



J.B. HUNT TRANSPORT SERVICES, INC.

Q1 2022 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

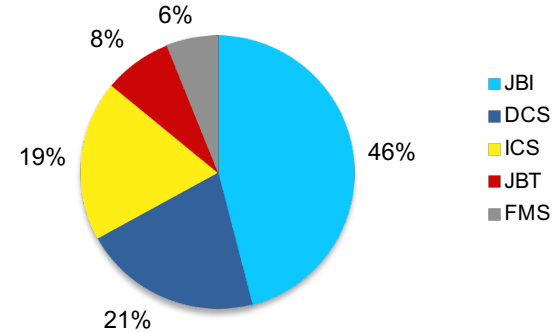
Truckload (JBT)

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

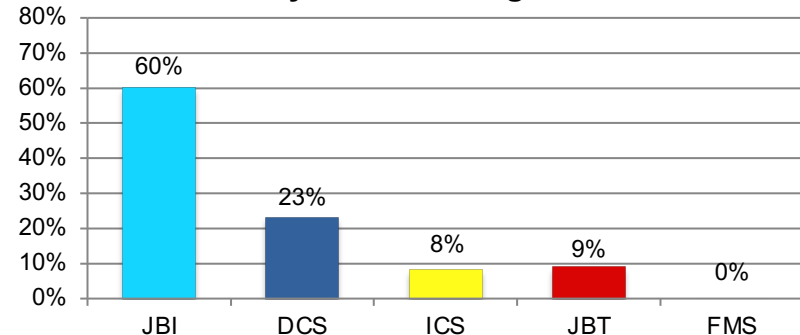
Final Mile Services (FMS)

- 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

1Q 2022 Revenue Mix



Percentage of 1Q 2022 Operating Income by Business Segment



1Q 2022 RESULTS VS. 1Q 2021



OVERVIEW

1Q 2022 Revenue:

\$3.49 billion; up 33%

1Q 2022 Revenue, excl FSC:

\$3.04 billion; up 27%

1Q 2022 Operating Income:

\$334.3 million; up 61%

1Q 2022 EPS:

\$2.29 vs. \$1.37; up 67%

SEGMENT PERFORMANCE

Intermodal (JBI)

Revenue: \$1.60 billion; up 36%

Operating Income: \$201.0 million; up 87%

Dedicated Contract Services (DCS)

Revenue: \$741 million; up 28%

Operating Income: \$77.1 million; up 4%

Integrated Capacity Solutions (ICS)

Revenue: \$675 million; up 29%

Operating Income: \$25.0 million; up 243%

Truckload (JBT)

Revenue: \$264 million; up 77%

Operating Income: \$31.5 million; up 210%

Final Mile Services (FMS)

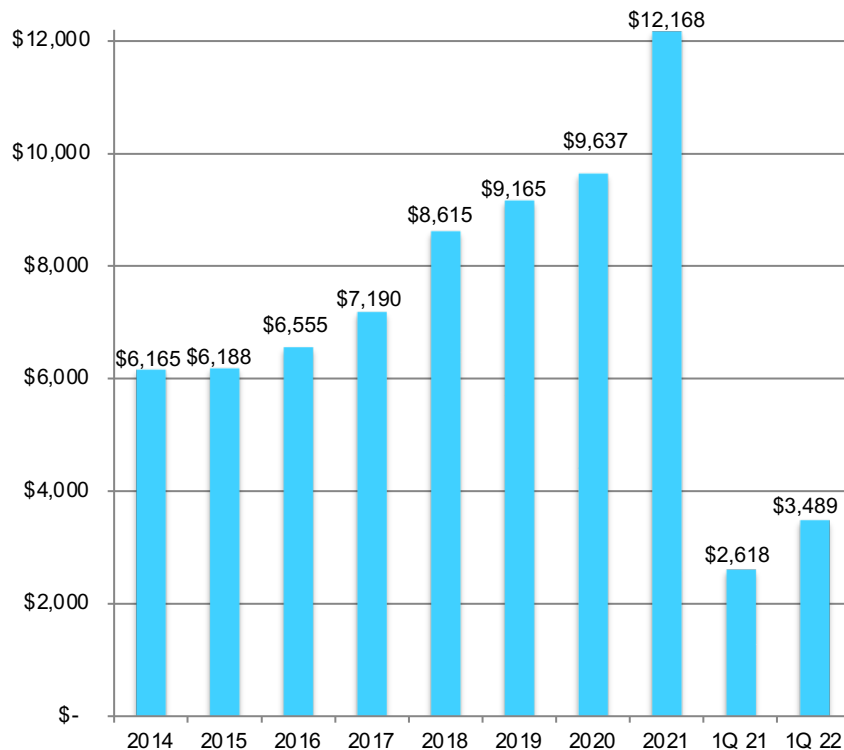
Revenue: \$218 million; up 8%

Operating Income/(Loss): \$(0.2) million; compared to \$8.5 million in Q1'21

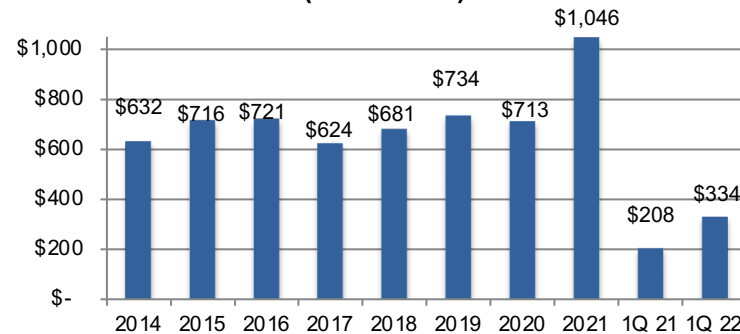
1Q RESULTS CONSOLIDATED



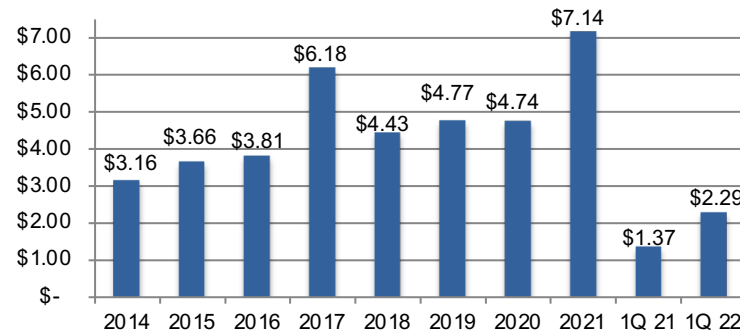
Revenue
(in millions)



Operating Income
(in millions)



Diluted EPS



KEY POINTS



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

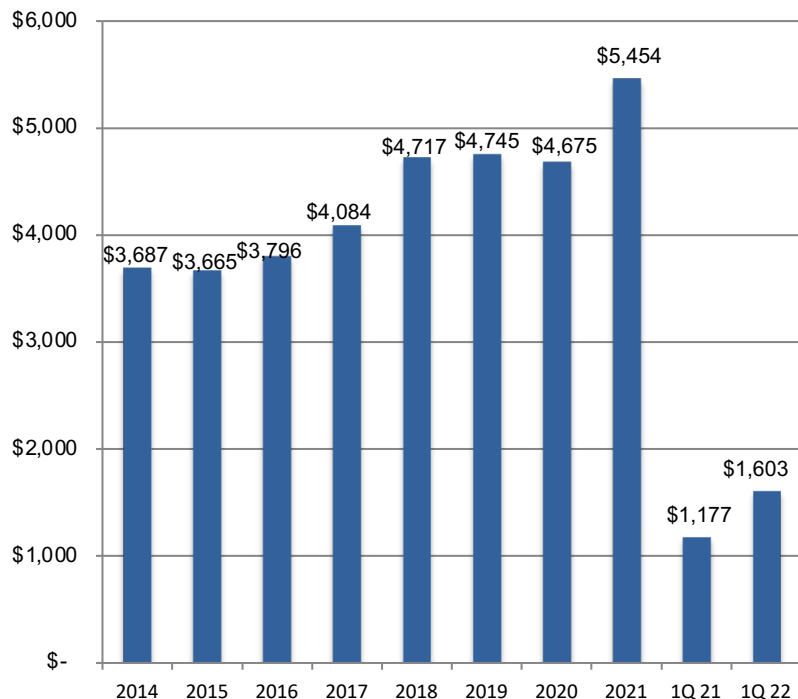
SEGMENT DISCUSSION



INTERMODAL (JBI)



**JBI Revenue
(in millions)**



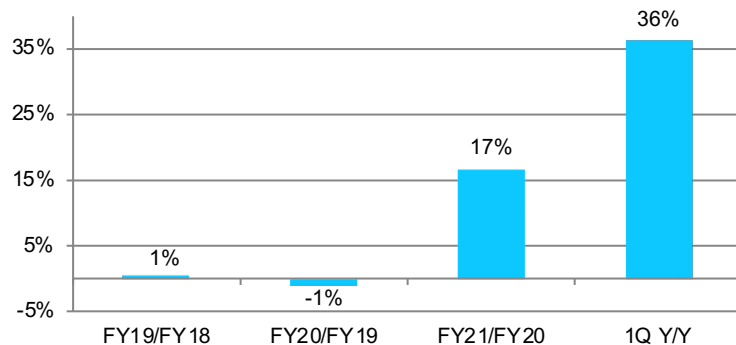
Intermodal volumes increased 7% over the same period in 2021. Eastern network loads increased 10%, while transcontinental loads increased 5%. Volumes early in the quarter were negatively impacted by network fluidity issues attributable to labor challenges within the activities of our rail providers and customers, as well as our internal operations largely as a result of COVID-related disruptions. As the quarter progressed, volume levels strengthened as customer unloading activity improved, although rail network velocity continued to govern our ability to capitalize on even greater intermodal demand. Segment gross revenue increased 36% from the prior year period, reflecting the 7% increase in volume and a 28% increase in gross revenue per load, resulting from changes in the mix of freight, customer rates, and fuel surcharge revenues. Revenue per load excluding fuel surcharge revenue was up 21% year-over-year.

Operating income increased 87% in the first quarter from higher customer rate and cost recovery efforts and approximately \$14 million of increased gains on the sale of equipment compared to the prior year period. Rate and cost recovery efforts were partially offset by higher rail and third-party dray purchased transportation costs, increases in professional driver and non-driver wages and benefits, higher driver-recruiting costs, as well as costs stemming from inefficiencies in the rail and port networks. During the period, we successfully onboarded approximately 4,350 new pieces of trailing equipment. We ended the quarter with approximately 109,300 containers and 6,340 power units in the dray fleet.

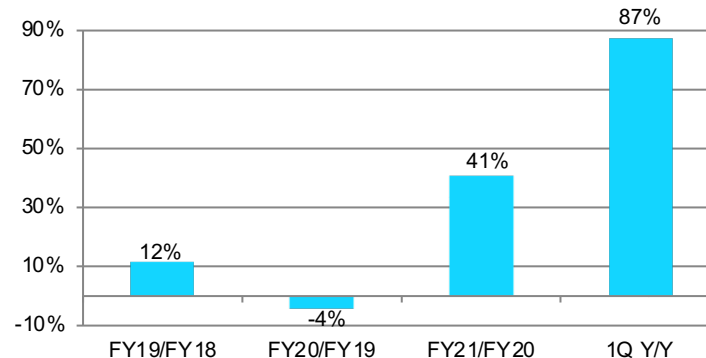
INTERMODAL (JBI) PERFORMANCE



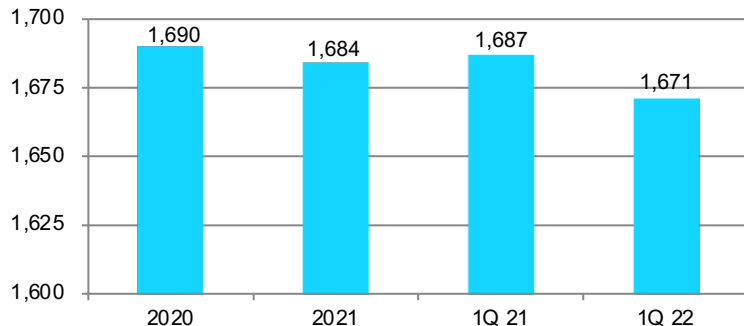
JBI Revenue Change



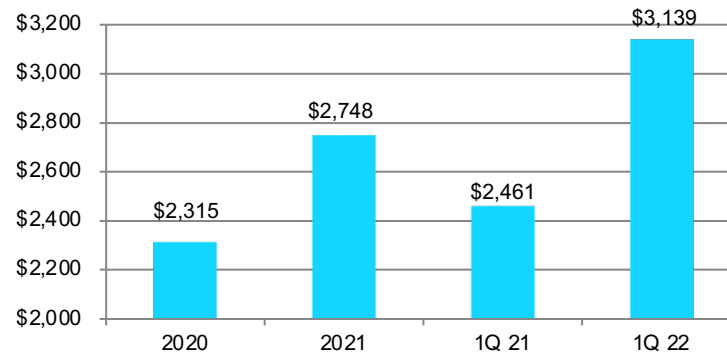
JBI Operating Income Change



JBI Average Length of Haul



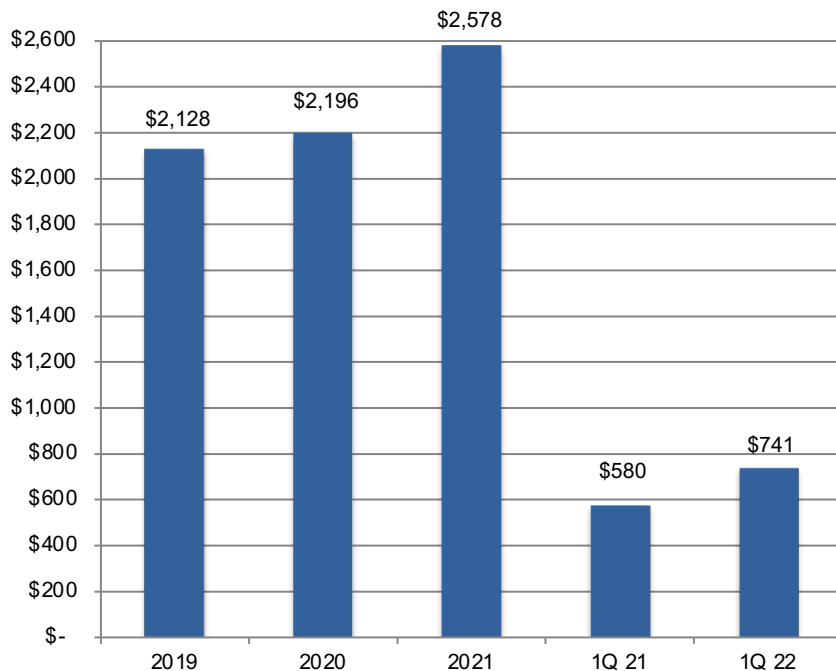
JBI Revenue per Load



DEDICATED (DCS)



**DCS Revenue
(in millions)**



DCS revenue increased 28% during the current quarter over the same period 2021. Productivity (revenue per truck per week) increased approximately 6% versus the prior period. Productivity excluding fuel surcharge revenue was flat from a year ago driven by increases in contracted indexed-based price escalators, offset by lower productivity of equipment on start-up accounts, COVID-related labor disruptions early in the quarter, and a greater number of open trucks as a result of a tight labor market. A net additional 2,221 revenue producing trucks were in the fleet by the end of the quarter compared to the prior year period, and a net additional 483 versus the end of the fourth quarter 2021. Customer retention rates remain above 98%.

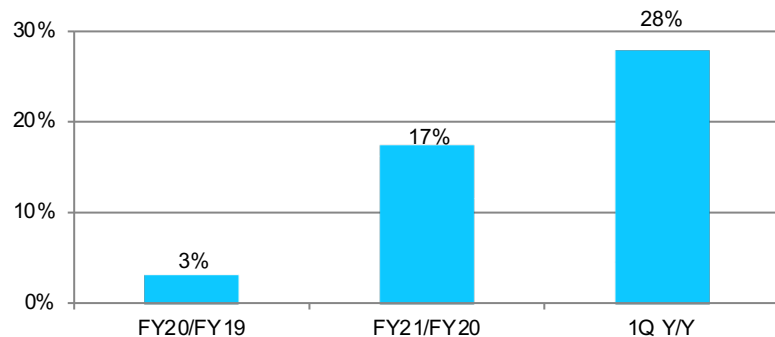
Operating income increased 4% from the prior year quarter. Benefits from higher revenue and contracted indexed-based price escalators were mostly offset by increases in professional driver and non-driver wages and benefits, higher driver-recruiting costs, productivity headwinds due to COVID-related labor disruptions, and other costs related to the implementation of new, long-term contractual business.

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

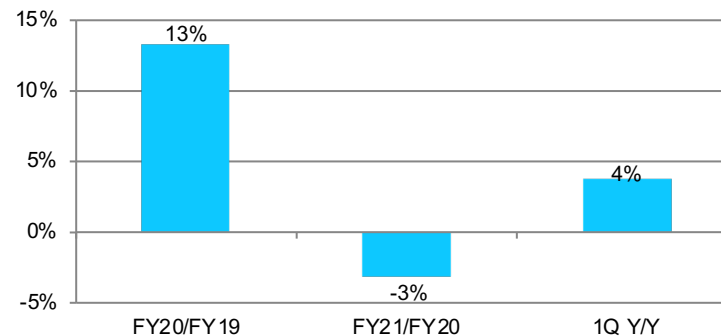
DEDICATED (DCS) PERFORMANCE



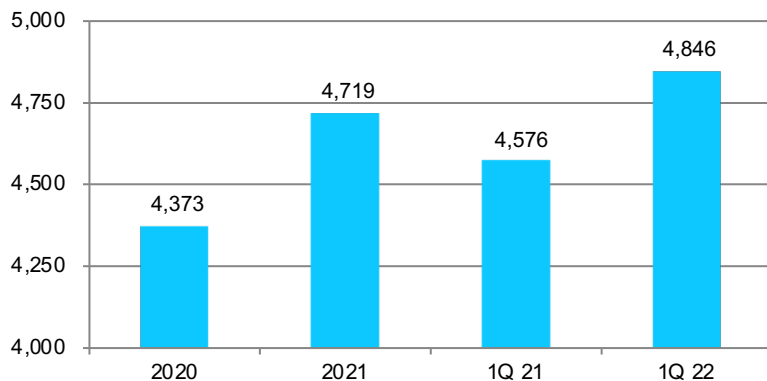
DCS Revenue Change



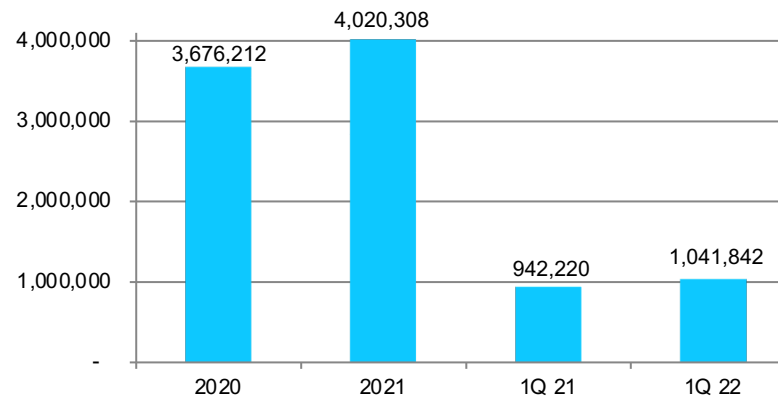
DCS Operating Income Change



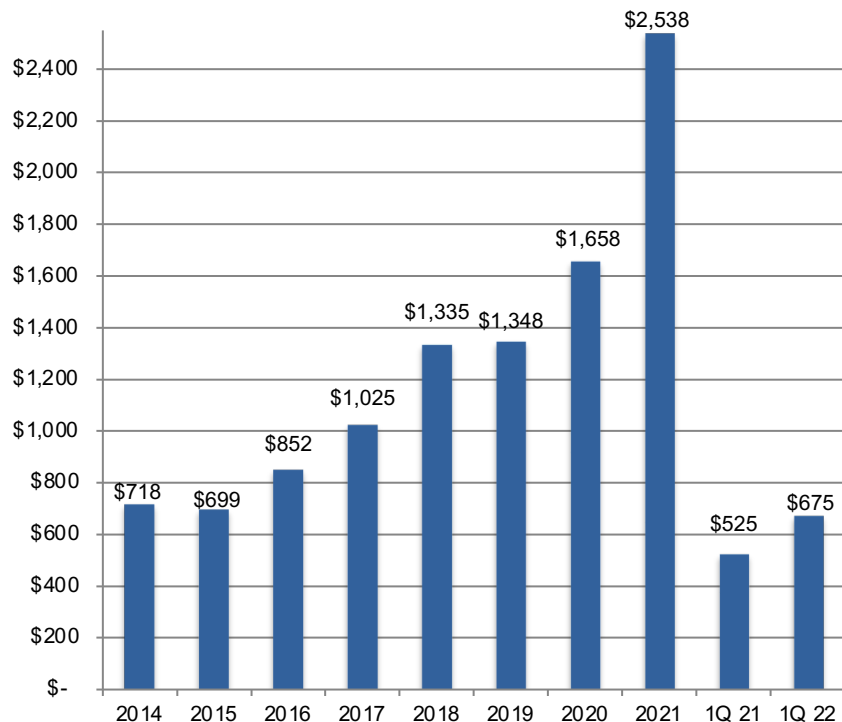
DCS Revenue Per Truck Per Week



DCS Loads



**ICS Revenue
(in millions)**



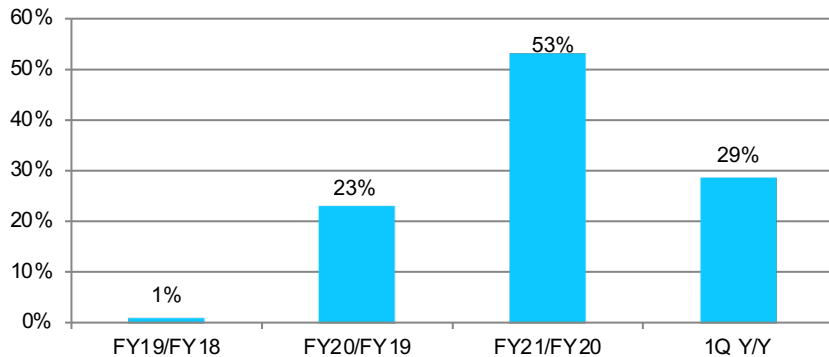
ICS revenue increased 29% in the current quarter versus the first quarter 2021. Overall segment volumes increased 12% with truckload volumes increasing 15% versus the prior year period. Revenue per load increased 14% compared to the first quarter 2021 due to higher contractual and spot rates in our truckload business as well as changes in customer freight mix. Contractual volumes represented approximately 53% of the total load volume and 43% of the total revenue in the current quarter compared to 49% and 35%, respectively, in first quarter 2021. Of the total reported ICS revenue, approximately \$430 million was executed through the Marketplace for J.B. Hunt 360 compared to \$359 million in first quarter 2021.

Operating income increased 243% to \$25.0 million compared to \$7.3 million in the first quarter 2021. Benefits from higher revenue and gross margin were partially offset by higher personnel salary and wages, and further investments into platform infrastructure and development. Gross profit margins increased to 13.0% in the current period versus 12.4% in the prior period. ICS carrier base increased 36% year-over-year.

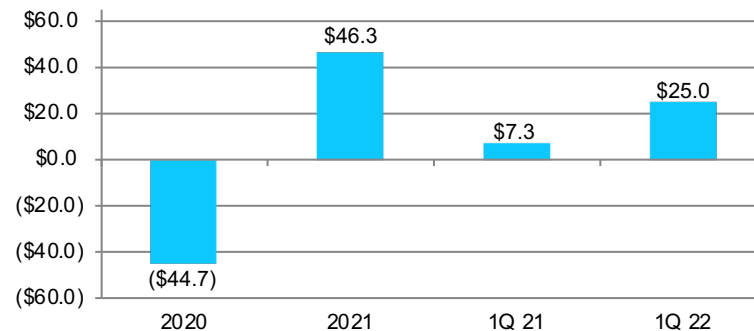
INTEGRATED (ICS) PERFORMANCE



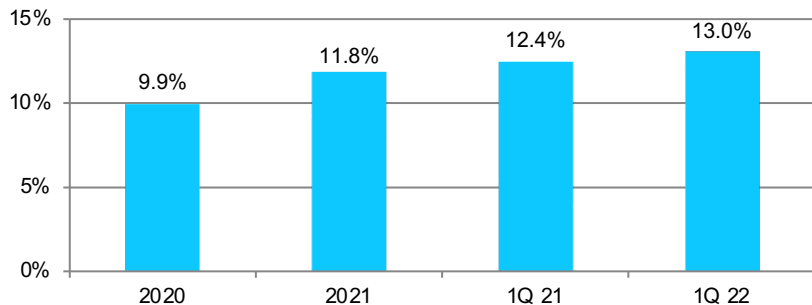
ICS Revenue Change



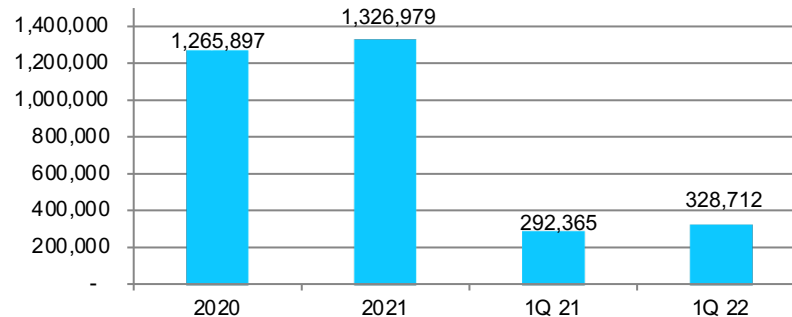
ICS Operating Income/(Loss) (in millions)



ICS Gross Profit Margin



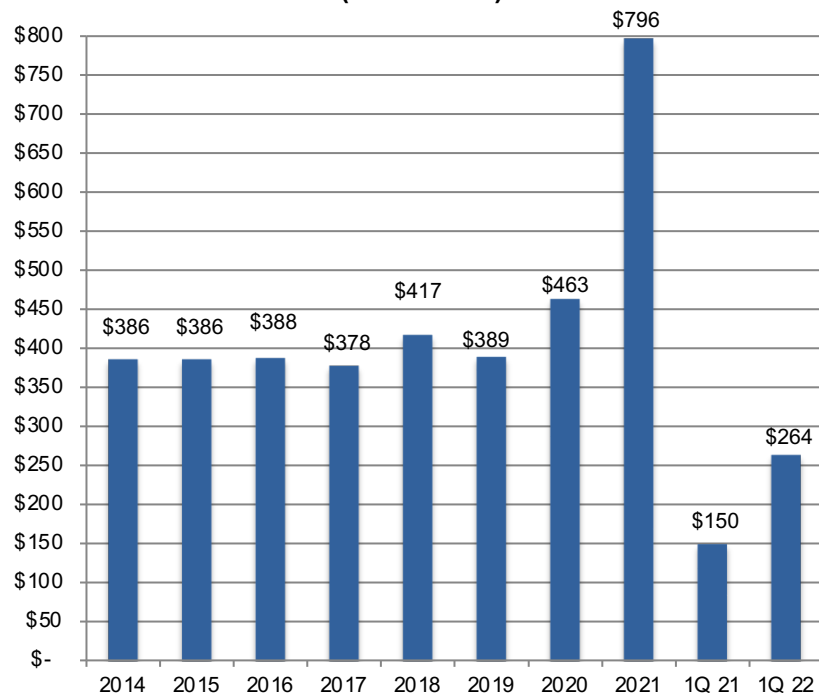
ICS Loads



TRUCKLOAD (JBT)



JBT Revenue
(in millions)



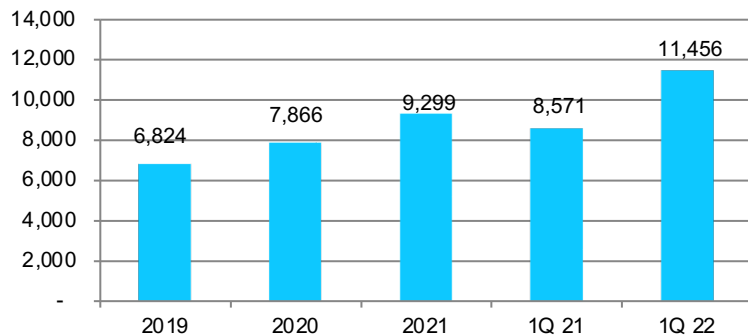
JBT revenue increased 77% as compared to the same period in the previous year. Revenue excluding fuel surcharge revenue increased 72% primarily due to increased load volume and higher revenue per load excluding fuel surcharge revenue. Volume for JBT was up 17% year-over-year as total trailer count increased by approximately 3,000 units, or 36% versus the prior year period. Trailer turns in the quarter were down 13% from the prior period due to the onboarding of new trailers, freight mix and customer detention of equipment. Revenue per load excluding fuel surcharge revenue was up 47% on a 10% increase in length of haul. Both mix and same-store rate increases contributed to the increase in revenue quality.

JBT operating income increased 210% to \$31.5 million versus \$10.2 million in the first quarter 2021. JBT continues to leverage the J.B. Hunt 360 platform to grow power capacity and capability for the J.B. Hunt 360box® service offering. Benefits from higher volume and revenue quality led to an improvement in contribution margins across the segment. These benefits were partially offset by higher purchased transportation expense, trailer parts and maintenance costs, and continued technology investments to build out 360box.

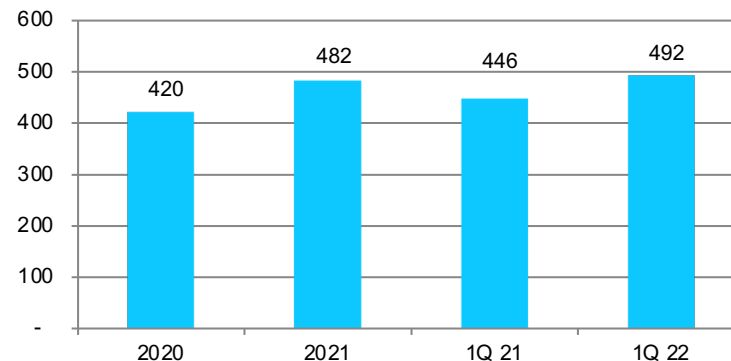
TRUCKLOAD (JBT) PERFORMANCE



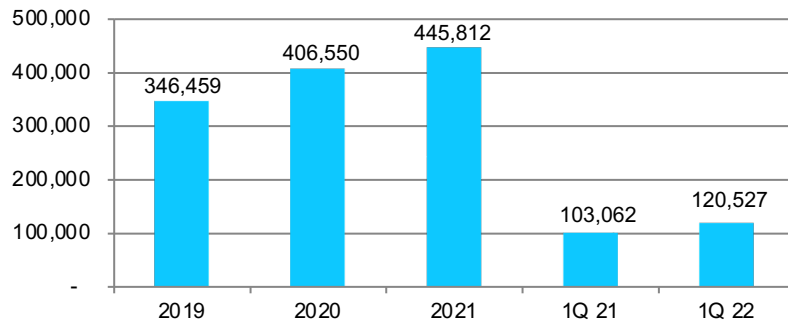
JBT Average Trailers



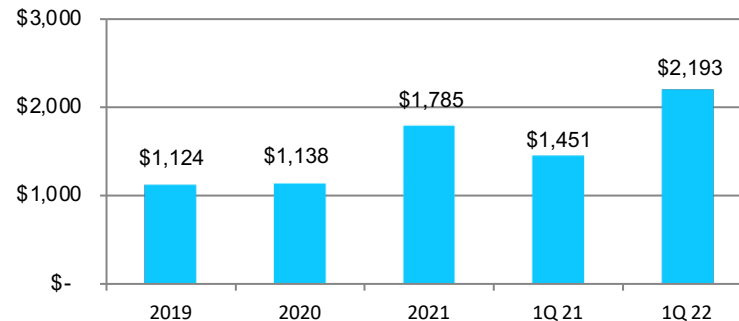
JBT Average Length of Haul



JBT Loads



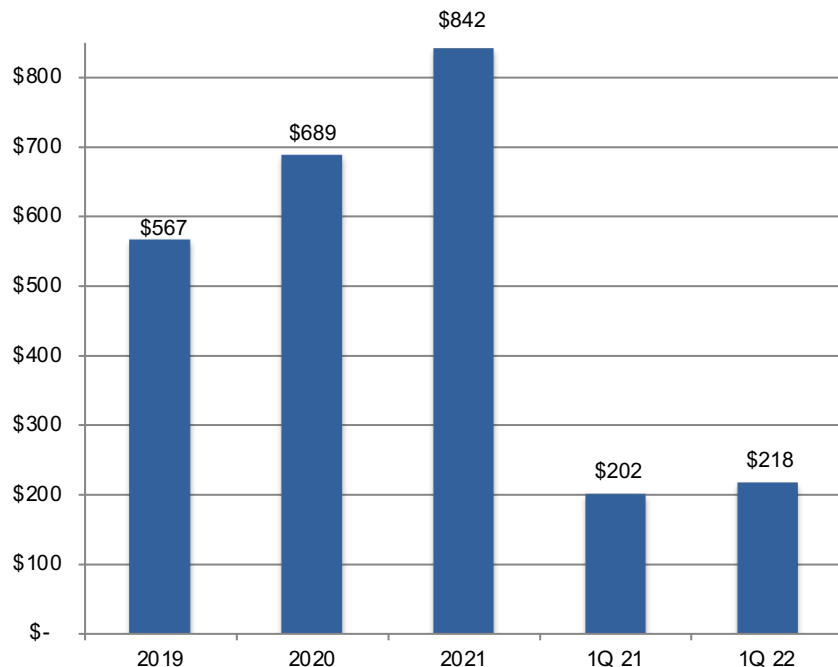
JBT Revenue per Load



FINAL MILE SERVICES (FMS)*



**FMS Revenue
(in millions)**



FMS revenue increased 8% compared to the same period 2021 driven by the addition of multiple customer contracts implemented over the last year and complemented by the previously announced acquisition of Zenith Freight Lines that closed at the end of February. Revenue growth in the quarter was partially offset by supply-chain related constraints for goods in the primary markets served, in addition to internal efforts to improve revenue quality across certain accounts. FMS revenue increased 3% over the prior year period excluding the March acquisition, which contributed approximately \$10 million to segment revenue in the quarter.

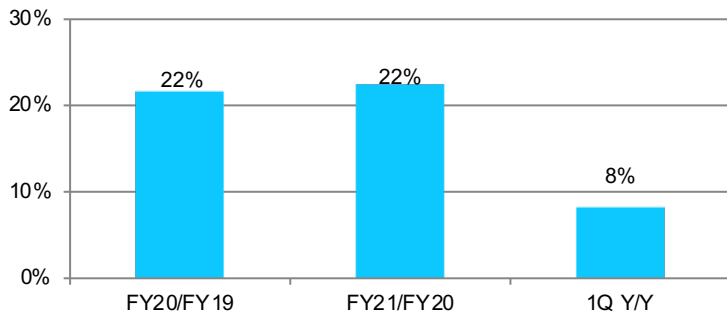
Operating income decreased to an operating loss of \$0.2 million from \$8.5 million of operating income in the prior year quarter. Higher revenue was more than offset by increases in professional driver and non-driver wages and benefits, implementation costs for newly awarded business, third-party contract carrier expense, driver-recruiting costs, and professional fees related to the Zenith acquisition.

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

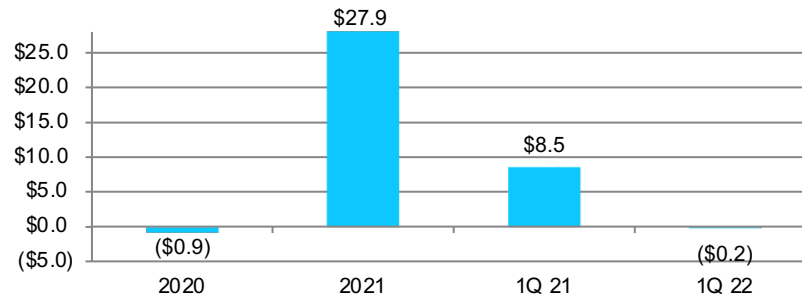
FINAL MILE SERVICES (FMS)



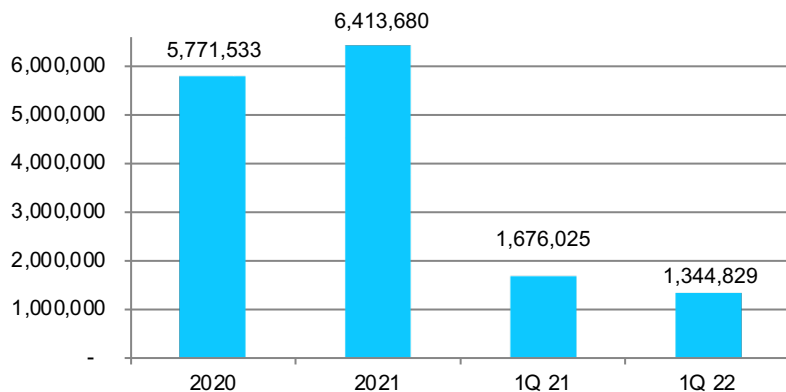
FMS Revenue Change



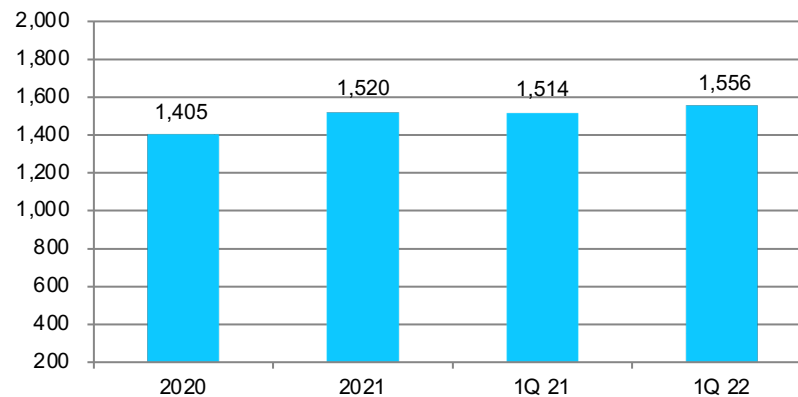
FMS Operating Income/(Loss) (in millions)



FMS Stops



FMS Average Trucks



SUMMARY



Intermodal



Dedicated
Contract Services



Integrated
Capacity Solutions



Truckload



Final Mile

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



	March 31, 2022	December 31, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 144,529	\$ 355,549
Accounts receivable, net	1,745,647	1,506,619
Prepaid expenses and other	364,977	451,201
Total current assets	2,255,153	2,313,369
Property and equipment	6,950,327	6,680,316
Less accumulated depreciation	2,716,061	2,612,661
Net property and equipment	4,234,266	4,067,655
Other assets, net	542,522	413,324
	\$ 7,031,941	\$ 6,794,348
LIABILITIES & STOCKHOLDERS' EQUITY		
Current liabilities:		
Current debt	\$ 351,214	\$ 355,972
Trade accounts payable	854,879	772,736
Claims accruals	309,949	307,210
Accrued payroll and payroll taxes	143,181	190,950
Other accrued expenses	125,507	102,732
Total current liabilities	1,784,730	1,729,600
Long-term debt	945,628	945,257
Other long-term liabilities	294,314	256,233
Deferred income taxes	753,727	745,442
Stockholders' equity	3,253,542	3,117,816
	\$ 7,031,941	\$ 6,794,348

THANK YOU

