H&R BLOCK

SECOND QUARTER FISCAL 2018

EARNINGS CALL

DECEMBER 6, 2017

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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," "seeks," "estimates," "projects," "forecasts," "targets," "would," "will," "should," "goal," "could" or "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, earnings per share, cost savings, capital expenditures, dividends, share repurchases, liquidity, capital structure 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 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 fiscal year ended April 30, 2017 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. 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") and EBITDA Margin from continuing operations, calculated as EBITDA from continuing operations divided by revenues from continuing operations ("EBITDA Margin"). 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 6, 2017 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.

JEFF JONES

PRESIDENT & CEO

Agenda

1 Jeff's approach, priorities, and initial observations

2 Tax Season 2018 preview

3 Tax legislation update

4 Q2 FY2018 financial results

5 FY2018 financial outlook

TAX SEASON 2018

PREVIEW

Three Focus Areas

Operational Excellence	New Products and Partnerships	Compelling Marketing and Promotions

Operational Excellence

- Client-centric focus on excellence
- Guiding principle in everything we do
- Best equipped to help taxpayers in all the ways they want to be served

New Products and Partnerships

- Artificial intelligence evolution through internal analytics and Watson
- DIY import enhancements and mobile improvements
- DIY Self-employed SKU, partnership with Stride
- Walmart and Amazon partnerships
- Virtual tax products – Tax Pro Review℠ and H&R Block Tax Pro Go℠

Compelling Marketing and Promotions

- Refund Advance new $3,000 loan level
- Free Federal 1040EZ program in Assisted
- H&R Block More Zero℠ in DIY
- Integrated marketing campaign

VIRTUAL TAX

tax pro review

- Improved version of innovative product previously called Best of Both
- DIY clients benefit from peace of mind knowing that a highly-trained tax expert has reviewed and signed their return

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H&R BLOCK TAX PRO GO

- Unique and completely new way for clients to interact with us
- Addresses the needs of clients who want assistance but don't necessarily want, or have the time, to visit one of our offices
- Brings all of our expertise and the service our clients deserve directly to them

TAX LEGISLATION

UPDATE

TONY BOWEN

CHIEF FINANCIAL OFFICER

Q2 FY2018 Summary – Continuing Operations[1]

(in millions, except EPS)

	Q2 FY2018		Q2 FY2017	
Revenue	$	141	$	131
Pretax Loss	$	(236)	$	(228)
Net Loss	$	(148)	$	(143)
Weighted-Avg. Shares - Diluted		209.1		215.5
EPS[2]	$	(0.71)	$	(0.67)
EBITDA[3]	$	(170)	$	(160)

[1] All amounts are unaudited.
[2] All per share amounts are based on fully diluted shares at the end of the corresponding period.
[3] The company reports non-GAAP financial measures of performance, including earnings before interest, tax, depreciation, and amortization (EBITDA), which it considers to be useful metrics for management and investors to evaluate and compare the ongoing operating performance of the company. See "About Non-GAAP Financial Information" in our December 6, 2017 earnings release, posted to our investor relations website at http://investors.hrblock.com, for more information regarding financial measures not prepared in accordance with GAAP and for reconciliations of these non-GAAP financial measures to the most directly comparable financial measures prepared in accordance with GAAP.

FY2018

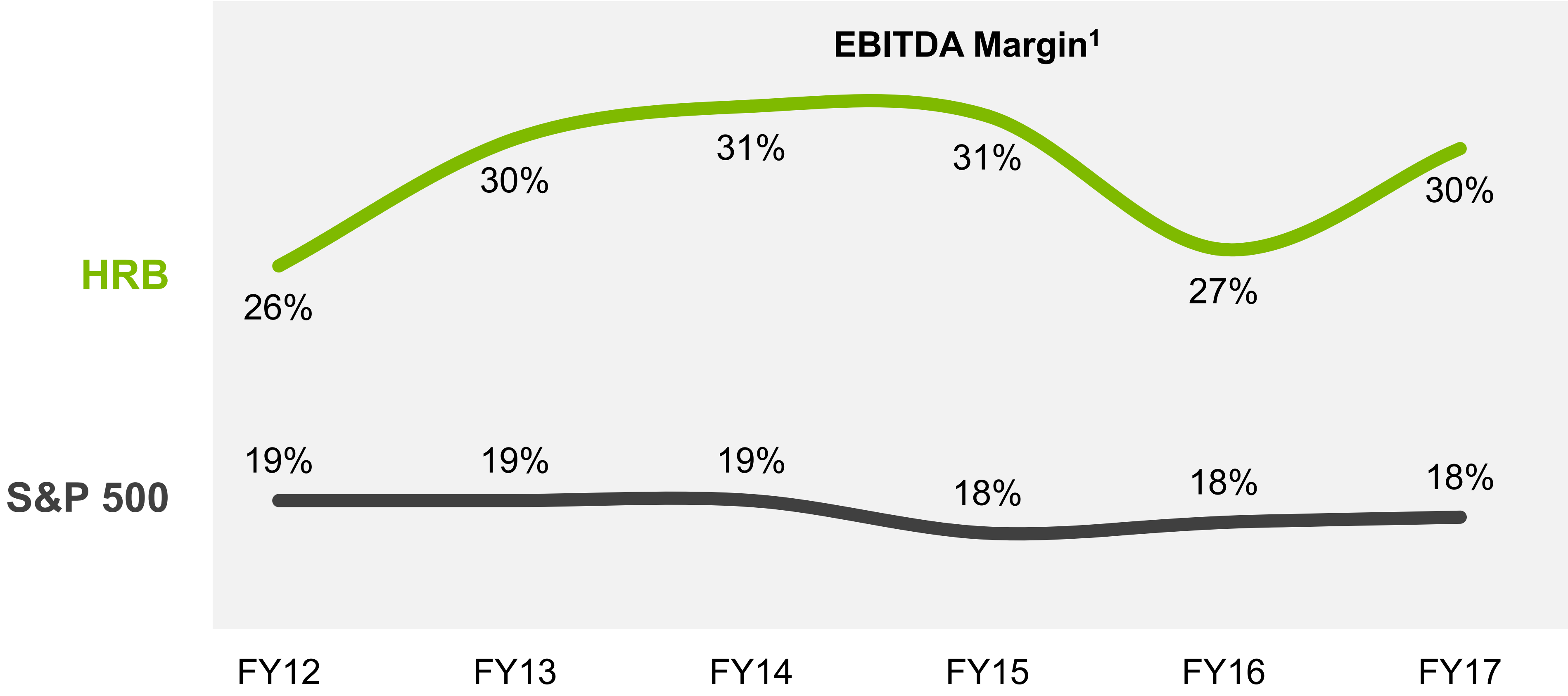
FINANCIAL OUTLOOK

Return volume and pricing expected to drive modest revenue growth in FY2018

	ASSISTED	DIY
RETURN VOLUME	***Continued improvement in client trajectory*** • Driven by strong products and promotions • Client experience enhancements	***Client growth*** • Driven by strength of product improvements, compelling offers, and enhanced partnerships
NET AVERAGE CHARGE	***Inflationary increases*** • Continue moderate pricing increases from FY2017	***Consistent with FY2017*** • FY2017 represented reset year due to launch of H&R Block More Zero℠

Note: references are in comparison to FY2017.

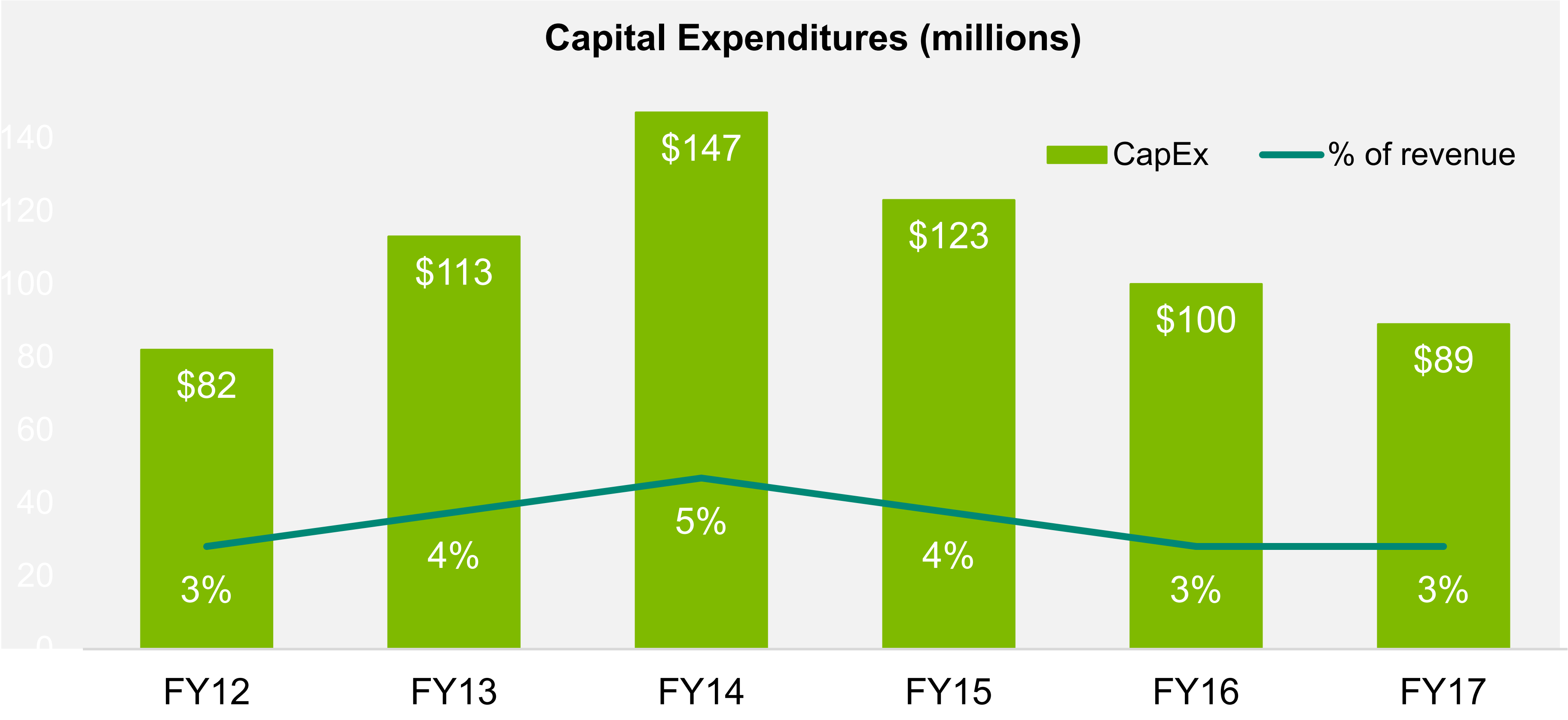
Maintaining strong EBITDA margins



FY18 expected to be at high end of 27% – 30% range

[1] EBITDA Margin from continuing operations is a non-GAAP financial measure. Please refer to our FY17 Form 10-K for a discussion of non-GAAP financial measures for historical periods and reconciliations of FY17, FY16, and FY15 EBITDA to the most directly comparable financial measure prepared in accordance with GAAP; reconciliations for all other historical periods are computed similarly. Specific quantifications of the amounts that would be required to reconcile the company's EBITDA Margin outlook for FY18 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.

Capital expenditures normalized after FY2014 peak; acquisitions continue to moderate



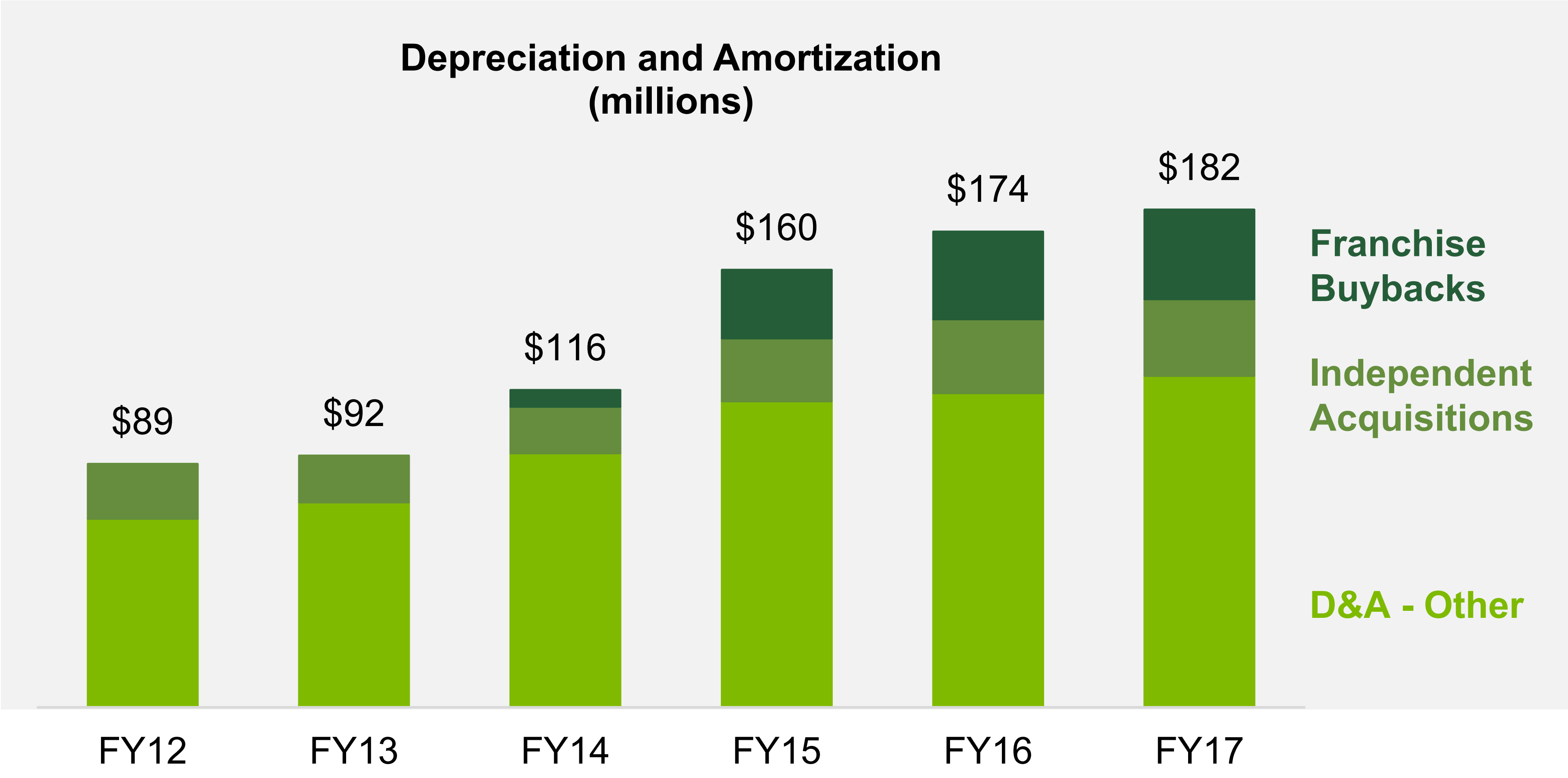
Capital Investment in Acquired Businesses					
$15M	$21M	$68M	$113M	$89M	$55M

FY18 expected CapEx of $95M – $100M; ~3% of revenue

FY18 expected capital investment in acquired businesses of ~$40M

Note: capital expenditures peaked in FY14 due to needed office improvements.

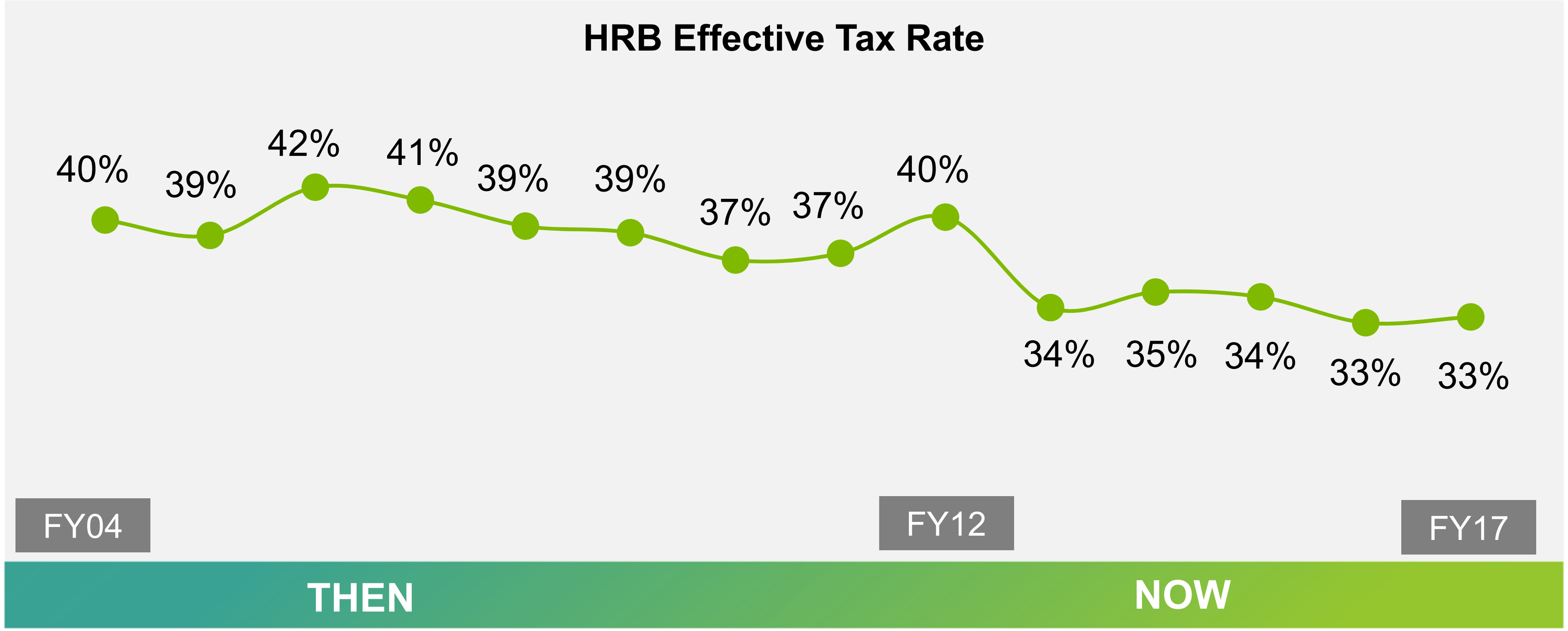
Depreciation and amortization expected to moderate after FY2018



FY18 expected D&A of $180M – $185M

Note: approximately 1/3 of D&A is related to acquisitions.

Corporate tax strategy has resulted in lower effective tax rate



- High-end of corporate tax rate
- Driven by distribution model

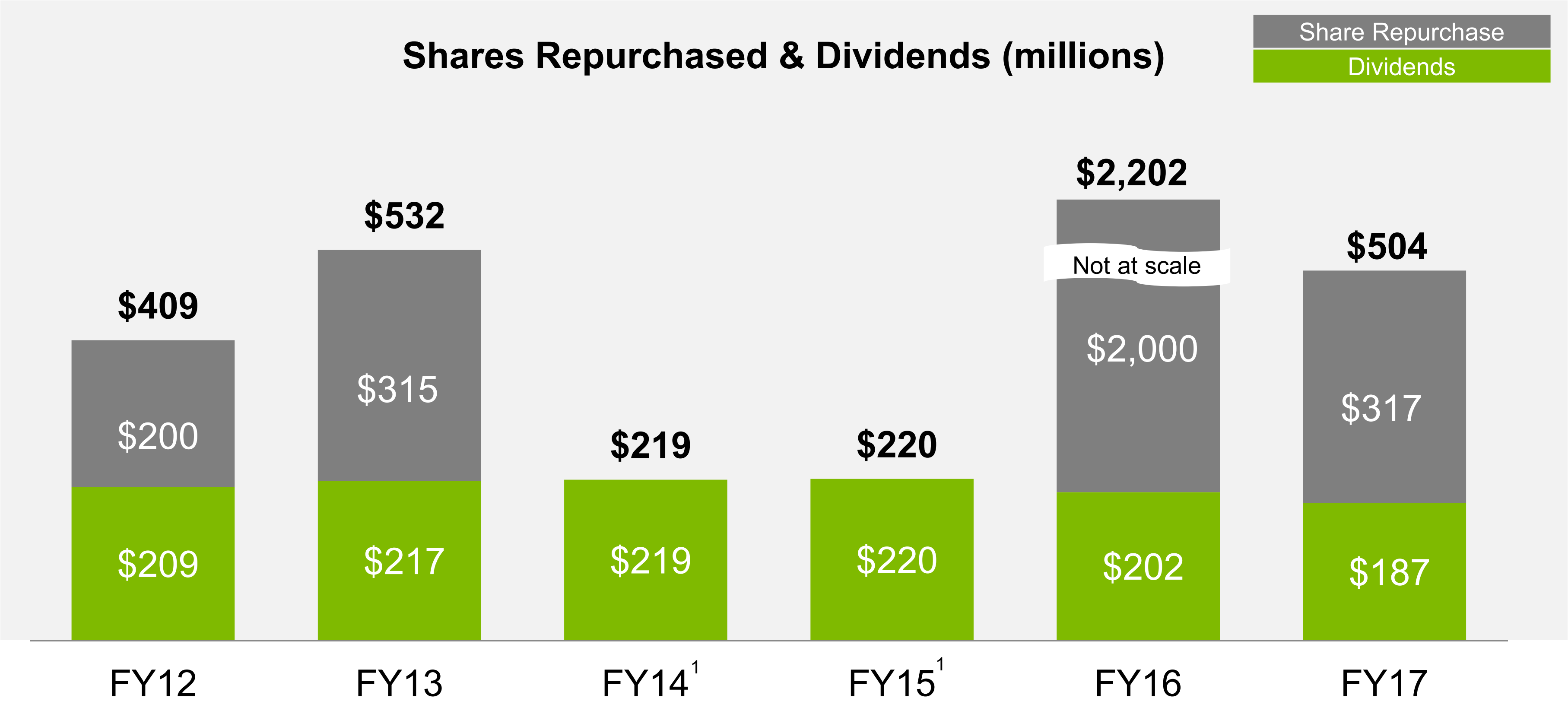
- Active planning and focus
- Executed a number of strategies both one-time and long-term
- Established efficient structures for non-U.S. cash

FY18 expected effective tax rate of 33% – 35%

Capital structure aligned with business

Capital Structure Priorities	
Ensure adequate liquidity	• Significant seasonal cash needs; cash flow positive primarily in fiscal Q4 • Short-term funding provided through 5-year $2.0B committed line of credit (CLOC) maturing in September 2022; Q3 Debt/EBITDA covenant of 4.5x
Maintain strong balance sheet	• Commitment to maintain Investment Grade credit rating metrics • Present ratings: S&P BBB/stable; Moody's Baa3/stable
Invest in business	• Investing in areas of the business to deliver value for our clients and drive sustainable growth • Disciplined approach to investments
Distribute excess cash to shareholders	• Increased dividend in each of last two fiscal years; total payments of ~$400M • $2.3B of repurchases during the last two fiscal years, representing ~26% of outstanding shares

Substantial return of capital to shareholders



Average Fully Diluted Share Count					
298.6	274.4	276.0	277.1	250.8	214.1

FY18 expected average fully diluted share count of 209M – 211M

[1] No share repurchases were made In FY14 or FY15 due to savings and loan holding company regulatory constraints.

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HRB financial outlook

FY2018	
Revenues	Modest revenue growth
EBITDA Margin	High end of the long-term range of 27% - 30%
Capital Expenditures	\$95M - \$100M; ~3% of revenue
A&D/Franchise Buybacks	Expect to acquire ~100 franchise locations and add ~45 independent locations to our network; capital investment of ~\$40M
Depreciation & Amortization	\$180M - \$185M; expected to moderate after FY2018 Approx. 1/3 related to acquisitions, 2/3 related to capital expenditures
Effective Tax Rate	33% - 35%
Interest Expense	\$85M - \$90M
Avg. Fully Diluted Shares Outstanding	209M - 211M

Q & A

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