

Jabil - Staging an India AI Infrastructure Alliance

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Topic: Operations Strategy, Customer Strategy, Platform Strategy

Industry: Electronic Manufacturing Services

Source: Strategy & Finance

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License: Not specified

Decision date and information cutoff: 17 June 2026, 07:32:41 ET

Decision scope: Conditions for binding capacity, capital and customer commitments in a proposed India alliance

Case convention: This is an author-created decision exercise based on public information. The review role is hypothetical; it does not represent private deliberations or an undisclosed management plan.

The decision

On 15 June 2026, Jabil and Adani Enterprises announced their intent to form a strategic alliance for an AI and data-center infrastructure manufacturing platform in India. The release described broad product ambitions, from AI racks and servers to power and cooling equipment. It also said definitive operating frameworks and formal documentation were still in progress. No signed agreement, ownership structure, site, customer order, capital commitment, schedule or project economics had been disclosed. [S2], opening; “Core Pillars”; “Market Scale & Transition to Final Documentation.”

Two days later, Jabil reported preliminary, unaudited results for its third quarter of fiscal 2026 and raised its full-year outlook. The filing was accepted by the SEC at 07:32:41 ET. This case freezes the record at that instant; no subsequent call or release is part of the packet. [S3], Exhibit 99.1, opening and FY2026 outlook.

Assume you are advising a hypothetical Jabil strategy review immediately after that filing. The question is not whether to accept a finished investment proposal: the public record contains no such proposal. It is what Jabil should require-and what, if anything, it should commit-while the parties develop formal terms.

Assignment: Recommend a decision process for the announced alliance. Choose among (1) authorize negotiations and limited, reversible diligence only; (2) proceed to a contract or modular pilot after specified conditions; or (3) negotiate a broader, staged joint platform with binding capacity or capital only at later gates. You may combine or refine these paths. Specify the evidence and rights required at each gate, who bears which risks, and what would cause Jabil to pause, expand, redesign or exit. Do not value the project using undisclosed economics.

What the parties announced

The joint release presented Jabil's engineering, manufacturing and supply-chain capabilities alongside Adani's infrastructure, energy, logistics and data-center operations. It described planned multi-gigawatt AI-rack capacity and a possible range of computing, networking, power and cooling products. These are announced intentions and partner descriptions-not evidence that facilities, products, orders, capacity or customer qualifications exist. [S2], opening and "Core Pillars."

The announcement also cited a global market opportunity above \$3 trillion over seven years, Indian data-center capacity of 5-8 GW by 2030, more than \$50 billion in planned ecosystem spending, and Adani's separate commitment to develop 5 GW of data centers by 2035. These figures are attributed to the joint release and its cited forecasts. The packet does not independently validate them, identify the portion addressable by Jabil, or show that any figure is an order for this alliance. [S2], "Core Pillars" and "Strategic Rationale."

The release linked the project to India's data-sovereignty environment, the Digital Personal Data Protection Act, and tax policy. It did not provide a legal opinion, a tax calculation for Jabil, or evidence of a project-specific incentive. [S2], "Strategic Rationale."

Jabil's position

Jabil reported FY2025 revenue of \$29.802 billion. Intelligent Infrastructure (II) made up 41% of revenue, compared with 32% in FY2024; II revenue grew 34%, including reported growth in existing cloud/data-center customers and capital equipment. Networking and communications revenue declined. These historical figures describe Jabil's existing portfolio, not demand from the announced India alliance. Gross margin was 8.9%, down from 9.3%; Jabil attributed the decrease primarily to mix in Connected Living/Digital Commerce and II. Growth in a segment therefore does not, by itself, establish the margin of a new program. [S1], Item 7, pp. 33-34.

Customer concentration and scheduling practices complicate capacity decisions. The five largest customers generated 36% of FY2025 revenue. One anonymised customer ("Customer A") represented 16% of revenue and 24% of receivables; the filing reported its sales primarily in II but did not identify it. Most customers did not provide firm schedules beyond one quarter. Jabil warned that demand changes, cancellations or sourcing shifts could leave inventory or capacity underused. The filing does not identify Customer A as an AI or data-center customer, or say that any current customer is tied to this alliance. [S1], Item 1, pp. 6, 10-11; Note 14, pp. 87-88.

FY2025 net capital expenditures were \$468 million. Jabil's FY2026 guidance was net capital expenditures of 1.5%-2.0% of revenue. The filing also described acquisitions, share repurchases and adequate liquidity for anticipated needs. These company-wide amounts do not disclose an India budget or prove that the alliance competes with any particular use of capital. [S1], Item 7, pp. 43-45.

Information available on the decision morning

Jabil's June 17 release reported third-quarter net revenue of \$8.8 billion, GAAP operating income of \$445 million, and company-defined core operating income of \$504 million. It raised FY2026 guidance to \$35 billion of revenue, a 5.8% core operating margin, \$12.70 core diluted EPS and at least \$1.4 billion of adjusted free cash flow. The release explicitly called Q3 results preliminary and unaudited. "Core" measures are non-GAAP measures defined and reconciled by Jabil; adjusted free cash flow is operating cash flow less net capital expenditures, using Jabil's definition. None of these consolidated figures is an alliance forecast. [S3], Exhibit 99.1, Q3 highlights, FY2026 outlook and definitions.

The release also noted strong AI-infrastructure demand and higher full-year AI-related revenue expectations, without assigning that demand or revenue to the proposed India platform. Any cumulative customer activity, bookings or backlog metric should be interpreted only according to its own published definition and period; it is not automatically revenue, a firm customer order for this alliance, or project-specific demand. The packet includes no alliance-specific backlog or customer commitment. [S3], Exhibit 99.1, CEO comments and forward-looking statements.

Exhibit 1. Evidence and commitment gaps

Decision item	Publicly known at cutoff	Evidence needed before a binding gate
Customer demand	No named end customer or alliance order disclosed	Customer-backed demand by product and destination; cancellation, rescheduling and take-or-pay protections; separate local and export demand
Scope and qualification	Broad product categories listed in the joint release	SKU/design responsibilities; customer qualification; quality, yield, warranty and service requirements
Site and infrastructure	No site or operating plan disclosed	Site options, utilities, permits, logistics, origin/export requirements and independently checked schedule
Capital and operating exposure	No alliance capital, working-capital or cost allocation disclosed	Capex, working capital, inventory ownership, ramp costs and downside allocation under each proposed structure
Governance and knowledge	No ownership, control, IP, customer, sourcing or exit terms disclosed	Decision rights; IP and process safeguards; customer ownership; deadlock, expansion, transfer and exit provisions
Returns and alternatives	No project economics disclosed	Comparable, consistently scoped scenarios for contract manufacturing, Jabil-owned capacity, acquisition, modular pilot and defer/no entry

The case packet supplies no figures for filling the last column. A committee can set evidence requirements and decision rights without pretending those unknowns have already been quantified.

Strategic tension

A broad, integrated platform might combine capabilities that neither party can assemble as quickly alone. Local infrastructure and logistics could matter if customers value local production, export options or integrated deployment. A wider partnership could also create coordination costs and expose process knowledge, customer access and capital to shared governance. The public announcement does not establish which benefits are unique to an alliance rather than available through a contract or standalone investment.

Waiting preserves flexibility while customer demand, product qualification, site feasibility and formal terms become clearer. Yet a slow process could lose an opportunity or leave the parties unable to coordinate capabilities that must be developed together. Not all uncertainty is outside the parties' control: they can shape product scope, qualification plans, governance and risk sharing. A gate has value only if evidence arrives before an opportunity expires and the agreement allows the parties to respond.

Questions for discussion

1. What distinct, verifiable contribution would each party make? Which can be purchased under contract, and which requires joint investment or governance?
2. What is the smallest commitment that would produce useful information or customer qualification? What information would arrive, by when, and who pays for it?
3. Design gates for customer demand, product qualification, site readiness, regulatory review, capital approval and production expansion. What evidence is observable and auditable at each gate?
4. How should the parties allocate ownership of equipment, inventory, tooling, IP, customer relationships, warranties and stranded costs if demand changes?
5. What would make a modular contract or pilot preferable to a broad platform? What would justify expanding it-or declining to proceed?
6. Which public claims are decision-relevant but still unverified? What should the review request before treating them as inputs?

Sources and conventions

S1. Jabil, [FY2025 Form 10-K](#), filed 17 October 2025, year ended 31 August 2025. Item 1, pp. 6, 10-11; Item 7, pp. 33-45; Notes 14-15, pp. 87-89.

S2. Adani Enterprises and Jabil, [“Target a Strategic Alliance to Build AI Data Center Infrastructure Platform in India”](#), 15 June 2026. Joint announcement; cited market figures and plans remain attributed claims.

S3. Jabil, [Q3 FY2026 Form 8-K, Exhibit 99.1](#), filed 17 June 2026; SEC acceptance 07:32:41 ET. Results are preliminary and unaudited. Company-defined non-GAAP measures are not GAAP results.

This case uses only information available at the stated cutoff. It does not state or imply later results, private deliberations, alliance terms, customer commitments or project economics.