



J.B. HUNT TRANSPORT SERVICES, INC.
Q1 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

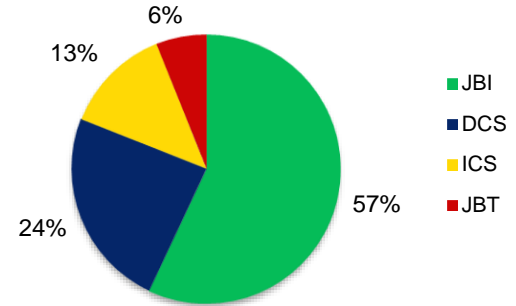
Integrated Capacity Solutions (ICS)

- 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

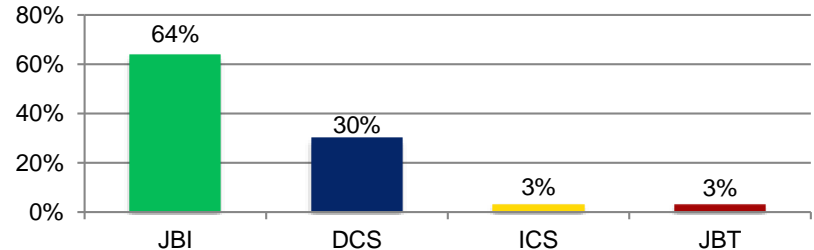
Truckload (JBT)

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

1Q 2017 Revenue Mix



Percentage of 1Q 2017 Operating Income by Business Segment



1Q 2017 RESULTS VS. 1Q 2016

Overview

- **1Q 2017 Revenue:**
\$1.63 billion; up 7%
- **1Q 2017 Revenue, excl FSC:**
\$1.46 billion; up 2%
- **1Q 2017 Operating Income:**
\$149 million; down 11%
- **1Q 2017 EPS:**
\$0.92 vs. \$0.88; up 5%

Segment Performance

Intermodal (JBI)

- Revenue: \$937 million; up 5%
- Operating Income: \$95 million; down 8%

Dedicated Contract Services (DCS)

- Revenue: \$392 million; up 10%
- Operating Income: \$45 million; flat

Integrated Capacity Solutions (ICS)

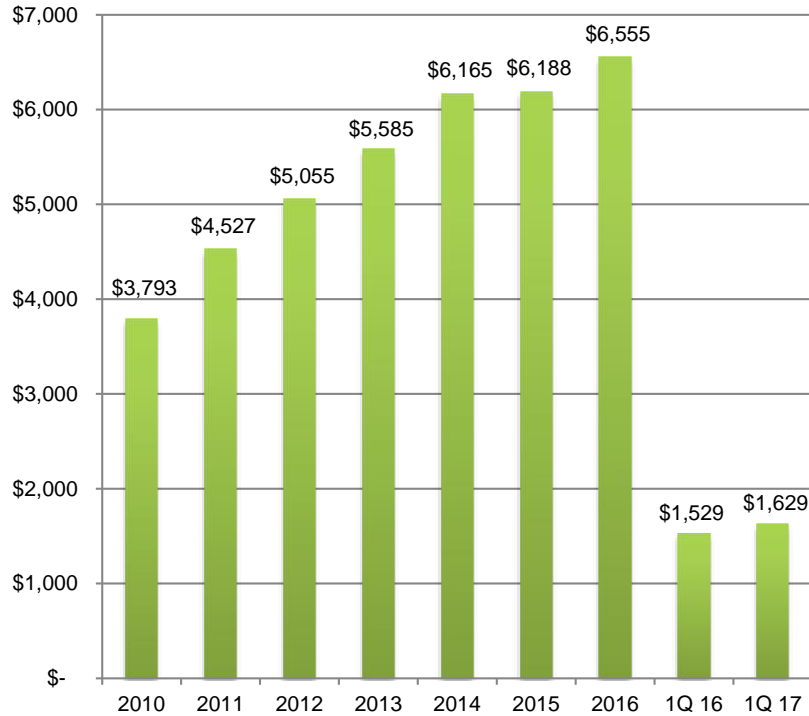
- Revenue: \$209 million; up 14%
- Operating Income: \$4.5 million; down 59%

Truckload (JBT)

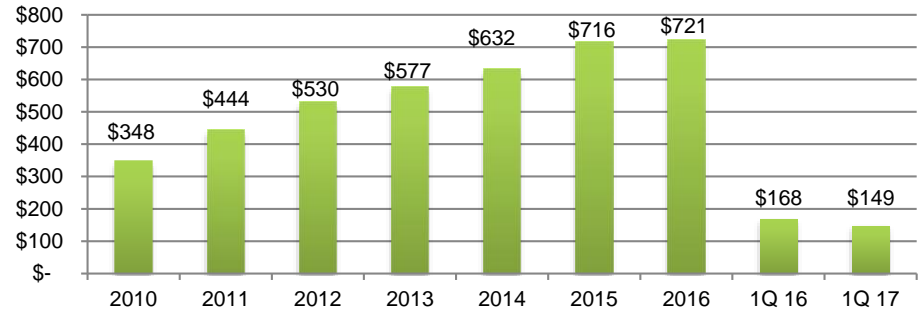
- Revenue: \$94 million; down 2%
- Operating Income: \$4.9 million; down 46%

1Q 2017 RESULTS CONSOLIDATED

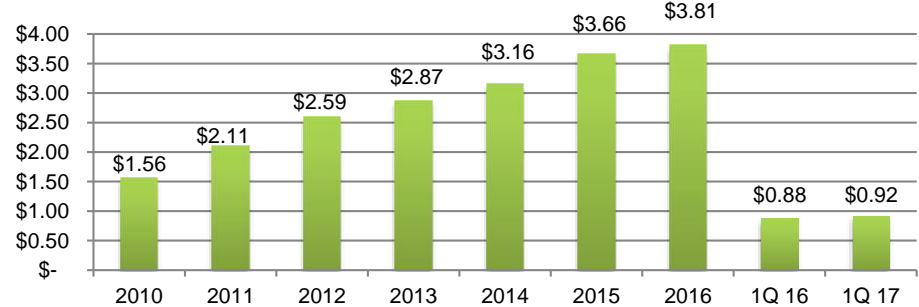
Revenue (in millions)



Operating Income (in millions)



Diluted EPS



KEY POINTS

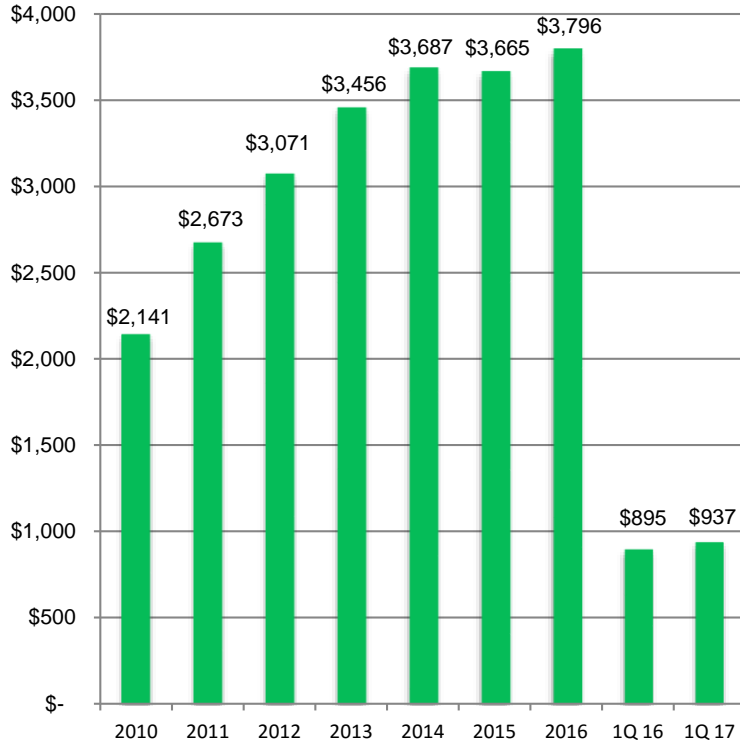
- **Industry leading Intermodal franchise**
- **Differentiated & specialized Dedicated business**
- **Independent brokerage/management services**
- **Lighter Truckload asset model**

SEGMENT DISCUSSION

DISCUSSION

INTERMODAL (JBI)

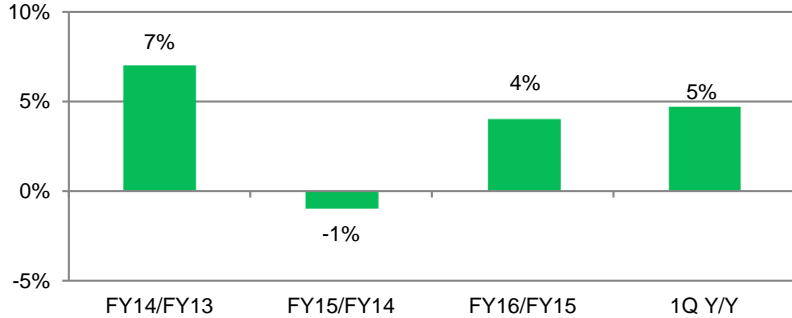
**JBI Revenue
(in millions)**



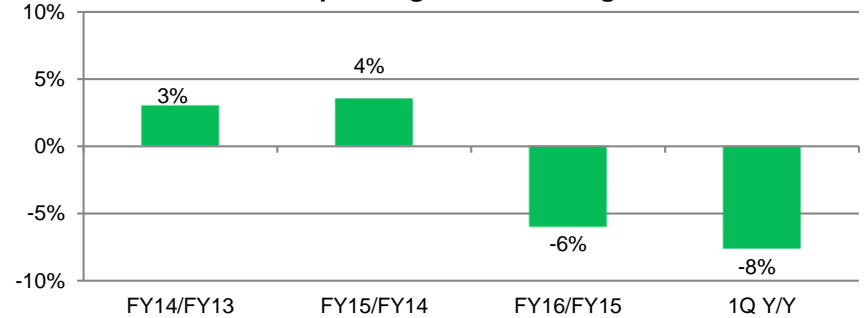
- Total volumes grew 2% over the same period 2016.
- Transcontinental loads grew 7% while the Eastern network load volume was down 6% compared to prior year.
- Revenue grew approximately 5% reflecting the 2% volume growth and a 3% increase in revenue per load, which is determined by the combination of customer rates, fuel surcharges and freight mix.
- Benefits from volume growth were more than offset by lower revenue per load excluding fuel surcharges, increases in rail purchased transportation costs, reduced Eastern network utilization and lower dray efficiency created from a reduction in Eastern network volumes, higher equipment ownership costs, increased driver wages and recruiting costs and increased insurance and claims costs.
- Revenue per load excluding fuel surcharge revenue decreased 1% year over year due to a continuing competitive pricing environment from truckload operators, intermodal operators and Lead Logistics Providers (4PLs).

INTERMODAL (JBI) PERFORMANCE

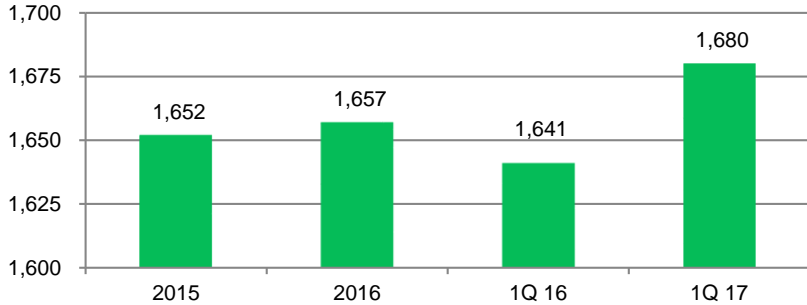
JBI Revenue Change



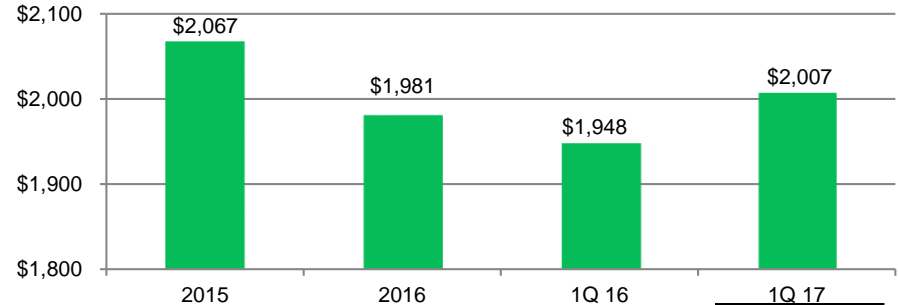
JBI Operating Income Change



JBI Average Length of Haul

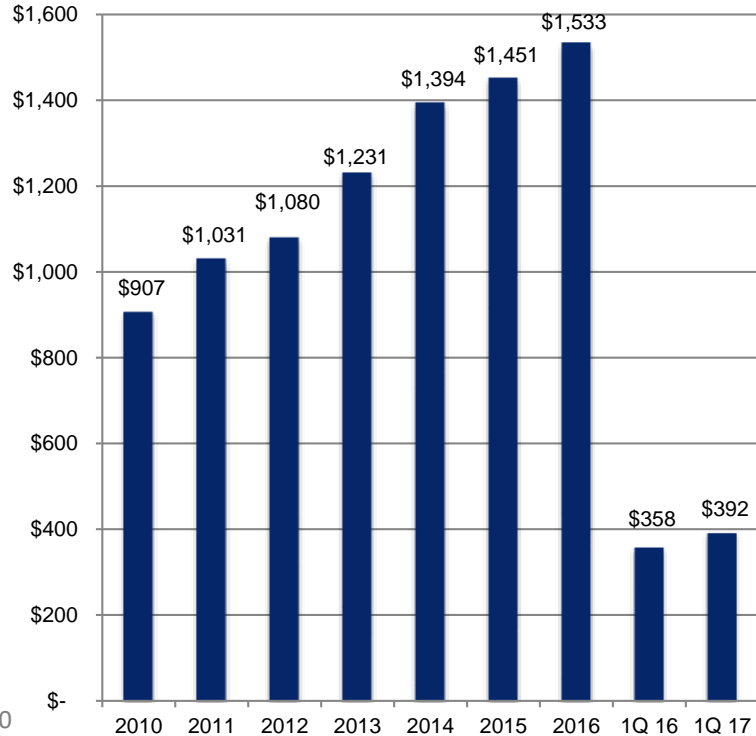


JBI Revenue per Load



DEDICATED (DCS)

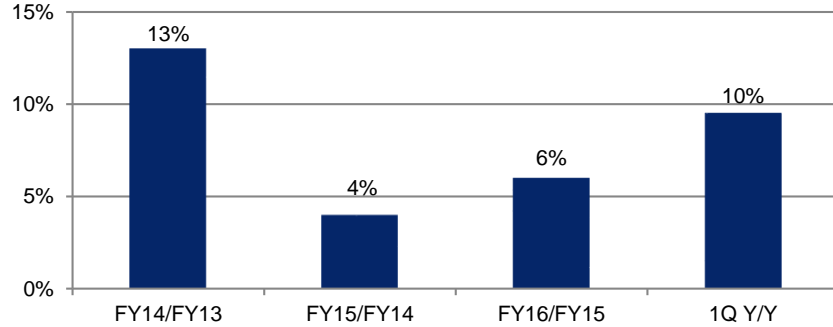
DCS Revenue
(in millions)



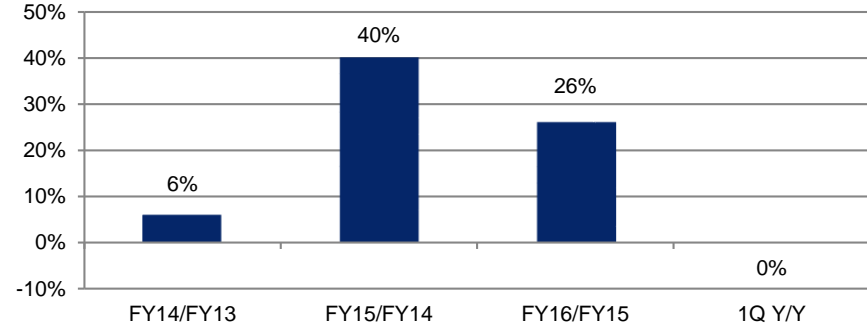
- DCS revenue increased 10% during the current quarter over the same period 2016.
- Productivity (revenue per truck per week) increased approximately 6% vs. 2016. Productivity excluding fuel surcharges was up approximately 1% from improved integration of assets between customer accounts and customer rate increases partially offset by a more impactful winter weather season compared to 2016.
- Operating income was flat from a year ago. The increased revenue and improved asset integration was offset by higher driver wages, increased insurance and claims cost primarily from weather related accidents, higher health insurance costs and increased start up expenditures for new customer contracts compared to the same period a year ago.

DEDICATED (DCS) PERFORMANCE

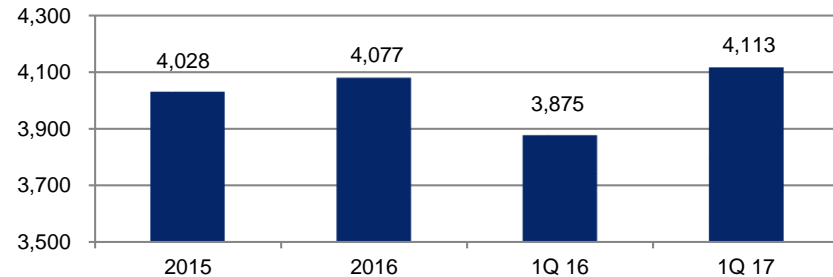
DCS Revenue Change



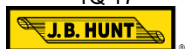
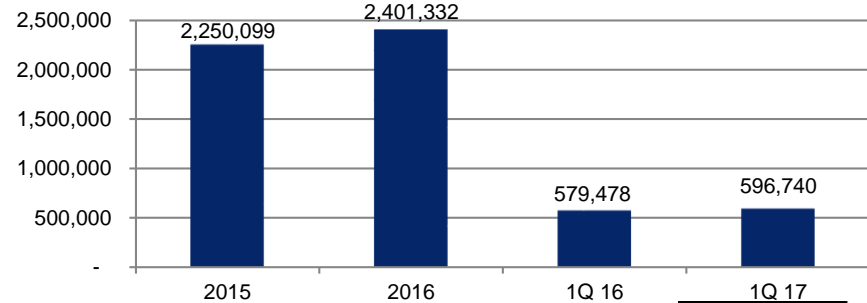
DCS Operating Income Change



DCS Revenue Per Truck Per Week

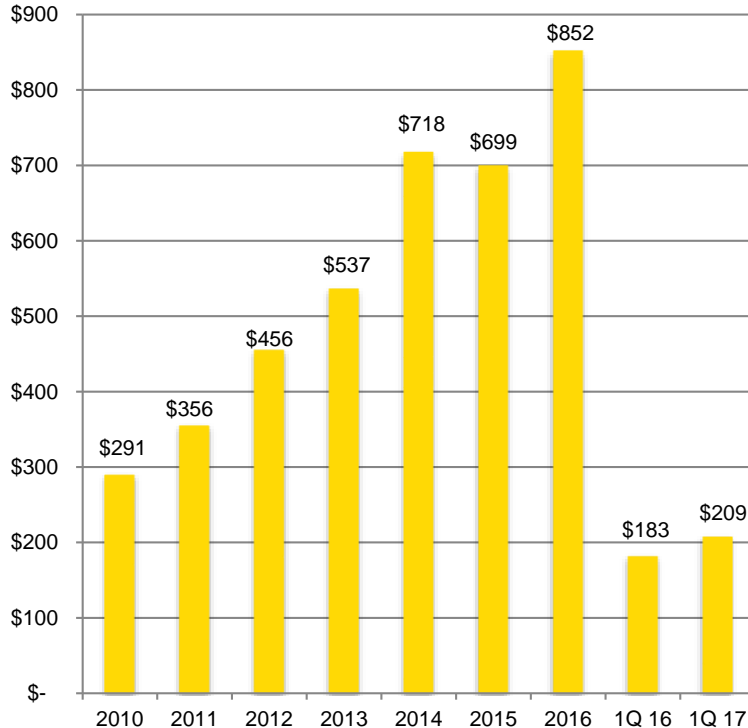


DCS Loads



INTEGRATED (ICS) NON-ASSET BASED

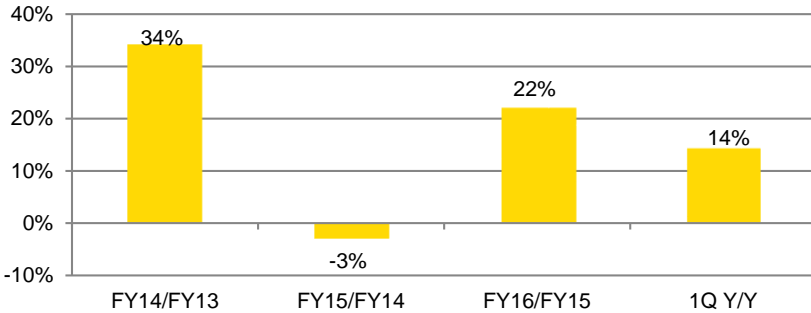
ICS Revenue
(in millions)



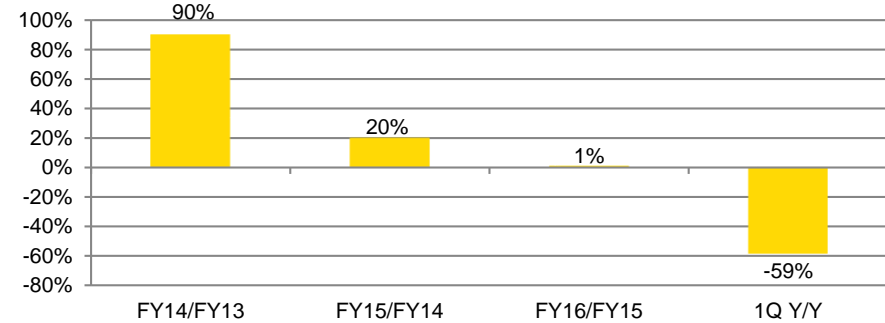
- Revenue increased 14% vs. first quarter 2016. Volumes increased 36% while revenue per load decreased 16% primarily due to freight mix changes driven by customer demand.
- Contractual business represents approximately 76% of total load volume and 63% of total revenue in the current period compared to 73% and 64%, respectively, in first quarter 2016.
- Operating income decreased 59% over the same period in 2016 primarily from a lower gross profit margin, increased claims costs and an increased number of branches less than 2 years old (Start-up branches). Start-up branches typically produce less revenue and lower gross margins than Mature branches (more than two years old) and therefore have a higher proportion of personnel costs to both total and net revenue.
- Total branch count grew to 42 locations compared to 35 at the end of the comparable period last year.
- ICS's carrier base increased over 10% and employee count increased 27% compared to first quarter 2016.

INTEGRATED (ICS) PERFORMANCE

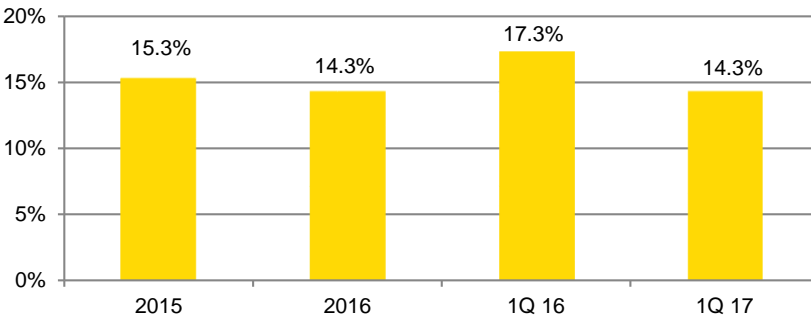
ICS Revenue Change



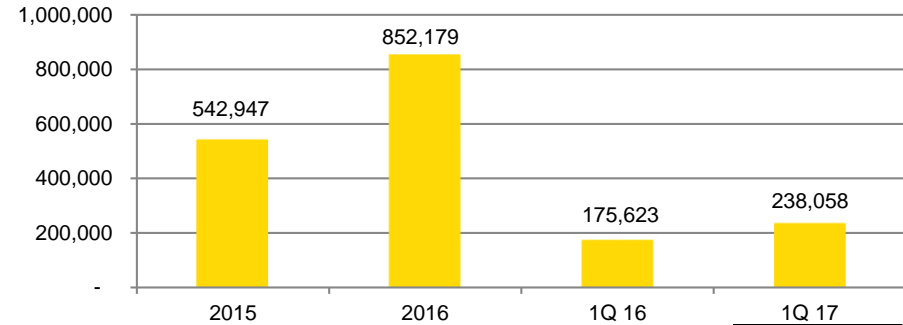
ICS Operating Income Change



ICS Gross Profit Margin



ICS Loads



TRUCKLOAD (JBT)

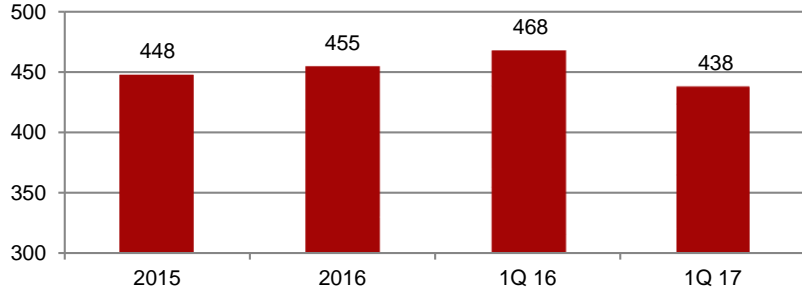
**JBT Revenue
(in millions)**



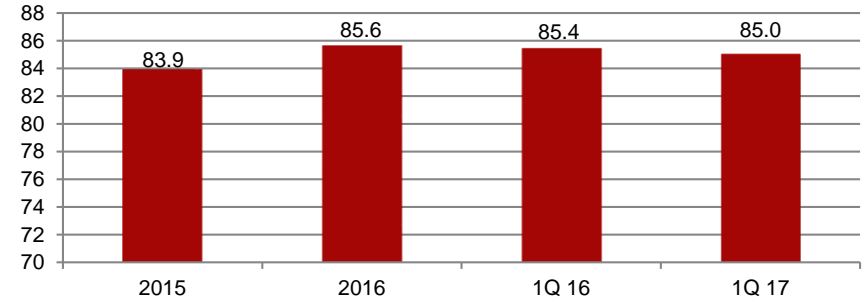
- JBT revenue decreased 2% from the same quarter 2016.
- Revenue excluding fuel surcharge decreased 6% primarily from a 7% decrease in revenue per load partially offset by a 1% increase in load count. The decrease in revenue per load compared to the prior year is due to a 6% decrease in length of haul and a 1% decrease in rates per loaded mile.
- At the end of the current quarter JBT operated 2,144 tractors compared to 2,270 in 2016.
- Operating income for the current quarter decreased by 46% compared to first quarter 2016.
- Benefits from the increased load count and fewer empty miles were more than offset by lower customer rates per mile, increased equipment maintenance cost and higher insurance and claims cost compared to first quarter 2016.

TRUCKLOAD (JBT) PERFORMANCE

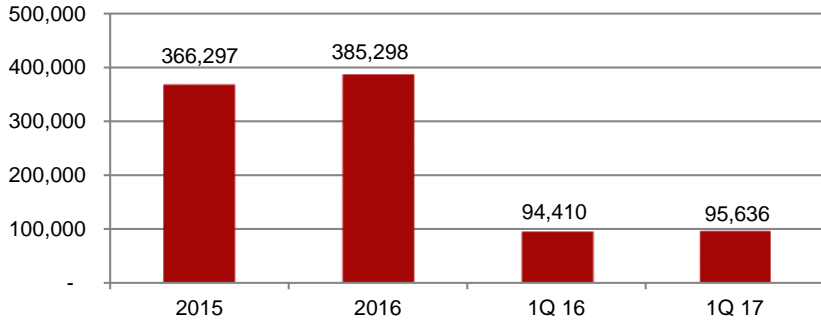
JBT Average Length of Haul



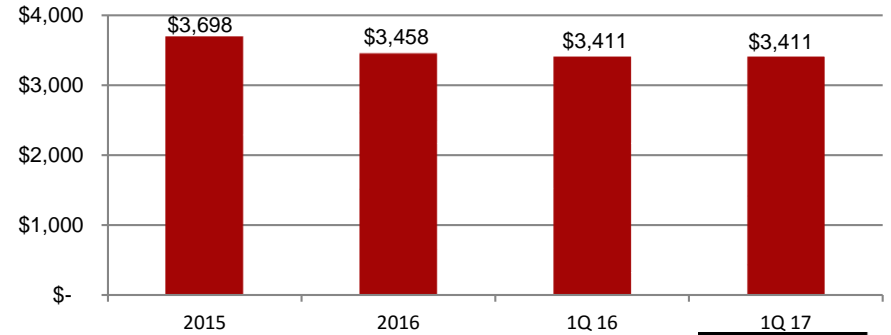
JBT Average Nonpaid Empty Miles Per Load



JBT Loads



JBT Revenue per Tractor per Week



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



Intermodal



Dedicated
Contract Services®



Integrated
Capacity Solutions



Truckload



BALANCE SHEET

J.B. HUNT TRANSPORT SERVICES, INC. CONDENSED CONSOLIDATED BALANCE SHEETS IN THOUSANDS | UNAUDITED

	March 31, 2017	December 31, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 12,261	\$ 6,377
Accounts Receivable	707,433	745,288
Prepaid expenses and other	173,647	194,016
Total current assets	893,341	945,681
Property and equipment	4,331,100	4,258,915
Less accumulated depreciation	1,500,472	1,440,124
Net property and equipment	2,830,628	2,818,791
Other assets	46,426	64,516
	\$ 3,770,395	\$ 3,828,988
LIABILITIES & STOCKHOLDERS' EQUITY		
Current liabilities:		
Trade accounts payable	\$ 369,763	\$ 384,308
Claims accruals	106,835	109,745
Accrued payroll	57,083	51,929
Other accrued expenses	52,844	27,152
Total current liabilities	586,525	573,134
Long-term debt	950,558	986,278
Other long-term liabilities	68,457	64,881
Deferred income taxes	792,561	790,634
Stockholders' equity	1,372,294	1,414,061
	\$ 3,770,395	\$ 3,828,988

