

BLUCORA™

Investor Presentation

May 2016

Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Actual results may differ significantly from management's expectations due to various risks and uncertainties including, but not limited to: general economic, industry, and market sector conditions; the timing and extent of market acceptance of developed products and services and related costs; the ability to successfully integrate acquired businesses; future acquisitions; the successful execution of the Company's strategic initiatives, operating plans, and marketing strategies; and the condition of our cash investments.

A more detailed description of these and certain other factors that could affect actual results is included in Blucora, Inc.'s most recent Annual Report on Form 10-K and subsequent reports filed with or furnished to the Securities and Exchange Commission. Readers are cautioned not to place undue reliance on these forward-looking statements.

The New Blucora

Pro Forma 2016E ⁽¹⁾

- Revenue: \$461.4M
- Segment Income: \$111.5M
- Adjusted EBITDA \$ 90.9M
- Non-GAAP EPS \$ 1.01

- Focused company with leading assets in the financial services and technology space
- Growing businesses in strong markets
- Experienced HD Vest and TaxAct management team with key operating expertise
- Strong cash flow generation enhanced by NOL asset

Financial Technology and Services

- Long-term industry tailwinds
- Well positioned players in the tax space
- Sizable cross-sell opportunity
- Well-established brands
- Differentiated models with distinct growth drivers



2016 Priorities

- Maximize opportunities with HD Vest and TaxAct - solutions and customers
- Divest InfoSpace and Monoprice
- Implement corporate operating expense reductions
- Debt pay down

(1)First Call Consensus Estimates and Analyst Models

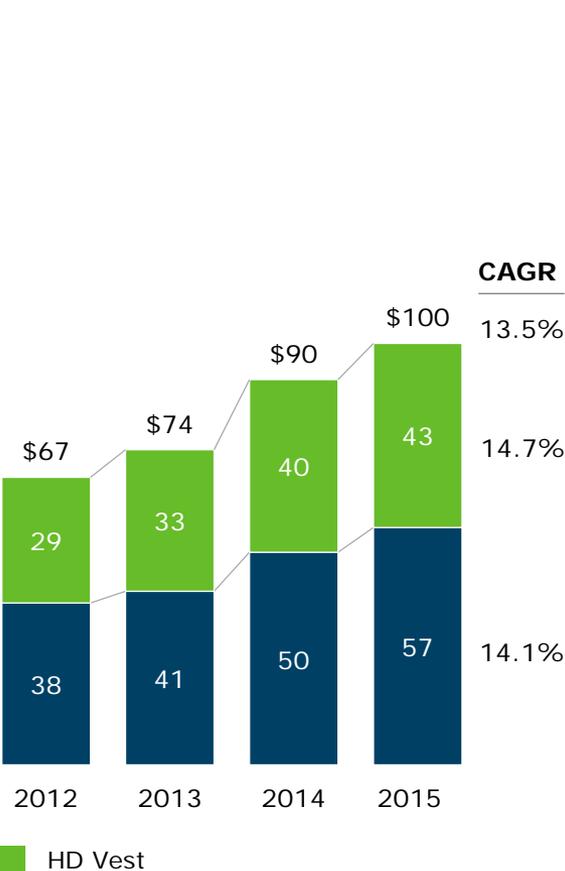
Financial Technology and Services Financial Profile



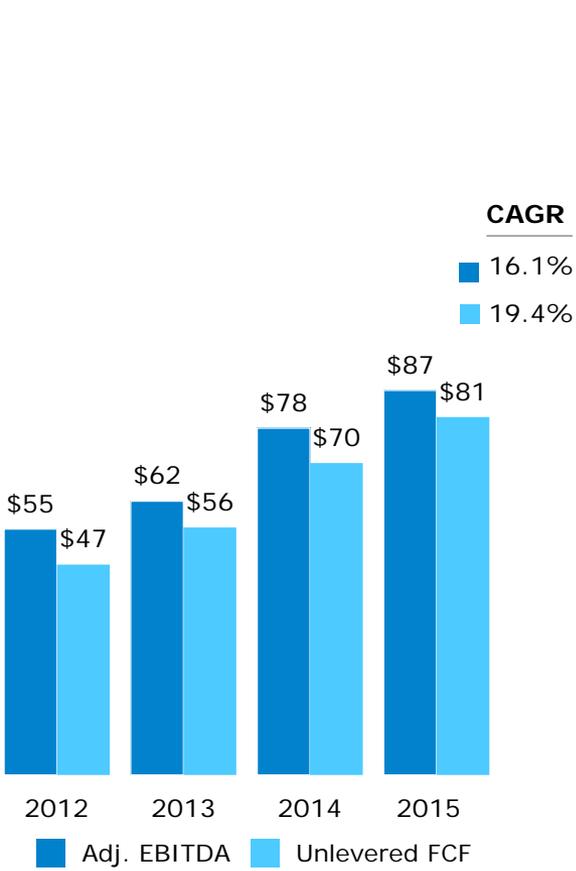
Pro Forma Revenue
\$ Millions



Pro Forma Segment Income
\$ Millions



Pro Forma Adj. EBITDA & Unlevered FCF⁽¹⁾
\$ Millions



(1) Represents combined segment income less pro forma corporate operating expense (\$12M per year), capital expenditures and cash taxes (net of NOL utilization).

Near Term Focus: Blucora's 4 "Ds"

Divest

- Complete the divestiture of legacy Infospace and Monoprice businesses
-

Deliver

- Execute our business plans and deliver on our 2016 financial commitments
-

De-lever

- Pay down debt, ultimately achieving 3x net leverage ratio
-

Drive

- Develop long-term corporate and business unit plans to drive growth and maximize firm value.

Financial Services and Technology Business Overview

TaxAct

- Founded in 2000 and headquartered in Cedar Rapids, IA
- ~150 employees
- Top-three U.S. provider of Internet-enabled tax solution for consumers, tax professionals and small businesses
 - Loyal customer base of over 5M individual customers
 - 20,000+ professional tax preparers
 - Has enabled the filing of ~65 million Federal returns since 2000
- Built a strong brand and receives highly favorable customer feedback in satisfaction surveys
 - Over 90% of customers surveyed who use TaxAct indicated they would recommend the product to others

HD VEST FINANCIAL SERVICES®

- Founded in 1983 and headquartered in Irving, TX
- ~300 employees
- Market leader – double the size of next two competitors combined
- 4,500+ advisors in all 50 states
 - Tenured advisor base
 - Average over 10 years with the Company and over 20 years in the tax preparation profession
- Advisors provide investment advice to 360,000+ clients
- Proven technology to accelerate and improve advisor productivity
- Unparalleled specialized training for tax professionals



TaxACT empowers customers to navigate the complexities of tax with ease and accuracy at a fair price.

Driving Profitable Share

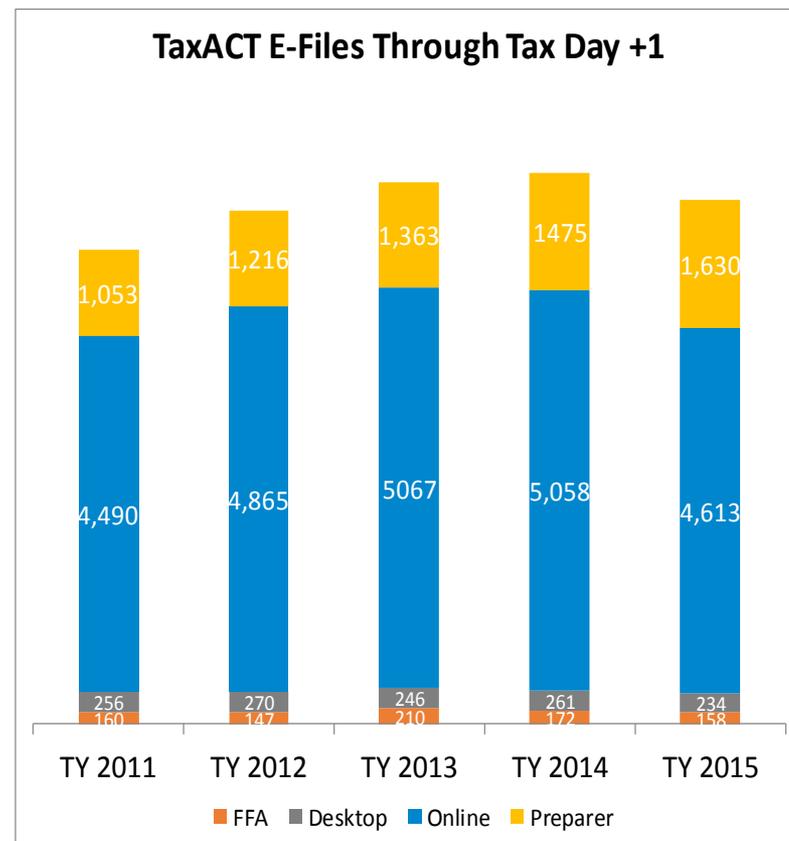
- Significant changes to our go-to-market approach
 - New forms based pricing and packaging strategy
 - Multiyear pivot from total units and absolute share growth to monetizable units and lifetime value
 - Better positions TaxAct for the long term

Introducing new products to give you everything you need at the best value. Let us help you choose.

	Free	Basic	Most Popular Plus	Premium
Select a product that best fits your tax situation.	Ideal for simple tax return, includes free state (1040 EZ/A)	Import prior year data, unlimited phone support (1040 EZ/A)	Best for itemized returns, homeowners and investors	Perfect for self-employed, contractors and freelancers
	\$0	\$14.99	\$24.99	\$34.99
	Start For Free	Start For Free	Start For Free	Start For Free
	\$0 Federal + \$0 State	State Additional Pay when you file	State Additional Pay when you file	State Additional Pay when you file
Compare online products	Learn more	Learn more	Learn more	Learn more

2015 TaxAct Season Performance

- Strong season performance
 - DDIY e-files down 9%
 - Prep channel up 11%
 - Revenue grew 18%
 - Segment income up 20%
- Attracted higher quality and higher value customers
 - Returning complex filers up double digits vs. TY14
 - New paid filers ahead of plan; up mid single digits vs. TY14
- Strong growth outside of consumer
 - Small and Medium business offering had double digit revenue growth
 - Pleased with Simple Tax (Canada) performance



Compelling Value Proposition

Well Established Brand, Favorably Positioned Against Identified Market Trends

Established Brand

- Recognized for ease of use, accessibility and reliability
- Acknowledged as a competitor by both H&R Block and Intuit, and consistently compared to these brands as the value alternative

Superior Value

- Over 90% of taxpayers are paying more to file their taxes than TaxAct charges
- The relative price umbrella created by H&R Block and Intuit drives continued growth
- Comparison of TaxAct to leading competitors:

	TaxAct	H&R Block	Intuit/ TurboTax
Deductions & Credits	\$14.99	\$39.99	\$54.99
Investments	\$24.99	\$54.99	\$79.99
Own a Business	\$34.99	\$74.99	\$104.99
State	\$24.99	\$39.99	\$39.99

Loyalty and Retention

- Loyal, growing customer base
- Retention rates at 70%
- Excellent customer support



HD VEST
FINANCIAL SERVICES®

Differentiated Broker-Dealer Model



- ✓ Developing financial advisors through specialized training of tax professionals
- ✓ Long-standing tax advisory relationship anchors investment advisory business
- ✓ Meaningful tax client base to mine for investment clients
- ✓ Training and service offerings provide a unique value proposition to less experienced advisors
- ✓ Leading technology tools to identify investment opportunities

Traditional IBDs

- ✗ Advisor client relationship limited to investments
- ✗ Advisors bring established book of business
- ✗ Not targeting a niche advisor or client base
- ✗ Tailored for experienced advisors
- ✗ Recruiting bonuses and retention loans required
- ✗ Minimum sales quotas required
- ✗ Sole source of income for advisors
- ✗ Advisor profile leads to higher regulatory exposure

The HD Vest Model:

- ✓ **Lower attrition rate among its advisor base vs. industry**
- ✓ **Minimal financial outlay upfront to recruit new advisors**
- ✓ **Lower production payout rates**
- ✓ **Segment income margins (>13%) consistently outperforming the top quartile of IBDs**

Growth Strategy



Constant focus

- | | | |
|--|--|---|
| <ul style="list-style-type: none"> • Grow our advisor base by recruiting new prospects <ul style="list-style-type: none"> – Backfill natural advisor churn out – Access new AUM pools to expand production potential | <ul style="list-style-type: none"> • Grow AUM by raising volume and effectiveness of advisory activity. Unlock <ul style="list-style-type: none"> – Additional inflow from prior clients – Fresh inflows moving tax-client prospects into advisory model | <ul style="list-style-type: none"> • Retain AUM accreted over time by our advisors <ul style="list-style-type: none"> – Keep advisors loyal to our platform even as they grow large – Succession planning for AUM serviced by advisors who might want to retire |
|--|--|---|

Evolving growth strategies

- | | | |
|---|---|---|
| <ul style="list-style-type: none"> • Scientific approach to recruiting (data science, marketing automation) • Innovating advisor recruiting in ways compatible with our tax-focused legacy <ul style="list-style-type: none"> – Diversify types of prospects – Improve quality of recruits | <ul style="list-style-type: none"> • Timely advice and support to help advisor grow and maintain their practice, via <ul style="list-style-type: none"> – Technology solutions – Home-office team • Training to raise advisor competency and confidence at delivering advice | <ul style="list-style-type: none"> • Delightful user experience that motivates advisors to adapt and settle into our methodology • Distinctive service level that keeps advisors accustomed • Training and reinforcement of our sales model/mindset in a supportive culture to keep advisors comfortable |
|---|---|---|

Balanced Sensitivity to Market Movements

Market Neutral Growth

- Eliminating equity market impact to AUM shows steady organic growth in a market neutral environment:
 - Consistent net asset inflows and the AUM shift to fee-based advisory are the primary drivers of growth

Equity Market Correlation

- We estimate a 20% decrease in S&P 500 represents ~10% decrease in segment income
 - Transaction revenue: no correlation to market movements
 - Fee based and trails revenue: limited exposure to market movements

Interest Rate Upside

- Meaningful upside expected from interest rate hikes
 - For every 25bps increase in LIBOR segment income increases by ~\$2M

Compelling Combination

TaxAct + **HD VEST** = **BLUCORA™**
FINANCIAL SERVICES®

<p>Well Established Footprint and Market Positioning</p>	<p>Leading provider of internet-enabled tax solutions</p> <ul style="list-style-type: none"> • Has enabled filing of 50M federal tax returns and ~5M total eFiles last tax season • Strong user base of 20,100+ professional tax advisors 	<p>Leading brokerage and technology platform for tax professional advisors</p> <ul style="list-style-type: none"> • 4,600+ advisors in all 50 states providing investment advice to 360,000+ clients • Financial representatives manage more than \$36 billion in assets 	<ul style="list-style-type: none"> • Industry-leading franchise across the tax preparation and financial advisory sectors • One stop shop for tax advisors to serve their clients and gain incremental revenue from financial advisory
<p>Proven Growth and Cash Flow Generation</p>	<p>Strong growth metrics (2012-2015 CAGR)</p> <ul style="list-style-type: none"> • 3.8% eFile growth • 12.0% revenue growth • 13.7% segment income growth <p>Margin profile (2015)</p> <ul style="list-style-type: none"> • 48% segment margin 	<p>Strong growth metrics (2012-2015 CAGR)</p> <ul style="list-style-type: none"> • 7.3% AUM growth • 8.8% revenue growth • 13.5% segment income growth <p>Margin profile (2015)</p> <ul style="list-style-type: none"> • 13.0% segment margin 	<ul style="list-style-type: none"> • Strong financial profile with high growth fundamentals and expanding recurring revenue • Proven HD Vest advisor recruiting strategies and a fresh advisor base to mine at TaxACT • Superior execution capabilities

Lifetime Clients for TaxAct and HD Vest

DDIY
"Digital Do It Yourself"
Mass Market Millennials

- Mass-market is embracing the convergence of technology enabled financial services and personal advice
- "Life Events" trigger need for deeper advice and solutions to more complex financial planning

TAX FILER SPECTRUM



HD Vest 1040 Analyst®
 Tools to Bridge the gap to Advisor Services integrating the Tax Form into the Investment Process

DIFM
"Do It For Me"
Mass Affluent to Affluent

- U.S. investable assets have nearly doubled in the wake of the Great Recession
- An influx of 77 million new retirees over the next two decades
- Consumer use of advisors has nearly doubled since the financial crisis in 2008
- Value-Added Services
- Financial Plan for Retirement

GROWTH IN NEED OF ADVICE

LIFE'S FINANCIAL COMPLEXITY

- Job Promotion
- Marriage
- Children
- Big Purchase Decisions
- Career Change
- Growing Family
- Elder Care
- Retirement Planning

Substantial Synergy Opportunities, Expanded Addressable Markets



Opportunities, by the numbers....

Retirement and wealth management solutions can provide meaningful upside for revenue per TaxAct individual filers and is expected to increase retention.

Conversion of current TaxAct tax professionals to financial advisors grows revenue per professional and provides opportunity for introducing integrated practice management solutions.

	TaxAct	HD Vest
Filers/Clients	5M	360K
Rev per	\$24.50	\$900.00
Tax Pros	20.1K	4.6K
Rev per	\$600.00	\$71,500.00

Pillars for Growth

Directional framework to deliver reliable financial performance that generates attractive shareowner returns

- 1. Customer-first:** We engage customers, clients and advisors with confidence, integrity, pride and passion, driving growth through earning their loyalty.
- 2. One Company:** We have one culture across our businesses and we actively leverage strengths across the company.
- 3. Strategic clarity:** We know where we play and how we win.
- 4. Operating excellence:** We execute with excellence, everywhere and always.
- 5. Always innovating:** We are driven to do better, so we innovate across all aspects of our business.
- 6. Financial discipline:** We are owners and responsible stewards of our financial resources.

Thank You

The background is a solid blue color. On the right side, there are several overlapping, curved, light blue shapes that resemble stylized waves or abstract patterns. These shapes are layered, with some appearing in front of others, creating a sense of depth and movement. The overall aesthetic is clean and modern.

Pro Forma Non-GAAP Reconciliation

BLUCORA, INC.
Reconciliations of Non-GAAP Financial Measures to the Nearest Comparable GAAP Measure
Segment Income / Adjusted EBITDA / Unlevered Free Cash Flow Reconciliation
(Unaudited)
(Amounts in thousands)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	
GAAP ProForma Net Income (Loss) ⁽¹⁾	\$ (17,620)	\$ (22,225)	\$ 1,783	-	(3)
Other Loss (Net)	36,575	49,572	34,179	-	(3)
Tax (Benefit) / Expense	(11,747)	(14,817)	1,189	-	(3)
Corporate Level Activity	60,067	61,033	52,859	-	(3)
Segment Income	<u>67,275</u>	<u>73,563</u>	<u>90,010</u>	<u>99,981</u>	
Corporate Operating Expenses ⁽²⁾	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	
Adjusted EBITDA ⁽⁵⁾	<u>55,275</u>	<u>61,563</u>	<u>78,010</u>	<u>87,981</u>	(4)
CapEx	5,365	3,340	5,140	2,819	
Cash Taxes	<u>2,600</u>	<u>2,500</u>	<u>2,700</u>	<u>2,200</u>	
Unlevered FCF	<u><u>47,310</u></u>	<u><u>55,723</u></u>	<u><u>70,170</u></u>	<u><u>82,714</u></u>	

(1) Represents combined results of TaxACT, HDVEST, and Blucora Corporate and assumes debt structure post close back to FY 2012. Excludes results from our E-Commerce (i.e. Monoprice) and Search and Content (i.e. InfoSpace) segments.

(2) Corporate operating expenses assumed at estimated 2017 run rate of \$12M per year post reductions.

(3) Amount not practicable to estimate for ProForma purposes.

(4) Non-GAAP EPS calculated based upon Adjusted EBITDA less depreciation, cash taxes and interest expense divided by expected fully diluted share count.

(5) We define Adjusted EBITDA as net income, determined in accordance with GAAP, excluding the effects of income taxes, depreciation, amortization of intangible assets, impairments of goodwill and intangible assets, stock-based compensation, and other loss, net (which primarily includes items such as interest income, interest expense, amortization of debt issuance costs, accretion of debt discounts, realized gains and losses on available-for-sale investments, impairment losses on equity investments, adjustments to contingent liabilities related to business combinations, and gain on third party bankruptcy settlement).