

Fiscal Third Quarter Earnings Conference Call

August 3, 2020



Jacobs

Challenging today.
Reinventing tomorrow.

Disclaimer

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. Examples of forward-looking statements include, but are not limited to, statements we make concerning the potential continued effects of the COVID-19 pandemic on our business, financial condition and results of operations and our expectations as to our future growth, prospects, financial outlook and business strategy for fiscal 2020 or future fiscal years. 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. Such factors include the magnitude, timing, duration and ultimate impact of the COVID-19 pandemic and any resulting economic downturn on our results, prospects and opportunities, the timeline for easing or removing "shelter-in-place", "stay-at-home", social distancing, travel restrictions and similar orders, measures or restrictions imposed by governments and health officials in response to the pandemic, or if such orders, measures or restrictions are re-imposed after being lifted or eased, including as a result of increases in cases of COVID-19; and the development, effectiveness and distribution of vaccines or treatments for COVID-19. The impact of such matters includes, but is not limited to, the possible reduction in demand for certain of our services and the delay or abandonment of ongoing or anticipated projects due to the financial condition of our clients and suppliers or to governmental budget constraints; the inability of our clients to meet their payment obligations in a timely manner or at all; potential issues and risks related to a significant portion of our employees working remotely; illness, travel restrictions and other workforce disruptions that could negatively affect our supply chain and our ability to timely and satisfactorily complete our clients' projects; difficulties associated with hiring additional employees or replacing any furloughed employees; increased volatility in the capital markets that may affect our ability to access sources of liquidity on acceptable pricing or borrowing terms or at all; and the inability of governments in certain of the countries in which we operate to effectively mitigate the financial or other impacts of the COVID-19 pandemic on their economies and workforces and our operations therein. The foregoing factors and potential future developments are inherently uncertain, unpredictable and, in many cases, beyond our control. For a description of these and additional 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 27, 2019, and in particular the discussions contained under Item 1 - Business; Item 1A - Risk Factors; Item 3 - Legal Proceedings; and Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations, and our Quarterly Report on Form 10-Q for the quarter ended June 26, 2020, and in particular the discussions contained under Part I, Item 2 - Management's Discussion and Analysis of Financial Condition and Results of Operations; Part II, Item 1 - Legal Proceedings; and Part II, Item 1A - Risk Factors, as well as the Company's other filings with the Securities and Exchange Commission. The Company is 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. 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, adjusted EBITDA and free cash flow outlook for fiscal 2020 and 2021 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 and other non-recurring or unusual items to be incurred in fiscal 2020 and 2021.

Pro Forma Figures

During this presentation, we may discuss comparisons of current period 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 acquisition of KeyW had occurred prior to the first quarter of fiscal 2018, as adjusted for the exclusion of restructuring and other related charges and transaction expenses. 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. For pro forma comparisons, current and prior periods include the results of the Wood Nuclear business, which closed in March 2020. 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' and KeyW's filings with the SEC.

Today's agenda

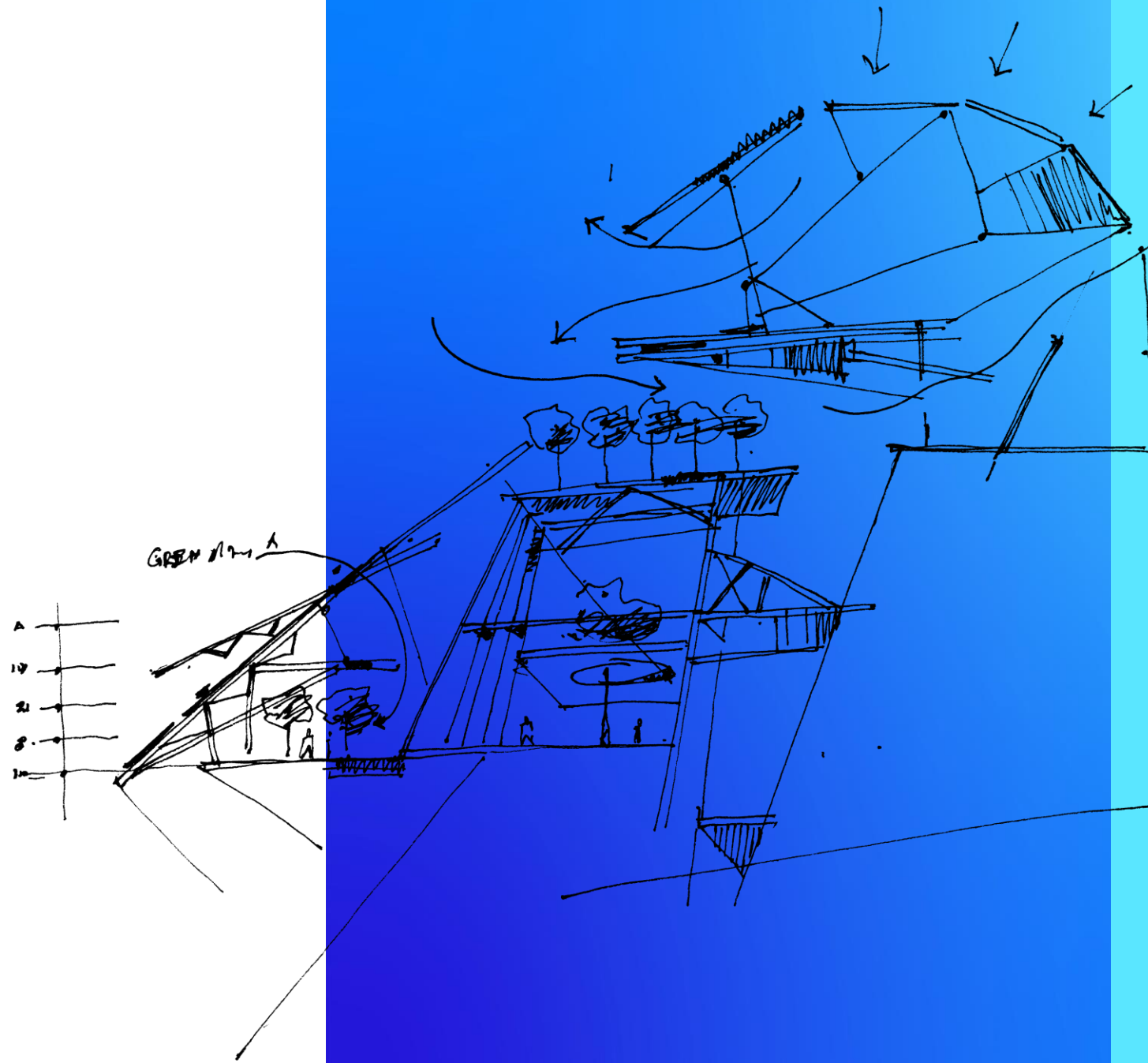
Business Review

- Advancing Justice and Equality
- COVID-19 Update
- Financial Summary
- Lines of Business Review

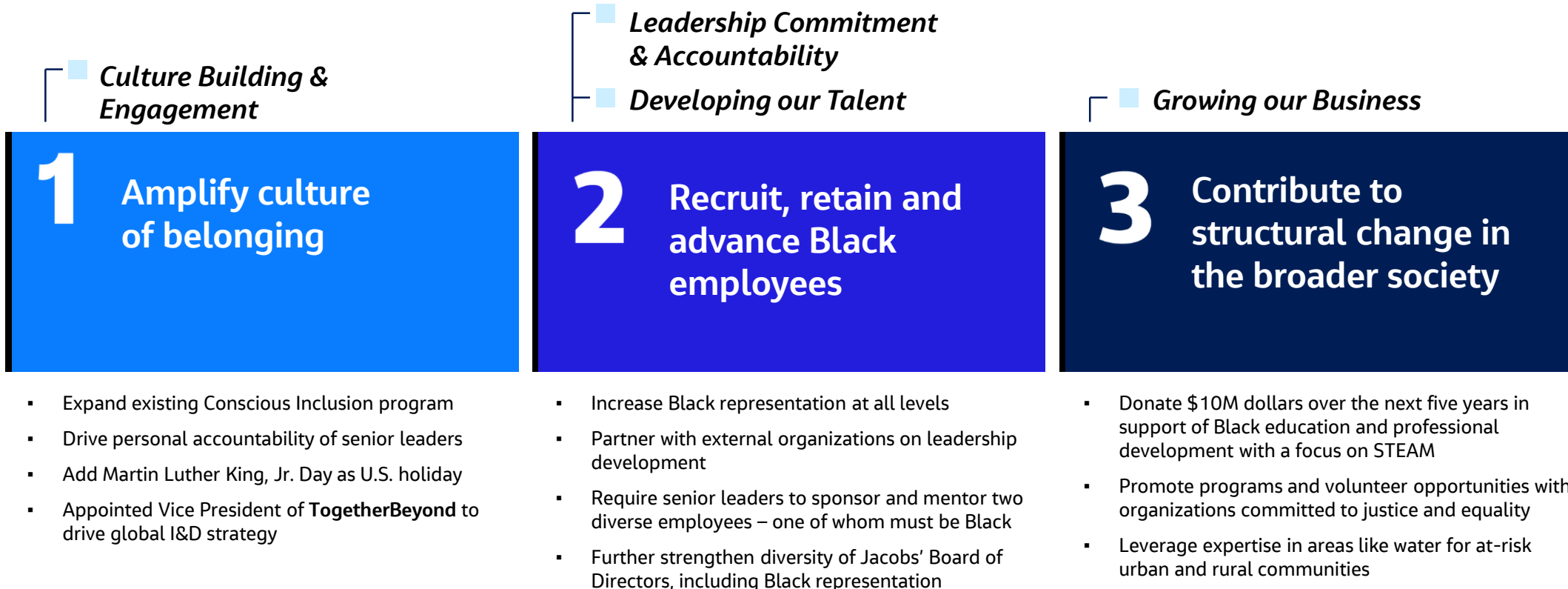
Financial Review

- Q3 Results
- Segment Results
- Integration and Divestiture Update
- Balance Sheet and Cash Flow

Outlook & Summary



Jacobs Action Plan for Advancing Justice and Equality



COVID-19 Update: Challenging today. Reinventing tomorrow.

Keeping our people safe and engaged

- Ongoing communications; bi-weekly virtual town halls
- Increased emphasis on positive mental health
- Advancing future of work solutions

Supporting our clients with COVID-19 solutions

- Rapid facility solutions for COVID-19 vaccines/therapies
- Developing public health response strategies - US, UK, ANZ
- ion© technology for contact tracing for pharma client
- COVID-19 scenario modeling software for transit clients
- Digital monitoring for COVID-19 at wastewater plants



A Resilient Business Model

Diversified Portfolio Aligned to Multiple Growth Opportunities

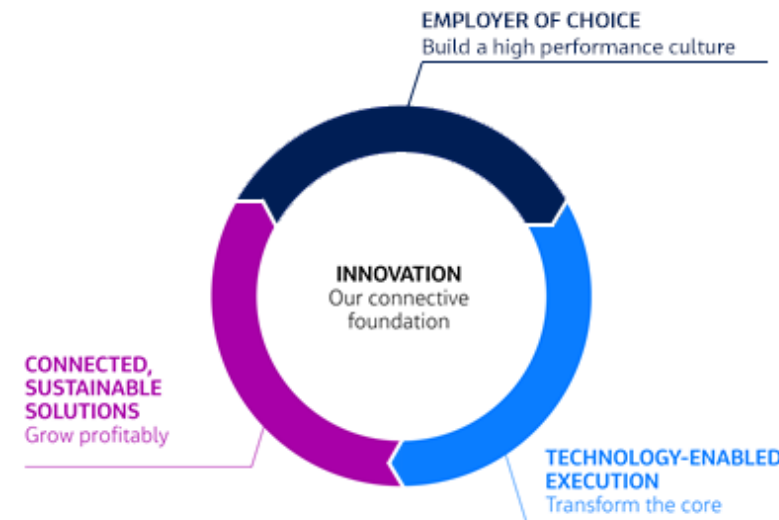
- Successfully demonstrated high productivity in virtual work environment
- Achieved better than expected return to on-site operations
- Aligned to resilient economic sectors; upside from infrastructure stimulus
- Strategy combines global scale, deep expertise and enhanced brand awareness

Strong YTD Performance; Flexibility to Grow Under Multiple Economic Scenarios

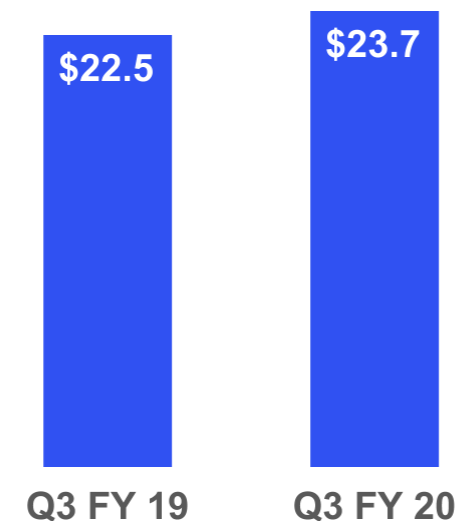
- Backlog increased \$1.2B to \$23.7B, up 5% y/y and up 4% pro forma
- \$332M of Q3 free cash flow; positioned for strong finish to fiscal 2020 cash generation
- Increased fiscal 2020 adjusted EBITDA outlook and expect growth in fiscal 2021

Strong Financial Flexibility; Balance Sheet Provides Further Value Creation

- Demonstrated ability to quickly adjust cost structure for multiple growth scenarios
- Healthy balance sheet with ample liquidity to deploy capital to high return opportunities
- Continued support of quarterly dividend demonstrates free cash flow visibility



Backlog As Reported (\$ in Billions)



Critical Mission Solutions

Maintaining Resilient Base while Expanding into Higher Value Solutions

- Quickly ramped to virtual and COVID compliant on-site client requirements
- Backlog provides strong visibility into base business
- Next 18-month qualified new business pipeline remains strong at ~\$30B

Strategy Demonstrates Durability in COVID Environment

- Reduced impact from physical distancing; expect recovery into FY21
- Resiliency due to well-funded mission critical programs
- Strength in Cyber, Mission-IT and Space
- Backlog and pipeline positions for growth in FY21 and beyond

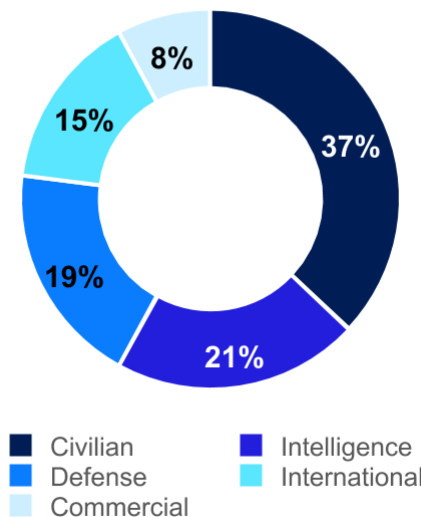
Recent Customer Wins

- Weapon systems sustainment for N.A. Aerospace Defense Command
- Intelligent asset management for Navy's Kings Bay base operation
- Software DevOps engineering for classified DOJ and intel clients
- Prototype SmallSat components for classified space ISR client

Critical Mission Solutions Snapshot (TTM including KeyW and Wood Nuclear)

U.S. / International	85% / 15%
Government	~88%
Reimbursable and Lower Risk Fixed Price Services	~95%
Recurring	~95%
Talent Force	~17k

Revenue by Customer
(TTM)



Backlog As Reported
(\$ in Billions)



People & Places Solutions

Growth Through Competitive Advantage and Secular Trend Alignment

- Globally connected talent driving integrated delivery and innovation
- Deep domain expertise delivering diverse solutions in resilient markets

Strategic Resilience

- COVID-19 impacts to pipeline and projects improved
- Strong retention of global talent pool
- Depth and breadth of global expertise applied across all market sectors
- Leveraging digital connectivity to deliver superior tech-enabled solutions
- Innovation and collaboration enhanced through distributed working

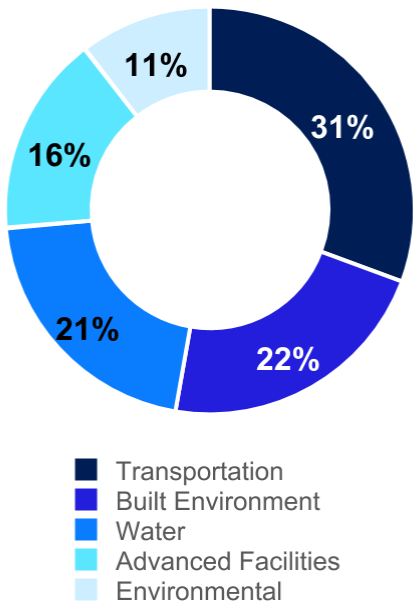
Recent Customer Wins

- Great Lakes Water Authority transmission main relocation (US)
- Anglian Water Services Strategic Pipelines Alliance (UK)
- Delhi Noida International Airport program management (India)
- AstraZeneca vaccine facility (US)
- Transport for New South Wales infrastructure upgrade (AU)

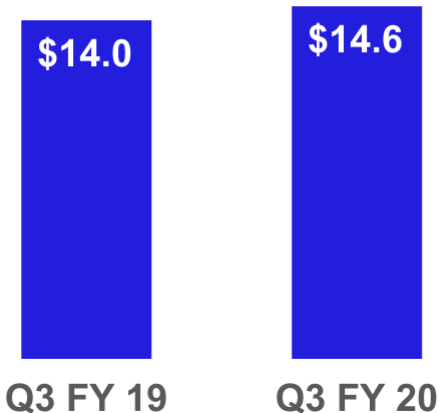
People & Places Solutions Snapshot (Net Revenue Q3 2020)

U.S./International	67% / 33%
Public / Private Sector	62% / 38%
Reimbursable and Lower Risk Fixed Price Services	~91%
Talent Force	~35k

Net Revenue by Sector
(Q3 2020)



Backlog As Reported
(\$ in Billions)



Fiscal 2020 Q3 results

Revenue increased 3% y/y and Pro Forma Net Revenue decreased 4% y/y

GAAP Operating Profit (OP) of \$194M (+116%) and OP Margin of 6.0% (+310 bps)

Adj. OP of \$239M (+3%) and Net Revenue Adj. OP Margin of 8.9% (+10 bps)

GAAP Net Earnings of \$227M and EPS from Continuing Operations of \$1.73 impacted mainly by:

- \$0.71 primarily related to a positive mark-to-market adjustment associated with Worley equity offset by other ECR related items
- \$0.11 of restructuring, transaction and other charges
- \$0.13 of expense related to the amortization of acquired intangibles

Adjusted EPS of \$1.26 down (10)% and (3)% y/y excluding discrete tax items in both years

- \$0.05 discrete tax benefit in Q3 2020 and \$0.16 discrete tax benefit in Q3 2019

Adjusted EBITDA of \$254M, 9.5% of Net Revenue

Q3 book-to-bill 1.1x

NASA's new Moon-bound spacesuits will get a boost from artificial intelligence. Find out how we're working with @NASA to revamp the portable life-support system for the Artemis generation of astronauts in this @wired feature. Credit: NASA/Joel Kowsky



Segment financials

\$'s in millions			
	Q3 2019	Q3 2020	Y/Y
Critical Mission Solutions Operating Profit as a % of revenue	76 6.6%	90 7.4%	17% 80 bps
People & Places Solutions Operating Profit as a % of net revenue	183 12.4%	190 13.0%	4% 60 bps
Adjusted Unallocated Corporate Costs¹	(27)	(41)	(14)
Adjusted Operating Profit from Continuing Operations as a % of net revenue	233 8.8%	239 8.9%	3% 10 bps
Adjusted EBITDA from Continuing Operations as a % of net revenue	258 9.8%	254 9.5%	(2)% -30 bps



Adjusted Operating Profit resilient despite macro and COVID-19 disruption

Integration and divestiture update

ECR Update

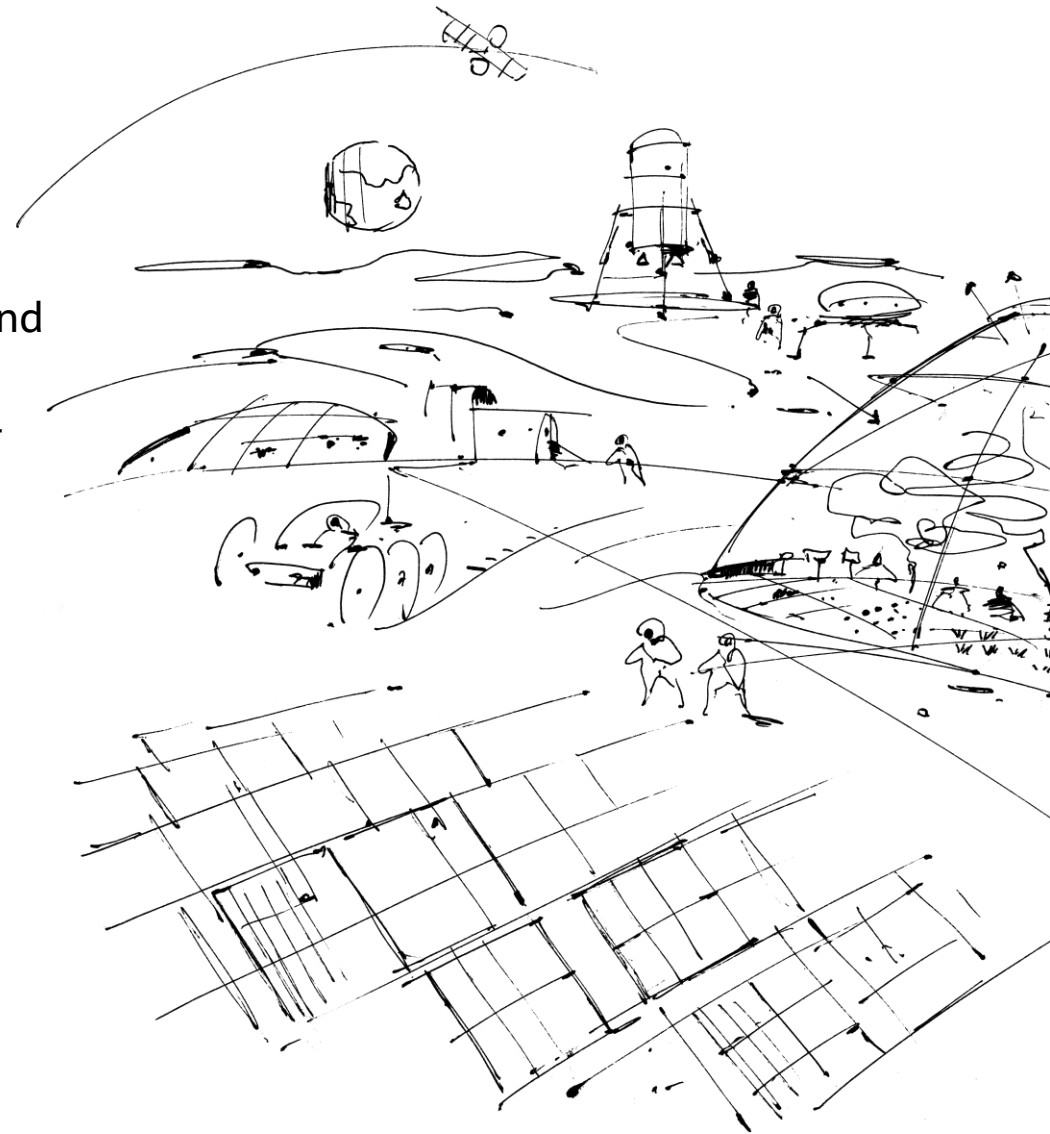
- Incurred ~\$215M to date of expected ~\$230M transaction, separation and restructuring costs
- Final stages of separation and restructuring to be reached by end of year

Wood Nuclear Acquisition Update

- Closed Wood acquisition on March 6, 2020
- On track to achieve expected \$12M in annual run-rate cost synergies
- Incurred ~\$3M of \$19M of expected cost to achieve synergies
- Incurred \$11M of transaction-related costs

Overall Restructuring and Other Charges Significantly Reduced

- Expect ~\$35M of restructuring and other P&L charges in Q4 FY20



Balance sheet and cash flow

Positive Free Cash Flow (FCF) Generation for Remainder of 2020

- Q3 positive FCF¹ of \$332M; includes net ~\$25M benefit from one-time items
- Now expect total FY20 reported FCF¹ to approach \$400M, including approximately \$130M of net one-time headwinds
- Q3 DSOs up y/y and q/q due to COVID-19; focused on improving collections

Ample Liquidity

- Q3 cash and equivalents of \$1.0B and gross debt of \$2.2B
- Worley ownership \$0.3B as of end of Q3 FY20
- Pro forma net debt to FY20E adj. EBITDA of 0.9x

Balance Sheet Strength Affords Ability to Deploy Capital

- Paid down \$950M in revolver debt leading to favorable run-rate interest expense
- \$25M in cash dividends paid in Q3
- Quarterly dividend \$0.19/share (+12% y/y) to be paid August 21, 2020

Q3 Leverage Metrics

\$ billions	FY20 Q3
Q3 Net Debt Position	\$1.1 B
Worley equity ownership as of 06/26	\$0.3 B
Q3 Pro Forma Net Debt Position	\$0.8 B*
Q3 PF net debt to adjusted FY20E EBITDA	0.9x**

* Assumes Worley equity value as of June 26, 2020

** FY2020E adjusted EBITDA assumed mid-point of outlook

Debt

\$ billions	Loan/Notional	Rate
Revolving Credit Agreement	\$0.6B of \$2.3B	libor + 1.50% ³
USD term Loan due 3/25	\$730M	libor+ 1.50% ³
GBP term Loan due 3/25	£250M	libor + 1.50% ³
Private placement due 5/25, 5/28, 5/30	\$500M	4.39%
Interest rate swap -notional value	~\$900M	2.2% ²

¹ Calculated as reported cash flow from operations minus CAPEX

² Effective rate of 2.21% with an assumed credit spread of 1.5%

³ Credit spread 0.875% to 1.5% per credit agreement

Outlook & Summary

Underlying Fiscal 2020 and 2021 COVID-19 Related Assumptions

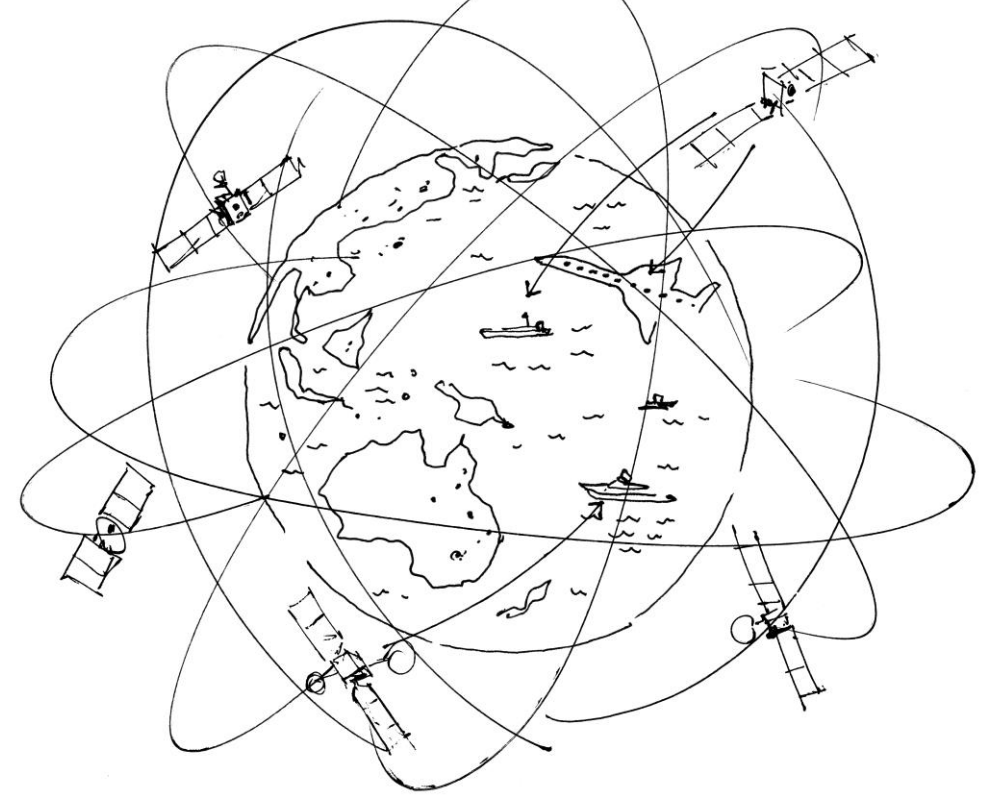
- Fiscal 2020 outlook reflects continued virtual work environment with gradual improvement in on-site client delivery
- Physical distancing headwinds likely continuing into early fiscal 2021

Updating Fiscal Year 2020 Outlook

- Increasing adjusted EBITDA to \$1,000M to \$1,050M from \$950M to \$1,050M
- Increasing adjusted EPS to \$5.05 to \$5.30 from \$4.80 to \$5.30
- Net impact of -\$0.35 now expected from COVID-19 vs. \$0.50 previously

Fiscal Year 2021 Expectations

- Expect growth in adjusted EBITDA and adjusted EPS in fiscal 2021
- Ability to deploy excess balance sheet capacity to high return opportunities
- Proactively advancing future of work initiatives and benefits



Additional Metrics

\$ billions	
Q4 2020 share count	132M ¹
Q4 2020 effective Tax Rate	~24%
Annual CAPEX	~1% of gross revenue

¹assumes share repurchases through March 27, 2020

Resilient business driven by strong culture and diversified portfolio aligned to growth opportunities

- Continue to prioritize employee health and safety during COVID-19 crisis
- Launched action plan for advancing justice and equality
- Aligned to resilient sectors with upside from stimulus and global economic recovery
- Strategy combines global scale, deep expertise and enhanced brand awareness
- Digital transformation maximizes global integrated delivery and efficiencies
- Expects adjusted EBITDA to improve from Q3 to Q4 2020 with growth in 2021
- Ability to deploy excess balance sheet capacity to high return opportunities



As part of NASA's Mars 2020 Mission launch on July 30, Jacobs and NASA's Jet Propulsion Laboratory built a calibration device for the Mars Perseverance Rover which will seek signs of past microbial life on the red planet and collect rock and soil samples.



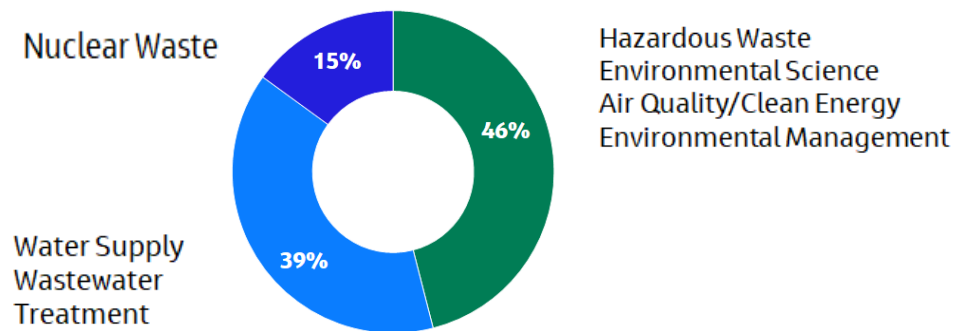
Jacobs

Challenging today.
Reinventing tomorrow.

Environmental, Social and Governance (ESG) Summary

- [Jacobs ESG Investor Page](#)
- [2019 ESG Data Disclosure for Analysts](#)
- [Water Business Overview](#)
- [Environmental and PFAS Overview](#)

Jacobs FY19 revenue for global Environmental
Market as defined by ENR was \$4.3B



100% renewable energy for our operations in 2020.

Net zero carbon for our operations and business travel in 2020.

Carbon negative for our operations and business travel by 2030.

[Jacobs' Climate Action Plan](#)

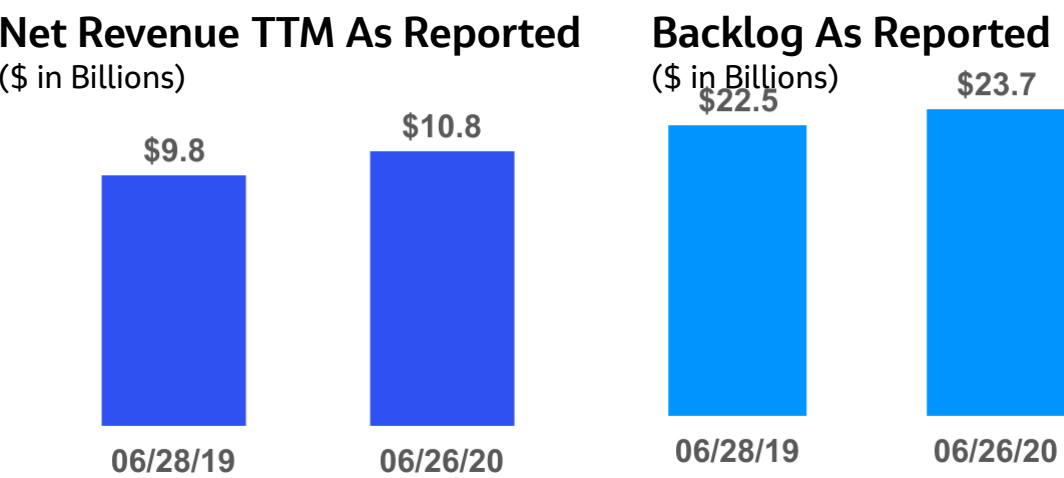
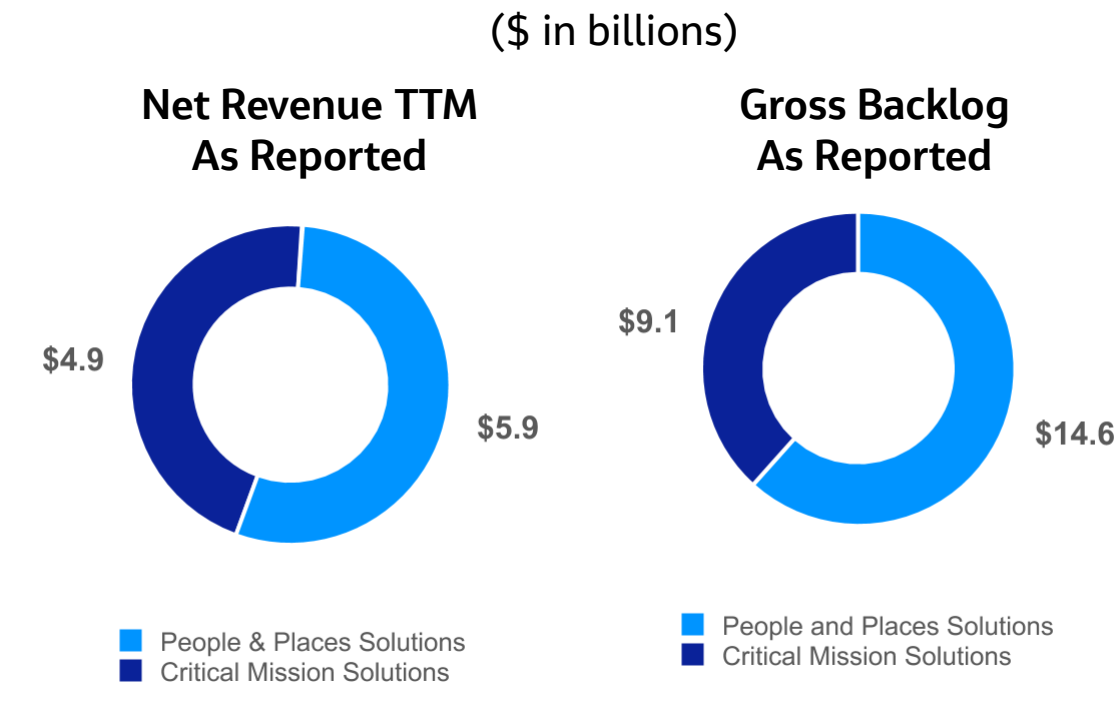
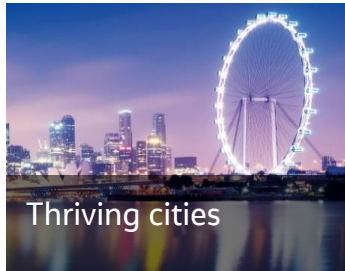


Jacobs: Delivering innovative solutions & disciplined execution

Q3 Fiscal 2020

U.S./Int'l Mix	Talent Base	Reimbursable and Lower Risk Fixed Price Services	Public/Private Sector
76%/24%	~55,000	93%	74%/26%

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



Recast consolidated financials

\$'s in millions	PF Q1 2018 ¹	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019	Q1 2020	Q2 2020	Q3 2020
Critical Mission Solutions													
Backlog	6,641	7,174	7,148	7,130	7,130	7,158	7,285	8,393	8,460	8,460	8,473	9,135	9,066
Revenue	842	924	1,021	1,069	3,856	1,035	1,060	1,156	1,300	4,551	1,182	1,243	1,211
Operating Profit as a % of revenue	57 6.8%	58 6.2%	72 7.1%	77 7.2%	264 6.9%	72 7.0%	74 7.0%	76 6.6%	88 6.7%	310 6.8%	90 7.6%	84 6.8%	90 7.4%
People & Places Solutions													
Backlog	12,269	12,088	12,693	12,825	12,825	13,177	13,428	14,011	14,109	14,109	14,197	14,156	14,608
Revenue	1,904	1,947	1,912	1,923	7,686	2,049	2,032	2,013	2,093	8,187	2,178	2,184	2,049
Net Revenue	1,217	1,338	1,329	1,272	5,156	1,374	1,400	1,479	1,390	5,643	1,476	1,542	1,470
Operating Profit as a % of Net Revenue	125 10.3%	159 11.9%	178 13.4%	167 13.1%	629 12.2%	159 11.6%	173 12.3%	183 12.4%	199 14.3%	714 12.7%	178 12.1%	189 12.3%	190 13.0%
Adj. Unallocated Corporate Expense	(48)	(42)	(27)	(23)	(140)	(46)	(25)	(27)	(33)	(131)	(32)	(37)	(41)
Adj. Net Interest Income (Expense)	(11)	(3)	(6)	(6)	(26)	(5)	(9)	(9)	(6)	(29)	(13)	(14)	(17)

¹Pro forma to include a full quarter of CH2M in Q1 2018

NOTES: Prior periods have been recast to reflect 2019 corporate allocation methodology and the restructuring and other adjustments.

Recast consolidated financials

\$'s in millions	Q1 2018 ¹	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019	Q1 2020	Q2 2020	Q3 2020
Backlog	18,910	19,262	19,840	19,955	19,955	20,335	20,713	22,404	22,569	22,569	22,671	23,291	23,674
Revenue	2,746	2,870	2,934	2,992	11,541	3,084	3,092	3,170	3,393	12,738	3,360	3,427	3,260
Net Revenue	2,059	2,262	2,350	2,341	9,012	2,410	2,459	2,636	2,690	10,195	2,658	2,786	2,681
Adjusted Gross Profit	547	588	598	594	2,328	571	613	629	669	2,482	645	648	631
Adjusted G&A	(414)	(414)	(375)	(373)	(1,575)	(386)	(392)	(396)	(415)	(1,589)	(408)	(412)	(392)
Adjusted Operating Profit From Continuing Operations as a % of Net Revenue ¹	133 6.5%	175 7.7%	223 9.5%	221 9.4%	752 8.3%	185 7.7%	222 9.0%	233 8.8%	253 9.4%	893 8.8%	237 8.9%	237 8.5%	239 8.9%
Adj. Net Interest Income (Expense)	(11)	(3)	(6)	(6)	(26)	(5)	(9)	(9)	(6)	(29)	(13)	(14)	(17)

¹Pro forma to include a full quarter of CH2M in Q1 2018

NOTES: Prior periods have been recast to reflect 2019 corporate allocation methodology and the restructuring and other adjustments.

Other operational metrics from continuing operations

\$'s in thousands	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019	Q1 2020	Q2 2020	Q3 2020
Depreciation (pre-tax)	25,607 ¹	26,764	24,423	21,567	98,361 ¹	18,211	23,491	25,851	20,508	88,061	22,152	22,566	22,276
Amortization of Intangibles (pre-tax)	11,547	18,205	19,299	18,352	67,403	18,671	18,678	18,383	23,351	79,083	21,845	22,094	23,135
Pass-Through Costs Included in Revenue	686,860 ¹	608,720	583,423	650,547	2,529,550 ¹	674,278	632,359	533,935	702,786	2,543,358	701,754	641,393	578,717
Capital Expenditures	14,829 ²	18,670	15,476	26,241	75,216 ²	19,467	39,442	38,557	29,307	126,773	22,260	39,077	27,484

¹Pro forma to include a full quarter of CH2M in Q1 2018

²As reported does not reflect impact from CH2M

Non GAAP financial measures

	Three Months Ended June 26, 2020			
	U.S. GAAP	Effects of Restructuring, Transaction and Other Charges	Other Adjustments (1)	Adjusted
Unaudited				
Revenues	\$ 3,260,057	\$ —	\$ —	\$ 3,260,057
Pass through revenue	—	—	(578,717)	(578,717)
Net revenue	3,260,057	—	(578,717)	2,681,340
Direct cost of contracts	(2,631,031)	—	578,717	(2,050,473)
Gross profit	629,026	1,841	—	630,867
Selling, general and administrative expenses	(434,650)	18,631	24,083	(391,936)
Operating Profit	194,376	20,472	24,083	238,931
Total other income (expense), net	109,305	—	(123,971)	(14,666)
Earnings from Continuing Operations Before Taxes	303,681	20,472	(99,888)	224,265
Income Tax (Expense) Benefit from Continuing Operations	(67,674)	(6,351)	24,125	(49,900)
Net Earnings of the Group from Continuing Operations	236,007	14,121	(75,763)	174,365
Net Earnings Attributable to Noncontrolling Interests from Continuing Operations	(9,121)	—	—	(9,121)
Net Earnings Attributable to Jacobs from Continuing Operations	226,886	14,121	(75,763)	165,244
Net Earnings Attributable to Discontinued Operations	18,043	—	—	18,043
Net Earnings (Loss) attributable to Jacobs	\$ 244,929	\$ 14,121	\$ (75,763)	\$ 183,287
Diluted Net Earnings from Continuing Operations Per Share	\$ 1.73	\$ 0.11	\$ (0.58)	\$ 1.26
Diluted Net Earnings from Discontinued Operations Per Share	\$ 0.14	\$ —	\$ —	\$ 0.14
Diluted Earnings Per Share	\$ 1.87	\$ 0.11	\$ (0.58)	\$ 1.40
Operating profit margin	5.96 %			8.91 %

The following tables reconcile the U.S. GAAP values of net revenue, 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 third quarter of fiscal 2020

(1) Includes (a) the removal of pass through revenues and costs for the People & Places Solutions line of business for the calculation of operating profit margin as a percentage of net revenue of \$578.7 million, (b) the removal of amortization of intangible assets of \$23.1 million, (c) the reclassification of revenues under the Company's TSA of \$1.0 million included in other income for U.S. GAAP reporting purposes to SG&A, (d) the removal of \$(123.1) million in fair value adjustments related to our investment in Worley stock (net of Worley stock dividend) and certain foreign currency revaluations relating to the ECR sale and (e) associated income tax expense adjustments for the above pre-tax adjustment items.

Non GAAP financial measures

The following tables reconcile the U.S. GAAP values of net revenue, 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 third quarter the fiscal year 2019

(1) Includes after-tax CH2M transaction costs and adjustments of \$0.4 million, after-tax transaction costs associated with the sale of our ECR line of business of \$2.4 million and after-tax transaction costs associated with the acquisition of KeyW of \$9.6 million.

(2) Includes (a) the removal of pass through revenues and costs for the People & Places Solutions line of business for the calculation of operating profit margin as a percentage of net revenue of \$533.9 million, (b) the removal of amortization of intangible assets of \$18.4 million, (c) the allocation to discontinued operations of estimated stranded corporate costs of \$2.0 million that would have been reimbursed under the TSA with Worley 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 was paid down as a result of the closing of the sale of the ECR business of \$5.8 million, (e) 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 \$2.6 million and (f) the reclassification of revenues under the TSA of \$14.1 million included in other income for U.S. GAAP reporting purposes to SG&A and the exclusion of \$3.2 million in remaining unreimbursed costs associated with this agreement, (g) other income tax adjustments of \$1.5 million and (h) associated income tax expense adjustments for all the above pre-tax adjustment items.

Three Months Ended

June 28, 2019

Unaudited	U.S. GAAP	Effects of Restructuring, Transaction and Other Charges	Other Adjustments (1)	Adjusted
Revenues	\$ 3,169,622	\$ —	\$ —	\$ 3,169,622
Pass through revenue	—	—	(533,935)	(533,935)
Net revenue	3,169,622	—	(533,935)	2,635,687
Direct cost of contracts	(2,543,488)	2,481	533,935	(2,007,072)
Gross profit	626,134	2,481	—	628,615
Selling, general and administrative expenses	(536,180)	102,664	37,714	(395,802)
Operating Profit	89,954	105,145	37,714	232,813
Total other income (expense), net	3,445	1,346	(8,362)	(3,571)
Earnings from Continuing Operations Before Taxes	93,399	106,491	29,352	229,242
Income Tax (Expense) Benefit from Continuing Operations	1,981	(26,183)	(5,823)	(30,025)
Net Earnings of the Group from Continuing Operations	95,380	80,308	23,529	199,217
Net Earnings Attributable to Noncontrolling Interests from Continuing Operations	(6,015)	—	—	(6,015)
Net Earnings from Continuing Operations attributable to Jacobs	89,365	80,308	23,529	193,202
Net Earnings Attributable to Discontinued Operations	435,077	4,505	(7,823)	431,759
Net earnings attributable to Jacobs	\$ 524,442	\$ 84,813	\$ 15,706	\$ 624,961
Diluted Net Earnings from Continuing Operations Per Share	\$ 0.65	\$ 0.58	\$ 0.17	\$ 1.40
Diluted Net Earnings from Discontinued Operations Per Share	\$ 3.15	\$ 0.03	\$ (0.06)	\$ 3.13
Diluted Earnings Per Share	\$ 3.80	\$ 0.61	\$ 0.11	\$ 4.53
Operating profit margin	2.84 %			8.83 %

Reconciliation of net earnings from continuing operations attributable to Jacobs to adjusted EBITDA

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

	Three Months Ended 6/28/2019	Three Months Ended 6/26/2020
Adj Net earnings from Continuing Operations (1)	193,202	165,244
Adj. Income Tax Expense for Continuing Operations (1)	(30,025)	(49,900)
Adj. Net earnings from Continuing Operations attributable to Jacobs before income taxes (1)	223,227	215,144
Depreciation expense	25,851	22,276
Interest income	(3,398)	(1,249)
Interest expense	\$ 12,679	\$ 18,193
Adjusted EBITDA	\$ 258,359	\$ 254,364

Reconciliation of Free Cash Flow

	Three Months Ended 6/26/2020
Net cash provided by (used for) operating activities	360
Additions to property and equipment	(27)
Free cash flow	\$ 333

Non-GAAP financial measures (cont'd)

Net revenue is calculated excluding pass-through revenue of the Company's People & Places Solutions segment from the Company's revenue from continuing operations. 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 KeyW, CH2M and Wood Group's nuclear business acquisitions, the ECR divestiture and other related cost reduction initiatives, which included involuntary terminations, costs associated with co-locating Jacobs, KeyW 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, charges associated with certain operations in India, which included write-offs on contract accounts receivable and other accruals, 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 KeyW, CH2M and Wood Group's nuclear business acquisitions, and sale of the ECR business (to the extent incurred prior to the closing), 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) adding back amortization of intangible assets; (v) allocating to discontinued operations estimated stranded corporate costs that will be reimbursed or otherwise eliminated in connection with the sale of the ECR business; (vi) the reclassification of revenue under the Company's transition services agreement (TSA) included in other income for U.S. GAAP reporting purposes to SG&A and the exclusion of remaining unreimbursed costs associated with the TSA; (vii) allocating to discontinued operations estimated interest expense relating to long-term debt that was paid down with the proceeds of the ECR sale; (viii) the removal of fair value adjustments and dividend income related to the Company's investment in Worley stock and certain foreign currency revaluations relating to ECR sale proceeds; (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; (x) excluding charges resulting from the revaluation of certain deferred tax assets/liabilities in connection with U.S. tax reform; (xi) 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; and (xii) other income tax adjustments. Adjustments to derive adjusted net earnings from continuing operations, adjusted EPS from continuing operations, adjusted operating profit and adjusted operating profit margin are calculated on an after-tax basis. We believe that net revenue, adjusted net earnings from continuing operations, adjusted EPS from continuing operations, adjusted operating profit and adjusted EBITDA 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 such 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.

Free cash flow is calculated using the reported statement of cash flows, cash provided from operations less additions to property and equipment.

Adjusted EBITDA for prior periods is calculated by adding depreciation expense to adjusted operating profit from continuing operations. For fiscal 2020 outlook, the Company calculated adjusted EBITDA by adding income tax expense, depreciation expense and interest expense, and deducting interest income from adjusted net earnings from continuing operations. Reconciliation of each of the adjusted EPS, adjusted EBITDA and free cash flow outlook 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. 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.