



# J.B. Hunt Transport Services, Inc.

Q2 2024 Results

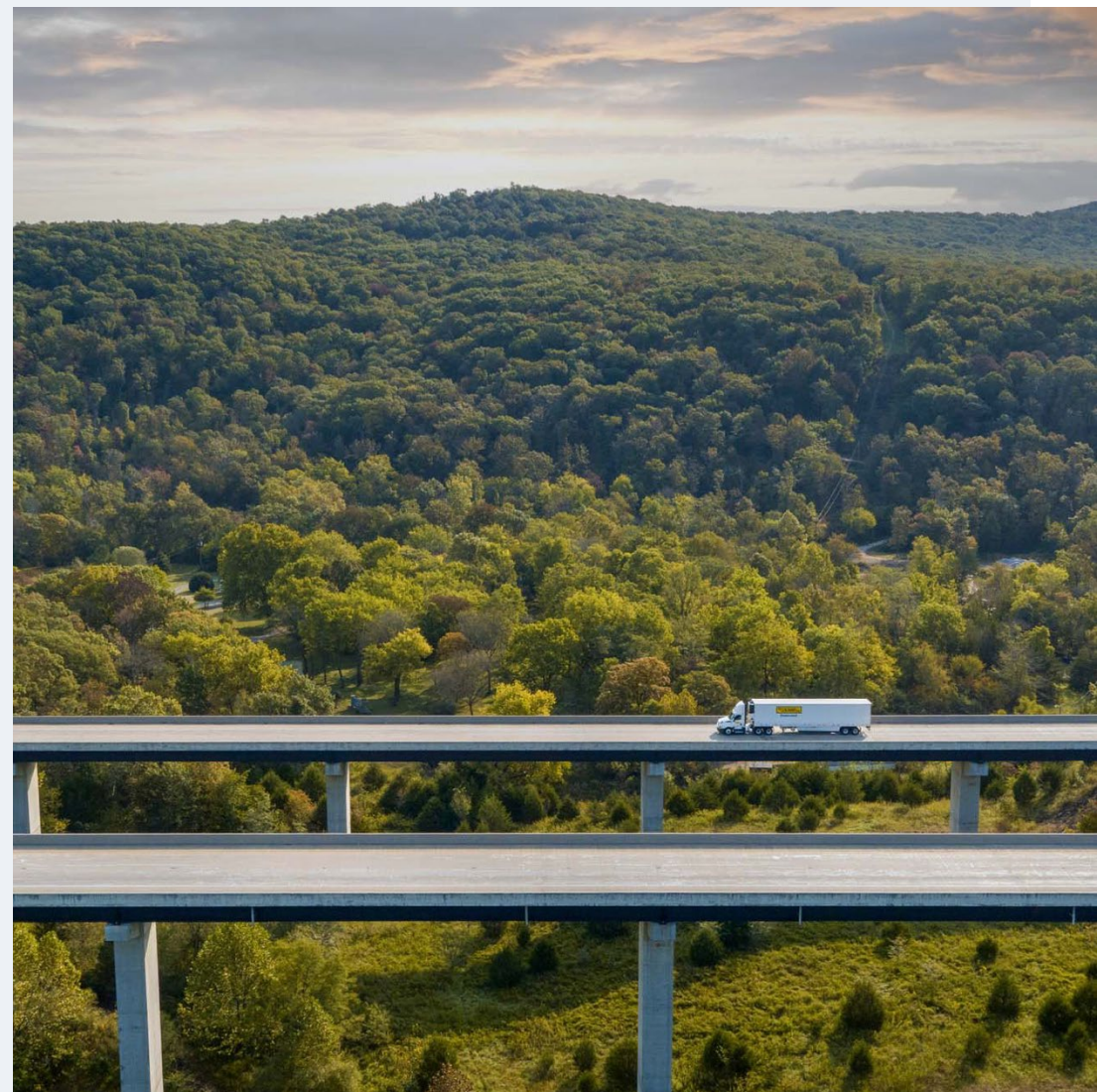






# Disclosure

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, and expedited services
- 40- and 20-foot box domestic and international containers and international intermodal services
- Services to all 50 States, Canada, and Mexico

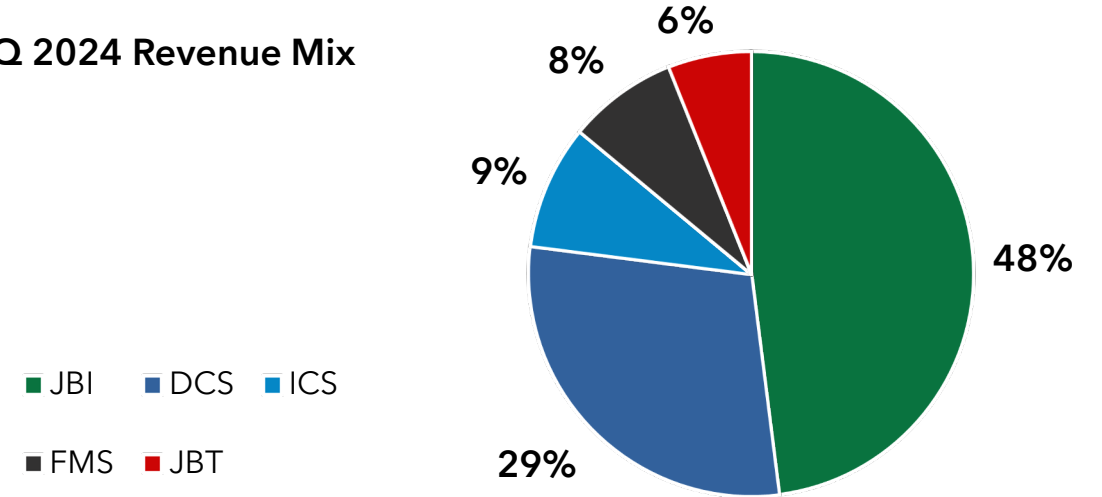
## Final Mile Services® (FMS)

- 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

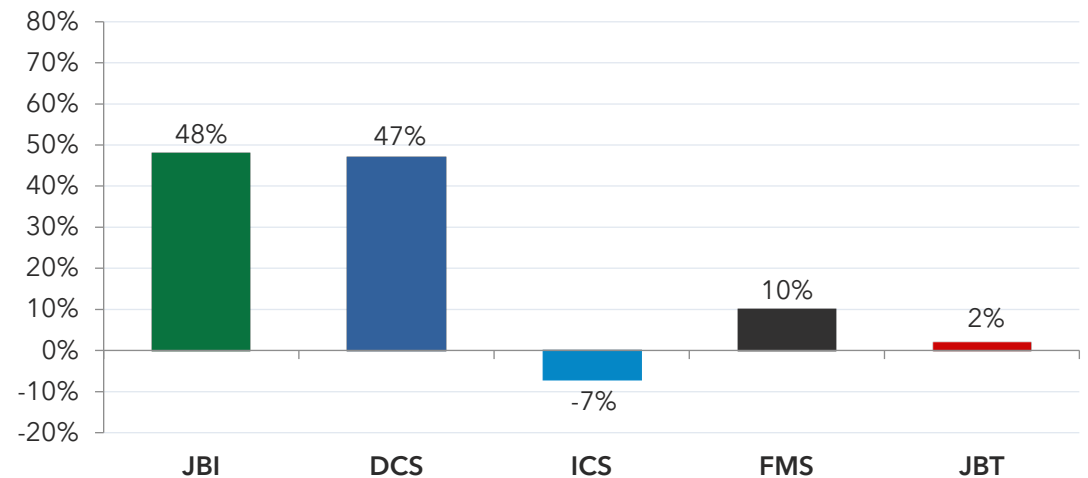
## Truckload (JBT)

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

2Q 2024 Revenue Mix



Percentage of 2Q 2024 Operating Income by Business Segment



# 2Q 2024 Results vs. 2Q 2023

## Overview

### 2Q 2024 Revenue:

\$2.93 billion; down 7%

### 2Q 2024 Revenue, excl FSC:

\$2.55 billion; down 6%

### 2Q 2024 Operating Income:

\$205.7 million; down 24%

### 2Q 2024 Diluted EPS:

\$1.32 vs. \$1.81; down 27%

## Segment Performance

### Intermodal (JBI)

Revenue: \$1.41 billion; down 5%

Operating Income: \$99.2 million; down 31%

### Dedicated Contract Services (DCS)

Revenue: \$851 million; down 4%

Operating Income: \$96.4 million; down 15%

### Integrated Capacity Solutions (ICS)

Revenue: \$270 million; down 21%

Operating Loss: \$(13.3) million; vs. \$(4.4) million in Q2'23

### Final Mile Services (FMS)

Revenue: \$235 million; up 5%

Operating Income: \$19.8 million; up 33%

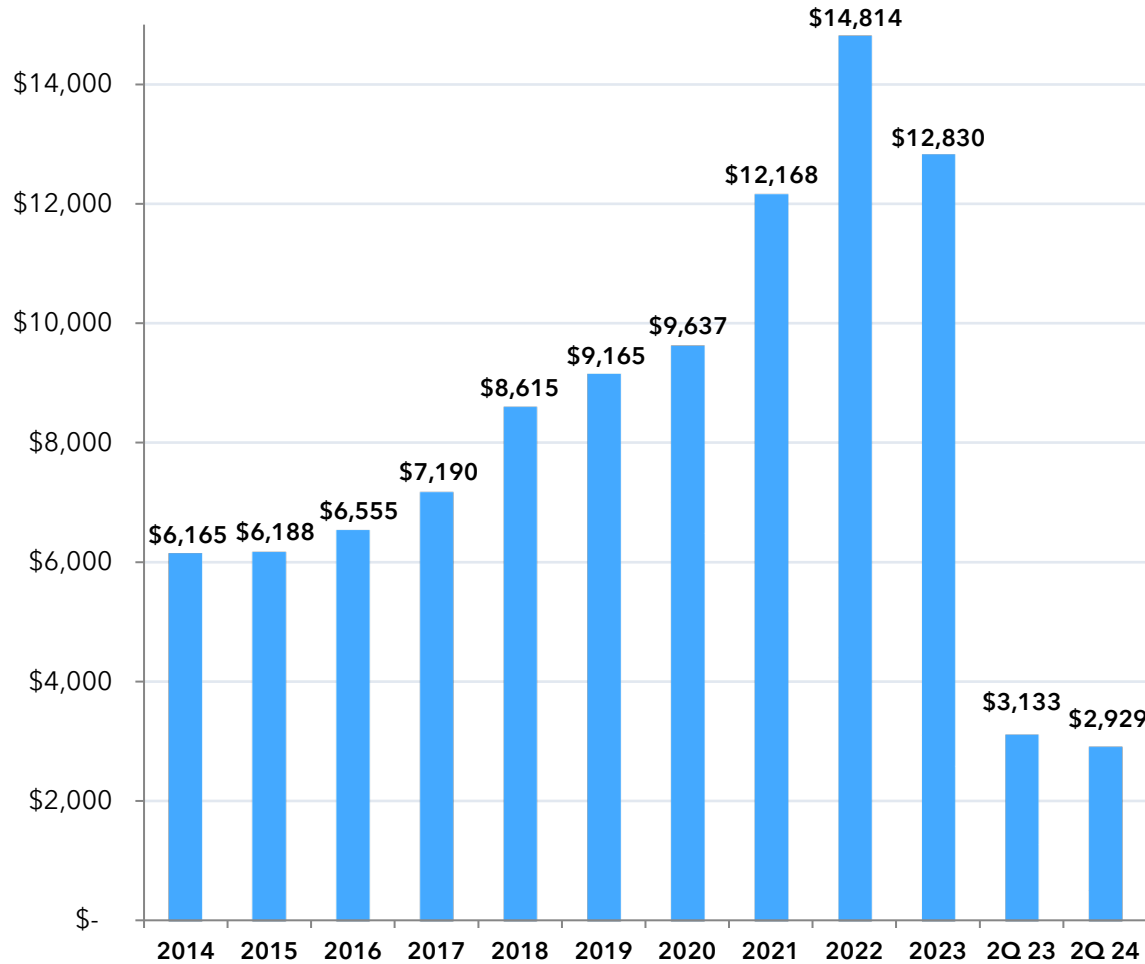
### Truckload (JBT)

Revenue: \$168 million; down 12%

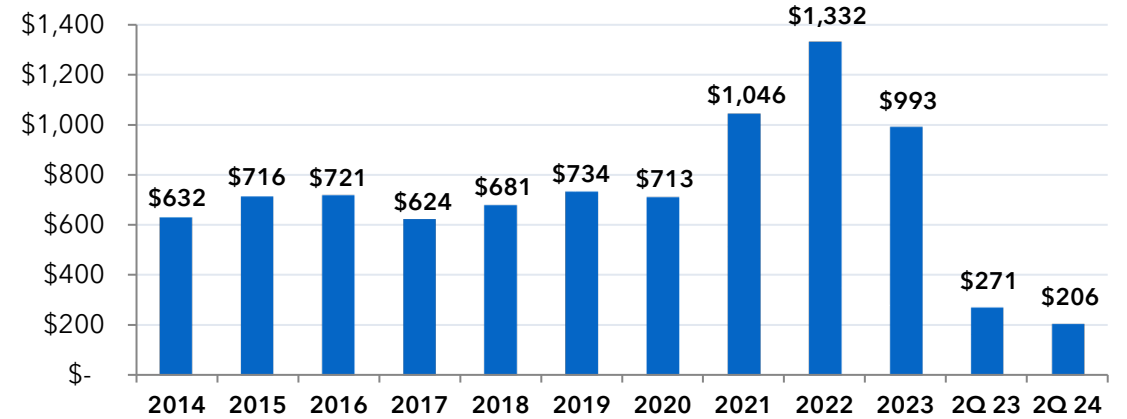
Operating Income: \$3.5 million; down 7%

# 2Q Results Consolidated

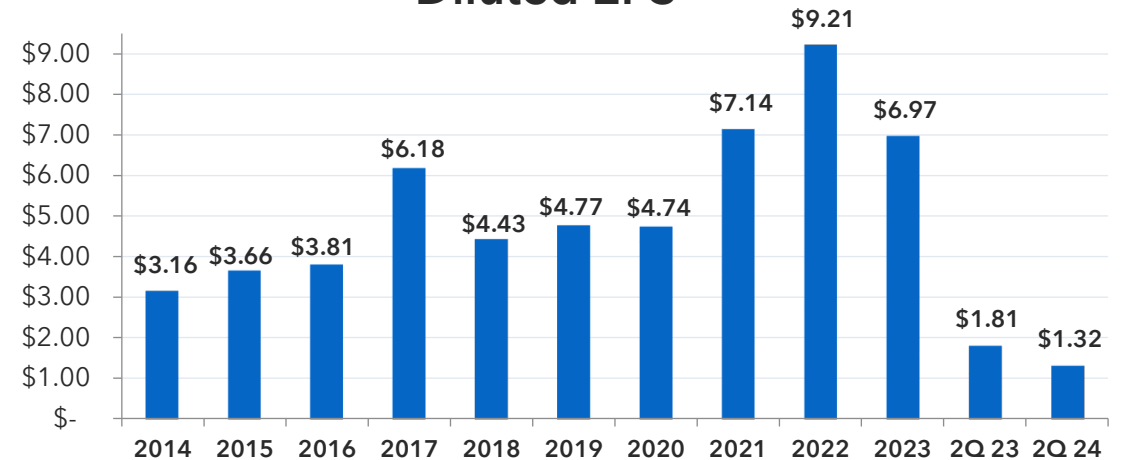
## Revenue (in millions)



## Operating Income (in millions)



## Diluted EPS



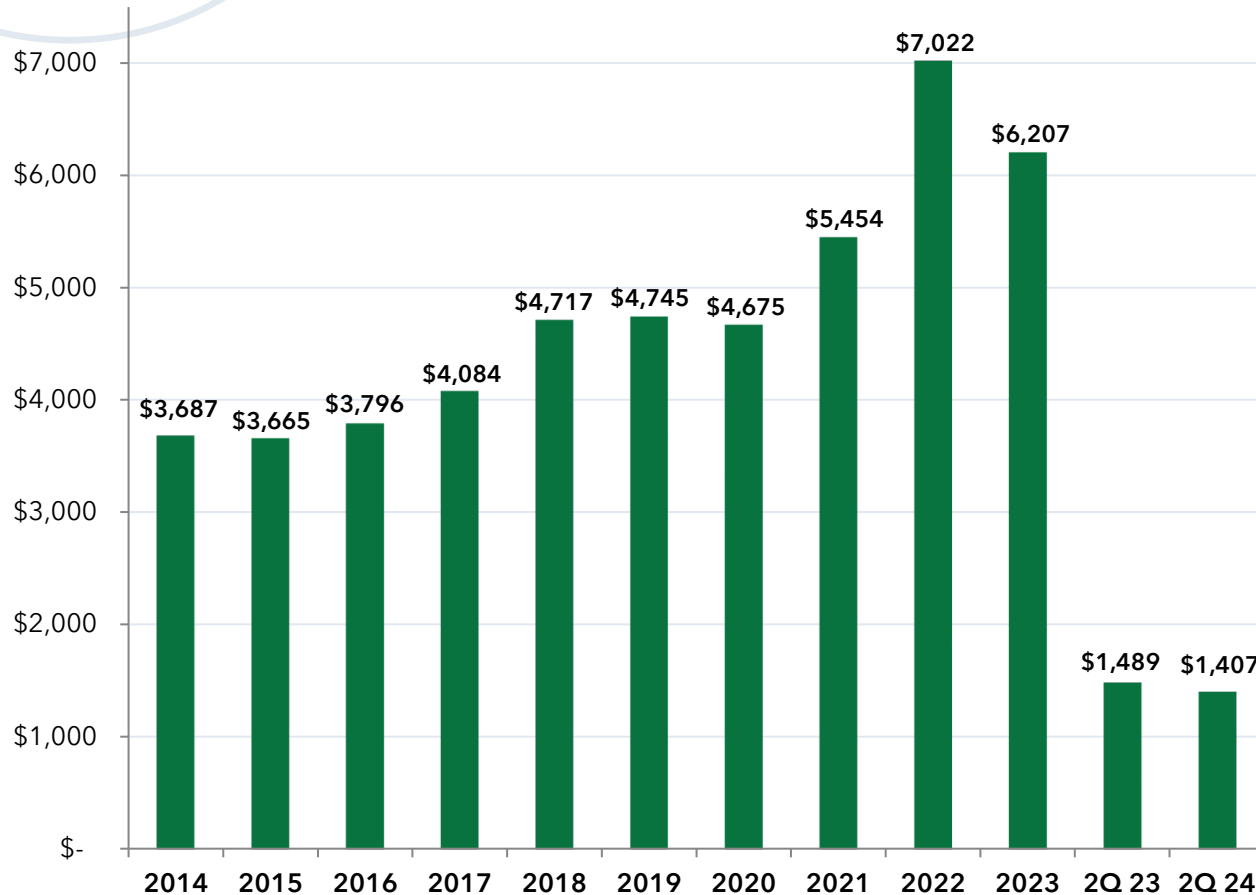


# Segment Discussion



# Intermodal (JBI)

**JBI Revenue** (in millions)

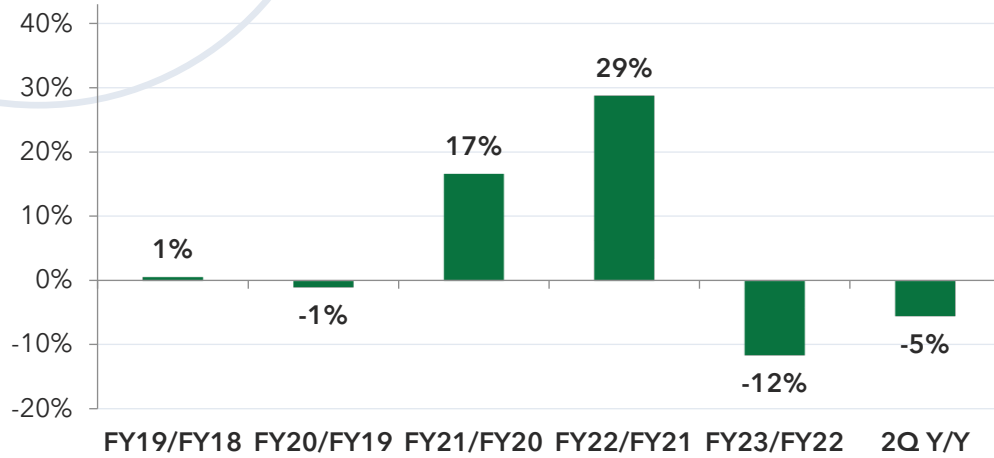


Intermodal volume decreased 1% over the same period in 2023. Transcontinental network loads increased 4%, while eastern network loads decreased 7% compared to the second quarter 2023. While experiencing some seasonal build in demand through the quarter, overall performance continued to be pressured by the soft freight market and its impact on over-the-road truck competition in the eastern network. Segment gross revenue decreased 5% from the prior-year period, reflecting the 1% decrease in volume and a 5% decrease in gross revenue per load, resulting from changes in customer rates, fuel surcharge revenue, and the mix of freight. Revenue per load excluding fuel surcharge revenue decreased 4% year-over-year.

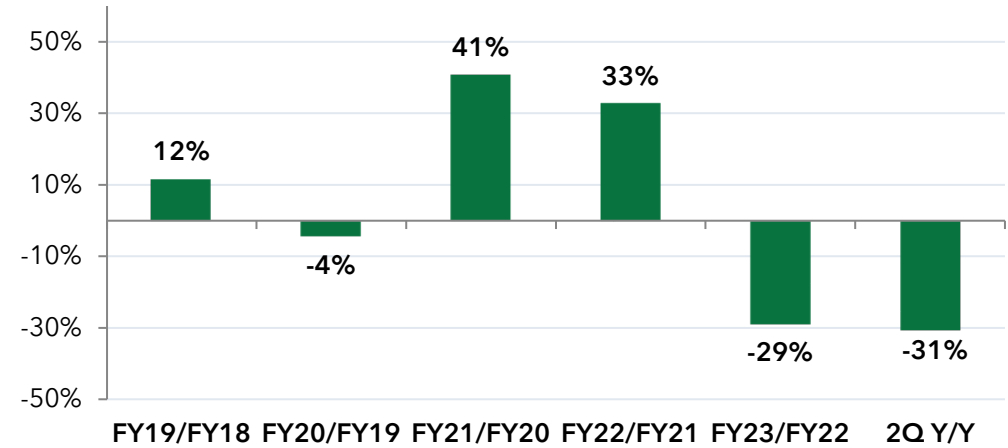
Operating income decreased 31% compared to the second quarter 2023 primarily from a combination of lower yields and the underutilization of assets in the network. JBI segment operating income as a percentage of segment gross revenue declined versus the prior-year period as a result of increases in professional driver and non-driver wages and benefits, ownership costs of underutilized equipment, higher equipment and maintenance expenses, and higher insurance and claims expense, as a percentage of gross revenue. During the period, we onboarded 1,862 new pieces of trailing equipment. We ended the quarter with approximately 121,200 containers and 6,200 power units in the dray fleet.

# Intermodal (JBI) Performance

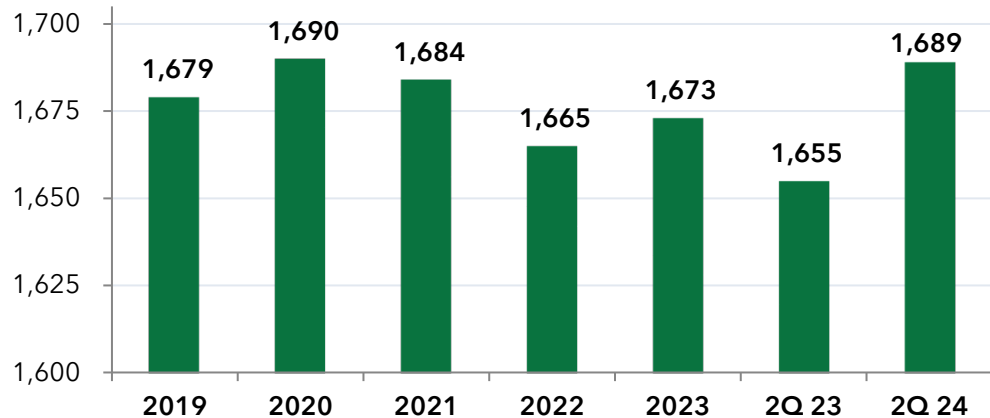
### JBI Revenue Change



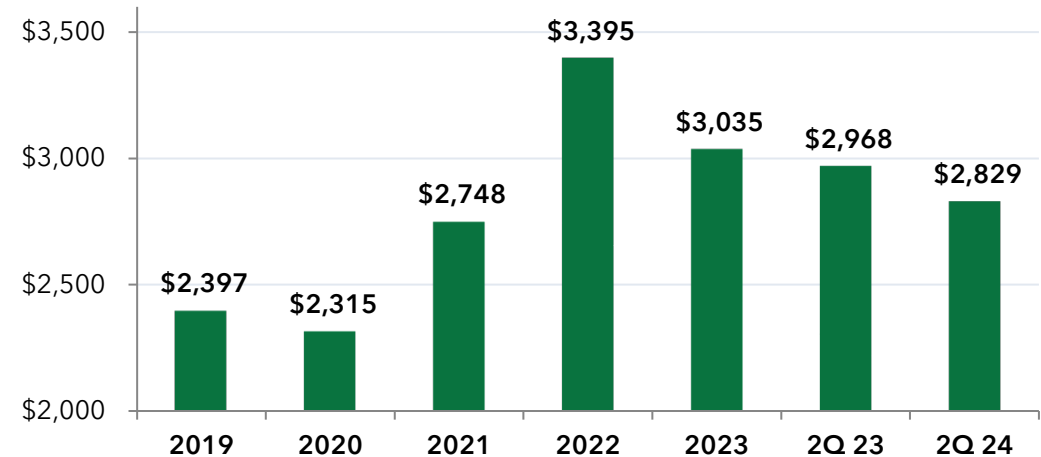
### JBI Operating Income Change



### JBI Average Length of Haul



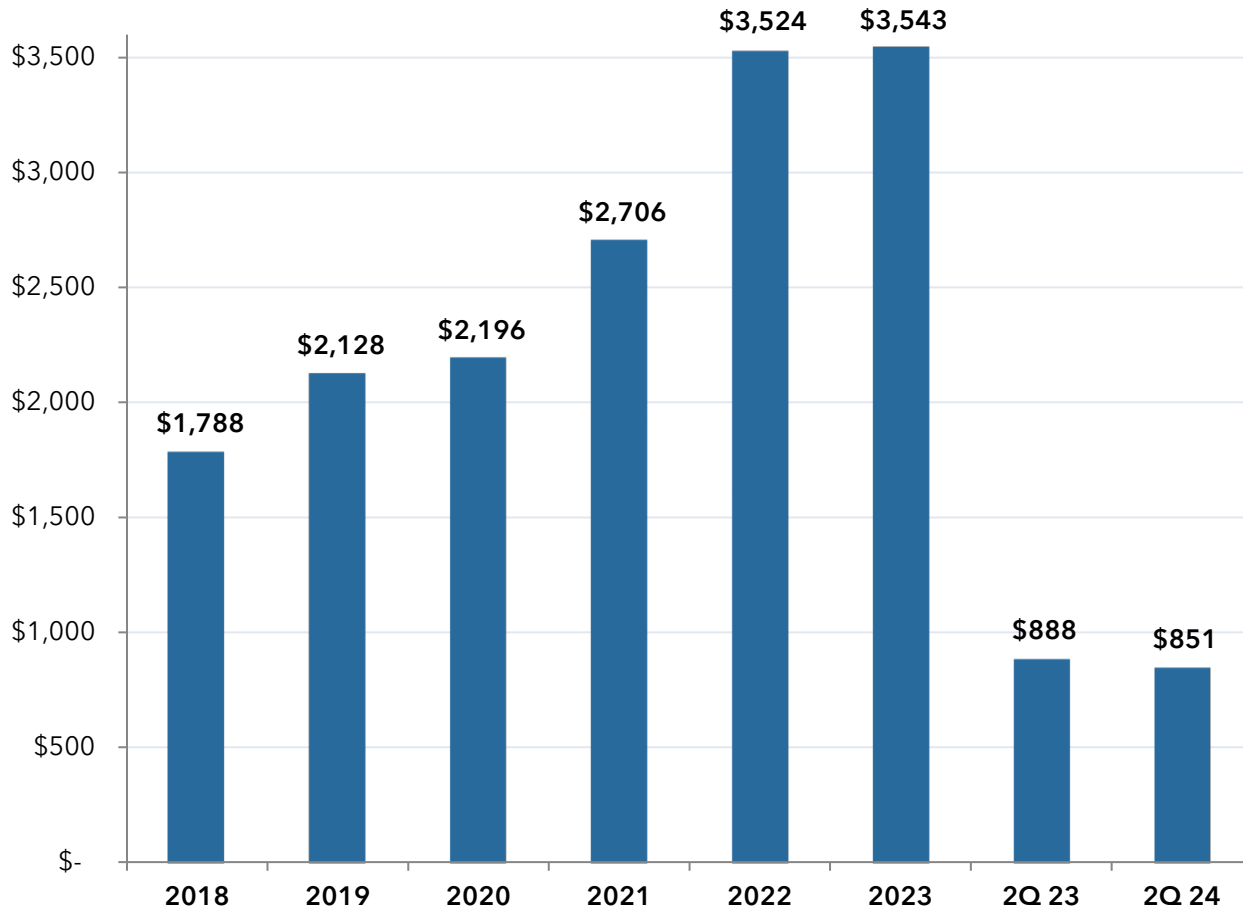
### JBI Revenue per Load





# Dedicated Contract Services (DCS)

**DCS Revenue** (in millions)

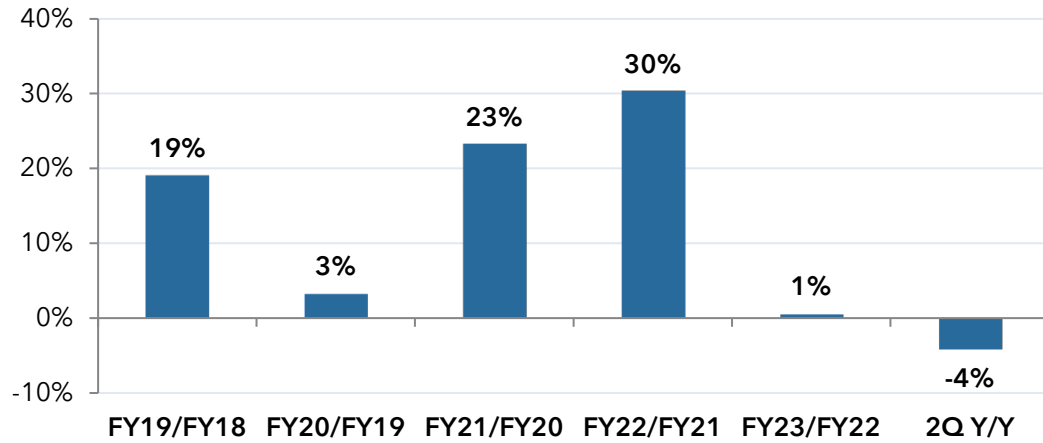


DCS revenue decreased 4% during the current quarter over the same period 2023 driven by a 1% decline in average trucks combined with a 3% decline in productivity (revenue per truck per week). Productivity excluding fuel surcharge revenue decreased 3% from a year ago driven primarily from lower utilization and increases in idled equipment, partially offset by contracted indexed-based price escalators. On a net basis, there were 339 fewer revenue-producing trucks in the fleet by the end of the quarter compared to the prior-year period and 365 fewer versus the end of the first quarter 2024. Customer retention rates are approximately 88%, largely reflecting downsizing of fleets and to a lesser extent account losses, as compared to the prior-year period.

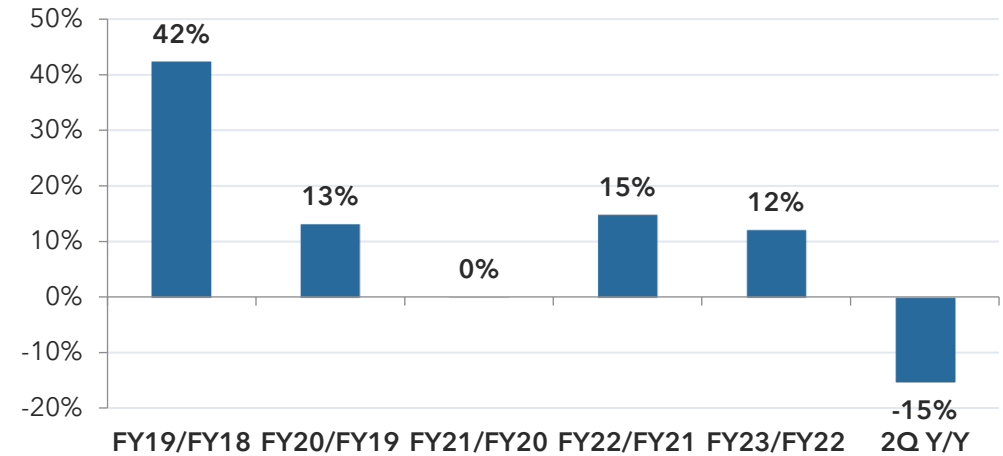
Operating income decreased 15% from the prior-year quarter primarily from lower revenue, higher insurance and claims, equipment-related and bad debt expenses and higher new account start-up costs as compared to the prior-year period. These items were partially offset by lower maintenance costs and the maturing of new business onboarded over the past trailing twelve months.

# Dedicated Contract Services (DCS)

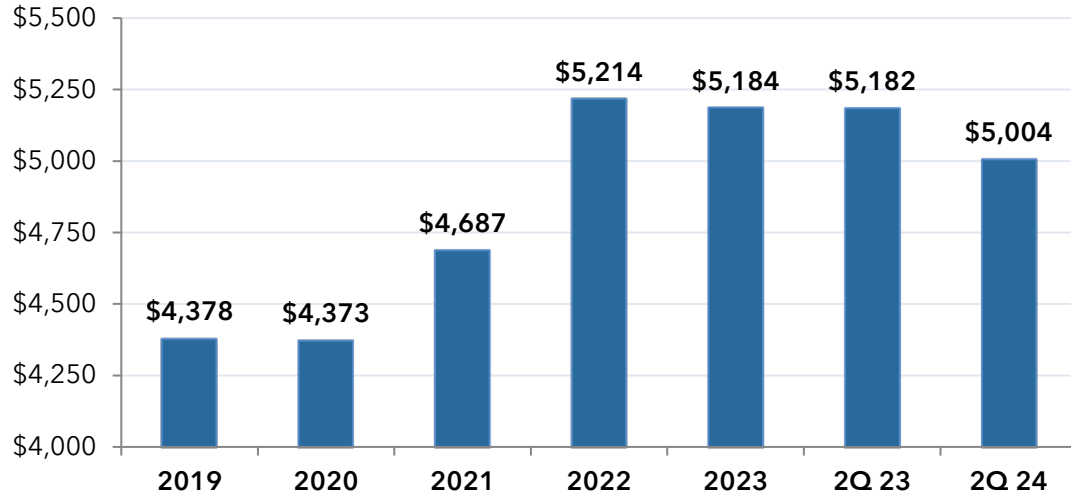
### DCS Revenue Change



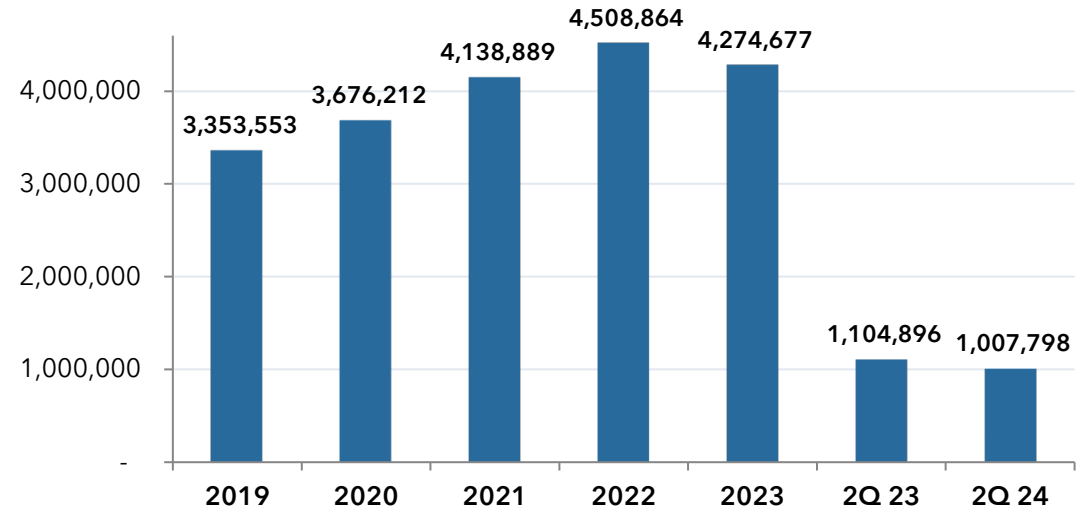
### DCS Operating Income Change



### DCS Revenue Per Truck Per Week

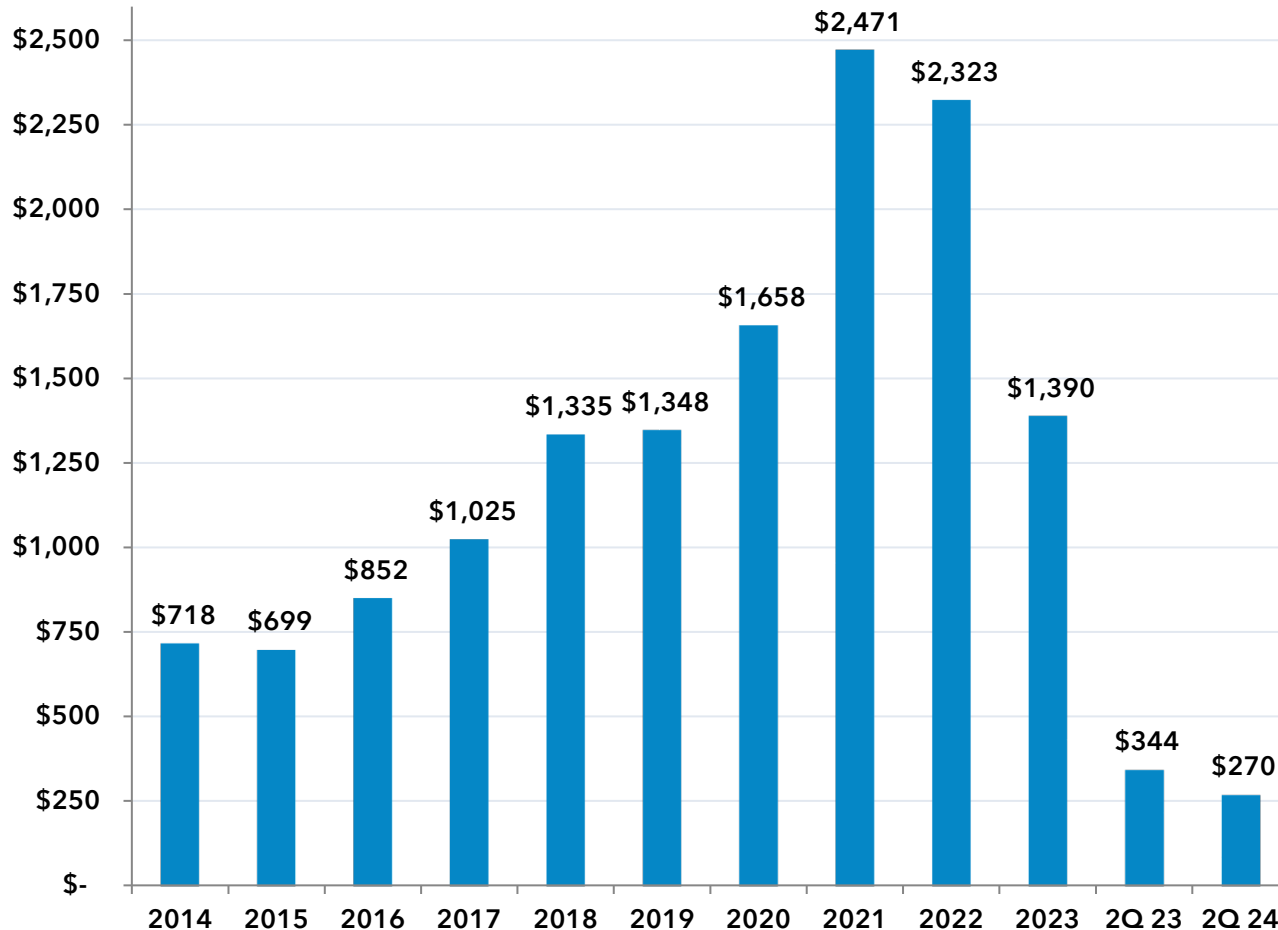


### DCS Loads



# Integrated Capacity Solutions (ICS)

ICS Revenue (in millions)

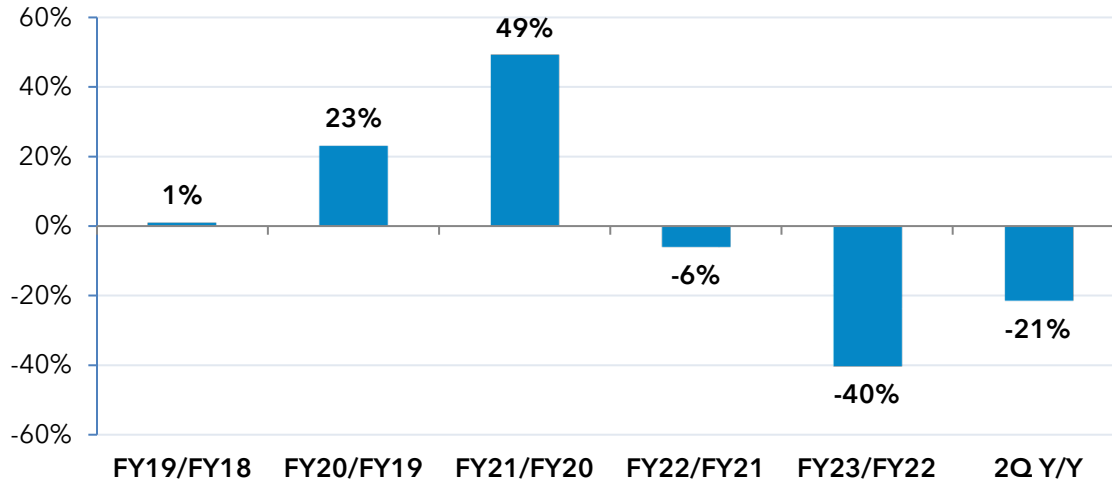


ICS revenue declined 21% during the current quarter versus the second quarter 2023. Overall segment volume decreased 25% versus the prior-year period. Revenue per load increased 5% compared to the second quarter 2023 due to increases in both contractual and transactional rates as well as changes in customer mix. Contractual volume represented approximately 61% of the total load volume and 59% of the gross segment revenue in the current quarter compared to 66% and 64%, respectively, in second quarter 2023.

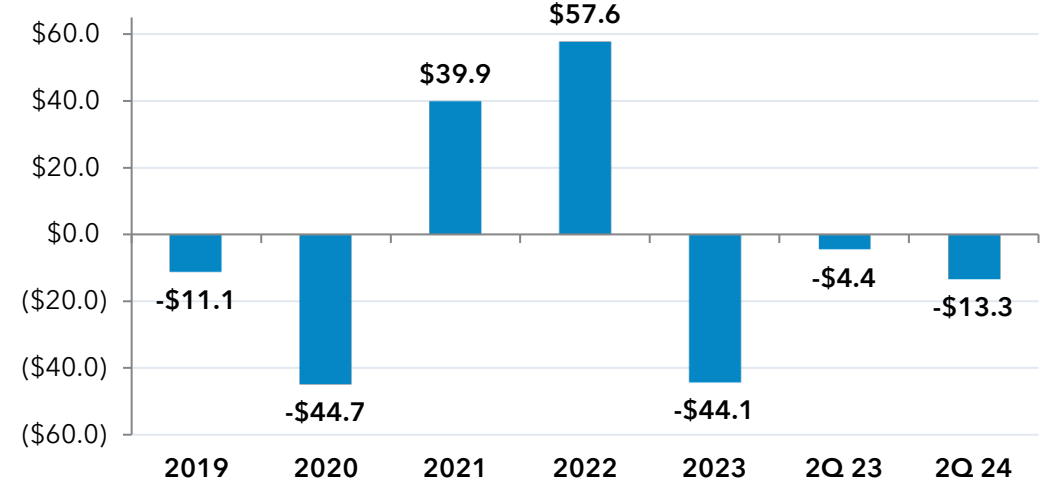
Operating loss was \$13.3 million compared to an operating loss of \$4.4 million in the second quarter 2023. The increase in operating loss was largely driven by a \$4.9 million decrease in gross profit, higher insurance and claims costs, and integration and transition costs related to the purchase of the brokerage assets of BNSF Logistics. These items were partially offset by lower personnel-related expenses and reduced technology costs. Gross profit declined 11% versus the prior-year period as a result of lower revenue, despite gross profit margins improving to 14.8% compared to 13.0% in the prior-year period. This reflects intentional yield management and discipline during bid season and better execution on capacity procurement. The ICS carrier base decreased 24% year-over-year, largely driven by changes to carrier qualification requirements to mitigate cargo theft.

# Integrated Capacity Solutions (ICS)

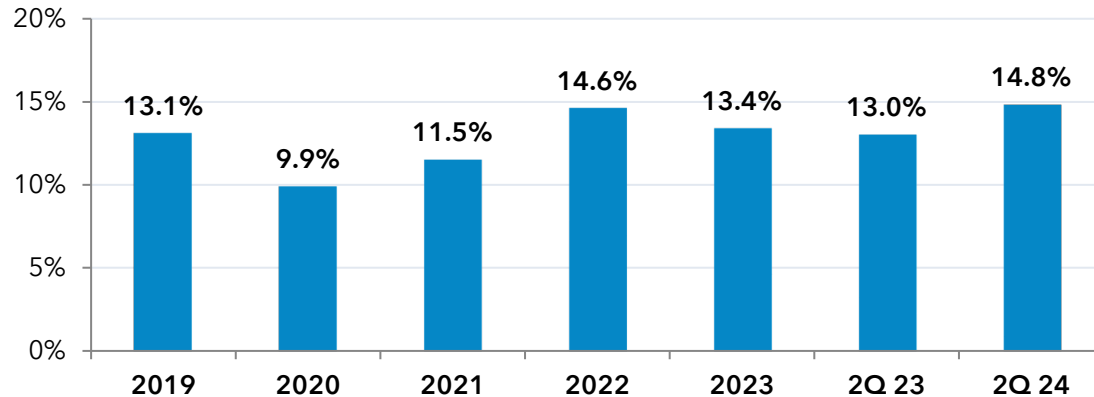
### ICS Revenue Change



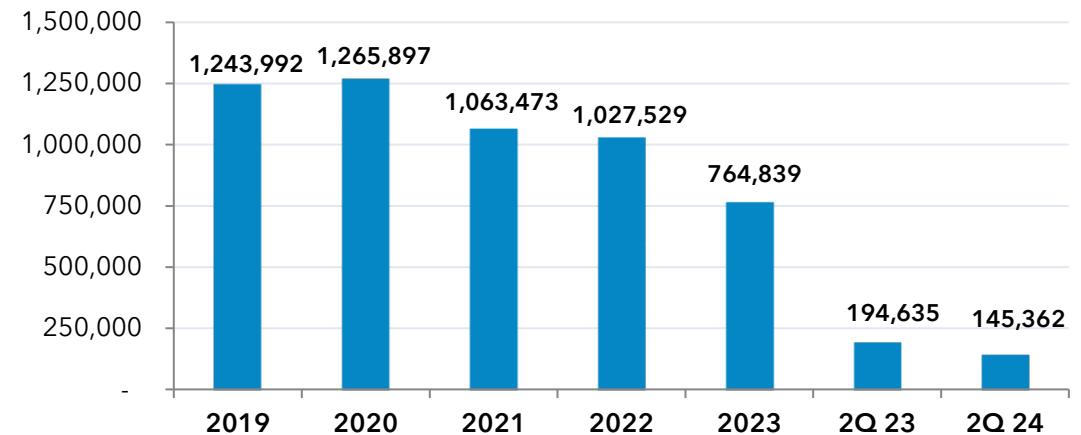
### ICS Operating Income/(Loss) (in millions)



### ICS Gross Profit Margin



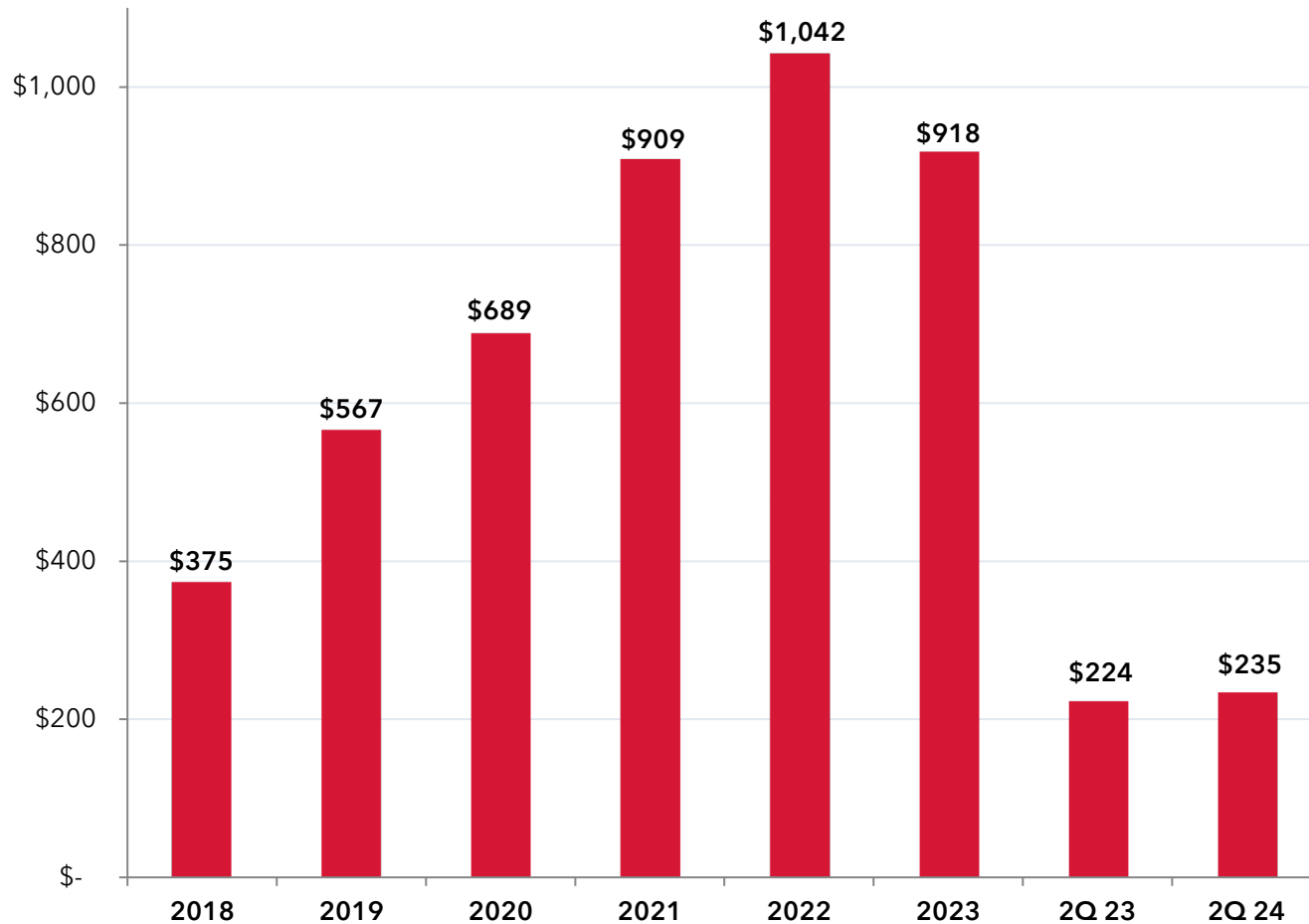
### ICS Loads





# Final Mile Services (FMS)

**FMS Revenue** (in millions)

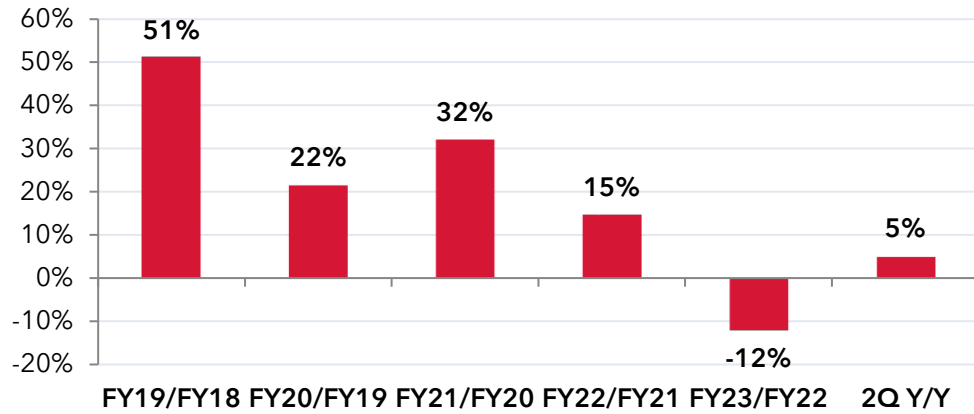


FMS revenue increased 5% compared to the same period 2023. The increase was primarily driven by multiple new contracts implemented over the past year. This was partially offset by ongoing efforts to improve revenue quality and profitability across various accounts which resulted in some loss of business in addition to general weakness in demand across some of the end markets served.

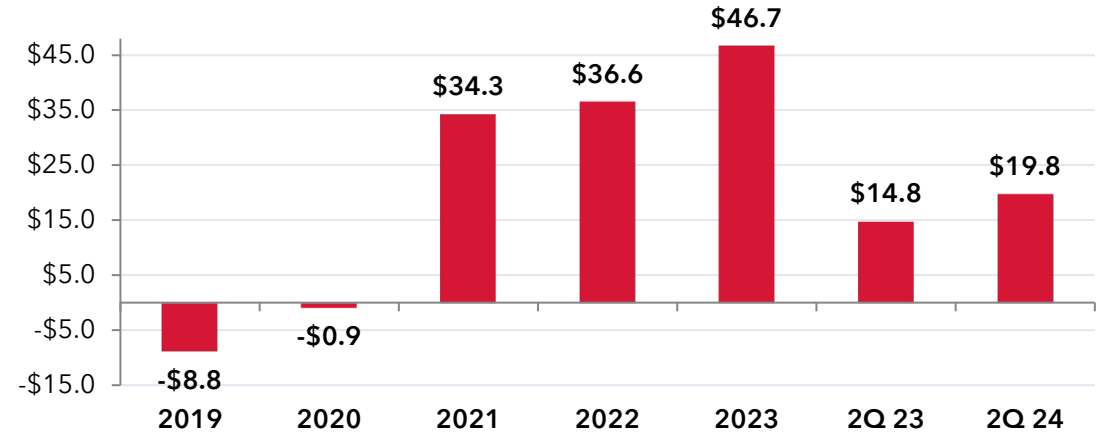
Operating income increased 33% compared to the prior-year period. Second quarter 2024 included a \$1.1 million net benefit from two offsetting claim settlements. Excluding this impact, operating income increased primarily from higher revenue and lower personnel, equipment-related, and bad debt expenses compared to the prior-year period. These items were partially offset by higher building maintenance expense and loss on sale of equipment as compared to the prior-year period.

# Final Mile Services (FMS)

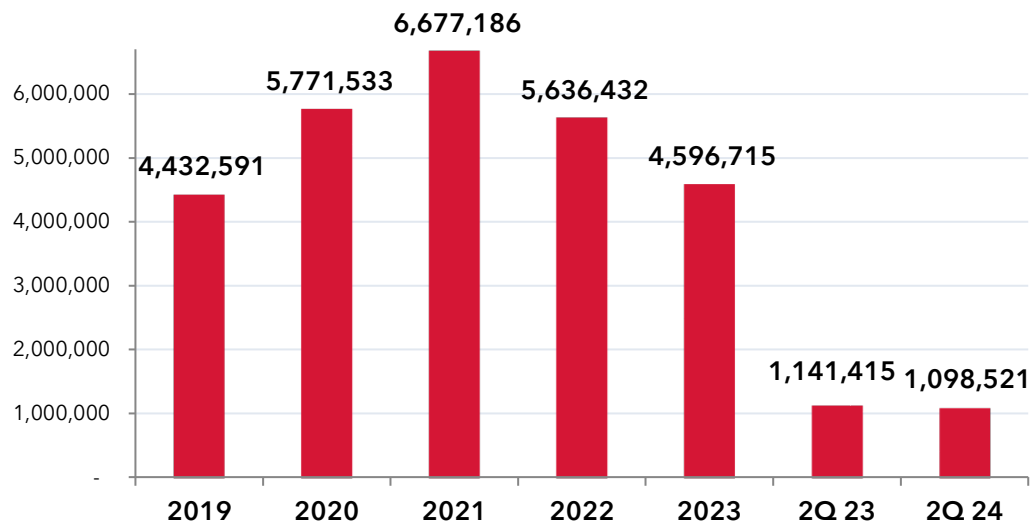
## FMS Revenue Change



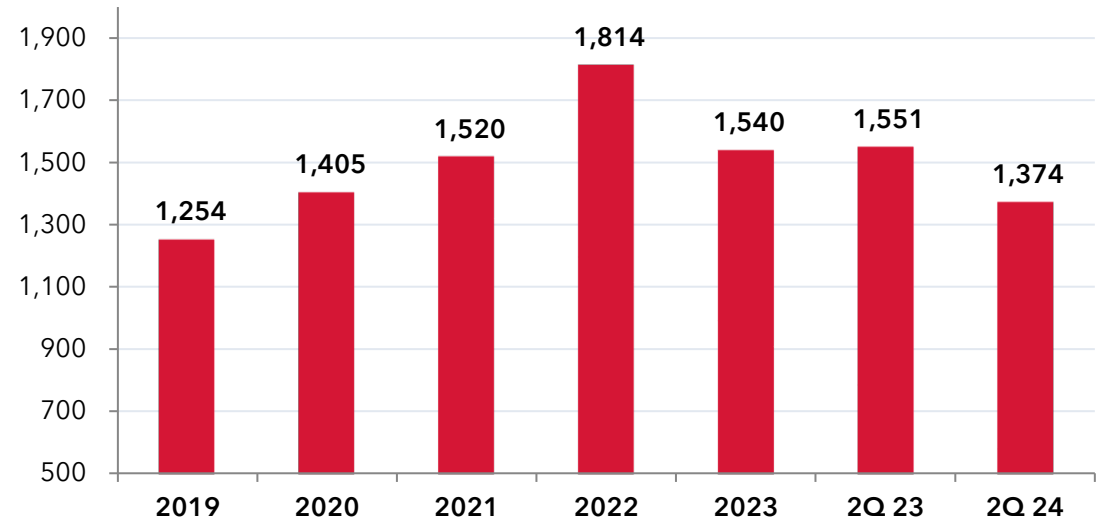
## FMS Operating Income/(Loss) (in millions)



## FMS Stops

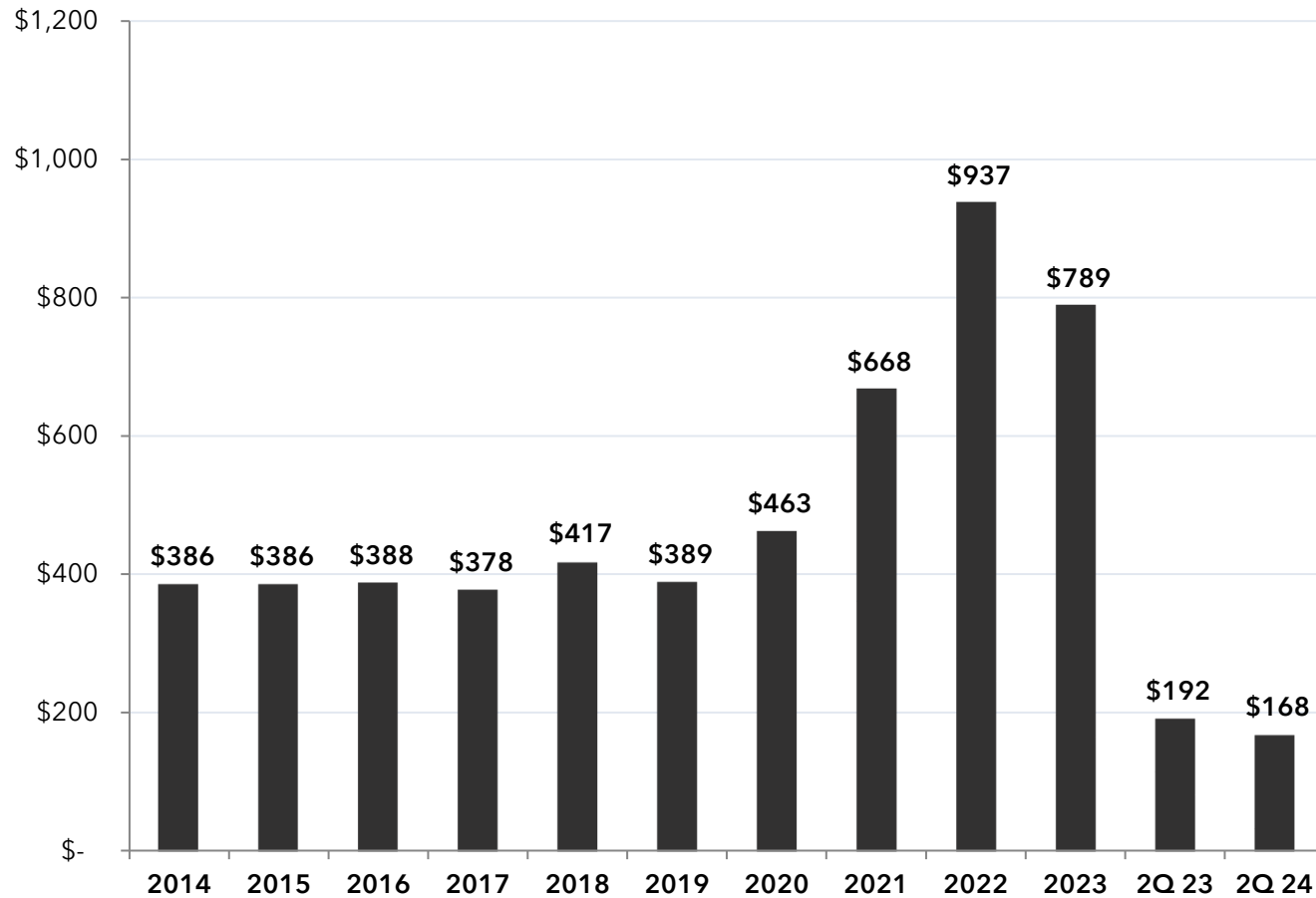


## FMS Average Trucks



# Truckload (JBT)

**JBT Revenue** (in millions)

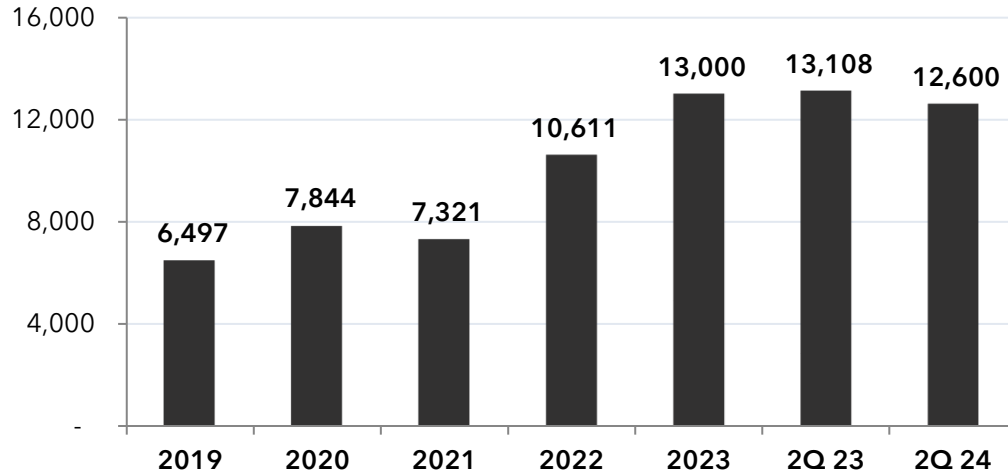


JBT revenue decreased 12% compared to the same period in the previous year. Revenue excluding fuel surcharge revenue decreased 13% due to a 9% decline in load volume and a 4% decline in revenue per load excluding fuel surcharge revenue. Total average effective trailer count decreased by approximately 500 units, or 4% versus the prior-year period. Trailer turns in the quarter were down 5% from the prior period primarily due to weaker overall market demand compared to the second quarter 2023.

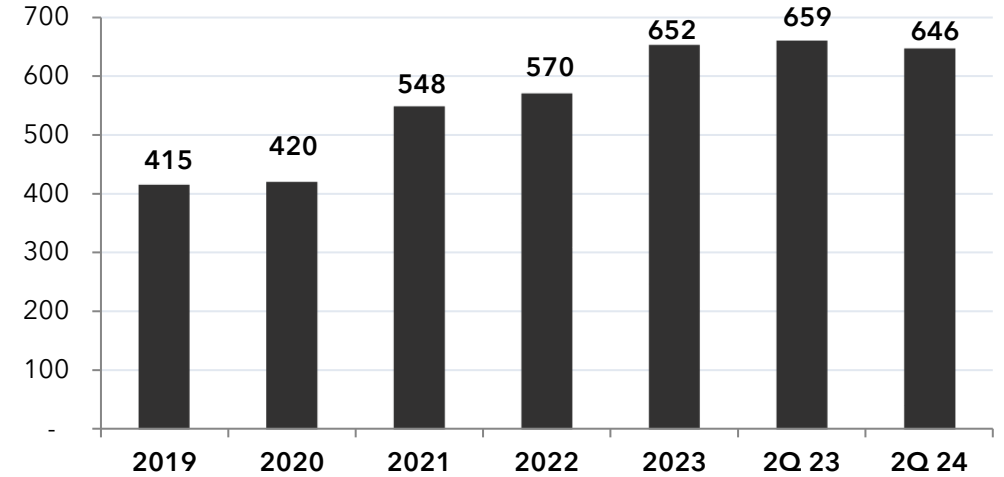
JBT operating income decreased 7% to \$3.5 million compared to the second quarter 2023. The decrease in operating income was primarily driven by the decline in revenue. JBT segment operating income as a percentage of segment gross revenue improved slightly year-over-year as a result of overall cost management initiatives, partially offset by higher third-party capacity cost and insurance and claims expense as a percentage of gross revenue.

# Truckload (JBT)

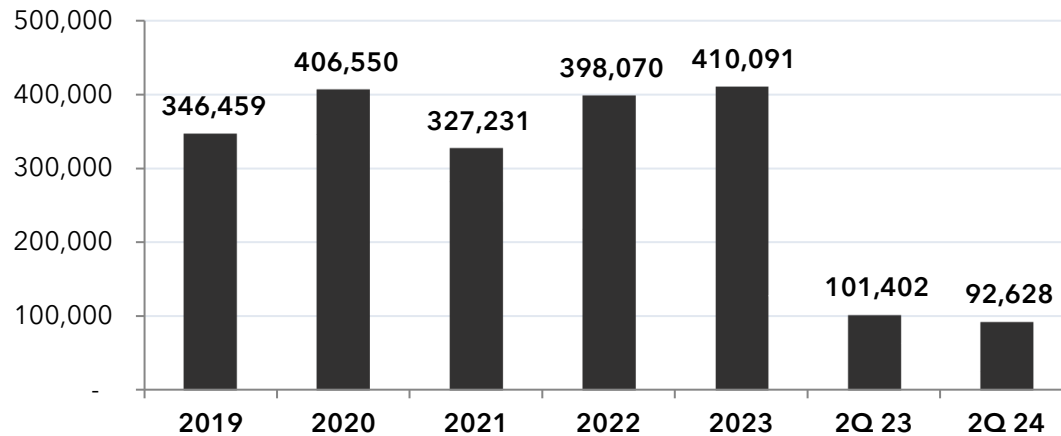
### JBT Average Effective Trailing Equipment



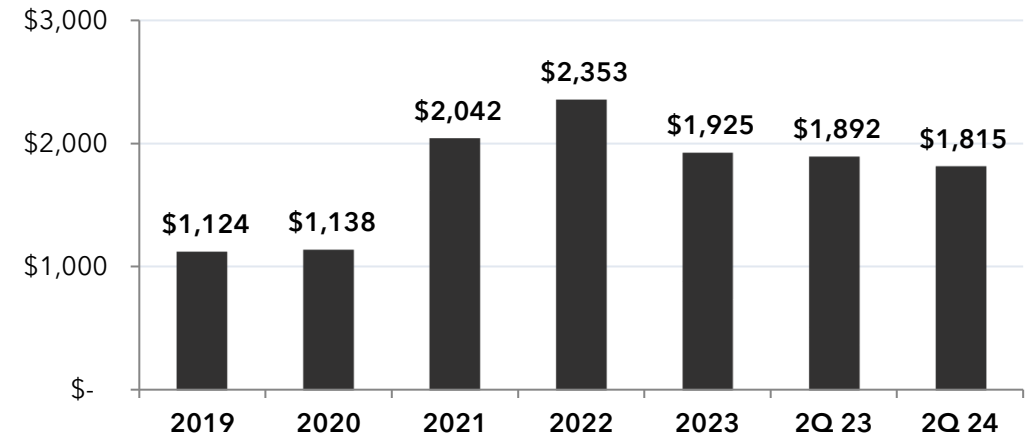
### JBT Average Length of Haul



### 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)

	June 30, 2024	December 31, 2023
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 53,505	\$ 53,344
Accounts Receivable, net	1,251,665	1,334,912
Prepaid expenses and other	608,540	696,656
Total current assets	1,913,710	2,084,912
Property and equipment	9,007,510	8,767,872
Less accumulated depreciation	3,174,017	2,993,959
Net property and equipment	5,833,493	5,773,913
Other assets, net	668,677	679,435
	\$ 8,415,880	\$ 8,538,260
<b>LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Current debt	\$ -	\$ 249,961
Trade accounts payable	724,862	737,364
Claims accruals	594,482	547,277
Accrued payroll	111,234	94,563
Other accrued expenses	150,882	150,256
Total current liabilities	1,581,460	1,779,421
Long-term debt	1,483,804	1,326,107
Other long-term liabilities	394,494	392,766
Deferred income taxes	880,126	936,208
Shareholders' equity	4,075,996	4,103,758
	\$ 8,415,880	\$ 8,538,260



Thank You



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**Technology.**  
**Capacity.™**