



CREATING SHAREHOLDER VALUE

JUNE 2019

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. 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, operational, 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. In addition, factors that may cause the company's actual estimated effective tax rate to differ from estimates include the company's actual results from operations compared to current estimates, future discrete items, changes in interpretations and assumptions the company has made, guidance from the Internal Revenue Service, Securities and Exchange Commission, or the Financial Accounting Standards Board about the Tax Legislation, and future actions of the company. You may get our Securities and Exchange Commission 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"), 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 our press release filed on June 11, 2019 and our previously filed press releases, both of which are posted on our investor relations website at <http://investors.hrblock.com>.

Market and Industry Data

The data included in this presentation regarding the tax preparation services industry, including trends in the market and the company's position and the position of its competitors within this industry, are based on the company's estimates, which have been derived from management's knowledge and experience in the industry, and information obtained from customers, trade and business organizations, internal research, publicly available information, industry publications and surveys and other contacts in the industry. The company has also cited information compiled by industry publications, governmental agencies, and publicly available sources. Although the company believes these third-party sources to be reliable, it has not independently verified the data obtained from these sources and it cannot assure you of the accuracy or completeness of the data. Estimates of market size and relative positions in a market are difficult to develop and inherently uncertain and the company cannot assure you that it is accurate. Accordingly, you should not place undue weight on the industry and market share data presented in this presentation.

H&R Block Overview

Profile

- Founded the tax industry in 1955
- Recently competed 64th tax season
- Well-established tax operations in the U.S., Canada, and Australia
- Over 23 million returns filed by or through H&R Block in fiscal 2019
- ~80,000 highly trained tax professionals in the U.S.
- ~11,000 offices globally

Offerings & Products

- **Taxes:** Leader in the tax industry with broad spectrum of offerings in the Assisted, DIY, and Virtual categories
- **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

Fiscal 2019 Financials

- Revenue: \$3.1 billion
- EBITDA: \$799 million
- EBITDA Margin: 25.8%
- EPS: \$2.15
- Free Cash Flow: \$511 million
- Current quarterly dividend: \$0.26 (4% increase over prior year)
- NYSE: HRB

Investment Thesis

1. Market-leading position in tax with unmatched competencies

2. Significant addressable market

3. Ongoing retention and growth initiatives

4. Positioned to win in the long term

5. Expanding capabilities in large and expanding small business market

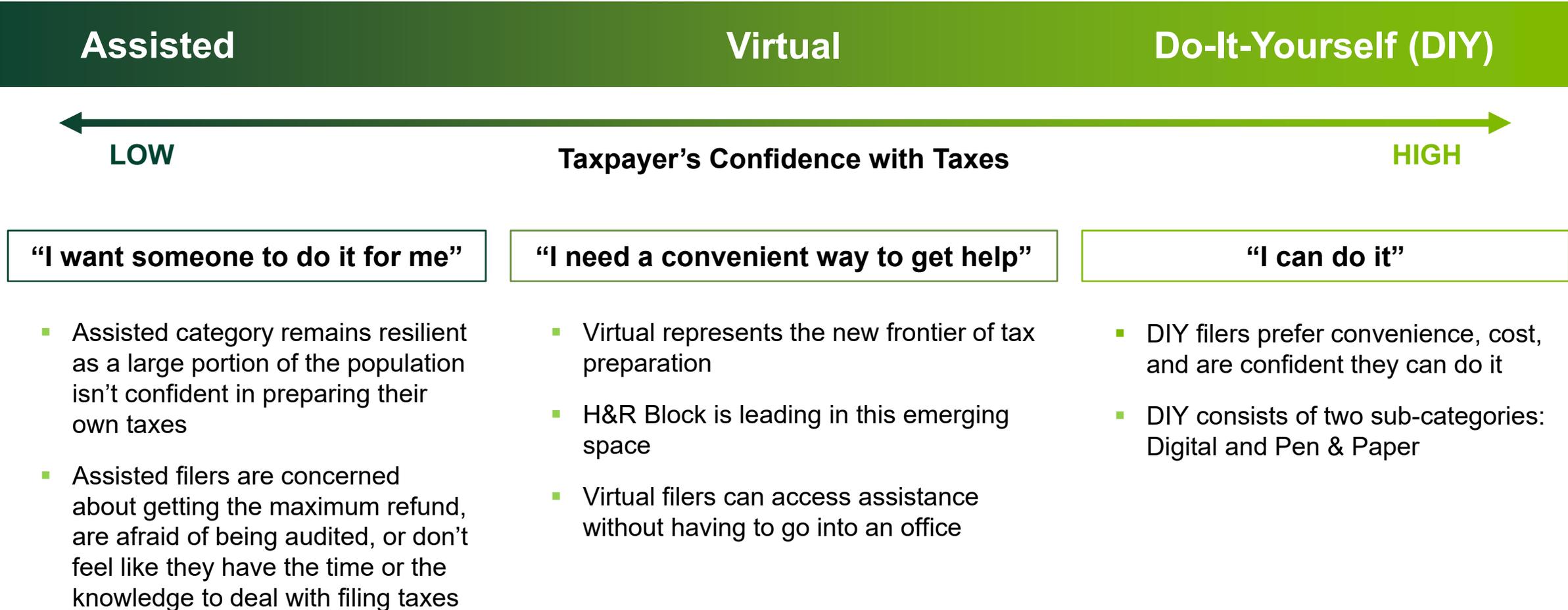
6. Robust financial profile and attractive capital allocation

- Complete ecosystem and scaled network in the expansive, established tax industry
- Proprietary multi-channel approach to take advantage of opportunities in \$21B tax industry
- Transforming the Assisted value proposition and driving innovation in DIY to support and grow robust customer base
- Through Virtual, executing at the convergence of personalized service and digital expertise to capture the new frontier
- Acquisition of Wave, a rapidly-growing financial solutions platform, provides new growth opportunities
- Strong cash generation and fortified balance sheet support strategic initiatives as well as capital return through dividends and opportunistic share repurchases



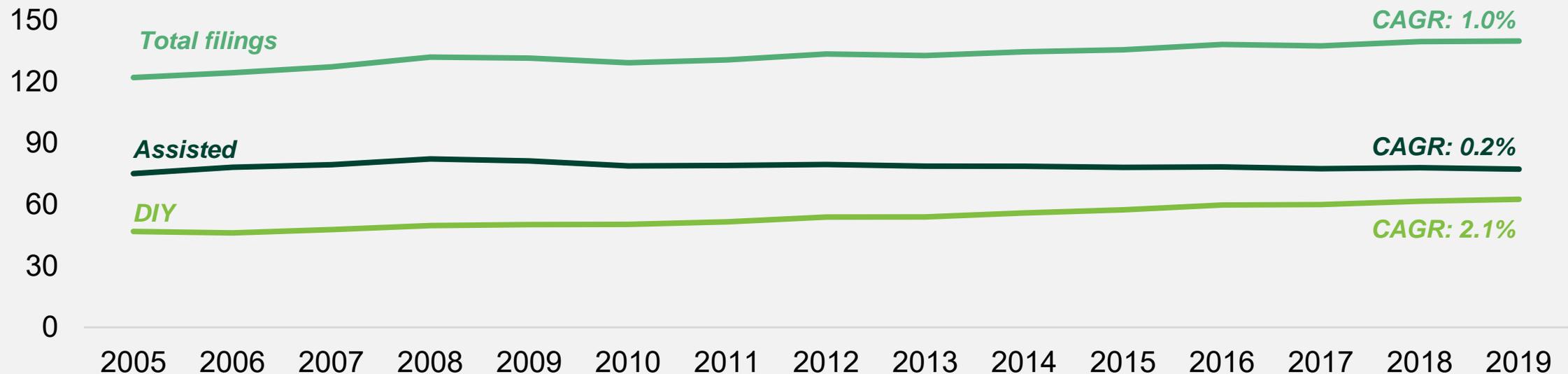
Tax industry
rooted in size
and growth

Taxpayers choose level of help based on their confidence with taxes



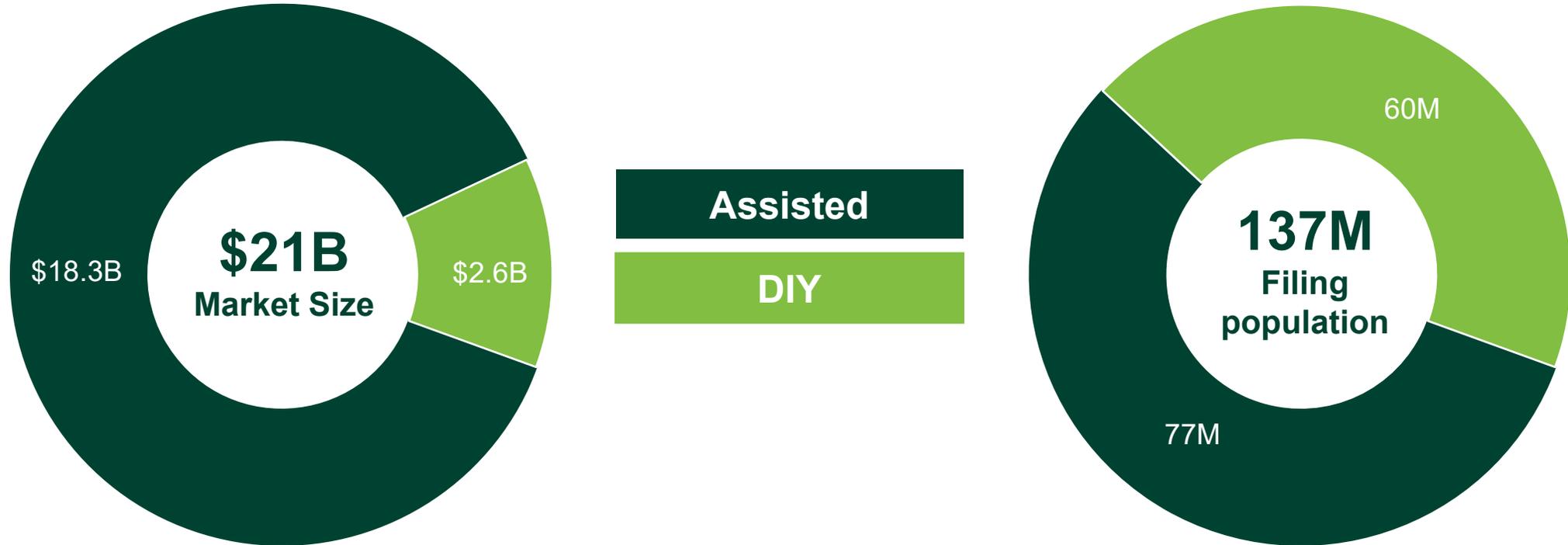
U.S. tax industry is resilient; both Assisted and DIY tax prep methods remain strong

- On average, total U.S. filings grow ~1% annually and are highly correlated to non-farm employment
- Both the Assisted and DIY channels are growing; the Virtual channel is in its early stages
- The Assisted channel, which represents ~55% of U.S. tax filings, is growing, albeit at a lower rate than DIY



U.S. tax filings (in millions)

Addressable market is significant in both Assisted and DIY

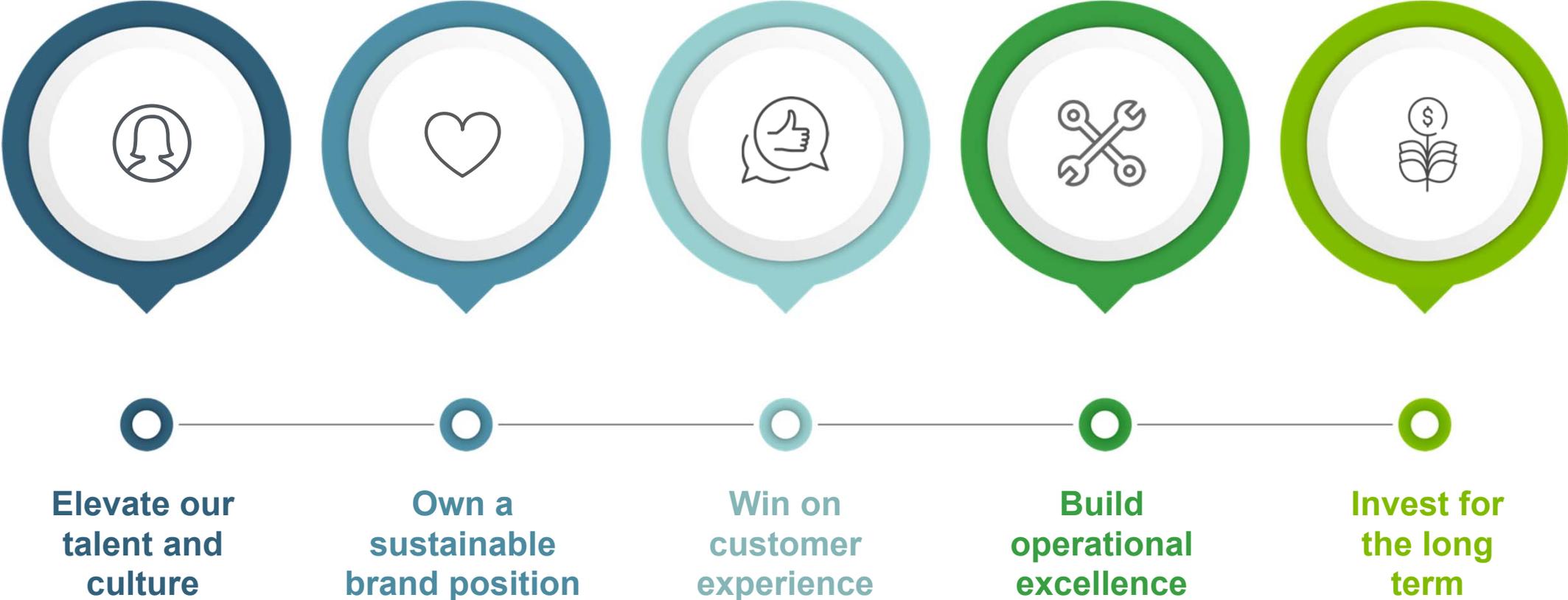


- Addressable market is large; Assisted share of industry revenue is dominant at 87%
- Assisted return growth in two of past four years; consistent year-over-year DIY return growth
- Assisted channel is highly fragmented; peers have limited resources; DIY channel has low fragmentation with well-resourced peers



Our path
forward

Strategic framework that will guide us over long term



Key objectives of our enterprise strategy

Assisted

- **Improving the value** we deliver, including an investment in price
- Developing and delivering on a **clear brand promise** to differentiate H&R Block to consumers
- Improving the **quality and consistency** of our service delivery in the tax office

Virtual

- **Innovating** in this emerging space, **leading the industry** as consumer expectations evolve
- Combining **digital technology** with the **unmatched scale and expertise of our network** to deliver value-added solutions

Do-It-Yourself (DIY)

- Investing to **improve the product and user experience**
- Pricing at a level that is competitive and **provides compelling value** to our clients
- Continuing to communicate this value, **growing awareness** and compelling consumers to switch to H&R Block



Foundational
strengths

Leveraging our complete ecosystem advances market-leading position

Assisted

14.5%

TS19 H&R Block Assisted Market Share



#1

Industry Rank

DIY

14.9%

TS19 H&R Block DIY Market Share



#2

Industry Rank

Virtual

TAX
PRO > GO

tax pro
review

ask a
tax pro



New Frontier

1955

1994

Now

Unmatched scale, expertise and resources in the U.S.

Assisted category

Scale & Prestige

- H&R Block **FOUNDED** the tax industry and has completed 64 tax seasons
- Largest Assisted preparer in the U.S., with **11.6 million** returns prepared in FY19
- Unmatched scale
 - Vast majority of Americans are within 5 miles of an H&R Block office¹
 - **~10K** tax offices across the U.S.; **2/3** company-owned, **1/3** franchised
 - Ability to quickly scale to optimize network footprint

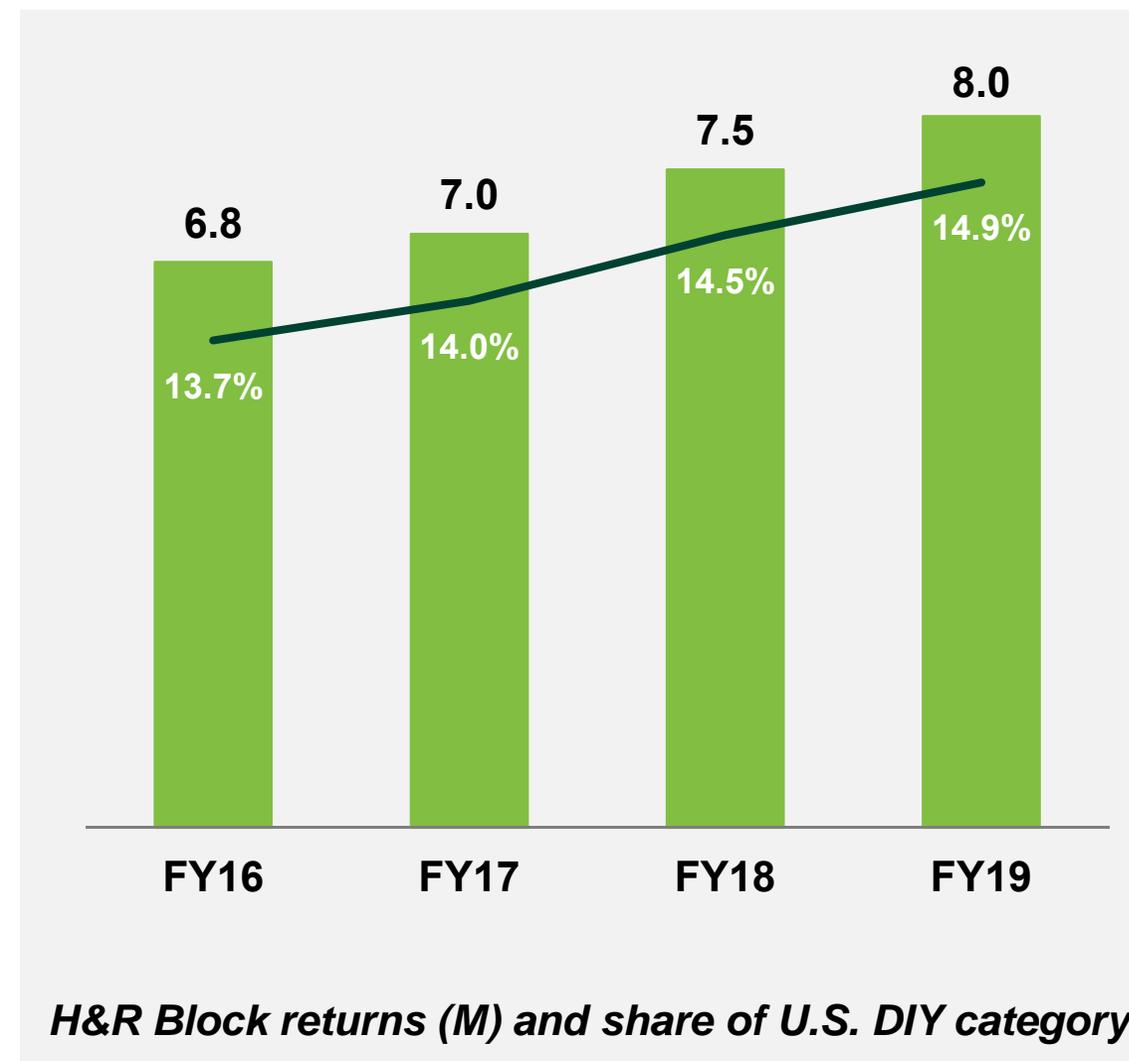
Expertise

- Approximately **80,000** highly trained U.S. tax professionals
- HRB tax professionals complete at least **39** hours of training annually
- Over **7,500** Enrolled Agents and CPAs
- Average tax professional has **10.5** years of tenure

¹ Source: Nielsen Demographics US Population Data and HRB location footprint.

Focused on growing our DIY business

- Improved **mobile experience**, giving clients more visibility to where they are in the process
- Continued enhancements to the user experience through **personalization and simplification**
 - Targeting questions relevant to each user
 - Clients can import or upload 98% of their tax documents and drag-and-drop prior year returns, making it simple to switch to HRB
- **Leveraging machine learning** to provide better help through our new virtual tax assistant
- **Higher** conversion, upgrades, and product attach rates



Innovating to win in the new frontier

Virtual



Virtual Assisted tax preparation

The easiest way to have someone do your taxes for you; simply upload your documents using your smart phone and a tax pro does the rest

- Taxpayer is matched with the best Tax Pro for them, who completes, signs, and files the return
- Secure digital document upload and messaging and phone consultations with Tax Pro



Tax Pro virtual review of return

For DIY filers who want assurance, an H&R Block tax pro reviews your source documents and tax return, and then signs and e-files on your behalf

- Available with any online product
- Tax Pro provides an expert review, then signs and files the return for the taxpayer



On-demand and unlimited help

Best live value in the market for the DIY filer who wants unlimited, immediate access to a tax pro to provide help along the way

- Clients interact with a tax pro via chat or phone, as well as co-browsing, to ask product or tax questions

Unmatched capability to serve consumers in more ways



Tax Plus products provide added value to clients, both within and beyond tax season

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

H&R BLOCK EMERALD ADVANCE®



- Pre-season line of credit up to \$1,000
- ~\$400M funded loans; \$58M revenue

REFUND ADVANCE



- Interest-free, no-fee loan, up to \$3,000
- 1.2M applications, \$1.2B funded loans

H&R BLOCK EMERALD PREPAID MASTERCARD®



- 3rd largest general purpose reloadable debit card in U.S.
- \$9B total deposits; \$98M revenue

REFUND TRANSFER



- Pay nothing out of pocket for tax prep
- High attach rates, with 4.7M total units; \$170M revenue

PEACE OF MIND®



- Extended service plan includes IRS audit representation
- Attach rate growth of 9 points in 6 years to 29%

TAX IDENTITY SHIELD®



- Protection against tax identity theft
- Additional services include dark web scan
- 1.3M units sold



Delivering
results

Strong execution and significant improvements across the business in fiscal 2019

Assisted

- **9-point increases** in both client satisfaction scores for price/value and Net Promoter Score (NPS)
- **One-third** of tax pros have increased certification levels
- Volume **in-line with industry**, excluding impact of Free EZ

DIY

- Online client growth of 9% **outpacing industry for third consecutive year**
- **9-point increase** in NPS
- Named PCMag's **Editor's Choice** for Best Tax Software for 2019

Virtual

- Combined growth of **75%**
- **One-third** of Ask a Tax Pro clients are new to H&R Block
- Tax Pro Review **growth in new clients**
- Tax Pro Go driving **new, younger clients** to our brand

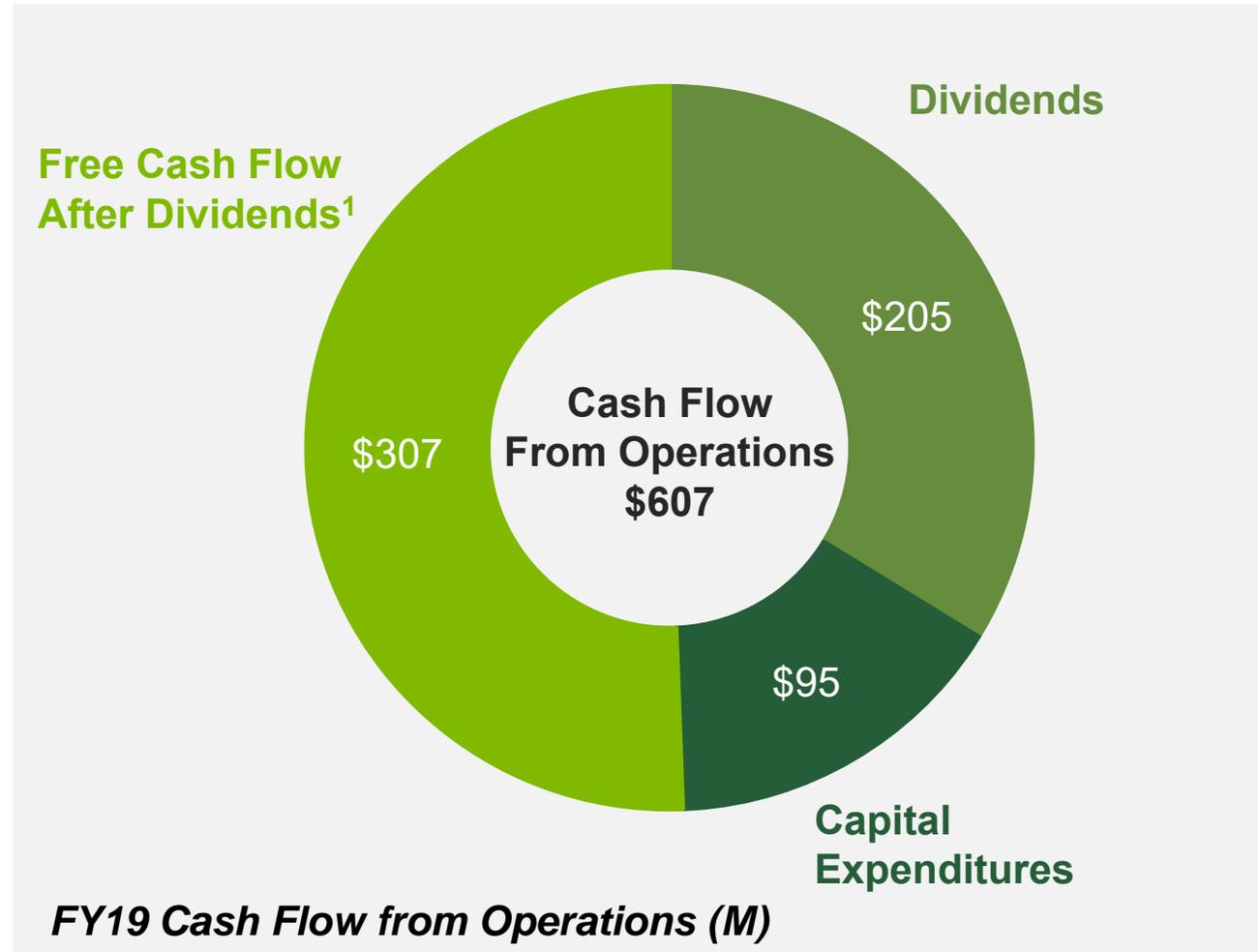
Solid financial performance for fiscal 2019 while making investments for the long term

| Metric | What We Said | What We Did |
|-----------------------------|---------------------|-------------|
| Revenues | \$3,050M - \$3,100M | ✓ \$3,095M |
| EBITDA Margin ¹ | 24% - 26% | ✓ 25.8% |
| Effective Tax Rate | 23% - 25% | ✓ 18.3% |
| Depreciation & Amortization | \$165M - \$175M | ✓ \$167M |
| Capital Expenditures | \$95M - \$105M | ✓ \$95M |
| Interest Expense | \$80M - \$85M | \$87M |

¹ EBITDA Margin 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.

Significant recurring cash flow

- Cash-based, capital-light operating model with strong margins
- Consistent generation of significant cash flow, with average free cash flow before dividends of \$530 million over last five years
- Model allows for significant return of capital returns through dividends and opportunistic share repurchases



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.

FY20 Financial Outlook

REVENUE GROWTH

1.5% - 3.5%

- Modest growth in the tax business following a reset year
- Includes revenue contribution from Wave

EBITDA MARGIN¹

24% - 26%

- EBITDA dollar growth as cost reductions offset impact from Wave
- Revenue growth outpaces EBITDA growth, impacting margin

EFFECTIVE TAX RATE

23% - 25%

- Rate may fluctuate due to unanticipated discrete items

Outlook includes the following impacts from the Wave acquisition:

- Revenue contribution: \$40 - \$45 million
- Operating loss and related transaction costs: \$25 - \$30 million
- Purchase price amortization: \$40 - \$50 million

¹ EBITDA Margin is a non-GAAP financial measure. Specific quantifications of the amounts that would be required to reconcile the company's EBITDA Margin outlook for FY20 are not available. Because of the variability of these and other items as well as the impact of future events on these items, management is unable to reconcile without unreasonable effort the expected range of EBITDA Margin for the fiscal year to a comparable GAAP range. Please see the Safe Harbor Statement at the beginning of this presentation for information on non-GAAP financial measures.



Wave:
Growing in
small
business

Wave Financial: A rapidly-growing financial solutions platform for the small business market



Large and Expanding Market



Strong Strategic Fit



Disruptive Innovator

Acquisition will accelerate H&R Block's small business strategy, providing new growth opportunities

Wave will accelerate our strategy in the large and expanding small business market



Large and Expanding Small Business Market¹

- 31 million small businesses in North America
- Over 100,000 new small businesses created each month
- Freelancers: ~57 million today growing to ~87 million by 2027



Simple Platform Empowers Small Business Owners

- Many small business owners struggle with cash flow, bookkeeping, payroll and tax prep
- Financial mismanagement and outdated methods lead to failure
- Wave's platform helps small businesses manage complex financial needs



Opportunity for Synergies

- Unlock revenue synergies from existing small business clients
- Attract new clients to the tax business through existing small business network
- Minimal overlap between services and technology

¹ Source: U.S. Census, Industry Canada, and Small Business Administration.

Wave's robust platform serves the needs of small business owners



Low customer acquisition costs combined with recurring revenue stream yields favorable customer lifetime value

Wave is growing organically and rapidly



400,000+

Active Customers



\$40-45M

Projected Revenue Contribution to HRB in FY20



>80%

Signups through Unpaid Channels



25

Consecutive Quarters of Revenue Growth

Opportunity to increase brand awareness and platform offerings to accelerate growth

Transaction Summary

Company Information

- Wave Financial (waveapps.com)
 - ~250 full-time associates
 - Headquartered in Toronto, Ontario
-

Governance & Leadership

- Wave will operate independently within H&R Block
 - Kirk Simpson to remain as CEO of Wave and report to H&R Block CEO Jeff Jones
-

Structure & Valuation

- Purchase price of \$405 million, funded with available cash
 - Additional financial performance incentives
-

Timing & Approvals

- Transaction is expected to close within the next few months
- Subject to customary closing conditions including regulatory approvals



Capital Allocation

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

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

- Committed to repurchase shares to offset dilution; repurchased 10% of float during three most recent fiscal years at an average price of under \$23
- Regular annual review of dividend policy, leading to increases in each of the past four years; 3.9% current yield



Culture and Governance

Enterprise strategy driving evolution of our company culture

Strategy imbedded across all aspects of our business

- Beginning in fiscal 2019, performance goals and incentive plans have been tied to our five strategic pillars
- Company Purpose and Behaviors now guide associate recruitment, hiring selection, professional development, and training

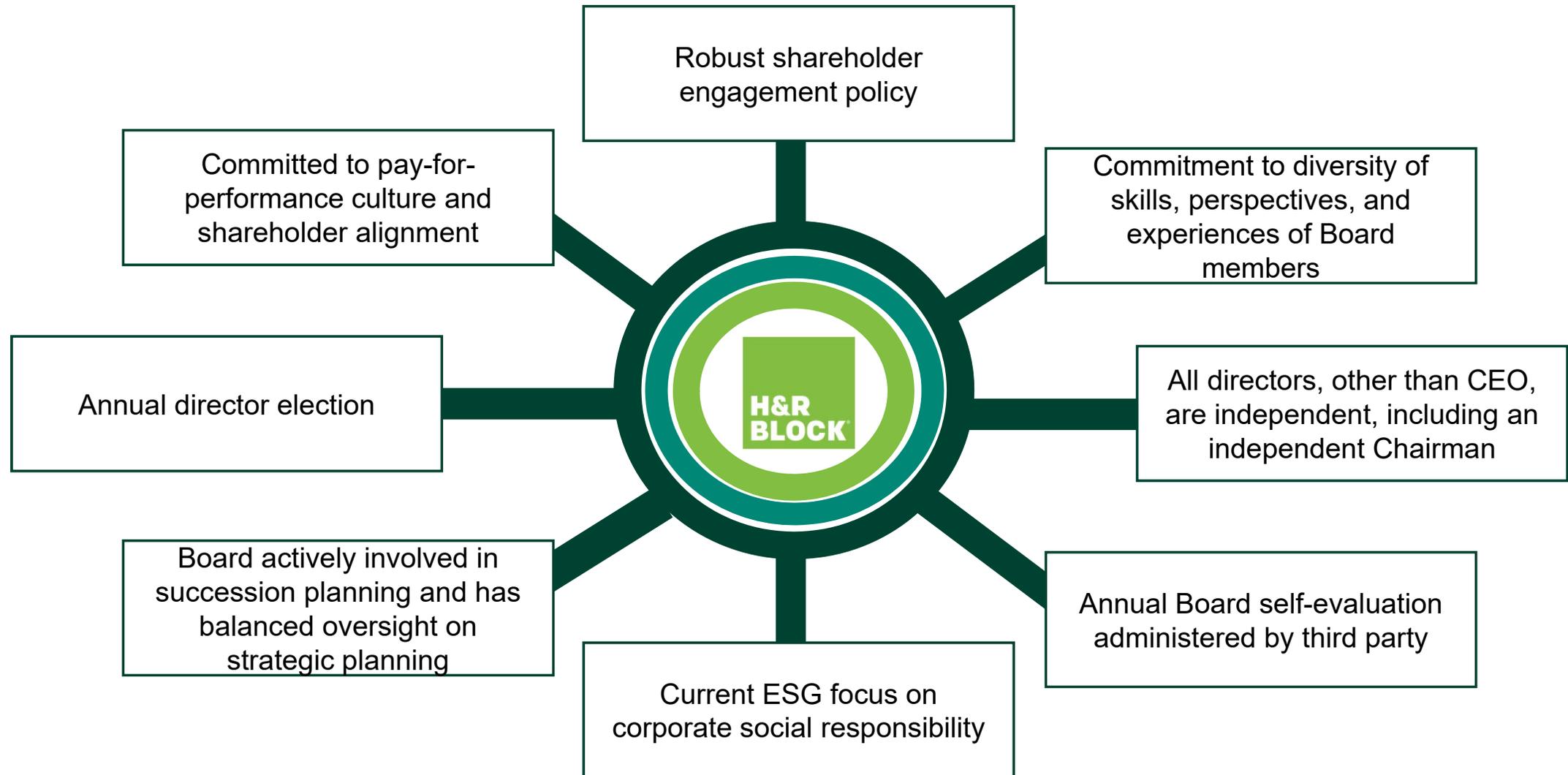
Culture conversations at all levels of the organization

- Over 80% of people managers/directors at our headquarters have participated in interactive culture workshops to discuss how to bring our Purpose to life with their teams
- Senior leadership team has active role in culture conversations by sharing thoughts on our company Behaviors via podcasts

Renewed commitment to serving our communities

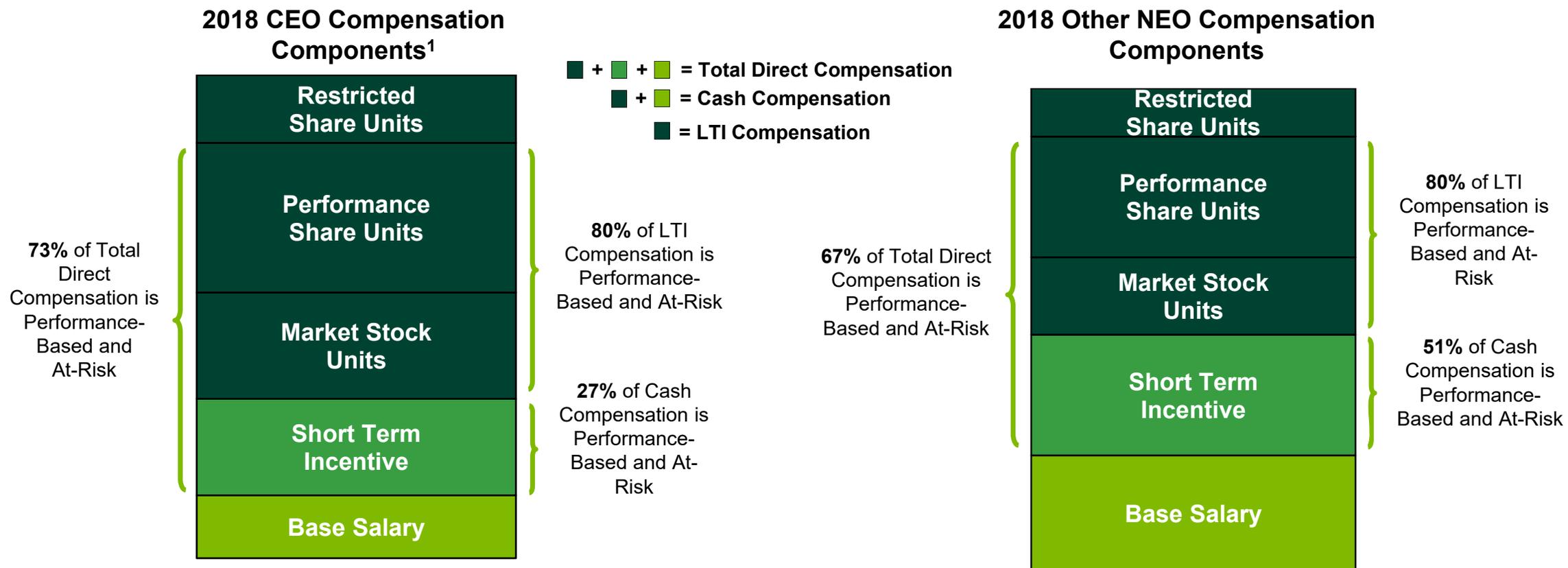
- Committed to serving the community and continuing the philanthropic tradition established by our founders Henry and Richard Bloch
- Dedicated over 6,000 associate hours during most recent national convention to volunteering in the community; later leveraged vast retail network to volunteer at more than 300 local events

Proactive and sound governance practices



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



¹ Exclusive of one-time sign-on compensation.



Investment thesis

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A 3D-style graphic consisting of two overlapping squares. The front square is a light green color and contains the word "Appendix" in white text. The back square is a darker green color and is slightly offset to the left and top, creating a shadow effect. The background of the entire slide is a dark green color with a repeating pattern of light green hexagons.

Appendix

Tax operating data

| TAX OPERATING DATA | | | |
|---|---------------|---------------|----------|
| Year ended April 30, | 2019 | 2018 | % Change |
| U.S. Tax Returns Prepared: (in 000s) ^{(1) (2)} | | | |
| Company-Owned Operations | 8,033 | 8,186 | (1.9)% |
| Franchise Operations | 3,583 | 3,633 | (1.4)% |
| Total H&R Block Assisted | <u>11,616</u> | <u>11,819</u> | (1.7)% |
| | | | |
| Desktop | 1,969 | 2,031 | (3.1)% |
| Online | 6,012 | 5,502 | 9.3 % |
| Total H&R Block DIY | <u>7,981</u> | <u>7,533</u> | 5.9 % |
| | | | |
| IRS Free File | 665 | 613 | 8.5 % |
| Total H&R Block U.S. Returns | <u>20,262</u> | <u>19,965</u> | 1.5 % |
| | | | |
| International tax returns prepared: (in 000s) | | | |
| Canada | 2,465 | 2,423 | 1.7 % |
| Australia | 747 | 757 | (1.3)% |
| Other | 142 | 187 | (24.1)% |
| Total international returns | <u>3,354</u> | <u>3,367</u> | (0.4)% |
| Tax returns prepared worldwide | <u>23,616</u> | <u>23,332</u> | 1.2 % |
| | | | |
| Net Average Charge (U.S. only): ⁽³⁾ | | | |
| Company-Owned Operations | \$ 231.6 | \$ 241.41 | (4.1)% |
| Franchise Operations ⁽⁴⁾ | 216.61 | 210.63 | 2.8 % |
| DIY | 32.59 | 32.28 | 1.0 % |

(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, including Tax Pro GoSM and Tax Pro ReviewSM returns. Also included are business returns, which account for less than 1% of assisted tax 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) Amounts have been reclassified between company-owned and franchise operations for offices which were refranchised or repurchased by the company during the year.

(3) Net average charge is calculated as tax preparation fees divided by tax returns prepared. For DIY, net average charge excludes IRS Free File.

(4) 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.

Financial results

| FINANCIAL RESULTS | | (unaudited, in 000s - except per share amounts) | |
|---|-----------|---|--------------------------|
| | | Year ended April 30, | |
| | | 2019 | 2018 |
| REVENUES: | | | |
| U.S. assisted tax preparation | \$ | 1,858,998 | \$ 1,947,160 |
| U.S. royalties | | 243,541 | 245,444 |
| U.S. DIY tax preparation | | 260,082 | 243,159 |
| International revenues | | 220,562 | 227,266 |
| Revenues from Refund Transfers | | 169,985 | 171,959 |
| Revenues from Emerald Card® | | 98,256 | 102,640 |
| Revenues from Peace of Mind® Extended Service Plan | | 108,114 | 101,572 |
| Revenues from Tax Identity Shield® | | 35,661 | 28,823 |
| Interest and fee income on Emerald Advance™ | | 58,182 | 56,986 |
| Other | | 41,500 | 34,922 |
| Total revenues | | <u>3,094,881</u> | <u>3,159,931</u> |
| Compensation and benefits: | | | |
| Field wages | | 751,392 | 740,675 |
| Other wages | | 217,061 | 191,981 |
| Benefits and other compensation | | <u>180,276</u> | <u>173,221</u> |
| | | 1,148,729 | 1,105,877 |
| Occupancy | | | |
| Marketing and advertising | | 401,341 | 401,524 |
| Depreciation and amortization | | 269,807 | 249,142 |
| Bad debt | | 166,695 | 183,295 |
| Other ⁽¹⁾ | | 70,695 | 74,489 |
| Total operating expenses | | <u>421,822</u> | <u>393,554</u> |
| | | 2,479,089 | 2,407,881 |
| Other income (expense), net | | | |
| Interest expense on borrowings | | 16,419 | 6,054 |
| Income from continuing operations before income tax | | <u>(87,051)</u> | <u>(89,372)</u> |
| Income taxes | | 545,160 | 668,732 |
| Net income from continuing operations | | <u>99,904</u> | <u>41,823</u> |
| Net loss from discontinued operations | | 445,256 | 626,909 |
| NET INCOME | \$ | <u>422,509</u> | <u>\$ 613,149</u> |
| BASIC EARNINGS (LOSS) PER SHARE: | | | |
| Continuing operations | \$ | 2.16 | \$ 2.99 |
| Discontinued operations | | <u>(0.11)</u> | <u>(0.06)</u> |
| Consolidated | \$ | <u>2.05</u> | <u>\$ 2.93</u> |
| WEIGHTED AVERAGE BASIC SHARES | | | |
| | | 205,372 | 208,824 |
| DILUTED EARNINGS (LOSS) PER SHARE: | | | |
| Continuing operations | \$ | 2.15 | \$ 2.98 |
| Discontinued operations | | <u>(0.11)</u> | <u>(0.07)</u> |
| Consolidated | \$ | <u>2.04</u> | <u>\$ 2.91</u> |
| WEIGHTED AVERAGE DILUTED SHARES | | | |
| | | 206,724 | 210,213 |

(1) We reclassified \$31.0 million of supplies expense from its own financial statement line to other expenses for fiscal year 2018 to conform to the current year presentation.

Consolidated balance sheets

| CONSOLIDATED BALANCE SHEETS | | (unaudited, in 000s - except per share data) | |
|---|---------------------|--|--|
| As of April 30, | 2019 | 2018 | |
| ASSETS | | | |
| Cash and cash equivalents | \$ 1,572,150 | \$ 1,544,944 | |
| Cash and cash equivalents - restricted | 135,577 | 118,734 | |
| Receivables, net | 138,965 | 146,774 | |
| Prepaid expenses and other current assets | 146,667 | 81,261 | |
| Total current assets | <u>1,993,359</u> | <u>1,891,713</u> | |
| Property and equipment, net | 212,092 | 231,888 | |
| Intangible assets, net | 342,493 | 373,981 | |
| Goodwill | 519,937 | 507,871 | |
| Deferred tax assets and income taxes receivable | 141,979 | 34,095 | |
| Other noncurrent assets | 90,085 | 101,401 | |
| Total assets | <u>\$ 3,299,945</u> | <u>\$ 3,140,949</u> | |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | | |
| LIABILITIES: | | | |
| Accounts payable and accrued expenses | \$ 249,525 | \$ 251,975 | |
| Accrued salaries, wages and payroll taxes | 196,527 | 141,499 | |
| Accrued income taxes and reserves for uncertain tax positions | 271,973 | 263,050 | |
| Current portion of long-term debt | — | 1,026 | |
| Deferred revenue and other current liabilities | 204,976 | 186,101 | |
| Total current liabilities | <u>923,001</u> | <u>843,651</u> | |
| Long-term debt | 1,492,629 | 1,494,609 | |
| Deferred tax liabilities and reserves for uncertain tax positions | 197,906 | 229,430 | |
| Deferred revenue and other noncurrent liabilities | 144,882 | 179,548 | |
| Total liabilities | <u>2,758,418</u> | <u>2,747,238</u> | |
| COMMITMENTS AND CONTINGENCIES | | | |
| STOCKHOLDERS' EQUITY: | | | |
| Common stock, no par, stated value \$.01 per share | 2,383 | 2,462 | |
| Additional paid-in capital | 767,636 | 760,250 | |
| Accumulated other comprehensive loss | (20,416) | (14,303) | |
| Retained earnings | 499,386 | 362,980 | |
| Less treasury shares, at cost | (707,462) | (717,678) | |
| Total stockholders' equity | <u>541,527</u> | <u>393,711</u> | |
| Total liabilities and stockholders' equity | <u>\$ 3,299,945</u> | <u>\$ 3,140,949</u> | |

Non-GAAP financial measures

| | Year ended April 30, | |
|--|----------------------|-------------------|
| | 2019 | 2018 |
| NON-GAAP FINANCIAL MEASURE - EBITDA | | |
| Net income - as reported | \$ 422,509 | \$ 613,149 |
| Discontinued operations, net | <u>22,747</u> | <u>13,760</u> |
| Net income from continuing operations - as reported | <u>445,256</u> | <u>626,909</u> |
| Add back: | | |
| Income taxes of continuing operations | 99,904 | 41,823 |
| Interest expense of continuing operations | 87,051 | 89,372 |
| Depreciation and amortization of continuing operations | <u>166,695</u> | <u>183,295</u> |
| | <u>353,650</u> | <u>314,490</u> |
| EBITDA from continuing operations | \$ <u>798,906</u> | \$ <u>941,399</u> |
| EBITDA margin from continuing operations | 25.8 % | 29.8 % |
| | | |
| | | |
| | | |
| NON-GAAP FINANCIAL MEASURE - FREE CASH FLOW | | |
| Net cash provided by operating activities | \$ 606,538 | \$ 850,003 |
| Less: | | |
| Capital expenditures | <u>95,490</u> | <u>98,583</u> |
| Free cash flow | \$ <u>511,048</u> | \$ <u>751,420</u> |



CREATING SHAREHOLDER VALUE

JUNE 2019