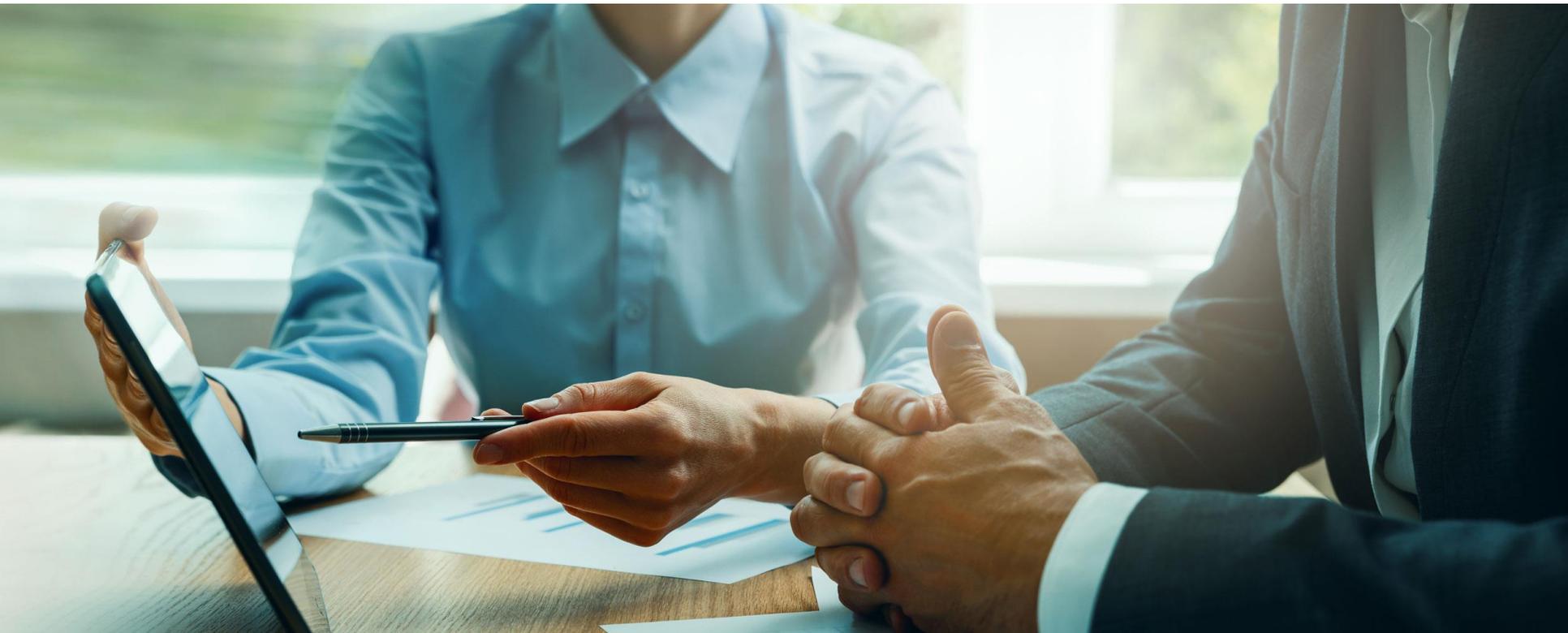




Fair Isaac Corporation

Investor Overview

February 29, 2024



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 report on Form 10-K for the fiscal year ended September 30, 2023.

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.

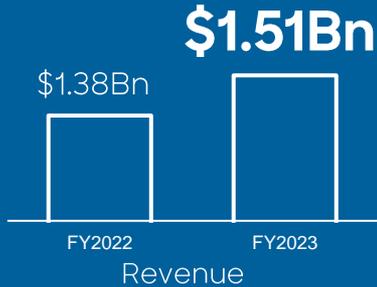
FICO – At A Glance

FICO provides analytics software solutions and services that enable businesses to harness the power of analytics to optimize, automate, and connect decisions to enhance business performance



68

Year History



#1 for 7th
consecutive year

In “Innovations”, Chartis
RiskTech 100 Awards



~3,450

Employees



FORRESTER®

AI Decisioning Platform Wave



>100

Client Countries

We Offer A Complete Software Platform for Decision Management

Customer Domains

FICO SCORE

Credit Risk Scoring

Top credit risk scoring system with 10+ billion credit decisions served per year

Credit Risk
Application Fraud Risk
Small Business Risk
Insurance Risk
Health Care Propensity & Adherence
Custom Scoring Services
Financial Inclusion
Consumer Empowerment
Asset Backed Securities Risk



Customer Development

Acquisition, Origination & Growth

Analytics-driven customer management system for credit account acquisition, life-cycle management, and engagement

Acquisition
Origination
Account Management
Customer Engagement



Fraud Protection & Compliance

Payments Fraud, Cybersecurity & Compliance

Leading payment card fraud solution with 2.6+ billion payment cards protected

Identity & Authentication
Account Takeover
Application Fraud
Enterprise Payments Fraud
Customer Engagement



Decision Management

Analytics, Decisions & Optimization

Comprehensive platform for developing custom decision management solutions

Diagnostic & Descriptive Analytics
Predictive Analytics
Optimization
AI & ML
Decisioning
Business Rules Management
Application Workflow Development

FICO Platform

FICO® Score - The Standard Measure of Consumer Credit Risk



90%

Of U.S. consumer credit lending decisions use FICO Scores



98.8%

Of total dollars in U.S. Securitizations solely cited FICO Scores as credit risk measure



90

Of the top 100 largest U.S. lenders use FICO Scores



1Bn

Credit-Invisible consumers could get credit through FICO Scores that leverage alternative data



30

Countries outside the U.S. use FICO Scores to improve credit decisions



300M

Consumer accounts have free access to FICO Scores

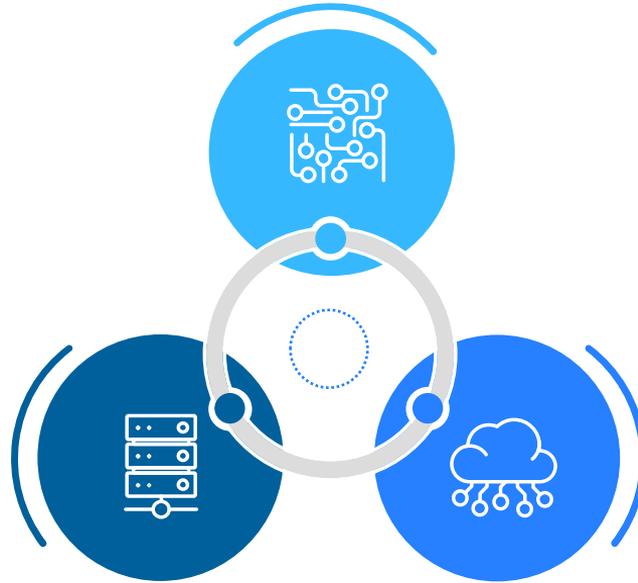
Our Core Market for Decision Management Software has Strong Industry Tailwinds

Explosion in Data Volume and Usability

Data volumes have increased at a staggering pace in the last decade, and the availability as well as usability of this data across the enterprise is rapidly increasing

Cutting-Edge Developments in Data Analytics

Advances in AI/ML, computing infrastructure, and analytics techniques have transformed the ways in which data can be applied to business decisions



Trust and Adoption of Cloud-Based SaaS Solutions

Enterprises are rapidly re-platforming to the cloud, including historic laggards such as financial services and healthcare

FICO Offers End-to-End Cloud-Delivered Solutions for Decisions

Complex Data Management

Data preparation, wrangling, cleaning and management

Advanced Analytics and Decisioning

Cutting-edge analytic tools and models applied to business decisions

Decision-Driven Business Outcomes

Industry-leading business rules engine and workflow management tools to create full business process solutions

Delivered in a manner optimized to each client's needs

Public Cloud, Hybrid Cloud, Private Cloud, and On-Prem

Robust Cash Flow Profile & Balance Sheet with Conservative Financial Policy

Robust Cash Flow Profile & Balance Sheet

- Consistent and increasing cash flow generation
- Deeply embedded software and technology solutions with significant innovations that deliver profitable, growing, recurring revenue
- Focused software restructuring and divestitures to focus on highest margin, mission-critical solutions
- Strong liquidity profile with consistent cash generation, supplemented by access to revolving credit facility

Conservative Financial Policy

- Conservative approach to financial leverage
- Well defined return of capital policy
- Focus on organic growth supplemented by tuck-in M&A funded from internally generated cash flow

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)								
ARR								
Platform	\$ 95.4	\$ 107.2	\$ 113.1	\$ 132.8	\$ 152.5	\$ 164.1	\$ 173.2	\$ 190.3
Non-Platform	430.6	432.3	437.0	450.1	461.0	481.8	496.2	497.4
Total	\$ 526.0	\$ 539.5	\$ 550.1	\$ 582.9	\$ 613.5	\$ 645.9	\$ 669.4	\$ 687.7
Percentage								
Platform	18%	20%	21%	23%	25%	25%	26%	28%
Non-Platform	82%	80%	79%	77%	75%	75%	74%	72%
Total	100%	100%	100%	100%	100%	100%	100%	100%
YoY Change								
Platform	64%	62%	54%	46%	60%	53%	53%	43%
Non-Platform	3%	2%	2%	4%	7%	11%	14%	11%
Total	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 and ACV Bookings – Excluding Divestitures

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

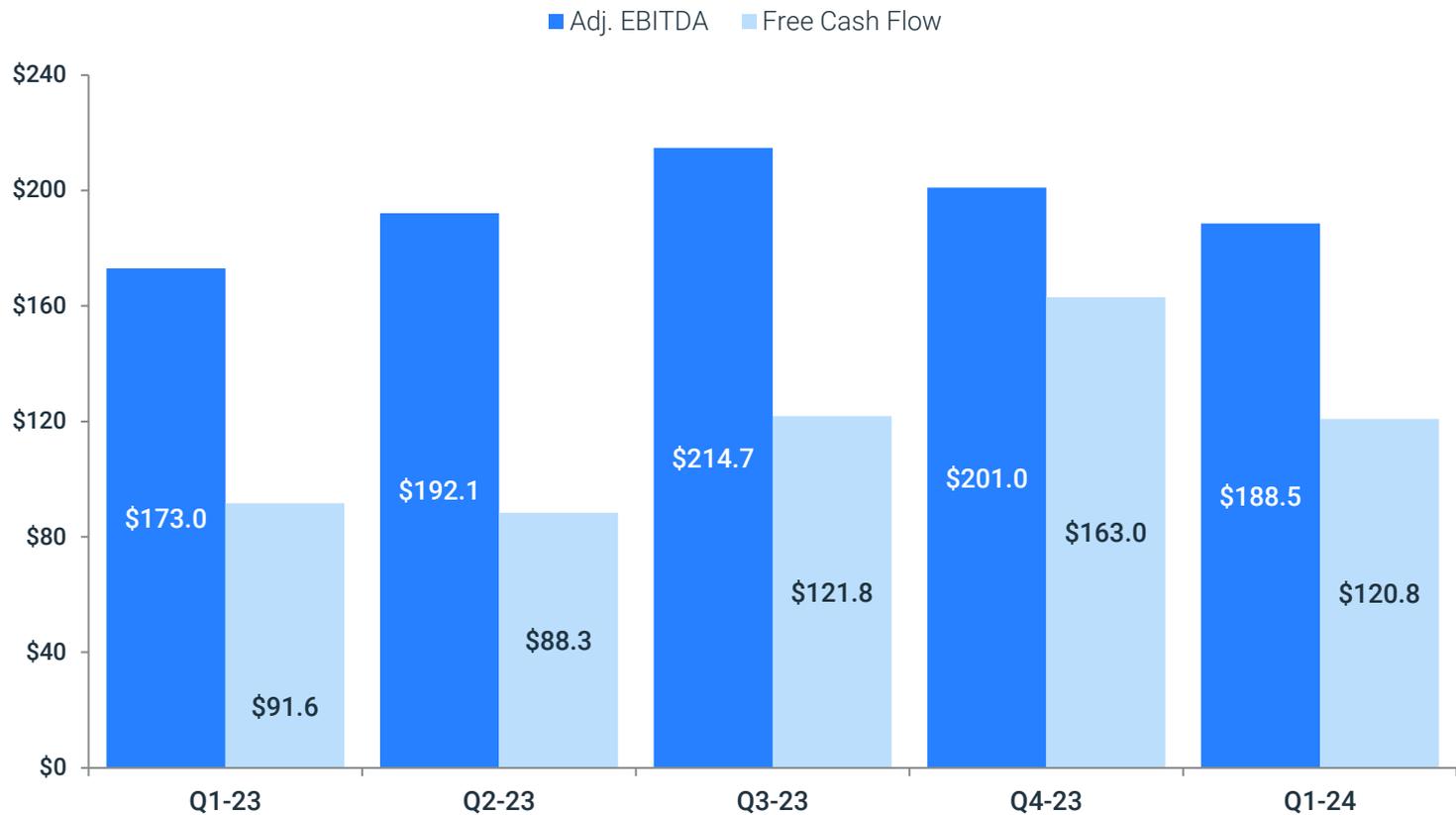
Dollar-Based Net Retention Rate (DBNRR) for any period is calculated by comparing the ARR at the end of the prior comparable quarter (base recurring revenue) to the ARR from that same cohort of customers at the end of the current quarter (retained recurring revenue); we then divide the retained recurring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

	Q2-22	Q3-22	Q4-22	Q1-23	Q2-23	Q3-23	Q4-23	Q1-24
	(In millions)							
Total ACV Bookings	\$ 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
ASSETS					
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%
Total Assets	\$ 1,458.7	\$ 1,575.3	\$ 1,593.5	9%	1%
LIABILITIES					
Current Liabilities	\$ 355.0	\$ 367.7	\$ 433.1	22%	18%
Noncurrent Liabilities	1,905.8	1,895.6	1,886.2	-1%	0%
Total Liabilities	2,260.8	2,263.3	2,319.3	3%	2%
Stockholders' Deficit	(802.1)	(688.0)	(725.8)	-10%	5%
Total Liabilities & Stockholders' Deficit	\$ 1,458.7	\$ 1,575.3	\$ 1,593.5	9%	1%
METRICS					
Leverage Covenant (max 3.5)	2.68	2.30	2.36	(0.32)	0.06
Interest Coverage Covenant (min 3.0)	8.59	7.88	7.91	(0.68)	0.03
Days Sales Outstanding	95 days	102 days	99 days	4 days	(3 days)

GAAP to Non-GAAP Reconciliation

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 Ended 2024	Quarter Ended December 31,	Fiscal Year 2023	Quarter Ended September	Quarter Ended June 30,	Quarter Ended March 31,	Quarter Ended December 31,
Operating Income							
Operating income, as reported	\$ 151,359	\$ 151,359	\$ 642,830	\$ 165,699	\$ 177,031	\$ 159,761	\$ 140,339
Amortization of intangible assets	275	275	1,100	275	275	275	275
Gain on product line asset sale	-	-	(1,941)	-	-	-	(1,941)
Share-based compensation expense	31,574	31,574	123,847	34,097	32,995	27,053	29,702
Non-GAAP operating income (segment operating income)	\$ 183,208	\$ 183,208	\$ 765,836	\$ 200,071	\$ 210,301	\$ 187,089	\$ 168,375
Revenues	\$ 382,059	\$ 382,059	\$ 1,513,557	\$ 389,733	\$ 398,688	\$ 380,266	\$ 344,870
Non-GAAP operating margin	48%	48%	51%	51%	53%	49%	49%
Net Income							
Net income, as reported	\$ 121,065	\$ 121,065	\$ 429,375	\$ 101,424	\$ 128,758	\$ 101,550	\$ 97,643
Amortization of intangible assets	275	275	1,100	275	275	275	275
Gain on product line asset sale	-	-	(1,941)	-	-	-	(1,941)
Share-based compensation expense	31,574	31,574	123,847	34,097	32,995	27,053	29,702
Income tax adjustments	(7,915)	(7,915)	(30,806)	(8,760)	(8,314)	(6,818)	(6,914)
Excess tax benefit	(23,775)	(23,775)	(12,586)	(852)	(818)	(612)	(10,304)
Adjustment to tax reserves and valuation allowance	-	-	(8,940)	560	(9,500)	-	-
Non-GAAP net income	\$ 121,224	\$ 121,224	\$ 500,049	\$ 126,744	\$ 143,396	\$ 121,448	\$ 108,461
Revenues	\$ 382,059	\$ 382,059	\$ 1,513,557	\$ 389,733	\$ 398,688	\$ 380,266	\$ 344,870
Non-GAAP net margin	32%	32%	33%	33%	36%	32%	31%
Diluted Earnings per Share							
Diluted earnings per share, as reported	\$ 4.80	\$ 4.80	\$ 16.93	\$ 4.01	\$ 5.08	\$ 4.00	\$ 3.84
Amortization of intangible assets	0.01	0.01	0.04	0.01	0.01	0.01	0.01
Gain on product line asset sale	-	-	(0.08)	-	-	-	(0.08)
Share-based compensation expense	1.25	1.25	4.88	1.35	1.30	1.06	1.17
Income tax adjustments	(0.31)	(0.31)	(1.21)	(0.35)	(0.33)	(0.27)	(0.27)
Excess tax benefit	(0.94)	(0.94)	(0.50)	(0.03)	(0.03)	(0.02)	(0.40)
Adjustment to tax reserves and valuation allowance	-	-	(0.35)	0.02	(0.37)	-	-
Non-GAAP diluted earnings per share	\$ 4.81	\$ 4.81	\$ 19.71	\$ 5.01	\$ 5.66	\$ 4.78	\$ 4.26
Reconciliation to Adjusted EBITDA							
Net income, as reported	\$ 121,065	\$ 121,065	\$ 429,375	\$ 101,424	\$ 128,758	\$ 101,550	\$ 97,643
Interest expense, net	24,162	24,162	95,546	24,304	24,545	23,897	22,800
Provision for income taxes	9,525	9,525	124,248	39,040	29,029	35,919	20,260
Other expense (income), net (1)	177	177	(1,416)	31	(3,068)	514	1,107
Amortization of intangible assets	275	275	1,100	275	275	275	275
Depreciation	1,691	1,691	10,105	1,863	2,214	2,881	3,147
Share-based compensation expense	31,574	31,574	123,847	34,097	32,995	27,053	29,702
Gain on product line asset sale	-	-	(1,941)	-	-	-	(1,941)
Adjusted EBITDA	\$ 189,469	\$ 189,469	\$ 780,864	\$ 201,034	\$ 214,748	\$ 192,089	\$ 172,393
Revenues	\$ 382,059	\$ 382,059	\$ 1,513,557	\$ 389,733	\$ 398,688	\$ 380,266	\$ 344,870
Adjusted EBITDA as a percent of revenues	49%	49%	52%	52%	54%	51%	50%
Reconciliation To Free Cash Flow							
Net cash provided by operating activities	\$ 122,120	\$ 122,120	\$ 468,915	\$ 164,049	\$ 122,623	\$ 89,803	\$ 92,440
Reduced by cash flow items:							
Capital expenditures	1,361	1,361	4,237	1,068	793	1,526	850
Free cash flow	\$ 120,759	\$ 120,759	\$ 464,678	\$ 162,981	\$ 121,830	\$ 88,277	\$ 91,590
Revenues	\$ 382,059	\$ 382,059	\$ 1,513,557	\$ 389,733	\$ 398,688	\$ 380,266	\$ 344,870
Free cash flow as a percent of revenues	32%	32%	31%	42%	31%	23%	27%

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.

FY2024 GUIDANCE

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