



Fair Isaac Corporation

Q4 22 Financial Highlights

September 30, 2022

Q4 2022 FINANCIAL HIGHLIGHTS

Metric (In millions, except for EPS)	Q4-21	Q3-22	Q4-22	% Q/Q	% Y/Y
Scores Revenue	\$168.6	\$179.4	\$174.1	-3%	3%
Software Revenue	\$166.0	\$169.6	\$174.7	3%	5%
Total Revenue	\$334.6	\$349.0	\$348.8	0%	4%
Software ARR	\$524.0	\$560.9	\$569.3	1%	9%
Software ACV Bookings	\$25.8	\$19.0	\$29.5	55%	14%
Non-GAAP Op. Margin*	45%	49%	47%	-4%	4%
Non-GAAP Net Margin*	33%	33%	32%	-3%	-3%
Non-GAAP Diluted EPS*	\$3.92	\$4.47	\$4.40	-2%	12%
Adjusted EBITDA*	\$156.4	\$168.7	\$165.7	-2%	6%

* For a detailed reconciliation, please refer to our Regulation G Disclosure

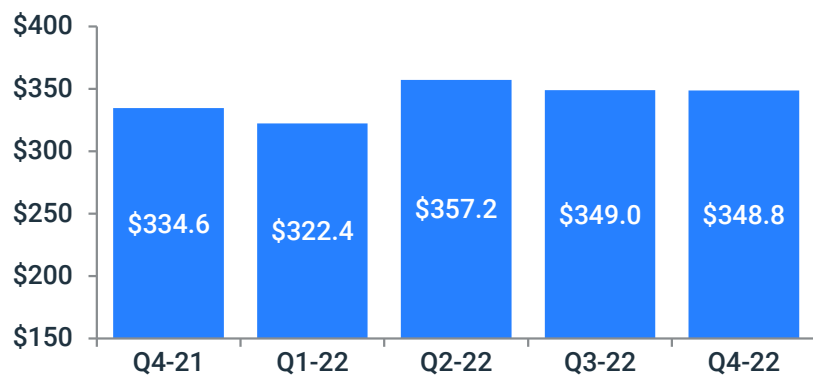


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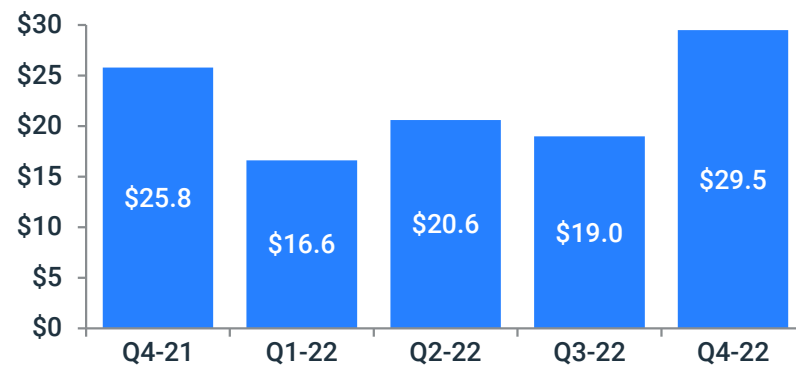
KEY OPERATING RESULTS

(In millions, except for EPS)

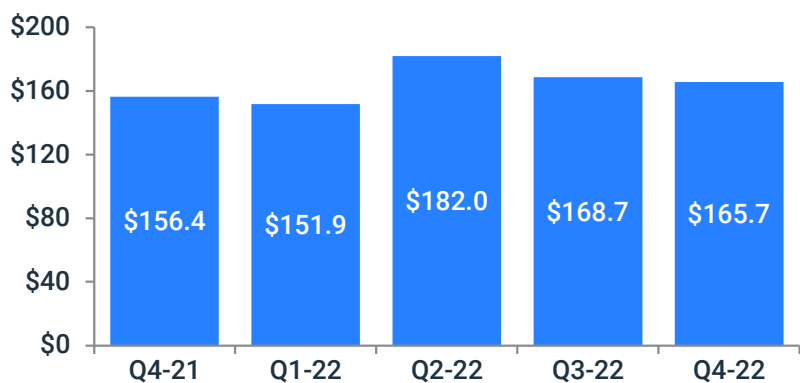
Revenues



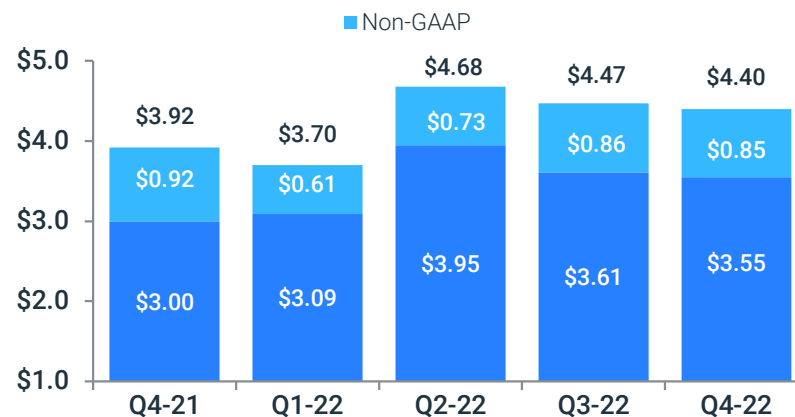
ACV Bookings



Adjusted EBITDA

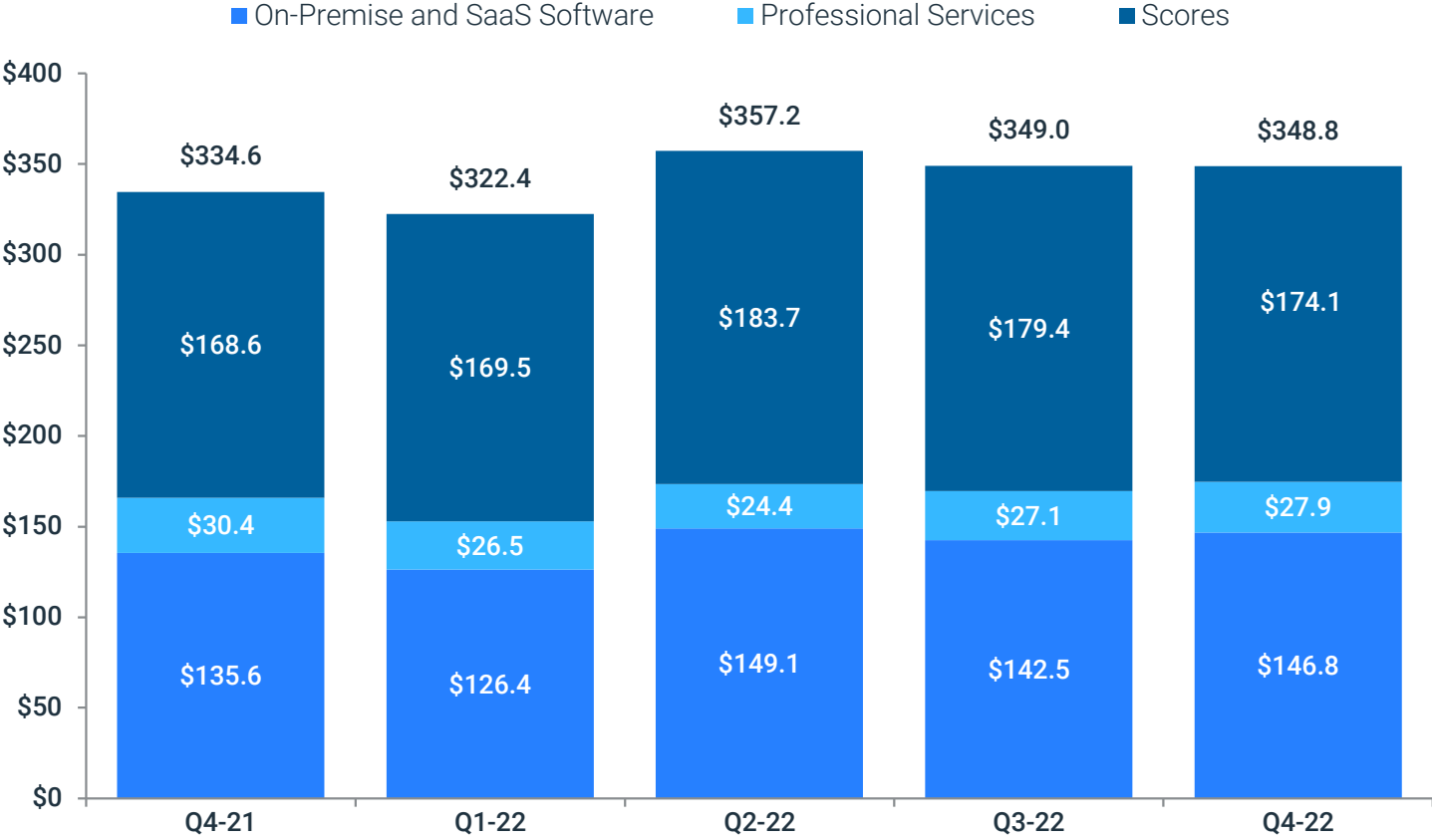


GAAP EPS



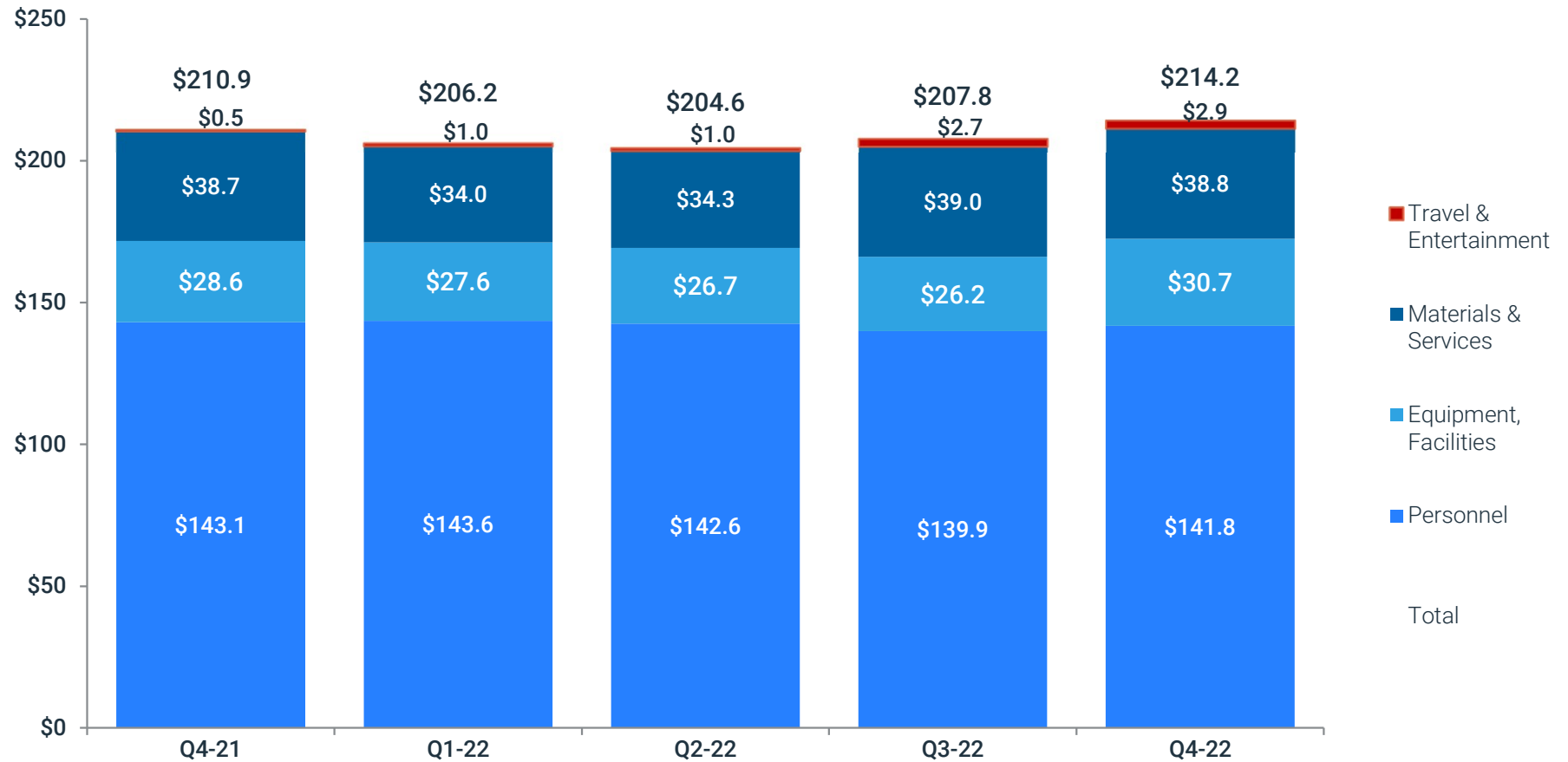
REVENUE TYPE MIX

(In millions)



EXPENSE REVIEW

(In millions)



SCORES HIGHLIGHTS

Total Scores revenues up 3% vs. Q4 21

B2B revenue up 6% vs. Q4 21

B2C revenue down 3% vs. Q4 21

Mortgage Originations revenues down 29% vs. Q4 21

Auto Originations revenues up 27% vs. Q4 21

Card and Personal Loan Originations revenues up 37% vs. Q4 21



SOFTWARE ARR – Excluding Divestitures

	December 31, 2020	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021	March 31, 2022	June 30, 2022	September 30, 2022
(In millions)								
ARR								
Platform	\$ 55.1	\$ 60.2	\$ 67.7	\$ 75.2	\$ 92.2	\$ 96.7	\$ 108.4	\$ 114.2
Non-Platform	439.9	437.1	445.9	448.8	454.4	453.6	452.5	455.1
Total	<u>\$ 495.0</u>	<u>\$ 497.3</u>	<u>\$ 513.6</u>	<u>\$ 524.0</u>	<u>\$ 546.6</u>	<u>\$ 550.3</u>	<u>\$ 560.9</u>	<u>\$ 569.3</u>
Percentage								
Platform	11%	12%	13%	14%	17%	18%	19%	20%
Non-Platform	89%	88%	87%	86%	83%	82%	81%	80%
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>
YoY Change								
Platform	38%	47%	54%	58%	67%	60%	60%	52%
Non-Platform	-2%	-3%	2%	1%	3%	4%	1%	1%
Total	2%	1%	6%	7%	10%	11%	9%	9%

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

	Q1-21	Q2-21	Q3-21	Q4-21	Q1-22	Q2-22	Q3-22	Q4-22
<i>DBNRR</i>								
Platform	123%	130%	137%	143%	143%	141%	135%	128%
Non-Platform	97%	96%	100%	100%	102%	103%	101%	100%
Total	100%	100%	105%	106%	109%	110%	108%	107%

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.

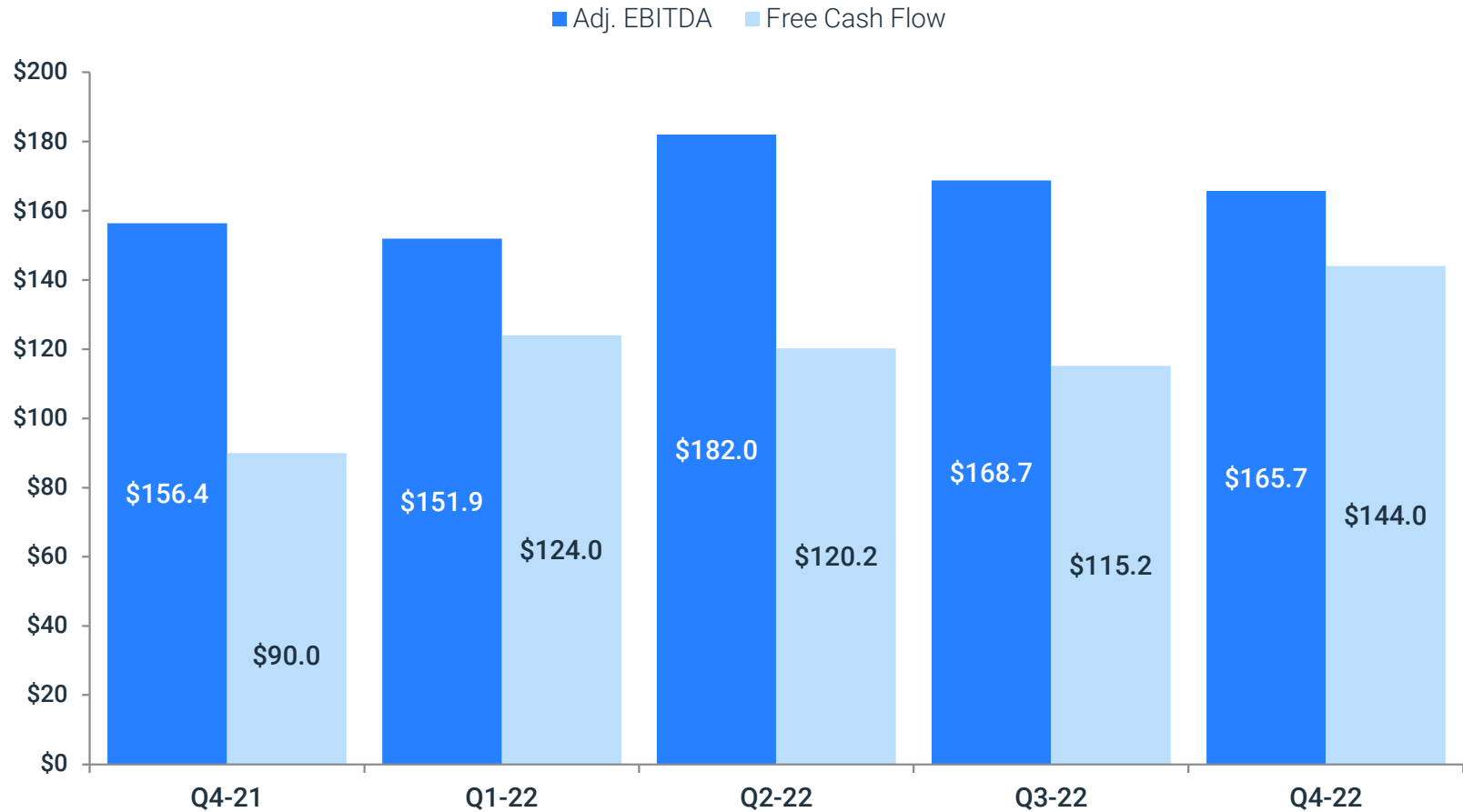
SOFTWARE ACV BOOKINGS – Excluding Divestitures

	Q1-21	Q2-21	Q3-21	Q4-21	FY2021	Q1-22	Q2-22	Q3-22	Q4-22	FY2022	\$ Y/Y	% Y/Y
	(In millions)											
Total ACV Bookings	\$ 12.1	\$ 13.3	\$ 11.6	\$ 25.8	\$ 62.8	\$ 16.6	\$ 20.6	\$ 19.0	29.5	\$ 85.7	\$ 22.9	36%

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

(In millions)



BALANCE SHEET REVIEW

(In millions)	Q4-21	Q3-22	Q4-22	YoY Var	QoQ Var
ASSETS					
Cash & Investments	\$ 228.6	\$ 181.6	\$ 158.9	-30%	-13%
Accounts Receivable & Other Current Assets	355.6	318.2	351.5	-1%	10%
Goodwill & Intangibles, net	792.3	775.1	763.1	-4%	-2%
Other	191.3	181.9	168.5	-12%	-7%
Total Assets	\$ 1,567.8	\$ 1,456.8	\$ 1,442.0	-8%	-1%
LIABILITIES					
Current Liabilities	\$ 559.2	\$ 383.9	\$ 331.4	-41%	-14%
Noncurrent Liabilities	1,119.5	1,920.4	1,912.5	71%	0%
Total Liabilities	1,678.7	2,304.3	2,243.9	34%	-3%
Stockholders' Equity	(110.9)	(847.5)	(801.9)	623%	-5%
Total Liabilities & Equity	\$ 1,567.8	\$ 1,456.8	\$ 1,442.0	-8%	-1%
METRICS					
Leverage Covenant (max 3.5)	2.07	2.84	2.67	0.60	(0.17)
Interest Coverage Covenant (min 3.0)	13.89	11.29	9.70	(4.19)	(1.59)
Days Sales Outstanding	96 days	86 days	96 days	0 days	10 days

SEGMENT PROFITABILITY

	Year Ended September 30, 2021			
	Scores	Software	Unallocated Corporate Expenses	Total
	(In thousands)			
Segment revenues:				
On-premises and SaaS software	\$ —	\$ 517,888	\$ —	\$ 517,888
Professional services	—	144,501	—	144,501
Scores	654,147	—	—	654,147
Total segment revenues	654,147	662,389	—	1,316,536
Segment operating expense	(93,463)	(557,242)	(136,812)	(787,517)
Segment operating income	\$ 560,684	\$ 105,147	\$ (136,812)	529,019
Unallocated share-based compensation expense				(112,457)
Unallocated amortization expense				(3,255)
Unallocated restructuring and impairment charges				(7,957)
Unallocated gains on product line asset sales and business divestiture				100,139
Operating income				505,489
Unallocated interest expense, net				(40,092)
Unallocated other income, net				7,745
Income before income taxes				\$ 473,142
Depreciation expense	\$ 667	\$ 19,505	\$ 147	\$ 20,319

	Year Ended September 30, 2022			
	Scores	Software	Unallocated Corporate Expenses	Total
	(In thousands)			
Segment revenues:				
On-premises and SaaS software	\$ —	\$ 564,751	\$ —	\$ 564,751
Professional services	—	105,876	—	105,876
Scores	706,643	—	—	706,643
Total segment revenues	706,643	670,627	—	1,377,270
Segment operating expense	(83,837)	(485,175)	(148,428)	(717,440)
Segment operating income	\$ 622,806	\$ 185,452	\$ (148,428)	\$ 659,830
Unallocated share-based compensation expense				(115,355)
Unallocated amortization expense				(2,061)
Operating income				542,414
Unallocated interest expense, net				(68,967)
Unallocated other expense, net				(2,138)
Income before income taxes				\$ 471,309
Depreciation expense	\$ 723	\$ 14,412	\$ 107	\$ 15,242



FY2023 GUIDANCE

Revenue – \$1.475 billion

GAAP Net Income – \$401 million

GAAP Earnings per Share – \$16.00

Non-GAAP Net Income – \$487 million

Non-GAAP Earnings per Share – \$19.42





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