

Intuit Inc.
Credit Karma Guidance Update
Conference Call Remarks
December 7, 2020

Introduction

Good afternoon and welcome to Intuit's conference call to update guidance following the closing of the Credit Karma acquisition. I'm here with Intuit's CEO Sasan Goodarzi and Michelle Clatterbuck, our CFO.

Before we start, I'd like to remind everyone that our remarks will include forward-looking statements. There are a number of factors that could cause Intuit's results to differ materially from our expectations. You can learn more about these risks in the press release we issued earlier this afternoon, our Form 10-K for fiscal 2020 and our other SEC filings. All of those documents are available on the Investor Relations page of Intuit's website at intuit.com. We assume no obligation to update any forward-looking statement.

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

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

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

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

Credit Karma Overview

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

I am delighted to share that we closed the acquisition of Credit Karma and I could not be more excited about the opportunity ahead. Upon closing we posted a slide deck on the investor relations section of our website containing more information about our vision and innovation agenda.

This acquisition is a giant step forward in achieving our mission to power prosperity around the world and our bold 2025 goal to double the household savings rate for customers on our platform. Credit Karma will significantly accelerate our big bet vision to “unlock smart money decisions” for consumers, putting more money in their pockets.

Today, many consumers struggle not knowing or fully understanding where they stand with their finances, and they struggle to make ends meet. The challenges of a global pandemic have made these personal finance needs even more critical. Currently, 62 percent of consumers are living paycheck-to-paycheck, 75 percent of Americans have concerns about their ability to pay bills and loans and 33 percent of Americans have lost income during the pandemic while household debt in the United States is at \$14.3 trillion. Our vision is to address these challenges by creating a personal financial assistant that helps consumers find the right financial products, put more money in their pockets and access financial expertise and advice.

The combination of two trusted brands, customer reach, data and platform capabilities will deliver breakthrough benefits that will power prosperity

around the world. We bring together 110 million Credit Karma members and 57 million Intuit customers to create significant scale. With this scale we will be able to create a powerful data platform including income, cash flow and credit history with visibility to customers' W-2s, 1099s, tax refunds and debt across mortgage, credit card, auto and student loans. With customer permission, we can use this data and our AI platform to apply more than eight billion daily machine learning predictions to deliver unprecedented customer value at a speed and scale we could not have done on our own.

To help consumers find the right financial products, we will have the ability to match over 100 million consumers to personalized credit card, loan and insurance offers. With customer consent and transparency, we will combine consumer data including income, cash flow, transaction, credit scores, department of motor vehicles and behavioral data to create a more intelligent, personalized experience.

To put more money in consumers' pockets, we will help maximize their tax refund, connect them to checking and high-yield savings accounts and enable faster access to their money. We will continue to accelerate growth

of underpenetrated segments such as self-employed, Latinx and investors, and plan to provide TurboTax Live to Credit Karma members who are overpaying for pros and tax stores. Next, by introducing consumers to Credit Karma Money, we will be able to help consumers deposit up to \$88 billion of tax refunds and \$208 billion of payroll into a new savings or checking account. We will also provide consumers faster access to money by using our money movement platform capabilities.

Additionally, we will provide consumers with financial expertise and advice, helping them make better decisions about their money by delivering insights and connecting them to experts. With the ability to create a complete profile using Credit Karma's credit and asset data combined with Intuit's verified income and cash flow data, we will provide unparalleled financial insights.

As we execute on this vision, we plan to sunset Turbo and migrate the majority of the 22 million registered Turbo users to Credit Karma.

To wrap up, I'm excited about the opportunity we have ahead of us, and I'm thrilled to welcome the talented Credit Karma team to Intuit.

Now let me hand it over to Michelle.

Credit Karma Update

Thanks, Sasan.

I'm looking forward to welcoming the Credit Karma team to Intuit, and we're excited about the unprecedented benefits we can deliver for customers.

We plan to operate Credit Karma as a separate segment and disclose revenue and operating income on our fact sheet. Credit Karma operating income will include all direct expenses unlike our other business segments to which corporate expenses are not fully allocated. For example, expenses related to IT and facilities costs will be included in Credit Karma segment margins whereas these expenses are not included in Intuit's other segment margins. Therefore Credit Karma segment margins will not be comparable to those of Intuit's other business segments.

To help you understand Credit Karma's performance, we plan to disclose annually the number of members on the Credit Karma platform. Each quarter, we'll also help you understand the most significant drivers of

revenue growth, as Credit Karma expands from its core verticals of credit cards and personal loans into new growth verticals such as insurance, auto loans, home loans and asset accounts like high-yield savings and checking.

Combined Fiscal 2021 and Q2 Guidance

Moving on to guidance. Our guidance for Intuit and Credit Karma combined for fiscal 2021 includes:

- Revenue growth of 15 to 17 percent
- GAAP earnings per share of \$5.30 to \$5.50
- Non-GAAP earnings per share of \$8.20 to \$8.40

This fiscal 2021 guidance includes Credit Karma beginning December 3rd, and includes expected Credit Karma revenue of \$545 million to \$580 million and a segment operating income of \$15 million to \$35 million. We expect Credit Karma to be approximately 200 basis points dilutive to combined Intuit and Credit Karma non-GAAP operating margin in fiscal 2021. We also expect a reduction in fiscal 2021 Intuit GAAP operating

income of \$343 million for stock based compensation and \$174 million for amortization of intangibles associated with the acquisition of Credit Karma.

Our fiscal 2021 guidance includes approximately 110 basis points of non-GAAP operating margin expansion for Intuit excluding Credit Karma, as we're starting to see the leverage of our platform which I shared at Investor Day. Going forward, we expect non-GAAP operating margin expansion to continue from this new level with Credit Karma as part of the Intuit portfolio.

For Intuit and Credit Karma combined, we expect GAAP and non-GAAP tax rates of 24 percent for fiscal 2021.

Our guidance for Intuit and Credit Karma combined for Q2 fiscal 2021 includes:

- Revenue growth of 14 to 16 percent
- GAAP earnings per share of \$0.43 to \$0.49
- Non-GAAP earnings per share of \$1.25 to \$1.31

This Q2 fiscal 2021 guidance includes Credit Karma beginning December 3rd. You can find our full Q2 and fiscal 2021 guidance details in our press release and on our updated fact sheet.

Closing Comments (Sasan)

Thanks, Michelle.

I'm excited about the opportunities ahead as we combine with the Credit Karma team. Let's now open it up to your questions.

Closing Comments After Q&A

Thank you everyone for your time and questions today.

Cautions About Forward-looking Statements

These materials contain forward-looking statements within the meaning of applicable securities laws, including forecasts of expected growth and future financial results of Intuit and its reporting segments, including Credit Karma; Intuit's prospects for the business in fiscal 2021 and beyond; expectations regarding timing and growth of revenue for each of Intuit's

reporting segments and from current or future products and services; expectations regarding customer growth; expectations regarding Intuit's corporate tax rate; expectations regarding changes to our and Credit Karma's products and their impact on the combined business; expectations regarding availability of our offerings; expectations regarding the impact of our strategic decisions on Intuit's business; expectations regarding the impact of the Credit Karma acquisition; and all of the statements under the heading "Combined Q2 and Fiscal 2021 Guidance."

Because these forward-looking statements involve risks and uncertainties, there are important factors that could cause our actual results to differ materially from the expectations expressed in the forward-looking statements. These risks and uncertainties may be amplified by the COVID-19 pandemic, which has caused significant global economic instability and uncertainty. Given these risks and uncertainties, persons reading this communication are cautioned not to place any undue reliance on such forward-looking statements. These factors include, without limitation, the following: our ability to compete successfully; our participation in the Free

File Alliance; potential governmental encroachment in our tax businesses; our ability to adapt to technological change; our ability to predict consumer behavior; our reliance on third-party intellectual property; our ability to protect our intellectual property rights; any harm to our reputation; risks associated with acquisition and divestiture activity; the issuance of equity or incurrence of debt to fund an acquisition; our cybersecurity incidents (including those affecting the third parties we rely on); customer concerns about privacy and cybersecurity incidents; fraudulent activities by third parties using our offerings; our failure to process transactions effectively; interruption or failure of our information technology; our ability to maintain critical third-party business relationships; our ability to attract and retain talent; any deficiency in the quality or accuracy of our products (including the advice given by experts on our platform); any delays in product launches; difficulties in processing or filing customer tax submissions; risks associated with international operations; changes to public policy, laws or regulations affecting our businesses; litigation in which we are involved; the seasonal nature of our tax business; changes in tax rates and tax reform

legislation; global economic changes; exposure to credit, counterparty or other risks in providing capital to businesses; amortization of acquired intangible assets and impairment charges; our ability to repay or otherwise comply with the terms of our outstanding debt; our ability to repurchase shares or distribute dividends; volatility of our stock price; our ability to successfully market our offerings; risks associated with tax liabilities or changes in U.S. federal tax laws or interpretations to which the transaction with Credit Karma or parties thereto are subject; failure to successfully integrate any new business, including Credit Karma; failure to realize anticipated benefits or synergies of combined operations with Credit Karma; unanticipated costs, expenses or difficulties of integrating Credit Karma; the risk that the conditions imposed in connection with the regulatory approval for the combined business, including the divestiture of the Credit Karma Tax business, could adversely affect us and/or the expected benefits of the combined business; potential impact of consummation of the acquisition on relationships with third parties, including employees, customers, partners and competitors; inability to

retain key personnel; changes in legislation or government regulations affecting the acquisition or the parties; economic and/or political conditions that could adversely affect the parties; the impact of the COVID-19 pandemic; and risks associated with assumptions the parties make in connection with the parties' critical accounting estimates and legal proceedings.