
JACOBS
A new age of possibilities.
Investor Presentation
May 2019

Forward-Looking Statement Disclaimer

Certain statements contained in this presentation constitute forward-looking statements as such term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and such statements are intended to be covered by the safe harbor provided by the same. Statements made in this presentation that are not based on historical fact are forward-looking statements. Although such statements are based on management's current estimates and expectations, and currently available competitive, financial, and economic data, forward-looking statements are inherently uncertain, and you should not place undue reliance on such statements as actual results may differ materially. We caution the reader that there are a variety of risks, uncertainties and other factors that could cause actual results to differ materially from what is contained, projected or implied by our forward-looking statements. The potential risks and uncertainties include, among others, the possibility that the acquisition of KeyW by Jacobs will not close or the closing may be delayed, the ability to recognize the benefits of the KeyW disposition, the outcome of legal proceedings, the risk that Jacobs' future performance may not achieve its estimated earnings, changes in market conditions and economic circumstances, availability of investment opportunities, the timing, method and amount of repurchases under the share repurchase authorization, and the market price of the Company's common stock, among others. For a description of these and other risks, uncertainties and other factors that may occur that could cause actual results to differ from our forward-looking statements see our Annual Report on Form 10-K for the year ended September 28, 2018, our Quarterly Reports on Form 10-Q for the quarters ended December 28, 2018 and March 29, 2019, as well as our other filings with the SEC. We are not under any duty to update any of the forward-looking statements after the date of this presentation to conform to actual results, except as required by applicable law.

Non-GAAP Financial Measures

To supplement the financial results presented in accordance with generally accepted accounting principles in the United States ("GAAP"), we present certain non-GAAP financial measures within the meaning of Regulation G under the Securities Exchange Act of 1934, as amended. These measures are not, and should not be viewed as, substitutes for GAAP financial measures. The non-GAAP financial measures used herein include: net revenue, adjusted net earnings, adjusted EPS, adjusted operating profit, adjusted operating profit margin and adjusted EBITDA. These measures are not, and should not be viewed as, substitutes for GAAP measures. More information about these non-GAAP financial measures and reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures can be found at the end of this presentation. Reconciliation of the adjusted EPS and adjusted pro forma EBITDA outlook for fiscal 2019 to the most directly comparable GAAP measure is not available without unreasonable efforts because the Company cannot predict with sufficient certainty all of the components required to provide such reconciliation, including with respect to the costs and charges relating to transaction expenses, restructuring and integration to be incurred in fiscal 2019.

Pro Forma Figures

During this presentation, we may discuss comparisons of current quarter results to prior periods on a pro forma adjusted basis. The pro forma adjusted figures for the first quarter of fiscal 2018 were calculated by using revenue and income from continuing operations of the combined Jacobs and CH2M entities as if the acquisition of CH2M had occurred prior to the first quarter of fiscal 2018, as adjusted for (i) the exclusion of restructuring and other related charges, (ii) the deconsolidation of CH2M's investment in Chalk River as if deconsolidated on October 1, 2016 and (iii) the exclusion of the revenue and operating results associated with CH2M's MOPAC project. In addition, the prior fiscal periods are presented as if the divestiture of the ECR business had occurred prior to the first quarter of fiscal 2018. In addition, each quarterly period of fiscal 2018 has been recast to reflect the new segment realignment, backlog methodology and pension cost changes and the updated fiscal 2019 corporate cost allocation methodology, in addition to the other adjustments described on the Non-GAAP Financial Measures slides at the end of this presentation. We believe this information helps provide additional insight into the underlying trends of our business when comparing current performance against prior periods. Readers should consider this information together with a comparison to Jacobs' historical financial results as reported in Jacobs' filings with the SEC.

JACOBS®

Jacobs: Industry leader poised for growth

New Jacobs (post ECR sale)

U.S./Int'l Mix
70%/30%

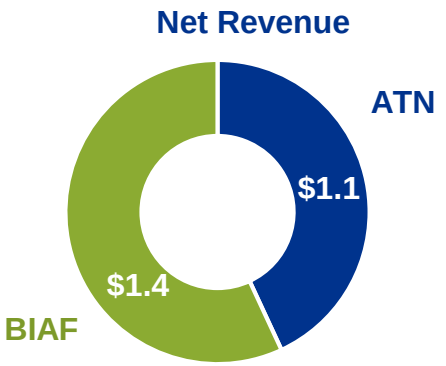
Talent Base
~50,000

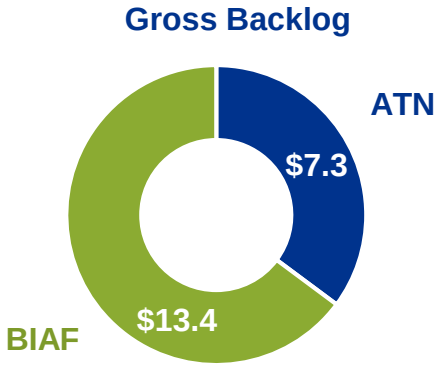
Reimbursable and Lower Risk Fixed Price Services
~95%

Public/Private Sector
64%/36%

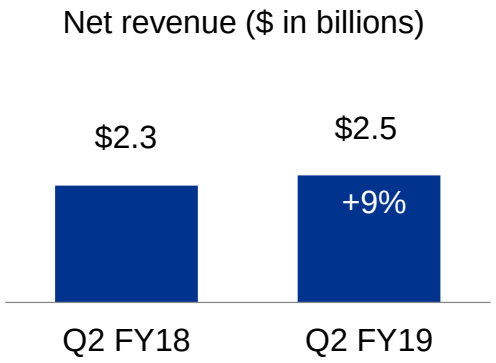
- Increasing portfolio mix in high value markets
- Aligning around national government priorities
- Solving sustainable infrastructure challenges
- Focusing on technology-enabled delivery

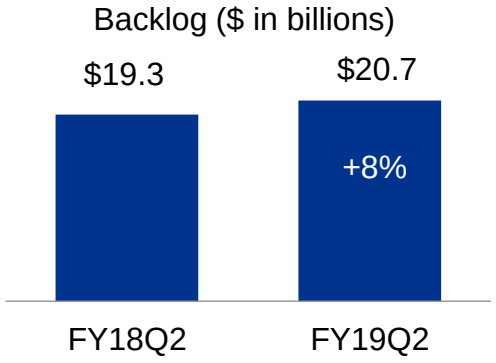
Q2 FY19 ($ in billions)





Double-Digit Q2 EBITDA Growth





Delivering on commitments

	2016 Baseline	2016-2019 Investor Day Targets	2016-2019E Forecast
Organic Gross Revenue Growth	Flat	2 to 4% (CAGR)	2%+ (CAGR)
Revenue in Priority Growth Areas	50%	~65% (incl. M&A)	>75%
Adj. Operating Profit Margin	4.8%	100 to 150 bps	>150 bps
Pro Forma ROIC	8.9%	50 to 150 bps, or ~10%	<50 bps

Tracking well against our 3-year Strategic Plan

JACOBS

Strong execution against strategic and financial goals

2016-2018

Operational Improvements

- Aligned lines of business to improve accountability
- Drove operational improvement – adj. pro forma G&A as % of gross profit down >180 bps
- Increased adj. operating profit margins by ~100 bps
- Focused on more profitable end markets; gross margin in backlog up ~200 bps

2017

CH2M Acquisition
($3.3B, ~7.0x TTM EBITDA[1],)

- Accelerated strategy in key markets – water, transportation, environmental and nuclear
- Portfolio more aligned with favorable long-term secular growth trends
- Accretive to adj. operating profit margin of ~40 bps
- Overachieving original cost synergies, now expect $175M; revenue synergies materializing in backlog and pipeline

2019

ECR Sale
($3.3B, 11.5x TTM multiple)

- Increases focus on higher value portfolio
- Eliminates most cyclical and lowest margin businesses
- Accretive to gross margin by ~150 bps and adj. operating profit margin of ~25 bps
- Significantly strengthens balance sheet and unlocks over $2.5B in capital

Pending KeyW Acquisition
($0.8B, ~10x 2020[2] multiple)

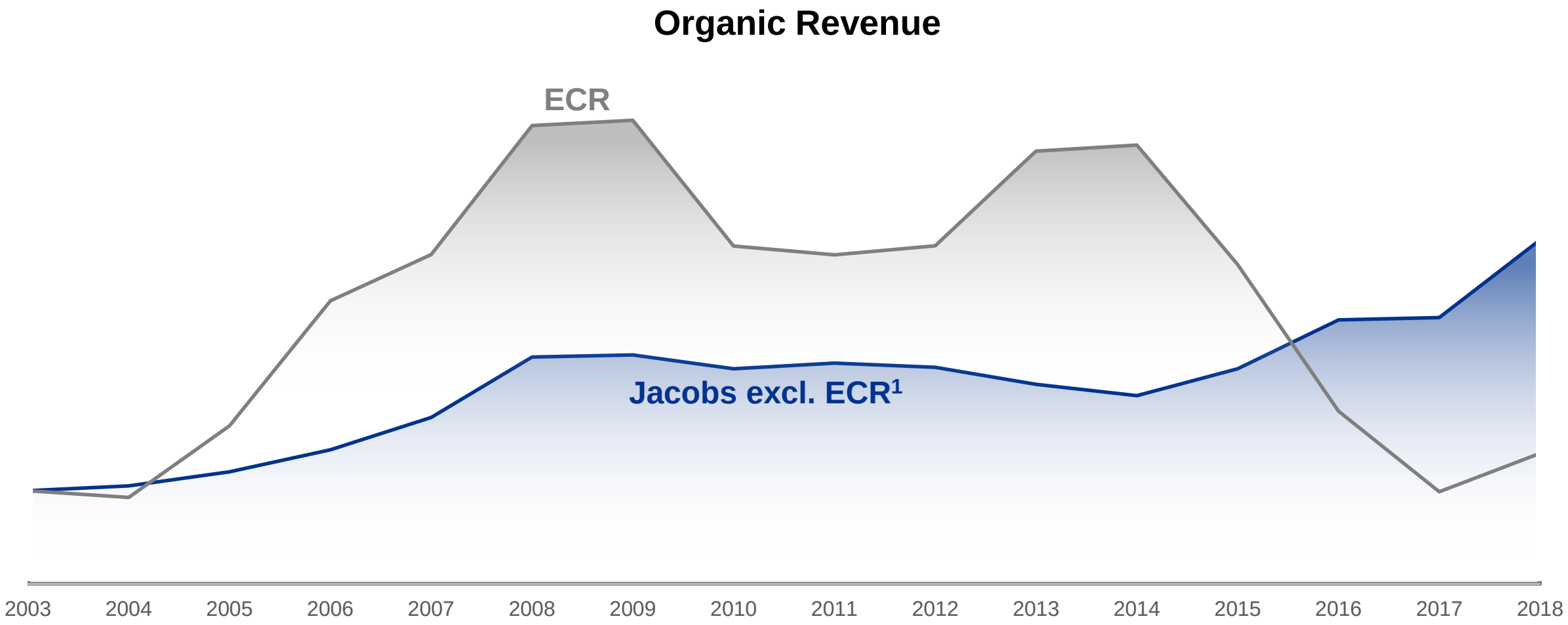
- Adds Intelligence Surveillance and Reconnaissance (ISR), national security based cyber and mission-critical IT and analytics capabilities
- IP-driven technology with unique C5ISR solutions
- 2020E Adj. EPS Accretion of $0.25-$0.30, assuming full run-rate cost synergies
- Substantial Opportunities to More than Double KeyW's Adj. Pro Forma EBITDA by 2022

Transforming our strategic and financial profile

[1]Includes expected full run-rate cost synergies of $150M
[2]Includes full run-rate cost synergies and NPV of tax assets

JACOBS

Sale of ECR creates stronger, less cyclical portfolio



[1]Historical gross revenue for Jacobs excluding ECR and excluding the first year inorganic impact from material acquisitions

JACOBS®

Focusing on higher growth, higher margin sectors

Higher Technology Solutions

Consulting / Engineering / Design Services

Operations, Maintenance & Management

Construction

2016-2019 Strategy

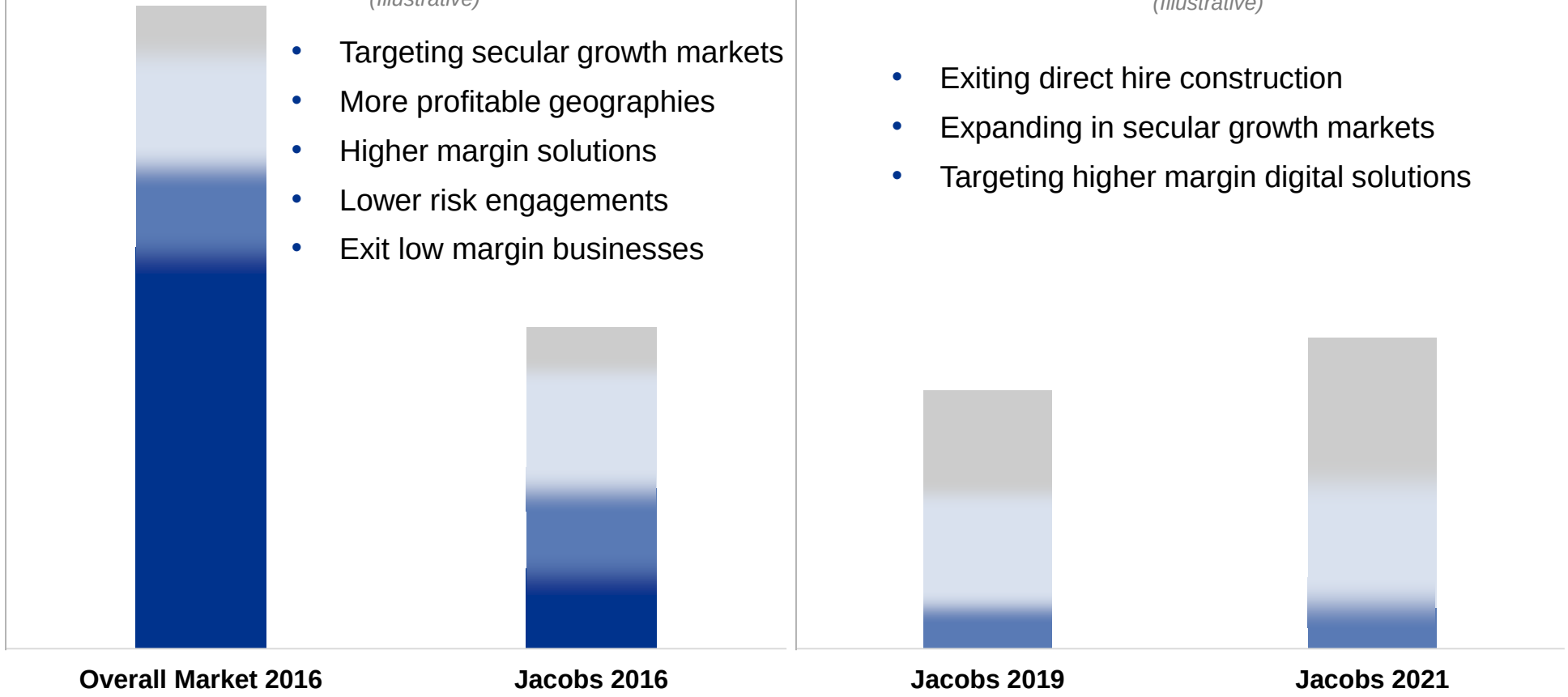
(Illustrative)

- Targeting secular growth markets
- More profitable geographies
- Higher margin solutions
- Lower risk engagements
- Exit low margin businesses

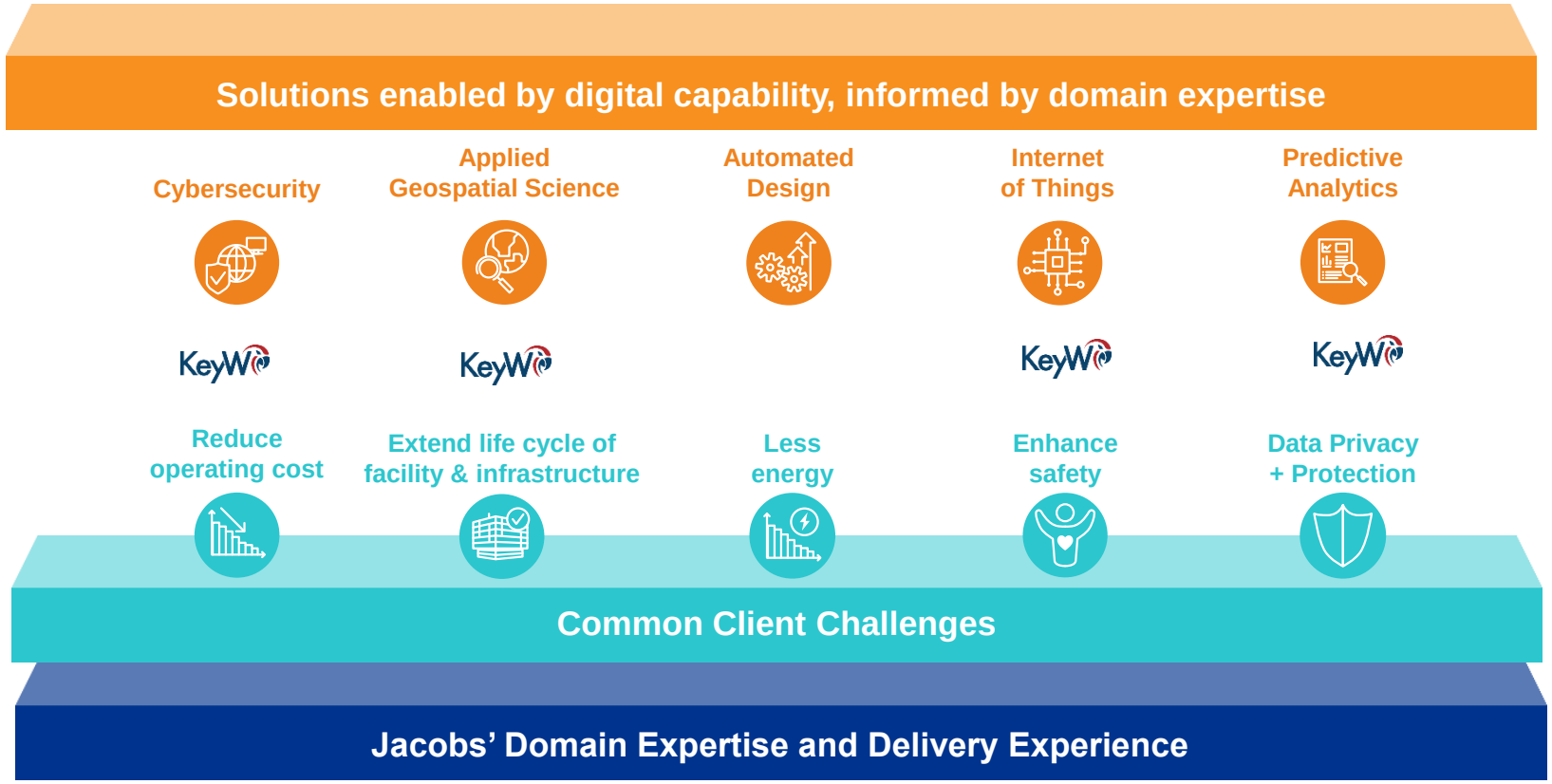
2019-2021 Strategy

(Illustrative)

- Exiting direct hire construction
- Expanding in secular growth markets
- Targeting higher margin digital solutions

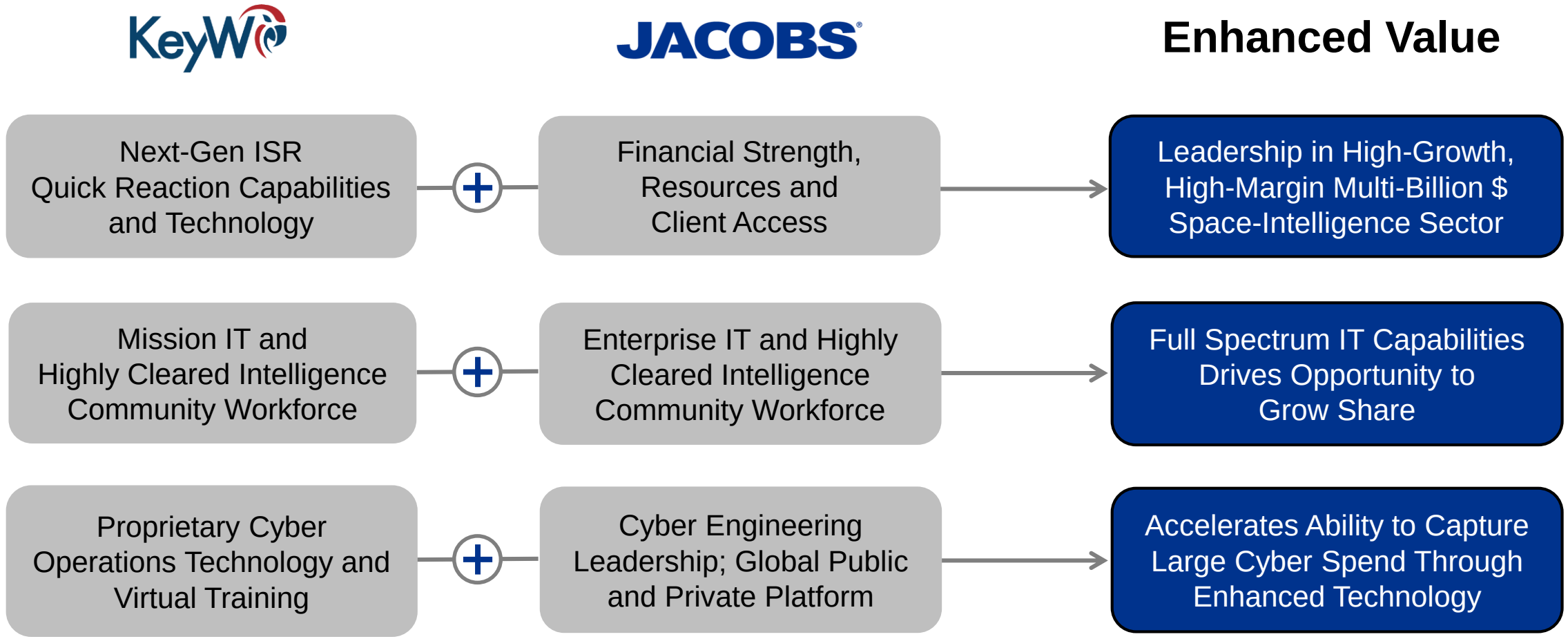


Investing in Solutions for Critical Global Challenges and Opportunities



KeyW acquisition strengthens capabilities in targeted Innovation Hubs

KeyW Recap: A Compelling Strategic Fit



Combination enhances competitiveness and accelerates growth

JACOBS

Fiscal Q2 2019 Results

Revenue increased 8% y/y and Net Revenue increased 9% y/y

Adj. Gross Margin (to Net Revenue) 24.9% vs 26.0% in Q2 2018

GAAP Operating Profit of $103M and Operating Profit Margin of 3.3%

Net Adj. Operating Profit Margin 9.0% vs 7.7% in Q2 2018

Adjusted EBITDA of $250M, 10.2% of Net Revenue

GAAP EPS from Continuing Operations of $0.82 – impacted mainly by:

- $0.43 of restructuring and other costs related to CH2M and ECR
- $0.10 of intangible amortization
- $0.10 of interest expense for debt repaid by ECR proceeds
- ($0.27) tax benefit related to sale of ECR business

Adjusted EPS of $1.19 up 37%

- $0.03 benefit from lower tax rate

Q2 and TTM book-to-bill 1.1x

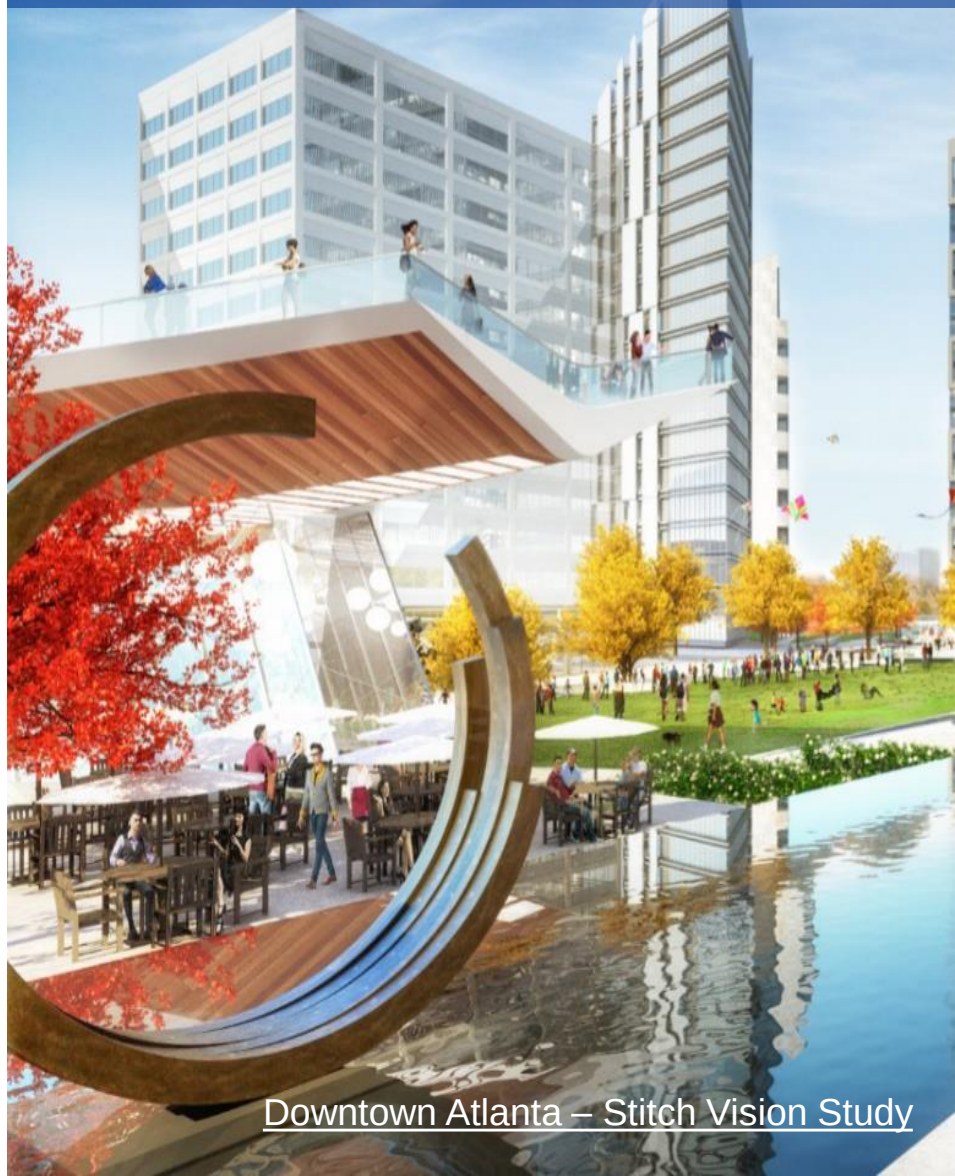


Segment Financials

$'s in millions	Comparable Basis	
	Q2 2018[2]	Q2 2019
ATN Operating Profit as a % of revenue	58 6.2%	74 7.0%
BIAF Operating Profit as a % of net revenue	159 11.9%	173 12.3%
Adjusted Unallocated Corporate Costs[1]	(42)	(25)
Adjusted Operating Profit from Continuing Operations as a % of net revenue	175 7.7%	222 9.0%
Adjusted EBITDA from Continuing Operations as a % of net revenue	202 8.9%	245 10.0%

[1] Reflects adjustments from restructuring and other, see reconciliation on slide 21
[2] Q2 2018 results were recast to reflect updated corporate allocation methodology for FY19

Continued Strong Operating Margin Expansion



Downtown Atlanta – Stitch Vision Study

M&A Cost Update

CH2M Cost Synergies Continue to Surpass Original Estimates

- Achieved over 90% of targeted $175M run-rate savings at end of Q2
- Excluding ECR, expect to reach $175M in run rate synergies exiting FY19
- Total cost to achieve synergies remains $265M after sale of ECR
- ~$250M of $265M of estimated costs incurred through end of Q2 excluding ECR

ECR Update

- Expect $200M of one-time ECR related transaction, separation and restructuring costs
- Incurred $40M of transaction, separation and restructuring costs to date
- Separation and restructuring costs completed before end of calendar year

KeyW Acquisition-Related Costs

- Estimated $25M of costs to achieve $15M in run-rate synergies by FY20
- Expect $16M of transaction-related costs



Balance Sheet

Maintained Healthy Balance Sheet

- Q2 cash and equivalents of $0.9B and gross debt of $2.8B
- Ending Q2 with $1.4B of liquidity capacity remaining on revolver
- ASR delivered 2.8M shares (80% of $250M program) on Feb. 20th

Q2 Free Cash Flow ex ECR, Improved to ~$200M

- Q2 cash flow improving; additional focus remains
- Focused on lowering DSOs throughout fiscal 2019

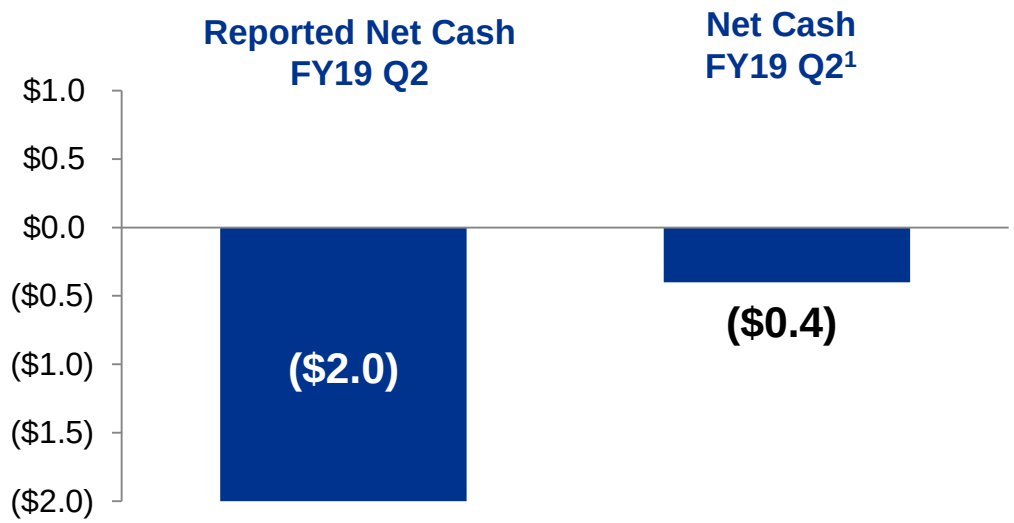
Continued Strong Financial Flexibility at end of Q2

- Net debt to adjusted EBITDA[3] of 1.8x
- Gross debt to adjusted EBITDA[3] of 2.5x
- April 26th received $2.5B in net proceeds for the sale of ECR business

Increased Dividend Payout

- $24M in cash dividends paid in Q2
- Dividend up 13% y/y to $0.17/share

ECR Sale Improves Pro Forma Financial Flexibility



$ Billions	Pro Forma FY19 Q2
Net Proceeds (net of cash, transaction costs and Worley equity[2])	+$2.5
Net Outflow for KeyW acquisition	($0.9)
Pro Forma Net Debt Position	$0.4
Net Debt/FY19E Adj. EBITDA	less than 1.0x

[1] Cash includes WorleyParsons equity stake received in transaction and assumes FY19Q2 benefits from transaction
[2] Assumes WorleyParsons equity value as of April 26, 2019
[3] Calculated in accordance with credit facilities

Delivering Superior Shareholder Value

- Inspiring employees through a high-performance culture reflecting accountability, inclusion and diversity
- Aggressively capturing growth opportunities through innovation in sustainable infrastructure solutions and government services markets
- Maintaining disciplined capital allocation that extends our industry leadership and drives value creation

FY19 Financial Outlook

Increasing FY19 adj. EPS[1] to $4.45 - $4.85 from $4.40 - $4.80, to reflect Q2 Results

Maintaining FY19 pro forma adj. EBITDA[1] of $920M to $1B

[1] Reconciliation of the adjusted EBITDA and EPS outlook for the full fiscal year to the most directly comparable GAAP measure is not available without unreasonable efforts because the Company cannot predict with sufficient certainty all the components required to provide such reconciliation.
Assumes 140M fiscal year 2019 fully diluted average share count

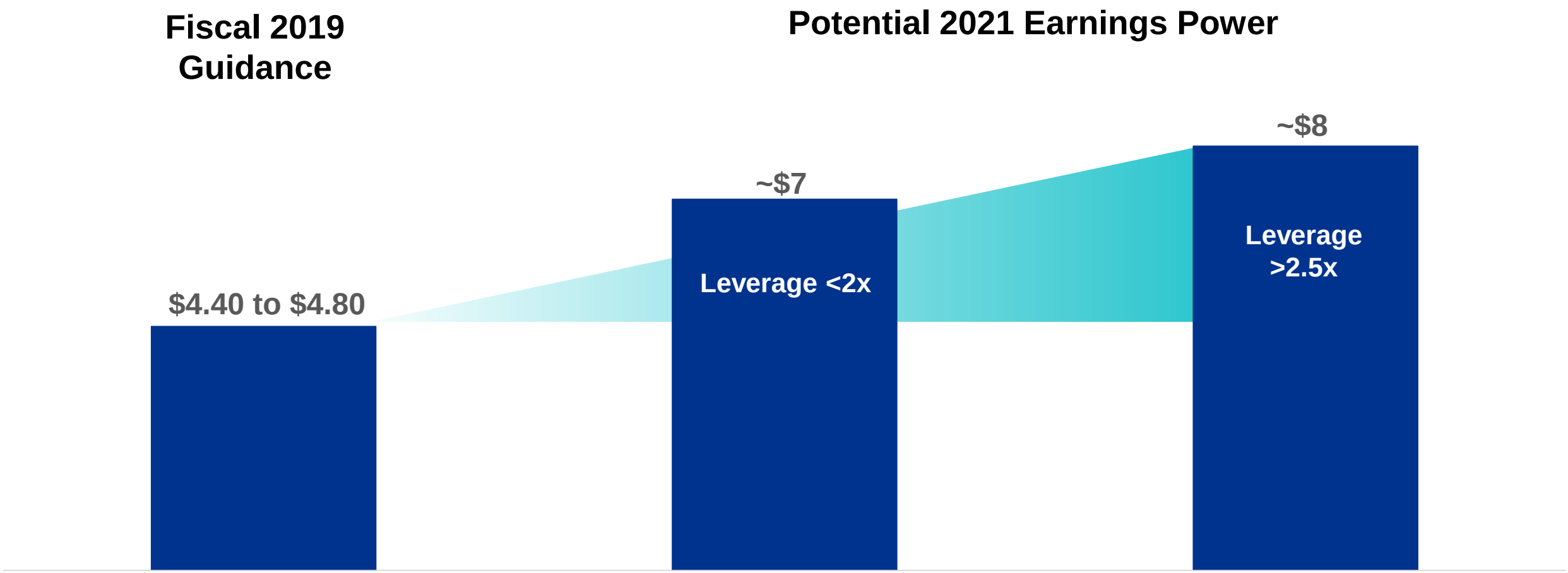
Setting 2021 Financial Targets

	2018 Pro Forma Baseline	2021 Target
Organic Net Revenue Growth	16%	3% to 5% CAGR
Adj. Net Operating Profit Margin	8.3%	125 to 175 bps
Adj. EBITDA Growth	13%	Double-Digit CAGR
ROIC	9.2%	100 to 150 bps

Consistent growth plus continued margin expansion to drive higher returns

JACOBS

Multiple paths to create value



Strong organic growth – combined with balance sheet capacity – drives significant EPS upside

JACOBS®

Strong and consistent value creation algorithm

$7 to $8 Per Share of Potential Earnings Power by Fiscal 2021

Strong Organic Growth + Continued Margin Expansion

Government Services
Urbanization
Resilient Infrastructure
Cyber Engineering
Digital Solutions

Inclusive & Innovative Culture

Execution Excellence

+

Cumulative Balance Sheet Capacity at Investment Grade

Disciplined M&A Execution & Agile Capital Allocation

JACOBS



Aerospace, Technology & Nuclear

Solving for Tomorrow

JACOBS®

Aerospace, Technology and Nuclear (ATN)

Focus on High-Priority Federal Programs

- Long-term, mission critical, enterprise contracts
- Robust pipeline of over $30B through 2021

Unique Delivery Model Driving Share Gains

- Leveraging strong technical expertise, localized delivery model and efficient cost structure
- Applying technology enabled innovation globally

Opportunities to Expand Margins

- Prioritizing work that has the highest impact on our Clients' mission
- Cross selling cyber and analytics solutions across Jacobs
- KeyW enhances margin expansion opportunities

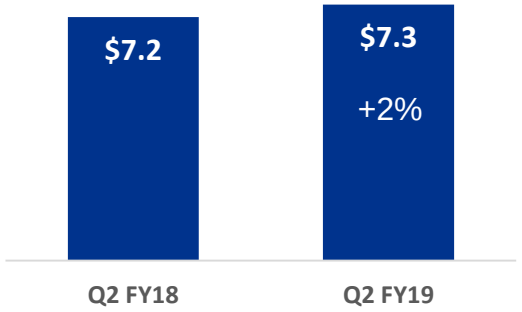
Recent Customer Wins

- Patriot Excalibur Software and Systems Engineering Support
- Intrusion Prevention Security Services for Dept. of Homeland Security
- Savannah River Nuclear remediation contract extension
- Atomic Weapons Establishment - pricing agreement
- Huachuca Training & Support Contract, U.S. Army (not yet in backlog)

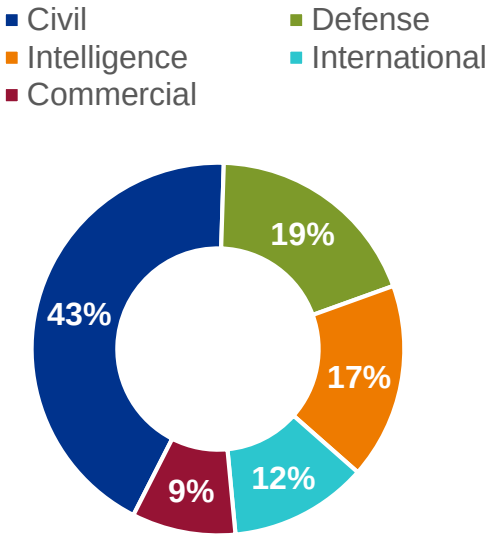
ATN Snapshot

U.S./International	87% / 13%
Government	~85%
Reimbursable and Lower Risk Fixed Price Services	~98%
Recurring	~95%
Talent Force	~13k

Backlog ($ in Billions)



TTM Revenue by Customer



ATN has a foundation of large, multi-year highly technical contracts

Agency	Award Size	Duration	Contract Scope
	**$4.6B**	8.5 years to 2025	Operating the Missile Defense Integrated Operations Center, supporting its network infrastructure, modeling and simulation, and development of systems ✓ ***~75% of scope is related to IT services***
	**$1.1B**	8 years to 2025	Marshall – Science and engineering solutions to support the space launch system, space station and other projects, 6x successful rebids
	$1.9B	9 years to 2022	Johnson – IT development and infrastructure support across multiple initiatives including Orion Capsule, life support systems and robotics
	**$771M**	6 years to 2023	20-years supporting national security and SOF missions via intelligence analysis, operational mission planning, cybersecurity and insider threat solutions, weapon system acquisition and sustainment, IT Service Management, and technology insertion to support critical operations ✓ ***Recently awarded the SITEC II global enterprise IT solutions contract***
	**$5B**	10 years to 2027	Nevada National Security Site management and operations contract Jacobs is a 38% minority partner on a Honeywell-led joint venture
	$1.4B	10 years to 2027	Paducah deactivation and remediation contract Jacobs (CH2M) is a 40% majority partner in the joint venture

Focused on mission critical government priorities

JACOBS

Resilient business yielding good returns with low capital intensity

Long term stability with strong pipeline for growth

- Foundation of recurring revenue work (~92%) with a core of long-cycle enterprise contracts (~75%)
- Government funding from mission critical, non-cyclical programs: 90% of our portfolio

Risk balanced portfolio

- Cost Reimbursable: 87%
- Fixed Price Services: 11%
- Fixed Price EPCM / DB: 2%
- Excellent write-off history

Market Opportunities

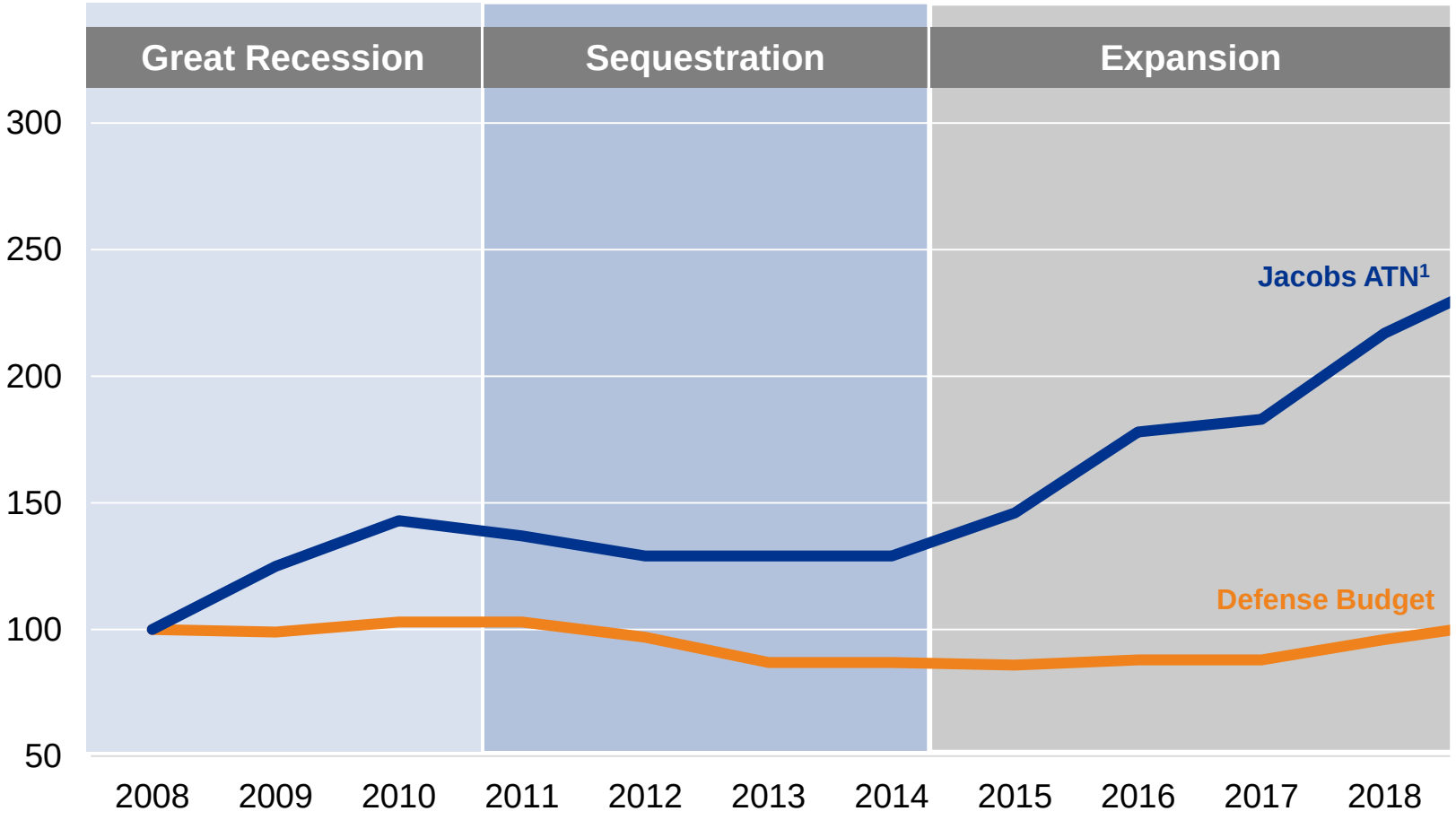
- Large, fragmented Government Services market
- Expanded government spending

Solid Cash Flow Dynamics

- Market leading DSO



Steady Jacobs ATN organic OP growth despite major economic and defense spending swings



Delivering outstanding resiliency

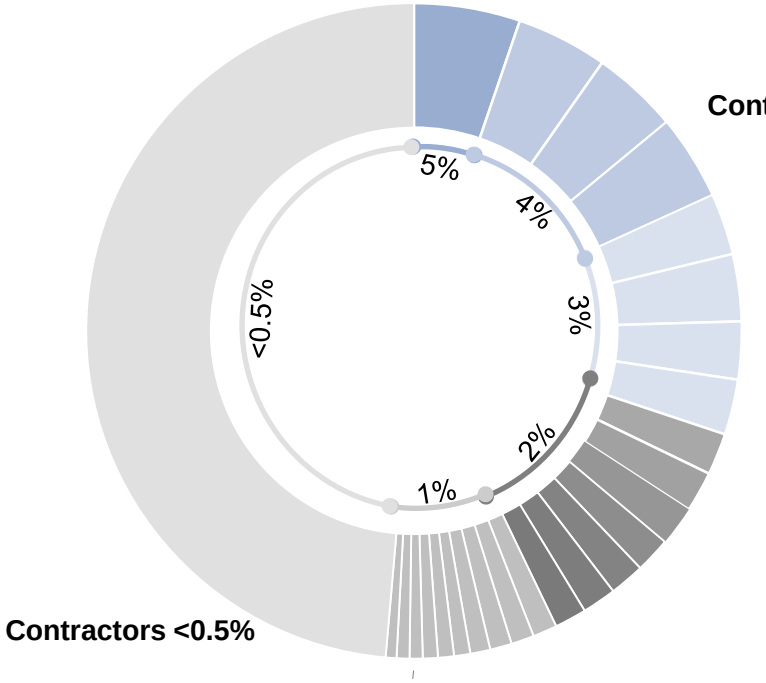
[1]Indexed to 2008 US Defense Budgets

JACOBS

With strong markets, focused investment and value extraction from existing platforms drives growth

Market	TotalAnnual Addressable Market	Industry 5yr CAGR	Key Organic Growth Areas
Government Services	$340B	1%-2%	• Next Gen capabilities of cyber, cloud and analytics • Enterprise IT • Intelligent Asset Mgmt. • Engineering Services • Nuclear defense support & remediation
International	$80B	4%-6%	• Cyber Engineering • Nuclear • Defense Support
Commercial	$12.2B	3%-4%	• Automotive • Telecommunications

Highly Fragmented Government Services Sector



%Share DoD Services Budget

JACOBS

Jacobs ATN differentiators will continue to enable growth

Key Areas of Differentiation

Customer Responsiveness

- Localized accountability structure with customized back office support at the client face – strikingly different from competitors
- Provides agility and flexibility our competitors cannot match

Performance

- Technically deep staff with proven track record of delivery
- Contractor Performance Assessment Reports average above 95%

Innovation

- Recognized for innovation and tailored solutions
- Leverage JCE innovation labs to explore and mature ideas into solutions

Efficiency

- Lean, highly competitive, 3rd party-benchmarked overhead structure
- First quartile in Aerospace & Defense / Industrials peer group

JACOBS

Driving scale in Cyber Engineering to enhance overall Jacobs growth

Deepen solutions for Government Services clients

Enable differentiated growth across all Jacobs' sectors

Exploit emerging opportunity in the convergence of information technology and operation technology

Targeted Areas for Growth

Disciplines

- Security Engineering
- Security Operations
- Security Compliance
- Industrial Controls Security

Market Sectors

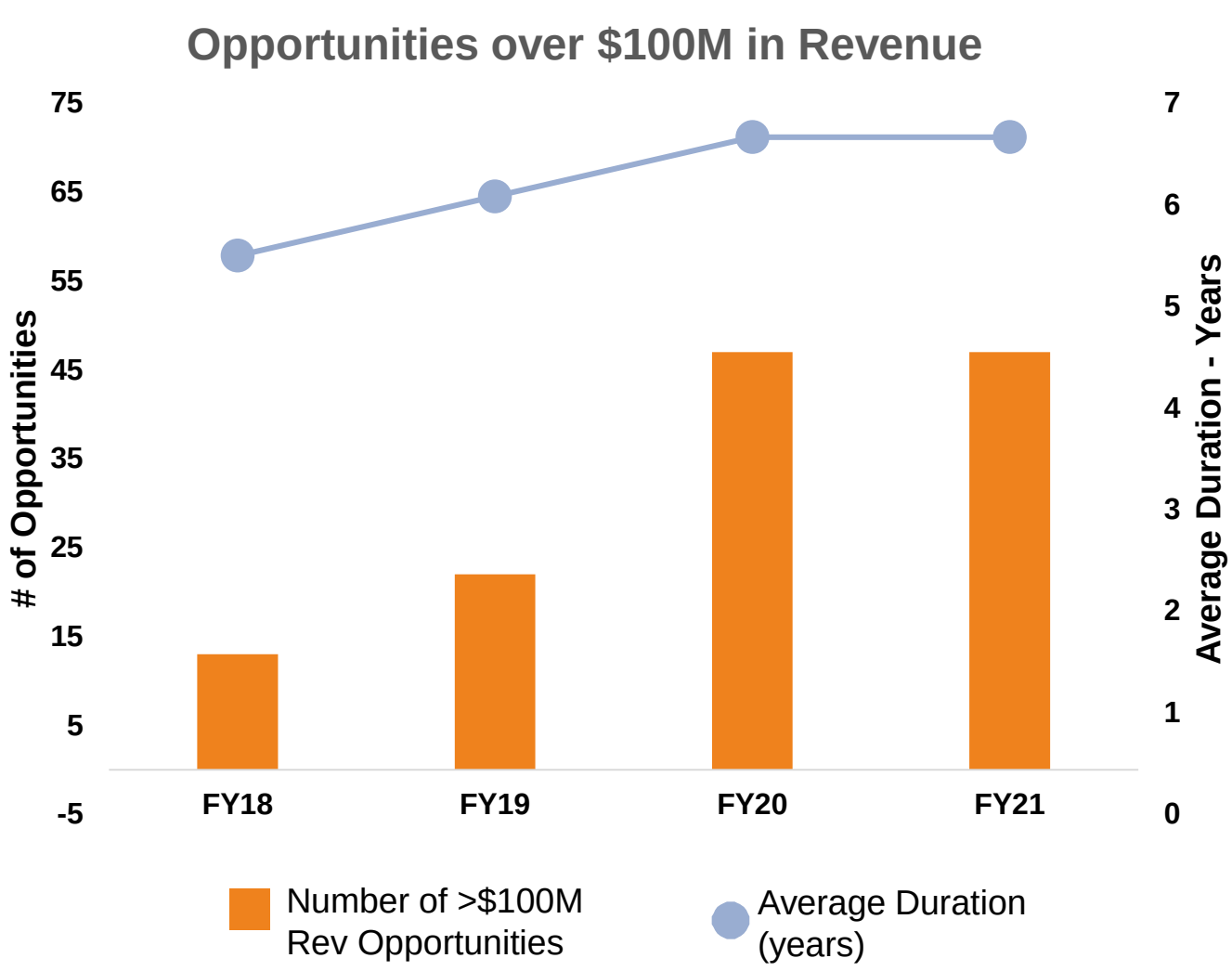
- Smart Cities
- Aerospace & Defense
- Information Technology

Geographies

- North America
- Europe



Strong pipeline with new opportunities in larger, longer contracts

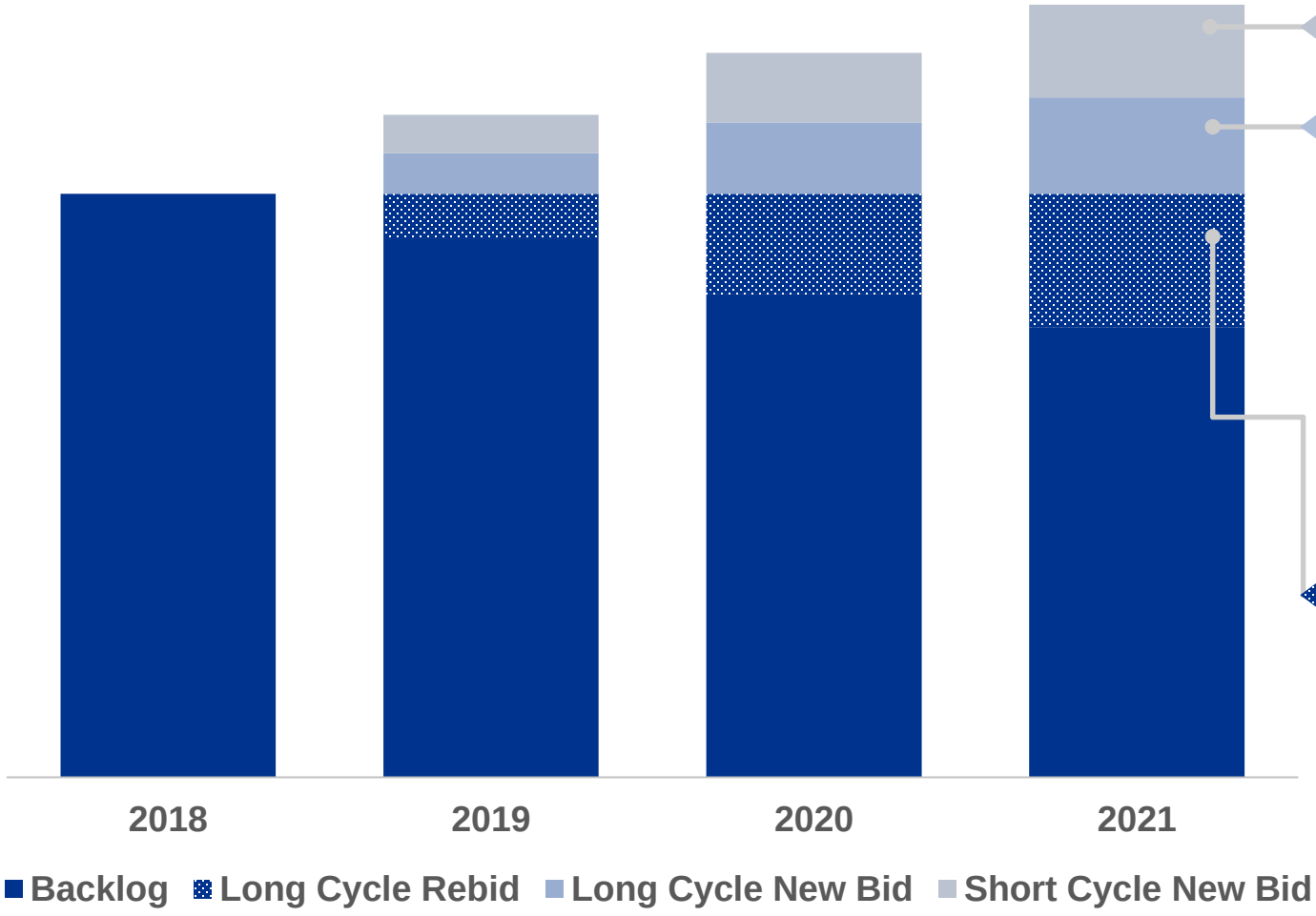


$30B+ Pipeline

- Intelligence Community
- U.S. Army
- U.K. Remediation
- U.S. Navy
- NASA
- Dept. of Energy / Environmental Mgmt.
- Dept. of Energy / NNSA
- Commercial Aerospace and Automotive

JACOBS

Foundation of recurring work supports operating profit growth



New Bid

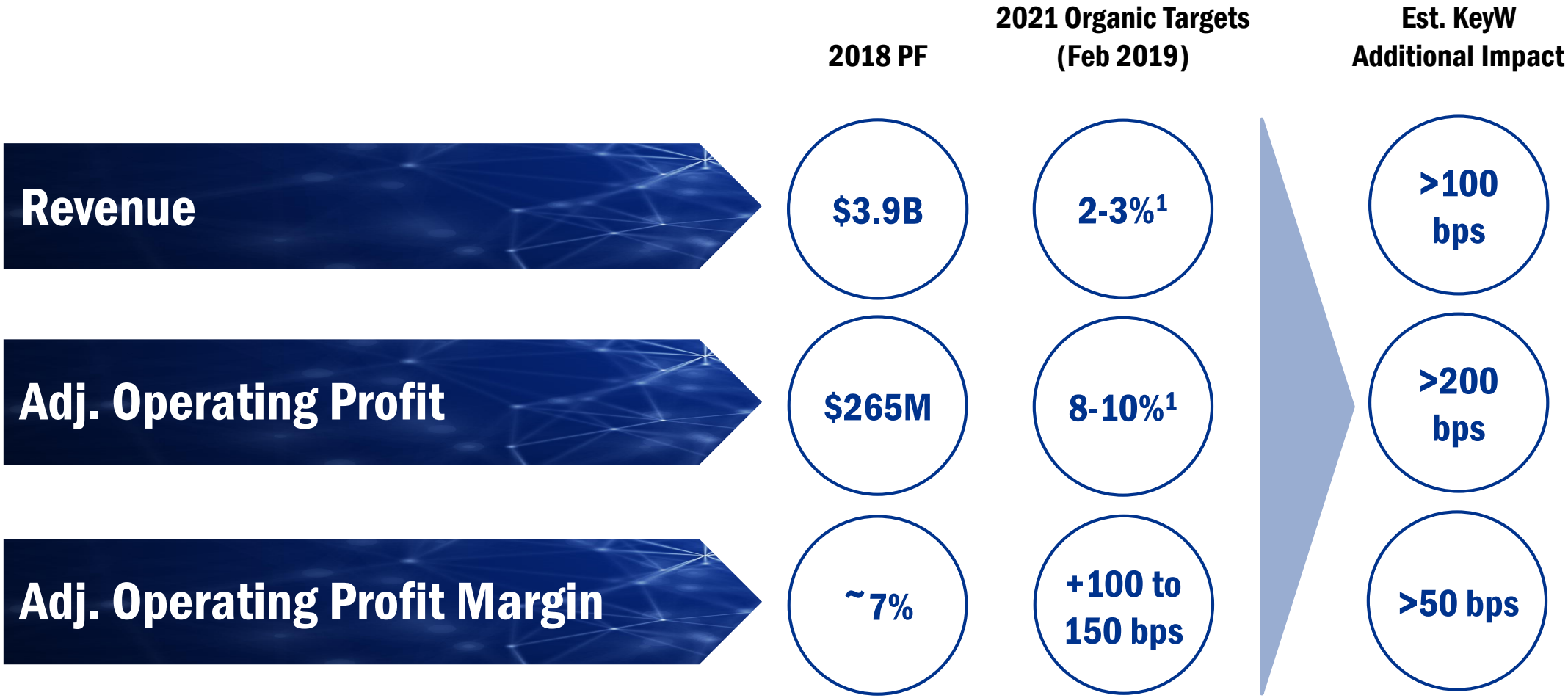
- Continued growth in Enterprise contracts and expansion of new shorter duration projects
- Historical >50% new bid win rate
- Estimated new win rate of 30% as we move into adjacent markets

Rebid

- Rebid cycle of recurring contracts
- Historical rebid win rate > 94%
- Improved margin profile on rebids

JACOBS

KeyW is Additive to ATN's Organic Growth Outlook



[1] Three Year CAGR

JACOBS

Buildings, Infrastructure & Advanced Facilities

Keeping the world moving forward



JACOBS®

Buildings, Infrastructure and Advanced Facilities (BIAF)

Aligned To Secular Growth Trends

- Sustainability and resiliency – multi-decade opportunity
- Favorable Electronics and Life Sciences CAPEX environment
- Urbanization driving infrastructure – mobility strong worldwide

Strategy Showing Early Results

- Industry leadership at scale across key sectors
- Digitally-enabled solutions continue to be a differentiator
- Jacobs and CH2M revenue synergies accelerating in backlog
- Global delivery model resonating in win rates and efficiency

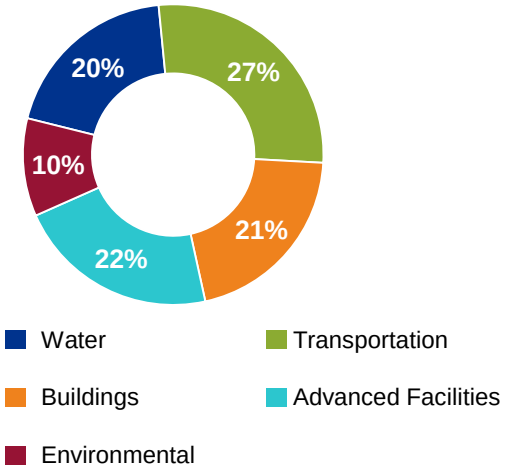
Recent Customer Wins

- U.S. Dept of State, Bureau of Overseas Buildings Operations
- City of Tampa Water Treatment Facility
- Dubai 2040 Digital Master Plan
- Confidential Client: Vaccines Manufacturing Facility – U.S.
- Confidential Client: Micro-processor Manufacturing – U.S.

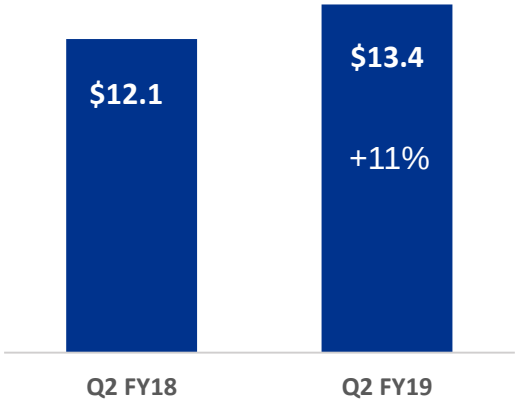
BIAF Snapshot

U.S./International	61% / 39%
Public / Private Sector	53% / 47%
Reimbursable and Lower Risk Fixed Price Services	~92%
Talent Force	~34k

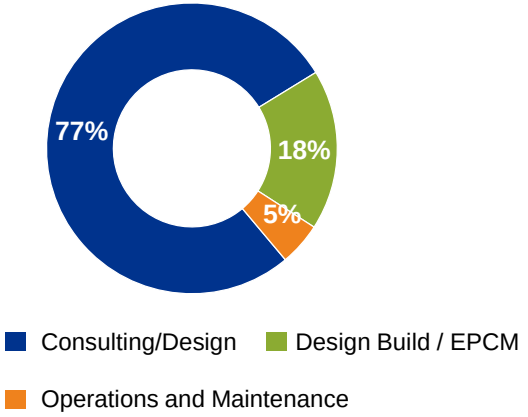
TTM Gross Revenue by Sector



Backlog ($ in Billions)



Q2 FY19 Gross Revenue by Type



BIAF is uniquely differentiated to capitalize on these trends

Key Areas of Differentiation

Performance Excellence

- Customer intimacy and accountability
- World class Project Management
- Optimized operating procedures
- Organization model capitalizes on Solutions and Technology, global and local delivery

Innovation

- Early adopter of digital solutions
- Whole-company approach to integrating innovation across lines of business
- Focused investment in innovation hubs
- Solutions and Technology driven offering

Global Integrated Delivery

- Global design centers
- Global talent mobility and access to talent pools in high-tech locales
- World-class scale and differentiated solutions

Infrastructure Leader

- End-to-end skillset in all end-markets
- Established, trusted client relationships
- Connected, cross-market solutions
- Recognized brand in key growth markets

JACOBS

Strategy focused on 3 facets of connectivity



Market Connectivity

Leveraging expertise from our end markets to provide end-to-end solutions to the world's most critical challenges

Market Convergence



Global Connectivity

Utilizing mature, global delivery platform to deliver innovative solutions, effective talent mobility, and competitive differentiation

Integrated Delivery



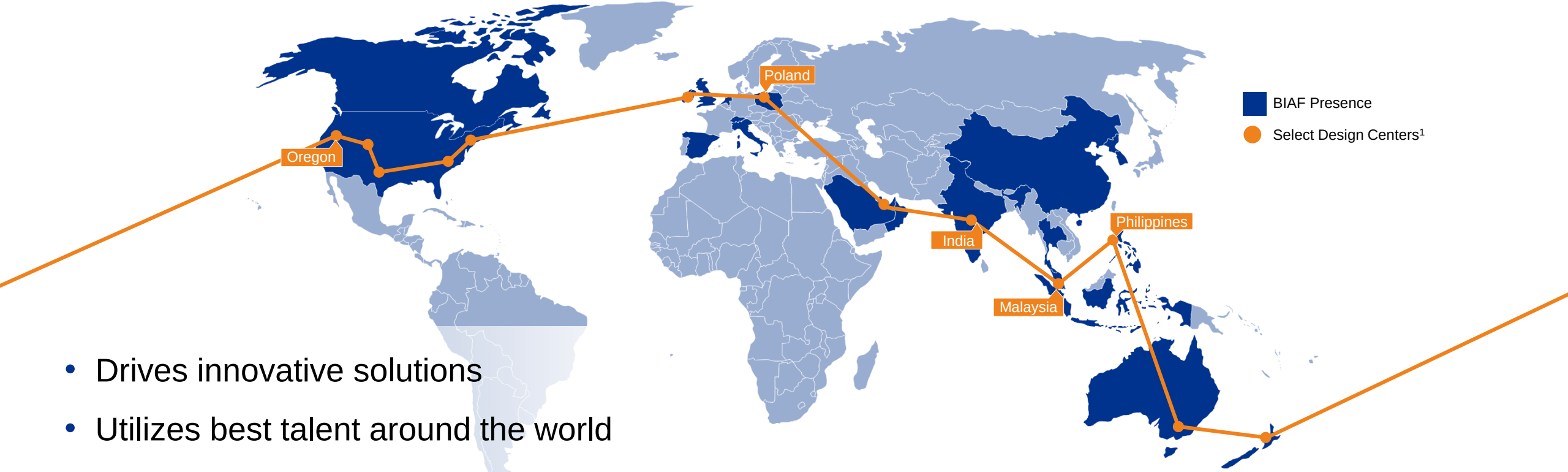
Digital Connectivity

Building on strong foundation of innovation with investment in 5 Innovation Hubs to increase market share of digitally-enabled consulting market

Innovation Enabled

JACOBS

Global connectivity optimizes global platform through integrated delivery



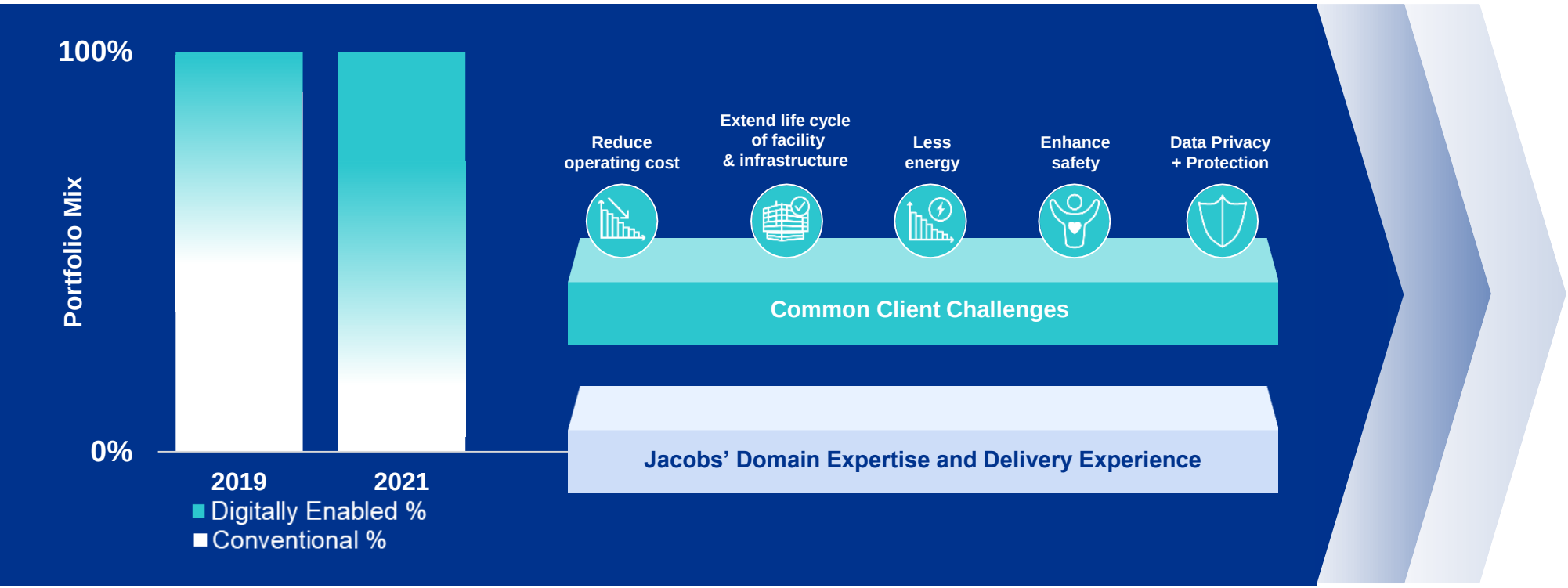
- Drives innovative solutions
- Utilizes best talent around the world
- Enhances competitive differentiation

Mature global delivery platform enables talent mobility – and serves as competitive differentiator

[1]Only Global Design Centers (GDC) are labeled

JACOBS

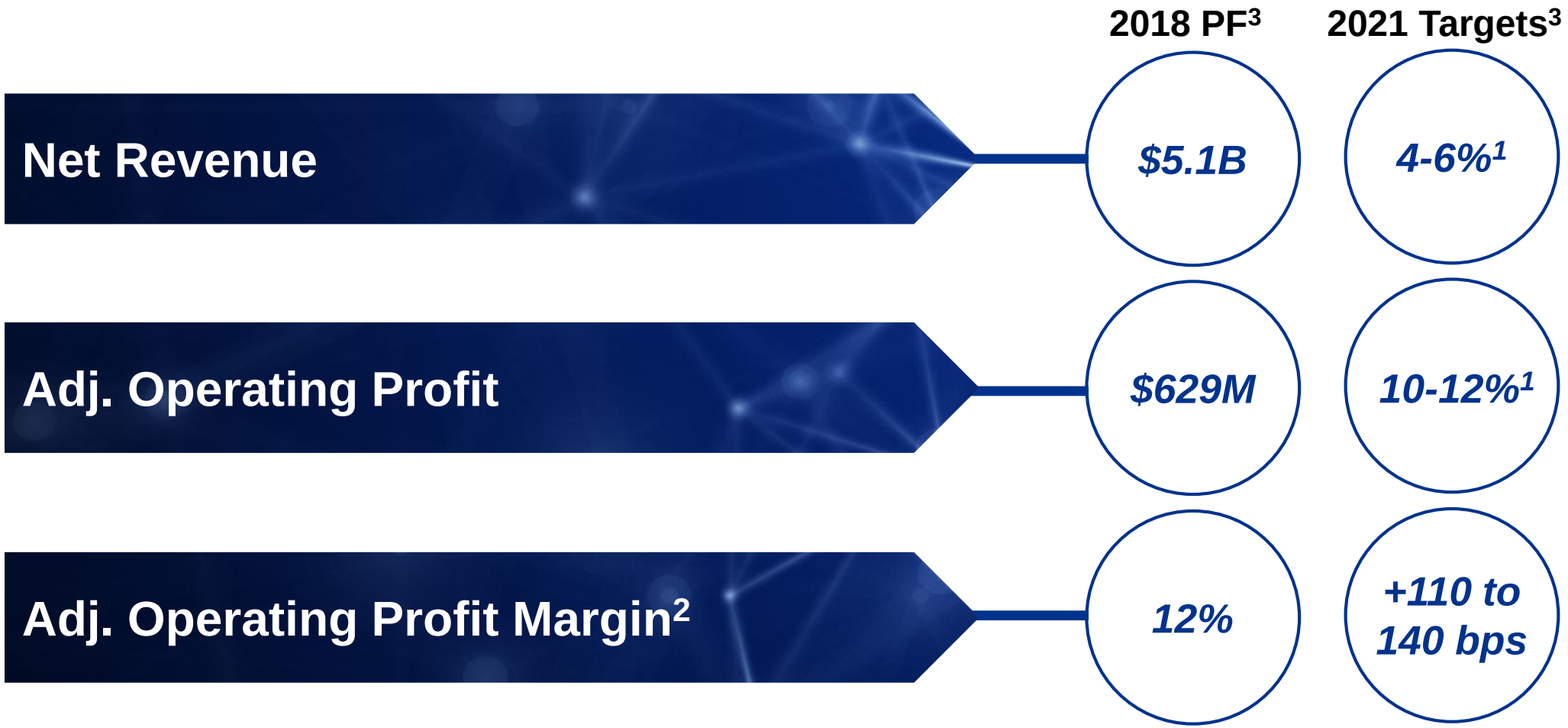
Shifting delivery model to digitally-enabled solutions



- Applied Geospatial Science
- Automated Design
- Cybersecurity
- Internet of Things
- Predictive Analytics

JACOBS

Attractive, achievable organic growth targets and margin expansion

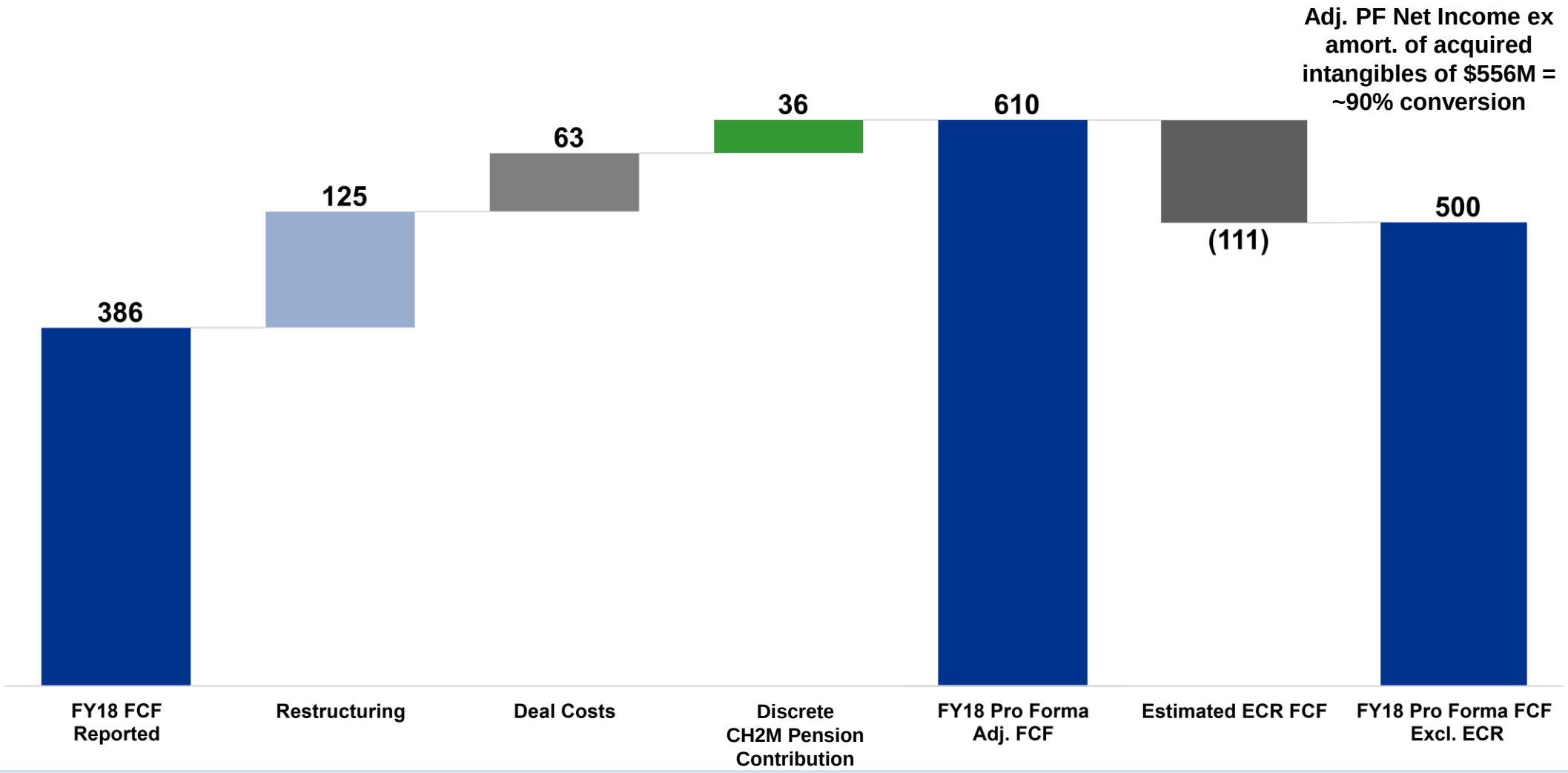


[1] Three year CAGR
[2] % of Net Revenue
[3] Includes GES

JACOBS


Financial Overview
JACOBS®

Future portfolio offers solid Free Cash Flow conversion



Continuing working capital improvement will support higher free cash flow conversion

JACOBS®

Drivers for Revenue Growth

3% to 5% Organic Net Revenue Growth

Strong Revenue Stability

Total

- 67% of revenue recurring
- 70% of NTM revenue in backlog

ATN

- 92% recurring revenue
- 87% NTM revenue in backlog

BIAF

- 50% recurring revenue
- 61% of NTM revenue in backlog

Robust Sales Pipeline within Current Markets

- Pipeline has increased ~15% y/y
- Focused sales approach with win rates >40%
- CH2M revenue synergy pipeline at $2B+ and growing

Core Growth with Upside From Expanding Adjacent Markets

- Infrastructure Secular Growth
- Long-term Federal Contracts
- Digital Solutions
  - Cyber Engineering
  - Intelligent Asset Management

JACOBS

Drivers for Operating Profit Margin Expansion

125 to 175 bps of adj. operating profit margin expansion

Global Service Model

- Drive increased utilization of global integrated delivery (GID)
- Further enhance global business services (GBS)
- Initiating priority based budgeting (PBB)

$75 to $100M annual run-rate savings by 2021

Gross Margin In Backlog to Drive Incremental Profitability

- Gross Margin % in backlog improved >200 bps over last 2 yrs
- Further enhancements driven by higher margin, digital solutions
- Shifting to commercial terms that provide margin enhancement

Strategic Investments That Drive Profitable Growth

- Innovation hubs
- System and technology enhancements
- Investment in our people

$30 to $60M annual run-rate investment by 2021

JACOBS

Drivers for ROIC Improvement

100 to 150 bps of ROIC Improvement

Organic Operating Income Growth

- Strong operating leverage from existing portfolio
- Focusing on higher margin opportunities

Lower Working Capital

- Improving DSO execution across the business
- Opportunity to reduce higher CH2M DSOs

Low Fixed Capital Intensity

- Overall fixed asset investments remain limited
- Addition of CH2M results in minimal incremental CAPEX

JACOBS®

Thank you!

© Copyright Jacobs

Recast Segment Financials

$'s in millions	PF Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019	Q2 2019
ATN							
Backlog	6,641	7,174	7,148	7,130	**7,130**	7,158	7,285
Revenue	842	924	1,021	1,069	**3,856**	1,035	1,060
Operating Profit as a % of revenue	57 6.8%	58[1] 6.2%	72 7.1%	77 7.2%	**264[1]** **6.9%**	72 7.0%	74 7.0%
BIAF							
Backlog	12,269	12,088	12,693	12,825	**12,825**	13,177	13,428
Revenue	1,904	1,947	1,912	1,923	**7,686**	2,049	2,032
Net Revenue	1,217	1,338	1,313	1,265	**5,133**	1,374	1,400
Operating Profit as a % of Net Revenue	125 10.3%	159 11.9%	178 13.5%	167 13.2%	**629** **12.2%**	159 11.6%	173 12.3%
Adj. Unallocated Corporate Expense	(48)	(42)	(28)	(24)	**(142)**	(46)	(25)
Adj. Net Interest Income (Expense)	(11)	(3)	(6)	(6)	**(26)**	(5)	(9)

[1]Includes $17M from legal settlement

NOTES: Prior periods have been recast to reflect 2019 corporate allocation methodology and the restructuring and other adjustments described on slide 21 through 22. Recast historical financials for the third and fourth quarters of fiscal 2018 reflect our current estimates based on information available as of the date of this presentation. The final figures may differ materially from these preliminary amounts due to the completion of our financial closing procedures, final adjustments and other developments that may arise between the date of this presentation and the time the recast quarterly results are finalized.

JACOBS®

Recast Consolidated Financials

$'s in millions	PF Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019	Q2 2019
Backlog	18,910	19,262	19,840	19,955	**19,955**	20,335	20,713
Revenue	2,746	2,870	2,934	2,992	**11,541**	3,084	3,092
Net Revenue	2,059	2,262	2,335	2,334	**8,989**	2,410	2,459
Adjusted Gross Profit	547	588	583	609	**2,328**	571	613
Adjusted G&A	(414)	(414)	(361)	(389)	**(1,577)**	(386)	(392)
Adjusted Operating Profit From Continuing Operations as a % of Net Revenue[1]	133 6.5%	175 7.7%	222 9.5%	220 9.4%	**750** **8.3%**	185 7.7%	222 9.0%
Adj. Net Interest Income (Expense)	(11)	(3)	(6)	(6)	**(26)**	(5)	(9)

NOTES: Prior periods have been recast to reflect 2019 corporate allocation methodology and the restructuring and other adjustments described on slide 21 through 22. Recast historical financials for the third and fourth quarters of fiscal 2018 reflect our current estimates based on information available as of the date of this presentation. The final figures may differ materially from these preliminary amounts due to the completion of our financial closing procedures, final adjustments and other developments that may arise between the date of this presentation and the time the recast quarterly results are finalized.

JACOBS®

Other Operational Metrics from Continuing Operations

$'s in millions	Q1 2018	Q2 2018	Q1 2019	Q2 2019
Depreciation (pre-tax)	18,476	26,764	18,211	23,491
Amortization of Intangibles (pre-tax)	11,444	18,101	18,671	18,678
Pass-Through Costs Included in Revenue	411,787	608,720	674,278	632,359
Capital Expenditures	14,829	18,670	19,467	39,442

JACOBS®

Non-US GAAP Financial Measures

	Three Months Ended March 29, 2019				
	U.S. GAAP	Effects of Restructuring and Other Charges	Effects of Transaction Costs (1)	Other Adjustments (2)	Adjusted
Revenues	$ 3,091,596	$ —	$ —	$ —	$ 3,091,596
Pass through revenue	—	—	—	(632,359)	$ (632,359)
Net revenue	3,091,596	—	—	(632,359)	2,459,237
Direct cost of contracts	(2,474,755)	(3,383)	—	632,359	(1,845,779)
Gross profit	616,841	(3,383)	—	—	613,458
Selling, general and administrative expenses	(514,160)	$ 97,321	$ —	$ 25,078	$ (391,761)
Operating Profit	102,681	93,938	—	25,078	221,697
Total other (expense) income, net	9,151	(27,117)	515	18,403	952
Earnings from Continuing Operations Before Taxes	111,832	66,821	515	43,481	222,649
Income Tax Benefit (Expense) for Continuing Operations	7,947	(11,824)	(125)	(48,097)	(52,099)
Net Earnings (Loss) of the Group from Continuing Operations	119,779	54,997	390	(4,616)	170,550
Net Earnings Attributable to Noncontrolling Interests from Continuing Operations	(5,024)	—	—	—	(5,024)
Net Earnings from Continuing Operations attributable to Jacobs	114,755	54,997	390	(4,616)	165,526
Net Earnings Attributable to Discontinued Operations	(57,838)	2,078	1,705	(24,489)	(78,544)
Net earnings attributable to Jacobs	$ 56,917	$ 57,075	$ 2,095	$ (29,105)	$ 86,982
Diluted Net Earnings from Continuing Operations Per Share	$ 0.82	$ 0.39	$ —	$ (0.03)	$ 1.19
Diluted Net Earnings from Discontinued Operations Per Share	$ (0.41)	$ 0.01	$ 0.01	$ (0.18)	$ (0.56)
Diluted Earnings Per Share	$ 0.41	$ 0.41	$ 0.02	$ (0.21)	$ 0.62
Operating profit margin	3.32%				9.01%

The following tables reconcile the U.S. GAAP values of net earnings, EPS, operating profit and operating profit margin to the corresponding "adjusted" amounts. For the comparable periods presented below, such adjustments consist of amounts incurred in connection with the items described on the following slide. Amounts are shown in thousands, except for per-share data:

U.S. GAAP Reconciliation for the second quarter of fiscal 2019

- (1) Includes after-tax CH2M transaction costs and adjustments of $0.4 million as well as after-tax transaction costs associated with the sale of our ECR line of business of $1.7 million.

- (2) Includes (a) the removal of pass through revenues and costs for the BIAF line of business for the calculation of operating profit margin as a percentage of net revenue of $632.4 million, (b) the removal of amortization of intangible assets of $18.7 million, (c) the allocation to discontinued operations of estimated stranded corporate costs of $6.4 million that will be reimbursed under the ECR transition services agreement (TSA) with Worley Parsons or otherwise eliminated from the ongoing operations in connection with the sale of the ECR business, (d) the allocation to discontinued operations of estimated interest expense for the full period related to long-term debt that has been paid down as a result of the ECR sale of $18.4 million, (e) the exclusion of approximately $37.0 million in one-time favorable income tax adjustment associated with reduction of deferred income taxes for permanently reinvested earnings from non-U.S. subsidiaries in connection with the sale of the ECR business, (f) the add-back of depreciation relating to the ECR business that was ceased as a result of the application of held-for-sale accounting of $(5.8) million and (g) associated income tax expense adjustments for all the above pre-tax adjustment items.

Non-US GAAP Financial Measures

	Three Months Ended March 30, 2018				
	U.S. GAAP	Effects of Restructuring and Other Charges	Effects of CH2M Transaction Costs	Other Adjustments (1)	Adjusted
Revenues	$ 2,870,295	$ —	$ —	$ —	$ 2,870,295
Pass through revenue	—	—	—	(608,720)	(608,720)
Net revenue	2,870,295	—	—	(608,720)	2,261,575
Direct cost of contracts	(2,268,667)	—	—	608,720	(1,659,947)
Gross profit	601,628	—	—	—	601,628
Selling, general and administrative expenses	(532,873)	76,473	4,852	24,605	(426,943)
Operating Profit	68,755	76,473	4,852	24,605	174,685
Total other (expense) income, net	(20,104)	466	—	14,384	(5,254)
Earnings from Continuing Operations Before Taxes	48,651	76,939	4,852	38,989	169,431
Income Tax Benefit (Expense) for Continuing Operations	(51,856)	(20,104)	(1,344)	30,931	(42,373)
Net Earnings (Loss) of the Group from Continuing Operations	(3,205)	56,835	3,508	69,920	127,058
Net Earnings Attributable to Noncontrolling Interests from Continuing Operations	(3,085)	—	—	—	(3,085)
Net Earnings from Continuing Operations attributable to Jacobs	(6,290)	56,835	3,508	69,920	123,973
Net Earnings Attributable to Discontinued Operations	54,877	(5,633)	—	(13,247)	35,997
Net earnings attributable to Jacobs	$ 48,587	$ 51,202	$ 3,508	$ 56,673	$ 159,970
Diluted Net Earnings from Continuing Operations Per Share	$ (0.04)	$ 0.40	$ 0.02	$ 0.49	$ 0.87
Diluted Net Earnings from Discontinued Operations Per Share	$ 0.39	$ (0.04)	$ —	$ (0.09)	$ 0.25
Diluted Earnings Per Share	$ 0.34	$ 0.36	$ 0.02	$ 0.40	$ 1.12
Operating profit margin	2.40%				7.72%

The following tables reconcile the U.S. GAAP values of net earnings, EPS, operating profit and operating profit margin to the corresponding "adjusted" amounts. For the comparable periods presented below, such adjustments consist of amounts incurred in connection with the items described on the following slide. Amounts are shown in thousands, except for per-share data:

U.S. GAAP Reconciliation for the second quarter of fiscal 2018

(1) Includes (a) the removal of pass through revenues and costs for the BIAF line of business for the calculation of operating profit margin as a percentage of net revenue of $608.7 million, (b) the removal of amortization of intangible assets of $18.2 million, (c) the allocation to discontinued operations of estimated stranded corporate costs of $6.4 million that would have been reimbursed under the ECR transition services agreement (TSA) with Worley Parsons or otherwise eliminated from the ongoing operations in connection with the sale of the ECR business, (d) estimated 2018 impacts of $21.0 million from overhead allocation realignments in connection with the Company's CH2M business in the first quarter of fiscal 2019 had those changes been put into effect in first quarter of fiscal 2018 (the net impact of which was zero for consolidated selling, general and administrative expenses), (e) the allocation to discontinued operations of estimated interest expense for the full period related to long-term debt that has been paid down as a result of the ECR sale of $14.4 million, (f) the add-back of charges resulting from the revaluation of certain deferred tax assets/liabilities in connection with U.S. tax reform of $40.6 million and (g) associated income tax expense adjustments for all the above pre-tax adjustment items.

Reconciliation of Net Earnings from Continuing Operations Attributable to Jacobs to Adjusted EBITDA

	Three months ended March 29, 2019
Adj. Net earnings from Continuing Operations attributable to Jacobs (1)	$ 165,526
Adj. Income Tax Expense for Continuing Operations	52,099
Adj. Net earnings from Continuing Operations attributable to Jacobs before income taxes	217,625
Depreciation expense	23,491
Interest income	(1,670)
Interest expense	10,506
Adjusted EBITDA	$ 249,952

(1) See prior slides for reconciliaton of Adjusted Net Earnings.

Non-GAAP Financial Measures (cont'd)

Adjusted net earnings from continuing operations, adjusted EPS from continuing operations, adjusted operating profit and adjusted operating profit margin are non-GAAP financial measures that are calculated by (i) excluding the costs related to the 2015 restructuring activities, which included involuntary terminations, the abandonment of certain leased offices, combining operational organizations and the co-location of employees into other existing offices; and charges associated with our Europe, U.K. and Middle East region, which included write-offs on contract accounts receivable and charges for statutory redundancy and severance costs (collectively, the "2015 Restructuring and other items"); (ii) excluding costs and other charges associated with restructuring activities implemented in connection with the CH2M acquisition and the ECR divestiture, which included involuntary terminations, costs associated with co-locating Jacobs and CH2M offices, separating physical locations of ECR and continuing operations, costs and expenses of the Integration Management Office and Separation Management Office, including professional services and personnel costs, costs and charges associated with the divestiture of joint venture interests to resolve potential conflicts arising from the CH2M acquisition, expenses relating to certain commitments and contingencies relating to discontinued operations of the CH2M business, and similar costs and expenses (collectively referred to as the "Restructuring and other charges"); (iii) excluding transaction costs and other charges incurred in connection with closing of the CH2M acquisition and sale of the ECR business, including advisor fees, change in control payments, costs and expenses relating to the registration and listing of Jacobs stock issued in connection with the CH2M acquisition, and similar transaction costs and expenses (collectively referred to as "transaction costs"); (iv) excluding charges resulting from the revaluation of certain deferred tax assets/liabilities in connection with U.S. tax reform; (v) adding back depreciation and amortization relating to the ECR business of the Company that was ceased as a result of the application of held-for-sale accounting; (vi) adding back amortization of intangible assets; (vii) allocating to discontinued operations estimated stranded corporate costs that will be reimbursed or otherwise eliminated in connection with the sale of the ECR business; (viii) allocating to discontinued operations estimated interest expense relating to long-term debt that was paid down with the proceeds of the ECR sale; and (ix) the exclusion of a one-time favorable adjustment in the fiscal 2019 period associated with a reduction of deferred income taxes for permanently reinvested earnings from non-U.S. subsidiaries in connection with the sale of the ECR business. Adjustments to derive adjusted net earnings from continuing operations, adjusted EPS from continuing operations are calculated on an after-tax basis. Net revenue is calculated by excluding pass-through revenues of the BIAF line of business. Adjusted EBITDA is calculated by adding back the items set forth in the table on the preceding slide to net earnings from continuing operations. We believe that these measures are useful to management, investors and other users of our financial information in evaluating the Company's operating results and understanding the Company's operating trends by excluding or adding back the effects of the items described above, the inclusion or exclusion of which can obscure underlying trends. Additionally, management uses these measures in its own evaluation of the Company's performance, particularly when comparing performance to past periods, and believes these measures are useful for investors because they facilitate a comparison of our financial results from period to period.

The Company provides non-GAAP measures to supplement U.S. GAAP measures, as they provide additional insight into the Company's financial results. However, non-GAAP measures have limitations as analytical tools and should not be considered in isolation and are not in accordance with, or a substitute for, U.S. GAAP measures. In addition, other companies may define non-GAAP measures differently, which limits the ability of investors to compare non-GAAP measures of the Company to those used by our peer companies.