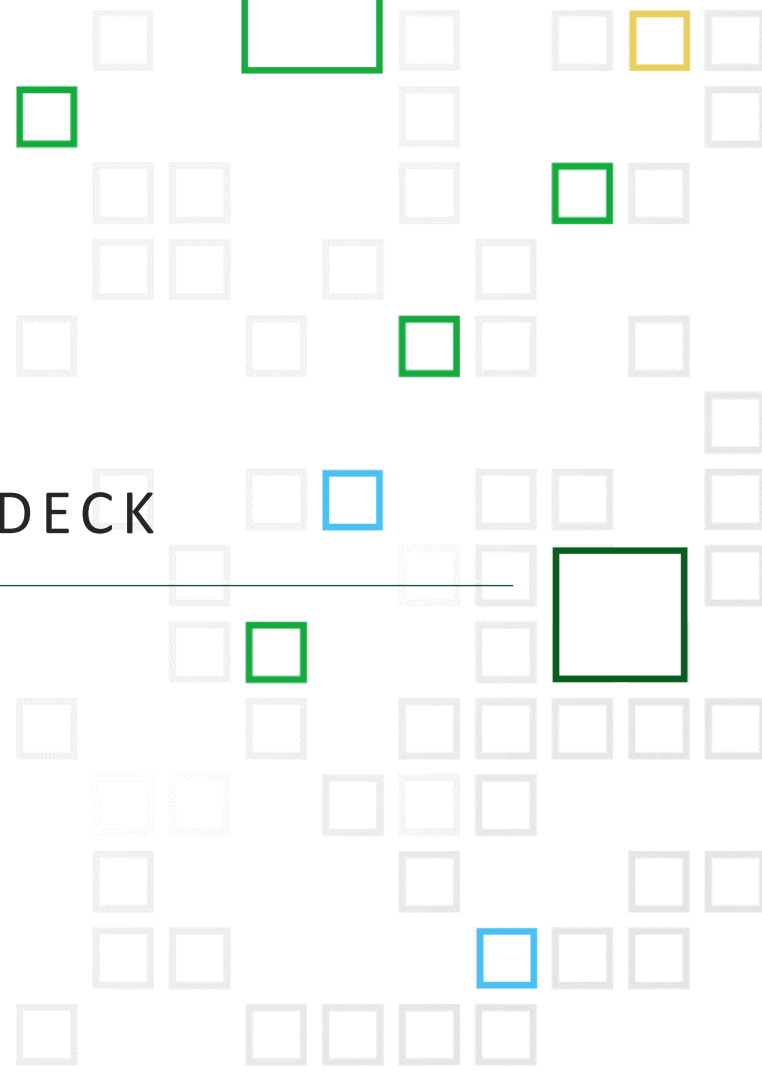




# INVESTOR DECK

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DECEMBER 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.

# Table of contents



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2. Block Horizons
  - Small Business
  - Financial Products
  - Block Experience
3. Financial Results and Outlook
4. Environmental, Social, and Governance



# H&R Block Overview



# Who we are:

H&R Block provides help and inspires confidence in its clients and communities everywhere through global tax preparation, financial services, and small business solutions.

- **A leading Assisted and DIY tax software provider with >21 million U.S. returns during fiscal 2021**
- Global operations in the U.S., Canada, and Australia
- Operate under H&R Block, Block Advisors, and Wave brands

## Block Horizons 2025

In December of 2020, announced next phase of growth driven by **three strategic imperatives**:

- **Small Business** - Tailored customer experience and services to drive growth through Block Advisors and Wave
- **Financial Products** - Launch mobile banking solution
- **Block Experience** - Converged platform blending human expertise and digital capabilities

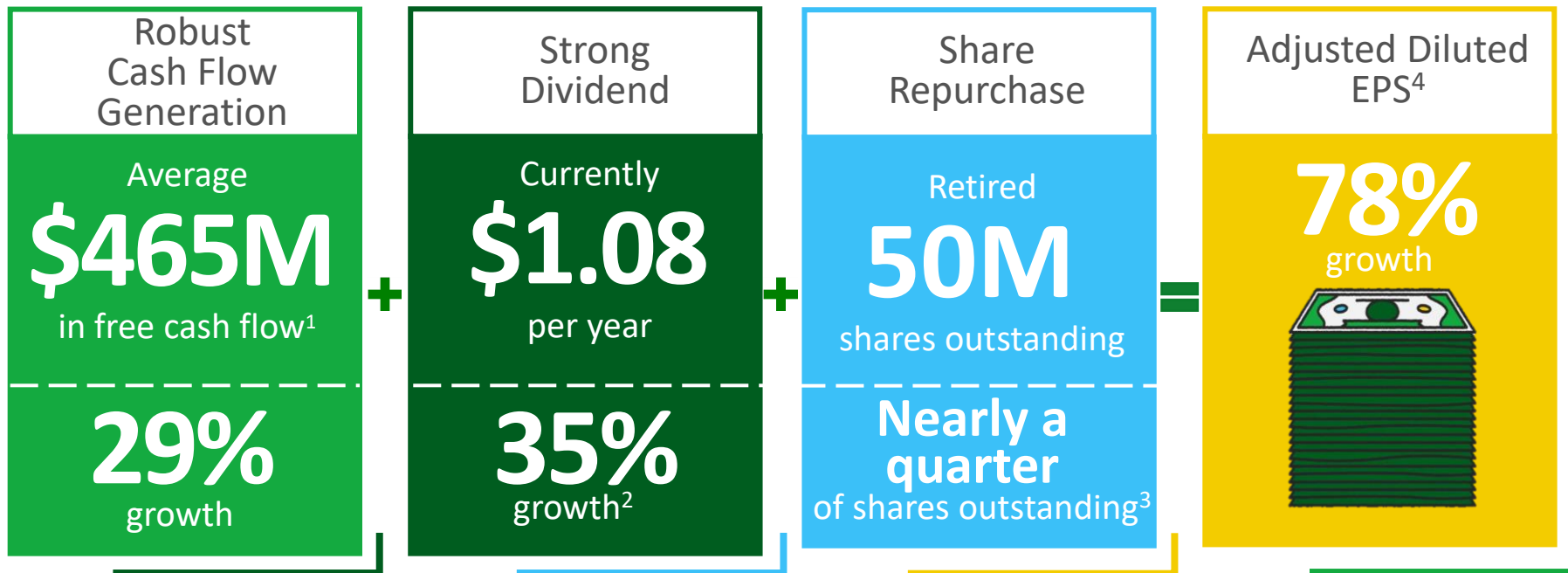
## Robust Financial Position

- Since 2016, H&R Block has averaged **annual revenue of more than \$3 billion and averaged annual free cash flow<sup>1</sup> of ~\$465M**
- Strong cash position with access to 5-year, \$1.5 billion Line of Credit

<sup>1</sup> 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.

# Returned \$2 billion to shareholders since 2016

alongside significant EPS growth



<sup>1</sup> 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.

<sup>2</sup> Dividend growth is calculated as percentage growth from our April 2016 dividend to our July 2021 dividend.

<sup>3</sup> Represents shares repurchased from April 30, 2016 to September 30, 2021; shares outstanding calculated as of April 30, 2016.

<sup>4</sup> 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.

# Creating value

## SIGNIFICANT, FOUDATIONAL ACTIONS:

- Major investments in technology
- Pricing reset
- Operational improvements

## 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<sup>1</sup> 78%
  - Returned nearly \$2B to shareholders
- De-risked the business
- Created upside with Block Horizons

<sup>1</sup>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.





Long-Term  
Revenue  
Growth Target:  
3-6%

# 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

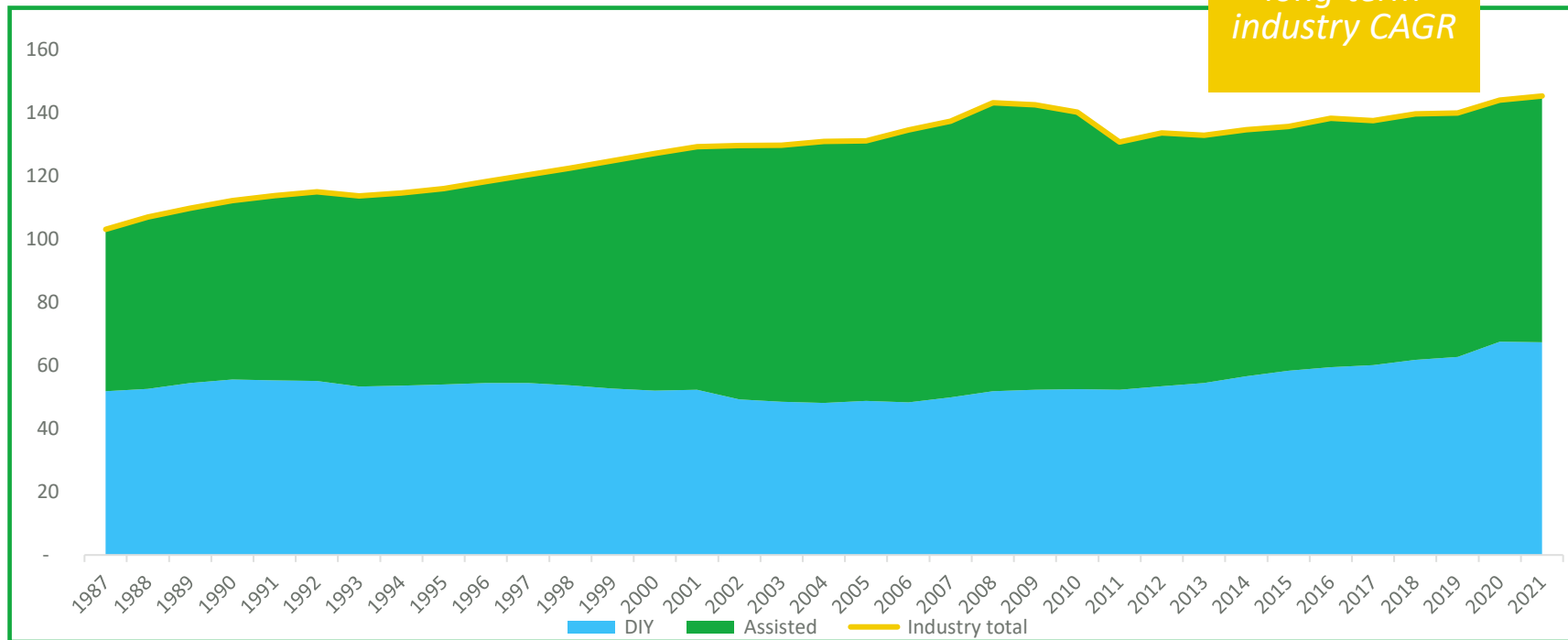
- **Small Business**
- **Financial Products**  
– Mobile banking solution launching early next tax season

# Stable, predictable industry growth

consumer tax industry: ~1% annually



1% Historical  
long-term  
industry CAGR



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

# Pricing

opportunity for modest annual increases



## Assisted

~1 - 3%



## DIY

Opportunistic vs.  
competition

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

# 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

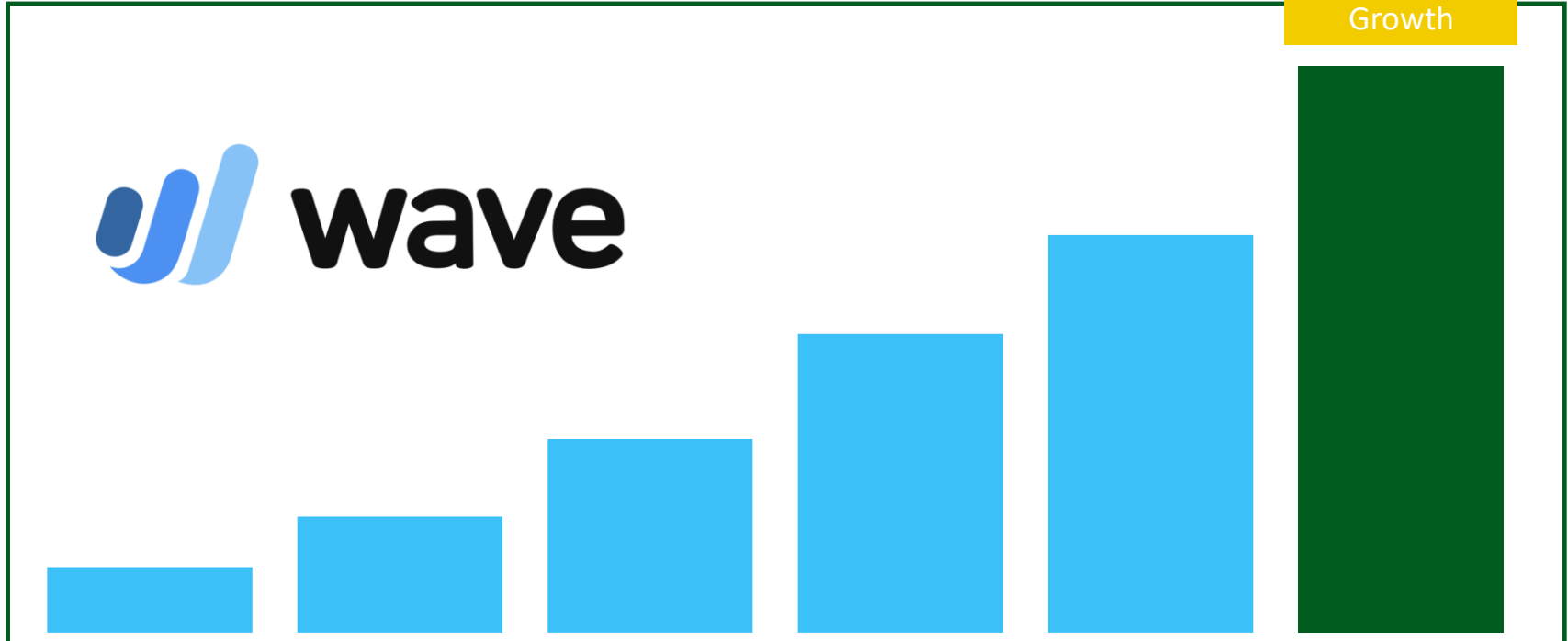
contributes ~1 point of growth annually



Q1 FY22:

**>30%**

YoY Revenue  
Growth



Data ranging from FY16–FY21. Wave acquired in 2019.

# Mobile Banking Product

upside opportunity



## PRODUCT ENHANCEMENTS - Throughout 2022

Continued innovation and new product features

## PRODUCT TO MARKET- Early 2022

Limited launch with focus on existing DIY clients

## BETA PHASE - Fall 2021

Launched internally



A collection of white squares of various sizes arranged in a pattern on the left side of the slide.Three decorative lines: a white L-shaped line in the top left, a blue horizontal line in the top right, and a yellow L-shaped line in the bottom right.

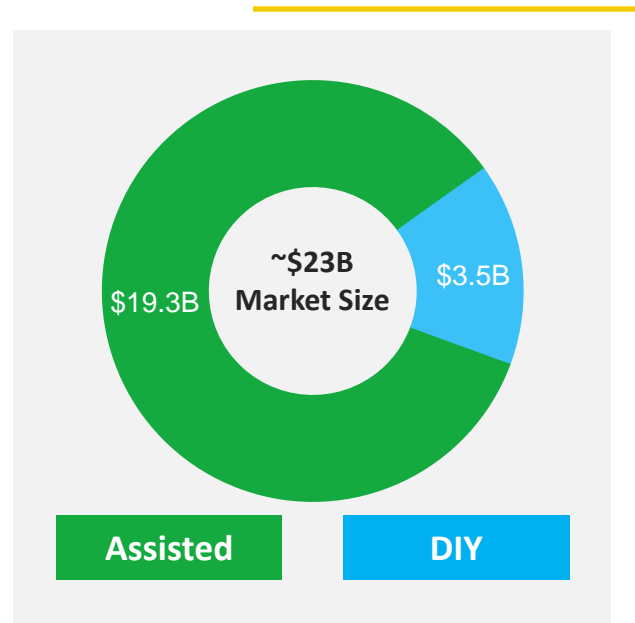
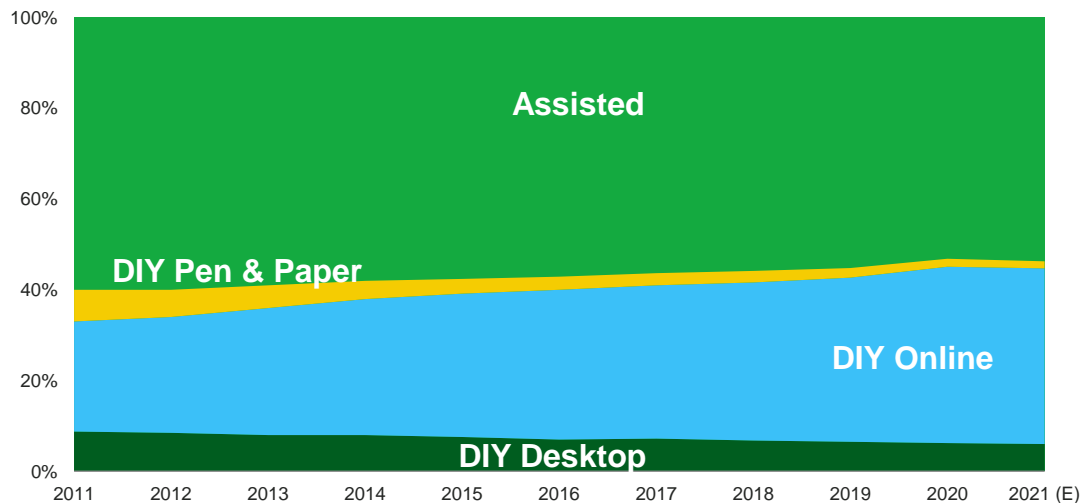
# Strategic Imperatives



# Block Experience

# Assisted tax prep remains the preferred choice

for more than half of U.S. taxpayers



Significant runway still ahead with \$23B total addressable market

# Block Experience:

Innovating tax preparation to serve customers however and wherever they choose



**Driving digital interactions  
with Assisted customers**

**Uploading documents in MyBlock**

**Interacting through video chat**

**Virtually approving returns**



**Enhancing DIY experience  
with human expertise and care**

**Improved document import, including mobile**

**Personalized experience  
to drive faster time to complete**

**Online Assist and Tax Pro Review grew +50%  
in FY2021 tax season**

# H&R Block is leading the tax industry to a converged model

## Historical

1

**DIY**

2

**ASSISTED**

## Future: one converged model

blending digital capabilities with human expertise and care



A customer who starts digitally may get online assist or Tax Pro review, combining human and digital capabilities to deliver a unique experience



An on-location customer who prefers human support may choose to complete the process digitally, or start digitally and come in to sign & file

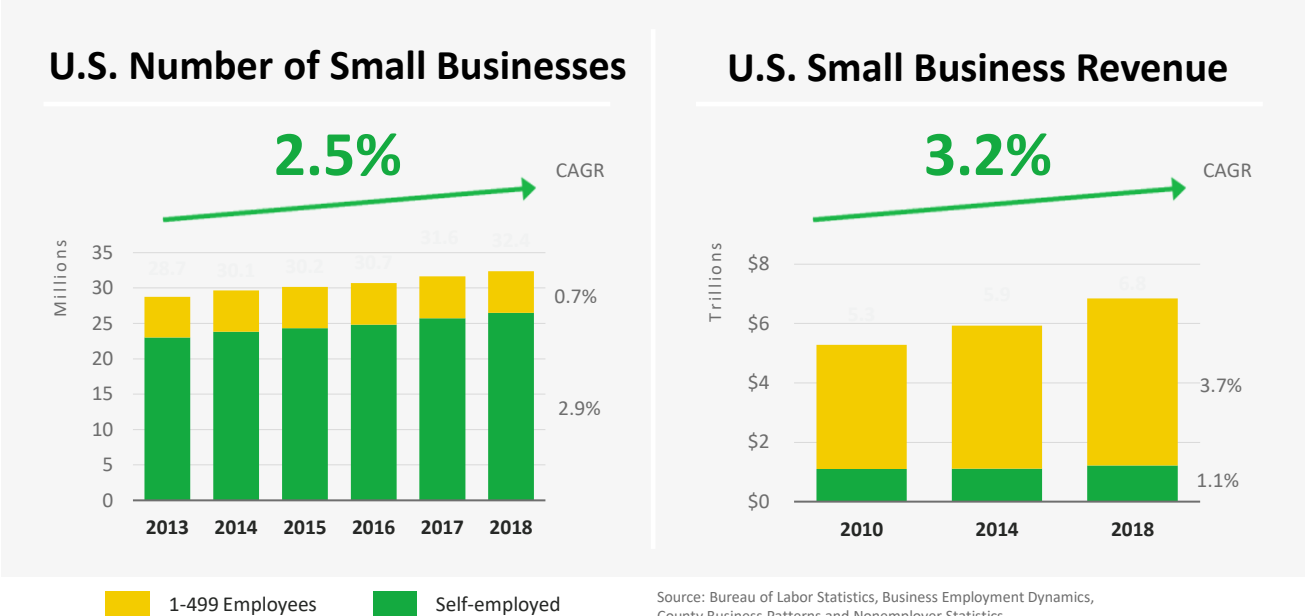
*Unlocking the value of human expertise across the customer base*



# Small Business

# Small Business is a significant opportunity

for H&R Block and Wave



Expand low penetration of substantial addressable market by leveraging existing ~2M Small Business customers and adding new customers

# Our heritage positions us for upside in small business tax

*H&R Block's penetration of the small business  
tax prep market is half of its consumer share*

Consumer tax  
returns



Small business  
tax returns

An incremental  
**1%**  
business tax  
market share  
equates to

**~\$60M**  
in additional  
revenue



# Making progress in Small Business:

together, Wave & Block Advisors offer seamless support

## Driving growth in tax through Block Advisors

- Builds on H&R Block's trusted brand
- Advisors help boost cash flow and profitability
- Wave customers engage with Block Advisors for tax needs

## Building payroll and bookkeeping capabilities

- Integrated marketing campaign focused on small business owners' needs
- Creates value for business owners year round

## Embedding Wave Money at the center of the experience

- Wave processes over \$2.5B in annualized payments through its credit card and bank payment systems
- Wave revenue growing at more than 30% YoY



## Product suite:

### Cash In

#### Invoicing

*FREE*

Create and send an unlimited number of professional invoices, estimates, reminders, and receipts to customers in seconds.

#### Payments

*PAY-PER-USE*

Get paid in 2 business days, or as fast as instantly, while enhancing brand image. Accept all major credit cards and bank payments for as little as 1% per transaction.

### Management

#### Wave Money

*FREE*

FDIC insured bank account, business debit card, mobile app, check deposit, ATM withdrawals and email transfers for vendor and bill payments. Wave makes interchange fees on each card transaction.

#### Accounting

*FREE*

Full double entry and intuitive accounting software, including professional reports to mine key insights about your business.

### Cash Out

#### Payroll

*MONTHLY*

Managing payroll with Wave is simple. It runs quickly with 100% accuracy, taking the stress out of payroll taxes.

The background is a solid green color. On the left side, there is a cluster of white squares of various sizes, some of which are arranged in a grid-like pattern. On the right side, there are three white lines: a vertical line and a horizontal line forming an L-shape in the upper right, and a single horizontal line below it. A yellow L-shaped line is positioned in the lower right corner.

# Financial Products

# Nearly a quarter of U.S. households are underbanked

Leverage our existing foundation:

**8M**

H&R Block customers who are underbanked

**~67%**

Block customers likely to open a bank account if offered

**\$9B**

Dollars deposited annually to Emerald Card

# Mobile Banking Product

upside opportunity

## PRODUCT ENHANCEMENTS - Throughout 2022

Continued innovation and new product features

## PRODUCT TO MARKET- Early 2022

Limited launch with focus on existing DIY clients

## BETA PHASE - Fall 2021

Launched internally

A decorative pattern of squares of various sizes, some solid and some outlined, arranged in a grid-like fashion on the left side of the slide.A series of decorative lines: a white L-shaped line at the top left, a blue horizontal line at the top right, and a yellow L-shaped line at the bottom right.

# Financial Results And Outlook

# The theme of the 2021 tax season<sup>1</sup> was 'growth'

largest market share gains in a decade

Converged model resonating  
with customers:

Grew total market share

Grew Assisted market share

Normalized DIY revenue<sup>2</sup> growth  
of ~20% driven by higher NAC

## Assisted



Digital engagement  
increased +50%

## DIY



Customers accessing  
human help increased  
+50%

<sup>1</sup> Tax Season 2021 is measured as total H&R Block U.S. return volume from 1/1/2021-5/18/2021 as reported. See our Form 8-K filed on 5/24/21. Percentage change and estimated share gain/loss are based on efile data for both years, estimated industry data, and the normalization of tax season 2020 for typical mid-May through mid-July volume.

<sup>2</sup> Normalized DIY revenue is a non-GAAP financial measure. U.S. DIY tax preparation revenues as reported in our Form 10-K were \$313 million and \$209 million for the fiscal years ended April 30, 2021 and 2020, resulting in a year-over-year growth rate of approximately 50%. The results have been adjusted by \$7 million and \$62 million, respectively, for the estimated normalization of the respective tax seasons for typical mid-May through mid-July volume. Tax Season 2021 is measured as total H&R Block U.S. return volume from 1/1/2021-5/18/2021 as reported.

# Renewed five-year line of credit

with attractive terms

Capacity aligned to  
business needs

**\$1.5B**



Reduce expected  
annual costs by

**\$3M**



Covenants aligned  
with new calendar

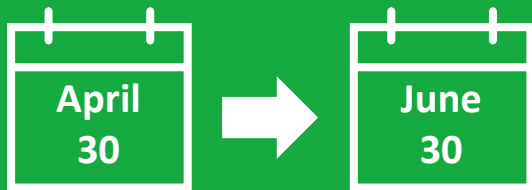
**FY22**





# Change in fiscal year end

to improve the comparability of results



Better alignment of complete tax seasons  
in comparable fiscal periods and other related benefits

Filed 10-QT for transition period and 8-K with restated  
financials in August 2021

# FY22 Outlook

<b>Revenue</b>	<b>\$3.25B - \$3.35B</b>
<b>EBITDA</b>	<b>\$765M - \$815M</b>
<b>Effective Tax Rate</b>	<b>16% - 18%</b>
<b>Depreciation &amp; Amortization</b>	<b>\$150M - \$160M</b>
<b>Interest Expense</b>	<b>\$90M - \$100M</b>

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.

# Returned \$2 billion to shareholders since 2016:



*Capital allocation priorities remain unchanged*

<sup>1</sup> Dividend growth is calculated as percentage growth from our April 2016 dividend to our July 2021 dividend.

<sup>2</sup> Represents shares repurchased from April 30, 2016 to present; shares outstanding calculated as of April 30, 2016.

<sup>3</sup> 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.

# Long-term value creation principles:

- 
- 1 3-6% annual revenue growth target
  - 2 EBITDA and EPS growing faster than revenue
  - 3 Redeploying cost savings to highest ROI opportunities
  - 4 Maintaining a strong balance sheet and liquidity position
  - 5 Continuing to return capital via dividends and buybacks

*Committed to maintaining investment grade credit ratings*



# Environmental, Social, & Governance

# Environmental, Social, & Governance

committed to progress via 3-year roadmap



## Environmental

Committed to reducing consumption and waste



## Social

Remain committed to our associates' total well-being across our operations



## Governance

Proactive, sound, and ethical corporate governance practices

# 2021 ESG progress:

## Environmental

- Converted HQ to energy efficient LED lighting
- Completed Scope 3 emission modeling for the first time; combined with our Scope 1 and Scope 2 emissions, we have a more complete picture to identify opportunities to further reduce our climate impact
- We are prepared to reintroduce recycling efforts, which were delayed due to the pandemic, once we return to office

## Social

- We pledged 1M volunteer hours, investments to create connections among neighbors, and support to more than 500k small business owners via our Make Every Block Better platform
- Continued to build upon our commitments to diversity, inclusion, and belonging through the Belonging@Block initiative, and our Racial Equity Action Plan, where we have pledged to do our part to end systemic racism

## Governance

- Committed to proactive, sound, and ethical corporate governance practices
- Robust shareholder engagement
- Pay-for-performance aligned with shareholder interests
- A largely independent and diverse Board with annual elections
- Expanding ESG disclosures

# Diversity, Inclusion, & Belonging@Block

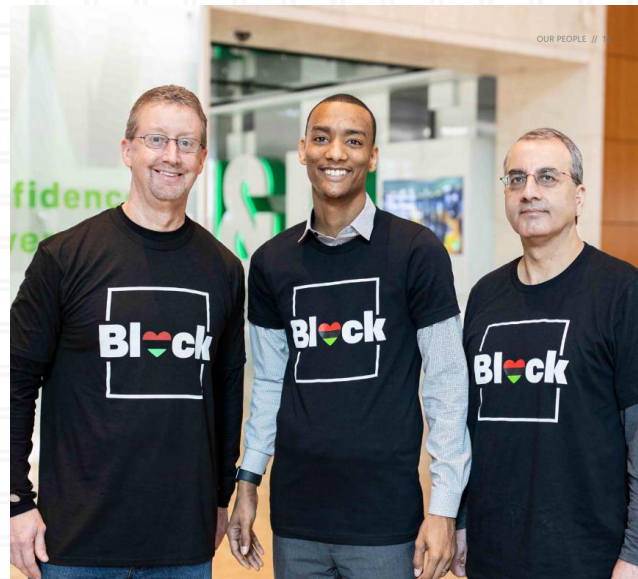
**2021 and beyond:** Continue our three-year roadmap work as we pledge to achieve pay equity and gender equality, and expand our Belonging groups to create space and allow all voices to be heard

## 2020: Equity Action Plan

- Expanded hiring practices to be more inclusive and diverse
- Increased diversity and inclusion education opportunities and enhanced racial equality training for associates
- Created explicit internal code of conduct to address racial equality
- Committed to helping underserved, urban neighborhoods and Black business owners

**2020: Catalyst CEO Champions for Change** pledged to increase the representation of women among senior leadership and Board of Directors

**2019: Belonging Council** was created to foster an environment of belonging with a dedicated focus on diversity and inclusion







# Appendix

# 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		(in 000s)
	Year Ended June 30, 2021	
Net income - as reported		\$ 683,949
Discontinued operations, net – as reported		(6,509)
Net income from continuing operations – as reported		690,548
Add back:		
Income taxes		106,675
Interest expense		99,491
Depreciation and amortization		154,818
		360,984
EBITDA from continuing operations		\$ 1,051,442

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

(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:

Non-GAAP Measure - Free Cash Flow (in 000s)								
	Year Ended April 30,							
	2021	2020	2019	2018	2017	5 Year Total	5 Year Average	Year Ended April 30, 2016 Increase since FY 16
Cash flow from operations	\$ 625,928	\$ 108,961	\$ 606,538	\$ 850,003	\$ 552,197	\$ 2,743,627		\$ 544,553
Capital expenditures	(52,792)	(81,865)	(95,490)	(98,583)	(89,255)	(417,985)		(99,923)
Free cash flow	\$ 573,136	\$ 27,096	\$ 511,048	\$ 751,420	\$ 462,942	\$ 2,325,642	\$ 465,128	\$ 444,630 29%
Share repurchases	\$ 191,294	\$ 256,214	\$ 189,912	\$ 9,147	\$ 322,850	\$ 969,417		
Dividends	195,068	204,870	205,461	200,469	187,115	992,983		
Total return to shareholders	\$ 386,362	\$ 461,084	\$ 395,373	\$ 209,616	\$ 509,965	\$ 1,962,400		
Percentage of free cash flow						84.4%		

# 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	(in 000s, except for per share amounts)		
	Year Ended June 30, 2021 <sup>(1)</sup>	Year Ended April 30, 2016	Change %
Net income - as reported	\$ 683,949	\$ 374,267	
Net loss from discontinued operations – as reported	(6,509)	(9,286)	
Net income from continuing operations – as reported	690,458	383,553	
Adjustments to net income from continuing operations - normalization:			
Impacts of Emerald Card® stimulus and pandemic related sick pay and supplies (pretax)	(32,546)	-	
Tax Season 20 impacts recognized in July 2020 (pretax)	(204,060)	-	
Tax effect of adjustments <sup>(2)</sup>	55,023	-	
	(181,583)	-	
Net income from continuing operations - normalized	508,876	383,553	
Adjustments to normalized net income from continuing operations:			
Amortization of intangibles related to acquisitions (pretax)	66,246	57,690	
Tax effect of adjustments <sup>(2)</sup>	(16,237)	(22,530)	
Adjusted normalized net income from continuing operations	\$ 558,885	\$ 418,713	
Diluted loss per share from continuing operations - as reported	\$ 3.67	\$ 1.53	
Adjustments to normalize net income, net of tax	(0.97)	-	
Adjustments to remove amortization of intangibles, net of tax	0.27	0.14	
Adjusted normalized diluted loss per share from continuing operations	\$ 2.97	\$ 1.67	77.8%

(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.