One Year Price Chart

October 15, 2013

## J. B. Hunt Transport Services, Inc. JBHT – NASDAQ Hold

**Trucking/Logistics** 

Analysis of Sales/Earnings

### Strong Intermodal Offset by Dedicated Start-Up Costs, Weak ICS and Truck

First domestic transportation and logistics company to report 3Q13 EPS. While the company chose not to pre-announce what is a 3Q13 EPS miss (as did Union Pacific, Hub Group, Swift Transportation, Werner Enterprises, and Knight Transportation), reported 3Q13 EPS results, nonetheless, missed the 3Q13 consensus of \$0.78 by \$0.03 or nearly 4%. The company's intermodal juggernaut rolled on despite continuing macro-economic sluggishness, but a bevy of other issues ultimately drove the miss. Still, 15% y/y EPS growth posted by the company should compare favorably with most other transportation and logistics companies in what is turning out to be a challenging operating environment. The much discussed higher than expected start-up expenses associated with two new large dedicated contracts were responsible for about \$0.01 of the 3Q13 EPS miss, with the remainder explained by a whole series of issues, headwinds, and market dynamics.

- Intermodal juggernaut continues: revenue grew 12% y/y while operating income expanded 21% y/y. Volumes in the East were up 14.0% y/y while transcontinental volumes were up a healthy 10.2% y/y. Revenue per load was flat y/y as length of haul also remained steady. Intermodal's OR decreased an impressive 100 basis points y/y.
- Dedicated revenues climbed 17% y/y, while operating income increased just 14% y/y as two new large accounts created some cost hurdles for the company in the 3Q13 in the form of start-up expenses.
- Integrated Capacity solutions revenue grew 13% y/y while operating income plummeted 48% y/y driven by net revenue margin declining 240 basis points y/y as higher rates were paid to third-party carriers and staff was added in an effort to expand its branch network over the next two years.
- Legacy truck business continues to shrink as revenues dropped 17% y/y in the 3Q13 and operating income dove 84% y/y.
- Balance sheet improved y/y: debt-to-total capitalization ratio stood at 41.2% at 3Q13's end, down from 46.4% one-year earlier.
- Taking our EPS estimates down to reflect a slower economic growth trajectory, increased level of competition in the dedicated and intermodal spaces, and a higher rate of expense growth, primarily in the driver compensation arena. Our 2013, 2014, and 2015 EPS estimates move from \$2.94, \$3.45, and \$3.95 to \$2.90, \$3.30, and \$3.75, respectively.
- Investment rating remains Hold. Our 12-month fair value estimate becomes \$66 or 17.5x our downwardly revised 2015 EPS estimate of \$3.75. We would be inclined to revisit our rating should the company's common shares retreat to \$55 or lower or if the company's common shares were to trade to \$83 or higher, all else being equal.

John G. Larkin, CFA	jglarkin@stifel.com	(443) 224-1315
David J. Tamberrino, CFA	tamberrinod@stifel.com	(443) 224-1356
Stifel Equity Trading Desk		(800) 424-8870

<u>Changes</u>	Previous	Current
Rating	_	Hold
Target Price	_	NA
FY13E EPS (Net)	\$2.94	\$2.90
FY14E EPS (Net)	\$3.45	\$3.30
FY13E Rev (Net)	\$5.58B	\$5.59B
FY14E Rev (Net)	\$6.01B	\$5.98B
Price (10/15/13):		\$74.32
52-Week Range:		\$78 – \$56
Market Cap.(mm):		8,760.1
Shr.O/S-Diluted (mr	m):	117.9
Enterprise Val. (mm	ו):	\$9,441.4
Avg Daily Vol (3 Mo	o):	567,699
LT Debt/Total Cap.:		41.2%
Net Cash/Share:		\$0.05
Book Value/Share:		\$8.32
Dividend(\$ / %)		\$0.60 / 0.8%
S&P Index		1,709.89
Prices are intraday.		

EPS (Net)	2012A	2013E	2014E
Q1	\$0.57	\$0.61A	\$0.71
Q2	0.67	0.73A	0.81
Q3	0.65	0.75A	0.86
Q4	0.70	0.81	0.92
FY Dec	\$2.59A	\$2.90	\$3.30
P/E	28.7x	25.6x	22.5x
Rev (Net)	2012A	2013E	2014E
FY Dec	\$5.06B	\$5.59B	\$5.98B
EV/Revenue	1.9x	1.7x	1.6x



Stifel does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision. All relevant disclosures and certifications appear on pages 9 - 10 of this report. J. B. Hunt was the first domestic transportation and logistics company to report 3Q13 EPS. While the company chose not to pre-announce what is a 3Q13 EPS miss (as did Union Pacific, Hub Group, Swift Transportation, Werner Enterprises, and Knight Transportation), the company's reported 3Q13 EPS results, nonetheless, missed the 3Q13 consensus of \$0.78 by \$0.03 or nearly 4%. The 28 sell side analysts carrying 3Q13 EPS estimates for the company had published 3Q13 EPS estimates ranging from a low of \$0.76 to a high of \$0.81. Our 3Q13 EPS estimate had been \$0.76, or at the low end of the Street range. At the end of the day the company reported \$0.75, a penny below the low end of the Street range. While the company's intermodal juggernaut rolled on despite continuing macro-economic sluggishness, a bevy of other issues ultimately drove the miss. Still the 15% y/y EPS growth posted by the company should compare favorably with most other companies in the transportation and logistics industry in what is turning out to be a challenging operating environment. The much discussed higher than expected start-up expenses associated with two new large dedicated contracts were responsible for about \$0.01 of the \$0.03 3Q13 EPS miss. The rest of the miss can be traced to a whole series of issues, headwinds, and market dynamics which we will highlight below in our comments on each of the operating segments.

Intermodal revenue grows 12% y/y while operating income expands 21% y/y. The company's core intermodal operations generated 62% of the company's revenue and 78% of the company's operating income in the 3Q13. Volumes in the East were up 14.0% y/y while transcontinental volumes were up a healthy 10.2% y/y. Revenue per load was flat y/y as length of haul also remained steady despite the faster growth in the shorter haul East and as rates and fuel surcharges also showed little y/y movement. The company's growth was supported by a 14.2% y/y increase in the number of tractors assigned to the drayage unit (implying that the company has taken more of its drayage in-house) and an 11.3% y/y increase in effective trailing equipment usage. With nearly 64,000 domestic containers in its intermodal fleet and advantageous arrangements with railroads (particularly the BNSF), the company enjoys virtually insurmountable cost advantages over all its intermodal competitors. The division's 100 basis point v/y improvement in 3Q operating ratio (to 86.7% in the 3Q13) was quite impressive, in our view, given the weak economic environment and shippers' general unwillingness to provide much in the way of rate increases. As the company's intermodal franchise continues to leverage significant economies of scale, can it be long before intermodal accounts for more than 80% of the company's operating income?

**Dedicated revenues climbed 17% y/y, while operating income increased just 14% y/y.** Two new large accounts created some cost hurdles for the company in the 3Q13 in the form of start-up expenses. Equipment utilization suffered about 3% y/y, while employee retention and relocation expenses grew significantly y/y. The division's operating ratio unfavorably increased from 90.6% in 3Q12 to 90.8% in the 3Q13. Still, an operating ratio below 91% is indicative of the company's solid business model in dedicated, which nearly overcame significant start-up expenses and a sluggish economy to still post solid margins in the dedicated division. The division accounted for 22% of the company's revenue in the 3Q13 and 19% of its operating income. Combined, intermodal and dedicated generated 84% of the company's revenues and 98% of the company's operating income in the quarter. We believe these are the two segments that will drive the company's stock price in coming months and years.

Integrated Capacity solutions revenue grew 13% y/y while operating income plummeted 48% y/y. Load volume grew 4% y/y while revenue per load climbed nearly 9% y/y. The unit revenue increase was more related to a favorable mix change than an increase in pricing to customers. Truckload load count continued

to grow nicely y/y while LTL load counts contracted y/y. Margins were squeezed by higher rates paid to third-party carriers and training expenses related to the company's efforts to add staff and expand its branch network over the next two years. The company's employee count increased 14.5% y/y in the quarter. As the company continues to downsize its conventional truckload operation, it is necessary for the company to grow its integrated capacity solutions network in order to be able to offer complete full-load solutions to its customer base. The division supplied 10% of the company's overall revenues in the 3Q13 and just a paltry 2% of the company's operating income. Still, we think it is wise for the company to invest in this segment in order to maintain its broad range of full-load service offerings.

The company's legacy truck business continues to shrink as revenues dropped 17% y/y in the 3Q13 and operating income dove 84% y/y. The company continues to de-emphasize its legacy truckload operation. The unit contributed just 7% of the company's overall revenue in the 3Q13 and just a meager 1% of the company's operating income. Same store pricing dropped 1.7% y/y while utilization dropped about 0.5% y/y when measured in terms of total miles per average number of trucks in the fleet. The empty mile percentage improved slightly from 14.5% in 3Q12 to 14.2% in 3Q13, however, the reduction in fleet size (18% from the end of the 3Q12 to the end of the 3Q13) and a reduction in overhead expenses was not enough to overcome rate pressure, the reduction in utilization (partly, at least, due to the change in the Hours-of-Service rules implemented on July 1 of this year), higher driver pay, higher owner-operator compensation, and increased maintenance expenses. The reduction in the percentage of the fleet coming from owner-operators (38.9% of the company's power units came from owner-operators in the 3Q13, down from 40.2% in the 3Q12) added insult to injury during the quarter. One has to wonder if the company would shut down or sell off its underperforming truck division at some point, especially as integrated capacity solutions grows its capabilities to provide a broader range of comprehensive truckload services to customers.

**The company's balance sheet improved y/y.** As of the end of the 3Q13, the company's debt-to-total capitalization ratio stood at 41.2%, down from 46.4% one year earlier. The company was able to improve its balance sheet strength y/y despite spending \$334 million in net capital expenditures in the year-to-date period (up nearly 20% y/y). With the company's stock fully valued during the quarter, the company wisely did not buy any shares back into treasury during the 3Q13.

We are adjusting our 2013, 2014, and 2015 EPS estimates downward from \$2.94, \$3.45, and \$3.95 to \$2.90, \$3.30, and \$3.75, respectively. Our reduced estimates reflect a slower economic growth trajectory, increased level of competition in the dedicated and intermodal spaces, and a higher rate of expense growth, primarily in the driver compensation arena. Overall, our model assumes firm wide y/y revenue growth of 10.6%, 7.0%, and 6.7% for 2013, 2014, and 2015, respectively. We also assume overall, firm wide operating ratios of 89.5%, 89.0%, and 88.6% for 2013, 2014, and 2015, respectively. For individual segment modeling metrics, please see the attached model. Bear in mind that our models, including this one, are predicated upon continuing 1.0% to 2.0% GDP growth. Faster growth would likely allow the company to beat our projections. Conversely, slower growth could make it difficult for the company to achieve our estimates.

**Our investment rating on the company's common shares remains Hold.** Our 12-month fair value estimate becomes \$66 or 17.5x our downwardly revised 2015 EPS estimate of \$3.75. We would be inclined to revisit our rating should the company's common shares retreat to \$55 or lower or if the company's common shares were to trade to \$83 or higher, all else being equal. At 22.5x our 2014 EPS

estimate (versus the 16.5x 2014 average P/E earned by our broader transportation and logistics universe) and at an enterprise value to 2013 projected EBITDA multiple of 11.2x (relative to the 9.2x average enterprise value to 2013 projected EBITDA multiple currently earned by our broader transportation and logistics universe), the company's common shares, if anything, appear to be more than fully and fairly valued.

#### **Company Description**

Having orchestrated a successful operational turnaround over the last several years, J.B. Hunt Transport Services, Inc. has become the dominant intermodal provider. The company's business operations are primarily organized through four distinct, complementary business segments including dry van, brokerage, intermodal and dedicated contract services.

							Com	narative V	Valuatio	n Matriy	7											
(figures in \$US millions, except per share amounts)		Comparative Valuation Matrix																				
		Intraday			-	~			ty value as					se value as a								
Company name (Ticker)	Rating	Price 10/15/2013	Diluted S/O	Market cap.	Total Debt	Cash & equiv.	TEV (a)		ngs per Sh 2013E <sup>(b)</sup>		Book value	TTM Revenue	2013E EBITDA	TTM EBITDA	TTM EBITDAR <sup>(c)</sup>	TTM EBIT	TTM ROA	TTM ROE	TTM ROIC	PEG ratio <sup>(d)</sup>	Div. Yield	2013E FCF Yk
	rtating	10/10/2010	5,0	cup.	2000	equiv.					value	revenue	LDIIDII	LDIIDII		EDIT	Roll	ROL	Role		Tield	101 14
<u>Truckload</u> Celadon Group (CGI)	Buy	17.70	23.7	420.2	294.4	1.3	713.3	13.5x	15.5x	13.0x	1.9x	1.2x	6.3x	6.7x	6.3x	14.7x	4.7%	13.0%	6.4%	0.9	0.5%	-5.0%
Covenant Transport (CVTI)	NC	6.36	14.8	420.2 93.9	166.6	8.6	251.9	15.5x	26.5x	13.0x 14.5x	1.9x	0.4x	NE	4.3x	4.1x	14.7x 16.3x	4.7% 0.6%	2.6%	3.2%	2.2		
Heartland Express (HTLD)	Buy	14.18	84.8	93.9 1.203.2	0.0	152.3	1.050.8	20.0x	20.5x 16.1x	14.5x 17.1x	3.7x	0.4x 1.9x	5.7x	4.5x 6.4x	4.1x 6.4x	10.5x 10.1x	12.4%	2.6%	5.2% 18.9%	2.2		
J.B. Hunt Transport Svcs. (JBHT)	Hold	74.32	117.9	8,759.9	687.5	6.0	9.441.4	20.0x 28.7x	25.6x	22.5x	8.9x	1.9x	11.2x	11.6x	11.5x	16.7x	13.0%	38.0%	22.6%	1.5		2.5%
Knight Transportation (KNX)	Hold	16.79	80.2	1,346.1	26.0	0.7	1,383.9	19.8x	20.2x	17.7x	2.6x	1.4x	7.0x	6.9x	6.9x	12.2x	9.0%	13.4%	12.5%	1.3		
Landstar System (LSTR)	Hold	56.74	46.0	2,611.7	146.3	102.0	2,656.0	20.5x	21.3x	19.2x	6.7x	1.0x	11.5x	11.7x	11.6x	13.5x	14.0%	33.6%	24.4%	1.3		6.0%
Marten Transport (MRTN)	Hold	16.41	33.4	548.6	7.4	0.6	566.2	20.0x	17.6x	15.8x	1.6x	0.9x	4.8x	5.1x	5.0x	11.6x	5.7%	8.6%	8.4%	1.1		
P.A.M. Transportation Svcs. (PTSI)	NC	16.93	8.8	148.2	116.7	0.9	264.0	NM	24.9x	18.8x	1.2x	0.7x	NE	5.9x	5.8x	NM	0.9%	2.2%	2.1%	NM		
Quality Distribution (QLTY)	Buy	9.96	27.8	276.9	406.6	2.4	681.1	14.4x	12.8x	10.0x	NM	0.9x	7.7x	8.8x	8.0x	13.3x	3.7%	NM	8.8%	1.0	0.0%	6.3%
Swift Transportation (SWFT)	Buy	19.93	142.9	2,847.7	1,491.9	43.5	4,296.0	19.9x	16.1x	14.0x	9.4x	1.2x	7.1x	7.8x	7.0x	12.3x	6.5%	NM	13.6%	0.8	0.0%	6.4%
Universal Truckload Svcs. (UACL)	Buy	27.50	30.1	827.9	128.0	6.2	949.7	20.4x	15.6x	13.7x	9.9x	0.9x	8.8x	9.0x	8.7x	11.1x	21.2%	50.7%	29.8%	0.7	1.0%	5.0%
USA Truck (USAK)	NC	8.98	10.5	94.4	150.1	0.3	244.1	NM	NM	NM	0.9x	0.5x	NE	8.4x	8.1x	NM	-3.8%	-11.2%	-4.0%	NM	0.0%	NE
Werner Enterprises (WERN)	Hold	23.27	72.9	1,696.2	40.0	24.2	1,712.0	16.6x	19.2x	16.6x	2.3x	0.8x	5.4x	5.3x	5.2x	11.0x	7.1%	12.5%	12.2%	1.4	0.9%	3.5%
Min			Γ	93.9	0.0	0.3	244.1	13.5x	12.8x	10.0x	0.9x	0.4x	4.8x	4.3x	4.1x	10.1x	-3.8%	-11.2%	-4.0%	0.7	0.0%	-5.0%
Mean				1.605.8	281.6	26.9	1.862.3	19.0x	19.3x	16.1x	4.2x	1.0x	7.5x	7.5x	7.3x	13.0x	7.3%	16.6%	12.2%	1.3		
Mean (Asset-based TL only)				1.715.8	298.0	23.9	1,992.4	19.3x	20.2x	16.7x	3.3x	1.1x	6.8x	6.8x	6.6x	13.1x	5.6%	10.9%	9.6%	1.5		
Median				827.9	146.3	6.0	949.7	19.9x	18.4x	16.2x	2.4x	0.9x	7.1x	6.9x	6.9x	12.3x	6.5%	13.0%	12.2%	1.3		
Max				8,759.9	1,491.9	152.3	9,441.4	28.7x	26.5x	22.5x	9.9x	1.9x	11.5x	11.7x	11.6x	16.7x	21.2%	50.7%	29.8%	2.4	1.4%	6.4%
Stifel Transportation Average				8,891.8	1,552.3	437.3	10,068.7	20.7x	19.4x	16.5x	3.2x	2.3x	9.2x	9.9x	9.1x	18.3x	5.3%	17.4%	9.8%	1.3	0.9%	2.1%
Intermodal																						
Hub Group (HUBG)	Hold	35.70	37.7	1,344.5	9.1	72.0	1,281.6	19.5x	18.8x	16.5x	2.5x	3.5x	10.6x	10.4x	9.0x	10.9x	7.6%	14.2%	14.2%	1.2		
J.B. Hunt Transport Svcs. (JBHT)	Hold	74.32	117.9	8,759.9	687.5	6.0	9,441.4	28.7x	25.6x	22.5x	8.9x	1.7x	11.2x	11.6x	11.5x	16.7x	13.0%	38.0%	22.6%	1.5		
Pacer International (PACR)	Buy	6.16	35.4	218.3	0.0	26.8	191.5	NM	24.6x	15.4x	1.8x	0.8x	8.5x	8.8x	3.9x	14.3x	3.2%	6.2%	6.7%	1.0	0.0%	1.89
Min				218.3	0.0	6.0	191.5	19.5x	18.8x	15.4x	1.8x	0.8x	8.5x	8.8x	3.9x	10.9x	3.2%	6.2%	6.7%	1.0	0.0%	1.29
Mean				3,440.9	232.2	34.9	3,638.2	24.1x	23.0x	18.1x	4.4x	2.0x	10.1x	10.3x	8.2x	14.0x	7.9%	19.4%	14.5%	1.2	0.3%	1.9%
Max				8,759.9	687.5	72.0	9,441.4	28.7x	25.6x	22.5x	8.9x	3.5x	11.2x	11.6x	11.5x	16.7x	13.0%	38.0%	22.6%	1.5	0.8%	2.5%
Stifel Transportation Average				8.891.8	1,552.3	437.3	10.068.7	20.7x	19.4x	16.5x	3.2x	2.3x	9.2x	9.9x	9.1x	18.3x		17.4%	9.8%	1.3	0.9%	2.1%

(a) Total Enterprise Value = Market Capitalization of Equity + Total Debt - Cash + Market Value of Minority Interest

(b) Stifel estimates for those rated and First Call mean estimates for unrated securities

(c) Enterprise value adjusted to include the capitalization of off balance sheet operating leases with lease expense (or rent expense) being added back to EBITDA for the valuation multiple calculation

(d) 2014E P/E divided by First Call mean or Stifel estimated long-term growth rate

Excludes non-recurring items

Calculations may vary due to rounding

Source: Company data , First Call, and Stifel estimates

John Larkin, CFA / jglarkin@stifel.com David Tamberrino, CFA / dtamberrino@stifel.com

								J.B. H	lunt Tı	anspor	t Incor	ne Stat	ement												
(figures in \$ millions, except per share amounts)											20	12		1 1		20	3		1 1		20	14			
<b>3</b>	2003A	2004A	2005A	2006A	2007A	2008A	2009A	2010A	2011A	1QA	2QA	3QA	4QA	2012A	1QA	2QA	3QA	4QE	2013E	1QE	2QE	3QE	4QE	2014E	2015E
Gross revenues	2,433.5	2,786.2	3,127.9	3,328.0	3,489.9	3,731.9	3,213.6	3,793.5	4,526.8	1,165.9	1,255.1	1,295.8	1,338.1	5,055.0	1,291.6	1,382.9	1,435.9	1,482.9	5,593.2	1,378.7	1,473.7	1,538.8	1,591.5	5,982.7	6,385.0
% change y/y	8. <i>3%</i>	14.5%	<i>12.3%</i>	6.4%	<i>4.9%</i>	6.9%	<i>-13.9%</i>	18.0%	<i>19.3%</i>	<i>16.5%</i>	9.2%	10.6%	<i>11.1%</i>	11.7%	10.8%	10.2%	10.8%	10.8%	10.6%	6.7%	6.6%	7.2%	7.3%	7.0%	6.7%
By segment: JBT % change y/y Operating ratio	841.1 1.7% 94.1%	928.0 10.3% 88.7%	1,020.0 9.9% 88.2%	965.7 <i>-5.3%</i> 90.8%	841.7 -12.8% 95.2%	676.4 -19.6% 99.3%	446.7 -34.0% 102.6%	479.5 7.3% 96.1%	504.1 5.1% 94.7%	128.2 7.6% 96.2%	126.2 -2.9% 93.0%	116.7 -8.2% 96.6%	112.7 -11.9% 95.4%	483.8 -4.0% 95.3%	101.8 -20.5% 98.9%	101.2 -19.8% 97.1%	96.9 -17.0% 99.3%	97.5 -13.5% 98.5%	397.4 -17.9% 98.4%	87.6 -14.0% 99.0%	86.5 -14.5% 98.0%	83.8 -13.5% 98.5%	84.3 -13.5% 98.3%	342.2 -13.9% 98.5%	314.8 -8.0% 98.3%
JBI	936.3	1,115.1	1,284.3	1,430.1	1,652.8	1,951.7	1,770.8	2,141.2	2,673.0	694.1	762.0	793.8	821.2	3,071.1	796.3	854.7	890.1	915.6	3,456.7	863.9	927.4	970.2	998.1	3,759.6	4,060.4
% change y/y	15.7%	19.1%	15.2%	11.4%	15.6%	18.1%	-9.3%	20.9%	24.8%	20.3%	12.7%	14.8%	12.7%	14.9%	14.7%	12.2%	12.1%	11.5%	12.6%	8.5%	8.5%	9.0%	9.0%	8.8%	8.0%
Operating ratio	90.3%	88.1%	88.2%	87.2%	85.6%	87.0%	89.3%	88.9%	88.6%	88.6%	87.7%	87.7%	87.3%	87.8%	87.8%	87.1%	86.7%	86.5%	87.0%	87.3%	86.8%	86.4%	86.1%	86.6%	86.3%
DCS	671.2	759.6	844.1	915.2	936.6	927.0	760.6	906.8	1,031.4	255.9	267.3	272.6	283.7	1,079.5	279.1	302.6	319.0	330.5	1,231.2	298.6	320.8	339.7	355.3	1,314.4	1,396.1
% change y/y	6.8%	13.2%	11.1%	8.4%	2.3%	-1.0%	-17.9%	19.2%	<i>13.7%</i>	7.3%	1.2%	1.4%	9.1%	4.7%	9.1%	13.2%	17.0%	16.5%	14.1%	7.0%	6.0%	6.5%	7.5%	6.8%	6.2%
Operating ratio	93.3%	90.1%	88.0%	88.0%	90.0%	90.0%	91.2%	90.9%	89.9%	89.0%	87.6%	90.6%	89.6%	89.2%	92.1%	90.2%	90.8%	90.2%	90.8%	91.0%	89.8%	90.2%	90.0%	90.2%	89.8%
ICS/JBL <sup>(1)(2)</sup>	NA	NA	NA	NA	91.6	209.2	259.1	290.9	355.8	97.1	109.5	121.3	128.5	456.3	122.3	131.8	137.4	145.2	536.8	134.6	145.0	151.1	159.7	590.5	637.7
% change y/y	NA	NA	NA	NA	NA	128.5%	23.8%	12.3%	22.3%	29.8%	23.0%	30.2%	30.0%	28.2%	26.0%	20.4%	13.3%	13.0%	17.6%	10.0%	10.0%	10.0%	10.0%	10.0%	8.0%
Operating ratio	NA	NA	NA	NA	95.3%	94.9%	94.9%	96.8%	96.3%	95.8%	98.2%	95.5%	96.4%	96.5%	95.8%	96.8%	97.9%	97.0%	96.9%	96.1%	96.5%	97.4%	96.7%	96.7%	96.3%
Operating expenses: Salaries, wages and employee benefits Rents and purchased transportation Fuel and fuel taxes Depreciation and amortization Operating supplies and expenses Insurance and claims Operating taxes and licenses General and administrative expenses, net <sup>(5)</sup> Communications and utilities <b>Total operating expenses</b>	791.8 799.2 232.4 150.2 119.3 63.5 33.2 34.7 23.5 2.247.8	830.0 932.1 288.6 149.8 124.2 54.8 35.0 35.0 23.0 2.472.4	855.3 1,058.4 389.0 163.0 132.9 55.3 35.8 45.5 22.6 2.757.8	887.4 1,124.7 447.3 183.6 145.8 63.9 34.4 32.3 22.6 2.942.0	888.6 1,235.4 463.5 205.1 155.9 69.7 33.5 39.8 21.2 3,112.7	859.6 1,479.2 520.6 202.3 158.2 60.8 32.2 38.3 19.3 3.370.4	798.3 1,398.1 273.5 189.0 151.9 50.8 28.0 47.4 18.3 2,955.4	911.0 1,711.2 343.7 197.1 152.5 48.3 26.9 33.0 18.2 3.441.9	998.1 2,122.8 463.6 213.9 160.4 44.9 27.9 28.9 18.2 4.078.7	250.0 556.1 120.6 56.1 39.8 11.0 7.1 4.0 4.5 1.049.3	255.9 616.7 113.1 56.2 45.5 12.6 7.3 6.4 4.2 1.117.9	260.9 646.0 114.7 57.8 48.3 13.7 7.5 9.4 4.5 1.162.7	270.7 666.7 117.5 59.0 45.0 16.4 7.5 7.5 4.3 1.194.8	1,037.5 2,485.6 465.9 229.2 178.6 53.8 29.5 27.2 17.4 4.524.8	263.7 644.5 116.6 60.7 44.9 12.8 7.5 11.0 4.8 1.166.5	282.3 693.8 110.3 62.3 49.6 12.1 8.0 12.4 4.6 1.235.5	289.8 724.4 114.1 64.3 55.4 13.9 8.2 10.2 4.9 1.285.1	298.6 741.1 118.9 71.3 52.8 15.9 9.2 7.9 5.3 1.321.1	1,134.3 2,803.9 459.9 258.6 202.8 54.6 33.0 41.5 19.6 5.008.2	279.3 689.7 114.9 66.7 49.4 14.8 8.7 7.4 4.9 1.236.0	297.8 730.6 122.0 70.8 52.5 15.7 9.2 7.9 5.2 1.311.7	310.6 762.2 127.3 73.9 54.7 16.4 9.6 8.2 5.5 1.368.4	320.2 785.6 131.2 76.2 56.4 16.9 9.9 8.5 5.6 1.410.5	1,207.9 2,968.2 495.4 287.6 213.1 63.9 37.3 32.0 21.3 5.326.6	1,293.2 3,143.3 526.3 305.6 226.4 67.9 39.6 34.0 22.6 5.658.8
Operating ratio EBIT % margin	92.4%	88.7%	88.2%	88.4%	89.2%	90.3%	92.0%	90.7%	90.1%	90.0%	89.1%	89.7%	89.3%	89.5%	90.3%	89.3%	89.5%	89.1%	89.5%	89.6%	89.0%	88.9%	88.6%	89.0%	88.6%
	185.6	313.7	370.1	386.0	377.2	361.5	258.3	351.6	448.1	116.6	137.2	133.1	143.3	530.2	125.0	147.4	150.7	161.8	585.0	142.7	161.9	170.4	181.0	656.1	726.2
	7.6%	11.3%	11.8%	11.6%	10.8%	9.7%	8.0%	9.3%	9.9%	10.0%	10.9%	10.3%	10.7%	10.5%	9.7%	10.7%	10.5%	10.9%	10.5%	10.4%	11.0%	11.1%	11.4%	11.0%	11.4%
EBITDA	335.9	463.5	533.2	569.6	582.3	563.8	447.3	548.7	662.1	172.7	193.4	190.8	202.4	759.4	185.8	209.7	215.0	233.2	843.6	209.5	232.8	244.3	257.1	943.7	1,031.7
% margin	13.8%	16.6%	17.0%	17.1%	16.7%	15.1%	13.9%	14.5%	14.6%	14.8%	15.4%	14.7%	15.1%	15.0%	14.4%	15.2%	15.0%	15.7%	15.1%	15.2%	15.8%	15.9%	16.2%	15.8%	16.2%
Interest income (expense), net	(17.2)	(5.5)	(5.6)	(15.2)	(39.5)	(34.4)	(27.4)	(27.9)	(28.5)	(7.0)	(6.9)	(6.3)	(5.3)	(25.6)	(6.3)	(6.2)	(5.8)	(5.8)	(24.1)	(5.4)	(5.8)	(5.9)	(5.1)	(22.3)	(19.1)
Equity in earnings (loss) of associated companies	(0.7)	(2.5)	(4.7)	(3.2)	(1.2)	(1.7)	3.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other income (expense), net Profit before tax % margin	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	167.7	305.8	359.9	367.6	336.4	325.3	234.4	323.7	419.6	109.6	130.3	126.7	138.0	504.6	118.8	141.2	144.9	156.0	560.9	137.3	156.1	164.5	175.8	633.7	707.1
	6.9%	11.0%	11.5%	11.0%	9.6%	8.7%	7.3%	8.5%	<i>9.3%</i>	9.4%	10.4%	9.8%	10.3%	10.0%	9.2%	10.2%	10.1%	10.5%	10.0%	10.0%	10.6%	10.7%	11.0%	10.6%	11.1%
Tax rate <sup>(4)</sup>	38.5%	40.5%	37.9%	37.9%	38.1%	37.7%	39.1%	37.6%	38.2%	38.3%	38.3%	38.2%	39.2%	38.5%	38.2%	37.9%	38.3%	38.3%	38.2%	38.5%	38.5%	38.5%	38.5%	38.5%	38.5%
Net income (loss) from continuing operations	103.2	181.9	223.4	228.4	208.3	202.6	142.7	202.1	259.4	67.7	80.5	78.2	84.0	310.4	73.3	87.7	89.5	96.4	346.9	84.4	96.0	101.2	108.1	389.8	434.9
Extraordinary item (net of tax) <sup>(3) · (14)</sup>	(7.7)	(35.7)	(16.1)	(8.5)	4.9	(2.0)	(6.3)	(2.5)	(2.4)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	95.5	146.3	207.3	220.0	213.1	200.6	136.4	199.6	257.0	67.7	80.5	78.2	84.0	310.4	73.3	87.7	89.5	96.4	346.9	84.4	96.0	101.2	108.1	389.8	434.9
% margin	3.9%	5.2%	6.6%	6.6%	6.1%	5.4%	4.2%	5.3%	5.7%	5.8%	6.4%	6.0%	6.3%	6.1%	5.7%	6.3%	6.2%	6.5%	6.2%	6.1%	6.5%	6.6%	6.8%	6.5%	6.8%
Average shares outstanding - diluted	163.7	166.9	162.6	152.4	137.7	128.5	129.4	127.8	121.9	119.8	120.0	120.3	120.0	120.0	119.8	119.5	119.4	119.2	119.5	118.8	118.3	117.8	117.3	118.1	116.1
EPS - diluted (continuing operations)	\$0.63	\$1.09	\$1.37	\$1.50	\$1.51	\$1.58	\$1.10	\$1.58	\$2.13	\$0.57	\$0.67	\$0.65	\$0.70	\$2.59	\$0.61	\$0.73	\$0.75	\$0.81	\$2.90	\$0.71	\$0.81	\$0.86	\$0.92	\$3.30	\$3.75
% change y/y	90.9%	73.0%	25.7%	9.5%	0.7%	4.6%	-30.4%	43.6%	34.8%	42.5%	26.4%	14.0%	11.1%	21.6%	7.0%	9.0%	15.4%	15.7%	12.0%	16.4%	11.0%	14.7%	13.6%	13.8%	13.6%
EPS - diluted	\$0.58	\$0.88	\$1.28	\$1.44	\$1.55	\$1.56	\$1.05	\$1.56	\$2.11	\$0.57	\$0.67	\$0.65	\$0.70	\$2.59	\$0.61	\$0.73	\$0.75	\$0.81	\$2.90	\$0.71	\$0.81	\$0.86	\$0.92	\$3.30	\$3.75
% change y/y	75.8%	51.7%	45.5%	12.5%	7.6%	0.6%	-32.7%	48.6%	35.3%	42.5%	26.4%	14.0%	14.8%	22.7%	7.0%	9.0%	15.4%	15.7%	12.0%	16.4%	11.0%	14.7%	13.6%	<i>13.8%</i>	13.6%

(1) The JBL segment businesses included a wide range of comprehensive transportation and management services including experienced professional managers, information and optimization technology, and the actual design or redesign of system solutions. Effective July 1, 2000, the company contributed substantially all of its JBL segment business, all related intangible assets and \$5 million of cash to a newly-formed, commonly-owned company, Transplace.com, LLC.

(2) Integrated Capacity Solutions (ICS) provides non-asset and asset-light transportation solutions through relationships with third-party carriers. Prior to 1007, the results had been reported as part of the Truck segment

(3) 4Q01reflects a modification to the method of estimating ultimate losses relating to liability and workers' compensation claims, resulting in a \$10.2mm increase in earnings (4) 4Q03 and 2003 excludes reversal of 2003 expected non-cash tax benefits of \$7.7 million resulting from a sale-leaseback transaction on containers.

(5) In 4Q04, J.B. Hunt established a reserve for contingent tax liability of \$33.6 million, resulting in an extraordinarily large, one-time provision for income taxes, impacting both net income and reported EPS.

(6) 4Q04 and 3Q05 exclude \$3.5 million and \$5.6 million, respectively, of pretax expense associated with a gift to the University of Arkansas, totaling \$10 million. The operating expense amounts were allocated on a pro-rata basis based upon revenue contribution in the quarter recorded. (7) 3Q05 excludes 80% of \$25.8 million pretax charge (\$12.6 million after-tax, or \$0.00 m expense and there) related to the settlement of its arbitration with the BNSP Railway Co. (8) 1Q06 excludes \$300,000 in bad debt expense related to the unexpected bankmptcy of a Dedicated division customer.

(9) 4Q06 excludes a \$12.4 million one-time charge as the company increased casualty and workers' compensation claims reserves to reflect the full administrative and termination costs of insurance contracts as the claims are incurred, rather than in the year the contracts expire.

(10) 2007 excludes a \$3.0 million pretax interest expense accrual for state tax uncertain tax positions related to the settlement of proposed IRS adjustment and a \$10.3 million net tax benefit resulting from the settlement of a proposed tax adjustment related to the 1999 sale-leaseback transaction on containers previously disclosed (11) 4007 excludes an \$8.4 million pretax charge related to the writedown of certain assets held for sale.

(12) 4Q08 excludes a \$3.1 million pre-tax charge to write down the value of certain trailing equipment held for sale

(13) 2Q09 excludes a \$10.3 million pre-tax charge to write down the value of certain tractors held for sale

(14) 3Q10 excludes a \$4 million pre-tax charge related to a \$5 million commitment to Arkansas Children's Hospital

Source: Company data and Stifel estimates

#### John Larkin, CFA / jglarkin@stifel.com David Tamberrino, CFA / dtamberrino@stifel.com

ASSES         Current setting         Column and calk wave whether		res in \$ millions, except per share amounts) 2012 2013 2014																					
ASSETS         Corrers avec         Sign of addition of addit										[													
Carrent costs         61.2         23.8         7.4         9         9         7.5         5.7         5.9         5.7         5.9         5.7         5.9         5.7         5.9         5.7         5.9         5.7         5.9         5.7         5.9         5.7         5.9         5.7         5.9         5.7         5.9         5.7         5.9         5.7         5.9         5.7         5.9         5.7         5.9         5.7         5.9         5.9         5.7         5.9         5.7         5.9         5.7         5.9         5.9         5.9         5.7         5.9 <th< th=""><th></th><th>2003A</th><th>2004A</th><th>2005A</th><th>2006A</th><th>2007A</th><th>2008A</th><th>2009A</th><th>2010A</th><th>2011A</th><th>1QA</th><th>2QA</th><th>3QA</th><th>4QA</th><th>1QA</th><th>2QA</th><th>3QE</th><th>4QE</th><th>1QE</th><th>2QE</th><th>3QE</th><th>4QE</th><th>2015E</th></th<>		2003A	2004A	2005A	2006A	2007A	2008A	2009A	2010A	2011A	1QA	2QA	3QA	4QA	1QA	2QA	3QE	4QE	1QE	2QE	3QE	4QE	2015E
Chan cash quivales         Cash         Cash <td></td> <td>1</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>															1								
The Account networks         2560         2861         4125         5425         2800         2000<																							
Increating         00         01         00       <																						5.0	5.0
Invention       8       97       11       133       15.4       18.2       17.7       17.7       13.7       17.7 <t< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>447.7</td><td>472.1</td><td>504.3</td><td></td><td>529.3</td><td>579.6</td><td>583.0</td><td>503.4</td><td>579.4</td><td>611.7</td><td>640.3</td><td>538.4</td><td>574.6</td></t<>											447.7	472.1	504.3		529.3	579.6	583.0	503.4	579.4	611.7	640.3	538.4	574.6
Asket half areale         U        U         U         U																							
Property and prime         22         2.17         2.18         2.14         2.05         1.76         1.63         1.62         1.77.6         0.00 <td></td> <td>8.6</td> <td>9.7</td> <td>11.1</td> <td>13.9</td> <td></td>		8.6	9.7	11.1	13.9																		
Definition         0.0											0.0	0.0	0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Propertiance and sources         73         840         744         79         40.3         90.4         72       <																							
Observates         116         163         144         79         1889         902         52         321         421         827         625         533         581         680         599         615         6152																							
Total current assets         4230         464.0         47.2         47.12         488.9         96.3         392.3         462.6         513.5         53.6.1         54.4         56.1         <																	<b>50 0</b>		(D. 6	(0. F		10.0	
Property and equipment Revenue and service equipment Land         Property and equipment (1)22         1/22         1/23/2 </td <td></td> <td>11.0</td> <td></td> <td></td> <td>1.2</td> <td></td> <td>1.4</td> <td>5.2</td> <td></td> <td></td> <td>02.7</td> <td>02.5</td> <td>22.2</td> <td></td> <td>00.1</td> <td>00.0</td> <td></td> <td></td> <td></td> <td>00.0</td> <td></td> <td></td> <td>70.2</td>		11.0			1.2		1.4	5.2			02.7	02.5	22.2		00.1	00.0				00.0			70.2
Revene and service cupinport       1,122       1,214       1,223       1,214       1,223       1,214       1,223       1,214       1,223       1,214       1,223       1,214       1,223       1,214       <	current assets	423.0	464.0	4/4./	4/1.2	488.9	390.3	392.5	462.0	513.5	530.1	540.4	563.5	554.5	615.2	051.0	648.9	569.9	646.9	6/9./	709.9	609.2	649.9
Revene and service cupinport       1,122       1,214       1,223       1,214       1,223       1,214       1,223       1,214       1,223       1,214       1,223       1,214       1,223       1,214       <	ty and aquinment																						
Land         21.8         20.0         20.3         21.8         20.3         25.9         25.9         25.0 <th< td=""><td></td><td>1 1 2 2 2</td><td>1.214.9</td><td>1 222 2</td><td>1 619 2</td><td>1 804 0</td><td>1 001 2</td><td>1 802 0</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></th<>		1 1 2 2 2	1.214.9	1 222 2	1 619 2	1 804 0	1 001 2	1 802 0															
Structures and improvements         338         952         1033         1144         1220         P																							
Instrume and office equipment         117         1180         1310         1340         <																							
Total property and equipment. Less accumbled depreciation and montziation Property and equipment, net         13455         1,490         1,991/6         1,848.3         2,089.7         2,083.8         2,073.1         2,862.4         2,091.7         2,082.7         0,015.0         0,017.7         0,117.7<															1								
Less       Less       Calibration       (48.50)       (37.5)       (600.5)       (72.2)       (78.4)       (17.95)       (1.91.3)			110.0	101.0	101.0	101.1	110.1	150.5	2 2 2 9 2	2 659 1	27122	2 777 1	28624	2 004 7	2 082 7	2.052.6	2 170 (	2 280 6	2 280 4	2 480 6	2 590 (	2 680 6	4.109.6
Property and equipment, net         885.0         1.011.4         1.054.1         1.238.6         1.444.7         1.479.5         1.726.9         1.705.5         1.848.5         1.885.5         1.941.4         1.976.2         2.037.9         2.076.6         2.109.9         2.109.9         2.139.0         2.165.1         2.189.0           Other sexets (modowill, seamorization Total assets         9.1         16.3         20.1         15.3         16.3         15.1         106         19.8         19.5         2.96         2.63         2.01         2.56         2.44         2.9         2.76.4         2.95.5         2.71.4         2.96.6         2.44         2.9         2.78.1         2.845.2         2.71.4         2.97.5         2.846.2         2.92.4         2.92.9         2.365.3         2.71.4         2.97.4         2.94.4         2.92.4													2,002.1			-,							4,109.6 (1.806.2)
Other assets Tata assets         39.1         16.3         20.1         15.3         15.1         10.6         19.8         19.5         20.9         26.3         2.9.1         26.6         24.6         29.5         28.5         27.2         28.0         28.4         28.9         29.9         20.0											(102.1)	()01.5)	(1,015.7)			(1,077.1)				(1,22,010)	(1,121.0)		2,303.4
Goodwill, less amorization       0.0       <	rty and equipment, net	885.0	1,011.4	1,054.1	1,283.6	1,358.7	1,380.5	1,444./	1,479.5	1,720.9	1,/00.5	1,/95.8	1,848.5	1,885.5	1,941.4	1,970.2	2,057.9	2,070.0	2,109.9	2,159.0	2,105.1	2,189.0	2,505.4
Goodwill, less amortization       0.0	ocoto	20.1	16.2	20.1	15.2	15.1	10.6	10.9	10.5	26.0	26.2	20.1	26.6	24 6	20.5	28.5	27.2	28.0	28.4	28.0	20.4	20.0	31.9
Total assets       1,347.1       1,491.7       1,548.9       1,770.1       1,862.7       1,793.5       1,856.9       1961.7       2,267.3       2,322.9       2,365.3       2,438.3       2,464.6       2,586.1       2,656.3       2,714.1       2,674.5       2,785.1       2,674.5       2,785.1       2,674.5       2,785.1       2,674.5       2,785.1       2,674.5       2,785.1       2,674.5       2,786.1       2,674.5 <td></td> <td>51.9 0.0</td>																							51.9 0.0
Lue ILITES AND EQUITY Current liabilities         Image: Current portion of long-term debt Current portion of long-term debt Current portion of long-term debt Current portion of long-term debt Current insultiments of capital lease obligations         Image: Debt debt desc debt desc debt debt desc debt debt debt debt debt debt debt debt																							2,985.2
Current liabilities	assets	1,347.1	1,491./	1,340.3	1,770.1	1,002.7	1,735.5	1,030.9	1,901./	2,207.3	4,344.9	2,303.3	2,430.3	2,404.0	2,300.1	2,030.3	2,/14.1	2,074.3	2,785.1	2,047.0	2,904.4	2,020.1	2,983.2
Current liabilities																							
Current liabilities         Current liabilities         Current liabilities         Current portion of long: term dot:         Current portion         Current portion <td></td>																							
Current portion of long-term debt       104.9       0.0       0.0       21.40       23.40       118.5       0.0       20.00       100.0       100.0       100.0       100.0       100.0       20.00       25.00 <t< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></t<>																							
Current installments of capital lease obligations       668       0.0		1010							200.0	50.0	100.0	100.0	100.0	100.0	200.0			250.0	250.0				
Tade accounts payable       1589       1800       162.7       170.7       190.0       196.1       191.3       192.1       251.6       301.6       298.6       328.8       266.7       375.0       364.2       301.1       318.8       340.8       340.3       352.4       359         Chaims accruals       7.8       18.5       15.7       20.0       194       18.1       18.5       32.6       42.4       41.9       44.0       48.2       47.4       49.9       56.6       61.6       55.9       56.8       57.7       58.7       59       56.8       64.6       95       73.8       63.5       64.6       95       56.8       61.0       55.9       56.8       57.7       58.7       59       56.8       64.6       95       56.8       64.6       95       56.8       64.6       95       73.8       63.5       64.6       95       95.8       85.7       73.8       63.5       64.6       95       95.8       85.7       73.8       63.5       64.6       95       95.8       85.7       73.8       63.5       64.6       95       95.8       85.7       73.8       64.7       93.7       93.7       93.7       13.7       13.7       13.7																							250.0
Claims accruals       7.8       18.5       15.7       20.0       19.4       18.1       18.5       32.0       42.4       41.9       44.0       48.2       47.4       49.9       56.6       61.5       55.8       57.7       58.7       59         Accrued payroll       51.2       73.8       61.0       42.4       33.2       33.7       57.1       77.1       53.6       57.7       58.3       70.6       54.5       61.3       61.6       89.9       73.8       63.5       64.6       95.9         Deferred income taxes       22.5       22.5       22.7       22.0       10.1       10.5       8.9       0.0       0.0       0.0       0.8											0.00											0.0	0.0
Accrued payroll       51.2       73.8       61.0       42.4       34.3       33.2       34.7       57.1       77.1       53.6       57.7       58.3       70.6       61.3       61.6       89.5       73.8       63.5       64.6       95         Deferred income taxes       23.5       25.4       22.5       23.4       27.5       23.7       20.1       10.1       10.5       8.9       0.0       0.0       0.0       0.0       0.8       0.8       0.8       0.8       0.0       0																							383.1
Deferred income taxes       235       25.4       27.5       23.7 <th< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>59.8</td><td>63.8</td></th<>																						59.8	63.8
Other accrued expenses       12.5       10.5       9.2       8.0       26.7       32.0       14.2       19.2       17.4       46.3       24.1       13.4       17.2       16.3       10.9       16.8       17.0       17.3       17.6       17.7         Total current liabilities       425.7       308.2       27.61       47.8       524.4       407.9       269.2       509.9       438.5       543.4       524.4       548.7       502.8       727.2       699.1       689.9       731.0       17.8       738.5       734.8       743.4       782         Long-term debt, less current portion       0.0       0.0       0.0       0.0       400.0       400.0       200.0																						95.7	102.2
Total current liabilities       425.7       308.2       276.1       478.7       524.4       407.9       269.2       509.9       438.5       543.4       524.4       548.7       502.8       727.2       699.1       689.9       731.0       738.5       734.8       743.4       782         Long-term debt, less current portion       0.0       0.0       0.0       0.0       0.0       400.0       400.0       200.		23.5																				0.0	0.0
Long-term debt, less current portion       0.0 <td></td> <td>12.5</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>70.5</td> <td></td> <td></td> <td></td> <td>71.2</td> <td>10.5</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>17.9</td> <td>19.2</td>		12.5									70.5				71.2	10.5						17.9	19.2
Borrowings under revolving line drevelit Capital lease obligations, less current portion       0.0       0.0       124.0       182.4       279.1       115.0       165.0       25.42       499.2       402.1       379.5       344.9       385.3       193.3       274.1       237.6       82.7       256.5       273.6	current liabilities	425.7	308.2	276.1	478.7	524.4	407.9	269.2	509.9	438.5	543.4	524.4	548.7	502.8	727.2	699.1	689.9	731.0	738.5	734.8	743.4	782.5	818.3
Borrowings under revolving line drevelit Capital lease obligations, less current portion       0.0       0.0       124.0       182.4       279.1       115.0       165.0       25.42       499.2       402.1       379.5       344.9       385.3       193.3       274.1       237.6       82.7       256.5       273.6																							
Capital lease obligations, less current portion       0.0																						100.0	100.0
Claims accruals and other long-term liabilities       4.3       40.3       45.8       54.7       34.5       30.5       33.5       39.5       45.4       47.0       49.7       46.8       53.1       53.8       52.7       59.9       55.9       56.8       57.7       58.7       59.9         Deferred income taxes       2140       282.9       294.5       281.6       311.1       343.3       385.0       510.7       50.0       498.5       516.7       531.6       52.7       59.9       55.8       57.7       58.6       57.7 <td></td> <td>101.1</td> <td>8.4</td>																						101.1	8.4
Deferred income taxes       2140       282.       285.9       294.5       281.6       311.1       343.3       385.0       516.7       531.6       536.0       528.2       550.3       570.1       575.7       586.0         Preferred stock       0.0 <t< td=""><td>al lease obligations, less current portion</td><td>0.0</td><td>0.0</td><td>0.0</td><td>0.0</td><td>0.0</td><td>0.0</td><td>0.0</td><td>0.0</td><td>0.0</td><td>0.0</td><td>0.0</td><td>0.0</td><td>0.0</td><td>0.0</td><td>0.0</td><td>0.0</td><td>0.0</td><td>0.0</td><td>0.0</td><td>0.0</td><td>0.0</td><td>0.0</td></t<>	al lease obligations, less current portion	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred income taxes       2140       282.       285.9       294.5       281.6       311.1       343.3       385.0       516.7       531.6       536.0       528.2       550.3       570.1       575.7       586.0         Preferred stock       0.0 <t< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></t<>																							
Preferred stock         0.0	s accruals and other long-term liabilities	4.3	40.3	45.8	54.7	34.5	30.5	35.6	39.5	45.4	47.0	49.7	46.8	53.1	53.8	52.7	59.9	55.9	56.8	57.7	58.7	59.8	63.8
Preferred stock         0.0																							
Common stock         0.4         0.4         1.7         1.7         1.7         1.7         1.7         1.7         1.7           Additional paid in capital         187.0         197.9         182.7         177.1         170.5         170.9         181.0         192.5         207.1	red income taxes	214.0	282.2	285.9	294.5	281.6	311.1	343.3	385.0	516.7	500.0	498.5	516.7	531.6	536.0	528.2	550.3	570.5	568.0	577.1	575.7	586.3	613.0
Common stock         0.4         0.4         1.7         1.7         1.7         1.7         1.7         1.7         1.7           Additional paid in capital         187.0         197.9         182.7         177.1         170.5         170.9         181.0         192.5         207.1															1								
Additional paid in capital 187.0 197.9 182.7 177.1 170.5 170.9 176.0 181.0 192.5 207.1															1								
															1								
Retained earnings 555.3 694.2 863.6 1.035.8 1.192.6 1.343.1 1.423.8 1.563.5 1.758.3 1.985.2															1								
			694.2	863.6	1,035.8	1,192.6			1,563.5	1,758.3				1,985.2	1								
Accumulated other comprehensive income (loss) 0.0 0.0 0.0 (0.1) (1.0) (1.2) 0.0 0.0 0.0 0.0 0.0															1								
Treasury stock, at cost (39.5) (31.6) (230.9) (454.7) (1,020.6) (985.5) (957.6) (1,173.2) (1,384.9) (1,402.1)		(2) (2)								(1,00,00)					<u> </u>				L				
Total stockholders' equity         703.1         861.0         817.0         759.7         343.2         529.0         643.9         573.0         567.5         630.3         713.3         781.2         791.9         875.8         902.2         976.3         1,034.4         1,065.3         1,104.4         1,148.5         1,198		703.1	861.0	817.0	759.7	343.2	529.0	643.9	573.0	567.5	630.3	713.3	781.2	791.9	875.8	902.2	976.3	1,034.4	1,065.3	1,104.4	1,148.5	1,198.5	1,381.8
	stockholders' equity			4 - 40 -	4 880	1.0/0 -	4 80.2 5	10565	10/15				A 130 Z									a 0 a 0 /	
Total liabilities and stockholders' equity 1,347.1 1,491.7 1,548.9 1,770.1 1,862.7 1,793.5 1,856.9 1,961.7 2,267.3 2,322.9 2,365.3 2,438.3 2,464.6 2,586.1 2,656.3 2,714.1 2,674.5 2,785.1 2,847.6 2,904.4 2,828		1,347.1	1,491.7	1,548.9	1,770.1	1,862.7	1,793.5	1,856.9	1,961.7	2,267.3	2,322.9	2,365.3	2,438.3	2,464.6	2,586.1	2,656.3	2,714.1	2,674.5	2,785.1	2,847.6	2,904.4	2,828.1	2,985.2
	stockholders' equity liabilities and stockholders' equity																						
Book value / share \$4.24 \$5.12 \$5.13 \$5.14 \$2.67 \$4.11 \$4.95 \$4.57 \$4.75 \$5.26 \$5.94 \$6.69 \$7.31 \$7.55 \$8.18 \$8.68 \$8.97 \$9.34 \$9.75 \$10.2					\$5.14	\$2.67	\$4.11	\$4.95	\$4.57	\$4.75	\$5.26	\$5.94	\$6.49	\$6.60	\$7.31	\$7.55	\$8.18	\$8.68	\$8.97	\$9.34	\$9.75	\$10.22	\$11.98
	liabilities and stockholders' equity	\$4.24	\$5.12	\$5.13	33.14																	33.8	33.9
	liabilities and stockholders' equity					33.3	34.2																(168.4)
	liabilities and stockholders' equity value / share ge age of trade receivables (days)	37.2	35.4	35.8	37.0			123.2	(47.3)	75.0							(41.0)	(161.1)		(55.1)	(33.5)		
	liabilities and stockholders' equity value / share ge age of frade receivables (days) orking capital	37.2 (2.6)	35.4 155.8	35.8 198.6	37.0 (7.5)	(35.5)	(11.6)	123.2 1.5x															0.8x
	liabilities and stockholders' equity value / share ge age of trade receivables (days) orking capital it ratio	37.2 (2.6) 1.0x	35.4 155.8 1.5x	35.8 198.6 1.7x	37.0 (7.5) 1.0x	(35.5) 0.9x	(11.6) 1.0x	1.5x	0.9x	1.2x	1.0x	1.0x	1.0x	1.1x	0.8x	0.9x	0.9x	0.8x	0.9x	0.9x	1.0x	0.8x	0.8x
	liabilities and stockholders' equity value / share ge age of trade receivables (days) orking capital tratio stets	37.2 (2.6) 1.0x 1,347.1	35.4 155.8 1.5x 1,491.7	35.8 198.6 1.7x 1,548.9	37.0 (7.5) 1.0x 1,770.1	(35.5) 0.9x 1,862.7	(11.6) 1.0x 1,793.5	1.5x 1,856.9	0.9x 1,961.7	1.2x 2,267.3	1.0x 2,322.9	1.0x 2,365.3	1.0x 2,438.3	1.1x 2,464.6	0.8x 2,586.1	0.9x 2,656.3	0.9x 2,714.1	0.8x 2,674.5	0.9x 2,785.1	0.9x 2,847.6	1.0x 2,904.4	0.8x 2,828.1	0.8x 2,985.2
	liabilities and stockholders' equity value / share ge age of trade receivables (days) orking capital at ratio sssets erm debt	37.2 (2.6) 1.0x 1,347.1 0.0	35.4 155.8 1.5x 1,491.7 0.0	35.8 198.6 1.7x 1,548.9 124.0	37.0 (7.5) 1.0x 1,770.1 182.4	(35.5) 0.9x 1,862.7 679.1	(11.6) 1.0x 1,793.5 515.0	1.5x 1,856.9 565.0	0.9x 1,961.7 454.2	1.2x 2,267.3 699.2	1.0x 2,322.9 602.1	1.0x 2,365.3 579.5	1.0x 2,438.3 544.9	1.1x 2,464.6 585.3	0.8x 2,586.1 393.3	0.9x 2,656.3 474.1	0.9x 2,714.1 437.6	0.8x 2,674.5 282.7	0.9x 2,785.1 356.5	0.9x 2,847.6 373.6	1.0x 2,904.4 378.0	0.8x 2,828.1 201.1	0.8x 2,985.2 108.4
	liabilities and stockholders' equity value / share ge age of trade receivables (days) orking capital tratio ussets serm debt lebt	37.2 (2.6) 1.0x 1,347.1 0.0 171.8	35.4 155.8 1.5x 1,491.7 0.0 0.0	35.8 198.6 1.7x 1,548.9 124.0 124.0	37.0 (7.5) 1.0x 1,770.1 182.4 396.4	(35.5) 0.9x 1,862.7 679.1 913.1	(11.6) 1.0x 1,793.5 515.0 633.5	1.5x 1,856.9 565.0 565.0	0.9x 1,961.7 454.2 654.2	1.2x 2,267.3 699.2 749.2	1.0x 2,322.9 602.1 702.1	1.0x 2,365.3 579.5 679.5	1.0x 2,438.3 544.9 644.9	1.1x 2,464.6 585.3 685.3	0.8x 2,586.1 393.3 593.3	0.9x 2,656.3 474.1 674.1	0.9x 2,714.1 437.6 687.6	0.8x 2,674.5 282.7 532.7	0.9x 2,785.1 356.5 606.5	0.9x 2,847.6 373.6 623.6	1.0x 2,904.4 378.0 628.0	0.8x 2,828.1 201.1 451.1	0.8x 2,985.2 108.4 358.4
	liabilities and stockholders' equity value / share ge age of trade receivables (days) orking capital tratio ussets serm debt lebt bb( cash)	37.2 (2.6) 1.0x 1,347.1 0.0 171.8 110.5	35.4 155.8 1.5x 1,491.7 0.0 0.0 (23.8)	35.8 198.6 1.7x 1,548.9 124.0 124.0 116.6	37.0 (7.5) 1.0x 1,770.1 182.4 396.4 389.0	(35.5) 0.9x 1,862.7 679.1 913.1 898.1	(11.6) 1.0x 1,793.5 515.0 633.5 631.1	1.5x 1,856.9 565.0 565.0 557.2	0.9x 1,961.7 454.2 654.2 646.6	1.2x 2,267.3 699.2 749.2 743.7	1.0x 2,322.9 602.1 702.1 696.4	1.0x 2,365.3 579.5 679.5 673.6	1.0x 2,438.3 544.9 644.9 639.2	1.1x 2,464.6 585.3 685.3 679.8	0.8x 2,586.1 393.3 593.3 587.5	0.9x 2,656.3 474.1 674.1 668.2	0.9x 2,714.1 437.6 687.6 681.6	0.8x 2,674.5 282.7 532.7 527.7	0.9x 2,785.1 356.5 606.5 601.5	0.9x 2,847.6 373.6 623.6 619.1	1.0x 2,904.4 378.0 628.0 623.0	0.8x 2,828.1 201.1 451.1 446.1	0.8x 2,985.2 108.4 358.4 353.4
	liabilities and stockholders' equity value / share ge age of trade receivables (days) orking capital it ratio ussets erm debt lebt bt (cash) total book capitalization	37.2 (2.6) 1.0x 1,347.1 0.0 171.8 110.5 19.6%	35.4 155.8 1.5x 1,491.7 0.0 0.0 (23.8) 0.0%	35.8 198.6 1.7x 1,548.9 124.0 124.0 116.6 13.2%	37.0 (7.5) 1.0x 1,770.1 182.4 396.4 389.0 34.3%	(35.5) 0.9x 1,862.7 679.1 913.1 898.1 72.7%	(11.6) 1.0x 1,793.5 515.0 633.5 631.1 54.5%	1.5x 1,856.9 565.0 565.0 557.2 46.7%	0.9x 1,961.7 454.2 654.2 646.6 53.3%	1.2x 2,267.3 699.2 749.2 743.7 56.9%	1.0x 2,322.9 602.1 702.1 696.4 52.7%	1.0x 2,365.3 579.5 679.5 673.6 48.8%	1.0x 2,438.3 544.9 644.9 639.2 45.2%	1.1x 2,464.6 585.3 685.3 679.8 46.4%	0.8x 2,586.1 393.3 593.3 587.5 40.4%	0.9x 2,656.3 474.1 674.1 668.2 42.8%	0.9x 2,714.1 437.6 687.6 681.6 41.3%	0.8x 2,674.5 282.7 532.7 527.7 34.0%	0.9x 2,785.1 356.5 606.5 601.5 36.3%	0.9x 2,847.6 373.6 623.6 619.1 36.1%	1.0x 2,904.4 378.0 628.0 623.0 35.4%	0.8x 2,828.1 201.1 451.1 446.1 27.3%	0.8x 2,985.2 108.4 358.4 353.4 20.6%
	liabilities and stockholders' equity value / share ge age of trade receivables (days) orking capital tratio ussets erm debt lebt bt (cash) total book capitalization EBITDA	37.2 (2.6) 1.0x 1,347.1 0.0 171.8 110.5 19.6% 0.5x	35.4 155.8 1.5x 1,491.7 0.0 0.0 (23.8) 0.0% 0.0x	35.8 198.6 1.7x 1,548.9 124.0 124.0 116.6 13.2% 0.2x	37.0 (7.5) 1.0x 1,770.1 182.4 396.4 389.0 34.3% 0.6x	(35.5) 0.9x 1,862.7 679.1 913.1 898.1 72.7% 1.4x	(11.6) 1.0x 1,793.5 515.0 633.5 631.1 54.5% 1.2x	1.5x 1,856.9 565.0 565.0 557.2 46.7% 1.2x	0.9x 1,961.7 454.2 654.2 646.6 53.3% 1.1x	1.2x 2,267.3 699.2 749.2 743.7 56.9% 1.0x	1.0x 2,322.9 602.1 702.1 696.4 52.7% 1.1x	1.0x 2,365.3 579.5 679.5 673.6 48.8% 0.9x	1.0x 2,438.3 544.9 644.9 639.2 45.2% 0.9x	1.1x 2,464.6 585.3 685.3 679.8 46.4% 0.8x	0.8x 2,586.1 393.3 593.3 587.5 40.4% 0.9x	0.9x 2,656.3 474.1 674.1 668.2 42.8% 0.8x	0.9x 2,714.1 437.6 687.6 681.6 41.3% 0.8x	0.8x 2,674.5 282.7 532.7 527.7 34.0% 0.7x	0.9x 2,785.1 356.5 606.5 601.5 36.3% 0.7x	0.9x 2,847.6 373.6 623.6 619.1 36.1% 0.7x	1.0x 2,904.4 378.0 628.0 623.0 35.4% 0.6x	0.8x 2,828.1 201.1 451.1 446.1 27.3% 0.5x	0.8x 2,985.2 108.4 358.4 353.4 20.6% 0.4x
	liabilities and stockholders' equity value / share ge age of trade receivables (days) orking capital at ratio sasets erm debt lebt bt (cash) total book capitalization EBITDA EBIT	37.2 (2.6) 1.0x 1,347.1 0.0 171.8 110.5 19.6%	35.4 155.8 1.5x 1,491.7 0.0 0.0 (23.8) 0.0%	35.8 198.6 1.7x 1,548.9 124.0 124.0 116.6 13.2% 0.2x	37.0 (7.5) 1.0x 1,770.1 182.4 396.4 389.0 34.3%	(35.5) 0.9x 1,862.7 679.1 913.1 898.1 72.7%	(11.6) 1.0x 1,793.5 515.0 633.5 631.1 54.5% 1.2x	1.5x 1,856.9 565.0 565.0 557.2 46.7%	0.9x 1,961.7 454.2 654.2 646.6 53.3%	1.2x 2,267.3 699.2 749.2 743.7 56.9%	1.0x 2,322.9 602.1 702.1 696.4 52.7%	1.0x 2,365.3 579.5 679.5 673.6 48.8%	1.0x 2,438.3 544.9 644.9 639.2 45.2%	1.1x 2,464.6 585.3 685.3 679.8 46.4%	0.8x 2,586.1 393.3 593.3 587.5 40.4%	0.9x 2,656.3 474.1 674.1 668.2 42.8%	0.9x 2,714.1 437.6 687.6 681.6 41.3%	0.8x 2,674.5 282.7 532.7 527.7 34.0%	0.9x 2,785.1 356.5 606.5 601.5 36.3%	0.9x 2,847.6 373.6 623.6 619.1 36.1%	1.0x 2,904.4 378.0 628.0 623.0 35.4%	0.8x 2,828.1 201.1 451.1 446.1 27.3%	0.8x 2,985.2 108.4 358.4 353.4 20.6%

J.B. Hunt Transport Balance Sheet

Some restatements not reflected in prior periods

Source: Company data and Stifel estimates

John Larkin, CFA / jglarkin@stifel.com

David Tamberrino, CFA / dtamberrino@stifel.com

								J.B. H	unt Tra	ansport (	Cash Fl	ow Sta	temen	t											
(figures in \$ millions, except per share amounts)											201	2		1 r		201	3		Г		201	4			
(Igures in & minions, except per share amounts)	2003A	2004A	2005A	2006A	2007A	2008A	2009A	2010A	2011A	1QA	2QA	3QA	4QA	2012A	1QA	2QA	3QE	4QE	2013E	1QE	201 2QE	3QE	4QE	2014E	2015E
Operating Activities																									1 1
Net income	95.5	146.3	207.3	220.0	213.1	200.6	136.435	199.6	257.0	67.7	80.5	78.2	84.0	310.4	73.3	87.7	89.5	96.4	346.9	84.4	96.0	101.2	108.1	389.8	434.9
Adjustments																									
Depreciation and amortization	150.2	149.8	163.0	183.6	205.1	202.3	189.0	197.1	213.9	56.1	56.2	57.8	59.0	229.2	60.7	62.3	64.3	71.3	258.6	66.7	70.8	73.9	76.2	287.6	305.6
Stock compensation expense	0.0	0.0	0.0	7.2	9.4	13.8	17.6	21.4	26.8	8.1	8.3	5.6	7.7	29.7	9.1	8.8	0.0	0.0	18.0	0.0	0.0	0.0	0.0	0.0	0.0
(Gain) loss on sale of revenue equipment	1.1	(0.4)	(1.8)	(2.9)	0.5	(0.7)	0.3	(1.7)	(14.1)	(5.7)	(4.1)	(1.9)	(5.1)	(16.8)	(1.3)	(0.1)	0.0	0.0	(1.4)	0.0	0.0	0.0	0.0	0.0	0.0
Assets held for sale	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Impairment on assets held for sale	0.0	0.0	0.0	0.0	8.4	3.9	10.3	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred income taxes	44.8	70.2	5.8	4.9	3.5	19.5	32.6	40.1	117.7	(11.5)	(1.6)	18.3	15.6	20.8	4.4	(7.9)	22.2	19.4	38.1	(2.5)	9.1	(1.5)	10.6	15.8	26.7
Equity in earnings (loss) of associated companies	0.7	2.5	4.7	3.2	1.2	1.7	(3.5)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tax benefit (expense) of stock options exercised	7.2	17.8	19.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Remeasurement of options	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Forfeiture of restricted stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortization of discount, net	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Changes in working capital items:																									1 1
Trade accounts receivable	(18.9)	(33.1)	(54.4)	(2.8)	16.0	50.0	(30.2)	(40.8)	(60.3)	(36.2)	(24.4)	(32.2)	38.2	(54.5)	(63.3)	(50.3)	(3.3)	79.6	(37.4)	(76.0)	(32.3)	(28.5)	101.8	(35.1)	(36.2)
Income tax payable	0.0	(19.4)	19.4	(11.8)	21.8	4.8	(16.6)	(21.4)	9.0	49.6	(29.3)	(4.9)	(3.6)	11.9	37.4	(35.3)	0.0	0.0	2.1	0.0	0.0	0.0	0.0	0.0	0.0
Other current assets	9.7	(19.2)	8.1	20.2	12.3	31.7	2.5	(9,4)	1.3	(4.2)	16.9	8.1	(25.7)	(4.8)	(4.2)	15.2	7.3	(2.3)	16.0	(1.4)	(1.5)	(1.6)	(1.7)	(6.2)	(6.4)
Trade accounts payable	41.0	21.1	(28.1)	7.9	15.0	(16.5)	13.9	1.9	56.2	52.1	(1.6)	27.9	(63.3)	15.1	108.2	(10.8)	(59.1)	13.7	52.1	22.0	5.4	6.2	6.5	40.1	24.1
Claims accruals	(6.9)	1.7	(2.9)	4.4	(0.6)	(1.3)	0.5	14.1	9.7	(0.4)	2.1	4.2	(0.8)	5.1	2.4	6.8	12.2	(9.6)	11.7	1.7	1.8	2.1	2.2	7.8	8.0
Accrued payroll and other accrued expenses	8.2	56.5	(8.5)	(10.8)	(47.9)	(4.8)	4.1	27.2	18.3	(29.3)	11.3	(4.3)	24.5	2.2	(20.1)	10.4	(5.1)	33.8	19.0	(15.4)	(10.1)	1.4	31.4	7.4	7.6
Total change in net working capital	33.0	7.6	(66.4)	7.1	16.6	64.0	(25.9)	(28.6)	34.3	31.6	(25.0)	(1.2)	(30.6)	(25.1)	60.5	(64.0)	(48.0)	115.1	63.6	(69.0)	(36.6)	(20.5)	140.2	14.1	(2.8)
0 0 1													. ,												( ) ( )
Net cash provided by operations	332.6	393.7	331.9	423.1	457.8	505.1	356.9	428.1	635.7	146.3	114.3	156.8	130.7	548.0	206.8	86.8	128.0	302.3	723.8	79.7	139.3	153.1	335.2	707.2	764.3
																									1 1
Investing Activities																							/		1 1
Additions to property and equipment	(316.9)	(451.1)	(285.4)	(483.2)	(363.6)	(303.2)	(353.2)	(262.4)	(502.3)	(112.7)	(102.0)	(114.9)	(109.9)	(439.5)	(125.5)	(113.0)	(126.0)	(110.0)	(474.5)	(100.0)	(100.0)	(100.0)	(100.0)	(400.0)	(420.0)
Proceeds from asset sales	125.2	175.3	81.5	73.0	32.9	92.4	111.4	36.5	56.4	28.9	14.9	6.7	19.3	69.8	10.5	16.3	0.0	0.0	26.8	0.0	0.0	0.0	0.0	0.0	0.0
Net purchases of available for sale investments	0.0	0.0	0.0	0.0	(8.8)	6.3	7.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Investment in associated company	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Decrease (increase) in other assets	1.2	25.9	(8.7)	(0.6)	(1.1)	2.3	(9.8)	(0.1)	0.3	0.0	0.0	(0.4)	0.5	0.1	(0.0)	0.0	0.0	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0
Net cash (used in) provided by investing activities	(190.5)	(249.9)	(212.6)	(410.8)	(340.5)	(202.3)	(244.0)	(226.0)	(445.5)	(83.8)	(87.1)	(108.6)	(90.2)	(369.6)	(115.1)	(96.6)	(126.0)	(110.0)	(447.7)	(100.0)	(100.0)	(100.0)	(100.0)	(400.0)	(420.0)
Cash available for (required by) financing	142.1	143.8	119.2	12.3	117.3	302.8	113.0	202.1	190.2	62.5	27.2	48.2	40.5	178.4	91.7	(9.8)	2.0	192.3	276.1	(20.3)	39.3	53.1	235.2	307.2	344.3
Net borrowings (repayments) under																									1 1
commercial paper program and revolving																									1 1
credit agreements	0.0	0.0	0.0	175.9	135.0	(273.1)	1.3	(159.6)	(1.000.7)	(383.3)	(406.5)	(487.7)	(390.7)	(1,668.2)	(345.6)	(464.3)	13.5	(155.0)	(951.4)	173.8	17.1	4.4	(176.9)	18.4	(92.7)
Proceeds from long-term debt	0.0	0.0	124.0	100.0	400.0	0.0	0.0	249.2	1,097.7	334.1	385.3	455.2	431.1	1,605.7	302.6	544.3	0.0	0.0	847.0	0.0	0.0	0.0	0.0	0.0	0.0
Repayments of long-term debt	(97.0)	(105.0)	0.0	(3.5)	(14.0)	(14.0)	(68.5)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(50.0)	0.0	0.0	0.0	(50.0)	(100.0)	0.0	0.0	0.0	(100.0)	0.0
Principal payments under capital lease obligations	(74.4)	(66.8)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proceeds from sale of subsidiary stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Stock option exercise	0.0	8.0	10.9	9.2	10.3	9.0	7.0	6.8	3.8	1.2	3.9	(8.7)	1.3	(2.4)	0.4	5.3	2.5	2.5	10.6	2.5	3.0	4.0	4.0	13.5	13.5
Stock repurchased for payroll taxes	0.0	(7.0)	(4.2)	(1.2)	(2.7)	(2.0)	(1.9)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proceeds from sale of treasury stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reissuance (acquisition) of treasury stock	10.0	0.0	(239.2)	(257.4)	(603.4)	0.0	0.0	(250.9)	(246.4)	0.0	0.0	0.0	(50.0)	(50.0)	0.0	(64.7)	0.0	(22.9)	(87.6)	(37.0)	(41.0)	(42.2)	(43.5)	(163.6)	(186.2)
Dividends paid	0.0	(7.3)	(38.0)	(47.7)	(48.8)	(50.1)	(55.7)	(59.9)	(62.2)	(16.4)	(16.4)	(16.5)	(34.1)	(83.4)	0.0	(17.6)	(17.9)	(17.9)	(53.3)	(19.0)	(18.9)	(18.8)	(18.8)	(75.6)	(78.9)
Tax benefit of stock options exercised	0.0	0.0	0.0	12.4	13.9	14.9	10.2	12.2	15.6	2.1	6.8	9.4	1.8	20.1	1.1	6.9	0.0	0.0	8.0	0.0	0.0	0.0	0.0	0.0	0.0
Equity issued	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net cash (used in) provided by financing activities	(161.5)	(178.1)	(146.5)	(12.3)	(109.7)	(315.4)	(107.5)	(202.3)	(192.4)	(62.2)	(27.0)	(48.4)	(40.6)	(178.3)	(91.5)	10.0	(1.9)	(193.3)	(276.7)	20.3	(39.8)	(52.6)	(235.2)	(307.2)	(344.3)
Beginning cash balance (1-2)	80.6	58.1	34.7	7.4	7.4	15.0	2.4	7.8	7.7	5.5	5.7	5.9	5.7	5.5	5.6	5.7	5.9	6.0	5.6	5.0	5.0	4.5	5.0	5.0	5.0
Net increase (decrease) in cash and equivalents	(19.4)	(34.3)	(27.3)	(0.0)	7.6	(12.6)	5.5	(0.2)	(2.2)	0.3	0.2	(0.2)	(0.1)	0.1	0.2	0.2	0.0	(1.0)	(0.6)	0.0	(0.5)	0.5	0.0	0.0	0.0
Ending cash balance	61.2	23.8	7.4	7.4	15.0	2.4	7.8	7.7	5.5	5.7	5.9	5.7	5.6	5.6	5.7	5.9	6.0	5.0	5.0	5.0	4.5	5.0	5.0	5.0	5.0
Free cash flow	140.9	110.7	90.0	(34.9)	78.3	244.1	59.5	142.2	127.6	46.1	10.8	32.1	6.0	94.9	91.7	(27.4)	(15.9)	174.4	222.8	(39.3)	20.4	34.2	216.4	231.7	265.4
Per share	\$0.86	\$0.66	\$0.55	(\$0.23)	\$0.57	\$1.90	\$0.46	\$1.11	\$1.05	\$0.39	\$0.09	\$0.27	\$0.05	\$0.79	\$0.77	(\$0.23)	(\$0.13)	\$1.46	\$1.86	(\$0.33)	\$0.17	\$0.29	\$1.84	\$1.96	\$2.29
Current share price \$74.32																									
Current share price \$74.32 FCF yield	1.2%	0.9%	0.7%	-0.3%	0.8%	2.6%	0.6%	1.5%	1.4%					1.1%					2.5%					2.6%	3.1%
	1.2% 0.0% 57.6%	<b>0.9%</b> 6.6%		<b>-0.3%</b> -136.9%	<b>0.8%</b> 62.4%	<b>2.6%</b> 20.5%	<b>0.6%</b> 93.7%	1.5% 42.1%	<b>1.4%</b> 48.8%					<b>1.1%</b> 87.9% 67.5%					2.5% 23.9% 61.9%					<b>2.6%</b> 32.6%	3.1% 29.7% 55.0%

(1) The cash balance at the beginning of 2004 was adjusted for the 2004 10-K restatement and will not tie to the ending balance of 2003.

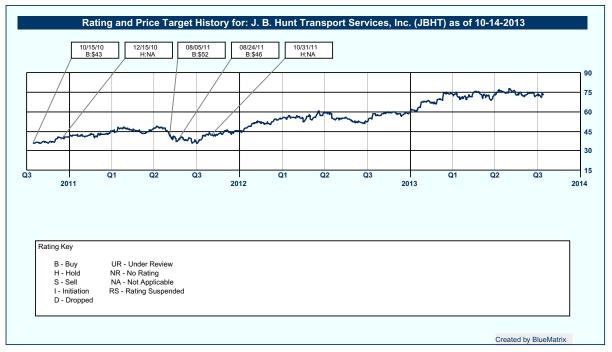
(2) The cash balance at the beginning of 2005 was adjusted for the 2005 10-K restatement and will not tie to the ending balance of 2004.

Some restatements not reflected in prior periods

Source: Company data and Stifel estimates

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