

# Third Quarter 2017 Earnings Review



June 14, 2017

**JABIL**

## Forward-Looking Statements

**Forward Looking Statements:** *This presentation contains forward-looking statements, including those regarding our anticipated financial results for our third quarter of fiscal year 2017; our guidance for future financial performance in our fourth quarter of fiscal year 2017 (including, net revenue, total company and segment revenue, U.S. GAAP operating income, U.S. GAAP diluted earnings (loss) per share, core operating income (Non-U.S. GAAP), and core diluted earnings per share (Non-U.S. GAAP) results and the components thereof, in each case for our fourth quarter of fiscal year 2017); statements that relate to the Company's capital allocation framework, including our share repurchase program thereunder, the amount of shares to be repurchased and the timing of such repurchase; and statements regarding our future earnings per share expectations. 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 third quarter of fiscal year 2017 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; 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, 2016 and our other filings with the Securities and Exchange Commission. We assume no obligation to update these forward-looking statements.*

## Third Quarter 2017 Income Highlights

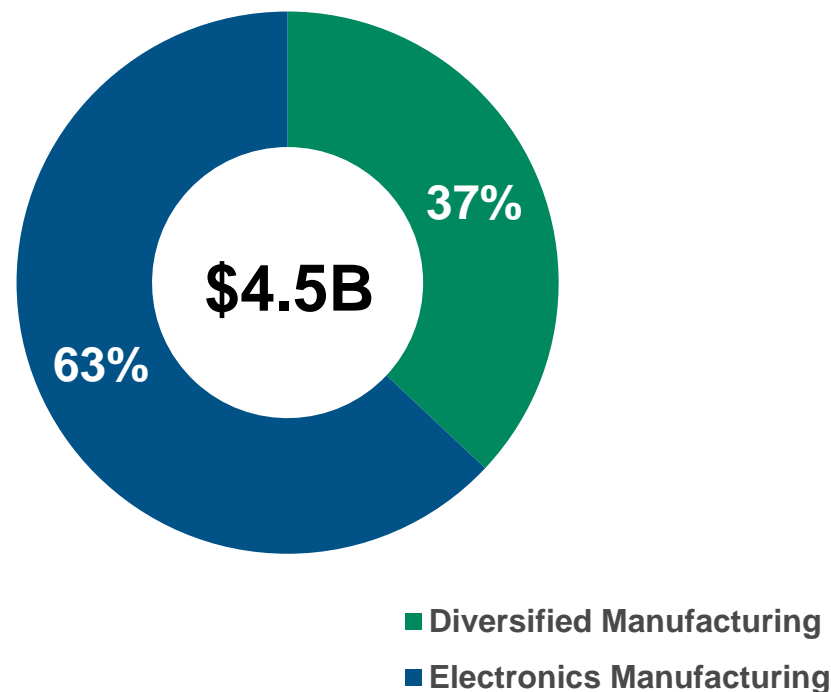
	Three months ended	
	May 31, 2017	May 31, 2016
Net revenue	\$4,490	\$4,311
<b>U.S. GAAP operating income</b>	\$43	\$60
<b>U.S. GAAP net (loss) income</b>	\$(25)	\$5
<b>U.S. GAAP diluted (loss) earnings per share</b>	\$(0.14)	\$0.03
<b>Core operating income (non-U.S. GAAP)</b>	\$114	\$87
<b>Core earnings (non-U.S. GAAP)</b>	\$57	\$32
<b>Core diluted earnings per share (non-U.S. GAAP)</b>	\$0.31	\$0.17

3 (In millions, except for per share data)



# Third Quarter 2017 Segment Results

- **Diversified Manufacturing**
  - Revenue increase of 14%
  - Core margin (non-U.S.GAAP) of 0.2%
- **Electronics Manufacturing**
  - Revenue decrease of 1%
  - Core margin (non-U.S.GAAP) of 3.9%
- **Total Company**
  - Revenue increase of 4%
  - Core margin (non-U.S.GAAP) of 2.5%



# Fourth Quarter 2017 Guidance

Segment Revenue Guidance	Q4 2017E	YoY Change
Diversified Manufacturing	\$2.05B	26%
Electronics Manufacturing	\$2.85B	2%

Net revenue	\$4.7B - \$5.1B
U.S. GAAP operating income	\$95M - \$165M
U.S. GAAP diluted earnings per share	\$0.13 - \$0.48
Core operating income (non-U.S. GAAP)	\$165M - \$215M
Net interest expense *	\$35M
Core tax rate (non-U.S. GAAP) **	27%
Core diluted earnings per share (non-U.S. 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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# Third Quarter 2017 Operating Performance

	Q3 2017
Sales, General & Administrative (non-U.S. GAAP)	\$216M
Stock-Based Compensation	\$18M
Amortization of Intangibles	\$9M
Research & Development	\$7M
Net Interest Expense *	\$36M
Core Tax Rate (non-U.S GAAP) **	27%
Net Capital Expenditures ***	\$138M

\* 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, distressed customer charges, restructuring and related charges and impairment on securities.

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



## Reconciliation of U.S. GAAP to Core Measures (Non-U.S. GAAP)

	Three months ended May 31, 2017
<i>(in thousands, except for per share data)</i>	
<b>Operating income U.S. GAAP</b>	<b>\$ 43,383</b>
Amortization of intangibles	9,174
Stock-based compensation expense and related charges	18,350
Distressed customer charges	10,198
Restructuring and related charges	32,700
<b>Core operating income (Non-U.S. GAAP)</b>	<b>\$ 113,805</b>
<b>Net revenue</b>	<b>\$ 4,489,557</b>
<b>Operating margin U.S. GAAP</b>	<b>1.0%</b>
Amortization of intangibles	0.2%
Stock-based compensation expense and related charges	0.4%
Distressed customer charges	0.2%
Restructuring and related charges	0.7%
<b>Core operating margin (Non-U.S. GAAP)</b>	<b>2.5%</b>
Operating margin is derived by dividing operating income (U.S. GAAP) by net revenue.	
Core operating margin is derived by dividing core operating income (Non-U.S. GAAP) by net revenue.	
<b>Sales, general &amp; administrative U.S. GAAP</b>	<b>\$ 233,884</b>
Stock-based compensation expense and related charges	18,350
<b>Sales, general &amp; administrative (Non-U.S. GAAP)</b>	<b>\$ 215,534</b>

	Three months ended May 31, 2017
<b>Net (loss) income attributable to Jabil Circuit, Inc. (U.S. GAAP)</b>	<b>\$ (25,281)</b>
Amortization of intangibles	9,174
Stock-based compensation expense and related charges	18,350
Distressed customer charges	10,198
Restructuring and related charges	32,700
Impairment on securities	11,539
Adjustment for taxes	431
<b>Core earnings (Non-U.S. GAAP)</b>	<b>\$ 57,111</b>
<b>Weighted average diluted shares outstanding used in the calculation of earnings per share</b>	
<b>U.S. GAAP</b>	<b>181,038</b>
<b>Non-U.S. GAAP</b>	<b>184,940</b>
<b>Diluted (loss) earnings per share (U.S. GAAP)</b>	<b>\$ (0.14)</b>
Amortization of intangibles	0.05
Stock-based compensation expense and related charges	0.10
Distressed customer charges	0.06
Restructuring and related charges	0.18
Impairment on securities	0.06
Adjustment for taxes	0.00
<b>Core diluted earnings per share (Non-U.S. GAAP)</b>	<b>\$ 0.31</b>