



J.B. HUNT TRANSPORT SERVICES, INC.

Q3 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

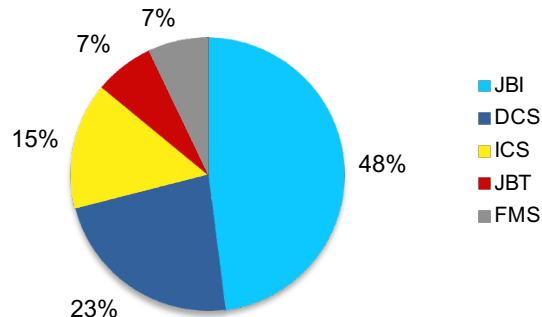
Truckload (JBT)

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

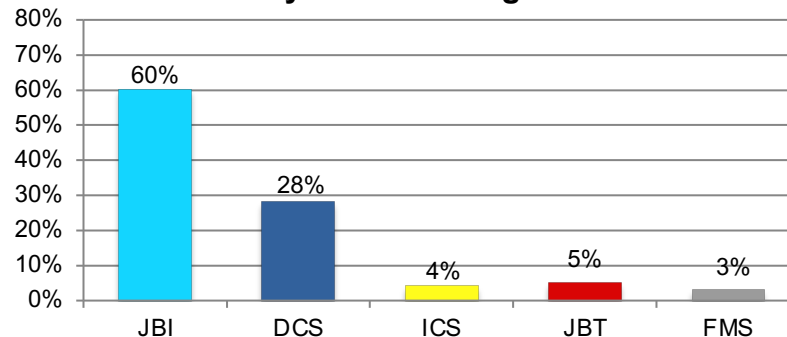
Final Mile Services (FMS)

- 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

3Q 2022 Revenue Mix



Percentage of 3Q 2022 Operating Income by Business Segment



3Q 2022 RESULTS VS. 3Q 2021



OVERVIEW

3Q 2022 Revenue:

\$3.84 billion; up 22%

3Q 2022 Revenue, excl FSC:

\$3.16 billion; up 12%

3Q 2022 Operating Income:

\$362.2 million; up 32%

3Q 2022 EPS:

\$2.57 vs. \$1.88; up 37%

SEGMENT PERFORMANCE

Intermodal (JBI)

Revenue: \$1.84 billion; up 30%

Operating Income: \$217.0 million; up 31%

Dedicated Contract Services (DCS)

Revenue: \$894 million; up 34%

Operating Income: \$103.1 million; up 32%

Integrated Capacity Solutions (ICS)

Revenue: \$591 million; down 11%

Operating Income: \$13.5 million; down 8%

Truckload (JBT)

Revenue: \$274 million; up 34%

Operating Income: \$19.0 million; up 30%

Final Mile Services (FMS)

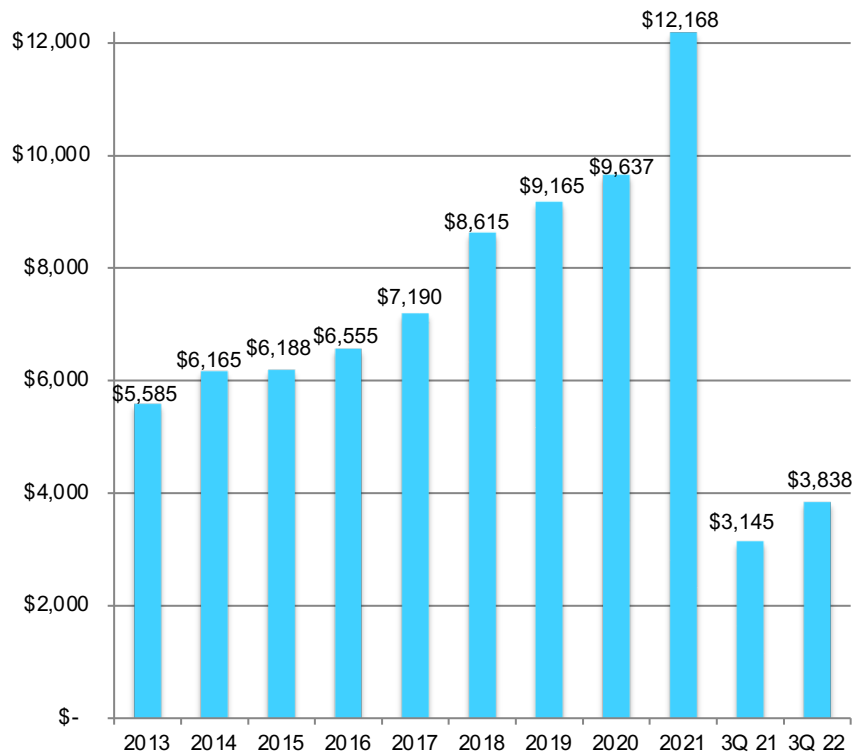
Revenue: \$249 million; up 21%

Operating Income \$9.6 million; compared to \$1.3 million in 3Q'21

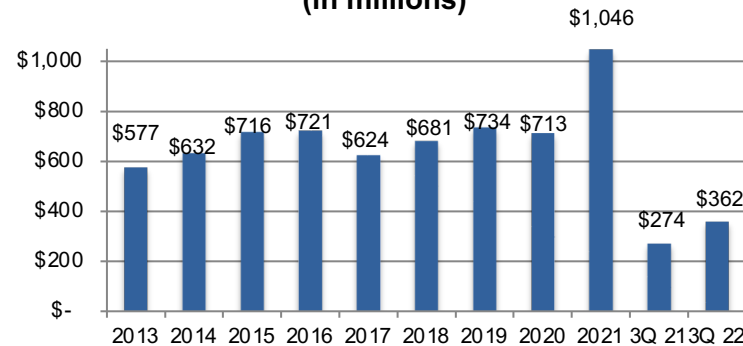
3Q RESULTS CONSOLIDATED



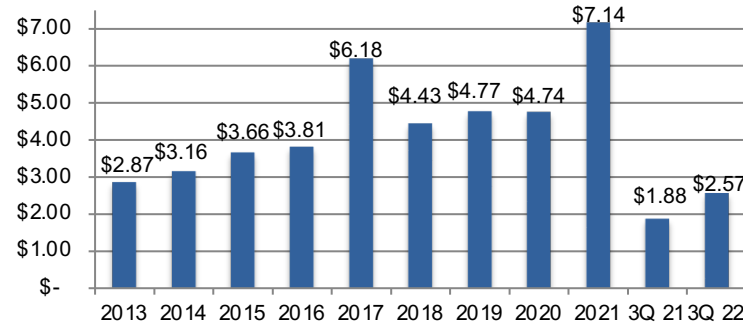
Revenue
(in millions)



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

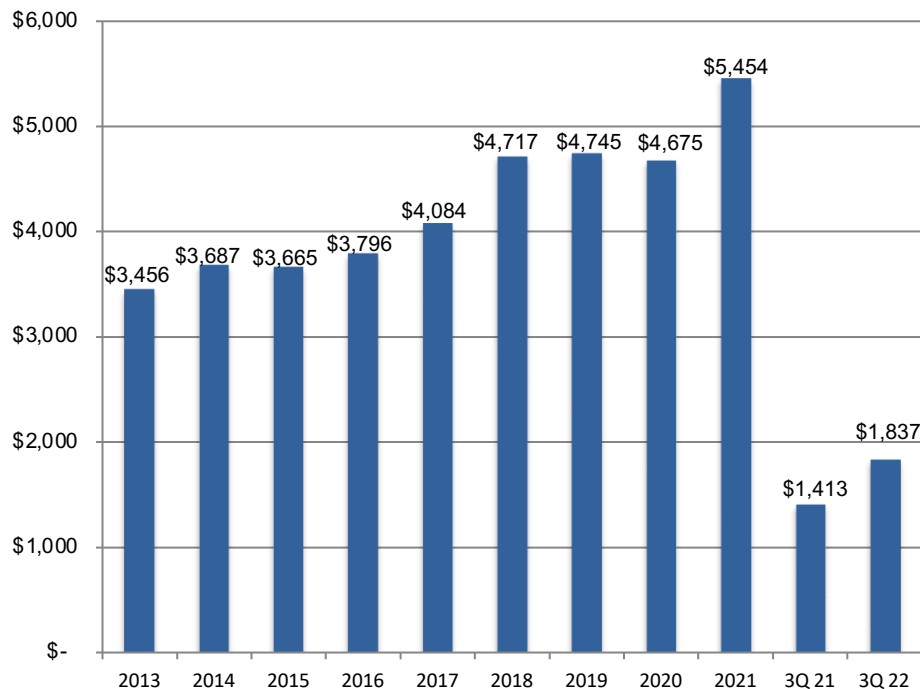
SEGMENT DISCUSSION



INTERMODAL (JBI)



**JBI Revenue
(in millions)**



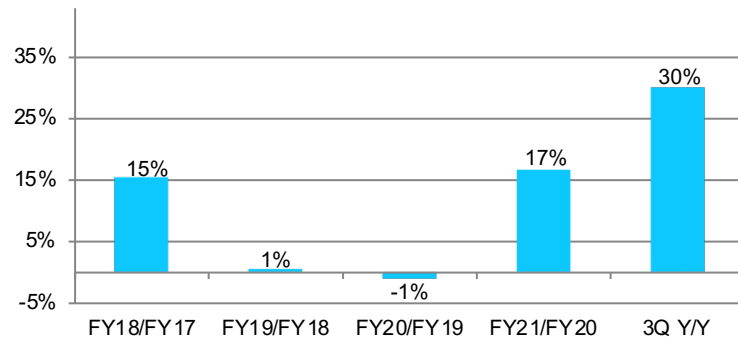
Intermodal volume increased 4% over the same period in 2021. Eastern network loads increased 7%, while transcontinental loads increased 1%. During the quarter, we continued to experience growth in demand for intermodal services but volume was negatively impacted by rail velocity challenges, customer detention of equipment, and overall supply chain uncertainties facing our customers. As the quarter progressed, rail velocity and service levels improved notably to the best levels experienced since early 2021. Revenue increased 30% for the quarter versus the prior year period, driven by a 26% increase in revenue per load and the 4% increase in load volume. Excluding fuel surcharge revenue, revenue per load increased 17% versus the prior year period.

Operating income increased by 31% year over year primarily from higher customer rate and cost recovery efforts and volume. These items were partially offset by higher rail purchased transportation expense; investments to attract and retain professional drivers, office personnel, and maintenance technicians; and higher equipment-related and maintenance expense. Additionally, network inefficiencies driven by rail velocity and customer detention of equipment continue to impact unit cost per load. During the period we successfully onboarded 2,400 new units of container capacity. The current period ended with approximately 113,000 units of trailing capacity and 6,870 power units in the dry fleet.

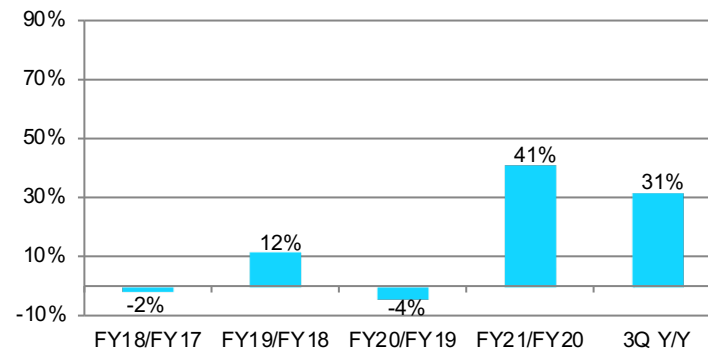
INTERMODAL (JBI) PERFORMANCE



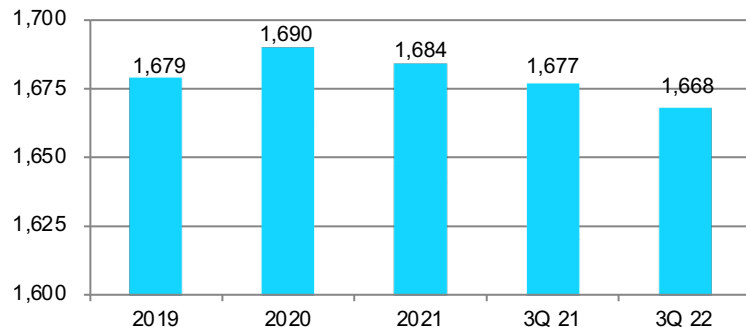
JBI Revenue Change



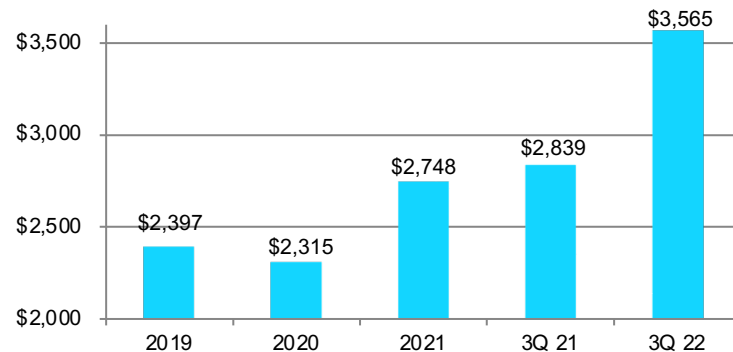
JBI Operating Income Change



JBI Average Length of Haul



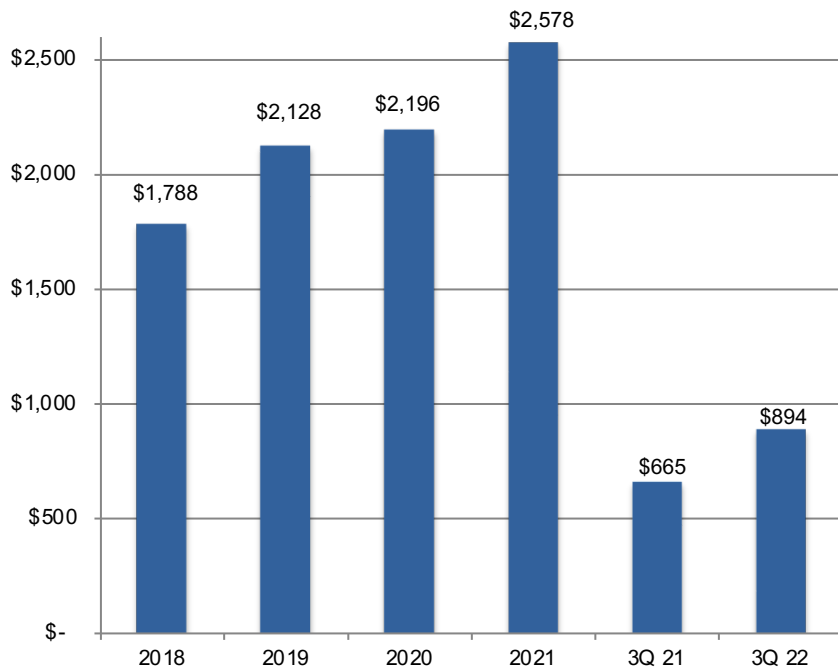
JBI Revenue per Load



DEDICATED (DCS)



**DCS Revenue
(in millions)**



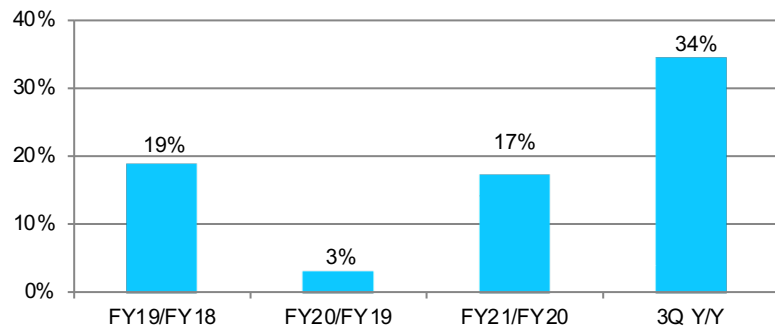
Demand for our highly engineered private-fleet outsourcing solution remained strong during the quarter. DCS revenue increased 34% year over year, primarily from an 18% increase in average revenue producing trucks and a 14% increase in productivity (revenue per truck per week) versus the same period 2021. Productivity excluding fuel surcharge revenue increased 6% from a year ago driven by increases in contracted indexed-based price escalators and stronger utilization of equipment. A net additional 1,836 revenue producing trucks were in the fleet by the end of the quarter compared to the prior year period, and a net additional 458 versus the end of the second quarter 2022. Customer retention rates remain above 98%.

Operating income increased 32% from the prior year quarter, primarily from new business onboarded over the past trailing twelve months, combined with greater productivity and utilization of equipment. These items were partially offset by costs to attract and retain professional drivers, office personnel, and maintenance technicians, higher equipment-related and maintenance expense, and other costs related to the implementation of new, long-term contractual business.

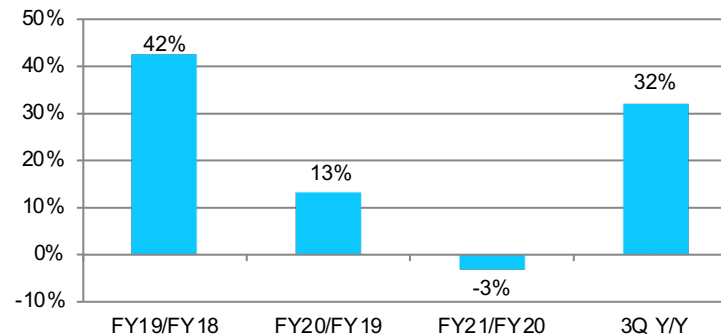
DEDICATED (DCS) PERFORMANCE



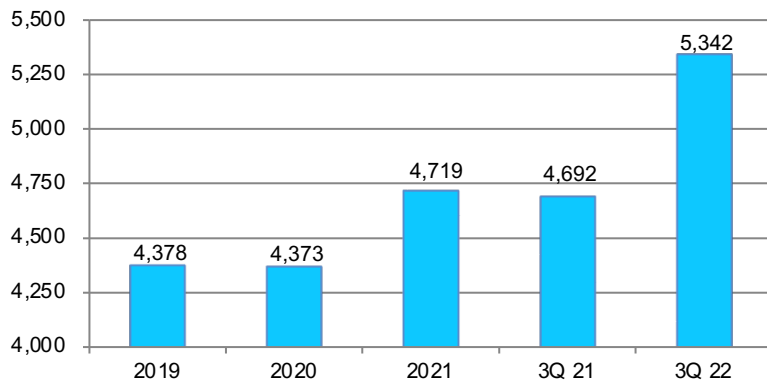
DCS Revenue Change



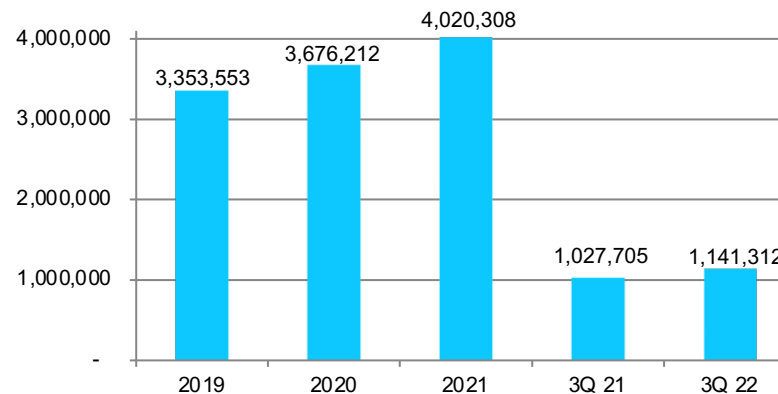
DCS Operating Income Change



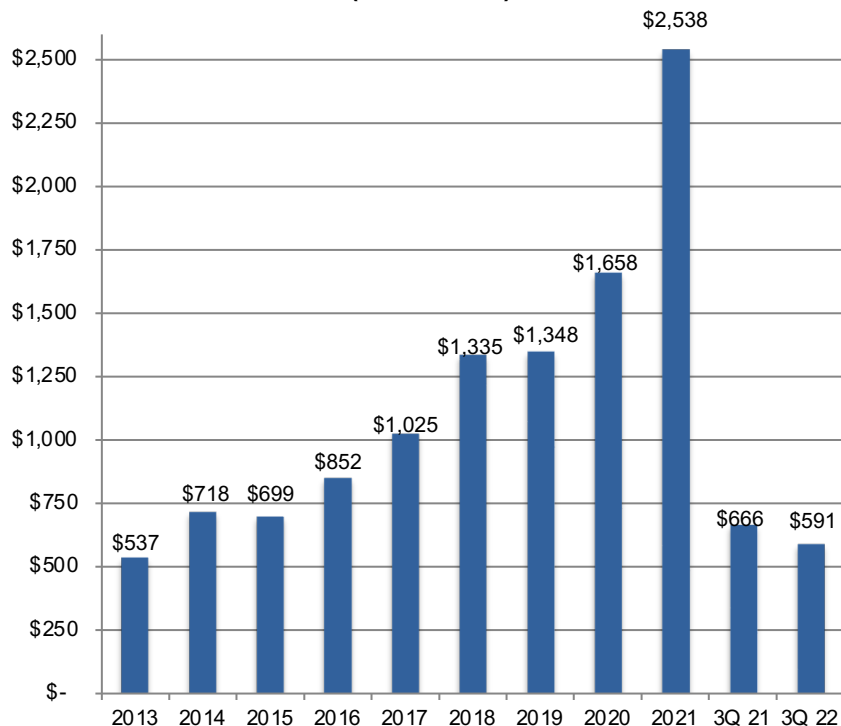
DCS Revenue Per Truck Per Week



DCS Loads



**ICS Revenue
(in millions)**



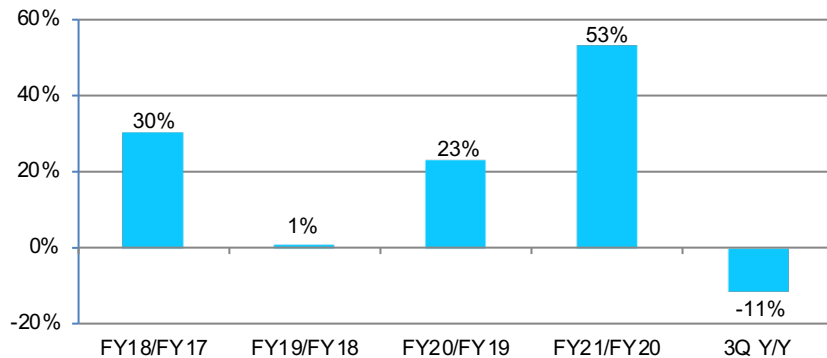
ICS revenue declined 11% in the current quarter versus the third quarter 2021. Overall segment volume decreased 8% in the quarter, while truckload volume was down 1% compared to the prior year. Revenue per load decreased 4% compared to the third quarter 2021. Higher contractual rates in our truckload business and changes in customer freight mix were more than offset by lower revenue per load in our transactional business. Contractual volume represented approximately 57% of the total load volume and 53% of the total revenue in the current quarter compared to 54% and 41%, respectively, in third quarter 2021. Of the total reported ICS revenue, approximately \$391 million was executed through the Marketplace for J.B. Hunt 360 compared to \$397 million in third quarter 2021.

Gross profit margins increased to 14.3% in the current period versus 12.0% in the prior period, driving a 5.9% increase in gross profit versus the prior year period. Higher gross profit was more than offset by higher personnel and technology-related investments, increased bad debt expense, and higher insurance and claims expense. ICS carrier base increased 25% versus the third quarter 2021.

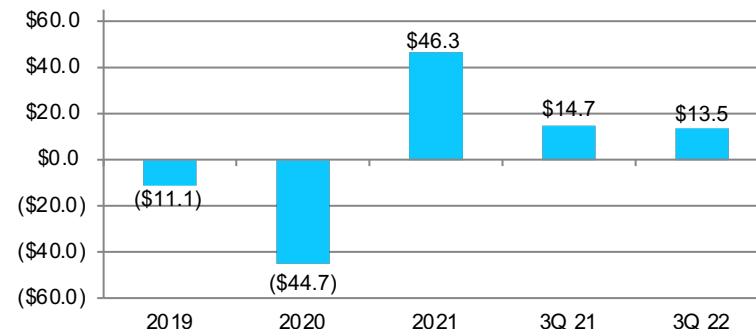
INTEGRATED (ICS) PERFORMANCE



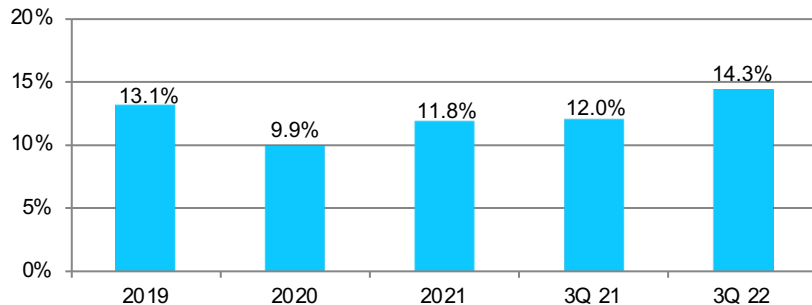
ICS Revenue Change



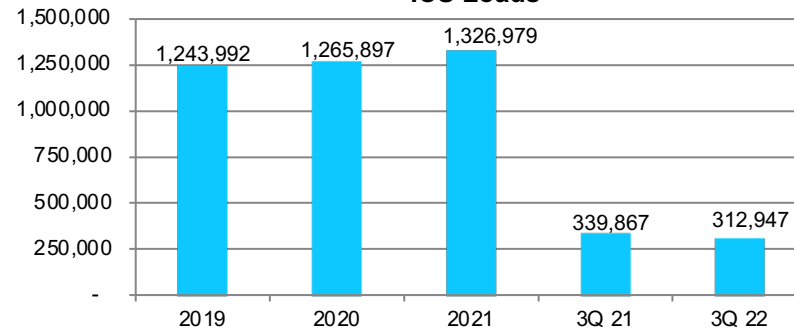
ICS Operating Income/(Loss) (in millions)



ICS Gross Profit Margin



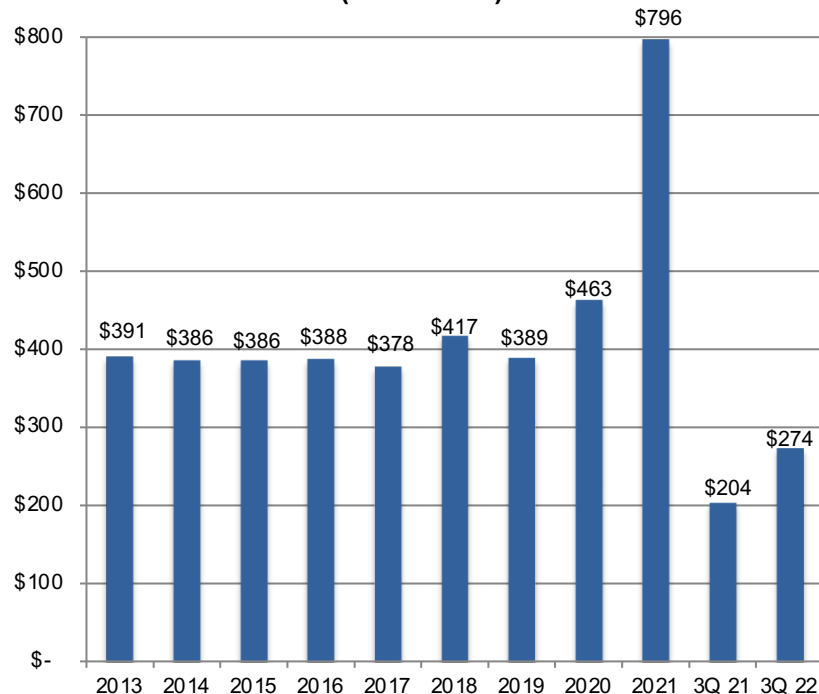
ICS Loads



TRUCKLOAD (JBT)



JBT Revenue
(in millions)



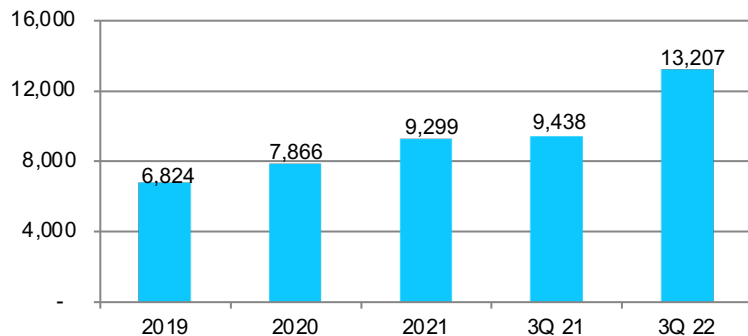
JBT revenue increased 34% as compared to the same period in the previous year. Revenue excluding fuel surcharge revenue increased 24% primarily due to increased load volume and higher revenue per load excluding fuel surcharge revenue. Volume was up 13% year over year as average total trailer count increased by approximately 3,800 units, or 40% versus the prior year period. Trailer turns in the quarter were down 18% from the prior year period due to the onboarding of new trailers and freight mix. Revenue per load excluding fuel surcharge revenue was up 10% on an average length of haul that also increased 10%.

JBT operating income increased 30% to \$19.0 million versus the third 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 were partially offset by higher truck purchased transportation expense, equipment-related and maintenance expense, investments in personnel, insurance and claims expense and continued technology-related investments to build out 360box.

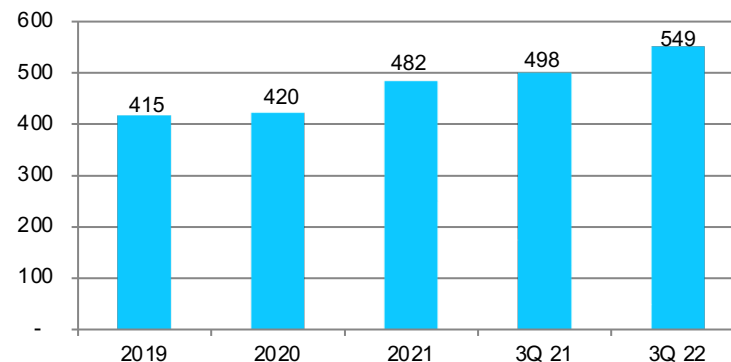
TRUCKLOAD (JBT) PERFORMANCE



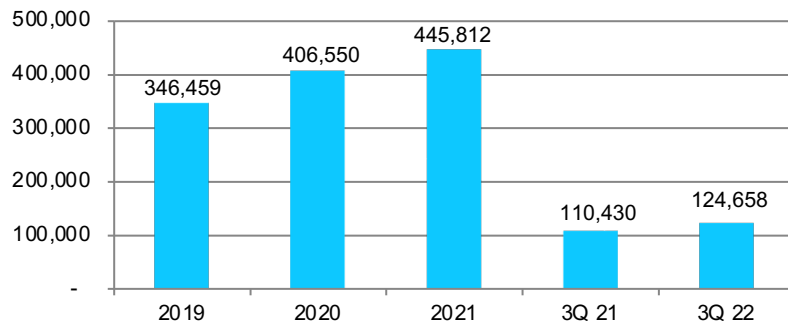
JBT Average Trailers



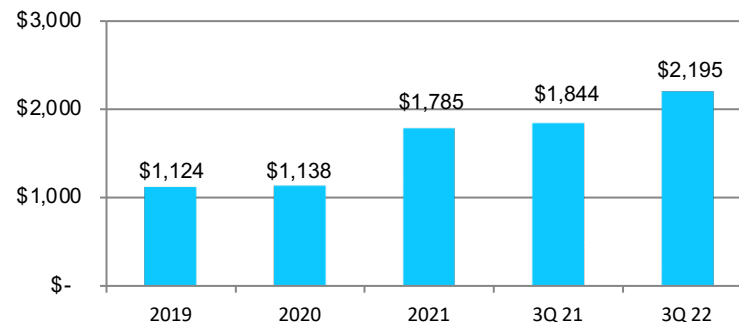
JBT Average Length of Haul



JBT Loads



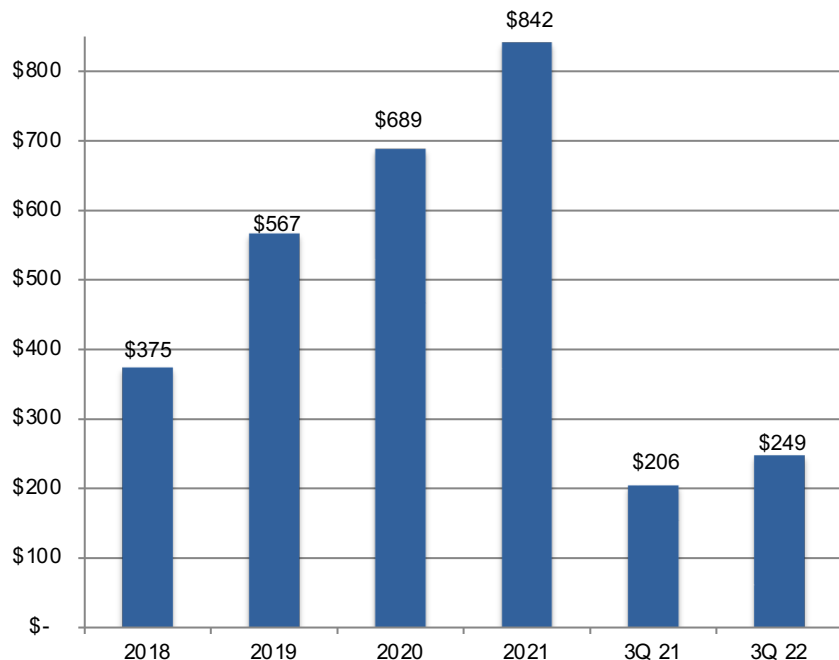
JBT Revenue per Load



FINAL MILE SERVICES (FMS)



**FMS Revenue
(in millions)**



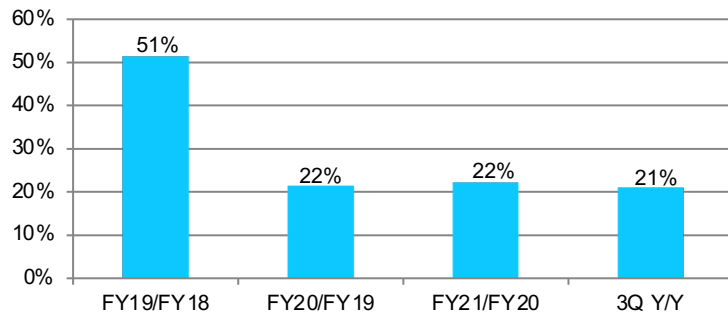
FMS revenue increased 21% compared to the same period 2021, primarily driven by the previously announced acquisition of Zenith Freight Lines, LLC (Zenith) and multiple new customer contracts implemented over the past trailing twelve months. Revenue growth was partially offset by internal efforts to improve revenue quality of the business. Excluding the Zenith acquisition, which contributed approximately \$28 million to segment revenue in the current quarter, FMS revenue increased 7% year over year.

Operating income increased to \$9.6 million compared to \$1.3 million in the prior year period. The increase in operating income was primarily driven by an improvement in revenue quality partially offset by increases in investments to attract and retain professional driver and non-driver personnel, higher equipment-related and maintenance costs, and increased insurance and claims expense. Additionally, investments in new system technology development and implementation costs for newly awarded business partially offset the improvement in revenue quality.

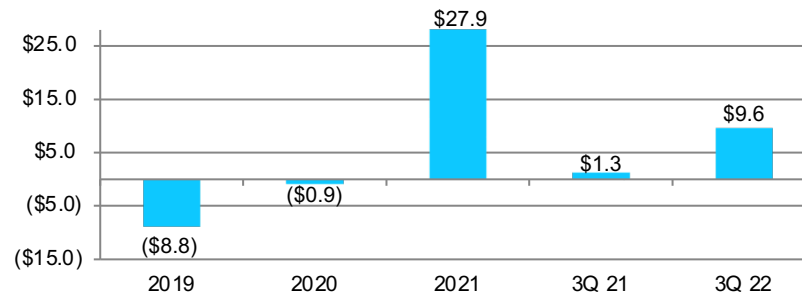
FINAL MILE SERVICES (FMS)



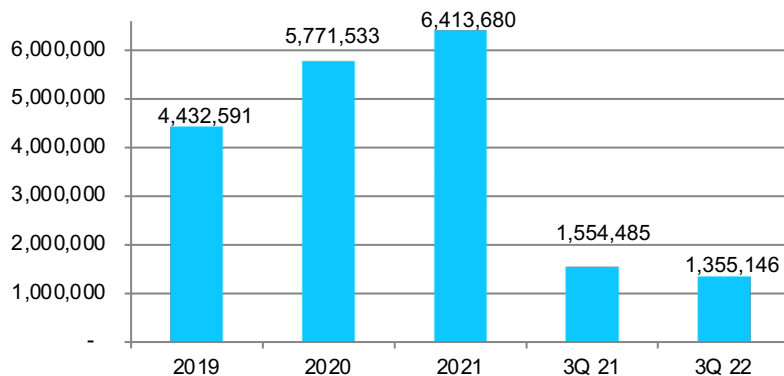
FMS Revenue Change



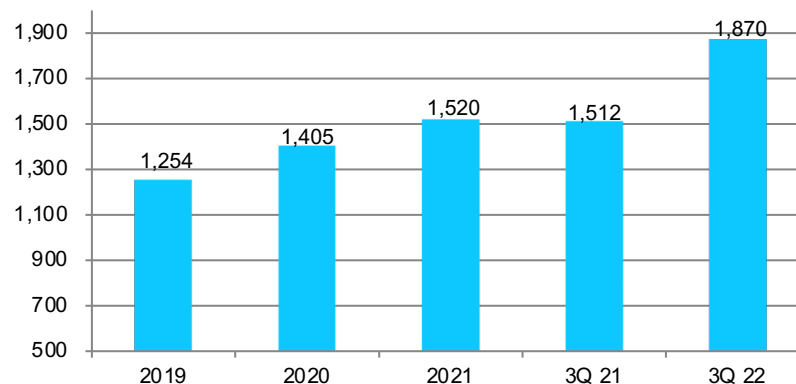
FMS Operating Income/(Loss) (in millions)



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



	September 30, 2022	December 31, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 84,334	\$ 355,549
Accounts Receivable, net	1,726,155	1,506,619
Prepaid expenses and other	341,927	451,201
Total current assets	2,152,416	2,313,369
Property and equipment	7,680,238	6,680,316
Less accumulated depreciation	2,972,231	2,612,661
Net property and equipment	4,708,007	4,067,655
Other assets, net	571,136	413,324
	\$ 7,431,559	\$ 6,794,348
LIABILITIES & STOCKHOLDERS' EQUITY		
Current liabilities:		
Current debt	\$ -	\$ 355,972
Trade accounts payable	838,859	772,736
Claims accruals	340,207	307,210
Accrued payroll	208,707	190,950
Other accrued expenses	112,951	102,732
Total current liabilities	1,500,724	1,729,600
Long-term debt	1,243,814	945,257
Other long-term liabilities	346,007	256,233
Deferred income taxes	835,905	745,442
Stockholders' equity	3,505,109	3,117,816
	\$ 7,431,559	\$ 6,794,348

THANK YOU

