Intuit Inc.

Third-quarter Fiscal 2025

Conference Call Remarks

May 22, 2025

Introduction

Good afternoon and welcome to Intuit’s third-quarter fiscal 2025 conference call. I’m here with Intuit's CEO, Sasan Goodarzi, and our CFO, Sandeep Aujla.

Before we start, I’d like to remind everyone that our remarks will include forward-looking statements. There are a number of factors that could cause Intuit’s results to differ materially from our expectations. You can learn more about these risks in the press release we issued earlier this afternoon, our Form 10-K for fiscal 2024 and our other SEC filings. All of those documents are available on the Investor Relations page of Intuit’s website at intuit.com. We assume no obligation to update any forward-looking statement.

Some of the numbers in these remarks are presented on a non-GAAP basis. We've reconciled the comparable GAAP and non-GAAP numbers in today's press release.

Unless otherwise noted, all growth rates refer to the current period versus the comparable prior-year period, and the business metrics and associated growth rates refer to worldwide business metrics.

A copy of our prepared remarks and supplemental financial information will be available on our website after this call ends.

With that, I'll turn the call over to Sasan.

Third-quarter Fiscal 2025 Overview

Thanks Kim, and thanks to all of you for joining us today.

We delivered an exceptional quarter, with revenue growth of 15 percent driven by outstanding performance across our platform. As a result, we are raising guidance across all total company metrics, including revenue, operating income, operating margin, and earnings per share.

The strength across the company is driven by our global AI-driven expert platform strategy powering prosperity for consumers, small and mid-market businesses, and accountants. Our pace of innovation is accelerating, enabling our virtual team of AI-agents and AI-enabled human experts to redefine what's possible. We're fueling the financial success of approximately 100 million customers by automating everyday tasks, managing complex workflows and processes, and solving challenges before they arise with predictive insights and taking actions.

Today I will focus on three areas: our outstanding tax results, our innovation delivering done-for-you experiences on the business platform, and progress in mid-market.

Starting with tax, I'm proud of the outstanding results we delivered and the learnings we gained that will help fuel durable growth in the future. We expect Consumer Group revenue to grow 10 percent this year. This is driven by an expected 24 percent growth in TurboTax Live customers resulting in 47 percent growth in TurboTax Live revenue, well above our long-term expectation of 15 to 20 percent revenue growth. With our investment in data, AI, and AI-enabled human expertise, we're disrupting the assisted category with experiences that are resonating with customers across both consumer and business tax. We also made significant progress unlocking a seamless customer experience across TurboTax and Credit Karma, which is expected to deliver a point of Consumer Group revenue growth this year, showcasing the power of our consumer platform.

The exceptional results are fueled by strong execution of our strategy to win as an AI-driven expert platform by delivering the best experience, speed to money, and best price for customers. This tax season, data and AI powered many elements of our customer experience. Our done-for-you experiences drove a 12 percent reduction in the average time a customer spent on their return, with more than half of our DIY and do-it-with-me customers completing their return in under an hour. This includes expanding data-in from over 200 partners to cover 90 percent of our customers' most common tax documents, up from 68 percent last year. Our AI capabilities also helped guide customers to the offering that was right for them, whether filing on their own, or having our AI-enabled human experts complete the return for them in as little as two hours. Our data and AI platform capabilities had a profound impact on the productivity of our experts. By doing a lot of the work for them, and helping them finish returns quickly and accurately, they spent more time engaging and onboarding customers. For our full-service offering, we saw a double digit improvement in conversion and an approximate 20 percent reduction in the amount of time an expert spent preparing a return.

Our results also demonstrate the incredible opportunity to win as one consumer platform with TurboTax and Credit Karma. Our seamless zero-click login was available to approximately 70 percent of Credit Karma members this season, up from 5 percent last season. This drove new customers to TurboTax, with 22 percent of these customers choosing our Live offerings. In addition, we facilitated faster access to more than $12 billion in refunds with our money innovation, including our “up to five days early” offer and refund advances on our consumer platform. This is the power of our platform at scale.

I'm proud of what the team delivered this year. We have new insights, momentum, and are well-positioned to disrupt the $35B assisted tax category in the years ahead.

Let me now turn to the business platform, where we are seeing strong momentum and making progress delivering done-for-you experiences with expertise. Our focus is on automating tasks, end-to-end workflows, and entire processes, connecting customers to AI-enabled human experts for that last mile of decisions or to complete the work for them. Our done-for-you experiences are resonating with customers, with nearly a quarter of invoicing customers now having used AI-generated invoice reminders since we launched in November. With these capabilities, we're seeing a more than 10 percent higher payment conversion rate on overdue invoices when customers use AI-generated invoice reminders versus when they don't. We also saw a 2x increase in QuickBooks Live, connecting customers to AI-enabled human experts.

Let's now shift to the next chapter of great. We are soon launching transformative innovations across our business platform to help our customers achieve success with less effort and complete confidence. To accomplish this, we'll be introducing a broader set of end-to-end AI agents, including customer, payments, finance, project management, and accounting agents, to take the next large step in delivering done-for-you experiences, coupled with insights and recommendations to grow and run a business. Our goal is to solve challenges before they arise with predictive insights, take smart action on our customers' behalf, and seamlessly connect them to AI-enabled human experts when needed, with customers always in control. This includes AI agents specific to our mid-market offerings, doing the work for businesses and accountants, saving them time, delivering insights, and assisting with decisions to ultimately fuel their growth. We're building these AI agents to help customers get paid faster, uncover new growth opportunities, and improve productivity by reducing the tedious and repetitive tasks of running a business. We plan to introduce a refreshed end-to-end platform that completes key jobs all in one place, with a virtual team of AI agents doing much of the work side by side with our customers. With these new experiences we are evolving our product line up and pricing for value. This will be introduced in the coming weeks.

Turning to mid-market. We continue to make strong progress serving mid-market customers, which represents an $89 billion TAM. We are focused on winning as an AI-driven expert platform to fuel the success of customers with $2.5 million to $100 million in annual revenue with QBO Advanced, Intuit Enterprise Suite, or IES, and our ecosystem of connected services. Businesses and accounting firms are overdigitized. They're paying for too many solutions that don’t talk to each other and they are spending too much time trying to connect the data to understand what's happening in their business without enough benefit. Intuit’s platform is becoming a one-stop shop, where they can see the performance of their entire business in one place, giving them the insights they need to better run their business. This is why mid-market customers across industries including construction, IT services, legal services, management consulting, finance, and insurance are choosing IES.

We recently signed a deal with an 18-entity title company. As the company outgrew QuickBooks, it switched to a larger competitive ERP solution. However, just two months after migrating, the company returned to Intuit to use IES, despite already making a significant investment in their new ERP solution. The company found value in what IES delivers, including its seamless integration with apps the company was previously using, and the consolidated reporting and other multi-entity features the company needed. All in one place, without unnecessary complexity. In addition, being able to add Mailchimp marketing capabilities strengthened the overall value proposition of IES for this customer.

We are accelerating progress delivering innovation on IES through quarterly product releases, which we believe will help us more effectively penetrate a larger portion of our TAM, and better serve customers across a variety of verticals. Our March product release added features to further accelerate how our customers manage their growth and profitability. These include:

- New multi-entity expense allocation capabilities that reduce manual work by simplifying transaction management between entities;
- A new multi-entity hub where customers can easily monitor KPIs such as sales, expenses, and profits across entities all in one place, enabling them to make faster decisions, and
- New dimensional P&L tools that help customers build more robust forecasts that help unlock more in-depth analysis and better decision-making.

We're also strengthening our partnership with the largest accounting firms as we evolve our go-to-market strategy. I've been meeting with many of these accounting firms, and see first-hand the growing excitement in IES. The offering is helping accountants serve their business customers more efficiently, and helping them grow their practice, profitably. We are partnering with them to serve mid-market customers and are invested in their success. As a result, accountants have driven approximately 15 percent of all IES deals.

Wrapping up, I'm proud of the momentum in our business and the grit of our team, and more importantly, the inspiration we get every day from all the customers we serve. This quarter, we were recognized by Fortune as one of America's Most Innovative Companies. With our culture of builders igniting innovation, we are well-positioned to win as an end-to-end platform.

Now let me hand it over to Sandeep.

Financial Results and Segment Details

Thanks, Sasan.

We delivered a strong third quarter of fiscal 2025 across the company. Our third-quarter results include:

- Revenue of $7.8 billion, up 15 percent.
- GAAP operating income of $3.7 billion, up 20 percent.
- Non-GAAP operating income of $4.3 billion, up 17 percent.
- GAAP diluted earnings per share of $10.02, up 19 percent.
- And non-GAAP diluted earnings per share of $11.65, up 18 percent.

Business Segment Results

Turning to our business segments:

Consumer and ProTax Groups

Consumer Group revenue of $4.0 billion grew 11 percent in Q3, and we expect it to grow approximately 10 percent this year. This outstanding tax performance reflects strong execution against our strategy to win as an AI-driven expert platform by delivering the best experience, speed to money, and best price for customers.

We made significant progress against our strategic priorities of disrupting the assisted category and winning in the DIY category. This year we expect TurboTax Live customers to grow 24 percent, and revenue to grow 47 percent, accelerating 13 and 30 points respectively. Our outstanding results reflect success with AI-enabled personalized experiences that guide customers to the offering right for them, and strong customer growth in our full-service consumer and business tax offerings outpacing overall TurboTax Live growth. Our limited time free mobile app offer resonated and brought new customers into the franchise, many of whom opted for our beneficial paid services. We expect online paying units to grow 6 percent this year on share gains from higher average revenue per return, or ARPR, filers. We saw strong monetization across simple and complex filers, driving an expected 13 percent increase in ARPR as more customers chose our assisted offerings and faster access to refunds. We expect pay-nothing customers of approximately 8 million, down from over 10 million last fiscal year. This reduction is a result of optimizing marketing ROI and shifting our focus towards disrupting assisted tax, which resulted in yielding share with lower quality ARPR customers as anticipated. We expect online TurboTax units to decline approximately one percent this fiscal year, and our share of total returns to decline approximately one point. In summary, I'm incredibly proud of our performance this season, particularly the progress we made transforming assisted and the 47 percent growth we expect in TurboTax Live revenue, representing approximately 40 percent of Consumer Group revenue. We see a long runway ahead for growth.

Turning to the ProTax Group, revenue grew 9 percent in Q3. For the full year, we expect ProTax Group revenue growth of 3 to 4 percent.

Based on our strong performance in tax this season, we are raising our guidance for fiscal 2025 revenue growth for Consumer Group to 10 percent, from 7 percent to 8 percent previously. I’m proud of the progress we made this season, and the learnings we gained, which reinforce our confidence in the future.

Global Business Solutions Group

Moving on to our business platform, Global Business Solutions Group revenue grew 19 percent during Q3, driven by Online Ecosystem revenue growth of 20 percent, or 24 percent excluding Mailchimp. This momentum in our online ecosystem demonstrates the power of our business platform and the mission-critical nature of our offerings as customers look to grow their business and improve cash flow. Our robust growth was largely consistent with prior quarters and broad-based across online accounting and online services.

- QuickBooks Online Accounting revenue grew 21 percent in Q3, driven by higher effective prices, customer growth, and mix-shift. We continue to prioritize disrupting the mid-market, through ongoing focus on both go-to-market motions and product innovations, which we expect to continue to drive strong ARPC growth.

- Online Services revenue grew 18 percent in Q3, or 29 percent excluding Mailchimp. Growth in Q3 was driven by Money - which includes payments, capital, and bill pay - as well as payroll.
    - Within Money, revenue growth in the quarter reflects payments revenue growth, which was driven by customer growth, an increase in total payment volume per customer, and higher effective prices, as well as QuickBooks Capital revenue growth. Total online payment volume growth in Q3 was 18 percent, or 20 percent excluding the leap day last year, representing an acceleration from Q2.
    - Within Payroll, revenue growth in the quarter reflects customer growth, mix-shift, and higher effective prices.
    - Within Mailchimp, revenue was relatively flat versus a year ago. As we've shared previously, we expect it to take several

quarters to deliver improved outcomes at scale. In addition to ensuring the Mailchimp offering resonates with our core small business customers, we continue to make progress with mid-market customers where we can deliver the platform benefit, such as the IES customer Sasan cited earlier that is also using Mailchimp. We remain confident in, and are executing on, our vision of an end-to-end business platform that integrates the power of Mailchimp and QuickBooks services, enabling our customers to both run and grow their business, all in one place.

As we’ve shared previously, we win as a platform. Our Online Ecosystem revenue growth reflects the progress we are making with our strategy of serving both small and mid-market businesses with more complex needs. This represents an addressable market of over $180 billion, roughly half of which is mid-market. In Q3, Online Ecosystem revenue grew 20 percent, including approximately 40 percent growth in Online Ecosystem revenue for QBO Advanced and Intuit Enterprise Suite that serves mid-market.

Online Ecosystem revenue for small businesses and the rest of the base grew a strong 17 percent. We are excited about our progress in serving mid-market customers while continuing to focus on smaller businesses. Looking ahead, we expect Online Ecosystem revenue growth to accelerate to approximately 21 percent in Q4, and to grow approximately 20 percent in fiscal 2025.

Turning to desktop. During Q3, Desktop Ecosystem revenue grew 18 percent, and QuickBooks Desktop Enterprise revenue grew in the high twenties. As a reminder, quarterly desktop ecosystem revenue growth trends in fiscal 2025 reflect the offering changes we made in early fiscal 2024 to complete the transition to a recurring subscription model, including more frequent product updates. We expect Desktop Ecosystem revenue to grow in the mid single digits in fiscal 2025.

Based on our strong progress throughout the year, we now expect GBSG revenue in the upper band of our previous guidance, representing 16 percent revenue growth for fiscal 2025. This guidance reflects more than a point of headwind from lower Mailchimp revenue growth than we anticipated at the start of the fiscal year. Excluding Mailchimp we are seeing strong performance across the rest of our business platform.

Credit Karma

Credit Karma revenue grew 31 percent in Q3, reflecting strength in credit cards, personal loans, and auto insurance. On a product basis, credit cards accounted for 14 points of growth, personal loans accounted for 12 points, and auto insurance accounted for 3 points. As a reminder, in Q3 we began lapping the strong growth in auto insurance that began a year ago. As Sasan mentioned earlier, we expect Credit Karma to drive a point of Consumer Group revenue growth this fiscal year, as we execute on our vision of one consumer platform with a seamless customer experience across TurboTax and Credit Karma.

Based on our continued strong momentum in Credit Karma, we are raising our guidance for fiscal 2025 revenue growth to 28 percent from 5 percent to 8 percent previously.

In summary, I'm pleased with our momentum this fiscal year and our opportunities ahead.

Financial Principles and Capital Allocation

Shifting to our balance sheet and capital allocation. Our financial principles guide our decisions, they remain our long-term commitment, and are unchanged.

- We finished the quarter with approximately $6.2 billion in cash and investments and $6.4 billion in debt on our balance sheet.

- We repurchased $754 million of stock during the third quarter. Depending on market conditions and other factors, our aim is to be in the market each quarter to offset dilution from share-based compensation over a 3 year period.
- The Board approved a quarterly dividend of $1.04 per share, payable on July 18, 2025. This represents a 16 percent increase per share versus last year.

Fiscal 2025 and Q4 Guidance

Moving on to guidance, we are increasing our fiscal 2025 total revenue, operating income, implied operating margin, and earnings per share guidance. This includes:

- Revenue growth of 15 percent, up from prior guidance of 12 to 13 percent growth;
- GAAP operating income growth of 35 percent, up from prior guidance of 28 to 30 percent growth and reflecting 390 basis points of margin expansion versus prior year;
- Non-GAAP operating income growth of 18 percent, up from prior guidance of 13 to 14 percent growth and reflecting 100 basis points of margin expansion versus prior year;
- GAAP diluted earnings per share growth of 26 to 27 percent, up from prior guidance of 18 to 20 percent growth; and
- Non-GAAP diluted earnings per share growth of 18 to 19 percent, up from prior guidance of 13 to 14 percent growth.

Our guidance for the fourth quarter of fiscal 2025 includes:

- Total company revenue growth of 17 to 18 percent.

- GAAP earnings per share of $0.84 to $0.89, and
- Non-GAAP earnings per share of $2.63 to $2.68.

We continue to leverage AI to operate more efficiently and increase productivity across the company. The impact we are seeing from implementing AI capabilities across our platform bolsters our confidence in our ability to continue to grow operating income faster than revenue, including the 100 basis point margin improvement we expect this fiscal year, while investing in growth.

You can find our full fiscal 2025 and Q4 guidance details in our press release and on our fact sheet.

Before I close, I want to share my thoughts on the uncertain macro environment. We are consistently hearing from customers the mission-critical nature of our offerings is helping them grow their business, make better decisions, and improve cash flow. With the breadth of our platform, diversity of our customer base, and the insights we gain from our data, we are confident in our ability to manage through uncertainty.

I’m proud of the strong growth we’re delivering this fiscal year. Our progress using AI across our platform gives us further confidence in our ability to grow our revenue and operate more efficiently over time, enabling us to invest in growth while continuing to expand margins in fiscal 2025 and beyond.

With that, I’ll turn it back over to Sasan.

Closing Comments (Sasan)

Thanks Sandeep. Intuit is on its way to becoming a one-stop shop powering the prosperity of consumers, businesses and accountants with our AI-driven expert platform, delivering done-for-you experiences. Given our early bet on AI and the significant investments we’ve made in the last decade in data, AI, and AI-enabled human expertise, we are positioned extremely well to fuel our customers’ growth and save them money. We see an incredible opportunity ahead to further penetrate our massive $300 billion TAM and particularly to accelerate serving small and mid-market businesses.

With that context, we are doubling down on our focus on the three most critical areas in the Global Business Solutions Group, including small business, mid-market, and services which include money and workforce solutions. Going forward, each of these areas will be led by a proven leader reporting directly to me.

- Marianna Tessel has done an incredible job setting us up to win as an end-to-end platform, and going forward she will lead Small Business, which includes our QuickBooks and Mailchimp businesses.
- Ashley Still will lead Mid-Market. She joins us from Adobe, where she held senior leadership roles for more than 10 years. During her tenure, she grew Document Cloud into Adobe's second largest business. Most recently she led the Creative Cloud business to $13B in revenue growing double digits, and serving a range of customers from individual creators to large businesses.
- David Hahn is a strong leader with decades of experience leading business and product teams at scale. Over the past 18 months, under his leadership, we have brought to market critical innovation for our

customers across our Money offerings, delivering nearly 40 percent online revenue growth year-to-date. Moving forward, David will lead Services consisting of money and workforce solutions, serving both small and mid-market businesses.

Together, they remain part of our Global Business Solutions Group reporting segment. These changes will drive increased focus and velocity on our biggest growth opportunities to help us accelerate winning as a business platform.

Wrapping up, we have exceptional momentum across the company. Our platform is increasingly becoming more mission-critical than ever to our customers. We are confident in our long-term growth strategy, including double-digit revenue growth and operating income growing faster than revenue. We have a long runway ahead.

Let’s now open it up to your questions.

<u>Closing Comments After Q&A</u>

Thank you everyone for your time and questions today. I would like to close by thanking our employees, customers and partners for another strong quarter.

Cautions About Forward-looking Statements

These materials contain forward-looking statements, including expectations regarding: the size, components and our share of the tax preparation space; the timing of when individuals will file their tax returns; forecasts and timing of growth and future financial results of Intuit and its reporting segments; Intuit’s prospects for the business in fiscal 2025 and beyond; Intuit’s growth outside the US; timing and growth of revenue from current or future products, features and services; innovation across our ecosystem; demand for our products; customer growth and retention; average revenue per customer and average revenue per return; Intuit's corporate tax rate; the impact of AI on our business; changes to our products, including the continuing use of data and incorporation of AI, and their impact on our business; the impact of macroeconomic conditions on our business, segments and products; the amount and timing of any future dividends or share repurchases; our capital structure; availability and pricing of our offerings; and the impact of acquisitions and strategic decisions on our business; as well as all of the statements under the heading "Fiscal 2025 and Q4 Guidance."

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 risks and uncertainties may be amplified by the effects of global developments and conditions or events, including macroeconomic uncertainty and geopolitical conditions, which have caused significant global economic instability and uncertainty. Given these risks and uncertainties, persons reading this communication are cautioned not to place any undue reliance on such forward-looking statements. These factors include, without limitation, the following: our ability to compete successfully; potential governmental encroachment in our tax business; our ability to develop, deploy, and use artificial intelligence in our platform and products; our ability to adapt to technological change and to successfully extend our platform; our ability to predict consumer behavior; our reliance on intellectual property; our ability to protect our intellectual property rights; any harm to our reputation; risks associated with our environmental, social, and governance efforts; risks associated with acquisition and divestiture activity; the issuance of equity or incurrence of debt to fund acquisitions or for general business purposes; cybersecurity incidents (including those affecting the third parties we rely on); customer or regulator concerns about privacy and cybersecurity incidents; fraudulent activities by third parties using our offerings; our failure to process transactions effectively; interruption or failure of our information technology; our ability to maintain critical third-party business relationships; our ability to attract and retain talent and the success of our hybrid work model; any deficiency in the quality or accuracy of our offerings (including the advice given by experts on our platform); any delays in product launches; difficulties in processing or filing customer tax submissions; risks associated with international operations; risks associated with climate change; changes to public policy, laws or regulations affecting our businesses; legal proceedings in which we are involved; fluctuations in the results of our tax business due to seasonality and other factors beyond our control; changes in tax rates and tax reform legislation; global economic conditions (including, without limitation, inflation); exposure to credit, counterparty and other risks in providing capital to businesses; amortization of acquired intangible assets and impairment charges; our ability to repay or otherwise comply with the terms of our outstanding debt; our ability to repurchase shares or distribute dividends; volatility of our stock price; our ability to successfully market our offerings; our expectations regarding the timing and costs associated with our plan of reorganization ("Plan"); risks related to the preliminary nature of the estimate of the charges to be incurred in connection with the Plan, which is subject to change; and risks related to any delays in the timing for implementing the Plan or potential disruptions to our business or operations as we execute on the Plan.

More details about these and other risks that may impact our business are included in our Form 10-K for fiscal 2024 and in our other SEC filings. You can locate these reports through our website at http://investors.intuit.com.

Fourth-quarter and full-year fiscal 2025 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. Except as required by law, we do not undertake any duty to update any forward-looking statement or other information in this presentation.