

Jabil Inc.

Non-GAAP Definitions

Core Operating Income – GAAP* operating income before amortization of intangibles, stock-based compensation expense and related charges, restructuring and related charges, distressed customer charges, acquisition and integration charges, loss on disposal of subsidiaries, settlement of receivables and related charges, impairment of notes receivable and related charges, goodwill impairment charges and business interruption and impairment charges, net.

Core Earnings – GAAP* net income before amortization of intangibles, stock-based compensation expense and related charges, restructuring and related charges, distressed customer charges, acquisition and integration charges, loss on disposal of subsidiaries, settlement of receivables and related charges, impairment of notes receivable and related charges, goodwill impairment charges, business interruption and impairment charges, net, impairment on securities, income (loss) from discontinued operations, gain (loss) on sale of discontinued operations and certain other expenses, net of tax and certain deferred tax valuation allowance charges.

Core Earnings per Share (“EPS”) – Core earnings divided by the weighted average number of outstanding diluted shares as determined under GAAP*.

Core Operating Margin – Core operating income divided by net revenue.

Core Earnings Before Interest, Tax, Depreciation and Amortization (“EBITDA”) – Core operating income plus depreciation expense.

Core Return on Invested Capital (Annual) (“Core ROIC”) – Jabil calculates its core return on invested capital by taking its after-tax core operating income for its most recently ended fiscal year and dividing that by a two year average net invested capital base. The Company calculates its after-tax core operating income as its core operating income less a certain tax effect (the amount is determined by applying the core effective tax rate to core operating income less interest expense). The Company calculates its average net invested capital base as the sum of the averages of its stockholders’ equity, current and non-current portions of its notes payable and long-term debt less the average of its cash and cash equivalents. The calculation of the averages discussed in the previous sentence is based on the addition of the account balance at the end of the most recently-ended fiscal year to the account balance at the end of the prior fiscal year and dividing by two.

Core Return on Invested Capital (Quarterly) (“Core ROIC”) – Jabil calculates its core return on invested capital by annualizing its after-tax core operating income for its most recently ended quarter and dividing that by a two quarter average net invested capital base. The Company calculates its after-tax core operating income as its Core Operating Income less a certain tax effect (the amount is determined by applying the core effective tax rate to core operating income less interest expense). The Company calculates its average net invested capital base as the sum of the averages of its stockholders’ equity, current and non-current portions of its notes payable and long-term debt less the average of its cash and cash equivalents. The calculation of the averages discussed in the previous sentence is based on the addition of the account balance at the end of the most recently-ended quarter to the account balance at the end of the prior quarter and dividing by two.

Adjusted Free Cash Flows – Net cash provided by (used in) operating activities plus cash receipts on sold receivables less net capital expenditures (acquisition of property, plant and equipment less proceeds and advances from the sale of property, plant and equipment).

Net Interest Expense – Interest expense plus loss on sale of accounts receivable less interest income.

* - GAAP means U.S. generally accepted accounting principles.