

First Quarter 2018 Earnings Review



December 14, 2017

JABIL

Forward-Looking Statements

Forward Looking Statements: *This presentation contains forward-looking statements, including those regarding our anticipated financial results for our first quarter of fiscal year 2018; our guidance for future financial performance in our second quarter of fiscal year 2018 (including, net revenue, total company and segment revenue, U.S. GAAP operating income, U.S. GAAP diluted earnings per share, core operating income (Non-GAAP), and core diluted earnings per share (Non-GAAP) results and the components thereof, in each case for our second quarter of fiscal year 2018) and full year 2018 (core earnings per share (Non-GAAP)). The statements in this presentation are based on current expectations, forecasts and assumptions involving risks and uncertainties that could cause actual outcomes and results to differ materially from our current expectations. Such factors include, but are not limited to: our determination as we finalize our financial results for our first quarter of fiscal year 2018 that our financial results and conditions differ from our current preliminary unaudited numbers set forth herein; unexpected, adverse seasonal impacts on demand; performance in the markets in which we operate; changes in macroeconomic conditions; the occurrence of, success and expected financial results from, product ramps; our ability to maintain and improve costs, quality and delivery for our customers; whether our restructuring activities and the realignment of our capacity will adversely affect our cost structure, ability to service customers and labor relations; reliance on a limited number of suppliers for critical components; changes in technology; competition; anticipated growth for us and our industry that may not occur; managing rapid growth; managing rapid declines in customer demand and other related customer challenges that may occur; our ability to successfully consummate acquisitions and divestitures; managing the integration of businesses we acquire; risks associated with international sales and operations; retaining key personnel; and our dependence on a limited number of large customers. Additional factors that could cause such differences can be found in our Annual Report on Form 10-K for the fiscal year ended August 31, 2017 and our other filings with the Securities and Exchange Commission. We assume no obligation to update these forward-looking statements.*

First Quarter 2018 Income Highlights

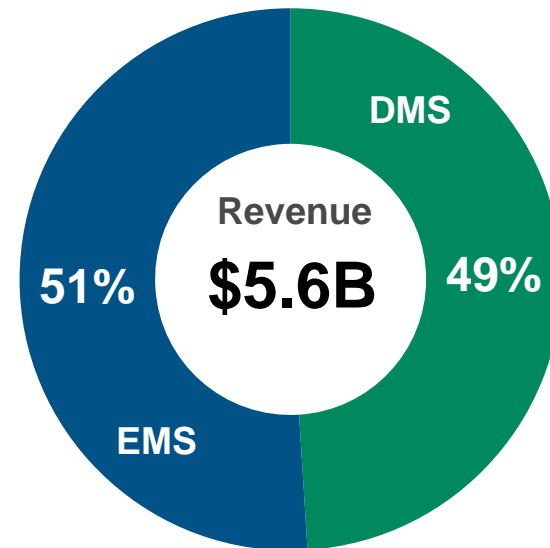
	Three months ended	
	November 30, 2017	November 30, 2016
Net revenue	\$5,586	\$5,105
U.S. GAAP operating income	\$146	\$166
U.S. GAAP net income	\$64	\$88
U.S. GAAP diluted earnings per share	\$0.35	\$0.47
Core operating income (non-GAAP)*	\$227	\$210
Core earnings (non-GAAP)*	\$145	\$130
Core diluted earnings per share (non-GAAP)*	\$0.80	\$0.69

³ (In millions, except for per share data)
* See Appendix for Core to U.S. GAAP reconciliations



First Quarter 2018 Segment Results

- **Diversified Manufacturing Services (DMS)**
 - Revenue increase of 13%
 - Core margin* (non-GAAP) of 5.2%
- **Electronics Manufacturing Services (EMS)**
 - Revenue increase of 6%
 - Core margin* (non-GAAP) of 3.0%
- **Total Company**
 - Revenue increase of 9%
 - Core margin* (non-GAAP) of 4.1%



*Core margin = Core operating income divided by revenue



Second Quarter 2018 Guidance

Segment Revenue Guidance	Q2 2018E	YoY Change
Diversified Manufacturing Services	\$2.2B	25%
Electronics Manufacturing Services	\$2.7B	1%

Net revenue	\$4.75B - \$5.05B
U.S. GAAP operating income	\$124M - \$169M
U.S. GAAP diluted earnings per share	\$0.31 - \$0.57
Core operating income (non-GAAP)	\$160M - \$200M
Net interest expense *	\$38M
Core tax rate (non-GAAP) **	23%
Core diluted earnings per share (non-GAAP)	\$0.50 - \$0.74

* Net Interest Expense = Interest Expense + Loss on Sale of AR - Interest Income

** Core tax rate excludes the tax impacts related to amortization of intangibles, stock-based compensation expense and related charges and restructuring and related charges.



Appendix

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First Quarter 2018 Operating Performance

	Q1 2018
Sales, General & Administrative (non-GAAP)*	\$240M
Stock-Based Compensation	\$53M
Amortization of Intangibles	\$10M
Research & Development	\$9M
Net Interest Expense **	\$38M
Core Tax Rate (non-GAAP) ***	23%
Net Capital Expenditures ****	\$198M
Core EBITDA (non-GAAP)	\$412

* Excludes \$53 million of stock-based compensation expense and related charges and business interruption and impairment charges, net.

** Net Interest Expense = Interest Expense + Loss on Sale of AR - Interest Income

*** Core tax rate excludes the tax impacts related to amortization of intangibles, stock-based compensation expense and related charges, restructuring and related charges and business interruption and impairment charges, net.

**** Net Capital Expenditures = acquisition of PPE - proceeds from sale of PPE



JABIL INC.
OPERATING INCOME, EBITDA and NET INCOME NON-GAAP RECONCILIATION
(In thousands, except for per share data)
(Unaudited)

	Three months ended	
	November 30, 2017	November 30, 2016
Operating income (GAAP)	\$ 145,754	\$ 165,607
Amortization of intangibles	9,979	8,322
Stock-based compensation expense and related charges	52,745	(291)
Restructuring and related charges	11,388	35,902
Business interruption and impairment charges, net	7,354	-
Adjustments to operating income	81,466	43,933
Core operating income (Non-GAAP)	\$ 227,220	\$ 209,540
Core operating income (Non-GAAP)	\$ 227,220	\$ 209,540
Depreciation expense	184,654	180,579
Core EBITDA (Non-GAAP)	\$ 411,874	\$ 390,119
Net income attributable to the Company (GAAP)	\$ 63,795	\$ 88,027
Adjustments to operating income	81,466	43,933
Adjustment for Taxes	(717)	(2,325)
Core earnings (Non-GAAP)	\$ 144,544	\$ 129,635
Earnings per share: (GAAP)		
Basic	\$ 0.36	\$ 0.48
Diluted	\$ 0.35	\$ 0.47
Core earnings per share: (Non-GAAP)		
Basic	\$ 0.82	\$ 0.70
Diluted	\$ 0.80	\$ 0.69
Common shares used in the calculation of earnings per share (GAAP & Non-GAAP):		
Basic	176,936	185,292
Diluted	180,203	187,856

