

Fair Isaac Corporation

Q4 20 Financial Highlights

September 30, 2020

- **Revenue:**

Q4 20 revenue of \$374 million vs. Q4 19 revenue of \$ 305 million or 23% increase.

- Applications revenue of \$168 million, or 12% y/y increase
- Scores revenue of \$153 million, or 32% y/y increase
- Decision Management Software revenue of \$53 million, or 36% y/y increase

- GAAP Net income of \$59 million or \$1.98 per share in Q4 20 vs. \$55 million or \$1.80 per share in Q4 19.
- Non-GAAP Net income of \$97 million or \$3.25 per share in Q4 20 vs. \$61 million or \$2.01 per share in Q4 19.
- Free Cash Flow was \$135 million in Q4 20 vs. \$90 million in Q4 19

Liquidity Review

	<u>September 30, 2020</u>
Cash	\$157M
Available capacity on revolving line	\$305M
Total Liquidity	\$462M
Leverage Ratio for Q420¹	1.62x

¹ Net debt to Adj. EBITDA as defined in bank revolving line of credit. Current covenant is 3.25x.

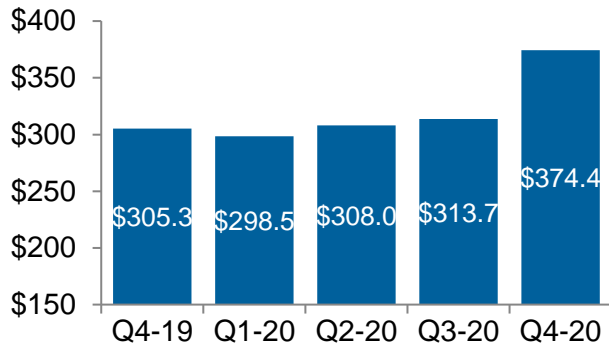
Q4 2020 Financial Highlights

Metric	Q4 19	Q3 20	Q4 20	% Q/Q	% Y/Y
Revenues	\$305.3	\$313.7	\$374.4	19%	23%
GAAP Diluted EPS	\$1.80	\$2.15	\$1.98	-8%	10%
Non-GAAP Op. Margin*	30%	34%	41%	21%	37%
Non-GAAP net margin*	20%	24%	26%	8%	30%
Non-GAAP Diluted EPS*	\$2.01	\$2.58	\$3.25	26%	62%
Adjusted EBITDA*	\$98.9	\$112.6	\$159.2	41%	61%
Free Cash Flow*	\$89.6	\$99.0	\$135.3	37%	51%
Headcount	4,009	4,065	4,003	-2%	0%
Bookings	\$160.4	\$106.2	\$234.6	121%	46%

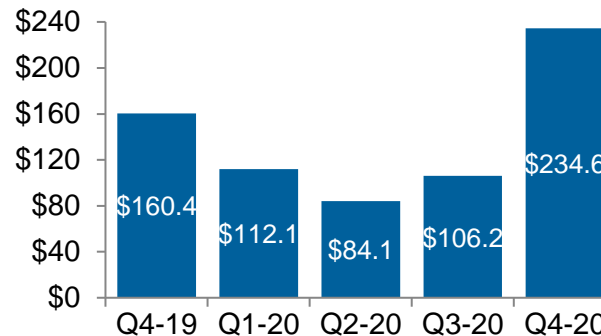
- For a detailed reconciliation, please refer to our Regulation G Disclosure

Key Operating Results

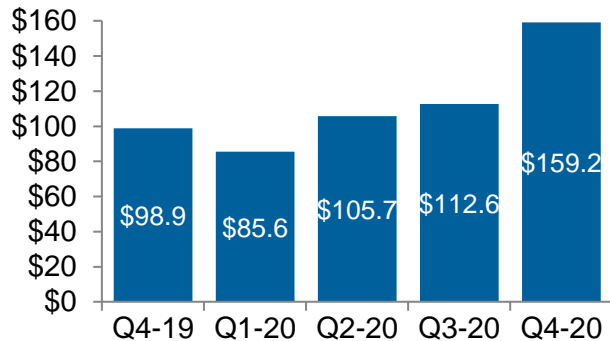
Revenues



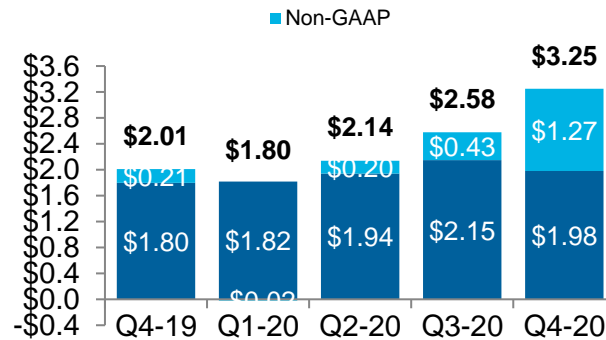
Bookings



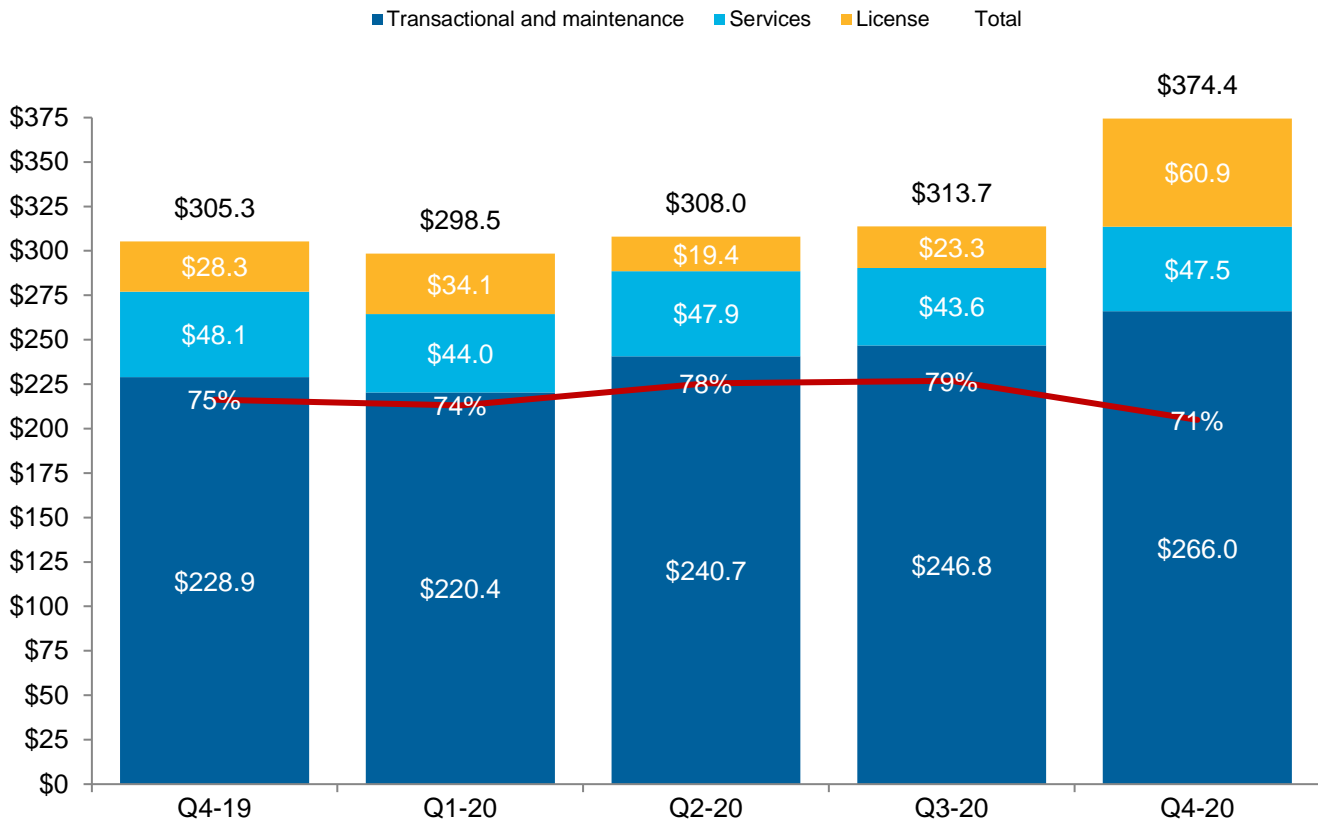
Adjusted EBITDA



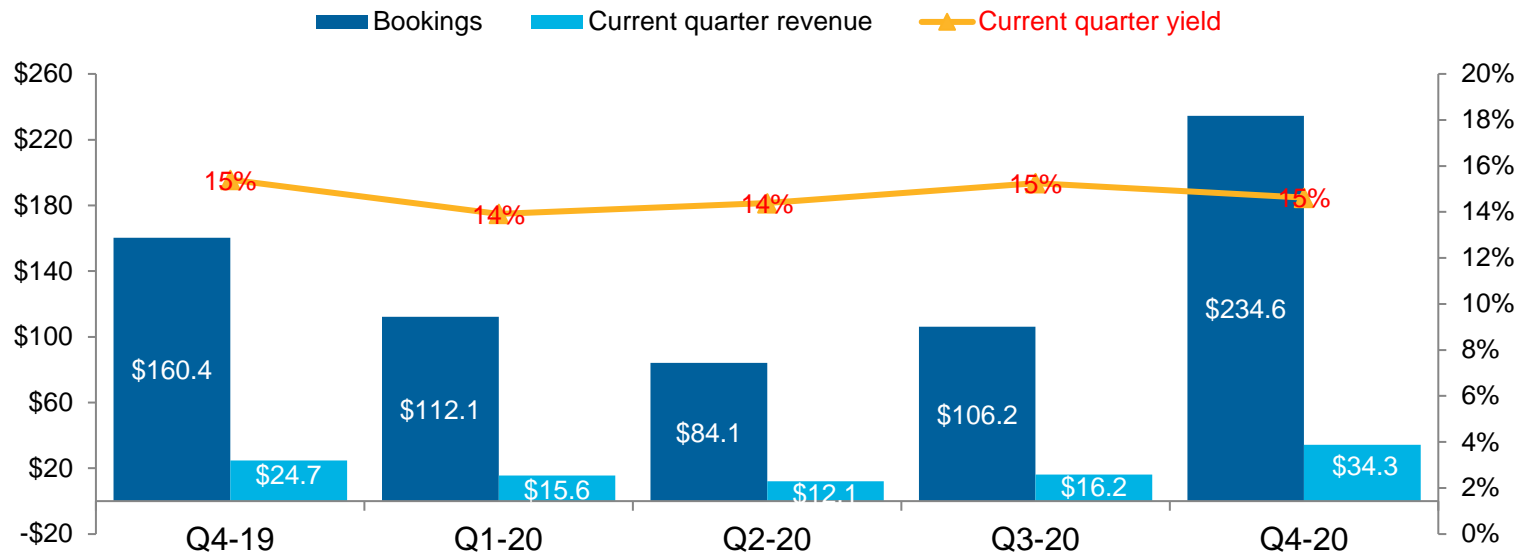
GAAP EPS



Revenue Type Mix

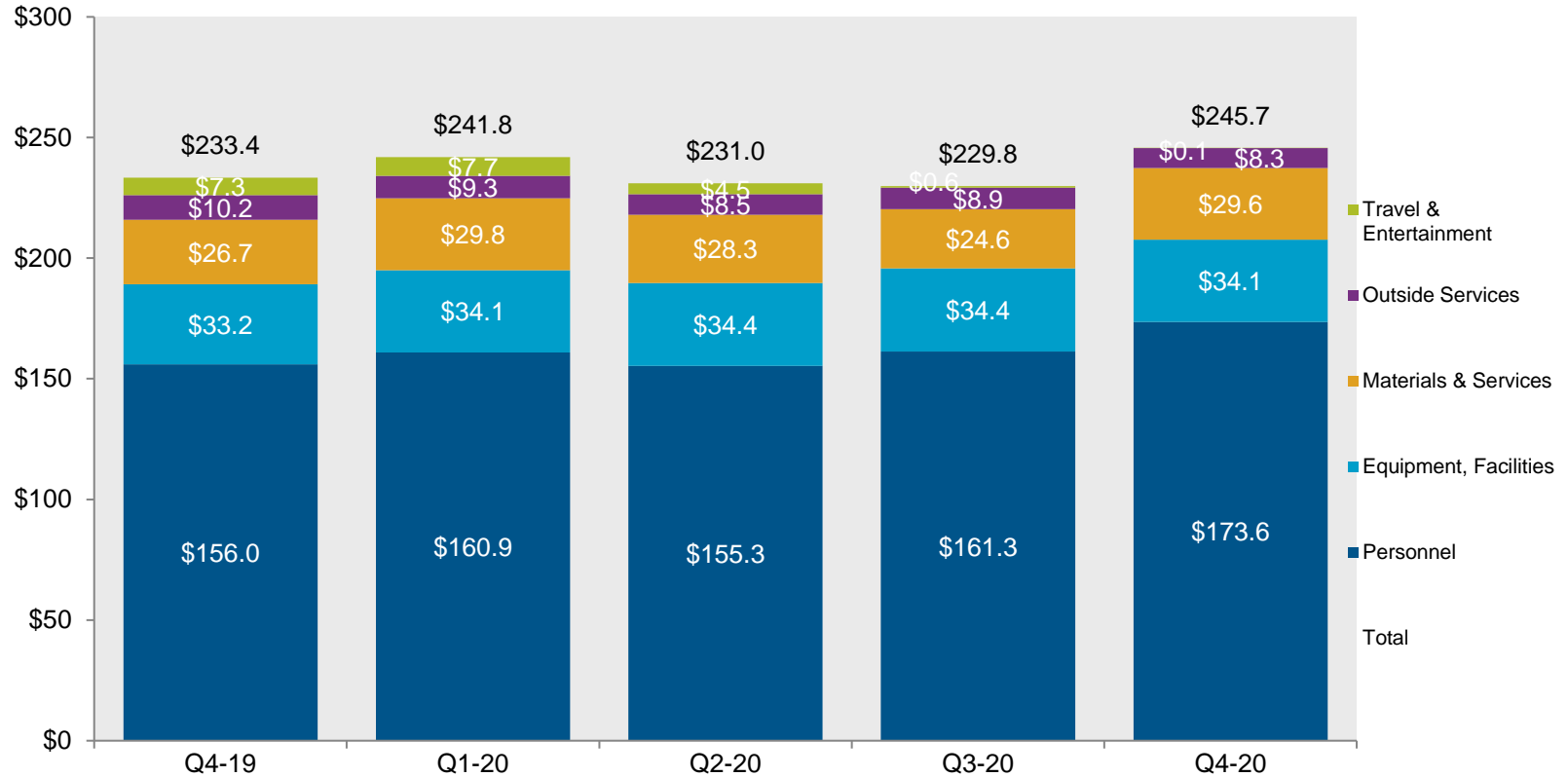


Bookings and Current Quarter Yield

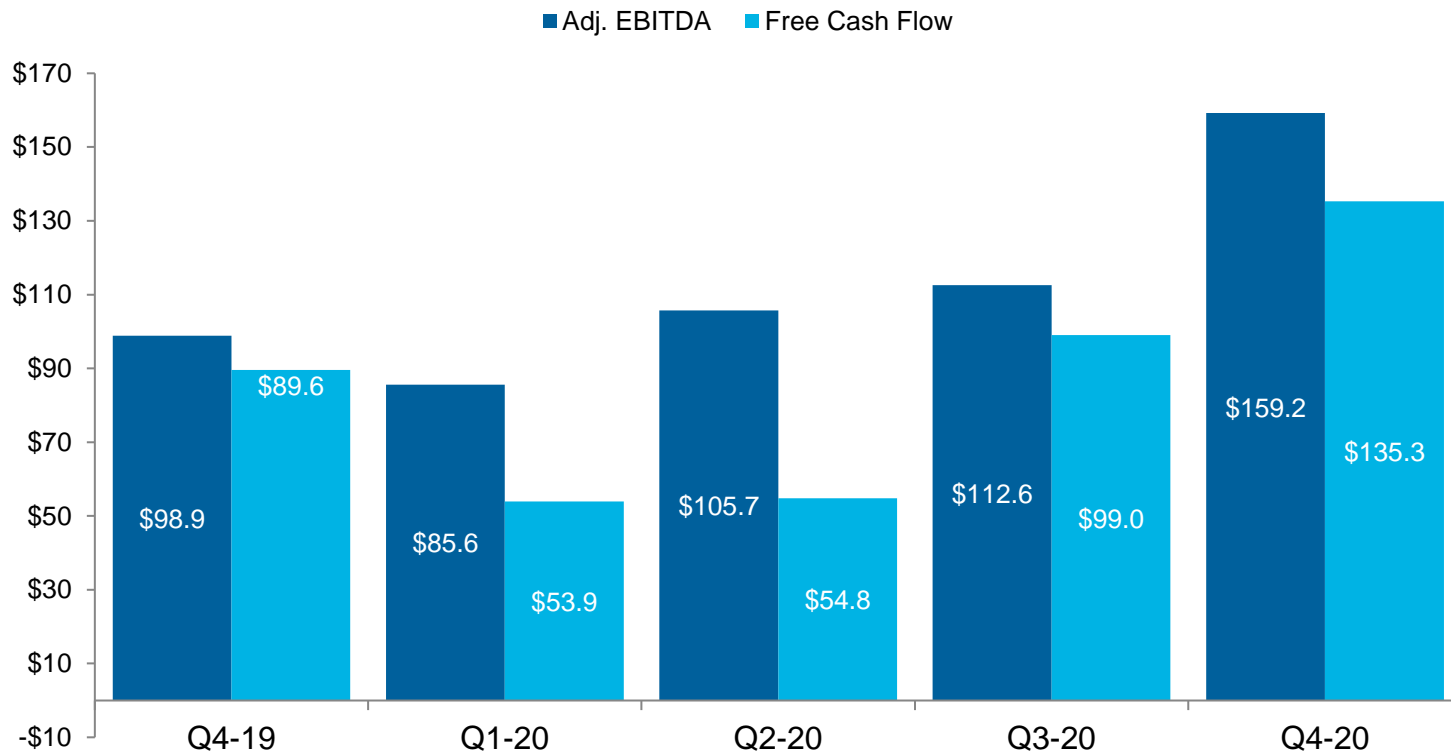


# Deals \$1-3 million	25	16	12	8	18
# Deals >\$3 million	9	9	3	8	13
Average Term	34 mos.	39 mos.	35 mos.	37 mos.	55 mos.

Expense Review



Adjusted EBITDA & Free Cash Flow



Balance Sheet Review

\$ in Millions	4Q'19	3Q'20	4Q'20	YoY Var	QoQ Var
ASSETS					
Cash & investments	\$ 128.3	\$ 150.8	\$ 184.0	43%	22%
Accounts receivable & other current assets	349.3	357.3	376.7	8%	5%
Goodwill & intangibles, net	817.7	814.6	821.6	0%	1%
Other	138.2	241.4	223.9	62%	-7%
Total Assets	\$ 1,433.5	\$ 1,564.1	\$ 1,606.2	12%	3%
LIABILITIES					
Current liabilities	\$ 490.8	\$ 460.2	\$ 414.5	-16%	-10%
Noncurrent liabilities	652.9	856.6	860.6	32%	0%
Total Liabilities	\$ 1,143.7	\$ 1,316.8	\$ 1,275.1	11%	-3%
Stockholders Equity	\$ 289.8	\$ 247.3	\$ 331.1	14%	34%
Total Liabilities & Equity	\$ 1,433.5	\$ 1,564.1	\$ 1,606.2	12%	3%
METRICS					
Leverage Covenant (max 3.25)	2.14	2.16	1.62	(0.52)	(0.54)
Interest Coverage/Fixed Charge Covenant (min 3.0)	4.77	4.59	10.97	6.20	6.38
Days Sales Outstanding	100 days	100 days	95 days	-5 day	-5 day

Segment Profitability

Year Ended September 30, 2020

	Applications	Scores	Decision Management Software (In thousands)	Unallocated Corporate Expenses	Total
Segment revenues:					
Transactional and maintenance	\$ 393,994	\$ 517,024	\$ 62,915	\$ —	\$ 973,933
Professional services	136,677	1,600	44,763	—	183,040
License	71,375	9,923	56,291	—	137,589
Total segment revenues	602,046	528,547	163,969	—	1,294,562
Segment operating expense	(448,505)	(74,237)	(187,444)	(144,704)	(854,890)
Segment operating income (loss)	\$ 153,541	\$ 454,310	\$ (23,475)	\$ (144,704)	\$ 439,672
Unallocated share-based compensation expense					(93,681)
Unallocated amortization expense					(4,993)
Unallocated restructuring and impairment charges					(45,029)
Operating income					295,969
Unallocated interest expense, net					(42,177)
Unallocated other income, net					3,208
Income before income taxes					\$ 257,000
Depreciation expense	\$ 18,021	\$ 617	\$ 4,397	\$ 418	\$ 23,453

Year Ended September 30, 2019

	Applications	Scores	Decision Management Software (In thousands)	Unallocated Corporate Expenses	Total
Segment revenues:					
Transactional and maintenance	\$ 395,398	\$ 415,288	\$ 50,262	\$ —	\$ 860,948
Professional services	137,258	2,157	44,680	—	184,095
License	72,378	3,732	38,930	—	115,040
Total segment revenues	605,034	421,177	133,872	—	1,160,083
Segment operating expense	(443,872)	(59,821)	(168,988)	(144,755)	(817,436)
Segment operating income (loss)	\$ 161,162	\$ 361,356	\$ (35,116)	\$ (144,755)	\$ 342,647
Unallocated share-based compensation expense					(82,973)
Unallocated amortization expense					(6,126)
Operating income					253,548
Unallocated interest expense, net					(39,752)
Unallocated other income, net					2,276
Income before income taxes					\$ 216,072
Depreciation expense	\$ 18,766	\$ 498	\$ 4,036	\$ 904	\$ 24,204

Fair Isaac Corporation

Q4 20 Financial Highlights

September 30, 2020