



J.B. HUNT

Q2 2019 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

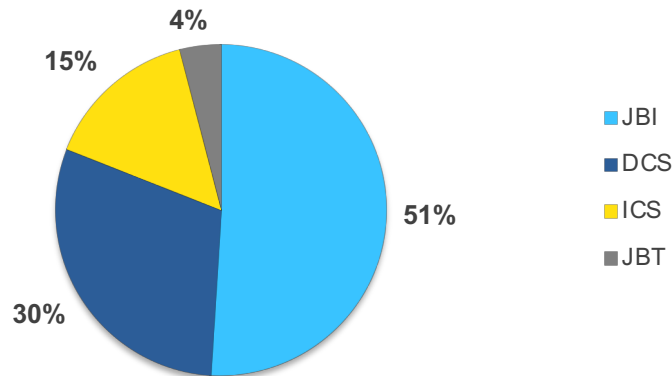
Integrated Capacity Solutions (ICS)

- 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

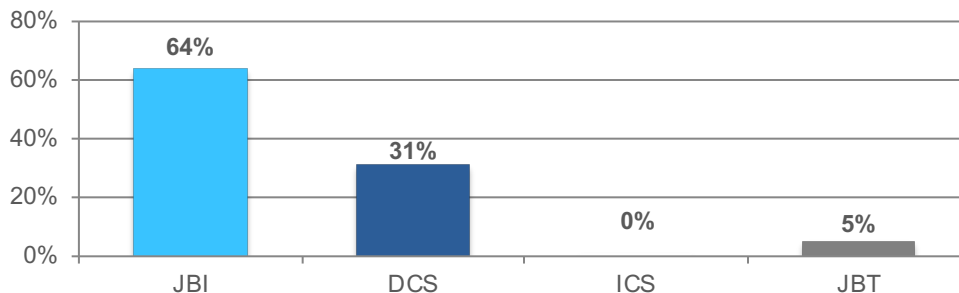
Truckload (JBT)

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

2Q 2019 Revenue Mix



Percentage of 2Q 2019 Operating Income by Business Segment



2Q 2019 RESULTS VS. 2Q 2018



OVERVIEW

2Q 2019 Revenue:

\$2.26 billion; up 6%

2Q 2019 Revenue, excl FSC:

\$2.0 billion; up 6.5%

2Q 2019 Operating Income:

\$193.1 million; down 10%

2Q 2019 EPS:

\$1.23 vs. \$1.37; down 10%

SEGMENT PERFORMANCE

Intermodal (JBI)

Revenue: \$1.15 billion; down 1%

Operating Income: \$124.4 million; down 7%

Dedicated Contract Services (DCS)

Revenue: \$680 million; up 28%

Operating Income: \$60.5 million; up 3%

Integrated Capacity Solutions (ICS)

Revenue: \$334 million; down 4%

Operating Loss: \$(0.6) million; down 104%

Truckload (JBT)

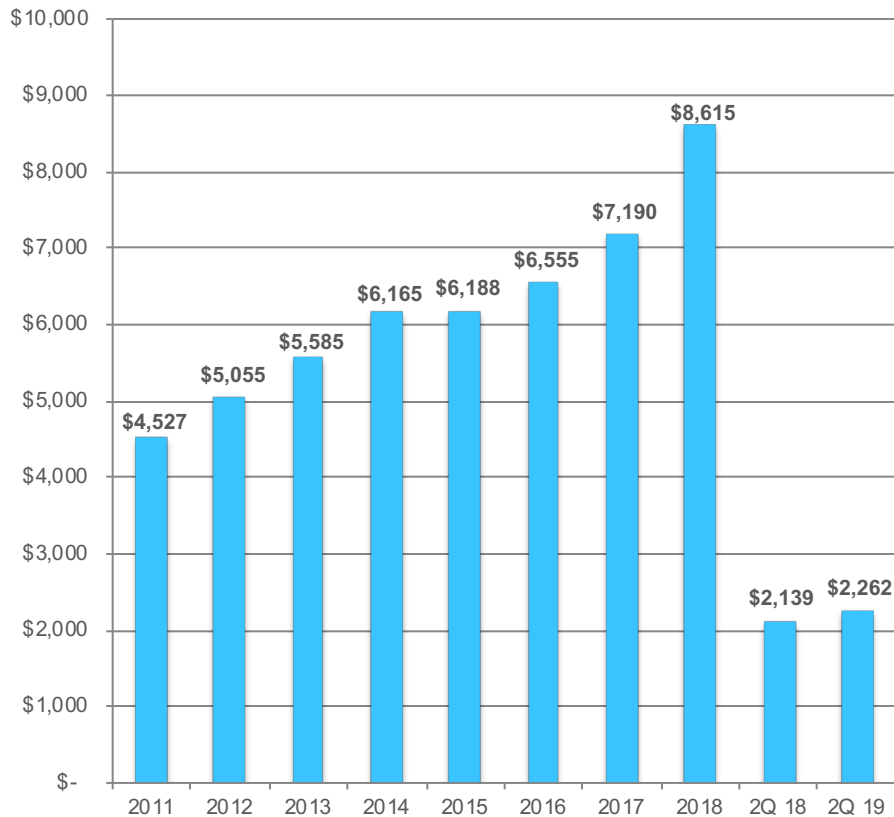
Revenue: \$99.6 million; down 2%

Operating Income: \$8.9 million; up 19%

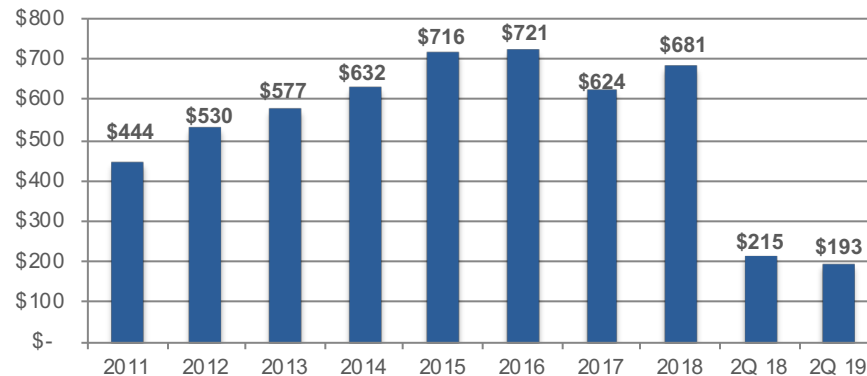
2Q RESULTS CONSOLIDATED



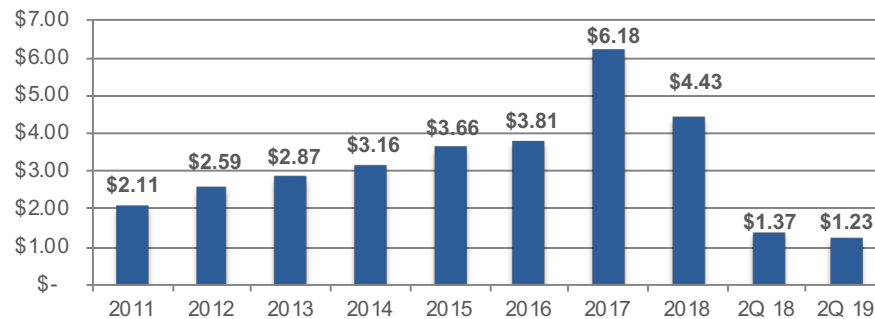
Revenue (in millions)



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

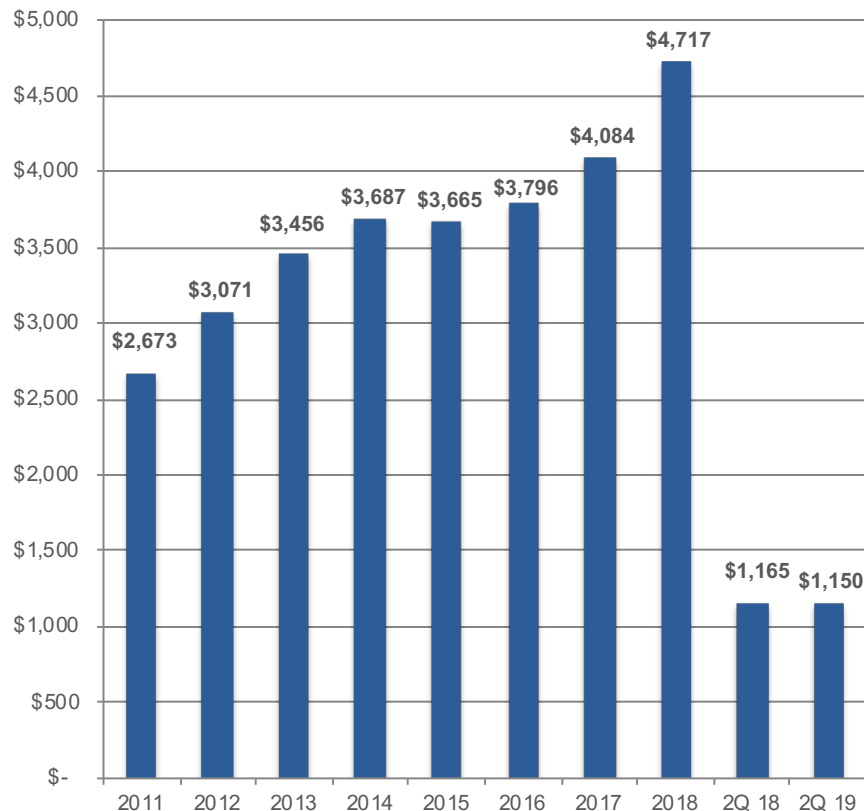
SEGMENT DISCUSSION



INTERMODAL (JBI)



JBI Revenue (in millions)



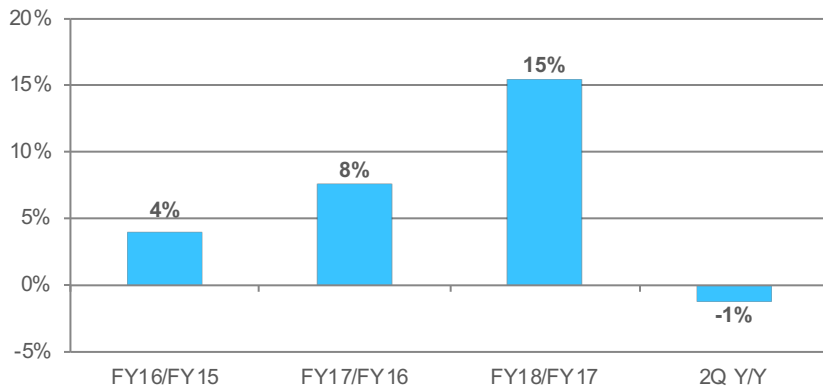
JBI load volumes declined 8% over the same period in 2018. Transcontinental loads decreased approximately 5% and Eastern network volumes declined 11% from second quarter 2018. A softer freight market limited the ability to offset rail network rationalization effects in the Eastern network though loads per workday trends improved throughout the quarter particularly in the Transcontinental network. Revenue decreased 1% reflecting the 8% volume decline and an approximate 7% increase in revenue per load, which is the combination of customer rate changes, fuel surcharges, and freight mix. Revenue per load excluding fuel surcharge revenue increased 8% from second quarter 2018.

Operating income decreased 7% from prior year. Benefits from customer rate increases were offset by the volume decline, higher rail purchased transportation costs, higher driver pay, retention and recruiting costs, increased technology modernization costs, and increased equipment and facilities ownership costs. The current period ended with approximately 96,700 units of trailing capacity and 5,640 power units assigned to the dray fleet.

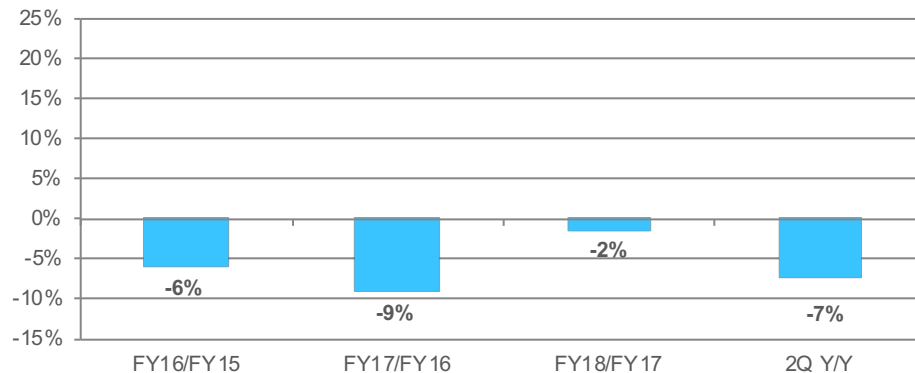
INTERMODAL (JBI) PERFORMANCE



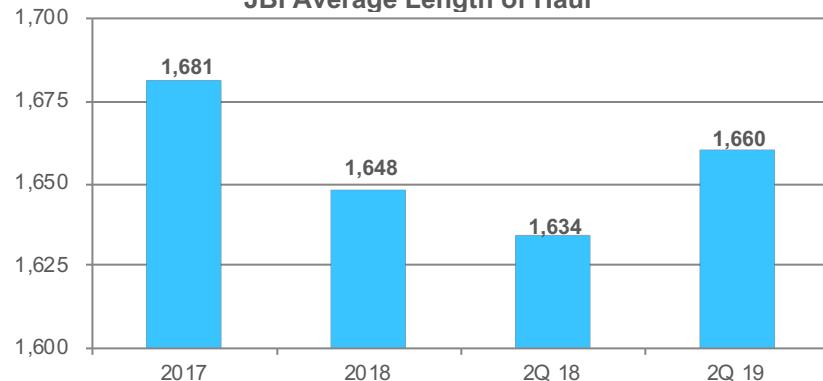
JBI Revenue Change



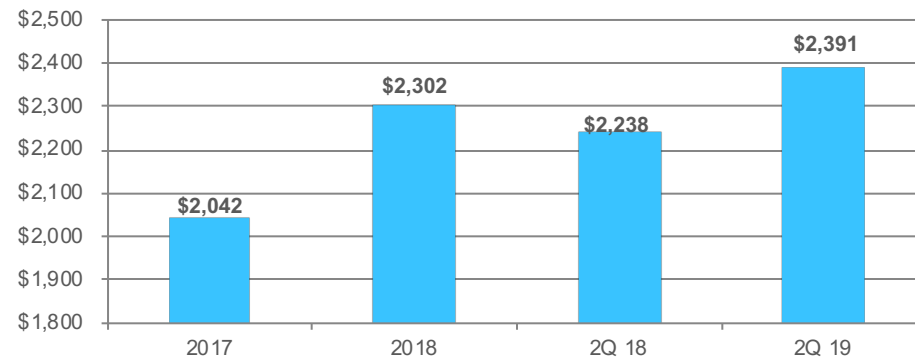
JBI Operating Income Change



JBI Average Length of Haul



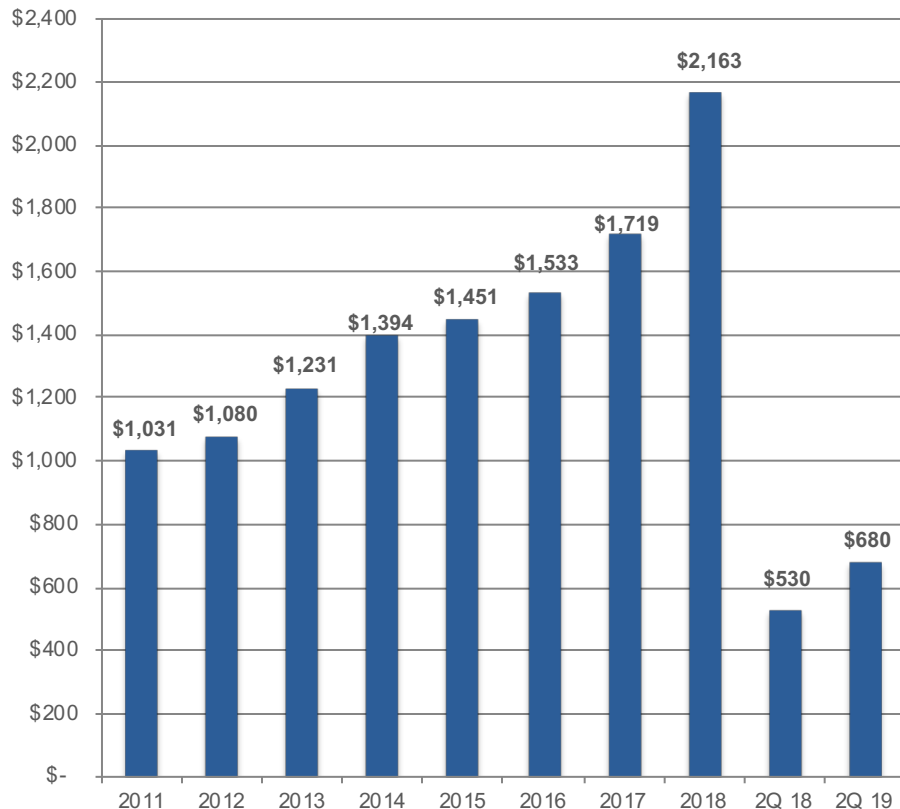
JBI Revenue per Load



DEDICATED (DCS)



DCS Revenue (in millions)



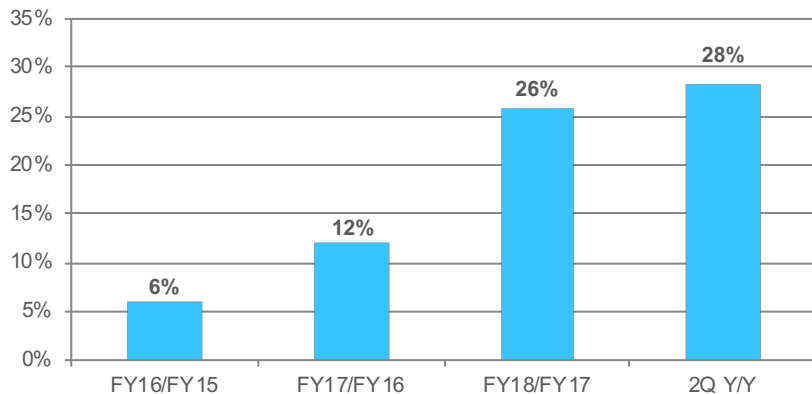
DCS revenue increased 28% during the current quarter over the same period in 2018. Productivity, defined as revenue per truck per week, increased approximately 8% vs. 2018. Productivity excluding fuel surcharges increased approximately 9% over a year ago primarily from customer rate increases, improved integration of assets between customer accounts, and increased customer supply chain fluidity. Included in the DCS revenue growth, Final Mile Services (FMS) recorded an increase in revenue of \$49 million (primarily from the February 2019 acquisition) compared to second quarter 2018. A net additional 1,755 revenue producing trucks, 259 net additions compared to first quarter 2019, were in the fleet by the end of the quarter compared to prior year. Approximately 44% of these additions represent private fleet conversions and 8% represent FMS versus traditional dedicated capacity fleets. Customer retention rates remain above 98%.

Operating income increased 3% over the prior year quarter. Benefits from increased productivity, additional trucks under contract, and a \$4.3 million reduction in salaries and wages accruals were partially offset by increased insurance and claims costs (primarily a \$20.0 million pre-tax charge to settle a Final Mile claim), increased technology and facilities costs in the expanding FMS network, increased driver wages and recruiting costs, and an incremental \$1.7 million in non-cash amortization expense attributable to the February 2019 acquisition compared to second quarter 2018.

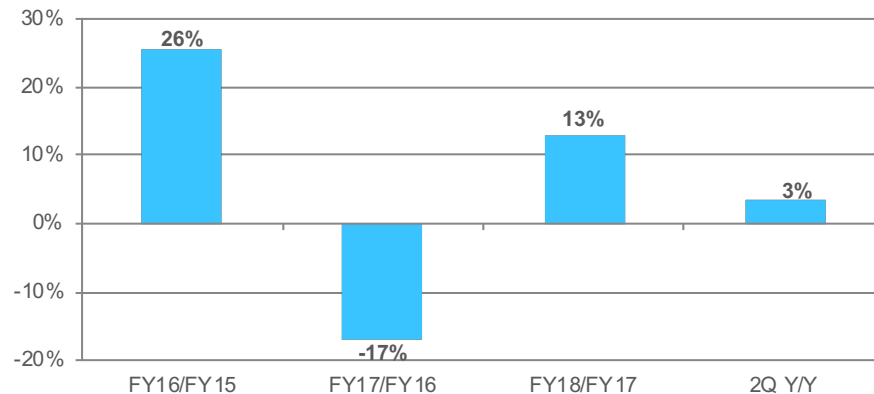
DEDICATED (DCS) PERFORMANCE



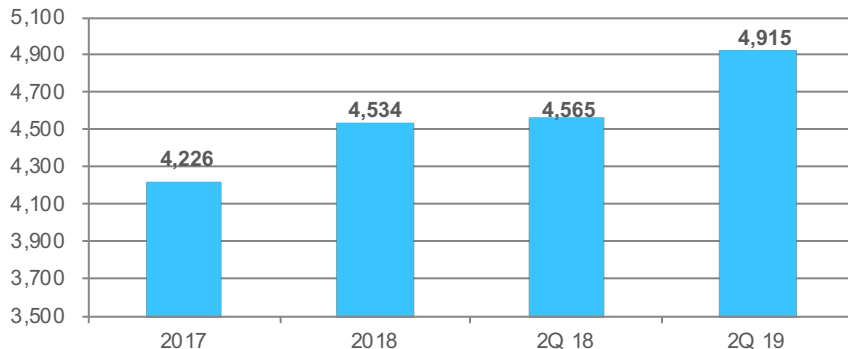
DCS Revenue Change



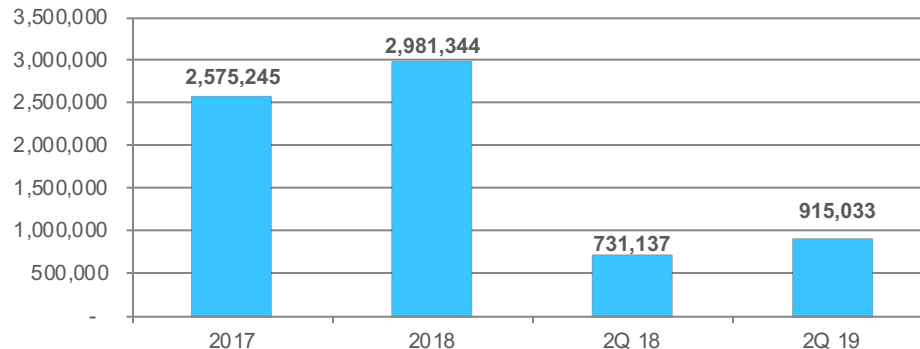
DCS Operating Income Change



DCS Revenue Per Truck Per Week



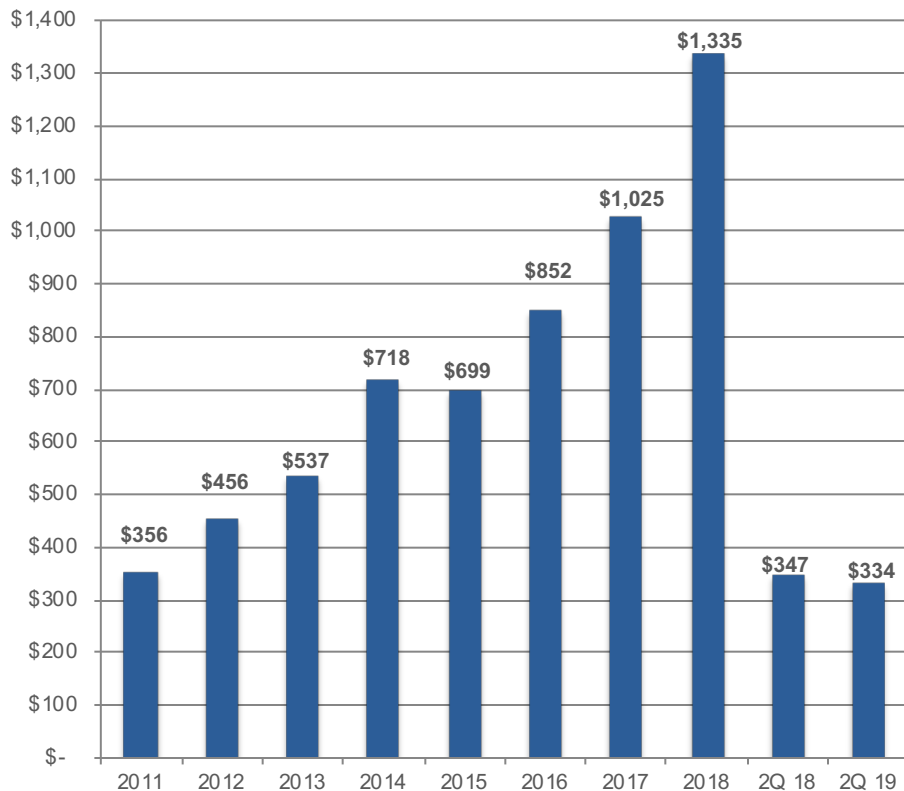
DCS Loads



INTEGRATED (ICS)



ICS Revenue (in millions)



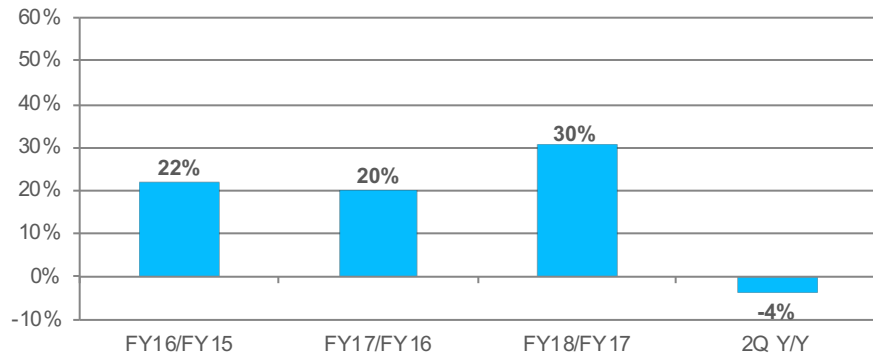
ICS revenue was down 4% compared to the second quarter 2018. Volumes decreased 7% while revenue per load increased approximately 4%, primarily due to customer freight mix. Higher contractual truckload volume was offset by a 33% decrease in less-than-truckload shipments and weaker spot market activity compared to second quarter 2018. Contractual volumes represented approximately 68% of total load volume and 55% of total revenue compared to 68% and 45%, respectively, in second quarter 2018. Of the total reported ICS revenue, \$222 million was executed through Marketplace for J.B. Hunt 360° compared to \$137 million in second quarter 2018.

Operating income decreased approximately 104% from the same period 2018 primarily from lower gross profit margin, higher personnel costs, increased digital marketing costs, and higher technology development costs as investments continue to be made to expand capacity and functionality of Marketplace for J.B. Hunt 360°. Gross profit margins decreased to 13.4% in the current quarter versus 14.8% in the same period last year due to weaker spot market activity and lower contractual rates on committed business. The carrier base increased 26% and the employee count increased 15% from a year ago.

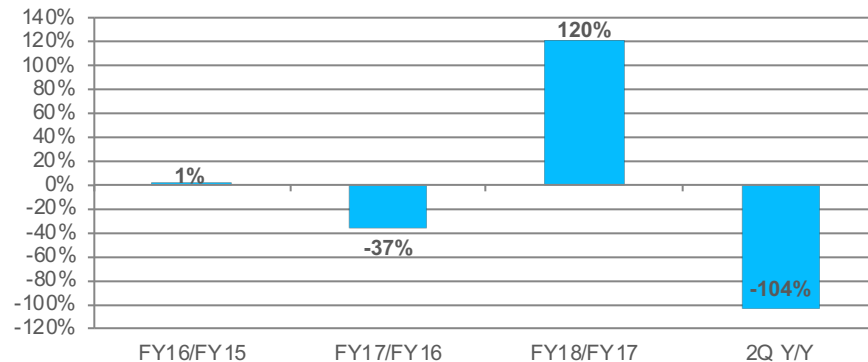
INTEGRATED (ICS) PERFORMANCE



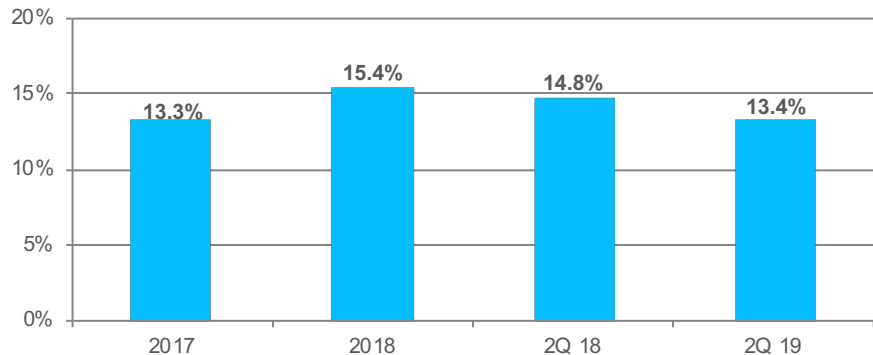
ICS Revenue Change



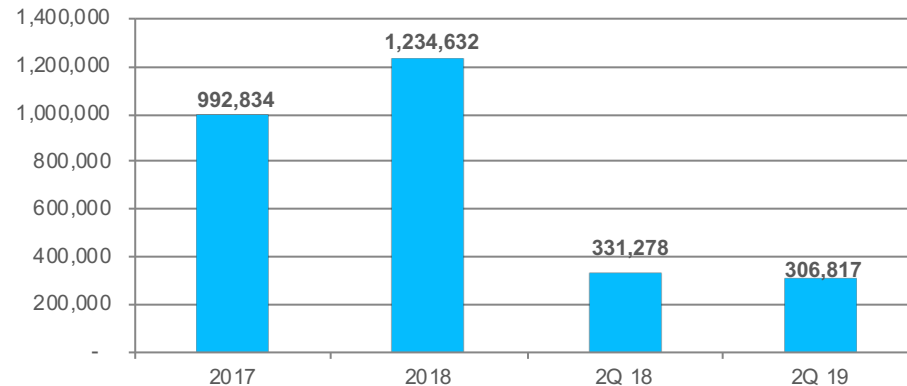
ICS Operating Income Change



ICS Gross Profit Margin



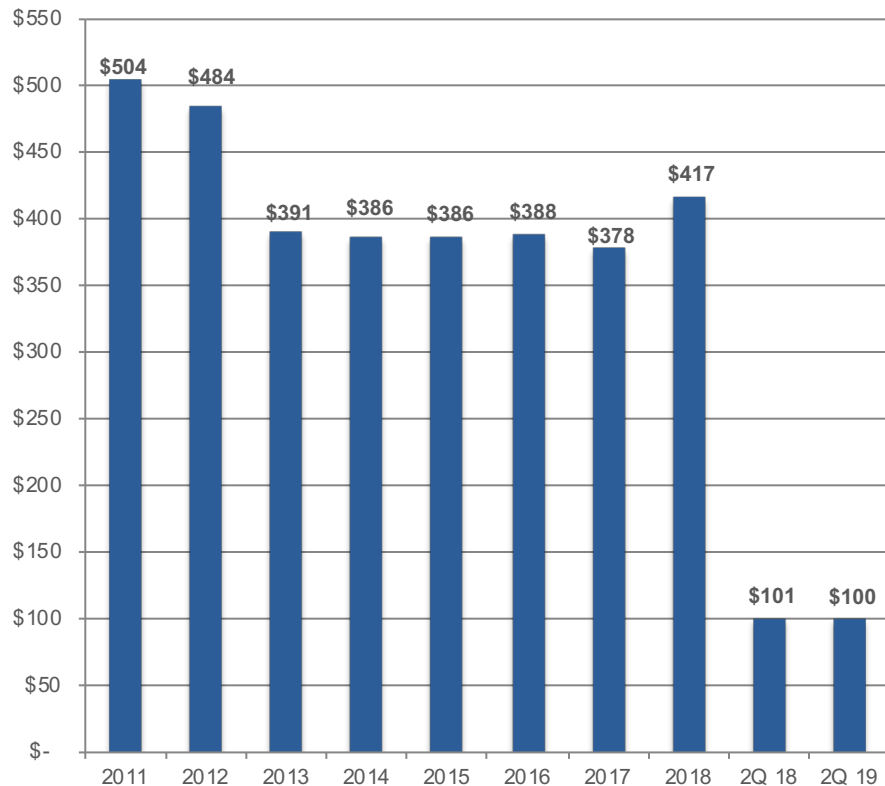
ICS Loads



TRUCKLOAD (JBT)



JBT Revenue (in millions)



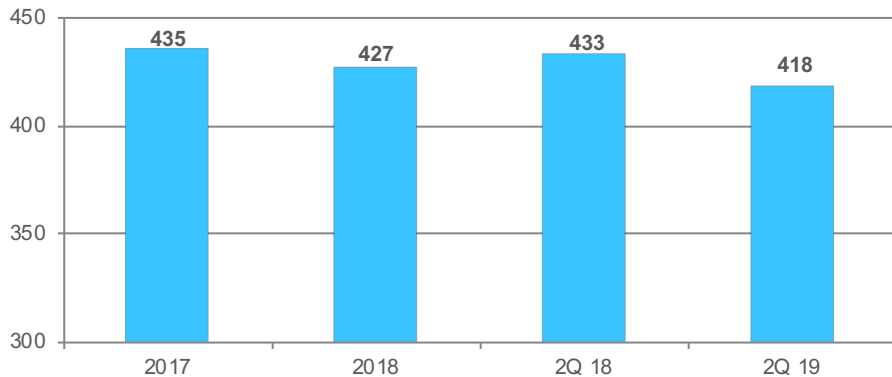
JBT revenue decreased 2% from the same period in 2018. Revenue excluding fuel surcharges was flat compared to second quarter 2018 on flat load count. Revenue per load excluding fuel surcharges was up approximately 1% from a 4% increase in rates per loaded mile and a 3% decrease in length of haul compared to the same period in 2018. At the end of the period, JBT operated 1,879 tractors compared to 1,976 a year ago.

Operating income increased 19% compared to the same quarter 2018. The benefits from lower equipment ownership costs and decreased non-driver personnel expense were partially offset by higher driver and independent contractor costs per mile compared to the second quarter 2018.

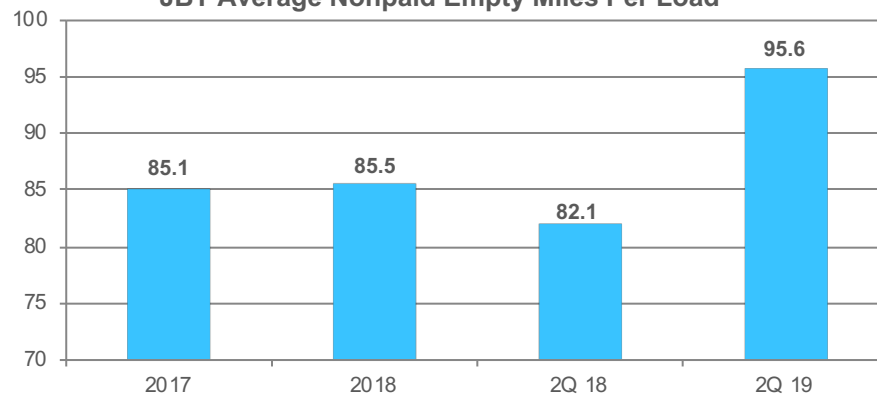
TRUCKLOAD (JBT) PERFORMANCE



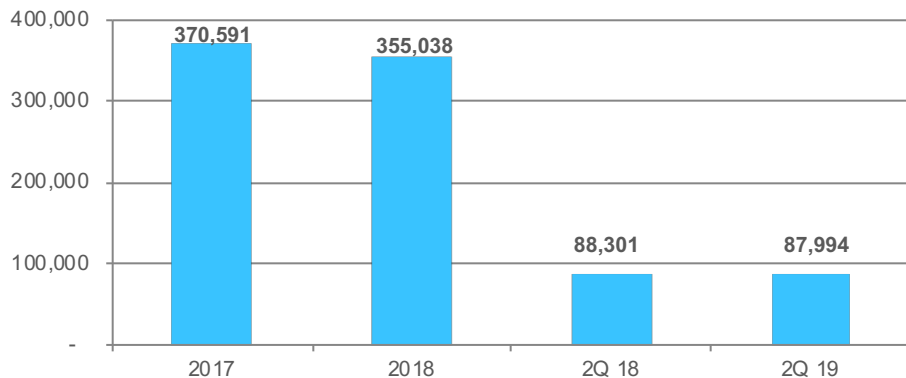
JBT Average Length of Haul



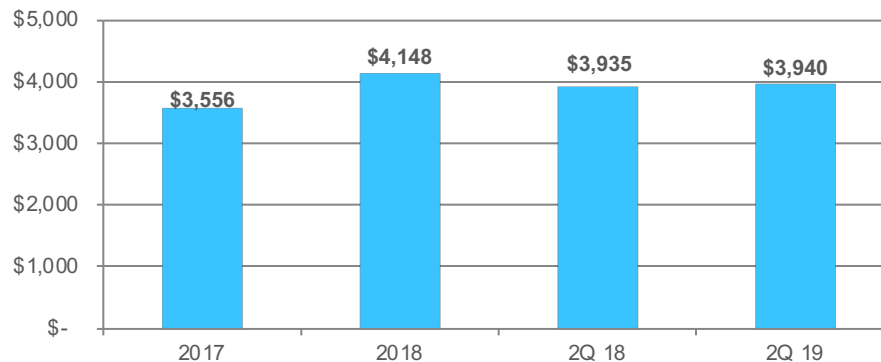
JBT Average Nonpaid Empty Miles Per Load



JBT Loads



JBT Revenue per Tractor per Week



SUMMARY



Intermodal



Dedicated
Contract Services



Integrated
Capacity Solutions



Truckload

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



June 30, 2019

December 31, 2018

ASSETS

Current assets:

Cash and cash equivalents	\$	6,875	\$	7,600
Accounts Receivable, net		1,040,153		1,051,698
Prepaid expenses and other, net		337,336		443,683

Total current assets		1,384,364		1,502,981
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Property and equipment		5,635,867		5,329,243
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Less accumulated depreciation		1,957,782		1,884,132
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Net property and equipment		3,678,085		3,445,111
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Other assets, net		358,290		143,555
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	\$	5,420,739	\$	5,091,647
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LIABILITIES & STOCKHOLDERS' EQUITY

Current liabilities:

Current debt	\$	-	\$	250,706
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Trade accounts payable		640,324		709,736
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Claims accruals		277,669		275,139
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Accrued payroll		59,282		80,922
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Other accrued expenses		84,247		35,845
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Total current liabilities		1,061,522		1,352,348
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Long-term debt		1,372,143		898,398
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Other long-term liabilities		175,656		96,056
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Deferred income taxes		676,062		643,461
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Stockholders' equity		2,135,356		2,101,384
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	\$	5,420,739	\$	5,091,647
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THANK YOU

