



J.B. HUNT

Q4 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

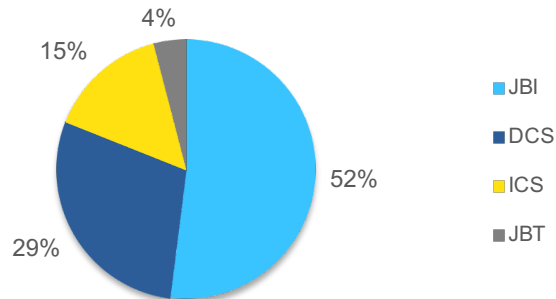
Integrated Capacity Solutions (ICS)

- 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

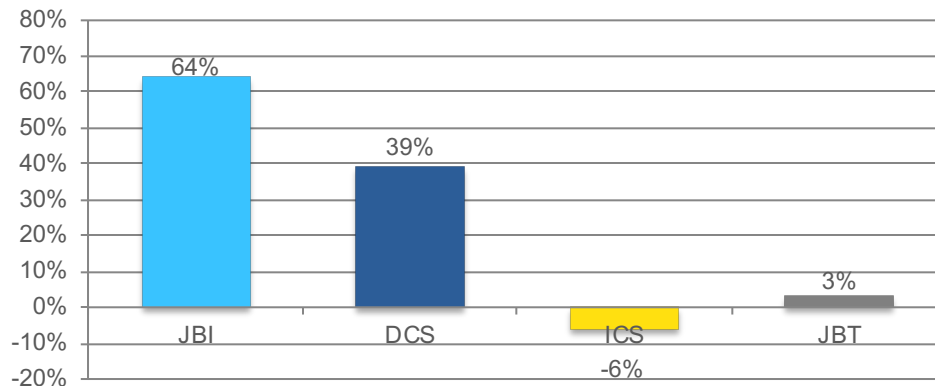
Truckload (JBT)

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

4Q 2019 Revenue Mix



Percentage of 4Q 2019 Operating Income (Loss) by Business Segment



4Q 2019 RESULTS VS. 4Q 2018



OVERVIEW

4Q 2019 Revenue:

\$2.5 billion; up 6%

4Q 2019 Revenue, excl FSC:

\$2.2 billion; up 7%

4Q 2019 Operating Income:

\$205 million; up 67%

4Q 2019 EPS:

\$1.35 vs. \$0.81; up 67%

SEGMENT PERFORMANCE

Intermodal (JBI)

Revenue: \$1.27 billion; flat

Operating Income: \$131.1 million; up 304%

Dedicated Contract Services (DCS)

Revenue: \$717 million; up 20%

Operating Income: \$79.6 million; up 34%

Integrated Capacity Solutions (ICS)

Revenue: \$377 million; up 9%

Operating Loss: \$(11.8) million; compared to \$16.1 million

Operating Income in 2018

Truckload (JBT)

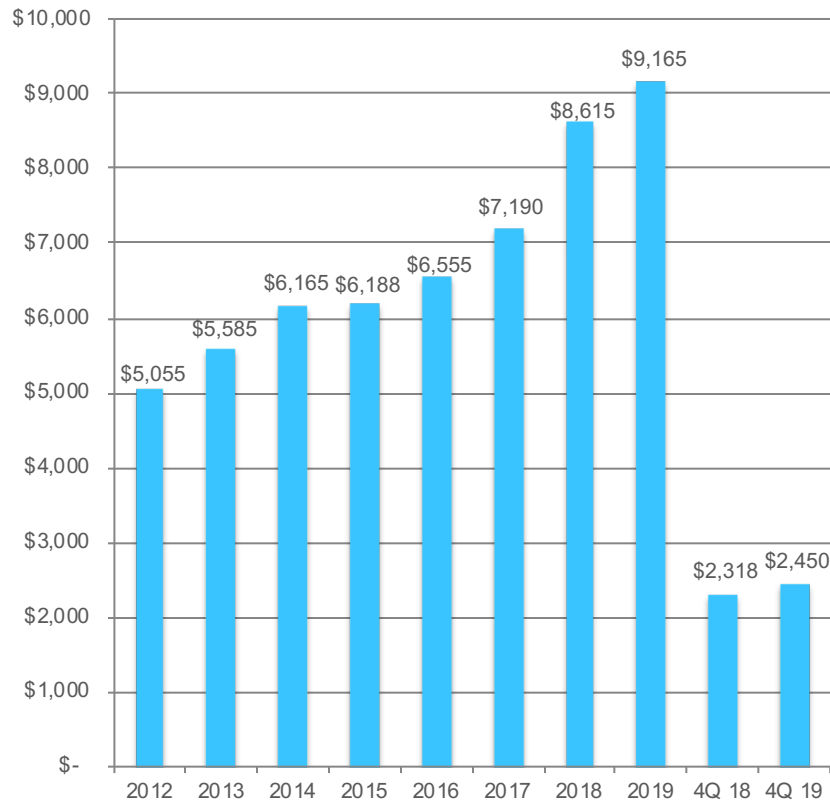
Revenue: \$94 million; down 20%

Operating Income: \$6.3 million; down 57%

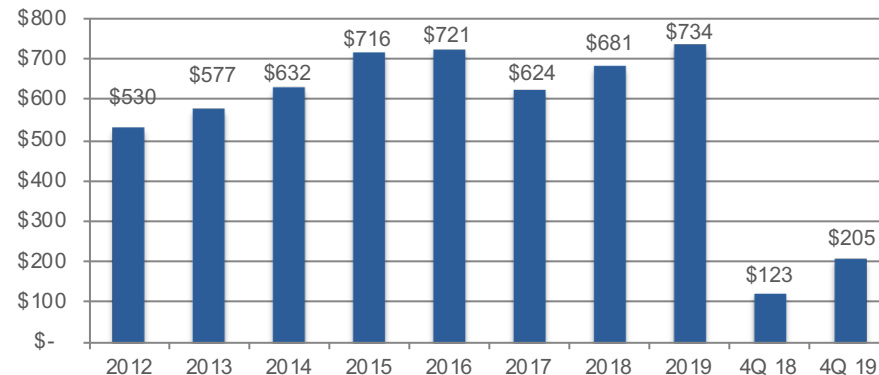
4Q RESULTS CONSOLIDATED



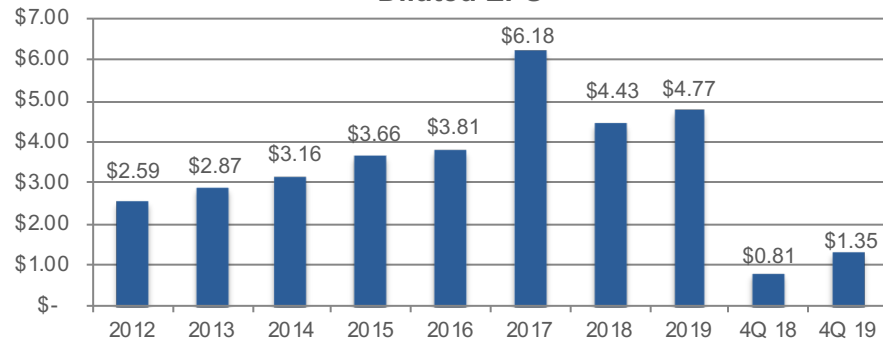
Revenue (in millions)



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

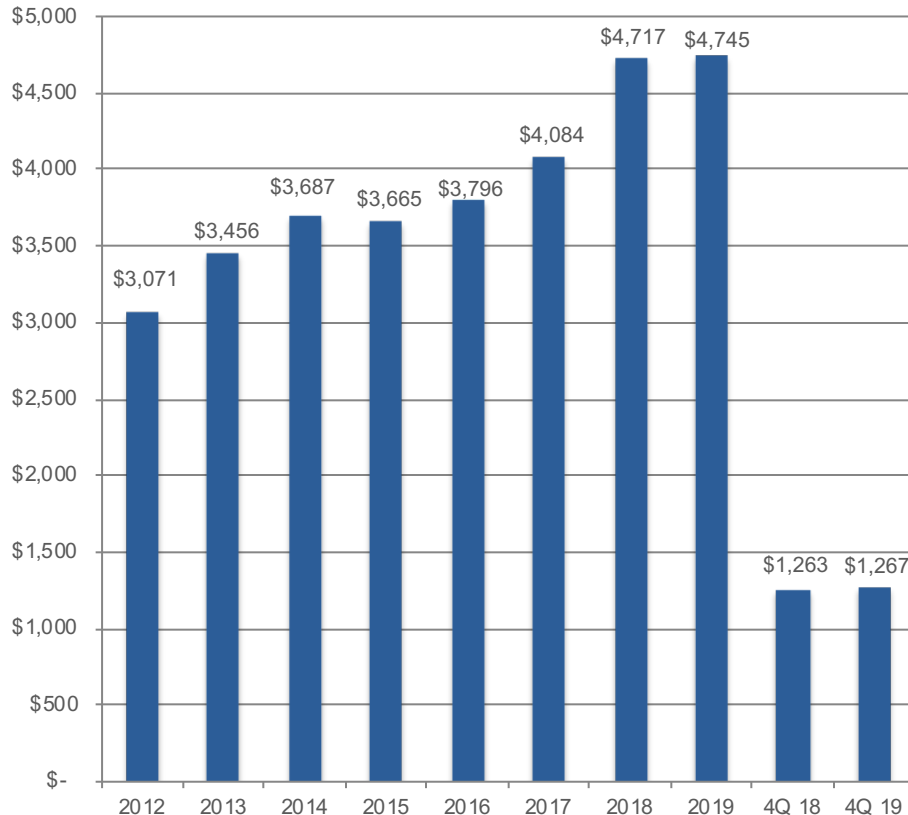
SEGMENT DISCUSSION



INTERMODAL (JBI)



JBI Revenue (in millions)



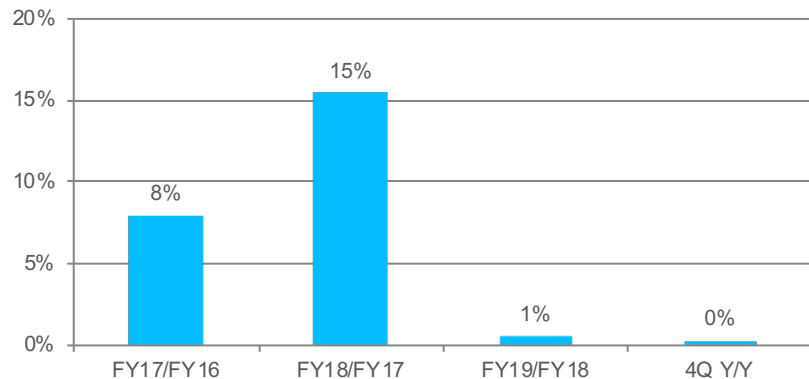
JBI total volumes increased 2% over the same period in 2018. Eastern network loads decreased by 8% and transcontinental loads grew by 8% compared to the fourth quarter 2018. Revenue increased less than one percent, reflecting the 2% increase in volume offset by a 1% decrease in revenue per load, the combination of freight mix, customer rate increases, and fuel surcharges. Revenue per load excluding fuel surcharges was flat compared to a year ago.

Operating income increased 304% from the prior year. In fourth quarter 2018, JBI recorded \$134.0 million in charges for contingent liabilities related to the arbitration. Excluding these charges, operating income decreased by \$35.3 million or approximately 21% from the comparable quarter 2018. Benefits from increased volumes were offset by higher rail purchase transportation rates, increased box repositioning costs due to a lack of balance in the intermodal network, increased costs to recover from rail service interruptions including a derailment in Southern California and increased costs to attract and retain drivers. The current period ended with approximately 96,700 units of trailing capacity and approximately 5,560 power units in the dray fleet.

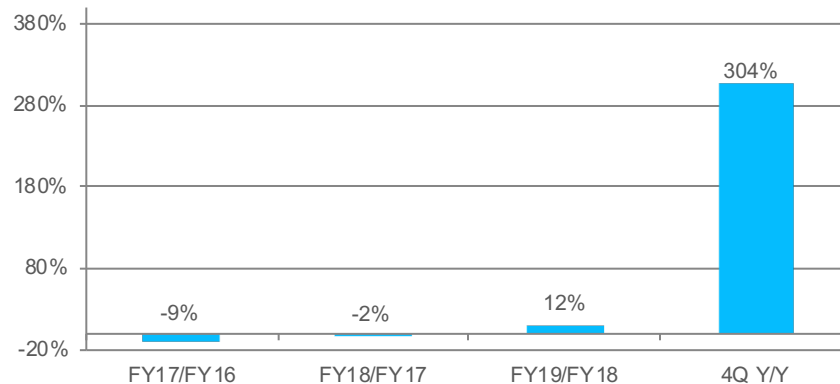
INTERMODAL (JBI) PERFORMANCE



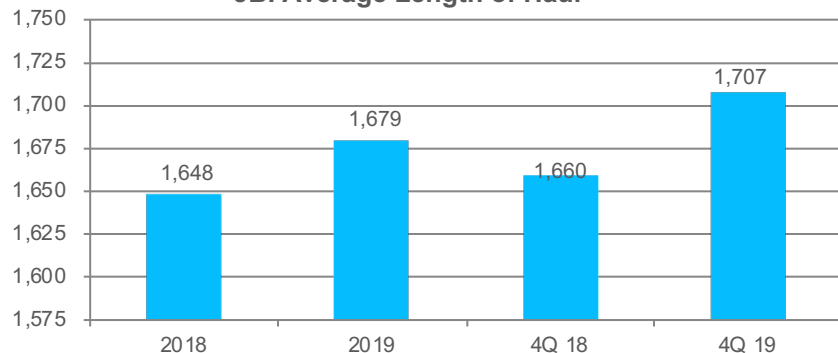
JBI Revenue Change



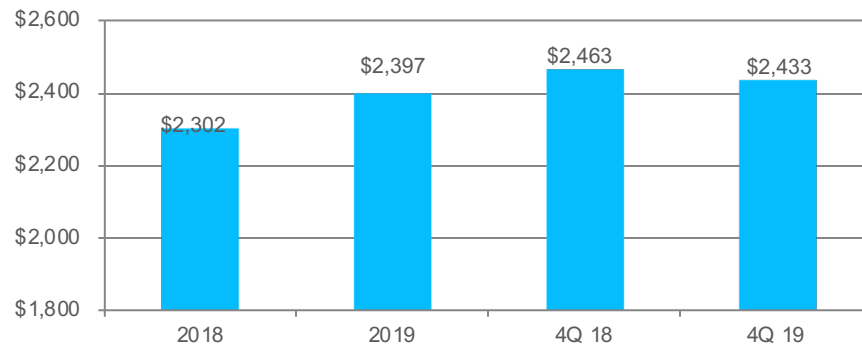
JBI Operating Income Change



JBI Average Length of Haul



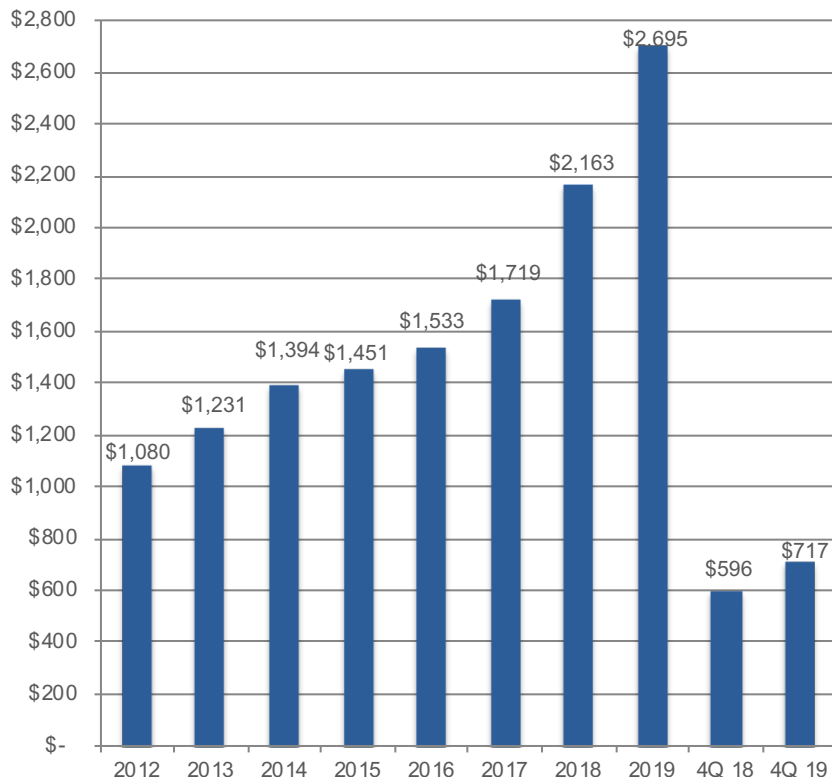
JBI Revenue per Load



DEDICATED (DCS)



DCS Revenue (in millions)



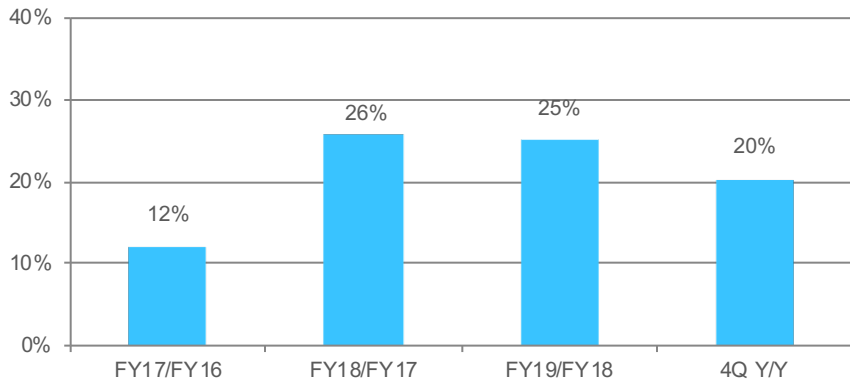
DCS revenue increased 20% during the current quarter over the same period 2018. Productivity (revenue per truck per week) increased approximately 9% vs. 2018. Productivity excluding fuel surcharge revenue increased approximately 11% from a year ago primarily from the February 2019 acquisition, customer 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 \$59 million (primarily from the February 2019 acquisition) compared to fourth quarter 2018. A net additional 972 revenue producing trucks, 153 net additions sequentially from third quarter 2019, were in the fleet by the end of the quarter. Approximately 58% of these additions represent private fleet conversions and 15% represent FMS versus traditional dedicated capacity fleets. Customer retention rates remain above 98%.

Operating income increased by 34% from a year ago. The benefits from additional trucks under contract, higher productivity and more predictable and consistent start-up costs were partially offset by increased costs expanding the FMS network, increased driver wages and increased driver recruiting costs and an incremental \$1.0 million in noncash amortization expense attributable to the February 2019 acquisition compared to the same period a year ago.

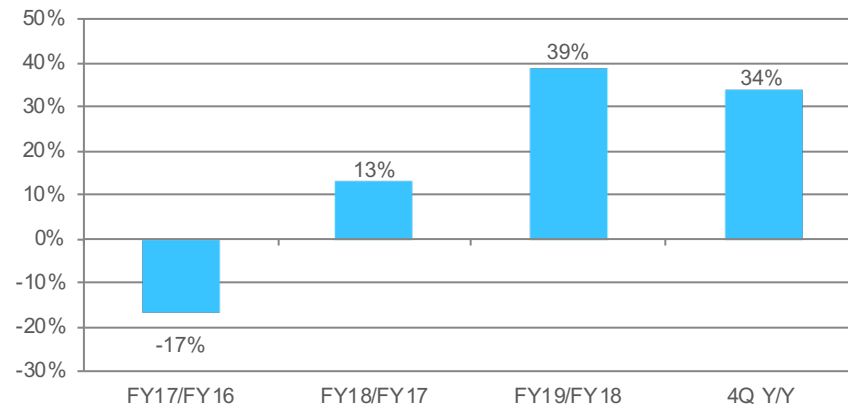
DEDICATED (DCS) PERFORMANCE



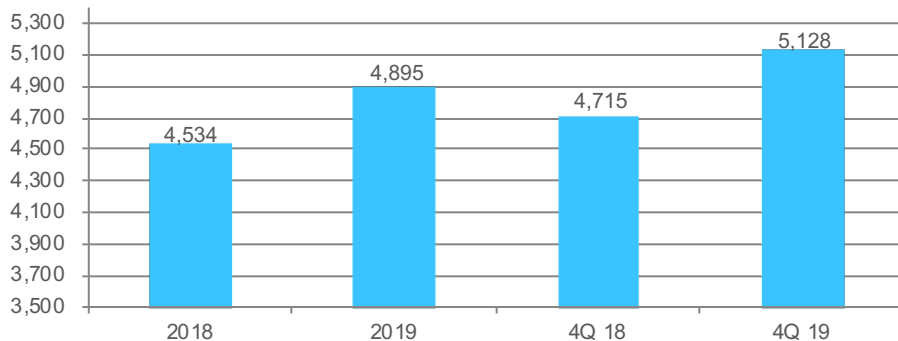
DCS Revenue Change



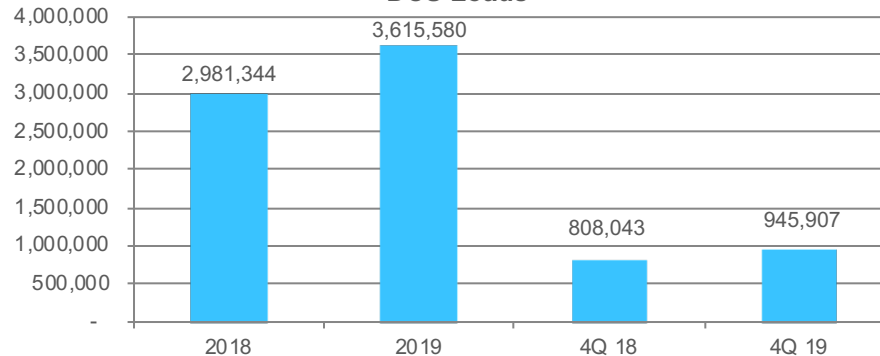
DCS Operating Income Change



DCS Revenue Per Truck Per Week



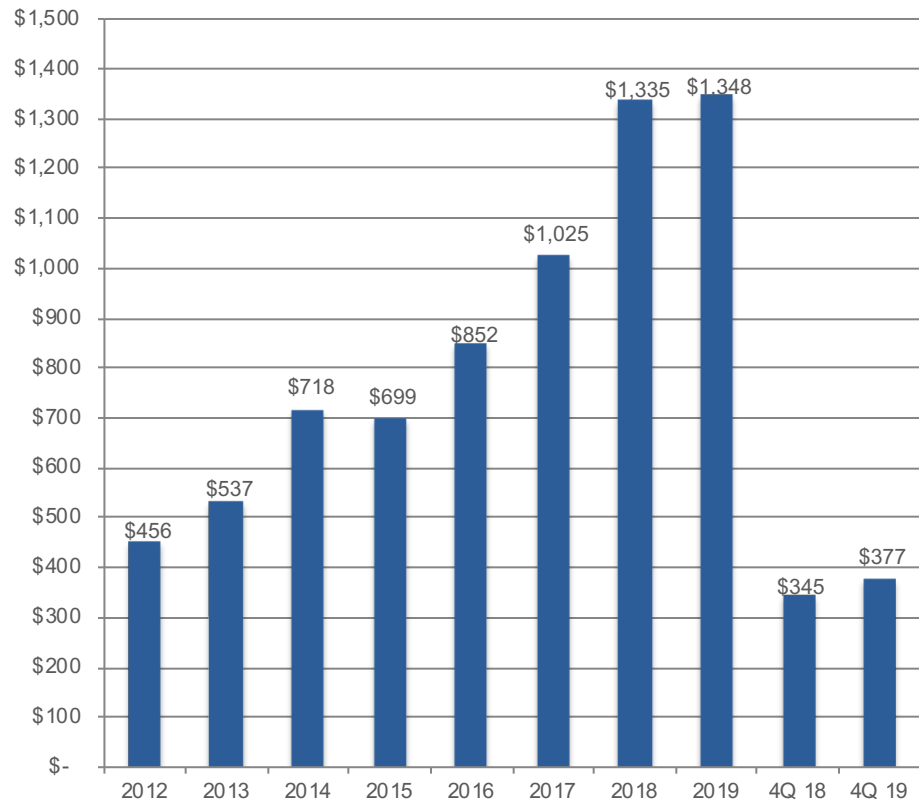
DCS Loads



INTEGRATED (ICS)



ICS Revenue (in millions)



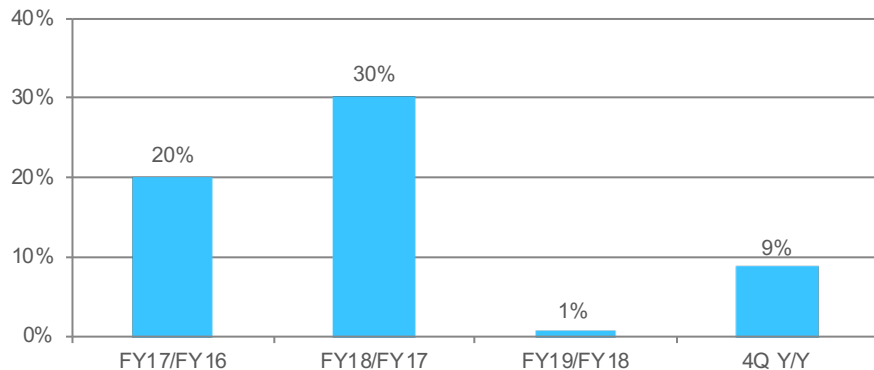
ICS revenue increased 9% in the current quarter vs. the fourth quarter 2018. Volume increased 3% and revenue per load increased 5.5%, mostly due to customer mix changes, compared to the prior year. Contractual volumes represent approximately 73% of the total load volume and 65% of the total revenue in the current quarter compared to 71% and 53%, respectively, in fourth quarter 2018. Of the total reported ICS revenue, approximately \$225 million was executed through the Marketplace for J.B. Hunt 360 compared to \$174 million in fourth quarter 2018.

Operating income decreased \$28.0 million compared to the same period in 2018 primarily from a lower gross profit margin, a 150% increase in expenditures to expand capacity and functionality of the Marketplace for J.B. Hunt 360, higher personnel costs, and increased digital marketing and advertising costs. Gross profit margin decreased to 10.6% in the current period from 16.9% last year primarily from a competitive pricing environment in the contractual business and a softer overall spot market. ICS carrier base increased 15% and the employee count increased 6% from a year ago.

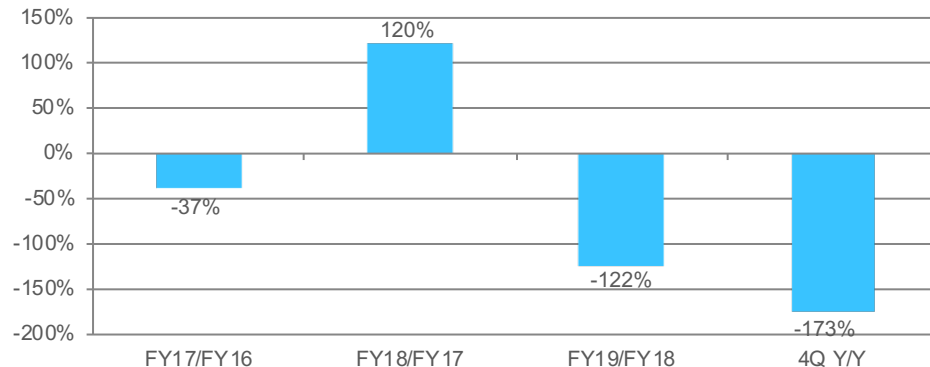
INTEGRATED (ICS) PERFORMANCE



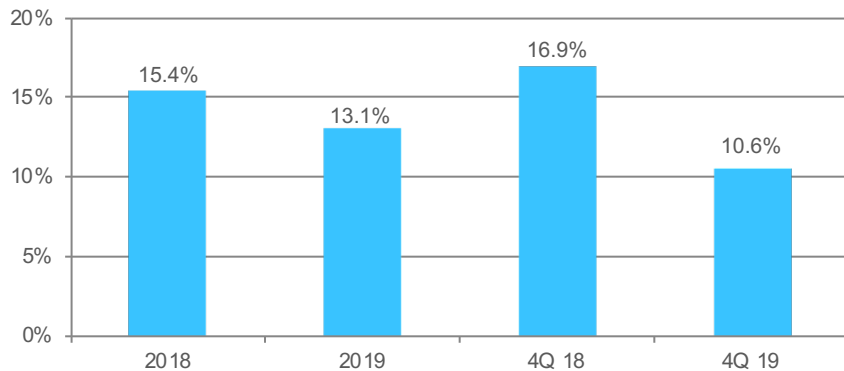
ICS Revenue Change



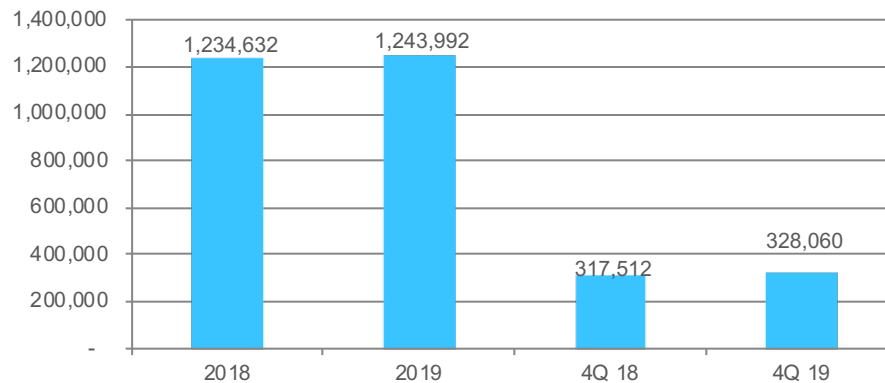
ICS Operating Income Change



ICS Gross Profit Margin



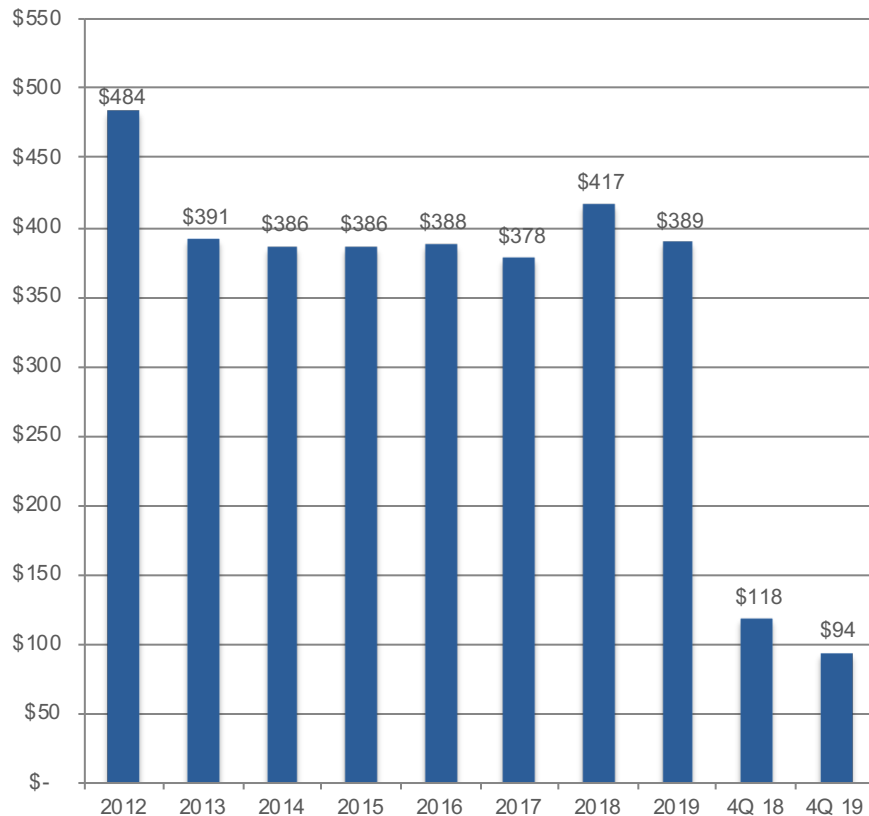
ICS Loads



TRUCKLOAD (JBT)



JBT Revenue (in millions)



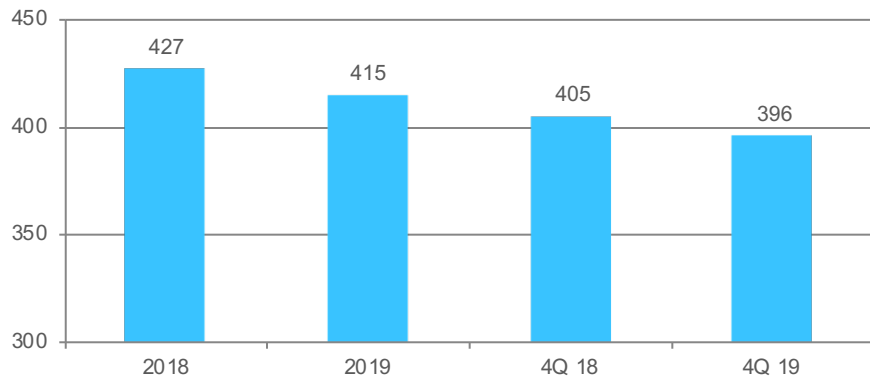
JBT revenue decreased 20% from the same period in 2018. Revenue excluding fuel surcharges also decreased approximately 21% primarily from an 11% decrease in rates per loaded mile and a 9% decrease in load count compared to a year ago. Comparable contractual customer rates were flat compared to the same period 2018. At the end of the period, JBT operated 1,831 tractors compared to 2,112 a year ago.

Operating income decreased 57% from fourth quarter 2018. A decrease in spot market loads moved, an increase in empty miles and an overall lower load count compared to fourth quarter 2018 all contributed to lower operating income.

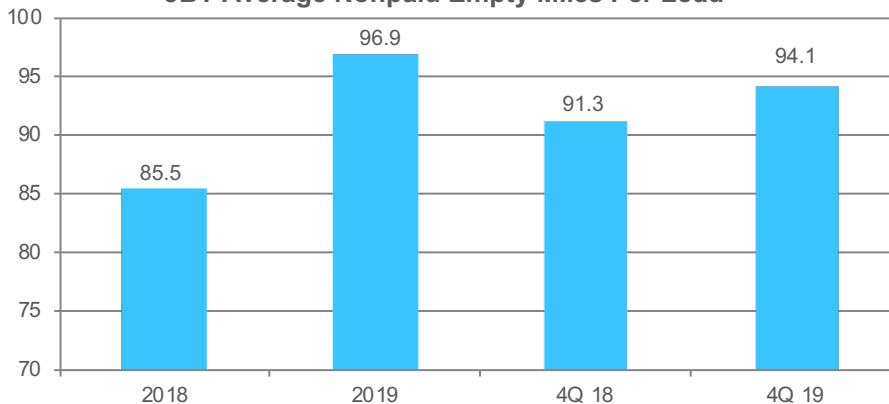
TRUCKLOAD (JBT) PERFORMANCE



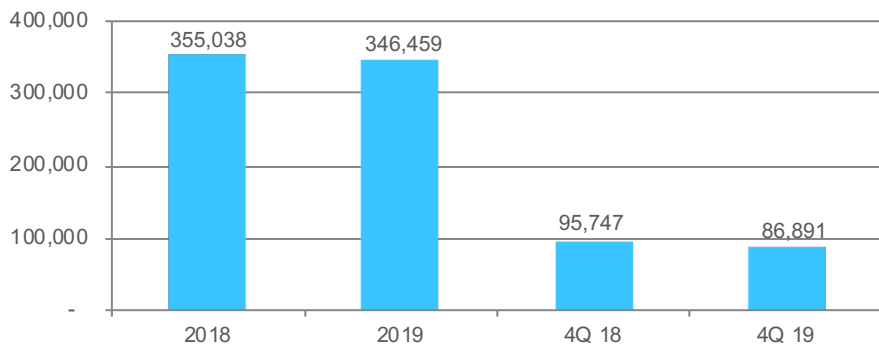
JBT Average Length of Haul



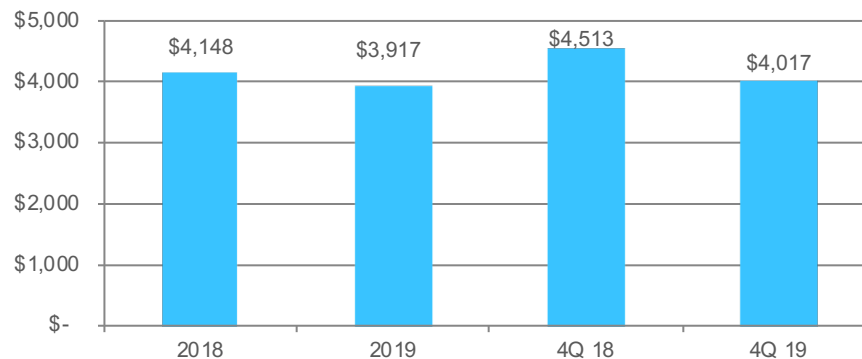
JBT Average Nonpaid Empty Miles Per Load



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, 2019	December 31, 2018
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 35,000	\$ 7,600
Accounts Receivable	1,011,829	1,051,698
Prepaid expenses and other	434,470	443,683
Total current assets	1,481,299	1,502,981
Property and equipment	5,640,806	5,329,243
Less accumulated depreciation	2,019,940	1,884,132
Net property and equipment	3,620,866	3,445,111
Other assets, net	368,689	143,555
	\$ 5,470,854	\$ 5,091,647
LIABILITIES & STOCKHOLDERS' EQUITY		
Current liabilities:		
Current debt	\$ -	\$ 250,706
Trade accounts payable	602,601	709,736
Claims accruals	279,590	275,139
Accrued payroll	68,220	80,922
Other accrued expenses	85,355	35,845
Total current liabilities	1,035,766	1,352,348
Long-term debt	1,295,740	898,398
Other long-term liabilities	173,241	96,056
Deferred income taxes	699,078	643,461
Stockholders' equity	2,267,029	2,101,384
	\$ 5,470,854	\$ 5,091,647

THANK YOU

