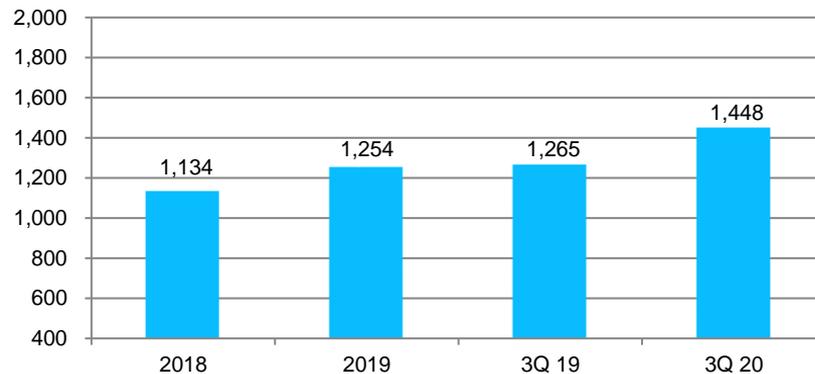
FMS Operating Income/(Loss) (in millions)



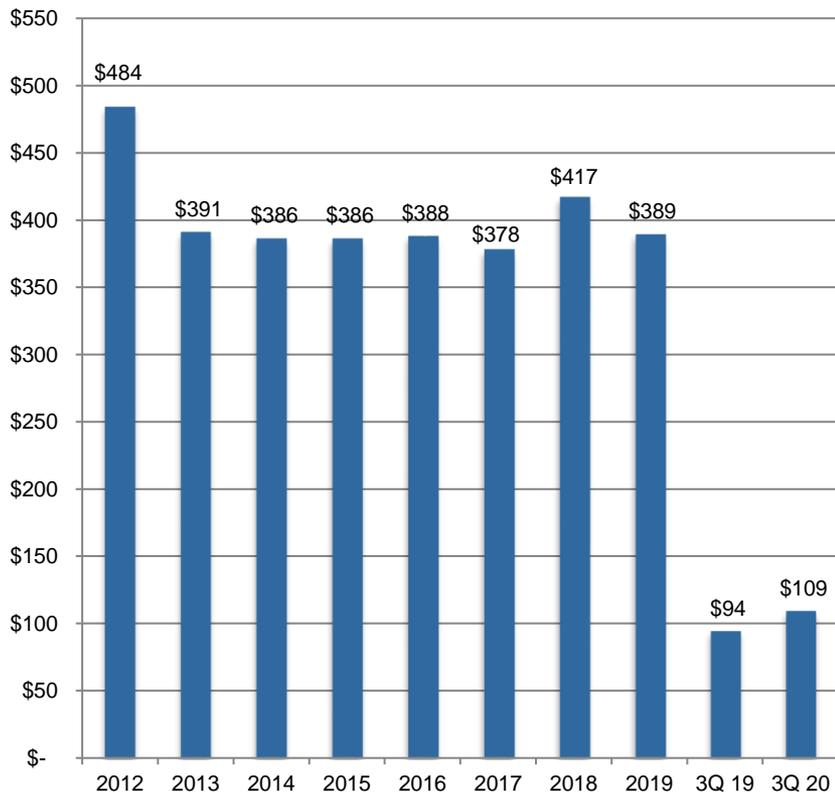
FMS Stops



FMS Average Truck



JBT Revenue (in millions)



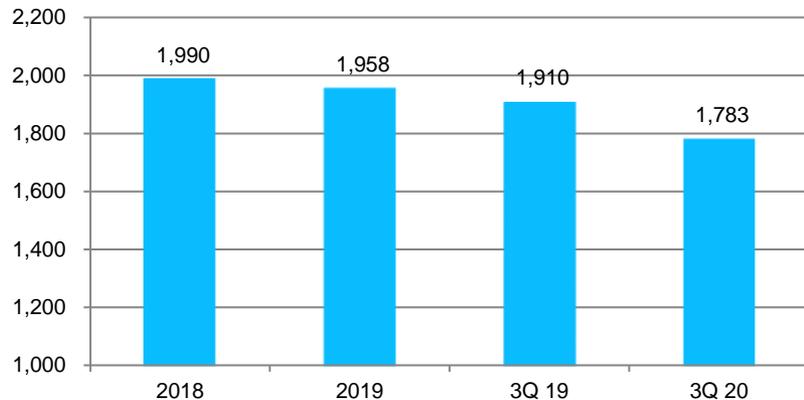
JBT revenue increased 16% from the same period in 2019. Revenue excluding fuel surcharge revenue increased 19%, primarily from a 14% increase in load count and a 5% increase in revenue per load excluding fuel surcharge revenue compared to a year ago. Revenue per loaded mile excluding fuel surcharge revenue increased approximately 4% year-over-year while comparable contractual customer rates were down approximately 1% compared to the same period 2019. At the end of the period, JBT operated 1,713 tractors and 8,245 trailers compared to 1,896 and 6,826 one year ago, respectively.

Operating income decreased 55% compared to the same quarter 2019. Benefits from increased load counts were offset by increases in purchased transportation expense. In addition, higher personnel cost and increased investment in technology, both from the continued transition and expansion of 360box, contributed to the operating income decrease.

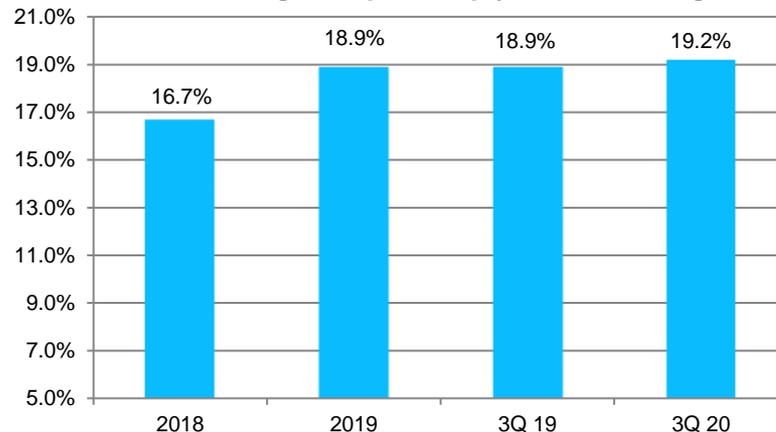
TRUCKLOAD (JBT) PERFORMANCE



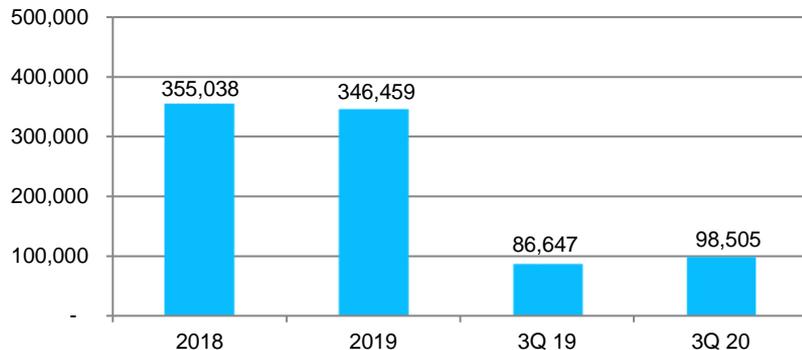
JBT Average Tractors



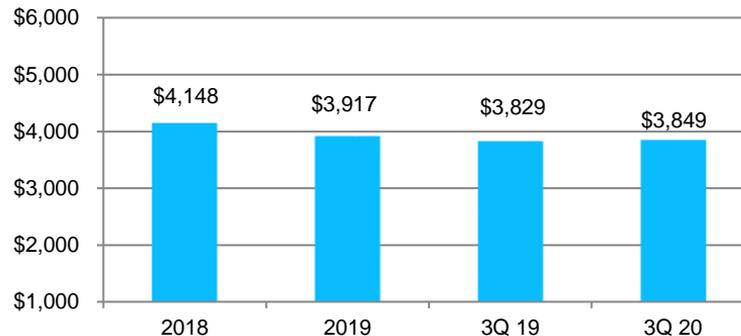
JBT Average Nonpaid Empty Mile Percentage



JBT Loads



JBT Revenue per Tractor per Week





Intermodal



Dedicated
Contract Services



Integrated
Capacity Solutions



Final Mile



Truckload

Competitively differentiated

Unique intermodal network

Distinct advantages in dedicated segments

Network economics and brand strength to penetrate new markets

Complemented by industry dynamics

Shippers need to reduce costs

Shippers demand on-time service

Increasingly complex supply-chains

Positioned for growth

Leading positions in large and consolidating markets

Clear value proposition for our customers

Best-in-class systems and technology

BALANCE SHEET



	September 30, 2020	December 31, 2019
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 318,549	\$ 35,000
Accounts Receivable, net	1,121,825	1,011,829
Prepaid expenses and other	288,224	434,470
Total current assets	1,728,598	1,481,299
Property and equipment	5,842,114	5,640,806
Less accumulated depreciation	2,159,710	2,019,940
Net property and equipment	3,682,404	3,620,866
Other assets, net	368,060	368,689
	\$ 5,779,062	\$ 5,470,854
LIABILITIES & STOCKHOLDERS' EQUITY		
Current liabilities:		
Trade accounts payable	\$ 603,523	\$ 602,601
Claims accruals	273,088	279,590
Accrued payroll	145,110	68,220
Other accrued expenses	73,702	85,355
Total current liabilities	1,095,423	1,035,766
Long-term debt	1,303,353	1,295,740
Other long-term liabilities	181,561	173,241
Deferred income taxes	711,301	699,078
Stockholders' equity	2,487,424	2,267,029
	\$ 5,779,062	\$ 5,470,854

THANK YOU

