



NEWS RELEASE

Amentum Announces Agreement to Merge with Jacobs' Critical Mission Solutions and Cyber and Intelligence Businesses

2023-11-20

Creating a new global systems integration and technology solutions leader and an independent, publicly traded company

CHANTILLY, VA., November 20, 2023 – **Amentum announced today a definitive agreement to merge with Jacobs' (NYSE:J) Critical Mission Solutions (CMS) and Cyber and Intelligence (C&I) businesses, creating a new leader in systems integration and technology solutions trusted by the United States and its allies to modernize their most complex missions around the world.** The combined organization will be a publicly traded company with \$13 billion in revenue and more than 53,000 employees in 83 countries.

"Uniting our great organizations – Amentum, CMS, and Cyber & Intelligence Solutions – creates a leading provider of systems integration and technology solutions with the talent, scope, scale and footprint to deliver excellence and a wider range of solutions for our clients," commented Amentum CEO John Heller. "Our combined company will deliver extensive expertise in the government's highest priority areas of energy, space exploration, intelligence and analytics, and digital modernization. We look forward to the union of our strong teams and a bright future ahead."

The transaction was approved by the Jacobs board of directors and is subject to customary closing conditions,

including regulatory approvals. The transaction is expected to close in the second half of fiscal year 2024.

Governance and Management

Upon completion of the deal, John Heller, current CEO of Amentum, will serve as CEO of the combined company and sit on the combined company's board, and Dr. Steve Arnette, EVP and President of CMS, will serve as COO. Jacobs' current Executive Chair Steve Demetriou will become Executive Chair of the combined company.

The board of directors of the combined company will be composed of an equal number of directors appointed by Jacobs and Amentum. Members of the combined company's senior management team will be drawn from both companies and will be announced later as integration planning progresses.

Strategic Rationale of the Combination

- Creates a leading, pure play government technology solutions prime: ~\$13 billion in combined revenue^[1], with more than 80% from prime contracts serving the full program life cycle for government clients, and a combined talent base of more than 53,000 skilled employees – including more than 27,000 cleared employees.
- Stable revenue base with attractive, diversified portfolio mix: Combines stable base of large government contracts with strong capabilities in growing client priority areas. A large majority of future EBITDA of the combined company is expected to come from higher growth, higher margin intelligence, cyber, energy, digital engineering, and science and technology sectors, with a strong foundation of long-term and large-scale DoD contracts.
- Highly complementary strengths: Amentum brings expertise in engineering solutions, complex program management, and solutions integration to modernize customers' most important missions. Jacobs' contributed businesses bring world-class engineering and science capabilities, with unique expertise in sectors such as space, cyber & intelligence, and energy.
- Shared vision and aligned values: Each organization brings an intense focus on the mission and delivery of the highest quality service for their clients. The organizations share common values, including a commitment to safety, inclusion and diversity, and creation of enhanced opportunities for the combined employee base.
- High visibility cost synergies: Management has identified approximately \$50-70 million of estimated net cost synergies. Both organizations have track records of effective synergy realization and will work to target additional synergies during integration.
- Compelling financial profile: Approximately \$50 billion in combined backlog (3.7x combined revenue), ~\$13 billion of combined revenue, and more than \$1.1 billion projected 2024 combined adjusted EBITDA^[2], including estimated net cost synergies, representing approximately 8% projected adjusted EBITDA margin for

the combined company. Significant growth opportunities exist through both on-contract growth and new contract wins across the combined portfolio.

- Secure balance sheet with strong FCF and attractive deleveraging pathway: Leverage ratio of the combined company is targeted to be approximately 3.8x at close, inclusive of expected run-rate net cost synergies, with plan to reach less than 3x leverage ratio within 24 months of close. Capital expenditures for the combined company approximate 0.3% of revenue.

Advisors

J.P. Morgan Securities LLC and Morgan Stanley & Co. LLC are serving as financial advisors to Amentum and Cravath, Swaine & Moore LLP is serving as legal advisor. Centerview Partners LLC and Perella Weinberg Partners LP are serving as financial advisors to Jacobs and Wachtell Lipton, Rosen & Katz is serving as legal advisor. Goldman Sachs provided financial advice to the Jacobs Board of Directors.

About Amentum

Amentum is a leader in global engineering, project management and solutions integration, trusted to modernize the most critical missions anywhere in the world. Driven to create a safer, smarter, cleaner world, we innovate as a team of inventive doers passionate about making a difference. Underpinned by a strong culture of ethics, safety and inclusivity, Amentum is fiercely committed to operational excellence and successful execution. Visit us at [amentum.com](https://www.amentum.com) to learn how we solve what's next.

###

Contacts:

For Amentum:

Chanel Mann

+1 (682) 788-5685

chanel.mann@amentum.com

Follow [@Amentum_corp](#) on X

Follow [Amentum](#) on LinkedIn

[1] Estimated combined revenue of Amentum in FY2023 and Jacobs' separated business in FY2023 should not be considered indicative of future performance.

[2] Reconciliation of projected 2024 adjusted EBITDA for the combined company to the most directly comparable GAAP measure is not available without unreasonable efforts because the Company cannot predict with sufficient certainty all the components required to provide such reconciliation.