

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-Q

(Mark one)

☒ **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the quarterly period ended March 31, 2023

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the transition period from _____ to _____

Commission File Number 1-7463

JACOBS SOLUTIONS INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or
organization)

88-1121891

(I.R.S. Employer Identification Number)

1999 Bryan Street

(Address of principal executive offices)

Suite 3500

Dallas

Texas

75201

(Zip Code)

(214) 583 – 8500

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class

Common Stock

\$1 par value

Trading Symbol(s)

J

Name of Each Exchange on Which Registered

New York Stock Exchange

Indicate by check-mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: ☒ Yes ☐ No

Indicate by check-mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files): ☒ Yes ☐ No

Indicate by check-mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check-mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

Number of shares of common stock outstanding at April 28, 2023: 126,850,000

JACOBS SOLUTIONS INC.

INDEX TO FORM 10-Q

	<u>Page No.</u>
PART I	
<u>FINANCIAL INFORMATION</u>	
Item 1.	
<u>Financial Statements</u>	<u>4</u>
<u>Consolidated Balance Sheets - Unaudited</u>	<u>5</u>
<u>Consolidated Statements of Earnings - Unaudited</u>	<u>6</u>
<u>Consolidated Statements of Comprehensive Income - Unaudited</u>	<u>7</u>
<u>Consolidated Statements of Stockholders' Equity - Unaudited</u>	<u>8</u>
<u>Consolidated Statements of Cash Flows - Unaudited</u>	<u>11</u>
<u>Notes to Consolidated Financial Statements - Unaudited</u>	<u>12</u>
Item 2.	
<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>35</u>
Item 3.	
<u>Quantitative and Qualitative Disclosures About Market Risk</u>	<u>51</u>
Item 4.	
<u>Controls and Procedures</u>	<u>56</u>
PART II	
<u>OTHER INFORMATION</u>	
Item 1.	
<u>Legal Proceedings</u>	<u>53</u>
Item 1A.	
<u>Risk Factors</u>	<u>53</u>
Item 2.	
<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>54</u>
Item 3.	
<u>Defaults Upon Senior Securities</u>	<u>54</u>
Item 4.	
<u>Mine Safety Disclosures</u>	<u>54</u>
Item 5.	
<u>Other Information</u>	<u>54</u>
Item 6.	
<u>Exhibits</u>	<u>55</u>
<u>SIGNATURES</u>	<u>57</u>

Part I - FINANCIAL INFORMATION

Item 1. Financial Statements.

JACOBS SOLUTIONS INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands, except share information)

	March 31, 2023	September 30, 2022
	(Unaudited)	
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 1,223,331	\$ 1,140,479
Receivables and contract assets	3,518,728	3,405,381
Prepaid expenses and other	165,822	176,134
Total current assets	4,907,881	4,721,994
Property, Equipment and Improvements, net	367,217	346,676
Other Noncurrent Assets:		
Goodwill	7,365,872	7,184,658
Intangibles, net	1,379,879	1,394,052
Deferred income tax assets	30,617	31,480
Operating lease right-of-use assets	446,589	476,913
Miscellaneous	504,576	504,646
Total other noncurrent assets	9,727,533	9,591,749
	<u>\$ 15,002,631</u>	<u>\$ 14,660,419</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Current maturities of long-term debt	\$ 51,735	\$ 50,415
Accounts payable	967,832	966,792
Accrued liabilities	1,316,415	1,441,762
Operating lease liability	152,390	150,171
Contract liabilities	723,054	641,705
Total current liabilities	3,211,426	3,250,845
Long-term Debt	3,402,471	3,357,256
Liabilities relating to defined benefit pension and retirement plans	285,648	271,332
Deferred income tax liabilities	302,046	269,077
Long-term operating lease liability	586,805	607,447
Other deferred liabilities	120,204	167,548
Commitments and Contingencies		
Redeemable Noncontrolling interests	666,007	632,522
Stockholders' Equity:		
Capital stock:		
Preferred stock, \$1 par value, authorized - 1,000,000 shares; issued and outstanding - none	—	—
Common stock, \$1 par value, authorized - 240,000,000 shares; issued and outstanding - 126,805,092 shares and 127,393,378 shares as of March 31, 2023 and September 30, 2022, respectively	126,805	127,393
Additional paid-in capital	2,697,523	2,682,009
Retained earnings	4,393,351	4,225,784
Accumulated other comprehensive loss	(838,042)	(975,130)
Total Jacobs stockholders' equity	6,379,637	6,060,056
Noncontrolling interests	48,387	44,336
Total Group stockholders' equity	6,428,024	6,104,392
	<u>\$ 15,002,631</u>	<u>\$ 14,660,419</u>

See the accompanying Notes to Consolidated Financial Statements – Unaudited.

JACOBS SOLUTIONS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS
Three and Six Months Ended March 31, 2023 and April 1, 2022
(In thousands, except per share information)
(Unaudited)

	For the Three Months Ended		For the Six Months Ended	
	March 31, 2023	April 1, 2022	March 31, 2023	April 1, 2022
Revenues	\$ 4,078,332	\$ 3,834,059	\$ 7,877,001	\$ 7,214,684
Direct cost of contracts	(3,188,038)	(2,963,649)	(6,171,994)	(5,547,800)
Gross profit	890,294	870,410	1,705,007	1,666,884
Selling, general and administrative expenses	(600,431)	(704,195)	(1,177,339)	(1,323,336)
Operating Profit	289,863	166,215	527,668	343,548
Other Income (Expense):				
Interest income	7,630	381	10,637	1,882
Interest expense	(40,613)	(21,995)	(80,690)	(41,421)
Miscellaneous (expense) income, net	(4,567)	10,681	(7,820)	20,362
Total other expense, net	(37,550)	(10,933)	(77,873)	(19,177)
Earnings from Continuing Operations Before Taxes	252,313	155,282	449,795	324,371
Income Tax Expense from Continuing Operations	(19,060)	(46,166)	(69,163)	(62,054)
Net Earnings of the Group from Continuing Operations	233,253	109,116	380,632	262,317
Net Loss of the Group from Discontinued Operations	(75)	(1)	(783)	(233)
Net Earnings of the Group	233,178	109,115	379,849	262,084
Net Earnings Attributable to Noncontrolling Interests from Continuing Operations	(7,803)	(10,261)	(14,834)	(19,514)
Net Earnings Attributable to Redeemable Noncontrolling interests	(8,863)	(10,038)	(12,855)	(19,721)
Net Earnings Attributable to Jacobs from Continuing Operations	216,587	88,817	352,943	223,082
Net Earnings Attributable to Jacobs	\$ 216,512	\$ 88,816	\$ 352,160	\$ 222,849
Net Earnings Per Share:				
Basic Net Earnings from Continuing Operations Per Share	\$ 1.71	\$ 0.69	\$ 2.78	\$ 1.72
Basic Net Loss from Discontinued Operations Per Share	\$ —	\$ —	\$ (0.01)	\$ —
Basic Earnings Per Share	\$ 1.71	\$ 0.69	\$ 2.78	\$ 1.72
Diluted Net Earnings from Continuing Operations Per Share	\$ 1.70	\$ 0.68	\$ 2.77	\$ 1.71
Diluted Net Loss from Discontinued Operations Per Share	\$ —	\$ —	\$ (0.01)	\$ —
Diluted Earnings Per Share	\$ 1.70	\$ 0.68	\$ 2.76	\$ 1.71

See the accompanying Notes to Consolidated Financial Statements - Unaudited.

JACOBS SOLUTIONS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Three and Six Months Ended March 31, 2023 and April 1, 2022
(In thousands)
(Unaudited)

	For the Three Months Ended		For the Six Months Ended	
	March 31, 2023	April 1, 2022	March 31, 2023	April 1, 2022
Net Earnings of the Group	\$ 233,178	\$ 109,115	\$ 379,849	\$ 262,084
Other Comprehensive Income:				
Foreign currency translation adjustment	21,951	(45,827)	187,285	(54,512)
Change in cash flow hedges	(19,811)	46,491	(29,955)	55,346
Change in pension and retiree medical plan liabilities	6	12,036	(22,259)	20,075
Other comprehensive income before taxes	2,146	12,700	135,071	20,909
Income Tax Benefit (Expense):				
Foreign currency translation adjustment	968	(400)	(5,641)	2,590
Cash flow hedges	5,047	(12,290)	8,317	(15,235)
Change in pension and retiree medical plan liabilities	(351)	(728)	(659)	(2,196)
Income Tax Benefit (Expense):	5,664	(13,418)	2,017	(14,841)
Net other comprehensive income (loss)	7,810	(718)	137,088	6,068
Net Comprehensive Income of the Group	240,988	108,397	516,937	268,152
Net Earnings Attributable to Noncontrolling Interests	(7,803)	(10,261)	(14,834)	(19,514)
Net Earnings Attributable to Redeemable Noncontrolling interests	(8,863)	(10,038)	(12,855)	(19,721)
Net Comprehensive Income Attributable to Jacobs	\$ 224,322	\$ 88,098	\$ 489,248	\$ 228,917

See the accompanying Notes to Consolidated Financial Statements - Unaudited.

JACOBS SOLUTIONS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
For the Three Months Ended March 31, 2023 and April 1, 2022
(In thousands)
(Unaudited)

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Jacobs Stockholders' Equity	Noncontrolling Interests	Total Group Stockholders' Equity
Balances at December 31, 2021	\$ 129,153	\$ 2,641,059	\$ 4,087,390	\$ (787,656)	\$ 6,069,946	\$ 29,999	\$ 6,099,945
Net earnings	—	—	88,816	—	88,816	10,261	99,077
Foreign currency translation adjustments, net of deferred taxes of \$400	—	—	—	(46,227)	(46,227)	—	(46,227)
Pension liability, net of deferred taxes of \$728	—	—	—	11,308	11,308	—	11,308
Change in cash flow hedges, net of deferred taxes of \$12,290	—	—	—	34,201	34,201	—	34,201
Dividends	—	—	(29,871)	—	(29,871)	—	(29,871)
Redeemable Noncontrolling interests redemption value adjustment	—	—	(35,117)	—	(35,117)	—	(35,117)
Noncontrolling interests - distributions and other	—	—	—	—	—	4,272	4,272
Stock based compensation	—	18,147	—	—	18,147	—	18,147
Issuances of equity securities including shares withheld for taxes	142	16,134	(33)	—	16,243	—	16,243
Repurchases of equity securities	(395)	(8,084)	(41,521)	—	(50,000)	—	(50,000)
Balances at April 1, 2022	\$ 128,900	\$ 2,667,256	\$ 4,069,664	\$ (788,374)	\$ 6,077,446	\$ 44,532	\$ 6,121,978
Balances at December 30, 2022	\$ 126,669	\$ 2,672,421	\$ 4,230,866	\$ (845,852)	\$ 6,184,104	\$ 49,494	\$ 6,233,598
Net earnings	—	—	216,512	—	216,512	7,803	224,315
Foreign currency translation adjustments, net of deferred taxes of \$(968)	—	—	—	22,919	22,919	—	22,919
Pension liability, net of deferred taxes of \$351	—	—	—	(345)	(345)	—	(345)
Change in cash flow hedges, net of deferred taxes of \$(5,047)	—	—	—	(14,764)	(14,764)	—	(14,764)
Dividends	—	—	(32,564)	—	(32,564)	—	(32,564)
Redeemable Noncontrolling interests redemption value adjustment	—	—	(21,177)	—	(21,177)	—	(21,177)
Noncontrolling interests - distributions and other	—	—	—	—	—	(8,910)	(8,910)
Stock based compensation	—	15,054	—	—	15,054	—	15,054
Issuances of equity securities including shares withheld for taxes	136	10,048	(286)	—	9,898	—	9,898
Balances at March 31, 2023	\$ 126,805	\$ 2,697,523	\$ 4,393,351	\$ (838,042)	\$ 6,379,637	\$ 48,387	\$ 6,428,024

See the accompanying Notes to Consolidated Financial Statements – Unaudited.

JACOBS SOLUTIONS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
For the Six Months Ended March 31, 2023 and April 1, 2022
(In thousands)

(Unaudited)

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Jacobs Stockholders' Equity	Noncontrolling Interests	Total Group Stockholders' Equity
Balances at October 1, 2021	\$ 128,893	\$ 2,590,012	\$ 4,015,578	\$ (794,442)	\$ 5,940,041	\$ 34,796	\$ 5,974,837
Net earnings	—	—	222,849	—	222,849	19,514	242,363
Foreign currency translation adjustments, net of deferred taxes of \$(2,590)	—	—	—	(51,922)	(51,922)	—	(51,922)
Pension liability, net of deferred taxes of \$2,196	—	—	—	17,879	17,879	—	17,879
Change in cash flow hedges, net of deferred taxes of \$15,235	—	—	—	40,111	40,111	—	40,111
Dividends	—	—	(29,994)	—	(29,994)	—	(29,994)
Redeemable Noncontrolling interests redemption value adjustment to Common Shareholders	—	—	(50,320)	—	(50,320)	—	(50,320)
Repurchase of redeemable noncontrolling interests	—	—	7,761	—	7,761	—	7,761
Noncontrolling interests - distributions and other	—	—	—	—	—	(9,778)	(9,778)
Stock based compensation	—	25,161	—	—	25,161	—	25,161
Issuances of equity securities including shares withheld for taxes	744	17,040	(11,904)	—	5,880	—	5,880
Repurchases of equity securities	(737)	35,043	(84,306)	—	(50,000)	—	(50,000)
Balances at April 1, 2022	\$ 128,900	\$ 2,667,256	\$ 4,069,664	\$ (788,374)	\$ 6,077,446	\$ 44,532	\$ 6,121,978
Balances at September 30, 2022	\$ 127,393	\$ 2,682,009	\$ 4,225,784	\$ (975,130)	\$ 6,060,056	\$ 44,336	\$ 6,104,392
Net earnings	—	—	352,160	—	352,160	14,834	366,994
Foreign currency translation adjustments, net of deferred taxes of \$5,641	—	—	—	181,644	181,644	—	181,644
Pension liability, net of deferred taxes of \$659	—	—	—	(22,918)	(22,918)	—	(22,918)
Change in cash flow hedges, net of deferred taxes of \$(8,317)	—	—	—	(21,638)	(21,638)	—	(21,638)
Dividends	—	—	(33,438)	—	(33,438)	—	(33,438)
Redeemable Noncontrolling interests redemption value adjustment	—	—	(44,494)	—	(44,494)	—	(44,494)
Repurchase and issuance of redeemable noncontrolling interests	—	—	11,337	—	11,337	—	11,337
Noncontrolling interests - distributions and other	—	—	—	—	—	(10,783)	(10,783)
Stock based compensation	—	35,285	—	—	35,285	—	35,285
Issuances of equity securities including shares withheld for taxes	650	6,286	(4,771)	—	2,165	—	2,165
Repurchases of equity securities	(1,238)	(26,057)	(113,227)	—	(140,522)	—	(140,522)
Balances at March 31, 2023	\$ 126,805	\$ 2,697,523	\$ 4,393,351	\$ (838,042)	\$ 6,379,637	\$ 48,387	\$ 6,428,024

See the accompanying Notes to Consolidated Financial Statements – Unaudited.

JACOBS SOLUTIONS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Six Months Ended March 31, 2023 and April 1, 2022
(In thousands)
(Unaudited)

	For the Six Months Ended	
	March 31, 2023	April 1, 2022
Cash Flows from Operating Activities:		
Net earnings attributable to the Group	\$ 379,849	\$ 262,084
Adjustments to reconcile net earnings to net cash flows provided by operations:		
Depreciation and amortization:		
Property, equipment and improvements	55,686	52,620
Intangible assets	100,247	95,338
Stock based compensation	35,285	25,161
Equity in earnings of operating ventures, net of return on capital distributions	(2,931)	13,280
Loss on disposals of assets, net	828	421
Impairment of long-lived assets and equity method investment	37,217	74,585
Deferred income taxes	20,785	16,040
Changes in assets and liabilities, excluding the effects of businesses acquired:		
Receivables and contract assets, net of contract liabilities	63,229	(33,881)
Prepaid expenses and other current assets	(9,940)	15,916
Miscellaneous other assets	43,472	67,201
Accounts payable	(15,109)	18,448
Accrued liabilities	(228,857)	(119,982)
Other deferred liabilities	(53,896)	(33,305)
Other, net	8,474	(7,670)
Net cash provided by operating activities	434,339	446,256
Cash Flows from Investing Activities:		
Additions to property and equipment	(67,389)	(48,223)
Disposals of property and equipment and other assets	15	1,064
Capital contributions to equity investees, net of return of capital distributions	8,384	1,082
Acquisitions of businesses, net of cash acquired	(17,685)	(412,748)
Net cash used for investing activities	(76,675)	(458,825)
Cash Flows from Financing Activities:		
Proceeds from long-term borrowings	2,075,495	1,519,000
Repayments of long-term borrowings	(2,129,338)	(1,125,528)
Repayments of short-term borrowings	—	(6,359)
Debt issuance costs	(11,388)	—
Proceeds from issuances of common stock	25,374	28,187
Common stock repurchases	(140,522)	(50,000)
Taxes paid on vested restricted stock	(23,209)	(28,398)
Cash dividends to shareholders	(62,788)	(57,247)
Net dividends associated with noncontrolling interests	(11,283)	(9,416)
Repurchase of redeemable noncontrolling interests	(58,353)	(35,095)
Net cash (used for) provided by financing activities	(336,012)	235,144
Effect of Exchange Rate Changes	49,761	(12,792)
Net Increase in Cash and Cash Equivalents and Restricted Cash	71,413	209,783
Cash and Cash Equivalents, including Restricted Cash, at the Beginning of the Period	1,154,207	1,026,575
Cash and Cash Equivalents, including Restricted Cash, at the End of the Period	\$ 1,225,620	\$ 1,236,358

See the accompanying Notes to Consolidated Financial Statements – Unaudited.

JACOBS SOLUTIONS INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presentation

Unless the context otherwise requires:

- References herein to “Jacobs” are to Jacobs Solutions Inc. and its predecessors;
- References herein to the “Company”, “we”, “us” or “our” are to Jacobs Solutions Inc. and its consolidated subsidiaries; and
- References herein to the “Group” are to the combined economic interests and activities of the Company and the persons and entities holding noncontrolling interests in our consolidated subsidiaries.

On August 29, 2022, Jacobs Engineering Group Inc. (“JEGI”), the predecessor to Jacobs Solutions Inc., implemented a holding company structure, which resulted in Jacobs Solutions Inc. becoming the parent company of, and successor issuer to, JEGI (the “Holding Company Reorganization”). For purposes of this Quarterly Report, references to the “Company”, “we”, “us” or “our” or our management or business at any point prior to August 29, 2022 (the “Holding Company Implementation Date”) refer to JEGI and its consolidated subsidiaries as the predecessor to Jacobs Solutions Inc.

The accompanying consolidated financial statements and financial information included herein have been prepared pursuant to the interim period reporting requirements of Form 10-Q. Consequently, certain information and note disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”) have been condensed or omitted. Readers of this Quarterly Report on Form 10-Q should also read our consolidated financial statements and the notes thereto included in our Annual Report on Form 10-K for the fiscal year ended September 30, 2022 (“2022 Form 10-K”).

In the opinion of management, the accompanying unaudited consolidated financial statements contain all adjustments (consisting of normal recurring adjustments) necessary for a fair presentation of our consolidated financial statements at March 31, 2023, and for the three and six months ended March 31, 2023.

Our interim results of operations are not necessarily indicative of the results to be expected for the full fiscal year.

As part of the new Company strategy, during the first quarter of fiscal year 2023, Jacobs formed a reporting and operating segment, Divergent Solutions (“DVS”), to further strengthen our ability to drive value for our clients. DVS supports both lines of business as the core foundation for developing and delivering innovative, next-generation cloud, cyber, data and digital technologies. For a further discussion of our segment information, please refer to Note 18- *Segment Information*.

On February 4, 2022, the Company acquired StreetLight Data, Inc. (“StreetLight”). StreetLight is a pioneer of mobility analytics who uses its data and machine learning resources to shed light on mobility and enable users to solve complex transportation problems. The Company paid total base consideration of approximately \$190.8 million in cash, and issued \$0.9 million in equity and \$5.2 million in in-the-money stock options to the former owners of StreetLight. The Company also paid off StreetLight’s debt of approximately \$1.0 million simultaneously with the consummation of the acquisition. The Company has recorded its final purchase price allocation associated with the acquisition, which is summarized in Note 15- *Other Business Combinations*.

On November 19, 2021, Jacobs acquired all outstanding shares of common stock of BlackLynx, Inc. (“BlackLynx”), a provider of high-performance software, to complement Jacobs’ portfolio of cyber, intelligence and digital solutions. The Company paid total base consideration of approximately \$235.4 million in cash to the former owners of BlackLynx. In conjunction with the acquisition, the Company also paid off BlackLynx’s debt of approximately \$5.3 million simultaneously with the consummation of the acquisition. The Company has recorded its final purchase price allocation associated with the acquisition, which is summarized in Note 15- *Other Business Combinations*.

On March 2, 2021, Jacobs completed the strategic investment of a 65% interest in PA Consulting Group Limited (“PA Consulting”), a UK-based leading innovation and transformation consulting firm. The total consideration paid by the Company was \$1.7 billion, funded through cash on hand, proceeds from a new term loan and draws on the Company’s existing revolving credit facility. The remaining 35% interest was acquired by PA Consulting employees, whose redeemable noncontrolling interests had a fair value of \$582.4 million on the closing date, including subsequent purchase accounting

JACOBS SOLUTIONS INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

adjustments. PA Consulting is accounted for as a consolidated subsidiary and as a separate operating segment. See Note 14- *PA Consulting Business Combination* for more discussion on the investment and Note 11- *Borrowings* for more discussion on the financing for the transaction.

On April 26, 2019, Jacobs completed the sale of its Energy, Chemicals and Resources ("ECR") business to Worley Limited ("Worley"), a company incorporated in Australia, for a purchase price of \$3.4 billion consisting of (i) \$2.8 billion in cash plus (ii) 58.2 million ordinary shares of Worley, subject to adjustments for changes in working capital and certain other items (the "ECR sale"). As a result of the ECR sale, substantially all ECR-related assets and liabilities were sold (the "Disposal Group"). We determined that the Disposal Group should be reported as discontinued operations in accordance with ASC 210-05, *Discontinued Operations* because their disposal represents a strategic shift that had a major effect on our operations and financial results. As such, the financial results of the ECR business are reflected in our unaudited Consolidated Statements of Earnings as discontinued operations for all periods presented and all of the ECR business to be sold under the terms of the ECR sale had been conveyed to Worley and as such, no amounts remain held for sale.

2. Use of Estimates and Assumptions

The preparation of financial statements in conformity with U.S. GAAP requires us to employ estimates and make assumptions that affect the reported amounts of certain assets and liabilities, the revenues and expenses reported for the periods covered by the accompanying consolidated financial statements, and certain amounts disclosed in these Notes to the Consolidated Financial Statements. Although such estimates and assumptions are believed to be reasonable under the circumstances and are based on management's most recent assessment of the underlying facts and circumstances utilizing the most current information available and past experience, actual results could differ significantly from those estimates and assumptions. Our estimates, judgments, and assumptions are evaluated periodically and adjusted accordingly.

Please refer to Note 2- *Significant Accounting Policies* of Notes to Consolidated Financial Statements included in our 2022 Form 10-K for a discussion of other significant estimates and assumptions affecting our consolidated financial statements.

3. Fair Value and Fair Value Measurements

Certain amounts included in the accompanying consolidated financial statements are presented at fair value. Fair value is defined as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants as of the date fair value is determined (the "measurement date"). When determining fair value, we consider the principal or most advantageous market in which we would transact, and we consider only those assumptions we believe a typical market participant would consider when pricing an asset or liability. In measuring fair value, we use the following inputs in the order of priority indicated:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than quoted prices in active markets included in Level 1, such as (i) quoted prices for similar assets or liabilities; (ii) quoted prices in markets that have insufficient volume or infrequent transactions (e.g., less active markets); and (iii) model-driven valuations in which all significant inputs are observable or can be derived principally from, or corroborated with, observable market data for substantially the full term of the asset or liability.

Level 3 - Unobservable inputs to the valuation methodology that are significant to the fair value measurement.

Please refer to Note 2- *Significant Accounting Policies* of Notes to Consolidated Financial Statements included in our 2022 Form 10-K for a more complete discussion of the various items within the consolidated financial statements measured at fair value and the methods used to determine fair value. Please also refer to Note 17- *Commitments and Contingencies and Derivative Financial Instruments* for discussion regarding the Company's derivative instruments.

The net carrying amounts of cash and cash equivalents, trade receivables and payables and short-term debt approximate fair value due to the short-term nature of these instruments. See Note 11- *Borrowings* for a discussion of the fair value of long-term debt.

Fair value measurements relating to our business combinations and goodwill allocations related to our segment realignment are made primarily using Level 3 inputs including discounted cash flow techniques. Fair value for the identified intangible assets is generally estimated using inputs primarily for the income approach using the multiple period excess earnings method and the relief from royalties method. The significant assumptions used in estimating fair value

JACOBS SOLUTIONS INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

include (i) revenue projections of the business, including profitability, (ii) attrition rates and (iii) the estimated discount rate that reflects the level of risk associated with receiving future cash flows. Other personal property assets, such as furniture, fixtures and equipment, are valued using the cost approach, which is based on replacement or reproduction costs of the asset less depreciation. The fair value of the contingent consideration is estimated using a Monte Carlo simulation and the significant assumptions used include projections of revenues and probabilities of meeting those projections. Key inputs to the valuation of the noncontrolling interests include projected cash flows and the expected volatility associated with those cash flows.

4. Revenue Accounting for Contracts

Disaggregation of Revenues

Our revenues are principally derived from contracts to provide a diverse range of technical, professional, and construction services to a large number of industrial, commercial, and governmental clients. We provide a broad range of engineering, design, and architectural services; construction and construction management services; operations and maintenance services; and technical, digital, process, scientific and systems consulting services. We provide our services through offices and subsidiaries located primarily in North America, Europe, the Middle East, India, Australia, Africa, and Asia. We provide our services under cost-reimbursable and fixed-price contracts. Our contracts are with many different customers in numerous industries. Refer to Note 18- *Segment Information* for additional information on how we disaggregate our revenues by reportable segment.

The following table further disaggregates our revenue by geographic area for the three and six months ended March 31, 2023 and April 1, 2022 (in thousands):

	Three Months Ended		Six Months Ended	
	March 31, 2023	April 1, 2022	March 31, 2023	April 1, 2022
Revenues:				
United States	\$ 2,694,735	\$ 2,499,737	\$ 5,231,013	\$ 4,648,289
Europe	931,093	937,864	1,785,666	1,804,216
Canada	61,887	67,152	123,716	132,192
Asia	35,641	36,533	70,463	68,620
India	46,829	28,844	87,173	50,992
Australia and New Zealand	170,069	181,650	331,109	359,302
Middle East and Africa	138,078	82,279	247,861	151,073
Total	<u>\$ 4,078,332</u>	<u>\$ 3,834,059</u>	<u>\$ 7,877,001</u>	<u>\$ 7,214,684</u>

Contract Liabilities

Contract liabilities represent amounts billed to clients in excess of revenue recognized to date. Revenue recognized for the three and six months ended March 31, 2023 that was previously included in the contract liability balance on September 30, 2022 was \$82.7 million and \$413.0 million, respectively. Revenue recognized for the three and six months ended April 1, 2022 that was included in the contract liability balance on October 1, 2021 was \$79.6 million and \$371.0 million, respectively.

Remaining Performance Obligation

The Company's remaining performance obligations as of March 31, 2023 represent a measure of the total dollar value of work to be performed on contracts awarded and in progress. The Company had approximately \$16.7 billion in remaining performance obligations as of March 31, 2023. The Company expects to recognize approximately 48% of our remaining performance obligations into revenue within the next twelve months and the remaining 52% thereafter.

Although remaining performance obligations reflect business that is considered to be firm, cancellations, scope adjustments or deferrals may occur that impact their volume or the expected timing of their recognition. Remaining performance obligations are adjusted to reflect any known project cancellations, revisions to project scope and cost, foreign currency exchange fluctuations and project deferrals, as appropriate.

JACOBS SOLUTIONS INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

5. Earnings Per Share and Certain Related Information

Basic and diluted earnings per share ("EPS") are computed using the two-class method, which is an earnings allocation method that determines EPS for common shares and participating securities. The undistributed earnings are allocated between common shares and participating securities as if all earnings had been distributed during the period. Participating securities and common shares have equal rights to undistributed earnings. Net earnings used for the purpose of determining basic and diluted EPS is determined by taking net earnings less earnings available to participating securities.

The following table reconciles the denominator used to compute basic EPS to the denominator used to compute diluted EPS for the three and six months ended March 31, 2023 and April 1, 2022 (in thousands):

	Three Months Ended		Six Months Ended	
	March 31, 2023	April 1, 2022	March 31, 2023	April 1, 2022
Numerator for Basic and Diluted EPS:				
Net earnings from continuing operations allocated to common stock for EPS calculation	<u>\$ 216,587</u>	<u>\$ 88,817</u>	<u>\$ 352,943</u>	<u>\$ 223,082</u>
Net loss from discontinued operations allocated to common stock for EPS calculation	<u>\$ (75)</u>	<u>\$ (1)</u>	<u>\$ (783)</u>	<u>\$ (233)</u>
Net earnings allocated to common stock for EPS calculation	<u>\$ 216,512</u>	<u>\$ 88,816</u>	<u>\$ 352,160</u>	<u>\$ 222,849</u>
Denominator for Basic and Diluted EPS:				
Shares used for calculating basic EPS attributable to common stock	<u>126,886</u>	<u>129,333</u>	<u>126,855</u>	<u>129,337</u>
Effect of dilutive securities:				
Stock compensation plans	473	640	573	796
Shares used for calculating diluted EPS attributable to common stock	<u>127,359</u>	<u>129,973</u>	<u>127,428</u>	<u>130,133</u>
Net Earnings Per Share:				
Basic Net Earnings from Continuing Operations Per Share	<u>\$ 1.71</u>	<u>\$ 0.69</u>	<u>\$ 2.78</u>	<u>\$ 1.72</u>
Basic Net Loss from Discontinued Operations Per Share	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (0.01)</u>	<u>\$ —</u>
Basic Earnings Per Share	<u>\$ 1.71</u>	<u>\$ 0.69</u>	<u>\$ 2.78</u>	<u>\$ 1.72</u>
Diluted Net Earnings from Continuing Operations Per Share	<u>\$ 1.70</u>	<u>\$ 0.68</u>	<u>\$ 2.77</u>	<u>\$ 1.71</u>
Diluted Net Loss from Discontinued Operations Per Share	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (0.01)</u>	<u>\$ —</u>
Diluted Earnings Per Share	<u>\$ 1.70</u>	<u>\$ 0.68</u>	<u>\$ 2.76</u>	<u>\$ 1.71</u>

Note: Per share amounts may not add due to rounding.

Share Repurchases

JACOBS SOLUTIONS INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

On January 16, 2020, the Company's Board of Directors authorized a share repurchase program of up to \$1.0 billion of the Company's common stock (the "2020 Repurchase Authorization"). In the fourth quarter of fiscal 2021, the Company initiated an accelerated share repurchase program under the 2020 Repurchase Authorization by advancing \$250 million to a financial institution in a privately negotiated transaction, with final non-cash settlement on the program during the first quarter of fiscal 2022 of 342,054 shares.

The 2020 Repurchase Authorization expired on January 15, 2023. On January 25, 2023, the Company's Board of Directors authorized an incremental share repurchase program of up to \$1.0 billion of the Company's common stock, to expire on January 25, 2026 (the "2023 Repurchase Authorization"). No repurchase activity has taken place under the 2023 Share Repurchase Authorization to date. Subsequent to the expiration of the 2020 Repurchase Authorization and the approval of the 2023 Repurchase Authorization, the Company has \$1.0 billion remaining under the 2023 Repurchase Authorization.

The following table summarizes the activity under the 2020 Repurchase Authorization through the second fiscal quarter of 2023:

Amount Authorized (2020 Repurchase Authorization)	Average Price Per Share (1)	Total Shares Retired	Shares Repurchased
\$1,000,000,000	\$113.56	1,237,688	1,237,688

(1) Includes commissions paid and calculated at the average price per share

Our share repurchase program does not obligate the Company to purchase any shares. Share repurchases may be executed through various means including, without limitation, accelerated share repurchases, open market transactions, privately negotiated transactions, purchases pursuant to Rule 10b5-1 plans or otherwise. The authorization for the share repurchase programs may be terminated, increased or decreased by the Company's Board of Directors in its discretion at any time. The timing, amount and manner of share repurchases may depend upon market conditions and economic circumstances, availability of investment opportunities, the availability and costs of financing, currency fluctuations, the market price of the Company's common stock, other uses of capital and other factors.

Dividends

On April 27, 2023, the Company's Board of Directors declared a quarterly dividend of \$0.26 per share of the Company's common stock to be paid on June 23, 2023, to shareholders of record on the close of business on May 26, 2023. Future dividend declarations are subject to review and approval by the Company's Board of Directors. Dividends paid through the second fiscal quarter of 2023 and the preceding fiscal year are as follows:

Declaration Date	Record Date	Payment Date	Cash Amount (per share)
January 25, 2023	February 24, 2023	March 24, 2023	\$0.26
September 15, 2022	September 30, 2022	October 28, 2022	\$0.23
July 13, 2022	July 29, 2022	August 26, 2022	\$0.23
April 28, 2022	May 27, 2022	June 24, 2022	\$0.23
January 26, 2022	February 25, 2022	March 25, 2022	\$0.23
September 23, 2021	October 15, 2021	October 29, 2021	\$0.21

6. Goodwill and Intangibles

As a result of the formation of our new Divergent Solutions operating segment beginning in the first quarter of fiscal 2023, the historical carrying value of a portion of goodwill has been reallocated to this segment based on a relative

JACOBS SOLUTIONS INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

fair value basis. The carrying value of goodwill appearing in the accompanying Consolidated Balance Sheets at March 31, 2023 and September 30, 2022 was as follows (in thousands):

	Critical Mission Solutions	People & Places Solutions	Divergent Solutions	PA Consulting	Total
Balance September 30, 2022	\$ 2,251,724	\$ 3,196,796	\$ 576,986	\$ 1,159,152	\$ 7,184,658
Acquired	—	—	—	11,956	11,956
Post-Acquisition Adjustments	—	(138)	—	877	739
Foreign currency translation and other	(4,445)	15,927	19,334	137,703	168,519
Balance March 31, 2023	<u>\$ 2,247,279</u>	<u>\$ 3,212,585</u>	<u>\$ 596,320</u>	<u>\$ 1,309,688</u>	<u>\$ 7,365,872</u>

The following table provides certain information related to the Company's acquired intangibles in the accompanying Consolidated Balance Sheets at March 31, 2023 and September 30, 2022 (in thousands):

	Customer Relationships, Contracts and Backlog	Developed Technology	Trade Names	Total
Balances September 30, 2022	\$ 1,136,438	\$ 88,931	\$ 168,683	\$ 1,394,052
Amortization	(46,116)	(7,672)	(46,459)	(100,247)
Acquired	5,537	—	—	5,537
Post-Acquisition Adjustments	(1,409)	—	—	(1,409)
Foreign currency translation and other	63,308	496	18,142	81,946
Balances March 31, 2023	<u>\$ 1,157,758</u>	<u>\$ 81,755</u>	<u>\$ 140,366</u>	<u>\$ 1,379,879</u>

The following table presents estimated amortization expense of intangible assets for the remainder of fiscal 2023 and for the succeeding years.

Fiscal Year	(in millions)
2023	\$ 102.4
2024	203.9
2025	203.5
2026	180.5
2027	149.2
Thereafter	540.4
Total	<u>\$ 1,379.9</u>

JACOBS SOLUTIONS INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

7. Receivables and Contract Assets

The following table presents the components of receivables and contract assets appearing in the accompanying Consolidated Balance Sheets at March 31, 2023 and September 30, 2022, as well as certain other related information (in thousands):

	March 31, 2023	September 30, 2022
Components of receivables and contract assets:		
Amounts billed, net	\$ 1,447,872	\$ 1,400,088
Unbilled receivables and other	1,466,892	1,523,249
Contract assets	603,964	482,044
Total receivables and contract assets, net	<u>\$ 3,518,728</u>	<u>\$ 3,405,381</u>
Other information about receivables:		
Amounts due from the United States federal government, included above, net of contract liabilities	<u>\$ 780,846</u>	<u>\$ 749,323</u>

Amounts billed, net consist of amounts invoiced to clients in accordance with the terms of our client contracts and are shown net of an allowance for doubtful accounts. We anticipate that substantially all of such billed amounts will be collected over the next twelve months.

Unbilled receivables and other, which represent an unconditional right to payment subject only to the passage of time, are reclassified to amounts billed when they are billed under the terms of the contract. We anticipate that substantially all of such unbilled amounts will be billed and collected over the next twelve months.

Contract assets represent unbilled amounts where the right to payment is subject to more than merely the passage of time and includes performance-based incentives and services that have been provided in advance of agreed contractual milestones. Contract assets are transferred to unbilled receivables when the right to consideration becomes unconditional and are transferred to amounts billed upon invoicing.

8. Accumulated Other Comprehensive Income

The following table presents the Company's roll forward of accumulated other comprehensive income (loss) after-tax as of March 31, 2023 (in thousands):

	Change in Net Pension Obligation	Foreign Currency Translation Adjustment ⁽¹⁾	Gain/(Loss) on Cash Flow Hedges ⁽²⁾	Total
Balance at September 30, 2022	\$ (307,395)	\$ (786,040)	\$ 118,305	\$ (975,130)
Other comprehensive (loss) income	(22,918)	181,644	(9,907)	148,819
Reclassifications from accumulated other comprehensive income (loss)	—	—	(11,731)	(11,731)
Balance at March 31, 2023	<u>\$ (330,313)</u>	<u>\$ (604,396)</u>	<u>\$ 96,667</u>	<u>\$ (838,042)</u>

(1) Included in the overall foreign currency translation adjustment for the six months ended March 31, 2023 and April 1, 2022 are \$(87.2) million and \$38.3 million, respectively in unrealized gains (losses) on long-term foreign currency denominated intercompany loans not anticipated to be settled in the foreseeable future.

(2) Included in the Company's cumulative net unrealized gains from interest rate and cross currency swaps recorded in accumulated other comprehensive income as of March 31, 2023 were approximately \$19.6 million in unrealized gains, net of taxes, which are expected to be realized in earnings during the twelve months subsequent to March 31, 2023.

JACOBS SOLUTIONS INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

9. Income Taxes

The Company's effective tax rates from continuing operations for the three months ended March 31, 2023 and April 1, 2022 were 7.6% and 29.7%, respectively. The most significant items contributing to the difference between the statutory U.S. federal corporate tax rate of 21.0% and the Company's effective tax rate for the three months ended March 31, 2023 were a tax benefit of \$40.2 million related to uncertain tax positions ("UTPs") in the United States that were effectively settled, of which \$30.8 million relates to positions carried forward from the acquisition of CH2M Hill Companies Ltd. that was completed in 2018, as well as a tax benefit of \$8.6 million for the release of previously valued foreign tax credits. These benefits were partly offset by U.S. state income tax expense of \$5.9 million and U.S. tax on foreign earnings of \$4.6 million. These expense items are expected to have a continuing impact on the Company's effective tax rate for the remainder of the fiscal year.

The most significant items contributing to the difference between the statutory U.S. federal corporate tax rate of 21.0% and the Company's effective tax rate for the three months ended April 1, 2022 were U.S. state income tax expense of \$5.8 million, discrete foreign tax items of \$5.2 million, none of which are individually significant, and U.S. tax on foreign earnings of \$1.3 million.

The Company's effective tax rates from continuing operations for the six months ended March 31, 2023 and April 1, 2022 were 15.4% and 19.1%, respectively. The most significant items contributing to the difference between the statutory U.S. federal corporate tax rate of 21.0% and the Company's effective tax rate for the six months ended March 31, 2023 were net tax benefits of \$39.0 million mostly related to UTPs mentioned above and a tax benefit of \$8.6 million for the release of previously valued foreign tax credits, partly offset by U.S. state income tax expense of \$10.5 million and U.S. tax on foreign earnings of \$8.2 million.

The most significant items contributing to the difference between the statutory U.S. federal corporate tax rate of 21.0% and the Company's effective tax rate for the six months ended April 1, 2022 were a net tax benefit of \$12.6 million from the change in valuation allowances for previously valued foreign tax credits and India's minimum alternate tax credit and a tax benefit of \$4.9 million related to filing amended state returns, partly offset by U.S. state income tax expense of \$8.9 million and U.S. tax on foreign earnings of \$4.0 million.

The amount of income taxes the Company pays is subject to ongoing audits by tax jurisdictions around the world. In the normal course of business, the Company is subject to examination by tax authorities throughout the world, including such major jurisdictions as Australia, Canada, India, the Netherlands, the United Kingdom and the United States. Our estimate of the potential outcome of any uncertain tax issue is subject to our assessment of the relevant risks, facts, and circumstances existing at the time. The Company believes that it has adequately provided for reasonably foreseeable outcomes related to these matters. However, future results may include favorable or unfavorable adjustments to our estimated tax liabilities in the period the assessments are made or resolved, which may impact our effective tax rate.

10. Joint Ventures, VIEs and Other Investments

For the Company's consolidated variable interest entities ("VIE") joint ventures, the carrying value of assets and liabilities was \$362.6 million and \$223.7 million, respectively, as of March 31, 2023 and \$353.9 million and \$228.1 million, respectively, as of September 30, 2022. There are no consolidated VIEs that have debt or credit facilities.

For the Company's proportionate consolidated VIEs, the carrying value of assets and liabilities was \$123.5 million and \$139.8 million, respectively, as of March 31, 2023, and \$109.3 million and \$129.2 million, respectively, as of September 30, 2022.

Our investments in equity method joint ventures on the Consolidated Balance Sheets (reported in Other Noncurrent Assets: Miscellaneous) as of March 31, 2023 and September 30, 2022 were \$54.3 million and \$56.6 million, respectively. Additionally, income from equity method joint ventures (reported in Revenue) was \$7.5 million and \$12.5 million, respectively, during the three months ended March 31, 2023 and April 1, 2022, with \$17.5 million and \$19.3 million, respectively, reporting in the corresponding six month periods. As of March 31, 2023, the Company does not have any material equity method investments that exceed its share of venture net assets.

JACOBS SOLUTIONS INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

Accounts receivable from unconsolidated joint ventures accounted for under the equity method was \$19.3 million and \$21.1 million as of March 31, 2023 and September 30, 2022, respectively.

11. Borrowings

At March 31, 2023 and September 30, 2022, long-term debt consisted of the following (principal amounts in thousands):

	Interest Rate	Maturity	March 31, 2023	September 30, 2022
Revolving Credit Facility	Benchmark + applicable margin (1) (2)	February 2028	\$ 1,077,794	\$ 1,105,294
2021 Term Loan Facility - US Portion	Benchmark + applicable margin (1) (3)	February 2026	200,000	200,000
2021 Term Loan Facility - GBP Portion	Benchmark + applicable margin (3)	September 2025	802,295	723,580
2020 Term Loan Facility	Benchmark + applicable margin (1) (4)	March 2025 (7)	882,789	882,263
Fixed-rate notes due:				
Bonds, Sustainability-Linked	5.9% (5)	March 2033	500,000	—
Senior Notes, Series A	4.27%	May 2025 (6)	—	190,000
Senior Notes, Series B	4.42%	May 2028 (6)	—	180,000
Senior Notes, Series C	4.52%	May 2030 (6)	—	130,000
Less: Current Portion (7)			(51,735)	(50,415)
Less: Deferred Financing Fees			(8,672)	(3,466)
Total Long-term debt, net			\$ 3,402,471	\$ 3,357,256

- (1) During the second quarter of fiscal 2023, the aggregate principal amounts denominated in U.S. dollars under the Revolving Credit Facility, the 2021 Term loan facility and the 2020 Term Loan Facility (each as defined below) transitioned from underlying LIBOR benchmarked rates to the Term Secured Overnight Financing Rate ("SOFR"). During fiscal 2022, the aggregate principal amounts denominated in British pounds under the Revolving Credit Facility, 2021 Term Loan Facility and 2020 Term Loan Facility transitioned from underlying LIBOR benchmarked rates to Sterling Overnight Index Average ("SONIA") rates.
- (2) Depending on the Company's Consolidated Leverage Ratio or Debt Rating (each as defined in the credit agreement governing the Revolving Credit Facility), U.S. dollar denominated borrowings under the Revolving Credit Facility bear interest at either a SOFR rate plus a margin of between 0.975% and 1.725% or a base rate plus a margin of between 0% and 0.625%. The applicable SOFR rates, or LIBOR rate for the prior fiscal year end, including applicable margins at March 31, 2023 and September 30, 2022 were approximately 6.24% and 4.08%. Borrowings denominated in British pounds bear interest at an adjusted SONIA rate plus a margin of between 0.908% and 1.658%. There were no amounts drawn in British pounds as of March 31, 2023.
- (3) Depending on the Company's Consolidated Leverage Ratio or Debt Rating (each as defined in the credit agreement governing the 2021 Term Loan Facility), U.S. dollar denominated borrowings under the 2021 Term Loan Facility bear interest at either a SOFR rate plus a margin of between 0.975% and 1.725% or a base rate plus a margin of between 0% and 0.625%. The applicable SOFR, or LIBOR rate for the prior fiscal year end, including applicable margins for borrowings denominated in U.S. dollars at March 31, 2023 and September 30, 2022 was approximately 6.23% and 4.06%. Borrowings denominated in British pounds bear interest at an adjusted SONIA rate plus a margin of between 0.908% and 1.658%, which was approximately 5.58% and 3.60% at March 31, 2023 and September 30, 2022, respectively.
- (4) Depending on the Company's Consolidated Leverage Ratio or Debt Rating (each as defined in the credit agreement governing the 2020 Term Loan Facility), U.S. dollar denominated borrowings under the 2020 Term Loan Facility bear interest at either a SOFR rate plus a margin of between 0.975% and 1.725% or a base rate plus a margin of between 0% and 0.625%. The applicable SOFR, or LIBOR rate for the prior fiscal year end, including applicable margins for borrowings denominated in U.S. dollars at March 31, 2023 and September 30, 2022 were approximately 6.28% and 4.49%. Borrowings denominated in British pounds bear interest at an adjusted SONIA rate plus a margin of between 0.908% and 1.658%, which was approximately 5.58% and 3.60% at March 31, 2023 and September 30, 2022, respectively.
- (5) From and including September 1, 2028 (the "First Step Up Date"), the interest rate payable on the Bonds (as defined below) will be increased by an additional 12.5 basis points to 6.025% per annum (the "First Step Up Interest Rate") unless the Company notifies the Trustee (as defined below) on or before the date that is 15 days prior to the First Step Up Date that the Percentage of Gender Diversity Performance Target (as defined in the First Supplemental Indenture (as defined below)) has been satisfied and receives a

JACOBS SOLUTIONS INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

related assurance letter verifying such compliance. From and including September 1, 2030 (the "Second Step Up Date") the interest rate payable on the Bonds will be increased by 12.5 basis points to (x) 6.150% per annum if the First Step Up Interest Rate was in effect immediately prior to the Second Step Up Date or (y) 6.025% per annum if the initial interest rate was in effect immediately prior to the Second Step Up Date, unless the Company notifies the Trustee on or before the date that is 15 days prior to the Second Step Up Date that the GHG Emissions Performance Target (as defined in the First Supplemental Indenture) has been satisfied and receives a related assurance letter verifying such compliance.

- (6) All amounts due under the Note Purchase Agreement pursuant to which the Senior Notes (each as defined below) were issued were repaid in the first fiscal quarter of 2023.
- (7) The 2020 Term Loan requires quarterly principal repayments of 1.25%, or \$9.125 million and £3.125 million, of the aggregate initial principal amount borrowed.

Revolving Credit Facility and Term Loans

On February 7, 2014, Jacobs and certain of its subsidiaries entered into a \$1.6 billion long-term unsecured, revolving credit facility (as amended, the "2014 Revolving Credit Facility") with a syndicate of U.S. and international banks and financial institutions. On March 27, 2019, the Company entered into a second amended and restated credit agreement (the "Revolving Credit Facility"), which amended and restated the 2014 Revolving Credit Facility by, among other things, (a) extending the maturity date of the credit facility to March 27, 2024, (b) increasing the facility amount to \$2.25 billion (with an accordion feature that allows a further increase of the facility amount up to \$3.25 billion), (c) eliminating the covenants restricting investments, joint ventures and acquisitions by the Company and its subsidiaries and (d) adjusting the financial covenants to eliminate the net worth covenant upon the removal of the same covenant from the Company's existing Note Purchase Agreement (defined below). On February 6, 2023, the Company amended and restated the Revolving Credit Facility to, among other things: (a) extend the maturity date to February 6, 2028, (b) replace and adjust interest rates based on market conditions and incorporate a sustainability-linked pricing adjustment, (c) increase the Consolidated Leverage Ratio financial covenant to 3.50:1.00 (subject to temporary increases to 4.00:1.00 following the closing of certain material acquisitions), (d) eliminate the net worth financial covenant, and (e) add Jacobs Solutions Inc. as a guarantor of the obligations of JEGI and its subsidiaries under the Revolving Credit Facility.

The Revolving Credit Facility permits the Company to borrow in U.S. dollars, certain specified foreign currencies, and any other currency that may be approved in accordance with the terms of the Revolving Credit Facility. The Revolving Credit Facility also provides for a financial letter of credit sub facility of \$400.0 million, permits performance letters of credit, and provides for a \$100.0 million sub facility for swing line loans. Letters of credit are subject to fees based on the Company's Consolidated Leverage Ratio and Debt Rating, whichever is more favorable to the Company. The Company pays a facility fee of between 0.10% and 0.25% per annum depending on the Company's Consolidated Leverage Ratio and Debt Rating.

On January 20, 2021, the Company entered into an unsecured delayed draw term loan facility (the "2021 Term Loan Facility") with a syndicate of financial institutions as lenders. Under the 2021 Term Loan Facility, the Company borrowed an aggregate principal amount of \$200.0 million and £650.0 million. The proceeds of the term loans were used primarily to fund the Company's investment in PA Consulting. The 2021 Term Loan Facility contains affirmative and negative covenants and events of default customary for financings of this type that are consistent with those included in the Revolving Credit Facility and the 2020 Term Loan Facility. On February 6, 2023, the Company amended and restated the 2021 Term Loan Facility to, among other things: (a) extend the maturity date of the U.S. dollar term loan to February 6, 2026 and the British sterling term loan to September 1, 2025, (b) replace and adjust interest rates based on market conditions and incorporate a sustainability-linked pricing adjustment, (c) increase the Consolidated Leverage Ratio financial covenant to 3.50:1.00 (subject to temporary increases to 4.00:1.00 following the closing of certain material acquisitions), (d) eliminate the net worth financial covenant, and (e) add Jacobs as a guarantor of the obligations of JEGI under the 2021 Term Loan Facility.

On March 25, 2020, the Company entered into an unsecured term loan facility (the "2020 Term Loan Facility") with a syndicate of financial institutions as lenders. Under the 2020 Term Loan Facility, the Company borrowed an aggregate principal amount of \$730.0 million and one of the Company's U.K. subsidiaries borrowed an aggregate principal amount of £250.0 million. The proceeds of the term loans were used to repay an existing term loan with a maturity date of June 2020 and for general corporate purposes. The 2020 Term Loan Facility contains affirmative and negative covenants and events of default customary for financings of this type that are consistent with those included in the Revolving Credit Facility. On February 6, 2023, the Company amended the 2020 Term Loan Facility to, among other things: (a) replace and adjust interest rates based on market conditions and incorporate a sustainability-linked pricing adjustment, (b) increase the Consolidated Leverage Ratio financial covenant to 3.50:1.00 (subject to temporary increases to 4.00:1.00 following the closing of certain material acquisitions), (c) eliminate the net worth financial covenant, and (d) add Jacobs as a guarantor of the obligations of JEGI and Jacobs U.K.

JACOBS SOLUTIONS INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

The 2020 Term Loan Facility and the 2021 Term Loan Facility are together referred to as the "Term Loan Facilities".

In the fourth quarter of fiscal year 2022, the Revolving Credit Facility and Term Loan Facilities were amended to permit the Holding Company Reorganization.

We were in compliance with the covenants under the Revolving Credit Facility and Term Loan Facilities at March 31, 2023.

Bonds, Sustainability-Linked

On February 16, 2023, JEGI completed an offering of \$500 million aggregate principal amount of Sustainability-Linked Senior Notes due 2033 (the "Bonds"). The Bonds are fully and unconditionally guaranteed by the Company (the "Guarantee"). The Bonds and the Guarantee were offered pursuant to a prospectus supplement, dated February 13, 2023, to the prospectus dated February 6, 2023, that forms a part of the Company's and JEGI's automatic shelf registration statement on Form S-3ASR previously filed with the Securities and Exchange Commission, and were issued pursuant to an Indenture, dated as of February 16, 2023, between JEGI, as issuer, the Company, as guarantor, and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), as amended and supplemented by the First Supplemental Indenture, dated as of February 16, 2023 (the "First Supplemental Indenture"). Interest on the Bonds is payable semi-annually in arrears on each March 1 and September 1, commencing on September 1, 2023, until maturity. The Bonds bear interest at 5.9% per annum, subject to adjustments, as discussed in note (5) to the table above.

Prior to December 1, 2032 (the "Par Call Date"), JEGI may redeem the Bonds at its option, in whole or in part, at any time and from time to time, at the redemption price calculated by JEGI (expressed as a percentage of principal amount and rounded to three decimal places) equal to the greater of: (1) (a) the sum of the present values of the remaining scheduled payments of principal and interest on the Bonds being redeemed, assuming that such Bonds matured on the Par Call Date, discounted to the redemption date on a semiannual basis (assuming a 360-day year of twelve 30-day months), at the Treasury Rate (as defined in the First Supplemental Indenture) plus 35 basis points, less (b) interest accrued to the redemption date, and (2) 100% of the principal amount of such Bonds to be redeemed, plus, in either case, accrued and unpaid interest on the Bonds, if any, to, but excluding, the redemption date. At any time and from time to time on or after the Par Call Date, JEGI may redeem the Bonds, at its option, in whole or in part, at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, plus accrued and unpaid interest thereon, if any, up to, but excluding, the redemption date.

Senior Notes, Series A, B and C

On March 12, 2018, the Company entered into a note purchase agreement (as amended, the "Note Purchase Agreement") with respect to the issuance and sale in a private placement transaction of \$500 million in the aggregate principal amount of the Company's senior notes in three series (collectively, "Senior Notes"). In connection with the Holding Company Reorganization, which was completed in August 2022, the Company launched an offer to repurchase its outstanding Senior Notes at par plus accrued and unpaid interest, and without any make-whole premium. In fiscal first quarter 2023, the Company repurchased \$481 million of Senior Notes held by holders who accepted the offer with proceeds from the Revolving Credit Facility. In December 2022, the Company repurchased the remaining \$19 million of Senior Notes.

We believe the carrying value of the Revolving Credit Facility, the Term Loan Facilities and other debt outstanding approximates fair value based on the interest rates and scheduled maturities applicable to the outstanding borrowings. The fair value of the Bonds is estimated to be \$497.1 million at March 31, 2023, based on Level 2 inputs. The fair value is determined by discounting future cash flows using interest rates available for issuances with similar terms and average maturities.

Other arrangements

During fiscal 2022, the Company entered into two treasury lock agreements with an aggregate notional value of \$500.0 million to manage its expected interest rate exposure in anticipation of issuing up to \$500 million of fixed rate debt. On February 13, 2023 and with the issuance of the Bonds, the Company settled these treasury lock agreements. See Note 17- *Commitments and Contingencies and Derivative Financial Instruments* for more discussion around this transaction.

JACOBS SOLUTIONS INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

During fiscal 2020, the Company entered into interest rate and cross currency derivative contracts to swap a portion of our variable rate debt to fixed rate debt. See Note 17- *Commitments and Contingencies and Derivative Financial Instruments* for discussion regarding the Company's derivative instruments.

The Company has issued \$1.3 million in letters of credit under the Revolving Credit Facility, leaving \$1.17 billion of available borrowing capacity under the Revolving Credit Facility at March 31, 2023. In addition, the Company had issued \$321.1 million under separate, committed and uncommitted letter-of-credit facilities for total issued letters of credit of \$322.4 million at March 31, 2023.

12. Leases

The components of lease expense (reflected in selling, general and administrative expenses) for the three and six months ended March 31, 2023 and April 1, 2022 were as follows (in thousands):

	Three Months Ended		Six Months Ended	
	March 31, 2023	April 1, 2022	March 31, 2023	April 1, 2022
Lease expense				
Operating lease expense	\$ 35,539	\$ 37,213	\$ 70,821	\$ 77,751
Variable lease expense	9,416	8,854	18,762	15,939
Sublease income	(4,414)	(3,922)	(8,820)	(7,590)
Total lease expense	\$ 40,541	\$ 42,145	\$ 80,763	\$ 86,100

Supplemental information related to the Company's leases for the six months ended March 31, 2023 and April 1, 2022 was as follows (in thousands):

	Six Months Ended	
	March 31, 2023	April 1, 2022
Cash paid for amounts included in the measurements of lease liabilities	\$ 92,142	\$ 119,031
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ 42,150	\$ 27,838
Weighted average remaining lease term - operating leases	6.1 years	6.6 years
Weighted average discount rate - operating leases	3.0%	2.7%

Total remaining lease payments under the Company's leases for the remainder of fiscal 2023 and for the succeeding years is as follows (in thousands):

Fiscal Year	Operating Leases
2023	\$ 88,355
2024	161,867
2025	135,506
2026	113,639
2027	92,933
Thereafter	220,982
	813,282
Less Interest	(74,087)
	\$ 739,195

Right-of-Use and Other Long-Lived Asset Impairment

JACOBS SOLUTIONS INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

During the fiscal first quarter of 2023 and 2022, as a result of the Company's transformation initiatives, including the changing nature of the Company's use of office space for its workforce, the Company evaluated its existing real estate lease portfolio. These initiatives resulted in the abandonment of certain leased office spaces and the establishment of a formal plan to sublease certain other leased spaces that will no longer be utilized by the Company. In connection with the Company's actions related to these initiatives, the Company evaluated certain of its lease right-of-use assets and related property, equipment and leasehold improvements for impairment under ASC 360.

As a result of the analysis, the Company recognized impairment losses during the three and six months ended March 31, 2023 of \$10.1 million and \$37.2 million, respectively, compared to \$2.3 million and \$74.6 million from the corresponding periods last year, which are included in selling, general and administrative expenses in the accompanying statement of earnings. The impairment losses recorded include \$32.4 million and \$56.6 million related to right-of-use lease assets and \$4.8 million and \$18.0 million related to other long-lived assets, including property, equipment and improvements and leasehold improvements for the fiscal 2023 and 2022 periods, respectively.

The fair values for the asset groups relating to the impaired long-lived assets were estimated primarily using discounted cash flow models (income approach) with Level 3 inputs. The significant assumptions used in estimating fair value include the expected downtime prior to the commencement of future subleases, projected sublease income over the remaining lease periods and discount rates that reflect the level of risk associated with receiving future cash flows.

13. Pension and Other Postretirement Benefit Plans

The following table presents the components of net periodic pension benefit recognized in earnings during the three and six months ended March 31, 2023 and April 1, 2022 (in thousands):

	Three Months Ended		Six Months Ended	
	March 31, 2023	April 1, 2022	March 31, 2023	April 1, 2022
Component:				
Service cost	\$ 1,748	\$ 1,709	\$ 3,496	\$ 3,418
Interest cost	20,233	13,784	40,466	27,568
Expected return on plan assets	(21,091)	(23,263)	(42,182)	(46,526)
Amortization of previously unrecognized items	1,304	3,092	2,608	6,184
Total net periodic pension benefit cost/(income) recognized	\$ 2,194	\$ (4,678)	\$ 4,388	\$ (9,356)

The service cost component of net periodic pension benefit is presented in the same line item as other compensation costs (direct cost of contracts and selling, general and administrative expenses) and the other components of net periodic pension expense are presented in miscellaneous income (expense), net on the Consolidated Statements of Earnings.

The following table presents certain information regarding the Company's cash contributions to our pension plans for fiscal 2023 (in thousands):

Cash contributions made during the first six months of fiscal 2023	\$ 14,793
Cash contributions projected for the remainder of fiscal 2023	11,858
Total	<u>\$ 26,651</u>

JACOBS SOLUTIONS INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

14. PA Consulting Business Combination

Deal Summary

On March 2, 2021, Jacobs completed the strategic investment of a 65% interest in PA Consulting, a UK-based leading innovation and transformation consulting firm. The total consideration paid by the Company was \$1.7 billion, funded through cash on hand, proceeds from a new term loan and draws on the Company's existing Revolving Credit Facility. The remaining 35% interest was acquired by PA Consulting employees, whose redeemable noncontrolling interests had a fair value of \$582.4 million on the closing date, including subsequent purchase accounting adjustments. PA Consulting is accounted for as a consolidated subsidiary and as a separate operating segment. See Note 11- *Borrowings* for more discussion on the financing for the transaction.

Redeemable Noncontrolling Interests

In connection with the PA Consulting investment, the Company recorded redeemable noncontrolling interests, including subsequent purchase accounting adjustments, representing the noncontrolling interest holders' equity interests in the form of preferred and common shares of PA Consulting, with substantially all of the value associated with these interests allocable to the preferred shares.

During the first half of fiscal 2023 and 2022, PA Consulting repurchased certain shares of the redeemable noncontrolling interest holders for \$58.4 million and \$35.1 million, respectively, in cash.

Changes in the redeemable noncontrolling interests during the six months ended March 31, 2023 are as follows (in thousands):

Balance at September 30, 2022	\$	632,522
Accrued Preferred Dividend to Preference Shareholders		33,786
Attribution of Preferred Dividend to Common Shareholders		(33,786)
Net earnings attributable to redeemable noncontrolling interests to Common Shareholders		12,855
Redeemable Noncontrolling interests redemption value adjustment		44,494
Repurchase of redeemable noncontrolling interests		(69,690)
Cumulative translation adjustment and other		45,826
Balance at March 31, 2023	\$	<u>666,007</u>

In addition, certain employees and non-employees of PA Consulting are eligible to receive equity-based incentive grants in the future under the terms of the applicable agreements. During first six months of fiscal 2023 and 2022, the Company recorded \$1.1 million and \$1.0 million, respectively, in expenses associated with these agreements which is reflected in selling, general and administrative expenses in the consolidated statements of earnings.

Restricted Cash

The Company, through its investment in PA Consulting, held \$2.3 million and \$13.7 million at March 31, 2023 and September 30, 2022, respectively, in cash that is restricted from general use and is included in prepaid expenses and other current assets on the Consolidated Balance Sheets.

JACOBS SOLUTIONS INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

15. Other Business Combinations

StreetLight Data, Inc.

On February 4, 2022, the Company acquired StreetLight Data, Inc. ("StreetLight"). StreetLight is a pioneer of mobility analytics who uses its data and machine learning resources to shed light on mobility and enable users to solve complex transportation problems. The Company paid total base consideration of approximately \$190.8 million in cash, and issued \$0.9 million in equity and \$5.2 million in in-the-money stock options to the former owners of StreetLight. The Company also paid off StreetLight's debt of approximately \$1.0 million simultaneously with the consummation of the acquisition. The following summarizes the fair values of StreetLight's assets acquired and liabilities assumed as of the acquisition date (in millions):

Assets	
Cash and cash equivalents	\$ 7.3
Receivables	5.2
Property, equipment and improvements, net	0.1
Goodwill	116.4
Identifiable intangible assets	105.1
Prepaid expenses and other current assets	2.0
Total Assets	\$ 236.1
Liabilities	
Accounts payable, accrued expenses and other current liabilities	\$ 23.1
Other long term liabilities	16.1
Total Liabilities	39.2
Net assets acquired	\$ 196.9

Goodwill recognized results from a substantial assembled workforce, which does not qualify for separate recognition, as well as expected future synergies from combining operations. None of the goodwill recognized is expected to be deductible for tax purposes. The Company has completed its final assessment of the fair values of StreetLight's assets acquired and liabilities assumed. Since the initial preliminary estimates reported in the second quarter of fiscal 2022, the Company has updated certain amounts reflected in the preliminary purchase price allocation, as summarized in the fair values of StreetLight's assets acquired and liabilities assumed as of the acquisition date set forth above, the majority of which related to reclassifications between goodwill and intangibles and for deferred taxes.

Identifiable intangibles are technology, data and customer relationships, contracts and backlog and have estimated lives of 5, 4 and 9 years, respectively.

No summarized unaudited pro forma results are provided for the StreetLight acquisition due to the immateriality of this acquisition relative to the Company's consolidated financial position and results of operations.

JACOBS SOLUTIONS INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

BlackLynx

On November 19, 2021, Jacobs acquired all outstanding shares of common stock of BlackLynx, a provider of high-performance software, to complement Jacobs' portfolio of cyber, intelligence and digital solutions. The Company paid total base consideration of approximately \$235.4 million in cash to the former owners of BlackLynx. In conjunction with the acquisition, the Company also paid off BlackLynx's debt of approximately \$5.3 million simultaneously with the consummation of the acquisition. The following summarizes the fair values of BlackLynx's assets acquired and liabilities assumed as of the acquisition date (in millions):

Assets	
Cash and cash equivalents	\$ 5.1
Receivables	7.7
Property, equipment and improvements, net	0.8
Goodwill	195.8
Identifiable intangible assets	51.1
Prepaid expenses and other current assets	3.2
Total Assets	\$ 263.7
Liabilities	
Accounts payable, accrued expenses and other current liabilities	\$ 19.5
Other long term liabilities	8.8
Total Liabilities	28.3
Net assets acquired	\$ 235.4

Goodwill recognized results from a substantial assembled workforce, which does not qualify for separate recognition, as well as expected future synergies from combining operations. None of the goodwill recognized was deductible for tax purposes.

Identifiable intangibles are technology and customer relationships, contracts and backlog and have estimated lives of 8 and 4 years, respectively.

No summarized unaudited pro forma results are provided for the BlackLynx acquisition due to the immateriality of this acquisition relative to the Company's consolidated financial position and results of operations.

16. Restructuring and Other Charges

During fiscal 2022, the Company implemented certain restructuring and integration initiatives relating to the StreetLight and BlackLynx acquisitions, the activities of which are expected to be substantially completed before the end of fiscal 2023. Also, during fiscal 2022 and continuing into fiscal 2023, the Company implemented further real estate rescaling efforts that were associated with its fiscal 2020 transformation program relating to real estate and other staffing initiatives. These initiatives are expected to continue through the remainder of fiscal 2023.

During fiscal 2021, the Company implemented certain restructuring and integration initiatives relating to the acquisition of Buffalo Group LLC ("Buffalo Group") as well as integration related activities associated with our PA Consulting investment. The activities of the Buffalo Group initiative are substantially completed and the activities of the PA Consulting initiative are expected to end before the end of fiscal 2025.

During fiscal 2019 and continuing into fiscal 2020, the Company implemented certain restructuring, separation and integration initiatives associated with the ECR sale, the acquisition of KeyW Holding Corporation ("KeyW"), and other related cost reduction initiatives. Additionally, in fiscal 2020, the Company implemented certain restructuring and integration initiatives associated with the acquisition of John Wood Group's nuclear business. The restructuring activities

JACOBS SOLUTIONS INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

and related costs were comprised mainly of separation and lease abandonment and sublease programs, while the separation and integration activities and costs were mainly related to the engagement of consulting services and internal personnel and other related costs dedicated to the Company's ECR-business separation. The activities of these initiatives have been substantially completed.

As part of the Company's acquisition of CH2M Hill Companies, Ltd. ("CH2M") during fiscal 2018, the Company implemented certain restructuring plans that were comprised mainly of severance and lease abandonment programs as well as integration activities involving the engagement of professional services and internal personnel dedicated to the Company's integration management efforts. The activities of these initiatives have been substantially completed.

Collectively, the above-mentioned restructuring activities are referred to as "Restructuring and other charges."

The following table summarizes the impacts of the Restructuring and other charges by reportable segment in connection with the CH2M, KeyW, John Wood Group's nuclear business, Buffalo Group, StreetLight and BlackLynx acquisitions, the PA Consulting investment, the ECR sale and the Company's transformation initiatives relating to real estate and other staffing programs for the three and six months ended March 31, 2023 and April 1, 2022 (in thousands):

	Three Months Ended		Six Months Ended	
	March 31, 2023	April 1, 2022	March 31, 2023	April 1, 2022
Critical Mission Solutions	\$ 1,052	\$ 3,462	\$ 3,264	\$ 4,616
People & Places Solutions	5,869	671	33,186	61,840
Divergent Solutions	3,630	—	5,212	—
PA Consulting	—	1,517	—	1,716
Corporate	2,289	102,514	5,622	109,352
Total	<u>\$ 12,840</u>	<u>\$ 108,164</u>	<u>\$ 47,284</u>	<u>\$ 177,524</u>
Amounts included in:				
Operating profit (mainly SG&A) (1)	\$ 12,873	\$ 110,171	\$ 47,945	\$ 188,075
Other (Income) Expense, net (2)	(33)	(2,007)	(661)	(10,551)
	<u>\$ 12,840</u>	<u>\$ 108,164</u>	<u>\$ 47,284</u>	<u>\$ 177,524</u>

(1) Included in the three and six month periods ended March 31, 2023 were \$11.0 million and \$38.7 million, respectively, and the six month period in fiscal 2022 included approximately \$71.0 million in charges associated mainly with real estate impairments and related charges, the majority of which related to People and Places Solutions. Included in the three and six month periods ended April 1, 2022 was \$91.3 million related to the final pre-tax settlement of the Legacy CH2M Matter (defined below), net of previously recorded reserves.

(2) The six month periods ended March 31, 2023 and April 1, 2022 included gains of \$0.7 million and \$7.1 million, respectively, related to lease terminations.

JACOBS SOLUTIONS INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

The activity in the Company's accruals for Restructuring and other charges for the six months ended March 31, 2023 is as follows (in thousands):

Balance at September 30, 2022	\$ 4,137
Net Charges (Credits) (1)	8,581
Payments and other	(9,603)
Balance at March 31, 2023	<u>\$ 3,115</u>

(1) Excludes \$38.7 million associated mainly with real estate related impairments and other transformation activities described above during the six months ended March 31, 2023.

The following table summarizes the Restructuring and other charges by major type of costs for the three and six months ended March 31, 2023 and April 1, 2022 (in thousands):

	Three Months Ended		Six Months Ended	
	March 31, 2023	April 1, 2022	March 31, 2023	April 1, 2022
Lease Abandonments and Impairments	\$ 10,443	\$ 2,294	\$ 37,273	\$ 67,837
Voluntary and Involuntary Terminations	1,939	4,548	8,509	5,111
Outside Services	802	11,500	1,478	16,176
Other (1)	(344)	89,822	24	88,400
Total	<u>\$ 12,840</u>	<u>\$ 108,164</u>	<u>\$ 47,284</u>	<u>\$ 177,524</u>

(1) The three and six month periods ended April 1, 2022 amounts are comprised mainly of \$91.3 million in other charges related to the final pre-tax settlement of the Legacy CH2M Matter, net of previously recorded reserves.

Cumulative amounts incurred to date under our various Restructuring and other activities described above by each major type of cost as of March 31, 2023 are as follows (in thousands):

Lease Abandonments and Impairments	\$ 424,875
Voluntary and Involuntary Terminations	158,886
Outside Services	317,811
Other	208,289
Total	<u>\$ 1,109,861</u>

17. Commitments and Contingencies and Derivative Financial Instruments

Derivative Financial Instruments

The Company is exposed to interest rate risk under its variable rate borrowings and additionally, due to the nature of the Company's international operations, we are at times exposed to foreign currency risk. As such, we sometimes enter into foreign exchange hedging contracts and interest rate hedging contracts in order to limit our exposure to fluctuating foreign currencies and interest rates.

During fiscal 2022, the Company entered into two treasury lock agreements with an aggregate notional value of \$500 million to manage its interest rate exposure to the anticipated issuance of fixed rate debt before December 2023. On February 13, 2023, the Company settled these treasury lock agreements and issued the Bonds in the aggregate principal amount of \$500 million, which resulted in the receipt of cash and a gain of \$37.4 million, before tax, which is being amortized to interest expense and recognized over the term of the Bonds. See Note 11- *Borrowings* for further discussion relating to the terms of the Bonds. The fair value of the treasury locks at September 30, 2022 was \$40.9 million, all of which was included in current assets within receivables and contract assets on the consolidated balance sheet. The net gain on these instruments was \$27.9 million and \$30.8 million, net of tax, and is included in accumulated other comprehensive income as of March 31, 2023 and September 30, 2022, respectively.

JACOBS SOLUTIONS INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

The Company is party to interest rate swap agreements and a cross-currency swap agreement with notional values of \$771.7 million and \$127.8 million, respectively, as of March 31, 2023 to manage the interest rate exposure on our variable rate loans and the foreign currency exposure on our USD borrowings by a European subsidiary. By entering into the swap agreements, the Company converted the LIBOR and SONIA rate based liabilities into fixed rate liabilities and, for the cross currency swap, our LIBOR rate based borrowing in USD to a fixed rate Euro liability, for periods ranging from three and a half to ten years. During the second quarter of fiscal 2023, the aggregate liability amounts denominated in U.S. dollars transitioned from underlying LIBOR benchmarked rates to the Secured Overnight Financing Rate ("SOFR") and the terms of the swaps were amended accordingly. The swaps were designated as cash-flow hedges in accordance with ASC 815, *Derivatives and Hedging*. The fair value of the interest rate and cross currency swaps at March 31, 2023 and September 30, 2022 was \$91.3 million and \$128.2 million, respectively, which is included in miscellaneous other assets on the Consolidated Balance Sheets. The unrealized net gain (loss) on these interest rate and cross currency swaps was \$68.8 million and \$87.5 million, net of tax, and was included in accumulated other comprehensive income as of March 31, 2023 and September 30, 2022, respectively.

Additionally, the Company held foreign exchange forward contracts in currencies that support our operations, including British Pound, Euro, Australian Dollar and other currencies, with notional values of \$720.9 million at March 31, 2023 and \$298.2 million at September 30, 2022. The length of these contracts currently ranges from one week to 12 months. The fair value of the foreign exchange contracts at March 31, 2023 and September 30, 2022 was \$20.4 million and \$(3.2) million, respectively, which is included within receivables and contract assets for the current period and within accounts payable for the prior period on the Consolidated Balance Sheets and with associated income statement impacts included in miscellaneous income (expense) in the Consolidated Statements of Earnings.

The fair value measurements of these derivatives are being made using Level 2 inputs under ASC 820, Fair Value Measurement, as the measurements are based on observable inputs other than quoted prices in active markets. We are exposed to risk from credit-related losses resulting from nonperformance by counterparties to our financial instruments. We perform credit evaluations of our counterparties under forward exchange and interest rate contracts and expect all counterparties to meet their obligations. We have not experienced credit losses from our counterparties.

Contractual Guarantees and Insurance

In the normal course of business, we make contractual commitments (some of which are supported by separate guarantees) and on occasion we are a party in a litigation or arbitration proceeding. The litigation or arbitration in which we are involved includes personal injury claims, professional liability claims and breach of contract claims. Where we provide a separate guarantee, it is strictly in support of the underlying contractual commitment. Guarantees take various forms including surety bonds required by law, or standby letters of credit ("LOC" and also referred to as "bank guarantees") or corporate guarantees given to induce a party to enter into a contract with a subsidiary. Standby LOCs are also used as security for advance payments or in various other transactions. The guarantees have various expiration dates ranging from an arbitrary date to completion of our work (e.g., engineering only) to completion of the overall project. We record in the Consolidated Balance Sheets amounts representing our estimated liability relating to such guarantees, litigation and insurance claims. Guarantees are accounted for in accordance with ASC 460-10, *Guarantees*, at fair value at the inception of the guarantee.

At March 31, 2023 and September 30, 2022, the Company had issued and outstanding approximately \$322.4 million and \$280.5 million, respectively, in LOCs and \$2.0 billion and \$2.2 billion, respectively, in surety bonds.

We maintain insurance coverage for most insurable aspects of our business and operations. Our insurance programs have varying coverage limits depending upon the type of insurance and include certain conditions and exclusions which insurance companies may raise in response to any claim that is asserted by or against the Company. We have also elected to retain a portion of losses and liabilities that occur through using various deductibles, limits, and retentions under our insurance programs. As a result, we may be subject to a future liability for which we are only partially insured or completely uninsured. We intend to mitigate any such future liability by continuing to exercise prudent business judgment in negotiating the terms and conditions of the contracts which the Company enters with its clients. Our insurers are also subject to business risk and, as a result, one or more of them may be unable to fulfill their insurance obligations due to insolvency or otherwise.

Additionally, as a contractor providing services to the U.S. federal government, we are subject to many types of audits, investigations, and claims by, or on behalf of, the government including with respect to contract performance, pricing, cost allocations, procurement practices, labor practices, and socioeconomic obligations. Furthermore, our income, franchise, and similar tax returns and filings are also subject to audit and investigation by the Internal Revenue Service,

JACOBS SOLUTIONS INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

most states within the United States, as well as by various government agencies representing jurisdictions outside the United States.

Our Consolidated Balance Sheets include amounts representing our probable estimated liability relating to such claims, guarantees, litigation, audits, and investigations. We perform an analysis to determine the level of reserves to establish for insurance-related claims that are known and have been asserted against us, as well as for insurance-related claims that are believed to have been incurred based on actuarial analysis but have not yet been reported to our claims administrators as of the respective balance sheet dates. We include any adjustments to such insurance reserves in our consolidated results of operations. Insurance recoveries are recorded as assets if recovery is probable and estimated liabilities are not reduced by expected insurance recoveries.

The Company believes, after consultation with counsel, that such guarantees, litigation, U.S. government contract-related audits, investigations and claims, and income tax audits and investigations should not have a material adverse effect on our consolidated financial statements, beyond amounts currently accrued.

Litigation and Investigations

In 2012, CH2M HILL Australia PTY Limited, a subsidiary of CH2M, entered into a 50/50 integrated joint venture with Australian construction contractor UGL Infrastructure Pty Limited. The joint venture entered into a Consortium Agreement with General Electric and GE Electrical International Inc. The Consortium was awarded a subcontract by JKC Australia LNG Pty Limited ("JKC") for the engineering, procurement, construction and commissioning of a 360 MW Combined Cycle Power Plant for INPEX Operations Australia Pty Limited at Blaydin Point, Darwin, NT, Australia (the "Legacy CH2M Matter"). The subcontract was terminated in January 2017. In or around August 2017, the Consortium commenced an arbitration. On April 12, 2022, JKC and the Consortium entered into a confidential deed of settlement ("Settlement Agreement"). Under the terms of the Settlement Agreement, CH2M, as guarantor of CH2M Australia PTY Limited's obligations with respect to the subcontract with JKC, made a cash payment to JKC in April 2022 of AUD 640 million (or approximately \$475 million using mid-April 2022 exchange rates). As a result of the settlement agreement, additional pre-tax charges of \$91.3 million were recorded during the second quarter of fiscal 2022 for this matter (over amounts previously reserved and reported in long-term Other Deferred Liabilities in the Company's Consolidated Balance Sheet). The Settlement Agreement provided for a release of claims between JKC and each member of the Consortium, and in connection with this agreement the members of the Consortium also waived all claims against each other and their respective parent guarantors relating to the project.

On December 22, 2008, a coal fly ash pond at the Kingston Power Plant of the Tennessee Valley Authority ("TVA") was breached, releasing fly ash waste into the Emory River and surrounding community. In February 2009, TVA awarded a contract to the Company to provide project management services associated with the clean-up. All remediation and dredging were completed in August 2013 by other contractors under direct contracts with TVA. The Company did not perform the remediation, and its scope was limited to program management services. Certain employees of the contractors performing the cleanup work on the project filed lawsuits against the Company beginning in August 2013, alleging they were injured due to the Company's failure to protect the plaintiffs from exposure to fly ash, and asserting related personal injuries. The primary case, Greg Adkisson, et al. v. Jacobs Engineering Group Inc., case No. 3:13-CV-505-TAV-HBG, filed in the U.S. District Court for the Eastern District of Tennessee, consists of 10 consolidated cases. This case and the related cases involve several hundred plaintiffs that were employees of the contractors that completed the remediation and dredging work. The cases are at various stages of litigation and are currently stayed pending a ruling from the Tennessee Supreme Court. Additionally, in May 2019, Roane County and the cities of Kingston and Harriman filed a lawsuit against TVA and the Company alleging that they misled the public about risks associated with the released fly ash. In October 2020, the Court granted Jacobs and TVA's motion to dismiss the Roane County litigation and closed the case. In addition, in November 2019, a resident of Roane County, Margie Delozier, filed a putative class action against TVA and the Company alleging they failed to adequately warn local residents about risks associated with the released fly ash. The Company and TVA filed separate motions to dismiss the Delozier case in April 2020. In February 2021, the Court granted dismissal of the Delozier Complaint with prejudice, with the exception of plaintiffs' nuisance cause of action, which plaintiffs voluntarily dismissed in June 2021. In August 2021, Thomas Ryan, a resident of Roane County, filed an action against Jacobs and TVA claiming personal injury and property damage. In June 2022, the Court granted Jacobs' motion to dismiss Ryan's action in its entirety, closing the case. Separately, in February 2020, the Company learned that the district attorney in Roane County recommended that the Tennessee Bureau of Investigation investigate issues pertaining to clean up worker safety at Kingston. On November 16, 2021, the Roane County district attorney announced that it had concluded its investigation into issues pertaining to the Kingston coal ash spill cleanup. No indictments were issued. There has been no finding of liability against the Company or that any of the alleged illnesses are the result of exposure to fly ash in any of the above matters. In the second fiscal quarter of 2023, the Company entered into a settlement agreement with the remaining plaintiffs; the amount of the settlement is not material to the Company's business, financial condition, results of operations or cash flows.

JACOBS SOLUTIONS INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

18. Segment Information

During the first quarter of fiscal 2023, the Company reorganized its operating and reporting structure to report results under a new operating segment, Divergent Solutions, in addition to the current operating segments. The Company's four operating segments are now comprised of its two global lines of business ("LOBs"): Critical Mission Solutions ("CMS") and People & Places Solutions ("P&PS"), its business unit Divergent Solutions ("DVS") and its majority investment in PA Consulting. The formation of the DVS operating segment resulted in certain portions of our CMS and P&PS businesses moving to the new segment to align with the Company's business strategy.

The Company's Chief Executive Officer is the Chief Operating Decision Maker ("CODM") and can evaluate the performance of each of these segments and make appropriate resource allocations among each of the segments. Under this organization, the sales function is managed by segment, and accordingly, the associated cost is embedded in the segments and reported to the respective head of each segment. In addition, a portion of the costs of other support functions (e.g., finance, legal, human resources, and information technology) is allocated to each segment using methodologies which, we believe, effectively attribute the cost of these support functions to the revenue generating activities of the Company on a rational basis. The cost of the Company's cash incentive plan, the Leadership Performance Plan ("LPP"), formerly named the Management Incentive Plan, and the expense associated with the Jacobs 1999 Stock Incentive Plan, which was amended and restated in the second quarter of 2023 and is now referred to as the Jacobs 2023 Stock Incentive Plan (the "2023 SIP") have likewise been charged to the segments except for those amounts determined to relate to the business as a whole (which amounts remain in other corporate expenses).

Financial information for each segment is reviewed by the CODM to assess performance and make decisions regarding the allocation of resources. The CODM evaluates the operating performance of our operating segments using segment operating profit, which is defined as margin less "corporate charges" (e.g., the allocated amounts described above). The Company incurs certain Selling, General and Administrative costs ("SG&A") that relate to its business as a whole which are not allocated to the segments.

The following tables present total revenues and segment operating profit from continuing operations for each reportable segment (in thousands) and includes a reconciliation of segment operating profit to total U.S. GAAP operating profit by including certain corporate-level expenses, Restructuring and other charges (as defined in Note 16- *Restructuring and Other Charges*) and transaction and integration costs (in thousands).

	For the Three Months Ended		For the Six Months Ended	
	March 31, 2023	April 1, 2022	March 31, 2023	April 1, 2022
Revenues from External Customers:				
Critical Mission Solutions	\$ 1,191,056	\$ 1,134,381	\$ 2,266,231	\$ 2,111,159
People & Places Solutions	2,345,065	2,162,994	4,572,050	4,083,990
Divergent Solutions	241,224	239,294	455,690	432,171
PA Consulting	300,987	297,390	583,030	587,364
Total	<u>\$ 4,078,332</u>	<u>\$ 3,834,059</u>	<u>\$ 7,877,001</u>	<u>\$ 7,214,684</u>

JACOBS SOLUTIONS INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

	For the Three Months Ended		For the Six Months Ended	
	March 31, 2023	April 1, 2022	March 31, 2023	April 1, 2022
Segment Operating Profit:				
Critical Mission Solutions	\$ 93,943	\$ 94,617	\$ 176,163	\$ 185,857
People & Places Solutions	232,205	192,713	458,825	381,554
Divergent Solutions	24,861	17,055	36,828	40,163
PA Consulting	65,631	68,332	116,658	131,402
Total Segment Operating Profit	416,640	372,717	788,474	738,976
Other Corporate Expenses (1)	(107,623)	(89,232)	(201,309)	(194,592)
Restructuring, Transaction and Other Charges (2)	(19,154)	(117,270)	(59,497)	(200,836)
Total U.S. GAAP Operating Profit	289,863	166,215	527,668	343,548
Total Other Expense, net (3)	(37,550)	(10,933)	(77,873)	(19,177)
Earnings from Continuing Operations Before Taxes	\$ 252,313	\$ 155,282	\$ 449,795	\$ 324,371

- (1) Other corporate expenses included intangibles amortization of \$50.5 million and \$48.4 million for the three months ended March 31, 2023 and April 1, 2022, respectively, and \$100.2 million and \$95.3 million, for the six months ended March 31, 2023 and April 1, 2022, respectively. Additionally, the six month period of fiscal 2023 included approximately \$15.0 million in net favorable impacts from cost reductions compared to the prior year period, which was associated mainly with net favorable impacts during first quarter from changes in employee benefit programs of \$41 million offset by approximately \$26 million in higher spend in company technology platforms and other personnel and corporate cost increases.
- (2) The three months ended March 31, 2023 and April 1, 2022 included real estate impairment charges related to the Company's transformation initiatives of \$10.1 million and \$2.3 million, respectively, and \$37.2 million and \$74.6 million for the six months ended March 31, 2023 and April 1, 2022, respectively. Also included in the three and six months ended April 1, 2022 is \$91.3 million related to the final pre-tax settlement of the Legacy CH2M Matter, net of previously recorded reserves.
- (3) The six month period ended April 1, 2022 included \$3.5 million in income associated with final exit activities associated with our AWE ML investment and a gain of \$7.1 million related to a lease termination. Additionally, the unfavorable change in Other Expense, net for the periods presented are attributable mainly to higher net interest expense year over year, primarily due to higher interest rates as well as the full 2023 period impacts of increased levels of debt outstanding due to fiscal 2022 incremental borrowings associated with the funding of the StreetLight and BlackLynx acquisitions and the payment of the Legacy CH2M Matter settlement.

Included in other corporate expenses in the above table are costs and expenses, which relate to general corporate activities as well as corporate-managed benefit and insurance programs. Such costs and expenses include: (i) those elements of SG&A expenses relating to the business as a whole; (ii) those elements of our incentive compensation plans relating to corporate personnel whose other compensation costs are not allocated to the LOBs; (iii) the amortization of intangible assets acquired as part of business combinations; (iv) the quarterly variances between the Company's actual costs of certain of its self-insured integrated risk and employee benefit programs and amounts charged to the LOBs; and (v) certain adjustments relating to costs associated with the Company's international defined benefit pension plans. In addition, other corporate expenses may also include from time to time certain adjustments to contract margins (both positive and negative) associated with projects, as well as other items, where it has been determined that such adjustments are not indicative of the performance of the related LOB.

See also the further description of results of operations for our operating segments in Item 2- *Management's Discussion and Analysis of Financial Condition and Results of Operations*.

JACOBS SOLUTIONS INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

19. Subsequent Event

On May 9, 2023, the Company announced its intention to spin-off its CMS business into an independent publicly traded company to Jacobs' stockholders. Jacobs expects to complete the separation by the end of fiscal year 2024 through a distribution that is intended to be tax-free to Jacobs' shareholders for U.S. federal income tax purposes. There can be no assurances with respect to the timing or form of a separation transaction and completion remains subject to final approval by Jacobs' Board of Directors and other customary conditions.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

General

The purpose of this Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is to provide a narrative analysis explaining the reasons for material changes in the Company's (i) financial condition from the most recent fiscal year-end to March 31, 2023 and (ii) results of operations during the current fiscal period(s) as compared to the corresponding period(s) of the preceding fiscal year. In order to better understand such changes, readers of this MD&A should also read:

- The discussion of the critical and significant accounting policies used by the Company in preparing its consolidated financial statements. The most current discussion of our critical accounting policies appears in Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations* of our 2022 Form 10-K, and the most current discussion of our significant accounting policies appears in Note 2- *Significant Accounting Policies* in Notes to Consolidated Financial Statements of our 2022 Form 10-K;
- The Company's fiscal 2022 audited consolidated financial statements and notes thereto included in our 2022 Form 10-K; and
- Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations* included in our 2022 Form 10-K.

In addition to historical information, this MD&A and other parts of this Quarterly Report on Form 10-Q contain forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements that do not directly relate to any historical or current fact. When used herein, words such as "expects," "anticipates," "believes," "seeks," "estimates," "plans," "intends," "future," "will," "would," "could," "can," "may," "target," "goal" and similar words are intended to identify forward-looking statements. Examples of forward-looking statements include, but are not limited to, statements we make concerning our business, financial condition and results of operations and our expectations as to our future growth, prospects, financial outlook and business strategy, our expectations for the percentage of backlog we will realize as revenue in fiscal year 2023, and the anticipated benefits of any acquisition or the strategic investment in PA Consulting. Although such statements are based on management's current estimates and expectations, and/or 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 uncertainties as to the final structure and timing of the separation of our Critical Mission Solutions ("CMS") business, the possibility that closing conditions for a separation transaction may not be satisfied or waived, the impact of the separation on the Company's and CMS's businesses, and a possible decrease in the trading price of their shares, if the separation is completed, the possibility that the separation may not qualify for the expected tax treatment, the risk that any consents or approvals required in connection with the separation may not be received, the risk that the separation may be more difficult, time-consuming or costly than expected, and the possibility that we may not retain key employees while the separation is pending or after it is completed, as well as factors related to our business, such as our ability to execute on our three-year corporate strategy, including our ability to invest in the tools needed to fully implement our strategy, competition from existing and future competitors in our target markets, our ability to achieve the cost-savings and synergies contemplated by our recent acquisitions within the expected time frames or to achieve them fully and to successfully integrate acquired businesses while retaining key personnel, the impact of any pandemic, and any resulting economic downturn on our results, prospects and opportunities, measures or restrictions imposed by governments and health officials in response to such pandemic, the timing of the award of projects and funding and potential changes to the amounts provided for, under the Infrastructure Investment and Jobs Act, any changes in U.S. or foreign tax laws, statutes, rules, regulations or ordinances that may adversely impact our future financial positions or results of operations, financial market risks that may affect the Company, including by affecting the Company's access to capital, the cost of such capital and/or the Company's funding obligations under defined benefit pension and postretirement plans, as well as general economic conditions, including inflation and the actions taken by monetary authorities in response to inflation, changes in interest rates and foreign currency exchange rates, changes in capital markets, the current banking crisis, the impact of a possible recession or economic downturn on our results, prospects and opportunities, and geopolitical events and conflicts, among others. The impact of such matters includes, but is not limited to, the possibility that we will not complete the spin-off or any separation transaction, the possible reduction in demand for certain of our product solutions and 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 or changes to governmental budgetary priorities; 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 have and could continue to negatively affect our supply chain and our ability to timely and satisfactorily complete our clients' projects; difficulties associated with retaining and hiring additional employees; and the inability of governments in certain of the countries in which we operate to effectively mitigate the financial or other impacts of pandemics 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 those listed and discussed in Item 1A, *Risk Factors* included in our 2022 Form 10-K and in this Quarterly Report on Form 10-Q. We undertake no obligation to release publicly any revisions or updates to any forward-looking statements. We encourage you to read carefully the risk factors, as well as the financial and business disclosures contained in this Quarterly Report on Form 10-Q and in other documents we file from time to time with the United States Securities and Exchange Commission (the "SEC").

Business Overview

At Jacobs, we're challenging today to reinvent tomorrow by solving the world's most critical problems for thriving cities, resilient environments, mission-critical outcomes, operational advancement, scientific discovery and cutting-edge manufacturing, turning abstract ideas into realities that transform the world for good. Leveraging a talent force of more than 60,000, Jacobs provides a full spectrum of professional services including consulting, technical, engineering, scientific and project delivery for the government and private sectors.

Our previous three-year corporate strategy launched at our Investor Day in February 2019 focused on innovation and continued transformation to build upon our position as the leading solutions provider for our clients. Setting the wheels in motion for our current path, this transformation included acquiring a 65% stake in PA Consulting Group Limited ("PA Consulting") in fiscal year 2021. Acquisitions of John Wood Group's nuclear business, The Buffalo Group and most recently BlackLynx and StreetLight further position us as a leader in high-value government services and technology-enabled solutions.

Our ***Boldly Moving Forward*** strategy announced in March of 2022 provides Jacobs with a robust focus into 2025 – continuing our aggressive shift to create a fully inclusive, technology-forward company – producing the critical solutions of tomorrow. We are united by our purpose and recognize that the keys to success in the future will be different from those of today. We need to remain agile and focus on where our clients need us most, address major challenges such as global constraints on labor, and fully leverage data and technology. By shaping our future, we will produce outsized results. Starting in March of 2021, we took a deep dive into global trends, capabilities, and markets to understand the largest opportunities, their projected spend and their growth rates. The conclusion of this strategic review reinforced that our decades of deep domain expertise and capabilities squarely align with the most attractive markets. This puts us in a unique position – and creates a great opportunity – to further strengthen our competitive advantage across our core sectors by accelerating the development and scaling of differentiated products and solutions. To provide focus and enable success, we have concentrated our strategy to zero in on three needle-moving accelerators that catalyze additional growth across all markets:

Climate Response

As a purpose-led company, we know we have a pivotal role to play in addressing the climate emergency in collaboration with our clients, our employees and our entire stakeholder base. We consider this not only good business, but our duty to channel our technology-enabled expertise and capabilities toward benefiting people and the planet.

Data Solutions

As our clients navigate the digital transformation and growing cyber risks, we have positioned ourselves at the forefront of this growth, adding digital capabilities, products and tools to serve a growing set of customers.

Consulting and Advisory

Together with our visionary partner, PA Consulting, we're establishing our position in high-end advisory services, creating a springboard to expand in high value offerings beyond the core.

We are now focused on broadening our leadership in sustainable, high growth sectors. As part of our strategy, our brand promise: "Challenging today. Reinventing tomorrow." signals our transition to a global technology-forward solutions company. We began trading as "J" on the New York Stock Exchange in December 2019, and in March 2021 our Global Industry Classifications Standard code changed to Research & Consulting Services. Our Transformation Office is charged with driving further innovation, delivering value-creating solutions for our clients and leveraging an integrated digital and technology strategy to improve our efficiency and effectiveness, ultimately freeing up valuable time and resources for reinvestment in our people.

In the fourth quarter fiscal 2022, Jacobs Engineering Group Inc. (the predecessor parent company) created a new holding company, Jacobs Solutions Inc., which, through a reverse triangular merger, became the new parent company of Jacobs Engineering Group Inc. As a result of the transaction, the predecessor parent company's then-current stockholders automatically became stockholders of Jacobs Solutions Inc., on a one-for-one basis, with the same number of shares and same ownership percentage of the predecessor parent company's common stock that they held immediately prior to the transaction.

Operating Segments

The services we provide fall into the following two lines of business (LOB): Critical Mission Solutions (CMS) and People & Places Solutions (P&PS). Our LOBs, our business unit Divergent Solutions (DVS), which operates as an integrated offering to both LOBs, and a majority investment in PA Consulting (PA) constitute the Company's reportable segments and are the foundation for how Jacobs helps create a more connected, sustainable world. For additional information regarding our segments, including information about our financial results by segment and financial results by geography, see Note 4- *Revenue Accounting for Contracts* of Notes to Consolidated Financial Statements.

Critical Mission Solutions (CMS)

Jacobs' Critical Mission Solutions line of business provides a full spectrum of solutions for clients to address evolving challenges like information and cyber warfare, digital transformation and modernization, national security and defense, space exploration, digital asset management and the green energy transition. Our core capabilities include program management and mission operations; systems digital engineering and mission integration, research, development, test and evaluation; integration, operation, maintenance and sustainment of systems and facilities; enterprise-level IT operations and mission IT delivery, software development, and software application integration; engineering, design and construction of specialized technical facilities and systems; environmental remediation; specialized training; robotics and automation; and other highly technical consulting solutions. We deliver these capabilities for government agencies as well as commercial clients in the U.S. and international markets.

We leverage our deep experience to support clients in the Aerospace, Automotive, Space, Telecom, Intel, Defense and Energy sectors to develop lasting solutions in the communities where we live and work.

People & Places Solutions (P&PS)

Jacobs' People & Places Solutions line of business provides end-to-end solutions for our clients' most complex challenges related to climate change, energy transition, connected mobility, integrated water management, smart cities and biopharmaceutical manufacturing. In doing so, we combine deep experience in the following markets - Infrastructure, Cities & Places, Energy & Environmental, Health & Life Sciences and Advanced Manufacturing. Our core capabilities revolve around consulting, planning, science, architecture, design and engineering, as well as infrastructure delivery services and long-term operation of facilities. Solutions may be delivered as standalone professional service engagements, comprehensive program management partnerships, and selective progressive design-build and construction management at-risk delivery services in targeted markets. Increasingly, we leverage our data science and technology-enabled expertise with our core capabilities to deliver positive and enduring solutions for the clients and communities we serve.

Our clients include national, state and local governments in the U.S., Europe, U.K., Middle East and Asia-Pacific, as well as multinational and local private sector clients throughout the world.

Divergent Solutions (DVS)

Jacobs' new operating segment, Divergent Solutions, serves as the core foundation for developing and delivering innovative, next-generation cloud, cyber, data and digital technologies. DVS further strengthens our ability to drive value for clients of both LOBs by leveraging a full spectrum of cyber, data analytics, systems and software application integration services across Jacobs. Our core capabilities include global strategic alliances, innovation collaboration, next-generation technologies, software and data as a service and data and secure solutions. DVS clients include government agencies and commercial clients in the U.S. and international markets.

PA Consulting

Jacobs invested in a 65% stake in PA Consulting, the consultancy that is "Bringing Ingenuity to Life", which offers end-to-end innovation to accelerate new growth ideas from concept, through design and development and to commercial success. We revitalize organizations, building the leadership, culture, systems and processes to make innovation a reality. PA Consulting's team of roughly 4,000 strategists, innovators, designers, consultants, digital experts, scientists, engineers and technologists work across seven sectors: consumer and manufacturing, defense and security, energy and utilities, financial services, government, health and life sciences, and transport to make a positive impact alongside the clients it supports. PA Consulting has a diverse mix of private and public sector clients, from global household names to start-ups, to national and local public services. Recently, PA Consulting supported the launch of a new Electric Vehicle Infrastructure Fund to drive the roll-out of electric vehicle charging infrastructure in the U.K.; innovated cell and gene therapy manufacturing with Ori Biotech in the U.S.; and designed a growth strategy for Green Boom, a U.S.-based start-up that has developed a patent-pending and sustainable way to help prevent, reduce and clean up oil spills.

Together, the collective strengths of PA Consulting and Jacobs drive value creation for clients around the globe and support projects to address five key trends: product and service innovation, the future of work, sustainability and climate change.

Results of Operations for the three and six months ended March 31, 2023 and April 1, 2022

(in thousands, except per share information)

	For the Three Months Ended		For the Six Months Ended	
	March 31, 2023	April 1, 2022	March 31, 2023	April 1, 2022
Revenues	\$ 4,078,332	\$ 3,834,059	\$ 7,877,001	\$ 7,214,684
Direct cost of contracts	(3,188,038)	(2,963,649)	(6,171,994)	(5,547,800)
Gross profit	890,294	870,410	1,705,007	1,666,884
Selling, general and administrative expenses	(600,431)	(704,195)	(1,177,339)	(1,323,336)
Operating Profit	289,863	166,215	527,668	343,548
Other Income (Expense):				
Interest income	7,630	381	10,637	1,882
Interest expense	(40,613)	(21,995)	(80,690)	(41,421)
Miscellaneous (expense) income, net	(4,567)	10,681	(7,820)	20,362
Total other expense, net	(37,550)	(10,933)	(77,873)	(19,177)
Earnings from Continuing Operations Before Taxes	252,313	155,282	449,795	324,371
Income Tax Expense from Continuing Operations	(19,060)	(46,166)	(69,163)	(62,054)
Net Earnings of the Group from Continuing Operations	233,253	109,116	380,632	262,317
Net Loss of the Group from Discontinued Operations	(75)	(1)	(783)	(233)
Net Earnings of the Group	233,178	109,115	379,849	262,084
Net Earnings Attributable to Noncontrolling Interests from Continuing Operations	(7,803)	(10,261)	(14,834)	(19,514)
Net Earnings Attributable to Redeemable Noncontrolling interests	(8,863)	(10,038)	(12,855)	(19,721)
Net Earnings Attributable to Jacobs from Continuing Operations	216,587	88,817	352,943	223,082
Net Earnings Attributable to Jacobs	\$ 216,512	\$ 88,816	\$ 352,160	\$ 222,849
Net Earnings Per Share:				
Basic Net Earnings from Continuing Operations Per Share	\$ 1.71	\$ 0.69	\$ 2.78	\$ 1.72
Basic Net Loss from Discontinued Operations Per Share	\$ —	\$ —	\$ (0.01)	\$ —
Basic Earnings Per Share	\$ 1.71	\$ 0.69	\$ 2.78	\$ 1.72
Diluted Net Earnings from Continuing Operations Per Share	\$ 1.70	\$ 0.68	\$ 2.77	\$ 1.71
Diluted Net Loss from Discontinued Operations Per Share	\$ —	\$ —	\$ (0.01)	\$ —
Diluted Earnings Per Share	\$ 1.70	\$ 0.68	\$ 2.76	\$ 1.71

Overview – Three and Six Months Ended March 31, 2023

Net earnings attributable to the Company from continuing operations for the second fiscal quarter ended March 31, 2023 were \$216.6 million (or \$1.70 per diluted share), an increase of \$127.8 million, from net earnings of \$88.8 million (or \$0.68 per diluted share) for the corresponding period last year, driven mainly by higher operating profit levels during the current quarterly period. Second fiscal quarter of 2023 was impacted by \$19.1 million in pre-tax Restructuring and other charges and transaction costs compared to fiscal 2022 amounts of \$115.3 million, with the comparative periods both impacted by the Company's transformation initiatives relating to real estate, which is discussed in Note 16- *Restructuring and Other Charges*. Fiscal 2022 was also impacted by the final \$91.3 million settlement of a legacy litigation matter involving a subsidiary of CH2M (the "Legacy CH2M Matter"), net of previously recorded reserves, which is further discussed in Note 17- *Commitments and Contingencies and Derivative Financial Instruments*. Second quarter fiscal 2023 other expense, net, was \$37.6 million, an increase of \$26.6 million versus second quarter fiscal 2022 amounts of \$10.9 million, with the current period primarily impacted by unfavorable higher net interest expense and higher pension costs compared to the prior year quarter, as discussed further below. Further, our reported net earnings for the current year quarter were favorably impacted by lower income taxes of \$27.1 million compared to the fiscal 2022 period, attributable to lower effective tax rates in the current quarter due mainly to uncertain tax positions in the United States that were effectively settled and other current quarter income tax items further discussed in Note 9- *Income Taxes*.

For the six months ended March 31, 2023, net earnings attributable to the Company from continuing operations were \$352.9 million (or \$2.77 per diluted share), an increase of \$129.9 million, from net earnings of \$223.1 million (or \$1.71 per diluted share) for the corresponding period last year. Operating profit levels were also up for the respective year-to-date periods of fiscal 2023 (mainly in P&PS), and were also impacted by the Restructuring and other charges and transactions costs activities mentioned above relating to real estate transformation, only to a larger degree for the year-to-date period, and the final Legacy CH2M Matter settlement in fiscal 2022. Additionally, the 2023 year-to-date period was impacted by approximately \$15.0 million in net favorable impacts from cost reductions associated mainly with first quarter 2023 changes in employee benefit programs, which were partly offset by higher spend in company technology platforms and other personnel and corporate cost increases. Also, year-to-date fiscal 2023 other expense, net, of \$77.9 million was higher by \$58.7 million versus the same period in fiscal 2022 amounts of \$19.2 million, with the current period impacted by the same unfavorable higher net interest expense and higher pension costs as mentioned above. Our reported net earnings for the first half of the fiscal year were unfavorably impacted by higher income taxes of \$7.1 million compared to the fiscal 2022 period, due to higher levels of pre-tax income but offset by the overall lower effective tax rates in the current quarter due mainly to uncertain tax positions in the United States that were effectively settled, combined with other current quarter income tax items further discussed in Note 9- *Income Taxes*. Finally, earnings attributable to redeemable noncontrolling interests were \$6.9 million lower for the year-to-date period due to unfavorable net earnings results in our PA Consulting investment compared to the prior year quarter.

On February 4, 2022, the Company acquired StreetLight Data, Inc., ("StreetLight"). For further discussion, see Note 15- *Other Business Combinations*.

Consolidated Results of Operations

Revenues for the second fiscal quarter of 2023 were \$4.08 billion, an increase of \$244.3 million, or 6.4%, from \$3.83 billion for the corresponding period last year. For the six months ended March 31, 2023, revenues were \$7.88 billion, an increase of \$662.3 million, or 9.2%, from \$7.21 billion for the corresponding period last year. Revenue increases for the year over year periods were due mainly to the Company's P&PS and CMS legacy businesses and in addition, to a smaller degree, fiscal 2023 incremental revenues benefited from the StreetLight acquisition (owned for the full period in fiscal 2023) and other increases in our DVS business. The P&PS business benefited primarily from stronger performance in its Advanced Facilities and U.S. business operations. Our CMS business benefited from increased spending in our U.S. government business sector, which was primarily attributable to fiscal 2022 contract awards for the U.S. Department of Energy. Due to foreign currency translation impacts, our U.S. dollar reported revenues from our PA Consulting investment increased only slightly for the current quarterly period and decreased for the year-to-date period (on a local currency basis, PA Consulting experienced a more significant quarter over quarter growth as well as overall year over year growth). Also, revenue was unfavorably impacted by foreign currency translation of \$109.0 million and \$267.0 million for the three and six months ended March 31, 2023, respectively, across our international businesses, as compared to an unfavorable \$51.7 million and \$42.5 million for the three and six months ended April 1, 2022, respectively. Pass-through costs included in revenues for the three and six months ended March 31, 2023 amounted to \$646.7 million and \$1.32 billion, an increase of \$74.1 million and \$269.7 million, or 12.9% and 25.7%, respectively, from \$572.6 million and \$1.05 billion from the corresponding periods last year.

Gross profit for the second fiscal quarter of 2023 was \$890.3 million, an increase of \$19.9 million, or 2.3%, from \$870.4 million from the corresponding period last year. Our gross profit margins were 21.8% and 22.7% for the three months ended March 31, 2023 and April 1, 2022, respectively. Gross profit for the six months ended March 31, 2023 was \$1.71 billion, an increase of \$38.1 million, or 2.3%, from \$1.67 billion from the corresponding period last year. Our gross profit margins were 21.6% and 23.1% for the six months ended March 31, 2023 and April 1, 2022, respectively. These margin differences were mainly attributable to project mix impacts in our legacy CMS and P&PS portfolios and lower utilization trends primarily in the PA Consulting business, partly offset by new program startups won in fiscal 2022. Additionally, for the year-to-date period, gross profit was affected by net favorable impacts from cost reductions associated mainly with first quarter 2023 changes in employee benefit programs, which were partly offset by higher spend in company technology platforms and other personnel and corporate cost increases, as mentioned above, and unfavorable foreign currency translation impacts.

See **Segment Financial Information** discussion for further information on the Company's results of operations at the operating segment.

SG&A expenses for the three and six months ended March 31, 2023 were \$600.4 million and \$1.18 billion, respectively, a decrease of \$103.8 million and \$146.0 million or (14.7)% and (11.0)%, from \$704.2 million and \$1.32 billion for the corresponding periods last year. The fiscal 2022 periods were impacted by the final pre-tax \$91.3 million settlement of the Legacy CH2M Matter, net of previously recorded reserves, mentioned above. Also, Restructuring and other charges for the six months ended March 31, 2023 and April 1, 2022 included \$37.2 million and \$74.6 million, respectively, in costs associated with the Company's transformation initiatives relating to real estate. The current year's three and six months ended results were also impacted by higher investments in company technology platforms, offset in part by decreases in real estate related costs, as well as other department spend decreases due in part to the Company's transformation initiatives. Lastly, SG&A expenses benefited from favorable foreign exchange impacts of \$23.1 million and \$50.6 million, respectively, for the three and six months ended March 31, 2023 as compared to favorable impacts of \$11.3 million and \$9.0 million for the corresponding periods last year.

Net interest expense for the three and six months ended March 31, 2023 was \$33.0 million and \$70.1 million, respectively, an increase of \$11.4 million and \$30.5 million from \$21.6 million and \$39.5 million, or 52.6% and 77.2%, for the corresponding periods last year. The increase in net interest expense for the three and six month periods was due to higher interest rates and higher levels of debt outstanding in the current year, with the higher average debt levels during the current year attributable mainly to the funding of the StreetLight and BlackLynx acquisitions and increased borrowings associated with the payment of the settlement of the Legacy CH2M Matter in fiscal 2022. These increases were offset in part by \$6.3 million net interest benefit related to the release of interest accruals associated with the effective settlement of uncertain tax positions during the quarter.

Miscellaneous (expense) income, net for the three and six months ended March 31, 2023 was \$(4.6) million and \$(7.8) million, respectively, in comparison to \$10.7 million and \$20.4 million for the corresponding periods last year. The unfavorable \$15.2 million and \$28.2 million impacts compared to the prior three and six month comparable periods were due primarily to an increase in pension costs due to higher interest rate impacts in the current year along with unfavorable foreign currency revaluations in the current year compared to the prior year and, additionally, the six-month period of fiscal 2022 also included a \$7.1 million gain related to a lease termination.

The Company's effective tax rates from continuing operations for the three months ended March 31, 2023 and April 1, 2022 were 7.6% and 29.7%, respectively. The most significant items contributing to the difference between the statutory U.S. federal corporate tax rate of 21.0% and the Company's effective tax rate for the three months ended March 31, 2023 were a tax benefit of \$40.2 million related to uncertain tax positions ("UTPs") in the United States that were effectively settled, of which \$30.8 million relates to positions carried forward from the acquisition of CH2M Hill Companies Ltd. that was completed in 2018, as well as a tax benefit of \$8.6 million for the release of previously valued foreign tax credits. These benefits were partly offset by U.S. state income tax expense of \$5.9 million and U.S. tax on foreign earnings of \$4.6 million. These expense items are expected to have a continuing impact on the Company's effective tax rate for the remainder of the fiscal year.

The most significant items contributing to the difference between the statutory U.S. federal corporate tax rate of 21.0% and the Company's effective tax rate for the three months ended April 1, 2022 were U.S. state income tax expense of \$5.8 million, discrete foreign tax items of \$5.2 million, none of which are individually significant, and U.S. tax on foreign earnings of \$1.3 million.

The Company's effective tax rates from continuing operations for the six months ended March 31, 2023 and April 1, 2022 were 15.4% and 19.1%, respectively. The most significant items contributing to the difference between the statutory U.S. federal corporate tax rate of 21.0% and the Company's effective tax rate for the six months ended March 31, 2023 were net tax benefits of \$39.0 million mostly related to UTPs mentioned above and a tax benefit of \$8.6 million for the release of previously valued foreign tax credits, partly offset by U.S. state income tax expense of \$10.5 million and U.S. tax on foreign earnings of \$8.2 million.

The most significant items contributing to the difference between the statutory U.S. federal corporate tax rate of 21.0% and the Company's effective tax rate for the six months ended April 1, 2022 were a net tax benefit of \$12.6 million from the change in valuation allowances for previously valued foreign tax credits and India's minimum alternate tax credit and a tax benefit of \$4.9 million related to filing amended state returns, partly offset by U.S. state income tax expense of \$8.9 million and U.S. tax on foreign earnings of \$4.0 million.

The amount of income taxes the Company pays is subject to ongoing audits by tax jurisdictions around the world. In the normal course of business, the Company is subject to examination by tax authorities throughout the world, including such major jurisdictions as Australia, Canada, India, the Netherlands, the United Kingdom and the United States. Our estimate of the potential outcome of any uncertain tax issue is subject to our assessment of the relevant risks, facts, and circumstances existing at the time. The Company believes that it has adequately provided for reasonably foreseeable outcomes related to these matters. However, future results may include favorable or unfavorable adjustments to our estimated tax liabilities in the period the assessments are made or resolved, which may impact our effective tax rate.

Segment Financial Information

The following table provides selected financial information for our operating segments and includes a reconciliation of segment operating profit to total U.S. GAAP operating profit from continuing operations by including certain corporate-level expenses, Restructuring and other charges and transaction and integration costs (in thousands).

	Three Months Ended		Six Months Ended	
	March 31, 2023	April 1, 2022	March 31, 2023	April 1, 2022
Revenues from External Customers:				
Critical Mission Solutions	\$ 1,191,056	\$ 1,134,381	\$ 2,266,231	\$ 2,111,159
People & Places Solutions	2,345,065	2,162,994	4,572,050	4,083,990
Divergent Solutions	241,224	239,294	455,690	432,171
PA Consulting	300,987	297,390	583,030	587,364
Total	<u>\$ 4,078,332</u>	<u>\$ 3,834,059</u>	<u>\$ 7,877,001</u>	<u>\$ 7,214,684</u>
	Three Months Ended		Six Months Ended	
	March 31, 2023	April 1, 2022	March 31, 2023	April 1, 2022
Segment Operating Profit:				
Critical Mission Solutions	\$ 93,943	\$ 94,617	\$ 176,163	\$ 185,857
People & Places Solutions	232,205	192,713	458,825	381,554
Divergent Solutions	24,861	17,055	36,828	40,163
PA Consulting	65,631	68,332	116,658	131,402
Total Segment Operating Profit	416,640	372,717	788,474	738,976
Other Corporate Expenses (1)	(107,623)	(89,232)	(201,309)	(194,592)
Restructuring, Transaction and Other Charges (2)	(19,154)	(117,270)	(59,497)	(200,836)
Total U.S. GAAP Operating Profit	289,863	166,215	527,668	343,548
Total Other Expense, net (3)	(37,550)	(10,933)	(77,873)	(19,177)
Earnings Before Taxes from Continuing Operations	<u>\$ 252,313</u>	<u>\$ 155,282</u>	<u>\$ 449,795</u>	<u>\$ 324,371</u>

- (1) Other corporate expenses included intangibles amortization of \$50.5 million and \$48.4 million for the three months ended March 31, 2023 and April 1, 2022, respectively, and \$100.2 million and \$95.3 million, for the six months ended March 31, 2023 and April 1, 2022, respectively. Additionally, the six month period of fiscal 2023 included approximately \$15.0 million in net favorable impacts from cost reductions compared to the prior year period, which was associated mainly with net favorable impacts during first quarter from changes in employee benefit programs of \$41 million offset by approximately \$26 million in higher spend in company technology platforms and other personnel and corporate cost increases.
- (2) The three months ended March 31, 2023 and April 1, 2022 included real estate impairment charges related to the Company's transformation initiatives of \$10.1 million and \$2.3 million, respectively, and \$37.2 million and \$74.6 million for the six months ended March 31, 2023 and April 1, 2022, respectively. Also included in the three and six months ended April 1, 2022 is \$91.3 million related to the final pre-tax settlement of the Legacy CH2M Matter, net of previously recorded reserves.
- (3) The six month period ended April 1, 2022 included \$3.5 million in income associated with final exit activities associated with our AWE ML investment and a gain of \$7.1 million related to a lease termination. Additionally, the unfavorable change in Other Expense, net for the periods presented are attributable mainly to higher net interest expense year over year, primarily due to higher interest rates as well as the full 2023 period impacts of increased levels of debt outstanding due to fiscal 2022 incremental borrowings associated with the funding of the StreetLight and BlackLynx acquisitions and the payment of the Legacy CH2M Matter settlement.

Critical Mission Solutions

	Three Months Ended		Six Months Ended	
	March 31, 2023	April 1, 2022	March 31, 2023	April 1, 2022
Revenue	\$ 1,191,056	\$ 1,134,381	\$ 2,266,231	\$ 2,111,159
Operating Profit	\$ 93,943	\$ 94,617	\$ 176,163	\$ 185,857

Critical Mission Solutions (CMS) segment revenues for the three and six months ended March 31, 2023 were \$1.19 billion and \$2.27 billion, respectively, an increase of \$56.7 million and \$155.1 million, or 5.0% and 7.3%, from \$1.13 billion and \$2.11 billion for the corresponding periods last year. During the three and six months ended March 31, 2023, revenue benefited from contracts awarded in fiscal 2022, including a nuclear remediation program with the Department of Energy. Also, impacts on revenues from unfavorable foreign currency translation were approximately \$25.5 million and \$58.6 million for the three and six-month periods ended March 31, 2023, compared to \$10.1 million and \$7.9 million in unfavorable impacts in the corresponding prior year periods.

Operating profit for the segment was \$93.9 million and \$176.2 million, respectively, for the three and six months ended March 31, 2023, which was relatively flat for the quarter-to-date period compared to the prior year and a decrease of \$9.7 million, or 5.2%, from \$185.9 million for the year-to-date period last year. Operating profit level trends year over year were impacted by large contract wind downs in early fiscal 2022, which carried higher profit margins, and were offset in part by growth in the nuclear remediation market and the U.S. government space market. Impacts on operating profit from unfavorable foreign currency translation were approximately \$3.3 million and \$7.2 million for the three and six months ended March 31, 2023, as compared to insignificant impacts in the corresponding prior year periods.

Subsequent Event

On May 9, 2023, the Company announced its intention to spin-off our CMS business into an independent publicly traded company to Jacobs' stockholders. Jacobs is targeting to complete the separation in the second half of fiscal year 2024 through a distribution that is intended to be tax-free to Jacobs' shareholders for U.S. federal income tax purposes. There can be no assurances with respect to the timing or form of a separation transaction and completion remains subject to final approval by Jacobs' Board of Directors and other customary conditions.

People & Places Solutions

	Three Months Ended		Six Months Ended	
	March 31, 2023	April 1, 2022	March 31, 2023	April 1, 2022
Revenue	\$ 2,345,065	\$ 2,162,994	\$ 4,572,050	\$ 4,083,990
Operating Profit	\$ 232,205	\$ 192,713	\$ 458,825	\$ 381,554

Revenues for the People & Places Solutions (P&PS) segment for the three and six-months ended March 31, 2023 were \$2.35 billion and \$4.57 billion, respectively, an increase of \$182.1 million and \$488.1 million, or 8.4% and 12.0%, from \$2.16 billion and \$4.08 billion for the corresponding periods last year. The increases in revenue for the three and six months ended March 31, 2023 were primarily driven by growth in both our advanced facilities and U.S. businesses as compared to the prior year corresponding periods. Foreign currency translation had a \$51.2 million and \$134.5 million unfavorable impact on revenues in our international businesses for the three and six month periods ended March 31, 2023, respectively, as compared to unfavorable impacts of \$32.0 million and \$34.6 million in the corresponding prior year periods.

Operating profit for the segment for the three and six month period ended March 31, 2023 were \$232.2 million and \$458.8 million, respectively, an increase of \$39.5 million and \$77.3 million, or 20.5% and 20.3%, from \$192.7 million and \$381.6 million for the corresponding periods last year. The year-over-year increases in operating profit for the three and six months ended March 31, 2023 were driven primarily by the revenue growth mentioned above while holding selling, general and administrative expenses relatively flat. Foreign currency translation had a \$9.5 million and \$25.4 million unfavorable impact on operating profit in our international businesses for the three and six month periods ended March 31, 2023, respectively as compared to unfavorable impacts of \$6.6 million and \$6.8 million in the corresponding prior year periods.

Divergent Solutions

	Three Months Ended		Six Months Ended	
	March 31, 2023	April 1, 2022	March 31, 2023	April 1, 2022
Revenue	\$ 241,224	\$ 239,294	\$ 455,690	\$ 432,171
Operating Profit	\$ 24,861	\$ 17,055	\$ 36,828	\$ 40,163

Revenues for the Divergent Solutions segment for the three and six months ended March 31, 2023 were \$241.2 million and \$455.7 million, respectively, an increase of \$1.9 million and \$23.5 million, or 0.8% and 5.4%, from \$239.3 million and \$432.2 million for the corresponding periods last year. The increases in revenue for the three and six months ended March 31, 2023 benefited from incremental revenues from the StreetLight acquisition (owned for the full period in fiscal 2023) and the startup of new programs previously won in fiscal 2022. Foreign currency translation impacts on revenue were not significant for any period presented.

Operating profit for the segment was \$24.9 million and \$36.8 million, respectively, for the three and six months ended March 31, 2023, an increase of \$7.8 million and a decrease of \$3.3 million, or 45.8% and (8.3)%, from \$17.1 million and \$40.2 million for the corresponding periods last year. The increase in operating profit for the three month period was due mainly to favorable year over year software licensing revenue, with the decrease in operating profit for the six months ended March 31, 2023, primarily driven by unfavorable impacts from overhead billing rate differences during the first quarter of 2023 versus the prior year first quarter mainly in our cyber intelligence market, offset in part by the licensing revenue in the current quarter mentioned above. Impacts on operating profit from foreign currency were not significant for any periods presented.

PA Consulting

	Three Months Ended		Six Months Ended	
	March 31, 2023	April 1, 2022	March 31, 2023	April 1, 2022
Revenue	\$ 300,987	\$ 297,390	\$ 583,030	\$ 587,364
Operating Profit	\$ 65,631	\$ 68,332	\$ 116,658	\$ 131,402

Revenues for the PA Consulting segment for the three and six months ended March 31, 2023 were \$301.0 million and \$583.0 million, respectively, an increase of \$3.6 million and a decrease \$4.3 million, or 1.2% and (0.7)%, from \$297.4 million and \$587.4 million for the corresponding periods last year. Revenues for the three and six-months ended March 31, 2023 were impacted by foreign currency translation, which had a \$30.7 million and \$72.3 million unfavorable impact in our international businesses, and unfavorable impacts of \$9.5 million and \$4.1 million in the corresponding prior year periods. In local currency (primarily GBP), PA Consulting experienced an approximate 10% increase in revenues as compared to the prior year periods, primarily due to higher volumes in PA Consulting's existing business for previously delayed projects in fiscal 2022.

Operating profit for the segment for the three and six months ended March 31, 2023 was \$65.6 million and \$116.7 million, respectively, a decrease of \$2.7 million and \$14.7 million, or 4.0% and 11.2%, from \$68.3 million and \$131.4 million, for the corresponding periods last year. These decreases are mainly due to unfavorable foreign currency translation impacts in our international business of \$6.5 million and \$13.4 million, for the three and six months ended March 31, 2023, respectively, as compared to \$1.4 million and \$2.5 million in unfavorable impact in the corresponding prior year periods. Additionally, operating profit was impacted in the year periods by higher labor costs due to a competitive labor market and lower utilization.

Other Corporate Expenses

Other corporate expenses for the three and six months ended March 31, 2023 were \$107.6 million and \$201.3 million, an increase of \$18.4 million and \$6.7 million, or 20.6% and 3.5%, from \$89.2 million and \$194.6 million for the corresponding periods last year. The increase for the three month period ended March 31, 2023 was primarily driven by continued higher investments in company technology platforms and higher incentive and other compensation charges. The increase for the year-to-date period was attributable to these higher IT and people costs in the second quarter offset by approximately \$15.0 million in net favorable impacts during first quarter 2023 from cost reductions associated mainly with changes in employee benefit programs, partly offset by higher spend in company technology platforms and other personnel and corporate cost increases.

Included in other corporate expenses are costs and expenses which relate to general corporate activities as well as corporate-managed benefit and insurance programs. Such costs and expenses include: (i) those elements of SG&A expenses relating to the business as a whole; (ii) those elements of our incentive compensation plans relating to corporate personnel whose other compensation costs are not allocated to the LOBs; (iii) the amortization of intangible assets acquired as part of business combinations; (iv) the quarterly variances between the Company's actual costs of certain of its self-insured integrated risk and employee benefit programs and amounts charged to the LOBs; and (v) certain adjustments relating to costs associated with the Company's international defined benefit pension plans. In addition, other corporate expenses may also include from time to time certain adjustments to contract margins (both positive and negative) associated with projects, as well as other items, where it has been determined that such adjustments are not indicative of the performance of the related LOB.

Restructuring and Other Charges

See Note 16- *Restructuring and Other Charges* for information on the Company's activity relating to restructuring and other charges.

Backlog Information

Backlog represents revenue we expect to realize for work to be completed by our consolidated subsidiaries and our proportionate share of work to be performed by unconsolidated joint ventures. Because of variations in the nature, size, expected duration, funding commitments, and the scope of services required by our contracts, the amount and timing of when backlog will be recognized as revenues includes significant estimates and can vary greatly between individual contracts.

Consistent with industry practice, substantially all of our contracts are subject to cancellation or termination at the option of the client, including our U.S. government work. While management uses all information available to determine backlog, at any given time our backlog is subject to changes in the scope of services to be provided as well as increases or decreases in costs relating to the contracts included therein. Backlog is not necessarily an indicator of future revenues.

Because certain contracts (e.g., contracts relating to large Engineering, Procurement & Construction ("EPC") projects as well as national government programs) can cause large increases to backlog in the fiscal period in which we recognize the award, and because many of our contracts require us to provide services that span over several fiscal quarters (and sometimes over fiscal years), we have presented our backlog on a year-over-year basis, rather than on a sequential, quarter-over-quarter basis.

The following table summarizes our backlog at March 31, 2023 and April 1, 2022 (in millions):

	March 31, 2023	April 1, 2022
Critical Mission Solutions	\$ 8,136	\$ 7,509
People & Places Solutions	17,563	16,949
Divergent Solutions	2,956	3,063
PA Consulting	319	269
Total	<u>\$ 28,974</u>	<u>\$ 27,790</u>

The increase in backlog in Critical Mission Solutions (CMS) from April 1, 2022 was primarily driven by new business awards in the U.S. government space and nuclear remediation sectors offsetting slower growth in the U.S. Defense market.

The increase in backlog in People & Places Solutions (P&PS) from April 1, 2022 was primarily driven by new business awards in our federal, environmental and advanced facilities business.

The decrease in backlog in Divergent Solutions (DVS) from April 1, 2022 was primarily driven by delays in new awards and shorter contract extensions specifically within the government markets.

The increase in backlog in PA Consulting from April 1, 2022 was primarily driven by strategic focus on long-term projects as well as organic year over year growth of the business.

Consolidated backlog differs from the Company's remaining performance obligations as defined by ASC 606 primarily because of contract change orders or new wins not yet processed and our national government contracts where our policy is to generally include in backlog the contract award, whether funded or unfunded excluding certain option periods while our remaining performance obligations represent a measure of the total dollar value of work to be performed on contracts awarded and in progress. Additionally, the Company does not include our proportionate share of backlog related to unconsolidated joint ventures in our remaining performance obligations.

Liquidity and Capital Resources

At March 31, 2023, our principal sources of liquidity consisted of \$1.22 billion in cash and cash equivalents and \$1.17 billion of available borrowing capacity under our \$2.25 billion revolving credit agreement (the "Revolving Credit Facility"). We finance much of our operations and growth through cash generated by our operations.

The amount of cash and cash equivalents at March 31, 2023 represented an increase of \$82.9 million from \$1.14 billion at September 30, 2022, the reasons for which are described below.

Our net cash flow provided by operations of \$434.3 million during the six months ended March 31, 2023 was unfavorable by \$11.9 million in comparison to the cash flow provided by operations of \$446.3 million for the corresponding prior year period. The year-over-year decrease in cash from operations is primarily attributable to a decrease in working capital performance compared to the prior period, offset in part by higher earnings after adjustments for non-cash items compared to the prior period.

Our net cash used for investing activities for the six months ended March 31, 2023 was \$76.7 million, compared to cash used for investing activities of \$458.8 million in the corresponding prior year period, with this change due primarily to the acquisition of BlackLynx and StreetLight in the prior year.

Our net cash used for financing activities of \$336.0 million for the six months ended March 31, 2023 resulted mainly from cash used for share repurchases of \$140.5 million, \$58.4 million in repurchase of PA Consulting related redeemable noncontrolling interests, \$62.8 million in dividends to shareholders and \$53.8 million in net repayments of long-term borrowing, partly offset by net proceeds from issuance of common stock of \$25.4 million. Cash provided by financing activities in the corresponding prior year period was \$235.1 million, due primarily to net proceeds from borrowings of \$387.1 million, offset by cash used for repurchases of PA Consulting related redeemable noncontrolling interests of \$35.1 million and \$57.2 million in dividends to shareholders and \$9.4 million in net dividends to noncontrolling interest holders.

At March 31, 2023, the Company had approximately \$217.3 million in cash and cash equivalents held in the U.S. and \$1.0 billion held outside of the U.S. (primarily in the U.K., the Eurozone, Australia, India, Canada, Israel and the United Arab Emirates), which is used primarily for funding operations in those regions. Other than the tax cost of repatriating funds to the U.S. (see Note 6- *Income Taxes* of Notes to Consolidated Financial Statements included in our 2022 Form 10-K), there are no material impediments to repatriating these funds to the U.S.

The Company had \$322.4 million in letters of credit outstanding at March 31, 2023. Of this amount, \$1.3 million was issued under the Revolving Credit Facility and \$321.1 million was issued under separate, committed and uncommitted letter-of-credit facilities.

On February 6, 2023, the Company refinanced its Revolving Credit Facility and Term Loan Facilities and on February 16, the Company issued \$500.0 million in Bonds. See Note 11- *Borrowings* for further discussion relating to the terms of the Bonds, the Revolving Credit Facility and Term Loan Facilities following the issuance and refinancing.

On February 4, 2022, the Company acquired StreetLight Data, Inc. ("StreetLight"). StreetLight is a pioneer of mobility analytics who uses its data and machine learning resources to shed light on mobility and enable users to solve complex transportation problems. The Company paid total base consideration of approximately \$190.8 million in cash, and issued \$0.9 million in equity and \$5.2 million in in-the-money stock options to the former owners of StreetLight. The Company also paid off StreetLight's debt of approximately \$1.0 million simultaneously with the consummation of the acquisition.

On November 19, 2021, Jacobs acquired all outstanding shares of common stock of BlackLynx, a provider of high-performance software, to complement Jacobs' portfolio of cyber, intelligence and digital solutions. The Company paid total base consideration of approximately \$235.4 million in cash to the former owners of BlackLynx. In conjunction with the acquisition, the Company also paid off BlackLynx's debt of approximately \$5.3 million simultaneously with the consummation of the acquisition.

We believe we have adequate liquidity and capital resources to fund our projected cash requirements for the next twelve months based on the liquidity provided by our cash and cash equivalents on hand, our borrowing capacity and our continuing cash from operations.

We were in compliance with all of our debt covenants at March 31, 2023.

Supplemental Obligor Group Financial Information

On February 16, 2023, Jacobs Engineering Group Inc., a wholly-owned subsidiary of Jacobs Solutions Inc. (together, the "Obligor Group"), completed an offering of \$500 million aggregate principal amount of its 5.9% Sustainability-Linked Bonds due 2033 (the "Bonds"). The Bonds are fully and unconditionally guaranteed by the Company (the "Guarantee"). The Bonds and the Guarantee were offered pursuant to a prospectus supplement, dated February 13, 2023, to the prospectus dated February 6, 2023, that forms a part of the Company and JEGI's automatic shelf registration statement on Form S-3ASR (File Nos. 333-269605 and 333-269605-01) previously filed with the Securities and Exchange Commission.

In accordance with the SEC Regulation S-X Rule 13-01, set forth below is the summarized financial information for the Obligor Group on a combined basis after elimination of (i) intercompany transactions and balances between Jacobs and JEGI and (ii) equity in the earnings from and investments in all other subsidiaries of the Company that do not guarantee the registered securities of either Jacobs or JEGI. This summarized financial information (in thousands) has been prepared and presented pursuant to Regulation S-X Rule 13-01, "Financial Disclosures about Guarantors and Issuers of Guaranteed Securities" and is not intended to present the financial position or results of operations of the Obligor Group in accordance with U.S. GAAP.

		Six Months Ended March 31, 2023	
(in thousands)			
Summarized Statement of Earnings Data			
Revenue	\$		1,607,765
Direct Costs	\$		1,342,185
Selling, General and Administrative Expenses	\$		145,721
Net earnings attributable to Guarantor Subsidiaries from continuing operations	\$		46,407
Noncontrolling interests	\$		(370)
		March 31, 2023	September 30, 2022
(in thousands)			
Summarized Balance Sheet Data			
Current assets, less receivables from Non-Guarantor Subsidiaries	\$	679,885	\$ 641,281
Current receivables from Non-Guarantor Subsidiaries	\$	101,458	\$ 144,564
Noncurrent assets, less noncurrent receivables from Non-Guarantor Subsidiaries	\$	493,648	\$ 494,185
Noncurrent receivables from Non-Guarantor Subsidiaries	\$	654,179	\$ 612,260
Current liabilities	\$	526,541	\$ 573,614
Current liabilities to Non-Guarantor Subsidiaries	\$	55,365	\$ —
Long-term Debt	\$	3,012,542	\$ 2,986,124
Other Noncurrent liabilities, less amounts payable to Non-Guarantor Subsidiaries	\$	275,167	\$ 289,452
Noncurrent liabilities to Non-Guarantor Subsidiaries	\$	469,774	\$ 434,092
Noncontrolling interests	\$	1,135	\$ 947
Accumulated deficit	\$	(2,411,354)	\$ (2,391,939)

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We do not enter into derivative financial instruments for trading, speculation or other similar purposes that would expose the Company to market risk. In the normal course of business, our results of operations are exposed to risks associated with fluctuations in interest rates and currency exchange rates.

Interest Rate Risk

Please see the Note 11- *Borrowings* in Notes to Consolidated Financial Statements appearing under Part I, *Item 1* of this Quarterly Report on Form 10-Q, which is incorporated herein by reference, for a discussion of the Revolving Credit Facility, Term Loan Facilities and Note Purchase Agreement.

Our Revolving Credit Facility, Term Loan Facilities and certain other debt obligations are subject to variable rate interest which could be adversely affected by an increase in interest rates. As of March 31, 2023, we had an aggregate of \$2.96 billion in outstanding borrowings under our Revolving Credit Facility and Term Loan Facilities. Interest on amounts borrowed under these agreements is subject to adjustment based on the Company's Consolidated Leverage Ratio (as defined in the credit agreements governing the Revolving Credit Facility and the Term Loan Facilities). Depending on the Company's Consolidated Leverage Ratio, borrowings denominated in U.S. dollars under the Revolving Credit Facility and the Term Loan Facilities bear interest at a SOFR rate plus a margin of between 0.975% and 1.725% or a base rate plus a margin of between 0.0% and 0.625% including applicable margins while borrowings denominated in British pounds under these respective facilities bear interest at an adjusted SONIA rate plus a margin of between 0.908% and 1.658%. Additionally, our Revolving Credit Facility, Term Loan Facilities and the Bonds have interest rates subject to potential increases relating to certain ESG metrics as stipulated in the related agreements and as discussed in Note 11- *Borrowings*.

However, as discussed in Note 17- *Commitments and Contingencies and Derivative Financial Instruments*, we are party to swap agreements with an aggregate notional value of \$899.5 million to convert the variable rate interest based liabilities associated with a corresponding amount of our debt into fixed interest rate liabilities, leaving \$2.06 billion in principal amount subject to variable interest rate risk. Additionally, during fiscal 2022, we entered into two treasury lock arrangements with an aggregate notional value of \$500.0 million, which were settled in second quarter fiscal 2023, and are disclosed in further detail in Note 17- *Commitments and Contingencies and Derivative Financial Instruments*.

For the six months ended March 31, 2023, our weighted average borrowings that are subject to floating rate exposure were approximately \$2.61 billion. If floating interest rates had increased by 1.00%, our interest expense for the six months ended March 31, 2023 would have increased by approximately \$13.1 million.

Foreign Currency Risk

In situations where the Company incurs costs in currencies other than our functional currency, we sometimes enter into foreign exchange contracts to limit our exposure to fluctuating foreign currencies. We follow the provisions of ASC No. 815, *Derivatives and Hedging* in accounting for our derivative contracts. The Company has \$720.9 million in notional value of exchange rate sensitive instruments at March 31, 2023. See Note 17- *Commitments and Contingencies and Derivative Financial Instruments* for discussion.

Item 4. Controls and Procedures.**Evaluation of Disclosure Controls and Procedures**

Disclosure controls and procedures are those controls and procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Securities Exchange Act of 1934, as amended (the "Exchange Act") are recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer (principal executive officer) and Chief Financial Officer (principal financial officer), to allow timely decisions regarding required disclosure.

The Company's management, with the participation of its Chief Executive Officer (principal executive officer) and Chief Financial Officer (principal financial officer), evaluated the effectiveness of the Company's disclosure controls and procedures as defined by Rule 13a-15(e) of the Exchange Act defined above, as of March 31, 2023, the end of the period covered by this Quarterly Report on Form 10-Q (the "Evaluation Date"). Based on that evaluation, the Company's management, with the participation of the Chief Executive Officer (principal executive officer) and Chief Financial Officer (principal financial officer) concluded that the Company's disclosure controls and procedures, as of the Evaluation Date, were effective to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to the Company's management, including the Company's Chief Executive Officer (principal executive officer) and Chief Financial Officer (principal financial officer), as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There were no changes to our internal control over financial reporting which were identified in connection with the evaluation required by paragraph (d) of Rules 13a-15 and 15d-15 under the Exchange Act during the quarter ended March 31, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

The information required by this Item 1 is included in the Note 17- *Commitments and Contingencies and Derivative Financial Instruments* included in the Notes to Consolidated Financial Statements appearing under Part I, Item 1 of this Quarterly Report on Form 10-Q, which is incorporated herein by reference.

Item 1A. Risk Factors.

Except as set forth below, there have been no material changes in our risk factors from those disclosed in Item 1A- *Risk Factors* in our 2022 Form 10-K, which is incorporated herein by reference. The risk factors disclosed under that Report in addition to the other information set forth in this Report, could materially affect our business, financial condition, and results of operations. Before making an investment decision with respect to our common stock, you should carefully consider those risk factors, as well as the financial and business disclosures contained in this Quarterly Report on Form 10-Q and our other current and periodic reports filed with the SEC.

The proposed separation of our CMS business is subject to various risks and uncertainties and may not be completed in accordance with the expected plans or anticipated timeline, or at all.

On May 9, 2023, the Company announced a plan to separate its Critical Mission Solutions business, resulting in two independent public companies, each better positioned to unlock its full standalone long-term potential. The separation is intended to be effectuated through a distribution to the Jacobs' shareholders of new publicly traded shares of the Critical Mission Solutions company, which is intended to be tax-free to Jacobs' shareholders for U.S. federal income tax purposes. We are targeting to complete the separation in the second half of fiscal year 2024. However, we cannot assure you that any transaction will be completed on the anticipated timeline or at all, or that the form or other terms of the separation will not change, including with respect to the scope of the businesses to be separated or retained by the Company. The completion of the transaction will be subject to the satisfaction of customary conditions, including final approval by the Company's Board of Directors, receipt of an Internal Revenue Service ruling and relevant tax opinions, and the effectiveness of appropriate filings with the U.S. Securities and Exchange Commission. The failure to satisfy any of the required conditions could delay the completion of the spin-off for a significant period of time or prevent it from occurring at all.

Various factors, including changes in the competitive conditions of our markets, changes in financial markets and economic conditions, failure to obtain any third party consents that may be required for the separation, delays in obtaining tax opinions or rulings, material or unanticipated tax liability for our shareholders, us, and/or the new CMS company, and other challenges in executing the separation of the two businesses, could delay or prevent the completion of the separation or cause it to occur on terms or conditions that are different or less favorable than expected.

Further, our Board of Directors could decide, either because of a failure of conditions or because of market or other factors, to abandon the separation of the CMS business.

Our plan to separate the CMS business will involve significant time, expense and resources, and could disrupt or adversely affect our business.

Executing the separation of the CMS business will require significant time and attention from our senior management and employees, and may divert their attention from operating and growing our business in ways that could adversely affect our business, financial results, results of operations and the trading price of our common stock. Our employees may also be distracted due to uncertainty about their future roles with the separated companies, and customers or suppliers could delay or defer decisions or may end their relationships with us.

We may also experience increased difficulties in attracting, retaining, and motivating employees during the pendency and following completion of the separation, which could harm our businesses.

In addition, we have incurred and will continue to incur expenses in connection with the separation, and expect that the process of completing the spin-off will be time-consuming and involve significant additional costs and expenses, which may not yield a benefit if a separation is not completed. We will also incur ongoing costs and dis-synergies in connection with, or as a result of, the separation and related restructuring transactions, including costs of operating as independent, publicly-traded companies that the two businesses will no longer be able to share.

Any of the above factors could cause the separation (or the failure to execute the separation) to have a material adverse effect on our business, financial condition, results of operations and the trading price of our common stock.

The separation may not achieve the anticipated benefits and could expose us to new risks.

We may not realize the anticipated strategic, financial, operational, or other benefits from the separation of our CMS business. We cannot predict with certainty when these anticipated benefits will occur or the extent to which they will be achieved. If the separation is completed, our operational and financial profile will change and we will face new risks. As independent, publicly traded companies, each company will be smaller, less-diversified and may be more vulnerable to changing market conditions. While we believe that the separation will position each company to better unlock its full standalone long-term potential, we cannot assure you that following the separation each separate company will be successful. Further, there can be no assurance that the combined value of the shares of the two resulting companies will be equal to or greater than what the value of our common stock would have been had the proposed spin-off not occurred.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

There were no sales of unregistered securities during the second fiscal quarter of 2023.

Share Repurchases

On January 25, 2023, the Company's Board of Directors authorized an incremental share repurchase program of up to \$1.0 billion of the Company's stock, to expire on January 25, 2026 (the "2023 Repurchase Authorization"). No repurchase activity has taken place under the 2023 Share Repurchase Authorization to date.

On January 16, 2020, the Company's Board of Directors authorized a share repurchase program of up to \$1.0 billion of the Company's common stock, that expired on January 15, 2023 (the "2020 Repurchase Authorization"). There were no repurchases of the Company's common stock made during the second quarter of fiscal 2023 under the 2020 Share Repurchase Authorization.

Our share repurchase program does not obligate the Company to purchase any shares. Share repurchases may be executed through various means including, without limitation, accelerated share repurchases, open market transactions, privately negotiated transactions, purchases pursuant to Rule 10b5-1 plans or otherwise. The authorization for the share repurchase programs may be terminated, increased or decreased by the Company's Board of Directors in its discretion at any time. The timing, amount and manner of share repurchases may depend upon market conditions and economic circumstances, availability of investment opportunities, the availability and costs of financing, currency fluctuations, the market price of the Company's common stock, other uses of capital and other factors.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosure.

None.

Item 5. Other Information.

None.

Item 6. Exhibits.

- 3.1 [Amended and Restated Certificate of Incorporation of Jacobs Solutions Inc. Filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K on August 29, 2022 and incorporated herein by reference.](#)
- 3.2 [Amended and Restated Bylaws of Jacobs Solutions Inc., dated as of October 11, 2022. Filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K/A on October 14, 2022 and incorporated herein by reference.](#)
- 4.1 [Indenture, dated as of February 16, 2023, among Jacobs Solutions Inc., Jacobs Engineering Group Inc., and U.S. Bank Trust Company, National Association, as Trustee. Filed as Exhibit 4.1 to the Registrant's Current Report on Form 8-K on February 16, 2023 and incorporated herein by reference.](#)
- 4.2 [First Supplemental Indenture, dated as of February 16, 2023, among Jacobs Solutions Inc., Jacobs Engineering Group Inc., and U.S. Bank Trust Company, National Association, as Trustee. Filed as Exhibit 4.2 to the Registrant's Current Report on Form 8-K on February 16, 2023 and incorporated herein by reference.](#)
- 4.3 [Form of the Notes, including the Guarantee. Filed as part of Exhibit 4.2 to the Registrant's Current Report on Form 8-K on February 16, 2023 and incorporated herein by reference.](#)
- 10.1* [Form of Indemnification Agreement entered into between Jacobs Solutions Inc. and certain of its officers and directors.](#)
- 10.2#* [Jacobs Solutions Inc. Executive Deferral Plan, effective January 1, 2023.](#)
- 10.3#* [Form of Restricted Stock Unit Agreement \(awarded pursuant to the Jacobs Solutions Inc. 1999 Outside Directors Stock Plan\).](#)
- 10.4# [Jacobs Solution Inc. 2023 Stock Incentive Plan, as amended and restated effective January 24, 2023. Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K on January 27, 2023 and incorporated herein by reference.](#)
- 10.5 [Third Amended and Restated Credit Agreement, dated as of February 6, 2023, by and among Jacobs Solutions Inc., Jacobs Engineering Group Inc., certain subsidiaries parties thereto, the lenders party thereto, and Bank of America, N.A., as administrative agent. Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K on February 7, 2023 and incorporated herein by reference.](#)
- 10.6 [Amended and Restated Term Loan Agreement, dated as of February 6, 2023, by and among Jacobs Solutions Inc., Jacobs Engineering Group Inc., the lenders party thereto, and Bank of America, N.A., as administrative agent. Filed as Exhibit 10.2 to the Registrant's Current Report on Form 8-K on February 7, 2023 and incorporated herein by reference.](#)
- 10.7 [Third Amendment to Term Loan Agreement, dated as of February 6, 2023, by and among Jacobs Solutions Inc., Jacobs Engineering Group Inc., Jacobs U.K. Limited, the lenders party thereto, and Bank of America, N.A., as administrative agent. Filed as Exhibit 10.3 to the Registrant's Current Report on Form 8-K on February 7, 2023 and incorporated herein by reference.](#)
- 22.1* [Subsidiary Issuers of Guaranteed Securities.](#)
- 31.1* [Certification of Chief Executive Officer pursuant to Rule 13a-14\(a\) under the Securities Exchange Act of 1934.](#)
- 31.2* [Certification of Chief Financial Officer pursuant to Rule 13a-14\(a\) under the Securities Exchange Act of 1934.](#)
- 32.1* [Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- 32.2* [Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- 101 The following financial statements from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2023, formatted in Inline XBRL: (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Earnings, (iii) Consolidated Statements of Comprehensive Income (Loss), (iv) Consolidated Statements of Stockholders' Equity, (v) Consolidated Statements of Cash Flows and (vi) Notes to Consolidated Financial Statements, tagged as blocks of text and including detailed tags.
- 104 The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2023, (formatted as Inline XBRL and contained in Exhibit 101).

* Filed herewith

Management contract or compensatory plan or arrangement

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

JACOBS SOLUTIONS INC.

By: /s/ Kevin C. Berryman
Kevin C. Berryman
President
and Chief Financial Officer
(Principal Financial Officer)

Date: May 9, 2023

FORM OF INDEMNIFICATION AGREEMENT

This Indemnification Agreement (this "Agreement") is made as of _____ by and between JACOBS SOLUTIONS INC., a Delaware corporation (the "Company"), and _____ ("Indemnitee").

RECITALS

A. The Company is aware that competent and experienced persons have become reluctant to serve as directors or officers of corporations unless they are protected by comprehensive liability insurance or indemnification, due to increased exposure to litigation costs and risks resulting from their service to such corporations, and due to the fact that the exposure frequently bears no reasonable relationship to the compensation of such directors and officers;

B. The statutes and judicial decisions regarding the duties of directors and officers are often difficult to apply, ambiguous, or conflicting, and therefore fail to provide such directors and officers with adequate, reliable knowledge of legal risks to which they are exposed or information regarding the proper course of action to take;

C. Plaintiffs often seek damages in such large amounts, and the costs of litigation may be so enormous (whether or not the case is meritorious), that the defense and/or settlement of such litigation is often beyond the personal resources of officers and directors;

D. The Company believes that it is unfair for its directors and officers to assume the risk of huge judgments and other expenses which may occur in cases in which the director or officer received no personal profit and in cases where the director or officer was not culpable;

E. The Company recognizes that the issues in controversy in litigation against a director or officer of a corporation such as the Company or a subsidiary of the Company are often related to the knowledge, motives and intent of such director or officer, that she or he is usually the only witness with knowledge of the essential facts and exculpatory circumstances regarding such matters, and that the long period of time which usually elapses before the trial or other disposition of such litigation often extends beyond the time that the director or officer can reasonably recall such matters; and may extend beyond the normal time for retirement for such director or officer with the result that she or he, after retirement or in the event of his or her death, his or her spouse, heirs, executors or administrators, may be faced with limited ability and undue hardship in maintaining an adequate defense, which may discourage such a director or officer from serving in that position;

F. Based upon their experience as business managers, the Board of Directors of the Company (the "Board") has concluded that, to retain and attract talented and experienced individuals to serve as officers and directors of the Company and to encourage such individuals to take the business risks necessary for the success of the Company, it is necessary for the Company to contractually indemnify its officers and directors and to assume for itself maximum liability for expenses and damages in connection with claims against such officers and directors in connection with their service to the Company, and has further concluded that the failure to

provide such contractual indemnification could result in great harm to the Company and its stockholders;

G. Section 145 of the General Corporation Law of Delaware, under which the Company is organized, ("Section 145") empowers the Company to indemnify its officers, directors and employees by agreement and to indemnify persons who serve, at the request of the Company, as the directors, officers and employees of other corporations or enterprises, and expressly provides that the indemnification provided by Section 145 is not exclusive;

H. The Company, after reasonable investigation, believes that the interests of its stockholders would best be served by a combination of such liability insurance coverage as the Company may from time to time obtain and the indemnification by the Company of the directors and officers of the Company and its subsidiaries;

I. The Company desires and has requested the Indemnitee to serve or continue to serve as a director or officer of the Company or one or more of its subsidiaries free from undue concern for claims for damages arising out of or related to such services to the Company;

J. The Company, after reasonable investigation, believes that it is reasonable, prudent and necessary for the Company contractually to obligate itself to indemnify, and to advance expenses on behalf of the Indemnitee to the fullest extent permitted by applicable law, as a supplement to and in furtherance of Section 15 of the Company's Amended and Restated Certificate of Incorporation ("Certificate of Incorporation") and Article VII of the Company's Amended and Restated Bylaws ("Bylaws"), so that Indemnitee will serve or continue to serve the Company free from undue concern that Indemnitee will not be so indemnified and entitled to the advancement of expenses; and

K. The Indemnitee is willing to serve, or to continue to serve, the Company and/or such subsidiaries, provided that he or she is furnished the indemnity provided for in this Agreement.

NOW, THEREFORE, in consideration of the premises and the covenants contained in this Agreement and the Indemnitee's continued service after the date of this Agreement, the Company and Indemnitee do hereby covenant and agree as follows:

Section 1. Services to the Company. In consideration of the protection afforded by this Agreement, if Indemnitee is a director of the Company, he or she agrees to serve as a director of the Company until the earliest of his or her resignation, death, disability or election of a successor. If Indemnitee is an officer of the Company, he or she agrees to serve in such capacity until the earliest of his or her resignation, termination, death or disability. Nothing contained in this Agreement is intended to create any right to continued employment of Indemnitee and this Agreement shall not be deemed an employment contract between the Company (or any of its subsidiaries or any Enterprise) and Indemnitee. The foregoing notwithstanding, this Agreement shall continue in force after Indemnitee has ceased to serve as a director or officer, as applicable, of the Company.

Section 2. Definitions.

As used in this Agreement:

(a) "Corporate Status" describes the status of a person as a current or former director, officer, employee, agent or trustee of the Company or of any other Enterprise which such person is or was serving at the request of the Company.

(b) "Change in Control" shall be deemed to have occurred if (i) any "person" (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "1934 Act")), other than a trustee or other fiduciary holding securities under an employee benefit plan of the Company or a corporation owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company, is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the 1934 Act), directly or indirectly, of securities of the Company representing 25% or more of the total voting power represented by the Company's then outstanding Voting Securities (as defined below), (ii) during any period of two consecutive years, individuals who at the beginning of such period constitute the Board and any new director whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof, (iii) the stockholders of the Company approve a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the Voting Securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into Voting Securities of the surviving entity) at least 50% of the total voting power represented by the Voting Securities of the Company or such surviving entity outstanding immediately after such merger or consolidation, or (iv) the stockholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company (in one transaction or a series of transactions) of 50% or more of the Company's assets.

(c) "Enforcement Expenses" shall include all reasonable attorneys' fees, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees and all other disbursements or expenses of the types customarily incurred in connection with an action to enforce indemnification or advancement rights, or an appeal from such action, including, without limitation, the premium, security for and other costs relating to any cost bond, supersedes bond or other appeal bond or its equivalent, and any federal, state, local or foreign taxes imposed on the Indemnitee as a result of the actual or deemed receipt of any payments under Section 13(e) of this Agreement.

(d) "Enterprise" shall mean any corporation (other than the Company), partnership, joint venture, trust, employee benefit plan or other legal entity of which Indemnitee is or was serving at the request of the Company as a director, officer, employee, agent or trustee.

(e) "Expenses" shall include all reasonable attorneys' fees, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, or otherwise participating in, a Proceeding or an appeal resulting from a Proceeding, including, without limitation, the premium, security for and other costs relating to any cost bond, supersedes bond or other appeal bond or its equivalent, and any federal, state, local or foreign taxes imposed on the Indemnitee as a result of the actual or deemed receipt of any payments under this Agreement. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amount of judgments or fines against Indemnitee.

(f) "Independent Counsel" means a law firm, or a partner (or, if applicable, member) of such a law firm, that is experienced in matters of Delaware corporation law and neither presently is, nor in the past five years has been, retained to represent: (i) the Company, any Enterprise or Indemnitee in any matter material to any such party (other than with respect to

matters concerning Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements), or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement. The Company agrees to pay the reasonable fees and expenses of the Independent Counsel and to fully indemnify such counsel against any and all expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

(g) "Potential Change in Control" shall be deemed to have occurred if (i) the Company enters into an agreement or arrangement, the consummation of which will result in the occurrence of a Change in Control; (ii) any person (including the Company) publicly announces an intention to take or to consider taking actions which if consummated would constitute a Change in Control; or (iii) the Board adopts a resolution to the effect that, for purposes of this Agreement a Potential Change in Control has occurred.

(h) The term "Proceeding" shall include any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought in the right of the Company or otherwise and whether of a civil, criminal, administrative or investigative nature, in which Indemnitee was, is or will be involved as a party or otherwise by reason of the fact that Indemnitee is or was a director or officer, as applicable, of the Company or is or was serving at the request of the Company as a director, officer, employee, agent or trustee of any Enterprise or by reason of any action taken by him or her or of any action taken on his or her part while acting as director of the Company or while serving at the request of the Company as a director, officer, employee, agent or trustee of any Enterprise, in each case whether or not serving in such capacity at the time any liability or expense is incurred for which indemnification, reimbursement or advancement of expenses can be provided under this Agreement; provided, however, that the term "Proceeding" shall not include any action, suit or arbitration, or part thereof, initiated by Indemnitee to enforce Indemnitee's rights under this Agreement as provided for in Section 13(e) of this Agreement.

(i) "Voting Securities" means any securities of the Company which vote generally in the election of directors.

Section 3. Indemnity in Third-Party Proceedings. The Company shall indemnify Indemnitee in accordance with the provisions of this Section 3 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding, other than a Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 3, Indemnitee shall be indemnified against all Expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by Indemnitee or on his behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company and, in the case of a criminal proceeding, had no reasonable cause to believe that his conduct was unlawful. Indemnitee shall not enter into any settlement in connection with a Proceeding without ten (10) days' prior notice to the Company.

Section 4. Indemnity in Proceedings by or in the Right of the Company. The Company shall indemnify Indemnitee in accordance with the provisions of this Section 4 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 4, Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by him or her on his or her behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company. No indemnification for Expenses shall be made under this Section 4 in respect of any claim, issue or matter as to which Indemnitee shall have been finally adjudged by a court to be liable to the Company, unless and only to the extent that

the Delaware Court of Chancery (the "Delaware Court") or any court in which the Proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnification for such expenses as the Delaware Court or such other court shall deem proper.

Section 5. Indemnification for Expenses of a Party Who is Wholly or Partly Successful. Notwithstanding any other provisions of this Agreement and except as provided in Section 8, to the extent that Indemnitee is a party to or a participant in and is successful, on the merits or otherwise, in any Proceeding or in defense of any claim, issue or matter therein, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by him or her in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by him or her on his or her behalf in connection with each successfully resolved claim, issue or matter. For purposes of this Section and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

Section 6. Indemnification For Expenses of a Witness. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of his Corporate Status, a witness in any Proceeding to which Indemnitee is not a party and is not threatened to be made a party, he shall be indemnified against all Expenses actually and reasonably incurred by him or her on his or her behalf in connection therewith.

Section 7. Additional Indemnification.

(a) Except as provided in Section 8, notwithstanding any limitation in Sections 3, 4 or 5, the Company shall indemnify Indemnitee to the fullest extent permitted by law if Indemnitee is a party to or is threatened to be made a party to any Proceeding (including a Proceeding by or in the right of the Company to procure a judgment in its favor) against all Expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by Indemnitee in connection with the Proceeding.

(b) For purposes of Section 7(a), the meaning of the phrase "to the fullest extent permitted by law" shall include, but not be limited to:

(i) to the fullest extent permitted by the provision of the General Corporation Law of the State of Delaware (the "DGCL") that authorizes or contemplates additional indemnification by agreement, or the corresponding provision of any amendment to or replacement of the DGCL or such provision thereof; and

(ii) to the fullest extent authorized or permitted by any amendments to or replacements of the DGCL adopted after the date of this Agreement that increase the extent to which a corporation may indemnify its officers and directors.

Section 8. Exclusions. Notwithstanding any provision in this Agreement to the contrary, the Company shall not be obligated under this Agreement:

(a) to make any indemnity for amounts otherwise indemnifiable hereunder (or for which advancement is provided hereunder) if and to the extent that Indemnitee has otherwise actually received such amounts under any insurance policy, contract, agreement or otherwise;

(b) to make any indemnity for an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Securities Exchange Act of 1934, as amended, or similar provisions of state statutory law or common law; or

- (c) to make any indemnity or advancement that is prohibited by applicable law.

Section 9. Advances of Expenses. The Company shall advance, to the extent not prohibited by law, the Expenses incurred by Indemnitee in connection with any Proceeding, and such advancement shall be made within twenty (20) days after the receipt by the Company of a statement or statements requesting such advances (which shall include invoices received by Indemnitee in connection with such Expenses but, in the case of invoices in connection with legal services, any references to legal work performed or to expenditures made that would cause Indemnitee to waive any privilege accorded by applicable law shall not be included with the invoice) from time to time, whether prior to or after final disposition of any Proceeding. Advances shall be unsecured and interest free. Advances shall be made without regard to Indemnitee's ability to repay the expenses and without regard to Indemnitee's ultimate entitlement to indemnification under the other provisions of this Agreement. Indemnitee shall qualify for advances upon the execution and delivery to the Company of this Agreement which shall constitute an undertaking providing that Indemnitee undertakes to the fullest extent required by law to repay the advance if and to the extent that it is ultimately determined by a court of competent jurisdiction in a final judgment, not subject to appeal, that Indemnitee is not entitled to be indemnified by the Company. The right to advances under this paragraph shall in all events continue until final disposition of any Proceeding, including any appeal therein. Nothing in this Section 9 shall limit Indemnitee's right to advancement pursuant to Section 13(e) of this Agreement.

Section 10. Procedure for Notification and Defense of Claim.

(a) To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request therefor and, if Indemnitee so chooses pursuant to Section 11 of this Agreement, such written request shall also include a request for Indemnitee to have the right to indemnification determined by Independent Counsel.

- (b) The Company will be entitled to participate in the Proceeding at its own expense.

Section 11. Procedure Upon Application for Indemnification.

(a) Upon written request by Indemnitee for indemnification pursuant to Section 10(a), a determination, if such determination is required by applicable law, with respect to Indemnitee's entitlement thereto shall be made in the specific case: (i) by Independent Counsel in a written opinion to the Board if Indemnitee so requests in such written request for indemnification pursuant to Section 10(a), or (ii) by the Company in accordance with applicable law if Indemnitee does not so request such determination be made by Independent Counsel. In the case that such determination is made by Independent Counsel, a copy of Independent Counsel's written opinion shall be delivered to Indemnitee and, if it is so determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within ten (10) days after such determination. Indemnitee shall cooperate with the Independent Counsel or the Company, as applicable, making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such counsel or the Company, upon reasonable advance request, any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any costs or expenses (including attorneys' fees and disbursements) incurred by Indemnitee in so cooperating with the Independent Counsel or the Company shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom.

(b) In the event that Indemnitee exercises his or her right to have his or her entitlement to indemnification determined by Independent Counsel pursuant to Sections 10(a) and 11(a)(i), the Independent Counsel shall be selected by Indemnitee. The Company may,

within ten (10) days after written notice of such selection, deliver to Indemnitee a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 2 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If such written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court has determined that such objection is without merit. If, within twenty (20) days after the later of (i) submission by Indemnitee of a written request for indemnification and Independent Counsel pursuant to Sections 10(a) and 11(a)(i) hereof, respectively, and (ii) the final disposition of the Proceeding, including any appeal therein, no Independent Counsel shall have been selected without objection, Indemnitee may petition a court of competent jurisdiction for resolution of any objection which shall have been made by the Company to the selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the court or by such other person as the court shall designate. The person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 11(a) hereof. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 13(a) of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

Section 12. Presumptions and Effect of Certain Proceedings.

(a) In making a determination with respect to entitlement to indemnification hereunder, it shall be presumed that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 10(a) of this Agreement, and the Company shall have the burden of proof to overcome that presumption in connection with the making of any determination contrary to that presumption. Neither (i) the failure of the Company or of Independent Counsel to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor (ii) an actual determination by the Company or by Independent Counsel that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

(b) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of guilty, nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his or her conduct was unlawful.

(c) The knowledge and/or actions, or failure to act, of any director, officer, agent or employee of the Company or any Enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

Section 13. Remedies of Indemnitee.

(a) Subject to Section 13(f), in the event that (i) a determination is made pursuant to Section 11 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 9 of this Agreement, (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 11(a) of this Agreement within sixty (60) days after receipt by the Company of the request for indemnification that does not include a request for Independent Counsel, (iv) payment of indemnification is not made pursuant to Section 5 or 6 or the last sentence of Section 11(a) of this Agreement within ten (10) days after receipt by the Company of a written request therefor or (v) payment of indemnification pursuant to Section 3, 4 or 7 of this

Agreement is not made within ten (10) days after a determination has been made that Indemnitee is entitled to indemnification, Indemnitee shall be entitled to an adjudication by a court of his or her entitlement to such indemnification or advancement. Alternatively, Indemnitee, at his or her option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Indemnitee shall commence such proceeding seeking an adjudication or an award in arbitration within 180 days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 13(a); provided, however, that the foregoing time limitation shall not apply in respect of a proceeding brought by Indemnitee to enforce his or her rights under Section 5 of this Agreement. The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration.

(b) In the event that a determination shall have been made pursuant to Section 11(a) of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 13 shall be conducted in all respects as a de novo trial, or arbitration, on the merits and Indemnitee shall not be prejudiced by reason of that adverse determination. In any judicial proceeding or arbitration commenced pursuant to this Section 13, the Company shall have the burden of proving Indemnitee is not entitled to indemnification or advancement, as the case may be.

(c) If a determination shall have been made pursuant to Section 11(a) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 13, absent a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification.

(d) The Company shall be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 13 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement.

(e) The Company shall indemnify Indemnitee against any and all Enforcement Expenses and, if requested by Indemnitee, shall (within ten (10) days after receipt by the Company of a written request therefor) advance, to the extent not prohibited by law, such Enforcement Expenses to Indemnitee, which are incurred by Indemnitee in connection with any action brought by Indemnitee for indemnification or advancement from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, advancement or insurance recovery, as the case may be, in the suit for which indemnification or advancement is being sought.

(f) Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement to indemnification under this Agreement shall be required to be made prior to the final disposition of the Proceeding, including any appeal therein.

Section 14. Establishment of Trust. In the event of a Potential Change in Control, the Company shall, upon written request by Indemnitee, create a trust for the benefit of Indemnitee and from time to time upon written request of Indemnitee shall fund such trust in an amount (the "Trust Fund Amount") which is the lesser of (i) the total of all sums sufficient to satisfy the expenses (including attorneys' fees) reasonably anticipated at the time of each such request to be incurred in connection with investigating, preparing for and defending any proceeding that is indemnifiable under this Agreement, plus any and all judgments, fines, penalties and settlement amounts relating to the proceeding from time to time actually paid or claimed, or reasonably anticipated or proposed to be paid or (ii) Five Million Dollars (\$5,000,000). The Trust Fund Amount shall be determined by the Reviewing Party. The Company shall maintain funds in the trust account in the Trust Fund Amount, depositing such additional amounts as may be appropriate as a result of disbursements from the account or increases which, from time to time,

may occur in the Trust Fund Amount. The terms of the trust shall provide that upon a Change in Control (i) the trust shall not be revoked or the principal thereof invaded, without the written consent of the Indemnitee, (ii) the trustee shall advance, within twenty (20) business days of a request by Indemnitee, expenses to Indemnitee (and Indemnitee hereby agrees to reimburse the trust under the circumstances under which the Indemnitee would be required to reimburse the Company under Section 9 of this Agreement), (iii) the trust shall continue to be funded by the Company in accordance with the finding obligation set forth above, (iv) the trustee shall promptly pay to Indemnitee all amounts for which Indemnitee shall be entitled to indemnification pursuant to this Agreement or otherwise, and (v) all unexpended funds in such trust shall revert to the Company upon a final determination by the Reviewing Party or a court of competent jurisdiction, as the case may be, that the Indemnitee has been fully indemnified under the terms of this Agreement. The trustee shall be chosen by Indemnitee. Nothing in this Section 14 shall relieve the Company of any of its obligations under this Agreement. All income earned on the assets held in the trust shall be reported as income by the Company for federal, state, local and foreign tax purposes.

Section 15. Non-exclusivity; Survival of Rights; Insurance; Subrogation.

(a) The rights of indemnification and to receive advancement as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Certificate of Incorporation, the Bylaws, any agreement, a vote of stockholders or a resolution of directors, or otherwise. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in his or her Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in Delaware law, whether by statute or judicial decision, permits greater indemnification or advancement than would be afforded currently under the Certificate of Incorporation, Bylaws and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

(b) To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, officers, employees, agents or trustees of the Company or of any other Enterprise, Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any such director, officer, employee, agent or trustee under such policy or policies. If, at the time of the receipt of a notice of a claim pursuant to the terms hereof, the Company has director and officer liability insurance in effect, the Company shall give prompt notice of the commencement of such proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such proceeding in accordance with the terms of such policies.

(c) In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

(d) The Company's obligation to provide indemnification or advancement hereunder to Indemnitee who is or was serving at the request of the Company as a director, officer, employee, agent or trustee of any other Enterprise shall be reduced by any amount Indemnitee has actually received as indemnification or advancement from such other Enterprise.

Section 16. Duration of Agreement. This Agreement shall continue until and terminate upon the later of: (a) ten (10) years after the date that Indemnatee shall have ceased to serve as a director or officer, as applicable, of the Company or (b) one (1) year after the final termination of any Proceeding, including any appeal, then pending in respect of which Indemnatee is granted rights of indemnification or advancement hereunder and of any proceeding, including any appeal, commenced by Indemnatee pursuant to Section 13 of this Agreement relating thereto. This Agreement shall be binding upon the Company and its successors and assigns and shall inure to the benefit of Indemnatee and his or her heirs, executors and administrators. The Company shall require and cause any successor, and any direct or indirect parent of any successor, whether direct or indirect by purchase, merger, consolidation or otherwise, to all, substantially all or a substantial part, of the business and/or assets of the Company, by written agreement in form and substance satisfactory to Indemnatee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

Section 17. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including, without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

Section 18. Enforcement.

(a) The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnatee to serve as a director or officer, as applicable, of the Company, and the Company acknowledges that Indemnatee is relying upon this Agreement in serving as a director or officer, as applicable, of the Company.

(b) This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof; provided, however, that this Agreement is a supplement to and in furtherance of the Certificate of Incorporation, the Bylaws and applicable law, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnatee thereunder.

Section 19. Modification and Waiver. No supplement, modification or amendment, or waiver of any provision, of this Agreement shall be binding unless executed in writing by the parties thereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions of this Agreement nor shall any waiver constitute a continuing waiver.

Section 20. Notice by Indemnatee. Indemnatee agrees promptly to notify the Company in writing upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification or advancement as provided hereunder. The failure of Indemnatee to so notify the Company shall not relieve the Company of any obligation which it may have to Indemnatee under this Agreement or otherwise.

Section 21. Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given if (a) delivered

by hand and receipted for by the party to whom said notice or other communication shall have been directed, (b) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed, (c) mailed by reputable overnight courier and receipted for by the party to whom said notice or other communication shall have been directed or (d) sent by facsimile transmission, with receipt of oral confirmation that such transmission has been received:

- (a) If to Indemnatee, at such address as Indemnatee shall provide to the Company.
- (b) If to the Company to:

Jacobs
Attn: General Counsel
1999 Bryan Street
Suite 3500
Dallas, Texas 75201

or to any other address as may have been furnished to Indemnatee by the Company.

Section 22. Contribution. To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnatee for any reason whatsoever, the Company, in lieu of indemnifying Indemnatee, shall contribute to the amount incurred by Indemnatee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any Proceeding in such proportion as is deemed fair and reasonable in light of all of the circumstances in order to reflect (i) the relative benefits received by the Company and Indemnatee in connection with the event(s) and/or transaction(s) giving rise to such Proceeding; and/or (ii) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnatee in connection with such event(s) and/or transactions.

Section 23. Applicable Law and Consent to Jurisdiction. This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. Except with respect to any arbitration commenced by Indemnatee pursuant to Section 13(a) of this Agreement, the Company and Indemnatee hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Delaware Court, and not in any other state or federal court in the United States of America or any court in any other country, (ii) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) consent to service of process at the address set forth in Section 21 of this Agreement with the same legal force and validity as if served upon such party personally within the State of Delaware, (iv) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court and (v) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court has been brought in an improper or inconvenient forum.

Section 24. Identical Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

Section 25. Miscellaneous. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed as of the day and year first above written.

JACOBS SOLUTIONS INC.

By: _____
Name: _____
Title: _____

[Indemnitee]
[Name]

JACOBS EXECUTIVE DEFERRAL PLAN
As Amended and Restated January 1, 2023

TABLE OF CONTENTS

<u>Page</u>	
	<u>Introduction</u> 1
	<u>ARTICLE 1 Definitions</u> 2
	<u>ARTICLE 2 Selection, Enrollment, Eligibility</u> 8
	<u>2.1 Selection by Committee</u> 8
	<u>2.2 Enrollment Requirements</u> 8
	<u>2.3 Eligibility; Commencement of Participation</u> 8
	<u>2.4 Participants Who Become Ineligible</u> 9
	<u>ARTICLE 3 Deferral Election/Crediting/Taxes</u> 9
	<u>3.1 Deferral Election</u> 9
	<u>3.3 Timing of Deferral Elections</u> 10
	<u>3.3 Withholding of Deferral Amounts</u> 11
	<u>3.4 Vesting</u> 11
	<u>3.5 Crediting/Debiting of Account Balances</u> 11
	<u>3.6 FICA and Other Taxes</u> 13
	<u>3.7 Distributions</u> 14
	<u>ARTICLE 4 Short-Term Payout; Unforeseeable Financial Emergencies</u> 14
	<u>4.1 Short-Term Payout</u> 14
	<u>4.2 Other Benefits Take Precedence Over Short-Term Payout</u> 15
	<u>4.3 Unforeseeable Financial Emergencies</u> 15
	<u>ARTICLE 5 Retirement Benefit</u> 15
	<u>5.1 Retirement Benefit</u> 15
	<u>5.2 Payment of Retirement Benefit</u> 15
	<u>5.3 Death Prior to Completion of Retirement Benefit</u> 16
	<u>ARTICLE 6 Pre-Retirement Survivor Benefit</u> 16
	<u>6.1 Pre-Retirement Survivor Benefit</u> 16
	<u>6.2 Payment of Pre-Retirement Survivor Benefit</u> 16

<u>ARTICLE 7 Termination Benefit</u>	17
<u>7.1 Termination Benefit</u>	17
<u>7.2 Payment of Termination Benefit</u>	17
<u>ARTICLE 8 Beneficiary Designation</u>	17
<u>8.1 Beneficiary</u>	17
<u>8.2 Beneficiary Designation, Change, Spousal Consent</u>	17
<u>8.3 Acknowledgement</u>	17
<u>8.4 No Beneficiary Designation</u>	17
<u>8.5 Doubt as to Beneficiary</u>	18
<u>8.6 Discharge of Obligations</u>	18
<u>ARTICLE 9 Leave of Absence and Rehires</u>	18
<u>9.1 Paid Leave of Absence</u>	18
<u>9.2 Unpaid Leave of Absence</u>	18
<u>9.3 Leave of Absence Treated as a Termination of Employment</u>	18
<u>9.4 Reemployment following Retirement or Termination of Employment</u>	18
<u>ARTICLE 10 Termination, Amendment or Modification</u>	19
<u>10.1 Termination</u>	19
<u>10.2 Amendment</u>	19
<u>10.3 Plan Agreement</u>	20
<u>10.4 Effect of Payment</u>	20
<u>10.5 Divestitures</u>	20
<u>ARTICLE 11 Administration</u>	20
<u>11.1 Committee Duties</u>	20
<u>11.2 Administration Upon Change in Control</u>	20
<u>11.3 Agents</u>	21
<u>11.4 Binding Effect of Decisions</u>	21
<u>11.5 Indemnity of Administrator</u>	21

<u>11.6 Missing Payees</u>	21
<u>11.7 Payment Delay or Acceleration</u>	22
<u>ARTICLE 12 Other Benefits and Agreements</u>	22
<u>12.1 Coordination with Other Benefits</u>	22
<u>ARTICLE 13 Claims Procedures</u>	22
<u>13.1 Presentation of Claim</u>	22
<u>13.2 Notification of Decision</u>	22
<u>13.3 Review of a Denied Claim</u>	23
<u>13.4 Decision on Review</u>	23
<u>13.5 Legal Action</u>	23
<u>13.6 Payment Following Resolution of Claim</u>	23
<u>ARTICLE 14 Trust</u>	23
<u>14.1 Establishment of the Trust</u>	23
<u>14.2 Interrelationship of the Plan and the Trust</u>	24
<u>14.3 Distributions From the Trust</u>	24
<u>14.4 Investment of Trust Assets</u>	24
<u>ARTICLE 15 Miscellaneous</u>	24
<u>15.1 Status of Plan</u>	24
<u>15.2 Unsecured General Creditor</u>	24
<u>15.3 Employer's Liability</u>	24
<u>15.4 Nonassignability</u>	25
<u>15.5 Not a Contract of Employment</u>	25
<u>15.6 Furnishing Information</u>	25
<u>15.7 Terms</u>	25
<u>15.8 Captions</u>	25
<u>15.9 Governing Law</u>	25
<u>15.10 Notice</u>	26
<u>15.11 Successors</u>	26

<u>15.12</u>	<u>Spouse's Interest</u>	26
<u>15.13</u>	<u>Validity</u>	26
<u>15.14</u>	<u>Incompetent</u>	26
<u>15.15</u>	<u>Payments to Spouses</u>	26
<u>15.16</u>	<u>Distribution in the Event of Taxation</u>	27
<u>15.17</u>	<u>Payment Delays due to Employer Insolvency</u>	27
<u>15.18</u>	<u>Insurance</u>	27
<u>15.19</u>	<u>Legal Fees to Enforce Rights After Change in Control</u>	27
<u>15.20</u>	<u>Code Section 409A</u>	28

JACOBS EXECUTIVE DEFERRAL PLAN

Introduction

The purpose of this Plan is to provide specified benefits to a select group of management and highly compensated Employees who contribute materially to the continued growth, development, and future business success of Jacobs Engineering Group Inc. and its participating Affiliates. This Plan is unfunded for tax purposes and for purposes of Title I of ERISA. This Plan restatement is generally effective with respect to compensation deferred beginning January 1, 2023. The prior restatement was effective with respect to compensation deferred beginning January 1, 2018 and replaced the Company's 2005 Executive Deferral Plan with respect to any benefits provided therein to Employees; the 2005 Executive Deferral Plan continues to govern compensation deferred after December 31, 2004 and before January 1, 2018. Notwithstanding the two preceding sentences and for the avoidance of doubt, the administrative and legal provisions of the Plan including, without limitation, Articles 8 and 10-15, apply to the prior Jacobs Executive Deferral Plans (adopted beginning in 1991), except to the extent such provisions would cause an amount grandfathered under Code section 409A to lose such grandfathered status.

The Company, the Administrator, and the Committee reserve full discretionary authority to operate the Plan to prohibit distributions, elections, or other actions that would trigger taxation under section 409A of the Code. This authority includes, but is not limited to, the authority to stop, delay, or review elections or distribution requests.

Effective April 26, 2019 (or such other "Closing Date" applicable under the Stock and Asset Purchase Agreement dated October 21, 2018 between Jacobs Engineering Group Inc. and WorleyParsons Ltd.), benefits and liabilities under the Plan (including, for the avoidance of doubt, under the 2005 Executive Deferral Plan and any other predecessor plans) relating to any "Transferred Employees" (as defined in such Stock and Asset Purchase Agreement) are transferred to the plan established by WorleyParsons Ltd. (or one of its affiliates) to pay such benefits. Pursuant to Section 10.5 of the Plan, neither the Company, its subsidiaries or affiliates, nor the Plan or Trust, shall have any remaining responsibility with respect to such transferred benefits and liabilities, and such Transferred Employees shall cease to be eligible to participate in this Plan as of the Closing Date. The transfer of employment in connection with the transaction shall not constitute a Separation from Service and therefore will not be a distribution event under the Plan.

ARTICLE 1

Definitions

For purposes of this Plan, unless otherwise clearly apparent from the context, the following phrases or terms shall have the following indicated meanings:

- 1.1 "Account Balance" shall mean, at any given time, the balance in a Participant's Deferral Account and, if applicable, Employer Contribution Account. The Account Balance shall be a bookkeeping entry only and shall be utilized solely as a device for the measurement and determination of the amounts to be paid to a Participant, or his or her designated Beneficiary, pursuant to this Plan.
- 1.2 "Administrator" shall mean the administrator described in Sections 11.1 and 11.2.

- 1.3 "Affiliate" shall mean a corporation, trade or business which is, together with the Company, a member of a controlled group of corporations or an affiliated service group or under common control (within the meaning of Code section 414(b), (c) or (m)), but only for the period during which such other entity is so affiliated with the Company. For purposes of determining a controlled group of corporations under Code section 414(b), the language "at least 50 percent" shall be used instead of "at least 80 percent" each place it appears in Code section 1563(a)(1), (2), and (3), and in applying Treas. Reg. § 1.414(c)-2 for purposes of determining trades or businesses (whether or not incorporated) that are under common control for purposes of Code section 414(c), "at least 50 percent" shall be used instead of "at least 80 percent" each place it appears in Treas. Reg. § 1.414(c)-2.
- 1.4 "Annual Bonus" shall mean a Participant's bonus relating to services performed during any Fiscal Year, whether or not paid in such Fiscal Year, under any Employer's annual bonus, incentive bonus and cash incentive plans, to the extent such bonus is specified as eligible under the Plan.
- 1.5 "Annual Installment Method" shall be an annual installment payment over the number of years selected by the Participant in accordance with this Plan, calculated as follows:
- (a) Initial Valuation Date. For the Plan Year in which payments begin, the Account Balance of the Participant (or, with respect to Equity Pay shares deferred, the number of shares payable over the installment period) shall be calculated as of the close of business on the last business day of the month immediately preceding the month in which payments are scheduled to begin.
 - (b) Subsequent Valuation Dates. For subsequent Plan Years: (1) with respect to Equity Pay shares deferred and dividend equivalents thereon, the number of shares and amount payable shall be calculated as of the close of business on the last business day of the month immediately preceding the month in which payment is scheduled, and (2) otherwise, the Account Balance of the Participant shall be calculated as of the close of business on the last business day of the preceding Plan Year.
 - (c) Amount of Annual Installment. With respect to Equity Pay shares deferred and dividend equivalents thereon, the annual installment shall be calculated as the total number of shares and amount of dividend equivalents as of the valuation date, divided by the remaining number of annual installments payable. Otherwise, the annual installment for each Plan Year shall be calculated by multiplying the balance as of the valuation date by a fraction, the numerator of which is the number of monthly payments to be made during the Plan Year, and the denominator of which is the remaining number of monthly payments due the Participant or Beneficiary. For purposes of determining the number of shares payable with respect to Equity Pay, the number of shares shall be rounded down to the next highest whole number of shares.

By way of example with respect to amounts other than Equity Pay, if the Participant elects a 10-year Annual Installment Method and payments begin in July 2024, the 2024 payment shall be 6/120th of the Account Balance, calculated as of June 30, 2024. In 2025, the payment shall be 12/114ths of the Account Balance, calculated as of December 31, 2024. Each annual installment paid shall be divided by the number of monthly payments to be made during the year, and the resulting number shall be the monthly installment payment that shall be paid each month of the Plan Year to which such annual installment relates. Subject to the payment provisions of Section

5.2 or 6.2, as the case may be, the monthly installment payment shall be paid on the first day of the month to which it relates.

By way of example with respect to Equity Pay deferrals paid as shares, if the Participant elects a 10-year Annual Installment Method and payments begin in July 2025, the 2025 payment shall be 1/10th of the total number of shares, calculated as of June 30, 2025. If the total number of shares as of such date is 1,455, the 2025 payment shall be 145 shares (rounded down from 145.5). In 2026, the payment shall be 1/9th of the total number of shares, calculated as of June 30, 2025.

- 1.6 "Base Annual Salary" shall mean the annual cash compensation relating to services performed during any calendar year, whether or not paid in such calendar year, and excluding bonuses, commissions, overtime, fringe benefits, stock options, relocation bonus and/or expenses, incentive payments, non-monetary awards, directors fees and other fees, automobile and other allowances paid to a Participant for employment services rendered (whether or not such allowances are included in the Employee's gross income). Notwithstanding the foregoing or any provision in Article 9, Base Annual Salary shall not include any amount paid following a Participant's Separation from Service, except for Base Annual Salary paid for the pay period in which the Participant's Separation from Service occurs. Base Annual Salary shall be calculated before reduction for compensation voluntarily deferred or contributed by the Participant pursuant to all qualified or non-qualified plans of any Employer and shall be calculated to include amounts not otherwise included in the Participant's gross income under Code Sections 125, 402(e)(3), 402(h), or 403(b) pursuant to plans established by any Employer; provided, however, that all such amounts will be included in compensation only to the extent that, had there been no such plan, the amount would have been payable in cash to the Employee.
- 1.7 "Beneficiary" shall mean one or more persons, trusts, estates or other entities, designated in accordance with Article 8, that are entitled to receive benefits under this Plan upon the death of a Participant.
- 1.8 "Beneficiary Designation Form" shall mean the form (written or electronic) established from time to time by the Administrator that a Participant completes, executes and submits to the Administrator to designate one or more Beneficiaries.
- 1.9 "Board" shall mean the board of directors of the Company.
- 1.10 "Change in Control" shall have the same meaning as contained in the Parent's 1999 Stock Incentive Plan, as it may be amended from time to time.
- 1.11 "Claimant" shall have the meaning set forth in Section 13.1.
- 1.12 "Code" shall mean the Internal Revenue Code of 1986, as it may be amended from time to time.
- 1.13 "Committee" shall mean the committee appointed by either the Board of Directors of the Parent or the Chief Executive Officer of the Parent to have administrative responsibility for the Plan, as described in Article 11. The Committee may consist, in part or in full, of persons who are not on such Board of Directors and may include individuals who are Participants in the Plan.
- 1.14 "Company" shall mean Jacobs Engineering Group Inc. and any successor to all or substantially all of the Company's assets or business.
- 1.15 "Deduction Limitation" shall mean the amount above which distributions otherwise payable to a Participant (or his or her Beneficiary) under the Plan, when combined with other compensation

paid to a Participant (or his or her Beneficiary) for a taxable year, would not be deductible by the Employer (or any Affiliate) by reason of the limitation imposed by Code Section 162(m). The Deduction Limitation shall be determined by the Company in good faith. Once an amount has been determined by the Company not to be deductible because of the Deduction Limitation, the Company may defer the amount that would otherwise be paid to a Participant (or his or her Beneficiary). Any amounts so deferred will remain in the Participant's Account Balance, and shall be entitled to continued crediting and debiting of additional amounts in accordance with Section 3.5 below. The amounts so deferred and amounts credited thereon shall be distributed to the Participant or his or her Beneficiary during the first year, as determined by the Company in good faith, in which the deductibility of such payment will not be barred by application of Section 162(m). Notwithstanding any other provision in this Plan, to the extent consistent with Section 15.20, the Deduction Limitation shall not apply to distributions that become payable after a Change in Control.

- 1.16 "Deferral Account" shall mean (i) the sum of all of a Participant's Deferral Amounts, plus or less, as the case may be, (ii) amounts credited or debited in accordance with all the applicable crediting provisions of this Plan that relate to the Participant's Deferral Account, less (iii) all distributions made to the Participant or his or her Beneficiary pursuant to this Plan that relate to his or her Deferral Account.
- 1.17 "Deferral Amount" shall mean that portion of a Participant's Base Annual Salary, Annual Bonus, and Equity Pay that a Participant elects to have, and is, deferred in accordance with Article 3.
- 1.18 "Election Form" shall mean the form (or forms) established from time to time by the Administrator that a Participant completes, executes and submits to the Administrator to make an election under the Plan.
- 1.19 "Employee" shall mean a person who is an employee of any Employer.
- 1.20 "Employer(s)" shall mean the Company and/or any of its subsidiaries (now in existence or hereafter formed or acquired) unless the subsidiary has been excluded from participation in the Plan, as a sponsor by the Board.
- 1.21 "Employer Contribution" shall mean an amount, if any, credited to a Participant's Employer Contribution Account, as determined by the Company or Employer in its discretion. Such Employer Contribution may, for example, include an additional contribution for a Plan Year or an award granted to an eligible Employee as an inducement to remain employed by the Employer for a specified period of time or subject to certain performance conditions.
- 1.22 "Employer Contribution Account" shall mean the (i) sum of any Employer Contributions made to the Plan in accordance with Section 3.1(d), plus or less, as the case may be (ii) amounts credited or debited in accordance with all the applicable crediting provisions of this Plan that relate to the Participant's Employer Contribution Account, less (iii) all distributions made to the Participant or his or her Beneficiary pursuant to this Plan that relate to his or her Employer Contribution Account.
- 1.23 "Equity Pay" shall mean the payments (whether payable in cash or stock) made pursuant to an equity award that is granted to an Employee under the Parent's 1999 Stock Incentive Plan (or its successor or other Parent- or Company-sponsored equity plan) and is designated by the Committee as eligible for deferral under this Plan. Except as designated otherwise by the

Committee, Equity Pay shall include dividend equivalent rights that are payable under the equity award.

- 1.24 "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as it may be amended from time to time.
- 1.25 "Fiscal Year" shall mean the twelve-month period ending on September 30th of each calendar year.
- 1.26 "Measurement Funds" shall have the meaning set forth in Section 3.5.
- 1.27 "Parent" means, effective 6:30 a.m. Eastern Time on August 29, 2022, Jacobs Solutions Inc. There was no Parent prior to 6:30 a.m. Eastern Time on August 29, 2022.
- 1.28 "Participant" shall mean any Employee (i) who is selected to participate in the Plan, (ii) who elects to participate in the Plan, (iii) who executes an Election Form and a Beneficiary Designation Form, (iv) whose executed Election Form and Beneficiary Designation Form are accepted by the Administrator, (v) who commences participation in the Plan, and (vi) whose participation in the Plan has not terminated. A spouse or former spouse of a Participant shall not be treated as a Participant in the Plan or have an account balance under the Plan, even if he or she has an interest in the Participant's benefits under the Plan as a result of applicable law or property settlements resulting from legal separation or divorce.
- 1.29 "Plan" shall mean this Jacobs Executive Deferral Plan, which shall be evidenced by this instrument, as it may be amended from time to time; provided, however, that the Plan will be treated as one or more plans to the extent such treatment, in the sole discretion of the Committee, is required or otherwise necessary or appropriate to comply with law, including Code section 409A. Unless the context requires otherwise, any reference herein to the Plan shall include the entire Plan and each portion thereof that is a separate plan pursuant to the foregoing sentence.
- 1.30 "Plan Year" shall mean a period beginning on January 1 of a particular calendar year and continuing through December 31 of such calendar year.
- 1.31 "Pre-Retirement Survivor Benefit" shall mean the benefit set forth in Article 6.
- 1.32 "Retirement" shall mean a Separation from Service after age 65, or after age 60 with at least ten years of Service. If a Participant is both an Employee and a member of the Board, a Retirement may occur only upon Separation from Service from the last position held.
- 1.33 "Retirement Benefit" shall mean the benefit set forth in Article 5.
- 1.34 "Separation from Service" shall mean "separation from service" as such term is defined in Code section 409A and guidance thereunder. In furtherance of the foregoing, in determining whether a Separation from Service has occurred, the following provisions apply:
 - (a) For a Participant who provides services as an Employee, a Separation from Service shall occur when such Participant has experienced a termination of employment with the Employer and all Affiliates. A Participant shall be considered to have experienced a termination of employment when the facts and circumstances indicate that the Participant and his or her Employer reasonably anticipate that either (i) no further services will be performed for the Employer and all Affiliates after a certain date, or (ii) that the level of bona fide services the Participant will perform for the Employer and all Affiliates after such date will permanently decrease to no more than 20% of the average level of bona

fide services performed by such Participant over the immediately preceding 36-month period (or the full period of services to the Employer if the Participant has been providing services to the Employer and all Affiliates less than 36 months).

- (b) If a Participant is on military leave, sick leave, or other bona fide leave of absence, the employment relationship between the Participant and the Employer shall be treated as continuing intact, provided that the period of such leave does not exceed 6 months, or if longer, so long as the Participant retains a right to reemployment with the Employer under an applicable statute or by contract. If the period of a military leave, sick leave, or other bona fide leave of absence exceeds 6 months and the Participant does not retain a right to reemployment under an applicable statute or by contract, the employment relationship shall be considered to be terminated for purposes of this Plan as of the first day immediately following the end of such 6-month period. In applying the provisions of this paragraph, a leave of absence shall be considered a bona fide leave of absence only if there is a reasonable expectation that the Participant will return to perform services for the Employer.
 - (c) If a Participant provides services for an Employer as both an Employee and as a member of a board of directors, to the extent permitted by the Treasury Regulations, the services provided by such Participant as a director shall not be taken into account in determining whether the Participant has experienced a Separation from Service as an Employee.
- 1.35 "Service" shall mean the period of time commencing on a Participant's initial date of service as an Employee, and ending on the date of the Participant's Retirement, Termination of Employment, or death. In the case of a Participant who returns to service following a Termination of Employment, Service shall include both the Participant's earlier Service and the period commencing on the Participant's date of return and ending on the date of the Participant's subsequent Retirement, Termination of Employment, or death.
- 1.36 "Short-Term Payout" shall mean the payout set forth in Section 4.1.
- 1.37 "Termination Benefit" shall mean the benefit set forth in Article 7.
- 1.38 "Termination of Employment" shall mean a Separation from Service for any reason other than Retirement, death or an authorized leave of absence.
- 1.39 "Trust" shall mean one or more trusts established to hold Plan assets (whether or not in combination with assets of another plan), including pursuant to that certain Master Trust Agreement for the Executive Deferral Plan, dated as of June 1, 1991 between the Company and the trustee named therein, as amended from time to time, or any successor thereto.
- 1.40 "Unforeseeable Financial Emergency" shall mean severe financial hardship to a Participant resulting from an illness or accident of the Participant or the Participant's spouse or dependent (as defined in Section 152 of the Code, without regard to Sections 152(b)(1), (b)(2), and (d)(1)(B)) of the Participant, loss of the Participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant, as determined in the sole discretion of the Administrator.

ARTICLE 2

Selection, Enrollment, Eligibility

- 2.1 **Selection by Committee.** The Committee, in its sole discretion, shall establish eligibility requirements for participation in the Plan (including portions of the Plan). Participation in the Plan shall be limited to a select group of management and highly compensated Employees of the Employers or the Company.
- 2.2 **Enrollment Requirements.** As a condition to participation, each selected Employee shall complete, execute and submit to the Committee an Election Form and a Beneficiary Designation Form, within the time period set by the Committee, in its sole discretion, for the purpose of returning documents and forms. In addition, the Committee shall establish from time to time such other enrollment requirements as it determines in its sole discretion are necessary.
- 2.3 **Eligibility; Commencement of Participation.** A Participant shall commence participation in the Plan on the first day of the Plan Year following the date on which he or she has (i) satisfied all Enrollment Requirements and (ii) has had his or her Election Form and Beneficiary Designation Form accepted by the Committee. Notwithstanding the previous sentence, the Committee may, in its sole and absolute discretion and only to the extent consistent with Section 15.20, permit:
- (a) a new Employee to commence participation in the Plan and defer Base Annual Salary (but not the Participant's Annual Bonus) in the first pay period following his or her satisfaction of (i) and (ii) above, but only with respect to services to be performed subsequent to the election and only if the election is made within 30 days after the date the Employee becomes eligible to participate; and/or
 - (b) an Employee to commence participation in the Plan mid-Plan Year in order to defer Equity Pay in accordance with Section 3.2(b) or receive an Employer Contribution in accordance with Section 3.1(d).
- 2.4 **Participants Who Become Ineligible.** If the Committee determines in good faith that a Participant no longer qualifies as a member of a select group of management or highly compensated employees, as membership in such group is determined in accordance with Sections 201(2), 301(a)(3) and 401(a)(1) of ERISA, the Committee shall have the right, in its sole discretion, to prevent the Participant from making future deferral elections. However, any existing deferral elections made by the Participant will remain in effect for the remainder of the Plan Year (or other applicable deferral period) of the Participant's change in status, and payment of the Participant's Account Balance will proceed as set forth elsewhere in the Plan.

ARTICLE 3

Deferral Election/Crediting/Taxes

- 3.1 **Deferral Election.**
- (a) **Minimum and Maximum Deferral Commitment.** A Participant may make an irrevocable election to defer, as his or her Deferral Amount, an amount of Base Annual Salary and/or Annual Bonus that may not be less than the minimum Deferral Amount, nor more than the maximum Deferral Amount, as set by the Committee prior to the beginning of the Plan Year and set forth in the Election Form for the Plan Year. In addition, a Participant may make an irrevocable election to defer Equity Pay as part of his

or her Deferral Amount, subject to any minimum and/or maximum deferral set by the Committee or in the applicable Election Form.

- (b) **Short Plan Year.** If a Participant first becomes a Participant after the first day of a Plan Year, the minimum Base Annual Salary deferral shall be the minimum Deferral Amount set forth in subsection (a), unless otherwise determined by the Committee.
- (c) **Other.**
 - (i) Notwithstanding the foregoing, if a Participant first becomes a Participant after the first day of a Plan Year, the maximum Deferral Amount, with respect to Base Annual Salary and Annual Bonus shall be limited to the amount of compensation not yet earned by the Participant as of the date the Participant's Election Form is accepted by the Committee.
 - (ii) Notwithstanding any other provision in this Plan, deferrals shall be a fixed percentage of the applicable Base Annual Salary, Annual Bonus, or Equity Pay. Except as otherwise provided on the Election Form, for Equity Pay that is settled in shares of stock, the number of shares deferred shall be rounded down to the next highest whole number of shares.
- (d) **Employer Contributions.** The Employer may elect to make an Employer Contribution for any Plan Year in such amount and subject to such conditions as it determines in its sole discretion. Except as otherwise determined by the Employer, an Employer Contribution will be paid in accordance with the Participant's distribution election (or subsequent payment election in accordance with Section 5.2) for the Plan Year for which such Employer Contribution is made but without regard to any Short-Term Payout election that otherwise might apply. Notwithstanding the preceding sentence and to the extent permitted by the Committee and on an Election Form, a Participant may elect the time and form of payment of an Employer Contribution as a Short-Term Payout under Section 4.1, Retirement Benefit under Article 5, and/or Pre-Retirement Survivor Benefit under Article 6; provided, however, that:
 - (i) Such election is made and irrevocable by the deadlines consistent with those set forth in Section 3.2 (including the fiscal year compensation, performance-based compensation, or 12-month vesting period deadlines in Section 3.2(b));
 - (ii) The Short-Term Payout year must be no earlier than the year in which the Employer Contribution is fully vested, and payment upon Unforeseeable Financial Emergency under Section 4.3 shall be available only for fully vested amounts; and
 - (iii) To the extent that the Participant is permitted to subsequently change his or her payment election, such change may be made by the Participant submitting a new Election Form to the Committee, provided that any such Election Form is submitted at least one (1) year prior to the otherwise applicable payment date and delays the Participant's initial payment by a period of at least five years. For purposes of such election changes, the right to a series of installment payments shall be treated as the right to a single payment.

- 3.2 **Timing of Deferral Elections.** A Participant's election must be received by the Committee no later than the deadline it specifies. In no event will such date be later than the last day of the Plan Year preceding the Plan Year in which the services begin to be performed for which the Base Annual Salary is paid or for which the Annual Bonus or Equity Pay is awarded (which, in the case of Equity Pay, typically is the year in which the Equity Pay is granted); provided, however:
- (a) Newly eligible Participants may make their initial deferral elections as provided in Section 2.3; and
 - (b) To the extent permitted by the Committee, Participants may elect to defer compensation no later than the following deadline:
 - (i) the last day of the Company's taxable year that ends immediately before the start of the period for which the deferred compensation is considered "fiscal year compensation" (within the meaning of Treas. Reg. § 1.409A-2(a)(6));
 - (ii) the date that is six months before the end of the applicable performance period, to the extent the deferred compensation is performance-based compensation (within the meaning of Code section 409A(a)(4)(B)(iii)); or
 - (iii) the thirtieth (30th) day after the grant date, to the extent the deferred compensation is subject to a condition requiring the Participant to continue to provide services for a period of at least 12 months from the grant date and provided that such election also is at least 12 months in advance of the earliest date at which the forfeiture condition on such deferred compensation would otherwise lapse (consistent with Treas. Reg. § 1.409A-2(a)(5));
- and provided further that, notwithstanding the terms of an applicable Equity Pay award agreement or other underlying deferred compensation and to the extent necessary to comply with Code Section 409A, for purposes of vesting or payment of such deferred compensation upon either disability or change in control, the terms "disability" and "change in control" shall have the applicable meanings defined in Section 409A, but only to the extent inconsistent with the otherwise applicable definitions and only to the minimum extent necessary to comply with Section 409A as determined by the Committee.
- 3.3 **Withholding of Deferral Amounts.** For each Plan Year, the Deferral Amount shall be withheld at the time the Base Annual Salary or Annual Bonus is or otherwise would be paid to the Participant. With respect to Equity Pay, the Deferral Amount shall be withheld at the time the shares underlying the Equity Pay are or would have been issued (or, if the Equity Pay is payable in cash, at the time the Equity Pay is or would otherwise have been paid).
- 3.4 **Vesting.** A Participant shall at all times be 100% vested in his or her Deferral Account and will vest in his or her Employer Contribution Account in accordance with the terms of the underlying Employer Contribution.
- 3.5 **Crediting/Debiting of Account Balances.** In accordance with, and subject to, the rules and procedures that are established from time to time by the Administrator, in its sole discretion, deferral amounts shall be credited or debited to a Participant's Account Balance in accordance with the following rules:

- (a) **Election of Measurement Funds.** At the time an Employee becomes a Participant in the Plan, he or she may designate one or more Measurement Funds which shall be used to determine what additional amounts are to be credited or debited, as the case may be, to his or her Account Balance. Such designations shall apply to the Deferral Amount, as such amounts are deferred by the Participant, and shall remain in force until changed by the Participant in accordance with the policies and procedures as set forth by the Administrator, from time to time, which policies and procedures may be changed, modified, and/or amended by the Administrator, without prior notice, at the Administrator's sole discretion. Until changed by the Administrator: (i) Measurement Fund allocation designations must be made in whole percentage points of 1%, or multiples thereof, not to exceed 100%; (ii) a Participant may change his or her Measurement Fund allocation elections on a daily basis, and (iii) a change in Measurement Fund allocations will take effect on the next business day following the election. Notice of any change in Measurement Fund elections must be made to the Administrator, or its designee, in a form acceptable to it as determined by it in its sole discretion. If a Participant fails to designate a Measurement Fund with respect to all or a portion of his or her Account Balance, such amounts shall be deemed invested in the default Measurement Fund (or Funds) designated by the Administrator, which may be changed by the Administrator from time to time without notice to Participants.
- (b) **Measurement Funds.** A Participant may elect one or more measurement funds (the "Measurement Funds") from among those selected by the Administrator for the purpose of crediting or debiting additional amounts to his or her Account Balance. As necessary, the Administrator may, in its sole discretion, discontinue, substitute or add Measurement Funds. In selecting the Measurement Funds that are available from time to time, neither the Administrator nor any Employer shall be liable to any Participant for such selection or adding, deleting or continuing any available Measurement Fund.
- (c) **Crediting or Debiting Method.** The performance of each elected Measurement Fund (either positive or negative) will be determined by the Administrator, in its sole discretion, based on the performance of the Measurement Funds themselves. A Participant's Account Balance shall be credited or debited on a daily basis based on the performance of each Measurement Fund selected by the Participant, as determined by the Administrator in its sole discretion, as though (i) a Participant's Account Balance as of the close of business on each date were invested in the Measurement Fund(s) selected by the Participant, in the percentages applicable to such date, at the closing price on such date; (ii) the portion of the Deferral Amount (or Employer Contribution), if any, that was actually deferred on that date were invested in the Measurement Fund(s) selected by the Participant, in the percentages applicable to such date; and (iii) any distribution made to a Participant on that date ceased being invested in the Measurement Fund(s), in the percentages applicable to such date, at the closing price on such date.
- (d) **No Actual Investment.** Notwithstanding any other provision in this Plan, the Measurement Funds are to be used for measurement purposes only, and a Participant's election of any such Measurement Fund, the allocation to his or her Account Balance thereto, the calculation of additional amounts and the crediting or debiting of such amounts to a Participant's Account Balance shall not be considered or construed in any manner as an actual investment of his or her Account Balance in any such Measurement

Fund. In the event that the Company or the Trustee (as that term is defined in the Trust), in its own discretion, decides to invest funds in any or all of the Measurement Funds, no Participant shall have any rights in or to such investments themselves. Without limiting the foregoing, a Participant's Account Balance shall at all times be a bookkeeping entry only and shall not represent any investment made on his or her behalf by the Company or the Trust; the Participant shall at all times remain an unsecured creditor of the Company.

- (e) **Equity Pay.** Notwithstanding any other provision in this Plan and except as otherwise determined by the Administrator, to the extent a Participant elects to defer Equity Pay, such portion of the Deferral Amount shall be tracked in common stock of the Parent. Except as otherwise determined by the Administrator, adjustments or substitutions to such shares of common stock shall be made consistent with adjustments or substitutions that are applied under the equity plan pursuant to which the Equity Pay award was originally granted. The Administrator may limit (or prohibit) any change in allocation to or from such Parent stock and may establish rules applicable to accounting for, crediting, or allocating any dividends payable on such Parent stock.

- 3.6 **FICA and Other Taxes.** For each Plan Year (or other deferral period) in which a Deferral Amount is being withheld from a Participant, the Participant's Employer(s) may withhold from that portion of the Participant's compensation that is not being deferred, in a manner and amount determined by the Employer(s), the Participant's share of FICA, employment taxes, and other taxes on such Deferral Amount. If the amount of Base Annual Salary and Bonus that is not being deferred is insufficient to cover these amounts, the Committee may reduce the Deferral Amount or withhold from other payments made to the Participant in order to comply with this Section. The Participant's Employer may withhold from or offset against any Plan accrual or Account Balance any taxes the Company determines it is required to withhold by applicable federal state, local, or foreign laws.
- 3.7 **Distributions.** The Participant's Employer(s), or the trustee of the Trust, shall withhold from any payments made to a Participant under this Plan all federal, state and local income, employment and other taxes (domestic or foreign) required to be withheld by the Employer(s), or the trustee of the Trust, in connection with such payments, in amounts and in a manner to be determined in the sole discretion of the Employer(s) and the trustee of the Trust, as applicable.

ARTICLE 4

Short-Term Payout; Unforeseeable Financial Emergencies

- 4.1 **Short-Term Payout.** In connection with each election to defer a Deferral Amount, to the extent permitted by the Committee, a Participant may elect to receive a future "Short-Term Payout" from the Plan with respect to such Deferral Amount. An election made pursuant to this Section shall be irrevocable. Subject to the Deduction Limitation, the Short-Term Payout shall be a lump sum payment in an amount that is equal to either (i) a percentage of some or all of the Deferral Amount, as elected at the time of the deferral, or (ii) except for deferrals of Equity Pay, a stated dollar amount, as elected at the time of the deferral, not to exceed the Deferral Amount, plus, in either case, amounts credited or debited in the manner provided in Section 3.5 above on that elected amount, determined at the time that the Short-Term Payout is paid. Subject to the Deduction Limitation and the other terms and conditions of this Plan, each Short-Term Payout

elected shall be paid out on the January 15th immediately after the last day of any Plan Year designated by the Participant that is at least three Plan Years after either (I) the Plan Year in which the Deferral Amount is actually deferred or (II) with regard to a deferral of Equity Pay, the latest Plan Year in which the Equity Pay (or any portion thereof) would otherwise be paid and thus is actually deferred. By way of example:

- (a) if a three year Short-Term Payout is elected for Deferral Amounts that are deferred in the Plan Year commencing January 1, 2025, the three year Short-Term Payout would be paid on January 15, 2029.
- (b) if a three year Short-Term Payout is elected for Deferral Amounts that are Equity Pay and that would otherwise be payable over a four-year graded vesting schedule (25% per year) from 2023 through 2026, the three year Short-Term Payout would be paid on January 15, 2030.

To the extent permitted by the Committee and on the Election Form, a Participant may elect more than one Short-Term Payout date with respect to different percentages or dollar amounts (if applicable) of the Deferral Amount or Employer Contribution. Except as otherwise provided on the Election Form, with respect to an election to receive Equity Pay as a Short-Term Deferral, the number of shares treated as the Short-Term Deferral shall be rounded down to the next highest whole number of shares.

- 4.2 **Other Benefits Take Precedence Over Short-Term Payout.** Should an event occur that triggers a benefit under Article 5, 6 or 7, any Deferral Amount or Employer Contribution, plus amounts credited or debited thereon, that is subject to a Short-Term Payout election under Section 4.1 shall not be paid in accordance with Section 4.1 but shall be paid in accordance with the other applicable Article.

- 4.3 **Unforeseeable Financial Emergencies.** If the Participant experiences an Unforeseeable Financial Emergency the Participant may petition the Administrator to (i) cancel any deferrals required to be made by a Participant and, if such cancellation is insufficient to satisfy the Unforeseeable Financial Emergency, (ii) receive a partial or full payout from the Plan. The payout shall not exceed the lesser of the Participant's vested Account Balance, calculated as if such Participant were receiving a Termination Benefit, or the amount reasonably necessary to satisfy the Unforeseeable Financial Emergency plus amounts necessary to pay taxes reasonably anticipated as a result of the distribution, after taking into account the extent to which such hardship is or may be relieved through reimbursement or compensation by insurance or otherwise or by liquidation of the participant's assets (to the extent the liquidation of such assets would not itself cause severe financial hardship). If the Administrator determines that an Unforeseeable Financial Emergency exists, cancellation shall take effect upon the date of such determination, and any payout shall be made thirty (30) days after such date. The payment of any amount under this Section 4.3 shall not be subject to the Deduction Limitation and any partial payout shall be deducted from a Participant's existing Account Balance on a pro rata basis.

ARTICLE 5
Retirement Benefit

- 5.1 **Retirement Benefit.** Subject to the Deduction Limitation, a Participant who Retires shall receive, as a Retirement Benefit, his or her vested Account Balance.
- 5.2 **Payment of Retirement Benefit.** A Participant, in connection with his or her annual (or otherwise applicable) deferral election, shall elect on an Election Form to receive the Retirement Benefit attributable to the election in a lump sum or pursuant to an Annual Installment Method of up to 15 years, to the extent permitted by the Committee. To the extent permitted by the Committee and on an Election Form, a Participant may choose different forms of payment for Deferral Amounts attributable to different Plan Years (or the applicable deferral period), for different portions of Deferral Amounts (such as Equity Pay), and/or for Employer Contributions. After the Deferral Election is irrevocable, the Participant may make an election to change an existing payment election to an allowable alternative payout period by submitting a new Election Form to the Administrator, provided that any such Election Form is submitted at least one (1) year prior to the Participant's Retirement and delays the Participant's initial payment by a period of at least five (5) years. For purposes of such election changes, the right to a series of installment payments shall be treated as the right to a single payment. If a Participant does not make any election with respect to the payment of a Deferral Amount or Employer Contribution (or, in either case, a portion thereof), then such amount shall be payable in a lump sum. Except as otherwise provided pursuant to a subsequent deferral election described above, the lump sum payment shall be made, or installment payments shall commence thirty (30) days after the date which is six (6) months after the Participant's Retirement. Any payment made shall be subject to the Deduction Limitation.
- 5.3 **Death Prior to Completion of Retirement Benefit.** If a Participant dies after Retirement but before the Retirement Benefit is paid in full, the Participant's unpaid Retirement Benefit payments shall be paid to the Participant's Beneficiary in a single lump sum as soon as practicable after the Participant's death.

ARTICLE 6
Pre-Retirement Survivor Benefit

- 6.1 **Pre-Retirement Survivor Benefit.** Subject to the Deduction Limitation, the Participant's Beneficiary shall receive a Pre-Retirement Survivor Benefit equal to the Participant's vested Account Balance if the Participant dies while in the employ of any Employer.
- 6.2 **Payment of Pre-Retirement Survivor Benefit.** A Participant, in connection with his or her annual (or otherwise applicable) deferral election, shall elect on an Election Form whether the Pre-Retirement Survivor Benefit attributable to the election shall be received by his or her Beneficiary in a lump sum or pursuant to an Annual Installment Method of up to 15 years. The form of payment for the Pre-Retirement Survivor Benefit does not have to match the form of payment for the Retirement Benefit. To the extent permitted by the Committee and on an Election Form, a Participant may choose different forms of payment for Deferral Amounts attributable to different Plan Years (or the applicable deferral period), for different portions of Deferral Amounts (such as Equity Pay), or for Employer Contributions. After the Deferral Election is irrevocable, the Participant may make an election to change an existing payment election to an allowable

alternative payout period by submitting a new Election Form to the Committee, provided that any such Election Form is submitted at least one (1) year prior to the Participant's death and does not accelerate the initial payment date. For purposes of such election changes, the right to a series of installment payments shall be treated as the right to a single payment. If a Participant does not make any election with respect to the payment of a Deferral Amount or Employer Contribution (or, in either case, a portion thereof), then such amount shall be paid in a lump sum. The lump sum payment shall be made, or installment payments shall commence, thirty (30) days after the date of the Participant's death. Any payment made shall be subject to the Deduction Limitation.

ARTICLE 7

Termination Benefit

- 7.1 **Termination Benefit**. Subject to the Deduction Limitation, the Participant shall receive a Termination Benefit, which shall be equal to the Participant's vested Account Balance if a Participant experiences a Termination of Employment prior to his or her Retirement or death.
- 7.2 **Payment of Termination Benefit**. The Participant's Termination Benefit shall be paid in a lump sum. The lump sum payment shall be made thirty days after the date which is six (6) months after the date the Participant experiences the Termination of Employment. Any payment made shall be subject to the Deduction Limitation.

ARTICLE 8

Beneficiary Designation

- 8.1 **Beneficiary**. Each Participant shall have the right, at any time, to designate his or her Beneficiary(ies) (both primary as well as contingent) to receive any benefits payable under the Plan to a beneficiary upon the death of a Participant. The Beneficiary designated under this Plan may be the same as or different from the Beneficiary designation under any other plan of an Employer in which the Participant participates.
- 8.2 **Beneficiary Designation; Change; Spousal Consent**. A Participant shall designate his or her Beneficiary or Beneficiaries by completing and executing the Beneficiary Designation Form, and submitting it to the Administrator or its designated agent. A Participant shall have the right to change a Beneficiary by completing, signing and otherwise complying with the terms of the Beneficiary Designation Form and the Administrator's rules and procedures, as in effect from time to time. Upon the acceptance by the Administrator of a new Beneficiary Designation Form, all Beneficiary designations previously filed shall be canceled. The Administrator shall be entitled to rely on the last Beneficiary Designation Form filed by the Participant and accepted by the Administrator prior to his or her death.
- 8.3 **Acknowledgment**. No designation or change in designation of a Beneficiary shall be effective until received and acknowledged in writing by the Administrator or its designated agent.
- 8.4 **No Beneficiary Designation**. If a Participant fails to designate a Beneficiary as provided in Sections 8.1, 8.2 and 8.3 above or if all designated Beneficiaries predecease the Participant or die prior to complete distribution of the Participant's benefits, then the Participant's Beneficiary shall be deemed to be the Participant's estate.

- 8.5 **Doubt as to Beneficiary.** If the Administrator has any doubt as to the proper Beneficiary to receive payments pursuant to this Plan, the Administrator shall have the right, exercisable in its discretion, to cause the Participant's Employer to withhold such payments until this matter is resolved to the Administrator's satisfaction.
- 8.6 **Discharge of Obligations.** The payment of benefits under the Plan to a Beneficiary shall fully and completely discharge all Employers and the Administrator from all further obligations under this Plan with respect to the Participant, and that Participant's participation shall terminate upon such full payment of benefits.

ARTICLE 9

Leave of Absence and Rehires

- 9.1 **Paid Leave of Absence.** If a Participant is authorized by the Participant's Employer for any reason to take a paid leave of absence from the employment of the Employer, the Participant shall continue to be considered employed by the Employer and the Deferral Amount shall continue to be withheld during such paid leave of absence in accordance with Section 3.2.
- 9.2 **Unpaid Leave of Absence.** If a Participant is authorized by the Participant's Employer for any reason to take an unpaid leave of absence from the employment of the Employer, deferrals of the Participant's Base Annual Salary shall automatically cease during such period because the leave of absence is unpaid. However, the Participant's deferral election shall remain in effect with respect to Annual Bonus and Equity Pay paid during such period. Upon the Participant's return to paid employment status, deferrals of the Participant's Base Annual Salary shall resume for the remaining portion of the Plan Year in which the return occurs, based on the deferral election, if any, made for that Plan Year. If no election was made for that Plan Year, no deferral shall be withheld.
- 9.3 **Leave of Absence Treated as a Termination of Employment.** Notwithstanding the provisions of Sections 9.1 and 9.2, to the extent required by Code section 409A and IRS guidance thereunder, a leave of absence, whether paid or unpaid, shall be treated as a Termination of Employment (or Retirement, to the extent the Participant is eligible to Retire), and payments shall commence as set forth in Articles 4-7. However, the Participant's deferral election shall remain in effect unless and until the Participant receives a lump sum payment of his or entire vested Account Balance.
- 9.4 **Reemployment following Retirement or Termination of Employment.** If a Participant Retires or has a Termination of Employment and subsequently becomes an Employee, payment of benefits accrued during the Participant's earlier period of service shall continue to be made as if the Participant had remained Retired or Terminated. However, to the extent permitted by the other provisions of this Plan, the Participant may accrue additional benefits under the Plan with respect to the subsequent period of service and may make new elections with respect to the timing and form of payment of such amounts.

ARTICLE 10

Termination, Amendment or Modification

- 10.1 **Termination.** Although it is anticipated that the Plan will continue for an indefinite period of time, there is no guarantee that the Company will continue the Plan. Accordingly, the Company reserves the right to discontinue its sponsorship of the Plan and/or to terminate the Plan at any time with respect to any Employer by action of the Board or the Board of Directors of the Parent. In general, upon the termination of the Plan with respect to any Employer, the affected Participants who are employed by that Employer shall receive payment of their benefits in accordance with the terms of Articles 4-7. However, the Company may, in its discretion, terminate the Plan, in whole or in part, and pay each Participant a single lump-sum distribution of his or her entire Account Balance, to the extent consistent with Section 15.20.
- 10.2 **Amendment.** The Company may, at any time, amend or modify the Plan, in whole or in part, with respect to any or all Employers; provided, however, that: (i) no amendment or modification shall be effective to decrease or restrict the value of a Participant's Account Balance in existence at the time the amendment or modification is made, calculated as if the Participant had experienced a Termination of Employment as of the effective date of the amendment or modification or, if the amendment or modification occurs after the date upon which the Participant was eligible to Retire, the Participant had Retired as of the effective date of the amendment or modification, and (ii) no amendment or modification to clause (i) of this Section 10.2 or of Section 11.2 of the Plan shall be effective.
- Such amendment may be adopted by: (a) the Board or the Board of Directors of the Parent, acting on behalf of the Company; (b) the Human Resource and Compensation Committee appointed by the Board of Directors of the Parent, acting on behalf of the Company, provided that no such amendment may increase or decrease the aggregate cost to the Company and any other participating employers of maintaining the Plan by more than \$25 million on an annual basis; or (c) the Chief Financial Officer of the Parent, acting on behalf of the Company, or the Chief Human Resources Officer of Jacobs Engineering Group Inc., provided that such amendment either (i) consists of changes that are reasonably necessary or desirable to comply with applicable law, or (ii) does not increase or decrease the aggregate cost to the Company and any other participating employers of maintaining the Plan by more than \$5 million on an annual basis.
- 10.3 **Plan Agreement.** The terms of any Plan agreement between the Employee and Company or Employer may be different for any Participant, and a Plan agreement may provide additional benefits not set forth in the Plan or limit the benefits otherwise provided under the Plan; provided, however, that any such additional benefits or benefit limitations must be agreed to by both the Employer and the Participant. Despite the provisions of Sections 10.1 and 10.2 above, if a Participant's Plan agreement contains benefits or limitations that are not in this Plan document, the Employer may only amend or terminate such provisions with the consent of the Participant.
- 10.4 **Effect of Payment.** The full payment of the applicable benefit under Articles 4, 5, 6 or 7 of the Plan shall completely discharge all obligations to a Participant and his or her designated Beneficiaries under this Plan and the Participant's Plan participation shall terminate.
- 10.5 **Divestitures.** Certain Participants may terminate their employment with the Company as part of the sale or spin-off of part of the Company's business operations, or of one or more of the Company's subsidiaries or affiliates, to another company. As part of these transactions, a

Participant's benefits under the Plan, including the Employer's liability for payment thereof, may be transferred to a plan of the acquiring company. All rights of any such Participant and his or her Beneficiary(ies) under the Plan or Trust, and any liabilities of the Plan, Trust, Company or Employer, terminate effective upon such a transfer of benefits and liabilities.

ARTICLE 11

Administration

- 11.1 **Committee Duties.** Except as otherwise provided in this Article 11, this Plan shall be administered by the Committee. The Committee shall also have the discretion and authority to (i) make, amend, interpret, and enforce all appropriate rules and regulations for the administration of this Plan and (ii) decide or resolve any and all questions including interpretations of this Plan, as may arise in connection with the Plan. Any individual serving on the Committee who is a Participant shall not vote or act on any matter relating solely to himself or herself. When making a determination or calculation, the Committee shall be entitled to rely on information furnished by a Participant or the Company.
- 11.2 **Administration Upon Change in Control.** For purposes of this Plan, the Company (via the Committee described in Section 11.1) shall be the "Administrator" at all times prior to the occurrence of a Change in Control. Upon and after the occurrence of a Change in Control, the "Administrator" shall be an independent third party selected by the Trustee and approved by the individual who, immediately prior to such event, was the Company's Chief Executive Officer or, if not so identified, the Company's highest ranking officer (the "Ex-CEO"). The Administrator shall have the discretionary power to determine all questions arising in connection with the administration of the Plan and the interpretation of the Plan and Trust including, but not limited to benefit entitlement determinations; provided, however, upon and after the occurrence of a Change in Control, the Administrator shall have no power to direct the investment of Plan or Trust assets or select any investment manager or custodial firm for the Plan or Trust. Upon and after the occurrence of a Change in Control, the Company must: (1) pay all reasonable administrative expenses and fees of the Administrator; (2) indemnify the Administrator against any costs, expenses and liabilities including, without limitation, attorney's fees and expenses arising in connection with the performance of the Administrator hereunder, except with respect to matters resulting from the gross negligence or willful misconduct of the Administrator or its employees or agents; and (3) supply full and timely information to the Administrator or all matters relating to the Plan, the Trust, the Participants and their Beneficiaries, the Account Balances of the Participants, the date of circumstances of the Retirement, death or Termination of Employment of the Participants, and such other pertinent information as the Administrator may reasonably require. Upon and after a Change in Control, the Administrator may be terminated (and a replacement appointed) by the Trustee only with the approval of the Ex-CEO. Upon and after a Change in Control, the Administrator may not be terminated by the Company.
- 11.3 **Agents.** In the administration of this Plan, the Administrator may, from time to time, delegate to employees of an Employer or other agents it employs such administrative duties as it sees fit (including acting through a duly appointed representative) and may from time to time consult with counsel who may be counsel to any Employer.

- 11.4 **Binding Effect of Decisions.** The decision or action of the Administrator with respect to any question arising out of or in connection with the administration, interpretation and application of the Plan and the rules and regulations promulgated hereunder shall be final and conclusive and binding upon all persons having any interest in the Plan.
- 11.5 **Indemnity of Administrator.** All Employers shall indemnify and hold harmless the members of the Committee, any employee to whom the duties of the Committee may be delegated, and the Administrator against any and all claims, losses, damages, expenses or liabilities arising from any action or failure to act with respect to this Plan, except in the case of willful misconduct by the Committee, any of its members, any such employee or the Administrator.
- 11.6 **Missing Payees.** If the Administrator cannot locate any person or estate entitled to payment of a Plan benefit after a reasonable search, the Administrator may at any time thereafter treat such benefit as forfeited. If the person or estate should later make a valid claim for the benefit or otherwise be located, any amounts so forfeited shall be reinstated (without any interest or earnings adjustment) and paid to the person or estate, as otherwise provided by this Plan, unless the benefit has been escheated to a state government.
- 11.7 **Payment Delay or Acceleration.** Notwithstanding any other provision in this Plan, the Administrator may, in its sole and absolute discretion, delay or accelerate payments under the Plan to the extent consistent with Section 15.20.

ARTICLE 12

Other Benefits and Agreements

- 12.1 **Coordination with Other Benefits.** The benefits provided for a Participant and Participant's Beneficiary under the Plan are in addition to any other benefits available to such Participant under any other plan or program for employees of the Participant's Employer. The Plan shall supplement and shall not supersede, modify or amend any other such plan or program except as may otherwise be expressly provided.

ARTICLE 13

Claims Procedures

- 13.1 **Presentation of Claim.** Any Participant or Beneficiary of a deceased Participant (such Participant or Beneficiary being referred to below as a "Claimant") may deliver to the Administrator a written claim for a determination with respect to the amounts distributable to such Claimant from the Plan. If such a claim relates to the contents of a notice received by the Claimant, the claim must be made within 60 days after such notice was received by the Claimant. All other claims must be made within 180 days of the date on which the event that caused the claim to arise occurred. The claim must state with particularity the determination desired by the Claimant.
- 13.2 **Notification of Decision.** The Administrator shall consider a Claimant's claim within a reasonable time, and shall notify the Claimant in writing:
- (a) that the Claimant's requested determination has been made, and that the claim has been allowed in full; or

- (b) that the Administrator has reached a conclusion contrary, in whole or in part, to the Claimant's requested determination, and such notice must set forth in a manner calculated to be understood by the Claimant:
 - (i) the specific reason(s) for the denial of the claim, or any part of it;
 - (ii) specific reference(s) to pertinent provisions of the Plan upon which such denial was based;
 - (iii) a description of any additional material or information necessary for the Claimant to perfect the claim, and an explanation of why such material or information is necessary; and
 - (iv) an explanation of the claim review procedure set forth in Section 13.3 below.
- 13.3 **Review of a Denied Claim.** Within 60 days after receiving a notice from the Administrator that a claim has been denied, in whole or in part, a Claimant (or the Claimant's duly authorized representative) may file with the Administrator a written request for a review of the denial of the claim. In conjunction with filing an appeal (but no later than the date the appeal is filed), the Claimant (or the Claimant's duly authorized representative):
 - (a) may review pertinent documents;
 - (b) may submit written comments or other documents; and/or
 - (c) may request a hearing, which the Administrator, in its sole discretion, may grant.
- 13.4 **Decision on Review.** The Administrator shall render its decision on review promptly, and not later than 60 days after the filing of a written request for review of the denial, unless a hearing is held or other special circumstances require additional time, in which case the Administrator's decision must be rendered within 120 days after such date. Such decision must be written in a manner calculated to be understood by the Claimant, and it must contain:
 - (a) specific reasons for the decision;
 - (b) specific reference(s) to the pertinent Plan provisions upon which the decision was based; and
 - (c) such other matters as the Administrator deems relevant.
- 13.5 **Legal Action.** A Claimant's compliance with the foregoing provisions of this Article 13 is a mandatory prerequisite to a Claimant's right to commence any legal action with respect to any claim for benefits under this Plan.
- 13.6 **Payment Following Resolution of Claim.** If a Participant is entitled to a payment following the resolution of a claim pursuant to this Article 13, such payment will be made during the calendar year in which the claim is finally and conclusively resolved, or, if later, at the time set forth under Articles 4-7.

ARTICLE 14

Trust

- 14.1 **Establishment of the Trust.** The Company has established the Trust, and each Employer shall at least annually transfer over to the Trust such assets as the Employer determines, in its sole discretion, are necessary to provide, on a present value basis, for its respective future liabilities created with respect to the Deferral Amounts and Employer Contributions for such Employer's Participants for all periods prior to the transfer, as well as any debits and credits to the Participants' Account Balances for all periods prior to the transfer, taking into consideration the value of the assets in the trust at the time of the transfer.
- 14.2 **Interrelationship of the Plan and the Trust.** The provisions of the Plan shall govern the rights of a Participant to receive distributions pursuant to the Plan. The provisions of the Trust shall govern the rights of the Employers, Participants and the creditors of the Employers to the assets transferred to the Trust. Each Employer shall at all times remain liable to carry out its obligations under the Plan.
- 14.3 **Distributions From the Trust.** Each Employer's obligations under the Plan may be satisfied with Trust assets distributed pursuant to the terms of the Trust, and any such distribution shall reduce the Employer's obligations under this Plan.
- 14.4 **Investment of Trust Assets.** The Trustee of the Trust shall be authorized, upon written instructions received from the Administrator or investment manager appointed by the Administrator, to invest and reinvest the assets of the Trust in accordance with the applicable Trust Agreement, including the disposition of stock and reinvestment of the proceeds in one or more investment vehicles designated by the Administrator.

ARTICLE 15

Miscellaneous

- 15.1 **Status of Plan.** The Plan is not intended to qualify under Code Section 401(a). The Plan "is unfunded and is maintained by an employer primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees" within the meaning of ERISA Sections 201(2), 301(a)(3) and 401(a)(1). The Plan shall be administered and interpreted to the extent possible in a manner consistent with that intention.
- 15.2 **Unsecured General Creditor.** Participants and their Beneficiaries, heirs, successors and assigns shall have no legal or equitable rights, interests or claims in any property or assets of any Employer, including any assets held in the Trust. For purposes of the payment of benefits under this Plan, any and all of an Employer's assets shall be, and remain, the general, unpledged unrestricted assets of the Employer. An Employer's obligation under the Plan shall be merely that of an unfunded and unsecured promise to pay money in the future.
- 15.3 **Employer's Liability.** An Employer's liability for the payment of benefits shall be defined only by the Plan and any Plan agreement entered into between the Employer and a Participant. An Employer shall have no obligation to a Participant under the Plan except as expressly provided in the Plan.
- 15.4 **Nonassignability.** Neither a Participant nor any other person shall have any right to commute, sell, assign, transfer, pledge, anticipate, mortgage or otherwise encumber, transfer, hypothecate, alienate or convey in advance of actual receipt, the amounts, if any, payable hereunder, or any part thereof, which are, and all rights to which are expressly declared to be, unassignable and

non-transferable. No part of the amounts payable shall, prior to actual payment, be subject to seizure, attachment, garnishment or sequestration for the payment of any debts, judgments, alimony or separate maintenance owed by a Participant or any other person or be transferable by operation of law in the event of a Participant's or any other person's bankruptcy or insolvency.

- 15.5 **Not a Contract of Employment.** The terms and conditions of this Plan shall not be deemed to constitute a contract of employment or retention between any Employer (or any of its Affiliates) and the Participant. Such employment is hereby acknowledged to be an "at will" employment relationship that can be terminated at any time for any reason, or no reason, with or without cause, and with or without notice, unless expressly provided in a written employment agreement. Nothing in this Plan shall be deemed to give a Participant the right to be retained in the service of any Employer (or any of its Affiliates), either as an employee or otherwise, or to interfere with the right to discipline or discharge the Participant at any time.
- 15.6 **Furnishing Information.** A Participant or his or her Beneficiary will cooperate with the Administrator by furnishing any and all information requested by the Administrator and take such other actions as may be requested in order to facilitate the administration of the Plan and the payments of benefits hereunder, including but not limited to taking such physical examinations as the Administrator may deem necessary.
- 15.7 **Terms.** Whenever any words are used herein in the masculine, they shall be construed as though they were in the feminine in all cases where they would so apply; and whenever any words are used herein in the singular or in the plural, they shall be construed as though they were used in the plural or the singular, as the case may be, in all cases where they would so apply.
- 15.8 **Captions.** The captions of the articles, sections and paragraphs of this Plan are for convenience only and shall not control or affect the meaning or construction of any of its provisions.
- 15.9 **Governing Law.** Subject to ERISA, the provisions of this Plan shall be construed and interpreted according to the internal laws of the State of Texas without regard to its conflicts of laws principles.
- 15.10 **Notice.** Any notice or filing required or permitted to be given to the Committee under this Plan shall be sufficient if in writing and hand-delivered, or sent by registered or certified mail, to the address below:

Jacobs Engineering Group Inc.

Employee Benefits

1999 Bryan Street, Suite 1200

Dallas, TX 75201

Such notice shall be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark on the receipt for registration or certification.

Any notice or filing required or permitted to be given to a Participant under this Plan shall be sufficient if in writing and hand-delivered, or sent by mail, to the last known address of the Participant.

- 15.11 **Successors.** The provisions of this Plan shall bind and inure to the benefit of the Participant's Employer and its successors and assigns and the Participant and the Participant's designated Beneficiaries.

- 15.12 **Spouse's Interest.** The interest in the benefits hereunder of a spouse of a Participant who has predeceased the Participant shall automatically pass to the Participant and shall not be transferable by such spouse in any manner, including but not limited to such spouse's will, nor shall such interest pass under the laws of intestate succession.
- 15.13 **Validity.** In case any provision of this Plan shall be illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts hereof, but this Plan shall be construed and enforced as if such illegal or invalid provision had never been inserted herein.
- 15.14 **Incompetent.** If the Administrator determines in its discretion that a benefit under this Plan is to be paid to a minor, a person declared incompetent or to a person incapable of handling the disposition of that person's property, the Administrator may direct payment of such benefit to the guardian, legal representative or person having the care and custody of such minor, incompetent or incapable person. The Administrator may require proof of minority, incompetence, incapacity or guardianship, as it may deem appropriate prior to distribution of the benefit. Any payment of a benefit shall be a payment for the account of the Participant and the Participant's Beneficiary, as the case may be, and shall be a complete discharge of any liability under the Plan for such payment amount.
- 15.15 **Payments to Spouses.** The Plan will not honor domestic relations orders, except as determined by the Administrator.
- 15.16 **Distribution in the Event of Taxation.**
- (a) **In General.** If, for any reason, all or any portion of a Participant's benefits under this Plan becomes taxable to the Participant under Code section 409A prior to receipt, an amount equal to the taxable portion of his or her benefit will be distributed immediately to the Participant in the form of a lump sum (which amount shall not exceed the Participant's unpaid vested Account Balance under the Plan). Such a distribution shall affect and reduce the benefits to be paid under this Plan.
- (b) **Trust.** If the Trust terminates in accordance with Section 4.6(d) of the Trust and benefits are distributed from the Trust to a Participant in accordance with that Section, the Participant's benefits under this Plan shall be reduced to the extent of such distributions.
- 15.17 **Payment Delays due to Employer Insolvency.** Notwithstanding any other provision in this Plan, payment of a Participant's benefits will be delayed in the event that making the payment will jeopardize the ability of the Employer to continue as a going concern. A payment delayed pursuant to this Section 15.17 will be made during the first calendar year in which making the payment would not have such effect.
- 15.18 **Insurance.** The Employers, on their own behalf or on behalf of the trustee of the Trust, and, in their sole discretion, may apply for and procure insurance on the life of the Participant, in such amounts and in such forms as the Employers may choose. The Employers or the trustee of the Trust, as the case may be, shall be the sole owner and beneficiary of any such insurance. The Participant shall have no interest whatsoever in any such policy or policies, and at the request of the Employers shall submit to medical examinations and supply such information and execute such documents as may be required by the insurance company or companies to whom the Employers have applied for insurance.

- 15.19 **Legal Fees to Enforce Rights After Change in Control.** The Company and each Employer is aware that upon the occurrence of a Change in Control, the Board or the board of directors of a Participant's Employer (which might then be composed of new members) or a shareholder of the Company or the Participant's Employer, or of any successor corporation, or the Administrator or the Committee, might then cause or attempt to cause the Company, the Participant's Employer or such successor to refuse to comply with its obligations under the Plan and might cause or attempt to cause the Company or the Participant's Employer to institute, or may institute, litigation seeking to deny Participants the benefits intended under the Plan. In these circumstances, the purpose of the Plan could be frustrated. Accordingly, if, following a Change in Control, it should appear to any Participant that the Company, the Participant's Employer or any successor corporation, or the Administrator or any member of the Committee, has failed to comply with any of its obligations under the Plan or any agreement thereunder or, if the Company, such Employer or any other person takes any action to declare the Plan void or unenforceable or institutes any litigation or other legal action designed to deny, diminish or to recover from any Participant the benefits intended to be provided, then the Company and the Participant's Employer irrevocably authorize such Participant to retain counsel of his or her choice at the expense of the Company and the Participant's Employer (who shall be jointly and severally liable) to represent such Participant in connection with the initiation or defense of any litigation or other legal action, whether by or against the Company, the Participant's Employer or any director, officer, shareholder or other person affiliated with the Company, the Participant's Employer or any successor thereto in any jurisdiction. In order to be eligible for counsel at the expense of the Company or successor (or reimbursement of counsel fees to the extent the Company or successor initially refuses to pay such expenses) pursuant to this Section 15.19, fees and expenses must be incurred on or after a Change in Control and before the later of (i) the closing of the Participant's estate, and (ii) the closing of the estate of each Beneficiary. Any payment made on behalf of a Participant or to which a Participant is entitled pursuant to this Section must be made no later than the last day of the Participant's taxable year following the taxable year in which the related fee or expense is incurred.
- 15.20 **Code Section 409A.** The Plan is intended to avoid any "plan failures" within the meaning of Code section 409A(a)(1). The Plan shall be interpreted and administered, to the extent possible, in accordance with this intention.

ADDENDUM 1

DOMESTIC PARTNER BENEFITS

Notwithstanding any other provision of the Plan to the contrary, effective August 1, 2021 (the “Effective Date”), Employees in a Domestic Partnership with a Domestic Partner will be entitled to the same Plan benefits available to Employees married to a Spouse, except to the extent that the extension of such benefit with respect to a Domestic Partner is prohibited by the Internal Revenue Code or ERISA, would result in the imposition of additional taxation, or would otherwise increase the risk of non-compliance with the Code, ERISA, or other applicable law. This Addendum is intended to comply with, and shall be interpreted in a manner that is consistent with, the requirements of Chapter 12B of the San Francisco Administrative Code.

For these purposes:

- (a) “Domestic Partner” means the person, other than a Spouse, with whom the Employee or Participant is either (i) registered as a couple with any government body pursuant to state or local law authorized to perform such registrations, or (ii) substantiated as a couple in accordance with requirements and criteria determined by the Plan Administrator including, for example, use of a notarized affidavit in a form approved by the Plan Administrator.
- (b) “Domestic Partnership” means the relationship between the Employee or Participant and their Domestic Partner. Any requirements for proof of relationship for Domestic Partnerships will be comparable to those for marriage.

In illustration of the foregoing:

- (1) Where the Plan requires Spousal consent with respect to an Employee who is married, the Plan also requires Domestic Partner consent with respect to an Employee who is in a Domestic Partnership.
- (2) Where the Plan provides that a married Employee’s Spouse would be the default beneficiary (for example, if the Employee dies without a valid beneficiary on file), the Plan similarly will provide that an Employee’s Domestic Partner would be the default beneficiary.
- (3) Where the Plan recognizes an Employee’s divorce from their Spouse, the Plan similarly will recognize the termination of an Employee’s Domestic Partnership – for example, in canceling the Employee’s beneficiary designation – but not with respect to recognizing a domestic relations order, which is limited to spouses under applicable Code and ERISA rules.
- (4) Consistent with Treas. Reg. Sec. 1.409A-3(i)(3)(i), unforeseeable emergency withdrawals triggered by an illness or accident of the Domestic Partner, or similar event, will be limited to situations where the Domestic Partner is a tax dependent.
- (5) Consistent with the foregoing examples, references to spouse in the Plan document will mean spouse or domestic partner, as applicable.

JACOBS SOLUTIONS INC.
RESTRICTED STOCK UNIT AGREEMENT
(Time-Based Vesting)

(Awarded Pursuant to the 1999 Outside Director Stock Plan, as Amended and Restated)

This Agreement is executed as of this ____ day of January 20__, by and between JACOBS SOLUTIONS INC. (the “**Company**”) and _____ (“**Director**”) pursuant to the Jacobs Solutions Inc. 1999 Outside Director Stock Plan, as amended and restated (the “**Plan**”). Unless the context clearly indicates otherwise, capitalized terms used in this Agreement, to the extent they are defined in the Plan, have the same meaning as set forth in the Plan.

1. Restricted Stock Units

Pursuant to the Plan, and in consideration for services rendered to the Company or for its benefit, the Company hereby issues, as of the above date (the “**Award Date**”) to Director _____ restricted stock units in accordance with the Plan and this Agreement (the “**Restricted Stock Units**”). Each Restricted Stock Unit represents the right to receive one share of Common Stock of the Company (subject to adjustment pursuant to the Plan) in accordance with the terms and subject to the conditions (including the vesting conditions) set forth in this Agreement and the Plan. If, with respect to the Restricted Stock Units, the Director has made an effective and operative deferral election (“**DDP Deferral Election**”) under the Jacobs Solutions Inc. Directors Deferral Plan (“**DDP**”) with respect to the shares underlying this Agreement, the terms of the DDP and DDP Deferral Election governing the time of delivery of the shares underlying this Agreement that become vested, if any, are incorporated by reference herein.

2. Vesting and Distribution

- (a) The Restricted Stock Units shall not be vested as of the Award Date and shall be forfeitable unless and until otherwise vested pursuant to the terms of this Agreement. After the Award Date, the Restricted Stock Units will become 100% vested on the first to occur of the following: (i) the one-year anniversary of the Award Date or (ii) the date of the Company’s 2024 annual shareholder meeting occurring after December 31, 2023 (the first to occur being the “**Vesting Date**”), provided that Director remains a director of the Company continuously through such Vesting Date. Restricted Stock Units that have vested and are no longer subject to forfeiture are referred to herein as “**Vested Units**.” Restricted Stock Units that are not vested and remain subject to forfeiture are referred to herein as “**Unvested Units**.”
 - (b) The provisions of the Plan relating to the Restricted Stock Units, including all amendments, revisions and modifications thereto as may hereafter be adopted, are hereby incorporated into this Agreement as if set forth in full herein.
 - (c) In the event Director ceases to be a director of the Company prior to the Vesting Date for any reason, including by reason of death while in office, the Director
-

becoming Disabled (unless the Board of Directors in its sole discretion determines that the Restricted Stock Units shall continue to vest following the death or disability of Director), resignation, disqualification or removal, Director shall, for no consideration, forfeit and surrender to the Company the Unvested Units held by Director on the date of such termination.

- (d) Except as set forth in Section 4, below, Director shall have no rights partial or otherwise as a stockholder (including, without limitation, any voting rights or rights to receive dividends with respect to the shares of Common Stock subject to the Restricted Stock Units) with respect to either the Restricted Stock Units granted hereunder or the shares of Common Stock represented by the Award, unless and until the Restricted Stock Units have vested pursuant to this Section 2 and the shares of Common Stock represented by the Award are issued in respect of Vested Units, and then only to the extent of such issued shares and only with respect to dividends or other matters occurring after the date of issuance.
- (e) Each Vested Unit shall be settled by the delivery of one share of Common Stock (subject to adjustment pursuant to Section 5 of the Plan), and unless the Board of Directors elects to settle the Vested Unit in another form of consideration of equivalent value (as determined by the Board of Directors in its sole discretion) in connection with or following a Change in Control. If the Director has not made any DDP Deferral Election with respect to Restricted Stock Units that become vested, settlement will occur on the Vesting Date. If the Director has made a DDP Deferral Election, deferred Vested Units shall be settled as soon as practicable following the date elected on the Director's operative DDP Deferral Election or other settlement date set forth under the terms of the DDP. In any event, the Company will transfer such Shares to Director or Director's designee subject to Director's satisfaction of any required tax withholding obligations as set forth in Section 5 hereof and any other restrictions, if any, imposed by the Company pursuant to the terms and conditions of the Plan and this Agreement.
- (f) The Restricted Stock Units may not be sold, assigned, hypothecated, transferred or otherwise disposed of other than by will or by the laws of descent and distribution.

3. Section 409A Compliance

Notwithstanding any other provision of the Plan or this Agreement to the contrary, the Plan and this Agreement shall be construed as necessary to comply with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the "**Code**") to avoid the imposition of any taxes or other penalties under Section 409A of the Code. The Board of Directors, in its sole discretion, shall determine the requirements of Section 409A of the Code applicable to the Plan and this Agreement and shall interpret the terms of each consistently therewith. Under no circumstances, however, shall the Company have any liability under the Plan or this Agreement for any taxes, penalties or interest due on amounts paid or payable pursuant to the Plan and/or this Agreement or any DDP Deferral Election, including any taxes, penalties or

interest imposed under Section 409A of the Code. Notwithstanding anything to the contrary contained in this Agreement, to the extent that any payment or benefit under this Agreement, or any other plan or arrangement of the Company or its affiliates, is determined by the Company to constitute "non-qualified deferred compensation" subject to Section 409A and is payable to Director by reason of Director's termination of service, then (a) such payment or benefit shall be made or provided to Director only upon a "separation from service" as defined for purposes of Section 409A under applicable regulations and (b) if Director is a "specified director" (within the meaning of Section 409A and as determined by the Company), such payment or benefit shall not be made or provided before the date that is six months after the date of Director's separation from service (or Director's earlier death). Each payment under this Agreement will be treated as a separate payment under Section 409A of the Code.

4. Dividend Equivalent Rights

The Director is entitled to a "Dividend Equivalent Right" (a) with respect to each Unvested Unit, to the extent the Company pays an ordinary cash dividend with respect to outstanding Jacobs Common Stock while such Unvested Unit remains outstanding, and (b) under the DDP with respect to each Vested Unit for which delivery of the underlying share of Common Stock has been deferred pursuant to a DDP Deferral Election, to the extent the Company pays any cash dividend with respect to outstanding Jacobs Common Stock while such Vested Unit remains outstanding. The term "**Dividend Equivalent Right**" shall mean a dollar amount equal to the per-share cash dividend paid by the Company. Any Dividend Equivalent Right will be subject to the same vesting, payment, and other terms and conditions (including, if applicable, the terms of the DDP and DDP Deferral Election) as the Restricted Stock Unit to which it relates.

Except as otherwise provided under the terms of the DDP or DDP Deferral Election, if applicable: (a) any vested Dividend Equivalent Right will be paid to the Director in cash at the same time the underlying share of Common Stock is delivered to the Director; and (b) the Director will not be credited with Dividend Equivalent Rights with respect to any Restricted Stock Unit that, as of the record date for the relevant dividend, is no longer outstanding for any reason (e.g., because it has been settled in Common Stock or has been terminated), and the Director will not be entitled to any payment for Dividend Equivalent Rights with respect to any Restricted Stock Unit that terminates without vesting. For purposes of this Agreement, a Vested Unit that has not yet been settled (e.g., because of a DDP Deferral Election) shall be considered outstanding for purposes of this Section 4.

5. Payment of Withholding Taxes

The payment of withholding taxes, if any, due upon the issuance of the Common Stock underlying a Restricted Stock Unit may be satisfied by instructing the Company to withhold from the shares of Common Stock issued that number of shares having a total Fair Market Value equal to the amount of income and withholding taxes due (up to the minimum required tax withholding rate for the Director, or such other rate that will not cause an adverse accounting consequence or cost) as determined by the Company. Under no circumstances can the Company be required to withhold from the shares of Common Stock that would otherwise be delivered to Director a number of shares having a total Fair Market Value that exceeds the amount of

withholding taxes due as determined by the Company at the time the shares of Common Stock were issued. Director acknowledges and agrees that, except as would result in adverse tax consequences under Section 409A of the Code, the Company may delay the delivery of the shares of Common Stock that would otherwise be delivered to Director until Director has made arrangements satisfactory to the Company to satisfy any tax withholding obligations of Director.

6. Services as Director

Nothing in this Agreement shall be interpreted as creating an employer/employee relationship between the Company and Director.

7. Miscellaneous Provisions

This Agreement is governed in all respects by the Plan and applicable law. In the event of any inconsistency between the terms of the Plan and this Agreement, the terms of the Plan shall prevail. All terms defined in the Plan and used in this Agreement (whether or not capitalized) have the meanings as set forth in the Plan. Subject to the limitations of the Plan, the Company may, with the written consent of Director, amend this Agreement. This Agreement shall be construed, administered and enforced according to the laws of the State of Delaware.

8. Agreement of Director

By signing below or electronically accepting this Award, Director (1) agrees to the terms and conditions of this Agreement, (2) confirms receipt of a copy of the Plan, the prospectus and all amendments and supplements thereto, and (3) appoints the Secretary of the Company and each Assistant Secretary of the Company as Director's true and lawful attorney-in-fact, with full power of substitution in the premises, granting to each full power and authority to do and perform any and every act whatsoever requisite, necessary, or proper to be done, on behalf of Director which, in the opinion of such attorney-in-fact, is necessary to effect the forfeiture of the Restricted Stock Units to the Company, or the delivery of the Common Stock to Director, in accordance with the terms and conditions of this Agreement.

IN WITNESS WHEREOF, the undersigned has executed this Agreement as of the date set forth above.

JACOBS SOLUTIONS INC.

By: _____

Name: _____

Title: _____

Subsidiary Issuers of Guaranteed Securities

As of March 31, 2023, the wholly-owned subsidiary of Jacobs Solutions Inc. listed below was the issuer of the 5.900% Sustainability-Linked Senior Notes due 2033, which are guaranteed by Jacobs Solutions Inc.

	Subsidiary	Jurisdiction of Incorporation
Jacobs Engineering Group Inc.	Delaware	

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Bob Pragada, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended March 31, 2023 of Jacobs Solutions Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Bob Pragada

Bob Pragada
 Chief Executive Officer

May 9, 2023

CERTIFICATION OF CHIEF FINANCIAL OFFICER
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Kevin C. Berryman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended March 31, 2023 of Jacobs Solutions Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/Kevin C. Berryman

Kevin C. Berryman
Chief Financial Officer

May 9, 2023

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
Pursuant to 18 U.S.C. Section 1350
Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Jacobs Solutions Inc. (the "Company") on Form 10-Q for the quarter ended March 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Bob Pragada, Chief Executive Officer of the Company (principal executive officer), certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that: (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/Bob Pragada

Bob Pragada
Chief Executive Officer

May 9, 2023

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

CERTIFICATION OF CHIEF FINANCIAL OFFICER
Pursuant to 18 U.S.C. Section 1350
Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Jacobs Solutions Inc. (the "Company") on Form 10-Q for the quarter ended March 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kevin C. Berryman, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that: (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/Kevin C. Berryman

Kevin C. Berryman
President
and Chief Financial Officer

May 9, 2023

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.