# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**Washington, D.C. 20549**

# FORM 10-Q

**(Mark one)**

☒ **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**For the quarterly period ended March 29, 2024**

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**For the transition period from ________ to ________**

**Commission File Number 1-7463**

# JACOBS SOLUTIONS INC.

**(Exact name of registrant as specified in its charter)**

| Delaware | 88-1121891 |
|---|---|
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification Number) |

| 1999 Bryan Street | Suite 3500 | Dallas | Texas | 75201 |
|---|---|---|---|---|
| (Address of principal executive offices) | | | | (Zip Code) |

**(214) 583 – 8500**

**(Registrant's telephone number, including area code)**

**Securities registered pursuant to Section 12(b) of the Act:**

| Title of Each Class | | Trading Symbol(s) | Name of Each Exchange on Which Registered |
|---|---|---|---|
| Common Stock | $1 par value | J | New York Stock Exchange |

Indicate by check-mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: ☒ Yes ☐ No

Indicate by check-mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check-mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

| | | | |
|---|---|---|---|
| Large accelerated filer | ☒ | Accelerated filer | ☐ |
| Non-accelerated filer | ☐ | Smaller reporting company | ☐ |
| Emerging growth company | ☐ | | |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check-mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

Number of shares of common stock outstanding at April 26, 2024: 125,212,831

**JACOBS SOLUTIONS INC.**

**INDEX TO FORM 10-Q**

## Part I - FINANCIAL INFORMATION

## Item 1. Financial Statements.

**JACOBS SOLUTIONS INC. AND SUBSIDIARIES**
**CONSOLIDATED BALANCE SHEETS**
(In thousands, except share information)

| | March 29, 2024 | September 29, 2023 |
| --- | --- | --- |
| | (Unaudited) | |
| **ASSETS** | | |
| Current Assets: | | |
| Cash and cash equivalents | $ 1,033,519 | $ 926,582 |
| Receivables and contract assets | 3,772,484 | 3,558,806 |
| Prepaid expenses and other | 189,455 | 204,965 |
| Total current assets | 4,995,458 | 4,690,353 |
| Property, Equipment and Improvements, net | 341,420 | 357,032 |
| Other Noncurrent Assets: | | |
| Goodwill | 7,404,422 | 7,343,526 |
| Intangibles, net | 1,209,240 | 1,271,943 |
| Deferred income tax assets | 58,383 | 53,131 |
| Operating lease right-of-use assets | 392,967 | 414,384 |
| Miscellaneous | 495,687 | 486,740 |
| Total other noncurrent assets | 9,560,699 | 9,569,724 |
| | $ 14,897,577 | $ 14,617,109 |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| Current Liabilities: | | |
| Current maturities of long-term debt | $ 837,260 | $ 61,430 |
| Accounts payable | 1,162,078 | 1,143,802 |
| Accrued liabilities | 1,204,296 | 1,301,644 |
| Operating lease liability | 150,272 | 152,077 |
| Contract liabilities | 919,417 | 763,608 |
| Total current liabilities | 4,273,323 | 3,422,561 |
| Long-term debt | 2,164,843 | 2,813,471 |
| Liabilities relating to defined benefit pension and retirement plans | 270,608 | 258,540 |
| Deferred income tax liabilities | 150,354 | 221,158 |
| Long-term operating lease liability | 501,123 | 543,230 |
| Other deferred liabilities | 133,034 | 125,088 |
| Commitments and Contingencies | — | — |
| Redeemable Noncontrolling interests | 725,830 | 632,979 |
| Stockholders' Equity: | | |
| Capital stock: | | |
| Preferred stock, $1 par value, authorized - 1,000,000 shares; issued and outstanding - none | — | — |
| Common stock, $1 par value, authorized - 240,000,000 shares; issued and outstanding - 125,216,293 shares and 125,976,998 shares as of March 29, 2024 and September 29, 2023, respectively | 125,216 | 125,977 |
| Additional paid-in capital | 2,733,758 | 2,735,325 |
| Retained earnings | 4,576,383 | 4,542,872 |
| Accumulated other comprehensive loss | (811,243) | (857,954) |
| Total Jacobs stockholders' equity | 6,624,114 | 6,546,220 |
| Noncontrolling interests | 54,348 | 53,862 |
| Total Group stockholders' equity | 6,678,462 | 6,600,082 |

See the accompanying Notes to Consolidated Financial Statements – Unaudited.

**JACOBS SOLUTIONS INC. AND SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF EARNINGS**
**Three and Six Months Ended March 29, 2024 and March 31, 2023**
(In thousands, except per share information)
(Unaudited)

| | For the Three Months Ended | | For the Six Months Ended | |
|---|---|---|---|---|
| | March 29, 2024 | March 31, 2023 | March 29, 2024 | March 31, 2023 |
| Revenues | $ 4,269,093 | $ 4,078,332 | $ 8,428,318 | $ 7,877,001 |
| Direct cost of contracts | (3,364,478) | (3,188,038) | (6,673,165) | (6,171,994) |
| Gross profit | 904,615 | 890,294 | 1,755,153 | 1,705,007 |
| Selling, general and administrative expenses | (623,627) | (600,431) | (1,270,101) | (1,177,339) |
| Operating Profit | 280,988 | 289,863 | 485,052 | 527,668 |
| Other Income (Expense): | | | | |
| Interest income | 9,405 | 7,630 | 17,639 | 10,637 |
| Interest expense | (44,232) | (40,613) | (87,584) | (80,690) |
| Miscellaneous expense, net | (4,576) | (4,567) | (7,771) | (7,820) |
| Total other expense, net | (39,403) | (37,550) | (77,716) | (77,873) |
| Earnings from Continuing Operations Before Taxes | 241,585 | 252,313 | 407,336 | 449,795 |
| Income Tax expense from Continuing Operations | (67,283) | (19,060) | (51,005) | (69,163) |
| Net Earnings of the Group from Continuing Operations | 174,302 | 233,253 | 356,331 | 380,632 |
| Net Loss of the Group from Discontinued Operations | (768) | (75) | (1,342) | (783) |
| Net Earnings of the Group | 173,534 | 233,178 | 354,989 | 379,849 |
| Net Earnings Attributable to Noncontrolling Interests from Continuing Operations | (7,340) | (7,803) | (14,567) | (14,834) |
| Net Earnings Attributable to Redeemable Noncontrolling interests | (4,082) | (8,863) | (6,700) | (12,855) |
| Net Earnings Attributable to Jacobs from Continuing Operations | 162,880 | 216,587 | 335,064 | 352,943 |
| Net Earnings Attributable to Jacobs | $ 162,112 | $ 216,512 | $ 333,722 | $ 352,160 |
| Net Earnings Per Share: | | | | |
| Basic Net Earnings from Continuing Operations Per Share | $ 1.30 | $ 1.71 | $ 2.68 | $ 2.78 |
| Basic Net Loss from Discontinued Operations Per Share | $ (0.01) | $ — | $ (0.01) | $ (0.01) |
| Basic Earnings Per Share | $ 1.29 | $ 1.71 | $ 2.66 | $ 2.78 |
| | | | | |
| Diluted Net Earnings from Continuing Operations Per Share | $ 1.29 | $ 1.70 | $ 2.66 | $ 2.77 |
| Diluted Net Loss from Discontinued Operations Per Share | $ (0.01) | $ — | $ (0.01) | $ (0.01) |
| Diluted Earnings Per Share | $ 1.28 | $ 1.70 | $ 2.65 | $ 2.76 |

See the accompanying Notes to Consolidated Financial Statements - Unaudited.

**JACOBS SOLUTIONS INC. AND SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**
**Three and Six Months Ended March 29, 2024 and March 31, 2023**
(In thousands)
(Unaudited)

| | For the Three Months Ended | | For the Six Months Ended | |
|---|---|---|---|---|
| | March 29, 2024 | March 31, 2023 | March 29, 2024 | March 31, 2023 |
| Net Earnings of the Group | $ 173,534 | $ 233,178 | $ 354,989 | $ 379,849 |
| Other Comprehensive Income: | | | | |
| Foreign currency translation adjustment | (34,872) | 21,951 | 73,177 | 187,285 |
| Change in cash flow hedges | 1,925 | (19,811) | (25,741) | (29,955) |
| Change in pension plan liabilities | 4,294 | 6 | (6,459) | (22,259) |
| Other comprehensive (loss) income before taxes | (28,653) | 2,146 | 40,977 | 135,071 |
| Income Tax (Expense) Benefit: | | | | |
| Foreign currency translation adjustment | — | 968 | — | (5,641) |
| Cash flow hedges | (526) | 5,047 | 6,669 | 8,317 |
| Change in pension plan liabilities | (473) | (351) | (935) | (659) |
| Income Tax (Expense) Benefit: | (999) | 5,664 | 5,734 | 2,017 |
| Net other comprehensive (loss) income | (29,652) | 7,810 | 46,711 | 137,088 |
| Net Comprehensive Income of the Group | 143,882 | 240,988 | 401,700 | 516,937 |
| Net Earnings Attributable to Noncontrolling Interests | (7,340) | (7,803) | (14,567) | (14,834) |
| Net Earnings Attributable to Redeemable Noncontrolling interests | (4,082) | (8,863) | (6,700) | (12,855) |
| Net Comprehensive Income Attributable to Jacobs | $ 132,460 | $ 224,322 | $ 380,433 | $ 489,248 |

See the accompanying Notes to Consolidated Financial Statements - Unaudited.

**JACOBS SOLUTIONS INC. AND SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**
**For the Three Months Ended March 29, 2024 and March 31, 2023**
(In thousands)

(Unaudited)

| | Common Stock | Additional Paid-in Capital | Retained Earnings | Accumulated Other Comprehensive Income (Loss) | Total Jacobs Stockholders' Equity | Noncontrolling Interests | Total Gro Stockhold Equity |
|---|---|---|---|---|---|---|---|
| **Balances at December 30, 2022** | **$126,669** | **$2,672,421** | **$4,230,866** | **$ (845,852)** | **$ 6,184,104** | **$ 49,494** | **$ 6,233,** |
| Net earnings | — | — | 216,512 | — | 216,512 | 7,803 | 224 |
| Foreign currency translation adjustments, net of deferred taxes of $(968) | — | — | — | 22,919 | 22,919 | — | 22 |
| Pension plan liability, net of deferred taxes of $351 | — | — | — | (345) | (345) | — | ( |
| Change in cash flow hedges, net of deferred taxes of $(5,047) | — | — | — | (14,764) | (14,764) | — | (14, |
| Dividends | — | — | (32,564) | — | (32,564) | — | (32, |
| Redeemable Noncontrolling interests redemption value adjustment | — | — | (21,177) | — | (21,177) | — | (21, |
| Noncontrolling interests - distributions and other | — | — | — | — | — | (8,910) | (8, |
| Stock based compensation | — | 15,054 | — | — | 15,054 | — | 15 |
| Issuances of equity securities including shares withheld for taxes | 136 | 10,048 | (286) | — | 9,898 | — | 9 |
| **Balances at March 31, 2023** | **$126,805** | **$2,697,523** | **$4,393,351** | **$ (838,042)** | **$ 6,379,637** | **$ 48,387** | **$ 6,428,** |
| | | | | | | | |
| **Balances at December 29, 2023** | **$125,599** | **$2,729,416** | **$4,604,850** | **$ (781,591)** | **$ 6,678,274** | **$ 56,576** | **$ 6,734,** |
| Net earnings | — | — | 162,112 | — | 162,112 | 7,340 | 169 |
| Foreign currency translation | | | | | | | |

See the accompanying Notes to Consolidated Financial Statements – Unaudited.

**JACOBS SOLUTIONS INC. AND SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**
**For the Six Months Ended March 29, 2024 and March 31, 2023**
(In thousands)

(Unaudited)

| | Common Stock | Additional Paid-in Capital | Retained Earnings | Accumulated Other Comprehensive Income (Loss) | Total Jacobs Stockholders' Equity | Noncontrolling Interests | Total Gro Stockhold Equity |
|---|---|---|---|---|---|---|---|
| **Balances at September 30, 2022** | **$127,393** | **$2,682,009** | **$4,225,784** | **$ (975,130)** | **$ 6,060,056** | **$ 44,336** | **$ 6,104,** |
| Net earnings | — | — | 352,160 | — | 352,160 | 14,834 | 366, |
| Foreign currency translation adjustments, net of deferred taxes of $5,641 | — | — | — | 181,644 | 181,644 | — | 181, |
| Pension liability, net of deferred taxes of $659 | — | — | — | (22,918) | (22,918) | — | (22, |
| Change in cash flow hedges, net of deferred taxes of $(8,317) | — | — | — | (21,638) | (21,638) | — | (21, |
| Dividends | — | — | (33,438) | — | (33,438) | — | (33, |
| Redeemable Noncontrolling interests redemption value adjustment | — | — | (44,494) | — | (44,494) | — | (44, |
| Repurchase of redeemable noncontrolling interests | — | — | 11,337 | — | 11,337 | — | 11, |
| Noncontrolling interests - distributions and other | — | — | — | — | — | (10,783) | (10, |
| Stock based compensation | — | 35,285 | — | — | 35,285 | — | 35, |
| Issuances of equity securities including shares withheld for taxes | 650 | 6,286 | (4,771) | — | 2,165 | — | 2, |
| Repurchases of equity securities | (1,238) | (26,057) | (113,227) | — | (140,522) | — | (140, |
| **Balances at March 31, 2023** | **$126,805** | **$2,697,523** | **$4,393,351** | **$ (838,042)** | **$ 6,379,637** | **$ 48,387** | **$ 6,428,** |

See the accompanying Notes to Consolidated Financial Statements – Unaudited.

# JACOBS SOLUTIONS INC. AND SUBSIDIARIES
# CONSOLIDATED STATEMENTS OF CASH FLOWS
# For the Six Months Ended March 29, 2024 and March 31, 2023
(In thousands)

(Unaudited)

| | For the Six Months Ended | |
|---|---|---|
| | March 29, 2024 | March 31, 2023 |
| Cash Flows from Operating Activities: | | |
| Net earnings attributable to the Group | $ 354,989 | $ 379,849 |
| Adjustments to reconcile net earnings to net cash flows provided by operations: | | |
| Depreciation and amortization: | | |
| Property, equipment and improvements | 49,723 | 55,686 |
| Intangible assets | 103,763 | 100,247 |
| Stock based compensation | 35,176 | 35,285 |
| Equity in earnings of operating ventures, net of return on capital distributions | (6,983) | (2,931) |
| Loss on disposals of assets, net | 1,210 | 828 |
| Impairment of long-lived assets | — | 37,217 |
| Deferred income taxes | (73,966) | 20,785 |
| Changes in assets and liabilities, excluding the effects of businesses acquired: | | |
| Receivables and contract assets, net of contract liabilities | (18,332) | 63,229 |
| Prepaid expenses and other current assets | 20,911 | (9,940) |
| Miscellaneous other assets | 43,481 | 43,472 |
| Accounts payable | 14,764 | (15,109) |
| Accrued liabilities | (166,640) | (228,857) |
| Other deferred liabilities | 11,073 | (53,896) |
| Other, net | 6,369 | 8,474 |
| Net cash provided by operating activities | 375,538 | 434,339 |
| Cash Flows from Investing Activities: | | |
| Additions to property and equipment | (45,108) | (67,389) |
| Disposals of property and equipment and other assets | 145 | 15 |
| Capital contributions to equity investees, net of return of capital distributions | 1,660 | 8,384 |
| Acquisitions of businesses, net of cash acquired | (14,000) | (17,685) |
| Net cash used for investing activities | (57,303) | (76,675) |
| Cash Flows from Financing Activities: | | |
| Proceeds from long-term borrowings | 1,716,577 | 2,075,495 |
| Repayments of long-term borrowings | (1,621,390) | (2,129,338) |
| Repayments of short-term borrowings | (9,657) | — |
| Debt issuance costs | (1,606) | (11,388) |
| Proceeds from issuances of common stock | 22,660 | 25,374 |
| Common stock repurchases | (195,462) | (140,522) |
| Taxes paid on vested restricted stock | (33,172) | (23,209) |
| Cash dividends to shareholders | (70,137) | (62,788) |
| Net dividends associated with noncontrolling interests | (14,249) | (11,283) |
| Repurchase of redeemable noncontrolling interests | (24,360) | (58,353) |
| Net cash used for financing activities | (230,796) | (336,012) |
| Effect of Exchange Rate Changes | 17,631 | 49,761 |
| Net Increase in Cash and Cash Equivalents and Restricted Cash | 105,070 | 71,413 |
| Cash and Cash Equivalents, including Restricted Cash, at the Beginning of the Period | 929,445 | 1,154,207 |

See the accompanying Notes to Consolidated Financial Statements – Unaudited.

**JACOBS SOLUTIONS INC. AND SUBSIDIARIES**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

## 1. Basis of Presentation

Unless the context otherwise requires:

- References herein to “Jacobs” are to Jacobs Solutions Inc. and its predecessors;
- References herein to the “Company”, “we”, “us” or “our” are to Jacobs Solutions Inc. and its consolidated subsidiaries; and
- References herein to the “Group” are to the combined economic interests and activities of the Company and the persons and entities holding noncontrolling interests in our consolidated subsidiaries.

On August 29, 2022, Jacobs Engineering Group Inc. ("JEGI"), the predecessor to Jacobs Solutions Inc., implemented a holding company structure, which resulted in Jacobs Solutions Inc. becoming the parent company of, and successor issuer to, JEGI (the "Holding Company Reorganization"). For purposes of this report, references to Jacobs and the "Company", "we", "us" or "our" or our management or business at any point prior to the Holding Company Implementation Date refer to JEGI, or JEGI and its consolidated subsidiaries as the predecessor to Jacobs Solutions Inc.

The accompanying consolidated financial statements and financial information included herein have been prepared pursuant to the interim period reporting requirements of Form 10-Q. Consequently, certain information and note disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”) have been condensed or omitted. Readers of this Quarterly Report on Form 10-Q should also read our consolidated financial statements and the notes thereto included in our Annual Report on Form 10-K for the fiscal year ended September 29, 2023 (“2023 Form 10-K”).

In the opinion of management, the accompanying unaudited consolidated financial statements contain all adjustments (consisting of normal recurring adjustments) necessary for a fair presentation of our consolidated financial statements as of March 29, 2024, and for the three and six months ended March 29, 2024.

Our interim results of operations are not necessarily indicative of the results to be expected for the full fiscal year.

On November 20, 2023, Jacobs entered into a definitive agreement to spin-off and combine our Critical Mission Solutions ("CMS") and portions of our Divergent Solutions business, including Cyber & Intelligence (the "Separated Businesses") with Amentum Parent Holdings LLC ("Amentum"), in a Reverse Morris Trust transaction intended to be tax-free to Jacobs’ shareholders for U.S. federal income tax purposes (hereinafter referred to as the “Separation Transaction”). The Separation Transaction, which is expected to close in fiscal year 2024, is subject to regulatory approvals and other customary closing conditions.

On April 26, 2019, Jacobs completed the sale of its Energy, Chemicals and Resources ("ECR") business to Worley Limited ("Worley"), a company incorporated in Australia, for a purchase price of $3.4 billion consisting of (i) $2.8 billion in cash plus (ii) 58.2 million ordinary shares of Worley, subject to adjustments for changes in working capital and certain other items (the “ECR sale”). As a result of the ECR sale, substantially all ECR-related assets and liabilities were sold (the "Disposal Group"). We determined that the Disposal Group should be reported as discontinued operations in accordance with ASC 210-05, Discontinued Operations because their disposal represents a strategic shift that had a major effect on our operations and financial results. As such, the financial results of the ECR business are reflected in our unaudited Consolidated Statements of Earnings as discontinued operations for all periods presented and all of the ECR business to be sold under the terms of the ECR sale had been conveyed to Worley and as such, no amounts remain held for sale.

**2. Use of Estimates and Assumptions**

The preparation of financial statements in conformity with U.S. GAAP requires us to employ estimates and make assumptions that affect the reported amounts of certain assets and liabilities; the revenues and expenses reported for the periods covered by the financial statements; and certain amounts disclosed in these Notes to the Consolidated Financial Statements. Although such estimates and assumptions are based on management’s most recent assessment of the underlying facts and circumstances utilizing the most current information available and past experience, actual results could differ significantly from those estimates and assumptions. Our estimates, judgments and assumptions are evaluated periodically and adjusted accordingly.

Please refer to Note 2- Significant Accounting Policies of Notes to Consolidated Financial Statements included in our 2023 Form 10-K for a discussion of other significant estimates and assumptions affecting our consolidated financial statements.

## 3. Fair Value and Fair Value Measurements

Certain amounts included in the accompanying consolidated financial statements are presented at fair value. Fair value is defined as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants as of the date fair value is determined (the “measurement date”). When determining fair value, we consider the principal or most advantageous market in which we would transact, and we consider only those assumptions we believe a typical market participant would consider when pricing an asset or liability. In measuring fair value, we use the following inputs in the order of priority indicated:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than quoted prices in active markets included in Level 1, such as (i) quoted prices for similar assets or liabilities; (ii) quoted prices in markets that have insufficient volume or infrequent transactions (e.g., less active markets); and (iii) model-driven valuations in which all significant inputs are observable or can be derived principally from, or corroborated with, observable market data for substantially the full term of the asset or liability.

Level 3 - Unobservable inputs to the valuation methodology that are significant to the fair value measurement.

Please refer to Note 2- Significant Accounting Policies of Notes to Consolidated Financial Statements included in our 2023 Form 10-K for a more complete discussion of the various items within the consolidated financial statements measured at fair value and the methods used to determine fair value. Please also refer to Note 17- Commitments and Contingencies and Derivative Financial Instruments for discussion regarding the Company's derivative instruments.

The net carrying amounts of cash and cash equivalents, trade receivables and payables and short-term debt approximate fair value due to the short-term nature of these instruments. See Note 12- Borrowings for a discussion of the fair value of long-term debt.

Fair value measurements relating to our business combinations and goodwill allocations related to our Divergent Solutions ("DVS") segment realignment were made primarily using Level 3 inputs including discounted cash flow techniques. Fair value for the identified intangible assets is generally estimated using inputs primarily for the income approach using the multiple period excess earnings method and the relief from royalties method. The significant assumptions used in estimating fair value include (i) revenue projections of the business, including profitability, (ii) attrition rates and (iii) the estimated discount rate that reflects the level of risk associated with receiving future cash flows. Other personal property assets, such as furniture, fixtures and equipment, are valued using the cost approach, which is based on replacement or reproduction costs of the asset less depreciation. The fair value of the contingent consideration is estimated using a Monte Carlo simulation and the significant assumptions used include projections of revenues and probabilities of meeting those projections. Key inputs to the valuation of the noncontrolling interests include projected cash flows and the expected volatility associated with those cash flows.

## 4. New Accounting Pronouncements

ASU 2023-09, Income Taxes, (Topic 740): Improvements to Income Tax Disclosures, provides qualitative and quantitative updates to the Company's effective income tax rate reconciliation and income taxes paid disclosures, among others, in order to enhance the transparency of income tax disclosures, including consistent categories and greater disaggregation of information in the rate reconciliation and disaggregation by jurisdiction of income taxes paid. The amendments in ASU 2023-09 are effective for fiscal years beginning after December 15, 2024, with early adoption permitted. The amendments should be applied prospectively; however, retrospective application is also permitted. ASU 2023-09 will be effective for the Company in the first quarter of fiscal 2026. The Company has identified and is implementing changes to processes and internal controls to meet the standard’s updated reporting and disclosure requirements.

ASU 2023-07, Segment Reporting, (Topic 280): Improvements to Reportable Segment Disclosures, requires disclosure of significant segment expenses that are regularly provided to the chief operating decision maker (“CODM”) and included within each reported measure of segment profit or loss, an amount and description of its composition for other segment items to reconcile to segment profit or loss, and the title and position of the entity’s CODM. The amendments in this update also expand the interim segment disclosure requirements. ASU 2023-07 is effective for annual periods beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted and the amendments in this update are required to be applied on a retrospective basis. ASU 2023-07 will be effective for the Company's annual fiscal 2025 period. The Company is evaluating the impact of this guidance on its consolidated financial statements and related disclosures.

ASU 2023-06, Disclosure Improvements: Amendments - Codification Amendments in Response to the Disclosure Update and Simplification Initiative of the Securities and Exchange Commission ("SEC"). The Financial Accounting Standards Board issued the standard to introduce changes to US GAAP that originate in either SEC Regulation S-X or S-K, which are rules about the form and content of financial reports filed with the SEC. The provisions of the standard are contingent upon instances where the SEC removes the related disclosure provisions from Regulation S-X and S-K. The Company does not expect that the application of this standard will have a material impact on our consolidated financial statements and related disclosures.

## 5. Revenue Accounting for Contracts

### Disaggregation of Revenues

Our revenues are principally derived from contracts to provide a diverse range of technical, professional, and construction services to a large number of industrial, commercial, and governmental clients. We provide a broad range of engineering, design, and architectural services; construction and construction management services; operations and maintenance services; and technical, digital, process, scientific and systems consulting services. We provide our services through offices and subsidiaries located primarily in North America, Europe, the Middle East, India, Australia, Africa, and Asia. We provide our services under cost-reimbursable and fixed-price contracts. Our contracts are with many different customers in numerous industries. Refer to Note 18- Segment Information for additional information on how we disaggregate our revenues by reportable segment.

The following table further disaggregates our revenue by geographic area for the three and six months ended March 29, 2024 and March 31, 2023 (in thousands):

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| | March 29, 2024 | March 31, 2023 | March 29, 2024 | March 31, 2023 |
| Revenues: | | | | |
| United States | $ 2,878,888 | $ 2,694,735 | $ 5,676,979 | $ 5,231,013 |
| Europe | 957,651 | 931,093 | 1,882,798 | 1,785,666 |
| Canada | 61,654 | 61,887 | 125,030 | 123,716 |
| Asia | 34,673 | 35,641 | 65,613 | 70,463 |
| India | 37,274 | 46,829 | 73,017 | 87,173 |
| Australia and New Zealand | 164,351 | 170,069 | 338,135 | 331,109 |
| Middle East and Africa | 134,602 | 138,078 | 266,746 | 247,861 |
| Total | $ 4,269,093 | $ 4,078,332 | $ 8,428,318 | $ 7,877,001 |

**Contract Liabilities**

Contract liabilities represent amounts billed to clients in excess of revenue recognized to date. Revenue recognized for the three and six months ended March 29, 2024 that was previously included in the contract liability balance on September 29, 2023 was $105.2 million and $474.9 million, respectively. Revenue recognized for the three and six months ended March 31, 2023 that was included in the contract liability balance on September 30, 2022 was $82.7 million and $413.0 million, respectively.

**Remaining Performance Obligation**

The Company’s remaining performance obligations as of March 29, 2024 represent a measure of the total dollar value of work to be performed on contracts awarded and in progress. The Company had approximately $17.5 billion in remaining performance obligations as of March 29, 2024. The Company expects to recognize approximately 56% of its remaining performance obligations into revenue within the next twelve months and the remaining 44% thereafter. The majority of the remaining performance obligations after the first twelve months are expected to be recognized over a four year period.

Although our remaining performance obligations reflect business volumes that are considered to be firm, normal business activities including scope adjustments, deferrals or cancellations may occur that impact volume or expected timing of their recognition. Remaining performance obligations are adjusted to reflect any known project cancellations, revisions to project scope and cost, foreign currency exchange fluctuations and project deferrals, as appropriate.

## 6. Earnings Per Share and Certain Related Information

Basic and diluted earnings per share ("EPS") are computed using the two-class method, which is an earnings allocation method that determines EPS for common shares and participating securities. The undistributed earnings are allocated between common shares and participating securities as if all earnings had been distributed during the period. Participating securities and common shares have equal rights to undistributed earnings. Net earnings used for the purpose of determining basic and diluted EPS is determined by taking net earnings, less earnings available to participating securities and the preferred redeemable noncontrolling interests redemption value adjustment associated with the PA Consulting transaction.

The following table reconciles the denominator used to compute basic EPS to the denominator used to compute diluted EPS for the three and six months ended March 29, 2024 and March 31, 2023 (in thousands):

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| | March 29, 2024 | March 31, 2023 | March 29, 2024 | March 31, 2023 |
| **Numerator for Basic and Diluted EPS:** | | | | |
| Net earnings attributable to Jacobs from continuing operations | $162,880 | $216,587 | $335,064 | $352,943 |
| Preferred Redeemable Noncontrolling interests redemption value adjustment (See Note 15- PA Consulting Redeemable Noncontrolling Interests) | — | — | 1,766 | — |
| **Net earnings from continuing operations allocated to common stock for EPS calculation** | $162,880 | $216,587 | $336,830 | $352,943 |
| **Net loss from discontinued operations allocated to common stock for EPS calculation** | $ (768) | $ (75) | $ (1,342) | $ (783) |
| **Net earnings allocated to common stock for EPS calculation** | $162,112 | $216,512 | $335,488 | $352,160 |
| **Denominator for Basic and Diluted EPS:** | | | | |
| **Shares used for calculating basic EPS attributable to common stock** | 125,712 | 126,886 | 125,909 | 126,855 |
| **Effect of dilutive securities:** | | | | |
| Stock compensation plans | 499 | 473 | 603 | 573 |
| **Shares used for calculating diluted EPS attributable to common stock** | 126,211 | 127,359 | 126,512 | 127,428 |
| **Net Earnings Per Share:** | | | | |
| Basic Net Earnings from Continuing Operations Per Share | $ 1.30 | $ 1.71 | $ 2.68 | $ 2.78 |
| Basic Net Loss from Discontinued Operations Per Share | $ (0.01) | $ — | $ (0.01) | $ (0.01) |
| **Basic Earnings Per Share** | $ 1.29 | $ 1.71 | $ 2.66 | $ 2.78 |
| Diluted Net Earnings from Continuing Operations Per Share | $ 1.29 | $ 1.70 | $ 2.66 | $ 2.77 |
| Diluted Net Loss from Discontinued Operations Per Share | $ (0.01) | $ — | $ (0.01) | $ (0.01) |
| **Diluted Earnings Per Share** | $ 1.28 | $ 1.70 | $ 2.65 | $ 2.76 |

**Note: Per share amounts may not add due to rounding.**

## Share Repurchases

On January 16, 2020, the Company's Board of Directors authorized a share repurchase program of up to $1.0 billion of the Company's common stock (the "2020 Repurchase Authorization"). The 2020 Repurchase Authorization expired on January 15, 2023. On January 25, 2023, the Company's Board of Directors authorized an incremental share repurchase program of up to $1.0 billion of the Company's common stock, to expire on January 25, 2026 (the "2023 Repurchase Authorization"). At March 29, 2024, the Company has $679.4 million remaining under the 2023 Repurchase Authorization.

The following table summarizes repurchase activity under the 2023 Repurchase Authorization through the second fiscal quarter of 2024:

| Amount Authorized (2023 Repurchase Authorization) | Average Price Per Share (1) | Total Shares Retired | Shares Repurchased |
|---|---|---|---|
| $1,000,000,000 | $136.86 | 1,428,180 | 1,428,180 |

(1) Includes commissions paid and excise tax due under the Inflation Reduction Act of 2022 and calculated at the average price per share.

Our share repurchase program does not obligate the Company to purchase any shares. Share repurchases may be executed through various means including, without limitation, accelerated share repurchases, open market transactions, privately negotiated transactions, purchases pursuant to Rule 10b5-1 plans or otherwise. The authorization for the share repurchase programs may be terminated, increased or decreased by the Company’s Board of Directors in its discretion at any time. The timing, amount and manner of share repurchases may depend upon market conditions and economic circumstances, availability of investment opportunities, the availability and costs of financing, currency fluctuations, the market price of the Company's common stock, other uses of capital and other factors.

**Dividends**

On May 2, 2024, the Company’s Board of Directors declared a quarterly dividend of $0.29 per share of the Company’s common stock to be paid on June 21, 2024, to shareholders of record on the close of business on May 24, 2024. Future dividend declarations are subject to review and approval by the Company’s Board of Directors. Dividends paid through the second fiscal quarter of 2024 and the preceding fiscal year are as follows:

| Declaration Date | Record Date | Payment Date | Cash Amount (per share) |
|---|---|---|---|
| January 25, 2024 | February 23, 2024 | March 22, 2024 | $0.29 |
| September 28, 2023 | October 27, 2023 | November 9, 2023 | $0.26 |
| July 6, 2023 | July 28, 2023 | August 25, 2023 | $0.26 |
| April 27, 2023 | May 26, 2023 | June 23, 2023 | $0.26 |
| January 25, 2023 | February 24, 2023 | March 24, 2023 | $0.26 |
| September 15, 2022 | September 30, 2022 | October 28, 2022 | $0.23 |

## 7. Goodwill and Intangibles

The carrying value of goodwill appearing in the accompanying Consolidated Balance Sheets at March 29, 2024 and September 29, 2023 was as follows (in thousands):

| | Critical Mission Solutions | People & Places Solutions | Divergent Solutions | PA Consulting | Total |
|---|---|---|---|---|---|
| Balance September 29, 2023 | $ 2,244,985 | $ 3,208,193 | $ 595,712 | $ 1,294,636 | $ 7,343,526 |
| Foreign currency translation and other | 4,392 | 5,917 | 1,166 | 49,421 | 60,896 |
| Balance March 29, 2024 | $ 2,249,377 | $ 3,214,110 | $ 596,878 | $ 1,344,057 | $ 7,404,422 |

The following table provides certain information related to the Company’s acquired intangibles in the accompanying Consolidated Balance Sheets at March 29, 2024 and September 29, 2023 (in thousands):

| | Customer Relationships, Contracts and Backlog | Developed Technology | Trade Names | Total |
|---|---|---|---|---|
| Balance September 29, 2023 | $ 1,022,401 | $ 74,791 | $ 174,751 | $ 1,271,943 |
| Amortization | (89,669) | (7,946) | (6,148) | (103,763) |
| Acquired | — | — | 14,000 | 14,000 |
| Foreign currency translation and other | 20,544 | 203 | 6,313 | 27,060 |
| Balance March 29, 2024 | $ 953,276 | $ 67,048 | $ 188,916 | $ 1,209,240 |

The following table presents estimated amortization expense of intangible assets for the remainder of fiscal 2024 and for the succeeding years.

| **Fiscal Year** | **(in millions)** |
|---|---|
| 2024 | $ 105.1 |
| 2025 | 209.8 |
| 2026 | 187.0 |
| 2027 | 154.6 |
| 2028 | 143.7 |
| Thereafter | 409.0 |
| Total | $ 1,209.2 |

## 8. Receivables and Contract Assets

The following table presents the components of receivables and contract assets appearing in the accompanying Consolidated Balance Sheets at March 29, 2024 and September 29, 2023, as well as certain other related information (in thousands):

| | March 29, 2024 | September 29, 2023 |
|---|---|---|
| Components of receivables and contract assets: | | |
| Amounts billed, net | $ 1,517,480 | $ 1,457,333 |
| Unbilled receivables and other | 1,577,510 | 1,442,486 |
| Contract assets | 677,494 | 658,987 |
| Total receivables and contract assets, net | $ 3,772,484 | $ 3,558,806 |
| Other information about receivables: | | |
| Amounts due from the United States federal government, included above, net of contract liabilities | $ 799,371 | $ 802,566 |

Amounts billed, net consist of amounts invoiced to clients in accordance with the terms of our client contracts and are shown net of an allowance for doubtful accounts. We anticipate that substantially all of such billed amounts will be collected over the next twelve months.

Unbilled receivables and other, which represent an unconditional right to payment subject only to the passage of time, are reclassified to amounts billed when they are billed under the terms of the contract. We anticipate that substantially all of such unbilled amounts will be billed and collected over the next twelve months.

Contract assets represent unbilled amounts where the right to payment is subject to more than merely the passage of time and includes performance-based incentives and services that have been provided in advance of agreed contractual milestones. Contract assets are transferred to unbilled receivables when the right to consideration becomes unconditional and are transferred to amounts billed upon invoicing.

## 9. Accumulated Other Comprehensive Income

The following table presents the Company's roll forward of accumulated other comprehensive income (loss) after-tax as of March 29, 2024 (in thousands):

| | Change in Net Pension Obligation | Foreign Currency Translation Adjustment [1] | Gain/(Loss) on Cash Flow Hedges [2] | Total |
|---|---|---|---|---|
| Balance at September 29, 2023 | $ (325,692) | $ (635,937) | $ 103,675 | $ (857,954) |
| Other comprehensive (loss) income | (7,394) | 73,177 | 259 | 66,042 |
| Reclassifications from accumulated other comprehensive income (loss) | — | — | (19,331) | (19,331) |
| Balance at March 29, 2024 | $ (333,086) | $ (562,760) | $ 84,603 | $ (811,243) |

(1) Included in the overall foreign currency translation adjustment for the six months ended March 29, 2024 and March 31, 2023 are $(21.2) million and $(87.2) million, respectively, in unrealized gains (losses) on long-term foreign currency denominated intercompany loans not anticipated to be settled in the foreseeable future.

(2) Included in the Company's cumulative net unrealized gains from interest rate and cross currency swaps recorded in accumulated other comprehensive income as of March 29, 2024 were approximately $20.2 million in unrealized gains, net of taxes, which are expected to be realized in earnings during the twelve months subsequent to March 29, 2024.

## 10. Income Taxes

The Company’s effective tax rates from continuing operations for the three months ended March 29, 2024 and March 31, 2023 were 27.9% and 7.6%, respectively. The most significant items contributing to the difference between the statutory U.S. federal corporate tax rate of 21% and the Company's effective tax rate for the three-month period ended March 29, 2024 were U.S. state income tax expense of $4.0 million and U.S. tax on foreign earnings of $5.5 million. These expense items are expected to have a continuing impact on the Company's effective tax rate for the remainder of the fiscal year. For the three months ended March 31, 2023, the main differences were attributable to a tax benefit of $40.2 million related to uncertain tax positions (“UTPs”) in the U.S. that were effectively settled, of which $30.8 million relates to positions carried forward from the acquisition of CH2M Hill Companies Ltd. that was completed in 2018, as well as a tax benefit of $8.6 million for the release of previously valued foreign tax credits. These benefits were partly offset by U.S. state income tax expense of $5.9 million and U.S. tax on foreign earnings of $4.6 million.

The Company's effective tax rates from continuing operations for the six months ended March 29, 2024 and March 31, 2023 were 12.6% and 15.4%, respectively. The most significant item contributing to the difference between the statutory U.S. federal corporate tax rate of 21% and the Company’s effective tax rate for the six-month period ended March 29, 2024 related to a discrete event associated with the election to treat an Australian subsidiary as a corporation versus a partnership for U.S. tax purposes, with this election resulting in the derecognition of a deferred tax liability and yielding a discrete income tax benefit of $61.6 million as the Company asserts that a component of the investment will be indefinitely reinvested. This benefit was partly offset by U.S. state income tax expense of $7.3 million and U.S. tax on foreign earnings of $8.6 million, which are expected to have a continuing impact on the Company's effective tax rate for the remainder of the fiscal year. For the six months ended March 31, 2023, the main differences were associated with net tax benefits of $39.0 million mostly related to UTPs mentioned above and a tax benefit of $8.6 million for the release of previously valued foreign tax credits, partly offset by U.S. state income tax expense of $10.5 million and U.S. tax on foreign earnings of $8.2 million.

The amount of income taxes the Company pays is subject to ongoing audits by tax jurisdictions around the world. In the normal course of business, the Company is subject to examination by tax authorities throughout the world, including such major jurisdictions as Australia, Canada, India, the Netherlands, the United Kingdom and the United States. Our estimate of the potential outcome of any uncertain tax issue is subject to our assessment of the relevant risks, facts, and circumstances existing at the time. The Company believes that it has adequately provided for reasonably foreseeable outcomes related to these matters. However, future results may include favorable or unfavorable adjustments to our estimated tax liabilities in the period the assessments are made or resolved, which may impact our effective tax rate.

## 11. Joint Ventures, VIEs and Other Investments

For the Company's consolidated variable interest entities ("VIE") joint ventures, the carrying value of assets and liabilities was $391.8 million and $244.3 million, respectively, as of March 29, 2024 and $424.2 million and $279.8 million, respectively, as of September 29, 2023. There are no consolidated VIEs that have debt or credit facilities.

For the Company's proportionate consolidated VIEs, the carrying value of assets and liabilities was $128.9 million and $126.0 million, respectively, as of March 29, 2024, and $132.0 million and $128.9 million, respectively, as of September 29, 2023.

The carrying values of our investments in equity method joint ventures in the Consolidated Balance Sheets (reported in Other Noncurrent Assets: Miscellaneous) as of March 29, 2024 and September 29, 2023 were $54.4 million and $49.6 million, respectively. Additionally, income from equity method joint ventures (reported in Revenue) was $15.2 million and $7.5 million, respectively, during the three months ended March 29, 2024 and March 31, 2023, with $25.5 million and $17.5 million, respectively, for the corresponding six month periods. As of March 29, 2024, the Company's equity method investment carrying values do not include material amounts exceeding their share of the respective joint ventures' reported net assets.

Accounts receivable from unconsolidated joint ventures accounted for under the equity method was $14.4 million and $16.1 million as of March 29, 2024 and September 29, 2023, respectively.

## 12. Borrowings

At March 29, 2024 and September 29, 2023, long-term debt consisted of the following (principal amounts in thousands):

| | Interest Rate | Maturity | March 29, 2024 | September 29, 2023 |
|---|---|---|---|---|
| Revolving Credit Facility | Benchmark + applicable margin (1) (2) | February 2028 | $ 135,000 | $ 10,000 |
| 2021 Term Loan Facility - USD Portion | Benchmark + applicable margin (1) (3) | February 2026 | 120,000 | 120,000 |
| 2021 Term Loan Facility - GBP Portion | Benchmark + applicable margin (1) (3) | September 2025 | 823,095 | 794,170 |
| 2020 Term Loan Facility | Benchmark + applicable margin (1) (4) | March 2025 (6) | 837,260 | 854,246 |
| Fixed-rate: | | | | |
| 5.9% Bonds, due 2033 | 5.9% (5) | March 2033 | 500,000 | 500,000 |
| 6.35% Bonds, due 2028 | 6.35% | August 2028 | 600,000 | 600,000 |
| | | | | |
| Less: Current Portion (6) | | | (837,260) | (51,773) |
| Less: Deferred Financing Fees | | | (13,252) | (13,172) |
| Total Long-term debt, net | | | $ 2,164,843 | $ 2,813,471 |

(1) During the year ended September 29, 2023, the aggregate principal amounts denominated in U.S. dollars under the Revolving Credit Facility, the 2021 Term Loan Facility and the 2020 Term Loan Facility (each as defined below) transitioned from underlying LIBOR benchmarked rates to the Term Secured Overnight Financing Rate ("SOFR"). During fiscal 2022, the aggregate principal amounts denominated in British pounds under the Revolving Credit Facility, 2021 Term Loan Facility and 2020 Term Loan Facility transitioned from underlying LIBOR benchmarked rates to Sterling Overnight Index Average ("SONIA") rates.

(2) Depending on the Company’s Consolidated Leverage Ratio or Debt Rating (each as defined in the Revolving Credit Facility (defined below)), U.S. dollar denominated borrowings under the Revolving Credit Facility bear interest at either a SOFR rate plus a margin of between 0.975% and 1.725% or a base rate plus a margin of between 0% and 0.625%. The applicable SOFR rates, or LIBOR rate for the prior fiscal year end, including applicable margins at March 29, 2024 and September 29, 2023 were approximately 6.68% and 8.75%. Borrowings denominated in British pounds bear interest at an adjusted SONIA rate plus a margin of between 0.908% and 1.658%. There were no amounts drawn in British pounds as of March 29, 2024.

(3) Depending on the Company’s Consolidated Leverage Ratio or Debt Rating (each as defined in the Amended and Restated Term Loan Agreement (defined below)), U.S. dollar denominated

borrowings under the 2021 Term Loan Facility bear interest at either a SOFR rate plus a margin of between 0.975% and 1.725% or a base rate plus a margin of between 0% and 0.625%. The applicable SOFR, or LIBOR rate for the prior fiscal year end, including applicable margins for borrowings denominated in U.S. dollars at March 29, 2024 and September 29, 2023 was approximately 6.67% and 6.68%. Borrowings denominated in British pounds bear interest at an adjusted SONIA rate plus a margin of between 0.908% and 1.658%, which was approximately 6.47% and 6.47% at March 29, 2024 and September 29, 2023, respectively.

(4) Depending on the Company’s Consolidated Leverage Ratio or Debt Rating (each as defined in the 2020 Term Loan Agreement), U.S. dollar denominated borrowings under the 2020 Term Loan Facility bear interest at either a SOFR rate plus a margin of between 0.975% and 1.725% or a base rate plus a margin of between 0% and 0.625%. The applicable SOFR, or LIBOR rate for the prior fiscal year end, including applicable margins for borrowings denominated in U.S. dollars at March 29, 2024 and September 29, 2023 were approximately 6.68% and 6.68%. Borrowings denominated in British pounds bear interest at an adjusted SONIA rate plus a margin of between 0.908% and 1.658%, which was approximately 6.47% and 6.47% at March 29, 2024 and September 29, 2023, respectively.

(5) From and including September 1, 2028 (the “First Step Up Date”), the interest rate payable on the 5.90% Bonds (as defined below) will be increased by an additional 12.5 basis points to 6.025% per annum (the “First Step Up Interest Rate”) unless the Company notifies the Trustee (as defined below) on or before the date that is 15 days prior to the First Step Up Date that the Percentage of Gender Diversity Performance Target (as defined in the First Supplemental Indenture (as defined below)) has been satisfied and receives a related assurance letter verifying such compliance. From and including September 1, 2030 (the “Second Step Up Date”), the interest rate payable on the 5.90% Bonds will be increased by 12.5 basis points to (x) 6.150% per annum if the First Step Up Interest Rate was in effect immediately prior to the Second Step Up Date or (y) 6.025% per annum if the initial interest rate was in effect immediately prior to the Second Step Up Date, unless the Company notifies the Trustee on or before the date that is 15 days prior to the Second Step Up Date that the GHG Emissions Performance Target (as defined in the First Supplemental Indenture) has been satisfied and receives a related assurance letter verifying such compliance.

(6) Balance as of March 29, 2024 is associated with the March 25, 2025 scheduled maturity of the 2020 Term Loan Facility, which was reclassified from long-term debt in March 2024. Previously reported balance as of September 29, 2023 was comprised of the 2020 Term Loan quarterly principal repayments of 1.25%, or $9.1 million and £3.1 million, of the aggregate initial principal amount borrowed, totaling $51.8 million in U.S. dollars for the subsequent twelve months.

### Revolving Credit Facility and Term Loans

The Company and certain of its subsidiaries maintain a sustainability-linked $2.25 billion unsecured revolving credit facility (the “Revolving Credit Facility”) established under a third amended and restated credit agreement, dated February 6, 2023 (the "Revolving Credit Agreement"), among Jacobs and certain of its subsidiaries as borrowers and a syndicate of U.S. and international banks and financial institutions. The credit extensions under the Revolving Credit Facility can be funded in U.S. dollars, British Sterling, Euros, Canadian dollars, Australian dollars, Swedish Krona, Singapore dollars and other agreed upon alternative currencies. The Revolving Credit Agreement also provides for a financial letter of credit sub facility of $400.0 million, permits performance letters of credit, and provides for a $100.0 million sub facility for swing line loans. Letters of credit are subject to fees based on the Company’s Consolidated Leverage Ratio and Debt Rating, whichever is more favorable to the Company.

The Revolving Credit Agreement amended and restated the second amended and restated credit agreement dated March 27, 2019, by and among JEGI and certain of its subsidiaries and a syndicate of banks and financial institutions, in order to, among other things, (a) extend the maturity date of the Revolving Credit Facility to February 6, 2028, (b) replace and adjust interest rates based on market conditions and incorporate a sustainability-linked pricing adjustment, (c) revise the commitment fee on the unused portion of the facility to a range of 0.10% to 0.25% depending on the higher of the pricing level associated with JEGI's Debt Rating or the Consolidated Leverage Ratio, (d) increase the Consolidated Leverage Ratio financial covenant to 3.50:1.00 (subject to temporary increases to 4.00:1.00 following the closing of certain material acquisitions), (e) eliminate the net worth financial covenant and (f) add the Company as a guarantor of the obligations of JEGI and its subsidiaries under the Revolving Credit Agreement.

The Company and JEGI maintain an unsecured delayed draft term loan facility (the “2021 Term Loan Facility”) established under an amended and restated term loan agreement dated February 6, 2023 (the "Amended and Restated Term Loan Agreement"), by and among the Company and JEGI and a syndicate of banks and financial institutions. JEGI borrowed $200.0 million and £650.0 million of term loans under the 2021 Term Loan Facility (reflecting scheduled maturities in February 2026 and September 2025, respectively) and the proceeds of such term loans were used primarily to fund JEGI's investment in PA Consulting. The Amended and Restated Term Loan Agreement amended and restated the term loan agreement dated January 15, 2021, by and among JEGI and a syndicate of U.S. banks and financial institutions to, among other things: (a) extend the maturity date of the U.S. dollar term loan to February 6, 2026 and the British sterling term loan to September 1, 2025, (b) replace and adjust interest rates based on market conditions and incorporate a sustainability-linked pricing adjustment, (c) increase the Consolidated Leverage Ratio financial covenant to 3.50:1.00 (subject to temporary increases to 4.00:1.00 following the closing of certain material acquisitions), (d) eliminate the net worth financial covenant, and (e) add Jacobs as a guarantor of the obligations of JEGI under the Amended and Restated Term Loan Agreement.

During the fourth quarter of fiscal 2023, the Company repaid $80.0 million of the USD portion of the 2021 Term Loan Facility.

On March 25, 2020, JEGI and Jacobs U.K., a wholly owned subsidiary of JEGI, entered into a term loan agreement (the "2020 Term Loan Agreement") with a syndicate of banks and financial institutions, which provides for an unsecured term loan facility (the “2020 Term Loan Facility”). Under the 2020 Term Loan Facility, JEGI borrowed an aggregate principal amount of $730.0 million and Jacobs U.K. borrowed an aggregate principal amount of £250.0 million. The proceeds of the term loans were used to repay an existing term loan with a maturity date of June 2020 and for general corporate purposes. On February 6, 2023, the 2020 Term Loan Agreement was amended to, among other things: (a) replace and adjust interest rates based on market conditions and incorporate a sustainability-linked pricing adjustment, (b) increase the Consolidated Leverage Ratio financial covenant to 3.50:1.00 (subject to temporary increases to 4.00:1.00 following the closing of certain material acquisitions), (c) eliminate the net worth financial covenant, and (d) add Jacobs as a guarantor of the obligations of JEGI and Jacobs U.K. The 2020 Term Loan facility matures in March 2025 and the related outstanding balances under this facility have been reclassified to current maturities of long-term debt in the Company’s March 29, 2024 consolidated balance sheet in the current quarter.

The 2020 Term Loan Facility and the 2021 Term Loan Facility are together referred to as the "Term Loan Facilities".

In the fourth quarter of fiscal 2022, the Revolving Credit Facility and Term Loan Facilities were amended to permit the Holding Company Reorganization.

On December 20, 2023, the Revolving Credit Facility and Term Loan Facilities were amended to adjust the point in time at which certain compliance thresholds are tested in connection with the Separation Transaction.

We were in compliance with the covenants under the Revolving Credit Facility and Term Loan Facilities at March 29, 2024.

**5.90% Bonds, due 2033**

On February 16, 2023, JEGI completed an offering of $500 million aggregate principal amount of 5.90% Bonds due 2033 (the “5.90% Bonds”). The 5.90% Bonds are fully and unconditionally guaranteed by the Company (the “5.90% Bonds Guarantee”). The 5.90% Bonds and the 5.90% Bonds Guarantee were offered pursuant to a prospectus supplement, dated February 13, 2023, to the prospectus dated February 6, 2023, that forms a part of the Company's and JEGI’s automatic shelf registration statement on Form S-3ASR previously filed with the SEC, and were issued pursuant to an Indenture, dated as of February 16, 2023, between JEGI, as issuer, the Company, as guarantor, and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), as amended and supplemented by the First Supplemental Indenture, dated as of February 16, 2023 (the “First Supplemental Indenture”). Interest on the 5.90% Bonds is payable semi-annually in arrears on each March 1 and September 1, commencing on September 1, 2023, until maturity. The 5.90% Bonds bear interest at 5.90% per annum, subject to adjustments as discussed in note (5) to the table above.

Prior to December 1, 2032 (the “5.90% Bonds Par Call Date”), JEGI may redeem the 5.90% Bonds at its option, in whole or in part, at any time and from time to time, at the redemption price calculated by JEGI (expressed as a percentage of principal amount and rounded to three decimal places) equal to the greater of: (1) (a) the sum of the present values of the remaining scheduled payments of principal and interest on the 5.90% Bonds being redeemed, assuming that such 5.90% Bonds matured on the 5.90% Bonds Par Call Date, discounted to the redemption date on a semiannual basis (assuming a 360-day year of twelve 30-day months), at the Treasury Rate (as defined in the First Supplemental Indenture) plus 35 basis points, less (b) interest accrued to the redemption date, and (2) 100% of the principal amount of such 5.90% Bonds to be redeemed, plus, in either case, accrued and unpaid interest on the 5.90% Bonds, if any, to, but excluding, the redemption date. At any time and from time to time on or after the 5.90% Bonds Par Call Date, JEGI may redeem the 5.90% Bonds, at its option, in whole or in part, at a redemption price equal to 100% of the principal amount of the 5.90% Bonds to be redeemed, plus accrued and unpaid interest thereon, if any, up to, but excluding, the redemption date.

**6.35% Bonds, due 2028**

On August 18, 2023, JEGI completed an offering of $600 million aggregate principal amount of 6.35% Bonds due 2028 (the “6.35% Bonds”). The 6.35% Bonds are fully and unconditionally guaranteed by the Company (the “6.35% Bonds Guarantee”). The 6.35%

Bonds and the 6.35% Bonds Guarantee were offered pursuant to a prospectus supplement, dated August 15, 2023, to the prospectus dated February 6, 2023, that forms a part of the Company and JEGI's automatic shelf registration statement on Form S-3ASR previously filed with the SEC, and were issued pursuant to the Indenture, as amended and supplemented by the Second Supplemental Indenture, dated as of August 18, 2023 (the "Second Supplemental Indenture"). Interest on the 6.35% Bonds is payable semi-annually in arrears on each February 18 and August 18, commencing on February 18, 2024, until maturity. The Notes will bear interest at a rate of 6.35% per annum and will mature on August 18, 2028. The 6.35% Bonds bear interest at 6.35% per annum.

Prior to July 18, 2028 (the "6.35% Bonds Par Call Date"), JEGI may redeem the 6.35% Bonds at its option, in whole or in part, at any time and from time to time, at the redemption price calculated by JEGI (expressed as a percentage of principal amount and rounded to three decimal places) equal to the greater of: (1) (a) the sum of the present values of the remaining scheduled payments of principal and interest on the 6.35% Bonds being redeemed, assuming that such 6.35% Bonds matured on the 6.35% Bonds Par Call Date, discounted to the redemption date on a semiannual basis (assuming a 360-day year of twelve 30-day months), at the Treasury Rate (as defined in the Second Supplemental Indenture) plus 30 basis points, less (b) interest accrued to the redemption date, and (2) 100% of the principal amount of such 6.35% Bonds to be redeemed, plus, in either case, accrued and unpaid interest on the 6.35% Bonds, if any, to, but excluding, the redemption date. At any time and from time to time on or after the 6.35% Bonds Par Call Date, JEGI may redeem the 6.35% Bonds, at its option, in whole or in part, at a redemption price equal to 100% of the principal amount of the 6.35% Bonds to be redeemed, plus accrued and unpaid interest thereon, if any, to, but excluding, the redemption date.

**Other arrangements**

During fiscal 2022, the Company entered into two treasury lock agreements with an aggregate notional value of $500.0 million to manage its expected interest rate exposure in anticipation of issuing up to $500.0 million of fixed rate debt. On February 13, 2023 and with the issuance of the 5.90% Bonds, the Company settled these treasury lock agreements. See Note 17- Commitments and Contingencies and Derivative Financial Instruments for more discussion around this transaction.

During fiscal 2020, the Company entered into interest rate and cross currency derivative contracts to swap a portion of our variable rate debt to fixed rate debt. See Note 17- Commitments and Contingencies and Derivative Financial Instruments for discussion regarding the Company's derivative instruments.

The Company has issued $0.5 million in letters of credit under the Revolving Credit Facility, leaving $2.11 billion of available borrowing capacity under the Revolving Credit Facility at March 29, 2024. In addition, the Company had issued $289.2 million under various separate, committed and uncommitted letter-of-credit facilities for issued letters of credit totaling $289.7 million at March 29, 2024.

## 13. Leases

The components of lease expense (reflected in selling, general and administrative expenses) for the three and six months ended March 29, 2024 and March 31, 2023 were as follows (in thousands):

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| | March 29, 2024 | March 31, 2023 | March 29, 2024 | March 31, 2023 |
| **Lease expense** | | | | |
| Operating lease expense | $ 33,992 | $ 35,539 | $ 68,192 | $ 70,821 |
| Variable lease expense | 9,799 | 9,416 | 19,136 | 18,762 |
| Sublease income | (4,757) | (4,414) | (9,468) | (8,820) |
| Total lease expense | $ 39,034 | $ 40,541 | $ 77,860 | $ 80,763 |

Supplemental information related to the Company's leases for the six months ended March 29, 2024 and March 31, 2023 was as follows (in thousands):

| | Six Months Ended | |
|---|---|---|
| | March 29, 2024 | March 31, 2023 |
| Cash paid for amounts included in the measurements of lease liabilities | $ 91,565 | $ 92,142 |
| Right-of-use assets obtained in exchange for new operating lease liabilities | $ 23,742 | $ 42,150 |
| Weighted average remaining lease term - operating leases | 5.7 years | 6.1 years |
| Weighted average discount rate - operating leases | 3.4% | 3.0% |

Total remaining lease payments under the Company's leases for the remainder of fiscal 2024 and for the succeeding years is as follows (in thousands):

| Fiscal Year | Operating Leases |
|---|---|
| 2024 | $ 89,020 |
| 2025 | 149,091 |
| 2026 | 125,476 |
| 2027 | 102,627 |
| 2028 | 84,734 |
| Thereafter | 166,659 |
| | 717,607 |
| Less Interest | (66,212) |
| | $ 651,395 |

**Right-of-Use and Other Long-Lived Asset Impairment**

During fiscal 2023, as a result of the Company's transformation initiatives, including the changing nature of the Company's use of office space for its workforce, the Company evaluated its existing real estate lease portfolio. These initiatives resulted in the abandonment of certain leased office spaces and the establishment of a formal plan to sublease certain other leased spaces that will no longer be utilized by the Company. In connection with the Company’s actions related to these initiatives, the Company evaluated certain of its lease right-of-use assets and related property, equipment and leasehold improvements for impairment under ASC 360.

As a result of the analysis, the Company recognized impairment losses during the three and six months ended March 31, 2023 of $10.1 million and $37.2 million, respectively, which are included in selling, general, and administrative expenses in the accompanying statement of earnings. The impairment losses recorded include $32.4 million related to the right-of-use lease assets and $4.8 million related to the other long-lived assets, including property, equipment, and improvements and leasehold improvements for the fiscal 2023 period.

The fair values for the asset groups relating to the impaired long-lived assets were estimated primarily using discounted cash flow models (income approach) with Level 3 inputs. The significant assumptions used in estimating fair value include the expected downtime prior to the commencement of future subleases, projected sublease income over the remaining lease periods and discount rates that reflect the level of risk associated with receiving future cash flows.

## 14. Pension and Other Postretirement Benefit Plans

The following table presents the components of net periodic pension benefit expense recognized in earnings during the three and six months ended March 29, 2024 and March 31, 2023 (in thousands):

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| | March 29, 2024 | March 31, 2023 | March 29, 2024 | March 31, 2023 |
| Component: | | | | |
| Service cost | $ 2,261 | $ 1,748 | $ 4,522 | $ 3,496 |
| Interest cost | 21,560 | 20,233 | 43,120 | 40,466 |
| Expected return on plan assets | (23,726) | (21,091) | (47,452) | (42,182) |
| Amortization of previously unrecognized items | 1,949 | 1,304 | 3,898 | 2,608 |
| Total net periodic pension benefit expense recognized | $ 2,044 | $ 2,194 | $ 4,088 | $ 4,388 |

The service cost component of net periodic pension benefit is presented in the same line item as other compensation costs (direct cost of contracts and selling, general and administrative expenses) and the other components of net periodic pension expense are presented in miscellaneous income (expense), net on the Consolidated Statements of Earnings.

The following table presents certain information regarding the Company’s cash contributions to our pension plans for fiscal 2024 (in thousands):

| | | |
|---|---|---|
| Cash contributions made during the first six months of fiscal 2024 | $ | 10,076 |
| Cash contributions projected for the remainder of fiscal 2024 | | 9,205 |
| Total | $ | 19,281 |

## 15. PA Consulting Redeemable Noncontrolling Interests

On March 2, 2021, Jacobs completed the strategic investment of a 65% interest in PA Consulting, a UK-based leading innovation and transformation consulting firm. PA Consulting is accounted for as a consolidated subsidiary and as a separate operating segment.

In connection with the PA Consulting investment, the Company recorded redeemable noncontrolling interests, including subsequent purchase accounting adjustments, representing the noncontrolling interest holders' equity interests in the form of preferred and common shares of PA Consulting, with substantially all of the value associated with these interests allocable to the preferred shares.

During the first half of 2024 and 2023, PA Consulting repurchased certain shares of the redeemable noncontrolling interest holders for cash amounts of $24.4 million and $58.4 million, respectively. The difference between the cash purchase prices and the recorded book values of these repurchased interests was recorded in the Company’s consolidated retained earnings. The Company held 70% and 69% of the outstanding ownership of PA Consulting as of March 29, 2024 and September 29, 2023, respectively.

During the first half of 2024, the Company recognized approximately $1.8 million in redemption value adjustments associated with redeemable noncontrolling interests preference share repurchase and reissuance activities that were recorded as an increase in consolidated retained earnings and a $0.01 increase in earnings per share, the results of which had no impact on the Company’s overall results of operations, financial position or cash flows. See Note 6- Earnings Per Share and Certain Related Information for more information.

Changes in the redeemable noncontrolling interests during the six months ended March 29, 2024 are as follows (in thousands):

| | | |
|---|---|---|
| Balance at September 29, 2023 | $ | 632,979 |
| Accrued Preferred Dividend to Preference Shareholders | | 39,710 |
| Attribution of Preferred Dividend to Common Shareholders | | (39,710) |
| Net earnings attributable to redeemable noncontrolling interests to Common Shareholders | | 6,700 |
| Redeemable Noncontrolling interests redemption value adjustment | | 96,562 |
| Repurchase of redeemable noncontrolling interests | | (26,258) |
| Cumulative translation adjustment and other | | 15,847 |
| Balance at March 29, 2024 | $ | 725,830 |

In addition, certain employees and non-employees of PA Consulting are eligible to receive equity-based incentive grants in the future under the terms of the applicable agreements. During the first six months of fiscal 2024 and 2023, the Company recorded $6.8 million and $1.1 million, respectively, in expenses associated with these agreements which is reflected in selling, general and administrative expenses in the consolidated statements of earnings.

The Company, through its investment in PA Consulting, held $1.0 million and $2.8 million at March 29, 2024 and September 29, 2023, respectively, in cash that is restricted from general use and is included in Prepaid expenses and other in the Company's Consolidated Balance Sheets.

## 16. Restructuring and Other Charges

During fiscal 2023, the Company implemented restructuring and separation initiatives relating to the Separation Transaction which are expected to continue through fiscal 2025. Restructuring initiatives were also implemented during fiscal 2023 relating to our investment in PA Consulting, which are expected to continue through fiscal 2024, and the DVS segment reorganization, which is substantially completed. While restructuring activities for each of these programs are comprised mainly of employee termination costs, the separation activities and costs are primarily related to the engagement of outside services, dedicated internal personnel and other related costs dedicated to the Company’s Separation Transaction.

During fiscal 2022, the Company implemented certain restructuring and integration initiatives relating to the acquisitions of (i) BlackLynx, Inc. (“BlackLynx”) in November 2021, and (ii) StreetLight Data, Inc. (“StreetLight”) in February 2022. Also, during fiscal 2022 and continuing into fiscal 2023, the Company implemented further real estate rescaling efforts that were associated with its fiscal 2020 transformation program relating to real estate and other staffing initiatives. These initiatives are substantially complete.

During the fiscal year ended October 1, 2021, the Company recorded other-than-temporary impairment charges on its equity method investment in AWE Management Ltd (“AWE”) which were included in miscellaneous income (expense), net in the consolidated statement of earnings. During fiscal year 2022, the contractual operating arrangement with UK Ministry of Defence was terminated which has resulted in the wind down and full impairment of the AWE Joint Venture with immaterial activity expected going forward.

During fiscal 2021, the Company implemented certain integration initiatives associated with our PA Consulting investment. The activities are substantially completed.

During fiscal 2019 and continuing into fiscal 2020, the Company implemented certain restructuring and separation initiatives associated with the ECR sale and other related cost reduction initiatives. The restructuring activities and related costs were comprised mainly of separation and lease abandonment and sublease programs, while the separation activities and costs were mainly related to the engagement of consulting services and dedicated internal personnel and other related costs dedicated to the Company’s ECR-business separation. The activities of these initiatives have been substantially completed.

As part of the Company's acquisition of CH2M Hill Companies, Ltd. ("CH2M") during fiscal 2018, the Company implemented certain restructuring plans that were comprised mainly of severance and lease abandonment programs as well as integration activities involving the engagement of professional services and internal personnel dedicated to the Company's integration management efforts. The activities of these initiatives have been substantially completed.

Collectively, the above-mentioned restructuring activities are referred to as “Restructuring and other charges.”

The following table summarizes the impacts of the Restructuring and other charges by reportable segment in connection with the Separation Transaction, PA Consulting investment, DVS segment reorganization, StreetLight and BlackLynx acquisitions, the Company's transformation initiatives relating to real estate and other staffing programs, the ECR sale, and CH2M acquisition for the three and six months ended March 29, 2024 and March 31, 2023 (in thousands):

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| | March 29, 2024 | March 31, 2023 | March 29, 2024 | March 31, 2023 |
| Critical Mission Solutions | $ 4,738 | $ 1,052 | $ 6,901 | $ 3,264 |
| People & Places Solutions | 5,655 | 5,869 | 13,784 | 33,186 |
| Divergent Solutions | 827 | 3,630 | 1,727 | 5,212 |
| PA Consulting | 2,984 | — | 4,159 | — |
| Corporate | 27,724 | 2,289 | 56,726 | 5,622 |
| Total | $ 41,928 | $ 12,840 | $ 83,297 | $ 47,284 |
| Amounts included in: | | | | |
| Operating profit (mainly SG&A) (1) | $ 41,928 | $ 12,873 | $ 83,297 | $ 47,945 |
| Other Income, net | — | (33) | — | (661) |
| | $ 41,928 | $ 12,840 | $ 83,297 | $ 47,284 |

(1) The three and six months ended March 29, 2024 included approximately $38.9 million and $79.1 million, respectively, in restructuring and other charges mainly relating to the Separation Transaction (primarily professional services and employee separation costs). The three and six months ended March 31, 2023, included approximately $11.0 million and $38.7 million, respectively, in charges associated mainly with real estate impairments and related charges, the majority of which related to People and Places Solutions.

The activity in the Company's accruals for Restructuring and other charges for the six months ended March 29, 2024 is as follows (in thousands):

| | |
|---|---|
| Balance at September 29, 2023 | $ 37,318 |
| Net Charges (Credits) (1) | 83,248 |
| Payments and other | (75,112) |
| Balance at March 29, 2024 | $ 45,454 |

(1) Excludes other net charges associated mainly with the real estate related impairments during the six months ended March 29, 2024.

The following table summarizes the Restructuring and other charges by major type of costs for the three and six months ended March 29, 2024 and March 31, 2023 (in thousands):

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| | March 29, 2024 | March 31, 2023 | March 29, 2024 | March 31, 2023 |
| Lease Abandonments and Impairments | $ — | $ 10,443 | $ 49 | $ 37,273 |
| Terminations | 11,823 | 1,939 | 23,551 | 8,509 |
| Outside Services [(1)] | 22,083 | 802 | 47,066 | 1,478 |
| Other [(2)] | 8,022 | (344) | 12,631 | 24 |
| Total | $ 41,928 | $ 12,840 | $ 83,297 | $ 47,284 |

(1) Amounts in the three and six months ended March 29, 2024 are comprised of outside services relating to the Separation Transaction.

(2) Amounts in the three and six months ended March 29, 2024 are comprised of charges relating to the Separation Transaction.

Cumulative amounts incurred to date under our various Restructuring and other activities described above by each major type of cost as of March 29, 2024 are as follows (in thousands):

| | | |
|---|---|---|
| Lease Abandonments and Impairments | $ | 432,773 |
| Terminations | | 191,867 |
| Outside Services | | 392,756 |
| Other | | 208,565 |
| Total | $ | 1,225,961 |

## 17. Commitments and Contingencies and Derivative Financial Instruments

### Derivative Financial Instruments

The Company is exposed to interest rate risk under its variable rate borrowings and additionally, due to the nature of the Company's international operations, we are at times exposed to foreign currency risk. As such, we sometimes enter into foreign exchange hedging contracts and interest rate hedging contracts in order to limit our exposure to fluctuating foreign currencies and interest rates.

During fiscal 2022, the Company entered into two treasury lock agreements with a total notional value of $500 million to manage its interest rate exposure to the anticipated issuance of fixed rate debt before December 2023. On February 13, 2023, the Company settled these treasury lock agreements and issued the 5.90% Bonds in the aggregate principal amount of $500 million, which resulted in the receipt of cash and a gain of $37.4 million, before tax, which is being amortized to interest expense and recognized over the term of the 5.90% Bonds. See Note 12- Borrowings for further discussion relating to the terms of the 5.90% Bonds. The unrealized net gain on these instruments was $25.1 million and $26.5 million, net of tax, and is included in accumulated other comprehensive income as of March 29, 2024 and September 29, 2023, respectively.

In fiscal 2020 we entered into interest rate swap agreements with a notional value of $745.9 million as of March 29, 2024 to manage the interest rate exposure on our variable rate loans. By entering into the swap agreements, the Company converted the LIBOR and SONIA rate based liabilities into fixed rate liabilities, for periods ranging from five to ten years. The fair value of the interest rate swaps at March 29, 2024 was $79.1 million of which $66.2 million is included within miscellaneous other assets and $12.9 million is included within current assets on the consolidated balance sheet as of March 29, 2024. The fair value of interest rate swaps at September 29, 2023 was $102.6 million, which are included in miscellaneous other assets on the consolidated balance sheet as of September 29, 2023. The unrealized net gain on these interest rate swaps as of March 29, 2024 and September 29, 2023 was $59.6 million and $77.2 million, respectively, net of tax, and was included in accumulated other comprehensive income.

Additionally, in fiscal 2020, we entered into a cross currency swap agreement with a notional value of $127.8 million to manage the interest rate and foreign currency exposure on our USD borrowings by a European subsidiary. By entering into the cross currency swap, the Company converted our LIBOR rate based borrowing in USD to a fixed rate Euro liability for three and a half years. During the fourth quarter of fiscal 2023, the Company paid down the borrowings hedged by the cross currency swap and settled the cross currency swap agreement.

During fiscal 2023, the aggregate liability amounts denominated in U.S. dollars transitioned from underlying LIBOR benchmarked rates to the SOFR and the terms of the swaps were amended accordingly. The swaps were designated as cash-flow hedges in accordance with ASC 815, Derivatives and Hedging.

Additionally, the Company held foreign exchange forward contracts in currencies that support our operations, including British Pound, Euro, Australian Dollar and other currencies, with notional values of $946.1 million at March 29, 2024 and $857.7 million at September 29, 2023. The length of these contracts currently ranges from one week to 10 months. The fair value of the foreign exchange contracts at March 29, 2024 was $(4.3) million, of which $(4.9) million is included within current liabilities and $0.6 million is included within current assets on the consolidated balance sheet as of March 29, 2024. The fair value of the contracts as of September 29, 2023 was $9.5 million, of which $16.1 million is included within current assets and $(6.6) million is included within current liabilities on the consolidated balance sheet as of September 29, 2023. Associated income statement impacts are included in miscellaneous income (expense) in the consolidated statements of earnings for both periods.

The fair value measurements of these derivatives are being made using Level 2 inputs under ASC 820, Fair Value Measurement, as the measurements are based on observable inputs other than quoted prices in active markets. We are exposed to risk from credit-related losses resulting from nonperformance by counterparties to our financial instruments. We perform credit evaluations of our counterparties under forward exchange and interest rate contracts and expect all counterparties to meet their obligations. We have not experienced credit losses from our counterparties.

## Contractual Guarantees and Insurance

In the normal course of business, we make contractual commitments (some of which are supported by separate guarantees) and on occasion we are a party in a litigation or arbitration proceeding. The litigation or arbitration in which we are involved includes personal injury claims, professional liability claims and breach of contract claims. Where we provide a separate guarantee, it is strictly in support of the underlying contractual commitment. Guarantees take various forms including surety bonds required by law, or standby letters of credit ("LOC" and also referred to as “bank guarantees”) or corporate guarantees given to induce a party to enter into a contract with a subsidiary. Standby LOCs are also used as security for advance payments or in various other transactions. The guarantees have various expiration dates ranging from an arbitrary date to completion of our work (e.g., engineering only) to completion of the overall project. We record in the Consolidated Balance Sheets amounts representing our estimated liability relating to such guarantees, litigation and insurance claims. Guarantees are accounted for in accordance with ASC 460-10, Guarantees, at fair value at the inception of the guarantee.

At March 29, 2024 and September 29, 2023, the Company had issued and outstanding approximately $289.7 million and $322.0 million, respectively, in LOCs and $2.2 billion and $2.0 billion, respectively, in surety bonds.

We maintain insurance coverage for most insurable aspects of our business and operations. Our insurance programs have varying coverage limits depending upon the type of insurance and include certain conditions and exclusions which insurance companies may raise in response to any claim that is asserted by or against the Company. We have also elected to retain a portion of losses and liabilities that occur through using various deductibles, limits, and retentions under our insurance programs. As a result, we may be subject to a future liability for which we are only partially insured or completely uninsured. We intend to mitigate any such future liability by continuing to exercise prudent business judgment in negotiating the terms and conditions of the contracts which the Company enters with its clients. Our insurers are also subject to business risk and, as a result, one or more of them may be unable to fulfill their insurance obligations due to insolvency or otherwise.

Additionally, as a contractor providing services to the U.S. federal government, we are subject to many types of audits, investigations, and claims by, or on behalf of, the government including with respect to contract performance, pricing, cost allocations, procurement practices, labor practices, and socioeconomic obligations. Furthermore, our income, franchise, and similar tax returns and filings are also subject to audit and investigation by the Internal Revenue Service, most states within the United States, as well as by various government agencies representing jurisdictions outside the United States.

Our Consolidated Balance Sheets include amounts representing our probable estimated liability relating to such claims, guarantees, litigation, audits, and investigations. We perform an analysis to determine the level of reserves to establish for insurance-related claims that are known and have been asserted against us, as well as for insurance-related claims that are believed to have been incurred based on actuarial analysis but have not yet been reported to our claims administrators as of the respective balance sheet dates. We include any adjustments to such insurance reserves in our consolidated results of operations. Insurance recoveries are recorded as assets if recovery is probable and estimated liabilities are not reduced by expected insurance recoveries.

The Company believes, after consultation with counsel, that such guarantees, litigation, U.S. government contract-related audits, investigations and claims, and income tax audits and investigations should not have a material adverse effect on our consolidated financial statements, beyond amounts currently accrued.

**Litigation and Investigations**

In 2012, CH2M HILL Australia PTY Limited, a subsidiary of CH2M, entered into a 50/50 integrated joint venture with Australian construction contractor UGL Infrastructure Pty Limited. The joint venture entered into a Consortium Agreement with General Electric and GE Electrical International Inc. The Consortium was awarded a subcontract by JKC Australia LNG Pty Limited ("JKC") for the engineering, procurement, construction and commissioning of a 360 MW Combined Cycle Power Plant for INPEX Operations Australia Pty Limited at Blaydin Point, Darwin, NT, Australia (the "Legacy CH2M Matter"). The subcontract was terminated in January 2017. In or around August 2017, the Consortium commenced an arbitration. On April 12, 2022, JKC and the Consortium entered into a confidential deed of settlement (“Settlement Agreement”). Under the terms of the Settlement Agreement, CH2M, as guarantor of CH2M Australia PTY Limited’s obligations with respect to the subcontract with JKC, made a cash payment to JKC in April 2022 of AUD 640 million (or approximately $475 million using mid-April 2022 exchange rates). As a result of the settlement agreement, additional pre-tax charges of $91.3 million were recorded during the year ended September 30, 2022 for this matter (over amounts previously reserved and reported in long-term Other Deferred Liabilities in the Company's Consolidated Balance Sheet). The Settlement Agreement provided for a release of claims between JKC and each member of the Consortium, and in connection with this agreement the members of the Consortium also waived all claims against each other and their respective parent guarantors relating to the project.

On December 22, 2008, a coal fly ash pond at the Kingston Power Plant of the Tennessee Valley Authority ("TVA") was breached, releasing fly ash waste into the Emory River and surrounding community. In February 2009, TVA awarded a contract to the Company to provide project management services associated with the clean-up. All remediation and dredging were completed in August 2013 by other contractors under direct contracts with TVA. The Company did not perform the remediation, and its scope was limited to program management services. Certain employees of the contractors performing the cleanup work on the project filed lawsuits against the Company beginning in August 2013, alleging they were injured due to the Company's failure to protect the plaintiffs from exposure to fly ash, and asserting related personal injuries. The primary case, Greg Adkisson, et al. v. Jacobs Engineering Group Inc., case No. 3:13-CV-505-TAV-HBG, filed in the U.S. District Court for the Eastern District of Tennessee, consisted of 10 consolidated cases. This case and the related cases involved several hundred plaintiffs that were employees of the contractors that completed the remediation and dredging work. In the second quarter of fiscal 2023, the Company entered into a settlement agreement with the plaintiffs whose cases had not been previously dismissed. As of the third quarter of fiscal 2023, all conditions to the settlement had been satisfied, and the cases dismissed. The amount of the settlement was not material to the Company's business, financial condition, results of operations or cash flows.

During the fourth quarter of fiscal 2022, the Company recorded a receivable for certain expected third-party recoveries equal to approximately $27 million before tax, which was collected during first half of fiscal 2023.

## 18. Segment Information

The Company's four operating segments are comprised of its two global lines of business ("LOBs"): Critical Mission Solutions ("CMS") and People & Places Solutions ("P&PS"), its business unit Divergent Solutions ("DVS") and its majority investment in PA Consulting.

The Company’s Chief Executive Officer is the Chief Operating Decision Maker (“CODM”) and can evaluate the performance of each of these segments and make appropriate resource allocations among each of the segments. Under this organization, the sales function is managed by segment, and accordingly, the associated cost is embedded in the segments and reported to the respective head of each segment. In addition, a portion of the costs of other support functions (e.g., finance, legal, human resources, and information technology) is allocated to each segment using methodologies which, we believe, effectively attribute the cost of these support functions to the revenue generating activities of the Company on a rational basis. The cost of the Company’s cash incentive plan, the Leadership Performance Plan ("LPP"), formerly named the Management Incentive Plan, and the expense associated with the Jacobs 1999 Stock Incentive Plan, which was amended and restated in the second quarter of 2023 and is now referred to as the Jacobs 2023 Stock Incentive Plan (the "2023 SIP") have likewise been charged to the segments except for those amounts determined to relate to the business as a whole (which amounts remain in other corporate expenses).

Financial information for each segment is reviewed by the CODM to assess performance and make decisions regarding the allocation of resources. The CODM evaluates the operating performance of our operating segments using segment operating profit, which is defined as margin less “corporate charges” (e.g., the allocated amounts described above). The Company incurs certain Selling, General and Administrative costs (“SG&A”) that relate to its business as a whole which are not allocated to the segments.

The following tables present total revenues and segment operating profit from continuing operations for each reportable segment (in thousands) and includes a reconciliation of segment operating profit to total U.S. GAAP operating profit by including certain corporate-level expenses, Restructuring and other charges (as defined in Note 16-Restructuring and Other Charges) and transaction and integration costs (in thousands).

| | For the Three Months Ended | | For the Six Months Ended | |
|---|---|---|---|---|
| | March 29, 2024 | March 31, 2023 | March 29, 2024 | March 31, 2023 |
| Revenues from External Customers: | | | | |
| Critical Mission Solutions | $ 1,229,226 | $ 1,191,056 | $ 2,357,829 | $ 2,266,231 |
| People & Places Solutions | 2,521,860 | 2,345,065 | 4,992,301 | 4,572,050 |
| Divergent Solutions | 224,040 | 241,224 | 478,220 | 455,690 |
| PA Consulting | 293,967 | 300,987 | 599,968 | 583,030 |
| Total | $ 4,269,093 | $ 4,078,332 | $ 8,428,318 | $ 7,877,001 |

| | For the Three Months Ended | | For the Six Months Ended | |
|---|---|---|---|---|
| | March 29, 2024 | March 31, 2023 | March 29, 2024 | March 31, 2023 |
| Segment Operating Profit: | | | | |
| Critical Mission Solutions | $ 103,649 | $ 93,943 | $ 197,056 | $ 176,163 |
| People & Places Solutions | 267,765 | 232,205 | 492,763 | 458,825 |
| Divergent Solutions (1) | 18,973 | 24,861 | 26,556 | 36,828 |
| PA Consulting | 60,169 | 65,631 | 114,624 | 116,658 |
| Total Segment Operating Profit | 450,556 | 416,640 | 830,999 | 788,474 |
| Other Corporate Expenses (2) | (117,313) | (107,623) | (238,373) | (201,309) |
| Restructuring, Transaction and Other Charges (3) | (52,255) | (19,154) | (107,574) | (59,497) |
| Total U.S. GAAP Operating Profit | 280,988 | 289,863 | 485,052 | 527,668 |
| Total Other Expense, net | (39,403) | (37,550) | (77,716) | (77,873) |
| Earnings from Continuing Operations Before Taxes | $ 241,585 | $ 252,313 | $ 407,336 | $ 449,795 |

(1) For the six months ended March 29, 2024, operating profit included an approximate $15 million pre-tax non-cash charge associated with an inventory write down during the fiscal 2024 period comprised of cumulative adjustments of immaterial inventory misstatements previously reported which would not have been material to any prior period financial statements nor to any amounts reported in the current period.

(2) Other corporate expenses included intangibles amortization of $52.6 million and $50.5 million for the three months ended March 29, 2024 and March 31, 2023, respectively, and $103.8 million and $100.2 million, for the six months ended March 29, 2024 and March 31, 2023, respectively, along with approximately $11.0 million intangibles impairment charge in the six month period ended, March 29, 2024 . Additionally, the comparison of the six month period of fiscal 2024 to the corresponding 2023 period was unfavorably impacted by the one-time net favorable impact of $41 million relating mainly to changes in employee benefits programs in the prior year, partly offset by year over year favorable department spending as well as favorable impacts of corporate functional overhead cost recovery by our lines of business.

(3) The three months and six months ended March 29, 2024 included $38.9 million and $79.1 million, respectively, in restructuring and other charges and $8.4 million and $19.4 million, respectively, of transaction charges, mainly relating to the Separation Transaction (primarily professional services and employee separation costs). Included in the three months and six months ended March 31, 2023 were $10.1 million and $37.2 million, respectively, mainly in real estate impairment charges related to the Company's transformation initiatives.

Included in other corporate expenses in the above table are costs and expenses, which relate to general corporate activities as well as corporate-managed benefit and insurance programs. Such costs and expenses include: (i) those elements of SG&A expenses relating to the business as a whole; (ii) those elements of our incentive compensation plans relating to corporate personnel whose other compensation costs are not allocated to the LOBs; (iii) the amortization of intangible assets acquired as part of business combinations; (iv) the quarterly variances between the Company’s actual costs of certain of its self-insured integrated risk and employee benefit programs and amounts charged to the LOBs; and (v) certain adjustments relating to costs associated with the Company’s international defined benefit pension plans. In addition, other corporate expenses may also include from time to time certain adjustments to contract margins (both positive and negative) associated with projects, as well as other items, where it has been determined that such adjustments are not indicative of the performance of the related LOB.

See also the further description of results of operations for our operating segments in Item 2- Management’s Discussion and Analysis of Financial Condition and Results of Operations.

## Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

### General

The purpose of this Management’s Discussion and Analysis of Financial Condition and Results of Operations (“MD&A”) is to provide a narrative analysis explaining the reasons for material changes in the Company’s (i) financial condition from the most recent fiscal year-end to March 29, 2024 and (ii) results of operations during the current fiscal period(s) as compared to the corresponding period(s) of the preceding fiscal year. In order to better understand such changes, readers of this MD&A should also read:

- The discussion of the critical and significant accounting policies used by the Company in preparing its consolidated financial statements. The most current discussion of our critical accounting policies appears in Item 7, Management’s Discussion and Analysis of Financial Condition and Results of Operations of our 2023 Form 10-K, and the most current discussion of our significant accounting policies appears in Note 2- Significant Accounting Polices in Notes to Consolidated Financial Statements of our 2023 Form 10-K;
- The Company’s fiscal 2023 audited consolidated financial statements and notes thereto included in our 2023 Form 10-K; and
- Item 7, Management’s Discussion and Analysis of Financial Condition and Results of Operations included in our 2023 Form 10-K.

In addition to historical information, this MD&A and other parts of this Quarterly Report on Form 10-Q contain forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements that do not directly relate to any historical or current fact. When used herein, words such as “expects,” “anticipates,” “believes,” “seeks,” “estimates,” “plans,” “intends,” “future,” “will,” “would,” “could,” “can,” “may,” "target," "goal" and similar words are intended to identify forward-looking statements. Examples of forward-looking statements include, but are not limited to, statements we make concerning the financial condition and results of operations and our expectations as to our future growth, prospects, financial outlook and business strategy for fiscal year 2024 or future fiscal years, including our expectations for the timing of completion of restructuring activities and savings to be realized from such activities, as well as the ability to effectuate the Separation Transaction on the expected terms and on the projected timeline, and any assumptions underlying any of the foregoing. Although such statements are based on management’s current estimates and expectations, and/or currently available competitive, financial, and economic data, forward-looking statements are inherently uncertain, and you should not place undue reliance on such statements as actual results may differ materially. We caution the reader that there are a variety of risks, uncertainties and other factors that could cause actual results to differ materially from what is contained, projected or implied by our forward-looking statements. Such factors include uncertainties as to the timing of the Separation Transaction, the impact of the Separation Transaction on Jacobs' and the combined company's businesses if the transaction is completed, including a possible impact on Jacobs' credit profile and a possible decrease in the trading price of Jacobs' and/or the combined company's shares, the possibility that the Separation Transaction, if completed, may not qualify for the expected tax treatment, the ability to obtain all required regulatory approvals, the possibility that closing conditions for the Separation Transaction may not be satisfied or waived, on a timely basis or otherwise, the risk that any consents or approvals required in connection with the Separation Transaction may not be received, the risk that the Separation Transaction may not be completed on the terms or in the time frame expected by the parties, uncertainties as to our and our stockholders' respective ownership percentages of the combined company and the value to be derived from the disposition of Jacobs’ stake in the combined company, unexpected costs, charges or expenses resulting from the Separation Transaction, business and management strategies and the growth expectations of the combined company, the inability of Jacobs' and the combined company to retain and hire key personnel, customers or suppliers while the Separation Transaction is pending or after it is completed, and the ability of the Company to eliminate all stranded costs, as well as other factors related to our business, such as our ability to fully execute on our three-year corporate strategy, including our ability to invest in the tools needed to implement our strategy, competition from existing and future competitors in our target markets, our ability to achieve the cost-savings and synergies contemplated by our recent acquisitions within the expected time frames or to achieve them fully and to successfully integrate acquired businesses, the impact of acquisitions, strategic alliances, divestitures, and other strategic events resulting from evolving business strategies, including on the Company’s ability to maintain its culture and retain key personnel, the impact of any pandemic, and any resulting economic downturn on our results, prospects and opportunities, measures or restrictions imposed by governments and health officials in response to the pandemic, the timing of the award of projects and funding and potential changes to the amounts provided for, under the Infrastructure Investment and Jobs Act, as well as other legislation related to governmental spending, any changes in U.S. or foreign tax laws, statutes, rules, regulations or ordinances that may adversely impact our future financial positions or results of operations, financial market risks that may affect the Company, including by affecting the Company's access to capital, the cost of such capital and/or the Company's funding obligations under defined benefit pension and postretirement plans, as well as general economic conditions, including inflation and the actions taken by monetary authorities in response to inflation, changes in interest rates and foreign currency exchange rates, changes in capital markets, instability in the banking industry, or the impact of a possible recession or economic downturn on our results, prospects and opportunities, and geopolitical events and conflicts, among others. The impact of such matters includes, but is not limited to, the possible reduction in demand for certain of our product solutions and services and the delay or abandonment of ongoing or anticipated projects due to the financial condition of our clients and suppliers or to governmental budget constraints or changes to governmental budgetary priorities; the inability of our clients to meet their payment obligations in a timely manner or at all; potential issues and risks related to a significant portion of our employees working remotely; illness, travel restrictions and other workforce disruptions that have and could continue to negatively affect our supply chain and our ability to timely and satisfactorily complete our clients' projects; difficulties associated with retaining and hiring additional employees; and the inability of governments in certain of the countries in which we operate to effectively mitigate the financial or other impacts of any future pandemics or infectious disease outbreaks on their economies and workforces and our operations therein. The foregoing factors and potential future developments are inherently uncertain, unpredictable and, in many cases, beyond our control. For a description of these and additional factors that may occur that could cause actual results to differ from our forward-looking statements, see Item 1A, Risk Factors included in our 2023 Form 10-K and in this Quarterly Report on Form 10-Q. We undertake no obligation to release publicly any revisions or updates to any forward-looking statements. We encourage you to read carefully the risk factors, as well as the financial and business disclosures contained in this Quarterly Report on Form 10-Q and in other documents we file from time to time with the United States Securities and Exchange Commission (the "SEC").

Business Overview

At Jacobs, we're challenging today to reinvent tomorrow by solving the world's most critical problems for thriving cities, resilient environments, mission-critical outcomes, operational advancement, scientific discovery and cutting-edge manufacturing, turning abstract ideas into realities that transform the world for good. Leveraging a talent force of approximately 60,000, Jacobs provides a full spectrum of professional services including consulting, technical, engineering, scientific and project delivery for the government and private sector.

Over the last seven years, Jacobs has been on a transformation journey, starting with a re-emphasis on business excellence, our culture and brand, and evolving our portfolio to create an inclusive, technology-forward company producing the critical solutions of tomorrow. This transformation included acquiring a 65% stake in PA Consulting Group Limited ("PA Consulting") in fiscal 2021. Acquisitions of Buffalo Group, BlackLynx and StreetLight further positioned us as a leader in high-value government services and technology-enabled solutions.

Our **Boldly Moving Forward** strategy announced in March of 2022 provides Jacobs with a three-year strategy that builds on our success over the preceding three years and takes advantage of a new lens crafted from the incredible pace of change in the world and in our markets. We're now focused on broadening our leadership in high growth sectors aligned with long-term secular trends, such as infrastructure renewal and investment, and the global transition to more sustainable ways of living. Our strategy is driven by our purpose to create a more connected, sustainable world and our values. An extensive evaluation of global trends, capabilities and markets to understand the largest opportunities, projected spend and growth rates identified three growth accelerators: Climate Response, Data Solutions, and Consulting & Advisory, which cut across our entire organization and key sectors creating connections among global market trends, our client solutions and our company purpose. Our three growth accelerators are delivering significant value for our clients, positioning Jacobs for high-margin growth while advancing sustainability and social value in the communities where we serve.

**Climate Response**

As a purpose-led company, we know we have a pivotal role to play across the entire Climate Response value chain – focusing on end-to-end solutions in energy transition, decarbonization, adaptation and resilience, and regenerative and nature-based climate solutions. We consider this not only good business, but our duty to channel our technology-enabled expertise and capabilities toward benefiting people and the planet.

**Data Solutions**

As our clients navigate multifaceted challenges in a rapidly changing world, we are harnessing our data and digital capabilities, products and tools to help our clients operate more efficiently in a safe environment and capitalize on their data more than ever before. We're empowering innovation and ingenuity to unlock better outcomes. We’re investing in big data, artificial intelligence and generative design while building a technology backbone that enables us to add value in a more efficient way.

### Consulting and Advisory

Together with our visionary partner, PA Consulting, we're expanding our position in high-end advisory services and deploying our collective strengths to create significant opportunities for our clients to adapt, innovate and transform.

We're focused on broadening our leadership in sustainable, higher growth, higher value sectors. As part of our strategy, our brand promise: "Challenging today. Reinventing tomorrow." signals our transition to a global technology-forward solutions company. We began trading as “J” on the New York Stock Exchange in December 2019, and in March 2021 our Global Industry Classifications Standard code changed to Research & Consulting Services. Our Focus 2023 Transformation Office drove further innovation, delivering value-creating solutions for our clients and leveraging an integrated digital and technology strategy to improve our efficiency and effectiveness, ultimately freeing up valuable time and resources for reinvestment in our people.

In the fourth quarter fiscal 2022, Jacobs Engineering Group Inc. (the predecessor parent company) created a new holding company, Jacobs Solutions Inc., which became the new parent company of Jacobs Engineering Group Inc. As a result of the transaction, the predecessor parent company's then-current stockholders automatically became stockholders of Jacobs Solutions Inc., on a one-for-one basis, with the same number of shares and same ownership percentage of the predecessor parent company’s common stock that they held immediately prior to the transaction.

## Operating Segments

The services we provide fall into the following two lines of business (LOB): Critical Mission Solutions (CMS) and People & Places Solutions (P&PS). Our LOBs, our business unit Divergent Solutions (DVS), which operates as an integrated offering to both LOBs, and a majority investment in PA Consulting (PA) constitute the Company’s reportable segments and are the foundation for how Jacobs helps create a more connected, sustainable world. For additional information regarding our segments, including information about our financial results by segment and financial results by geography, see Note 18- Segment Information and Note 5- Revenue Accounting for Contracts of Notes to Consolidated Financial Statements.

# Critical Mission Solutions (CMS)

Jacobs' Critical Mission Solutions line of business provides a full spectrum of solutions for clients to address evolving challenges like information and cyber warfare, digital transformation and modernization, national security and defense, space exploration, digital asset management and the green energy transition. Our core capabilities include program management and mission operations; systems digital engineering and mission integration, research, development, test and evaluation; integration, operation, maintenance and sustainment of systems and facilities; enterprise-level IT operations and mission IT delivery, software development, and software application integration; engineering, design and construction of specialized technical facilities and systems; environmental remediation; specialized training; robotics and automation; and other highly technical consulting solutions.

We deliver these capabilities for government agencies as well as commercial clients in the U.S. and international markets.

We leverage our deep experience to support clients in the Aerospace, Automotive, Space, Telecom, Intel, Defense and Energy sectors to develop lasting solutions in the communities where we live and work.

CMS is included as part of the Separation Transaction announced on November 20, 2023, which is expected to close in fiscal year 2024, subject to regulatory approvals and other customary closing conditions.

# People & Places Solutions (P&PS)

Jacobs' People & Places Solutions line of business provides end-to-end solutions for our clients' most complex challenges related to climate change, energy transition, connected mobility, integrated water management, pharmaceutical and semi-conductor manufacturing. In doing so, we combine deep experience in the following end markets - Advanced Manufacturing, Cities & Places, Energy, Environment, Transportation and Water. Our core skills revolve around consulting, planning, architecture, design, engineering, infrastructure delivery services including project, program and construction management and long-term operation of facilities. Solutions are delivered as standalone professional service engagements, comprehensive program management partnerships, and selective progressive design-build and construction management at-risk delivery services. Increasingly, we use data science and technology-enabled expertise to deliver positive and enduring outcomes for the clients and communities we serve.

Our clients include national, state and local governments in the U.S., Europe, U.K., Middle East, and Asia Pacific, and multinational and local private sector clients throughout the world.

# Divergent Solutions (DVS)

Jacobs’ operating segment, Divergent Solutions, serves as the core foundation for developing and delivering innovative, next-generation cloud, cyber, data and digital technologies. DVS further strengthens our ability to drive value for clients of both LOBs by leveraging a full spectrum of cyber, data analytics, systems and software application integration services across Jacobs. Our core capabilities include global strategic alliances, innovation collaboration, next-generation technologies, software and data as a service, and data and secure solutions, all aligned to high-growth verticals of Water, Transportation, Advanced Manufacturing and National Security. DVS clients include government agencies and commercial clients in the U.S. and international markets. The Separation Transaction announced on November 20, 2023 includes portions of DVS, including its Cyber & Intelligence business.

# PA Consulting

Jacobs invested in a 65% stake in PA Consulting, the company that is bringing ingenuity to life. PA Consulting accelerates new growth ideas from concept, through design and development and to commercial success, and revitalizes organizations, building leadership, culture, systems and processes to make innovation a reality. PA Consulting's global team of approximately 4,000, which includes strategists, innovators, designers, consultants, digital experts, scientists, engineers and technologists work across seven sectors: consumer and manufacturing, defense and security, energy and utilities, financial services, government, health and life sciences, and transport to make a positive impact alongside the clients it supports, bringing ingenuity to life.

PA Consulting has a diverse mix of private and public sector clients. Private sector clients include global household names like Unilever, and start-ups like PulPac, which converts plant fibers into sustainable packaging to reduce single-use plastic. From sustainable airports with Amsterdam Airport Schiphol and enhanced home security with ADT, to resilient banking with Bankomat, pioneering medtech with Hubly Surgical, and accelerating the energy transition with Invenergy and energyRe. Public sector clients include the U.K.'s Ministry of Defence, Nuclear Decommissioning Authority, Norwegian Labour and Welfare Administration, and Danish Tax Agency.

In a fast-moving, complex world, we’re deploying the collective strengths of Jacobs and PA Consulting to create significant opportunities for our clients. Alongside Copenhagen Metro – one of the most advanced public transport systems in Europe – we’re providing strategic management and technical services to support its operations and maintenance. We’ve also been selected by the U.K. Department for Transport to provide technical and commercial advice on its portfolio of rail and other transport mode agreements, major projects and programs, and its policy and strategic work in transport.

## Results of Operations for the three and six months ended March 29, 2024 and March 31, 2023

(in thousands, except per share information)

| | For the Three Months Ended | | For the Six Months Ended | |
|---|---|---|---|---|
| | March 29, 2024 | March 31, 2023 | March 29, 2024 | March 31, 2023 |
| Revenues | $ 4,269,093 | $ 4,078,332 | $ 8,428,318 | $ 7,877,001 |
| Direct cost of contracts | (3,364,478) | (3,188,038) | (6,673,165) | (6,171,994) |
| Gross profit | 904,615 | 890,294 | 1,755,153 | 1,705,007 |
| Selling, general and administrative expenses | (623,627) | (600,431) | (1,270,101) | (1,177,339) |
| Operating Profit | 280,988 | 289,863 | 485,052 | 527,668 |
| Other Income (Expense): | | | | |
| Interest income | 9,405 | 7,630 | 17,639 | 10,637 |
| Interest expense | (44,232) | (40,613) | (87,584) | (80,690) |
| Miscellaneous expense, net | (4,576) | (4,567) | (7,771) | (7,820) |
| Total other expense, net | (39,403) | (37,550) | (77,716) | (77,873) |
| Earnings from Continuing Operations Before Taxes | 241,585 | 252,313 | 407,336 | 449,795 |
| Income Tax expense from Continuing Operations | (67,283) | (19,060) | (51,005) | (69,163) |
| Net Earnings of the Group from Continuing Operations | 174,302 | 233,253 | 356,331 | 380,632 |
| Net Loss of the Group from Discontinued Operations | (768) | (75) | (1,342) | (783) |
| Net Earnings of the Group | 173,534 | 233,178 | 354,989 | 379,849 |
| Net Earnings Attributable to Noncontrolling Interests from Continuing Operations | (7,340) | (7,803) | (14,567) | (14,834) |
| Net Earnings Attributable to Redeemable Noncontrolling interests | (4,082) | (8,863) | (6,700) | (12,855) |
| Net Earnings Attributable to Jacobs from Continuing Operations | 162,880 | 216,587 | 335,064 | 352,943 |
| Net Earnings Attributable to Jacobs | $ 162,112 | $ 216,512 | $ 333,722 | $ 352,160 |
| Net Earnings Per Share: | | | | |
| Basic Net Earnings from Continuing Operations Per Share | $ 1.30 | $ 1.71 | $ 2.68 | $ 2.78 |
| Basic Net Loss from Discontinued Operations Per Share | $ (0.01) | $ — | $ (0.01) | $ (0.01) |
| Basic Earnings Per Share | $ 1.29 | $ 1.71 | $ 2.66 | $ 2.78 |
| | | | | |
| Diluted Net Earnings from Continuing Operations Per Share | $ 1.29 | $ 1.70 | $ 2.66 | $ 2.77 |
| Diluted Net Loss from Discontinued Operations Per Share | $ (0.01) | $ — | $ (0.01) | $ (0.01) |

**Overview – Three and Six Month Periods Ended March 29, 2024**

Net earnings attributable to the Company from continuing operations for the second fiscal quarter ended March 29, 2024 were $162.9 million (or $1.29 per diluted share), a decrease of $53.7 million, from net earnings of $216.6 million (or $1.70 per diluted share) for the corresponding period last year. Current quarter favorable underlying operating performance compared to the prior year period was more than offset mainly by $52.3 million in pre-tax Restructuring and other charges and transaction costs due primarily to expenses incurred relating to the Separation Transaction (mainly professional services and employee separation costs), compared to fiscal 2023 amounts of $19.1 million mainly associated with the Company's transformation initiatives relating to real estate, which are discussed in Note 16- Restructuring and Other Charges. Further, our reported net earnings for the current year quarter were unfavorably impacted by an increase in income taxes of $48.2 million compared to the fiscal 2023 period, attributable mainly to a tax benefit in the prior year quarter of $40.2 million related to uncertain tax positions in the U.S. that were effectively settled as discussed in Note 10- Income Taxes.

For the six months ended March 29, 2024, net earnings attributable to the Company from continuing operations were $335.1 million (or $2.66 per diluted share), a decrease of $17.9 million, from net earnings of $352.9 million (or $2.77 per diluted share) for the corresponding period last year. Current favorable underlying operating performance compared to the prior year period was more than offset by approximately $98.5 million in Restructuring and other charges and transactions costs activities relating to the Separation Transaction for the current fiscal year-to-date period, compared to fiscal 2023 amounts of $38.7 million associated with the Company's transformation initiatives relating to real estate, which are discussed in Note 16- Restructuring and Other Charges. Further, the 2023 first fiscal quarter included a net favorable impact of approximately $15.0 million in overhead cost reductions associated mainly with one-time benefit program changes, which was offset in part by higher incentive and other compensation charges and higher investments in company technology platforms. Our reported net earnings for the first half of fiscal 2024 were also favorably impacted by lower income taxes of $18.2 million compared to the fiscal 2023 period, due mainly to a deferred income tax benefit of $61.6 million related to Australia in the first quarter of fiscal 2024 and offset in part mainly by the uncertain tax positions in the U.S. that were effectively settled in the prior year period as mentioned above, combined with other current quarter income tax items further discussed in Note 10- Income Taxes. Finally, earnings attributable to redeemable noncontrolling interests were $6.2 million lower for the six months ended March 29, 2024 due to lower net earnings results in our PA Consulting investment compared to the corresponding period last year.

Consolidated Results of Operations

Revenues for the second fiscal quarter of 2024 were $4.27 billion, an increase of $190.8 million, or 4.7%, from $4.08 billion for the corresponding period last year. For the six months ended March 29, 2024, revenues were $8.43 billion, an increase of $551.3 million, or 7.0%, from $7.88 billion for the corresponding period last year. Revenue increases for the quarterly year over year period were due mainly to the Company's P&PS business as well as increases seen in our CMS business. For the six month periods higher revenue levels in P&PS as well as across all of our lines of businesses contributed to our favorable revenue results.

The P&PS business benefited primarily from stronger performance in its Advanced Facilities, Federal & Environmental and Energy & Power operations while our CMS business benefited from stronger performance in Energy, Security & Technology. Our revenues were favorably impacted by foreign currency translation of $31.4 million and $82.3 for the three and six months ended March 29, 2024, respectively, across our international businesses, as compared to an unfavorable impact of $109.0 million and $267.0 million for the three and six months ended March 31, 2023, respectively.

Gross profit for the second fiscal quarter of 2024 was $904.6 million, an increase of $14.3 million, or 1.6%, from $890.3 million from the corresponding period last year, with gross profit margins of 21.2% and 21.8% for the respective periods. Gross profit for the six months ended March 29, 2024 was $1.76 billion, an increase of $50.1 million, or 2.9%, from $1.71 billion from the corresponding period last year. Our gross profit margins were 20.8% and 21.6% for the six months ended March 29, 2024 and March 31, 2023, respectively. The Company's increase in gross profit was mainly attributable to higher revenues as mentioned above, with slight margin impacts from year over year mix as well as personnel cost impacts primarily in the six month period.

See **Segment Financial Information** discussion for further information on the Company’s results of operations at the operating segment.

SG&A expenses for the three and six months ended March 29, 2024 were $623.6 million and $1.27 billion respectively, compared to $600.4 million and $1.18 billion for the corresponding period last year, representing an increase of $23.2 million and $92.8 million or 3.9% and 7.9%, respectively. SG&A expenses for the three and six months ended March 29, 2024 were impacted by Restructuring and other charges of $47.4 million and $98.5 million respectively, primarily related to the Separation Transaction (mainly professional services and employee separation costs), in comparison to prior period Restructuring and other charges related to real estate related costs of $11.0 million and $38.7 million respectively. These unfavorable items were offset in part by department spend decreases compared to the prior year periods in connection with the Company's cost reduction programs. Also, SG&A expenses were impacted by unfavorable foreign currency translation of $4.6 million and $13.9 million, respectively, for the three and six months March 29, 2024 as compared to favorable impacts of $23.1 million and $50.6 million for the corresponding periods last year.

Net interest expense for the three and six months ended March 29, 2024 was $34.8 million and $69.9 million respectively, an increase of $1.8 million and decrease of $0.1 million from $33.0 million and $70.1 million, or 5.6% and 0.2%, respectively, for the corresponding periods last year. The increase in net interest expense for the three month period ended March 29, 2024 is due primarily to interest rates increasing throughout fiscal year 2023 and fiscal year 2024. The increase in interest expense was offset in part by higher interest rates on cash held and by the Company's lower overall levels of outstanding debt compared to the corresponding periods last year.

Miscellaneous expense, net for the three and six months ended March 29, 2024 of $4.6 million and $7.8 million, respectively, remained flat in comparison to $4.6 million and $7.8 million for the corresponding periods last year.

The Company’s effective tax rates from continuing operations for the three months ended March 29, 2024 and March 31, 2023 were 27.9% and 7.6%, respectively. The most significant items contributing to the difference between the statutory U.S. federal corporate tax rate of 21% and the Company's effective tax rate for the three-month period ended March 29, 2024 were U.S. state income tax expense of $4.0 million and U.S. tax on foreign earnings of $5.5 million. These expense items are expected to have a continuing impact on the Company's effective tax rate for the remainder of the fiscal year. For the three months ended March 31, 2023, the main differences were attributable to a tax benefit of $40.2 million related to uncertain tax positions (“UTPs”) in the U.S. that were effectively settled, of which $30.8 million relates to positions carried forward from the acquisition of CH2M Hill Companies Ltd. that was completed in 2018, as well as a tax benefit of $8.6 million for the release of previously valued foreign tax credits. These benefits were partly offset by U.S. state income tax expense of $5.9 million and U.S. tax on foreign earnings of $4.6 million.

The Company's effective tax rates from continuing operations for the six months ended March 29, 2024 and March 31, 2023 were 12.6% and 15.4%, respectively. The most significant item contributing to the difference between the statutory U.S. federal corporate tax rate of 21% and the Company’s effective tax rate for the six-month period ended March 29, 2024 related to a discrete event associated with the election to treat an Australian subsidiary as a corporation versus a partnership for U.S. tax purposes, with this election resulting in the derecognition of a deferred tax liability and yielding a discrete income tax benefit of $61.6 million as the Company asserts that a component of the investment will be indefinitely reinvested. This benefit was partly offset by U.S. state income tax expense of

$7.3 million and U.S. tax on foreign earnings of $8.6 million, which are expected to have a continuing impact on the Company's effective tax rate for the remainder of the fiscal year. For the six months ended March 31, 2023, the main differences were associated with net tax benefits of $39.0 million mostly related to UTPs mentioned above and a tax benefit of $8.6 million for the release of previously valued foreign tax credits, partly offset by U.S. state income tax expense of $10.5 million and U.S. tax on foreign earnings of $8.2 million.

The amount of income taxes the Company pays is subject to ongoing audits by tax jurisdictions around the world. In the normal course of business, the Company is subject to examination by tax authorities throughout the world, including such major jurisdictions as Australia, Canada, India, the Netherlands, the United Kingdom and the United States. Our estimate of the potential outcome of any uncertain tax issue is subject to our assessment of the relevant risks, facts, and circumstances existing at the time. The Company believes that it has adequately provided for reasonably foreseeable outcomes related to these matters. However, future results may include favorable or unfavorable adjustments to our estimated tax liabilities in the period the assessments are made or resolved, which may impact our effective tax rate.

Net earnings attributable to noncontrolling interests for the three and six months ended March 29, 2024 of $11.4 million and $21.3 million, respectively and $16.7 million and $27.7 million for the corresponding periods last year were lower primarily due to lower net earnings results in our PA Consulting investment compared to the prior year quarter.

Restructuring and Other Charges

During fiscal 2023, the Company implemented restructuring initiatives relating to the Separation Transaction. The Company incurred approximately $19.8 million in fiscal 2023 and $19.7 million during the six months ended March 29, 2024, in pre-tax cash charges in connection with these initiatives. These actions, which are expected to be substantially completed before the end of fiscal 2025, are expected to result in estimated gross annualized pre-tax cash savings of approximately $94 million to $115 million. We will likely incur additional charges under this program through fiscal 2025, which are expected to result in additional savings in future periods.

During third quarter fiscal 2023, the Company approved a plan to improve business processes and cost structures of our PA Consulting investment by reorganizing senior management and reducing headcount. In connection with these initiatives, which are expected to be substantially complete before the end of fiscal 2024, the Company incurred approximately $14.3 million during fiscal 2023 and $4.2 million in the six months ending March 29, 2024, in pre-tax cash charges. These activities are expected to result in estimated gross annualized pre-tax cash savings of approximately $45 million to $60 million.

During fiscal 2023, the Company implemented restructuring and cost reduction initiatives relating to the formation of the reporting and operating segment, Divergent Solutions, which were substantially completed in fiscal 2023. The Company incurred approximately $7.5 million in pre-tax cash charges in connection with these initiatives during the year ended September 29, 2023. These actions are expected to result in estimated gross annualized pre-tax cash savings of approximately $20 million to $24 million.

During fiscal 2020 and continuing into fiscal 2023, the Company implemented further real estate rescaling efforts that were associated with its fiscal 2020 transformation program relating to real estate. These activities were substantially completed in fiscal 2023. In connection with these efforts, the Company has incurred $47.3 million and $72.4 million for the years ended September 29, 2023 and September 30, 2022, respectively, in pre-tax mainly non-cash charges. These actions resulted in non-cash savings related to the future amortization of lease right-of-use assets over the remaining lease terms. Additionally, the objective of these initiatives was to create a modern, flexible work platform tailored to employees' needs due to globalization and digital advances and to create total emissions savings that will be realized as we continue to optimize our real estate footprint.

Refer to Note 16– Restructuring and Other Charges for further information regarding restructuring and integration initiatives.

**Segment Financial Information**

The following tables provide selected financial information for our operating segments and includes a reconciliation of segment operating profit to total U.S. GAAP operating profit from continuing operations by including certain corporate-level expenses, Restructuring and other charges and transaction and integration costs (in thousands).

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| | March 29, 2024 | March 31, 2023 | March 29, 2024 | March 31, 2023 |
| Revenues from External Customers: | | | | |
| Critical Mission Solutions | $ 1,229,226 | $ 1,191,056 | $ 2,357,829 | $ 2,266,231 |
| People & Places Solutions | 2,521,860 | 2,345,065 | 4,992,301 | 4,572,050 |
| Divergent Solutions | 224,040 | 241,224 | 478,220 | 455,690 |
| PA Consulting | 293,967 | 300,987 | 599,968 | 583,030 |
| Total | $ 4,269,093 | $ 4,078,332 | $ 8,428,318 | $ 7,877,001 |

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| | March 29, 2024 | March 31, 2023 | March 29, 2024 | March 31, 2023 |
| Segment Operating Profit: | | | | |
| Critical Mission Solutions | $ 103,649 | $ 93,943 | $ 197,056 | $ 176,163 |
| People & Places Solutions | 267,765 | 232,205 | 492,763 | 458,825 |
| Divergent Solutions (1) | 18,973 | 24,861 | 26,556 | 36,828 |
| PA Consulting | 60,169 | 65,631 | 114,624 | 116,658 |
| Total Segment Operating Profit | 450,556 | 416,640 | 830,999 | 788,474 |
| Other Corporate Expenses (2) | (117,313) | (107,623) | (238,373) | (201,309) |
| Restructuring, Transaction and Other Charges (3) | (52,255) | (19,154) | (107,574) | (59,497) |
| Total U.S. GAAP Operating Profit | 280,988 | 289,863 | 485,052 | 527,668 |
| Total Other Expense, net | (39,403) | (37,550) | (77,716) | (77,873) |
| Earnings Before Taxes from Continuing Operations | $ 241,585 | $ 252,313 | $ 407,336 | $ 449,795 |

(1) For the six months ended March 29, 2024, operating profit included an approximate $15 million pre-tax non-cash charge associated with an inventory write down during the fiscal 2024 period comprised of cumulative adjustments of immaterial inventory misstatements previously reported which would not have been material to any prior period financial statements nor to any amounts reported in the current period.

(2) Other corporate expenses included intangibles amortization of $52.6 million and $50.5 million for the three months ended March 29, 2024 and March 31, 2023, respectively, and $103.8 million and $100.2 million, for the six months ended March 29, 2024 and March 31, 2023, respectively, along with approximately $11.0 million intangibles impairment charge in the six month period ended, March 29, 2024 . Additionally, the comparison of the six month period of fiscal 2024 to the corresponding 2023 period was unfavorably impacted by the one-time net favorable impact of $41 million relating mainly to changes in employee benefits programs in the prior year, partly offset by year over year favorable department spending as well as favorable impacts of corporate functional overhead cost recovery by our lines of business.

(3) The three months and six months ended March 29, 2024 included $38.9 million and $79.1 million, respectively, in restructuring and other charges and $8.4 million and $19.4 million, respectively, of transaction charges, mainly relating to the Separation Transaction (primarily professional services and employee separation costs). Included in the three months and six months ended March 31, 2023 were $10.1 million and $37.2 million, respectively, mainly in real estate impairment charges related to the Company's transformation initiatives.

### Critical Mission Solutions

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| | March 29, 2024 | March 31, 2023 | March 29, 2024 | March 31, 2023 |
| Revenue | $ 1,229,226 | $ 1,191,056 | $ 2,357,829 | $ 2,266,231 |
| Operating Profit | $ 103,649 | $ 93,943 | $ 197,056 | $ 176,163 |

Critical Mission Solutions segment revenues for the three and six months ended March 29, 2024 were $1.23 billion and $2.36 billion respectively, an increase of $38.2 million and $91.6 million, or 3.2% and 4.0%, from reported amounts of $1.19 billion and $2.27 billion for the corresponding periods last year. During the three and six months ended March 29, 2024, revenue benefited from increased volume in the nuclear remediation and energy sectors in the United Kingdom as well as strong performance in the U.S. space, defense, and energy markets. Foreign currency translation had approximately $9.6 million and $22.6 million in favorable impacts on revenues for the three and six months ended March 29, 2024, respectively, compared to $25.5 million and $58.6 million in unfavorable impacts in the corresponding prior year periods.

Operating profit for the segment was $103.6 million and $197.1 million respectively, for the three and six months ended March 29, 2024, which was an increase of $9.7 million and $20.9 million, or 10.3% and 11.9%, from $93.9 million and $176.2 million compared to the corresponding periods in the prior year. Operating profit level and margin trends for the year-over-year periods were favorably impacted by increased profitability in the United Kingdom and U.S. nuclear remediation markets, and U.S. commercial markets. Foreign currency translation had approximately $1.3 million and $3.1 million in favorable impacts on operating profit for the three and six months ended March 29, 2024, as compared to $3.3 million and $7.2 million in unfavorable impacts in the corresponding prior year periods.

### People & Places Solutions

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| | March 29, 2024 | March 31, 2023 | March 29, 2024 | March 31, 2023 |
| Revenue | $ 2,521,860 | $ 2,345,065 | $ 4,992,301 | $ 4,572,050 |
| Operating Profit | $ 267,765 | $ 232,205 | $ 492,763 | $ 458,825 |

Revenues for the People & Places Solutions segment for the three and six months ended March 29, 2024 was $2.52 billion and $4.99 billion respectively, an increase of $176.8 million and $420.3 million, or 7.5% and 9.2%, from reported amounts of $2.35 billion and $4.57 billion for the corresponding periods last year. The increase in revenue for the three and six months ended March 29, 2024 was driven by net revenue growth across all sectors, specifically in water, life sciences and energy. Foreign currency translation had approximately $8.9 million and $29.6 million in favorable impacts on revenues for the three and six months ended March 29, 2024, as compared to $51.2 million and $134.5 million in unfavorable impacts in the corresponding prior year periods.

Operating profit for the People & Places Solutions segment for the three and six month period ended March 29, 2024 was $267.8 million and $492.8 million respectively, an increase of $35.6 million and $33.9 million, or 15.3% and 7.4%, from $232.2 million and $458.8 million for the corresponding period last year. The increase in the three and six month periods is a result of higher year over year segment revenues mentioned above with partially offsetting impacts from higher corporate cost allocations versus the prior year period. Foreign currency translation had approximately $1.9 million and $5.4 million in favorable impacts on operating profit for the three and six months ended March 29, 2024, as compared to $9.5 million and $25.4 million in unfavorable impacts in the corresponding prior year periods.

**Divergent Solutions**

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| | March 29, 2024 | March 31, 2023 | March 29, 2024 | March 31, 2023 |
| Revenue | $ 224,040 | $ 241,224 | $ 478,220 | $ 455,690 |
| Operating Profit | $ 18,973 | $ 24,861 | $ 26,556 | $ 36,828 |

Revenues for the Divergent Solutions segment for the three and six months ended March 29, 2024 were $224.0 million and $478.2 million, respectively, a change of $(17.2) million and $22.5 million, or (7.1)% and 4.9%, from $241.2 million and $455.7 million for the corresponding periods last year. The decrease in revenue for the three months ended March 29, 2024 was mainly due to a national government program ending. The six month increase is due to a startup of new programs previously won in fiscal 2023. Foreign currency translation did not have a material impact on revenue in our Divergent Solutions segment for either period presented.

Operating profit for the segment was $19.0 million and $26.6 million, for the three and six months ended March 29, 2024, respectively, a decrease of $5.9 million and $10.3 million, or 23.7% and 27.9%, from $24.9 million and $36.8 million for the corresponding periods last year. The three month decrease is driven by higher software licensing revenue in the second quarter of fiscal 2023. Operating profit for the six month period reflected strong underlying performance in the Cyber & Intelligence business unit and the new programs previously won in fiscal 2023, although fully offset by an approximate one-time $15 million pre-tax non-cash charge associated with an inventory write down during the fiscal 2024 period. Foreign currency translation had an immaterial impact on operating profit in our Divergent Solutions segment for both periods presented.

**PA Consulting**

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| | March 29, 2024 | March 31, 2023 | March 29, 2024 | March 31, 2023 |
| Revenue | $ 293,967 | $ 300,987 | $ 599,968 | $ 583,030 |
| Operating Profit | $ 60,169 | $ 65,631 | $ 114,624 | $ 116,658 |

Revenues for the PA Consulting segment for the three and six months ended March 29, 2024 were $294.0 million and $600.0 million, respectively, a change of $(7.0) million and $16.9 million, or (2.3)% and 2.9%, from $301.0 million and $583.0 million in the corresponding periods last year. The three and six month changes are primarily due to growth in PA Consulting's Defence & Security, Public Sector, Energy & Utilities, and Advanced Facilities businesses with stronger growth during the first fiscal quarter. Foreign currency translation had approximately $12.4 million and $29.1 million in favorable impacts on revenues for the three and six months ended March 29, 2024, respectively, as compared to $30.7 million and $72.3 million in unfavorable impacts in the corresponding prior year periods.

Operating profit for the segment for the three and six months ended March 29, 2024 was $60.2 million and $114.6 million, respectively, a decrease of $5.5 million and $2.0 million, or 8.3% and 1.7%, from $65.6 million and $116.7 million in the corresponding periods last year, due mainly to impacts from changes in revenue noted above as well as impacts from timing of certain personnel related expenses incurred in connection with our cost management programs.

**Other Corporate Expenses**

Other corporate expenses for the three and six months ended March 29, 2024 were $117.3 million and $238.4 million, respectively, an increase of $9.7 million and $37.1 million, or 9.0% and 18.4%, from $107.6 million and $201.3 million for the corresponding periods last year. The three month period of fiscal 2024 was impacted mainly by increases in expense associated with certain contingent equity-based agreements in connection with our PA Consulting investment. The comparison of the six months period of fiscal 2024 to the corresponding 2023 period was further unfavorably impacted by a one-time net favorable impact of $41 million relating mainly to changes in employee benefits programs during first quarter 2023, partly offset by year over year favorable department spending as well as favorable impacts of corporate functional overhead cost recovery by our lines of business. Additionally, the fiscal 2024 year-to-date period reflects approximately $11 million in one-time non-cash intangibles impairment charges.

Included in other corporate expenses are costs and expenses which relate to general corporate activities as well as corporate-managed benefit and insurance programs. Such costs and expenses include: (i) those elements of SG&A expenses relating to the business as a whole; (ii) those elements of our incentive compensation plans relating to corporate personnel whose other compensation costs are not allocated to the LOBs; (iii) the amortization of intangible assets acquired as part of business combinations; (iv) the quarterly variances between the Company’s actual costs of certain of its self-insured integrated risk and employee benefit programs and amounts charged to the LOBs; and (v) certain adjustments relating to costs associated with the Company’s international defined benefit pension plans. In addition, other corporate expenses may also include from time to time certain adjustments to contract margins (both positive and negative) associated with projects, as well as other items, where it has been determined that such adjustments are not indicative of the performance of the related LOB.

Backlog Information

Backlog represents revenue we expect to realize for work to be completed by our consolidated subsidiaries and our proportionate share of work to be performed by unconsolidated joint ventures. Because of variations in the nature, size, expected duration, funding commitments, and the scope of services required by our contracts, the amount and timing of when backlog will be recognized as revenues includes significant estimates and can vary greatly between individual contracts.

Consistent with industry practice, substantially all of our contracts are subject to cancellation or termination at the option of the client, including our U.S. government work. While management uses all information available to determine backlog, at any given time our backlog is subject to changes in the scope of services to be provided as well as increases or decreases in costs relating to the contracts included therein. Backlog is not necessarily an indicator of future revenues.

Because certain contracts (e.g., contracts relating to large Engineering, Procurement & Construction ("EPC") projects as well as national government programs) can cause large increases to backlog in the fiscal period in which we recognize the award, and because many of our contracts require us to provide services that span over several fiscal quarters (and sometimes over fiscal years), we have presented our backlog on a year-over-year basis, rather than on a sequential, quarter-over-quarter basis.

The following table summarizes our backlog at March 29, 2024 and March 31, 2023 (in millions):

| | March 29, 2024 | March 31, 2023 |
|---|---|---|
| Critical Mission Solutions | $ 8,453 | $ 8,136 |
| People & Places Solutions | 17,929 | 17,563 |
| Divergent Solutions | 2,682 | 2,956 |
| PA Consulting | 344 | 319 |
| Total | $ 29,408 | $ 28,974 |

The increase in backlog in Critical Mission Solutions from March 31, 2023 was primarily driven by growth and increased funding levels in the United Kingdom and U.S. nuclear remediation markets along with growth in the U.K. defense sector that offset slower growth in the U.S. Defense sector.

The increase in backlog in People & Places Solutions from March 31, 2023 was predominantly driven by growth in the Life Sciences and Energy markets.

The decrease in backlog in Divergent Solutions (DVS) from March 31, 2023 was primarily due to a major program ending prior than expected, as discussed above.

The increase in backlog in PA Consulting from March 31, 2023 was primarily driven by strategic focus on long-term projects as well as organic year-over-year growth of the business.

Consolidated backlog differs from the Company's remaining performance obligations as defined by ASC 606 primarily because of contract change orders or new wins not yet processed and our national government contracts where our policy is to generally include in backlog the contract award, whether funded or unfunded excluding certain option periods while our remaining performance obligations represent a measure of the total dollar value of work to be performed on contracts awarded and in progress. Additionally, the Company does not include our proportionate share of backlog related to unconsolidated joint ventures in our remaining performance obligations.

## Liquidity and Capital Resources

At March 29, 2024, our principal sources of liquidity consisted of $1.03 billion in cash and cash equivalents and $2.11 billion of available borrowing capacity under our $2.25 billion revolving credit agreement (the "Revolving Credit Facility"). We finance much of our operations and growth through cash generated by our operations.

Cash and cash equivalents at March 29, 2024 were $1.03 billion, representing an increase of $106.9 million from $926.6 million at September 29, 2023, the reasons for which are described below.

Our net cash flow provided by operations of $375.5 million during the six months ended March 29, 2024 was unfavorable by $58.8 million in comparison to the cash flow provided by operations of $434.3 million for the corresponding prior year period. The year-over-year decrease in cash from operations is due mainly to higher cash used for income tax payments and increases in accounts receivable, partly offset by higher cash generated from net earnings.

Our net cash used for investing activities for the six months ended March 29, 2024 was $57.3 million, compared to cash used for investing activities of $76.7 million in the corresponding prior year period, with this change due primarily to lower levels of additions to plant, property and equipment in the current year.

Our net cash used for financing activities of $230.8 million for the six months ended March 29, 2024 is driven by share repurchases of $195.5 million, $70.1 million in dividends to shareholders, and $24.4 million in net PA Consulting related redeemable noncontrolling interests purchase and issuance activity, partly offset by net proceeds from borrowings of $85.5 million. Cash used for financing activities in the corresponding prior year period was $336.0 million, due primarily to share repurchases of $140.5 million, $62.8 million in dividends to shareholders, $58.4 million in net PA Consulting related redeemable noncontrolling interests purchase and issuance activity, and net repayments from borrowings of $53.8 million.

At March 29, 2024, the Company had approximately $250.1 million in cash and cash equivalents held in the U.S. and $783.4 million held outside of the U.S. (primarily in the U.K., the Eurozone, Australia, India, Canada, Saudi Arabia and the United Arab Emirates), which is used primarily for funding operations in those regions. Other than the tax cost of repatriating funds to the U.S. (see Note 7- Income Taxes of Notes to Consolidated Financial Statements included in our 2023 Form 10-K), there are no material impediments to repatriating these funds to the U.S.

The Company had $289.7 million in letters of credit outstanding at March 29, 2024. Of this amount, $0.5 million was issued under the Revolving Credit Facility and $289.2 million was issued under separate, committed and uncommitted letter-of-credit facilities.

Long-term debt as of March 29, 2024 decreased by $648.6 million compared to September 29, 2023 primarily due to the reclassification of $785.7 million from long-term to short-term in March 2024 in connection with the March 25, 2025 scheduled maturity of the 2020 Term Loan Facility.

Under the Separation Transaction, Jacobs and its shareholders will own up to 63% of the combined company's common stock upon consummation of the transaction, the exact amount of which will be determined based on the achievement of certain fiscal year 2024 operating profit targets. Jacobs is also expected to receive $1 billion of cash proceeds at closing, subject to customary adjustments. The Company expects to use this cash received at closing to repay outstanding indebtedness. Jacobs is also expected to realize additional value after closing through the disposition of its retained equity stake in the combined company within 12 months.

On February 6, 2023, the Company refinanced its Revolving Credit Facility and Term Loan Facilities, and on February 16, 2023, the Company issued the 5.90% Bonds in the aggregate principal amount of $500.0 million. On August 18, 2023, the Company issued the 6.35% Bonds in the aggregate principal amount of $600.0 million. See Note 12 - Borrowings for further discussion relating to the terms of the 5.90% Bonds, the 6.35% Bonds, the Revolving Credit Facility and Term Loan Facilities following the issuances and refinancing.

We believe we have adequate liquidity and capital resources to fund our projected cash requirements for the next twelve months based on the liquidity provided by our cash and cash equivalents on hand, our borrowing capacity and our continuing cash from operations.

We were in compliance with all of our debt covenants at March 29, 2024.

Supplemental Obligor Group Financial Information

On February 16, 2023, Jacobs Engineering Group Inc., a wholly-owned subsidiary of Jacobs Solutions Inc. (together, the "Obligor Group"), completed an offering of $500 million aggregate principal amount of 5.90% Bonds, due 2033 and on August 18, 2023, completed an offering of $600 million aggregate principal amount of 6.35% Bonds, due 2028 (collectively the “Bonds”). The Bonds are fully and unconditionally guaranteed by the Company (the “Guarantees”). The Bonds and the respective Guarantees were offered pursuant to prospectus supplements, dated February 13, 2023 and August 15, 2023, respectively, to the prospectus dated February 6, 2023, that forms a part of the Company and JEGI’s automatic shelf registration statement on Form S-3ASR (File Nos. 333-269605 and 333-269605-01) previously filed with the SEC.

In accordance with SEC Regulation S-X Rule 13-01, set forth below is the summarized financial information for the Obligor Group on a combined basis after elimination of (i) intercompany transactions and balances between Jacobs and JEGI and (ii) equity in the earnings from and investments in all other subsidiaries of the Company that do not guarantee the registered securities of either Jacobs or JEG. This summarized financial information (in thousands) has been prepared and presented pursuant to Regulation S-X Rule 13-01, “Financial Disclosures about Guarantors and Issuers of Guaranteed Securities” and is not intended to present the financial position or results of operations of the Obligor Group in accordance with U.S. GAAP.

| (in thousands) | | **Six Months Ended March 29, 2024** |
|---|---|---|
| **Summarized Statement of Earnings Data** | | |
| Revenue | $ | 1,922,302 |
| Direct Costs | $ | 1,601,264 |
| Selling, General and Administrative Expenses | $ | 275,859 |
| Net loss attributable to Guarantor Subsidiaries from continuing operations | $ | (17,360) |
| Noncontrolling interests | $ | 1,126 |

| (in thousands) | | March 29, 2024 | | September 29, 2023 |
|---|---|---|---|---|
| **Summarized Balance Sheet Data** | | | | |
| Current assets, less receivables from Non-Guarantor Subsidiaries | $ | 1,018,317 | $ | 693,037 |
| Current receivables from Non-Guarantor Subsidiaries | $ | — | $ | — |
| Noncurrent assets, less noncurrent receivables from Non-Guarantor Subsidiaries | $ | 469,574 | $ | 459,276 |
| Noncurrent receivables from Non-Guarantor Subsidiaries | $ | 582,498 | $ | 610,900 |
| Current liabilities | $ | 1,154,781 | $ | 616,140 |
| Current liabilities to Non-Guarantor Subsidiaries | $ | 617,497 | $ | 387,461 |
| Long-term Debt | $ | 2,164,932 | $ | 2,561,590 |
| Other Noncurrent liabilities, less amounts payable to Non-Guarantor Subsidiaries | $ | 242,663 | $ | 248,852 |
| Noncurrent liabilities to Non-Guarantor Subsidiaries | $ | 435,868 | $ | 343,674 |
| Noncontrolling interests | $ | 873 | $ | 577 |
| Accumulated deficit | $ | (2,546,225) | $ | (2,395,081) |

## Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We do not enter into derivative financial instruments for trading, speculation or other similar purposes that would expose the Company to market risk. In the normal course of business, our results of operations are exposed to risks associated with fluctuations in interest rates and currency exchange rates.

### Interest Rate Risk

Please see the Note 12- Borrowings in Notes to Consolidated Financial Statements appearing under Part I, Item 1 of this Quarterly Report on Form 10-Q, which is incorporated herein by reference, for a discussion of the Revolving Credit Facility, Term Loan Facilities and Note Purchase Agreement.

Our Revolving Credit Facility, Term Loan Facilities and certain other debt obligations are subject to variable rate interest which could be adversely affected by an increase in interest rates. As of March 29, 2024, we had an aggregate of $1.92 billion in outstanding borrowings under our Revolving Credit Facility and Term Loan Facilities. Interest on amounts borrowed under these agreements is subject to adjustment based on the Company's Consolidated Leverage Ratio (as defined in the credit agreements governing the Revolving Credit Facility and the Term Loan Facilities). Depending on the Company's Consolidated Leverage Ratio, borrowings denominated in U.S. dollars under the Revolving Credit Facility and the Term Loan Facilities bear interest at a SOFR rate plus a margin of between 0.975% and 1.725% or a base rate plus a margin of between 0.0% and 0.625% including applicable margins while borrowings denominated in British pounds under these respective facilities bear interest at an adjusted SONIA rate plus a margin of between 0.908% and 1.658%. Additionally, our Revolving Credit Facility, Term Loan Facilities and our 5.90% Bonds have interest rates subject to potential increases relating to certain ESG metrics as stipulated in the related agreements and as discussed in Note 12- Borrowings.

However, as discussed in Note 17- Commitments and Contingencies and Derivative Financial Instruments, we are party to swap agreements with an aggregate notional value of $745.9 million to convert the variable rate interest based liabilities associated with a corresponding amount of our debt into fixed interest rate liabilities, leaving $1.17 billion in principal amount subject to variable interest rate risk. Additionally, during fiscal 2022, we entered into two treasury lock arrangements with an aggregate notional value of $500.0 million, which were settled in the second quarter fiscal 2023, and are disclosed in further detail in Note 17- Commitments and Contingencies and Derivative Financial Instruments.

For the six months ended March 29, 2024, our weighted average borrowings that are subject to floating rate exposure were approximately $1.34 billion. If floating interest rates had increased by 1.00%, our interest expense for the six months ended March 29, 2024 would have increased by approximately $6.7 million.

### Foreign Currency Risk

In situations where the Company incurs costs in currencies other than our functional currency, we sometimes enter into foreign exchange contracts to limit our exposure to fluctuating foreign currencies. We follow the provisions of ASC 815, Derivatives and Hedging in accounting for our derivative contracts. The Company has $946.1 million in notional value of exchange rate sensitive instruments at March 29, 2024. See Note 17- Commitments and Contingencies and Derivative Financial Instruments for discussion.

## Item 4. Controls and Procedures.

**Evaluation of Disclosure Controls and Procedures**

Disclosure controls and procedures are those controls and procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Securities Exchange Act of 1934, as amended (the "Exchange Act") are recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer (principal executive officer) and Chief Financial Officer (principal financial officer), to allow timely decisions regarding required disclosure.

The Company's management, with the participation of its Chief Executive Officer (principal executive officer) and Chief Financial Officer (principal financial officer), evaluated the effectiveness of the Company's disclosure controls and procedures as defined by Rule 13a-15(e) of the Exchange Act defined above, as of March 29, 2024, the end of the period covered by this Quarterly Report on Form 10-Q (the "Evaluation Date"). Based on that evaluation, the Company's management, with the participation of the Chief Executive Officer (principal executive officer) and Chief Financial Officer (principal financial officer) concluded that the Company's disclosure controls and procedures, as of the Evaluation Date, were effective to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to the Company's management, including the Company's Chief Executive Officer (principal executive officer) and Chief Financial Officer (principal financial officer), as appropriate to allow timely decisions regarding required disclosure.

**Changes in Internal Control Over Financial Reporting**

There were no changes to our internal control over financial reporting which were identified in connection with the evaluation required by paragraph (d) of Rules 13a-15 and 15d-15 under the Exchange Act during the quarter ended March 29, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II - OTHER INFORMATION

### Item 1. Legal Proceedings.

The information required by this Item 1 is included in the Note 17- Commitments and Contingencies and Derivative Financial Instruments included in the Notes to Consolidated Financial Statements appearing under Part I, Item 1 of this Quarterly Report on Form 10-Q, which is incorporated herein by reference.

### Item 1A. Risk Factors.

Please refer to Item 1A- Risk Factors in our 2023 Form 10-K, which is incorporated herein by reference, for a discussion of some of the factors that have affected our business, financial condition, and results of operations in the past and which could affect us in the future. There have been no material changes to those risk factors. Before making an investment decision with respect to our common stock, you should carefully consider those risk factors, as well as the financial and business disclosures contained in this Quarterly Report on Form 10-Q and our other current and periodic reports filed with the SEC.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

There were no sales of unregistered securities during the second fiscal quarter of 2024.

**Share Repurchases**

On January 25, 2023, the Company's Board of Directors authorized a share repurchase program of up to $1.0 billion of the Company's stock, to expire on January 25, 2026 (the "2023 Repurchase Authorization"). A summary of repurchases of the Company’s common stock made during the second quarter of fiscal 2024 under the 2023 Share Repurchase Authorization follows:

| Period | Total Number of Shares Purchased | Average Price Per Share (1) | Total Number of Shares Purchased under the 2023 Repurchase Authorization | Approximate Dollar Value of Shares that May Yet Be Purchased Under the 2023 Repurchase Authorization |
|---|---|---|---|---|
| February 14, 2024 - February 23, 2024 | 150,475 | $145.66 | 150,475 | $752,900,871 |
| February 26, 2024 - March 28, 2024 | 488,947 | $150.38 | 488,947 | $679,372,362 |

(1) Includes commissions paid and excise tax due under the Inflation Reduction Act of 2022 and calculated at the average price per share.

Our share repurchase program does not obligate the Company to purchase any shares. Share repurchases may be executed through various means including, without limitation, accelerated share repurchases, open market transactions, privately negotiated transactions, purchases pursuant to Rule 10b5-1 plans or otherwise. The authorization for the share repurchase programs may be terminated, increased or decreased by the Company’s Board of Directors in its discretion at any time. The timing, amount and manner of share repurchases may depend upon market conditions and economic circumstances, availability of investment opportunities, the availability and costs of financing, currency fluctuations, the market price of the Company's common stock, other uses of capital and other factors.

**Item 3. Defaults Upon Senior Securities**

None.

**Item 4. Mine Safety Disclosure.**

None.

**Item 5. Other Information.**

During the period covered by this Quarterly Report on Form 10-Q, none of our officers or directors adopted or terminated any contract, instruction or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act or any “non-Rule 10b5-1 trading arrangement” as defined in Item 408(c) of Regulation S-K.

## Item 6. Exhibits.

| | |
|---|---|
| 3.1 | Composite Amended and Restated Certificate of Incorporation of Jacobs Solutions Inc. Filed as Exhibit 3.1 to the Registrant's Quarterly Report on Form10-Q for the first quarter of fiscal 2024 and incorporated herein by reference. |
| 3.2 | Certificate of Amendment to Jacobs Solutions Inc.'s Amended and Restated Certificate of Incorporation. Filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K on January 30, 2024 and incorporated herein by reference. |
| 3.3 | Amended and Restated Bylaws of Jacobs Solutions Inc., dated as of July 6, 2023. Filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K/A on July 11, 2023 and incorporated herein by reference. |
| 10.1#* | Jacobs Solutions Inc. Executive Severance Plan, as amended and restated effective January 24, 2024. |
| 22.1* | Subsidiary Issuers of Guaranteed Securities. |
| 31.1* | Certification of Chief Executive Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934. |
| 31.2* | Certification of Chief Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934. |
| 32.1* | Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 32.2* | Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 101 | The following financial statements from the Company's Quarterly Report on Form 10-Q for the quarter ended March 29, 2024, formatted in Inline XBRL: (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Earnings, (iii) Consolidated Statements of Comprehensive Income (Loss), (iv) Consolidated Statements of Stockholders' Equity, (v) Consolidated Statements of Cash Flows and (vi) Notes to Consolidated Financial Statements, tagged as blocks of text and including detailed tags. |
| 104 | The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended March 29, 2024, (formatted as Inline XBRL and contained in Exhibit 101). |

* Filed herewith

# Management contract or compensatory plan or arrangement

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

JACOBS SOLUTIONS INC.

By: /s/ Kevin C. Berryman

Kevin C. Berryman
Chief Financial Officer
(Principal Financial Officer)

Date: May 7, 2024