September 27, 2018

Intuit Hosts Investor Day: Reaffirms First-quarter and Fiscal 2019 Guidance

MOUNTAIN VIEW, Calif.--(BUSINESS WIRE)-- Intuit Inc. (Nasdaq: INTU) reaffirmed its financial guidance for the first quarter and full fiscal year 2019 in conjunction with Investor Day, being held today at the company's Mountain View, Calif., headquarters. The company's fiscal year runs from Aug. 1 to July 31.

Chairman and Chief Executive Officer Brad Smith, Chief Financial Officer Michelle Clatterbuck and company leaders will address Intuit's priorities in support of its mission of powering prosperity around the world. The meeting begins at 8:00 a.m. Pacific time.

"We exited fiscal 2018 with strength across all of our businesses and we expect this momentum to continue as we make our way into fiscal 2019," said Smith. "We're looking forward to meeting with the investment community and discussing our strategy to capitalize on the tremendous opportunities we see ahead."

Intuit's strategy is built on the strength of its One Intuit Ecosystem, designed to unlock the power of many for the prosperity of each and every participant. Operating as a trusted open platform, Intuit's ecosystem enables customers and partners to collaborate through product integrations and personal interactions, powered by elegant user design, artificial intelligence and machine learning. The end result is personalized experiences and indispensable connections that creates greater value for all involved.

Reiterates First-quarter and Fiscal 2019 Guidance

Intuit reiterated the first-quarter and full-year fiscal 2019 guidance, reported under ASC 606 that was previously announced on Aug. 23. For the first quarter of fiscal year 2019, which ends Oct. 31, the company expects:

- Revenue of $955 million to $975 million, growth of 5 to 7 percent.
- GAAP operating loss of $70 million to $80 million.
- Non-GAAP operating income of $30 million to $40 million.
- GAAP loss per share of $0.17 to $0.19.
- Non-GAAP diluted earnings per share of $0.09 to $0.11.

For full fiscal year 2019, the company expects:

- Revenue of $6.530 billion to $6.630 billion, growth of 8 to 10 percent.
- GAAP operating income of $1.725 billion to $1.775 billion, growth of 11 to 14 percent.
- Non-GAAP operating income of $2.165 billion to $2.215 billion, growth of 6 to 8 percent.

- GAAP diluted earnings per share of $5.25 to $5.35, growth of 3 to 5 percent.
- Non-GAAP diluted earnings per share of $6.40 to $6.50, growth of 11 to 12 percent.

Investor Day: How to Participate

The event will be broadcast live via webcast available on Intuit's website at http://investors.intuit.com/events/default.aspx. A replay of the video broadcast and webcast will be available on Intuit's website two hours after the meeting ends.

About Intuit

Intuit's mission is to Power Prosperity Around the World. Our global products and platforms, including TurboTax, QuickBooks, Mint and Turbo, are designed to empower consumers, self-employed and small businesses to improve their financial lives, finding them more money with the least amount of work, while giving them complete confidence in their actions and decisions. Our innovative ecosystem of financial management solutions serves approximately 50 million customers worldwide, unleashing the power of many for the prosperity of one. Please visit us for the latest news and in-depth information about Intuit and its brands and find us on social.

About Non-GAAP Financial Measures

This press release and the accompanying tables include non-GAAP financial measures. For a description of these non-GAAP financial measures, including the reasons management uses each measure, and reconciliations of these non-GAAP financial measures to the most directly comparable financial measures prepared in accordance with Generally Accepted Accounting Principles, please see the section of the accompanying tables titled "About Non-GAAP Financial Measures" as well as the related Table 1. A copy of the press release issued by Intuit today can be found on the investor relations page of Intuit's website.

Cautions About Forward-looking Statements

This press release contains forward-looking statements, including forecasts of expected growth and future financial results of Intuit and its reporting segments; Intuit's prospects for the business in fiscal 2019 and beyond; expectations regarding the impact of our strategic decisions on Intuit's business; and all of the statements under the heading "Reiterates First-Quarter and Fiscal 2019 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 factors include, without limitation, the following: our expected market, customer and share growth; our goals and our ability to achieve those goals and their impact on our business; our opportunities and strategies to grow our business; our expected revenue, operating income and earnings per share results and growth; our expectations regarding future dividends, share repurchases and ROIC improvements; our expectations for our product and service offerings; our expectations regarding areas of increased investment and future market trends. Because these forward-looking statements involve risks and uncertainties, there are important factors that could cause our actual results to differ materially from the expectations expressed in the forward-looking statements. These factors include, without limitation, the following: inherent difficulty in predicting consumer behavior; difficulties in receiving, processing, or filing customer tax submissions; consumers may not respond as we expected to our advertising and promotional activities; harm to our reputation; the competitive environment; governmental encroachment in our tax businesses or other governmental activities or public policy affecting the preparation and filing of tax returns or any of our businesses; 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 and our business information and data; increased and complex regulation relating to privacy and data security; cybersecurity incidents (including those affecting the third parties we rely on); customer concerns about privacy and cybersecurity incidents; exposure to credit risk of the businesses we provide capital to; our ability to develop, manage and maintain critical third party business relationships; our reliance on third party intellectual property, technology and services; increased or changes to government regulation affecting our businesses; any failure to process transactions effectively or to adequately protect against potential fraudulent activities; any significant deficiencies in product quality or accuracy, or delay in product launches; 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 or distribute dividends; unanticipated changes in our income tax rates and the effect of the new tax reform legislation; 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 2018 and in our other SEC filings. You can locate these reports through our website at http://investors.intuit.com. Forward-looking statements are based on information as of September 27, 2018 and we do not undertake any duty to update any forward-looking statement or other information in these materials.

TABLE 1

INTUIT INC.

RECONCILIATION OF FORWARD-LOOKING GUIDANCE FOR NON-GAAP FINANCIAL ME

TO PROJECTED GAAP REVENUE, OPERATING INCOME (LOSS), AND EPS

(In millions, except per share amounts)

(Unaudited)

	Forward-Looking Guidance				
	GAAP Range of Estimate			Non-GA Range of Es	
	From	To	Adjmts	From	

New Revenue Standard (ASC 606)										
Three Months Ending October 31, 2018										
Revenue	$	955	$	975	$	—		$	955	$
Operating income (loss)	$	(80)	$	(70)	$	110	[a]	$	30	$
Diluted earnings (loss) per share	$	(0.19)	$	(0.17)	$	0.28	[b]	$	0.09	$
Twelve Months Ending July 31, 2019										
Revenue	$	6,530	$	6,630	$	—		$	6,530	$
Operating income	$	1,725	$	1,775	$	440	[c]	$	2,165	$
Diluted earnings per share	$	5.25	$	5.35	$	1.15	[d]	$	6.40	$

Previous Revenue Standard (ASC 605)										
Twelve Months Ending July 31, 2019										
Revenue	$	6,560	$	6,660	$	—		$	6,560	$
Operating income	$	1,755	$	1,805	$	440	[c]	$	2,195	$
Diluted earnings per share	$	5.35	$	5.45	$	1.15	[d]	$	6.50	$

Note: Fiscal 2019 guidance under ASC 605 presented for comparison with prior year. Going forward, guidance will only be provided in accordance with ASC 606.

See “About Non-GAAP Financial Measures” immediately following this 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.

[a] Reflects estimated adjustments for share-based compensation expense of approximately $104 million; amortization of acquired technology of approximately $4 million; and amortization of other acquired intangible assets of approximately $2 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.

[c] Reflects estimated adjustments for share-based compensation expense of approximately $416 million; amortization of acquired technology of approximately $19 million; and amortization of other acquired intangible assets of approximately $5 million.

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

INTUIT INC.
ABOUT NON-GAAP FINANCIAL MEASURES

The accompanying press release dated Sept. 27, 2018 contains non-GAAP financial measures. Table 1 reconciles 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 (loss), non-GAAP net income (loss) and non-GAAP net income (loss) per share.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Income tax effects and adjustments. We use a long-term non-GAAP tax rate which excludes the income tax effects of the non-GAAP pre-tax adjustments described above and eliminates the effects of non-recurring and period specific items which can vary in size and frequency.

On December 22, 2017, the 2017 Tax Cuts and Jobs Act (2017 Tax Act) was signed into law and reduced the federal statutory rate from 35% to 21%, effective January 1, 2018.

In fiscal 2019, we will fully benefit from this U.S. federal statutory rate change and are using the long-term non-GAAP tax rate for evaluating operating results and for planning, forecasting, and analyzing future periods. As the changes in the U.S. federal statutory rate, as a result of the 2017 Tax Act, occurred in the second quarter of our fiscal year 2018, the calculation of our fiscal 2019 long-term non-GAAP rate includes only our current forecast considerations and is equal to the average of our forecasted tax rates over our long term forecast period. Based on these current projections, we are using a long-term non-GAAP tax rate of 23% for fiscal 2019. 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. 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 rate.

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 1 include all information reasonably available to Intuit at the date of this press release. 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, sales of available-for-sale debt securities and other investments, and disposals of businesses and long-lived assets.

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