

Third Quarter Fiscal 2015 Results



June 17, 2015

JABIL

Forward-Looking Statement

FORWARD LOOKING STATEMENT: This presentation contains forward-looking statements, including those regarding our anticipated financial results for our third quarter of fiscal year 2015; our positioning for, and ability to capture future growth, in fiscal 2016; our delivery of revenue growth and core earnings per share for fiscal 2015; our continuing to invest for future growth; our currently expected fiscal year 2015 revenues and core earnings per share; and our currently expected fourth quarter of fiscal year 2015 net revenue (including that of our segments), core and U.S. GAAP operating income, core and U.S. GAAP diluted earnings per share results and the components thereof. 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. These risks and uncertainties include, but are not limited to: our determination as we finalize our financial results for our third quarter of fiscal year 2015 that our financial results and conditions differ from our current preliminary unaudited numbers set forth herein; fluctuations in our stock's market price; fluctuations in operating results and cash flows; unexpected, adverse seasonal impacts on demand; changes in macroeconomic conditions, both in the U.S. and internationally; the occurrence of, success and expected financial results from, product ramps; our financial performance during and after the current economic conditions; our ability to maintain and improve costs, quality and delivery for our customers; risks and costs inherent in litigation; whether our realignment of our capacity will adversely affect our cost structure, ability to service customers and labor relations; our ability to take advantage of perceived benefits of offering customers vertically integrated services; 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; our dependence on a limited number of large customers; business and competitive factors generally affecting the electronic manufacturing services industry, our customers and our business; other factors that we may not have currently identified or quantified; and other risks, relevant factors and uncertainties identified in our Annual Report on Form 10-K for the fiscal year ended August 31, 2014, subsequent Reports on Forms 10-Q and 8-K and our other securities filings. Jabil disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.



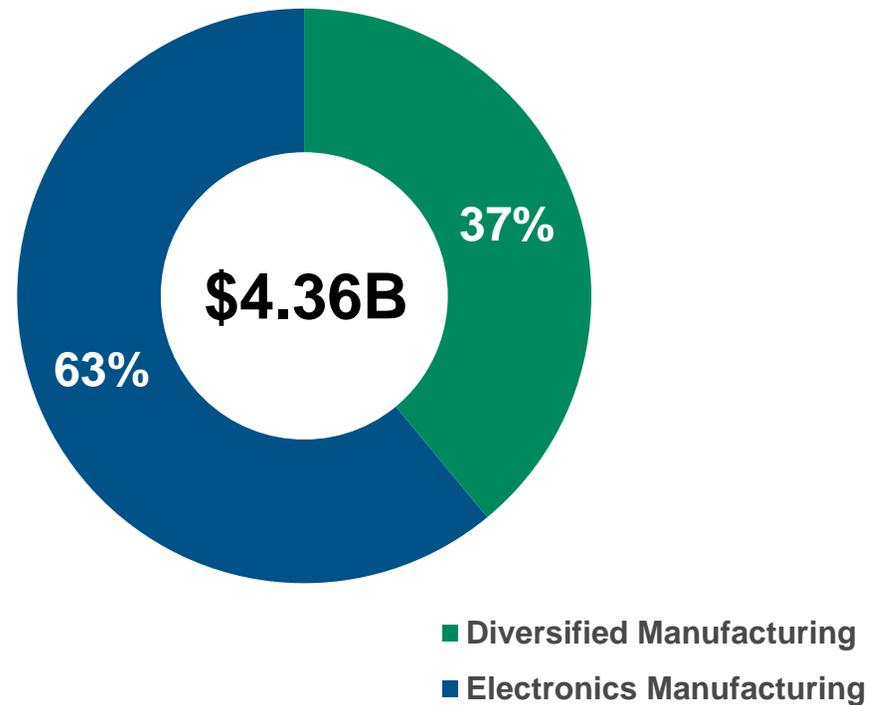
Third Quarter 2015 Income Highlights

	Three months ended	
	May 31, 2015	May 31, 2014
Net revenue	\$4,359	\$3,786
GAAP operating income	\$135	(\$2)
GAAP net income	\$72	\$188
GAAP net diluted earnings per share	\$0.37	\$0.93
Core operating income ¹	\$160	\$45
Core earnings ²	\$96	(\$11)
Core diluted earnings per share ³	\$0.49	(\$0.06)



Third Quarter 2015 Segment Results

- **Diversified Manufacturing – 37%**
 - Annual increase of 41%
 - Core margin⁴ 4.0%
- **Electronics Manufacturing – 63%**
 - Annual increase of 4%
 - Core margin⁴ 3.5%
- **Total Company**
 - Annual increase of 15%
 - Core margin⁴ 3.7%



Third Quarter 2015 Key Metrics

	May-31 2015
Cash Balance	\$963M
Cash Flow from Operations (YTD)	\$883M
Core EBITDA ⁷	\$290M
Core EBITDA Margin ⁸	6.7%
Core ROIC ⁵	17.1%



Fourth Quarter Outlook

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Fourth Quarter Fiscal 2015 Guidance

Net revenue	\$4.45B – \$4.65B
GAAP net diluted earnings per share	\$0.27 – \$0.38
Core operating income ¹	\$135M – \$165M
Net interest expense	\$32M
Core tax rate ⁹	26%
Core diluted earnings per share ³	\$0.40 – \$0.50



Fourth Quarter and Fiscal 2015 Outlook

Q4 2015E		
Diversified Manufacturing	Increase 35% year-on-year	\$1.75B
Electronics Manufacturing	Increase 1.5% year-on-year	\$2.8B
Total Company	Increase 12% year-on-year	\$4.45B - \$4.65B

FY 2015E	
Diversified Manufacturing	~\$7B
Electronics Manufacturing	~\$10.8B
Total Company	\$17.7B - \$17.9B

FY15 Core Diluted Earnings Per Share³ Range of \$1.95 - \$2.05

Appendix

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Third Quarter 2015 Operating Performance

	Q3 2015
Sales, General & Administrative	\$208M
Research & Development	\$7M
Amortization of Intangibles	\$6M
Stock-Based Compensation	\$20M
Net Interest Expense	\$31M
Core Tax Rate ⁹	25%
Net Capital Expenditures	\$259M



Fourth Quarter 2015 Operating Guidance

	Q4 2015
Sales, General & Administrative	\$209M
Research & Development	\$7M
Amortization of Intangibles	\$6M
Stock-Based Compensation	\$17M



Balance Sheet & Ratio Trends

	Q3 FY14	Q3 FY15
Sales cycle*	3 days	1 day
Inventory turns	8	7
Core return on invested capital "ROIC" ⁵	3%	17%

*Days in accounts receivable + days in inventory – days in accounts payable



Reconciliation of Non-GAAP Financial Measures

The financial results disclosed in this presentation include certain measures calculated and presented in accordance with GAAP. In addition to the GAAP financial measures, Jabil provides supplemental, non-GAAP financial measures to facilitate evaluation of Jabil's core operating performance. The non-GAAP financial measures disclosed in this presentation exclude certain amounts that are included in the most directly comparable GAAP measures. The non-GAAP or core financial measures disclosed in this presentation do not have standard meaning and may vary from non-GAAP financial measures used by other companies. Management believes core financial measures are a useful measure that facilitate evaluating the past and future performance of Jabil's ongoing operations on a comparable basis. Jabil reports core operating income, core return on invested capital, core earnings and core earnings per share to provide investors an additional method for assessing operating income, earnings and earnings per share from what it believes are its core manufacturing operations.

- 1. 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 costs and certain purchase accounting adjustments, loss on disposal of subsidiaries, settlement of receivables and related charges, impairment of notes receivable and related charges and goodwill impairment charges.
- 2. Core Earnings** – GAAP* net income before amortization of intangibles, stock-based compensation expense and related charges, restructuring and related charges, distressed customer charges, acquisition costs and certain purchase accounting adjustments, loss on disposal of subsidiaries, settlement of receivables and related charges, impairment of notes receivable and related charges, goodwill impairment charges, 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.
- 3. Core Diluted Earnings per Share (“EPS”)** – Core Earnings divided by the weighted average number of outstanding diluted shares as determined under GAAP*.
- 4. Core Margin** – Core Operating Income divided by net revenue.



Reconciliation of Non-GAAP Financial Measures

5. **Core Return on Invested Capital (Quarterly)** – 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 adding the amount of income taxes attributable to its Core Operating Income and its 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, long-term debt and capital lease obligations 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.
6. **Core Return on Invested Capital (Annual)** – 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 adding the amount of income taxes attributable to its Core Operating Income and its 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, long-term debt and capital lease obligations 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.
7. **CORE EBITDA** – Core Operating Income plus depreciation expense.
8. **CORE EBITDA Margin** – Core Operating Income plus depreciation expense divided by net revenue.
9. **CORE Tax Expense and Rate** – Core Tax Expense and Rate exclude the tax impacts related to the amortization of intangibles, stock-based compensation expense and related charges, restructuring and related charges, distressed customer charges, acquisition costs and certain purchase accounting adjustments, loss on disposal of subsidiaries, settlement of receivables and related charges, impairment of notes receivable and related charges, goodwill impairment charges, income (loss) from discontinued operations, gain (loss) on sale of discontinued operations and certain other expenses and certain deferred tax valuation allowance charges.

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