



J.B. Hunt Transport Services, Inc.

Q1 2023 Results

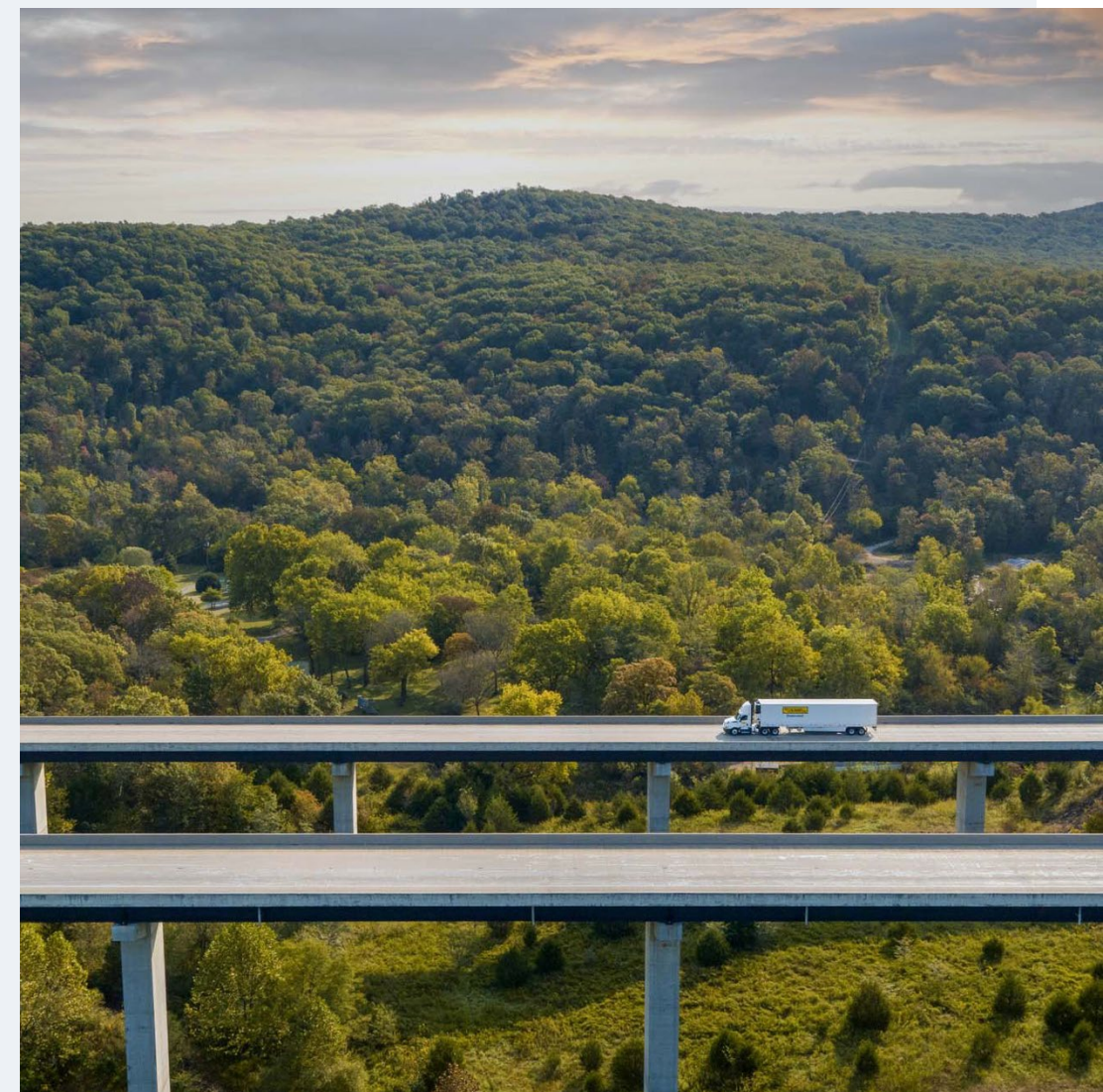




Disclosure

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.

On January 1, 2023, the Company transferred the majority of Truckload's company owned trucking operations to Dedicated Contract Services and transferred its less-than-truckload brokerage operations from Integrated Capacity Solutions to Final Mile Services. The segment information discussed within this presentation recasts the prior year period for these operational transfers between segments as well as full year amounts previously reported for 2022 and 2021. These operational changes have no impact on our historical consolidated balance sheets, statements of earnings or cash flows.



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, and expedited services
- 40- and 20-foot box domestic and international containers and international intermodal services
- Services to all 50 States, Canada, and Mexico

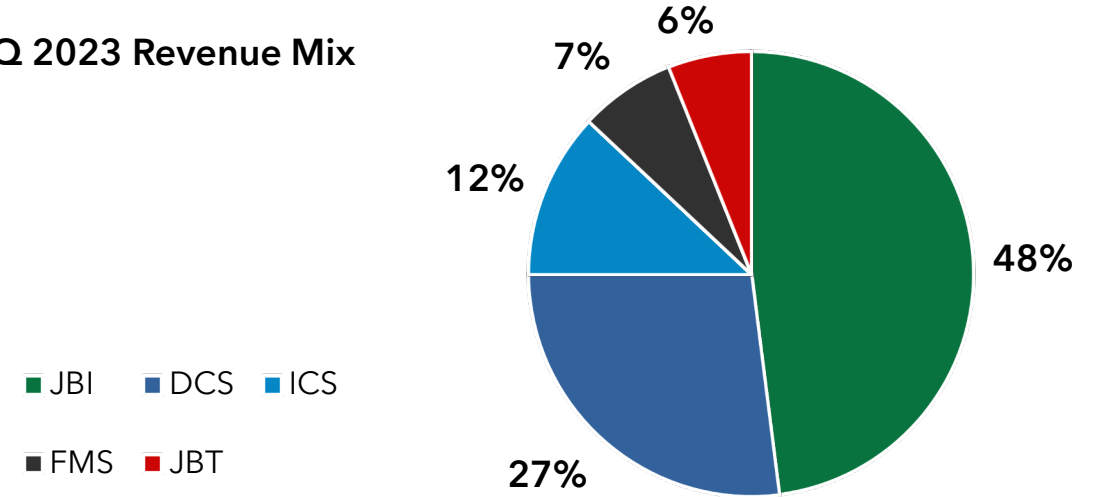
Final Mile Services® (FMS)

- 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

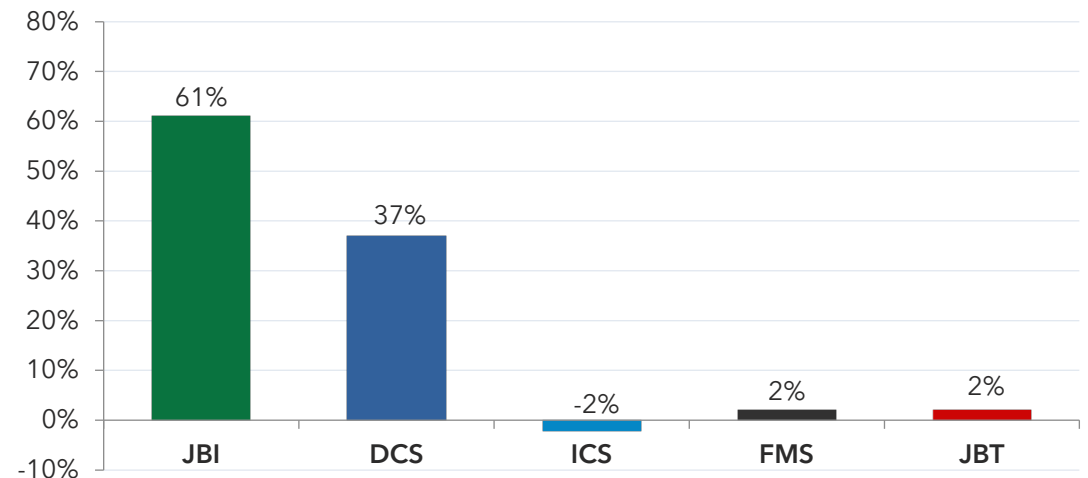
Truckload (JBT)

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

1Q 2023 Revenue Mix



Percentage of 1Q 2023 Operating Income by Business Segment





1Q 2023 Results vs. 1Q 2022

Overview

1Q 2023 Revenue:

\$3.23 billion; down 7%

1Q 2023 Revenue, excl FSC:

\$2.73 billion; down 10%

1Q 2023 Operating Income:

\$277.5 million; down 17%

1Q 2023 EPS:

\$1.89 vs. \$2.29; down 18%

Segment Performance

Intermodal (JBI)

Revenue: \$1.54 billion; down 4%

Operating Income: \$168.7 million; down 16%

Dedicated Contract Services (DCS)

Revenue: \$879 million; up 13%

Operating Income: \$102.6 million; up 29%

Integrated Capacity Solutions (ICS)

Revenue: \$385 million; down 42%

Operating (Loss)/Income: \$(5.4) million; vs. \$24.2 million in Q1'22

Final Mile Services (FMS)

Revenue: \$225 million; down 4%

Operating Income: \$6.6 million; vs. \$0.6 million in Q1'22

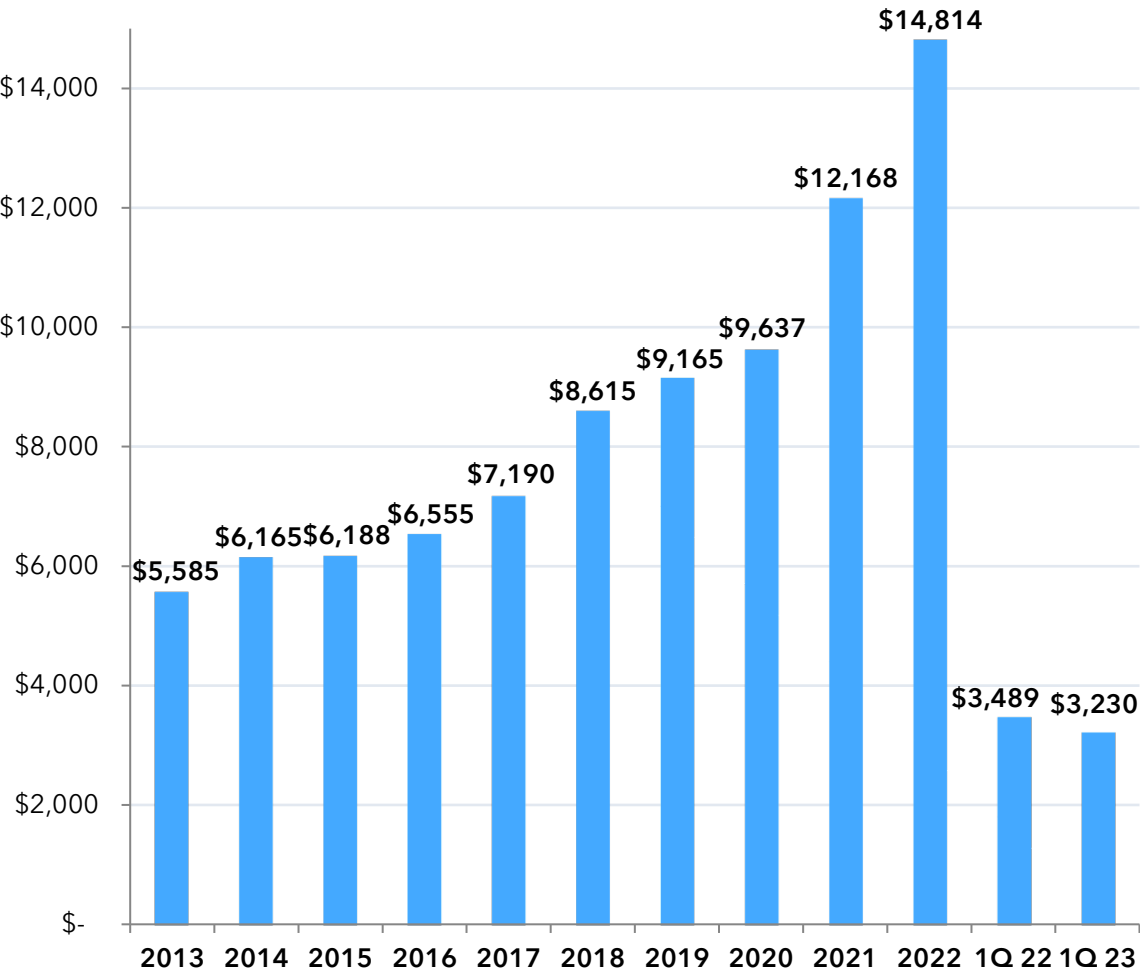
Truckload (JBT)

Revenue: \$206 million; down 10%

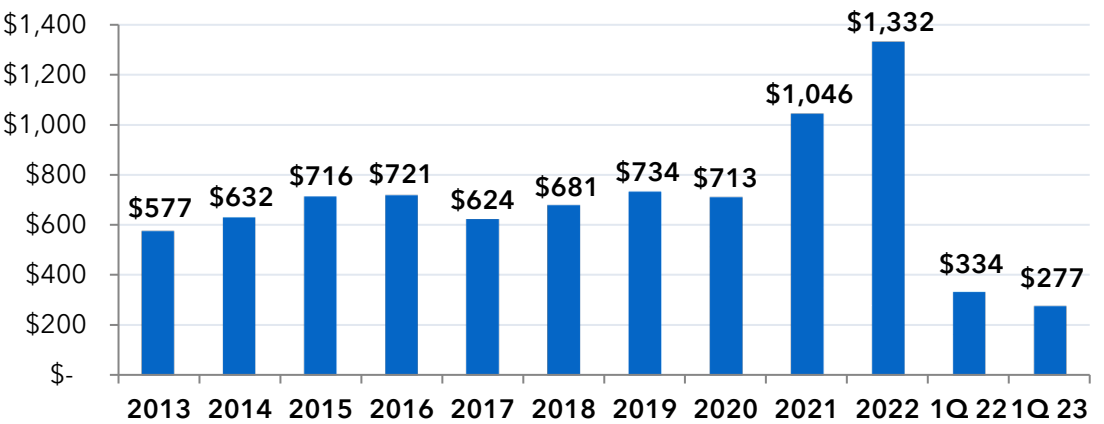
Operating Income: \$5.0 million; down 83%

1Q Results Consolidated

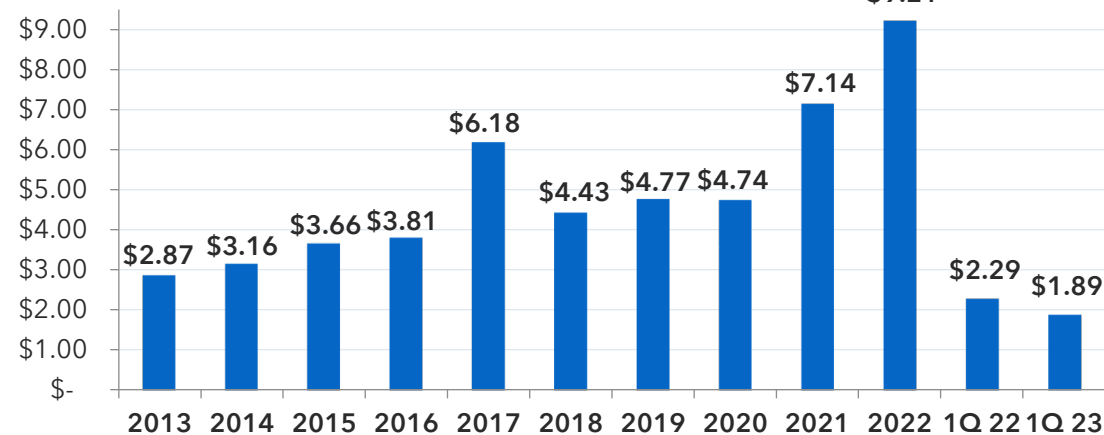
Revenue (in millions)



Operating Income (in millions)



Diluted EPS



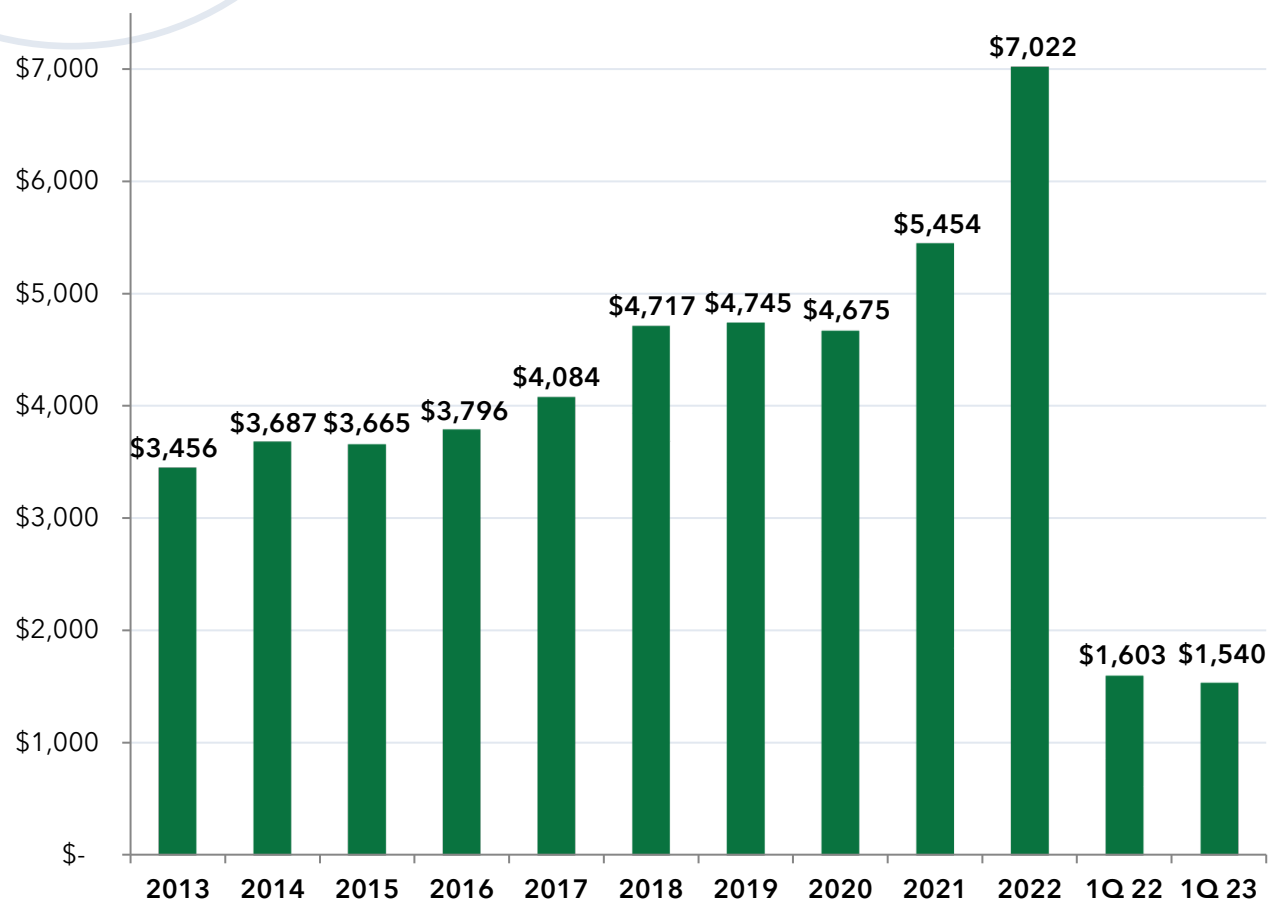


Segment Discussion



Intermodal (JBI)

JBI Revenue (in millions)

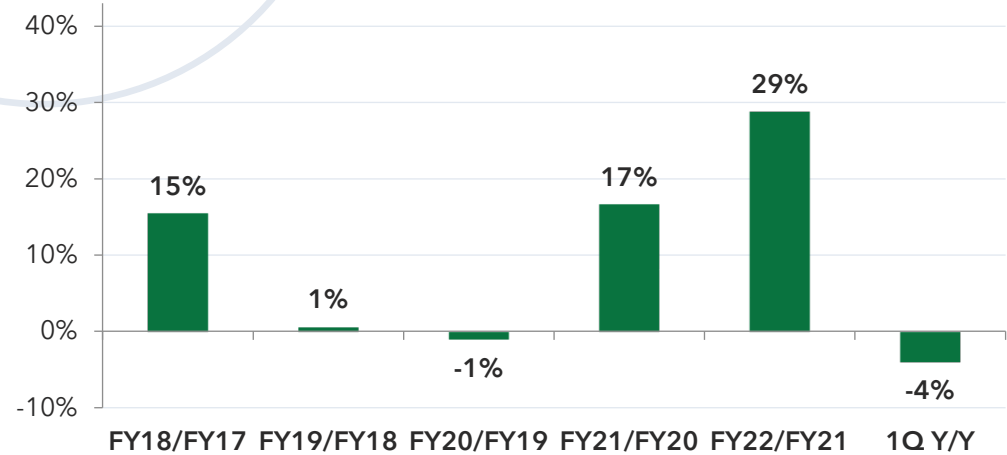


Intermodal volume decreased 5% over the same period in 2022. Eastern network loads increased 1%, while transcontinental loads decreased 9%. While rail service and customer unloading activity have improved, weaker overall freight activity, particularly import-related freight, weighed on volume performance in the quarter. Segment gross revenue decreased 4% from the prior year period, reflecting the 5% decrease in volume and a 1% 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 flat year-over-year.

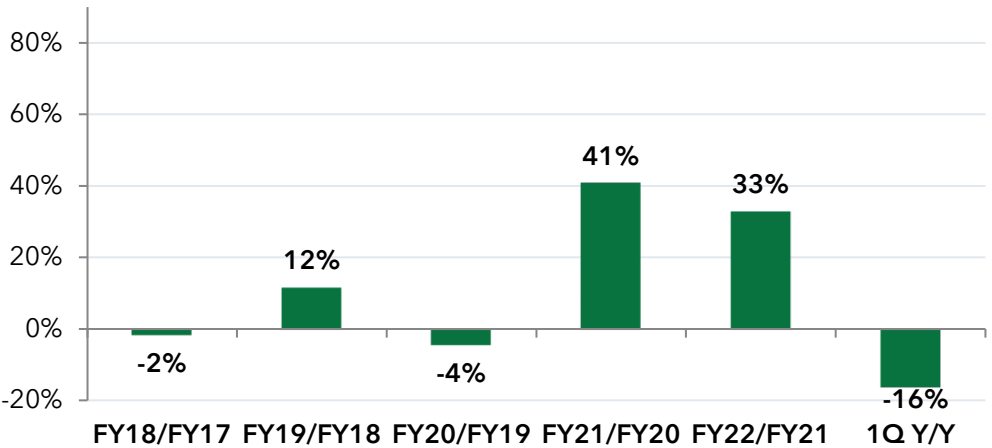
Operating income decreased 16% in the first quarter primarily from lower volumes and the resulting impact on both tractor and trailing utilization trends. Additionally, rate and cost recovery efforts were more than offset by increases in professional driver and non-driver wages and benefits, insurance-related costs, and a \$14 million decline in net gains from the sale of equipment in the current quarter. During the period, we successfully onboarded 1,005 new pieces of trailing equipment. We ended the quarter with 116,155 containers and 6,574 power units in the dray fleet.

Intermodal (JBI) Performance

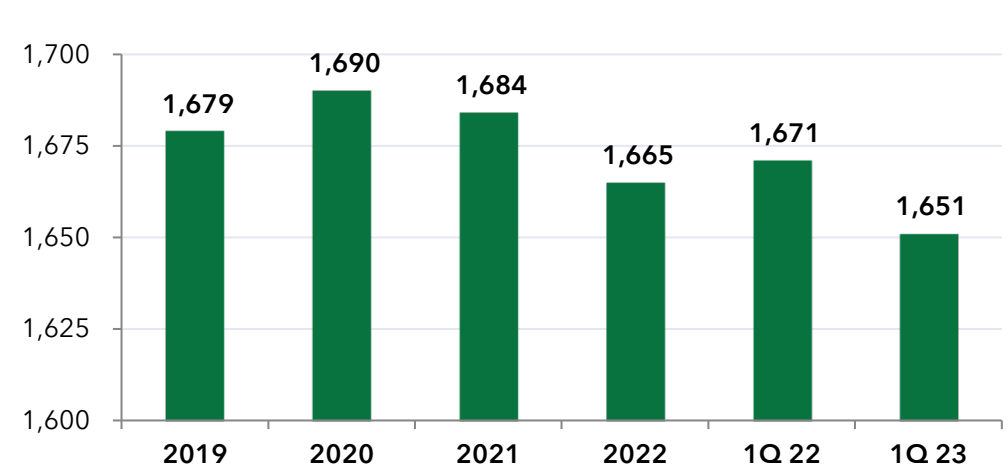
JBI Revenue Change



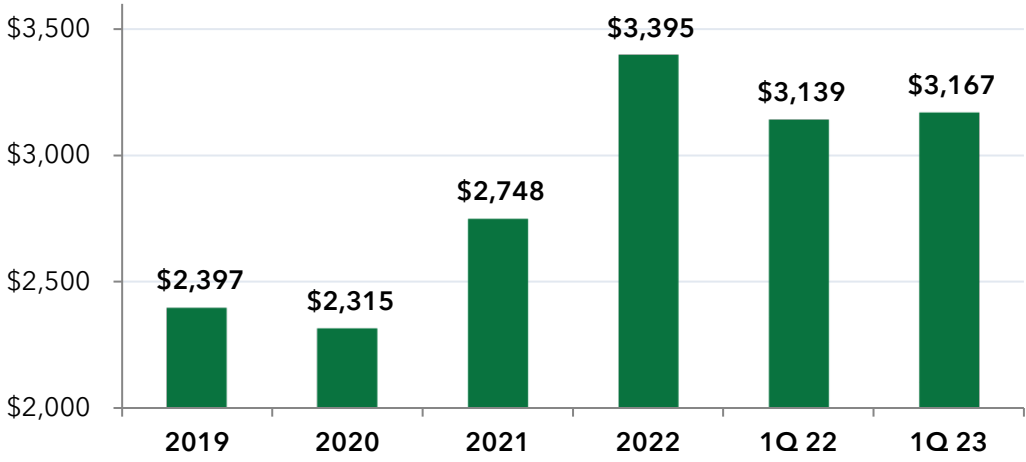
JBI Operating Income Change



JBI Average Length of Haul

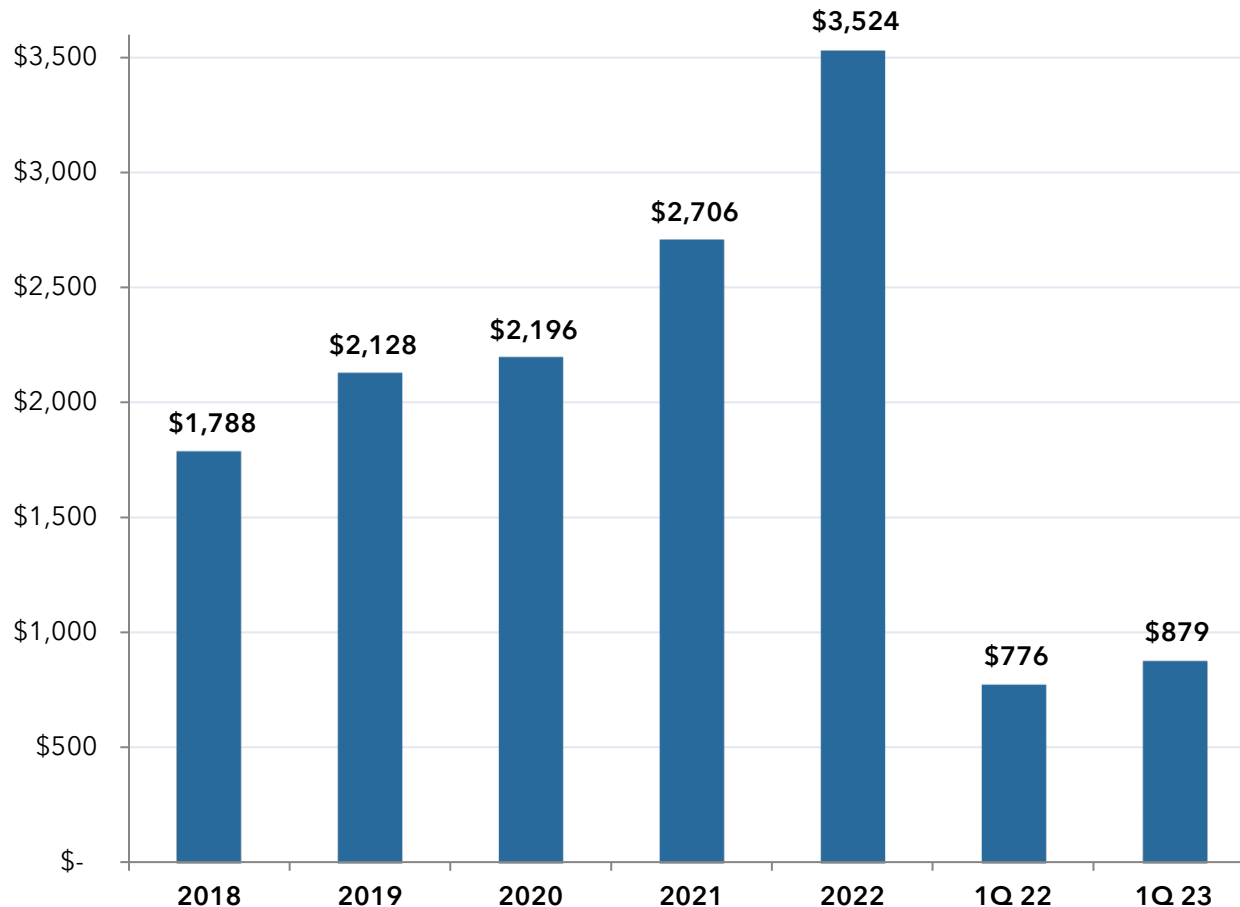


JBI Revenue per Load



Dedicated Contract Services[®] (DCS[®])

DCS Revenue (in millions)

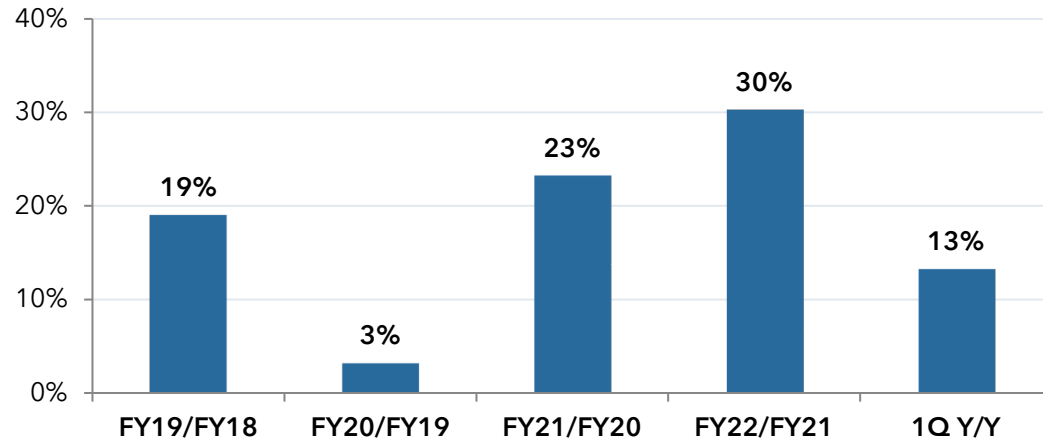


DCS revenue increased 13% during the current quarter over the same period 2022 primarily from a 7% increase in average revenue producing trucks and a 5% increase in productivity (revenue per truck per week) versus the prior period. Productivity excluding fuel surcharge revenue increased 5% from a year ago driven by increases in contracted indexed-based price escalators and stronger utilization of equipment as a result of improvements on equipment trading activity. A net additional 541 revenue producing trucks were in the fleet by the end of the quarter compared to the prior year period, and a net 49 fewer versus the end of the fourth quarter 2022. Customer retention rates remain above 98%. The revenue and truck count gains attributable to the movement of JBT operations to DCS was \$26.9 million and 398 trucks, respectively, in the current quarter.

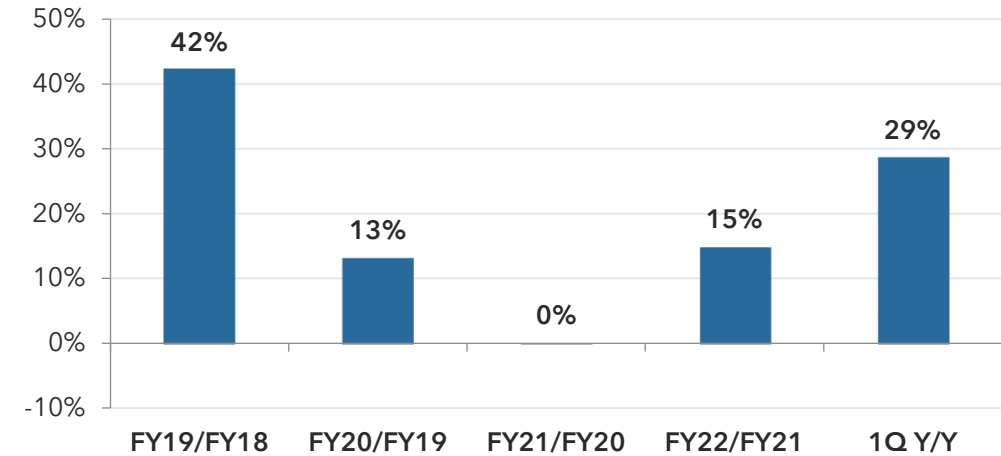
Operating income increased 29% from the prior year quarter primarily from higher revenue driven by greater productivity and utilization of assets, contracted indexed-based price escalators, and the maturing of new business onboarded over the trailing twelve months. Benefits from higher revenue were partially offset by increases in professional driver and non-driver wages and benefits, equipment-related and maintenance expenses, and insurance-related costs. The increase in operating income attributable to the movement of JBT operations to DCS was \$4.2 million in the current quarter.

Dedicated Contract Services® (DCS®)

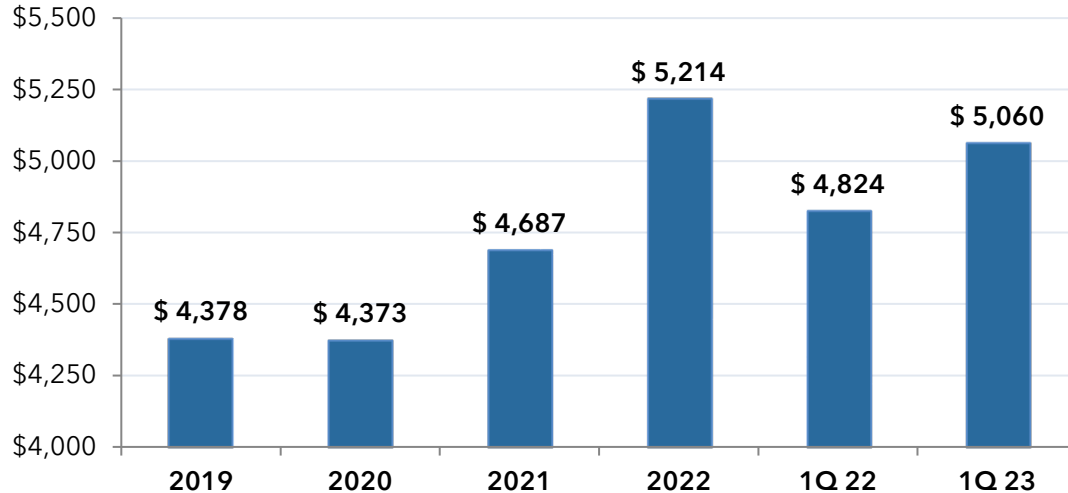
DCS Revenue Change



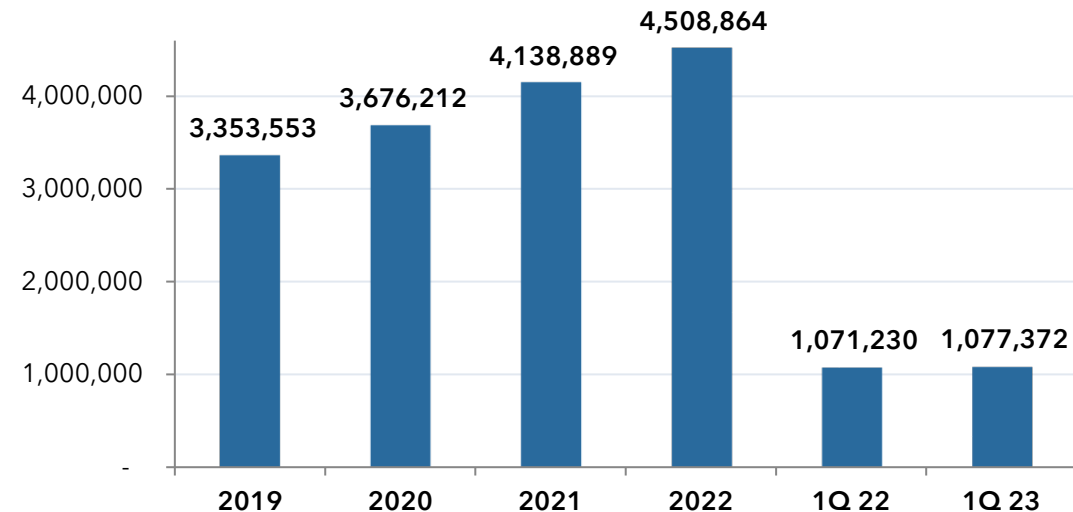
DCS Operating Income Change



DCS Revenue Per Truck Per Week

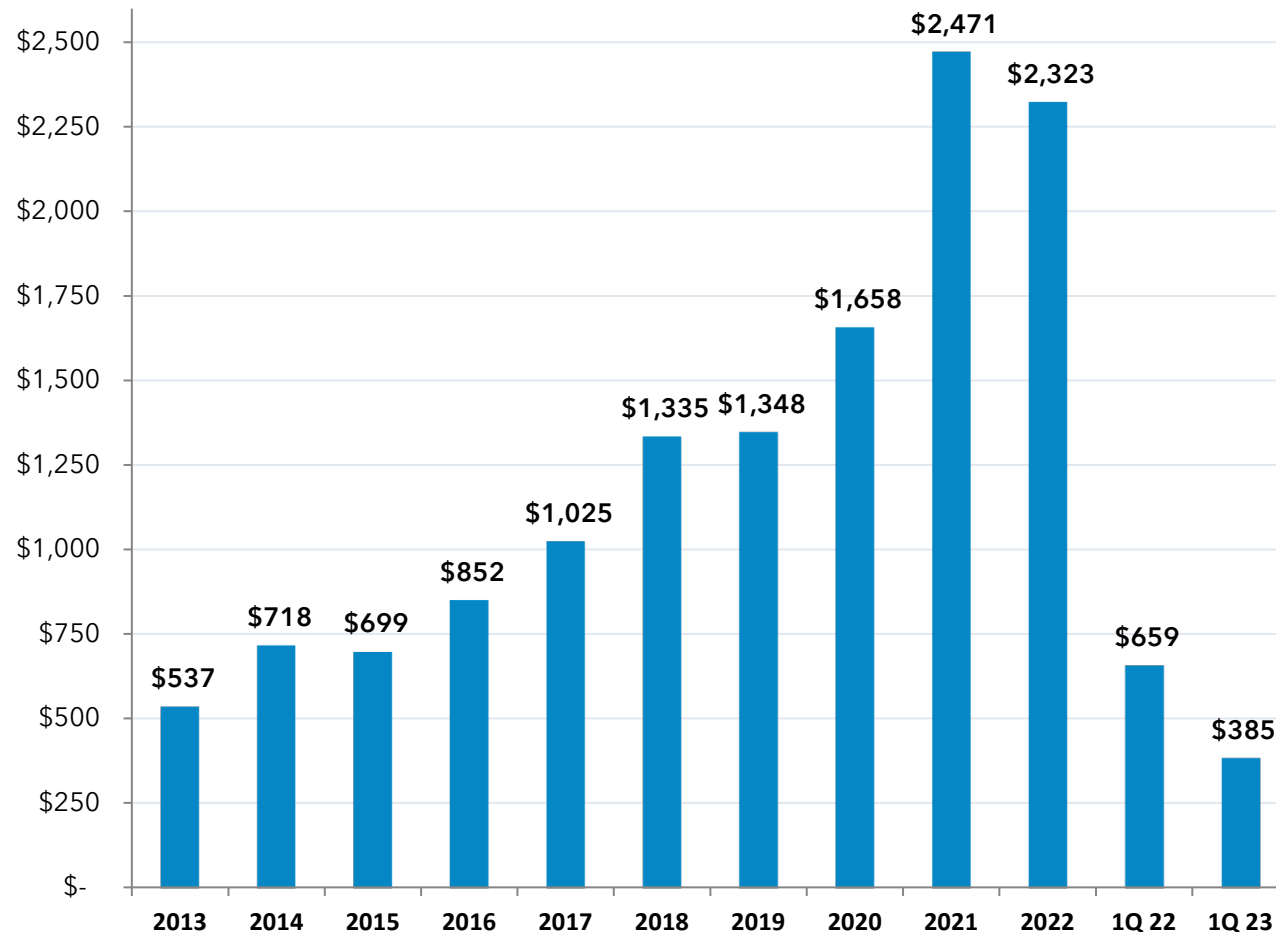


DCS Loads



Integrated Capacity Solutions™ (ICS)

ICS Revenue (in millions)

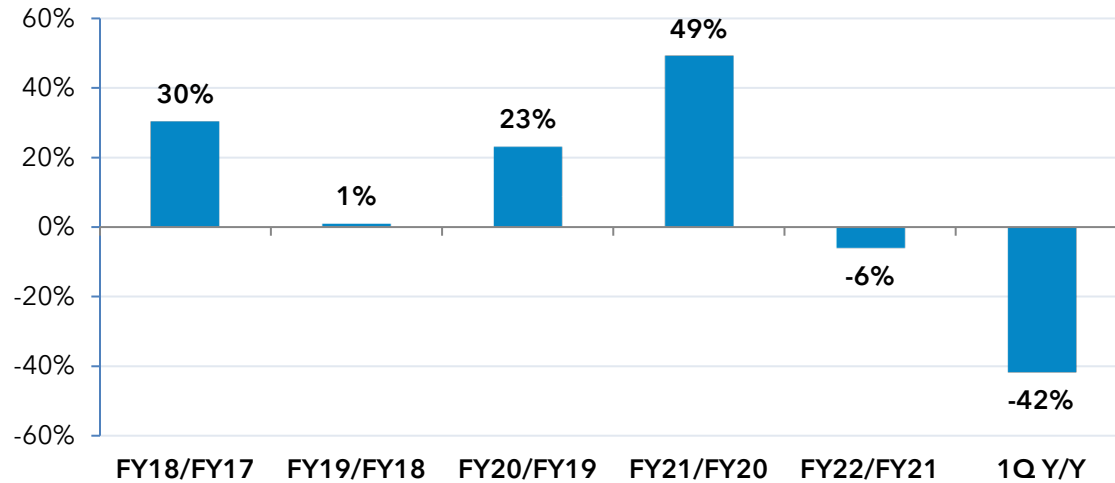


ICS revenue declined 42% during the current quarter versus the first quarter 2022. Overall segment volume decreased 25% versus the prior year period. Revenue per load decreased 22% compared to the first quarter 2022 due to changes in customer freight mix and lower contractual and transactional rates in our truckload business. Contractual volume represented approximately 63% of the total load volume and 64% of the total revenue in the current quarter compared to 44% and 42%, respectively, in first quarter 2022. Of the total reported ICS revenue, approximately \$251 million was executed through the Marketplace for J.B. Hunt 360 compared to \$430 million in the first quarter 2022. Revenue and volume reductions attributable to the movement of ICS operations to FMS was \$12.9 million and approximately 37,400 loads, respectively, in the current quarter.

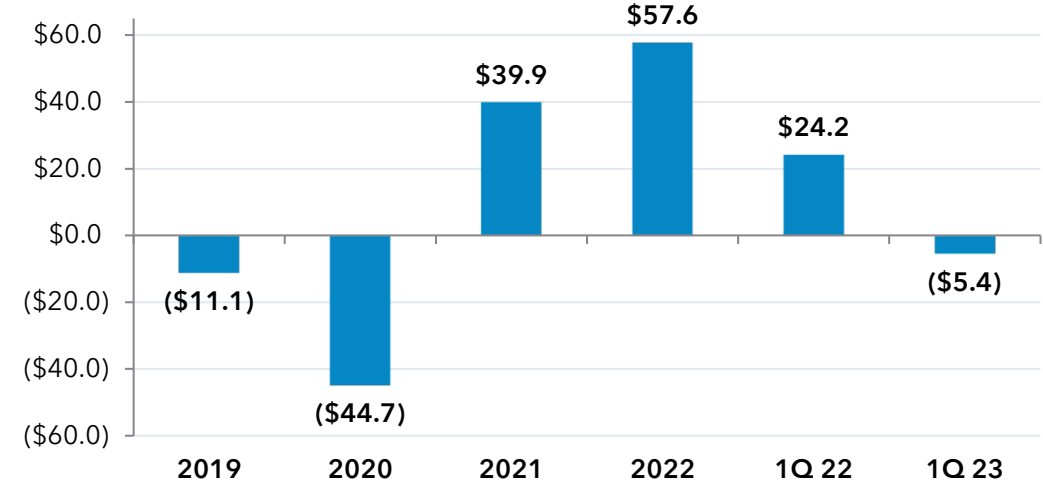
Operating loss was \$5.4 million compared to operating income of \$24.2 million for the first quarter 2022 due largely to lower gross profit and higher insurance-related expenses, partially offset by lower personnel-related expenses and reduced technology costs. Gross profit declined 39% versus the prior year period as a result of lower volume and revenue, despite gross profit margins improving to 13.4% as compared to 12.8% in the prior year period. ICS carrier base increased 2% year-over-year. The reduction in operating income attributable to the movement of ICS operations to FMS was \$1.2 million in the current quarter.

Integrated Capacity Solutions™ (ICS)

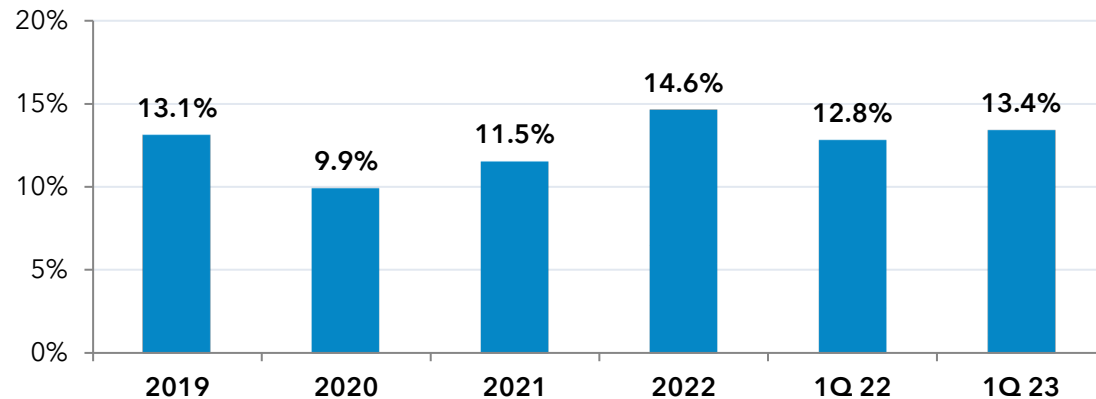
ICS Revenue Change



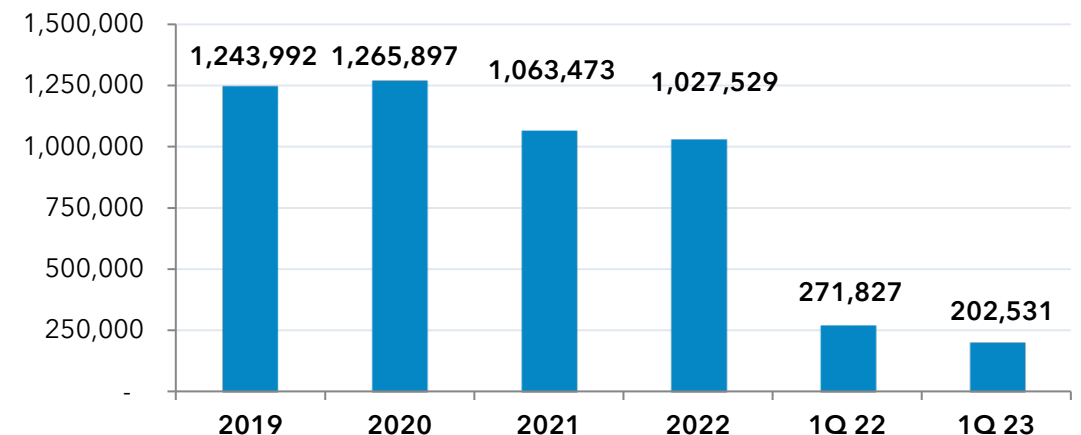
ICS Operating Income/(Loss) in millions



ICS Gross Profit Margin

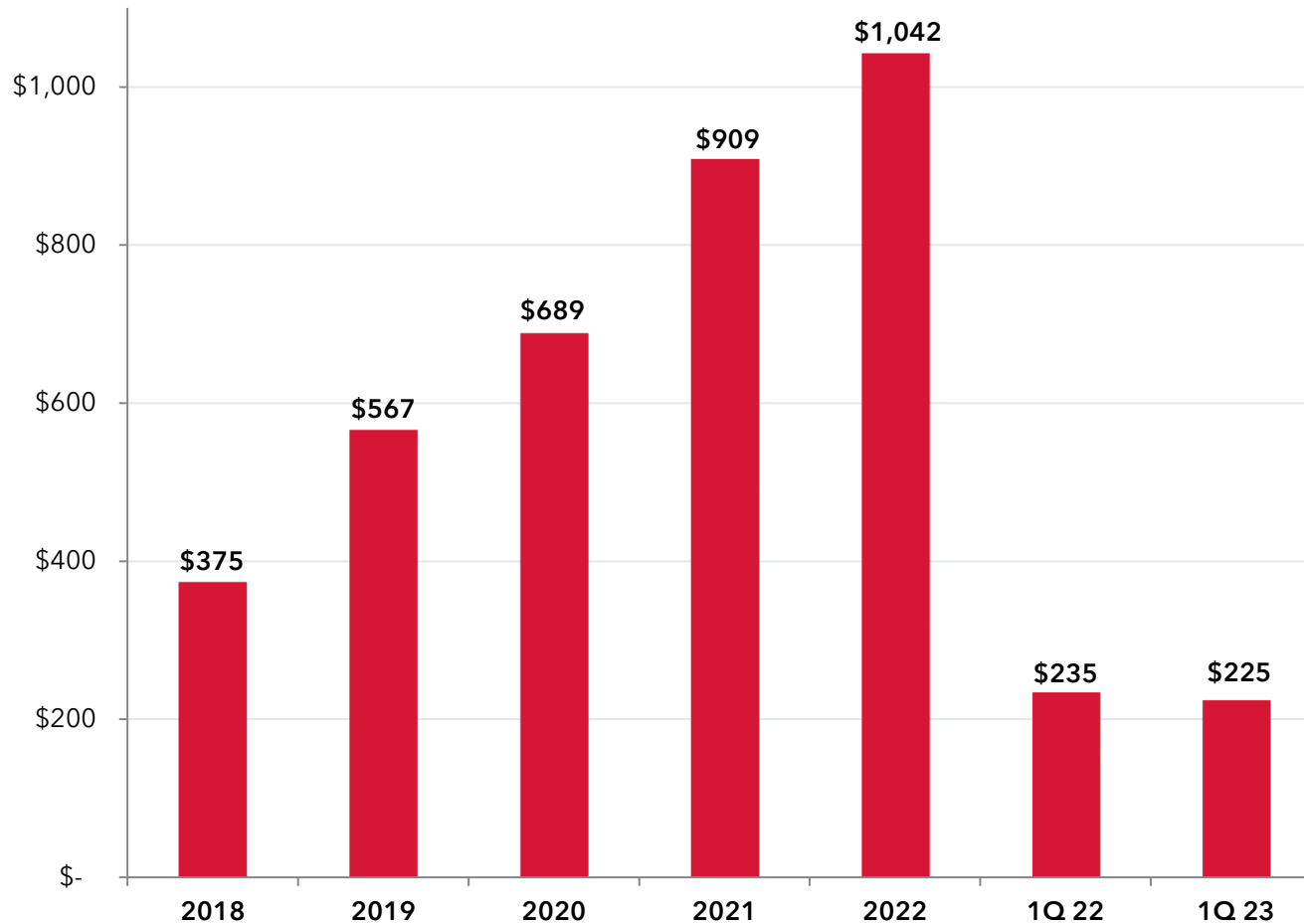


ICS Loads



Final Mile Services[®] (FMS)

FMS Revenue (in millions)

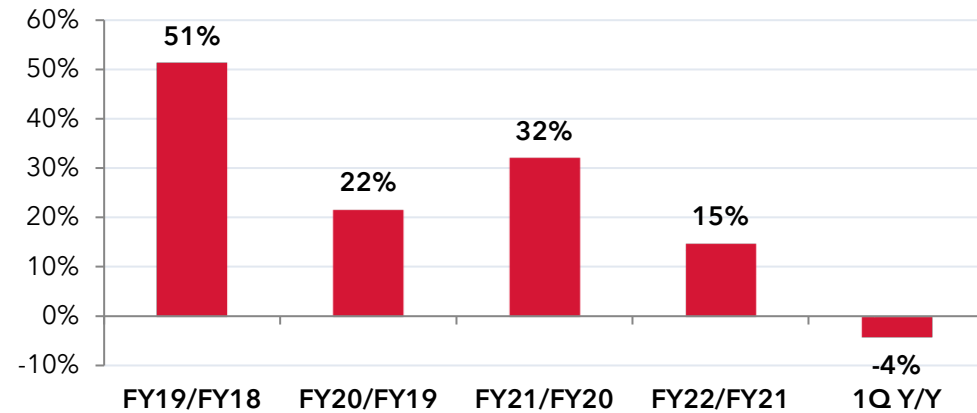


FMS revenue decreased 4% compared to the same period 2022 primarily driven by efforts to improve revenue quality by putting business at risk on contract renewals, and general weakness in demand across many of the industry verticals served. Revenue decline was partially offset by the previously announced acquisition of Zenith Freight Lines, LLC (Zenith) and multiple new customer contracts implemented over the trailing twelve months, as well as improved revenue quality at underperforming accounts. Revenue and stop count gains attributable to the movement of ICS operations to FMS was \$12.9 million and approximately 37,400 loads, respectively, in the current quarter.

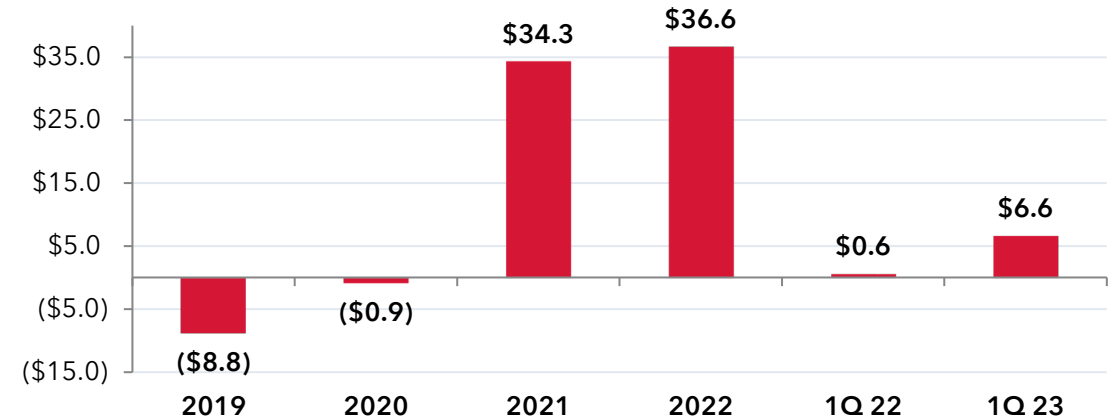
Operating income increased \$6.0 million compared to the prior year period primarily from internal efforts to improve revenue quality and managing costs. Higher revenue quality was partially offset by increases in professional driver and non-driver wages and benefits and equipment-related and maintenance expenses. The increase in operating income attributable to the movement of ICS operations to FMS was \$1.2 million in the current quarter.

Final Mile Services® (FMS)

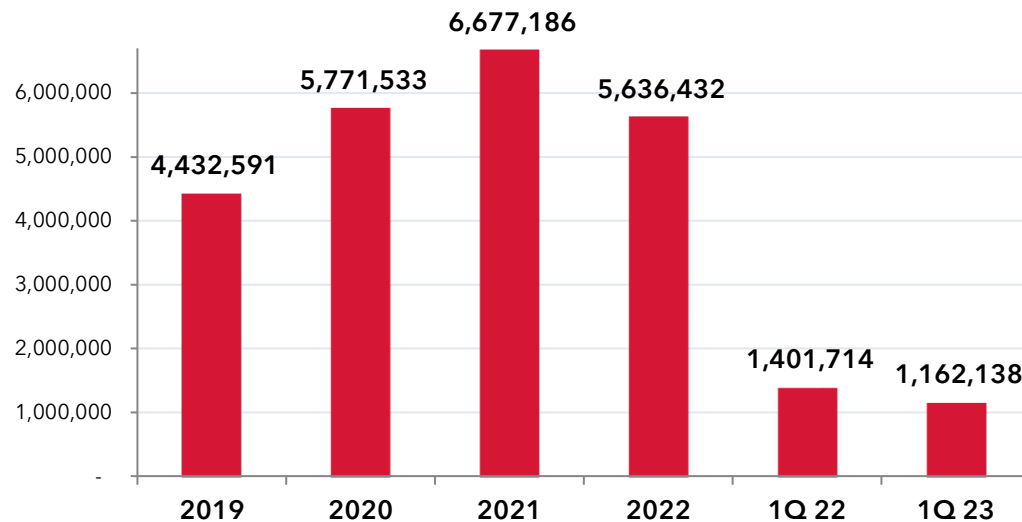
FMS Revenue Change



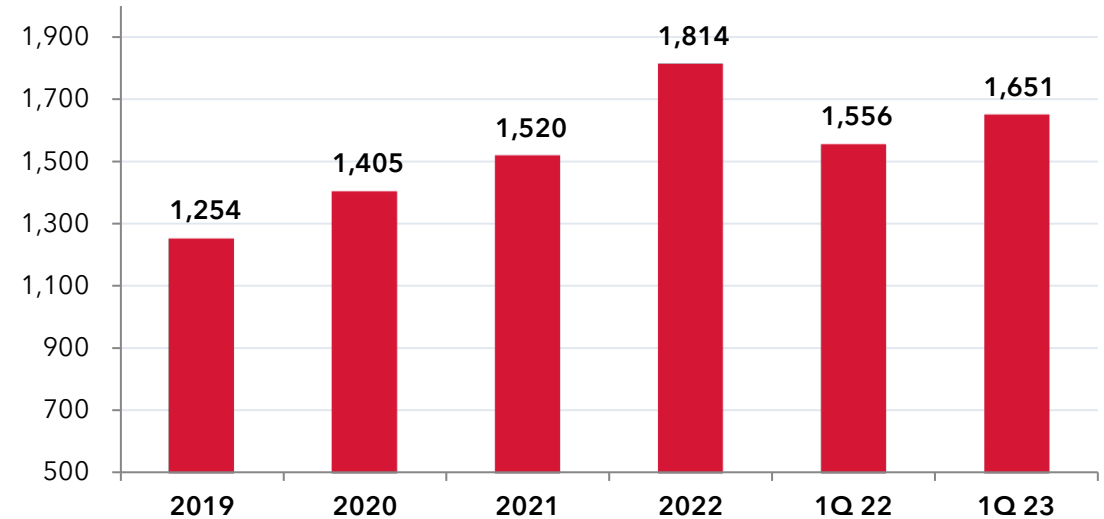
FMS Operating Income/(Loss) (in millions)



FMS Stops

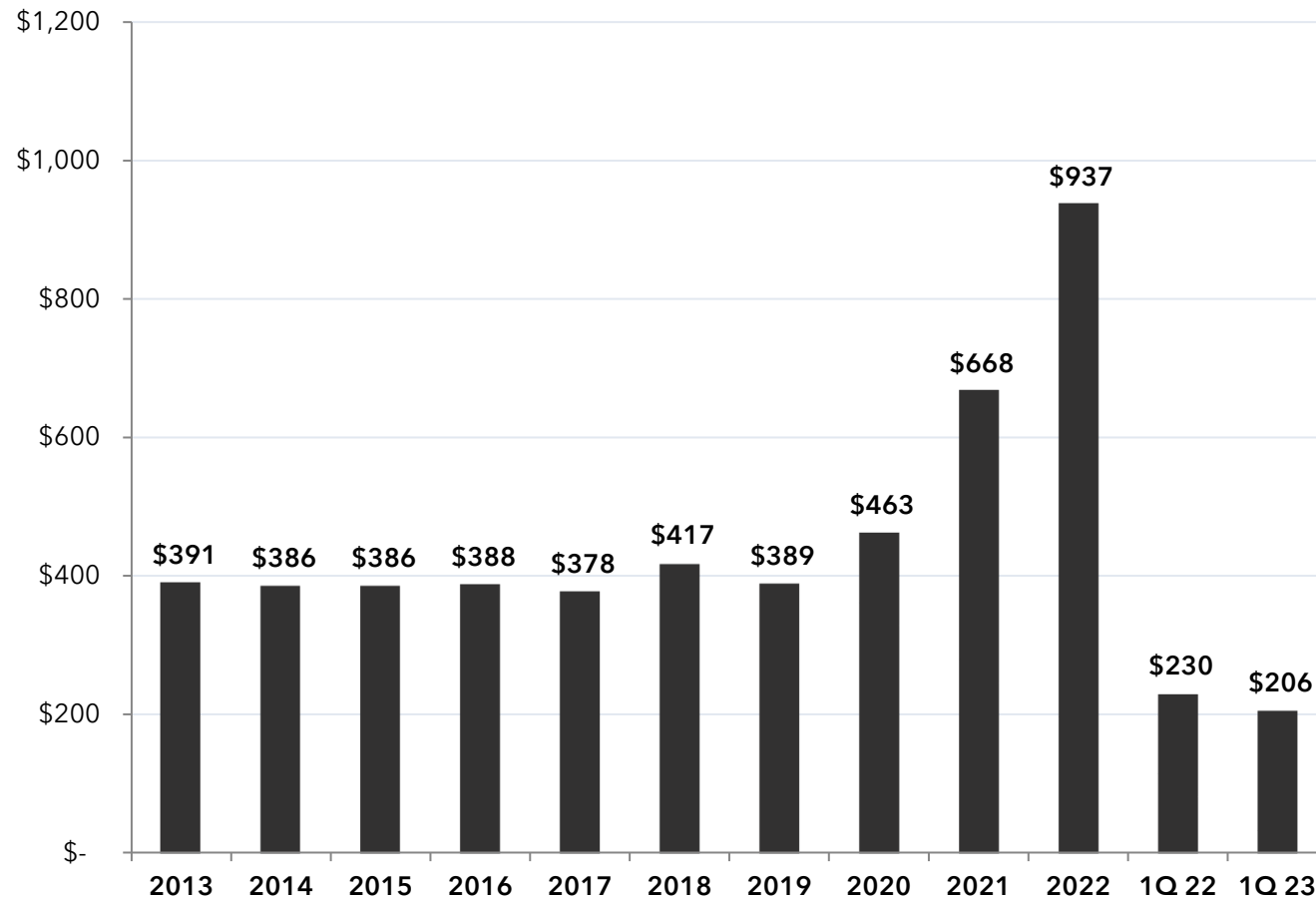


FMS Average Trucks



Truckload (JBT)

JBT Revenue (in millions)

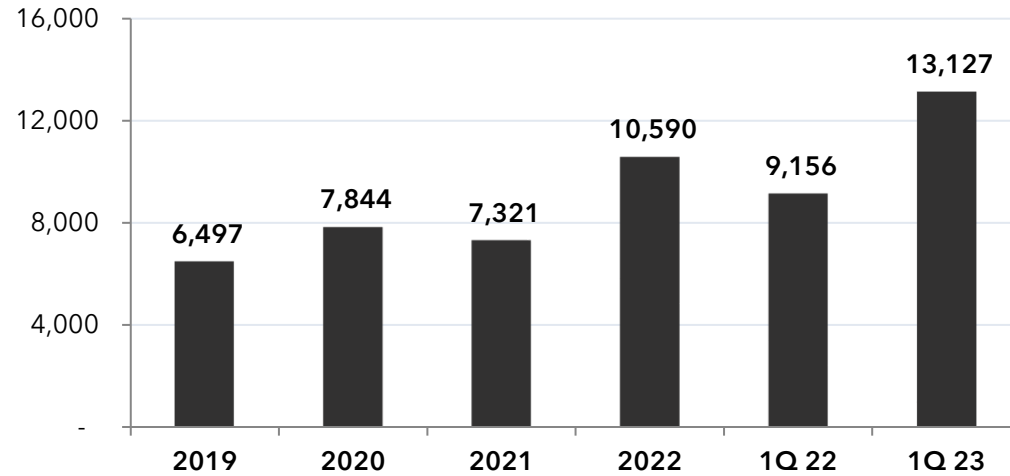


JBT revenue decreased 10% compared to the same period in the previous year. Revenue excluding fuel surcharge revenue decreased 15% primarily due to a 22% decline in revenue per load excluding fuel surcharge revenue partially offset by an 8% increase in load volume. Total average effective trailer count increased by approximately 4,000 units, or 43%, resulting in strong double-digit growth in volume performance in J.B. Hunt 360box® versus the prior year period. Trailer turns in the quarter were down 25% from the prior period primarily due to freight mix and weaker overall freight demand as compared to the first quarter 2022. Revenue and volume reductions attributable to the movement of JBT operations to DCS was \$26.9 million and approximately 19,890 loads, respectively, in the current quarter.

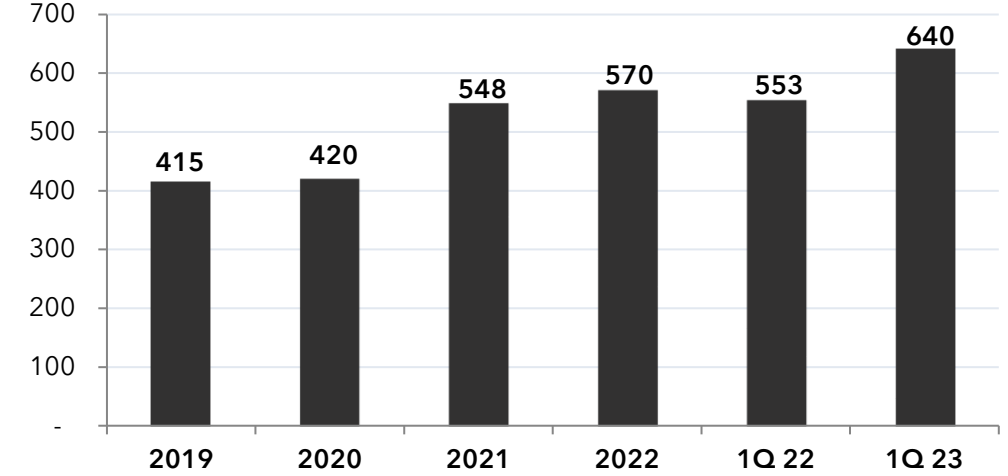
JBT operating income decreased 83% to \$5.0 million versus the first quarter 2022. The decrease in operating income was primarily driven by the decline in revenue per load, higher insurance-related costs, and continued investments in building out the network and technology for the expansion of 360box. JBT continues to leverage the J.B. Hunt 360 platform to grow power capacity and capability for the 360box service offering. The reduction in operating income attributable to the movement of JBT operations to DCS was \$4.2 million in the current quarter.

Truckload (JBT)

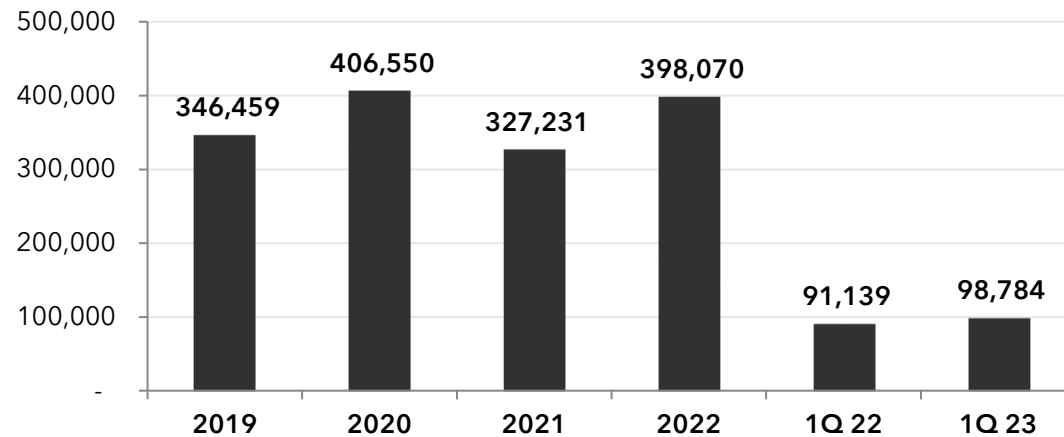
JBT Average Effective Trailing Equipment



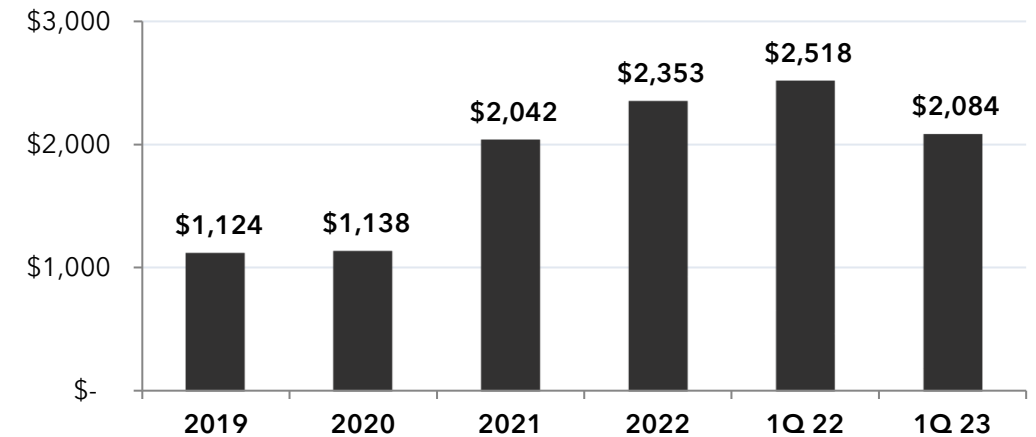
JBT Average Length of Haul



JBT Loads



JBT Revenue per Load



Summary



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

J.B. HUNT TRANSPORT SERVICES, INC.
Condensed Consolidated Balance Sheets
(in thousands)
(unaudited)

	March 31, 2023	December 31, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 52,604	\$ 51,927
Accounts Receivable, net	1,382,896	1,528,075
Prepaid expenses and other	553,427	631,776
Total current assets	1,988,927	2,211,778
Property and equipment	8,163,778	7,999,480
Less accumulated depreciation	2,965,980	3,019,663
Net property and equipment	5,197,798	4,979,817
Other assets, net	603,677	594,987
	\$ 7,790,402	\$ 7,786,582
LIABILITIES & STOCKHOLDERS' EQUITY		
Current liabilities:		
Current debt	\$ 249,785	\$ -
Trade accounts payable	749,774	798,776
Claims accruals	485,623	452,149
Accrued payroll	96,961	188,252
Other accrued expenses	121,440	129,054
Total current liabilities	1,703,583	1,568,231
Long-term debt	991,710	1,261,738
Other long-term liabilities	375,761	369,314
Deferred income taxes	921,977	920,531
Stockholders' equity	3,797,371	3,666,768
	\$ 7,790,402	\$ 7,786,582



Thank You



**People.
Technology.
Capacity.™**

