

FAIR ISAAC CORPORATION
Supplemental Non-GAAP Financial Measures
(In thousands except per share data) (Unaudited)

The following is a reconciliation of the company's GAAP to Non-GAAP items.

	Fiscal Year 2023	Quarter Ended September 30, 2023	Quarter Ended June 30, 2023	Quarter Ended March 31, 2023	Quarter Ended December 31, 2022	Fiscal Year 2022	Quarter Ended September 30, 2022	Quarter Ended June 30, 2022	Quarter Ended March 31, 2022	Quarter Ended December 31, 2021
Operating Income										
Operating income, as reported	\$ 642,830	\$ 165,699	\$ 177,031	\$ 159,761	\$ 140,339	\$ 542,414	\$ 134,156	\$ 140,615	\$ 152,057	\$ 115,586
Amortization of intangible assets	1,100	275	275	275	275	2,061	442	532	543	544
Gain on product line asset sale	(1,941)	-	-	-	(1,941)	-	-	-	-	-
Share-based compensation expense	123,847	34,097	32,995	27,053	29,702	115,354	28,991	28,549	27,936	29,878
Non-GAAP operating income (segment operating income)	\$ 765,836	\$ 200,071	\$ 210,301	\$ 187,089	\$ 168,375	\$ 659,829	\$ 163,589	\$ 169,696	\$ 180,536	\$ 146,008
Revenues	\$ 1,513,557	\$ 389,733	\$ 398,688	\$ 380,266	\$ 344,870	\$ 1,377,270	\$ 348,748	\$ 348,966	\$ 357,195	\$ 322,361
Non-GAAP operating margin	51%	51%	53%	49%	49%	48%	47%	49%	51%	45%
Net Income										
Net income, as reported	\$ 429,375	\$ 101,424	\$ 128,758	\$ 101,550	\$ 97,643	\$ 373,541	\$ 90,699	\$ 93,500	\$ 104,383	\$ 84,959
Amortization of intangible assets	1,100	275	275	275	275	2,061	442	532	543	544
Gain on product line asset sale	(1,941)	-	-	-	(1,941)	-	-	-	-	-
Share-based compensation expense	123,847	34,097	32,995	27,053	29,702	115,354	28,991	28,549	27,936	29,878
Income tax adjustments	(30,806)	(8,760)	(8,314)	(6,818)	(6,914)	(28,055)	(7,043)	(6,842)	(6,677)	(7,493)
Excess tax benefit	(12,586)	(852)	(818)	(612)	(10,304)	(9,125)	(595)	(78)	(2,495)	(5,957)
Adjustment to tax reserves and valuation allowance	(8,940)	560	(9,500)	-	-	-	-	-	-	-
Non-GAAP net income	\$ 500,049	\$ 126,744	\$ 143,396	\$ 121,448	\$ 108,461	\$ 453,776	\$ 112,494	\$ 115,661	\$ 123,690	\$ 101,931
Revenues	\$ 1,513,557	\$ 389,733	\$ 398,688	\$ 380,266	\$ 344,870	\$ 1,377,270	\$ 348,748	\$ 348,966	\$ 357,195	\$ 322,361
Non-GAAP net margin	33%	33%	36%	32%	31%	33%	32%	33%	35%	32%
Diluted Earnings per Share										
Diluted earnings per share, as reported	\$ 16.93	\$ 4.01	\$ 5.08	\$ 4.00	\$ 3.84	\$ 14.18	\$ 3.55	\$ 3.61	\$ 3.95	\$ 3.09
Amortization of intangible assets	0.04	0.01	0.01	0.01	0.01	0.08	0.02	0.02	0.02	0.02
Gain on product line asset sale	(0.08)	-	-	-	(0.08)	-	-	-	-	-
Share-based compensation expense	4.88	1.35	1.30	1.06	1.17	4.38	1.13	1.10	1.06	1.09
Income tax adjustments	(1.21)	(0.35)	(0.33)	(0.27)	(0.27)	(1.06)	(0.28)	(0.26)	(0.25)	(0.27)
Excess tax benefit	(0.50)	(0.03)	(0.03)	(0.02)	(0.40)	(0.35)	(0.02)	(0.00)	(0.09)	(0.22)
Adjustment to tax reserves and valuation allowance	(0.35)	0.02	(0.37)	-	-	-	-	-	-	-
Non-GAAP diluted earnings per share	\$ 19.71	\$ 5.01	\$ 5.66	\$ 4.78	\$ 4.26	\$ 17.22	\$ 4.40	\$ 4.47	\$ 4.68	\$ 3.70
Reconciliation to Adjusted EBITDA										
Net income, as reported	\$ 429,375	\$ 101,424	\$ 128,758	\$ 101,550	\$ 97,643	\$ 373,541	\$ 90,699	\$ 93,500	\$ 104,383	\$ 84,959
Interest expense, net	95,546	24,304	24,545	23,897	22,800	68,966	20,839	18,721	17,211	12,195
Provision for income taxes	124,248	39,040	29,029	35,919	20,260	97,768	22,411	27,394	28,102	19,861
Other expense (income), net (1)	(1,416)	31	(3,068)	514	1,107	(4,603)	(1,047)	(3,735)	(174)	353
Amortization of intangible assets	1,100	275	275	275	275	2,061	442	532	543	544
Depreciation	10,105	1,863	2,214	2,881	3,147	15,241	3,346	3,773	4,024	4,098
Share-based compensation expense	123,847	34,097	32,995	27,053	29,702	115,354	28,991	28,549	27,936	29,878
Gain on product line asset sale	(1,941)	-	-	-	(1,941)	-	-	-	-	-
Adjusted EBITDA	\$ 780,864	\$ 201,034	\$ 214,748	\$ 192,089	\$ 172,993	\$ 668,328	\$ 165,681	\$ 168,734	\$ 182,025	\$ 151,888
Revenues	\$ 1,513,557	\$ 389,733	\$ 398,688	\$ 380,266	\$ 344,870	\$ 1,377,270	\$ 348,748	\$ 348,966	\$ 357,195	\$ 322,361
Adjusted EBITDA as a percent of revenues	52%	52%	54%	51%	50%	49%	48%	48%	51%	47%
Reconciliation To Free Cash Flow										
Net cash provided by operating activities	\$ 468,915	\$ 164,049	\$ 122,623	\$ 89,803	\$ 92,440	\$ 509,450	\$ 144,826	\$ 117,140	\$ 122,603	\$ 124,881
Reduced by cash flow items:										
Capital expenditures	4,237	1,068	793	1,526	850	6,029	797	1,939	2,398	895
Free cash flow	\$ 464,678	\$ 162,981	\$ 121,830	\$ 88,277	\$ 91,590	\$ 503,421	\$ 144,029	\$ 115,201	\$ 120,205	\$ 123,986
Revenues	\$ 1,513,557	\$ 389,733	\$ 398,688	\$ 380,266	\$ 344,870	\$ 1,377,270	\$ 348,748	\$ 348,966	\$ 357,195	\$ 322,361
Free cash flow as a percent of revenues	31%	42%	31%	23%	27%	37%	41%	33%	34%	38%

Note: The numbers may not sum to total due to rounding.

(1) Excludes gains and losses from securities held under a supplemental retirement and savings plan for certain officers and senior management employees, as the offsetting entries are included (as compensation expenses) in operating expenses, resulting in a net zero impact to the company's net income.