

Fair Isaac Corporation

Q2 19 Financial Highlights

April 30, 2019

Q2 2019 Highlights

- **Revenue:**
 - Q2 19 revenue of \$278 million vs. Q2 18 revenue of \$ 256 million or 9% increase
 - Applications revenue of \$142 million, or 3% y/y decrease
 - Scores revenue of \$104 million, or 20% y/y increase
 - Decision Management Software revenue of \$32 million, or 41% y/y increase
- GAAP Net income of \$33 million or \$1.10 per share in Q2 19 vs. \$31 million or \$1.00 per share in Q2 18.
- Non-GAAP Net income of \$47 million, same as Q2 18. Non-GAAP GPS of \$1.56 per share in Q2 19 vs. \$1.50 per share in Q2 18.
- Free Cash Flow was \$44 million in Q2 19 vs. \$42 million in Q2 18

Prior year financial results have been adjusted as a result of the adoption of ASU 2014-09 effective October 1, 2018.

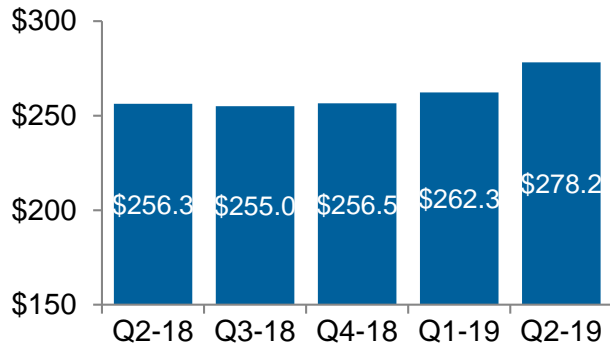
Q2 2019 Financial Highlights

Metric	Q2 18 As Adjusted	Q1 19	Q2 19	% Q/Q	% Y/Y
Revenues	\$256.3	\$262.3	\$278.2	6%	9%
GAAP Diluted EPS	\$1.00	\$1.32	\$1.10	-17%	10%
Non-GAAP Op. Margin*	26%	28%	25%	-11%	-4%
Non-GAAP net margin*	18%	17%	17%	0%	-6%
Non-GAAP Diluted EPS*	\$1.50	\$1.45	\$1.56	8%	4%
Adjusted EBITDA*	\$72.9	\$78.5	\$76.5	-3%	5%
Free Cash Flow*	\$42.2	\$42.4	\$43.6	3%	3%
Headcount	3,470	3,772	3,896	3%	12%
Bookings	\$101.7	\$106.6	\$105.7	-1%	4%

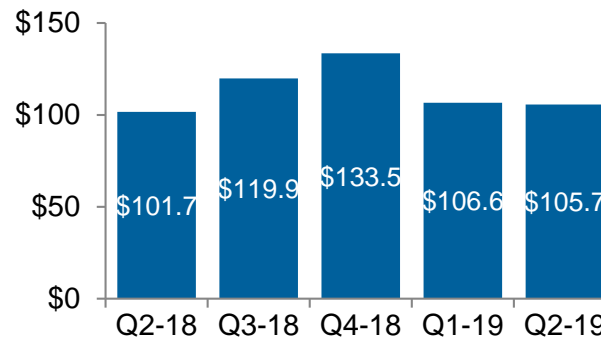
- For a detailed reconciliation, please refer to our Regulation G Disclosure
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Key Operating Results

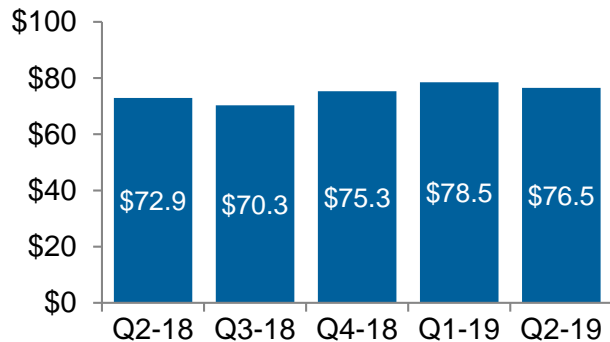
Revenues



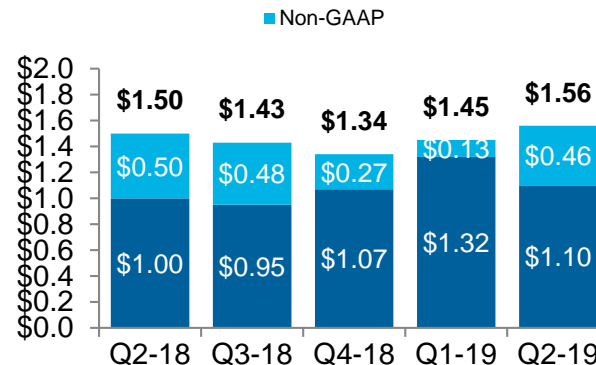
Bookings



Adjusted EBITDA

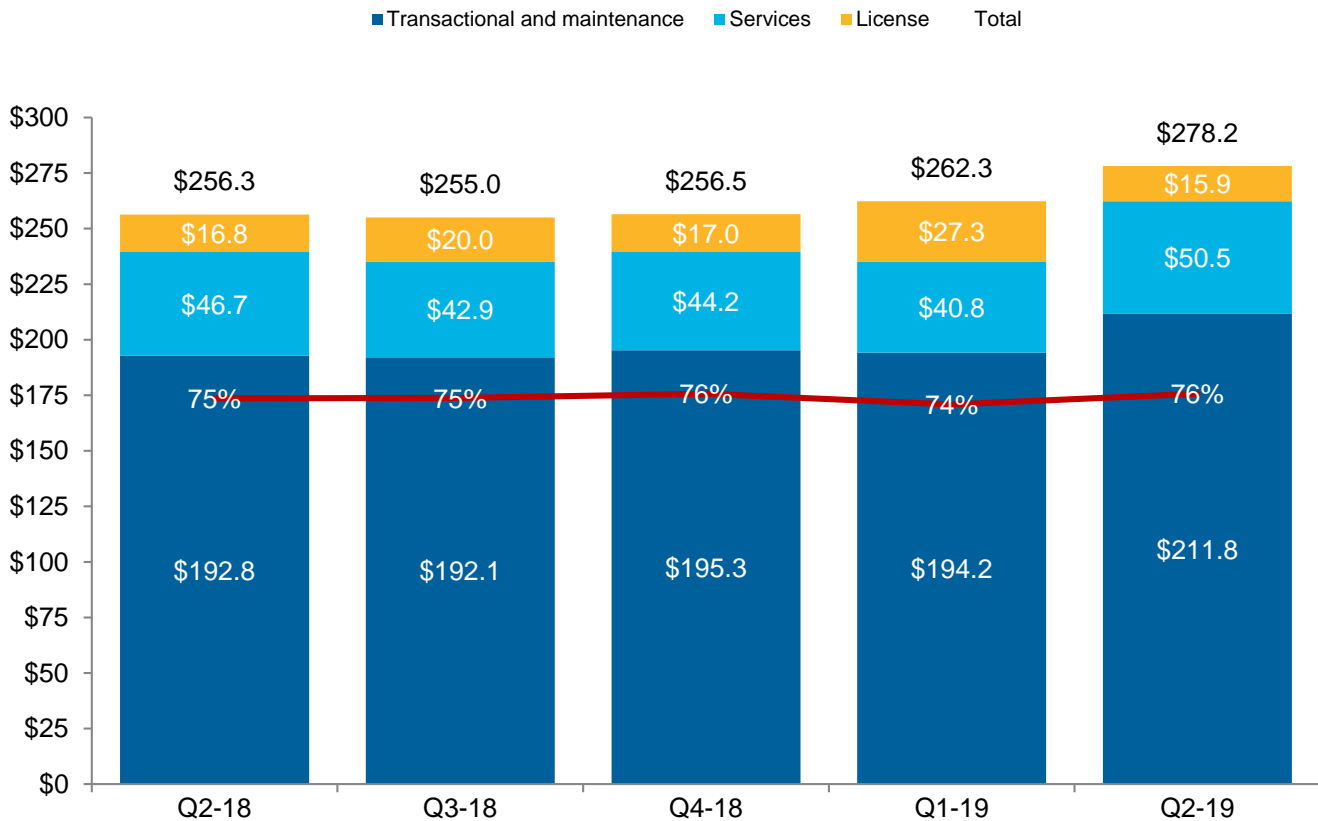


GAAP EPS



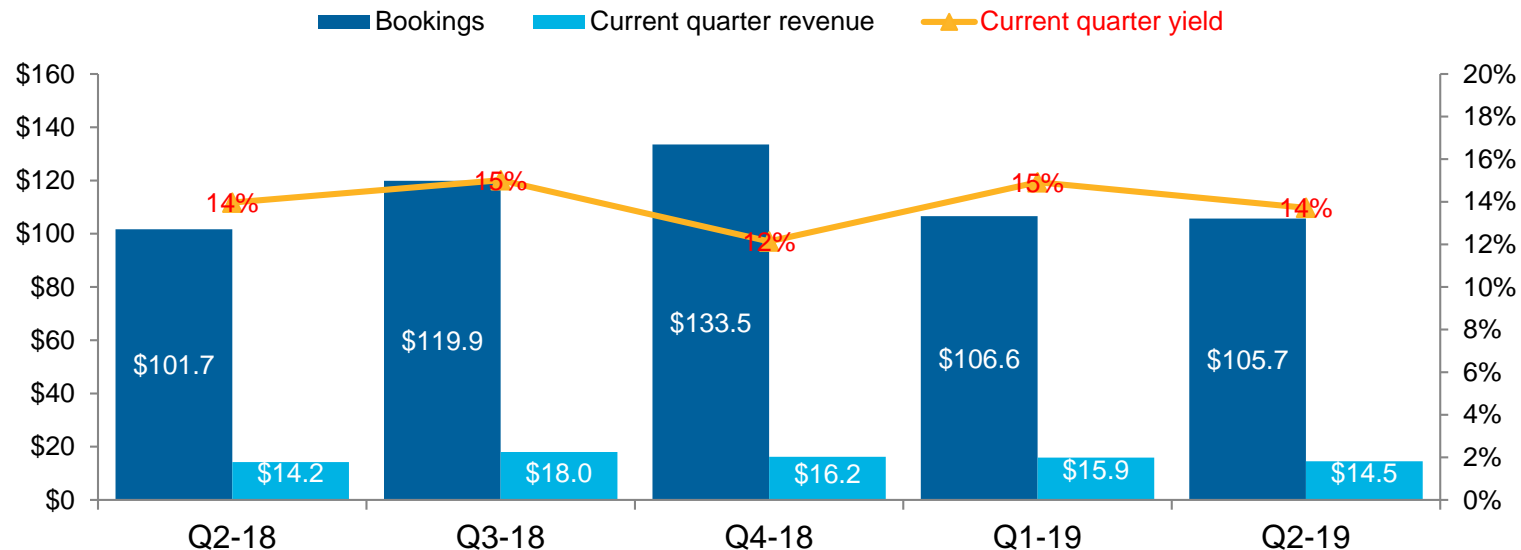
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Revenue Type Mix



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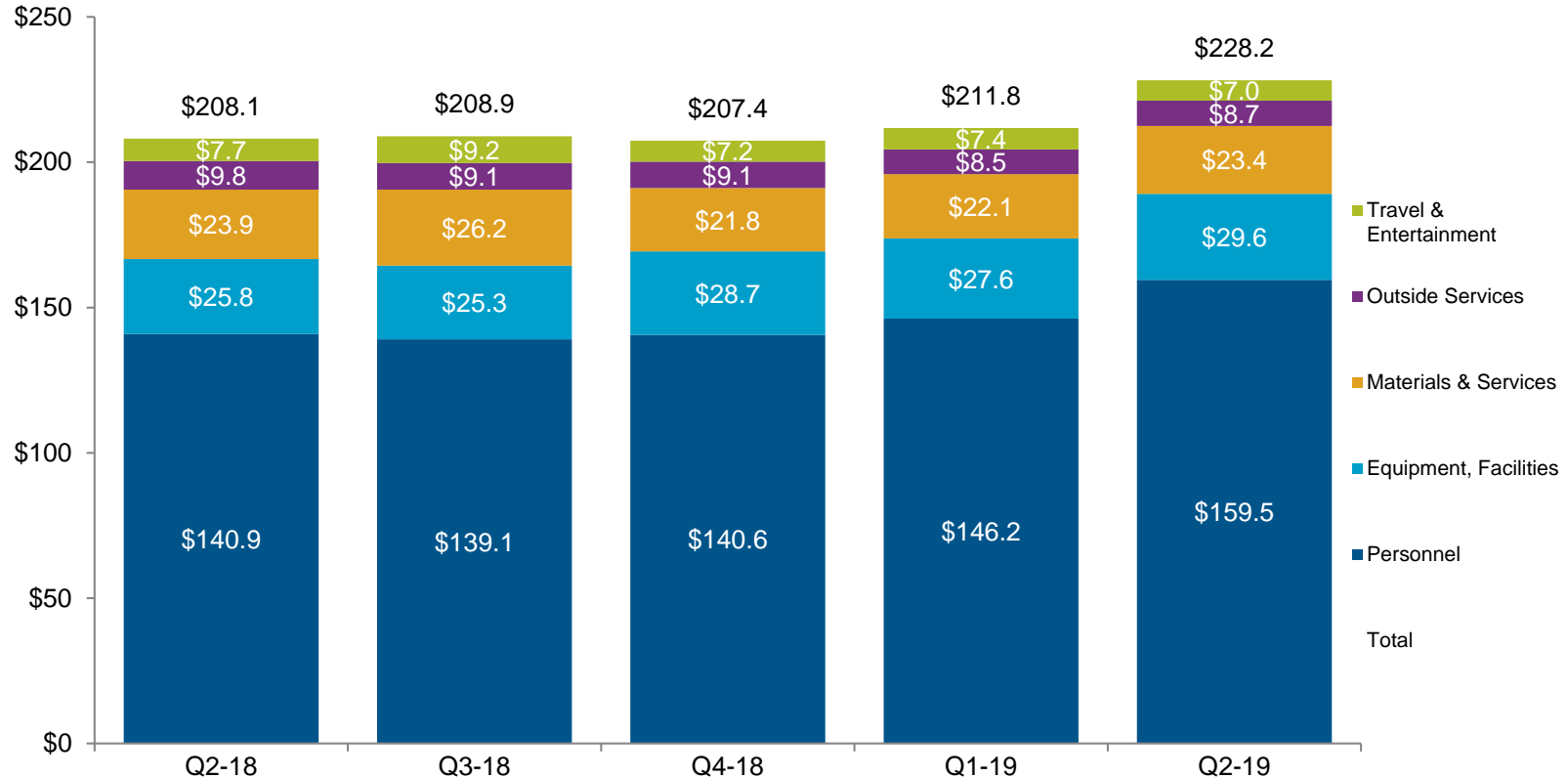
Bookings and Current Quarter Yield



# Deals \$1-3 million	13	15	16	16	12
# Deals >\$3 million	6	9	8	7	7
Average Term	30 mos.	28 mos.	31mos.	31mos.	32mos.

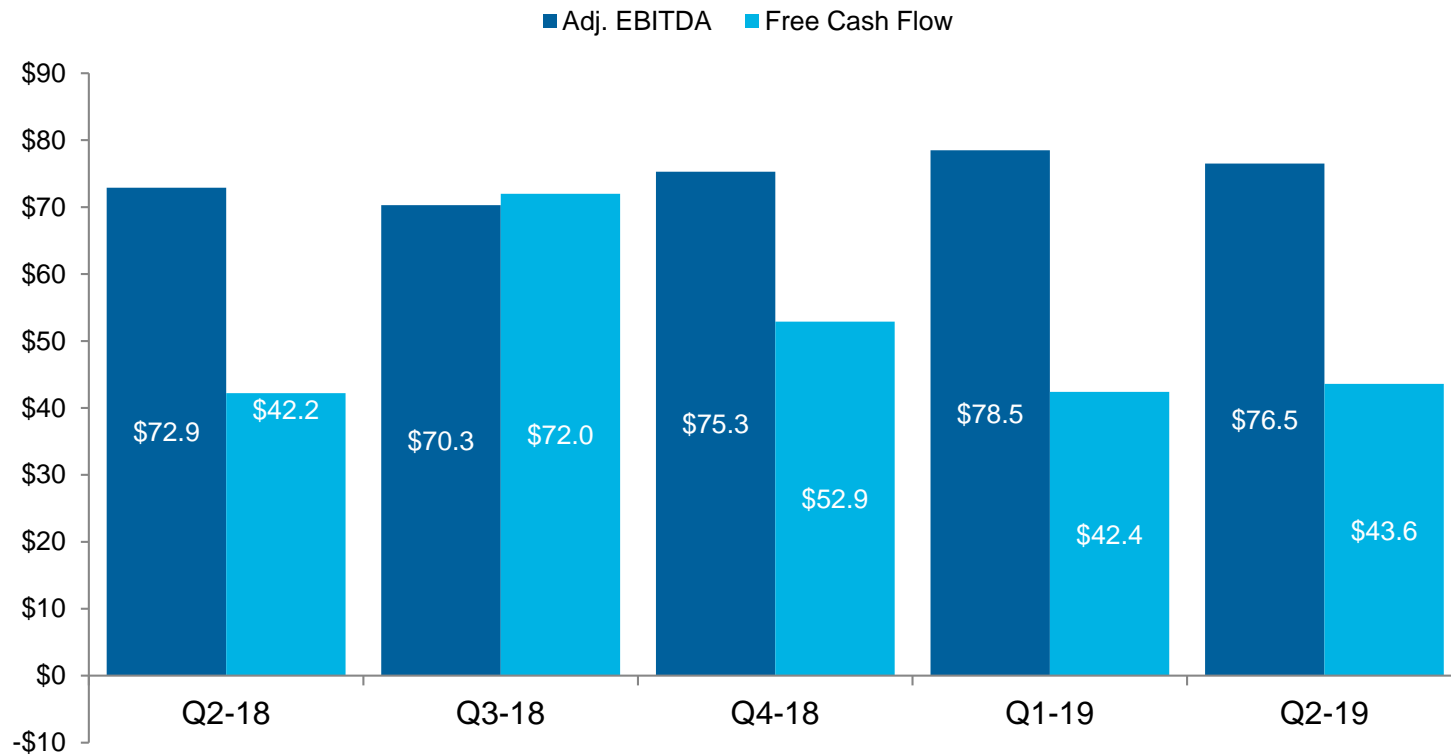
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Expense Review



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Adjusted EBITDA & Free Cash Flow



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Balance Sheet Review

\$ in Millions	4Q'18 As Adjusted	1Q'19	2Q'19	Q/YE Var	Q/Q Var
ASSETS					
Cash & investments	\$ 109.8	\$ 98.8	\$ 97.5	-11%	-1%
Accounts receivable & other current assets	306.4	295.9	320.1	4%	8%
Goodwill & intangibles, net	815.4	811.7	812.1	0%	0%
Other	98.9	99.2	98.4	-1%	-1%
Total Assets	\$ 1,330.5	\$ 1,305.6	\$ 1,328.1	0%	2%
LIABILITIES					
Current liabilities	\$ 473.9	\$ 433.3	\$ 436.6	-8%	1%
Noncurrent liabilities	569.1	644.4	644.0	13%	0%
Total Liabilities	\$ 1,043.0	\$ 1,077.7	\$ 1,080.6	4%	0%
Stockholders Equity	\$ 287.5	\$ 227.9	\$ 247.5	-14%	9%
Total Liabilities & Equity	\$ 1,330.5	\$ 1,305.6	\$ 1,328.1	0%	2%
METRICS					
Leverage Covenant (max 3.0)	2.54	2.67	2.61	0.07	-0.06
Fixed Charge Covenant (min 2.5)	4.69	4.60	4.42	-0.27	-0.18
Days Sales Outstanding	96 days	87 days	88 days	-8 day	1 day

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Segment Profitability

	Quarter Ended March 31, 2019				
	Applications	Scores	Decision Management Software	Unallocated Corporate Expenses	Total
	(In thousands)				
Segment revenues:					
Transactional and maintenance	\$ 97,074	\$ 102,363	\$ 12,342	\$ —	\$ 211,779
Professional services	35,981	901	13,673	—	50,555
License	8,760	1,139	6,001	—	15,900
Total segment revenues	141,815	104,403	32,016	—	278,234
Segment operating expense	(111,643)	(16,167)	(40,384)	(39,506)	(207,700)
Segment operating income (loss)	\$ 30,172	\$ 88,236	\$ (8,368)	\$ (39,506)	70,534
Unallocated share-based compensation expense					(20,482)
Unallocated amortization expense					(1,503)
Operating income					48,549
Unallocated interest expense, net					(10,008)
Unallocated other income, net					1,433
Income before income taxes					\$ 39,974
Depreciation expense	\$ 4,662	\$ 132	\$ 972	\$ 229	\$ 5,995

	Quarter Ended March 31, 2018 (As Adjusted)				
	Applications	Scores	Decision Management Software	Unallocated Corporate Expenses	Total
	(In thousands)				
Segment revenues:					
Transactional and maintenance	\$ 95,515	\$ 85,451	\$ 11,825	\$ —	\$ 192,791
Professional services	39,131	757	6,843	—	46,731
License	11,850	895	3,993	—	16,738
Total segment revenues	146,496	87,103	22,661	—	256,260
Segment operating expense	(107,292)	(16,413)	(31,700)	(33,493)	(188,898)
Segment operating income (loss)	\$ 39,204	\$ 70,690	\$ (9,039)	\$ (33,493)	67,362
Unallocated share-based compensation expense					(19,239)
Unallocated amortization expense					(1,684)
Operating income					46,439
Unallocated interest expense, net					(7,116)
Unallocated other expense, net					(161)
Income before income taxes					\$ 39,162
Depreciation expense	\$ 3,834	\$ 147	\$ 1,291	\$ 238	\$ 5,510

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