



# Intuit Investor Day

September 21, 2016

# Investor Day Agenda

Reflections & strategy to win

Brad Smith

Win worldwide with the QBO Ecosystem

Sasan Goodarzi

Win with Accountants who fuel SMB success

CeCe Morken

Win with TurboTax online and mobile

Dan Wernikoff

## Break & product gallery walk

Technology, Data & Security

Tayloe Stansbury

Financial perspective

Neil Williams

Wrap-up and Q&A

Brad Smith

## Break & product gallery walk

## 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 2016 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.

# Investor Day product demonstrations



## Win worldwide with the QBO Ecosystem

Presented by Alex Chriss

- QuickBooks for the Self-Employed
- Ecosystem tie-ins with TurboTax and accountants



## Win with Accountants who fuel SMB success

Presented by Curtis Campbell

- Save time (data import)
- Grow my practice (matching/collaboration)



## Win with TurboTax online and mobile

Presented by Varun Krishna

- Mobile functionality
- Live video assistance (SmartLook)



## Data-driven intelligent systems

Presented by Jonathan Goldman

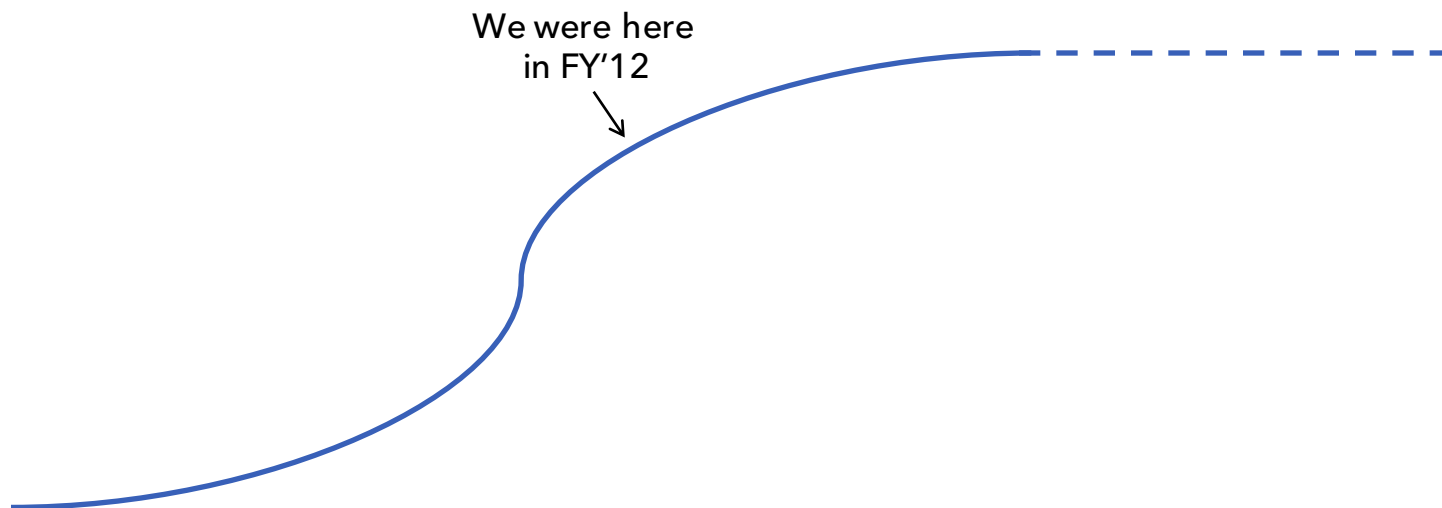
- Data and algorithms for fraud reduction

# Reflections & Strategy To Win

Brad Smith



## Looking back: FY'12 case for change



# Looking back: market shifts & strategic implications

## External Market Shifts



## Strategic Implications For Intuit

Being a Great **Product & Network Effects Platform** Company

Accelerating Growth Through **Cloud-Driven** Global Services

Reimagining User Experiences in a **Mobile First** World

**Securing Data** while Creating **Delight** & Driving **Growth**

# Looking back: our journey to a product & platform company

### Fall 2012 "Refreshed Strategy"

**Intuit's Growth Strategies**

- Delivering Awesome Product Experiences
- Enabling the Contributions of Others- "Network Effect Platforms"
- Using Data to Create Delight

**Accelerating to Connected Services**

**FY13-15 Operational Priorities**

- Amazing 1<sup>st</sup> Use Experiences: delivering the customer benefit
- Reimagining Mobile 1<sup>st</sup> Mobile Only: design and capabilities
- Solving Multi-Sided Problems Well: creating a virtuous circle
- Expanding Globally: platforms localized by users and developers
- Enabling Customer Data: better products & break-through benefits

### Fall 2012 "Refreshed CDI Model"

**Network Effects Platform Framework**

Find an important, unsolved customer problem

...that we, and those we enable, can solve well...

...and build durable competitive advantage

What is the unsolved problem or opportunity? (The goal.)

How is the problem solved and benefit delivered?

Description of the platform

What is the virtuous circle network effect?

Enabling the Drivers & Edge problems

### Fall 2013 "Project Bold"

Small Business, Consumer, Network Effect, Accountant

**Be the Operating System Behind SMB Success**

**Do the Nations' Taxes**

Achieved by...

- Delivering Awesome Product Experiences
- Contributions of Others- "Network Effect Platforms"
- Using Data to Create Delight

### Spring 2014 "Everything as a Service"

Deliver awesome products through ...

**Hygiene:** quality (always on, secure, refreshed, efficient, first use)

**Network Effects:** durable advantage (commerce network, ecosystems)

**Developer Platform:** speed (public cloud, services composition, shared developer tools and standards)

**Data Platform:** personalization & insights (customer profile, internal data sharing, external data acquisition, analytic cloud)

**Win Online Globally** (global ready, mobile design, migrate online)

... fueled by small innovative teams, delivering big vision in small bites

### Spring 2014 "Refreshed Values"

**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:** Solve BIG customer problems. Create a vision that inspires. Think beyond what is described in a business plan.
- Be Passionate:** Personally investize and take creative charge. Insights with your thoughts and emotions. Strive to perfect your craft every day.
- Be Decisive:** Choose what we will and will not do. Be transparent with your track and judgment. Be direct and respectful.
- Learn Fast:** Lead with a hypothesis. Measure, test and do what worked most. Celebrate the surprises.
- Win Together:** Deliver exceptional results for others when success is your goal. Create a great and others to do the best work of their lives. Be inventory-free in our thinking and actions.
- Deliver Awesome:** Delight our customers and partners with experiences they may not find elsewhere and reward the people whose great work is our competitive advantage.

### Spring 2015 "One Intuit P/P Strategy"

**Connections w/ Our Ecosystem**

- Accountant Matching Marketplace
- Integrated SMB-Accountant Workflow
- enabling/Bill Pay, Connected Payments
- Payroll to Tax

**Connections w/ Ecosystem Partners**

- QuickBooks Financing
- Self Employed & On-Demand Marketplaces
- Unleash: Tax Data & Mortgage Lenders

Small Business, Consumer, Accountant, Banks, Governments, 3rd Party Developers, Other Data Providers

**Opportunity Size Over 5 Years**

**\$3.5B**

### Summer 2015 "Focus & Accelerate"

**Focusing Our Time**

**Focusing Our Talent**

**Focusing Our Dollars**

**Objective:** 50% reduction in meeting time

**Objective:** Organized as One Ecosystem

**Objective:** Invest in fewer, high impact areas

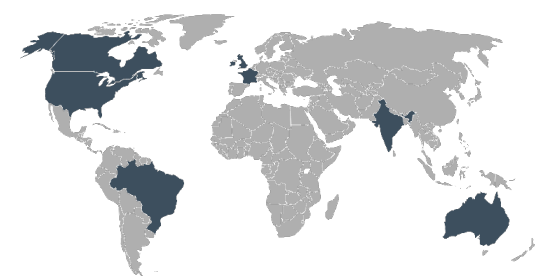


# Looking back: successfully executed with reasons to believe

Leaned into the cloud

Created new connections

Entered new markets

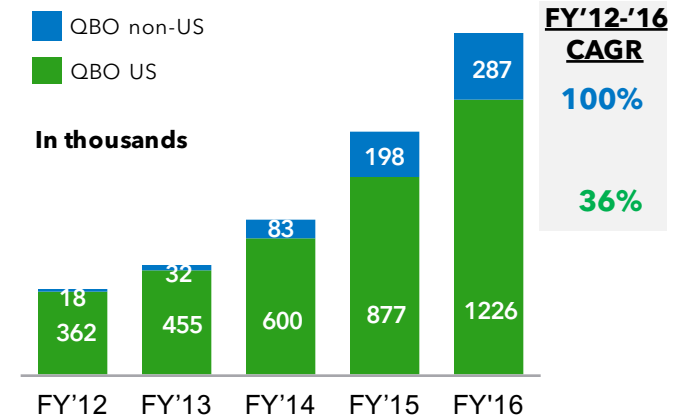
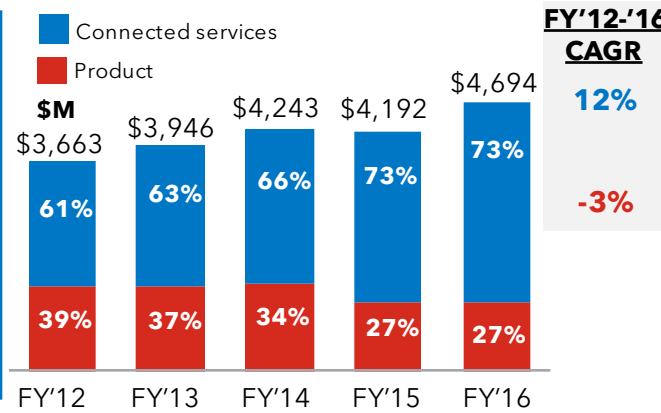
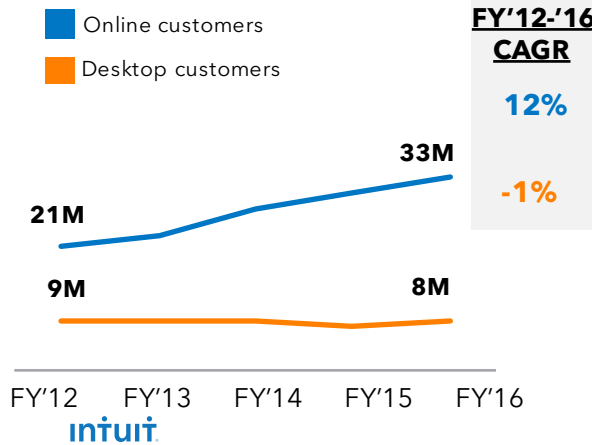


...tangible proof points of successful business model transition

Accelerating to the cloud

Increasing connected services revenue

Growing global customers



# Looking back: more than doubling TAM with tangible traction

## Reasons to Believe

### 3 Entering New Markets

- Enter new markets with QuickBooks ecosystem
- Accelerate with Self-Employed

### 2 Connecting the Ecosystem

- Increase attach / solve additional problems
- Facilitate new connections

### 1 Growing Our Categories

- Accelerate shift to cloud
- Convert non-consumption

\$17B - \$20B

\$36B - \$42B

\$51B - \$57B

#### • Expanded prospect pool ... 6 priority countries = 150M prospects

- **FY'16:** non-US QBO paid subs 287K ... growing +45%

#### • Accelerated by targeting Self-Employed /gig economy (majority of TAM)

- **FY'16:** 85K paid subs (+3.4X YOY) ... just entered UK, testing in 5+ mkts in FY'17

#### • Attach rates of Intuit and 3rd party solutions increase ARPC & retention

- **FY'16:** QBO payroll penetration is 15% ... payments is 6%
- **FY'16:** QBO users adopting at least one 3rd party app is 15% (vs 10% prior yr)
- **FY'16:** attaching solutions can increase QBO retention by 10 pts

#### • One Intuit Ecosystem connections

- **FY'16:** SMB & acct collaboration ... 640K QBO subs have linked with an acct
- **FY'16:** Improved SMB cash flow ... 43M e-invoices (+48%) ... paid in 1/3 time
- **FY'16:** QB Financing ... \$450M+ SMB loans to date ... 70% approval in days
- **FY'16:** QBSE to TurboTax ... 30% QBSE penetration ... avg. \$4,340 tax savings

#### • Cloud and mobile adoption expanding our categories > historical rates

- **FY'16:** QB active user base +3% ... QB paid users +23% ... QB new users +15%
- **FY'16:** DIY tax category grew 5X faster than assisted ... gained >1 pt share

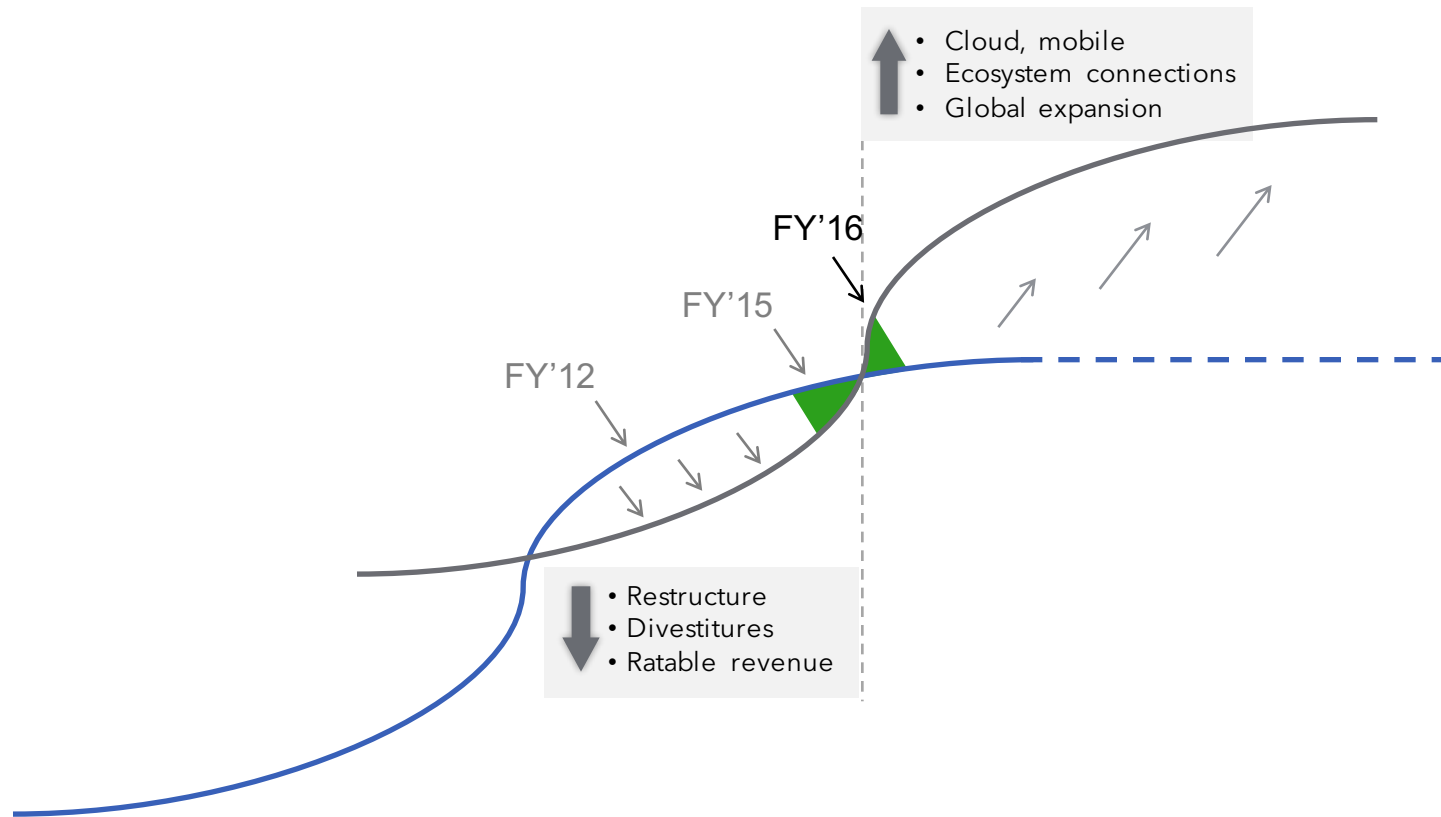
#### • New customers choosing cloud & mobile solutions

- **FY'16:** 65% new SMBs chose QBO ... 84% new QBO users 1st time users
- **FY'16:** 90% new tax filers chose TTO ... those who filed on mobile up 4X

Cumulative Total Addressable Market Opportunity

intuit

# Looking back: we're now repositioned on the "S curve"

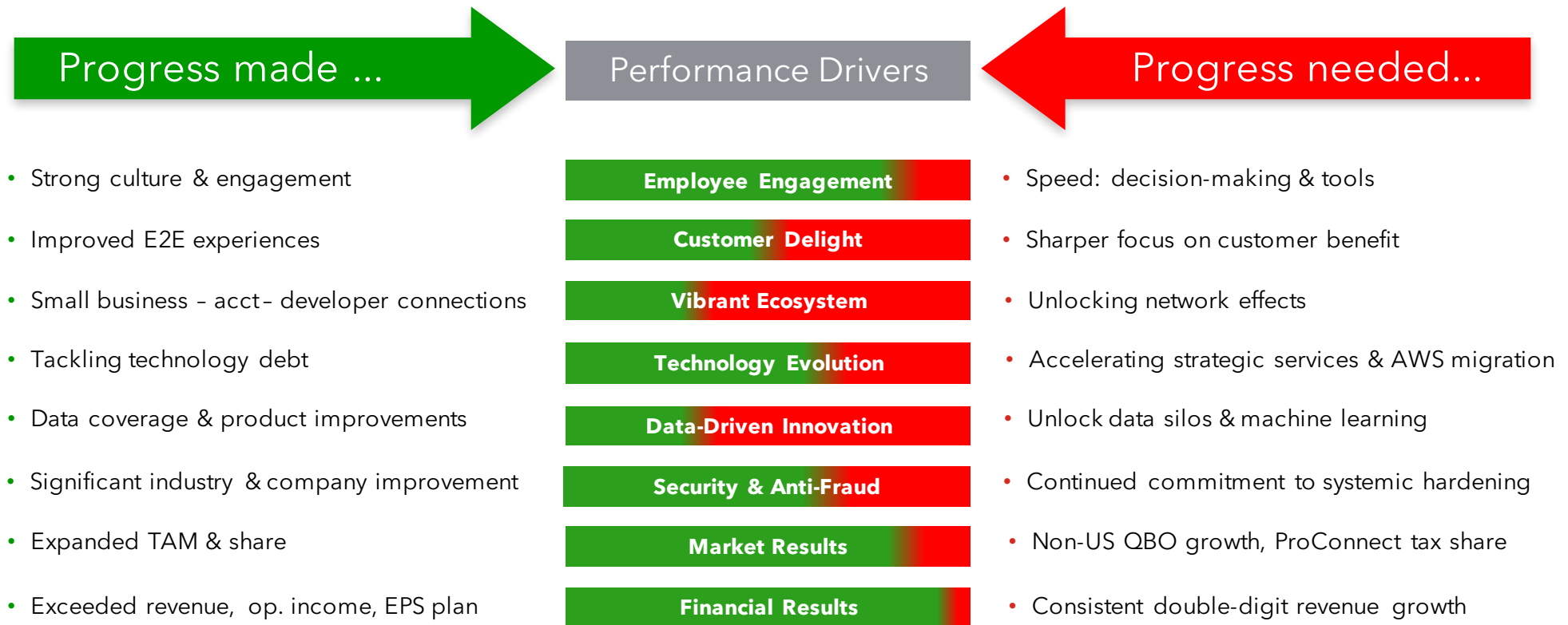


## Looking back: FY'16 financials reflected strong momentum

|                           | Actual  | Prior Year | +/-  |
|---------------------------|---------|------------|------|
| Revenue                   | \$4,694 | \$4,192    | 12%  |
| GAAP Operating Income     | \$1,242 | \$738      | 68%  |
| Non-GAAP Operating Income | \$1,555 | \$1,141    | 36%  |
| GAAP Diluted EPS          | \$3.69  | \$1.28     | 188% |
| Non-GAAP Diluted EPS      | \$3.78  | \$2.59     | 46%  |
| QBO Subscribers (k)       | 1,513   | 1,075      | 41%  |

\$ in Millions except EPS

# Looking back: our foundation is solid, with more work needed



# Looking ahead: evolving market trends & implications

## External Market Trends



## Strategic Implications for Intuit

### Personalized Experiences

"Delight in what matters most to me"

### It's Done

"Effortless - accelerate time-to-benefit"

### Indispensable Connections

"Interacting parties & interoperable products"

### On Demand Accessibility

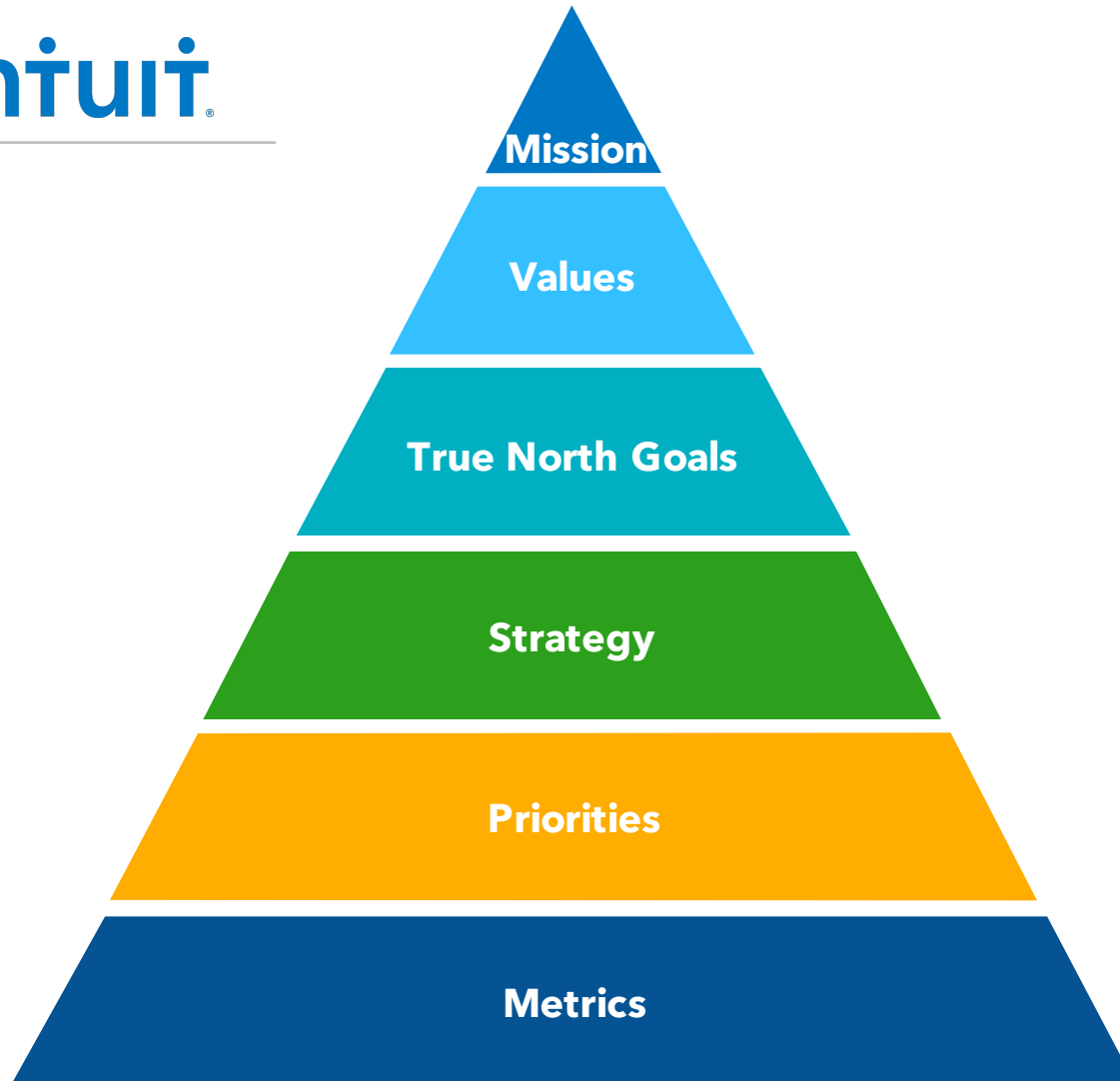
"Mobile computing & natural interfaces"

### Security Is Designed Into Everything

"Trust, transparency & stewardship"

One **intuit**.

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# Mission

Mission

Values

True  
North  
Goals

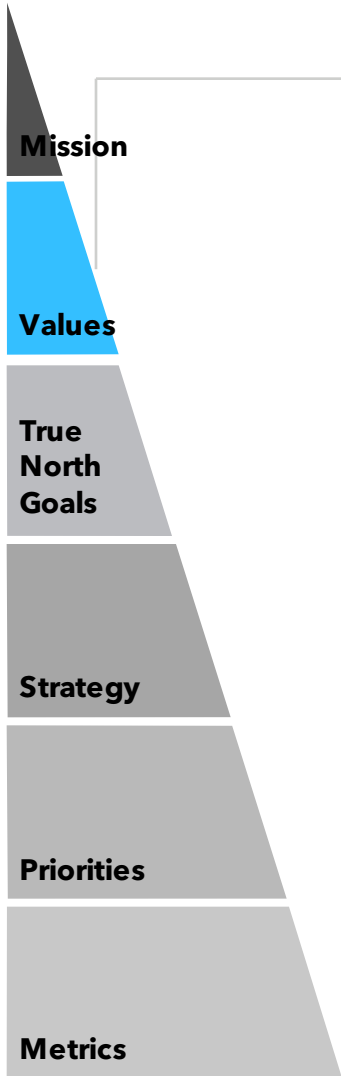
Strategy

Priorities

Metrics



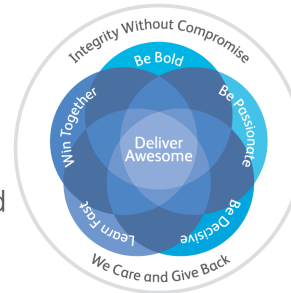




# Values

## 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                                                                                                                                                                                                 |
|-------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Strategy</b>   | <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> |
| <b>Priorities</b> |                                                                                                                                                                                                                       |                                                                                                                                                                                                     |                                                                                                                                                                                    |                                                                                                                                                                                 |                                                                                                                                                                                                                                            |                                                                                                                                                                                                                 |
| <b>Metrics</b>    | 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. | 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.                  | 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.                      | 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. | 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.                                                        | 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.                              |

# 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

Values

True North Goals

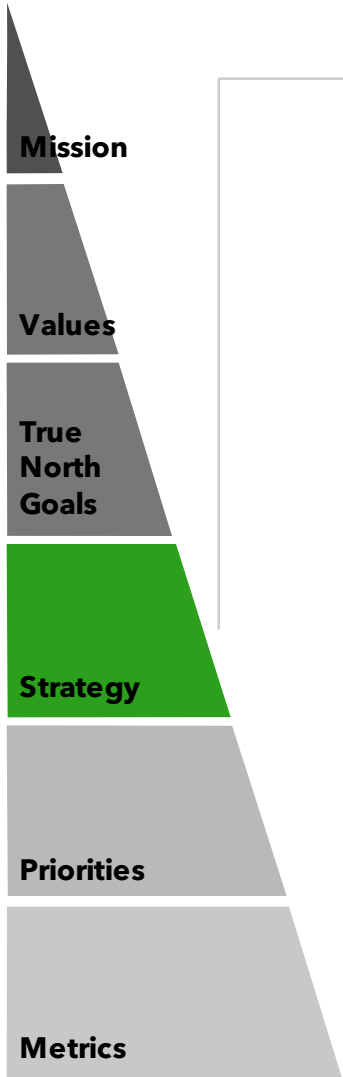
Strategy

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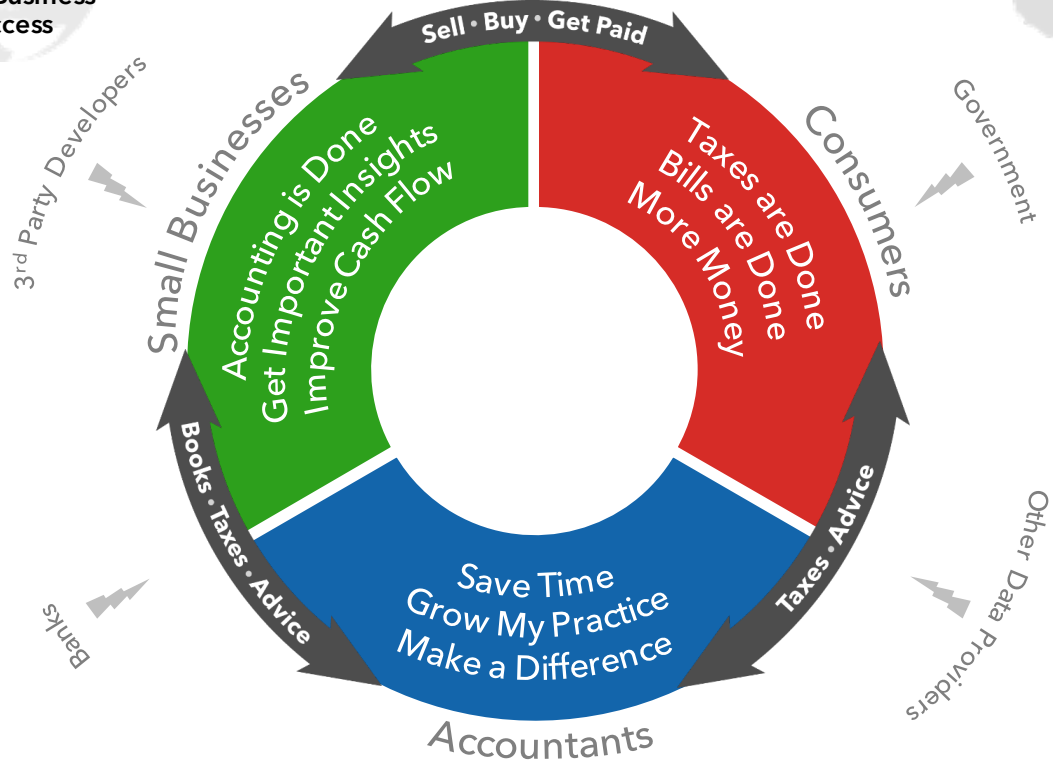
| Employees                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Customers                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Partners                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Shareholders                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Create an environment where the world's top talent can do the best work of their lives</b></p> <p><b>Inspire &amp; empower highly engaged EEs</b></p> <ul style="list-style-type: none"> <li>• FY'17: 85% engagement no BU/FG &lt;80%</li> </ul> <p><b>Attract the world's top talent</b></p> <ul style="list-style-type: none"> <li>• FY'17: Top 25 on Fortune's Best Places to Work</li> </ul> <p><b>Retain top talent: voluntary attrition &lt; peers</b></p> <ul style="list-style-type: none"> <li>• FY'17: voluntary attrition &lt; benchmark</li> </ul> | <p><b>Delight customers more than rivals in ways that matter most</b></p> <p><b>Deliver the customer benefit</b></p> <p><b>"It's Done"</b></p> <ul style="list-style-type: none"> <li>• Data in: % automatic transactions for small businesses</li> <li>• % time saved for accountants</li> <li>• # errors/customer, # of manual fields and % of bills auto-approved for consumers</li> </ul> <p><b>"More Money"</b></p> <ul style="list-style-type: none"> <li>• Days work to paid for small businesses</li> <li>• New client revenues for accountants</li> <li>• Fewer late fees for consumers</li> </ul> <p><b>Delight customers through E2E experiences</b></p> <ul style="list-style-type: none"> <li>• FY'17: Net Promoter scores &gt;10 pts vs. best alternatives</li> </ul> <p><b>Grow our active customer bases</b></p> <p style="text-align: center;"><u>QBO Subs</u></p> <ul style="list-style-type: none"> <li>• FY'17: 2,000K - 2,200K</li> </ul> | <p><b>Delight partners who add value to the ecosystem</b></p> <p><b>Grow 3<sup>rd</sup>-party developers' business</b></p> <ul style="list-style-type: none"> <li>• FY'17: # of connections; developer NPS</li> </ul> <p><b>Help accountants work with their clients</b></p> <ul style="list-style-type: none"> <li>• FY'17: QBOA &gt; 3; QBO Accountant NPS</li> </ul> <p><b>Eliminate industry tax fraud*</b></p> <ul style="list-style-type: none"> <li>• FY'17: No fraudulent refunds paid by IRS/States</li> </ul> | <p><b>Inspire confidence in our long-term growth, leading to a higher stock price</b></p> <p><b>Grow organic revenue double digits, supplemented by acquisitions</b></p> <ul style="list-style-type: none"> <li>• FY'17: \$5,000M - \$5,100M, 7-9%</li> </ul> <p><b>Grow revenue faster than expenses, generating op. income leverage</b></p> <ul style="list-style-type: none"> <li>• FY'17: Non-GAAP Op Inc. \$1,675 - \$1,725M, 8-11%</li> <li>• FY'17: Non-GAAP EPS \$4.30 - \$4.40</li> </ul> <p><b>Deploy cash to the highest yield opportunities</b></p> <ul style="list-style-type: none"> <li>• FY'17: Dividend per share, +13%</li> </ul> |

\* As reported by the IRS and State Agencies



Be the  
"Operating  
System" behind  
Small Business  
Success

# Strategy



## Achieved by...

Delivering Awesome  
Product Experiences

Contributions of Others-  
"Network Effect Platforms"

Using Data  
to Create Delight

# Priorities

Mission

Values

True  
North  
Goals

Strategy

Priorities

Metrics

- ❑ **Win worldwide with QBO Ecosystem:** grow the total addressable market & share faster than rivals
- ❑ **Win with accountants who fuel SMB success:** grow share faster than rivals with unmatched collaboration & integration
- ❑ **Win with TurboTax Online and Mobile:** grow the DIY software category & share faster than rivals
- ❑ **Technology to accelerate growth:** enabled by platforms & services, high availability & quality, developer & agent tools
- ❑ **Data-driven intelligent systems:** deliver personalization, the ability to anticipate & delight, achieve “it’s done”
- ❑ **Industry-wide security leadership:** protect & earn customers’ trust through transparency, stewardship & outcomes



**To improve our customers' financial lives so profoundly... they can't imagine going back to the old way**

**Mission**

**Integrity Without Compromise**

**We Care & Give Back**

**Values**

Be Bold

Be Passionate

Be Decisive

Learn Fast

Win Together

Deliver Awesome

**True North Goals**

**Employees**

Create an environment where the world's top talent can do the best work of their lives

**Customers**

Delight customers more than rivals in ways that matter most

**Partners**

Delight partners who add value to the ecosystem

**Shareholders**

Inspire confidence in our long term growth, leading to a higher stock price

**Strategy**

**Be the Operating System Behind SMB Success**

**Do the Nations' Taxes**

Delivering Awesome Product Experiences

Enabling the Contributions of Others - "Network Effect Platforms"

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**Technology to accelerate growth**

**Data-driven intelligent systems**

**Industry-wide security leadership**

**Metrics**

- Deliver customer benefit
- Grow TAM and share vs. rivals
- Grow customers
- Increase attach
- Improve QBO ecosystem NPS vs. rivals (NTTF, Accountants)

- Deliver the customer benefit
- Accelerate growth in # of multi-service firms
- Accelerate growth in QBO+3
- Increase NPS vs rivals
  - QBOA
  - Multi-service firms
  - Online Tax

- Deliver the customer benefit
- Grow DIY category vs. assisted methods
- Grow online/mobile share vs. rivals
- Improve conversion
- Increase TTO NPS vs. rivals

- Increase adoption of and % ready-to-consume strategic services
- Reduce downtime minutes & failed customer interactions
- Reduce contact rate
- Reduce developer release cycle time
- Increase % of developers & agents on common (fewer) tools

- Increase % availability of prioritized data sources (business reporting)
- Reduce time-to-insight
- Improve conversion with personalized experiences
  - TTO
  - QBO

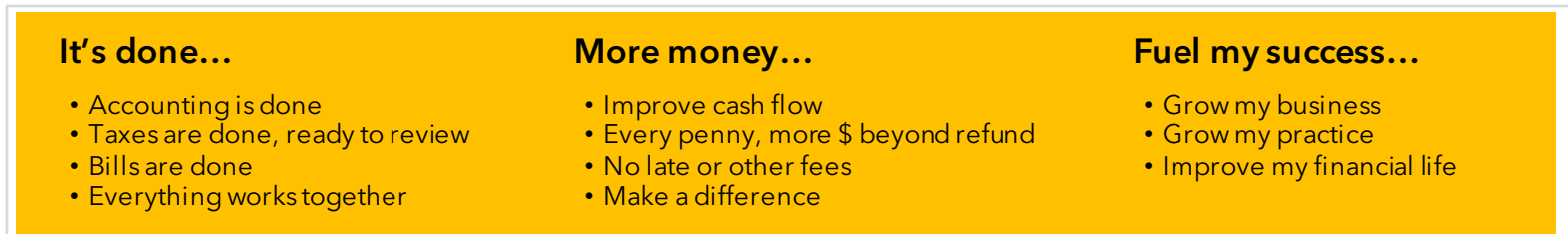
- Reduce fraud ...Intuit customers & industry
- Uphold Intuit trust rating

# Our Mission: To improve our customers' financial lives so profoundly... they can't imagine going back to the old way

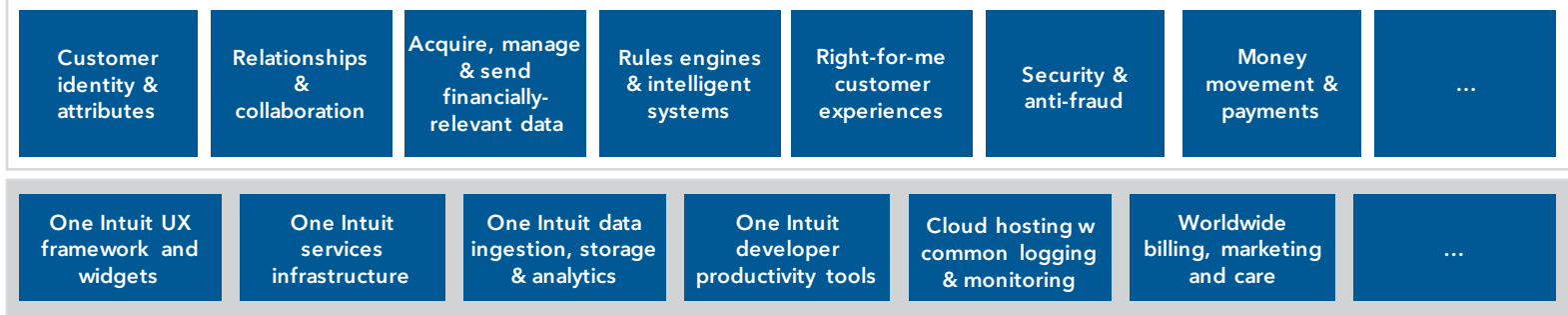
Improving customers' financial lives...



...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



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# Win worldwide with the QBO ecosystem

Sasan Goodarzi





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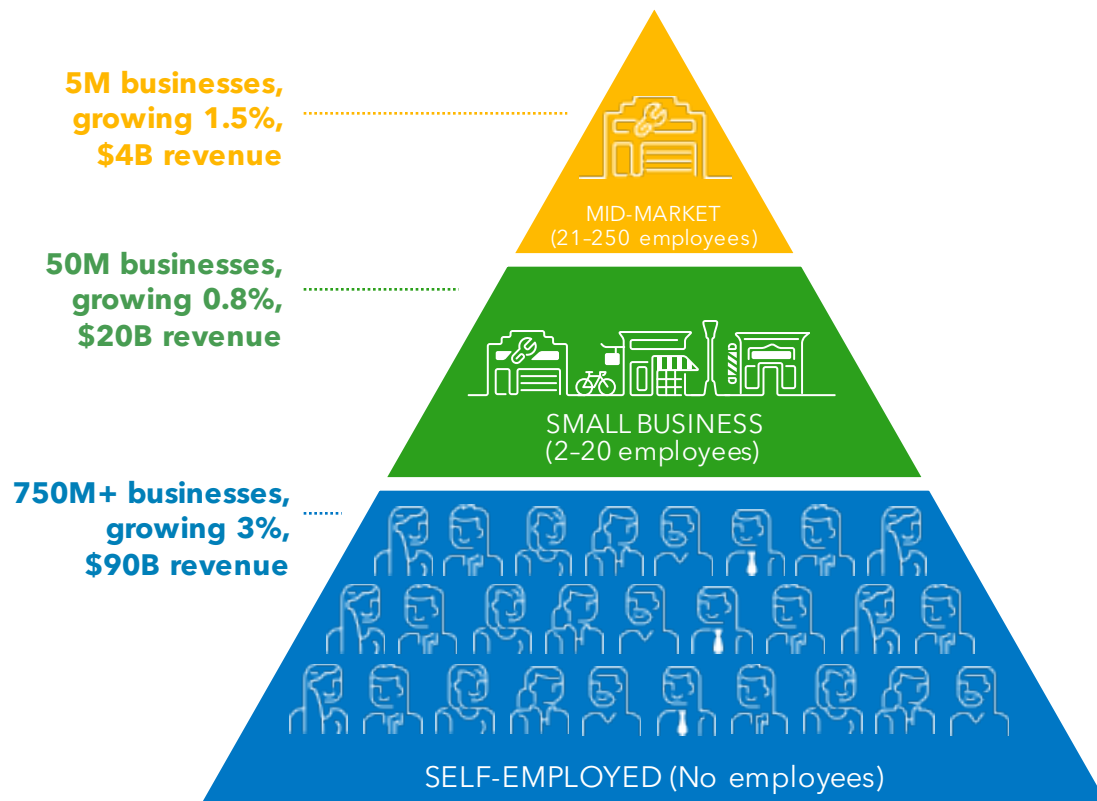
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- Reduce fraud ...Intuit customers & industry
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# Opportunity ahead: Large addressable base of 800M+ businesses



| COUNTRY       | MARKET SIZE  | FY'16 QBO SUBS | QBO SUBS GROWTH |
|---------------|--------------|----------------|-----------------|
| U.S.          | 65M          | 1.2M           | 40%             |
| Canada        | 3M           | 90K            | 36%             |
| U.K.          | 5M           | 71K            | 78%             |
| Australia     | 3M           | 53K            | 61%             |
| Brazil        | 34M          | 16K            | 106%            |
| France        | 4M           | 1K             | NM              |
| India         | 100M+        | 26K            | -19%            |
| Rest of world | 600M         | 31K            | 42%             |
| <b>Total</b>  | <b>800M+</b> | <b>1.5M+</b>   | <b>41%</b>      |

Large opportunity among near-term prospects within the 800M+ overall TAM

# Proven platform & playbook to capture this opportunity

## This year, we achieved 1.5M+ subs

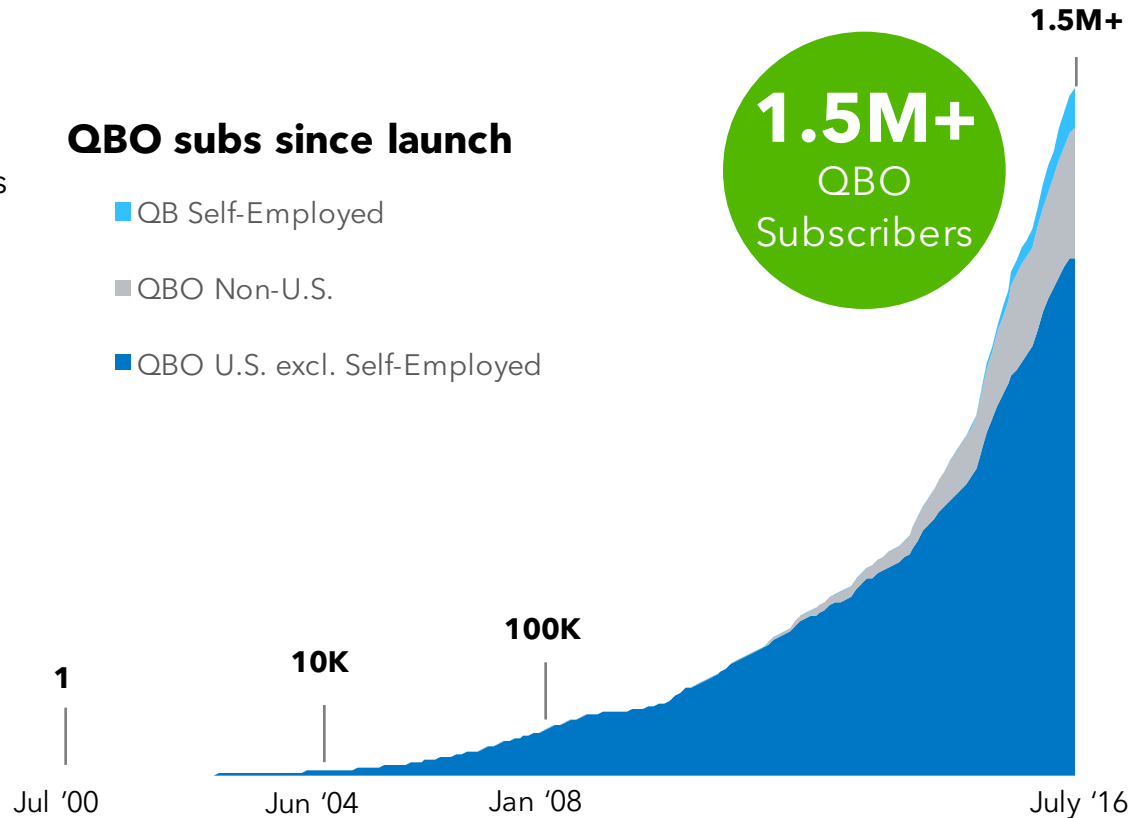
- Took **15 years** to achieve our first million subs
- Took **1 year** to achieve our next 500K subs

## FY'16 growth accelerated by expanding TAM

- **41% growth** in total QBO customers
- **239% growth** in QB Self-Employed
- **45% growth** in Non-U.S. markets
- **34% growth** in QBO U.S. excl. Self-Employed
- **65% of new users** chose QBO over Desktop

## QBO subs since launch

- QB Self-Employed
- QBO Non-U.S.
- QBO U.S. excl. Self-Employed



# Customers: Global needs and how they buy are similar

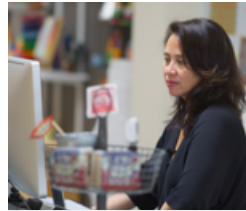
## Customer needs



I want to get customers and make money



I want to manage my cash flow



I want everything organized in one place



I want to know where I stand financially



I want to stay out of trouble



I want to look professional

## Top influencers



Word of mouth



Accountants



Online search

## Customer benefit



Accounting is Done



Improve Cash Flow



Get Important Insights



## Our Mission

**Fuel Small Business Success**  
because when they thrive, we all do



## Our Vision



An Open Platform



Indispensable Connections



Personalized Experiences

# Strategy: How we win

**01.**  
**Win first with Small Businesses, globally**



**03.**  
**Win the hearts of Accountants & become their operating system**



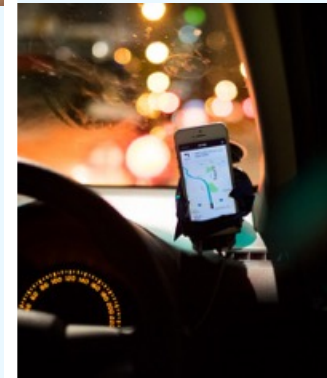
**05.**  
**Accelerate growth with disruptive business models**



**02.**  
**Disrupt with the Self-Employed, mobile first**

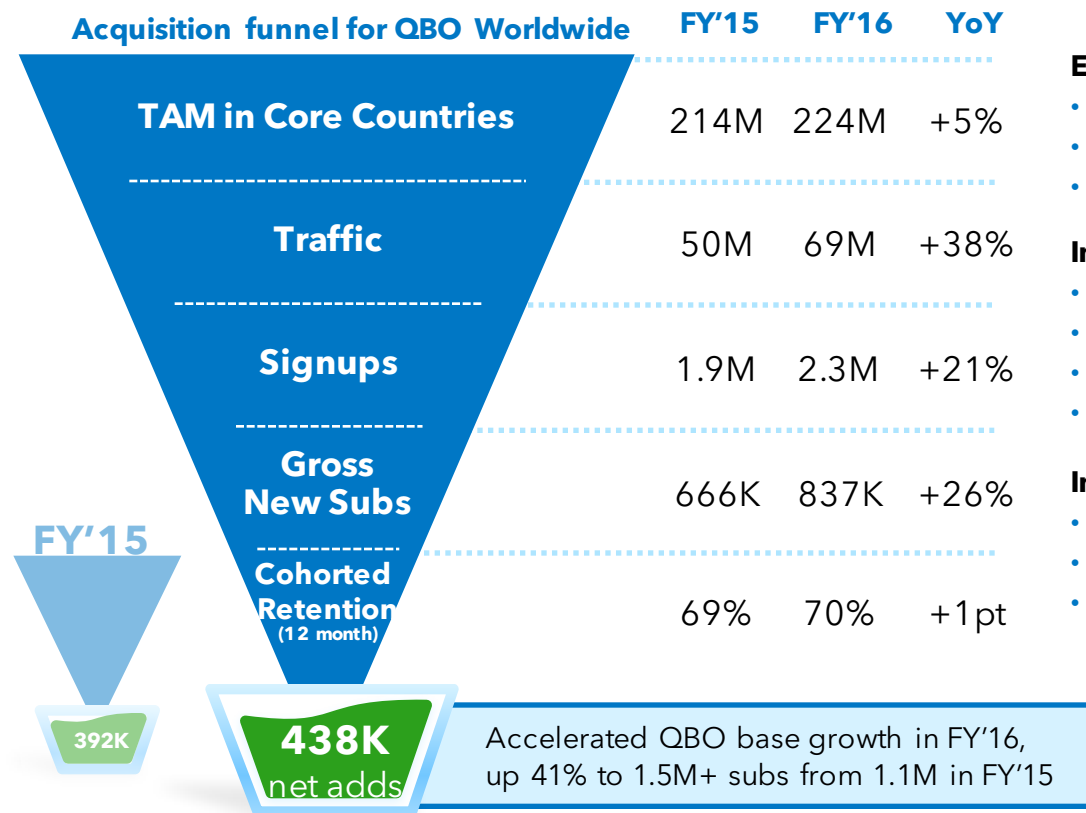


**04.**  
**Deliver data driven automation & personalized experiences**



**06.**  
**Accelerate pace**

# FY'16 Subs growth driven by strength throughout the funnel



## Expand TAM & increase penetration

- Non-U.S. QBO subs grew 45% to 287K
- More to do on product market fit outside U.S.
- Grew Self-Employed 3.4x to 85K

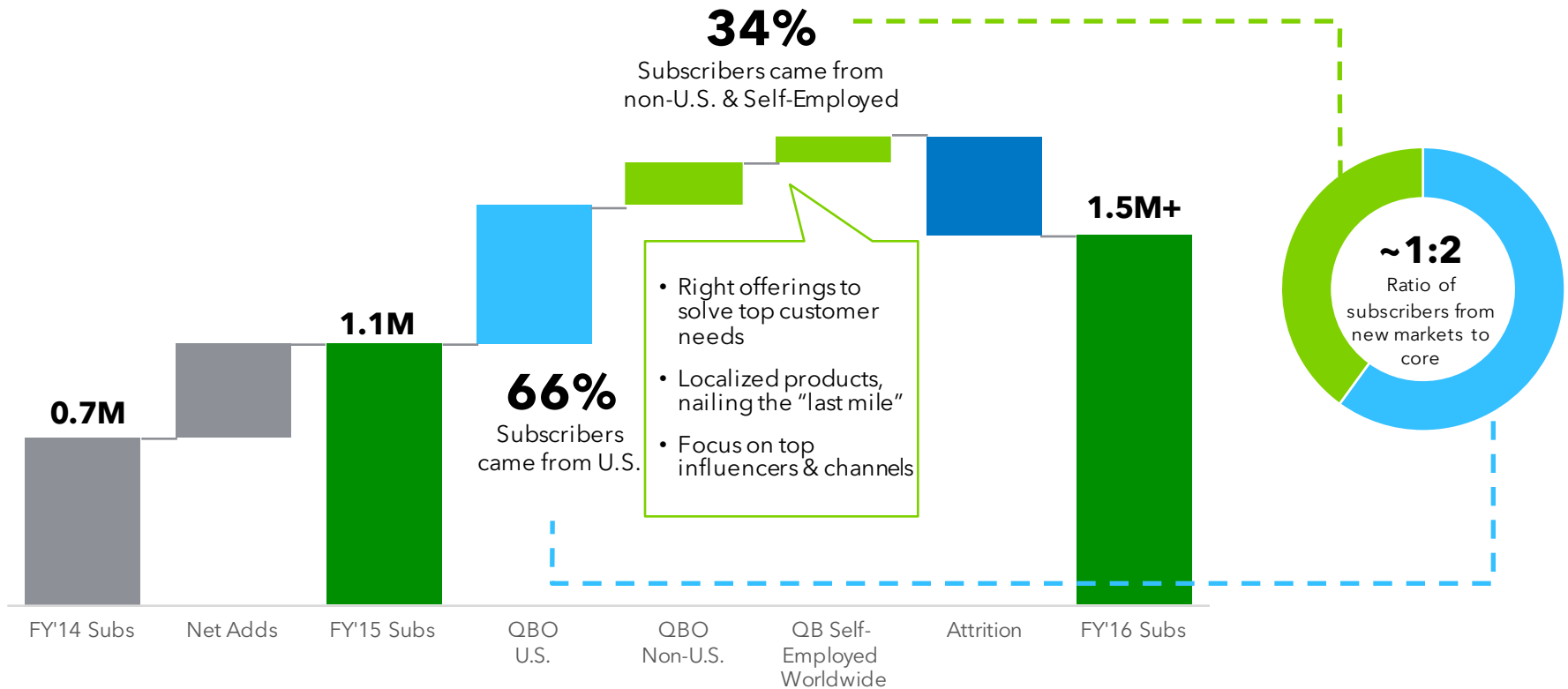
## Improve conversion

- Improved QBO first time use, conversion +1 point
- Integrated Self-Employed with TurboTax, 30% attach
- 640K QBO subs have linked to an accountant
- Opportunity to increase payroll and payments penetration

## Improve customer experience

- Product & platform work improved NPS by 5 points
- Self-Employed launched mileage tracking; app has 4+ stars
- Accountant NPS +14 points with refreshed platform

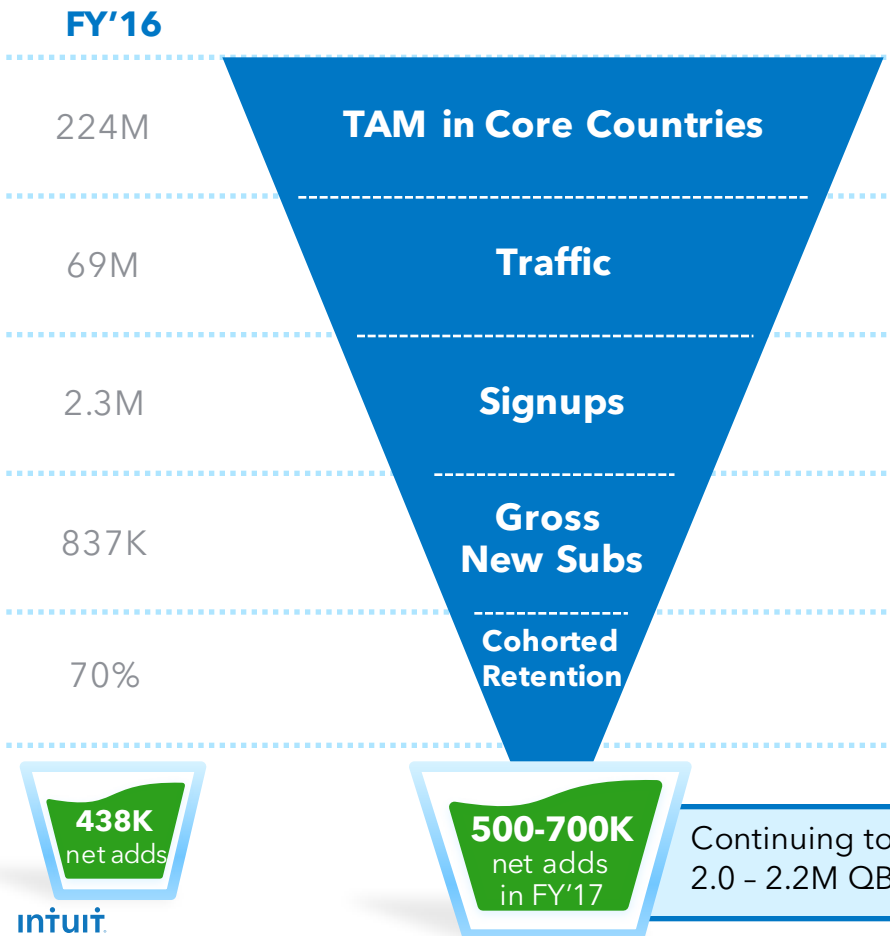
# FY'16 Growth from continued U.S. strength and new markets



U.S. remains a large portion of our growth, new markets are playing an increasing role



# Looking ahead: Plan to accelerate growth in FY'17



## FY'17 Drivers

### Expand TAM & increase penetration

- Scale in existing markets with product localization, expanding ecosystem, brand awareness
- Experiment in new markets for product market fit

### Improve conversion

- Improve promise to first time benefit... drive +5 points in conversion
- Drive ecosystem attach...increasing monetization and retention
- Expand 3<sup>rd</sup> party apps, deeper integration improving retention
- Connect Accountants to Small Business... elegant matchmaking

### Improve customer experience

- Delight with data-driven automation and personalized experiences
- Deliver best-in-class mobile first experiences for Self-Employed
- Accountant offering to integrate Self-Employed

Continuing to accelerate base growth as we reach 2.0 - 2.2M QBO subs in FY'17

## Operating Principles: Clear charter for growth

### Principles

Grow total addressable market

Grow share & customers

Grow revenue



### FY17 Outcomes

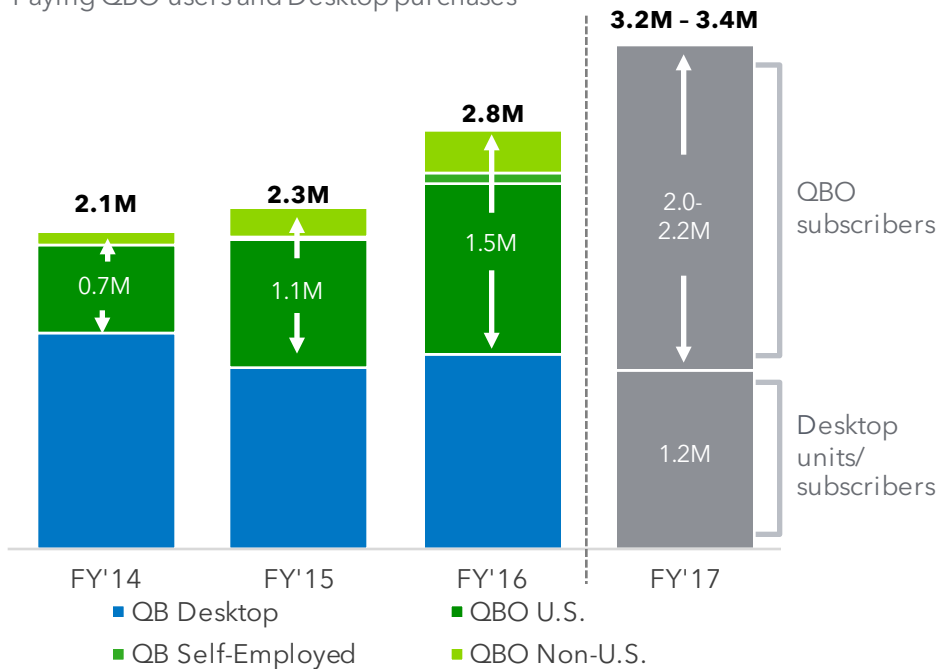
- 2.0 - 2.2M subs
- 25%+ online revenue growth
- 9-11% overall revenue growth

# FY'17 outlook: Online ecosystem driving franchise growth

## Grow to 2.0 - 2.2M online subscribers

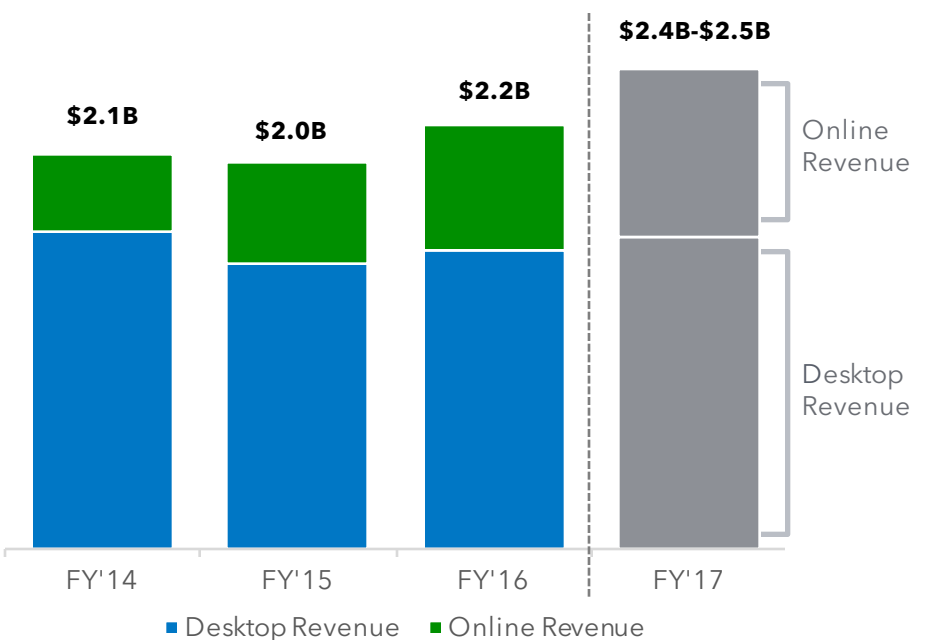
### QB Customer Growth

Paying QBO users and Desktop purchases



## Grow online revenue 25-30%

### Small Business Revenue



Our business continues to evolve, growth being driven by our QBO ecosystem

## Long-term growth drivers

| One point of growth in these key drivers ...       | Yields revenue growth of ... | Multi-year range |
|----------------------------------------------------|------------------------------|------------------|
| Number of addressable SMBs                         | ~1%                          | 1 - 2%           |
| Accounting software consumption                    | ~4%                          | 4 - 6%           |
| QuickBooks share                                   | ~3%                          | 1 - 2%           |
| QuickBooks ARPC (Attach, Price, Mix)               | ~1%                          | 4 - 5%           |
| <b>Implied Small Business Rev Growth: 10 - 15%</b> |                              |                  |

Continuing focus on customer growth in FY'17, while delivering 9% to 11% revenue growth

# Win with Accountants Who Fuel Small Business Success

CeCe Morken





**To improve our customers' financial lives so profoundly... they can't imagine going back to the old way**

**Mission**

**Integrity Without Compromise**

**We Care & Give Back**

**Values**

Be Bold

Be Passionate

Be Decisive

Learn Fast

Win Together

Deliver Awesome

**True North Goals**

**Employees**

Create an environment where the world's top talent can do the best work of their lives

**Customers**

Delight customers more than rivals in ways that matter most

**Partners**

Delight partners who add value to the ecosystem

**Shareholders**

Inspire confidence in our long term growth, leading to a higher stock price

**Strategy**

**Be the Operating System Behind SMB Success**

**Do the Nations' Taxes**

Delivering Awesome Product Experiences

Enabling the Contributions of Others - "Network Effect Platforms"

Using Data to Create Delight

**Priorities**

**Win worldwide with QBO Ecosystem**

**Win with accountants who fuel SMB success**

**Win with TurboTax Online and Mobile**

**Technology to accelerate growth**

**Data-driven intelligent systems**

**Industry-wide security leadership**

**Metrics**

- Deliver customer benefit
- Grow TAM and share vs. rivals
- Grow customers
- Increase attach
- Improve QBO ecosystem NPS vs. rivals (NTTF, Accountants)

- Deliver the customer benefit
- Accelerate growth in # of multi-service firms
- Accelerate growth in QBO+3
- Increase NPS vs rivals
  - QBOA
  - Multi-service firms
  - Online Tax

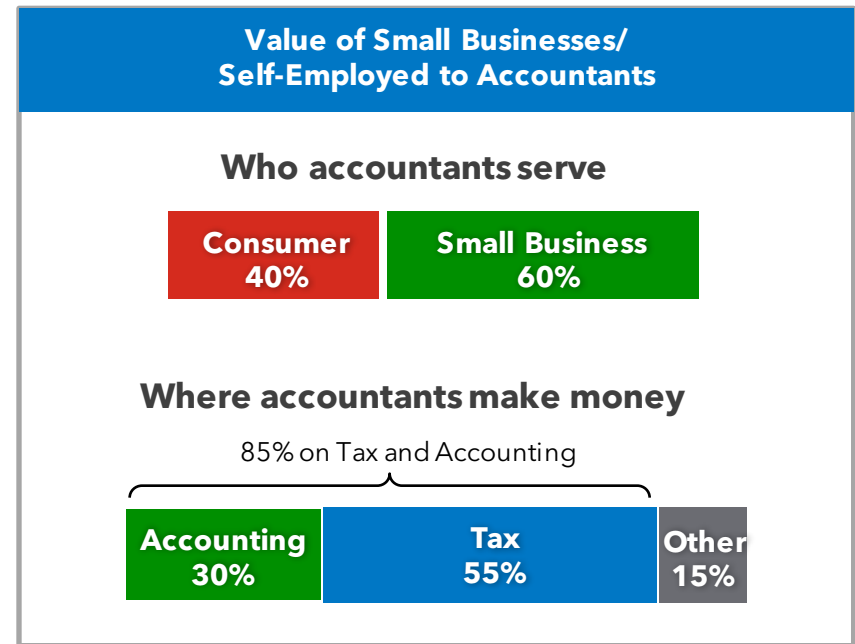
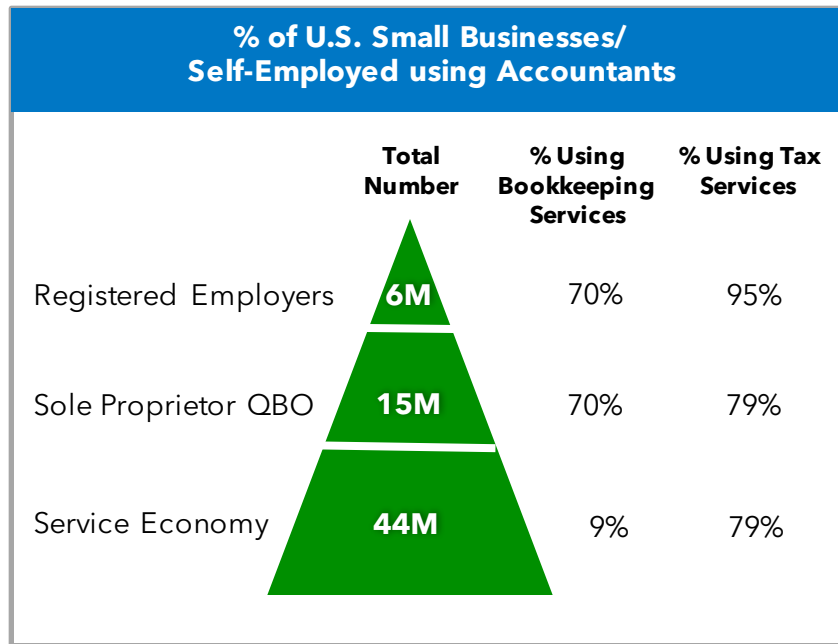
- Deliver the customer benefit
- Grow DIY category vs. assisted methods
- Grow online/mobile share vs. rivals
- Improve conversion
- Increase TTO NPS vs. rivals

- Increase adoption of and % ready-to-consume strategic services
- Reduce downtime minutes & failed customer interactions
- Reduce contact rate
- Reduce developer release cycle time
- Increase % of developers & agents on common (fewer) tools

- Increase % availability of prioritized data sources (business reporting)
- Reduce time-to-insight
- Improve conversion with personalized experiences
  - TTO
  - QBO

- Reduce fraud ...Intuit customers & industry
- Uphold Intuit trust rating

# Small businesses and accountants depend on each other

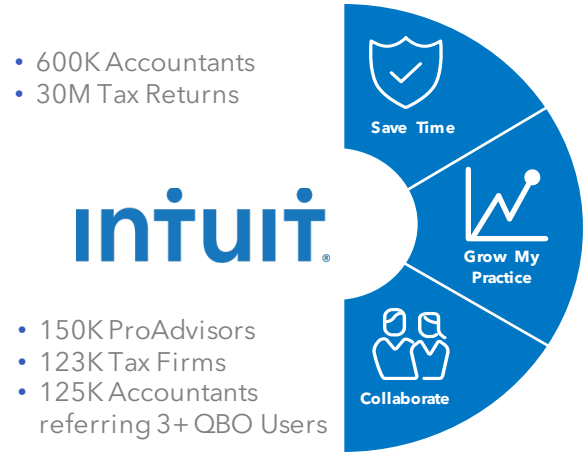
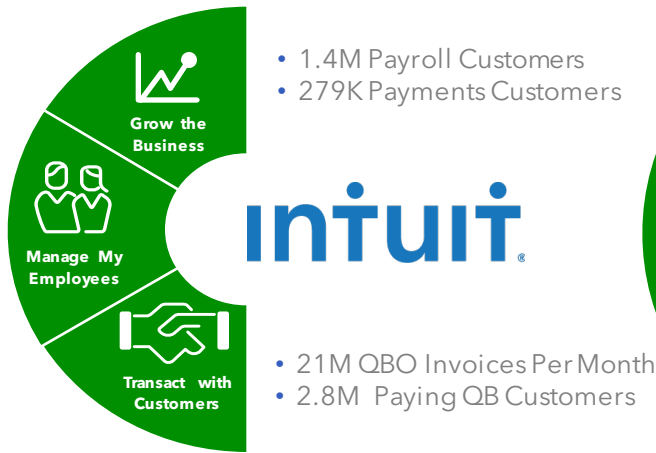


89% of small businesses say they are more successful when they work with an accountant

# Intuit's role is central to their relationship success

**QuickBooks Ecosystem for Small Business**  
2.8M paying QuickBooks Users

**Connected to our Accountant Network**  
> 600K Accountants worldwide

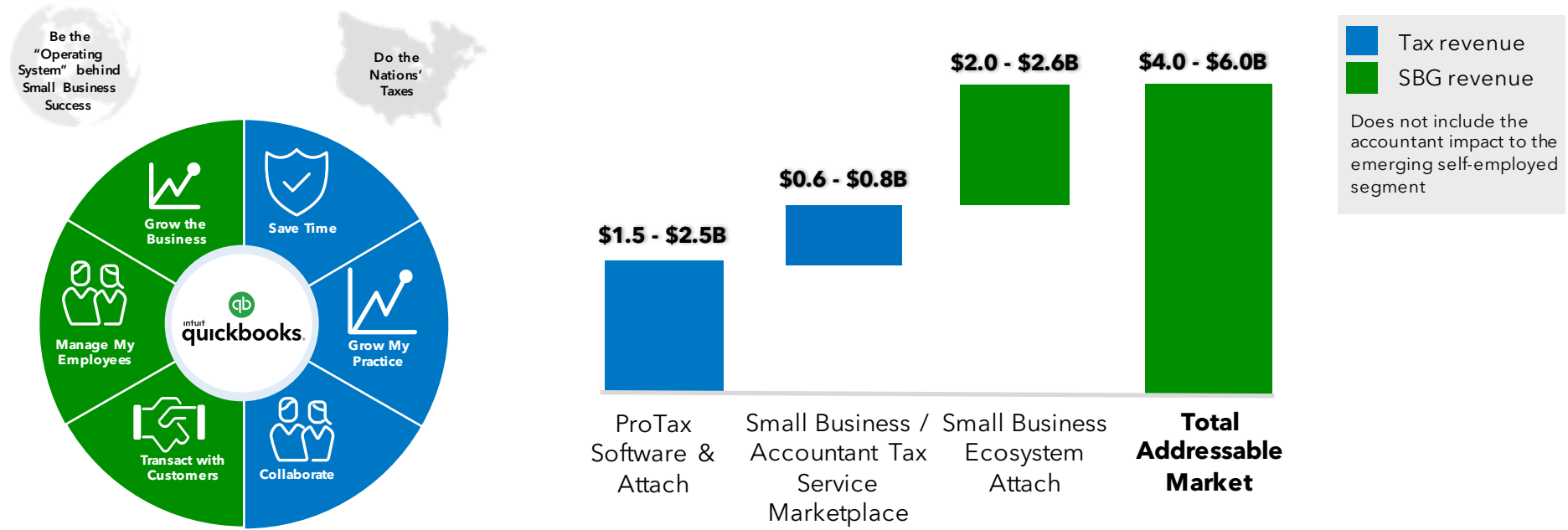


Intuit's end-to-end solutions drive share across tax and accounting today



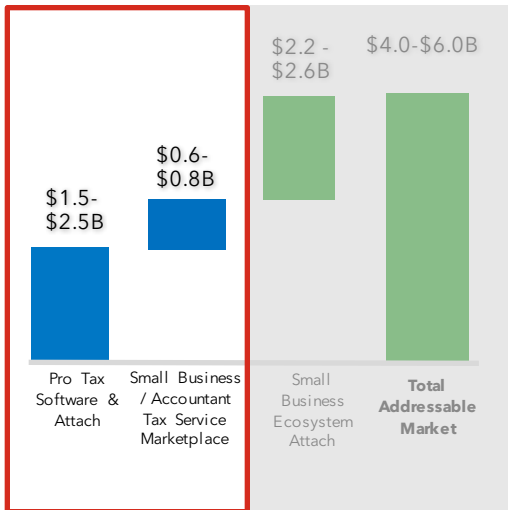
# Accountants are central to both of Intuit's growth strategies

**\$4 - \$6B US opportunity across Professional Tax and the Small Business Ecosystem**



\$1.2B of Intuit's current revenue is associated with the impact of an accountant

# Professional tax is a solid business on its own...



## Today's Professional Tax Metrics

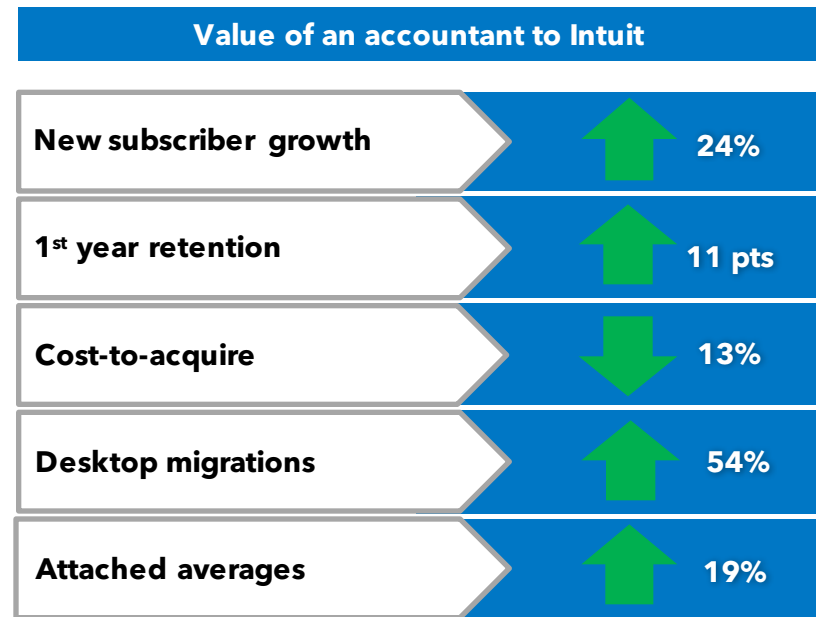
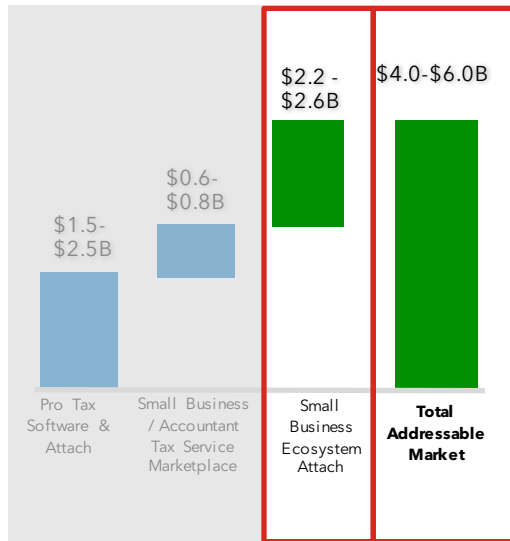
- Majority share 30%
- Consistent customer growth +1%
- Growing tax return volume
- High retention rates mid-90s
- Highly profitable
- 4M SMB and 3M SE tax returns
- Slow growth segment
- Pricing pressure

## Levers to Accelerate Growth

- ✓ Targeting multi-service firms
- ✓ One place for tax and accounting
- ✓ Strategically reduced price increases
- ✓ Cross-sell the 7M SMBs and SEs in our base

# ...And, accountants drive even more value for the ecosystem

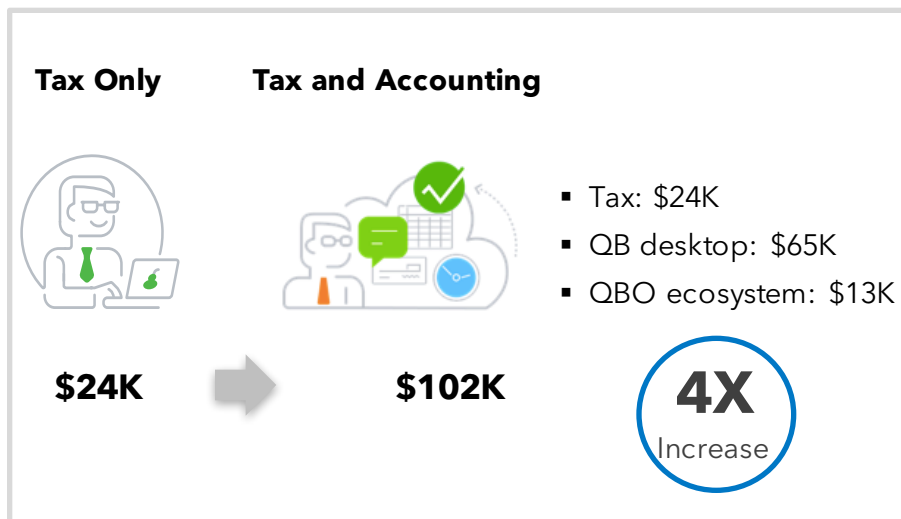
Be the  
"Operating  
System" behind  
Small Business  
Success



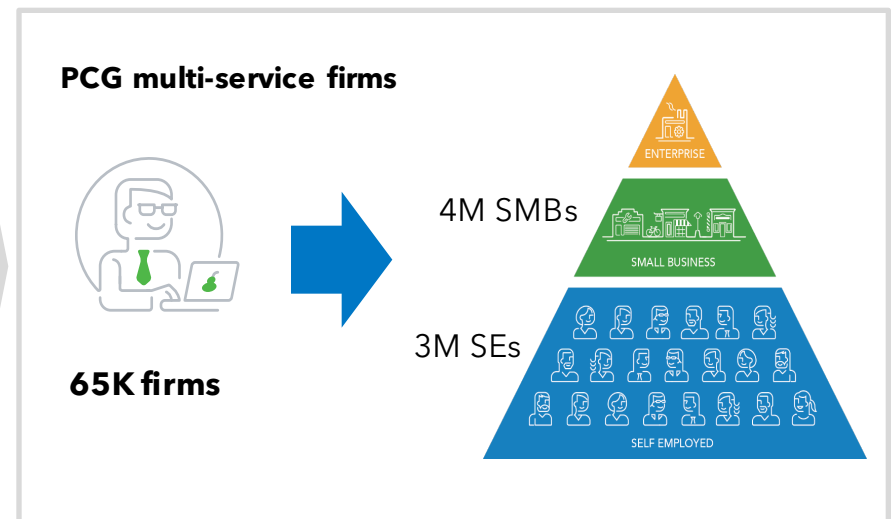
When we bring tax and accounting together, we have a significant opportunity

# A tale of the ecosystem potential

## An example of accountant ecosystem expansion

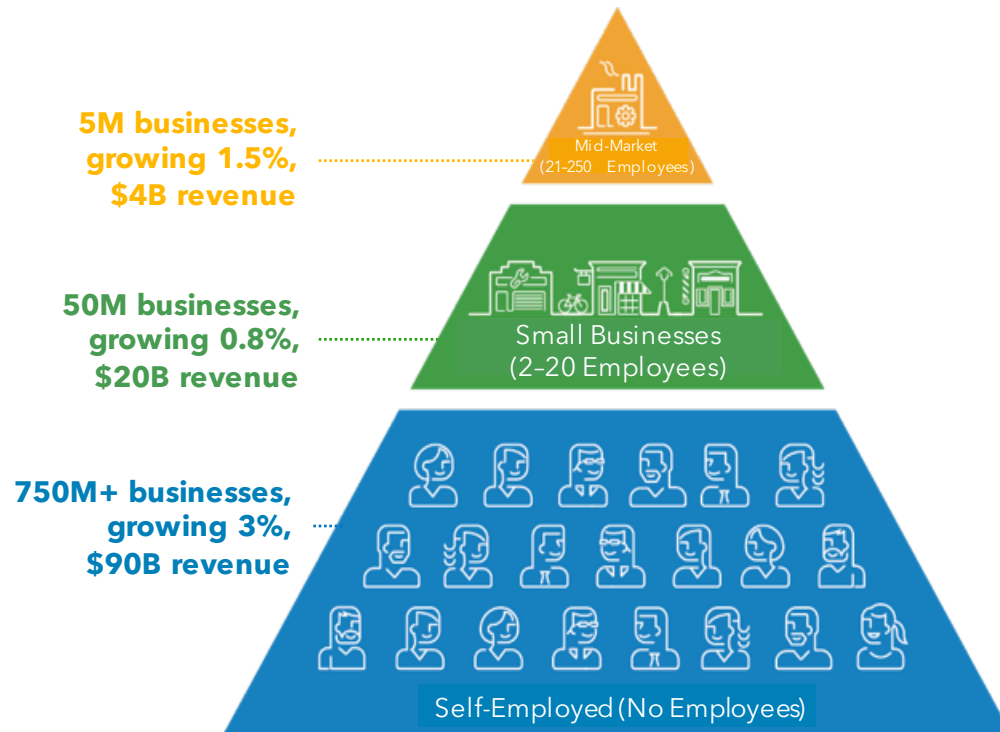


## \$0.4B-\$1B ecosystem opportunity in the existing PCG base



The PCG customer base is a large opportunity for the small business ecosystem

# Opportunity ahead: Large addressable base of 800M+ businesses



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| U.S.          | 65M          | 1.2M           | 40%             |
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| <b>Total</b>  | <b>800M+</b> | <b>1.5M+</b>   | <b>41%</b>      |




**350K accountants have linked to 640K QBO clients**

Accountants are central to small businesses and the self-employed worldwide

# We start by solving the key accountant pain points




## Small Businesses & Self Employed



-  Accounting and Tax are done
-  Get important insights
-  Improve cash flow



## Accountants



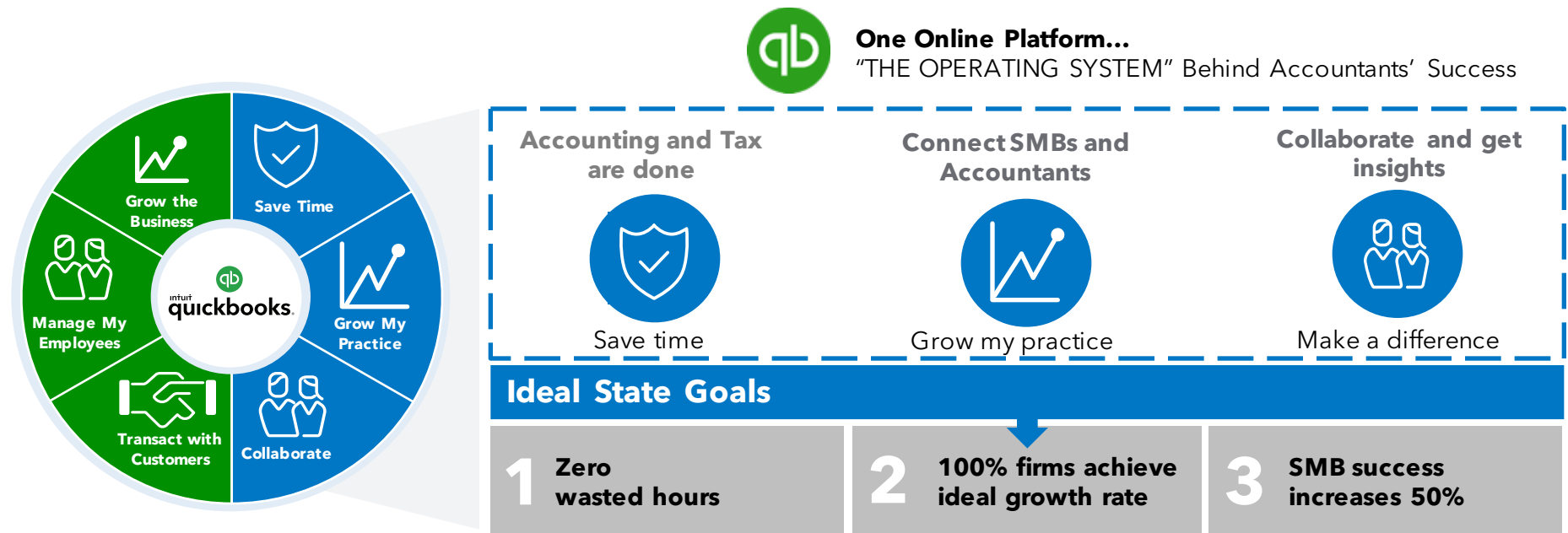
- Save time  **6B** Wasted hours
- Grow my practice  **70M** Competitor returns
- Make a difference  **50%** SMBs fail within 5 yrs

## Developers



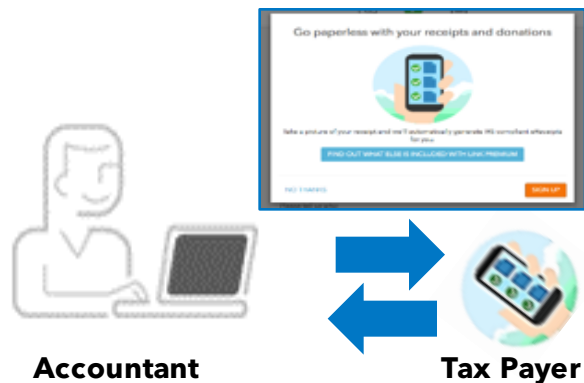
-  Grow my business
-  Deliver awesome experiences quickly

# Strategy: A single operating system behind accountant success



# Accounting and Tax are done: Effortless data collection and entry

## Effortless data collection and entry



**Accountant**

**Tax Payer**

Intelligent and personalized data collection and collaboration between accountants and their clients

## FY'17 success metrics

- ✓ **40%** of all data entry automated
- ✓ **50%** time savings for accountants
- ✓ **+32** Net Promoter Score
- ✓ **> 20%** accountant adoption
- ✓ **>100K** taxpayers

**"If this is where you are going with data, then this is where I need to be."**

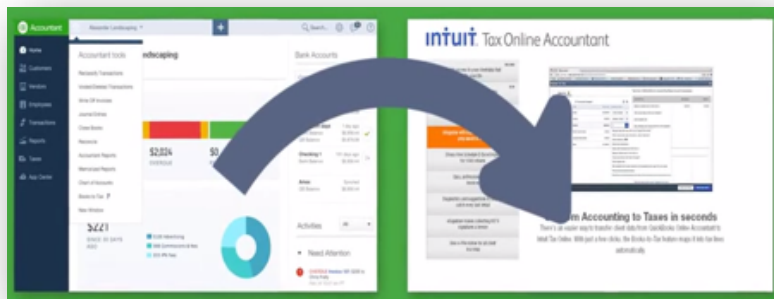
Accountant Quote

Impact: Saves 24M hours and reduces tax preparation by 1M days



# Accounting and Tax are done: Unified workflows

## Unified workflows- desktop and online



**1.5M QBO**  
**3.3M QB desktop**

**>100K tax firms**  
**4M SMB tax returns**  
**3M self-employed returns**

Everything works together across tax and accounting...desktop and online

## FY'17 success metrics

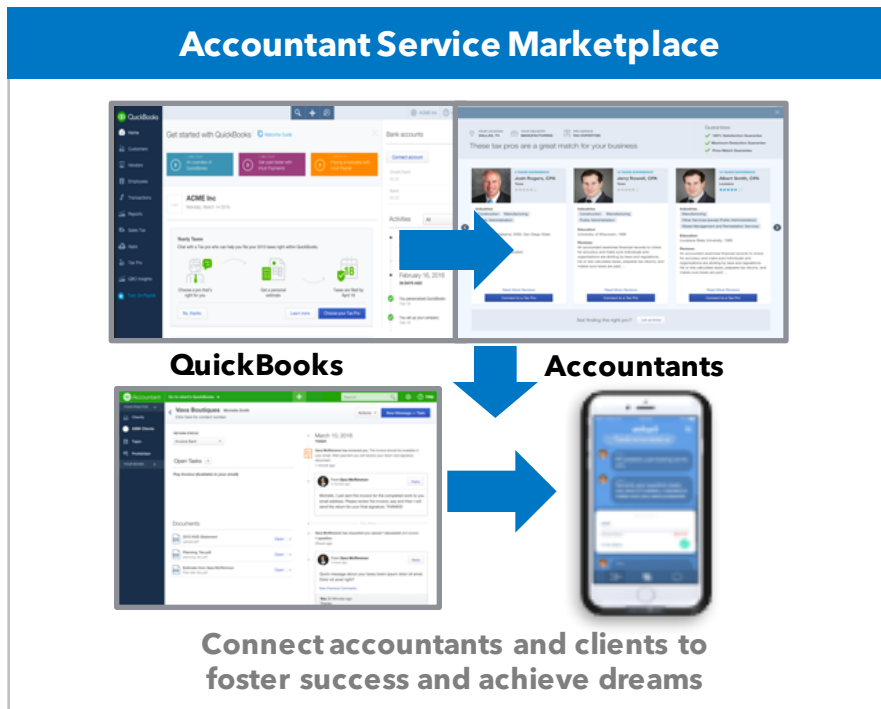
- ✓ **40%** end-to-end time savings
- ✓ **20%+** increase in QBOA +3 adoption
- ✓ **20%+** increase in online tax users
- ✓ **+48** multi-service firm Net Promoter Score (NPS)

**"You have accessed both my clients tax and accounting... this just saved me 2 hours on each business return."**

Accountant Quote

Impact: Saves 8M hours across our current customer base

# Connect SMBs and Accountants: Accountant Service Marketplace



## FY'17 success metrics

- ✓ **100K+** connections per year
- ✓ **\$20K** per firm in new revenue **+54%**
- ✓ **80+** Small Business NPS
- ✓ **30+** Accountant NPS

**"Find a ProAdvisor is my primary source for new business clients"**

Accountant Quote

Growing the accountant's practice...so they can make a difference helping small businesses

# Collaborate and Get Insights: Improve small business success

## The Pain



**50%** SMBs fail within 5 yrs



How much inventory do I need?



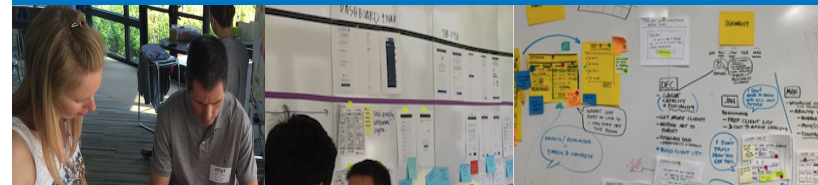
Am I paying too much for supplies?



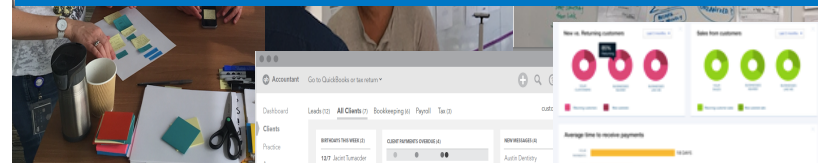
Should I take on credit?

**Accountants as the trusted advisor to help small businesses succeed**

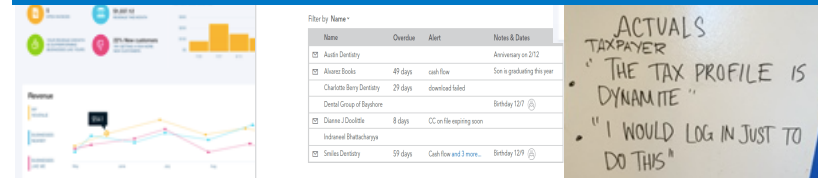
## Experiments inform our decisions...



**designed with accountants and their clients...**

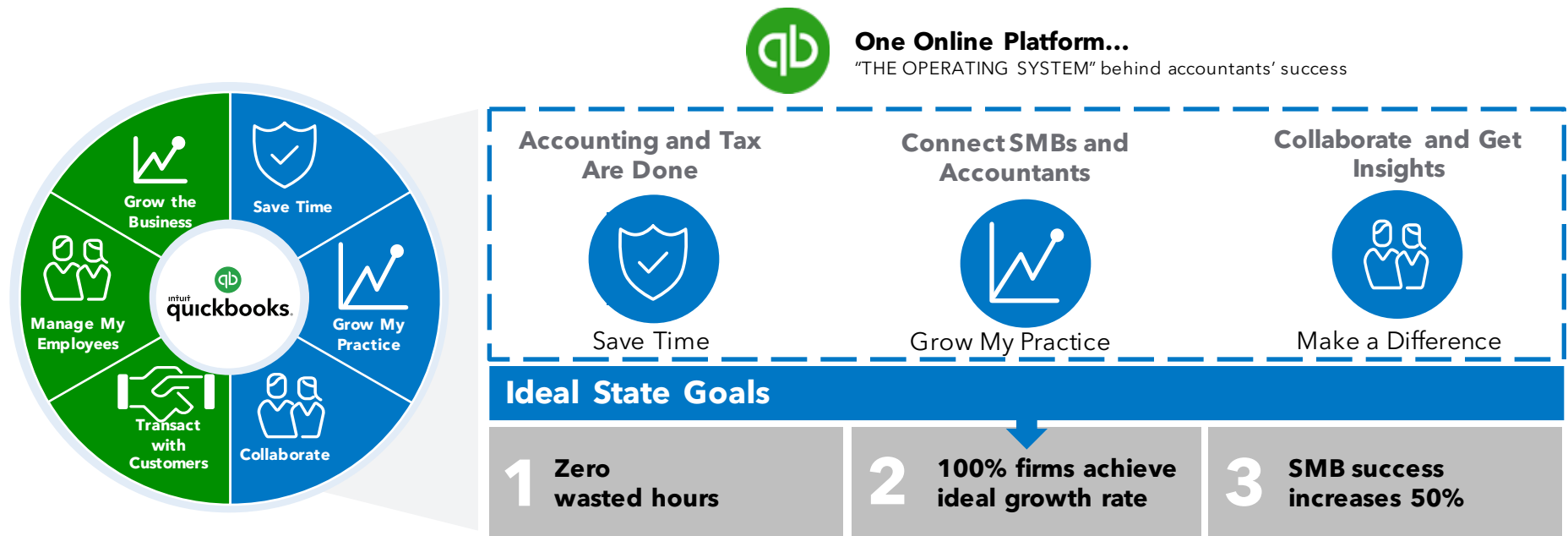


**To turn ecosystem data into insights...**



**Ideal State: Improve small business success by 50%**

# Strategy: Operating system behind accountant success



**The Place** where accountants and their clients work, grow and collaborate

# Long-term growth drivers

| <b>Professional Tax:</b><br>One point of growth in these drivers... | <b>Yields revenue growth of ...</b> | <b>Multi-year range</b> |
|---------------------------------------------------------------------|-------------------------------------|-------------------------|
| # of addressable accts.                                             | ~.5                                 | 0 - .5%                 |
| Intuit share of accts.                                              | ~1.5%                               | 2 - 3%                  |
| Attach and new services                                             | ~1%                                 | 1 - 2%                  |
| Price and mix decline                                               | ~(4%)                               | (4 - 3%)                |
| <b>Implied ProConnect revenue growth<br/>Flat to 3%</b>             |                                     |                         |



| <b>SBG Ecosystem:</b><br>Accountant influenced drivers...                     | <b>Current</b> | <b>Long-term objective</b>  |
|-------------------------------------------------------------------------------|----------------|-----------------------------|
| # of QBOA accts.                                                              | 600K           | Expand global acct. base    |
| # of QBOA+3 QBO clients                                                       | 125K           | Drive QBO adoption          |
| # of QBO clients have linked to an acct.                                      | 640K           | Connect more SMBs to accts. |
| <b>Helping drive online small business ecosystem revenue growth of 25-30%</b> |                |                             |



PCG revenue down slightly in FY'17 as we shift our monetization strategy to the larger ecosystem opportunity

# Win with TurboTax online and mobile

Dan Wernikoff





**To improve our customers' financial lives so profoundly... they can't imagine going back to the old way**

**Mission**

**Integrity Without Compromise**

**We Care & Give Back**

**Values**

- |         |               |             |            |              |                 |
|---------|---------------|-------------|------------|--------------|-----------------|
| Be Bold | Be Passionate | Be Decisive | Learn Fast | Win Together | Deliver Awesome |
|---------|---------------|-------------|------------|--------------|-----------------|

**True North Goals**

**Employees**

**Customers**

**Partners**

**Shareholders**

|                                                                                        |                                                             |                                                 |                                                                             |
|----------------------------------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------|-----------------------------------------------------------------------------|
| Create an environment where the world's top talent can do the best work of their lives | Delight customers more than rivals in ways that matter most | Delight partners who add value to the ecosystem | Inspire confidence in our long term growth, leading to a higher stock price |
|----------------------------------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------|-----------------------------------------------------------------------------|

**Strategy**

**Be the Operating System Behind SMB Success**

**Do the Nations' Taxes**

|                                        |                                                                   |                              |
|----------------------------------------|-------------------------------------------------------------------|------------------------------|
| Delivering Awesome Product Experiences | Enabling the Contributions of Others - "Network Effect Platforms" | Using Data to Create Delight |
|----------------------------------------|-------------------------------------------------------------------|------------------------------|

**Priorities**

- |                                         |                                                  |                                            |                                        |                                        |                                          |
|-----------------------------------------|--------------------------------------------------|--------------------------------------------|----------------------------------------|----------------------------------------|------------------------------------------|
| <b>Win worldwide with QBO Ecosystem</b> | <b>Win with accountants who fuel SMB success</b> | <b>Win with TurboTax Online and Mobile</b> | <b>Technology to accelerate growth</b> | <b>Data-driven intelligent systems</b> | <b>Industry-wide security leadership</b> |
|-----------------------------------------|--------------------------------------------------|--------------------------------------------|----------------------------------------|----------------------------------------|------------------------------------------|

**Metrics**

- |                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                        |                                                                                                                                       |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>Deliver customer benefit</li> <li>Grow TAM and share vs. rivals</li> <li>Grow customers</li> <li>Increase attach</li> <li>Improve QBO ecosystem NPS vs. rivals (NTTF, Accountants)</li> </ul> | <ul style="list-style-type: none"> <li>Deliver the customer benefit</li> <li>Accelerate growth in # of multi-service firms</li> <li>Accelerate growth in QBO+3</li> <li>Increase NPS vs rivals               <ul style="list-style-type: none"> <li>QBOA</li> <li>Multi-service firms</li> <li>Online Tax</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>Deliver the customer benefit</li> <li>Grow DIY category vs. assisted methods</li> <li>Grow online/mobile share vs. rivals</li> <li>Improve conversion</li> <li>Increase TTO NPS vs. rivals</li> </ul> | <ul style="list-style-type: none"> <li>Increase adoption of and % ready-to-consume strategic services</li> <li>Reduce downtime minutes &amp; failed customer interactions</li> <li>Reduce contact rate</li> <li>Reduce developer release cycle time</li> <li>Increase % of developers &amp; agents on common (fewer) tools</li> </ul> | <ul style="list-style-type: none"> <li>Increase % availability of prioritized data sources (business reporting)</li> <li>Reduce time-to-insight</li> <li>Improve conversion with personalized experiences               <ul style="list-style-type: none"> <li>TTO</li> <li>QBO</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>Reduce fraud ...Intuit customers &amp; industry</li> <li>Uphold Intuit trust rating</li> </ul> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|

Vision

# MAKE TAX PREP OBSOLETE

**6B hrs**

saved

**178M**

accurate returns

**\$350B**

refunds





# STRATEGY

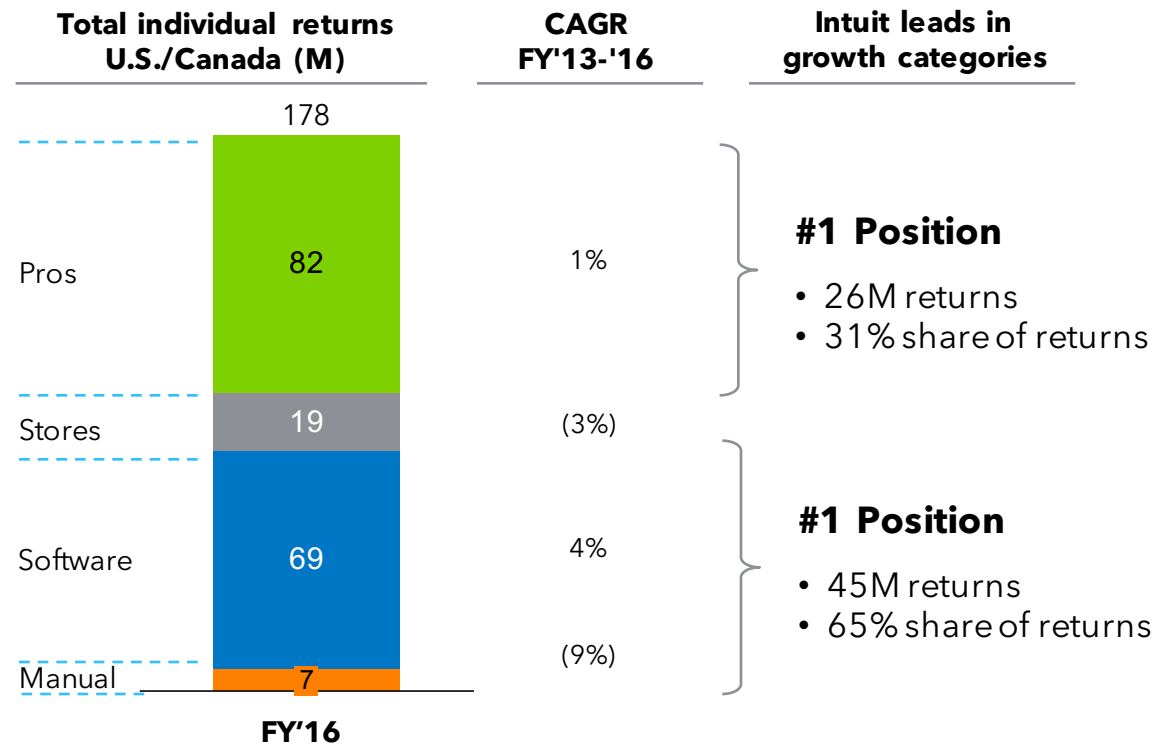
**TAXES**  
— ARE —  
**DONE**

- 100% Confidence
- Effortless

**MORE**  
—  
**MONEY**

- Every penny I deserve
- Beyond the tax refund

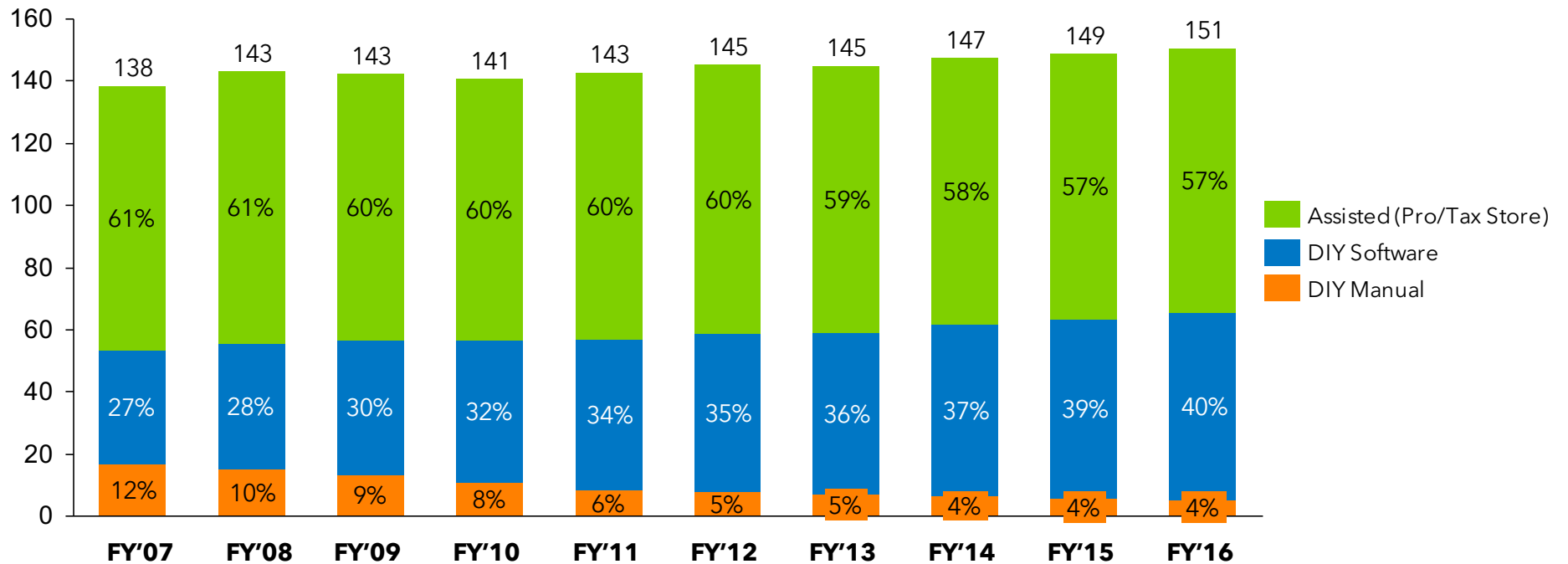
# Well-positioned: Processing ~40% of all individual tax returns



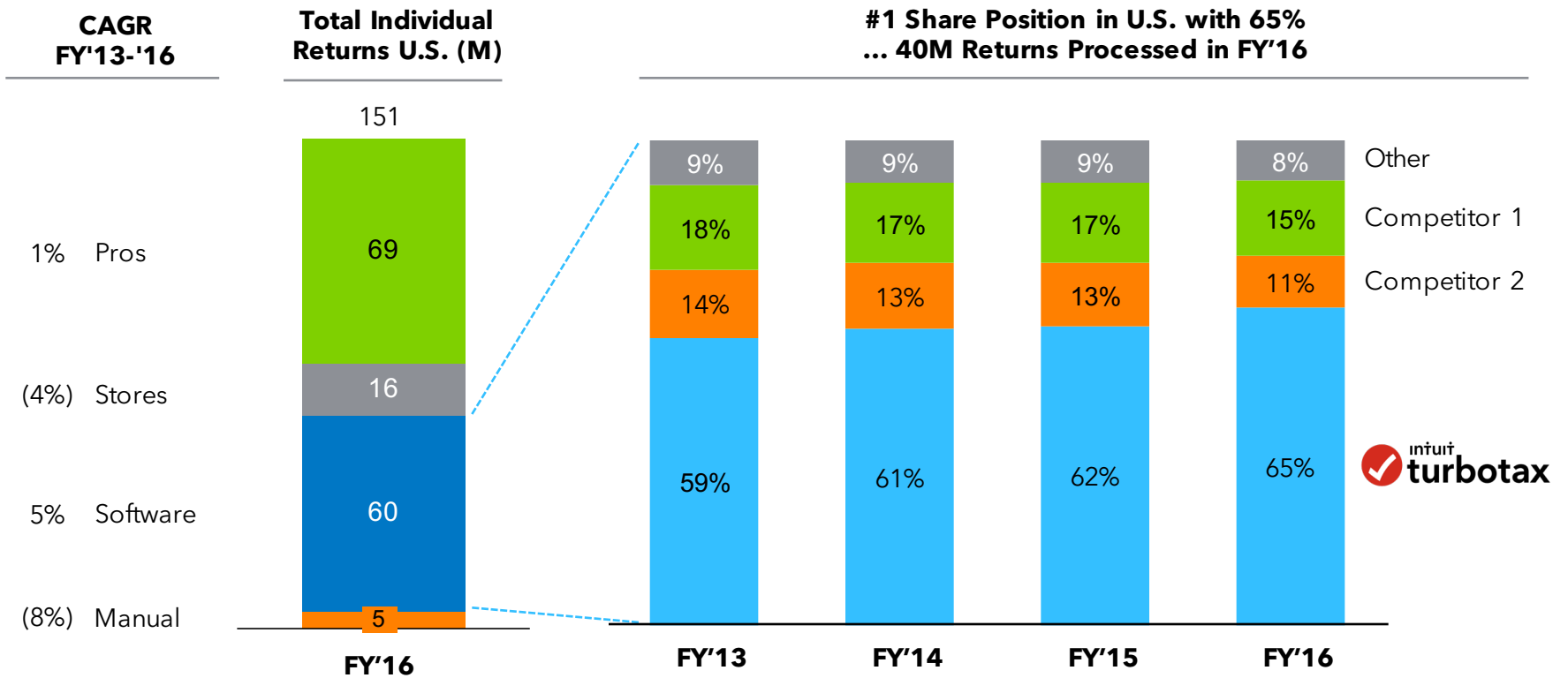
#1 Position in the two growing categories of the tax prep market, DIY and Pros

# Well-positioned: DIY software category continues to expand

Returns (M)  
U.S. Only

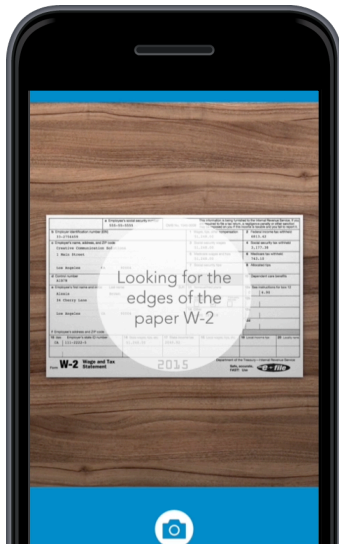


# Well-positioned: Our share of DIY continues to expand

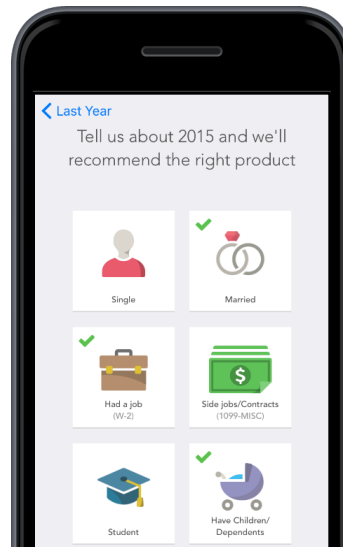


# FY'16 was a year of continued innovation

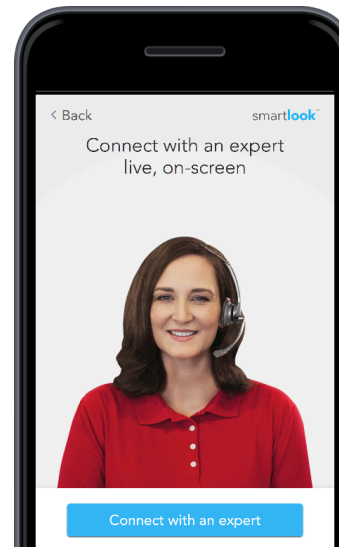
## Data capture



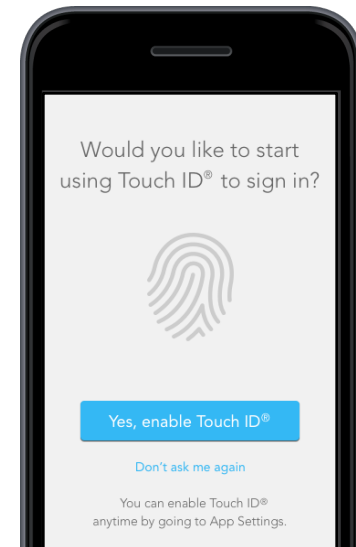
## Personalization



## On-demand help



## Built-in security



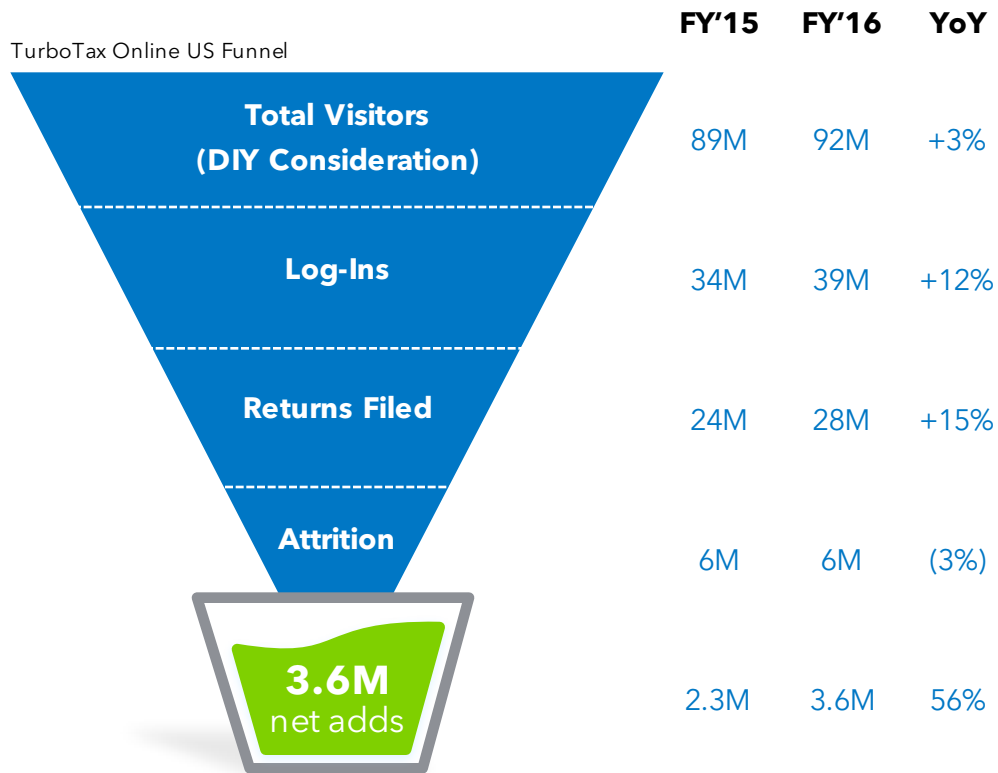
- W2 Import grew nearly 30% while OCR volume increased nearly 4x, saving users over 340M fields of data entry
- 43M help interactions, clear leadership in video help (SmartLook™) and user contribution (AnswerXchange)
- 20 security features introduced driving a significant reduction in fraud, while maintaining best-in-class ease of use

# Breakthrough go-to-market campaign



- Multiple years of attacking fear and doubt by showcasing the product innovations
- Drove consumer consideration through TV (175 index YOY) and commercial innovation with Absolute Zero
- Continued improvements in value-driven monetization in the free base of TurboTax customers

# Strong performance, but opportunities to improve



## Expanded top of funnel and improved overall conversion

- Total TurboTax Online net customer adds up 56%
- New and Free segments both growing +21%
- Overall conversion >70% (> 1 pt improvement YOY)
- Retention rate >75% (> 1 pt improvement YOY)

## Opportunities

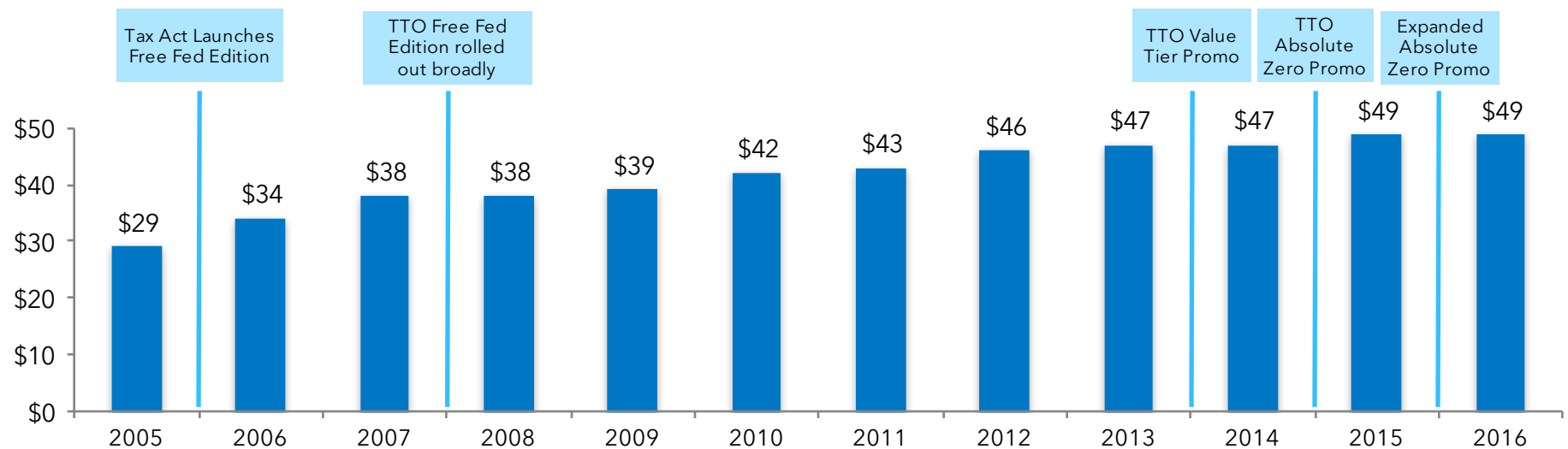
- Expand consideration beyond just DIY
- Improve new (first year) conversion rate
- Improve Free retention rate

## Our approach

- Solidify brand trust given industry related security concerns
- Reassure 'Max Refund' as the benefit
- Explain how software delivers accurate returns
- Communicate our value

# Maintaining ARPC through business model transformation

**Average Revenue Per U.S. TurboTax Return**



- Continuing to drive share through free while maintaining or improving revenue per customer
- As we build a large free customer base, we need to continue to add incremental value that they'll pay for
- Nearly 50M simple returns still using alternative providers in DIY or methods such as an assisted experience



# Still significant room for growth



## CORE OPPORTUNITIES

### Extend our Lead in DIY Tax Prep

Grow DIY category through innovation

**Goal:** Improve conversion, retention, & value per customer

### Transform the Assisted Tax Prep Category

Leverage tech to enable a new assisted experiences

**Goal:** Win with expert seekers including the growing Self Employed

### Evolve from Consumer App to Platform

Create a consumer finance platform and destination

**Goal:** Provide access to financial services in order to help save money

## 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:** Make tax prep obsolete beyond North America

# Our track record with assisted customers is mixed

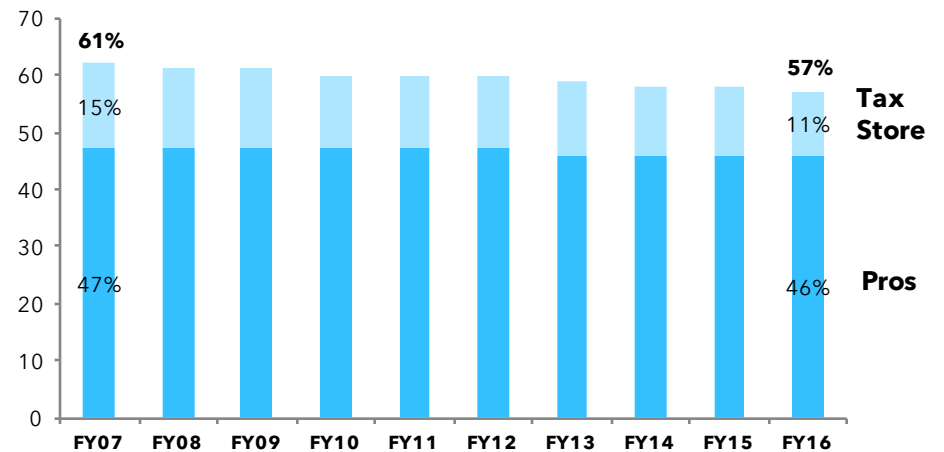
## DIY category growth outpacing all others

Still many simple filers not willing to try it

|                             | COMPLEX | SIMPLE | TOTALS | 5-YEAR TREND                                                                                |
|-----------------------------|---------|--------|--------|---------------------------------------------------------------------------------------------|
| <b>Tax Store</b><br>NPS: 42 | 8M      | 8M     | 16M    |  -4% CAGR  |
| <b>Pros</b><br>NPS: 39      | 46M     | 23M    | 69M    |  +0% CAGR  |
| <b>DIY</b><br>NPS: 49       | 26M     | 34M    | 60M    |  +5% CAGR  |
| <b>Manual</b><br>NPS: (45)  | 2M      | 3M     | 5M     |  -9% CAGR |

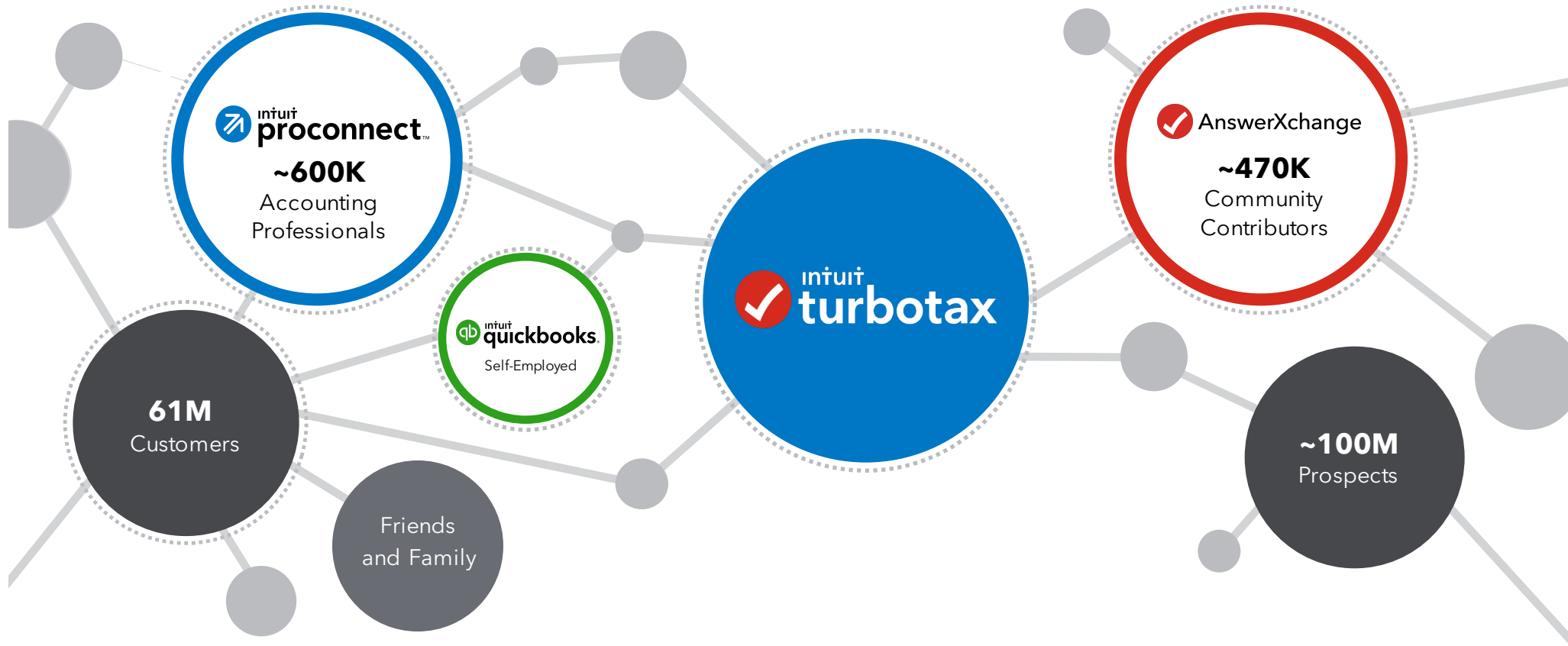
## Strong progress disrupting tax stores

Opportunities to reimagine the Pro experience

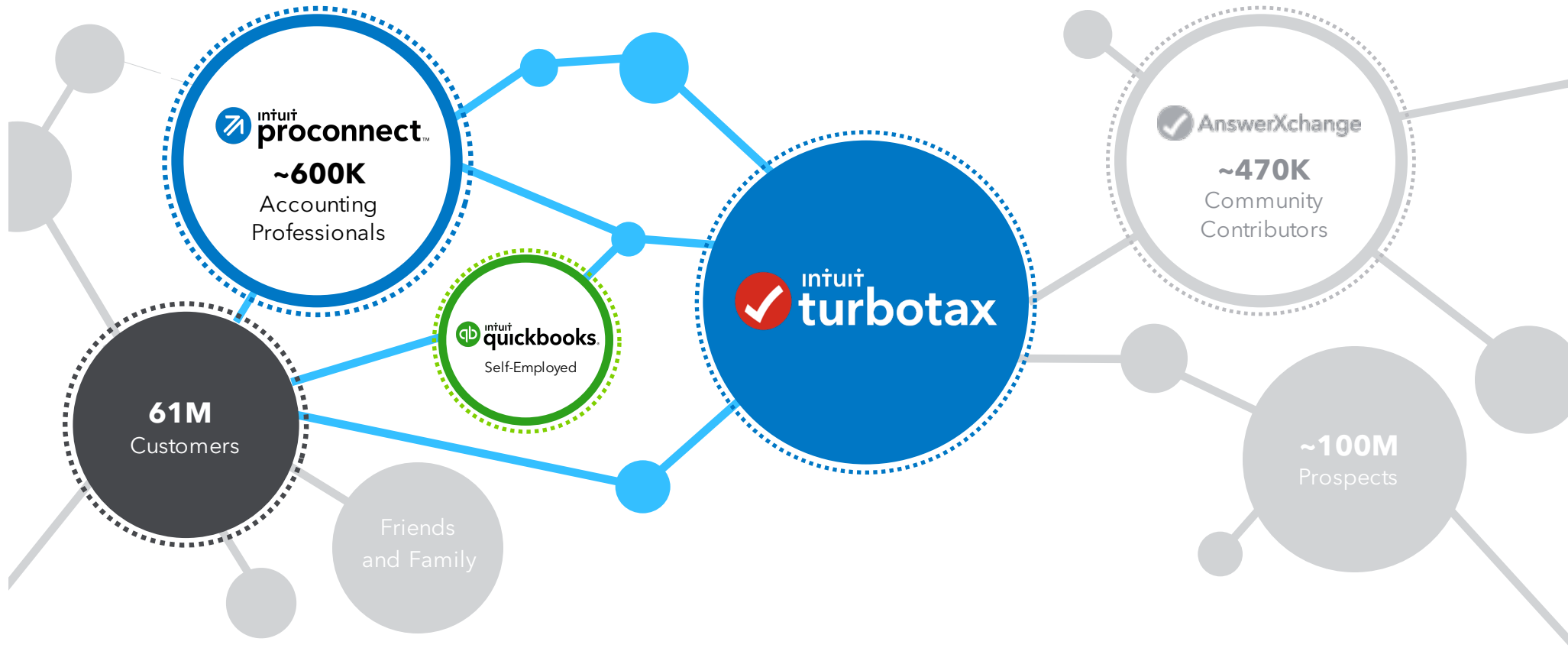


- While DIY has 40% unit share, the category captures less than 10% share of spend
- Over 30M simple returns still being processed through pros and tax stores at higher ARPC and lower NPS
- DIY continues to disrupt stores, but there's a partnership opportunity bringing a different Pro experience to assisted

# An opportunity to jointly serve our customers and pros



# An opportunity to jointly serve our customers and pros



# We haven't yet helped consumers achieve financial freedom

## Data to Help Consumers Save Money

- **56M** imported and verified W2s
- **\$24B** verified business income
- **62M** 1098s (mortgage interest)
- **\$60B** paid in mortgage interest
- **49M** real estate tax forms
- **\$2B** paid in mortgage insurance
- **\$34B** in Real Estate Tax
- **\$1B** in moving expenses
- **\$5B** in student loan interest
- **\$2B** of tuition paid
- **\$28B** of charitable giving

**167M**

Linked bank accounts of **24M** consumers

## A Powerful Consumer Channel

**100M**

Unique Visitors to TurboTax every Year

- **15M** unique Mint visitors annually
- **28M** customers, with ... **\$3K** per refund, per IRS data

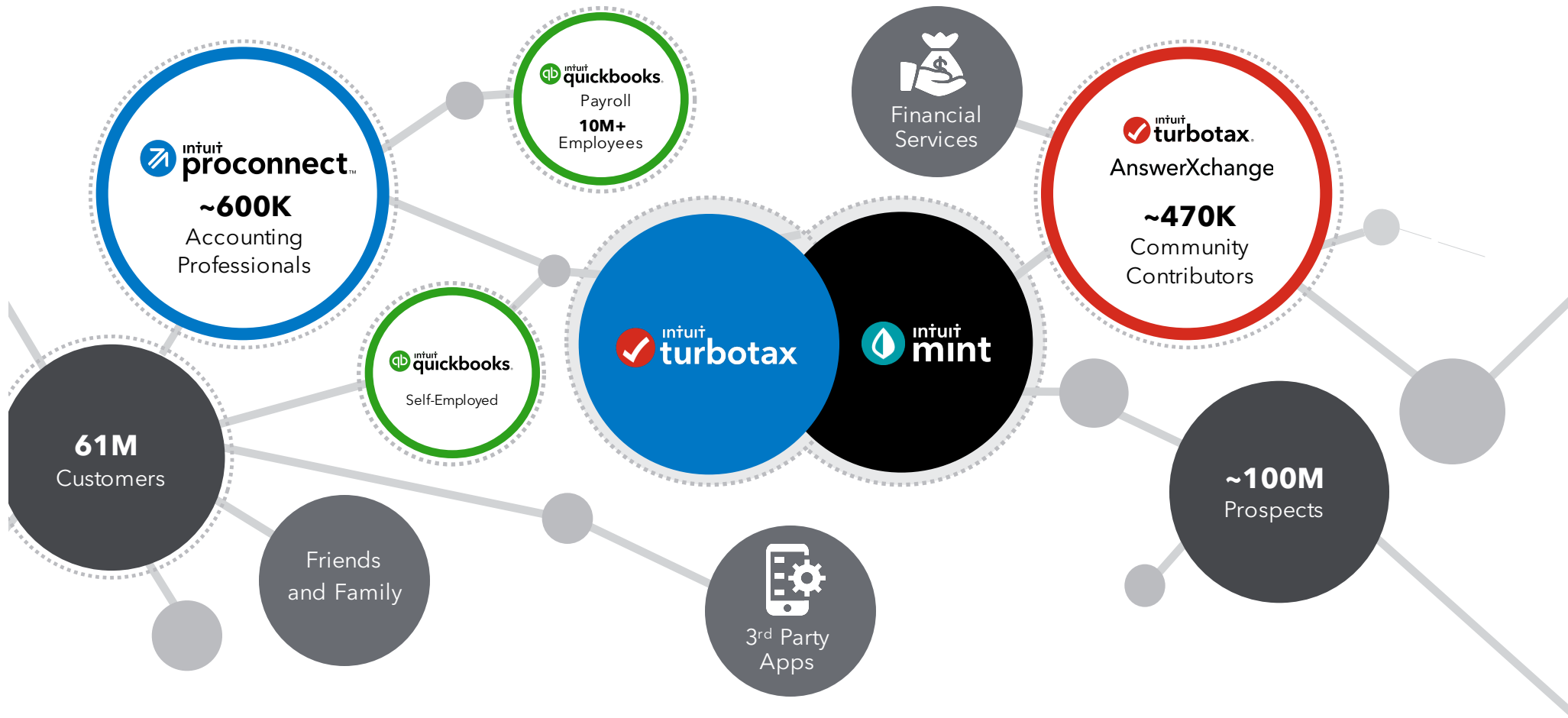
## Actively Engaged User Base

**Up to 55M**

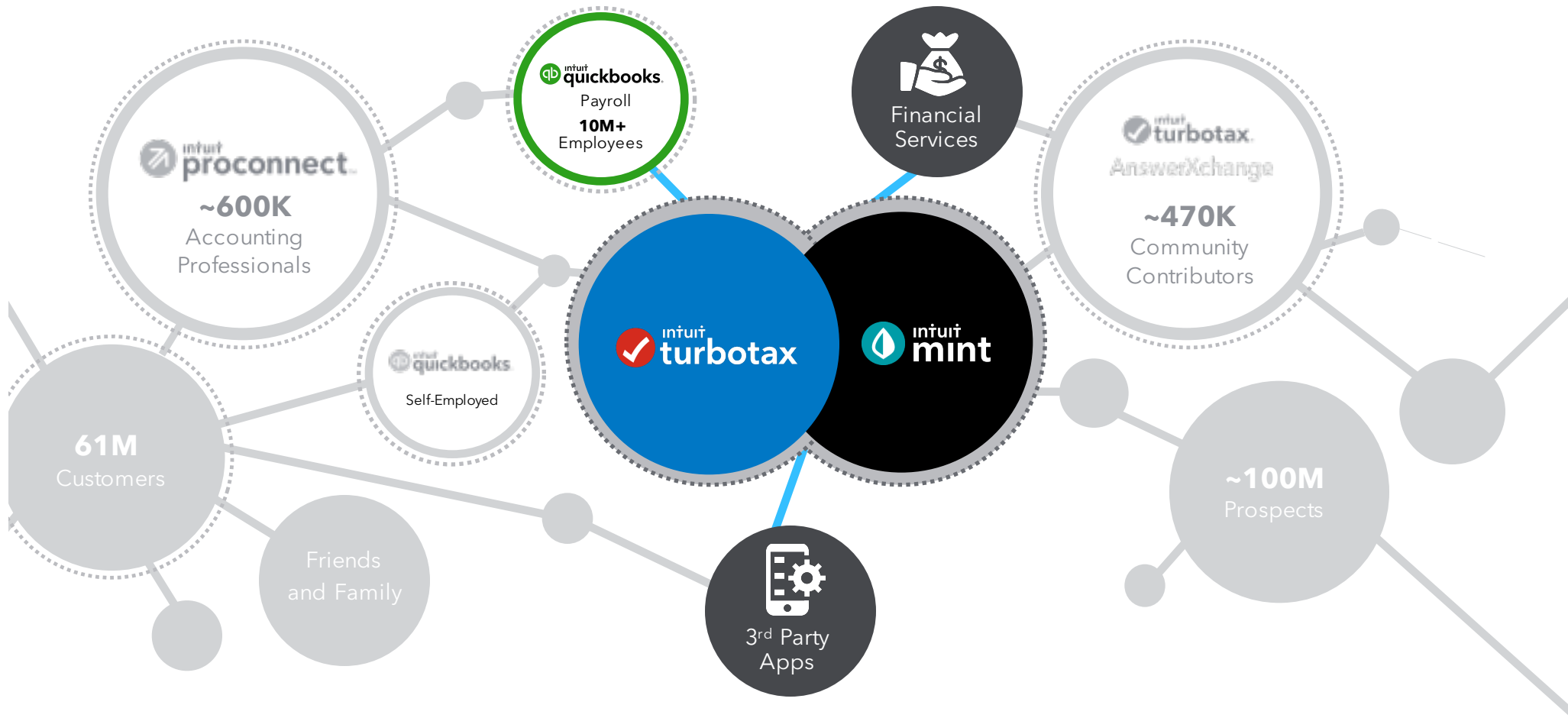
Monthly Active consumers through TurboTax and Mint

- **55M** monthly active consumers in season
- **5M** monthly active outside tax season
- **30M** customers with MFA (40% phone)
- **6M** annual active unique Mint consumers

# An opportunity to jointly serve our customers and pros



# An opportunity to jointly serve our customers and pros



## Long-term growth drivers

| One point of growth in these key drivers... |  | Yields revenue growth of... | Multi-year range |
|---------------------------------------------|--|-----------------------------|------------------|
| IRS returns                                 |  | ~1%                         | 0 - 2%           |
| Category share                              |  | ~3%                         | 3 - 5%           |
| Total TurboTax share                        |  | ~1.5%                       | 1 - 2%           |
| Revenue per return                          |  | ~1%                         | ~1%              |

In our core DIY business, we anticipate revenue growth ranging between 5-10%



# Technology, Data & Security

Tayloe Stansbury



**To improve our customers' financial lives so profoundly... they can't imagine going back to the old way**

**Mission**

**Integrity Without Compromise**

**We Care & Give Back**

**Values**

Be Bold

Be Passionate

Be Decisive

Learn Fast

Win Together

Deliver Awesome

**True North Goals**

**Employees**

Create an environment where the world's top talent can do the best work of their lives

**Customers**

Delight customers more than rivals in ways that matter most

**Partners**

Delight partners who add value to the ecosystem

**Shareholders**

Inspire confidence in our long term growth, leading to a higher stock price

**Strategy**

**Be the Operating System Behind SMB Success**

**Do the Nations' Taxes**

Delivering Awesome Product Experiences

Enabling the Contributions of Others - "Network Effect Platforms"

Using Data to Create Delight

**Priorities**

**Win worldwide with QBO Ecosystem**

**Win with accountants who fuel SMB success**

**Win with TurboTax Online and Mobile**

**Technology to accelerate growth**

**Data-driven intelligent systems**

**Industry-wide security leadership**

**Metrics**

- Deliver customer benefit
- Grow TAM and share vs. rivals
- Grow customers
- Increase attach
- Improve QBO ecosystem NPS vs. rivals (NTTF, Accountants)

- Deliver the customer benefit
- Accelerate growth in # of multi-service firms
- Accelerate growth in QBO+3
- Increase NPS vs rivals
  - QBOA
  - Multi-service firms
  - Online Tax

- Deliver the customer benefit
- Grow DIY category vs. assisted methods
- Grow online/mobile share vs. rivals
- Improve conversion
- Increase TTO NPS vs. rivals

- Increase adoption of and % ready-to-consume strategic services
- Reduce downtime minutes & failed customer interactions
- Reduce contact rate
- Reduce developer release cycle time
- Increase % of developers & agents on common (fewer) tools

- Increase % availability of prioritized data sources (business reporting)
- Reduce time-to-insight
- Improve conversion with personalized experiences
  - TTO
  - QBO

- Reduce fraud ...Intuit customers & industry
- Uphold Intuit trust rating

# Our company growth is accelerated by strategic capabilities

Improving customers' financial lives...

|                                                                                               |                                                                                                                                    |                                                                                                                        |
|-----------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|
| <b>Small Businesses</b><br>Fuel small business success... because when they thrive, we all do | <b>Consumers</b><br><ul style="list-style-type: none"> <li>• Make tax prep obsolete</li> <li>• Never worry about a bill</li> </ul> | <b>Accountants</b><br>Bring the power of time <i>and</i> money to accountants and their clients... so they may prosper |
|-----------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|

...by delivering customer benefit

|                                                                                                                                                                                                         |                                                                                                                                                                                                           |                                                                                                                                                                    |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>It's done...</b><br><ul style="list-style-type: none"> <li>• Accounting is done</li> <li>• Taxes are done, ready to review</li> <li>• Bills are done</li> <li>• Everything works together</li> </ul> | <b>More money...</b><br><ul style="list-style-type: none"> <li>• Improve cash flow</li> <li>• Every penny, more \$ beyond refund</li> <li>• No late or other fees</li> <li>• Make a difference</li> </ul> | <b>Fuel my success...</b><br><ul style="list-style-type: none"> <li>• Grow my business</li> <li>• Grow my practice</li> <li>• Improve my financial life</li> </ul> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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

|                                     |                                    |                                                  |                                         |                                             |                                       |                           |     |
|-------------------------------------|------------------------------------|--------------------------------------------------|-----------------------------------------|---------------------------------------------|---------------------------------------|---------------------------|-----|
| Customer identity & attributes      | Relationships & collaboration      | Acquire, manage & send financially-relevant data | Rules engines & intelligent systems     | Right-for-me customer experiences           | Security & anti-fraud                 | Money movement & payments | ... |
| One Intuit UX framework and widgets | One Intuit services infrastructure | One Intuit data ingestion, storage & analytics   | One Intuit developer productivity tools | Cloud hosting w common logging & monitoring | Worldwide billing, marketing and care | ...                       |     |

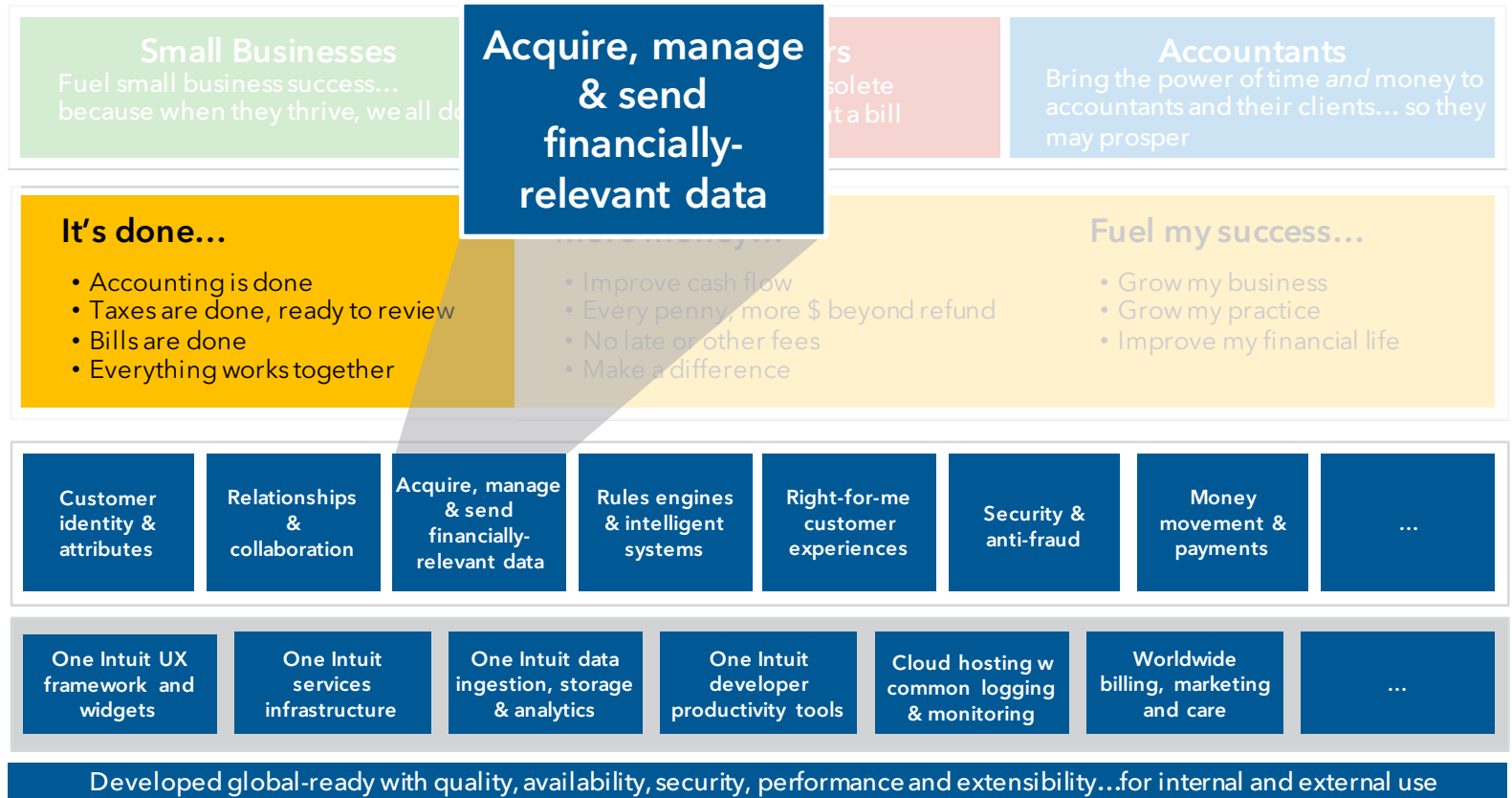
Developed global-ready with quality, availability, security, performance and extensibility...for internal and external use

# Our company growth is accelerated by strategic capabilities

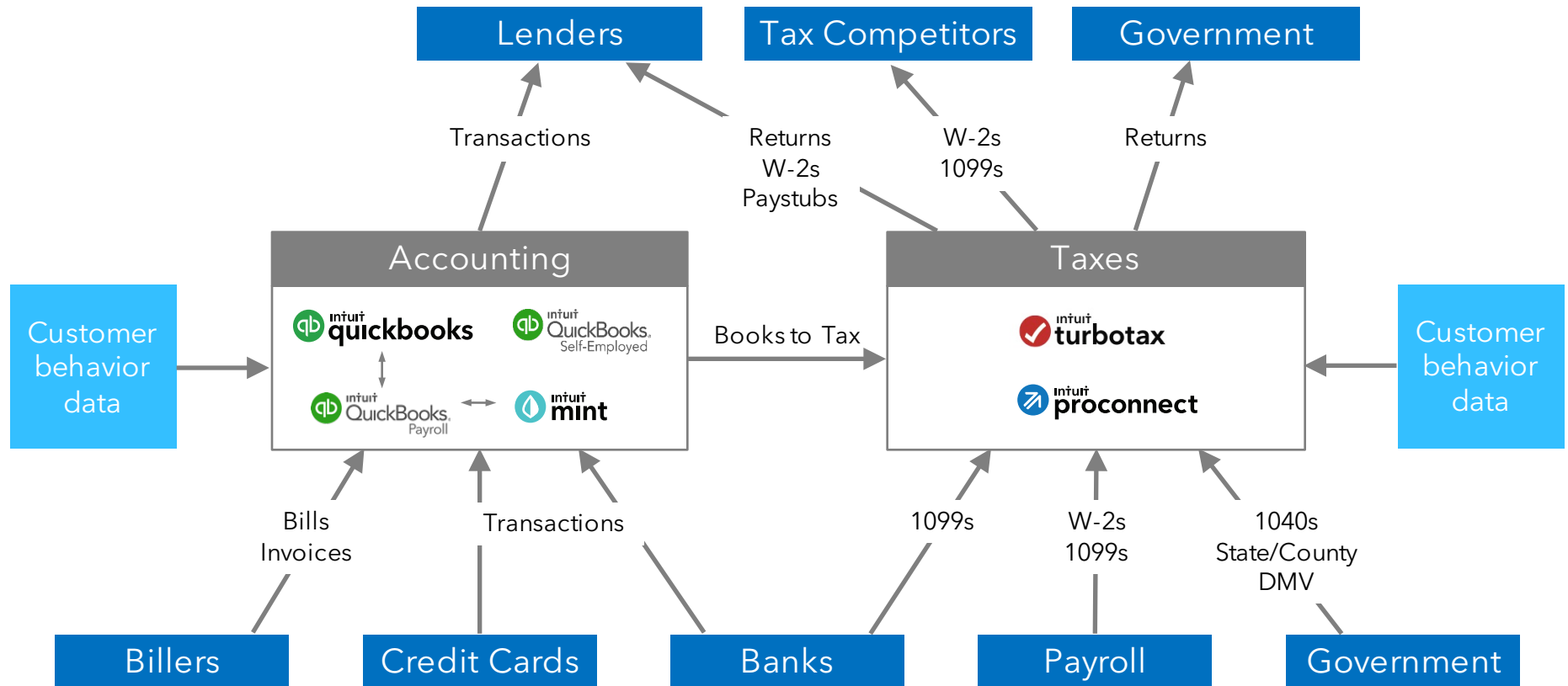
Improving customers' financial lives...

...by delivering customer benefit

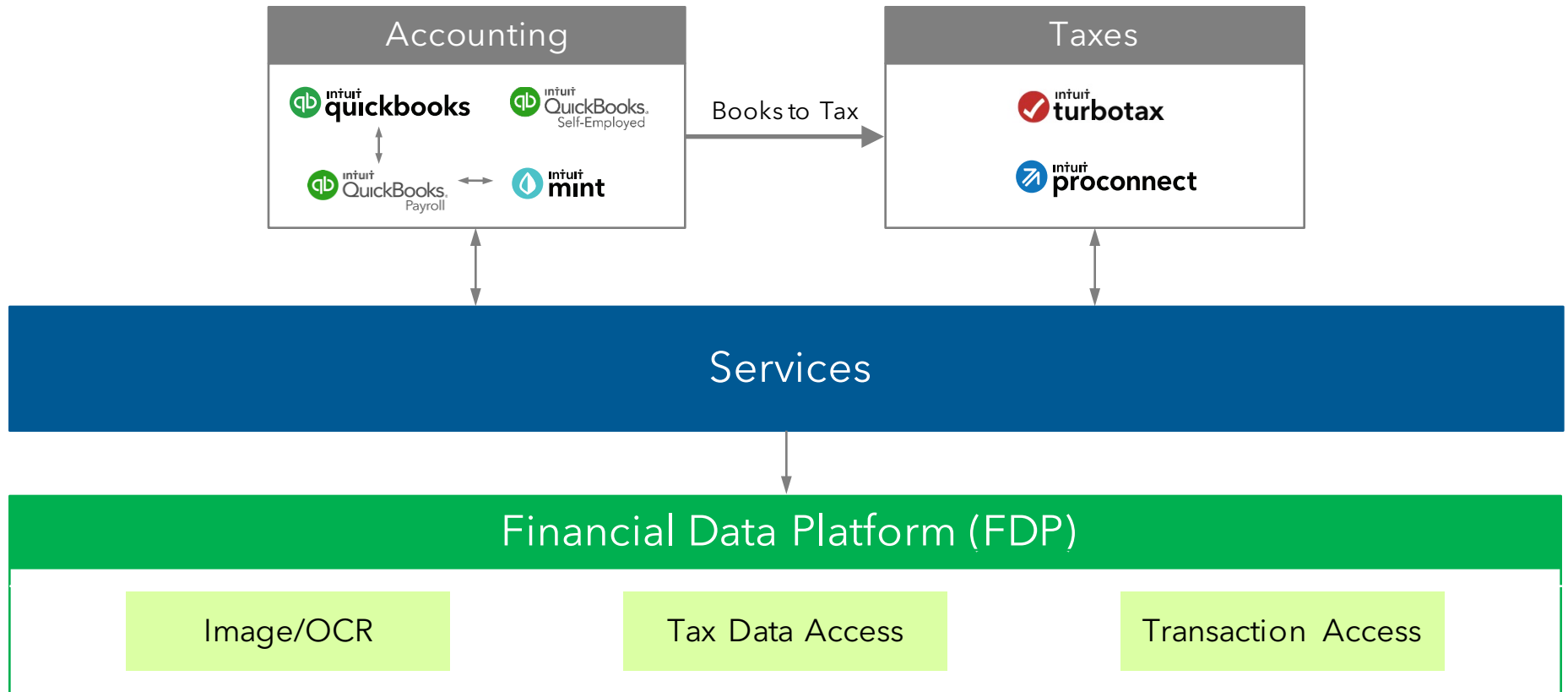
...enabled by strategic capabilities delivered through services, common technologies and data



# Data is the lifeblood of the Intuit ecosystem

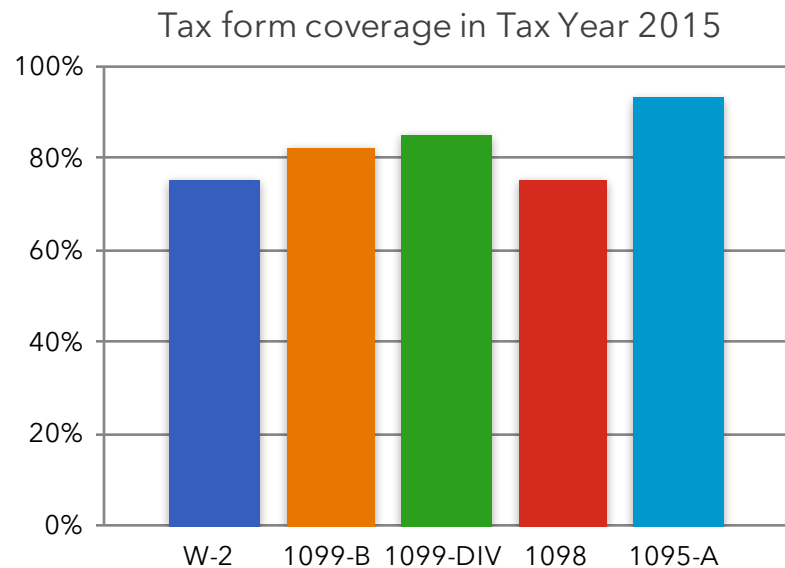


# Data is the lifeblood of the Intuit ecosystem



# Our customers benefit from our unique set of data

In **TurboTax**, taxes are done ...  
collecting **½ billion** forms, covering most  
forms for most customers



In **QuickBooks**, accounting is done ...  
aggregating from **20K+** financial institutions  
and categorizing **75 million** transactions/month

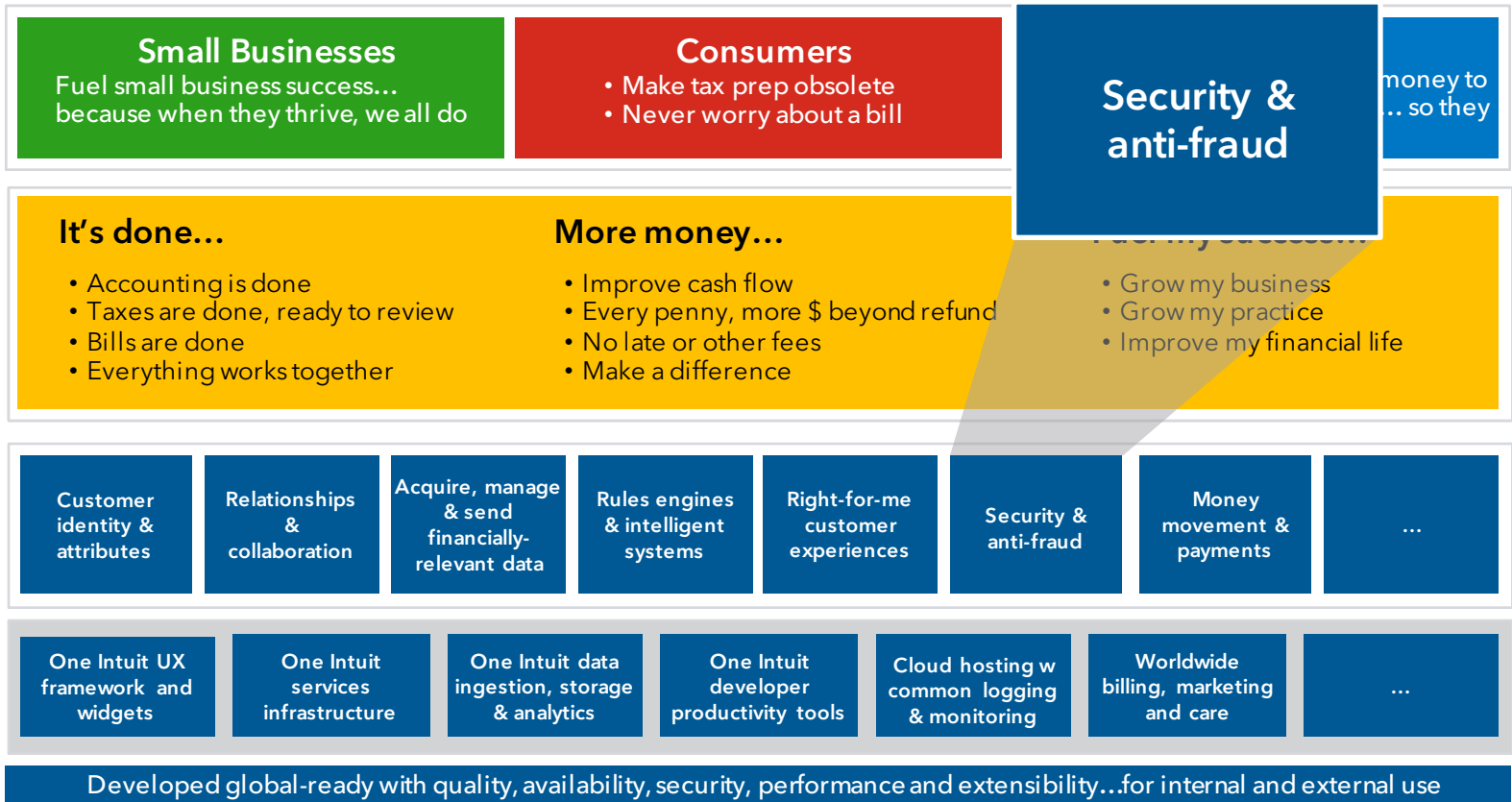
| DATE                     | DESCRIPTION | PAYEE             | CATEGORY OR MATCH           | SPENT      | RECEIVED   | ACTION |
|--------------------------|-------------|-------------------|-----------------------------|------------|------------|--------|
| <input type="checkbox"/> | 01/31/2015  | Mobil             | Auto Fuel                   | \$45.00    |            | Add    |
| <input type="checkbox"/> | 01/17/2015  | Computers         | Office Expenses             | \$1,500.00 |            | Add    |
| <input type="checkbox"/> | 01/02/2015  | Online Bank Loan  | Other Miscellaneous Expense | \$1,000.00 |            | Add    |
| <input type="checkbox"/> | 01/10/2015  | In Branch Deposit | Sales                       |            | \$2,500.00 | Add    |
| <input type="checkbox"/> | 01/02/2015  | Hotel             | Travel                      | \$500.00   |            | Add    |
| <input type="checkbox"/> | 01/20/2015  | Thrifty Car       | Travel                      | \$500.00   |            | Add    |
| <input type="checkbox"/> | 01/14/2015  | Bank Charge       | Uncategorized Expense       | \$2.00     |            | Add    |

# Our company growth is accelerated by strategic capabilities

Improving customers' financial lives...

...by delivering customer benefit

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





# We are stewards of our customers' data

## Intuit Data Stewardship Principles

### What we stand for:

- Our **customers' privacy** (and their customers' and employees') is paramount to us.
- Our customers place a deep trust in Intuit because we hold their most sensitive data ... therefore, we are a **trusted steward of their data**.

### We will not:

- Without explicit permission, **sell, publish or share data entrusted to us** by a customer **that identifies the customer** or any person.

### We will:

- Use customer data to help our **customers improve their financial lives**. This means we help them make or **save money, be more productive, be in compliance**.

# Security is designed into everything we do



## Protect

Make ourselves a harder target by protecting against attacks via effective vulnerability management, workforce security tools, and red teaming



## Detect

Focus our detection efforts on leveraging data science, including modeling, machine learning, and advanced analytics



## Respond

Respond quickly and effectively to security incidents by leveraging tools, processes, and dedicated teams



## Enlist

Recruit and enlist customers and employees through training, information portal, and blue teaming

### Progress in FY'16

- Industry-leading multi-factor authentication (MFA) in all products
- Account takeover reduced by 85% YOY via MFA and anti-fraud services
- 30+ new security features in TurboTax

# We partner with government and industry to reduce tax fraud



## Enable government

Real-time information sharing, via e-File schema and Information Sharing and Analysis Center (ISAC)



## Recognize trusted customers

Shaping “gold standard” customer authentication standards across the tax ecosystem via IRS Summit



## Protect customers

Better communication and experiences for tax refund fraud victims

Federal government was paying out **\$6B** to fraudsters

*Identity Theft and Tax Fraud  
GAO-15-119, January 2015*

- Collaboration and direct information sharing with IRS & states led to better processing filters
- ~20 new data elements shared with IRS & states to help identify possible fraud

The IRS stopped **\$1.1B** in fraudulent returns (up \$350M from prior year) across the system for all tax prep

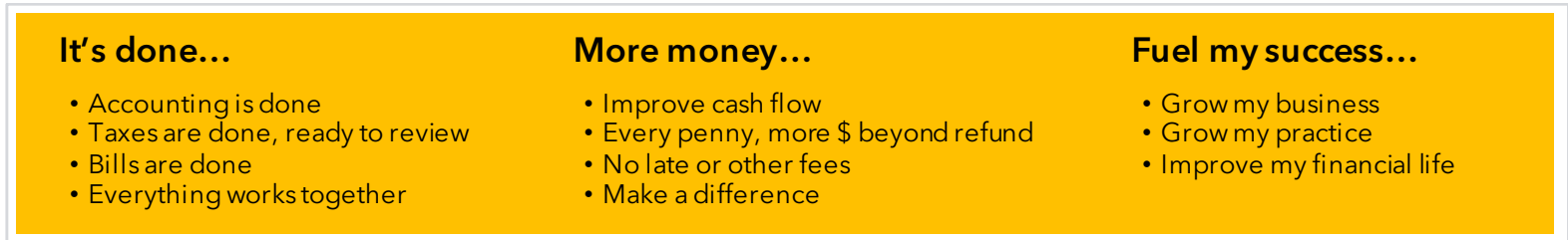
*IRS press release, June 28, 2016*

# We have a proven framework to deliver customer benefit

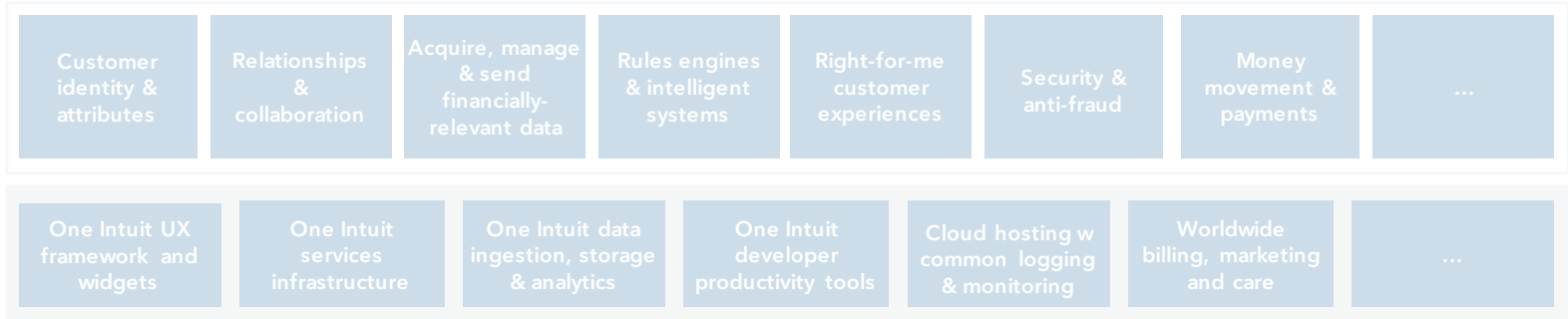
Improving customers' financial lives...



...by delivering customer benefit



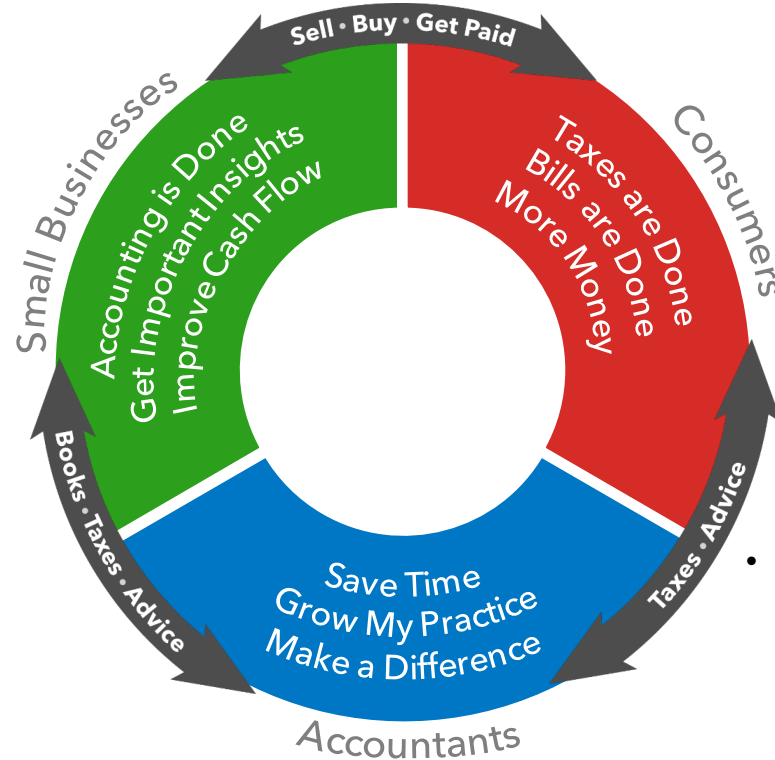
...enabled by strategic capabilities delivered through services, common technologies and data



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

## Only Intuit has an ecosystem this robust

- QuickBooks Self-Employed data to TurboTax
- eInvoice & ePayments
- Payroll data to Tax



- Accountant & small business matchmaking
- QuickBooks data to ProTax

- Consumer data to Tax

# Intuit Financial Perspectives

Neil Williams

# Great execution on FY'16 objectives

## From my summary last year

Fast-growing SaaS business with highly profitable desktop business

Double-digit EPS; cash flow growth FY'16-'18

Reduce share count annually via repurchases

Consistent dividend increases, up 20% in FY'16

ROIC 25%+ in FY'16

## FY'16 Outcomes

**41%** QuickBooks subscriber growth

**25%** Small business online ecosystem rev growth

**33%** Intuit non-GAAP operating margin

**46%** Non-GAAP earnings per share growth;  
Operating cash flow strong and accelerating

**- 7%** Share count down

**+20%** in FY'16; **+13%** in FY'17

**37%** ROIC

# Financial principles remain enduring

## **Grow organic revenue double digits**

- Sustain small business online ecosystem growth 25-30%; win every tax season

## **Grow revenues faster than expenses**

- Margins in mid-30s going forward

## **Deploy cash to the highest-yield opportunities**

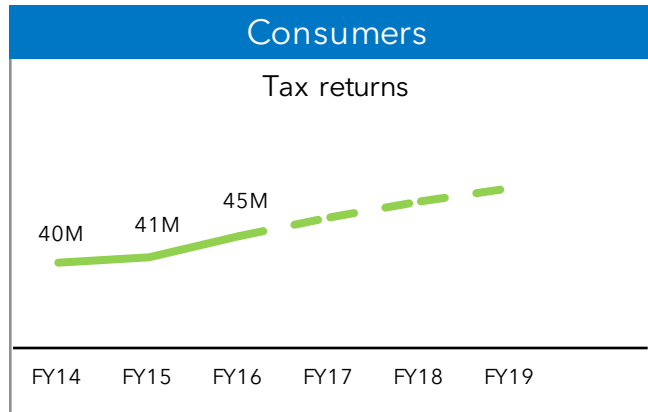
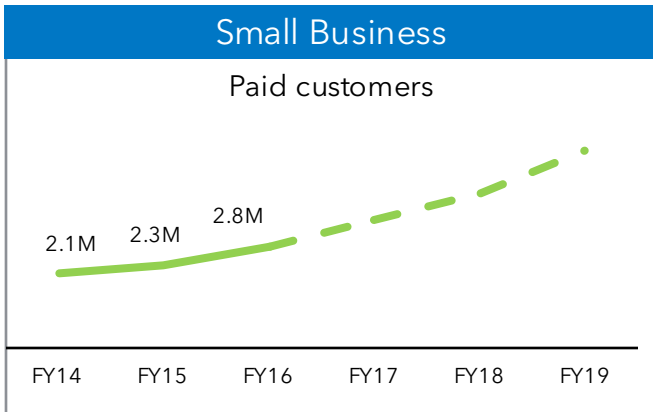
- Investing in organic growth drivers (R&D, infrastructure, sales & marketing)
- Use acquisitions to accelerate growth in talent and technology
- Return cash to shareholders via dividend and share repurchase

## **Maintain a strong balance sheet**

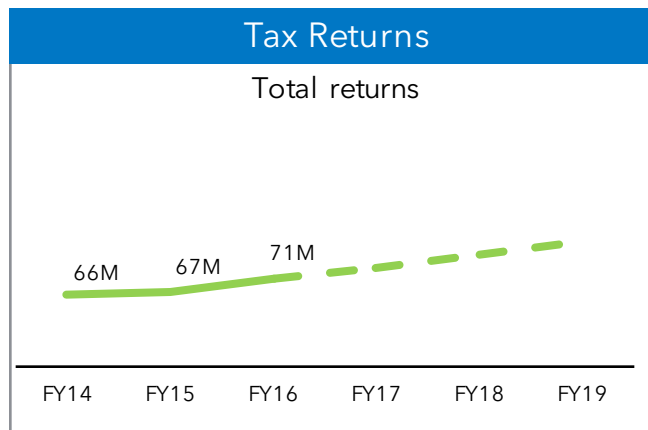
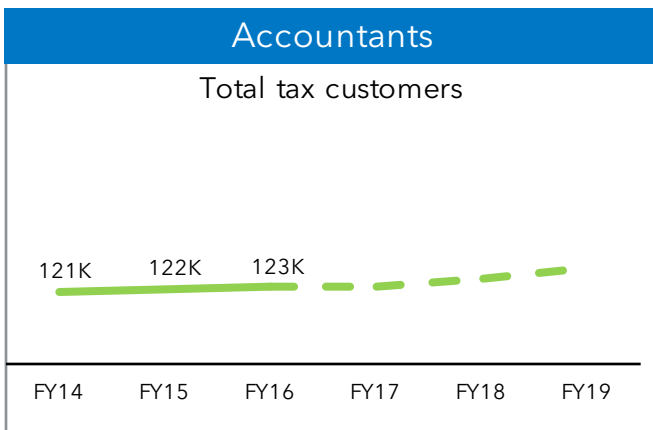
- Net cash position at the end of FY



# We expect significant growth in all customer categories



- ### How We'll Win
1. Deliver tangible value i.e. "the customer benefit" with every product
  2. Nail 1st use ... invest in products & platforms (R&D) to make everything work, seamlessly
  3. Right "go-to-market" in every country



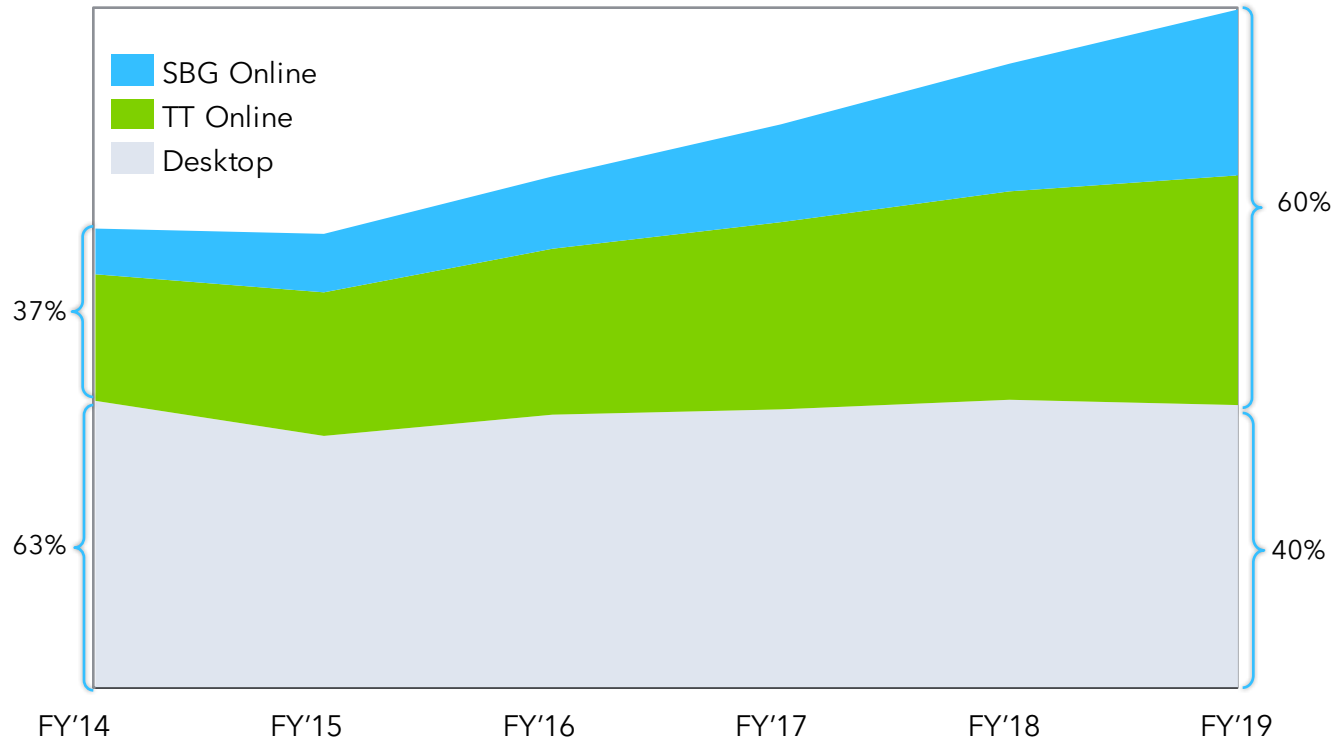
# Customer growth first, improved monetization over time

|                                                | FY'15<br>ARPC | FY'16<br>ARPC | FY'17 - FY'19<br>TRAJECTORY                                      |
|------------------------------------------------|---------------|---------------|------------------------------------------------------------------|
| <b>QuickBooks Online US</b>                    | \$425         | \$420         | <b>SLIGHT INCREASE</b><br><i>Maturing base, new adds</i>         |
| <b>QuickBooks Non-US</b>                       | \$120         | \$120         | <b>SLIGHT INCREASE</b><br><i>Promotion, geo mix</i>              |
| <b>QuickBooks SE</b>                           | \$65          | \$95          | <b>FLAT TO DOWN</b><br><i>Add globally, testing new channels</i> |
| <b>QuickBooks Online WW</b>                    | \$370         | \$350         | <b>SLIGHTLY DOWN</b><br><i>More SE and non-US in base</i>        |
| <b>QuickBooks Desktop</b>                      | \$420         | \$460         | <b>UP</b><br><i>Customers with complex needs</i>                 |
| <b>Consumer Tax</b><br>(per return)            | \$49          | \$49          | <b>FLAT</b>                                                      |
| <b>ProConnect</b><br>(avg. order per customer) | \$3,500       | \$3,500       | <b>FLAT</b>                                                      |

- Focus on customer acquisition vs. price
- Levers for QuickBooks ARPC upside:
  - Maturing base, higher retention after promotional period
  - Grow penetration over time
- Additional non-attach revenue of ~\$180 million, flat-to-down

# Online revenue driving growth, desktop remains important

FY'14 - FY'19 revenue trends



1. Online is the engine ... ~60% of our revenues by FY'19
2. Small business online ecosystem revenue accelerating
3. Steady desktop revenue base

## Disciplined investment drives operating income growth

| GAAP basis, unless noted otherwise: | FY'16 % of<br>revenue | Long-term expectation                   |
|-------------------------------------|-----------------------|-----------------------------------------|
| Revenue                             | 100                   | Double-digit growth driven by customers |
| Gross margin                        | 84                    | ~ % flat over time                      |
| Sales & marketing                   | 28                    | % down as revenue increases             |
| Research & development              | 19                    | 16-18%                                  |
| General & administrative            | 11                    | % declines over time                    |
| Operating Income margin             | 27                    |                                         |
| Operating Income margin (Non-GAAP)  | 33                    | Non-GAAP margins in mid-thirties        |

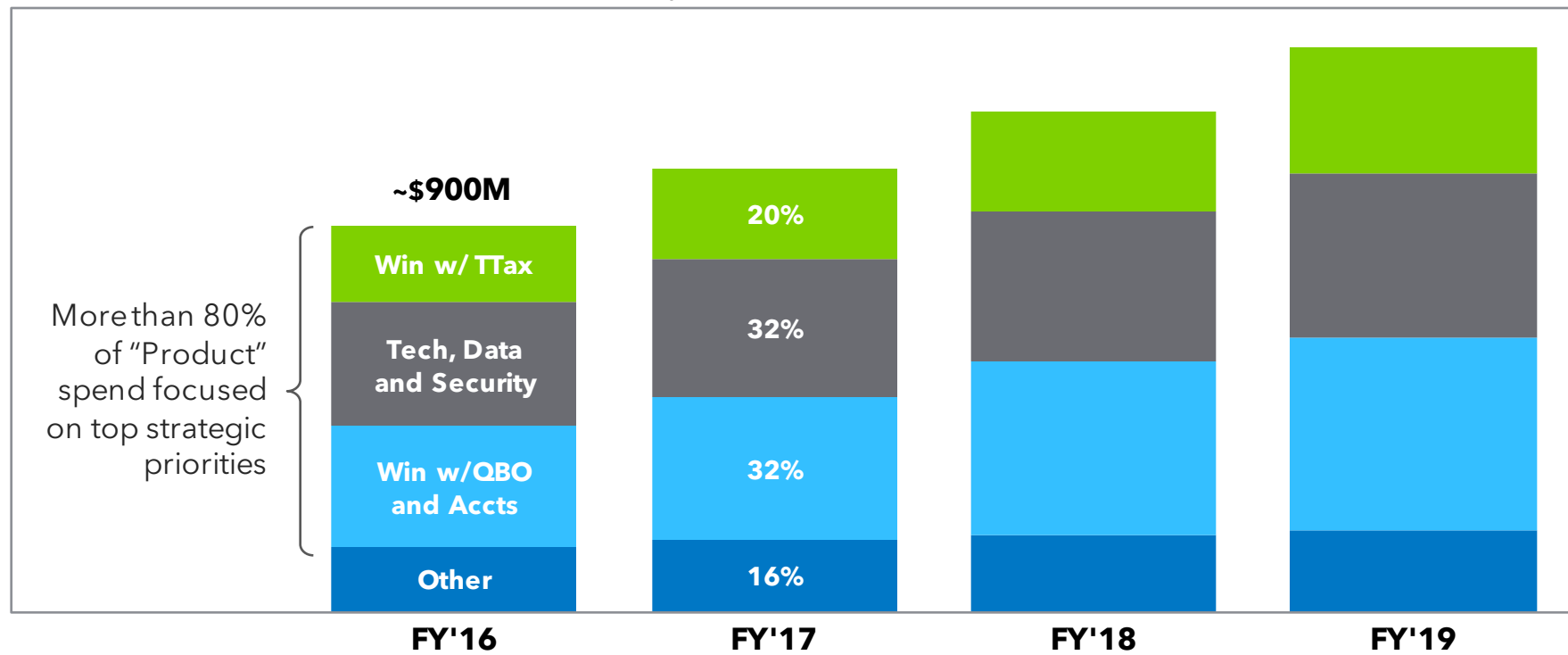
# Invest first to nail product and platform experiences

## Cross-company prioritization philosophy

- **Strategic capabilities & services** that enable **customer benefit** and **Network Effect Platforms**
- Initiatives that drive **QBO subscriber growth**
- **Address tech debt** so that we can move faster, deliver better customer experiences, and allow employees to be more productive
- **Security & privacy** is non-negotiable

# Product investment dollars decked against strategic priorities

Intuit product investments



# Adding resources across the system to win and retain customers, long-term



**Agent & care tools**



**Nail "go-to-market"...**  
especially QuickBooks



**Security**



**Common tax platform**



**Connecting our accountants**  
with small businesses



**Personalization & data**

# Disciplined and consistent capital allocation

## Returning cash to shareholders

- Balance share repurchases and dividends subject to the same disciplined return on investment we apply to all uses of cash
- Increased dividend from \$0.60 in FY'12 to \$1.36 for FY'17
- Maintain investment-grade credit rating

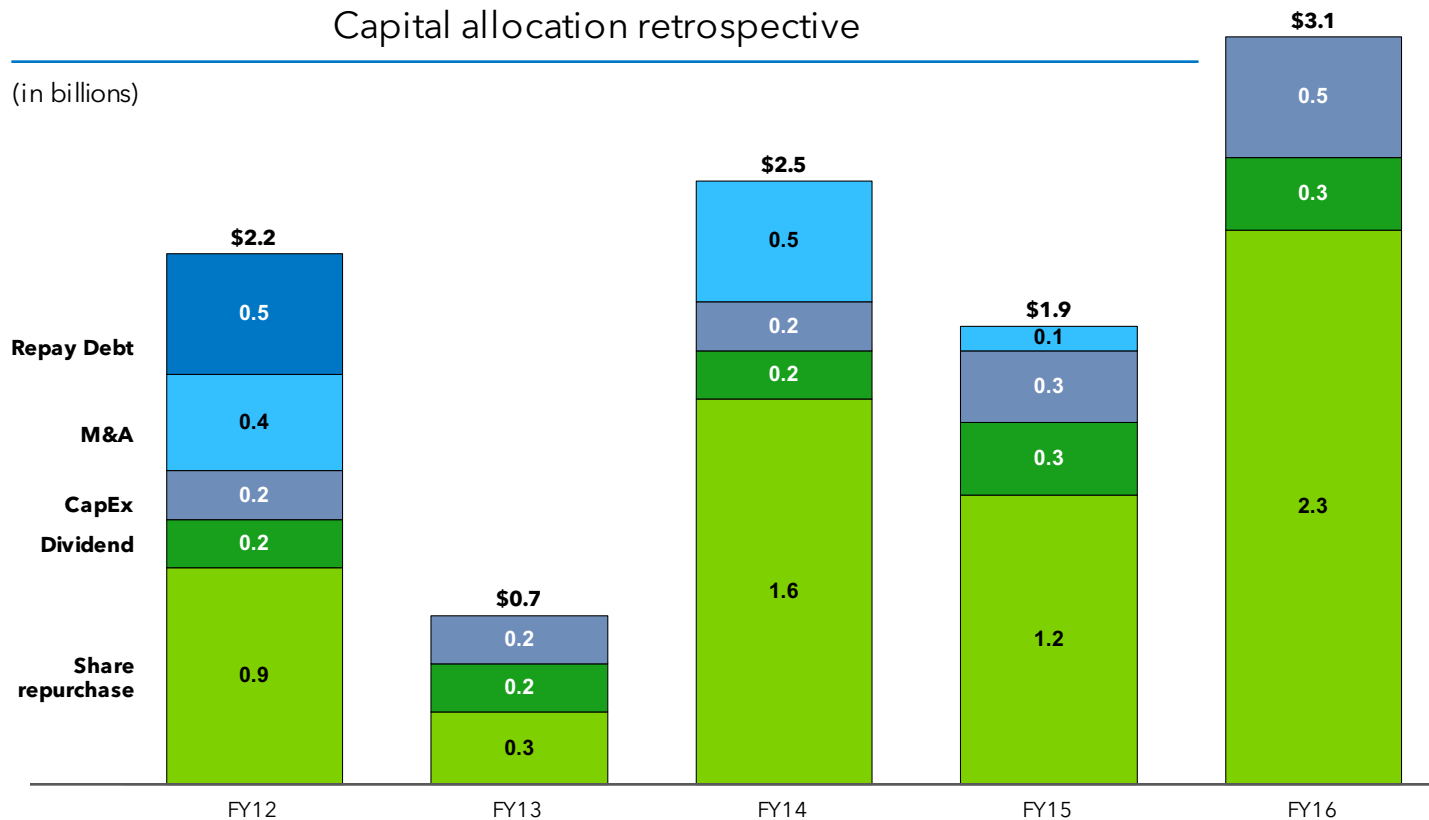
Generated \$5.6B in free cash flow in last five years; returned ~130% to shareholders



# Good balance of growth investments and shareholder returns

Capital allocation retrospective

(in billions)



Highest yield opportunities for our cash

1. Investing in organic growth drivers (R&D, infrastructure, sales & marketing)
2. Use acquisitions to accelerate growth in talent and technology
3. FY'17 ...
  - scheduled debt repayment
  - share repurchase closer to long-term average

## FY '17 guidance balances customer growth and profitability

| (in millions)          | Guidance                 | Growth           |
|------------------------|--------------------------|------------------|
| <b>QBO Subscribers</b> | <b>2.0 - 2.2</b>         | <b>32% - 45%</b> |
| <b>Total Revenue</b>   | <b>\$5,000 - \$5,100</b> | <b>7% - 9%</b>   |
| Small Business         | \$2,500 - \$2,550        | 9% - 11%         |
| Consumer Tax           | \$2,085 - \$2,125        | 6% - 8%          |
| ProConnect             | \$415 - \$425            | (3%) - (1%)      |

## FY '17 guidance balances customer growth and profitability

| (in millions, except EPS) | Guidance          | Growth      |
|---------------------------|-------------------|-------------|
| GAAP Op Income            | \$1,330 - \$1,380 | 7% - 11%    |
| Non-GAAP Op Income        | \$1,675 - \$1,725 | 8% - 11%    |
| GAAP diluted EPS          | \$3.35 - \$3.45   | (9%) - (7%) |
| Non-GAAP EPS              | \$4.30 - \$4.40   | 14% - 16%   |
| Dividend per share        | \$1.36            | 13%         |

## Our plan for FY'17 reflects our commitment, short and long

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

# Q&A

Brad Smith



# Appendix

September 21, 2016

# About Non-GAAP Financial Measures

## INTUIT INC. ABOUT NON-GAAP FINANCIAL MEASURES

The accompanying presentation contains non-GAAP financial measures. Table 1, Table 2, Table 3 and Table 4 reconcile the non-GAAP financial measures in that press release 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, non-GAAP net income, and non-GAAP net income 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
- Professional fees for business combinations

We also exclude the following items from non-GAAP net income and diluted net income 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.

*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 2015 and 2016 and 33% for fiscal 2017. 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 3 include all information reasonably available to Intuit at the date of this presentation. These tables include 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, and sales of available-for-sale debt securities and other investments.



**TABLE 1**  
**RECONCILIATIONS OF HISTORICAL NON-GAAP FINANCIAL MEASURES**  
**TO MOST DIRECTLY COMPARABLE GAAP FINANCIAL MEASURES**  
(Dollars in millions, except share amounts)

|                                                          | Fiscal<br>2016  | Fiscal<br>2015  | Fiscal<br>2014  | Fiscal<br>2013  | Fiscal<br>2012  |
|----------------------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>GAAP operating income from continuing operations</b>  | <b>\$ 1,242</b> | <b>\$ 738</b>   | <b>\$ 1,300</b> | <b>\$ 1,208</b> | <b>\$ 1,116</b> |
| Amortization of acquired technology                      | 22              | 30              | 18              | 13              | 9               |
| Amortization of other acquired intangible assets         | 12              | 12              | 7               | 17              | 19              |
| Professional fees for business combinations              | -               | 2               | 5               | -               | 6               |
| Goodwill and intangible asset impairment charge          | -               | 148             | -               | -               | -               |
| (Gain) loss on sale of long-lived assets                 | 1               | (31)            | -               | -               | -               |
| Share-based compensation expense                         | 278             | 242             | 186             | 166             | 155             |
| <b>Non-GAAP operating income</b>                         | <b>\$ 1,555</b> | <b>\$ 1,141</b> | <b>\$ 1,516</b> | <b>\$ 1,404</b> | <b>\$ 1,305</b> |
| <b>GAAP net income</b>                                   | <b>\$ 979</b>   | <b>\$ 365</b>   | <b>\$ 907</b>   | <b>\$ 858</b>   | <b>\$ 792</b>   |
| Amortization of acquired technology                      | 22              | 30              | 18              | 13              | 9               |
| Amortization of other acquired intangible assets         | 12              | 12              | 7               | 17              | 19              |
| Professional fees for business combinations              | -               | 2               | 5               | -               | 6               |
| Goodwill and intangible asset impairment charge          | -               | 148             | -               | -               | -               |
| (Gain) loss on sale of long-lived assets                 | 1               | (31)            | -               | -               | -               |
| Share-based compensation expense                         | 278             | 242             | 186             | 166             | 155             |
| Net (gain) loss on debt securities and other investments | 5               | 6               | (22)            | 1               | (12)            |
| Income tax effects of non-GAAP adjustments               | (120)           | (83)            | (60)            | (78)            | (68)            |
| Discontinued operations                                  | (173)           | 48              | (54)            | (51)            | (62)            |
| <b>Non-GAAP net income</b>                               | <b>\$ 1,004</b> | <b>\$ 739</b>   | <b>\$ 987</b>   | <b>\$ 926</b>   | <b>\$ 839</b>   |
| <b>GAAP diluted net income per share</b>                 | <b>\$ 3.69</b>  | <b>\$ 1.28</b>  | <b>\$ 3.12</b>  | <b>\$ 2.83</b>  | <b>\$ 2.60</b>  |
| <b>Non-GAAP diluted net income per share</b>             | <b>\$ 3.78</b>  | <b>\$ 2.59</b>  | <b>\$ 3.40</b>  | <b>\$ 3.05</b>  | <b>\$ 2.75</b>  |
| <b>Shares used in diluted per share amounts</b>          | <b>265</b>      | <b>286</b>      | <b>291</b>      | <b>303</b>      | <b>305</b>      |
| <b>Non-GAAP tax rate</b>                                 | <b>34%</b>      | <b>34%</b>      | <b>34%</b>      | <b>33%</b>      | <b>34%</b>      |

## TABLE 2

### RECONCILIATIONS OF SELECTED NON-GAAP FINANCIAL MEASURES TO MOST DIRECTLY COMPARABLE GAAP FINANCIAL MEASURES

(In millions)

|                                                  | GAAP<br>Fiscal<br>2016 | Adjmts          | Non-<br>GAAP<br>Fiscal<br>2016 | %<br>of<br>Rev |
|--------------------------------------------------|------------------------|-----------------|--------------------------------|----------------|
| <b>Total revenue</b>                             | \$ 4,694               | \$ -            | \$ 4,694                       | 100.0%         |
| <b>Cost of revenue:</b>                          |                        |                 |                                |                |
| Cost of product revenue                          | \$ 131                 | \$ -            | \$ 131                         |                |
| Cost of service and other revenue                | 599                    | (8) [a]         | 591                            |                |
| Amortization of acquired technology              | 22                     | (22) [b]        | -                              |                |
| Total cost of revenue                            | <u>\$ 752</u>          | <u>\$ (30)</u>  | <u>\$ 722</u>                  | 15.4%          |
| <b>Operating expenses:</b>                       |                        |                 |                                |                |
| Selling and marketing                            | \$ 1,289               | \$ (77) [a]     | \$ 1,212                       | 25.8%          |
| Research and development                         | 881                    | (90) [a]        | 791                            | 16.8%          |
| General and administrative                       | 518                    | (104) [a] [c]   | 414                            | 8.8%           |
| Amortization of other acquired intangible assets | 12                     | (12) [b]        | -                              |                |
| Total operating expenses                         | <u>\$ 2,700</u>        | <u>\$ (283)</u> | <u>\$ 2,417</u>                |                |
| <b>Operating income</b>                          | <u>\$ 1,242</u>        | <u>\$ 313</u>   | <u>\$ 1,555</u>                | 33.1%          |

[a] Adjustments to exclude share-based compensation expense from non-GAAP financial measures.

[b] Adjustments to exclude amortization of acquired technology and amortization of other acquired intangible assets from non-GAAP financial measures.

[c] Adjustment to exclude loss on sale of long-lived assets of approximately \$1 million from non-GAAP financial measures.

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

### RECONCILIATIONS OF FORWARD-LOOKING GUIDANCE FOR NON-GAAP FINANCIAL MEASURES TO PROJECTED GAAP REVENUE, OPERATING INCOME AND EPS

(In millions, except per share amounts)

|                             | Forward-Looking Guidance |          |             |                   |          |          |
|-----------------------------|--------------------------|----------|-------------|-------------------|----------|----------|
|                             | GAAP                     |          | Adjustments | Non-GAAP          |          |          |
|                             | Range of Estimate        |          |             | Range of Estimate |          |          |
|                             | From                     | To       |             | From              | To       |          |
| <b>Twelve Months Ending</b> |                          |          |             |                   |          |          |
| <b>July 31, 2017</b>        |                          |          |             |                   |          |          |
| Revenue                     | \$ 5,000                 | \$ 5,100 | \$ -        |                   | \$ 5,000 | \$ 5,100 |
| Operating income            | \$ 1,330                 | \$ 1,380 | \$ 345 [a]  |                   | \$ 1,675 | \$ 1,725 |
| Diluted earnings per share  | \$ 3.35                  | \$ 3.45  | \$ 0.95 [b] |                   | \$ 4.30  | \$ 4.40  |

[a] Reflects estimated adjustments for share-based compensation expense of approximately \$332 million, amortization of acquired technology of approximately \$12 million, and amortization of other acquired intangible assets of approximately \$1 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 4**  
**CALCULATION OF FREE CASH FLOW**  
(Dollars in millions)

|                                           | <u>Fiscal<br/>2012</u> | <u>Fiscal<br/>2013</u> | <u>Fiscal<br/>2014</u> | <u>Fiscal<br/>2015</u> | <u>Fiscal<br/>2016</u> |                   |
|-------------------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------|
| Net cash provided by operating activities | \$ 1,246               | \$ 1,366               | \$ 1,446               | \$ 1,504               | \$ 1,401               |                   |
| Less capital expenditures:                |                        |                        |                        |                        |                        |                   |
| Purchases of property and equipment       | (135)                  | (129)                  | (104)                  | (142)                  | (416)                  |                   |
| Capitalization of internal use software   | (51)                   | (66)                   | (82)                   | (119)                  | (106)                  |                   |
| Total capital expenditures                | <u>(186)</u>           | <u>(195)</u>           | <u>(186)</u>           | <u>(261)</u>           | <u>(522)</u>           |                   |
| Free cash flow                            | <u>\$ 1,060</u>        | <u>\$ 1,171</u>        | <u>\$ 1,260</u>        | <u>\$ 1,243</u>        | <u>\$ 879</u>          | <u>5-yr total</u> |
|                                           |                        |                        |                        |                        |                        | \$ 5,613          |

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, our ability to achieve them, 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; 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 2016 and in our other SEC filings. You can locate these reports through our website at <http://investors.intuit.com>. Fiscal 2017 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.