



J.B. HUNT

Q4 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

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

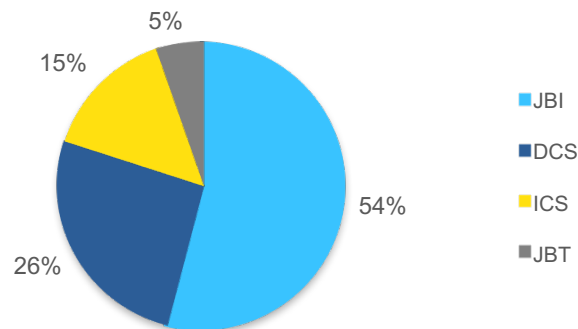
Integrated Capacity Solutions (ICS)

- 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

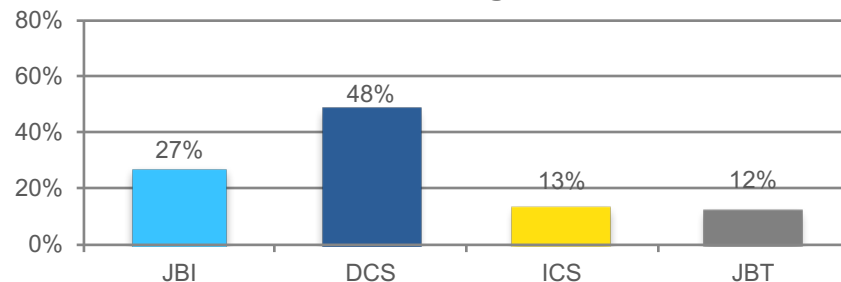
Truckload (JBT)

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

4Q 2018 Revenue Mix



Percentage of 4Q 2018 Operating Income by Business Segment



4Q 2018 RESULTS VS. 4Q 2017

OVERVIEW

4Q 2018 Revenue:

\$2.32 billion; up 16%

4Q 2018 Revenue, excl FSC:

\$2.03 billion; up 15%

4Q 2018 Operating Income:

\$123 million; down 16%

4Q 2018 EPS:

\$0.81 vs. \$3.48; down 77%

SEGMENT PERFORMANCE

Intermodal (JBI)

Revenue: \$1.26 billion; up 15%

Operating Income: \$32.4 million; down 65%

Dedicated Contract Services (DCS)

Revenue: \$596 million; up 25%

Operating Income: \$59.4 million; up 70%

Integrated Capacity Solutions (ICS)

Revenue: \$345 million; up 7%

Operating Income: \$16.1 million; up 43%

Truckload (JBT)

Revenue: \$118 million; up 21%

Operating Income: \$14.7 million; up 131%

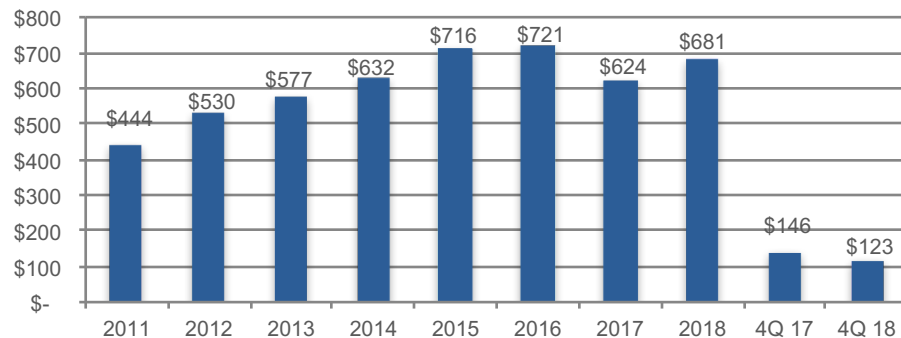


4Q 2018 RESULTS CONSOLIDATED

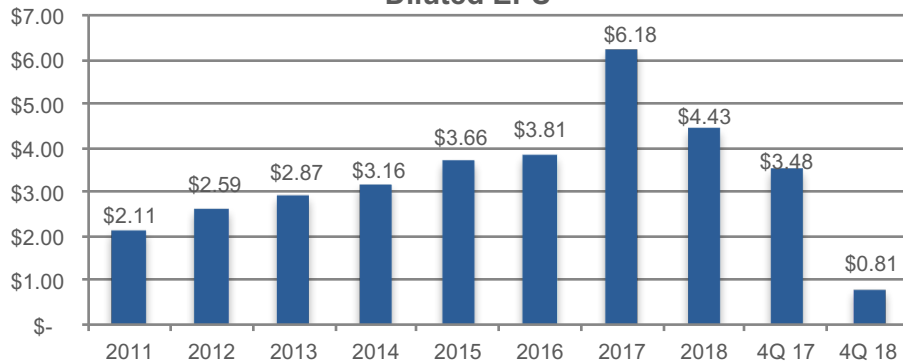
Revenue
(in millions)



Operating Income
(in millions)



Diluted EPS



KEY POINTS



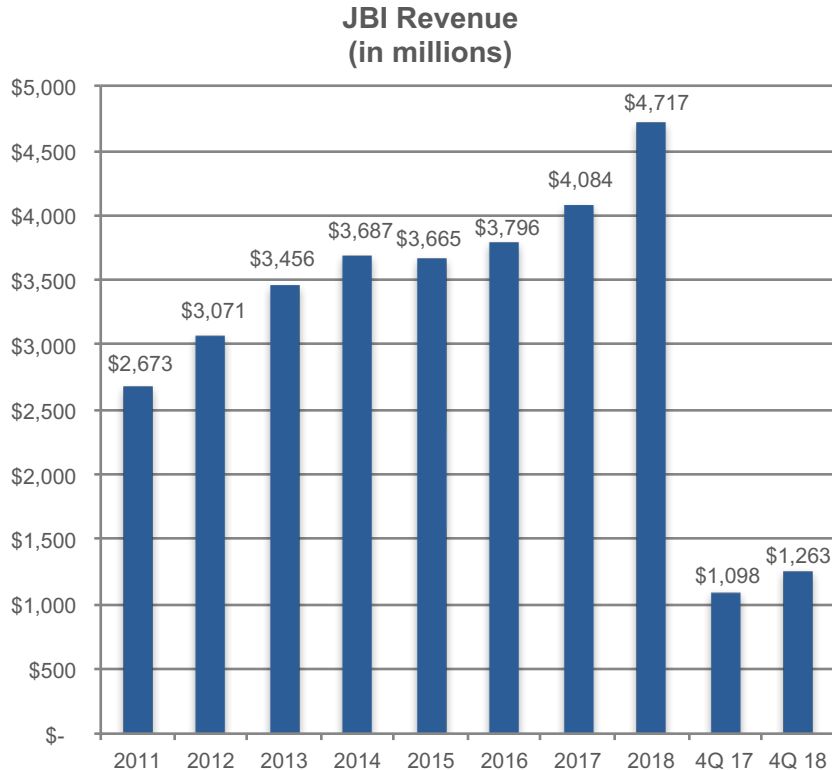
- Industry leading Intermodal franchise
- Differentiated and specialized Dedicated business
- Independent brokerage/management services
- Lighter Truckload asset model



SEGMENT DISCUSSION



INTERMODAL (JBI)

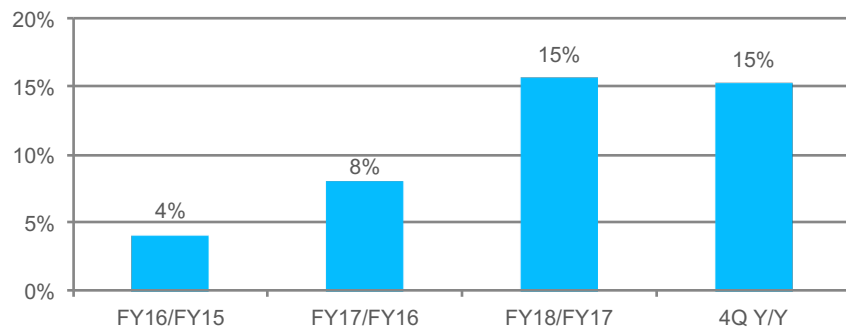


JBI total volumes declined 1% over the same period in 2017. Eastern network loads grew at 5% and transcontinental loads decreased 4% compared to the fourth quarter 2017. Revenue increased 15%, reflecting a 16% increase in revenue per load, the combination of freight mix, customer rate increases, and fuel surcharges, offset by the 1% decline in volume. Revenue per load excluding fuel surcharges increased approximately 15% compared to a year ago.

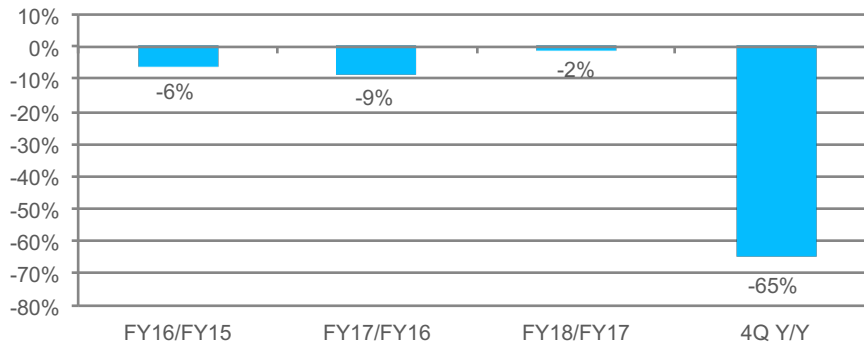
Operating income decreased 65% from the prior year. Benefits from customer rate increases were offset by the \$134 million pre-announced charges for contingent liabilities related to the ongoing arbitration, increased costs to attract and retain drivers, higher third-party dray costs, and increased costs due to inefficiencies in the rail networks due to congestion and service delays. In fourth quarter 2017, JBI recorded \$28.7 million in charges from reserve increases on certain receivables and insurance claims. The current period ended with approximately 94,900 units of trailing capacity and approximately 5,650 power units in the dray fleet.

INTERMODAL (JBI) PERFORMANCE

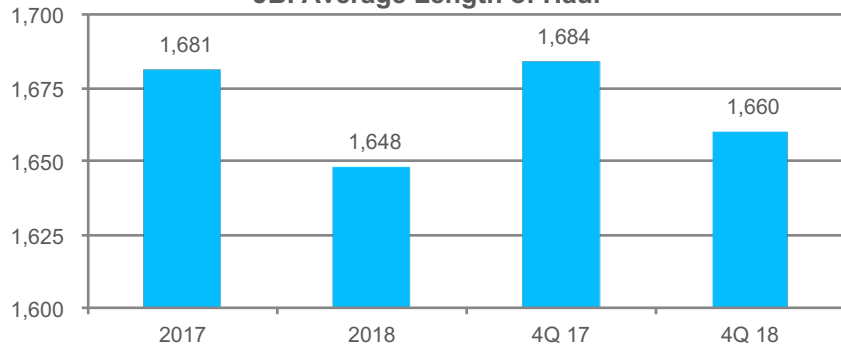
JBI Revenue Change



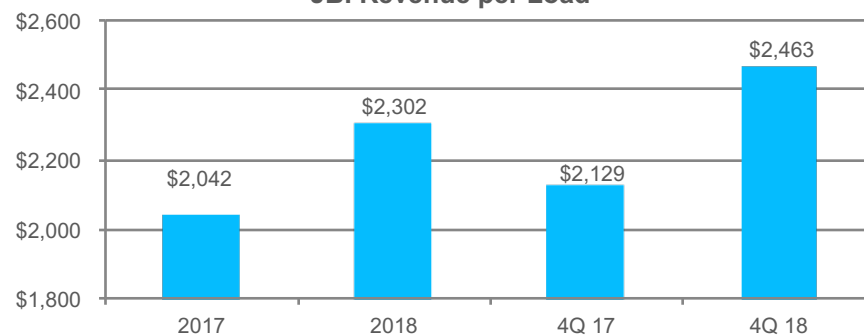
JBI Operating Income Change



JBI Average Length of Haul

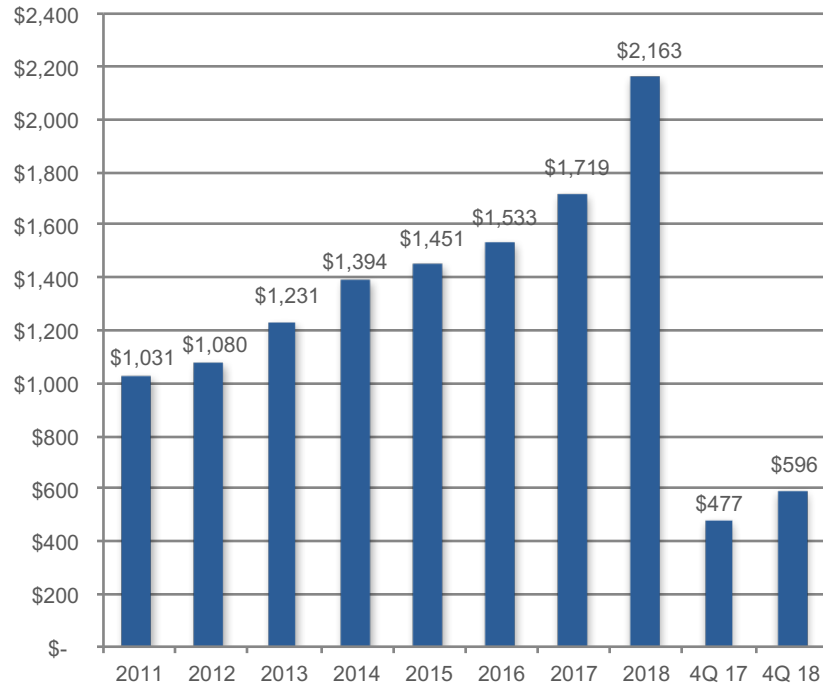


JBI Revenue per Load



DEDICATED (DCS)

DCS Revenue
(in millions)

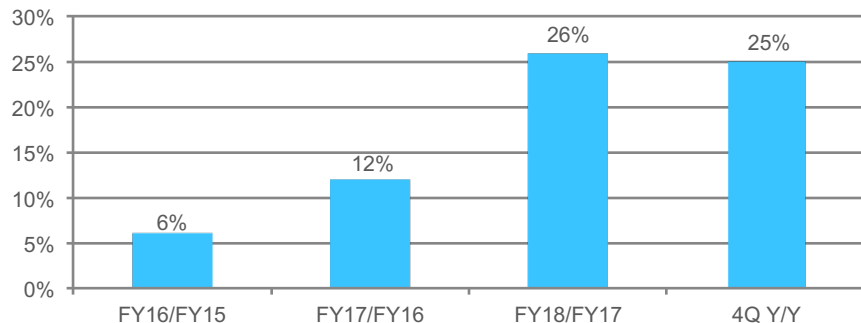


DCS revenue increased 25% during the current quarter over the same period 2017. Productivity (revenue per truck per week) increased approximately 7% vs. 2017. Productivity excluding fuel surcharge revenue increased approximately 5% from a year ago primarily from customer rate increases, improved integration 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 \$17 million compared to fourth quarter 2017. A net additional 1,388 revenue producing trucks, 458 net additions sequentially from third quarter 2018, were in the fleet by the end of the quarter. Approximately 32% of these additions represent private fleet conversions and 5% represent FMS versus traditional dedicated capacity fleets. Customer retention rates remain above 98%.

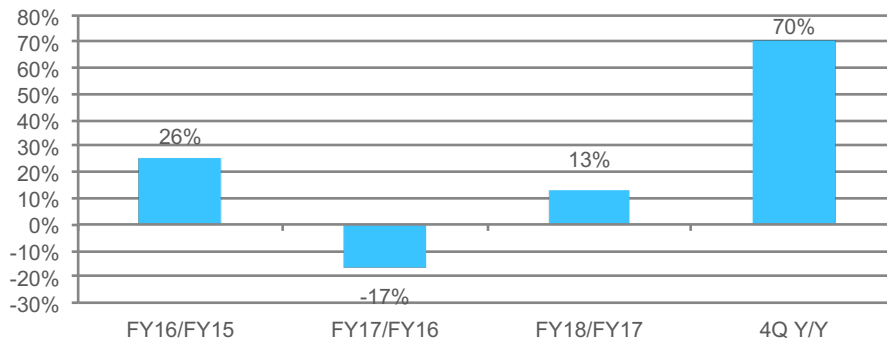
Operating income increased by 70% from a year ago. The increase in productivity and additional trucks under contract was partially offset by increased costs expanding the FMS network, increased driver wages and increased driver recruiting costs including the length of time to fill open positions compared to the same period a year ago. Fourth quarter 2017 operating income included \$7.6 million of charges for certain insurance and claims reserve increases.

DEDICATED (DCS) PERFORMANCE

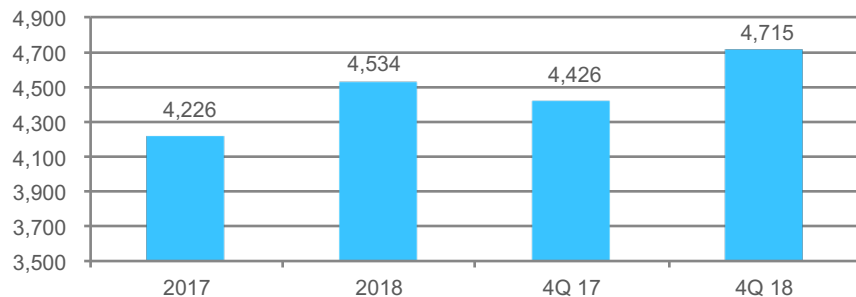
DCS Revenue Change



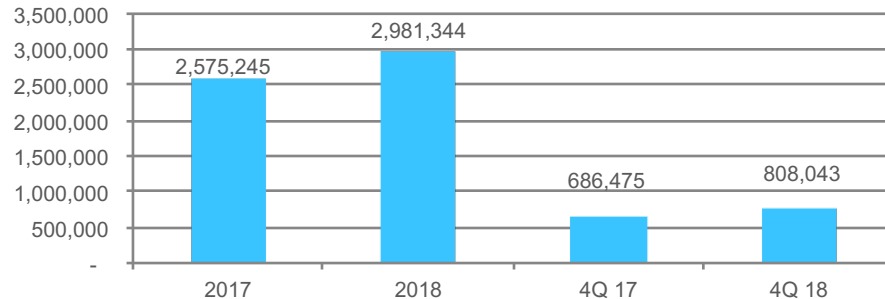
DCS Operating Income Change



DCS Revenue Per Truck Per Week

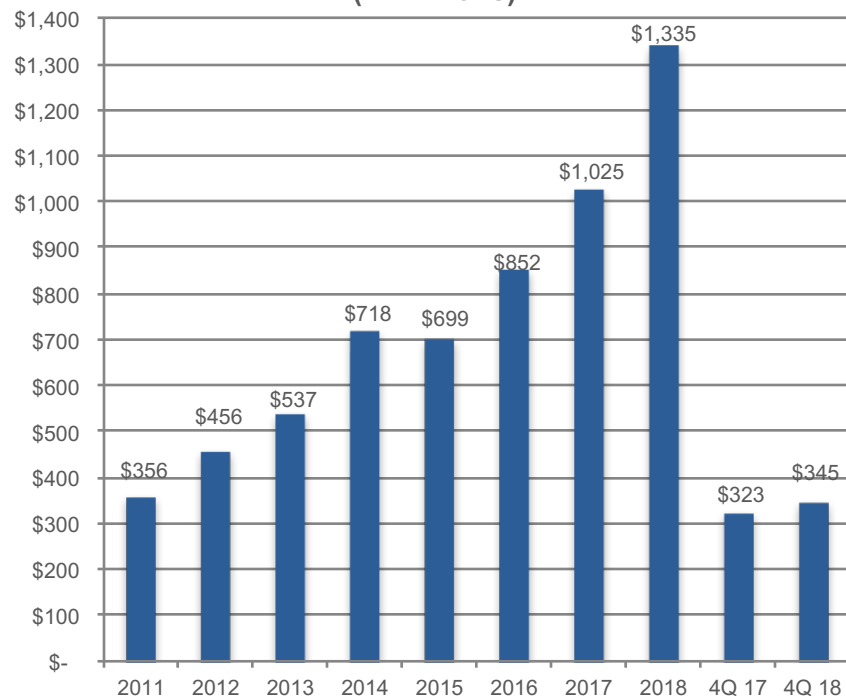


DCS Loads



INTEGRATED (ICS) NON-ASSET BASED

ICS Revenue
(in millions)

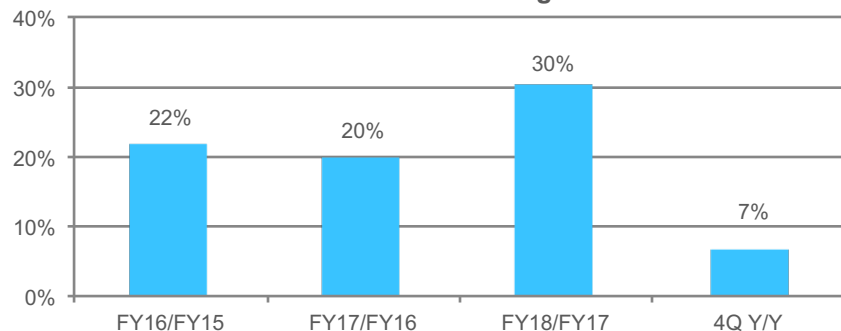


ICS revenue increased 7% in the current quarter vs. the fourth quarter 2017. Volume increased 14% but revenue per load decreased 6.4%, mostly due to customer mix changes and decreased spot market activity, compared to the prior year. Contractual volumes represent approximately 71% of the total load volume and 53% of the total revenue in the current quarter compared to 66% and 46%, respectively, in fourth quarter 2017. Of the total reported ICS revenue, approximately \$174 million was executed through the Marketplace for J.B. Hunt 360 compared to \$151 million in third quarter 2018.

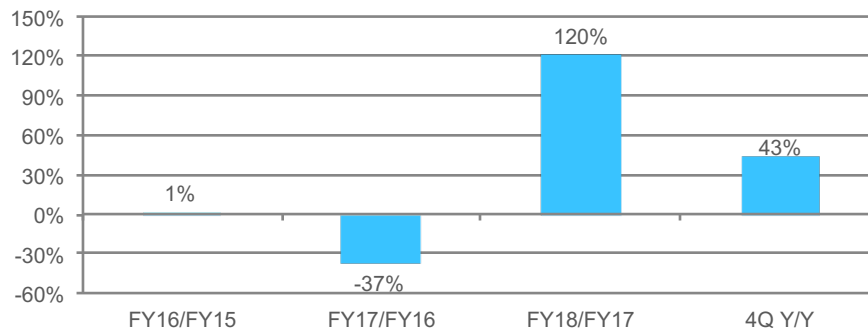
Operating income increased 43% over the same period in 2017. Gross profit margin increased to 16.9% in the current period from 14.1% last year primarily from customer rate increases on contractual volumes. The increase in gross profit margin was partially offset by higher personnel costs, increased insurance and claims costs, and higher technology spending as the Marketplace for J.B. Hunt 360 expands capacity and adds functionality. ICS recorded a \$1.8 million charge for increased reserves on certain insurance claims in the fourth quarter 2017. ICS's carrier base increased 29% and the employee count increased 20% from a year ago.

INTEGRATED (ICS) PERFORMANCE

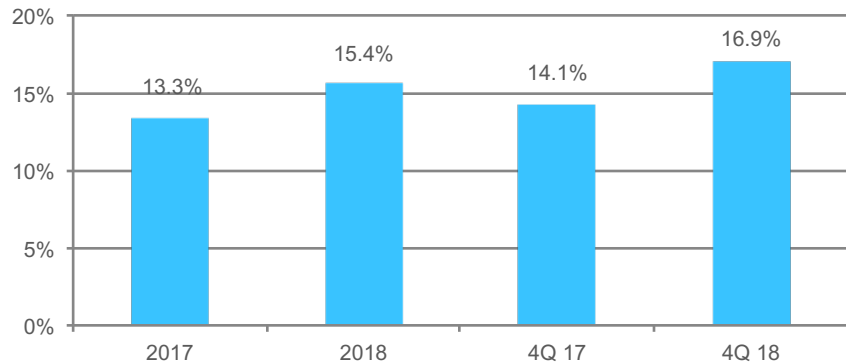
ICS Revenue Change



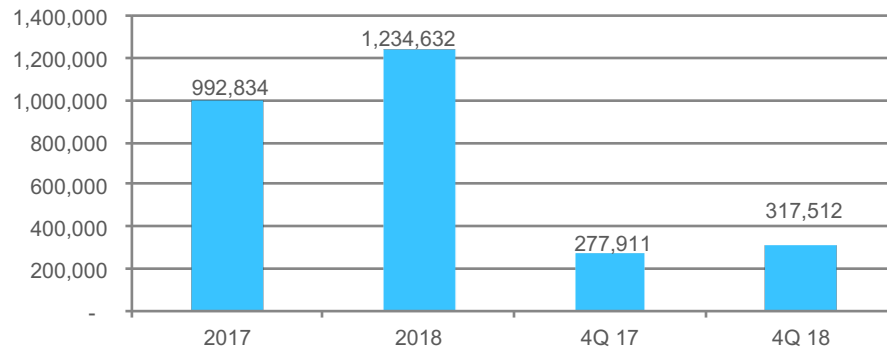
ICS Operating Income Change



ICS Gross Profit Margin

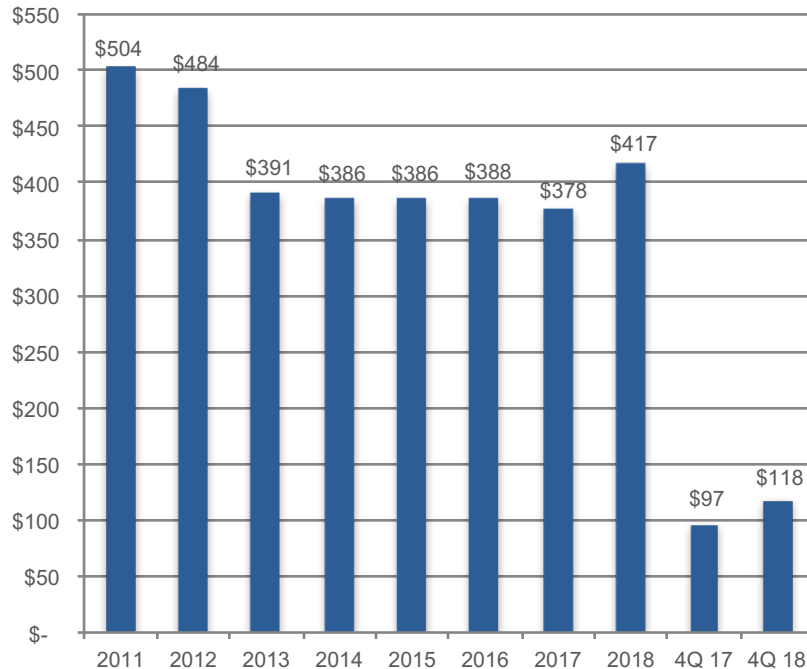


ICS Loads



TRUCKLOAD (JBT)

**JBT Revenue
(in millions)**

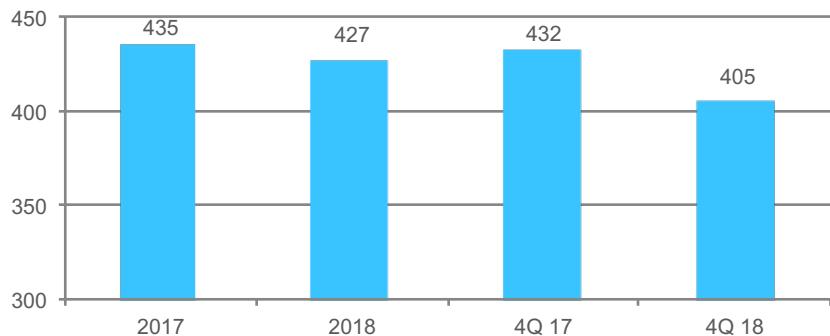


JBT revenue increased 21% from the same period in 2017. Revenue excluding fuel surcharges increased approximately 21% compared to a year ago. Revenue per load increased 10% primarily from an 18% increase in rates per loaded mile offset by a 6% decrease in length of haul compared to fourth quarter 2017. Comparable contractual customer rates increased approximately 15% compared to the same period a year ago. At the end of the period, JBT operated 2,112 tractors compared to 2,032 a year ago.

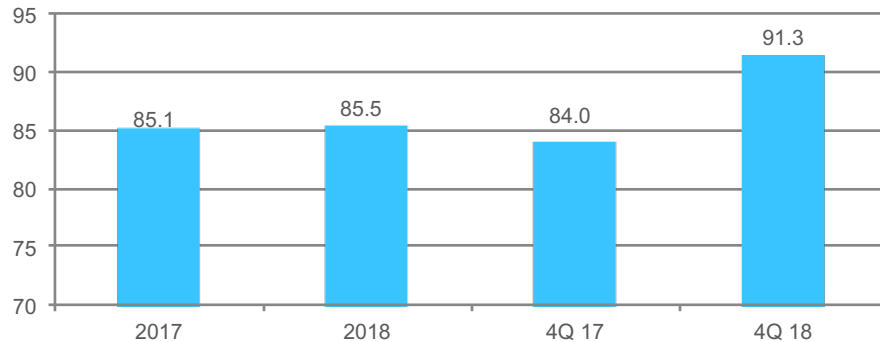
Operating income increased 131% from fourth quarter 2017. Favorable changes from higher rates per loaded mile and lower equipment ownership costs were partially offset by higher driver wages and independent contractor costs per mile and higher driver and independent contractor recruiting costs compared to fourth quarter 2017. JBT recorded approximately \$0.7 million of the charges for increased reserves on certain insurance claims in the fourth quarter 2017.

TRUCKLOAD (JBT) PERFORMANCE

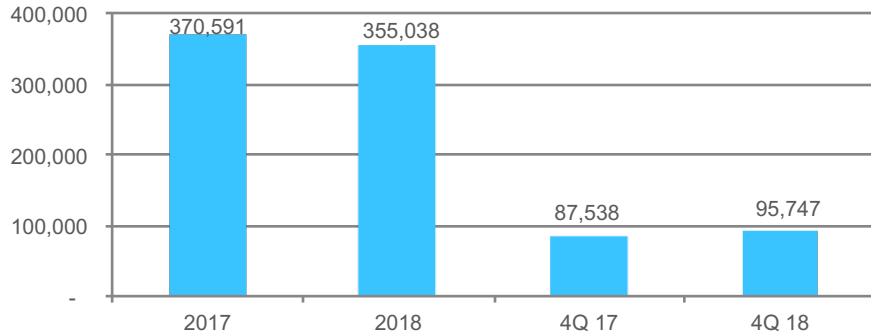
JBT Average Length of Haul



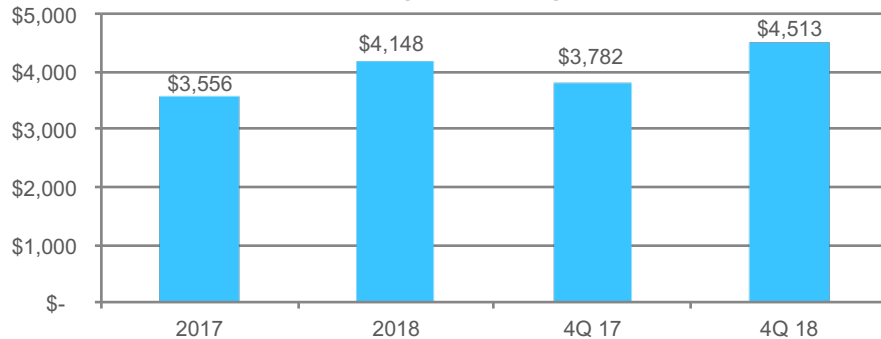
JBT Average Nonpaid Empty Miles Per Load



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

	December 31, 2018	December 31, 2017
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 7,600	\$ 14,612
Accounts Receivable	1,051,698	920,767
Prepaid expenses and other	443,683	403,349
Total current assets	1,502,981	1,338,728
Property and equipment	5,329,243	4,670,464
Less accumulated depreciation	1,884,132	1,687,133
Net property and equipment	3,445,111	2,983,331
Other assets, net	143,555	143,290
	\$ 5,091,647	\$ 4,465,349
LIABILITIES & STOCKHOLDERS' EQUITY		
Current liabilities:		
Current debt	\$ 250,706	\$ -
Trade accounts payable	709,736	598,594
Claims accruals	275,139	251,980
Accrued payroll	80,922	42,382
Other accrued expenses	35,845	28,888
Total current liabilities	1,352,348	921,844
Long-term debt	898,398	1,085,649
Other long-term liabilities	96,056	76,661
Deferred income taxes	643,461	541,870
Stockholders' equity	2,101,384	1,839,325
	\$ 5,091,647	\$ 4,465,349



THANK YOU

