

# SECOND QUARTER 2021 RESULTS

March 16, 2021

**JABIL**



# FORWARD LOOKING STATEMENTS



**Forward Looking Statements:** This presentation contains forward-looking statements, including those regarding our anticipated financial results for the second quarter of fiscal year 2021; our guidance for future financial performance in our third quarter of fiscal year 2021 (including, net revenue, segment revenue, U.S. GAAP operating income, U.S. GAAP diluted earnings per share, core operating income (Non-GAAP), core diluted earnings per share (Non-GAAP), net interest expense, and core tax rate and the components of each); our guidance for future financial performance in full fiscal year 2021 (including, net revenue, core operating margin, core diluted earnings per share (Non-GAAP), free cash flow, and the components and drivers of each); and our outlook for end market revenue and core operating margin. 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 the second quarter of fiscal year 2021 that our financial results and conditions differ from our current preliminary unaudited numbers set forth herein; the scope and duration of the COVID-19 outbreak and its impact on our operations, sites, customers and supply chain; managing growth effectively; our dependence on a limited number of customers; competitive challenges affecting our customers; managing rapid declines or increases in customer demand and other related customer challenges that may occur; risks arising from relationships with emerging companies; changes in technology; our ability to introduce new business models or programs requiring implementation of new competencies; competition; transportation issues; our ability to maintain our engineering, technological and manufacturing expertise; retaining key personnel; our ability to purchase components efficiently and reliance on a limited number of suppliers for critical components; risks associated with international sales and operations; our ability to achieve expected profitability from acquisitions; risk arising from our restructuring activities; issues involving our information systems, including security issues; regulatory risks (including the expense of complying, or failing to comply, with applicable regulations; risk arising from design or manufacturing defects; and intellectual property risk); financial risks (including customers or suppliers who become financially troubled; turmoil in financial markets; tax risks; credit rating risks; risks of exposure to debt; currency fluctuations; energy prices; and asset impairment); changes in financial accounting standards or policies; and risk of natural disaster, climate change or other global events. 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, 2020 and our other filings with the Securities and Exchange Commission. We assume no obligation to update these forward-looking statements.



# Business Update

**JABIL**



# Our People

## Jabil's Most Valued Differentiator

A Team which promotes an Inclusive Environment



## Second Quarter 2021 Financial Highlights

- ✓ Strong Product Demand
- ✓ Solid Execution
- ✓ Well-Balanced Contributions

### NET REVENUE

**\$6.8**  
BILLION

### CORE DILUTED EPS

**\$1.27**

### CORE OP MARGIN

**4.2%**

See U.S. GAAP to non-GAAP reconciliation in appendix.

Core operating margin defined as core operating income divided by net revenue

# Well-Diversified Commercial Portfolio

Critical and Trusted Partner



# FY21 Financial Update

## Strong Outlook

NET REVENUE

**\$28.5**  
BILLION

CORE OP MARGIN

**4.2%**

CORE DILUTED EPS

**~\$5**

FREE CASH FLOW

**\$600+**  
MILLION

**MOMENTUM CONTINUES**



**THANK YOU**





**Financial Update**

**JABIL**

## Second Quarter 2021 Financial Highlights

### ✓ Revenue

- Broad-based strength, including Mobility, Cloud, Healthcare, Connected Devices, Automotive and Semi-Cap

### ✓ Core Operating Margin

- Solid operating leverage, as a result of our optimized cost structure and strong demand

### ✓ Core Diluted EPS

- Strong year-over-year growth

#### NET REVENUE

**\$6.8**  
BILLION

#### CORE OP MARGIN

**4.2%**

#### CORE DILUTED EPS

**\$1.27**

*See U.S. GAAP to non-GAAP reconciliation in appendix.*

*Core operating margin defined as core operating income divided by net revenue*

# Second Quarter 2021

## Income Highlights

	Three months ended	
<i>(In millions, except for per share data)</i>	February 28, 2021	February 29, 2020
Net revenue	\$6,829	\$6,125
U.S. GAAP operating income	\$236	\$91
U.S. GAAP net income (loss)	\$152	(\$3)
U.S. GAAP diluted earnings (loss) per share	\$0.99	(\$0.02)
Core operating income (non-GAAP) <sup>1</sup>	\$285	\$159
Core earnings (non-GAAP) <sup>1</sup>	\$194	\$78
Core diluted earnings per share (non-GAAP) <sup>1</sup>	\$1.27	\$0.50

<sup>1</sup> See U.S. GAAP to non-GAAP reconciliation in appendix.

## Second Quarter Segment Results

### DIVERSIFIED MANUFACTURING SERVICES (DMS)

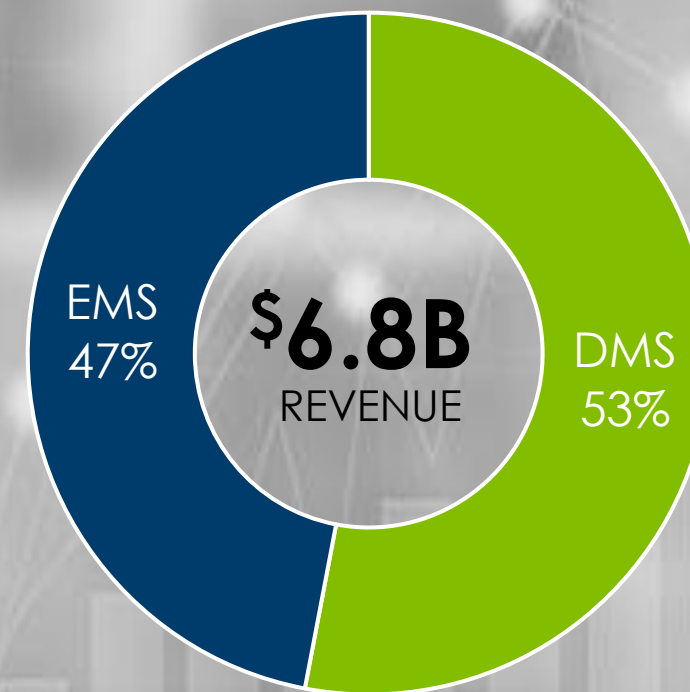
- Net Revenue Increase of 26%
- Core operating margin<sup>1</sup> (non-GAAP) of 5.1%

### ELECTRONICS MANUFACTURING SERVICES (EMS)

- Net Revenue decrease of 1%<sup>2</sup>
- Core operating margin<sup>1</sup> (non-GAAP) of 3.1%

### TOTAL COMPANY

- Net Revenue Increase of 11%
- Core operating margin<sup>1</sup> (non-GAAP) of 4.2%



<sup>1</sup> Core operating margin defined as core operating income divided by net revenue

<sup>2</sup> Cloud transitioning to a consignment model

# Cash Flow Highlights

<i>(In millions)</i>	Three Months Ended February 28,
	<b>2021</b>
Cash flow from operations	\$20
Net capital expenditures <sup>1</sup>	\$152
Adjusted free cash flow (non-GAAP) <sup>2</sup>	(\$132)
Core EBITDA (non-GAAP) <sup>1</sup>	\$488
Share repurchases	\$82

<sup>1</sup> See U.S. GAAP to non-GAAP reconciliation in appendix and U.S. GAAP to non-GAAP definitions located at <https://investors.jabil.com/>

<sup>2</sup> See U.S. GAAP to non-GAAP reconciliation on Form 8-K filed on March 16, 2021.

# Third Quarter FY21 Guidance



Segment Revenue Guidance	Q3 FY20	Q3 FY21E	YoY Change
■ Diversified Manufacturing Services	\$2.9B	\$3.5B	Increase 19%
■ Electronics Manufacturing Services	\$3.4B	\$3.4B	Increase 1%*

Consolidated Guidance	Q3 FY21E
Net revenue	\$6.6B - \$7.2B
U.S. GAAP operating income	\$188M - \$238M
U.S. GAAP diluted earnings per share	\$0.69 - \$0.89
Core operating income (non-GAAP) <sup>1</sup>	\$220M - \$270M
Net interest expense <sup>2</sup>	\$38M
Core tax rate (non-GAAP) <sup>3</sup>	~25%
Core diluted earnings per share (non-GAAP) <sup>1</sup>	\$0.90 - \$1.10

<sup>1</sup> See U.S. GAAP to non-GAAP reconciliation on Form 8-K filed on March 16, 2021.

<sup>2</sup> Net interest expense = interest expense + loss on sale of AR - interest income

<sup>3</sup> Core tax rate excludes the tax impacts related to amortization of intangibles, stock-based compensation expense and related charges, restructuring, severance and related charges.

\* Cloud transitioning to a consignment model

# Our Portfolio End-Markets



## DIVERSIFIED MANUFACTURING

\$ in billions	FY20	FY21E
Healthcare & Packaging	\$4.2	\$4.9
Automotive & Transportation	\$1.7	\$2.2
Connected Devices	\$4.0	\$4.2
Mobility	\$3.3	\$3.8
<b>Total Revenue</b>	<b>\$13.2</b>	<b>\$15.1</b>
<b>Core Operating Margin</b>	<b>3.7%</b>	<b>4.6%</b>

## ELECTRONICS MANUFACTURING

\$ in billions	FY20	FY21E
Digital Print & Retail	\$2.3	\$2.3
Industrial & Semi-Cap	\$3.5	\$3.6
5G, Wireless & Cloud	\$5.5	\$5.1*
Networking & Storage	\$2.8	\$2.4
<b>Total Revenue</b>	<b>\$14.1</b>	<b>\$13.4</b>
<b>Core Operating Margin</b>	<b>2.7%</b>	<b>3.6%</b>

\* Cloud transitioning to a consignment model

See U.S. GAAP to non-GAAP definitions located at <https://investors.jabil.com/>

# FY21 Financial Update

## Strong Outlook

NET REVENUE

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BILLION

CORE OP MARGIN

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CORE DILUTED EPS

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FREE CASH FLOW

**\$600+**  
MILLION

**MANAGEMENT'S UPDATED OUTLOOK FOR FY21**



**JABIL** | **MADE POSSIBLE.  
MADE BETTER.**



**MARK MONDELLO**  
CHIEF EXECUTIVE OFFICER



**MIKE DASTOOR**  
CHIEF FINANCIAL OFFICER



# APPENDIX GAAP to Non-GAAP Reconciliations

**JABIL**

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

	Three months ended		Six months ended	
	February 28, 2021	February 29, 2020	February 28, 2021	February 29, 2020
<b>Operating income (U.S. GAAP)</b>	\$ 236,350	\$ 90,630	\$ 550,300	\$ 243,409
Amortization of intangibles	11,639	13,577	23,094	29,717
Stock-based compensation expense and related charges	23,813	15,109	57,354	45,332
Restructuring, severance and related charges	6,626	29,604	4,911	74,855
Distressed customer charge	-	-	-	14,963
Net periodic benefit cost	5,723	2,776	11,316	4,601
Business interruption and impairment charges, net	(806)	-	(806)	-
Acquisition and integration charges	1,261	7,752	3,374	23,886
Adjustments to operating income	48,256	68,818	99,243	193,354
<b>Core operating income (Non-GAAP)</b>	<u>\$ 284,606</u>	<u>\$ 159,448</u>	<u>\$ 649,543</u>	<u>\$ 436,763</u>
<b>Core operating income (Non-GAAP)</b>	\$ 284,606	\$ 159,448	\$ 649,543	\$ 436,763
Depreciation expense	203,011	185,913	397,322	372,632
<b>Core EBITDA (Non-GAAP)</b>	<u>\$ 487,617</u>	<u>\$ 345,361</u>	<u>\$ 1,046,865</u>	<u>\$ 809,395</u>
<b>Net income (loss) attributable to the Company (U.S. GAAP)</b>	\$ 151,654	\$ (3,283)	\$ 352,096	\$ 37,139
Adjustments to operating income	48,256	68,818	99,243	193,354
Impairment on securities	-	12,205	-	12,205
Net periodic benefit cost	(5,723)	(2,776)	(11,316)	(4,601)
Adjustment for taxes	(553)	3,091	(1,148)	3,588
<b>Core earnings (Non-GAAP)</b>	<u>\$ 193,634</u>	<u>\$ 78,055</u>	<u>\$ 438,875</u>	<u>\$ 241,685</u>
Diluted earnings (loss) per share (U.S. GAAP)	\$ 0.99	\$ (0.02)	\$ 2.30	\$ 0.24
Diluted core earnings per share (Non-GAAP)	<u>\$ 1.27</u>	<u>\$ 0.50</u>	<u>\$ 2.87</u>	<u>\$ 1.55</u>
Diluted weighted average shares outstanding (U.S. GAAP)	<u>152,975</u>	<u>152,058</u>	<u>153,051</u>	<u>156,171</u>
Diluted weighted average shares outstanding (Non-GAAP)	<u>152,975</u>	<u>155,714</u>	<u>153,051</u>	<u>156,171</u>