

# Fair Isaac Corporation

**Q1 21 Financial Highlights**

**December 31, 2020**

- **Revenue:**

Q1 21 revenue of \$312 million vs. Q1 20 revenue of \$ 299 million or 5% increase.

- Applications revenue of \$135 million, or 11% y/y decrease
- Scores revenue of \$145 million, or 26% y/y increase
- Decision Management Software revenue of \$32 million, or 4% y/y increase

- GAAP Net income of \$86 million or \$2.90 per share in Q1 21 vs. \$55 million or \$1.82 per share in Q1 20.
- Non-GAAP Net income of \$82 million or \$2.74 per share in Q1 21 vs. \$54 million or \$1.80 per share in Q1 20.
- Free Cash Flow was \$75 million in Q1 21 vs. \$54 million in Q1 20

## Liquidity Review

	<u>December 31, 2020</u>
<b>Cash</b>	<b>\$145M</b>
<b>Available capacity on revolving line</b>	<b>\$269M</b>
<b>Total Liquidity</b>	<b>\$414M</b>
<b>Leverage Ratio for Q121<sup>1</sup></b>	<b>1.60x</b>

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

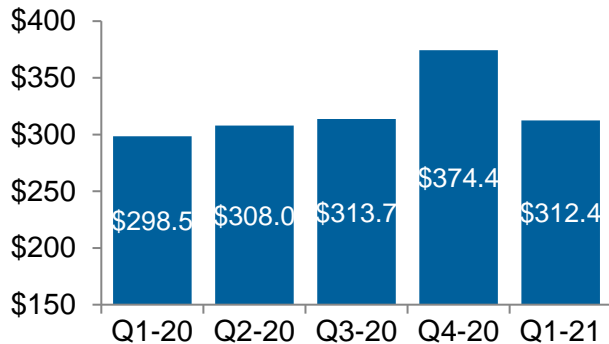
## Q1 2021 Financial Highlights

Metric	Q1 20	Q4 20	Q1 21	% Q/Q	% Y/Y
Revenues	\$298.5	\$374.4	\$312.4	-17%	5%
GAAP Diluted EPS	\$1.82	\$1.98	\$2.90	46%	59%
Non-GAAP Op. Margin*	27%	41%	36%	-12%	33%
Non-GAAP net margin*	18%	26%	26%	0%	44%
Non-GAAP Diluted EPS*	\$1.80	\$3.25	\$2.74	-16%	52%
Adjusted EBITDA*	\$85.6	\$159.2	\$119.0	-25%	39%
Free Cash Flow*	\$53.9	\$135.3	\$74.9	-45%	39%
Headcount	3,956	4,003	3,890	-3%	-2%
Bookings	\$112.1	\$234.6	\$68.1	-71%	-39%

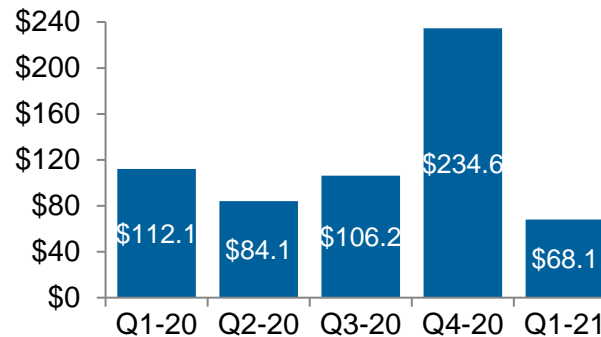
- For a detailed reconciliation, please refer to our Regulation G Disclosure

# Key Operating Results

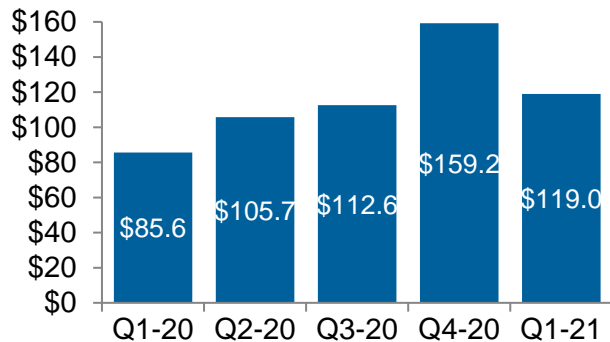
## Revenues



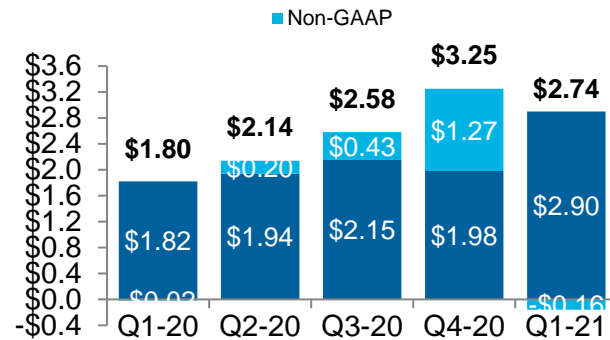
## Bookings



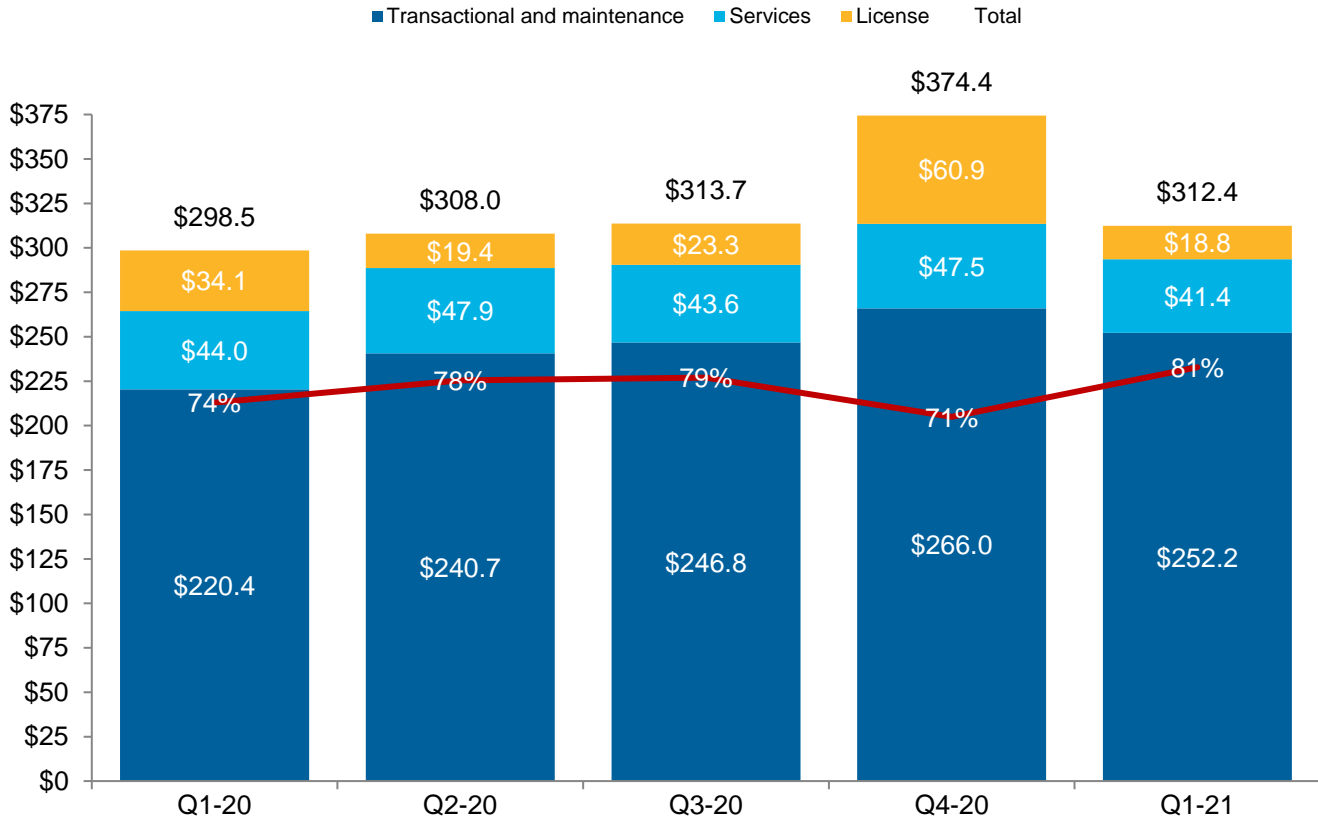
## Adjusted EBITDA



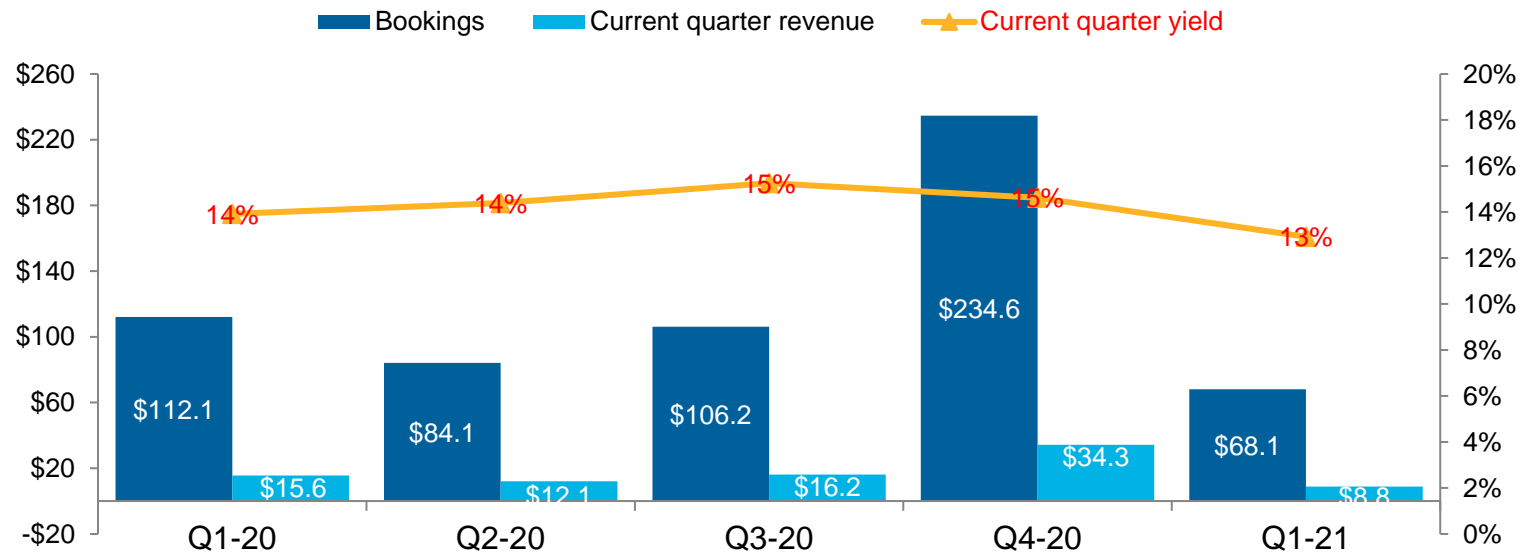
## GAAP EPS



# Revenue Type Mix

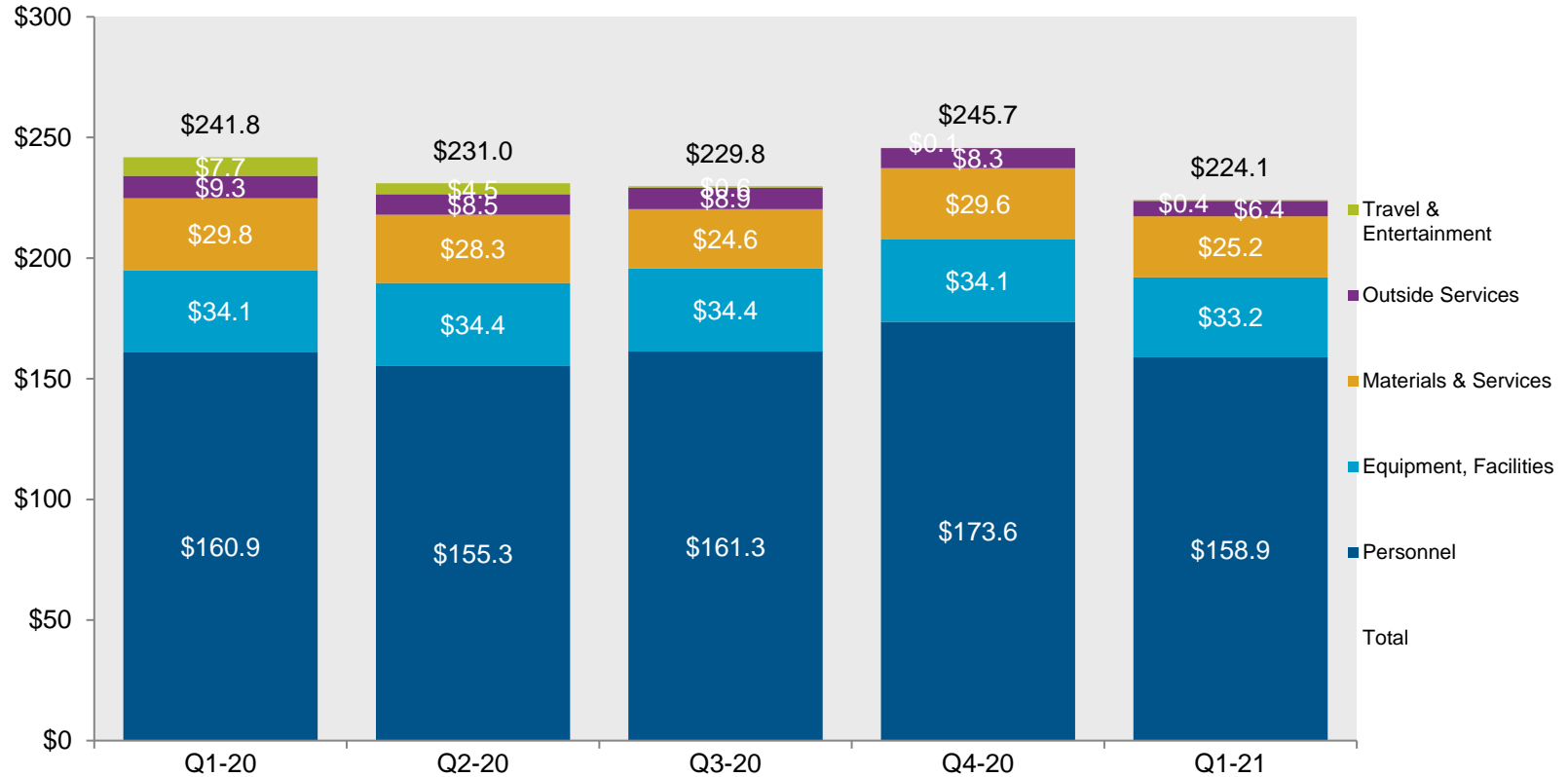


# Bookings and Current Quarter Yield



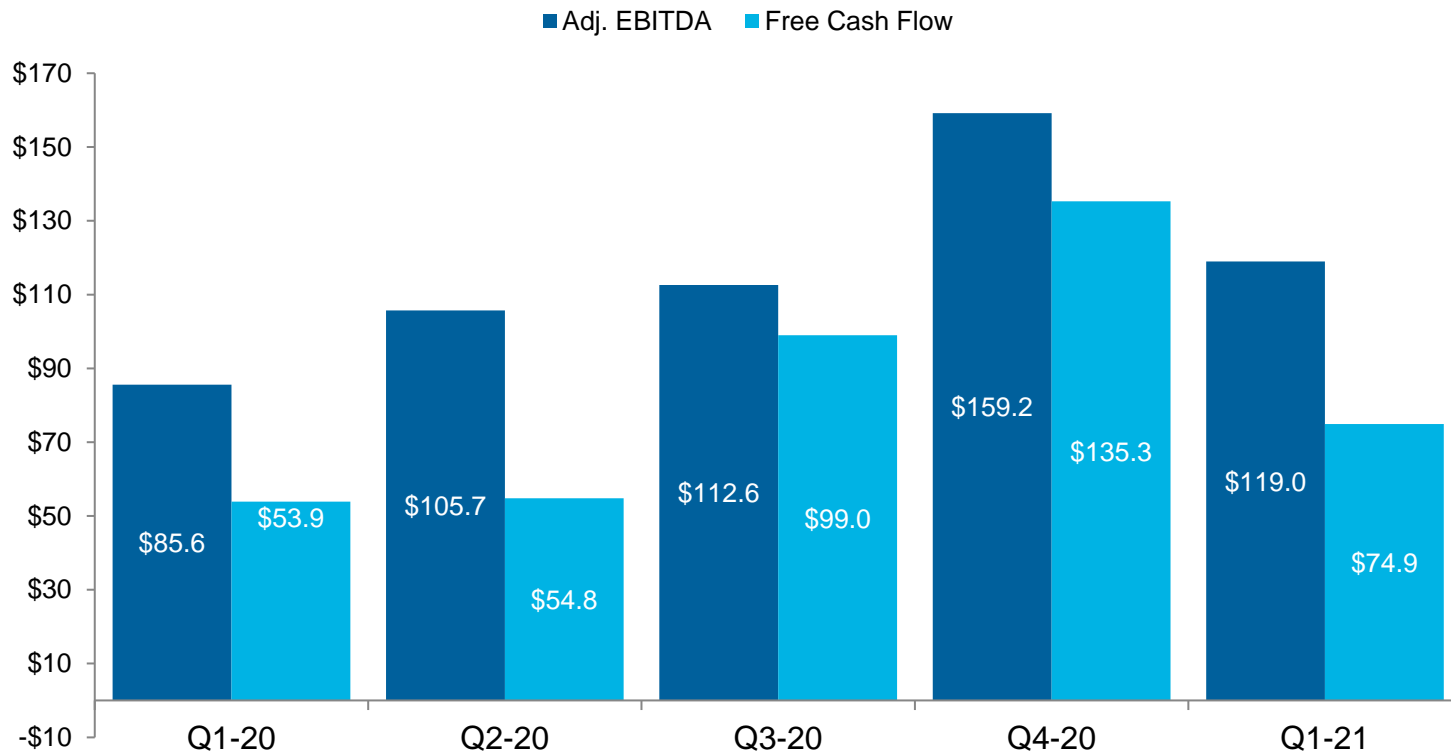
# Deals \$1-3 million	16	12	8	18	9
# Deals >\$3 million	9	3	8	13	2
Average Term	39 mos.	35 mos.	37 mos.	55 mos.	36 mos.

# Expense Review





# Adjusted EBITDA & Free Cash Flow



# Balance Sheet Review

\$ in Millions	1Q'20	4Q'20	1Q'21	YoY Var	QoQ Var
<b>ASSETS</b>					
Cash & investments	\$ 136.6	\$ 184.0	\$ 174.4	28%	-5%
Accounts receivable & other current assets	349.8	376.7	363.8	4%	-3%
Goodwill & intangibles, net	825.3	821.6	826.1	0%	1%
Other	233.3	223.9	212.5	-9%	-5%
<b>Total Assets</b>	<b>\$ 1,545.0</b>	<b>\$ 1,606.2</b>	<b>\$ 1,576.8</b>	<b>2%</b>	<b>-2%</b>
<b>LIABILITIES</b>					
Current liabilities	\$ 442.0	\$ 414.5	\$ 391.0	-12%	-6%
Noncurrent liabilities	862.0	860.6	861.7	0%	0%
<b>Total Liabilities</b>	<b>\$ 1,304.0</b>	<b>\$ 1,275.1</b>	<b>\$ 1,252.7</b>	<b>-4%</b>	<b>-2%</b>
<b>Stockholders Equity</b>	<b>\$ 241.0</b>	<b>\$ 331.1</b>	<b>\$ 324.1</b>	<b>34%</b>	<b>-2%</b>
<b>Total Liabilities &amp; Equity</b>	<b>\$ 1,545.0</b>	<b>\$ 1,606.2</b>	<b>\$ 1,576.8</b>	<b>2%</b>	<b>-2%</b>
<b>METRICS</b>					
Leverage Covenant (max 3.25)	2.33	1.62	1.60	(0.73)	-0.02
Interest Coverage/Fixed Charge Covenant (min 3.0)	4.67	10.97	11.90	7.23	0.93
Days Sales Outstanding	98 days	95 days	106 days	8 day	11 day

# Segment Profitability

	Quarter Ended December 31, 2020				
	Applications	Scores	Decision Management Software	Unallocated Corporate Expenses	Total
	(In thousands)				
<b>Segment revenues:</b>					
Transactional and maintenance	\$ 97,731	\$ 138,590	\$ 15,829	\$ —	\$ 252,150
Professional services	30,605	117	10,703	—	41,425
License	7,025	5,944	5,870	—	18,839
Total segment revenues	135,361	144,651	32,402	—	312,414
Segment operating expense	(99,859)	(21,626)	(47,220)	(30,253)	(198,958)
Segment operating income (loss)	\$ 35,502	\$ 123,025	\$ (14,818)	\$ (30,253)	113,456
Unallocated share-based compensation expense					(25,132)
Unallocated amortization expense					(937)
Unallocated gain on sale of product line assets					7,334
Operating income					94,721
Unallocated interest expense, net					(9,641)
Unallocated other income, net					2,880
Income before income taxes					\$ 87,960
Depreciation expense	\$ 4,374	\$ 194	\$ 984	\$ 33	\$ 5,585

	Quarter Ended December 31, 2019				
	Applications	Scores	Decision Management Software	Unallocated Corporate Expenses	Total
	(In thousands)				
<b>Segment revenues:</b>					
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

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