

FOR IMMEDIATE RELEASE

## Jack Henry & Associates, Inc. Reports First Quarter Fiscal 2025 Results

### First quarter summary:

- GAAP revenue increased 5.2% and GAAP operating income increased 14.0% for the fiscal three months ended September 30, 2024, compared to the prior fiscal year quarter.
- Non-GAAP adjusted revenue increased 5.3% and non-GAAP adjusted operating income increased 1.6% for the fiscal three months ended September 30, 2024, compared to the prior fiscal year quarter.<sup>1</sup>
- GAAP EPS was \$1.63 per diluted share for the fiscal three months ended September 30, 2024, compared to \$1.39 per diluted share in the prior fiscal year quarter.
- Cash and cash equivalents were \$43 million at September 30, 2024, and \$31 million at September 30, 2023.
- Debt outstanding related to credit facilities was \$140 million at September 30, 2024, and \$245 million at September 30, 2023.

### Full year fiscal 2025 guidance:<sup>2</sup>

	Current	
GAAP	Low	High
Revenue	\$2,369	\$2,391
Operating margin <sup>3</sup>	23.0%	23.2%
EPS	\$5.78	\$5.87
<b>Non-GAAP<sup>4</sup></b>		
Adjusted revenue	\$2,353	\$2,375
Adjusted operating margin	22.7%	22.8%

First Qtr Revenue		First Qtr Operating Income	
GAAP	Non-GAAP <sup>1</sup>	GAAP	Non-GAAP <sup>1</sup>
increased	increased	increased	increased
<b>5.2%</b>	<b>5.3%</b>	<b>14.0%</b>	<b>1.6%</b>
First Qtr Net Income		First Qtr EBITDA	
GAAP	Non-GAAP <sup>1</sup>	Non-GAAP <sup>5</sup>	
increased	increased	increased	
<b>17.2%</b>	<b>4.7%</b>	<b>1.9%</b>	

Monett, MO, November 5, 2024 - Jack Henry & Associates, Inc. (Nasdaq: JKHY), a leading financial technology provider, today announced results for fiscal first quarter ended September 30, 2024.

<sup>1</sup> See tables below on page 4 reconciling non-GAAP financial measures to GAAP.

<sup>2</sup> The full fiscal year guidance assumes no acquisitions or dispositions are made during fiscal year 2025.

<sup>3</sup> Operating margin is calculated by dividing operating income by revenue.

<sup>4</sup> See tables below on page 7 reconciling fiscal year 2025 GAAP to non-GAAP guidance.

<sup>5</sup> See table below on page 12 reconciling net income to non-GAAP EBITDA.

According to **Greg Adelson, President and CEO**, “We are pleased to report another quarter of solid financial performance, which was slightly better than the outlook provided in August for FY Q1. Our sales team maintained positive momentum in the quarter with a new record sales attainment for Q1 and increased our sales pipeline to an all-time high. We had an outstanding Jack Henry Connect conference last month in Phoenix, where we strengthened relationships with clients and prospects and demonstrated our execution over the past year. We are energized and remain focused on our key differentiators: culture, service, and innovation.”

## Operating Results

Revenue, operating expenses, operating income, and net income for the three months ended September 30, 2024, compared to the three months ended September 30, 2023, were as follows:

### Revenue

(Unaudited, In Thousands)

	Three Months Ended September 30,		% Change
	2024	2023	
<b>Revenue</b>			
Services and Support	<b>\$ 356,679</b>	\$ 342,205	4.2 %
<i>Percentage of Total Revenue</i>	<b>59.3 %</b>	59.9 %	
Processing	<b>244,303</b>	229,163	6.6 %
<i>Percentage of Total Revenue</i>	<b>40.7 %</b>	40.1 %	
<b>REVENUE</b>	<b>\$ 600,982</b>	\$ 571,368	5.2 %

- Services and support revenue increased for the three months ended September 30, 2024, primarily driven by growth in data processing and hosting revenue of 12.6%, partially offset by a decrease in license and hardware revenue of 35.9%. Processing revenue increased for the three months ended September 30, 2024, primarily driven by growth in card revenue of 5.1% and transaction and digital revenue of 10.9%. Other drivers were increases in payment processing and remote capture and ACH revenues.
- For the three months ended September 30, 2024, core segment revenue increased 4.9%, payments segment revenue increased 6.3%, complementary segment revenue increased 6.4%, and corporate and other segment revenue decreased 10.2%. For the three months ended September 30, 2024, core segment non-GAAP adjusted revenue increased 5.2%, payments segment non-GAAP adjusted revenue increased 5.9%, complementary segment non-GAAP adjusted revenue increased 7.1%, and corporate and other non-GAAP adjusted segment revenue decreased 10.3% (see revenue lines of segment break-out tables on pages 5 and 6 below for a reconciliation of segment non-GAAP adjusted revenue to GAAP segment revenue).

## Operating Expenses and Operating Income

(Unaudited, In Thousands)

	Three Months Ended September 30,		% Change
	2024	2023	
Cost of Revenue	\$ 343,432	\$ 323,002	6.3 %
<i>Percentage of Total Revenue<sup>6</sup></i>	<b>57.1 %</b>	56.5 %	
Research and Development	<b>39,686</b>	36,892	7.6 %
<i>Percentage of Total Revenue<sup>6</sup></i>	<b>6.6 %</b>	6.5 %	
Selling, General, and Administrative	<b>66,588</b>	78,774	(15.5)%
<i>Percentage of Total Revenue<sup>6</sup></i>	<b>11.1 %</b>	13.8 %	
<b>OPERATING EXPENSES</b>	<b>449,706</b>	438,668	2.5 %
<b>OPERATING INCOME</b>	<b>\$ 151,276</b>	\$ 132,700	14.0 %
<i>Operating Margin<sup>6</sup></i>	<b>25.2 %</b>	23.2 %	

- Cost of revenue increased for the three months ended September 30, 2024, primarily due to higher direct costs generally consistent with increases in the related lines of revenue, higher personnel costs including benefits expenses from an increase in employee headcount in the trailing twelve months, higher internal licenses and fees from increased deployments and prices, and a rise in amortization from capital development projects placed into service in the trailing twelve months.
- Research and development expense increased for the three months ended September 30, 2024, primarily due to higher personnel costs (net of capitalization) including benefits expenses from an increase in employee headcount in the trailing twelve months.
- Selling, general, and administrative expense decreased for the three months ended September 30, 2024, primarily due to the decrease in non-recurring costs when compared to the prior fiscal year quarter.

## Net Income

(Unaudited, In Thousands,  
Except Per Share Data)

	Three Months Ended September 30,		% Change
	2024	2023	
Income Before Income Taxes	\$ 156,798	\$ 133,248	17.7 %
Provision for Income Taxes	<b>37,607</b>	31,569	19.1 %
<b>NET INCOME</b>	<b>\$ 119,191</b>	\$ 101,679	17.2 %
Diluted earnings per share	<b>\$ 1.63</b>	\$ 1.39	17.1 %

- Effective tax rates for the three months ended September 30, 2024, and 2023, were 24.0% and 23.7%, respectively.

According to **Mimi Carsley, CFO and Treasurer**, “For the first quarter of the fiscal year, revenue and operating margins were aligned with our plan and expectations and we continue to expect stronger performance in the second half of our fiscal year. Our private cloud revenue grew over 11% and processing services continued to drive strong revenue growth at over 6%, each contributing to our overall revenue expansion of over 5% and operating income increase of 2% on a non-GAAP basis.”

<sup>6</sup>Operating margin is calculated by dividing operating income by revenue. Operating margin plus operating expense components as a percentage of total revenue may not equal 100% due to rounding.

## Impact of Non-GAAP Adjustments

The tables below show our revenue, operating income, and net income for the three months ended September 30, 2024, compared to the three months ended September 30, 2023, excluding the impacts of deconversions and the VEDIP program expense.\*

(Unaudited, In Thousands)	Three Months Ended September 30,		% Change
	2024	2023	
<b>GAAP Revenue**</b>	<b>\$ 600,982</b>	<b>\$ 571,368</b>	<b>5.2 %</b>
<b>Adjustments:</b>			
Deconversion revenue	(3,697)	(4,136)	
<b>NON-GAAP ADJUSTED REVENUE**</b>	<b>\$ 597,285</b>	<b>\$ 567,232</b>	<b>5.3 %</b>
<b>GAAP Operating Income</b>	<b>\$ 151,276</b>	<b>\$ 132,700</b>	<b>14.0 %</b>
<b>Adjustments:</b>			
Operating income from deconversions	(3,495)	(3,755)	
VEDIP program expense*	—	16,443	
<b>NON-GAAP ADJUSTED OPERATING INCOME</b>	<b>\$ 147,781</b>	<b>\$ 145,388</b>	<b>1.6 %</b>
<i>Non-GAAP Adjusted Operating Margin***</i>	<b>24.7 %</b>	25.6 %	
<b>GAAP Net Income</b>	<b>\$ 119,191</b>	<b>\$ 101,679</b>	<b>17.2 %</b>
<b>Adjustments:</b>			
Net income from deconversions	(3,495)	(3,755)	
VEDIP program expense*	—	16,443	
Tax impact of adjustments****	839	(3,045)	
<b>NON-GAAP ADJUSTED NET INCOME</b>	<b>\$ 116,535</b>	<b>\$ 111,322</b>	<b>4.7 %</b>

\*The VEDIP program expense for the fiscal three months ended September 30, 2024, was related to a Company voluntary separation program offered to certain eligible employees beginning in July 2023.

\*\*GAAP revenue is comprised of services and support and processing revenues (see page 2). Reducing services and support revenue by deconversion revenue for the three months ended September 30, 2024, and 2023 which was \$3,697 for the current fiscal year quarter and \$4,136 for the prior fiscal year quarter, results in non-GAAP adjusted services and support revenue growth of 4.4% quarter over quarter. There were no non-GAAP adjustments to processing revenue for the three months ended September 30, 2024, or 2023.

\*\*\*Non-GAAP adjusted operating margin is calculated by dividing non-GAAP adjusted operating income by non-GAAP adjusted revenue.

\*\*\*\*The tax impact of adjustments is calculated using a tax rate of 24% for the three months ended September 30, 2024, and 2023. The tax rate for non-GAAP adjustment items takes a broad look at our recurring tax adjustments and applies them to non-GAAP revenue that does not have its own specific tax impacts.

The tables below show the segment break-out of revenue and cost of revenue for each period presented, as adjusted for the items above, and include a reconciliation to non-GAAP adjusted operating income presented above.

	<b>Three Months Ended September 30, 2024</b>				
(Unaudited, In Thousands)	<b>Core</b>	<b>Payments</b>	<b>Complementary</b>	<b>Corporate and Other</b>	<b>Total</b>
<b>GAAP REVENUE</b>	\$ 195,624	\$ 211,923	\$ 171,702	\$ 21,733	\$600,982
Non-GAAP adjustments*	(1,287)	(1,914)	(473)	(23)	(3,697)
<b>NON-GAAP ADJUSTED REVENUE</b>	<u>194,337</u>	<u>210,009</u>	<u>171,229</u>	<u>21,710</u>	<u>597,285</u>
<b>GAAP COST OF REVENUE</b>	81,420	113,020	65,967	83,025	343,432
Non-GAAP adjustments*	(37)	(18)	(60)	—	(115)
<b>NON-GAAP ADJUSTED COST OF REVENUE</b>	<u>81,383</u>	<u>113,002</u>	<u>65,907</u>	<u>83,025</u>	<u>343,317</u>
<b>GAAP SEGMENT INCOME</b>	<u>\$ 114,204</u>	<u>\$ 98,903</u>	<u>\$ 105,735</u>	<u>\$ (61,292)</u>	
<i>Segment Income Margin**</i>	58.4 %	46.7 %	61.6 %	(282.0)%	
<b>NON-GAAP ADJUSTED SEGMENT INCOME</b>	<u>\$ 112,954</u>	<u>\$ 97,007</u>	<u>\$ 105,322</u>	<u>\$ (61,315)</u>	
<i>Non-GAAP Adjusted Segment Income Margin**</i>	58.1 %	46.2 %	61.5 %	(282.4)%	
Research and Development					39,686
Selling, General, and Administrative					66,588
Non-GAAP adjustments unassigned to a segment***					(87)
<b>NON-GAAP TOTAL ADJUSTED OPERATING EXPENSES</b>					<u>449,504</u>
<b>NON-GAAP ADJUSTED OPERATING INCOME</b>					<u>\$ 147,781</u>

\*Revenue non-GAAP adjustments for all segments were deconversion revenue. Cost of revenue non-GAAP adjustments for all segments were deconversion costs.

\*\*Segment income margin is calculated by dividing segment income by revenue for each segment. Non-GAAP adjusted segment income margin is calculated by dividing non-GAAP adjusted segment income by non-GAAP adjusted revenue for each segment.

\*\*\*Non-GAAP adjustments unassigned to a segment were selling, general, and administrative deconversion costs.

**Three Months Ended September 30, 2023**

(Unaudited, In Thousands)	<b>Core</b>	<b>Payments</b>	<b>Complementary</b>	<b>Corporate and Other</b>	<b>Total</b>
<b>GAAP REVENUE</b>	\$ 186,439	\$ 199,358	\$ 161,366	\$ 24,205	\$ 571,368
Non-GAAP adjustments*	(1,665)	(1,006)	(1,451)	(14)	(4,136)
<b>NON-GAAP ADJUSTED REVENUE</b>	<u>184,774</u>	<u>198,352</u>	<u>159,915</u>	<u>24,191</u>	<u>567,232</u>
<b>GAAP COST OF REVENUE</b>	75,927	108,826	60,957	77,292	323,002
Non-GAAP adjustments*	(103)	(47)	(119)	(1)	(270)
<b>NON-GAAP ADJUSTED COST OF REVENUE</b>	<u>75,824</u>	<u>108,779</u>	<u>60,838</u>	<u>77,291</u>	<u>322,732</u>
<b>GAAP SEGMENT INCOME</b>	<u>\$ 110,512</u>	<u>\$ 90,532</u>	<u>\$ 100,409</u>	<u>\$ (53,087)</u>	
<i>Segment Income Margin</i>	59.3 %	45.4 %	62.2 %	(219.3)%	
<b>NON-GAAP ADJUSTED SEGMENT INCOME</b>	<u>\$ 108,950</u>	<u>\$ 89,573</u>	<u>\$ 99,077</u>	<u>\$ (53,100)</u>	
<i>Non-GAAP Adjusted Segment Income Margin</i>	59.0 %	45.2 %	62.0 %	(219.5)%	
Research and Development					36,892
Selling, General, and Administrative					78,774
Non-GAAP adjustments unassigned to a segment** ***					(16,554)
<b>NON-GAAP TOTAL ADJUSTED OPERATING EXPENSES</b>					<u>421,844</u>
<b>NON-GAAP ADJUSTED OPERATING INCOME</b>					<u>\$ 145,388</u>

\*Revenue non-GAAP adjustments for all segments were deconversion revenues. Cost of revenue non-GAAP adjustments for all segments were deconversion costs.

\*\*Non-GAAP adjustments unassigned to a segment were selling, general, and administrative deconversion costs of \$(111) and VEDIP program expense of \$(16,443).

\*\*\*The VEDIP program expense for the fiscal three months ended September 30, 2023, was related to a Company voluntary separation program offered to certain eligible employees beginning in July 2023.

The table below shows our GAAP to non-GAAP guidance for the fiscal year ending June 30, 2025. Fiscal year 2025 non-GAAP guidance excludes the impacts of deconversion revenue and related operating expenses and assumes no acquisitions or dispositions are made during the fiscal year.

GAAP to Non-GAAP GUIDANCE (In Millions, except per share data)	Annual FY25	
	Low	High
<b>GAAP REVENUE</b>	<b>\$ 2,369</b>	<b>\$ 2,391</b>
<i>Growth</i>	6.9 %	7.9 %
Deconversions*	\$ 16	\$ 16
<b>NON-GAAP ADJUSTED REVENUE**</b>	<b>\$ 2,353</b>	<b>\$ 2,375</b>
<i>Non-GAAP Adjusted Growth</i>	7.0 %	8.0 %
<b>GAAP OPERATING EXPENSES</b>	<b>\$ 1,823</b>	<b>\$ 1,836</b>
<i>Growth</i>	5.6 %	6.4 %
Deconversion costs*	\$ 3	\$ 3
<b>NON-GAAP ADJUSTED OPERATING EXPENSES**</b>	<b>\$ 1,820</b>	<b>\$ 1,833</b>
<i>Non-GAAP Adjusted Growth</i>	6.7 %	7.4 %
<b>GAAP OPERATING INCOME</b>	<b>\$ 546</b>	<b>\$ 555</b>
<i>Growth</i>	11.6 %	13.3 %
<b>GAAP OPERATING MARGIN</b>	<b>23.0 %</b>	<b>23.2 %</b>
<b>NON-GAAP ADJUSTED OPERATING INCOME**</b>	<b>\$ 533</b>	<b>\$ 542</b>
<i>Non-GAAP Adjusted Growth</i>	8.2 %	9.9 %
<b>NON-GAAP ADJUSTED OPERATING MARGIN</b>	<b>22.7 %</b>	<b>22.8 %</b>
<b>GAAP EPS***</b>	<b>\$ 5.78</b>	<b>\$ 5.87</b>
<i>Growth</i>	10.6 %	12.3 %
<b>Non-GAAP EPS***</b>	<b>\$ 5.65</b>	<b>\$ 5.74</b>
<i>Growth</i>	7.3 %	9.0 %

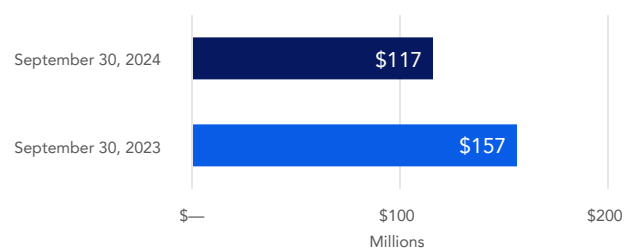
\*Deconversion revenue and related operating expenses are based on actual results for the three months ended September 30, 2024, and estimates for the remainder of fiscal year 2025, based on the lowest actual recent historical results. See the Company's Form 8-K filed with the Securities and Exchange Commission on October 28, 2024.

\*\*GAAP to Non-GAAP revenue, operating expenses, and operating income may not foot due to rounding.

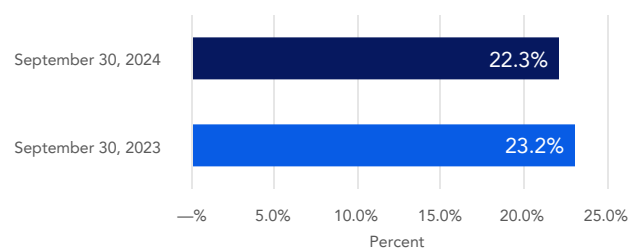
\*\*\*The GAAP to Non-GAAP EPS reconciliation table is below on page 13.

## Balance Sheet and Cash Flow Review

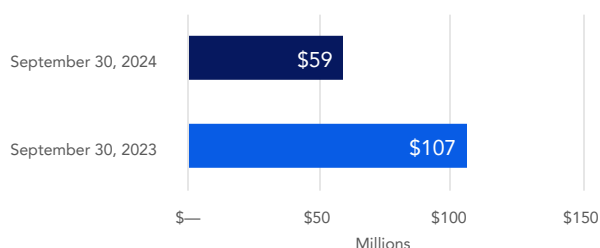
### Net Cash Provided by Operating Activities\*



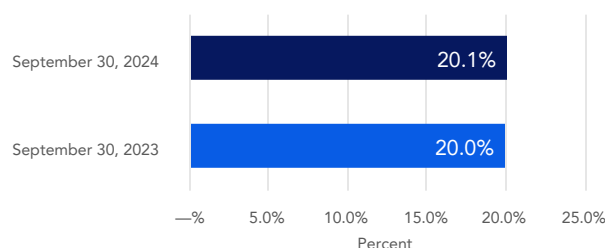
### Return on Average Shareholders' Equity\*



### Free Cash Flow\*



### ROIC\*



- Cash and cash equivalents were \$43 million at September 30, 2024, and \$31 million at September 30, 2023.
- Trade receivables were \$307 million at September 30, 2024, compared to \$289 million at September 30, 2023.
- The Company had \$140 million of borrowings at September 30, 2024 compared to \$245 million of borrowings at September 30, 2023.
- Deferred revenue decreased to \$320 million at September 30, 2024, compared to \$333 million at September 30, 2023.
- Stockholders' equity increased to \$1,925 million at September 30, 2024, compared to \$1,660 million at September 30, 2023.

\*See table below for Net Cash Provided by Operating Activities and on page 12 for Return on Average Shareholders' Equity. Tables reconciling the non-GAAP measures Free Cash Flow and Return on Invested Capital (ROIC) to GAAP measures are also on page 12. See the Use of Non-GAAP Financial Information section below for the definitions of Free Cash Flow and ROIC.

The following table summarizes net cash from operating activities:

(Unaudited, In Thousands)

	Three Months Ended September 30,	
	2024	2023
Net income	\$ 119,191	\$ 101,679
Depreciation	11,273	12,052
Amortization	39,221	37,183
Change in deferred income taxes	(4,087)	(10,178)
Other non-cash expenses	6,678	7,037
Change in receivables	26,373	72,519
Change in deferred revenue	(69,358)	(66,322)
Change in other assets and liabilities*	(12,395)	3,169
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 116,896</b>	<b>\$ 157,139</b>

\*For the year ended September 30, 2024, includes the change in income taxes of \$38,576, the change in accrued expenses of \$(23,067), and the change in prepaid expenses, prepaid cost of product and other of \$(18,788). For the year ended September 30, 2023, includes the change in income taxes of \$39,044, the change in prepaid expenses, prepaid cost of product and other of \$(17,356), and the change in accrued expenses of \$(17,285).



The following table summarizes net cash from investing activities:

(Unaudited, In Thousands)

	<b>Three Months Ended September 30,</b>	
	<b>2024</b>	<b>2023</b>
Capital expenditures	(12,801)	(7,612)
Proceeds from dispositions	—	852
Purchased software	(2,676)	(2,280)
Computer software developed	(42,259)	(41,486)
Purchase of investments	(2,000)	—
Proceeds from investments	1,000	—
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>\$ (58,736)</b>	<b>\$ (50,526)</b>

The following table summarizes net cash from financing activities:

(Unaudited, In Thousands)

	<b>Three Months Ended September 30,</b>	
	<b>2024</b>	<b>2023</b>
Borrowings on credit facilities	\$ 75,000	\$ 135,000
Repayments on credit facilities and financing leases	(85,000)	(165,000)
Purchase of treasury stock	—	(20,000)
Dividends paid	(40,104)	(37,863)
Net cash from issuance of stock and tax related to stock-based compensation	(3,128)	474
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>\$ (53,232)</b>	<b>\$ (87,389)</b>

### Use of Non-GAAP Financial Information

Generally Accepted Accounting Principles (GAAP) is the term used to refer to the standard framework of guidelines for financial accounting in the United States. GAAP includes the standards, conventions, and rules accountants follow in recording and summarizing transactions in the preparation of financial statements. In addition to reporting financial results in accordance with GAAP, we have provided certain non-GAAP financial measures, including adjusted revenue, adjusted operating income, adjusted segment income, adjusted cost of revenue, adjusted operating expenses, adjusted operating margin, adjusted segment income margin, non-GAAP earnings before interest, taxes, depreciation, and amortization (non-GAAP EBITDA), free cash flow, return on invested capital (ROIC), non-GAAP adjusted net income, and non-GAAP earnings per share (EPS).

We believe non-GAAP financial measures help investors better understand the underlying fundamentals and true operations of our business. Adjusted revenue, adjusted operating income, adjusted operating margin, adjusted segment income, adjusted segment income margin, adjusted cost of revenue, adjusted operating expenses, adjusted net income, and non-GAAP EPS eliminate one-time deconversion revenue and associated costs and the effects of the VEDIP program expense, which management believes are not indicative of the Company's operating performance. Such adjustments give investors further insight into our performance. Non-GAAP EBITDA is defined as net income attributable to the Company before the effect of interest expense, taxes, depreciation, and amortization, adjusted for net income before the effect of interest expense, taxes, depreciation, and amortization attributable to eliminated one-time deconversions and the VEDIP program expense. Free cash flow is defined as net cash from operating activities, less capitalized expenditures, internal use software, and capitalized software, plus proceeds from the sale of assets. ROIC is defined as net income divided by average invested capital, which is the average of beginning and ending long-term debt and stockholders' equity for a given period. Management believes that non-GAAP EBITDA is an important measure of the Company's overall operating performance and excludes certain costs and other transactions that management deems one time or non-operational in nature; free cash flow is useful to measure the funds generated in a given period that are available for debt service requirements and strategic capital decisions; and ROIC is a measure of the Company's allocation efficiency and effectiveness of its invested capital. For these reasons, management also uses these non-GAAP financial measures in its assessment and management of the Company's performance.

Non-GAAP financial measures used by the Company may not be comparable to similarly titled non-GAAP measures used by other companies. Non-GAAP financial measures have no standardized meaning prescribed by GAAP and therefore, are unlikely to be comparable with calculations of similar measures for other companies.

Any non-GAAP financial measures should be considered in context with the GAAP financial presentation and should not be considered in isolation or as a substitute for GAAP measures. Reconciliations of the non-GAAP financial measures to related GAAP measures are included.

## About Jack Henry & Associates, Inc.®

Jack Henry™ (Nasdaq: JKHY) is a well-rounded financial technology company that strengthens connections between financial institutions and the people and businesses they serve. We are an S&P 500 company that prioritizes openness, collaboration, and user centricity — offering banks and credit unions a vibrant ecosystem of internally developed modern capabilities as well as the ability to integrate with leading fintechs. For more than 48 years, Jack Henry has provided technology solutions to enable clients to innovate faster, strategically differentiate, and successfully compete while serving the evolving needs of their accountholders. We empower approximately 7,500 clients with people-inspired innovation, personal service, and insight-driven solutions that help reduce the barriers to financial health. Additional information is available at [www.jackhenry.com](http://www.jackhenry.com).

*Statements made in this news release that are not historical facts are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Because forward-looking statements relate to the future, they are subject to inherent risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. Such risks and uncertainties include, but are not limited to, those discussed in the Company's Securities and Exchange Commission filings, including the Company's most recent reports on Form 10-K and Form 10-Q, particularly under the heading Risk Factors. Any forward-looking statement made in this news release speaks only as of the date of the news release, and the Company expressly disclaims any obligation to publicly update or revise any forward-looking statement, whether because of new information, future events or otherwise.*



## Quarterly Conference Call

The Company will hold a conference call on November 6, 2024, at 7:45 a.m. Central Time, and investors are invited to listen at [www.jackhenry.com](http://www.jackhenry.com). A webcast replay will be available approximately one hour after the event at [ir.jackhenry.com/corporate-events-and-presentations](http://ir.jackhenry.com/corporate-events-and-presentations) and will remain available for one year.



## MEDIA CONTACT

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## Condensed Consolidated Statements of Income (Unaudited)

(In Thousands, except per share data)

	<b>Three Months Ended September 30,</b>		% Change
	<b>2024</b>	<b>2023</b>	
<b>REVENUE</b>	<b>\$ 600,982</b>	\$ 571,368	5.2 %
Cost of Revenue	<b>343,432</b>	323,002	6.3 %
Research and Development	<b>39,686</b>	36,892	7.6 %
Selling, General, and Administrative	<b>66,588</b>	78,774	(15.5)%
<b>EXPENSES</b>	<b>449,706</b>	438,668	2.5 %
<b>OPERATING INCOME</b>	<b>151,276</b>	132,700	14.0 %
Interest income	<b>8,347</b>	4,745	75.9 %
Interest expense	<b>(2,825)</b>	(4,197)	(32.7)%
<b>Interest Income (Expense), net</b>	<b>5,522</b>	548	907.7 %
<b>INCOME BEFORE INCOME TAXES</b>	<b>156,798</b>	133,248	17.7 %
<b>Provision for Income Taxes</b>	<b>37,607</b>	31,569	19.1 %
<b>NET INCOME</b>	<b>\$ 119,191</b>	\$ 101,679	17.2 %
Diluted net income per share	<b>\$ 1.63</b>	\$ 1.39	
Diluted weighted average shares outstanding	<b>73,078</b>	73,014	

## Consolidated Balance Sheet Highlights (Unaudited)

(In Thousands)

	<b>September 30,</b>		% Change
	<b>2024</b>	<b>2023</b>	
Cash and cash equivalents	<b>\$ 43,212</b>	\$ 31,467	37.3 %
Receivables	<b>306,660</b>	288,733	6.2 %
Total assets	<b>2,928,511</b>	2,734,223	7.1 %
Accounts payable and accrued expenses	<b>\$ 231,713</b>	\$ 208,909	10.9 %
Current and long-term debt	<b>140,000</b>	245,000	(42.9)%
Deferred revenue	<b>319,574</b>	333,407	(4.1)%
Stockholders' equity	<b>1,925,028</b>	1,659,948	16.0 %

### Calculation of Non-GAAP Earnings Before Income Taxes, Depreciation and Amortization (Non-GAAP EBITDA)

(in thousands)	Three Months Ended September 30,		% Change
	2024	2023	
Net income	\$ 119,191	\$ 101,679	
Net interest	(5,522)	(548)	
Taxes	37,607	31,569	
Depreciation and amortization	50,494	49,235	
Less: Net income before interest expense, taxes, depreciation and amortization attributable to eliminated one-time adjustments*	(3,495)	12,688	
<b>NON-GAAP EBITDA</b>	<b>\$ 198,275</b>	<b>\$ 194,623</b>	<b>1.9 %</b>

\*The fiscal first quarter 2025 adjustments for net income before interest expense, taxes, depreciation and amortization were for deconversions. The fiscal first quarter 2024 adjustments were for deconversions and the VEDIP program expense and were \$(3,755) and \$16,443, respectively.

### Calculation of Free Cash Flow (Non-GAAP)

(in thousands)	Three Months Ended September 30,	
	2024	2023
Net cash from operating activities	\$ 116,896	\$ 157,139
Capitalized expenditures	(12,801)	(7,612)
Internal use software	(2,676)	(2,280)
Proceeds from sale of assets	—	852
Capitalized software	(42,259)	(41,486)
<b>FREE CASH FLOW</b>	<b>\$ 59,160</b>	<b>\$ 106,613</b>

### Calculation of the Return on Average Shareholders' Equity

(in thousands)	September 30,	
	2024	2023
Net income (trailing four quarters)	\$ 399,328	\$ 361,776
Average stockholder's equity (period beginning and ending balances)	1,792,488	1,560,543
<b>RETURN ON AVERAGE SHAREHOLDERS' EQUITY</b>	<b>22.3%</b>	<b>23.2%</b>

### Calculation of Return on Invested Capital (ROIC) (Non-GAAP)

(in thousands)	September 30,	
	2024	2023
<b>Net income (trailing four quarters)</b>	<b>\$ 399,328</b>	<b>\$ 361,776</b>
Average stockholder's equity (period beginning and ending balances)	1,792,488	1,560,543
Average current maturities of long-term debt and financing leases (period beginning and ending balances)	45,000	21
Average long-term debt (period beginning and ending balances)	147,500	245,000
<b>Average invested capital</b>	<b>\$ 1,984,988</b>	<b>\$ 1,805,564</b>
<b>ROIC</b>	<b>20.1%</b>	<b>20.0%</b>

## GAAP to Non-GAAP EPS Reconciliation Table

	<u>FY25 Guidance</u>
<b>GAAP EPS</b>	<b>\$5.78-\$5.87</b>
<i>Excluded Activity, net of Tax:</i>	
Deconversion*	\$0.13
<b>Non-GAAP EPS</b>	<b>\$5.65-\$5.74</b>

\*We are not aware of any other discreet adjustments at this time. Deconversion revenue and related operating expenses are based on actual results for fiscal first quarter 2025 and estimates for the remainder of fiscal year 2025, based on the lowest actual recent historical results. See the Company's Form 8-K filed with the Securities and Exchange Commission on October 28, 2024.