



J.B. HUNT

Q3 2018 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 AND COMPLEMENTARY BUSINESSES

3Q 2018 Revenue Mix

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)

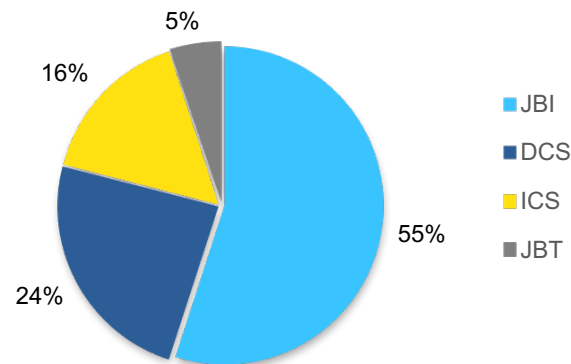
- Fleet creation, conversion, and augmentation
- Design & implementation of value-driven supply chain solutions
- On-site management

Integrated Capacity Solutions (ICS)

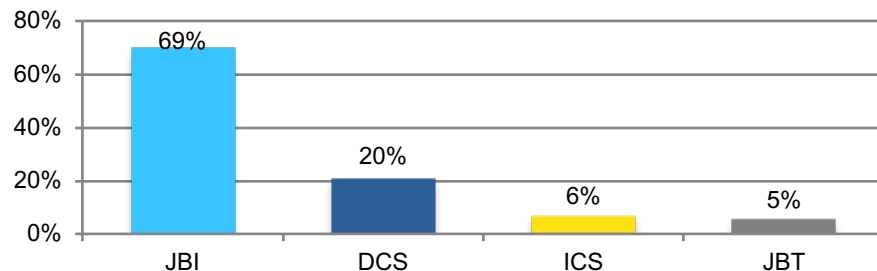
- Non-asset based offering of dry van, flatbed, refrigerated, expedited, and LTL services.
- 40- and 20-foot box domestic and international containers and international intermodal services
- Services to all 50 States, Canada, and Mexico

Truckload (JBT)

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



Percentage of 3Q 2018 Operating Income by Business Segment



3Q 2018 RESULTS VS. 3Q 2017

OVERVIEW

3Q 2018 Revenue:

\$2.21 billion; up 20%

3Q 2018 Revenue, excl FSC:

\$1.94 billion; up 17%

3Q 2018 Operating Income:

\$174.7 million; up 6%

3Q 2018 EPS:

\$1.19 vs. \$0.91; up 31%

SEGMENT PERFORMANCE

Intermodal (JBI)

Revenue: \$1.22 billion; up 16%

Operating Income: \$120.3 million; up 10%

Dedicated Contract Services (DCS)

Revenue: \$543 million; up 24%

Operating Income: \$35 million; down 18%

Integrated Capacity Solutions (ICS)

Revenue: \$346 million; up 28%

Operating Income: \$10.2 million, up 40%

Truckload (JBT)

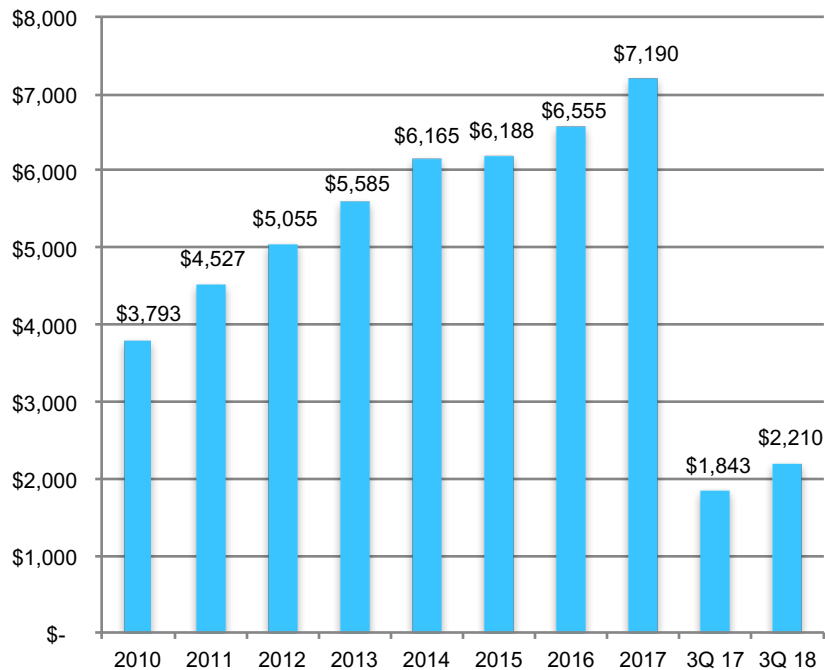
Revenue: \$106 million; up 14%

Operating Income: \$9.2 million; up 61%

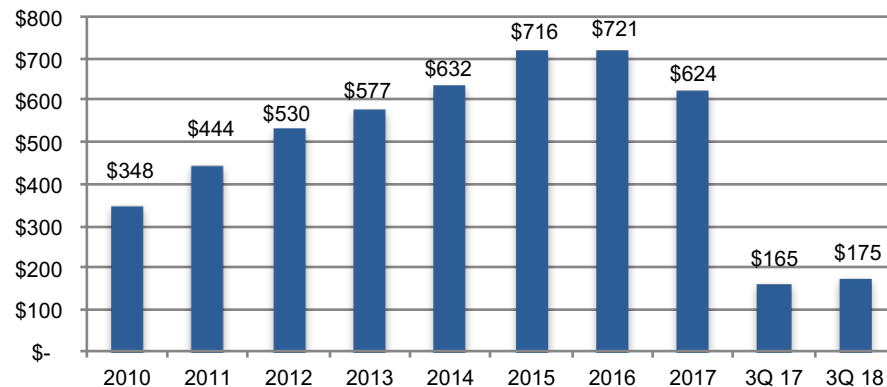


3Q 2018 RESULTS CONSOLIDATED

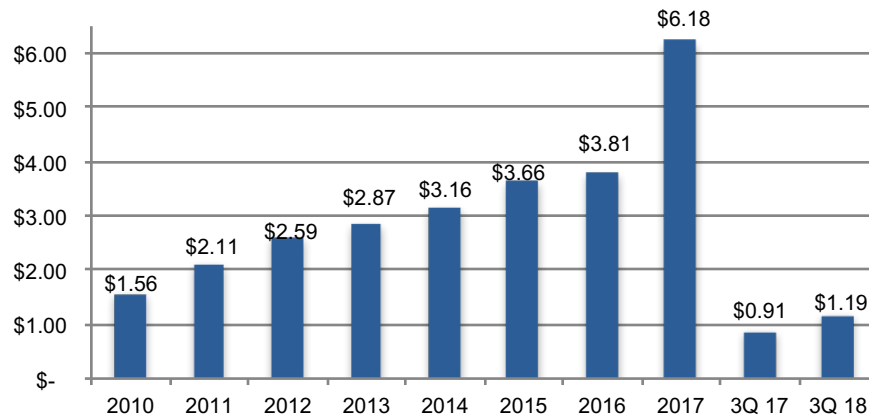
Revenue
(in millions)



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

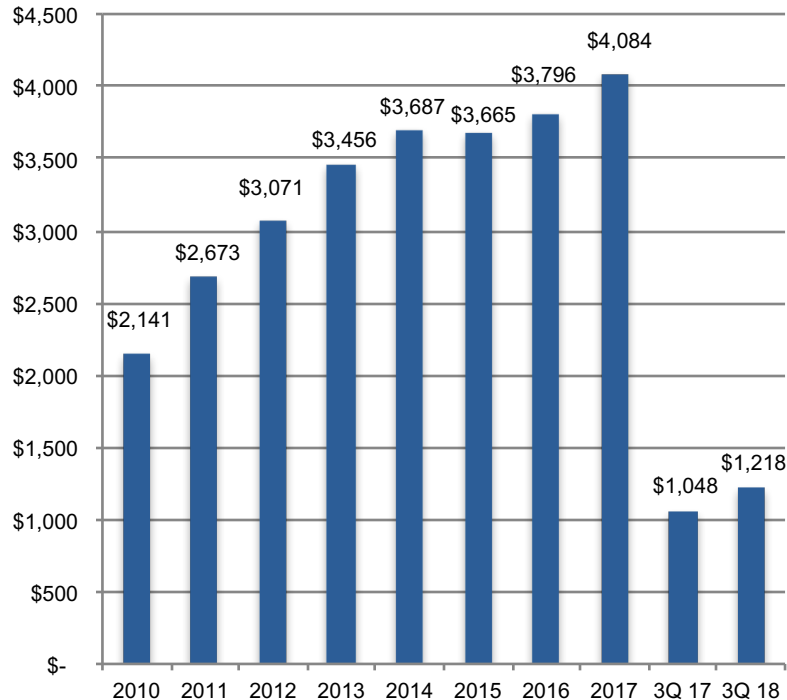


SEGMENT DISCUSSION



INTERMODAL (JBI)

**JBI Revenue
(in millions)**

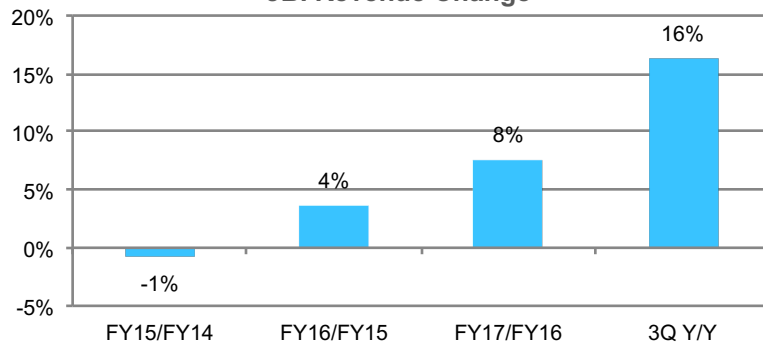


Overall volumes increased 1% over the same period in 2017. The Eastern network realized load growth of 9.5% while Transcontinental loads declined 5% compared to the third quarter 2017. The network disruption caused from five major derailments in our national intermodal network and the service disruption from hurricane Florence combined to limit our ability to handle approximately 4,000 loads in the current period. Revenue increased 16% reflecting the 1% volume growth and an approximate 15% increase in revenue per load, which is the combination of changes in customer rate, freight mix and fuel surcharges. Revenue per load excluding fuel surcharges increased approximately 12% compared to third quarter 2017.

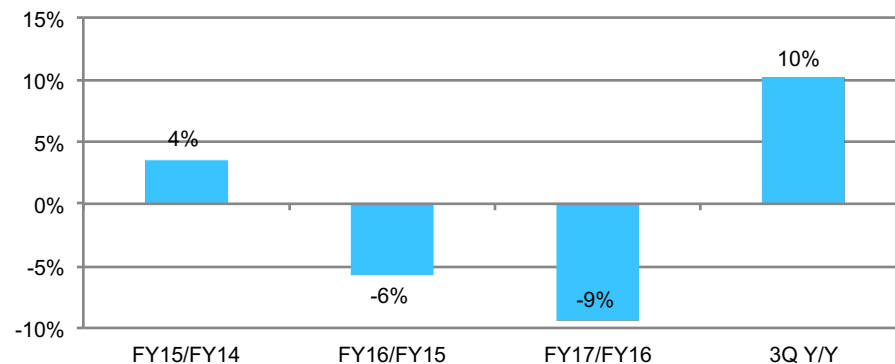
Operating income increased 10% over prior year. Benefits from customer rate increases were partially offset by increased costs to attract, place and retain drivers; increases in costs from inefficiencies due to rail congestion including additional third-party dray expense; \$18.3 million of the pre-announced increase in rail purchase transportation costs; \$8.6 million of the pre-announced charge to insurance and claims expense; and \$0.4 million of the pre-announced charge due to a customer bankruptcy. The current period ended with approximately 93,000 units of trailing capacity and 5,600 power units assigned to the dray fleet.

INTERMODAL (JBI) PERFORMANCE

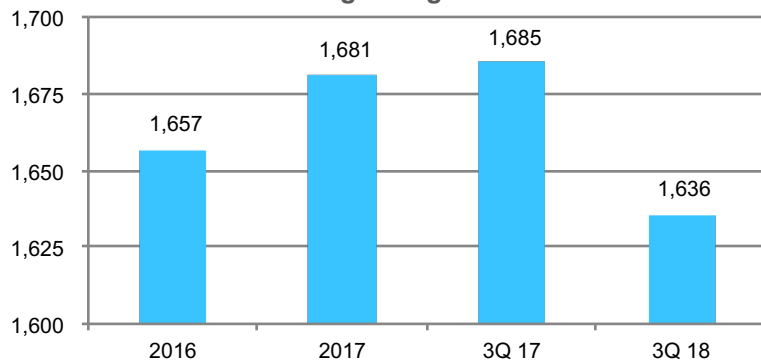
JBI Revenue Change



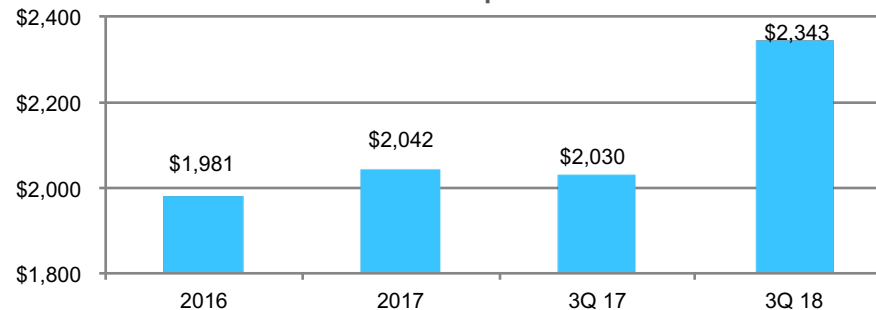
JBI Operating Income Change



JBI Average Length of Haul

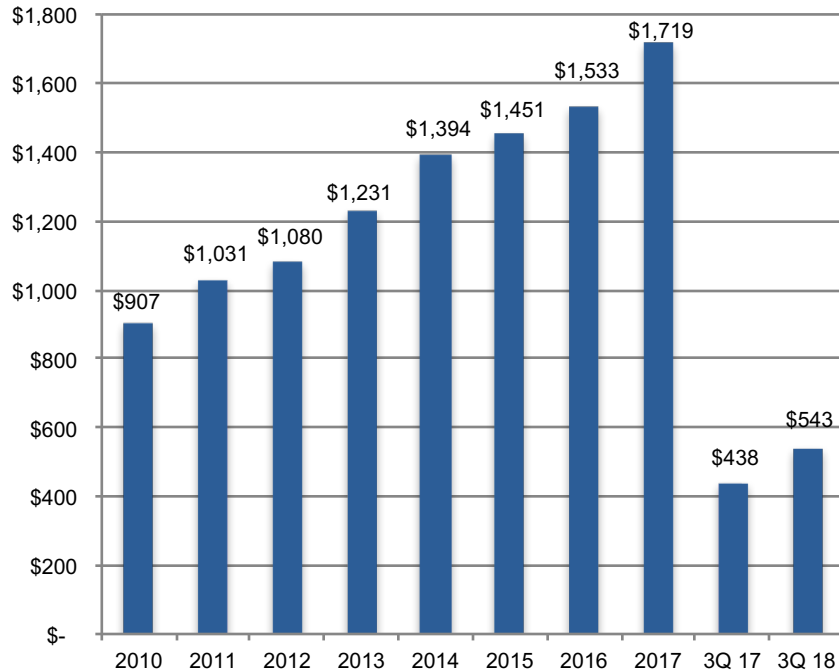


JBI Revenue per Load



DEDICATED (DCS)

DCS Revenue
(in millions)

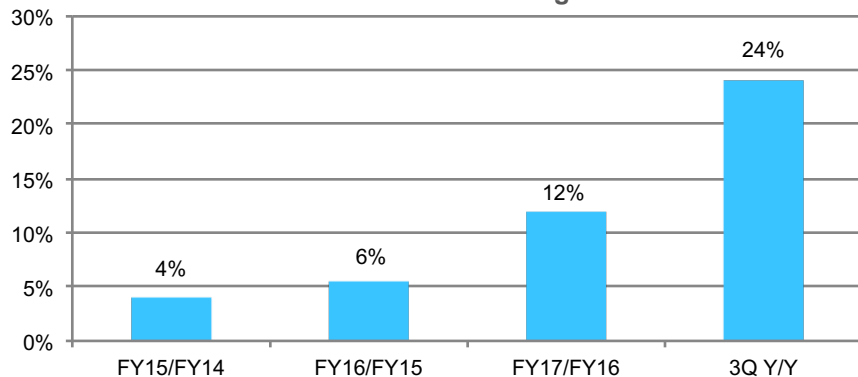


DCS revenue increased 24% during the current quarter over the same period in 2017. Productivity (revenue per truck per week) increased by approximately 7% vs. 2017. Productivity excluding fuel surcharge revenue increased approximately 4% from a year ago primarily from customer rate increases, improved 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 \$23 million (including approximately \$10.3 million from the July 2017 acquisition) compared to the third quarter 2017. A net additional 1,261 revenue producing trucks, 598 net additions sequentially from second quarter 2018, were in the fleet by the end of the quarter. Approximately 42% of these additions represent private fleet conversions and 5% represent FMS versus traditional dedicated capacity services. Customer retention rates remain above 98%.

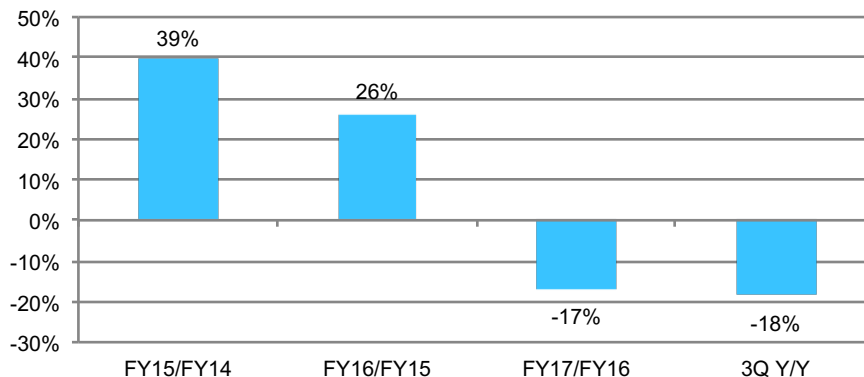
Operating income decreased by 18% from a year ago primarily from \$8.4 million of the pre-announced charge to insurance and claims costs, approximately \$4 million in implementation costs for new contracts in the early stages of operations, increased costs to expand the FMS network, increased driver wages and recruiting costs including the length of time to fill open trucks, and increased salaries and benefits costs.

DEDICATED (DCS) PERFORMANCE

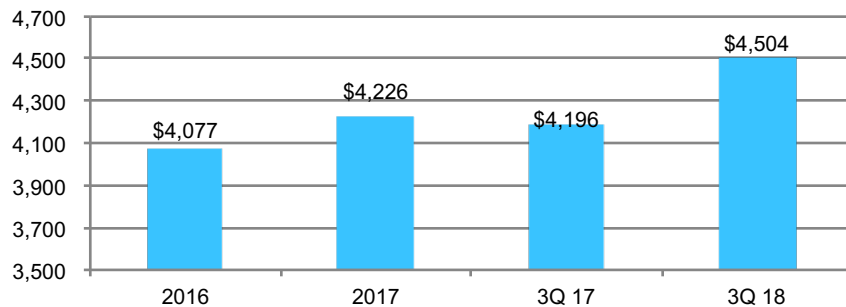
DCS Revenue Change



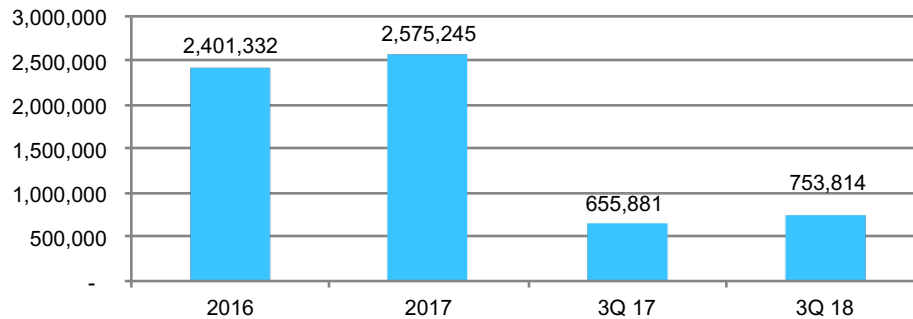
DCS Operating Income Change



DCS Revenue Per Truck Per Week

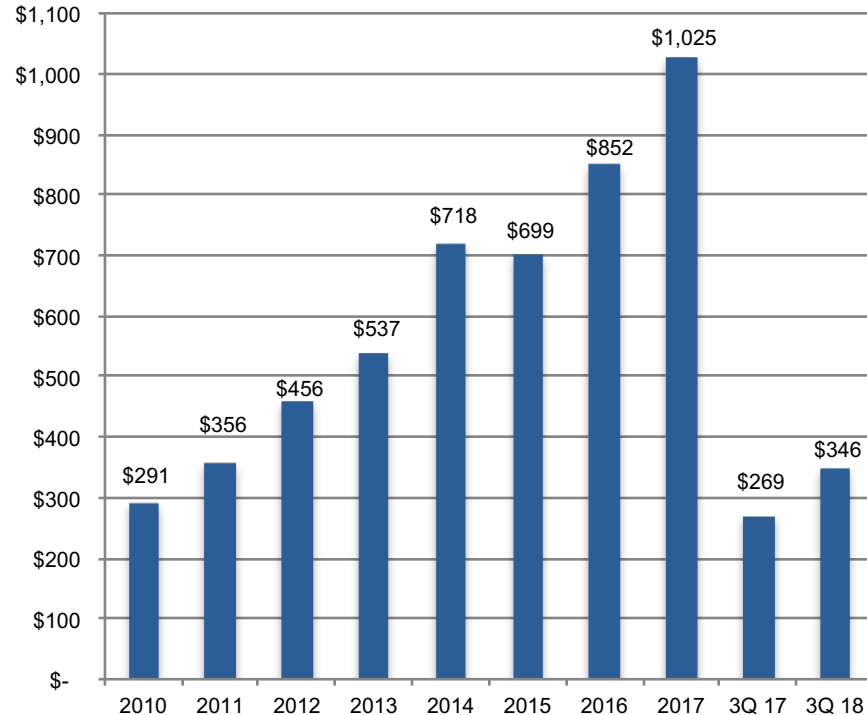


DCS Loads



INTEGRATED (ICS) NON-ASSET BASED

ICS Revenue
(in millions)

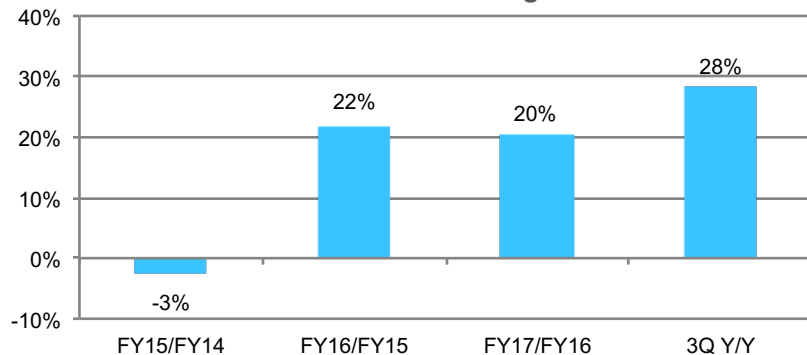


ICS revenue increased 28% in the current quarter vs. the third quarter 2017. Volumes increased 41% while revenue per load decreased approximately 9% primarily due to an increased mix of contractual less-than-truckload volume compared to third quarter 2017. Total contractual volumes represented approximately 72% of total load volume and 49% of total revenue in the current period compared to 65% and 48%, respectively, in the third quarter 2017. Of the total reported ICS revenue, approximately \$151 million was executed through the Marketplace for J.B. Hunt 360 compared to \$137 million in the second quarter 2018.

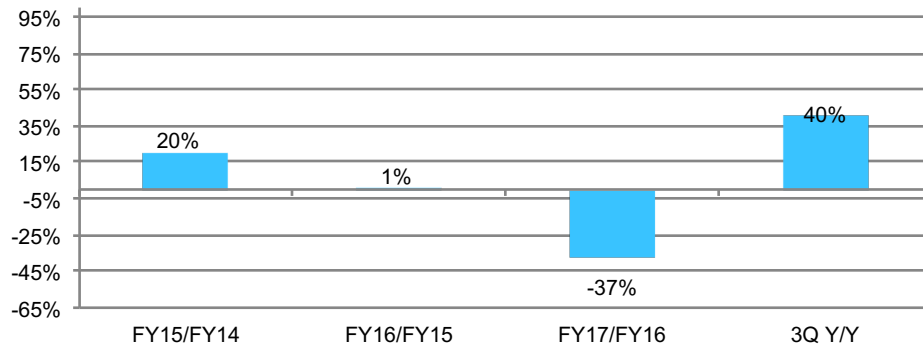
Operating income increased 40% over the same period 2017 primarily from a higher gross profit margin percentage and improved operating leverage in branches open more than two years. Gross profit margin increased to 15.5% in the current quarter vs. 12.8% compared to the prior year. Improvements in gross profit margins were partially offset by \$2.2 million of the pre-announced charge due to a customer bankruptcy and approximately \$0.8 million of the pre-announced charge in insurance and claims costs, higher personnel costs, and increased technology development costs as the Marketplace for J.B. Hunt 360 continues growth and adds additional functionality. Total location count decreased to 43 in the current period from 44 in 2017 as two locations were consolidated. ICS carrier base increased 26% and the employee count increased 26% vs. third quarter 2017.

INTEGRATED (ICS) PERFORMANCE

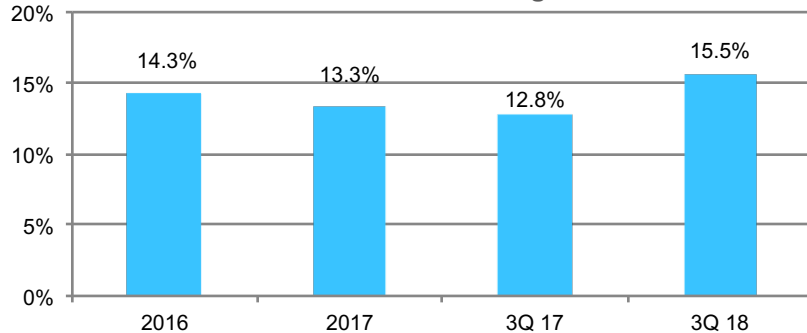
ICS Revenue Change



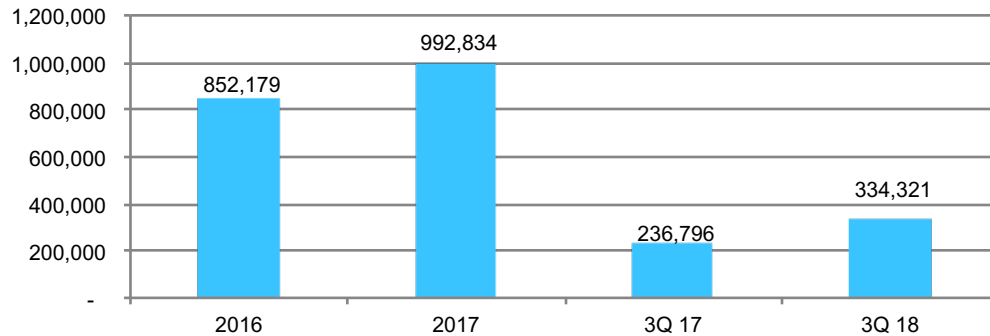
ICS Operating Income Change



ICS Gross Profit Margin

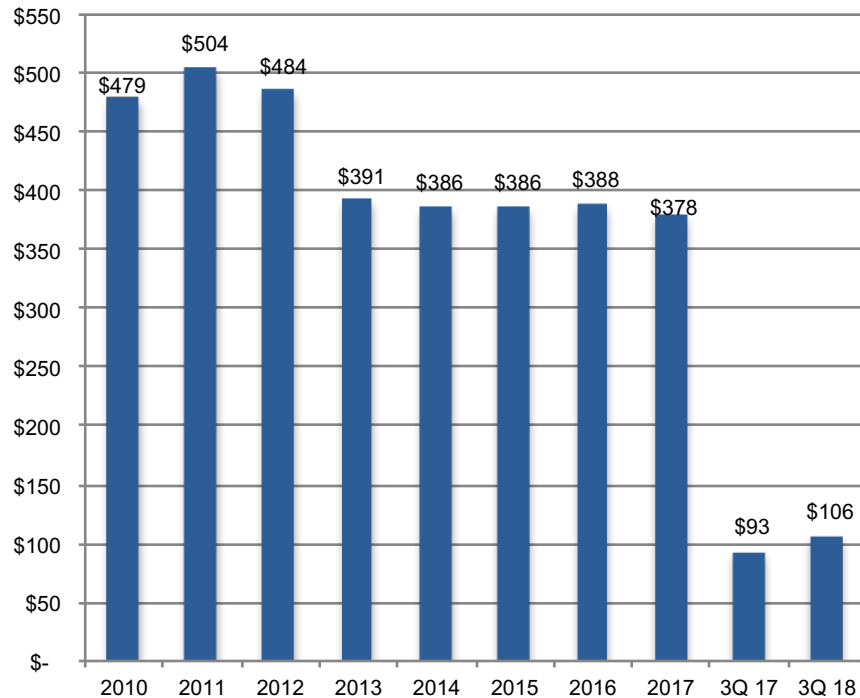


ICS Loads



TRUCKLOAD (JBT)

JBT Revenue
(in millions)

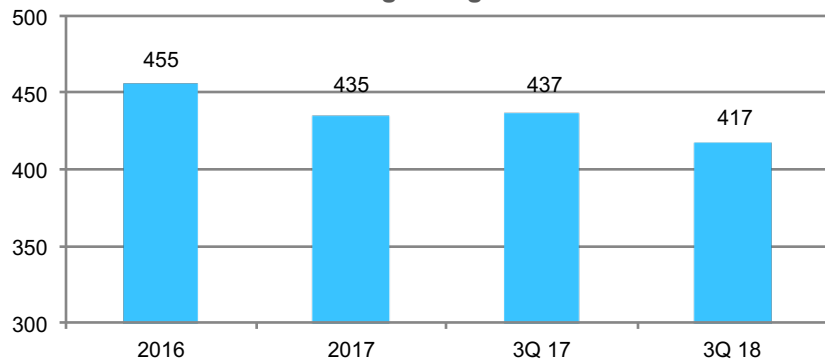


JBT revenue increased 14% from the same period in 2017. Revenue excluding fuel surcharge increased approximately 13%, primarily from a 19% increase in rates per loaded mile offset by a 5% decrease in length of haul compared to a year ago. Comparable contractual customer rates increased approximately 13% compared to the same period in 2017. At the end of the period, JBT operated 1,972 tractors compared to 2,040 a year ago.

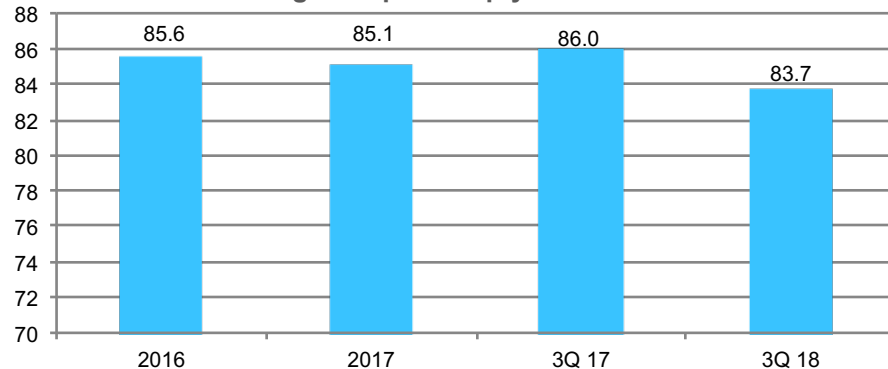
Operating income increased 61% compared to third quarter 2017. Favorable changes from higher rates per loaded mile and lower equipment ownership costs were partially offset by \$0.3 million of the pre-announced charge to insurance and claims expense, increased driver wages and independent contractor costs per mile, and higher driver and independent contractor recruiting costs compared to third quarter 2017.

TRUCKLOAD (JBT) PERFORMANCE

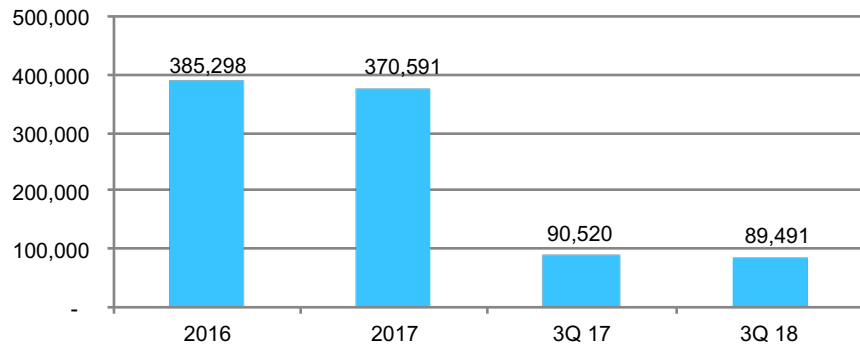
JBT Average Length of Haul



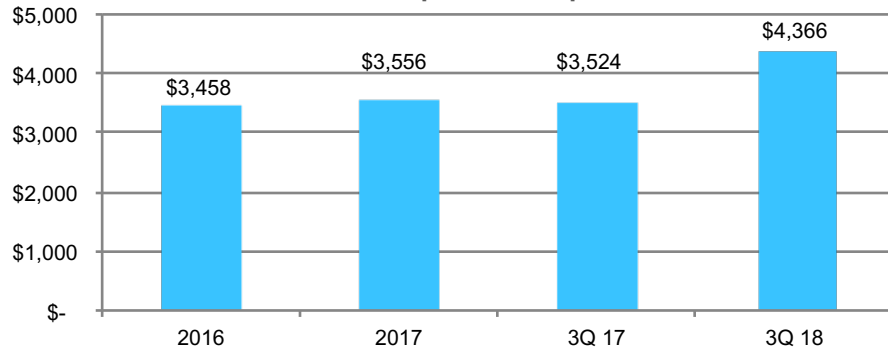
JBT Average Nonpaid Empty Miles Per Load



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

	September 30, 2018	December 31, 2017
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 7,587	\$ 14,612
Accounts receivable	1,095,638	920,767
Prepaid expenses and other	239,257	403,349
Total current assets	1,342,482	1,338,728
Property and equipment	5,064,126	4,670,464
Less accumulated depreciation	1,822,619	1,687,133
Net property and equipment	3,241,507	2,983,331
Other assets	137,682	143,290
	\$ 4,721,671	\$ 4,465,349
LIABILITIES & STOCKHOLDERS' EQUITY		
Current liabilities:		
Current debt	\$ 248,680	\$ -
Trade accounts payable	569,453	598,594
Claims accruals	279,136	251,980
Accrued payroll	74,802	42,382
Other accrued expenses	40,589	28,888
Total current liabilities	1,212,660	921,844
Long-term debt	820,864	1,085,649
Other long-term liabilities	89,141	76,661
Deferred income taxes	518,428	541,870
Stockholders' equity	2,080,578	1,839,325
	\$ 4,721,671	\$ 4,465,349



THANK YOU

