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turbotax



quickbooks



mint

Fact Sheet

November 19, 2020

Financial summary

| FINANCIAL SUMMARY | | | | | | | | | | | | GUIDANCE ^[C] | |
|---|----------------|----------------|----------------|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------------------|--------------------------|
| (\$ millions, except per share data) | Q1 FY19 | Q2 FY19 | Q3 FY19 | Q4 FY19 | FY19 | Q1 FY20 | Q2 FY20 | Q3 FY20 | Q4 FY20 | FY20 | Q1 FY21 | Q2 FY21 | FY21 |
| Small Business & Self-Employed | \$908 | \$833 | \$887 | \$905 | \$3,533 | \$1,046 | \$973 | \$982 | \$1,049 | \$4,050 | \$1,181 | | \$4,360 - \$4,460 |
| % change YOY | 11% | 17% | 19% | 16% | 15% | 15% | 17% | 11% | 16% | 15% | 13% | | 8% -10% |
| Consumer | \$90 | \$461 | \$2,150 | \$74 | \$2,775 | \$100 | \$499 | \$1,827 | \$710 | \$3,136 | \$119 | | \$3,410 - \$3,455 |
| % change YOY | 22% | 11% | 10% | 7% | 11% | 11% | 8% | (15%) | 859% | 13% | 19% | | 9% -10% |
| ProConnect | \$18 | \$208 | \$235 | \$15 | \$476 | \$19 | \$224 | \$193 | \$57 | \$493 | \$23 | | \$495 - \$500 |
| % change YOY | 6% | (1%) | 9% | 15% | 4% | 6% | 8% | (18%) | 280% | 4% | 21% | | 0% -1% |
| Total Revenue | \$1,016 | \$1,502 | \$3,272 | \$994 | \$6,784 | \$1,165 | \$1,696 | \$3,002 | \$1,816 | \$7,679 | \$1,323 | \$1,825 - \$1,845 | \$8,265 - \$8,415 |
| % change YOY | 12% | 12% | 12% | 15% | 13% | 15% | 13% | (8%) | 83% | 13% | 14% | 8% -9% | 8% -10% |
| GAAP Operating Income (Loss) | (\$10) | \$233 | \$1,784 | (\$153) | \$1,854 | \$10 | \$270 | \$1,413 | \$483 | \$2,176 | \$209 | \$313 - \$323 | \$2,425 - \$2,475 |
| Non-GAAP Operating Income (Loss) ^[A] | \$102 | \$339 | \$1,888 | (\$47) | \$2,282 | \$129 | \$384 | \$1,539 | \$616 | \$2,668 | \$334 | \$465 - \$475 | \$2,960 - \$3,010 |
| Non-GAAP Operating Margin % ^[A] | 10.0% | 22.6% | 57.7% | NA | 33.6% | 11.1% | 22.6% | 51.3% | 33.9% | 34.7% | 25.3% | | |
| Interest Expense | (\$4) | (\$4) | (\$4) | (\$3) | (\$15) | (\$2) | (\$3) | (\$2) | (\$7) | (\$14) | (\$8) | | |
| Interest and Other Income | \$0 | \$6 | \$17 | \$19 | \$42 | \$14 | \$15 | (\$3) | \$10 | \$36 | \$9 | | |
| GAAP Share Based Compensation Expense | 105 | 100 | 98 | 98 | 401 | 111 | 107 | 103 | 114 | 436 | 111 | | |
| GAAP Share Based Compensation Expense per Share | NM | (\$0.30) | (\$0.29) | (\$0.12) | (\$1.26) | (\$1.11) | (\$0.35) | (\$0.30) | (\$0.40) | (\$1.37) | (\$0.39) | | |
| GAAP Diluted EPS | \$0.13 | \$0.72 | \$5.22 | (\$0.17) | \$5.89 | \$0.22 | \$0.91 | \$4.11 | \$1.68 | \$6.92 | \$0.75 | \$0.89 - \$0.92 | \$7.00 - \$7.15 |
| Non-GAAP Diluted EPS^{[A] [B]} | \$0.29 | \$1.00 | \$5.55 | (\$0.09) | \$6.75 | \$0.41 | \$1.16 | \$4.49 | \$1.81 | \$7.86 | \$0.94 | \$1.31 - \$1.34 | \$8.40 - \$8.55 |
| GAAP Diluted EPS (YTD) | \$0.13 | \$0.84 | \$6.06 | \$5.89 | \$5.89 | \$0.22 | \$1.13 | \$5.24 | \$6.92 | \$6.92 | \$0.75 | | |
| Non-GAAP Diluted EPS (YTD) ^{[A] [B]} | \$0.29 | \$1.29 | \$6.84 | \$6.75 | \$6.75 | \$0.41 | \$1.57 | \$6.06 | \$7.86 | \$7.86 | \$0.94 | | |
| Basic Share Count | 260 | 260 | 260 | 260 | 260 | 261 | 261 | 261 | 262 | 261 | 263 | | ~263 |
| Diluted Share Count | 264 | 264 | 264 | 260 | 264 | 264 | 264 | 264 | 264 | 264 | 265 | | ~265 |
| GAAP Tax Rate | 337% | 20% | 23% | 68% | 17% | -163% | 15% | 23% | 8% | 17% | 6% | | 23% |
| Non-GAAP Tax Rate | 23% | 23% | 23% | 23% | 23% | 23% | 23% | 23% | 23% | 23% | 24% | | 24% |
| Capital Expenditures | | | | | \$155 | | | | | \$137 | | | ~\$170 |

Segment revenue

| Segment Revenue | | FY'19 | | | | | FY'20 | | | | | FY'21 |
|---|-----------------|-----------------|-----------------|---------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------|
| (\$ millions) | Q1 | Q2 | Q3 | Q4 | FY | Q1 | Q2 | Q3 | Q4 | FY | Q1 | |
| QuickBooks Online Accounting | \$ 217 | \$ 231 | \$ 260 | \$ 272 | \$ 980 | \$ 306 | \$ 330 | \$ 353 | \$ 365 | \$ 1,354 | \$ 392 | |
| Online Services | \$ 154 | \$ 163 | \$ 179 | \$ 187 | \$ 683 | \$ 195 | \$ 200 | \$ 207 | \$ 226 | \$ 828 | \$ 229 | |
| Total Online Ecosystem | \$ 371 | \$ 394 | \$ 439 | \$ 459 | \$ 1,663 | \$ 501 | \$ 530 | \$ 560 | \$ 591 | \$ 2,182 | \$ 621 | |
| QuickBooks Desktop Accounting (Outright, Subs and ES) | \$ 228 | \$ 154 | \$ 181 | \$ 169 | \$ 732 | \$ 239 | \$ 165 | \$ 173 | \$ 178 | \$ 755 | \$ 241 | |
| Desktop Services and Supplies | \$ 309 | \$ 285 | \$ 267 | \$ 277 | \$ 1,138 | \$ 306 | \$ 278 | \$ 249 | \$ 280 | \$ 1,113 | \$ 319 | |
| Total Desktop Ecosystem | \$ 537 | \$ 439 | \$ 448 | \$ 446 | \$ 1,870 | \$ 545 | \$ 443 | \$ 422 | \$ 458 | \$ 1,868 | \$ 560 | |
| Small Business & Self-Employed | \$ 908 | \$ 833 | \$ 887 | \$ 905 | \$ 3,533 | \$ 1,046 | \$ 973 | \$ 982 | \$ 1,049 | \$ 4,050 | \$ 1,181 | |
| Consumer | \$ 90 | \$ 461 | \$ 2,150 | \$ 74 | \$ 2,775 | \$ 100 | \$ 499 | \$ 1,827 | \$ 710 | \$ 3,136 | \$ 119 | |
| ProConnect | \$ 18 | \$ 208 | \$ 235 | \$ 15 | \$ 476 | \$ 19 | \$ 224 | \$ 193 | \$ 57 | \$ 493 | \$ 23 | |
| Total Segment Revenue | \$ 1,016 | \$ 1,502 | \$ 3,272 | \$ 994 | \$ 6,784 | \$ 1,165 | \$ 1,696 | \$ 3,002 | \$ 1,816 | \$ 7,679 | \$ 1,323 | |

| Platform Revenue | | FY'19 | FY'20 |
|-------------------------------------|--|-----------------|-----------------|
| (\$ millions) | | | |
| Online Ecosystem (QBO) | | \$ 1,663 | \$ 2,182 |
| TurboTax Online (TTO) | | \$ 2,250 | \$ 2,610 |
| QBO and TTO Platform Revenue | | \$ 3,913 | \$ 4,792 |

Segment margin

| Segment Operating Income | | | | | | | | | | |
|---------------------------------------|-----------------|---------------------|--|--|--|--|--|--|--|--|
| FY'21 | | | | | | | | | | |
| (\$ millions) | Q1 | | | | | | | | | |
| | <u>Op. Inc.</u> | <u>% Op. Margin</u> | | | | | | | | |
| Small Business & Self-Employed | \$ 767 | 65% | | | | | | | | |
| Consumer | \$ 4 | 4% | | | | | | | | |
| ProConnect | \$ (10) | -42% | | | | | | | | |
| Total Segment Operating Income | \$ 761 | 58% | | | | | | | | |

| FY'20 (Restated) ^[D] | | | | | | | | | | |
|---------------------------------------|-----------------|---------------------|-----------------|---------------------|-----------------|---------------------|-----------------|---------------------|-----------------|---------------------|
| (\$ millions) | Q1 | | Q2 | | Q3 | | Q4 | | Year | |
| | <u>Op. Inc.</u> | <u>% Op. Margin</u> | <u>Op. Inc.</u> | <u>% Op. Margin</u> | <u>Op. Inc.</u> | <u>% Op. Margin</u> | <u>Op. Inc.</u> | <u>% Op. Margin</u> | <u>Op. Inc.</u> | <u>% Op. Margin</u> |
| Small Business & Self-Employed | \$ 593 | 57% | \$ 447 | 46% | \$ 456 | 46% | \$ 595 | 57% | \$ 2,091 | 52% |
| Consumer | \$ (20) | -20% | \$ 191 | 38% | \$ 1,350 | 74% | \$ 542 | 76% | \$ 2,063 | 66% |
| ProConnect | \$ (18) | -95% | \$ 186 | 83% | \$ 155 | 80% | \$ 23 | 40% | \$ 347 | 70% |
| Total Segment Operating Income | \$ 555 | 48% | \$ 824 | 49% | \$ 1,962 | 65% | \$ 1,160 | 64% | \$ 4,500 | 59% |

| FY'19 (Restated) ^[D] | | | | | | | | | | |
|---------------------------------------|--|--|--|--|--|--|--|--|-----------------|---------------------|
| (\$ millions) | | | | | | | | | Year | |
| | | | | | | | | | <u>Op. Inc.</u> | <u>% Op. Margin</u> |
| Small Business & Self-Employed | | | | | | | | | \$ 1,721 | 49% |
| Consumer | | | | | | | | | \$ 1,820 | 66% |
| ProConnect | | | | | | | | | \$ 330 | 69% |
| Total Segment Operating Income | | | | | | | | | \$ 3,872 | 57% |

Footnotes

Numbers may not agree with the sum of the components, nor with SEC filing(s), due to immaterial rounding adjustments. Worldwide Business Metrics include estimates, including estimates of sales by merchants who do not report sales to Intuit. Sales to end users (sell-through) by Intuit and via retailers and distributors for which Intuit relies on reports from these merchants.

^[A]These are non-GAAP financial measures. See Section "About Non-GAAP Financial Measures" and the tables B1, B2 and E of our Press Release dated November 19, 2020 for reconciliations of these non-GAAP financial measures to the most directly comparable GAAP measures and the reasons management uses each measure.

^[B]The effective tax rates used to calculate non-GAAP EPS were 23% for Q1 FY'20, Q2 FY'20, Q3 FY'20, Q4 FY'20 and 24% for Q1 FY'21.

^[C]All of the numbers provided in the table entitled "Guidance," are forward-looking statements. Please see the accompanying section entitled "Cautions About Forward-Looking Statements" for important information to assess when evaluating these statements. Actual future results may differ materially due to a number of risks and uncertainties.

^[D]In August 2020, we reorganized certain technology and customer success functions that support and benefit our overall platform. Additionally, certain legal, facility and employee service costs are now managed at the corporate level. As a result, these costs are no longer included in segment operating income and are now included in other common expenses. For FY'20, we reclassified \$180 million from Small Business & Self-Employed, \$121 million from Consumer and \$14 million from ProConnect to other common expenses. For FY'19, we reclassified \$172 million from Small Business & Self-Employed, \$78 million from Consumer and \$12 million from ProConnect to other common expenses.

Small Business & Self-Employed Group Includes: QuickBooks Software, Financial Supplies, Merchant Services, QuickBooks Payroll, Intuit Online Payroll, Intuit Full Service Payroll, QuickBooks Software for Accountants, Practice Management/Virtual Office and ProAdvisor Program.

Consumer Group Includes: TurboTax, Mint and OFX.

ProConnect Group Includes: ProSeries, Lacerte and ProConnect Tax Online.

Cautions About Forward-Looking Statements

This fact sheet contains forward-looking statements, including forecasts of Intuit's expected growth and future financial results of Intuit and its reporting segments.

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. 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 and other risks in providing capital to businesses; amortization of acquired intangible assets and impairment charges; our ability to repay or otherwise comply with the terms of our outstanding debt; our ability to repurchase shares or distribute dividends; volatility of our stock price; and our ability to successfully market our offerings. More details about these and other risks that may impact our business are included in our Form 10-K for fiscal 2020 and in our other SEC filings. You can locate these reports through our website at <http://investors.intuit.com>. Fiscal 2021 full-year and Q2 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.