

Jacobs Fiscal Second Quarter Earnings Results

May 3, 2022



Disclaimer

Forward-Looking Statement Disclaimer

Certain statements contained in this presentation constitute forward-looking statements as such term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and such statements are intended to be covered by the safe harbor provided by the same. Statements made in this press release that are not based on historical fact are forward-looking statements. When used herein, words such as “expects,” “anticipates,” “believes,” “seeks,” “estimates,” “plans,” “intends,” “future,” “will,” “would,” “could,” “can,” “may,” and similar words are intended to identify forward-looking statements. Examples of forward-looking statements include, but are not limited to, statements regarding our expectations as to our future growth, prospects, financial outlook and business strategy for fiscal 2022 or future fiscal years, including our expectations for our fiscal 2022 adjusted EBITDA, adjusted EPS and adjusted cash conversion, and our goals to achieve net zero carbon emissions by 2040. Although such statements are based on management’s current estimates and/or expectations, and currently available competitive, financial, and economic data, forward-looking statements are inherently uncertain, and you should not place undue reliance on such statements as actual results may differ materially. We caution the reader that there are a variety of risks, uncertainties and other factors that could cause actual results to differ materially from what is contained, projected or implied by our forward-looking statements. Such factors include our ability to execute on our newly-announced three-year corporate strategy, including our ability to invest in the tools needed to fully implement our strategy, competition from existing and future competitors in our target markets, our ability to achieve the cost-savings and synergies contemplated by our recent acquisitions within the expected time frames and to successfully integrate acquired businesses while retaining key personnel, the impact of the COVID-19 pandemic, including the emergence and spread of variants of COVID-19, 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 under the Infrastructure Investment and Jobs Act, as well as general economic conditions, including inflation, changes in interest rates and foreign currency exchange rates and changes in capital markets, 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 key employees or 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 the COVID-19 pandemic on their economies and workforces and our operations therein. The foregoing factors and potential future developments are inherently uncertain, unpredictable and, in many cases, beyond our control. For a description of these and additional factors that may occur that could cause actual results to differ from our forward-looking statements, see the discussions contained under Item 1 – Business; Item 1A – Risk Factors; Item 3 – Legal Proceedings; and Item 7 – Management’s Discussion and Analysis of Financial Condition and Results of Operations in our most recently filed Annual Report on Form 10-K, and the discussions contained under Part I, Item 2 – Management’s Discussion and Analysis of Financial Condition and Results of Operations; Part II, Item 1 – Legal Proceedings; and Part II, Item 1A – Risk Factors, in our most recently filed Quarterly Report on Form 10-Q, as well as the Company’s other filings with the Securities and Exchange Commission. The Company is not under any duty to update any of the forward-looking statements after the date of this presentation to conform to actual results, except as required by applicable law.

Non-GAAP Financial Measures

To supplement the financial results presented in accordance with generally accepted accounting principles in the United States (“GAAP”), we present certain non-GAAP financial measures within the meaning of Regulation G under the Securities Exchange Act of 1934, as amended. These measures are not, and should not be viewed as, substitutes for GAAP financial measures. More information about these non-GAAP financial measures and reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures can be found at the end of this presentation. Reconciliation of the adjusted EPS, adjusted EBITDA, and growth targets for net revenue, adjusted operating profit and adjusted operating profit margin for future periods for fiscal 2022 to the most directly comparable GAAP measure is not available without unreasonable efforts because the Company cannot predict with sufficient certainty all of the components required to provide such reconciliation, including with respect to the costs and charges relating to transaction expenses, restructuring and integration and other non-recurring or unusual items to be incurred in such periods.

Pro Forma Figures

During this presentation, we may discuss comparisons of current period results to prior periods on a pro forma adjusted basis. Prior fiscal periods are presented as if acquisitions and the PA Consulting investment had occurred prior to the comparable periods, as adjusted for the exclusion of restructuring and other related charges and transaction expenses and other adjustments described on the Non-GAAP Financial Measures slides as the end of this presentation. We believe this information helps provide additional insight into the underlying trends of our business when comparing current performance against prior periods.

Today's agenda

■ Overview

- Strategy and performance update
- New Climate Action Plan

■ Lines of business review

- Critical Mission Solutions
- People & Places Solutions
- PA Consulting

■ Financial review

- Q2 Fiscal 2022 results
- Balance sheet and cash flow

■ Outlook & Summary



Jacobs: Challenging today. Reinventing tomorrow.

New Strategy: Boldly Moving Forward

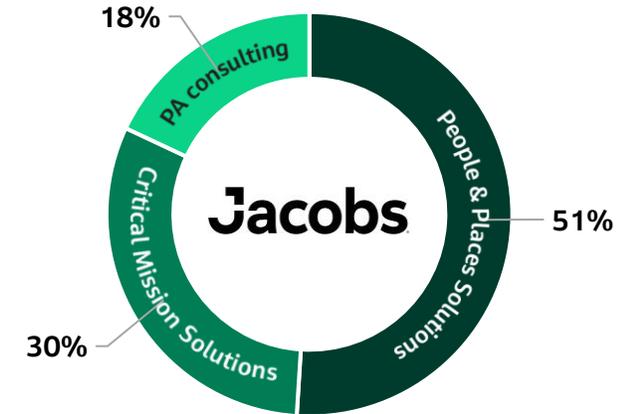
- Culture of inclusion, innovation and inspiration creates competitive advantage
- Climate Response, Consulting & Advisory and Data Solutions key accelerators
- U.S. infrastructure investments to drive multi-year growth
- Strong balance sheet and robust cash flow enables capital deployment upside

Track Record of Execution

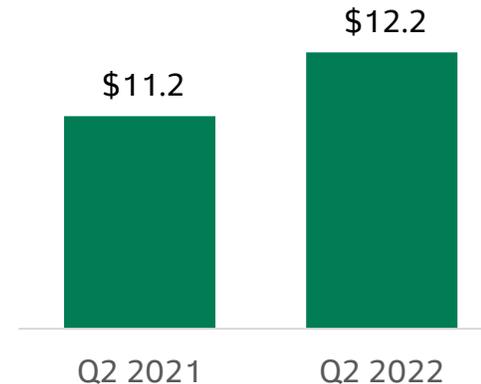
- Q2 net revenue increased 10% y/y with adjusted EBITDA margin of 10.4%
- Q2 backlog increased to \$28B, up 9% y/y
- PA Consulting Q2 revenue growth of 15% y/y and 19% in constant currency
- Repurchased ~\$135M of shares to date since March



Q2 2022 Line of Business Operating Profit



Net Revenue TTM
As Reported
(\$ in Billions)



Backlog
As Reported
(\$ in Billions)



Climate Action Plan

Challenging today.
Reinventing tomorrow.

We are one of the
**WORLD'S FIRST
COMPANIES**
with validated
Net-Zero Targets

#NetZeroStandard



The Net-Zero
STANDARD

- **Achieve** Net-Zero across value chain by 2040
- **Maintain** carbon neutrality & 100% low-carbon electricity

[Read more on jacobs.com](https://www.jacobs.com)

Commitment

100% of client projects incorporating climate response scope

Significant transformative growth

- Energy transition
- Decarbonization
- Adaptation & resilience
- Natural resource stewardship
- ESG business transformation



Illustrative ESG Solutions Revenue

Critical Mission Solutions

Strong base of recurring revenue; new business pipeline margin-accretive

- Multi-year enterprise contracts provide long-term stability
- High-value solutions and efficient cost structure driving margin expansion
- New business pipeline remains strong at ~\$25B with \$15B awaiting award

Strategy aligned to critical national security, space and energy priorities

- Aligned to high priority areas in space, digital modernization, data, cyber, all-source intelligence, energy transition, environmental restoration, and 5G networks
- Opportunity to gain market share as US Federal Government reclaims technical baseline paving the way for expanded systems engineering and integration work
- Technology enabled solutions to generate higher margin recurring revenue

Recent customer wins

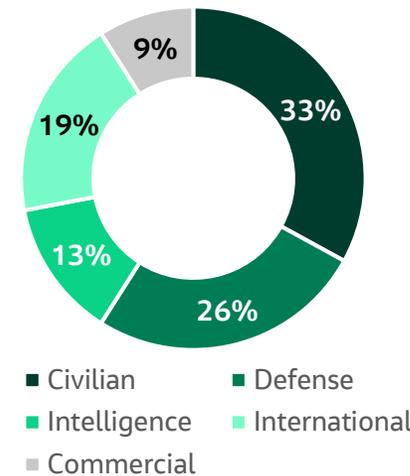
- All-source intelligence operational support and AI development for the DoD
- Extending clean energy availability and reducing CO₂ emissions for UK residents
- Deep space advanced radar and electro-optical surveillance for AUS DoD
- Design/build NexGen aerodynamic R&D facility for Formula 1 motorsport

Critical Mission Solutions Snapshot

(TTM including BlackLynx)

U.S. / International	81% / 19%
Government	~87%
Reimbursable and Lower Risk Fixed Price Services	~93%
Recurring	~93%
Talent Force	~19k

Revenue by Customer
(TTM)



Backlog As Reported
(\$ in Billions)



People & Places Solutions

Deep Domain Expertise + Data-Driven Solutions + Global Scale

- Client-recognized impact of expertise at scale driving differentiated solutions
- Global delivery model benefiting capacity demands and talent utilization

Climate Change + Global Infrastructure Modernization + Supply Chain

- Semiconductor and Life Sciences CAPEX investments accelerating
- International market growing; U.S. infra pipeline building with early grant wins
- Climate and social value solutions embed with nearly all solutions

Strong Customer Relationships

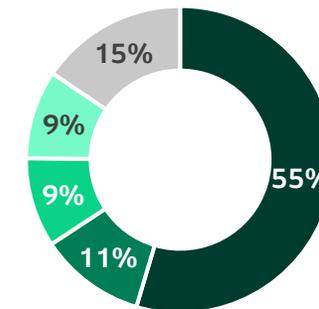
- Evaluating embodied carbon for confidential data center clients
- Creating a more efficient and resilient supply chain with Port of Alaska
- Connecting underserved communities with largest expansion for New York MTA
- Exploring first-of-its kind PFAS natural remediation for Australian aviation sector
- Extending up to 18 years of partnership with Yarra Valley Water
- Transforming the UK Electricity and Gas Transmission System with National Grid
- StreetLight forecasting energy transition impacts with NYSERDA grant

People & Places Solutions Snapshot (Net Revenue Q2 2022)

U.S. / International	60% / 40%
Public / Private Sector	62% / 38%
Reimbursable and Lower Risk Fixed Price Services	~93%
Talent Force	~36k

Net Revenue by Sector (Q2 2022)

Sector mappings updated in Q3 2021



- Infrastructure
- Advanced Manufacturing
- Health and Life Sciences
- Energy & Environmental
- Cities & Places

Backlog As Reported (\$ in Billions)



PA Consulting

Unique combination of outcome-driven strategic and digital consulting

- End-to-end innovation by combining strategists, scientists and digital experts
- Deep industry expertise across a diverse set of sectors and customers

Bringing Ingenuity to Life to build a positive human future

- Responding to mega trends of agile working, climate change, health, data and digital transformation
- Technology offerings
 - Oakdoor - cyber appliance for segmented network security
 - iPredict - AI system for predicting failures in critical electricity distribution
 - Pulpac – exclusive development partnership for sustainable packaging

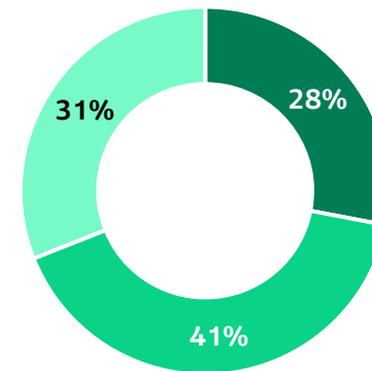
Recent customer wins and project completions

- Digital transformation of the UK court and justice system
- Build and operate a Next Generation Digital Platform for the American College of Emergency Physicians on a 7.5-year engagement.
- 2-year win with the UK Home Office for digital, data and technology services
- Supported the launch of a new Electric Vehicle Infrastructure Fund to drive the roll-out of electric vehicle charging infrastructure

PA Consulting Snapshot (Revenue Q2 2022)

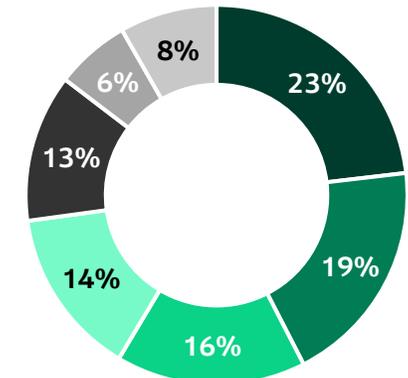
UK / US / Other	78% / 12% / 10%
Public / Private Sector	46% / 54%

Revenue by Capability (March 2022 TTM)



- Strategy & Analytics
- Digital, Design & Delivery
- Performance Improvement

Revenue by Sector (March 2022 TTM)



- Health and Life Sciences
- Defense and Security
- Public Services
- Financial Services
- Consumer and Manufacturing
- Energy and Utilities

PA Consulting investment closed March 2, 2021

Fiscal 2022 Q2 results

Revenue up 8% y/y and Pro Forma Net Revenue up 4% y/y

GAAP Operating Profit (OP) of \$166M and OP Margin of 4.3%

Adj. OP of \$332M (+7%) and Net Revenue Adj. OP Margin of 10.1%

GAAP Net Earnings from Continuing Operations of \$89M

GAAP EPS from Continuing Operations of \$0.68 impacted by:

- \$(0.63) charge from the final settlement of the legacy CH2M matter and related legal costs
- \$(0.25) of expense net of NCI related to the amortization of acquired intangibles
- \$(0.05) of transaction and other related costs
- \$(0.04) charge from strategic reduction in real estate footprint and related costs
- \$(0.07) tax adjusted to align to effective tax rate

Adj. EPS of \$1.72

Adjusted EBITDA of \$340M, up 3% y/y and 10.4% of Net Revenue

Q2 revenue book-to-bill 0.94x and gross profit book-to-bill of 1.12x



Climate Response

“ Jacobs has elevated Climate Response as one of three core accelerators within our fiscal year 2022 to 2024 company strategy – aligning positive societal impact with long-term business growth.

As a purpose-led company, we know we have a pivotal role to play in responding to the climate crisis and we are proud to accept the challenge.”

Steve Demetriou
Chair & CEO

Segment financials

\$'s in millions	Q2 2021	Q2 2022	Y/Y
Critical Mission Solutions Operating Profit as a % of revenue	114 8.7%	113 8.3%	-1% (40) bps
People & Places Solutions Operating Profit as a % of net revenue	202 12.9%	191 11.9%	-5% (105) bps
PA Consulting Operating Profit as a % of revenue	28² n/m	68 23.0%	N/M n/m bps
Adjusted Unallocated Corporate Costs	(33)	(41)	(8)
Adjusted Operating Profit from Continuing Operations¹ as a % of net revenue	311 10.5%	332 10.1%	7% (30) bps
Adjusted EBITDA from Continuing Operations¹ as a % of net revenue	332 11.2%	340 10.4%	3% (75) Bps

Boldly Moving Forward

“Channeling our expansive capabilities in climate response, we have re-focused our efforts on how we can build a net zero future not only within our own operations, but across the client solutions we deliver.”

Kevin Berryman
President & CFO

Balance sheet and cash flow

Continued strong cash flow generation

- Q2 cash flow from operations (CFFO) \$125M and FCF¹ of \$96M; includes net one-time cash benefits of \$40M related to FX hedge offset by cash restructuring and other items
- Quarterly DSO up ~3 days compared to Q2 FY21
- On track to achieve >100% FY22 adj. FCF to adj. net income

Robust cash flow enables financial flexibility

- Q2 cash and equivalents of \$1.2B and gross debt of \$3.2B; net debt of \$2.0B resulting in 1.4x of net debt to FY22E adjusted EBITDA

Balance Sheet strength affords capital deployment

- Executed \$50M of share repurchases during Q2 with ~\$135M executed cumulatively since March
- Expect \$340M of net cash outflows related to legacy CH2M settlement, \$475 to impact Q3 cash flow
- Q3 dividend of \$0.23/share and increase of 10% y/y, to be paid June 24, 2022

Q2 Leverage Metrics (\$ billions)	FY22 Q2
Q2 Net Debt Position	\$2.0B
Q2 net debt to adjusted FY22E EBITDA	1.4x*
Fixed/Floating Mix	45%/55%
Weighted average interest rate	2.1%

11 * FY2022E adjusted EBITDA assumed mid-point of outlook ¹ Free cash flow (FCF) calculated as reported cash flow from operations minus CAPEX



Net-Zero Targets

“As a member of the SBTi Technical Advisory Group (TAG) since 2020 and a participant in the Net-Zero Road Test in 2021, Jacobs is the first consultancy and one of the world’s first companies with net-zero targets approved by the Science Based Targets initiative.”

Zoe Haseman
Global Head of Sustainability

Outlook & Summary

Updating Fiscal 2022 Outlook; reiterating mid-point of guidance

- Updating adjusted EBITDA outlook to \$1,385 to \$1,435M from \$1,370 to \$1,450M and adjusted EPS outlook of \$6.95 to \$7.35 from \$6.85 to \$7.45

Affirming financial targets communicated during March 2022 strategy update

Additional Metrics

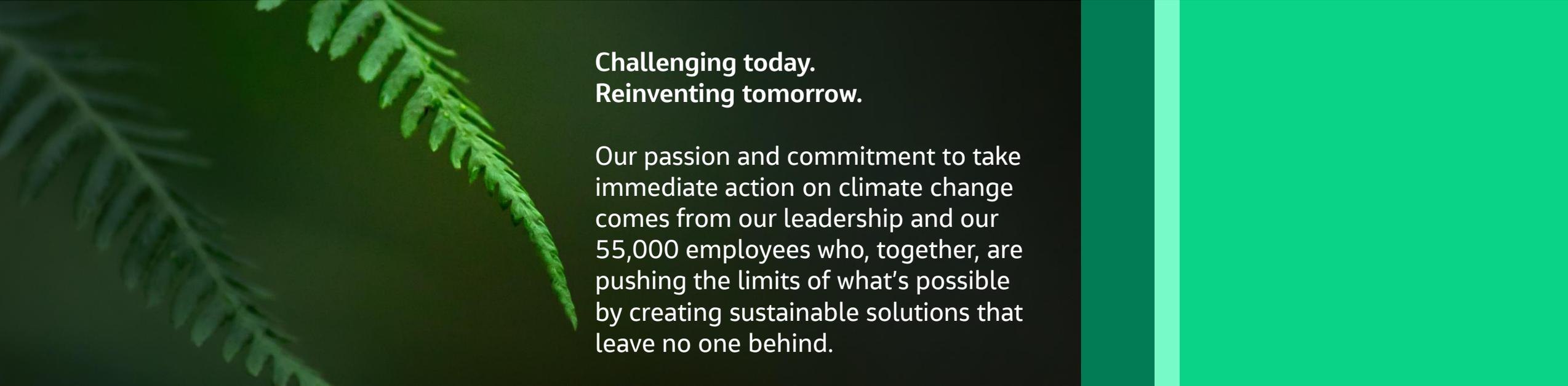
\$ billions	
Q3/FY22 fully diluted average share count	129M/130M
FY22 effective tax rate	~22%
Annual CAPEX	~1% of net revenue



Positive Impacts

“ The legacy we want to create for future generations is one of betterment and Jacobs is uniquely positioned to make every project we deliver a climate response opportunity. ”

Bob Pragada
President & Chief Operating Officer



**Challenging today.
Reinventing tomorrow.**

Our passion and commitment to take immediate action on climate change comes from our leadership and our 55,000 employees who, together, are pushing the limits of what's possible by creating sustainable solutions that leave no one behind.

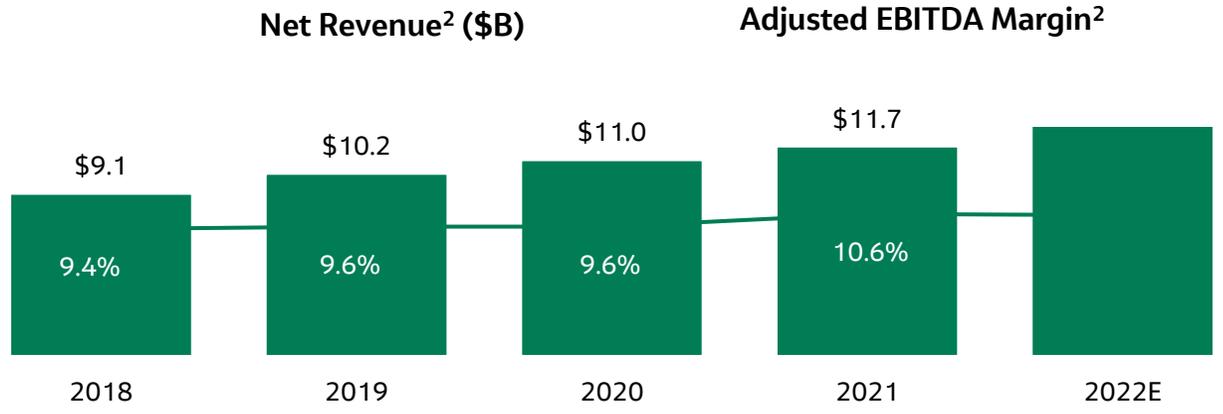
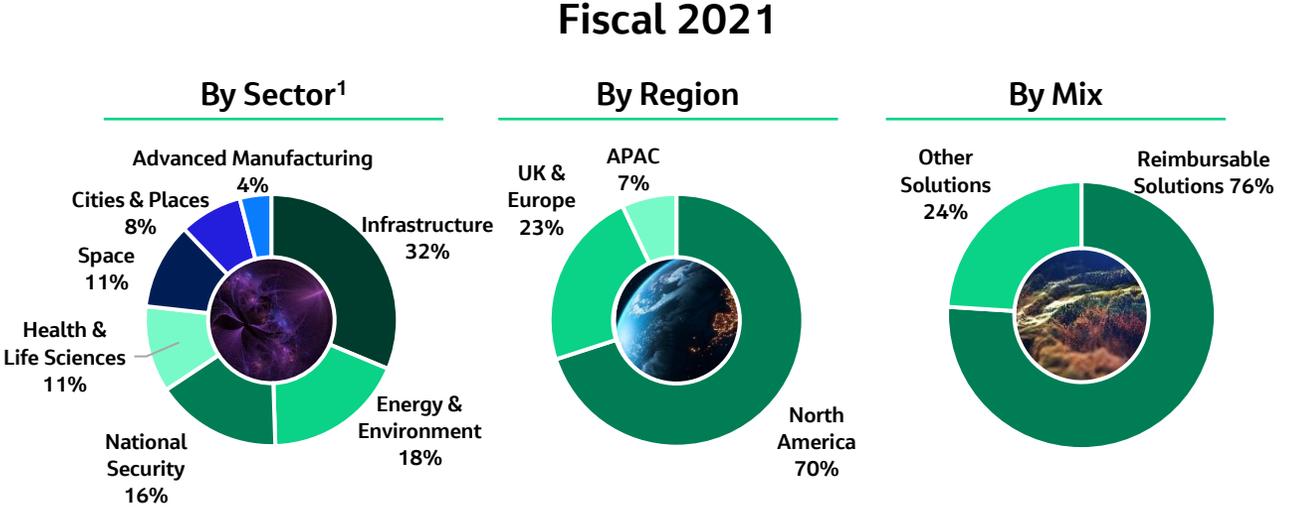
**We do things right.
We challenge the accepted.
We aim higher.
We live inclusion.**

Jacobs – Company Overview



- Jacobs provides a full spectrum of professional services to solve the world’s most critical problems by turning abstract ideas into realities that transform the world for good
- Deep global domain knowledge – applied together with the latest advances in technology – are why customers large and small choose to partner with Jacobs
- Jacobs operates in three segments: Critical Mission Solutions (CMS) and People & Places Solutions (P&PS), its majority investment in PA Consulting

Employees: 55,000
 ~\$6B of ESG related revenue



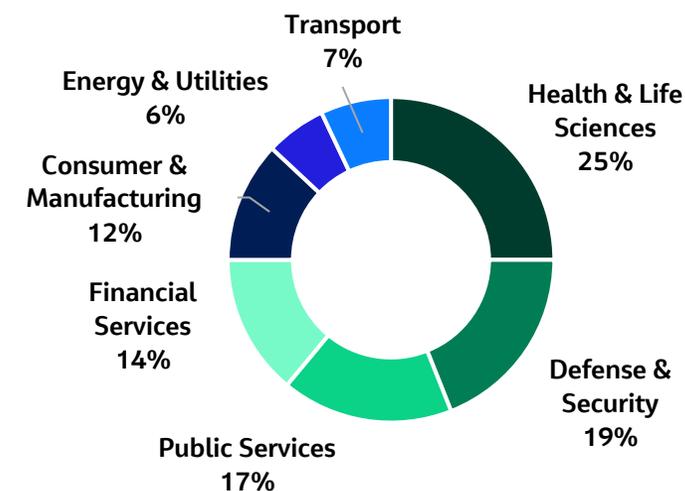
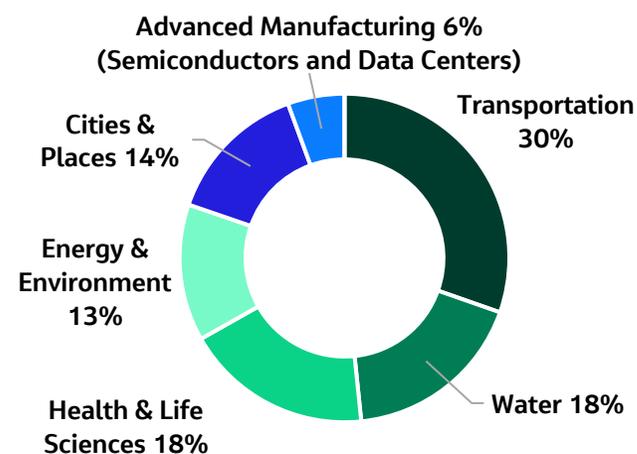
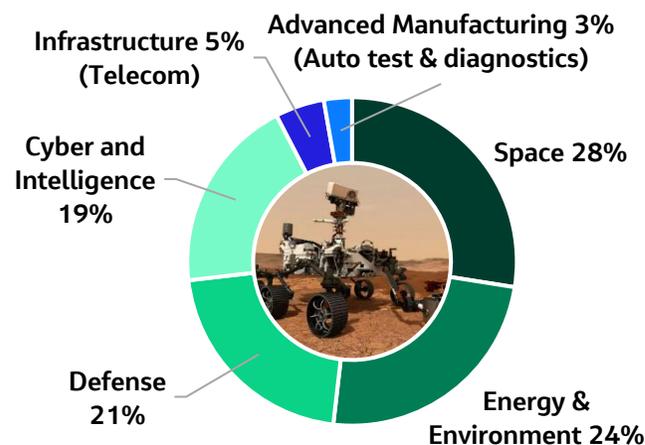
¹ Excludes PA Consulting

²Fiscal year 2018 net revenue and adjusted EBITDA includes CH2M as if it closed at beginning of the fiscal year 10/1/2017 vs 12/7/2017

Jacobs Fiscal 2021 Segment Summary

	Critical Mission Solutions	People & Places Solutions	PA Consulting Investment ¹ 
Revenue (% of Total)	\$5,087 million	Gross revenue \$8,378 million Net revenue \$5,996 million	(\$1,028M Pro Forma) ¹
US / International	82% / 18%	61% / 39%	13% / 87% (~78% UK)
Public / Private	88% / 12%	65% / 35%	45% / 55%
Reimbursable / Fixed	82% / 18%	73% / 27%	68% / 32%
% Operating Profit Margin	8.8%	13.0% ²	23% pro forma ¹

Approx. Revenue by Market (for FY 2021)



Note: All data as of FYE 2021 unless otherwise noted

¹PA Consulting represents pro forma for Jacobs fiscal year 2021

²Operating profit as a percentage of net revenue

FY22 – 24 Organic Targets

Financial	FY24 Organic Targets (vs FY21)
Net Revenue Growth	7% - 10% CAGR
Adjusted Operating Profit Margin Expansion	+60 to 100 bps
Adjusted Operating Profit Growth	Double-digit CAGR
Adjusted ROIC	+125 to 175 bps
New Strategic Metrics	FY24 Organic Targets
Gender diversity	40:40:20
Client projects with ESG scope	100%
Consulting & Advisory talent base	10,000
Total revenue from consulting, data and technology solutions and products	30%



Office of Global Climate Response and Environmental, Social & Governance (ESG)

Energy Transition

- Clean energy generation
- Grid modernization & energy storage
- Electric Vehicle & Battery Manufacturing
- Water-energy nexus

Decarbonization

- Clean & smart mobility
- Net zero buildings & campuses
- Business & industrial decarbonization
- Carbon capture, utilisation & storage

Adaptation & Resilience

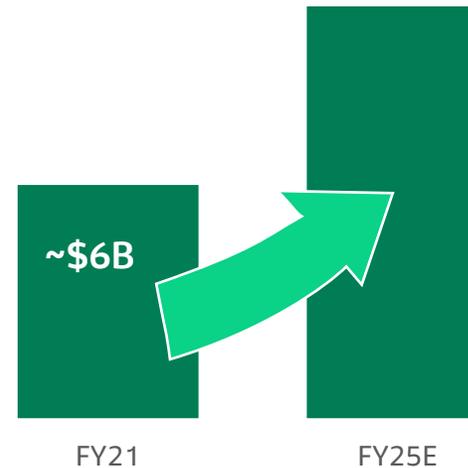
- Climate risk & vulnerability assessments
- Asset & infrastructure resilience
- Disaster planning, response & recovery
- Active/livable cities

Natural Resource Stewardship

- Integrated water management
- Nature-based solutions
- Social value & equity
- Circular economy

ESG Business Transformation

- Sustainable business strategies
- ESG disclosures & reporting



Illustrative ESG Solutions Revenue

Climate Response

Climate change: the greatest challenge and opportunity of our generation

“With our future in the balance, the planning, commitments and sustainability steps we take today are critical to leading the world to a more climate-resilient existence for the generations to come.”



Jan Walstrom
SVP, Office of Global Climate Response & ESG

Delivering sustainable solutions

Member of Dow Jones Sustainability™ North America Index

Water Security



Delta Conveyance Design and Construction Authority: engineering design services for California's largest water conveyance program which will secure clean water for 27 million people and three million acres of agricultural lands.

Offshore Wind



Empire Offshore Wind, South Brooklyn Marine Terminal: owner's engineer for a joint venture between Equinor and BP, supporting the redevelopment of the marine terminal which will serve as the logistics base, marshalling yard and long-term operations base for New York's 80,000-acre Empire Windfarm (EW1 and 2).

Climate Adaptation



Pacific Gas and Electric, Electric Undergrounding Program: program management partner, bringing 10,000 miles of power lines underground to mitigate wildfires in and near high fire-threat areas and respond to California's evolving climate challenges.

PFAS Investigations



Australian Commonwealth Government's Department of Infrastructure, Transport, Regional Development and Communications: framework development for the delivery of a national PFAS investigation program, including the completion of airport-wide PFAS investigations at 8 airports as part of the pilot program.

Equitable Transport



Metropolitan Transportation Authority, Penn Station Access: prime designer for the largest expansion of Metro-North's regional railroad system in its history, bringing equitable and resilient transportation options to underserved communities.

Precision Agriculture



GeoPod: multispectral sensor systems and aerial imagery services for Intelinair's AI powered crop analytics AGMRI™ platform to deliver a complete view of every acre and field – from planting to harvest – increasing crop production and enhancing environmental stewardship.

Decarbonized Water Treatment



PUB, Singapore's National Water Agency, Changi Greasy Waste and Food Waste Treatment Facility: engineering services to harness the synergies from the co-digestion of food waste and greasy waste with used water sludge to increase the biogas yield for powering the co-located Changi Water Reclamation Plant.

Energy Security



EDF, Sizewell B Nuclear Power Station: Jacobs is supporting the UK's drive for clean and secure energy with preliminary phase life extension work at the Sizewell B station in Suffolk. In 2020, Sizewell B generated low carbon electricity for 2.3 million homes.

Environmental, Social & Governance Summary

A sustainable business model aligning purpose and vision with both growth and positive impact:

- Fully integrates purpose with profit and operationalizes sustainability across all aspects of our business.
- Drives how we can have the largest positive impact for society as a business.
- Leverages Jacobs' full suite of solutions to play a key role in advancing a net zero economy.
- Achieved industry leading ISS Prime Status for our ESG corporate rating.
- FY21 annualized ESG related revenue ~\$6 billion or > 45% of the company's revenue.

- [Climate Action Plan 2022](#)
- [FY21 ESG Disclosures](#)
- [PlanBeyond 2.0](#)
- [Climate Risk Assessment FY21](#)
- [Approved Science-Based Targets](#)
- [2021 CDP Submission](#)
- [FY21 GHG Verification Statements](#)
- [FY19 & FY20 GHG Verification Statements](#)
- [Jacobs Carbon Neutrality Commitment](#)
- [Jacobs Sustainability Microsite](#)



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Revenue by Sector

Markets	P&PS	CMS	Approximate % of Jacobs FY21 Revenue
Infrastructure	<ul style="list-style-type: none"> Water Transportation 	<ul style="list-style-type: none"> Telecom 	32%
National Security		<ul style="list-style-type: none"> Defense Intelligence Cyber 	16%
Advanced Manufacturing	<ul style="list-style-type: none"> Electronics & Data Centers Specialized Manufacturing 	<ul style="list-style-type: none"> Automotive 	4%
Health & Life Sciences	<ul style="list-style-type: none"> Health Life Sciences 		11%
Energy & Environment	<ul style="list-style-type: none"> Energy & Power Environmental 	<ul style="list-style-type: none"> Nuclear 	18%
Cities & Places	<ul style="list-style-type: none"> Built Environment Government Services 		8%
Space		<ul style="list-style-type: none"> Commercial & Government Space 	11%

Sector Description

Markets	Definitions
Infrastructure	<p>Addresses global national governments' focus on modernizing aging infrastructure and post-pandemic economic stimulus. As an example, over 80% of the \$550B US Infrastructure Investment and Jobs Act is aligned with our Infrastructure markets (Water, Transportation, Telecom), with a further ~12% aligned with other Jacobs markets (Energy & Environment, Advanced Manufacturing).</p> <p>Capitalizes on Jacobs' advanced design, engineering, program management, urban and transportation planning, scientific and technology services.</p>
National Security	<p>Encompasses solutions for public and private sector institutions, systems, and programs that serve to create, secure, and defend national interests and infrastructure against foreign and domestic threats across multiple domains.</p> <p>Leverages Jacobs leading capabilities and deep expertise in cyber, intelligence, defense, analytics, geospatial technology, and threat protection.</p>
Advanced Manufacturing	<p>Captures the supercycle in electronics in response to the global supply chain disruption affecting the full range of specialized manufacturing sectors.</p> <p>Differentiating capabilities include Jacobs' highly advanced design and engineering in the electrification ecosystem, data centers, and semiconductor manufacturing – deployed through a global integrated delivery platform.</p>
Health & Life Sciences	<p>Underpinned by the aging population and ever-increasing health equity and access concerns, this market focuses on the growth of digital health and need for increased speed-to-market of new medicines – resulting in increased contract manufacturing to respond to demand for enhanced health system readiness.</p> <p>Jacobs' deep subject matter expertise across diverse scientific, infrastructure, environmental and digital domains in biopharmaceutical manufacturing, health governance, health infrastructure, and operations advisory provides market differentiation and distinct competitive advantage.</p>
Energy & Environment	<p>Centered on responding to global challenges driven by climate change, urbanization, resource scarcity, digital proliferation and energy security, including the global energy diversification and transition efforts by both public and private sector clients in response to the shift from fossil fuel to clean and renewable energy sources.</p> <p>As the world's largest environmental consulting firm – and backed by decades of cross-market delivery in natural sciences and engineering – Jacobs is at the forefront of solving the planet's most critical environmental challenges from impact assessment and natural systems modeling to remediation and compliance.</p>
Cities & Places	<p>Recognizes the need for holistic, balanced urban and placemaking solutions around the globe.</p> <p>Jacobs integrates and leverages data, technology, mobility and connectivity to improve economic and social equity, and overall resiliency of cities and communities, and includes combined domain expertise from strategic planning, architecture, design, engineering, natural sciences, and the arts.</p>
Space	<p>Represents an industry at an inflection point: government and private sector space agencies worldwide are experiencing widespread industry disruption and innovation.</p> <p>Jacobs delivers high-end solutions for remote sensing and earth observation, intelligence gathering, communications and navigation, and space-enabled science and exploration through its decades of experience and capabilities in scientific, engineering, and technology innovation.</p>

Selected financial data

\$'s in millions	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	Q1 2022	Q2 2022
Backlog	22,671	23,291	23,674	23,818	23,818	25,105	25,571	25,436	26,631	26,631	28,006	27,790
Revenue	3,360	3,427	3,260	3,520	13,567	3,382	3,548	3,576	3,586	14,093	3,381	3,384
Net Revenue	2,658	2,786	2,681	2,832	10,957	2,733	2,971	2,964	3,042	11,711	2,908	3,270
Adjusted Gross Profit	645	648	631	665	2,589	632	767	817	827	3,044	796	870
Adjusted G&A	(408)	(412)	(392)	(407)	(1,619)	(373)	(456)	(502)	(525)	(1,856)	(489)	(538)
Adjusted Operating Profit From Continuing Operations as a % of Net Revenue	237 8.9%	237 8.5%	239 8.9%	258 9.1%	970 8.9%	259 9.5%	311 10.5%	315 10.6%	303 9.9%	1,188 10.1%	308 10.6%	332 10.1%
Adj. Net Interest Income (Expense)	(13)	(14)	(17)	(13)	(57)	(12)	(15)	(19)	(19)	(65)	(18)	(22)

Selected financial data

\$'s in millions	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020	Q1 2021	Q2 2021 ¹	Q3 2021	Q4 2021	FY 2021	Q1 2022	Q2 2022
Critical Mission Solutions												
Backlog	8,473	9,135	9,066	9,104	9,104	9,683	9,779	9,565	10,589	10,589	10,798	10,556
Revenue	1,182	1,243	1,211	1,329	4,966	1,295	1,310	1,218	1,264	5,087	1,163	1,366
Operating Profit as a % of revenue	90 7.6%	84 6.8%	90 7.4%	108 8.1%	372 7.5%	110 8.5%	114 8.7%	108 8.9%	115 9.1%	447 8.8%	111 9.6%	113 8.3%
People & Places Solutions												
Backlog	14,197	14,156	14,608	14,714	14,714	15,422	15,512	15,557	15,738	15,738	16,932	16,965
Revenue	2,178	2,184	2,049	2,191	8,601	2,087	2,140	2,103	2,049	8,378	1,928	2,171
Net Revenue	1,476	1,542	1,470	1,503	5,991	1,438	1,563	1,491	1,505	5,996	1,456	1,607
Operating Profit as a % of Net Revenue	178 12.1%	189 12.3%	190 13.0%	183 12.2%	741 12.4%	196 13.7%	202 12.9%	205 13.8%	177 11.7%	780 13.0%	192 13.2%	191 11.9%
PA Consulting												
Backlog	—	—	—	—	—	—	280	314	304	304	276	269
Revenue	—	—	—	—	—	—	98	256	273	627	290	297
Operating Profit as a % of revenue	—	—	—	—	—	—	28 28.4%	57 22.2%	66 24.3%	151 24.1%	63 21.8%	68 23.0%
Adj. Unallocated Corporate Expense	(32)	(37)	(41)	(33)	(143)	(47)	(33)	(55)	(55)	(190)	(58)	(41)

Other operational metrics from continuing operations

\$'s in thousands	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	Q1 2022	Q2 2022
Depreciation (pre-tax)	22,152	22,566	22,276	24,076	91,070	22,989	25,090	26,405	26,540	101,024	26,237	26,383
Amortization of Intangibles (pre-tax)	21,845	22,094	23,135	23,489	90,563	23,155	30,598	49,555	46,468	149,776	46,907	48,431
Pass-Through Costs Included in Revenue	701,754	641,393	578,717	687,980	2,609,843	648,677	576,629	612,045	544,435	2,381,785	472,380	563,668
Capital Expenditures	22,260	39,077	27,484	29,448	118,269	16,766	28,287	20,617	27,144	92,814	19,318	28,905
Fully Diluted Weighted Average Share Count	134.7	133.6	131.3	131.4	132.7	131.2	131.2	131.4	131.4	131.3	130.3	130.0

Non GAAP financial measures

U.S. GAAP Reconciliations for the three and six month periods of fiscal 2022 and 2021

Unaudited	Three Months Ended April 1, 2022			
	U.S. GAAP	Effects of Restructuring, Transaction and Other Charges (1)	Other Adjustments (2)	Adjusted
Revenues	\$ 3,834,059	\$ —	\$ —	\$ 3,834,059
Pass through revenue	—	—	(563,668)	(563,668)
Net revenue	3,834,059	—	(563,668)	3,270,391
Direct cost of contracts	(2,963,649)	—	563,668	(2,399,981)
Gross profit	870,410	—	—	870,410
Selling, general and administrative expenses	(704,195)	117,270	48,431	(538,494)
Operating Profit (Loss)	166,215	117,270	48,431	331,916
Total other expense, net	(10,933)	(2,007)	—	(12,940)
Earnings from Continuing Operations Before Taxes	155,282	115,263	48,431	318,976
Income Tax Expense from Continuing Operations	(46,166)	(21,424)	(1,628)	(69,218)
Net Earnings of the Group from Continuing Operations	109,116	93,839	46,803	249,758
Net Earnings Attributable to Noncontrolling Interests from Continuing Operations	(10,261)	—	—	(10,261)
Net Earnings Attributable to Redeemable Noncontrolling interests	(10,038)	(270)	(5,960)	(16,268)
Net Earnings Attributable to Jacobs from Continuing Operations	88,817	93,569	40,843	223,229
Net Loss Attributable to Discontinued Operations	(1)	—	—	(1)
Net Earnings attributable to Jacobs	\$ 88,816	\$ 93,569	\$ 40,843	\$ 223,228
Diluted Net Earnings from Continuing Operations Per Share	\$ 0.68	\$ 0.72	\$ 0.31	\$ 1.72
Diluted Net Earnings from Discontinued Operations Per Share	\$ —	\$ —	\$ —	\$ —
Diluted Earnings Per Share	\$ 0.68	\$ 0.72	\$ 0.31	\$ 1.72
Operating profit margin	4.3 %			10.1 %

- (1) Includes charges associated with various restructuring, transaction and other related activity costs associated with Company transformation initiatives and acquisition related programs, including \$91.3 million related to the final pre-tax settlement of the Legacy CH2M Matter, net of previously recorded reserves.
- (2) Includes (a) the removal of pass through revenues and costs for the People & Places Solutions line of business for the calculation of operating profit margin as a percentage of net revenue of \$563.7 million, (b) the removal of amortization of intangible assets of \$48.4 million, (c) the exclusion of impacts on the Company's effective tax rates associated with revised estimates on US taxation of certain foreign earning and, certain tax return filing adjustments, (d) applicable redeemable noncontrolling interests impacts for the above adjustment items and (e) income tax expense adjustments for the above pre-tax adjustment items

Non GAAP financial measures

Unaudited	Three Months Ended April 2, 2021			
	U.S. GAAP	Effects of Restructuring, Transaction and Other Charges (1)	Other Adjustments (2)	Adjusted
Revenues	\$ 3,547,873	\$ —	\$ —	\$ 3,547,873
Pass through revenue	—	—	(576,629)	(576,629)
Net revenue	3,547,873	—	(576,629)	2,971,244
Direct cost of contracts	(2,780,860)	194	576,629	(2,204,037)
Gross profit	767,013	194	—	767,207
Selling, general and administrative expenses	(808,125)	321,471	30,598	(456,056)
Operating (Loss) Profit	(41,112)	321,665	30,598	311,151
Total other (expense) income, net	(71,169)	5,295	63,719	(2,155)
(Loss) Earnings from Continuing Operations Before Taxes	(112,281)	326,960	94,317	308,996
Income Tax Benefit (Expense) from Continuing Operations	20,772	(11,015)	(83,298)	(73,541)
Net (Loss) Earnings of the Group from Continuing Operations	(91,509)	315,945	11,019	235,455
Net Earnings Attributable to Noncontrolling Interests from Continuing Operations	(10,158)	—	—	(10,158)
Net Loss (Earnings) Attributable to Redeemable Noncontrolling interests	101,392	(107,033)	(1,367)	(7,008)
Net (Loss) Earnings from Continuing Operations attributable to Jacobs	(275)	208,912	9,652	218,289
Net Earnings Attributable to Discontinued Operations	11,320	—	—	11,320
Net Earnings attributable to Jacobs	\$ 11,045	\$ 208,912	\$ 9,652	\$ 229,609
Diluted Net Earnings from Continuing Operations Per Share (3)	\$ —	\$ 1.59	\$ 0.07	\$ 1.66
Diluted Net Earnings from Discontinued Operations Per Share (3)	\$ 0.09	\$ —	\$ —	\$ 0.09
Diluted Earnings Per Share (3)	\$ 0.08	\$ 1.59	\$ 0.07	\$ 1.75
Operating profit margin	(1.2)%			10.5 %

- (1) Includes charges associated with various restructuring, transaction and other related activity costs associated with Company transformation initiatives and acquisition related programs, along with after-tax \$292.0 million in one time PA Consulting transaction-related costs.
- (2) Includes mainly (a) the removal of pass through revenues and costs for the People & Places Solutions line of business for the calculation of operating profit margin as a percentage of net revenue of \$576.6 million, (b) the removal of amortization of intangible assets of \$30.6 million, (c) the removal of \$29.7 million in fair value adjustments related to our investment in Worley stock and certain foreign currency revaluations relating to the ECR sale, (d) the removal of the fair value adjustment of the Company's investment in C3 of \$34.1 million, (e) applicable redeemable noncontrolling interests impacts for the above adjustment items and (f) income tax expense adjustments for the above pre-tax adjustment items.
- (3) Because U.S. GAAP net (loss) earnings from continuing operations was a loss, the effect of antidilutive securities of 902 equivalent shares was excluded from the denominator in calculating diluted EPS. Because adjusted net (loss) earnings from continuing operations was income, the effective of the securities was dilutive and was included in the denominator in calculating adjusted diluted EPS.

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

	Three Months Ended		Six Months Ended	
	April 1, 2022	April 2, 2021	April 1, 2022	April 2, 2021
Adj Net earnings from Continuing Operations	\$ 223,229	\$ 218,289	\$ 426,283	\$ 402,736
Adj. Income Tax Expense for Continuing Operations	(69,218)	(73,541)	(132,369)	(134,282)
Adj. Net earnings from Continuing Operations attributable to Jacobs before income taxes	292,447	291,830	558,652	537,018
Depreciation expense	26,383	25,090	52,620	48,079
Interest income	(381)	(608)	(1,882)	(1,732)
Adj. Interest expense	21,995	\$ 15,464	41,421	28,777
Adjusted EBITDA	\$ 340,444	\$ 331,776	\$ 650,811	\$ 612,142

(1) Six months ended April 2, 2021 have been adjusted to exclude one-time PA Consulting deal related finance costs of \$4.0 million.

Reconciliation of Jacobs free cash flow

	Three Months Ended		Six Months Ended	
	April 1, 2022	April 2, 2021	April 1, 2022	April 2, 2021
Net cash provided by operating activities	\$ 124,611	\$ 237,615	\$ 446,256	\$ 350,232
Additions to property and equipment	(28,905)	(28,287)	(48,223)	(45,053)
Free cash flow	<u>\$ 95,706</u>	<u>\$ 209,328</u>	<u>\$ 398,033</u>	<u>\$ 305,179</u>

Use of Non-GAAP financial measures and operating metrics

Net revenue is calculated excluding pass-through revenue of the Company's People & Places Solutions segment from the Company's revenue from continuing operations. Adjusted net earnings from continuing operations, adjusted EPS from continuing operations, adjusted operating profit and adjusted operating profit margin are calculated by (i) excluding costs and other charges associated with restructuring activities implemented in connection with the acquisitions of CH2M, John Wood Group nuclear business, BlackLynx, Buffalo Group and StreetLight Data, the strategic investment in PA Consulting, the sale of the ECR business and other related cost reduction initiatives, which included involuntary terminations, costs associated with co-locating offices of acquired companies, separating physical locations of ECR and continuing operations, professional services and personnel costs, expenses relating to certain commitments and contingencies relating to discontinued operations of the CH2M business, including the final settlement charges relating to the Legacy CH2M Matter, net of previously recorded reserves; (ii) excluding the costs and other charges associated with our Focus 2023 transformation initiatives, which included costs and charges associated with the re-scaling and repurposing of physical office space, voluntary employee separations, contractual termination fees and related expenses (the amounts referred in (i) and (ii) are collectively referred to as the "Restructuring and other charges"); (iii) excluding transaction costs and other charges incurred in connection with closing of Buffalo Group, BlackLynx and StreetLight Data acquisitions and the strategic investment in PA Consulting, including advisor fees, change in control payments, certain consideration amounts for PA Consulting that were required to be treated as post-completion compensation expense given retention related requirements applicable to the distribution of such funds to PA Consulting employees, and impacts resulting from the non-cash purchase accounting adjustment related to the investment in PA Consulting to reflect a change in the preliminary purchase price allocation for the redeemable non-controlling interests, the impact of the quarterly adjustment to the estimated future payout of contingent consideration to the sellers in connection with acquisitions, certain equity based compensation expenses associated with PA Consulting's benefit programs, and similar transaction costs and expenses (collectively referred to as "transaction costs"); (iv) adding back amortization of intangible assets; (v) the removal of fair value adjustments and dividend income related to the Company's investments in Worley and C3 stock and certain foreign currency revaluations relating to ECR sale proceeds; (vi) excluding charges resulting from the revaluation of certain deferred tax assets/liabilities in connection tax rate increases in the United Kingdom during fiscal 2021; (vii) charges associated with the impairment of our investment in AWE; (viii) charges to interest expense associated with one-time deal related bank fees; (ix) certain non-routine income tax adjustments for the purposes of calculating the Company's annual non-GAAP effective tax rate to facilitate a more meaningful evaluation of the Company's current operating performance and comparisons to the Company's operating performance in other periods; and (x) other income tax adjustments associated with the pre-tax income adjustments above. Adjustments to derive adjusted net earnings from continuing operations, and adjusted EPS from continuing operations are calculated on an after-tax basis.

Adjusted EBITDA, and the resulting calculation of adjusted EBITDA margin, is calculated by adding income tax expense, depreciation expense and adjusted interest expense, and deducting interest income from adjusted net earnings from continuing operations. Free cash flow is calculated using the reported statement of cash flows, provided from operations less additions to property and equipment.

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

This presentation also contains certain operating metrics which management believes are useful in evaluating the Company's performance. We regularly monitor these operating metrics to evaluate our business, identify trends affecting our business, and make strategic decisions. Backlog Revenue is the total dollar amount of revenues we expect to record in the future as a result of performing work under contracts that have been awarded to us. Backlog Gross Profit is the gross profit associated with the backlog contract. Book-to-bill ratio is an operational measure representing the ratio of change in revenue or gross profit backlog since the prior quarterly reporting period plus reported revenue or gross profit for the reporting period to the reported revenues or gross profit for the same period. PA Consulting's year over year revenue growth rate is presented on a constant currency basis, which provides information on the percentage change in revenue assuming that foreign currency exchange rates have not changed between the prior and current periods.