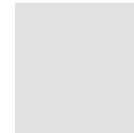
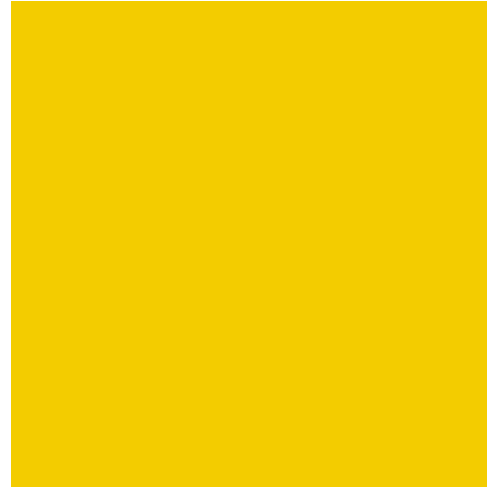


# Website Appendix

August 2023



# Non-GAAP Measure: EBITDA

The following is a reconciliation of EBITDA, which is a non-GAAP financial measure:

|   | (in 000's)                  |                              |
|---|-----------------------------|------------------------------|
|   | Year ended<br>June 30, 2023 | Year ended<br>April 30, 2019 |
| <b>EBITDA</b>                                       |                             |                              |
| Net income - as reported                            | \$553,700                   | \$422,509                    |
| Discontinued operations, net                        | 8,100                       | 22,747                       |
| Net income from continuing operations - as reported | <u>561,800</u>              | <u>445,256</u>               |
| Add back:   |                             |                              |
| Income taxes  | 149,412                     | 99,904                       |
| Interest expense                                    | 72,978                      | 87,051                       |
| Depreciation and amortization                       | 130,501                     | 166,695                      |
|   | <u>352,891</u>              | <u>353,650</u>               |
| EBITDA from continuing operations                   | <u>\$914,691</u>            | <u>\$798,906</u>             |

# Non-GAAP Measure: Adjusted EPS

The following is a reconciliation of Adjusted EPS, which is a non-GAAP financial measure:

*(in 000's except for amounts per share)*

| <b>Adjusted EPS</b>   | Year ended<br>June 30, 2023 | Year ended<br>April 30, 2019 |
|---|-----------------------------|------------------------------|
| Net income from continuing operations – as reported                 | \$561,800                   | \$445,256                    |
| Adjustments:  |                             |                              |
| Amortization of intangibles related to acquisitions (pretax)        | 51,411                      | 62,751                       |
| Tax effect of adjustments <sup>(1)</sup>                            | (10,797)                    | (14,891)                     |
| Adjusted net income from continuing operations                      | \$602,414                   | \$493,116                    |
| Diluted earnings per share from continuing operations – as reported | \$3.56                      | \$2.15                       |
| Adjustments, net of tax   | 0.26                        | 0.24                         |
| Adjusted diluted earnings per share from continuing operations      | \$3.82                      | \$2.39                       |

<sup>1</sup> Tax effect of adjustments is the difference between the tax provision calculated on a GAAP basis and on an adjusted non-GAAP basis.

# Non-GAAP Measure: Free Cash Flow Returned to Shareholders



The following is a reconciliation of free cash flow, which is a non-GAAP financial measure and the percentage of free cash flow returned to shareholders :

(in 000's)

|   | Year ended June 30, |                  | Two months ended<br>June 30 | Year ended April 30, |                 |                  | Five year total    |
|---|---------------------|------------------|-----------------------------|----------------------|-----------------|------------------|--------------------|
|   | 2023                | 2022             | 2021                        | 2021                 | 2020            | 2019             |                    |
| Share repurchases                                     | \$550,218           | \$550,346        | -                           | \$188,213            | \$246,785       | \$184,838        | \$1,720,400        |
| Dividends   | 177,925             | 186,476          | -                           | 195,068              | 204,870         | 205,461          | 969,800            |
| Total dollars returned to shareholders                | <u>728,143</u>      | <u>736,822</u>   | -                           | <u>383,281</u>       | <u>451,655</u>  | <u>390,299</u>   | <u>2,690,200</u>   |
| Operating cash flow – as reported                     | 821,841             | 808,537          | 34,826                      | 625,928              | 108,961         | 606,538          | 3,006,631          |
| Less: capital expenditures                            | (69,698)            | (61,955)         | (5,188)                     | (52,792)             | (81,685)        | (95,490)         | (366,808)          |
| Free cash flow  | <u>\$752,143</u>    | <u>\$746,582</u> | <u>\$29,638</u>             | <u>\$573,136</u>     | <u>\$27,276</u> | <u>\$511,048</u> | <u>\$2,639,823</u> |
| Percentage of free cash flow returned to shareholders |                     |                  |                             |                      |                 |                  | <u>102%</u>        |

# Non-GAAP Measures: Free Cash Flow and Free Cash Flow Yield



The following is a reconciliation of Free Cash Flow and Free Cash Flow Yield, which are non-GAAP financial measures:

(in 000's except for amounts per share)

|                                   | Year ended<br>June 30, 2023 |
|-----------------------------------|-----------------------------|
| <b>Free Cash Flow Yield</b>       |                             |
| Operating cash flow - as reported | \$821,841                   |
| Less: Capital expenditures        | <u>(69,698)</u>             |
| Free cash flow                    | <u>\$752,143</u>            |
| Market price at June 30, 2023     | \$31.87                     |
| Shares outstanding                | <u>146,150</u>              |
| Market capitalization             | <u>\$4,657,801</u>          |
| Free cash flow yield              | 16.1%                       |

# H&R Block Filing Volumes

## U.S Tax Operating Data

(in 000's)

| Tax Returns Prepared <sup>1</sup> | July 1, 2022 –<br>June 30, 2023 | July 1, 2021 –<br>June 30, 2022 | % Change      |
|-----------------------------------|---------------------------------|---------------------------------|---------------|
| Company-owned                     | 8,721                           | 8,769                           | (0.5%)        |
| Franchise Operations <sup>2</sup> | 2,847                           | 3,185                           | (10.6%)       |
| <b>Total Assisted</b>             | <b>11,568</b>                   | <b>11,954</b>                   | <b>(3.2%)</b> |
| Desktop                           | 1,795                           | 1,868                           | (3.9%)        |
| Online                            | 6,775                           | 6,661                           | 1.7%          |
| <b>Total DIY</b>                  | <b>8,570</b>                    | <b>8,529</b>                    | <b>0.5%</b>   |
| <b>Total H&amp;R Block</b>        | <b>20,138</b>                   | <b>20,483</b>                   | <b>(1.7%)</b> |

<sup>1</sup> An assisted tax return is defined as a current or prior year individual or business tax return that has been accepted by the client. A DIY online return is defined as a current year individual or business tax return that has been accepted by the client. A DIY desktop return is defined as a current year individual or business tax return that has been electronically submitted to the IRS.

<sup>2</sup> Franchise Operations returns include assisted returns prepared in a franchise office in the reported year. Following the Company's acquisition of a franchise office, returns from such office are included in the Company-owned line for that year; prior years are not recharacterized.

# H&R Block Net Average Charge

| Net Average Charge (U.S. Only) <sup>1</sup> | Year-ended<br>June 30, 2023 | Year-ended<br>June 30, 2022 |
|---|-----------------------------|-----------------------------|
| Company-owned operations                    | \$248.50                    | \$238.87                    |
| Franchise operations <sup>2</sup>           | \$238.04                    | \$230.58                    |
| Online                                      | \$38.02                     | \$37.87                     |

<sup>1</sup> Net average charge is calculated as total tax preparation fees divided by tax returns prepared. Our definition of Net Average Charge may not be comparable to similarly titled measures of other companies.

<sup>2</sup> Net average charge related to H&R Block Franchise operations represents tax preparation fees collected by H&R Block franchisees divided by returns prepared in franchise offices. H&R Block will recognize a portion of franchise revenues as franchise royalties based on the terms of franchise agreements.

# H&R Block Tax Offices

| Tax Offices <i>(as of March 31)</i> | 2023          | 2022          |
|-------------------------------------|---------------|---------------|
| U.S. offices:                       |               |               |
| Company-owned offices               | 6,582         | 6,492         |
| Franchise offices                   | 2,367         | 2,605         |
| <b>Total U.S. offices</b>           | <b>8,949</b>  | <b>9,097</b>  |
| International offices:              |               |               |
| Canada                              | 961           | 987           |
| Australia                           | 394           | 404           |
| Total international offices         | 1,355         | 1,391         |
| <b>Tax offices worldwide</b>        | <b>10,304</b> | <b>10,488</b> |