Recast consolidated financials

$'s in millions	PF Q1 2018[1]	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019	Q1 2020
Critical Mission Solutions											
Backlog	6,641	7,174	7,148	7,130	**7,130**	7,158	7,285	8,393	8,460	**8,460**	8,473
Revenue	842	924	1,021	1,069	**3,856**	1,035	1,060	1,156	1,300	**4,551**	1,182
Operating Profit	57	58	72	77	264	72	74	76	88	**310**	90
as a % of revenue	6.8%	6.2%	7.1%	7.2%	6.9%	7.0%	7.0%	6.6%	6.7%	**6.8%**	7.6%
People & Places Solutions											
Backlog	12,269	12,088	12,693	12,825	**12,825**	13,177	13,428	14,011	14,109	**14,109**	14,197
Revenue	1,904	1,947	1,912	1,923	**7,686**	2,049	2,032	2,013	2,093	**8,187**	2,178
Net Revenue	1,217	1,338	1,329	1,272	**5,156**	1,374	1,400	1,479	1,390	**5,643**	1,476
Operating Profit	125	159	178	167	629	159	173	183	199	**714**	178
as a % of Net Revenue	10.3%	11.9%	13.4%	13.1%	12.2%	11.6%	12.3%	12.4%	14.3%	**12.7%**	12.1%
Adj. Unallocated Corporate Expense	(48)	(42)	(27)	(23)	**(140)**	(46)	(25)	(27)	(33)	**(131)**	(32)
Adj. Net Interest Income (Expense)	(11)	(3)	(6)	(6)	**(26)**	(5)	(9)	(9)	(6)	**(29)**	(13)

[1]Pro forma to include a full quarter of CH2M in Q1 2018
NOTES: Prior periods have been recast to reflect 2019 corporate allocation methodology and the restructuring and other adjustments.

Recast consolidated financials

$'s in millions	Q1 2018 [1]	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019	Q1 2020
Backlog	18,910	19,262	19,840	19,955	**19,955**	20,335	20,713	22,404	22,569	**22,569**	22,671
Revenue	2,746	2,870	2,934	2,992	**11,541**	3,084	3,092	3,170	3,393	**12,738**	3,360
Net Revenue	2,059	2,262	2,350	2,341	**9,012**	2,410	2,459	2,636	2,690	**10,195**	2,658
Adjusted Gross Profit	547	588	598	594	**2,328**	571	613	629	669	**2,482**	645
Adjusted G&A	(414)	(414)	(375)	(373)	**(1,575)**	(386)	(392)	(396)	(415)	**(1,589)**	(408)
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%	253 9.4%	**893** **8.8%**	237 8.9%
Adj. Net Interest Income (Expense)	(11)	(3)	(6)	(6)	**(26)**	(5)	(9)	(9)	(6)	**(29)**	(13)

[1]Pro forma to include a full quarter of CH2M in Q1 2018

NOTES: Prior periods have been recast to reflect 2019 corporate allocation methodology and the restructuring and other adjustments.

Other operational metrics from continuing operations

$'s in thousands	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019	Q1 2020
Depreciation (pre-tax)	25,607 [1]	26,764	24,423	21,567	98,361 [1]	18,211	23,491	25,851	20,508	88,061	22,152
Amortization of Intangibles (pre-tax)	11,547	18,205	19,299	18,352	67,403	18,671	18,678	18,383	22,752	78,484	21,845
Pass-Through Costs Included in Revenue	686,860 [1]	608,720	583,423	650,547	2,529,550 [1]	674,278	632,359	533,935	702,786	2,543,358	701,754
Capital Expenditures	14,829 [2]	18,670	15,476	26,241	75,216 [2]	19,467	39,442	38,557	29,307	126,773	22,260

[1]Pro forma to include a full quarter of CH2M in Q1 2018
[2]As reported does not reflect impact from CH2M

Non GAAP financial measures

Unaudited	Three Months Ended December 27, 2019 U.S. GAAP	Effects of Restructuring and Other Charges	Effects of Transaction Costs (1)	Other Adjustments (2)	Adjusted
Revenues	$ 3,360,049	$ —	$ —	$ —	$ 3,360,049
Pass through revenue	—	—	—	(701,754)	(701,754)
Net revenue	3,360,049	—	—	(701,754)	2,658,295
Direct cost of contracts	(2,715,478)	—	—	701,754	(2,013,724)
Gross profit	644,571	0	—	—	644,571
Selling, general and administrative expenses	(493,226)	49,663	1,023	34,520	(408,020)
Operating Profit	151,345	49,663	1,023	34,520	236,551
Total other income (expense), net	102,824	2,378	620	(111,107)	(5,285)
Earnings from Continuing Operations Before Taxes	254,169	52,041	1,643	(76,587)	231,266
Income Tax Expense for Continuing Operations	(68,489)	(13,032)	(400)	18,640	(63,281)
Net Earnings of the Group from Continuing Operations	185,680	39,009	1,243	(57,947)	167,985
Net Earnings Attributable to Noncontrolling Interests from Continuing Operations	(6,257)	—	—	—	(6,257)
Net Earnings from Continuing Operations attributable to Jacobs	179,423	39,009	1,243	(57,947)	161,728
Net Earnings Attributable to Discontinued Operations	77,587	—	—	—	77,587
Net earnings attributable to Jacobs	$ 257,010	$ 39,009	$ 1,243	$ (57,947)	$ 239,315
Diluted Net Earnings from Continuing Operations Per Share	$ 1.33	$ 0.29	$ 0.01	$ (0.43)	$ 1.20
Diluted Net Earnings from Discontinued Operations Per Share	$ 0.58	$ —	$ —	$ —	$ 0.58
Diluted Earnings Per Share	$ 1.91	$ 0.29	$ 0.01	$ (0.43)	$ 1.78
Operating profit margin	4.50 %				8.90 %

The following tables reconcile the U.S. GAAP values of net revenue, 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 first quarter of fiscal 2020

(1) Includes after-tax transaction costs associated mainly with the acquisition of John Wood Group's Nuclear Business.

(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 $701.8 million, (b) the removal of amortization of intangible assets of $21.8 million, (c) the reclassification of revenues under the Company's TSA of $12.0 million included in other income for U.S. GAAP reporting purposes to SG&A and the exclusion of $0.7 million in remaining unreimbursed costs associated with this agreement, (d) the removal of $99.1 million in fair value adjustments related to our investment in Worley stock and certain currency revaluations relating to the ECR sale and (e) associated income tax expense adjustments for the above pre-tax adjustment items.

Non GAAP financial measures

Unaudited	U.S. GAAP	Effects of Restructuring and Other Charges	Effects of Transaction Costs (1)	Other Adjustments (2)	Adjusted
	Three Months Ended December 28, 2018				
Revenues	$ 3,083,788	$ —	$ —	$ —	$ 3,083,788
Pass through revenue	—	—	—	(674,278)	(674,278)
Net revenue	3,083,788	—	—	(674,278)	2,409,510
Direct cost of contracts	(2,515,268)	2,870	—	674,278	(1,838,120)
Gross profit	568,520	2,870	—	—	571,390
Selling, general and administrative expenses	(455,390)	44,364	—	25,071	(385,955)
Operating Profit	113,130	47,234	—	25,071	185,435
Total other income (expense), net	(20,939)	(2,174)	515	18,067	(4,532)
Earnings from Continuing Operations Before Taxes	92,191	45,059	515	43,138	180,903
Income Tax Expense for Continuing Operations	(22,758)	(9,695)	(125)	138	(32,440)
Net Earnings of the Group from Continuing Operations	69,433	35,364	390	43,276	148,463
Net Earnings Attributable to Noncontrolling Interests from Continuing Operations	(4,539)	—	—	—	(4,539)
Net Earnings from Continuing Operations attributable to Jacobs	64,894	35,364	390	43,276	143,924
Net Earnings Attributable to Discontinued Operations	59,402	(4,723)	4,795	(23,310)	36,164
Net earnings attributable to Jacobs	$ 124,296	$ 30,641	$ 5,185	$ 19,966	$ 180,088
Diluted Net Earnings from Continuing Operations Per Share	$ 0.45	$ 0.25	$ —	$ 0.30	$ 1.00
Diluted Net Earnings from Discontinued Operations Per Share	$ 0.41	$ (0.03)	$ 0.03	$ (0.16)	$ 0.25
Diluted Earnings Per Share	$ 0.86	$ 0.22	$ 0.03	$ 0.14	$ 1.25
Operating profit margin	3.67 %				7.70 %

The following tables reconcile the U.S. GAAP values of net revenue, 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 first quarter the fiscal year 2019

(1) Includes after-tax transaction costs mainly associated with the sale of our ECR line of business.

(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 $674.3 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 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) 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 $18.1 million, (e) the add-back of depreciation and amortization relating to the ECR business that was ceased as a result of application of held for sale accounting of $5.2 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 $11.0 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

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

		Three Months Ended 12/27/2019
Adj Net earnings from Continuing Operations (1)	$	161,728
Adj. Income Tax Expense for Continuing Operations (1)		(63,281)
Adj. Net earnings from Continuing Operations attributable to Jacobs before income taxes (1)		225,009
Depreciation expense		22,152
Interest income		(946)
Interest expense		14,197
Adjusted EBITDA	$	260,412

(1) See slide 18 for reconciliation of these items.

Non-GAAP financial measures (cont'd)

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 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, 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, charges associated with certain operations in India, which included write-offs on contract accounts receivable and other accruals, 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, the pending acquisition of Wood Group's nuclear business, and sale of the ECR business (to the extent incurred prior to the closing), 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) adding back amortization of intangible assets; (v) allocating to discontinued operations estimated stranded corporate costs that will be reimbursed or otherwise eliminated in connection with the sale of the ECR business; (vi) 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; (vii) allocating to discontinued operations estimated interest expense relating to long-term debt that was paid down with the proceeds of the ECR sale; (viii) the removal of fair value adjustments and dividend income related to the Company's investment in Worley stock and certain foreign currency revaluations relating to ECR sale proceeds in the 2019 period; (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; (x) excluding charges resulting from the revaluation of certain deferred tax assets/liabilities in connection with U.S. tax reform; (xi) 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; and (xii) other income tax adjustments. Adjustments to derive adjusted net earnings from continuing operations, adjusted EPS from continuing operations, adjusted operating profit and adjusted operating profit margin are calculated on an after-tax basis. We believe that net revenue, adjusted net earnings from continuing operations, adjusted EPS from continuing operations, adjusted operating profit 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 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.

Adjusted EBITDA for fiscal 2019 and prior periods is calculated by adding depreciation expense to adjusted operating profit from continuing operations. For fiscal 2020 outlook, the Company calculated adjusted EBITDA by adding income tax expense, depreciation expense and interest expense, and deducting interest income from adjusted net earnings from continuing operations. Reconciliation of the adjusted EPS and adjusted EBITDA outlook for the full fiscal year to the most directly comparable GAAP measure is not available without unreasonable efforts because the Company cannot predict with sufficient certainty all the components required to provide such reconciliation.

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.