



CREATING SHAREHOLDER VALUE

DECEMBER 2019

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. 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, operational, 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. In addition, factors that may cause the company's actual estimated 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, and future actions of the company. You may get our Securities and Exchange Commission filings for free at our website at <http://investors.hrblock.com>. 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.

Non-GAAP Measures

We refer to certain Non-GAAP financial measures in this presentation, including earnings from continuing operations before interest, taxes, depreciation, and amortization ("EBITDA"), EBITDA Margin from continuing operations, calculated as EBITDA from continuing operations divided by revenues from continuing operations ("EBITDA Margin"), and adjusted diluted earnings per share 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 our press release filed on December 4, 2019 and our previously filed press releases, both of which are posted on our investor relations website at <http://investors.hrblock.com>.

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.

H&R Block Overview

Profile

- Founded the tax industry in 1955
- Completed 64th tax season in 2019
- Well-established tax operations in the U.S., Canada, and Australia
- Over 23 million returns filed by or through H&R Block in fiscal 2019
- ~70,000 highly trained tax professionals globally; over 7,500 Enrolled Agents and CPAs in the U.S.
- ~11,000 offices globally

Offerings & Products

- **Taxes:** Leader in the tax industry with broad spectrum of offerings ranging from in-office Assisted to Tax Pro Go to DIY
- **Small Business:** Accelerating small business strategy with acquisition of Wave Financial
- **Products:** Adjacent Tax Plus products (prepaid debit card, lending, tax fraud protection, other) provide additional value to clients

Fiscal 2019 Financials

- Revenue: \$3.1 billion
- EBITDA: \$799 million
- EBITDA Margin: 25.8%
- GAAP EPS: \$2.15
- Adjusted EPS: \$2.35
- Free Cash Flow: \$511 million
- Current quarterly dividend: \$0.26 (4% increase over prior year)
- NYSE: HRB

Investment Thesis

1. Market-leading position in tax with unmatched competencies

- Complete ecosystem and scaled network in the expansive, established tax industry

2. Significant addressable market

- Proprietary multi-channel approach to take advantage of opportunities in \$21B tax industry

3. Ongoing retention and growth initiatives

- Transforming the Assisted value proposition and driving innovation in DIY to support and grow robust customer base

4. Positioned to win in the long term

- Through Tax Pro Go, executing at the convergence of personalized service and digital expertise to capture the new frontier

5. Expanding capabilities in large and expanding small business market

- Acquisition of Wave, a rapidly growing financial solutions platform, provides new growth opportunities

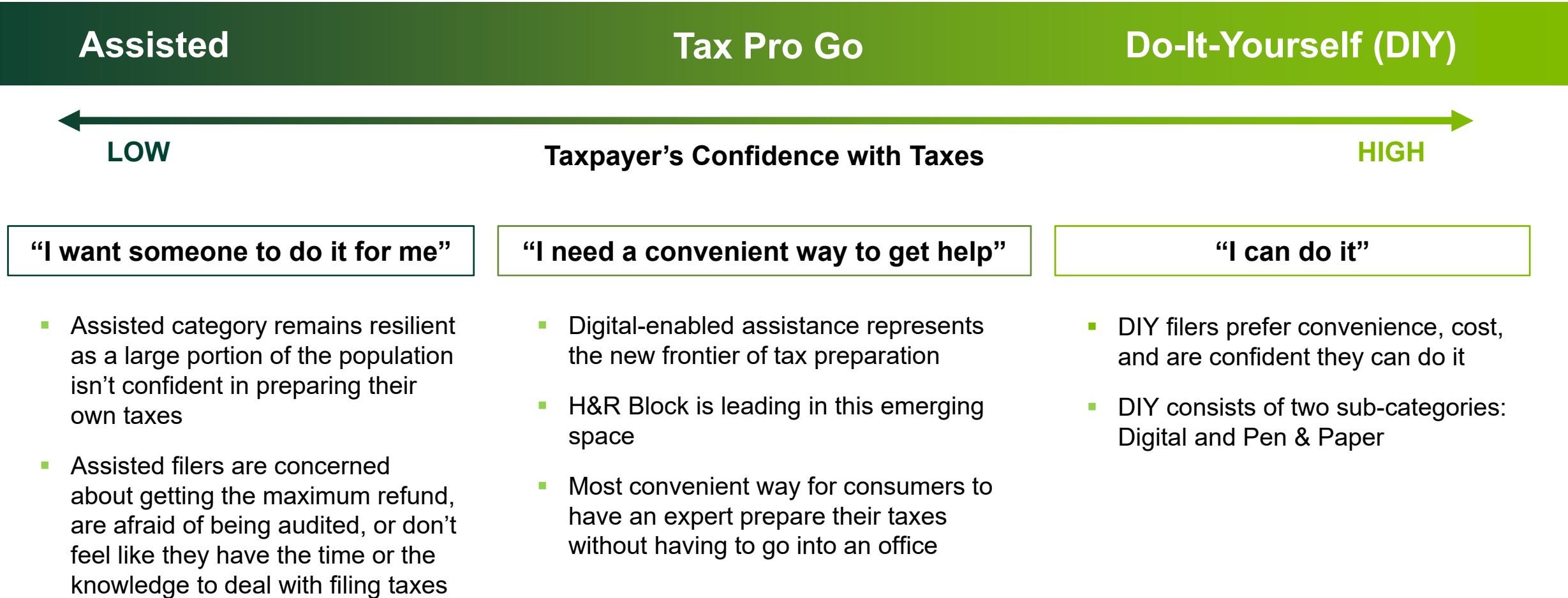
6. Robust financial profile and attractive capital allocation

- Strong cash generation and fortified balance sheet support strategic initiatives as well as capital return through dividends and opportunistic share repurchases



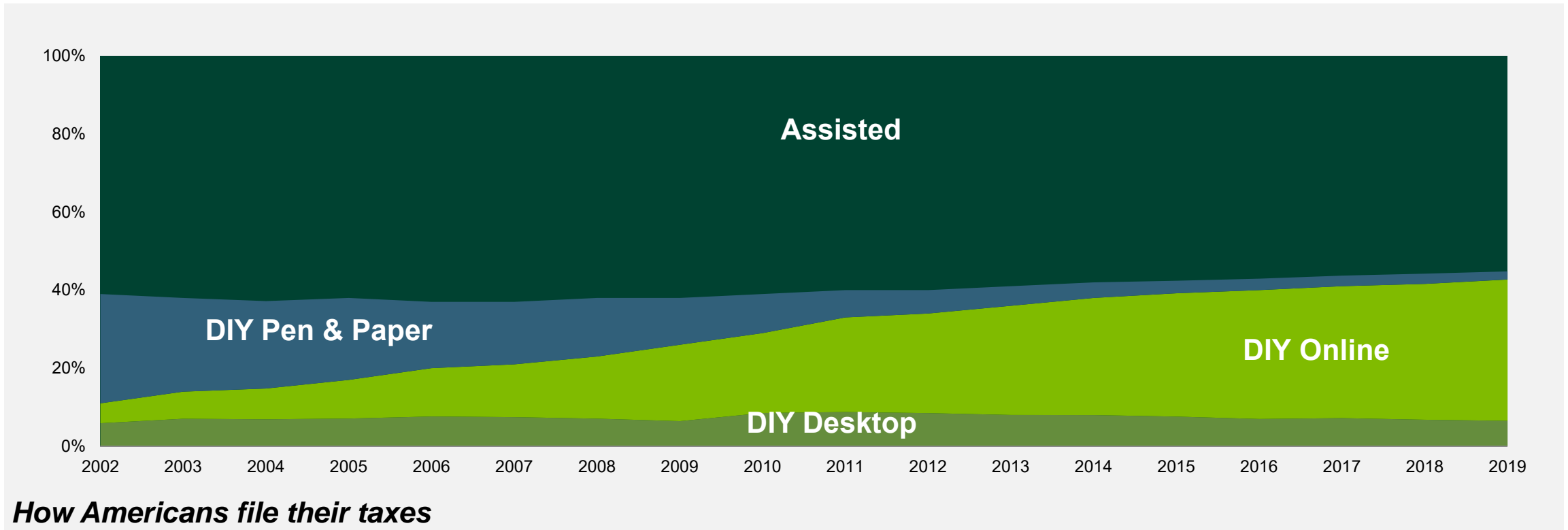
Tax industry
rooted in size
and growth

Taxpayers choose level of help based on their confidence with taxes



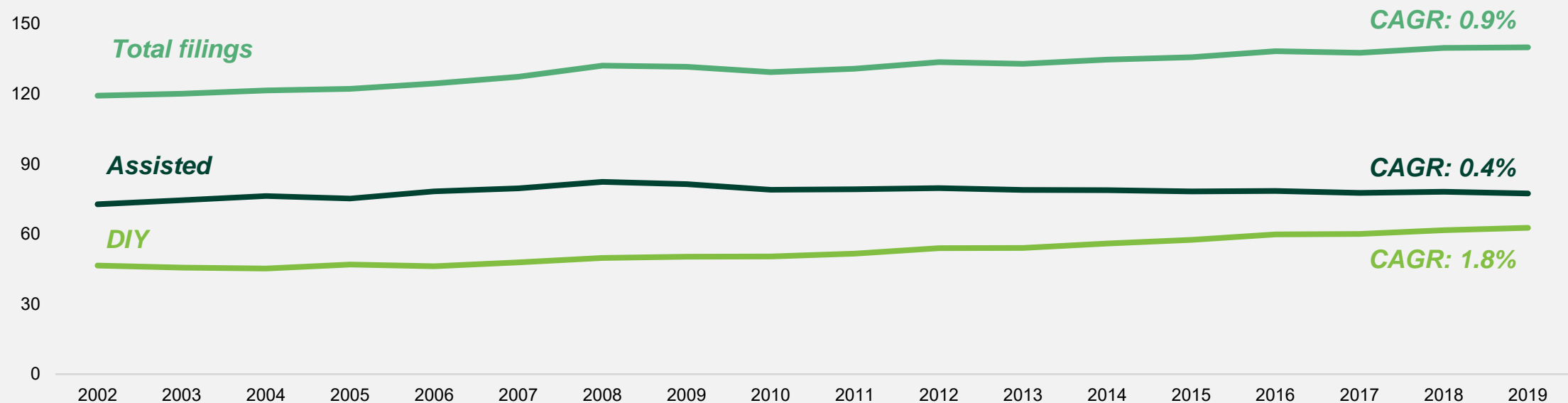
Assisted tax preparation methods remain the choice of over half of U.S. taxpayers

- Split between Assisted and DIY tax prep is ~55% Assisted and ~45% DIY
- The long-term growth in DIY tax software (online and desktop) has primarily come from pen & paper filers switching to online



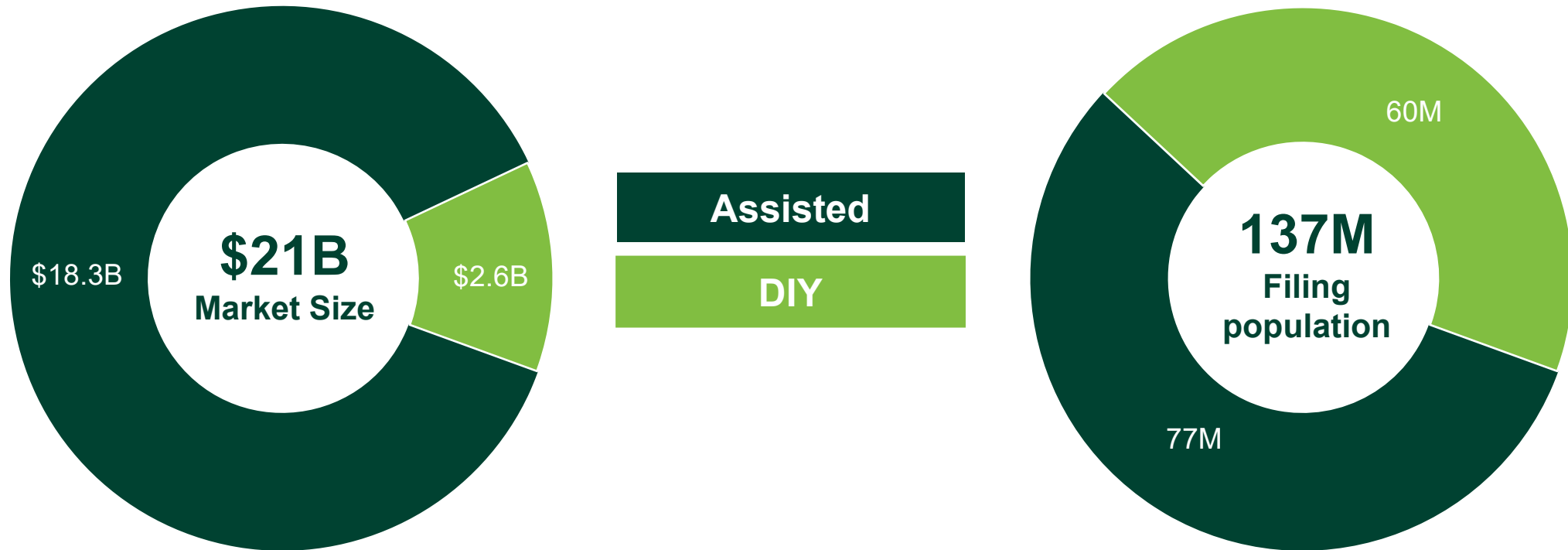
U.S. tax industry is resilient; both Assisted and DIY tax prep methods remain strong

- On average, total U.S. filings grow ~1% annually and are highly correlated to non-farm employment
- Both the Assisted and DIY categories are growing
- Within DIY, growth in tax software (2002-2019 CAGR of 9%) has primarily resulted from the decline in pen and paper filings (see previous page)



U.S. tax filings (in millions)

Addressable market is significant in both Assisted and DIY



- Addressable market is large; Assisted share of industry revenue is dominant at 87%
- Assisted return growth in two of past four years; consistent year-over-year DIY return growth
- Assisted category is highly fragmented; peers have limited resources; DIY category has low fragmentation with well-resourced peers



Our path
forward

Strategic framework that will guide us over long term

ELEVATE OUR TALENT AND CULTURE

Make talent a core competitive advantage

Shape and grow a winning culture true to our heritage, purpose and passion

Strengthen empowerment and accountability to unleash potential

Be a leading voice and advocate for and with our communities

OWN A SUSTAINABLE BRAND POSITION

Develop compelling value propositions that distinguish our brands and create preference

Help our clients realize more value from H&R Block

Create partnerships that grow distribution and relevance

Modernize our approach to marketing

WIN ON CUSTOMER EXPERIENCE

Reimagine our customers' experience for a mobile-first world

Leverage and compete on our cross-channel strength

Dramatically improve our DIY and virtual tax products

Create a pipeline of innovation and partnerships

BUILD OPERATIONAL EXCELLENCE

Create greater quality and consistency of execution

Eliminate waste in all facets of our business

Simplify how work gets done across the company

Rethink and improve how we support franchisees

INVEST FOR THE LONG TERM

Modernize our core technology systems

Acquire skills and capabilities to enable growth

Develop adjacent businesses that leverage our core competencies

Fund research and development as well as strategic investments

Key objectives of our enterprise strategy for FY20

Assisted

- **Improving the value proposition** for clients
- **Simplifying** our approach and **driving consistency** in our offices
- Leveraging **upfront, transparent pricing**

DIY

- Investing to **improve the product and user experience**
- Pricing at a level that is competitive and **provides meaningful value** to our clients
- Continuing to communicate this value, **growing awareness** and compelling consumers to switch to H&R Block

Tax Pro Go

- **Building on our successes by innovating** in this emerging space, **leading the industry** as consumer expectations evolve
- Utilizing client feedback to **improve our offerings**
- Better leveraging our tax pro network to **provide expertise and care in new ways**

Small Business

- In Tax, working to ensure that more entrepreneurs understand the **expertise we provide**
- **Delivering value** for small business owners through Wave's world-class offerings, while also driving monetization and increasing the user base
- Developing new solutions that **improve the financial lives** of entrepreneurs



Foundational
strengths

Leveraging our complete ecosystem advances market-leading position

Assisted

14.5%

TS19 H&R Block Assisted Market Share



#1

Industry Rank

DIY

14.9%

TS19 H&R Block DIY Market Share



#2

Industry Rank

Tax Pro Go



New Frontier

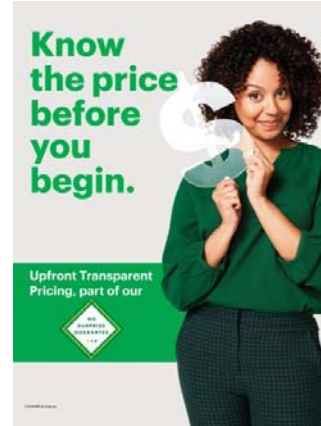
1955

1994

Now

Continuing to improve quality, consistency, and value of our in-office experience

Leading the industry with **upfront, transparent pricing**



Digitizing how our tax pros work through WorkCenter, enabling best-in-class service

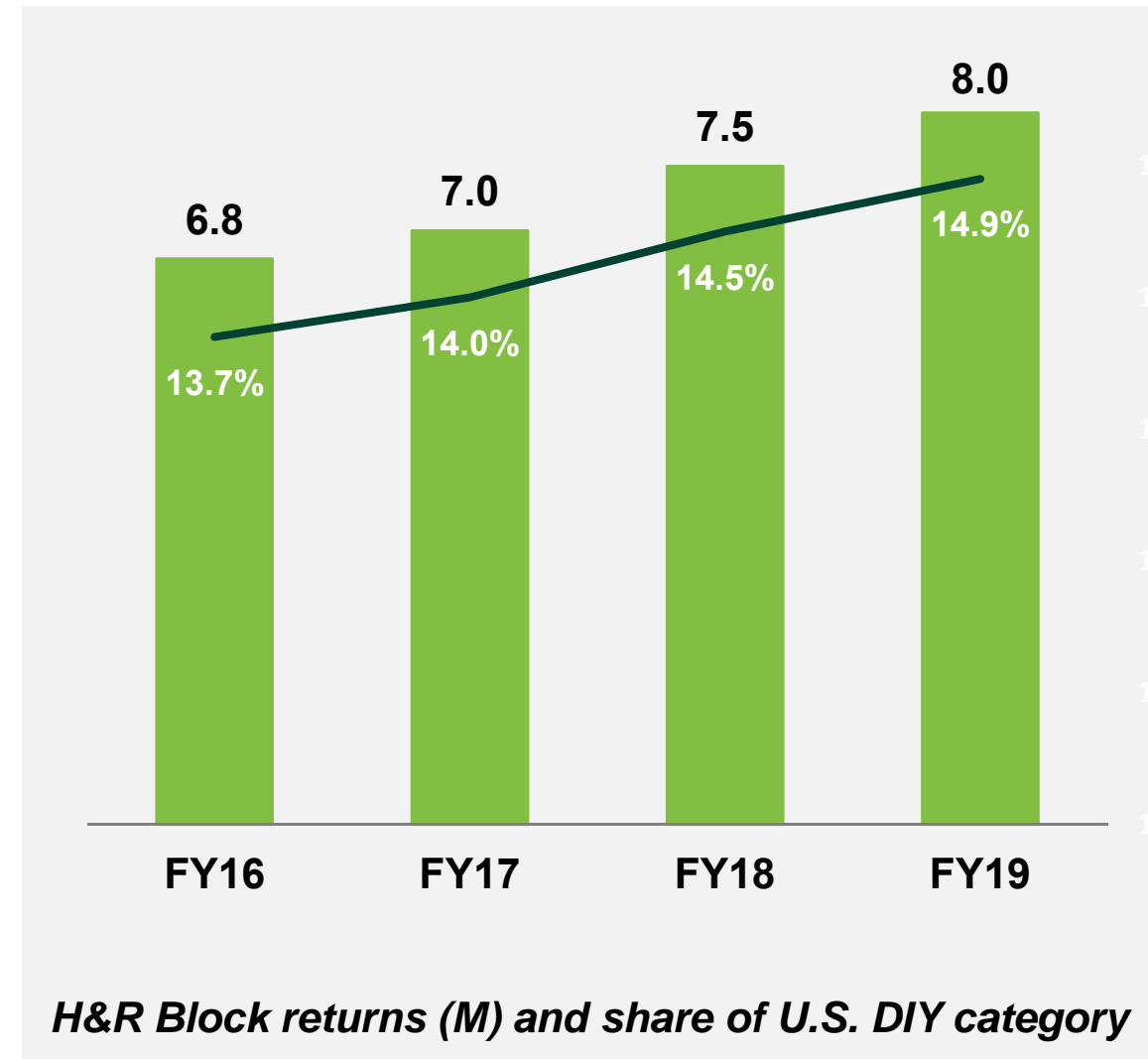
Enhancing standard operating procedures (SOPs) to ensure **quality** and **consistency** of client experience



Increasing certification levels throughout our expert tax pro network, a **key differentiator** for H&R Block

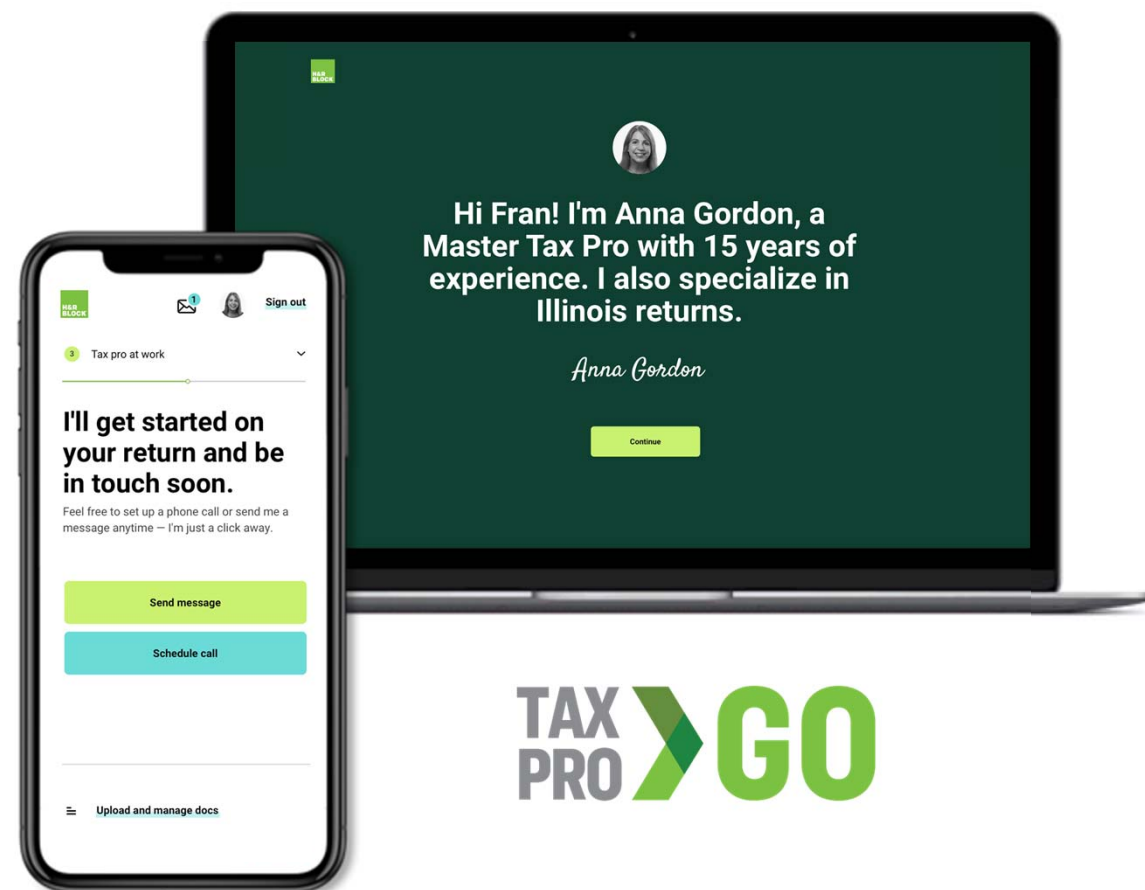
Focused on growing our DIY business

- **Leveraging AI and machine learning** to remove questions and steps in the workflow
- Streamlining new client onboarding process with **“Switch in Two Clicks”**
 - Clients can import or upload 98% of their tax documents and drag-and-drop prior year returns, making it simple to switch to H&R Block
- Improving and actively promoting **Online Assist** (formerly Ask a Tax Pro), which provides unlimited, immediate access to a tax pro for help along the way
- Maintaining **challenger strategy** by pricing competitively, growing awareness, and ensuring price transparency
- Driving **higher** conversion, upgrades, and product attach rates



Innovating with Tax Pro Go to win in the new frontier

- Second year of **mobile-first, fully assisted** service that provides the **easiest way** for consumers to have an expert prepare their taxes without stepping foot into an office
- Appeals to **new, younger filers**
 - Nearly 60% of Tax Pro Go clients in TS19 were new to H&R Block
- **Incorporating feedback** from TS19 to improve the product
- **Completely redesigning** the experience with improved product flow and simplified pricing
- **Improving ease** of connecting to tax pro network



TAX
PRO  GO

Unmatched capability to serve consumers in more ways



Tax Plus products provide added value to clients, both within and beyond tax season

Tax Plus product revenues of \$470M in fiscal 2019

H&R BLOCK EMERALD ADVANCE®



- Pre-season line of credit up to \$1,000
- ~\$400M funded loans; \$58M revenue

REFUND ADVANCE



- Interest-free, no-fee loan, up to \$3,500
- 1.2M applications, \$1.2B funded loans

H&R BLOCK EMERALD PREPAID MASTERCARD®



- 3rd largest general purpose reloadable debit card in U.S.
- \$9B total deposits; \$98M revenue

REFUND TRANSFER



- Pay nothing out of pocket for tax prep
- High attach rates, with 4.7M total units; \$170M revenue

PEACE OF MIND®



- Extended service plan includes IRS audit representation
- Attach rate growth of 9 points in 6 years to 29%

TAX IDENTITY SHIELD®

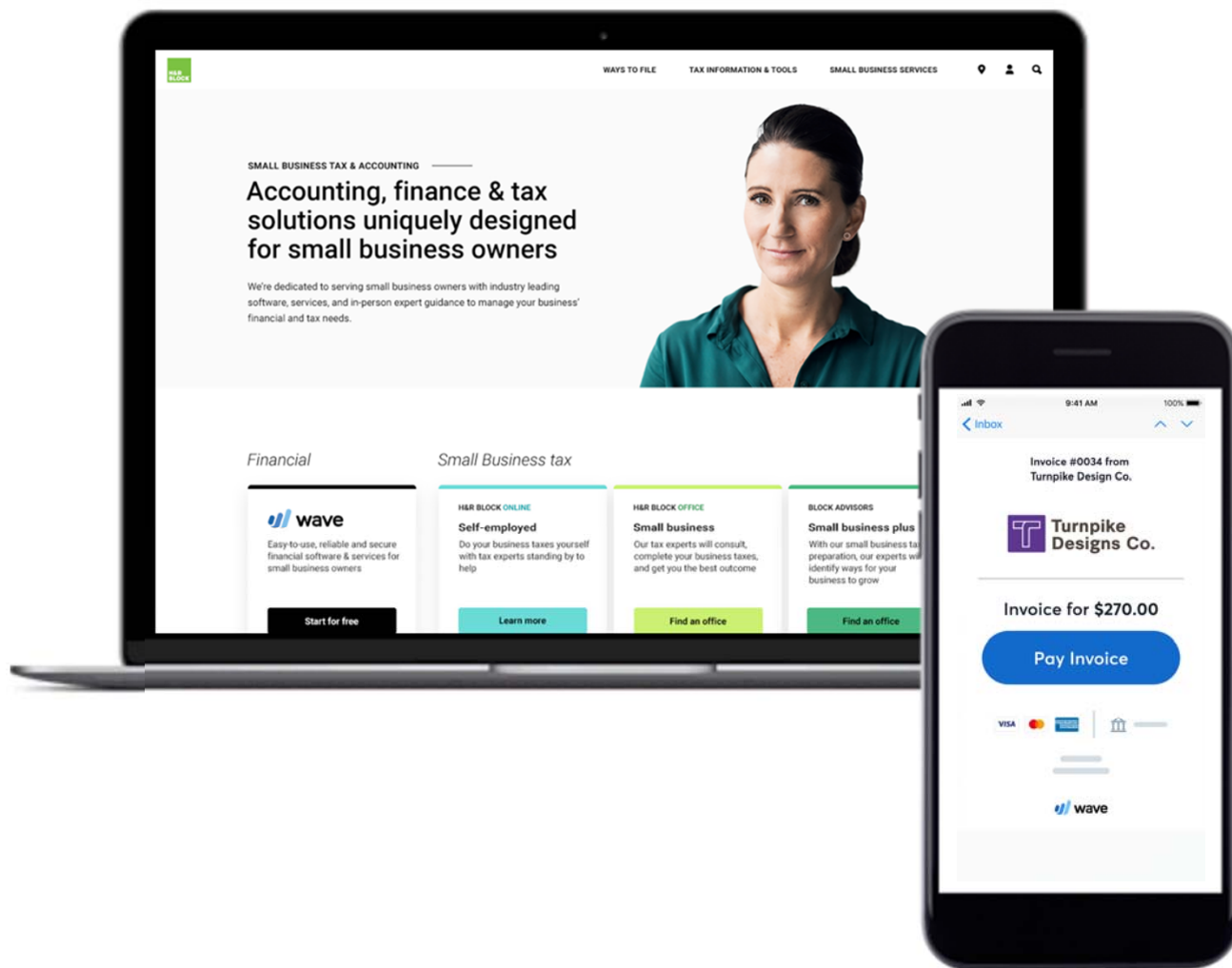


- Protection against tax identity theft
- Additional services include dark web scan
- 1.3M units sold



Enhancing
focus on
small
business

Enhancing focus on Small Business



- Currently serve **over 2 million** small business clients in tax
- Refining **targeted marketing efforts** to ensure small business owners know the expertise we provide in tax
- **Redesigning tax prep experience and improved tools** to meet the varied needs of small businesses
- Continuing to **simplify the financial lives** of small business owners through Wave

Wave: A rapidly growing financial solutions platform for the small business market



Large and Expanding Market



Strong Strategic Fit



Disruptive Innovator

Acquisition accelerates H&R Block's small business strategy, providing new growth opportunities

Wave will accelerate our strategy in the large and expanding small business market



Large and Expanding Small Business Market¹

- 31 million small businesses in North America
- Over 100,000 new small businesses created each month
- Freelancers: ~57 million today growing to ~87 million by 2027



Simple Platform Empowers Small Business Owners

- Many small business owners struggle with cash flow, bookkeeping, payroll and tax prep
- Financial mismanagement and outdated methods lead to failure
- Wave's platform helps small businesses manage complex financial needs



Opportunity for Synergies

- Unlock revenue synergies from existing small business clients
- Attract new clients to the tax business through existing small business network
- Minimal overlap between services and technology

¹ Source: U.S. Census, Industry Canada, and Small Business Administration.

Wave's robust platform serves the needs of small business owners



Low customer acquisition costs combined with recurring revenue stream yields favorable customer lifetime value



Delivering
results

Strong execution and significant improvements across the business in FY19

Improvements

- Brought transparency to pricing across all channels
- Leveraged AI and machine learning to make the DIY experience faster, easier and more personalized
- Introduced more new digital products than ever before to attract consumers to our brand
- Made tremendous progress on our technology roadmap

Results

- **Delivered financial results at the top end of financial outlook**
- **Record increases in client satisfaction scores**
- **Grew clients and market share**

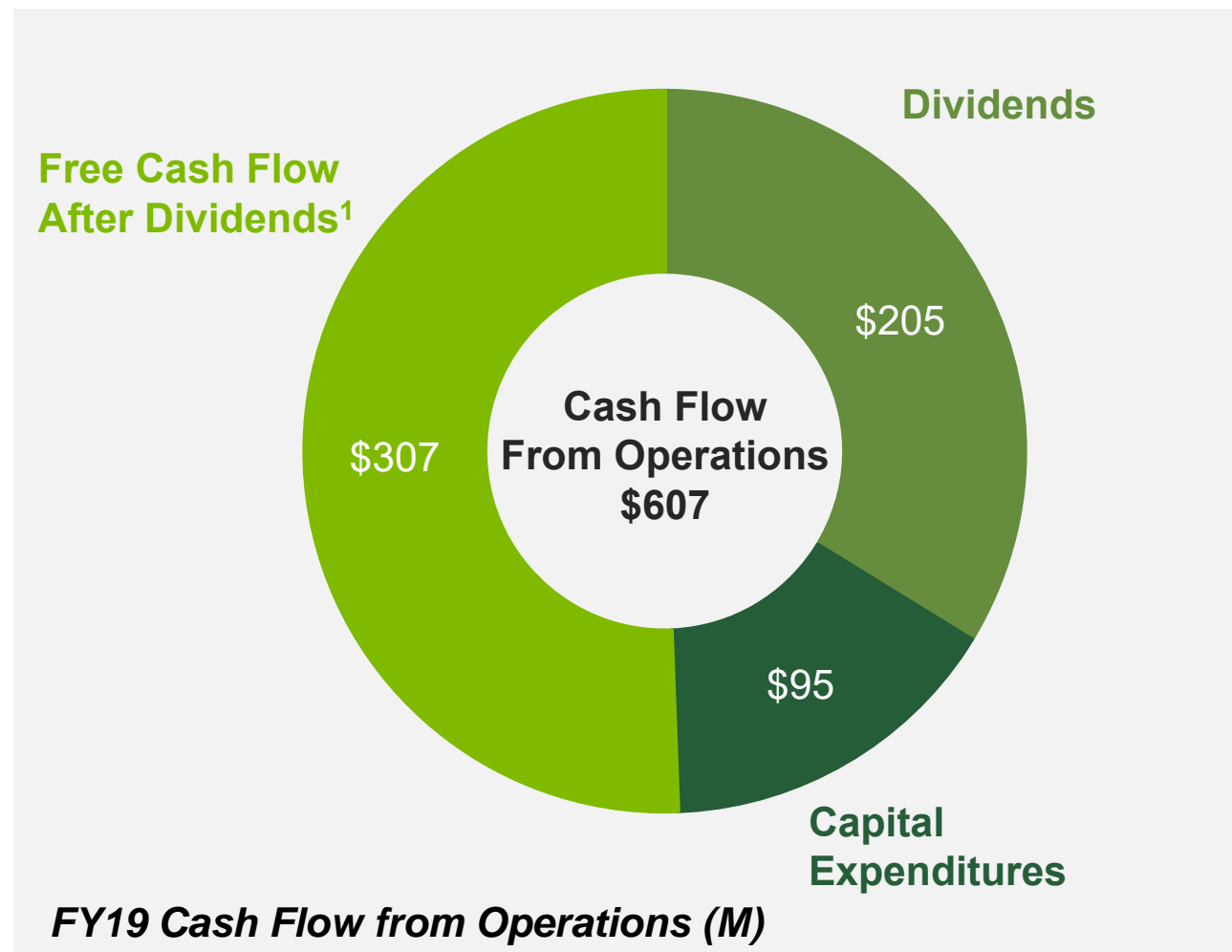
Solid financial performance for fiscal 2019 while making investments for the long term

Metric	What We Said	What We Did
Revenues	\$3,050M - \$3,100M	✓ \$3,095M
EBITDA Margin ¹	24% - 26%	✓ 25.8%
Effective Tax Rate	23% - 25%	✓ 18.3%
Depreciation & Amortization	\$165M - \$175M	✓ \$167M
Capital Expenditures	\$95M - \$105M	✓ \$95M
Interest Expense	\$80M - \$85M	\$87M

¹ EBITDA and EBITDA Margin are non-GAAP financial measures. Please see the Safe Harbor Statement at the beginning of this presentation for information on non-GAAP financial measures.

Significant recurring cash flow

- Cash-based, capital-light operating model with strong margins
- Consistent generation of significant cash flow, with average free cash flow before dividends of \$530 million over last five years
- Model allows for significant return of capital returns through dividends and opportunistic share repurchases



¹ Free Cash Flow 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.

FY20 Financial Outlook

REVENUE GROWTH

1.5% - 3.5%

- Modest growth in the tax business following a reset year
- Includes revenue contribution from Wave

EBITDA MARGIN¹

24% - 26%

- EBITDA dollar growth as cost reductions offset impact from Wave
- Revenue growth outpaces EBITDA growth, impacting margin
- Majority of revenue growth and cost reductions to be achieved in second half of fiscal year

EFFECTIVE TAX RATE

19% - 21%

- Discrete tax benefit recognized in Q2 results in lower rate than prior estimate of 23% - 25%

Note: All amounts represent continuing operations.

¹ EBITDA and EBITDA Margin are non-GAAP financial measures. Specific quantifications of the amounts that would be required to reconcile the company's EBITDA Margin outlook for FY20 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 Margin for the fiscal year to a comparable GAAP range. Please see the Safe Harbor Statement at the beginning of this presentation for information on non-GAAP financial measures.



Capital Allocation

Capital allocation focused on driving sustainable growth and creating shareholder value

Capital Allocation Priorities

1

Maintain adequate liquidity and strong balance sheet

- Short-term funding provided through \$2.0B line of credit maturing in September 2023
- Commitment to maintain Investment Grade credit rating metrics

2

Invest for sustainable growth

- Disciplined and innovation-focused investments around client experience and operational excellence
- Technological upgrades to drive greater efficiencies and reduce cost structure over time
- Investment in the small business category to provide future growth opportunity

3

Return excess capital to shareholders

- Regular annual review of dividend policy; increases in each of the past four years totaling 30%; current yield of 4.4%¹
- Committed to repurchase shares to offset dilution; repurchased 13% of float since fiscal 2017 at an average price of ~\$23

¹ As of December 4, 2019.



Culture and Governance

Providing help, inspiring confidence, and driving culture



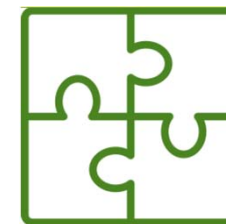
Building stronger communities

- Our company has a **history of doing good**, as founders Henry and Richard Bloch were committed to building stronger communities
- Provided nearly **\$2 million** in payments and grants to nonprofit partners
- Dedicated over **6,000 volunteer hours** during most recent national convention
- Leveraged vast retail network to volunteer at more than **300 local events**



Steps toward sustainability

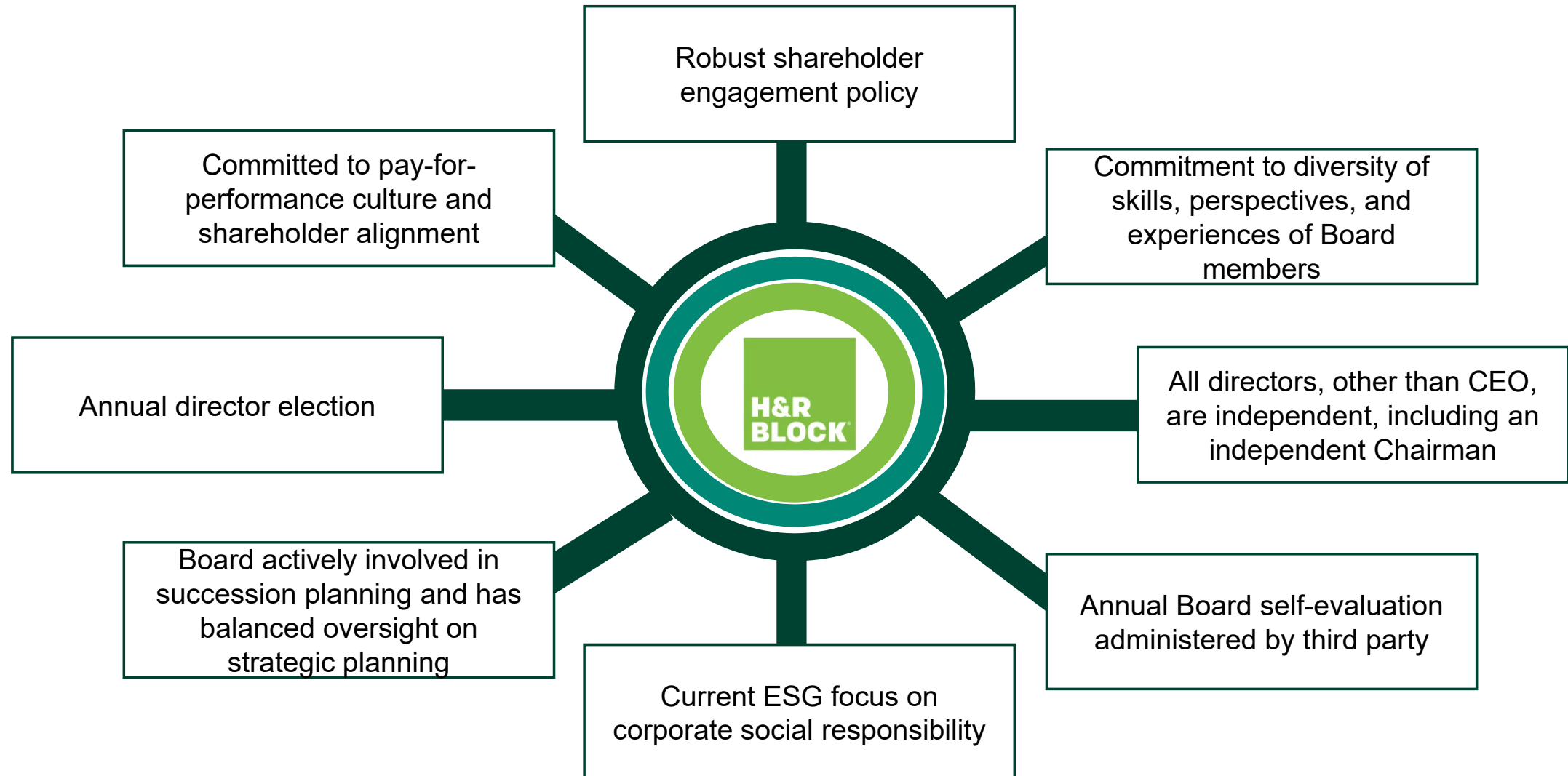
- Small operational changes can have **big impacts** on our communities and the environment
- Reduced our energy and paper consumption for annual tax pro training by **more than 80%** by moving to digital
- We envision a **sustainable future** that is made possible by integrating more environmental efforts into our everyday practices



Better together

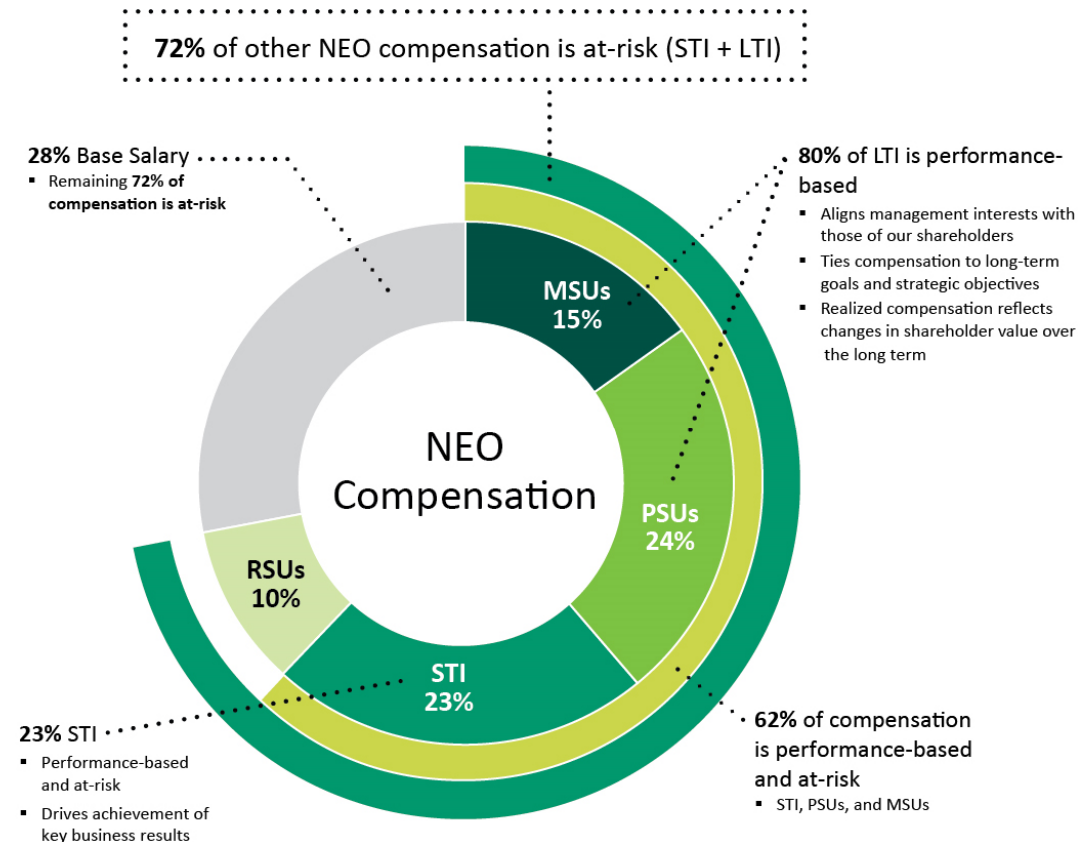
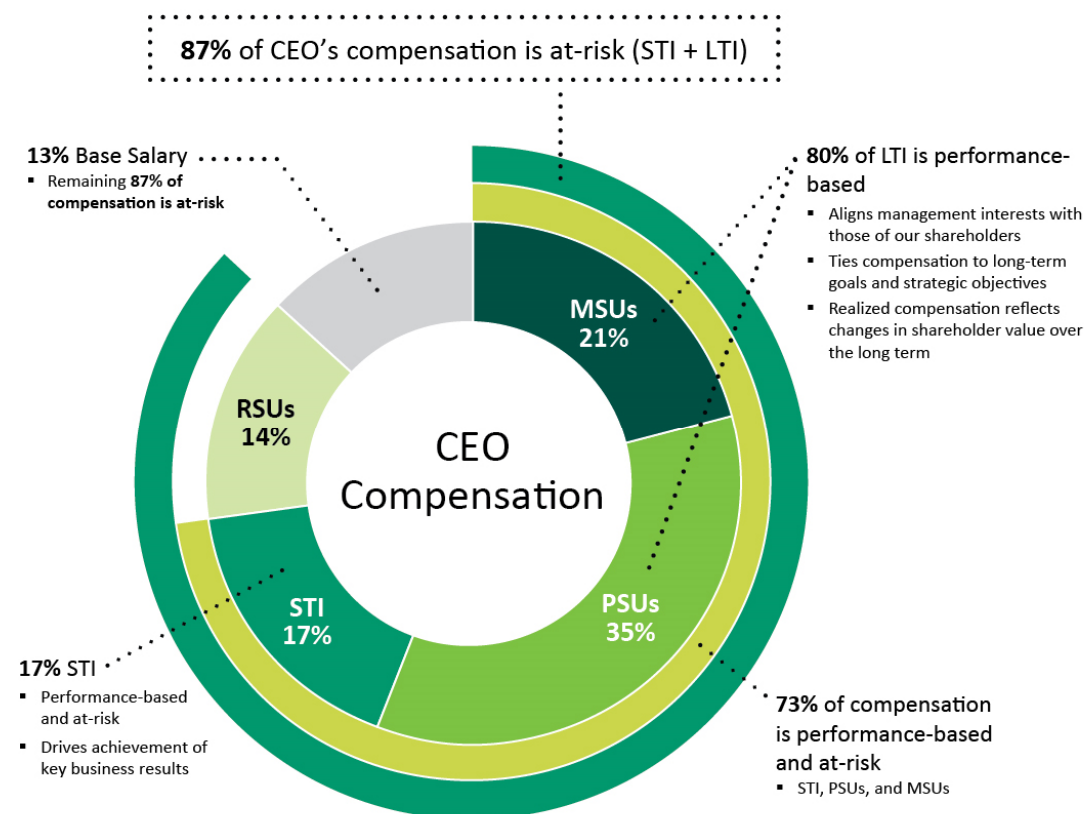
- Creating a workplace that **elevates our talent and culture** and acknowledges that our people are our greatest asset
- Fostering **a culture of belonging** where associates feel included and inspired to freely share ideas, innovate, serve, and live our purpose by connecting with each other and giving back to their communities
- Recognized publicly, including recent appearances on *Forbes's* list of **Best Employers for Diversity, Women, and New Graduates**

Proactive and sound governance practices



Executive pay aligns with shareholder value

- Our executive compensation decisions are influenced by a variety of factors, with the primary goals being to align management's and shareholders' interests and to link pay with performance
- A significant portion of our executives' compensation is "at-risk" and dependent upon the Company's short and long-term financial, operational, and strategic performance, as well as increases in the Company's stock price



The graphic consists of two overlapping squares. The background square is a dark teal color with a repeating pattern of light teal hexagons. The foreground square is a lighter, lime green color and is slightly offset to the right and down from the background square. The text "Investment thesis" is centered within the foreground square in a white, sans-serif font.

Investment thesis

Investment Thesis

1. Market-leading position in tax with unmatched competencies

- Complete ecosystem and scaled network in the expansive, established tax industry

2. Significant addressable market

- Proprietary multi-channel approach to take advantage of opportunities in \$21B tax industry

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The image features a dark green background with a repeating pattern of light green hexagons. In the center, there is a graphic consisting of two overlapping squares. The front square is a lighter shade of green and contains the word 'Appendix' in white. The back square is a slightly darker shade of green and is offset to the top-left, creating a 3D effect. Both squares have a thin yellow border.

Appendix

Tax operating data

TAX OPERATING DATA			
Year ended April 30,	2019	2018	% Change
U.S. Tax Returns Prepared: (in 000s) ^{(1) (2)}			
Company-Owned Operations	8,033	8,186	(1.9)%
Franchise Operations	3,583	3,633	(1.4)%
Total H&R Block Assisted	11,616	11,819	(1.7)%
Desktop	1,969	2,031	(3.1)%
Online	6,012	5,502	9.3 %
Total H&R Block DIY	7,981	7,533	5.9 %
IRS Free File	665	613	8.5 %
Total H&R Block U.S. Returns	20,262	19,965	1.5 %
International tax returns prepared: (in 000s)			
Canada	2,465	2,423	1.7 %
Australia	747	757	(1.3)%
Other	142	187	(24.1)%
Total international returns	3,354	3,367	(0.4)%
Tax returns prepared worldwide	23,616	23,332	1.2 %
Net Average Charge (U.S. only): ⁽³⁾			
Company-Owned Operations	\$ 231.6	\$ 241.41	(4.1)%
Franchise Operations ⁽⁴⁾	216.61	210.63	2.8 %
DIY	32.59	32.28	1.0 %
Tax Offices (at the peak of tax season):			
U.S. offices:			
Total company-owned offices	6,356	6,690	(5.0)%
Total franchise offices	3,148	3,291	(4.3)%
Total U.S. offices	9,504	9,981	(4.8)%
International offices:			
Canada	1,116	1,116	(4.3)%
Australia	466	453	2.9 %
Total international offices	1,582	1,619	(2.3)%
Tax offices worldwide	11,086	11,600	(4.4)%

(1) An assisted tax return is defined as a current or prior year individual tax return that has been accepted and paid for by the client, including Tax Pro GoSM and Tax Pro ReviewSM returns. Also included are business returns, which account for less than 1% of assisted tax returns. A DIY return is defined as a return that has been electronically filed and accepted by the IRS. Also included are online returns paid and printed.

(2) Amounts have been reclassified between company-owned and franchise operations for offices which were refranchised or repurchased by the company during the year.

(3) Net average charge is calculated as tax preparation fees divided by tax returns prepared. For DIY, net average charge excludes IRS Free File.

(4) 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.

Financial results

FINANCIAL RESULTS	(unaudited, in 000s - except per share amounts)		
	Year ended April 30,		
	2019	2018	% Change
REVENUES:			
U.S. assisted tax preparation	\$ 1,858,998	\$ 1,947,160	(4.5) %
U.S. royalties	243,541	245,444	(0.8) %
U.S. DIY tax preparation	260,082	243,159	7.0 %
International revenues	220,562	227,266	(2.9) %
Revenues from Refund Transfers	169,985	171,959	(1.1) %
Revenues from Emerald Card®	98,256	102,640	(4.3) %
Revenues from Peace of Mind® Extended Service Plan	108,114	101,572	6.4 %
Revenues from Tax Identity Shield®	35,661	28,823	23.7 %
Interest and fee income on Emerald Advance™	58,182	56,986	2.1 %
Other	41,500	34,922	18.8 %
Total revenues	3,094,881	3,159,931	(2.1) %
Compensation and benefits:			
Field wages	751,392	740,675	1.4 %
Other wages	217,061	191,981	13.1 %
Benefits and other compensation	180,276	173,221	4.1 %
	1,148,729	1,105,877	3.9 %
Occupancy	401,341	401,524	- %
Marketing and advertising	269,807	249,142	8.3 %
Depreciation and amortization	166,695	183,295	(9.1) %
Bad debt	70,695	74,489	(5.1) %
Other⁽¹⁾	421,822	393,554	7.2 %
Total operating expenses	2,479,089	2,407,881	3.0 %
Other income (expense), net	16,419	6,054	171.2 %
Interest expense on borrowings	(87,051)	(89,372)	2.6 %
Income from continuing operations before income taxes	545,160	668,732	(18.5) %
Income taxes	99,904	41,823	138.9 %
Net income from continuing operations	445,256	626,909	(29.0) %
Net loss from discontinued operations	(22,747)	(13,760)	(65.3) %
NET INCOME	\$ 422,509	\$ 613,149	(31.1) %

FINANCIAL RESULTS	(unaudited, in 000s - except per share amounts)		
	Year ended April 30,		
	2019	2018	% Change
BASIC EARNINGS (LOSS) PER SHARE:			
Continuing operations	\$ 2.16	\$ 2.99	(27.8) %
Discontinued operations	(0.11)	(0.06)	(83.3) %
Consolidated	\$ 2.05	\$ 2.93	(30.0) %
WEIGHTED AVERAGE BASIC SHARES	205,372	208,824	(1.7) %
DILUTED EARNINGS (LOSS) PER SHARE:			
Continuing operations	\$ 2.15	\$ 2.98	(27.9) %
Discontinued operations	(0.11)	(0.07)	(57.1) %
Consolidated	\$ 2.04	\$ 2.91	(29.9) %
WEIGHTED AVERAGE DILUTED SHARES	206,724	210,213	(1.7) %
EBITDA from continuing operations ⁽²⁾	\$ 798,906	\$ 941,399	(15.1) %
EBITDA margin of continuing operations ⁽²⁾	25.8 %	29.8 %	(13.4) %
OTHER EXPENSES			
Consulting and outsourced services	\$ 107,907	\$ 97,457	10.7 %
Bank partner fees	47,746	47,773	(0.1) %
Client claims and refunds	40,538	46,130	(12.1) %
Employee travel and related expenses	40,369	40,025	0.9 %
Software and IT maintenance expenses	64,483	40,566	59.0 %
Credit card/bank charges	30,681	32,736	(6.3) %
Insurance	14,219	8,448	68.3 %
Legal fees and settlements	10,469	12,874	(18.7) %
Supplies	32,790	31,026	5.7 %
Other	32,620	36,519	(10.7) %
TOTAL	\$ 421,822	\$ 393,554	7.2 %

(1) We reclassified \$31.0 million of supplies expense from its own financial statement line to other expenses for fiscal year 2018 to conform to the current year presentation.

(2) Please refer to the "Safe Harbor Statement" at the beginning of this presentation for information relating to non-GAAP financial measures.

Consolidated balance sheets

CONSOLIDATED BALANCE SHEETS		(unaudited, in 000s - except per share data)
As of April 30,	2019	2018
ASSETS		
Cash and cash equivalents	\$ 1,572,150	\$ 1,544,944
Cash and cash equivalents - restricted	135,577	118,734
Receivables, net	138,965	146,774
Prepaid expenses and other current assets	146,667	81,261
Total current assets	1,993,359	1,891,713
Property and equipment, net	212,092	231,888
Intangible assets, net	342,493	373,981
Goodwill	519,937	507,871
Deferred tax assets and income taxes receivable	141,979	34,095
Other noncurrent assets	90,085	101,401
Total assets	\$ 3,299,945	\$ 3,140,949
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES:		
Accounts payable and accrued expenses	\$ 249,525	\$ 251,975
Accrued salaries, wages and payroll taxes	196,527	141,499
Accrued income taxes and reserves for uncertain tax positions	271,973	263,050
Current portion of long-term debt	—	1,026
Deferred revenue and other current liabilities	204,976	186,101
Total current liabilities	923,001	843,651
Long-term debt	1,492,629	1,494,609
Deferred tax liabilities and reserves for uncertain tax positions	197,906	229,430
Deferred revenue and other noncurrent liabilities	144,882	179,548
Total liabilities	2,758,418	2,747,238
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY:		
Common stock, no par, stated value \$.01 per share	2,383	2,462
Additional paid-in capital	767,636	760,250
Accumulated other comprehensive loss	(20,416)	(14,303)
Retained earnings	499,386	362,980
Less treasury shares, at cost	(707,462)	(717,678)
Total stockholders' equity	541,527	393,711
Total liabilities and stockholders' equity	\$ 3,299,945	\$ 3,140,949

Non-GAAP financial measures

NON-GAAP FINANCIAL MEASURE - EBITDA	Year ended April 30,	
	2019	2018
Net income - as reported	\$ 422,509	\$ 613,149
Discontinued operations, net	<u>22,747</u>	<u>13,760</u>
Net income from continuing operations - as reported	<u>445,256</u>	<u>626,909</u>
Add back:		
Income taxes of continuing operations	99,904	41,823
Interest expense of continuing operations	87,051	89,372
Depreciation and amortization of continuing operations	<u>166,695</u>	<u>183,295</u>
	<u>353,650</u>	<u>314,490</u>
EBITDA from continuing operations	\$ <u>798,906</u>	\$ <u>941,399</u>
EBITDA margin from continuing operations	25.8 %	29.8 %

NON-GAAP FINANCIAL MEASURE - FREE CASH FLOW	Year ended April 30,	
	2019	2018
Net cash provided by operating activities	\$ 606,538	\$ 850,003
Less:		
Capital expenditures	<u>95,490</u>	<u>98,583</u>
Free cash flow	\$ <u>511,048</u>	\$ <u>751,420</u>

NON-GAAP FINANCIAL MEASURE - ADJUSTED EPS	Year ended April 30,	
	2019	
Net income from continuing operations	\$ 445,256	
Adjustments (pretax):		
Amortization of intangibles related to acquisitions	<u>62,751</u>	
Adjusted pretax income from continuing operations	508,007	
Tax effect of adjustments ⁽¹⁾	<u>(14,891)</u>	
Adjusted net income from continuing operations	\$ 493,116	
Diluted earnings per share (GAAP)	\$ 2.15	
Depreciation and amortization of continuing operations	<u>0.24</u>	
	\$ <u>2.39</u>	

Note: Please refer to the "Safe Harbor Statement" at the beginning of this presentation for information relating to non-GAAP financial measures.

¹Tax effect of adjustments is computed as the pretax effect of the adjustments multiplied by our effective tax rate before discrete items.



CREATING SHAREHOLDER VALUE

DECEMBER 2019