

Investor Presentation

March 2024

The H&R BLOCK logo is positioned in the bottom right corner of the slide. It consists of a solid green square. Inside the square, the text "H&R" is stacked above "BLOCK" in a white, bold, sans-serif font. A registered trademark symbol (®) is located at the end of the word "BLOCK".

**H&R
BLOCK®**

Safe Harbor Statement

Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of the securities laws. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They often include words or variation of words such as "expects," "anticipates," "intends," "plans," "believes," "commits," "seeks," "estimates," "projects," "forecasts," "targets," "would," "will," "should," "goal," "could," "may," or other similar expressions. Forward-looking statements provide management's current expectations or predictions of future conditions, events or results. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future are forward-looking statements. They may include estimates of revenues, client trajectory, income, effective tax rate, earnings per share, cost savings, capital expenditures, dividends, share repurchases, liquidity, capital structure, market share, industry volumes, or other financial items, descriptions of management's plans or objectives for future operations, products or services, or descriptions of assumptions underlying any of the above. They may also include the expected impact of external events beyond the Company's control, such as outbreaks of infectious disease (including the COVID-19 pandemic), severe weather events, natural or manmade disasters, or changes in the regulatory environment in which we operate. All forward-looking statements speak only as of the date they are made and reflect the Company's good faith beliefs, assumptions and expectations, but they are not guarantees of future performance or events. Furthermore, the Company disclaims any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions, factors, or expectations, new information, data or methods, future events or other changes, except as required by law. By their nature, forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. Factors that might cause such differences include, but are not limited to a variety of economic, competitive, and regulatory factors, many of which are beyond the Company's control, that are described in our Annual Report on Form 10-K for the most recently completed fiscal year in the section entitled "Risk Factors" and additional factors we may describe from time to time in other filings with the Securities and Exchange Commission. You may get such filings for free at our website at <http://investors.hrblock.com>. In addition, factors that may cause the Company's actual effective tax rate to differ from estimates include the Company's actual results from operations compared to current estimates, future discrete items, changes in interpretations and assumptions the Company has made, future actions of the Company, and increases in applicable tax rates in jurisdictions where the Company operates. You should understand that it is not possible to predict or identify all such factors and, consequently, you should not consider any such list to be a complete set of all potential risks or uncertainties.

Safe Harbor Statement

Non-GAAP Measures

We refer to certain Non-GAAP financial measures in this presentation, including adjusted earnings per share (EPS), earnings before interest, taxes, depreciation, and amortization (EBITDA), free cash flow and free cash flow yield, which management believes provide additional meaningful information regarding the Company's performance and financial strength. All non-GAAP financial measures in this presentation are from continuing operations. Non-GAAP financial measures should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with accounting principles generally accepted in the United States (GAAP). Because these measures are not measures of financial performance under GAAP and are susceptible to varying calculations, they may not be comparable to similarly titled measures for other companies. For a description of these non-GAAP financial measures, including the reasons management uses each measure, and reconciliations of these non-GAAP financial measures to the most directly comparable financial measures prepared in accordance with GAAP, please refer to the tables accompanying this presentation and previously filed press releases posted on our investor relations website at <https://investors.hrblock.com>.

Market, Industry, and Operational Tax Data

The data included in this presentation regarding the tax preparation services industry, including trends in the market and the Company's position and the position of its competitors within this industry, are based on the Company's estimates, which have been derived from management's knowledge and experience in the industry, and information obtained from customers, trade and business organizations, internal research, publicly available information, industry publications and surveys and other contacts in the industry. The Company has also cited information compiled by industry publications, governmental agencies and publicly available sources. Although the Company believes these third-party sources to be reliable, it has not independently verified the data obtained from these sources and it cannot assure you of the accuracy or completeness of the data. Estimates of market size and relative positions in a market are difficult to develop and inherently uncertain and the Company cannot assure you that it is accurate. Accordingly, you should not place undue weight on the industry and market share data presented in this presentation.

| Table of Contents

1. H&R Block Overview
2. Industry Summary
3. Block Horizons 2025
4. Financials
5. ESG



H&R Block Overview

Who We Are

H&R Block (NYSE: HRB) provides tax preparation, financial services, and small business solutions in the United States, Canada, and Australia

- A leading Assisted and DIY tax software provider with >20M returns prepared annually in the US
- Operates under H&R Block, Block Advisors, Wave, and Spruce brands
- Offers other banking products such as: Emerald Card[®] (a prepaid Debit Mastercard[®]), Emerald AdvanceSM (a loan product), and Spruce (mobile banking solution)

Strong Capital Allocation Practice

- Robust history of generating strong free cash flow, paying a growing dividend, and repurchasing shares
- Over the last five years, HRB has returned 102% of free cash flow¹ to shareholders through share repurchases and dividends

Financial Algorithm

- Revenue growth, EBITDA¹ that outpaces revenue, and adjusted EPS¹ that grows even faster

¹ Free cash flow, EBITDA, and adjusted EPS are non-GAAP financial measures. Please see the safe harbor statement at the beginning of this presentation and the Appendix for information on non-GAAP financial measures.

Capital Allocation Practice Remains Robust

Ongoing value creation for shareholders

In FY23:

Repurchased
15M shares
for **\$550M**

Retired another
9% of shares
outstanding

Since 2016:

Returned **>\$3.5B**
to shareholders

Retired **~38%** of
shares outstanding

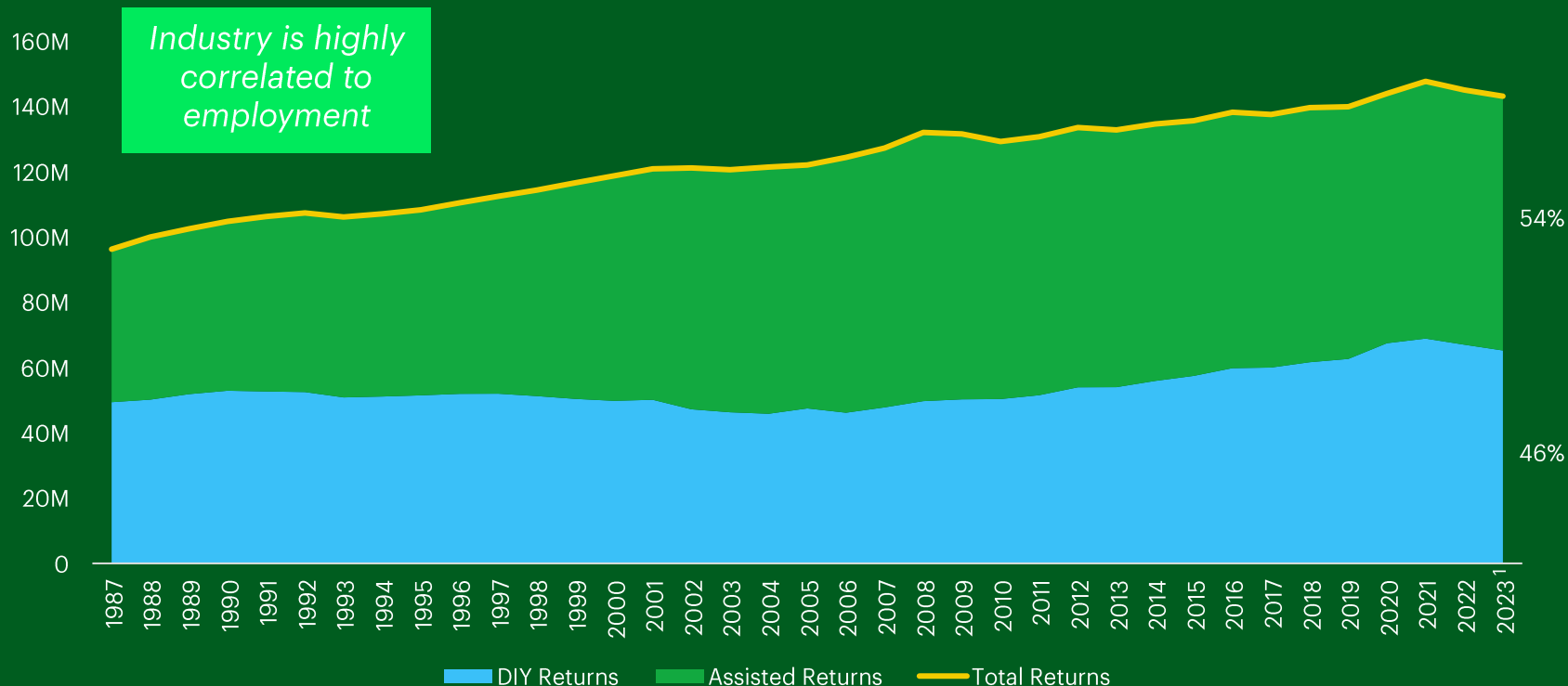
Increased quarterly
dividend by **60%**¹

¹ Dividend growth is calculated as the percentage growth from our April 2016 dividend to our April 2024 dividend

Industry Summary

Stable, Predictable Industry Growth

Consumer tax: historical industry CAGR of ~1%

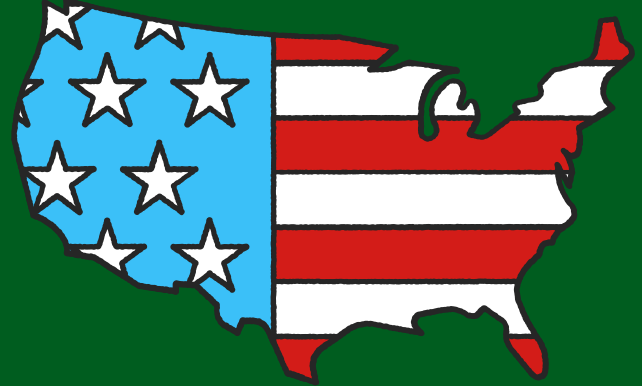


Source: Derived from the IRS Filing Season Statistics by Year data at <https://www.irs.gov/newsroom/filing-season-statistics-by-year>

¹In 2023, total industry returns were split 54% Assisted and 46% DIY

The United States Tax Filing System is Complex

- The **US tax code is nearly 7,000 pages long** and when including all of the regulations and guidance, is ~75,000¹
- Tax law **changes drive complexity and uncertainty among filers**
- In addition to the Federal tax return, **43 (out of 50) states require their residents to file a state tax return**
- **>160M filers** in the US annually, split between Assisted (54%) and DIY (46%)²



¹Watkins, D. (2020, January 16). How many pages is the Tax Code. Iris Reading. Retrieved from <https://irisreading.com/how-long-would-it-take-to-read-the-entire-u-s-tax-code/>.

²Derived from the IRS Filing Season Statistics by Year data at <https://www.irs.gov/newsroom/filing-season-statistics-for-week-ending-dec-29-2023>

Americans are Motivated to File a Tax Return

On average,
~75% of filers
receive a refund
from the IRS¹



The typical
refund size is
~\$3,100²



For many
Americans, the
tax refund is the
largest financial
transaction of the
year



¹Source: IRS Publication 1304 (IRS Excel data : <https://www.irs.gov/pub/irs-soi/21intaba.xls>)

²Derived from the IRS Filing Season Statistics by Year data at <https://www.irs.gov/newsroom/filing-season-statistics-for-week-ending-dec-29-2023>, cumulative statistics comparing December 30, 2022 and December 29, 2023

Block Horizons 2025

Block Horizons 2025 Long Term Growth Strategy

Three Strategic Imperatives

1

Small Business

Build direct, valuable relationships with small business owners through Block Advisors and Wave; as well as by providing services such as bookkeeping and payroll

2

Financial Products

New solutions and experiences to create confidence and help ease the financial burden, such as our mobile banking platform, Spruce

3

Block Experience

Blending technology and digital tools with human expertise and care to serve clients however they want to be served: fully in person to fully online and everything in between

Small Business

Continues to be a growth driver



In Q2FY24:

- **>20% revenue growth** in Assisted Small Business tax
- Favorable trends in bookkeeping and payroll
- Long runway of opportunity ahead



In Q2FY24:

- **+5% revenue growth**
- Introduced a **paid tier subscription service**
- Roadmap to accelerate revenue growth and drive long term profitability

Financial Products

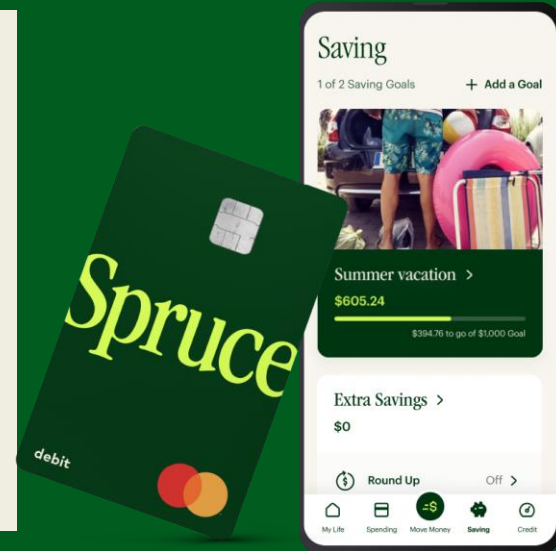
Driving innovation with mobile banking platform, SpruceSM

Spruce combines leading technology and features with H&R Block's trusted brand and established financial relationships

- Launched in DIY in '22, Assisted in '23
- Feedback indicates that our platform gives users the visibility and control they have been missing

Cumulative results as of Dec 31, 2023:

316K
sign ups
\$456M
customer
deposits



Block Experience

Blending digital tools with human expertise

Clients are empowered to be served however they choose:
fully in person to fully virtual, and everything in between

Assisted

Fully in-person

File with a tax professional at one of H&R Block's ~10,300¹ office locations



Blended

Everything in-between

- Uploading documents from home
- Virtual calls with tax pros
- Signing return online

DIY

Do it Yourself

File your own taxes online using H&R Block's website, or with a boxed software product



¹Number of office locations as of March 31, 2023

Block Experience

Blending digital tools with human expertise

In the **DIY** Channel in FY23:



Increased **awareness**



Improved product



Made it **easier to switch**



Multifaceted
strategy worked,
resulting in
meaningful DIY
share gains¹

¹Through April 30, 2023

Block Experience

Blending digital tools with human expertise

In the **Assisted** Channel in FY23:

**+4% NAC
increase**

alongside strong
customer
satisfaction
metrics



**Attracted higher
income clients**

- 10% growth in
clients with
>\$100K of
income



Continued
progress in the
**adoption of
virtual tools**

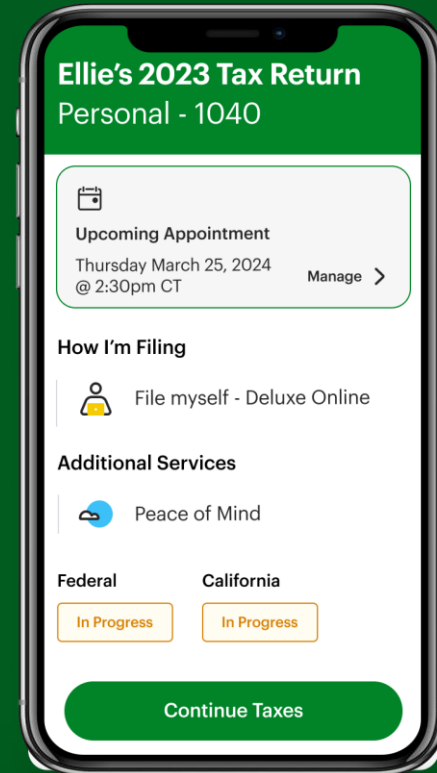


Block Experience

Blending digital tools with human expertise

MyBlock enhancements for TS24:

- Status tracker
- Personalized checklist
- Call to action
- Easier and faster to approve and sign return online
- Access tax documents and return digitally



Recently Launched Initial Two GenAI Products

Focused on improving the client experience and reducing costs

1

AI Tax Assist
launched in all DIY
paid SKUs,
enabling customers
to get real time tax
answers and
information

2

Deployed AI in call
center operations
enabling customers
to help themselves,
and allowing agents
to assist with more
complex issues

Financials

Total Shareholder Return

Where we are going

Revenue	3 - 6%	<i>Steady industry growth, low single digit price increases, franchise acquisitions, and Wave; Block Horizons as upside</i>
EBITDA ¹	Can grow up to ~1.5x revenue	<i>Leverage our fixed cost structure</i>
Share Repurchase	\$1.25B authorization through 2025	<i>Opportunistic share buybacks are a core element of our capital allocation strategy</i>
Adjusted EPS ¹	Double digit growth	<i>EBITDA growth + capital allocation driving double digit EPS growth</i>
Dividend	\$0.32/share quarterly	<i>10% dividend increase announced in August 2023</i>
Free Cash Flow ¹	>100% FCF generation relative to income	<i>16% Free Cash Flow Yield² in FY23</i>

¹ EBITDA, Adjusted EPS, and Free Cash Flow are non-GAAP financial measures. Future period non-GAAP outlook includes adjustments for items not indicative of our core operations, which may include, without limitation, items described in the Appendix. Such adjustments may be affected by changes in ongoing assumptions and judgments, as well as nonrecurring, unusual, or unanticipated changes, expenses or gains, or other items that may not directly correlate to the underlying performance of our business operations. The exact amounts of these adjustments are not currently determinable but may be significant. It is therefore not practicable to provide the comparable GAAP measures or to reconcile this non-GAAP outlook to the most comparable GAAP measures. Please see the safe harbor statement at the beginning of this presentation for information on non-GAAP financial measures.

² Free Cash Flow Yield is a non-GAAP financial measure. Free Cash Flow Yield is defined as free cash flow divided by the market value of equity (market capitalization). Free cash flow is defined as net cash provided by operating activities less capital expenditures. The Company believes Free Cash Flow Yield is useful to investors as an indication of the strength of the Company and its ability to generate cash and to evaluate the Company's cash generation ability relative to competitors. It should not be inferred that the entire free cash flow amount is available for discretionary expenditures. A reconciliation of Free Cash Flow Yield to Cash Flow from Operating Activities can be found in the Appendix.

Multiple Levers

To reach long-term revenue growth target of 3-6%

**~1%
Consumer
Tax Industry**

- Long-term historical CAGR of 1% growth
- At a minimum, maintain market share
- Supported by **Block Experience**

**~1-3%
Pricing**

- Upfront Transparent Pricing in 2018
- Significant Product and Experience Improvements
- Will continue to innovate via **Block Experience**

**~1%
Franchise
Acquisitions**

- Acquire ~125 locations annually at attractive multiples

Wave

- Revenue growth from increasing the value of the existing customer base and acquiring new clients

**Upside:
Block
Horizons
2025**

- **Small Business**
- **Financial Products** – mobile banking platform, Spruce, launched in DIY in TS22, and in Assisted in TS23

Track Record of Delivering Earnings Growth

Our financial algorithm in action

History of delivering revenue growth, EBITDA¹ that outpaces revenue growth, and adjusted EPS¹ that grows even faster

	FY19	FY23	Growth
Revenue	\$3,095	\$3,472	12%
EBITDA¹	\$799	\$915	15%
EPS	\$2.15	\$3.56	66%
Adjusted EPS¹	\$2.39	\$3.82	60%

Note: All amounts are unaudited and represent results from continuing operations.

¹EBITDA and adjusted EPS are non-GAAP financial measures. Please see the safe harbor statement at the beginning of this presentation for information on non-GAAP financial measures. A reconciliation of these non-GAAP financial measures to the most comparable GAAP measures can be found in the Appendix.

Robust Free Cash Flow¹ Generation

Returned >100% of free cash flow over the last five years

In FY23:

>\$700M

free cash flow
generated



>16%

free cash flow yield

>3x

the S&P 500

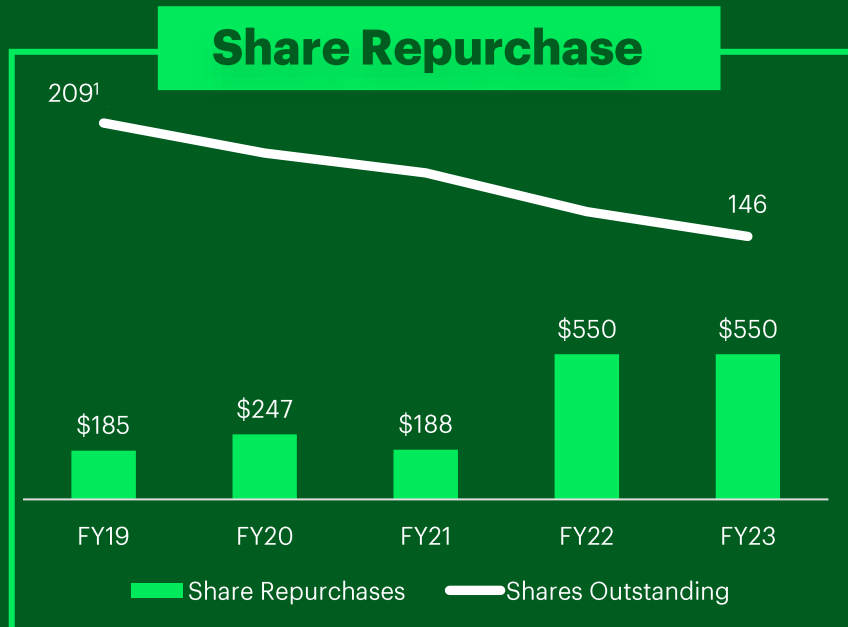


¹Free cash flow and free cash flow yield are non-GAAP financial measures. Free cash flow is defined as net cash provided by operating activities less capital expenditures. Free cash flow yield is defined as free cash flow divided by the market value of equity (market capitalization). The Company believes free cash flow and free cash flow yield are useful to investors as an indication of the strength of the Company and its ability to generate cash and to evaluate the Company's cash generation ability relative to competitors. It should not be inferred that the entire free cash flow amount is available for discretionary expenditures. A reconciliation of these non-GAAP financial measures to the most comparable GAAP measures can be found in the Appendix.

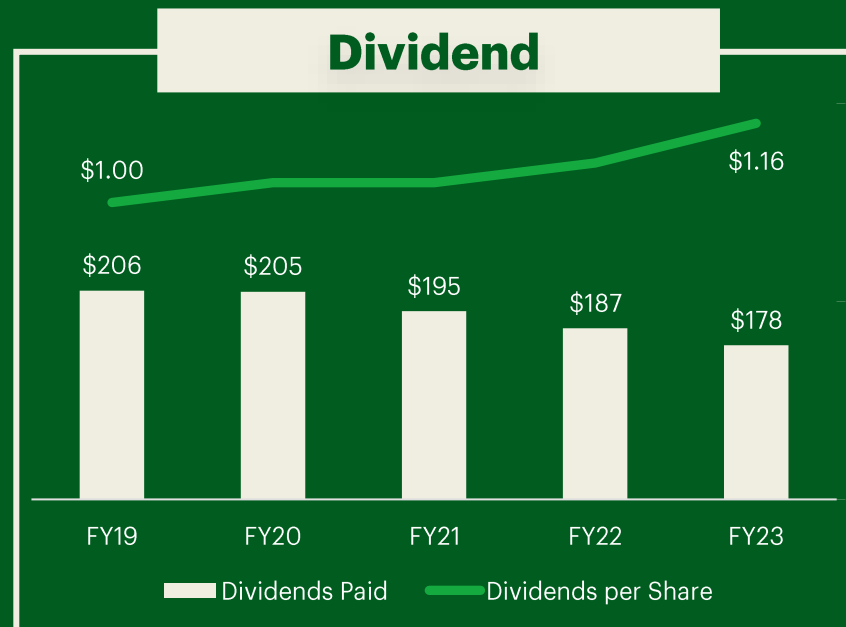
Capital Allocation Story is Strong

Long track record of share repurchase & dividend increases

Share Repurchase



Dividend



Reduced shares outstanding by ~32% in five years;
continue to believe this is a great use of capital

10% dividend increase announced in August 2023,
resulting in an annualized dividend of \$1.28

Note: In millions except for per share amounts. FY19, FY20, and FY21 represent the fiscal period ended April 30. FY22 and FY23 represent the fiscal period ended June 30.

¹209M shares outstanding as of May 1, 2018.

ESG

Environmental, Social, and Governance (ESG)

Committed to ongoing progress

Our Purpose is to provide help and inspire confidence in our clients and communities everywhere. As part of this, we believe in doing our part to be a responsible corporate citizen, which has been a part of our culture and aspirations from the very beginning.

Environmental

Committed to reducing consumption and waste



Social

Remain committed to our associates' total well-being



Governance

Proactive, sound, and ethical corporate governance practices



Environmental, Social, Governance

Fourth annual report

2023 ESG Report



**H&R
BLOCK**

- Reflects our ongoing commitment to transparency, sustainability, and responsible business practices
- Read the full report [here](#)

Appendix

Non-GAAP Measure: EBITDA



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

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

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)		
Adjusted EPS	Year ended June 30, 2023	Year ended 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 ⁽¹⁾	(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

¹ 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 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	728,143	736,822	-	383,281	451,655	390,299	2,690,200
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	\$752,143	\$746,582	\$29,638	\$573,136	\$27,276	\$511,048	\$2,639,823
Percentage of free cash flow returned to shareholders							102%

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

H&R Block Filing Volumes

U.S Tax Operating Data

(in 000's)

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

¹ 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.

² 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) ¹	Year-ended June 30, 2023	Year-ended June 30, 2022
Company-owned operations	\$248.50	\$238.87
Franchise operations ²	\$238.04	\$230.58
Online	\$38.02	\$37.87

¹ 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.

² 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
Total U.S. offices	8,949	9,097
International offices:		
Canada	961	987
Australia	394	404
Total international offices	1,355	1,391
Tax offices worldwide	10,304	10,488