Recast Segment Financials

$'s in millions	PF Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019	Q2 2019
ATN							
Backlog	6,641	7,174	7,148	7,130	**7,130**	7,158	7,285
Revenue	842	924	1,021	1,069	**3,856**	1,035	1,060
Operating Profit as a % of revenue	57 6.8%	58[1] 6.2%	72 7.1%	77 7.2%	**264[1]** **6.9%**	72 7.0%	74 7.0%
BIAF							
Backlog	12,269	12,088	12,693	12,825	**12,825**	13,177	13,428
Revenue	1,904	1,947	1,912	1,923	**7,686**	2,049	2,032
Net Revenue	1,217	1,338	1,313	1,265	**5,133**	1,374	1,400
Operating Profit as a % of Net Revenue	125 10.3%	159 11.9%	178 13.5%	167 13.2%	**629** **12.2%**	159 11.6%	173 12.3%
Adj. Unallocated Corporate Expense	(48)	(42)	(28)	(24)	**(142)**	(46)	(25)
Adj. Net Interest Income (Expense)	(11)	(3)	(6)	(6)	**(26)**	(5)	(9)

[1]Includes $17M from legal settlement

NOTES: Prior periods have been recast to reflect 2019 corporate allocation methodology and the restructuring and other adjustments described on slide 21 through 22. Recast historical financials for the third and fourth quarters of fiscal 2018 reflect our current estimates based on information available as of the date of this presentation. The final figures may differ materially from these preliminary amounts due to the completion of our financial closing procedures, final adjustments and other developments that may arise between the date of this presentation and the time the recast quarterly results are finalized.

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Recast Consolidated Financials

$'s in millions	PF Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019	Q2 2019
Backlog	18,910	19,262	19,840	19,955	**19,955**	20,335	20,713
Revenue	2,746	2,870	2,934	2,992	**11,541**	3,084	3,092
Net Revenue	2,059	2,262	2,335	2,334	**8,989**	2,410	2,459
Adjusted Gross Profit	547	588	583	609	**2,328**	571	613
Adjusted G&A	(414)	(414)	(361)	(389)	**(1,577)**	(386)	(392)
Adjusted Operating Profit From Continuing Operations as a % of Net Revenue[1]	133 6.5%	175 7.7%	222 9.5%	220 9.4%	**750** **8.3%**	185 7.7%	222 9.0%
Adj. Net Interest Income (Expense)	(11)	(3)	(6)	(6)	**(26)**	(5)	(9)

NOTES: Prior periods have been recast to reflect 2019 corporate allocation methodology and the restructuring and other adjustments described on slide 21 through 22. Recast historical financials for the third and fourth quarters of fiscal 2018 reflect our current estimates based on information available as of the date of this presentation. The final figures may differ materially from these preliminary amounts due to the completion of our financial closing procedures, final adjustments and other developments that may arise between the date of this presentation and the time the recast quarterly results are finalized.

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Other Operational Metrics from Continuing Operations

$’s in millions	Q1 2018	Q2 2018	Q1 2019	Q2 2019
Depreciation (pre-tax)	18,476	26,764	18,211	23,491
Amortization of Intangibles (pre-tax)	11,444	18,101	18,671	18,678
Pass-Through Costs Included in Revenue	411,787	608,720	674,278	632,359
Capital Expenditures	14,829	18,670	19,467	39,442

Non-US GAAP Financial Measures

	Three Months Ended March 29, 2019				
	U.S. GAAP	Effects of Restructuring and Other Charges	Effects of Transaction Costs (1)	Other Adjustments (2)	Adjusted
Revenues	$ 3,091,596	$ —	$ —	$ —	$ 3,091,596
Pass through revenue	—	—	—	(632,359)	$ (632,359)
Net revenue	3,091,596	—	—	(632,359)	2,459,237
Direct cost of contracts	(2,474,755)	(3,383)	—	632,359	(1,845,779)
Gross profit	616,841	(3,383)	—	—	613,458
Selling, general and administrative expenses	(514,160)	$ 97,321	$ —	$ 25,078	$ (391,761)
Operating Profit	102,681	93,938	—	25,078	221,697
Total other (expense) income, net	9,151	(27,117)	515	18,403	952
Earnings from Continuing Operations Before Taxes	111,832	66,821	515	43,481	222,649
Income Tax Benefit (Expense) for Continuing Operations	7,947	(11,824)	(125)	(48,097)	(52,099)
Net Earnings (Loss) of the Group from Continuing Operations	119,779	54,997	390	(4,616)	170,550
Net Earnings Attributable to Noncontrolling Interests from Continuing Operations	(5,024)	—	—	—	(5,024)
Net Earnings from Continuing Operations attributable to Jacobs	114,755	54,997	390	(4,616)	165,526
Net Earnings Attributable to Discontinued Operations	(57,838)	2,078	1,705	(24,489)	(78,544)
Net earnings attributable to Jacobs	$ 56,917	$ 57,075	$ 2,095	$ (29,105)	$ 86,982
Diluted Net Earnings from Continuing Operations Per Share	$ 0.82	$ 0.39	$ —	$ (0.03)	$ 1.19
Diluted Net Earnings from Discontinued Operations Per Share	$ (0.41)	$ 0.01	$ 0.01	$ (0.18)	$ (0.56)
Diluted Earnings Per Share	$ 0.41	$ 0.41	$ 0.02	$ (0.21)	$ 0.62
Operating profit margin	3.32%				9.01%

The following tables reconcile the U.S. GAAP values of net earnings, EPS, operating profit and operating profit margin to the corresponding "adjusted" amounts. For the comparable periods presented below, such adjustments consist of amounts incurred in connection with the items described on the following slide. Amounts are shown in thousands, except for per-share data:

U.S. GAAP Reconciliation for the second quarter of fiscal 2019

- (1) Includes after-tax CH2M transaction costs and adjustments of $0.4 million as well as after-tax transaction costs associated with the sale of our ECR line of business of $1.7 million.
- (2) Includes (a) the removal of pass through revenues and costs for the BIAF line of business for the calculation of operating profit margin as a percentage of net revenue of $632.4 million, (b) the removal of amortization of intangible assets of $18.7 million, (c) the allocation to discontinued operations of estimated stranded corporate costs of $6.4 million that will be reimbursed under the ECR transition services agreement (TSA) with Worley Parsons or otherwise eliminated from the ongoing operations in connection with the sale of the ECR business, (d) the allocation to discontinued operations of estimated interest expense for the full period related to long-term debt that has been paid down as a result of the ECR sale of $18.4 million, (e) the exclusion of approximately $37.0 million in one-time favorable income tax adjustment associated with reduction of deferred income taxes for permanently reinvested earnings from non-U.S. subsidiaries in connection with the sale of the ECR business, (f) the add-back of depreciation relating to the ECR business that was ceased as a result of the application of held-for-sale accounting of $(5.8) million and (g) associated income tax expense adjustments for all the above pre-tax adjustment items.

Non-US GAAP Financial Measures

	Three Months Ended March 30, 2018				
	U.S. GAAP	Effects of Restructuring and Other Charges	Effects of CH2M Transaction Costs	Other Adjustments (1)	Adjusted
Revenues	$ 2,870,295	$ —	$ —	$ —	$ 2,870,295
Pass through revenue	—	—	—	(608,720)	(608,720)
Net revenue	2,870,295	—	—	(608,720)	2,261,575
Direct cost of contracts	(2,268,667)	—	—	608,720	(1,659,947)
Gross profit	601,628	—	—	—	601,628
Selling, general and administrative expenses	(532,873)	76,473	4,852	24,605	(426,943)
Operating Profit	68,755	76,473	4,852	24,605	174,685
Total other (expense) income, net	(20,104)	466	—	14,384	(5,254)
Earnings from Continuing Operations Before Taxes	48,651	76,939	4,852	38,989	169,431
Income Tax Benefit (Expense) for Continuing Operations	(51,856)	(20,104)	(1,344)	30,931	(42,373)
Net Earnings (Loss) of the Group from Continuing Operations	(3,205)	56,835	3,508	69,920	127,058
Net Earnings Attributable to Noncontrolling Interests from Continuing Operations	(3,085)	—	—	—	(3,085)
Net Earnings from Continuing Operations attributable to Jacobs	(6,290)	56,835	3,508	69,920	123,973
Net Earnings Attributable to Discontinued Operations	54,877	(5,633)	—	(13,247)	35,997
Net earnings attributable to Jacobs	$ 48,587	$ 51,202	$ 3,508	$ 56,673	$ 159,970
Diluted Net Earnings from Continuing Operations Per Share	$ (0.04)	$ 0.40	$ 0.02	$ 0.49	$ 0.87
Diluted Net Earnings from Discontinued Operations Per Share	$ 0.39	$ (0.04)	$ —	$ (0.09)	$ 0.25
Diluted Earnings Per Share	$ 0.34	$ 0.36	$ 0.02	$ 0.40	$ 1.12
Operating profit margin	2.40%				7.72%

The following tables reconcile the U.S. GAAP values of net earnings, EPS, operating profit and operating profit margin to the corresponding "adjusted" amounts. For the comparable periods presented below, such adjustments consist of amounts incurred in connection with the items described on the following slide. Amounts are shown in thousands, except for per-share data:

U.S. GAAP Reconciliation for the second quarter of fiscal 2018

(1) Includes (a) the removal of pass through revenues and costs for the BIAF line of business for the calculation of operating profit margin as a percentage of net revenue of $608.7 million, (b) the removal of amortization of intangible assets of $18.2 million, (c) the allocation to discontinued operations of estimated stranded corporate costs of $6.4 million that would have been reimbursed under the ECR transition services agreement (TSA) with Worley Parsons or otherwise eliminated from the ongoing operations in connection with the sale of the ECR business, (d) estimated 2018 impacts of $21.0 million from overhead allocation realignments in connection with the Company's CH2M business in the first quarter of fiscal 2019 had those changes been put into effect in first quarter of fiscal 2018 (the net impact of which was zero for consolidated selling, general and administrative expenses), (e) the allocation to discontinued operations of estimated interest expense for the full period related to long-term debt that has been paid down as a result of the ECR sale of $14.4 million, (f) the add-back of charges resulting from the revaluation of certain deferred tax assets/liabilities in connection with U.S. tax reform of $40.6 million and (g) associated income tax expense adjustments for all the above pre-tax adjustment items.

Reconciliation of Net Earnings from Continuing Operations Attributable to Jacobs to Adjusted EBITDA

	Three months ended March 29, 2019
Adj. Net earnings from Continuing Operations attributable to Jacobs (1)	$ 165,526
Adj. Income Tax Expense for Continuing Operations	52,099
Adj. Net earnings from Continuing Operations attributable to Jacobs before income taxes	217,625
Depreciation expense	23,491
Interest income	(1,670)
Interest expense	10,506
Adjusted EBITDA	$ 249,952

(1) See prior slides for reconciliaton of Adjusted Net Earnings.

Forward-Looking Statement Disclaimer

Certain statements contained in this presentation constitute forward-looking statements as such term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and such statements are intended to be covered by the safe harbor provided by the same. Statements made in this presentation that are not based on historical fact are forward-looking statements. Although such statements are based on management's current estimates and expectations, and currently available competitive, financial, and economic data, forward-looking statements are inherently uncertain, and you should not place undue reliance on such statements as actual results may differ materially. We caution the reader that there are a variety of risks, uncertainties and other factors that could cause actual results to differ materially from what is contained, projected or implied by our forward-looking statements. The potential risks and uncertainties include, among others, the possibility that the acquisition of KeyW by Jacobs will not close or the closing may be delayed, the ability to recognize the benefits of the KeyW disposition, the outcome of legal proceedings, the risk that Jacobs' future performance may not achieve its estimated earnings, changes in market conditions and economic circumstances, availability of investment opportunities, the timing, method and amount of repurchases under the share repurchase authorization, and the market price of the Company's common stock, among others. For a description of these and other risks, uncertainties and other factors that may occur that could cause actual results to differ from our forward-looking statements see our Annual Report on Form 10-K for the year ended September 28, 2018, our Quarterly Reports on Form 10-Q for the quarters ended December 28, 2018 and March 29, 2019, as well as our other filings with the SEC. We are 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. The non-GAAP financial measures used herein include: net revenue, adjusted net earnings, adjusted EPS, adjusted operating profit, adjusted operating profit margin and adjusted EBITDA. These measures are not, and should not be viewed as, substitutes for GAAP 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 and adjusted pro forma EBITDA outlook for fiscal 2019 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 to be incurred in fiscal 2019.

Pro Forma Figures

During this presentation, we may discuss comparisons of current quarter results to prior periods on a pro forma adjusted basis. The pro forma adjusted figures for the first quarter of fiscal 2018 were calculated by using revenue and income from continuing operations of the combined Jacobs and CH2M entities as if the acquisition of CH2M had occurred prior to the first quarter of fiscal 2018, as adjusted for (i) the exclusion of restructuring and other related charges, (ii) the deconsolidation of CH2M's investment in Chalk River as if deconsolidated on October 1, 2016 and (iii) the exclusion of the revenue and operating results associated with CH2M's MOPAC project. In addition, the prior fiscal periods are presented as if the divestiture of the ECR business had occurred prior to the first quarter of fiscal 2018. In addition, each quarterly period of fiscal 2018 has been recast to reflect the new segment realignment, backlog methodology and pension cost changes and the updated fiscal 2019 corporate cost allocation methodology, in addition to the other adjustments described on the Non-GAAP Financial Measures slides at 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. Readers should consider this information together with a comparison to Jacobs' historical financial results as reported in Jacobs' filings with the SEC.

Non-GAAP Financial Measures (cont'd)

Adjusted net earnings from continuing operations, adjusted EPS from continuing operations, adjusted operating profit and adjusted operating profit margin are non-GAAP financial measures that are calculated by (i) excluding the costs related to the 2015 restructuring activities, which included involuntary terminations, the abandonment of certain leased offices, combining operational organizations and the co-location of employees into other existing offices; and charges associated with our Europe, U.K. and Middle East region, which included write-offs on contract accounts receivable and charges for statutory redundancy and severance costs (collectively, the "2015 Restructuring and other items"); (ii) excluding costs and other charges associated with restructuring activities implemented in connection with the CH2M acquisition and the ECR divestiture, which included involuntary terminations, costs associated with co-locating Jacobs and CH2M offices, separating physical locations of ECR and continuing operations, costs and expenses of the Integration Management Office and Separation Management Office, including professional services and personnel costs, costs and charges associated with the divestiture of joint venture interests to resolve potential conflicts arising from the CH2M acquisition, expenses relating to certain commitments and contingencies relating to discontinued operations of the CH2M business, and similar costs and expenses (collectively referred to as the "Restructuring and other charges"); (iii) excluding transaction costs and other charges incurred in connection with closing of the CH2M acquisition and sale of the ECR business, including advisor fees, change in control payments, costs and expenses relating to the registration and listing of Jacobs stock issued in connection with the CH2M acquisition, and similar transaction costs and expenses (collectively referred to as "transaction costs"); (iv) excluding charges resulting from the revaluation of certain deferred tax assets/liabilities in connection with U.S. tax reform; (v) adding back depreciation and amortization relating to the ECR business of the Company that was ceased as a result of the application of held-for-sale accounting; (vi) adding back amortization of intangible assets; (vii) allocating to discontinued operations estimated stranded corporate costs that will be reimbursed or otherwise eliminated in connection with the sale of the ECR business; (viii) allocating to discontinued operations estimated interest expense relating to long-term debt that was paid down with the proceeds of the ECR sale; and (ix) the exclusion of a one-time favorable adjustment in the fiscal 2019 period associated with a reduction of deferred income taxes for permanently reinvested earnings from non-U.S. subsidiaries in connection with the sale of the ECR business. Adjustments to derive adjusted net earnings from continuing operations, adjusted EPS from continuing operations are calculated on an after-tax basis. Net revenue is calculated by excluding pass-through revenues of the BIAF line of business. Adjusted EBITDA is calculated by adding back the items set forth in the table on the preceding slide to net earnings from continuing operations. We believe that these measures 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, the inclusion or exclusion of which can obscure underlying trends. Additionally, management uses these 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.

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