

# Intuit FY'18 Investor Day

October 3, 2017

# Investor Day Agenda

<b>Welcome</b>	Kim Watkins
<b>Company Overview: Reflections &amp; Strategies to Win</b>	Brad Smith
<b>Being the Champion of Those Who Dare to Dream Globally</b>	Sasan Goodarzi
<b>Deliver Financial Freedom for all Consumers</b>	Dan Wernikoff
<b>BREAK &amp; PRODUCT GALLERY WALK</b>	
<b>Brand &amp; Go-to-Market</b>	Lucas Watson
<b>Investing in Technology to Accelerate Growth</b>	Taylor Stansbury
<b>Delivering on our Financial Principles</b>	Neil Williams
<b>Q&amp;A and Wrap-up</b>	Brad Smith
<b>LUNCH &amp; PRODUCT GALLERY WALK</b>	



## Forward-Looking Statements

These presentation materials include forward-looking statements. There are a number of factors that could cause our results to differ materially from our expectations. Please see the section entitled “Cautions About Forward-Looking Statements” in the enclosed Appendix for information regarding forward-looking statements and related risks and uncertainties. You can also learn more about these risks in our Form 10-K for fiscal 2017 and our other SEC filings, which are available on the Investor Relations page of Intuit's website at [www.intuit.com](http://www.intuit.com). We assume no obligation to update any forward-looking statement.

## Non-GAAP Financial Measures

These presentations include certain non-GAAP financial measures. Please see the section entitled “About Non-GAAP Financial Measures” in the enclosed Appendix for an explanation of management’s use of these measures and a reconciliation to the most directly comparable GAAP financial measures.

In this presentation, we may also announce plans or intentions regarding functionality that is not yet delivered. These statements do not represent an obligation to deliver this functionality to customers.

# Investor Day product demonstrations

## QuickBooks Payments



**PRESENTED BY**  
Jimena Almendares

## QuickBooks Assistant



**PRESENTED BY**  
Spencer Uttley

## QuickBooks Online Accountant Find-a-ProAdvisor



**PRESENTED BY**  
Rich Preece      Chris Hamilton

## QuickBooks Self-Employed Powered by Machine Learning



**PRESENTED BY**  
Nhung Ho      Jen Bickerstaff

## TurboTax On-Demand Expert



**PRESENTED BY**  
Stacie Herring      Jess Barker

## Consumer Open Platform



**PRESENTED BY**  
Varun Krishna

## QuickBooks Self-Employed/ TurboTax Integration



**PRESENTED BY**  
Cassie Divine

## QuickBooks Online Accountant Practice Management



**PRESENTED BY**  
Ariege Misherghi

**Brad Smith**

Geoff Colvin

JULY 19, 2016

# Why isn't Intuit dead?

"... the reason is easy to state, hard to emulate ..."

"...the company has continually disrupted itself ..."

to name their single biggest challenge, their No. 1 answer has been "the rapid pace of technological change."

Yet a few incumbents have defied the odds and succeeded at self-disruption. How they do it is becoming clear.

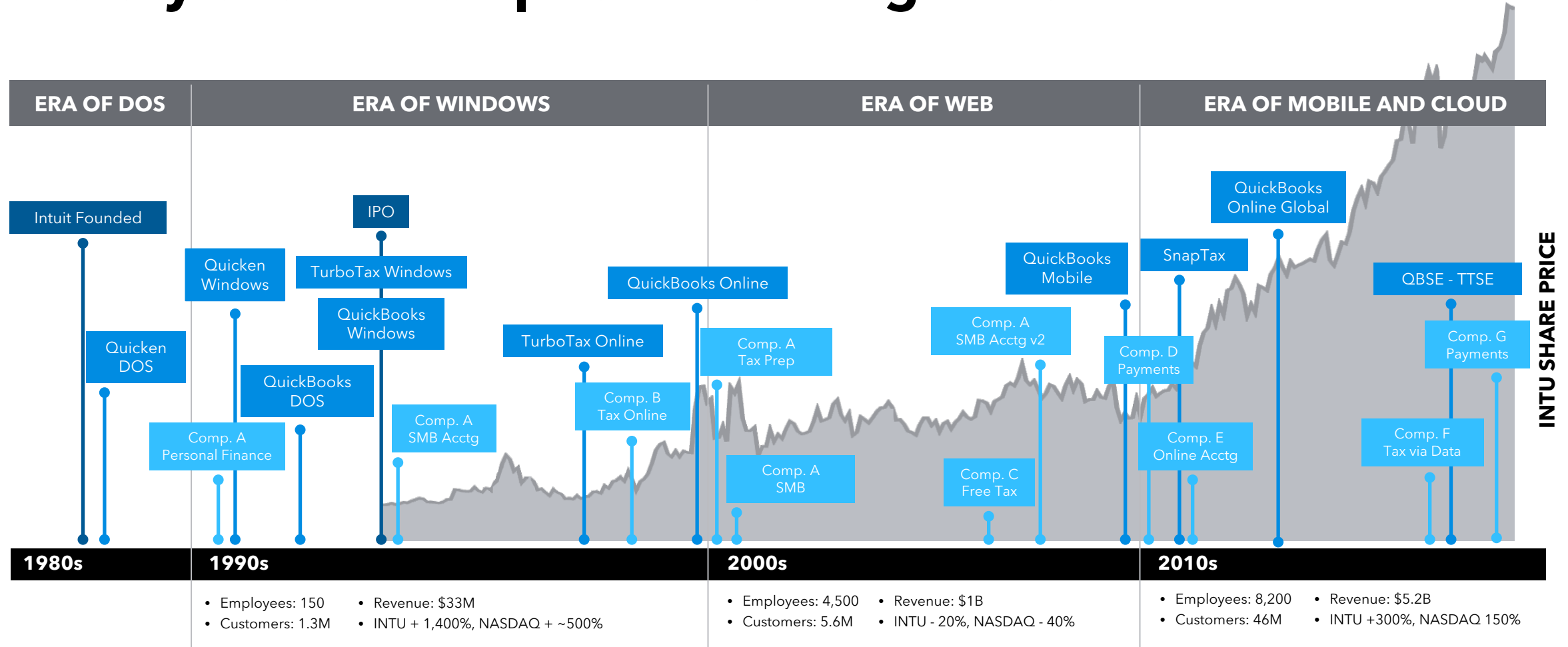
## Business Leaders Disrupt



...s from the Pleistocene epoch of PC  
ne; only Intuit survives as a significant  
to state, hard to emulate: The company  
ntly scrapping its desktop-driven  
nd switching to one based on the cloud.  
, but Intuit's stock recently hit an all-

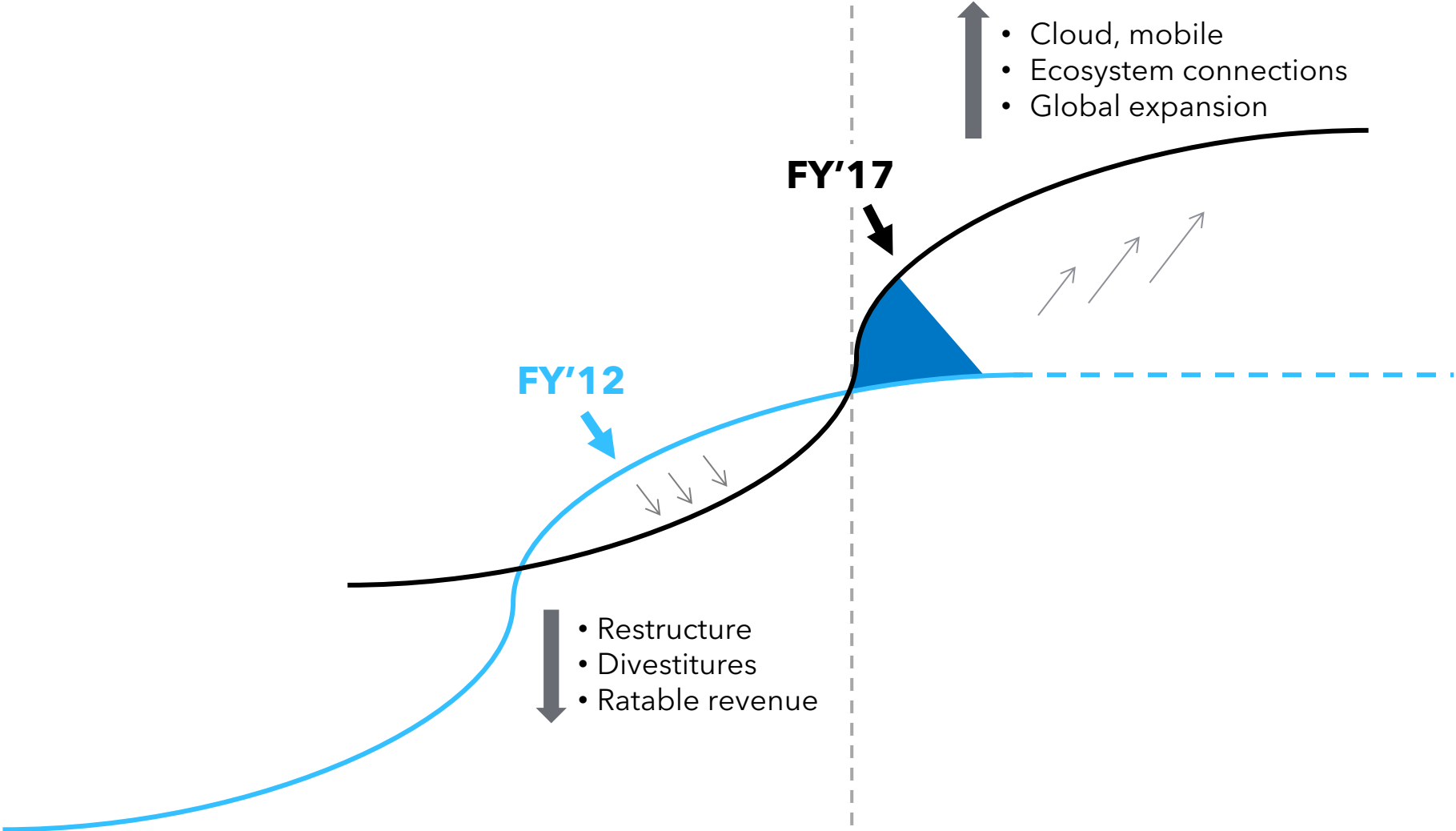
l incumbent firms are more likely to  
+6.94%), Bethlehem Steel, and many  
nology transformed their industries.  
when we have asked *Fortune 500* CEOs

# History of self-disruption & re-imagination



**CUSTOMER-OBSESSED • DESIGN-INSPIRED • TECHNOLOGY-POWERED**

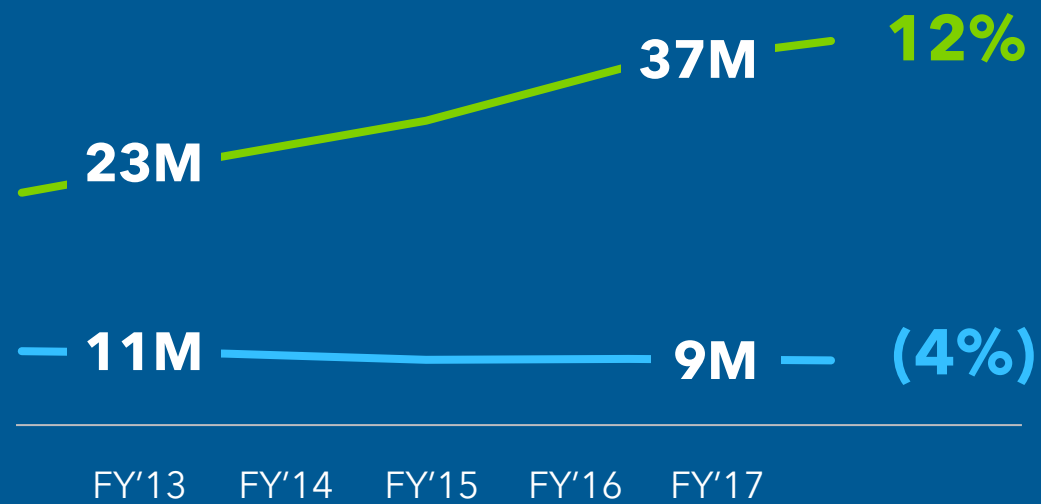
# Our most recent reinvention to a cloud platform



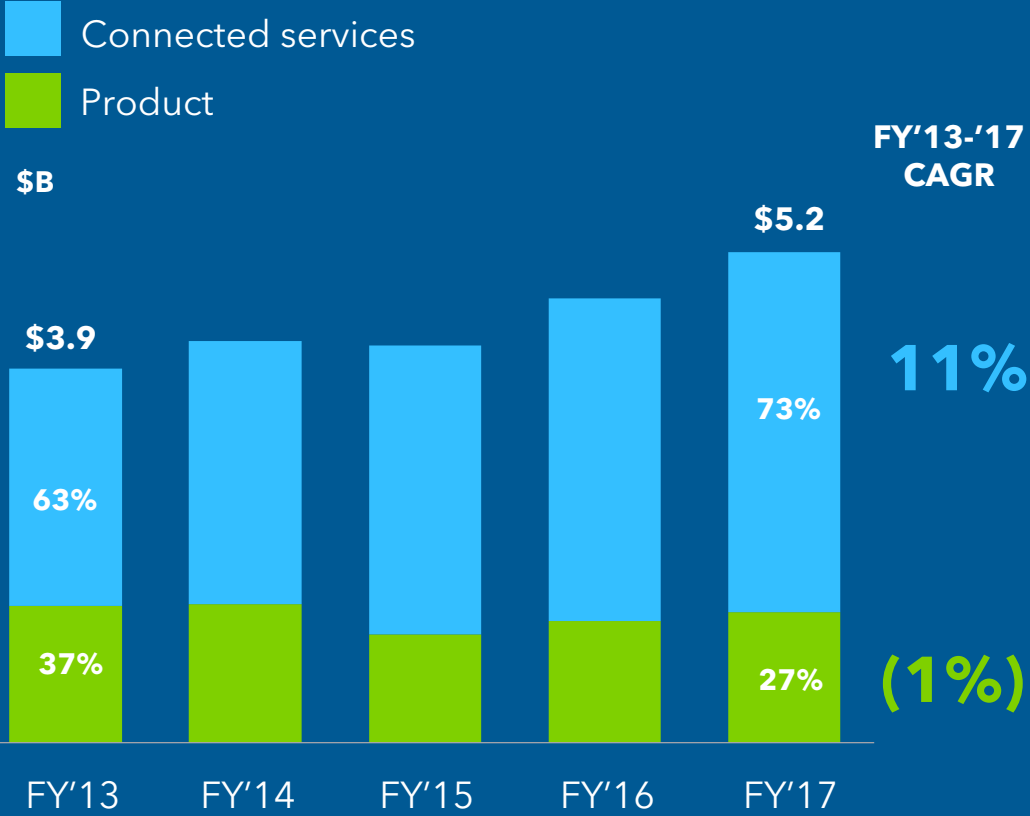


# Accelerating to the cloud

- Online customers
- Desktop customers

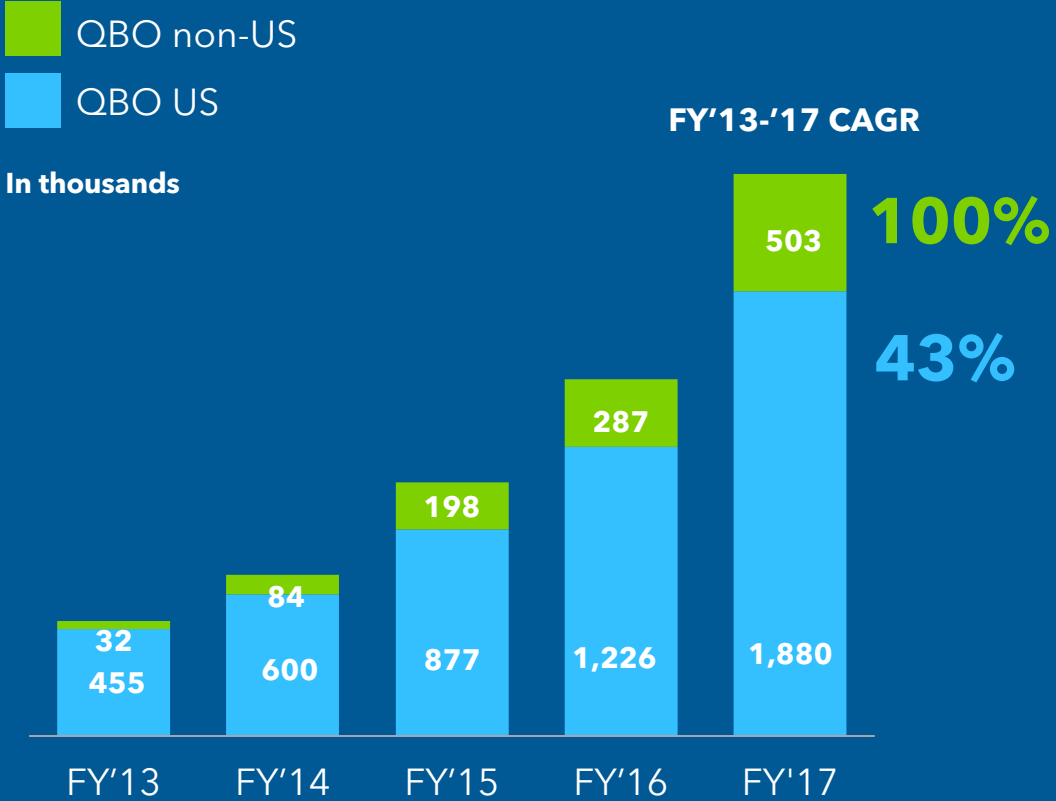


# Connected services revenue





# Growing global customers



# FY'17 strong momentum

	ACTUAL	PRIOR YEAR	+/-
<b>Revenue</b>	\$5,177	\$4,694	<b>10%</b>
<b>Operating Income</b>	\$1,735	\$1,555	<b>12%</b>
<b>Diluted EPS</b>	\$4.41	\$3.78	<b>17%</b>
<b>QBO Subscribers</b>	2,383,000	1,513,000	<b>58%</b>

\$ in millions except EPS; operating income and diluted EPS are non-GAAP measures

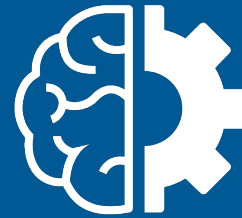
# Assessment: our foundation is solid with more work needed



# Looking ahead: the next chapter of reinvention



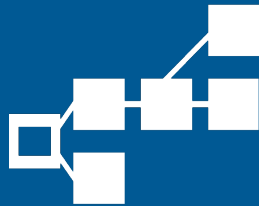
Digital Natives



AI/Machine Learning



Voice/Chatbots



Blockchain



Mega-platforms



Disruptive  
Business Models



Digitization  
of Government

## CATALYSTS FOR GROWTH



# Translating insights into action

## INSIGHTS

### CUSTOMER

- Increasing expectations
- Self-employed accelerating
- Living life online

### TALENT

- Employees seek impact

### HOW WE BUILD & OPERATE

- Speed is critical
- Data-driven intelligence
- Disruptive technology & business models

## IMPLICATIONS

### CUSTOMER OBSESSION & EMPATHY

- Laser focus on delivering benefit
- Personalized experiences
- Connect people & products

### CRITICAL PLAYERS & ROLES EMERGING

- Self-employed/gig worker focus
- Evolving role of accountant
- Mega-platform & partnerships

### BUILDING ADVANTAGE FOR THE FUTURE

- Speed-as-a-habit
- Technology – services & data/A.I.
- Alternative business models

# Intuit's Game Plan To Win



# Mission



**Powering Prosperity  
Around the World**

MISSION

VALUES

TRUE  
NORTH  
GOALS

STRATEGY

PRIORITIES

METRICS

# Values

MISSION

VALUES

TRUE NORTH GOALS

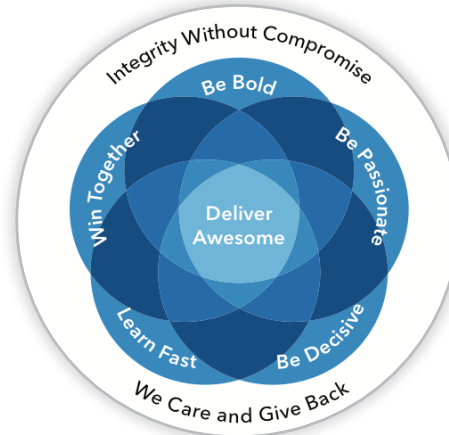
STRATEGY

PRIORITIES

METRICS

## Integrity Without Compromise

We speak the truth and assume best intent. We value trust above all else. We hold ourselves and others accountable to the highest standards in all we say and do.



## We Care and Give Back

We are stewards of the future and will do our part to make the world a better place. It is our privilege to help others and we do it wholeheartedly.

Be Bold	Be Passionate	Be Decisive	Learn Fast	Win Together	Deliver Awesome
<ul style="list-style-type: none"> <li>· Solve BIG customer problems</li> <li>· Create a vision that inspires</li> <li>· Think beyond what is accepted as possible</li> </ul>	<ul style="list-style-type: none"> <li>· Personally embrace and role model change</li> <li>· Inspire with your insights and initiative</li> <li>· Strive to perfect your craft every day</li> </ul>	<ul style="list-style-type: none"> <li>· Choose what we will and will not do</li> <li>· Be transparent with your logic and judgment</li> <li>· Be direct and respectful</li> </ul>	<ul style="list-style-type: none"> <li>· Lead with a hypothesis</li> <li>· Measure and act on what matters most</li> <li>· Savor the surprises</li> </ul>	<ul style="list-style-type: none"> <li>· Deliver exceptional results so others can count on you</li> <li>· Develop yourself and others to do the best work of our lives</li> <li>· Be boundary-less in our thinking and actions</li> </ul>	<ul style="list-style-type: none"> <li>· Delight our customers and partners with experiences they love</li> <li>· Nail the fundamentals and sweat the details</li> <li>· Never stop short of awesome</li> </ul>
<p>We can see the future in what we do because we're creating it together. We constantly seek inspiration and connect dots that no one else does. We don't shy away from the world's biggest problems. It takes courage.</p>	<p>You're here because of your unique talents and the fire in your belly to do something meaningful. It shines through in ways that raises the bar for all of us. Never stop growing.</p>	<p>Have a point of view based on data, experience, and instincts. Make the call and own the outcome. Speed matters, because the greatest risk is standing still.</p>	<p>We're in love with customer problems more than our solutions. We walk in our customers' shoes and experiment our way to success. The only failure is the failure to learn fast.</p>	<p>Small diverse teams drive our work and 90% of the decisions are made here. We accelerate each other in pursuit of our mission. We break down barriers. Together, we are one Intuit.</p>	<p>We are proud of the products we deliver because they inspire the imagination and exceed expectations. We create and build our brand in all the work that carries our name: Intuit.</p>



# True North Goals

**Deliver best-we-can-be results in the current period for each key stakeholder, while building the foundation for an even stronger future**

MISSION

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TRUE NORTH GOALS

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	EMPLOYEES	CUSTOMERS	PARTNERS	SHAREHOLDERS										
	<p>The place where the world's top talent does the best work of their lives</p>	<p>Delight customers more than rivals in what matters most - customer benefit</p>	<p>Delight partners who add value to our customers</p>	<p>Drive long-term growth, increasing shareholder value</p>										
	<ul style="list-style-type: none"> <li>Inspire &amp; empower highly engaged EEs</li> </ul>	<ul style="list-style-type: none"> <li>Deliver the customer benefit                             <table border="0" style="margin-left: 20px;"> <tr> <td></td> <td>SMBs</td> <td>Self-employed</td> <td>Consumer</td> </tr> </table> </li> </ul>		SMBs	Self-employed	Consumer	<ul style="list-style-type: none"> <li>Delight partners through E2E experiences                             <table border="0" style="margin-left: 20px;"> <tr> <td>Accountant NPS</td> <td>Financial Inst. NPS</td> </tr> <tr> <td>Developer NPS</td> <td>Educational Inst. NPS</td> </tr> <tr> <td>Mega-platform NPS</td> <td></td> </tr> </table> </li> </ul>	Accountant NPS	Financial Inst. NPS	Developer NPS	Educational Inst. NPS	Mega-platform NPS		<ul style="list-style-type: none"> <li>Grow our active customer bases</li> </ul>
	SMBs	Self-employed	Consumer											
Accountant NPS	Financial Inst. NPS													
Developer NPS	Educational Inst. NPS													
Mega-platform NPS														
	<ul style="list-style-type: none"> <li>Increase velocity of inspiration to outcomes</li> </ul>	<p><b>More Money:</b> Days-to-paid   Avg Tax savings (as % income)   # of cust. who get more \$ beyond refund</p>		<ul style="list-style-type: none"> <li>Increase velocity of ecosystem connections between customers, products, and partners</li> </ul>										
	<ul style="list-style-type: none"> <li>Attract the world's top talent</li> </ul>	<p><b>No Work:</b>   Data in (% cat. success)   Data in (% cat. success)   Avg. # screens req'd to complete return</p>	<ul style="list-style-type: none"> <li>Gov't: accuracy &amp; eliminate industry tax fraud</li> </ul>	<ul style="list-style-type: none"> <li>Accelerate double-digit revenue growth</li> </ul>										
	<ul style="list-style-type: none"> <li>Retain top talent</li> </ul>	<p><b>Complete Confidence:</b>   Connected to accountant   Books-to-tax solutions   % cust. who file w/o unanswered ?s</p>		<ul style="list-style-type: none"> <li>Generate operating income growth, in the mid teens</li> </ul>										
		<ul style="list-style-type: none"> <li>Delight customers through E2E experiences</li> </ul>												

# Strategy

ONE **intuit.** ECOSYSTEM

MISSION

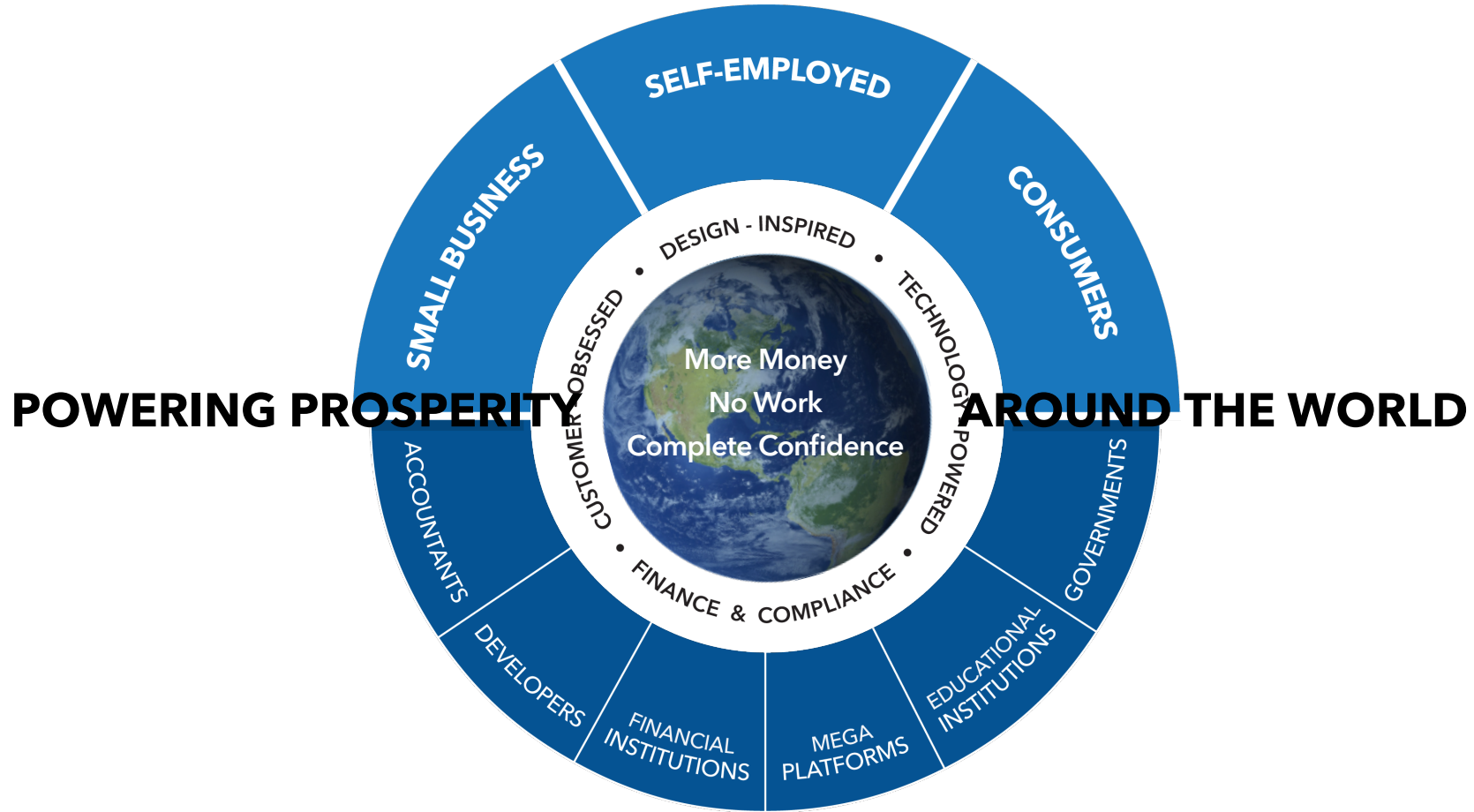
VALUES

TRUE NORTH GOALS

STRATEGY

PRIORITIES

METRICS



Personalized Experiences | Trusted Open Platform | Indispensable Connections

# Priorities

MISSION

## ACCELERATE VELOCITY IN DOING WHAT'S RIGHT FOR CUSTOMERS ...

- ▶ **Awesome E2E customer experiences:**  
between customers, partners & products ... building network effects ... unrivaled customer benefit & NPS
- ▶ **Speed as a habit:**  
what's best for the customer breaks all ties ... accelerating decision-making & developer productivity ... measuring velocity
- ▶ **Technology to accelerate growth:**  
services to enable velocity ... security & data excellence ... data-driven intelligent systems ... universal profile

VALUES

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## DELIVER SIGNIFICANT IMPROVEMENT IN CUSTOMER BENEFITS ...

More Money, No Work, Complete Confidence

- ▶ **Fuel small business success globally:**  
amazing 1st use & on-going benefits ... unlock the power of many for the prosperity of one
- ▶ **Provide peace-of-mind and prosperity for the self-employed globally:**  
find & keep more income, connect to benefits, taxes done my way
- ▶ **Deliver financial freedom for all consumers:**  
extend leadership in DIY tax ... transform assisted tax... evolve beyond tax to a consumer financial platform

# Metrics

MISSION	ACCELERATE VELOCITY IN DOING WHAT'S RIGHT FOR CUSTOMERS, VIA...			DELIVER SIGNIFICANT IMPROVEMENT IN CUSTOMER BENEFITS, VIA...		
VALUES	AWESOME E2E CUSTOMER EXPERIENCES	SPEED AS A HABIT	TECHNOLOGY TO ACCELERATE GROWTH	FUEL SMALL BUSINESS SUCCESS GLOBALLY	PROVIDE PEACE-OF-MIND AND PROSPERITY FOR THE SELF-EMPLOYED GLOBALLY	DELIVER FINANCIAL FREEDOM FOR ALL CONSUMERS
TRUE NORTH GOALS	Deliver customer benefit and NPS - For core customers - For ecosystem partners	Improve scrum team NPS	Deliver strategic capabilities on plan	Deliver customer benefit and NPS	Deliver customer benefit and NPS	Deliver the customer benefit and NPS
STRATEGY	Delight at top 3 moments of truth	Reduce story cycle time	Accelerate re-platforming efforts	Grow TAM and share vs. rivals	Grow TAM and share vs. rivals	Grow DIY & TT share of total tax market
PRIORITIES	Increase velocity of ecosystem connections		Accelerate adoption of AI/ML systems	Grow QBO base	Grow QBSE base	Grow overall share of tax prep spend
METRICS	Demonstrate singular metric and flywheel effect for priority NEPs		Proactively address security threats & advance priority security programs			Grow # of beyond-tax customers



# POWERING PROSPERITY AROUND THE WORLD

MISSION

VALUES

## Integrity Without Compromise

## We Care & Give Back

Be Bold

Be Passionate

Be Decisive

Learn Fast

Win Together

Deliver Awesome

TRUE NORTH GOALS

### Employees

The place where the world's top talent does the best work of their lives

### Customers

Delight customers more than rivals in what matter most - customer benefit

### Partners

Delight partners who add value to our customers

### Shareholders

Drive long-term growth, increasing shareholder value

STRATEGY

## One Intuit Ecosystem

Personalized Experiences

Trusted Open Platform

Indispensable Connections

PRIORITIES

### Accelerate Velocity in Doing What's Right for Customers

Awesome E2E customer experiences

Speed as a habit

Technology to accelerate growth

### Deliver Significant Improvement in Customer Benefit

Fuel small business success globally

Provide peace-of-mind and prosperity for the self-employed globally

Deliver financial freedom for all consumers

METRICS

- Deliver customer benefit & NPS - For core customers - For ecosystem partners
- Delight at top 3 moments of truth
- Increase velocity of ecosystem connections
- Demonstrate singular metric and flywheel effect for priority NEPs

- Improve scrum team NPS
- Reduce story cycle time

- Deliver strategic capabilities on plan
- Accelerate re-platforming efforts
- Accelerate adoption of AI/ML systems
- Proactively address security threats
- Advance priority security programs

- Deliver customer benefit and NPS
- Grow TAM and share vs. rivals
- Grow QBO base

- Deliver customer benefit and NPS
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- Deliver the customer benefit and NPS
- Grow DIY & TT share of total tax market
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- Grow # of Beyond-Tax customers





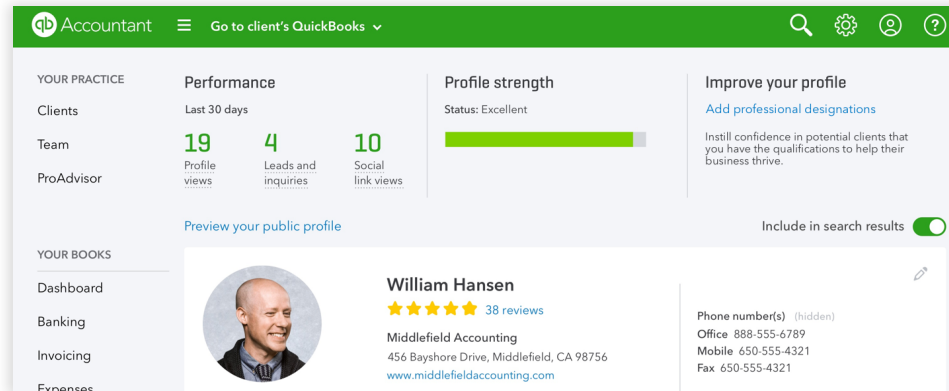
intuit



# Value-creating connections in our ecosystem

## SMALL BUSINESSES & ACCOUNTANTS

**Businesses** lack confidence to make financial decisions. Marketing and acquiring clients are one of **accountants'** biggest pain points.

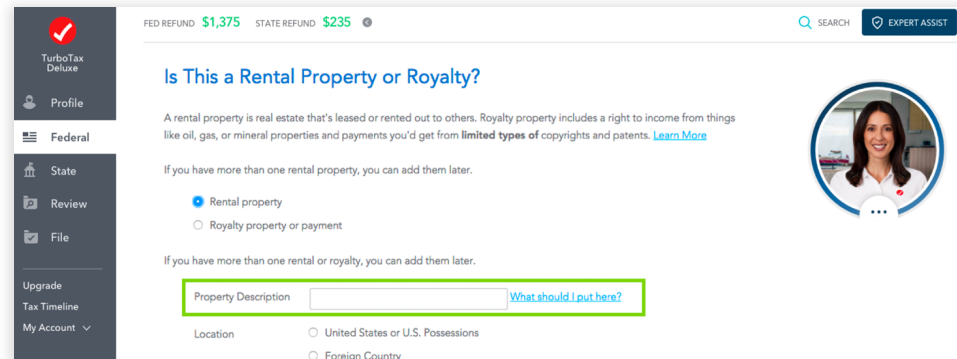


## MATCHMAKING PLATFORM

- **53% SMB's** have accts ... **+10 pts**
- **89% feel more successful w/acct**
- **3X # of acct leads YoY**
- **QBO retention +12 pts w/acct**

## CONSUMERS & ACCOUNTANTS

**Taxpayers** open to DIY don't trust themselves to file taxes correctly using software. **Accountants** seek ways to grow their income.

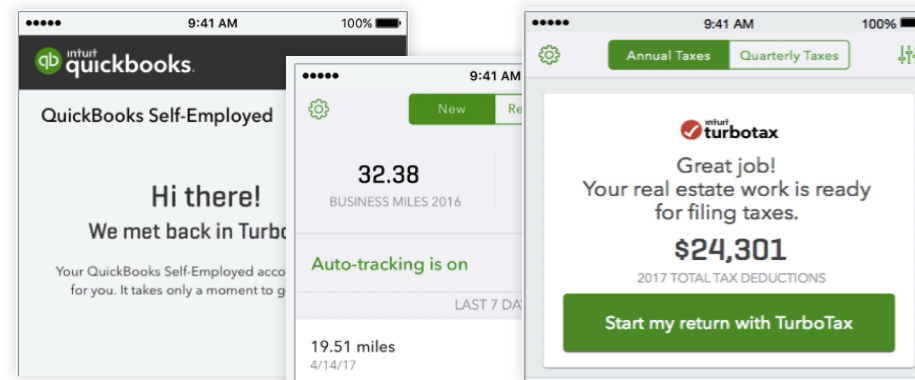


## SMARTLOOK & TAX EXPERTS

- **Taxpayer confidence +10 pts**
- **New accountant income stream**
- **Increased consideration of DIY**
- **Unlocks new value pools for TTO**

## SELF-EMPLOYED & CONSUMER

**Self-employed consumers** don't know what to deduct at tax time. Tracking expenses is time-consuming and error-prone.



## TURBOTAX SELF-EMPLOYED BUNDLE

- **\$4,340 in tax deductions on avg**
- **4M TurboTax schedule C filers**
- **TTSE users grew 12 pts > TTO**
- **Generated 170K QBSE users**

# New competitive moats

## TOP STRENGTHS: HOW WE WIN TODAY

### TRUSTED REPUTATION

- Trusted by customers & ecosystem partners (financial inst., accts., govts.)
- Trusted product brands (TurboTax, QuickBooks) & company brand (Intuit)
- Trusted stewards of sensitive financial data & personal information

### STRONG RECOMMENDER NETWORK OF SMBS & ACCTS.

- U.S. & Canada ... strengthening daily in all geographies

### EASY, ACCURATE COMPLIANCE

- Highly complex, required (not desired) tasks made simple
- Advanced technical platforms & machine learning capabilities





# Building durable competitive advantage

**PATHS TO  
DURABLE  
ADVANTAGE:  
HOW WE WIN IN  
THE FUTURE**

## STRENGTHENING SOURCES OF DURABLE ADVANTAGE

### Platform retention

Customers become familiar with workflows and place a high bar on relearning tools; the more offerings they use on our platform, the stickier they are

### Data & algorithms

Deliver customer benefit by applying machine learning algorithms to rich data sets to continuously improve our experiences

### Network effects



Human-to-human



User contribution systems



Compatibility



Developer

# Our strategy puts us in pursuit of a massive TAM

## OPPORTUNITIES

### GROW THE CORE

- Core Products (QBO, QBSE, Tax)
- Core Markets (US, UK, CA, AU, BR, FR, IN)

SEGMENT	CUSTOMERS	CUST. UNIVERSE	\$ TAM
SMALL BUSINESS	5M	215M	\$30B
SELF-EMPLOYED	0.4M		
CONSUMER	48M	175M	

### TRAJECTORY CHANGE (I.E. REASONS TO BELIEVE)

#### Shift to cloud is accelerating category adoption of SMB accounting and DIY tax

- QB active customer base +14% YoY; ~80% of new customers in the cloud vs. ~50% in FY'15
- DIY tax category growing 3-5X faster than assisted; 90% of new customers in the cloud

#### Rapidly growing our international QBO franchise

- International QBO subs up 75% YoY; UK, AU, and Canada surpassed >100K subs in FY'17

#### Defined new category w/ fast-growing SE segment - winning rave reviews

- Serving nearly 400K customers , representing 350% YoY growth

# Our strategy puts us in pursuit of a massive TAM

## OPPORTUNITIES

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### CONNECT THE ECOSYSTEM

Our opportunity to connect customers, partners, and products in our core markets

4 example offerings:

- e-invoicing
- QuickBooks Capital
- Transform assisted tax
- Consumer finance beyond tax

SEGMENT	CUSTOMERS	CUST. UNIVERSE	\$ TAM
SMALL BUSINESS	5M	215M	
SELF-EMPLOYED	0.4M		
CONSUMER	48M	300M	

### TRAJECTORY CHANGE (I.E. REASONS TO BELIEVE)

#### Extending e-invoicing to speed customer payment and drive revenue

- Payment enabled E-invoices sent and transaction volume processed both up >35% YoY; growing share of payment enabled e-invoices

#### Building our lending business using unique data to address underserved SMBs

- 50% of loans have been made to bank "unlendables" (e.g. < 2yrs in biz) w/ low losses

#### SmartLook ... accessing the power of human expertise with the touch of a screen

- 20 pts higher satisfaction w/ care experience for those using SmartLook

#### Financial freedom beyond tax ... building a consumer financial platform

- Mint-to-TTO conversion +10 pts; 1.3M credit scores; TTO avg. 2x/yr => Mint avg. 112x/yr

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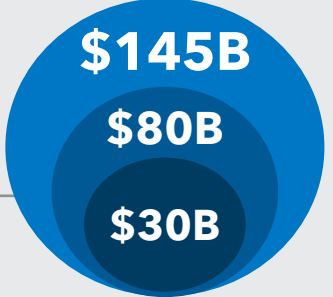
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### EXPAND GLOBALLY

Our opportunity to expand to global customers outside our core markets

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SELF-EMPLOYED	0.4M		
CONSUMER	48M	300M	

### TRAJECTORY CHANGE (I.E. REASONS TO BELIEVE)

**Customer opportunity expands from 215M to 800M SMB/SEs that can potentially be addressed by leveraging our proven playbook**

- Solve product market fit first ... then invest in go-to-market at acceptable LTV/CAC
- Proved out the model in FY'17 ... propelled CAN, UK, AUS >100K subs in same year
- Experimenting with QBSE as the tip of the spear

ONE **intuit** ECOSYSTEM

# Powering Prosperity Around the World

**Sasan Goodarzi**



# POWERING PROSPERITY AROUND THE WORLD

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Speed as a habit

Technology to accelerate growth

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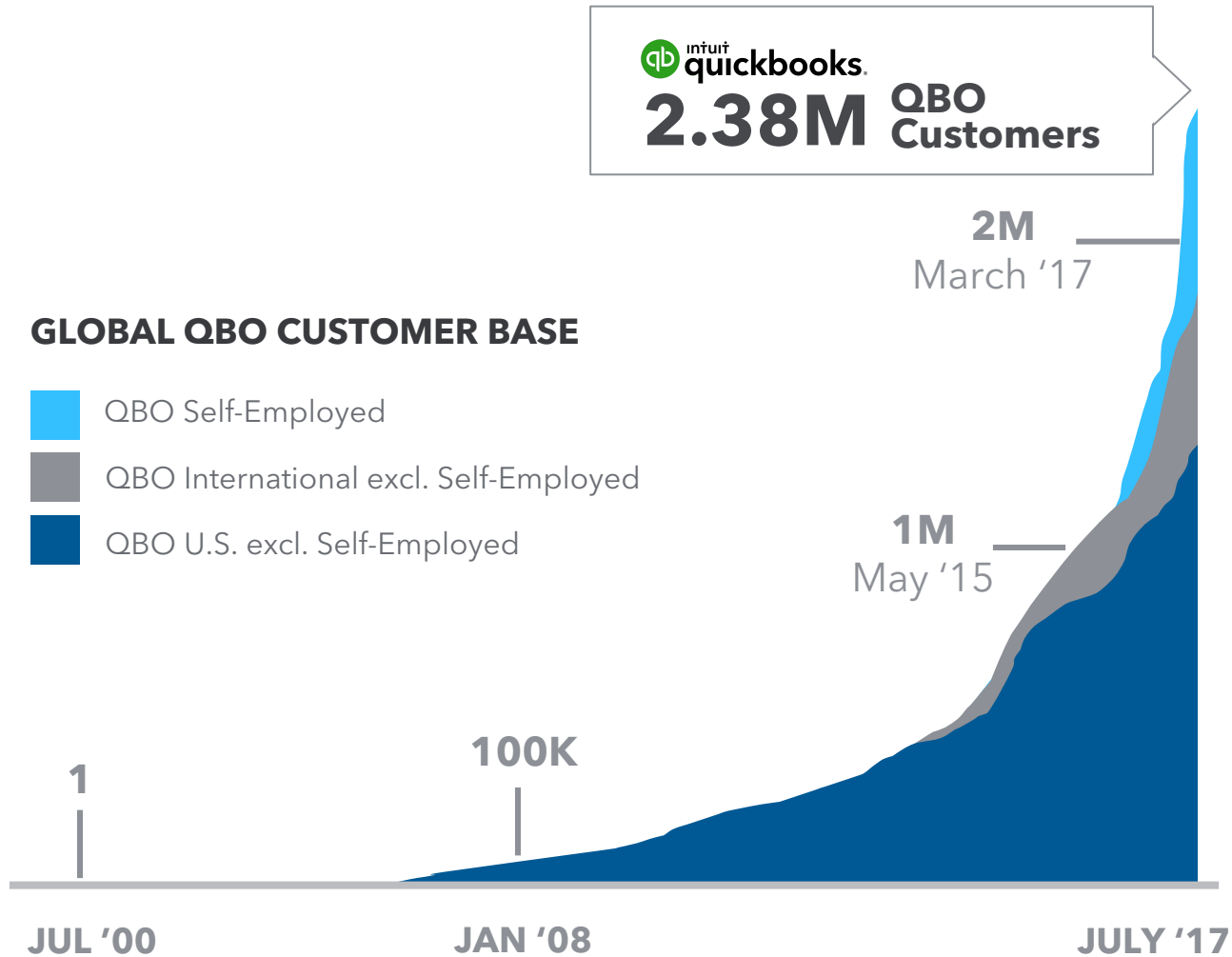
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- Grow overall share of tax prep spend
- Grow # of Beyond-Tax customers



# Accelerated customer growth



DRIVEN BY INTERNATIONAL & QBSE

**Accelerated to 58% growth in FY'17...**

- First million took **15 years**
- Second million took almost **2 years**
- Next million will take **~1 year**

**Delivered 30% online revenue growth**



# Global customer needs are universal and multi-sided

I need to get paid

I need to receive tax documents

I need money

I need to retain employees & contractors

I need to pay contractors, employees, vendors

I need to pay and file taxes

I can lend you money

I need to be taken care of

I have questions

I buy from those I trust

I need to earn money

I have expertise

I need to get customers

I have work

# Customer problem and benefit

**MORE MONEY**

---

**64%**

**of small businesses have invoices unpaid for more than 60 days**

**NO WORK**

---

**6B+ Hours**

**are wasted by small businesses every year on tasks that can be automated**

**COMPLETE CONFIDENCE**

---

**30%**

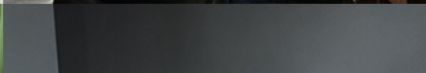
**of customers in any given month seek assistance in QuickBooks**





Vision

**WE ARE THE CHAMPION  
OF THOSE WHO DARE TO DREAM**





# Strategy: unlocking the power of many for the prosperity of one



Personalized Experiences

Trusted Open Platform

Indispensable Connections



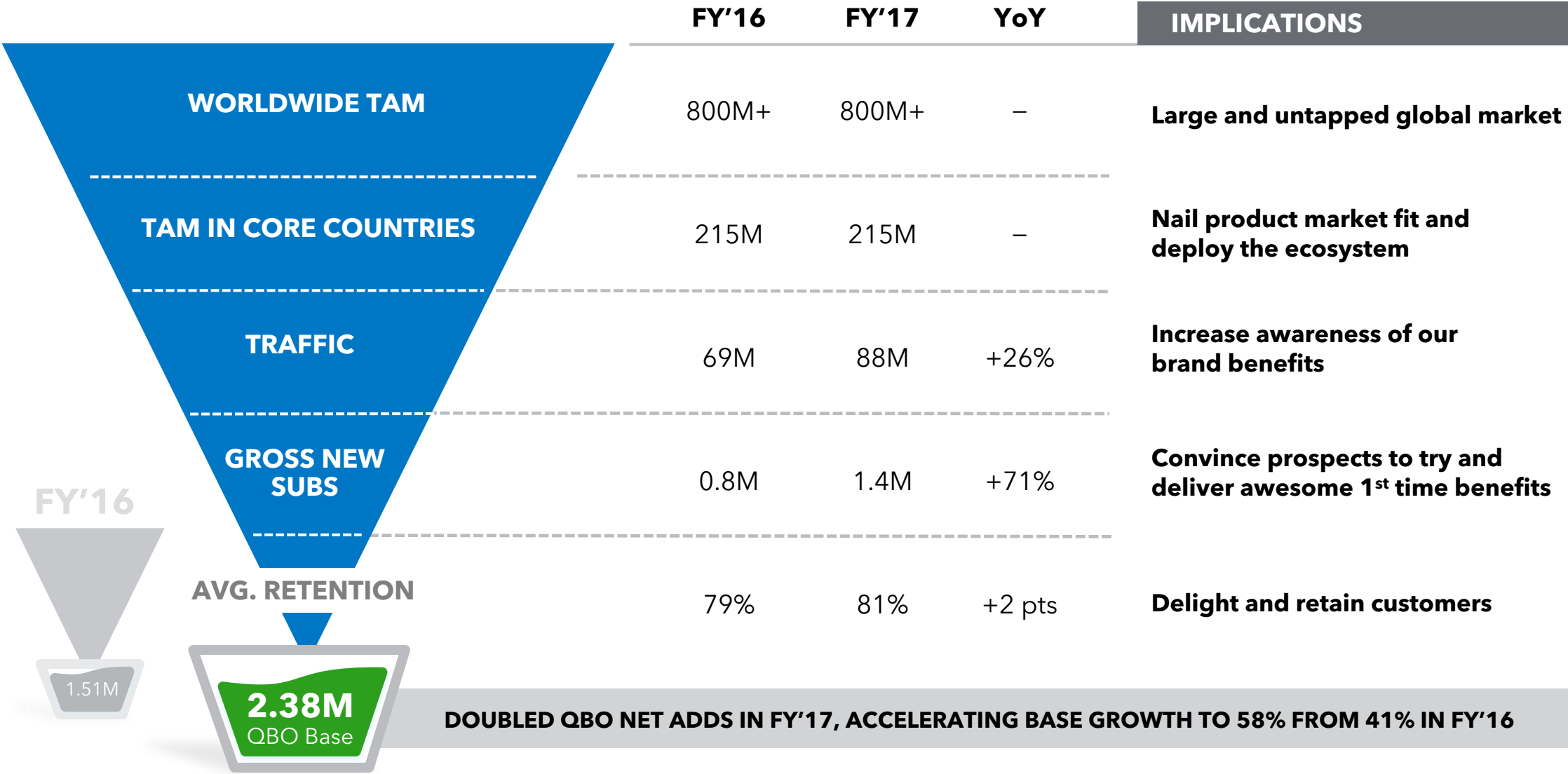


# Growth Priorities: focus on small business and self-employed



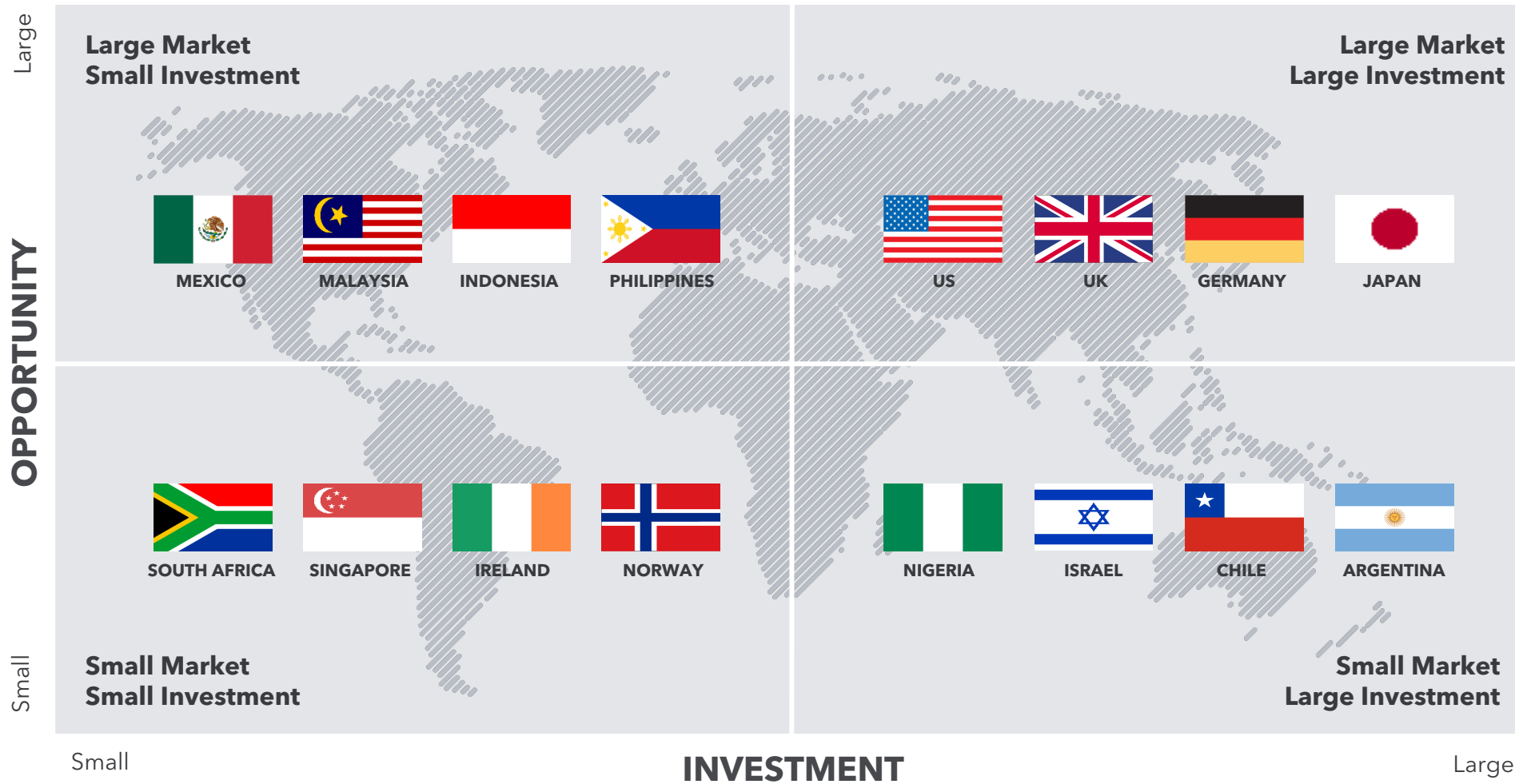


# Context: large market and opportunity to increase penetration



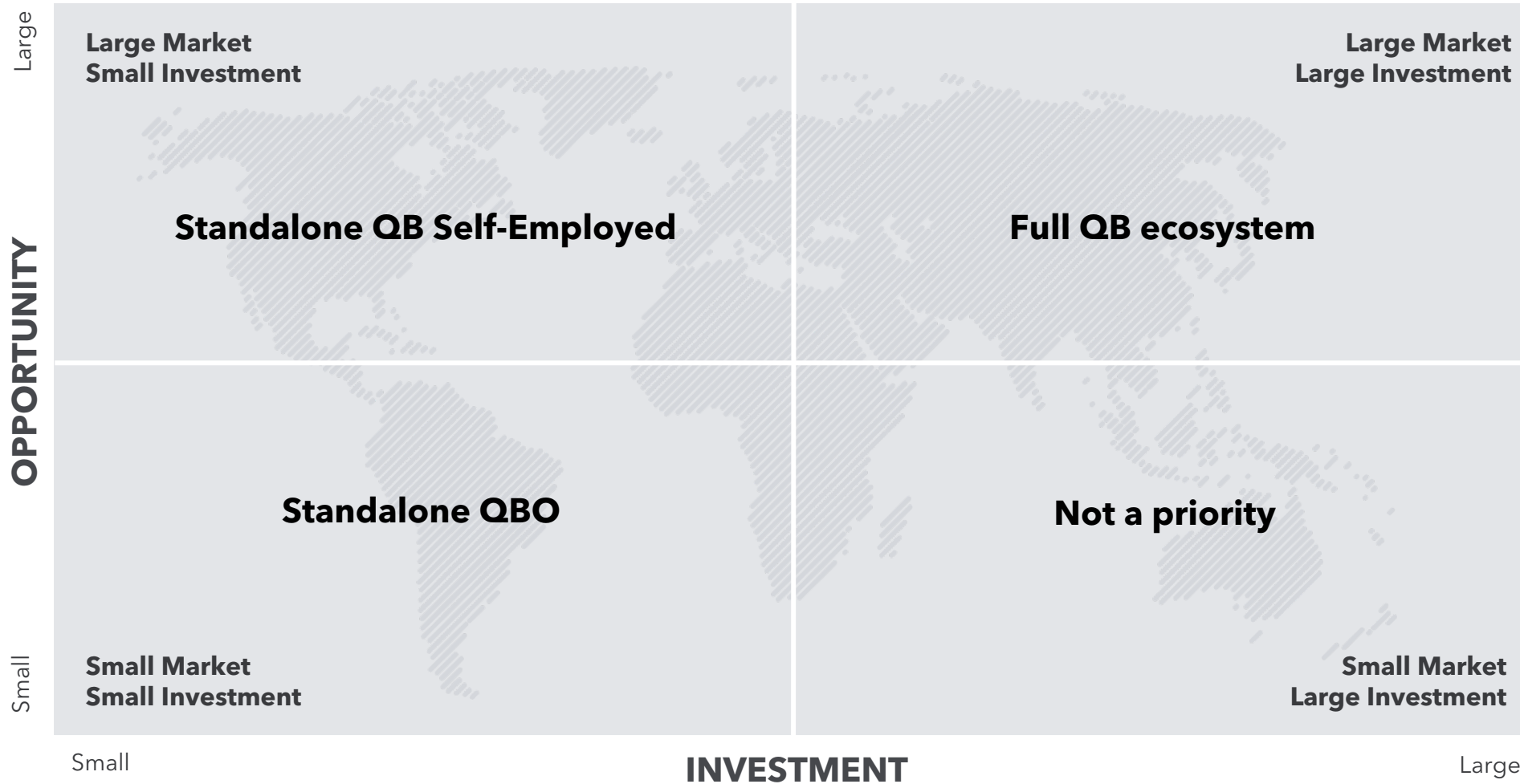
# Global approach: evaluate markets and explore expansion

*Illustrative examples*



# Global approach: evaluate markets and explore expansion

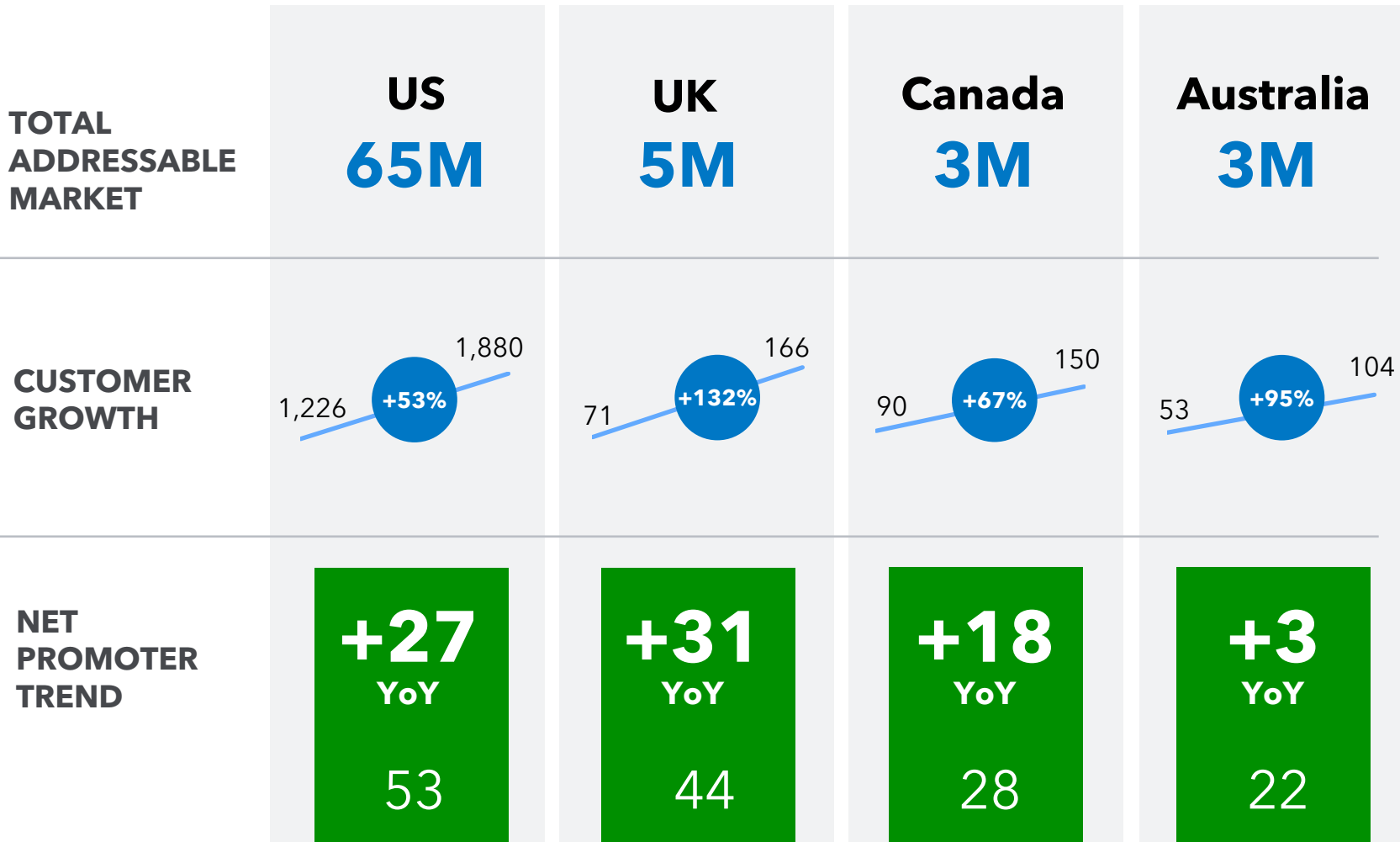
*Illustrative examples*



**Opportunity:** Size of market x Digital readiness x Customer need

**Investment:** Right to win x Time x Cost

# Established markets: accelerating growth, with large opportunity



## DRIVERS OF GROWTH

### Expanded total addressable market

- New countries and capabilities for self-employed
- Ecosystem connections with TurboTax and Accountants

### Increased penetration of total addressable market

- Greater recognition of our brand benefits
- Awesome first experiences... Accountants, small businesses, self-employed

### Improved ecosystem experiences

- Matching Accountants with self-employed and small businesses
- Payments, payroll, 3<sup>rd</sup> party apps experiences

The NPS trend outside of the U.S. is directional due to small sample size

# Emerging markets: start with nailing the product market fit

TOTAL ADDRESSABLE MARKET	India <b>100M+</b>   INITIAL TARGET <b>12M</b>	Brazil <b>34M</b>   INITIAL TARGET <b>8M</b>	France <b>4M</b>   INITIAL TARGET <b>1M</b>																		
LAST MILE (CUSTOMER NEED)	<ul style="list-style-type: none"> <li>• GST compliance</li> <li>• Compliant invoice</li> </ul>	<ul style="list-style-type: none"> <li>• Nota fiscal (invoice) &amp; boleto (payment)</li> <li>• Cash flow insights</li> </ul>	<ul style="list-style-type: none"> <li>• Full compliance (VAT, journal entries)</li> <li>• Data import and export</li> </ul>																		
SUCCESSION METRICS	<table border="1"> <tr> <td>Product recommendation score</td> <td><b>19</b></td> </tr> <tr> <td>First compliant invoice (goal &lt;2 min)</td> <td><b>6 mins</b></td> </tr> <tr> <td>GST invoices into gov't portal (goal &lt; 30 sec)</td> <td><b>10 mins</b></td> </tr> </table>	Product recommendation score	<b>19</b>	First compliant invoice (goal <2 min)	<b>6 mins</b>	GST invoices into gov't portal (goal < 30 sec)	<b>10 mins</b>	<table border="1"> <tr> <td>Product recommendation score</td> <td><b>49</b></td> </tr> <tr> <td>Monthly cash flow (goal &lt;5 mins)</td> <td><b>&gt;15 mins</b></td> </tr> <tr> <td>Income &amp; expense items auto-loaded per customer (goal 25%)</td> <td><b>0%</b></td> </tr> </table>	Product recommendation score	<b>49</b>	Monthly cash flow (goal <5 mins)	<b>&gt;15 mins</b>	Income & expense items auto-loaded per customer (goal 25%)	<b>0%</b>	<table border="1"> <tr> <td>Product recommendation score</td> <td><b>1</b></td> </tr> <tr> <td>1<sup>st</sup> customized, compliant invoice (goal &lt;5 mins)</td> <td><b>&gt;20 mins</b></td> </tr> <tr> <td>Customers auto-loading expenses (goal 30%)</td> <td><b>22%</b></td> </tr> </table>	Product recommendation score	<b>1</b>	1 <sup>st</sup> customized, compliant invoice (goal <5 mins)	<b>&gt;20 mins</b>	Customers auto-loading expenses (goal 30%)	<b>22%</b>
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WHY WE CHOSE TO ENTER	<b>Business model</b>	<b>Grow via acquisition</b>	<b>Compliance-heavy needs</b>																		



# Fuel small business success

## FOCUS AREAS

### Personalized experiences

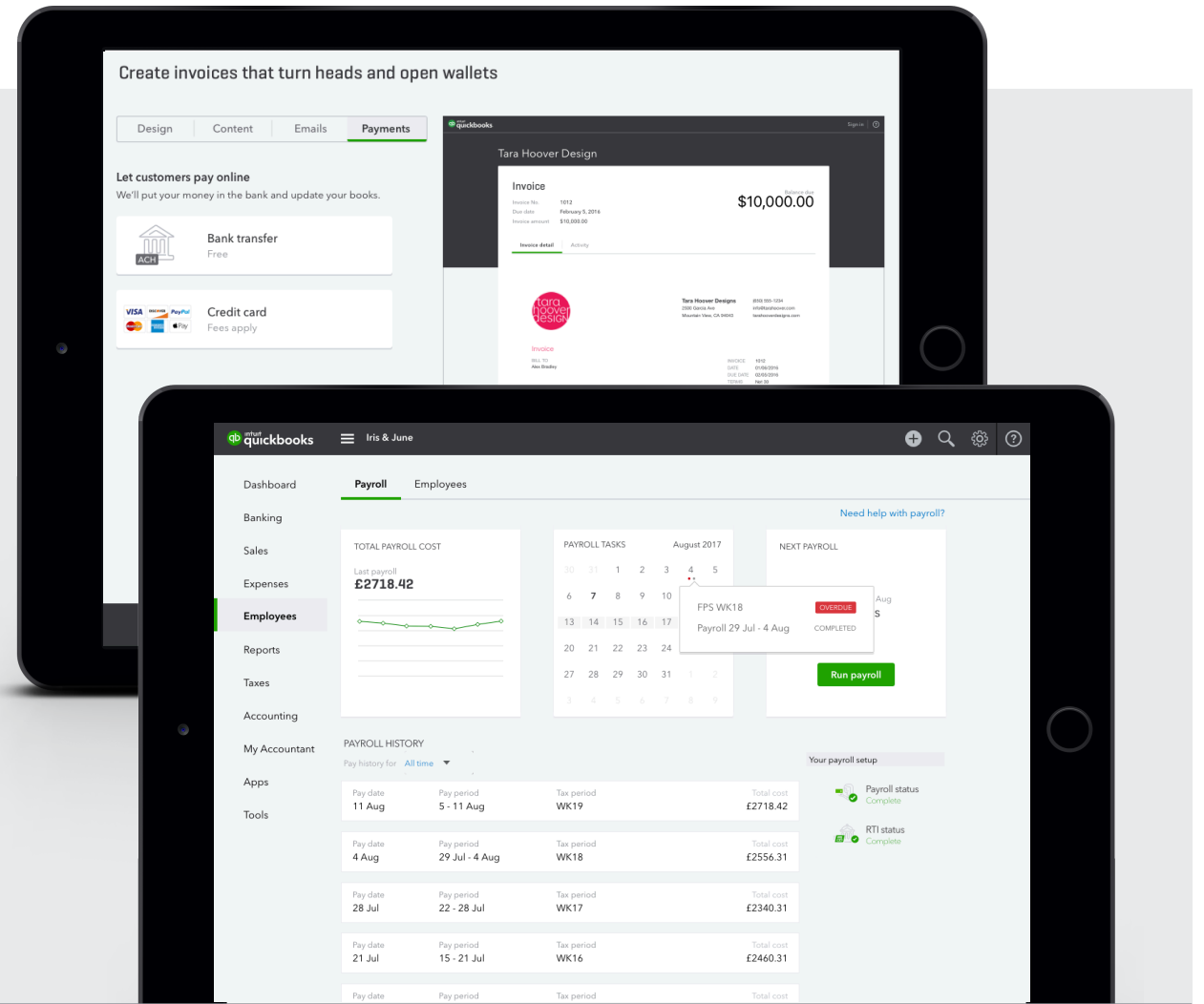
- Instant personalized benefits
- All data in flawlessly, matched via machine learning

### Trusted open platform

- Apps embedded in key workflows (Time Capture, Payments, Payroll)
- QB available in context of where the customer works (Gmail, Facebook)

### Indispensable connections

- Accountants (matchmaking, collaboration)
- Connecting to self-employed (W-9, 1099s, payment, taxes)



# Provide peace-of-mind & prosperity for self-employed

## FOCUS AREAS

### Personalized experiences

- Starts small and simple, grows as you grow
- All data in flawlessly, matched via machine learning

### Trusted open platform

- App embedded in workflows (Etsy, Uber)
- Access to benefits (find jobs, insurance)

### Indispensable connections

- Advisors to help at time of need (Questions answered instantly)
- Connecting to small businesses (seamless onboarding, 1099s, payments)



# Our strategy puts us in pursuit of a massive TAM

## OPPORTUNITIES

### GROW THE CORE

- Core Products (QBO, QBSE, Tax)
- Core Markets (US, UK, CA, AU, BR, FR, IN)

SEGMENT	CUSTOMERS	CUST. UNIVERSE	\$ TAM
SMALL BUSINESS	5M	215M	<b>\$30B</b>
SELF-EMPLOYED	0.4M		
CONSUMER	48M	175M	



### TRAJECTORY CHANGE (I.E. REASONS TO BELIEVE)

#### Shift to cloud is accelerating category adoption

- 9 of 10 QBO customers are new to our franchise
- Total QB active customer base up 14% YoY vs 3% in FY'16

#### Cloud customer growth accelerated to +58% YoY vs 41% in FY'16

- International subs up 75% YoY vs 45% in FY'16; UK, AU, and Canada all >100K subs
- U.S. QBO (excl. Self-Employed) up +33% YoY
- QB Self-Employed up 4x YoY to 400K customers, with NPS > 60

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## OPPORTUNITIES

### GROW THE CORE

- Core Products (QBO, QBSE, Tax)
- Core Markets (US, UK, CA, AU, BR, FR, IN)

### CONNECT THE ECOSYSTEM

Our opportunity to connect customers, partners, and products in our core markets

4 example offerings:

- e-invoicing
- QuickBooks Capital
- Transform assisted tax
- Consumer finance beyond tax

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SMALL BUSINESS	5M	215M	
SELF-EMPLOYED	0.4M		
CONSUMER	48M	300M	



### TRAJECTORY CHANGE (I.E. REASONS TO BELIEVE)

#### Accelerating e-invoicing to speed customer payment and drive revenue

- 68M payment enabled e-invoices sent vs 50M in FY'16

#### Lending money to those in need using our unique data set

- \$700M SMB loans to date
- 50% of loans made to bank "unlendables" (e.g. < 2yrs in biz) w/ low losses

#### Expanding connections across the ecosystem

- 170K TurboTax Self-Employed customers; average \$4,340 in tax deductions
- 1.7K third party apps, up 43% YoY
- 1M+ QBO subs connected with an accountant vs 640K in FY'16, with 12 pts higher first-year retention

# Our strategy puts us in pursuit of a massive TAM

## OPPORTUNITIES

### GROW THE CORE

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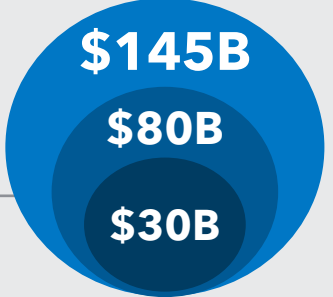
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### EXPAND GLOBALLY

Our opportunity to expand to global customers outside our core markets

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SELF-EMPLOYED	0.4M		
CONSUMER	48M	300M	



### TRAJECTORY CHANGE (I.E. REASONS TO BELIEVE)

#### Increasing our penetration and TAM globally

- Proved out the model in FY'17 and propelled CAN, UK, AUS past 100K subs
- Proven playbook with QBSE, now in 7 countries vs. 2 in FY'16
- 694 apps internationally, up 58% YoY



**Dan Wernikoff**



# POWERING PROSPERITY AROUND THE WORLD

MISSION

VALUES

## Integrity Without Compromise

## We Care & Give Back

Be Bold

Be Passionate

Be Decisive

Learn Fast

Win Together

Deliver Awesome

TRUE NORTH GOALS

### Employees

The place where the world's top talent does the best work of their lives

### Customers

Delight customers more than rivals in what matter most - customer benefit

### Partners

Delight partners who add value to our customers

### Shareholders

Drive long-term growth, increasing shareholder value

STRATEGY

## One Intuit Ecosystem

Personalized Experiences

Trusted Open Platform

Indispensable Connections

PRIORITIES

### Accelerate Velocity in Doing What's Right for Customers

Awesome E2E customer experiences

Speed as a habit

Technology to accelerate growth

### Deliver Significant Improvement in Customer Benefit

Fuel Small Business success globally

Provide peace-of-mind and prosperity for the self-employed globally

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METRICS

- Deliver customer benefit & NPS - For core customers - For ecosystem partners
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- Deliver the customer benefit and NPS
- Grow DIY & TT share of total tax market
- Grow overall share of tax prep spend
- Grow # of Beyond-Tax customers



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VISION

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# FINANCIAL FREEDOM FOR ALL CONSUMERS

---

TAX AND BEYOND

---



# Our consumer ecosystem



**>10M**  
Paid Workers



**>50M**  
Unique Tax Filers  
**37.5M** TurboTax Units

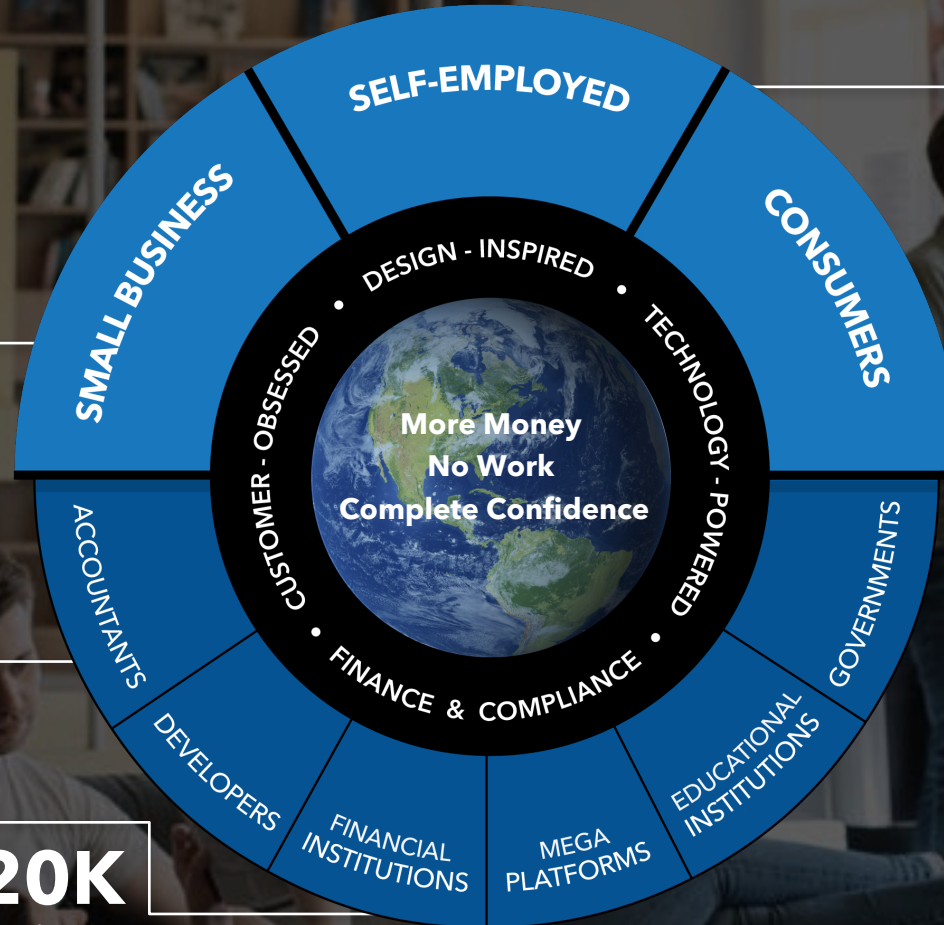


**10M**  
Annual Active Users



**>600K**  
Tax Pros / Experts  
**>30M** Consumer Returns

**>20K**  
Financial Institutions  
**95%** Consumer Coverage



# Customer problem and benefit

More Money

62%

of Americans can't come up with \$1,000 in an emergency

"Money is **extremely tight** and just a few decisions can make a big impact financially."

No Work

6B Hours

is wasted annually on tax prep

"It takes a lot of time to sort through my finances. Most of it is **complete drudgery.**"

Complete Confidence

60%

of people seek an assisted solution

"My finances are high stakes and **I'm not confident** that I'm making the right decisions."



# Long term growth opportunity



## CORE OPPORTUNITIES

- 1 Extend our Lead in DIY Tax Prep**  
Grow DIY category through innovation  
**Goal:** Improve conversion, retention, & value per customer
- 2 Transform the Assisted Tax Prep Category**  
Leverage tech to enable a new assisted experience  
**Goal:** Win with expert seekers including the growing self-employed

- 3 Evolve from Consumer App to Platform**  
Create a consumer finance platform and destination  
**Goal:** Help customers save money and evolve to new beyond-user-paid models

## EXPLORE OPPORTUNITIES

### Enable Developer Innovation

Platform-as-a-service for 3<sup>rd</sup> party developers

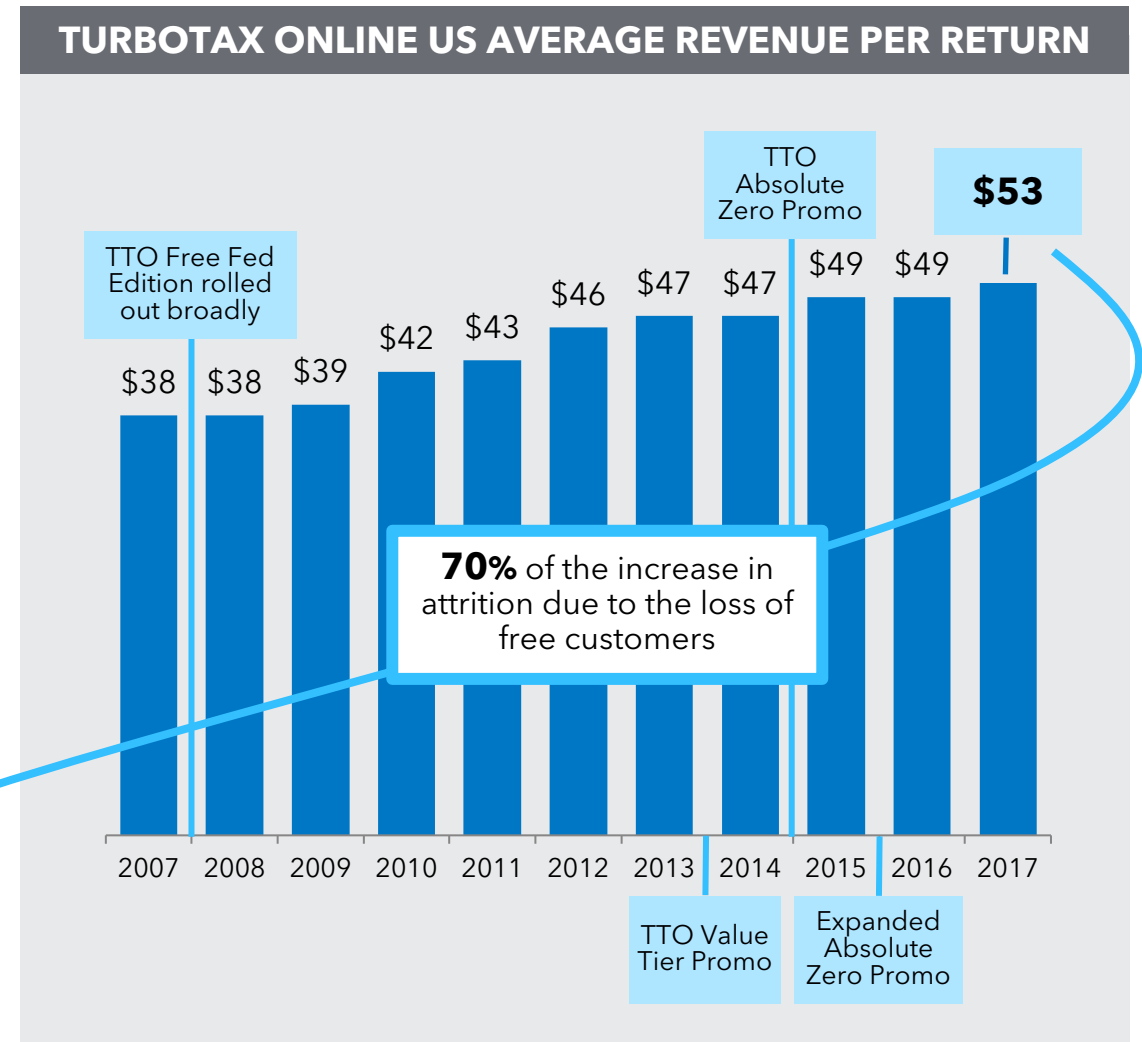
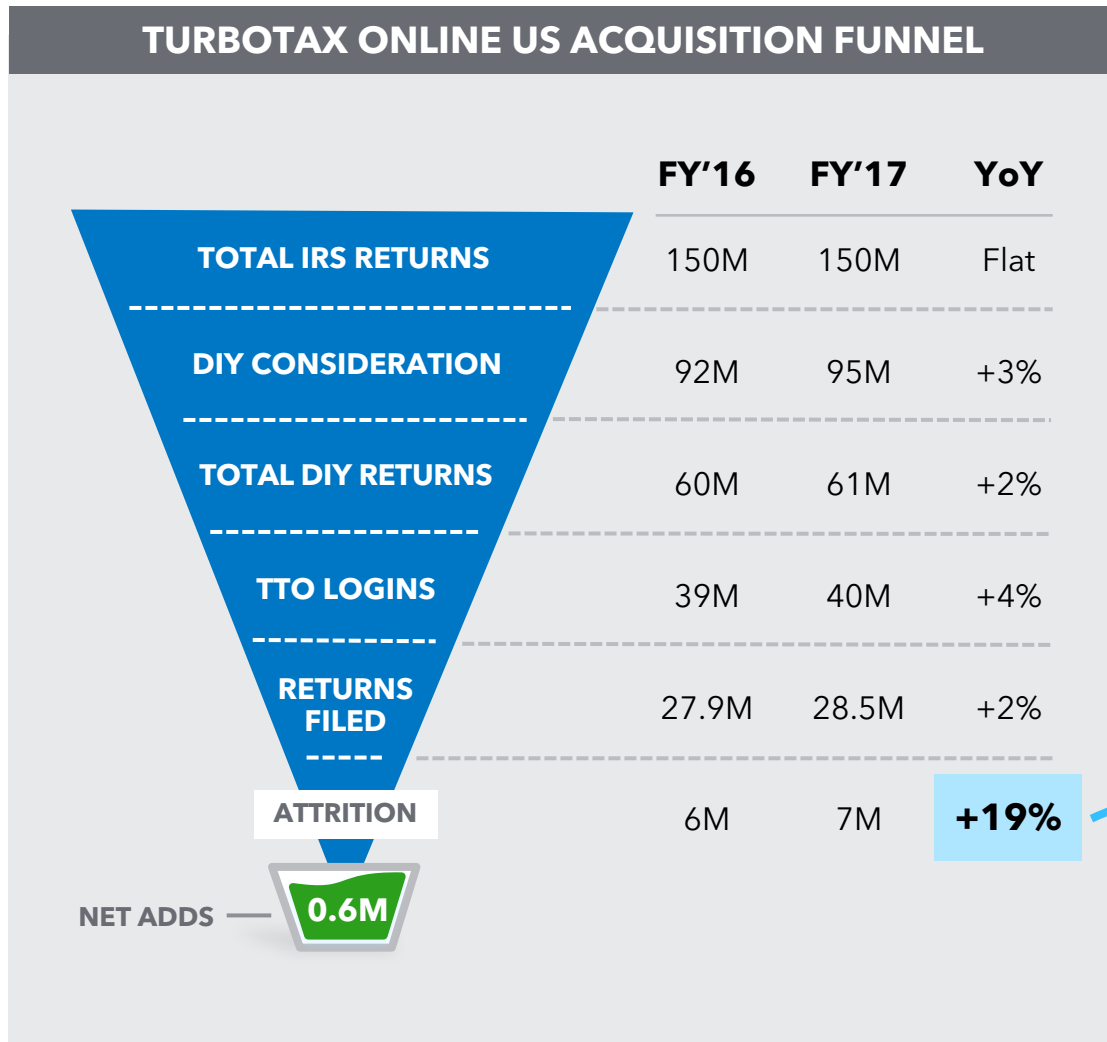
**Goal:** Provide access to valuable tech services to solve other problems

### Expand our Reach Globally

Bring our platform and application to other geos

**Goal:** Bring our new consumer platform to new geographies

# 1 Extend our lead in DIY: prior season results



# 1 Extend our lead in DIY: critical focus areas

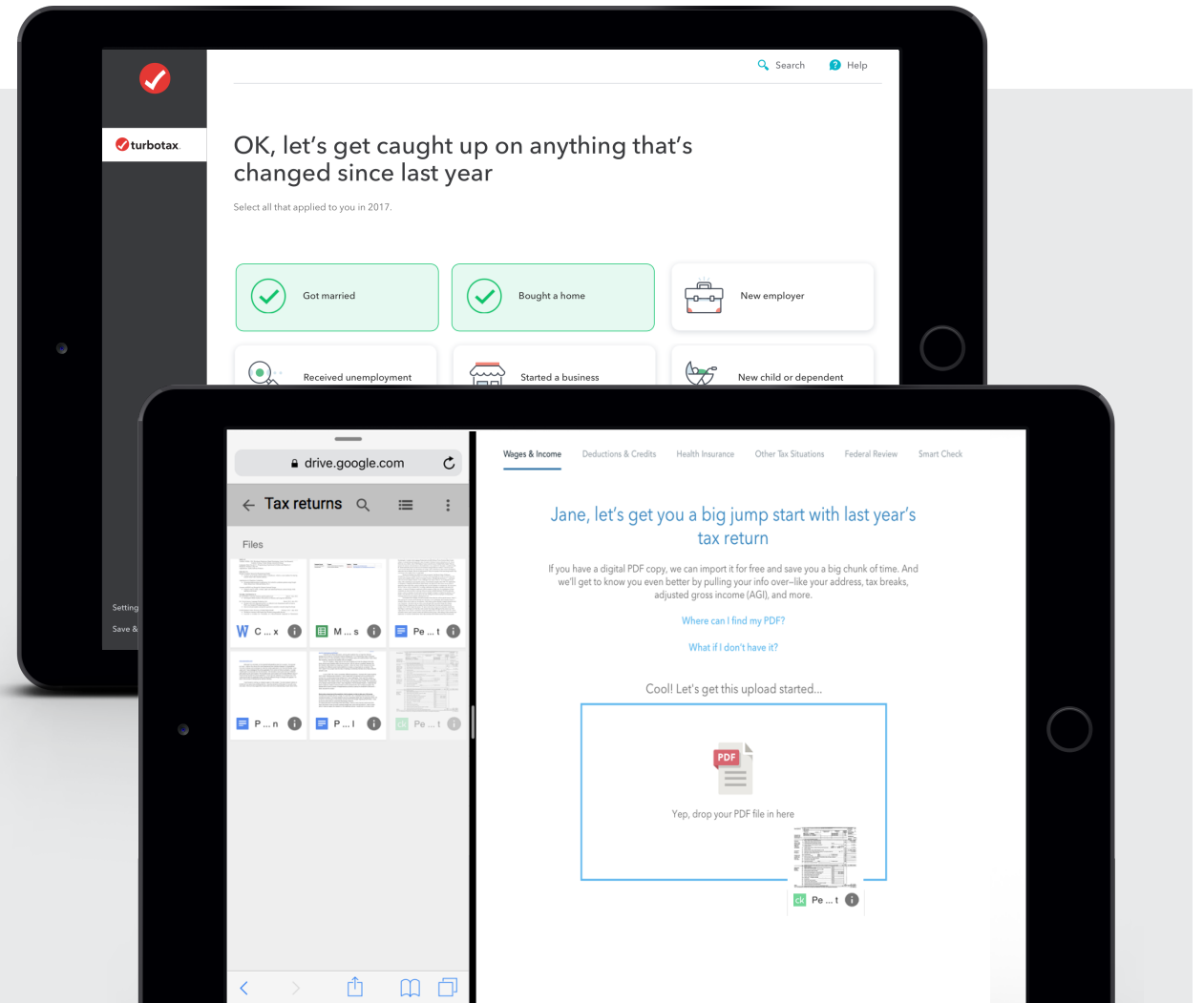
## WIN SIMPLE FILERS BY:

### Winning With Free

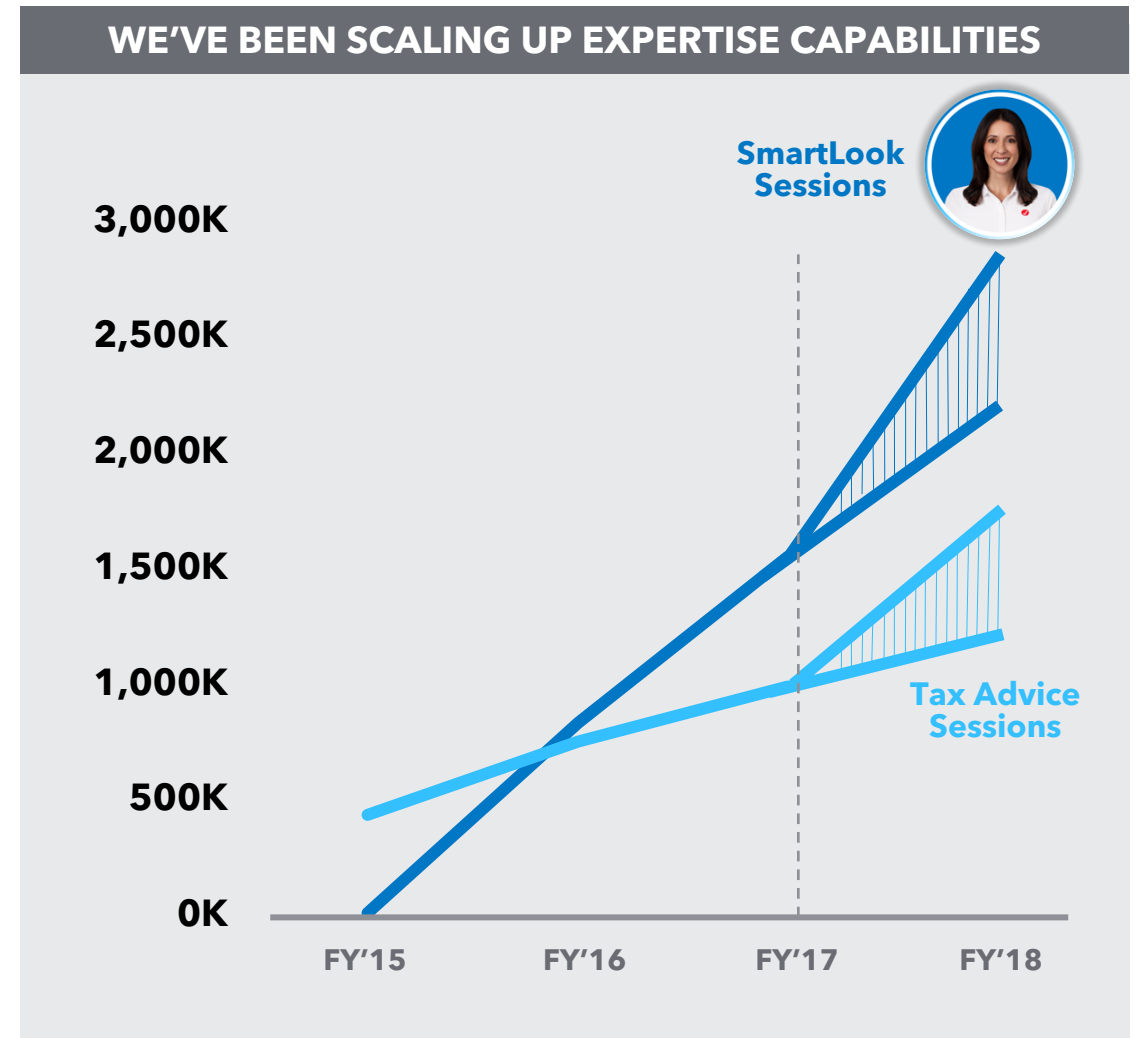
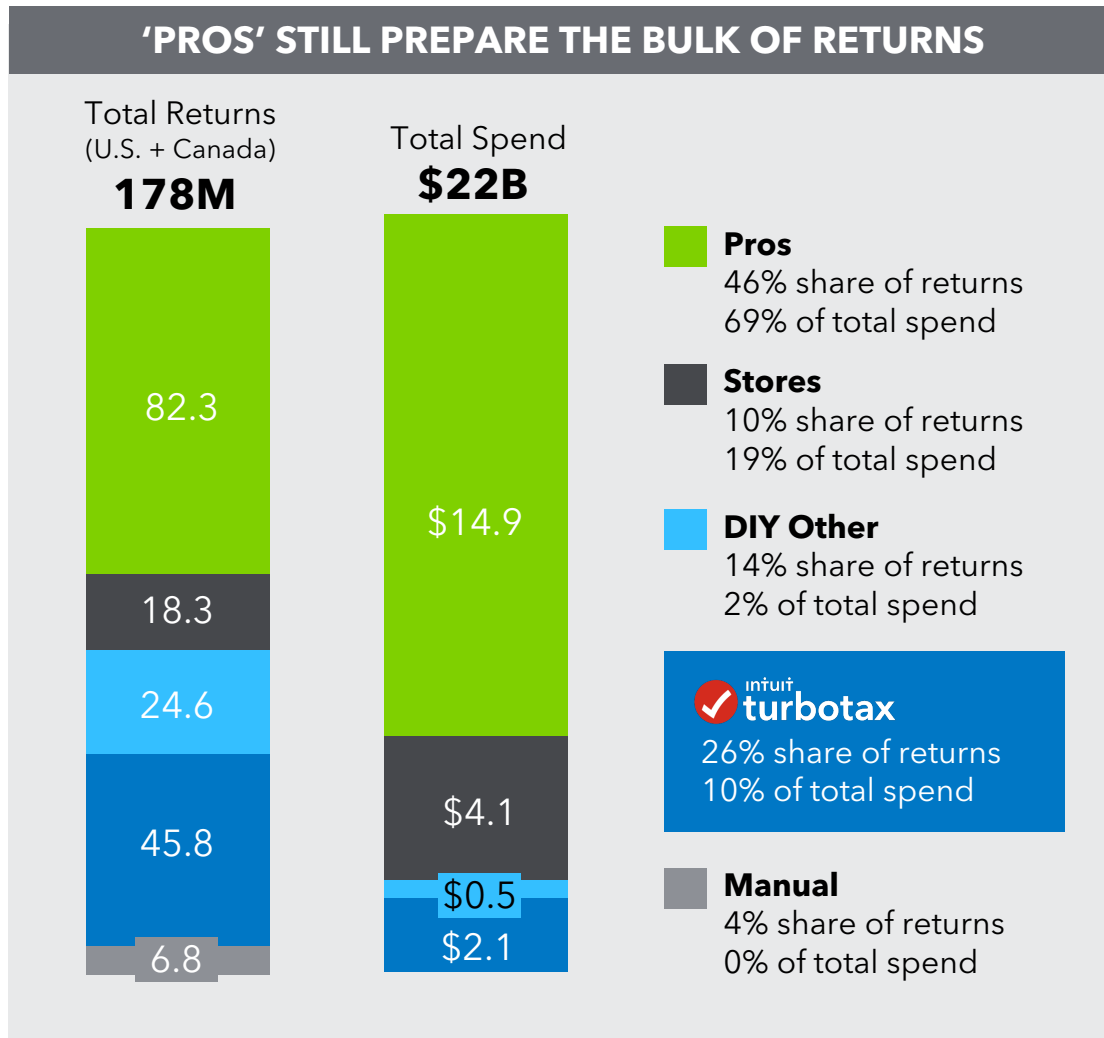
- Raise free awareness
- Add more value to free offering
- Continued focus on mobile

### Creating Personalized Experiences

- Deliver a frictionless 1st-use experience
- Reimagine self-help with Machine Learning
- Help the simple self-employed with side income



## 2 Transform Assisted: our largest unaddressed opportunity



## 2 Transform Assisted: critical focus areas

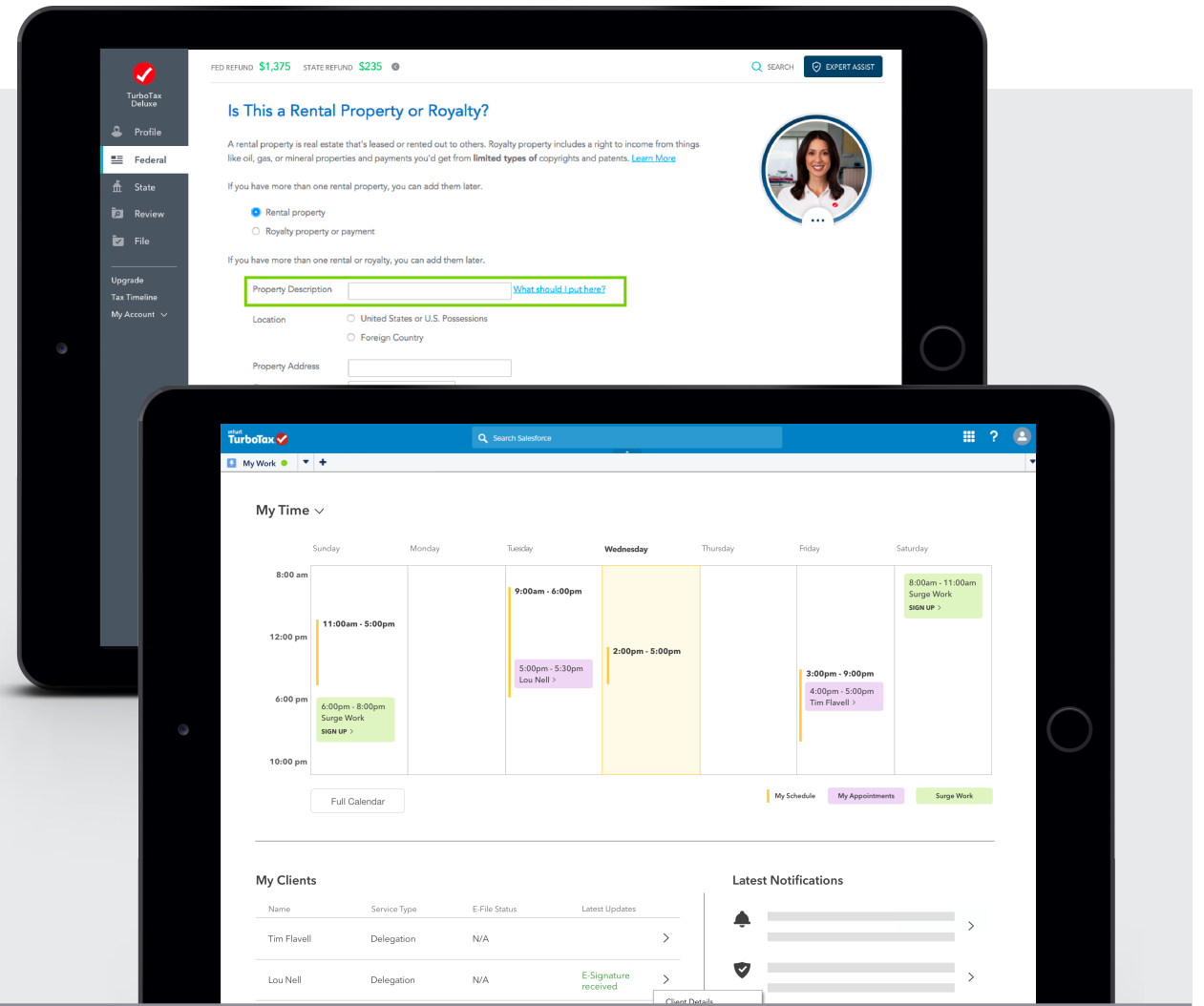
### WIN COMPLEX FILERS BY:

#### Extending our TurboTax Brand

- Raise awareness of new TurboTax Live offering
- Focus on building confidence through expertise
- Leverage behavioral data to anticipate need for pro

#### On Demand Expertise

- Build an advantaged virtual Pro platform
- Enable On-Demand access to tax Pros
- Deliver a world-class consumer assisted experience







### 3 Evolve from an app to a platform: an emerging opportunity

#### STRENGTH OF CONSUMER CHANNEL AND DATA





##### POWERFUL FINANCIAL CHANNELS

 <b>turbotax.</b>	<b>101M</b> Annual Unique Visitors
 <b>mint.</b>	<b>17M</b> Annual Unique Visitors

##### COMPLEMENTARY ENGAGEMENT MODELS

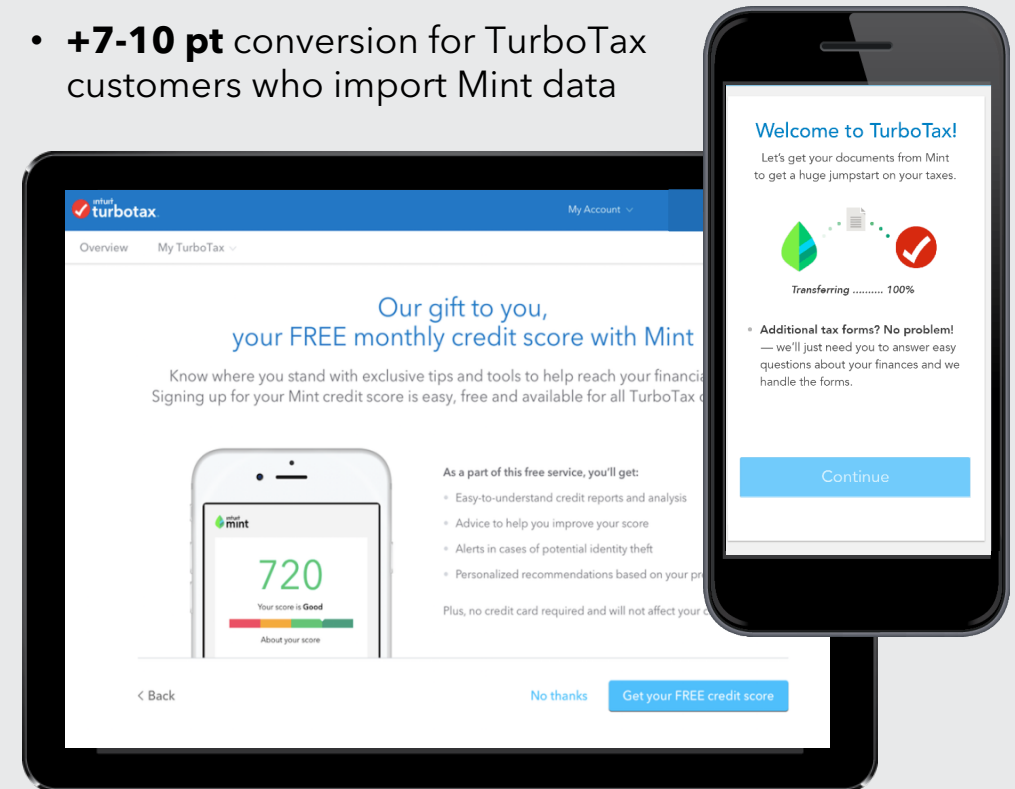
 <b>turbotax.</b>	<b>2</b> Sessions per filed return
 <b>mint.</b>	<b>112</b> Annual sessions per monthly active users

##### VAST REPOSITORY OF FINANCIAL DATA

 <b>4B -or- \$625B</b>	Financial transactions through Mint
 <b>53M -or- \$1.5T</b>	W2 income submitted to the IRS
 <b>7M -or- \$52B</b>	Mortgage Interest paid
 <b>4.2M -or- \$7B</b>	Student loan interest paid

#### SUCCESSFUL EXPERIMENTS FROM LAST SEASON

- **1.3M** Free Mint credit scores delivered through TurboTax
- **+7-10 pt** conversion for TurboTax customers who import Mint data



# 3 Evolve beyond tax: solving everyday financial problems

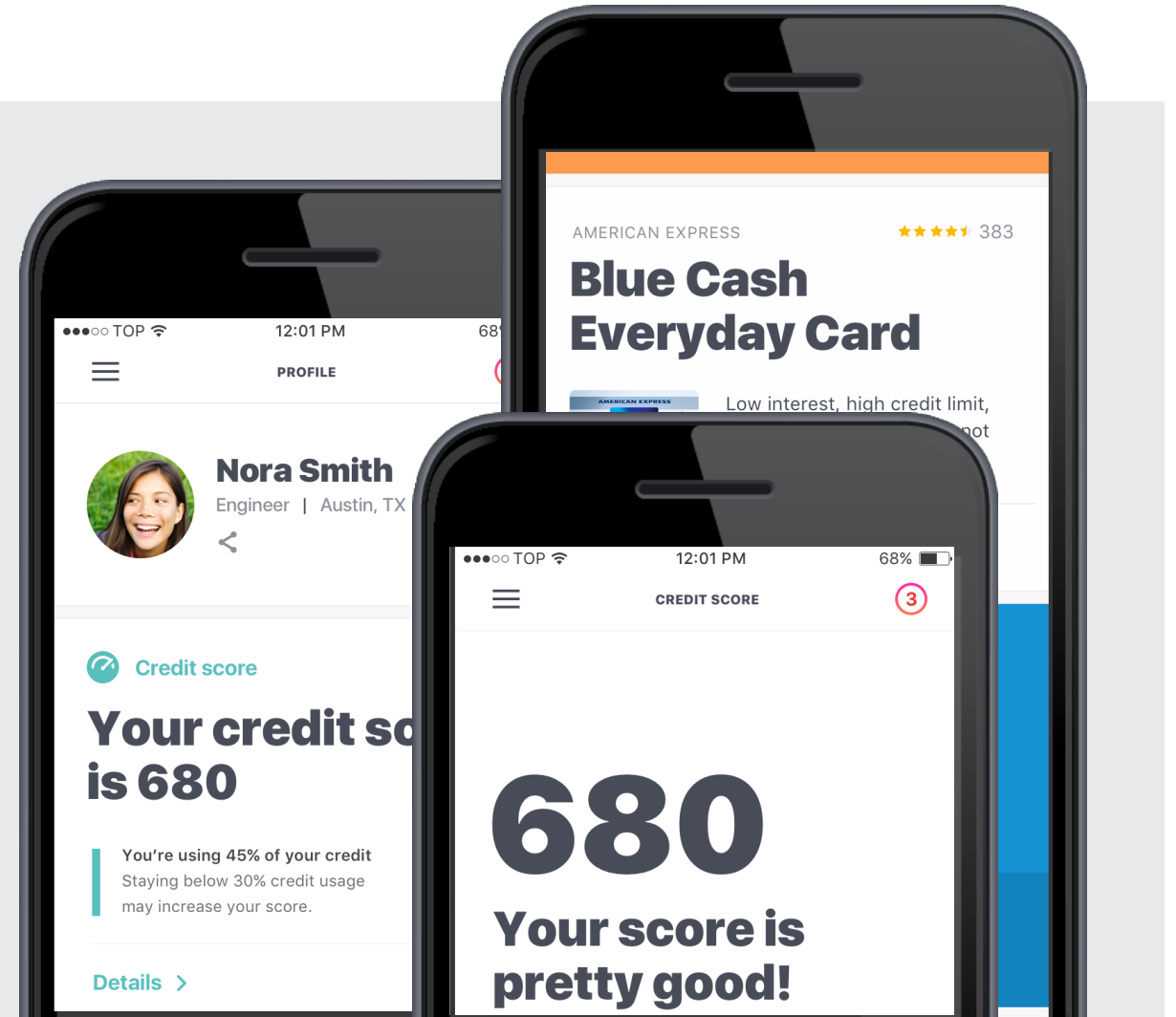
## BUILD EVERYDAY ENGAGEMENT

### Connect Intuit's Consumer Ecosystem

- Deeper TurboTax and Mint capabilities integration
- Consumer payroll experience integration
- Bring experts to our Mint users

### Trusted Open Platform

- Establish trusted FI partner channel
- Become a trusted consumer financial identity
- Demonstrate advantaged monetization



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Self-employed	0.4M		
Consumer	48M	300M	



#### TRAJECTORY CHANGE (I.E. REASONS TO BELIEVE)

**Customer opportunity expands from 48M to 300M consumers that can potentially be addressed by leveraging our proven playbook**

- TurboTax channel delivered close to 200K QBSE customers
- TurboTax channel delivered 1.3M credit score customers
- Over 60% of our Pros in TurboTax come from the PCG ecosystem today
- Demonstrated conversion improvements by linking Mint and TurboTax experiences

# Investor Day product demonstrations

## QuickBooks Payments



**PRESENTED BY**  
Jimena Almendares

## QuickBooks Assistant



**PRESENTED BY**  
Spencer Uttley

## QuickBooks Online Accountant Find-a-ProAdvisor



**PRESENTED BY**  
Rich Preece      Chris Hamilton

## QuickBooks Self-Employed Powered by Machine Learning



**PRESENTED BY**  
Nhung Ho      Jen Bickerstaff

## TurboTax On-Demand Expert



**PRESENTED BY**  
Stacie Herring      Jess Barker

## Consumer Open Platform



**PRESENTED BY**  
Varun Krishna

## QuickBooks Self-Employed/ TurboTax Integration



**PRESENTED BY**  
Cassie Divine

## QuickBooks Online Accountant Practice Management



**PRESENTED BY**  
Ariege Misherghi

**Lucas Watson**





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# Unlocking massive TAM is our key opportunity

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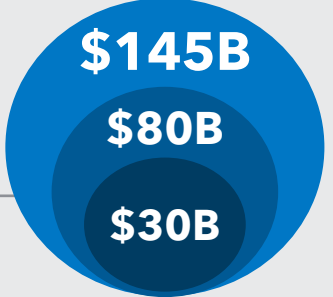
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**Helping customers discover the benefits of our brands is the key to turning market opportunity into delighted customers**

# Turning market opportunity into delighted customers

1

**HELP NEW CUSTOMERS  
discover our product benefits**

- Elastic categories that respond to advertising
- Partner with agency experts who unlock user delight
- Create advertising scale advantage

2

**HELP EXISTING USERS  
realize the value of our brands**

- Maximize customer growth
- Earn value after we've delivered customer benefit
- Help users discover new benefits worth paying for

3

**CONSTANT INNOVATION  
in our commercial models**

- Qualify new business models
- Sales innovation to reach customers at scale
- Advertising innovation to drive discovery at scale

1

**Help new customers discover  
our product benefits**

# Elastic categories that respond to advertising

*For illustrative purposes only*

A QuickBooks example



**215 Million** small businesses and self-employed in our core markets



**2 of every 3** don't know our brand



**98 of every 100** don't use cloud-based financial management software



# As a result, QuickBooks far more responsive to advertising



~5-10%

CONSUMER PRODUCTS



~25-30%

SOFTWARE CATEGORY

Microsoft



~30%

TURBOTAX



~46%

QUICKBOOKS

PERCENTAGE OF BUSINESS GROWTH DRIVEN BY INVESTMENTS IN ADVERTISING

# Partner with agency experts who unlock user delight



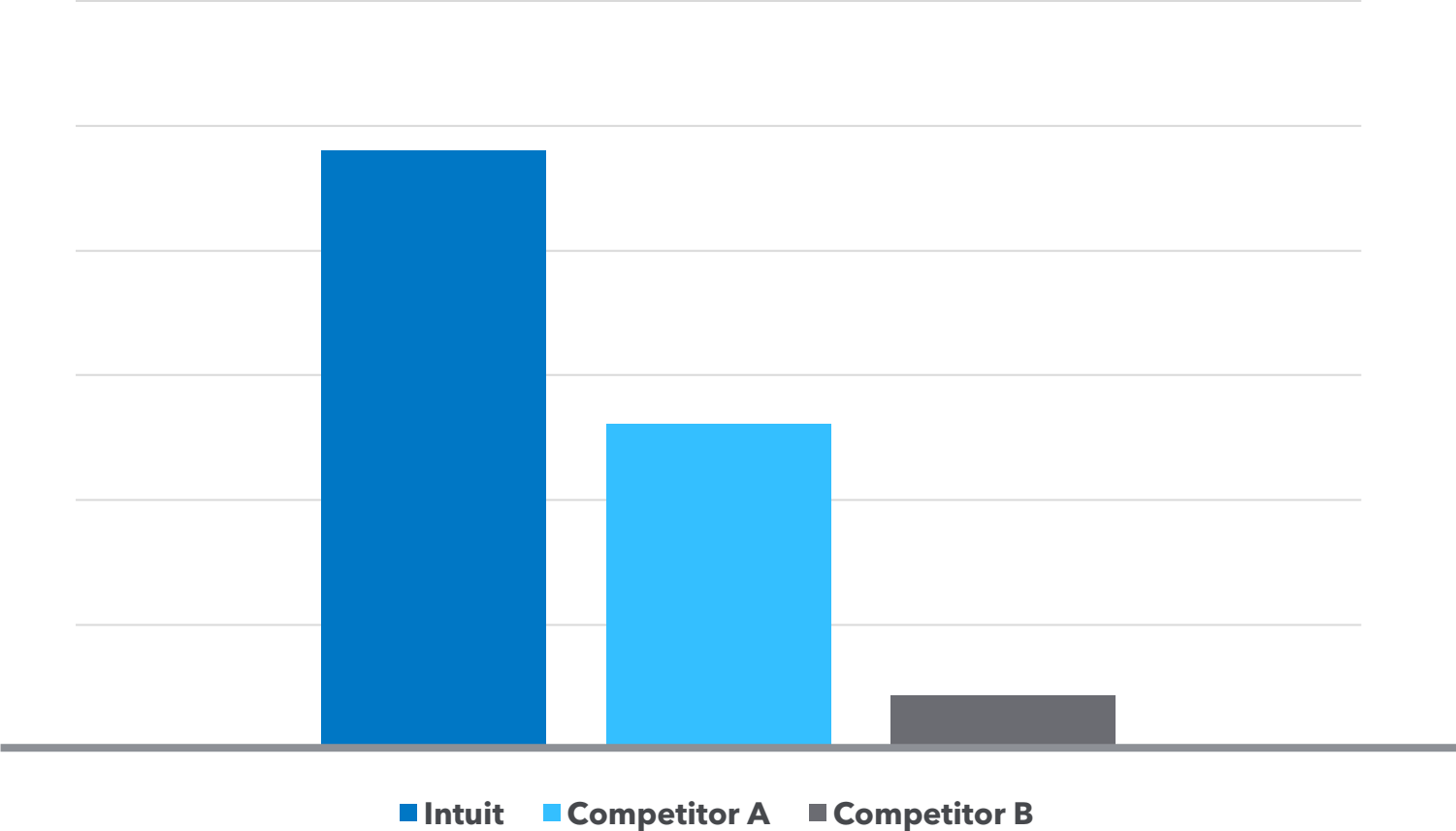
Wieden  
Kennedy+

TBWA

phenomenon®



# Create advertising scale advantage



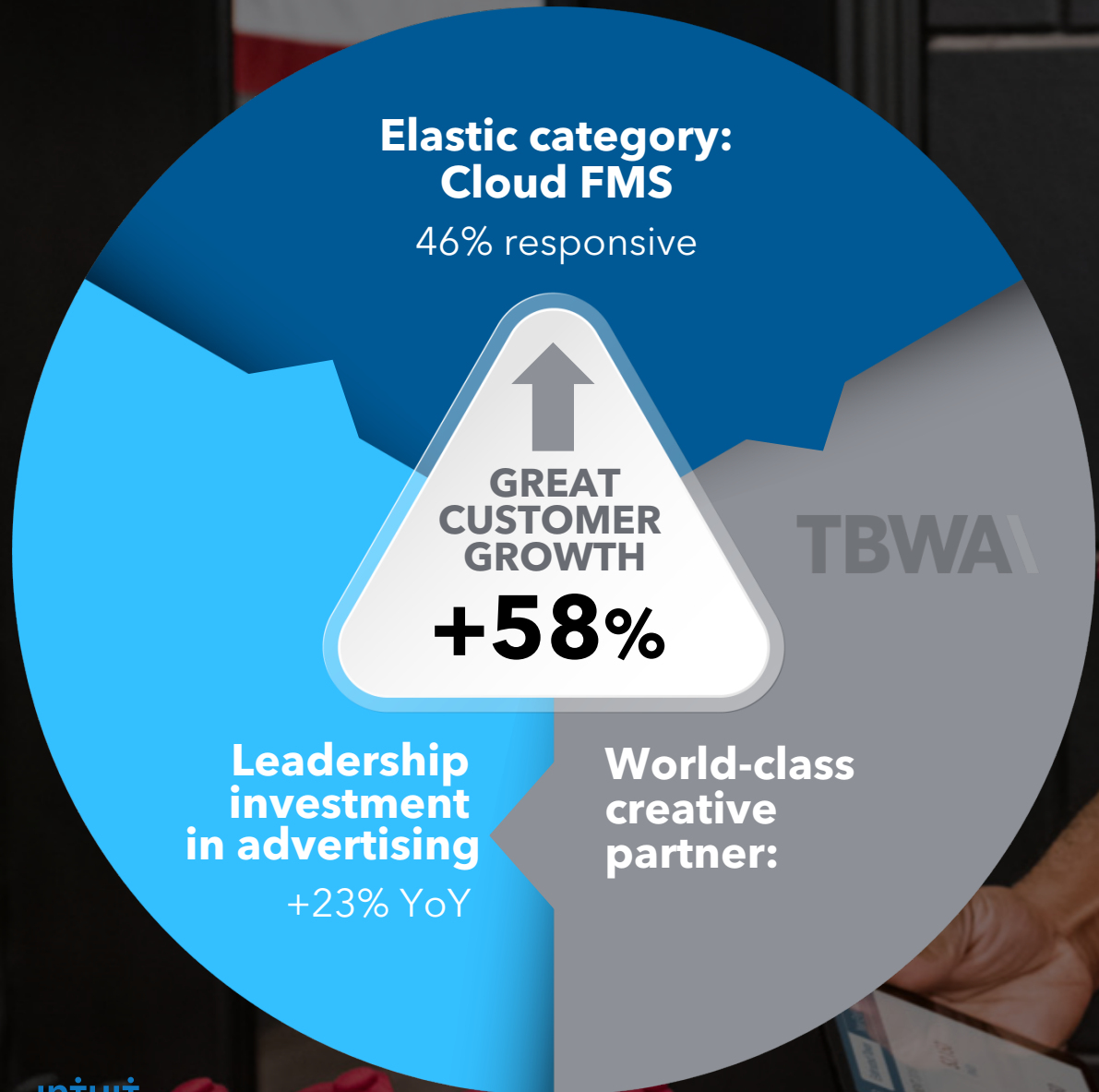
MARKETING SPEND FY'17

# Greater discovery of customer benefit is working





# We've had similar success with QuickBooks





**2**

**Help existing users  
realize the value of our brands**

# Customer growth drives long-term revenue acceleration

## HELP USERS DISCOVER NEW BENEFITS

- TurboTax ↔ QuickBooks
- TurboTax ↔ Mint
- QuickBooks Payments
- QuickBooks Payroll
- QuickBooks Capital
- TurboTax Data Carryover
- TurboTax Audit Defense

## EARN VALUE AFTER DELIVERY OF BENEFIT

Promotional discounts expire  
Earn price in proportion to benefit delivered



**intuit**  
**MAXIMIZE  
CUSTOMER GROWTH**



## EARN VALUE THROUGH LOYALTY

Connect to accountant  
Connect bank data



# Illustrative: earning value as we deliver benefit



YEAR 1



**\$0**

**ASHLEY:** a new college grad signs up for TurboTax Absolute Zero

YEAR 3



**\$30**

In year 3, Ashley chooses to pay \$30 to import her data from last year and to receive access to a SmartLook agent

YEAR 6



**\$80**

In year 6 Ashley trades up to TurboTax Deluxe for \$80 as she has more complicated investments to manage. As a 2+ time buyer of TurboTax, her loyalty climbs to ~90% which increases lifetime value as well

# Illustrative : earning value as we deliver benefit



YEAR 1



**\$135**

**JOSH:** opens cafe and signs up for QuickBooks. Gets 50% off first six months

YEAR 2



**\$180**

Promotional discounts end and we get full year of revenue

YEAR 3



**\$670**

Business is healthy and Josh hires an employee and adds payroll

3

**Constant innovation  
in our commercial models**



# Driving benefit discovery: new business models

## PERSONAL FINANCIAL MANAGEMENT: Beyond-User-Paid Lead Generation



- **48 Million Consumer Accounts**
- **\$1.5 Trillion of Consumer Income**

**WITH THEIR PERMISSION, WE CAN OFFER SERVICES LIKE:**

STUDENT LOAN DEBT  
MORTGAGE DEBT  
REVOLVING DEBT  
401K SAVINGS  
LEGAL PLANNING  
EXPERT REVIEW  
AUDIT DEFENSE

## NEW BUSINESS MODELS

**Potential to move beyond-user-paid**

**5X Avg. TurboTax revenue per user, for users that complete one financial action**

# Driving benefit discovery: sales innovation

## FOCUS AREAS

### Platform Selling: Etsy

- 1.8M Sellers on Etsy
- 10K QuickBooks Bought Thru Etsy in Year 1
- QuickBooks Cost Per Acquisition is 50% less than our average

qb intuit quickbooks. Etsy

## Tidy up your shop's finances

QuickBooks Self-Employed users find an average of \$4,340 in potential tax savings per year\*

[Get Started](#)

[Sign up for a free trial](#)

QuickBooks Self-Employed [Benefits](#) [Pricing](#) [Get Started](#)

Instant integration with your Etsy shop

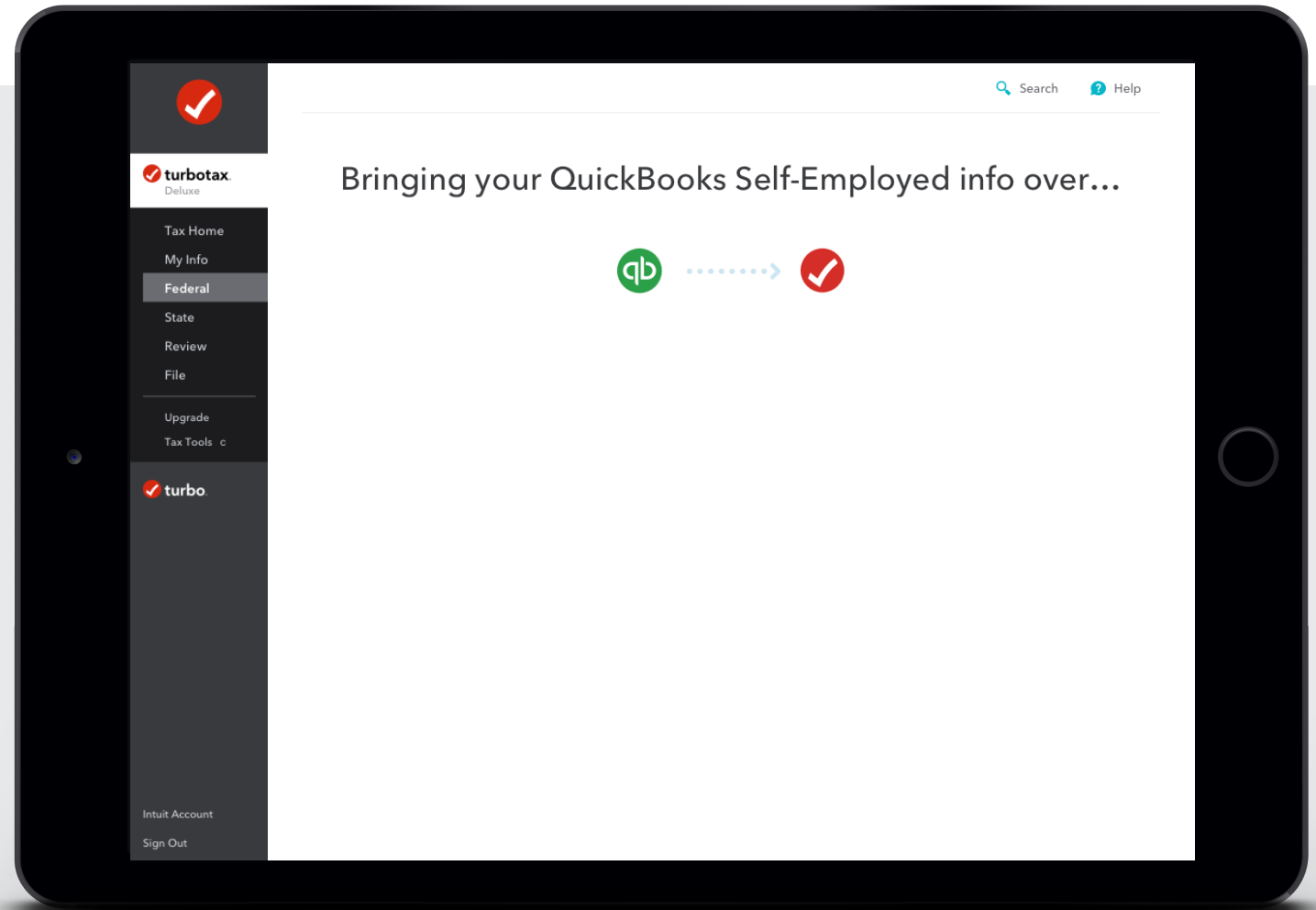
Track your sales, expenses, tax-deductions and more

# Driving benefit discovery: sales innovation

## FOCUS AREAS

### Platform Selling: TurboTax

- 4M TurboTax Users are self-employed
- 170K TurboTax Self-Employed customers activated QuickBooks Self-Employed in Year 1





# Selling at scale through partners is big opportunity



Personalized Experiences

Trusted Open Platform

Indispensable Connections





Signing major accounting firms with 4K+ units of QuickBooks sold to their SMB Customers

We sell 1.4M units of TurboTax Online through bank websites

Partnering with top 100 universities and will provide over 50K accounting students with QuickBooks for free



**Driving benefit discovery:** advertising innovation

**Of 45 Million**

**Self-employed people in the US,  
less than 0.4% use all three of our  
products that would be relevant for them:**

- TurboTax Self-Employed
- QuickBooks Self-Employed
- Mint

# Mission



**Powering Prosperity  
Around the World**



intuit. PRESENTS

# A GIANT STORY



intuit® powering  
prosperity

intuit®  turboTax®

intuit®  mint®

intuit®  quickbooks®

**Taylor Stansbury**





# POWERING PROSPERITY AROUND THE WORLD

MISSION

VALUES

## Integrity Without Compromise

## We Care & Give Back

Be Bold

Be Passionate

Be Decisive

Learn Fast

Win Together

Deliver Awesome

TRUE NORTH GOALS

### Employees

The place where the world's top talent does the best work of their lives

### Customers

Delight customers more than rivals in what matter most - customer benefit

### Partners

Delight partners who add value to our customers

### Shareholders

Drive long-term growth, increasing shareholder value

STRATEGY

## One Intuit Ecosystem

Personalized Experiences

Trusted Open Platform

Indispensable Connections

PRIORITIES

### Accelerate Velocity in Doing What's Right for Customers

Awesome E2E customer experiences

Speed as a habit

Technology to accelerate growth

### Deliver Significant Improvement in Customer Benefit

Fuel small business success globally

Provide peace-of-mind and prosperity for the self-employed globally

Deliver financial freedom for all consumers

METRICS

- Deliver customer benefit & NPS - For core customers - For ecosystem partners
- Delight at top 3 moments of truth
- Increase velocity of ecosystem connections
- Demonstrate singular metric and flywheel effect for priority NEPs

- Improve scrum team NPS
- Reduce story cycle time

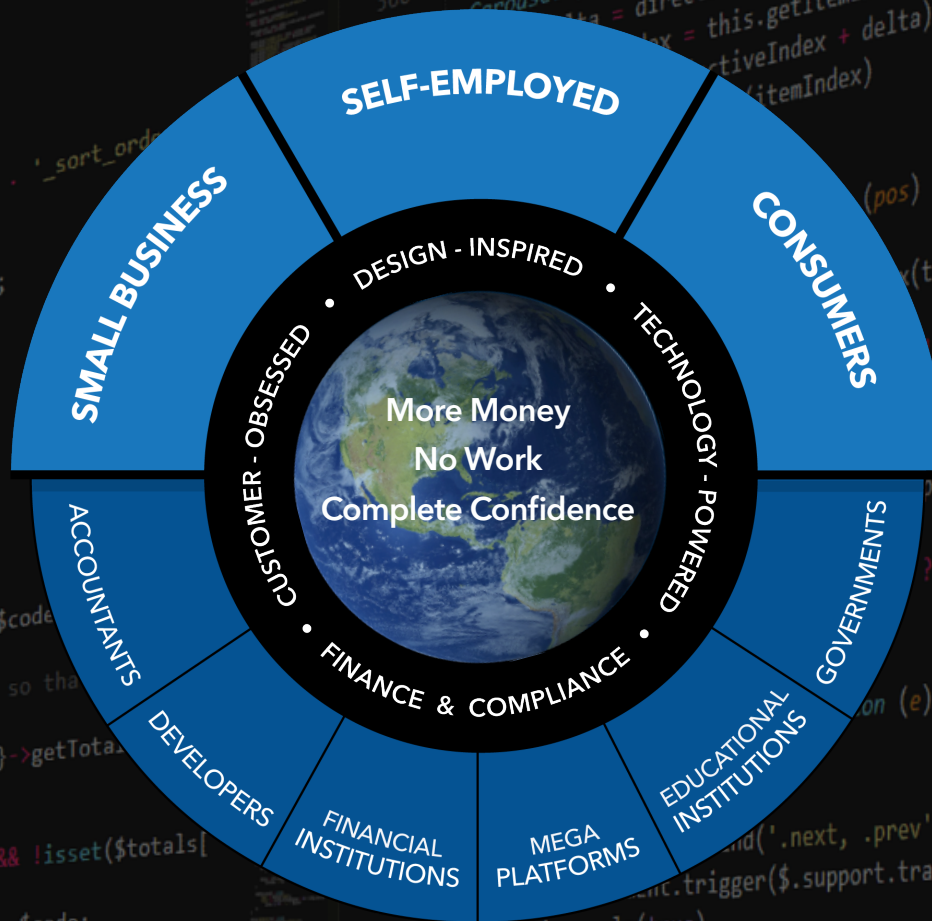
- Deliver strategic capabilities on plan
- Accelerate re-platforming efforts
- Accelerate adoption of AI/ML systems
- Proactively address security threats
- Advance priority security programs

- Deliver customer benefit and NPS
- Grow TAM and share vs. rivals
- Grow QBO base

- Deliver customer benefit and NPS
- Grow TAM and share vs. rivals
- Grow QBSE base

- Deliver the customer benefit and NPS
- Grow DIY & TT share of total tax market
- Grow overall share of tax prep spend
- Grow # of Beyond-Tax customers

# Technology to power prosperity

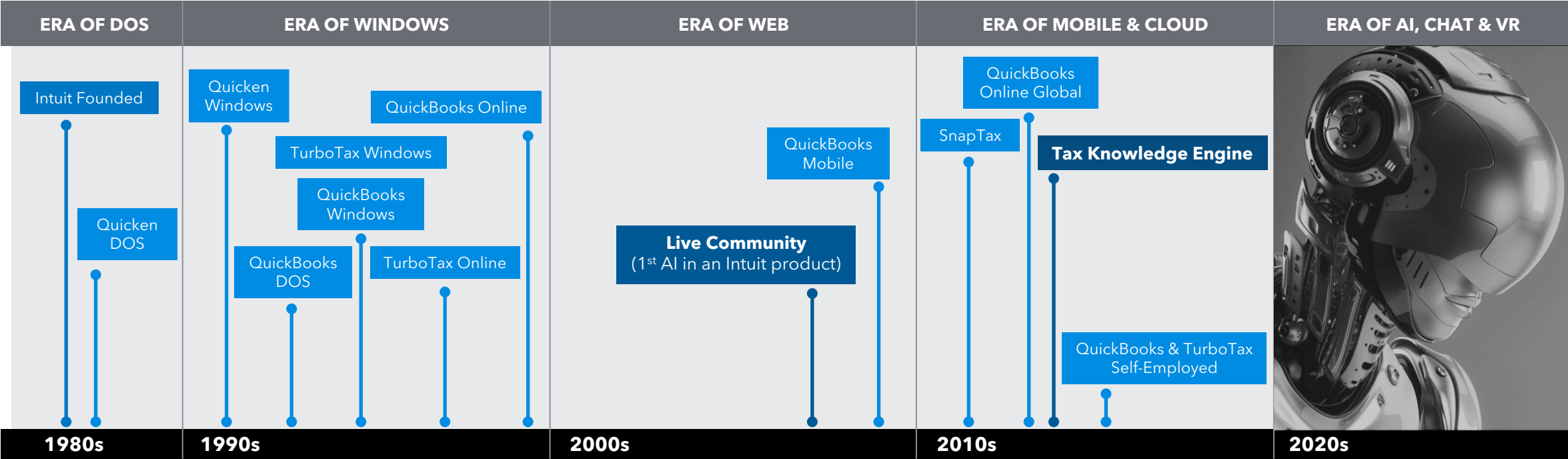


Personalized Experiences

Trusted Open Platform

Indispensable Connections

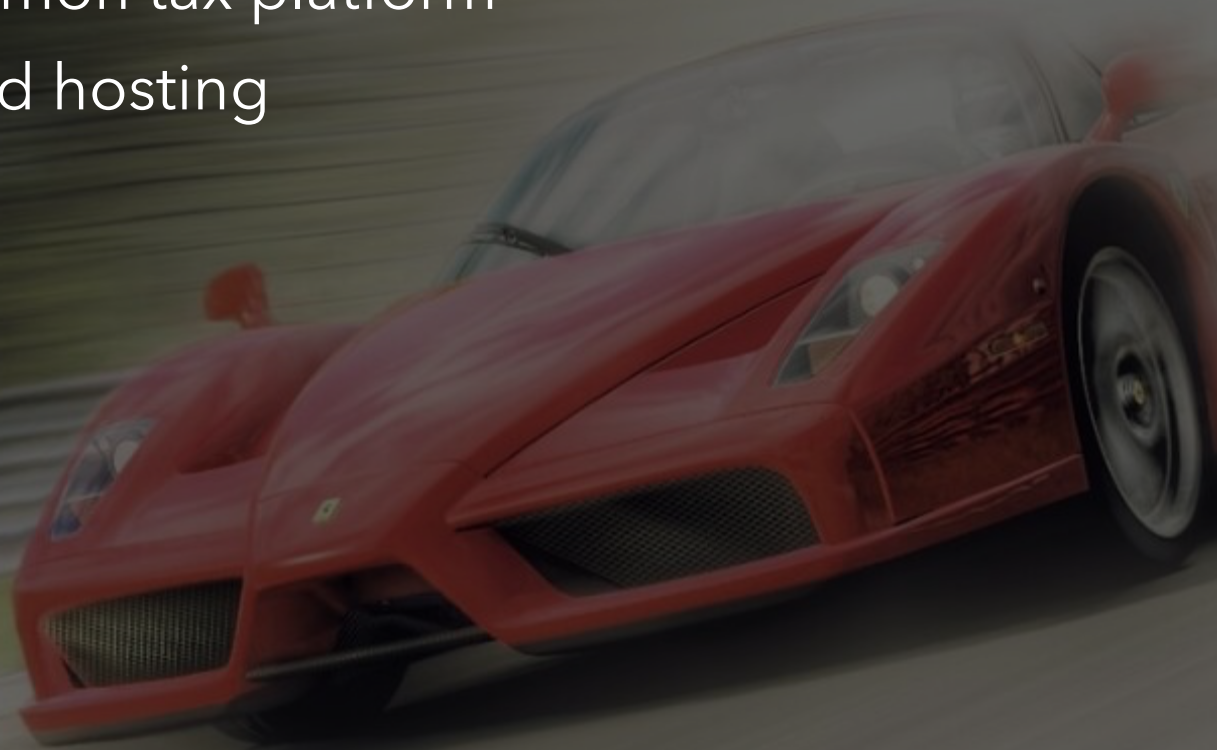
# History of self-disruption & re-imagination



**CUSTOMER-OBSESSED • DESIGN-INSPIRED • TECHNOLOGY-POWERED**

# **Speed as a habit:** enabling developers to innovate faster

- Services refactoring of QuickBooks Online
- Common tax platform
- Cloud hosting



# Strategic capabilities: groups of shared services

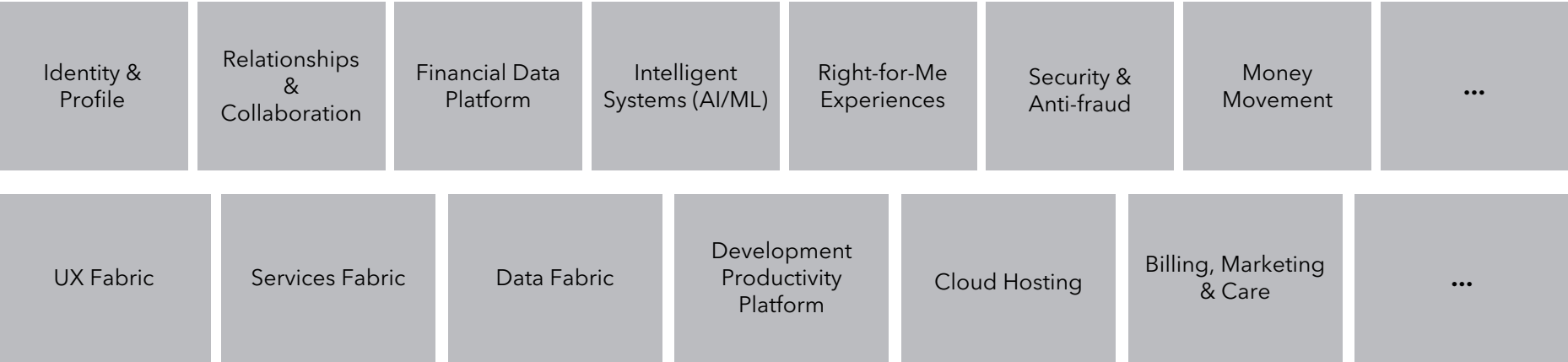
**POWERING PROSPERITY FOR OUR CUSTOMERS...**



...by delivering **customer benefit**



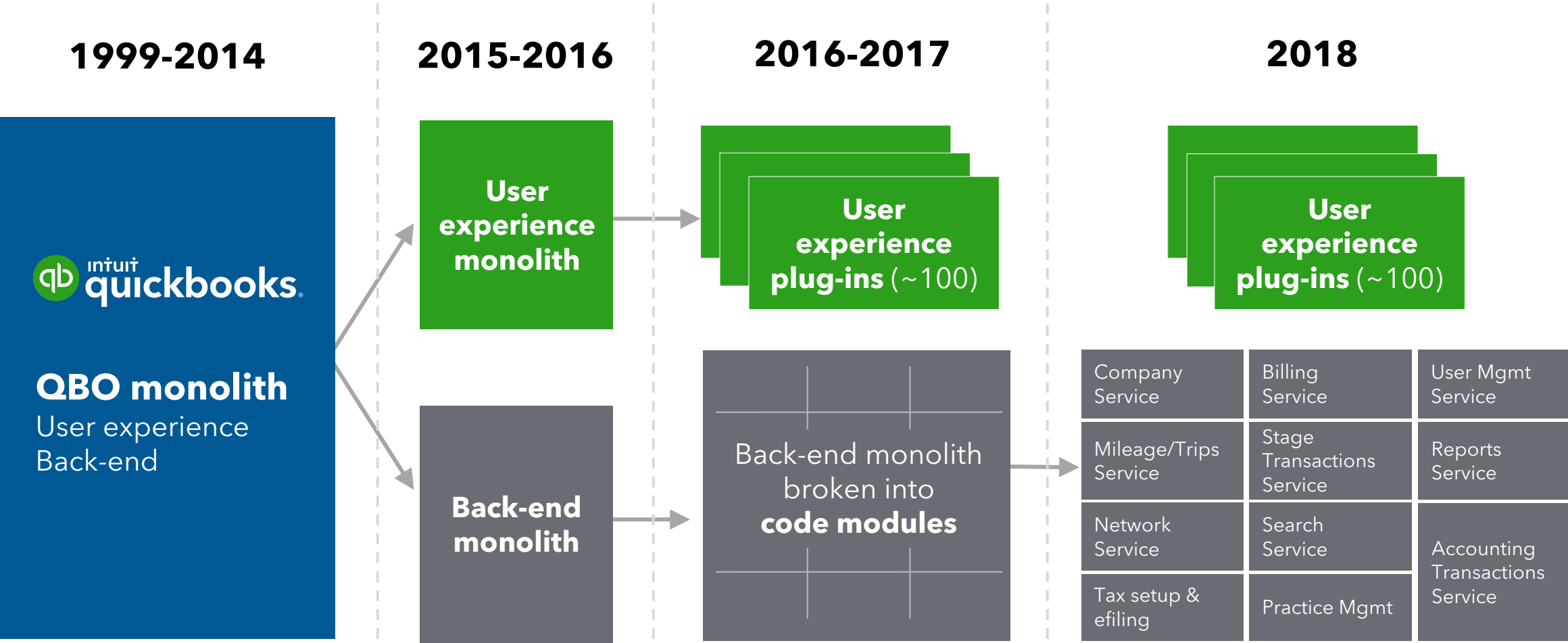
...enabled by strategic capabilities delivered through **services, common technologies and data**



Developed global-ready with quality, availability, security, performance and extensibility ... for internal and external use

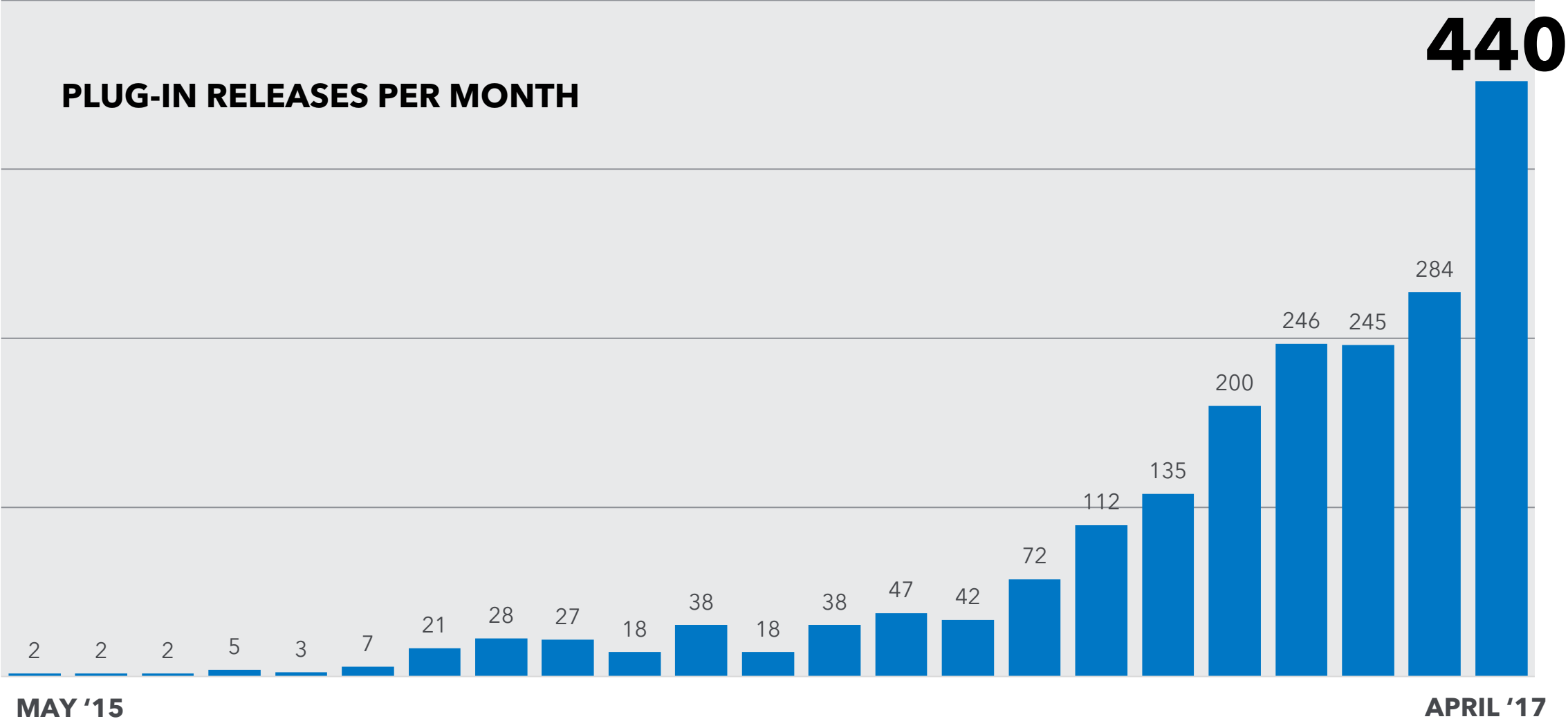


# QuickBooks Online services refactoring: great progress



**BREAKING DOWN LARGE MONOLITHIC CODE BASE INTO SMALLER COMPONENTS**

# Measurable success today: more releases

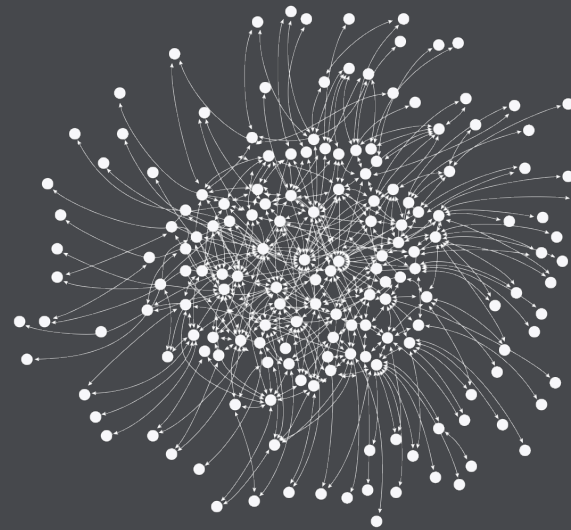


# Common tax platform: multi-year effort with significant benefits

## FROM: Disparate tech stacks and technologies for tax products

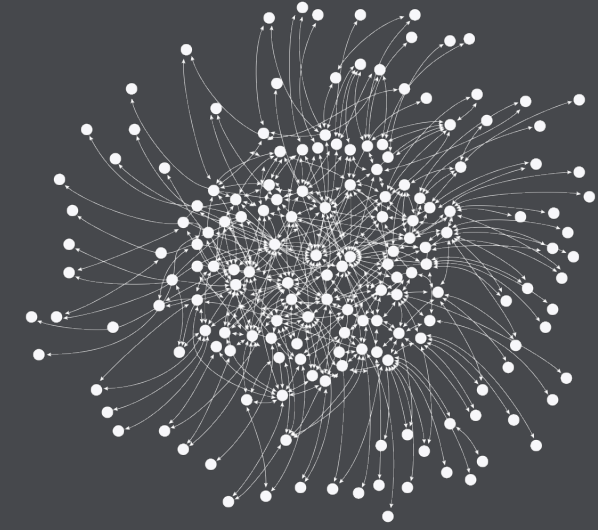
- **Old technology, fragile platforms** is difficult to work on
- **Innovation is slow**
- **One-size-fits-all** is a rigid experience
- **Expensive to maintain compliance:** Duplicative efforts across tax products and significant competitive gaps in pro products

~10M lines of code



TurboTax/ProSeries

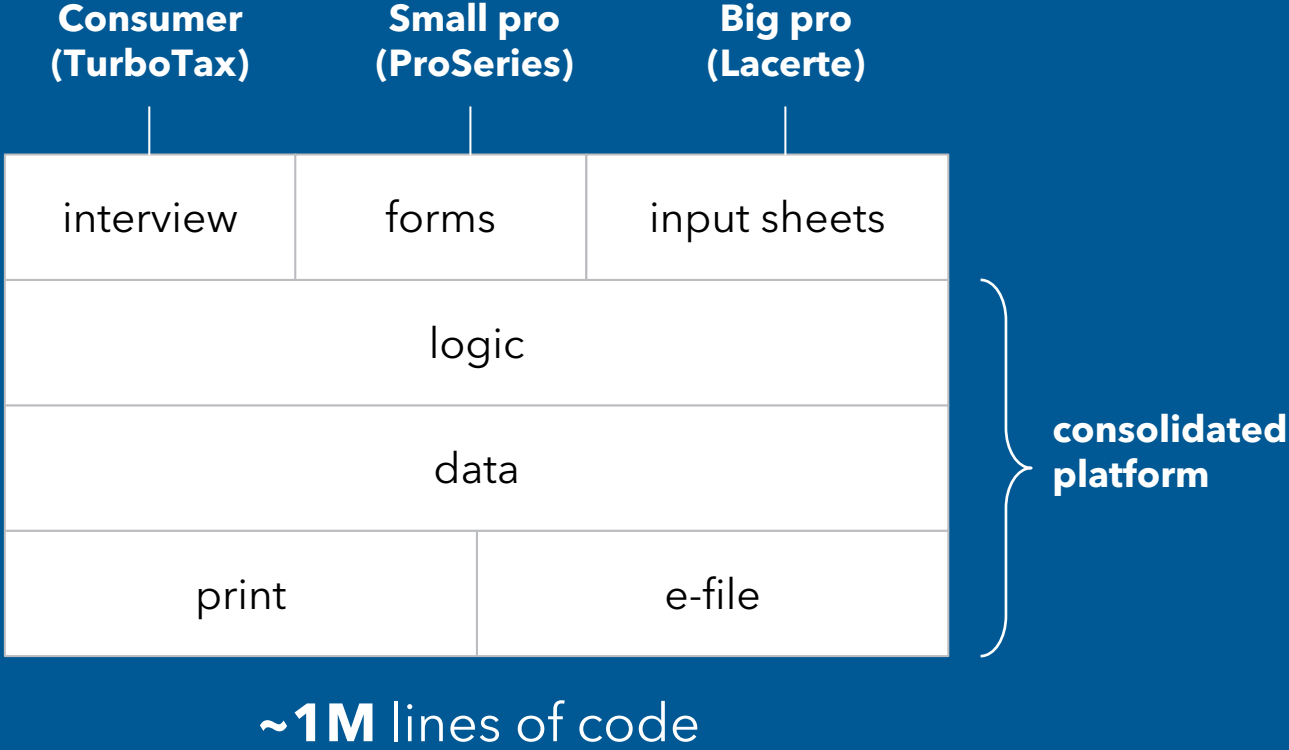
~10M lines of code



Lacerte

# Common tax platform: multi-year effort with significant benefits

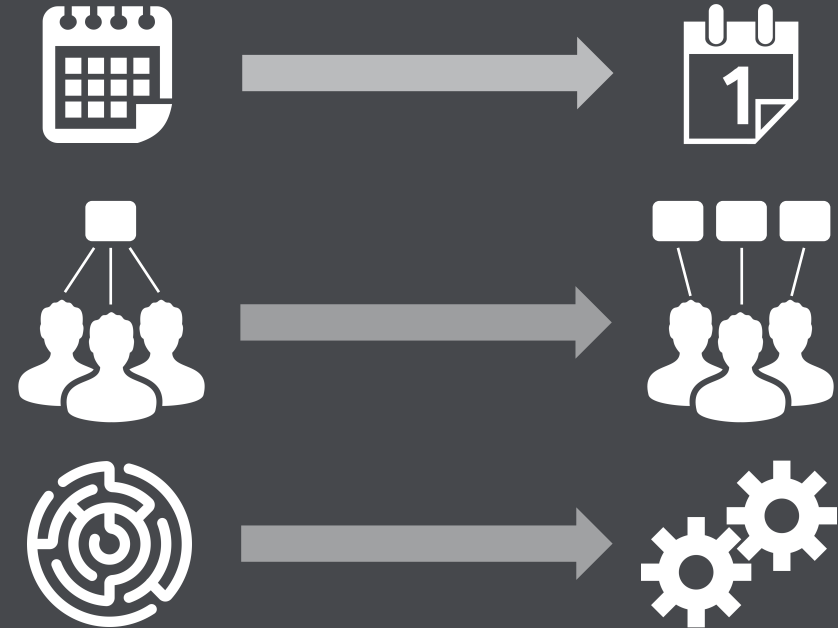
**TO:**  
A single common tax platform



# Common tax platform: multi-year effort with significant benefits

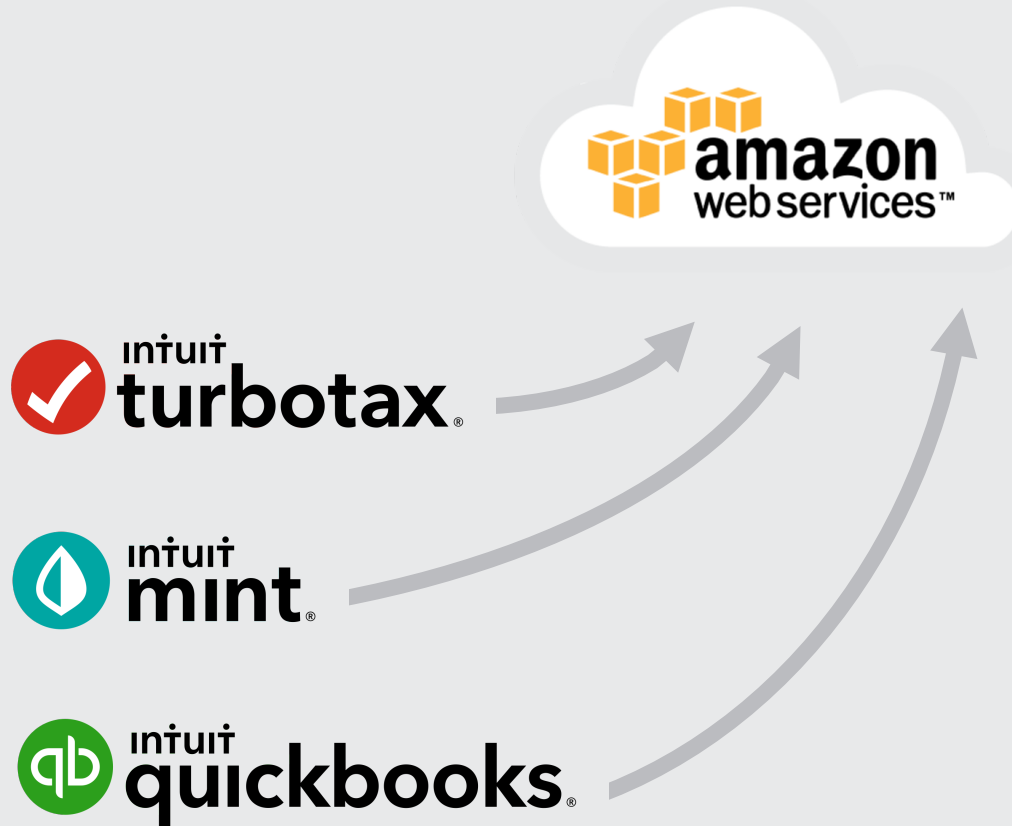
## BENEFITS:

- **Increased speed of innovation**  
(from months to days)
- **Right-for-me, personalized**  
and flexible experience
- **Significant efficiencies:**  
Re-use frees capacity to innovate;  
closes competitive gaps





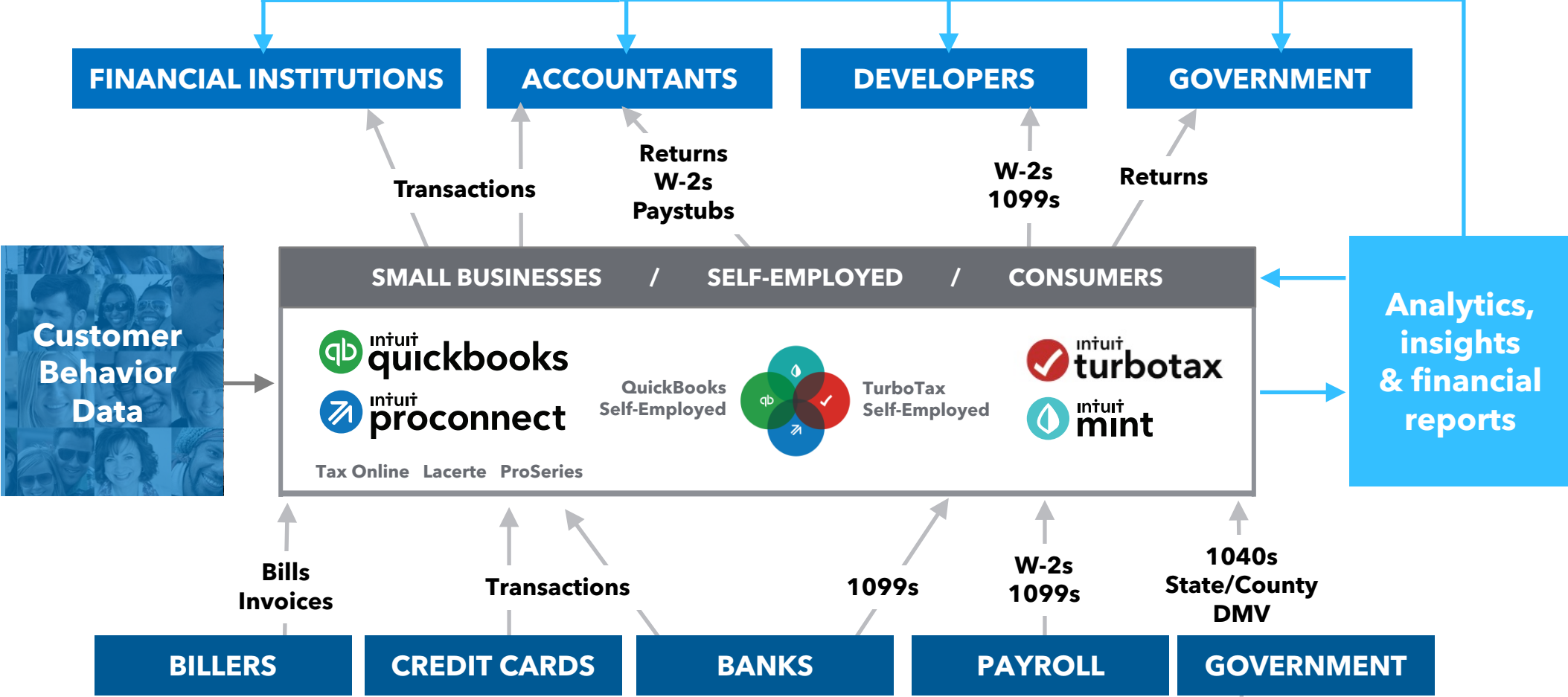
# AWS cloud migration accelerating



SPEED IMPROVEMENTS	FROM	TO
<b>Provisioning development environment</b>	weeks	days
<b>Increasing e-file processing capacity</b>	weeks	hours
<b>Scaling up QuickBooks Online capacity</b>	days	hours

# Technology to Accelerate Growth

# Data is the lifeblood of the Intuit ecosystem





We stand for our **customers' privacy**. Our customers place a deep trust in Intuit because we hold their most sensitive data ... therefore, we are a **trusted steward of their data**.



# AI & knowledge-based systems from Intuit

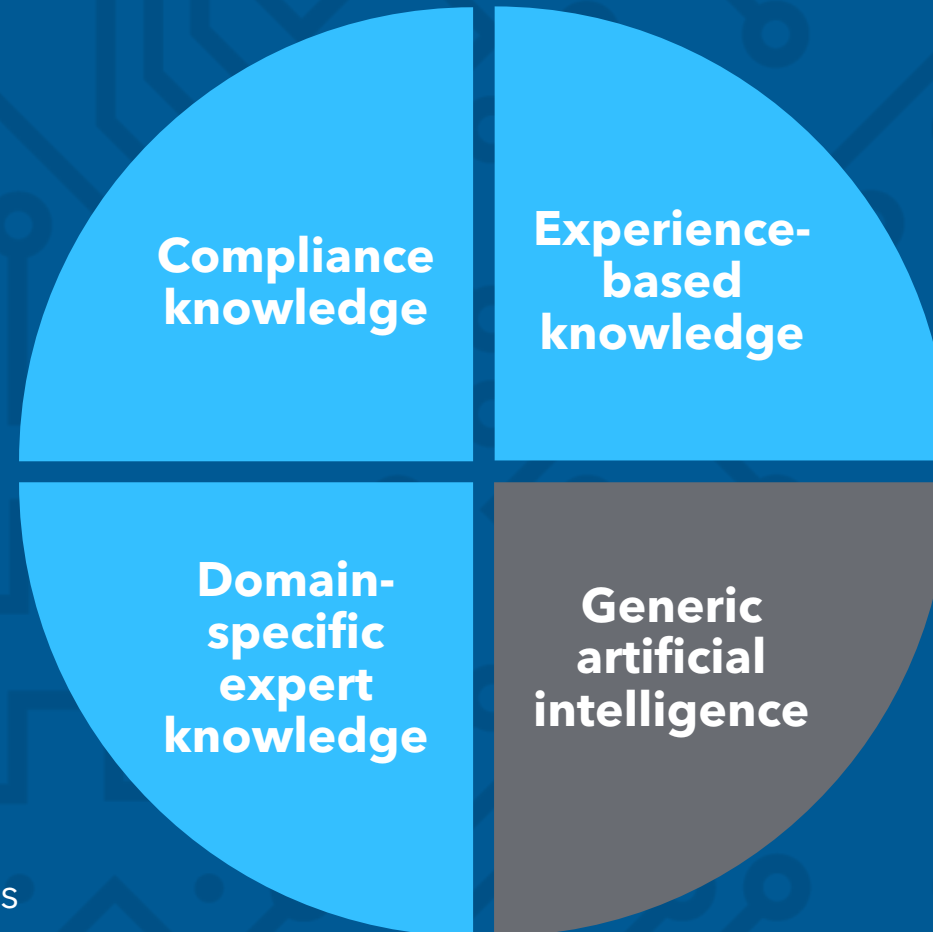
- Ideal for Intuit
- Not our sweet spot; we should rely on others

## FINANCIAL KNOWLEDGE GRAPH

- Fast and accurate user experience
- Software that can explain itself
- Mission-critical

## KNOWLEDGE FROM HUMAN EXPERTS

- TurboTax interview
- AnswerExchange
- "SmartLook-like" Intuit offerings



## PREDICTIVE MODELING

- Standard vs. itemized tax return; data-driven error detection
- Cash flow prediction in QB
- Personalized credit card recommendations in Mint

## UNCONSTRAINED AND BEYOND FINANCES

- Search Knowledge Graph
- Self-driving cars



# Intuit has been using AI/ML for the past 10 years

## LIVE COMMUNITY

uses AI & computational linguistics to answer customers' tax questions

2007

## TURBOTAX

- Uses a knowledge engine that automatically generates TurboTax code
- **Creates a personalized experience that saves time**

## CUSTOMER CARE

offers a personalized pre-search and Facebook messenger chatbot

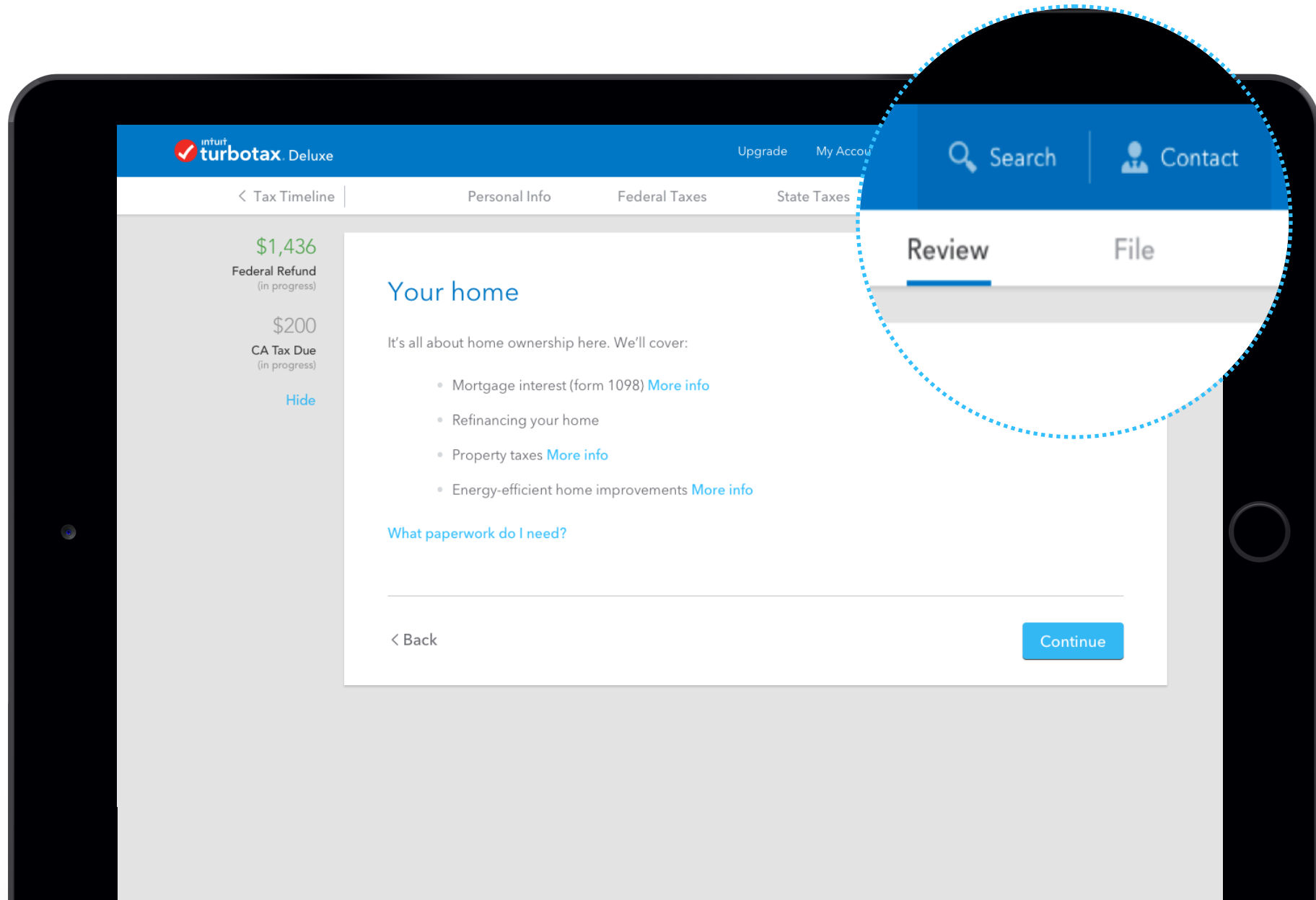
## QUICKBOOKS

- Uses natural language to save setup time
- **Determines credit worthiness for small business loans**

**SECURITY** is enhanced by multiple uses of AI/ML to detect fraud & protect customer identity

**~150 AI/ML PATENT APPLICATIONS & 40+ PRODUCTS/FEATURES**

# Pre-search gives users a list of answers before they search

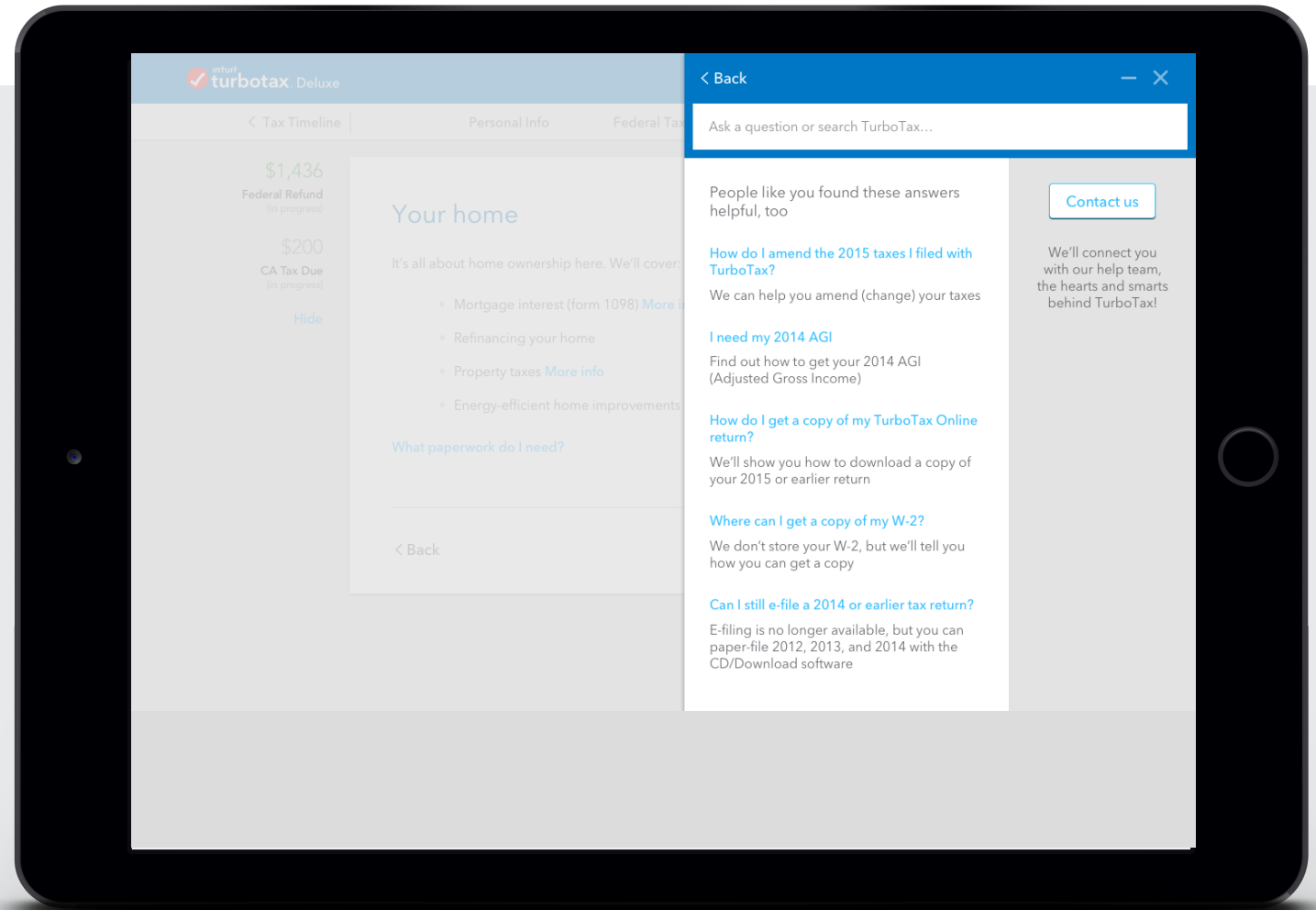


# Answers are personalized to the user's unique situation

## FOCUS AREAS

### Answers come from Live Community

Uses signals such as e-file status, location and tax situation data to predict which answers are the most relevant to the user at a given time





# Natural language processing in search



## In the last tax year ...

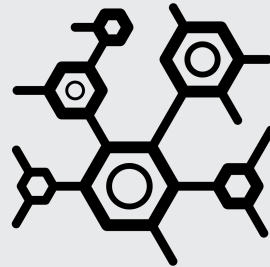
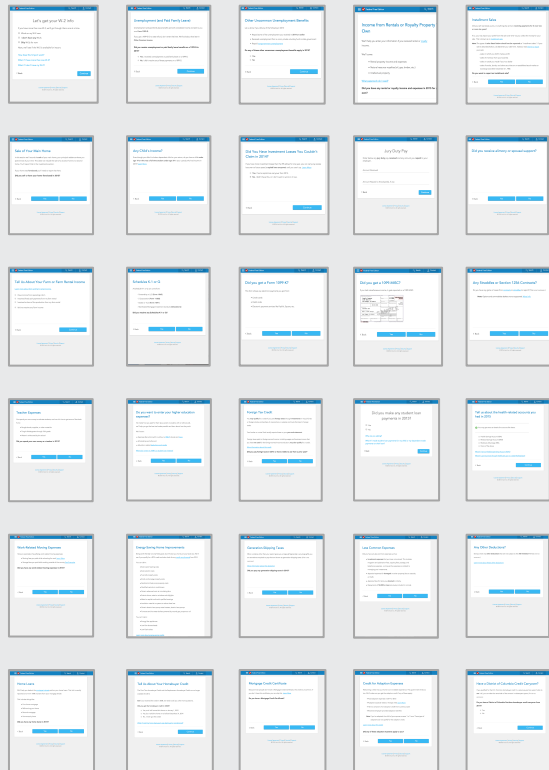
- 48M visitors to Live Community
- 77% helpful rating

# Simplified tax experience instills greater confidence

Using both logic (rules) and machine learning (data)

BEFORE

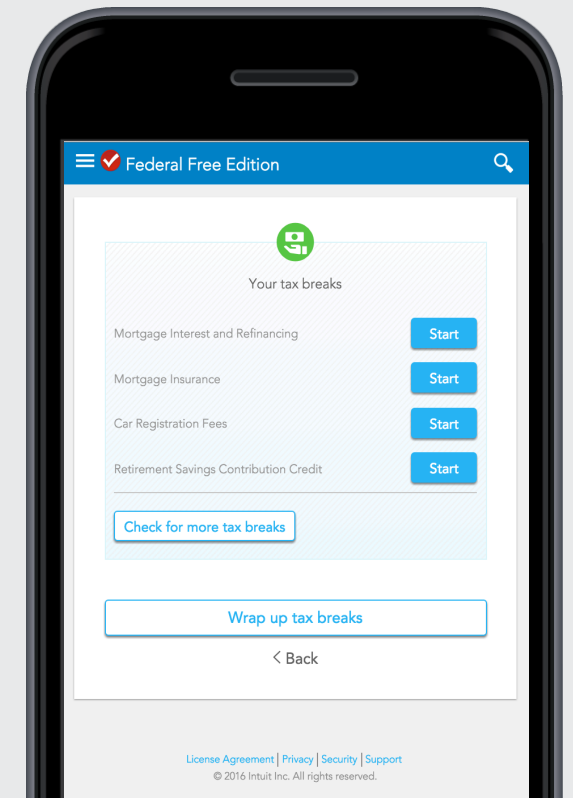
Walk through every topic



- Tax knowledge is encoded into a **knowledge graph**
- **User data** can be inconsistent or incomplete at any moment
- The system knows when info is **irrelevant, missing** or **wrong**
- Skipped answers filled in when needed - **no fixed sequence**
- The system can **explain** how it calculated answers

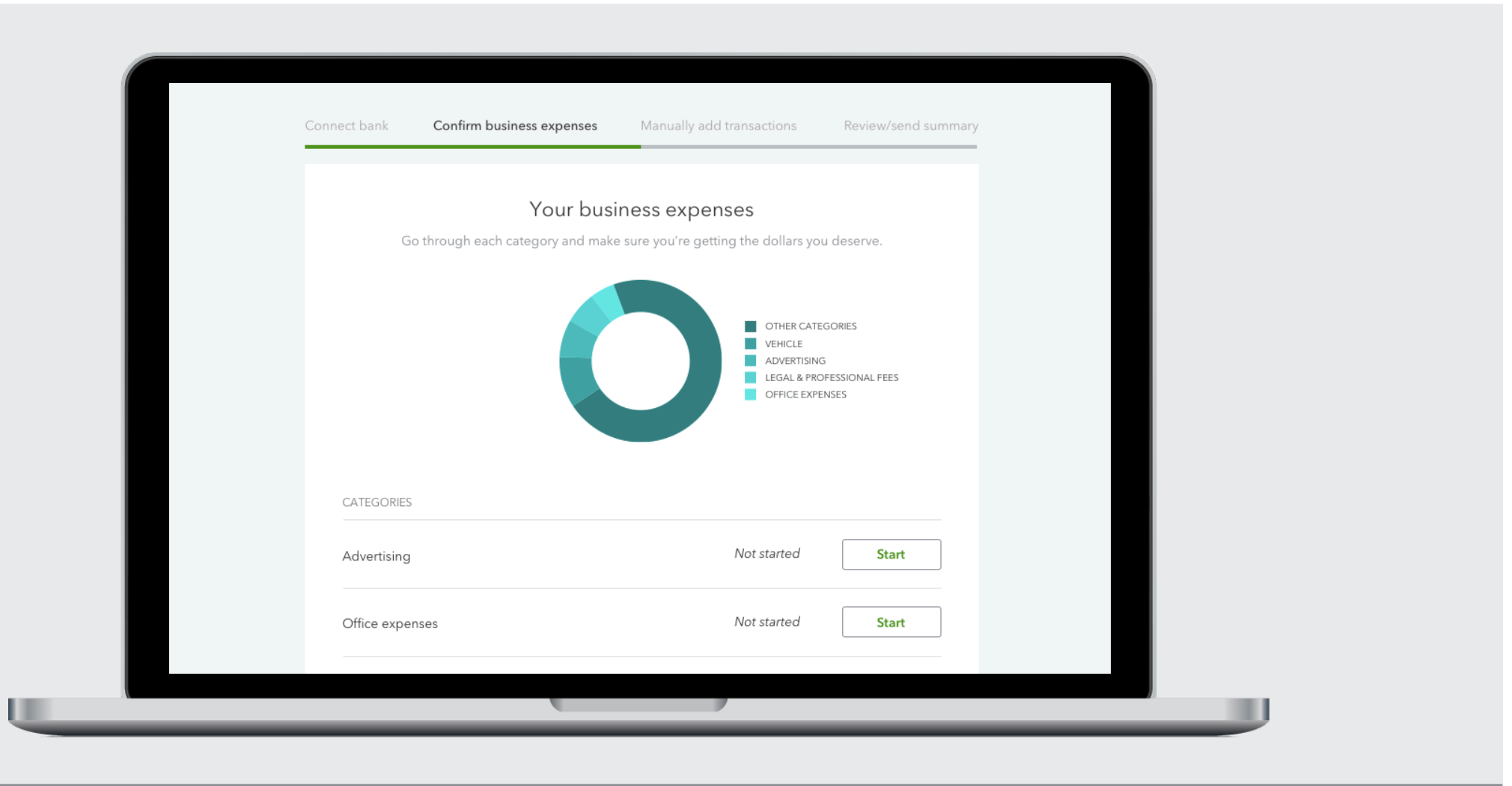
AFTER

Personalized topics





# Automatic classification of business expenses using ML



# Expense Finder customer benefit

**MORE MONEY**

**\$4,340**

**in potential  
tax savings per  
year for  
QBSE users**

**NO WORK**

**78%**

**of time spent  
on manual  
categorization is  
eliminated**

**COMPLETE CONFIDENCE**

**90%**

**accuracy in  
business expense  
predictions**

# Our plan to get to the next technology era: All in service to our customers

AI/MACHINE LEARNING

CONVERSATIONAL UI

SERVICES REFACTORING

TRANSITION TO AWS

BLOCKCHAIN

DATA

**Neil Williams**

# Great execution on FY'17 objectives

## LAST YEAR'S SUMMARY

- Fast-growing SaaS business with highly profitable desktop portfolio
- Double-digit growth in earnings per share
- Reduced share count and consistent dividend increases
- ROIC ~ 50% in FY'17

## FY'17 OUTCOMES

- 58%** QuickBooks Online subscriber growth
- 30%** Small business online ecosystem rev growth
- 34%** Intuit non-GAAP operating margin
- 17%** Non-GAAP earnings per share growth
- 2%** Reduction in share count
- 53%** ROIC
- 13%** Dividend increase in FY'17; 15% increase in FY'18





# POWERING PROSPERITY AROUND THE WORLD

MISSION

VALUES

## Integrity Without Compromise

## We Care & Give Back

Be Bold

Be Passionate

Be Decisive

Learn Fast

Win Together

Deliver Awesome

TRUE NORTH GOALS

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The place where the world's top talent does the best work of their lives

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Delight customers more than rivals in what matter most - customer benefit

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Awesome E2E customer experiences

Speed as a habit

Technology to accelerate growth

### Deliver Significant Improvement in Customer Benefit

Fuel small business success globally

Provide peace-of-mind and prosperity for the self-employed globally

Deliver financial freedom for all consumers

METRICS

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- Deliver the customer benefit and NPS
- Grow DIY & TT share of total tax market
- Grow overall share of tax prep spend
- Grow # of Beyond-Tax customers

# Multi-year financial plan delivers for all, short & long

## EMPLOYEES

The place where the world's top talent does the best work of their lives.

- World's top talent
- Best work of their lives
- Inspiration to outcome

## CUSTOMERS + PARTNERS

Delight customers more than rivals in what matters most - customer benefit. Delight partners who add value to our customers.

- Deliver the customer benefit
- Delight customers
- Delight partners who add value for our customers

## SHAREHOLDERS

Drive long-term growth, increasing shareholder value.

- Consistent growth in customers, revenue & profitability
- Balanced capital allocation among highest-yield opportunities
- Total shareholder return, attractive relative to peers

**DELIVER BEST-WE-CAN-BE RESULTS IN THE CURRENT PERIOD FOR EACH KEY STAKEHOLDER, WHILE BUILDING THE FOUNDATION FOR AN EVEN STRONGER FUTURE**

# Financial principles remain enduring

## **GROW ORGANIC REVENUE DOUBLE DIGITS**

- Customer growth fueled by delivery of the customer benefit
- Small business online ecosystem growth >30%; win every tax season

## **GROW OPERATING INCOME MID-TEENS AT THE INTUIT LEVEL**

- Margins in mid-30s going forward
- Acceptable LTV/CAC as we grow online

## **DEPLOY CASH TO THE HIGHEST-YIELD OPPORTUNITIES, TARGETING 15% ROI OVER 5 YEARS**

- Investing in organic growth drivers (R&D, infrastructure, sales & marketing)
- Use acquisitions to accelerate growth in talent and technology

## **RETURN EXCESS CASH TO SHAREHOLDERS VIA DIVIDEND AND SHARE REPURCHASE**

- Utilize grid to achieve favorable volume weighted average price targeting a return  $\geq$  Intuit's WACC
- Dividends expected to grow at or slightly ahead of earnings

## **MAINTAIN A STRONG BALANCE SHEET**

- Net cash position at the end of fiscal year
- Maintain investment grade rating

# Small Business TAM: focus on new customers, commercial innovation

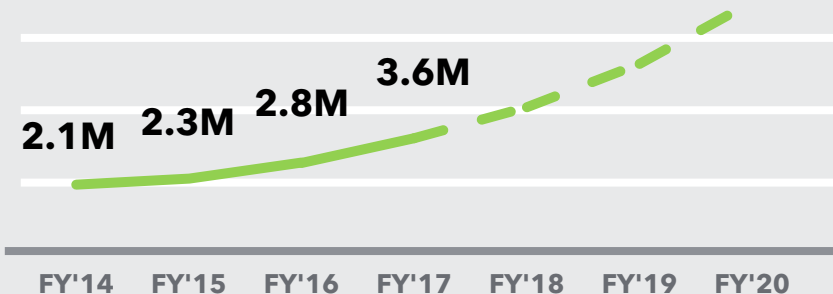
## SMALL BUSINESS & SELF-EMPLOYED

COUNTRY	MARKET SIZE	FY'17 QBO SUBS	QBO SUBS GROWTH
U.S.	65M	1.9M	53%
Canada	3M	150K	67%
U.K.	5M	166K	132%
Australia	3M	104K	95%
Brazil	34M	22K	39%
France	4M	2K	NM
India	100M+	21K	-21%
Rest of world	600M	38K	24%
<b>TOTAL</b>	<b>800M+</b>	<b>2.4M</b>	<b>58%</b>

- Solve product market fit first ... then invest in go-to-market at acceptable LTV/CAC
- Proved out the model in FY'17 ... propelled CAN, UK, AUS >100K subs in same year
- Experimenting with QBSE as the tip of the spear

## TOTAL PAYING CUSTOMERS

### QBO, Desktop Subs, Desktop Units

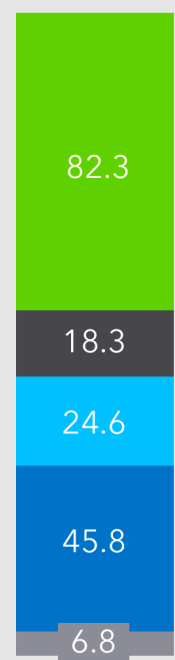


YoY Growth **6%** **7%** **23%** **30%**

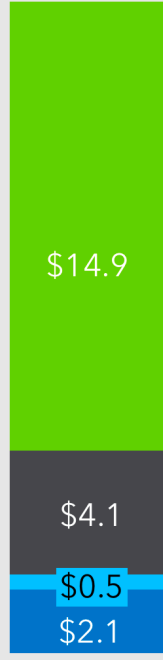
# Consumer TAM: focus on new customers, commercial innovation

## PROS/STORES STILL PREPARE THE BULK OF RETURNS

Total Returns  
(U.S. + Canada)  
**178M**



Total Spend  
**\$22B**

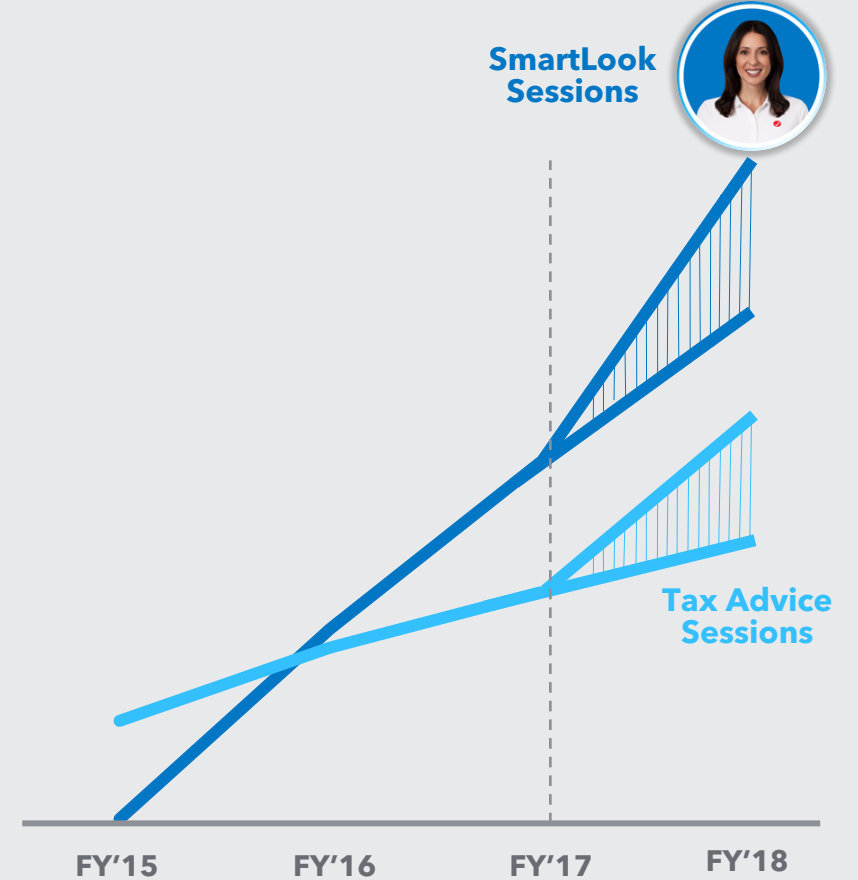


- Pros**  
46% share of returns  
69% of total spend
- Stores**  
10% share of returns  
19% of total spend
- DIY Other**  
14% share of returns  
2% of total spend
- intuit turbotax**  
26% share of returns  
10% of total spend
- Manual**  
4% share of returns  
0% of total spend

- Win with free in do-it-yourself
- Use technology to enhance do-it-with-me
- Transform assisted and increase share of industry spend

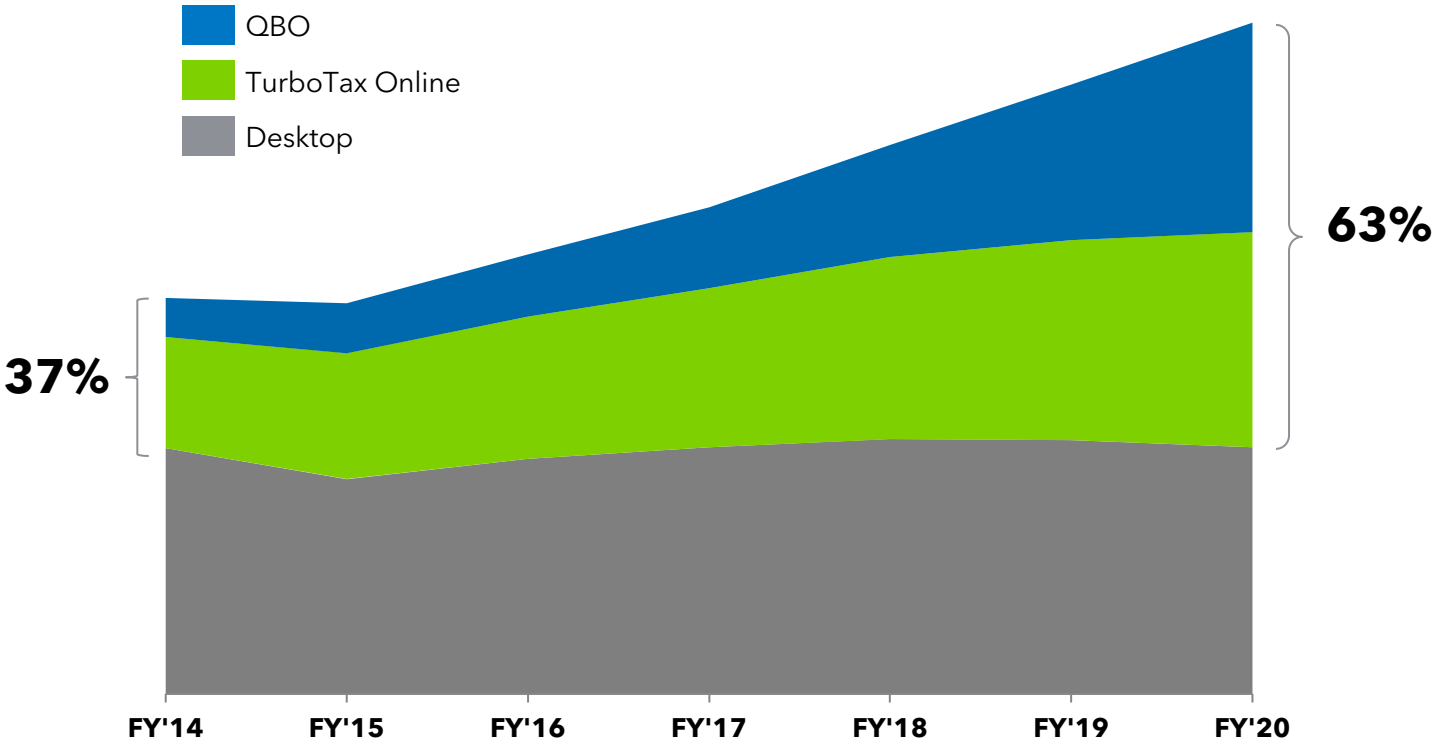
## WE'VE BEEN SCALING UP EXPERTISE CAPABILITIES

3,000K  
2,500K  
2,000K  
1,500K  
1,000K  
500K  
0K





# Online products & global growth



## REVENUE GROWTH

### Online is the growth engine ...

- Small business online ecosystem revenue accelerating
- Significant portion of Consumer and Small Business revenue recurring/highly predictable

# Highly predictable revenue model

FOR FY'18 WE EXPECT:

---



**73%** Of revenue from returning customers



**85%** Of revenue from existing customer base



**90%** Of revenue from returning customers



**80%** Of Intuit's revenue from existing or returning customers

# ARPC: customer growth first, improved monetization over time

	FY'16 ARPC	FY'17 ARPC	FY'18 - FY'20 LOOKING AHEAD TRAJECTORY
QuickBooks Online US	\$420	\$434	<b>Slight Increase</b> / Maturing base, attach services, price increase
QuickBooks Non - US	\$120	\$135	<b>Slight Increase</b> / Monetization balanced with dsct to Acct channel
QuickBooks SE	\$95	\$84	<b>Increase</b> / Maturing base and normalization of TTSE impact
QuickBooks Online WW	\$350	\$333	<b>Flat to Down</b> / Driven by product and geographic mix
QuickBooks Desktop	\$460	\$519	<b>Increase</b> / Retention of customers with complex needs
Consumer Tax (per return)	\$49	\$53	<b>Slight Increase</b> / Mix, attach and ramp on assisted offerings
ProConnect (avg. order per customer)	\$3,300	\$3,300	<b>Flat</b>

# Disciplined investment: drives operating income growth

GAAP BASIS, UNLESS NOTED OTHERWISE	FY'17 % OF REVENUE	LONG-TERM EXPECTATION
Revenue	100	Double-digit growth driven by customers
Gross margin	84	~ % flat over time
Sales & marketing	27	% will increase, governed by LTV to CAC
Research & development	19	Grows roughly with revenue
General & administrative	11	% declines; renewed focus on this area
Operating income margin	27	
Operating income margin (Non-GAAP)	34	Mid-teens growth, Revenue grows > than costs

**FOCUS IS ON CUSTOMER AND REVENUE GROWTH; MANAGE MARGIN AT INTUIT LEVEL**

# Reallocating 10% of spend to accelerate growth

## FROM:

- High-touch customer care
- Inconsistent developer tools and processes, legacy code bases
- Layers of management
- Decentralized management of external spend

## TO:

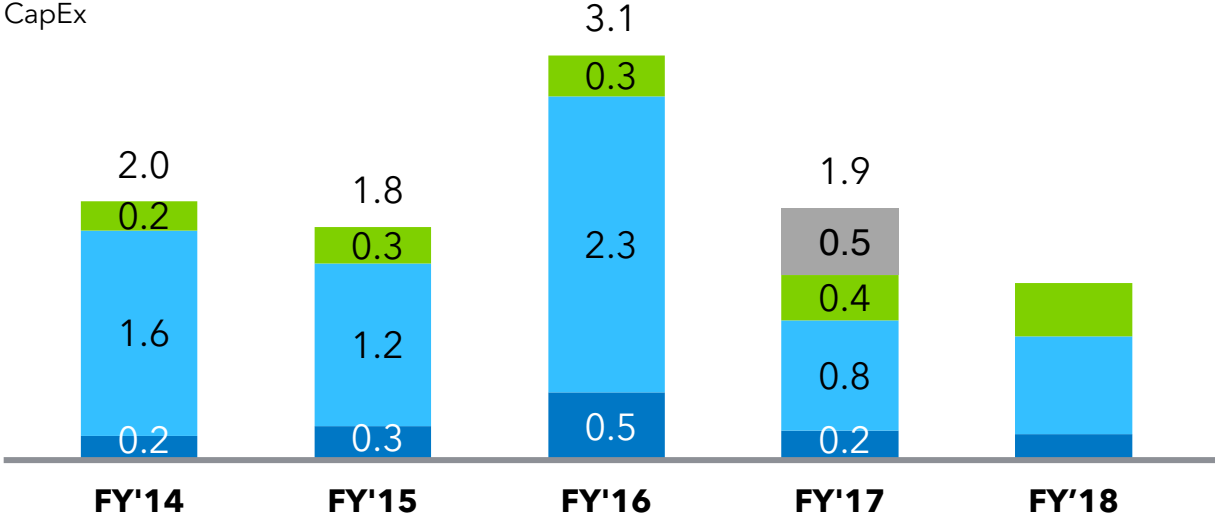
- Deeper integration of AI/ML to create personalized experiences
- Standard tools, services based architecture
- Accelerated transition to AWS to improve innovation
- Enhanced marketing effectiveness globally
- Structured for speed and decision making
- Aggressive management of external spend, better utilization of sites

**INVESTING TO DRIVE CUSTOMER, REVENUE, AND SUSTAINED OPERATING INCOME GROWTH**



# Overall capital allocation

(\$B's)



% of FCF returned to shareholders	FY'14	FY'15	FY'16	FY'17	FY'18
	134%	115%	275%	87%	~70%

## A HEALTHY MIX OF USES OF CAPITAL

### Highest yield opportunities for our cash...

- Investing in organic growth drivers (R&D, infrastructure, sales & mktg)
- Use acquisitions to accelerate growth in talent and technology
- 15% increase in cash dividend in FY'18
- % of FCF returned to shareholders remains strong

# Share repurchase guiding principles

**SHARE REPURCHASE IS USED TO RETURN CASH TO SHAREHOLDERS IN THE ABSENCE OF ACCEPTABLE INVESTMENT OPPORTUNITIES.**

1. At a maximum, we limit repurchase amounts to:
  - Cash in excess of liquidity needs
  - Price level defined by “smart grid” to exceed cost of capital on average
2. At a minimum, we expect share repurchases to offset dilution from stock-based compensation over a 3-year period

**OUR INTENT IS TO BE IN THE MARKET EACH QUARTER, GUIDED BY THESE PRINCIPLES**

# FY'18 guidance balances customer growth and profitability

	GUIDANCE	GROWTH
<b>QBO SUBSCRIBERS</b>	<b>3.275 - 3.375</b>	<b>37% - 42%</b>
<b>Total Revenue</b>	<b>\$5,640 - \$5,740</b>	<b>9% - 11%</b>
<b>Small Business &amp; Self-Employed</b>	\$2,850 - \$2,900	12% - 14%
<b>Consumer</b>	\$2,355 - \$2,395	7% - 9%
<b>Strategic Partner</b>	\$435 - \$445	0% - 2%

(in millions, except EPS)

# FY'18 guidance balances customer growth and profitability

	GUIDANCE	GROWTH
<b>GAAP Op Income</b>	\$1,485 - \$1,535	6% - 10%
<b>Non-GAAP Op Income</b>	\$1,885 - \$1,935	9% - 12%
<b>GAAP diluted EPS</b>	\$4.00 - \$4.10	8% - 10%
<b>Non-GAAP diluted EPS</b>	\$4.90 - \$5.00	11% - 13%
<b>Dividend per share</b>	\$1.56	15%

(in millions, except EPS)

# Our plan for FY'18 reflects our commitment, short and long

- Fast-growing SaaS business with highly profitable desktop portfolio
- Double-digit revenue growth
- Disciplined investments yield revenue growing faster than expense
- Stable share count and consistent dividend increases
- ROIC ~45% in FY'18



**Q&A**

# Appendix

# About Non-GAAP Financial Measures

## INTUIT INC. ABOUT NON-GAAP FINANCIAL MEASURES

The accompanying presentation contains non-GAAP financial measures. Table 1, Table 2 and Table 3 reconcile the non-GAAP financial measures in that presentation to the most directly comparable financial measures prepared in accordance with Generally Accepted Accounting Principles (GAAP). These non-GAAP financial measures include non-GAAP operating income (loss), non-GAAP net income (loss) and non-GAAP net income (loss) per share.

Non-GAAP financial measures should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP. These non-GAAP financial measures do not reflect a comprehensive system of accounting, differ from GAAP measures with the same names, and may differ from non-GAAP financial measures with the same or similar names that are used by other companies.

We compute non-GAAP financial measures using the same consistent method from quarter to quarter and year to year. We may consider whether other significant items that arise in the future should be excluded from our non-GAAP financial measures.

We exclude the following items from all of our non-GAAP financial measures:

- Share-based compensation expense
- Amortization of acquired technology
- Amortization of other acquired intangible assets
- Goodwill and intangible asset impairment charges
- Gains and losses on disposals of businesses and long-lived assets
- Professional fees for business combinations

We also exclude the following items from non-GAAP net income (loss) and diluted net income (loss) per share:

- Gains and losses on debt and equity securities and other investments
- Income tax effects and adjustments
- Discontinued operations

We believe that these non-GAAP financial measures provide meaningful supplemental information regarding Intuit's operating results primarily because they exclude amounts that we do not consider part of ongoing operating results when planning and forecasting and when assessing the performance of the organization, our individual operating segments, or our senior management. Segment managers are not held accountable for share-based compensation expense, amortization, or the other excluded items and, accordingly, we exclude these amounts from our measures of segment performance. We believe that our non-GAAP financial measures also facilitate the comparison by management and investors of results for current periods and guidance for future periods with results for past periods.

# About Non-GAAP Financial Measures (cont.)

The following are descriptions of the items we exclude from our non-GAAP financial measures.

*Share-based compensation expenses.* These consist of non-cash expenses for stock options, restricted stock units, and our Employee Stock Purchase Plan. When considering the impact of equity awards, we place greater emphasis on overall shareholder dilution rather than the accounting charges associated with those awards.

*Amortization of acquired technology and amortization of other acquired intangible assets.* When we acquire an entity, we are required by GAAP to record the fair values of the intangible assets of the entity and amortize them over their useful lives. Amortization of acquired technology in cost of revenue includes amortization of software and other technology assets of acquired entities. Amortization of other acquired intangible assets in operating expenses includes amortization of assets such as customer lists, covenants not to compete, and trade names.

*Goodwill and intangible asset impairment charges.* We exclude from our non-GAAP financial measures non-cash charges to adjust the carrying values of goodwill and other acquired intangible assets to their estimated fair values.

*Gains and losses on disposals of businesses and long-lived assets.* We exclude from our non-GAAP financial measures gains and losses on disposals of businesses and long-lived assets because they are unrelated to our ongoing business operating results.

*Professional fees for business combinations.* We exclude from our non-GAAP financial measures the professional fees we incur to complete business combinations. These include investment banking, legal, and accounting fees.

*Gains and losses on debt and equity securities and other investments.* We exclude from our non-GAAP financial measures gains and losses that we record when we sell or impair available-for-sale debt and equity securities and other investments.

*Income tax effects and adjustments.* We use a long-term non-GAAP tax rate for evaluating operating results and for planning, forecasting, and analyzing future periods. This long-term non-GAAP tax rate excludes the income tax effects of the non-GAAP pre-tax adjustments described above, assumes the federal research and experimentation credit is continuously in effect, and eliminates the effects of non-recurring and period specific items which can vary in size and frequency. Based on our current long-term projections, we are using a long-term non-GAAP tax rate of 34% for fiscal 2016 and 33% for fiscal 2017 and 2018. These rates are consistent with the average of our normalized fiscal year tax rate over a four year period that includes the past three fiscal years plus the current fiscal year forecast. We will evaluate this long-term non-GAAP tax rate on an annual basis and whenever any significant events occur which may materially affect this long-term rate. This long-term non-GAAP tax rate could be subject to change for various reasons including significant changes in our geographic earnings mix or fundamental tax law changes in major jurisdictions in which we operate.

*Operating results and gains and losses on the sale of discontinued operations.* From time to time, we sell or otherwise dispose of selected operations as we adjust our portfolio of businesses to meet our strategic goals. In accordance with GAAP, we segregate the operating results of discontinued operations as well as gains and losses on the sale of these discontinued operations from continuing operations on our GAAP statements of operations but continue to include them in GAAP net income or loss and net income or loss per share. We exclude these amounts from our non-GAAP financial measures.

The reconciliations of the forward-looking non-GAAP financial measures to the most directly comparable GAAP financial measures in Table 2 include all information reasonably available to Intuit at the date of this presentation. This table includes adjustments that we can reasonably predict. Events that could cause the reconciliation to change include acquisitions and divestitures of businesses, goodwill and other asset impairments, sales of available-for-sale debt securities and other investments, and disposals of businesses and long-lived assets.

# Table 1: Reconciliations of historical Non-GAAP financial measures to most directly comparable GAAP financial measures

(Dollars in millions, except share amounts)

	Fiscal 2017	Fiscal 2016
<b>GAAP operating income from continuing operations</b>	<b>\$ 1,395</b>	<b>\$ 1,242</b>
Amortization of acquired technology	12	22
Amortization of other acquired intangible assets	2	12
(Gain) loss on sale of long-lived assets	-	1
Share-based compensation expense	326	278
<b>Non-GAAP operating income from continuing operations</b>	<b>\$ 1,735</b>	<b>\$ 1,555</b>
<b>GAAP net income</b>	<b>\$ 971</b>	<b>\$ 979</b>
Amortization of acquired technology	12	22
Amortization of other acquired intangible assets	2	12
(Gain) loss on sale of long-lived assets	-	1
Share-based compensation expense	326	278
Net (gain) loss on debt securities and other investments	9	5
Income tax effects of non-GAAP adjustments	(170)	(120)
Discontinued operations	-	(173)
<b>Non-GAAP net income</b>	<b>\$ 1,150</b>	<b>\$ 1,004</b>
<b>GAAP diluted net income per share</b>	<b>\$ 3.72</b>	<b>\$ 3.69</b>
<b>Non-GAAP diluted net income per share</b>	<b>\$ 4.41</b>	<b>\$ 3.78</b>
<b>Shares used in diluted per share amounts</b>	<b>261</b>	<b>265</b>
<b>Non-GAAP tax rate</b>	<b>33%</b>	<b>34%</b>

See "About Non-GAAP Financial Measures" immediately preceding Table 1 for information on these measures, the items excluded from the most directly comparable GAAP measures in arriving at non-GAAP financial measures, and the reasons management uses each measure and excludes the specified amounts in arriving at each non-GAAP financial measure.



# Table 2: Reconciliations of forward-looking guidance for Non-GAAP financial measures to projected GAAP revenue, operating income and EPS

(In millions, except share amounts)

	Forward-Looking Guidance					
	GAAP		Adjustments	Non-GAAP		
	Range of Estimate			Range of Estimate		
From	To	From	To	From	To	
<b>Twelve Months Ending July 31, 2018</b>						
Revenue	\$ 5,640	\$ 5,740	\$ -		\$ 5,640	\$ 5,740
Operating income	\$ 1,485	\$ 1,535	\$ 400 [a]		\$ 1,885	\$ 1,935
Diluted earnings per share	\$ 4.00	\$ 4.10	\$ 0.90 [b]		\$ 4.90	\$ 5.00

[a] Reflects estimated adjustments for share-based compensation expense of approximately \$392 million and amortization of acquired technology of approximately \$8 million.

[b] Reflects the estimated adjustments in item [a], income taxes related to these adjustments, and other income tax effects related to the use of the long-term non-GAAP tax rate.

See "About Non-GAAP Financial Measures" immediately preceding Table 1 for information on these measures, the items excluded from the most directly comparable GAAP measures in arriving at non-GAAP financial measures, and the reasons management uses each measure and excludes the specified amounts in arriving at each non-GAAP financial measure.

# Table 3: Calculation of free cash flow

(Dollars in millions)

	<u>Fiscal 2013</u>	<u>Fiscal 2014</u>	<u>Fiscal 2015</u>	<u>Fiscal 2016</u>	<u>Fiscal 2017</u>	
Net cash provided by operating activities	\$ 1,435	\$ 1,528	\$ 1,589	\$ 1,460	\$ 1,599	
Less capital expenditures:						
Purchases of property and equipment	(129)	(104)	(142)	(416)	(102)	
Capitalization of internal use software	<u>(66)</u>	<u>(82)</u>	<u>(119)</u>	<u>(106)</u>	<u>(128)</u>	
Total capital expenditures	<u>(195)</u>	<u>(186)</u>	<u>(261)</u>	<u>(522)</u>	<u>(230)</u>	
Free cash flow	<u>\$ 1,240</u>	<u>\$ 1,342</u>	<u>\$ 1,328</u>	<u>\$ 938</u>	<u>\$ 1,369</u>	<u>5-yr total</u> \$ 6,217

To supplement our statements of cash flows prepared in accordance with GAAP, we use free cash flow to analyze cash flow generated from operations. We define free cash flow as net cash provided by operating activities less total capital expenditures. This non-GAAP financial measure should not be considered as a substitute for, or superior to, GAAP net income as an indicator of our operating performance or GAAP cash flows from operating activities as a measure of our liquidity.

# Cautions about Forward-Looking Statements

This presentation includes "forward-looking statements" which are subject to safe harbors created under the U.S. federal securities laws. All statements included in this presentation that address activities, events or developments that Intuit expects, believes or anticipates will or may occur in the future are forward looking statements, including: our expected market, customer and share growth; our goals and our ability to achieve those goals and their impact on our business; our opportunities and strategies to grow our business; our expected revenue, operating income and earnings per share results and growth; our expectations regarding future dividends, share repurchases and ROIC improvements; our expectations for our product and service offerings and cross-sell opportunities; our expectations regarding areas of increased investment and future market trends. Because these forward-looking statements involve risks and uncertainties, there are important factors that could cause our actual results to differ materially from the expectations expressed in the forward-looking statements. These factors include, without limitation, the following: inherent difficulty in predicting consumer behavior; difficulties in receiving, processing, or filing customer tax submissions; consumers may not respond as we expected to our advertising and promotional activities; the competitive environment; governmental encroachment in our tax businesses or other governmental activities or public policy affecting the preparation and filing of tax returns; our ability to innovate and adapt to technological change; business interruption or failure of our information technology and communication systems; problems with implementing upgrades to our customer facing applications and supporting information technology infrastructure; any failure to properly use and protect personal customer information and data; our ability to develop, manage and maintain critical third party business relationships; increased government regulation of our businesses; any failure to process transactions effectively or to adequately protect against potential fraudulent activities; any significant offering quality problems or delays; our participation in the Free File Alliance; the global economic environment; changes in the total number of tax filings that are submitted to government agencies due to economic conditions or otherwise; the highly seasonal and unpredictable nature of our revenue; our inability to attract, retain and develop highly skilled employees; increased risks associated with international operations; our ability to repurchase shares; we may issue additional shares in an acquisition causing our number of outstanding shares to grow; our inability to adequately protect our intellectual property rights; disruptions, expenses and risks associated with our acquisitions and divestitures; amortization of acquired intangible assets and impairment charges; our use of significant amounts of debt to finance acquisitions or other activities; and the cost of, and potential adverse results in, litigation involving intellectual property, antitrust, shareholder and other matters. More details about these and other risks that may impact our business are included in our Form 10-K for fiscal 2017 and in our other SEC filings. You can locate these reports through our website at <http://investors.intuit.com>. Fiscal 2018 guidance speaks only as of the date it was publicly issued by Intuit. Other forward-looking statements represent the judgment of the management of Intuit as of the date of this presentation. We do not undertake any duty to update any forward-looking statement or other information in this presentation.