Recast Segment Financials

$'s in millions	PF Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019	Q2 2019	Q3 2019
ATN								
Backlog	6,641	7,174	7,147	7,130	**7,130**	7,158	7,285	8,456
Revenue	842	924	1,022	1,069	**3,856**	1,035	1,060	1,156
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%	76 6.6%
BIAF								
Backlog	12,269	12,088	12,693	12,825	**12,825**	13,177	13,428	14,011
Revenue	1,904	1,947	1,912	1,923	**7,686**	2,049	2,032	2,013
Net Revenue	1,217	1,338	1,329	1,272	**5,156**	1,374	1,400	1,479
Operating Profit as a % of Net Revenue	125 10.3%	159 11.9%	178 13.4%	167 13.2%	**629** **12.2%**	159 11.6%	173 12.3%	183 12.4%
Adj. Unallocated Corporate Expense	(48)	(42)	(27)	(23)	**(140)**	(46)	(25)	(27)
Adj. Net Interest Income (Expense)	(11)	(3)	(6)	(6)	**(26)**	(5)	(9)	(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 20 through 23. Recast historical financials for the fourth quarter 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	Q3 2019
Backlog	18,910	19,262	19,840	19,955	**19,955**	20,335	20,713	22,467
Revenue	2,746	2,870	2,934	2,992	**11,541**	3,084	3,092	3,170
Net Revenue	2,059	2,262	2,350	2,341	**9,012**	2,410	2,459	2,636
Adjusted Gross Profit	547	588	598	594	**2,328**	571	613	629
Adjusted G&A	(414)	(414)	(375)	(373)	**(1,575)**	(386)	(392)	(396)
Adjusted Operating Profit From Continuing Operations as a % of Net Revenue[1]	133 6.5%	175 7.7%	223 9.5%	221 9.4%	**752** **8.3%**	185 7.7%	222 9.0%	233 8.8%
Adj. Net Interest Income (Expense)	(11)	(3)	(6)	(6)	**(26)**	(5)	(9)	(9)

NOTES: Prior periods have been recast to reflect 2019 corporate allocation methodology and the restructuring and other adjustments described on slide 20 through 23. Recast historical financials for the fourth quarter 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	Q3 2018	Q1 2019	Q2 2019	Q3 2019
Depreciation (pre-tax)	18,476	26,764	24,423	18,211	23,491	25,851
Amortization of Intangibles (pre-tax)	11,547	18,205	19,299	18,671	18,678	18,383
Pass-Through Costs Included in Revenue	411,787	608,720	583,423	674,278	632,359	533,935
Capital Expenditures	14,829	18,670	15,476	19,467	39,442	38,557

Non GAAP Financial Measures

Unaudited	Three Months Ended June 28, 2019 U.S. GAAP	Effects of Restructuring and Other Charges	Effects of Transaction Costs (1)	Other Adjustments (2)	Adjusted
Revenues	$ 3,169,622	$ —	$ —	$ —	$ 3,169,622
Pass through revenue	—	—	—	(533,935)	$ (533,935)
Net revenue	3,169,622	—	—	(533,935)	2,635,687
Direct cost of contracts	(2,543,488)	2,481	—	533,935	(2,007,072)
Gross profit	626,134	2,481	—	—	628,615
Selling, general and administrative expenses	(536,180)	89,926	12,738	37,714	(395,802)
Operating Profit	89,954	92,407	12,738	37,714	232,813
Total other (expense) income, net	3,445	831	515	(8,362)	(3,571)
Earnings from Continuing Operations Before Taxes	93,399	93,238	13,253	29,352	229,242
Income Tax Benefit (Expense) for Continuing Operations	1,981	(22,924)	(3,259)	(5,823)	(30,025)
Net Earnings of the Group from Continuing Operations	95,380	70,314	9,994	23,529	199,217
Net Earnings Attributable to Noncontrolling Interests from Continuing Operations	(6,015)	—	—	—	(6,015)
Net Earnings from Continuing Operations attributable to Jacobs	89,365	70,314	9,994	23,529	193,202
Net Earnings Attributable to Discontinued Operations	435,077	2,058	2,447	(7,823)	431,759
Net earnings attributable to Jacobs	$ 524,442	$ 72,372	$ 12,441	$ 15,706	$ 624,961
Diluted Net Earnings from Continuing Operations Per Share	$ 0.65	$ 0.51	$ 0.07	$ 0.17	$ 1.40
Diluted Net Earnings from Discontinued Operations Per Share	$ 3.15	$ 0.01	$ 0.02	$ (0.06)	$ 3.13
Diluted Earnings Per Share	$ 3.80	$ 0.52	$ 0.09	$ 0.11	$ 4.53
Operating profit margin	2.84%				8.83%

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 third quarter of fiscal 2019

(1) Includes after-tax CH2M transaction costs and adjustments of $0.4 million, after-tax transaction costs associated with the sale of our ECR line of business of $2.4 million and after-tax transaction costs associated with the acquisition of KeyW of $9.6 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 $533.9 million, (b) the removal of amortization of intangible assets of $18.4 million, (c) the allocation to discontinued operations of estimated stranded corporate costs of $2.0 million for the month of April prior to the sale 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 month of April prior to the sale related to long-term debt that has been paid down as a result of the ECR sale of $5.8 million, (e) 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 $2.6 million, (f) the reclassification of revenues under the Company's TSA of $14.1 million included in other income for U.S. GAAP reporting purposes to SG&A and the exclusion of $3.2 million in remaining unreimbursed costs associated with this agreement, (g) other income tax adjustments of $1.5 million and (h) associated income tax expense adjustments for all the above pre-tax adjustment items.

Non GAAP Financial Measures

Unaudited	Three Months Ended June 29, 2018 U.S. GAAP	Effects of Restructuring and Other Charges	Effects of CH2M Transaction Costs	Other Adjustments (1)	Adjusted
Revenues	$ 2,933,623	$ —	$ —	$ —	$ 2,933,623
Pass through revenue	—	—	—	(583,423)	(583,423)
Net revenue	2,933,623	—	—	(583,423)	2,350,200
Direct cost of contracts	(2,325,028)	2,576	—	583,423	(1,739,029)
Gross profit	608,595	2,576	—	—	611,171
Selling, general and administrative expenses	(446,083)	27,967	4,422	25,699	(387,995)
Operating Profit	162,512	30,543	4,422	25,699	223,176
Total other (expense) income, net	(15,879)	(466)	933	16,069	657
Earnings from Continuing Operations Before Taxes	146,633	30,077	5,355	41,768	223,833
Income Tax Benefit (Expense) for Continuing Operations	(31,174)	(7,433)	(1,483)	(3,478)	(43,568)
Net Earnings of the Group from Continuing Operations	115,459	22,644	3,872	38,290	180,265
Net Earnings Attributable to Noncontrolling Interests from Continuing Operations	(2,123)	(577)	—	—	(2,700)
Net Earnings from Continuing Operations attributable to Jacobs	113,336	22,067	3,872	38,290	177,565
Net Earnings Attributable to Discontinued Operations	36,886	12,683	—	(14,800)	34,769
Net earnings attributable to Jacobs	$ 150,222	$ 34,750	$ 3,872	$ 23,490	$ 212,334
Diluted Net Earnings from Continuing Operations Per Share	$ 0.79	$ 0.15	$ 0.03	$ 0.27	$ 1.24
Diluted Net Earnings from Discontinued Operations Per Share	$ 0.26	$ 0.09	$ —	$ (0.10)	$ 0.24
Diluted Earnings Per Share	$ 1.05	$ 0.24	$ 0.03	$ 0.16	$ 1.48
Operating profit margin	5.54%				9.50%

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 third 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 $583.4 million, (b) the removal of amortization of intangible assets of $22.4 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 $19.2 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 $16.1 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 $5.3 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 June 28, 2019
Adjusted Operating Profit from Continuing Operations (1)		232,813
Depreciation expense		25,851
Adjusted EBITDA	$	258,664

(1) See prior slides for reconciliation.

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, the ECR divestiture, the KeyW acquisition and other related cost reduction initiatives, which included involuntary terminations, costs associated with co-locating Jacobs and KeyW 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 KeyW and CH2M acquisitions 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; (ix) the reclassification of revenue under the Company's transition services agreement (TSA) included in other income for U.S. GAAP reporting purposes to SG&A and the exclusion of remaining unreimbursed costs associated with the TSA; (x) 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; and (xi) other income tax adjustments. Adjustments to derive adjusted net earnings from continuing operations and adjusted EPS from continuing operations are calculated on an after-tax basis. Adjusted EBITDA is calculated by adding depreciation expense to adjusted operating profit from continuing operations. Net revenue is calculated by excluding pass-through revenues of the BIAF line of business. We believe that net revenue, adjusted net earnings from continuing operations, adjusted EPS from continuing operations, adjusted operating profit, adjusted operating profit margin and adjusted EBITDA 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 net revenue, adjusted net earnings from continuing operations, adjusted EPS from continuing operations, adjusted operating profit, adjusted operating profit margin and adjusted EBITDA 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.