

## We Are A Stronger Company Today

Talent	Culture	Digital & Data Platforms	Well-known and highly trusted brand	Better consumer tax results
Over half of VPs and 45% of directors are new or have been promoted to a new role in the last few years	Focused on solving problems for consumers and small businesses, with a "test and learn" philosophy	Our IT investments are yielding a better customer experience, faster product development and greater innovation	Net promoter score, intent to return, and value for price paid all improved year over year	Gained share in DIY in three of past four years, with annual customer growth rate of 6.3%; Assisted client satisfaction up 6 points in last two years

## Three Strategic Imperatives



### Small Business

Expand our base of 2.4 million small business customers by building more direct, valuable relationships via the tailored experiences and services of Block Advisors and Wave

**Current H&R Block Market Share**

Consumer tax returns

$\updownarrow$   
2x

Small business tax returns

1%

→

~\$60M  
in incremental revenue

1% incremental business tax market share equates to



### Financial Products

Evolve the Emerald Card into a consumer-centric, mobile-first solution for the underbanked, leveraging our technology platform and favorable banking relationship

## 8M

H&R Block customers who are underbanked

## ~67%

Block customers likely to open a bank account with Block if offered

## \$9B

Dollars deposited annually to Emerald Card



### Block Experience

Converge our platform by blending human expertise and care with digital capabilities to make tax prep easier, faster, and more personalized, with our MyBlock app as the centerpiece

#### Use of Digital Services



Customers who engaged with a tax pro or approved return online **doubled in Tax Season '20**

#### Customer Satisfaction



Among customers who engaged with digital tools in Tax Season '20, 'intent to return' increased as much as **8 percentage points**

#### Total Clients



**Total returns up more than 5% since 2017** due to improvements in service and experience

## Five Core Financial Principles Will Drive Shareholder Value

1	2	3	4	5
<b>Sustainable annual revenue growth of 3 to 6%</b>	<b>EBITDA and EPS growing at a faster rate than revenue</b>	<b>Redeploying cost savings to highest ROI opportunities</b>	<b>Maintaining a strong balance sheet and liquidity position</b>	<b>Continuing to return capital via dividends and buybacks</b>
<ul style="list-style-type: none"> <li>□ Driven by growth in Small Business, Financial Products and Block Experience</li> <li>□ FY21 outlook               <ul style="list-style-type: none"> <li>• Revenue: \$3.5-3.6 billion</li> <li>• EBITDA: \$950 million to \$1 billion</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>□ Tremendous operating leverage in the business given flexible cost structure</li> <li>□ At an illustrative 4% revenue growth rate, EBITDA would grow 1.5x faster than revenue and EPS 2.5x faster</li> </ul>	<ul style="list-style-type: none"> <li>□ \$150 million in cost savings by 2025 to fuel investment for growth:               <ul style="list-style-type: none"> <li>• Footprint optimization</li> <li>• Labor model efficiencies</li> <li>• Technology roadmap</li> <li>• Disciplined expense management</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>□ Maintain investment-grade metrics</li> <li>□ Adequate access to capital through line of credit and recent debt issuance</li> <li>□ Trending below target adjusted debt ratio of 2.5-3x</li> </ul>	<ul style="list-style-type: none"> <li>□ Dividend +30% since FY16</li> <li>□ ~6% current dividend yield*</li> <li>□ Q2 FY21: \$150 million in share repurchases</li> <li>□ 19% of shares outstanding repurchased between FY17 and Q2 FY21</li> </ul>