

Fair Isaac Corporation

Q3 21 Financial Highlights

June 30, 2021

Q3 2021 Highlights

- Revenue:

Q3 21 revenue of \$338 million vs. Q3 20 revenue of \$314 million or 8% increase.

- Applications revenue of \$133 million, or 6% y/y decrease
- Scores revenue of \$172 million, or 31% y/y increase
- Decision Management Software revenue of \$33 million, or 20% y/y decrease

- GAAP Net income of \$151 million or \$5.18 per share in Q3 21 vs. \$64 million or \$2.15 per share in Q3 20.
- Non-GAAP Net income of \$99 million or \$3.38 per share in Q3 21 vs. \$77 million or \$2.58 per share in Q3 20.
- Free Cash Flow was \$99 million in each of Q3 21 and Q3 20.

Liquidity Review

	<u>June 30, 2021</u>
Cash	\$238M
Available capacity on revolving line	<u>84M</u>
Total Liquidity	\$322M
Leverage Ratio for Q321 ¹	1.62x

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

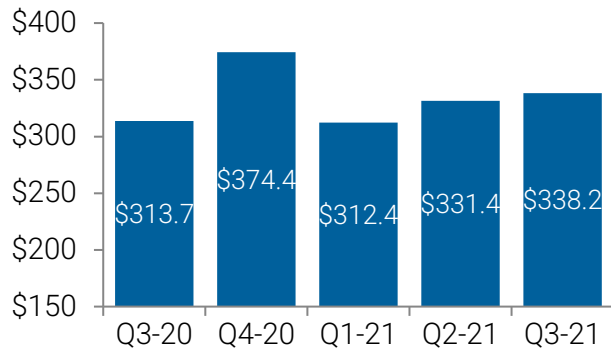
Q3 2021 Financial Highlights

Metric	Q3 20	Q2 21	Q3 21	% Q/Q	% Y/Y
Revenues	\$313.7	\$331.4	\$338.2	2%	8%
GAAP Diluted EPS	\$2.15	\$2.33	\$5.18	122%	141%
Non-GAAP Op. Margin*	34%	39%	39%	0%	15%
Non-GAAP net margin*	24%	27%	29%	7%	21%
Non-GAAP Diluted EPS*	\$2.58	\$3.06	\$3.38	10%	31%
Adjusted EBITDA*	\$112.6	\$135.6	\$138.2	2%	23%
Free Cash Flow*	\$99.0	\$152.3	\$99.0	-35%	0%
Headcount	4,065	3,953	3,841	-3%	-6%
Bookings	\$106.2	\$84.0	\$75.5	-10%	-29%

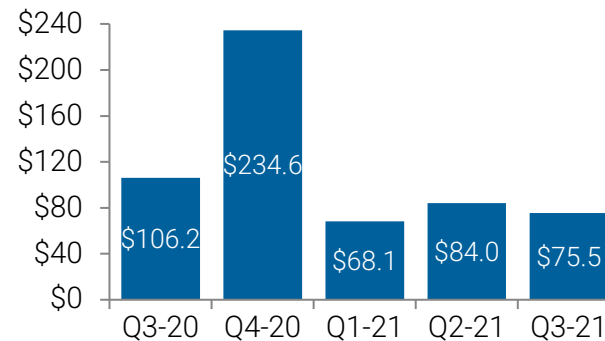
- For a detailed reconciliation, please refer to our Regulation G Disclosure

Key Operating Results

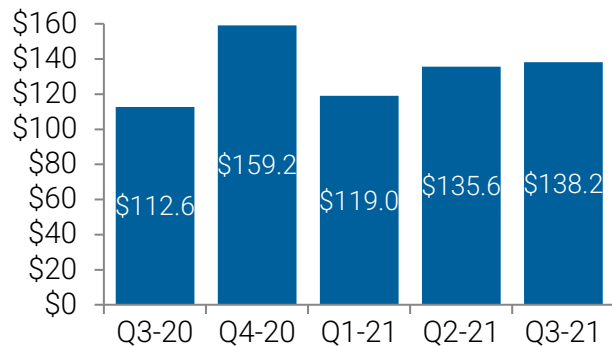
Revenues



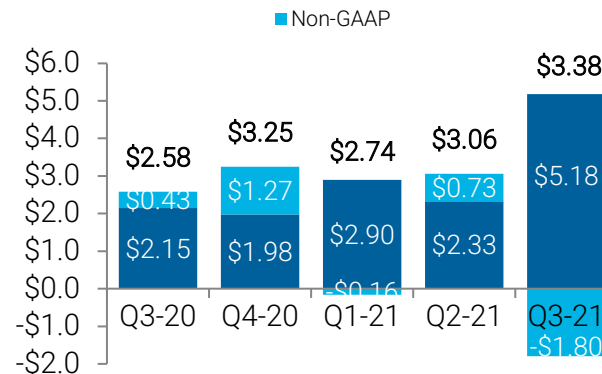
Bookings



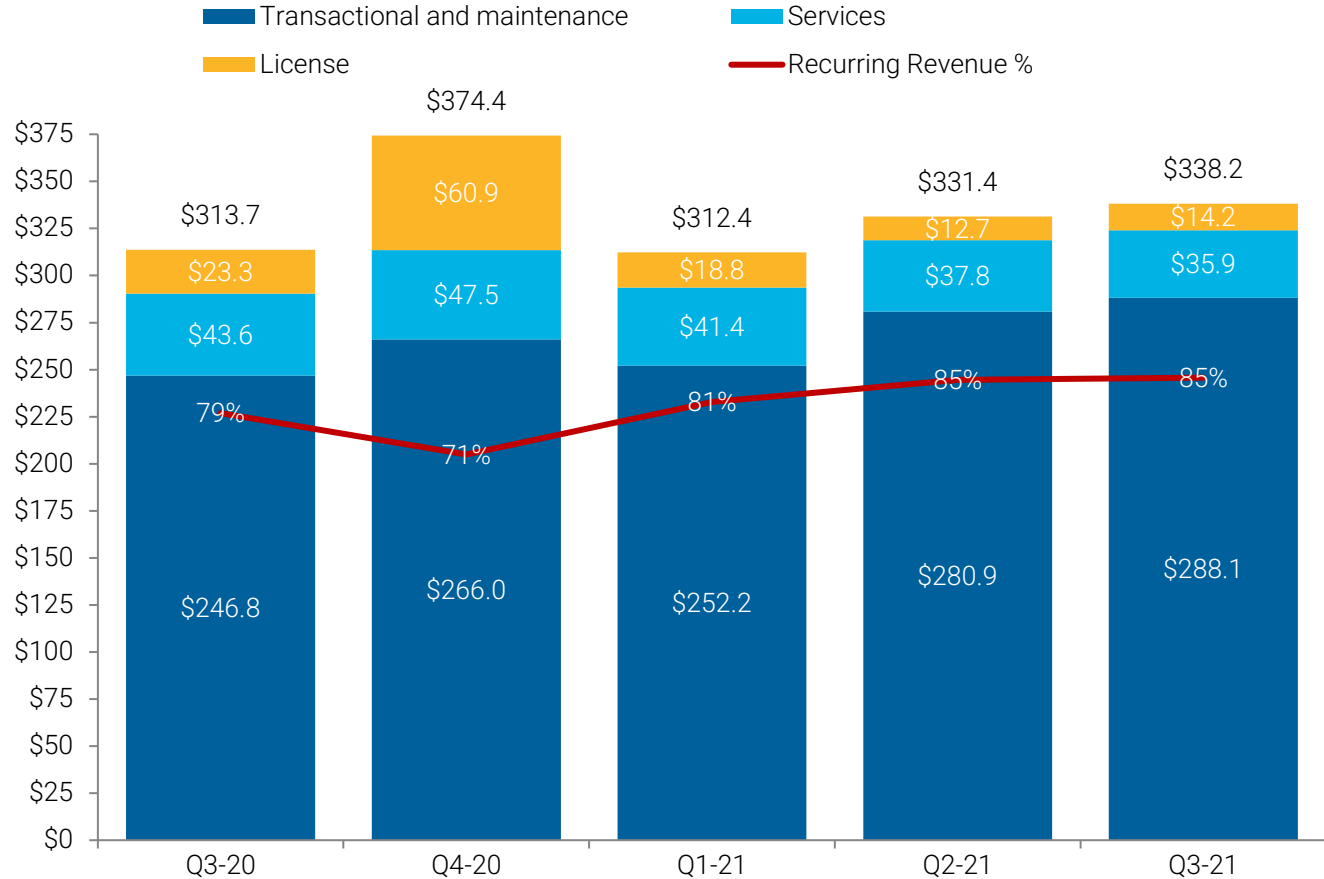
Adjusted EBITDA



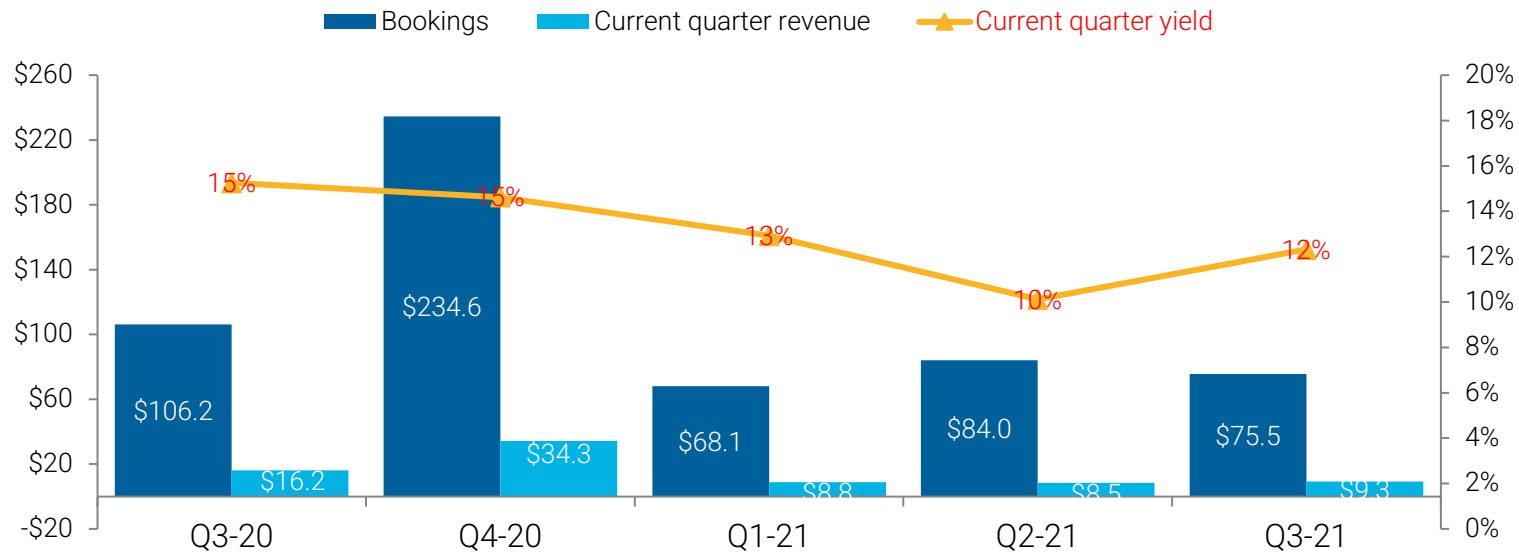
GAAP EPS



Revenue Type Mix

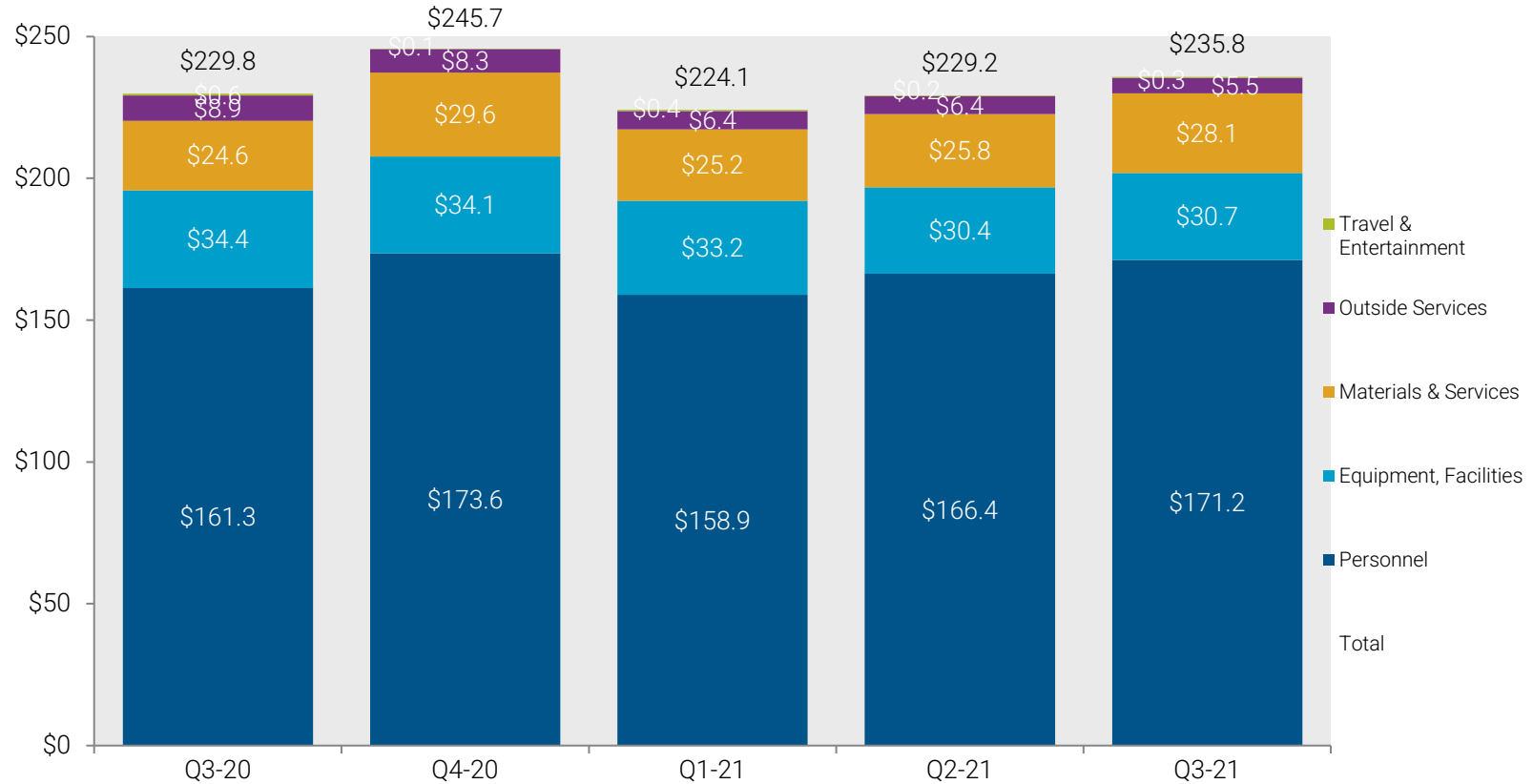


Bookings and Current Quarter Yield

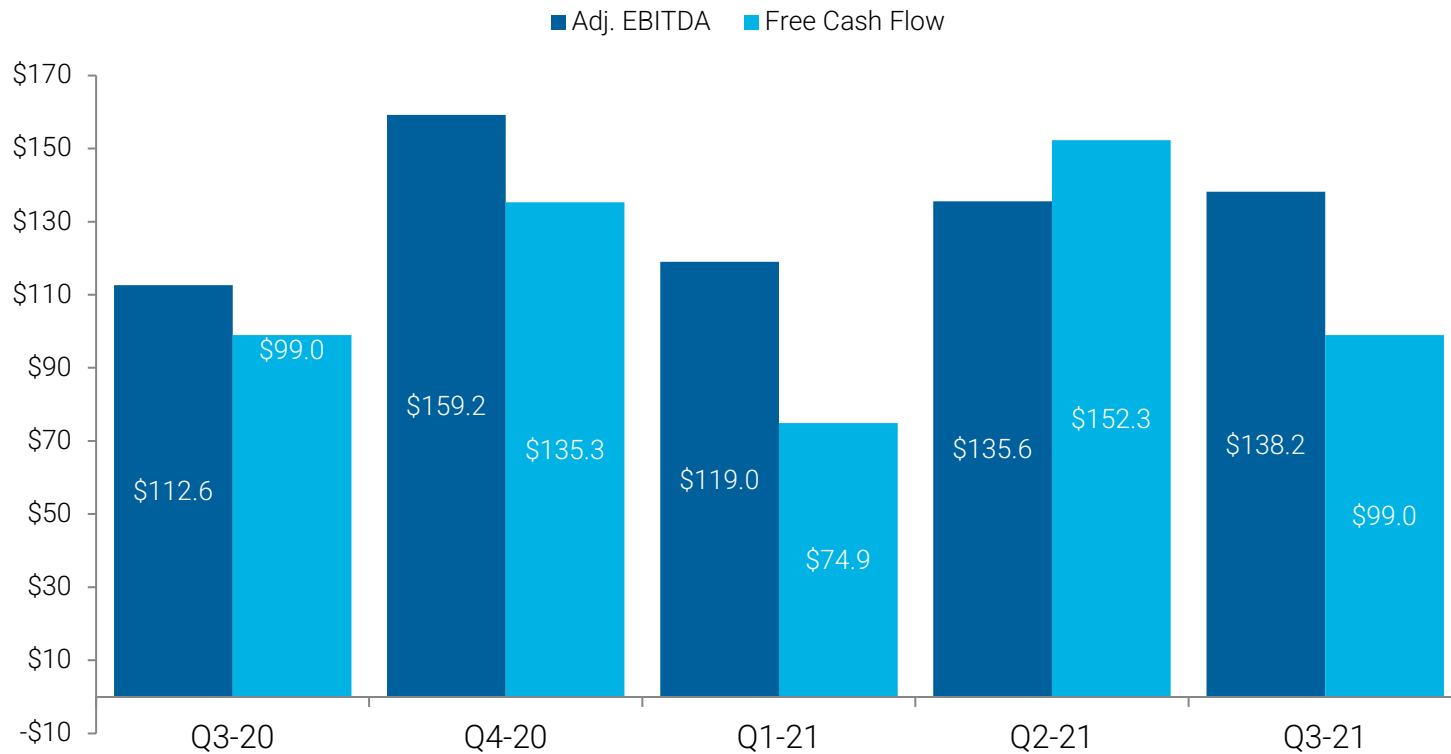


# Deals \$1-3 million	8	18	9	10	10
# Deals >\$3 million	8	13	2	3	0
Average Term	37 mos.	55 mos.	36 mos.	34 mos.	30 mos.

Expense Review



Adjusted EBITDA & Free Cash Flow



Balance Sheet Review

\$ in Millions	3Q'20	2Q'21	3Q'21	YoY Var	QoQ Var
ASSETS					
Cash & investments	\$ 150.8	\$ 229.6	\$ 272.0	80%	18%
Accounts receivable & other current assets	357.3	323.5	319.3	-11%	-1%
Goodwill & intangibles, net	814.6	824.5	797.9	-2%	-3%
Other	241.4	202.0	200.0	-17%	-1%
Total Assets	\$ 1,564.1	\$ 1,579.6	\$ 1,589.2	2%	1%
LIABILITIES					
Current liabilities	\$ 460.2	\$ 495.3	\$ 544.8	18%	10%
Noncurrent liabilities	856.6	861.0	919.6	7%	7%
Total Liabilities	\$ 1,316.8	\$ 1,356.3	\$ 1,464.4	11%	8%
Stockholders Equity	\$ 247.3	\$ 223.3	\$ 124.8	-50%	-44%
Total Liabilities & Equity	\$ 1,564.1	\$ 1,579.6	\$ 1,589.2	2%	1%
METRICS					
Leverage Covenant (max 3.25)	2.16	1.60	1.62	(0.54)	0.02
Interest Coverage/Fixed Charge Covenant (min 3.0)	4.59	13.12	14.14	9.55	1.02
Days Sales Outstanding	100 days	89 days	87 days	-13 day	-2 day

Segment Profitability

	Quarter Ended June 30, 2021				
	Applications	Scores	Decision Management Software (In thousands)	Unallocated Corporate Expenses	Total
Segment revenues:					
Transactional and maintenance	\$ 99,822	\$ 170,415	\$ 17,841	\$ —	\$ 288,078
Professional services	26,381	166	9,371	—	35,918
License	7,010	1,621	5,557	—	14,188
Total segment revenues	133,213	172,202	32,769	—	338,184
Segment operating expense	(97,784)	(25,418)	(48,012)	(33,820)	(205,034)
Segment operating income (loss)	\$ 35,429	\$ 146,784	\$ (15,243)	\$ (33,820)	133,150
Unallocated share-based compensation expense					(30,761)
Unallocated amortization expense					(810)
Unallocated gains on product line asset sales and business divestiture					92,805
Operating income					194,384
Unallocated interest expense, net					(10,018)
Unallocated other income, net					3,526
Income before income taxes					\$ 187,892
Depreciation expense	\$ 3,920	\$ 159	\$ 934	\$ 38	\$ 5,051

	Quarter Ended June 30, 2020				
	Applications	Scores	Decision Management Software (In thousands)	Unallocated Corporate Expenses	Total
Segment revenues:					
Transactional and maintenance	\$ 98,476	\$ 130,268	\$ 18,085	\$ —	\$ 246,829
Professional services	32,364	58	11,211	—	43,633
License	10,620	1,224	11,425	—	23,269
Total segment revenues	141,460	131,550	40,721	—	313,731
Segment operating expense	(111,061)	(21,333)	(43,839)	(31,315)	(207,548)
Segment operating income (loss)	\$ 30,399	\$ 110,217	\$ (3,118)	\$ (31,315)	106,183
Unallocated share-based compensation expense					(22,264)
Unallocated amortization expense					(1,048)
Operating income					82,871
Unallocated interest expense, net					(11,223)
Unallocated other expense, net					4,560
Income before income taxes					\$ 76,208
Depreciation expense	\$ 5,091	\$ 176	\$ 1,156	\$ 28	\$ 6,451

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