

# Fair Isaac Corporation

**Q1 20 Financial Highlights**

**December 31, 2019**

## Q1 2020 Highlights

- **Revenue:**  
Q1 20 revenue of \$299 million vs. Q1 19 revenue of \$ 262 million or 14% increase
  - Applications revenue of \$152 million, or 3% y/y increase
  - Scores revenue of \$115 million, or 34% y/y increase
  - Decision Management Software revenue of \$32 million, or 8% y/y increase
- GAAP Net income of \$55 million or \$1.82 per share in Q1 20 vs. \$40 million or \$1.32 per share in Q1 19.
- Non-GAAP Net income of \$54 million or \$1.80 per share in Q1 20 vs. \$44 million or \$1.45 per share in Q1 19.
- Free Cash Flow was \$54 million in Q1 20 vs. \$42 million in Q1 19

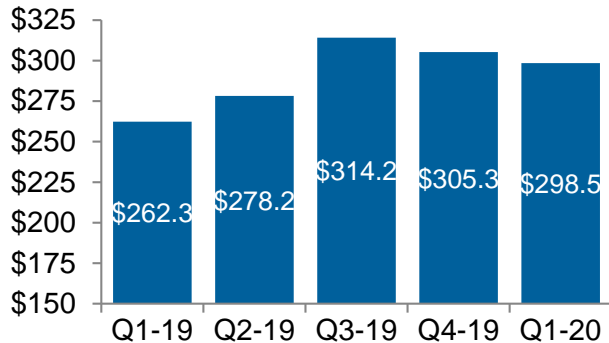
## Q1 2020 Financial Highlights

Metric	Q1 19	Q4 19	Q1 20	% Q/Q	% Y/Y
Revenues	\$262.3	\$305.3	\$298.5	-2%	14%
GAAP Diluted EPS	\$1.32	\$1.80	\$1.82	1%	38%
Non-GAAP Op. Margin*	28%	30%	27%	-10%	-4%
Non-GAAP net margin*	17%	20%	18%	-10%	6%
Non-GAAP Diluted EPS*	\$1.45	\$2.01	\$1.80	-10%	24%
Adjusted EBITDA*	\$78.5	\$98.9	\$85.6	-13%	9%
Free Cash Flow*	\$42.4	\$89.6	\$53.9	-40%	27%
Headcount	3,772	4,009	3,956	-1%	5%
Bookings	\$106.6	\$160.4	\$112.1	-30%	5%

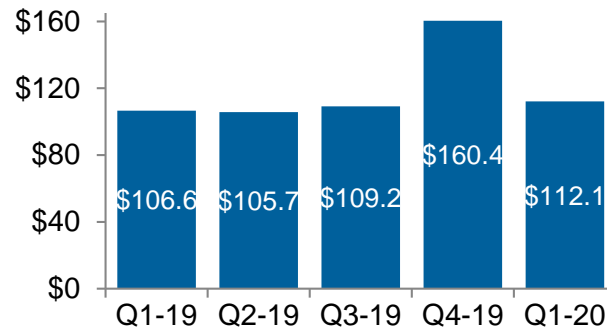
- For a detailed reconciliation, please refer to our Regulation G Disclosure

# Key Operating Results

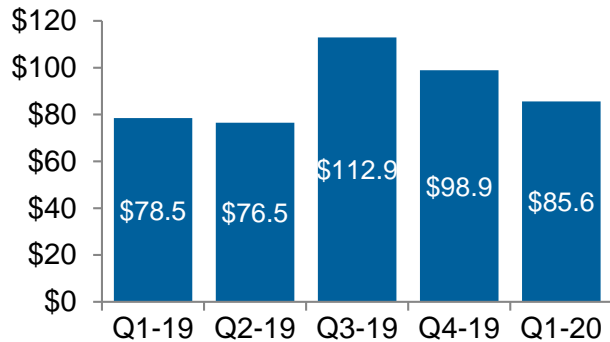
## Revenues



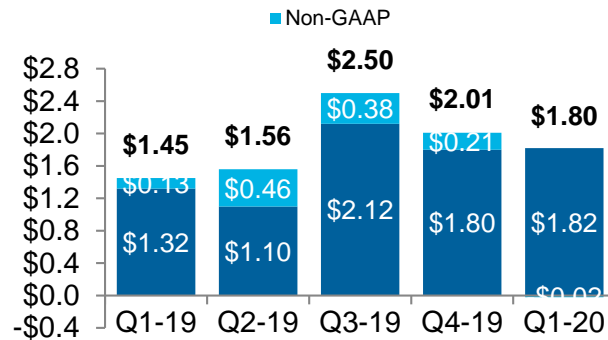
## Bookings



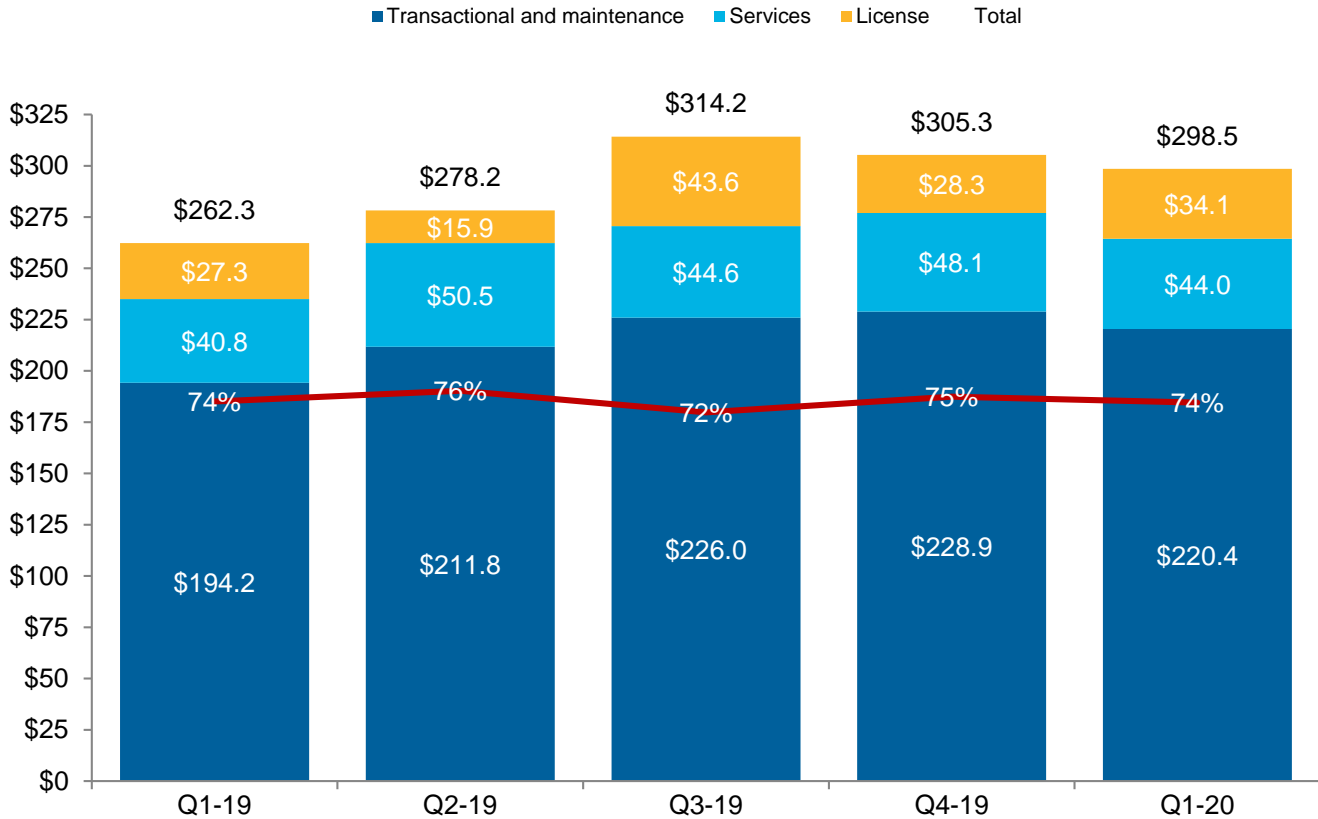
## Adjusted EBITDA



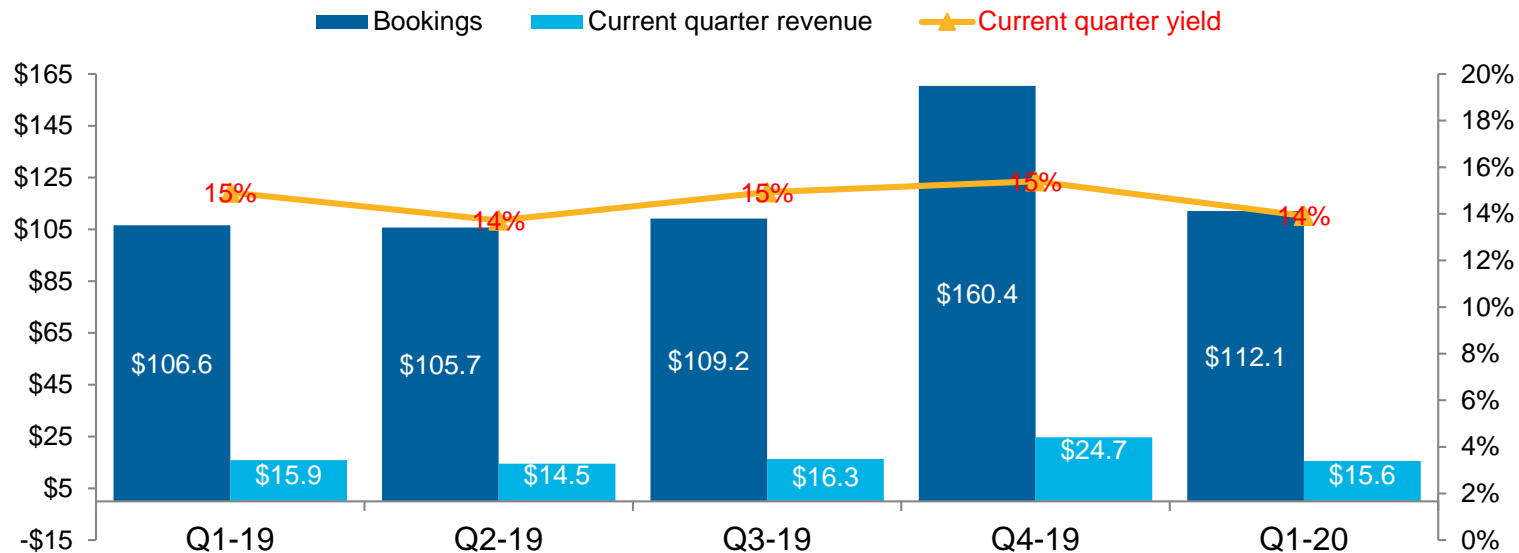
## GAAP EPS



# Revenue Type Mix

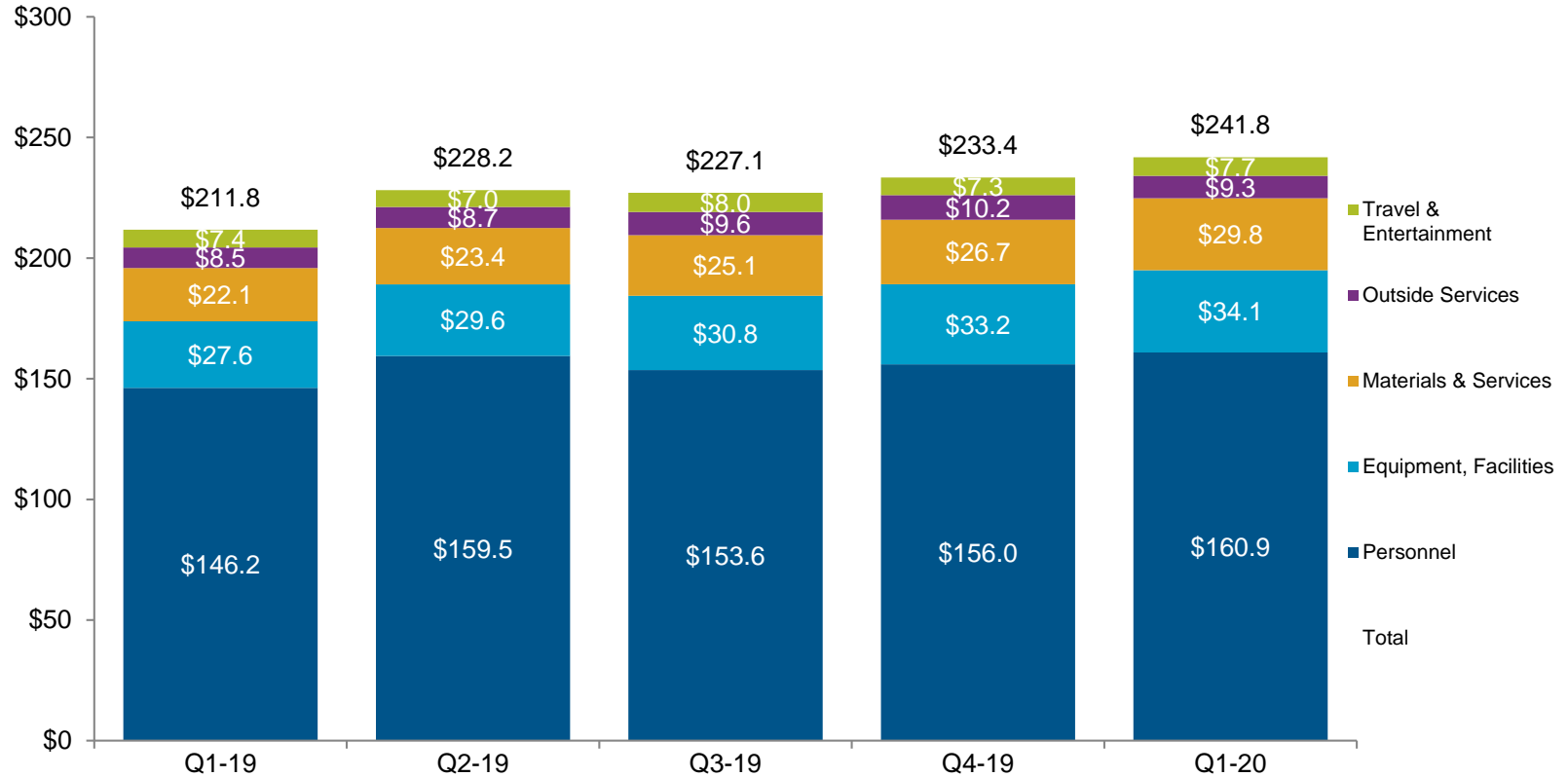


# Bookings and Current Quarter Yield

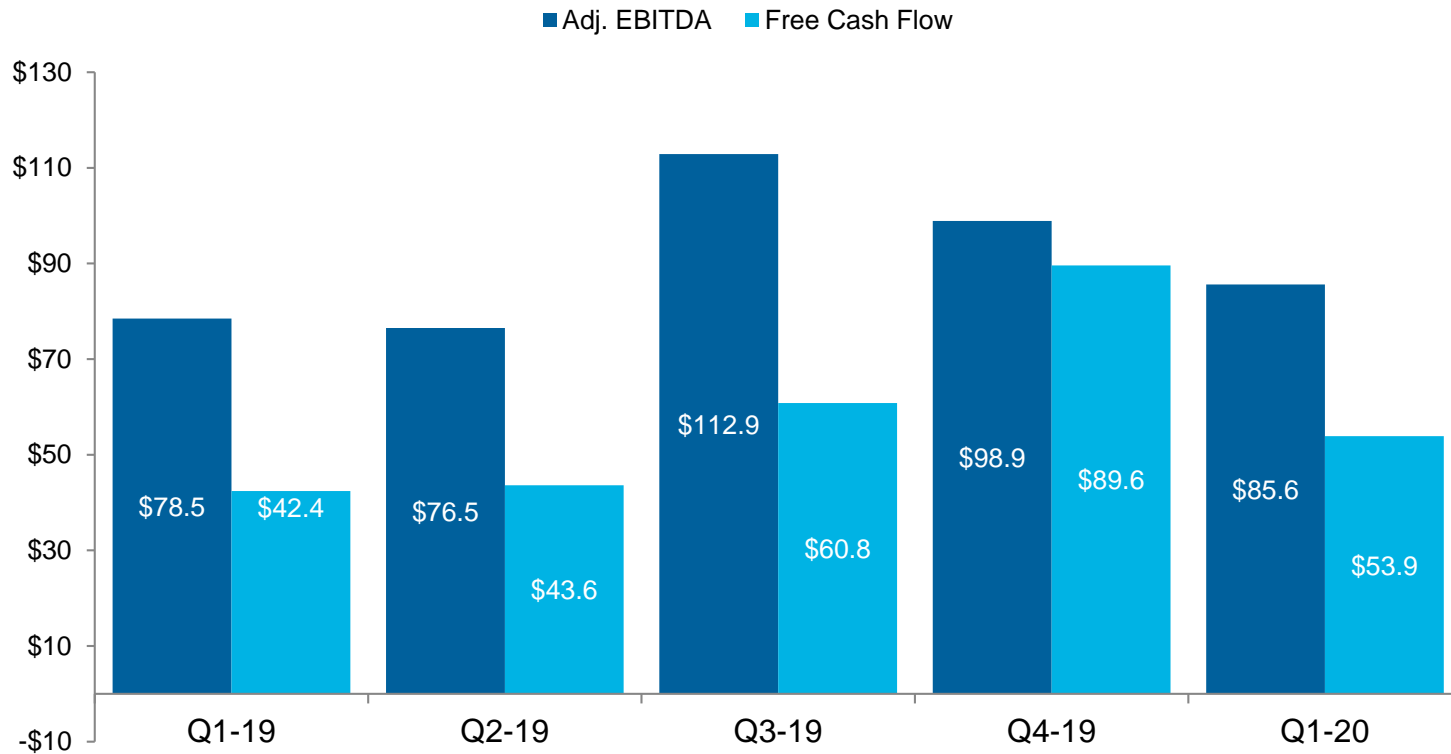


# Deals \$1-3 million	16	12	15	25	16
# Deals >\$3 million	7	7	4	9	9
Average Term	31mos.	32mos.	38mos.	34mos.	39mos.

# Expense Review



# Adjusted EBITDA & Free Cash Flow





# Balance Sheet Review

\$ in Millions	1Q'19	4Q'19	1Q'20	YoY Var	QoQ Var
<b>ASSETS</b>					
Cash & investments	\$ 98.8	\$ 128.3	\$ 136.6	38%	6%
Accounts receivable & other current assets	295.9	349.3	349.8	18%	0%
Goodwill & intangibles, net	811.7	817.7	825.3	2%	1%
Other	99.2	138.2	233.3	135%	69%
<b>Total Assets</b>	<b>\$ 1,305.6</b>	<b>\$ 1,433.5</b>	<b>\$ 1,545.0</b>	<b>18%</b>	<b>8%</b>
<b>LIABILITIES</b>					
Current liabilities	\$ 433.3	\$ 490.8	\$ 442.0	2%	-10%
Noncurrent liabilities	644.4	652.9	862.0	34%	32%
<b>Total Liabilities</b>	<b>\$ 1,077.7</b>	<b>\$ 1,143.7</b>	<b>\$ 1,304.0</b>	<b>21%</b>	<b>14%</b>
<b>Stockholders Equity</b>	<b>\$ 227.9</b>	<b>\$ 289.8</b>	<b>\$ 241.0</b>	<b>6%</b>	<b>-17%</b>
<b>Total Liabilities &amp; Equity</b>	<b>\$ 1,305.6</b>	<b>\$ 1,433.5</b>	<b>\$ 1,545.0</b>	<b>18%</b>	<b>8%</b>
<b>METRICS</b>					
Leverage Covenant (max 3.0)	2.67	2.14	2.33	(0.34)	0.19
Fixed Charge Covenant (min 2.5)	4.60	4.77	4.67	0.07	-0.10
Days Sales Outstanding	87 days	100 days	98 days	11 day	-2 day

# Segment Profitability

	Quarter Ended December 31, 2019				
	Applications	Scores	Decision Management Software	Unallocated Corporate Expenses	Total
	(In thousands)				
Segment revenues:					
Transactional and maintenance	\$ 98,837	\$ 107,446	\$ 14,091	\$ —	\$ 220,374
Professional services	34,023	264	9,738	—	44,025
License	19,318	7,428	7,359	—	34,105
Total segment revenues	152,178	115,138	31,188	—	298,504
Segment operating expense	(116,010)	(17,712)	(50,645)	(34,210)	(218,577)
Segment operating income (loss)	\$ 36,168	\$ 97,426	\$ (19,457)	\$ (34,210)	79,927
Unallocated share-based compensation expense					(23,145)
Unallocated amortization expense					(1,796)
Unallocated restructuring and acquisition-related					(3,104)
Operating income					51,882
Unallocated interest expense, net					(9,768)
Unallocated other expense, net					(219)
Income before income taxes					\$ 41,895
Depreciation expense	\$ 4,349	\$ 116	\$ 986	\$ 225	\$ 5,676

	Quarter Ended December 31, 2018				
	Applications	Scores	Decision Management Software	Unallocated Corporate Expenses	Total
	(In thousands)				
Segment revenues:					
Transactional and maintenance	\$ 97,165	\$ 84,821	\$ 12,207	\$ —	\$ 194,193
Professional services	31,462	701	8,645	—	40,808
License	19,032	161	8,062	—	27,255
Total segment revenues	147,659	85,683	28,914	—	262,256
Segment operating expense	(107,598)	(13,482)	(39,562)	(29,254)	(189,896)
Segment operating income (loss)	\$ 40,061	\$ 72,201	\$ (10,648)	\$ (29,254)	72,360
Unallocated share-based compensation expense					(21,854)
Unallocated amortization expense					(1,502)
Operating income					49,004
Unallocated interest expense, net					(9,676)
Unallocated other expense, net					(2,172)
Income before income taxes					\$ 37,156
Depreciation expense	\$ 4,797	\$ 125	\$ 989	\$ 233	\$ 6,144

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