

A nighttime photograph of a city skyline, likely New York City, featuring several illuminated skyscrapers. In the foreground, a multi-lane highway shows light trails from moving vehicles, indicating a long-exposure shot. The sky is a deep blue, and the city lights create a vibrant contrast.

FICO®

Decisions

Investor Presentation | June 2018

Safe Harbor

Some of the statements made by us during this meeting, including statements concerning our expectations about future operations and financial results, are forward-looking statements within the meaning of the “Safe Harbor” provisions of the Private Securities Litigation Reform Act of 1995.

These forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially, including those risks and uncertainties described from time to time in our SEC reports, including its annual report on Form 10-Q for the quarter ended March 31, 2018.

Product roadmaps and similar marketing materials should be considered forward-looking and subject to future change at FICO’s discretion. Future functionality, features or enhancements as shown are FICO’s current projections of the product direction, but are not specific commitments or obligations.



1 FICO Scores Remain the Industry Standard

2 Comprehensive Suite of
Market Leading Analytics Software

3 Unmatched Industry Leadership & Scale
Spanning Several Attractive Verticals

4 Continued Product Innovation
Offers Significant Runway for Growth

5 Attractive Financial Profile Boasting High Revenue
Visibility & Strong Cash Flow Generation

Company Overview / Snapshot



Leading provider of analytics and data driven solutions that enable businesses to automate, improve and connect decisions across the enterprise to enhance business performance

Financial Highlights

\$977M Revenue¹
6% CAGR²

\$295M Adj. EBITDA
30% Margins

Most of the top
100 banks globally

95% of the largest
financial institutions
in the U.S.

400+ retailers
across the globe

All 100
of the largest U.S.
credit card issuers

Client Base Highlights

Segments

Scores
31%¹

FICO® Score

Leading credit risk score
10+ billion credit decisions a year

FICO Scores are used in the majority of U.S. credit decisions, by nearly all of the major banks, credit card organizations, mortgage lenders and auto loan originators. These scores provide a consistent and objective measure of an individual's credit risk

Applications
58%¹

FICO® TRIAD® Customer Manager

Leading credit account management system
65% of card accounts worldwide

FICO® Falcon® Fraud Manager

Leading payment card fraud solution
2.6+ billion payment cards protected

FICO® Customer Communication Services

Leading omni-channel communications solution
200 million communications a year

Decision Management Software
11%¹

FICO® Decision Management Suite

Comprehensive platform for developing
decision management applications

FICO's Decision Management Suite combines big data, predictive analytics and decision execution together in an easy-to-use environment, enabling organizations to rapidly innovate, dramatically increase productivity and execute decisions in real-time

¹ Based on LTM 3/31/18 Revenue

² Based on FY2013 – FY2017

Note: Fiscal year end 9/30

FICO History

FICO Has Evolved Into a Global Leader of Technology and Data Analytics Solutions...

Bill Fair and Earl Isaac found FICO on the principle that data, used intelligently, can improve business decisions



FICO introduces the first FICO credit bureau risk score



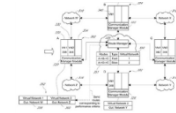
FICO files for IPO



FICO acquires HNC Software, including Falcon and Blaze Rules Advisor



FICO receives 100th patent for analytics and decision management innovations



FICO launches FICO Decision Management Suite, a complete platform for decision management in the cloud



1956

1958

1981

1982

1987

1995

2002

2008

2010

2012

2014

FICO builds its first credit scoring system for American investments

FICO opens first European office, in Monaco



Fannie Mae and Freddie Mac recommend use of FICO Scores for evaluating U.S. mortgage loans



FICO launches Fraud Alert Network Forum for fraud professionals

FICO acquires Adepra, a leader in cloud based customer engagement

Adepra

...via Innovation and Integration of Bolt-On Strategic Acquisitions



\$6 million
June 2016



\$7 million
April 2013



\$57 million
January 2015



\$29 million
November 2012



\$0.5 million
April 2014



\$115 million
September 2012



\$8 million
April 2014



\$18 million
May 2012

Scores Segment Overview

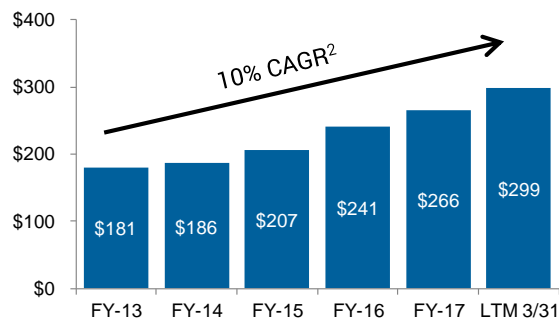
Segment Highlights

- The Scores segment includes B2B scoring solutions and services, myFICO solutions for individual consumers and associated professional services
- FICO scores provide a consistent and objective measure of a consumer's credit risk
- The proprietary FICO scoring algorithm is used in the majority of U.S. credit decisions, by nearly all major banks, credit card organizations, mortgage lenders and auto loan originators
- FICO's scoring solutions give its clients access to analytics that can be easily integrated into their transaction streams and decision-making processes
- In addition to the core FICO Score, FICO offers a number of broad-based scores, including several specific FICO industry scores and FICO Score XD, which expands the scorable population using alternative financial data

Financial Summary

Revenue

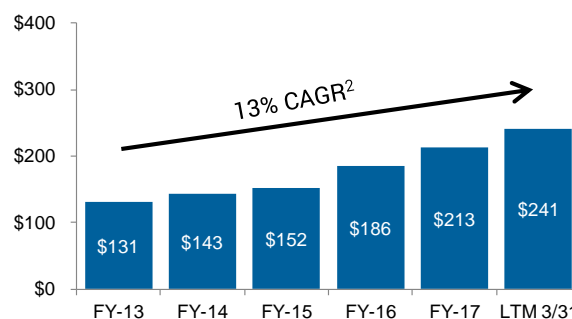
(\$ in Millions)



Growth:	3%	3%	11%	16%	10%	20%
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Segment EBITDA¹

(\$ in Millions)



Margin:	73%	77%	73%	77%	80%	81%
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Business Model

Revenue primarily derived via royalty agreements:

- Direct to Consumer
- Independent of Partners
- Lender Partners

Value Proposition

Increase Decision Accuracy

More Easily Comply with Regulations

Grow Loan Portfolio

Expand the Scorable Population

Note: Fiscal year end 9/30

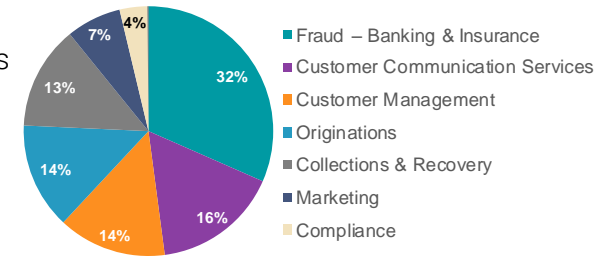
¹ Segment EBITDA calculated as segment operating income plus segment depreciation; ² Based on FY2013 – FY2017

Applications Segment Overview

Segment Highlights

- The Applications segment provides industry-tailored decision management applications, which apply analytics and decision management software to specific business processes
- Includes solutions for marketing, originations, fraud and collections
 - Falcon® Fraud Manager** - analyzes transactions in real-time and generate recommendations for immediate action in order to prevent fraud
 - Customer Communication Services** - provides customer engagement, fraud resolution and collections solutions in the cloud, enabling FICO clients to engage in automated two-way communications with customers
 - TRIAD® Customer Manager** - automates and improves risk-based decisions for existing customers to increase revenue, decrease risk exposure and reduce customer attrition

FY17 Revenue by Application

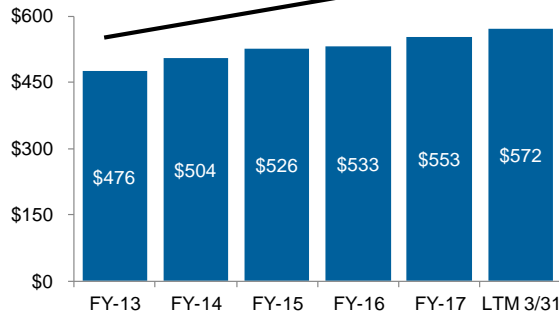


Financial Summary

Revenue

(\$ in Millions)

4% CAGR²

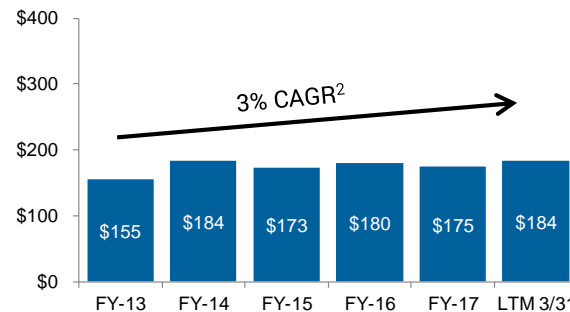


Growth:	12%	6%	4%	1%	4%	2%

Segment EBITDA¹

(\$ in Millions)

3% CAGR²



Margin:	33%	36%	33%	34%	32%	32%

Business Model

63% of FY2017 applications revenue transactional, volume based contracts and maintenance, with remainder derived from professional services revenue and upfront license fees

Value Proposition

Reduce Fraud

Increase Customer Communication

Reduce Customer Attrition

Improve Operational Efficiency

Note: Fiscal year end 9/30

¹ Segment EBITDA calculated as segment operating income plus segment depreciation; ² Based on FY2013 – FY2017

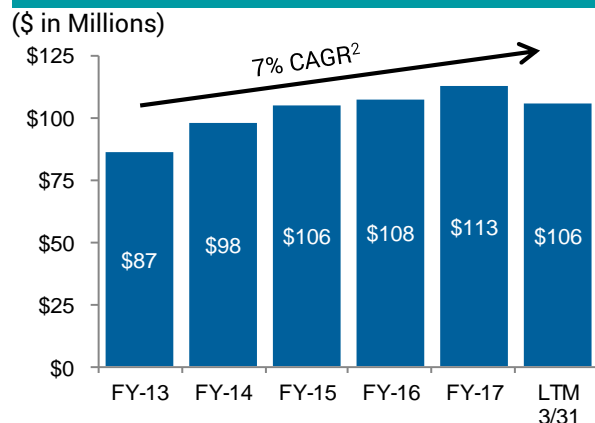
Decision Management Software Segment Overview

Segment Highlights

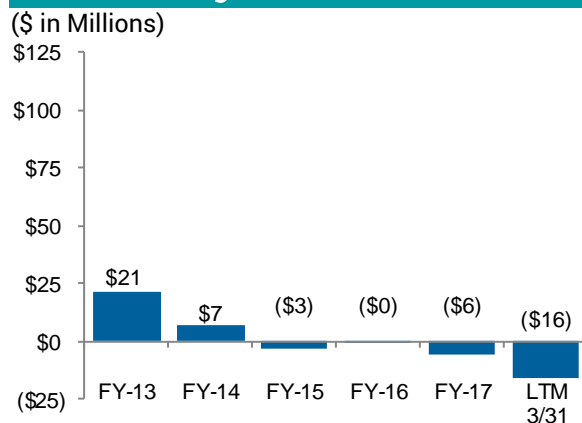
- The Decision Management Software (“DMS”) segment provides analytic and decision management platforms and tools that businesses use to build their own tailored, analytically powered decision management applications
- Principal products offered include software tools for rules based management, predictive modeling and optimization
 - Blaze Advisor** - designs, develops, executes and maintains rules-based business applications enabling businesses to propose, preview and execute changes to decisioning logic
 - Decision Central** - is a comprehensive offering to help banks, insurance, retail and healthcare companies maximize the power of their predictive and decision making models
 - Xpress Optimization Suite** - provides operations professionals with world-class solver and productivity tools to quickly design and deliver optimal solutions for a wide range of industry problems

Financial Summary

Revenue



Segment EBITDA¹



Business Model

FY2017 mix of contractual, volume-based revenue (39%), professional services, consulting-like revenue (31%) and upfront license fees (30%)

Value Proposition

Increase Predictive Power

Implement Change More Rapidly

Optimize Decision Making

Increase Productivity

Note: Fiscal year end 9/30

¹ Segment EBITDA calculated as segment operating income plus segment depreciation; ² Based on FY2013 – FY2017

Strategy Overview

Scores – extend our B2B leadership and brand value into consumer market	Applications – expand existing offerings with SaaS-enabled versions	DMS – provide a simple, cost-effective way to develop/deploy analytics	Capital Allocation
<ul style="list-style-type: none">• Expand Open Access, direct-to-consumer partners, lead generation and Affinity• Financial Inclusion Initiatives:<ul style="list-style-type: none">• FICO XD adoption• International scoring opportunities	<ul style="list-style-type: none">• Expand sales coverage, services capability, client success and skills• Expand recurring revenue and cloud growth• Invest in “Cloud-first” solutions	<ul style="list-style-type: none">• Expand pipeline, sales coverage, productivity and skills to accelerate growth within financial services and new verticals• Continue to invest in the product, including the release of DMS 3.0	<ul style="list-style-type: none">• Invest in key areas to support growth• Grow earnings faster than revenue• Balance organic investments, share repurchases and tuck-in M&A to maintain prudent leverage levels

Plan growth for mid-to-high single digits

Continued Product Innovation Offers Significant Runway for Growth

FICO has a diversified cloud, SaaS and legacy hosted business serving hundreds of clients

FICO has rebuilt its core platform to become a broad-based SaaS provider of predictive analytics

- Cloud / SaaS 1H18 YoY revenue growth 19%
 - Originations 1H18 YoY revenue growth 30%
 - CCS 1H18 YoY revenue growth of 21%
- 5 consecutive quarters of IP bookings mix greater than 50%
- FY2017 produced more than \$200M in cloud / SaaS revenues

The Three Components of FICO's Strategy Work Together as an Engine to Power its clients' Digital Business Transformation

Cloud-First

- Aggressively reposition for cloud
- Build for the cloud, first
- Refresh cloud positioning, pricing



Analytics-Forward

- Re-assert our analytics leadership
- Adopt ML and AI messaging
- Highlight analytics value in every offer

Platform-Enabled

- Articulate value of platform in apps
- Enable connected selling opportunities
- Easier-to-sell packaged offerings

FICO's Double Digit Software Revenue Growth is Being Driven by its Cloud-First Strategy

Note: Fiscal year end 9/30

Unmatched Industry Leadership & Scale Spanning Several Attractive Verticals

FICO's Solutions are Embedded into a Massive Client Base of Blue Chip Companies

Most of the top 100 banks globally

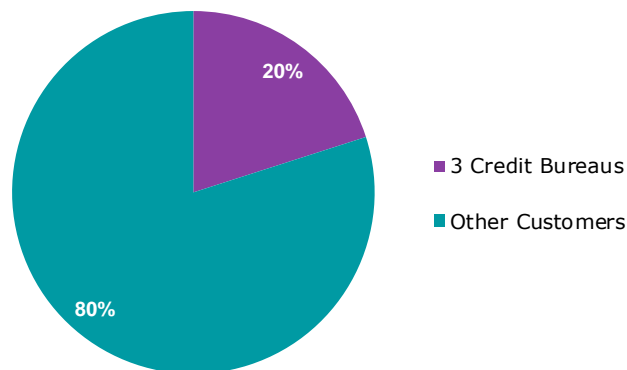
95% of the largest financial institutions in the U.S.

400+ retailers across the globe

All 100 of the largest U.S. credit card issuers

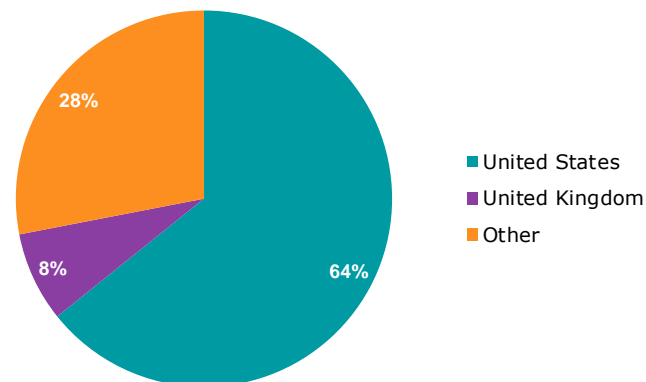
Contract length of 12-60 months

FY2017 Revenue Concentration



FICO®

FY2017 Revenue by Region



Banking

Retail

Telecom

Insurance

Healthcare

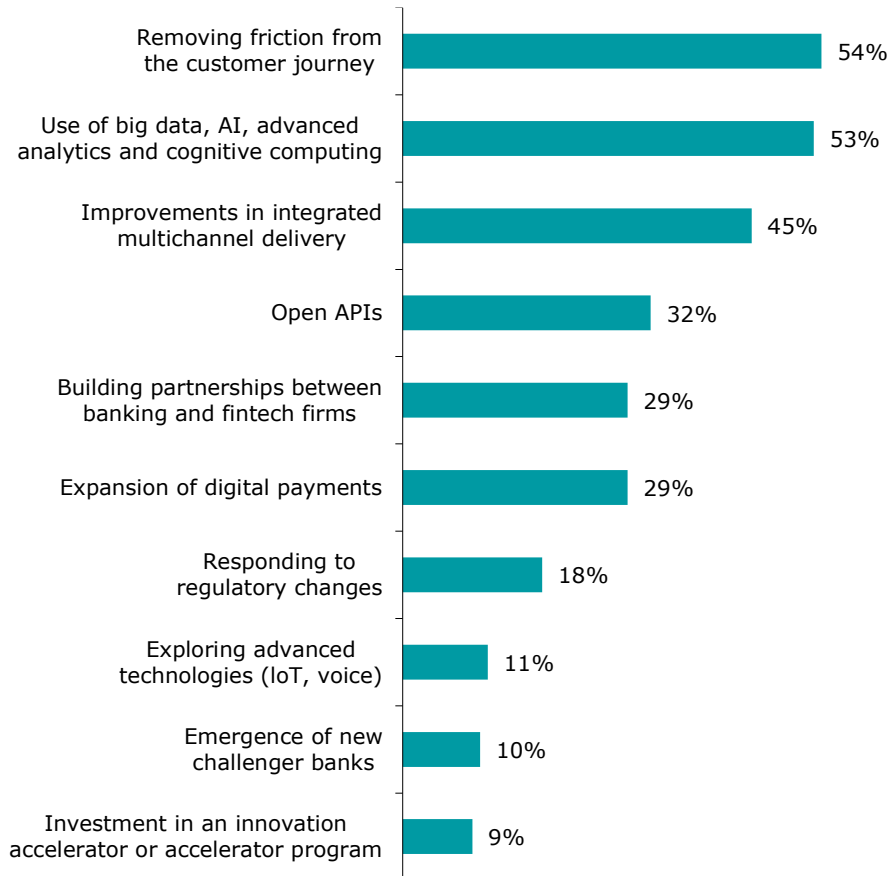
FICO's investments in cloud-based solutions position it well for growth in new end-markets, geographies and demographics

Note: Fiscal year end 9/30

Common Challenges in Financial Services and Other Industries:

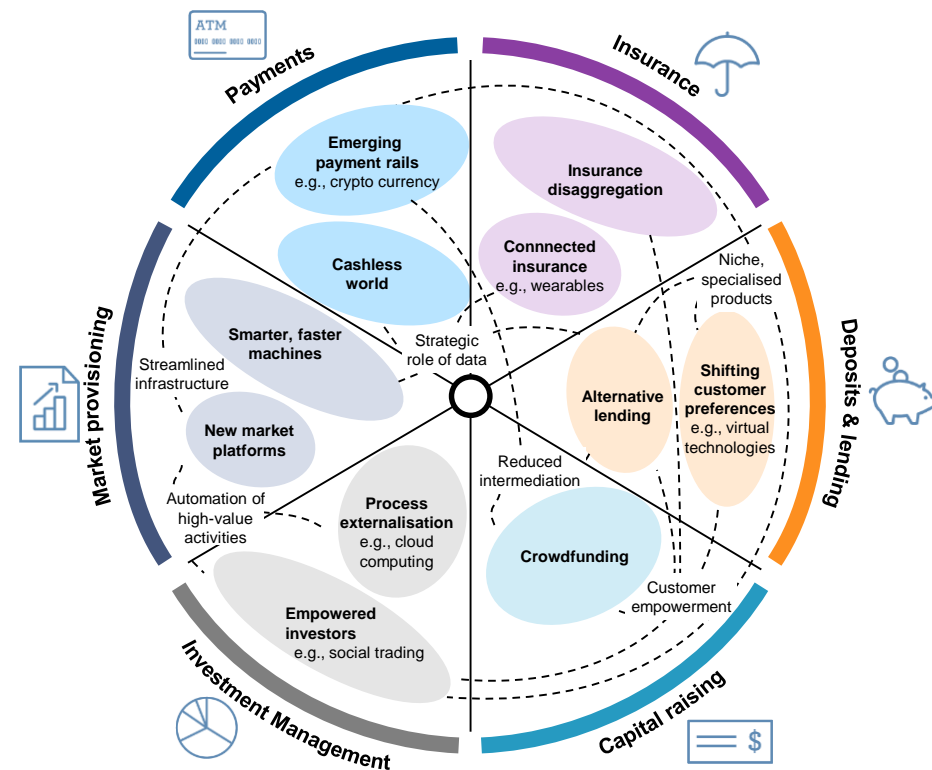
Customer Experience, Data Overload and Risk Management

Top 10 trends and predictions for 2017 financial institutions



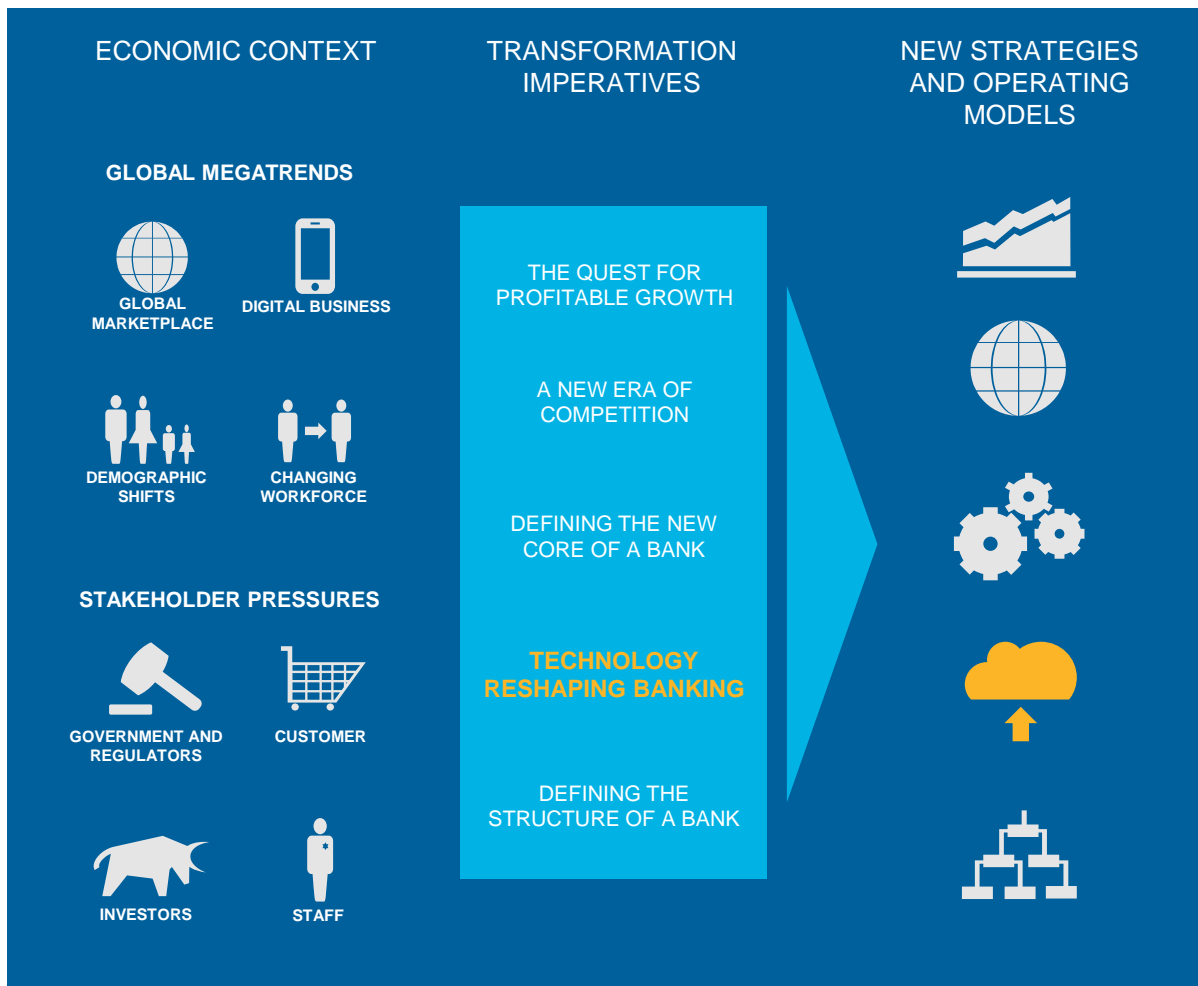
Wheel of disruption

Six clusters of financial service innovation



Source: DBR research and World Economic Forum

Transformation of Financial Services Within Banks and Other Industries

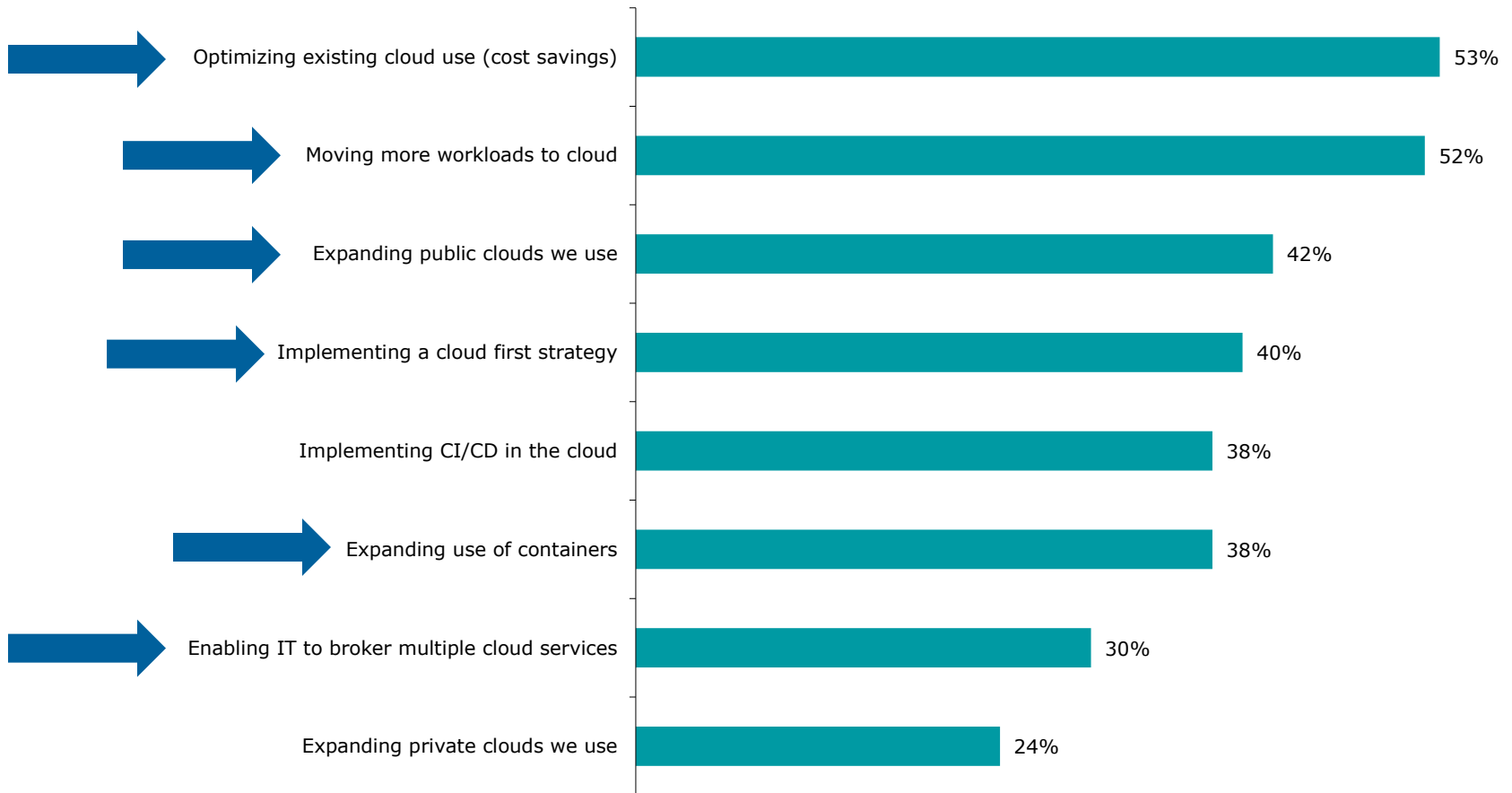


- Global megatrends and stakeholder pressure are shaping new strategy and operating models for Financial Services
- Technology and Industry changes are reshaping Financial Services
- New organizations to assume role of Financial Services
- Existing Banks will need to undergo transformation while keeping the lights on

Source: <http://hubs-images.s3.amazonaws.com> (modified)

FICO's Cloud Efforts Mirror Those of the Broader Market

Cloud Initiatives in 2017



Source: RightScale 2017 State of the Cloud Report

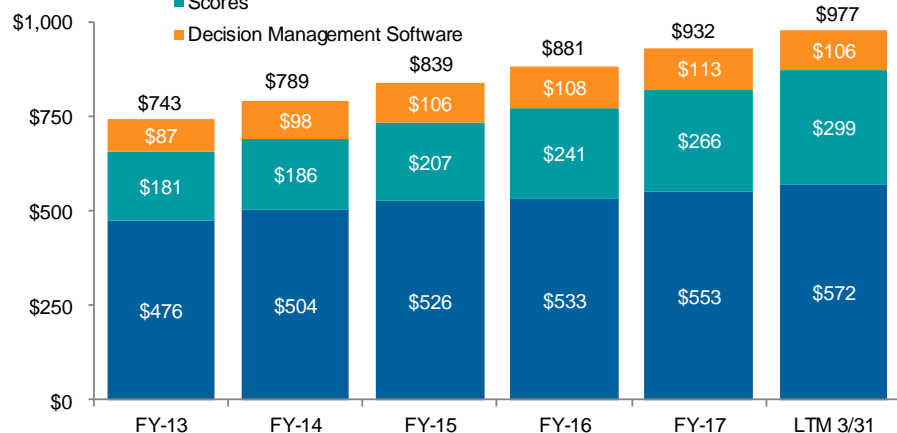
Historical Financial Summary

Total Revenue by Segment

(\$ in Millions)

■ Applications
■ Scores
■ Decision Management Software

FY2013 – FY2017 CAGR +5.8%

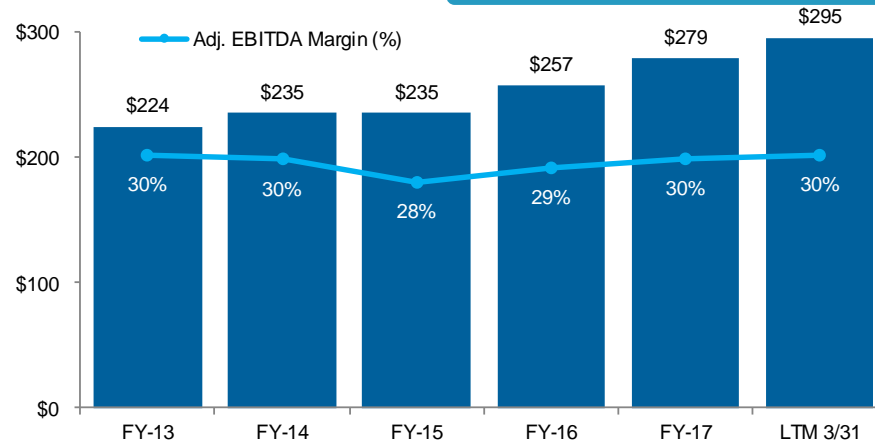


Adj. EBITDA

(\$ in Millions)

■ Adj. EBITDA

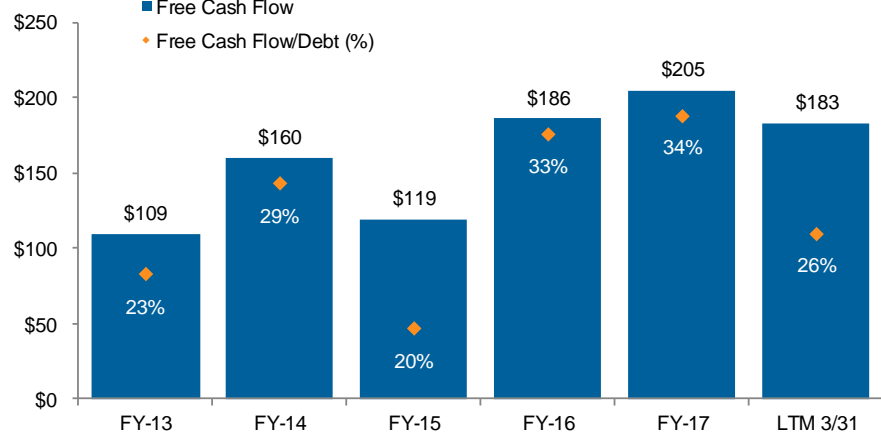
FY2013 – FY2017 CAGR +5.6%



Free Cash Flow¹

(\$ in Millions)

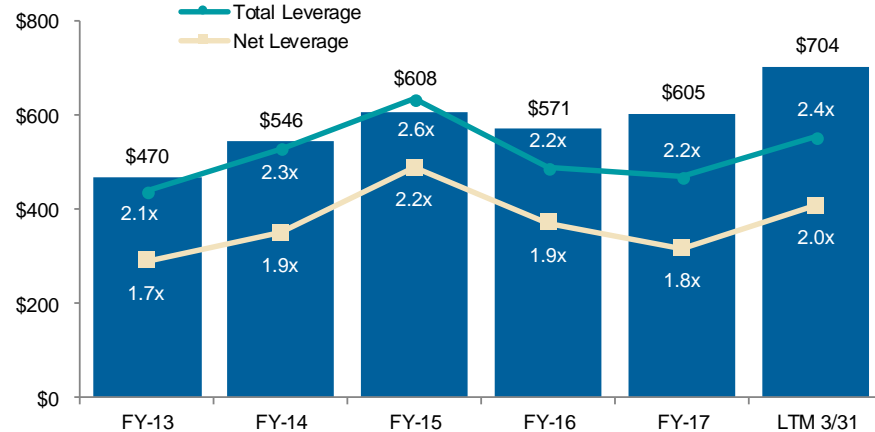
■ Free Cash Flow
◆ Free Cash Flow/Debt (%)



Leverage²

(\$ in Millions)

■ Total Debt
■ Total Leverage
■ Net Leverage

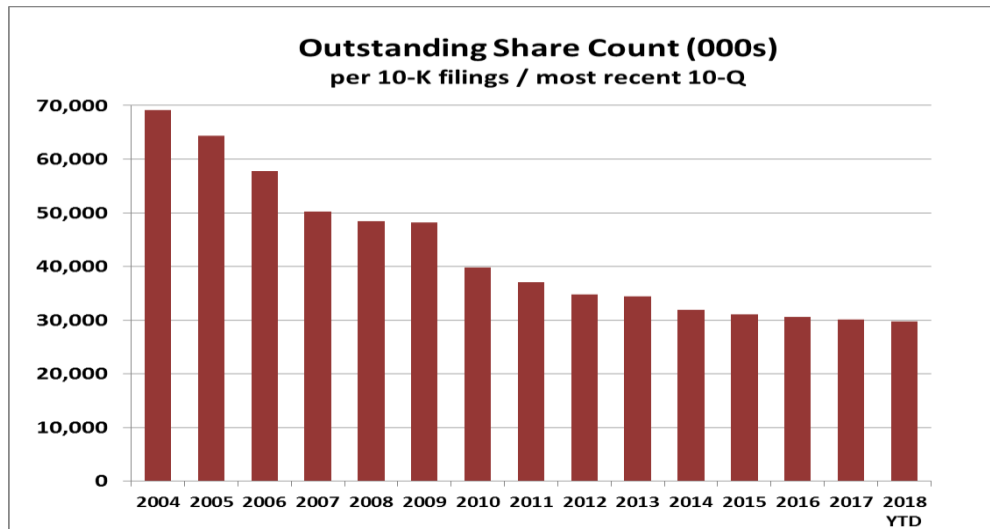
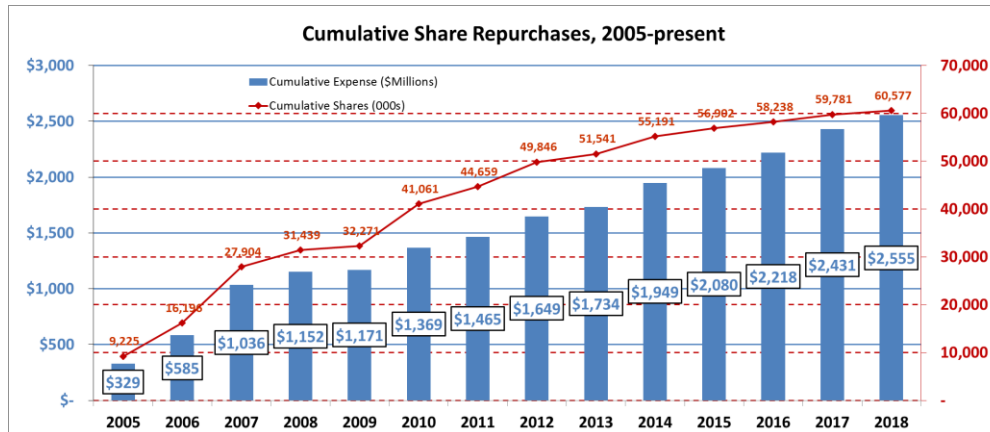


¹ FCF calculated as Cash Flow from Operations less Capital Expenditures and Dividends

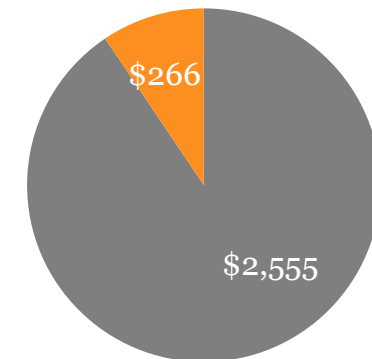
² Total leverage calculated as Total Debt divided by EBITDA; Net Leverage calculated as (Total Debt less Cash) divided by EBITDA

Note: Fiscal year end 9/30

Efficient Use of Cash



Historical use of cash since 2005



■ Share Repurchases ■ Acquisitions

Non-GAAP EBITDA Reconciliation

Segment Highlights					
(\$ in Millions)	Fiscal Year Ended September 30,				LTM
	2014A	2015A	2016A	2017A	3/31/18
Net Income	\$95	\$87	\$109	\$128	\$125
Plus: Provision for Income Taxes	38	23	35	23	39
Plus: Other Expense (Income)	0	(1)	(2)	0	(1)
Plus: Total Interest Expense, Net	29	29	27	26	27
Operating Income	\$162	\$138	\$170	\$177	\$190
Plus: Depreciation	21	20	18	23	23
Plus: Amortization	12	14	14	13	10
Plus: Stock Based Compensation	36	45	56	61	68
Plus: Restructuring/Acquisition Costs	4	18	0	4	4
Adjusted EBITDA	\$235	\$235	\$257	\$279	\$295