



# FICO: The Decisions Company

Investor Overview

December 2020

## Safe Harbor

Some of the statements made by us during this meeting, including statements concerning our expectations about future operations and financial results, are forward-looking statements within the meaning of the “Safe Harbor” provisions of the Private Securities Litigation Reform Act of 1995.

These forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially, including those risks and uncertainties described from time to time in our SEC reports, including its report on Form 10-K for the fiscal year ended September 30, 2020.

Product roadmaps and similar marketing materials should be considered forward-looking and subject to future change at FICO’s discretion. Future functionality, features or enhancements as shown are FICO’s current projections of the product direction, but are not specific commitments or obligations.

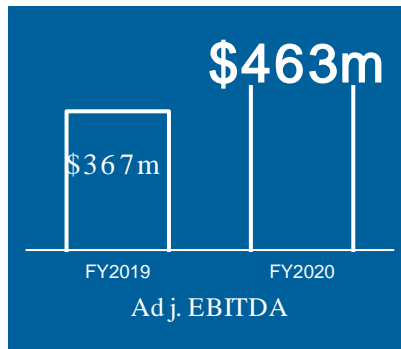
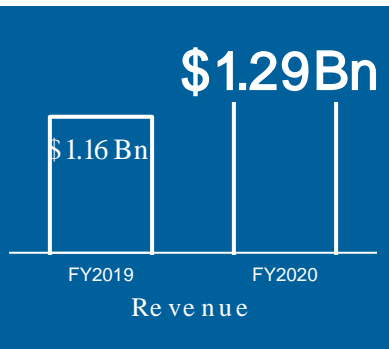
# FICO – At A Glance

FICO provides analytics software solutions and services that enable businesses to optimize, automate, and connect decisions to enhance business performance



60+

Year History



40+

Offices Worldwide



# We Offer A Complete Software Platform for Decision Management

## Customer Domains

**FICO** SCORE

Credit Risk Scoring

Top credit risk scoring system with 10+ billion credit decisions served per year

Credit Risk  
 Application Fraud Risk  
 Small Business Risk  
 Insurance Risk  
 Health Care Propensity & Adherence  
 Custom Scoring Services  
 Financial Inclusion  
 Consumer Empowerment  
 Asset Backed Securities Risk



**Customer Development**

Acquisition, Origination & Growth

Analytics-driven customer management system for credit account acquisition, life-cycle management, and engagement

Acquisition  
 Origination  
 Account Management  
 Customer Engagement



**Fraud Protection & Compliance**

Payments Fraud, Cybers security & Compliance

Leading payment card fraud solution with 2.6+ billion payment cards protected

Identity & Authentication  
 Account Takeover  
 Application Fraud  
 Enterprise Payments Fraud  
 Financial Crimes  
 AML Compliance  
 Cybersecurity  
 Customer Engagement



**Debt Collection & Recovery**

Collections & Recovery

Full debt collections and recovery solution, powered by FICO decisioning technology

Pre-delinquency  
 Early Stage Collections  
 Late Stage Collections  
 Agency Management  
 Debt Recovery  
 CECL / IFRS 9  
 Customer Engagement



**Decision Management**

Analytics, Decisions & Optimization

Comprehensive platform for developing custom decision management solutions

Diagnostic & Descriptive Analytics  
 Predictive Analytics  
 Optimization  
 AI & ML  
 Decisioning  
 Business Rules Management  
 Application Workflow Development

**Decision Management Software Platform**

# FICO® Score - The Standard Measure of Consumer Credit Risk



**90%**

Of U.S. consumer credit lending decisions use FICO Scores



**98.8%**

Of total dollars in U.S. Securitizations solely cited FICO Scores as credit risk measure



**90**

Of the top 100 largest U.S. lenders use FICO Scores



**1Bn**

Credit-Invisible consumers could get credit through FICO Scores that leverage alternative data



**30**

Countries outside the U.S. use FICO Scores to improve credit decisions



**300M**

Consumer accounts have free access to FICO Scores

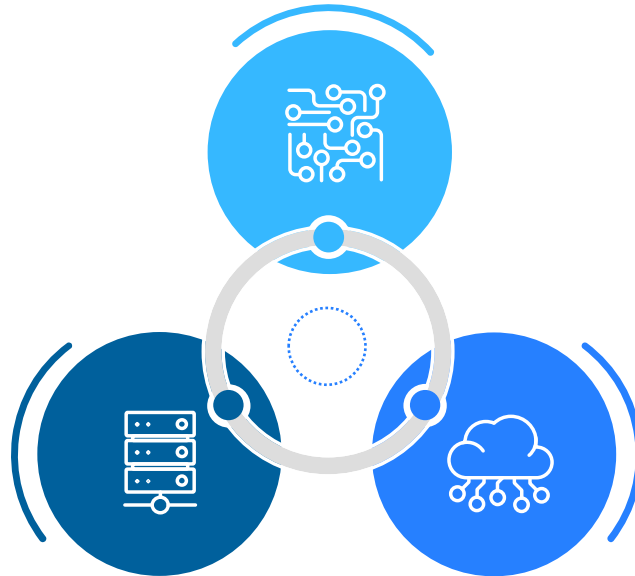
# Our Core Market for Decision Management Software is at an Inflection Point

## Explosion in Data Volume and Usability

Data volumes have increased at a staggering pace in the last decade, and the availability as well as usability of this data across the enterprise is rapidly increasing

### Cutting-Edge Developments in Data Analytics

Advances in AI/ML, computing infrastructure, and analytics techniques have transformed the ways in which data can be applied to business decisions



### Trust and Adoption of Cloud-Based SaaS Solutions

Enterprises are rapidly re-platforming to the cloud, including historic laggards such as financial services and healthcare

# FICO Offers End-to-End Cloud-Delivered Solutions for Decisions

## Complex Data Management

Data preparation, wrangling, cleaning and management

## Advanced Analytics and Decisioning

Cutting-edge analytic tools and models applied to business decisions

## Decision-Driven Business Outcomes

Industry-leading business rules engine and workflow management tools to create full business process solutions

Delivered in a manner optimized to each client's needs

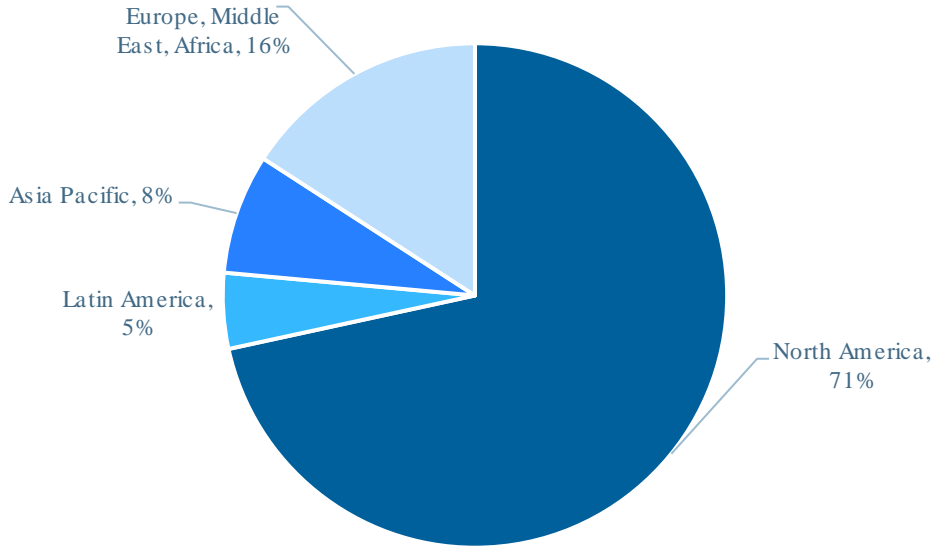
Public Cloud, Hybrid Cloud, Private Cloud, and On-Prem

# FICO – Truly Global and Diversified

## Revenue – Geographic Breakdown

FY2020

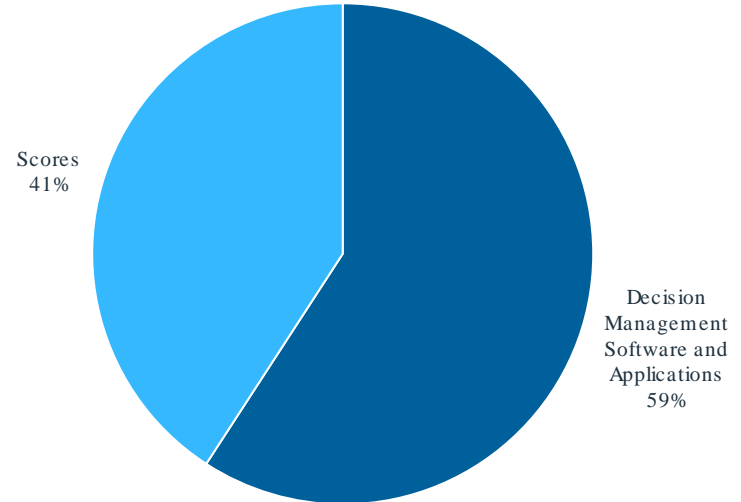
*~29% of revenue from international business*



## Revenue – Segment Breakdown

FY2020

*59% of revenue is derived from Decision Management Software and Applications*





# Robust Cash Flow Profile & Balance Sheet with Conservative Financial Policy

## Robust Cash Flow Profile & Balance Sheet

- Consistent and increasing cash flow generation
- Deeply embedded software and technology solutions with significant innovations that deliver profitable, growing, recurring revenue
- Strong liquidity profile with consistent cash generation, supplemented by access to revolving credit facility

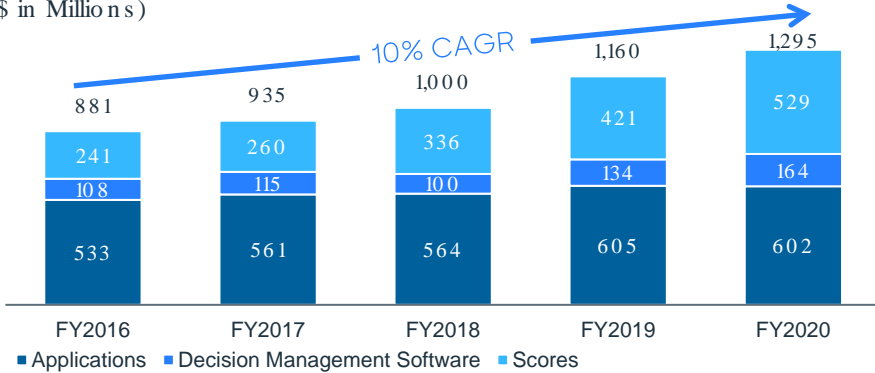
## Conservative Financial Policy

- Conservative approach to financial leverage
- Well defined return of capital policy
- Focus on organic growth supplemented by tuck-in M&A funded from internally generated cash flow

# Historical Financial Summary

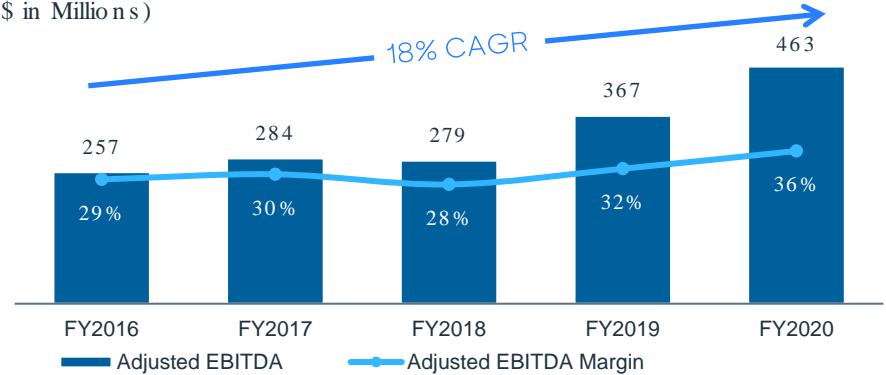
## Total Revenue by Segment

(\$ in Millions)



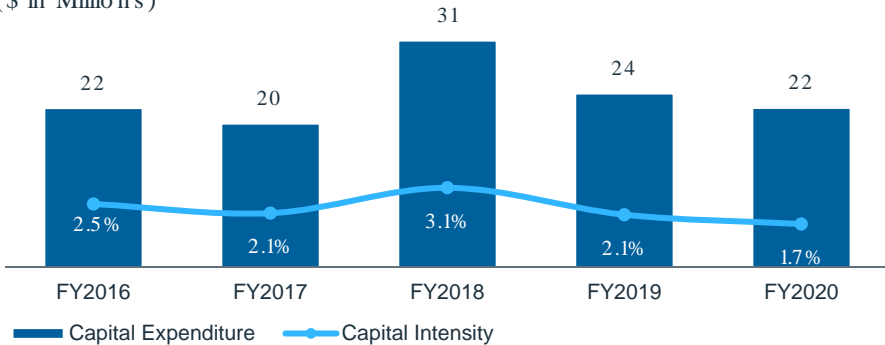
## Adjusted EBITDA

(\$ in Millions)



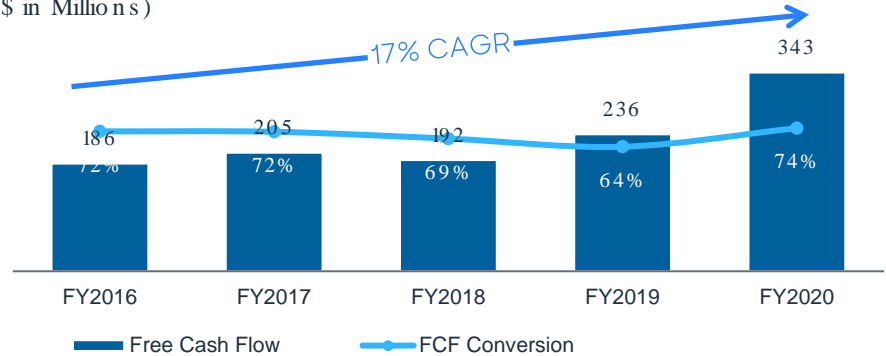
## Capital Expenditure

(\$ in Millions)



## Free Cash Flow

(\$ in Millions)



### Notes

1. FCF defined as net cash provided by operating activities less capital expenditures
2. FCF conversion calculated as free cash flow divided by Adjusted EBITDA
3. Note: Fiscal year end 9/30

# GAAP to Non-GAAP Reconciliation

Reconciliation to Adjusted EBITDA	FY2020	FY2019
Net income, as reported	\$236,411	\$192,124
Interest expense, net	42,177	39,752
Provision for income taxes	20,589	23,948
Other expense (income), net	(3,208)	(2,276)
Amortization of intangible assets	4,993	6,126
Depreciation	23,452	24,205
Stock-based compensation expense	93,681	82,973
Restructuring and acquisition-related	45,029	-
Adjusted EBITDA	\$463,124	\$366,852

Reconciliation To Free Cash Flow	FY2020	FY2019
Net cash provided by operating activities	\$364,915	\$260,350
Reduced by cash flow items:		
Capital expenditures	(21,990)	(23,981)
Dividends paid	-	-
Free cash flow	\$342,925	\$236,369