



J.B. Hunt Transport Services, Inc.

Q4 2023 Results

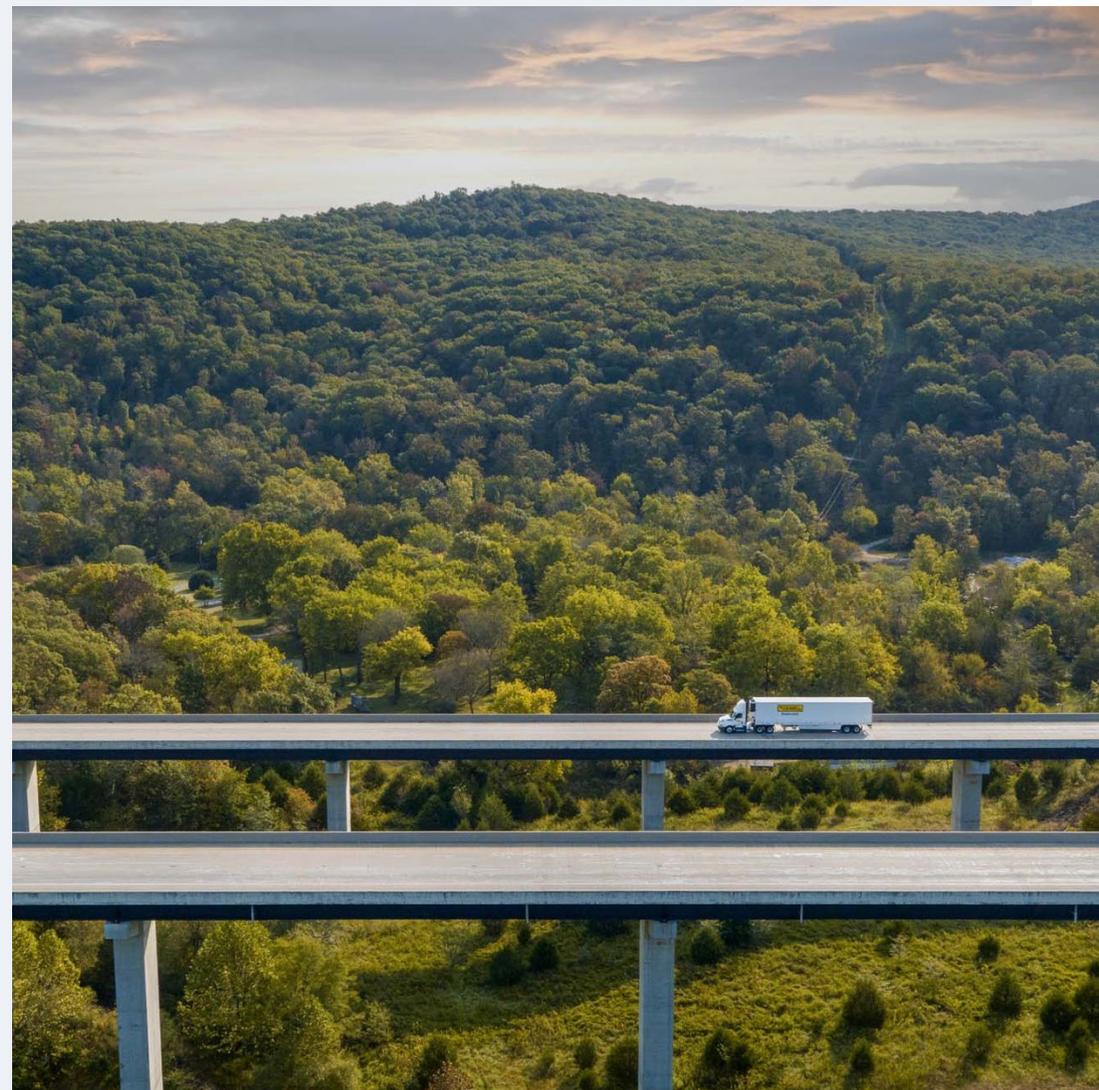




Disclosure

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

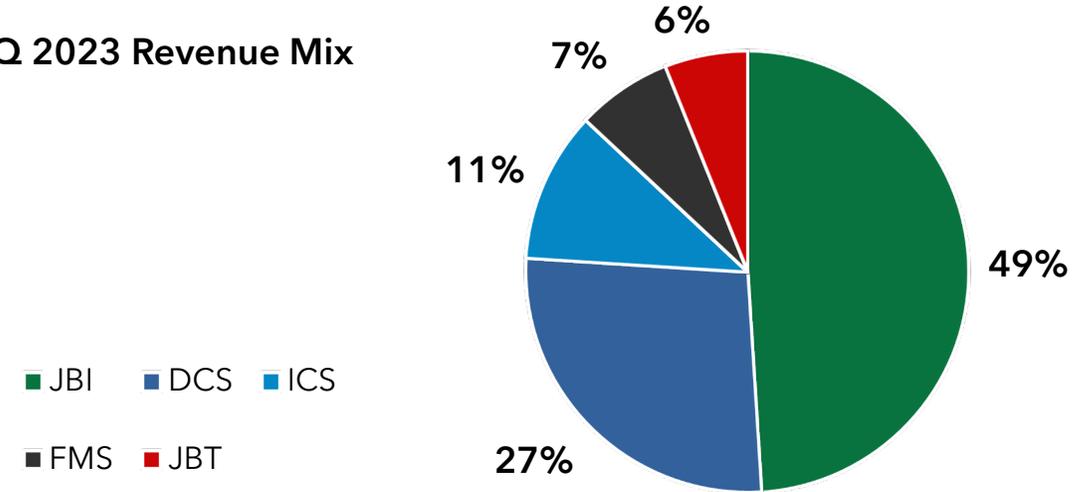
Final Mile Services® (FMS)

- 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

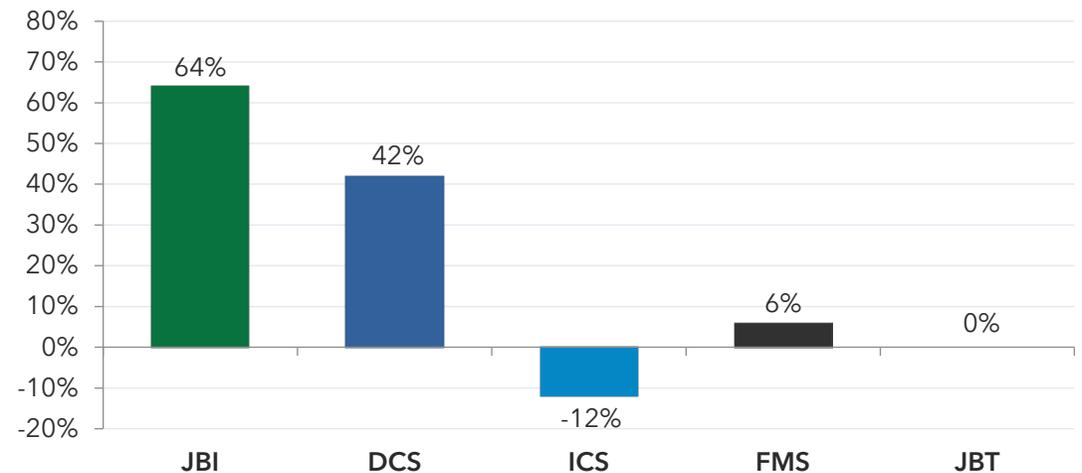
Truckload (JBT)

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

4Q 2023 Revenue Mix



Percentage of 4Q 2023 Operating Income by Business Segment



4Q 2023 Results vs. 4Q 2022

Overview

4Q 2023 Revenue:

\$3.30 billion; down 9%

4Q 2023 Revenue, excl FSC:

\$2.84 billion; down 6%

4Q 2023 Operating Income:

\$203.3 million; down 28%

4Q 2023 Diluted EPS:

\$1.47 vs. \$1.92; down 23%

Segment Performance

Intermodal (JBI)

Revenue: \$1.62 billion; down 7%

Operating Income: \$129.9 million; down 28%

Dedicated Contract Services (DCS)

Revenue: \$884 million; down 3%

Operating Income: \$86.1 million; up 8%

Integrated Capacity Solutions (ICS)

Revenue: \$364 million; down 25%

Operating Loss: \$(24.9) million; compared to \$(3.2) million in 4Q'22

Final Mile Services (FMS)

Revenue: \$243 million; down 9%

Operating Income: \$12.3 million; down 5%

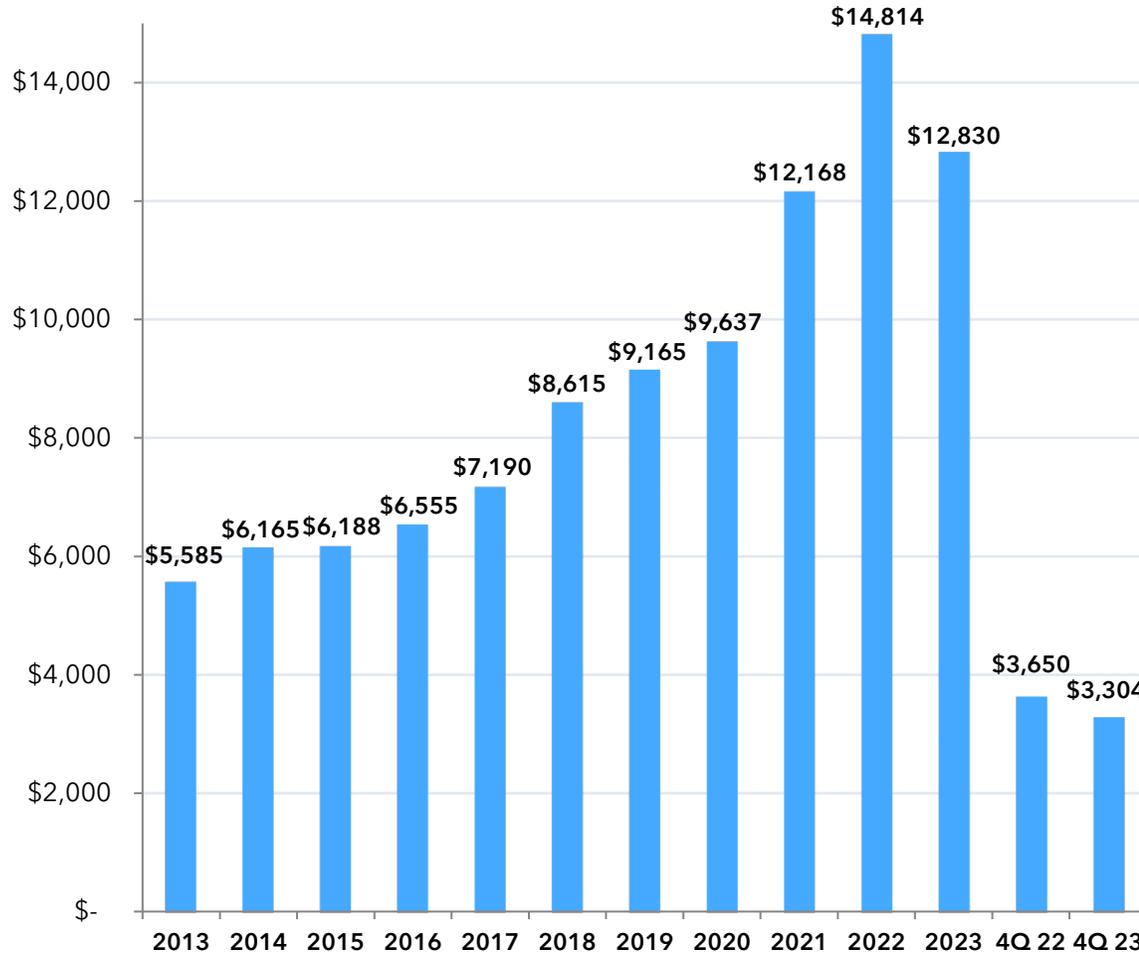
Truckload (JBT)

Revenue: \$195 million; down 19%

Operating (Loss)/Income: \$(39) thousand; compared to \$12.9 million in 4Q'22

4Q Results Consolidated

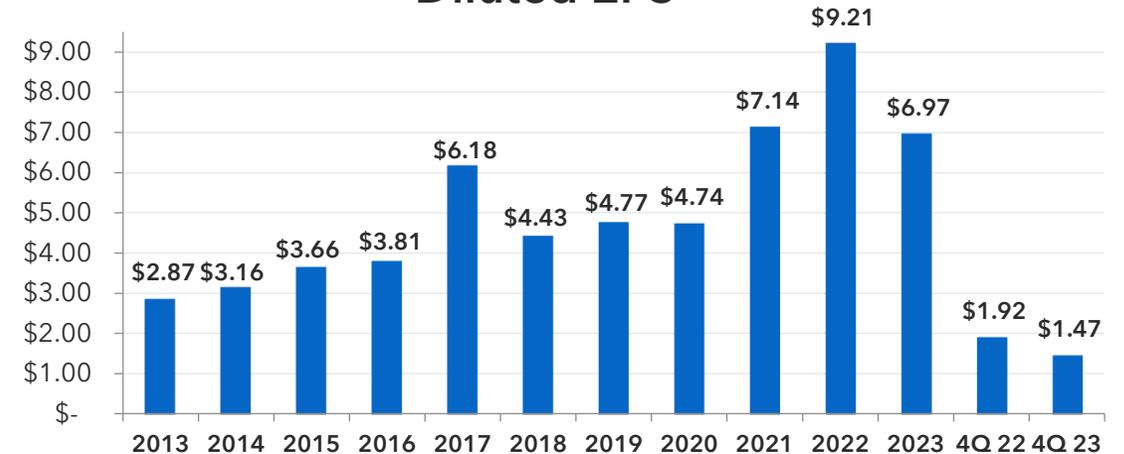
Revenue (in millions)



Operating Income (in millions)



Diluted EPS

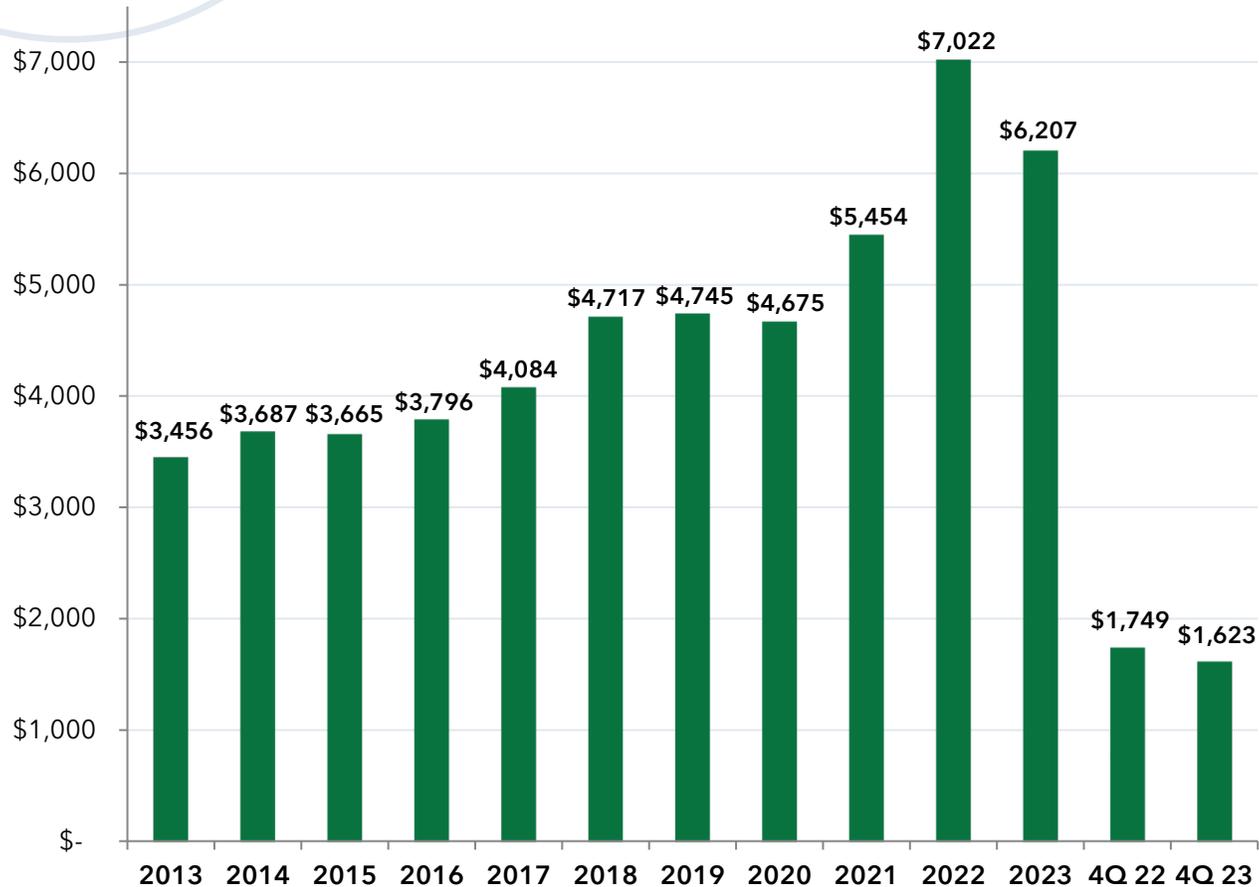




Segment Discussion

Intermodal (JBI)

JBI Revenue (in millions)

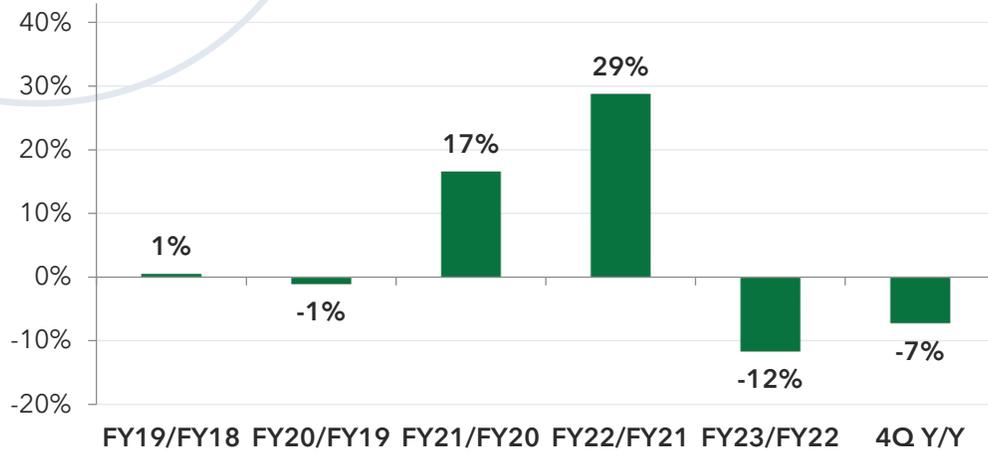


Intermodal volume increased 6% over the same period in 2022. Transcontinental network loads increased 13%, while eastern network loads decreased 2% compared to the fourth quarter 2022. Year-over-year demand trends for our intermodal service improved throughout the quarter largely driven by seasonal activity, that was absent in the prior-year period, and strong performance by our rail providers during the quarter. Revenue decreased 7% for the quarter versus the prior year primarily driven by a 13% decrease in revenue per load resulting from changes in mix of freight, customer rates and fuel surcharge revenue, partially offset by the 6% increase in volume. Revenue per load excluding fuel surcharge revenue was down 10% year-over-year.

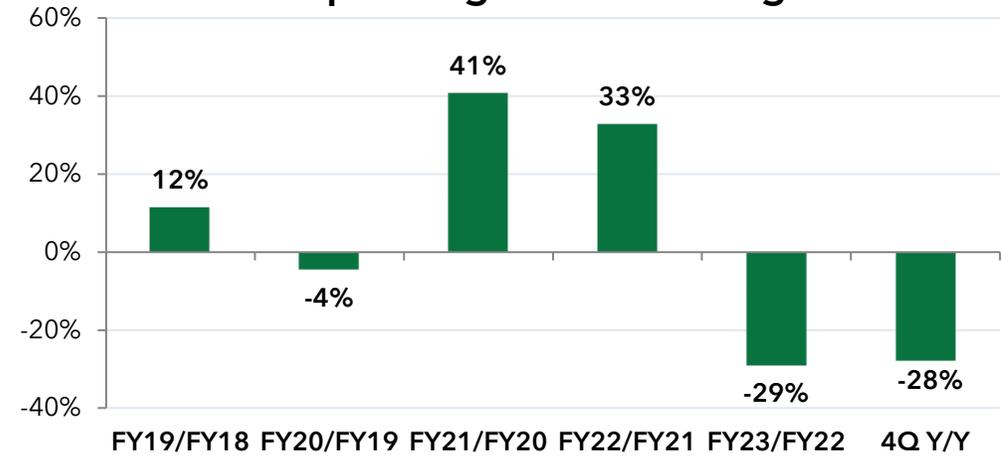
Operating income decreased 28% in the fourth quarter. Fourth quarter 2023 and 2022 included \$16.0 million and \$21.8 million in pre-tax charges for insurance-related items, respectively. Excluding these charges, operating income decreased primarily from lower yields, partially offset by higher volume. JBI segment operating income as a percentage of segment gross revenue declined versus the prior-year period 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. During the period we onboarded approximately 800 new units of container capacity. The current period ended with 118,171 units of trailing capacity and approximately 6,400 power units in the dray fleet.

Intermodal (JBI) Performance

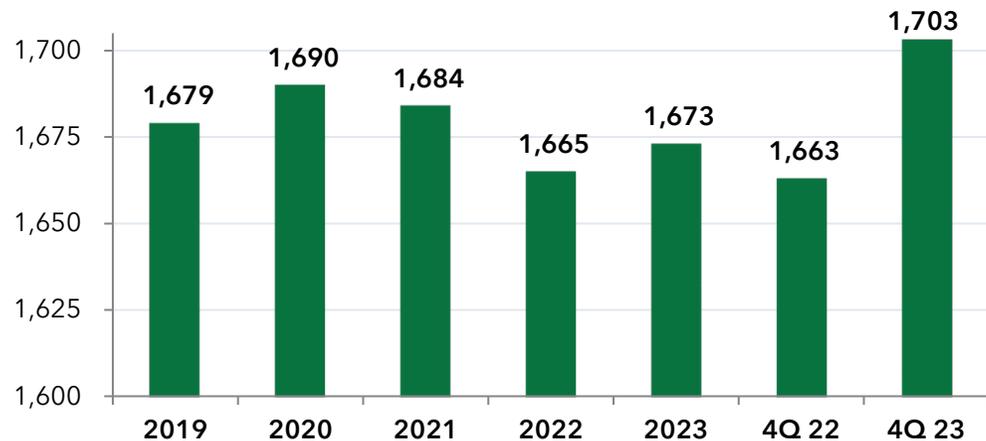
JBI Revenue Change



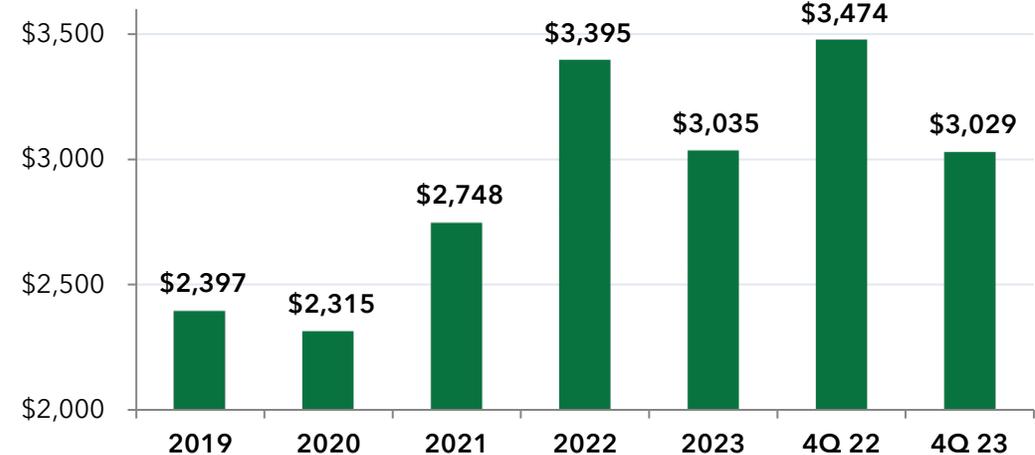
JBI Operating Income Change



JBI Average Length of Haul

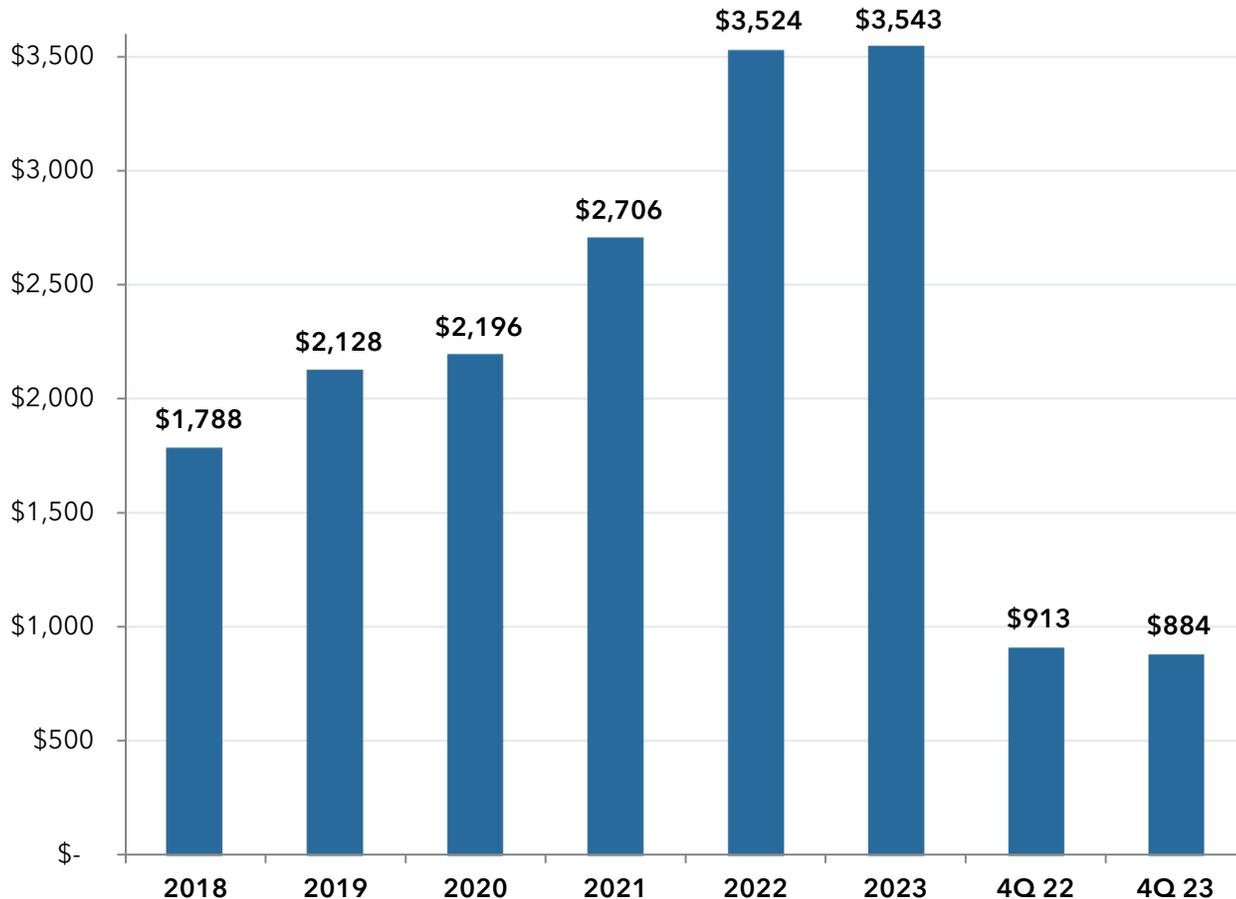


JBI Revenue per Load



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

DCS Revenue (in millions)

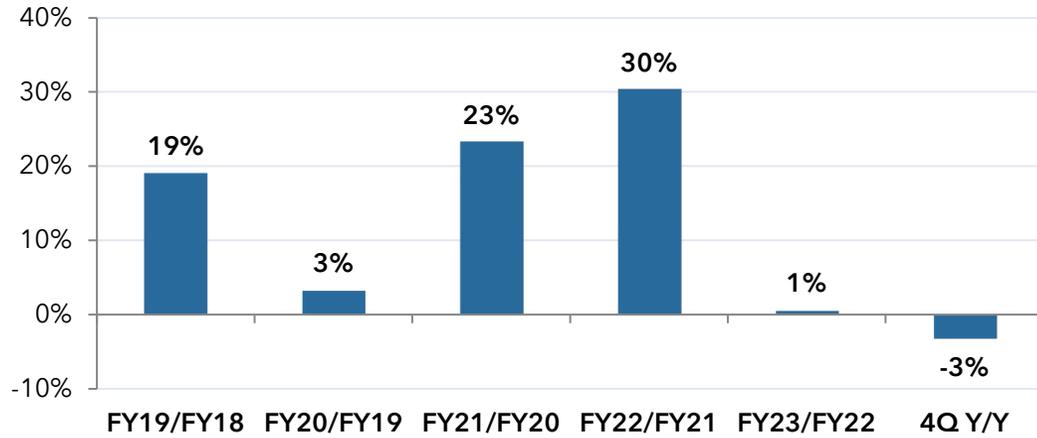


DCS revenue decreased 3% during the current quarter over the same period 2022, driven by a 2% decline in average trucks combined with a modest decline in productivity (revenue per truck per week). Productivity, excluding fuel surcharge revenue, increased 3% from a year ago driven by increases in contracted indexed-based price escalators but partially offset by an increase in idled equipment. On a net basis, there were 122 fewer revenue producing trucks in the fleet by the end of the quarter compared to the prior-year period, and 7 fewer versus the end of the third quarter 2023. Customer retention rates are approximately 93%, largely reflecting the downsizing of fleets and to a lesser extent account losses.

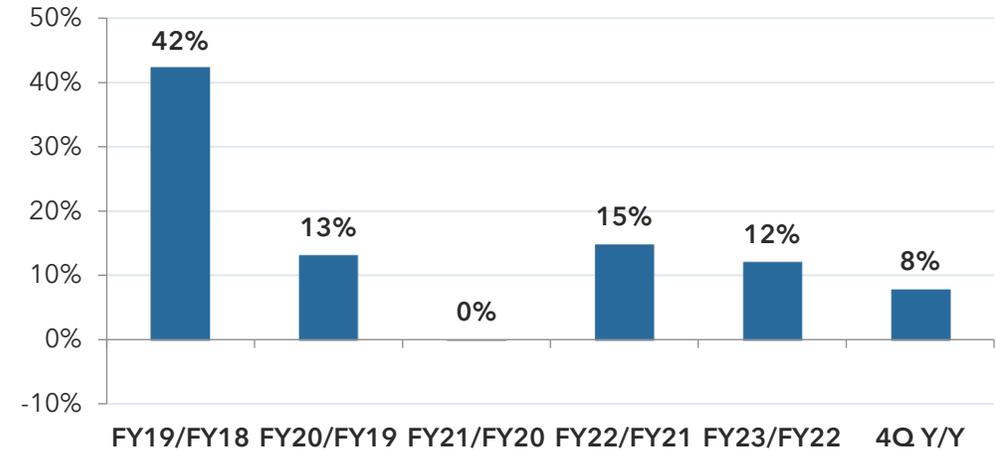
Operating income increased 8% from the prior year quarter. Fourth quarter 2023 and 2022 included \$20.0 million and \$18.7 million in pre-tax charges for insurance-related items, respectively. Excluding these charges, operating income increased primarily from the maturing of new business onboarded over the trailing twelve months, lower maintenance cost, and greater productivity and utilization of equipment. These items were partially offset by higher equipment-related cost, a net \$8.1 million increase in loss on sale of equipment, and increased bad debt expense.

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

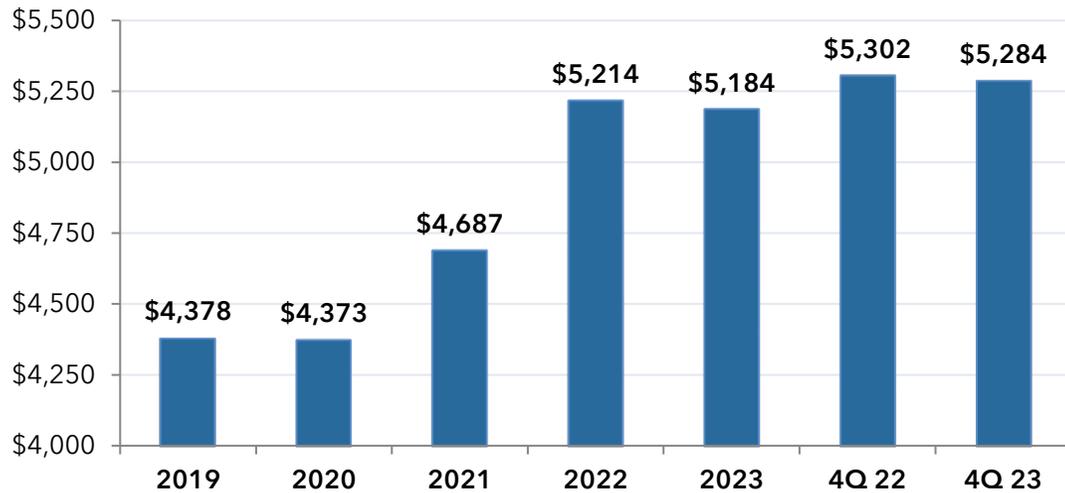
DCS Revenue Change



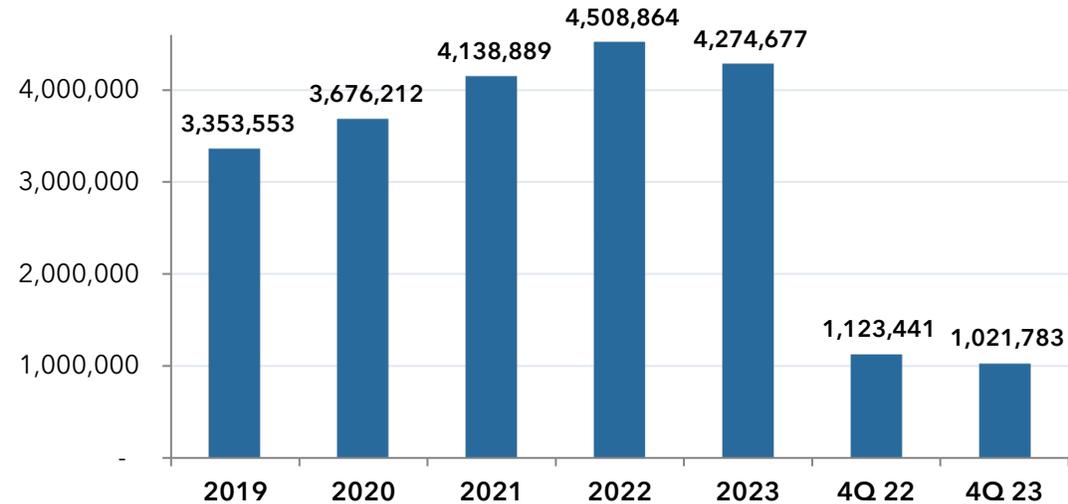
DCS Operating Income Change



DCS Revenue Per Truck Per Week

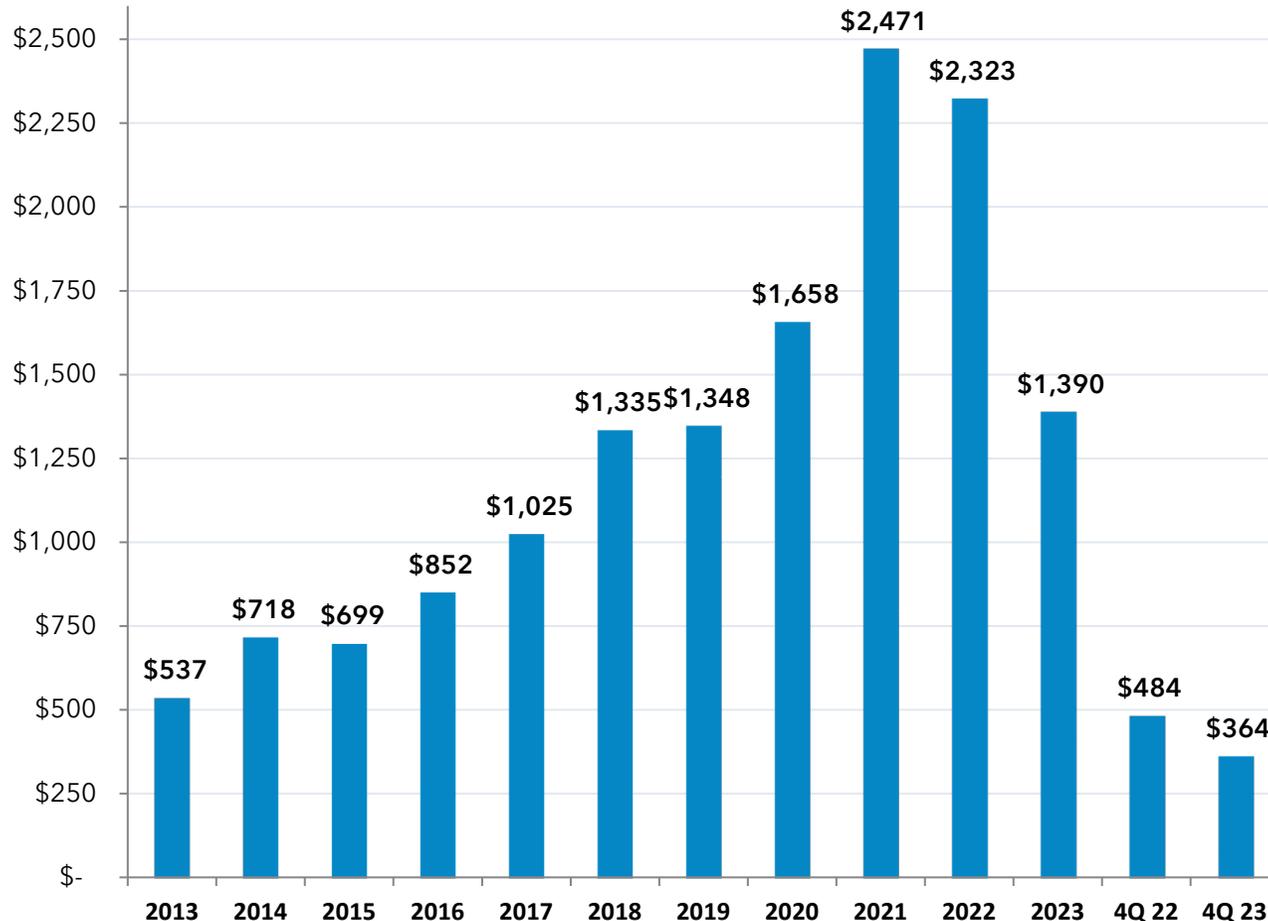


DCS Loads



Integrated Capacity Solutions (ICS)

ICS Revenue (in millions)

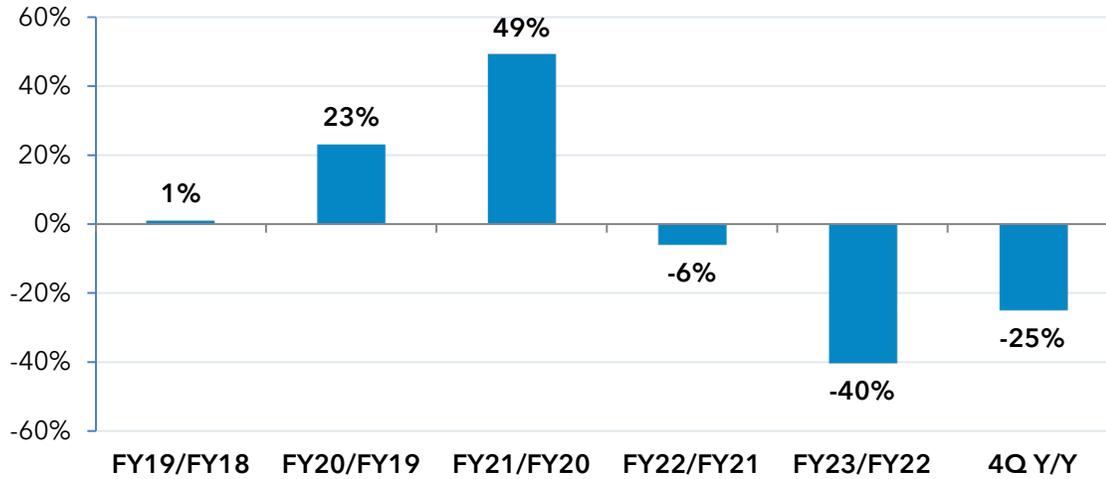


ICS revenue decreased 25% in the current quarter versus the fourth quarter 2022. Overall segment volume decreased 12% versus the prior-year period. Revenue per load decreased 15% compared to the fourth quarter 2022 due to lower contractual and transactional rates and changes in customer freight mix. Contractual volume represented approximately 59% of the total load volume and 59% of the total revenue in the current quarter compared to 56% and 60%, respectively, in fourth quarter 2022.

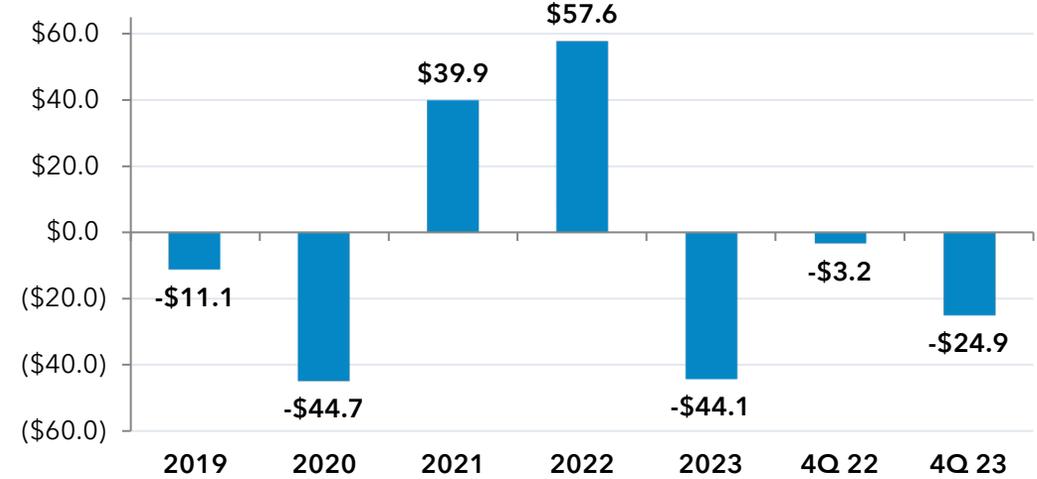
Operating loss was \$24.9 million compared to an operating loss of \$3.2 million in the fourth quarter 2022. Fourth quarter 2023 and 2022 included \$9.9 million and \$15.1 million in pre-tax charges for insurance-related items, respectively. Excluding these charges, operating performance declined largely due to a \$24.3 million decrease in gross profit, higher leased equipment-related costs, and integration and transaction costs related to the purchase of the brokerage assets of BNSF Logistics. These items were partially offset by lower personnel and technology costs. Gross profit declined 32% as a result of lower volume, revenue, and gross profit margins compared to the prior-year period. Gross profit margins decreased to 14.0% in the current period versus 15.6% in the prior period. ICS carrier base decreased 22% year-over-year, largely driven by changes to carrier qualification requirements.

Integrated Capacity Solutions (ICS)

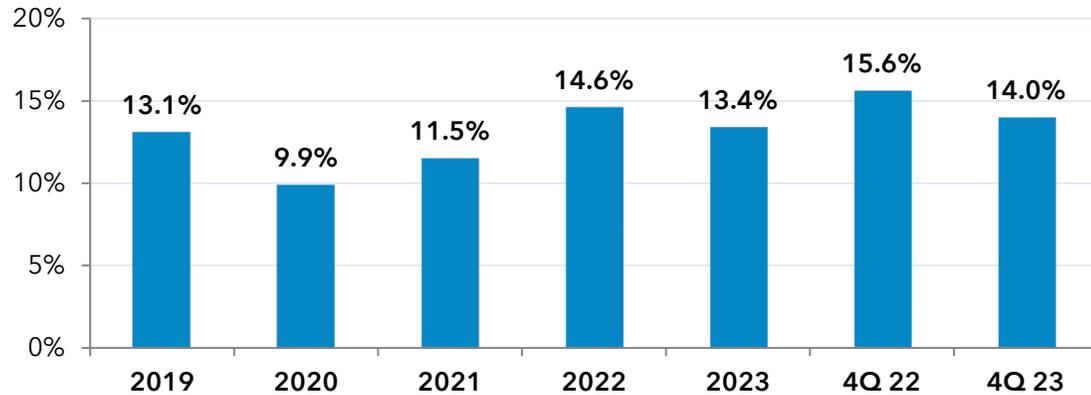
ICS Revenue Change



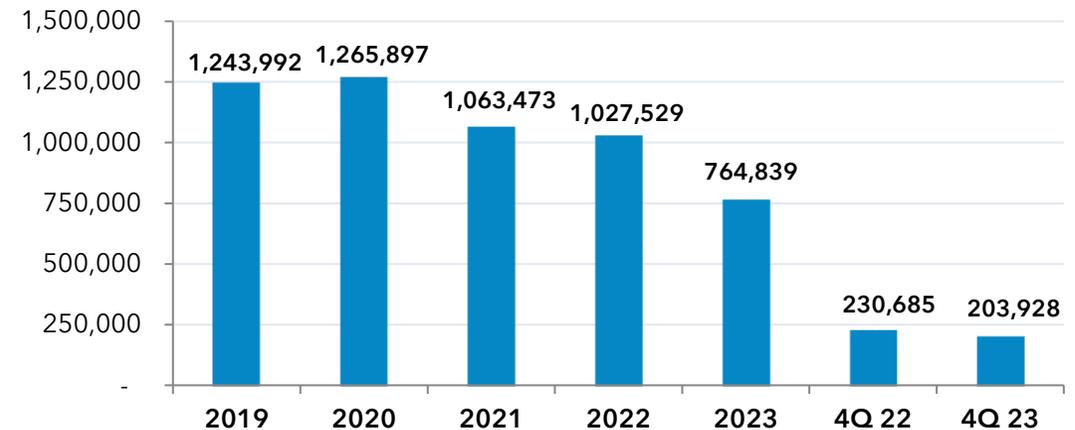
ICS Operating Income/(Loss) (in millions)



ICS Gross Profit Margin

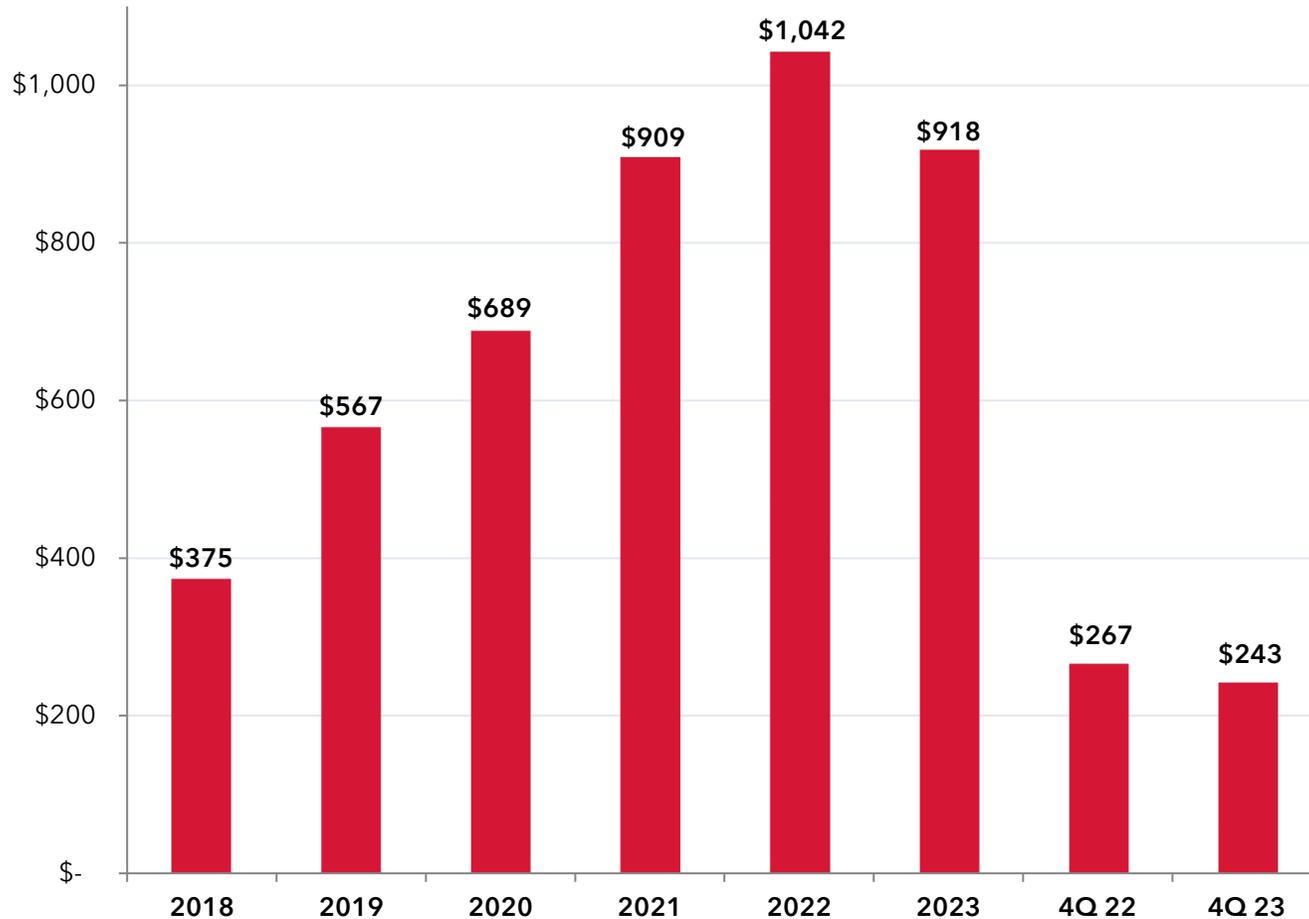


ICS Loads



Final Mile Services[®] (FMS)

FMS Revenue (in millions)

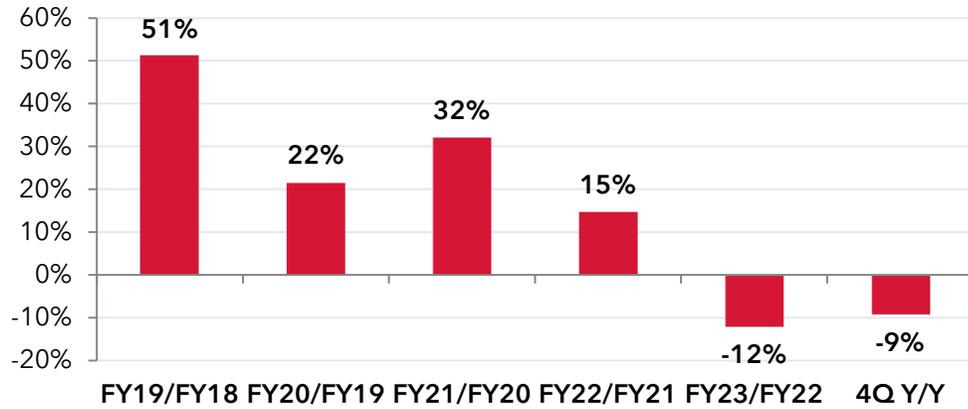


FMS revenue declined 9% compared to the same period 2022. The decline was primarily driven by general weakness in demand across many of the end markets served, in addition to efforts to improve the overall business portfolio. The decline in revenue was partially offset by improved revenue quality at underperforming accounts and multiple new customer contracts implemented over the past year.

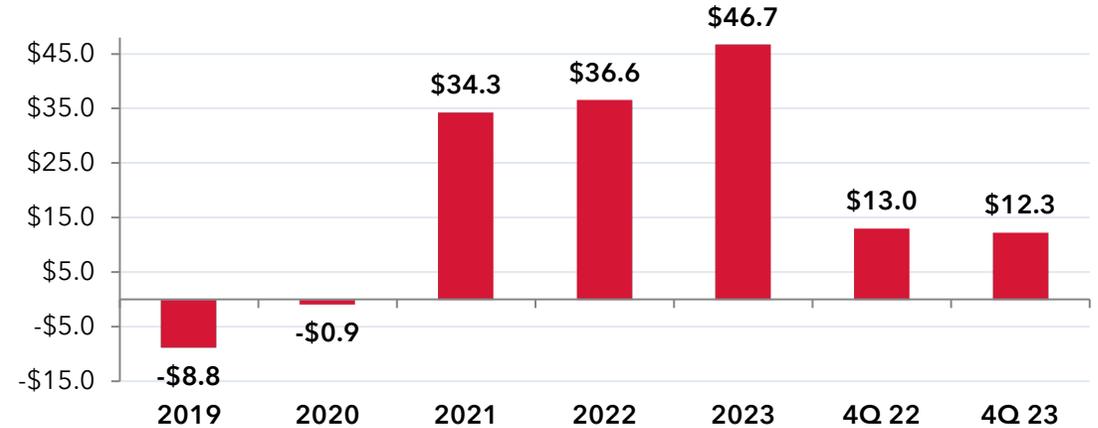
Operating income decreased 5% compared to the prior-year period. Both fourth quarter 2023 and 2022 included \$3.3 million in pre-tax charges for insurance-related items. Excluding these charges, operating income decreased primarily from lower revenue, increased equipment-related cost, and higher insurance and claims expense. These items were partially offset by lower personnel expense, maintenance cost, and bad debt expense.

Final Mile Services[®] (FMS)

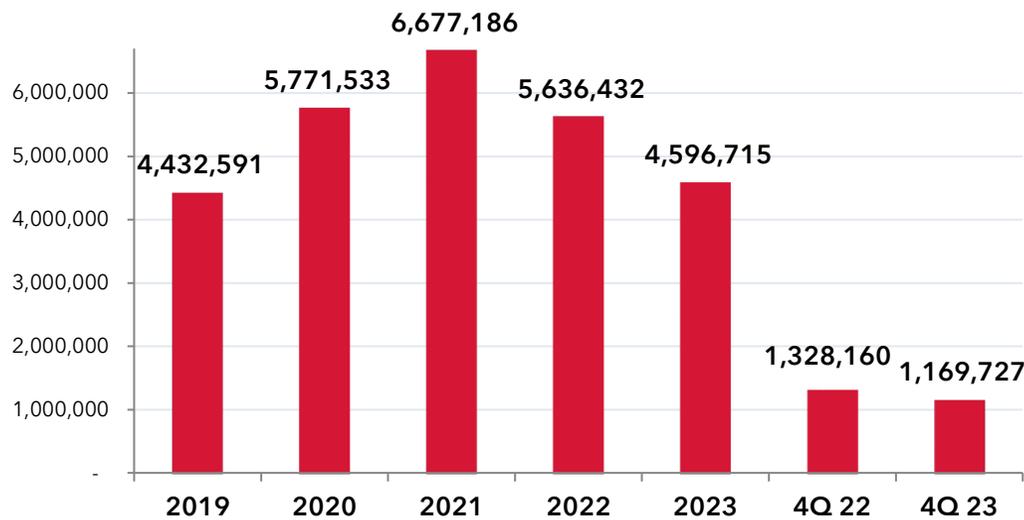
FMS Revenue Change



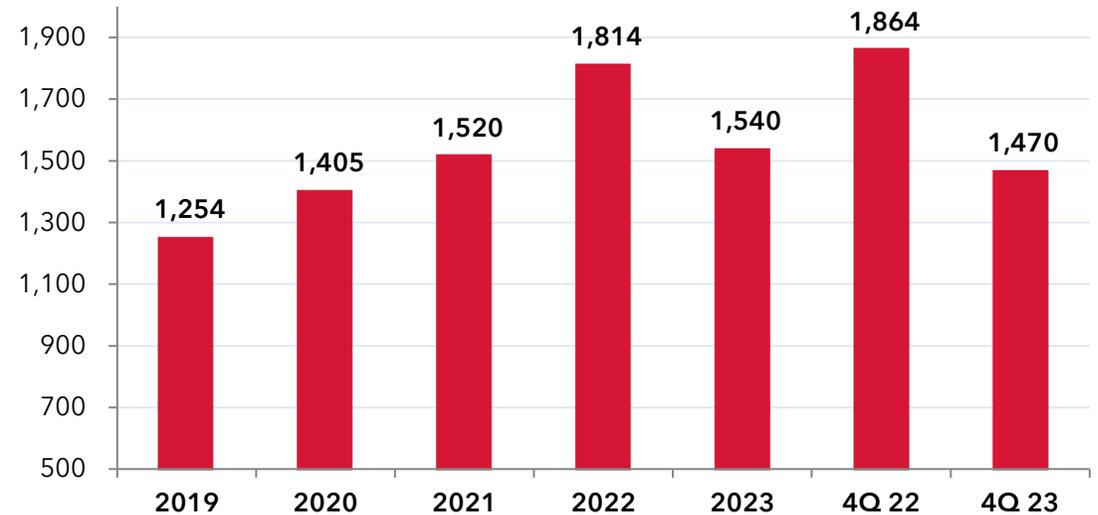
FMS Operating Income/(Loss) (in millions)



FMS Stops

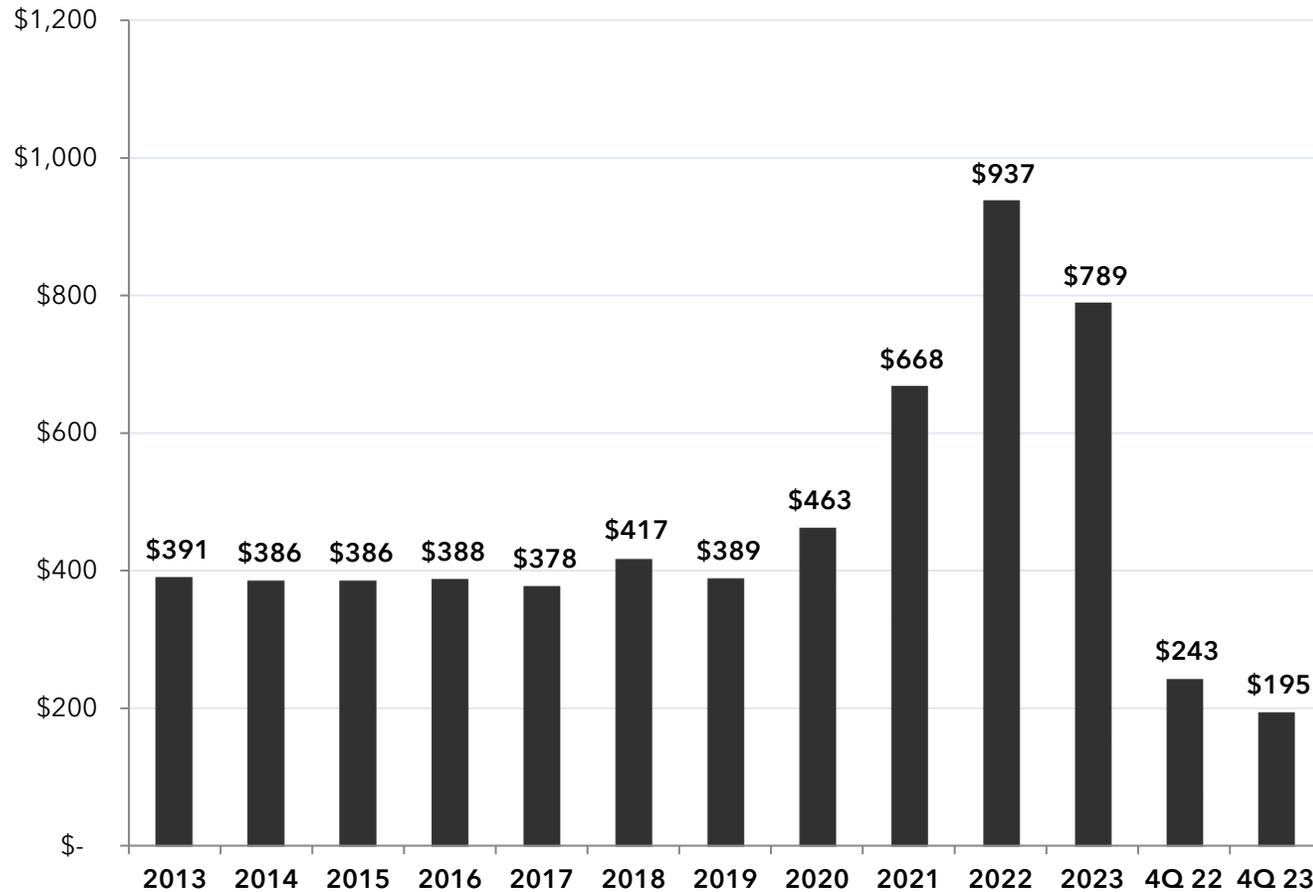


FMS Average Trucks



Truckload (JBT)

JBT Revenue (in millions)

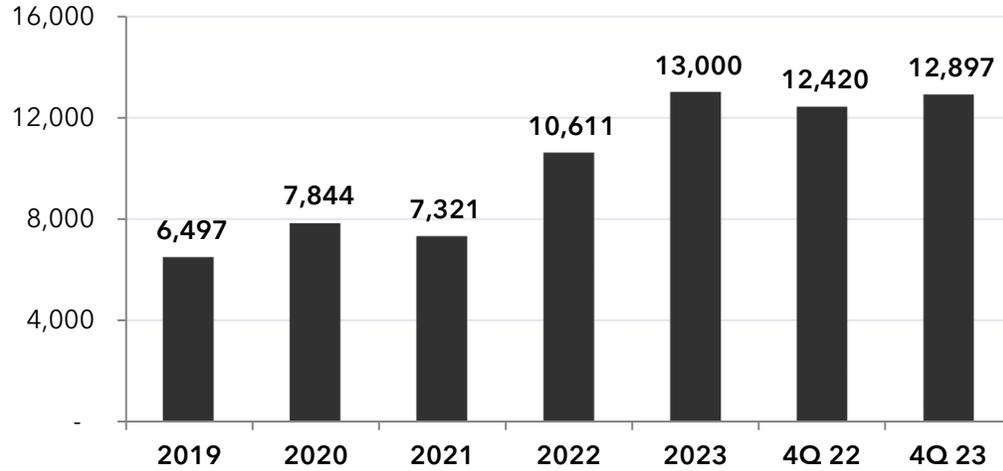


JBT revenue decreased 19% compared to the same period in the previous year. Revenue excluding fuel surcharge revenue decreased 19% primarily due to a 13% decline in revenue per load excluding fuel surcharge revenue and a 7% decline in load volume, partially offset by a 13% increase in average length of haul. Total average effective trailer count increased by approximately 500 units, or 4% versus the prior-year period. Trailer turns in the quarter were down 10% from the prior period primarily due to changes in freight mix indicative of an increase in average length of haul and weaker overall freight demand as compared to the fourth quarter 2022.

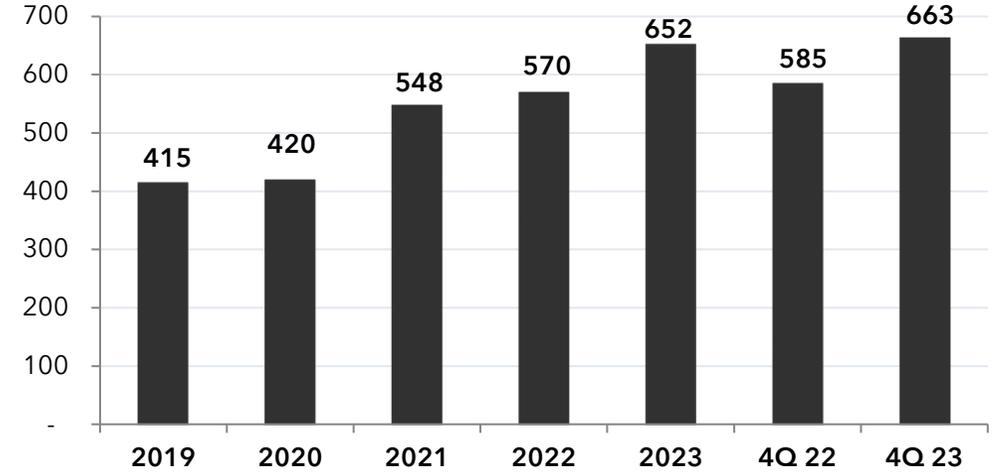
JBT operating income decreased \$12.9 million to a modest operating loss compared to the fourth quarter 2022. Fourth quarter 2023 and 2022 included \$4.2 million and \$5.1 million in pre-tax charges for insurance-related items, respectively. Excluding these charges, operating income decreased primarily as a result of lower revenue combined with higher insurance and claims expense and loss on sale of equipment. JBT segment operating income as a percentage of segment gross revenue declined year-over-year due to higher purchased transportation expense, equipment-related expense, and insurance costs.

Truckload (JBT)

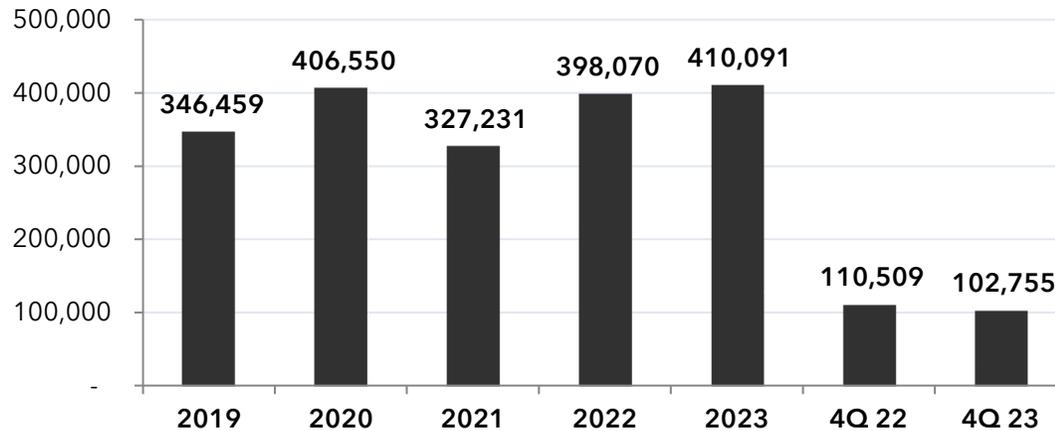
JBT Average Effective Trailing Equipment



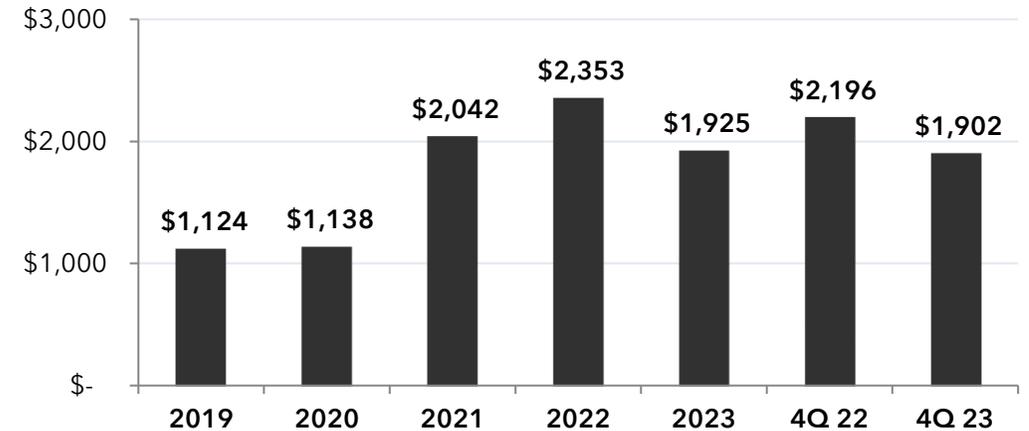
JBT Average Length of Haul



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

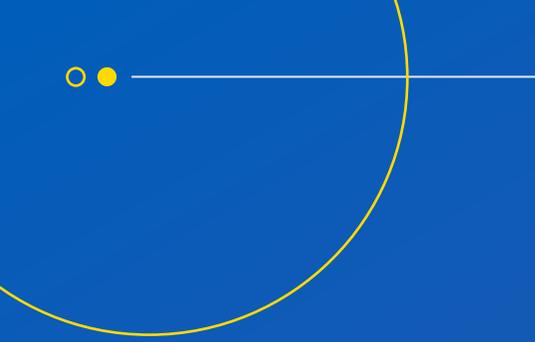
Best-in-class systems and technology



Balance Sheet

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

	December 31, 2023	December 31, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 53,344	\$ 51,927
Accounts Receivable, net	1,334,912	1,528,075
Prepaid expenses and other	711,327	631,776
Total current assets	2,099,583	2,211,778
Property and equipment	8,769,392	7,999,480
Less accumulated depreciation	2,993,959	3,019,663
Net property and equipment	5,775,433	4,979,817
Other assets, net	677,585	594,987
	\$ 8,552,601	\$ 7,786,582
LIABILITIES & STOCKHOLDERS' EQUITY		
Current liabilities:		
Current debt	\$ 249,961	\$ -
Trade accounts payable	737,364	798,776
Claims accruals	547,277	452,149
Accrued payroll	94,563	188,252
Other accrued expenses	150,256	129,054
Total current liabilities	1,779,421	1,568,231
Long-term debt	1,326,107	1,261,738
Other long-term liabilities	392,766	369,314
Deferred income taxes	950,549	920,531
Stockholders' equity	4,103,758	3,666,768
	\$ 8,552,601	\$ 7,786,582



Thank You



People.
Technology.
Capacity.™