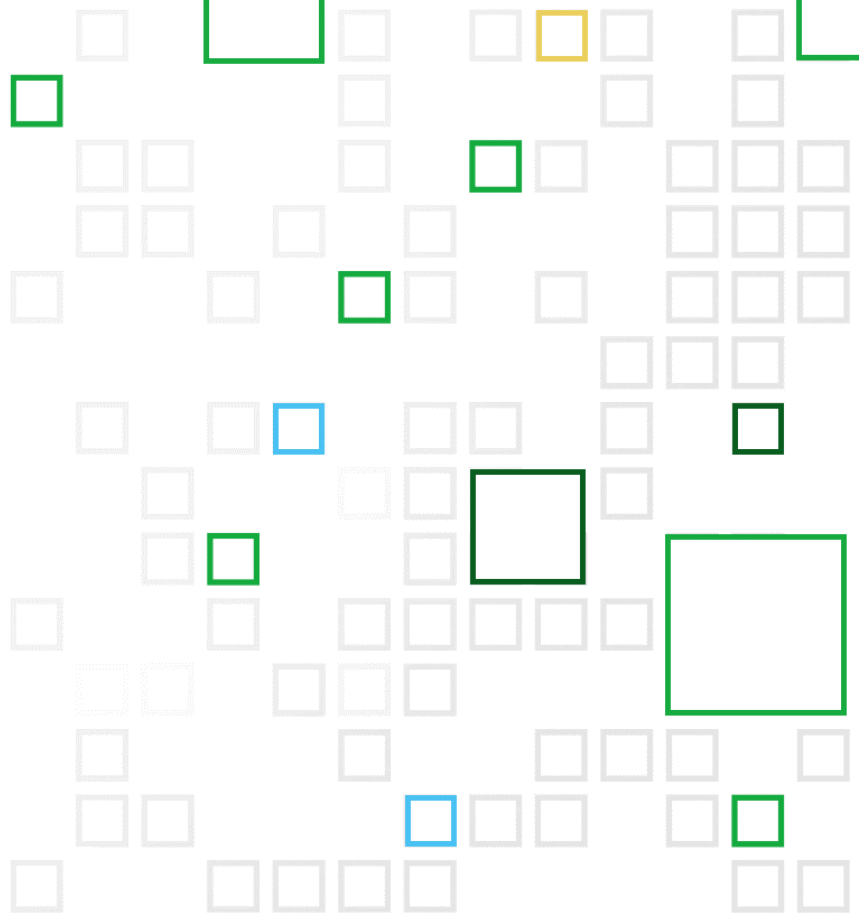




July 2021



# | 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 variations 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, H&R Block, Inc.'s (the "Company") 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.

# | Safe Harbor Statement

## 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”), adjusted diluted earnings per share from continuing operations, normalized revenue, normalized EBITDA, 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> and the reconciliations contained in this presentation. Reconciliations and operating statistics can be found in the Appendix at the end of 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

1. H&R Block Overview
2. Block Horizons
  - Small Business
  - Financial Products
  - Block Experience
3. Financial Results and Outlook
4. Environmental, Social, and Governance

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 outlined in a lighter shade of green. In the top right corner, there is a white L-shaped line and a short blue horizontal line. In the bottom right corner, there is a yellow L-shaped line.

# H&R Block Overview

# I 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 strategic growth driven by three strategic imperatives:

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

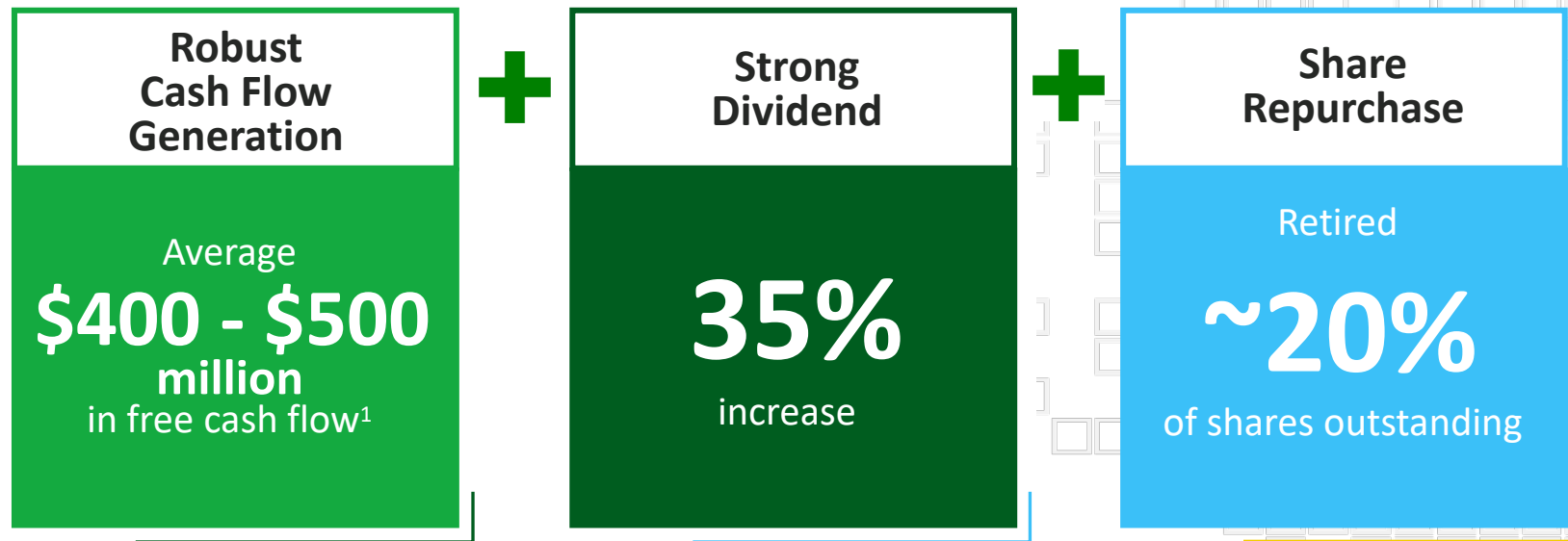
## Robust Financial Position

- Over the past five years, H&R Block has averaged annual revenue of more than \$3 billion; annual EBITDA of ~ \$768 million; and annual free cash flow<sup>1</sup> of ~\$465 million
- 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.

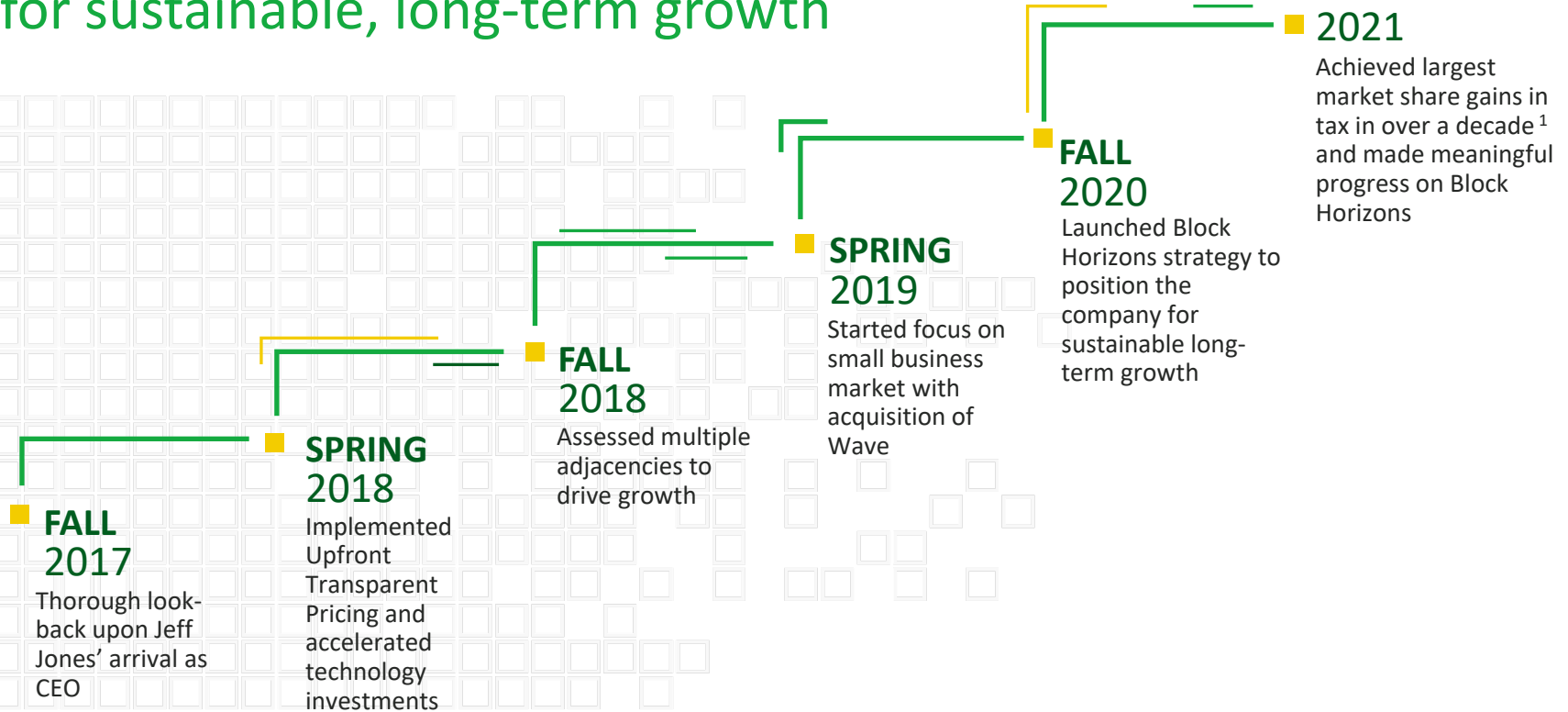
# Proven track record of returning capital to shareholders

*Over the past five years:*



<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.

# Strategically positioning for sustainable, long-term growth



<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.



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# Block Horizons

# Block Horizons' three strategic imperatives

## Well-positioned for sustainable, long-term growth

### TODAY

### WHERE WE ARE GONG

#### Small Business

Over 2 million tax customers without strategic focus



Tailored customer experience and services to drive growth through Block Advisors and Wave

#### Financial Products

Linked to tax event and for distributing refunds



A mobile-centric banking alternative, leveraging our technology platform and favorable banking partnership

#### Consumer Tax

Traditional delivery model of Assisted or DIY



Converged platform blending human expertise and digital capabilities

# Next phase of growth

## Significant runway in total addressable markets

### Small Business

Substantial opportunity with  
~32M U.S. small businesses

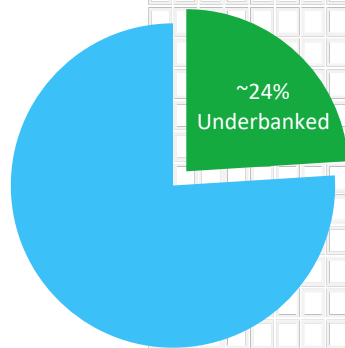
#### U.S. Number of Small Businesses (2017)

1-499 Employees	5.9M
Self-employed	25.7M
<b>Total</b>	<b>31.6M</b>

Source: Bureau of Labor Statistics, Business Employment Dynamics, County Business Patterns and Nonemployer Statistics

### Financial Products

~31M underbanked  
U.S. households

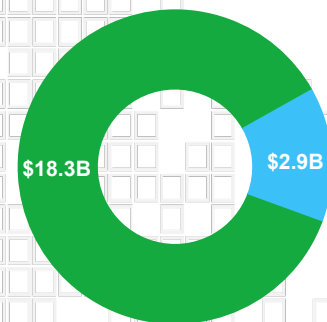


Total U.S. households

Source: FDIC "How America Banks: Household Use of Banking and Financial Services," October 2020. Federal Reserve "Report on the Economic Well-Being of U.S. Households in 2019, Featuring Supplemental Data from April 2020," May 2020.

### Block Experience

Significant white space  
in \$21B U.S. tax prep market



Assisted

DIY

Source: IRS data; DIY online category comprised of online, Free File and mobile. Addressable market represents Tax Season 2019.

# Block Horizons' three strategic imperatives

## Small Business

Tailored customer experience and services to drive growth through Block Advisors and Wave

## Financial Products

Create mobile-centric banking alternative, leveraging our technology platform & favorable banking partnership

## Block Experience

Converged platform blending human expertise and digital capabilities

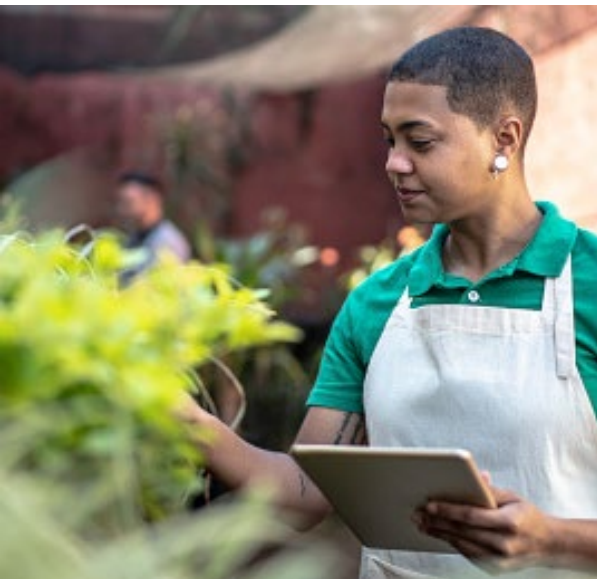
**3-6%**

**targeted annual  
revenue growth**

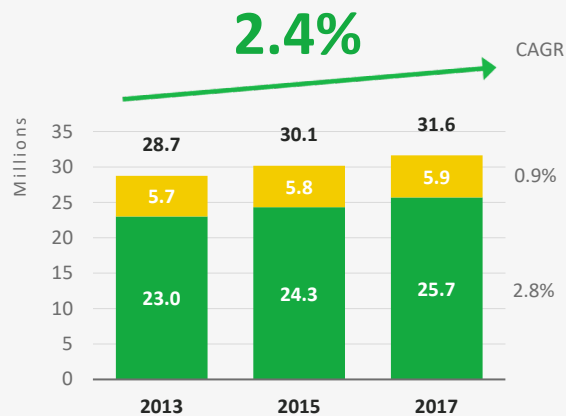
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# Small Business

# Small Business is a significant opportunity for Block and Wave



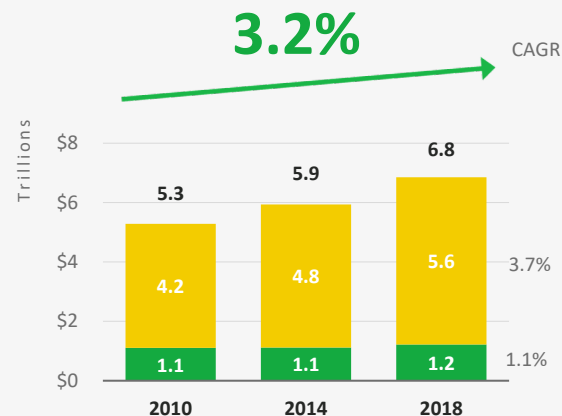
U.S. Number of  
Small Businesses



1-499 Employees

Self-employed

U.S. Small Business  
Revenue



Source: Bureau of Labor Statistics, Business Employment Dynamics,  
County Business Patterns and Nonemployer Statistics

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

# Block Advisors

Creates value for business owners year-round



One source for small business service needs



Block Advisors branding builds on trust in H&R Block brand



Consultative advisor team to help boost cash flow and profitability



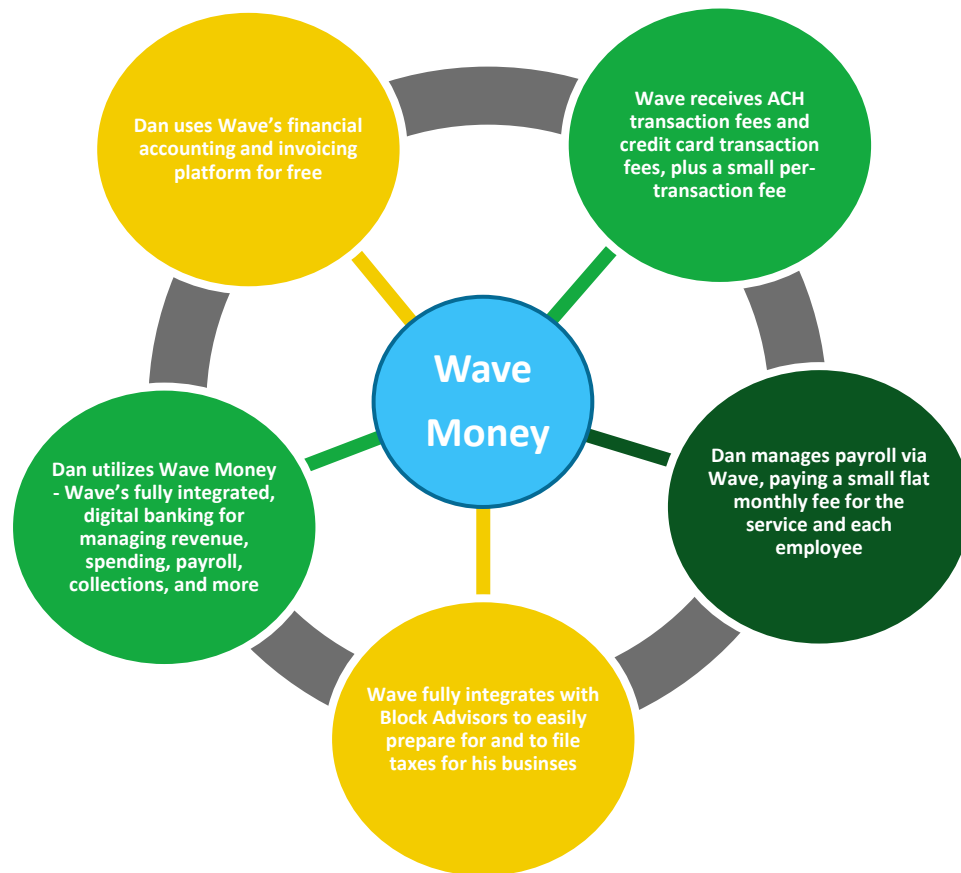
Year-round help with small business questions

# Wave

## Value Proposition



Dan owns a plumbing business with **Wave Money** at the center of his financial management





# Making progress in Small Business: Together, Wave and Block Advisors offer seamless support

## Driving growth in tax through Block Advisors

- >25K tax pros certified through Block Advisors
- Thousands of Wave customers engaging with Block Advisors for their tax needs

## Building payroll and bookkeeping capabilities

- Integrated marketing campaign focused on small business owners' needs
- Trusted, year-round partner

## Embedding Wave Money at the center of Wave

- Wave Money deposits growing 40% month over month
- +35% revenue growth in FY2021

Expand base of 2.4 million small business customers by building more direct, valuable relationships via tailored experiences and services

# Our heritage positions us for upside in small business tax

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

Consumer tax  
returns



Small business  
tax returns

1%

incremental  
business tax  
market share  
equates to

~\$60M

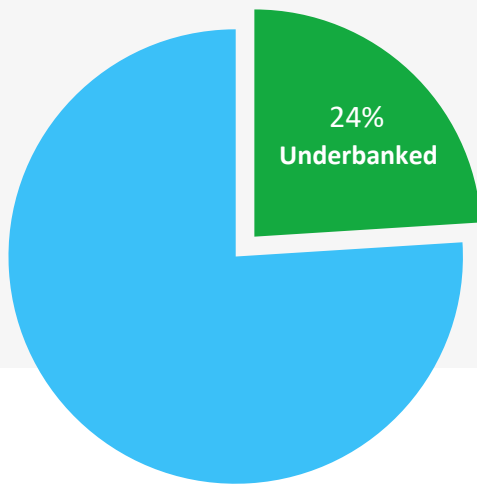
in incremental  
revenue

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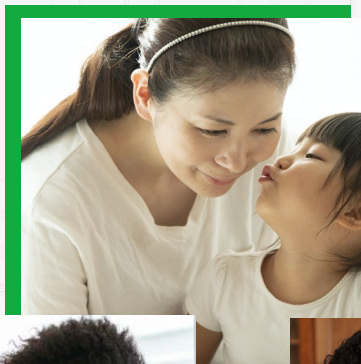
# Financial Products

# Providing financial services for the underbanked is a significant opportunity

Underbanked households as  
a fraction of total US households



**31M underbanked households  
in the U.S.**



# Financial Products

## Leveraging our existing foundation

**8M**

H&R Block customers who  
are underbanked

**~67%**

Block customers likely to  
open a bank account with  
Block if offered

**\$9B**

Dollars deposited  
annually to Emerald  
Card

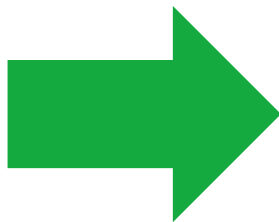
**Evolve Emerald Card into a consumer-centric, mobile-first solution for the underbanked, leveraging our technology platform and favorable banking relationship**

# Building a fully featured mobile banking offering

## Beta version to launch by calendar year-end

### Opportunity:

- >20M Tax Clients
- >2M Financial Products Clients
- Tax returns are often the single largest deposit of the year
- Trusted Brand
- Established, data-rich relationships



Further develop digital experience

Raise customers' financial confidence and deposit activity to drive year-round use

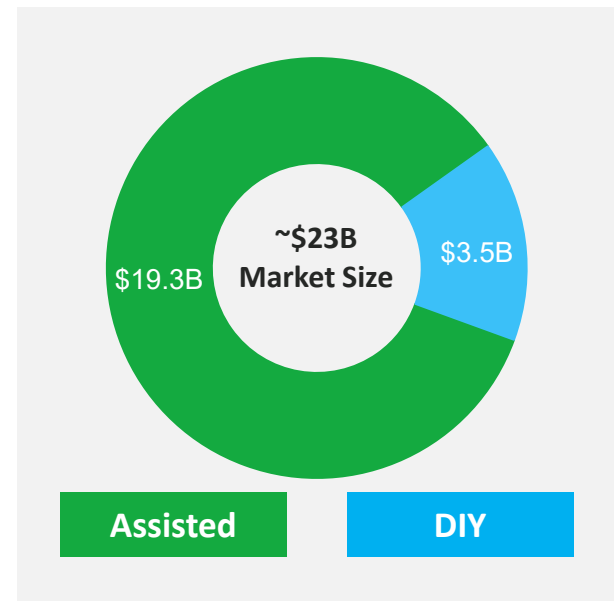
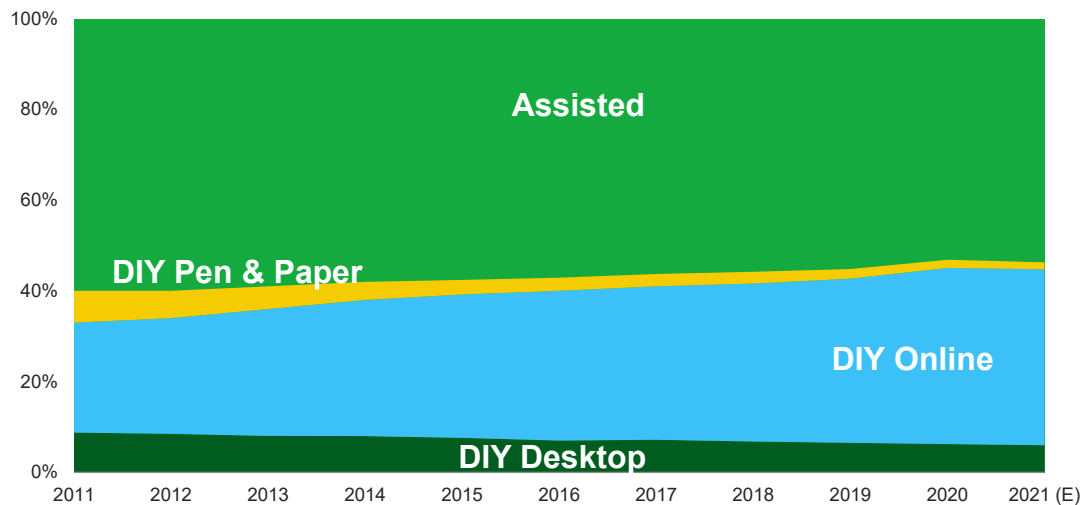
Increase focus on leveraging card spending data to provide targeted offers



# Block Experience



# Assisted tax preparation remains the preferred choice of over half of U.S. taxpayers



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



## **Block Experience:** innovating tax prep to serve customers however and wherever they choose

Blend human expertise and care with digital capabilities to make tax prep easier, faster, and more personalized, with our MyBlock app as the centerpiece

Converged tax prep model leverages our:

### **Brand**

DIY: #2 player in the market  
Assisted: Gained 70bps market share in 2021 tax season

### **Digital**

Tax Pro Review<sup>SM</sup>,  
Digital Drop Off, and Approve Online

### **People**

- 55,000+ highly trained tax professionals

### **Locations**

~11,000 leased or franchised global offices

# 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

# Continuing to innovate in **Block Experience**

## 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



# Financial Results And Outlook

# The theme of the 2021 Tax Season was 'Growth'

## Largest market share gains in a decade

Total market share  
+30 basis points

Assisted market share  
+70 basis points

DIY revenue growth of +~20%  
driven by higher NAC

### Converged model resonating with customers

#### *Assisted*

Digital  
engagement  
increased +50%

#### *DIY*

Customers  
accessing human  
help up increased  
+50%

# Strong results reflect early wins from Block Horizons

## Assisted Tax

- Grew clients ~7%; best result in over a decade
- Digital engagement increased >50%
- Client satisfaction scores remain strong; improvement in new client scores

## DIY Tax

- Clients adding human help through Tax Pro Review grew >50%
- Higher NAC given improved mix, pricing actions and uptake of live expertise

## Small Business

- Assisted Small Business tax clients grew 4%
- Wave saw increases in new customers, payments volume and use of payroll services leading to 35%+ revenue growth
- Wave Money growing 40% month over month

# FY21 results

in millions, except per share amounts	FY21	FY20	Change
Revenue	\$3,414	\$2,640	\$774
Pretax Income (loss)	\$669	\$(3)	\$672
Net Income	\$590	\$6	\$584
Weighted-Avg. Shares – Diluted	188.8	198.1	(9.3)
EPS <sup>1</sup>	\$3.11	\$0.03	\$3.08
Adjusted EPS <sup>1,2</sup>	\$3.39	\$0.84	\$2.55

Note: All amounts are unaudited and represent results from continuing operations.

<sup>1</sup> All per share amounts are based on weighted average fully diluted shares over the corresponding period.

<sup>2</sup> Adjusted EPS 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.

# Renewed five-year line of credit with attractive terms

Capacity aligned to  
business needs



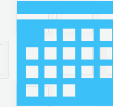
**\$1.5B**

Reduce expected  
annual costs by



**\$3M**

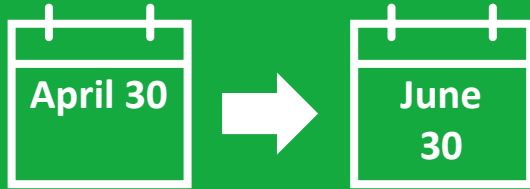
Covenants aligned  
with new calendar



**FY22**



# Change in fiscal year-end to improve comparability of results



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

**Plan to file 10-QT for transition period months of May  
and June later this summer; FY22 to begin July 1, 2021**

# Normalizing FY21 Revenue and EBITDA for new fiscal year, last tax season, and pandemic

		Revenue (\$M)	EBITDA (\$M)
<b>First,</b> Adjust for new fiscal year	<b>FY21 Actuals (April FYE)</b>	<b>\$3,414</b>	<b>\$932</b>
	Remove May/June '20 Results & Add May/June '21 Forecast	\$129	\$65
	<b>FY21 Estimate (June FYE)</b>	<b>\$3,543</b>	<b>\$997</b>
<b>Second,</b> Normalize for pandemic-related impacts	Remove TS20 Activity in July 2020	\$(250)	\$(205)
	Emerald Card Stimulus	\$(45)	\$(38)
	Pandemic Sick Pay/PPE	--	\$6
	<b>Normalized FY21 Forecast (June FYE)</b>	<b>\$3,248</b>	<b>\$760</b>

Note: Normalized revenue, EBITDA, and normalized EBITDA are non-GAAP financial measures. These measures are intended to provide additional context around our outlook for fiscal year 2022 given our change in our fiscal year end from April 30 to June 30 by providing our comparable outlook for a fiscal year ending June 30, 2021. Specific quantifications of the amounts that would be required to reconcile the company's normalized FY21 EBITDA outlook 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 company's normalized FY21 EBITDA outlook to a comparable GAAP measure. Please see the Safe Harbor Statement at the beginning of this presentation for information on non-GAAP measures, including where you can find reconciliations of non-GAAP measures for historical periods.

# FY22 outlook

Revenue and EBITDA are an improvement to normalized FY21 results

EBITDA growing faster than revenue as cost efficiencies offset variable expenses

Revenue

\$3.25B - \$3.35B

EBITDA

\$765M - \$815M

Effective Tax Rate

16% - 18%

Depreciation & Amortization

\$150M - \$160M

Interest Expense

\$90M - \$100M

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

# Capital Allocation Priorities unchanged

## Demonstrating confidence in our future

- 1 Maintain adequate liquidity for operational needs, accounting for seasonality
- 2 Fund investments in strategic imperatives
- 3 Return excess capital through quarterly dividends and share repurchases

**Dividend**

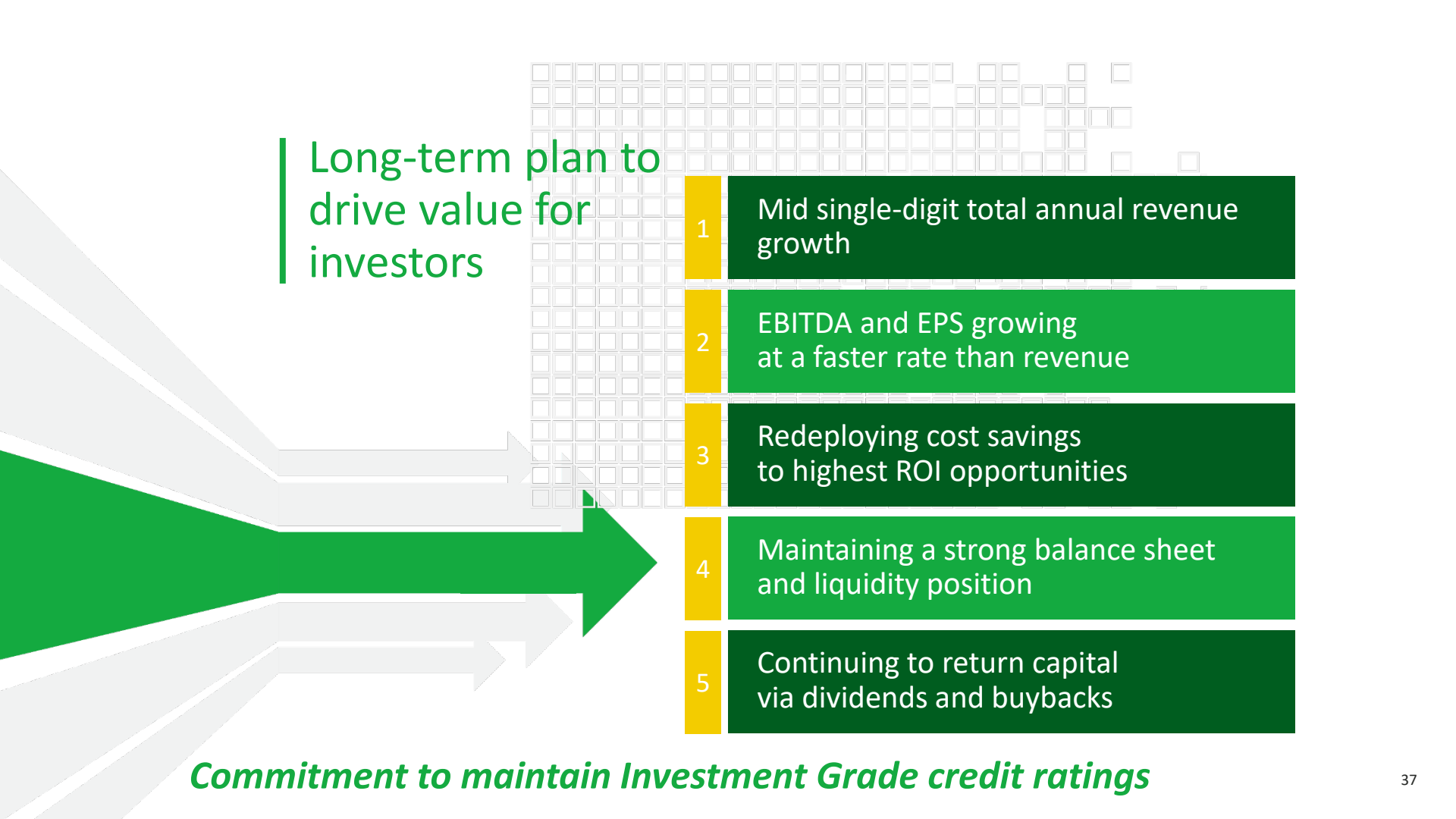
**+35%**

Total increase in  
past 6 years

**Share  
Repurchases**

**20%**

Shares outstanding  
repurchased  
over last 5 years



Long-term plan to  
drive value for  
investors

1

Mid single-digit total annual revenue growth

2

EBITDA and EPS growing at a faster rate 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

*Commitment to maintain Investment Grade credit ratings*



# Environmental, Social and Governance



# Sustainable, purpose-driven focus



## Belonging@Block

### Diversity and Inclusion:

- Expanded hiring practices, increased associate training, helping underserved neighborhoods and Black business owners, and increasing women among leadership
- Our work has led to national recognition for pledging to achieve pay equity and gender equality, however building a culture of inclusiveness is an ongoing effort



## Proactive and Sound Governance

### Commitment to:

- Robust shareholder engagement
- Pay-for-performance aligned with shareholder interests
- A largely independent and diverse Board with annual elections
- Expanding ESG disclosures



## Make Every Block Better

Powered by a series of partnerships and programs, we are investing in nationwide initiatives that help to revitalize our neighborhoods, create spaces for neighbors to connect, support the start and growth of more small businesses, and ultimately create more vibrant and thriving communities everywhere.



## Environment

### Focus on scaling down consumption:

- 80% reduction in paper in tax pro training materials
- 325 trees saved in Shred-It recycle program
- Sustainable software packaging
- 2M kWh HQ energy reduction



# Proactive and sound governance practices

Committed to a robust shareholder engagement policy

Pay-for-performance culture and shareholder alignment

All directors, other than CEO, are independent, including the Chairman

Annual director election

Annual Board self-evaluation administered by third party

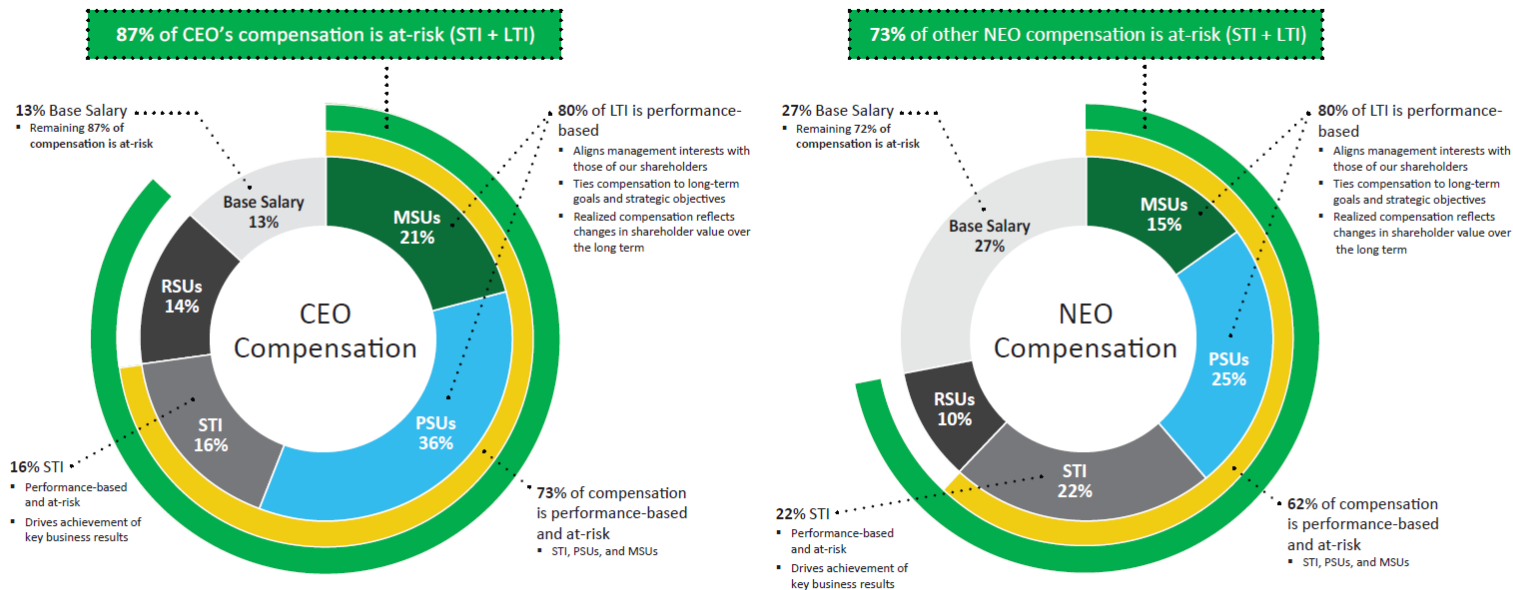
Committed to maintaining the diversity of Board members

Committed to improving and expanding ESG disclosures

Board actively involved in succession planning, with balanced oversight of strategy



# Executive pay aligns with shareholder value creation



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

# Make Every Block Better

## commitment to 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

Funded 16 neighborhood revitalization grants

### Urban Neighborhood Initiative

Community-building and home repair events in underserved areas

### FastTrack

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

### Associate Volunteering

Multiple efforts to identify and support local nonprofits in our communities

### Community Disaster Relief

Donated time and funds to address disasters such as the Australian bushfires and COVID-19 pandemic

### Hardship & Disaster Relief

Established fund to help associates overcome short-term financial challenges

# Diversity, Inclusion and Belonging@Block

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

## **2020: Equity Action Plan**

- Expand hiring practices to be more inclusive and diverse.
- Increase D&I education opportunities and enhance racial equality training for associates.
- Explicit internal code of conduct address racial equality.
- Commitment to helping underserved, urban neighborhoods and Black business owners.

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

**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





# Appendix

# Tax operating statistics

## U.S. Tax Operating Data

	January 1, 2021 through May 18, 2021 <sup>(1)</sup>	January 1, 2020 through May 18, 2020 <sup>(2)</sup>	% Change
U.S. Tax Returns Prepared: (in 000s) <sup>(3)</sup>			
Company-owned operations	8,379	6,546	28.0%
Franchise operations	3,216	2,760	16.5%
Total H&R Block Assisted	11,595	9,306	24.6%
Desktop	1,913	1,557	22.9%
Online	6,917	5,966	15.9%
Total H&R Block DIY	8,830	7,523	17.4%
Total H&R Block U.S. Returns	20,425	16,829	21.4%
Net Average Charge: <sup>(4)</sup>			
Company-owned operations	\$221.64	\$225.50	(1.7)%
Franchise operations <sup>(5)</sup>	\$209.45	\$214.12	(2.2)%
DIY	\$33.03	\$27.17	21.6%

(1) Represents a completed tax season, as the U.S. federal tax filing deadline for 2020 individual returns was May 17, 2021.

(2) Represents a partial tax season, as the U.S. federal tax filing deadline for 2019 individual tax returns was July 15, 2020.

(3) An assisted tax return is defined as a current or prior year individual or business tax return that has been accepted and paid for by the client. A DIY online return is defined as a current year individual or business tax return that has been accepted and paid for by the client. A DIY desktop return is defined as a current year individual or business tax return that has been electronically submitted to the IRS.

(4) Net average charge is calculated as total tax preparation fees, divided by tax returns prepared.

(5) 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

CONSOLIDATED STATEMENTS OF OPERATIONS		(unaudited, in 000: - except per share amounts)			
		Three months ended April 30,		Year ended April 30,	
		2021	2020	2021	2020
<b>REVENUES:</b>					
Service revenues	\$	2,110,618	\$ 1,635,561	\$ 3,067,223	\$ 2,327,323
Royalty, product and other revenues		217,562	173,791	346,764	312,397
		<u>2,328,180</u>	<u>1,809,352</u>	<u>3,413,987</u>	<u>2,639,720</u>
<b>OPERATING EXPENSES:</b>					
Costs of revenues		901,728	767,157	1,842,092	1,712,276
Impairment of goodwill		—	106,000	—	106,000
Selling, general and administrative		340,900	268,603	802,268	744,361
Total operating expenses		<u>1,242,628</u>	<u>1,141,760</u>	<u>2,644,360</u>	<u>2,562,637</u>
Other income (expense), net		1,220	1,896	5,979	15,637
Interest expense on borrowings		(21,551)	(27,412)	(106,870)	(96,094)
Income (loss) from continuing operations before income taxes (benefit)		1,065,221	642,076	668,736	(3,374)
Income taxes (benefit)		114,254	178,616	78,524	(9,530)
Net income from continuing operations		<u>950,967</u>	<u>463,460</u>	<u>590,212</u>	<u>6,156</u>
Net loss from discontinued operations		(1,715)	(3,057)	(6,421)	(13,682)
<b>NET INCOME (LOSS)</b>	<b>\$</b>	<b>949,252</b>	<b>\$ 460,403</b>	<b>\$ 583,791</b>	<b>\$ (7,526)</b>
<b>BASIC EARNINGS (LOSS) PER SHARE:</b>					
Continuing operations	\$	5.22	\$ 2.40	\$ 3.15	\$ 0.03
Discontinued operations		(0.01)	(0.01)	(0.04)	(0.07)
Consolidated	\$	<u>5.21</u>	<u>\$ 2.39</u>	<u>\$ 3.11</u>	<u>\$ (0.04)</u>
<b>WEIGHTED AVERAGE BASIC SHARES</b>		<b>181,512</b>	<b>192,475</b>	<b>186,832</b>	<b>196,701</b>
<b>DILUTED EARNINGS (LOSS) PER SHARE:</b>					
Continuing operations	\$	5.14	\$ 2.39	\$ 3.11	\$ 0.03
Discontinued operations		(0.01)	(0.02)	(0.03)	(0.07)
Consolidated	\$	<u>5.13</u>	<u>\$ 2.37</u>	<u>\$ 3.08</u>	<u>\$ (0.04)</u>
<b>WEIGHTED AVERAGE DILUTED SHARES</b>		<b>184,354</b>	<b>193,726</b>	<b>188,777</b>	<b>198,108</b>

# Consolidated balance sheet

CONSOLIDATED BALANCE SHEETS		(unaudited, in 000s - except per share data)	
As of April 30,	2021	2020	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 934,251	\$ 2,661,914	
Cash and cash equivalents - restricted	128,669	211,106	
Receivables, net	197,876	133,197	
Income taxes receivable	333,366	28,477	
Prepaid expenses and other current assets	105,562	52,042	
Total current assets	1,699,724	3,086,736	
Property and equipment, net	148,490	184,367	
Operating lease right of use asset	437,246	494,788	
Intangible assets, net	360,148	414,976	
Goodwill	757,659	712,138	
Deferred tax assets and income taxes receivable	182,848	151,195	
Other noncurrent assets	67,531	67,847	
Total assets	\$ 3,653,646	\$ 5,112,047	
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			

LIABILITIES AND STOCKHOLDERS' EQUITY			
<b>LIABILITIES:</b>			
Accounts payable and accrued expenses	\$ 198,084	\$ 203,103	
Accrued salaries, wages and payroll taxes	270,982	116,375	
Accrued income taxes and reserves for uncertain tax positions	287,404	209,816	
Current portion of long-term debt	—	649,384	
Operating lease liabilities	206,393	195,537	
Deferred revenue and other current liabilities	200,216	201,401	
Total current liabilities	1,163,079	1,575,616	
Long-term debt and line of credit borrowings	1,490,039	2,845,873	
Deferred tax liabilities and reserves for uncertain tax positions	279,351	182,441	
Operating lease liabilities	242,626	312,566	
Deferred revenue and other noncurrent liabilities	126,150	124,510	
Total liabilities	3,301,245	5,041,006	
<b>COMMITMENTS AND CONTINGENCIES</b>			
<b>STOCKHOLDERS' EQUITY:</b>			
Common stock, no par, stated value \$.01 per share	2,167	2,282	
Additional paid-in capital	783,292	775,387	
Accumulated other comprehensive income (loss)	4,786	(51,576)	
Retained earnings	248,506	42,965	
Less treasury shares, at cost	(686,350)	(698,017)	
Total stockholders' equity	352,401	71,041	
Total liabilities and stockholders' equity	\$ 3,653,646	\$ 5,112,047	

# Non-GAAP financial measures

## NON-GAAP FINANCIAL MEASURES

NON-GAAP FINANCIAL MEASURE - EBITDA	(in 000s)			
	Three months ended April 30,		Year ended April 30,	
	2021	2020	2021	2020
Net income (loss) - as reported	\$ 949,252	\$ 460,403	\$ 583,791	\$ (7,526)
Discontinued operations, net	1,715	3,057	6,421	13,682
Net income from continuing operations - as reported	950,967	463,460	590,212	6,156
Add back:				
Income taxes (benefit)	114,254	178,616	78,524	(9,530)
Interest expense	21,551	27,412	106,870	96,094
Depreciation and amortization	39,689	44,127	156,852	169,536
	175,494	250,155	342,246	256,100
EBITDA from continuing operations	1,126,461	713,615	932,458	262,256
Adjustments:				
Impairment of goodwill	—	106,000	—	106,000
Adjusted EBITDA from continuing operations	\$ 1,126,461	\$ 819,615	\$ 932,458	\$ 368,256
EBITDA margin from continuing operations <sup>(1)</sup>	48.4 %	39.4 %	27.3 %	9.9 %
Adjusted EBITDA margin from continuing operations	48.4 %	45.3 %	27.3 %	14.0 %

<sup>(1)</sup> EBITDA margin from continuing operations is computed as EBITDA from continuing operations divided by revenues from continuing operations.

<sup>(2)</sup> Adjusted EBITDA margin from continuing operations is computed as adjusted EBITDA from continuing operations divided by revenues from continuing operations.



# Non-GAAP financial measures

NON-GAAP FINANCIAL MEASURE - ADJUSTED EPS	(in 000s, except per share amounts)			
	Three months ended April 30,		Year ended April 30,	
	2021	2020	2021	2020
Net income from continuing operations - as reported	\$ 950,967	\$ 463,460	\$ 590,212	\$ 6,156
Adjustments:				
Amortization of intangibles related to acquisitions (pretax)	16,211	19,564	68,387	74,561
Impairment of goodwill (pretax)	—	106,000	—	106,000
Tax effect of adjustments <sup>(1)</sup>	(11,741)	(5,459)	(15,884)	(19,126)
Adjusted net income from continuing operations	\$ 955,437	\$ 583,565	\$ 642,715	\$ 167,591
Diluted earnings per share from continuing operations - as reported	\$ 5.14	\$ 2.39	\$ 3.11	\$ 0.03
Adjustments, net of tax	0.02	0.62	0.28	0.81
Adjusted diluted earnings per share from continuing operations	\$ 5.16	\$ 3.01	\$ 3.39	\$ 0.84

<sup>(1)</sup> The tax effect of adjustments is the difference between the tax provision calculation on a GAAP basis and on an adjusted non-GAAP basis.

## Free cash flow non-GAAP reconciliation

<i>\$ in thousands</i>	FY17	FY18	FY19	FY20	FY21
Cash Flow from Operations	\$552,197	\$850,003	\$606,538	\$108,961	\$625,928
Capital Expenditures	<u>(\$89,255)</u>	<u>(\$98,583)</u>	<u>(\$95,490)</u>	<u>(\$81,685)</u>	<u>(\$52,792)</u>
<b>Free Cash Flow</b>	<b>\$462,942</b>	<b>\$751,420</b>	<b>\$511,048</b>	<b>\$27,276</b>	<b>\$573,136</b>