



Challenging today.
Reinventing tomorrow.



Fiscal First Quarter 2021 Earnings Conference Call

February 9, 2021

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 regarding our expectations as to our future growth, prospects, financial outlook and business strategy for fiscal 2021 or future fiscal years, which are based, in part, on estimates and assumptions regarding the potential continued effects of the COVID-19 pandemic on our business, financial condition and results of operations. 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; the development, effectiveness and distribution of vaccines or treatments for COVID-19; and the timing and scope of any government stimulus programs enacted in response to the impacts of the COVID-19 pandemic. 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 October 2, 2020, and in particular the discussions contained therein 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 January 1, 2021, 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 2021 and beyond 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 such periods.

Pro Forma Figures

During this presentation, we may discuss comparisons of current period results to prior periods on a pro forma adjusted basis. Prior fiscal periods are presented as if the acquisitions of KeyW, the Wood Nuclear business and The Buffalo Group and divestiture of Energy, Chemicals and Resources business had occurred prior to the comparable periods, as adjusted for the exclusion of restructuring and other related charges and transaction expenses and other adjustments described on the Non GAAP Financial Measures slides as 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.

Today's agenda

Overview

- Strategy and performance update
- Sustainability commitments

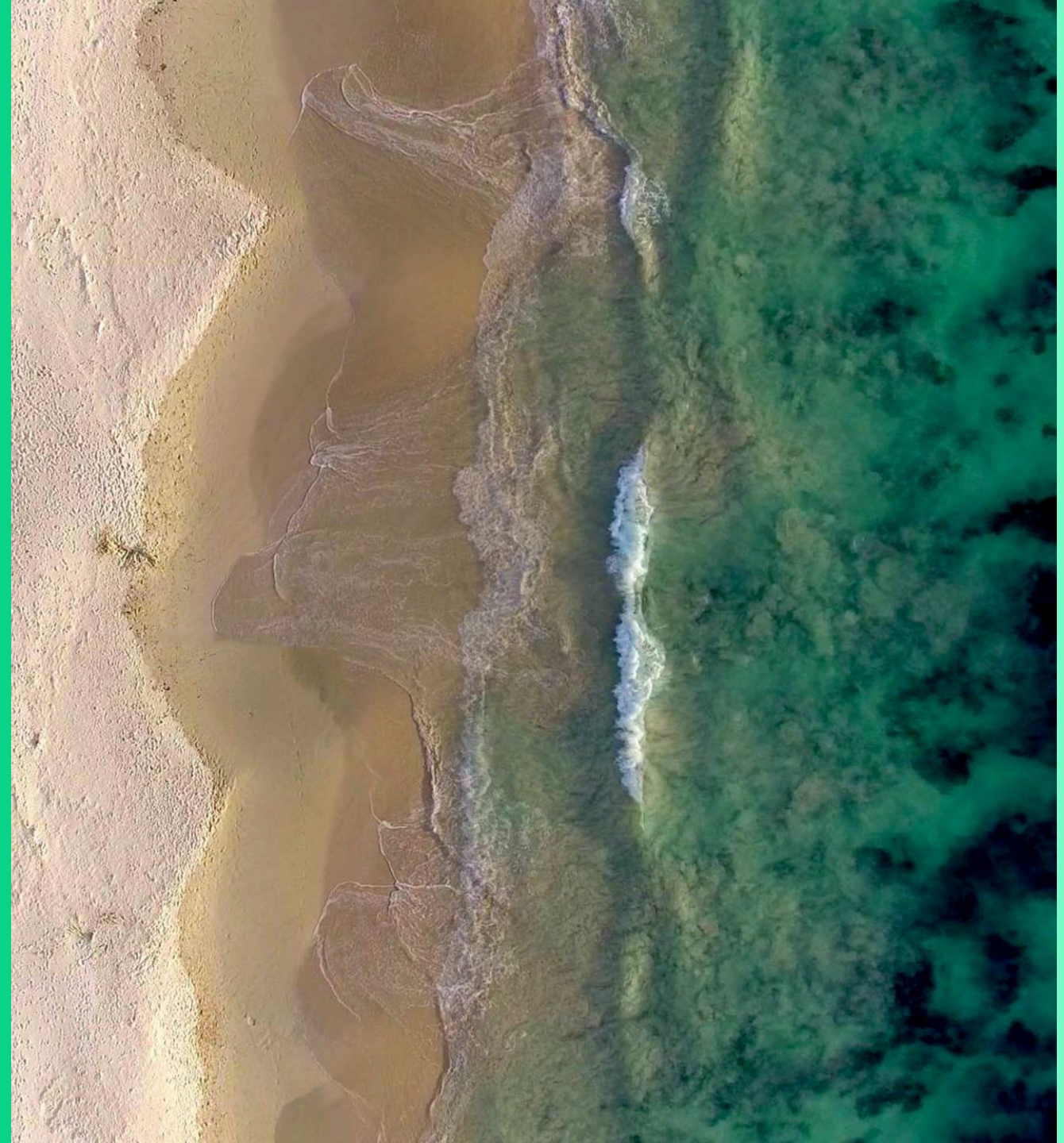
Lines of business review

- Critical Mission Solutions
- People & Places Solutions

Financial review

- Q1 Fiscal 2021 results
- Focus 2023 and integration update
- Balance sheet and cash flow

Outlook & Summary



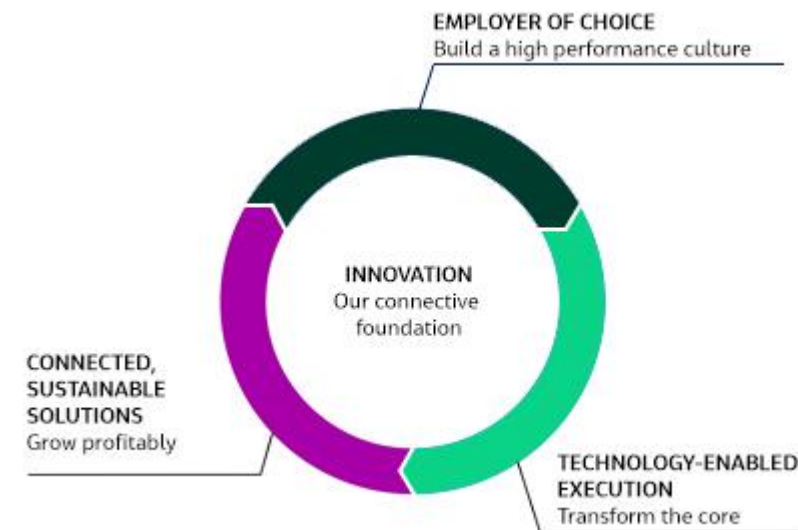
Strategy and Performance Update

Compelling shareholder investment thesis

- Transformed culture that inspires through a common purpose and strong core values
- Strategy combines global scale, deep expertise and enhanced brand awareness
- Positioned to profitably capture higher value thematic growth opportunities
- Strategically investing and allocating capital to maximize long-term value for shareholders

Solid start to fiscal 2021; optimism building for a strong 2H 2021

- Net revenue increased 3% y/y and adjusted EBITDA up 8% y/y
- Backlog increased \$2.4B to \$25.1B, up 11% y/y and up 7% pro forma
- Increasing the mid-point FY21 adjusted EBITDA and adjusted EPS outlook
- On track to close strategic majority investment in PA Consulting by end of fiscal Q2



Backlog As Reported
(\$ in Billions)



Delivering on ESG commitments

Achieved net carbon zero and 100% renewable energy in FY20

Carbon reduction targets approved by Science Based Target Initiative

COP26 engagement to raise awareness, inspire and motivate collective action

- **Pledge to Action** campaign inviting partners to take measurable climate actions
- **Climate Countdown Challenge** leveraging monthly climate 'missions' by employees

5 *Jacobs aligns its purpose and vision with both growth and impact*

Jacobs' [Climate Action Plan](#)



Carbon negative for our operations and business travel by 2030.

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Sustainability Indices**

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Providing solutions and technologies that address the most critical decarbonization and adaptation challenges



Climate impacts . . .

Agriculture Water Health
Energy Forestry Biodiversity
Coastal Zones Fisheries Tourism

. . . and every aspect of society

Loss of Life Livelihoods Infrastructure
Increased Inequality Instability Conflict
Trade Migration National Security



Jacobs Solutions

Renewable Energy & Clean Power
Energy Efficiency & Demand Response
Energy Storage
Carbon Capture & Storage
Green Buildings
Transportation
Carbon Markets
Mitigation Consulting & Research
Adaptation & Resilience

Challenging today. Reinventing tomorrow.

Critical Mission Solutions

Demonstrated resilient base and strong pipeline of innovative solutions

- Multi-year enterprise contracts provide long-term stability
- High-value solutions and efficient cost structure driving margin expansion
- Next 18-month new business pipeline remains strong >\$30 billion
- Acquisition of The Buffalo Group adds additional pipeline opportunities

Strategy aligned to critical national priorities

- Expect FY21 revenue, operating profit growth and margin improvement
- Aligned to high priority areas in digital modernization, strategic data utilization, low-earth orbit satellites, hypersonics and cyber

Recent customer wins

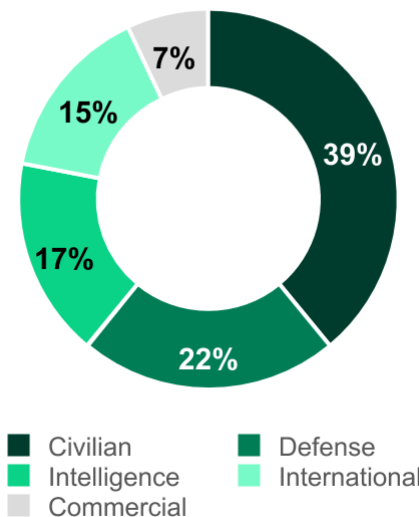
- Navy Kings Bay Intelligent Asset Management win clears protest
- Hypersonic test cell design-build services for the US Air Force
- 5G build-outs for AT&T and NYU Langone Hospital
- Successful launch of Mango One space radar payload
- UAV and satellite intelligence solutions for the US Air Force

Critical Mission Solutions Snapshot

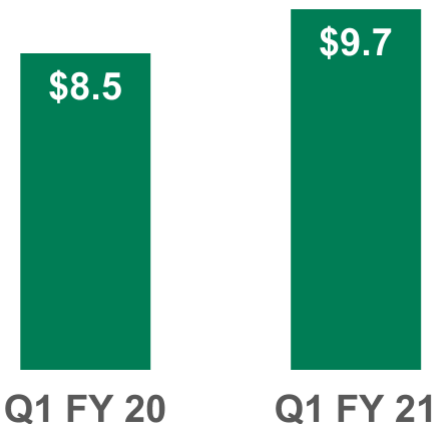
(TTM including Buffalo Group and Wood Nuclear)

U.S. / International	85% / 15%
Government	~88%
Reimbursable and Lower Risk Fixed Price Services	~96%
Recurring	~95%
Talent Force	~18k

Revenue by Customer
(TTM)



Backlog As Reported
(\$ in Billions)



People & Places Solutions

Executing against high-value opportunities

- Deep domain expertise at scale across markets
- Global delivery model enhancing profitability and talent utilization

Strong secular trend alignment

- Climate change and decarbonization driving long-term opportunities
- Well-positioned to support projects resulting from economic stimulus
- Pandemic recovery driving health, life sciences and cloud computing investment
- Differentiated solutions supporting infrastructure modernization and digitization

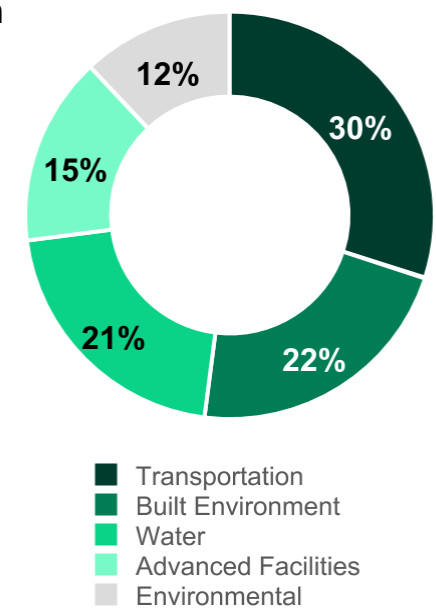
Recent customer wins

- Orange County Solid Waste Master Plan (US)
- Tasmanian Networks' engineering/project management for Marinus Link (AU)
- Victorian Big Battery integrated design and management solutions (AU)
- Royal Prince Alfred Hospital architectural services (AU)
- Houston Metro Inner Katy bus rapid transit system (US)
- Las Virgenes Municipal Water District watershed digital twin (US)

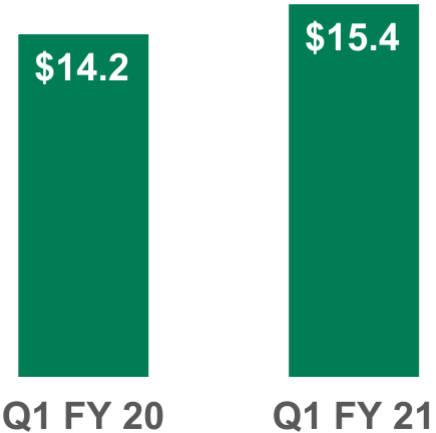
People & Places Solutions Snapshot (Net Revenue Q1 2021)

U.S./International	65% / 35%
Public / Private Sector	58% / 42%
Reimbursable and Lower Risk Fixed Price Services	~92%
Talent Force	~35k

Net Revenue by Sector (Q1 2021)



Backlog As Reported (\$ in Billions)



Fiscal 2021 Q1 results

Revenue increased 1% y/y and Pro Forma Net Revenue flat y/y

GAAP Operating Profit (OP) of \$214M (+41%) and OP Margin of 6.3% (+180 bps)

Adj. OP of \$259M (+10%) and Net Revenue Adj. OP Margin of 9.5% (+60 bps)

GAAP Net Earnings of \$257M and EPS from Continuing Operations of \$1.96 impacted by:

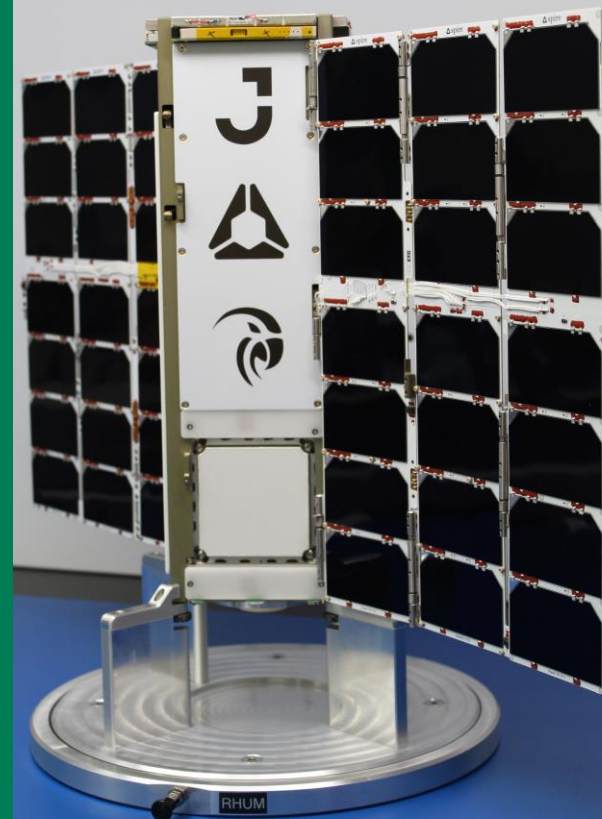
- \$0.54 primarily related to a positive mark-to-market adjustment associated with Worley equity
- \$0.47 related to a positive mark-to-market adjustment associated with C3.ai equity
- \$(0.16) of charges related to Focus 2023, and other restructuring and transaction costs
- \$(0.17) related to impairment of our AWE Management Ltd. investment
- \$(0.13) of expense related to the amortization of acquired intangibles

Adjusted EPS of \$1.41 up 17% y/y

Adjusted EBITDA of \$280M, up 8% y/y and 10.3% of Net Revenue

Q1 book-to-bill 1.2x pro forma for The Buffalo Group acquisition

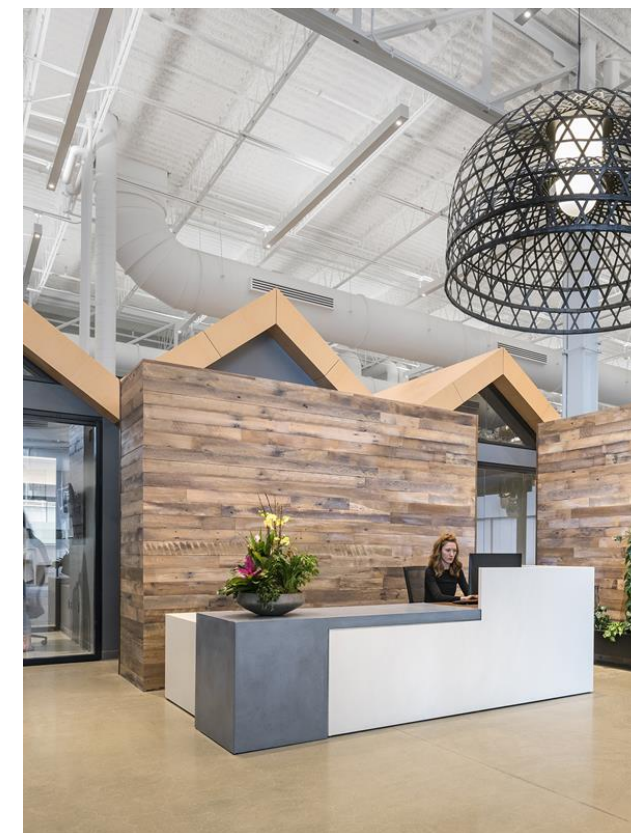
Jacobs Mango One Satellite
Successful launch marks a new era for Jacobs in advanced, affordable space radar payloads.



Segment financials

\$'s in millions			
	Q1 2020	Q1 2021	Y/Y
Critical Mission Solutions Operating Profit as a % of revenue	90 7.6%	110 8.5%	22% 90 bps
People & Places Solutions Operating Profit as a % of net revenue	178 12.1%	196 13.7%	10% 160 bps
Adjusted Unallocated Corporate Costs	(32)	(47)	(15)
Adjusted Operating Profit from Continuing Operations¹ as a % of net revenue	237 8.9%	259 9.5%	10% 60 bps
Adjusted EBITDA from Continuing Operations¹ as a % of net revenue	260 9.8%	280 10.3%	8% 40 bps

Adjusted Margin Expansion Across Both Lines of Business



Kala Pharmaceuticals laboratory and office fit-out
Interior space features local Hawaiian natural beauty to inspire employees and visitors.

Focus 2023 and integration update

Focus 2023: Enhancing Operations for Next Stage of Growth

- Incurred ~\$10M charge in Q1 2021 related to Focus 2023
- ~\$30M of cash flow impact in Q1

The Buffalo Group on track to deliver against targets

- Expect \$0.08 to \$0.10 of adj. EPS accretion for FY21

Strong PA Consulting performance and on track to close by end of FY Q2

- PA delivered strong CY20 preliminary results
- Continue to expect FY22 adj. EPS accretion of \$0.52 - \$0.57

Fiscal 2021 Transformation and Integration Cost Expectations excluding PA

- ~\$100M¹ of charges in FY21 related to Focus 2023 and integration initiatives
- ~\$110M of related cash outflows expected in FY21



Balance sheet and cash flow

Positive cash flow generation for Q1 2021

- Q1 DSOs down 3 days y/y due to focus on improving collections
- Q1 cash flow from operations \$113 million
- Q1 reported FCF¹ \$96M, including ~\$44M of net one-time headwinds
- Expect >90% FY21 FCF to adj. net income, excluding one-time headwinds

Ample liquidity to execute PA Consulting investment

- Q1 cash and equivalents of \$837M and gross debt of \$1.8B
- Worley and C3.ai ownership of \$0.5B as of end of Q1 FY21
- Excluding PA pro forma net debt to FY21E adj. EBITDA of 0.4x
- Executed new term loan in Q2 related to PA Consulting investment

Balance Sheet strength affords longer-term capital deployment

- Repurchased \$25M of shares and paid \$25M in cash dividends in Q1
- Q2 dividend increased to \$0.21/share (+11% y/y) to be paid March 26, 2021
- Prioritize free cash flow use toward debt pay down in near-term

¹² ¹ Calculated as reported cash flow from operations minus CAPEX

Q1 Leverage Metrics

\$ billions	FY21 Q1
Q1 Net Debt Position	\$1.0B***
Worley equity ownership as of 1/1	\$455M
C3.ai equity ownership as of 1/1	\$85M
Q1 Pro Forma Net Debt Position	\$0.4B*
Q1 PF net debt to adjusted FY21E EBITDA	0.4x**

* Assumes Worley and C3.ai equity value as of January 1, 2021

** FY2021E adjusted EBITDA assumed mid-point of outlook

*** Balance does not include delay-draw term loan executed in Q2, to be drawn at closing of PA investment

Debt

	FY21 Q1
Fixed/Floating Mix*	79%/21%
Weighted average interest rate*	2.43%

*factors in ~\$925M notional interest rate swap

Outlook & Summary

Underlying FY21 assumptions

- Fiscal 2021 outlook reflects accelerating awards and revenue burn in 2H as customers adjust and prioritize spending under new U.S. administration

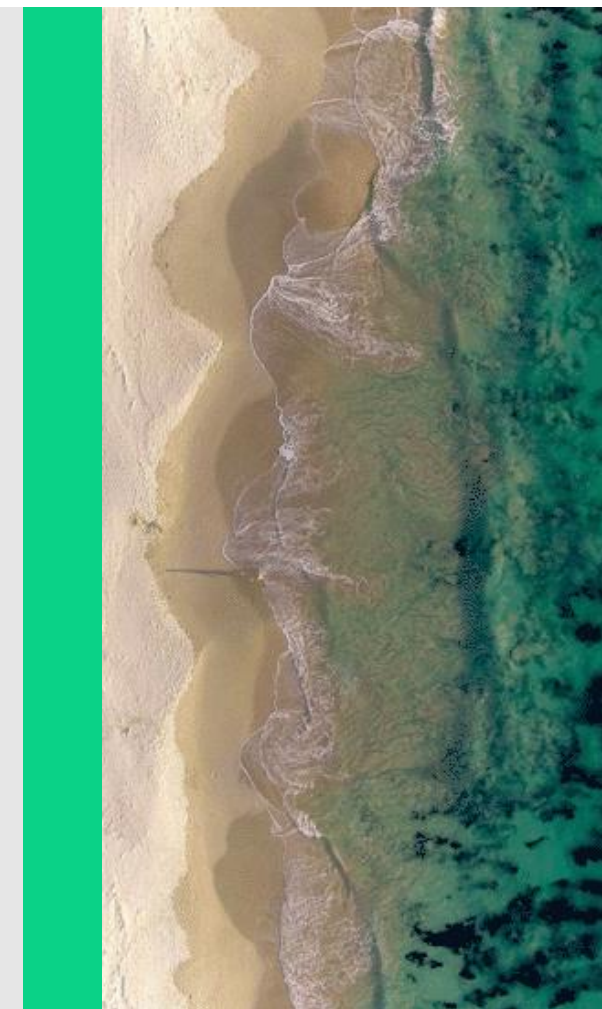
FY21 Outlook

- Updating adjusted EBITDA outlook to \$1,075 to \$1,155 from \$1,055 to \$1,155M
- Updating adjusted EPS outlook to \$5.30 to \$6.00 from \$5.20 to \$6.00, assumes share count of 131M
- Fiscal 2021 does not include benefit from pending PA Consulting investment

Positioning for double-digit adj. EBITDA growth in FY22 and beyond

Additional Metrics

\$ billions	
Q1 FY21 share count	131M
Q1 FY21 effective Tax Rate	~24%
Annual CAPEX	~1% of net revenue



Performance through our people



**We do things right.
We challenge the accepted.
We aim higher.
We live inclusion.**

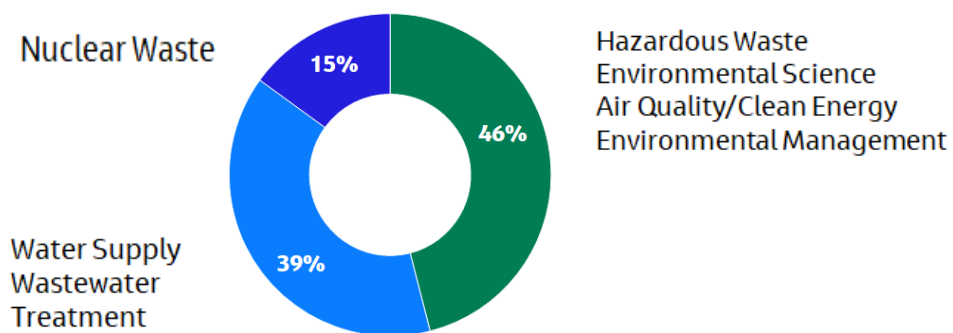
Jacobs

**Challenging today.
Reinventing tomorrow.**

Environmental, Social and Governance (ESG) summary

- [Jacobs ESG Investor Page](#)
- [2020 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



PlanBeyondSM

- Achieved 100% renewable energy for our operations in 2020.
- Achieved 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](#)

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PFAS Remediation



World's First Field-scale Biogeochemical Reactor Pilot Project for PFAS Remediation, Travis Air Force Base, California

Hydrogen Economy



Jacobs and Yarra Valley Water: White Paper Outlining the Future Role for Water Utilities in Australia's Hydrogen Industry to Support Decarbonization and Commercial Readiness

Climate Action Plan



Meridian Water, North London: £7bn Sustainable Mixed-use Development; Meeting UK's Highest Health and Building Standards and Targeting Net Zero Carbon by 2030
(Image courtesy of @ Periscope)

Value Chain



Western Digital: Global Energy & Resource Management Program — Energy, Water, Waste and Carbon Reduction for Manufacturing Facilities

Wind and Solar Power



Energy Generation: 100 MW Solar Photovoltaic Power Plant, Pekan, Pahang, Malaysia;
Energy Transmission: SuedLink — Integrating Renewable Sources into Germany's Electricity Grid

Nuclear Cleanup



U.S. Department of Energy, East Tennessee Technology Park: World's First Successful Cleanup and Closure of a Uranium Enrichment Complex

Climate Resilience



Jacobs Climate Risk Assessment Tool: Incorporates TCFD Recommendations to Identify and Assess Climate Risks, Combining High Resolution Climate Data with GIS Capabilities

Environmental Justice



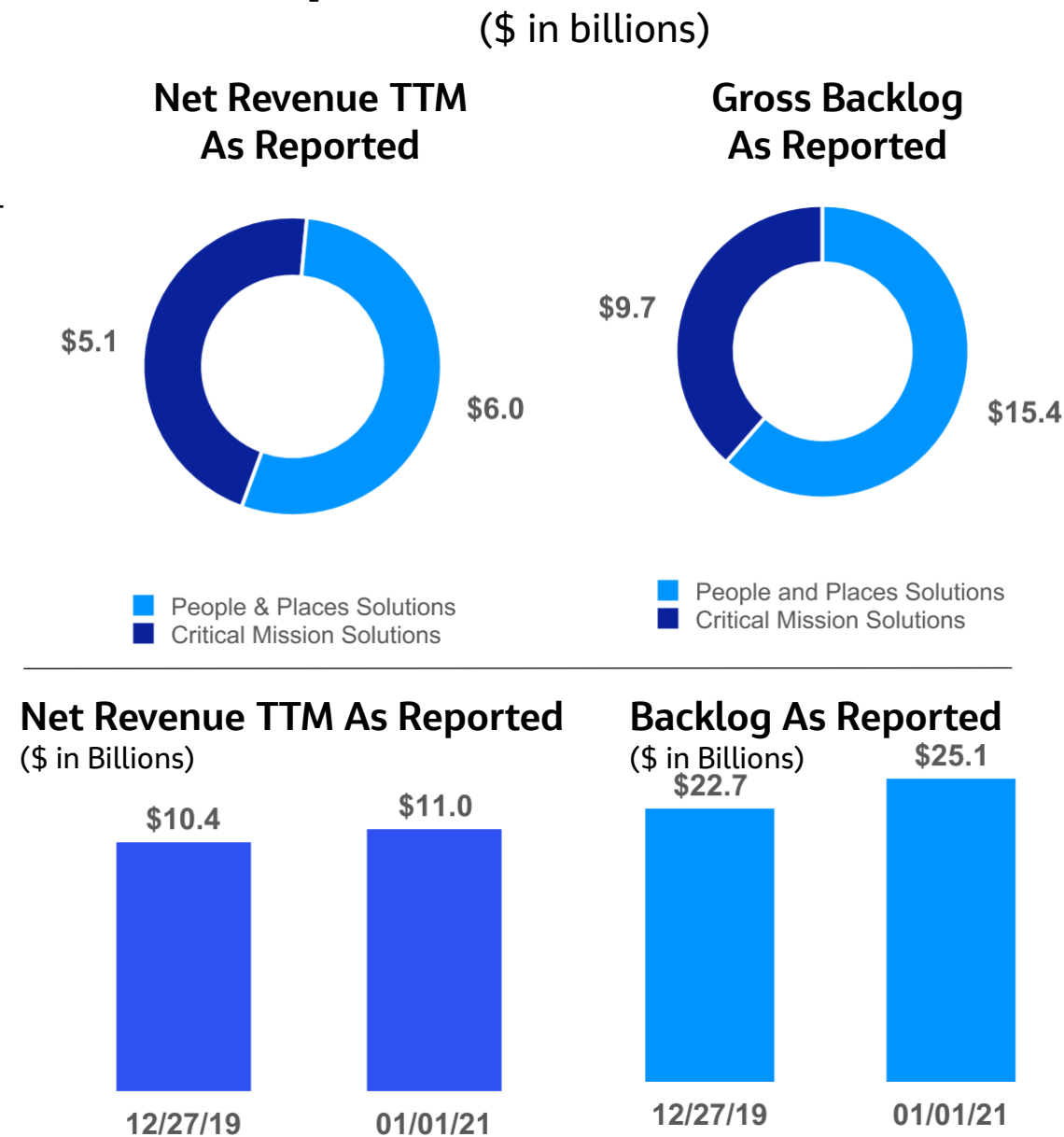
Cutter Lateral Water Treatment Plant, New Mexico: Bringing a Clean, Reliable Water Source to Navajo and Jicarilla Apache Communities

Jacobs: Delivering innovative solutions & disciplined execution

Q1 Fiscal 2021

U.S./Int'l Mix	Talent Base	Reimbursable and Lower Risk Fixed Price Services	Public Sector
73%/27%	~55,000	94%	73%

- 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	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020	Q1 2021
Critical Mission Solutions											
Backlog	7,158	7,285	8,393	8,460	8,460	8,473	9,135	9,066	9,104	9,104	9,683
Revenue	1,035	1,060	1,156	1,300	4,551	1,182	1,243	1,211	1,329	4,966	1,295
Operating Profit as a % of revenue	72 7.0%	74 7.0%	76 6.6%	88 6.7%	310 6.8%	90 7.6%	84 6.8%	90 7.4%	108 8.1%	372 7.5%	110 8.5%
People & Places Solutions											
Backlog	13,177	13,428	14,011	14,109	14,109	14,197	14,156	14,608	14,714	14,714	15,422
Revenue	2,049	2,032	2,013	2,093	8,187	2,178	2,184	2,049	2,191	8,601	2,087
Net Revenue	1,374	1,400	1,479	1,390	5,643	1,476	1,542	1,470	1,503	5,991	1,438
Operating Profit as a % of Net Revenue	159 11.6%	173 12.3%	183 12.4%	199 14.3%	714 12.7%	178 12.1%	189 12.3%	190 13.0%	183 12.2%	741 12.4%	196 13.7%
Adj. Unallocated Corporate Expense	(46)	(25)	(27)	(33)	(131)	(32)	(37)	(41)	(33)	(143)	(47)
Adj. Net Interest Income (Expense)	(5)	(9)	(9)	(6)	(29)	(13)	(14)	(17)	(12)	(57)	(12)

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 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020	Q1 2021
Backlog	20,335	20,713	22,404	22,569	22,569	22,671	23,291	23,674	23,818	23,818	25,105
Revenue	3,084	3,092	3,170	3,393	12,738	3,360	3,427	3,260	3,520	13,567	3,382
Net Revenue	2,410	2,459	2,636	2,690	10,195	2,658	2,786	2,681	2,832	10,957	2,733
Adjusted Gross Profit	571	613	629	669	2,482	645	648	631	665	2,589	632
Adjusted G&A	(386)	(392)	(396)	(415)	(1,589)	(408)	(412)	(392)	(407)	(1,619)	(373)
Adjusted Operating Profit From Continuing Operations as a % of Net Revenue ¹	185 7.7%	222 9.0%	233 8.8%	253 9.4%	893 8.8%	237 8.9%	237 8.5%	239 8.9%	258 9.1%	970 8.9%	259 9.5%
Adj. Net Interest Income (Expense)	(5)	(9)	(9)	(6)	(29)	(13)	(14)	(17)	(12)	(57)	(12)

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 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020	Q1 2021
Depreciation (pre-tax)	18,211	23,491	25,851	20,508	88,061	22,152	22,566	22,276	24,076	91,070	22,989
Amortization of Intangibles (pre-tax)	18,671	18,678	18,383	23,351	79,083	21,845	22,094	23,135	23,489	90,563	23,155
Pass-Through Costs Included in Revenue	674,278	632,359	533,935	702,786	2,543,358	701,754	641,393	578,717	687,980	2,609,843	648,677
Capital Expenditures	19,467	39,442	38,557	29,307	126,773	22,260	39,077	27,484	29,448	118,269	16,766

Non GAAP financial measures

Unaudited

	Three Months Ended January 1, 2021			
	U.S. GAAP	Effects of Restructuring, Transaction and Other Charges (1)	Other Adjustments (2)	Adjusted
Unaudited				
Revenues	\$ 3,381,836	\$ —	\$ —	\$ 3,381,836
Pass through revenue	—	—	(648,677)	(648,677)
Net revenue	3,381,836	—	(648,677)	2,733,159
Direct cost of contracts	(2,749,776)	92	648,677	(2,101,007)
Gross profit	632,060	92	—	632,152
Selling, general and administrative expenses	(418,120)	21,999	23,129	(372,992)
Operating Profit	213,940	22,091	23,129	259,160
Total other income (expense), net	140,171	31,902	(176,017)	(3,944)
Earnings from Continuing Operations Before Taxes	354,111	53,993	(152,888)	255,216
Income Tax Expense from Continuing Operations	(87,023)	(11,095)	37,377	(60,741)
Net Earnings of the Group from Continuing Operations	267,088	42,898	(115,511)	194,475
Net Earnings Attributable to Noncontrolling Interests from Continuing Operations	(10,026)	—	—	(10,026)
Net Earnings Attributable to Jacobs from Continuing Operations	257,062	42,898	(115,511)	184,449
Net Earnings Attributable to Discontinued Operations	(14)	—	—	(14)
Net Earnings (Loss) attributable to Jacobs	\$ 257,048	\$ 42,898	\$ (115,511)	\$ 184,435
Diluted Net Earnings (Loss) from Continuing Operations Per Share	\$ 1.96	\$ 0.33	\$ (0.88)	\$ 1.41
Diluted Net Earnings from Discontinued Operations Per Share	\$ —	\$ —	\$ —	\$ —
Diluted Earnings (Loss) Per Share	\$ 1.96	\$ 0.33	\$ (0.88)	\$ 1.41
Operating profit margin	6.33 %			9.48 %

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 first quarter of fiscal 2021

(1) Includes after-tax charges associated with various restructuring, transaction and other related activity costs associated with Company transformation and acquisition related programs. Also includes \$27.9 million in charges associated with the impairment of our investment in AWE.

(2) Includes mainly (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 \$648.7 million, (b) the removal of amortization of intangible assets of \$23.2 million, (c) the removal of \$93.1 million in fair value adjustments related to our investment in Worley stock and certain foreign currency revaluations relating to the ECR sale, (d) the removal of the fair value adjustment of the Company's investment in C3 of \$82.6 million and (e) income tax expense adjustments for the above pre-tax adjustment items.

Non GAAP financial measures

Three Months Ended
December 27, 2019

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 first quarter the fiscal year 2020

(1) Includes after-tax charges associated with various restructuring, transaction and other related activity costs associated with Company transformation and acquisition related programs.

(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 \$701.8 million, (b) the removal of amortization of intangible assets of \$21.8 million, (c) the reclassification of revenues under the Company's TSA of \$12.0 million included in other income for U.S. GAAP reporting purposes to SG&A and the exclusion of \$0.7 million in remaining unreimbursed costs associated with this agreement, (d) the removal of \$99.1 million in fair value adjustments related to our investment in Worley stock and certain foreign currency revaluations relating to the ECR sale and (e) income tax expense adjustments for the above pre-tax adjustment items.

<u>Unaudited</u>	U.S. GAAP	Effects of Restructuring, Transaction and Other Charges (1)	Other Adjustments (2)	Adjusted
Revenues	\$ 3,360,049	\$ —	\$ —	\$ 3,360,049
Pass through revenue	—	—	(701,754)	(701,754)
Net revenue	3,360,049	—	(701,754)	2,658,295
Direct cost of contracts	(2,715,478)	—	701,754	(2,013,724)
Gross profit	644,571	—	—	644,571
Selling, general and administrative expenses	(493,226)	50,686	34,520	(408,020)
Operating Profit	151,345	50,686	34,520	236,551
Total other income (expense), net	102,824	2,998	(111,107)	(5,285)
Earnings from Continuing Operations Before Taxes	254,169	53,684	(76,587)	231,266
Income Tax Expense from Continuing Operations	(68,489)	(13,432)	18,640	(63,281)
Net Earnings of the Group from Continuing Operations	185,680	40,252	(57,947)	167,985
Net Earnings Attributable to Noncontrolling Interests from Continuing Operations	(6,257)	—	—	(6,257)
Net Earnings from Continuing Operations attributable to Jacobs	179,423	40,252	(57,947)	161,728
Net Earnings (Loss) Attributable to Discontinued Operations	77,587	—	—	77,587
Net earnings attributable to Jacobs	\$ 257,010	\$ 40,252	\$ (57,947)	\$ 239,315
Diluted Net Earnings from Continuing Operations Per Share	\$ 1.33	\$ 0.30	\$ (0.43)	\$ 1.20
Diluted Net Earnings (Loss) from Discontinued Operations Per Share	\$ 0.58	\$ —	\$ —	\$ 0.58
Diluted Earnings Per Share	\$ 1.91	\$ 0.30	\$ (0.43)	\$ 1.78
Operating profit margin	4.50 %			8.90 %

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

	Three Months Ended 12/27/2019	Three Months Ended 1/1/2021
Adj Net earnings from Continuing Operations (1)	\$ 161,728	\$ 184,449
Adj. Income Tax Expense for Continuing Operations (1)	(63,281)	(60,741)
Adj. Net earnings from Continuing Operations attributable to Jacobs before income taxes (1)	225,009	245,190
Add-back of the following adjusted amounts:		
Depreciation expense	22,152	22,989
Interest income	(946)	(1,124)
Interest expense	14,197	13,313
Adjusted EBITDA	\$ 260,412	\$ 280,368

Reconciliation of Free Cash Flow

	Three Months Ended 1/1/2021
Net cash provided by (used for) operating activities	\$ 113
Additions to property and equipment	(17)
Free cash flow	\$ 96

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 calculated by (i) excluding the costs related to our 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; (ii) excluding costs and other charges associated with restructuring activities implemented in connection with the acquisitions of The KeyW Holding Corporation ("KeyW"), CH2M, John Wood Group nuclear business and Buffalo Group, and the pending strategic investment in PA Consulting, the sale of the ECR business 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; (iii) excluding the costs and other charges associated with the Focus 2023 initiatives commenced in the fourth quarter of fiscal 2020, which included costs and charges associated with the re-scaling and repurposing of physical office space, voluntary employee separations and related expenses (the amounts referred in (i), (ii) and (iii) are collectively referred to as the "Restructuring and other charges"); (iv) excluding transaction costs and other charges incurred in connection with closing of the KeyW, CH2M, John Wood Group nuclear business, Buffalo Group acquisitions, the pending strategic investment in PA Consulting, 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"); (v) adding back amortization of intangible assets; (vi) allocating to discontinued operations estimated stranded corporate costs that will be reimbursed or otherwise eliminated in connection with the sale of the ECR business; (vii) the reclassification of revenue under the Company's transition services agreement (TSA) with Worley included in other income for U.S. GAAP reporting purposes to SG&A and the exclusion of remaining unreimbursed costs associated with the TSA; (viii) allocating to discontinued operations estimated interest expense relating to long-term debt that was paid down with the proceeds of the ECR sale; (ix) the removal of fair value adjustments and dividend income related to the Company's investments in Worley and C3 stock and certain foreign currency revaluations relating to ECR sale proceeds; (x) 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; (xi) excluding charges resulting from the revaluation of certain deferred tax assets/liabilities in connection with U.S. tax reform; (xii) 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; (xiii) charges associated with the impairment of our investment in AWE; and (xiv) 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 operating profit margin, adjusted EBITDA and free cash flow 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 and below, 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, provided from operations less additions to property and equipment. Reconciliation of the adjusted EPS, adjusted EBITDA and free cash flow outlook for the full fiscal year 2021 and future periods 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.