



## NEWS RELEASE

# Jabil Posts Third Quarter Results

6/16/2022

## Raises Outlook for Fiscal Year 2022

ST. PETERSBURG, Fla.--(BUSINESS WIRE)-- Today, Jabil Inc. (NYSE: JBL), reported preliminary, unaudited financial results for its third quarter of fiscal year 2022.

"The effectiveness of our business model was on display during Q3, as the team delivered strong revenue and earnings results," said Chairman and CEO Mark Mondello. "Our diversified approach has been designed to be flexible and resilient as we aim to deliver for both our customers and stakeholders. During the quarter, I believe the team did an outstanding job rising to the challenge," he added.

## Third Quarter of Fiscal Year 2022 Highlights:

- Net revenue: \$8.3 billion
- Diversified Manufacturing Services (DMS) year-on-year revenue growth: 7 percent
- Electronics Manufacturing Services (EMS) year-on-year revenue growth: 23 percent
- U.S. GAAP operating income: \$321 million
- U.S. GAAP diluted earnings per share: \$1.52
- Core operating income (Non-GAAP): \$352 million
- Core diluted earnings per share (Non-GAAP): \$1.72

## Fourth Quarter of Fiscal Year 2022 Outlook:

- Net revenue
- U.S. GAAP operating income
- U.S. GAAP diluted earnings per share
- Core operating income (Non-GAAP) (1)
- Core diluted earnings per share (Non-GAAP) (1)

\$8.1 billion to \$8.7 billion  
\$367 million to \$427 million  
\$1.78 to \$2.18 per diluted share  
\$390 million to \$450 million  
\$1.94 to \$2.34 per diluted share

## Fiscal Year 2022 Updated Outlook:

"As we look ahead, we see solid demand in key areas of our business," continued Mondello. "Given this ongoing momentum, we now expect FY22 revenue to be in the neighborhood of \$32.8 billion and core EPS to be \$7.45,"

added Mondello.

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(1)Core operating income and core diluted earnings per share exclude anticipated adjustments of \$8 million for amortization of intangibles (or \$0.06 per diluted share) and \$15 million for stock-based compensation expense and related charges (or \$0.10 per diluted share).

(Definitions: “U.S. GAAP” means U.S. generally accepted accounting principles. Jabil defines core operating income as U.S. GAAP operating income less amortization of intangibles, stock-based compensation expense and related charges, restructuring, severance 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 plus other components of net periodic benefit cost. Jabil defines core earnings as U.S. GAAP net income before amortization of intangibles, stock-based compensation expense and related charges, restructuring, severance 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, loss on debt extinguishment, loss (gain) 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. Jabil defines core diluted earnings per share as core earnings divided by the weighted average number of outstanding diluted shares as determined under U.S. GAAP. Jabil defines adjusted free cash flow as net cash provided by (used in) operating activities less net capital expenditures (acquisition of property, plant and equipment less proceeds and advances from sale of property, plant and equipment). Jabil reports core operating income, core earnings, core diluted earnings per share and adjusted free cash flow to provide investors an additional method for assessing operating income, earnings, diluted earnings per share and adjusted free cash flow from what it believes are its core manufacturing operations. See the accompanying reconciliation of Jabil’s core operating income to its U.S. GAAP operating income, its calculation of core earnings and core diluted earnings per share to its U.S. GAAP net income and U.S. GAAP earnings per share and additional information in the supplemental information.)

**Forward-Looking Statements:** This release contains forward-looking statements, including those regarding our anticipated financial results for our third quarter of fiscal year 2022 and our guidance for future financial performance in our fourth quarter of fiscal year 2022 (including, net 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) results and the components thereof, including but not limited to amortization of intangibles and stock-based compensation expense and related charges) and our full year 2022 (including net revenue and core earnings per share (Non-GAAP)). The statements in this release 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 third quarter of fiscal year 2022 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, including geopolitical uncertainties in Russia and Ukraine; 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, 2021 and our other filings with the Securities and Exchange Commission. We assume no obligation to update these forward-looking statements.

**Supplemental Information Regarding Non-GAAP Financial Measures:** Jabil provides supplemental, non-GAAP financial measures in this release to facilitate evaluation of Jabil's core operating performance. These non-GAAP measures exclude certain amounts that are included in the most directly comparable U.S. GAAP measures, do not have standard meanings and may vary from the non-GAAP financial measures used by other companies. Management believes these "core" financial measures are useful measures that facilitate evaluation of the past and future performance of Jabil's ongoing operations on a comparable basis.

Jabil reports core operating income, core earnings, core diluted earnings per share and adjusted free cash flows to provide investors an additional method for assessing operating income, earnings, earnings per share and adjusted free cash flow from what it believes are its core manufacturing operations. Among other uses, management uses non-GAAP financial measures to make operating decisions, assess business performance and as a factor in determining certain employee performance when determining incentive compensation. The Company determines the tax effect of the items excluded from core earnings and core diluted earnings per share based upon evaluation of the statutory tax treatment and the applicable tax rate of the jurisdiction in which the pre-tax items were incurred, and for which realization of the resulting tax benefit, if any, is expected. In certain jurisdictions where the Company does not expect to realize a tax benefit (due to existing tax incentives or a history of operating losses or other factors resulting in a valuation allowance related to deferred tax assets), a reduced or 0% tax rate is applied. Detailed definitions of certain of the core financial measures are included above under "Definitions" and a reconciliation of the disclosed core financial measures to the most directly comparable U.S. GAAP financial measures is included under the heading "Supplemental Data" at the end of this release.

**Meeting and Replay Information:** Jabil will hold a conference call today at 8:30 a.m. ET to discuss its earnings for the third quarter of fiscal year 2022. To access the live audio webcast and view the accompanying slide presentation, visit the Investor Relations section of Jabil's website, located at <https://investors.jabil.com>. An archived replay of the webcast will also be available after completion of the call.

**About Jabil:** Jabil (NYSE: JBL) is a manufacturing solutions provider with over 260,000 employees across 100 locations in 30 countries. The world's leading brands rely on Jabil's unmatched breadth and depth of end-market experience, technical and design capabilities, manufacturing know-how, supply chain insights and global product management expertise. Driven by a common purpose, Jabil and its people are committed to making a positive impact on their local community and the environment. Visit [www.jabil.com](http://www.jabil.com) to learn more.

CONDENSED CONSOLIDATED BALANCE SHEETS  
(in millions)

|   | May 31, 2022<br>(unaudited) | August 31, 2021 |
|---|-----------------------------|-----------------|
| <b>ASSETS</b>   |                             |                 |
| Current assets:   |                             |                 |
| Cash and cash equivalents                                   | \$ 1,070                    | \$ 1,567        |
| Accounts receivable, net                                    | 3,193                       | 3,141           |
| Contract assets   | 1,276                       | 998             |
| Inventories, net  | 5,981                       | 4,414           |
| Prepaid expenses and other current assets                   | 952                         | 757             |
| Total current assets  | 12,472                      | 10,877          |
| Property, plant and equipment, net                          | 3,894                       | 4,075           |
| Operating lease right-of-use asset                          | 481                         | 390             |
| Goodwill and intangible assets, net                         | 878                         | 897             |
| Deferred income taxes                                       | 174                         | 176             |
| Other assets  | 272                         | 239             |
| Total assets  | \$ 18,171                   | \$ 16,654       |
| <b>LIABILITIES AND EQUITY</b>                               |                             |                 |
| Current liabilities:  |                             |                 |
| Current installments of notes payable and long-term debt    | \$ 1                        | \$ —            |
| Accounts payable  | 7,082                       | 6,841           |
| Accrued expenses  | 4,744                       | 3,734           |
| Current operating lease liabilities                         | 115                         | 108             |
| Total current liabilities                                   | 11,942                      | 10,683          |
| Notes payable and long-term debt, less current installments | 2,874                       | 2,878           |
| Other liabilities   | 289                         | 334             |
| Non-current operating lease liabilities                     | 405                         | 333             |
| Income tax liabilities                                      | 190                         | 178             |
| Deferred income taxes                                       | 114                         | 111             |
| Total liabilities   | 15,814                      | 14,517          |
| Commitments and contingencies                               |                             |                 |
| Equity:   |                             |                 |
| Jabil Inc. stockholders' equity:                            |                             |                 |
| Preferred stock   | —                           | —               |
| Common stock  | —                           | —               |
| Additional paid-in capital                                  | 2,622                       | 2,533           |
| Retained earnings   | 3,333                       | 2,688           |
| Accumulated other comprehensive loss                        | (20)                        | (25)            |
| Treasury stock, at cost                                     | (3,579)                     | (3,060)         |
| Total Jabil Inc. stockholders' equity                       | 2,356                       | 2,136           |
| Noncontrolling interests                                    | 1                           | 1               |
| Total equity  | 2,357                       | 2,137           |
| Total liabilities and equity                                | \$ 18,171                   | \$ 16,654       |

JABIL INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
(in millions, except for per share data)  
(Unaudited)

|  | Three months ended |              | Nine months ended |              |
|--|--------------------|--------------|-------------------|--------------|
|  | May 31, 2022       | May 31, 2021 | May 31, 2022      | May 31, 2021 |
| Net revenue  | \$ 8,328           | \$ 7,215     | \$ 24,448         | \$ 21,876    |
| Cost of revenue  | 7,709              | 6,647        | 22,545            | 20,104       |
| Gross profit   | 619                | 568          | 1,903             | 1,772        |
| Operating expenses:  |                    |              |                   |              |
| Selling, general and administrative                                | 282                | 305          | 870               | 914          |
| Research and development   | 8                  | 10           | 25                | 27           |
| Amortization of intangibles  | 8                  | 12           | 24                | 35           |
| Restructuring, severance and related charges                       | —                  | 1            | —                 | 6            |
| Operating income   | 321                | 240          | 984               | 790          |
| Loss on debt extinguishment  | 4                  | —            | 4                 | —            |
| Gain on securities   | —                  | (2)          | —                 | (2)          |
| Interest and other, net  | 39                 | 29           | 101               | 85           |
| Income before income tax   | 278                | 213          | 879               | 707          |
| Income tax expense   | 60                 | 43           | 198               | 184          |
| Net income   | 218                | 170          | 681               | 523          |
| Net income attributable to noncontrolling interests, net of tax    | —                  | 1            | —                 | 2            |
| Net income attributable to Jabil Inc.                              | \$ 218             | \$ 169       | \$ 681            | \$ 521       |
| Earnings per share attributable to the stockholders of Jabil Inc.: |                    |              |                   |              |
| Basic  | \$ 1.55            | \$ 1.14      | \$ 4.77           | \$ 3.49      |
| Diluted  | \$ 1.52            | \$ 1.12      | \$ 4.67           | \$ 3.41      |

Weighted average shares outstanding:

|         |       |       |       |       |
|---------|-------|-------|-------|-------|
| Basic   | 140.4 | 148.1 | 142.6 | 149.5 |
| Diluted | 143.3 | 152.0 | 145.8 | 152.8 |

JABIL INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
(in millions)  
(Unaudited)

|   | Nine months ended |              |
|---|-------------------|--------------|
|   | May 31, 2022      | May 31, 2021 |
| Cash flows provided by operating activities:  |                   |              |
| Net income  | \$ 681            | \$ 523       |
| Depreciation, amortization, and other, net  | 768               | 730          |
| Change in operating assets and liabilities, exclusive of net assets acquired                                | (704)             | (582)        |
| Net cash provided by operating activities   | 745               | 671          |
| Cash flows used in investing activities:  |                   |              |
| Acquisition of property, plant and equipment  | (1,068)           | (878)        |
| Proceeds and advances from sale of property, plant and equipment  | 470               | 287          |
| Cash paid for business and intangible asset acquisitions, net of cash                                       | (18)              | (50)         |
| Other, net  | —                 | (3)          |
| Net cash used in investing activities   | (616)             | (644)        |
| Cash flows used in financing activities:  |                   |              |
| Borrowings under debt agreements  | 2,621             | 1,081        |
| Payments toward debt agreements   | (2,707)           | (908)        |
| Payments to acquire treasury stock  | (475)             | (262)        |
| Dividends paid to stockholders  | (37)              | (38)         |
| Net proceeds from exercise of stock options and issuance of common stock under employee stock purchase plan | 26                | 20           |
| Treasury stock minimum tax withholding related to vesting of restricted stock                               | (44)              | (21)         |
| Other, net  | (23)              | (49)         |
| Net cash used in financing activities   | (639)             | (177)        |
| Effect of exchange rate changes on cash and cash equivalents  | 13                | (3)          |
| Net decrease in cash and cash equivalents   | (497)             | (153)        |
| Cash and cash equivalents at beginning of period  | 1,567             | 1,394        |
| Cash and cash equivalents at end of period  | \$ 1,070          | \$ 1,241     |

JABIL INC. AND SUBSIDIARIES  
SUPPLEMENTAL DATA  
RECONCILIATION OF U.S. GAAP FINANCIAL RESULTS TO NON-GAAP MEASURES  
(in millions, except for per share data)  
(Unaudited)

|  | Three months ended |              | Nine months ended |              |
|--|--------------------|--------------|-------------------|--------------|
|  | May 31, 2022       | May 31, 2021 | May 31, 2022      | May 31, 2021 |
| Operating income (U.S. GAAP)                         | \$ 321             | \$ 240       | \$ 984            | \$ 790       |
| Amortization of intangibles                          | 8                  | 12           | 24                | 35           |
| Stock-based compensation expense and related charges | 16                 | 19           | 67                | 76           |
| Restructuring, severance and related charges         | —                  | 1            | —                 | 6            |
| Net periodic benefit cost (1)                        | 7                  | 5            | 21                | 17           |
| Business interruption and impairment charges, net    | —                  | —            | —                 | (1)          |
| Acquisition and integration charges                  | —                  | —            | —                 | 4            |
| Adjustments to operating income                      | 31                 | 37           | 112               | 137          |
| Core operating income (Non-GAAP)                     | \$ 352             | \$ 277       | \$ 1,096          | \$ 927       |
| Net income attributable to Jabil Inc. (U.S. GAAP)    | \$ 218             | \$ 169       | \$ 681            | \$ 521       |
| Adjustments to operating income                      | 31                 | 37           | 112               | 137          |
| Loss on debt extinguishment                          | 4                  | —            | 4                 | —            |
| Gain on securities                                   | —                  | (2)          | —                 | (2)          |
| Net periodic benefit cost (1)                        | (7)                | (5)          | (21)              | (17)         |
| Adjustments for taxes                                | —                  | (1)          | —                 | (2)          |
| Core earnings (Non-GAAP)                             | \$ 246             | \$ 198       | \$ 776            | \$ 637       |
| Diluted earnings per share (U.S. GAAP)               | \$ 1.52            | \$ 1.12      | \$ 4.67           | \$ 3.41      |

|  |    |       |    |       |    |       |    |       |
|--|----|-------|----|-------|----|-------|----|-------|
| Diluted core earnings per share (Non-GAAP)                         | \$ | 1.72  | \$ | 1.30  | \$ | 5.32  | \$ | 4.17  |
| Diluted weighted average shares outstanding (U.S. GAAP & Non-GAAP) |    | 143.3 |    | 152.0 |    | 145.8 |    | 152.8 |

(1) In accordance with Accounting Standards Update 2017-07, Compensation - Retirement Benefits (Topic 715) ("ASU 2017-07"), pension service cost is recognized in cost of revenue and all other components of net periodic benefit cost, including return on plan assets, are presented in other expense. We are reclassifying the pension components in other expense to core operating income as we assess operating performance, inclusive of all components of net periodic benefit cost, with the related revenue. There is no impact to core earnings or diluted core earnings per share for this adjustment.

JABIL INC. AND SUBSIDIARIES  
SUPPLEMENTAL DATA  
ADJUSTED FREE CASH FLOW  
(in millions)  
(Unaudited)

|  | Nine months ended |              |
|--|-------------------|--------------|
|  | May 31, 2022      | May 31, 2021 |
| Net cash provided by operating activities (U.S. GAAP)            | \$ 745            | \$ 671       |
| Acquisition of property, plant and equipment                     | (1,068)           | (878)        |
| Proceeds and advances from sale of property, plant and equipment | 470               | 287          |
| Adjusted free cash flow (Non-GAAP)                               | \$ 147            | \$ 80        |

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Source: Jabil, Inc.