



# Fair Isaac Corporation

## Q1 22 Financial Highlights

December 31, 2021

## Q1 2022 FINANCIAL HIGHLIGHTS

Metric (in millions, except for EPS and Margins)	Q1 21	Q4 21	Q1 22	% Q/Q	% Y/Y
Scores Revenue	\$144.6	\$168.6	\$169.5	1%	17%
Software Revenue	\$167.8	\$166.0	\$152.9	-8%	-9%
Total Revenue as Reported	\$312.4	334.6	\$322.4	-4%	3%
Software Revenue Divested	\$17.2	\$0.0	\$0.0	N/A	N/A
Software Revenue ex. Divestitures*	\$150.6	\$166.0	\$152.9	-8%	2%
Total Revenue ex. Divestitures*	\$295.2	\$334.6	\$322.4	-4%	9%
Software ARR*	\$495.0	\$524.0	\$546.6	4%	10%
Software ACV Bookings*	\$12.1	\$25.8	\$16.6	-36%	37%
Non-GAAP Op. Margin**	36%	45%	45%	0%	25%
Non-GAAP Net Margin**	26%	33%	32%	-3%	23%
Non-GAAP Diluted EPS**	2.74	3.92	3.70	-6%	35%
Adjusted EBITDA**	\$119.0	\$156.5	\$150.1	-4%	26%

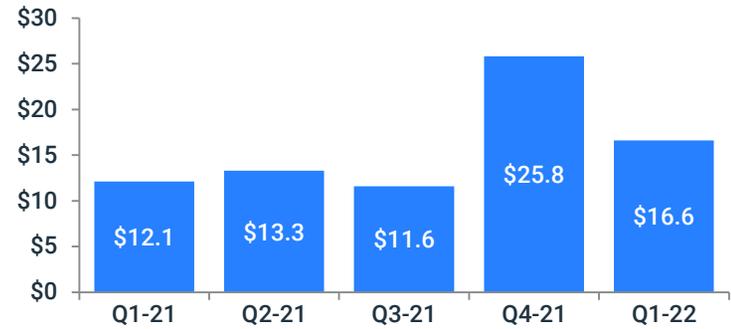
\* Adjusted to reflect FY21 divestitures

# KEY OPERATING RESULTS

Revenues \*



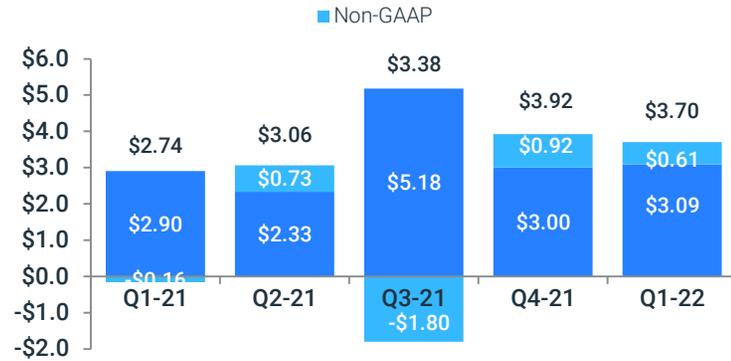
ACV Bookings \*



Adjusted EBITDA

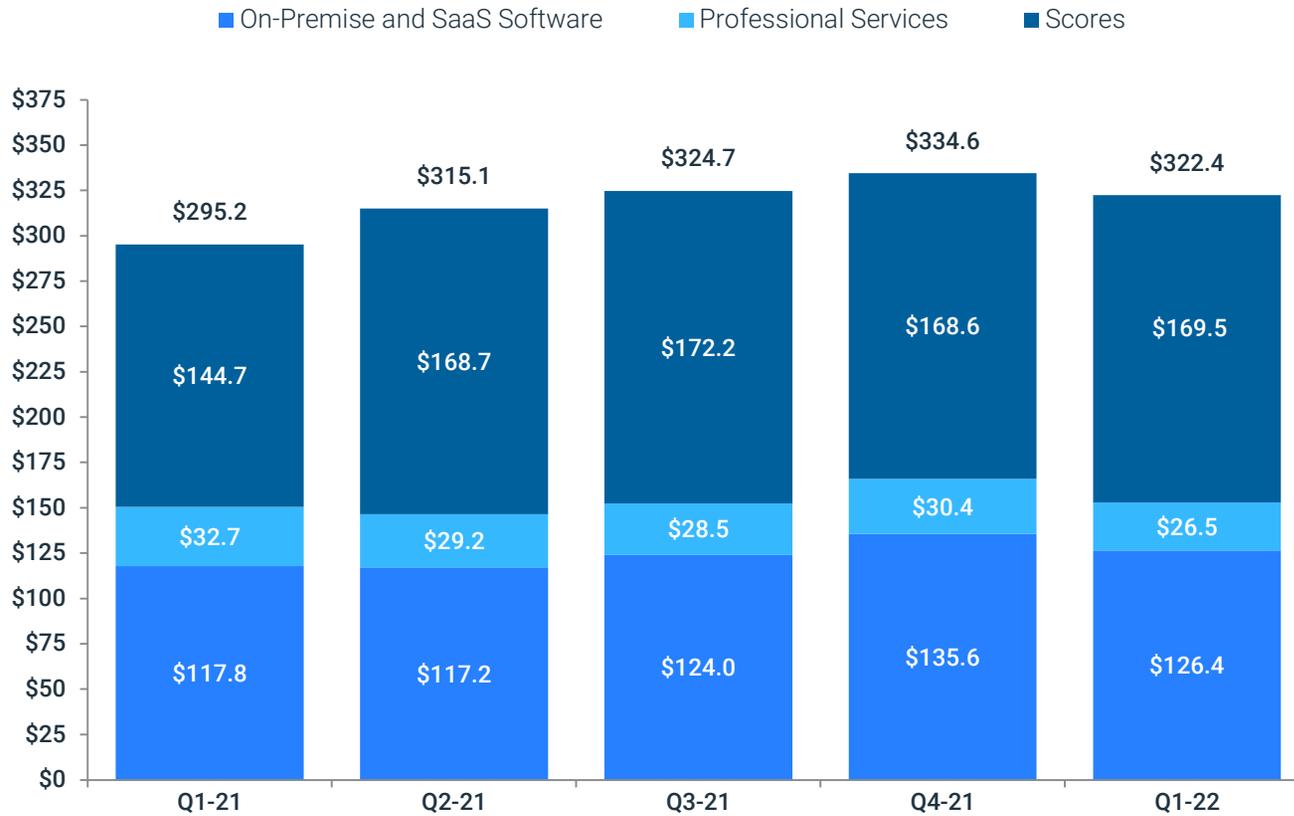


GAAP EPS

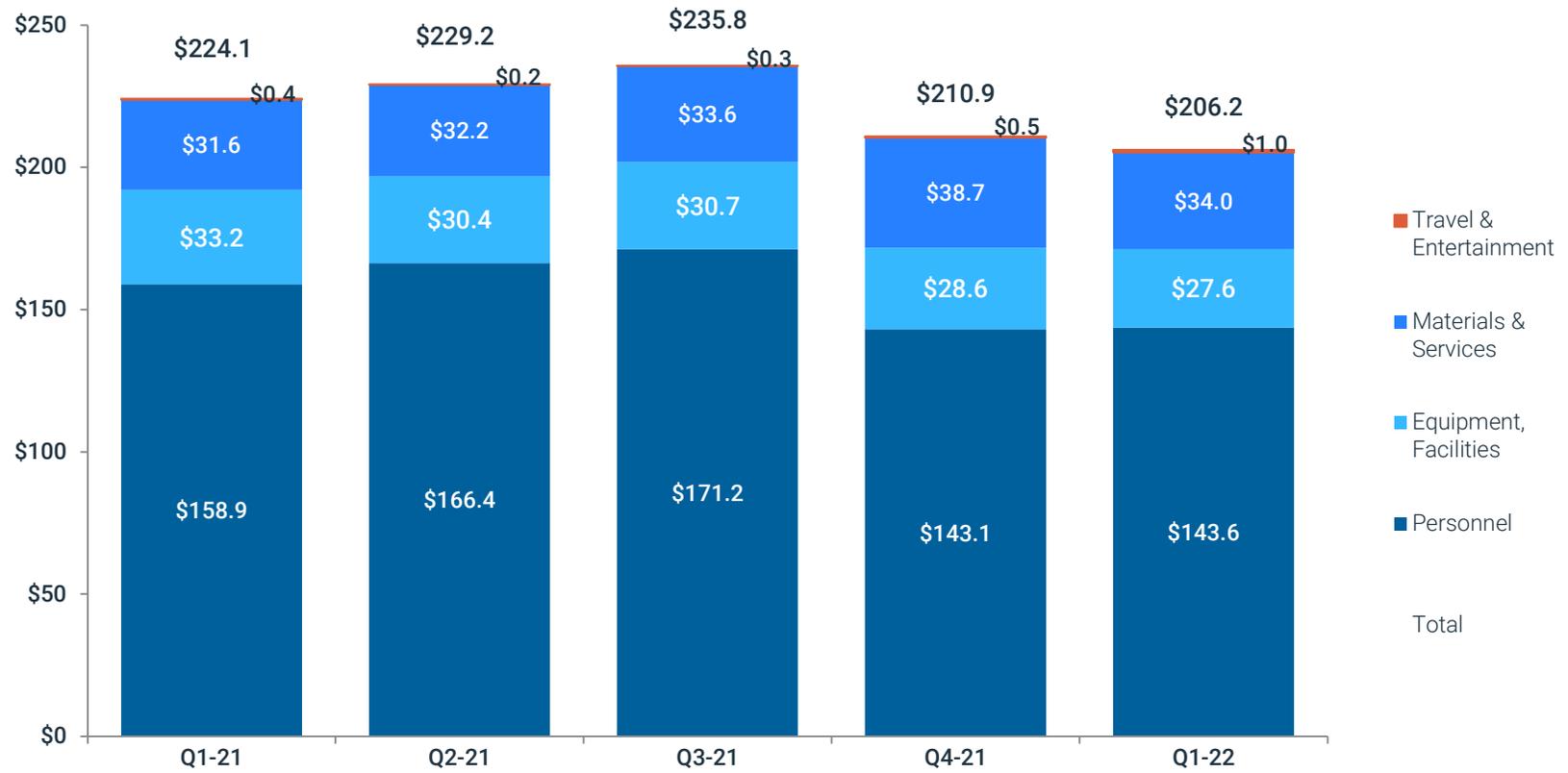


\* Revenues and ACV Bookings were adjusted to reflect FY21 divestitures

# REVENUE TYPE MIX – Excluding Divestitures



# EXPENSE REVIEW



## SCORES HIGHLIGHTS

Total Scores revenues up 17% vs. Q1 21

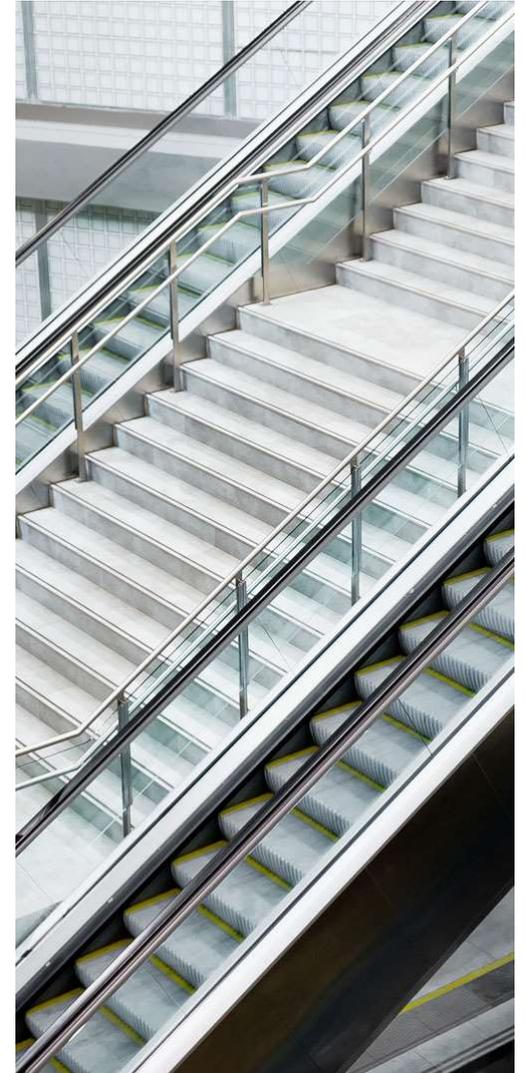
B2B revenue up 13% vs. Q1 21

B2C revenue up 27% vs. Q1 21

Mortgage Originations revenues down 17% vs. Q1 21

Auto Originations revenues up 27% vs. Q1 21

Card and Personal Loan Originations revenues up 39% vs. Q1 21



## SOFTWARE ARR – Excluding Divestitures

	As of							
	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021
<b>ARR</b>	(In millions)							
<b>Platform</b>	\$ 41.1	\$ 43.8	\$ 47.7	\$ 55.1	\$ 60.2	\$ 67.7	\$ 75.2	\$ 92.2
<b>Non-Platform</b>	450.3	438.5	443.6	439.9	437.1	445.9	448.8	454.4
<b>Total</b>	\$ 491.4	\$ 482.3	\$ 491.3	\$ 495.0	\$ 497.3	\$ 513.6	\$ 524.0	\$ 546.6
<b>Percentage</b>								
<b>Platform</b>	8%	9%	10%	11%	12%	13%	14%	17%
<b>Non-Platform</b>	92%	91%	90%	89%	88%	87%	86%	83%
<b>Total</b>	100%	100%	100%	100%	100%	100%	100%	100%
<b>YoY Change</b>								
<b>Platform</b>	48%	44%	45%	38%	47%	54%	58%	67%
<b>Non-Platform</b>	5%	-3%	-2%	-2%	-3%	2%	1%	3%
<b>Total</b>	7%	0%	1%	2%	1%	7%	7%	10%

ARR is defined as annualized revenue run-rate of on-premises and SaaS software agreements within a quarterly reporting period, and as such is different from the timing and amount of revenue recognized. All components of the licensing and subscription arrangements that are not expected to recur (primarily perpetual licenses) are excluded. If a customer contract contains invoicing amounts that increase over the contract term, then ARR reflects the annualized invoicing amount outlined in the contract for the current reporting period. We calculate ARR as the quarterly recurring revenue multiplied by four.

Platform software is defined as products that can run on our platform today using shared platform capabilities without the need for any custom integrations or modifications (other than what is normally required for products on the platform today).

## SOFTWARE DBNRR – Excluding Divestitures

	Three Months Ended							
	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021
<i>DBNRR</i>								
<b>Platform</b>	112%	108%	116%	123%	130%	137%	143%	143%
<b>Non-Platform</b>	103%	95%	96%	97%	96%	100%	100%	102%
<b>Total</b>	105%	98%	99%	100%	100%	105%	106%	109%

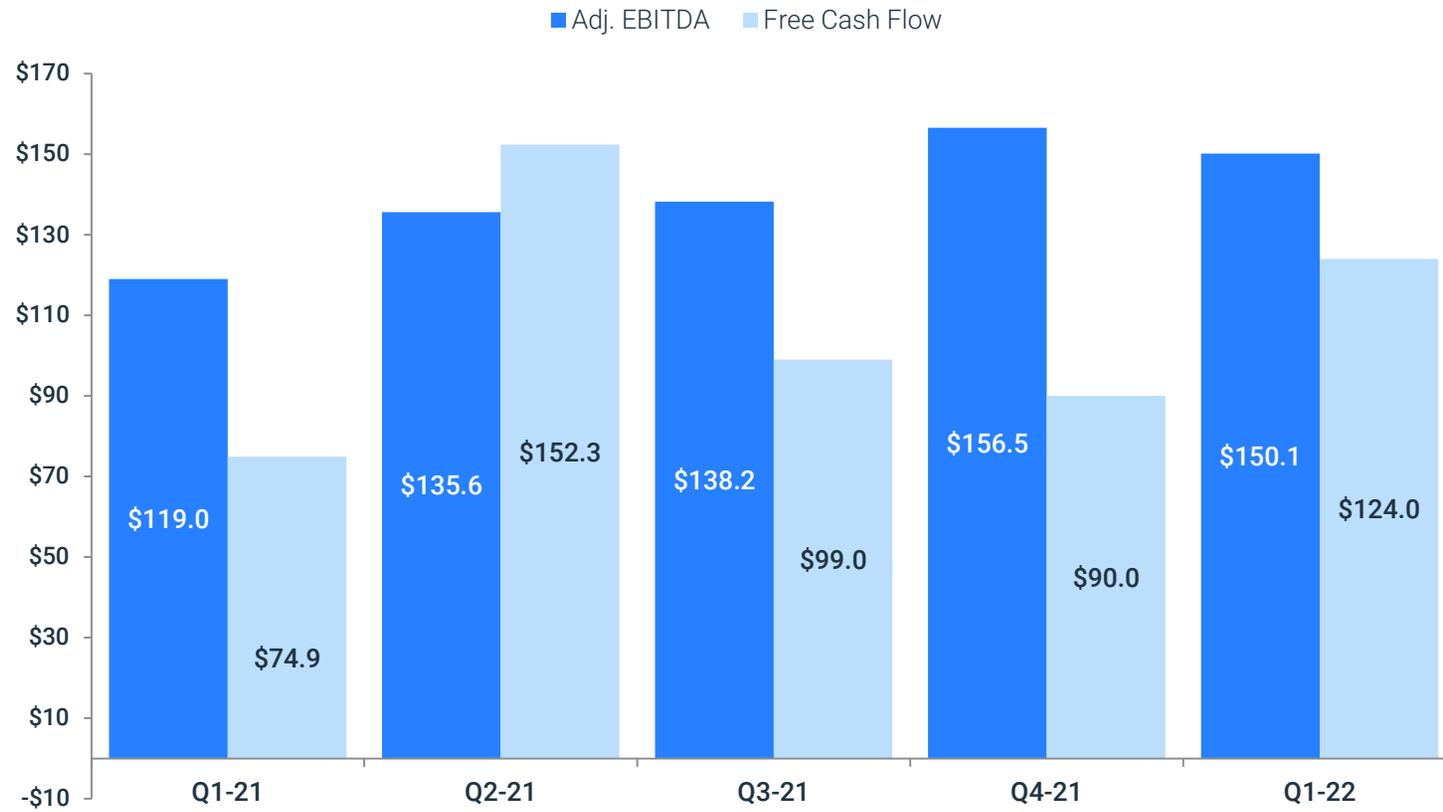
Dollar-Based Net Retention Rate (DBNRR) for any period is calculated by comparing the ARR at the end of the prior comparable quarter (base recurring revenue) to the ARR from that same cohort of customers at the end of the current quarter (retained recurring revenue); we then divide the retained recurring revenue by the base recurring revenue to arrive at the DBNRR.

## SOFTWARE ACV BOOKINGS – Excluding Divestitures

	Three Months Ended							
	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021
	(In millions)							
<b>Total ACV Bookings *</b>	\$ 7.7	\$ 9.1	\$ 28.9	\$ 12.1	\$ 13.3	\$ 11.6	\$ 25.8	\$ 16.6

Annual Contract Value Bookings (ACV Bookings) are the average annualized value of software contracts signed in the current reporting period that generate current and future on-premises and SaaS software revenue. We only include contracts with an initial term of at least 24 months and exclude perpetual licenses and other revenues that are non-recurring in nature.

# ADJUSTED EBITDA & FREE CASH FLOW



## BALANCE SHEET REVIEW

\$ in Millions	1Q '21	4Q '21	1Q '22	YoY Var	QoQ Var
<b>ASSETS</b>					
Cash & Investments	\$174.4	\$228.6	\$197.4	13%	-14%
Accounts Receivable & Other Current Assets	\$363.8	\$355.6	\$299.8	-18%	-16%
Goodwill and Intangibles, net	\$826.1	\$792.3	\$790.8	-4%	0%
Other	\$212.5	\$191.3	\$175.3	-18%	-8%
<b>Total Assets</b>	<b>\$1,576.8</b>	<b>\$1,567.8</b>	<b>\$1,463.3</b>	<b>-7%</b>	<b>-7%</b>
<b>LIABILITIES</b>					
Current Liabilities	\$391.0	\$559.2	\$321.8	-18%	-42%
Noncurrent Liabilities	\$861.7	\$1119.5	\$1,679.8	95%	50%
<b>Total Liabilities</b>	<b>\$1,252.7</b>	<b>\$1,678.7</b>	<b>\$2,001.6</b>	<b>60%</b>	<b>19%</b>
<b>Stockholders Equity</b>	<b>\$324.1</b>	<b>\$(110.9)</b>	<b>\$(538.3)</b>	<b>-266%</b>	<b>385%</b>
<b>Total Liabilities &amp; Equity</b>	<b>\$1,576.8</b>	<b>\$1,567.8</b>	<b>\$1,463.3</b>	<b>-7%</b>	<b>-7%</b>
<b>METRICS</b>					
Leverage (Max 3.5x)	1.60	2.07	2.66	1.06	0.59
Interest Coverage (Min 3.0)	11.90	13.89	13.75	1.85	-0.14
Days Sales Outstanding	106 days	96 Days	83 days	-23 day	-13 day



## SEGMENT PROFITABILITY

	Quarter Ended December 31, 2021			
	Scores	Software	Unallocated Corporate Expenses	Total
	(In thousands)			
Segment revenues:				
On-premises and SaaS software	\$ —	\$ 126,338	\$ —	\$ 126,338
Professional services	—	26,536	—	26,536
Scores	169,487	—	—	169,487
Total segment revenues	169,487	152,874	—	322,361
Segment operating expense	(21,984)	(118,581)	(35,788)	(176,353)
Segment operating income	\$ 147,503	\$ 34,293	\$ (35,788)	146,008
Unallocated share-based compensation expense				(29,878)
Unallocated amortization expense				(544)
Operating income				115,586
Unallocated interest expense, net				(12,195)
Unallocated other income, net				1,429
Income before income taxes				\$ 104,820
Depreciation expense	\$ 192	\$ 3,877	\$ 29	\$ 4,098

	Quarter Ended December 31, 2020			
	Scores	Software	Unallocated Corporate Expenses	Total
	(In thousands)			
Segment revenues:				
On-premises and SaaS software	\$ —	\$ 126,455	\$ —	\$ 126,455
Professional services	—	41,308	—	41,308
Scores	144,651	—	—	144,651
Total segment revenues	144,651	167,763	—	312,414
Segment operating expense	(21,626)	(147,079)	(30,253)	(198,958)
Segment operating income	\$ 123,025	\$ 20,684	\$ (30,253)	113,456
Unallocated share-based compensation expense				(25,132)
Unallocated amortization expense				(937)
Unallocated gains on product line asset sales and business divestiture				7,334
Operating income				94,721
Unallocated interest expense, net				(9,641)
Unallocated other income, net				2,880
Income before income taxes				\$ 87,960
Depreciation expense	\$ 194	\$ 5,358	\$ 33	\$ 5,585



# FY2022 GUIDANCE



Revenue – \$1.35 billion

GAAP Net Income\* – \$318 million

GAAP Earnings per Share\* – \$11.29

Non-GAAP Net Income – \$397 million

Non-GAAP Earnings per Share – \$14.12

\*FY21 GAAP Net Income and EPS included a gain on sale of product lines of \$95 million, or \$3.23 per share.



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