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EDITED TRANSCRIPT

JBL - Jabil Inc Annual Shareholders Meeting

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CORPORATE PARTICIPANTS

Beth A. Walters *Jabil Inc. - SVP of Communications & IR*

Forbes I. J. Alexander *Jabil Inc. - CFO*

Mark T. Mondello *Jabil Inc. - CEO & Director*

Susan Wagner-Fleming *Jabil Inc. - VP & Corporate Secretary*

CONFERENCE CALL PARTICIPANTS

Douglas Ives

PRESENTATION

Beth A. Walters - *Jabil Inc. - SVP of Communications & IR*

Good morning, shareholders, friends and employees of Jabil. I'm Beth Walters, Senior Vice President of Communications and Investor Relations, and on behalf of the Jabil management team, welcome to our 2018 shareholder meeting.

This morning, I'd like to start off by thanking one of our directors who will not be standing for reelection this year, Frank Newman. Frank joined our board nearly 20 years ago in 1998, just as Jabil was moving to the New York Stock Exchange and we are posting for the first time revenues of over \$1 billion. We were operating out of 11 locations and employing just over 5,000. That seems like such a long time ago. Frank has been a thoughtful and very steady voice as Jabil has grown through the years, and helping us celebrate our 50th anniversary in 2015, he now leaves Jabil in much better shape than we've ever been before. So please join me in acknowledging him, because we know he's listening in to the webcast today, with a round of applause for his service.

Thank you, Frank. We will miss you. But moving on, let me introduce Jabil's current Board of Directors: Timothy Main, our Chairman of the Board since 2013 and a Director since 1999; Thomas Sansone, our Vice Chairman since he retired from Jabil in 1999 and a Director since 1983; Mark Mondello, Jabil's Chief Executive Officer and a Director since 2013; Steve Raymund, a Director since 1996; David Stout, a Director since 2009; Martha Brooks who joined us in 2011; Anousheh Ansari, who joined us in 2016; and John Plant who also joined the Jabil board in 2016.

I'd also like to introduce Chris Holland who is standing for election at this meeting. Chris' broad-based acumen in finance, operations and strategy has helped grow and transform businesses such as JPMorgan, ARAMARK and Bard. We believe his experience and expertise will be a tremendous asset to Jabil and we're looking forward to his contributions.

Next, I'd like to introduce 2 of Jabil's officers that will participate with us today: Forbes Alexander, our Chief Financial Officer; and Susan Wagner-Fleming, our Vice President and Corporate Secretary. And then a final thank you to all the many other Jabil shareholders, corporate officers and employees who are in attendance today.

Also with us today are Randall Duncan and Travis Elrod of Ernst & Young LLP, Jabil's independent registered public accounting firm. Both will be available to answer questions concerning Ernst & Young and its services to the company.

We are audio webcasting this meeting live on Jabil's website at jabil.com and in addition, an indexed replay of this webcast will be available at approximately 1:30 Eastern Time this afternoon, Thursday, January 25. This replay will be posted on Jabil's website in the Investor Relations section.

During the course of today's presentation and during the question-and-answer session, we will be making some forward-looking statements, and I refer you to the documents that we file with the SEC to be sure you're aware of any risks associated with those forward-looking statements.



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We will begin our annual meeting by voting on the matters identified in the notice of this meeting. The administrative and official voting portions as outlined in the notice provided to shareholders of record as of November 30, 2017 will be handled by Jabil's Corporate Secretary, Susan Wagner-Fleming. Susan?

Susan Wagner-Fleming - *Jabil Inc. - VP & Corporate Secretary*

Good morning. The meeting is now called to order. We have appointed Douglas Ives of Computershare Trust Company, Jabil's stock transfer agent, to act as the Inspector of Election. Mr. Ives has taken and signed an oath as Inspector of Election and will confirm that we have a quorum for the meeting. He will also count the votes on each item of business and will report the results after all business has been concluded.

Computershare Trust Company has certified in an affidavit that notice of this meeting has been duly given and that on or about December 12, 2017, a proxy statement, proxy card and the 2017 annual report were furnished to all those who were shareholders of record as of November 30, 2017. Copies of those proxy materials, the Affidavit of Mailing and the oath signed by Mr. Ives as Inspector of Election will be filed with the minutes of today's meeting.

Mr. Ives, would you please confirm that a quorum of shares entitled to vote at this meeting is represented either in person or by proxy?

Douglas Ives

I so confirm.

Susan Wagner-Fleming - *Jabil Inc. - VP & Corporate Secretary*

Thank you. I therefore declare this meeting to be duly constituted. Following the meeting, Mr. Ives will prepare and deliver a report that includes the final count of shares eligible to vote and be represented at today's meeting, which will be filed in the company's records.

We will begin with the approval of the minutes of last year's Annual Meeting of Shareholders held on January 26, 2017. These minutes were available to all shareholders as they registered this morning. Are there any objections to waiving the reading of the minutes from last year's meeting or any questions on the minutes?

Hearing none, the minutes are approved. The formal business of this meeting is stated in the notice of annual meeting in the proxy statement. Each of the following proposals is described in the proxy materials that were provided to all shareholders of record for this meeting.

We will now consider the proposals set forth in that notice. Voting on the proposals will be by both proxy and ballot. If there are any shareholders who want to vote today, either because you've not previously submitted a proxy or because you want to change your vote, we ask that you please complete or revise a ballot or proxy card at this time. If you need a ballot or proxy, please raise your hand and we will give one to you.

Voting is now open and will be closed immediately after review of the matters to be voted on. If you are voting today, please prepare to mark your ballot or proxy now.

The first proposal is to elect 9 directors to serve until the next Annual Meeting of Shareholders or until their respective successors are duly elected and qualified. The nominees for Director are: Anousheh Ansari, Martha F. Brooks, Christopher S. Holland, Timothy L. Main, Mark T. Mondello, John C. Plant, Steven A. Raymund, Thomas A. Sansone, and David M. Stout. No other director nominations were received prior to the deadline specified in our bylaws and noted in last year's proxy statement. Nominations for director, therefore, have already been closed.

The second item of business is to ratify the appointment of the firm of Ernst & Young LLP as Jabil's independent registered public accounting firm for the fiscal year ended August 31, 2018.

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The third item of business is to approve, on an advisory basis, the frequency of future advisory shareholder votes to approve Jabil's executive compensation.

The fourth item of business is to approve, also on an advisory basis, Jabil's executive compensation. No notices or proposals for new business to be acted upon at this annual meeting were received by the deadline established in our bylaws. Accordingly, the floor is now closed to any additional motions or proposals.

If anyone is voting today, please mark your ballots and raise your hand, so we can collect them from you. Seeing no markings and that everyone has been collected or counted, voting is now closed.

Mr. Ives, as the Inspector of Election, would you please provide the preliminary report on the results of the voting?

Douglas Ives

Certainly, Mrs. Wagner-Fleming. Based upon a preliminary tabulation of the proxies and ballots received, I can report that with respect to the election of directors, each of the nominees for director has been elected by a majority of the votes actually cast with respect to the directors' election.

The proposal to ratify the appointment of Ernst & Young LLP as the company's independent registered public accounting firm for the fiscal year ending August 31, 2018, has been ratified by a majority of the shares present or represented by proxy and actually cast on this proposal.

With respect to the proposal to approve on an advisory basis the frequency of future advisory shareholder votes to approve Jabil's executive compensation, the highest number of votes were cast for an annual frequency, which is approved as the recommendation of shareholders on frequency.

The proposal to approve on an advisory basis Jabil's executive compensation has been approved by a majority of the shares present or represented by proxy and actually cast on this item.

Susan Wagner-Fleming - *Jabil Inc. - VP & Corporate Secretary*

Thank you, Mr. Ives. A final tabulation of the votes will be included in the certificate of Inspector of Election to be filed with the minutes of this meeting and will also be reported in a current report on Form 8-K.

There will be an opportunity for questions from shareholders following the business presentation. The formal portion of this meeting is now concluded and I move for adjournment.

As a result, the formal portion of the meeting is now adjourned, and I'd like to turn it back over to Beth Walters.

Beth A. Walters - *Jabil Inc. - SVP of Communications & IR*

Thank you, Susan. Now that we have finished up with the official business of the shareholder meeting, we'd like to spend a few minutes on really what we do for a living, as we like to say. Jabil's CEO, Mark Mondello, has a few opening remarks. We also have a couple of videos to really bring Jabil to life. And following his comments, shareholders will have an opportunity for any questions for both Mark and Forbes Alexander. Mark?



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Mark T. Mondello - Jabil Inc. - CEO & Director

Thanks, Beth. So before I get into the business content, as typical, I wanted to offer a thanks to all our people here at Jabil. Thanks for their commitment, their dedication, thanks for what they do every day, taking great care of our customers, most importantly, their focus and making safety a priority across the organization.

I also wanted to give a shout-out to Frank Newman. So as Beth mentioned in her opening, Frank was on our board for roughly 20 years. I communicated earlier this week with Frank. Frank had a medical procedure and can't travel. I know he would have loved to have been here with us today. But Frank, I know you're listening. Thanks for everything, and we wish you a quick and complete recovery.

And then also a warm welcome to our newest board member, Chris Holland. I've gotten to know Chris a bit the last couple of months, and I'm highly confident that Chris is going to be a great board member. And Chris, thanks for your confidence in Jabil.

So I thought I'd open up the business content today with sharing some thoughts about what's top of mind for the leadership team and management. We have a lot of decisions to make. The business is awfully complicated. And so one of the things we do is we use these 5 areas of thought as we're thinking about our actions and we're thinking about our decisions.

And I'll start with the what. And for us, the what is about the results. Results for us are really important, we're a public company. The nice thing is, is the results for our team are very natural. The team is very, very results oriented. But along with the results is the who, the why, the how and where we're headed. I think results in and of themselves, I think results in a vacuum, I think results standalone tend to lead a company maybe not down the most optimal path from a sustainability standpoint. So I'd like to share with you kind of some thoughts on each of the elements, starting with the who.

So the one nice thing about Jabil is, is we're big. We're really big. We've got facilities all over across 30 countries. We've got 40-plus million square feet of manufacturing space. The company is pacing at roughly \$20 billion of revenue, and we've got lots and lots of people that take great care of our customers. Why do I think that's important? I think it's important because I think it's a tremendous barrier to the entry for companies to try to do or duplicate what Jabil does.

The second part of our who is our people. And for me, Jabil is a company that doesn't brand their own products. We don't have product IP per se. And so as a service business, a service business that takes care of great brands, the most important asset we have is our people. I think that one of the things that's so important to me is watching the actions of our people and watching how dedicated and committed they are.

And the first video I'm going to show you today, I hope, illustrates that. Beth's group, end of last year, put a video together and she did it in conjunction with the campaign we had around our culture. And it was a campaign around just going out unedited, kind of raw and asking a whole bunch of people in the company, "What do you think of Jabil? What do you think of the Jabil brand? What does Jabil mean to you?" So let's take a look.

(presentation)

Mark T. Mondello - Jabil Inc. - CEO & Director

So thanks, Beth. I've seen that video about a dozen times, maybe a little more, and every time I see it, it makes me smile. Everybody in that video cares a lot about our customers, cares a lot about the Jabil brand and they do care a lot about the results.

But I think the thing that's really cool about the video is, is you also have a group of people, and today, we're 170,000 180,000-people strong, they care about one another. So they take good care of those that work for them and they take good care of each other. We also have a group, and again prompted by a lot of the work Beth has done in the last 10 years, where, yes, delivering results, we're a public company, it's important. But we have a significant amount of our people that pay a lot of respect and attention to giving back to their communities.

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I also think what -- one of the things the video does is really gives you an indication of the diversity of thought we have across the company, which I think is really, really important for the business that we run, and also our focus on inclusion. And lastly, as it says up on the slide deck, we've got people that fixate on always doing what's right. And always doing it right -- what's right isn't the easiest decision, it's not the simplest decision, and sometimes, it becomes a little bit contentious. But I think always doing what's right is certainly embedded in our culture.

So going from kind of the who to the why. We ask ourselves a lot as a leadership team and a management team, why do we do what we do and why do we deserve to do what we do? So I look at this slide and it makes me proud. The slide's pretty busy, but I also look at this slide and it's pretty humbling. And the why for me is we have an incredibly broad base of domain experts and capabilities across the company. And the why for me, in terms of Jabil, is applying those capabilities across 12 to 13 independent end markets. And then the why for me is standing side-by-side, shoulder-to-shoulder with some of the greatest brands on the planet and delivering the coolest products and the coolest solutions to the marketplace.

So how about the how? So we've talked a little bit about who we are, a little bit about why we deserve to do what we do. And we think a lot about, as a leadership team, on how do we conduct ourselves. We talked about the results being important, results are important, but how we derive those results, I think, are every bit as important as the results themselves.

And one of the things that comes to mind to me is when we're talking as a leadership team about the how, we're a company that invests. And we not only invest for today, but we invest for tomorrow, and I think the investments we make and the aggressiveness of the investments we make is probably the #1 catalyst to the sustainability of the company.

And I just listed a couple of them up here. We're a manufacturing business, that's what we do. More and more of our customers want nothing to do with manufacturing because it's really, really hard. So if we're going to manufacture, we should be the best at it. And we're not there yet. But we do a lot of investments in smart factory. We do a lot of investments in automation and robotics. We also do a ton of investments in material science. We do, in the last 2 to 3 years, and we'll continue to accelerate this, 3D print and additive manufacturing.

And for those of you that follow any type of manufacturing or technology, additive manufacturing and 3D print is here to stay. It's going to be a big part of what we do going forward. And then lastly, over to your right, we're making a lot of investments in digital platforms.

And for me, the investments aren't just the investments. At Jabil, we make the investments, but the investments sit on an incredible platform, an incredible foundation, a foundation that is massive in terms of size and scale, a foundation that really allows us to be disciplined in our approach. And then the other thing here at Jabil is our structure gives us a real competitive advantage. We refer to our structure as kind of an autonomous market-facing structure. And it allows each and every person that's part of a different portion of our structure to really be expert in the customers they serve, in the end markets they serve.

So going full circle back to the what and the results. I think the who, the why, the how is incredibly important, but the what, being a public company, certainly is probably our #1 priority in combination with everything else. So a little bit about the what are the results. Last year, FY '17, it was a great year for the company. And for those of you that follow us, we've got the company split up into 2 segments. We've got our Diversified Manufacturing segment and we've got our EMS segment.

Our Diversified Manufacturing segment grew 9% year-on-year. And in this environment, I would contend that's a really good year. In terms of our EMS segment, they continued to expand margins. Our EMS segment, just 3.5, 4 years ago, was running margins at 2.2%, 2.4%. In fiscal year '16, the margins were around 3.4%, and in fiscal year '17, they expanded another 50- basis points to 3.9%. So again, congrats to the folks that both work in our DMS segment and our EMS segment.

Collectively as a company, when we put it all together, fiscal year '17 saw us deliver core earnings per share of \$2.11. You compare that to the year before in fiscal year '16, fiscal year '16, we did \$1.85, \$1.86, so 13% growth. Again, in this environment, I would contend that's really good results, results that we're proud of.



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If I take kind of the straight results aside for a minute in terms of earnings. The other thing that the team did really, really well in fiscal year '17 was manage our cash flows and deliver cash flows. So collectively, we delivered cash flows in fiscal year '17 of right near \$1.25 billion. Why is cash flows important to us? It's important because the cash flows to the business are really our oxygen.

And as part of the strong cash flows during fiscal year '17, we also returned about \$370 million to shareholders. So if I think about the 5 bullets up here, I look at it and I go, "We had a really good year." But I think more importantly to me as CEO isn't just the static point in time and the results in fiscal year '17. It's the composition of the results.

When you go, when you really dig deep into how these results were delivered, how these results were posted, it was across a broad number of customers, a broad number of products, a significant amount of end markets. And again, our company is as diversified as it's ever been. And we contend in our efforting to be sure it's more and more diversified as we move through '18 and '19. And I think that's going to be really, really good for shareholders, going forward.

So I talked about the cash flows. And again, when we report our results, everybody obsesses about the earnings per share and rightfully so. But Forbes and I spend a lot of time thinking about cash management and the cash flows and the strength of the cash flows of the company. And I mentioned on the previous slide, why is that so important? Again, because it gives us oxygen.

One of the things that Forbes said in September of 2016 at our formal Investor Day is, Forbes said, "We're going to effort as a management team to generate about \$3.5 billion of cash flow for fiscal year '17, '18 and '19 in aggregate or combined. We're on track to do that. I just mentioned, in FY '17, we generated cash flows from operations of about \$1.25 billion. And again, we're on track to aggregate up to \$3.5 billion over a 3-year time frame.

Why is the \$3.5 billion important? Well, back in June of 2016, during our June call, Forbes and I committed, with the approval of our board, to put in place a 2-year capital return framework. And in that framework, we said if we do our job and if we have strong cash flows, we're going to deliver \$1 billion back to shareholders in terms of dividends and share buybacks.

And I'm proud to say that we're on track to do that. So as it looks today, 7 months from now, end of August, which will be the end of our fiscal year '18, that's hard to believe, we'll have delivered close to \$1 billion back to shareholders.

But that's not where I'd stop with that. I mean, giving capital back to shareholders is awfully important, but our cash flows are strong enough to where the companies we want to buy, the capabilities we want to acquire, the R&D that we invest in, and our R&D is substantial -- I mentioned earlier that we serve 12 to 13 different end markets. And you can imagine the hundreds of capabilities we have in the companies today, both for use today and for sustainability in the future. And then lastly, after all of that is said and done, the cash flows are strong enough to where we can continue to invest in the organic growth in our business.

So it kind of brings us to the where. So we've talked a little bit about the who, a little bit about why we do what we do, why we deserve to do what we do and how we go about our business. But the where is super important. And as a management team, we talk a lot about we need a firm direction that everybody can get behind.

So where is the company headed? So I challenged the management team, both my direct reports and a number of others, to think about what's a really aspirational goal for the company. And I'd call this a destination, but I think it's more of a journey because I don't know that we'd ever get here under my tenure. Because it's awfully aspirational. It'd be kind of arrogant for us to say, "You know what, we're just the best company out there in terms of manufacturing, engineering, supply chain management, design." But that's who we aspire to be.

So what the team came up with is -- Jabil, we want our brand to stand for, and be, the most technologically advanced, and then the next 2 words are important, and trusted manufacturing solutions company on the planet. And again, I think about this more as a journey than a destination. But whether it's a journey or a destination, I think the other thing that we spend a lot of time talking about as a management team when we travel around to the facilities and we talk to our people, it's not about just getting there or it's not about making good progress to get there, it's about the how.



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And we're not going to do this unless we behave the right way. And so the one thing, as shareholders to the company, that you can trust us to do is, every single day, we look at keeping our people safe. Number two is we have an incredible respect for the environment. And lastly, we do our best to be near-perfect in terms of trust and integrity when dealing with our customers, and those out in the public forum.

So I thought it would be neat to give you a little bit of look at how might Jabil look in the not-so-distant future. So let's take a look at that.

(presentation)

Mark T. Mondello - Jabil Inc. - CEO & Director

So we're not there yet, but we're close. We're closer than you'd imagine. And again, if you can imagine that being our reality, it certainly keeps us on the right track to get to the where.

And when I think about the video, I think about, over the years, we've talked a lot about our core, what we do for a living as we build stuff. But building stuff is becoming more difficult and we just do so much more than that.

And the other part is, is traditional manufacturing, hammers, nails wrenches, screwdrivers, it's kind of gone. And there's so much requirement now for speed, for flexibility, for agility, and that's where we're making the investments in the digital platforms, both inside of our factories and overarching beyond the factories themselves.

And the last point here is, is the ecosystem we play in. It's just become exponentially more and more complicated, more and more grand, if you will. And for us, we believe that fewer and fewer people are going to be able to do what we do the way we do it, and that's pretty good news for Jabil.

So I'll close with a quote I like, and I actually mentioned this in our December call. And I think the quote reflects kind of where we're at in terms of the company today and in terms of change. So with that, I'll ask Forbes to come up and we'll do our best to answer any questions you might have. Forbes?

QUESTIONS AND ANSWERS

Mark T. Mondello - Jabil Inc. - CEO & Director

Yes, there's a microphone right here because it is webcast. If you could use the microphone, that'd be great.

Unidentified Participant

We saw some awfully pretty pictures, and I was very encouraged when you said we're close. So how close are we?

Mark T. Mondello - Jabil Inc. - CEO & Director

In terms of what, in terms of the digitization? In terms of where we want to go?

Unidentified Participant

Yes, I'd say where we want to go. If I come back to this meeting next year, will I hear you say, "We're already there," or are we still going to be close?

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Mark T. Mondello - Jabil Inc. - CEO & Director

Yes, I don't -- I think we're always going to be close, certainly for the next 5 years. And I say it that way because I -- the world's shifting really fast. Do I ever think Jabil gets to the point where we can firmly stand in front of shareholders and say, "We're absolutely the best at what we do," I hope so. But we're making a lot of investments. We're investing a lot in the digital, we're investing a lot in the capabilities. One thing I can say with a high degree of confidence is as you sit here next year, I think we can say that we've made good advancements. Whether we're already where we want to be in terms of journey and destination, probably not. Yes?

Unidentified Participant

Mark, awesome presentation by the way. It was most enjoyable.

Mark T. Mondello - Jabil Inc. - CEO & Director

Thank you.

Unidentified Participant

It was good. I have a question in regards to the products. In reading through the annual report, I was able to add up some 25-or-so different markets and end markets that you supply to and you build for. So my question is along that line. By my count, between your Electronics and your Diversified Manufacturing Services, along with investments that you may be looking at, there are some 25-plus markets for creating or increasing Jabil's revenue stream. So my question is, what currently is Jabil's #1 most active end market? An example might be mobility, Apple, cell phones, computers. And most important, what do you see as the next major product innovation to spur your growth in the years ahead? An example might be lights-out smart factories or GPS diversified driverless cars. By the way, I've already read Apple is already hard at work on this one. So I'm interested just to sort out all of your different markets. You can't accelerate in all of those. You've got a big, huge Titanic here that has to be moved and directed. So which ones that you see are now? Is it Apple? Apple is your #1 biggest customer. Or is it -- and then from there, where do you go? What is the next Apple for you guys?

Mark T. Mondello - Jabil Inc. - CEO & Director

It's always good having you at the meeting. You always ask great questions. So yes, Apple is our biggest customer today, that's public information. We don't talk much about Apple because they prefer it that way and we respect that. I think that if I think about -- I don't know that I think about any one particular customer or one product being the next biggest thing. And in fact, for shareholders, I actually think the opposite. I think if we get to a point of taking great care of our biggest customers, but at the same time, we grow other areas of our business, I could see a day where no particular product, no particular end market, no particular customer is more than 5% to 6% of our business. And if that occurs and it's an entity that's somewhere down the road is generating \$2 billion, \$2.5 billion of EBITDA and we're not over-relying on a single product, a single customer, a single end market, that's going to help us, certainly, in our journey and deliver our aspiration. If I think more about your question on what areas do I see as pretty fruitful for Jabil in the next 3 years, certainly, automotive. So you talked about autonomous driving, and you think about not only autonomous driving and intelligence and sensors, but you think about propulsion engines starting to give way to things that are very electronic-oriented. So automotive for sure. Energy. Energy and industrial, I think, are going to be great areas for us going forward. We're also fortunate, and again, it's a really good, maybe, indication of our continued diversification, but our EMS business and Alex Parimbelli's group, they do a lot with base stations, and every time you turn your phone on, there's -- it connects to a wireless network unless you're on WiFi. But whether you connect to WiFi or you connect to the cellular base stations, there's a high percentage that Jabil had something to do with those products. And the entire WiFi network has gone from 2G to 2.5G to 3G to 4G to LTE. Next is coming 5G. And 5G is going to open up the markets to lots of different technologies that need to operate without latency and enhanced speed. We're participating in that. So I think the 5G wireless network is also an area that will be quite good for us. And then more -- maybe not talking about end markets but talking about the company and the functionality and the capabilities, one of the things -- again, where we're not there yet. But if manufacturing is our core, we need to have the best factories in



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the world. And I'm really proud of our 42 million square feet of manufacturing and our factories are outstanding. Are all our factories the best? Nope. Do we have our factories compete against one another? We do. But I want to see a day where all our factories are the best factories in terms of smart factories, intelligence and robotics. So another area for us that will be big is robotics, automation, data analytics and digital. So that will be an area where, to this gentlemen's question, next year, when you come, I think we'll have a good update for you on the progress we've made in the areas in our own factories as well. So those are the areas that I think about in terms of the next 2 to 3 years that will drive importance and hopefully good valuation for the company.

Unidentified Participant

One more question.

Mark T. Mondello - Jabil Inc. - CEO & Director

Sure.

Unidentified Participant

In your presentation, and everything that I've read so far, I haven't heard anything about the tax plan that the government has put in and how that will affect Jabil. Will you guys get a better bottom line? Will you make more profit? What kind of things are you anticipating? And what sort of things are you looking at going forward? Are you going to up salaries of employees? Just what is -- you're looking at? I mean, 200 companies have done it, it's not so ridiculous to ask if Jabil is looking at that or where you see yourselves going.

Mark T. Mondello - Jabil Inc. - CEO & Director

That sounds like a perfect question for my friend and colleague, our CFO.

Forbes I. J. Alexander - Jabil Inc. - CFO

Thank you. (inaudible) Appreciate it.

Mark T. Mondello - Jabil Inc. - CEO & Director

Well, we appreciate you being with us a long time.

Forbes I. J. Alexander - Jabil Inc. - CFO

So in response to the tax reform question, which was obviously passed in December last year. So for Jabil, really, there's 2 key elements to that tax reform. Oversimplifying it, this reduction in the U.S. corporate tax rate, that will have no impact to us. Majority of our earnings, as our filings state, are earned overseas. So no immediate impact in that regard.

Unidentified Participant

(inaudible)

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Forbes I. J. Alexander - Jabil Inc. - CFO

Yes, so that's the second portion. The second portion of the reform really now allows corporations, U.S. domicile corporations to return cash earned or income earned overseas tax-free. Now in order to do that, there's a transition tax that's been applied to historical earnings. So there is a tax payment. We're working through that. As you know, legislation has just been passed in the last 4 weeks. And you referenced many companies coming out with billions of dollars of charges. Certainly, we're not going to be in those levels of taxes today, I think it will be very modest. Again, we're working through that and those will be paid over 8 years. What it actually does for us -- really allows us freedom of movement of cash, okay? So that will help us support some of the continued investments that Mark talked about, the returns to shareholders, investments in M&A and our ongoing organic growth there. So on the margin, essentially, what it does is allows us a little bit more freedom of cash and movement of cash and efficiency in our liquidity.

Mark T. Mondello - Jabil Inc. - CEO & Director

Well, thanks for being here today. We appreciate everybody that supports the company and is a shareholder. So again, thank you very much.

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