

Jabil Inc.

Non-GAAP Definitions

Core Operating Income – GAAP* operating income before amortization of intangibles, stock-based compensation expense and related charges, restructuring, severance and related charges, distressed customer 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, gain from the divestiture of businesses and acquisition and divestiture related charges plus other components of net periodic benefit cost.

Core Earnings – Core operating income, less loss on debt extinguishment, loss (gain) on securities, other components of net periodic benefit cost, 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.

Core Earnings per Share (“EPS”) – Core earnings divided by the weighted average number of outstanding diluted shares as determined under GAAP*.

Core Operating Margin – Core operating income divided by net revenue.

Core Earnings Before Interest, Tax, Depreciation and Amortization (“EBITDA”) – Core operating income plus depreciation expense.

Days in Inventory, Net – Inventory and contract assets less inventory deposits divided by cost of revenue multiplied by 90 days.

Net Capex – Acquisition of property, plant & equipment less proceeds and advances from the sale of property, plant & equipment.

Adjusted Free Cash Flows – Net cash provided by (used in) operating activities less net capital expenditures (acquisition of property, plant and equipment less proceeds and advances from the sale of property, plant and equipment).

Adjusted Free Cash Flow Conversion – Adjusted Free Cash Flows divided by Core Earnings.

Net Interest Expense – Interest expense, net plus loss on sale of accounts receivable.

Return on Invested Capital (ROIC) - The Company calculates its “Return on Invested Capital” by multiplying its “after-tax U.S. GAAP operating income” for its most recently-ended fiscal year and dividing that by the average of its “net invested capital asset base” and (2) its “Core Return on Invested Capital” by multiplying its “after-tax non-U.S. GAAP core operating income” for its most recently-ended fiscal year and dividing that by the “average net invested capital asset base.”

- *After-tax U.S. GAAP operating income* - subtracts a certain tax effect from its U.S. GAAP operating income. The tax effect is calculated by adding the amount of income taxes attributable to its U.S. GAAP operating income and its interest expense.
- *After-tax non-U.S. GAAP core operating income* - subtracts a certain tax effect from its Core operating income. The tax effect is calculated by adding the amount of income taxes attributable to its Core operating income and its interest expense.
- *Net invested capital base* - the sum of the averages of its stockholders’ equity, current and non-current portions of its notes payable and long-term debt less the average of its cash and cash equivalents. The averages are calculated based on balances at the most recently-ended fiscal year and the prior fiscal year dividing by two.

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