



Fair Isaac Corporation

Q2 22 Financial Highlights

March 31, 2022

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Q2 2022 FINANCIAL HIGHLIGHTS

Metric (in millions, except for EPS and Margins)	Q2 21	Q1 22	Q2 22	% Q/Q	% Y/Y
Scores Revenue	\$168.7	\$169.5	\$183.7	8%	9%
Software Revenue	\$162.7	\$152.9	\$173.5	13%	7%
Total Revenue as Reported	\$331.4	\$322.4	\$357.2	11%	8%
Software Revenue Divested	\$16.3	\$0.0	\$0.0	N/A	N/A
Software Revenue ex. Divestitures*	\$146.4	\$152.9	\$173.5	13%	19%
Total Revenue ex. Divestitures*	\$315.1	\$322.4	\$357.2	11%	13%
Software ARR*	\$497.3	\$546.6	\$550.3	1%	11%
Software ACV Bookings*	\$13.3	\$16.6	\$20.6	24%	55%
Non-GAAP Op. Margin**	39%	45%	51%	13%	31%
Non-GAAP Net Margin**	27%	32%	35%	9%	30%
Non-GAAP Diluted EPS**	\$3.06	\$3.70	\$4.68	26%	53%
Adjusted EBITDA**	\$135.6	\$150.1	\$184.6	23%	36%

* Adjusted to reflect FY21 divestitures

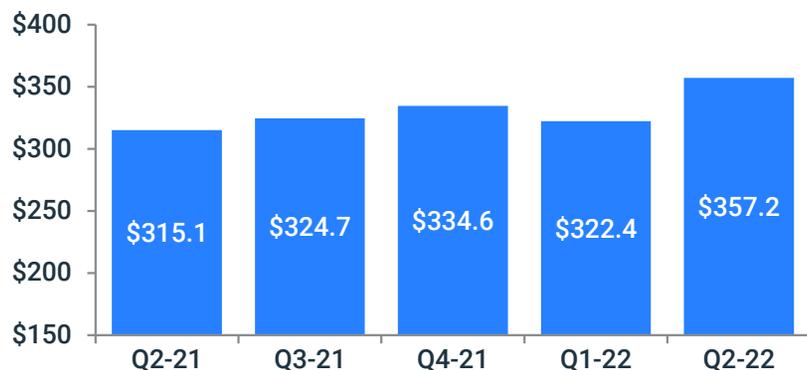
** For a detailed reconciliation, please refer to our Regulation G Disclosure



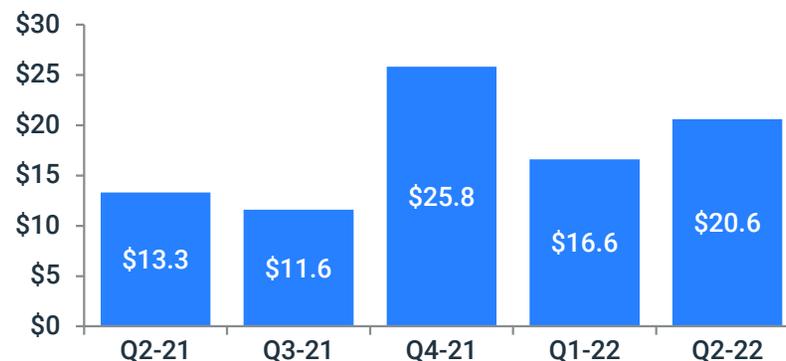
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KEY OPERATING RESULTS

Revenues *



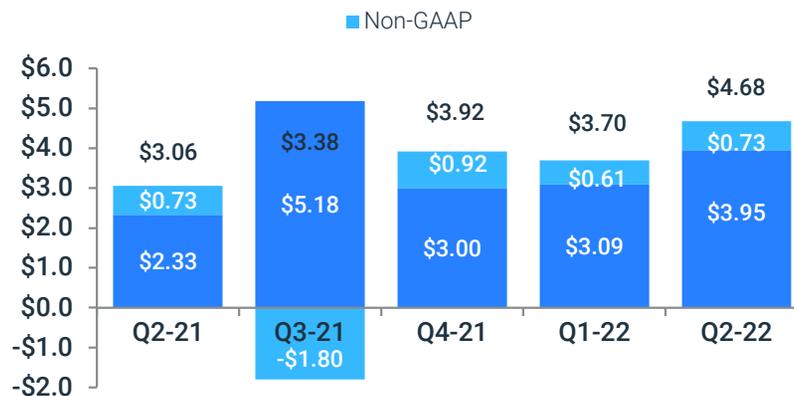
ACV Bookings *



Adjusted EBITDA

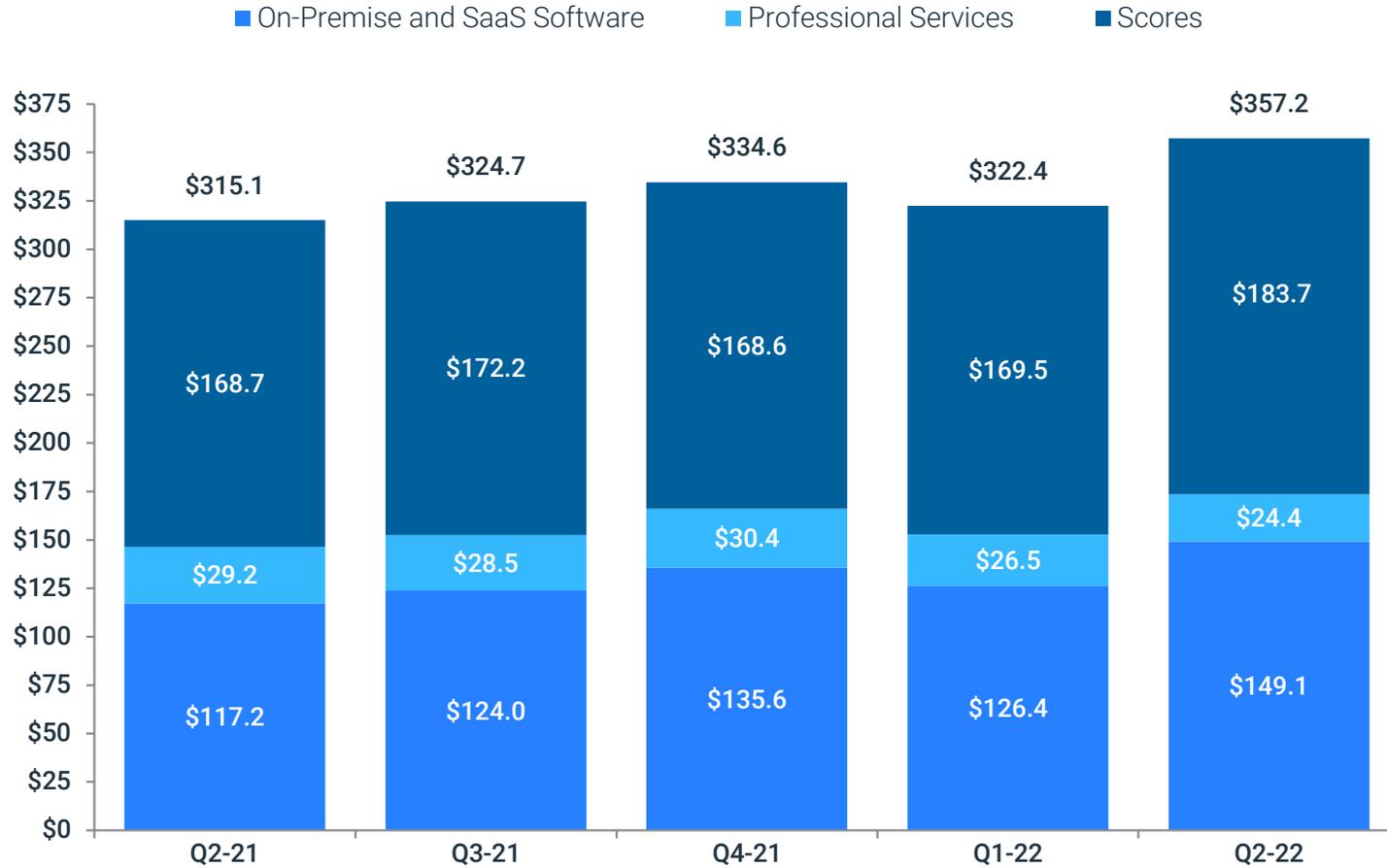


GAAP EPS

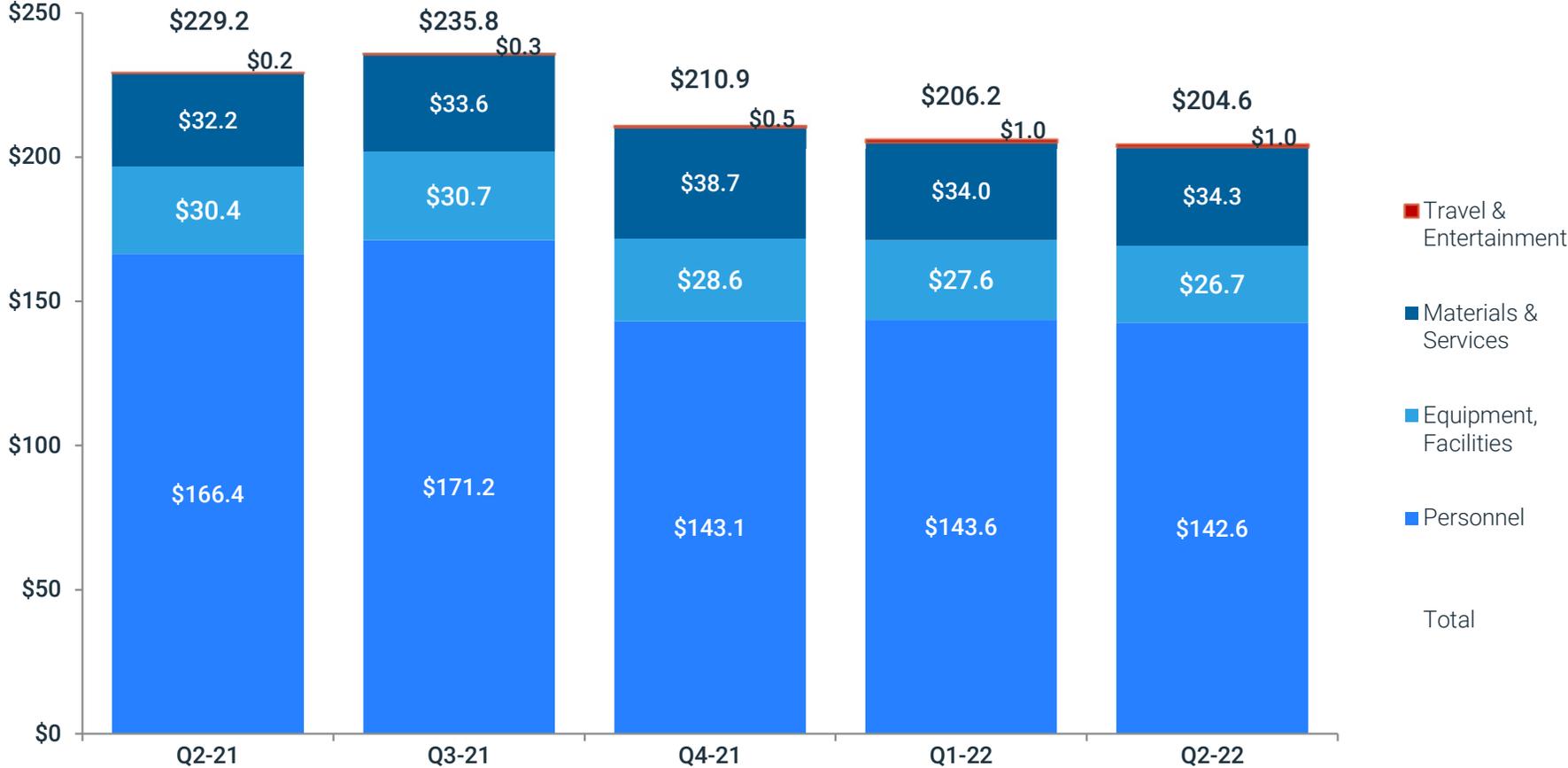


* Revenues and ACV Bookings were adjusted to reflect FY21 divestitures

REVENUE TYPE MIX – Excluding Divestitures



EXPENSE REVIEW



SCORES HIGHLIGHTS

Total Scores revenues up 9% vs. Q2 21

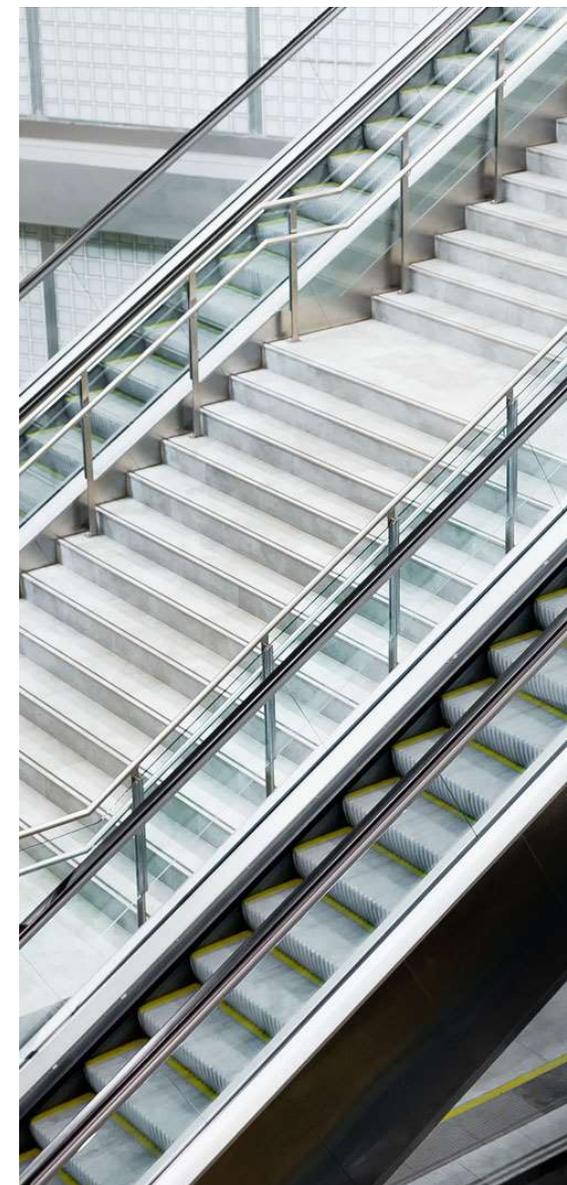
B2B revenue up 5% vs. Q2 21

B2C revenue up 18% vs. Q2 21

Mortgage Originations revenues down 23% vs. Q2 21

Auto Originations revenues up 9% vs. Q2 21

Card and Personal Loan Originations revenues up 27% vs. Q2 21



SOFTWARE ARR – Excluding Divestitures

	As of							
	June 30, 2020	September 30, 2020	December 31, 2020	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021	March 31, 2022
ARR	(In millions)							
Platform	\$ 43.8	\$ 47.7	\$ 55.1	\$ 60.2	\$ 67.7	\$ 75.2	\$ 92.2	\$ 96.7
Non-Platform	438.5	443.6	439.9	437.1	445.9	448.8	454.4	453.6
Total	\$ 482.3	\$ 491.3	\$ 495.0	\$ 497.3	\$ 513.6	\$ 524.0	\$ 546.6	\$ 550.3
Percentage								
Platform	9%	10%	11%	12%	13%	14%	17%	18%
Non-Platform	91%	90%	89%	88%	87%	86%	83%	82%
Total	100%	100%	100%	100%	100%	100%	100%	100%
YoY Change								
Platform	44%	45%	38%	47%	55%	58%	67%	60%
Non-Platform	-3%	-2%	-2%	-3%	2%	1%	3%	4%
Total	0%	1%	2%	1%	6%	7%	10%	11%

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							
	June 30, 2020	September 30, 2020	December 31, 2020	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021	March 31, 2022
<i>DBNRR</i>								
Platform	108%	116%	123%	130%	137%	143%	143%	141%
Non-Platform	95%	96%	97%	96%	100%	100%	102%	103%
Total	98%	99%	100%	100%	105%	106%	109%	110%

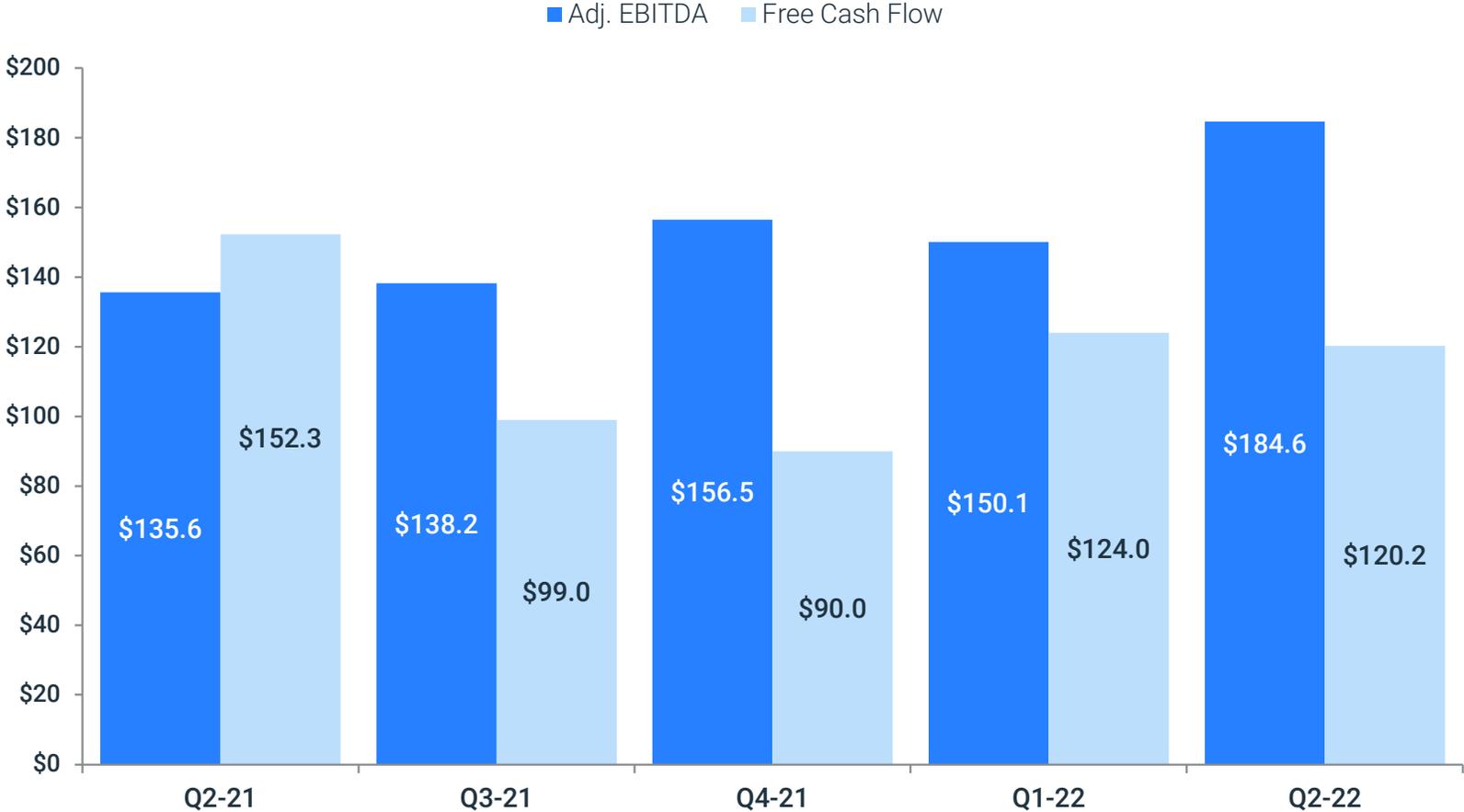
Dollar-Based Net Retention Rate (DBNRR) for any period is calculated by comparing the ARR at the end of the prior comparable quarter (base recurring revenue) to the ARR from that same cohort of customers at the end of the current quarter (retained recurring revenue); we then divide the retained recurring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

SOFTWARE ACV BOOKINGS – Excluding Divestitures

	Three Months Ended							
	June 30, 2020	September 30, 2020	December 31, 2020	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021	March 31, 2022
	(In millions)							
Total ACV Bookings	\$ 9.1	\$ 28.9	\$ 12.1	\$ 13.3	\$ 11.6	\$ 25.8	\$ 16.6	\$ 20.6

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)	Q2-21	Q1-22	Q2-22	YoY Var	QoQ Var
ASSETS					
Cash & Investments	\$ 229.6	\$ 197.4	\$ 206.8	-10%	5%
Accounts Receivable & Other Current Assets	323.5	299.8	308.0	-5%	3%
Goodwill & Intangibles, net	824.5	790.8	786.8	-5%	-1%
Other	202.0	175.3	184.9	-8%	5%
Total Assets	\$ 1,579.6	\$ 1,463.3	\$ 1,486.5	-6%	2%
LIABILITIES					
Current Liabilities	\$ 495.3	\$ 321.8	\$ 382.8	-23%	19%
Noncurrent Liabilities	861.0	1,679.8	1,767.1	105%	5%
Total Liabilities	1,356.3	2,001.6	2,149.9	59%	7%
Stockholders' Equity	223.3	(538.3)	(663.4)	-397%	23%
Total Liabilities & Equity	\$ 1,579.6	\$ 1,463.3	\$ 1,486.5	-6%	2%
METRICS					
Leverage Covenant (max 3.5)	1.60	2.66	2.70	1.10	0.04
Interest Coverage Covenant (min 3.0)	13.12	13.75	12.67	(0.45)	(1.08)
Days Sales Outstanding	89 days	83 days	80 days	(9 day)	(3 day)

SEGMENT PROFITABILITY

	Quarter Ended March 31, 2021			
	Scores	Software	Unallocated Corporate Expenses	Total
	(In thousands)			
Segment revenues:				
On-premises and SaaS software	\$ —	\$ 125,551	\$ —	\$ 125,551
Professional services	—	37,091	—	37,091
Scores	168,719	—	—	168,719
Total segment revenues	168,719	162,642	—	331,361
Segment operating expense	(22,177)	(145,442)	(33,392)	(201,011)
Segment operating income	\$ 146,542	\$ 17,200	\$ (33,392)	130,350
Unallocated share-based compensation expense				(28,206)
Unallocated amortization expense				(945)
Operating income				101,199
Unallocated interest expense, net				(9,943)
Unallocated other income, net				568
Income before income taxes				\$ 91,824
Depreciation expense	\$ 167	\$ 5,012	\$ 45	\$ 5,224

	Quarter Ended March 31, 2022			
	Scores	Software	Unallocated Corporate Expenses	Total
	(In thousands)			
Segment revenues:				
On-premises and SaaS software	\$ —	\$ 149,088	\$ —	\$ 149,088
Professional services	—	24,365	—	24,365
Scores	183,742	—	—	183,742
Total segment revenues	183,742	173,453	—	357,195
Segment operating expense	(21,026)	(119,953)	(35,680)	(176,659)
Segment operating income	\$ 162,716	\$ 53,500	\$ (35,680)	180,536
Unallocated share-based compensation expense				(27,936)
Unallocated amortization expense				(543)
Operating income				152,057
Unallocated interest expense, net				(17,211)
Unallocated other expense, net				(2,361)
Income before income taxes				\$ 132,485
Depreciation expense	\$ 189	\$ 3,807	\$ 28	\$ 4,024

UPDATED FY2022 GUIDANCE

Revenue – \$1.355 billion

GAAP Net Income* – \$350 million

GAAP Earnings per Share* – \$13.11

Non-GAAP Net Income – \$429 million

Non-GAAP Earnings per Share – \$16.08

*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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