



J.B. HUNT

Q4 2017 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

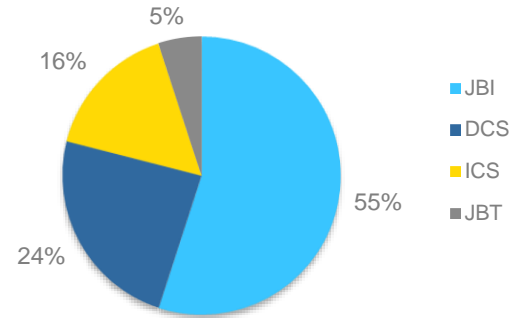
Integrated Capacity Solutions (ICS)

- 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

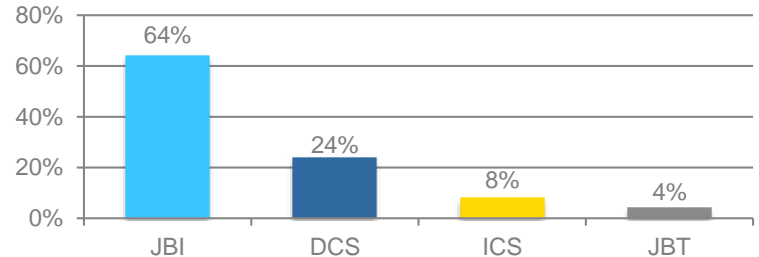
Truckload (JBT)

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

4Q 2017 Revenue Mix



Percentage of 4Q 2017 Operating Income by Business Segment



4Q 2017 RESULTS VS. 4Q 2016

OVERVIEW

4Q 2017 Revenue:

\$1.99 billion; up 16%

4Q 2017 Revenue, excl FSC:

\$1.77 billion; up 13%

4Q 2017 Operating Income:

\$146 million; down 25%

4Q 2017 EPS:

\$3.48 vs. \$1.05; up 232%

SEGMENT PERFORMANCE

Intermodal (JBI)

Revenue: \$1.1 billion; up 10%

Operating Income: \$93.3 million; down 25%

Dedicated Contract Services (DCS)

Revenue: \$477 million; up 20%

Operating Income: \$34.9 million; down 39%

Integrated Capacity Solutions (ICS)

Revenue: \$323 million; up 40%

Operating Income: \$11.3 million; up 86%

Truckload (JBT)

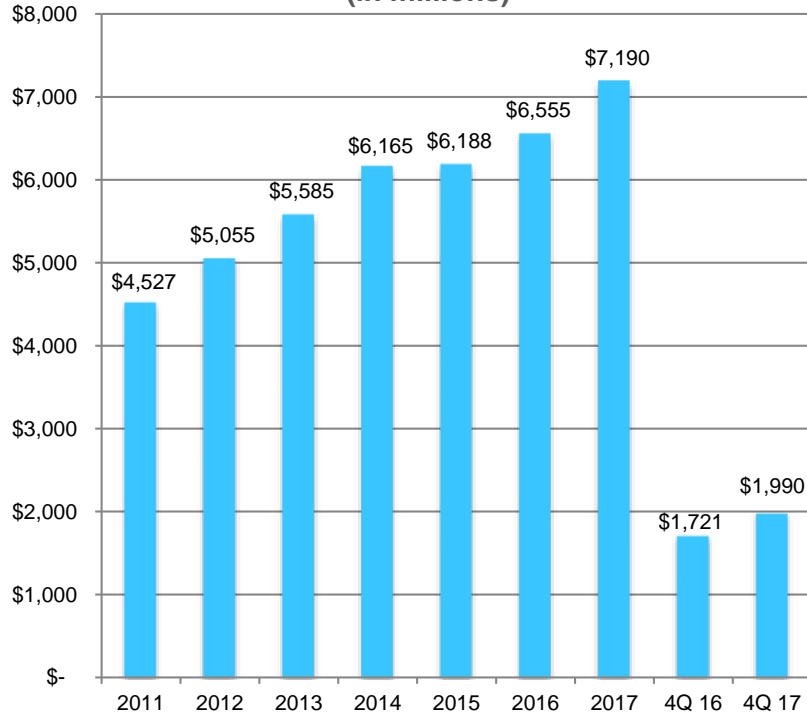
Revenue: \$97 million; up 1%

Operating Income: \$6.4 million; down 5%

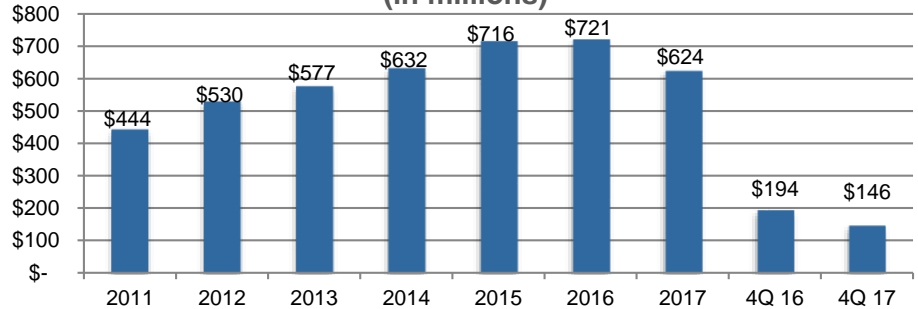


4Q 2017 RESULTS CONSOLIDATED

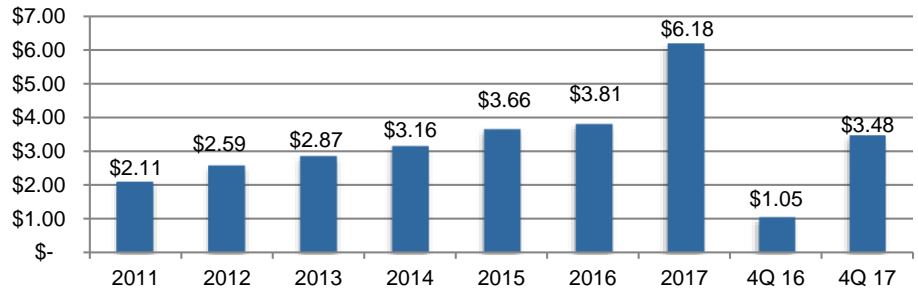
Revenue
(in millions)



Operating Income
(in millions)



Diluted EPS



KEY POINTS



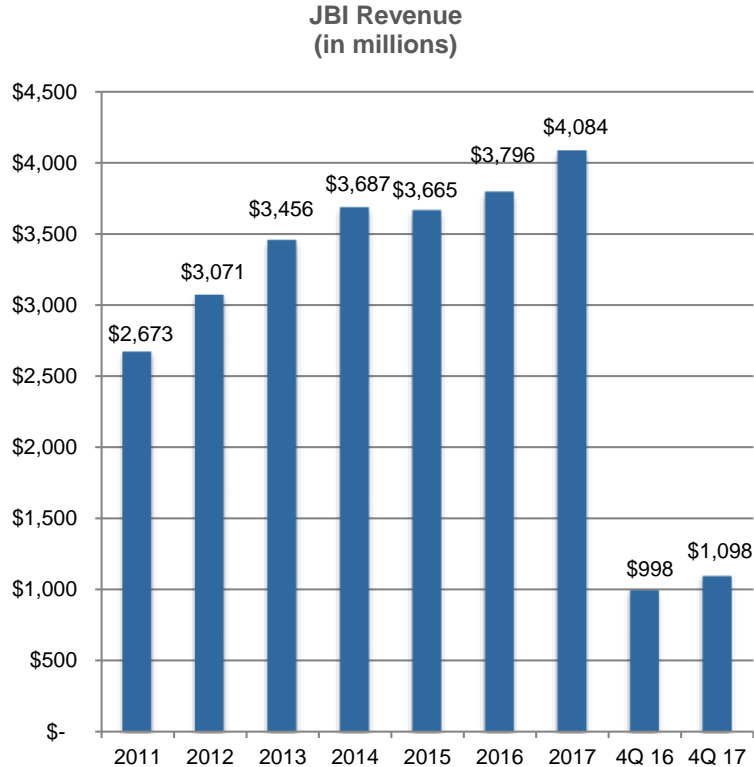
- Industry leading Intermodal franchise
- Differentiated and specialized Dedicated business
- Independent brokerage/management services
- Lighter Truckload asset model



SEGMENT DISCUSSION



INTERMODAL (JBI)



JBI total volumes grew 5% over the same period in 2016.

Eastern network loads grew at 7% and transcontinental loads increased 4% compared to the fourth quarter 2016.

Revenue increased 10%, reflecting volume growth of 5% and a 5% increase in revenue per load which is the combination of freight mix, customer rate increases and fuel surcharges.

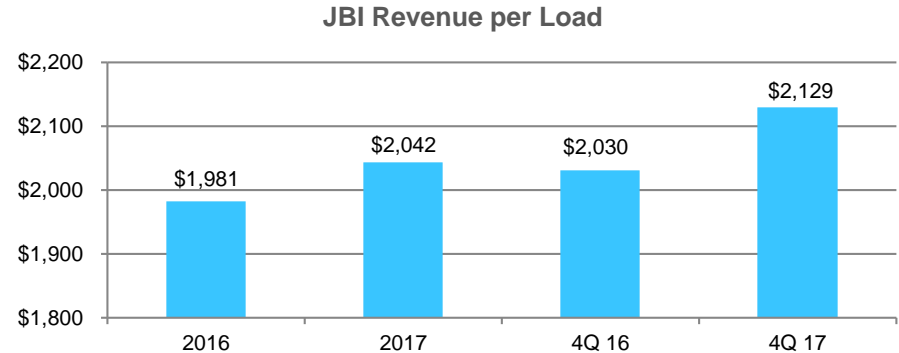
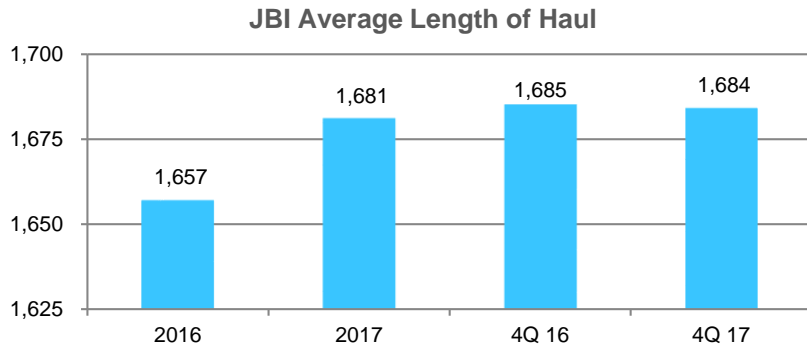
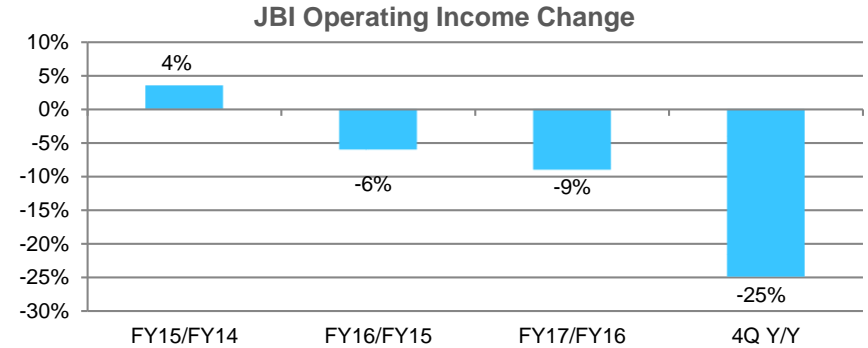
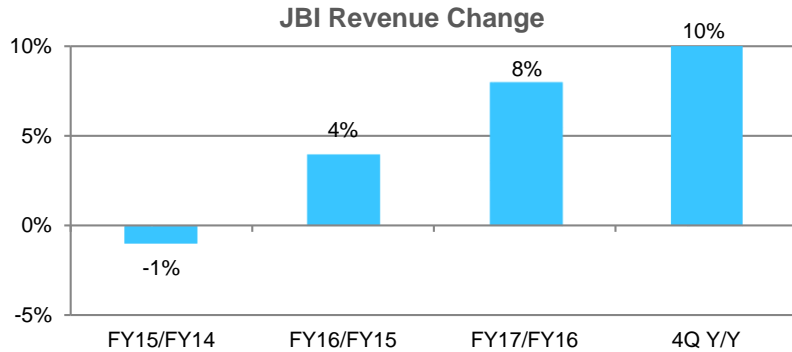
Revenue per load excluding fuel surcharges increased approximately 2% compared to a year ago.

Benefits from increased volume and revenue per load were offset by increased costs to attract and retain drivers, higher third-party dray costs, increased insurance and claims costs and inefficiencies in the rail networks due to congestion and track and yard maintenance.

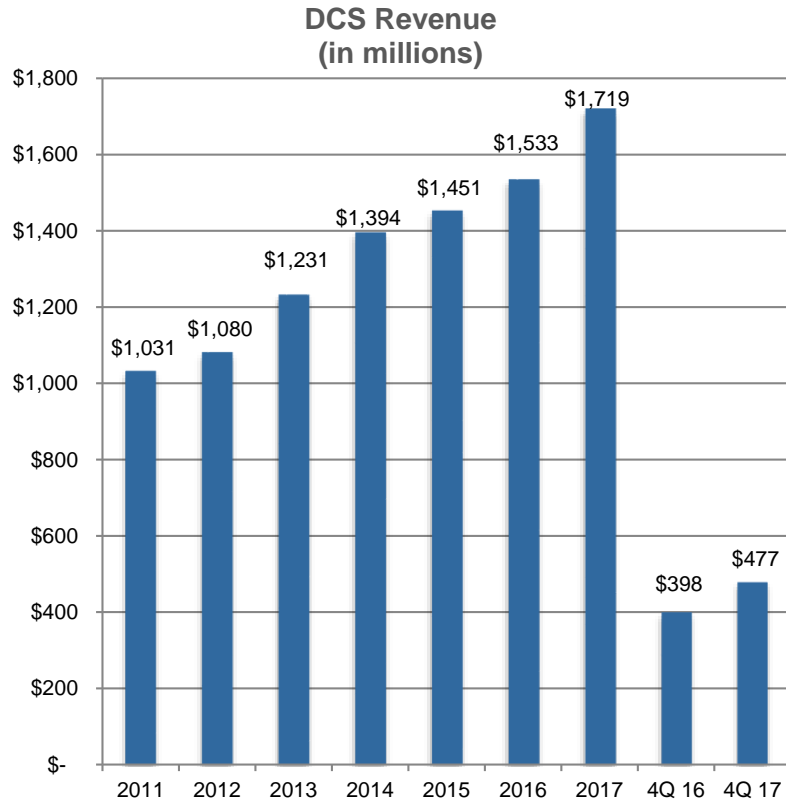
JBI recorded \$28.7 million of the preannounced charges during the fourth quarter 2017.

In fourth quarter 2016, JBI recorded approximately \$5.7 million from the change in paid time off policy.

INTERMODAL (JBI) PERFORMANCE



DEDICATED (DCS)



DCS revenue increased 20% during the current quarter over the same period 2016.

Productivity (revenue per truck per week) increased approximately 4% vs. 2016.

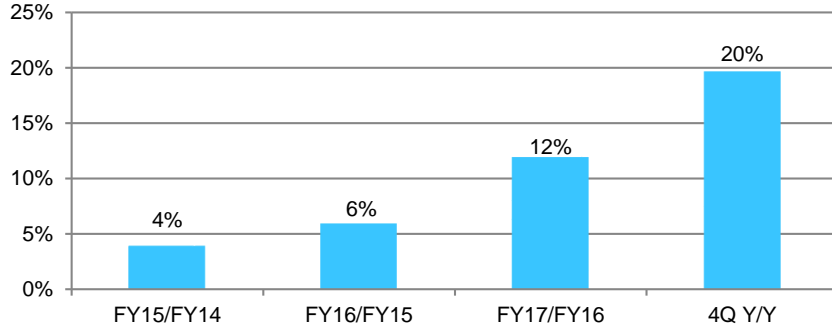
A year over year net additional 1,326 revenue producing trucks, 331 net additions compared to third quarter 2017, were in the fleet by the end of the quarter.

Operating income decreased by 39% from a year ago. The increase in revenue and improved asset utilization was offset with higher driver wages including the timing between wage increases and recovery through customer contracts, higher driver recruiting costs including the length of time to fill open positions, increased insurance and claims costs, higher equipment ownership costs and \$1.9 million in intangible asset amortization compared to the same period in 2016.

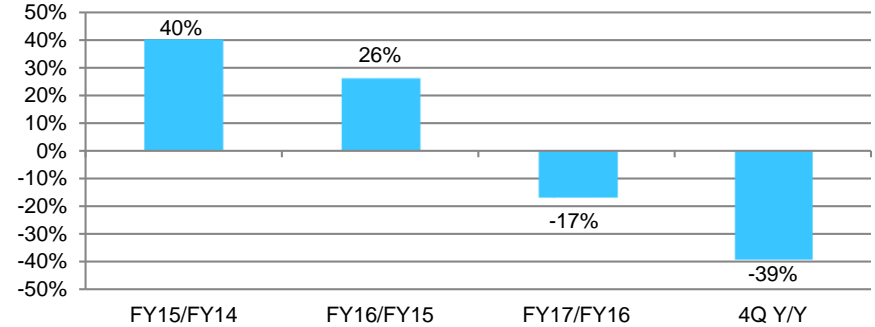
DCS recorded \$7.6 million of the preannounced charges during the fourth quarter 2017 and recognized a \$7.3 million benefit in the fourth quarter 2016 from the change in paid time off policy.

DEDICATED (DCS) PERFORMANCE

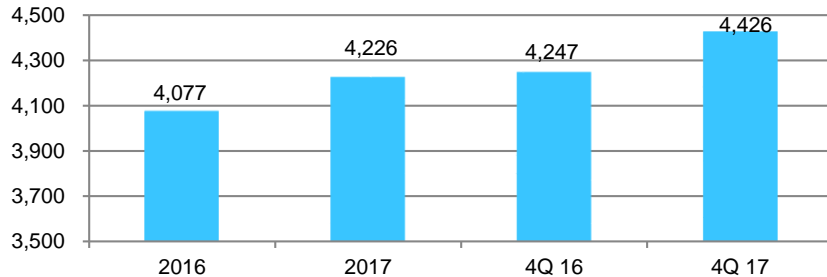
DCS Revenue Change



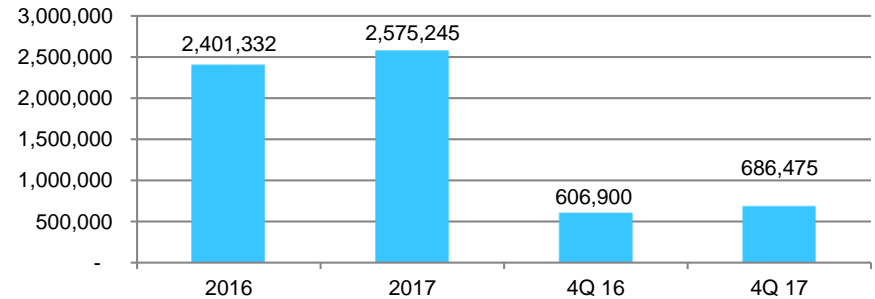
DCS Operating Income Change



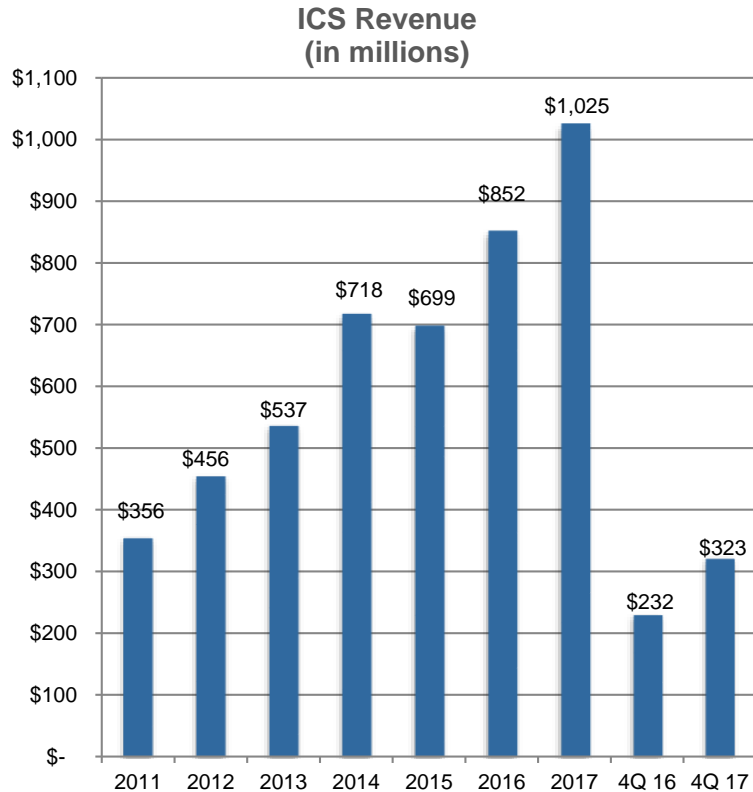
DCS Revenue Per Truck Per Week



DCS Loads



INTEGRATED (ICS) NON-ASSET BASED



ICS revenue increased 40% in the current quarter vs. the fourth quarter 2016. Revenue per load increased 19% and volume increased 17% mostly due to increased spot market activity.

Contractual volumes represent approximately 66% of the total load volume but only 46% of the total revenue in the current quarter compared to 75% and 62%, respectively, in fourth quarter 2016.

Operating income increased 86% over the same period in 2016. Gross profit margin increased to 14.1% in the current period from 12.9% last year primarily from the increased spot market activity which more than offset the margin compression realized in the contractual volumes.

The increase in gross margin was partially offset with higher technology spending as JBHunt360 continues to be rolled out to more customers.

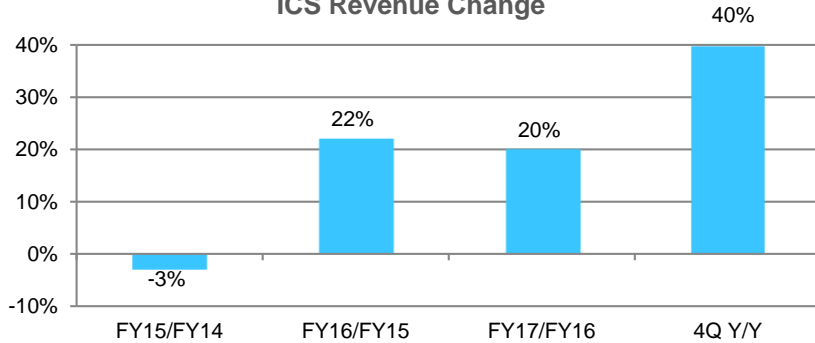
ICS recorded \$1.8 million of the preannounced charges in the fourth quarter 2017 and recognized a \$1.0 million benefit in the fourth quarter 2016 for the change in paid time off policy.

Total branches at the end of the period grew to 44 from 42 at the end of the same period in 2016.

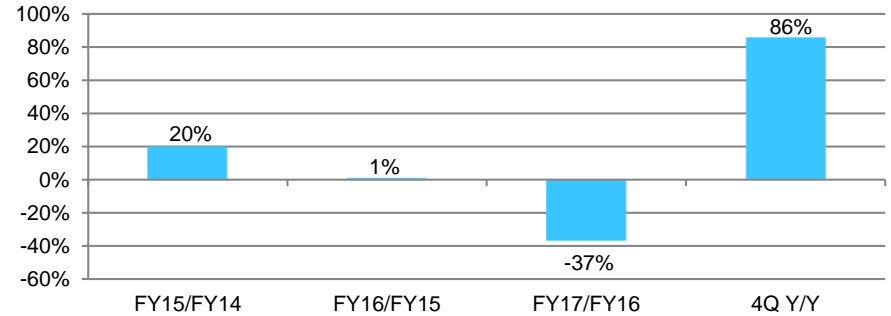
ICS's carrier base increased 11% and the employee count increased 16% from a year ago.

INTEGRATED (ICS) PERFORMANCE

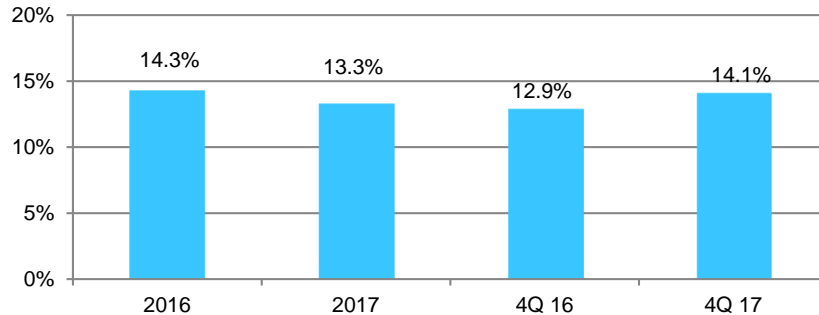
ICS Revenue Change



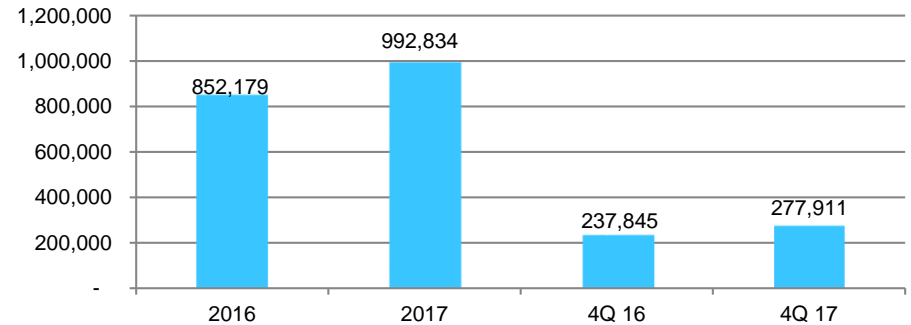
ICS Operating Income Change



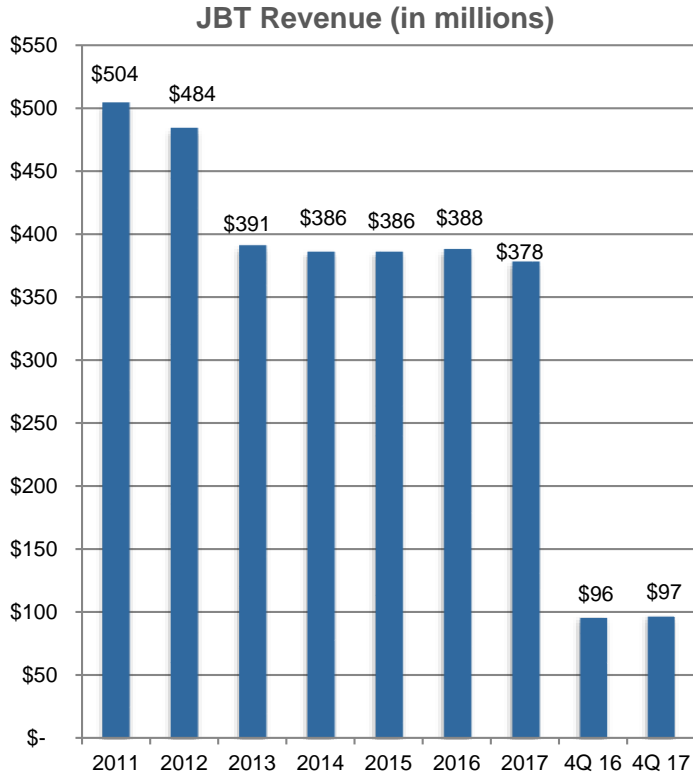
ICS Gross Profit Margin



ICS Loads



TRUCKLOAD (JBT)



JBT revenue for the current quarter increased 1% from the same period in 2016.

Revenue per load increased 13% primarily from a 12% increase in rates per loaded mile on an equivalent length of haul compared to fourth quarter 2016 but was offset with a 10% decrease in load count.

At the end of the period, JBT operated 2,032 tractors compared to 2,128 a year ago.

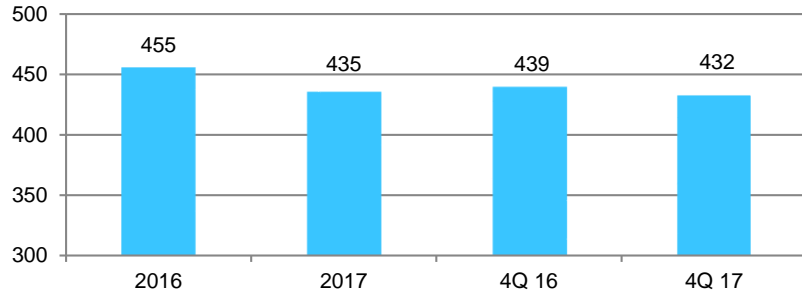
Operating income decreased 5% from fourth quarter 2016 levels.

Favorable changes from higher revenue per load were offset by higher driver wages and independent contractor costs per mile, lower tractor utilization from an increase in unseated trucks and higher insurance and claims costs compared to fourth quarter 2016.

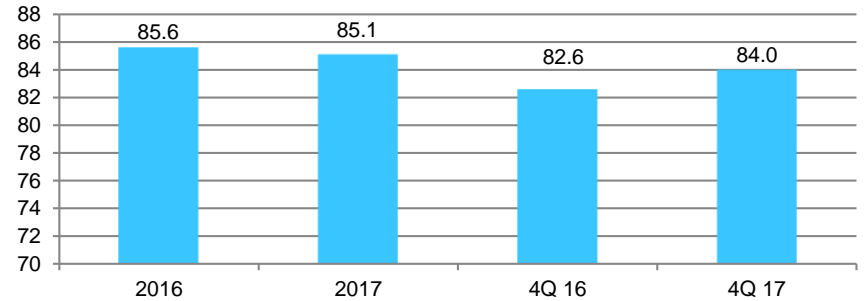
JBT recorded approximately \$0.7 million of the preannounced charges in the fourth quarter 2017 and recorded a \$1.2 million benefit in the fourth quarter 2016 from the change in paid time off policy.

TRUCKLOAD (JBT) PERFORMANCE

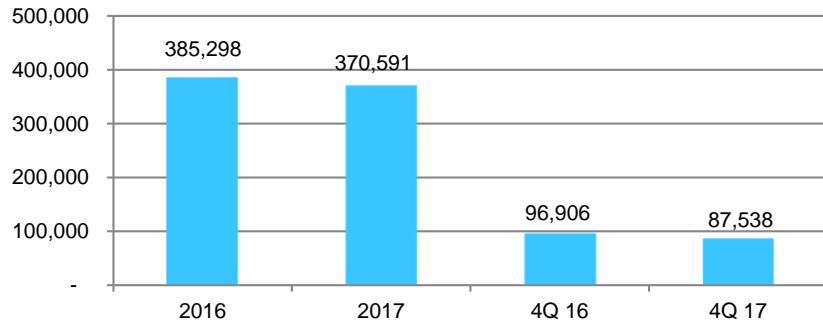
JBT Average Length of Haul



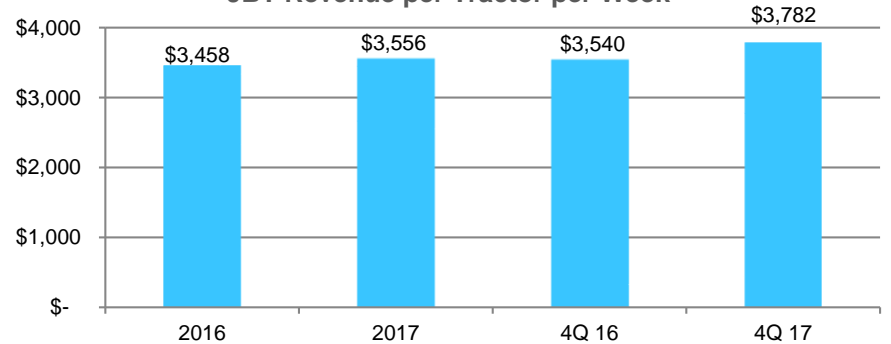
JBT Average Nonpaid Empty Miles Per Load



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, 2017

December 31, 2016

ASSETS

Current assets:			
Cash and cash equivalents	\$	14,612	\$ 6,377
Accounts Receivable		920,767	745,288
Prepaid expenses and other		286,135	194,016
Total current assets		1,221,514	945,681
Property and equipment		4,670,464	4,258,915
Less accumulated depreciation		1,687,133	1,440,124
Net property and equipment		2,983,331	2,818,791
Other assets		143,290	64,516
	\$	4,348,135	\$ 3,828,988

LIABILITIES & STOCKHOLDERS' EQUITY

Current liabilities:			
Trade accounts payable	\$	598,594	\$ 384,308
Claims accruals		134,766	109,745
Accrued payroll		42,382	51,929
Other accrued expenses		28,888	27,152
Total current liabilities		804,630	573,134
Long-term debt		1,085,649	986,278
Other long-term liabilities		76,661	64,881
Deferred income taxes		541,870	790,634
Stockholders' equity		1,839,325	1,414,061
	\$	4,348,135	\$ 3,828,988



THANK YOU

