

**FAIR ISAAC CORPORATION**  
**Supplemental Non-GAAP Financial Measures**  
(In thousands except per share data)  
(Unaudited)

The following is a reconciliation of the company's GAAP to Non-GAAP item:

	Three Months Ended December 31, 2017		Three Months Ended March 31, 2018		Three Months Ended June 30, 2018		Three Months Ended September 30, 2018	
	Adjusted for ASC 606	Previously Reported	Adjusted for ASC 606	Previously Reported	Adjusted for ASC 606	Previously Reported	Adjusted for ASC 606	Previously Reported
<b>Operating Income</b>								
Operating income, as reported	\$ 36,825	\$ 39,904	\$ 46,439	\$ 48,079	\$ 44,537	\$ 48,376	\$ 47,558	\$ 70,078
Amortization of intangible assets	1,788	1,788	1,684	1,684	1,571	1,571	1,551	1,551
Stock-based compensation expense	16,510	16,510	19,238	19,238	18,882	18,882	20,183	20,183
Non-GAAP operating income (segment operating income)	\$ 55,123	\$ 58,202	\$ 67,361	\$ 69,001	\$ 64,990	\$ 68,829	\$ 69,292	\$ 91,812
Revenues	\$ 232,361	\$ 235,321	\$ 256,260	\$ 257,858	\$ 254,993	\$ 259,505	\$ 256,532	\$ 279,790
Non-GAAP operating margin	24%	25%	26%	27%	25%	27%	27%	33%
<b>Net Income</b>								
Net income, as reported	32,879	27,299	31,169	32,275	29,721	32,361	32,713	50,480
Amortization of intangible assets	1,788	1,788	1,684	1,684	1,571	1,571	1,551	1,551
Stock-based compensation expense	16,510	16,510	19,238	19,238	18,882	18,882	20,183	20,183
Realized gain on cost-method investment	-	-	-	-	-	-	(10,000)	(10,000)
Income tax adjustments	(4,703)	(4,696)	(5,141)	(5,177)	(5,450)	(5,484)	(3,654)	(3,503)
Excess tax benefit	(11,511)	(11,511)	(1,551)	(1,551)	(1,635)	(1,635)	(7,556)	(7,556)
Tax Cuts and Jobs Act	3,836	11,755	1,634	1,665	1,436	1,420	7,848	6,774
Non-GAAP net income	\$ 38,799	\$ 41,145	\$ 47,033	\$ 48,134	\$ 44,525	\$ 47,115	\$ 41,085	\$ 57,929
Revenues	\$ 232,361	\$ 235,321	\$ 256,260	\$ 257,858	\$ 254,993	\$ 259,505	\$ 256,532	\$ 279,790
Non-GAAP net margin	17%	17%	18%	19%	17%	18%	16%	21%
<b>Diluted Earnings per Share</b>								
Diluted earnings per share, as reported	\$ 1.04	\$ 0.86	\$ 1.00	\$ 1.03	\$ 0.95	\$ 1.04	\$ 1.07	\$ 1.64
Amortization of intangible assets	0.06	0.06	0.05	0.05	0.05	0.05	0.05	0.05
Stock-based compensation expense	0.52	0.52	0.61	0.61	0.61	0.61	0.66	0.66
Realized gain on cost-method investment	-	-	-	-	-	-	(0.33)	(0.33)
Income tax adjustments	(0.15)	(0.15)	(0.16)	(0.17)	(0.17)	(0.18)	(0.12)	(0.11)
Excess tax benefit	(0.36)	(0.36)	(0.05)	(0.05)	(0.05)	(0.05)	(0.25)	(0.25)
Tax Cuts and Jobs Act	0.12	0.37	0.05	0.05	0.05	0.05	0.26	0.22
Non-GAAP diluted earnings per share	\$ 1.23	\$ 1.30	\$ 1.50	\$ 1.54	\$ 1.43	\$ 1.51	\$ 1.34	\$ 1.89
<b>Reconciliation to Adjusted EBITDA</b>								
Net income, as reported	\$ 32,879	\$ 27,299	\$ 31,169	\$ 32,275	\$ 29,721	\$ 32,361	\$ 32,713	\$ 50,480
Interest expense, net	6,460	6,460	7,116	7,116	8,223	8,223	9,512	9,512
Provision for income taxes	(2,001)	6,658	7,993	8,527	8,181	9,380	16,277	21,030
Other expense (income), net	(513)	(513)	161	161	(1,588)	(1,588)	(10,944)	(10,944)
Amortization of intangible assets	1,788	1,788	1,684	1,684	1,571	1,571	1,551	1,551
Depreciation	5,794	5,794	5,510	5,510	5,348	5,348	5,981	5,981
Stock-based compensation expense	16,510	16,510	19,238	19,238	18,882	18,882	20,183	20,183
Adjusted EBITDA	\$ 60,917	\$ 63,996	\$ 72,871	\$ 74,511	\$ 70,338	\$ 74,177	\$ 75,273	\$ 97,793
Revenues	\$ 232,361	\$ 235,321	\$ 256,260	\$ 257,858	\$ 254,993	\$ 259,505	\$ 256,532	\$ 279,790
Adjusted EBITDA as a percent of revenue:	26%	27%	28%	29%	28%	29%	29%	35%
<b>Reconciliation To Free Cash Flow</b>								
Net cash provided by operating activities	\$ 28,777	\$ 28,777	\$ 49,233	\$ 49,233	\$ 85,079	\$ 85,079	\$ 59,963	\$ 59,963
Reduced by cash flow items:								
Capital expenditures	4,044	4,044	7,067	7,067	13,109	13,109	7,079	7,079
Dividends paid	-	-	-	-	-	-	-	-
Free cash flow	\$ 24,733	\$ 24,733	\$ 42,166	\$ 42,166	\$ 71,970	\$ 71,970	\$ 52,884	\$ 52,884
Revenues	\$ 232,361	\$ 235,321	\$ 256,260	\$ 257,858	\$ 254,993	\$ 259,505	\$ 256,532	\$ 279,790
Free cash flow as a percent of revenue	11%	11%	16%	16%	28%	28%	21%	19%

Note: The numbers may not sum to total due to rounding

Adjusted results reflect the adoption of ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606), which we adopted on October 1, 201