

Fair Isaac Corporation

Q1 19 Financial Highlights

January 30, 2019

Q1 2019 Highlights

- **Revenue:**
Q1 19 revenue \$262 million vs. Q1 18 revenue of \$ 232 million or 13% increase
 - Applications revenue of \$147 million, or 5% y/y increase
 - Scores revenue of \$86 million, or 25% y/y increase
 - Decision Management Software revenue of \$29 million, or 22% y/y increase
- **GAAP Net income of \$40 million or \$1.32 per share in Q1 19 vs. \$33 million or \$1.04 per share in Q1 18.**
- **Non-GAAP Net income of \$44 million or \$1.45 per share in Q1 19 vs. \$39 million or \$1.23 per share in Q1 18.**
- **Free Cash Flow was \$42 million in Q1 19 vs. \$25 million in Q1 18**

Prior year financial results have been adjusted as a result of the adoption of ASU 2014-09 effective October 1, 2018.

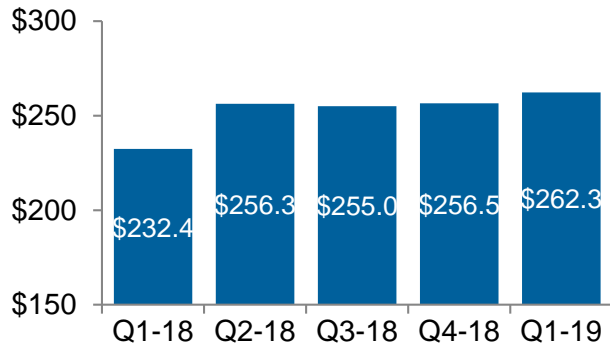
Q1 2019 Financial Highlights

Metric	Q1 18	Q4 18	Q1 19	% Q/Q	% Y/Y
Revenues	\$232.4	\$256.5	\$262.3	2%	13%
GAAP Diluted EPS	\$1.04	\$1.07	\$1.32	23%	27%
Non-GAAP Op. Margin*	24%	27%	28%	4%	17%
Non-GAAP net margin*	17%	16%	17%	6%	0%
Non-GAAP Diluted EPS*	\$1.23	\$1.34	\$1.45	8%	18%
Adjusted EBITDA*	\$60.9	\$75.3	\$78.5	4%	29%
Free Cash Flow*	\$24.7	\$52.9	\$42.4	-20%	72%
Headcount	3,358	3,668	3,772	3%	12%
Bookings	\$82.2	\$133.5	\$106.6	-20%	30%

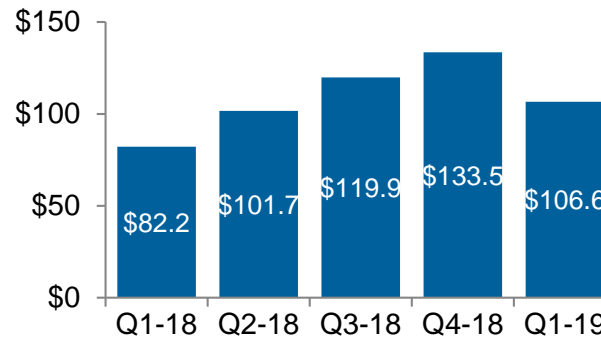
- **For a detailed reconciliation, please refer to our Regulation G Disclosure**
- Prior year financial results have been adjusted as a result of the adoption of ASU 2014-09 effective October 1, 2018.

Key Operating Results

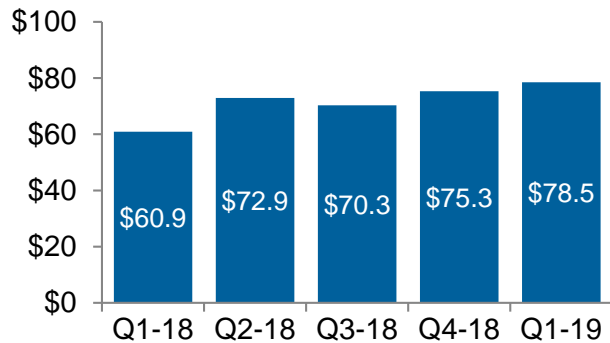
Revenues



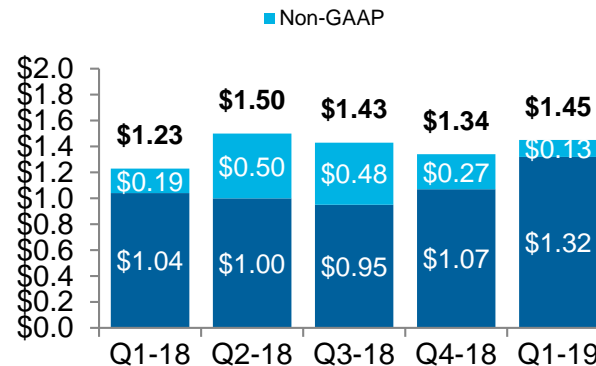
Bookings



Adjusted EBITDA

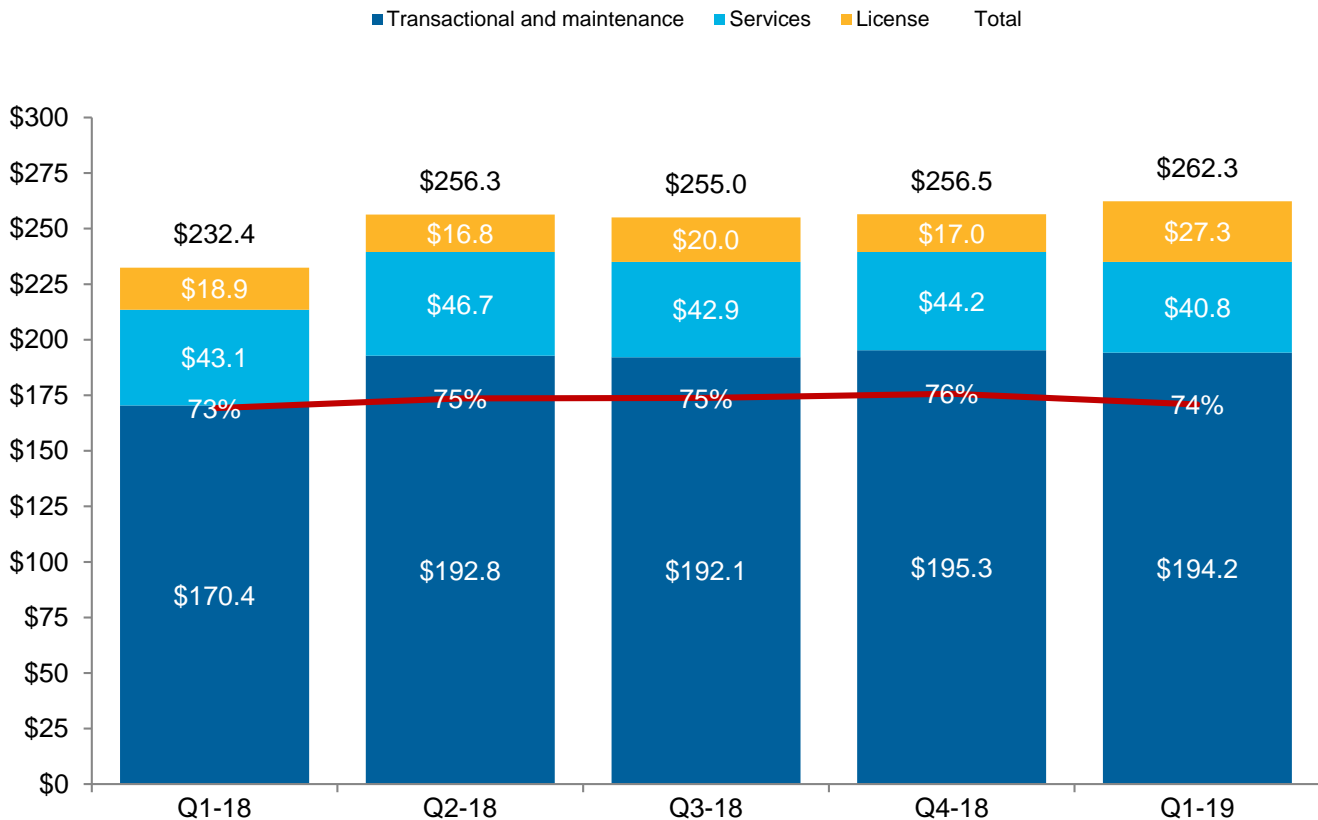


GAAP EPS



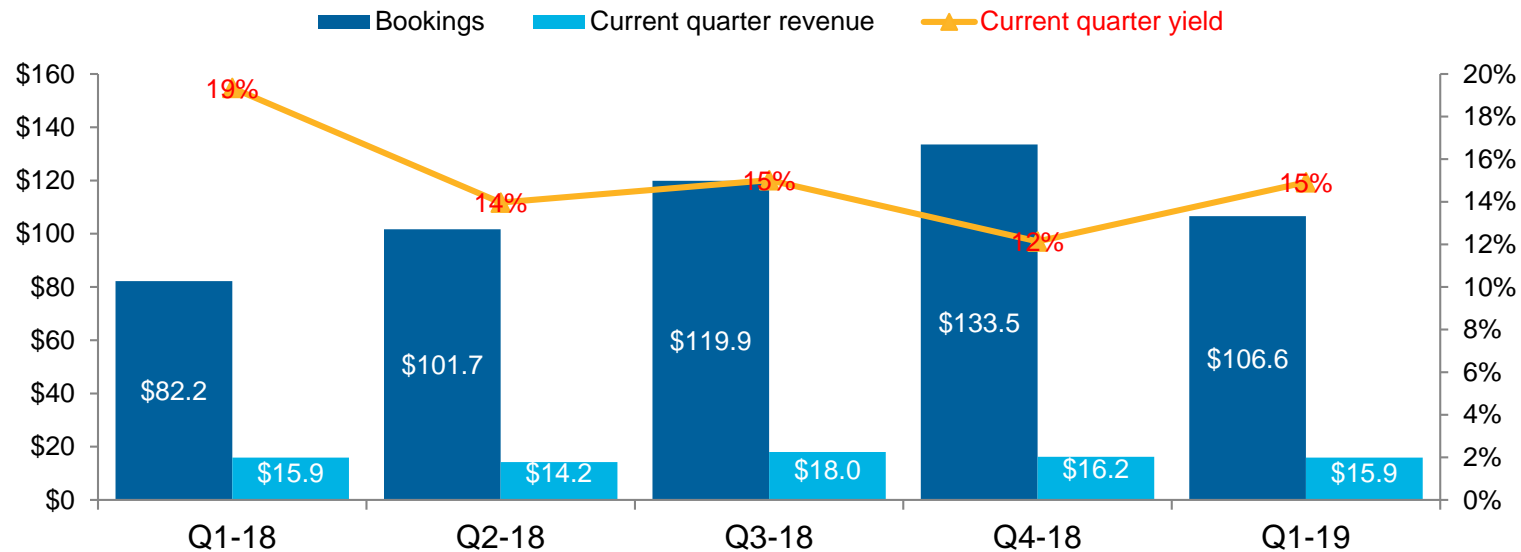
- Prior year financial results have been adjusted as a result of the adoption of ASU 2014-09 effective October 1, 2018.

Revenue Type Mix



- Prior year financial results have been adjusted as a result of the adoption of ASU 2014-09 effective October 1, 2018.

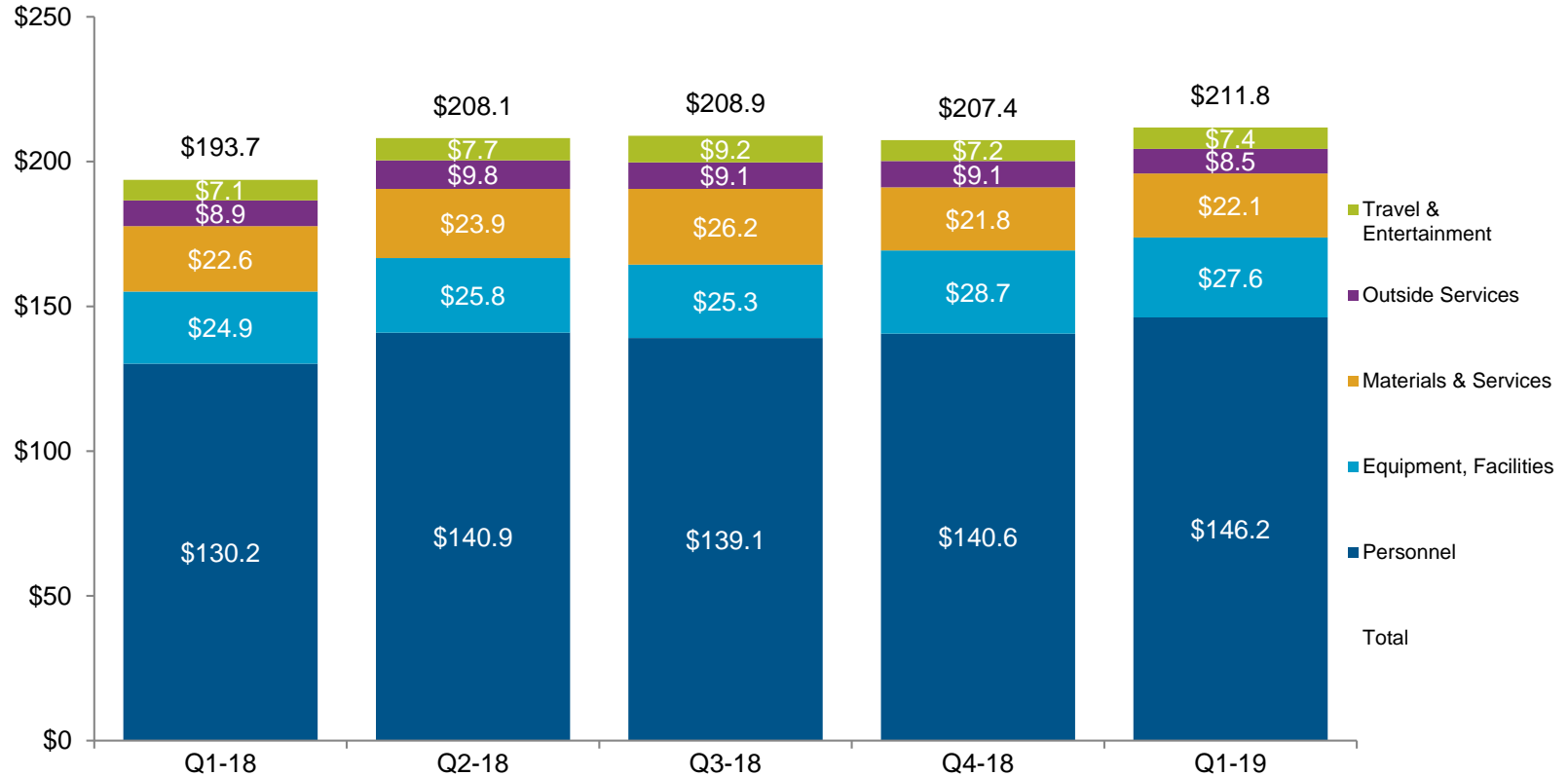
Bookings and Current Quarter Yield



# Deals \$1-3 million	9	13	15	16	16
# Deals >\$3 million	4	6	9	8	7
Average Term	27 mos.	30 mos.	28 mos.	31 mos.	31 mos.

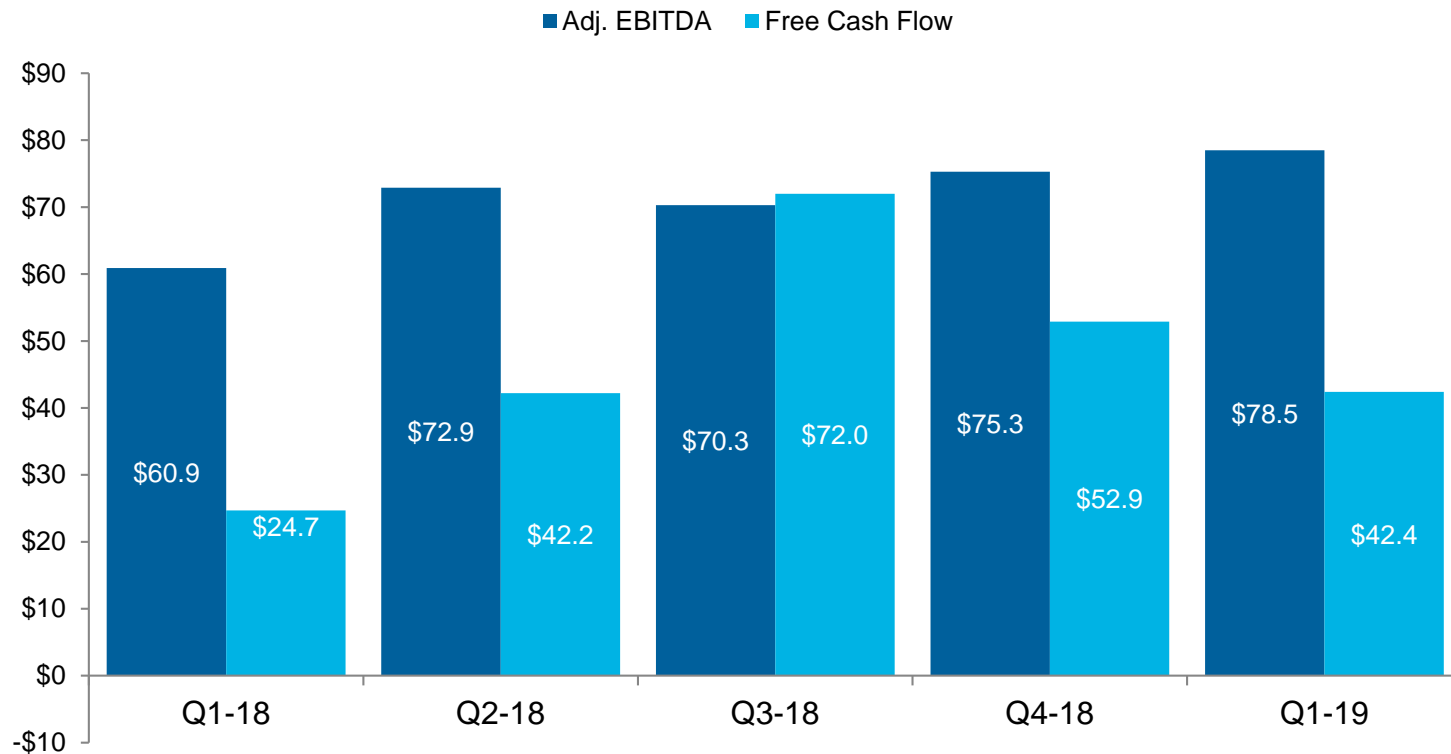
- Prior year financial results have been adjusted as a result of the adoption of ASU 2014-09 effective October 1, 2018.

Expense Review



- Prior year financial results have been adjusted as a result of the adoption of ASU 2014-09 effective October 1, 2018.

Adjusted EBITDA & Free Cash Flow



- Prior year financial results have been adjusted as a result of the adoption of ASU 2014-09 effective October 1, 2018.

Balance Sheet Review

\$ in Millions	1Q'18	4Q'18	1Q'19	YoY Var	QoQ Var
ASSETS					
Cash & investments	\$ 121.8	\$ 109.8	\$ 98.8	-19%	-10%
Accounts receivable & other current assets	297.1	306.4	295.9	0%	-3%
Goodwill & intangibles, net	825.8	815.4	811.7	-2%	0%
Other	97.8	98.9	99.2	1%	0%
Total Assets	\$ 1,342.5	\$ 1,330.5	\$ 1,305.6	-3%	-2%
LIABILITIES					
Current liabilities	\$ 409.7	\$ 473.9	\$ 433.3	6%	-9%
Noncurrent liabilities	501.9	569.1	644.4	28%	13%
Total Liabilities	\$ 911.6	\$ 1,043.0	\$ 1,077.7	18%	3%
Stockholders Equity	\$ 430.9	\$ 287.5	\$ 227.9	-47%	-21%
Total Liabilities & Equity	\$ 1,342.5	\$ 1,330.5	\$ 1,305.6	-3%	-2%
METRICS					
Leverage Covenant (max 3.0)	2.17	2.54	2.67	0.50	0.13
Fixed Charge Covenant (min 2.5)	5.52	4.69	4.60	-0.92	-0.09
Days Sales Outstanding	102 days	96 days	87 days	-15 day	-9 day

- Prior year financial results have been adjusted as a result of the adoption of ASU 2014-09 effective October 1, 2018.

Segment Profitability

	Quarter Ended December 31, 2018				
	Applications	Scores	Decision Management Software	Unallocated Corporate Expenses	Total
	(In thousands)				
Segment revenues:					
Transactional and maintenance	\$ 97,165	\$ 84,821	\$ 12,207	\$ —	\$ 194,193
Professional services	31,462	701	8,645	—	40,808
License	19,032	161	8,062	—	27,255
Total segment revenues	147,659	85,683	28,914	—	262,256
Segment operating expense	(107,598)	(13,482)	(39,562)	(29,254)	(189,896)
Segment operating income (loss)	\$ 40,061	\$ 72,201	\$ (10,648)	\$ (29,254)	\$ 72,360
Unallocated share-based compensation expense					(21,854)
Unallocated amortization expense					(1,502)
Operating income					49,004
Unallocated interest expense, net					(9,676)
Unallocated other expense, net					(2,172)
Income before income taxes					\$ 37,156
Depreciation expense	\$ 4,797	\$ 125	\$ 989	\$ 233	\$ 6,144

	Quarter Ended December 31, 2017 (As Adjusted)				
	Applications	Scores	Decision Management Software	Unallocated Corporate Expenses	Total
	(In thousands)				
Segment revenues:					
Transactional and maintenance	\$ 91,126	\$ 67,996	\$ 11,281	\$ —	\$ 170,403
Professional services	35,374	297	7,457	—	43,128
License	13,674	138	5,018	—	18,830
Total segment revenues	140,174	68,431	23,756	—	232,361
Segment operating expense	(102,726)	(15,888)	(31,863)	(26,761)	(177,238)
Segment operating income (loss)	\$ 37,448	\$ 52,543	\$ (8,107)	\$ (26,761)	\$ 55,123
Unallocated share-based compensation expense					(16,510)
Unallocated amortization expense					(1,788)
Operating income					36,825
Unallocated interest expense, net					(6,460)
Unallocated other income, net					513
Income before income taxes					\$ 30,878
Depreciation expense	\$ 3,943	\$ 155	\$ 1,412	\$ 284	\$ 5,794

- Prior year financial results have been adjusted as a result of the adoption of ASU 2014-09 effective October 1, 2018.

Fair Isaac Corporation

Q1 19 Financial Highlights

January 30, 2019