



J.B. Hunt Transport Services, Inc.

Q2 2023 Results

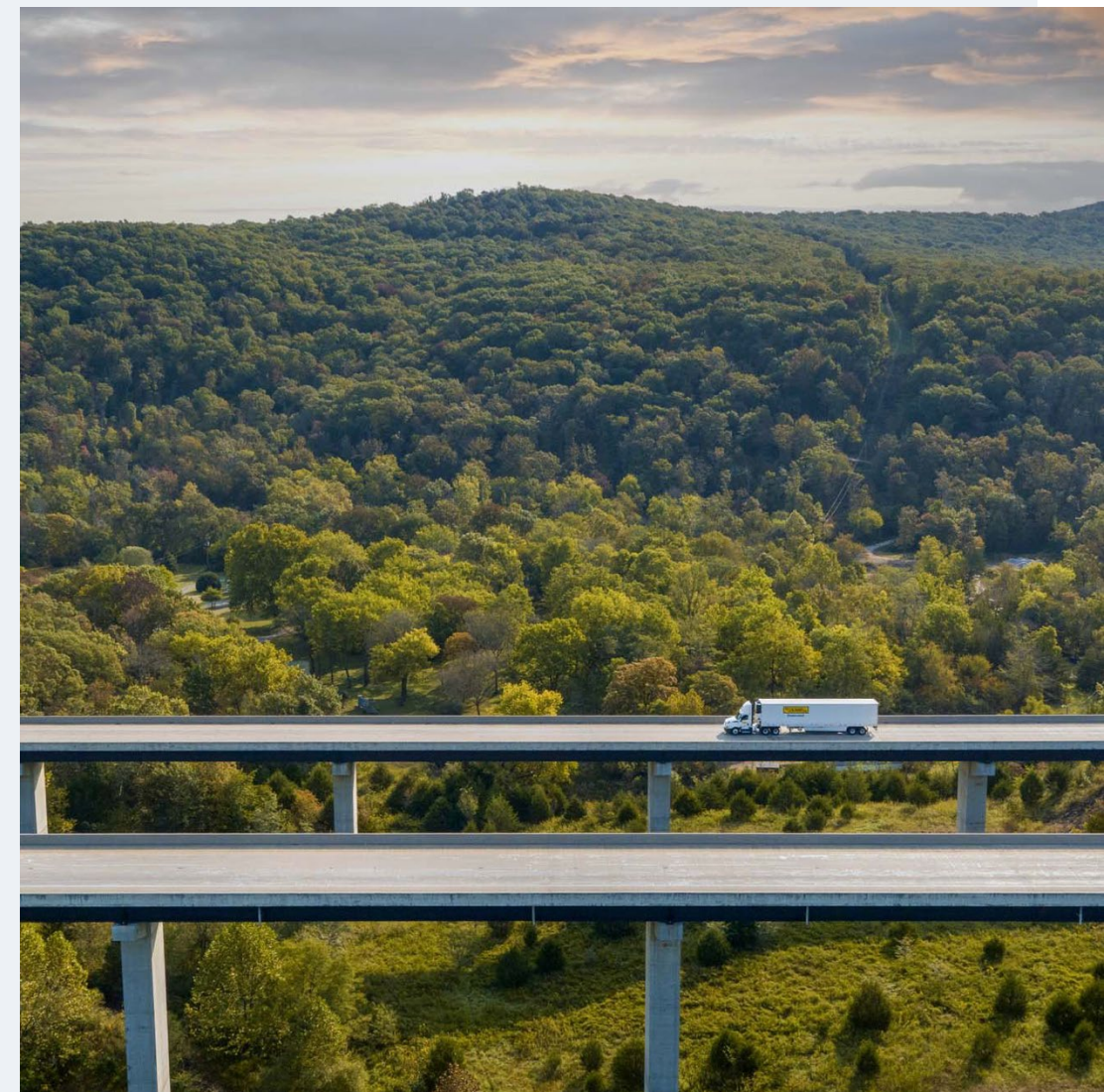




Disclosure

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

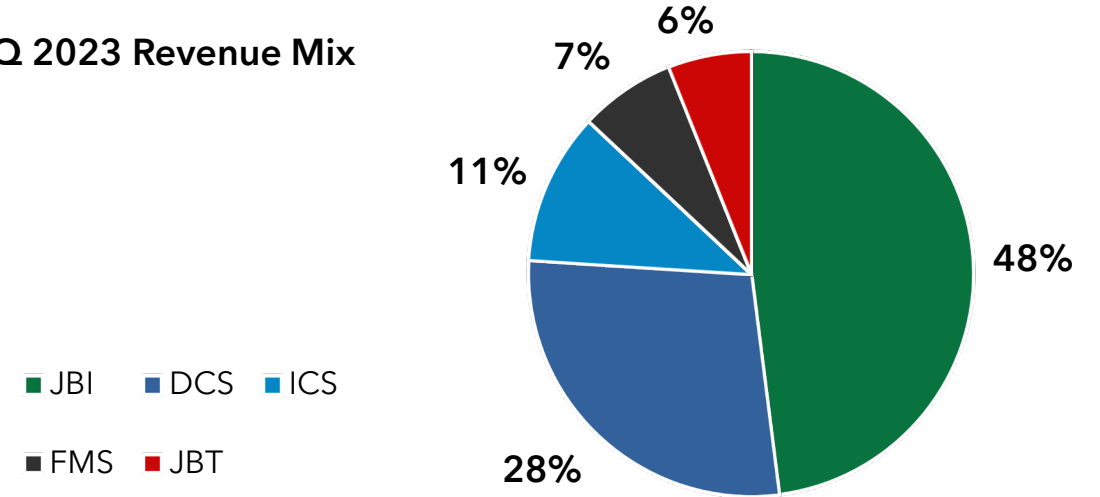
Final Mile Services® (FMS)

- 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

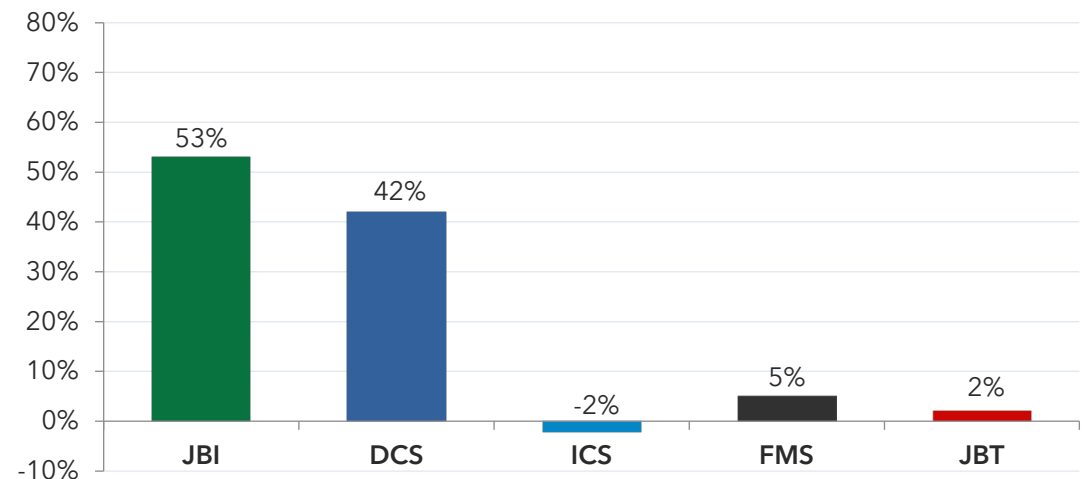
Truckload (JBT)

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

2Q 2023 Revenue Mix



Percentage of 2Q 2023 Operating Income by Business Segment



2Q 2023 Results vs. 2Q 2022

Overview

2Q 2023 Revenue:

\$3.13 billion; down 18%

2Q 2023 Revenue, excl FSC:

\$2.71 billion; down 14%

2Q 2023 Operating Income:

\$270.7 million; down 23%

2Q 2023 EPS:

\$1.81 vs. \$2.42; down 25%

Segment Performance

Intermodal (JBI)

Revenue: \$1.49 billion; down 19%

Operating Income: \$142.9 million; down 29%

Dedicated Contract Services (DCS)

Revenue: \$888 million; down 2%

Operating Income: \$113.6 million; up 21%

Integrated Capacity Solutions (ICS)

Revenue: \$344 million; down 43%

Operating (Loss)/Income: \$(4.4) million; vs. \$23.2 million in Q2'22

Final Mile Services (FMS)

Revenue: \$224 million; down 19%

Operating Income: \$14.8 million; up 12%

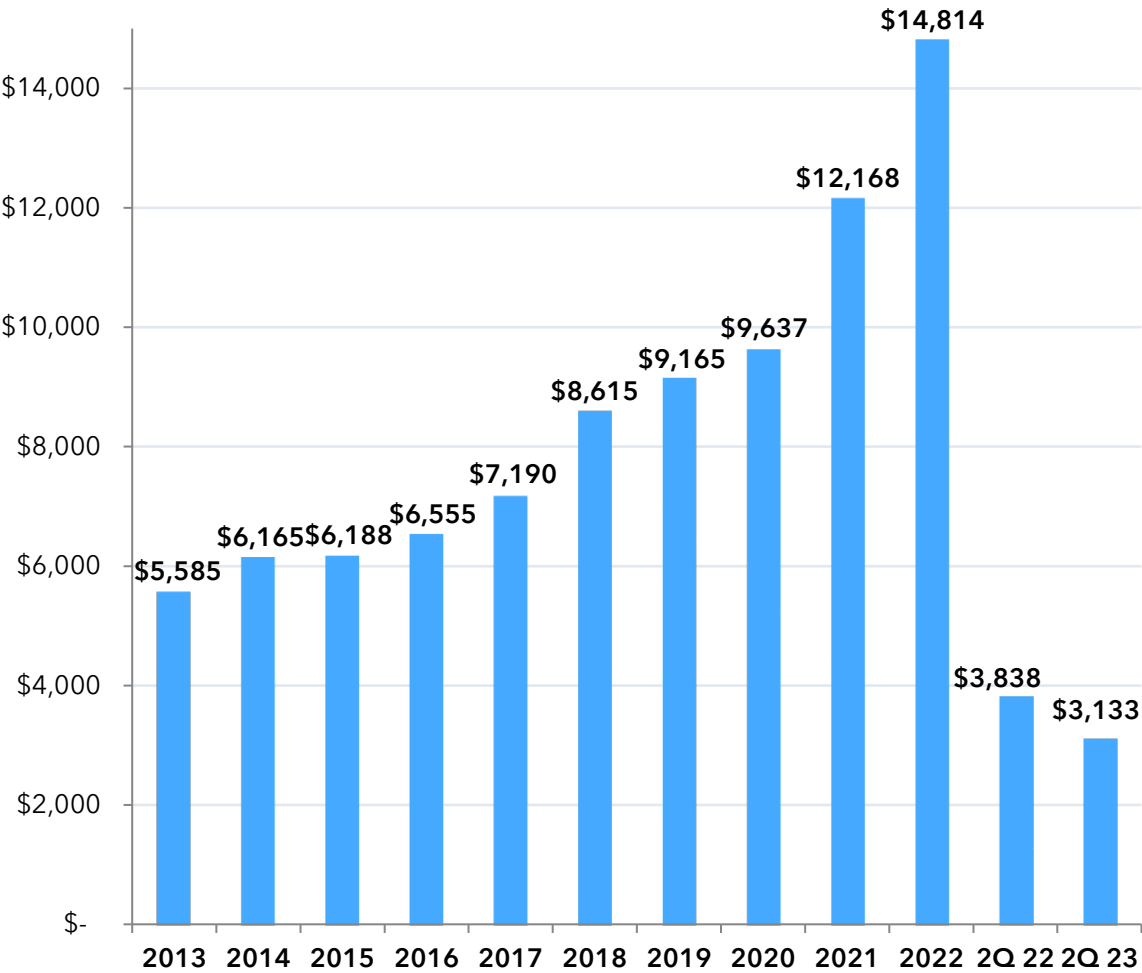
Truckload (JBT)

Revenue: \$192 million; down 16%

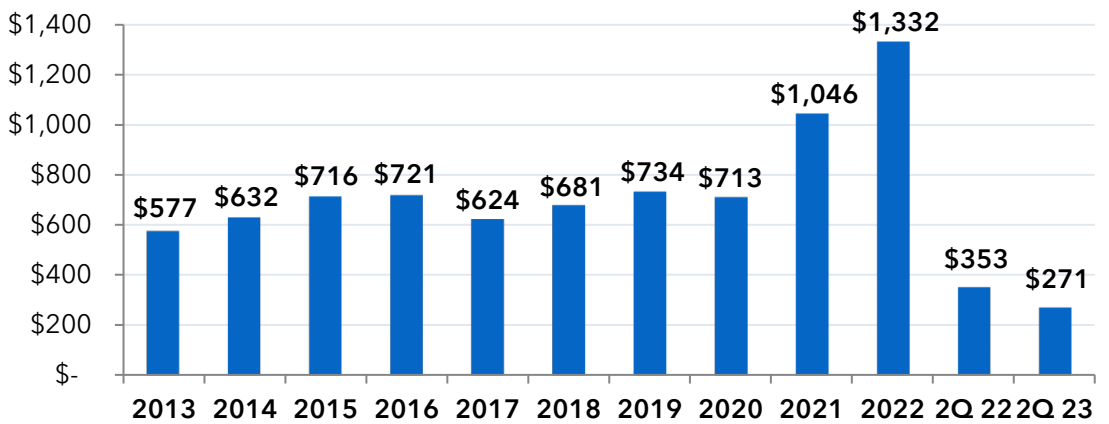
Operating Income: \$3.8 million; down 81%

2Q Results Consolidated

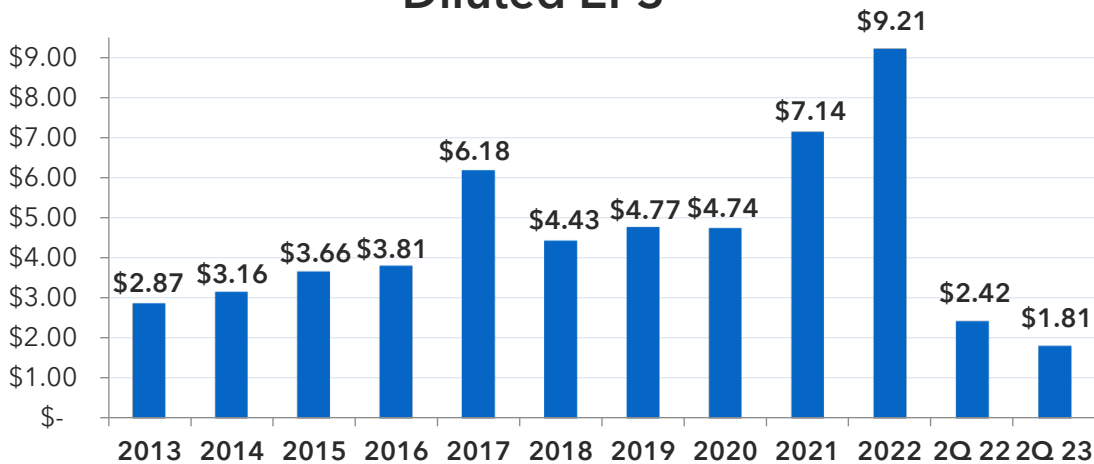
Revenue (in millions)



Operating Income (in millions)



Diluted EPS



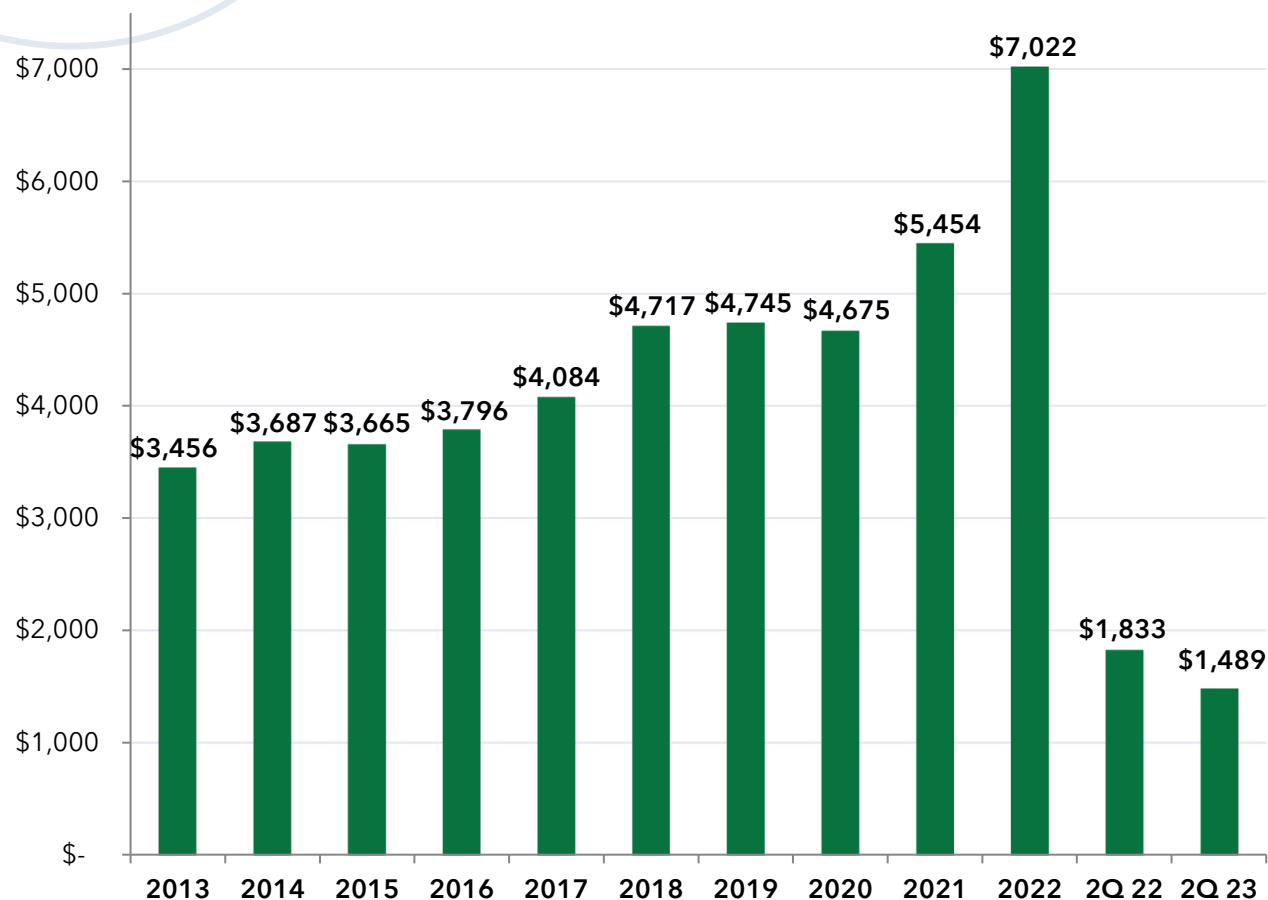


Segment Discussion



Intermodal (JBI)

JBI Revenue (in millions)

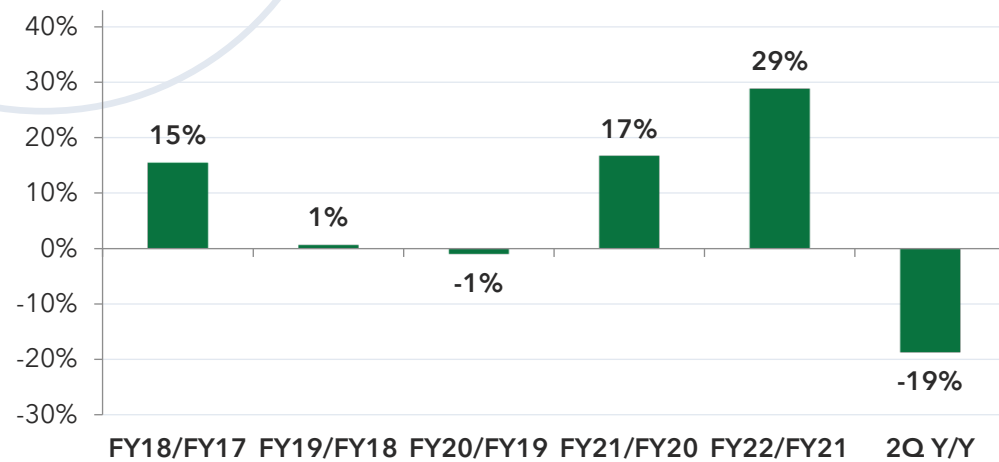


Intermodal volume decreased 7% over the same period in 2022. Eastern network loads decreased 6%, while transcontinental loads decreased 8%. Demand for intermodal capacity continued to be impacted by weaker overall freight activity, particularly import-related freight. Segment gross revenue decreased 19% from the prior-year period, reflecting the 7% decrease in volume and a 13% decrease 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 decreased 7% year-over-year.

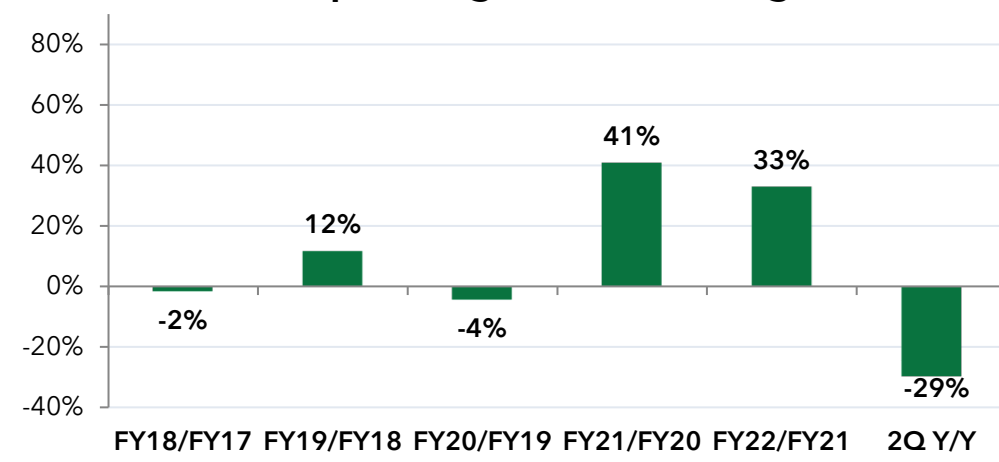
Operating income decreased 29% in the second quarter primarily from lower customer rate and volume, and the resulting impact on absorbing network and equipment costs. JBI's operating margin declined year-over-year as a result of increases in professional driver and non-driver wages and benefits and higher equipment-related and maintenance expenses as a percentage of gross revenue. The prior year quarter included \$7.7 million of the net pre-tax insurance-related expense in the quarter. During the period, we successfully onboarded 326 new pieces of trailing equipment. We ended the quarter with approximately 116,500 containers and 6,500 power units in the dray fleet.

Intermodal (JBI) Performance

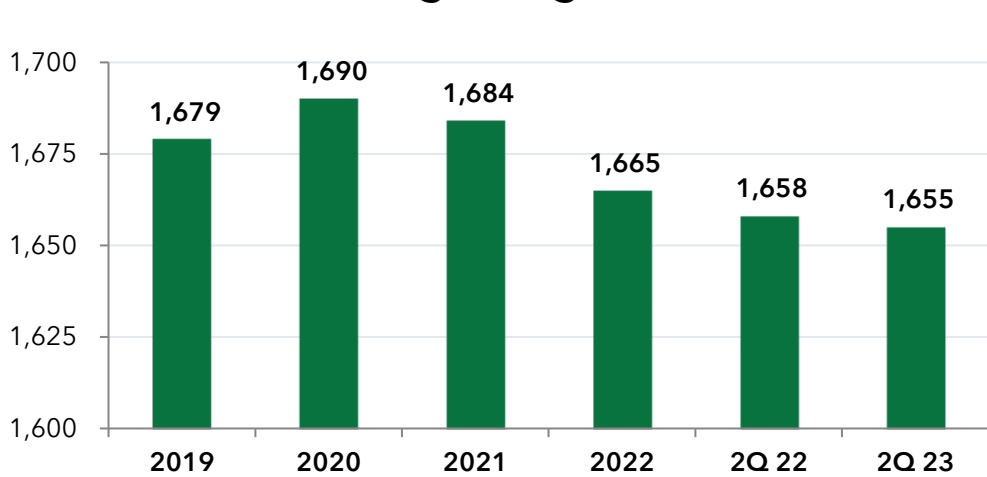
JBI Revenue Change



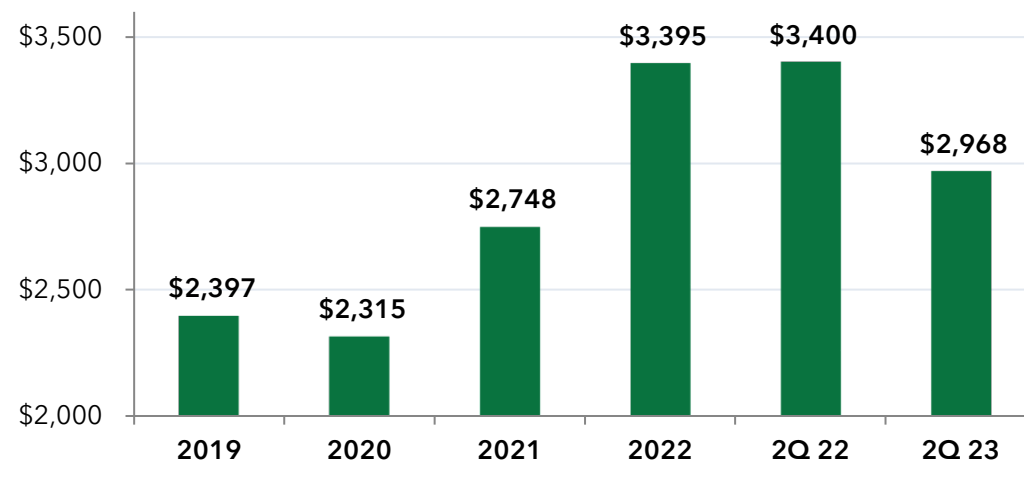
JBI Operating Income Change



JBI Average Length of Haul

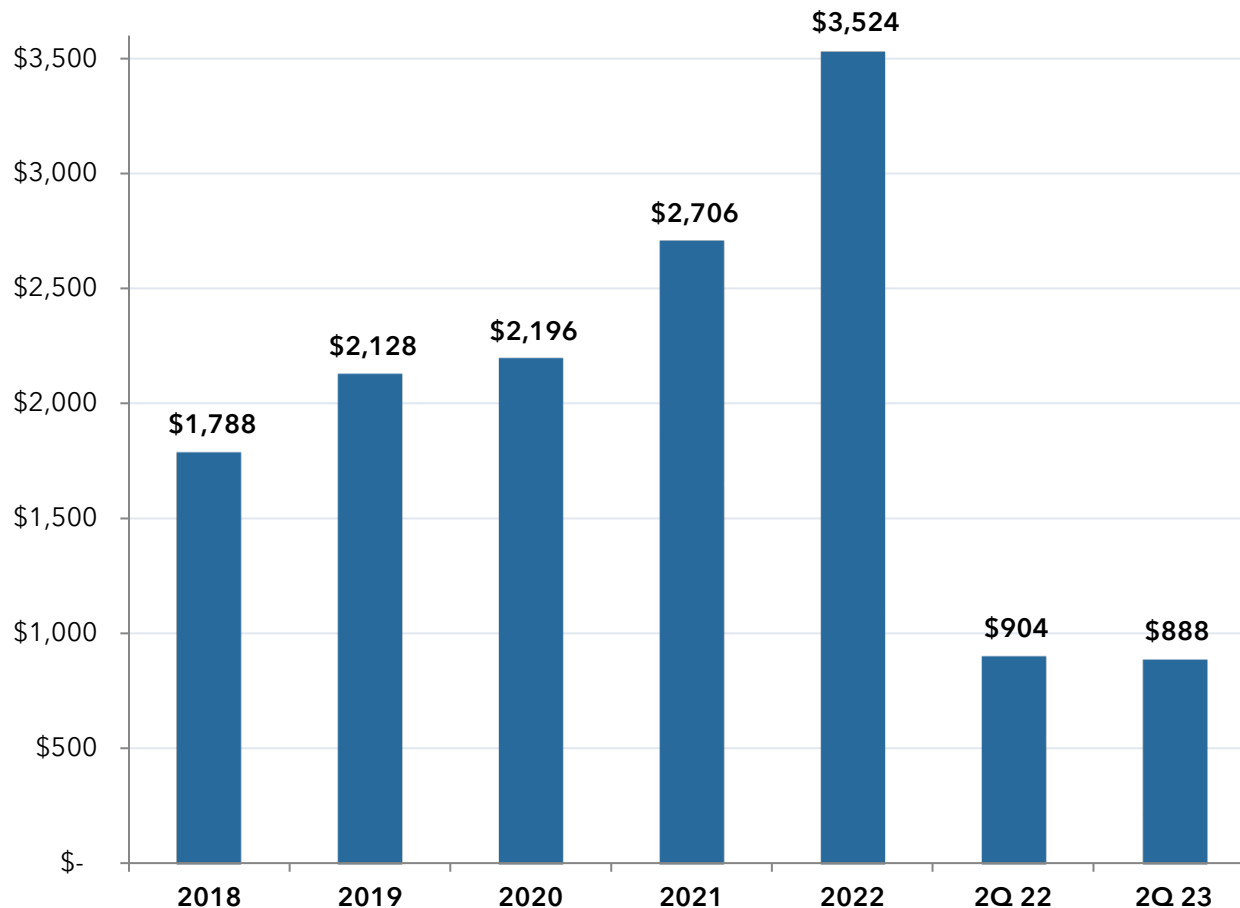


JBI Revenue per Load



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

DCS Revenue (in millions)

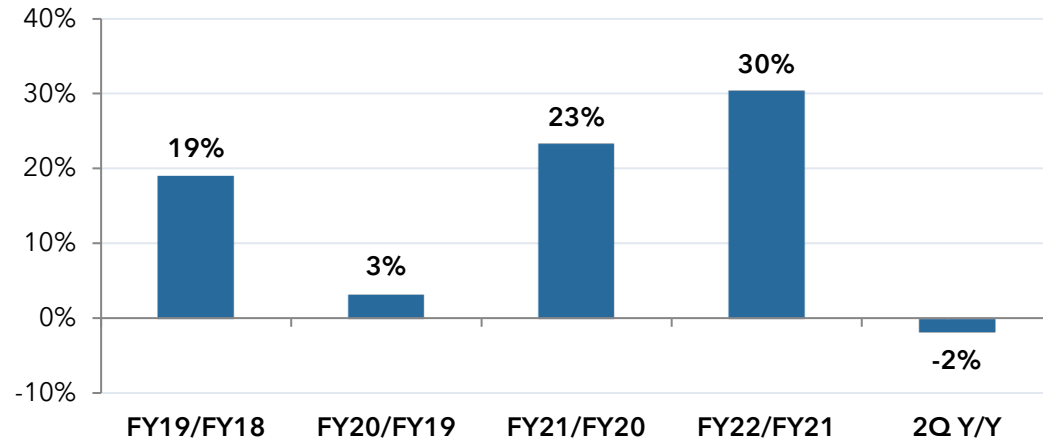


DCS revenue decreased 2% during the current quarter over the same period 2022. Productivity (revenue per truck per week) decreased approximately 4% versus the prior period. Productivity excluding fuel surcharge revenue increased 3% from a year ago driven primarily by increases in contracted indexed-based price escalators. On a net basis, there were 8 fewer revenue producing trucks in the fleet by the end of the quarter compared to the prior-year period, and 97 fewer versus the end of the first quarter 2023. Customer retention rates remain above 98%.

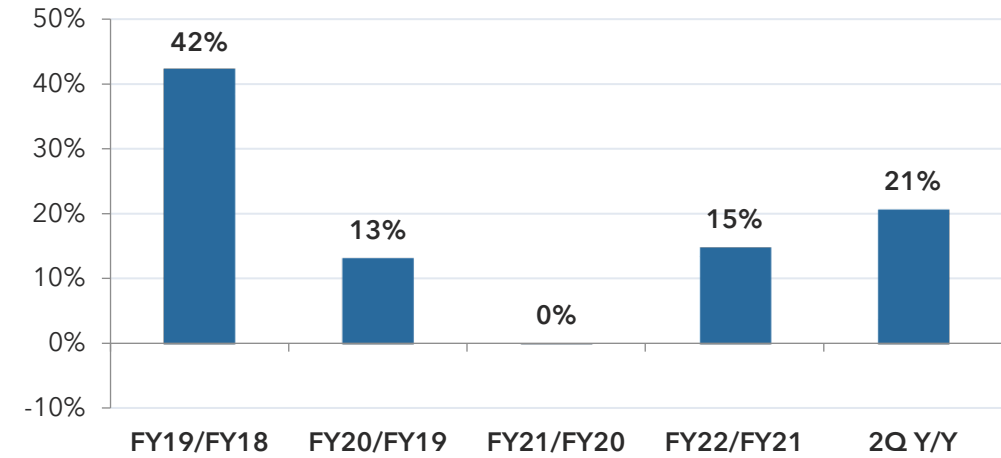
Operating income increased 21% from the prior-year quarter primarily from the maturing of new business onboarded over the trailing twelve months. This benefit was partially offset by higher professional driver and non-driver wages and benefits, and equipment-related and maintenance expenses. The prior year quarter included \$1.6 million of the net pre-tax insurance-related expense in the quarter.

Dedicated Contract Services® (DCS®)

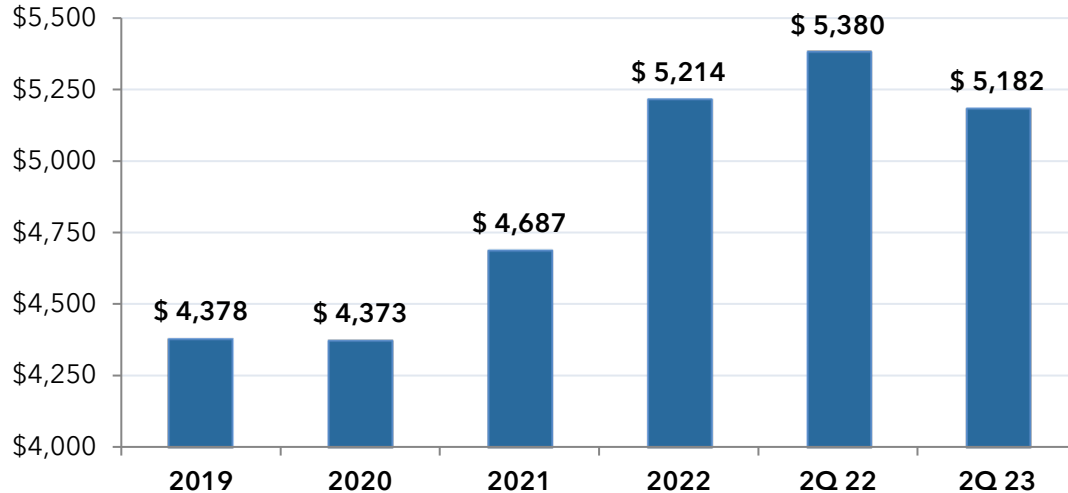
DCS Revenue Change



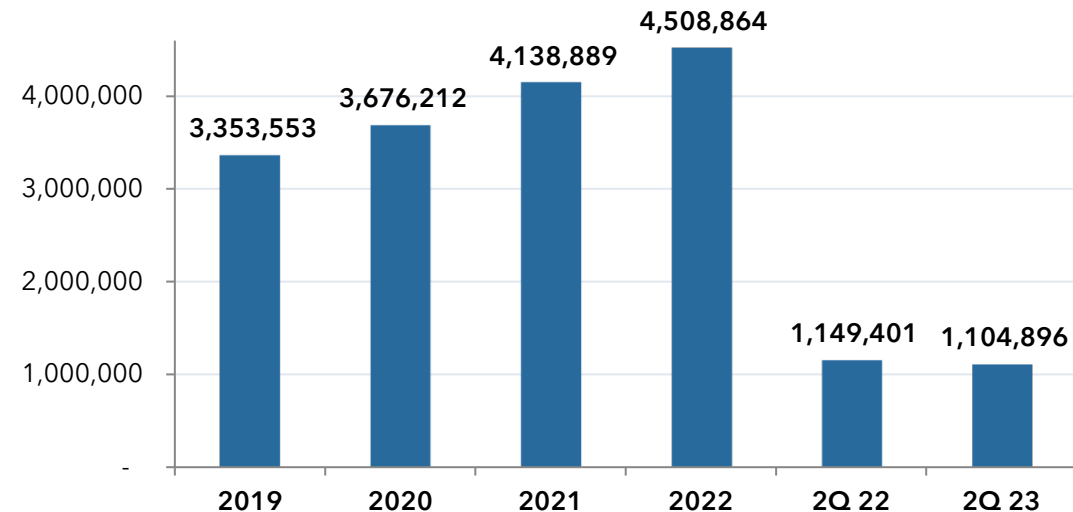
DCS Operating Income Change



DCS Revenue Per Truck Per Week

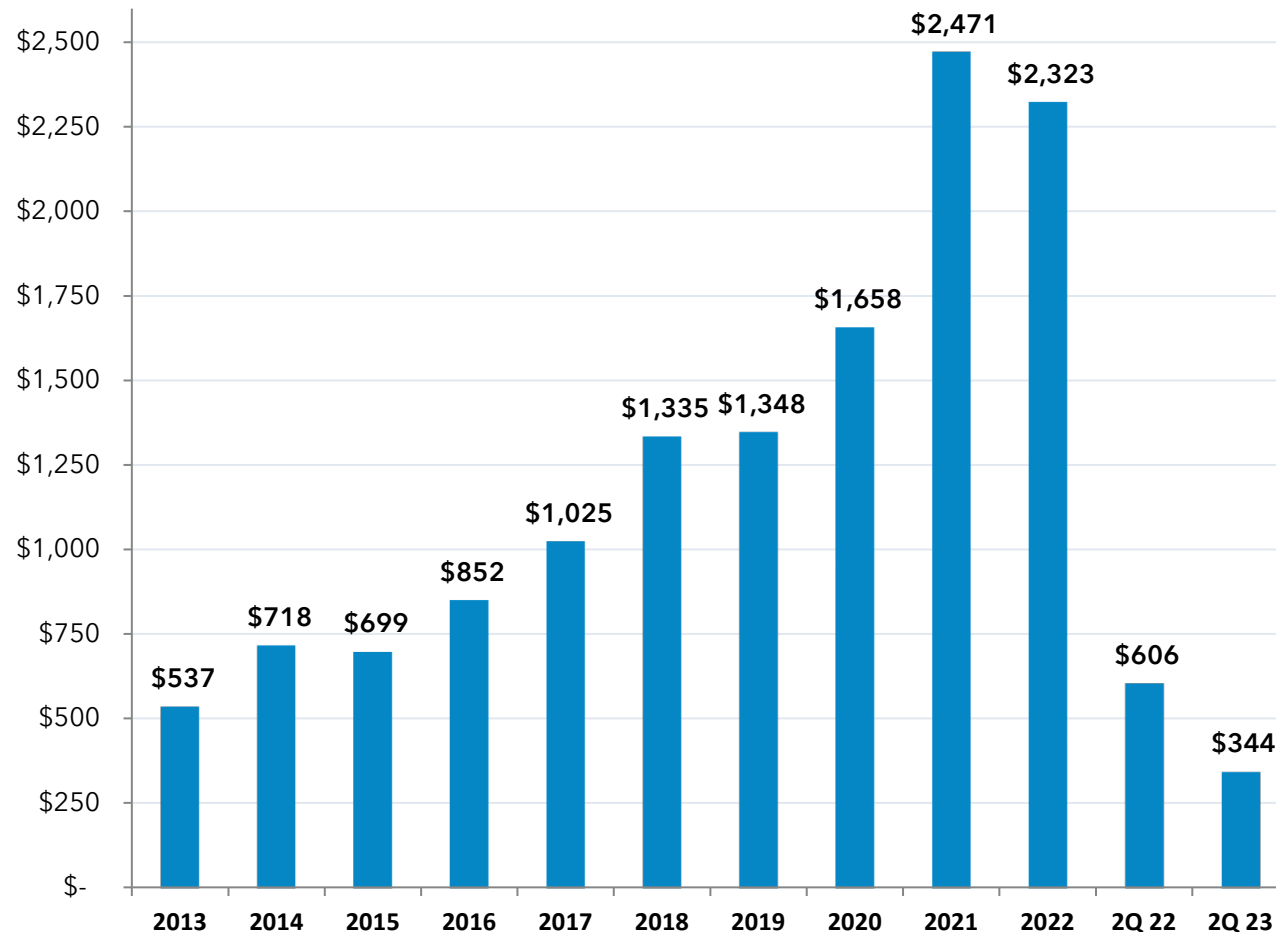


DCS Loads



Integrated Capacity Solutions (ICS)

ICS Revenue (in millions)

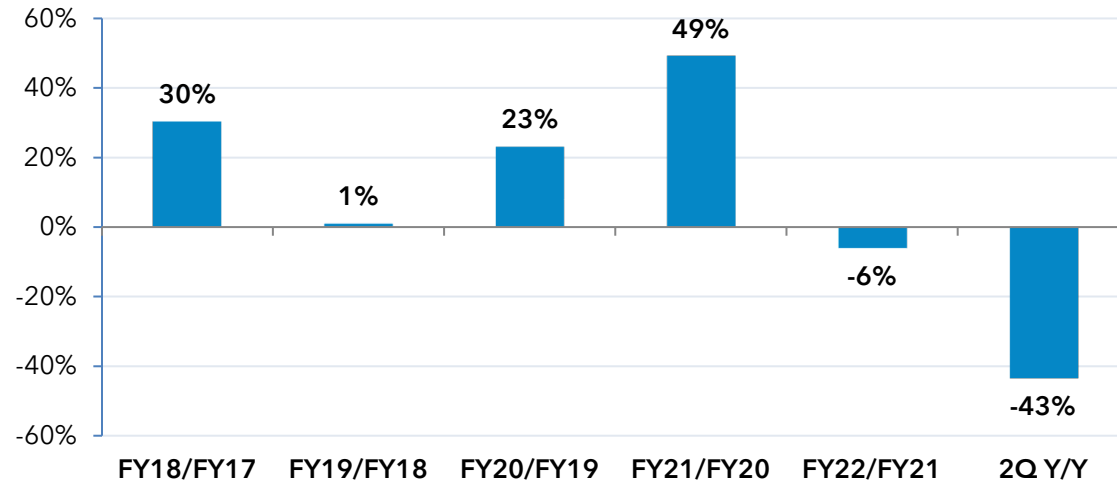


ICS revenue declined 43% during the current quarter versus the second quarter 2022. Overall segment volume decreased 26% versus the prior year period. Revenue per load decreased 24% compared to the second quarter 2022 due to lower contractual and transactional rates and changes in customer freight mix. Contractual volume represented approximately 66% of the total load volume and 64% of the total revenue in the current quarter compared to 44% and 47%, respectively, in second quarter 2022. Of the total reported ICS revenue, approximately \$225 million was executed through the Marketplace for J.B. Hunt 360 compared to \$392 million in second quarter 2022.

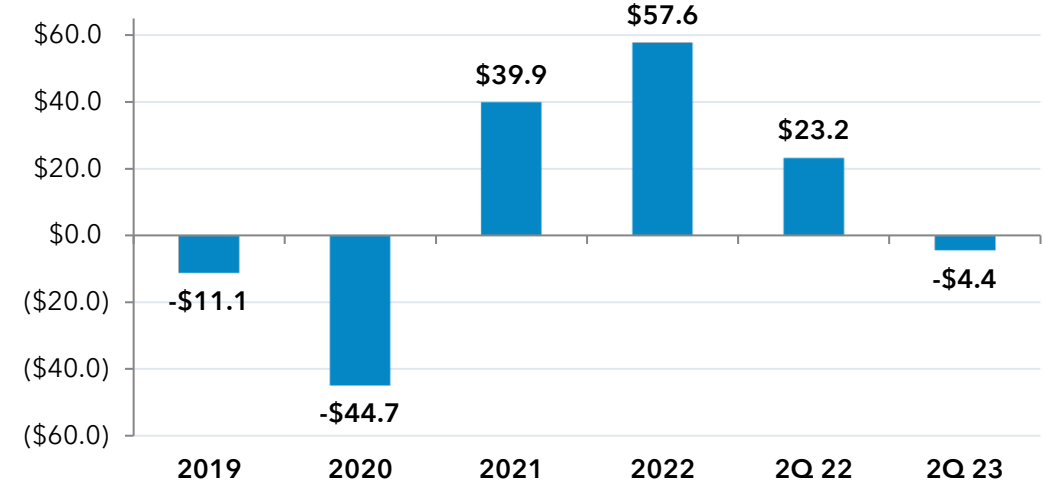
Operating loss was \$4.4 million compared to operating income of \$23.2 million in the second quarter 2022. This change was due largely to lower gross profit, partially offset by lower personnel and insurance-related expenses, and reduced technology costs. Gross profit declined 54% as a result of lower volume, revenue and gross profit margins compared to the prior year period. Gross profit margins decreased to 13.0% in the current period versus 16.1% in the prior period. ICS carrier base decreased 7% year-over-year, largely driven by changes to carrier requirements. The prior year quarter included \$6.7 million of the net pre-tax insurance-related expense in the quarter.

Integrated Capacity Solutions (ICS)

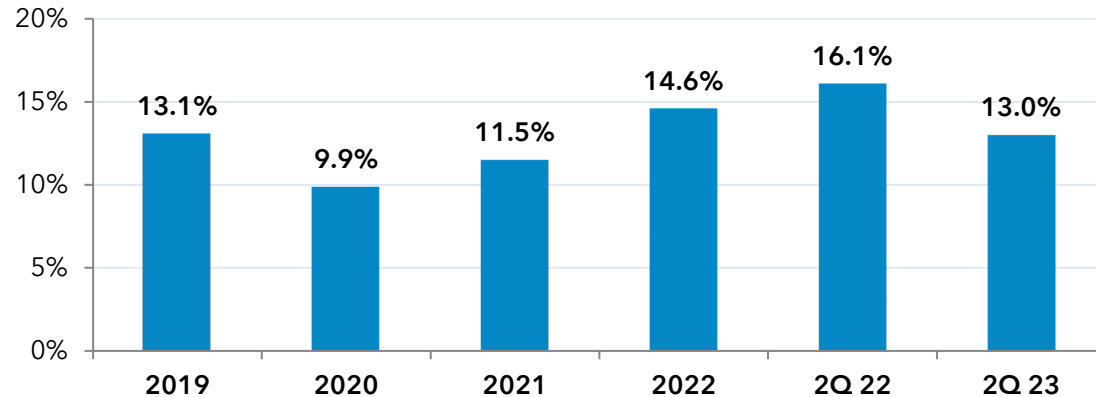
ICS Revenue Change



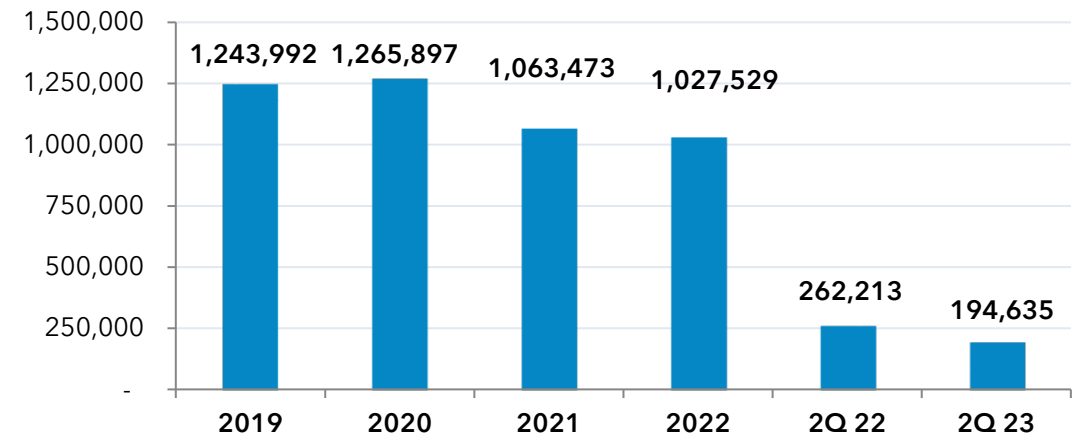
ICS Operating Income/(Loss) in millions



ICS Gross Profit Margin

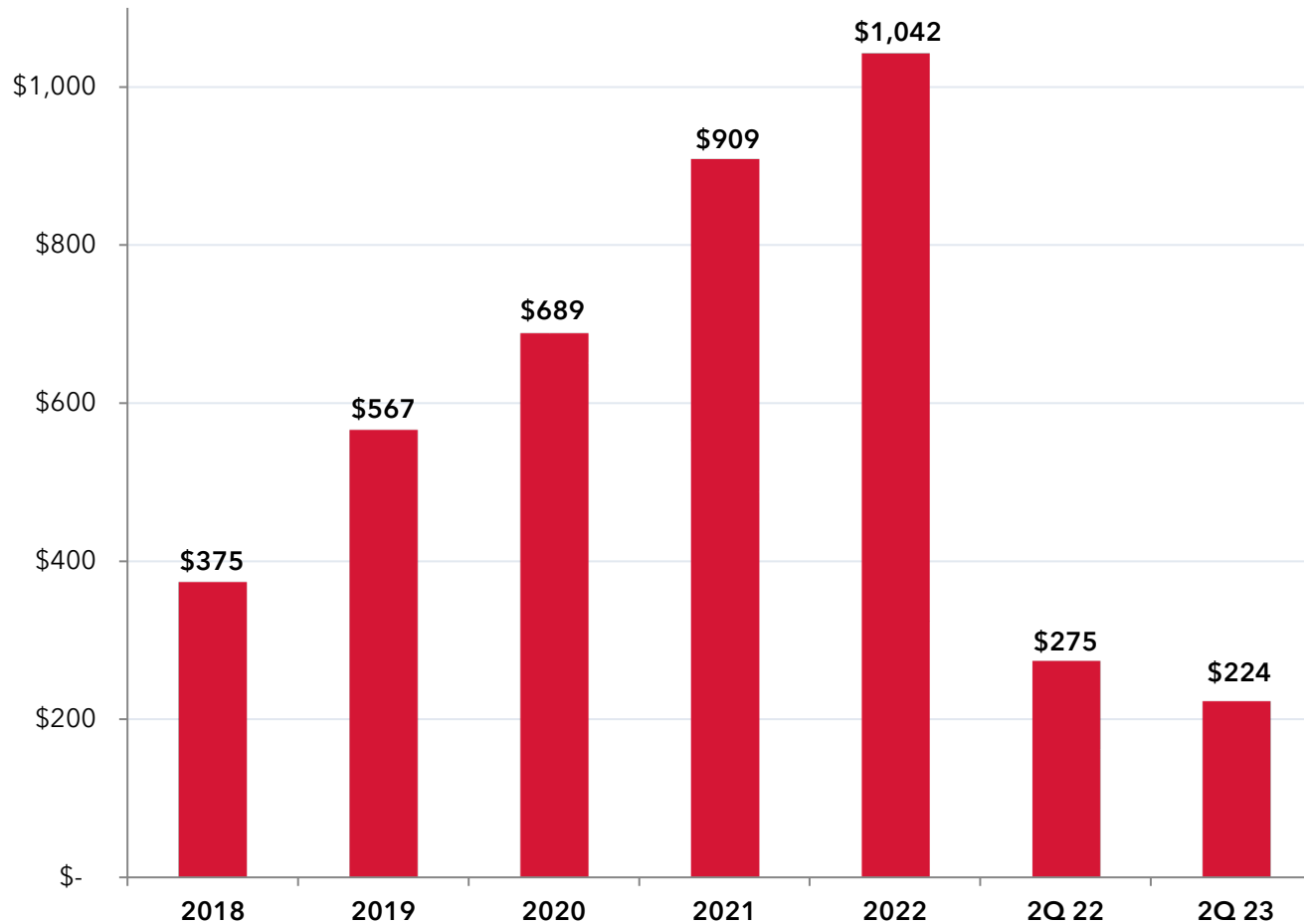


ICS Loads



Final Mile Services[®] (FMS)

FMS Revenue (in millions)

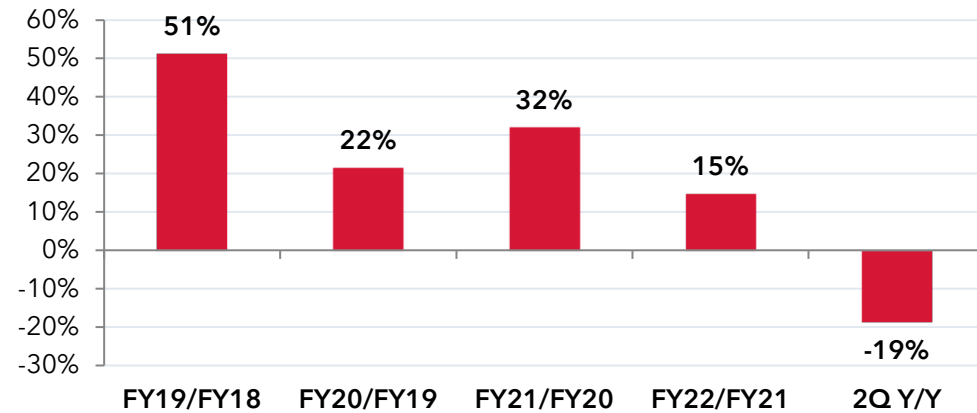


FMS revenue decreased 19% compared to the same period 2022 primarily driven by efforts to improve revenue quality by putting business at risk on contract renewals, and general weakness in demand across many of the industry verticals served. The decline in revenue was partially offset by multiple new customer contracts implemented over the trailing twelve months, as well as improved revenue quality at underperforming accounts.

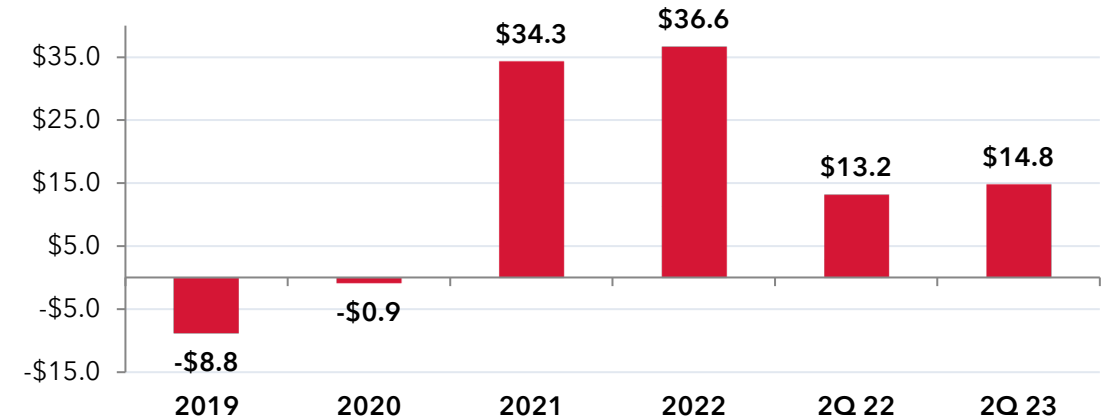
Operating income increased 12% compared to the prior year period primarily from internal efforts to improve revenue quality and managing costs. Higher revenue quality was partially offset by higher equipment-related expenses, technology investments, and inflationary increases in facility rental expenses. The prior year quarter included \$0.4 million of the net pre-tax insurance-related expense in the quarter.

Final Mile Services[®] (FMS)

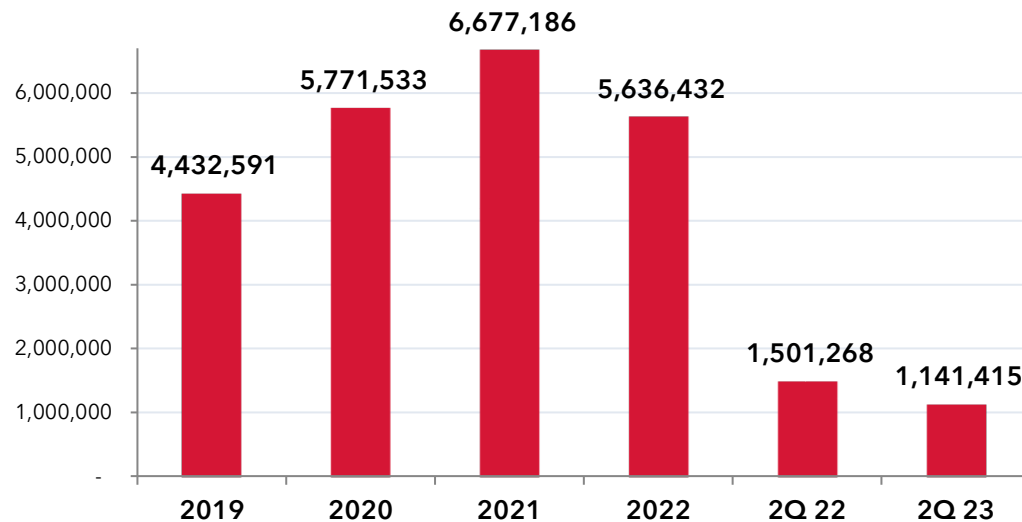
FMS Revenue Change



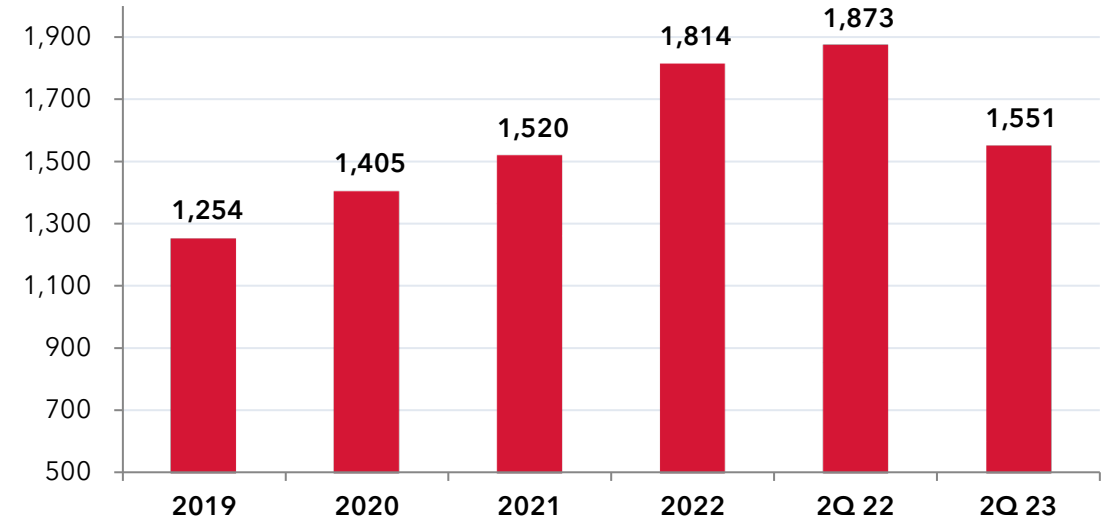
FMS Operating Income/(Loss) (in millions)



FMS Stops

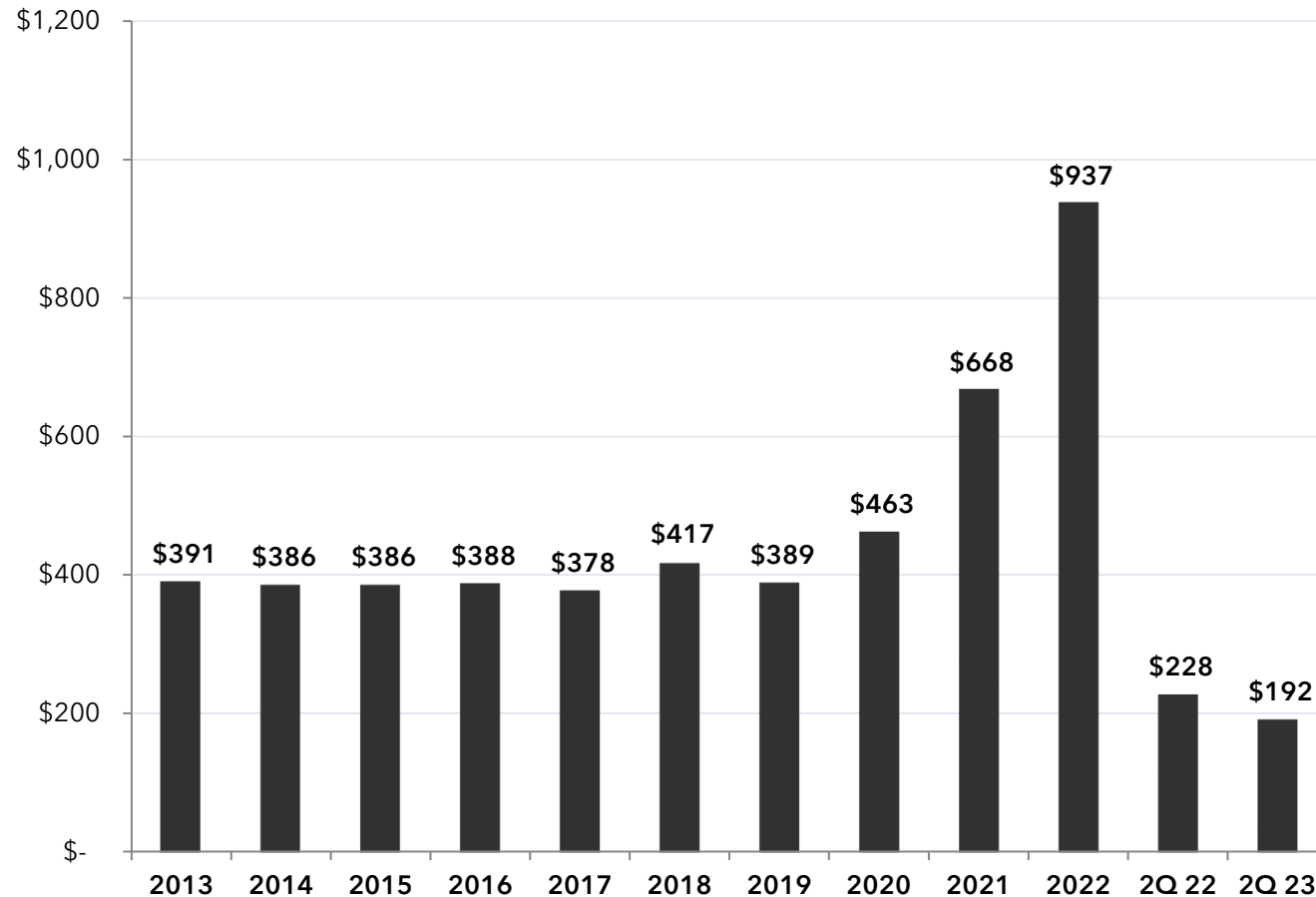


FMS Average Trucks



Truckload (JBT)

JBT Revenue (in millions)

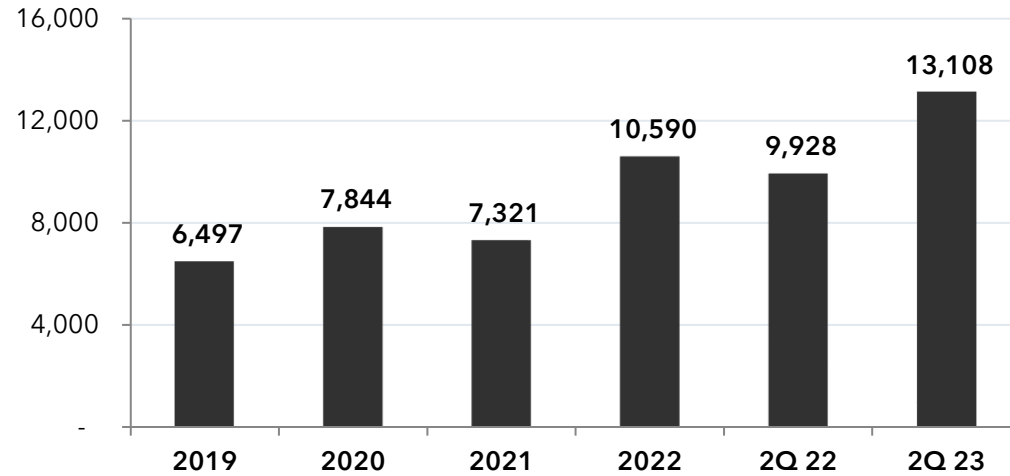


JBT revenue decreased 16% compared to the same period in the previous year. Revenue excluding fuel surcharge revenue decreased 15% primarily due to a 20% decline in revenue per load excluding fuel surcharge revenue partially offset by a 6% increase in load volume. Total average effective trailer count increased by approximately 3,200 units, or 32%, 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 20% from the prior period primarily due to freight mix and weaker overall freight demand as compared to the second quarter 2022.

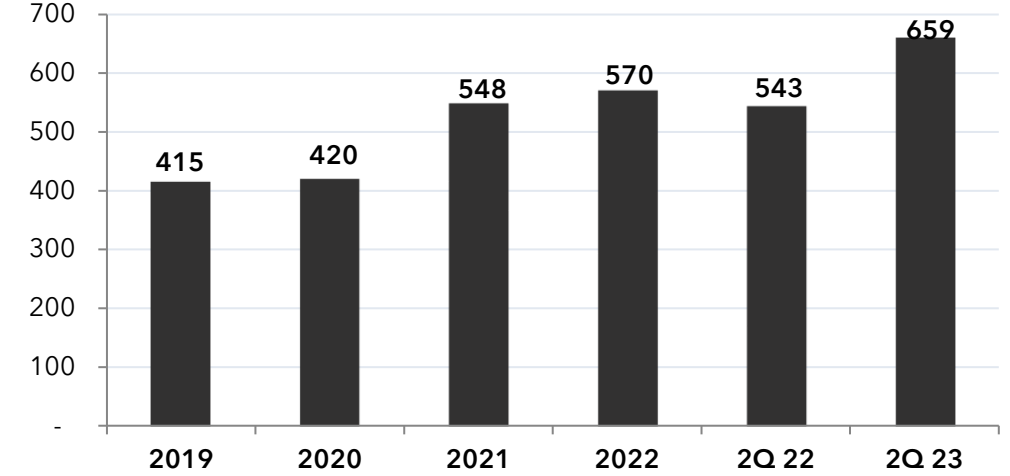
JBT operating income decreased 81% to \$3.8 million versus the second quarter 2022. The decrease in operating income was primarily driven by the decline in revenue. JBT's operating margin declined year-over-year as a result of maintaining levels of investment to build out the network and expand the technology capabilities of 360box, in addition to higher equipment-related and maintenance expenses as a percentage of gross revenue. JBT continues to leverage the J.B. Hunt 360 platform to grow third-party power capacity and capability for the 360box service offering. The prior year quarter included \$2.0 million of the net pre-tax insurance-related expense in the quarter.

Truckload (JBT)

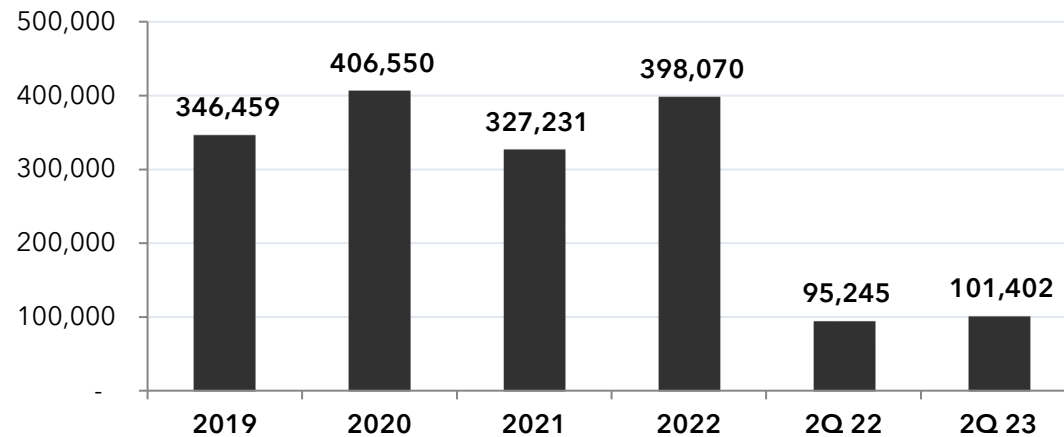
JBT Average Effective Trailing Equipment



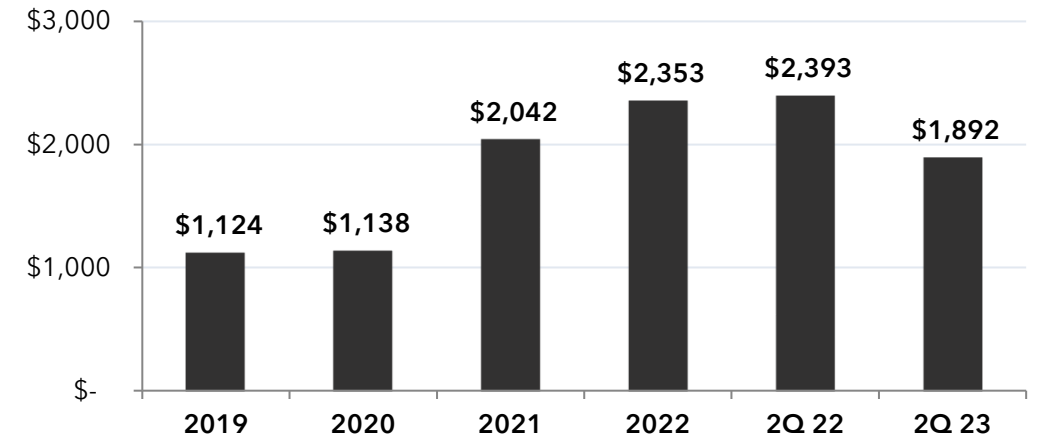
JBT Average Length of Haul



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)

	June 30, 2023	December 31, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 295,929	\$ 51,927
Accounts Receivable, net	1,286,244	1,528,075
Prepaid expenses and other	555,407	631,776
Total current assets	2,137,580	2,211,778
Property and equipment	8,424,327	7,999,480
Less accumulated depreciation	2,940,246	3,019,663
Net property and equipment	5,484,081	4,979,817
Other assets, net	626,071	594,987
	\$ 8,247,732	\$ 7,786,582
LIABILITIES & STOCKHOLDERS' EQUITY		
Current liabilities:		
Current debt	\$ 249,844	\$ -
Trade accounts payable	767,428	798,776
Claims accruals	492,222	452,149
Accrued payroll	119,898	188,252
Other accrued expenses	139,132	129,054
Total current liabilities	1,768,524	1,568,231
Long-term debt	1,195,309	1,261,738
Other long-term liabilities	393,181	369,314
Deferred income taxes	978,795	920,531
Stockholders' equity	3,911,923	3,666,768
	\$ 8,247,732	\$ 7,786,582



Thank You



**People.
Technology.
Capacity.™**

