



## Equity Research Division

### Jabil Inc.

A global contract manufacturer

**Target Price: \$ 134.26**

**Current Price: \$ 105.36**

*Upside Potential: 27.43%*

**Recommendation: BUY**

**Investment Horizon: 5 Years**

Vienna, 23.06.2023

# Team Overview

## Equity Research



**Arthur  
Kaspar**

**Head of  
Equity Research**

- Task distribution
- Story guideline

**ARDIAN**  
McKinsey  
& Company



▪ BSc. (WU) – 6<sup>th</sup> Sem.



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Wolner**

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**Analyst**

- Company analysis
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▪ BSc. (WU) – 6<sup>th</sup> Sem.



**Oleh  
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**Analyst**

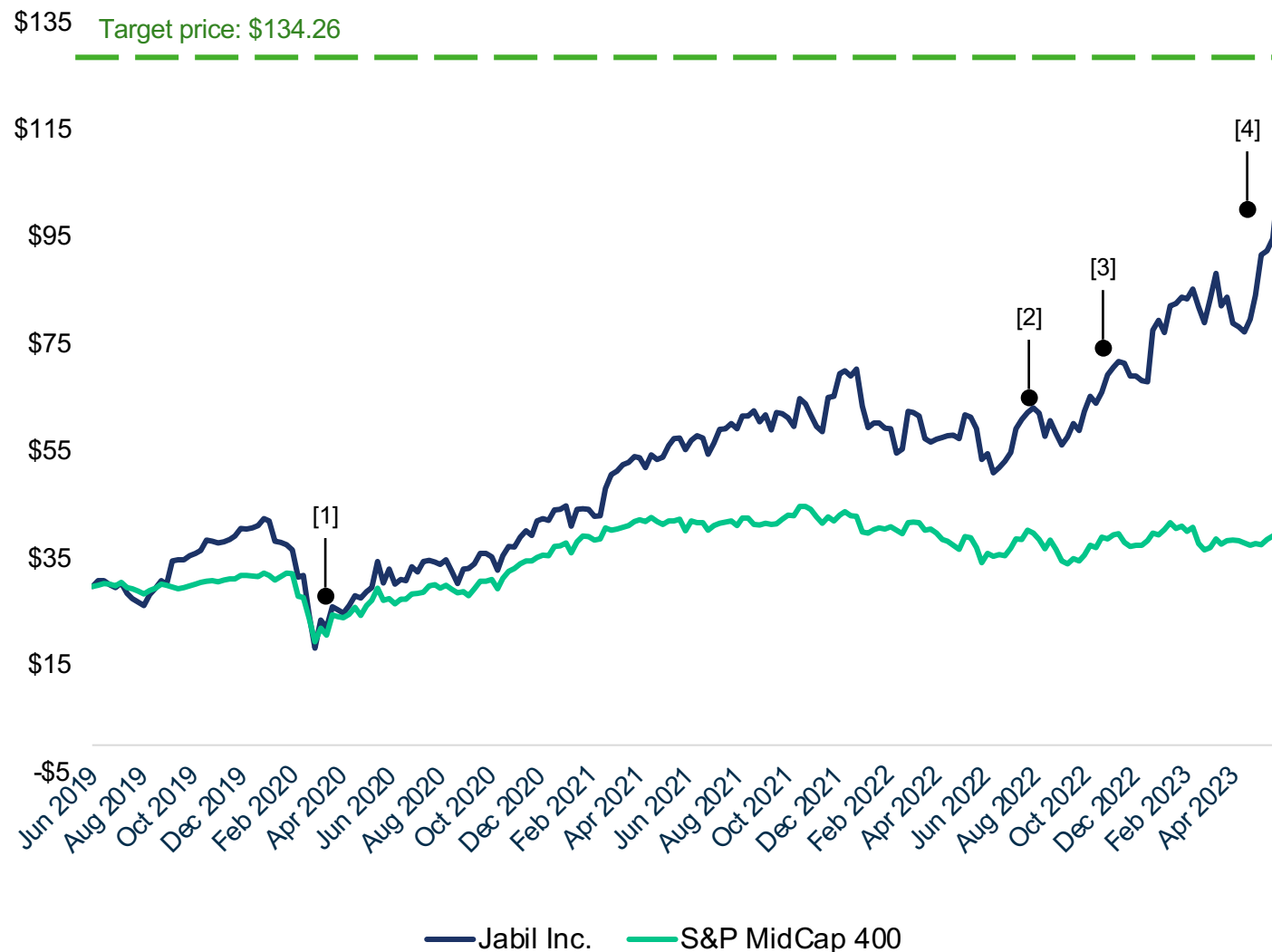
- Business Model
- Strategy



▪ BSc. (WU) – 7<sup>th</sup> Sem.

# Share Price Performance

Delivering outstanding shareholder returns with macroeconomic policy aiding Jabil's business case



## Share Price – Major Events

- [1] March 2020 (-32.2%) – Jabil faced a **crash during the COVID-induced market downturn** in March, along with reporting a **loss in its quarterly results**.
- [2] 9th – 18th August 2022 (+11.1%) – President Biden signed the **Inflation Reduction Act** as well as the **Chips Act** that incentivizes domestic production.
- [3] November 2022 (+9.4%) – Jabil named executive vice president Kenny Wilson as the next CEO with the market reacting positively.
- [4] 24th – 26th May 2023 (+8.1%) – Jabil has been selected by Powin to **manufacture utility-scale battery storage systems in the US**.

## Key Stats

- **IPO:** April 29, 1993
- **Ticker:** JBL (NYSE)
- **Close (Jun 23):** USD 105.36
- **52-week-range:** USD 48.80 - 106.50
- **Market Cap:** USD 13.98 bn

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# Investment Thesis

A truly global player at the heart of the world's supply chain, excelling in our current macroeconomic conditions

## Key investment highlights



- 1 Due to Jabil's **strategic and geographical positioning** the current **geopolitical environment** is **playing right into Jabil's cards**
- 2 Jabil is servicing **high-growth end markets** which translates into high **topline growth** without subjecting Jabil the risk associated with these newer industries
- 3 Jabil's management is **executing the company's business strategy perfectly**, consistently **outperforming peers** in terms of growth, margins, and return figures
- 4 Jabil's **excellent working capital management** as well as the **low amount of debt** outstanding gives Jabil **great financial flexibility**
- 5 Jabil has a high **customer concentration** with the most important customer **Apple** contributing almost **20% to revenue**
- 6 Jabil is operating in a **fiercely competitive industry** with Foxconn, the biggest player in contract manufacturing, being **6-times larger** than Jabil

# Company Overview

Jabil is a contract manufacturer with a global footprint and an impressive financial track-record

## Company description

Jabil is a provider of **leading manufacturing services**. It globally serves a large range of **customers**, including some of the biggest premium brands like **Apple, Amazon, Johnson & Johnson** and others.



### Headquarters

St. Petersburg, USA



### Foundation

1966



### Sites

>100



### Employees

>250,000

## Management team



### Kenny Wilson

CEO  
Joined: 2000



### Michael Dastoor

CFO  
Joined: 2000



### May Yap

CIO  
Joined: 2014



### Frederic McCoy

CEO EMS  
Joined: 2017



### Steve Borges

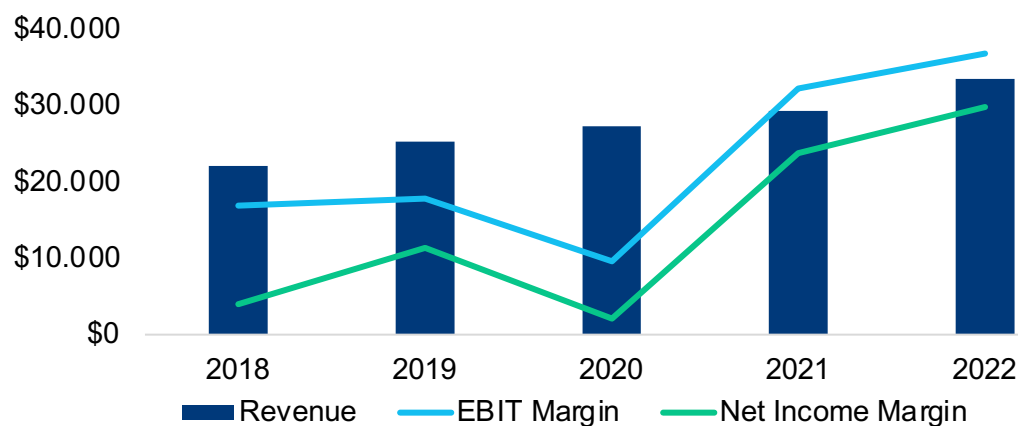
CEO DMS  
Joined: 1993



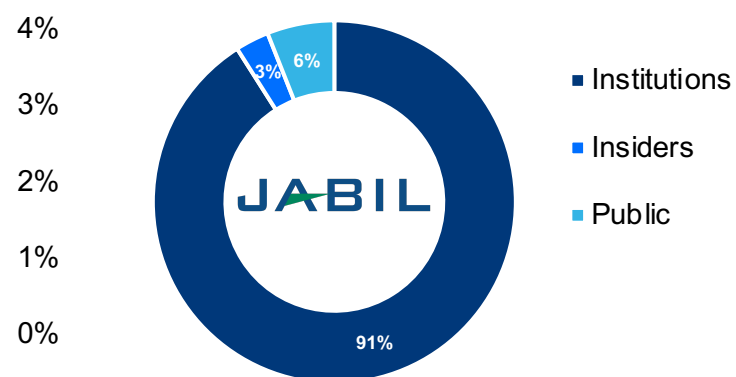
### Mark Mondello

Board Chairman  
Joined: 1992

## Financial performance in mn.



## Shareholder structure



### Institutions

- Vanguard Group 11.23%
- BlackRock 10.01%
- Texas Yale Capital 6.37%

### Insiders

- Mark Mondello 0.98%
- Thomas Sansone 0.76%
- Kenny Wilson 0.24%





# Jabil

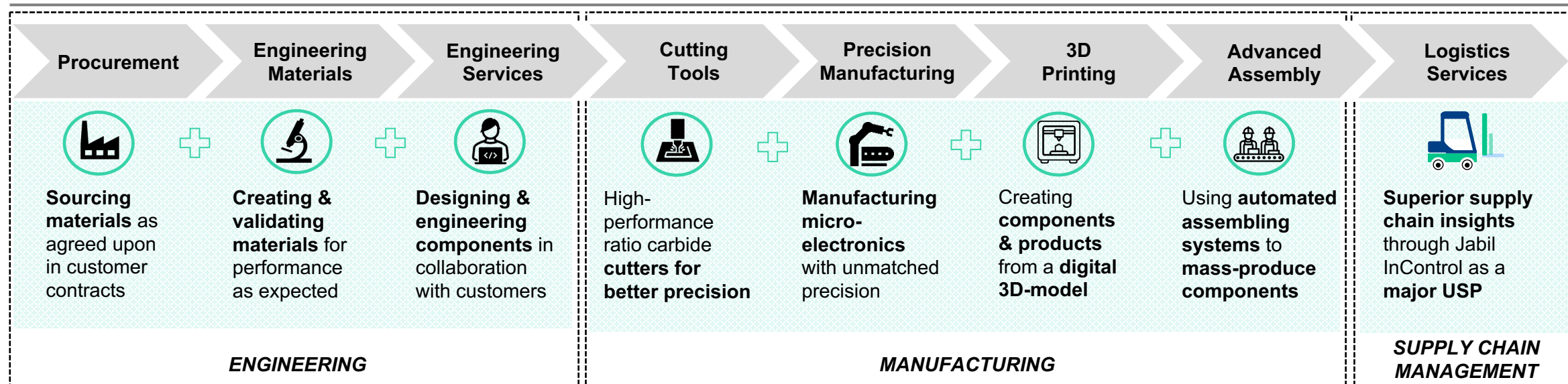
WUTIS – Equity Research  
Business Model & Strategy



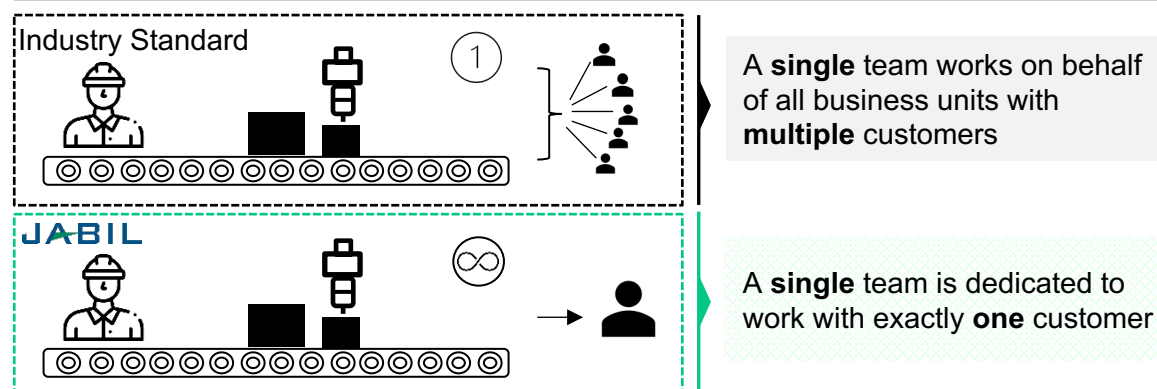
# Business Model I – Value Chain

Leveraging the insights from servicing the entire value chain of manufacturing to achieve economies of scale

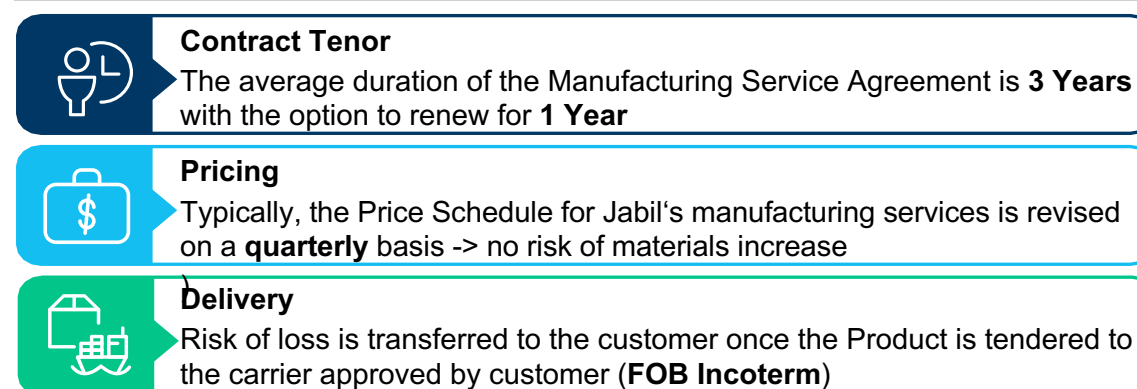
## Jabil's value chain



## Manufacturing approach

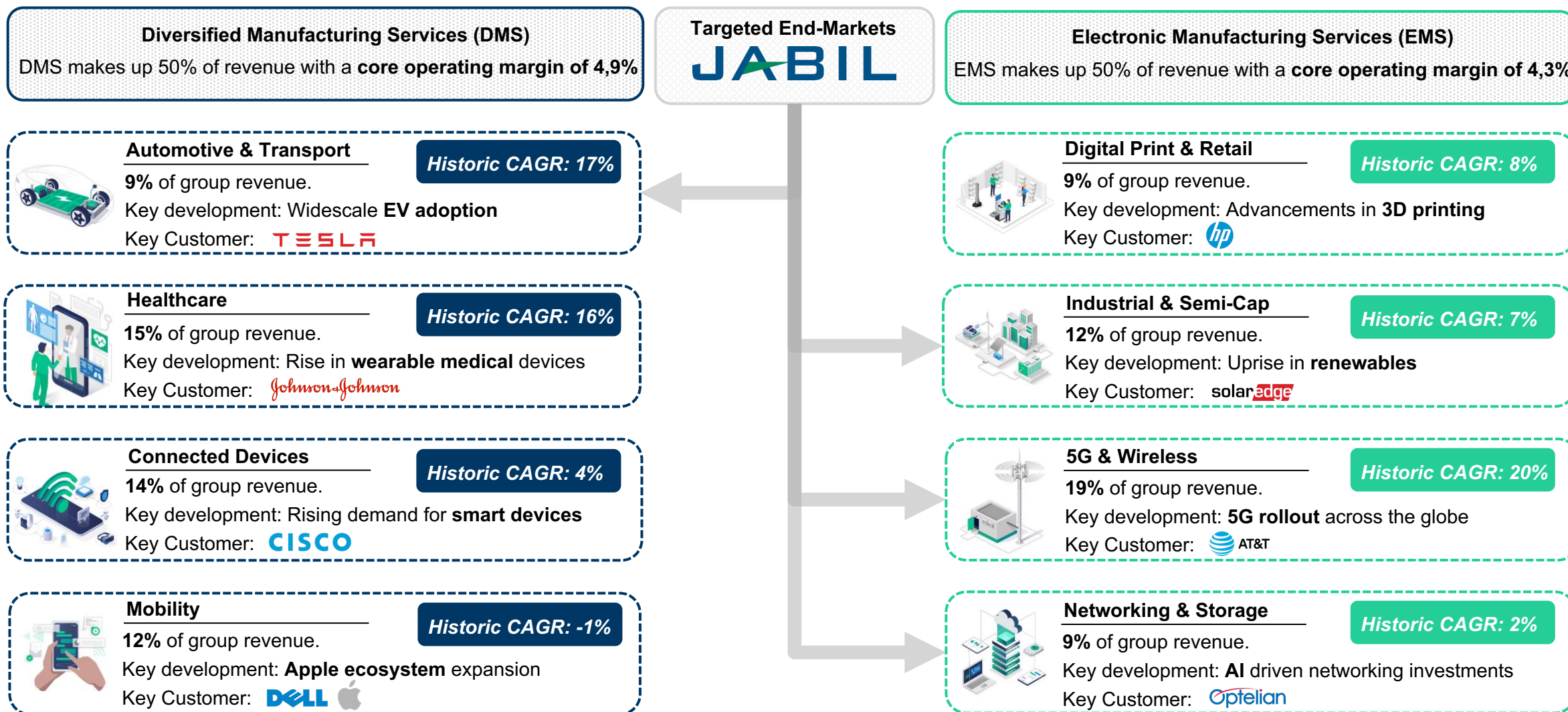


## Contract features



# Business Model II – End Markets

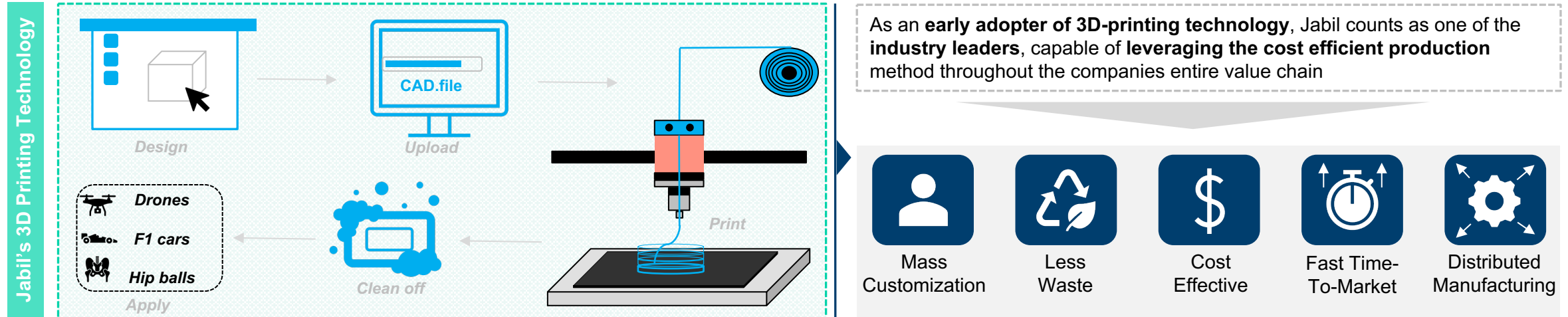
Achieving impressive growth figures by servicing high-growth end markets supported by secular megatrends



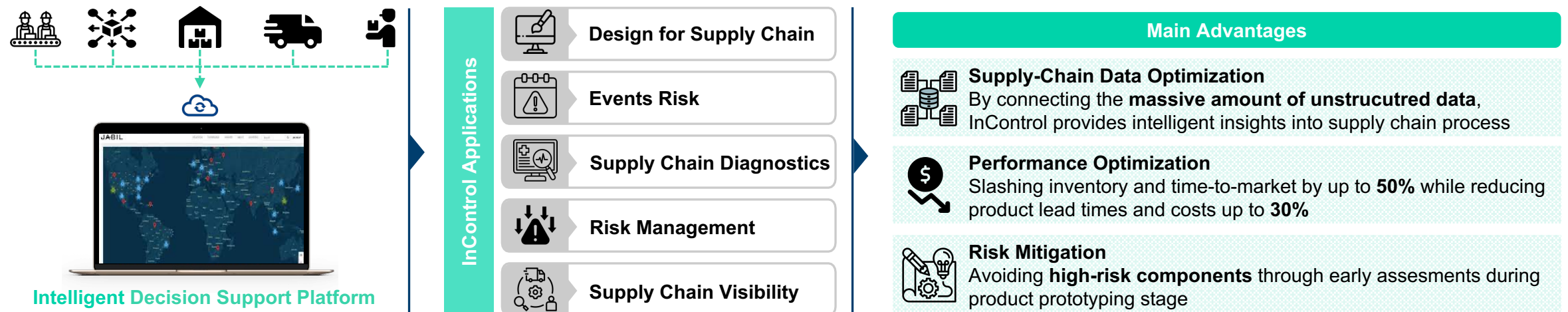
# Business Model III – USP

Gaining an edge over peers through proven know-how and a superior ERP system

## Additive manufacturing



## Jabil's InControl system



# Business Model IV – Strategy

Promising top- and bottom-line growth strategy supported by excellent historic management performance

## Key targeted markets

### 5G & Wireless

#### Network of the future

5G will cover 60% of the world's population by 2026.

### Automotive

#### Focus on EV

The new facility in Croatia will cover Europe's EV demand.

### Network & Storage

#### Growth of AI

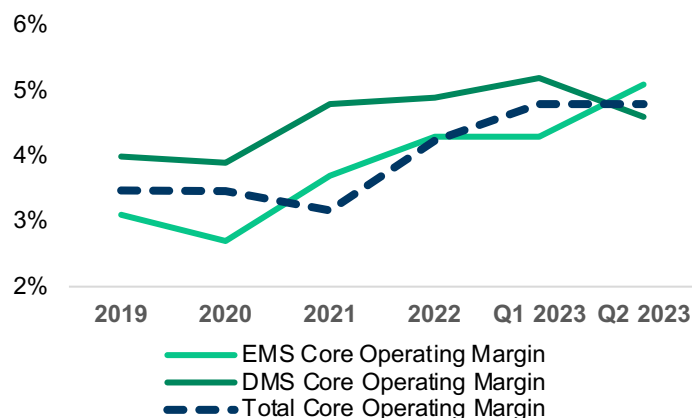
Increasing amounts of AI data need storage infrastructure.

### Industrial & Semi-Cap

#### Expansion of Clean Energy

The renewable energy market is growing at a CAGR of 8.4%.

## Margin delivery



Excellent margin delivery by management

EMS margin to overtake DMS in FY2023

## Margin strategy

### Revenue

#### Cost drivers

- Commodity Prices
- Asset depreciation
- Cost of labour

COGS:  
92,1% of Revenue

#### Input optimization

Jabil InControl enables Jabil to coordinate commodity purchases & reduce COGS

### Gross Profit

#### Cost drivers

- Distribution Costs
- R&D expenses
- Overhead costs

OPEX:  
3,7% of Revenue

#### Supply-chain optimization

In-time supply chain management helps Jabil to reduce logistics related costs

### EBIT

#### Cost drivers

- Tax rates
- Interest rates

Interest & Taxes  
1,1% of Revenue

#### Fast cash conversion

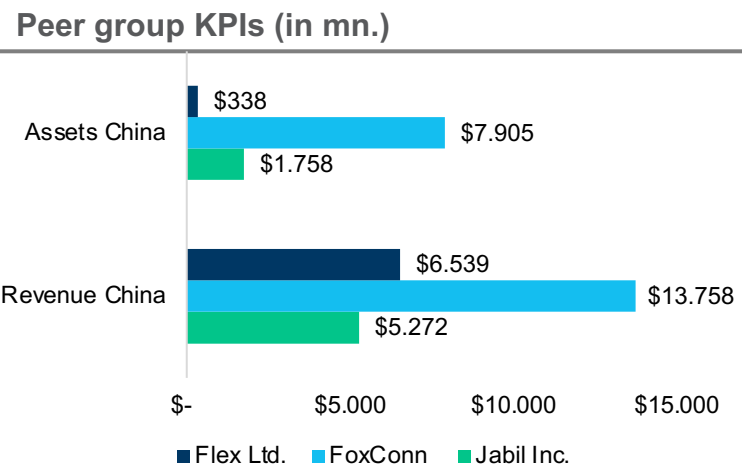
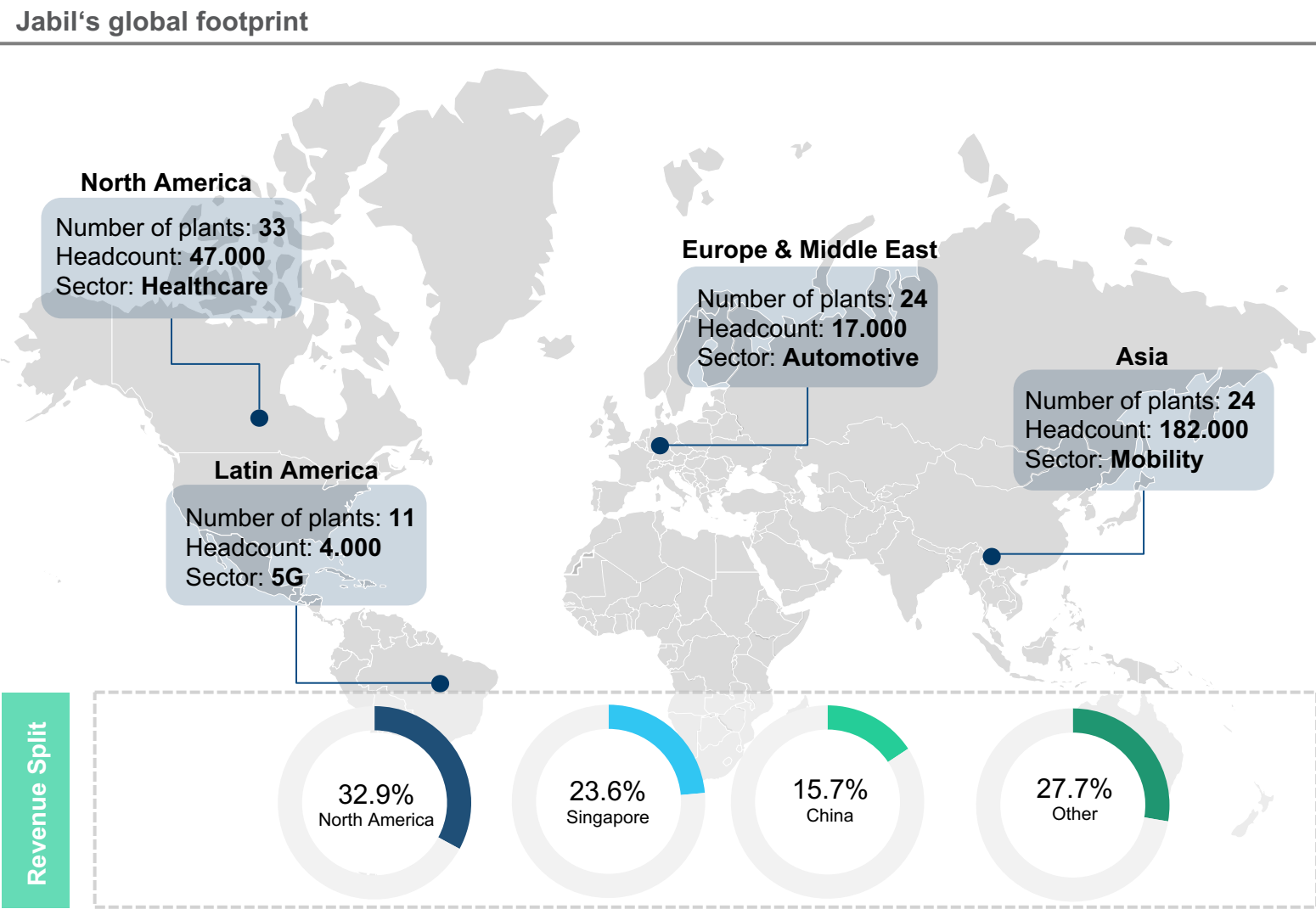
Low CCC<sup>1</sup> keeps need for external financing low and reduces financing costs

### Net Income

1) CCC=Cash Conversion Cycle



Jabil’s western-centric geographies entail inherent advantages in an industry dominated by Asian companies



### Geopolitical advantages

**Supply Chain Resilience**  
Jabil's ability to **adapt** and **optimize** supply chains can help mitigate risks and maintain stable production and distribution channels.

**Embargos**  
Jabil has the potential to avoid the scenario of facing an embargo, due to their **western** geopolitical position.

**Proximity & Trade Relationship**  
Due to the proximity to the western markets and the trade **relationships & alliances**, Jabil has certain advantages against other peers





**Jabil**  
WUTIS – Equity Research  
Market & Industry Overview



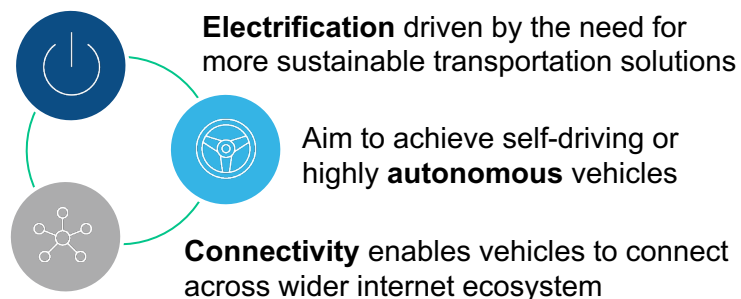


# Market Overview I – End Markets

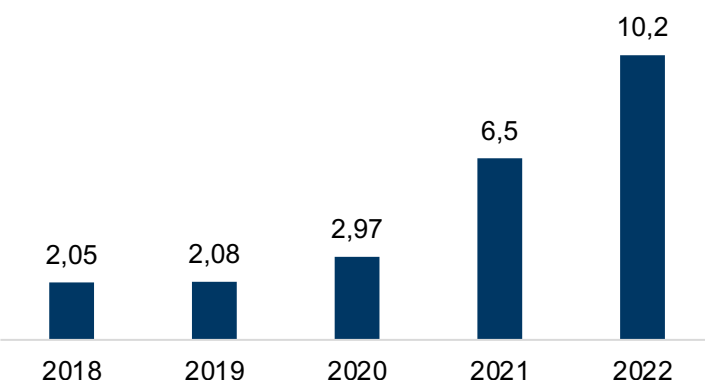
Unlimited potential with the manufacturing industry being a derivative of multiple high-growth industries

## Overview of Key End Markets

### Automotive

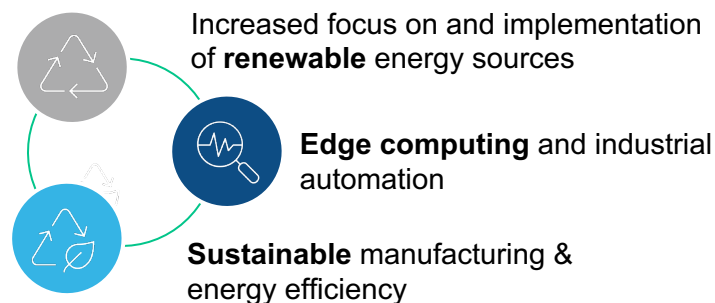


Estimated electric vehicle sales (in mn units)

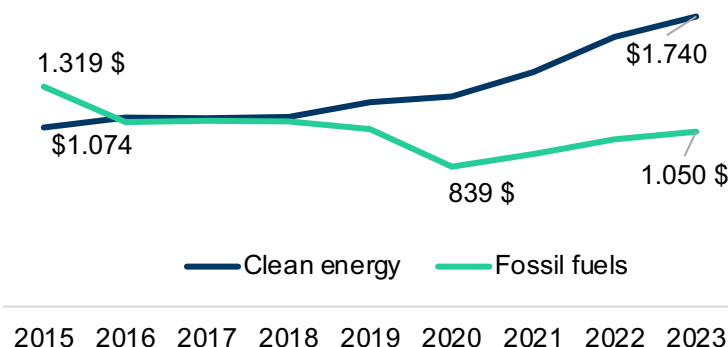


**Forecasted CAGR:**  
6,9%

### Industrial & Semi-Cap



Investments in clean energy & fossil fuels (in bn. \$)

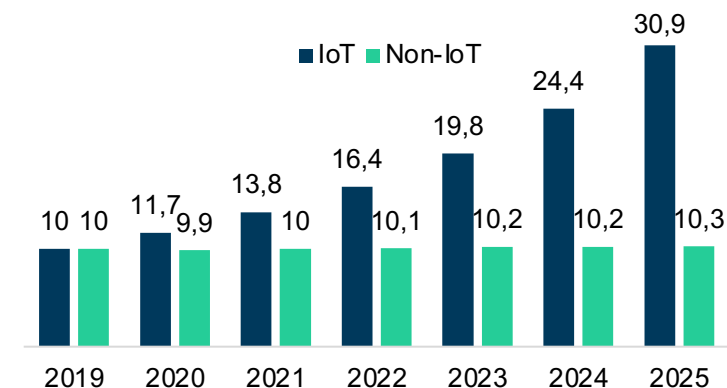


**Forecasted CAGR:**  
7,0%

### 5G & Wireless



Global IoT & Non-IoT Active Connections (in bn.)

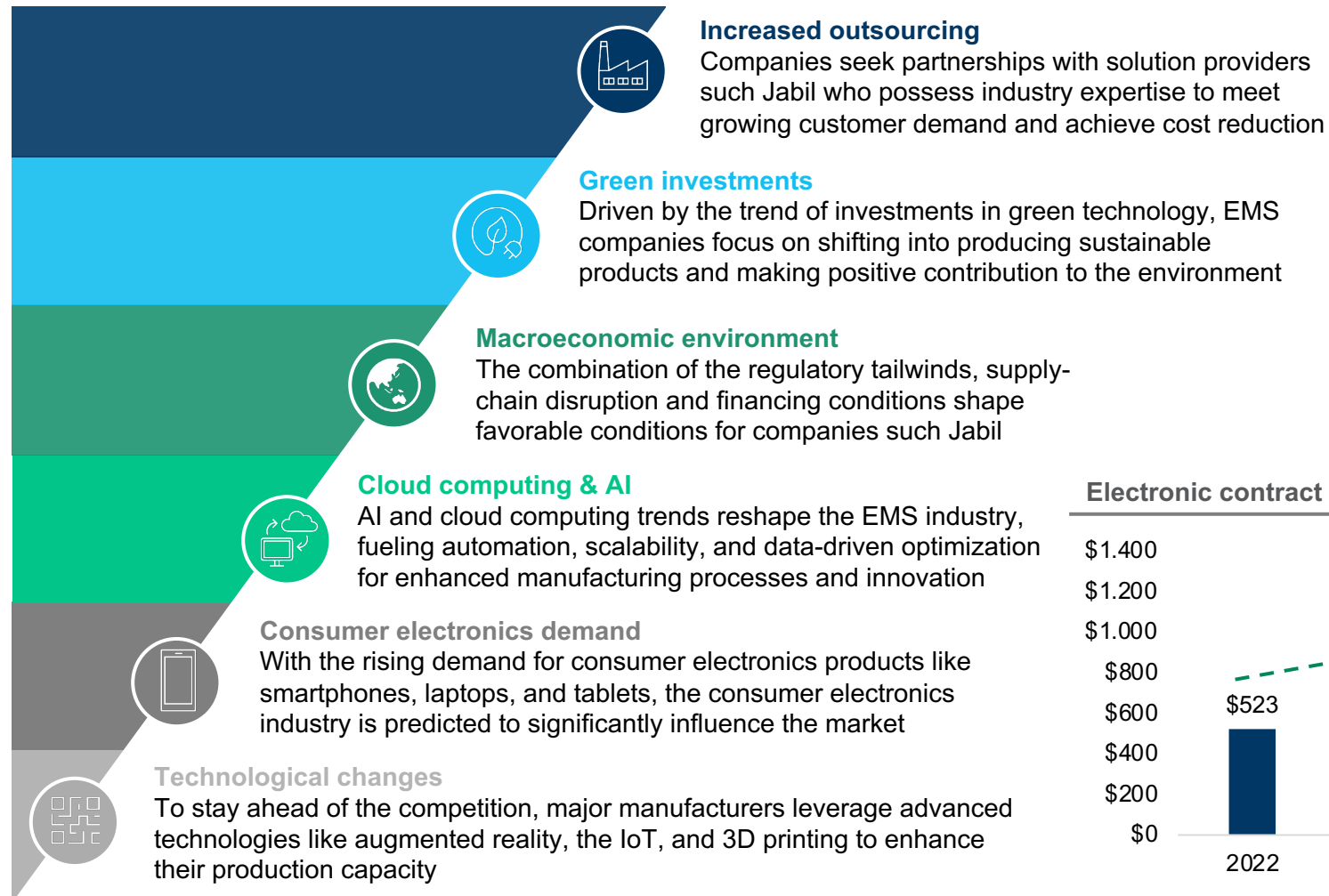


**Forecasted CAGR:**  
25,3%

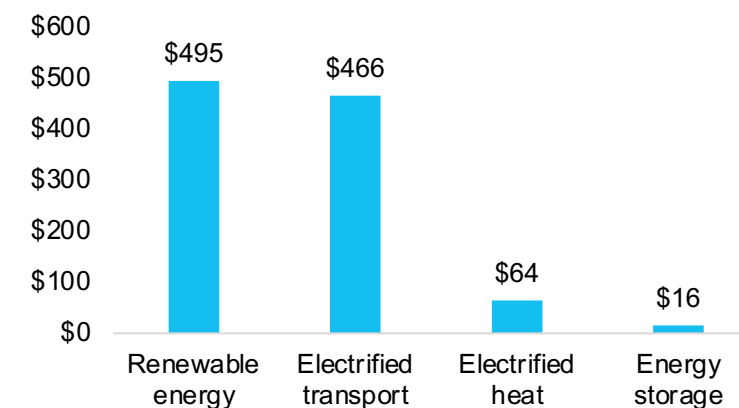
# Market Overview II – Trends & Drivers

Multiple drivers within the manufacturing industry complement Jabil's strategic positioning

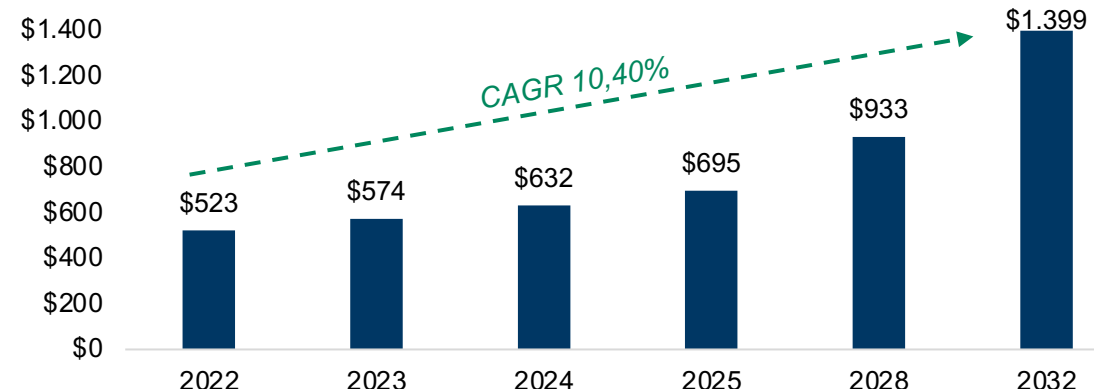
## Current market trends driving industry growth



## Investments in energy transition, 2022 in bn.



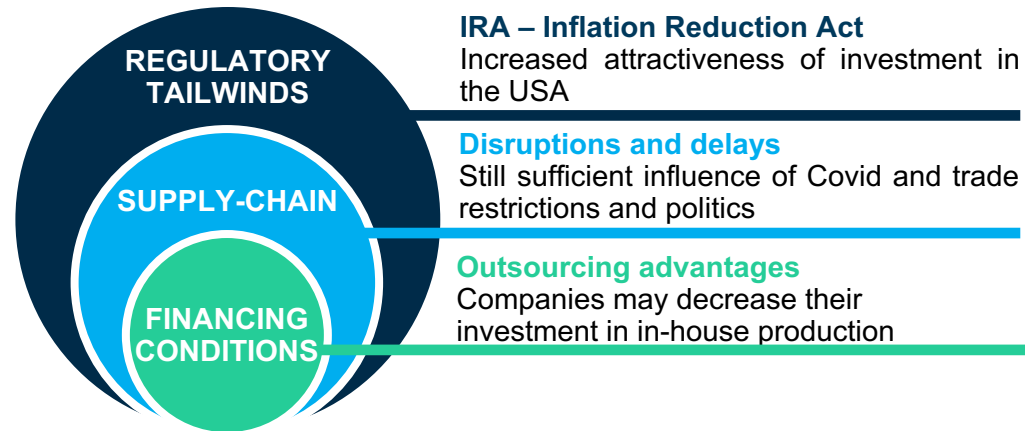
## Electronic contract manufacturing and design services market size in bn.



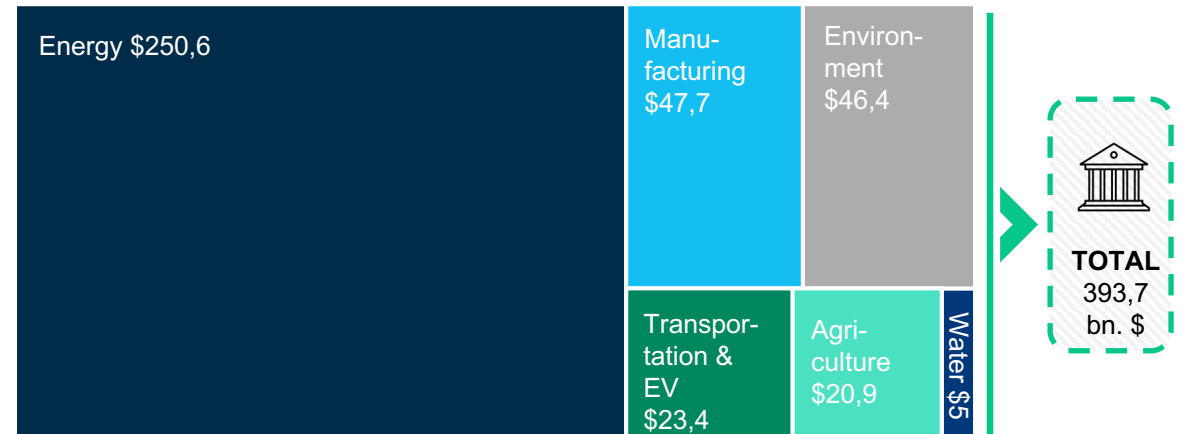
# Market Overview III – Macroeconomic Environment

The current macroeconomic environment offers ideal conditions for the manufacturing industry to thrive

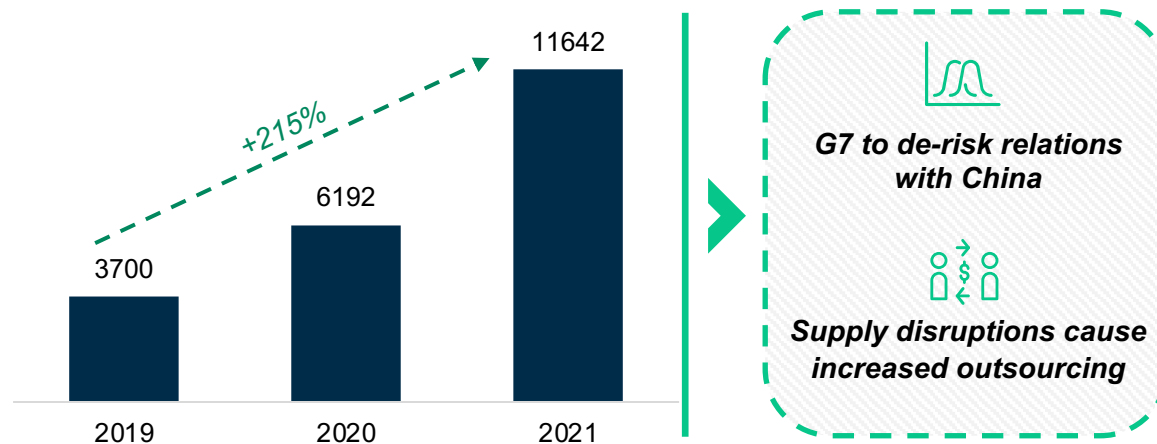
## Macroeconomic drivers



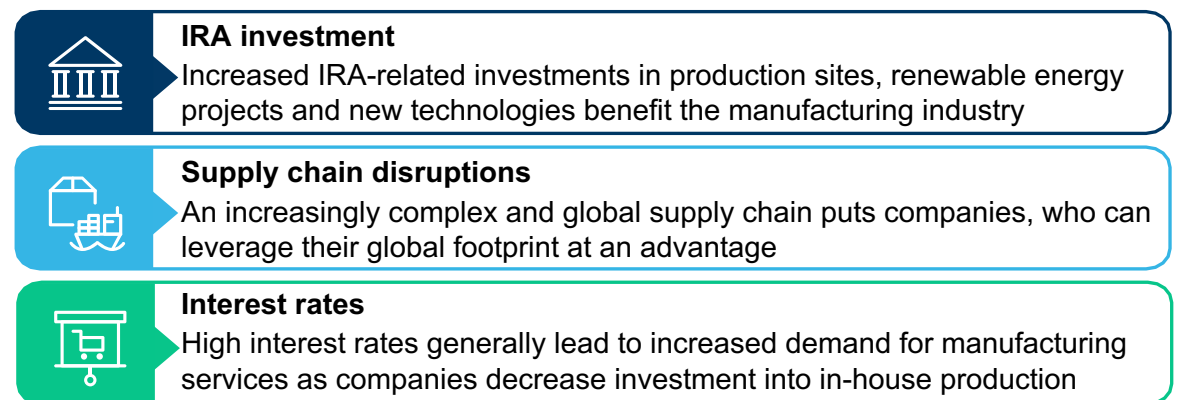
## IRA funding by industry (in bn.)



## Supply chain disruptions



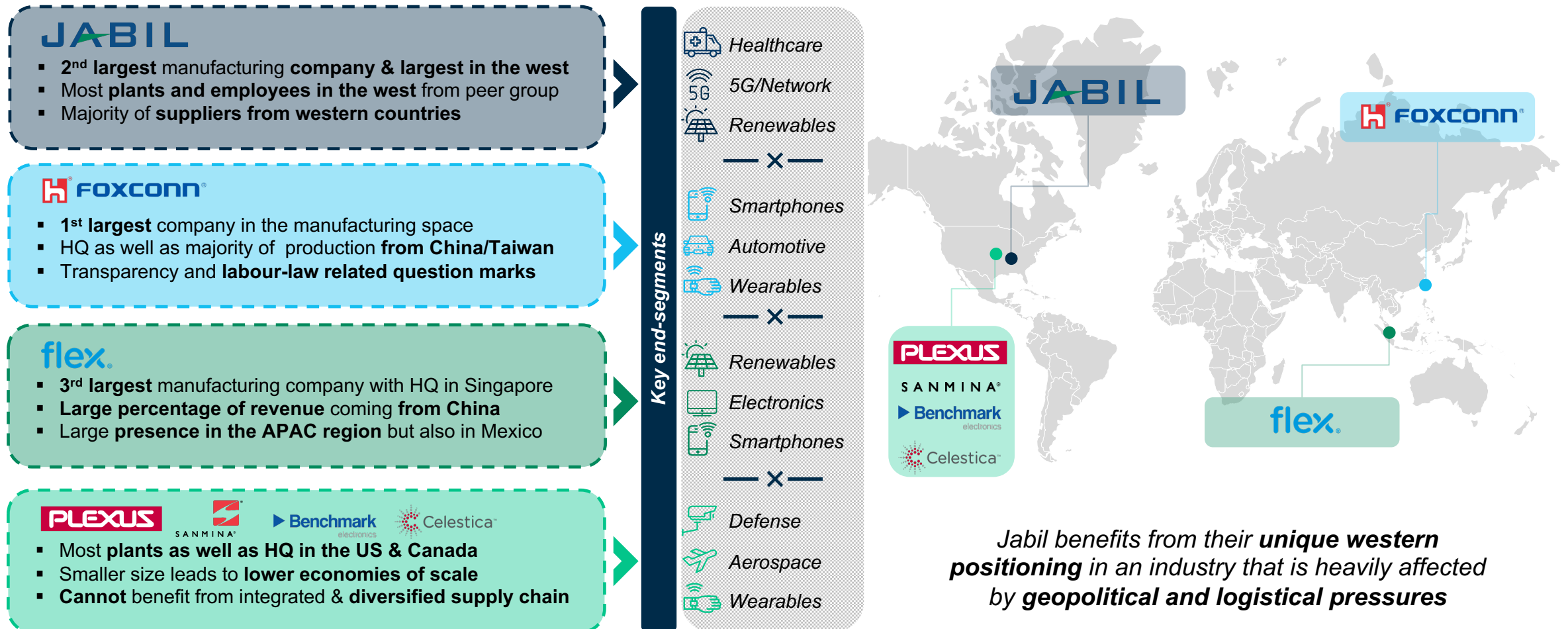
## Conclusions



# Market Overview IV – Global Peer Presence

Jabil can leverage its strategic positioning to outperform peers in the current geopolitical setting

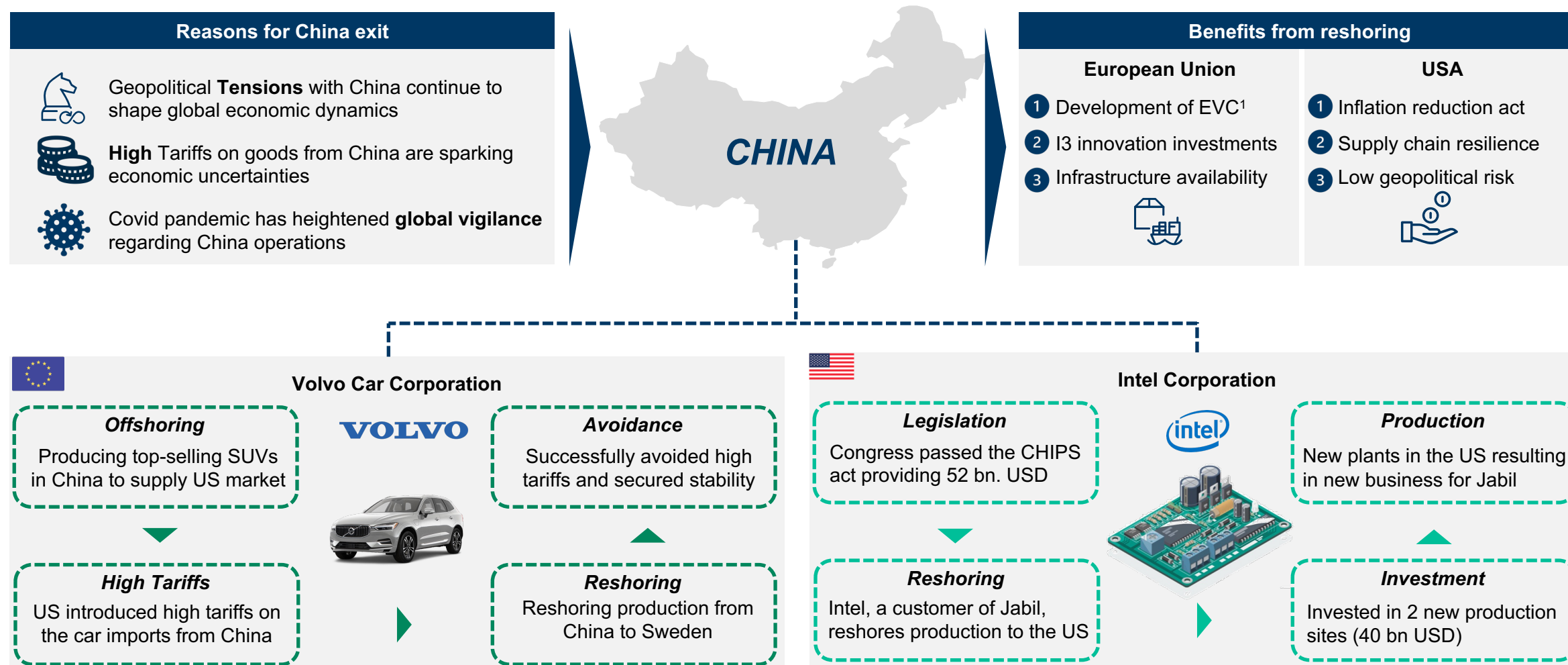
Jabil's unique value proposition in the manufacturing landscape



# Market Overview V – Reshoring Trends

The continuing trend of reshoring production back to the west is playing right into Jabil's cards

## Successful reshoring examples



1)EVC = European Value Chain, Team Analysis, EU, PwC





# Jabil

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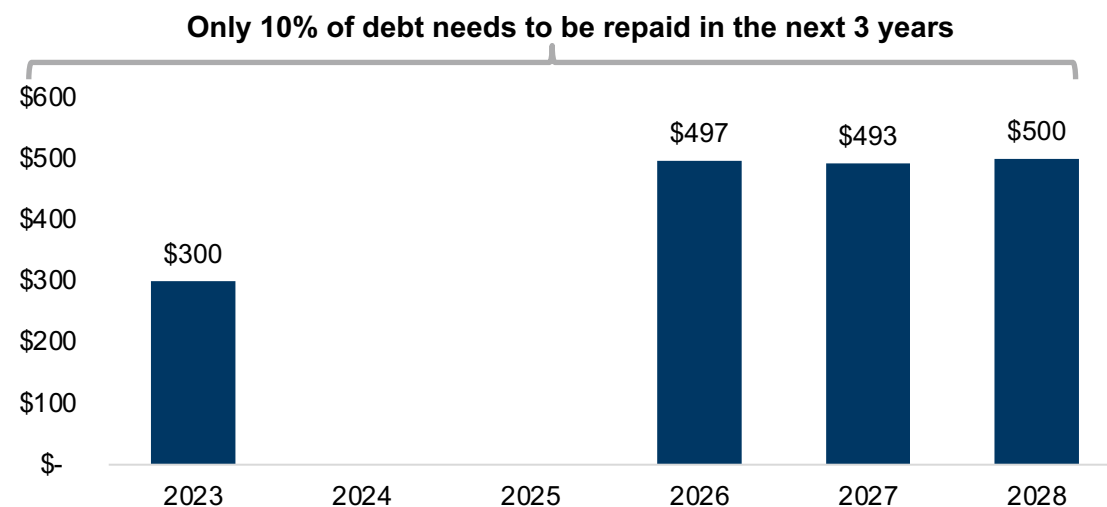
Financial Analysis & Peer Benchmarking



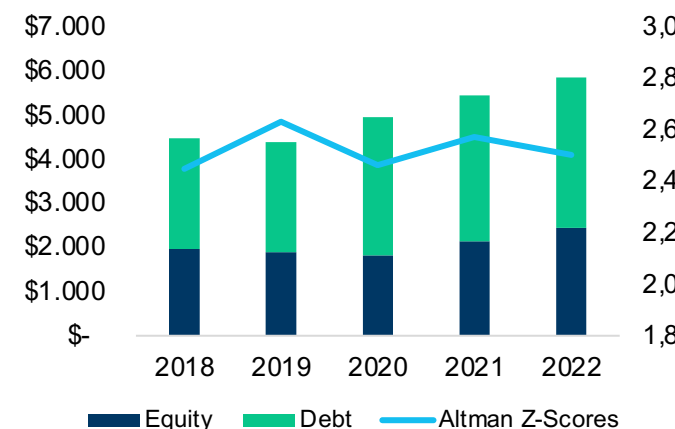
# Financial Analysis

Jabil's financial discipline and working capital management make the company resilient to interest hikes

## Debt repayment schedule (in mn.)



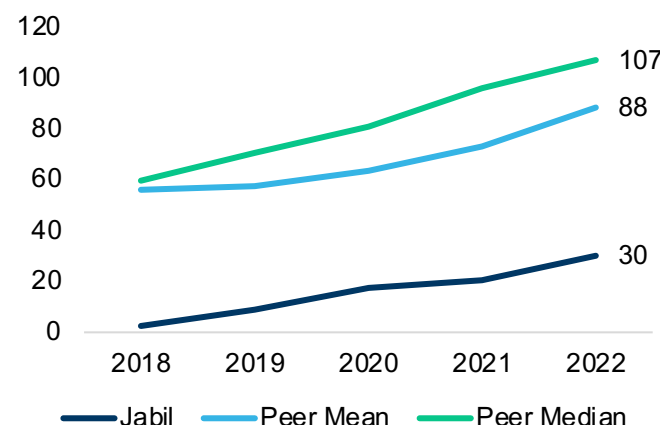
## Altman Z-Scores, debt and equity levels (in mn.)



**Lower D/E as compared to peer group**

**Stable financial situation with 2.5 Altman Z-Score**

## Cash conversion cycle in days



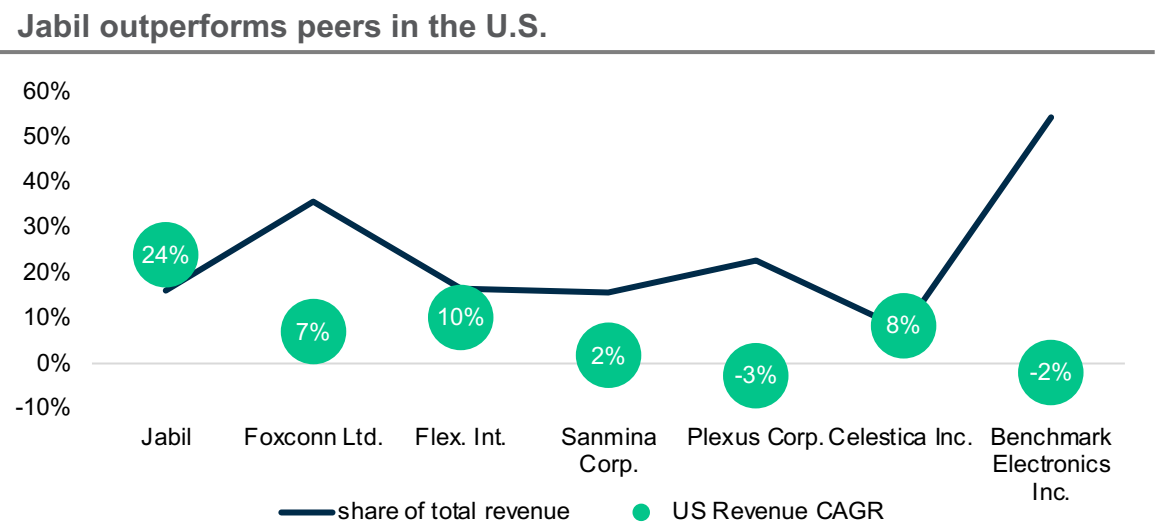
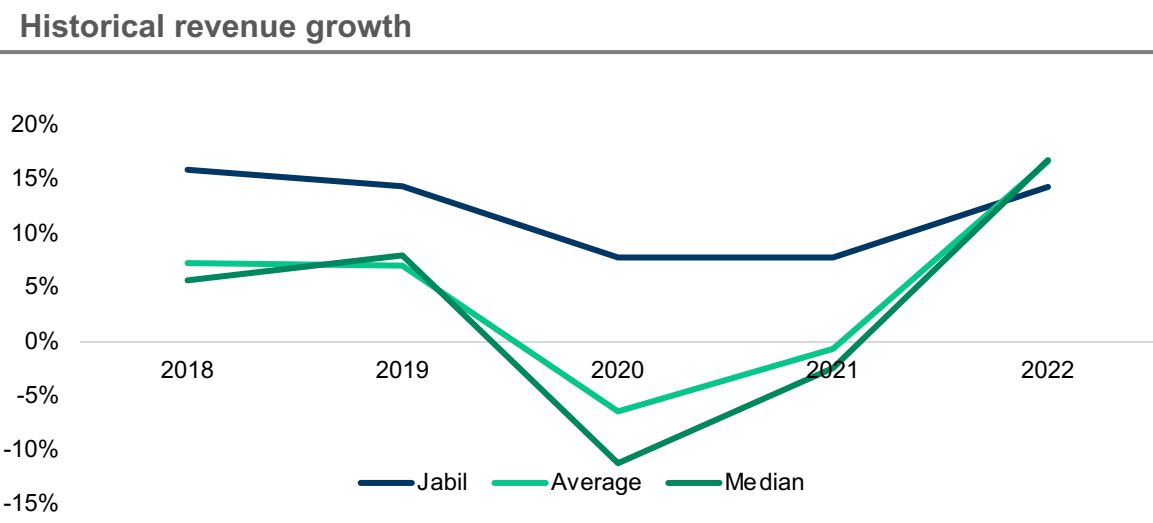
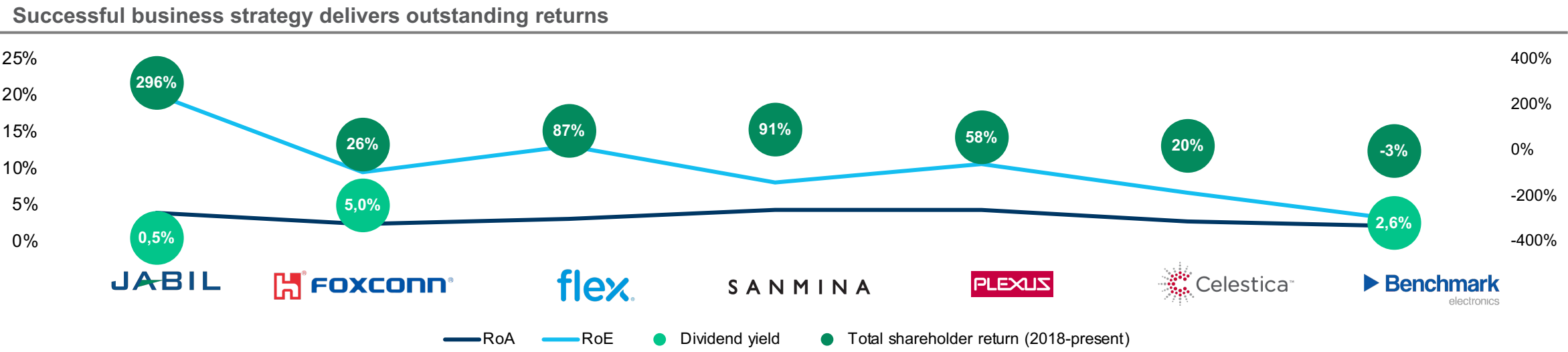
**Lowest cash conversion cycle of the peer group**

**No need for Working-capital factoring**

- Financial flexibility**  
 A low amount of repayment obligations in the next three years give Jabil a lot of financing flexibility in the short-run
- Interest rate hedging**  
 100% of Jabil's debt is fixed-rate, making Jabil resilient against the current interest rate hikes
- Green financing strategy**  
 In 2023, the company issued its first green bond with plans to strengthen its green financing commitments further once refinancing is due

# Peer Benchmarking I – KPIs

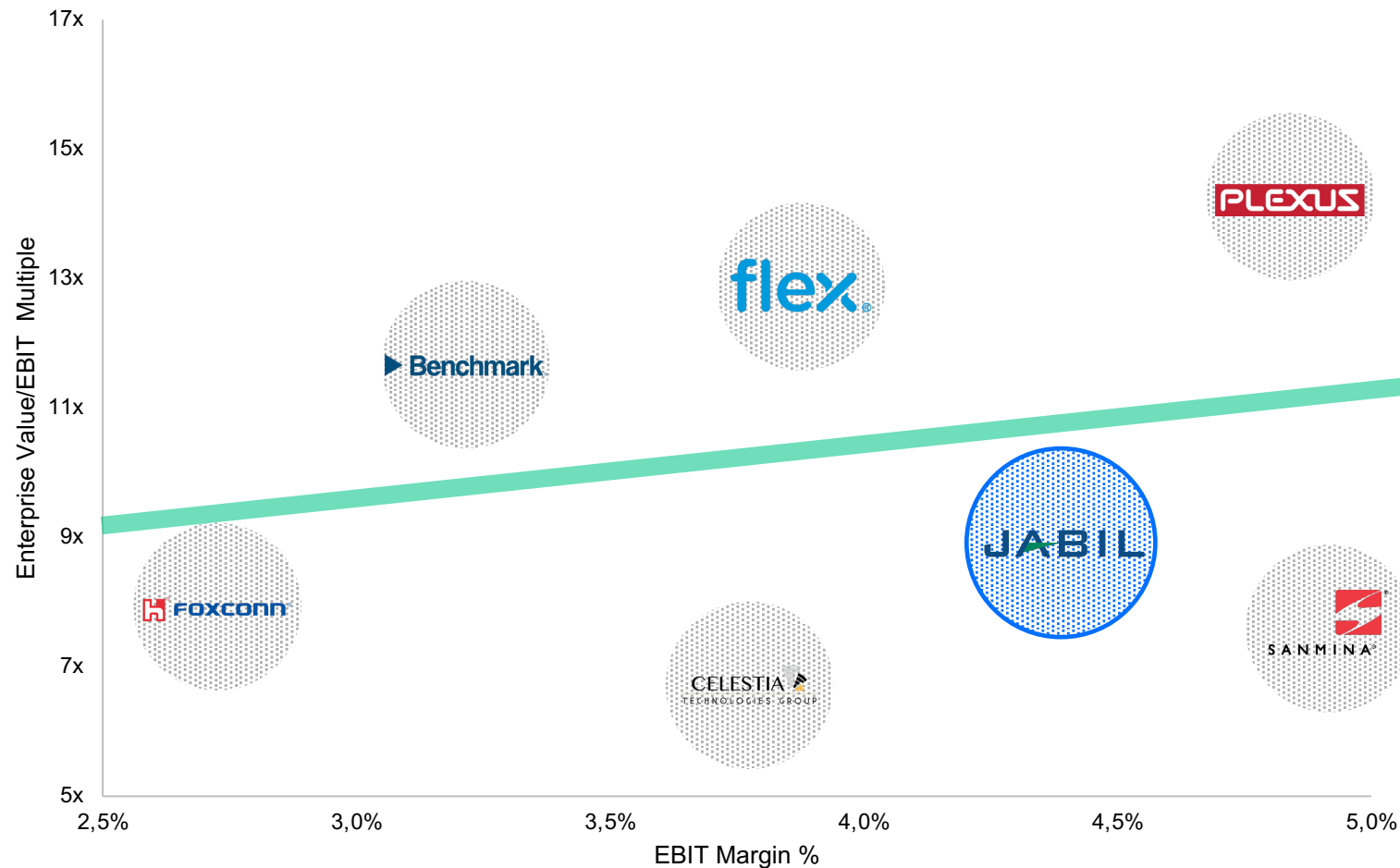
Jabil is outperforming peers across a variety of KPIs and this translates into value creation for shareholders



# Peer Benchmarking II – Regression

After adjusting Jabil's multiples for various margins, Jabil still seems undervalued

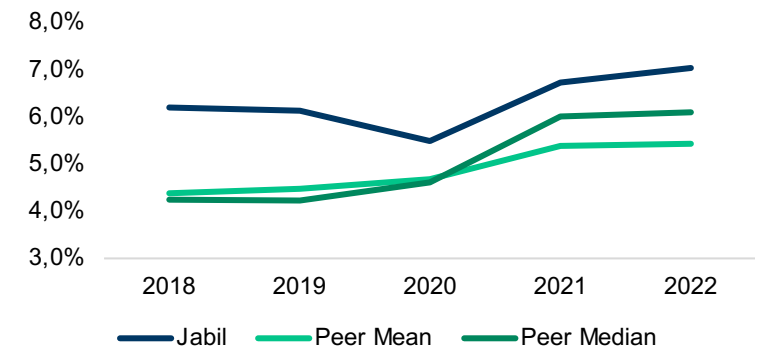
## EBIT/EV regression



## Peer group conclusions

- Revenue Growth**  
Jabil outperforms its peers with an average **revenue growth of over 12%** as compared to the **4,8% for the peer group**
- Margins**  
The manufacturing industry is typically a **low-margin industry** with an average **COGS %** of revenue reaching **92%** across the peer group
- Reasonable valuations**  
Generally speaking, the entire peer group enjoys **reasonable multiples** but even **after adjusting for the EBIT margin, Jabil is undervalued**

## Historic EBITDA margin





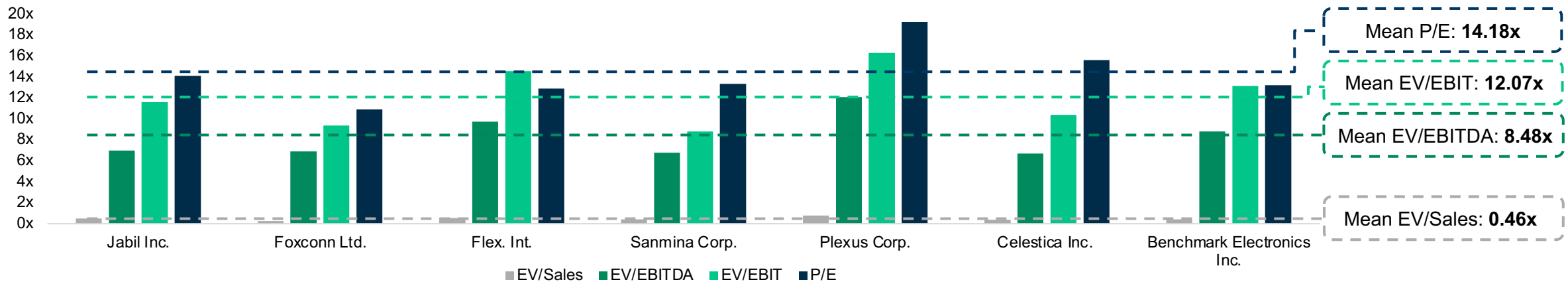


**Jabil**  
**WUTIS – Equity Research**  
**Valuation**

# Valuation I – Multiples

Multiples benchmarking confirms that Jabil is undervalued when compared against it's peers

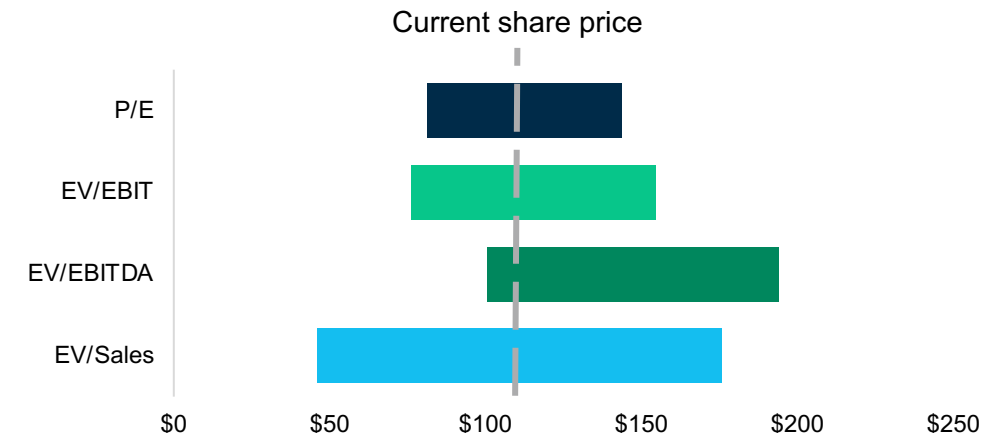
Multiples chart



Multiples Table

Company	HQ	Market Capitalization	Enterprise Value	EV/Sales	EV/EBITDA	EV/EBIT	P/E
Jabil Inc.		14.0 bn	16.1 bn	0.5	7.0	11.6	14.1
Foxconn Ltd.		46.2 bn	48.9 bn	0.2	6.9	9.4	10.9
Flex. Int.		12.1 bn	14.1 bn	0.5	9.7	14.5	12.9
Sanmina Corp.		3.4 bn	3.2 bn	0.4	6.8	8.8	13.3
Plexus Corp.		2.7 bn	2.9 bn	0.8	12.1	16.3	19.2
Celestica Inc.		2.3 bn	2.7 bn	0.4	6.7	10.4	15.6
Benchmark Inc.		0.9 bn	1.2 bn	0.4	8.8	13.1	13.2

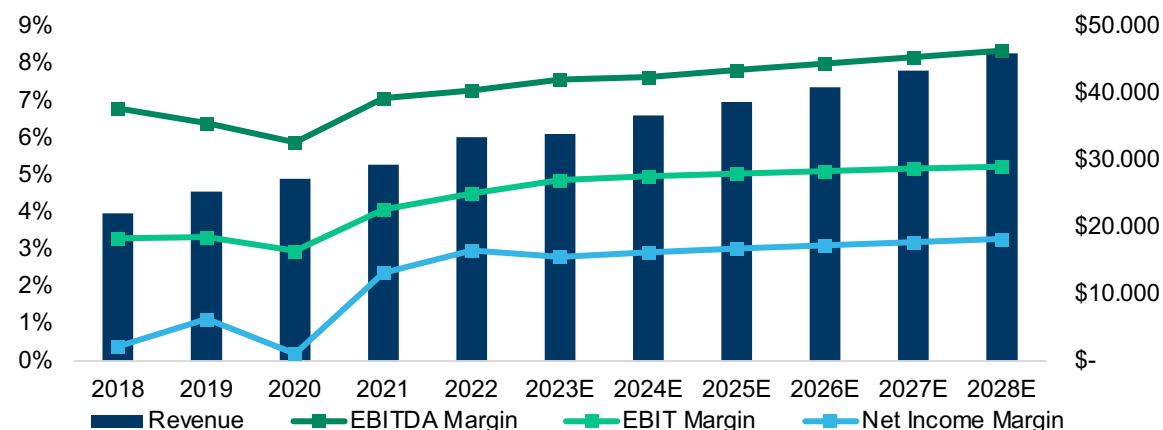
Football Field Chart



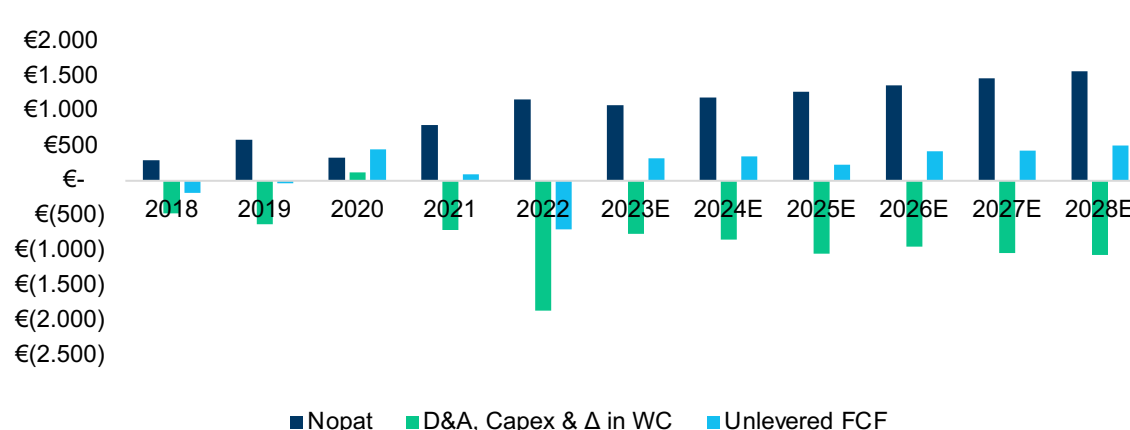
# Valuation II – Discounted Cashflows

Jabil's future success builds upon growth in selected end-markets and a continuing excellent margin progression

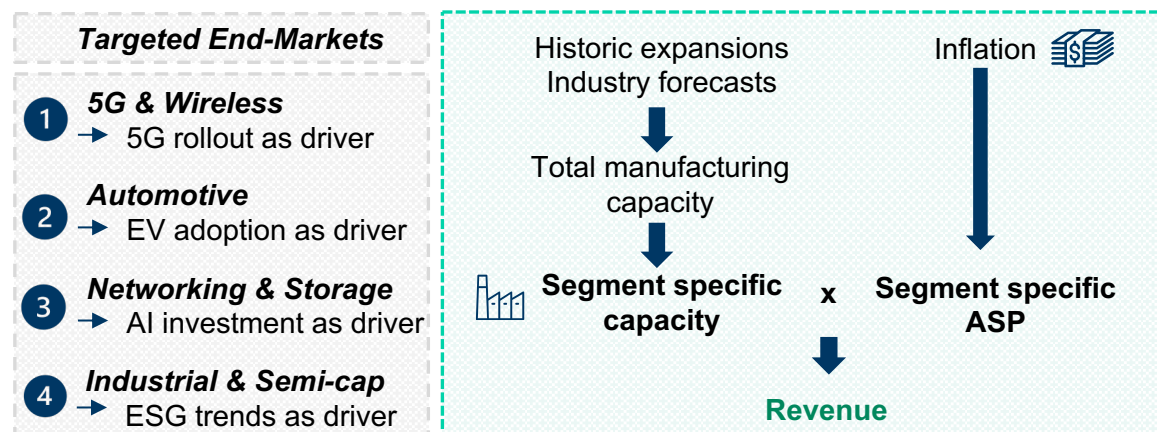
P&L development (in mn.)



Free cashflow composition (in mn.)



Forecasting method



Model drivers

**Revenue growth**  
A moderate revenue CAGR of 6,3%, aligned with historic performance and aided by strong performance of the underlying targeted end-markets

**Margin development**  
An increased revenue share of the high-margin EMS segment leads to a 0,5% increase in the core operating margin<sup>1</sup> over the forecasting period

**Investments in PPE**  
Increased demand in fast-growing end-markets lead to significant CAPEX related investments in order to increase manufacturing capacity

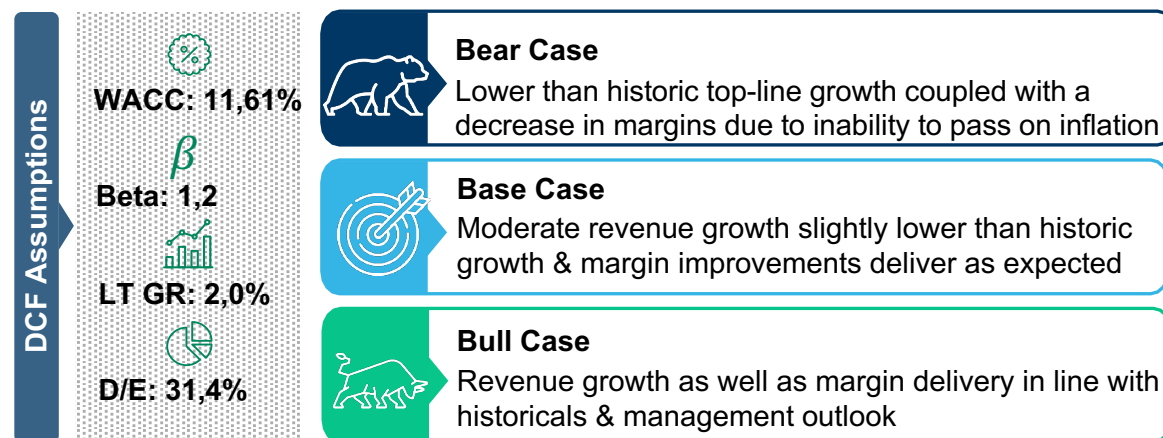
1) Core Operating Margin=EBIT excluding any one-off charges, Team Analysis



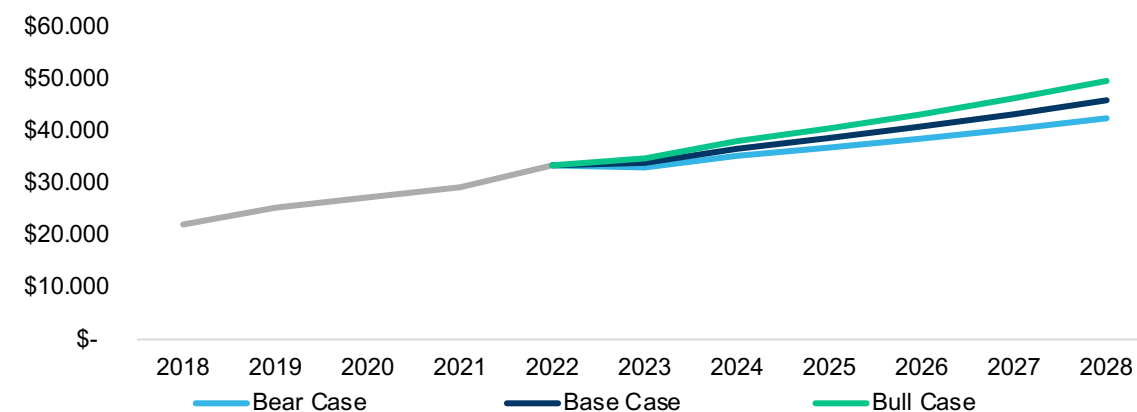
# Valuation III – Valuation Summary

When weighing all qualitative and quantitative aspects, one arrives at a convincingly bullish outlook for the Jabil

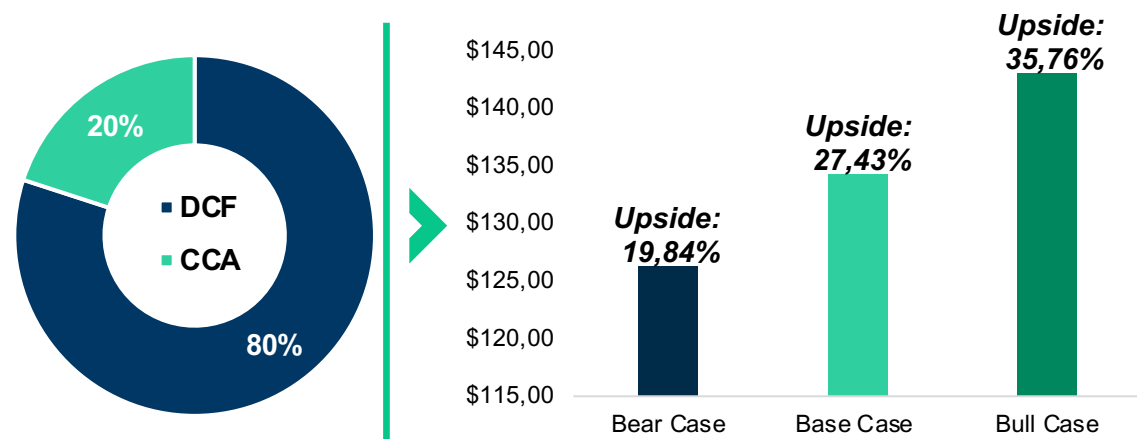
## DCF assumptions



## Revenue development by case (in mn.)



## Target price range

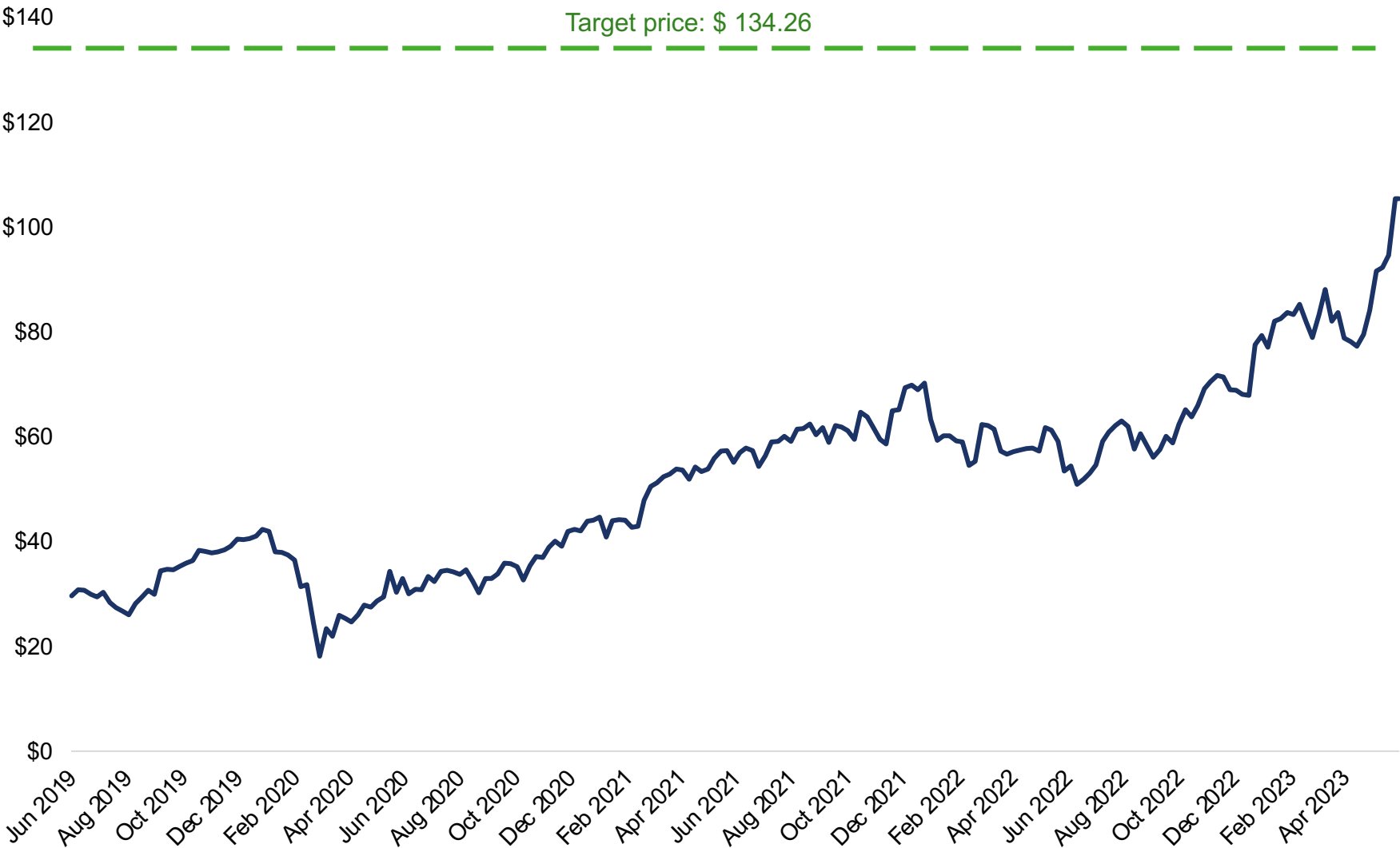
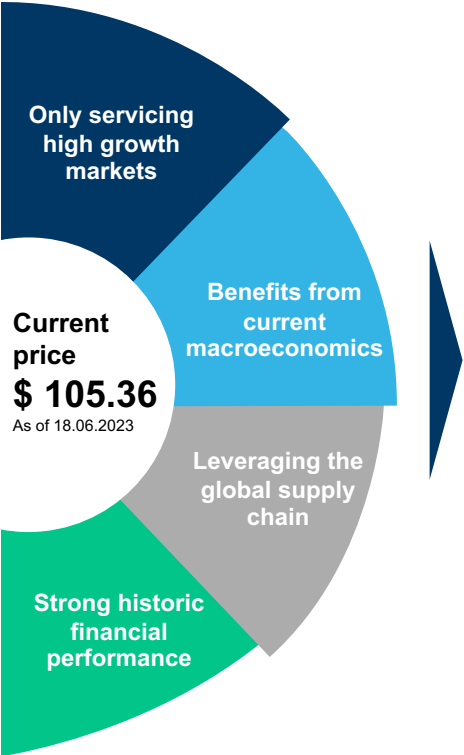


## Sensitivity analysis in USD

		WACC				
		10,50%	11,00%	11,61%	12,00%	12,50%
Growth Rate	1,50%	108,53	108,31	108,04	107,86	107,64
	1,75%	122,50	122,27	122,00	121,83	121,61
	2,00%	140,37	140,14	139,87	139,69	139,47
	2,25%	164,03	163,80	163,53	163,36	163,14
	2,50%	196,87	196,64	196,37	196,20	195,98

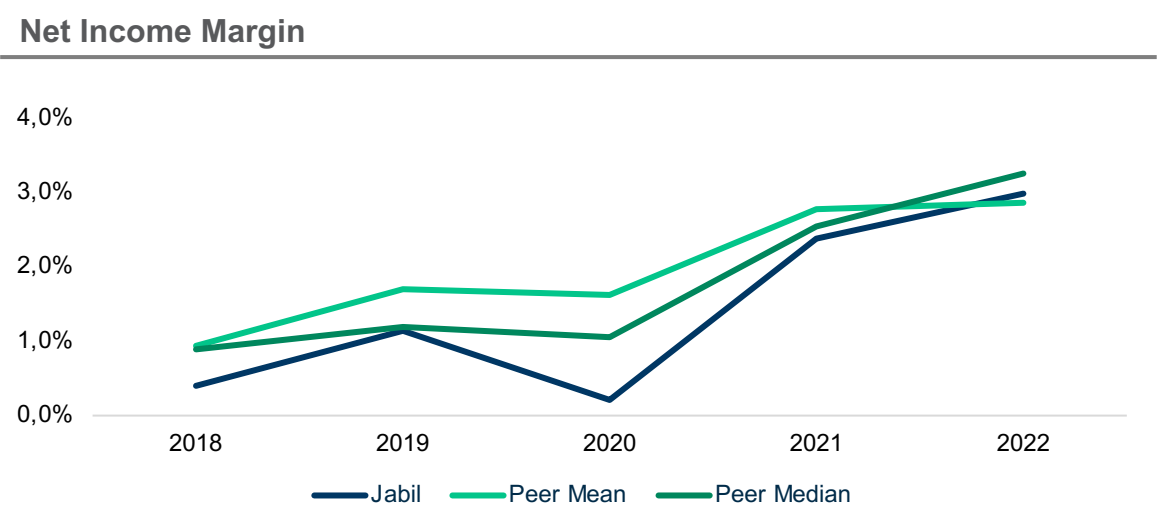
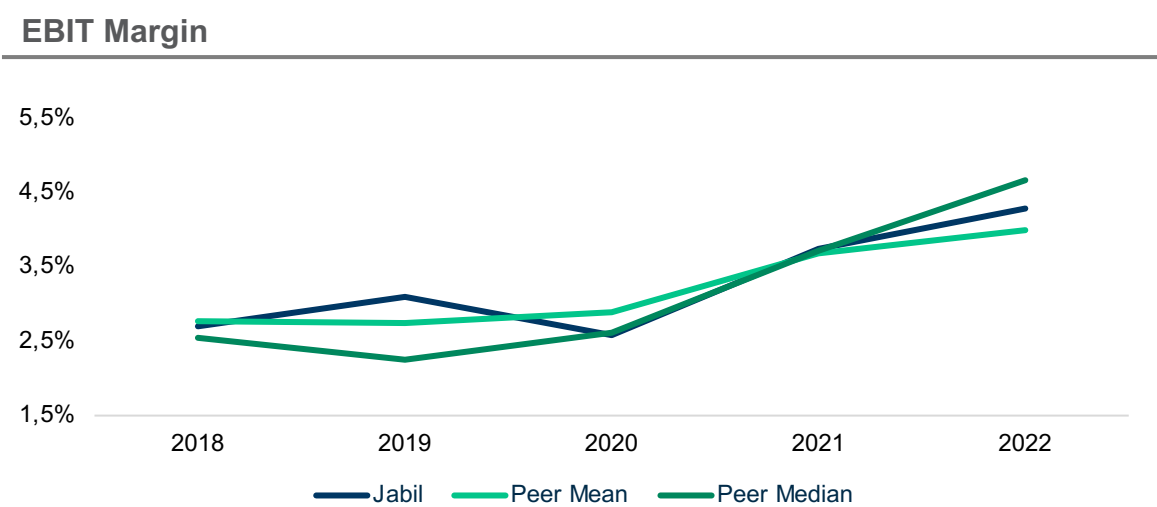
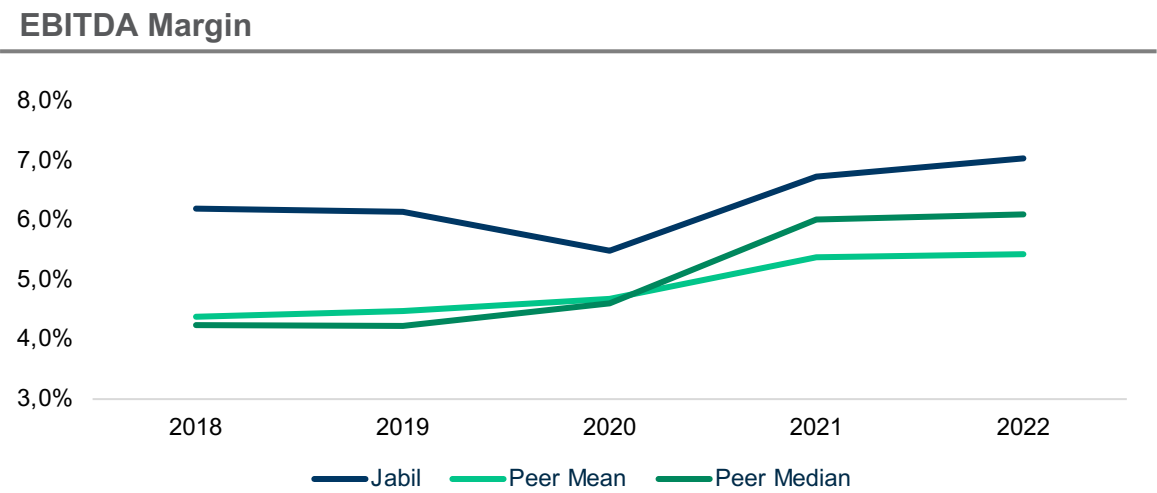
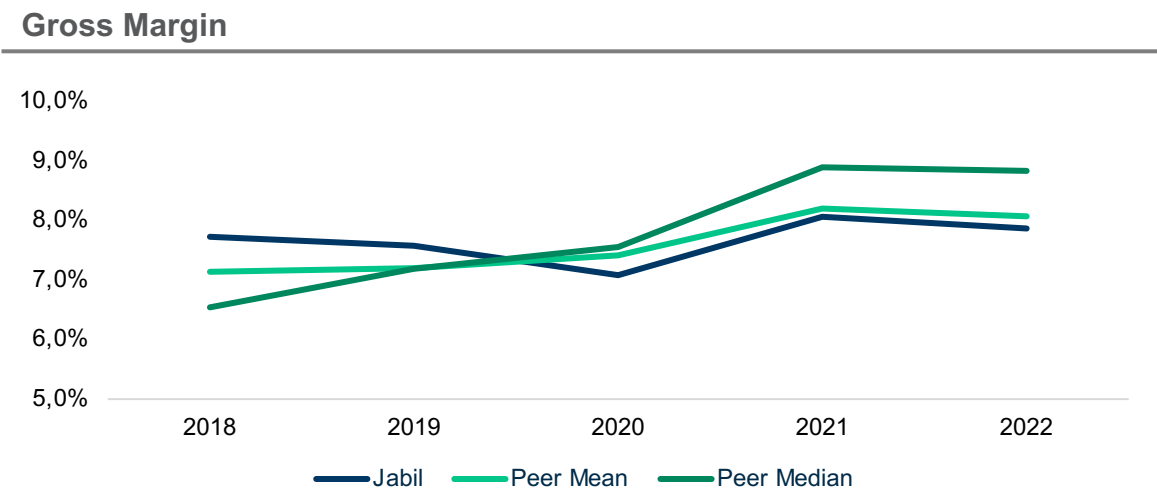
# Conclusion

Jabil couples excellent historic growth with inherent advantages rooted in the current macroeconomic environment

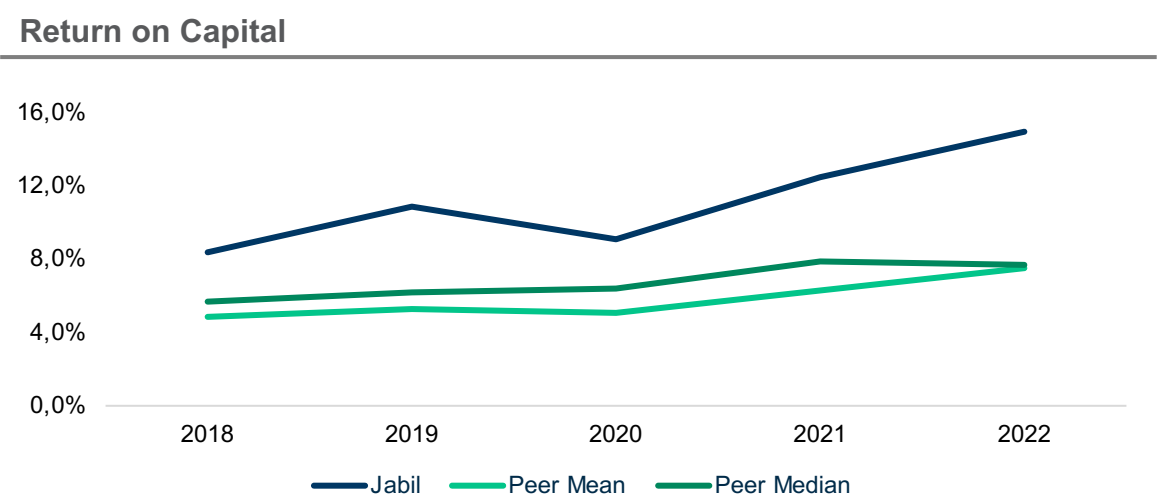
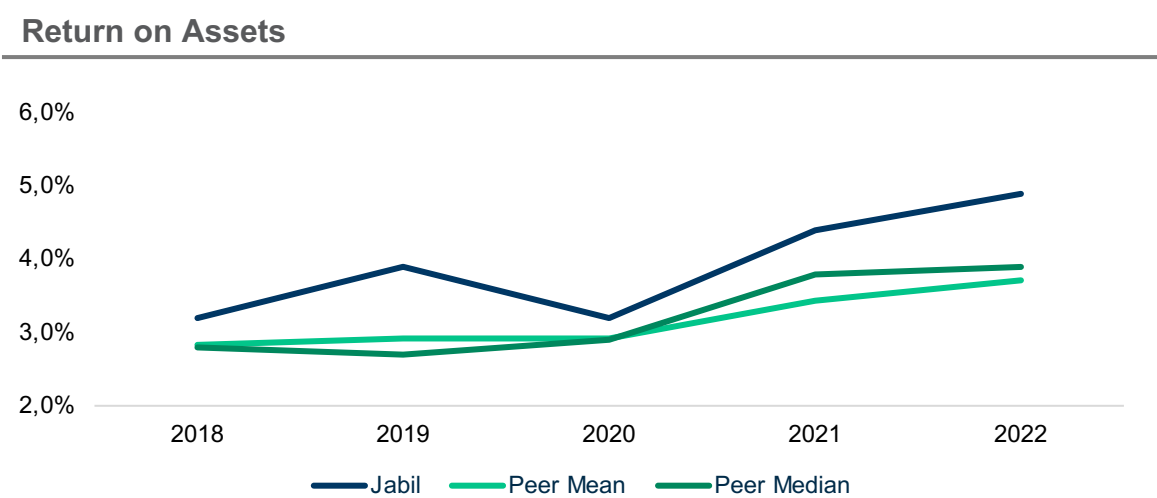
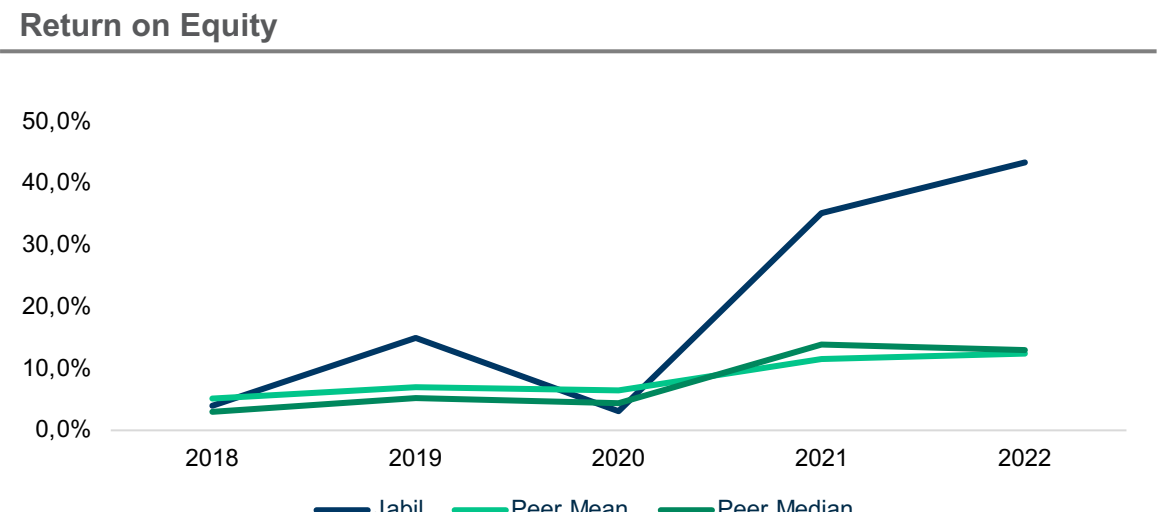
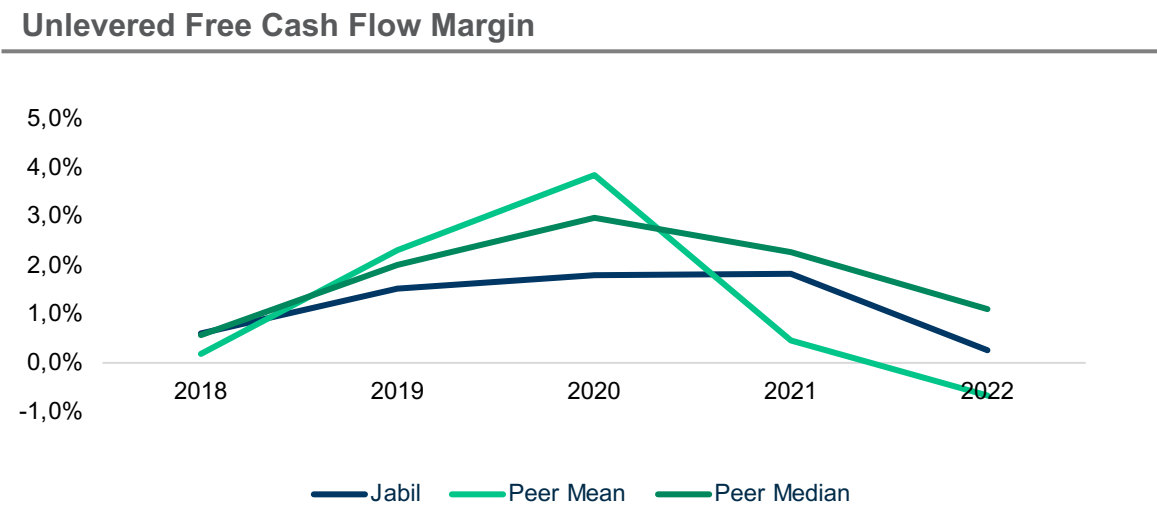


# Appendix

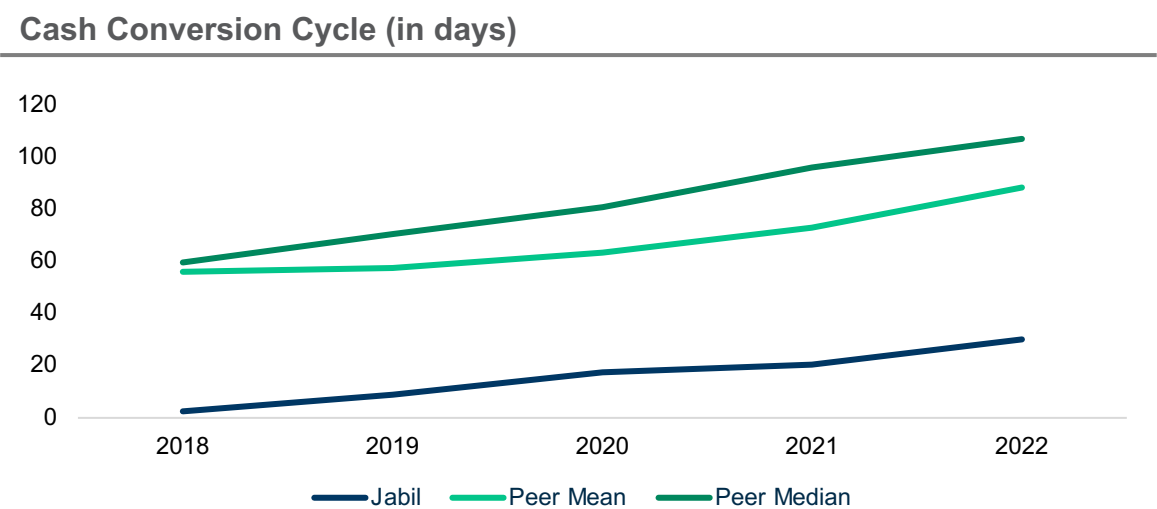
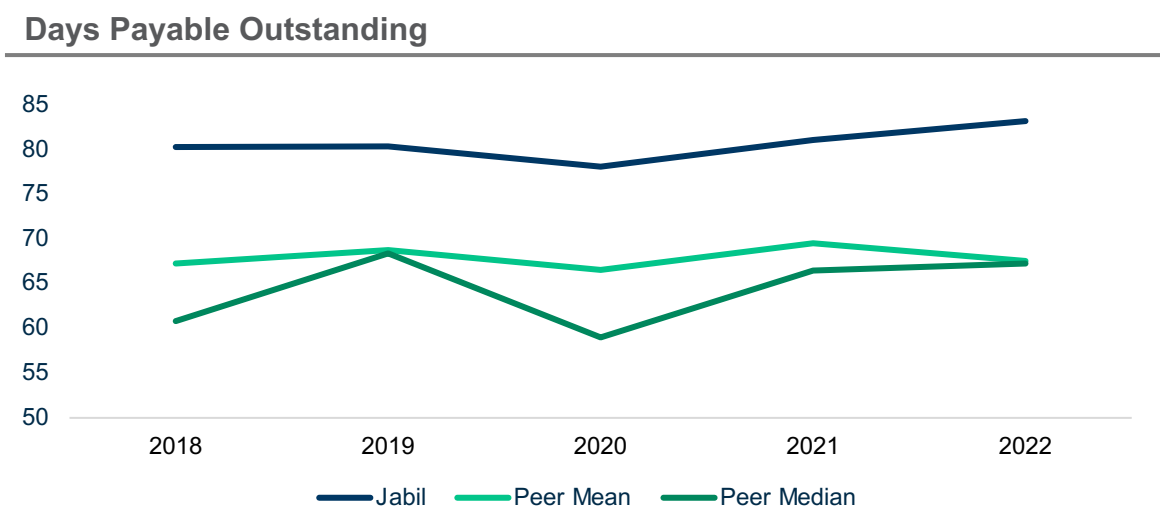
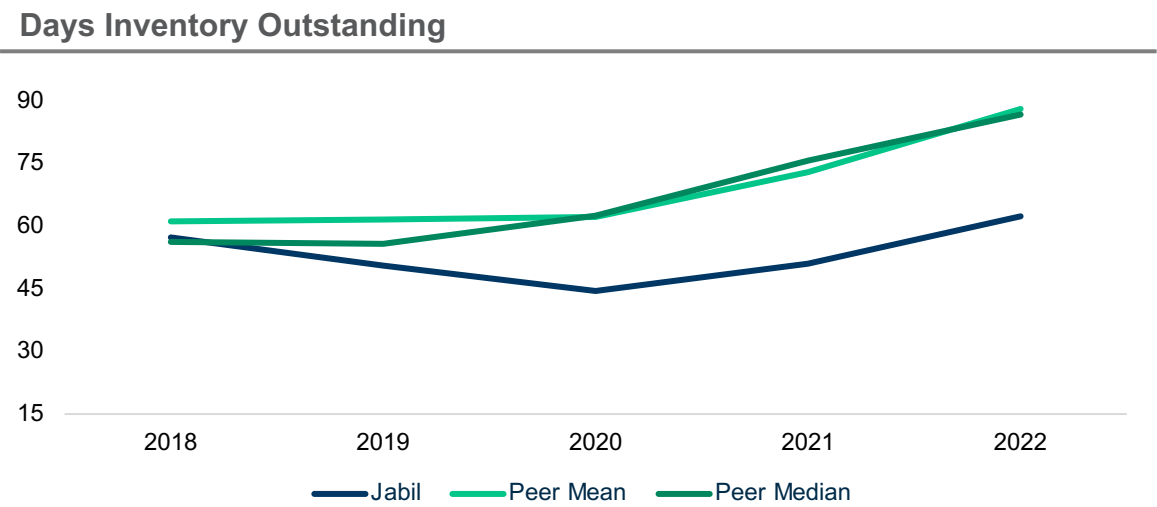
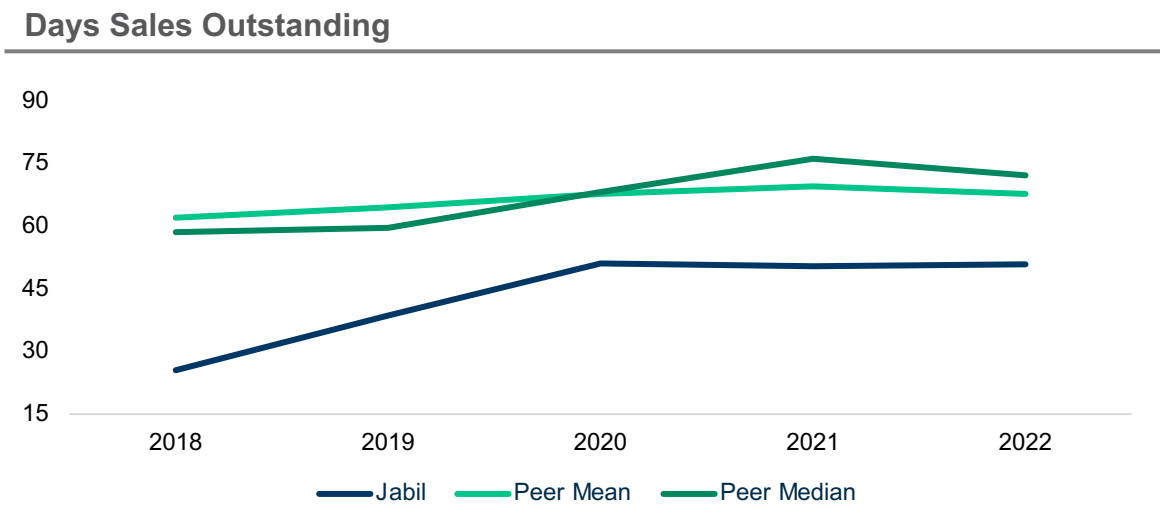
Profitability I



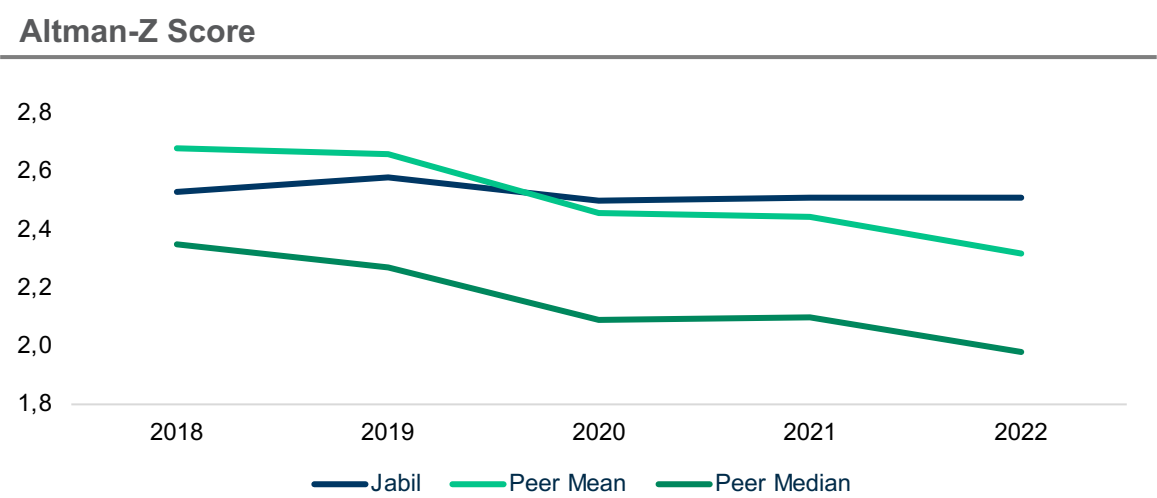
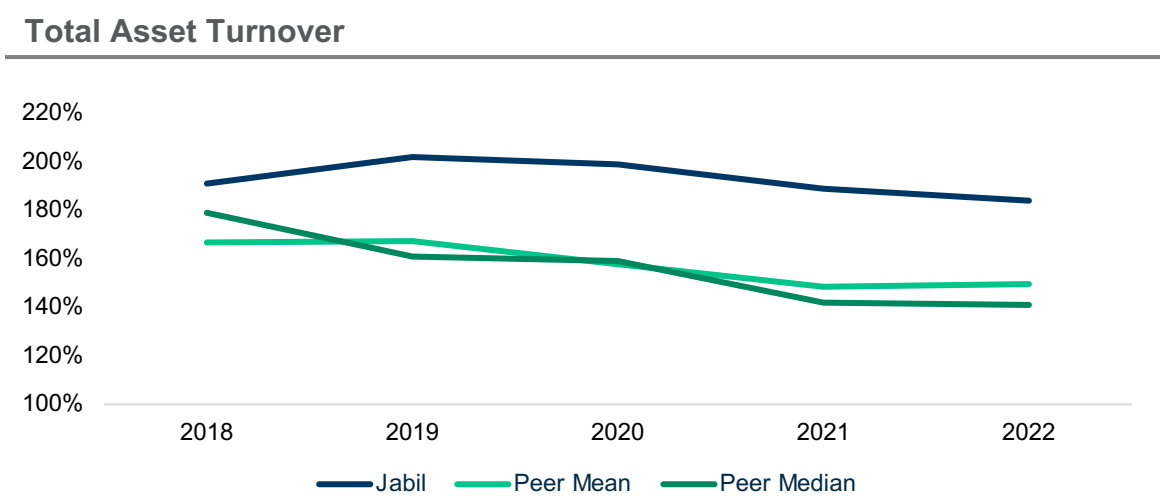
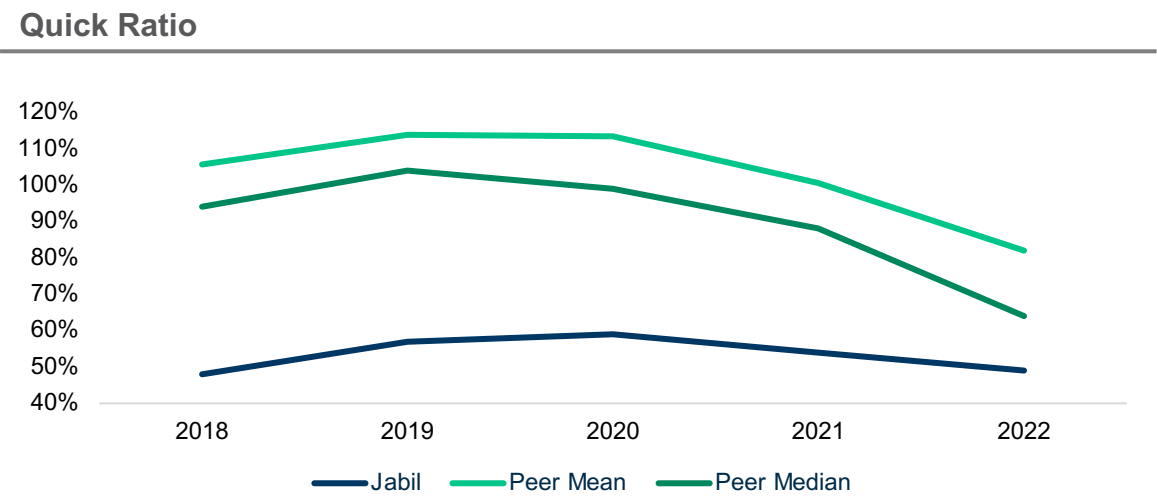
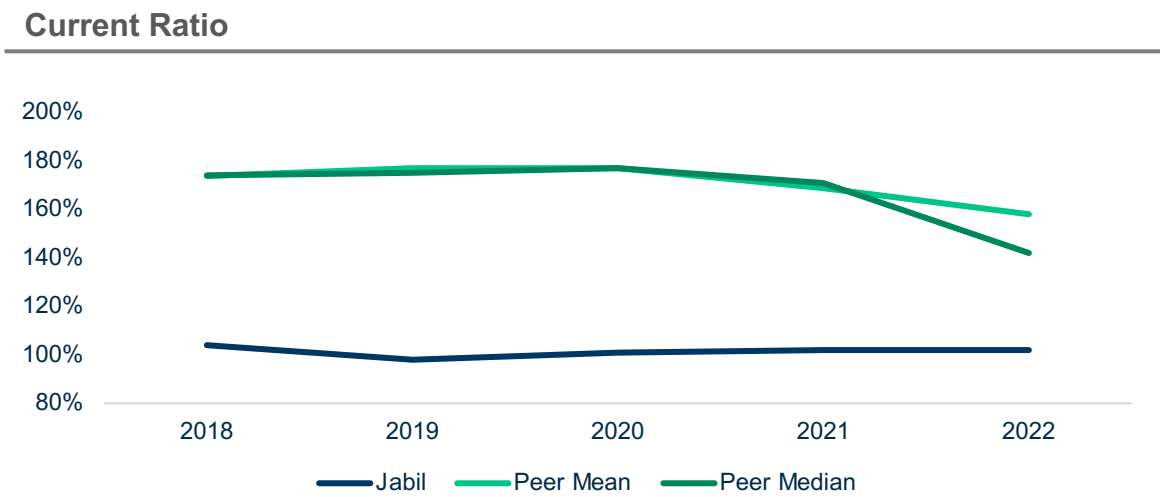
Profitability II



Working Capital

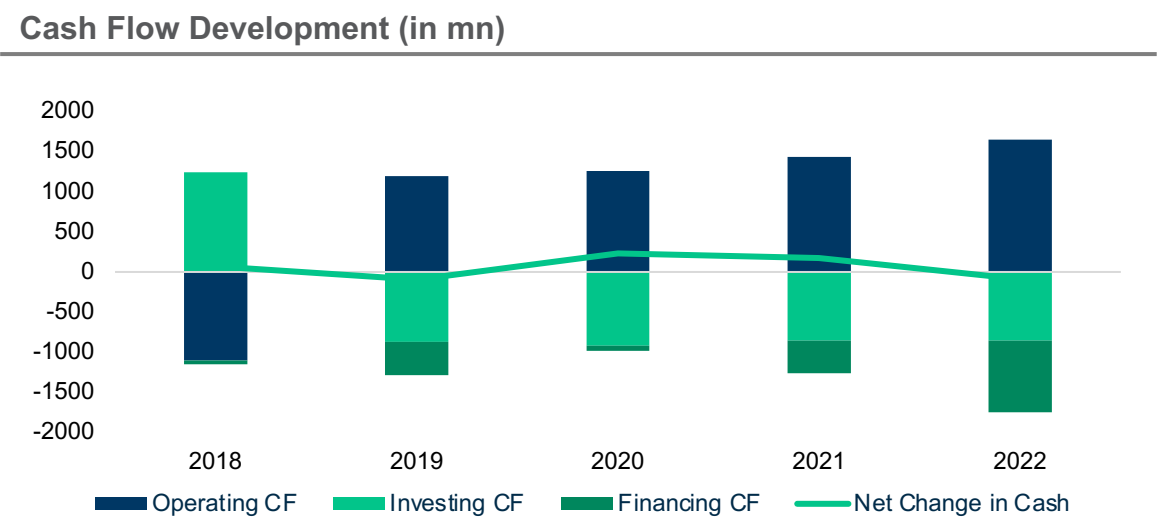
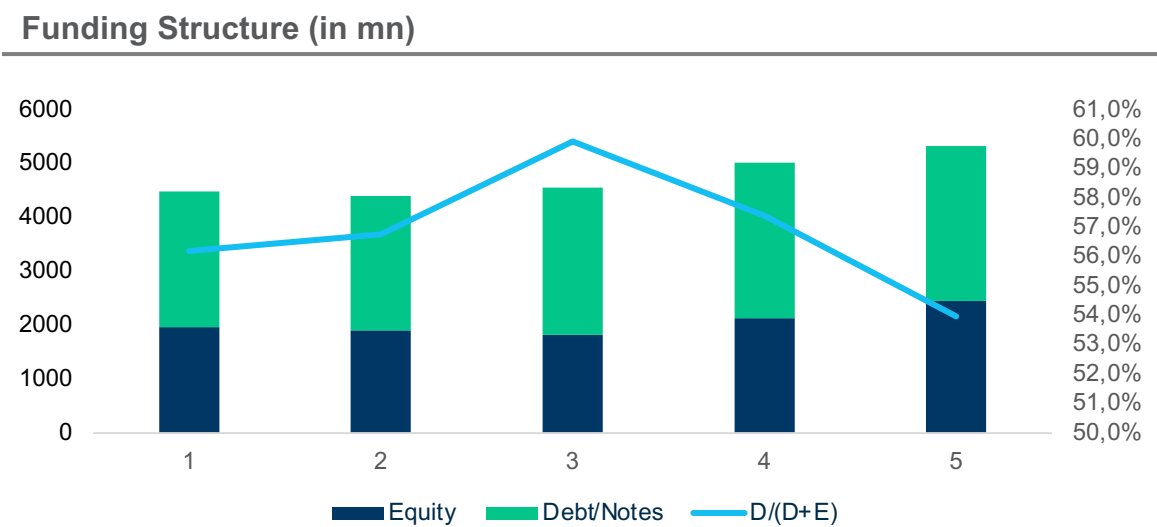
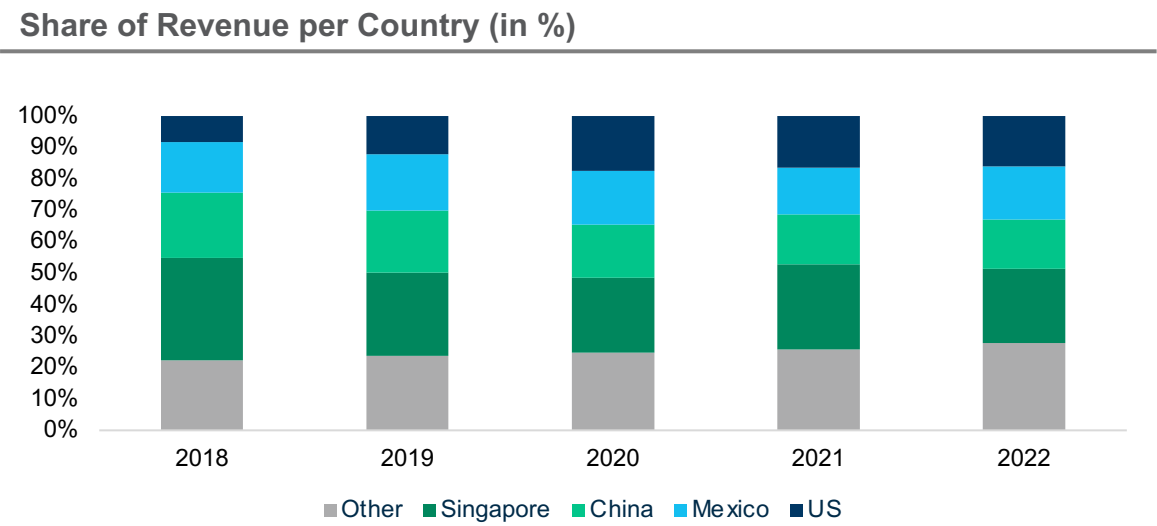
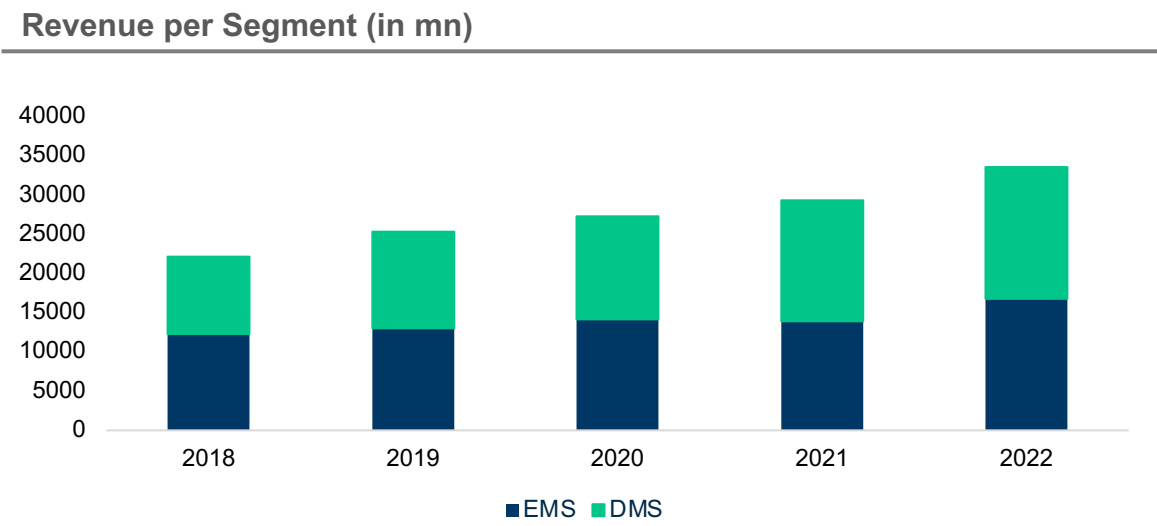


Liquidity & Turnover



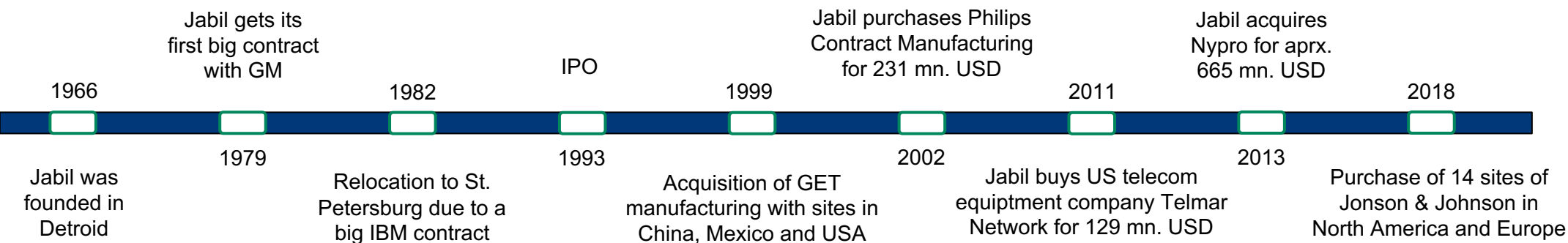


Revenue, Funding and Cash Flow Performances

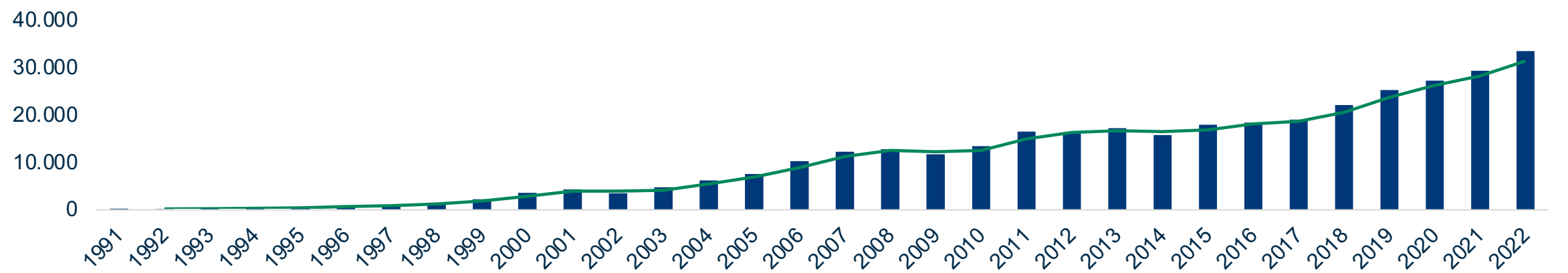


Jabil's History

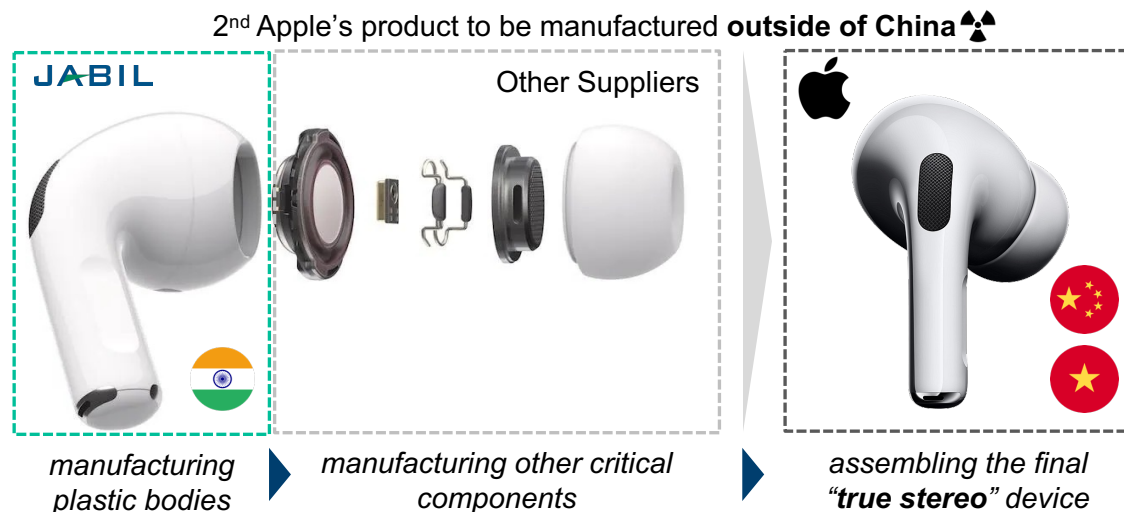
Major events



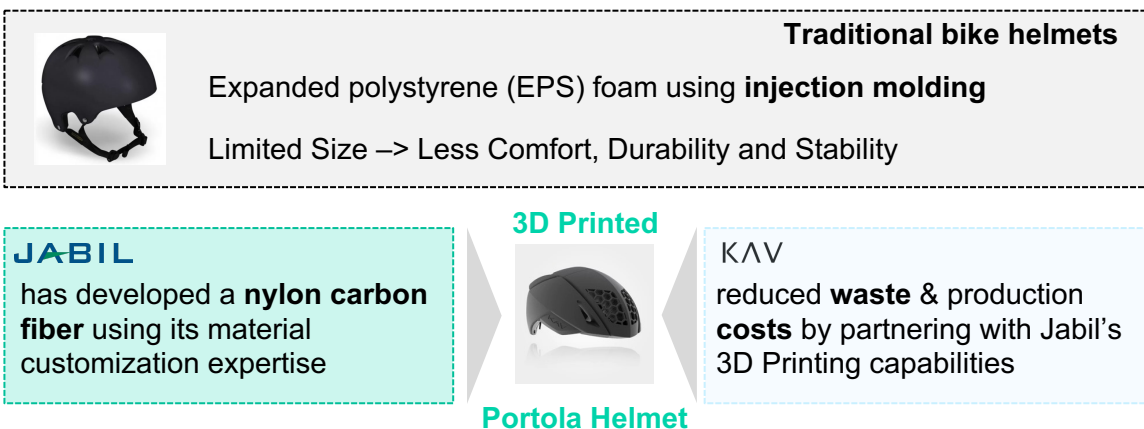
Long term revenue growth (in mn. USD)



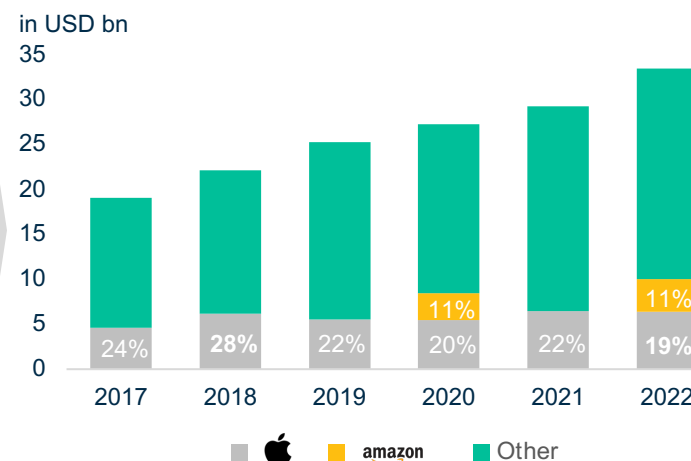
### Aidpods' Value Chain



### KAV 3D Printed Helmets



### Apple Dependency

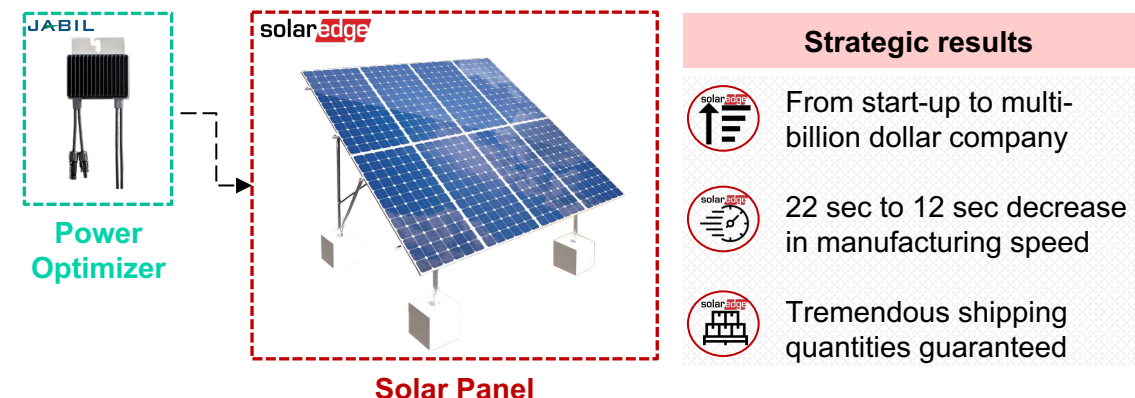


**Successfully** implemented strategy shift towards **product diversification**

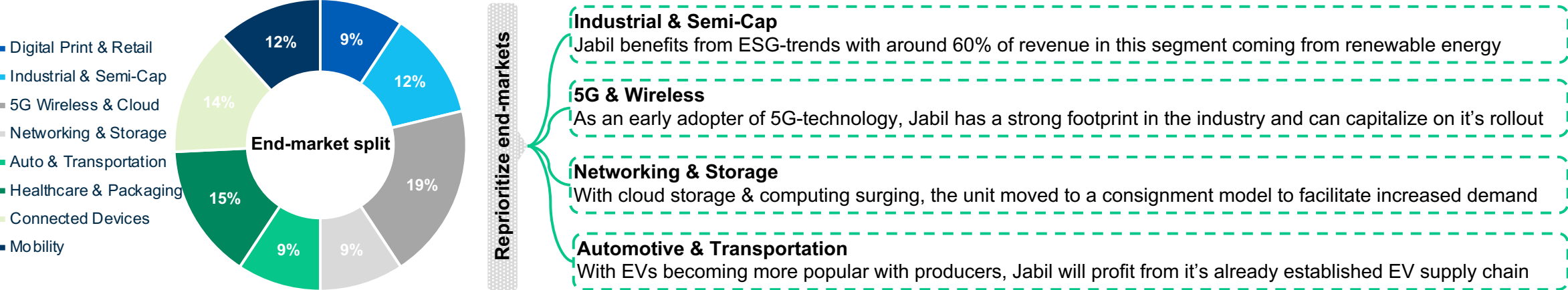
Reducing single-customer dependency **by up to 10%**

The risk of a slowdown in Apple's business is **offset** by **other end-markets**

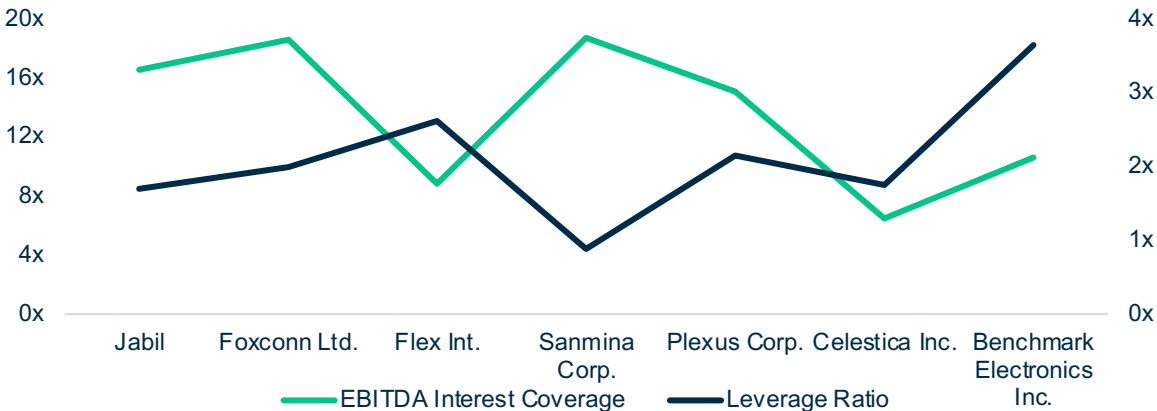
### SolarEdge Power Optimizers



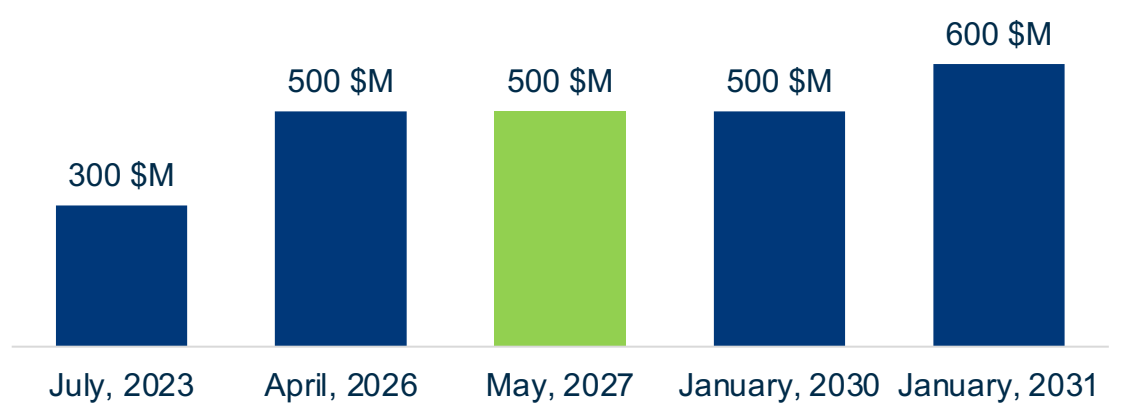
End-Market Strategy




Debt management



Debt schedules



Goals



Short-term (0-4 years)

Increasing energy efficiency and further reducing waste of resources for every specific site compared to the previous year

Mid-term (5-10 years)

Reducing the greenhouse gases by 25% in FY 25 and by 50% in FY 30, baseline FY 19 (currently: -23%)

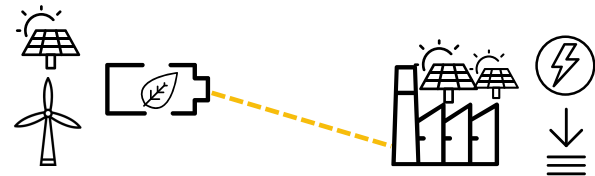
Long-term (11-25 years)

Becoming carbon neutral by the year 2045, 50% of leadership positions to be filled by women

Initiatives

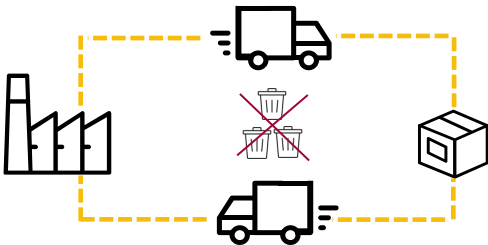
Energy – Reduce, Produce, Procure

Operating as energy efficient as possible, producing own green energy by installing solar panels and procuring sustainables



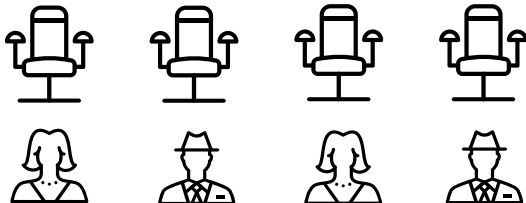
Reverse Supply Chain Services

By recollecting products after its first-use lifespan and recycling raw materials, waste and costs can be reduced




Women in Leadership


20% of leadership positions (director level and above) are held by women and Jabil is actively encouraging for more




Green use-of-proceed bond (issued 2022)


Possible Investments


Clean transportation (e.g. EV)


Renewable energy and smart infrastructure

Circular economy solutions

Conditions

\$500 million

5-year maturity

4.25% fixed rate

## End-Markets

### Healthcare



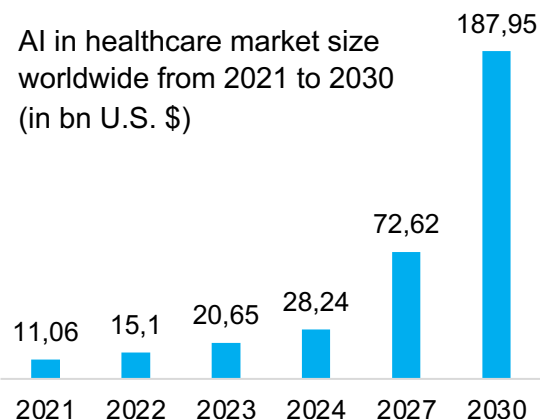
AI can help healthcare providers improve patient outcomes, reduce costs, and increase efficiency



Investment in new technology to support **remote care**, which attracts customers



The healthcare industry is facing **workforce shortages and staffing challenges** - investments in automation



### Networking & Storage



SDS separates storage software from hardware, allowing for more flexibility

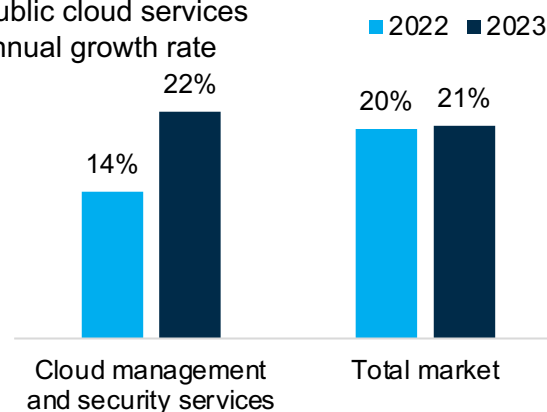


**Storage as a service** is a trend that is gaining popularity



IT operations through the lens of **sustainability** – also to decrease power consumption

Public cloud services annual growth rate



### Connected Devices



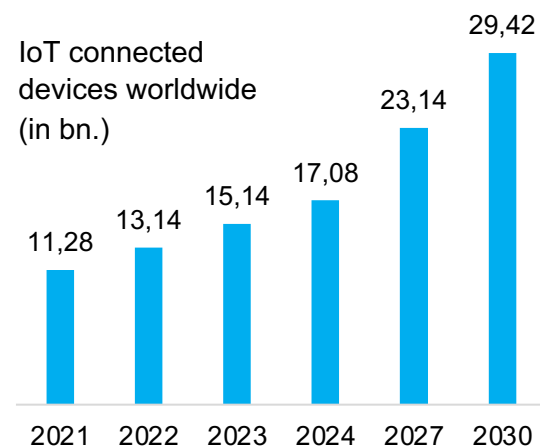
More enterprises will invest in software solutions that protect IoT devices from **cyberattacks**



**5G** is one of the key technologies driving device connections



Here is a growing demand for **industry-specific** solutions



### Digital Print & Retail



Potential of digital printing in delivering **personalized** printed products

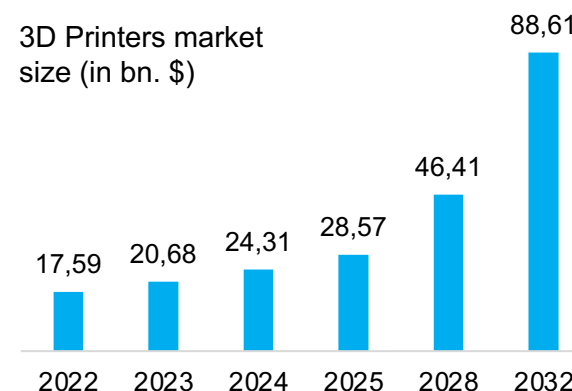


**3D** print becomes available for more applications in healthcare, manufacturing, agriculture, and transportation

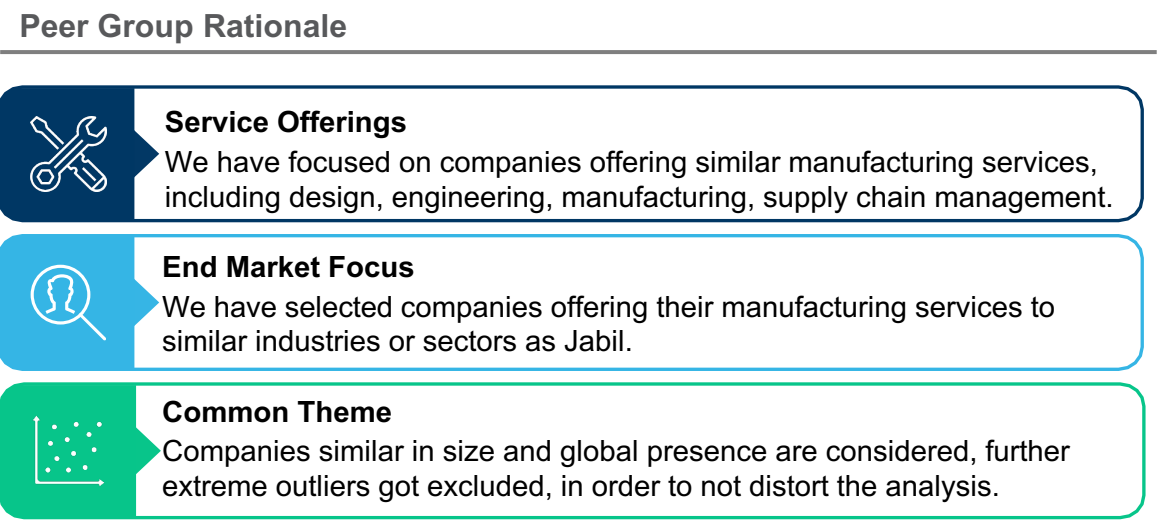
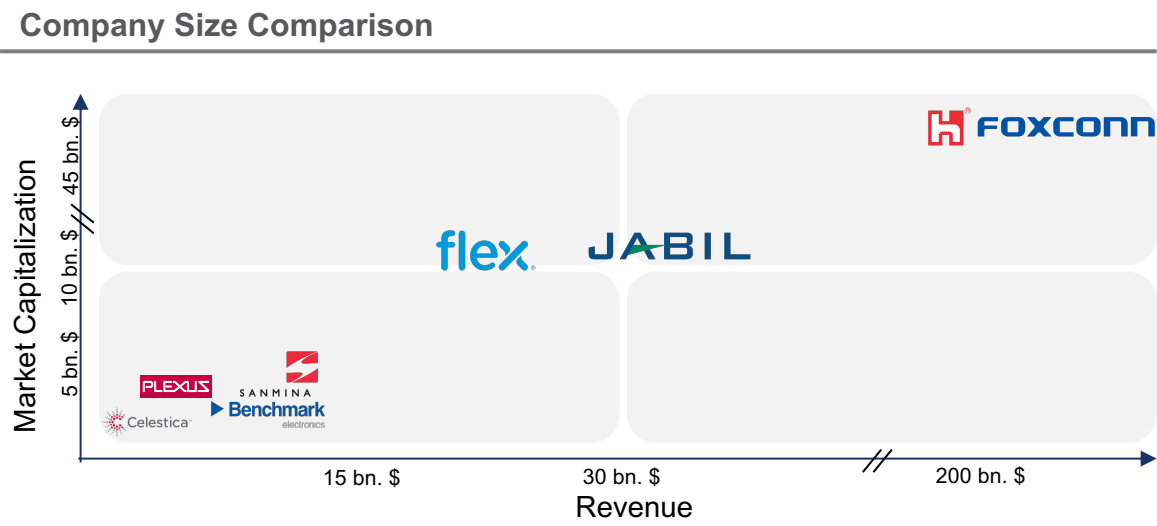
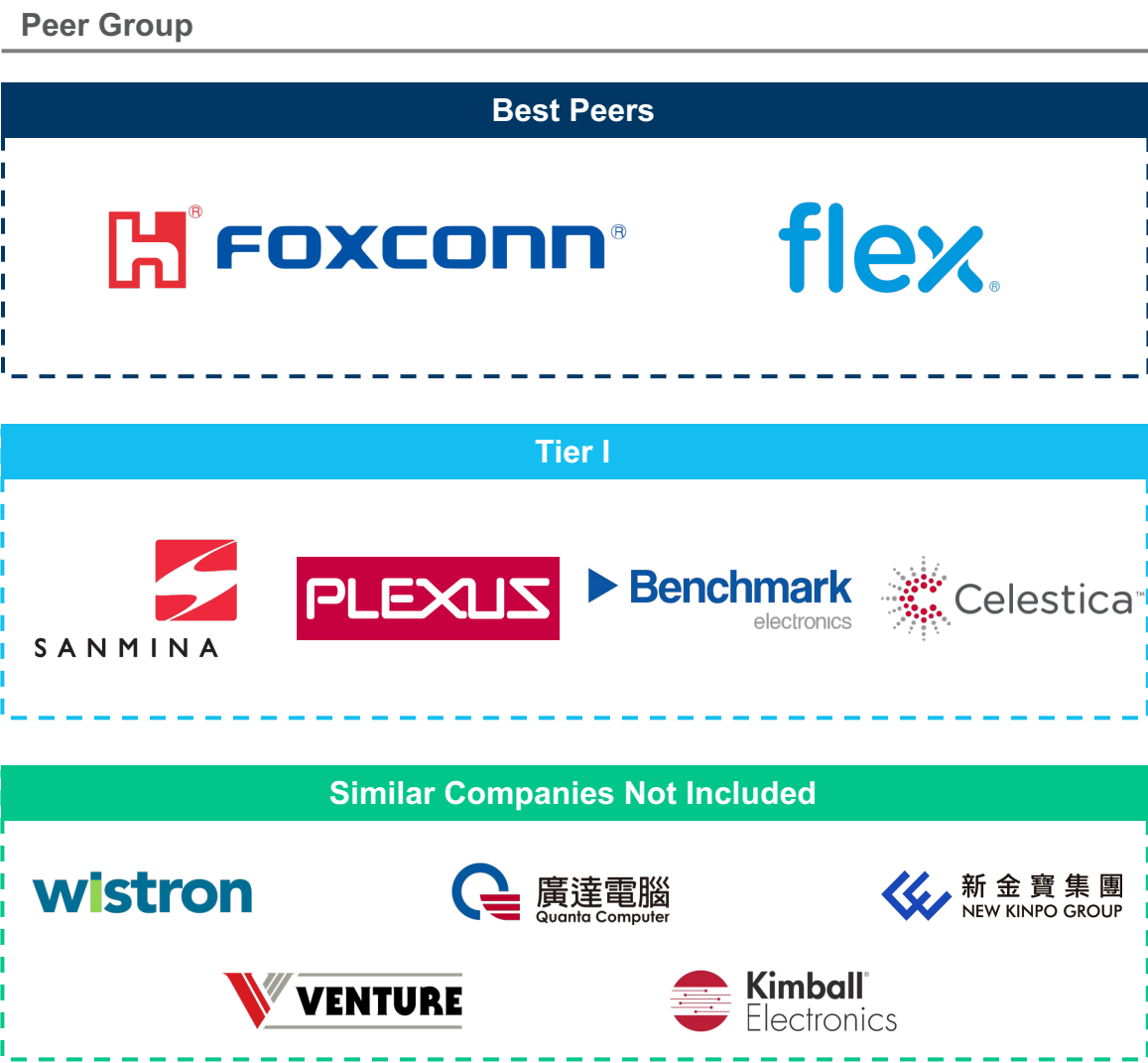


AI & ML in retail to improve logistics, demand planning, and customer experience

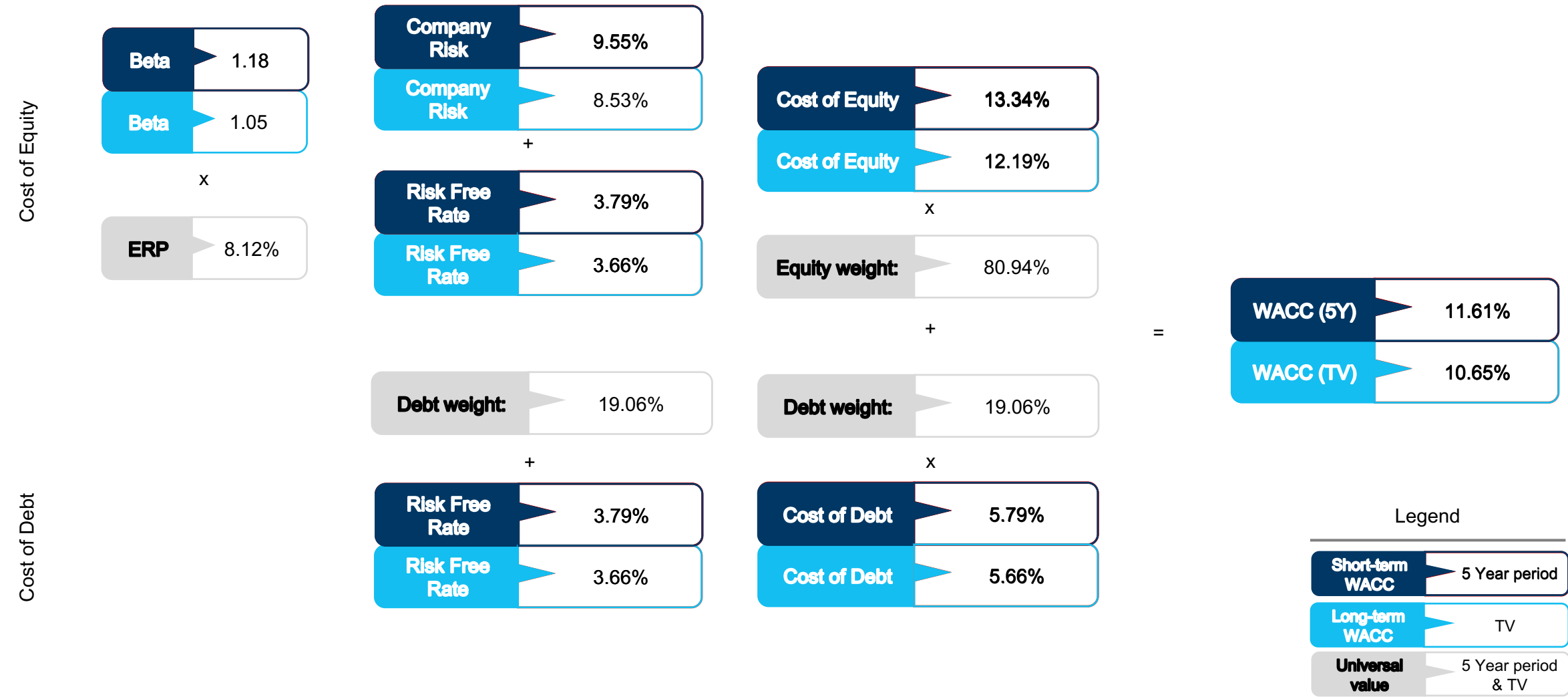
3D Printers market size (in bn. \$)



## Peer Benchmarking



WACC Tree





## Porter's 5 Forces

**Threat of new entrants**

Compliance with industry-specific regulations and standards create barriers for new entrants (-)  
Very high economies of scale, new firms lack competitive pricing and high efficiency (-)  
Low probability of customers' wish to change their often long-termed partners (-)

**LOW THREAT**

**Threat of substitution**

Jabil's focus on advanced manufacturing technologies and processes can position it at the forefront of industry trends, making it challenging for substitutes to match its capabilities (-)  
Substitutes offering lower-cost alternatives or offshore manufacturing options may attract cost-sensitive customers away from Jabil (+)  
If customers have highly specific or unique manufacturing needs, substitutes that specialize in niche areas may pose a threat to Jabil(+)  
High switching costs (-)

**MODERATE THREAT**



**Bargaining Power of Buyers**

Jabil serves a wide range of customers across different industries, reducing dependence on a single buyer and enhancing bargaining power (-)

**LOW THREAT**

**Bargaining Power of Suppliers**

Jabil's large-scale manufacturing allows for bulk purchasing, potentially enabling better negotiation power with suppliers (-)

**LOW THREAT**

**Competitive Rivalry**

Jabil's global operations and large-scale manufacturing capabilities position it as a key player in the industry, giving it an advantage over smaller competitor. (-)  
The manufacturing industry is highly price-sensitive, and competitors may engage in aggressive pricing strategies, potentially impacting Jabil's profitability (+)

**MODERATE DEGREE OF COMPETITION**

## SWOT Analysis

### STRENGTHS

- Jabil is considered as a leader in **manufacturing technology** e.g. 3D-printing which gives them an advantage to other contract manufacturers
- The high competence in **supply chain management** is very beneficial for a manufacturing company
- The strong **customer focus** of Jabil and its large **product portfolio** give them a good position in the market

### OPPORTUNITIES

- In context of massive relocation of important manufacturing from Asia to Europe and the US, Jabil can benefit of subsidies (e.g. IRA)
- High growth in the end markets of the production segments would also lead to a positive impact on Jabil
- Increasing importance of 3D printing in manufacturing would strengthen Jabil's market position as they are the leading force in that technology

JABIL

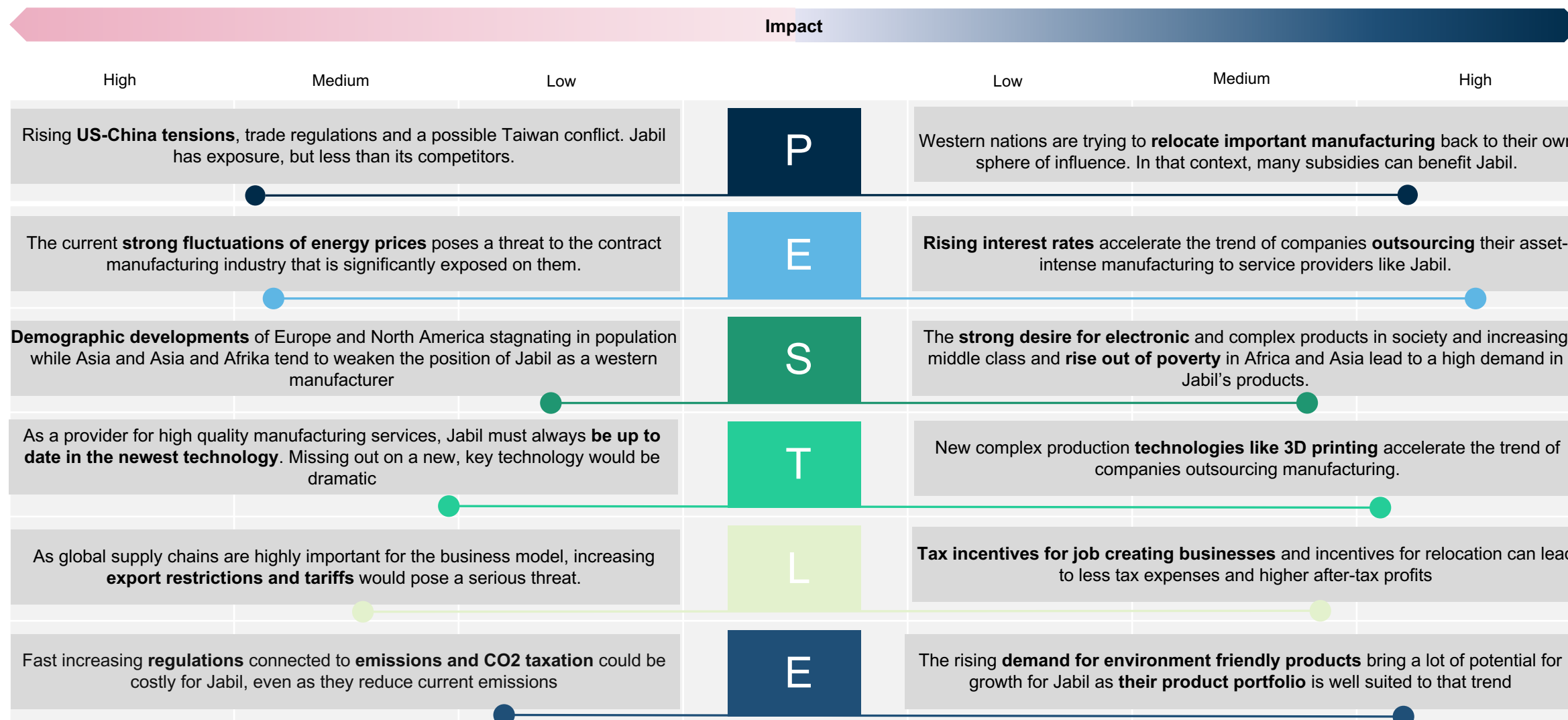
- Jabil's revenue is **concentrated** among a few **key customers**, which poses a risk if any of those customers reduce their orders or switch to alternative suppliers
- The manufacturing industry is highly competitive, and **price competition** is impacting Jabil's profitability. Pressure to maintain competitive pricing while ensuring profitability can be a challenge
- Jabil relies on a global network of suppliers for raw materials and components. Any **disruptions** in the **supply chain**, such as geopolitical events, natural disasters, or logistical issues, can adversely affect Jabil's operations.

### WEAKNESSES

### THREATS

- Geopolitical tensions (China, Russia), trade disputes, tariffs, and regulatory changes can impact global trade and supply chains, creating uncertainties and potential disruptions for Jabil's
- The manufacturing industry is highly competitive, with numerous global and regional players. Competitors with similar capabilities and lower pricing can pose a threat to Jabil's market share and profitability.

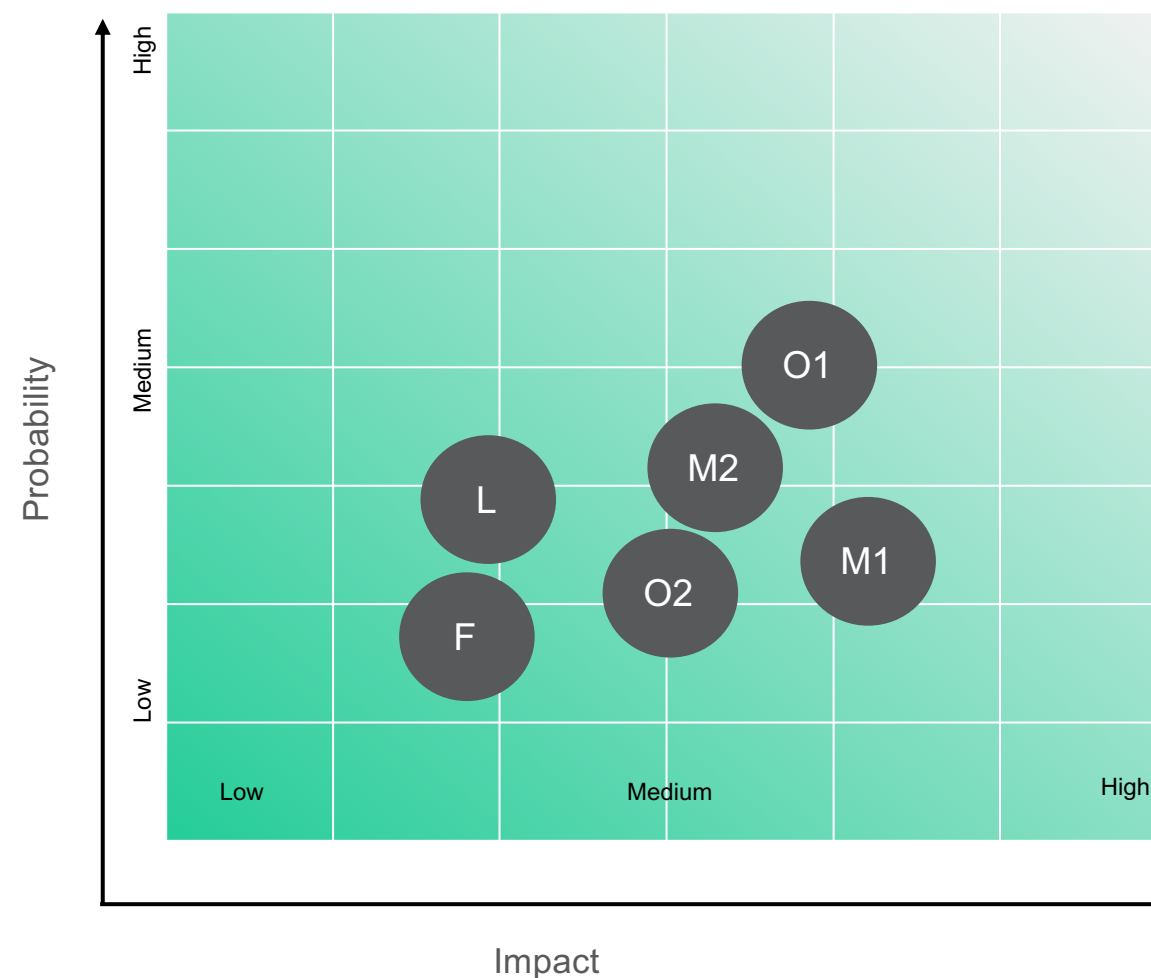
## PESTLE Analysis



# Risks – Appendix

## Risk Matrix

- O1** Jabil still has a **high customer concentration**, with Apple and Amazon being responsible for 30% of revenue (FY 2022)
- O2** Jabil is exposed to **increasing prices** that may not be able to be passed on to customers
- L** Jabil acts in **different global regions** and can therefore be heavily influenced by government decisions of multiple countries
- F** A **increase in the cash conversion cycle** of Jabil, if customers delay or default would lead to a fast shortage in liquidity
- M1** Contract manufacturing is threatened if the **trend of outsourcing stops** and customers choose to **manufacture internally**
- M2** **Geopolitical conflicts** e.g. US-China are capable to harm the network of **global supply chains**



F-Financial O-Operational, M-Market, L-Legislative



Jabil Inc.  
WUTIS - WU Trading & Investing Society  
Equity Research

JABIL

General Information

Team members

Head of Equity Research: Arthur Kaspar

Associates: Emil Wolner  
Ekatarina Kamentsova  
Felix Grabenhofer  
Filip Kindermann  
Laurenz Stempowski  
Oleh Bei

Anaysts:

Dates

Submission date: Friday, 23 June 2023

Index

Lorem ipsum: Number was calculated/is historical  
Lorem ipsum: Number was hardcoded  
Lorem ipsum: Number taken from the appendix  
All numbers in mn. USD

Valuation Overview

Select Case-> Base Case

Current Shareprice \$ 105,36  
Target Shareprice \$ 134,26

Upside 27,43%

DCF CCA

80% 20%

\$150.000

\$100.000

\$50.000

\$-

Current Shareprice Target Shareprice

Key Visualisations

\$20000.000

\$15000.000

\$10000.000

\$5000.000

\$-

100%

80%

60%

40%

20%

0%

2018 2019 2020 2021 2022 2023 2024 2025 2026 2027 2028

Total liabilities Total equity D/D+E

\$50000.000

\$40000.000

\$30000.000

\$20000.000

\$10000.000

\$-

20%

15%

10%

5%

0%

2018 2019 2020 2021 2022 2023 2024 2025 2026 2027 2028

Revenue EBITDA Margin EBIT Margin Net Income Magin

General Information

Jabil Inc. is a global manufacturing services company that specializes in providing comprehensive design, manufacturing, and supply chain solutions for a wide range of industries. With its headquarters in St. Petersburg, Florida, Jabil operates in over 30 countries worldwide, serving customers in diverse sectors such as healthcare, automotive, aerospace, consumer electronics, and industrial equipment. The company's core expertise lies in engineering and manufacturing highly complex products, including printed circuit boards, integrated systems, and advanced electronic components. Jabil's end-to-end capabilities encompass product design and development, prototyping, testing, volume production, and services like supply chain management.

Name: JABIL INC. (XNYS:JBL)

Ticker: JBL

52-week-low: \$ 48,80

Market Capitalization: \$ 13.947,78

Shareprice: \$ 103,28

52-week-high: \$ 107,30

DCF

Key Assumptions

WACC 11,61%

LT GR 2,00%

2028 FCF Estimate \$ 660,19

Enterprise Value \$ 20.892,13

Net Debt \$ (2.205,00)

Minority Interest \$ (1,00)

Equity Value \$ 18.686,13

\$20892.13251

\$(2205.000)

\$(1.000)

\$18686.13251

Enterprise Value Net Debt Minority interest Equity Value

CCA

EV/Sales

EV/EBITDA

EV/EBIT

P/E

Jabil

Peer Average

Upside

0,48

0,46

-5,14%

6,96

8,48

21,80%

11,59

12,07

4,18%

14,09

14,18

0,61%

30.00%

-20.00%

EV/Sales

EV/EBITDA

EV/EBIT

P/E

Upside

P/E

EV/EBIT

EV/EBITDA

EV/Sales

0.00

50.00

100.00

150.00

200.00

250.00

- 45 - | Valid until 31/06/2023

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# Appendix

## Operating Model – P&L

Operating Model		Base Case					Average	Forecasted					
In USD millions except per share items		2018	2019	2020	2021	2022		2023	2024	2025	2026	2027	2028
Key Assumptions													
Revenue GR as %		15,90%	14,42%	7,85%	7,40%	14,32%	11,98%	1,37%	8,06%	5,53%	5,73%	5,92%	6,09%
EMS as % of Revenue		55,52%	51,29%	51,69%	47,48%	49,99%	51,19%	50,41%	50,99%	51,51%	51,95%	52,30%	52,54%
DMS as % of Revenue		44,48%	48,71%	48,31%	52,52%	50,01%	48,81%	49,59%	49,01%	48,49%	48,05%	47,70%	47,46%
COGS as % of Revenue		92,28%	92,43%	92,92%	91,94%	92,14%	92,34%	91,07%	90,98%	90,92%	90,86%	90,81%	90,77%
SG&A as % of Revenue		4,76%	4,39%	4,31%	4,14%	3,45%	4,21%	4,21%	4,21%	4,21%	4,21%	4,21%	4,21%
R&D as % of Revenue		0,18%	0,17%	0,16%	0,12%	0,10%	0,14%	0,14%	0,14%	0,14%	0,14%	0,14%	0,14%
Restructuring charges as % of Revenue		0,17%	0,10%	0,58%	0,03%	0,05%	0,19%	0,19%	0,19%	0,19%	0,19%	0,19%	0,19%
Effective tax rate		76,68%	35,92%	78,16%	26,06%	19,09%	47,18%	27,02%	27,02%	27,02%	27,02%	27,02%	27,02%
Core Operating Income Margin		3,47%	3,46%	3,17%	4,24%	4,61%	3,79%	4,95%	5,00%	5,04%	5,06%	5,09%	5,11%
Income Statement													
Revenue		\$ 22.095,00	\$ 25.282,00	\$ 27.266,00	\$ 29.285,00	\$ 33.478,00		\$ 33.936,49	\$ 36.671,33	\$ 38.699,98	\$ 40.919,04	\$ 43.341,38	\$ 45.980,91
Electrical manufacturing services (EMS)		\$ 12.268,00	\$ 12.967,00	\$ 14.093,00	\$ 13.904,00	\$ 16.737,00		\$ 17.107,09	\$ 18.699,84	\$ 19.934,61	\$ 21.257,35	\$ 22.666,42	\$ 24.158,18
Diversified manufacturing services (DMS)		\$ 9.828,00	\$ 12.315,00	\$ 13.173,00	\$ 15.381,00	\$ 16.741,00		\$ 16.829,40	\$ 17.971,48	\$ 18.765,37	\$ 19.661,70	\$ 20.674,96	\$ 21.822,73
Cost of revenue		\$ 20.389,00	\$ 23.369,00	\$ 25.335,00	\$ 26.926,00	\$ 30.846,00		\$ 30.906,52	\$ 33.363,70	\$ 35.185,72	\$ 37.180,88	\$ 39.359,64	\$ 41.734,73
Gross profit		\$ 1.707,00	\$ 1.913,00	\$ 1.931,00	\$ 2.359,00	\$ 2.632,00		\$ 3.029,97	\$ 3.307,63	\$ 3.514,26	\$ 3.738,16	\$ 3.981,74	\$ 4.246,18
Operating expenses:													
Selling, general and administrative		\$ 1.051,00	\$ 1.111,00	\$ 1.175,00	\$ 1.213,00	\$ 1.154,00		\$ 1.428,70	\$ 1.543,84	\$ 1.629,24	\$ 1.722,66	\$ 1.824,64	\$ 1.935,76
Research and development		\$ 39,00	\$ 43,00	\$ 43,00	\$ 34,00	\$ 33,00		\$ 48,80	\$ 52,73	\$ 55,65	\$ 58,84	\$ 62,32	\$ 66,12
Amortization of intangibles		\$ 38,00	\$ 32,00	\$ 56,00	\$ 47,00	\$ 34,00		\$ 29,36	\$ 28,39	\$ 28,01	\$ 28,00	\$ 28,33	\$ 28,95
Restructuring, severance and related charges		\$ 37,00	\$ 26,00	\$ 157,00	\$ 10,00	\$ 18,00		\$ 63,39	\$ 68,50	\$ 72,29	\$ 76,44	\$ 80,96	\$ 85,89
Operating income		\$ 542,00	\$ 701,00	\$ 500,00	\$ 1.055,00	\$ 1.393,00		\$ 1.459,72	\$ 1.614,17	\$ 1.729,07	\$ 1.852,22	\$ 1.985,48	\$ 2.129,45
Non-GAAP Adjustments		\$ 225,00	\$ 175,00	\$ 364,00	\$ 186,00	\$ 150,00		\$ 220,00	\$ 220,00	\$ 220,00	\$ 220,00	\$ 220,00	\$ 220,00
Core Operating Income		\$ 767,00	\$ 876,00	\$ 864,00	\$ 1.241,00	\$ 1.543,00		\$ 1.679,72	\$ 1.834,17	\$ 1.949,07	\$ 2.072,22	\$ 2.205,48	\$ 2.349,45
Depreciation		\$ 735,00	\$ 739,00	\$ 739,00	\$ 828,00	\$ 891,00		\$ 885,23	\$ 967,67	\$ 1.075,64	\$ 1.197,78	\$ 1.334,84	\$ 1.487,80
Core EBITDA		\$ 1.502,00	\$ 1.615,00	\$ 1.603,00	\$ 2.069,00	\$ 2.434,00		\$ 2.564,95	\$ 2.801,84	\$ 3.024,72	\$ 3.270,00	\$ 3.540,31	\$ 3.837,25
Core EBIT		\$ 729,00	\$ 844,00	\$ 808,00	\$ 1.194,00	\$ 1.509,00		\$ 1.650,36	\$ 1.805,79	\$ 1.921,07	\$ 2.044,22	\$ 2.177,15	\$ 2.320,50
Loss on debt extinguishment		\$ -	\$ -	\$ -	\$ -	\$ 4,00		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(Gain) loss on securities		\$ -	\$ 30,00	\$ 49,00	\$ (2,00)	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other expense (income)		\$ 38,00	\$ 53,00	\$ 31,00	\$ (11,00)	\$ 12,00		\$ 24,60	\$ 24,60	\$ 24,60	\$ 24,60	\$ 24,60	\$ 24,60
Interest income		\$ (18,00)	\$ (21,00)	\$ (15,00)	\$ (6,00)	\$ (5,00)		\$ (13,00)	\$ (13,00)	\$ (13,00)	\$ (13,00)	\$ (13,00)	\$ (13,00)
Interest expense		\$ 149,00	\$ 188,00	\$ 174,00	\$ 130,00	\$ 151,00		\$ 158,40	\$ 158,40	\$ 158,40	\$ 158,40	\$ 158,40	\$ 158,40
Income before income tax		\$ 373,00	\$ 451,00	\$ 261,00	\$ 944,00	\$ 1.231,00		\$ 1.289,72	\$ 1.444,17	\$ 1.559,07	\$ 1.682,22	\$ 1.815,48	\$ 1.959,45
Income tax expense		\$ 286,00	\$ 162,00	\$ 204,00	\$ 246,00	\$ 235,00		\$ 348,52	\$ 390,26	\$ 421,31	\$ 454,59	\$ 490,60	\$ 529,51
Net income		\$ 88,00	\$ 289,00	\$ 57,00	\$ 698,00	\$ 996,00		\$ 941,19	\$ 1.053,91	\$ 1.137,76	\$ 1.227,63	\$ 1.324,88	\$ 1.429,95
Net income attributable to noncontrolling interests, net of tax		\$ 1,00	\$ 2,00	\$ 3,00	\$ 2,00	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net income attributable to Jabil Inc.		\$ 86,00	\$ 287,00	\$ 54,00	\$ 696,00	\$ 996,00		\$ 941,19	\$ 1.053,91	\$ 1.137,76	\$ 1.227,63	\$ 1.324,88	\$ 1.429,95

# Appendix

## Operating Model – Balance Sheet

Balance Sheet											
Error Check	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
<b>Assets</b>											
<b>Current assets:</b>	<b>\$ 7.550,00</b>	<b>\$ 8.345,00</b>	<b>\$ 9.135,00</b>	<b>\$ 10.877,00</b>	<b>\$ 13.908,00</b>	<b>\$ 13.455,24</b>	<b>\$ 14.052,53</b>	<b>\$ 14.267,27</b>	<b>\$ 14.647,58</b>	<b>\$ 15.034,28</b>	<b>\$ 15.654,76</b>
Cash and cash equivalents	\$ 1.258,00	\$ 1.163,00	\$ 1.394,00	\$ 1.567,00	\$ 1.478,00	\$ 1.171,25	\$ 1.254,23	\$ 1.191,83	\$ 1.274,56	\$ 1.344,49	\$ 1.459,88
Accounts receivable, net of allowance for credit losses	\$ 1.693,00	\$ 2.745,00	\$ 2.848,00	\$ 3.141,00	\$ 3.995,00	\$ 4.049,71	\$ 4.275,60	\$ 4.406,10	\$ 4.546,63	\$ 4.697,04	\$ 4.913,03
Contract assets	\$ -	\$ 912,00	\$ 1.105,00	\$ 998,00	\$ 1.196,00	\$ 1.196,00	\$ 1.196,00	\$ 1.196,00	\$ 1.196,00	\$ 1.196,00	\$ 1.196,00
Inventories, net of reserve for excess and obsolete inventory	\$ 3.458,00	\$ 3.023,00	\$ 3.132,00	\$ 4.414,00	\$ 6.128,00	\$ 5.927,28	\$ 6.215,70	\$ 6.362,35	\$ 6.519,39	\$ 6.685,75	\$ 6.974,84
Prepaid expenses and other current assets	\$ 1.141,00	\$ 502,00	\$ 656,00	\$ 757,00	\$ 1.111,00	\$ 1.111,00	\$ 1.111,00	\$ 1.111,00	\$ 1.111,00	\$ 1.111,00	\$ 1.111,00
<b>Non-current assets:</b>	<b>\$ 4.496,00</b>	<b>\$ 4.626,00</b>	<b>\$ 5.262,00</b>	<b>\$ 5.777,00</b>	<b>\$ 5.809,00</b>	<b>\$ 6.159,79</b>	<b>\$ 6.638,66</b>	<b>\$ 7.182,66</b>	<b>\$ 7.794,86</b>	<b>\$ 8.479,50</b>	<b>\$ 9.241,91</b>
Property, plant and equipment, net of accumulated depreciation	\$ 3.198,00	\$ 3.334,00	\$ 3.665,00	\$ 4.075,00	\$ 3.954,00	\$ 4.310,02	\$ 4.790,93	\$ 5.334,95	\$ 5.945,38	\$ 6.626,68	\$ 7.384,29
Operating lease right-of-use asset	\$ -	\$ -	\$ 363,00	\$ 390,00	\$ 500,00	\$ 500,00	\$ 500,00	\$ 500,00	\$ 500,00	\$ 500,00	\$ 500,00
Goodwill	\$ 628,00	\$ 622,00	\$ 697,00	\$ 715,00	\$ 704,00	\$ 704,00	\$ 704,00	\$ 704,00	\$ 704,00	\$ 704,00	\$ 704,00
Intangible assets, net of accumulated amortization	\$ 279,00	\$ 257,00	\$ 210,00	\$ 182,00	\$ 158,00	\$ 152,77	\$ 150,73	\$ 150,72	\$ 152,48	\$ 155,83	\$ 160,62
Deferred income taxes	\$ 218,00	\$ 199,00	\$ 165,00	\$ 176,00	\$ 199,00	\$ 199,00	\$ 199,00	\$ 199,00	\$ 199,00	\$ 199,00	\$ 199,00
Other assets	\$ 173,00	\$ 214,00	\$ 162,00	\$ 239,00	\$ 294,00	\$ 294,00	\$ 294,00	\$ 294,00	\$ 294,00	\$ 294,00	\$ 294,00
<b>Total assets</b>	<b>\$ 12.046,00</b>	<b>\$ 12.970,00</b>	<b>\$ 14.397,00</b>	<b>\$ 16.654,00</b>	<b>\$ 19.717,00</b>	<b>\$ 19.615,03</b>	<b>\$ 20.691,19</b>	<b>\$ 21.449,94</b>	<b>\$ 22.442,44</b>	<b>\$ 23.513,78</b>	<b>\$ 24.896,66</b>
<b>Liabilities:</b>											
<b>Current liabilities:</b>	<b>\$ 7.231,00</b>	<b>\$ 8.532,00</b>	<b>\$ 9.059,00</b>	<b>\$ 10.683,00</b>	<b>\$ 13.697,00</b>	<b>\$ 13.011,79</b>	<b>\$ 13.434,85</b>	<b>\$ 13.488,54</b>	<b>\$ 14.240,96</b>	<b>\$ 14.510,77</b>	<b>\$ 15.038,34</b>
Current installments of notes payable and long-term debt	\$ 25,00	\$ 375,00	\$ 50,00	\$ -	\$ 300,00	\$ -	\$ -	\$ -	\$ 497,00	\$ 493,00	\$ 500,00
Accounts payable	\$ 4.943,00	\$ 5.167,00	\$ 5.687,00	\$ 6.841,00	\$ 8.006,00	\$ 7.620,79	\$ 8.043,85	\$ 8.097,54	\$ 8.352,96	\$ 8.626,77	\$ 9.147,34
Accrued expenses	\$ 2.263,00	\$ 2.990,00	\$ 3.211,00	\$ 3.734,00	\$ 5.272,00	\$ 5.272,00	\$ 5.272,00	\$ 5.272,00	\$ 5.272,00	\$ 5.272,00	\$ 5.272,00
Current operating lease liabilities	\$ -	\$ -	\$ 111,00	\$ 108,00	\$ 119,00	\$ 119,00	\$ 119,00	\$ 119,00	\$ 119,00	\$ 119,00	\$ 119,00
<b>Non-current liabilities:</b>	<b>\$ 2.852,00</b>	<b>\$ 2.538,00</b>	<b>\$ 3.513,00</b>	<b>\$ 3.834,00</b>	<b>\$ 3.568,00</b>	<b>\$ 3.568,00</b>	<b>\$ 3.568,00</b>	<b>\$ 3.568,00</b>	<b>\$ 3.047,33</b>	<b>\$ 3.027,86</b>	<b>\$ 2.997,05</b>
Notes payable and long-term debt, less current installments	\$ 2.494,00	\$ 2.121,00	\$ 2.678,00	\$ 2.878,00	\$ 2.575,00	\$ 2.575,00	\$ 2.575,00	\$ 2.575,00	\$ 2.054,33	\$ 2.034,86	\$ 2.004,05
Other liabilities	\$ 95,00	\$ 164,00	\$ 269,00	\$ 334,00	\$ 272,00	\$ 272,00	\$ 272,00	\$ 272,00	\$ 272,00	\$ 272,00	\$ 272,00
Non-current operating lease liabilities	\$ -	\$ -	\$ 302,00	\$ 333,00	\$ 417,00	\$ 417,00	\$ 417,00	\$ 417,00	\$ 417,00	\$ 417,00	\$ 417,00
Income tax liabilities	\$ 149,00	\$ 137,00	\$ 149,00	\$ 178,00	\$ 182,00	\$ 182,00	\$ 182,00	\$ 182,00	\$ 182,00	\$ 182,00	\$ 182,00
Deferred income taxes	\$ 114,00	\$ 116,00	\$ 115,00	\$ 111,00	\$ 122,00	\$ 122,00	\$ 122,00	\$ 122,00	\$ 122,00	\$ 122,00	\$ 122,00
<b>Total liabilities</b>	<b>\$ 10.082,00</b>	<b>\$ 11.070,00</b>	<b>\$ 12.572,00</b>	<b>\$ 14.517,00</b>	<b>\$ 17.265,00</b>	<b>\$ 16.579,79</b>	<b>\$ 17.002,85</b>	<b>\$ 17.056,54</b>	<b>\$ 17.288,30</b>	<b>\$ 17.538,63</b>	<b>\$ 18.035,38</b>
<b>Equity:</b>											
Jabil Inc. stockholders' equity:											
Preferred stock, \$0.001 par value	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Common stock, \$0.001 par value	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additional paid-in capital	\$ 2.219,00	\$ 2.305,00	\$ 2.414,00	\$ 2.533,00	\$ 2.655,00	\$ 2.655,00	\$ 2.655,00	\$ 2.655,00	\$ 2.655,00	\$ 2.655,00	\$ 2.655,00
Retained earnings	\$ 1.760,00	\$ 2.037,00	\$ 2.041,00	\$ 2.688,00	\$ 3.638,00	\$ 4.221,25	\$ 4.874,34	\$ 5.579,40	\$ 6.340,15	\$ 7.161,16	\$ 8.047,28
Accumulated other comprehensive loss	\$ (19,00)	\$ (83,00)	\$ (34,00)	\$ (25,00)	\$ (42,00)	\$ (42,00)	\$ (42,00)	\$ (42,00)	\$ (42,00)	\$ (42,00)	\$ (42,00)
Treasury stock at cost	\$ (2.009,00)	\$ (2.372,00)	\$ (2.610,00)	\$ (3.060,00)	\$ (3.800,00)	\$ (3.800,00)	\$ (3.800,00)	\$ (3.800,00)	\$ (3.800,00)	\$ (3.800,00)	\$ (3.800,00)
<b>Total Jabil Inc. stockholders' equity</b>	<b>\$ 1.950,00</b>	<b>\$ 1.887,00</b>	<b>\$ 1.811,00</b>	<b>\$ 2.136,00</b>	<b>\$ 2.451,00</b>	<b>\$ 3.034,25</b>	<b>\$ 3.687,34</b>	<b>\$ 4.392,40</b>	<b>\$ 5.153,15</b>	<b>\$ 5.974,16</b>	<b>\$ 6.860,28</b>
Noncontrolling interests	\$ 13,00	\$ 13,00	\$ 14,00	\$ 1,00	\$ 1,00	\$ 1,00	\$ 1,00	\$ 1,00	\$ 1,00	\$ 1,00	\$ 1,00
<b>Total equity</b>	<b>\$ 1.963,00</b>	<b>\$ 1.901,00</b>	<b>\$ 1.825,00</b>	<b>\$ 2.137,00</b>	<b>\$ 2.452,00</b>	<b>\$ 3.035,25</b>	<b>\$ 3.688,34</b>	<b>\$ 4.393,40</b>	<b>\$ 5.154,15</b>	<b>\$ 5.975,16</b>	<b>\$ 6.861,28</b>
<b>Total liabilities and equity</b>	<b>\$ 12.046,00</b>	<b>\$ 12.970,00</b>	<b>\$ 14.397,00</b>	<b>\$ 16.654,00</b>	<b>\$ 19.717,00</b>	<b>\$ 19.615,03</b>	<b>\$ 20.691,19</b>	<b>\$ 21.449,94</b>	<b>\$ 22.442,44</b>	<b>\$ 23.513,78</b>	<b>\$ 24.896,66</b>
<b>Interest Bearing Debt</b>	<b>\$ 2.614,00</b>	<b>\$ 2.660,00</b>	<b>\$ 3.410,00</b>	<b>\$ 3.653,00</b>	<b>\$ 3.683,00</b>	<b>\$ 3.383,00</b>	<b>\$ 3.383,00</b>	<b>\$ 3.383,00</b>	<b>\$ 3.359,33</b>	<b>\$ 3.335,86</b>	<b>\$ 3.312,05</b>

## Operating Model – CF Statement

## Cashflow Statement

## Cash flows provided by operating activities:

<b>Net income</b>	\$ 88,00	\$ 289,00	\$ 57,00	\$ 698,00	\$ 996,00
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation and amortization	\$ 774,00	\$ 772,00	\$ 795,00	\$ 876,00	\$ 925,00
Restructuring and related charges	\$ 16,00	\$ (4,00)	\$ 41,00	\$ 5,00	\$ (1,00)
Recognition of stock-based compensation expense and related	\$ 91,00	\$ 61,00	\$ 83,00	\$ 102,00	\$ 81,00
Deferred income taxes	\$ 53,00	\$ 21,00	\$ 29,00	\$ (13,00)	\$ (13,00)
Loss on sale of property, plant and equipment	\$ -	\$ (3,00)	\$ 29,00	\$ 14,00	\$ -
Provision for allowance for doubtful accounts and notes receiv	\$ 38,00	\$ 16,00	\$ 32,00	\$ 6,00	\$ -
(Gain) loss on securities	\$ -	\$ 30,00	\$ 49,00	\$ (2,00)	\$ -
Other, net	\$ (14,00)	\$ 40,00	\$ 22,00	\$ 13,00	\$ 10,00

## Change in operating assets and liabilities, exclusive of net assets acquired:

Accounts receivable	\$ (2.334,00)	\$ (587,00)	\$ (136,00)	\$ (283,00)	\$ (878,00)
Contract assets	\$ -	\$ (878,00)	\$ (105,00)	\$ 116,00	\$ (214,00)
Inventories	\$ (499,00)	\$ 483,00	\$ (77,00)	\$ (1.276,00)	\$ (1.725,00)
Prepaid expenses and other current assets	\$ (98,00)	\$ 29,00	\$ (144,00)	\$ (90,00)	\$ (367,00)
Other assets	\$ (35,00)	\$ (38,00)	\$ (11,00)	\$ (43,00)	\$ (29,00)
Accounts payable, accrued expenses and other liabilities	\$ 815,00	\$ 962,00	\$ 593,00	\$ 1.310,00	\$ 2.866,00

**Net cash provided by operating activities**

## Cash flows used in investing activities:

Acquisition of property, plant and equipment	\$ (1.037,00)	\$ (1.005,00)	\$ (983,00)	\$ (1.159,00)	\$ (1.385,00)
Proceeds and advances from sale of property, plant and equipment	\$ 350,00	\$ 218,00	\$ 187,00	\$ 366,00	\$ 544,00
Cash paid for business and intangible asset acquisitions, net of cash	\$ (110,00)	\$ (153,00)	\$ (147,00)	\$ (50,00)	\$ (18,00)
Repurchase of sold receivables	\$ -	\$ -	\$ -	\$ (99,00)	\$ -
Cash receipts on repurchased receivables	\$ -	\$ -	\$ -	\$ 95,00	\$ 4,00
Cash receipts on sold receivables	\$ 2.039,00	\$ 97,00	\$ -	\$ -	\$ -
Other, net	\$ (2,00)	\$ (29,00)	\$ 22,00	\$ (4,00)	\$ (3,00)

**Net cash used in investing activities**

## Cash flows used in financing activities:

Borrowings under debt agreements	\$ 9.677,00	\$ 11.986,00	\$ 12.777,00	\$ 1.724,00	\$ 3.767,00
Payments toward debt agreements	\$ (9.206,00)	\$ (12.013,00)	\$ (12.544,00)	\$ (1.613,00)	\$ (3.890,00)
Payments to acquire treasury stock	\$ (450,00)	\$ (350,00)	\$ (215,00)	\$ (428,00)	\$ (696,00)
Dividends paid to stockholders	\$ (58,00)	\$ (52,00)	\$ (50,00)	\$ (50,00)	\$ (48,00)
Net proceeds from exercise of stock options and issuance of common	\$ 25,00	\$ 27,00	\$ 30,00	\$ 39,00	\$ 45,00
Treasury stock minimum tax withholding related to vesting of restrict	\$ (23,00)	\$ (12,00)	\$ (23,00)	\$ (22,00)	\$ (44,00)
Other, net	\$ (13,00)	\$ (2,00)	\$ (40,00)	\$ (63,00)	\$ (22,00)

**Net cash used in financing activities**

Increase (decrease) in cash and cash equivalents	\$ 89,00	\$ (95,00)	\$ 271,00	\$ 169,00	\$ (95,00)
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Effect of exchange rate changes on cash and cash equivalents	\$ (20,00)	\$ -	\$ (40,00)	\$ 4,00	\$ 6,00
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**Net (decrease) increase in cash and cash equivalents**

Cash and cash equivalents at beginning of period	\$ 1.190,00	\$ 1.258,00	\$ 1.163,00	\$ 1.394,00	\$ 1.567,00
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Cash and cash equivalents at end of period	\$ 1.258,00	\$ 1.163,00	\$ 1.394,00	\$ 1.567,00	\$ 1.478,00
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## Supplemental disclosure information:

Interest paid, net of capitalized interest	\$ 167,00	\$ 186,00	\$ 183,00	\$ 124,00	\$ 150,00
Income taxes paid, net of refunds received	\$ 180,00	\$ 168,00	\$ 164,00	\$ 211,00	\$ 209,00
Payout ratio	-67,4%	-18,1%	-92,6%	-7,2%	-4,8%

\$ 941,19	\$ 1.053,91	\$ 1.137,76	\$ 1.227,63	\$ 1.324,88	\$ 1.429,95
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\$ 914,59	\$ 996,05	\$ 1.103,65	\$ 1.225,79	\$ 1.363,17	\$ 1.516,75
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

\$ (54,71)	\$ (225,88)	\$ (130,50)	\$ (140,54)	\$ (150,41)	\$ (215,99)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 200,72	\$ (288,42)	\$ (146,65)	\$ (157,04)	\$ (166,36)	\$ (289,10)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ (385,21)	\$ 423,06	\$ 53,69	\$ 255,43	\$ 273,81	\$ 520,57

**Net cash provided by operating activities**

\$ (1.439,85)	\$ (1.647,18)	\$ (1.818,26)	\$ (2.006,82)	\$ (2.214,73)	\$ (2.444,01)
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\$ 198,60	\$ 198,60	\$ 198,60	\$ 198,60	\$ 198,60	\$ 198,60
\$ (24,13)	\$ (26,34)	\$ (28,00)	\$ (29,76)	\$ (31,68)	\$ (33,75)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Net cash used in investing activities**

\$ -	\$ -	\$ -	\$ 473,33	\$ 469,52	\$ 476,19
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\$ (300,00)	\$ -	\$ -	\$ (497,00)	\$ (493,00)	\$ (500,00)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ (357,95)	\$ (400,82)	\$ (432,70)	\$ (466,88)	\$ (503,87)	\$ (543,83)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Net cash used in financing activities**

\$ (657,95)	\$ (400,82)	\$ (432,70)	\$ (490,55)	\$ (527,34)	\$ (567,64)
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\$ (306,75)	\$ 82,98	\$ (62,41)	\$ 82,74	\$ 69,93	\$ 115,39
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\$ 1.478,00	\$ 1.171,25	\$ 1.254,23	\$ 1.191,83	\$ 1.274,56	\$ 1.344,49
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\$ 1.171,25	\$ 1.254,23	\$ 1.191,83	\$ 1.274,56	\$ 1.344,49	\$ 1.459,88
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\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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\$ 167,00	\$ 186,00	\$ 183,00	\$ 124,00	\$ 150,00	\$ 150,00
\$ 180,00	\$ 168,00	\$ 164,00	\$ 211,00	\$ 209,00	\$ 209,00
-38,0%	-38,0%	-38,0%	-38,0%	-38,0%	-38,0%





WUTIS - WU Trading & Investing Society  
Equity Research  
Discounted Cashflow Analysis

Year	2023	2024	2025	2026	2027	2028	TV
t	0	1	2	3	4	5	6
Revenue	\$ 33.936	\$ 36.671	\$ 38.700	\$ 40.919	\$ 43.341	\$ 45.981	
Cost of Sales	\$ 30.907	\$ 33.364	\$ 35.186	\$ 37.181	\$ 39.360	\$ 41.735	
Gross Profit	\$ 3.030	\$ 3.308	\$ 3.514	\$ 3.738	\$ 3.982	\$ 4.246	
Operating Expenses	\$ 1.570	\$ 1.693	\$ 1.785	\$ 1.886	\$ 1.996	\$ 2.117	
Other non-financial income	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	
EBIT	\$ 1.484	\$ 1.639	\$ 1.754	\$ 1.877	\$ 2.010	\$ 2.154	
Tax expense	\$ 401	\$ 443	\$ 474	\$ 507	\$ 543	\$ 582	
EBIAT	\$ 1.083	\$ 1.196	\$ 1.280	\$ 1.370	\$ 1.467	\$ 1.572	
+ Depreciation & Amortization	\$ 915	\$ 996	\$ 1.104	\$ 1.226	\$ 1.363	\$ 1.517	
- CAPEX and Investments	\$ 1.440	\$ 1.647	\$ 1.818	\$ 2.007	\$ 2.215	\$ 2.444	
+/-Change in Working Capital	\$ 239	\$ 91	\$ 223	\$ 42	\$ 43	\$ (15)	
Unlevered Free Cashflow	\$ 319	\$ 454	\$ 342	\$ 546	\$ 572	\$ 660	\$ 37.620
Discount factor	100%	88%	78%	69%	61%	54%	51%
Present Value of FCF	\$ 319	\$ 401	\$ 267	\$ 377	\$ 349	\$ 356	\$ 19.141

Assumptions	
WACC (forecasting period)	11,61%
WACC (Terminal Value)	10,65%
Perpetuity Growth Rate	2,00%

Capital Structure	
Market Capitalization	\$ 13.948
Net Debt	\$ 2.205
D/D+E	19,06%
E/E+D	80,94%

Scenarios	
Input Case	Base Case

DCF Output	
Present value of future cashflows	\$ 1.751
Present value of terminal value	\$ 19.141
<b>Enterprise Value</b>	<b>\$ 20.892</b>
- Interest bearing debt	\$ 3.683
+ Cash & Cash Equivalents	\$ 1.478
- Minority Interest	\$ 1
<b>Equity Value</b>	<b>\$ 18.686</b>

Target Share Price	
Equity Value	\$ 18.686
Shares out.	133,60
<b>Target Share Price</b>	<b>\$ 139,87</b>
<b>Current share Price</b>	<b>\$ 105,36</b>
Upside/Downside	32,75%

Growth Rate	WACC					
		9,00%	9,50%	10,65%	11,00%	11,50%
	1,50%	\$109,24	\$109,00	\$108,47	\$108,31	\$108,08
	1,75%	\$123,20	\$122,97	\$122,43	\$122,27	\$122,05
	2,00%	\$141,07	\$140,83	\$140,30	\$140,14	\$139,91
	2,25%	\$164,74	\$164,50	\$163,96	\$163,80	\$163,58
	2,50%	\$197,58	\$197,34	\$196,80	\$196,64	\$196,42



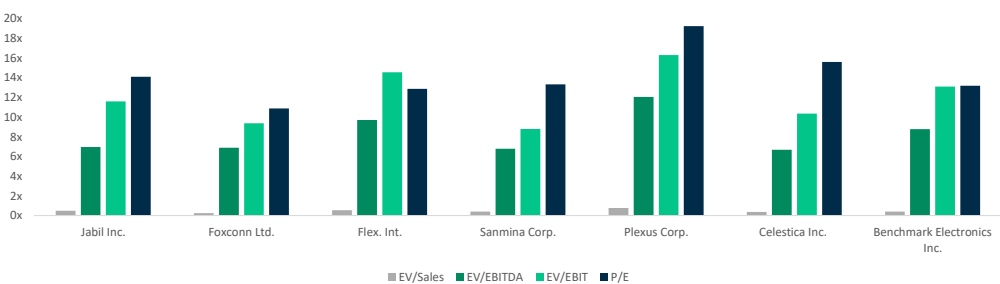
WUTIS - WU Trading & Investing Society  
Equity Research  
Comparabe Companies Analysis

Data used                      fiscal year

Overview			EV-Bridge							Financial KPIs				Multiples			
Company	Shares out.	Share price	Market Cap.	Interest bearing debt	Cash & Equivalents	Minority Interest	Preferred Equity	Enterprise Value	Revenue	EBITDA	EBIT	Net Income	EV/Sales	EV/EBITDA	EV/EBIT	P/E	
Jabil Inc.	133.238.368	\$ 105,36	\$ 14.037,99	\$ 3.305,00	\$ 1.200,00	\$ 1,00	\$ -	\$ 16.143,99	\$ 33.478,00	\$ 2.318,00	\$ 1.393,00	\$ 996,00	0,48	6,96	11,59	14,09	
Foxconn Ltd.	13.862.991.000	\$ 3,33	\$ 46.163,76	\$ 29.222,76	\$ 32.532,98	\$ 5.999,58	\$ -	\$ 48.853,12	\$ 198.809,90	\$ 7.091,08	\$ 5.213,63	\$ 4.244,48	0,25	6,89	9,37	10,88	
Flex. Int.	451.644.718	\$ 23,00	\$ 12.090,53	\$ 4.515,00	\$ 2.565,00	\$ 97,00	\$ -	\$ 14.137,53	\$ 26.041,00	\$ 1.456,00	\$ 972,00	\$ 940,00	0,54	9,71	14,54	12,86	
Sanmina Corp.	58.357.666	\$ 53,55	\$ 3.413,92	\$ 418,93	\$ 735,31	\$ 135,23	\$ -	\$ 3.232,77	\$ 7.890,48	\$ 476,57	\$ 367,79	\$ 256,12	0,41	6,78	8,79	13,33	
Plexus Corp.	27.647.000	\$ 85,82	\$ 2.658,54	\$ 514,00	\$ 269,66	\$ -	\$ -	\$ 2.902,87	\$ 3.811,37	\$ 240,87	\$ 178,19	\$ 138,24	0,76	12,05	16,29	19,23	
Celestica Inc.	120.700.000	\$ 14,57	\$ 2.269,16	\$ 775,20	\$ 318,70	\$ -	\$ -	\$ 2.725,66	\$ 7.250,00	\$ 408,10	\$ 263,30	\$ 145,50	0,38	6,68	10,35	15,60	
Benchmark Electronics Inc.	35.589.000	\$ 21,43	\$ 899,69	\$ 490,94	\$ 210,89	\$ -	\$ -	\$ 1.179,74	\$ 2.886,33	\$ 134,32	\$ 90,07	\$ 68,23	0,41	8,78	13,10	13,19	
Minimum													0,25	6,68	8,79	10,88	
25%-Percentile													0,38	6,81	9,62	12,94	
Median													0,41	7,84	11,73	13,26	
Mean													0,46	8,48	12,07	14,18	
75%-Percentile													0,51	9,48	14,18	15,03	
Maximum													0,76	12,05	16,29	19,23	

Equity Value in millions Share Price calc with	Equity Value				Share Price			
	EV/Sales	EV/EBITDA	EV/EBIT	P/E	EV/Sales	EV/EBITDA	EV/EBIT	P/E
Minimum	\$ 6.120.48	\$ 13.375.70	\$ 10.138.17	\$ 10.832.68	\$ 45.94	\$ 100.39	\$ 76.09	\$ 81.30
25%-Percentile	\$ 10.754.51	\$ 13.679.35	\$ 11.288.64	\$ 12.891.51	\$ 80.72	\$ 102.67	\$ 84.73	\$ 96.76
Median	\$ 11.593.83	\$ 16.058.26	\$ 14.226.98	\$ 13.204.80	\$ 87.02	\$ 120.52	\$ 106.78	\$ 99.11
Mean	\$ 13.208.22	\$ 17.556.79	\$ 14.713.60	\$ 14.123.38	\$ 99.13	\$ 131.77	\$ 110.43	\$ 106.00
75%-Percentile	\$ 14.954.31	\$ 19.864.29	\$ 17.651.10	\$ 14.968.92	\$ 112.24	\$ 149.09	\$ 132.48	\$ 112.35
Maximum	\$ 23.392.00	\$ 25.829.15	\$ 20.587.81	\$ 19.153.96	\$ 175.57	\$ 193.86	\$ 154.52	\$ 143.76

Weighted Share price	
Mean of Medians	\$ 103,36
upside potential	-1,9%
Mean of Means	\$ 111,83
upside potential	6,1%



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