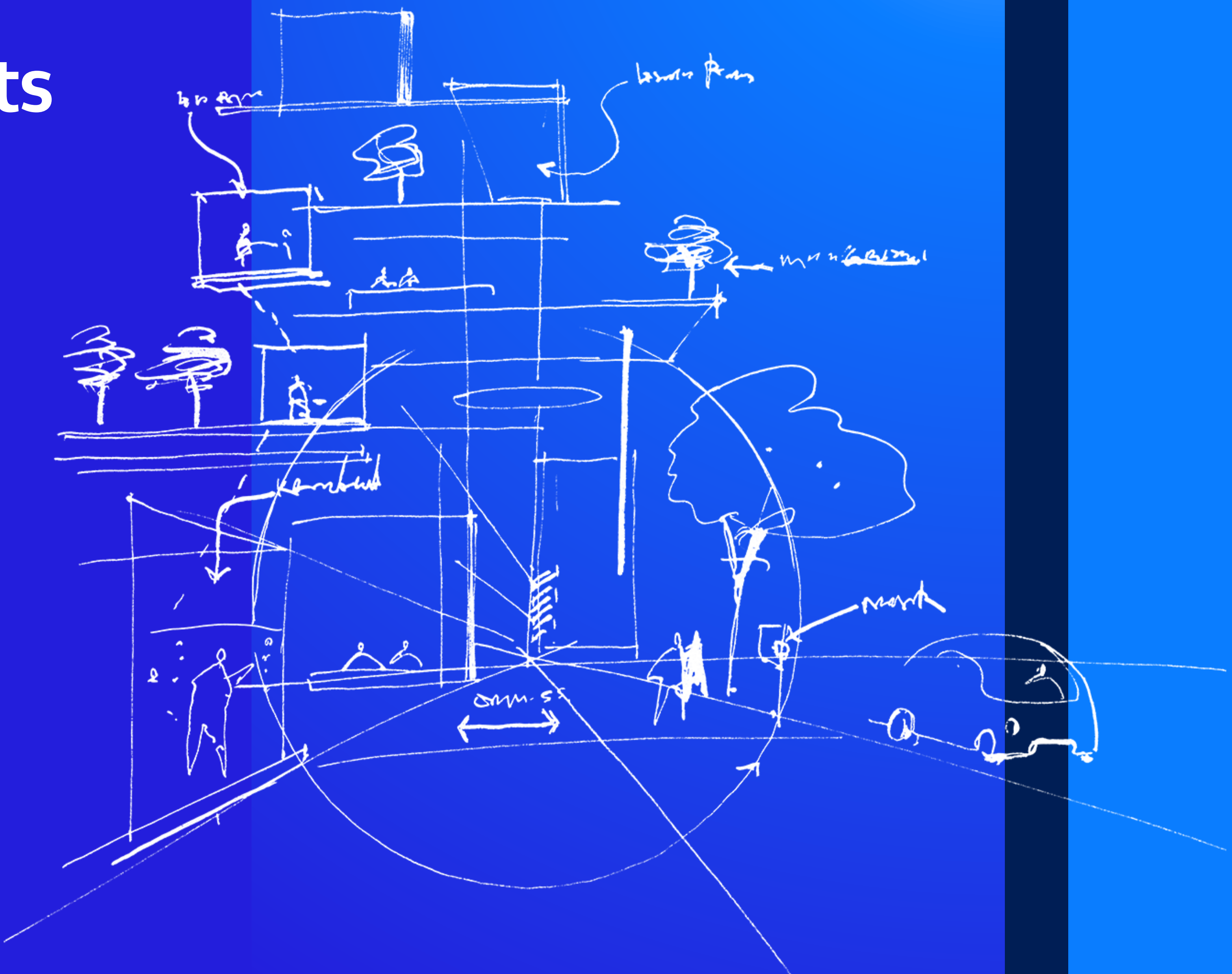
Jacobs Fiscal 2024 First Quarter Results

Supplemental Disclosures & Non-GAAP Reconciliations

February 6, 2024



Jacobs

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Use of Non-GAAP financial measures and operating metrics

In this presentation, the Company has included certain non-GAAP financial measures as defined in Regulation G promulgated under the Securities Exchange Act of 1934, as amended. These non-GAAP measures are described below.

Adjusted Net revenue is calculated excluding pass through revenue of the Company's People & Places Solutions and Divergent Solutions segments from the Company's revenue from continuing operations. Pass through revenues are amounts we bill to clients on projects where we are procuring subcontract labor or third-party materials and equipment on behalf of the client. These amounts are considered pass throughs because we receive no or only a minimal mark-up associated with the billed amounts. We have amended our name and convention for revenue, excluding pass-through costs from "net revenue" to "adjusted net revenue." Note, this is simply a name change intended to make the non-GAAP nature of this measure more prominent and does not impact measurement.

Adjusted operating profit, adjusted earnings from continuing operations before taxes, adjusted income taxes from continuing operations, adjusted net earnings from continuing operations and adjusted EPS from continuing operations are calculated by:

1. Excluding items collectively referred to as Restructuring, Transaction and Other Charges, which include:
   a. costs and other charges associated with our Focus 2023 transformation initiatives, including activities associated with the re-scaling and repurposing of physical office space, employee separations, contractual termination fees and related expenses, referred to as "Focus 2023 Transformation, mainly real estate rescaling efforts";
   b. transaction costs and other charges incurred in connection with the Separation Transaction and the acquisitions of BlackLynx and StreetLight and the strategic investment in PA Consulting, including advisor fees, change in control payments, and the impact of the quarterly adjustment to the estimated performance based payout of contingent consideration to the sellers in connection with certain acquisitions; impacts resulting from the EPS numerator adjustment relating to the redeemable noncontrolling interests preference share repurchase and reissuance activities and similar transaction costs and expenses (collectively referred to as "Transaction Costs"); impacts resulting from the EPS numerator adjustment relating to the redeemable noncontrolling interests preference share repurchase and reissuance activities and similar transaction costs and expenses (collectively referred to as "Transaction Costs");
   c. recoveries, costs and other charges associated with restructuring activities implemented in connection with the Separation Transaction, including advisor fees, involuntary terminations and related costs, the acquisitions of CH2M, BlackLynx, and StreetLight, the strategic investment in PA Consulting, the sale of the ECR business and other related cost reduction initiatives, which included involuntary terminations, costs associated with co-locating offices of acquired companies, separating physical locations of continuing operations, professional services and personnel costs, amounts relating to certain commitments and contingencies relating to discontinued operations of the CH2M business, including the final settlement charges relating to the Legacy CH2M Matter, net of previously recorded reserves, third party recoveries recorded as receivables reducing SG&A, and charges associated with the impairment and final closing activities of our AWE ML joint venture (collectively referred to as "Restructuring, integration, separation and other charges").
2. Excluding items collectively referred to as Other adjustments, which include:
   a. adding back intangible assets amortization and impairment charges;
   b. impact of certain subsidiary level contingent equity-based agreements in connection with the transaction structure of our PA Consulting investment;
   c. impacts related to tax rate increases in the UK in a prior period.

Use of Non-GAAP financial measures and operating metrics (cont.)

Adjustments to derive adjusted net earnings from continuing operations and adjusted EPS from continuing operations are calculated on an after-tax basis.

Free cash flow (FCF) is calculated as cash flow from operations as reported on the statement of cash flows, less additions to property and equipment.

Adjusted FCF is calculated as Free Cash Flow adjusted for certain non-recurring adjustments (such as restructuring, transaction, legal and tax related items).

Adjusted EBITDA is calculated by adding income tax expense, depreciation expense and interest expense, and deducting interest income from adjusted net earnings from continuing operations.

Certain percentage changes are quantified on a constant currency basis, which provides information assuming that foreign currency exchange rates have not changed between the prior and current periods. For purposes of constant currency calculations, we use the prior period average exchange rates as applied to the current period adjusted amounts.

We believe that the measures listed above are useful to management, investors and other users of our financial information in evaluating the Company's operating results and understanding the Company's operating trends by excluding or adding back the effects of the items described above and below, the inclusion or exclusion of which can obscure underlying trends. Additionally, management uses such measures in its own evaluation of the Company's performance, particularly when comparing performance to past periods, and believes these measures are useful for investors because they facilitate a comparison of our financial results from period to period.

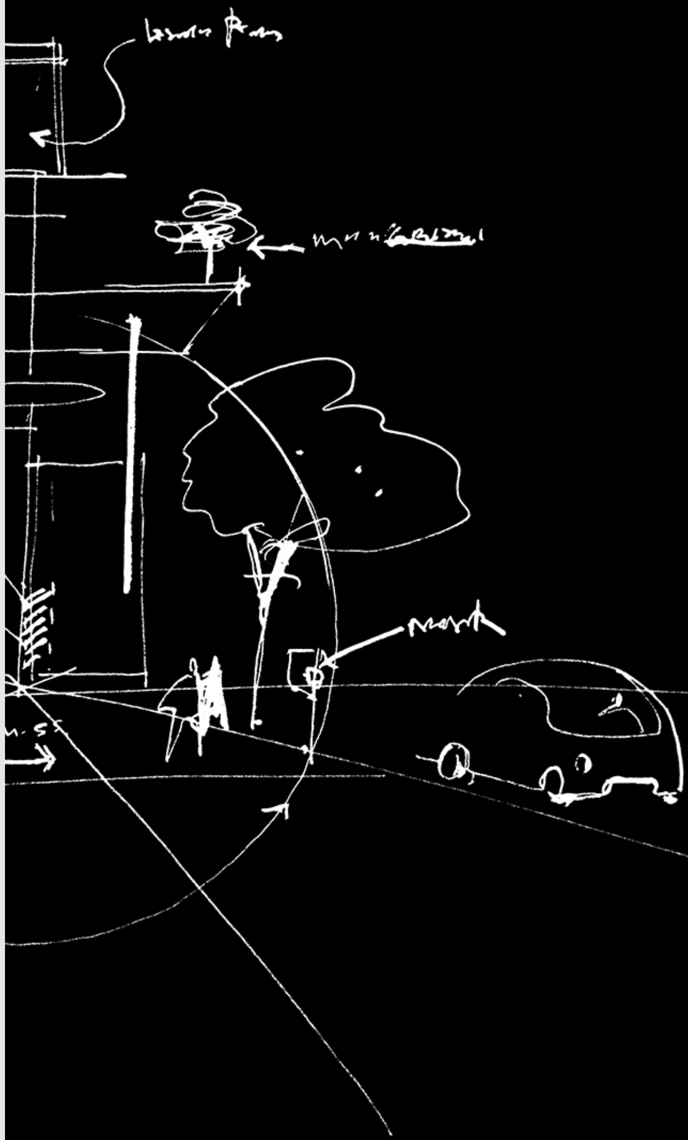
This presentation also contains certain operating metrics which management believes are useful in evaluating the Company's performance. Backlog represents revenue or gross profit, as applicable, we expect to realize for work to be completed by our consolidated subsidiaries and our proportionate share of work to be performed by unconsolidated joint ventures. Gross margin in backlog refers to the ratio of gross profit in backlog to gross revenue. Book to bill refers to the ratio of quarter over quarter change in backlog plus revenue recognized in the quarter to revenue recognized in the quarter. For more information on how we determine our backlog, see our Backlog Information in our most recent annual report filed with the Securities and Exchange Commission. Cash conversion refers to a ratio of cash flow from operations to GAAP net earnings from continuing operations. FCF Conversion refers to a ratio of FCF to adjusted net earnings attributable to Jacobs from continuing operations. Adjusted FCF conversion refers to a ratio of adjusted FCF to adjusted net earnings attributable to Jacobs from continuing operations. We regularly monitor these operating metrics to evaluate our business, identify trends affecting our business, and make strategic decisions.

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

The following tables reconcile the components and values of U.S. GAAP earnings from continuing operations before taxes, income taxes from continuing operations, net earnings attributable to Jacobs from continuing operations and Diluted Net Earnings from Continuing Operations Per Share (which we refer to as EPS from continuing operations) to the corresponding "adjusted" amount and revenue to adjusted net revenue. For the comparable period presented below, such adjustments consist of amounts incurred in connection with the items described above. Amounts are shown in thousands, except for per-share data (note: earnings per share amounts may not add down due to rounding).

Supplemental disclosures & Non-GAAP reconciliations

1. Earnings from Continuing Operations Before Taxes to Adjusted Earnings from Continuing Operations Before Taxes
2. Operating Profit to Adjusted Operating Profit
3. Net Earnings Attributable to Jacobs from Continuing Operations to Adjusted Net Earnings Attributable to Jacobs from Continuing Operations
4. Income Tax Benefit (Expense) from Continuing Operations to Adjusted Income Tax Expense from Continuing Operations
5. Diluted Net Earnings from Continuing Operations Per Share to Adjusted Diluted Net Earnings from Continuing Operations Per Share
6. Adjusted EBITDA
7. Noncontrolling Interests from Continuing Operations to Adjusted Noncontrolling Interests from Continuing Operations
8. Miscellaneous Expense from Continuing Operations to Adjusted Miscellaneous Expense from Continuing Operations
9. Other Corporate Expenses to Adjusted Unallocated Corporate Costs
10. Free Cash Flow
11. Constant Currency Adjusted Net Revenue
12. Constant Currency Adjusted Operating Profit



1. Reconciliation of Earnings from Continuing Operations Before Taxes to Adjusted Earnings from Continuing Operations Before Taxes (in thousands)

	Three Months Ended	
	December 29, 2023	December 30, 2022
Earnings from Continuing Operations Before Taxes	$ 165,749	$ 197,481
Restructuring, Transaction and Other Charges (1):		
Focus 2023 Transformation, mainly real estate rescaling efforts	49	27,172
Transaction costs	13,949	5,270
Restructuring, integration, separation and other charges	41,320	7,272
Other Adjustments (2):		
Amortization of intangibles	51,119	49,773
Other	11,386	4,290
Adjusted Earnings from Continuing Operations Before Taxes	$ 283,572	$ 291,258

(1) Includes pre-tax non-cash charges primarily relating to the Separation Transaction for the three months ended December 29, 2023, and real estate impairments charges associated with the Company's Focus 2023 transformation program of $27.1 million charges associated with various transaction costs incurred with our acquisition and restructuring related activity associated with Company restructuring and integration programs for the three-months ended December 30, 2022.

(2) Includes pre-tax charges for the removal of amortization of intangible assets and the impact of certain subsidiary level contingent equity-based agreements in connection with the transaction structure of our PA Consulting investment of $1.6 million and $4.3 million for the three months ended December 29, 2023 and December 30, 2022, respectively. The three months ended December 29, 2023 also includes an approximate $10 million intangibles impairment charge.

2. Reconciliation of Operating Profit to Adjusted Operating Profit (in thousands)

	Three Months Ended	
	December 29, 2023	December 30, 2022
Operating Profit	$ 204,063	$ 237,805
Restructuring, Transaction and Other Charges (1)		
Focus 2023 Transformation, mainly real estate rescaling efforts	49	27,801
Transaction costs	13,949	5,270
Restructuring, integration, separation and other charges	41,320	7,272
Other Adjustments (2)		
Amortization of intangibles	51,119	49,773
Other	11,386	4,290
Adjusted Operating Profit	$ 321,886	$ 332,211

(1) Includes estimated operating profit impacts from restructuring charges relating to the Separation Transaction for the three months ended December 29, 2023, along with real estate impairments associated with the Company's Focus 2023 transformation program and impacts associated with various transaction costs incurred with our acquisition and restructuring related activity costs associated with Company restructuring and integration programs for the three months ended December 30, 2022.

(2) Includes estimated operating profit impacts from amortization of intangible assets and estimated operating profit impacts on certain subsidiary level contingent equity-based agreements in connection with the transaction structure of our PA Consulting investment for the three months ended December 29, 2023 and December 30, 2022. The three months ended December 29, 2023 also includes an approximate $10 million intangibles impairment charge.

3. Reconciliation of Net Earnings Attributable to Jacobs from Continuing Operations to Adjusted Net Earnings Attributable to Jacobs from Continuing Operations (in thousands)

	Three Months Ended	
	December 29, 2023	**December 30, 2022**
Net Earnings Attributable to Jacobs from Continuing Operations	$ 172,184	$ 136,355
After-tax effects of Restructuring, Transaction and Other Charges (1):		
Focus 2023 Transformation, mainly real estate rescaling efforts	37	20,495
Transaction costs	10,451	3,551
Restructuring, integration, separation and other charges	31,064	5,484
After-tax effects of Other Adjustments (2):		
Amortization of intangibles	33,653	32,857
Other	8,497	2,232
Adjusted Net Earnings Attributable to Jacobs from Continuing Operations	$ 255,886	$ 200,974

(1) Includes estimated after-tax impacts primarily relating to the Separation Transaction for the three months ended December 29, 2023, along with non-cash real estate impairment charges associated the Company's Focus 2023 program and charges associated with various transaction costs incurred with our acquisition and restructuring related activity associated with Company restructuring and integration programs for the three months ended December 30, 2022.

(2) Includes estimated after-tax and noncontrolling interest impacts from amortization of intangible assets and estimated tax impacts on certain subsidiary level contingent equity-based agreements in connection with the transaction structure of our PA Consulting investment for the three months ended December 29, 2023 and December 30, 2022. The three months ended December 29, 2023 also includes the estimated after-tax impact from an approximate $10 million intangibles impairment charge.

4. Reconciliation of Income Tax Benefit (Expense) from Continuing Operations to Adjusted Income Tax Expense from Continuing Operations (in thousands)

	Three Months Ended	
	December 29, 2023	December 30, 2022
Income Tax Benefit (Expense) from Continuing Operations	$ 16,279	$ (50,103)
Tax Effects of Restructuring, Transaction and Other Charges (1)		
Focus 2023 Transformation, mainly real estate rescaling efforts	(12)	(6,677)
Transaction costs	(3,140)	(1,250)
Restructuring, integration, separation and other charges	(9,900)	(1,788)
Tax Effects of Other Adjustments (2)		
Amortization of intangibles	(12,824)	(11,880)
Other	(2,414)	(944)
Adjusted Income Tax Expense from Continuing Operations	$ (12,011)	$ (72,642)

(1) Includes estimated income tax impacts on restructuring activities primarily relating to the Separation Transaction for the three months ended December 29, 2023, along with impacts on real estate impairments associated with the Company's Focus 2023 transformation program and charges associated with various transaction costs incurred with our acquisition and restructuring related activity associated with Company restructuring and integration programs for the three months ended December 30, 2022.

(2) Includes estimated income tax impacts on amortization of intangible assets and on certain subsidiary level contingent equity-based agreements in connection with the transaction structure of our PA Consulting investment for the three months ended December 29, 2023 and December 30, 2022. The three months ended December 29, 2023 also includes the income tax impact on an approximate $10 million intangibles impairment charge.

5. Reconciliation of Diluted Net Earnings from Continuing Operations Per Share to Adjusted Diluted Net Earnings from Continuing Operations Per Share (in thousands)

	Three Months Ended	
	December 29, 2023	December 30, 2022
Diluted Net Earnings from Continuing Operations Per Share	$ 1.37	$ 1.07
After-tax effects of Restructuring, Transaction and Other Charges (1):		
Focus 2023 Transformation, mainly real estate rescaling efforts	—	0.16
Transaction costs	0.07	0.03
Restructuring, integration, separation and other charges	0.24	0.04
After-tax effects of Other Adjustments (2):		
Amortization of intangibles	0.27	0.26
Other	0.06	0.02
Adjusted Diluted Net Earnings from Continuing Operations Per Share	$ 2.02	$ 1.58

(1) Includes estimated per-share impacts from the restructuring activities primarily relating to the Separation Transaction for the three months ended December 29, 2023, along with real estate impairments associated with the Company's Focus 2023 transformation program and impacts associated with various transaction costs incurred with our acquisition and restructuring related activity costs associated with Company restructuring and integration programs for the three months ended December 30, 2022.

(2) Includes estimated per-share impacts from amortization of intangible assets and certain subsidiary level contingent equity-based agreements in connection with the transaction structure of our PA Consulting investment for the three months ended December 29, 2023 and December 30, 2022. The three months ended December 29, 2023 also includes the per-share impact from an approximate $10 million intangibles impairment charge.

6. Reconciliation of Adjusted EBITDA (in thousands)

	Three Months Ended		Twelve Months Ended
	December 29, 2023	December 30, 2022	September 29, 2023
Adj Net earnings from Continuing Operations	$ 255,886	$ 200,974	$ 915,891
Adj. Income Tax Expense for Continuing Operations	12,011	72,642	274,490
Adj. Net earnings from Continuing Operations attributable to Jacobs before income taxes	267,897	273,616	1,190,381
Depreciation expense	25,169	27,979	103,346
Interest income	(8,233)	(3,007)	(26,013)
Interest expense	43,352	40,077	168,108
Adjusted EBITDA	328,185	338,665	1,435,822
Depreciation expense	(25,169)	(27,979)	(103,346)
Adjusted Noncontrolling Interests from Continuing Operations	15,675	17,641	80,202
Adjusted miscellaneous expense	3,195	3,883	19,841
Adjusted Operating Profit	$ 321,886	$ 332,211	$ 1,432,520

7. Reconciliation of Noncontrolling Interests from Continuing Operations to Adjusted Noncontrolling Interests from Continuing Operations (in thousands)

	Three Months Ended	
	December 29, 2023	December 30, 2022
Noncontrolling Interests from Continuing Operations	$ (9,844)	$ (11,023)
Restructuring, Transaction and Other Charges (1)		
Transaction costs	(358)	(469)
Restructuring, integration and separation charges	(356)	—
Other Adjustments (2)		
Amortization of intangibles	(4,641)	(5,036)
Other income tax adjustments	—	(1)
Other	(475)	(1,114)
Adjusted Noncontrolling Interests from Continuing Operations	$ (15,674)	$ (17,643)

1) Includes noncontrolling interests amounts associated with the costs incurred with Company acquisition related activity costs.

2) Includes noncontrolling interests amounts relating to amortization of intangible assets for the three months ended December 29, 2023 and December 30, 2022 and estimated tax impacts on certain subsidiary level contingent equity-based agreements in connection with the transaction structure of our PA Consulting investment for the three months ended December 29, 2023.

8. Reconciliation of Miscellaneous Expense from Continuing Operations to Adjusted Miscellaneous Expense from Continuing Operations (in thousands)

	Three Months Ended	
	December 29, 2023	December 30, 2022
Miscellaneous Expense from Continuing Operations	$ (3,195)	$ (3,254)
Focus 2023 Transformation, mainly real estate rescaling efforts	—	(629)
Adjusted Miscellaneous Expense from Continuing Operations	$ (3,195)	$ (3,883)

9. Reconciliation of Other Corporate Expenses to Adjusted Unallocated Corporate Costs

	Three Months Ended	
(in millions)	December 29, 2023	December 30, 2022
Other Corporate Expenses	$ (121,060)	$ (93,686)
Amortization of intangibles	51,119	49,773
Other	11,386	4,290
Adjusted Unallocated Corporate Costs	**$ (58,555)**	**$ (39,623)**

10. Reconciliation of Free Cash Flow (in thousands)

	Three Months Ended	
	December 29, 2023	December 30, 2022
Net cash provided by operating activities	$ 418,361	$ 302,297
Additions to property and equipment	(17,306)	(32,187)
Free cash flow	$ 401,055	$ 270,110
Net cash used for investing activities	$ (15,997)	$ (48,738)
Net cash used for financing activities	$ (208,701)	$ (246,146)

11. Reconciliation of Jacobs Constant Currency Adjusted Net Revenue

$'s in millions	Net Revenue impact of Constant Currency				
	Consolidated Line of Business	People & Places Solutions	Critical Mission Solutions	PA Consulting	Divergent Solutions
Q1'24 Actual Revenue	$3,289	$1,644	$1,129	$306	$210
Currency Impact	(49)	(19)	(13)	(17)	(0)
Net Revenue in CC	**$3,239**	**$1,625**	**$1,116**	**$289**	**$210**
Q1'23 Revenue	$3,075	$1,517	$1,075	$282	$201
Growth	*5.4%*	*7.1%*	*3.8%*	*2.6%*	*4.5%*

12. Reconciliation of Jacobs Constant Currency Adjusted Operating Profit

$'s in millions	Adj. OP impact of Constant Currency					Adj. Unalloc. Corp. Costs impact of Constant Currency
	Consolidated Line of Business	People & Places Solutions	Critical Mission Solutions	PA Consulting	Divergent Solutions	Corporate Functions
Q1'24 Adj. Operating Profit	$322	$225	$93	$54	$8	($59)
Currency Impact	(7)	(4)	(2)	(3)	(0)	2
Adjusted Operating Profit in CC	**$315**	**$221**	**$92**	**$52**	**$7**	**($57)**
Q1'23 Adjusted Operating Profit	$332	$227	$82	$51	$12	($40)
Growth	*-5.2%*	*-2.6%*	*11.5%*	*1.7%*	*-37.9%*	*43.8%*

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