



# Fair Isaac Corporation

Q1 24 Financial Highlights

December 31, 2023



# Q1 2024 FINANCIAL HIGHLIGHTS

Metric (In millions, except for EPS)	Q1-23	Q4-23	Q1-24	% Q/Q	% Y/Y
Scores Revenues	\$178.0	\$195.5	\$192.1	-2%	8%
Software Revenues	\$166.9	\$194.2	\$190.0	-2%	14%
Total Revenues as Reported	\$344.9	\$389.7	\$382.1	-2%	11%
Software Revenue Divested	\$4.3	\$0.0	\$0.0	N/A	N/A
Software Revenues ex. Divestiture*	\$162.6	\$194.2	\$190.0	-2%	17%
Total Revenues ex. Divestiture*	\$340.6	\$389.7	\$382.1	-2%	12%
Software ARR*	\$582.9	\$669.4	\$687.7	3%	18%
Software ACV Bookings*	\$21.5	\$28.0	\$18.3	-35%	-15%
Non-GAAP Op. Margin**	49%	51%	48%	-3%	-1%
Non-GAAP Net Margin**	31%	33%	32%	-1%	1%
Non-GAAP Diluted EPS**	\$4.26	\$5.01	\$4.81	-4%	13%
Adjusted EBITDA**	\$173.0	\$201.0	\$188.5	-6%	9%

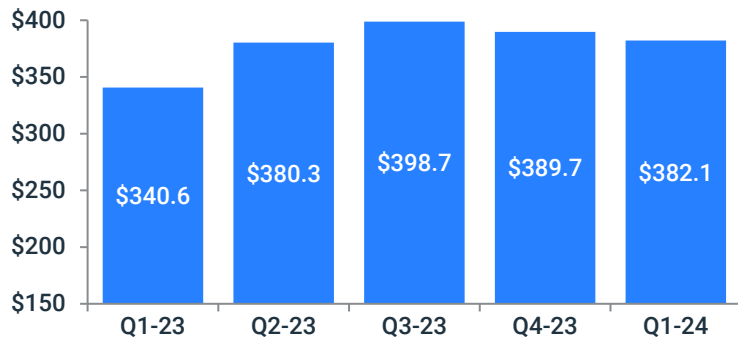
\* Adjusted to reflect the Q1-23 divestiture

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

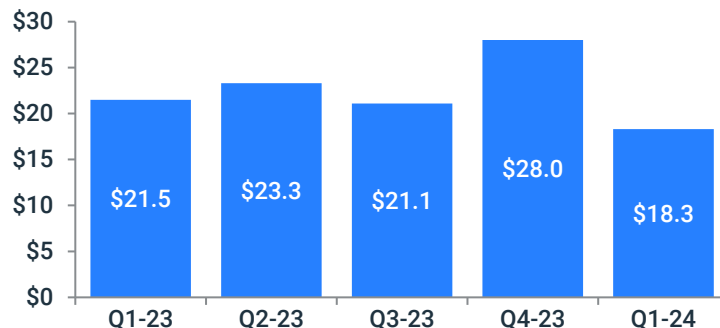
# KEY OPERATING RESULTS

(In millions, except for EPS)

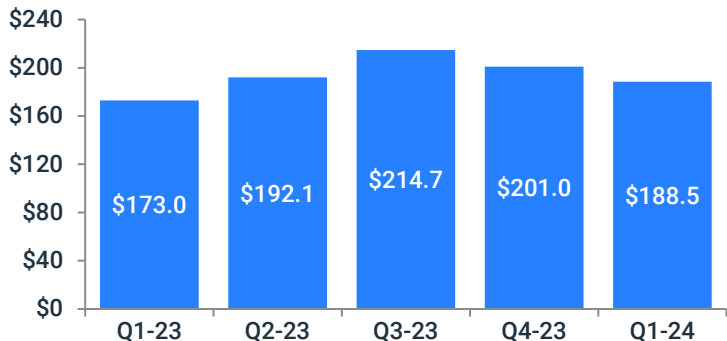
### Revenues \*



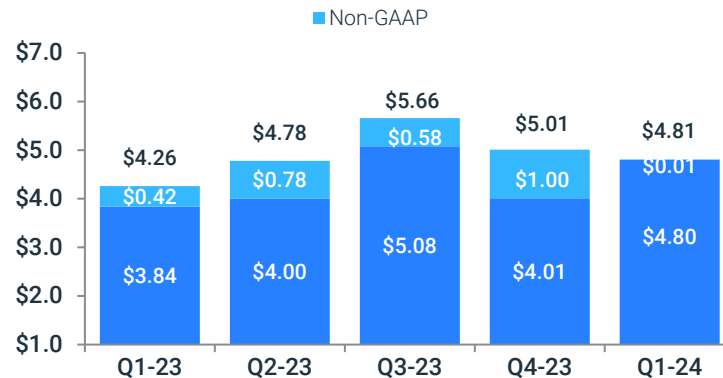
### ACV Bookings \*



### Adjusted EBITDA



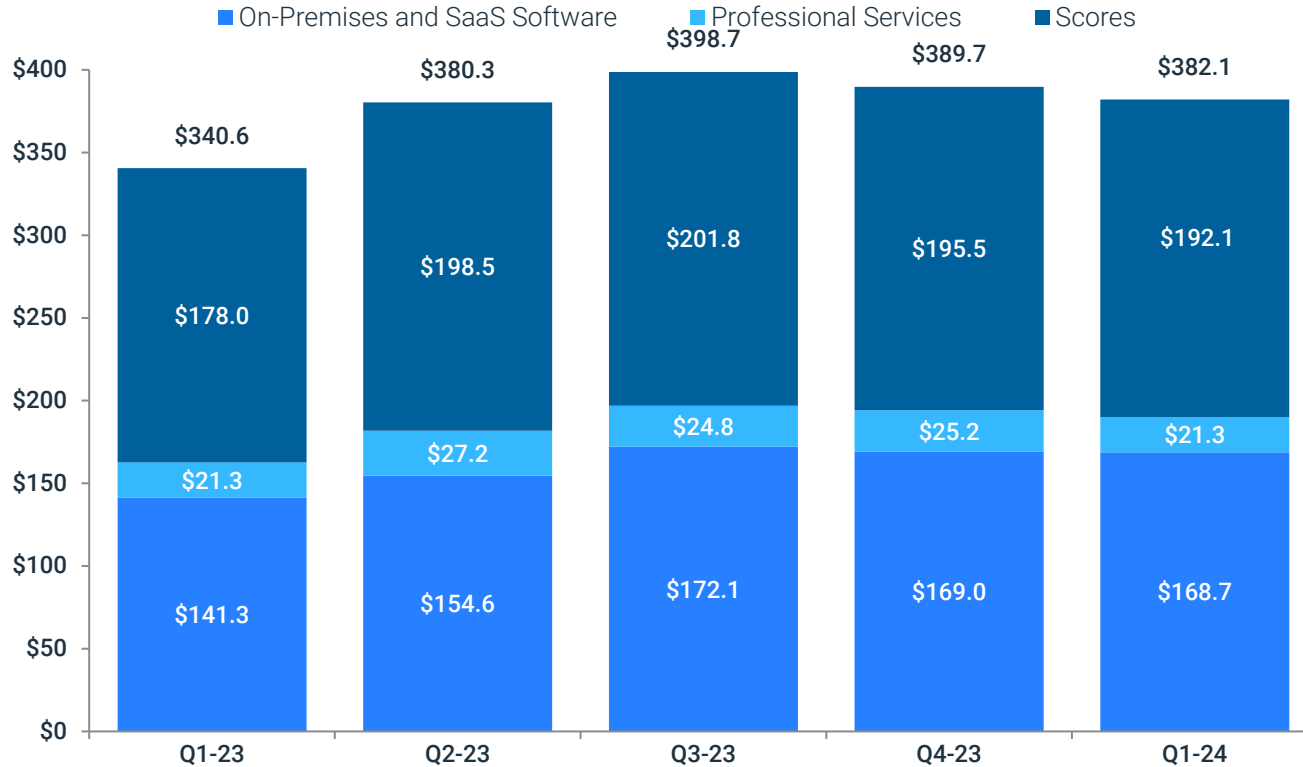
### GAAP EPS



\* Revenues and ACV Bookings were adjusted to reflect the Q1-23 divestiture

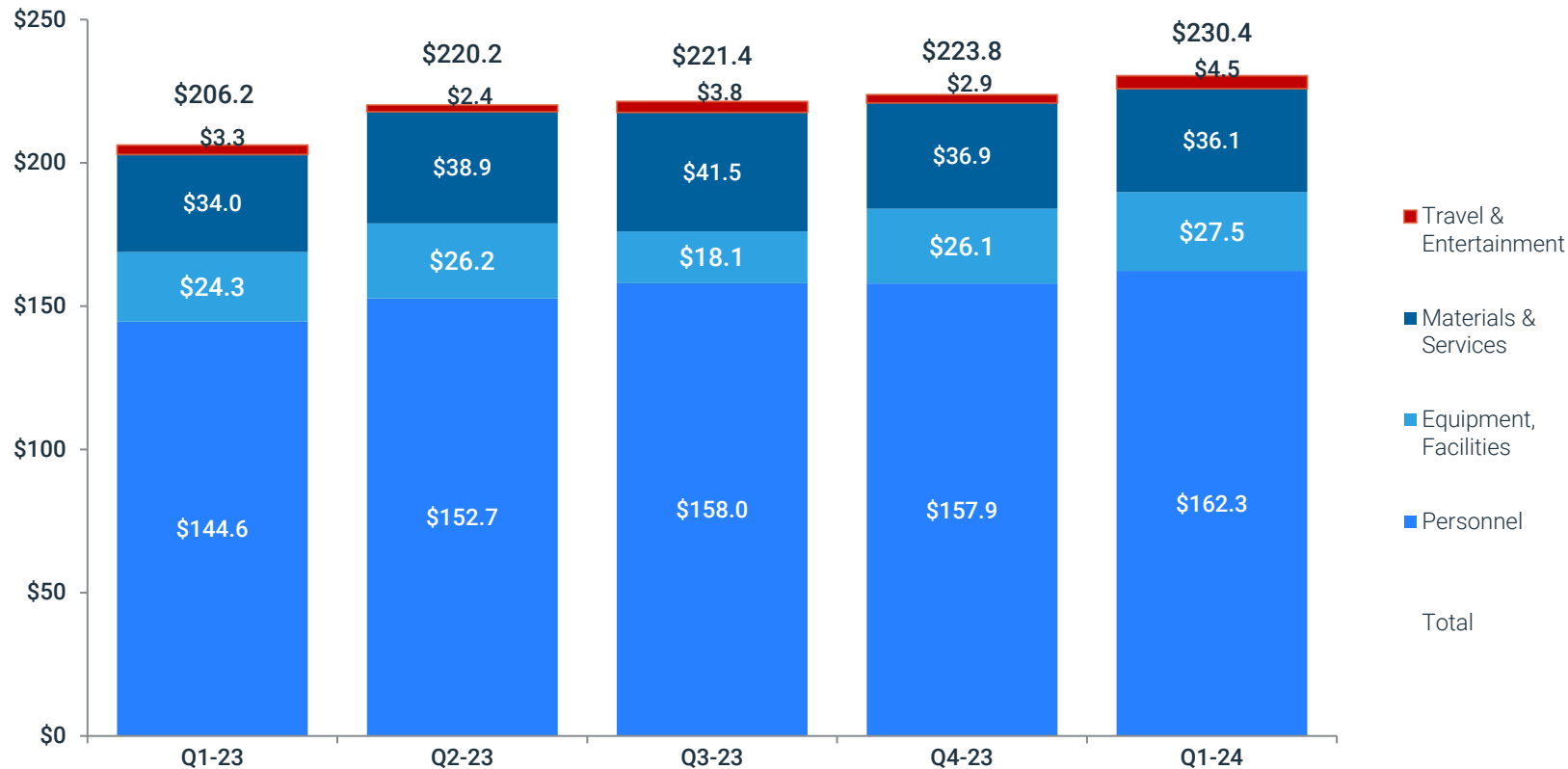
# REVENUE TYPE MIX – Excluding Divestiture

(In millions)



# EXPENSE REVIEW

(In millions)



# SCORES HIGHLIGHTS

Total Scores revenues up 8% vs. Q1 23

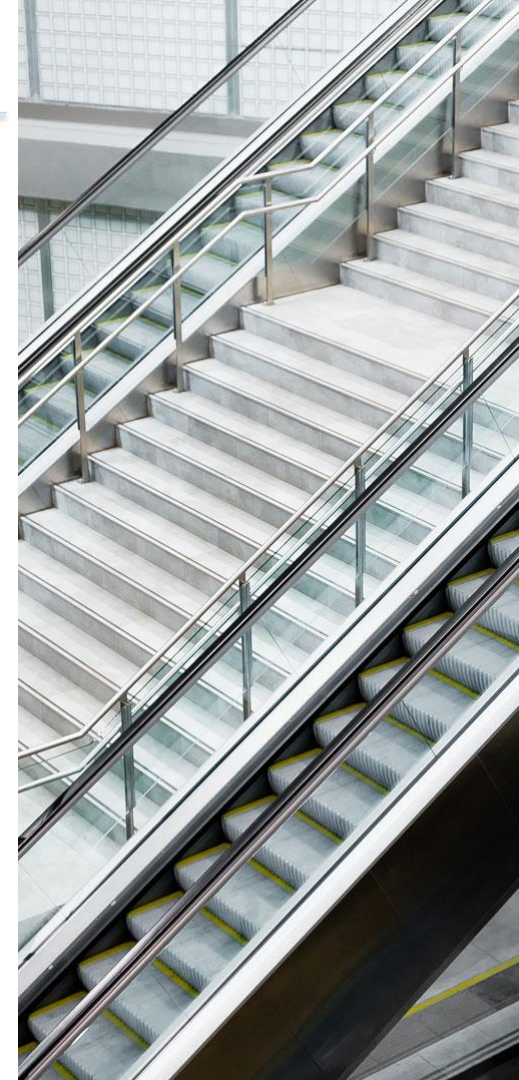
B2B revenue up 12% vs. Q1 23

B2C revenue down 3% vs. Q1 23

Mortgage Originations revenues up 188% vs. Q1 23

Auto Originations revenues down 3% vs. Q1 23

Card, Personal Loan and Other Originations revenues down 5% vs. Q1 23



# SOFTWARE ARR – Excluding Divestitures

	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023
(In millions)								
<b>ARR</b>								
<b>Platform</b>	\$ 95.4	\$ 107.2	\$ 113.1	\$ 132.8	\$ 152.5	\$ 164.1	\$ 173.2	\$ 190.3
<b>Non-Platform</b>	430.6	432.3	437.0	450.1	461.0	481.8	496.2	497.4
<b>Total</b>	\$ 526.0	\$ 539.5	\$ 550.1	\$ 582.9	\$ 613.5	\$ 645.9	\$ 669.4	\$ 687.7
<b>Percentage</b>								
<b>Platform</b>	18%	20%	21%	23%	25%	25%	26%	28%
<b>Non-Platform</b>	82%	80%	79%	77%	75%	75%	74%	72%
<b>Total</b>	100%	100%	100%	100%	100%	100%	100%	100%
<b>YoY Change</b>								
<b>Platform</b>	64%	62%	54%	46%	60%	53%	53%	43%
<b>Non-Platform</b>	3%	2%	2%	4%	7%	11%	14%	11%
<b>Total</b>	10%	10%	10%	11%	17%	20%	22%	18%

ARR is defined as annualized revenue run-rate of on-premises and SaaS software agreements within a quarterly reporting period, and as such is different from the timing and amount of revenue recognized. All components of the licensing and subscription arrangements that are not expected to recur (primarily perpetual licenses) are excluded. If a customer contract contains invoicing amounts that increase over the contract term, then ARR reflects the annualized invoicing amount outlined in the contract for the current reporting period. We calculate ARR as the quarterly recurring revenue multiplied by four.

Platform software is defined as products that can run on our platform today using shared platform capabilities without the need for any custom integrations or modifications (other than what is normally required for products on the platform today).

# SOFTWARE DBNRR – Excluding Divestitures

	Q2-22	Q3-22	Q4-22	Q1-23	Q2-23	Q3-23	Q4-23	Q1-24
<b><i>DBNRR</i></b>								
<b>Platform</b>	144%	137%	129%	130%	146%	142%	145%	136%
<b>Non-Platform</b>	102%	101%	101%	103%	105%	109%	111%	108%
<b>Total</b>	109%	109%	109%	110%	114%	117%	120%	114%

Dollar-Based Net Retention Rate (DBNRR) for any period is calculated by comparing the ARR at the end of the prior comparable quarter (base recurring revenue) to the ARR from that same cohort of customers at the end of the current quarter (retained recurring revenue); we then divide the retained recurring revenue by the base recurring revenue to arrive at the DBNRR.



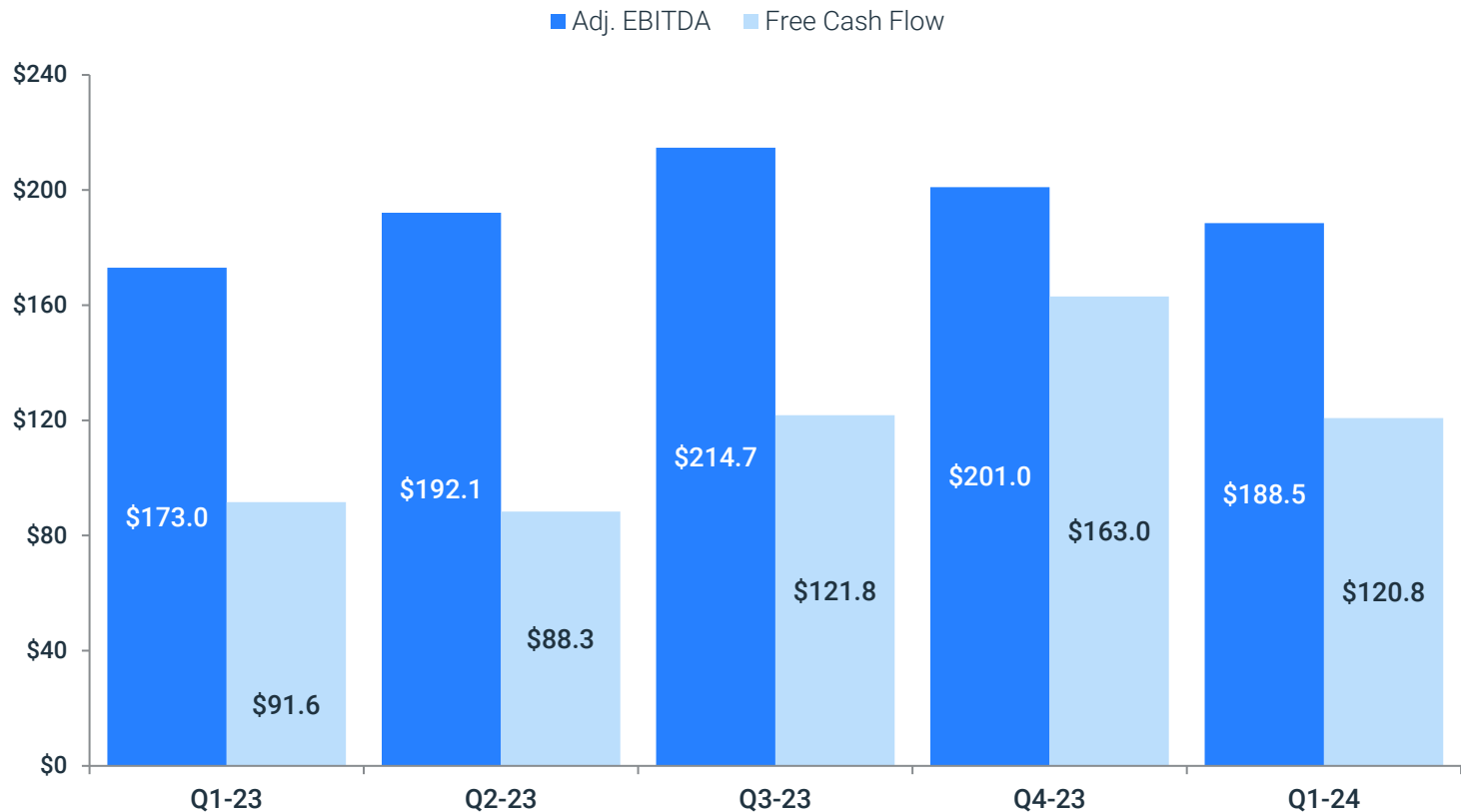
# SOFTWARE ACV BOOKINGS - Excluding Divestitures

	Q2-22	Q3-22	Q4-22	Q1-23	Q2-23	Q3-23	Q4-23	Q1-24
	(In millions)							
<b>Total ACV Bookings</b>	\$ 20.2	\$ 18.7	\$ 29.2	\$ 21.5	\$ 23.3	\$ 21.1	\$ 28.0	\$ 18.3

Annual Contract Value Bookings (ACV Bookings) are the average annualized value of software contracts signed in the current reporting period that generate current and future on-premises and SaaS software revenue. We only include contracts with an initial term of at least 24 months and exclude perpetual licenses and other revenues that are non-recurring in nature.

# ADJUSTED EBITDA & FREE CASH FLOW

(In millions)



# BALANCE SHEET REVIEW

(In millions)	Q1-23	Q4-23	Q1-24	YoY Var	QoQ Var
<b>ASSETS</b>					
Cash & Investments	\$ 167.4	\$ 171.0	\$ 198.6	19%	16%
Accounts Receivable & Other Current Assets	344.0	419.7	404.9	18%	-4%
Goodwill & Intangibles, net	773.2	774.2	777.8	1%	0%
Other	174.1	210.4	212.2	22%	1%
<b>Total Assets</b>	<b>\$ 1,458.7</b>	<b>\$ 1,575.3</b>	<b>\$ 1,593.5</b>	<b>9%</b>	<b>1%</b>
<b>LIABILITIES</b>					
Current Liabilities	\$ 355.0	\$ 367.7	\$ 433.1	22%	18%
Noncurrent Liabilities	1,905.8	1,895.6	1,886.2	-1%	0%
<b>Total Liabilities</b>	<b>2,260.8</b>	<b>2,263.3</b>	<b>2,319.3</b>	<b>3%</b>	<b>2%</b>
<b>Stockholders' Deficit</b>	<b>(802.1)</b>	<b>(688.0)</b>	<b>(725.8)</b>	<b>-10%</b>	<b>5%</b>
<b>Total Liabilities &amp; Stockholders' Deficit</b>	<b>\$ 1,458.7</b>	<b>\$ 1,575.3</b>	<b>\$ 1,593.5</b>	<b>9%</b>	<b>1%</b>
<b>METRICS</b>					
<b>Leverage Covenant (max 3.5)</b>	<b>2.68</b>	<b>2.30</b>	<b>2.36</b>	<b>(0.32)</b>	<b>0.06</b>
<b>Interest Coverage Covenant (min 3.0)</b>	<b>8.59</b>	<b>7.88</b>	<b>7.91</b>	<b>(0.68)</b>	<b>0.03</b>
<b>Days Sales Outstanding</b>	<b>95 days</b>	<b>102 days</b>	<b>99 days</b>	<b>4 days</b>	<b>(3 days)</b>

# SEGMENT PROFITABILITY

Quarter Ended December 31, 2022				
	Scores	Software	Unallocated Corporate Expenses	Total
	(In thousands)			
Segment revenues:				
On-premises and SaaS software	\$ —	\$ 144,560	\$ —	\$ 144,560
Professional services	—	22,322	—	22,322
Scores	177,988	—	—	177,988
Total segment revenues	177,988	166,882	—	344,870
Segment operating expense	(21,296)	(121,117)	(34,082)	(176,495)
Segment operating income	\$ 156,692	\$ 45,765	\$ (34,082)	168,375
Unallocated share-based compensation expense				(29,702)
Unallocated amortization expense				(275)
Unallocated gain on product line asset sale				1,941
Operating income				140,339
Unallocated interest expense, net				(22,800)
Unallocated other income, net				364
Income before income taxes				\$ 117,903
Depreciation expense	\$ 151	\$ 2,974	\$ 22	\$ 3,147

Quarter Ended December 31, 2023				
	Scores	Software	Unallocated Corporate Expenses	Total
	(In thousands)			
Segment revenues:				
On-premises and SaaS software	\$ —	\$ 168,668	\$ —	\$ 168,668
Professional services	—	21,279	—	21,279
Scores	192,112	—	—	192,112
Total segment revenues	192,112	189,947	—	382,059
Segment operating expense	(23,458)	(134,825)	(40,568)	(198,851)
Segment operating income	\$ 168,654	\$ 55,122	\$ (40,568)	183,208
Unallocated share-based compensation expense				(31,574)
Unallocated amortization expense				(275)
Operating income				151,359
Unallocated interest expense, net				(24,162)
Unallocated other income, net				3,393
Income before income taxes				\$ 130,590
Depreciation expense	\$ 81	\$ 1,598	\$ 12	\$ 1,691

Revenues – \$1.675 billion

GAAP Net Income – \$490 million

GAAP Earnings per Share – \$19.45

Non-GAAP Net Income – \$566 million

Non-GAAP Earnings per Share – \$22.45



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