

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 2020	Quarter Ended June 30, 2020	Quarter Ended March 31, 2020	Quarter Ended December 31, 2019	Fiscal Year 2019	Quarter Ended September 30, 2019	Quarter Ended June 30, 2019	Quarter Ended March 31, 2019	Quarter Ended December 31, 2018
Operating Income									
Operating income, as reported	\$ 210,479	\$ 82,871	\$ 75,726	\$ 51,882	\$ 253,548	\$ 70,287	\$ 85,708	\$ 48,549	\$ 49,004
Amortization of intangible assets	4,046	1,048	1,202	1,796	6,126	1,673	1,448	1,503	1,502
Restructuring and acquisition-related	3,104	-	-	3,104	-	-	-	-	-
Stock-based compensation expense	68,198	22,265	22,788	23,145	82,973	21,042	19,595	20,482	21,854
Non-GAAP operating income (segment operating income)	\$ 285,827	\$ 106,184	\$ 99,716	\$ 79,927	\$ 342,647	\$ 93,002	\$ 106,751	\$ 70,534	\$ 72,360
Revenues	\$ 920,206	\$ 313,731	\$ 307,971	\$ 298,504	\$ 1,160,083	\$ 305,344	\$ 314,249	\$ 278,234	\$ 262,256
Non-GAAP operating margin	31%	34%	32%	27%	30%	30%	34%	25%	28%
Net Income									
Net income, as reported	\$ 177,285	\$ 64,076	\$ 58,288	\$ 54,921	\$ 192,124	\$ 54,584	\$ 64,152	\$ 33,381	\$ 40,007
Amortization of intangible assets	4,046	1,048	1,202	1,796	6,126	1,673	1,448	1,503	1,502
Restructuring and acquisition-related	3,104	-	-	3,104	-	-	-	-	-
Stock-based compensation expense	68,198	22,265	22,788	23,145	82,973	21,042	19,595	20,482	21,854
Income tax adjustments	(18,546)	(5,739)	(6,045)	(6,762)	(22,940)	(5,836)	(5,290)	(5,594)	(6,219)
Excess tax benefit	(38,845)	(4,902)	(11,925)	(22,018)	(30,666)	(10,643)	(4,289)	(2,501)	(13,233)
Non-GAAP net income	\$ 195,242	\$ 76,748	\$ 64,308	\$ 54,186	\$ 227,617	\$ 60,820	\$ 75,616	\$ 47,271	\$ 43,911
Revenues	\$ 920,206	\$ 313,731	\$ 307,971	\$ 298,504	\$ 1,160,083	\$ 305,344	\$ 314,249	\$ 278,234	\$ 262,256
Non-GAAP net margin	21%	24%	21%	18%	20%	20%	24%	17%	17%
Diluted Earnings per Share									
Diluted earnings per share, as reported	\$ 5.92	\$ 2.15	\$ 1.94	\$ 1.82	\$ 6.34	\$ 1.80	\$ 2.12	\$ 1.10	\$ 1.32
Amortization of intangible assets	0.14	0.04	0.04	0.06	0.20	0.06	0.05	0.05	0.05
Restructuring and acquisition-related	0.10	-	-	0.10	-	-	-	-	-
Stock-based compensation expense	2.28	0.75	0.76	0.77	2.74	0.69	0.65	0.68	0.72
Income tax adjustments	(0.62)	(0.19)	(0.20)	(0.22)	(0.76)	(0.19)	(0.17)	(0.18)	(0.20)
Excess tax benefit	(1.30)	(0.16)	(0.40)	(0.73)	(1.01)	(0.35)	(0.14)	(0.08)	(0.44)
Non-GAAP diluted earnings per share	\$ 6.52	\$ 2.58	\$ 2.14	\$ 1.80	\$ 7.51	\$ 2.01	\$ 2.50	\$ 1.56	\$ 1.45
Reconciliation to Adjusted EBITDA									
Net income, as reported	\$ 177,285	\$ 64,076	\$ 58,288	\$ 54,921	\$ 192,124	\$ 54,584	\$ 64,152	\$ 33,381	\$ 40,007
Interest expense, net	32,245	11,223	11,254	9,768	39,752	9,957	10,111	10,008	9,676
Provision for income taxes	3,282	12,132	4,176	(13,026)	23,948	6,304	13,902	6,593	(2,851)
Other expense (income), net	(2,333)	(4,560)	2,008	219	(2,276)	(558)	(2,457)	(1,433)	2,172
Amortization of intangible assets	4,046	1,048	1,202	1,796	6,126	1,673	1,448	1,503	1,502
Depreciation	18,086	6,450	5,960	5,676	24,205	5,887	6,179	5,995	6,144
Stock-based compensation expense	68,198	22,265	22,788	23,145	82,973	21,042	19,595	20,482	21,854
Restructuring and acquisition-related	3,104	-	-	3,104	-	-	-	-	-
Adjusted EBITDA	\$ 303,913	\$ 112,634	\$ 105,676	\$ 85,603	\$ 366,852	\$ 98,889	\$ 112,930	\$ 76,529	\$ 78,504
Revenues	\$ 920,206	\$ 313,731	\$ 307,971	\$ 298,504	\$ 1,160,083	\$ 305,344	\$ 314,249	\$ 278,234	\$ 262,256
Adjusted EBITDA as a percent of revenue:	33%	36%	34%	29%	32%	32%	36%	28%	30%
Reconciliation To Free Cash Flow									
Net cash provided by operating activities	\$ 228,730	\$ 106,871	\$ 61,494	\$ 60,365	\$ 260,350	\$ 95,414	\$ 68,290	\$ 47,789	\$ 48,857
Reduced by cash flow items:									
Capital expenditures	21,074	7,907	6,667	6,500	23,981	5,811	7,526	4,170	6,474
Free cash flow	\$ 207,656	\$ 98,964	\$ 54,827	\$ 53,865	\$ 236,369	\$ 89,603	\$ 60,764	\$ 43,619	\$ 42,383
Revenues	\$ 920,206	\$ 313,731	\$ 307,971	\$ 298,504	\$ 1,160,083	\$ 305,344	\$ 314,249	\$ 278,234	\$ 262,256
Free cash flow as a percent of revenue:	23%	32%	18%	18%	20%	29%	19%	16%	16%

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