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Jabil Circuit Reports Fiscal Year 2001 First Quarter Results

Earnings increase 51 percent

19 December 2000
St. Petersburg, Florida

[Forward - Looking Statement](#)

Jabil Circuit, Inc. (NYSE: JBL), electronics manufacturing services provider, today reported revenue for the first quarter of fiscal 2001, ended November 30, 2000. Revenue for the quarter increased 64 percent to \$1.1 billion compared to \$690 million for the same period of fiscal 2000.

Jabil's first quarter of fiscal 2001 net income increased 51 percent to \$47.7 million, compared with \$31.6 million for the first fiscal quarter of 2000, and earnings per share increased 42 percent to \$0.24 per diluted share, compared to \$0.17 for the first quarter of fiscal 2000. This excludes the impact of an acquisition-related charge of approximately \$5.2 million, or \$0.02 diluted EPS recorded in the first fiscal quarter of 2000.

Gross profit for fiscal 2001 first quarter increased 52 percent to \$111.5 million or 9.9 percent of revenue compared to \$73.4 million or 10.6 percent of revenue for the corresponding quarter of fiscal 2000.

Operating income for the first fiscal quarter of 2001 increased 46 percent to \$65.2 million or 5.8 percent of revenue compared to \$44.6 million or 6.5 percent of revenue for the first fiscal quarter of 2000. This excludes the impact of an acquisition-related charge of approximately \$5.2 million, or \$0.02 diluted earnings per share recorded in the first fiscal quarter of 2000.

"While our earnings for the first fiscal quarter were impressive on a year-over-year basis, they did not meet our sequential growth expectations," said Jabil President and CEO Tim Main. "During the quarter we were faced with unanticipated shortages of certain key components that prevented us from achieving our original goals."

Income Statement -- Sequential Trend Highlights

- | First quarter revenue grew by 6 percent over the prior quarter.
- | Operating income increased from \$64.5 million, to \$65.2 million over the prior quarter, or to 5.8 percent of revenue.
- | Net income after taxes was \$47.7 million or 4.2 percent of revenue, as compared to \$47.1 million or 4.4 percent in the prior sequential quarter.
- | Earnings per share for the quarter were \$0.24 on an average of 198,907,000 shares during the period, fully diluted.

Balance Sheet Review -- Sequential Trend Highlights

- | Accounts receivables increased by \$45 million to \$568 million in the first quarter as compared to \$523 million in the fourth quarter. Calculated DSO was 45 days, while collection experience was 36 days.
- | Inventories increased by \$164 million in the quarter to \$642 million as compared to \$478 million at the end of August. Calculated inventory turns were seven, compared to eight turns in the previous quarter.
- | The Company's debt to capitalization ratio was three percent at the end of the quarter.
- | For the quarter, average return on assets was 9.2 percent.
- | Fiscal first quarter average return on equity was 14.7 percent.

Fiscal Year Guidance

The Company provided updated guidance for the balance of its fiscal year, which included revised earnings estimates for the remainder of the year. The Company expects that customer inventory adjustments will cause an eleven percent sequential decline in operating income for its second fiscal quarter. Resumed growth is targeted to drive a sequential increase of 32 percent in its fiscal third quarter over the second quarter and 16 percent sequential growth of operating income in its fourth fiscal quarter. The Company is targeting an operating income increase of 33 percent for the 2001 fiscal year.

"Our overall business is in excellent health and we are enthusiastic about the EMS sector and our positioning for long term growth. We believe that we are seeing the impact of a short-term inventory adjustment as customers take a more temperate view of economic growth. Our targets for this year anticipate organic revenue growth of over 40 percent and operating income growth of 33 percent. This would be solid performance and in line with the growth trends we have maintained for the last seven years," said Main.

About Jabil

Jabil Circuit, Inc. is an electronic manufacturing services provider for international electronics companies in the communications, personal computer, peripheral, consumer and automotive markets. Jabil offers circuit design, board design from schematic, prototype assembly, volume board assembly, system assembly, repair and warranty services from facilities in the North America, Europe, Asia and Latin America. Further information about Jabil can be found on the World Wide Web at <http://www.jabil.com>

This press release contains certain forward-looking statements. These statements are not historical facts, but instead represent only the Company's belief regarding future events, many of which, by their nature, are inherently uncertain and outside of the Company's control. It is possible that the Company's actual results and financial condition may differ, possibly materially, from the anticipated results and financial condition indicated in these forward-looking statements. For a discussion of some of the risks and factors that would affect the firm's future results, see the Company's most recently filed SEC documents such as the Form 10-K, filed 11/28/00. . Some factors include: business conditions and growth in the contract manufacturing industry and the general economy; variability of operating results; dependence on a limited number of customers; limited availability of components; dependence on certain industries; variability of customer requirements.

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