

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

ANNUAL REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
(Mark One)

- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended June 30, 2024
OR
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission file number 0-14112

JACK HENRY & ASSOCIATES, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or Other Jurisdiction of Incorporation)

43-1128385

(I.R.S. Employer Identification No.)

663 Highway 60, P.O. Box 807, Monett, MO 65708

(Address of Principal Executive Offices)

(Zip Code)

417-235-6652

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
Common Stock (\$0.01 par value)	JKHY	Nasdaq Global Select Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).
Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer

Non-accelerated filer Smaller reporting company

Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act)

Yes No

On December 31, 2023, the aggregate market value of the Common Stock held by persons other than those who may be deemed affiliates of Registrant was \$11,835,584,815 (based on the closing stock price on Nasdaq on December 31, 2023).

As of August 15, 2024, the Registrant had 72,908,319 shares of Common Stock outstanding (\$0.01 par value).

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Company's Proxy Statement for its 2024 Annual Meeting of Stockholders (the "Proxy Statement") are incorporated by reference into Part III of this Report to the extent stated herein. Such Proxy Statement will be filed with the Securities and Exchange Commission ("SEC") within 120 days of the Company's fiscal year ended June 30, 2024.

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In this report, all references to "Jack Henry," the "Company," "we," "us," and "our," refer to Jack Henry & Associates, Inc., and its wholly owned subsidiaries. Unless otherwise stated, references to particular years, quarters, months, or periods refer to the Company's fiscal years ended in June and the associated quarters, months, and periods of those fiscal years.

FORWARD LOOKING STATEMENTS

Certain statements in this report, other than purely historical information, including estimates, projections, statements relating to our business plans, objectives and expected operating results, and the assumptions upon which those statements are based, 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 (the "Exchange Act"). Forward-looking statements may appear throughout this report, including without limitation, in Management's Discussion and Analysis of Financial Condition and Results of Operations. Forward-looking statements generally are identified by the words "believe," "project," "expect," "seek," "anticipate," "estimate," "future," "intend," "plan," "strategy," "predict," "likely," "should," "will," "would," "could," "can," "may," and similar expressions. Forward-looking statements are based only on management's current beliefs, expectations and assumptions regarding the future of the Company, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. 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 this Annual Report on Form 10-K, in particular, those included in Item 1A, "Risk Factors" of this report, and those discussed in other documents we file with the SEC. Any forward-looking statement made in this report speaks only as of the date of this report, 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.

PART I

ITEM 1. BUSINESS

Jack Henry & Associates, Inc.[®] is a well-rounded financial technology company that strengthens connections between financial institutions and the people and businesses they serve. For more than 48 years, we have provided technology solutions to help banks and credit unions innovate faster, strategically differentiate, and successfully compete while serving the evolving needs of their accountholders. We empower approximately 7,500 financial institutions and diverse corporate entities with people-inspired innovation, personal service, and insight-driven solutions.

Mission Statement

We strengthen the connections between people and their financial institutions through technology and services that reduce the barriers to financial health.

This philosophy has always been part of the foundation on which Jack Henry was built. Our founders, Jack Henry and Jerry Hall, were committed to their community and believed they could help financial institutions better serve the needs of people and businesses using more innovative technology and services.

Since our founding in 1976, much has changed, but our commitment to supporting community and regional financial institutions remains unwavering. We continue to be guided by our founding principles: do the right thing, do whatever it takes, and have fun.

Who We Serve

We provide products and services primarily to community and regional financial institutions (see "Our Industry" below):

- Core bank integrated data processing systems are provided to over 940 banks. Our banking solutions support both on-premise and private cloud operating environments with functionality for core processing platforms and integrated complementary solutions.
- Core credit union data processing solutions are provided to credit unions of all sizes, with a client base of approximately 720 credit unions. We offer a flagship core processing platform and integrated complementary solutions that support both on-premise and private cloud operating environments.
- Non-core highly specialized core-agnostic products and services are also provided to financial institutions. We offer complementary solutions that include highly specialized financial performance, imaging and payments processing, information security and risk management, retail delivery, and online and mobile functionality. These products and services enhance the performance of traditional financial services organizations of all asset sizes and charters, and non-traditional diverse corporate entities. In total, we serve over 1,660 bank and credit union core clients and over 5,870 non-core clients.

Our products and services provide our clients with solutions that can be tailored to support their unique growth, service, operational, and performance goals. Our well-rounded solutions also enable financial institutions to offer the high-demand products and services required by their accountholders to compete more successfully and to capitalize on evolving trends shaping the financial services industry.

We are committed to exceeding our clients' expectations. We measure and monitor their satisfaction using a variety of surveys, such as an annual survey on the client's anniversary date and randomly-generated online surveys initiated each day by routine support requests to ensure feedback is received throughout the year. The survey results are analyzed and provided to operational areas to ensure our service consistently exceeds our clients' expectations. We believe this process ensures we understand the Voice of the Customer which contributes to our excellent retention rates.

We are focused on establishing long-term client relationships, continually expanding and strengthening those relationships. We do so with cross sales of additional products and services that support our clients' strategy, earning new financial and non-financial clients, and ensuring our product offerings are highly competitive.

The majority of our support and services revenue is derived from our private and public cloud services for our hosted clients that are typically on a six-year contract, recurring electronic payment solutions that are generally on a contract term of six years, and our on-premise clients that are typically on a one-year contract. Less predictable software license fees, paid by clients implementing our software solutions on-premise, and hardware sales, including all non-software products that we re-market in order to support our software systems, complement our primary revenue sources. Information regarding the classification of our business into four separate segments is set forth in Note 14 to the consolidated financial statements (see Item 8).

We recognize that our associates and their collective contributions are ultimately responsible for Jack Henry's past, present, and future success. Recruiting and retaining high-quality associates is essential to our ongoing growth and financial performance, and we believe we have established an organizational culture that sustains high levels of associate engagement. For further discussion of our human capital considerations, see "Human Capital" below.

Our Industry

Our core banking solutions currently serve commercial banks and savings institutions with up to \$50 billion in assets. Our systems are designed to be capable of serving institutions with up to \$100 billion in assets, and we complete annual, third-party testing to validate this capability each August. According to the Federal Deposit Insurance Corporation ("FDIC"), there were approximately 4,540 commercial banks and savings institutions in the less than \$50 billion asset range as of December 31, 2023, and we currently support over 940 of these banks with one of our three core information processing platforms and a significant number of complementary/payment products and services.

Our core credit union solutions serve credit unions of all asset sizes. According to America's Credit Unions ("ACU") (formerly Credit Union National Association), there were approximately 4,700 domestic credit unions as of December 31, 2023, and we currently support approximately 720 of these credit unions with one flagship core information processing platform and a significant number of complementary/payment products and services.

Our non-core solutions serve financial services organizations of all asset sizes and charters and other diverse corporate entities. We currently support financial institutions with specialized solutions for generating additional revenue and growth, increasing security, mitigating operational risks, and controlling operating costs.

The FDIC reports the number of commercial banks and savings institutions declined 15% from the beginning of calendar year 2018 to the end of calendar year 2023, due mainly to mergers and acquisitions. Although the number of banks continued to decline at a 3% compound annual rate during this period, aggregate assets increased at a compound annual rate of 6% and totaled \$23.7 trillion as of December 31, 2023. There were six new bank charters issued in calendar year 2023, compared to 15 in the 2022 calendar year. Comparing calendar years 2023 to 2022, the number of transactions of FDIC-insured banks acquiring or merging with other banks or credit unions decreased 20%.

ACU reports the number of credit unions declined 14% from the beginning of calendar year 2018 to the end of calendar year 2023. Although the number of credit unions declined at a 3% compound annual rate during this period, aggregate assets increased at a compound annual rate of 9% and totaled \$2.3 trillion as of December 31, 2023.

Community and regional financial institutions are vitally important to the communities, consumers, and businesses they serve as well as to the local economies where they operate. Bank customers and credit union members rely on these institutions to provide personalized, relationship-based service and competitive financial products and services available through the accountholders' delivery channel of choice. Institutions are recognizing that attracting and retaining customers and members in today's highly competitive financial industry and realizing near-term and long-term performance goals are often technology dependent. Financial institutions must implement technological solutions that enable them to:

- Offer e-commerce, mobile, and digital strategies that provide the convenience-driven services required in today's financial services industry.
- Maximize performance with accessible, accurate, and timely business intelligence information.
- Provide the high-demand products and services needed to successfully compete with traditional and non-traditional competitors created by convergence within the financial services industry.
- Enhance the customer/member experience at multiple points of contact.
- Expand existing customer/member relationships and strengthen exit barriers by cross selling additional products and services.
- Capitalize on new revenue, and deposit and loan portfolio growth opportunities.
- Increase operating efficiencies and reduce operating costs.
- Protect mission-critical information assets and operational infrastructure.
- Protect accountholders with various security tools from fraud and related financial losses.
- Maximize the day-to-day use of technology and return on technology investments.
- Ensure full regulatory compliance.

Jack Henry's extensive product and service offerings help diverse financial institutions meet business challenges and capitalize on opportunities. We strive to get to know our clients, understand their strategies and challenges, and provide innovative solutions that help them achieve short- and long-term success.

Business Strategy

Our fundamental business strategy is to generate organic revenue and earnings growth augmented by strategic acquisitions. We execute this strategy by:

- Providing community and regional financial institutions with core processing systems that provide excellent functionality and support on-premise and private cloud delivery environments with identical functionality.
- Expanding each core client relationship by cross-selling complementary/payment products and services that enhance the functionality provided by our core processing systems.
- Delivering non-core highly specialized core-agnostic complementary/payment products and services to financial institutions, including institutions not utilizing one of our core processing systems, and diverse corporate entities.
- Developing and deploying a long-term technology modernization strategy to provide public cloud-native solutions that provide clients with greater flexibility, optionality, open integration, speed to market, and other benefits.
- Upholding a company-wide commitment to service that consistently exceeds our clients' expectations and generates high levels of retention.
- Building, maintaining, and enhancing a protected environment and tools that help our clients and Jack Henry protect accountholder data, assets, and comply with regulations.
- Maintaining a disciplined acquisition strategy.

Acquisition Strategy

We have a disciplined approach to acquisitions and have been successful in supplementing our organic growth with 35 strategic acquisitions since the end of fiscal year 1999. We continue to explore acquisitions that have the potential to:

- Expand our suite of complementary/payment products and services.
- Provide products and services that can be sold to both existing core and non-core clients as well as outside our core base to new clients.
- Accelerate our internal development efforts for technology modernization.
- Provide selective opportunities to sell outside our traditional markets in the financial services industry.

After 48 years in business, we have very few gaps in our product line, so it is increasingly difficult to find proven products or services that would enable our clients and prospects to better optimize their business opportunities or solve specific operational issues. In addition, we see few acquisition opportunities that would expand our market or enable our entry into adjacent markets within the financial services industry that are fairly priced or that we could assimilate into our Company without material distractions.

We have a solid track record of executing acquisitions from both a financial and operational standpoint, and we will continue to pursue acquisition opportunities that support our strategic direction, complement and accelerate our organic growth, and generate long-term profitable growth for our stockholders. While we seek to identify appropriate acquisition opportunities, we will continue to explore alternative ways to leverage our cash position and balance sheet to the benefit of our stockholders, such as continued investment in new products and services for our clients, repurchases of our stock, and continued payment of dividends.

Our most recent acquisition was:

Fiscal Year	Company or Product Name	Products and Services
2023	Payrailz, LLC ("Payrailz")	Provider of cloud-native modern digital payment capabilities leveraging AI and machine learning features for the financial services industry.

Solutions

- Our core banking solutions support commercial banks with information and transaction processing platforms that provide enterprise-wide automation. We have three functionally distinct core bank processing systems and more than 140 fully integrated complementary/payment solutions, including business intelligence and bank management, retail and business banking, digital and mobile internet banking and electronic payment solutions, fraud and risk management and protection, account origination, and item and document imaging solutions. Our

core banking solutions have state-of-the-art functional capabilities, and we can re-market the hardware required by on-premise use of each software system. Our banking solutions can be delivered on-premise or through our private cloud delivery model and are backed by a company-wide commitment to provide exceptional client support.

- Our core credit union solutions support credit unions of all sizes with an information and transaction processing platform that provides enterprise-wide automation. Our solution includes one flagship core processing system and more than 100 fully integrated complementary/payment solutions, including business intelligence and credit union management, member and member business services, digital and mobile internet banking and electronic payment solutions, fraud and risk management and protection, account origination, and item and document imaging solutions. Our credit union solution also has state-of-the-art functional capabilities. We also re-market the hardware required by on-premise use of the software system. Our credit union solution can be delivered on-premise, through our private cloud, or through our partner private cloud delivery models. Each is backed by our company-wide commitment to provide exceptional client support.
- Our non-core solutions for financial institutions and diverse corporate entities are specialized products and services assembled primarily through our focused diversification acquisition strategy. These core-agnostic solutions are compatible with a wide variety of information technology platforms and operating environments and offer more than 100 complementary/payment solutions, including proven solutions for generating additional revenue and growth, increasing security and mitigating operational risks, and/or controlling operating costs. Our non-core products and services enhance the performance of financial services organizations of all asset sizes and charters, and diverse corporate entities. These distinct products and services can be implemented individually or as solution suites to address specific business problems or needs and enable effective responses to dynamic industry trends.

We are committed to developing and maintaining modern and integrated solutions supported by high service levels. We continuously update and improve these solutions through an interactive client enhancement process, ensuring compliance with relevant regulations, and incorporating proven advances in technology. Our goal is to uphold our Company's reputation as a premium solution and service provider.

Core Software Systems

Core software systems primarily consist of the integrated applications required to process deposit, loan, and general ledger transactions, and to maintain centralized customer/member information.

Our core banking solutions consist of three software systems marketed to banks, and our core credit union solution consists of one software system marketed to credit unions. These core systems are available for on-premise installation at client sites, or financial institutions can choose to leverage our private cloud environment for ongoing information processing.

Core banking platforms are:

- **SilverLake System**[®], a robust system primarily designed for commercial-focused banks that currently serves banks with assets ranging from \$1 billion to \$50 billion. Some progressive smaller banks and de novo (start-up) banks also select SilverLake. This system is in use by approximately 490 banks, and now serves nearly 11% of the domestic banks with assets less than \$50 billion.
- **CIF 20/20**[®], a parameter-driven, easy-to-use system that now supports approximately 280 banks ranging from de novo institutions to those with assets of \$5 billion.
- **Core Director**[®], a cost-efficient system with point-and-click operation that now supports over 170 banks ranging from de novo institutions to those with assets of over \$2 billion.

Core credit union platform is:

- **Symitar**[®] (formerly known as **Episys**[®]), a robust system designed specifically for credit unions. It has been implemented by approximately 720 credit unions with assets ranging from \$20 million to \$30 billion, and according to National Credit Union Administration ("NCUA") data, is the system implemented by more credit unions with assets exceeding \$25 million than any other core system.

Clients electing to install our solutions on-premise license the proprietary software systems. The majority of these clients pay ongoing annual software maintenance fees. We re-market the hardware, hardware maintenance, and peripheral equipment that is required by on-premise use of our software solutions; and we perform software implementation, data conversion, training, ongoing support, and other related services. On-premise clients generally license our core software systems under a standard license agreement that provides a fully paid, nonexclusive, nontransferable right to use the software on a single computer at a single location.

Clients can eliminate the significant up-front capital expenditures required by on-premise installations and the responsibility for operating information and transaction processing infrastructures by leveraging our private cloud environment for those functions. Our core private cloud services are provided through a highly resilient data center configuration across multiple physical locations. We also provide image item processing services from two host/archive sites and several key entry and balancing locations throughout the country. We print and mail customer/member statements for financial institutions from three regional printing and rendering centers. Clients electing to outsource their core processing typically sign contracts for six years that include "per account" fees and minimum guaranteed payments during the contract period.

We are dedicated to meeting the evolving business needs of our core bank and credit union clients by continuously enhancing each core system, introducing new integrated complementary products regularly, integrating practical new technologies, and adhering to regulatory compliance initiatives. Additionally, we serve as a single point of contact for each core client for support and accountability.

Complementary Products and Services

We have more than 140 complementary/payment products and services that are targeted to our core banks and more than 100 targeted to credit unions. Many of these are selectively sold to financial institutions that use other core processing systems.

These complementary/payment solutions enable core bank and credit union clients to respond to evolving customer/member demands, expedite speed-to-market with competitive offerings, increase efficiency, address specific operational needs, and generate new revenue streams. The highly specialized solutions enable diverse financial institutions and corporate entities to generate additional revenue and growth opportunities, increase security, mitigate operational risks, and control operating costs.

We regularly introduce new products and services based on demand for integrated complementary/payment solutions from our existing core clients and based on the growing demand among financial institutions and corporate entities for specialized solutions capable of increasing revenue and growth opportunities, mitigating and controlling operational risks, and/or containing costs. Our Industry Research department solicits client guidance on the business solutions they need, evaluates available solutions and competitive offerings, and manages the introduction of new product offerings. Our new complementary/payment products and services are developed internally, acquired, or provided through strategic alliances.

Implementation and Training

Most of our core bank and credit union clients contract with us for implementation and training services in connection with their systems and additional complementary products.

A complete core system implementation typically includes detailed planning, project management, data conversion, and testing. Our experienced implementation teams travel to client facilities or work remotely with clients to help manage the implementation process and ensure that all data is transferred from the legacy system to the Jack Henry system. Our implementation fees are fixed or hourly based on the core system being installed.

We also provide extensive initial and ongoing education to our clients. We have a comprehensive training program that supports new clients with basic training and longtime clients with continuing education. The training enables financial institutions to maximize the use of our core and complementary solutions, learn about ongoing system enhancements, and understand evolving legislative and regulatory requirements.

Support and Services

We serve our core clients as a single point of contact and support for the complex solutions we provide. Our comprehensive support infrastructure incorporates:

- High service standards.
- Trained support staff available up to 24 hours a day, 365 days a year.
- Assigned account managers.
- Sophisticated support tools, resources, and technology.
- Broad experience converting diverse banks and credit unions to our core platforms from competitive platforms.
- Highly effective change management and control processes.
- Best practices methodology developed and refined through the company-wide, day-to-day experience.

Most on-premise clients contract for annual software support services, and this represents a significant source of recurring revenue for Jack Henry. These support services are typically priced at approximately 20% of the respective product's software license fee. The subsequent years' service fees generally increase as client assets

increase and as additional complementary products are purchased. Annual software support fees typically are billed during June and are paid in advance for the entire fiscal year, with proration for new product implementations that occur during the fiscal year. Hardware support fees also are usually paid in advance for entire contract periods which typically range from one to five years. Most support contracts automatically renew unless the client or Jack Henry gives notice of termination at least 30 days prior to contract expiration.

High levels of support are provided to our private cloud clients by the same support infrastructure utilized for on-premise clients. However, these support fees are included as part of monthly private cloud fees.

Hardware Systems

Our software systems operate on a variety of hardware platforms. We have established remarketing agreements with IBM Corporation, and many other hardware providers that allow Jack Henry to purchase hardware and related maintenance services at a discount and resell them directly to our clients. We currently sell IBM Power Systems™; Lenovo®, Dell, Hewlett Packard Enterprise, and Cisco servers and workstations; Canon®, Digital Check, Epson®, and Panini® check scanners; and other devices that complement our software solutions.

Digital Products and Services

Jack Henry Digital represents a category of digital products and services that are being built and integrated together into one unified platform. Our main offering is the Banno Digital Platform™. It is an online and mobile banking platform that helps community and regional financial institutions strategically differentiate their digital offerings from those of megabanks and other financial technology companies. It is a complete, open digital banking platform that gives banks and credit unions attractive, fast, cloud-native applications for their customers and members and cloud-based, core-connected back-office tools for their employees.

Payment Solutions

Electronic payment solutions provide our clients with the tools necessary to be at the forefront of payment innovation with secure payment processing designed to simplify complex payment processing, attract profitable retail and commercial accounts, increase operating efficiencies, comply with regulatory mandates, and proactively mitigate and manage payment-related risk.

- **JHA Card Processing Solutions™ ("CPS")** supports full-service and in-house debit and credit card programs, as well as an Agent credit option, backed by a comprehensive suite of tools for 24/7 fraud mitigation, digital payments, full-service dispute management, plastics manufacturing and personalization, loyalty programs, data analytics, and ATM terminal driving. In addition, advisory services are offered to support a variety of needs including card portfolio growth, start-up program consultation, as well as customized fraud management; all tailored to individual financial institution goals and concerns.
- **Enterprise Payment Solutions ("EPS")** is a comprehensive payments engine, offering an integrated suite of remote deposit capture, Automated Clearing House ("ACH") and card transaction processing solutions, supporting tools for accounts receivable posting, risk management, reporting, and application interfaces ("APIs") for financial institutions, businesses, and fintechs of all sizes. EPS helps clients succeed in today's competitive market to increase revenue, improve efficiencies, better manage compliance, and enhance customer and member relationships.
- **Payrailz™ Payments Platform** provides consumers and businesses with money movement options through their financial institutions' digital platforms. It supports our technology modernization strategy by providing next-generation, cloud-native digital payment capabilities to our payment ecosystem. This money movement payments platform incorporates artificial intelligence ("AI") to make predictive and proactive recommendations, a flexible modern user experience, a layered security model, an automated fraud feature powered by machine learning, and a contemporary, adaptable administrative portal. In addition to bill payment capabilities, we provide a 'pay a loan' feature, an 'open looped' real-time person-to-person ("P2P") solution, and account-to-account ("A2A") transfer features. The array of money movement options maintains consumer and business engagement with the financial institution.
- **JHA PayCenter™**, provides financial institutions with a single entry point to both Zelle® and Real Time Payments ("RTP") networks, and the Federal Reserve's FedNow® network. PayCenter manages the certification process and mandatory updates from the networks, simplifies integration with toolkits, and provides fraud monitoring. Financial institutions can send and receive transactions instantly 24 hours a day, 365 days a year, through our core and complementary solutions.
- **Payments as a Service ("PaaS")** ties together and further enhances the complete array of electronic payments functionality with a front-end Payments Developers Experience Portal, APIs, and back-end data analytics.

Research and Development

We invest significant resources in ongoing research and development to build new software solutions and services and enhance existing solutions with additional functionality and features required to ensure regulatory compliance. We enhance our core and complementary systems a minimum of once each year. Product-specific enhancements are largely client-driven with recommended opportunities formally gathered through focus groups, change control boards, strategic initiatives meetings, annual user group meetings, and ongoing client contact. We also continually evaluate and implement process improvements that expedite the delivery of new products and enhancements to our clients and reduce related costs.

Research and development expenses (in thousands) for fiscal 2024, 2023, and 2022 were \$148,256, \$142,678, and \$121,355, respectively. We recorded capitalized software (in thousands) in fiscal 2024, 2023, and 2022 of \$167,175, \$166,120, and \$148,239, respectively.

Sales and Marketing

We serve established, well-defined markets that provide ongoing sales and cross-sell opportunities.

The marketing and sales initiatives within the core business lines are primarily focused on identifying banks and credit unions evaluating alternative core information and transaction processing solutions. Our non-core specialized core-agnostic niche solutions are sold to complement existing technology platforms to financial services organizations of all asset sizes and charters.

Sales executives are responsible for the activities required to earn new clients in assigned territories, and regional account executives are responsible for nurturing client relationships and cross selling additional products and services. Our sales professionals receive base salaries and performance-based commission compensation. Sales support staff provide a variety of services, including product and service demonstrations, responses to prospect-issued requests-for-proposals, and proposal and contract generation. Our marketing department supports sales with lead generation and brand-building activities, including participation in state-specific, regional, and national trade shows; print and online advertising; telemarketing; client newsletters; ongoing promotional campaigns; and media relations. We also host annual national education conferences, which provide opportunities to network with existing clients and demonstrate new products and services.

Jack Henry has sold select products and services outside the United States, primarily in Latin America, the Caribbean and Canada. International sales accounted for less than 1% of Jack Henry's total revenue in each of fiscal 2024, 2023, and 2022.

Competition

The market for companies providing technology solutions to financial services organizations is competitive, and we expect that competition from both existing competitors and companies entering our existing or future markets will remain strong. Some of our current competitors have longer operating histories, larger client bases, and greater financial resources. The principal competitive factors affecting the market for technology solutions include product/service functionality, price, operating flexibility and ease-of-use, client support, and existing client references. For more than a decade, there has been significant consolidation among providers of products and services designed for financial institutions, and this consolidation is expected to continue in the future.

Our core solutions compete with large vendors that provide information and transaction processing solutions to banks and credit unions, including Fidelity National Information Services, Inc.; Fiserv, Inc.; Corelation, Inc.; and Finastra. Our non-core specialized solutions compete with an array of disparate vendors that provide niche solutions to financial services organizations and corporate entities.

Intellectual Property, Patents, and Trademarks

Although we believe our success depends upon our technical expertise more than our proprietary rights, our future success and ability to compete depend in part upon our proprietary technology. We have registered or filed applications for our primary trademarks. Most of our technology is not patented. Instead, we rely on a combination of contractual rights, copyrights, trademarks, and trade secrets to establish and protect our proprietary technology. We generally enter into confidentiality agreements with our associates, consultants, resellers, clients, and prospects. Access to and distribution of our Company's source code is restricted, and the disclosure and use of other proprietary information is further limited. Despite our efforts to protect our proprietary rights, unauthorized parties can attempt to copy or otherwise obtain, or use our products or technology.

Regulatory Compliance

Jack Henry maintains a corporate commitment to address compliance issues and implement requirements imposed by federal regulators prior to the effective date of such requirements when adequate prior notice is given. Our compliance program is coordinated by a team of qualified compliance analysts and auditors with extensive regulatory agency and financial institution experience, knowledge and understanding of Federal consumer protection regulations, and a thorough working knowledge of Jack Henry and our solutions. These compliance professionals leverage multiple channels to remain informed about potential and recently enacted regulatory requirements, including regular discussions on emerging topics with the Federal Banking Agencies ("FBA") examination team and training sessions sponsored by various professional associations.

We have processes in place to inform internal stakeholders of new and revised regulatory requirements. Upcoming regulatory changes also are presented to the Company's development teams through periodic regulatory compliance meetings and the necessary product changes are included in the ongoing product development cycle. We publish newsletters to keep our clients informed of regulatory changes that could impact their operations. Periodically, client advisory groups are assembled to discuss significant regulatory changes.

Internal audits of our systems, networks, operations, business recovery plans, and applications are conducted and specialized outside firms are periodically engaged to perform testing and validation of our systems, processes, plans, and security. The FBA conducts annual reviews throughout the Company and issues a Report of Examination. The Board of Directors provides oversight of these activities through the Risk and Compliance Committee and the Audit Committee.

Government Regulation

The financial services industry is subject to extensive and complex federal and state regulation. All financial institutions are subject to substantial regulatory oversight and supervision. Our products and services must comply with the extensive and evolving regulatory requirements applicable to our clients, including but not limited to those mandated by federal truth-in-lending and truth-in-savings rules, the Privacy of Consumer Financial Information regulations, usury laws, the Equal Credit Opportunity Act, the Fair Housing Act, the Electronic Funds Transfer Act, the Fair Credit Reporting Act, the Bank Secrecy Act, the USA Patriot Act, the Gramm-Leach-Bliley Act, the Community Reinvestment Act and the Dodd-Frank Wall Street Reform and Consumer Protection Act. The compliance of Jack Henry's products and services with these requirements depends on a variety of factors, including the parameters set through the interactive design, the classification of clients, and the manner in which the client utilizes the products and services. Our clients are contractually responsible for assessing and determining what is required of them under these regulations and then we provide solutions that assist them in meeting their regulatory needs through our products and services. We cannot predict the impact these regulations, any future amendments to these regulations or any newly implemented regulations will have on our business in the future.

Jack Henry is not chartered by the Office of the Comptroller of Currency ("OCC"), the Board of Governors of the Federal Reserve System, the FDIC, the NCUA or other federal or state agencies that regulate or supervise depository institutions. However, operating as a service provider to financial institutions, Jack Henry's operations are governed by the same regulatory requirements as those imposed on financial institutions, and subject to periodic reviews by FBA regulators who have broad supervisory authority to remedy any shortcomings identified in such reviews. Jack Henry is also subject to periodic examinations by the Consumer Financial Protection Bureau ("CFPB"), which provides supervision and enforcement related to federal consumer financial laws applicable to some products and services offered by our clients.

We provide private cloud services through JHA OutLink Processing Services™ for banks and EASE Processing Services™ for credit unions. We provide data centers and electronic transaction processing through JHA Card Processing Solutions™, internet banking through NetTeller® and Banno™ online solutions, bill payment through our Payrailz™ Payments Platform, network security monitoring and Hosted Network Solutions ("HNS") through our Gladiator® unit, cloud services through Hosted Partner Services and Enterprise Integration Services, and business recovery services through Centurion Disaster Recovery®.

Our private cloud services are subject to examination by FBA regulators under the Bank Service Company Act. These examinations cover a wide variety of subjects, including system development, functionality, reliability, and security, as well as disaster preparedness and business recovery planning. Our private cloud services are also subject to examination by state banking authorities on occasion.

Human Capital

Our Associates

As of June 30, 2024, Jack Henry had approximately 7,170 full-time and part-time associates. Our associates are not covered by a collective bargaining agreement and there have been no labor-related work stoppages.

Talent Attraction and Engagement

Our people and culture strategy focuses on attracting, engaging, and retaining qualified, diverse, and innovative talent at all levels of the Company. We are a committed equal opportunity employer and all qualified candidates receive consideration for employment without regard to race, color, religion, national origin, age, disability, sex, sexual orientation, gender, gender identity, pregnancy, genetic information, or other characteristics protected by applicable law.

Beyond nondiscrimination compliance, we are committed to fostering a respectful and inclusive workplace in which all individuals are treated with respect and dignity. We continue to concentrate efforts on assuring that all our associates feel like they belong at Jack Henry. We seek nontraditional talent streams to help identify candidates from underrepresented groups, including through our internship and apprenticeship programs. Our internship program focuses on attracting college and university students to paid work in Jack Henry departments related to their studies, while our apprenticeship program offers paid training and work for candidates (either students or non-students) with little to no traditional experience in the field, such as learning computer coding. Both our internship and apprenticeship programs can lead to full-time employment.

We are actively collaborating with our Business Innovation Groups ("BIGs") to foster a culture of belonging. Their insights are crucial for sparking innovation and shaping strategies to attract and retain talent, ensuring our associates feel valued and connected. Our BIGs are company-sponsored groups open to all associates. As of June 30, 2024, we had over 1,740 unique associates participating in six active BIGs, with five focused on inclusion for specific communities — women, people of color, LGBTQ+, veterans, and people with disabilities — and one focused on environmental and sustainability topics. While BIGs allow associates to connect and support each other, they also function to assist us in addressing bona fide business problems through input and suggestions. For example, these groups work with executive leadership to actively improve our talent attraction processes for prospective associates. They also provide education, training, and conversation opportunities to all associates to increase belongingness and innovation throughout the Company. A significant portion of the Company's associates work remotely on either a full-time or hybrid remote/office basis. The Company remains focused on equipping all associates with the tools necessary to effectively communicate, collaborate, and build connections in a remote environment, including ensuring leaders have the skills needed to effectively lead dispersed teams.

We seek to actively listen to our associates throughout the year using a defined and continuous listening strategy designed to gather regular feedback on well-being, engagement, leadership, ethics, culture and values, and other top of mind topics. These surveys allow us to respond to associate concerns, benefit from associate perspectives, and better design and develop processes to support our Company culture. Associates can learn about changes through our jhDaily online news center, regular email communications, monthly Manager Forum events, quarterly associate update videos, or all-associate town hall meetings delivered by senior management.

Training and Development

Our success depends not only on attracting and retaining talented associates, but also in developing our current associates and providing new opportunities for their growth. We offer our associates numerous live and on-demand courses, resources, and training programs to help them build knowledge, improve skills, and develop their career at Jack Henry. Learning opportunities include mandatory courses, such as security awareness, as well as recommended content in areas including leadership development; technical skills; and diversity, equity, inclusion, and belonging. Jack Tracks, an annual, company-wide virtual learning event, offers associates a large selection of curated topics such as technical and operational readiness, technology trends, company solutions, and industry trends.

Recognizing the importance of mentoring in career development, we host an internal mentorship marketplace, which allows prospective mentors and mentees to connect and self-initiate a mentoring relationship. Career mobility and personal development resources are available to all associates through dedicated intranet sites. We continue to strengthen our leadership capacity by providing training on effective coaching practices to leaders of the Company.

We recognize and value the contribution of our associates who develop, improve, and support our technology solutions. Access to on-demand technical training libraries, customized learning plans, certification programs, and classes facilitated by external experts are available to advance their technical expertise. When there is a critical skill

need or where the technology landscape is rapidly changing, we provide unique learning solutions to align associates' development with our strategic initiatives.

Wellness and Safety

We emphasize the safety and well-being of our associates as a top priority. We define wellness holistically and include mental, physical, emotional, financial, psychological, and environmental considerations. Our benefit plan offerings include supportive and dedicated campaigns that communicate directly to associates about financial wellness, mental health, healthful nutrition and exercise, and other wellness topics. Associate well-being is further supported through policies such as remote work, paid parental leave, military service leave, educational assistance, and bereavement leave policies.

Available Information

Jack Henry's website is easily accessible to the public at jackhenry.com. The "Investor Relations" portion of the website provides key corporate governance documents, the code of conduct, an archive of press releases, and other relevant Company information. Our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and other filings and amendments thereto that are made with the SEC also are available free of charge on our website as soon as reasonably practical after these reports have been filed with or furnished to the SEC. The SEC also maintains a website that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at <https://www.sec.gov>.

ITEM 1A. RISK FACTORS

The Company's business and the results of its operations are affected by numerous factors and uncertainties, some of which are beyond our control. The following is a description of some of the important risks and uncertainties that may cause our actual results of operations in future periods to differ materially from those expected or desired.

Business and Operating Risks

Data security breaches, failures, or other incidents could damage our reputation and business. Our business relies upon receiving, processing, storing, and transmitting sensitive information relating to our operations, associates, and clients. If we fail to maintain a sufficient digital security infrastructure, address security vulnerabilities and new threats, or deploy adequate technologies to secure our systems against attack, we may be subject to security breaches that compromise confidential information, adversely affect our ability to operate our business, damage our reputation and business, adversely affect our results of operations and financial condition, and expose us to liability. We rely on third parties for various business purposes, and these third parties face similar security risks. A security failure by one of these third parties could expose our data or subject our information systems to interruption of operations and security vulnerabilities. Our information systems rely on hardware, software, and other technological elements, whether developed in-house or provided by third parties, that occasionally need to be patched or updated to address existing or potential security vulnerabilities. If these vulnerabilities are not remediated in a timely manner, our systems and data may be at risk of compromise or interruption.

Our services and infrastructure are increasingly reliant on the internet. Computer networks and the internet are vulnerable to disruptive problems such as denial of service attacks or other cyber-attacks carried out by cyber criminals or state-sponsored actors. We anticipate that unauthorized parties will continue to attempt to obtain access to confidential information or to destroy data, often through the introduction of computer viruses, ransomware or malware, cyber-attacks, and other means, which are constantly evolving and at times difficult to detect. Those same parties may also attempt to fraudulently induce associates, clients, vendors, or other users of our systems through phishing schemes or other social engineering methods to disclose sensitive information to gain access to our data or that of our clients or their customer/members. Any such coordinated attacks, if successful, can lead to data loss and exfiltration, disruption to systems and services, and damage to our reputation as a secure financial technology company.

We are also subject to the risk that our associates may intercept and transmit unauthorized confidential or proprietary information or that corporate-owned computers used by associates are stolen, or client data media is lost in shipment. An interception, misuse, or mishandling of personal, confidential, or proprietary information being sent to or received from a client or third party could result in legal liability, remediation costs, regulatory action, and reputational harm, any of which could adversely affect our results of operations and financial condition.

Like other financial institution service providers, we frequently face third-party attempts to discover and exploit system weaknesses or to circumvent our security measures. We anticipate that attempts to attack our systems, services, and infrastructure, and those of our clients, third-party service providers and other vendors, may grow in

frequency and sophistication. We cannot be certain that our security controls and infrastructure will be adequate to continue to protect our systems and data and our efforts may not be sufficient to combat all current and future technological risks and threats. Advances in computer capabilities, new discoveries in the field of cryptography, the use of artificial intelligence, or other events or developments may render our security measures inadequate. Security risks may result in liability to our clients or other third parties, damage to our reputation, and may deter financial institutions from purchasing our products. The significant amount of capital and other resources we currently expend to protect against the threat of security breaches may prove insufficient to prevent a breach. We cannot ensure that any limitation-of-liability provisions in our client and user agreements, contracts with third-party vendors, or other contracts are sufficient to protect us from liabilities or damages with respect to claims relating to a security breach or similar matters. The insurance coverage we maintain to address data security risks may be insufficient to cover all types of claims or losses that may arise, and there is no assurance that such insurance coverage will continue to be available to us on economically reasonable terms, or at all. In the event of a security breach, we may need to spend substantial additional capital and resources alleviating problems caused by such breach. Under state, federal, and foreign laws requiring consumer notification of security breaches, the costs to remediate security breaches can be substantial. Addressing security problems may result in interruptions, delays, or cessation of service to users, any of which could harm our business.

Failure to maintain sufficient technological infrastructure or an operational failure in our outsourcing facilities could expose us to damage claims, increase regulatory scrutiny, and cause us to lose clients. Our products and services require substantial investments in technological infrastructure, and we have experienced significant growth in the number of users, transactions, and data that our technological infrastructure supports. If we fail to adequately invest in and support our technological infrastructure and processing capacity, we may not be able to support our clients' processing needs and may be more susceptible to interruptions and delays in services. Damage or destruction that interrupts our outsourcing operations could cause delays and failures in processing which could hurt our relationship with clients, damage our reputation, expose us to damage claims, and cause us to incur substantial additional expense to relocate operations and repair or replace damaged equipment. Events that could cause operational failures include, but are not limited to, hardware and software defects, breakdowns or malfunctions, cybersecurity incidents, human error, power losses, disruptions in telecommunications services, computer viruses or other malware, or other events. Our facilities are also subject to physical risks related to natural disasters or severe weather events, such as tornados, flooding, hurricanes, and heat waves. Climate change may increase the likelihood and severity of such events. Our back-up systems and procedures may prove insufficient or otherwise fail to prevent disruption, such as a prolonged interruption of our transaction processing services. If an interruption extends for more than several hours, we may experience data loss or a reduction in revenues by reason of such interruption. Any significant interruption of service could reduce revenue, have a negative impact on our reputation, result in damage claims, lead our present and potential clients to choose other service providers, and lead to increased regulatory scrutiny of the critical services we provide to financial institutions, with resulting increases in compliance burdens and costs. Implementing modifications and upgrades to our technological infrastructure subject us to inherent costs and risks associated with changing systems, policies, procedures, and monitoring tools.

Failures associated with payment transactions could result in financial loss. The volume and dollar amount of payment transactions that we process is significant and continues to grow. We direct the settlement of funds on behalf of financial institutions, other businesses, and consumers, and receive funds from clients, card issuers, payment networks, and consumers on a daily basis for a variety of transaction types. Transactions facilitated by us include debit card, credit card, electronic bill payment transactions, Automated Clearing House ("ACH") payments, real-time payments through faster payment networks (such as Zelle, RTP, and FedNow), and check clearing that support consumers, financial institutions, and other businesses. If the continuity of operations, integrity of processing, or ability to detect or prevent fraudulent payments were compromised in connection with payments transactions, we could suffer financial as well as reputational loss. In addition, we rely on various third parties to process transactions and provide services in support of the processing of transactions and funds settlement for certain of our products and services that we cannot provide ourselves. If we are unable to obtain such services in the future or if the price of such services becomes unsustainable, our business, financial position, and results of operations could be materially and adversely affected. In addition, we may issue short-term credit to consumers, financial institutions, or other businesses as part of the funds settlement process. A default on this credit by a counterparty could result in a financial loss to us.

Failures of third-party service providers we rely upon could lead to financial loss. We rely on third-party service providers to support key portions of our operations. We also rely on third-party service providers to provide part, or all of, certain services we deliver to clients. As we continue to move more computing, storage, and processing services out of our data centers and facilities and into third-party hosting environments, our reliance on

these providers and their systems will increase. This reliance is further concentrated as we use certain third-party vendors to provide large portions of our hosting needs. While we have selected these third-party vendors carefully, we do not control their actions. A failure of these services by a third party could have a material impact upon our delivery of services to our clients. Such a failure could lead to damage claims, loss of clients, and reputational harm, depending on the duration and severity of the failure. Third parties perform significant operational services on our behalf. These third-party vendors are subject to similar risks as us including, but not limited to, compliance with applicable laws and regulations, hardware and software defects, breakdowns or malfunctions, cybersecurity incidents, human error, failures in internal controls, power losses, disruptions in telecommunications services, computer viruses or other malware, natural disasters or severe weather events, or other events. One or more of our vendors may experience a cybersecurity event or operational disruption and, if any such event does occur, it may not be adequately addressed, either operationally or financially, by the third-party vendor. Certain of our vendors may have limited indemnification obligations or may not have the financial capacity to satisfy their indemnification obligations. If a critical vendor is unable to meet our needs in a timely manner or if the services or products provided by such a vendor are terminated or otherwise delayed and if we are not able to develop alternative sources for these services and products quickly and cost-effectively, our clients could be negatively impacted, and it could have a material adverse effect on our business.

We operate in a competitive business environment and our business will be adversely affected if we fail to compete effectively. We vigorously compete with a variety of software vendors and service providers in all our major product lines. We compete on the basis of product quality, reliability, performance, ease of use, quality of support and services, integration with other products, and pricing. Some of our competitors may have advantages over us due to their size, product lines, greater marketing resources, or exclusive intellectual property rights. New competitors, including smaller start-ups, regularly appear with new products, services, and technology for financial institutions. If competitors offer more favorable pricing, payment or other contractual terms, warranties, or functionality, or otherwise attract our clients or prevent us from capturing new clients, we may need to lower prices or offer other terms that negatively impact our results of operations in order to successfully compete.

Failure to achieve favorable renewals of service contracts could negatively affect our business. Our contracts with our clients for outsourced data processing and electronic payment transaction processing services generally run for a period of six years. We will continue to experience a significant number of these contracts coming up for renewal each year. Renewal time presents our clients with the opportunity to consider other providers or to renegotiate their contracts with us, including reducing the services we provide or negotiating the prices paid for our services. If we are not successful in achieving high renewal rates upon favorable terms, revenues and profit margins will suffer. We may experience increased costs for services from our third-party vendors due to inflation or other cost expansion, but because our client contracts typically have longer terms than our vendor contracts, our ability to pass on those higher costs to clients may be limited. If inflation or costs outpace our contractual ability to adjust pricing during the contractual terms of our client contracts, our revenues and profit margins could be negatively impacted.

If we fail to adapt our products and services to changes in technology and the markets we serve, we could lose existing clients and be unable to attract new business. The markets for our products and services are characterized by changing client and regulatory requirements and rapid technological changes. These factors and new product introductions by our existing competitors or by new market entrants could reduce the demand for our existing products and services, and we may be required to develop or acquire new products and services. Our future success is dependent on our ability to enhance our existing products and services in a timely manner and to develop or acquire new products and services. If we are unable to develop or acquire new products and services to address the needs of our clients, or if we fail to sell the new or enhanced products and services in which we have invested, we may incur unanticipated expenses or fail to achieve anticipated revenues, as well as lose prospective sales.

The use of emerging technologies like artificial intelligence, machine learning, and generative artificial intelligence could lead to unintended consequences and result in reputational harm and increased litigation. We continue to evaluate emerging technologies like artificial intelligence, machine learning, and generative artificial intelligence for incorporation into our business to augment our products and services. Such technologies present unique business opportunities along with ever-changing legal and regulatory risks. Both state and federal regulations relating to these emerging technologies are quickly and constantly evolving and may require significant resources to modify and maintain business practices to comply with U.S. laws, the nature of which cannot be determined at this time. Our failure to accurately identify and address our responsibilities and liabilities in this new environment could negatively affect any solutions we develop incorporating such technology and could subject us to reputational harm, regulatory action, or litigation, which may harm our financial condition and operating results. These same risks apply to our third-party service providers who are implementing these tools into the

products or services they provide to us. Any failures to manage and mitigate these risks by these third-party service providers may negatively affect the products and services we provide our clients.

Software defects or problems with installations and updates may harm our business and reputation and expose us to potential liability. Our software products are complex and may contain undetected defects, especially in connection with newly released products and software updates. Software defects may cause interruptions or delays to our services as we attempt to correct the problem. We may also experience difficulties in installing or integrating our products on systems used by our clients. Defects in our software, installation problems or delays, or other difficulties could result in negative publicity, loss of revenues, loss of competitive position, or claims against us by clients. In addition, we rely on technologies and software supplied by third parties that may also contain undetected errors or defects that could have a negative effect on our business and results of operations. If patches or updates are not properly tested prior to installation, or are not properly installed, our systems and data may be at risk of compromise or interruption as a result of such failures.

Expansion of services to non-traditional clients could expose us to new risks. We have expanded our services to business lines that are marketed outside our traditional, regulated, and litigation-averse base of financial institution clients. These non-regulated clients may entail greater operational, credit, and litigation risks than we have faced before and could result in increases in bad debts and litigation costs.

Regulatory and Compliance Risks

The software and services we provide to our clients are subject to government regulation that could hinder the development of our business, increase costs, or impose constraints on the way we conduct our operations. The financial services industry is subject to extensive and complex federal and state regulation. As a supplier of software and services to financial institutions, portions of our operations are subject to ongoing supervision and examination by the Office of the Comptroller of the Currency, the Federal Reserve Board, the Federal Deposit Insurance Corporation, the Consumer Financial Protection Bureau, and the National Credit Union Association, among other regulatory agencies. These agencies regulate services we provide and the way we operate, and we are required to comply with a broad range of applicable federal and state laws and regulations. We are routinely subject to the examination process with such regulators, which includes the identification of areas where we can improve our practices to better comply with the applicable regulations and guidelines. If regulators identify significant issues, or if we fail to meet supervisory remediation expectations, we could be subject to regulatory actions that could harm our client relationships and reputation. Failure by third parties, with whom we contract or partner, to comply with regulations or guidelines could also harm our relationships and reputation. Such failures could require significant expenditures to correct and could negatively affect our ability to retain clients and obtain new clients.

In addition, existing laws, regulations, and policies could be amended or interpreted differently by regulators in a manner that imposes additional costs and has a negative impact on our existing operations or that limits our future growth or expansion. New regulations could require additional programming or other costly changes in our processes or personnel. Our clients are also regulated entities, and actions by regulatory authorities could influence both the decisions they make concerning the purchase of data processing and other services and the timing and implementation of these decisions. We will be required to apply substantial research and development and other corporate resources to adapt our products to this evolving, complex, and often unpredictable regulatory environment. Our failure to provide compliant solutions could result in significant fines or consumer liability on our clients, for which we may bear ultimate liability.

Compliance with new and existing privacy laws, regulations, and rules may adversely impact our expenses, development, and strategy. We are subject to complex laws, rules, and regulations related to data privacy and cybersecurity. If we fail to comply with such requirements, we could be subject to reputational harm, regulatory enforcement, and litigation. The use, confidentiality, and security of private client information is under increased scrutiny. Regulatory agencies, Congress, state legislatures, and foreign regulatory and governmental bodies are considering numerous regulatory and statutory proposals to protect the interests of consumers and to require compliance with standards and policies that have not been defined. The number of state privacy and cybersecurity laws and regulations has grown tremendously over the past several years, creating an increasingly complex patchwork of data privacy and security requirements. This includes industry-specific rules such as those enacted by the New York Department of Financial Services that require covered financial institutions to have a cybersecurity program along with other compliance requirements as well as comprehensive consumer data privacy rules such as the California Consumer Privacy Act, the Iowa Consumer Data Protection Act, and the Virginia Consumer Data Protection Act. Though several privacy concepts are common across the laws, each state requires compliance with standards and policies that are not cohesive with other laws and are often further amended by regulatory action. The unique data protection regulations issued by multiple agencies have created a fragmented series of

requirements that makes it increasingly complex to comply with all the mandates in an efficient manner and may increase costs to deliver affected products and services as those requirements are established. In addition, compliance with these laws and regulations may require changes to our technology and our internal processes and procedures, including the way that we handle, process, and store data, which could divert company resources and negatively impact growth opportunities. We will also be affected by these regulations as a third-party provider to clients who are subject to such regulations and will seek our assistance in their compliance efforts.

Failure to comply or readily address compliance and regulatory rule changes made by payment card networks could adversely affect our business. We are subject to card association and network compliance rules governing the payment networks we serve, including Visa, MasterCard, Zelle, FedNow, and The Clearing House's RTP network, and all rules governing the Payment Card Data Security Standards. If we fail to comply with these rules and standards, we could be fined or our certifications could be suspended or terminated, which could limit our ability to service our clients and result in reductions in revenues and increased costs of operations. Changes made by the networks, even when complied with, may result in reduction in revenues and increased costs of operations.

Economic Conditions Risks

Natural disasters, public health crises, wars, acts of terrorism, other armed conflict, and workforce shortages could adversely affect our results of operations. The occurrence of, or threat of, natural disasters, widespread public health crises, political unrest, war, acts of terrorism, other armed conflicts involving the United States or foreign countries, or general workforce shortages can result in significant economic disruptions and uncertainties and could adversely affect our business, results of operation, and financial condition. The conditions caused by such events may affect the rate of spending by our clients and their ability to pay for our products and services, delay prospective clients' purchasing decisions, interfere with our associates' ability to support our business function, disrupt the ability of third-party providers we rely upon to deliver services, adversely impact our ability to provide on-site services or installations to our clients, or reduce the number of transactions we process, all of which could adversely affect our results of operation and financial position. We are unable to accurately predict the impact of such events on our business due to a number of uncertainties, including the duration, severity, geographic reach and governmental responses to such events, the impact on our clients' and vendors' operations, and our ability to continue to provide products and services, including the ability of our associates to work remotely. If we are not able to respond to and manage the impact of such events effectively, our business will be harmed.

Our business may be adversely impacted by general U.S. and global market and economic conditions or specific conditions in the financial services industry. We derive most of our revenue from products and services we provide to the financial services industry. If the general economic environment worsens, including if inflation or interest rates continue to increase or remain at higher than recent historical levels, or if conditions or regulatory requirements within the financial services industry change, such as if financial institutions are required to increase reserve amounts or become subject to new regulatory assessments, clients may be less willing or able to pay the cost of our products and services, and we could face a reduction in demand from current and potential clients for our products and services, which could have a material adverse effect on our business, results of operations, and financial condition. In addition, a growing portion of our revenue is derived from transaction processing fees, which depend heavily on levels of consumer and business spending. Deterioration in general economic conditions could negatively impact consumer confidence and spending, resulting in reduced transaction volumes and our related revenues.

Consolidation and failures of financial institutions will continue to reduce the number of our clients and potential clients. Our primary market consists of approximately 4,540 commercial and savings banks and more than 4,700 credit unions. The number of commercial banks and credit unions in the United States has experienced a steady decrease over recent decades due to mergers and acquisitions and financial failures and we expect this trend to continue as more consolidation occurs. Such events may reduce the number of our current and potential clients, which could negatively impact our results of operations. A client who merges with, or is acquired by, an entity that is not our client, or a client that is closed by regulatory action, can lead to a reduction or loss of services and negatively impact our results of operation.

Acquisition Risks

Our growth may be affected if we are unable to find or complete suitable acquisitions. We have augmented the growth of our business with a number of acquisitions and we plan to continue to acquire appropriate businesses, products, and services. This strategy depends on our ability to identify, negotiate, and finance suitable acquisitions. Merger and acquisition activity in our industry has affected the availability and pricing of such acquisitions. If we are unable to acquire suitable acquisition candidates, we may experience slower growth.

Acquisitions subject us to risks and may be costly and difficult to integrate. Acquisitions are difficult to evaluate, and our due diligence may not identify all potential liabilities or valuation issues. We may also be subject to risks related to cybersecurity incidents or vulnerabilities of the acquired company and the acquired systems. We may not be able to successfully integrate acquired companies. We may encounter problems with the integration of new businesses, including: financial control and computer system compatibility; unanticipated costs and liabilities; unanticipated quality or client problems with acquired products or services; differing regulatory and industry standards; diversion of management's attention; adverse effects on existing business relationships with suppliers and clients; loss of key associates; and significant depreciation and amortization expenses related to acquired assets. To finance future acquisitions, we may have to increase our borrowing or sell equity or debt securities to the public. If we fail to integrate our acquisitions, our business, financial condition, and results of operations could be materially and adversely affected. Failed acquisitions could also produce material and unpredictable impairment charges as we review our acquired assets.

Intellectual Property Risks

If others claim that we have infringed their intellectual property rights, we could be liable for significant damages or could be required to change our processes. We have agreed to indemnify many of our clients against claims that our products and services infringe on the proprietary rights of others. We also use certain open-source software in our products, which may subject us to suits by persons claiming ownership of what we believe to be open-source software. Infringement claims have been and will in the future be asserted with regard to our software solutions and services. Such claims, whether with or without merit, are time-consuming, may result in costly litigation and may not be resolved on terms favorable to us. If our defense of such claims is not successful, we could be forced to pay damages or could be subject to injunctions that would cause us to cease making or selling certain applications or force us to redesign applications.

Our failure to protect our intellectual property and proprietary rights may adversely affect our competitive position. Our success and ability to compete depend in part upon protecting our proprietary systems and technology. Unauthorized parties may attempt to copy or access systems or technology that we consider proprietary. We actively take steps to protect our intellectual property and proprietary rights, including entering into agreements with users of our services for that purpose and maintaining security measures. However, these steps may be inadequate to prevent misappropriation. Policing unauthorized use of our proprietary rights is difficult and misappropriation or litigation relating to such matters could have a material negative effect on our results of operation.

General Risk Factors

A material weakness in our internal controls could have a material adverse effect on us. Effective internal controls are necessary for us to provide reasonable assurance with respect to our financial reports and to mitigate risk of fraud. If material weaknesses in our internal controls are discovered or occur in the future, our consolidated financial statements may contain material misstatements and we could be required to restate our financial results, which could materially and adversely affect our business and results of operations or financial condition, restrict our ability to access the capital markets, require us to expend significant resources to correct the weaknesses or deficiencies, subject us to fines, penalties or judgments, harm our reputation, or otherwise cause a decline in investor confidence.

The loss of key associates and difficulties in hiring and retaining associates could adversely affect our business. We depend on the contributions and abilities of our senior management and other key associates. Our Company has grown significantly in recent years and our management remains concentrated in a small number of highly qualified individuals. If we lose one or more of our key associates, we could suffer a loss of managerial experience, and management resources would have to be diverted from other activities to compensate for this loss. We do not have employment agreements with any of our executive officers. Further, we continue to face a competitive market for hiring and retaining skilled associates. Difficulties in hiring and retaining skilled associates may restrict our ability to adequately support our business needs and/or result in increased personnel costs. There is no assurance that we will be able to attract and retain the personnel necessary to maintain the Company's strategic direction.

Unfavorable resolution of tax contingencies or unfavorable future tax law changes could adversely affect our tax expense. Our income tax positions result in a significant net deferred income tax liability on our consolidated balance sheet. Unfavorable future tax law changes, including increasing U.S. corporate tax rates, could increase this net liability and negatively impact our provision for income taxes, net income, and cash flow.

The impairment of a significant portion of our goodwill and intangible assets would adversely affect our results of operations. Our balance sheet includes goodwill and intangible assets that represent a significant portion of our total assets as of June 30, 2024. On an annual basis, and whenever circumstances require, we review our goodwill and intangible assets for impairment. If the carrying value of a material asset is determined to be impaired, it will be written down to fair value by a charge to operating earnings. An impairment of a significant portion of our goodwill or intangible assets could have a material negative effect on our operating results.

An increase in interest rates could increase our borrowing costs. Although our debt borrowing levels have historically been low, we may require additional or increased borrowings in the future under existing or new debt facilities to support operations, finance acquisitions, or fund stock repurchases. Our current credit facilities bear interest at variable rates. Increases in interest rates on variable-rate debt would increase our interest expense, which could negatively impact our results of operations.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Cyber Risk Management and Strategy

In our increasingly interconnected environment, information is inherently exposed to a growing number of risks, threats, and vulnerabilities. As a provider of products and services to financial institutions, Jack Henry integrates industry-standard frameworks, policies, and procedures to securely process and store sensitive information, prioritizing the protection of our associates, clients, and their private data from the ever-evolving cyber threat environment.

Jack Henry's information and cybersecurity program is a key component of our overall enterprise risk management and is maintained by a team of diverse, highly skilled cybersecurity professionals, as well as a portfolio of investments in modern technology, including artificial intelligence and machine learning. The program safeguards Jack Henry and client confidentiality and privacy by systematically identifying, assessing, and managing material risks and cybersecurity threats through use of comprehensive cyber defense, threat and vulnerability management, and cyber intelligence. Our cybersecurity program includes continuous enterprise monitoring with well-defined and rehearsed business resilience and incident response procedures. Further, we use third-party vendors and consultants to assist in identifying and assessing cybersecurity risks.

Jack Henry systems and services undergo regular reviews performed by the same regulatory agencies that review financial institutions: Federal Reserve Bank ("FRB"), FDIC, Office of the Comptroller of the Currency ("OCC"), NCUA, and the CFPB, among others. Reviews such as those by the Federal Banking Agencies (comprised of the FDIC, FRB, and the OCC) assess and identify security gaps or flaws in controls. Critical services provided to our clients are subject to annual System and Organization Controls ("SOC") reviews by independent auditors.

Our associates and contractors play a vital role in the safeguarding of systems and data. Associates and contractors complete mandatory annual security awareness training to ensure they stay abreast of the latest best practices and related cyber threats. Additionally, we conduct routine phishing exercises to help associates and contractors identify and responsibly respond to suspicious emails. Throughout the year, we target supplemental training and education to higher-risk individuals and teams.

Jack Henry relies on third-party service providers to deliver services and products to our clients, and we evaluate and attempt to mitigate the cybersecurity risks associated with the use of these third-party service providers. We conduct evaluations and risk assessments of third-party service providers prior to engagement and on an ongoing periodic basis to ensure our standards for security are maintained. Our strategic risk management committees review and address any identified risks.

In fiscal year 2024, we did not identify any risks from cybersecurity threats, including as a result of any previous cybersecurity incidents, that have materially affected our business strategy, results of operations, or financial condition.

As a large financial technology provider, we continually face risks from cybersecurity threats that, if realized, are reasonably likely to materially affect us and our business strategy, results of operations, or financial condition. Despite our efforts to identify and respond to cybersecurity threats, we cannot ensure that we will not experience material cybersecurity incidents in the future or that we have not experienced an undetected incident. For a full discussion of cybersecurity risks, see the section entitled "Risk Factors" in Item 1A.

Cyber Security Governance and Oversight

Our Board of Directors maintains ultimate oversight over risk functions but has delegated certain oversight responsibilities for enterprise and operational risks, including cybersecurity risk, to the Board's Risk and Compliance Committee. The Risk and Compliance Committee's obligations include overseeing Jack Henry's risk assessment and management programs and reviewing risk preparedness. Our Audit Committee oversees financial risks and would also be informed of a material cybersecurity incident that could potentially have a material impact on our financial statements. The Chief Information Security Officer ("CISO") reports to the Risk and Compliance Committee and to the full Board of Directors on a quarterly basis on information security matters. Additionally, the CISO meets with the Risk and Compliance Committee at least annually to evaluate our overall security environment and organization.

While the Board of Directors, through the Risk and Compliance Committee, maintains oversight for cybersecurity risks, management is primarily responsible for identifying, assessing, and managing material cybersecurity risks within our broader risk management program. Management has established the Enterprise Risk Management Committee, headed by Company executives, to monitor the governance, risk, and compliance environment for Jack Henry, which includes review of cybersecurity risk. Management has also adopted specific policies and processes to monitor cybersecurity threats and to mitigate such threats as they arise. These policies and procedures include, among other things, an incident response program, which includes professionals with diverse backgrounds and skillsets, led by our CISO. Our incident response team is designed to monitor and assess cyber and information security related incidents. Any cybersecurity incidents that meet or exceed preestablished thresholds are escalated to management to establish the scope of the threat, apply mitigation and remediation efforts, and assess the need for disclosure to clients, third-party service providers, and regulators.

Our CISO, who reports directly to the Chief Risk Officer, has primary responsibility over Jack Henry's overall information security strategy, policy, security engineering, operations, and cybersecurity threat detection and response. Our CISO has more than 20 years of technology and cybersecurity experience, including previous senior leadership roles at major financial institutions. The information security team, under the direction of the CISO, regularly monitors general cybersecurity trends and institutes preventative efforts and defensive measures to protect against cybersecurity threats.

ITEM 2. PROPERTIES

We own 154 acres located in Monett, Missouri on which we maintain eight office buildings, plus shipping and receiving, security, and maintenance buildings. We also own buildings in Allen, Texas; Birmingham, Alabama; Lenexa, Kansas; Angola, Indiana; Shawnee Mission, Kansas; and Springfield, Missouri. Our owned facilities represent approximately 795,000 square feet of office space in five states. We have 19 leased office facilities in 15 states, which total approximately 474,000 square feet. Of this total, approximately 54,700 square feet relates to our Elizabethtown, Kentucky leased office facility of which approximately 50,900 square feet is subleased. The remaining owned and leased office facilities are for normal business purposes.

We own five aircraft. Many of our clients are located in communities that do not have an easily accessible commercial airline service. We primarily use our aircraft in connection with implementation, sales of systems and internal requirements for day-to-day operations. Transportation costs for implementation and other client services are billed to our clients. We lease property, including real estate and related facilities, at the Monett, Missouri regional airport.

ITEM 3. LEGAL PROCEEDINGS

We are subject to various routine legal proceedings and claims arising in the ordinary course of our business. In the opinion of management, any liabilities resulting from current lawsuits are not expected, either individually or in the aggregate, to have a material adverse effect on our consolidated financial statements. In accordance with U.S. generally accepted accounting principles ("U.S. GAAP"), we record a liability when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. These liabilities are reviewed at least quarterly and adjusted to reflect the impacts of negotiations, settlements, rulings, advice of legal counsel, and other information and events pertaining to a particular case or proceeding.

ITEM 4. MINE SAFETY DISCLOSURES

None.

PART II**ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES**

The Company's common stock is quoted on the Nasdaq Global Select Market ("Nasdaq") under the symbol "JKHY."

The Company established a practice of paying quarterly dividends in fiscal 1991 and has paid dividends with respect to every quarter since that time. The declaration and payment of any future dividends will continue to be at the discretion of our Board of Directors and will depend upon, among other factors, our earnings, capital requirements, contractual restrictions, and operating and financial condition. The Company does not currently foresee any changes in its dividend practices.

On August 15, 2024, there were approximately 344,699 holders of the Company's common stock, including individual participants in security position listings.

Issuer Purchases of Equity Securities

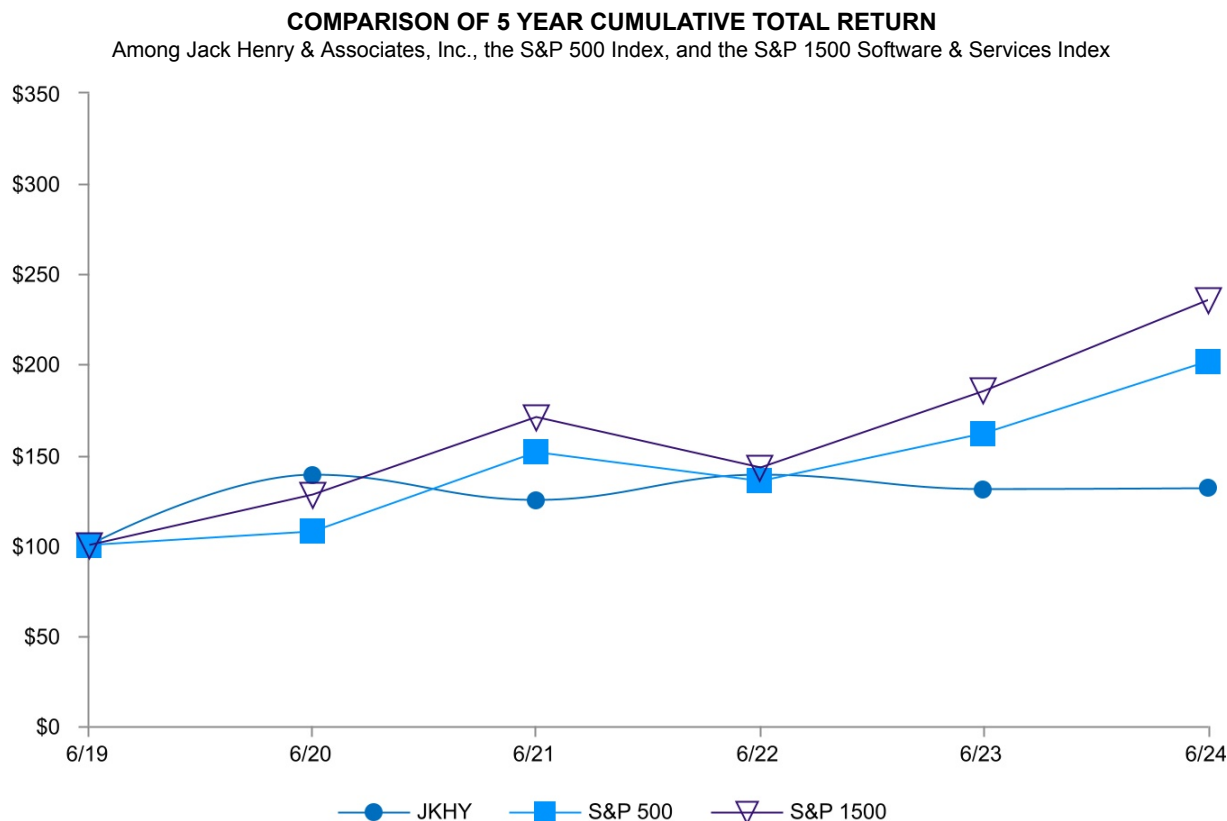
The following shares of the Company were repurchased during the quarter ended June 30, 2024:

	Total Number of Shares Purchased ⁽¹⁾	Average Price of Share	Total Number of Shares Purchased as Part of Publicly Announced Plans	Maximum Number of Shares that May Yet Be Purchased Under the Plans ⁽¹⁾
April 1 — April 30, 2024	—	\$	—	3,667,497
May 1 — May 31, 2024	—	\$	—	3,667,497
June 1 — June 30, 2024	49,840	\$161.62	49,840	3,617,657
Total	49,840	\$161.62	49,840	3,617,657

⁽¹⁾ Total stock repurchase authorizations approved by the Company's Board of Directors as of May 14, 2021 were for 35.0 million shares. Under these authorizations, the Company has repurchased and not re-issued 31,372,959 shares and has repurchased and re-issued 9,384 shares. The authorizations have no specific dollar or share price targets and no expiration dates.

Performance Graph

The following chart presents a comparison for the five-year period ended June 30, 2024, of the market performance of the Company's common stock with the Standard & Poor's 500 ("S&P 500") Index and the Standard & Poor's Composite 1500 Software & Services ("S&P 1500 Software & Services") Index. Historic stock price performance is not necessarily indicative of future stock price performance.



The following information depicts a line graph with the following values:

	2019	2020	2021	2022	2023	2024
JKHY	100.00	138.88	124.80	138.92	130.65	131.34
S&P 500	100.00	107.51	151.36	135.29	161.80	201.54
S&P Composite 1500 Software & Services	100.00	127.92	170.73	142.67	185.15	235.60

This comparison assumes \$100 was invested on June 30, 2019, and assumes reinvestments of dividends.

The stock performance graph shall not be deemed "filed" for purposes of Section 18 of the Exchange Act or incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following section provides management's view of the Company's financial condition and results of operations and should be read in conjunction with the audited consolidated financial statements, and related notes included elsewhere in this report. All dollar and share amounts, except per share amounts, are in thousands and discussions compare fiscal 2024 to fiscal 2023. Discussions of fiscal 2022 items and comparisons between fiscal 2022 and fiscal 2023 that are not included in this Form 10-K can be found in Part II, Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the fiscal year ended June 30, 2023.

OVERVIEW

Jack Henry & Associates, Inc. is a well-rounded financial technology company headquartered in Monett, Missouri, that employs approximately 7,170 full-time and part-time associates nationwide, and is a leading provider of technology solutions and payment processing services primarily to community and regional financial institutions. Our solutions serve approximately 7,500 clients and consist of integrated data processing systems solutions to banks ranging from de novo to multi-billion-dollar institutions with assets up to \$50 billion, core data processing solutions for credit unions of all sizes, and non-core highly specialized core-agnostic products and services that enable financial institutions of every asset size and charter, and diverse corporate entities outside the financial services industry, to mitigate and control risks, optimize revenue and growth opportunities, and contain costs. Our integrated solutions are available for on-premise installation and delivery in our private and public cloud.

Each of our solutions shares the fundamental commitment to provide high-quality business systems, service levels that consistently exceed client expectations, and integration of solutions and practical new technologies. The quality of our solutions, our high service standards, and the fundamental way we do business typically foster long-term client relationships, attract prospective clients, and have enabled us to capture substantial market share.

Through internal product development, disciplined acquisitions, and alliances with companies offering niche solutions that complement our proprietary solutions, we regularly introduce new products and services and generate new cross-sales opportunities. We provide compatible computer hardware for our on-premise installations and secure processing environments for our outsourced solutions in our private and public cloud. We perform data conversions, software implementations, initial and ongoing client training, and ongoing client support services.

We believe our primary competitive advantage is client service. Our support infrastructure and strict standards provide service levels that generate high levels of client satisfaction and retention. We consistently measure client satisfaction using a variety of surveys, such as an annual survey on the client's anniversary date and randomly-generated surveys initiated each day by routine support requests. Dedicated surveys are also used to grade specific aspects of our client experience, including product implementation, education, and consulting services.

Our two primary revenue streams are "services and support" and "processing." Services and support includes: "private and public cloud" fees that predominantly have contract terms of six years at inception; "product delivery and services" revenue, which includes revenue from the sales of licenses, implementation services, deconversion fees, consulting, and hardware; and "on-premise support" revenue, composed of maintenance fees which primarily contain annual contract terms. Processing revenue includes: "remittance" revenue from payment processing, remote capture, and ACH transactions; "card" fees, including card transaction processing and monthly fees; and "transaction and digital" revenue, which includes transaction and mobile processing fees. We continually seek opportunities to increase revenue while at the same time containing costs to expand margins.

We have four reportable segments: Core, Payments, Complementary, and Corporate and Other. The respective segments include all related revenues along with the related cost of sales.

A detailed discussion of the major components of the results of operations follows.

RESULTS OF OPERATIONS

FISCAL 2024 COMPARED TO FISCAL 2023

On August 31, 2022, the Company acquired all of the equity interest in Payrailz. Excluded Payrailz related revenue and operating expenses that are mentioned in the discussion below are for the first two months only of fiscal year ended June 30, 2024, since the first two months of fiscal year ended June 30, 2023, do not include Payrailz.

In fiscal 2024, total revenue increased 6.6% or \$137,841, compared to fiscal 2023. Reducing total revenue for deconversion revenue of \$16,554 in the current fiscal year and \$31,775 in the prior fiscal year, and for Payrailz related revenue of \$1,945 in the current fiscal year, results in a 7.4% increase, or \$151,117. This increase was

primarily driven by growth in data processing and hosting within cloud revenue as new clients were added and volumes expanded, card processing revenue from expanded fraud detection and prevention services and the addition of new/add-on services, digital (including Banno) revenue as active monthly users and volumes increased, payment processing revenue from expanding volumes and new client revenue, and growth in remote capture and ACH revenue.

Operating expenses increased 8.1%, or \$129,138, in fiscal 2024 compared to fiscal 2023. Reducing total operating expenses for deconversion costs of \$3,408 in the current fiscal year and \$4,261 in the prior fiscal year, and for VEDIP related costs of \$16,443 and Payrailz related expenses of \$4,182, in the current fiscal year, and excluding the impact of the gain on sale of assets, net, of \$4,567 in the prior fiscal year, results in a 6.6% increase, or \$104,798. The VEDIP program was a Company voluntary separation program offered to certain eligible associates beginning in July 2023. This increase was primarily due to higher personnel costs, increased direct costs consistent with increases in the related revenue, and internal licenses and fees from price increases and higher deployments in the current fiscal year.

We move into fiscal 2025 following strong performance in fiscal 2024. Significant portions of our business continue to provide recurring revenue and our sales pipeline is also encouraging. Our clients continue to face regulatory and operational challenges which our products and services address, and in these times, they have an even greater need for our solutions that directly address institutional profitability, efficiency, and security. We believe our strong balance sheet, access to extensive lines of credit, the strength of our existing product line and an unwavering commitment to superior client service position us well to address current and future opportunities.

A detailed discussion of the major components of the results of operations for the fiscal year ended June 30, 2024 compared to the fiscal year ended June 30, 2023 follows.

REVENUE

Services and Support Revenue

	Year Ended June 30,		% Change
	2024	2023	
Services and support	\$ 1,275,954	\$ 1,214,701	5.0%
Percentage of total revenue	58%	58%	

Services and support includes: "private and public cloud" fees, which predominantly have contract terms of six years at inception; "product delivery and services" revenue, which includes revenue from the sales of licenses, implementation services, deconversion fees, consulting, and hardware; and "on-premise support" revenue, which is composed primarily of maintenance fees with annual contract terms.

In the fiscal year ended June 30, 2024, services and support revenue increased 5.0% compared to the prior fiscal year. Reducing total services and support revenue by deconversion revenue for each year, which totaled \$16,554 in fiscal 2024 and \$31,775 in fiscal 2023, and for Payrailz related revenue of \$2 from the current fiscal year, services and support revenue grew 6.5%. This increase was primarily driven by higher data processing and hosting within cloud revenue, primarily from organic growth including the addition of new and migrating clients and expanding volumes.

Processing Revenue

	Year Ended June 30,		% Change
	2024	2023	
Processing	\$ 939,589	\$ 863,001	8.9%
Percentage of total revenue	42%	42%	

Processing revenue includes: "remittance" revenue from payment processing, remote capture, and ACH transactions; "card" fees, including card transaction processing and monthly fees; and "transaction and digital" revenue, which includes transaction and mobile processing fees.

Processing revenue increased 8.9% for the fiscal year ended June 30, 2024, compared to the fiscal year ended June 30, 2023. Reducing total processing revenue by Payrailz related revenue of \$1,943 from the current fiscal year, processing revenue grew 8.6%. This increase was driven by growth in card processing primarily from expanded fraud detection and prevention services and growth in the addition of new/add-on services, digital revenue (including Banno) through growth in active monthly users and increased volumes as well as the introduction and ramping up of new add-on products, payment processing revenues as new clients increased and the active user base and transaction volumes expanded, and higher remote capture and ACH revenues.

OPERATING EXPENSES

Cost of Revenue

	Year Ended June 30,		%
	2024	2023	Change
Cost of revenue	\$ 1,299,477	\$ 1,219,062	6.6%
Percentage of total revenue	59%	59%	

Cost of revenue for fiscal 2024 increased 6.6% compared to fiscal 2023. Reducing total cost of revenue for deconversion costs of \$2,231 in the current fiscal year and \$2,046 in the prior fiscal year, and for Payrailz related costs of \$3,334 in the current fiscal year, results in a 6.3% increase. This increase was driven by higher direct costs consistent with increases in the related revenue, higher internal licenses and fees from price increases and higher deployments in the current fiscal year, and increased personnel costs. Cost of revenue remained consistent as a percentage of total revenue for fiscal 2024 compared to fiscal 2023.

Research and Development

	Year Ended June 30,		%
	2024	2023	Change
Research and development	\$ 148,256	\$ 142,678	3.9%
Percentage of total revenue	7%	7%	

We devote significant effort and expense to develop new software and service products and continually upgrade and enhance our existing offerings. We believe our research and development efforts are highly efficient because of the extensive experience of our research and development staff and because our product development is highly client driven.

Research and development expenses for fiscal 2024 increased 3.9% compared to fiscal 2023. Reducing total research and development expenses for Payrailz related costs of \$656 in the current fiscal year, results in a 3.4% increase. This increase is primarily due to higher cloud consumption, net of capitalization, increased personnel costs, including Payrailz acquisition and Jack Henry Platform costs, net of capitalization. Research and development expense remained consistent as a percentage of total revenue for fiscal 2024 compared to fiscal 2023. The increase in this expense category for the current fiscal year reflects our continuing commitment to the development of strategic products.

Selling, General, and Administrative

	Year Ended June 30,		%
	2024	2023	Change
Selling, general, and administrative	\$ 278,419	\$ 235,274	18.3%
Percentage of total revenue	13%	11%	

Selling, general, and administrative costs included all expenses related to sales efforts, commissions, finance, legal, and human resources, plus all administrative costs.

Selling, general, and administrative expenses for fiscal 2024 increased 18.3% compared to fiscal 2023. Reducing total selling, general, and administrative expense for deconversion costs from each year, which totaled \$1,177 in fiscal 2024 and \$2,216 in fiscal 2023, VEDIP program expenses of \$16,443 and Payrailz related costs of \$192 for the current fiscal year, and excluding the impact of the gain on sale of assets, net, of \$4,567 for the prior fiscal year, results in a 9.7% increase. This increase was primarily due to higher personnel costs, including a headcount increase in the trailing twelve months and higher commission expense. Selling, general, and administrative expenses increased 2.0% as a percentage of total revenue for fiscal 2024 compared to fiscal 2023.

INTEREST INCOME AND EXPENSE

	Year Ended June 30,		%
	2024	2023	Change
Interest income	\$ 25,012	\$ 8,959	179.2%
Interest expense	\$ (16,384)	\$ (15,073)	8.7%

Interest income increased over the prior fiscal year due to increased interest earned on balances fiscal year over fiscal year. Interest expense increased in fiscal 2024 mainly due to the timing and amounts of borrowed balances and increases in interest rates.

PROVISION FOR INCOME TAXES

	Year Ended June 30,		% Change
	2024	2023	
Provision for income taxes	\$ 116,203	\$ 107,928	7.7%
Effective rate	23.3%	22.7%	

The increase in the Company's effective tax rate in fiscal 2024 compared to fiscal 2023 was the result of changes in uncertain tax positions for periods open under the statute of limitations in the current fiscal year. This increase is partially offset by greater benefits received from research and development tax credits during the current fiscal year.

NET INCOME

	Year Ended June 30,		% Change
	2024	2023	
Net income	\$ 381,816	\$ 366,646	4.1%
Diluted earnings per share	\$ 5.23	\$ 5.02	4.2%

Net income grew 4.1% to \$381,816, or \$5.23 per diluted share, in fiscal 2024 from \$366,646, or \$5.02 per diluted share, in fiscal 2023. The diluted earnings per share increase fiscal year over fiscal year was 4.2%. This increase was primarily due to growth in our lines of revenue and a reduction in the number of weighted average shares outstanding partially offset by higher operating expenses in fiscal 2024 compared to fiscal 2023 .

REPORTABLE SEGMENT DISCUSSION

The Company is a well-rounded financial technology company and is a leading provider of technology solutions and payment processing services primarily to community and regional financial institutions. The Company's operations are classified into four reportable segments: Core, Payments, Complementary, and Corporate and Other. The Core segment provides core information processing platforms to banks and credit unions, which consist of integrated applications required to process deposit, loan, and general ledger transactions, and maintain centralized customer/member information. The Payments segment provides secure payment processing tools and services, including ATM, debit, and credit card processing services, online and mobile bill pay solutions, ACH origination and remote deposit capture processing, and risk management products and services. The Complementary segment provides additional software, hosted processing platforms, and services, including digital/mobile banking, treasury services, online account opening, fraud/anti-money laundering ("AML") and lending/deposit solutions that can be integrated with the Company's Core solutions, and many can be used independently. The Corporate and Other segment includes revenue and costs from hardware and other products not attributed to any of the other three segments, as well as operating expenses not directly attributable to the other three segments.

The Company evaluates the performance of its segments and allocates resources to them based on various factors, including performance against trend, budget, and forecast. Only revenue and costs of revenue are considered in the evaluation for each segment.

Immaterial adjustments between segments were made in fiscal 2024 to reclassify revenue and cost of revenue that was recognized in fiscal 2023. These reclasses were made to be consistent with the current allocation of revenue and cost of revenue by segment. Revenue reclassified for the fiscal year ended June 30, 2023, from Core to Corporate and Other was \$7,119, from Payments to Corporate and Other was \$30, and from Complementary to Corporate and Other was \$307. Cost of revenue reclassified for the fiscal year ended June 30, 2023, from Core to Corporate and Other was \$6,713, from Payments to Corporate and Other was \$2,594, and from Complementary to Corporate and Other was \$1,286.

Core

	2024	% Change	2023
Revenue	\$ 690,738	6.4%	\$ 649,045
Cost of Revenue	\$ 287,349	3.8%	\$ 276,818

In fiscal 2024, revenue in the Core segment increased 6.4% compared to fiscal 2023. Reducing total Core revenue by deconversion revenue from both fiscal years, which totaled \$7,292 in fiscal 2024 and \$10,924 in fiscal 2023, Core segment revenue increased 7.1%. This increase was primarily driven by organic increases in our data processing and hosting within cloud revenue. Cost of revenue in the Core segment increased 3.8% for fiscal 2024 compared to fiscal 2023. This increase was primarily due to increased direct costs associated with the organic growth in cloud revenue. Deconversion and/or acquisition costs did not significantly affect Core cost of revenue fiscal year over fiscal year. Core segment cost of revenue decreased 1% as a percentage of revenue for fiscal 2024 compared to fiscal 2023.

Payments

	2024	% Change	2023
Revenue	\$ 817,708	6.6%	\$ 767,309
Cost of Revenue	\$ 442,084	5.0%	\$ 420,880

In fiscal 2024, revenue in the Payments segment increased 6.6% compared to fiscal 2023. Reducing total Payments revenue by deconversion revenue from both fiscal years, which totaled \$5,836 in fiscal 2024 and \$7,924 in fiscal 2023, and Payrailz related revenue from the current fiscal year of \$1,945, Payments segment revenue increased 6.7%. This increase was primarily driven by growth within card revenue and payment processing within remittance revenue. Cost of revenue in the Payments segment increased 5.0% for fiscal 2024 compared to fiscal 2023. Reducing total Payments cost of revenue by deconversion costs from both fiscal years, which totaled \$259 in fiscal 2024 and \$303 in fiscal 2023 and Payrailz related costs from the current fiscal year of \$3,314, Payments cost of revenue increased 4.3%. This increase was primarily due to increased direct costs related to growth in the card and remittance revenue lines, and increased personnel costs, including benefits expenses. Payments segment cost of revenue decreased 1% as a percentage of revenue for fiscal 2024 compared to fiscal 2023.

Complementary

	2024	% Change	2023
Revenue	\$ 618,211	5.9%	\$ 583,586
Cost of Revenue	\$ 256,007	7.7%	\$ 237,758

Revenue in the Complementary segment increased 5.9% for fiscal 2024 compared to fiscal 2023. Reducing total Complementary revenue by deconversion revenue from both fiscal years, which totaled \$3,217 in fiscal 2024 and \$12,649 in fiscal 2023, Complementary segment revenue increased 7.7%. This increase was primarily driven by organic increases in digital revenue (including Banno) and hosting within cloud revenue. Cost of revenue in the Complementary segment increased 7.7% for fiscal 2024 compared to fiscal 2023. This increase was primarily due to higher direct costs related to the organic growth in the digital and hosting within cloud revenue lines, increased amortization of capitalized software, and higher internal licenses and fees. Deconversion and/or acquisition costs did not significantly affect Complementary cost of revenue fiscal year over fiscal year. Complementary segment cost of revenue increased 1% as a percentage of revenue for fiscal 2024 compared to fiscal 2023.

Corporate and Other

	2024	% Change	2023
Revenue	\$ 88,886	14.3%	\$ 77,762
Cost of Revenue	\$ 314,037	10.7%	\$ 283,606

Revenue in the Corporate and Other segment increased 14.3% for fiscal 2024 compared to fiscal 2023. Reducing total Corporate and Other revenue by deconversion revenue from both fiscal years, which totaled \$209 in fiscal 2024 and \$278 in fiscal 2023, Corporate and Other segment revenue increased 14.4%. The increase was mainly due to increased hardware revenue and subscriptions and software usage within support revenues.

Cost of revenue for the Corporate and Other segment includes operating expenses not directly attributable to any of the other three segments and increased 10.7% for fiscal 2024 compared to fiscal 2023. This increase was primarily related to higher internal licenses and fees and personnel costs, including benefits expenses. Deconversion and/or acquisition costs did not significantly affect Corporate and Other cost of revenue fiscal year over fiscal year.

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash and cash equivalents increased to \$38,284 at June 30, 2024, from \$12,243 at June 30, 2023. The following table summarizes net cash from operating activities in the statement of cash flows:

	Year Ended June 30,	
	2024	2023
Net income	\$ 381,816	\$ 366,646
Non-cash expenses	231,709	166,621
Change in receivables	28,219	(12,067)
Change in deferred revenue	(10,797)	(10,547)
Change in other assets and liabilities	(62,906)	(129,094)
Net cash provided by operating activities	\$ 568,041	\$ 381,559

Cash provided by operating activities for fiscal 2024 increased 48.9% compared to fiscal 2023, primarily due to higher than historical collections in fiscal 2024 of annual maintenance billings related to fiscal year 2025 and to an overpayment of income taxes in fiscal 2023, which led to lower cash taxes paid in fiscal 2024. The Company paid income taxes, net of refunds, of \$106,966, \$145,862, and \$60,553 in fiscal 2024, 2023, and 2022, respectively. Cash from operations is primarily used to repay debt, pay dividends, repurchase stock, and for capital expenditures.

Cash used in investing activities for fiscal 2024 totaled \$240,165 and included: \$167,175 for the ongoing enhancements and development of existing and new product and service offerings; capital expenditures on facilities and equipment of \$58,118, mainly for the purchase of computer equipment; \$8,646 for purchase of investments; and \$7,130 for the purchase and development of internal use software. These expenditures were partially offset by \$904 of proceeds from asset sales.

Cash used in investing activities for fiscal 2023 totaled \$409,673 and included: payment for the acquisition of Payrailz of \$229,628, \$166,120 for the ongoing enhancements and development of existing and new product and service offerings; capital expenditures on facilities and equipment of \$39,179, mainly for the purchase of computer equipment; \$1,685 for the purchase and development of internal use software; and \$1,000 for the purchase of investments. These expenditures were partially offset by \$27,939 of proceeds from the sale of assets.

Financing activities used cash of \$301,835 for fiscal 2024 and included: \$155,877 for dividends paid to stockholders; borrowing and repayments on our credit facilities which netted to repayments of \$125,000; and \$28,055 for the purchase of treasury shares. These expenditures were partially offset by \$7,097 of net cash inflow related to stock-based compensation.

Financing activities used cash in fiscal 2023 of \$8,430 and included \$147,237 for dividends paid to stockholders and \$25,000 for the purchase of treasury shares. These expenditures were partially offset by borrowings and repayments on our revolving credit facility and financing leases which netted to borrowings of \$159,940 at June 30, 2023, and \$3,867 of net cash inflow related to stock-based compensation.

Capital Requirements and Resources

The Company generally uses existing resources and funds generated from operations to meet its capital requirements. Capital expenditures totaling \$58,118 and \$39,179 for fiscal years ended June 30, 2024, and June 30, 2023, respectively, were made primarily for additional equipment and the improvement of existing facilities. These additions were funded from cash generated by operations. At June 30, 2024, the Company had \$24,694 of significant outstanding purchase commitments related to property and equipment. We assessed our liquidity needs throughout fiscal 2024, and determined we had adequate capital resources and sufficient access to external financing sources to satisfy our current and reasonably anticipated funding needs. We will continue to monitor and assess these needs going forward.

In July 2023, the Company conducted a voluntary separation program for certain eligible associates that included a VEDIP payment for the eligible associates who chose to participate in the program. The Company made payments associated with the VEDIP program in the approximate amount of \$16,443 from July 2023 through December 2023, including immaterial payments continuing into calendar 2024.

At June 30, 2024, the Company had contractual obligations of \$1,488,248, including operating lease obligations, and \$1,421,125 related to off-balance sheet contractual purchase obligations. Contractual obligations exclude \$22,429 of liabilities for uncertain tax positions as we are unable to reasonably estimate the ultimate amount or timing of settlement.

The Board of Directors has authorized the Company to repurchase shares of its common stock. Under this authorization, the Company may finance its share repurchases with available cash reserves or short-term borrowings on its existing credit facilities. The share repurchase program does not include specific price targets or

timetables and may be suspended at any time. At June 30, 2024, there were 31,373 shares in treasury stock and the Company had the remaining authority to repurchase up to 3,618 additional shares. The total cost of treasury shares at June 30, 2024 was \$1,860,173. During fiscal 2024, the Company repurchased 179 treasury shares for \$28,055. At June 30, 2023, there were 31,194 shares in treasury stock and the Company had authority to repurchase up to 3,796 additional shares.

Payrailz

On August 31, 2022, the Company acquired all of the equity interest in Payrailz. The final purchase price, following customary post-closing adjustments to the extent actual closing date working capital, cash, debt, and unpaid seller transaction expenses exceeded or were less than the amounts estimated at closing, was \$230,205. Pursuant to the merger agreement for the transaction, \$48,500 of the purchase price was placed in an escrow account at the closing, consisting of \$2,500 for any final purchase price adjustments owed by the sellers, which amount was released to the sellers on December 15, 2022, in connection with post-closing purchase price adjustments, and \$46,000 for indemnification matters under the merger agreement, which amount was released to the sellers on September 20, 2023.

The primary reason for the acquisition was to expand the Company's digital financial management solutions and the purchase was originally funded by our revolving line of credit and cash generated from operations. Payrailz provides cloud-native, API-first, AI-enabled consumer and commercial digital payment solutions and experiences that enable money to be moved in the moment of need.

Credit facilities

On August 31, 2022, the Company entered into a five-year senior, unsecured amended and restated credit agreement that replaced a prior credit facility that was entered into on February 10, 2020. The credit agreement allows for borrowings of up to \$600,000, which may be increased to \$1,000,000 by the Company at any time until maturity. The credit agreement bears interest at a variable rate equal to (a) a rate based on an adjusted SOFR term rate or (b) an alternate base rate (the highest of (i) 0%, (ii) the Prime Rate for such day, (iii) the sum of the Federal Funds Effective Rate for such day *plus* 0.50% per annum and (iv) the Adjusted Term SOFR Screen Rate (without giving effect to the Applicable Margin) for a one month Interest Period on such day for Dollars *plus* 1.0%), plus an applicable percentage in each case determined by the Company's leverage ratio. The credit agreement is guaranteed by certain subsidiaries of the Company and is subject to various financial covenants that require the Company to maintain certain financial ratios as defined in the credit agreement. As of June 30, 2024, the Company was in compliance with all such covenants. The amended and restated credit facility terminates August 31, 2027. There was \$60,000 and \$95,000 outstanding under the amended and restated credit facility at June 30, 2024, and June 30, 2023, respectively.

Term loan facility

On May 16, 2023, the Company entered into a term loan credit agreement with a syndicate of financial institutions, with an original principal balance of \$180,000. Borrowings under the term loan facility bear interest at a variable rate equal to (a) a rate based on an adjusted SOFR term rate or (b) an alternate base rate (the highest of (i) 0%, (ii) the Prime Rate for such day, (iii) the sum of the Federal Funds Effective Rate for such day *plus* 0.50% per annum and (iv) the Adjusted Term SOFR Screen Rate (without giving effect to the Applicable Margin) for a one month Interest Period on such day for Dollars *plus* 0.75%), plus an applicable percentage in each case determined by the Company's leverage ratio. The term loan credit agreement is guaranteed by certain subsidiaries of the Company and is subject to various financial covenants that require the Company to maintain certain financial ratios as defined in the term loan credit agreement. As of June 30, 2024, the Company was in compliance with all such covenants. The term loan credit agreement has a maturity date of May 16, 2025. There was \$90,000 and \$180,000 outstanding under the term loan at June 30, 2024, and June 30, 2023, respectively. We currently anticipate that we will be able to repay the remaining outstanding balance under the term loan prior to its maturity using cash generated by our operations or borrowings under our revolving credit facility.

Other lines of credit

The Company has an unsecured bank credit line which provides for funding of up to \$5,000 and bears interest at the prime rate less 1.0%. The credit line was renewed in May 2019 and modified in May 2023 to extend the expiration to April 30, 2025. There was no balance outstanding at June 30, 2024, or 2023.

RECENT ACCOUNTING PRONOUNCEMENTS

Recently Adopted Accounting Guidance

In October 2021, the FASB issued ASU No. 2021-08, Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers, which improves the accounting for acquired revenue contracts with customers in a business combination by addressing diversity in practice and inconsistency related to recognition of an acquired contract liability and payment terms and their effect on subsequent revenue recognized by the acquirer. The ASU is effective for fiscal years beginning after December 15, 2022, and interim periods within those fiscal years. The Company adopted the ASU effective July 1, 2023, and will apply it prospectively to business combinations occurring after that date.

Not Adopted at Fiscal Year End

In November 2023, the FASB issued ASU No. 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which improves the disclosures about a public entity's reportable segments through enhanced disclosures about significant segment expenses that are regularly provided to the chief operating decision maker. The ASU is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, and should be applied retrospectively to all prior periods presented in the financial statements. Early adoption is permitted. The Company is currently evaluating the impact of this ASU on its consolidated financial statements and related disclosures.

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which enhances the transparency and decision usefulness of income tax disclosures. The ASU requires additional disclosure related to rate reconciliation, income taxes paid, and other disclosures to improve the effectiveness of income tax disclosures. The ASU is effective for annual periods beginning after December 15, 2024, and applied on a prospective basis. Early adoption and retrospective application is permitted. The Company is currently evaluating the impact of this ASU on its consolidated financial statements and related disclosures.

CRITICAL ACCOUNTING ESTIMATES

We prepare our consolidated financial statements in accordance with U.S. GAAP. The significant accounting policies are discussed in Note 1 to the consolidated financial statements. The preparation of consolidated financial statements in accordance with U.S. GAAP requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expenses, as well as disclosure of contingent assets and liabilities. We base our estimates and judgments upon historical experience and other factors believed to be reasonable under the circumstances. Changes in estimates or assumptions could result in a material adjustment to the consolidated financial statements.

We have identified several critical accounting estimates. An accounting estimate is considered critical if both: (a) the nature of the estimates or assumptions is material due to the levels of subjectivity and judgment involved, and (b) the impact of changes in the estimates and assumptions would have a material effect on the consolidated financial statements.

Revenue Recognition

We generate revenue from data processing, transaction processing, software licensing and related services, professional services, and hardware sales.

Identification of performance obligations

We enter into contracts with clients that may include multiple types of goods and services. At contract inception, we assess the solutions and services promised in our contracts with clients and identify a performance obligation for each promise to transfer to the client a solution or service (or bundle of solutions or services) that is distinct — that is, if the solution or service is separately identifiable from other items in the arrangement and if the client can benefit from the solution or service on its own or together with other resources that are readily available. Judgment is used in the identification and accounting for all performance obligations. We recognize revenue when or as we satisfy each performance obligation by transferring control of a solution or service to the client.

Determination of transaction price

The amount of revenue recognized is based on the consideration we expect to receive in exchange for transferring goods and services to the client. Our contracts with our clients frequently contain some component of variable consideration. We estimate variable consideration in our contracts primarily using the expected value method,

based on both historical and current information. Where appropriate, we may constrain the estimated variable consideration included in the transaction price in the event of a high degree of uncertainty as to the final consideration amount. Significant judgment is used in the estimate of variable consideration of client contracts that are long-term and include varying transactional volumes.

Allocation of transaction price

The transaction price, once determined, is allocated between the various performance obligations in the contract based upon their relative standalone selling prices. The standalone selling prices are determined based on the prices at which we separately sell each good or service. For items that are not sold separately, we estimate the standalone selling prices using all information that is reasonably available, including reference to historical pricing data.

Contract costs

We incur incremental costs to obtain a contract as well as costs to fulfill contracts with clients that are expected to be recovered. These costs consist primarily of sales commissions, which are incurred only if a contract is obtained, and client conversion or implementation-related costs.

Capitalized costs are amortized based on the transfer of goods or services to which the asset relates, in line with the percentage of revenue recognized for each performance obligation to which the costs are allocated.

Capitalization of software development costs

We capitalize certain costs incurred for use in our cloud-based services and to develop commercial software products. For internal use software, capitalization begins at the beginning of application development. Costs incurred prior to this are expensed as incurred. Significant estimates and assumptions include determining the appropriate amortization period based on the estimated useful life and assessing the unamortized cost balances for impairment. Amortization begins on the date the software is placed in service and the amortization period is based on estimated useful life.

For software that is to be sold, significant areas of judgment include: establishing when technological feasibility has been met and costs should be capitalized, determining the appropriate period over which to amortize the capitalized costs based on the estimated useful lives, estimating the marketability of the commercial software products and related future revenues, and assessing the unamortized cost balances for impairment. Costs incurred prior to establishing technological feasibility are expensed as incurred. Amortization begins on the date of general release and the appropriate amortization period is based on estimates of future revenues from sales of the products. We consider various factors to project marketability and future revenues, including an assessment of alternative solutions or products, current and historical demand for the product, and anticipated changes in technology that may make the product obsolete.

A significant change in an estimate related to one or more software products could result in a material change to our results of operations.

Purchase accounting

We account for our acquisitions using the purchase method of accounting. This method requires estimates to determine the fair values of assets and liabilities acquired, including judgments to determine any acquired intangible assets such as computer software and client-related intangibles. Third-party valuation firms may be used to assist in the appraisal of certain assets and liabilities, but even those determinations would be based on significant estimates provided by us, such as forecast revenues or profits on contract-related intangibles. Numerous factors are typically considered in the purchase accounting assessments, which are conducted by Company professionals from legal, finance, human resources, information systems, program management and other disciplines. Changes in assumptions and estimates of the acquired assets and liabilities would result in changes to the fair values, resulting in an offsetting change to the goodwill balance associated with the business acquired.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk refers to the risk that a change in the level of one or more market prices, interest rates, indices, volatilities, correlations or other market factors such as liquidity, will result in losses for a certain financial instrument or group of financial instruments. We are currently exposed to credit risk on credit extended to clients and interest rate risk on outstanding debt. We do not currently use any derivative financial instruments. We actively monitor these risks through a variety of controlled procedures involving senior management.

Based on the controls in place and the credit worthiness of the client base, we believe the credit risk associated with the extension of credit to our clients will not have a material adverse effect on our consolidated financial position, results of operations, or cash flows.

We have \$150,000 outstanding debt with variable interest rates as of June 30, 2024, and a 1% increase in our borrowing rate would increase our annual interest expense by \$1,500.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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Financial Statement Schedules

There are no schedules included because they are not applicable, or the required information is shown in the consolidated financial statements or notes thereto.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Jack Henry & Associates, Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Jack Henry & Associates, Inc. and its subsidiaries (the "Company") as of June 30, 2024 and 2023, and the related consolidated statements of income, of changes in stockholders' equity and of cash flows for each of the three years in the period ended June 30, 2024, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of June 30, 2024, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of June 30, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended June 30, 2024 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of June 30, 2024, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Revenue Recognition - estimating variable consideration

As discussed in Notes 1 and 2 to the consolidated financial statements, the Company recorded revenue of \$2.216 billion for the year ended June 30, 2024. The Company enters into contracts with its clients that may include multiple types of goods and services. The amount of revenue recognized is based on the consideration the Company expects to receive in exchange for transferring goods and services to the client. The Company's contracts with its clients frequently contain some component of variable consideration. Management estimates variable consideration in its contracts primarily using the expected value method, based on both historical and current information. Where appropriate, the Company may constrain the estimated variable consideration included in the transaction price in the event of a high degree of uncertainty as to the final consideration amount. At contract inception, management assesses the solutions and services promised in its contracts with clients and identifies a performance obligation for each promise to transfer to the client a solution or service (or bundle of solutions or services) that is distinct - that is, if the solution or service is separately identifiable from other items in the arrangement and if the client can benefit from the solution or service on its own or together with other resources that are readily available. The Company recognizes revenue when or as it satisfies each performance obligation by transferring control of a solution or service to the client. Significant judgment is used in the estimate of variable consideration of client contracts that are long-term and include varying transactional volumes.

The principal considerations for our determination that performing procedures relating to the estimation of variable consideration is a critical audit matter are significant judgment by management to estimate the variable consideration, principally, the varying volume of transactional activity. This in turn resulted in a high degree of auditor judgment, subjectivity, and effort in performing our audit procedures and in evaluating the audit evidence obtained.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the revenue recognition process, including the estimation of variable consideration. The procedures also included, among others, evaluating and testing management's process for determining the variable consideration and testing the reasonableness of management's estimation of variable consideration. Testing the estimation of variable consideration included evaluating the terms and conditions of the long-term contracts and the related significant assumptions used in the estimate of the variable consideration, principally, the use of historical transaction volumes to estimate the varying volume of transactional activity. The procedures for testing variable consideration included evaluation of the terms and conditions for a sample of contracts.

/s/ PricewaterhouseCoopers LLP

Kansas City, Missouri
August 26, 2024

We have served as the Company's auditor since 2015.

MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The management of Jack Henry & Associates, Inc. is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(e). The Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's consolidated financial statements for external reporting purposes in accordance with U.S. GAAP.

The Company's internal control over financial reporting includes policies and procedures pertaining to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of assets of the Company; provide reasonable assurance transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with U.S. GAAP, and receipts and expenditures of the Company are being made only in accordance with authorizations of management and the directors of the Company; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Company's consolidated financial statements. All internal controls, no matter how well designed, have inherent limitations. Therefore, even where internal control over financial reporting is determined to be effective, it can provide only reasonable assurance. Projections of any evaluation of effectiveness to future periods are subject to the risk controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate.

As of June 30, 2024, management conducted an assessment of the effectiveness of the Company's internal control over financial reporting based on the framework established in Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on this assessment, management has concluded the Company's internal control over financial reporting as of June 30, 2024, was effective.

The Company's internal control over financial reporting as of June 30, 2024, has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report appearing in this Item 8.

JACK HENRY & ASSOCIATES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(In Thousands, Except Per Share Data)

	Year Ended June 30,		
	2024	2023	2022
REVENUE	\$ 2,215,543	\$ 2,077,702	\$ 1,942,884
EXPENSES			
Cost of Revenue	1,299,477	1,219,062	1,128,614
Research and Development	148,256	142,678	121,355
Selling, General, and Administrative	278,419	235,274	218,296
Total Expenses	1,726,152	1,597,014	1,468,265
OPERATING INCOME	489,391	480,688	474,619
INTEREST INCOME (EXPENSE)			
Interest Income	25,012	8,959	32
Interest Expense	(16,384)	(15,073)	(2,384)
Total Interest Income (Expense)	8,628	(6,114)	(2,352)
INCOME BEFORE INCOME TAXES	498,019	474,574	472,267
PROVISION FOR INCOME TAXES	116,203	107,928	109,351
NET INCOME	\$ 381,816	\$ 366,646	\$ 362,916
Basic earnings per share	\$ 5.24	\$ 5.03	\$ 4.95
Basic weighted average shares outstanding	72,867	72,918	73,324
Diluted earnings per share	\$ 5.23	\$ 5.02	\$ 4.94
Diluted weighted average shares outstanding	73,025	73,096	73,486

See notes to consolidated financial statements.

JACK HENRY & ASSOCIATES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(In Thousands, Except Share and Per Share Data)

	June 30, 2024	June 30, 2023
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 38,284	\$ 12,243
Receivables, net	333,033	361,252
Income tax receivable	6,149	7,523
Prepaid expenses and other	168,768	169,178
Deferred costs	85,784	77,766
Total current assets	632,018	627,962
PROPERTY AND EQUIPMENT, net	215,069	205,664
OTHER ASSETS:		
Non-current deferred costs	183,307	161,465
Computer software, net of amortization	592,761	565,714
Other non-current assets	417,621	322,698
Customer relationships, net of amortization	56,757	65,528
Other intangible assets, net of amortization	22,151	19,998
Goodwill	804,797	804,797
Total other assets	2,077,394	1,940,200
Total assets	\$ 2,924,481	\$ 2,773,826
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 25,314	\$ 19,156
Accrued expenses	200,770	172,629
Current maturities of long-term debt	90,000	—
Deferred revenues	317,730	331,974
Total current liabilities	633,814	523,759
LONG-TERM LIABILITIES:		
Non-current deferred revenues	71,202	67,755
Deferred income tax liability	243,522	244,431
Debt, net of current maturities	60,000	275,000
Other long-term liabilities	73,579	54,371
Total long-term liabilities	448,303	641,557
Total liabilities	1,082,117	1,165,316
STOCKHOLDERS' EQUITY		
Preferred stock - \$1 par value; 500,000 shares authorized, none issued	—	—
Common stock - \$0.01 par value; 250,000,000 shares authorized; 104,245,089 shares issued at June 30, 2024; 104,088,784 shares issued at June 30, 2023	1,042	1,041
Additional paid-in capital	619,805	583,836
Retained earnings	3,081,690	2,855,751
Less treasury stock at cost 31,372,959 shares at June 30, 2024; 31,194,351 shares at June 30, 2023	(1,860,173)	(1,832,118)
Total stockholders' equity	1,842,364	1,608,510
Total liabilities and equity	\$ 2,924,481	\$ 2,773,826

See notes to consolidated financial statements.

JACK HENRY & ASSOCIATES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(In Thousands, Except Share and Per Share Data)

	Year Ended June 30,		
	2024	2023	2022
PREFERRED SHARES:	—	—	—
COMMON SHARES:			
Shares, beginning of year	104,088,784	103,921,724	103,795,169
Shares issued for equity-based payment arrangements	65,766	82,776	46,669
Shares issued for Employee Stock Purchase Plan	90,539	84,284	79,886
Shares, end of year	104,245,089	104,088,784	103,921,724
COMMON STOCK - PAR VALUE \$0.01 PER SHARE:			
Balance, beginning of year	\$ 1,041	\$ 1,039	\$ 1,038
Shares issued for equity-based payment arrangements	—	1	—
Shares issued for Employee Stock Purchase Plan	1	1	1
Balance, end of year	\$ 1,042	\$ 1,041	\$ 1,039
ADDITIONAL PAID-IN CAPITAL:			
Balance, beginning of year	\$ 583,836	\$ 551,360	\$ 518,960
Shares issued for equity-based payment arrangements	—	(1)	—
Tax withholding related to share based compensation	(5,378)	(8,505)	(4,152)
Shares issued for Employee Stock Purchase Plan	12,474	12,371	11,772
Stock-based compensation expense	28,873	28,611	24,780
Balance, end of year	\$ 619,805	\$ 583,836	\$ 551,360
RETAINED EARNINGS:			
Balance, beginning of year	\$ 2,855,751	\$ 2,636,342	\$ 2,412,496
Net income	381,816	366,646	362,916
Dividends	(155,877)	(147,237)	(139,070)
Balance, end of year	\$ 3,081,690	\$ 2,855,751	\$ 2,636,342
TREASURY STOCK:			
Balance, beginning of year	\$ (1,832,118)	\$ (1,807,118)	\$ (1,613,202)
Purchase of treasury shares	(28,055)	(25,000)	(193,916)
Balance, end of year	\$ (1,860,173)	\$ (1,832,118)	\$ (1,807,118)
TOTAL STOCKHOLDERS' EQUITY	\$ 1,842,364	\$ 1,608,510	\$ 1,381,623
Dividends declared per share	\$ 2.14	\$ 2.02	\$ 1.90

See notes to consolidated financial statements.

JACK HENRY & ASSOCIATES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands)

	Year Ended June 30,		
	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Income	\$ 381,816	\$ 366,646	\$ 362,916
Adjustments to reconcile net income from operations to net cash from operating activities:			
Depreciation	46,342	48,720	50,789
Amortization	153,562	142,006	126,835
Change in deferred income taxes	(909)	(48,199)	31,872
Expense for stock-based compensation	28,873	28,611	24,780
(Gain)/loss on disposal of assets and businesses	3,841	(4,517)	400
Changes in operating assets and liabilities:			
Change in receivables	28,219	(12,067)	(41,508)
Change in prepaid expenses, deferred costs and other	(115,558)	(112,316)	(82,565)
Change in accounts payable	5,435	(6,277)	6,646
Change in accrued expenses	37,292	(20,453)	1,190
Change in income taxes	9,925	9,952	16,704
Change in deferred revenues	(10,797)	(10,547)	6,572
Net cash from operating activities	568,041	381,559	504,631
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payment for acquisitions, net of cash acquired	—	(229,628)	—
Capital expenditures	(58,118)	(39,179)	(34,659)
Proceeds from the sale of assets	904	27,939	45
Purchased software	(7,130)	(1,685)	(8,491)
Computer software developed	(167,175)	(166,120)	(148,239)
Purchase of investments	(8,646)	(1,000)	(5,000)
Net cash from investing activities	(240,165)	(409,673)	(196,344)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Borrowings on credit facilities	475,000	810,000	332,000
Repayments on credit facilities and financing leases	(600,000)	(650,060)	(317,127)
Purchase of treasury stock	(28,055)	(25,000)	(193,916)
Dividends paid	(155,877)	(147,237)	(139,070)
Proceeds from issuance of common stock upon exercise of stock options	—	1	—
Tax withholding payments related to share based compensation	(5,378)	(8,505)	(4,152)
Proceeds from sale of common stock	12,475	12,371	11,773
Net cash from financing activities	(301,835)	(8,430)	(310,492)
NET CHANGE IN CASH AND CASH EQUIVALENTS	\$ 26,041	\$ (36,544)	\$ (2,205)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	\$ 12,243	\$ 48,787	\$ 50,992
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 38,284	\$ 12,243	\$ 48,787

See notes to consolidated financial statements.

JACK HENRY & ASSOCIATES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In Thousands, Except Per Share Amounts)

NOTE 1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DESCRIPTION OF THE COMPANY

Jack Henry & Associates, Inc. and subsidiaries ("Jack Henry" or the "Company") is a well-rounded financial technology company. Jack Henry was founded in 1976 as a provider of core processing solutions for banks. Today, the Company's extensive array of products and services includes processing transactions, automating business processes, and managing information for approximately 7,500 financial institutions and diverse corporate entities.

CONSOLIDATION

The consolidated financial statements include the accounts of Jack Henry and all its subsidiaries, which are wholly owned, and all intercompany accounts and transactions have been eliminated.

USE OF ESTIMATES

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

REVENUE RECOGNITION

The Company generates "Services and Support" revenue through software licensing and related services, private cloud core and complementary software solutions, professional services, and hardware sales. The Company generates "Processing" revenue through processing of remittance transactions, card transactions and monthly fees, and digital transactions.

Identification of performance obligations

The Company enters into contracts with clients that may include multiple types of goods and services. At contract inception, the Company assesses the solutions and services promised in its contracts with clients and identifies a performance obligation for each promise to transfer to the client a solution or service (or bundle of solutions or services) that is distinct - that is, if the solution or service is separately identifiable from other items in the arrangement and if the client can benefit from the solution or service on its own or together with other resources that are readily available. Judgment is used in the identification and accounting for all performance obligations.

Determination of transaction price

The amount of revenue recognized is based on the consideration the Company expects to receive in exchange for transferring goods and services to the client. The Company's contracts with its clients frequently contain some component of variable consideration. The Company estimates variable consideration in its contracts primarily using the expected value method, based on both historical and current information. Where appropriate, the Company may constrain the estimated variable consideration included in the transaction price in the event of a high degree of uncertainty as to the final consideration amount. Significant judgment is used in the estimate of variable consideration of client contracts that are long-term and include varying transactional volumes.

Allocation of transaction price

The transaction price, once determined, is allocated between the various performance obligations in the contract based upon their relative standalone selling prices. The standalone selling prices are determined based on the prices at which the Company separately sells each good or service. For items that are not sold separately, the Company estimates the standalone selling prices using all information that is reasonably available, including reference to historical pricing data.

COMPUTER SOFTWARE DEVELOPMENT

The Company capitalizes new product development costs incurred for software to be sold from the point at which technological feasibility has been established through the point at which the product is ready for general availability. Software development costs that are capitalized are evaluated on a product-by-product basis annually for impairment and are assigned an estimated economic life based on the type of product, market characteristics, and maturity of the market for that particular product. These costs are amortized based on current and estimated future revenue from the product or on a straight-line basis, whichever yields greater amortization expense. All of this amortization expense is included within components of operating income, primarily cost of revenue.

The Company capitalizes development costs for internal use software beginning at the start of application development. Amortization begins on the date the software is placed in service and the amortization period is based on estimated useful life.

CASH EQUIVALENTS

The Company considers all highly liquid investments with maturities of three months or less at the time of acquisition to be cash equivalents.

ACCOUNTS RECEIVABLE

Receivables are recorded at the time of billing. The Company monitors trade and other receivable balances and contract assets and estimates the allowance for lifetime expected credit losses. Estimates of expected credit losses are based on historical collection experience and other factors, including those related to current market conditions and events.

The following table summarizes allowance for credit losses activity for the years ended June 30, 2024, and 2023:

	Year Ended June 30,	
	2024	2023
Allowance for credit losses - beginning balance	\$ 7,955	\$ 7,616
Current provision for expected credit losses	1,920	1,800
Write-offs charged against allowance	(2,209)	(1,458)
Recoveries of amounts previously written off	—	(1)
Other	(189)	(2)
Allowance for credit losses - ending balance	\$ 7,477	\$ 7,955

PROPERTY AND EQUIPMENT AND INTANGIBLE ASSETS

Property and equipment is stated at cost and depreciated using the straight-line method over the estimated useful lives of the assets.

Intangible assets consist of goodwill, customer relationships, computer software, and trade names acquired in business acquisitions in addition to internally developed computer software. The amounts are amortized, with the exception of those with an indefinite life (goodwill), over an estimated economic benefit period, generally three to twenty years.

The Company reviews its long-lived assets and identifiable intangible assets with finite lives for impairment whenever events or changes in circumstances have indicated that it is more likely than not that the carrying amount of its assets might not be recoverable. The Company evaluates goodwill for impairment of value on an annual basis as of January 1 and between annual tests if events or changes in circumstances indicate that it is more likely than not that the asset might be impaired.

PURCHASE OF INVESTMENTS

At June 30, 2024, and 2023, the Company had \$25,750 and \$18,250, respectively, in non-current investments. These investments were recorded at cost and are included within other non-current assets on the Company's balance sheet. The fair values of these investments have not been estimated, as estimation is not practicable due to limited investors which reduces available comparative information. There have been no events or changes in circumstances that would indicate an impairment and no price changes resulting from observing similar or identical investments. An impairment and/or an observable price change would be an adjustment to recorded cost. Fair values will not be estimated unless there are identified events or changes in circumstances that may have a significant adverse effect on the fair values of the investments. Equity transactions are monitored quarterly to assess whether there are indicators that fair value may be below carrying value.

COMPREHENSIVE INCOME

Comprehensive income for each of the fiscal years ending June 30, 2024, 2023, and 2022, equals the Company's net income.

REPORTABLE SEGMENT INFORMATION

In accordance with U.S. GAAP, the Company's operations are classified as four reportable segments: Core, Payments, Complementary, and Corporate and Other (see Note 14). Substantially all the Company's revenues are derived from operations and assets located within the United States of America.

COMMON STOCK

The Board of Directors has authorized the Company to repurchase shares of its common stock. Under this authorization, the Company may finance its share repurchases with available cash reserves or short-term borrowings on its existing credit facilities. The share repurchase program does not include specific price targets or timetables and may be suspended at any time. At June 30, 2024, there were 31,373 shares in treasury stock and the Company had the remaining authority to repurchase up to 3,618 additional shares of its common stock. The total cost of treasury shares at June 30, 2024, was \$1,860,173. During fiscal 2024, the Company repurchased 179 shares of its common stock for \$28,055 to be held in treasury. At June 30, 2023, there were 31,194 shares in treasury stock and the Company had authority to repurchase up to 3,796 additional shares of its common stock.

EARNINGS PER SHARE

Per share information is based on the weighted average number of common shares outstanding during the year. Stock options and restricted stock have been included in the calculation of income per diluted share to the extent they are dilutive. The difference between basic and diluted weighted average shares outstanding is the dilutive effect of outstanding stock options and restricted stock (see Note 11).

INCOME TAXES

Deferred tax liabilities and assets are recognized for the tax effects of differences between the financial statement and tax bases of assets and liabilities. A valuation allowance would be established to reduce deferred tax assets if it is more likely than not that a deferred tax asset will not be realized.

The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based upon the technical merits of the position. The tax benefit recognized in the financial statements from such a position is measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. Also, interest and penalties expense are recognized on the full amount of unrecognized benefits for uncertain tax positions. The Company's policy is to include interest and penalties related to unrecognized tax benefits in income tax expense.

RECENT ACCOUNTING PRONOUNCEMENTS

Recently Adopted Accounting Guidance

In October 2021, the FASB issued ASU No. 2021-08, Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers, which improves the accounting for acquired revenue contracts with customers in a business combination by addressing diversity in practice and inconsistency related to recognition of an acquired contract liability and payment terms and their effect on subsequent revenue recognized by the acquirer. The ASU is effective for fiscal years beginning after December 15, 2022, and interim periods within those fiscal years. The Company adopted the ASU effective July 1, 2023, and will apply it prospectively to business combinations occurring after that date.

Not Adopted at Fiscal Year End

In November 2023, the FASB issued ASU No. 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which improves the disclosures about a public entity's reportable segments through enhanced disclosures about significant segment expenses that are regularly provided to the chief operating decision maker. The ASU is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, and should be applied retrospectively to all prior periods presented in the financial statements. Early adoption is permitted. The Company is currently evaluating the impact of this ASU on its consolidated financial statements and related disclosures.

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which enhances the transparency and decision usefulness of income tax disclosures. The ASU requires additional disclosure related to rate reconciliation, income taxes paid, and other disclosures to improve the effectiveness of income tax disclosures. The ASU is effective for annual periods beginning after December 15, 2024, and applied on a prospective basis. Early adoption and retrospective application is permitted. The Company is currently evaluating the impact of this ASU on its consolidated financial statements and related disclosures.

NOTE 2. REVENUE AND DEFERRED COSTS

Revenue Recognition

The Company generates revenue from data processing, transaction processing, software licensing and related services, professional services, and hardware sales.

The Company recognizes revenue when or as it satisfies each performance obligation by transferring control of a solution or service to the client.

The following describes the nature of the Company's primary types of revenue:

Processing

Processing revenue is generated from transaction-based fees for electronic deposit and payment services, electronic funds transfers and debit and credit card processing. The Company's arrangements for these services typically require the Company to "stand-ready" to provide specific services on a when and if needed basis by processing an unspecified number of transactions over the contractual term. The fees for these services may be fixed or variable (based upon performing an unspecified quantity of services), and pricing may include tiered pricing structures. Amounts of revenue allocated to these services are recognized as those services are performed. Clients are typically billed monthly for transactions processed during the month. The Company evaluates tiered pricing to determine if a material right exists. If, after that evaluation, it determines a material right does exist, it assigns value to the material right based upon standalone selling price after estimation of breakage associated with the material right.

Private and public cloud

Private and public cloud revenue is generated from data and item processing services and hosting fees. The Company's arrangements for these services typically require the Company to "stand-ready" to provide specific services on a when and if needed basis. The fees for these services may be fixed or variable (based upon performing an unspecified quantity of services), and pricing may include tiered pricing structures. Amounts of revenue allocated to these services are recognized as those services are performed. Data and item processing services are typically billed monthly. The Company evaluates tiered pricing to determine if a material right exists. If, after that evaluation, it determines a material right does exist, it assigns value to the material right based upon standalone selling price.

Product delivery and services

Product delivery and services revenue is generated primarily from software licensing and related professional services and hardware delivery. Software licenses, along with any professional services from which they are not considered distinct, are recognized as they are delivered to the client. Hardware revenue is recognized upon delivery. Professional services that are distinct are recognized as the services are performed. Deconversion fees are also included within product delivery and services and are considered a contract modification. Therefore, the Company recognizes these fees over the remaining modified contract term.

On-premise support

On-premise support revenue is generated from software maintenance for ongoing client support and software usage, which includes a license and ongoing client support. The Company's arrangements for these services typically require the Company to "stand-ready" to provide specific services on a when and if needed basis. The fees for these services may be fixed or variable (based upon performing an unspecified quantity of services). Software maintenance fees are typically billed to the client annually in advance and recognized ratably over the maintenance term. Software usage is typically billed annually in advance, with the license delivered and recognized at the outset, and the maintenance fee recognized ratably over the maintenance term. Accordingly, the Company utilizes the practical expedient which allows entities to disregard the effects of a financing component when the contract period is one year or less.

Taxes collected from clients and remitted to governmental authorities are not included in revenue. The Company includes reimbursements from clients for expenses incurred in providing services (such as for postage, travel and telecommunications costs) in revenue, while the related costs are included in cost of revenue.

Disaggregation of Revenue

The tables below present the Company's revenue disaggregated by type of revenue. Refer to Note 14 – Reportable Segment Information for disaggregated revenue by type and reportable segment. The majority of the Company's revenue is earned domestically, with revenue from clients outside the United States comprising less than 1% of total revenue.

	Year Ended June 30,		
	2024	2023	2022
Private and Public Cloud	\$ 682,146	\$ 618,850	\$ 561,500
Product Delivery and Services	238,723	245,687	250,843
On-Premise Support	355,085	350,164	344,022
Services and Support	1,275,954	1,214,701	1,156,365
Processing	939,589	863,001	786,519
Total Revenue	\$ 2,215,543	\$ 2,077,702	\$ 1,942,884

Contract Balances

The following table provides information about contract assets and contract liabilities from contracts with clients.

	June 30, 2024	June 30, 2023
Receivables, net	\$ 333,033	\$ 361,252
Contract Assets - Current	33,610	26,711
Contract Assets - Non-current	103,295	81,561
Contract Liabilities (Deferred Revenue) - Current	317,730	331,974
Contract Liabilities (Deferred Revenue) - Non-current	71,202	67,755

Contract assets primarily result from revenue being recognized when or as control of a solution or service is transferred to the client, but where invoicing is contingent upon the completion of other performance obligations or payment terms differ from the provisioning of services. The current portion of contract assets is reported within prepaid expenses and other in the consolidated balance sheet, and the non-current portion is included in other non-current assets. Contract liabilities (deferred revenue) primarily relate to consideration received from clients in advance of delivery of the related goods and services to the client. Contract balances are reported in a net contract asset or liability position on a contract-by-contract basis at the end of each reporting period.

The Company analyzes contract language to identify if a significant financing component does exist and would adjust the transaction price for any material effects of the time value of money if the timing of payments provides either party to the contract with a significant benefit of financing the transaction.

For the fiscal years ended June 30, 2024, 2023, and 2022, the Company recognized revenue of \$270,241, \$267,978, and \$270,972, respectively, that was included in the corresponding deferred revenue balance at the beginning of the periods.

Amounts recognized that relate to performance obligations satisfied (or partially satisfied) in prior periods were immaterial for each period presented. These adjustments are primarily the result of transaction price re-allocations due to changes in estimates of variable consideration.

Transaction Price Allocated to Remaining Performance Obligations

As of June 30, 2024, estimated revenue expected to be recognized in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period totaled \$6,810,946. The Company expects to recognize approximately 25% over the next 12 months, 19% in 13 - 24 months, and the balance thereafter.

Contract Costs

The Company incurs incremental costs to obtain a contract as well as costs to fulfill contracts with clients that are expected to be recovered. These costs consist primarily of sales commissions, which are incurred only if a contract is obtained, and client conversion or implementation-related costs. Capitalized costs are amortized based on the transfer of goods or services to which the asset relates, in line with the percentage of revenue recognized for each performance obligation to which the costs are allocated.

Capitalized costs totaled \$503,152 and \$442,012, at June 30, 2024, and 2023, respectively.

During the fiscal years ended June 30, 2024, 2023, and 2022, amortization of deferred contract costs totaled \$175,029, \$154,008, and \$133,174, respectively. There were no impairment losses in relation to capitalized costs for the periods presented.

NOTE 3. FAIR VALUE OF FINANCIAL INSTRUMENTS

For cash equivalents, certificates of deposit, amounts receivable or payable, and short-term borrowings, fair values approximate carrying value, based on the short-term nature of the assets and liabilities.

The Company's estimates of the fair value for financial assets and financial liabilities are based on the framework established in the fair value accounting guidance. The framework is based on the inputs used in valuation, gives the highest priority to quoted prices in active markets, and requires that observable inputs be used in the valuations when available. The three levels of the hierarchy are as follows:

Level 1: inputs to the valuation are quoted prices in an active market for identical assets.

Level 2: inputs to the valuation include quoted prices for similar assets in active markets that are observable either directly or indirectly.

Level 3: valuation is based on significant inputs that are unobservable in the market and the Company's own estimates of assumptions that we believe market participants would use in pricing the asset.

Financial assets and financial liabilities measured at fair value on a recurring basis are as follows:

	Estimated Fair Value Measurements			Total Fair Value
	Level 1	Level 2	Level 3	
June 30, 2024				
Financial Assets:				
Certificates of Deposit	\$ —	\$ 3,505	\$ —	\$ 3,505
Financial Liabilities:				
Credit facilities	\$ —	\$ 150,000	\$ —	\$ 150,000
June 30, 2023				
Financial Assets:				
Certificates of Deposit	\$ —	\$ 2,234	\$ —	\$ 2,234
Financial Liabilities:				
Credit facilities	\$ —	\$ 275,000	\$ —	\$ 275,000

NOTE 4. LEASES

The Company determines if an arrangement is a lease, or contains a lease, at inception. The lease term begins on the commencement date, which is the date the Company takes possession of the property and may include options to extend or terminate the lease when it is reasonably certain that the option will be exercised. The lease term is used to determine lease classification as an operating or finance lease and is used to calculate straight-line expense for operating leases.

Right-of-use ("ROU") assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. As a practical expedient, lease agreements with lease and non-lease components are accounted for as a single lease component for all asset classes, which are comprised of real estate leases and equipment leases. ROU assets and lease liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. ROU assets also include prepaid lease payments and exclude lease incentives received. The Company

estimates contingent lease incentives when it is probable that the Company is entitled to the incentive at lease commencement. Since the Company's leases do not typically provide an implicit rate, the Company uses its incremental borrowing rate based upon the information available at commencement date for both real estate and equipment leases. The determination of the incremental borrowing rate requires judgment. The Company determines the incremental borrowing rate using the Company's current unsecured borrowing rate, adjusted for various factors such as collateralization and term to align with the terms of the lease. The Company elected the short-term lease recognition exemption for all leases that qualify. Therefore, leases with an initial term of 12 months or less are not recorded on the balance sheet; instead, lease payments are recognized as lease expense on a straight-line basis over the lease term.

The Company leases certain office space, data centers and equipment. The Company's leases have remaining terms of 3 months to 9 years. Certain leases contain renewal options for varying periods, which are at the Company's sole discretion. For leases where the Company is reasonably certain to exercise a renewal option, such option periods have been included in the determination of the Company's ROU assets and lease liabilities. Certain leases require the Company to pay taxes, insurance, maintenance, and other operating expenses associated with the leased asset. Such amounts are not included in the measurement of the lease liability to the extent they are variable in nature. These variable lease costs are recognized as a variable lease expense when incurred. Certain leases include options to purchase the leased asset at the end of the lease term, which is assessed as a part of the Company's lease classification determination. The depreciable life of the ROU asset and leasehold improvements are limited by the expected lease term unless the Company is reasonably certain of a transfer of title or purchase option.

At June 30, 2024, and 2023, the Company had operating lease assets of \$53,981 and \$43,662, respectively. At June 30, 2024, total operating lease liabilities of \$59,604 were comprised of current operating lease liabilities of \$8,454 and noncurrent operating lease liabilities of \$51,150. At June 30, 2023, total operating lease liabilities of \$50,269 were comprised of current operating lease liabilities of \$9,776 and noncurrent operating lease liabilities of \$40,493.

Operating lease assets are included within other non-current assets and operating lease liabilities are included with accrued expenses (current portion) and other long-term liabilities (noncurrent portion) in the Company's consolidated balance sheet. Operating lease assets were recorded net of accumulated amortization of \$34,306 and \$34,973 as of June 30, 2024, and 2023, respectively.

Operating lease costs for the fiscal years ended June 30, 2024, 2023, and 2022, were \$10,598, \$11,870, and \$13,058, respectively. Total operating lease costs for the fiscal years ended June 30, 2024, 2023, and 2022, included variable lease costs of approximately \$4,087, \$3,608, and \$2,325, respectively. Operating lease expense is included within cost of services, research and development, and selling, general and administrative expense, dependent upon the nature and use of the ROU asset, in the Company's consolidated statement of income.

For the fiscal years ended June 30, 2024, 2023, and 2022, operating cash flows for payments on operating leases were \$9,306, \$12,127, and \$13,082, respectively, and ROU assets obtained in exchange for operating lease liabilities were \$19,222, \$2,368, and \$2,407, respectively.

As of June 30, 2024, 2023, and 2022, the weighted-average remaining lease terms for the Company's operating leases were 78 months, 78 months, and 76 months, respectively, and the weighted-average discount rates were 2.70%, 2.14%, and 2.58%, respectively.

Maturity of Lease Liabilities under ASC 842

Future minimum rental payments on operating leases with initial non-cancellable lease terms in excess of one year were due as follows at June 30, 2024:

Due dates	Future Minimum Rental Payments
2025	\$ 10,377
2026	10,970
2027	10,455
2028	10,106
2029	7,548
Thereafter	17,667
Total lease payments	\$ 67,123
Less: interest	(7,519)
Present value of lease liabilities - lessee	\$ 59,604

Future lease payments include \$5,464 related to options to extend lease terms that are reasonably certain of being exercised. At June 30, 2024, there were no material legally binding lease payments for leases signed but not yet commenced.

On September 30, 2023, the Company entered into an agreement with a third party to sublease a portion of its Elizabethtown, Kentucky facility. The commencement date of the sublease was October 1, 2023, and has a term of 57 months. Sublease income for the fiscal year ended June 30, 2024, was \$550, and is included within revenue on the Company's condensed consolidated statements of income. There have been no indications of impairment related to the underlying right-of-use asset.

Minimum Sublease Payments

At June 30, 2024, the future total minimum sublease payments to be received were as follows:

Due Dates (fiscal year)	Future Minimum Sublease Receipts
2025	\$ 873
2026	831
2027	856
2028	882
Total sublease receipts - lessor	\$ 3,442

NOTE 5. PROPERTY AND EQUIPMENT

The classification of property and equipment, together with their estimated useful lives is as follows:

	June 30,		Estimated Useful Life
	2024	2023	
Land	\$ 16,357	\$ 16,581	
Land improvements	24,322	24,251	5 - 20 years
Buildings	133,835	129,991	20 - 30 years
Leasehold improvements	51,432	51,125	5 - 30 years ⁽¹⁾
Equipment and furniture	418,853	394,507	3 - 10 years
Aircraft and equipment	44,140	41,400	4 - 10 years
Construction in progress	12,298	14,208	
Finance lease right-of-use asset ⁽²⁾	—	312	
	<u>701,237</u>	<u>672,375</u>	
Less accumulated depreciation	486,168	466,711	
Property and equipment, net	<u>\$ 215,069</u>	<u>\$ 205,664</u>	

⁽¹⁾ Lesser of lease term or estimated useful life

⁽²⁾ Fully depreciated at June 30, 2023.

The change in property and equipment in accrued liabilities was an increase of \$723 and \$3,969 for the fiscal years ended June 30, 2024, and 2023, respectively. These amounts were excluded from capital expenditures on the statements of cash flows.

No material impairments of property and equipment were recorded in the fiscal years ended June 30, 2024, 2023, or 2022.

NOTE 6. OTHER ASSETS
Goodwill

The carrying amount of goodwill for the fiscal years ended June 30, 2024, and 2023, by reportable segments, is as follows:

	June 30,	
	2024	2023
Core		
Beginning balance	\$ 195,578	\$ 195,578
Goodwill, acquired during the year	—	—
Goodwill, adjustments related to dispositions	—	—
Ending balance	<u>\$ 195,578</u>	<u>\$ 195,578</u>
Payments		
Beginning balance	\$ 442,665	\$ 325,326
Goodwill, acquired during the year	—	117,339
Goodwill, adjustments related to dispositions	—	—
Ending balance	<u>\$ 442,665</u>	<u>\$ 442,665</u>
Complementary		
Beginning balance	\$ 166,554	\$ 166,554
Goodwill, acquired during the year	—	—
Goodwill, adjustments related to dispositions	—	—
Ending balance	<u>\$ 166,554</u>	<u>\$ 166,554</u>

Goodwill acquired during fiscal 2024 and 2023 was \$0 and \$117,339, respectively. Goodwill consists largely of the growth potential, synergies and economies of scale expected from combining the operations of the Company with those of the entities or assets acquired, together with their assembled workforces. No goodwill has been assigned to the Company's Corporate and Other reportable segment.

Other intangible assets

Information regarding other identifiable intangible assets is as follows:

	June 30, 2024		
	Gross Carrying Amount	Accumulated Amortization	Net
Customer relationships	\$ 306,036	\$ (249,279)	\$ 56,757
Computer software	\$ 1,533,622	\$ (940,861)	\$ 592,761
Other intangible assets:	\$ 111,510	\$ (89,359)	\$ 22,151

	June 30, 2023		
	Gross Carrying Amount	Accumulated Amortization	Net
Customer relationships	\$ 306,036	\$ (240,508)	\$ 65,528
Computer software	\$ 1,386,291	\$ (820,577)	\$ 565,714
Other intangible assets:	\$ 108,826	\$ (88,828)	\$ 19,998

Customer relationships have useful lives ranging from 5 to 20 years.

Computer software includes cost of software to be sold, leased, or marketed of \$178,588 and costs of internal-use software of \$414,173 at June 30, 2024. At June 30, 2023, costs of software to be sold, leased, or marketed totaled \$171,310, and costs of internal-use software totaled \$394,404.

Computer software includes the unamortized cost of commercial software products developed or acquired by the Company, which are capitalized and amortized over useful lives generally ranging from 5 to 15 years. Amortization expense for computer software totaled \$137,958, \$123,210, and \$105,036 for the fiscal years ended June 30, 2024, 2023, and 2022, respectively. There were no material impairments in fiscal years ended June 30, 2024, 2023, and 2022.

The Company's other intangible assets have useful lives ranging from 3 to 20 years.

Amortization expense for all intangible assets was \$153,562, \$142,006, and \$126,835 for the fiscal years ended June 30, 2024, 2023, and 2022, respectively. The estimated aggregate future amortization expense for each of the next five years for all intangible assets remaining as of June 30, 2024, is as follows:

Years Ending June 30,	Computer Software	Customer Relationships	Other Intangible Assets	Total
2025	\$ 131,962	\$ 8,317	\$ 6,378	\$ 146,657
2026	110,330	7,952	5,535	123,817
2027	86,947	7,858	4,016	98,821
2028	61,414	7,821	1,314	70,549
2029	37,707	7,776	1,002	46,485

NOTE 7. DEBT

The Company had \$90,000 outstanding current maturities of long-term debt and \$60,000 outstanding long-term debt at June 30, 2024, related to credit facilities. The Company had no outstanding current maturities of long-term debt and \$275,000 outstanding long-term debt at June 30, 2023.

Credit facilities

On August 31, 2022, the Company entered into a five-year senior, unsecured amended and restated credit agreement that replaced a prior credit facility that was entered into on February 10, 2020. The credit agreement allows for borrowings of up to \$600,000, which may be increased to \$1,000,000 by the Company at any time until maturity. The credit agreement bears interest at a variable rate equal to (a) a rate based on an adjusted Secured Overnight Financing Rate ("SOFR") term rate or (b) an alternate base rate (the highest of (i) 0%, (ii) the Prime Rate for such day, (iii) the sum of the Federal Funds Effective Rate for such day *plus* 0.50% per annum and (iv) the Adjusted Term SOFR Screen Rate (without giving effect to the Applicable Margin) for a one month Interest Period on such day for Dollars *plus* 1.0%), plus an applicable percentage in each case determined by the Company's leverage ratio. The credit agreement is guaranteed by certain subsidiaries of the Company and is subject to various

financial covenants that require the Company to maintain certain financial ratios as defined in the credit agreement. As of June 30, 2024, the Company was in compliance with all such covenants. The amended and restated credit facility terminates August 31, 2027. There was \$60,000 and \$95,000 outstanding under the amended and restated credit facility at June 30, 2024, and June 30, 2023, respectively.

Term loan facility

On May 16, 2023, the Company entered into a term loan credit agreement with a syndicate of financial institutions, with an original principal balance of \$180,000. Borrowings under the term loan facility bear interest at a variable rate equal to (a) a rate based on an adjusted SOFR term rate or (b) an alternate base rate (the highest of (i) 0%, (ii) the Prime Rate for such day, (iii) the sum of the Federal Funds Effective Rate for such day *plus* 0.50% per annum and (iv) the Adjusted Term SOFR Screen Rate (without giving effect to the Applicable Margin) for a one month Interest Period on such day for Dollars *plus* 0.75%), plus an applicable percentage in each case determined by the Company's leverage ratio. The term loan credit agreement is guaranteed by certain subsidiaries of the Company and is subject to various financial covenants that require the Company to maintain certain financial ratios as defined in the term loan credit agreement. As of June 30, 2024, the Company was in compliance with all such covenants. The term loan credit agreement has a maturity date of May 16, 2025. There was \$90,000 and \$180,000 outstanding under the term loan at June 30, 2024, and June 30, 2023, respectively.

Other lines of credit

The Company has an unsecured bank credit line which provides for funding of up to \$5,000 and bears interest at the prime rate *less* 1.0%. The credit line was renewed in May 2019 and modified in May 2023 to extend the expiration to April 30, 2025. There was no balance outstanding at June 30, 2024, or 2023.

Interest

The Company paid interest of \$15,757, \$14,776, and \$1,788 during the fiscal years ended June 30, 2024, 2023, and 2022, respectively.

NOTE 8. INCOME TAXES

The provision for income taxes consists of the following:

	Year Ended June 30,		
	2024	2023	2022
Current:			
Federal	\$ 93,890	\$ 125,622	\$ 59,390
State	23,222	30,505	18,089
Deferred:			
Federal	(1,615)	(40,218)	24,391
State	706	(7,981)	7,481
	<u>\$ 116,203</u>	<u>\$ 107,928</u>	<u>\$ 109,351</u>

The tax effects of temporary differences related to deferred taxes shown on the balance sheets were:

	June 30,	
	2024	2023
Deferred tax assets:		
Contract and service revenues	\$ 21,985	\$ 18,186
Expense reserves and accruals (bad debts and compensation)	16,123	14,023
Leasing liabilities	14,755	12,462
Net operating loss and tax credit carryforwards	2,155	1,965
Other, net	3,369	2,916
Total gross deferred tax assets	58,387	49,552
Valuation allowance	(108)	(125)
Net deferred tax assets	58,279	49,427
Deferred tax liabilities:		
Property and equipment depreciation	(26,689)	(27,788)
Intangibles, software development, and research and development tax amortization	(113,623)	(136,045)
Contract and service costs	(148,126)	(119,201)
Leasing right-of-use assets	(13,363)	(10,824)
Total gross deferred liabilities	(301,801)	(293,858)
Net deferred tax liability	\$ (243,522)	\$ (244,431)

The following analysis reconciles the statutory federal income tax rate to the effective income tax rates reflected above:

	Year Ended June 30,		
	2024	2023	2022
Computed "expected" tax expense	21.0 %	21.0 %	21.0 %
Increase (reduction) in taxes resulting from:			
State income taxes, net of federal income tax benefits	3.8 %	3.7 %	4.3 %
Research and development credit	(2.6) %	(2.3) %	(2.0) %
Changes to prior year uncertain tax positions	0.6 %	— %	— %
Other (net)	0.5 %	0.3 %	(0.1) %
	23.3 %	22.7 %	23.2 %

As of June 30, 2024, the Company has state NOL and tax credit carryforwards with a tax-effected value of \$110 and \$2,045, respectively. The state loss and credit carryover have varying expiration dates, ranging from fiscal 2025 to 2044. Based on state tax rules which restrict utilization of these losses and tax credits, the Company believes it is more likely than not that \$108 of these losses and tax credits will expire unutilized. Accordingly, valuation allowances of \$108 and \$125 have been recorded against the state net operating losses and tax credit carryforwards as of June 30, 2024, and 2023, respectively.

The Company paid income taxes, net of refunds, of \$106,966, \$145,862, and \$60,553 in fiscal 2024, 2023, and 2022, respectively.

At June 30, 2024, the Company had \$19,077 of gross unrecognized tax benefits, \$17,222 of which, if recognized, would affect its effective tax rate. At June 30, 2023, the Company had \$12,005 of gross unrecognized tax benefits, \$10,453 of which, if recognized, would affect its effective tax rate. The Company had accrued interest and penalties of \$3,351 and \$1,872 related to uncertain tax positions at June 30, 2024, and 2023, respectively. The income tax provision included interest expense and penalties (or benefits) on unrecognized tax benefits of \$1,132, \$529, and \$73 in the fiscal years ended June 30, 2024, 2023, and 2022, respectively.

A reconciliation of the unrecognized tax benefits for the fiscal years ended June 30, 2024, 2023, and 2022, follows:

	Unrecognized Tax Benefits
Balance at July 1, 2021	\$ 8,762
Additions for current year tax positions	1,863
Additions for prior year tax positions	1,642
Reductions for prior year tax positions	(36)
Reductions related to expirations of statute of limitations	(3,241)
Balance at June 30, 2022	8,990
Additions for current year tax positions	2,570
Additions for prior year tax positions	2,433
Reductions for prior year tax positions	(350)
Reductions related to expirations of statute of limitations	(1,638)
Balance at June 30, 2023	12,005
Additions for current year tax positions	3,924
Additions for prior year tax positions	4,672
Reductions related to expirations of statute of limitations	(1,524)
Balance at June 30, 2024	\$ 19,077

The U.S. federal income tax returns for fiscal 2021 and all subsequent years remain subject to examination as of June 30, 2024, under statute of limitations rules. The U.S. state income tax returns that remain subject to examination as of June 30, 2024, under the statute of limitation rules varies by state jurisdiction from fiscal 2016 through 2019 and all subsequent years. The Company anticipates that potential changes due to lapsing statutes of limitations and examination closures could reduce the unrecognized tax benefits balance by \$3,000 — \$7,000 within twelve months of June 30, 2024.

NOTE 9. INDUSTRY AND SUPPLIER CONCENTRATION

The Company sells its products to banks, credit unions, and financial institutions throughout the United States and generally does not require collateral. Billings to clients are typically due 30 days from date of billing. Reserves are maintained for potential credit losses. Client-related risks are moderated through the inclusion of credit mitigation clauses in the Company's contracts and through the monitoring of timely payments.

In addition, some of the Company's key solutions are dependent on technology manufactured by third parties. Termination of the Company's relationship with one or more of these third parties could have a negative impact on the operations of the Company.

NOTE 10. STOCK-BASED COMPENSATION

The Company's pre-tax operating income for the fiscal years ended June 30, 2024, 2023, and 2022, includes \$28,873, \$28,611, and \$24,780, respectively, of equity-based compensation costs, of which \$26,361, \$26,427, and \$22,703, respectively, relates to the restricted stock plans. Costs are recorded net of estimated forfeitures. The total income tax benefits from equity-based compensation for the fiscal years ended June 30, 2024, 2023, and 2022, were \$4,495, \$5,115, and \$4,252, respectively. These income tax benefits included income tax net shortfalls from stock option exercises and restricted stock vestings of \$184 for the fiscal year ended June 30, 2024, and income tax net excess benefits from stock option exercises and restricted stock vestings of \$1,109 and \$652 for the fiscal years ended June 30, 2023, and 2022, respectively.

On November 10, 2015, the Company adopted the 2015 Equity Incentive Plan ("2015 EIP") for its associates and non-employee directors. The plan allows for grants of stock options, stock appreciation rights, restricted stock shares or units, and performance shares or units. The maximum number of shares authorized for issuance under the plan is 3,000.

Stock option awards

Under the 2015 EIP, terms and vesting periods of the stock options are determined by the Human Capital & Compensation Committee of the Board of Directors when granted. The options granted under this plan are

exercisable beginning three years after grant at an exercise price equal to 100% of the fair market value of the stock at the grant date. The options terminate upon surrender of the option, ninety days after termination of employment, upon the expiration of one year following notification of a deceased optionee, or 10 years after grant.

During fiscal 2024, there were no options granted, forfeited, or exercised, and at June 30, 2024, 12 options were outstanding at a weighted average exercise price of \$87.27 with an aggregate intrinsic value of \$920. During fiscal 2023, there were no options granted, forfeited, or exercised, and at June 30, 2023, 12 options were outstanding at a weighted average exercise price of \$87.27. During fiscal 2022, there were no options granted or forfeited, and 10 options were exercised at a weighted average exercise price of \$87.27 with a total exercise intrinsic value of \$1,005. At June 30, 2022, 12 options were outstanding at a weighted average exercise price of \$87.27. All remaining options were granted on July 1, 2016. At June 30, 2024, there was no compensation cost yet to be recognized related to outstanding options. All of the options are currently exercisable, with a weighted average remaining contractual term (remaining period of exercisability) of 2 years as of June 30, 2024.

Restricted stock unit and performance unit awards

With respect to awards of restricted stock units and performance units, it is the intention of the Company to settle the unit awards in shares of the Company's stock. Restricted stock unit awards (which are unit awards that have service requirements only and are not tied to performance measures) generally vest over a period of 1 to 3 years. Performance unit awards are awards that have performance measures in addition to service requirements.

The following table summarizes non-vested restricted stock unit awards and performance unit awards as of June 30, 2024, as well as activity for the fiscal year then ended:

Unit awards

	Shares	Weighted Average Grant Date Fair Value	Aggregate Intrinsic Value
Outstanding July 1, 2021	294	\$ 160.22	
Granted ¹	135	178.60	
Vested	(71)	145.50	
Forfeited ²	(55)	189.33	
Outstanding July 1, 2022	303	166.50	
Granted ¹	136	214.78	
Vested	(120)	159.10	
Forfeited ²	(16)	186.35	
Outstanding July 1, 2023	303	190.08	
Granted ¹	160	177.95	
Vested	(99)	170.25	
Forfeited ²	(39)	194.11	
Outstanding June 30, 2024	325	\$ 189.68	\$ 53,953

¹Granted includes restricted stock unit awards and performance unit awards with market conditions at 100% achievement.

²Forfeited includes restricted stock unit awards and performance unit awards forfeited for service requirements not met and performance unit awards not settled due to underachievement of performance measures.

Of the 160 unit awards granted in fiscal 2024, 97 were restricted stock unit awards and 63 were performance unit awards. The restricted stock unit awards were valued at the weighted average fair value of the non-vested units based on the fair market value of the Company's equity shares on the grant date, less the present value of expected future dividends to be declared during the vesting period, consistent with the methodology for calculating compensation expense on such awards.

24 of the performance unit awards granted in fiscal 2024 were valued at grant by estimating 100% payout at release and using the fair market value of the Company equity shares on the grant date, less the present value of expected future dividends to be declared during the vesting period. The payout at release of approximately half of these performance unit awards will be determined based on the Company's compound annual growth rate ("CAGR") for revenue (excluding adjustments) for the three-year vesting period compared against goal thresholds as defined in the award agreement. The performance payout at release of the other half of these performance unit awards will be determined based on the expansion of the Company's non-GAAP operating margin over the three-year vesting period compared against goal thresholds as defined in the award agreement. 35 of the performance unit awards have market conditions and were valued at grant using a Monte Carlo pricing model as of the measurement date.

customized to the specific provisions of the Company's plan design. The remaining 4 performance unit awards had other performance targets. Per the Company's award vesting and settlement provisions, the performance unit awards that utilized a Monte Carlo pricing model were valued at grant on the basis of Total Shareholder Return ("TSR") in comparison to the compensation peer group made up of participants approved by the Human Capital & Compensation Committee of the Company's Board of Directors for fiscal year 2024. For fiscal years 2023 and 2022, TSR was in comparison to the compensation peer group comprised of the Standard & Poor's 1500 Software & Services Index ("S&P 1500 S&S Index") participant companies and other participants approved by the Human Capital & Compensation Committee of the Company's Board of Directors. TSR is defined as the change in the stock price through the performance period plus dividends per share paid during the performance period, all divided by the stock price at the beginning of the performance period.

The Monte Carlo inputs used in the model to estimate fair value at the measurement date and resulting values for these performance unit awards are as follows:

Monte Carlo award inputs:	Year Ended June 30,		
	2024	2023	2022
Compensation Peer Group: ¹			
Volatility	25.6 %	29.4 %	28.6 %
Risk free interest rate	4.48 %	2.96 %	0.32 %
Annual dividend based on most recent quarterly dividend	\$ 2.08	\$ 1.96	\$ 1.84
Dividend yield	1.2 %	0.9 %	1.1 %
Beginning average percentile rank for TSR	74 %	71 %	65 %

¹For fiscal 2023 and 2022, S&P 1500 S&S Index participants were included in the compensation peer group.

At June 30, 2024, there was \$21,655 of compensation expense that has yet to be recognized related to non-vested restricted stock unit and performance stock unit awards, which will be recognized over a weighted-average remaining contractual term of 1.02 years.

The fair values of restricted stock units and performance units at release totaled \$16,544, \$24,931, and \$12,139 for the fiscal years ended June 30, 2024, 2023, and 2022, respectively.

NOTE 11. EARNINGS PER SHARE

The following table reflects the reconciliation between basic and diluted earnings per share.

	Year Ended June 30,		
	2024	2023	2022
Net Income	\$ 381,816	\$ 366,646	\$ 362,916
Common share information:			
Weighted average shares outstanding for basic earnings per share	72,867	72,918	73,324
Dilutive effect of stock options, restricted stock units, and performance units	158	178	162
Weighted average shares outstanding for diluted earnings per share	73,025	73,096	73,486
Basic earnings per share	\$ 5.24	\$ 5.03	\$ 4.95
Diluted earnings per share	\$ 5.23	\$ 5.02	\$ 4.94

Per share information is based on the weighted average number of common shares outstanding for each of the fiscal years. Stock options, restricted stock units, and performance units have been included in the calculation of earnings per share to the extent they are dilutive. The two-class method for computing EPS has not been applied because no outstanding awards contain non-forfeitable rights to participate in dividends. There were 33 anti-dilutive weighted average shares excluded from the weighted average shares outstanding for diluted earnings per share for fiscal 2024, 10 shares were excluded for fiscal 2023, and 7 shares were excluded for fiscal 2022.

NOTE 12. EMPLOYEE BENEFIT PLANS

The Company established an employee stock purchase plan (the "Plan") in 2006. On January 1, 2024, the Plan was amended and restated, and allows substantially all associates the opportunity to directly purchase shares of the Company at 85% of the lesser of the fair market value, as defined by the Plan, of the Company's stock on the first trading day or on the last trading day of a three-month offering period, which represents an option. Prior to January 1, 2024, the Plan allowed substantially all associates the opportunity to directly purchase shares of the Company at 85% of the closing price of the Company's stock on or around the fifteenth day of each month. During the fiscal years ended June 30, 2024, 2023, and 2022, associates purchased 90, 84, and 80 shares under this plan at average prices of \$137.78, \$146.79, and \$147.36, respectively. As of June 30, 2024, approximately 896 shares remained available for future issuance under the Plan. The Plan is considered compensatory, and beginning January 1, 2024, compensation expense is determined based on the option's grant date fair value as estimated by applying the Black-Scholes option-pricing model and is recognized over the offering period. Prior to January 1, 2024, the Company recorded the total dollar value of the stock discount given to associates under the plan as expense.

The Company has a defined contribution plan for its associates: the 401(k) Retirement Savings Plan (the "Plan"). The Plan is subject to the Employee Retirement Income Security Act of 1975 ("ERISA") as amended. Under the Plan, the Company matches 100% of full-time associate contributions up to 5% of eligible compensation. In order to receive matching contributions, associates must be 18 years of age and be employed for at least six months. The Company has the option of making a discretionary contribution; however, none has been made for any of the three most recent fiscal years. The total matching contributions for the Plan were \$31,995, \$29,308, and \$28,259 for the fiscal years ended June 30, 2024, 2023, and 2022, respectively.

NOTE 13. BUSINESS ACQUISITION*Payrailz*

On August 31, 2022, the Company acquired all of the equity interest in Payrailz. The final purchase price, following customary post-closing adjustments to the extent actual closing date working capital, cash, debt, and unpaid seller transaction expenses exceeded or were less than the amounts estimated at closing, was \$230,205. Pursuant to the merger agreement for the transaction, \$48,500 of the purchase price was placed in an escrow account at the closing, consisting of \$2,500 for any final purchase price adjustments owed by the sellers, which amount was released to the sellers on December 15, 2022, in connection with post-closing purchase price adjustments, and \$46,000 for indemnification matters under the merger agreement, which amount was released to the sellers on September 20, 2023.

The primary reason for the acquisition was to expand the Company's digital financial management solutions and the purchase was originally funded by our revolving line of credit (Note 7) and cash generated from operations. Payrailz provides cloud-native, API-first, AI-enabled consumer and commercial digital payment solutions and experiences that enable money to be moved in the moment of need.

Management has completed a purchase price allocation and assessment of the fair value of acquired assets and liabilities assumed. The recognized amounts of identifiable assets acquired, and liabilities assumed, based on their fair values as of August 31, 2022, and taking into account the post-closing purchase price adjustment described above, are set forth below:

Current assets	\$	1,851
Identifiable intangible assets		119,868
Deferred revenue		(8,104)
Total other liabilities assumed		(749)
Total identifiable net assets		112,866
Goodwill		117,339
Net assets acquired	\$	230,205

The goodwill of \$117,339 arising from this acquisition consists largely of the growth potential, synergies, and economies of scale expected from combining the operations of the Company with those of Payrailz, together with the value of Payrailz's assembled workforce. The goodwill from this acquisition has been allocated to our Payments segment and \$117,339 is expected to be deductible for income tax purposes.

Identifiable intangible assets from this acquisition consist of customer relationships of \$6,109, computer software of \$112,505, and other intangible assets of \$1,254. The amortization period for acquired customer relationships, computer software, and other intangible assets is over a term of 15 years, 10 years, and 15 years, respectively.

Current assets were inclusive of cash acquired of \$577. The fair value of current assets acquired included accounts receivable of \$978, none of which were expected to be uncollectible.

NOTE 14. REPORTABLE SEGMENT INFORMATION

The Company is a well-rounded financial technology company and is a leading provider of technology solutions and payment processing services primarily to community and regional financial institutions.

The Company's operations are classified into four reportable segments: Core, Payments, Complementary, and Corporate and Other. The Core segment provides core information processing platforms to banks and credit unions, which consist of integrated applications required to process deposit, loan, and general ledger transactions, and maintain centralized customer/member information. The Payments segment provides secure payment processing tools and services, including ATM, debit, and credit card processing services, online and mobile bill pay solutions, ACH origination and remote deposit capture processing, and risk management products and services. The Complementary segment provides additional software, hosted processing platforms, and services, including digital/mobile banking, treasury services, online account opening, AML, and lending/deposit solutions that can be integrated with the Company's Core solutions, and many can be used independently. The Corporate and Other segment includes revenue and costs from hardware and other products not attributed to any of the other three segments, as well as operating expenses not directly attributable to the other three segments.

The Company evaluates the performance of its segments and allocates resources to them based on various factors, including performance against trend, budget, and forecast. Only revenue and costs of revenue are considered in the evaluation for each segment.

Immaterial adjustments between segments were made in fiscal 2024 to reclassify revenue and cost of revenue that was recognized in fiscal 2023. These reclasses were made to be consistent with the current allocation of revenue and cost of revenue by segment. Revenue reclassified for the fiscal year ended June 30, 2023, from Core to Corporate and Other was \$7,119, from Payments to Corporate and Other was \$30, and from Complementary to Corporate and Other was \$307. Cost of revenue reclassified for the fiscal year ended June 30, 2023, from Core to Corporate and Other was \$6,713, from Payments to Corporate and Other was \$2,594, and from Complementary to Corporate and Other was \$1,286.

	Year Ended June 30, 2024				
	Core	Payments	Complementary	Corporate and Other	Total
REVENUE					
Services and Support	\$ 649,169	\$ 84,655	\$ 461,828	\$ 80,302	\$ 1,275,954
Processing	41,569	733,053	156,383	8,584	939,589
Total Revenue	690,738	817,708	618,211	88,886	2,215,543
Cost of Revenue	287,349	442,084	256,007	314,037	1,299,477
Research and Development					148,256
Selling, General, and Administrative					278,419
Total Expenses					1,726,152
SEGMENT INCOME	\$ 403,389	\$ 375,624	\$ 362,204	\$ (225,151)	
OPERATING INCOME					489,391
INTEREST INCOME (EXPENSE)					8,628
INCOME BEFORE INCOME TAXES					\$ 498,019

	Year Ended June 30, 2023				
	Core	Payments	Complementary	Corporate and Other	Total
REVENUE					
Services and Support	\$ 608,517	\$ 79,788	\$ 453,541	\$ 72,855	\$ 1,214,701
Processing	40,528	687,521	130,045	4,907	863,001
Total Revenue	649,045	767,309	583,586	77,762	2,077,702
Cost of Revenue	276,818	420,880	237,758	283,606	1,219,062
Research and Development					142,678
Selling, General, and Administrative					235,274
Total Expenses					1,597,014
SEGMENT INCOME	\$ 372,227	\$ 346,429	\$ 345,828	\$ (205,844)	
OPERATING INCOME					480,688
INTEREST INCOME (EXPENSE)					(6,114)
INCOME BEFORE INCOME TAXES					\$ 474,574
	Year Ended June 30, 2022				
	Core	Payments	Complementary	Corporate and Other	Total
REVENUE					
Services and Support	\$ 583,752	\$ 83,810	\$ 434,159	\$ 54,644	\$ 1,156,365
Processing	38,690	635,258	110,085	2,486	786,519
Total Revenue	622,442	719,068	544,244	57,130	1,942,884
Cost of Revenue	261,585	386,409	226,229	254,391	1,128,614
Research and Development					121,355
Selling, General, and Administrative					218,296
Total Expenses					1,468,265
SEGMENT INCOME	\$ 360,857	\$ 332,659	\$ 318,015	\$ (197,261)	
OPERATING INCOME					474,619
INTEREST INCOME (EXPENSE)					(2,352)
INCOME BEFORE INCOME TAXES					\$ 472,267

The Company has not disclosed any additional asset information by segment, as the information is not generated for internal management reporting to the Chief Executive Officer, who is also the Chief Operating Decision Maker.

NOTE 15. SUBSEQUENT EVENTS

Dividend

On August 23, 2024, the Company's Board of Directors declared a cash dividend of \$0.55 per share on its common stock, payable on September 27, 2024, to stockholders of record on September 6, 2024.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

As of the end of the period covered by this Annual Report on Form 10-K, an evaluation was carried out under the supervision and with the participation of our management, including our Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), of the effectiveness of the design and operation of our disclosure controls and procedures as defined in Exchange Act Rules 13a-15(e) and 15d-15(e). Based upon that evaluation (required in Exchange Act Rules 13a-15(b) and 15d-15(b)), the CEO and CFO concluded that our disclosure controls and procedures are effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms. For this purpose, disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed under the Exchange Act is accumulated and communicated to the Company's management, including the CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

Management's Annual Report on Internal Control over Financial Reporting

The Management's Report on Internal Control over Financial Reporting required by this Item 9A is in Item 8, "Financial Statements and Supplementary Data." The Company's independent registered public accounting firm has audited our internal control over financial reporting as of June 30, 2024; their report is included in Item 8 of this Form 10-K.

Changes in Internal Control over Financial Reporting

During the quarter ended June 30, 2024, there were no changes in the Company's internal control over financial reporting which were identified in connection with management's evaluation required by Rules 13a-15(d) and 15d-15(d) under the Exchange Act that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

Rule 10b-5(1) Trading Plans

During the three months ended June 30, 2024, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS.

Not applicable.

PART III

Information required by Items 10, 11, 12, 13 and 14 of Part III is omitted from this report and will be filed within 120 days after the Company's June 30, 2024, fiscal year end in the definitive proxy statement for our 2024 Annual Meeting of Stockholders (the "Proxy Statement").

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

See the information under the captions "Election of Directors", "Corporate Governance," "Delinquent Section 16(a) Reports" (if applicable), and "Executive Officers" in the Proxy Statement, which is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

See the information under captions "Corporate Governance," "Human Capital & Compensation Committee Report," "Compensation Discussion and Analysis," "Compensation and Risk," and "Executive Compensation" in the Proxy Statement, which is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

See the information under the captions "Stock Ownership of Certain Stockholders" and "Equity Compensation Plan Information" in the Proxy Statement, which is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

See the information under the captions "Election of Directors - Director Independence" and "Certain Relationships and Related Transactions" in the Proxy Statement, which is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

See the information under the captions "Audit Committee Report" and "Ratification of Selection of the Company's Independent Registered Public Accounting Firm," PricewaterhouseCoopers LLP (PCAOB ID No. 238), in the Proxy Statement, which is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) The following documents are filed as part of this Report:

(1) The following consolidated financial statements of the Company and its subsidiaries and the Report of Independent Registered Public Accounting Firm thereon appear under Item 8 of this Report:

- Reports of Independent Registered Public Accounting Firm
- Consolidated Statements of Income for the fiscal years ended June 30, 2024, 2023, and 2022
- Consolidated Balance Sheets as of June 30, 2024, and 2023
- Consolidated Statements of Changes in Stockholders' Equity for the fiscal years ended June 30, 2024, 2023, and 2022
- Consolidated Statements of Cash Flows for the fiscal years ended June 30, 2024, 2023, and 2022
- Notes to the Consolidated Financial Statements

(2) The following financial statement schedules filed as part of this Report appear under Item 8 of this Report:

There are no schedules included because they are not applicable, or the required information is shown in the consolidated financial statements or notes thereto.

(3) See "Index to Exhibits" set forth below.

All exhibits not attached hereto are incorporated by reference to a prior filing as indicated.

Exhibit No. Description

- 3.1.8 [Restated Certificate of Incorporation attached as Exhibit 3.1.8 to the Company's Quarterly Report on Form 10-Q filed February 9, 2021.](#)
- 3.2.9 [Restated and Amended Bylaws attached as Exhibit 3.2.9 to the Company's Current Report on Form 8-K filed July 5, 2024.](#)
- 4.1** [Description of Securities](#)
- 10.49* [Jack Henry & Associates, Inc. Deferred Compensation Plan attached as Exhibit 10.49 to the Company's Quarterly Report on Form 10-Q filed November 5, 2014.](#)
- 10.50* [Jack Henry & Associates, Inc. Non-Employee Directors Deferred Compensation Plan attached as Exhibit 10.50 to the Company's Quarterly Report on Form 10-Q filed November 5, 2014.](#)
- 10.56* [Jack Henry & Associates, Inc. 2015 Equity Incentive Plan attached as Exhibit 10.56 to the Company's Current Report on Form 8-K filed November 16, 2015.](#)
- 10.58* [Form of Nonqualified Stock Option Agreement \(executives\) attached as Exhibit 10.58 to the Company's Current Report on Form 8-K filed July 1, 2016.](#)
- 10.63* [Jack Henry & Associates, Inc. 2017 Annual Incentive Plan, effective September 1, 2017 and approved by the stockholders on November 9, 2017, attached as Exhibit 10.63 to the Company's Current Report on Form 8-K filed November 13, 2017.](#)
- 10.64* [Retention Agreement, dated January 1, 2020, between the Company and David Foss attached as Exhibit 10.64 to the Company's Current Report on Form 8-K filed January 3, 2020.](#)
- 10.69* [Form of Performance Shares Agreement attached as Exhibit 10.69 to the Company's Annual Report on Form 10-K filed August 25, 2021.](#)
- 10.70* [Form of Restricted Stock Unit Agreement \(Employees\) attached as Exhibit 10.70 to the Company's Annual Report on Form 10-K filed August 25, 2021.](#)

- 10.71* [Form of Indemnification Agreement attached as Exhibit 10.71 to the Company's Current Report on Form 8-K filed February 17, 2022.](#)
- 10.72* [Jack Henry & Associates, Inc. Executive Severance Plan attached as Exhibit 10.72 to the Company's Current Report on Form 8-K filed July 29, 2022.](#)
- 10.73 [Amended and Restated Credit Agreement, dated as of August 31, 2022, among Jack Henry & Associates, Inc., as Borrower, the lenders parties thereto, U.S. Bank National Association, as Administrative Agent, LC Issuer and Swing Line Lender, and certain other financial institutions as co-syndication agents and joint lead arrangers and joint book runners attached as Exhibit 10.73 to the Company's Current Report on Form 8-K filed September 1, 2022.](#)
- 10.74 [Amendment No. 1 to Amended and Restated Credit Agreement, dated as of May 16, 2023 among Jack Henry & Associates, Inc., as Borrower, the affiliates of Borrower party thereto as Guarantors, the lenders parties thereto, and U.S. Bank National Association, as Administrative Agent attached as Exhibit 10.74 to the Company's Current Report on Form 8-K filed May 22, 2023.](#)
- 10.75 [Term Loan Agreement, dated as of May 16, 2023, among Jack Henry & Associates, Inc., as Borrower, the lenders parties thereto, Truist Bank, as Administrative Agent, and certain other financial institutions as joint lead arrangers and joint book runners attached as Exhibit 10.75 to the Company's Current Report on Form 8-K filed May 22, 2023.](#)
- 10.76* [Form of Performance Shares Agreement attached as Exhibit 10.76 to the Company's Annual Report on Form 10-K filed August 24, 2023.](#)
- 10.77 [Form of Aircraft Time Sharing Agreement between the Company and each of Messrs. Foss, Adelson, and Morgan, and Meses. Carsley and Swearingen attached as Exhibit 10.77 to the Company's Annual Report on Form 10-K filed August 24, 2023.](#)
- 10.78* [Jack Henry & Associates, Inc. 2006 Employee Stock Purchase Plan, as amended and restated on August 18, 2023, effective January 1, 2024 attached as Exhibit 10.78 to the Company's Annual Report on Form 10-K filed August 24, 2023.](#)
- 10.79* ** [Form of Restricted Stock Unit Agreement \(non-employee directors\).](#)
- 19.1** [Jack Henry & Associates, Inc. Trading in Company Securities Policy.](#)
- 21.1** [List of the Company's subsidiaries.](#)
- 23.1** [Consent of Independent Registered Public Accounting Firm- PricewaterhouseCoopers LLP.](#)
- 31.1** [Certification of the Chief Executive Officer.](#)
- 31.2** [Certification of the Chief Financial Officer.](#)
- 32.1*** [Written Statement of the Chief Executive Officer Pursuant to 18 U.S.C. Section 1350.](#)
- 32.2*** [Written Statement of the Chief Financial Officer Pursuant to 18 U.S.C. Section 1350.](#)
- 97.1** [Jack Henry & Associates, Inc. Executive Compensation Clawback Policy.](#)
- 101.INS**** XBRL Instance Document
- 101.SCH**** XBRL Taxonomy Extension Schema Document
- 101.CAL**** XBRL Taxonomy Extension Calculation Linkbase Document
- 101.DEF**** XBRL Taxonomy Extension Definition Linkbase Document

101.LAB**** XBRL Taxonomy Extension Label Linkbase Document

101.PRE**** XBRL Taxonomy Extension Presentation Linkbase Document

104 Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit (101)), except registrant name, JACK HENRY & ASSOCIATES INC, tagged in non-printing section.

* Indicates management contract or compensatory plan or arrangement.

** Filed with this report on Form 10-K

*** Furnished with this report on Form 10-K.

**** Filed with this report on Form 10-K are the following documents formatted in XBRL ("Extensible Business Reporting Language"): (i) the Consolidated Balance Sheets at June 30, 2024, and June 30, 2023, (ii) the Consolidated Statements of Income for the years ended June 30, 2024, 2023, and 2022, (iii) the Consolidated Statements of Shareholders' Equity for the years ended June 30, 2024, 2023, and 2022, (iv) the Consolidated Statements of Cash Flows for the years ended June 30, 2024, 2023, and 2022, and (v) Notes to Consolidated Financial Statements.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized this 26th day of August, 2024.

JACK HENRY & ASSOCIATES, INC., Registrant

By /s/ Gregory R. Adelson
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

<u>Signature</u>	<u>Capacity</u>	<u>Date</u>
<u>/s/ Gregory R. Adelson</u> Gregory R. Adelson	Chief Executive Officer and President (Principal Executive Officer)	August 26, 2024
<u>/s/ Mimi L. Carsley</u> Mimi L. Carsley	Chief Financial Officer and Treasurer (Principal Financial Officer)	August 26, 2024
<u>/s/ Renee A. Swearingen</u> Renee A. Swearingen	Senior Vice President and Chief Accounting Officer (Principal Accounting Officer)	August 26, 2024
<u>/s/ David B. Foss</u> David B. Foss	Executive Board Chair	August 26, 2024
<u>/s/ Matthew C. Flanigan</u> Matthew C. Flanigan	Vice Chair and Lead Director	August 26, 2024
<u>/s/ Thomas H. Wilson, Jr</u> Thomas H. Wilson, Jr	Director	August 26, 2024
<u>/s/ Jacqueline R. Fiegel</u> Jacqueline R. Fiegel	Director	August 26, 2024
<u>/s/ Thomas A. Wimsett</u> Thomas A. Wimsett	Director	August 26, 2024
<u>/s/ Shruti S. Miyashiro</u> Shruti S. Miyashiro	Director	August 26, 2024
<u>/s/ Wesley A. Brown</u> Wesley A. Brown	Director	August 26, 2024
<u>/s/ Curtis A. Campbell</u> Curtis A. Campbell	Director	August 26, 2024
<u>/s/ Tammy S. LoCascio</u> Tammy S. LoCascio	Director	August 26, 2024
<u>/s/ Lisa M. Nelson</u> Lisa M. Nelson	Director	August 26, 2024

EXHIBIT 4.1

DESCRIPTION OF SECURITIES

The following is a brief description of the common stock of Jack Henry & Associates, Inc. (the "Company") common stock which is the only security of the Company registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended and is based on and qualified by the Company's Restated Certificate of Incorporation (the "Certificate of Incorporation") and Restated and Amended Bylaws ("Bylaws"). For a complete description of the terms and provisions of the Company's common stock, refer to the Certificate of Incorporation and Bylaws, both of which are filed as Exhibits to this Annual Report on Form 10-K.

GENERAL

Under the Company's Certificate of Incorporation, our authorized capital stock consists of 250,000,000 shares of common stock, par value \$0.01 per share, and 500,000 shares of preferred stock, par value \$1.00 per share. As of August 15, 2024, an aggregate of 72,908,319 shares of common stock and no shares of preferred stock were issued and outstanding.

COMMON STOCK

Voting Rights

The holders of our common stock are entitled to one vote per share on any matter to be voted upon by stockholders. The holders of common stock are not entitled to cumulative voting rights with respect to the election of directors, which means that the holders of a majority of the shares voted can elect all of the directors then standing for election.

Dividends

Subject to preferences that may be applicable to any outstanding preferred stock, holders of common stock are entitled to receive ratably such dividends as may be declared by the board of directors ("Board of Directors") out of legally available funds.

Liquidation

In the event of a liquidation or dissolution of the Company, holders of common stock are entitled to share ratably in all assets remaining after payment of liabilities and the liquidation preference of any outstanding preferred stock.

No Preemptive or Similar Rights

Our common stock is not entitled to preemptive rights, conversion or other rights to subscribe for additional securities and there are no redemption or sinking fund provisions applicable to our common stock.

Fully Paid and Non-assessable

All of the outstanding shares of common stock are fully paid and non-assessable.

ANTI-TAKEOVER EFFECTS OF OUR CERTIFICATE OF INCORPORATION AND BYLAWS AND PROVISIONS OF DELAWARE LAW

Provisions of our Certificate of Incorporation and Bylaws and Delaware law may make it more difficult for a third party to acquire, or may discourage a third party from attempting to acquire, control of us. These provisions could limit the price that investors might be willing to pay in the future for shares of our common stock. These provisions include the following.

Blank Check Preferred Stock

Our Board of Directors is authorized to designate any series of preferred stock and the powers, preferences and rights of the shares of such series and the qualifications, limitations or restrictions thereof without further action by the holders of common stock.

Our Board of Directors may create and issue a series of preferred stock with rights, privileges or restrictions, and adopt a stockholder rights plan, having the effect of discriminating against an existing or prospective holder of such securities as a result of such security holder beneficially owning or commencing a tender offer for a substantial amount of common stock. The issuance of preferred stock, while providing flexibility in connection with possible financings, acquisitions or other corporate purposes, could have the effect of making it more difficult or discouraging an attempt by a potential acquiror to obtain control of the Company by means of a merger, tender offer, proxy contest or otherwise, and thereby protect the continuity of our management. The issuance of such shares of capital stock may have the effect of delaying, deferring or preventing a change in control without any further action by the stockholders.

Size of Board

Our Certificate of Incorporation and Bylaws provide that the number of directors shall be eight, or such other number (one or more), as fixed from time to time by resolution of the Board of Directors.

Director Vacancies

Our Bylaws provide that any vacancies on our Board of Directors and newly created directorships will be filled by the affirmative vote of a majority of the remaining directors, although less than a quorum.

Advance Notice for Stockholder Proposals and Nominations

Our Bylaws contain provisions requiring advance notice be delivered to the Company and procedures to be followed by stockholders in proposing business to be considered by the stockholders at an annual meeting or nominating persons for election to our Board of Directors, including stockholder nominees to be included in our proxy statement. To propose business to be considered by the stockholders at an annual meeting, a stockholder must submit to the secretary of the Company at the principal executive offices of the Company all of the information and documents required by the Bylaws not less than 90 days prior to the first anniversary of the preceding year's annual meeting. To nominate a nominee for election to the Board of Directors, a nominating stockholder must submit to the secretary of the Company at the principal executive offices of the Company all of the information and documents required by the Bylaws not less than 90 days prior to the first anniversary of the preceding year's annual meeting (or in the case of a special meeting, not later than the close of business on the later of the 75th day prior to such special meeting or the 10th day following the date on which public announcement is first made of the date of the special meeting and of the nominees proposed by the board of directors to be elected at such meeting). To nominate a nominee for election to Board of Directors for inclusion in the proxy statement, a nominating stockholder must submit to the secretary of the Company at the principal executive offices of the Company all of the information and documents specified in the Bylaws no earlier than 150 calendar days, and no later than 120 calendar days, before the anniversary of the date that the Company mailed its proxy statement for the prior year's annual meeting of stockholders.

No Cumulative Voting

Our Bylaws do not provide for cumulative voting for our directors. The absence of cumulative voting may make it more difficult for stockholders owning less than a majority of our common stock to elect any directors to our Board.

Limitations on Liability of Directors; Indemnification of Directors and Officers

Our Certificate of Incorporation limits, to the fullest extent permitted by Delaware law, the liability of our directors to us or our stockholders. Subject to certain limitations, our Certificate of Incorporation provides that our directors, officers and other persons must be indemnified for, and provides for the advancement to them of expenses incurred in connection with, actual or threatened proceedings and claims arising out of their status as our director or officer to the fullest extent permitted by Delaware law. In addition, the Certificate of Incorporation expressly authorizes us to purchase and maintain directors' and officers' insurance providing indemnification for our directors, officers, employees or agents. We believe that these indemnification provisions and insurance are useful to attract and retain qualified directors, officers, employees and other agents.

The limitation of liability and indemnification provisions in our Certificate of Incorporation may discourage stockholders from bringing a lawsuit against directors for breach of their fiduciary duty. These provisions may also have the effect of reducing the likelihood of derivative litigation against directors, officers, employees and other agents, even though such an action, if successful, might otherwise benefit us and our stockholders. In addition, your investment may be adversely affected to the extent we pay the costs of settlement and damage awards against directors, officers, employees, and other agents pursuant to these indemnification provisions.

Super-majority voting requirements

Our Certificate of Incorporation requires a two-thirds vote of the stockholders to approve certain amendments to our Certificate of Incorporation. Our Bylaws may also be amended, altered or repealed at any special meeting of the stockholders if duly called for that purpose or at any annual meeting, by the affirmative vote of the holders of at least two-thirds of the Company's stock entitled to vote thereon.

Limitations on Calling Special Meetings and Action by Written Consent

Our Certificate of Incorporation prevents stockholder action by written consent in lieu of an annual or special meeting and our Bylaws require special meetings of the stockholders to be called by the Chair of the Board, the President, the Board of Directors as a whole, or two-thirds of the stockholders.

Limitations on Business Combinations with Interested Stockholders

We are also subject to Section 203 of the Delaware General Corporation Law which, subject to exceptions, prohibits a Delaware corporation from engaging in any business combination with any interested stockholder for a period of three years following the date that a stockholder became an interested stockholder, unless:

- prior to that date, the Board of Directors approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder; or
- upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock outstanding at the time the transaction commenced; or
- on or following that date the business combination is approved by the Board of Directors and authorized at an annual or special meeting of stockholders, by the affirmative vote of at least two-thirds of the outstanding voting stock that is not owned by the interested stockholder.

TRANSFER AGENT AND REGISTRAR

Computershare Trust Company, N.A. is the transfer agent and registrar for our common stock.

LISTING

Our common stock is traded on the Nasdaq Global Select Market under the symbol "JKHY."

**RESTRICTED STOCK UNIT AGREEMENT
UNDER
JACK HENRY & ASSOCIATES, INC. 2015 EQUITY INCENTIVE PLAN
(Non-Employee Directors)**

Date of Award:

Number of Restricted Stock Units Granted:

Awardee:

THIS AGREEMENT (the "Agreement") is made on the Date of Award noted above (the "Date of Award") and is between Jack Henry & Associates, Inc., a Delaware corporation (hereinafter called the "Company"), and the Awardee listed above ("Awardee").

WHEREAS, the Board of Directors of the Company ("Board") and the stockholders of the Company have adopted the Jack Henry & Associates, Inc. 2015 Equity Incentive Plan ("Plan") pursuant to which restricted stock units ("RSUs") may be granted to directors of the Company; and

WHEREAS, the Company desires to make a restricted stock unit award to the Awardee pertaining to the number of RSUs granted set forth above ("Award"), under the terms hereinafter set forth;

NOW, THEREFORE, in consideration of the premises and of the mutual agreements hereinafter set forth, the parties to this Agreement agree as follows:

1. Award Subject to Plan. This Award is made under and is expressly subject to all the terms and provisions of the Plan, a copy of which Awardee acknowledges has been given to Awardee, and which terms are incorporated herein by reference. Awardee agrees to be bound by all the terms and provisions of the Plan. Terms not defined herein shall have the meaning ascribed thereto in the Plan.

2. Grant of Award. Pursuant to the action of the Board, which action was taken to be effective on the Date of Award, the Company awards to Awardee the Award (which directly relate to that same number of shares of Common Stock). Subject to the other terms and conditions of the Plan and this Agreement, settlement of each RSU as provided in Section 4 entitles Awardee to the issuance of one share of Common Stock, or, if permitted under the Plan and where the Board elects to settle an RSU for cash, a cash payment equal to the fair market value of the share underlying the RSU the Board elects to settle for cash.

3. Restrictions. Except as may be permitted under the Plan or by the Board, the RSUs are not transferable by sale, assignment, disposition, gift, exchange, pledge, hypothecation, or otherwise. Any attempted disposition of the RSUs, or the levy of any execution, attachment or similar process upon the RSUs prior to settlement, shall be null and

void and without effect. Holding RSUs does not give Awardee the rights of a shareholder (including without limitation the right to vote or receive dividends or other distributions) with respect to shares of Common Stock underlying the RSUs that the Company may issue under the terms and conditions of this Agreement.

4. Settlement, Forfeiture and Share Issuance.

(a) Settlement Date. For purposes of this Agreement the Awardee's "Settlement Date" shall be the earlier of (1) the day before the Company's next Annual Meeting of the Stockholders following the Date of Award or (2) the one-year anniversary of the Date of Award. During the period ending on the Settlement Date, the RSUs will be subject to the risk of forfeiture and will be nontransferable by the Awardee. If the Awardee's directorship is terminated before the Settlement Date, except as provided below at (c), the Awardee shall forfeit all the RSUs.

(b) Form of Settlement. To the extent permissible under the Plan, the Committee, in its sole discretion, may elect to settle an RSU by issuing shares of Common Stock or by making a cash payment to Awardee in an amount equal to the then fair market value of the share of Common Stock underlying the RSU being settled, less any amounts necessary to satisfy the Company's tax withholding obligations.

(c) Other Settlement.

(i) *Effect of Change in Control on Settlement.* Upon a Change in Control of the Company, all RSUs shall be settled. In such event, settlement of the RSUs shall occur at the time of the Change in Control.

(ii) *Effect of Death, Disability or Retirement on Settlement.* Upon Awardee's death or termination of directorship due to Disability or Retirement, no forfeiture or accelerated settlement of the RSUs shall occur. Rather, on the Settlement Date, a pro rata portion of the RSUs subject to this Agreement shall be settled based on the portion of the year that elapsed from the Date of Award prior to Awardee's termination of directorship. For purposes of this Agreement, a "Retirement" means an Awardee's termination of directorship for the express reason of retirement, as determined by the Board or Committee in its sole discretion.

d. Forfeiture. Subject to the other provisions of this Section 4, all non-settled RSUs shall be forfeited if Awardee ceases to be a director of the Company prior to the Settlement Date. Upon any such forfeiture, under no circumstances will the Company be obligated to make any payment to Awardee, and no shares of Common Stock shall be issued, as a result of such forfeited RSUs.

e. Share Issuance; Stock Ownership Guidelines.

(i) Except as otherwise provided herein, upon the settlement of a specific number of RSUs for shares of Common Stock as provided in this Section, the Company shall issue a corresponding number of shares of Common Stock to Awardee on the Settlement Date or Change in Control, provided that tax withholding obligations have been satisfied as provided in Section 5. The Company's transfer agent may issue shares of Common Stock in certificated or book entry form as determined by the Company's Corporate Secretary. Upon issuance of the Shares, Awardee shall have all rights of a shareholder with respect thereto including the right to vote and receive all dividends or other distributions made or paid with respect to the shares of Common Stock.

(ii) Any Shares acquired by Awardee on the Settlement Date pursuant to this Award may be subject to any Company stock ownership guidelines or stock ownership policy as determined appropriate by the Committee and communicated to Awardee. Awardee agrees that Awardee will comply with and adhere to such stock ownership guidelines or stock ownership policy.

f. Payments to Third Party. On the Settlement Date following the death of Awardee, the shares of Common Stock, to the extent eligible to be issued, shall be issued to Awardee's beneficiary named in a written beneficiary designation filed with the Company's Corporate Secretary on a form for the Plan or, if there is no such designated beneficiary, to Awardee's executor or administrator or other personal representative acceptable to the Corporate Secretary. Any request to pay any person or persons other than Awardee shall be accompanied by such documentation as the Company may reasonably require, including without limitation, evidence satisfactory to the Company of the authority of such person or persons to receive the payment.

5. Tax Withholding. Awardee understands and agrees that, at the time any tax withholding obligation arises in connection with the issuance of a share of Common Stock or, if permitted under the Plan, a cash payment, the Company may withhold, in shares of Common Stock if a valid election applies under this Section 5 or in cash from amounts the Company owes or will owe Awardee, any applicable minimum withholding, payroll and other required tax amounts due upon the issuance of shares of Common Stock or cash payment. Tax withholding may be made by any means permitted under the Plan, as approved by the Committee, and as permitted under the law. The valuation of the RSUs, and any shares of Common Stock that the Company may issue attributable to RSUs, for tax and other purposes shall be determined in accordance with all applicable laws and regulations. In the absence of the satisfaction of tax obligations, the Company may refuse to issue shares of Common Stock or make any other payment hereunder.

6. Dividends and Voting. Prior to an RSU settlement date, Awardee shall have no right to receive any dividends or dividend equivalent payments with respect to the RSUs. Awardee will have no voting rights with respect to any of the RSUs or the shares of Common Stock underlying the RSUs.

7. Administration. This Award has been made pursuant to a determination made by the Board, or a committee authorized by the Board, subject to the express terms of this Agreement, and the Board or such committee shall have plenary authority to interpret any provision of this Agreement and to make any determinations necessary or advisable for the administration of this Agreement and may waive or amend any provisions hereof in any manner not adversely affecting the rights granted to Awardee by the express terms hereof.

8. Choice of Law. This Agreement shall be governed by the laws of the State of Delaware, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of the Agreement to the substantive law of another jurisdiction. Awardee is deemed to submit to the exclusive jurisdiction and venue of the federal or state courts of Missouri to resolve any and all issues that may arise out of or relate to this agreement.

The Company has caused this Agreement to be executed on its behalf, and Awardee has signed this Agreement to evidence Awardee's acceptance of the terms hereof, all as of the date first above written.

JACK HENRY & ASSOCIATES, INC.

By:

Title:

AWARDEE

Name:

Jack Henry & Associates, Inc.
Trading In Company Securities Policy
May 2023

Purpose and Scope

This Trading in Company Securities Policy (this "Policy") provides guidelines with respect to transactions in the securities of Jack Henry & Associates, Inc. (the "Company") and the handling of confidential information about the Company and companies with which the Company does business. The Company's Board of Directors has adopted this Policy to promote compliance with securities laws that prohibit certain persons who are aware of material nonpublic information about a company from: (i) trading in securities of that company; or (ii) providing material nonpublic information to other persons who trade on the basis of that information.

This Policy applies to (i) directors, officers and employees of the Company, (ii) the Family Members (as defined below) of directors, officers and employees of the Company, and (iii) contractors and consultants of the Company who have access to material nonpublic information concerning the Company (collectively, "Insiders"). This Policy also applies to any entities controlled by individuals subject to the Policy, including any corporations, partnerships or trusts, and transactions by these entities should be treated for the purposes of this Policy and applicable securities laws as if they were for the individual's own account.

The Insider Trading PolicyGeneral Prohibition on Insider Trading

No Insider who is aware of material nonpublic information relating to the Company shall, directly or indirectly, (a) engage, or permit any Family Member to engage, in a transaction in Company Securities, except as otherwise specified in this Policy under the headings "Transactions Not Subject to Trading Restrictions"; (b) recommend the purchase or sale of Company Securities; (c) engage in any other action to take personal advantage of that information, or (d) pass that information on to others outside the Company, including family and friends. In addition, no Insider who, in the course of working for the Company, learns of material nonpublic information about a company with which the Company does business, including a customer or supplier of the Company, may take any of the actions described in clauses (a) through (d) above with respect to such company until the information becomes public or is no longer material.

Transactions that you may view as necessary or justifiable for independent reasons (such as the need to raise money for an emergency) are not excepted from this Policy. The securities laws do not recognize emergencies or other mitigating circumstances, and, in any event, even the appearance of an

improper transaction must be avoided to preserve the Company's reputation for adhering to the highest standards of conduct.

Other Prohibited Transactions

Certain transactions are of concern not only because of insider trading considerations, but also because of the appearance created by the transaction and the potential repercussions that the transaction may have with investors, regulators and others. The Company considers it improper and inappropriate for any Insider to engage in short-term or speculative transactions in the Company's Securities. Therefore, Insiders may not engage in any of the following transactions:

- Short sales;
- Buying or selling Company options, puts, calls or other derivative securities;
- Hedging transactions;
- Holding Company Securities in margin accounts and/or pledging Company Securities as collateral; and
- Placing standing or limit orders with a broker to buy or sell Company Securities that have a duration in excess of three business days (except under approved Rule 10b5-1 Plans).

In addition, from time to time, the Company may determine that other types of transactions by Insiders in Company Securities shall be prohibited or shall be permitted only with prior written consent of the Administrator. See Annex A for further information on prohibited transactions.

Certain Defined Terms

"Company Securities" means the Company's securities, including the Company's common stock, options to purchase common stock or any other type of securities that the Company may issue.

"Family Members" of a person means such person's spouse, family members who reside with an Insider, anyone else who lives in the person's household and any family members who do not live in the person's household but whose transactions in Company Securities are directed by the person or subject to the person's influence or control (such as parents or children who consult with the Insider before they trade in Company Securities).

"Material nonpublic information" means information that a reasonable investor would consider important in deciding to purchase, hold or sell securities that has not been disclosed generally to the investing public in a manner that complies with applicable securities law (such as by a press release or an SEC filing).

There is no bright line standard for assessing materiality; rather, materiality is based on an assessment of the facts and circumstances. Determining materiality can involve a relatively low threshold. Any information that could be expected to affect the Company's stock price, whether it is positive or negative, should be considered material. Material information is not limited to historical facts, but may also include projections, forecasts and potential or pending transactions or developments. The following are examples of the types of information that are particularly sensitive and should be treated as material:

- Projections of future earnings or losses, or other earnings guidance;
- Changes to previously announced earnings guidance, or the decision to suspend earnings guidance;
- Current or future sales or revenues;
- Earnings above or below the expectations of the investment community;
- A pending or proposed merger, acquisition or tender offer;
- A pending or proposed acquisition or disposition of a significant asset;
- A pending or proposed joint venture;
- A Company restructuring;
- The establishment of or a change in a repurchase program for Company Securities;
- Significant related party transactions;
- A change in dividend policy, the declaration of a stock split, or an offering of securities;
- A change in management;
- A change in auditors or notification that the auditor's reports may no longer be relied upon;
- Pending or threatened material litigation, or the resolution of such litigation;
- Pending or threatened regulatory actions;
- Development of a significant new product or process;
- Impending bankruptcy or the existence of severe liquidity problems;
- The gain or loss of a significant customer or supplier;
- Any occurrence that requires notice or a filing with the SEC;
- Significant cybersecurity incidents, including a cybersecurity breach; and
- The imposition of a ban on trading in Company stock or the securities of another company.

“Section 16 Insider” means each director of the Company, the Company's President/Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer (if a different person than the Chief Financial Officer), and each other officer of the Company designated by the Board of Directors as a Section 16 officer.

Additional Restrictions Applicable to Certain Insiders

Section 16 Insiders

The Section 16 Insiders must comply with the requirements of the Section 16 Compliance Program, set forth in Annex B hereto.

Restricted Insiders and Restricted Periods

There are certain periods during the year, including related to the close of fiscal quarters and quarterly earnings releases, when trading of Company Securities is closed to individuals on the Company's "closed trading list." The closed trading list shall include directors, Section 16 Insiders, and certain other employees as designated by the Administrator and the Chief Financial Officer. The individuals on the closed trading list, together with each of their Family Members, are referred to as "Restricted Insiders". There may also be periods when all Company personnel are designated as Restricted Insiders and are restricted from trading in Company Securities. The commencement of "closed trading" periods will be announced to the relevant personnel, generally by internal e-mail. The Restricted Insiders must not trade any Company Securities during any such closed trading period. Quarterly closed trading periods will typically begin after the market closes on the eleventh day before the end of the fiscal quarter and continue until the market closes on the day of the quarterly earnings call. The Chief Financial Officer is responsible for determining and setting closed trading periods.

Pre-Clearance and Advance Notification by Section 16 Insider and Certain Other Insiders

To provide assistance in meeting Section 16 reporting requirements, monitor insider and short-swing trading concerns, and avoid even the appearance of impropriety (which could result, for example, where an officer engages in a trade while unaware of a pending major development), the Company requires that Section 16 Insiders follow a pre-clearance and advance notification procedure set forth in Annex B. In addition, the Administrator may designate certain Restricted Insiders who are not Section 16 Insiders to also follow the pre-clearance and advance notification procedure before engaging in any transaction involving Company Securities.

Transactions not Subject to Trading Restrictions

Transactions under Company Plans

Restricted Stock Awards. This Policy does not apply to the vesting of restricted stock, or the exercise of a tax withholding right pursuant to which an Insider elects to have the Company withhold shares of stock to satisfy tax withholding requirements upon the vesting of any restricted stock. This Policy does apply, however, to any market sale of any restricted stock.

Stock Option Exercises. This Policy does not apply to the exercise of an employee stock option awarded under a Company plan, or to the exercise of a tax withholding right pursuant to which an Insider elects to have the Company withhold shares to satisfy tax withholding requirements. This Policy does apply, however, to any sale of stock as part of a broker-assisted exercise of an option, or any other market sale for the purpose of generating the cash needed to pay the exercise price of an option. In other words, an Insider may exercise an option at any time without having to worry about insider trading issues, but only if the Insider has the cash to pay the exercise price. A “cashless” exercise in which the broker immediately sells some of the shares to pay the exercise price would be subject to any closed trading periods and to this Policy.

401(k) Plan. This Policy does not apply to purchases of Company stock in the 401(k) plan resulting from an Insider’s periodic contribution of money to the plan pursuant to a payroll deduction election. This Policy does apply, however, to certain elections an Insider may make under the 401(k) plan, including (a) an election to increase or decrease periodic contributions that will be allocated to the Company stock fund, (b) an election to transfer an existing account balance into or out of the Company stock fund, (c) an election to borrow money against a 401(k) plan account if the loan will result in a liquidation of some or all of the Insider’s Company stock fund balance, and (d) an Insider’s election to pre-pay a plan loan if the prepayment will result in allocation of loan proceeds to the Company stock fund.

Employee Stock Purchase Plan. This Policy does not apply to purchases of Company Securities in the employee stock purchase plan resulting from an Insider’s periodic contribution of money to the plan pursuant to the election made at the time of enrollment in the plan. This Policy also does not apply to purchases of Company Securities resulting from lump sum contributions to the plan, provided that the Insider elected to participate by lump-sum payment at the beginning of the applicable enrollment period. This Policy does apply to an Insider’s election to participate in the plan for any enrollment period, and to an Insider’s sales of Company Securities purchased pursuant to the plan.

Dividend Reinvestment Plan. This Policy does not apply to purchases of Company Securities under the Company’s dividend reinvestment plan resulting from an Insider’s reinvestment of dividends paid on Company Securities. This Policy does apply, however, to voluntary purchases of Company Securities resulting from additional contributions an Insider chooses to make to the dividend reinvestment plan, and to an Insider’s election to participate in the plan or increase the level of participation in the plan. This

Policy also applies to an Insider's sale of any Company Securities purchased pursuant to the plan.

Other Similar Transactions. Other similar purchases of Company Securities from the Company or sales of Company Securities to the Company are not subject to this Policy.

Transactions Not Involving a Purchase or Sale

Bona fide gifts of Company Securities are not transactions subject to this Policy. However, whether a gift is truly "bona fide" will depend on the circumstances surrounding a specific gift. The more unrelated the recipient is to the donor, the more likely the gift would be considered "bona fide" and not a "transaction." For example, gifts to charities, churches or non-profit organizations would not be deemed to be "transactions." However, gifts to dependent children followed by a sale of the "gifted securities" in close proximity to the time of the gift may imply some economic benefit to the donor and, therefore, may be deemed to be a "transaction" and not a "bona fide gift."

Rule 10b5-1 Plans

Rule 10b5-1 under the Securities Exchange Act of 1934 (the "Exchange Act") provides a defense from insider trading liability under Rule 10b-5 if a plan is entered into that meets certain conditions specified in the Rule (a "Rule 10b5-1 Plan"). Any Rule 10b5-1 Plan must be approved by the Administrator. See Annex C for further information regarding Rule 10b5-1 Plans.

Consequences

The purchase or sale of stock or other securities of a company while aware of material nonpublic information of that company, or the disclosure of material nonpublic information to others who then trade, is prohibited by the federal securities laws. Insider trading violations are pursued vigorously by the U.S. Securities and Exchange Commission (the "SEC") and are punished severely. While the regulatory authorities concentrate their efforts on the individuals who trade, or who tip inside information to others who trade, the federal securities laws also can impose liability on companies and other "controlling persons" if they fail to take reasonable steps to prevent insider trading by company personnel.

Individuals who trade on insider information (or tip information to others) can be subject to the following penalties:

- A civil penalty of up to three times the profit gained or loss avoided;
- A criminal fine of up to \$5 million (no matter how small the profit); and
- A jail term of up to 20 years.

The Company and its officers and managers are also subject to severe penalties if they fail to take appropriate steps to prevent illegal insider trading.

The Company considers strict compliance with this Policy to be a matter of the highest importance. Violations of this Policy could cause embarrassment and legal liability to you and the Company. Violations of the letter or spirit of this Policy will be grounds for disciplinary actions, up to and including dismissal. A violation of law, or even an SEC investigation that does not result in prosecution, can tarnish your reputation and damage your career.

Miscellaneous

Applicability to Company

Except as pursuant to a Rule 10b5-1 Plan, the Company will not engage in transactions in Company Securities while aware of material nonpublic information relating to the Company or Company Securities.

Post-Termination Transaction

This Policy continues to apply to an Insider's transactions in Company Securities even after termination of employment. If an Insider is in possession of material nonpublic information when the Insider's employment terminates, that Insider may not trade in Company Securities until the information has become public or is no longer material.

Individual Responsibility

Persons subject to this Policy have ethical and legal obligations to maintain the confidentiality of information about the Company and not to engage in transactions in Company Securities while in possession of material nonpublic information. Each Insider is responsible for making sure that he or she complies with this Policy, and that any Family Member or entity whose transactions are subject to this Policy, also comply with this Policy. In all cases, the responsibility for determining whether an individual is in possession of material nonpublic information rests with that individual, and any action on the part of the Company, the Administrator or any other employee or director pursuant to this Policy (or otherwise) does not in any way constitute legal advice or insulate an individual from liability under applicable securities laws.

Administration of the Policy

The Company's General Counsel shall serve as the "Administrator" for the purposes of this Policy, and in the absence of the General Counsel, the Chief Financial Officer or another employee designated by the Administrator or the Board of Directors shall be responsible for administration of this Policy. All determinations and interpretations by the Administrator shall be final and not subject to further review. The Administrator may, as necessary, update the

terms of this Policy from time to time as required by changes or developments in law.

Confidentiality Generally

Company personnel should not discuss internal Company matters or developments with anyone outside the Company (including in an internet-based forum), whether or not for the purpose of trading, except as required and authorized in the performance of regular Company duties or in accordance with Company policy.

The Company must also avoid selective disclosure of material nonpublic information under Regulation FD of federal securities laws. The Company has established procedures for releasing information in a manner compliant with these securities laws as outlined in the Company's Communication Guidelines.

Questions

Anyone who has a question about this Policy or its application to any proposed transaction may seek additional guidance from the Administrator or the Chief Financial Officer.

Annex A: Prohibited Transactions

Below is further information on certain prohibited transactions. If you have any questions about any of these restrictions, please contact the Administrator.

Short Sales. Short sales of the Company's Securities may suggest that the seller believes that the securities will decline in value, and therefore have the potential to signal the market that the seller has no confidence in the Company or its short-term prospects. In addition, short sales may reduce the seller's incentive to seek to improve the Company's performance. For these reasons, short sales of the Company Securities are prohibited by this Policy. In addition, Section 16(c) of the Exchange Act prohibits Section 16 Insiders from engaging in short sales.

Publicly Traded Options. A transaction in options is, in effect, a bet on the short-term movement of the Company's stock and therefore creates the appearance that the Insider is trading based on inside information. Transactions in options also may focus the director's or employee's attention on short-term performance at the expense of the Company's long-term objectives. Accordingly, transactions in puts, calls or other derivative securities, on an exchange or in any other organized market, are prohibited by this Policy.

Hedging Transactions. Hedging or monetization transactions can be accomplished through several possible mechanisms, including through the use of financial instruments such as prepaid variable forwards, equity swaps, collars and exchange funds. Such hedging transactions may permit an Insider to continue to own Company Securities obtained through employee benefit plans or otherwise, but without the full risks and rewards of ownership. When that occurs, the Insider may no longer have the same objectives as the Company's other shareholders. Therefore, Insiders are prohibited from engaging in any such transactions.

Margin Accounts and Pledges. Stock held in a margin account may be sold by the broker without the customer's consent if the customer fails to meet a margin call. Similarly, stock pledged (or hypothecated) as collateral for a loan may be sold in foreclosure if the borrower defaults on the loan. Because a margin sale or foreclosure sale may occur at a time when the borrower is aware of material nonpublic information or otherwise is not permitted to trade in Company Securities, Insiders are prohibited from holding Company Securities in a margin account or pledging Company Securities as collateral for a loan. An exception may be granted where a person wishes to pledge Company Securities as collateral for a loan (not including margin debt) and clearly demonstrates the financial capacity to repay the loan without resorting to the pledged stock. Any person who wishes to pledge Company

Securities as collateral for a loan must submit a request for approval to the Administrator at least ten business days prior to the proposed pledge.

Standing and Limit Orders. Standing and limit orders (except standing and limit orders under approved Rule 10b5-1 Plans, as described below) create heightened risks for insider trading violations similar to the use of margin accounts. There is no control over the timing of purchases or sales that result from standing instructions to a broker, and as a result the broker could execute a transaction when a director, officer or other employee is in possession of material nonpublic information. The Company therefore discourages placing standing or limit orders on Company Securities. If a person subject to this Policy determines that they must use a standing order or limit order, the order duration should not exceed three business days.

Annex B: Section 16 Compliance Program

[OMITTED]

Annex C: Guidelines for Rule 10B-5-1 Plans

Rule 10b5-1 under the Exchange Act provides a defense from insider trading liability. In order to be eligible to rely on this defense, a person subject to the Company's Trading in Company Securities Policy (the "Policy") must enter into a Rule 10b5-1 plan for transactions in Company Securities (as defined in the Policy) that meets certain conditions specified in Rule 10b5-1 (a "Rule 10b5-1 Plan"). If the plan meets the requirements of Rule 10b5-1, Company Securities may be purchased or sold without regard to certain insider trading restrictions or closed trading periods. In general, a Rule 10b5-1 Plan must be adopted at a time when the person entering into the plan is not aware of material nonpublic information. Once the plan is adopted, the person must not exercise any influence over the amount of securities to be traded, the price at which they are to be traded or the date of the trade. The plan must either specify the amount, pricing and timing of transactions in advance or delegate discretion on these matters to an independent third party. Capitalized terms not defined herein shall have the meaning given such terms in the Trading in Company Securities Policy.

As specified in the Policy, a Rule 10b5-1 Plan must be approved by the Administrator and meet the requirements of Rule 10b5-1 and these guidelines. Any Rule 10b5-1 Plan must be submitted for approval one month prior to the entry into the Rule 10b5-1 Plan. No further pre-approval or clearance of transactions conducted pursuant to the Rule 10b5-1 Plan will be required, however Section 16 Insiders must provide notice of such transactions pursuant to the Section 16 Compliance Program, attached as Annex A to the Policy.

The following guidelines apply to all Rule 10b5-1 Plans:

- You may not enter into, modify, or terminate a trading program during a closed trading period or while in possession of material nonpublic information. Section 16 Insiders must make a representation in the trading plan certifying that they are not aware of material nonpublic information about the Company or its securities and that the trading plan is being adopted in good faith and not in an attempt to evade the prohibitions of Rule 10b5-1.
- All Rule 10b5-1 Plans must have a duration of at least 6 months and no more than 2 years.
- If a Rule 10b5-1 Plan is terminated, you must wait at least 30 days before trading outside of the Rule 10b5-1 Plan (and you are still subject to the other restrictions in the Trading in Company Securities Policy).
- If you are a Section 16 Insider, you may not commence sales under a trading program (or a modification of an existing trading program) until

the later of (a) 90 days after the adoption (or modification) of the trading program, or (b) two business days after the disclosure of the Company's financial results in Form 10-Q or 10-K for the fiscal quarter in which the trading program was adopted (or modified); but, notwithstanding the foregoing, this delayed period need not extend beyond 120 days after the adoption of the trading program. If you are not a Section 16 Insider, you may not commence sales under a trading program until at least 30 days following the date of establishment of a trading program, and any modification of a trading program must not take effect for at least 30 days from the date of modification.

- You may not enter into any transaction in Company Securities while the Rule 10b5-1 Plan is in effect other than subject to the Rule 10b5-1 Plan.
- You may only have a single Rule 10b5-1 Plan in place at one time.

Each Section 16 Insider also must include in a Rule 10b5-1 Plan a closed trading window for the five trading days before and one trading day after the release of quarterly earnings to avoid disclosure of trades during this period around the Company's announcement of quarterly earnings.

Each Section 16 Insider understands that the approval or adoption of a pre-planned selling program in no way reduces or eliminates such person's obligations under Section 16 of the Exchange Act, including such person's disclosure and short-swing trading liabilities thereunder. If any questions arise, such person should consult with their own counsel in implementing a Rule 10b5-1 Plan.

None of the requirements or plan terms currently contemplated by these guidelines are exhaustive or limiting on the Company. The Company has the right to require the inclusion of additional provisions in a Rule 10b5-1 Plan, whether before or after the plan has been approved by the Administrator.

EXHIBIT 21.1

Jack Henry & Associates, Inc. Subsidiaries

Name	State/Country of Incorporation
Goldleaf Insurance, LLC	Tennessee
JHA Payment Solutions, Inc.	Washington
Towne Services, Inc.	Georgia
iPay Technologies, LLC	Kentucky
Profitstars, LLC	Missouri
JHA Money Center, Inc.	Missouri
Payrailz, LLC	Delaware

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-208234, 333-214631 and 333-220169) of Jack Henry & Associates, Inc. of our report dated August 26, 2024 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
Kansas City, Missouri
August 26, 2024

CERTIFICATION

I, Gregory R. Adelson, certify that:

1. I have reviewed this annual report on Form 10-K of Jack Henry & Associates, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter, (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 26, 2024

/s/ Gregory R. Adelson
Gregory R. Adelson
Chief Executive Officer

CERTIFICATION

I, Mimi L. Carsley, certify that:

1. I have reviewed this annual report on Form 10-K of Jack Henry & Associates, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter, (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 26, 2024

/s/ Mimi L. Carsley
Mimi L. Carsley
Chief Financial Officer

Certification of the Chief Executive Officer
Pursuant to 18 U.S.C. Section 1350

Solely for the purposes of complying with 18 U.S.C. Section 1350, I, the undersigned Chief Executive Officer of Jack Henry & Associates, Inc. (the "Company"), hereby certify that, to my knowledge, the Annual Report on Form 10-K of the Company for the fiscal year ended June 30, 2024 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 26, 2024

*/s/ Gregory R. Adelson
Gregory R. Adelson
Chief Executive Officer

*A signed original of this written statement required by Section 906 has been provided to Jack Henry & Associates, Inc. and will be retained by Jack Henry & Associates, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

Certification of the Chief Financial Officer
Pursuant to 18 U.S.C. Section 1350

Solely for the purposes of complying with 18 U.S.C. Section 1350, I, the undersigned Chief Financial Officer of Jack Henry & Associates, Inc. (the "Company"), hereby certify that, to my knowledge, the Annual Report on Form 10-K of the Company for the fiscal year ended June 30, 2024 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 26, 2024

*/s/ Mimi L. Carsley
Mimi L. Carsley
Chief Financial Officer

*A signed original of this written statement required by Section 906 has been provided to Jack Henry & Associates, Inc. and will be retained by Jack Henry & Associates, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Jack Henry & Associates, Inc.
Executive Compensation Clawback Policy

(Adopted Effective November 13, 2023)

The Human Capital & Compensation Committee (the "Committee") of the Board of Directors (the "Board") of Jack Henry & Associates, Inc. (the "Company") and such term as used herein shall include all of the Company's subsidiaries) has adopted this Executive Compensation Clawback Policy (the "Policy") to describe the circumstances in which Executive Officers will be required to repay or return Erroneously Awarded Compensation to the Company.

ARTICLE I.
DEFINITIONS

"Accounting Restatement" means an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

"Applicable Law" means Section 10D of the Exchange Act, and any rules or regulations promulgated by the SEC pursuant thereto, or any rules promulgated pursuant to such provision of the Exchange Act or the aforementioned rules promulgated by the SEC by Nasdaq.

"Board" has the meaning set forth in the preamble.

"Clawback Eligible Incentive Compensation" means, in connection with an Accounting Restatement and with respect to each individual who served as an Executive Officer at any time during the applicable performance period for any Incentive-based Compensation (whether or not such Executive Officer is serving at the time the Erroneously Awarded Compensation is required to be repaid to the Company), all Incentive-based Compensation Received by such Executive Officer (i) on or after the Nasdaq Effective Date, (ii) after beginning service as an Executive Officer, (iii) while the Company has a class of securities listed on a national securities exchange or a national securities association, and (iv) during the applicable Clawback Period.

"Clawback Period" means, with respect to any Accounting Restatement, the three completed fiscal years of the Company immediately preceding the Measurement Date and any transition period (that results from a change in the Company's fiscal year) within or immediately following those three completed fiscal years. For purposes of this Policy, a transition period between the last day of the Company's previous fiscal year end and the first day of its new fiscal year that comprises a period of nine to twelve months will be deemed a completed fiscal year.

"Committee" has the meaning set forth in the preamble.

"Company" has the meaning set forth in the preamble.

"Erroneously Awarded Compensation" means, with respect to each Executive Officer in connection with an Accounting Restatement, the amount of Clawback Eligible Incentive Compensation that exceeds the amount of Incentive-based Compensation that otherwise would have been Received had it been determined based on the restated amounts, computed without regard to any taxes paid.

"Exchange Act" means the Securities Exchange Act of 1934, as amended,

"Executive Officer" means any officer as defined in Rule 10D-1(d) (or any successor provision thereof) under the Exchange Act. Subsequent changes in an Executive Officer's employment status, including retirement or termination of employment, do not affect the Company's rights to recover Erroneously Awarded Compensation pursuant to this Policy.

"Financial Reporting Measure" means any measure that is determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any other measure that is derived wholly or in part from such measure. For the avoidance of doubt, a Financial Reporting Measure need not be presented in the Company's financial statements or included in a filing with the SEC. Stock price and total shareholder return (and any measure that is derived wholly or in part from stock price or total shareholder return) shall for purposes of this Policy be considered a Financial Reporting Measure.

"Incentive-based Compensation" means any compensation that is granted, earned or vested based wholly or in part upon the attainment of a Financial Reporting Measure.

Examples of Incentive-based Compensation may include any of the following:

- non-equity incentive plan awards that are earned based wholly or in part on the attainment of a Financial Reporting Measure;
- bonuses paid from a bonus pool, the size of which pool is determined based wholly or in part on the attainment of a Financial Reporting Measure;
- other cash awards based on the attainment of a Financial Reporting Measure;
- restricted stock, Restricted stock units, performance shares, performance share units, stock options and stock appreciation rights that are granted or become vested based wholly or in part on the attainment of a Financial Reporting Measure; and
- proceeds received upon the sale of shares acquired through an incentive plan that were granted or vested based wholly or in part on the attainment of a Financial Reporting Measure.

Examples of compensation that does not constitute Incentive-based Compensation may include the following:

- salaries;

- bonuses paid solely at the discretion of the Committee or the Board (other than bonuses paid from a bonus pool that is determined based on the attainment of one or more Financial Reporting Measures);
- bonuses paid solely upon satisfying one or more subjective standards (e.g., demonstrated leadership) and/or the completion of a specified period of employment; and
- non-equity incentive plan awards earned solely upon satisfying one or more strategic measures or operational measures (e.g., completion of a project).

"Measurement Date" means the earlier to occur of (i) the date the Board, a committee of the Board or the officer or officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement, or (ii) the date a court, regulator or other legally authorized body directs the Company to prepare an Accounting Restatement.

"Nasdaq" means Nasdaq Global Select Market.

"Nasdaq Effective Date" is October 2, 2023.

"Received" means, with respect to any Incentive-based Compensation, actual or deemed receipt, and Incentive-based Compensation shall be deemed received in the Company's fiscal period during which the Financial Reporting Measure specified in the Incentive-based Compensation award is attained, even if payment or grant of the Incentive-based Compensation occurs after the end of that period.

"Policy" has the meaning set forth in the preamble.

"SEC" means the United States Securities and Exchange Commission.

"Shares" means shares of the Company's common stock.

**ARTICLE II.
MANDATORY RECOUPMENT OF EXECUTIVE OFFICER
INCENTIVE COMPENSATION**

In the event the Company is required to prepare an Accounting Restatement, the Company shall, in accordance with the terms of this Policy, require reimbursement of Erroneously Awarded Compensation from each Executive Officer who, at any time during the applicable Clawback Period, Received Clawback Eligible Incentive Compensation.

**ARTICLE III.
RECOUPMENT AMOUNT AND PROCEDURES**

Section 3.01. In the event that the Company is required to prepare an Accounting Restatement, (i) the Committee shall reasonably promptly determine the amount of any Erroneously Awarded

Compensation for each applicable Executive Officer in connection with such Accounting Restatement, and (ii) the Company will require the reasonably prompt recoupment of such Erroneously Awarded Compensation from any such applicable Executive Officer, and any such applicable Executive Officer shall surrender such Erroneously Awarded Compensation to the Company, at such time(s), and via such method(s), as determined by the Committee in accordance with the terms of this Policy.

Section 3.02. For Incentive-based Compensation based on stock price or total shareholder return, where the amount of Erroneously Awarded Compensation Received by an Executive Officer is not subject to mathematical recalculation directly from the information in the applicable Accounting Restatement, the Committee shall determine such amount based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total shareholder return upon which the Incentive-based Compensation was Received, and the Company shall maintain documentation of any such estimate and provide such documentation to Nasdaq.

Section 3.03. Any Erroneously Awarded Compensation required to be recovered by the Company shall be reimbursed or returned to the Company. Except as otherwise required by the Applicable Law, the Committee will determine, in its sole discretion, the method and timing for obtaining reimbursement or return of payments made, which may include, but is not limited to:

- (a) Cancelling and requiring the forfeiture of any Shares or any portion thereof issued in connection with an equity award constituting Incentive-based Compensation;
- (b) Cancelling and requiring the forfeiture of any outstanding grant or award or portion thereof, whether relating to Shares or cash, constituting Incentive-based Compensation;
- (c) offsetting the Erroneously Awarded Compensation from any compensation owed by the Company to the affected Executive Officer (including, without limitation, amounts payable under a deferred compensation plan at such time as is permitted by Section 409A of the Internal Revenue Code of 1986, as amended);
- (d) reducing or eliminating future salary increases, cash incentive awards or equity awards; or
- (e) requiring the Executive Officer to pay the Erroneously Awarded Compensation to the Company upon the Company's written demand for such payment.

Section 3.04. The applicable Executive Officer shall be required to reimburse the Company for any and all expenses reasonably incurred (including legal fees) by the Company in recovering such Erroneously Awarded Compensation in accordance with the terms of this Policy.

Section 3.05. Notwithstanding anything herein to the contrary, the Company shall not be required to take the actions contemplated by this Article III if the following conditions are met and the Committee determines that recovery would be impracticable:

(a) the direct expenses paid to a third party to assist in enforcing this Policy against an Executive Officer would exceed the amount to be recovered, after the Company has made a reasonable attempt to recover the applicable Erroneously Awarded Compensation, documented such reasonable attempts and provided such documentation to Nasdaq;

(b) recovery would violate home country law where that law was adopted prior to November 28, 2022, provided that, before determining that it would be impracticable to recover any amount of Erroneously Awarded Compensation based on violation of home country law, the Company has obtained an opinion of home country counsel, acceptable to Nasdaq, that recovery would result in such a violation and a copy of the opinion has been provided to Nasdaq; or

(c) recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of Items 401(a)(13) or 411(a) under Regulation S-K and regulations thereunder.

Section 3.06. The withholding of any cash by the Company, or reimbursement by an Executive Officer shall be deemed to be a correction and adjustment of the cash amount to which the Executive Officer is entitled under the circumstances and shall not constitute a penalty or withholding by the Company of any wages or amounts to which the Executive Officer was in fact entitled to receive or had earned.

ARTICLE IV. ADMINISTRATION

The Policy is to be administered by the Committee. The Committee is authorized to interpret and implement this Policy and any provisions referenced in Section 5.01 below and to make all determinations necessary, appropriate, or advisable for the administration of this Policy. Decisions of the Committee with respect to this Policy shall be final, conclusive and binding on all Executive Officers, unless determined to be an abuse of discretion. Notwithstanding the foregoing, it is intended that this Policy be interpreted in a manner that is consistent with the requirements of Applicable Law, and, to the extent this Policy is in any manner deemed inconsistent with such rules or standards, this Policy shall be treated as retroactively amended to be compliant with Applicable Law. Except as otherwise required by applicable legal requirements or the rules and requirements of Nasdaq, any determinations of the Committee hereunder need not be uniform with respect to one or more Executive Officers.

**ARTICLE V.
MISCELLANEOUS**

Section 5.01. The Committee intends that this Policy will apply to all Incentive-based Compensation irrespective of whether any applicable award, plan, program, arrangement or agreement specifically addresses this Policy or the recoupment requirements herein.

Section 5.02. This Policy is a supplement to any other clawback policies in effect now or in the future at the Company. To the extent this Policy applies to compensation payable to an Executive Officer, it shall be the only clawback policy applicable to such compensation and no other clawback policy shall apply; provided that, if such other policy provides that a greater amount of such compensation shall be subject to clawback, such other policy shall apply to the amount in excess of the amount subject to clawback under this Policy. Nothing contained in this Policy, and no recoupment or recovery as contemplated by this Policy, shall limit any claims, damages or other legal remedies the Company or any of its affiliates may have against an Executive Officer arising out of or resulting from any actions or omissions by the Executive Officer.

Section 5.03. This Policy will supersede any provisions in (x) any agreement, plan or other arrangement applicable to the Company, and (y) any organizational documents of the Company that, in any such case, (a) exempt any Incentive-based Compensation from the application of this Policy, (b) waive or otherwise prohibit or restricts the Company's right to recover any Erroneously Awarded Compensation, including, without limitation, in connection with exercising any right of setoff as provided herein, and/or (c) require or provide for indemnification to the extent that such indemnification is prohibited under Section 5.08.

Section 5.04. The Committee intends that this Policy will be applied to the fullest extent of the law. The Committee may require that, as a condition to the grant of any benefit under any employment agreement, equity award agreement, or any other agreement entered into on or after the Effective Date ("**Compensation Agreement**"), an Executive Officer must agree to abide by the terms of this Policy. Any such Compensation Agreement may be unilaterally amended by the Company to comply with this Policy.

Section 5.05. The Committee may modify this Policy at any time, including as and when it determines that it is legally required by, and to the extent not otherwise prohibited under, Applicable Law; any such modification(s) may be applied prospectively or retroactively, as determined by the Committee. The Committee may terminate this Policy at any time. Notwithstanding anything in this Section 5.05 to the contrary, no amendment or termination of this Policy shall be effective if such amendment or termination would (after taking into account any actions taken by the Company contemporaneously with such amendment or termination) cause the Company to violate any federal securities laws, SEC rule or the rules of Nasdaq.

Section 5.06. Any failure by the Company to assert its rights pursuant to this Policy shall not waive, or operate to waive, the Company's right to later assert its rights pursuant to this Policy with respect to other or subsequent Incentive-based Compensation.

Section 5.07. The Company shall file all disclosures with respect to this Policy in accordance with the requirements of the federal securities laws, including the disclosure required by the applicable SEC filings.

Section 5.08. The Company shall not be permitted to indemnify any Executive Officer or former Executive Officer against (i) the loss of any Erroneously Awarded Compensation that is repaid, returned or recovered pursuant to the terms of this Policy, or (ii) any claims relating to the Company's enforcement of its rights under this Policy. Further, the Company shall not enter into any agreement that exempts any Incentive-based Compensation from the application of this Policy or that waives the Company's right to recovery of any Erroneously Awarded Compensation and this Policy shall supersede any such agreement (whether entered into before, on or after the Nasdaq Effective Date).

Section 5.09. This Policy shall be binding and enforceable against all Executive Officers and their beneficiaries, heirs, executors, administrators or other legal representatives. Each Executive Officer shall be required to sign and return to the Company an Acknowledgment Form to this Policy substantially in the form attached hereto as Exhibit A pursuant to which such Executive Officer will agree to be bound by the terms and comply with this Policy.

Section 5.10. The provisions of this Policy are intended to be applied to the fullest extent of the law. To the extent that any provision of this Policy is found to be unenforceable or invalid under any applicable law, such provision shall be applied to the maximum extent permitted, and shall automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to any limitations required under applicable law.

Section 5.11. Except to the extent preempted by federal law, the laws of the State of Delaware, as amended from time to time, shall govern the construction and application of this Policy. Words used in the singular shall include the plural, as appropriate. The words "herein," "hereunder," and other similar compounds of the word "here" shall refer to this entire Policy, not to a particular section. Any mention of "Sections", unless stated specifically to the contrary, refers to a section in this Policy. All references to statutory sections shall include the section so identified, as amended from time to time, or any other statute of similar import and all applicable rule and regulations promulgated thereunder.

Exhibit A

**JACK HENRY & ASSOCIATES, INC.
EXECUTIVE COMPENSATION CLAWBACK POLICY**

ACKNOWLEDGEMENT FORM

By signing below, the undersigned acknowledges and confirms that the undersigned has received and reviewed a copy of the Jack Henry & Associates, Inc. Executive Compensation Clawback Policy (the “**Policy**”). Capitalized terms used but not otherwise defined in this Acknowledgement Form (this “**Acknowledgement Form**”) shall have the meanings ascribed to such terms in the Policy.

By signing this Acknowledgement Form, the undersigned acknowledges and agrees that the undersigned is and will continue to be subject to the Policy and that the Policy will apply both during and after the undersigned’s employment with the Company. Further, by signing below, the undersigned agrees to abide by the terms of the Policy, including, without limitation, by returning any Erroneously Awarded Compensation (as defined in the Policy) to the Company to the extent required by, and in a manner permitted by, the Policy. The undersigned acknowledges and agrees that any Erroneously Awarded Compensation shall be computed, and must be repaid or returned by the undersigned, without regard to any taxes previously paid by the undersigned and that undersigned may not be able to amend his or her prior year tax returns, or claim a current year tax deduction, as a result of the return or repayment of any Erroneously Awarded Compensation.

By signing below, the undersigned acknowledges and confirms that the undersigned has received and reviewed a copy of the Jack Henry & Associates, Inc. Executive Compensation Recoupment Policy (the “**Original Policy**”). By signing this Acknowledgement Form, the undersigned acknowledges and agrees that the undersigned is and will continue to be subject to the Original Policy and that the Original Policy will apply both during and after the undersigned’s employment with the Company. Further, by signing below, the undersigned agrees to abide by the terms of the Original Policy, including, without limitation, by returning any portion of Incentive Compensation (as defined in the Original Policy) based on erroneous financial data to the Company to the extent required by, and in a manner permitted by, the Original Policy.

Signature

Name

Date