



STEPHENS NON-DEAL ROADSHOW PREP PACKET

Jack Henry & Associates, Inc. (JKHY) – Midwest

February 26-27, 2020

Jack Henry & Associates, Inc. (JKHY) –Midwest Non-Deal Roadshow

Questions/Topics of Discussion

Consumer Internet/Mobile Banking

- What is the strategy for Banno right now: convert existing NetTeller/GoDough users or look to sign up banks outside of the JKHY base? Other strategy?
- What are the points of competitive differentiation for Banno vs. peers?
- What is the TAM of this product if you have shared it?
- Did JKHY see about two-three years ago a notable increase in the demand for digital products as many other bank-tech vendors did? If so, what changed in the market to drive that?
- If macro slows, how likely would banks be to slow adoption? Why hasn't NIM compression slowed bank spending efforts?

Commercial Cash/Treasury Management

- What is the TAM of this product if you have shared it?
- What is the nature of this market: more/less fragmented, faster/slower growing, more/less competitive, etc. than other markets in which JKHY plays?

Card Issuing Processing

- Have you talked quantitatively or qualitatively about the TAM for your new debit and credit card issuing processing product? If so, what metrics have you shared?
- What do you see as the competitive advantage JKHY's issuing product will have over existing offerings?
- Remind us what is driving the strength of the payments business and the driver to achieve ~10% growth over the near term?
- After the card issuing processing investment cycle, what are your thoughts on long-term margin expansion?

Moving Up Market

- What is the status of JKHY's large-bank initiative: core installs, digital banking, cash management, other products installed and at how many larger banks?
- What are the key strategic initiatives at JKHY that are part of the Company's effort to sell to larger banks?
- What is the biggest obstacle to accelerating a move to larger bank sales?
- How should we think about JKHY's role in/wallet share at the few notable bank M&A transactions happening currently?

Growth Acceleration

- What changed between JKHY's prior guidance of ~7% on FY1Q20 conf call to current guidance of ~8% given on FY2Q20 conf call?
- Aside from the growth products noted above, how are the commercial lending and enterprise fraud/risk products selling?
- What is the general macro view among your client base? Sustained economic growth? Worries about election?

Consolidation/Competition Market Update

- How do you feel about the M&A environment right now? Thoughts on valuation levels?
- How does the trend of major competitors combining in the last year impact JKHY now? Its capital allocation priorities/strategy?
- Banking in general seems to be getting more competitive with non-traditional players entering the space, how do banks stay relevant/top of mind with everyday ecosystem players like AMZN, AAPL, GOOG, neobanks?

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Stephens JKHY Reports:

[JKHY 2Q Final: Card + Outsource Accel = More Sustainable Growth; Upping Target](#)

[JKHY 2Q Call: Raised Rev/Profit Guide; New Prods = Growth; Bank M&A TBD](#)

[JKHY Final: 9% Grth Part Timing; Like New Prods; Same Strat Despite Mkt Combos](#)

[JKHY Analyst Day: Innovation Where It Counts + Good Service = Happy Customers](#)

[JKHY '18 Analyst Day: Customer Focus + New Prods = Peer-Leading Growth](#)

Stephens JKHY Model:

[Click Here To View The Model](#)

Companies Mentioned (as of 2/21/2020):

Alphabet (GOOG-\$1,425.75)

Amazon (AMZN-\$2,014.51)

Apple (AAPL-\$300.34)

Stephens Inc. working model and published research report attached.
For current disclosures on this company, please access the attached research report.

OTHER DISCLOSURES

Note: The purpose of this document is to suggest questions investors might like to ask company management and to help investors develop their own questions. This document is not intended to express any opinion or investment recommendation.

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