

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:

| | Fiscal Year 2021 | Quarter Ended June 30, 2021 | Quarter Ended March 31, 2021 | Quarter Ended December 31, 2020 | Fiscal Year 2020 | Quarter Ended September 30, 2020 | Quarter Ended June 30, 2020 | Quarter Ended March 31, 2020 | Quarter Ended December 31, 2019 |
|--|---------------------|--------------------------------|---------------------------------|------------------------------------|---------------------|-------------------------------------|--------------------------------|---------------------------------|------------------------------------|
| Operating Income | | | | | | | | | |
| Operating income, as reported | \$ 390,304 | \$ 194,384 | \$ 101,199 | \$ 94,721 | \$ 295,969 | \$ 85,490 | \$ 82,871 | \$ 75,726 | \$ 51,882 |
| Amortization of intangible assets | 2,692 | 810 | 945 | 937 | 4,993 | 947 | 1,048 | 1,202 | 1,796 |
| Restructuring and impairment charges | - | - | - | - | 45,029 | 41,925 | - | - | 3,104 |
| Gains on product line asset sales and business divestiture | (100,139) | (92,805) | - | (7,334) | - | - | - | - | - |
| Stock-based compensation expense | 84,099 | 30,761 | 28,206 | 25,132 | 93,681 | 25,483 | 22,265 | 22,788 | 23,145 |
| Non-GAAP operating income (segment operating income) | \$ 376,956 | \$ 133,150 | \$ 130,350 | \$ 113,456 | \$ 439,672 | \$ 153,845 | \$ 106,184 | \$ 99,716 | \$ 79,927 |
| Revenues | \$ 981,958 | \$ 338,183 | \$ 331,361 | \$ 312,414 | \$ 1,294,562 | \$ 374,356 | \$ 313,731 | \$ 307,971 | \$ 298,504 |
| Non-GAAP operating margin | 38% | 39% | 39% | 36% | 34% | 41% | 34% | 32% | 27% |
| Net Income | | | | | | | | | |
| Net income, as reported | \$ 306,364 | \$ 151,198 | \$ 68,674 | \$ 86,492 | \$ 236,411 | \$ 59,126 | \$ 64,076 | \$ 58,288 | \$ 54,921 |
| Amortization of intangible assets | 2,692 | 810 | 945 | 937 | 4,993 | 947 | 1,048 | 1,202 | 1,796 |
| Restructuring and impairment charges | - | - | - | - | 45,029 | 41,925 | - | - | 3,104 |
| Gains on product line asset sales and business divestiture | (100,139) | (92,805) | - | (7,334) | - | - | - | - | - |
| Stock-based compensation expense | 84,099 | 30,761 | 28,206 | 25,132 | 93,681 | 25,483 | 22,265 | 22,788 | 23,145 |
| Income tax adjustments | (366) | 11,391 | (7,271) | (4,486) | (37,871) | (19,325) | (5,739) | (6,045) | (6,762) |
| Excess tax benefit | (22,073) | (2,561) | (329) | (19,183) | (50,037) | (11,192) | (4,902) | (11,925) | (22,018) |
| Non-GAAP net income | \$ 270,577 | \$ 98,794 | \$ 90,225 | \$ 81,558 | \$ 292,206 | \$ 96,964 | \$ 76,748 | \$ 64,308 | \$ 54,186 |
| Revenues | \$ 981,958 | \$ 338,183 | \$ 331,361 | \$ 312,414 | \$ 1,294,562 | \$ 374,356 | \$ 313,731 | \$ 307,971 | \$ 298,504 |
| Non-GAAP net margin | 28% | 29% | 27% | 26% | 23% | 26% | 24% | 21% | 18% |
| Diluted Earnings per Share | | | | | | | | | |
| Diluted earnings per share, as reported | \$ 10.38 | \$ 5.18 | \$ 2.33 | \$ 2.90 | \$ 7.90 | \$ 1.98 | \$ 2.15 | \$ 1.94 | \$ 1.82 |
| Amortization of intangible assets | 0.09 | 0.03 | 0.03 | 0.03 | 0.17 | 0.03 | 0.04 | 0.04 | 0.06 |
| Restructuring and impairment charges | - | - | - | - | 1.50 | 1.41 | - | - | 0.10 |
| Gains on product line asset sales and business divestiture | (3.39) | (3.18) | - | (0.25) | - | - | - | - | - |
| Stock-based compensation expense | 2.85 | 1.05 | 0.96 | 0.84 | 3.13 | 0.85 | 0.75 | 0.76 | 0.77 |
| Income tax adjustments | (0.01) | 0.39 | (0.25) | (0.15) | (1.27) | (0.65) | (0.19) | (0.20) | (0.22) |
| Excess tax benefit | (0.75) | (0.09) | (0.01) | (0.64) | (1.67) | (0.38) | (0.16) | (0.40) | (0.73) |
| Non-GAAP diluted earnings per share | \$ 9.17 | \$ 3.38 | \$ 3.06 | \$ 2.74 | \$ 9.76 | \$ 3.25 | \$ 2.58 | \$ 2.14 | \$ 1.80 |
| Reconciliation to Adjusted EBITDA | | | | | | | | | |
| Net income, as reported | \$ 306,364 | \$ 151,198 | \$ 68,674 | \$ 86,492 | \$ 236,411 | \$ 59,126 | \$ 64,076 | \$ 58,288 | \$ 54,921 |
| Interest expense, net | 29,602 | 10,018 | 9,943 | 9,641 | 42,177 | 9,932 | 11,223 | 11,254 | 9,768 |
| Provision for income taxes | 61,312 | 36,694 | 23,150 | 1,468 | 20,589 | 17,307 | 12,132 | 4,176 | (13,026) |
| Other expense (income), net | (6,973) | (3,526) | (567) | (2,880) | (3,208) | (875) | (4,560) | 2,008 | 219 |
| Amortization of intangible assets | 2,692 | 810 | 945 | 937 | 4,993 | 947 | 1,048 | 1,202 | 1,796 |
| Depreciation | 15,860 | 5,050 | 5,225 | 5,585 | 23,452 | 5,366 | 6,450 | 5,960 | 5,676 |
| Stock-based compensation expense | 84,099 | 30,761 | 28,206 | 25,132 | 93,681 | 25,483 | 22,265 | 22,788 | 23,145 |
| Restructuring and impairment charges | - | - | - | - | 45,029 | 41,925 | - | - | 3,104 |
| Gains on product line asset sales and business divestiture | (100,139) | (92,805) | - | (7,334) | - | - | - | - | - |
| Adjusted EBITDA | \$ 392,817 | \$ 138,200 | \$ 135,576 | \$ 119,041 | \$ 463,124 | \$ 159,211 | \$ 112,634 | \$ 105,676 | \$ 85,603 |
| Revenues | \$ 981,958 | \$ 338,183 | \$ 331,361 | \$ 312,414 | \$ 1,294,562 | \$ 374,356 | \$ 313,731 | \$ 307,971 | \$ 298,504 |
| Adjusted EBITDA as a percent of revenue: | 40% | 41% | 41% | 38% | 36% | 43% | 36% | 34% | 29% |
| Reconciliation To Free Cash Flow | | | | | | | | | |
| Net cash provided by operating activities | \$ 332,062 | \$ 100,592 | \$ 153,523 | \$ 77,947 | \$ 364,915 | \$ 136,185 | \$ 106,871 | \$ 61,494 | \$ 60,365 |
| Reduced by cash flow items: | | | | | | | | | |
| Capital expenditures | 5,792 | 1,572 | 1,175 | 3,045 | 21,990 | 916 | 7,907 | 6,667 | 6,500 |
| Free cash flow | \$ 326,270 | \$ 99,020 | \$ 152,348 | \$ 74,902 | \$ 342,925 | \$ 135,269 | \$ 98,964 | \$ 54,827 | \$ 53,865 |
| Revenues | \$ 981,958 | \$ 338,183 | \$ 331,361 | \$ 312,414 | \$ 1,294,562 | \$ 374,356 | \$ 313,731 | \$ 307,971 | \$ 298,504 |
| Free cash flow as a percent of revenue | 33% | 29% | 46% | 24% | 26% | 36% | 32% | 18% | 18% |

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