



J.B. HUNT TRANSPORT SERVICES, INC.

Q2 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

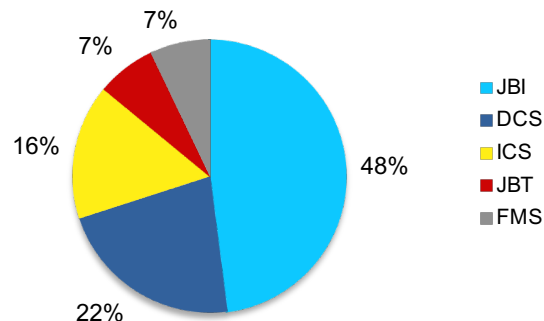
Truckload (JBT)

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

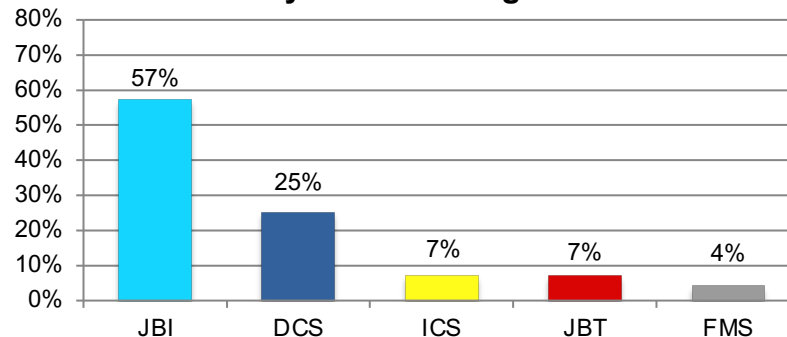
Final Mile Services (FMS)

- 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

2Q 2022 Revenue Mix



Percentage of 2Q 2022 Operating Income by Business Segment



2Q 2022 RESULTS VS. 2Q 2021



OVERVIEW

2Q 2022 Revenue:

\$3.84 billion; up 32%

2Q 2022 Revenue, excl FSC:

\$3.16 billion; up 21%

2Q 2022 Operating Income:

\$353.1 million; up 46%

2Q 2022 EPS:

\$2.42 vs. \$1.61; up 50%

SEGMENT PERFORMANCE

Intermodal (JBI)

Revenue: \$1.83 billion; up 42%

Operating Income: \$202.5 million; up 50%

Dedicated Contract Services (DCS)

Revenue: \$863 million; up 39%

Operating Income: \$89.2 million; up 13%

Integrated Capacity Solutions (ICS)

Revenue: \$623 million; up 3%

Operating Income: \$23.6 million; up 658%

Truckload (JBT)

Revenue: \$269 million; up 46%

Operating Income: \$25.0 million; up 76%

Final Mile Services (FMS)

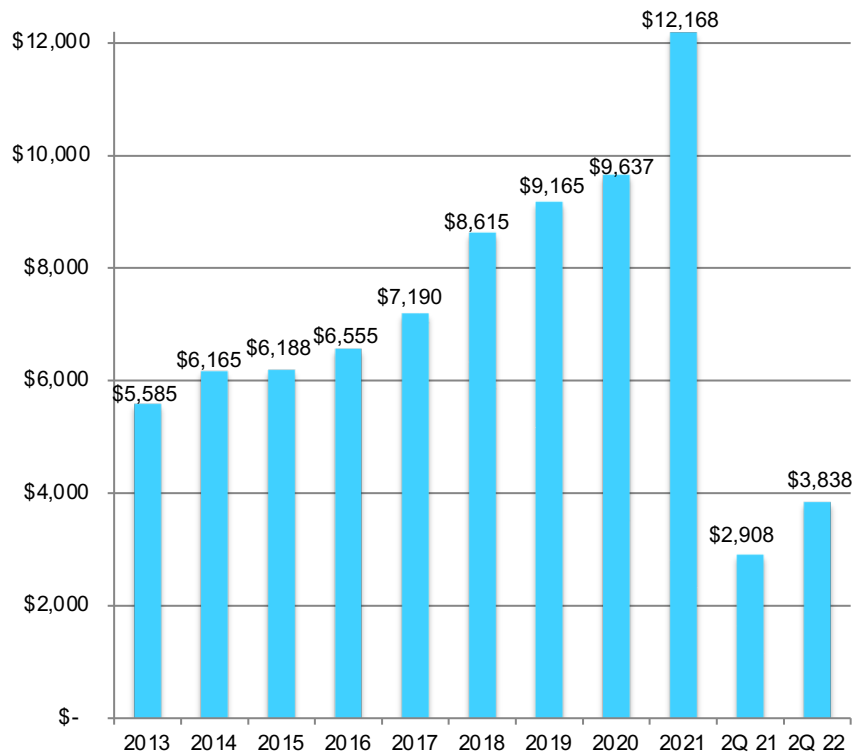
Revenue: \$257 million; up 21%

Operating Income \$12.8 million; up 20%

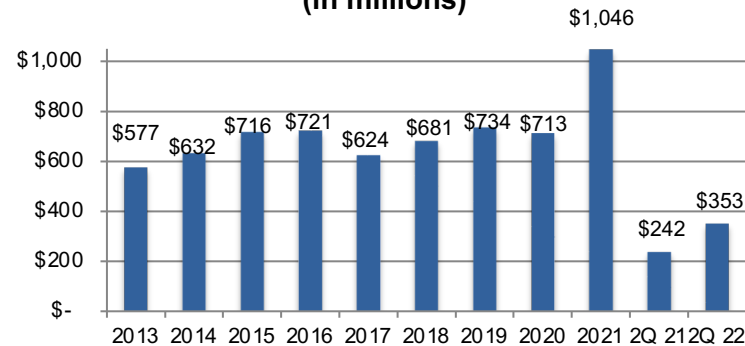
2Q RESULTS CONSOLIDATED



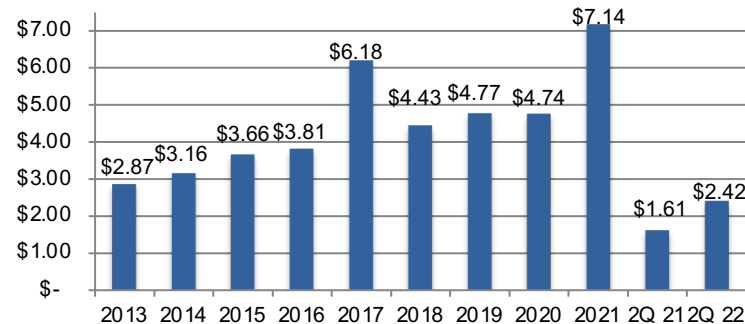
Revenue
(in millions)



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

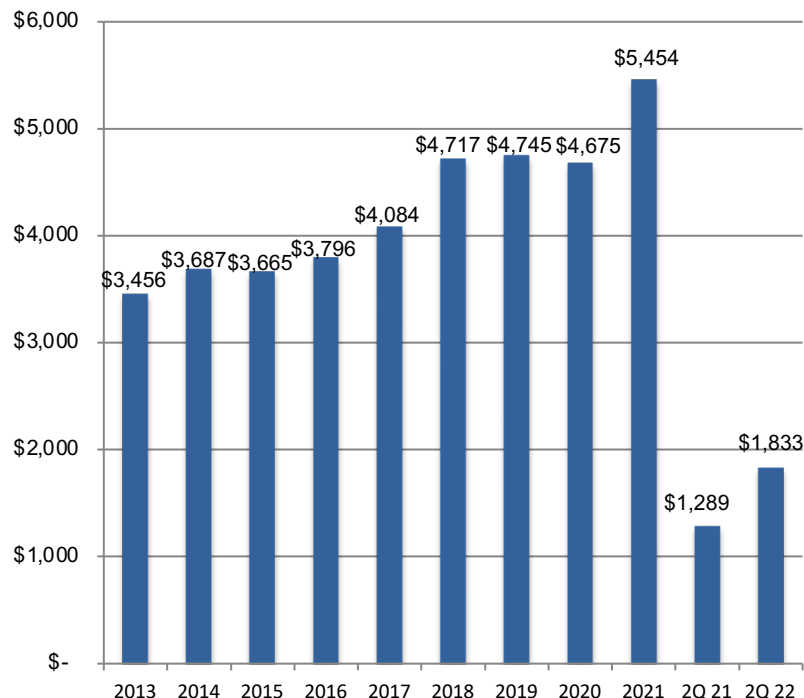
SEGMENT DISCUSSION



INTERMODAL (JBI)



**JBI Revenue
(in millions)**



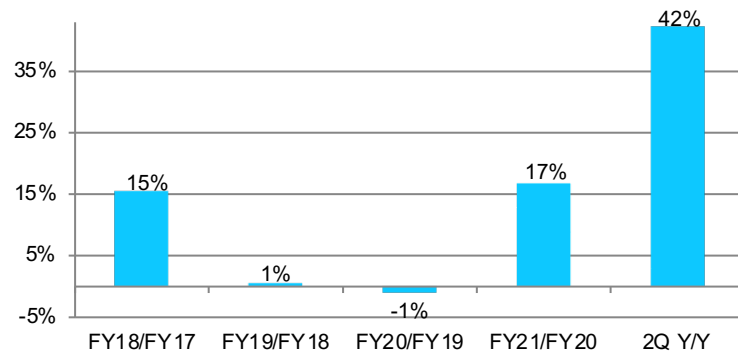
Intermodal volumes increased 8% over the same period in 2021. Eastern network loads increased 13%, while transcontinental loads increased 5%. Demand for intermodal capacity remained strong throughout the quarter, however rail velocity and customer behavior negatively impacted network efficiencies and container utilization, and ultimately, our ability to execute even greater volume in the quarter. Despite the network inefficiencies, segment gross revenue increased 42% from the prior-year period, reflecting the 8% increase in volume and a 32% 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 20% year-over-year.

Operating income increased 50% in the second quarter from an increase in volume, combined with customer rate and cost-recovery efforts. These items were partially offset by increases in rail and third-party dray purchased transportation costs, professional driver and non-driver wages and benefits, professional driver recruiting expense, and costs stemming from inefficiencies in the rail and port networks, as well as customer detention of equipment. The JBI segment incurred approximately \$7.7 million of the net pre-tax insurance-related expense in the quarter. During the period, we successfully onboarded 1,325 new pieces of trailing equipment. We ended the quarter with approximately 110,600 containers and 6,620 power units in the dray fleet.

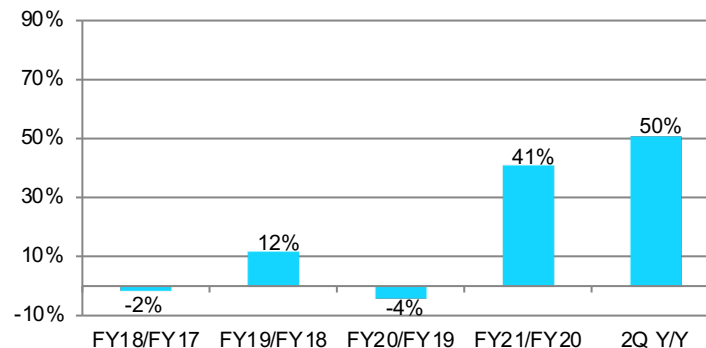
INTERMODAL (JBI) PERFORMANCE



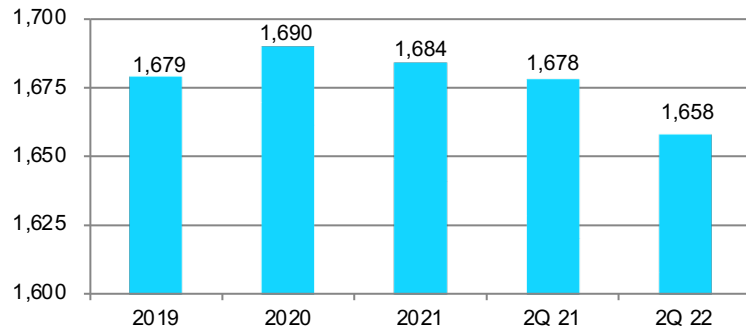
JBI Revenue Change



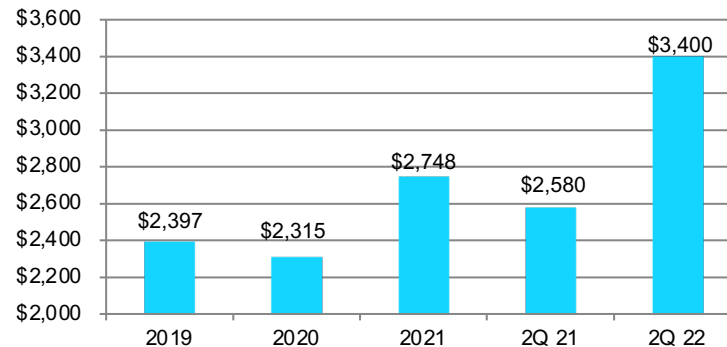
JBI Operating Income Change



JBI Average Length of Haul



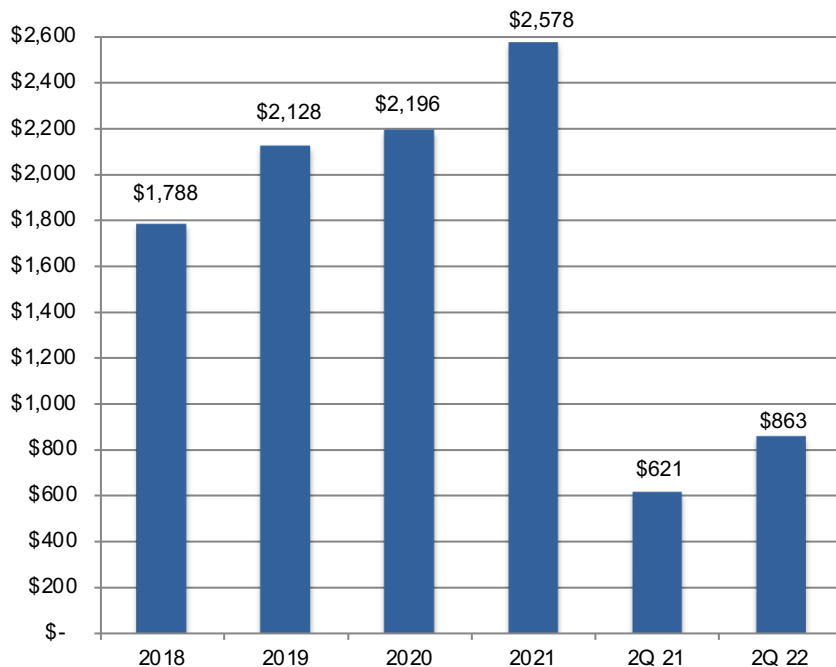
JBI Revenue per Load



DEDICATED (DCS)



**DCS Revenue
(in millions)**



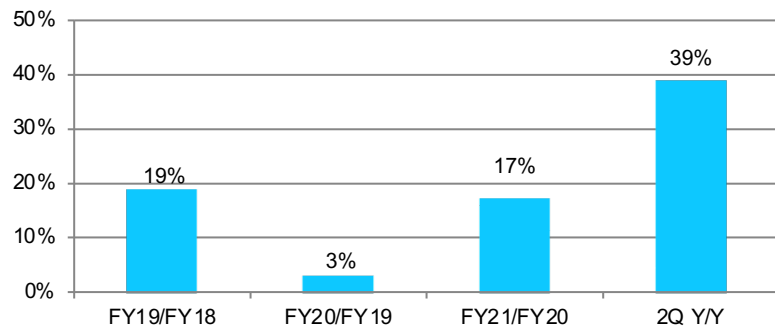
DCS revenue increased 39% during the current quarter over the same period 2021. Productivity (revenue per truck per week) increased approximately 14% versus the prior period. Productivity excluding fuel surcharge revenue increased 5% from a year ago driven by increases in contracted indexed-based price escalators, partially offset by lower productivity of equipment on start-up accounts. A net additional 2,122 revenue producing trucks were in the fleet by the end of the quarter compared to the prior-year period, and a net additional 456 versus the end of the first quarter 2022. Customer retention rates remain above 98%.

Operating income increased 13% from the prior-year quarter. Benefits from higher revenue were mostly offset by increases in professional driver and non-driver wages and benefits, higher driver-recruiting costs, other costs related to the implementation of new, long-term contractual business, and higher bad debt and group medical expense. The DCS segment incurred approximately \$1.6 million of the net pre-tax insurance-related expense in the quarter.

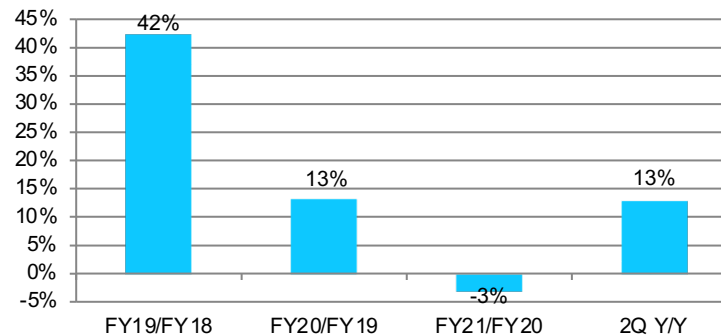
DEDICATED (DCS) PERFORMANCE



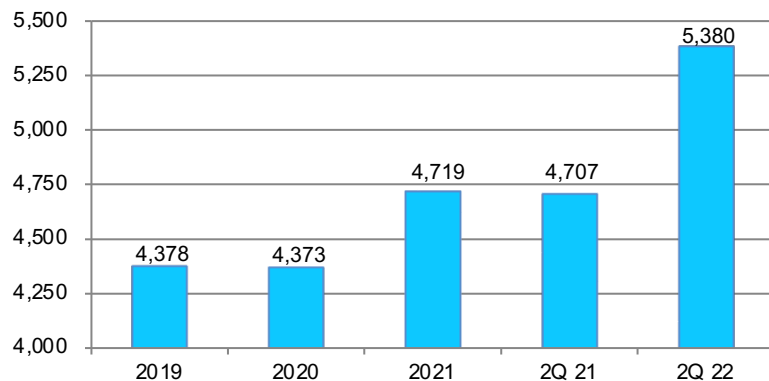
DCS Revenue Change



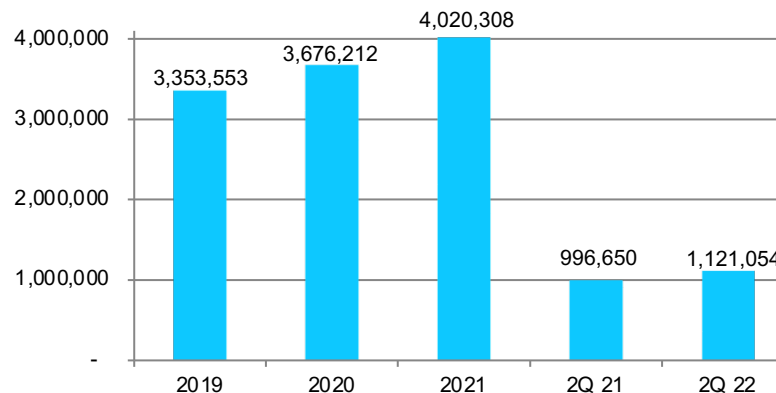
DCS Operating Income Change



DCS Revenue Per Truck Per Week



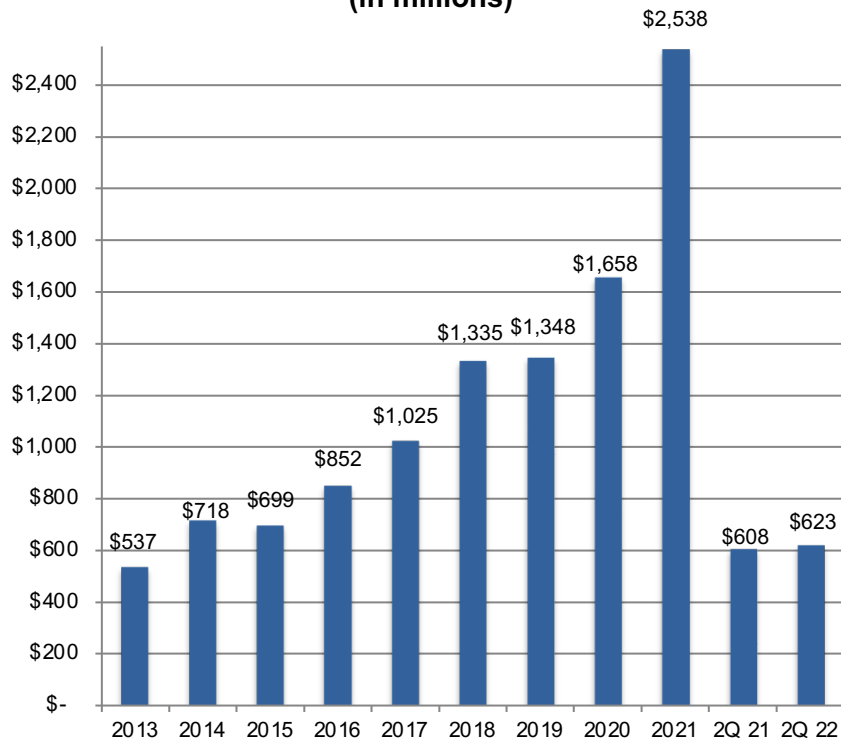
DCS Loads



INTEGRATED (ICS)



**ICS Revenue
(in millions)**



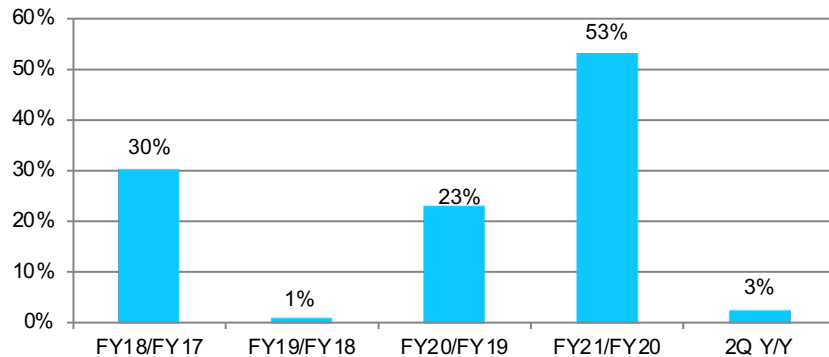
ICS revenue increased 3% in the current quarter over the same period 2021. Overall segment volumes decreased 3% versus the prior-year period, which was consistent with truckload volume performance. Revenue per load increased 5% compared to the second quarter 2021 due to higher contractual rates in our truckload business as well as changes in customer freight mix, partially offset by lower revenue per load in our transactional or spot business. Contractual volumes represented approximately 54% of the total load volume and 48% of the total revenue in the current quarter compared to 48% and 35%, respectively, in second quarter 2021. Of the total reported ICS revenue, approximately \$392 million was executed through the Marketplace for J.B. Hunt 360 compared to \$396 million in second quarter 2021.

Operating income increased 658% to \$23.6 million compared to \$3.1 million in the second quarter 2021. Benefits from higher revenue and gross profit margin were partially offset by higher personnel cost, increased insurance and claims expense and higher technology costs as compared to the same period 2021. The ICS segment incurred approximately \$6.7 million of the net pre-tax insurance-related expense in the quarter. Gross profit margins increased to 16.2% in the current period versus 10.5% in the prior period. ICS carrier base increased 33% year over year.

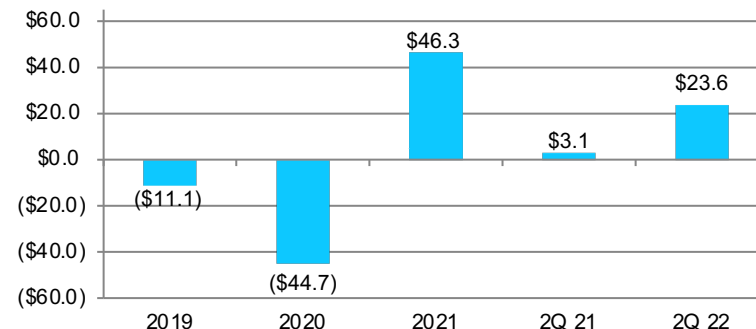
INTEGRATED (ICS) PERFORMANCE



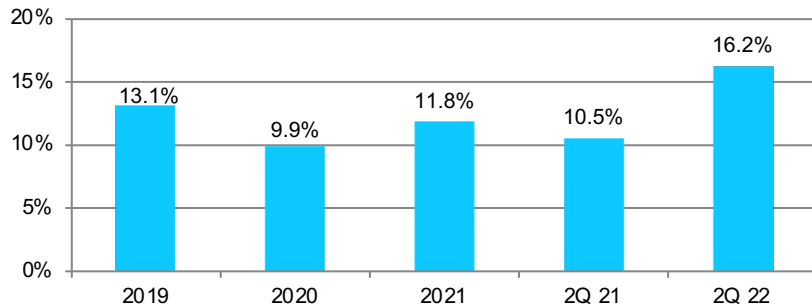
ICS Revenue Change



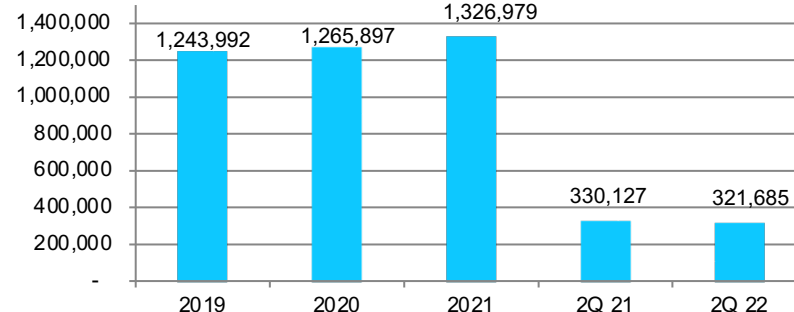
ICS Operating Income/(Loss) (in millions)



ICS Gross Profit Margin



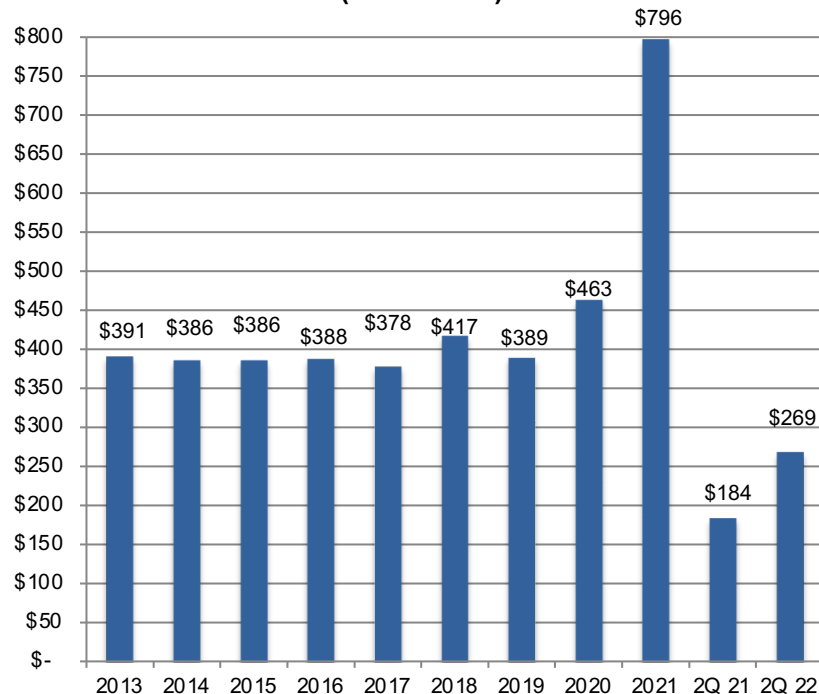
ICS Loads



TRUCKLOAD (JBT)



JBT Revenue
(in millions)



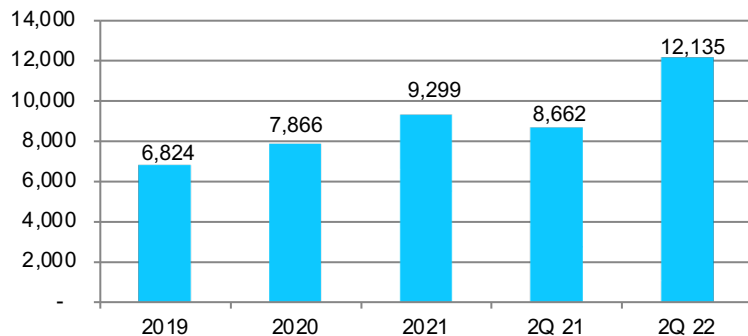
JBT revenue increased 46% as compared to the same period in the previous year. Revenue excluding fuel surcharge revenue increased 37% primarily due to increased load volume and higher revenue per load excluding fuel surcharge revenue. Volume for JBT was up 14% year-over-year as total trailer count increased by approximately 3,800 units, or 46% versus the prior-year period. Trailer turns in the quarter were down 18% from the prior period due to the onboarding of new trailers and freight mix. Revenue per load excluding fuel surcharge revenue was up 20% on a 1% increase in length of haul. Both mix and same-store rate increases contributed to the increase in revenue quality.

JBT operating income increased 76% to \$25.0 million versus \$14.2 million in the second 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, personnel costs, insurance and claims expense and continued technology investments to build out 360box. The JBT segment incurred approximately \$2.0 million of the net pre-tax insurance-related expense in the quarter.

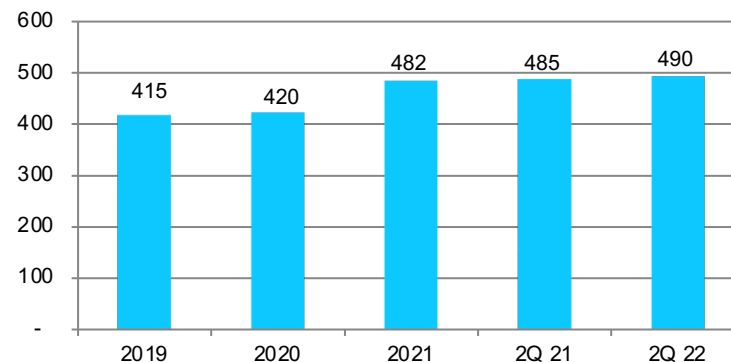
TRUCKLOAD (JBT) PERFORMANCE



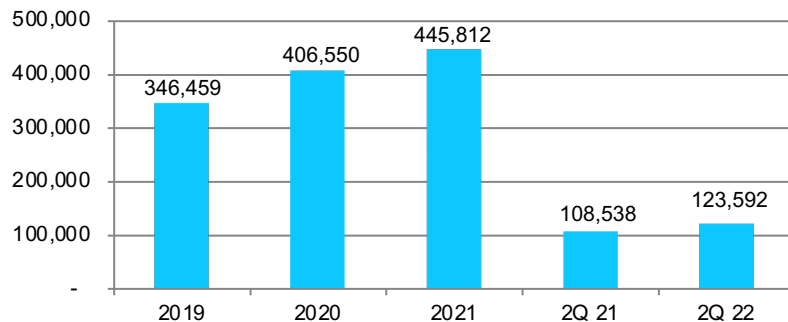
JBT Average Trailers



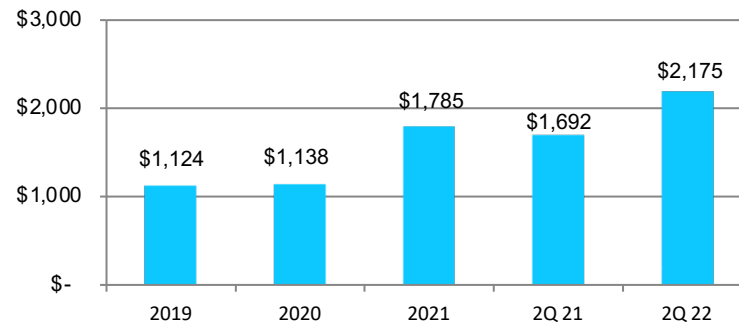
JBT Average Length of Haul



JBT Loads



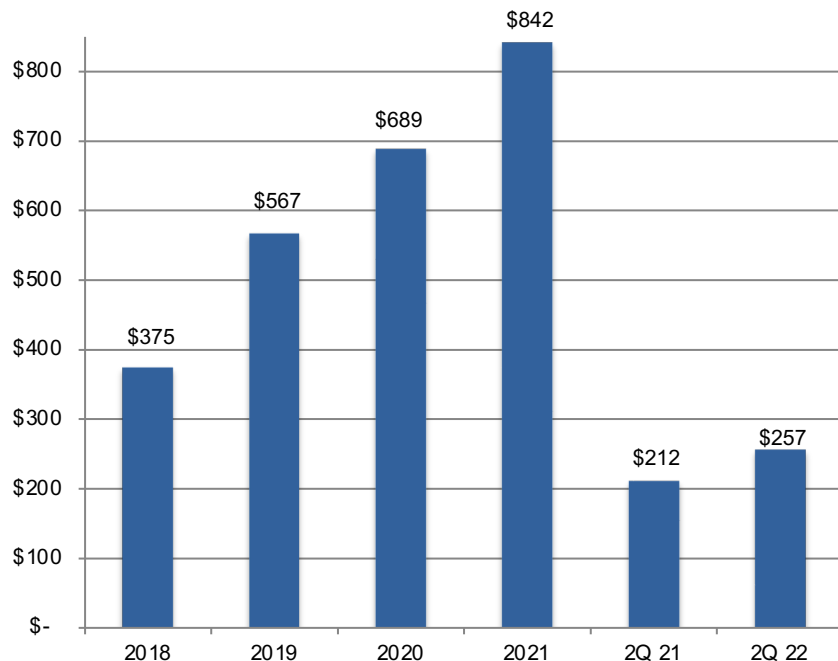
JBT Revenue per Load



FINAL MILE SERVICES (FMS)



**FMS Revenue
(in millions)**



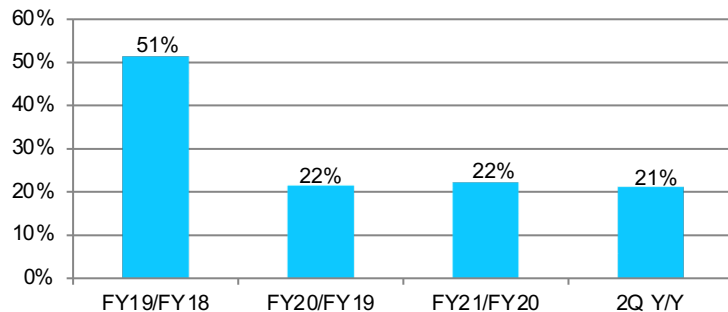
FMS revenue increased 21% compared to the same period 2021 driven by the previously announced acquisition of Zenith Freight Lines, LLC (Zenith) that closed at the end of February, in addition to multiple customer contracts implemented over the last year. Revenue growth in the quarter was partially offset by internal efforts to improve revenue quality of the business. FMS revenue increased 8% over the prior-year period excluding the Zenith acquisition, which contributed approximately \$28 million to segment revenue in the quarter.

Operating income increased 20% from second quarter 2021 which included the prior-year benefit of \$3.2 million from a net settlement of claims. The increase in operating income was primarily driven by an improvement in revenue quality partially offset by increases in professional driver and non-driver wages and benefits, insurance and claims expense, higher technology costs, driver-recruiting expense and implementation costs for newly awarded business. The FMS segment incurred approximately \$0.4 million of the net pre-tax insurance-related expense in the quarter.

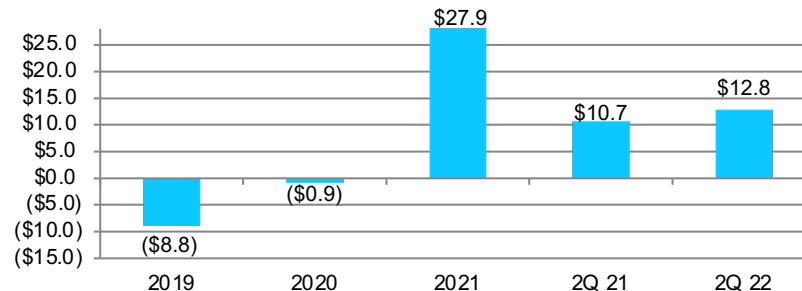
FINAL MILE SERVICES (FMS)



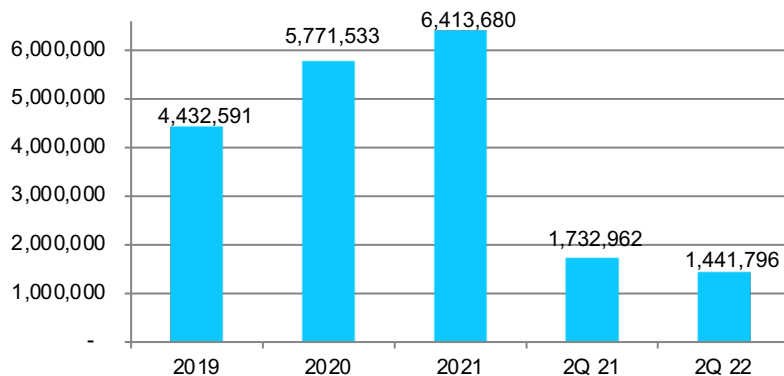
FMS Revenue Change



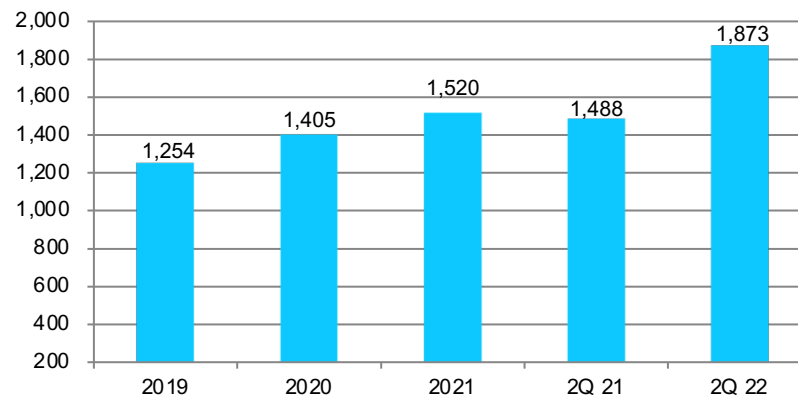
FMS Operating Income/(Loss) (in millions)



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



	June 30, 2022	December 31, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 123,841	\$ 355,549
Accounts Receivable, net	1,776,773	1,506,619
Prepaid expenses and other	381,304	451,201
Total current assets	2,281,918	2,313,369
Property and equipment	7,294,079	6,680,316
Less accumulated depreciation	2,846,384	2,612,661
Net property and equipment	4,447,695	4,067,655
Other assets, net	522,949	413,324
	\$ 7,252,562	\$ 6,794,348
LIABILITIES & STOCKHOLDERS' EQUITY		
Current liabilities:		
Current debt	\$ 349,955	\$ 355,972
Trade accounts payable	886,617	772,736
Claims accruals	324,758	307,210
Accrued payroll	185,829	190,950
Other accrued expenses	122,906	102,732
Total current liabilities	1,870,065	1,729,600
Long-term debt	945,999	945,257
Other long-term liabilities	301,003	256,233
Deferred income taxes	810,631	745,442
Stockholders' equity	3,324,864	3,117,816
	\$ 7,252,562	\$ 6,794,348

THANK YOU

