



J.B. Hunt Transport Services, Inc.

Q3 2023 Results

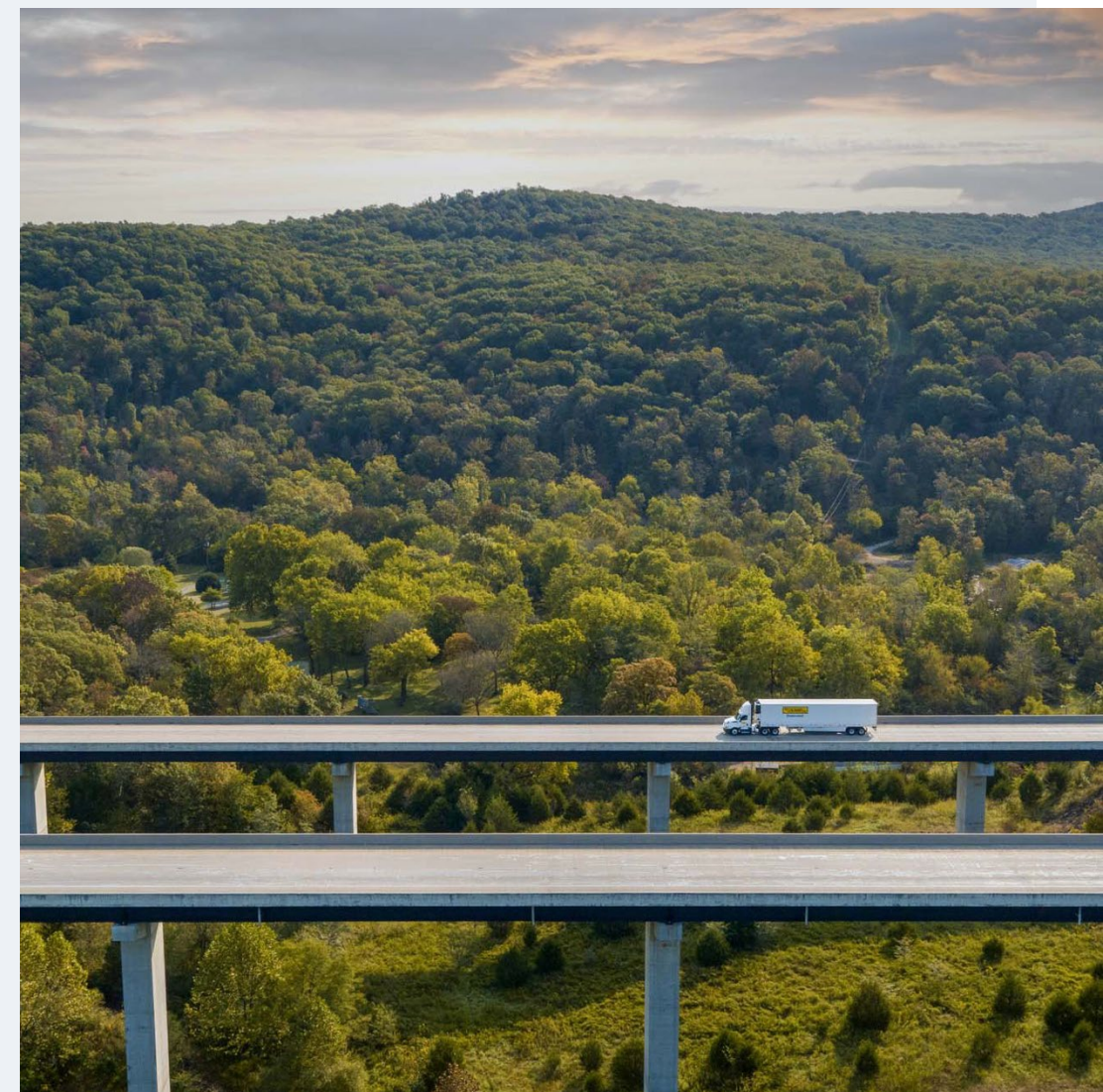




Disclosure

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

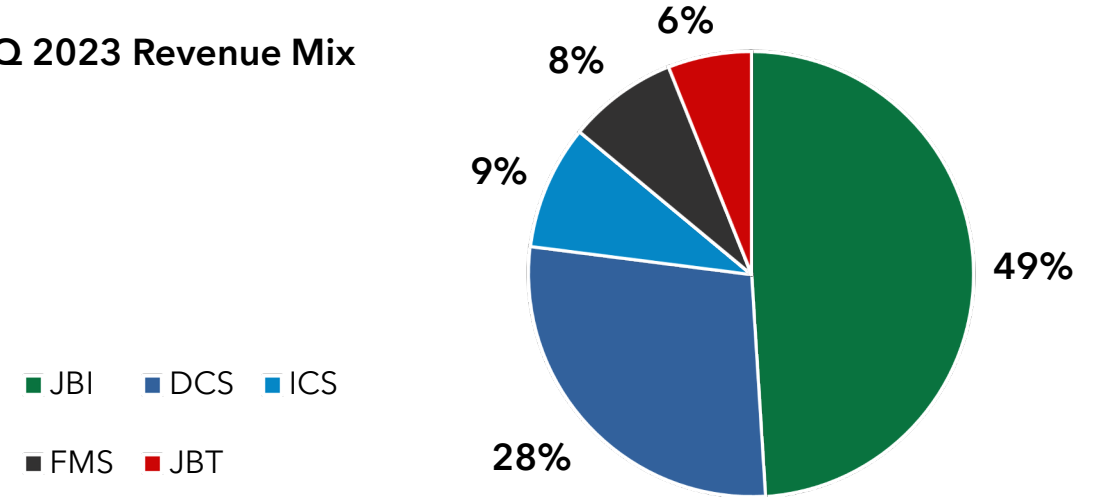
Final Mile Services® (FMS)

- 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

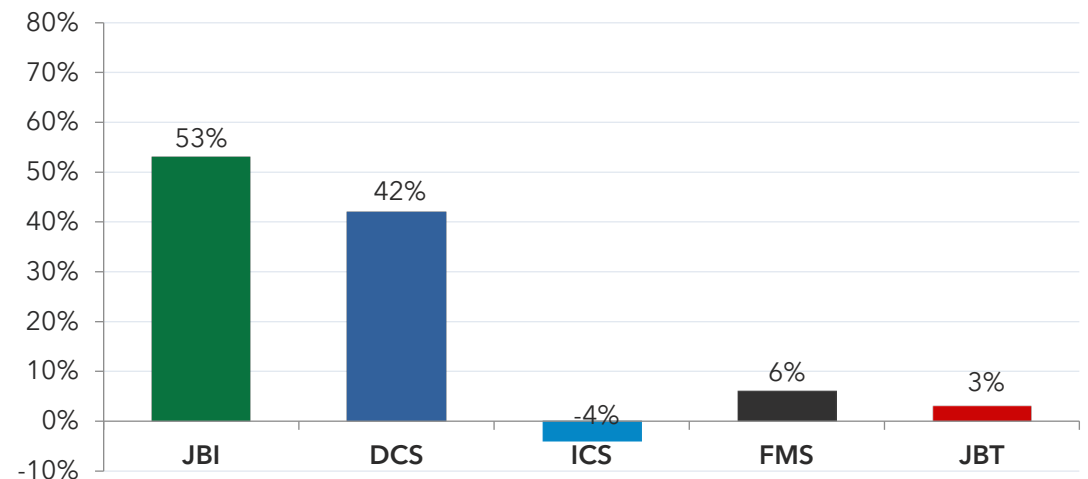
Truckload (JBT)

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

3Q 2023 Revenue Mix



Percentage of 3Q 2023 Operating Income by Business Segment





3Q 2023 Results vs. 3Q 2022

Overview

3Q 2023 Revenue:

\$3.16 billion; down 18%

3Q 2023 Revenue, excl FSC:

\$2.69 billion; down 15%

3Q 2023 Operating Income:

\$241.7 million; down 33%

3Q 2023 EPS:

\$1.80 vs. \$2.57; down 30%

Segment Performance

Intermodal (JBI)

Revenue: \$1.56 billion; down 15%

Operating Income: \$128.0 million; down 41%

Dedicated Contract Services (DCS)

Revenue: \$892 million; down 4%

Operating Income: \$102.4 million; down 4%

Integrated Capacity Solutions (ICS)

Revenue: \$298 million; down 48%

Operating (Loss)/Income: \$(9.4) million; vs. \$13.4 million in Q3'22

Final Mile Services (FMS)

Revenue: \$226 million; down 15%

Operating Income: \$13.0 million; up 33%

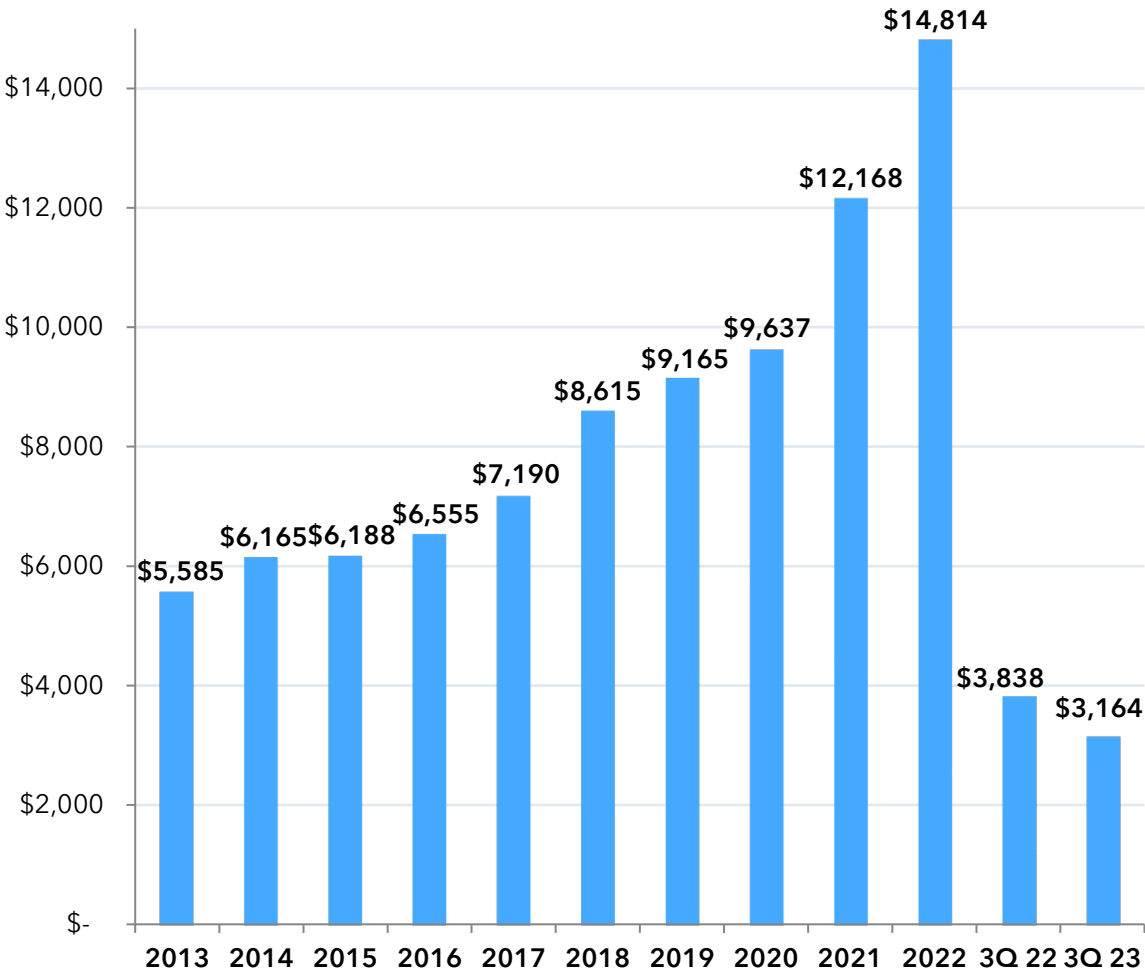
Truckload (JBT)

Revenue: \$196 million; down 17%

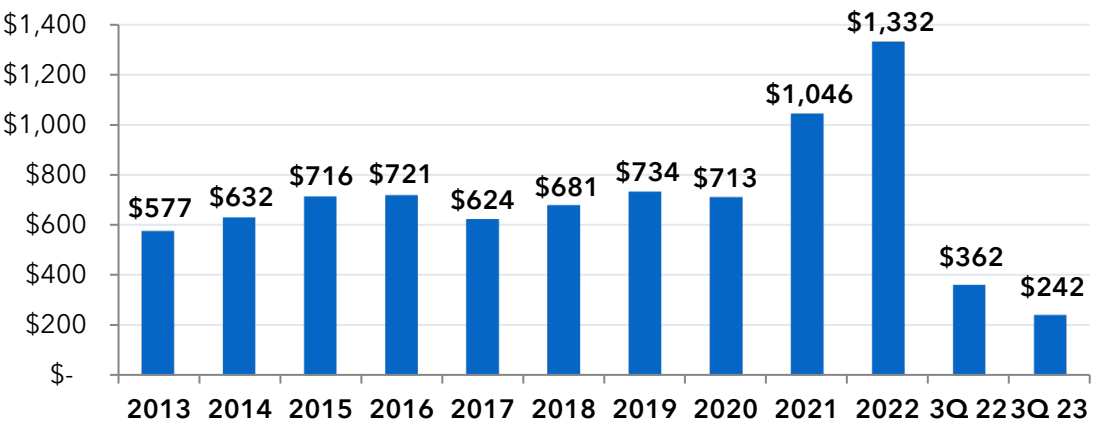
Operating Income: \$7.7 million; down 48%

3Q Results Consolidated

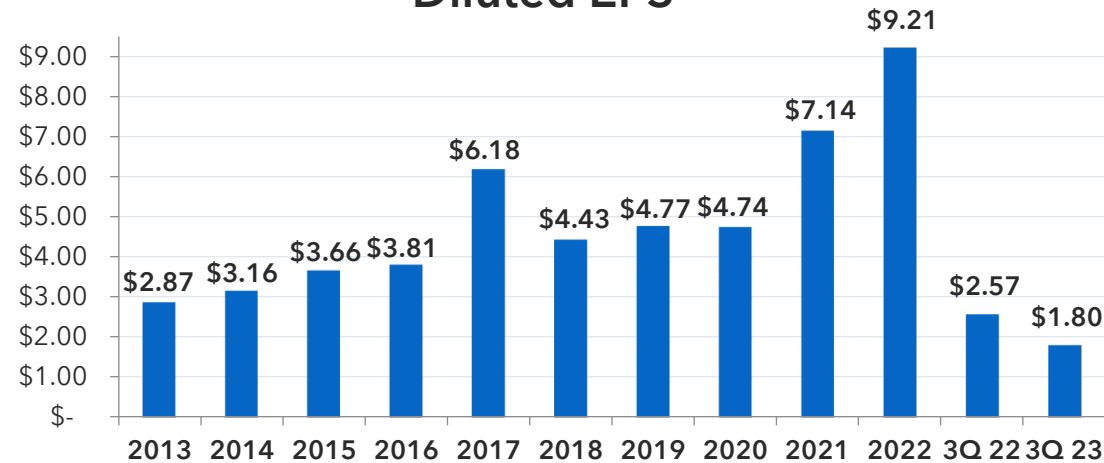
Revenue (in millions)



Operating Income (in millions)



Diluted EPS



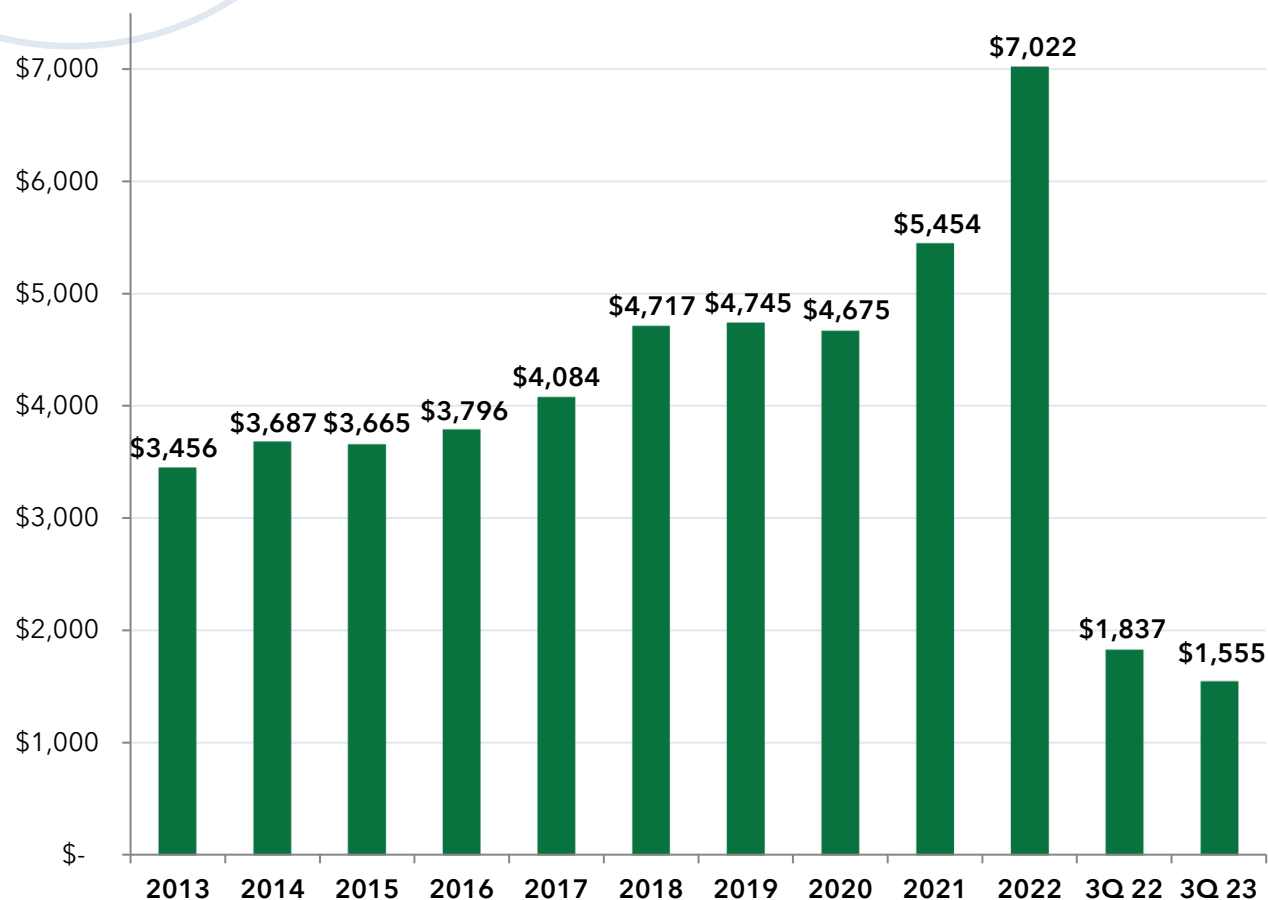


Segment Discussion



Intermodal (JBI)

JBI Revenue (in millions)

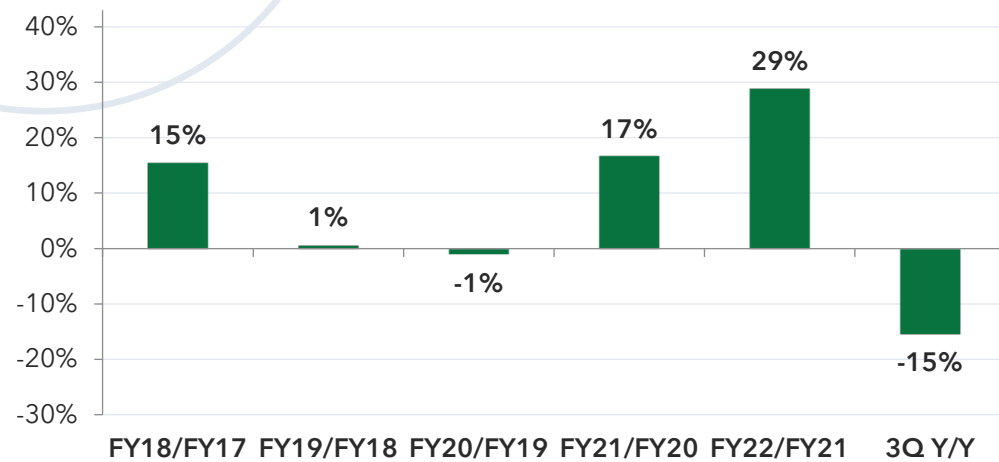


Intermodal volume increased 1% over the same period in 2022. Eastern network loads decreased 3%, while transcontinental loads increased 4%. Demand for our intermodal service improved throughout the quarter across both the Eastern and Transcontinental networks, supported by moderating destocking trends, seasonal activity, and strong performance from our rail providers. Segment gross revenue decreased 15% for the quarter versus the prior-year period, reflecting the 1% increase in volume which was more than offset by a 16% decrease in gross revenue per load, resulting from changes in the mix of freight, customer rates, and fuel surcharge revenue. Revenue per load excluding fuel surcharge revenue decreased 14% year-over-year.

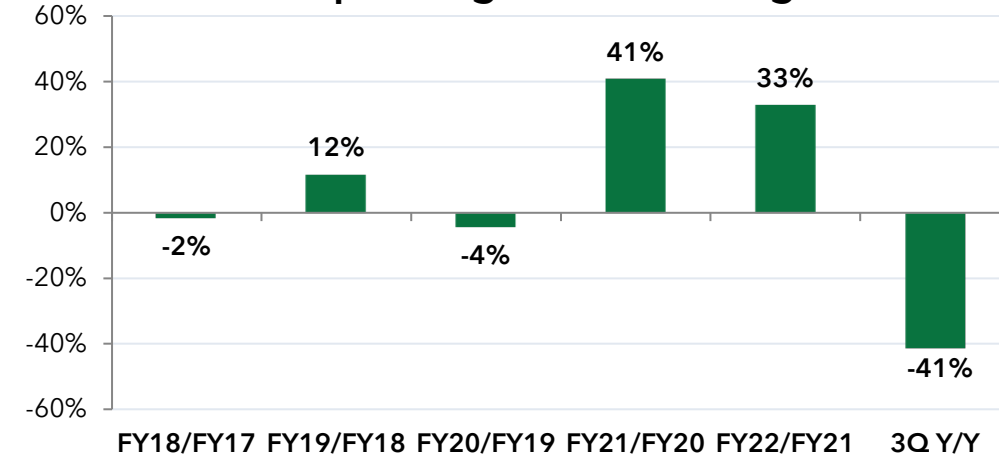
Operating income decreased 41% in the third quarter primarily from lower revenue, which was only partially offset by the resulting impact of absorbing network and equipment costs with higher volume. JBI segment operating income as a percentage of segment gross revenue declined versus the prior-year period 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 successfully onboarded 906 net new pieces of trailing equipment. We ended the quarter with approximately 117,400 containers and 6,400 power units in the dray fleet.

Intermodal (JBI) Performance

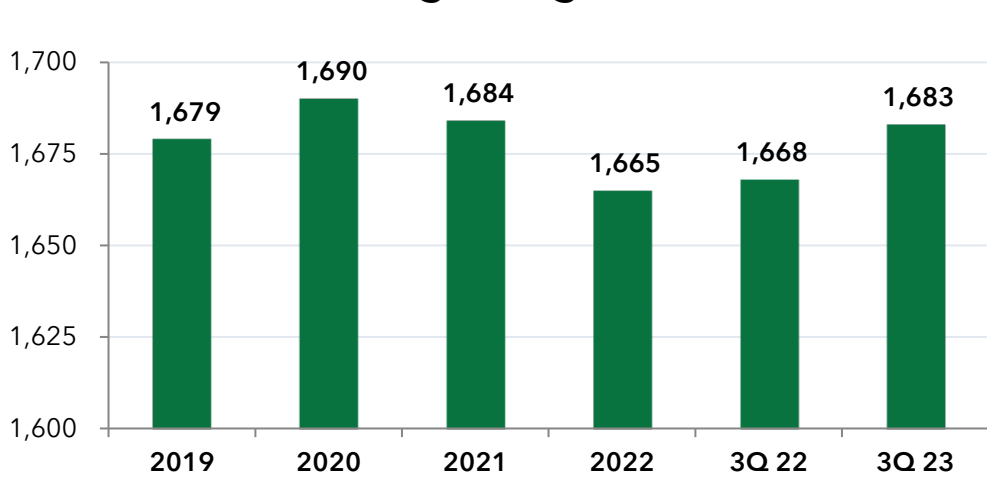
JBI Revenue Change



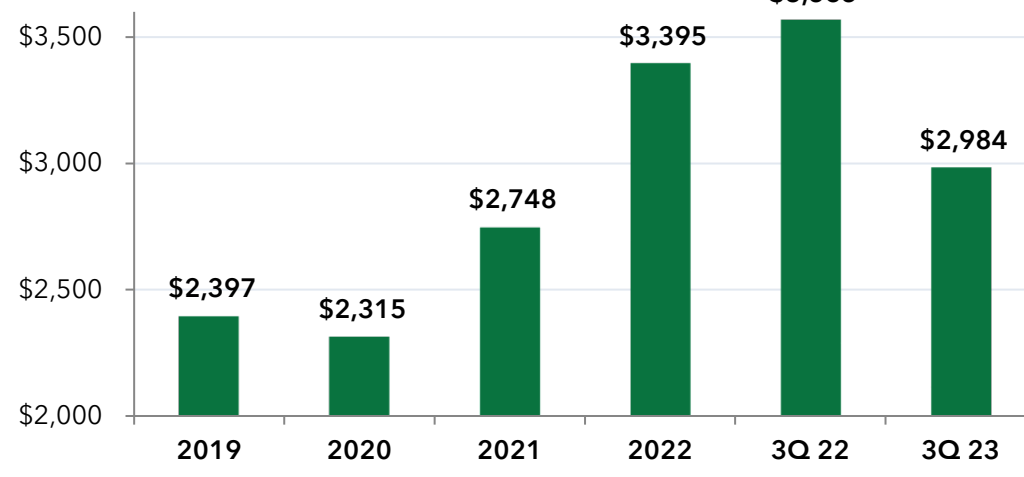
JBI Operating Income Change



JBI Average Length of Haul

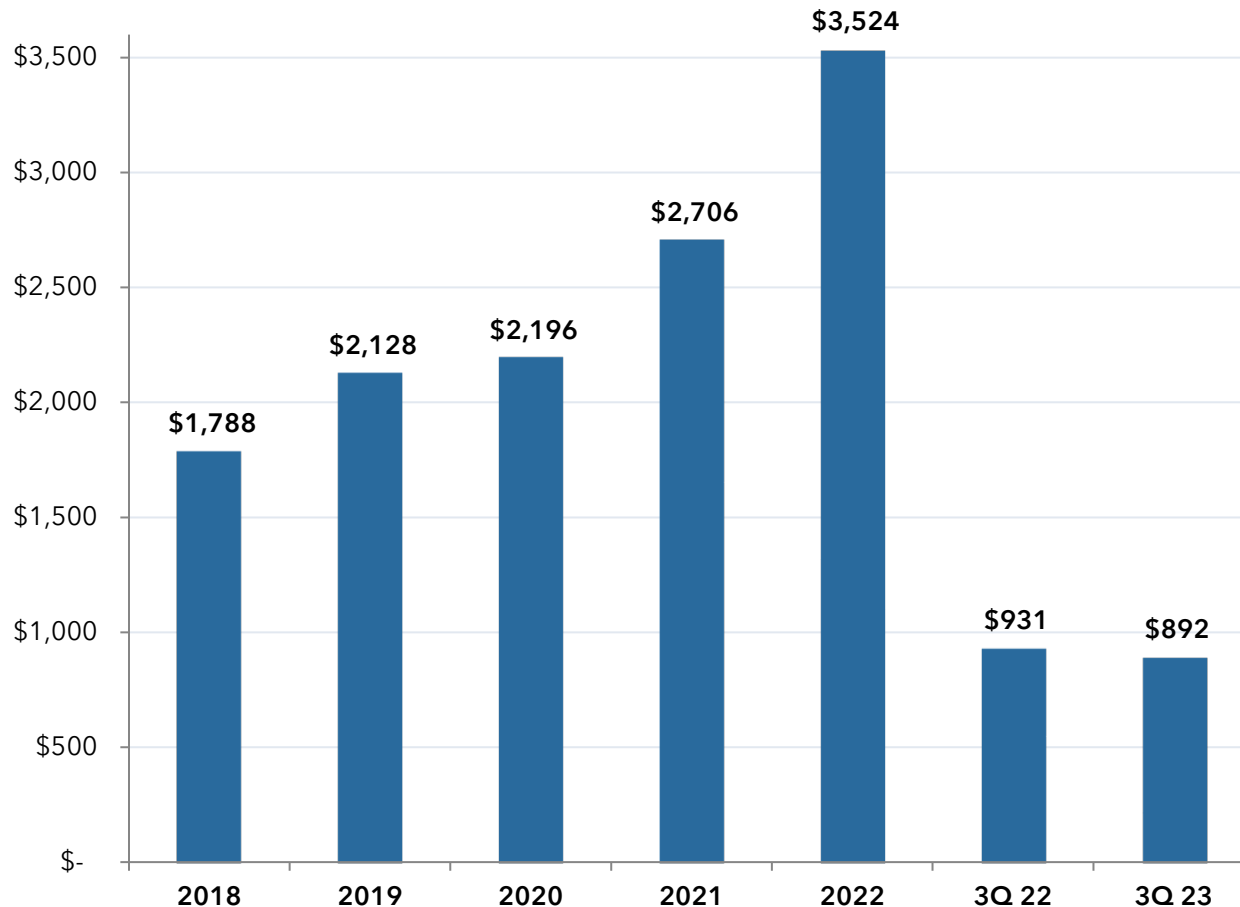


JBI Revenue per Load



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

DCS Revenue (in millions)

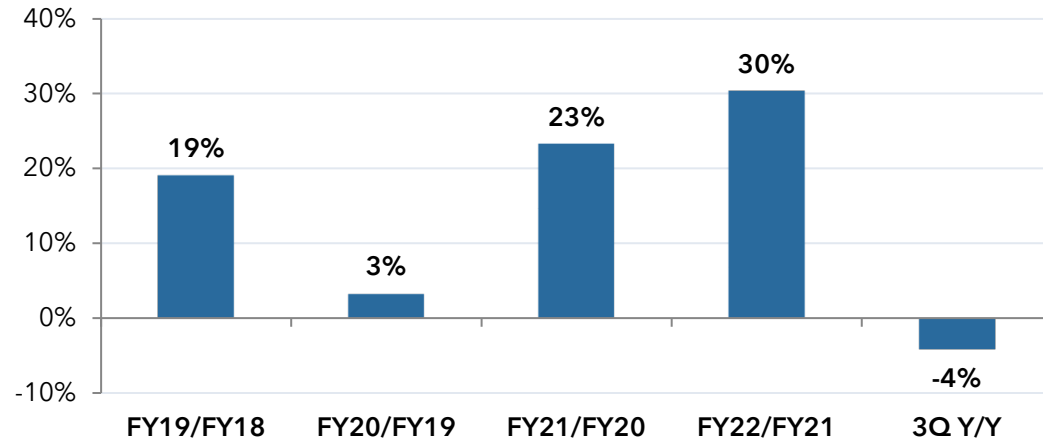


DCS revenue decreased 4% during the current quarter over the same period 2022. Productivity (revenue per truck per week) decreased approximately 2% versus the prior period. Productivity excluding fuel surcharge revenue increased 2% from a year ago driven primarily by increases in contracted indexed-based price escalators. On a net basis, there were 370 fewer revenue producing trucks in the fleet by the end of the quarter compared to the prior-year period, and 31 more versus the end of the second quarter 2023. Customer retention rates are approximately 94%.

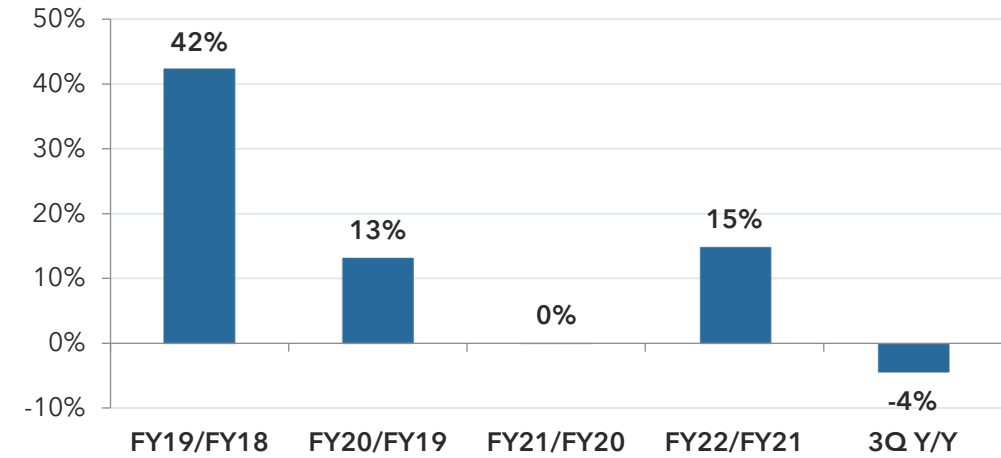
Operating income decreased 4% from the prior-year quarter primarily from higher equipment-related costs, insurance and claims expense, and a net \$6.7 million year-over-year increase in loss on sale of equipment. These items were partially offset by the maturing of new business onboarded over the trailing twelve months.

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

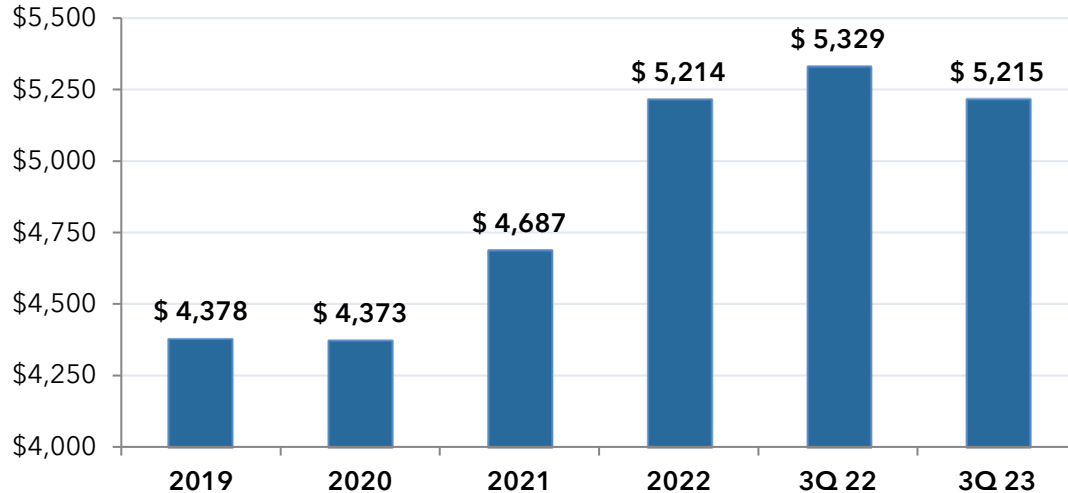
DCS Revenue Change



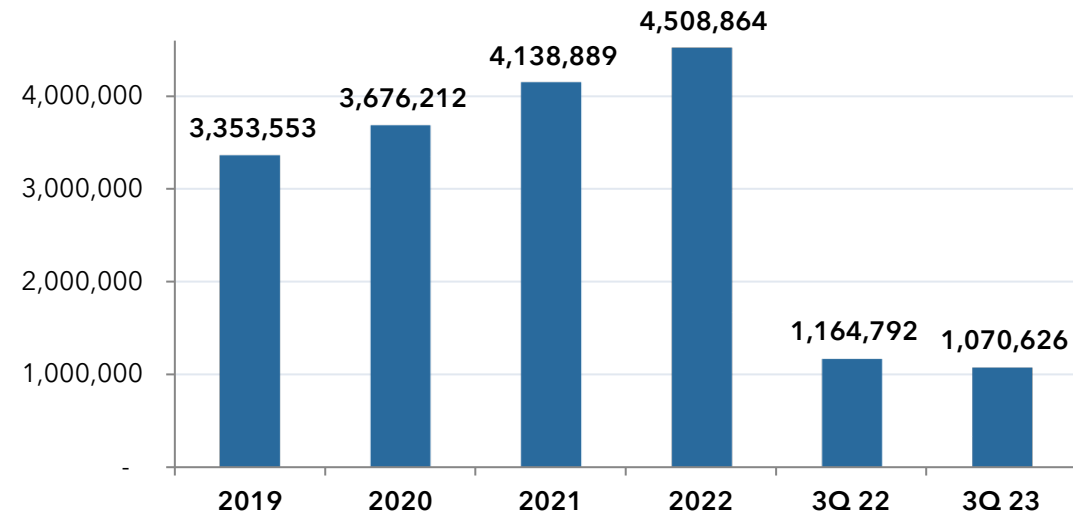
DCS Operating Income Change



DCS Revenue Per Truck Per Week



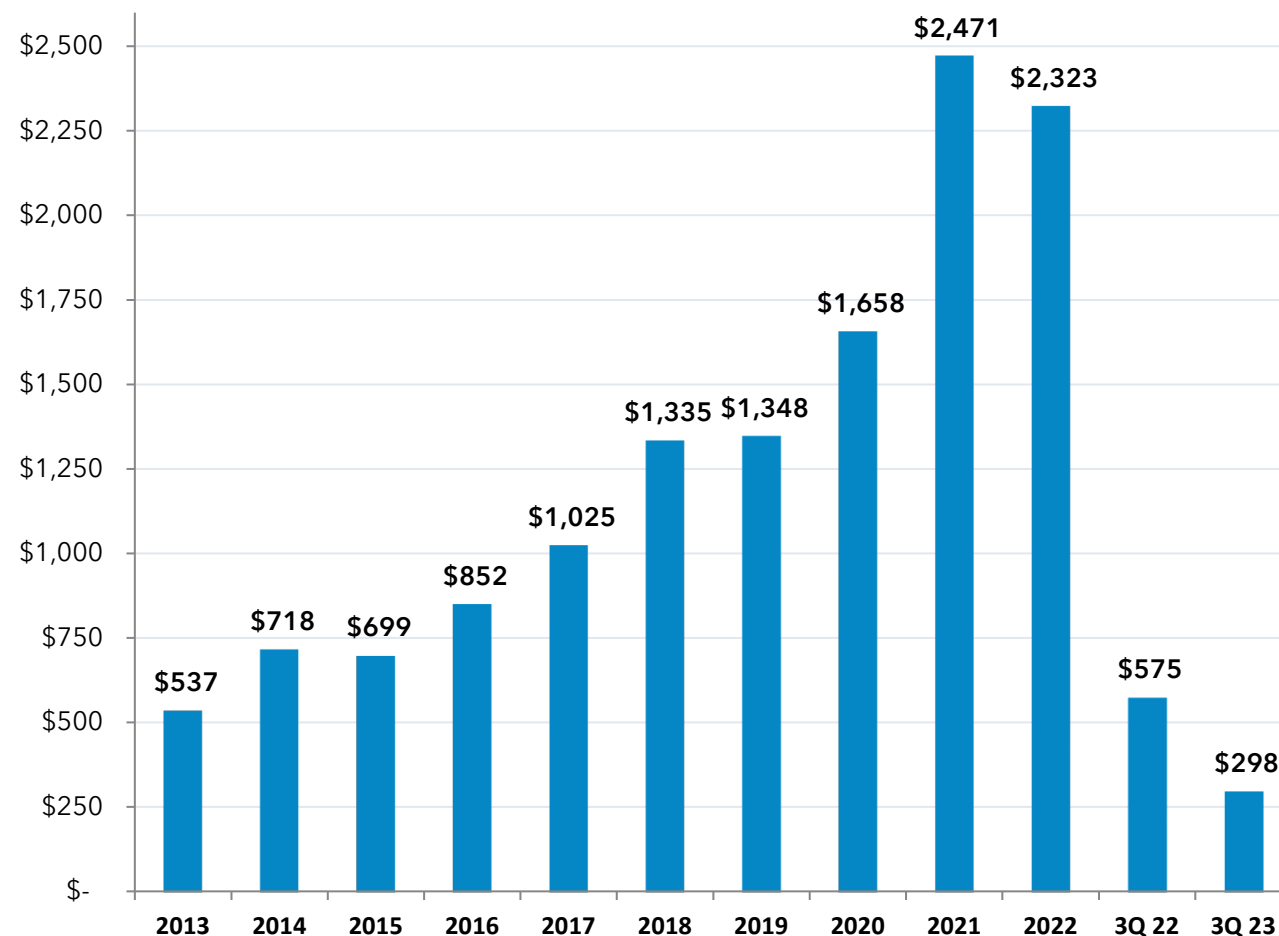
DCS Loads





Integrated Capacity Solutions (ICS)

ICS Revenue (in millions)

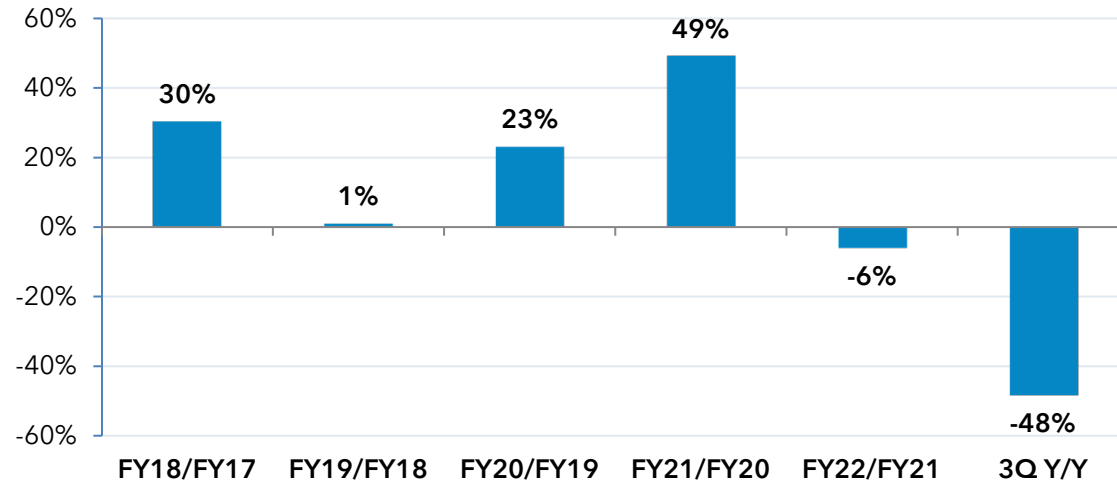


ICS revenue declined 48% during the current quarter versus the third quarter 2022. Overall segment volume decreased 38% versus the prior-year period. Revenue per load decreased 17% compared to the third quarter 2022 due to lower contractual and transactional rates and changes in customer freight mix. Contractual volume represented approximately 68% of the total load volume and 67% of the total revenue in the current quarter compared to 49% and 52%, respectively, in third quarter 2022. Of the total reported ICS revenue, approximately \$169 million was executed through the Marketplace for J.B. Hunt 360[®] compared to \$391 million in third quarter 2022.

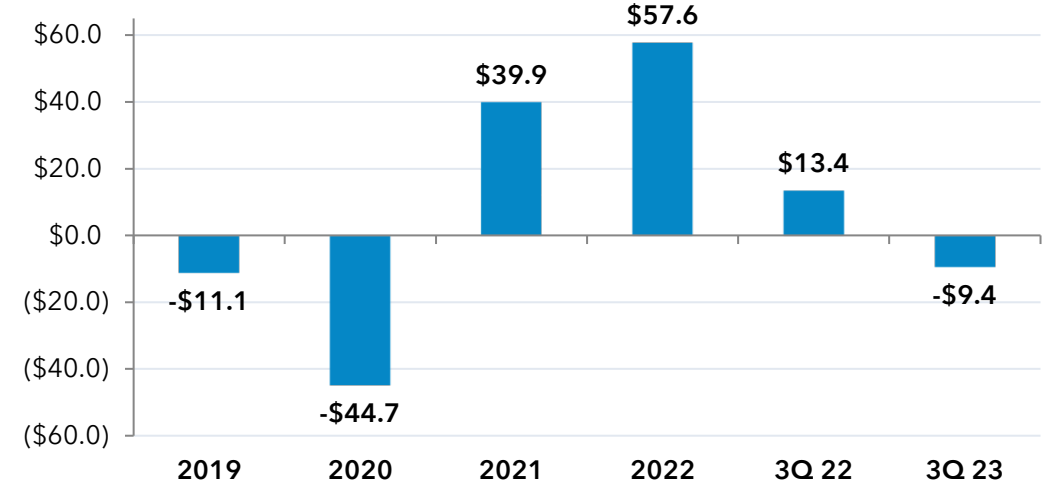
Operating loss was \$9.4 million compared to operating income of \$13.4 million in the third quarter 2022. This change was due largely to lower gross profit, partially offset by lower personnel and technology costs. Gross profit declined 53% as a result of lower volume, revenue and gross profit margins compared to the prior-year period. Gross profit margins decreased to 12.8% in the current period versus 14.2% in the prior period. ICS' carrier base decreased 17% year-over-year, largely driven by changes to carrier qualification requirements.

Integrated Capacity Solutions (ICS)

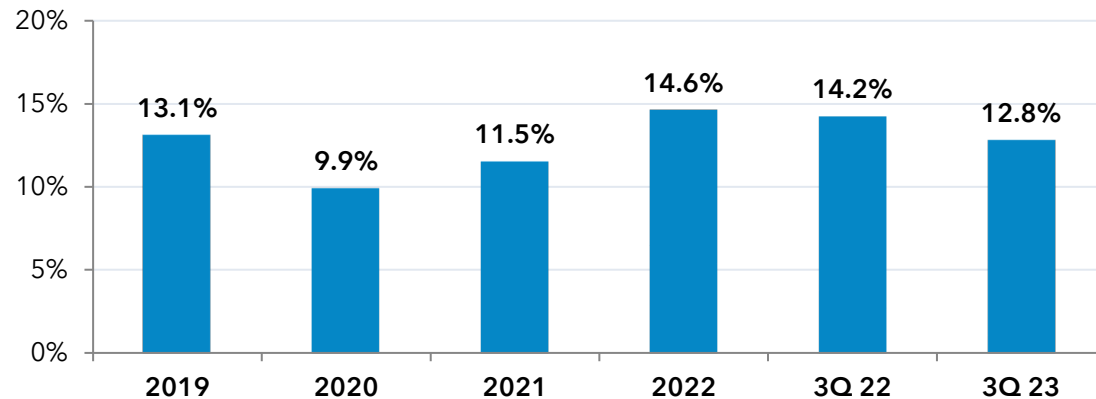
ICS Revenue Change



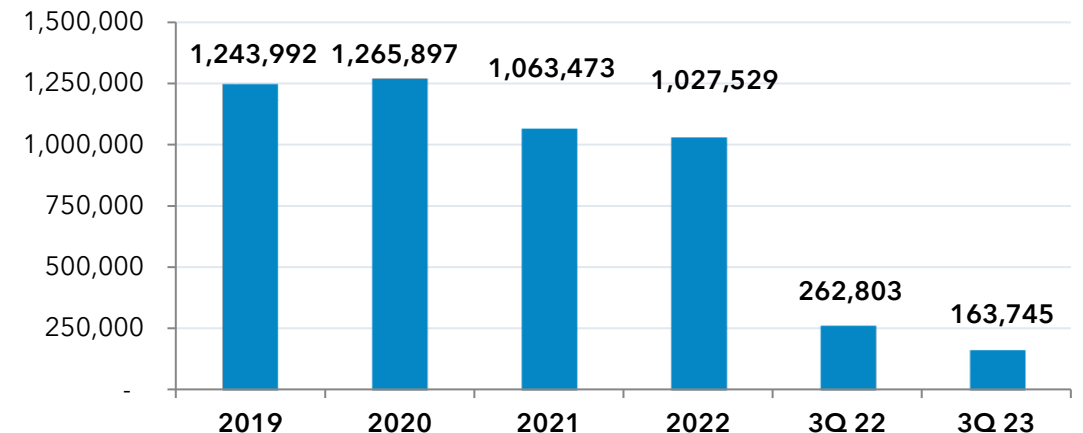
ICS Operating Income/(Loss) in millions



ICS Gross Profit Margin

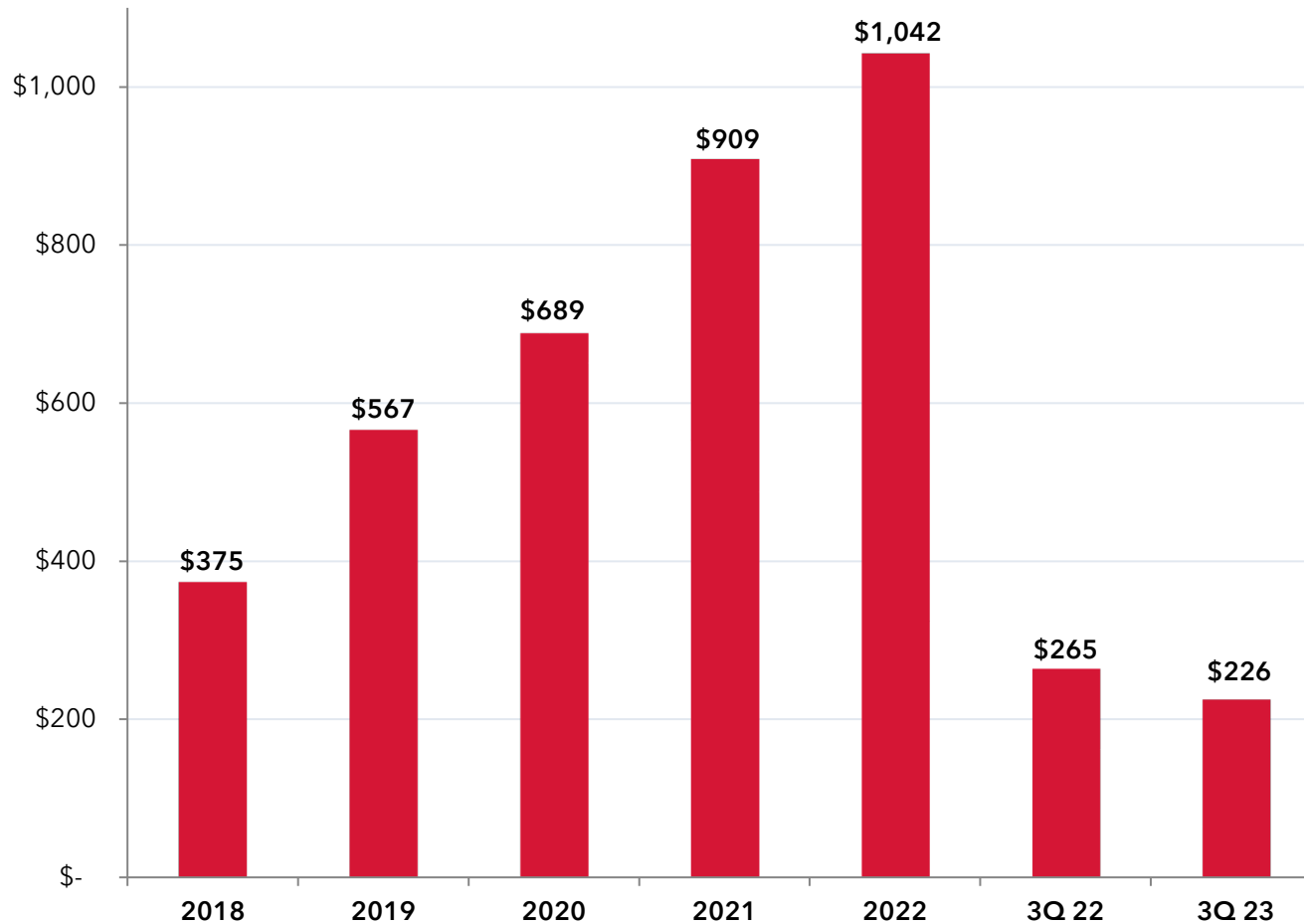


ICS Loads



Final Mile Services[®] (FMS)

FMS Revenue (in millions)

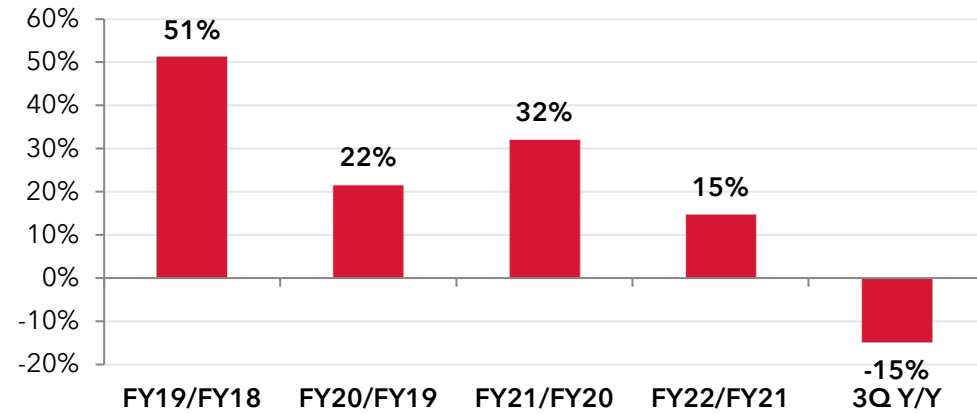


FMS revenue decreased 15% compared to the same period 2022 primarily driven by efforts over the last twelve months to improve revenue quality on the overall business portfolio and general weakness in demand across many of the end markets served. The decline in revenue was partially offset by multiple new customer contracts implemented over the trailing twelve months, as well as improved revenue quality at underperforming accounts.

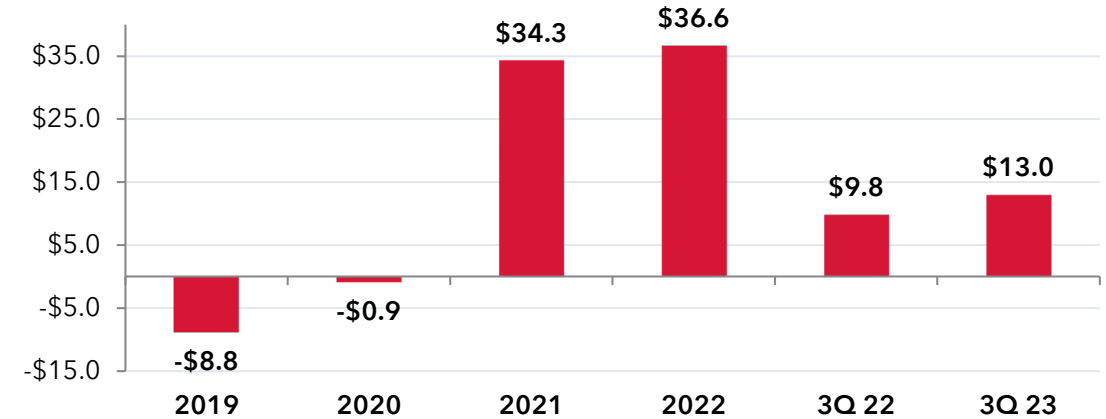
Operating income increased 33% compared to the prior-year period primarily from internal efforts to improve revenue quality and manage costs. Higher revenue quality was partially offset by higher equipment-related expenses, technology investments, and inflationary increases in facility rental expenses.

Final Mile Services[®] (FMS)

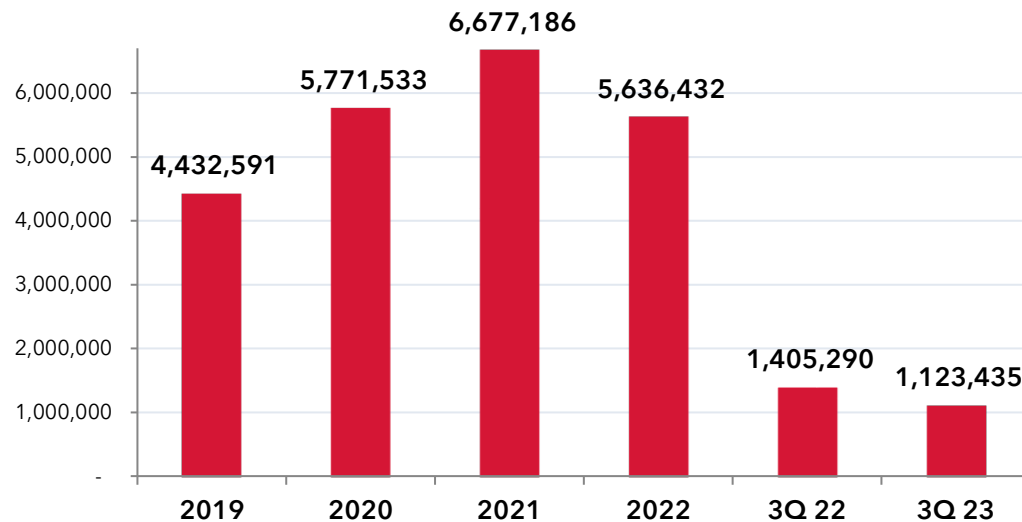
FMS Revenue Change



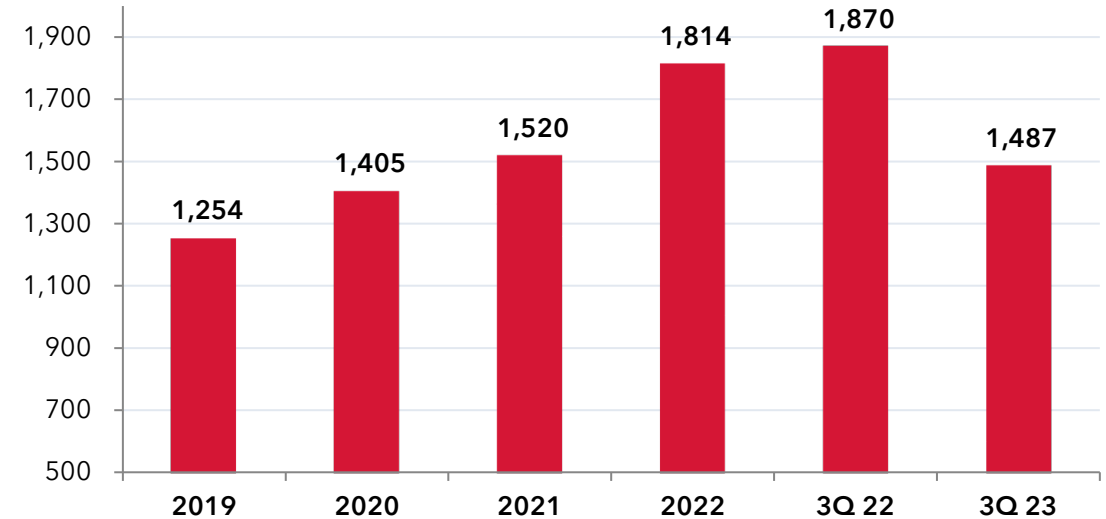
FMS Operating Income/(Loss) (in millions)



FMS Stops

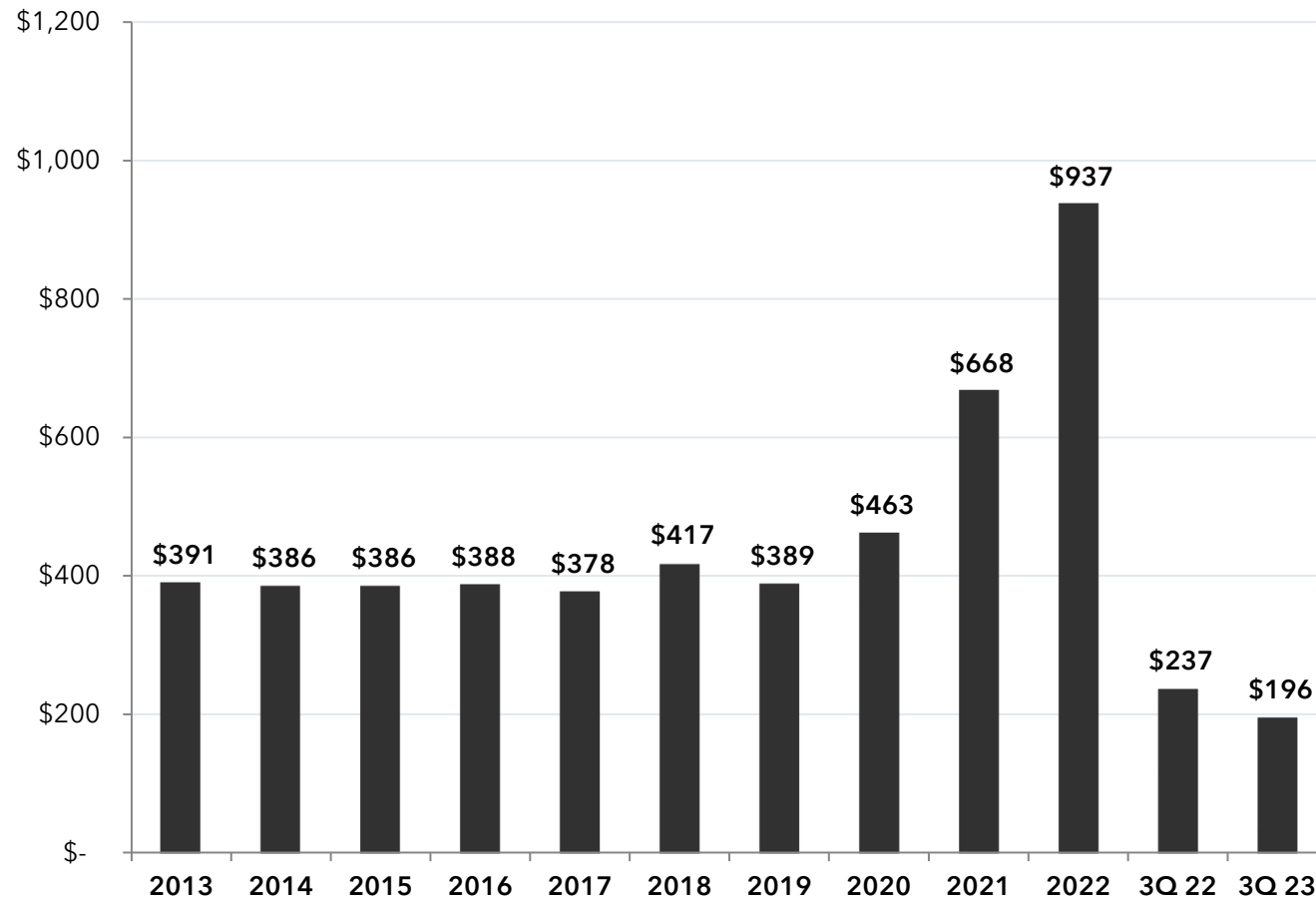


FMS Average Trucks



Truckload (JBT)

JBT Revenue (in millions)

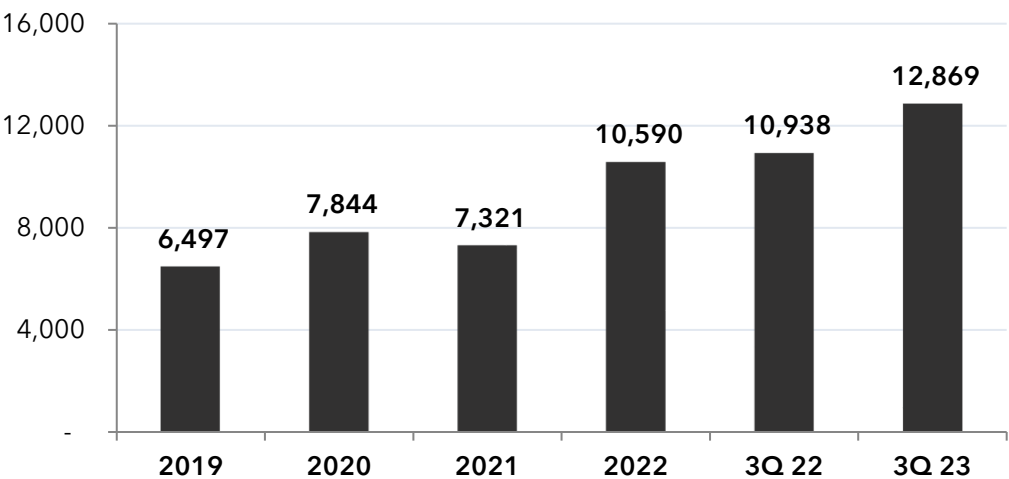


JBT segment gross revenue decreased 17% compared to the same period in the previous year. Segment gross revenue excluding fuel surcharge revenue decreased 18% primarily due to a 22% decline in segment gross revenue per load excluding fuel surcharge revenue, partially offset by a 6% increase in load volume. Total average effective trailer count increased by approximately 1,900 units, or 18% versus the prior-year period. Trailer turns in the quarter were down 9% from the prior-year period primarily due to freight mix and weaker overall freight demand as compared to the third quarter 2022.

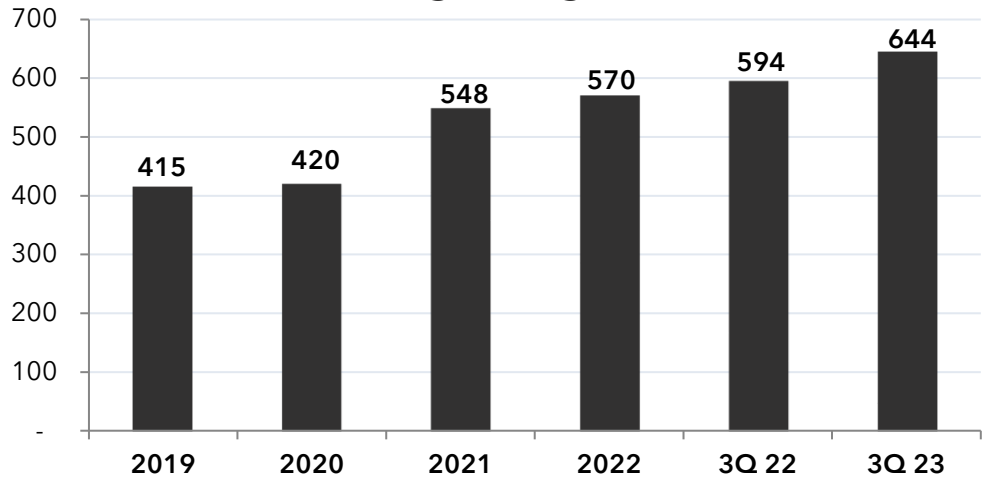
JBT segment operating income decreased 48% to \$7.7 million versus the third quarter 2022. The decline in segment operating income was primarily driven by a decline in segment revenue. JBT segment operating income as a percentage of segment gross revenue declined year-over-year due to higher purchased transportation expense, equipment-related and maintenance expense, insurance costs, and higher technology expense as a percentage of segment 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.

Truckload (JBT)

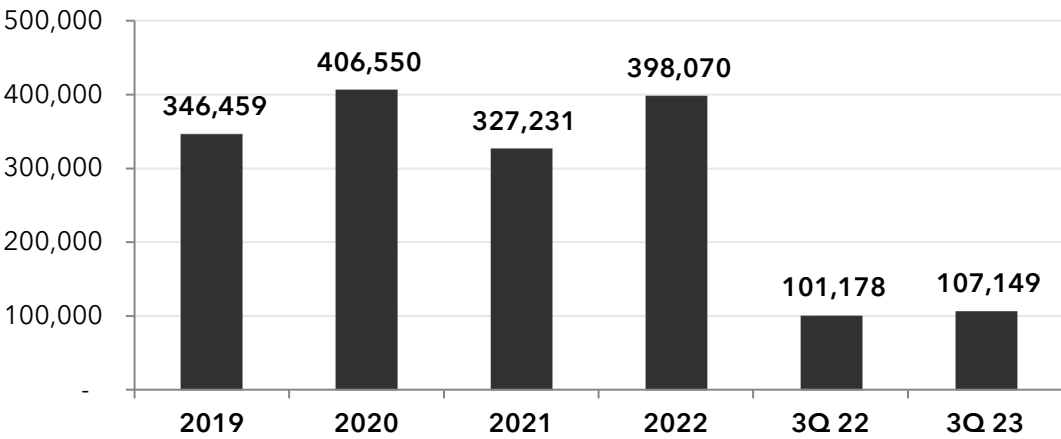
JBT Average Effective Trailing Equipment



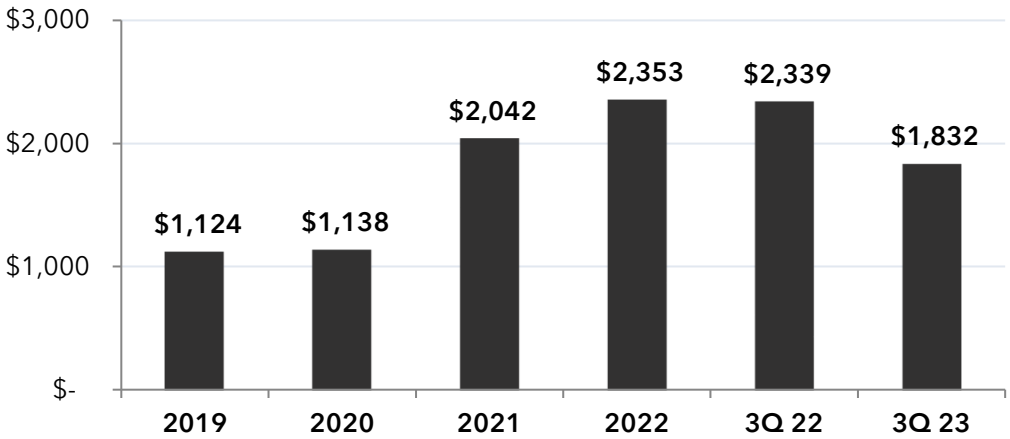
JBT Average Length of Haul



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)

	September 30, 2023	December 31, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 75,198	\$ 51,927
Accounts Receivable, net	1,369,974	1,528,075
Prepaid expenses and other	525,002	631,776
Total current assets	1,970,174	2,211,778
Property and equipment	8,660,207	7,999,480
Less accumulated depreciation	2,942,438	3,019,663
Net property and equipment	5,717,769	4,979,817
Other assets, net	685,027	594,987
	\$ 8,372,970	\$ 7,786,582
LIABILITIES & STOCKHOLDERS' EQUITY		
Current liabilities:		
Current debt	\$ 249,902	\$ -
Trade accounts payable	808,803	798,776
Claims accruals	480,963	452,149
Accrued payroll	98,438	188,252
Other accrued expenses	140,970	129,054
Total current liabilities	1,779,076	1,568,231
Long-term debt	1,195,708	1,261,738
Other long-term liabilities	393,564	369,314
Deferred income taxes	986,520	920,531
Stockholders' equity	4,018,102	3,666,768
	\$ 8,372,970	\$ 7,786,582



Thank You



People.
Technology.
Capacity.™

