



J.B. HUNT

Q4 2020 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

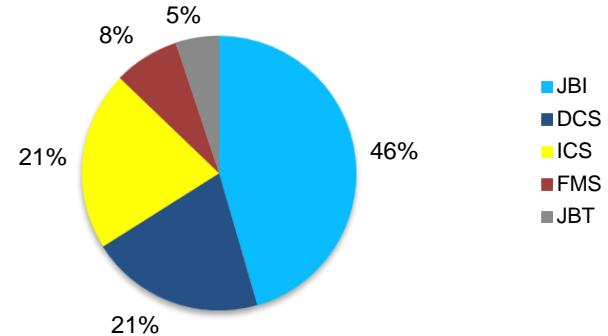
Final Mile Services (FMS)

- 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

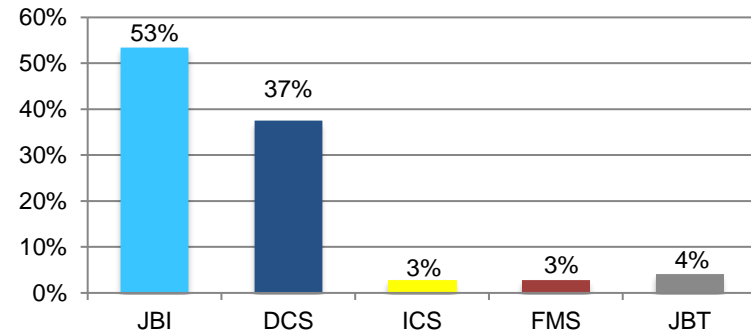
Truckload (JBT)

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

4Q 2020 Revenue Mix



Percentage of 4Q 2020 Operating Income by Business Segment





OVERVIEW

4Q 2020 Revenue:

\$2.74 billion; up 12%

4Q 2020 Revenue, excl FSC:

\$2.55 billion; up 18%

4Q 2020 Operating Income:

\$207.7 million; up 1%

4Q 2020 EPS:

\$1.44 vs. \$1.35; up 7%

SEGMENT PERFORMANCE

Intermodal (JBI)

Revenue: \$1.25 billion; down 1%

Operating Income: \$110.8 million; down 16%

Dedicated Contract Services (DCS)

Revenue: \$568 million; up 3%

Operating Income: \$77.6 million; up 4%

Integrated Capacity Solutions (ICS)

Revenue: \$587 million; up 56%

Operating Income: \$5.6 million; compared to \$(11.8) million Operating Loss in 4Q'19

Final Mile Services (FMS)

Revenue: \$213 million; up 30%

Operating Income: \$5.5 million; up 12%

Truckload (JBT)

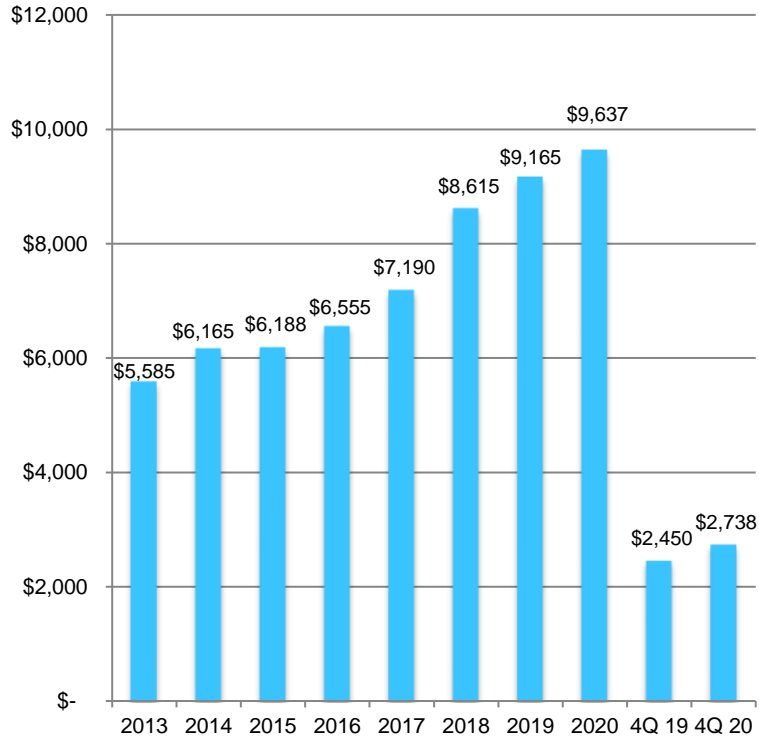
Revenue: \$140 million; up 50%

Operating Income: \$8.4 million; up 32%

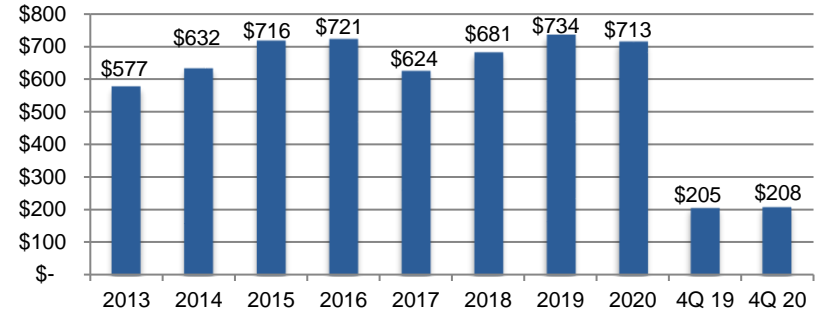
4Q RESULTS CONSOLIDATED



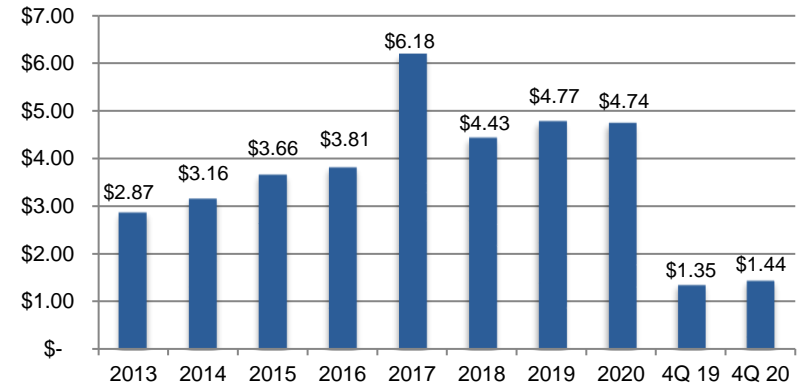
Revenue
(in millions)



Operating Income
(in millions)



Diluted EPS



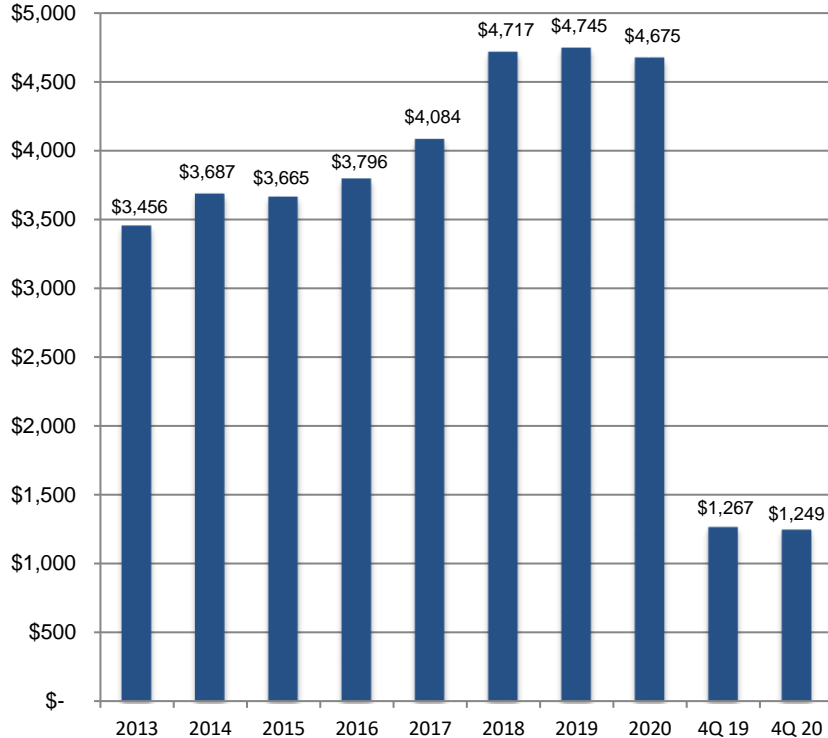


- **Industry leading Intermodal franchise**
- **Differentiated and specialized Dedicated business**
- **Independent brokerage/management services**
- **Lighter Truckload asset model**

SEGMENT DISCUSSION



**JBI Revenue
(in millions)**



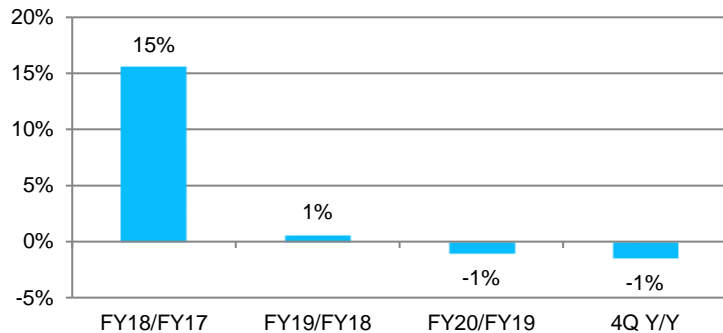
JBI total volumes increased 1% over the same period in 2019. Transcontinental loads grew by 1% and eastern network loads were flat compared to the fourth quarter 2019. Volumes in the quarter continued to be heavily constrained by rail congestion and service issues stemming from elevated demand levels and labor challenges in rail, truck and customer operations that escalated into the mid-to-late part of December. Segment revenue decreased 1%, reflecting the 1% increase in volume offset by a 2% decrease in revenue per load, which is a result of the combination of freight mix, customer rates, and fuel surcharges. Revenue per load excluding fuel surcharge revenue was up 4% year over year.

Operating income decreased 16% from the prior year period. The decline in operating income is primarily attributable to lost productivity and higher costs across rail, truck and customer operations associated with congestion and service disruptions stemming from strong demand, general labor tightness, and other challenges attributable to COVID-19. Specific to JBI, greater utilization and costs related to third party drayage capacity, higher costs to attract and retain drivers, and increased group medical expense also contributed to the decline. The current period ended with approximately 98,700 units of trailing capacity and approximately 5,660 power units in the dray fleet.

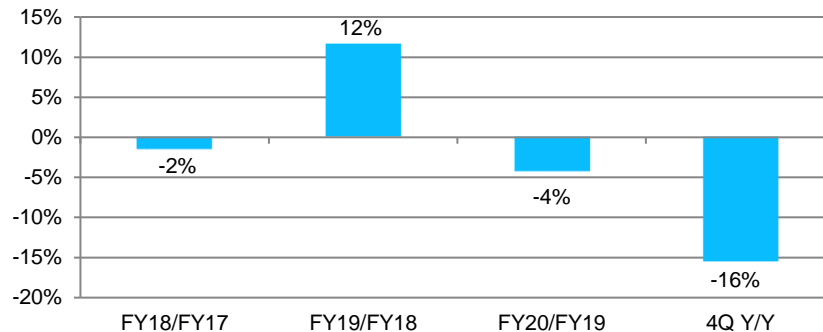
INTERMODAL (JBI) PERFORMANCE



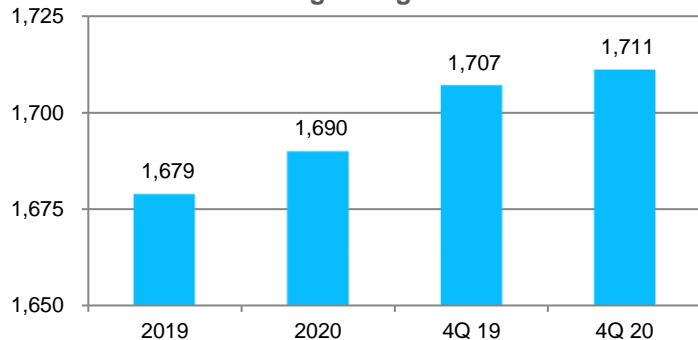
JBI Revenue Change



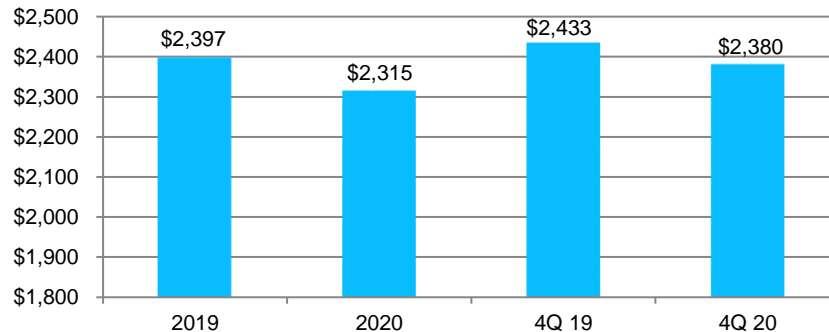
JBI Operating Income Change



JBI Average Length of Haul



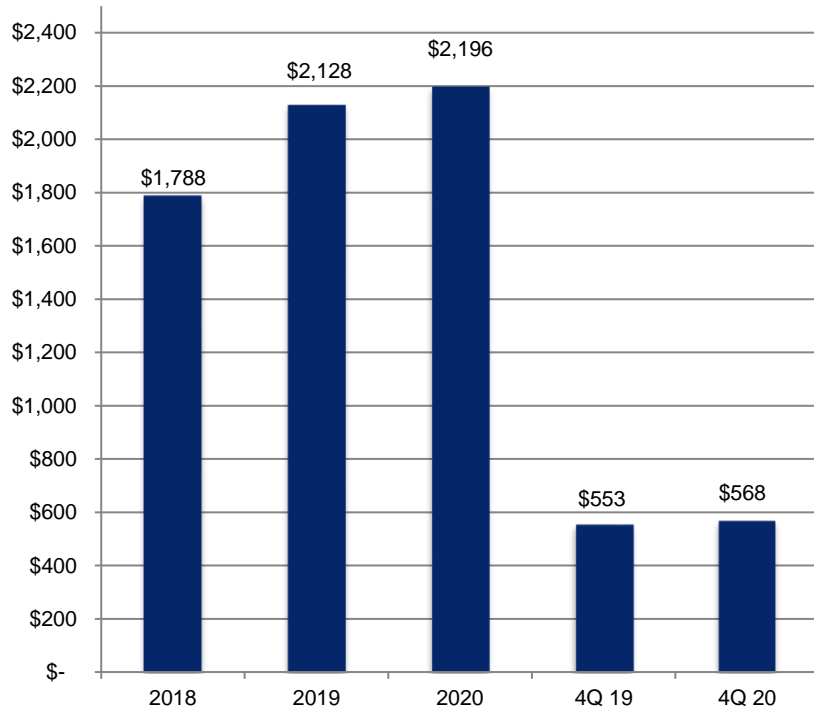
JBI Revenue per Load



DEDICATED (DCS)



**DCS Revenue
(in millions)**



DCS revenue increased 3% during the current quarter over the same period 2019. Productivity (revenue per truck per week) increased approximately 1% vs. 2019. Productivity excluding fuel surcharge revenue increased approximately 4% from a year ago primarily from higher utilization of assets, contracted indexed-based price escalators, and less equipment idled in the quarter. A net additional 132 revenue producing trucks, 188 net additions sequentially from third quarter 2020, were in the fleet by the end of the quarter. Customer retention rates remain above 98%.

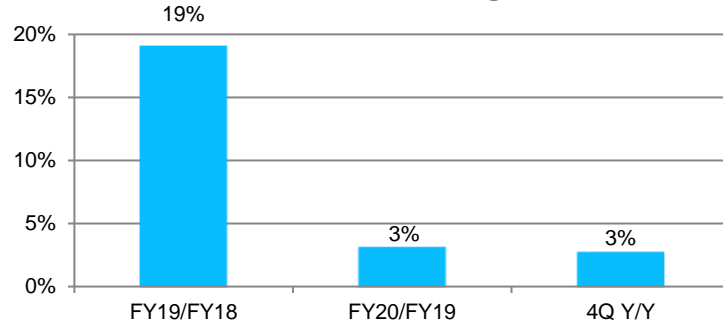
Operating income increased 4% over the prior year quarter. The benefits from increased productivity of assets, reduced driver turnover and lower travel and entertainment expenses were partially offset by increases in driver wages and recruiting costs partially related to recent customer start-up accounts, higher salary and wages for non-driver personnel, and group medical cost increases.

*In March 2020, J.B. Hunt separated its DCS segment into two reportable segments: DCS and FMS. See additional ["JBHT FMS Segmentation"](#) investor presentation.

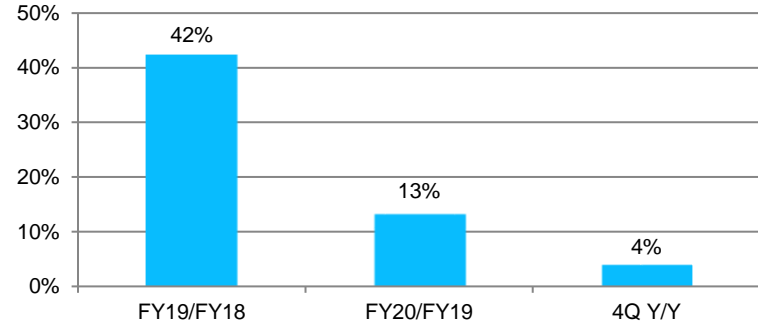
DEDICATED (DCS) PERFORMANCE



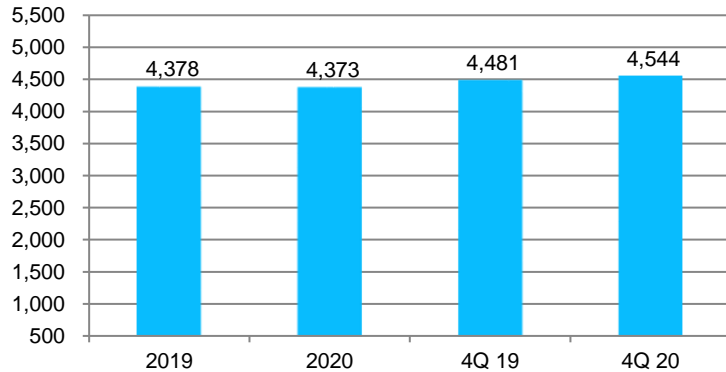
DCS Revenue Change



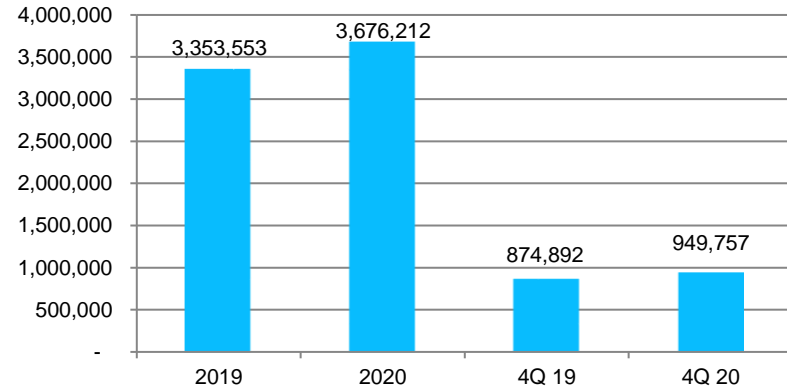
DCS Operating Income Change



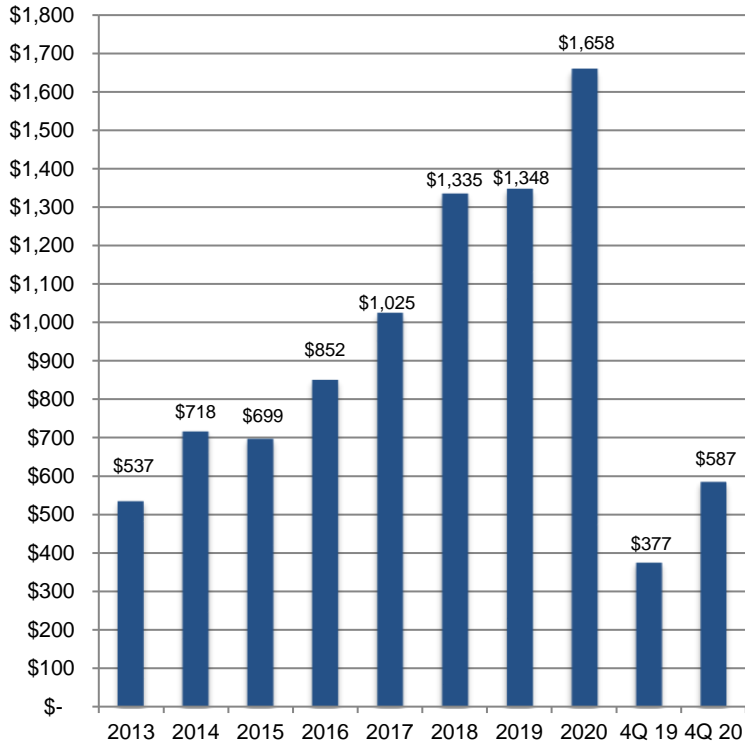
DCS Revenue Per Truck Per Week



DCS Loads



**ICS Revenue
(in millions)**



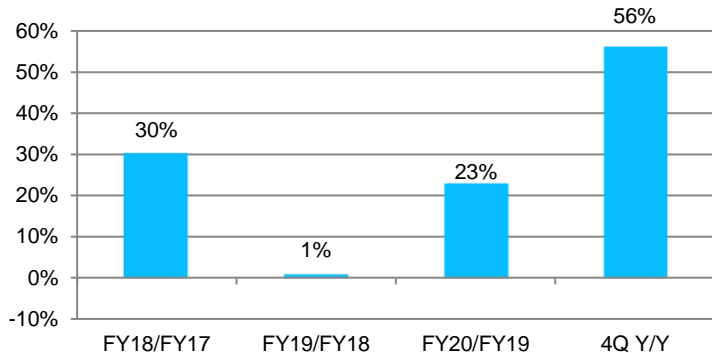
ICS revenue increased 56% in the current quarter vs. the fourth quarter 2019. Revenue growth was driven primarily from a 39% increase in revenue per load which was favorably impacted by freight mix changes and higher spot and contractual rates as compared to the fourth quarter 2019. Segment volumes increased 13%, with truckload volumes increasing at a rate greater than 20% in the quarter vs. the prior year period. Contractual volumes represented approximately 51% of the total load volume and 35% of the total revenue in the current quarter compared to 66% and 54%, respectively, in fourth quarter 2019. Of the total reported ICS revenue, approximately \$387 million was executed through the Marketplace for J.B. Hunt 360° compared to \$225 million in fourth quarter 2019.

Operating income increased to \$5.6 million compared to an operating loss of \$11.8 million in the fourth quarter of 2019. Benefits from increased scale in the Marketplace for J.B. Hunt 360° platform, combined with higher gross margins, were partially offset by higher personnel and technology investments as compared to the same period of 2019. Gross profit margins increased to 10.8% in the current period versus 10.6% in the prior year period. ICS carrier base increased 19% year over year.

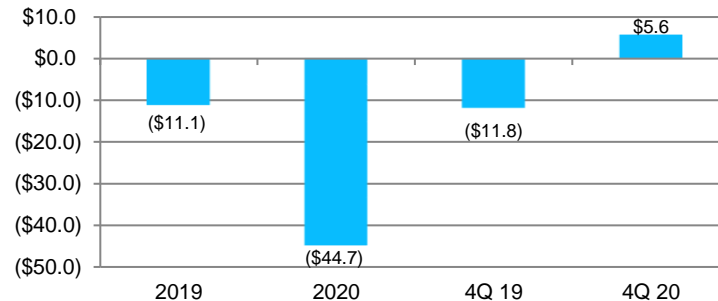
INTEGRATED (ICS) PERFORMANCE



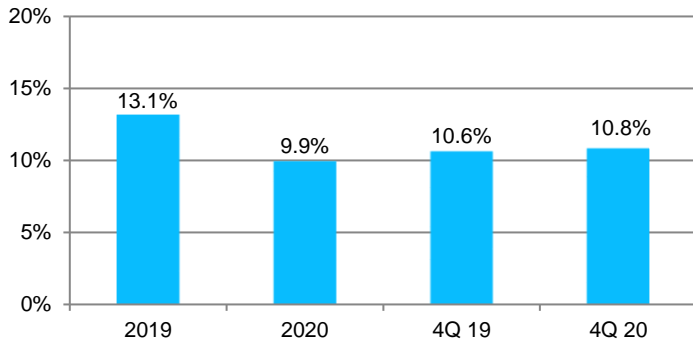
ICS Revenue Change



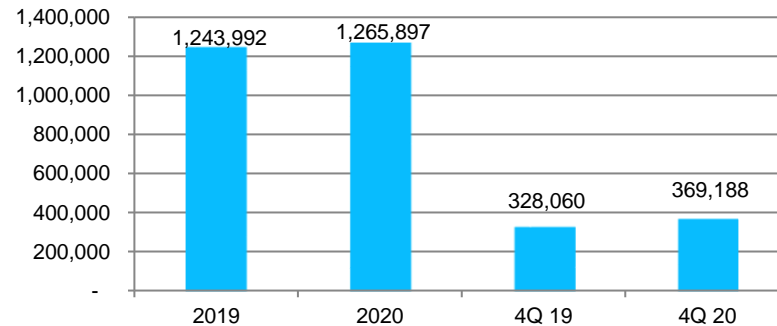
ICS Operating Income/(Loss) (in millions)



ICS Gross Profit Margin



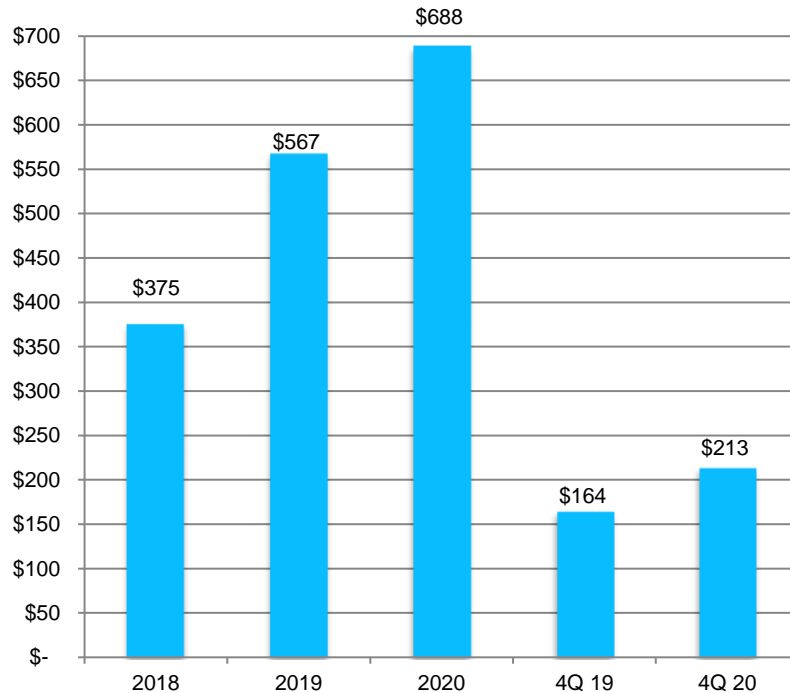
ICS Loads



FINAL MILE SERVICES (FMS)*



**FMS Revenue
(in millions)**



FMS revenue increased 30% compared to the same period 2019. Stop count within FMS increased 42% during the current quarter vs. a year ago, primarily from the December 2019 acquisition and the addition of multiple customer contracts implemented throughout 2020. Productivity, defined as revenue per stop, decreased approximately 9% compared to the prior year period primarily from a shift in the mix of business between asset and asset-light operations.

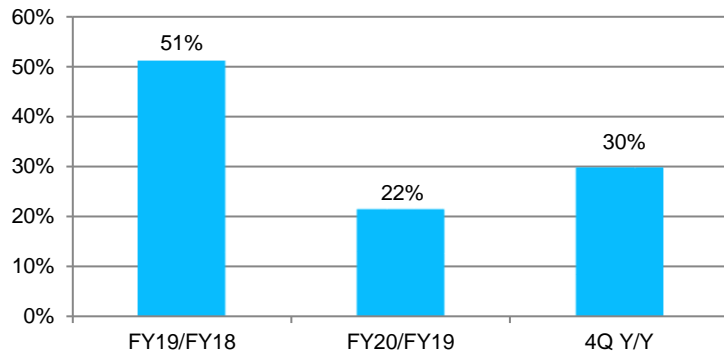
Operating income increased 12% over the prior year quarter driven primarily by increases in revenue, which was partially offset by investments in service quality performance controls across the network, increased insurance and claims costs, higher bad debt expense, and increases in group medical expense.

*In March 2020, J.B. Hunt separated its DCS segment into two reportable segments: DCS and FMS. See additional ["JBHT FMS Segmentation"](#) investor presentation.

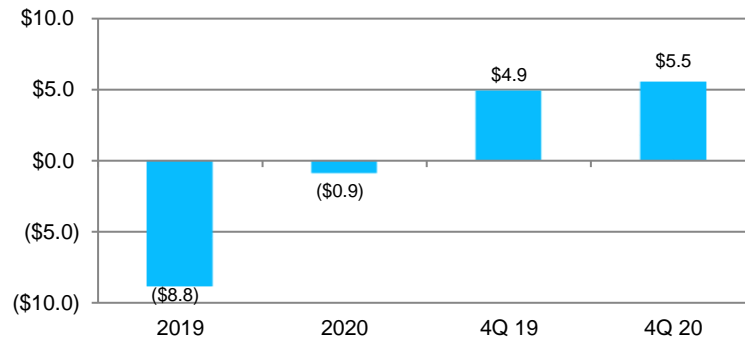
FINAL MILE SERVICES (FMS)



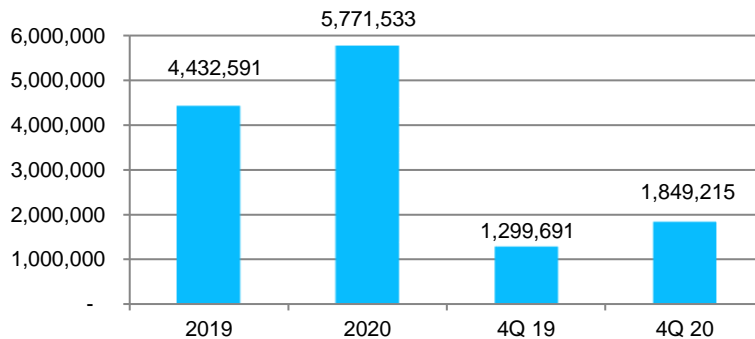
FMS Revenue Change



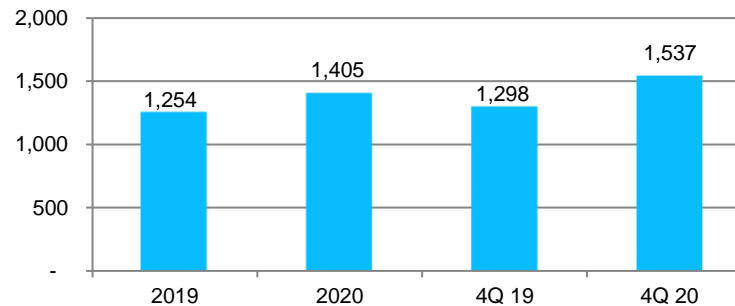
FMS Operating Income/(Loss) (in millions)



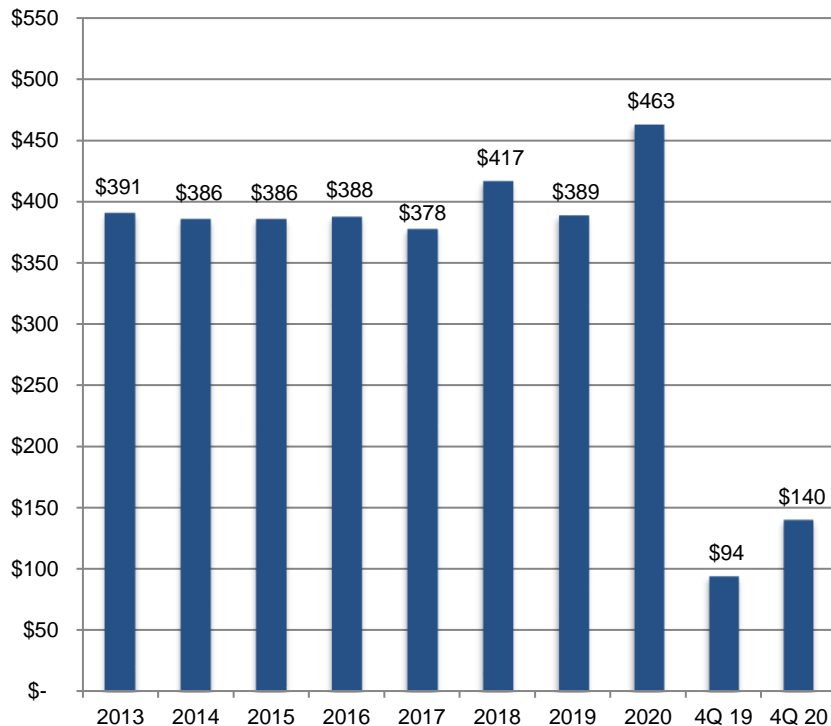
FMS Stops



FMS Average Truck



JBT Revenue
(in millions)



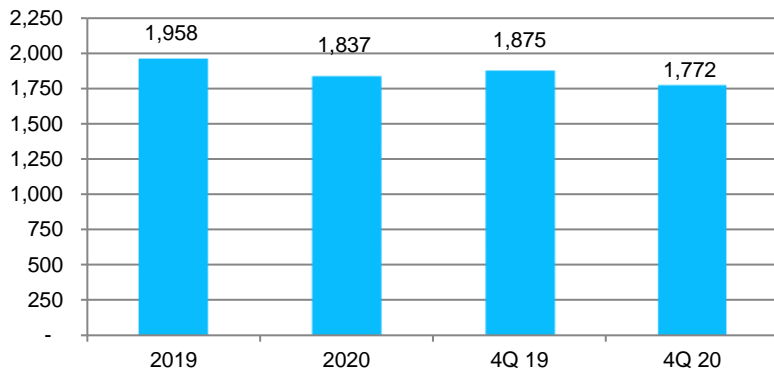
JBT revenue increased 50% in the quarter compared to the same period in 2019. Revenue excluding fuel surcharge revenue increased 58% as a result of a 23% increase in load count and a 28% increase in revenue per load excluding fuel surcharge revenue compared to a year ago. Load count growth was primarily driven from the continued expansion of 360box which leverages the J.B. Hunt 360° platform to access a greater amount of capacity for customers. Revenue per loaded mile excluding fuel surcharge revenue increased approximately 19% year over year while comparable contractual customer rates were up approximately 5% compared to the same period 2019. At the end of the period, JBT operated 1,769 tractors and 8,567 trailers compared to 1,831 and 6,975 one year ago, respectively.

Operating income increased 32% compared to the same quarter 2019. Benefits from increased load counts and revenue per load were partially offset by increases in purchased transportation expense. In addition, higher salary and wage expenses for non-driving personnel and increased investment in technology, related to the expansion of 360box, weighed on operating income performance.

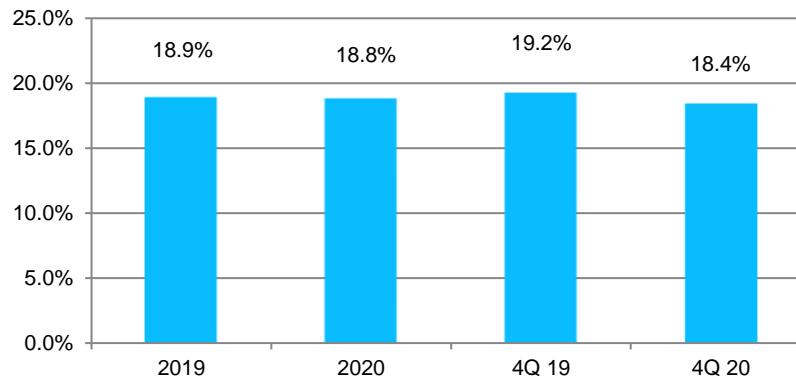
TRUCKLOAD (JBT) PERFORMANCE



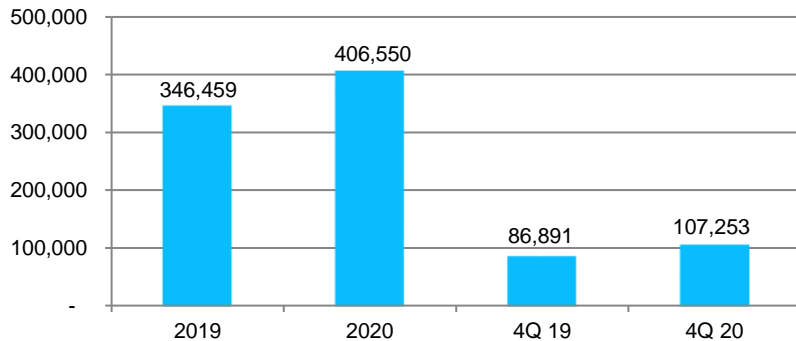
JBT Average Tractors



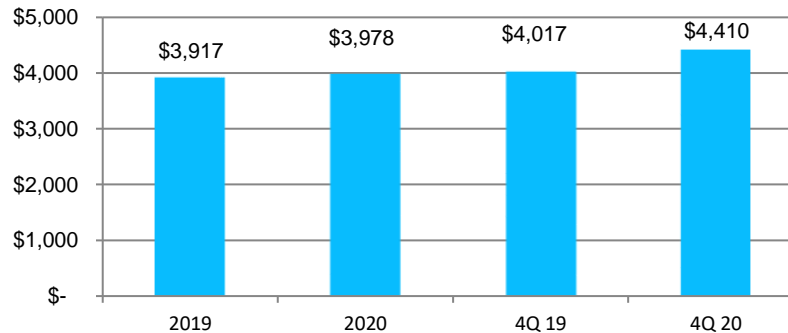
JBT Average Nonpaid Empty Mile Percentage



JBT Loads



JBT Revenue per Tractor per Week





Intermodal



Dedicated
Contract Services



Integrated
Capacity Solutions



Final Mile



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, 2020	December 31, 2019
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 313,302	\$ 35,000
Accounts Receivable	1,124,403	1,011,829
Prepaid expenses and other	423,269	434,470
Total current assets	1,860,974	1,481,299
Property and equipment	5,908,710	5,640,806
Less accumulated depreciation	2,219,816	2,019,940
Net property and equipment	3,688,894	3,620,866
Other assets, net	397,337	368,689
	\$ 5,947,205	\$ 5,470,854
LIABILITIES & STOCKHOLDERS' EQUITY		
Current liabilities:		
Trade accounts payable	\$ 587,510	\$ 602,601
Claims accruals	276,056	279,590
Accrued payroll	172,327	68,220
Other accrued expenses	90,294	85,355
Total current liabilities	1,126,187	1,035,766
Long-term debt	1,305,424	1,295,740
Other long-term liabilities	204,577	173,241
Deferred income taxes	710,879	699,078
Stockholders' equity	2,600,138	2,267,029
	\$ 5,947,205	\$ 5,470,854

THANK YOU

