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) emergency, 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. 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"), adjusted diluted earnings per share from continuing operations, and free cash flow. 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 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 profile

- Founded the tax industry in 1955
- Well-established tax operations in the U.S., Canada, and Australia
- Over 20 million returns filed by or through H&R Block in fiscal 2020 which represents a partial tax season; over 23 million returns in fiscal 2019
- Average revenues of $3 billion and average free cash flow of $440 million over the last five fiscal years
- Tremendous scale with ~70,000 highly trained tax professionals in ~11,000 offices globally
- ~8,000 Enrolled Agents and CPAs in the U.S.

Offerings & Products

- **Tax**: Leader in the tax industry with broad spectrum of offerings ranging from in-office Assisted 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
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
   - 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 season 2020
An unprecedented tax season

- Tax season 2020 has been unlike any other season due to the COVID-19 pandemic
- Significant changes to tax filing behaviors due to stay-at-home orders in various state and local jurisdictions
- Industry-wide tax filings are delayed due to the extension of the filing deadline to July 15th

Financial Impacts to H&R Block

- Tax season 2020 will be split between FY20 and FY21, impacting comparability
- The shift in business will result in some revenues and expenses moving from Q4 FY20 to Q1 FY21
- While difficult to predict given the ever-changing landscape, we expect additional expenses in Q1 FY21 related to tax pro compensation and benefits, bad debt, and marketing expense
- We’ve drawn $2.0B on our line of credit to enhance our liquidity and ensure maximum flexibility, which will result in additional interest expense
- We are actively evaluating cost savings opportunities across our business to offset expense increases and invest in strategic initiatives
- Will provide an updated on the tax season as part of our Q1 earnings call in September; will provide financial outlook part of our fiscal Q2 earnings call in December
H&R Block’s operational response

Quickly turned to our crisis playbook to effectively and efficiently respond when the pandemic started to impact our business

Significantly modified our operating model to comply with ever-changing city and state guidelines, including transitioning to primarily drop-off services in our retail locations

Further accelerated the digital enablement of our business, resulting in dramatic increases in returns leveraging our digital capabilities

Implemented a tax professional work-from-home model, allowing thousands of our tax pros to prepare returns outside of the office

Invested in a leading benefit program for our seasonal associates who were impacted by the pandemic

We’ve kept more of our offices open with increased operating hours and tax pro staffing during Q1 FY21
H&R Block’s community response

- Joined American Express Stand For Small to help support small businesses
- Provided Wave payments customers with free Instant Payouts, giving entrepreneurs quick access to their cash
- Offered free tax preparation via Tax Pro Go for frontline workers in May and June
Efforts to digitally enable every aspect of our business is driving key improvements

**Growth in digitally-enabled returns**

Significant increases in returns leveraging our digital capabilities, including Tax Pro Go\textsuperscript{SM}, Tax Pro Review\textsuperscript{SM}, and our Approve Online feature

**Strong client feedback**

Strong client feedback with service quality scores improving 2 points in Assisted and 5 points in DIY, building on significant improvements in FY19

**Third-party accolades**

A number of third-party accolades for our DIY product, including #1 in TheStreet.com’s rankings of the best online software and NerdWallet’s best software for simple returns

**Wave revenue growth**

Wave revenue growth of over 40% prior to the pandemic
Our path forward
Accelerating our transformation and driving change

• Our work to digitally enable our business is essential to our success in the long term as we launch innovative new products, modernize how we deliver expertise and care, and ensure the best-trained tax professionals in the industry can help clients in better and easier ways

• Our efforts were accelerated in FY20 as a result of the pandemic and allowed us to meet the needs of our clients using methods we didn’t have in the past

• Ongoing work to re-prioritize our strategic imperatives while simultaneously examining our expense structure to identify savings to fund the future
Our strategic framework continues to guide us

**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
Tax industry rooted in size and growth
Taxpayers choose level of help based on their confidence with taxes

Assisted

LOW

“I want someone to do it for me”

- Assisted category remains resilient as a large portion of the population isn’t confident in preparing their own taxes
- Assisted filers are concerned about getting the maximum refund, are afraid of being audited, or don’t feel like they have the time or the knowledge to deal with filing taxes

HIGH

Do-It-Yourself (DIY)

“I can do it”

- DIY filers prefer convenience, cost, and are confident they can do it
- DIY consists of two sub-categories: Digital and Pen & Paper
Assisted tax preparation methods remain the choice of over half of U.S. taxpayers

- Tax season 2020, which is yet to be completed, currently reflects a greater mix shift to DIY due to changing consumer behaviors as a result of COVID-19
  - Mix shift average 40-50 bps for the last three years
  - Despite conditions that could have contributed to a significant mix shift in tax season 2020, the shift through early June was just under 300 bps and will likely moderate toward the conclusion of the tax season

- Taxpayer survey indicates that many of those who switched channels this tax season will revert back to the way they filed taxes prior to the pandemic

**How Americans file their taxes**

Source: IRS data; DIY online category comprised of online, Free File and mobile.
Addressable market is significant in both Assisted and DIY

- Data reflects tax season 2019 which is the most recent completed season
- 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

Source: IRS data and H&R Block estimates.
U.S. tax industry is stable and 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, though current unemployment levels may result in a change in this trend in the near term.
- Within DIY, growth in tax software (2002-2019 CAGR of 9%) has primarily resulted from the decline in pen and paper filings.

**U.S. tax filings (in millions)**

Source: H&R Block estimates of market participant and IRS data. Represents tax season data.
Unemployment in 2020 may impact tax season 2021 filings

- Current unemployment levels may impact industry filing growth in the near future
- The most recent recession impacted the following two tax filings seasons
  - For the two year period following the start of the recession (TS09-TS10), there was a ~6% decline in employment which resulted in ~2% decline in returns
- There are many reasons why filings may not be impacted at the same rate as unemployment for tax season 2021
  1. Married-filing-jointly filers may only have one person with lost income
  2. Partial income for 2020 given the pandemic didn’t start impacting most businesses until March
  3. Filers may be required to file due to unemployment wages
  4. A number of filers with no employment income file a return to claim certain credits

Source: H&R Block estimates of market participant and IRS data. Represents tax season data.
Foundational strengths
Market-leading positions across traditional tax prep methods

<table>
<thead>
<tr>
<th>Assisted</th>
<th>DIY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>14.5%</strong></td>
<td><strong>14.9%</strong></td>
</tr>
<tr>
<td>TS19 H&amp;R Block Assisted Market Share</td>
<td>TS19 H&amp;R Block DIY Market Share</td>
</tr>
<tr>
<td>#1 Industry Rank</td>
<td>#2 Industry Rank</td>
</tr>
</tbody>
</table>

Source: H&R Block estimates of market participant and IRS data.
Note: Data reflects tax season 2019 data and will be updated after the conclusion of tax season 2020.
Continuing to improve quality, consistency, and value of our Assisted experience

- Led the industry with **upfront, transparent pricing**
- **Digitized** how our tax pros work through WorkCenter, enabling best-in-class service

- Enhanced standard operating procedures (SOPs) to ensure **quality** and **consistency** of client experience
- **Increased certification levels throughout our expert tax pro network, a key differentiator** for H&R Block
Focused on growing our DIY business

- **Leveraged AI and machine learning** to remove questions and steps in the workflow
- Streamlined 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
- Improved and actively promoted **Online Assist** (formerly Ask a Tax Pro), which provides unlimited, immediate access to a tax pro for help along the way
- Maintained **challenger strategy** by pricing competitively, growing awareness, and ensuring price transparency
- Efforts to drive **higher** conversion, upgrades, and product attach rates

**DIY returns**

(in millions)

<table>
<thead>
<tr>
<th></th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>DIY</td>
<td>6.8</td>
<td>7.0</td>
<td>7.5</td>
<td>8.0</td>
<td>7.2</td>
</tr>
</tbody>
</table>

Notes: Excludes Free File. Fiscal year 2020 reflects partial tax season results.
Innovating to provide expertise and care in new ways

- We continue to digitally enable our business to deliver expertise and care in new ways as consumer needs evolve

- Our efforts were accelerated as a result of the COVID-19 pandemic and resulted in a significant increase in the percentage of returns leveraging our digital capabilities

- **Approve Online**: Mobile service that allows filers to review their completed return, approve it, and pay fees

- **Tax Pro Go℠**: 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

- **Tax Pro Review℠**: Expert review of online tax return to check for errors and unclaimed credits and deductions

- **myBlock**: Digital hub of our clients’ experience where they can upload and store their tax documents, access prior year returns, set appointments, manage their Emerald Card, and use our tax estimator for help with planning
Tax Plus products provide added value to clients, both within and beyond tax season

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

<table>
<thead>
<tr>
<th>H&amp;R BLOCK EMERALD ADVANCE®</th>
<th>REFUND ADVANCE</th>
<th>H&amp;R BLOCK EMERALD PREPAID MASTERCARD®</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Pre-season line of credit up to $1,000</td>
<td>• Interest-free, no-fee loan, up to $3,500</td>
<td>• 3rd largest general purpose reloadable debit card in U.S.</td>
</tr>
<tr>
<td>• ~$400M funded loans; $58M revenue</td>
<td>• 1.2M applications, $1.2B funded loans</td>
<td>• $9B total deposits; $98M revenue</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>REFUND TRANSFER</th>
<th>PEACE OF MIND®</th>
<th>TAX IDENTITY SHIELD®</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Pay nothing out of pocket for tax prep</td>
<td>• Extended service plan includes IRS audit representation</td>
<td>• Protection against tax identity theft</td>
</tr>
<tr>
<td>• High attach rates, with 4.7M total units; $170M revenue</td>
<td>• Attach rate growth of 9 points in 6 years to 29%</td>
<td>• Additional services include dark web scan</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 1.3M units sold</td>
</tr>
</tbody>
</table>

Notes: Amounts listed for the various products pertain to FY19 given that FY20 financials do not include results for a full tax season. Mastercard is a registered trademark of Mastercard International Incorporated.
Enhancing focus on small business
Enhancing focus on Small Business

• Currently serve over 2 million small business clients in tax

• Refined targeted marketing efforts to ensure small business owners know the expertise we provide in tax

• Redesigned tax prep experience and improved tools to meet the varied needs of small businesses

• Continue 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’s robust platform serves the needs of small business owners.

- **Cash In**
  - Invoicing (FREE)
  - Payments (PAY-PER-USE)

- **Managing**
  - Accounting Software (FREE)
  - Bookkeeping Services (MONTHLY)

- **Cash Out**
  - Receipt Tracking (FREE)
  - Payroll (MONTHLY)

Low customer acquisition costs combined with recurring revenue stream yields favorable customer lifetime value.
Wave continues to innovate

Recent product and feature innovations further simplify the financial lives of entrepreneurs

Wave Money

- First-to-market, software powered small business bank account
- No monthly fees or minimums
- Seamless integration in Wave’s accounting platform
- Instant access to funds

API / Integrations

- Opened API to extend functionality and reach of tools
- Released new integrations
- Partnered with Shopify to launch the first direct accounting integration in the Shopify app store

Instant Payouts

- Alleviates cash flow problems for small business owners with immediate access to funds earned
- Allows entrepreneurs to run their businesses better
Financial results and capital allocation
Significant recurring cash flow

- Cash-based, capital-light operating model; capital expenditures represent 3% of revenues on average

- Consistent generation of significant cash flow, with average free cash flow before dividends of ~$440 million over last five years

- Model allows for return of capital returns through dividends and opportunistic share repurchases

Free Cash Flow\(^1\)
(in millions)

\[^1\] 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.

Note: Fiscal year 2020 reflects partial tax season results.
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
   - In late March we drew the full $2.0B to strengthen our liquidity and provide maximum flexibility

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; 30% increase since fiscal 2016; current yield of 6.4%\(^1\)
   - Committed to repurchase shares to offset dilution; given current environment, have not yet determined fiscal 2021 share repurchase approach
   - Repurchased 15% of float since fiscal 2017 at an average price of ~$23

\(^1\) As of June 18, 2020.
Balanced return of capital through dividends and share repurchases

<table>
<thead>
<tr>
<th>Dividends</th>
<th>Share Repurchases</th>
</tr>
</thead>
<tbody>
<tr>
<td>+30%</td>
<td>$247M</td>
</tr>
<tr>
<td>Dividend increase since FY16</td>
<td>Share repurchases FY20</td>
</tr>
<tr>
<td>6.4%</td>
<td>15%</td>
</tr>
<tr>
<td>Current dividend yield¹</td>
<td>Shares outstanding repurchased FY17 – FY20</td>
</tr>
</tbody>
</table>

¹ As of June 18, 2020.
Environmental, Social and Governance
Commitment to our communities through Make Every Block Better

In December 2019, H&R Block launched a new community impact platform, Make Every Block Better, that focuses on increasing human connections, supporting entrepreneurship, and combating loneliness in our communities.

**KCRise Fund II**
$2M investment over the next five years in high-growth, early-stage technology companies.

**Nextdoor**
Partnership to complete nomination-based neighborhood improvement projects.

**Habitat for Humanity**
Committed to fund 16 local grants as part of HFH’s neighborhood revitalization efforts.

**Urban Neighborhood Initiative**
Funded a grant to host community-building events and repair homes in an underserved areas.

**The Kauffman Foundation**
Partnership to explore ways to impact entrepreneurial ecosystems throughout the H&R Block network.

**Associate Volunteering**
Associates led multiple efforts to identify and support local nonprofits in their communities.

**Community Disaster Relief**
Donated time and funds to disasters such as the Australian bushfires and COVID-19 global pandemic.

**Hardship and Disaster Relief Fund**
Established fund to help associates overcome short-term financial challenges.

In FY20, H&R Block and our associates donated more than $2 million in support of community building efforts, supporting entrepreneurs, and in direct relief.
Proactive and sound governance practices

- Robust shareholder engagement policy
- Committed to pay-for-performance culture and shareholder alignment
- Annual director election
- Board actively involved in succession planning and has balanced oversight on strategic planning
- Commitment to improving and expanding ESG disclosures
- Commitment to diversity of skills, perspectives, and experiences of Board members
- All directors, other than CEO, are independent, including an independent Chairman
- Annual Board self-evaluation administered by third party

Commitment to diversity of skills, perspectives, and experiences of Board members
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.

Note: Represent FY19 data.
Investment thesis
Investment thesis

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

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Appendix
Fiscal year 2020 reflects partial tax season data, impacting comparability

<table>
<thead>
<tr>
<th>OPERATING STATISTICS</th>
<th>2020</th>
<th>2019</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TAX RETURNS PREPARED: (in 000s)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>United States: Company-owned operations</strong></td>
<td>6,745</td>
<td>8,033</td>
<td>(16.0 %)</td>
</tr>
<tr>
<td>Franchise operations</td>
<td>2,798</td>
<td>3,583</td>
<td>(21.9 %)</td>
</tr>
<tr>
<td><strong>Total assisted</strong></td>
<td>9,543</td>
<td>11,616</td>
<td>(17.8 %)</td>
</tr>
<tr>
<td>Desktop</td>
<td>1,500</td>
<td>1,969</td>
<td>(23.8 %)</td>
</tr>
<tr>
<td>Online</td>
<td>5,700</td>
<td>6,012</td>
<td>(5.2 %)</td>
</tr>
<tr>
<td><strong>Total DIY</strong></td>
<td>7,200</td>
<td>7,981</td>
<td>(9.8 %)</td>
</tr>
<tr>
<td>IRS Free File</td>
<td>845</td>
<td>665</td>
<td>27.1 %</td>
</tr>
<tr>
<td><strong>Total U.S. returns</strong></td>
<td>17,588</td>
<td>20,262</td>
<td>(13.2 %)</td>
</tr>
<tr>
<td><strong>International operations</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Canada</td>
<td>1,908</td>
<td>2,465</td>
<td>(22.6 %)</td>
</tr>
<tr>
<td>Australia</td>
<td>745</td>
<td>747</td>
<td>(0.3 %)</td>
</tr>
<tr>
<td>Other</td>
<td>73</td>
<td>142</td>
<td>(48.6 %)</td>
</tr>
<tr>
<td><strong>Total international returns</strong></td>
<td>2,726</td>
<td>3,354</td>
<td>(18.7 %)</td>
</tr>
<tr>
<td><strong>Tax returns prepared worldwide</strong></td>
<td>20,314</td>
<td>23,616</td>
<td>(14.0 %)</td>
</tr>
</tbody>
</table>

**NET AVERAGE CHARGE (U.S. ONLY):**

<table>
<thead>
<tr>
<th>OPERATIONS</th>
<th>2020</th>
<th>2019</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Company-owned operations</strong></td>
<td>$227.83</td>
<td>$231.6</td>
<td>(1.6 %)</td>
</tr>
<tr>
<td>Franchise operations</td>
<td>217.07</td>
<td>216.61</td>
<td>0.2 %</td>
</tr>
<tr>
<td><strong>DIY</strong></td>
<td>29.01</td>
<td>32.59</td>
<td>(11.0 %)</td>
</tr>
</tbody>
</table>

**TAX OFFICES (as of January 31):**

<table>
<thead>
<tr>
<th>OPERATIONS</th>
<th>2020</th>
<th>2019</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>U.S. offices:</strong> Company-owned offices</td>
<td>6,552</td>
<td>6,356</td>
<td>3.1 %</td>
</tr>
<tr>
<td>Franchise offices</td>
<td>2,999</td>
<td>3,148</td>
<td>(4.7 %)</td>
</tr>
<tr>
<td><strong>Total U.S. offices</strong></td>
<td>9,451</td>
<td>9,504</td>
<td>(0.5 %)</td>
</tr>
<tr>
<td><strong>International offices:</strong> Canada</td>
<td>1,086</td>
<td>1,116</td>
<td>(2.7 %)</td>
</tr>
<tr>
<td>Australia</td>
<td>464</td>
<td>466</td>
<td>(0.4 %)</td>
</tr>
<tr>
<td><strong>Total international offices</strong></td>
<td>1,550</td>
<td>1,582</td>
<td>(2.0 %)</td>
</tr>
<tr>
<td><strong>Tax offices worldwide</strong></td>
<td>11,011</td>
<td>11,086</td>
<td>(0.7 %)</td>
</tr>
</tbody>
</table>

(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. Also included are Tax Pro Go®, Tax Pro Review®, and business 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) Net average charge is calculated as tax preparation fees divided by tax returns prepared. For DIY, net average charge excludes IRS Free File.

(3) 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.
## Consolidated financial results

Fiscal year 2020 reflects partial tax season data, impacting comparability.

### Fiscal Year 2020 Financial Results

#### Revenues:
- **U.S. assisted tax preparation**: $1,533,303 ($1,858,998) (17.5%)
- **U.S. royalties**: 193,411 (243,541) (20.6%)
- **U.S. DIY tax preparation**: 208,901 (261,413) (20.1%)
- **International**: 180,065 (220,562) (18.4%)
- **Refund Transfers**: 154,687 (169,985) (9.0%)
- **Peace of Mind® Extended Service Plan**: 105,185 (108,114) (2.7%)
- **Tax Identity Shield®**: 31,797 (35,661) (10.8%)
- **Interest and fee income on Emerald Advance®**: 60,867 (58,182) 4.6%
- **Wave**: 36,711 — **
- **Other**: 42,056 (40,169) 4.7%

**Total revenues**: 2,639,720 (3,094,881) (14.7%)

#### Compensation and benefits:
- **Compensation and benefits**: 1,072,896 (1,148,729) (6.6%)
- **Field wages**: 281,548 (271,061) 0.7%
- **Other wages**: 175,535 (180,276) (2.6%)
- **Benefits and other compensation**: 1,022,896 (1,148,729) (12.4%)

#### Other expenses:
- **Marketing and advertising**: 255,094 (269,807) (5.5%)
- **Depreciation and amortization**: 169,536 (166,483) 1.7%
- **Bad debt**: 77,470 (70,695) 9.6%
- **Impairment of goodwill**: 106,000 — **
- **Other**: 411,239 (421,822) 11.7%

**Total operating expenses**: 2,562,637 (2,479,089) 3.4%

#### Other income (expense), net:
- **Interest expense on borrowings**: 15,637 (16,149) (3.1%)
- **Interest expense**: (96,094) (87,051) (10.4%)
- **Income (loss) from continuing operations before income taxes (benefit)**: (3,374) (541,160) (99.4%)
- **Income taxes (benefit)**: (9,530) (99,904) (90.4%)

**Net income from continuing operations**: 6,156 (445,256) (98.6%)

**Net loss from discontinued operations**: (13,682) (22,747) 39.9%

**Net income (loss)**: (7,526) (422,509) **

---

### Financial Results (unaudited, in $000s except per share amounts)

#### Fiscal Year 2020

<table>
<thead>
<tr>
<th>Year ended April 30</th>
<th>2020</th>
<th>2019</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. assisted tax preparation</td>
<td>$1,533,303</td>
<td>$1,858,998</td>
<td>(17.5)%</td>
</tr>
<tr>
<td>U.S. royalties</td>
<td>193,411</td>
<td>243,541</td>
<td>(20.6)%</td>
</tr>
<tr>
<td>U.S. DIY tax preparation</td>
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<td>261,413</td>
<td>(20.1)%</td>
</tr>
<tr>
<td>International</td>
<td>180,065</td>
<td>220,562</td>
<td>(18.4)%</td>
</tr>
<tr>
<td>Refund Transfers</td>
<td>154,687</td>
<td>169,985</td>
<td>(9.0)%</td>
</tr>
<tr>
<td>EmeraldCard®</td>
<td>92,737</td>
<td>98,256</td>
<td>(5.6)%</td>
</tr>
<tr>
<td>Peace of Mind® Extended Service Plan</td>
<td>105,185</td>
<td>108,114</td>
<td>(2.7)%</td>
</tr>
<tr>
<td>Tax Identity Shield®</td>
<td>31,797</td>
<td>35,661</td>
<td>(10.8)%</td>
</tr>
<tr>
<td>Interest and fee income on Emerald Advance®</td>
<td>60,867</td>
<td>58,182</td>
<td>4.6%</td>
</tr>
<tr>
<td>Wave</td>
<td>36,711</td>
<td>—</td>
<td>**</td>
</tr>
<tr>
<td>Other</td>
<td>42,056</td>
<td>40,169</td>
<td>4.7%</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>2,639,720</td>
<td>3,094,881</td>
<td>(14.7)%</td>
</tr>
</tbody>
</table>

#### Compensation and benefits:
- **Compensation and benefits**: 1,072,896 (1,148,729) (6.6%)
- **Field wages**: 281,548 (271,061) 0.7%
- **Other wages**: 175,535 (180,276) (2.6%)
- **Benefits and other compensation**: 1,022,896 (1,148,729) (12.4%)

#### Other expenses:
- **Marketing and advertising**: 255,094 (269,807) (5.5%)
- **Depreciation and amortization**: 169,536 (166,483) 1.7%
- **Bad debt**: 77,470 (70,695) 9.6%
- **Impairment of goodwill**: 106,000 — **
- **Other**: 411,239 (421,822) 11.7%

**Total operating expenses**: 2,562,637 (2,479,089) 3.4%

#### Other income (expense), net:
- **Interest expense on borrowings**: 15,637 (16,149) (3.1%)
- **Interest expense**: (96,094) (87,051) (10.4%)
- **Income (loss) from continuing operations before income taxes (benefit)**: (3,374) (541,160) (99.4%)
- **Income taxes (benefit)**: (9,530) (99,904) (90.4%)

**Net income from continuing operations**: 6,156 (445,256) (98.6%)

**Net loss from discontinued operations**: (13,682) (22,747) 39.9%

**Net income (loss)**: (7,526) (422,509) **

---

### Notes to Financial Results

- **Consolidated Financial Results** (unaudited, in $000s except per share amounts).
- **Basic earnings (loss) per share**: Continuing operations: $0.03 $2.16 (98.6%)
- **Discontinued operations**: (0.07) (0.11) 36.4%
- **Consolidated**: (0.04) 2.05 **
- **Weighted average basic shares**: 196,701 (205,372) (4.2%)
- **Diluted earnings (loss) per share**: Continuing operations: $0.03 $2.15 (98.6%)
- **Discontinued operations**: (0.07) (0.11) 36.4%
- **Consolidated**: (0.04) 2.04 **
- **Weighted average diluted shares**: 198,108 (206,724) (4.2%)

---

### Additional Notes

- **Other expenses**:
  - Consulting and outsourced services: $118,267 $107,907 9.6%
  - Bank partner fees: 55,633 47,746 16.5%
  - Client claims and refunds: 35,498 40,538 (12.4%)
  - Employee travel and related expenses: 40,882 40,369 1.3%
  - Software and IT maintenance expenses: 68,907 64,483 6.9%
  - Credit card/bank charges: 48,826 30,681 59.1%
  - Insurance: 15,015 14,219 5.6%
  - Legal fees and settlements: 27,436 10,469 162.1%
  - Supplies: 31,290 32,790 (4.6%)
  - Other: 42,056 40,169 4.7%

**Total operating expenses**: 2,562,637 (2,479,089) 3.4%

**Other income (expense), net**: 15,637 16,419 (4.8%)

**Interest expense on borrowings**: (96,094) (87,051) (10.4%)

**Income (loss) from continuing operations before income taxes (benefit)**: (3,374) (541,160) (99.4%)

**Income taxes (benefit)**: (9,530) (99,904) (90.4%)

**Net income from continuing operations**: 6,156 (445,256) (98.6%)

**Net loss from discontinued operations**: (13,682) (22,747) 39.9%

**Net income (loss)**: (7,526) (422,509) **

---
**Consolidated balance sheets**

Fiscal year 2020 reflects partial tax season data, impacting comparability

<table>
<thead>
<tr>
<th>CONSOLIDATED BALANCE SHEETS (unaudited, in 000s - except per share data)</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$2,661,914</td>
<td>$1,572,150</td>
</tr>
<tr>
<td>Cash and cash equivalents - restricted</td>
<td>211,106</td>
<td>135,577</td>
</tr>
<tr>
<td>Receivables, net</td>
<td>133,197</td>
<td>138,965</td>
</tr>
<tr>
<td>Prepaid expenses and other current assets</td>
<td>80,519</td>
<td>146,667</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>3,086,736</td>
<td>1,993,359</td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>184,367</td>
<td>212,092</td>
</tr>
<tr>
<td>Operating lease right of use asset</td>
<td>494,788</td>
<td>—</td>
</tr>
<tr>
<td>Intangible assets, net</td>
<td>414,976</td>
<td>342,493</td>
</tr>
<tr>
<td>Goodwill</td>
<td>712,138</td>
<td>519,937</td>
</tr>
<tr>
<td>Deferred tax assets and income taxes receivable</td>
<td>151,195</td>
<td>141,979</td>
</tr>
<tr>
<td>Other noncurrent assets</td>
<td>67,847</td>
<td>90,085</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$5,112,047</td>
<td>$3,299,945</td>
</tr>
<tr>
<td><strong>LIABILITIES AND STOCKHOLDERS’ EQUITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>LIABILITIES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$203,103</td>
<td>$249,525</td>
</tr>
<tr>
<td>Accrued salaries, wages and payroll taxes</td>
<td>116,375</td>
<td>196,527</td>
</tr>
<tr>
<td>Accrued income taxes and reserves for uncertain tax positions</td>
<td>209,816</td>
<td>271,973</td>
</tr>
<tr>
<td>Current portion of long-term debt</td>
<td>649,384</td>
<td>—</td>
</tr>
<tr>
<td>Operating lease liabilities</td>
<td>195,537</td>
<td>—</td>
</tr>
<tr>
<td>Deferred revenue and other current liabilities</td>
<td>201,401</td>
<td>204,976</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>1,575,616</td>
<td>923,001</td>
</tr>
<tr>
<td>Long-term debt and line of credit borrowings</td>
<td>2,845,873</td>
<td>1,492,629</td>
</tr>
<tr>
<td>Deferred tax liabilities and reserves for uncertain tax positions</td>
<td>182,441</td>
<td>197,906</td>
</tr>
<tr>
<td>Operating lease liabilities</td>
<td>312,566</td>
<td>—</td>
</tr>
<tr>
<td>Deferred revenue and other noncurrent liabilities</td>
<td>124,510</td>
<td>144,882</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>5,041,006</td>
<td>2,758,418</td>
</tr>
<tr>
<td><strong>COMMITMENTS AND CONTINGENCIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>STOCKHOLDERS’ EQUITY:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common stock, no par, stated value $.01 per share</td>
<td>2,282</td>
<td>2,383</td>
</tr>
<tr>
<td>Additional paid-in capital</td>
<td>775,387</td>
<td>767,636</td>
</tr>
<tr>
<td>Accumulated other comprehensive loss</td>
<td>(51,576)</td>
<td>(20,416)</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>42,965</td>
<td>499,386</td>
</tr>
<tr>
<td>Less treasury shares, at cost</td>
<td>(698,017)</td>
<td>(707,462)</td>
</tr>
<tr>
<td><strong>Total stockholders’ equity</strong></td>
<td>71,041</td>
<td>541,527</td>
</tr>
<tr>
<td><strong>Total liabilities and stockholders’ equity</strong></td>
<td>$5,112,047</td>
<td>$3,299,945</td>
</tr>
</tbody>
</table>
### Non-GAAP financial measures

Fiscal year 2020 reflects partial tax season data, impacting comparability

<table>
<thead>
<tr>
<th>NON-GAAP FINANCIAL MEASURE - ADJUSTED EBITDA</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income (loss) - as reported</td>
<td>$ (7,526)</td>
<td>$422,509</td>
</tr>
<tr>
<td>Discontinued operations, net</td>
<td>13,682</td>
<td>22,747</td>
</tr>
<tr>
<td>Net income from continuing operations - as reported</td>
<td>6,156</td>
<td>445,256</td>
</tr>
<tr>
<td>Add back:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income taxes (benefit) of continuing operations</td>
<td>(9,530)</td>
<td>99,904</td>
</tr>
<tr>
<td>Interest expense of continuing operations</td>
<td>96,094</td>
<td>87,051</td>
</tr>
<tr>
<td>Depreciation and amortization of continuing operations</td>
<td>169,536</td>
<td>166,695</td>
</tr>
<tr>
<td>EBITDA from continuing operations</td>
<td>262,256</td>
<td>798,906</td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impairment of goodwill</td>
<td>106,000</td>
<td>—</td>
</tr>
<tr>
<td>Adjusted EBITDA from continuing operations</td>
<td>$368,256</td>
<td>$798,906</td>
</tr>
</tbody>
</table>

EBITDA margin from continuing operations \(^{(1)}\) 9.9 % 25.8 %

Adjusted EBITDA margin from continuing operations \(^{(2)}\) 14.0 % 25.8 %

---

<table>
<thead>
<tr>
<th>NON-GAAP FINANCIAL MEASURE - ADJUSTED EPS</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income from continuing operations - as reported</td>
<td>$6,156</td>
<td>$445,256</td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization of intangibles related to acquisitions (pretax)</td>
<td>74,561</td>
<td>62,751</td>
</tr>
<tr>
<td>Impairment of goodwill (pretax)</td>
<td>106,000</td>
<td>—</td>
</tr>
<tr>
<td>Tax effect of adjustments (^{(3)})</td>
<td>(19,126)</td>
<td>(14,891)</td>
</tr>
<tr>
<td>Adjusted net income from continuing operations</td>
<td>$167,591</td>
<td>$493,116</td>
</tr>
<tr>
<td>Diluted income per share - as reported</td>
<td>$0.03</td>
<td>$2.15</td>
</tr>
<tr>
<td>Adjustments, net of tax</td>
<td>0.81</td>
<td>0.24</td>
</tr>
<tr>
<td>Adjusted income per share</td>
<td>$0.84</td>
<td>$2.39</td>
</tr>
</tbody>
</table>

---

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

1. EBITDA margin from continuing operations is computed as EBITDA from continuing operations divided by revenues from continuing operations.
2. Adjusted EBITDA margin from continuing operations is computed as adjusted EBITDA from continuing operations divided by revenues from continuing operations.
3. The tax effect of adjustments is the difference between the tax provision calculation on a GAAP basis and on an adjusted non-GAAP basis.