

FY25 Financial Results Conference Call

August 12, 2025



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Vice President, Investor Relations

Safe Harbor Statement

Forward-Looking Statement

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" 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, 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 may also include the expected impact of external events beyond the Company's control, such as outbreaks of infectious disease, severe weather events, natural or manmade disasters, or changes in the regulatory environment in which we operate. 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 <https://investors.hrbblock.com>. 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, future actions of the Company, or increases in applicable tax rates in jurisdictions where the Company operates. You should understand that it is not possible to predict or identify all such factors and, consequently, you should not consider any such list to be a complete set of all potential risks or uncertainties.

Safe Harbor Statement

Non-GAAP Measures

We refer to certain Non-GAAP financial measures in this presentation, including adjusted earnings per share (EPS), earnings before interest, taxes, depreciation, and amortization (EBITDA), and free cash flow, which management believes provide additional meaningful information regarding the Company's performance and financial strength. All non-GAAP financial measures in this presentation are from continuing operations. 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 the tables accompanying this presentation and previously filed press releases posted on our investor relations website at <https://investors.hrblock.com>.

Market, Industry, and Operational Tax 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 is not a bank. Bank products and services are offered by Pathward, N.A.

Jeff Jones

President & Chief Executive Officer

FY25 Results and Capital Allocation

Delivering consistent growth and creating value for shareholders

4.2%

FY25 Total
Revenue Growth

\$976M

FY25 EBITDA¹

12%

Quarterly Dividend
Increase

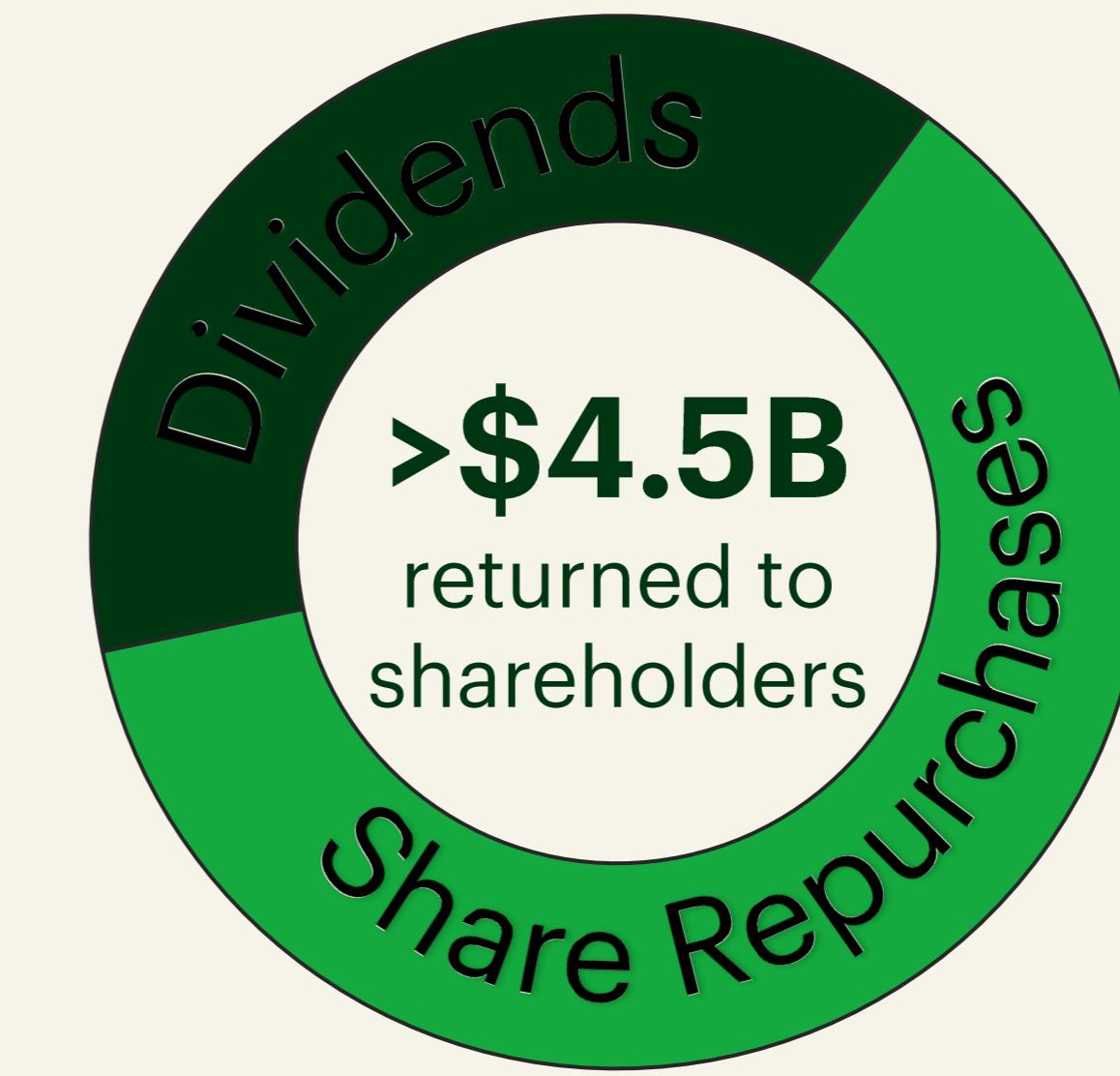
Since 2016

>2X

Dividend
Increase²

>43%

Shares Outstanding
Repurchased³



¹Please see the safe harbor statement at the beginning of this presentation for information on non-GAAP financial measures. A reconciliation of EBITDA to the most comparable GAAP measure can be found in the Appendix.

²Dividend increase since 2016 is calculated as the percentage growth from our April 2016 dividend to our August 2025 dividend.

³Shares outstanding calculated as of April 30, 2016.

Tax: Client Conversion Remained a Key Focus

In FY25:

6.1%

Assisted Revenue
Growth

9.7%

DIY Revenue
Growth



Higher company-owned Assisted filing volume



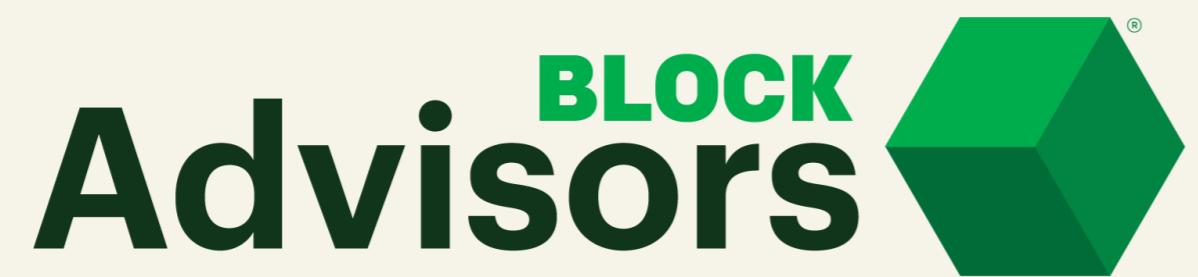
Growth with higher-income earners

Enhanced client experiences seamlessly support fully virtual, fully in-person, and everything in between

Driving Sustained Conversion Growth

- Improved in-office conversion through better client onboarding and tax pro matching
- Boosted DIY conversion among new clients online
- Leveraged MyBlock mobile app, AI Tax Assist, Tax Pro Review, and unmatched retail footprint

Small Business: Record Revenue Year



In FY25:

- Double-digit small business revenue growth
- Custom DIY experiences continue to prove highly effective
- Tax client conversions supported bookkeeping and payroll growth



In FY25:

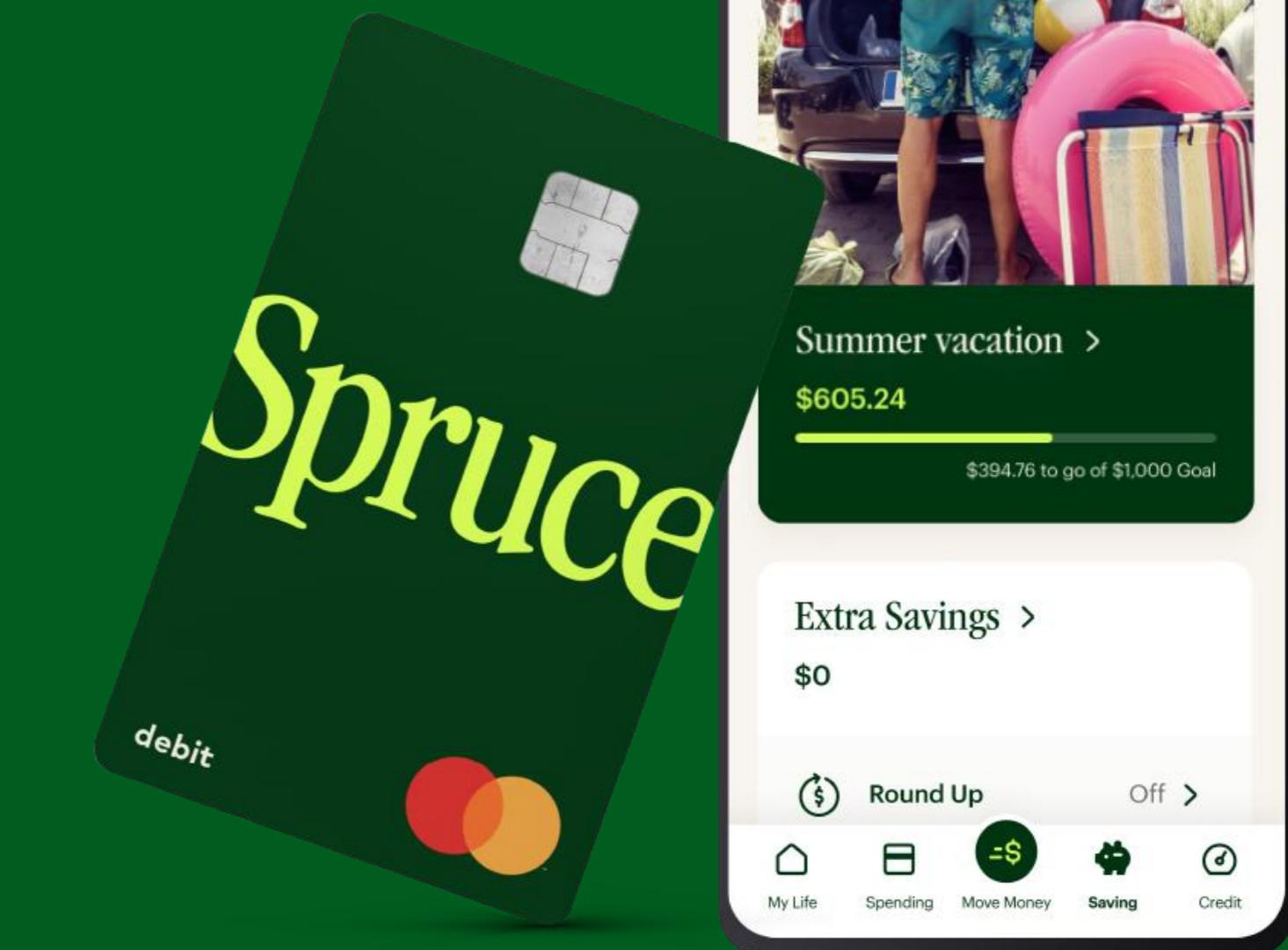
- Revenue increased 13% year-over-year
- Momentum driven by paid subscription products like ProTier
- Significant growth lever for the overall Block business

Spruce: Growth in Customers and Engagement

Our team is focused on acquiring users in and out of the tax season

~40%
increase in newly created Spruce accounts in FY25

~50%
of FY25 deposit transactions from non-tax sources



Achieved \$1.75B in customer deposits
since inception

Note: Banking accounts established at, and debit card issued by, Pathward®, N.A., Member FDIC, pursuant to license by Mastercard®. Mastercard and the circles design are registered trademarks of Mastercard International Incorporated.

Opportunities to Continue Building on Progress

Looking Ahead

- Remain committed to financial algorithm and capital allocation priorities
- Continue offering broad product range and value for small business owners
- Build on multi-year success with complex Assisted and DIY clients
- Leverage unique advantages to serve clients however they chose
- Further enhance client experience and business efficiency with AI
- Continue opportunistic franchise acquisitions

Tiffany Mason

Chief Financial Officer

FY25 Financial Results

<i>In millions, except per share amounts</i>	FY25	FY24	Change
Revenue	\$3,761.0	\$3,610.3	4.2%
Operating Expenses	\$2,933.0	\$2,805.1	(4.6%)
Net Income	\$609.5	\$598.0	1.9%
EBITDA¹	\$976.3	\$963.2	1.4%
Earnings Per Share¹	\$4.42	\$4.14	6.8%
Adjusted Earnings Per Share¹	\$4.66	\$4.41	5.7%
Effective Tax Rate	22.0%	21.6%	

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

¹ All share amounts are based on weighted average fully diluted shares over the corresponding period. EBITDA and adjusted EPS are non-GAAP financial measures. Please see the safe harbor statement at the beginning of this presentation for information on non-GAAP financial measures. A reconciliation of EBITDA and adjusted EPS to the most comparable GAAP measures can be found in the Appendix.

Capital Structure and Capital Allocation Practices

Ensuring adequate year-round liquidity while returning capital to shareholders

~\$600M

Free Cash Flow¹
Generated
in FY25

~\$600M

Returned to
Shareholders
in FY25

1

Invest
in the
Business

2

Grow
the
Dividend

3

Return Excess
Capital to
Shareholders

¹ Free cash flow is a non-GAAP financial measure. Free cash flow is defined as net cash provided by operating activities less capital expenditures. The Company believes free cash flow is useful to investors as an indication of the strength of the Company and its ability to generate cash and to evaluate the Company's cash generation ability relative to competitors. It should not be inferred that the entire free cash flow amount is available for discretionary expenditures. A reconciliation of free cash flow to the most comparable GAAP measure can be found in the Appendix.

FY26 Outlook

Assumptions:	FY26 Outlook	
▪ ~1% industry growth, in line with historical trends	Revenue	\$3.875B - \$3.895B
▪ Healthier balance of volume, price, and mix	EBITDA¹	\$1.015B - \$1.035B
▪ Small business contribution expected to grow	Effective Tax Rate	~25%
▪ Opportunistic franchise acquisitions	Adjusted EPS¹	\$4.85 - \$5.00
▪ ~\$400M of share repurchases		

¹ EBITDA and adjusted EPS from continuing operations are non-GAAP financial measures. Future period non-GAAP outlook includes adjustments for items not indicative of our core operations, which may include, without limitation, items described in the Appendix. Such adjustments may be affected by changes in ongoing assumptions and judgments, as well as nonrecurring, unusual, or unanticipated charges, expenses or gains, or other items that may not directly correlate to the underlying performance of our business operations. The exact amounts of these adjustments are not currently determinable but may be significant. It is therefore not practicable to provide the comparable GAAP measures or reconcile this non-GAAP outlook to the most comparable GAAP measures. Please see the safe harbor statement at the beginning of this presentation for information on non-GAAP financial measures.

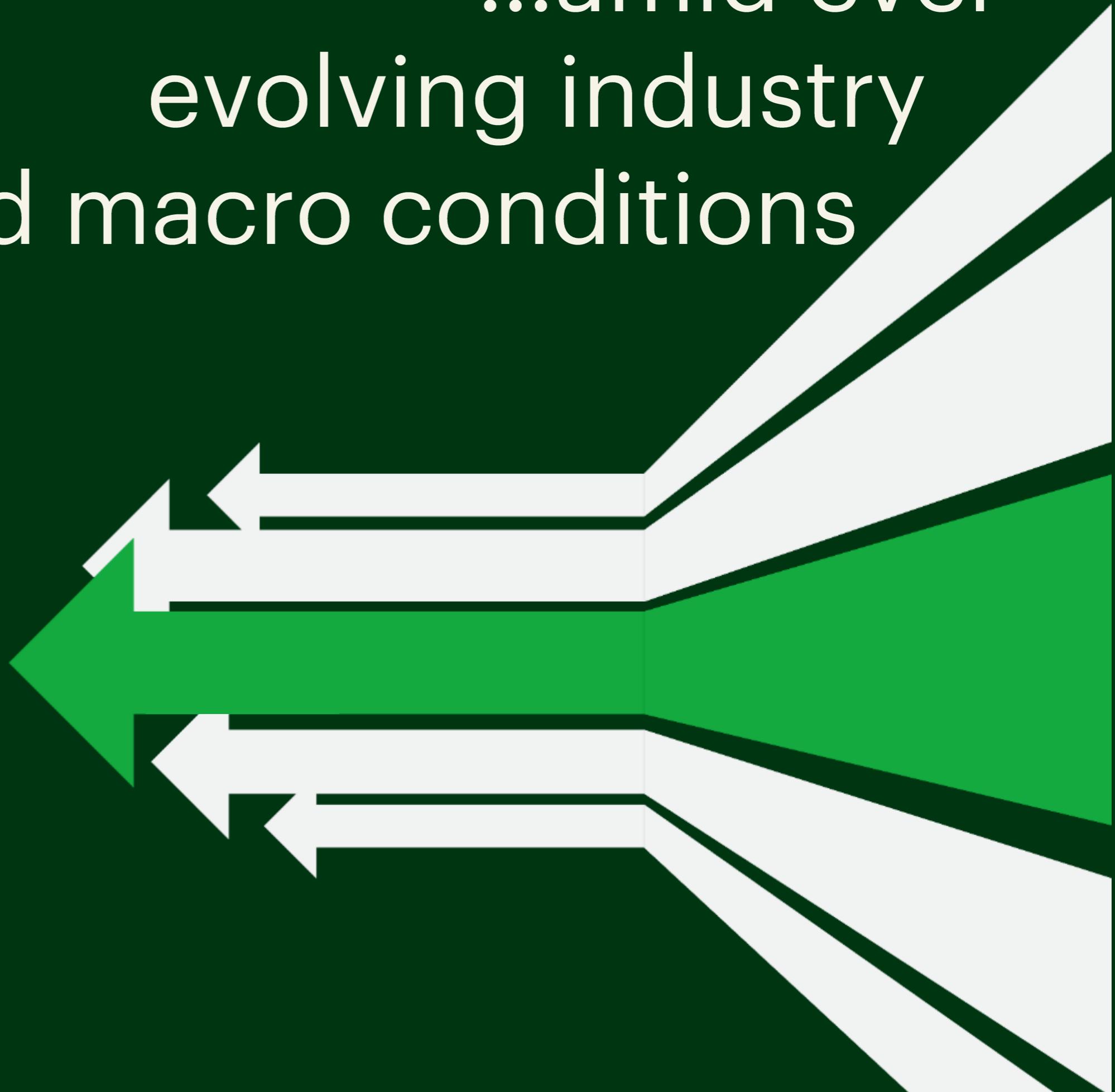
Investment Thesis Remains Strong...

Stable Industry

**National Scale &
Strong Brand Recognition**

**Compelling
Financial Profile**

...amid ever
evolving industry
and macro conditions



Jeff Jones

President & Chief Executive Officer

| Q&A

Appendix

Non-GAAP Measure: EBITDA

The following is a reconciliation of net income to EBITDA from continuing operations, which is a non-GAAP financial measure:

EBITDA	(in 000s)	
	Year ended June 30, 2025	Year ended June 30, 2024
Net income - as reported	\$ 605,773	\$ 595,317
Discontinued operations, net	3,677	2,646
Net income from continuing operations - as reported	<u>609,450</u>	<u>597,963</u>
Add back:		
Income taxes	171,953	164,359
Interest expense	78,113	79,080
Depreciation and amortization	<u>116,827</u>	<u>121,784</u>
	<u>366,893</u>	<u>365,223</u>
EBITDA from continuing operations	<u>\$ 976,343</u>	<u>\$ 963,186</u>

Non-GAAP Measure: Adjusted EPS

The following is a reconciliation of our results from continuing operations to our adjusted results from continuing operations, which is a non-GAAP financial measure:

ADJUSTED EPS	(in 000s, except per share amounts)	
	Year ended June 30, 2025	Year ended June 30, 2024
Net income from continuing operations - as reported	\$ 609,450	\$ 597,963
Adjustments:		
Amortization of intangibles related to acquisitions (pretax)	44,673	50,835
Tax effect of adjustments ⁽¹⁾	(10,865)	(11,751)
Adjusted net income from continuing operations	<hr/> \$ 643,258	<hr/> \$ 637,047
Diluted earnings per share from continuing operations - as reported	\$ 4.42	\$ 4.14
Adjustments, net of tax	<hr/> 0.24	<hr/> 0.27
Adjusted diluted earnings per share from continuing operations	<hr/> \$ 4.66	<hr/> \$ 4.41

⁽¹⁾ Tax effect of adjustments is the difference between the tax provision calculated on a GAAP basis and on an adjusted non-GAAP basis.

Non-GAAP Measure: Free Cash Flow

The following is a reconciliation of net cash provided by operating activities to free cash flow, which is a non-GAAP financial measure:

FREE CASH FLOW				(in 000s)
	Year ended June 30, 2025	Year ended June 30, 2024	Year ended June 30, 2023	
Operating cash flow - as reported	\$ 680,883	\$ 720,860	\$ 821,841	
Less: capital expenditures	(82,034)	(63,678)	(69,698)	
Free cash flow	\$ 598,849	\$ 657,182	\$ 752,143	

H&R Block Operating Statistics

OPERATING STATISTICS	July 1, 2024 - June 30, 2025	July 1, 2023 - June 30, 2024 ⁽⁵⁾	% Change
TAX RETURNS PREPARED (U.S. only, in 000s)⁽¹⁾:			
Company-owned operations	8,874	8,782	1.0 %
Franchise operations ⁽²⁾	2,417	2,609	(7.4)%
Total Assisted	11,291	11,391	(0.9)%
Desktop	1,737	1,786	(2.7)%
Online paid	3,795	3,819	(0.6)%
Online free	2,828	3,538	(20.1)%
Total DIY	8,360	9,143	(8.6)%
Total H&R Block U.S. returns	19,651	20,534	(4.3)%
NET AVERAGE CHARGE (U.S. only)⁽³⁾:			
Company-owned operations	\$ 271.94	\$ 258.64	5.1 %
Franchise operations ⁽⁴⁾	\$ 258.50	\$ 248.69	3.9 %
DIY online paid	\$ 82.38	\$ 75.05	9.8 %

⁽¹⁾ An Assisted tax return is defined as a current or prior year individual or business tax return that has been accepted 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. A DIY online paid return is defined as a current year individual or business tax return that has been accepted by the client. A DIY online free return is defined as a current year individual tax return that has been accepted by the IRS.

⁽²⁾ Franchise operations returns include Assisted returns prepared in a franchise office in the reported year. Following the Company's acquisition of a franchise office, returns from such office are included in the Company-owned line for that year; prior years are not reclassified.

⁽³⁾ Net average charge is calculated as total tax preparation fees divided by tax returns prepared.

⁽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.

⁽⁵⁾ Expat online tax returns have been reclassified between Company-owned and Online paid in the prior year to conform with the current year presentation.