

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 June 28, 2024

☐ 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 July 26, 2024: 124,248,327

JACOBS SOLUTIONS INC.

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Part I - FINANCIAL INFORMATION

Item 1. Financial Statements.

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

	June 28, 2024 (Unaudited)	September 29, 2023
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 1,208,661	\$ 926,582
Receivables and contract assets	3,774,227	3,558,806
Prepaid expenses and other	154,721	204,965
Total current assets	<u>5,137,609</u>	<u>4,690,353</u>
Property, Equipment and Improvements, net	<u>366,231</u>	<u>357,032</u>
Other Noncurrent Assets:		
Goodwill	7,404,867	7,343,526
Intangibles, net	1,156,577	1,271,943
Deferred income tax assets	101,748	53,131
Operating lease right-of-use assets	383,911	414,384
Miscellaneous	497,347	486,740
Total other noncurrent assets	<u>9,544,450</u>	<u>9,569,724</u>
	<u>\$ 15,048,290</u>	<u>\$ 14,617,109</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Current maturities of long-term debt	\$ 825,166	\$ 61,430
Accounts payable	1,262,783	1,143,802
Accrued liabilities	1,303,207	1,301,644
Operating lease liability	147,659	152,077
Contract liabilities	965,440	763,608
Total current liabilities	<u>4,504,255</u>	<u>3,422,561</u>
Long-term debt	2,091,456	2,813,471
Liabilities relating to defined benefit pension and retirement plans	268,166	258,540
Deferred income tax liabilities	147,006	221,158
Long-term operating lease liability	482,262	543,230
Other deferred liabilities	144,250	125,088
Commitments and Contingencies	—	—
Redeemable Noncontrolling interests	734,465	632,979
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 - 124,253,511 shares and 125,976,998 shares as of June 28, 2024 and September 29, 2023, respectively	124,254	125,977
Additional paid-in capital	2,741,750	2,735,325
Retained earnings	4,557,204	4,542,872
Accumulated other comprehensive loss	(806,415)	(857,954)
Total Jacobs stockholders' equity	<u>6,616,793</u>	<u>6,546,220</u>
Noncontrolling interests	<u>59,637</u>	<u>53,862</u>
Total Group stockholders' equity	<u>6,676,430</u>	<u>6,600,082</u>
	<u>\$ 15,048,290</u>	<u>\$ 14,617,109</u>

See the accompanying Notes to Consolidated Financial Statements – Unaudited.

JACOBS SOLUTIONS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS
Three and Nine Months Ended June 28, 2024 and June 30, 2023
(In thousands, except per share information)
(Unaudited)

	For the Three Months Ended		For the Nine Months Ended	
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023
Revenues	\$ 4,231,580	\$ 4,186,702	\$ 12,659,898	\$ 12,063,702
Direct cost of contracts	(3,314,800)	(3,329,959)	(9,987,965)	(9,501,953)
Gross profit	916,780	856,743	2,671,933	2,561,749
Selling, general and administrative expenses	(656,316)	(587,002)	(1,926,417)	(1,764,341)
Operating Profit	260,464	269,741	745,516	797,408
Other Income (Expense):				
Interest income	10,321	7,830	27,960	18,467
Interest expense	(45,801)	(43,787)	(133,385)	(124,477)
Miscellaneous income (expense), net	1,166	(7,099)	(6,605)	(14,920)
Total other expense, net	(34,314)	(43,056)	(112,030)	(120,930)
Earnings from Continuing Operations Before Taxes	226,150	226,685	633,486	676,478
Income Tax Expense from Continuing Operations	(67,739)	(54,166)	(118,743)	(123,329)
Net Earnings of the Group from Continuing Operations	158,411	172,519	514,743	553,149
Net Earnings (Loss) of the Group from Discontinued Operations	485	294	(857)	(489)
Net Earnings of the Group	158,896	172,813	513,886	552,660
Net Earnings Attributable to Noncontrolling Interests from Continuing Operations	(8,551)	(8,204)	(23,117)	(23,038)
Net Earnings Attributable to Redeemable Noncontrolling interests	(3,411)	(370)	(10,112)	(13,225)
Net Earnings Attributable to Jacobs from Continuing Operations	146,449	163,945	481,514	516,886
Net Earnings Attributable to Jacobs	\$ 146,934	\$ 164,239	\$ 480,657	\$ 516,397
Net Earnings Per Share:				
Basic Net Earnings from Continuing Operations Per Share	\$ 1.17	\$ 1.29	\$ 3.85	\$ 4.08
Basic Net Loss from Discontinued Operations Per Share	\$ —	\$ —	\$ (0.01)	\$ —
Basic Earnings Per Share	\$ 1.17	\$ 1.30	\$ 3.84	\$ 4.07
Diluted Net Earnings from Continuing Operations Per Share	\$ 1.17	\$ 1.29	\$ 3.83	\$ 4.06
Diluted Net Loss from Discontinued Operations Per Share	\$ —	\$ —	\$ (0.01)	\$ —
Diluted Earnings Per Share	\$ 1.17	\$ 1.29	\$ 3.82	\$ 4.06

See the accompanying Notes to Consolidated Financial Statements - Unaudited.

JACOBS SOLUTIONS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Three and Nine Months Ended June 28, 2024 and June 30, 2023
(In thousands)
(Unaudited)

	For the Three Months Ended		For the Nine Months Ended	
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023
Net Earnings of the Group	\$ 158,896	\$ 172,813	\$ 513,886	\$ 552,660
Other Comprehensive Income:				
Foreign currency translation adjustment	1,418	55,482	74,595	242,768
Change in cash flow hedges	(3,659)	15,644	(29,398)	(14,311)
Change in pension plan liabilities	2,245	(6,765)	(4,214)	(29,025)
Other comprehensive income before taxes	4	64,361	40,983	199,432
Income Tax (Expense) Benefit:				
Foreign currency translation adjustment	4,390	5,293	4,390	(348)
Cash flow hedges	904	(3,637)	7,573	4,680
Change in pension plan liabilities	(470)	(363)	(1,407)	(1,022)
Income Tax (Expense) Benefit:	4,824	1,293	10,556	3,310
Net other comprehensive income	4,828	65,654	51,539	202,742
Net Comprehensive Income of the Group	163,724	238,467	565,425	755,402
Net Earnings Attributable to Noncontrolling Interests	(8,551)	(8,204)	(23,117)	(23,038)
Net Earnings Attributable to Redeemable Noncontrolling interests	(3,411)	(370)	(10,112)	(13,225)
Net Comprehensive Income Attributable to Jacobs	\$ 151,762	\$ 229,893	\$ 532,196	\$ 719,139

See the accompanying Notes to Consolidated Financial Statements - Unaudited.

JACOBS SOLUTIONS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
For the Three Months Ended June 28, 2024 and June 30, 2023
(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 March 31, 2023	\$ 126,805	\$ 2,697,523	\$ 4,393,351	\$ (838,042)	\$ 6,379,637	\$ 48,387	\$ 6,428,024
Net earnings	—	—	164,239	—	164,239	8,204	172,443
Foreign currency translation adjustments, net of deferred taxes of \$(5,293)	—	—	—	60,775	60,775	—	60,775
Pension plan liability, net of deferred taxes of \$363	—	—	—	(7,128)	(7,128)	—	(7,128)
Change in cash flow hedges, net of deferred taxes of \$3,637	—	—	—	12,007	12,007	—	12,007
Dividends	—	—	(33,216)	—	(33,216)	—	(33,216)
Redeemable Noncontrolling interests redemption value adjustment	—	—	34,101	—	34,101	—	34,101
Repurchase and issuance of redeemable noncontrolling interests	—	—	3,599	—	3,599	—	3,599
Noncontrolling interests - distributions and other	—	—	—	—	—	(5,891)	(5,891)
Stock based compensation	—	20,623	—	—	20,623	—	20,623
Issuances of equity securities including shares withheld for taxes	164	12,493	(531)	—	12,126	—	12,126
Repurchases of equity securities	(1,088)	(23,145)	(100,814)	—	(125,047)	—	(125,047)
Balances at June 30, 2023	\$ 125,881	\$ 2,707,494	\$ 4,460,729	\$ (772,388)	\$ 6,521,716	\$ 50,700	\$ 6,572,416
Balances at March 29, 2024	\$ 125,216	\$ 2,733,758	\$ 4,576,383	\$ (811,243)	\$ 6,624,114	\$ 54,348	\$ 6,678,462
Net earnings	—	—	146,934	—	146,934	8,551	155,485
Foreign currency translation adjustments net of deferred taxes of \$(4,390)	—	—	—	5,808	5,808	—	5,808
Pension plan liability, net of deferred taxes of \$470	—	—	—	1,775	1,775	—	1,775
Change in cash flow hedges, net of deferred taxes of \$(904)	—	—	—	(2,755)	(2,755)	—	(2,755)
Dividends	—	—	(36,561)	—	(36,561)	—	(36,561)
Redeemable Noncontrolling interests redemption value adjustment	—	—	(2,796)	—	(2,796)	—	(2,796)
Repurchase and issuance of redeemable noncontrolling interests	—	—	(338)	—	(338)	—	(338)
Noncontrolling interests - distributions and other	—	—	—	—	—	(3,262)	(3,262)
Stock based compensation	—	18,994	—	—	18,994	—	18,994
Issuances of equity securities including shares withheld for taxes	111	12,463	(37)	—	12,537	—	12,537
Repurchases of equity securities	(1,073)	(23,465)	(126,381)	—	(150,919)	—	(150,919)
Balances at June 28, 2024	\$ 124,254	\$ 2,741,750	\$ 4,557,204	\$ (806,415)	\$ 6,616,793	\$ 59,637	\$ 6,676,430

See the accompanying Notes to Consolidated Financial Statements – Unaudited.

JACOBS SOLUTIONS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
For the Nine Months Ended June 28, 2024 and June 30, 2023
(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 September 30, 2022	\$ 127,393	\$ 2,682,009	\$ 4,225,784	\$ (975,130)	\$ 6,060,056	\$ 44,336	\$ 6,104,392
Net earnings	—	—	516,397	—	516,397	23,038	539,435
Foreign currency translation adjustments, net of deferred taxes of \$348	—	—	—	242,420	242,420	—	242,420
Pension liability, net of deferred taxes of \$1,022	—	—	—	(30,047)	(30,047)	—	(30,047)
Change in cash flow hedges, net of deferred taxes of \$(4,680)	—	—	—	(9,631)	(9,631)	—	(9,631)
Dividends	—	—	(66,652)	—	(66,652)	—	(66,652)
Redeemable Noncontrolling interests redemption value adjustment	—	—	(10,393)	—	(10,393)	—	(10,393)
Repurchase of redeemable noncontrolling interests	—	—	14,936	—	14,936	—	14,936
Noncontrolling interests - distributions and other	—	—	—	—	—	(16,674)	(16,674)
Stock based compensation	—	55,908	—	—	55,908	—	55,908
Issuances of equity securities including shares withheld for taxes	814	18,779	(5,302)	—	14,291	—	14,291
Repurchases of equity securities	(2,326)	(49,202)	(214,041)	—	(265,569)	—	(265,569)
Balances at June 30, 2023	\$ 125,881	\$ 2,707,494	\$ 4,460,729	\$ (772,388)	\$ 6,521,716	\$ 50,700	\$ 6,572,416
Balances at September 29, 2023	\$ 125,977	\$ 2,735,325	\$ 4,542,872	\$ (857,954)	\$ 6,546,220	\$ 53,862	\$ 6,600,082
Net earnings	—	—	480,657	—	480,657	23,117	503,774
Foreign currency translation adjustments, net of deferred taxes of \$(4,390)	—	—	—	78,985	78,985	—	78,985
Pension liability, net of deferred taxes of \$1,407	—	—	—	(5,621)	(5,621)	—	(5,621)
Change in cash flow hedges, net of deferred taxes of \$(7,573)	—	—	—	(21,825)	(21,825)	—	(21,825)
Dividends	—	—	(73,638)	—	(73,638)	—	(73,638)
Redeemable Noncontrolling interests redemption value adjustment	—	—	(99,358)	—	(99,358)	—	(99,358)
Repurchase and issuance of redeemable noncontrolling interests	—	—	1,560	—	1,560	—	1,560
Noncontrolling interests - distributions and other	—	—	—	—	—	(17,342)	(17,342)
Stock based compensation	—	54,170	—	—	54,170	—	54,170
Issuances of equity securities including shares withheld for taxes	779	6,742	(5,496)	—	2,025	—	2,025
Repurchases of equity securities	(2,502)	(54,487)	(289,393)	—	(346,382)	—	(346,382)
Balances at June 28, 2024	\$ 124,254	\$ 2,741,750	\$ 4,557,204	\$ (806,415)	\$ 6,616,793	\$ 59,637	\$ 6,676,430

See the accompanying Notes to Consolidated Financial Statements – Unaudited.

JACOBS SOLUTIONS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Nine Months Ended June 28, 2024 and June 30, 2023
(In thousands)
(Unaudited)

	For the Nine Months Ended	
	June 28, 2024	June 30, 2023
Cash Flows from Operating Activities:		
Net earnings attributable to the Group	\$ 513,886	\$ 552,660
Adjustments to reconcile net earnings to net cash flows provided by operations:		
Depreciation and amortization:		
Property, equipment and improvements	74,171	76,870
Intangible assets	156,292	152,232
Stock based compensation	54,170	55,908
Equity in earnings of operating ventures, net of return on capital distributions	(13,554)	(2,963)
Loss on disposals of assets, net	1,033	590
Impairment of long-lived assets	—	38,131
Deferred income taxes	(116,103)	4,944
Changes in assets and liabilities, excluding the effects of businesses acquired:		
Receivables and contract assets, net of contract liabilities	23,440	22,191
Prepaid expenses and other current assets	54,512	(7,244)
Miscellaneous other assets	68,666	70,218
Accounts payable	117,220	109,142
Accrued liabilities	(107,709)	(285,287)
Other deferred liabilities	22,243	(44,420)
Other, net	9,874	12,428
Net cash provided by operating activities	858,141	755,400
Cash Flows from Investing Activities:		
Additions to property and equipment	(82,772)	(98,240)
Disposals of property and equipment and other assets	158	1,537
Capital contributions to equity investees, net of return of capital distributions	1,660	7,964
Acquisitions of businesses, net of cash acquired	(14,000)	(17,685)
Net cash used for investing activities	(94,954)	(106,424)
Cash Flows from Financing Activities:		
Proceeds from long-term borrowings	2,224,577	2,329,495
Repayments of long-term borrowings	(2,194,423)	(2,671,403)
Proceeds from short-term borrowings	1,106	3,353
Repayments of short-term borrowings	(31,882)	—
Debt issuance costs	(1,606)	(11,896)
Proceeds from issuances of common stock	35,414	38,051
Common stock repurchases	(346,382)	(265,569)
Taxes paid on vested restricted stock	(33,389)	(23,760)
Cash dividends to shareholders	(106,439)	(95,672)
Net dividends associated with noncontrolling interests	(17,516)	(17,287)
Repurchase of redeemable noncontrolling interests	(41,788)	(90,425)
Proceeds from issuances of redeemable noncontrolling interests	19,761	34,771
Net cash used for financing activities	(492,567)	(770,342)
Effect of Exchange Rate Changes	12,215	61,309
Net Increase in Cash and Cash Equivalents and Restricted Cash	282,835	(60,057)
Cash and Cash Equivalents, including Restricted Cash, at the Beginning of the Period	929,445	1,154,207
Cash and Cash Equivalents, including Restricted Cash, at the End of the Period	\$ 1,212,280	\$ 1,094,150

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 report, references to Jacobs and the "Company", "we", "us" or "our" or our management or business at any point prior to the Holding Company Implementation Date refer to JEGI, or 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 29, 2023 ("2023 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 as of June 28, 2024, and for the three and nine months ended June 28, 2024.

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

On November 20, 2023, Jacobs entered into a definitive agreement to spin-off and combine our Critical Mission Solutions ("CMS") and portions of our Divergent Solutions business, including Cyber & Intelligence (the "Separated Businesses") with Amentum Parent Holdings LLC ("Amentum"), in a Reverse Morris Trust transaction intended to be tax-free to Jacobs' shareholders for U.S. federal income tax purposes (hereinafter referred to as the "Separation Transaction"). The Separation Transaction, which is expected to close in the second half of September 2024, is subject to regulatory approvals and other customary closing conditions.

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 financial statements; and certain amounts disclosed in these Notes to the Consolidated Financial Statements. Although such estimates and assumptions 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.

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

Please refer to Note 2- *Significant Accounting Policies* of Notes to Consolidated Financial Statements included in our 2023 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 2023 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 12- *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 Divergent Solutions ("DVS") segment realignment were 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 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.

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

4. New Accounting Pronouncements

ASU 2023-09, *Income Taxes*, (Topic 740): Improvements to Income Tax Disclosures, provides qualitative and quantitative updates to the Company's effective income tax rate reconciliation and income taxes paid disclosures, among others, in order to enhance the transparency of income tax disclosures, including consistent categories and greater disaggregation of information in the rate reconciliation and disaggregation by jurisdiction of income taxes paid. The amendments in ASU 2023-09 are effective for fiscal years beginning after December 15, 2024, with early adoption permitted. The amendments should be applied prospectively; however, retrospective application is also permitted. ASU 2023-09 will be effective for the Company in the first quarter of fiscal 2026. The Company has identified and is implementing changes to processes and internal controls to meet the standard's updated reporting and disclosure requirements.

ASU 2023-07, *Segment Reporting*, (Topic 280): Improvements to Reportable Segment Disclosures, requires disclosure of significant segment expenses that are regularly provided to the chief operating decision maker ("CODM") and included within each reported measure of segment profit or loss, an amount and description of its composition for other segment items to reconcile to segment profit or loss, and the title and position of the entity's CODM. The amendments in this update also expand the interim segment disclosure requirements. ASU 2023-07 is effective for annual periods beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted and the amendments in this update are required to be applied on a retrospective basis. ASU 2023-07 will be effective for the Company's annual fiscal 2025 period. The Company is evaluating the impact of this guidance on its consolidated financial statements and related disclosures.

ASU 2023-06, *Disclosure Improvements: Amendments - Codification Amendments in Response to the Disclosure Update and Simplification Initiative* of the Securities and Exchange Commission ("SEC"). The Financial Accounting Standards Board issued the standard to introduce changes to US GAAP that originate in either SEC Regulation S-X or S-K, which are rules about the form and content of financial reports filed with the SEC. The provisions of the standard are contingent upon instances where the SEC removes the related disclosure provisions from Regulation S-X and S-K. The Company does not expect that the application of this standard will have a material impact on our consolidated financial statements and related disclosures.

5. 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.

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

The following table further disaggregates our revenue by geographic area for the three and nine months ended June 28, 2024 and June 30, 2023 (in thousands):

	Three Months Ended		Nine Months Ended	
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023
Revenues:				
United States	\$ 2,849,019	\$ 2,816,773	\$ 8,526,005	\$ 8,047,887
Europe	939,407	905,917	2,822,187	2,691,479
Canada	67,205	70,164	192,235	193,880
Asia	32,721	35,054	98,334	105,520
India	37,946	39,749	110,963	126,922
Australia and New Zealand	170,971	181,308	509,117	512,416
Middle East and Africa	134,311	137,737	401,057	385,598
Total	<u>\$ 4,231,580</u>	<u>\$ 4,186,702</u>	<u>\$ 12,659,898</u>	<u>\$ 12,063,702</u>

Contract Liabilities

Contract liabilities represent amounts billed to clients in excess of revenue recognized to date. Revenue recognized for the three and nine months ended June 28, 2024 that was previously included in the contract liability balance on September 29, 2023 was \$56.5 million and \$531.3 million, respectively. Revenue recognized for the three and nine months ended June 30, 2023 that was included in the contract liability balance on September 30, 2022 was \$65.1 million and \$483.9 million, respectively.

Remaining Performance Obligation

The Company's remaining performance obligations as of June 28, 2024 represent a measure of the total dollar value of work to be performed on contracts awarded and in progress. The Company had approximately \$18.8 billion in remaining performance obligations as of June 28, 2024. The Company expects to recognize approximately 57% of its remaining performance obligations into revenue within the next twelve months and the remaining 43% thereafter. The majority of the remaining performance obligations after the first twelve months are expected to be recognized over a four-year period.

Although our remaining performance obligations reflect business volumes that are considered to be firm, normal business activities including scope adjustments, deferrals or cancellations may occur that impact volume or 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.

6. 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 and the preferred redeemable noncontrolling interests redemption value adjustment associated with the PA Consulting transaction.

The following table reconciles the denominator used to compute basic EPS to the denominator used to compute diluted EPS for the three and nine months ended June 28, 2024 and June 30, 2023 (in thousands):

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

	Three Months Ended		Nine Months Ended	
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023
Numerator for Basic and Diluted EPS:				
Net earnings attributable to Jacobs from continuing operations	\$ 146,449	\$ 163,945	\$ 481,514	\$ 516,886
Preferred Redeemable Noncontrolling interests redemption value adjustment (See Note 15- <i>PA Consulting Redeemable Noncontrolling Interests</i>)	(20)	—	1,746	—
Net earnings from continuing operations allocated to common stock for EPS calculation	\$ 146,429	\$ 163,945	\$ 483,260	\$ 516,886
Net earnings (loss) from discontinued operations allocated to common stock for EPS calculation	\$ 485	\$ 294	\$ (857)	\$ (489)
Net earnings allocated to common stock for EPS calculation	\$ 146,914	\$ 164,239	\$ 482,403	\$ 516,397
Denominator for Basic and Diluted EPS:				
Shares used for calculating basic EPS attributable to common stock	125,163	126,646	125,660	126,785
Effect of dilutive securities:				
Stock compensation plans	453	492	553	546
Shares used for calculating diluted EPS attributable to common stock	125,616	127,138	126,213	127,331
Net Earnings Per Share:				
Basic Net Earnings from Continuing Operations Per Share	\$ 1.17	\$ 1.29	\$ 3.85	\$ 4.08
Basic Net Loss from Discontinued Operations Per Share	\$ —	\$ —	\$ (0.01)	\$ —
Basic Earnings Per Share	\$ 1.17	\$ 1.30	\$ 3.84	\$ 4.07
Diluted Net Earnings from Continuing Operations Per Share	\$ 1.17	\$ 1.29	\$ 3.83	\$ 4.06
Diluted Net Loss from Discontinued Operations Per Share	\$ —	\$ —	\$ (0.01)	\$ —
Diluted Earnings Per Share	\$ 1.17	\$ 1.29	\$ 3.82	\$ 4.06

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

Share Repurchases

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"). 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"). At June 28, 2024, the Company had \$528.5 million remaining under the 2023 Repurchase Authorization.

The following table summarizes repurchase activity under the 2023 Repurchase Authorization through the third fiscal quarter of 2024:

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

Amount Authorized (2023 Repurchase Authorization)	Average Price Per Share (1)	Total Shares Retired	Shares Repurchased
\$1,000,000,000	\$140.42	1,074,763	1,074,763

(1) Includes commissions paid and excise tax due under the Inflation Reduction Act of 2022 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 July 11, 2024, the Company's Board of Directors declared a quarterly dividend of \$0.29 per share of the Company's common stock to be paid on August 23, 2024, to shareholders of record on the close of business on July 26, 2024. Future dividend declarations are subject to review and approval by the Company's Board of Directors. Dividends paid through the third fiscal quarter of 2024 and the preceding fiscal year are as follows:

Declaration Date	Record Date	Payment Date	Cash Amount (per share)
May 2, 2024	May 24, 2024	June 21, 2024	\$0.29
January 25, 2024	February 23, 2024	March 22, 2024	\$0.29
September 28, 2023	October 27, 2023	November 9, 2023	\$0.26
July 6, 2023	July 28, 2023	August 25, 2023	\$0.26
April 27, 2023	May 26, 2023	June 23, 2023	\$0.26
January 25, 2023	February 24, 2023	March 24, 2023	\$0.26
September 15, 2022	September 30, 2022	October 28, 2022	\$0.23

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

7. Goodwill and Intangibles

The carrying value of goodwill appearing in the accompanying Consolidated Balance Sheets at June 28, 2024 and September 29, 2023 was as follows (in thousands):

	Critical Mission Solutions	People & Places Solutions	Divergent Solutions	PA Consulting	Total
Balance September 29, 2023	\$ 2,244,985	\$ 3,208,193	\$ 595,712	\$ 1,294,636	\$ 7,343,526
Foreign currency translation and other	4,854	6,437	1,289	48,761	61,341
Balance June 28, 2024	<u>\$ 2,249,839</u>	<u>\$ 3,214,630</u>	<u>\$ 597,001</u>	<u>\$ 1,343,397</u>	<u>\$ 7,404,867</u>

The following table provides certain information related to the Company's acquired intangibles in the accompanying Consolidated Balance Sheets at June 28, 2024 and September 29, 2023 (in thousands):

	Customer Relationships, Contracts and Backlog	Developed Technology	Trade Names	Total
Balance September 29, 2023	\$ 1,022,401	\$ 74,791	\$ 174,751	\$ 1,271,943
Amortization	(134,635)	(11,920)	(9,737)	(156,292)
Acquired	—	—	14,000	14,000
Foreign currency translation and other	20,505	200	6,221	26,926
Balance June 28, 2024	<u>\$ 908,271</u>	<u>\$ 63,071</u>	<u>\$ 185,235</u>	<u>\$ 1,156,577</u>

The following table presents estimated amortization expense of intangible assets for the remainder of fiscal 2024 and for the succeeding years.

Fiscal Year	(in millions)
2024	\$ 52.6
2025	210.0
2026	187.0
2027	154.6
2028	143.7
Thereafter	408.7
Total	<u>\$ 1,156.6</u>

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

8. Receivables and Contract Assets

The following table presents the components of receivables and contract assets appearing in the accompanying Consolidated Balance Sheets at June 28, 2024 and September 29, 2023, as well as certain other related information (in thousands):

	June 28, 2024	September 29, 2023
Components of receivables and contract assets:		
Amounts billed, net	\$ 1,597,830	\$ 1,457,333
Unbilled receivables and other	1,434,073	1,442,486
Contract assets	742,324	658,987
Total receivables and contract assets, net	<u>\$ 3,774,227</u>	<u>\$ 3,558,806</u>
Other information about receivables:		
Amounts due from the United States federal government, included above, net of contract liabilities	<u>\$ 806,068</u>	<u>\$ 802,566</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 expected credit losses. 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.

9. Accumulated Other Comprehensive Income

The following table presents the Company's roll forward of accumulated other comprehensive income (loss) after-tax as of June 28, 2024 (in thousands):

	Change in Net Pension Obligation	Foreign Currency Translation Adjustment ⁽¹⁾	Gain/(Loss) on Cash Flow Hedges ⁽²⁾	Total
Balance at September 29, 2023	\$ (325,692)	\$ (635,937)	\$ 103,675	\$ (857,954)
Other comprehensive (loss) income	(5,621)	78,985	6,964	80,328
Reclassifications from accumulated other comprehensive income (loss)	—	—	(28,789)	(28,789)
Balance at June 28, 2024	<u>\$ (331,313)</u>	<u>\$ (556,952)</u>	<u>\$ 81,850</u>	<u>\$ (806,415)</u>

(1) Included in the overall foreign currency translation adjustment for the nine months ended June 28, 2024 and June 30, 2023 are \$(9.8) million and \$(93.5) 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 June 28, 2024 were approximately \$18.3 million in unrealized gains, net of taxes, which are expected to be realized in earnings during the twelve months subsequent to June 28, 2024.

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

10. Income Taxes

The Company's effective tax rates from continuing operations for the three months ended June 28, 2024 and June 30, 2023 were 30.0% and 23.9%, respectively. The most significant items contributing to the difference between the statutory U.S. federal corporate tax rate of 21% and the Company's effective tax rate for the three-month period ended June 28, 2024 were U.S. state income tax expense of \$4.4 million and U.S. tax on foreign earnings of \$10.5 million, and income tax expense of \$10.6 million related to foreign exchange gains associated with a change in assertion on intercompany loans that were previously deemed indefinitely reinvested. The U.S. state income tax and U.S. tax on foreign earnings are expected to have a continuing impact on the Company's effective tax rate for the remainder of the fiscal year. These expense items were partly offset by a return-to-provision income tax benefit of \$7.9 million, mainly attributable to additional research and development credits claimed on the U.S. federal tax return. For the three months ended June 30, 2023, the main differences compared to the U.S. federal statutory rate were attributable to U.S. state income tax expense of \$5.3 million and U.S. tax on foreign earnings of \$5.4 million, partly offset by a \$3.5 million tax benefit for the release of previously valued foreign tax credits.

The Company's effective tax rates from continuing operations for the nine months ended June 28, 2024 and June 30, 2023 were 18.7% and 18.2%, respectively. The most significant item contributing to the difference between the statutory U.S. federal corporate tax rate of 21% and the Company's effective tax rate for the nine-month period ended June 28, 2024 is related to a discrete event associated with the election to treat an Australian subsidiary as a corporation versus a partnership for U.S. tax purposes, with this election resulting in the derecognition of a deferred tax liability and yielding a discrete income tax benefit of \$61.6 million as the Company asserts that a component of the investment will be indefinitely reinvested. This benefit was partly offset by U.S. state income tax expense of \$11.7 million, U.S. tax on foreign earnings of \$19.1 million, and income tax expense of \$10.6 million related to foreign exchange gains associated with a change in assertion on intercompany loans that were previously deemed indefinitely reinvested. The U.S. state income tax and U.S. tax on foreign earnings are expected to have a continuing impact on the Company's effective tax rate for the remainder of the fiscal year. For the nine months ended June 30, 2023, the main differences compared to the U.S. federal statutory rate were associated with net tax benefits of \$39.4 million which were mostly related to uncertain tax positions in the U.S. that were effectively settled, of which \$30.8 million related to positions carried forward from the fiscal 2018 acquisition of CH2M Hill Companies Ltd., as well as a tax benefit of \$12.1 million for the release of previously valued foreign tax credits. These benefits were partly offset by U.S. state income tax expense of \$15.8 million and U.S. tax on foreign earnings of \$13.6 million.

In December 2021, the Organization for Economic Cooperation and Development ("OECD") released the Pillar Two Model Rules (also referred to as the global minimum tax or Global Anti-Base Erosion "GloBE" rules), which were designed to ensure large multinational enterprises pay a minimum 15 percent level of tax on the income arising in each jurisdiction in which they operate. Several jurisdictions in which we operate have enacted these rules, which are effective for the first quarter of the fiscal year ending September 26, 2025. The Company is continually monitoring developments and evaluating the potential impacts. At this time, the Company does not anticipate a material tax charge as a result of implementation of these rules.

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.

11. 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 \$406.4 million and \$246.8 million, respectively, as of June 28, 2024 and \$424.2 million and \$279.8 million, respectively, as of September 29, 2023. 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 \$143.8 million and \$134.3 million, respectively, as of June 28, 2024, and \$132.0 million and \$128.9 million, respectively, as of September 29, 2023.

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

The carrying values of our investments in equity method joint ventures in the Consolidated Balance Sheets (reported in Other Noncurrent Assets: Miscellaneous) as of June 28, 2024 and September 29, 2023 were \$61.0 million and \$49.6 million, respectively. Additionally, income from equity method joint ventures (reported in Revenue) was \$12.5 million and \$7.6 million, respectively, during the three months ended June 28, 2024 and June 30, 2023, with \$38 million and \$25.1 million, respectively, for the corresponding nine-month periods. As of June 28, 2024, the Company's equity method investment carrying values do not include material amounts exceeding their share of the respective joint ventures' reported net assets.

Accounts receivable from unconsolidated joint ventures accounted for under the equity method was \$18.0 million and \$16.1 million as of June 28, 2024 and September 29, 2023, respectively.

12. Borrowings

At June 28, 2024 and September 29, 2023, long-term debt consisted of the following (principal amounts in thousands):

	Interest Rate	Maturity	June 28, 2024	September 29, 2023
Revolving Credit Facility	Benchmark + applicable margin (1) (2)	February 2028	\$ 61,121	\$ 10,000
2021 Term Loan Facility - USD Portion	Benchmark + applicable margin (1) (3)	February 2026	120,000	120,000
2021 Term Loan Facility - GBP Portion	Benchmark + applicable margin (1) (3)	September 2025	822,705	794,170
2020 Term Loan Facility	Benchmark + applicable margin (1) (4)	March 2025 (6)	824,060	854,246
Fixed-rate:				
5.9% Bonds, due 2033	5.9% (5)	March 2033	500,000	500,000
6.35% Bonds, due 2028	6.35%	August 2028	600,000	600,000
Less: Current Portion (6)			(824,060)	(51,773)
Less: Deferred Financing Fees			(12,370)	(13,172)
Total Long-term debt, net			<u>\$ 2,091,456</u>	<u>\$ 2,813,471</u>

- (1) During the year ended September 29, 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 Revolving Credit Facility (defined below)), 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 June 28, 2024 and September 29, 2023 were approximately 4.90% and 8.75%. 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 June 28, 2024.
- (3) Depending on the Company's Consolidated Leverage Ratio or Debt Rating (each as defined in the Amended and Restated Term Loan Agreement (defined below)), 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 June 28, 2024 and September 29, 2023 was approximately 6.68% and 6.68%. 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 6.48% and 6.47% at June 28, 2024 and September 29, 2023, respectively.
- (4) Depending on the Company's Consolidated Leverage Ratio or Debt Rating (each as defined in the 2020 Term Loan Agreement), 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 June 28, 2024 and September 29,

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

2023 were approximately 6.69% and 6.68%. 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 6.48% and 6.47% at June 28, 2024 and September 29, 2023, respectively.

- (5) From and including September 1, 2028 (the "First Step Up Date"), the interest rate payable on the 5.90% 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 related assurance letter verifying such compliance. From and including September 1, 2030 (the "Second Step Up Date"), the interest rate payable on the 5.90% 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) Balance as of June 28, 2024 is associated with the March 25, 2025 scheduled maturity of the 2020 Term Loan Facility, which was reclassified from long-term debt in March 2024. Previously reported balance as of September 29, 2023 was comprised of the 2020 Term Loan quarterly principal repayments of 1.25%, or \$9.1 million and £3.1 million, of the aggregate initial principal amount borrowed, totaling \$51.8 million in U.S. dollars for the subsequent twelve months.

Revolving Credit Facility and Term Loans

The Company and certain of its subsidiaries maintain a sustainability-linked \$2.25 billion unsecured revolving credit facility (the "Revolving Credit Facility") established under a third amended and restated credit agreement, dated February 6, 2023 (the "Revolving Credit Agreement"), among Jacobs and certain of its subsidiaries as borrowers and a syndicate of U.S. and international banks and financial institutions. The credit extensions under the Revolving Credit Facility can be funded in U.S. dollars, British Sterling, Euros, Canadian dollars, Australian dollars, Swedish Krona, Singapore dollars and other agreed upon alternative currencies. The Revolving Credit Agreement 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 Revolving Credit Agreement amended and restated the second amended and restated credit agreement dated March 27, 2019, by and among JEGI and certain of its subsidiaries and a syndicate of banks and financial institutions, in order to, among other things, (a) extend the maturity date of the Revolving Credit Facility to February 6, 2028, (b) replace and adjust interest rates based on market conditions and incorporate a sustainability-linked pricing adjustment, (c) revise the commitment fee on the unused portion of the facility to a range of 0.10% to 0.25% depending on the higher of the pricing level associated with JEGI's Debt Rating or the Consolidated Leverage Ratio, (d) 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), (e) eliminate the net worth financial covenant and (f) add the Company as a guarantor of the obligations of JEGI and its subsidiaries under the Revolving Credit Agreement.

The Company and JEGI maintain an unsecured delayed draft term loan facility (the "2021 Term Loan Facility") established under an amended and restated term loan agreement dated February 6, 2023 (the "Amended and Restated Term Loan Agreement"), by and among the Company and JEGI and a syndicate of banks and financial institutions. JEGI borrowed \$200.0 million and £650.0 million of term loans under the 2021 Term Loan Facility (reflecting scheduled maturities in February 2026 and September 2025, respectively) and the proceeds of such term loans were used primarily to fund JEGI's investment in PA Consulting. The Amended and Restated Term Loan Agreement amended and restated the term loan agreement dated January 15, 2021, by and among JEGI and a syndicate of U.S. banks and financial institutions 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 Amended and Restated Term Loan Agreement.

During the fourth quarter of fiscal 2023, the Company repaid \$80.0 million of the USD portion of the 2021 Term Loan Facility.

On March 25, 2020, JEGI and Jacobs U.K., a wholly owned subsidiary of JEGI, entered into a term loan agreement (the "2020 Term Loan Agreement") with a syndicate of banks and financial institutions, which provides for an unsecured term loan facility (the "2020 Term Loan Facility"). Under the 2020 Term Loan Facility, JEGI borrowed an aggregate principal amount of \$730.0 million and Jacobs U.K. borrowed an aggregate principal amount of £250.0 million. The

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

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. On February 6, 2023, the 2020 Term Loan Agreement was amended 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. The 2020 Term Loan facility matures in March 2025 and the related outstanding balances under this facility were reclassified to current maturities of long-term debt in the Company's March 29, 2024 consolidated balance sheet.

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 2022, the Revolving Credit Facility and Term Loan Facilities were amended to permit the Holding Company Reorganization.

On December 20, 2023, the Revolving Credit Facility and Term Loan Facilities were amended to adjust the point in time at which certain compliance thresholds are tested in connection with the Separation Transaction.

On April 10, 2024, the Term Loan Facilities were amended to permit the potential exchange of Jacobs' retained equity stake in the combined company after the Separation Transaction for the effective repayment of a portion of the Term Loan Facilities.

We were in compliance with the covenants under the Revolving Credit Facility and Term Loan Facilities at June 28, 2024.

5.90% Bonds, due 2033

On February 16, 2023, JEGI completed an offering of \$500 million aggregate principal amount of 5.90% Bonds due 2033 (the "5.90% Bonds"). The 5.90% Bonds are fully and unconditionally guaranteed by the Company (the "5.90% Bonds Guarantee"). The 5.90% Bonds and the 5.90% Bonds 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 SEC, 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 5.90% Bonds is payable semi-annually in arrears on each March 1 and September 1, commencing on September 1, 2023, until maturity. The 5.90% Bonds bear interest at 5.90% per annum, subject to adjustments as discussed in note (5) to the table above.

Prior to December 1, 2032 (the "5.90% Bonds Par Call Date"), JEGI may redeem the 5.90% 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 5.90% Bonds being redeemed, assuming that such 5.90% Bonds matured on the 5.90% Bonds 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 5.90% Bonds to be redeemed, plus, in either case, accrued and unpaid interest on the 5.90% Bonds, if any, to, but excluding, the redemption date. At any time and from time to time on or after the 5.90% Bonds Par Call Date, JEGI may redeem the 5.90% Bonds, at its option, in whole or in part, at a redemption price equal to 100% of the principal amount of the 5.90% Bonds to be redeemed, plus accrued and unpaid interest thereon, if any, up to, but excluding, the redemption date.

6.35% Bonds, due 2028

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

On August 18, 2023, JEGI completed an offering of \$600 million aggregate principal amount of 6.35% Bonds due 2028 (the "6.35% Bonds"). The 6.35% Bonds are fully and unconditionally guaranteed by the Company (the "6.35% Bonds Guarantee"). The 6.35% Bonds and the 6.35% Bonds Guarantee were offered pursuant to a prospectus supplement, dated August 15, 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 previously filed with the SEC, and were issued pursuant to the Indenture, as amended and supplemented by the Second Supplemental Indenture, dated as of August 18, 2023 (the "Second Supplemental Indenture"). Interest on the 6.35% Bonds is payable semi-annually in arrears on each February 18 and August 18, commencing on February 18, 2024, until maturity. The Notes will bear interest at a rate of 6.35% per annum and will mature on August 18, 2028. The 6.35% Bonds bear interest at 6.35% per annum.

Prior to July 18, 2028 (the "6.35% Bonds Par Call Date"), JEGI may redeem the 6.35% 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 6.35% Bonds being redeemed, assuming that such 6.35% Bonds matured on the 6.35% Bonds 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 Second Supplemental Indenture) plus 30 basis points, less (b) interest accrued to the redemption date, and (2) 100% of the principal amount of such 6.35% Bonds to be redeemed, plus, in either case, accrued and unpaid interest on the 6.35% Bonds, if any, to, but excluding, the redemption date. At any time and from time to time on or after the 6.35% Bonds Par Call Date, JEGI may redeem the 6.35% Bonds, at its option, in whole or in part, at a redemption price equal to 100% of the principal amount of the 6.35% Bonds to be redeemed, plus accrued and unpaid interest thereon, if any, to, but excluding, the redemption date.

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 \$500.0 million of fixed rate debt. On February 13, 2023 and with the issuance of the 5.90% Bonds, the Company settled these treasury lock agreements. See Note 17- *Commitments and Contingencies and Derivative Financial Instruments* for more discussion around this transaction.

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 \$0.5 million in letters of credit under the Revolving Credit Facility, leaving \$2.19 billion of available borrowing capacity under the Revolving Credit Facility at June 28, 2024. In addition, the Company had issued \$295.6 million under various separate, committed and uncommitted letter-of-credit facilities for issued letters of credit totaling \$296.1 million at June 28, 2024.

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

13. Leases

The components of lease expense (reflected in selling, general and administrative expenses) for the three and nine months ended June 28, 2024 and June 30, 2023 were as follows (in thousands):

	Three Months Ended		Nine Months Ended	
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023
Lease expense				
Operating lease expense	\$ 33,556	\$ 35,632	\$ 101,748	\$ 106,453
Variable lease expense	9,505	9,212	28,641	27,973
Sublease income	(4,919)	(4,562)	(14,387)	(13,382)
Total lease expense	\$ 38,142	\$ 40,282	\$ 116,002	\$ 121,044

Supplemental information related to the Company's leases for the nine months ended June 28, 2024 and June 30, 2023 was as follows (in thousands):

	Nine Months Ended	
	June 28, 2024	June 30, 2023
Cash paid for amounts included in the measurements of lease liabilities	\$ 136,805	\$ 138,213
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ 41,915	\$ 57,441
Weighted average remaining lease term - operating leases	5.5 years	6.0 years
Weighted average discount rate - operating leases	3.5%	3.1%

Total remaining lease payments under the Company's leases for the remainder of fiscal 2024 and for the succeeding years is as follows (in thousands):

Fiscal Year	Operating Leases
2024	\$ 46,501
2025	155,373
2026	130,330
2027	106,258
2028	86,583
Thereafter	168,477
	693,523
Less Interest	(63,603)
	\$ 629,921

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

During fiscal 2023, 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.

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

As a result of the analysis, the Company recognized impairment losses during the nine months ended June 30, 2023 of \$38.1 million which are included in selling, general, and administrative expenses in the accompanying statement of earnings. The impairment losses recorded include \$33.1 million related to the right-of-use lease assets and \$5.0 million related to the other long-lived assets, including property, equipment, and improvements and leasehold improvements for the fiscal 2023 period.

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.

14. Pension and Other Postretirement Benefit Plans

The following table presents the components of net periodic pension benefit expense recognized in earnings during the three and nine months ended June 28, 2024 and June 30, 2023 (in thousands):

	Three Months Ended		Nine Months Ended	
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023
Component:				
Service cost	\$ 2,261	\$ 1,748	\$ 6,783	\$ 5,244
Interest cost	21,560	20,233	64,680	60,699
Expected return on plan assets	(23,726)	(21,091)	(71,178)	(63,273)
Amortization of previously unrecognized items	1,949	1,304	5,847	3,912
Total net periodic pension benefit expense recognized	<u>\$ 2,044</u>	<u>\$ 2,194</u>	<u>\$ 6,132</u>	<u>\$ 6,582</u>

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 2024 (in thousands):

Cash contributions made during the first nine months of fiscal 2024	\$ 14,623
Cash contributions projected for the remainder of fiscal 2024	4,658
Total	<u>\$ 19,281</u>

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

15. PA Consulting Redeemable Noncontrolling Interests

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. PA Consulting is accounted for as a consolidated subsidiary and as a separate operating segment.

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 nine months of 2024 and 2023, PA Consulting repurchased certain shares of the redeemable noncontrolling interest holders for cash amounts of \$41.8 million and \$90.4 million, respectively. The difference between the cash purchase prices and the recorded book values of these repurchased interests was recorded in the Company's consolidated retained earnings. The Company held 70% and 69% of the outstanding ownership of PA Consulting as of June 28, 2024 and September 29, 2023, respectively.

During the first nine months of 2024, the Company recognized approximately \$1.7 million in redemption value adjustments associated with redeemable noncontrolling interests preference share repurchase and reissuance activities that were recorded as an increase in consolidated retained earnings and a \$0.01 increase in earnings per share, the results of which had no impact on the Company's overall results of operations, financial position or cash flows. See Note 6- *Earnings Per Share and Certain Related Information* for more information.

Changes in the redeemable noncontrolling interests during the nine months ended June 28, 2024 are as follows (in thousands):

Balance at September 29, 2023	\$ 632,979
Accrued Preferred Dividend to Preference Shareholders	61,661
Attribution of Preferred Dividend to Common Shareholders	(61,661)
Net earnings attributable to redeemable noncontrolling interests to Common Shareholders	10,112
Redeemable Noncontrolling interests redemption value adjustment	99,358
Repurchase of redeemable noncontrolling interests	(46,173)
Issuance of redeemable noncontrolling interests	22,586
Cumulative translation adjustment and other	15,603
Balance at June 28, 2024	<u>\$ 734,465</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 the first nine months of fiscal 2024 and 2023, the Company recorded \$11.5 million and \$5.1 million, respectively, in expenses associated with these agreements which is reflected in selling, general and administrative expenses in the consolidated statements of earnings.

The Company, through its investment in PA Consulting, held \$3.6 million and \$2.8 million at June 28, 2024 and September 29, 2023, respectively, in cash that is restricted from general use and is included in Prepaid expenses and other in the Company's Consolidated Balance Sheets.

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

16. Restructuring and Other Charges

During fiscal 2023, the Company implemented restructuring and separation initiatives relating to the Separation Transaction which are expected to continue through fiscal 2025. Restructuring initiatives were also implemented during fiscal 2023 relating to our investment in PA Consulting, which are expected to continue through fiscal 2024, and the DVS segment reorganization, which is substantially completed. While restructuring activities for each of these programs are comprised mainly of employee termination costs, the separation activities and costs are primarily related to the engagement of outside services, dedicated internal personnel and other related costs dedicated to the Company's Separation Transaction.

During fiscal 2022, the Company implemented certain restructuring and integration initiatives relating to the acquisitions of (i) BlackLynx, Inc. ("BlackLynx") in November 2021, and (ii) StreetLight Data, Inc. ("StreetLight") in February 2022. 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 substantially complete.

During the fiscal year ended October 1, 2021, the Company recorded other-than-temporary impairment charges on its equity method investment in AWE Management Ltd ("AWE") which were included in miscellaneous income (expense), net in the consolidated statement of earnings. During fiscal year 2022, the contractual operating arrangement with UK Ministry of Defence was terminated which has resulted in the wind down and full impairment of the AWE Joint Venture with immaterial activity expected going forward.

During fiscal 2021, the Company implemented certain integration initiatives associated with our PA Consulting investment. The activities are substantially completed.

During fiscal 2019 and continuing into fiscal 2020, the Company implemented certain restructuring and separation initiatives associated with the ECR sale and other related cost reduction initiatives. The restructuring activities and related costs were comprised mainly of separation and lease abandonment and sublease programs, while the separation activities and costs were mainly related to the engagement of consulting services and dedicated 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."

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

The following table summarizes the impacts of the Restructuring and other charges by reportable segment in connection with the Separation Transaction, PA Consulting investment, DVS segment reorganization, StreetLight and BlackLynx acquisitions, the Company's transformation initiatives relating to real estate and other staffing programs, the ECR sale, and CH2M acquisition for the three and nine months ended June 28, 2024 and June 30, 2023 (in thousands):

	Three Months Ended		Nine Months Ended	
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023
Critical Mission Solutions	\$ 5,801	\$ (1,128)	\$ 12,702	\$ 2,136
People & Places Solutions	11,415	703	25,199	33,889
Divergent Solutions	2,348	100	4,075	5,312
PA Consulting	3,201	17,128	7,360	17,128
Corporate	35,323	14,109	92,049	19,731
Total	<u>\$ 58,088</u>	<u>\$ 30,912</u>	<u>\$ 141,385</u>	<u>\$ 78,196</u>
Amounts included in:				
Operating profit (mainly SG&A) ⁽¹⁾	\$ 58,088	\$ 31,184	\$ 141,385	\$ 79,129
Other Income, net	—	(272)	—	(933)
	<u>\$ 58,088</u>	<u>\$ 30,912</u>	<u>\$ 141,385</u>	<u>\$ 78,196</u>

(1) The three and nine months ended June 28, 2024 included approximately \$54.8 million and \$133.9 million, respectively, in restructuring and other charges mainly relating to the Separation Transaction (primarily professional services and employee separation costs). Included in the three and nine months ended June 30, 2023 were \$17.2 million in restructuring and other charges relating to the Company's investment in PA Consulting (primarily employee separation costs) and \$13.4 million in separation activities (mainly professional services) relating to the Separation Transaction. The nine months ended June 30, 2023 included approximately \$40.0 million in charges associated mainly with real estate impairments and related charges.

The activity in the Company's accruals for Restructuring and other charges for the nine months ended June 28, 2024 is as follows (in thousands):

Balance at September 29, 2023	\$ 37,318
Net Charges (Credits) ⁽¹⁾	141,336
Payments and other	(114,859)
Balance at June 28, 2024	<u>\$ 63,795</u>

(1) Excludes other net charges associated mainly with the real estate related impairments during the nine months ended June 28, 2024.

The following table summarizes the Restructuring and other charges by major type of costs for the three and nine months ended June 28, 2024 and June 30, 2023 (in thousands):

	Three Months Ended		Nine Months Ended	
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023
Lease Abandonments and Impairments	\$ —	\$ 803	\$ 49	\$ 38,076
Terminations	25,494	17,925	49,045	26,434
Outside Services ⁽¹⁾	26,793	12,168	73,859	13,646
Other ⁽²⁾	5,801	16	18,432	40
Total	<u>\$ 58,088</u>	<u>\$ 30,912</u>	<u>\$ 141,385</u>	<u>\$ 78,196</u>

(1) Amounts in the three and nine months ended June 28, 2024 are comprised of outside services relating to the Separation Transaction.

(2) Amounts in the three and nine months ended June 28, 2024 are comprised of charges relating to the Separation Transaction.

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

Cumulative amounts incurred to date under our various Restructuring and other activities described above by each major type of cost as of June 28, 2024 are as follows (in thousands):

Lease Abandonments and Impairments	\$	432,773
Terminations		217,361
Outside Services		419,549
Other		214,366
Total	\$	<u>1,284,049</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 a total 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 5.90% 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 5.90% Bonds. See Note 12- *Borrowings* for further discussion relating to the terms of the 5.90% Bonds. The unrealized net gain on these instruments was \$24.3 million and \$26.5 million, net of tax, and is included in accumulated other comprehensive income as of June 28, 2024 and September 29, 2023, respectively.

In fiscal 2020 we entered into interest rate swap agreements with a notional value of \$746.2 million as of June 28, 2024 to manage the interest rate exposure on our variable rate loans. By entering into the swap agreements, the Company converted the LIBOR and SONIA rate based liabilities into fixed rate liabilities, for periods ranging from five to ten years. The fair value of the interest rate swaps at June 28, 2024 was \$76.4 million of which \$66.7 million is included within miscellaneous other assets and \$9.7 million is included within current assets on the consolidated balance sheet as of June 28, 2024. The fair value of interest rate swaps at September 29, 2023 was \$102.6 million, which are included in miscellaneous other assets on the consolidated balance sheet as of September 29, 2023. The unrealized net gain on these interest rate swaps as of June 28, 2024 and September 29, 2023 was \$57.5 million and \$77.2 million, respectively, net of tax, and was included in accumulated other comprehensive income.

Additionally, in fiscal 2020, we entered into a cross currency swap agreement with a notional value of \$127.8 million to manage the interest rate and foreign currency exposure on our USD borrowings by a European subsidiary. By entering into the cross currency swap, the Company converted our LIBOR rate based borrowing in USD to a fixed rate Euro liability for three and a half years. During the fourth quarter of fiscal 2023, the Company paid down the borrowings hedged by the cross currency swap and settled the cross currency swap agreement.

During fiscal 2023, the aggregate liability amounts denominated in U.S. dollars transitioned from underlying LIBOR benchmarked rates to the 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*.

Additionally, the Company held foreign exchange forward contracts in currencies that support our operations, including British Pound, Australian Dollar, Euro and other currencies, with notional values of \$1,056.6 million at June 28, 2024 and \$857.7 million at September 29, 2023. The length of these contracts currently ranges from one week to 7 months. The fair value of the foreign exchange contracts at June 28, 2024 was \$(1.9) million, of which \$(2.6) million is included within current liabilities and \$0.7 million is included within current assets on the consolidated balance sheet as of June 28, 2024. The fair value of the contracts as of September 29, 2023 was \$9.5 million, of which \$16.1 million is included within current assets and \$(6.6) million is included within current liabilities on the consolidated balance sheet as of September 29, 2023. Associated income statement impacts are included in miscellaneous income (expense) in the consolidated statements of earnings for both periods.

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

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 June 28, 2024 and September 29, 2023, the Company had issued and outstanding approximately \$296.1 million and \$322.0 million, respectively, in LOCs and \$2.1 billion and \$2.0 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, 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.

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

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 year ended September 30, 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, consisted of 10 consolidated cases. This case and the related cases involved several hundred plaintiffs that were employees of the contractors that completed the remediation and dredging work. In the second quarter of fiscal 2023, the Company entered into a settlement agreement with the plaintiffs whose cases had not been previously dismissed. As of the third quarter of fiscal 2023, all conditions to the settlement had been satisfied, and the cases dismissed. The amount of the settlement was not material to the Company's business, financial condition, results of operations or cash flows.

During the fourth quarter of fiscal 2022, the Company recorded a receivable for certain expected third-party recoveries equal to approximately \$27 million before tax, which was collected during first half of fiscal 2023.

18. Segment Information

The Company's four operating segments are 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 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.

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

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 Nine Months Ended	
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023
Revenues from External Customers:				
Critical Mission Solutions	\$ 1,155,806	\$ 1,190,845	\$ 3,513,635	\$ 3,457,076
People & Places Solutions	2,564,698	2,469,694	7,556,999	7,041,744
Divergent Solutions	222,805	239,289	701,025	694,978
PA Consulting	288,271	286,874	888,239	869,904
Total	<u>\$ 4,231,580</u>	<u>\$ 4,186,702</u>	<u>\$ 12,659,898</u>	<u>\$ 12,063,702</u>
	For the Three Months Ended		For the Nine Months Ended	
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023
Segment Operating Profit:				
Critical Mission Solutions	\$ 100,318	\$ 99,141	\$ 297,373	\$ 275,304
People & Places Solutions	271,157	242,673	763,919	701,498
Divergent Solutions (1)	12,394	20,794	38,951	57,623
PA Consulting	62,889	60,864	177,513	177,521
Total Segment Operating Profit	446,758	423,472	1,277,756	1,211,946
Other Corporate Expenses (2)	(118,040)	(118,486)	(356,413)	(319,796)
Restructuring, Transaction and Other Charges (3)	(68,254)	(35,245)	(175,827)	(94,742)
Total U.S. GAAP Operating Profit	260,464	269,741	745,516	797,408
Total Other Expense, net	(34,314)	(43,056)	(112,030)	(120,930)
Earnings from Continuing Operations Before Taxes	<u>\$ 226,150</u>	<u>\$ 226,685</u>	<u>\$ 633,486</u>	<u>\$ 676,478</u>

(1) For the nine months ended June 28, 2024, operating profit included an approximate \$15 million pre-tax non-cash charge associated with an inventory write down during the fiscal 2024 period comprised of cumulative adjustments of immaterial inventory misstatements previously reported which would not have been material to any prior period financial statements nor to any amounts reported in the current period.

(2) Other corporate expenses included intangibles amortization of \$52.5 million and \$52.0 million for the three months ended June 28, 2024 and June 30, 2023, respectively, and \$156.3 million and \$152.2 million for the nine months ended June 28, 2024 and June 30, 2023, respectively, along with an approximately \$11.0 million intangibles impairment charge in the nine month period ended June 28, 2024. Additionally, the comparison of the nine month period of fiscal 2024 to the corresponding 2023 period was unfavorably impacted by the one-time net favorable impact of \$41 million relating mainly to changes in employee benefits programs in the prior year, partly offset by year over year favorable department spending as well as favorable impacts of corporate functional overhead cost recovery by our lines of business.

(3) The three and nine months ended June 28, 2024 included \$54.8 million and \$133.9 million, respectively, in restructuring and other charges and \$7.1 million and \$26.5 million, respectively, of transaction charges, mainly relating to the Separation Transaction (primarily professional services and employee separation costs). The three and nine months ended June 30, 2023 included \$17.2 million in restructuring and other charges relating to the Company's investment in PA Consulting (primarily employee separation costs) and \$13.4 million relating to the separation activities (mainly professional services) around the Separation Transaction, and the nine months ended June 30, 2023 included \$38.1 million in real estate impairment charges related to the Company's transformation initiatives.

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

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*.

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 June 28, 2024 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 2023 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 2023 Form 10-K;
- The Company's fiscal 2023 audited consolidated financial statements and notes thereto included in our 2023 Form 10-K; and
- Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations* included in our 2023 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 the financial condition and results of operations and our expectations as to our future growth, prospects, financial outlook and business strategy for fiscal year 2024 or future fiscal years, including our expectations for the timing of completion of restructuring activities and savings to be realized from such activities, as well as the expected timing for closing the Separation Transaction, and any assumptions underlying any of the foregoing. 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 the possibility that closing conditions for the Separation Transaction may not be satisfied or waived, on a timely basis or otherwise, uncertainties as to the impact of the Separation Transaction on Jacobs' and the combined company's businesses if the transaction is completed, including a possible impact on Jacobs' credit profile and a possible decrease in the trading price of Jacobs' and/or the combined company's shares, the possibility that the Separation Transaction, if completed, may not qualify for the expected tax treatment, the ability to obtain all required regulatory approvals, the risk that any consents or approvals required in connection with the Separation Transaction may not be received, the risk that the Separation Transaction may not be completed on the terms or in the time frame expected by the parties, uncertainties as to our and our stockholders' respective ownership percentages of the combined company and the value to be derived from the disposition of Jacobs' stake in the combined company, unexpected costs, charges or expenses resulting from the Separation Transaction, business and management strategies and the growth expectations of the combined company, the inability of Jacobs' and the combined company to retain and hire key personnel, customers or suppliers while the Separation Transaction is pending or after it is completed, and the ability of the Company to eliminate all stranded costs, as well as other factors related to our business, such as our ability to fully execute on our three-year corporate strategy, including our ability to invest in the tools needed to 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, the impact of acquisitions, strategic alliances, divestitures, and other strategic events resulting from evolving business strategies, including on the Company's ability to maintain its culture and retain 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 the 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, as well as other legislation related to governmental spending, 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, instability in the banking industry, or 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 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 any future pandemics or infectious disease outbreaks 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 Item 1A, *Risk Factors* included in our 2023 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 approximately 60,000, Jacobs provides a full spectrum of professional services including consulting, technical, engineering, scientific and project delivery for the government and private sector.

Over the last seven years, Jacobs has been on a transformation journey, starting with a re-emphasis on business excellence, our culture and brand, and evolving our portfolio to create an inclusive, technology-forward company producing the critical solutions of tomorrow. This transformation included acquiring a 65% stake in PA Consulting Group Limited ("PA Consulting") in fiscal 2021. Acquisitions of Buffalo Group, BlackLynx and StreetLight further positioned 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 three-year strategy that builds on our success over the preceding three years and takes advantage of a new lens crafted from the incredible pace of change in the world and in our markets. We're now focused on broadening our leadership in high growth sectors aligned with long-term secular trends, such as infrastructure renewal and investment, and the global transition to more sustainable ways of living. Our strategy is driven by our purpose to create a more connected, sustainable world and our values. An extensive evaluation of global trends, capabilities and markets to understand the largest opportunities, projected spend and growth rates identified three growth accelerators: Climate Response, Data Solutions, and Consulting & Advisory, which cut across our entire organization and key sectors creating connections among global market trends, our client solutions and our company purpose. Our three growth accelerators are delivering significant value for our clients, positioning Jacobs for high-margin growth while advancing sustainability and social value in the communities where we serve.

Climate Response

As a purpose-led company, we know we have a pivotal role to play across the entire Climate Response value chain – focusing on end-to-end solutions in energy transition, decarbonization, adaptation and resilience, and regenerative and nature-based climate solutions. 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 multifaceted challenges in a rapidly changing world, we are harnessing our data and digital capabilities, products and tools to help our clients operate more efficiently in a safe environment and capitalize on their data more than ever before. We're empowering innovation and ingenuity to unlock better outcomes. We're investing in big data, artificial intelligence and generative design while building a technology backbone that enables us to add value in a more efficient way.

Consulting and Advisory

Together with our visionary partner, PA Consulting, we're expanding our position in high-end advisory services and deploying our collective strengths to create significant opportunities for our clients to adapt, innovate and transform.

We're focused on broadening our leadership in sustainable, higher growth, higher value 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 Focus 2023 Transformation Office drove 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 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 18- *Segment Information* and Note 5- *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.

CMS is included as part of the Separation Transaction announced on November 20, 2023, which is expected to close in fiscal year 2024, subject to regulatory approvals and other customary closing conditions.

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, pharmaceutical and semi-conductor manufacturing. In doing so, we combine deep experience in the following end markets - Advanced Manufacturing, Cities & Places, Energy, Environment, Transportation and Water. Our core skills revolve around consulting, planning, architecture, design, engineering, infrastructure delivery services including project, program and construction management and long-term operation of facilities. Solutions are delivered as standalone professional service engagements, comprehensive program management partnerships, and selective progressive design-build and construction management at-risk delivery services. Increasingly, we use data science and technology-enabled expertise to deliver positive and enduring outcomes 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, and multinational and local private sector clients throughout the world.

Divergent Solutions (DVS)

Jacobs' 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, all aligned to high-growth verticals of Water, Transportation, Advanced Manufacturing and National Security. DVS clients include government agencies and commercial clients in the U.S. and international markets. The Separation Transaction announced on November 20, 2023 includes portions of DVS, including its Cyber & Intelligence business.

PA Consulting

Jacobs invested in a 65% stake in PA Consulting, the company that is bringing ingenuity to life. PA Consulting accelerates new growth ideas from concept, through design and development and to commercial success, and revitalizes organizations, building leadership, culture, systems and processes to make innovation a reality. PA Consulting's global team of approximately 4,000, which includes 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, bringing ingenuity to life.

PA Consulting has a diverse mix of private and public sector clients. Private sector clients include global household names like Unilever, and start-ups like PulPac, which converts plant fibers into sustainable packaging to reduce single-use plastic. From sustainable airports with Amsterdam Airport Schiphol and enhanced home security with ADT, to resilient banking with Bankomat, pioneering medtech with Hubly Surgical, and accelerating the energy transition with Invenergy and energyRe. Public sector clients include the U.K.'s Ministry of Defence, Norwegian Labour and Welfare Administration, and Danish Tax Agency.

In a fast-moving, complex world, we're deploying the collective strengths of Jacobs and PA Consulting to create significant opportunities for our clients. Alongside Copenhagen Metro – one of the most advanced public transport systems in Europe – we're providing strategic management and technical services to support its operations and maintenance. We're also supporting the Frederick Douglass Tunnel program, one of the largest national transportation infrastructure investments in the U.S. We're providing technical and commercial advice on the U.K. Department for Transport's portfolio of rail and other transport mode agreements, major projects and programs, and its policy and strategic work in transport. Together, we're also supporting the U.K.'s Nuclear Decommissioning Authority to transform its approach to asset management, decision-making and planning.

Results of Operations for the three and nine months ended June 28, 2024 and June 30, 2023

(in thousands, except per share information)

	For the Three Months Ended		For the Nine Months Ended	
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023
Revenues	\$ 4,231,580	\$ 4,186,702	\$ 12,659,898	\$ 12,063,702
Direct cost of contracts	(3,314,800)	(3,329,959)	(9,987,965)	(9,501,953)
Gross profit	916,780	856,743	2,671,933	2,561,749
Selling, general and administrative expenses	(656,316)	(587,002)	(1,926,417)	(1,764,341)
Operating Profit	260,464	269,741	745,516	797,408
Other Income (Expense):				
Interest income	10,321	7,830	27,960	18,467
Interest expense	(45,801)	(43,787)	(133,385)	(124,477)
Miscellaneous income (expense), net	1,166	(7,099)	(6,605)	(14,920)
Total other expense, net	(34,314)	(43,056)	(112,030)	(120,930)
Earnings from Continuing Operations Before Taxes	226,150	226,685	633,486	676,478
Income Tax Expense from Continuing Operations	(67,739)	(54,166)	(118,743)	(123,329)
Net Earnings of the Group from Continuing Operations	158,411	172,519	514,743	553,149
Net Earnings (Loss) of the Group from Discontinued Operations	485	294	(857)	(489)
Net Earnings of the Group	158,896	172,813	513,886	552,660
Net Earnings Attributable to Noncontrolling Interests from Continuing Operations	(8,551)	(8,204)	(23,117)	(23,038)
Net Earnings Attributable to Redeemable Noncontrolling interests	(3,411)	(370)	(10,112)	(13,225)
Net Earnings Attributable to Jacobs from Continuing Operations	146,449	163,945	481,514	516,886
Net Earnings Attributable to Jacobs	\$ 146,934	\$ 164,239	\$ 480,657	\$ 516,397
Net Earnings Per Share:				
Basic Net Earnings from Continuing Operations Per Share	\$ 1.17	\$ 1.29	\$ 3.85	\$ 4.08
Basic Net Loss from Discontinued Operations Per Share	\$ —	\$ —	\$ (0.01)	\$ —
Basic Earnings Per Share	\$ 1.17	\$ 1.30	\$ 3.84	\$ 4.07
Diluted Net Earnings from Continuing Operations Per Share	\$ 1.17	\$ 1.29	\$ 3.83	\$ 4.06
Diluted Net Loss from Discontinued Operations Per Share	\$ —	\$ —	\$ (0.01)	\$ —
Diluted Earnings Per Share	\$ 1.17	\$ 1.29	\$ 3.82	\$ 4.06

Overview – Three and Nine Month Periods Ended June 28, 2024

Net earnings attributable to the Company from continuing operations for the third fiscal quarter ended June 28, 2024 were \$146.4 million (or \$1.17 per diluted share), a decrease of \$17.5 million, from net earnings of \$163.9 million (or \$1.29 per diluted share) for the corresponding period last year. Current quarter favorable underlying operating performance compared to the prior year period was more than offset mainly by \$68.3 million in pre-tax Restructuring and other charges and transaction costs due primarily to expenses incurred relating to the Separation Transaction (mainly professional services and employee separation costs), compared to fiscal 2023 amounts of \$35.2 million mainly associated with the Company's restructuring program charges (primarily employee separation costs within PA Consulting) and expenses incurred relating to the Separation Transaction (mainly professional services), which are discussed in Note 16- *Restructuring and Other Charges*. Also, miscellaneous net income (expense) for the three months ended June 28, 2024 was favorably impacted by foreign exchange gains and losses compared to the corresponding period last year. Further, our reported net earnings for the current year quarter were unfavorably impacted by an increase in income taxes of \$13.6 million compared to the fiscal 2023 period, attributable mainly to a tax expense of \$10.6 million related to intercompany loans settled in the current period that were previously indefinitely reinvested as discussed in Note 10- *Income Taxes*. Finally, earnings attributable to redeemable noncontrolling interests were \$3.0 million higher for the three months ended June 28, 2024 due to higher net earnings results in our PA Consulting investment compared to the corresponding period last year.

For the nine months ended June 28, 2024, net earnings attributable to the Company from continuing operations were \$481.5 million (or \$3.83 per diluted share), a decrease of \$35.4 million, from net earnings of \$516.9 million (or \$4.06 per diluted share) for the corresponding period last year. Current favorable underlying operating performance compared to the prior year period was more than offset by approximately \$175.8 million in pre-tax Restructuring and other charges and transactions costs activities relating to the Separation Transaction for the current fiscal year-to-date period, compared to fiscal 2023 amounts of \$38.1 million associated with the Company's transformation initiatives relating to real estate, which are discussed in Note 16- *Restructuring and Other Charges*. Further, the 2023 first fiscal quarter included a net favorable impact of approximately \$15.0 million in overhead cost reductions associated mainly with one-time benefit program changes, which was offset in part by higher incentive and other compensation charges and higher investments in company technology platforms. Our reported net earnings for the first nine months of fiscal 2024 were also favorably impacted by lower income taxes of \$4.6 million compared to the fiscal 2023 period, due mainly to a deferred income tax benefit of \$61.6 million related to Australia in the first quarter of fiscal 2024 and offset in part mainly by U.S. state income tax expense and U.S. tax on foreign earnings, combined with other current quarter income tax items further discussed in Note 10- *Income Taxes*.

Consolidated Results of Operations

Revenues for the third fiscal quarter of 2024 were \$4.23 billion, an increase of \$44.9 million, or 1.1%, from \$4.19 billion for the corresponding period last year. For the nine months ended June 28, 2024, revenues were \$12.66 billion, an increase of \$596.2 million, or 4.9%, from \$12.06 billion for the corresponding period last year. Revenue increases for the quarterly year over year period were due mainly to the Company's P&PS business. For the nine month periods higher revenue levels in P&PS as well as across our other lines of business contributed to our favorable revenue results. The P&PS business benefited primarily from stronger performance in its Federal & Environmental Solutions, Energy & Power and Advanced Facilities operations while our CMS business benefited from stronger performance in Energy, Security & Technology. Our revenues were favorably impacted by foreign currency translation of \$0.6 million and \$82.8 for the three and nine months ended June 28, 2024, respectively, across our international businesses, as compared to an unfavorable impact of \$12.4 million and \$279.0 million for the three and nine months ended June 30, 2023, respectively.

Gross profit for the third fiscal quarter of 2024 was \$916.8 million, an increase of \$60.0 million, or 7.0%, from \$856.7 million from the corresponding period last year, with gross profit margins of 21.7% and 20.5% for the respective periods. Gross profit for the nine months ended June 28, 2024 was \$2.67 billion, an increase of \$110.2 million, or 4.3%, from \$2.56 billion from the corresponding period last year, with consistent gross profit margins noted for the comparative periods. The Company's increase in gross profit was mainly attributable to higher revenues as mentioned above, with slight margin impacts from year over year mix as well as personnel cost impacts primarily in the nine month period.

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 nine months ended June 28, 2024 were \$656.3 million and \$1.93 billion respectively, compared to \$587.0 million and \$1.76 billion for the corresponding period last year, representing an increase of \$69.3 million and \$162.1 million or 11.8% and 9.2%, respectively. SG&A expenses for the three and nine months ended June 28, 2024 were impacted by Restructuring and other charges and transactions related primarily to the Separation Transaction (mainly professional services and employee separation costs) of \$61.9 million and \$160.4 million respectively, in comparison to prior period Restructuring and other charges and transactions related mainly to real estate related costs of \$0.9 million and \$38.1 million respectively. Further, our reported SG&A expenses were impacted by slight increases in other department spend and personnel costs. Also, SG&A expenses were impacted by unfavorable foreign currency translation of \$0.5 million and \$14.4 million, respectively, for the three and nine months ended June 28, 2024 as compared to favorable impacts of \$2.9 million and \$53.4 million for the corresponding periods last year.

Net interest expense for the three and nine months ended June 28, 2024 was \$35.5 million and \$105.4 million respectively, a decrease of \$0.5 million and \$0.6 million from \$36.0 million and \$106.0 million, or 1.3% and 0.6%, respectively, for the corresponding periods last year. Interest expense and interest income increased for the three and nine months ended June 28, 2024 compared to the corresponding periods last year due primarily to interest rates increasing throughout fiscal year 2023 and fiscal year 2024. The increase in interest expense was offset by higher interest rates on cash held and by the Company's lower overall levels of outstanding debt compared to the comparative periods.

Miscellaneous net income (expense) for the three and nine months ended June 28, 2024 was \$1.2 million and \$(6.6) million, respectively, in comparison to \$(7.1) million and \$(14.9) million for the corresponding periods last year. The favorable comparisons to the corresponding periods last year were due primarily to favorable foreign exchange gains and losses in the current year periods, along with decreases in pension and benefit related costs noted for the nine month comparative periods.

The Company's effective tax rates from continuing operations for the three months ended June 28, 2024 and June 30, 2023 were 30.0% and 23.9%, respectively. The most significant items contributing to the difference between the statutory U.S. federal corporate tax rate of 21% and the Company's effective tax rate for the three-month period ended June 28, 2024 were U.S. state income tax expense of \$4.4 million and U.S. tax on foreign earnings of \$10.5 million, and income tax expense of \$10.6 million related to foreign exchange gains associated with a change in assertion on intercompany loans that were previously deemed indefinitely reinvested. The U.S. state income tax and U.S. tax on foreign earnings are expected to have a continuing impact on the Company's effective tax rate for the remainder of the fiscal year. These expense items were partly offset by a return-to-provision income tax benefit of \$7.9 million, mainly attributable to additional research and development credits claimed on the U.S. federal tax return. For the three months ended June 30, 2023, the main differences compared to the U.S. federal statutory rate were attributable to U.S. state income tax expense of \$5.3 million and U.S. tax on foreign earnings of \$5.4 million, partly offset by a \$3.5 million tax benefit for the release of previously valued foreign tax credits.

The Company's effective tax rates from continuing operations for the nine months ended June 28, 2024 and June 30, 2023 were 18.7% and 18.2%, respectively. The most significant item contributing to the difference between the statutory U.S. federal corporate tax rate of 21% and the Company's effective tax rate for the nine-month period ended June 28, 2024 is related to a discrete event associated with the election to treat an Australian subsidiary as a corporation versus a partnership for U.S. tax purposes, with this election resulting in the derecognition of a deferred tax liability and yielding a discrete income tax benefit of \$61.6 million as the Company asserts that a component of the investment will be indefinitely reinvested. This benefit was partly offset by U.S. state income tax expense of \$11.7 million, U.S. tax on foreign earnings of \$19.1 million, and income tax expense of \$10.6 million related to foreign exchange gains associated with a change in assertion on intercompany loans that were previously deemed indefinitely reinvested. The U.S. state income tax and U.S. tax on foreign earnings are expected to have a continuing impact on the Company's effective tax rate for the remainder of the fiscal year. For the nine months ended June 30, 2023, the main differences compared to the U.S. federal statutory rate were associated with net tax benefits of \$39.4 million which were mostly related to uncertain tax positions in the U.S. that were effectively settled, of which \$30.8 million related to positions carried forward from the fiscal 2018 acquisition of CH2M Hill Companies Ltd., as well as a tax benefit of \$12.1 million for the release of previously valued foreign tax credits. These benefits were partly offset by U.S. state income tax expense of \$15.8 million and U.S. tax on foreign earnings of \$13.6 million.

In December 2021, the Organization for Economic Cooperation and Development ("OECD") released the Pillar Two Model Rules (also referred to as the global minimum tax or Global Anti-Base Erosion "GloBE" rules), which were designed to ensure large multinational enterprises pay a minimum 15 percent level of tax on the income arising in each jurisdiction in which they operate. Several jurisdictions in which we operate have enacted these rules, which are effective for the first quarter of the fiscal year ending September 26, 2025. The Company is continually monitoring developments and evaluating the potential impacts. At this time, the Company does not anticipate a material tax charge as a result of implementation of these rules.

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.

Net earnings attributable to noncontrolling interests including redeemable noncontrolling interests for the three and nine months ended June 28, 2024 of \$12.0 million and \$33.2 million, respectively and \$8.6 million and \$36.3 million for the corresponding periods last year. The year over year changes were primarily due to changes in net earnings results in our PA Consulting investment compared to the prior year periods.

Restructuring and Other Charges

During fiscal 2023, the Company implemented restructuring initiatives relating to the Separation Transaction. The Company incurred approximately \$19.8 million in fiscal 2023 and \$42.2 million during the nine months ended June 28, 2024, in pre-tax cash charges in connection with these initiatives. These actions, which are expected to be substantially completed before the end of fiscal 2025, are expected to result in estimated gross annualized pre-tax cash savings of approximately \$125 million to \$152 million. We will likely incur additional charges under this program through fiscal 2025, which are expected to result in additional savings in future periods.

During third quarter fiscal 2023, the Company approved a plan to improve business processes and cost structures of our PA Consulting investment by reorganizing senior management and reducing headcount. In connection with these initiatives, which are expected to be substantially complete before the end of fiscal 2024, the Company incurred approximately \$14.3 million during fiscal 2023 and \$7.4 million in the nine months ending June 28, 2024, in pre-tax cash charges. These activities are expected to result in estimated gross annualized pre-tax cash savings of approximately \$50 million to \$65 million.

During fiscal 2023, the Company implemented restructuring and cost reduction initiatives relating to the formation of the reporting and operating segment, Divergent Solutions, which were substantially completed in fiscal 2023. The Company incurred approximately \$7.5 million in pre-tax cash charges in connection with these initiatives during the year ended September 29, 2023. These actions are expected to result in estimated gross annualized pre-tax cash savings of approximately \$20 million to \$24 million.

During fiscal 2020 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. These activities were substantially completed in fiscal 2023. In connection with these efforts, the Company has incurred \$47.3 million and \$72.4 million for the years ended September 29, 2023 and September 30, 2022, respectively, in pre-tax mainly non-cash charges. These actions resulted in non-cash savings related mainly to the future amortization of lease right-of-use assets over the remaining lease terms. Additionally, the objective of these initiatives was to create a modern, flexible work platform tailored to employees' needs due to globalization and digital advances and to create total emissions savings that will be realized as we continue to optimize our real estate footprint.

Refer to Note 16— *Restructuring and Other Charges* for further information regarding restructuring and integration initiatives.

Segment Financial Information

The following tables provide 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		Nine Months Ended	
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023
Revenues from External Customers:				
Critical Mission Solutions	\$ 1,155,806	\$ 1,190,845	\$ 3,513,635	\$ 3,457,076
People & Places Solutions	2,564,698	2,469,694	7,556,999	7,041,744
Divergent Solutions	222,805	239,289	701,025	694,978
PA Consulting	288,271	286,874	888,239	869,904
Total	\$ 4,231,580	\$ 4,186,702	\$ 12,659,898	\$ 12,063,702

	Three Months Ended		Nine Months Ended	
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023
Segment Operating Profit:				
Critical Mission Solutions	\$ 100,318	\$ 99,141	\$ 297,373	\$ 275,304
People & Places Solutions	271,157	242,673	763,919	701,498
Divergent Solutions (1)	12,394	20,794	38,951	57,623
PA Consulting	62,889	60,864	177,513	177,521
Total Segment Operating Profit	446,758	423,472	1,277,756	1,211,946
Other Corporate Expenses (2)	(118,040)	(118,486)	(356,413)	(319,796)
Restructuring, Transaction and Other Charges (3)	(68,254)	(35,245)	(175,827)	(94,742)
Total U.S. GAAP Operating Profit	260,464	269,741	745,516	797,408
Total Other Expense, net	(34,314)	(43,056)	(112,030)	(120,930)
Earnings Before Taxes from Continuing Operations	\$ 226,150	\$ 226,685	\$ 633,486	\$ 676,478

(1) For the nine months ended June 28, 2024, operating profit included an approximate \$15 million pre-tax non-cash charge associated with an inventory write down during the fiscal 2024 period comprised of cumulative adjustments of immaterial inventory misstatements previously reported which would not have been material to any prior period financial statements nor to any amounts reported in the current period.

(2) Other corporate expenses included intangibles amortization of \$52.5 million and \$52.0 million for the three months ended June 28, 2024 and June 30, 2023, respectively, and \$156.3 million and \$152.2 million for the nine months ended June 28, 2024 and June 30, 2023, respectively, along with an approximately \$11.0 million intangibles impairment charge in the nine month period ended June 28, 2024. Additionally, the comparison of the nine month period of fiscal 2024 to the corresponding 2023 period was unfavorably impacted by the one-time net favorable impact of \$41 million relating mainly to changes in employee benefits programs in the prior year, partly offset by year over year favorable department spending as well as favorable impacts of corporate functional overhead cost recovery by our lines of business.

(3) The three and nine months ended June 28, 2024 included \$54.8 million and \$133.9 million, respectively, in restructuring and other charges and \$7.1 million and \$26.5 million, respectively, of transaction charges, mainly relating to the Separation Transaction (primarily professional services and employee separation costs). The three and nine months ended June 30, 2023 included \$17.2 million in restructuring and other charges relating to the Company's investment in PA Consulting (primarily employee separation costs) and \$13.4 million relating to the separation activities (mainly professional services) around the Separation Transaction, and the nine months ended June 30, 2023 included \$38.1 million in real estate impairment charges related to the Company's transformation initiatives.

Critical Mission Solutions

	Three Months Ended		Nine Months Ended	
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023
Revenue	\$ 1,155,806	\$ 1,190,845	\$ 3,513,635	\$ 3,457,076
Operating Profit	\$ 100,318	\$ 99,141	\$ 297,373	\$ 275,304

Critical Mission Solutions segment revenues for the three and nine months ended June 28, 2024 were \$1.16 billion and \$3.51 billion respectively, a decrease of \$35.0 million or 2.9% and increase of \$56.6 million, or 1.6%, year-to-date, from reported amounts of \$1.19 billion and \$3.46 billion for the corresponding periods last year. During the three months ended June 28, 2024, the decrease is due to contracts in the defense market that completed and were not renewed. For the nine months ended June 28, 2024, this was offset by benefits from increased volume in the nuclear remediation and energy sectors in the United Kingdom as well as strong performance from large U.S. Government client programs. Foreign currency translation had approximately \$1.3 million and \$23.9 million in favorable impacts on revenues for the three and nine months ended June 28, 2024, respectively, compared to \$2.9 million and \$61.5 million in unfavorable impacts in the corresponding prior year periods.

Operating profit for the segment was \$100.3 million and \$297.4 million, respectively, for the three and nine months ended June 28, 2024, which was an increase of \$1.2 million and \$22.1 million, or 1.2% and 8.0%, from \$99.1 million and \$275.3 million compared to the corresponding periods in the prior year. Operating profit level and margin trends for the year-over-year periods were favorably impacted by increased profitability in the United Kingdom and U.S. nuclear remediation and energy markets. Foreign currency translation had approximately \$0.1 million and \$3.2 million in favorable impacts on operating profit for the three and nine months ended June 28, 2024, as compared to \$0.2 million and \$7.4 million in unfavorable impacts in the corresponding prior year periods.

People & Places Solutions

	Three Months Ended		Nine Months Ended	
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023
Revenue	\$ 2,564,698	\$ 2,469,694	\$ 7,556,999	\$ 7,041,744
Operating Profit	\$ 271,157	\$ 242,673	\$ 763,919	\$ 701,498

Revenues for the People & Places Solutions segment for the three and nine months ended June 28, 2024 was \$2.56 billion and \$7.56 billion, respectively, an increase of \$95.0 million and \$515.3 million, or 3.8% and 7.3%, from reported amounts of \$2.47 billion and \$7.04 billion for the corresponding periods last year. The increase in revenue for the three and nine months ended June 28, 2024 was driven by net revenue growth across all sectors, particularly in water, life sciences and energy. Foreign currency translation had approximately \$3.1 million in unfavorable and \$26.5 million in favorable impacts on revenues for the three and nine months ended June 28, 2024, as compared to \$10.1 million and \$144.6 million in unfavorable impacts in the corresponding prior year periods.

Operating profit for the People & Places Solutions segment for the three and nine month period ended June 28, 2024 was \$271.2 million and \$763.9 million, respectively, an increase of \$28.5 million and \$62.4 million, or 11.7% and 8.9%, from \$242.7 million and \$701.5 million for the corresponding period last year. The increase in the three and nine month periods is a result of higher year over year segment revenues mentioned above with partially offsetting impacts from higher corporate cost allocations versus the prior year period. Further, operating profit in the three month period benefited from the non-cash reversal of certain accruals associated with a client program completed in a prior year, which benefit was largely offset by the unfavorable discrete impacts of higher than usual year over year medical and other benefit costs during the quarter. The net impact of these adjustments was immaterial in the three and nine month periods presented. Foreign currency translation had approximately \$0.7 million in unfavorable and \$4.7 million in favorable impacts on operating profit for the three and nine months ended June 28, 2024, as compared to \$3.4 million and \$28.7 million in unfavorable impacts in the corresponding prior year periods.

Divergent Solutions

	Three Months Ended		Nine Months Ended	
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023
Revenue	\$ 222,805	\$ 239,289	\$ 701,025	\$ 694,978
Operating Profit	\$ 12,394	\$ 20,794	\$ 38,951	\$ 57,623

Revenues for the Divergent Solutions segment for the three and nine months ended June 28, 2024 were \$222.8 million and \$701.0 million, respectively, a decrease of \$16.5 million, or 6.9%, and increase of \$6.0 million, or 0.9%, from \$239.3 million and \$695.0 million for the corresponding periods last year. The decrease in revenue for the three months ended June 28, 2024 was mainly due to a National Government program ending. The nine month increase is due to startup of new programs previously won in fiscal 2023. Foreign currency translation did not have a material impact on revenue in our Divergent Solutions segment for either period presented.

Operating profit for the segment was \$12.4 million and \$39.0 million, for the three and nine months ended June 28, 2024, respectively, a decrease of \$8.4 million and \$18.7 million, or 40.4% and 32.4%, from \$20.8 million and \$57.6 million for the corresponding periods last year. In addition to revenue declines as mentioned above, the three month decrease is driven by unfavorable impacts of changes in overhead billing rates during the current year quarter of 2024 vs. the prior year quarter mainly in our Cyber & Intelligence business. Additionally, operating profit for the nine month period reflected mostly consistent underlying performance in the Cyber & Intelligence business unit and the new programs previously won in fiscal 2023, although substantially offset by an approximate one-time \$15 million pre-tax non-cash charge associated with an inventory write down during the fiscal 2024 period. Foreign currency translation had an immaterial impact on operating profit in our Divergent Solutions segment for both periods presented.

PA Consulting

	Three Months Ended		Nine Months Ended	
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023
Revenue	\$ 288,271	\$ 286,874	\$ 888,239	\$ 869,904
Operating Profit	\$ 62,889	\$ 60,864	\$ 177,513	\$ 177,521

Revenues for the PA Consulting segment for the three and nine months ended June 28, 2024 were \$288.3 million and \$888.2 million, respectively, a change of \$1.4 million and \$18.3 million, or 0.5% and 2.1%, from \$286.9 million and \$869.9 million in the corresponding periods last year. The nine month change is primarily due to growth in PA Consulting's Public Sector work. Foreign currency translation had approximately \$31.4 million in favorable impacts on revenues for the nine months ended June 28, 2024, respectively, as compared to \$71.7 million in unfavorable impacts in the corresponding prior year period.

Operating profit for the segment for the three and nine months ended June 28, 2024 was \$62.9 million and \$177.5 million, respectively, an increase of \$2.0 million, or 3.3%, and flat, from \$60.9 million and \$177.5 million in the corresponding periods last year. The year-on-year improvement in the quarter is due mainly to the higher revenues noted above along with benefits from cost reduction programs while the nine month periods showed consistent performance levels.

Other Corporate Expenses

Other corporate expenses for the three and nine months ended June 28, 2024 were \$118.0 million and \$356.4 million, respectively, a decrease of \$0.4 million, or 0.4%, and increase of \$36.6 million, or 11.5%, from \$118.5 million and \$319.8 million for the corresponding periods last year. The quarter-to-date period compared to the prior year was relatively flat, while the comparison of the nine months period of fiscal 2024 to the corresponding 2023 period was unfavorably impacted by a one-time net favorable impact of \$41 million relating mainly to changes in employee benefits programs during first quarter 2023, partly offset by year over year favorable department spending as well as favorable impacts of corporate functional overhead cost recovery by our lines of business. Additionally, the fiscal 2024 year-to-date period reflects approximately \$11 million in one-time non-cash intangibles impairment charges.

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.

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 June 28, 2024 and June 30, 2023 (in millions):

	June 28, 2024	June 30, 2023
Critical Mission Solutions	\$ 8,450	\$ 8,097
People & Places Solutions	19,277	17,498
Divergent Solutions	2,521	2,965
PA Consulting	369	355
Total	<u>\$ 30,617</u>	<u>\$ 28,915</u>

The increase in backlog in Critical Mission Solutions from June 30, 2023 was primarily driven by growth and increased funding levels in the United Kingdom and U.S. nuclear remediation markets along with growth in the U.K. defense sector and U.S. Telecom market that offset slower growth in the U.S. Defense sector.

The increase in backlog in People & Places Solutions from June 30, 2023 was predominantly driven by growth in the Life Sciences and Water markets.

The decrease in backlog in Divergent Solutions (DVS) from June 30, 2023 was due to a major National Government program ending earlier than expected.

The increase in backlog in PA Consulting from June 30, 2023 was primarily driven by 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 June 28, 2024, our principal sources of liquidity consisted of \$1.21 billion in cash and cash equivalents and \$2.19 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.

Cash and cash equivalents at June 28, 2024 were \$1.21 billion, representing an increase of \$282.1 million from \$926.6 million at September 29, 2023, the reasons for which are described below.

Our net cash flow provided by operations of \$858.1 million during the nine months ended June 28, 2024 was favorable by \$102.7 million in comparison to the cash flow provided by operations of \$755.4 million for the corresponding prior year period. The year-over-year increase in cash from operations is due mainly to higher cash generated from net earnings as adjusted for non-cash income statement activities including favorable net impacts mainly in accrued liabilities, prepaid expenses and other deferred liabilities, while impacts from other net working capital performance were overall consistent year over year.

Our net cash used for investing activities for the nine months ended June 28, 2024 was \$95.0 million, compared to cash used for investing activities of \$106.4 million in the corresponding prior year period, with this change due primarily to lower levels of additions to plant, property and equipment in the current year.

Our net cash used for financing activities of \$492.6 million for the nine months ended June 28, 2024 is driven by share repurchases of \$346.4 million, \$106.4 million in dividends to shareholders, and \$22.0 million in net PA Consulting related redeemable noncontrolling interests purchase and issuance activity, partly offset by proceeds from issuances of common stock of \$35.4 million. Cash used for financing activities in the corresponding prior year period was \$770.3 million, due primarily to net repayments from borrowings of \$338.6 million, share repurchases of \$265.6 million, \$95.7 million in dividends to shareholders, and \$55.7 million in net PA Consulting related redeemable noncontrolling interests purchase and issuance activity.

At June 28, 2024, the Company had approximately \$423.5 million in cash and cash equivalents held in the U.S. and \$785.2 million held outside of the U.S. (primarily in the U.K., the Eurozone, Australia, India, Canada, Saudi Arabia 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 7- *Income Taxes* of Notes to Consolidated Financial Statements included in our 2023 Form 10-K), there are no material impediments to repatriating these funds to the U.S.

The Company had \$296.1 million in letters of credit outstanding at June 28, 2024. Of this amount, \$0.5 million was issued under the Revolving Credit Facility and \$295.6 million was issued under separate, committed and uncommitted letter-of-credit facilities.

Long-term debt as of June 28, 2024 decreased by \$722.0 million compared to September 29, 2023 primarily due to the reclassification of \$785.7 million from long-term to short-term in March 2024 in connection with the March 25, 2025 scheduled maturity of the 2020 Term Loan Facility.

Under the Separation Transaction, Jacobs and its shareholders will own up to 63% of the combined company's common stock upon consummation of the transaction, the exact amount of which will be determined based on the achievement of certain fiscal year 2024 operating profit targets. Jacobs is also expected to receive \$1 billion of cash proceeds at closing, subject to customary adjustments. The Company expects to use this cash received at closing to repay outstanding indebtedness. Jacobs is also expected to realize additional value after closing through the disposition of its retained equity stake in the combined company within 12 months of the transaction closing date.

On February 6, 2023, the Company refinanced its Revolving Credit Facility and Term Loan Facilities, and on February 16, 2023, the Company issued the 5.90% Bonds in the aggregate principal amount of \$500.0 million. On August 18, 2023, the Company issued the 6.35% Bonds in the aggregate principal amount of \$600.0 million. See Note 12 - *Borrowings* for further discussion relating to the terms of the 5.90% Bonds, the 6.35% Bonds, the Revolving Credit Facility and Term Loan Facilities following the issuances and refinancing.

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 June 28, 2024.

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 5.90% Bonds, due 2033 and on August 18, 2023, completed an offering of \$600 million aggregate principal amount of 6.35% Bonds, due 2028 (collectively the "Bonds"). The Bonds are fully and unconditionally guaranteed by the Company (the "Guarantees"). The Bonds and the respective Guarantees were offered pursuant to prospectus supplements, dated February 13, 2023 and August 15, 2023, respectively, 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 SEC.

In accordance with 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.

<i>(in thousands)</i>		Nine Months Ended June 28, 2024	
Summarized Statement of Earnings Data			
Revenue		\$	2,863,700
Direct Costs		\$	2,389,688
Selling, General and Administrative Expenses		\$	436,460
Net loss attributable to Guarantor Subsidiaries from continuing operations		\$	(75,784)
Noncontrolling interests		\$	(640)

<i>(in thousands)</i>		June 28, 2024	September 29, 2023
Summarized Balance Sheet Data			
Current assets, less receivables from Non-Guarantor Subsidiaries	\$	1,143,211	\$ 693,037
Current receivables from Non-Guarantor Subsidiaries	\$	—	\$ —
Noncurrent assets, less noncurrent receivables from Non-Guarantor Subsidiaries	\$	511,141	\$ 459,276
Noncurrent receivables from Non-Guarantor Subsidiaries	\$	582,222	\$ 610,900
Current liabilities	\$	1,309,033	\$ 616,140
Current liabilities to Non-Guarantor Subsidiaries	\$	1,074,744	\$ 387,461
Long-term Debt	\$	2,030,395	\$ 2,561,590
Other Noncurrent liabilities, less amounts payable to Non-Guarantor Subsidiaries	\$	240,927	\$ 248,852
Noncurrent liabilities to Non-Guarantor Subsidiaries	\$	704,007	\$ 343,674
Noncontrolling interests	\$	864	\$ 577
Accumulated deficit	\$	(3,123,396)	\$ (2,395,081)

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 12- *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 June 28, 2024, we had an aggregate of \$1.83 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 our 5.90% Bonds have interest rates subject to potential increases relating to certain ESG metrics as stipulated in the related agreements and as discussed in Note 12- *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 \$746.2 million to convert the variable rate interest based liabilities associated with a corresponding amount of our debt into fixed interest rate liabilities, leaving \$1.08 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 the second quarter fiscal 2023, and are disclosed in further detail in Note 17- *Commitments and Contingencies and Derivative Financial Instruments*.

For the nine months ended June 28, 2024, our weighted average borrowings that are subject to floating rate exposure were approximately \$1.33 billion. If floating interest rates had increased by 1.00%, our interest expense for the nine months ended June 28, 2024 would have increased by approximately \$10.0 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 815, *Derivatives and Hedging* in accounting for our derivative contracts. The Company has \$1,056.6 million in notional value of exchange rate sensitive instruments at June 28, 2024. 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 June 28, 2024, 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 June 28, 2024 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.

Please refer to Item 1A- *Risk Factors* in our 2023 Form 10-K, which is incorporated herein by reference, for a discussion of some of the factors that have affected our business, financial condition, and results of operations in the past and which could affect us in the future. There have been no material changes to those risk factors. 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.

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

There were no sales of unregistered securities during the third fiscal quarter of 2024.

Share Repurchases

On January 25, 2023, the Company's Board of Directors authorized a share repurchase program of up to \$1.0 billion of the Company's stock, to expire on January 25, 2026 (the "2023 Repurchase Authorization"). A summary of repurchases of the Company's common stock made during the third quarter of fiscal 2024 under the 2023 Share Repurchase Authorization follows:

Period	Total Number of Shares Purchased	Average Price Per Share (1)	Total Number of Shares Purchased under the 2023 Repurchase Authorization	Approximate Dollar Value of Shares that May Yet Be Purchased Under the 2023 Repurchase Authorization
March 31, 2024 - April 27, 2024	36,600	\$153.01	36,600	\$673,772,243
April 28, 2024 - May 25, 2024	122,800	\$137.17	122,800	\$656,928,170
May 26, 2024 - June 29, 2024	915,363	\$140.35	915,363	\$528,452,610

(1) Includes commissions paid and excise tax due under the Inflation Reduction Act of 2022 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.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosure.

None.

Item 5. Other Information.

During the period covered by this Quarterly Report on Form 10-Q, none of our officers or directors adopted or terminated any contract, instruction or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act or any “non-Rule 10b5-1 trading arrangement” as defined in Item 408(c) of Regulation S-K.

Item 6. Exhibits.

- 3.1 [Composite Amended and Restated Certificate of Incorporation of Jacobs Solutions Inc. Filed as Exhibit 3.1 to the Registrant's Quarterly Report on Form 10-Q for the first quarter of fiscal 2024 and incorporated herein by reference.](#)
- 3.2 [Certificate of Amendment to Jacobs Solutions Inc.'s Amended and Restated Certificate of Incorporation. Filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K on January 30, 2024 and incorporated herein by reference.](#)
- 3.3 [Amended and Restated Bylaws of Jacobs Solutions Inc., dated as of July 6, 2023. Filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K/A on July 11, 2023 and incorporated herein by reference.](#)
- 10.1* [Second Amendment to Amended and Restated Term Loan Agreement, dated as of April 10, 2024, among Jacobs Solutions Inc., Jacobs Engineering Group Inc., the lenders party thereto, and Bank of America, N.A., as administrative agent, to the Amended and Restated Term Loan Agreement, dated as of February 6, 2023, among Jacobs Solutions Inc., Jacobs Engineering Group Inc., the lenders party thereto, and Bank of America, N.A., as administrative agent.](#)
- 10.2* [Fifth Amendment to Credit Agreement, dated as of April 10, 2024, 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, to the Credit Agreement, dated as of March 25, 2020, by and among Jacobs Engineering Group Inc. and Jacobs U.K. Limited, as borrowers, the lenders party thereto, and Bank of America, N.A. as administrative agent.](#)
- 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 June 28, 2024, 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 June 28, 2024, (formatted as Inline XBRL and contained in Exhibit 101).

* Filed herewith

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/ Venk Nathamuni
Venk Nathamuni
Chief Financial Officer
(Principal Financial Officer)

Date: August 6, 2024

SECOND AMENDMENT TO AMENDED AND RESTATED TERM LOAN AGREEMENT

THIS SECOND AMENDMENT TO AMENDED AND RESTATED TERM LOAN AGREEMENT dated as of April 10, 2024 (the “Amendment”) is entered into among Jacobs Solutions, Inc., a Delaware corporation (“Holdings”), Jacobs Engineering Group Inc., a Delaware corporation (the “Borrower”, and the Borrower, together with Holdings, the “Loan Parties”), each the Lender party to the Credit Agreement (as defined below) and Bank of America, N.A., as Administrative Agent. All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement (as defined below) as amended hereby.

RECITALS

WHEREAS, Holdings, the Borrower, the Lenders and the Administrative Agent entered into that certain Amended and Restated Term Loan Agreement dated as of February 6, 2023 (as amended, restated, amended and restated, supplemented or otherwise modified prior to the date hereof, the “Credit Agreement”); and

WHEREAS, the Loan Parties have requested that the Lenders amend the Credit Agreement as set forth below;

NOW, THEREFORE, in consideration of the forgoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Amendment. Each of the parties hereto agrees that, effective on the Amendment Effective Date (as defined below), the Credit Agreement (excluding the Schedules and Exhibits thereto) is hereby amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the underlined text (indicated in the same manner as the following example: underlined text) as set forth on Annex A attached hereto. The amendments to the Credit Agreement are limited to the extent specifically described herein and no other terms, covenants or provisions of the Credit Agreement or any other Loan Document are intended to be affected hereby.

2. Conditions Precedent. This Amendment shall be effective upon satisfaction of the following conditions precedent (the date such conditions precedent are satisfied, the “Amendment Effective Date”):

(a) The Administrative Agent’s receipt of executed counterparts of this Amendment duly executed by a Responsible Officer of Holdings, the Borrowers, each Lender and Bank of America, N.A., as Administrative Agent, each of which shall be originals or electronic scans (followed promptly by originals) each in form and substance satisfactory to the Administrative Agent; and

(b) Unless waived by the Administrative Agent, the Loan Parties shall have paid all reasonable and documented fees, charges and disbursements of counsel to the Administrative Agent (directly to such counsel if requested by the Administrative Agent) to the extent invoiced two (2) Business Days prior to or on the Amendment Effective Date, plus such additional

amounts of fees, charges and disbursements incurred or to be incurred by it through the Amendment Effective Date (provided that such estimate shall not thereafter preclude a final settling of accounts between the Loan Parties and the Administrative Agent).

Without limiting the generality of the provisions of Section 10.01 of the Credit Agreement, for purposes of determining compliance with the condition specified in this Section 2, each Lender that has signed this Amendment shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Amendment Effective Date specifying its objection thereto. Notwithstanding anything to the contrary in this Amendment, this Section 2 and the conditions set out in this Section 2 shall cease to apply and be of no further effect on and from the Amendment Effective Date.

3. Representations and Warranties.

(a) The representations and warranties of (i) the Loan Parties contained in Article V of the Credit Agreement and (ii) each Loan Party contained in each other Loan Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, shall be true and correct in all material respects on and as of the Amendment Effective Date, except (x) to the extent that such representations and warranties are qualified by materiality, they shall be true and correct on and as of the Amendment Effective Date, and (y) to the extent that such representations and warranties specifically refer to an earlier date, they shall be true and correct in all material respects as of such earlier date except to the extent qualified by materiality, then they shall be true and correct as of such earlier date.

(b) No Default exists or is continuing on the Amendment Effective Date.

(c) Each Loan Party has taken all necessary corporate or limited liability company action to authorize the execution, delivery and performance of this Amendment.

(d) This Amendment has been duly executed and delivered by each of the Loan Parties and constitutes each of the Loan Parties' legal, valid and binding obligations, enforceable in accordance with its terms, except as such enforceability may be limited by Debtor Relief Laws and general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(e) No consent, approval, authorization or order of, or filing, registration or qualification with, any Governmental Authority or any other Person with respect to any Contractual Obligation is required in connection with the execution, delivery or performance by any Loan Party of this Amendment other than those that have already been obtained and are in full force and effect or the failure of which to have obtained would not reasonably be expected to have a Material Adverse Effect.

4. Miscellaneous.

(a) The Credit Agreement (as amended hereby), and the obligations of the Loan Parties thereunder and under the other Loan Documents, are hereby ratified and confirmed and

shall remain in full force and effect according to their terms. This Amendment shall for all purposes constitute a Loan Document.

(b) Section and subsection headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose or be given any substantive effect.

(c) This Amendment, together with all the Loan Documents (collectively, the “Relevant Documents”), sets forth the entire understanding and agreement of the parties hereto in relation to the subject matter hereof and supersedes any prior negotiations and agreements among the parties relating to such subject matter. No promise, condition, representation or warranty, express or implied, not set forth in the Relevant Documents shall bind any party hereto, and no such party has relied on any such promise, condition, representation or warranty. Each of the parties hereto acknowledges that, except as otherwise expressly stated in the Relevant Documents, no representations, warranties or commitments, express or implied, have been made by any party to the other in relation to the subject matter hereof or thereof. None of the terms or conditions of this Amendment may be changed, modified, waived or canceled orally or otherwise except in writing in accordance with Section 10.01 of the Credit Agreement.

(d) Should any one or more of the provisions of this Amendment be determined to be illegal or unenforceable as to one or more of the parties hereto, all other provisions nevertheless shall remain effective and binding on the parties hereto.

(e) This Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns (subject to Section 10.06 of the Credit Agreement).

(f) This Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all of which shall constitute one and the same instrument. Delivery of an executed counterpart of this Amendment by telecopy shall be effective as an original and shall constitute a representation that an executed original shall be delivered. This Amendment may be in the form of an Electronic Record (as defined herein) and may be executed using Electronic Signatures (as defined herein) (including, without limitation, facsimile and .pdf) and shall be considered an original, and shall have the same effect, validity and enforceability as a paper record. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by the arrangers of a manually signed paper communication which has been converted into electronic form (such as scanned into .pdf format), or an electronically signed communication converted into another format, for transmission, delivery and/or retention. Notwithstanding anything contained herein to the contrary, the Administrative Agent is under no obligation to accept an Electronic Signature in any form or in any format unless expressly agreed to by the Administrative Agent pursuant to procedures approved by it; provided, further, without limiting the foregoing, (a) to the extent the Administrative Agent has agreed to accept such Electronic Signature, the Administrative Agent shall be entitled to rely on any such Electronic Signature purportedly given by or on behalf of the Loan Parties without further verification and (b) upon the request of the Administrative Agent any Electronic Signature shall be promptly followed by a manually executed, original counterpart. “Electronic Record” and “Electronic Signature” shall have the meanings assigned to them, respectively, by 15 USC §7006, as it may be amended from time to time.

- (g) The provisions of Sections 10.14 and 10.15 of the Credit Agreement are incorporated herein as though fully set forth herein.

[Remainder of page intentionally left blank]

Each of the parties hereto has caused a counterpart of this Amendment to be duly executed and delivered as of the date first above written.

HOLDINGS: **JACOBS SOLUTIONS, INC.**

By: /s/ Chin Chang (Mike) Hsu _____
Name: Chin Chang (Mike) Hsu
Title: Senior Director, Treasurer

BORROWER: **JACOBS ENGINEERING GROUP INC.**

By: /s/ Chin Chang (Mike) Hsu _____
Name: Chin Chang (Mike) Hsu
Title: Senior Director, Treasurer

Jacobs Engineering Group Inc.
Second Amendment to Amended and Restated Term Loan Agreement
Signature Page

BANK OF AMERICA, N.A.,
as Administrative Agent

By: /s/ Liliana Claar
Name: Liliana Claar
Title: Vice President

Jacobs Engineering Group Inc.
Second Amendment to Amended and Restated Term Loan Agreement
Signature Page

BANK OF AMERICA, N.A.,
as a USD Term Lender and GBP Term Lender

By: /s/ Mukesh Singh
Name: Mukesh Singh
Title: Managing Director

Jacobs Engineering Group Inc.
Second Amendment to Amended and Restated Term Loan Agreement
Signature Page

BNP PARIBAS, as a USD Term Lender and GBP Term Lender

By: /s/ Rick Pace
Name: Rick Pace
Title: Managing Director

By: /s/ Kyle Fitzpatrick
Name: Kyle Fitzpatrick
Title: Director

Jacobs Engineering Group Inc.
Second Amendment to Amended and Restated Term Loan Agreement
Signature Page

WELLS FARGO BANK, N.A., as a USD Term Lender and GBP Term Lender

By: /s/ Mylissa Merten
Name: Mylissa Merten, CPA
Title: Vice President

Jacobs Engineering Group Inc.
Second Amendment to Amended and Restated Term Loan Agreement
Signature Page

THE BANK OF NOVA SCOTIA, as a GBP Term Lender

By: /s/ Catherine Jones
Name: Catherine Jones
Title: Managing Director

Jacobs Engineering Group Inc.
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HSBC UK BANK PLC, as a GBP Term Lender

By: /s/ Opeyemi Ige

Name: Opeyemi Ige

Title: Global Relationship Director

Jacobs Engineering Group Inc.

Second Amendment to Amended and Restated Term Loan Agreement

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TD BANK, N.A., as a USD Term Lender and GBP Term Lender

By: /s/ Steve Levi

Name: Steve Levi

Title: Senior Vice President

Jacobs Engineering Group Inc.
Second Amendment to Amended and Restated Term Loan Agreement
Signature Page

U.S. BANK NATIONAL ASSOCIATION, as a GBP Term Lender

By: /s/ Jack Fitzpatrick
Name: Jack Fitzpatrick
Title: Assistant Vice President

Jacobs Engineering Group Inc.
Second Amendment to Amended and Restated Term Loan Agreement
Signature Page

MORGAN STANLEY BANK, N.A., as a GBP Term Lender

By: /s/ Jack Kuhns

Name: Jack Kuhns

Title: Authorized Signatory

Jacobs Engineering Group Inc.
Second Amendment to Amended and Restated Term Loan Agreement
Signature Page

NATIONAL WESTMINSTER BANK PLC, as a GBP Term Lender

By: /s/ Claire Ruby

Name: Claire Ruby

Title: Director

Jacobs Engineering Group Inc.

Second Amendment to Amended and Restated Term Loan Agreement

Signature Page

JPMORGAN CHASE BANK, N.A., as a GBP Term Lender

By: /s/ Will Price
Name: Will Price
Title: Executive Director

Jacobs Engineering Group Inc.
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Signature Page

TRUIST BANK, as a GBP Term Lender

By: /s/ William P. Rutkowski

Name: William P. Rutkowski

Title: Director

Jacobs Engineering Group Inc.
Second Amendment to Amended and Restated Term Loan Agreement
Signature Page

THE NORTHERN TRUST COMPANY, as a GBP Term Lender

By: /s/ Will Hicks

Name: Will Hicks

Title: Vice President

Jacobs Engineering Group Inc.
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Signature Page

REGIONS BANK, as a GBP Term Lender

By: /s/ George Hunter

Name: George Hunter

Title: Vice President

Jacobs Engineering Group Inc.

Second Amendment to Amended and Restated Term Loan Agreement

Signature Page

FIFTH AMENDMENT TO TERM LOAN AGREEMENT

THIS FIFTH AMENDMENT TO TERM LOAN AGREEMENT dated as of April 10, 2024 (the “Amendment”) is entered into among Jacobs Solutions, Inc., a Delaware corporation (“Holdings”), Jacobs Engineering Group Inc., a Delaware corporation (“Jacobs US”), Jacobs U.K. Limited, a private limited company incorporated under the laws of England and Wales (“Jacobs UK”, and Jacobs UK, together with Holdings and Jacobs US, the “Loan Parties”), each Lender party to the Credit Agreement (as defined below) and Bank of America, N.A., as Administrative Agent. All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement (as defined below) as amended hereby.

RECITALS

WHEREAS, Holdings, Jacobs US, Jacobs UK, the Lenders and the Administrative Agent entered into that certain Term Loan Agreement dated as of March 25, 2020 (as amended by that certain First Amendment to Term Loan Agreement (LIBOR Transition) dated December 6, 2021, that certain Second Amendment to Term Loan Agreement dated August 26, 2022, that certain Waiver Under Term Loan Credit Agreement dated as December 21, 2022, that certain Third Amendment to Term Loan Agreement dated February 6, 2023, that certain Fourth Amendment to Term Loan Agreement dated December 20, 2023, and as further amended, restated, amended and restated, supplemented or otherwise modified prior to the date hereof, the “Credit Agreement”); and

WHEREAS, the Loan Parties have requested that the Lenders amend the Credit Agreement as set forth below;

NOW, THEREFORE, in consideration of the forgoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Amendment. Each of the parties hereto agrees that, effective on the Amendment Effective Date (as defined below), the Credit Agreement (excluding the Schedules and Exhibits thereto) is hereby amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the underlined text (indicated in the same manner as the following example: underlined text) as set forth on Annex A attached hereto. The amendments to the Credit Agreement are limited to the extent specifically described herein and no other terms, covenants or provisions of the Credit Agreement or any other Loan Document are intended to be affected hereby.

2. Conditions Precedent. This Amendment shall be effective upon satisfaction of the following conditions precedent (the date such conditions precedent are satisfied, the “Amendment Effective Date”):

(a) The Administrative Agent’s receipt of executed counterparts of this Amendment duly executed by a Responsible Officer of Holdings, Jacobs US, Jacobs UK, each Lender and Bank of America, N.A., as Administrative Agent, each of which shall be originals or electronic scans (followed promptly by originals) each in form and substance satisfactory to the Administrative Agent; and

(b) Unless waived by the Administrative Agent, the Loan Parties shall have paid all reasonable and documented fees, charges and disbursements of counsel to the Administrative Agent (directly to such counsel if requested by the Administrative Agent) to the extent invoiced two (2) Business Days prior to or on the Amendment Effective Date, plus such additional amounts of fees, charges and disbursements incurred or to be incurred by it through the Amendment Effective Date (provided that such estimate shall not thereafter preclude a final settling of accounts between the Loan Parties and the Administrative Agent).

Without limiting the generality of the provisions of Section 10.01 of the Credit Agreement, for purposes of determining compliance with the condition specified in this Section 2, each Lender that has signed this Amendment shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Amendment Effective Date specifying its objection thereto. Notwithstanding anything to the contrary in this Amendment, this Section 2 and the conditions set out in this Section 2 shall cease to apply and be of no further effect on and from the Amendment Effective Date.

3. Representations and Warranties.

(a) The representations and warranties of (i) the Loan Parties contained in Article V of the Credit Agreement and (ii) each Loan Party contained in each other Loan Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, shall be true and correct in all material respects on and as of the Amendment Effective Date, except (x) to the extent that such representations and warranties are qualified by materiality, they shall be true and correct on and as of the Amendment Effective Date, and (y) to the extent that such representations and warranties specifically refer to an earlier date, they shall be true and correct in all material respects as of such earlier date except to the extent qualified by materiality, then they shall be true and correct as of such earlier date.

(b) No Default exists or is continuing on the Amendment Effective Date.

(c) Each Loan Party has taken all necessary corporate or limited liability company action to authorize the execution, delivery and performance of this Amendment.

(d) This Amendment has been duly executed and delivered by each of the Loan Parties and constitutes each of the Loan Parties' legal, valid and binding obligations, enforceable in accordance with its terms, except as such enforceability may be limited by Debtor Relief Laws and general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(e) No consent, approval, authorization or order of, or filing, registration or qualification with, any Governmental Authority or any other Person with respect to any Contractual Obligation is required in connection with the execution, delivery or performance by any Loan Party of this Amendment other than those that have already been obtained and are in full force and effect or the failure of which to have obtained would not reasonably be expected to have a Material Adverse Effect.

4. Miscellaneous.

(a) The Credit Agreement (as amended hereby), and the obligations of the Loan Parties thereunder and under the other Loan Documents, are hereby ratified and confirmed and shall remain in full force and effect according to their terms. This Amendment shall for all purposes constitute a Loan Document.

(b) Section and subsection headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose or be given any substantive effect.

(c) This Amendment, together with all the Loan Documents (collectively, the “Relevant Documents”), sets forth the entire understanding and agreement of the parties hereto in relation to the subject matter hereof and supersedes any prior negotiations and agreements among the parties relating to such subject matter. No promise, condition, representation or warranty, express or implied, not set forth in the Relevant Documents shall bind any party hereto, and no such party has relied on any such promise, condition, representation or warranty. Each of the parties hereto acknowledges that, except as otherwise expressly stated in the Relevant Documents, no representations, warranties or commitments, express or implied, have been made by any party to the other in relation to the subject matter hereof or thereof. None of the terms or conditions of this Amendment may be changed, modified, waived or canceled orally or otherwise except in writing in accordance with Section 10.01 of the Credit Agreement.

(d) Should any one or more of the provisions of this Amendment be determined to be illegal or unenforceable as to one or more of the parties hereto, all other provisions nevertheless shall remain effective and binding on the parties hereto.

(e) This Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns (subject to Section 10.06 of the Credit Agreement).

(f) This Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all of which shall constitute one and the same instrument. Delivery of an executed counterpart of this Amendment by telecopy shall be effective as an original and shall constitute a representation that an executed original shall be delivered. This Amendment may be in the form of an Electronic Record (as defined herein) and may be executed using Electronic Signatures (as defined herein) (including, without limitation, facsimile and .pdf) and shall be considered an original, and shall have the same effect, validity and enforceability as a paper record. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by the arrangers of a manually signed paper communication which has been converted into electronic form (such as scanned into .pdf format), or an electronically signed communication converted into another format, for transmission, delivery and/or retention. Notwithstanding anything contained herein to the contrary, the Administrative Agent is under no obligation to accept an Electronic Signature in any form or in any format unless expressly agreed to by the Administrative Agent pursuant to procedures approved by it; provided, further, without limiting the foregoing, (a) to the extent the Administrative Agent has agreed to accept such Electronic Signature, the Administrative Agent shall be entitled to rely on any such Electronic Signature purportedly given by or on behalf of the Loan Parties without further verification and (b) upon the request of the Administrative Agent any Electronic Signature shall be promptly followed by a manually executed, original

counterpart. “Electronic Record” and “Electronic Signature” shall have the meanings assigned to them, respectively, by 15 USC §7006, as it may be amended from time to time.

The provisions of Sections 10.14 and 10.15 of the Credit Agreement are incorporated herein as though fully set forth herein.

[Remainder of page intentionally left blank]

Each of the parties hereto has caused a counterpart of this Amendment to be duly executed and delivered as of the date first above written.

HOLDINGS: **JACOBS SOLUTIONS, INC.**

By: \s\ Chin Chang (Mike) Hsu
Name: Chin Chang (Mike) Hsu
Title: Senior Director, Treasurer

BORROWERS: **JACOBS ENGINEERING GROUP INC.**

By: \s\ Chin Chang (Mike) Hsu
Name: Chin Chang (Mike) Hsu
Title: Senior Director, Treasurer

JACOBS U.K. LIMITED

By: \s\ Chin Chang (Mike) Hsu
Name: Chin Chang (Mike) Hsu
Title: Authorized Representative

Jacobs Engineering Group Inc.
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BANK OF AMERICA, N.A.,
as Administrative Agent

By: \s\Liliana Claar
Name: Liliana Claar
Title: Vice President

Jacobs Engineering Group Inc.
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BANK OF AMERICA, N.A.,
as a USD Term Lender and GBP Term Lender

By: \s\ Mukesh Singh
Name: Mukesh Singh
Title: Managing Director

Jacobs Engineering Group Inc.
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BNP PARIBAS, as a USD Term Lender and GBP Term Lender

By: \s\ Rick Pace
Name: Rick Pace
Title: Managing Director

By: \s\ Kyle Fitzpatrick
Name: Kyle Fitzpatrick
Title: Director

Jacobs Engineering Group Inc.
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WELLS FARGO BANK, N.A., as a USD Term Lender and GBP Term Lender

By: \s\ Mylissa Merten
Name: Mylissa Merten, CPA
Title: Vice President

Jacobs Engineering Group Inc.
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THE BANK OF NOVA SCOTIA, as a USD Term Lender and GBP Term Lender

By: \s\ Catherine Jones

Name: Catherine Jones

Title: Managing Director

Jacobs Engineering Group Inc.
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HSBC BANK USA NATIONAL ASSOCIATION, as a USD Term Lender and GBP Term Lender

By: \s\ Patrick Mueller

Name: Patrick Mueller

Title: Managing Director

Jacobs Engineering Group Inc.
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TD BANK, N.A., as a USD Term Lender

By: \s\ Steve Levi

Name: Steve Levi

Title: Senior Vice President

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U.S. BANK NATIONAL ASSOCIATION, as a USD Term Lender and GBP Term Lender

By: \s\ Jack Fitzpatrick
Name: Jack Fitzpatrick
Title: Assistant Vice President

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MORGAN STANLEY BANK, N.A., as a GBP Term Lender

By: \s\ Jack Kuhns
Name: Jack Kuhns
Title: Authorized Signatory

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NATIONAL WESTMINSTER BANK PLC, as a USD Term Lender and GBP Term Lender

By: \s\ Claire Ruby
Name: Claire Ruby
Title: Director

Jacobs Engineering Group Inc.
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JPMORGAN CHASE BANK, N.A., as a USD Term Lender and GBP Term Lender

By: \s\ Will Price

Name: Will Price

Title: Executive Director

Jacobs Engineering Group Inc.
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TRUIST BANK, as a USD Term Lender and GBP Term Lender

By: \s\ William P. Rutkowski
Name: William P. Rutkowski
Title: Director

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THE NORTHERN TRUST COMPANY, as a USD Term Lender and GBP Term Lender

By: \s\ Will Hicks

Name: Will Hicks

Title: Vice President

Jacobs Engineering Group Inc.
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INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED, NEW YORK BRANCH, as a
USD Term Lender and GBP Term Lender

By: \s\ Yuanyuan Peng
Name: Yuanyuan Peng
Title: Executive Director

By: \s\ Brian Monahan
Name: Brian Monahan
Title: Executive Director

Jacobs Engineering Group Inc.
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PNC BANK, NATIONAL ASSOCIATION, as a USD Term Lender and GBP Term Lender

By: \s\ Janine Z Tweed

Name: Janine Z Tweed

Title: Vice President

Jacobs Engineering Group Inc.
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BMO HARRIS BANK N.A., as a USD Term Lender and GBP Term Lender

By: \s\ Nick Irving

Name: Nick Irving

Title: VP

Jacobs Engineering Group Inc.
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List of Issuers of Guaranteed Securities

Jacobs Solutions Inc. has fully and unconditionally guaranteed the following securities identified in the table below:

Name of Subsidiary	Jurisdiction of Incorporation	Guaranteed Securities
Jacobs Engineering Group Inc.	Delaware	5.90% Bonds due 2033 6.35% Bonds due 2028

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 June 28, 2024 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

August 6, 2024

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

I, Venk Nathamuni, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 28, 2024 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/ Venk Nathamuni

Venk Nathamuni
Chief Financial Officer
August 6, 2024

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 June 28, 2024 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

August 6, 2024

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 June 28, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Venk Nathamuni, 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/ Venk Nathamuni

Venk Nathamuni
Chief Financial Officer

August 6, 2024

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.