

**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 items.

	Quarter Ended		Quarter Ended		Quarter Ended		Quarter Ended	
	Fiscal Year	December 31,	Fiscal Year	September 30,	June 30,	March 31,	December 31,	
	2023	2022	2022	2022	2022	2022	2021	
<b>Operating Income</b>								
Operating income, as reported	\$ 140,339	\$ 140,339	\$ 542,414	\$ 134,156	\$ 140,615	\$ 152,057	\$ 115,586	
Amortization of intangible assets	275	275	2,061	442	532	543	544	
Gain on product line asset sale	(1,941)	(1,941)	-	-	-	-	-	
Share-based compensation expense	29,702	29,702	115,354	28,991	28,549	27,936	29,878	
Non-GAAP operating income (segment operating income)	\$ 168,375	\$ 168,375	\$ 659,829	\$ 163,589	\$ 169,696	\$ 180,536	\$ 146,008	
Revenues	\$ 344,870	\$ 344,870	\$ 1,377,270	\$ 348,748	\$ 348,966	\$ 357,195	\$ 322,361	
Non-GAAP operating margin	49%	49%	48%	47%	49%	51%	45%	
<b>Net Income</b>								
Net income, as reported	\$ 97,643	\$ 97,643	\$ 373,541	\$ 90,699	\$ 93,500	\$ 104,383	\$ 84,959	
Amortization of intangible assets	275	275	2,061	442	532	543	544	
Gain on product line asset sale	(1,941)	(1,941)	-	-	-	-	-	
Share-based compensation expense	29,702	29,702	115,354	28,991	28,549	27,936	29,878	
Income tax adjustments	(6,914)	(6,914)	(28,055)	(7,043)	(6,842)	(6,677)	(7,493)	
Excess tax benefit	(10,304)	(10,304)	(9,125)	(595)	(78)	(2,495)	(5,957)	
Non-GAAP net income	\$ 108,461	\$ 108,461	\$ 453,776	\$ 112,494	\$ 115,661	\$ 123,690	\$ 101,931	
Revenues	\$ 344,870	\$ 344,870	\$ 1,377,270	\$ 348,748	\$ 348,966	\$ 357,195	\$ 322,361	
Non-GAAP net margin	31%	31%	33%	32%	33%	35%	32%	
<b>Diluted Earnings per Share</b>								
Diluted earnings per share, as reported	\$ 3.84	\$ 3.84	\$ 14.18	\$ 3.55	\$ 3.61	\$ 3.95	\$ 3.09	
Amortization of intangible assets	0.01	0.01	0.08	0.02	0.02	0.02	0.02	
Gain on product line asset sale	(0.08)	(0.08)	-	-	-	-	-	
Share-based compensation expense	1.17	1.17	4.38	1.13	1.10	1.06	1.09	
Income tax adjustments	(0.27)	(0.27)	(1.06)	(0.28)	(0.26)	(0.25)	(0.27)	
Excess tax benefit	(0.40)	(0.40)	(0.35)	(0.02)	(0.00)	(0.09)	(0.22)	
Non-GAAP diluted earnings per share	\$ 4.26	\$ 4.26	\$ 17.22	\$ 4.40	\$ 4.47	\$ 4.68	\$ 3.70	
<b>Reconciliation to Adjusted EBITDA</b>								
Net income, as reported	\$ 97,643	\$ 97,643	\$ 373,541	\$ 90,699	\$ 93,500	\$ 104,383	\$ 84,959	
Interest expense, net	22,800	22,800	68,966	20,839	18,721	17,211	12,195	
Provision for income taxes	20,260	20,260	97,768	22,411	27,394	28,102	19,861	
Other expense (income), net (1)	1,107	1,107	(4,603)	(1,047)	(3,735)	(174)	353	
Amortization of intangible assets	275	275	2,061	442	532	543	544	
Depreciation	3,147	3,147	15,241	3,346	3,773	4,024	4,098	
Share-based compensation expense	29,702	29,702	115,354	28,991	28,549	27,936	29,878	
Gain on product line asset sale	(1,941)	(1,941)	-	-	-	-	-	
Adjusted EBITDA	\$ 172,993	\$ 172,993	\$ 668,328	\$ 165,681	\$ 168,734	\$ 182,025	\$ 151,888	
Revenues	\$ 344,870	\$ 344,870	\$ 1,377,270	\$ 348,748	\$ 348,966	\$ 357,195	\$ 322,361	
Adjusted EBITDA as a percent of revenues	50%	50%	49%	48%	48%	51%	47%	
<b>Reconciliation To Free Cash Flow</b>								
Net cash provided by operating activities	\$ 92,440	\$ 92,440	\$ 509,450	\$ 144,826	\$ 117,140	\$ 122,603	\$ 124,881	
Reduced by cash flow items:								
Capital expenditures	850	850	6,029	797	1,939	2,398	895	
Free cash flow	\$ 91,590	\$ 91,590	\$ 503,421	\$ 144,029	\$ 115,201	\$ 120,205	\$ 123,986	
Revenues	\$ 344,870	\$ 344,870	\$ 1,377,270	\$ 348,748	\$ 348,966	\$ 357,195	\$ 322,361	
Free cash flow as a percent of revenues	27%	27%	37%	41%	33%	34%	38%	

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

(1) Excludes gains and losses from securities held under a supplemental retirement and savings plan for certain officers and senior management employees as the offsetting entries are included (as compensation expenses) in operating expenses, resulting in a net zero impact to the company's net income.