Q1 FISCAL 2022

EARNINGS CALL

November 2, 2021
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 also include the expected impact of the coronavirus (COVID-19) pandemic, including, without limitation, the impact on economic and financial markets, the Company’s capital resources and financial condition, the expected use of proceeds under the Company’s revolving credit facility, future expenditures, potential regulatory actions, such as extensions of tax filing deadlines or other related relief, changes in consumer behaviors and modifications to the Company’s operations related thereto. 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 earnings before interest, taxes, depreciation, and amortization ("EBITDA"), free cash flow, adjusted diluted earnings per share, normalized revenue, normalized net income, adjusted normalized net income, normalized EBITDA, and normalized adjusted diluted earnings per share. All non-GAAP financial measures in this presentation are from continuing operations. The normalized measures are intended to provide additional context around our results for the year ended June 30, 2021 by showing the impacts of the extended 2020 tax season. 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 previously filed press releases posted on our investor relations website at https://investors.hrblock.com and the reconciliations contained in this presentation.

Market and Industry 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.
Jeff Jones
President and Chief Executive Officer
Continued Momentum in FY22
First Quarter Results

FY22 off to a great start
Disciplined expense management + investment
Repurchased 4% of float
Well-positioned for FY22 tax season
Record of Returning Capital to Shareholders
Since 2016

Robust Cash Flow Generation
Average
$465M
in free cash flow
29% growth

Strong Dividend
Currently
$1.08
per year
35% growth

Share Repurchase
Retired
50M shares outstanding
Nearly a quarter of shares outstanding

Adjusted Diluted EPS
78% growth

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1 Free Cash Flow is a non-GAAP financial measure; a reconciliation of Free Cash Flow to its most comparable GAAP measure can be found at the end of this presentation.
2 Dividend growth is calculated as percentage growth from our April 2016 dividend to our July 2021 dividend.
3 Represents shares repurchased from April 30, 2016 to present; shares outstanding calculated as of April 30, 2016.
4 Adjusted Diluted EPS is a non-GAAP financial measure; a reconciliation of Adjusted Diluted EPS to its most comparable GAAP measure can be found at the end of this presentation.
Multiple Levers to Reach
Long-term Revenue Growth Target 3-6%

- Supported by Block Experience

~1% Consumer Tax Industry

1-3% Pricing

~1% Franchise Acquisitions

~1% Wave

Upside
Block Horizons 2025

- Small Business
- Financial Products
Stable, Predictable Industry Growth
Consumer Tax Industry: ~1% Annually

Source: IRS data; DIY online category comprised of online, Free File and mobile.

1% Historical long-term industry CAGR
Pricing
Opportunity for Modest Annual Increases

- Upfront Transparent Pricing model implemented in 2018
- Significant product and experience improvement; will continue to enhance via Block Experience

Assisted
~1 - 3%

DIY
Opportunistic vs. competition
Long Track Record of Acquiring Franchisees
Contributes ~1 Point of Growth Annually

- Acquire ~125 locations annually

- Good use of capital given attractive EBITDA multiples
- Quickly leverage the revenue stream vs. collecting royalty
Block Horizons 2025 Strategic Imperatives

**Block Experience**

Make tax easier, faster and more personalized by blending digital tools with human expertise and care

**Small Business**

Build direct, valuable relationships with small business owners through Block Advisors and Wave

**Financial Products**

Evolve the Emerald Card into a customer-centric, mobile-first solution for the underbanked
Wave
Contributes ~1 Point of Growth Annually

Mobile Banking Product
Upside Opportunity

**BETA PHASE - Fall 2021**
Launched internally

**PRODUCT TO MARKET - Early 2022**
Limited launch with focus on existing DIY clients

**PRODUCT ENHANCEMENTS - Throughout 2022**
Continued innovation and new product features
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 enhance via Block Experience

~1% Franchise Acquisitions
- Acquire ~125 locations annually at attractive multiples

~1% Wave
- Continued, strong 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 solution launching early next tax season
Jeff Jones
President and Chief Executive Officer
Tony Bowen
Chief Financial Officer
Q1 Financial Results

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$192.6</td>
<td>$417.3</td>
<td>$(224.7)</td>
</tr>
<tr>
<td>Pretax Loss</td>
<td>$(197.3)</td>
<td>$(32.9)</td>
<td>$(164.4)</td>
</tr>
<tr>
<td>Net Loss</td>
<td>$(151.6)</td>
<td>$(62.3)</td>
<td>$(89.3)</td>
</tr>
<tr>
<td>Weighted-Avg. Shares – Diluted</td>
<td>178.1</td>
<td>192.3</td>
<td>(14.2)</td>
</tr>
<tr>
<td>EPS$</td>
<td>$(0.84)</td>
<td>$(0.32)</td>
<td>$(0.52)</td>
</tr>
<tr>
<td>Adjusted EPS$</td>
<td>$(0.78)</td>
<td>$(0.24)</td>
<td>$(0.54)</td>
</tr>
</tbody>
</table>

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

1 All per share amounts are based on weighted average fully diluted shares over the corresponding period.

2 Adjusted EPS is a non-GAAP financial measure. Please see the Safe Harbor Statement at the beginning of this presentation for information on non-GAAP financial measures.
Creating Value

THEN

Significant, foundational actions:
- Major investments in technology
- Pricing reset
- Operational improvements

NOW

Robust results:
- ‘21 best tax season in over a decade
- Since 2016:
  - Grew dividend 35%
  - Significantly reduced effective tax rate and borrowing costs
  - Repurchased nearly a quarter of shares outstanding
  - Grew Adjusted Diluted EPS\(^1\) 78%
  - Returned nearly $2B to shareholders
- De-risked the business
- Created upside with Block Horizons

\(^1\)Adjusted Diluted EPS is a non-GAAP financial measure; a reconciliation of Adjusted Diluted EPS to its most comparable GAAP measure can be found at the end of this presentation.
Jeff Jones
President and Chief Executive Officer
Q&A
Appendix
## FY22 Outlook

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>$3.25B - $3.35B</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>$765M - $815M</td>
</tr>
<tr>
<td><strong>Effective Tax Rate</strong></td>
<td>16% - 18%</td>
</tr>
<tr>
<td><strong>Depreciation &amp; Amortization</strong></td>
<td>$150M - $160M</td>
</tr>
<tr>
<td><strong>Interest Expense</strong></td>
<td>$90M - $100M</td>
</tr>
</tbody>
</table>

*Note: EBITDA is a non-GAAP financial measure. Specific quantifications of the amounts that would be required to reconcile the company's EBITDA outlook for FY22 to net income, the most directly comparable GAAP metric, are not available. Because of the variability of these and other items as well as the impact of future events on these items, management is unable to reconcile without unreasonable effort the expected range of EBITDA for FY22 to a comparable GAAP range.*
## Non-GAAP Measures: Normalized Revenues and EBITDA

The following are reconciliations of normalized revenue and EBITDA, which are non-GAAP financial measures:

### Non-GAAP Measure - EBITDA

<table>
<thead>
<tr>
<th>Non-GAAP Measure - EBITDA</th>
<th>(in 000s)</th>
<th>Year Ended June 30, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income - as reported</td>
<td>683,949</td>
<td></td>
</tr>
<tr>
<td>Discontinued operations, net – as reported</td>
<td>(6,509)</td>
<td></td>
</tr>
<tr>
<td>Net income from continuing operations – as reported</td>
<td>690,548</td>
<td></td>
</tr>
<tr>
<td>Add back:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income taxes</td>
<td>106,675</td>
<td></td>
</tr>
<tr>
<td>Interest expense</td>
<td>99,491</td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>154,818</td>
<td></td>
</tr>
<tr>
<td></td>
<td>360,984</td>
<td></td>
</tr>
<tr>
<td>EBITDA from continuing operations</td>
<td></td>
<td>$ 1,051,442</td>
</tr>
</tbody>
</table>

### Non-GAAP Measure – Normalized Revenue and EBITDA

<table>
<thead>
<tr>
<th>Non-GAAP Measure – Normalized Revenue and EBITDA</th>
<th>(in 000s)</th>
<th>Year Ended June 30, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>As reported (1)</td>
<td></td>
<td>$ 3,558,645</td>
</tr>
<tr>
<td>Adjustments - normalization:</td>
<td></td>
<td>$ 1,051,442</td>
</tr>
<tr>
<td>Impacts of Emerald Card® Stimulus and pandemic related sick pay and supplies</td>
<td>(44,346)</td>
<td>(32,546)</td>
</tr>
<tr>
<td>Tax Season 20 impacts recognized in July 2020</td>
<td>(246,250)</td>
<td>(204,060)</td>
</tr>
<tr>
<td>Normalized</td>
<td>(290,596)</td>
<td>(236,606)</td>
</tr>
<tr>
<td></td>
<td>$ 3,298,049</td>
<td>$ 814,836</td>
</tr>
</tbody>
</table>

(1) The “as reported” totals for the year ended June 30, 2021 are included in the Form 8-K furnished on August 9, 2021.
## Non-GAAP Measure: Free Cash Flow

The following is a reconciliation of free cash flow, which is a non-GAAP financial measure:

<table>
<thead>
<tr>
<th>Non-GAAP Measure - Free Cash Flow</th>
<th>Year Ended April 30,</th>
<th>(in 000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2021</td>
<td>2020</td>
</tr>
<tr>
<td>Cash flow from operations</td>
<td>$ 625,928</td>
<td>$ 108,961</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>(52,792)</td>
<td>(81,865)</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>$ 573,136</td>
<td>$ 27,096</td>
</tr>
<tr>
<td>Share repurchases</td>
<td>$ 191,294</td>
<td>$ 256,214</td>
</tr>
<tr>
<td>Dividends</td>
<td>195,068</td>
<td>204,870</td>
</tr>
<tr>
<td>Total return to shareholders</td>
<td>$ 386,362</td>
<td>$ 461,084</td>
</tr>
<tr>
<td>Percentage of free cash flow</td>
<td>84.4%</td>
<td></td>
</tr>
</tbody>
</table>

The following is a reconciliation of free cash flow, which is a non-GAAP financial measure:
## Non-GAAP Measures: Normalized Net Income and Adjusted Normalized Diluted EPS

The following are reconciliations of normalized net income and adjusted normalized diluted EPS, which are non-GAAP financial measures:

### Non-GAAP Financial Measure

<table>
<thead>
<tr>
<th>Non-GAAP Financial Measure</th>
<th>Year Ended June 30, 2021(1)</th>
<th>Year Ended April 30, 2016</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income - as reported</td>
<td>$683,949</td>
<td>$374,267</td>
<td></td>
</tr>
<tr>
<td>Net loss from discontinued operations – as reported</td>
<td>(6,509)</td>
<td>(9,286)</td>
<td></td>
</tr>
<tr>
<td>Net income from continuing operations – as reported</td>
<td>690,458</td>
<td>383,553</td>
<td></td>
</tr>
<tr>
<td><strong>Adjustments to net income from continuing operations - normalization:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impacts of Emerald Card® stimulus and pandemic related sick pay and supplies (pretax)</td>
<td>(32,546)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Tax Season 20 impacts recognized in July 2020 (pretax)</td>
<td>(204,060)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Tax effect of adjustments (2)</td>
<td>55,023</td>
<td>-</td>
<td>-181,583</td>
</tr>
<tr>
<td>Net income from continuing operations - normalized</td>
<td>(181,583)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Adjustments to normalized net income from continuing operations:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization of intangibles related to acquisitions (pretax)</td>
<td>66,246</td>
<td>57,690</td>
<td></td>
</tr>
<tr>
<td>Tax effect of adjustments (2)</td>
<td>(16,237)</td>
<td>(22,530)</td>
<td></td>
</tr>
<tr>
<td>Adjusted normalized net income from continuing operations</td>
<td>558,885</td>
<td>418,713</td>
<td></td>
</tr>
<tr>
<td>Diluted loss per share from continuing operations - as reported</td>
<td>$3.67</td>
<td>$1.53</td>
<td></td>
</tr>
<tr>
<td>Adjustments to normalize net income, net of tax</td>
<td>(0.97)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Adjustments to remove amortization of intangibles, net of tax</td>
<td>0.27</td>
<td>0.14</td>
<td></td>
</tr>
<tr>
<td>Adjusted normalized diluted loss per share from continuing operations</td>
<td>$2.97</td>
<td>$1.67</td>
<td>77.8%</td>
</tr>
</tbody>
</table>

(1) The “as reported” totals for the year ended June 30, 2021 are included in the Form 8-K furnished on August 9, 2021.

(2) Tax effect of adjustments is the difference between the tax provision calculated on a GAAP basis and on an adjusted non-GAAP basis.