
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549
FORM 8-K**

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (date of earliest event reported): August 29, 2017

H&R BLOCK, INC.
(Exact name of registrant as specified in charter)

MISSOURI
(State or other jurisdiction of
incorporation or organization)

1-06089
(Commission File Number)

44-0607856
(I.R.S. Employer
Identification No.)

One H&R Block Way, Kansas City, MO 64105
(Address of Principal Executive Offices) (Zip Code)

(816) 854-3000
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On August 29, 2017, the Company issued a press release regarding the Company's results of operations for the fiscal quarter ended July 31, 2017. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number Description

99.1 Press Release Issued August 29, 2017

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

H&R BLOCK, INC.

Date: August 29, 2017

By: /s/ Scott W. Andreasen

Scott W. Andreasen

Vice President and Secretary

EXHIBIT INDEX

Exhibit 99.1 Press Release Issued August 29, 2017

News Release

For Immediate Release: August 29, 2017

H&R Block Announces Fiscal 2018 First Quarter Results

KANSAS CITY, Mo. - H&R Block, Inc. (NYSE: HRB) today released its financial results for the fiscal 2018 first quarter ended July 31, 2017. The company normally reports a fiscal first quarter loss due to the seasonality of its tax business. The fiscal first quarter typically represents less than 5% of annual revenues and less than 15% of annual expenses.

Fiscal First Quarter Highlights¹

- *Fiscal first quarter financial results were largely in line with expectations*
- *Revenues increased \$13 million, or 10%, to \$138 million primarily due to increased U.S. Assisted tax preparation fees and revenues from the Peace of Mind® Extended Service Plan product*
- *Year-over-year reduction in average outstanding shares and a lower effective tax rate, both of which negatively impact those quarters with a net loss, resulted in an increase in loss per share*
- *Jeff Jones appointed president and CEO effective October 9, 2017*

"We are building on our momentum from fiscal 2017 to deliver another successful tax season for both our clients and our shareholders," said Tom Gerke, H&R Block's interim president and chief executive officer. "The management team has been hard at work to execute against our plans and we're excited to have Jeff Jones, a strong and experienced leader, join us as our new CEO."

Fiscal 2018 First Quarter Results From Continuing Operations

| (in millions, except EPS) | Fiscal Year 2018 | | Fiscal Year 2017 | |
|---------------------------------------|------------------|--------|------------------|--------|
| Revenue | \$ | 138 | \$ | 125 |
| Pretax Loss | \$ | (205) | \$ | (204) |
| Net Loss | \$ | (128) | \$ | (121) |
| Weighted-Avg. Shares - Diluted | | 207.9 | | 220.5 |
| EPS² | \$ | (0.62) | \$ | (0.55) |
| EBITDA³ | \$ | (140) | \$ | (141) |

"Our fiscal first quarter results were in line with expectations and reflect the seasonality of our business," said Tony Bowen, H&R Block's chief financial officer. "Our preparation for the upcoming tax season is progressing well and we look forward to sharing more detail regarding our financial outlook during our second quarter earnings call."

¹ All amounts in this release are unaudited. Unless otherwise noted, all comparisons refer to the current period compared to the corresponding prior year period.

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" below for more information regarding financial measures not prepared in accordance with generally accepted accounting principles (GAAP).

Key Financial Metrics

- Total revenues increased \$13 million, or 10%, to \$138 million primarily due to increased U.S. Assisted tax preparation fees and revenues from the Peace of Mind® Extended Service Plan product.
- Total operating expenses increased \$13 million, or 4%, to \$323 million primarily due to occupancy, amortization, and compensation costs.
- Pretax loss increased \$2 million to \$205 million. Increases in total revenues were offset by increases in total operating expenses, resulting in a pretax loss increase primarily due to a decline in other income related to the sale of the mortgage loan portfolio in fiscal 2017.
- Loss per share from continuing operations increased \$0.07 to \$0.62. Approximately half of the increase was due to the reduction in share count, which will be accretive on a full year basis, but negatively impacts those quarters with a net loss. The remainder of the change in loss per share was due to the decrease in the income tax benefit.

Dividends

As previously announced, a quarterly cash dividend of \$0.24 per share is payable on October 2, 2017 to shareholders of record as of September 13, 2017. H&R Block has paid quarterly dividends consecutively since the company went public in 1962.

Discontinued Operations

Sand Canyon Corporation's accrual for contingent losses related to representation and warranty claims remained unchanged from the prior fiscal quarter at \$4.5 million as of July 31, 2017.

Leadership Transition

On August 22, 2017, the company announced that Jeff Jones has been appointed H&R Block's president and chief executive officer, effective October 9, 2017. Details regarding his appointment were included in a press release on August 22, 2017 and in a Form 8-K filed with the Securities and Exchange Commission on the same day.

Conference Call

Discussion of the fiscal 2018 first quarter results, future outlook, and a general business update will occur during the company's previously announced fiscal first quarter earnings conference call for analysts, institutional investors, and shareholders. The call is scheduled for 4:30 p.m. Eastern time on August 29, 2017. To access the call, please dial the number below approximately 10 minutes prior to the scheduled starting time:

U.S./Canada (855) 702-5257 or International (213) 358-0868
Conference ID: 46876633

The call will also be webcast in a listen-only format for the media and public. The link to the webcast can be accessed directly at <http://investors.hrblock.com>.

A replay of the call will be available beginning at 7:30 p.m. Eastern time on August 29, 2017, and continuing until September 29, 2017, by dialing (855) 859-2056 (U.S./Canada) or (404) 537-3406 (International). The conference ID is 46876633. The webcast will be available for replay August 30, 2017 at <http://investors.hrblock.com>.

About H&R Block

H&R Block, Inc. (NYSE: HRB) is a global consumer tax services provider. [Tax return preparation](#) services are provided by professional tax preparers in approximately 12,000 company-owned and franchise [retail tax offices](#) worldwide, and through H&R Block [tax software products](#) for the DIY consumer. H&R Block also offers adjacent Tax Plus products and services. In fiscal 2017, H&R Block had annual revenues of over \$3 billion with 23 million tax returns prepared worldwide. For more information, visit the [H&R Block Newsroom](#).

About Non-GAAP Financial Information

This press release and the accompanying tables include non-GAAP financial information. 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 generally accepted accounting principles, please see the section of the accompanying tables titled "Non-GAAP Financial Information."

Forward-Looking Statements

This press release 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, 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.

For Further Information

Investor Relations: Colby Brown, (816) 854-4559, colby.brown@hrblock.com

Media Relations: Susan Waldron, (816) 854-5522, susan.waldron@hrblock.com

TABLES FOLLOW

CONSOLIDATED STATEMENTS OF OPERATIONS

(unaudited, in 000s - except per share amounts)

| | Three months ended July 31, | |
|---|-----------------------------|---------------------|
| | 2017 | 2016 |
| REVENUES: | | |
| Service revenues | \$ 124,695 | \$ 112,384 |
| Royalty, product and other revenues | 13,107 | 12,801 |
| | <u>137,802</u> | <u>125,185</u> |
| OPERATING EXPENSES: | | |
| Cost of revenues: | | |
| Compensation and benefits | 55,592 | 52,355 |
| Occupancy and equipment | 98,467 | 94,425 |
| Provision for bad debt | 2,459 | 1,417 |
| Depreciation and amortization | 28,616 | 27,467 |
| Other | 42,581 | 35,422 |
| | <u>227,715</u> | <u>211,086</u> |
| Selling, general and administrative: | | |
| Marketing and advertising | 7,104 | 7,561 |
| Compensation and benefits | 56,373 | 57,522 |
| Depreciation and amortization | 14,982 | 13,815 |
| Other selling, general and administrative | 16,790 | 19,925 |
| | <u>95,249</u> | <u>98,823</u> |
| Total operating expenses | <u>322,964</u> | <u>309,909</u> |
| Other income (expense), net | 1,220 | 2,641 |
| Interest expense on borrowings | (21,277) | (21,466) |
| Loss from continuing operations before income tax benefit | <u>(205,219)</u> | <u>(203,549)</u> |
| Income tax benefit | (77,401) | (82,523) |
| Net loss from continuing operations | <u>(127,818)</u> | <u>(121,026)</u> |
| Net loss from discontinued operations | (2,749) | (2,647) |
| NET LOSS | <u>\$ (130,567)</u> | <u>\$ (123,673)</u> |
| BASIC AND DILUTED LOSS PER SHARE: | | |
| Continuing operations | \$ (0.62) | \$ (0.55) |
| Discontinued operations | (0.01) | (0.01) |
| Consolidated | <u>\$ (0.63)</u> | <u>\$ (0.56)</u> |
| WEIGHTED AVERAGE BASIC AND DILUTED SHARES | 207,935 | 220,484 |

CONSOLIDATED BALANCE SHEETS

(unaudited, in 000s - except per share data)

| As of | July 31, 2017 | July 31, 2016 | April 30, 2017 |
|---|---------------|---------------|----------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 551,566 | \$ 306,871 | \$ 1,011,331 |
| Cash and cash equivalents — restricted | 116,594 | 122,025 | 106,208 |
| Receivables, net | 91,004 | 103,425 | 162,775 |
| Prepaid expenses and other current assets | 74,776 | 76,052 | 65,725 |
| Total current assets | 833,940 | 608,373 | 1,346,039 |
| Mortgage loans held for investment, net | — | 192,375 | — |
| Property and equipment, net | 253,255 | 284,114 | 263,827 |
| Intangible assets, net | 393,972 | 419,909 | 409,364 |
| Goodwill | 493,991 | 470,942 | 491,207 |
| Deferred tax assets and income taxes receivable | 54,348 | 90,498 | 83,728 |
| Other noncurrent assets | 102,742 | 97,331 | 99,943 |
| Total assets | \$ 2,132,248 | \$ 2,163,542 | \$ 2,694,108 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | | |
| LIABILITIES: | | | |
| Accounts payable and accrued expenses | \$ 161,751 | \$ 157,085 | \$ 217,028 |
| Accrued salaries, wages and payroll taxes | 35,063 | 43,516 | 183,856 |
| Accrued income taxes and reserves for uncertain tax positions | 176,909 | 216,390 | 348,199 |
| Current portion of long-term debt | 992 | 864 | 981 |
| Deferred revenue and other current liabilities | 187,791 | 191,304 | 189,216 |
| Total current liabilities | 562,506 | 609,159 | 939,280 |
| Long-term debt | 1,493,422 | 1,491,790 | 1,493,017 |
| Reserves for uncertain tax positions | 159,233 | 116,709 | 159,085 |
| Deferred revenue and other noncurrent liabilities | 131,415 | 145,691 | 163,609 |
| Total liabilities | 2,346,576 | 2,363,349 | 2,754,991 |
| COMMITMENTS AND CONTINGENCIES | | | |
| STOCKHOLDERS' EQUITY: | | | |
| Common stock, no par, stated value \$.01 per share | 2,462 | 2,582 | 2,462 |
| Additional paid-in capital | 746,761 | 748,924 | 754,912 |
| Accumulated other comprehensive loss | (12,837) | (14,804) | (15,299) |
| Retained deficit | (229,647) | (180,631) | (48,206) |
| Less treasury shares, at cost | (721,067) | (755,878) | (754,752) |
| Total stockholders' equity (deficiency) | (214,328) | (199,807) | (60,883) |
| Total liabilities and stockholders' equity | \$ 2,132,248 | \$ 2,163,542 | \$ 2,694,108 |

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited, in 000s)

| Three months ended July 31, | 2017 | 2016 |
|---|--------------|--------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net loss | \$ (130,567) | \$ (123,673) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Depreciation and amortization | 43,598 | 41,282 |
| Provision for bad debt | 2,459 | 1,417 |
| Deferred taxes | 20,796 | 6,274 |
| Stock-based compensation | 4,816 | 5,541 |
| Changes in assets and liabilities, net of acquisitions: | | |
| Receivables | 64,985 | 49,220 |
| Prepaid expenses and other current assets | (8,695) | (9,173) |
| Other noncurrent assets | 5,499 | 4,059 |
| Accounts payable and accrued expenses | (66,729) | (98,785) |
| Accrued salaries, wages and payroll taxes | (149,441) | (118,040) |
| Deferred revenue and other current liabilities | 464 | (38,022) |
| Deferred revenue and other noncurrent liabilities | (32,510) | (28,080) |
| Income tax receivables, accrued income taxes and income tax reserves | (149,542) | (144,249) |
| Other, net | (14,248) | (5,735) |
| Net cash used in operating activities | (409,115) | (457,964) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Principal payments and sales of mortgage loans and real estate owned, net | — | 9,573 |
| Capital expenditures | (13,094) | (6,246) |
| Payments made for business acquisitions, net of cash acquired | (1,440) | (1,635) |
| Franchise loans funded | (4,527) | (2,219) |
| Payments received on franchise loans | 4,727 | 6,473 |
| Other, net | 1,371 | (868) |
| Net cash provided by (used in) investing activities | (12,963) | 5,078 |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Dividends paid | (49,905) | (48,514) |
| Repurchase of common stock, including shares surrendered | (7,508) | (45,312) |
| Proceeds from exercise of stock options | 27,418 | 1,639 |
| Other, net | 2,545 | (24,779) |
| Net cash used in financing activities | (27,450) | (116,966) |
| Effects of exchange rate changes on cash | 149 | (2,163) |
| Net decrease in cash, cash equivalents and restricted cash | (449,379) | (572,015) |
| Cash, cash equivalents and restricted cash, beginning of period | 1,117,539 | 1,000,911 |
| Cash, cash equivalents and restricted cash, end of period | \$ 668,160 | \$ 428,896 |
| SUPPLEMENTARY CASH FLOW DATA: | | |
| Income taxes paid, net of refunds received | \$ 57,901 | \$ 61,289 |
| Interest paid on borrowings | 15,519 | 15,519 |
| Accrued additions to property and equipment | 4,757 | 10,147 |
| Accrued purchase of common stock | — | 8,895 |

Note: Effective May 1, 2017, we adopted the provisions of Accounting Standards Update No. 2016-18, "Restricted Cash (a consensus of the FASB Emerging Issues Task Force)," (ASU 2016-18) on a retrospective basis. Accordingly, the statements of cash flows explain the change in the total of cash, cash equivalents and amounts generally described as restricted cash and restricted cash equivalents per ASU 2016-18. Amounts for prior periods have been retrospectively adjusted to conform to the current period presentation.

FINANCIAL RESULTS

(unaudited, in 000s - except per share amounts)

| | Three months ended July 31, | |
|--|-----------------------------|---------------------|
| | 2017 | 2016 |
| REVENUES: | | |
| U.S. assisted tax preparation fees | \$ 29,963 | \$ 25,429 |
| U.S. royalties | 6,967 | 6,525 |
| U.S. DIY tax preparation fees | 3,226 | 2,914 |
| International revenues | 40,417 | 38,875 |
| Revenues from Refund Transfers | 2,816 | 3,234 |
| Revenues from Emerald Card® | 14,987 | 13,065 |
| Revenues from Peace of Mind® Extended Service Plan | 31,943 | 27,031 |
| Interest and fee income on Emerald Advance | 664 | 804 |
| Other | 6,819 | 7,308 |
| | 137,802 | 125,185 |
| Compensation and benefits: | | |
| Field wages | 48,123 | 45,043 |
| Other wages | 43,197 | 42,100 |
| Benefits and other compensation | 20,645 | 22,734 |
| | 111,965 | 109,877 |
| Occupancy and equipment | 98,199 | 94,371 |
| Marketing and advertising | 7,104 | 7,561 |
| Depreciation and amortization | 43,598 | 41,282 |
| Bad debt | 2,459 | 1,417 |
| Supplies | 2,734 | 2,077 |
| Other | 56,905 | 53,324 |
| Total operating expenses | 322,964 | 309,909 |
| Other income (expense), net | 1,220 | 2,641 |
| Interest expense on borrowings | (21,277) | (21,466) |
| Pretax loss | (205,219) | (203,549) |
| Income tax benefit | (77,401) | (82,523) |
| Net loss from continuing operations | (127,818) | (121,026) |
| Net loss from discontinued operations | (2,749) | (2,647) |
| NET LOSS | \$ (130,567) | \$ (123,673) |
| BASIC AND DILUTED LOSS PER SHARE: | | |
| Continuing operations | \$ (0.62) | \$ (0.55) |
| Discontinued operations | (0.01) | (0.01) |
| Consolidated | \$ (0.63) | \$ (0.56) |
| Weighted average basic and diluted shares | 207,935 | 220,484 |
| EBITDA from continuing operations ⁽¹⁾ | \$ (140,344) | \$ (140,801) |

⁽¹⁾ See "Non-GAAP Financial Information" for a reconciliation of non-GAAP measures.

| NON-GAAP FINANCIAL MEASURE - EBITDA | Three months ended July 31, | |
|--|-----------------------------|--------------|
| | 2017 | 2016 |
| Net loss - as reported | \$ (130,567) | \$ (123,673) |
| Discontinued operations, net | 2,749 | 2,647 |
| Net loss from continuing operations - as reported | (127,818) | (121,026) |
| Add back : | | |
| Income taxes of continuing operations | (77,401) | (82,523) |
| Interest expense of continuing operations | 21,277 | 21,466 |
| Depreciation and amortization of continuing operations | 43,598 | 41,282 |
| | (12,526) | (19,775) |
| EBITDA from continuing operations | \$ (140,344) | \$ (140,801) |
| Supplemental Information | Three months ended July 31, | |
| | 2017 | 2016 |
| Stock-based compensation expense: | | |
| Pretax | \$ 4,816 | \$ 5,541 |
| After-tax | 3,123 | 3,479 |
| Amortization of intangible assets: | | |
| Pretax | \$ 19,235 | \$ 17,986 |
| After-tax | 12,472 | 11,293 |

NON-GAAP FINANCIAL INFORMATION

The accompanying press release contains non-GAAP financial measures. Non-GAAP financial measures should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with 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.

We consider our non-GAAP financial measures to be performance measures and a useful metric for management and investors to evaluate and compare the ongoing operating performance of our business.

We may consider whether significant items that arise in the future should be excluded from our non-GAAP financial measures.

We measure the performance of our business using a variety of metrics, including EBITDA from continuing operations. We also use EBITDA from continuing operations and pretax income of continuing operations, each subject to permitted adjustments, as performance metrics in incentive compensation calculations for our employees.