

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 2020	Quarter Ended September 30, 2020	Quarter Ended June 30, 2020	Quarter Ended March 31, 2020	Quarter Ended December 31, 2019	Fiscal Year 2019	Quarter Ended September 30, 2019	Quarter Ended June 30, 2019	Quarter Ended March 31, 2019	Quarter Ended December 31, 2018
Operating Income										
Operating income, as reported	\$ 295,969	\$ 85,490	\$ 82,871	\$ 75,726	\$ 51,882	\$ 253,548	\$ 70,287	\$ 85,708	\$ 48,549	\$ 49,004
Amortization of intangible assets	4,993	947	1,048	1,202	1,796	6,126	1,673	1,448	1,503	1,502
Restructuring and acquisition-related	45,029	41,925	-	-	3,104	-	-	-	-	-
Stock-based compensation expense	93,681	25,483	22,265	22,788	23,145	82,973	21,042	19,595	20,482	21,854
Non-GAAP operating income (segment operating income)	\$ 439,672	\$ 153,845	\$ 106,184	\$ 99,716	\$ 79,927	\$ 342,647	\$ 93,002	\$ 106,751	\$ 70,534	\$ 72,360
Revenues	\$ 1,294,562	\$ 374,356	\$ 313,731	\$ 307,971	\$ 298,504	\$ 1,160,083	\$ 305,344	\$ 314,249	\$ 278,234	\$ 262,256
Non-GAAP operating margin	34%	41%	34%	32%	27%	30%	30%	34%	25%	28%
Net Income										
Net income, as reported	\$ 236,411	\$ 59,126	\$ 64,076	\$ 58,288	\$ 54,921	\$ 192,124	\$ 54,584	\$ 64,152	\$ 33,381	\$ 40,007
Amortization of intangible assets	4,993	947	1,048	1,202	1,796	6,126	1,673	1,448	1,503	1,502
Restructuring and acquisition-related	45,029	41,925	-	-	3,104	-	-	-	-	-
Stock-based compensation expense	93,681	25,483	22,265	22,788	23,145	82,973	21,042	19,595	20,482	21,854
Income tax adjustments	(37,871)	(19,325)	(5,739)	(6,045)	(6,762)	(22,940)	(5,836)	(5,290)	(5,594)	(6,219)
Excess tax benefit	(50,037)	(11,192)	(4,902)	(11,925)	(22,018)	(30,666)	(10,643)	(4,289)	(2,501)	(13,233)
Non-GAAP net income	\$ 292,206	\$ 96,964	\$ 76,748	\$ 64,308	\$ 54,186	\$ 227,617	\$ 60,820	\$ 75,616	\$ 47,271	\$ 43,911
Revenues	\$ 1,294,562	\$ 374,356	\$ 313,731	\$ 307,971	\$ 298,504	\$ 1,160,083	\$ 305,344	\$ 314,249	\$ 278,234	\$ 262,256
Non-GAAP net margin	23%	26%	24%	21%	18%	20%	20%	24%	17%	17%
Diluted Earnings per Share										
Diluted earnings per share, as reported	\$ 7.90	\$ 1.98	\$ 2.15	\$ 1.94	\$ 1.82	\$ 6.34	\$ 1.80	\$ 2.12	\$ 1.10	\$ 1.32
Amortization of intangible assets	0.17	0.03	0.04	0.04	0.06	0.20	0.06	0.05	0.05	0.05
Restructuring and acquisition-related	1.50	1.41	-	-	0.10	-	-	-	-	-
Stock-based compensation expense	3.13	0.85	0.75	0.76	0.77	2.74	0.69	0.65	0.68	0.72
Income tax adjustments	(1.27)	(0.65)	(0.19)	(0.20)	(0.22)	(0.76)	(0.19)	(0.17)	(0.18)	(0.20)
Excess tax benefit	(1.67)	(0.38)	(0.16)	(0.40)	(0.73)	(1.01)	(0.35)	(0.14)	(0.08)	(0.44)
Non-GAAP diluted earnings per share	\$ 9.76	\$ 3.25	\$ 2.58	\$ 2.14	\$ 1.80	\$ 7.51	\$ 2.01	\$ 2.50	\$ 1.56	\$ 1.45
Reconciliation to Adjusted EBITDA										
Net income, as reported	\$ 236,411	\$ 59,126	\$ 64,076	\$ 58,288	\$ 54,921	\$ 192,124	\$ 54,584	\$ 64,152	\$ 33,381	\$ 40,007
Interest expense, net	42,177	9,932	11,223	11,254	9,768	39,752	9,957	10,111	10,008	9,676
Provision for income taxes	20,589	17,307	12,132	4,176	(13,026)	23,948	6,304	13,902	6,593	(2,851)
Other expense (income), net	(3,208)	(875)	(4,560)	2,008	219	(2,276)	(558)	(2,457)	(1,433)	2,172
Amortization of intangible assets	4,993	947	1,048	1,202	1,796	6,126	1,673	1,448	1,503	1,502
Depreciation	23,452	5,366	6,450	5,960	5,676	24,205	5,887	6,179	5,995	6,144
Stock-based compensation expense	93,681	25,483	22,265	22,788	23,145	82,973	21,042	19,595	20,482	21,854
Restructuring and acquisition-related	45,029	41,925	-	-	3,104	-	-	-	-	-
Adjusted EBITDA	\$ 463,124	\$ 159,211	\$ 112,634	\$ 105,676	\$ 85,603	\$ 366,852	\$ 98,889	\$ 112,930	\$ 76,529	\$ 78,504
Revenues	\$ 1,294,562	\$ 374,356	\$ 313,731	\$ 307,971	\$ 298,504	\$ 1,160,083	\$ 305,344	\$ 314,249	\$ 278,234	\$ 262,256
Adjusted EBITDA as a percent of revenues	36%	43%	36%	34%	29%	32%	32%	36%	28%	30%
Reconciliation To Free Cash Flow										
Net cash provided by operating activities	\$ 364,915	\$ 136,185	\$ 106,871	\$ 61,494	\$ 60,365	\$ 260,350	\$ 95,414	\$ 68,290	\$ 47,789	\$ 48,857
Reduced by cash flow items:										
Capital expenditures	21,990	916	7,907	6,667	6,500	23,981	5,811	7,526	4,170	6,474
Free cash flow	\$ 342,925	\$ 135,269	\$ 98,964	\$ 54,827	\$ 53,865	\$ 236,369	\$ 89,603	\$ 60,764	\$ 43,619	\$ 42,383
Revenues	\$ 1,294,562	\$ 374,356	\$ 313,731	\$ 307,971	\$ 298,504	\$ 1,160,083	\$ 305,344	\$ 314,249	\$ 278,234	\$ 262,256
Free cash flow as a percent of revenues	26%	36%	32%	18%	18%	20%	29%	19%	16%	16%

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