

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 2019	Quarter Ended September 30, 2019	Quarter Ended June 30, 2019	Quarter Ended March 31, 2019	Quarter Ended December 31, 2018	Fiscal Year 2018 As Adjusted	Quarter Ended September 30, 2018 As Adjusted	Quarter Ended June 30, 2018 As Adjusted	Quarter Ended March 31, 2018 As Adjusted	Quarter Ended December 31, 2017 As Adjusted
Operating Income										
Operating income, as reported	\$ 253,548	\$ 70,287	\$ 85,708	\$ 48,549	\$ 49,004	\$ 175,359	\$ 47,558	\$ 44,537	\$ 46,439	\$ 36,825
Amortization of intangible assets	6,126	1,673	1,448	1,503	1,502	6,594	1,551	1,571	1,684	1,788
Stock-based compensation expense	82,973	21,042	19,595	20,482	21,854	74,813	20,183	18,882	19,238	16,510
Non-GAAP operating income (segment operating income)	\$ 342,647	\$ 93,002	\$ 106,751	\$ 70,534	\$ 72,360	\$ 256,766	\$ 69,292	\$ 64,990	\$ 67,361	\$ 55,123
Revenues	\$ 1,160,083	\$ 305,344	\$ 314,249	\$ 278,234	\$ 262,256	\$ 1,000,146	\$ 256,532	\$ 254,993	\$ 256,260	\$ 232,361
Non-GAAP operating margin	30%	30%	34%	25%	28%	26%	27%	25%	26%	24%
Net Income										
Net income, as reported	\$ 192,124	\$ 54,584	\$ 64,152	\$ 33,381	\$ 40,007	\$ 126,482	\$ 32,713	\$ 29,721	\$ 31,169	\$ 32,879
Amortization of intangible assets	6,126	1,673	1,448	1,503	1,502	6,594	1,551	1,571	1,684	1,788
Stock-based compensation expense	82,973	21,042	19,595	20,482	21,854	74,813	20,183	18,882	19,238	16,510
Realized gain on cost-method investment	-	-	-	-	-	(10,000)	(10,000)	-	-	-
Income tax adjustments	(22,940)	(5,836)	(5,290)	(5,594)	(6,219)	(18,948)	(3,654)	(5,450)	(5,141)	(4,703)
Excess tax benefit	(30,666)	(10,643)	(4,289)	(2,501)	(13,233)	(22,253)	(7,556)	(1,635)	(1,551)	(11,511)
Tax Cuts and Jobs Act	-	-	-	-	-	14,754	7,848	1,436	1,634	3,836
Non-GAAP net income	\$ 227,617	\$ 60,820	\$ 75,616	\$ 47,271	\$ 43,911	\$ 171,442	\$ 41,085	\$ 44,525	\$ 47,033	\$ 38,799
Revenues	\$ 1,160,083	\$ 305,344	\$ 314,249	\$ 278,234	\$ 262,256	\$ 1,000,146	\$ 256,532	\$ 254,993	\$ 256,260	\$ 232,361
Non-GAAP net margin	20%	20%	24%	17%	17%	17%	16%	17%	18%	17%
Diluted Earnings per Share										
Diluted earnings per share, as reported	\$ 6.34	\$ 1.80	\$ 2.12	\$ 1.10	\$ 1.32	\$ 4.06	\$ 1.07	\$ 0.95	\$ 1.00	\$ 1.04
Amortization of intangible assets	0.20	0.06	0.05	0.05	0.05	0.21	0.05	0.05	0.05	0.06
Stock-based compensation expense	2.74	0.69	0.65	0.68	0.72	2.40	0.66	0.61	0.61	0.52
Realized gain on cost-method investment	-	-	-	-	-	(0.32)	(0.33)	-	-	-
Income tax adjustments	(0.76)	(0.19)	(0.17)	(0.18)	(0.20)	(0.61)	(0.12)	(0.17)	(0.16)	(0.15)
Excess tax benefit	(1.01)	(0.35)	(0.14)	(0.08)	(0.44)	(0.71)	(0.25)	(0.05)	(0.05)	(0.36)
Tax Cuts and Jobs Act	-	-	-	-	-	0.47	0.26	0.05	0.05	0.12
Non-GAAP diluted earnings per share	\$ 7.51	\$ 2.01	\$ 2.50	\$ 1.56	\$ 1.45	\$ 5.50	\$ 1.34	\$ 1.43	\$ 1.50	\$ 1.23
Reconciliation to Adjusted EBITDA										
Net income, as reported	\$ 192,124	\$ 54,584	\$ 64,152	\$ 33,381	\$ 40,007	\$ 126,482	\$ 32,713	\$ 29,721	\$ 31,169	\$ 32,879
Interest expense, net	39,752	9,957	10,111	10,008	9,676	31,311	9,512	8,223	7,116	6,460
Provision for income taxes	23,948	6,304	13,902	6,593	(2,851)	30,450	16,277	8,181	7,993	(2,001)
Other expense (income), net	(2,276)	(558)	(2,457)	(1,433)	2,172	(12,884)	(10,944)	(1,588)	161	(513)
Amortization of intangible assets	6,126	1,673	1,448	1,503	1,502	6,594	1,551	1,571	1,684	1,788
Depreciation	24,205	5,887	6,179	5,995	6,144	22,633	5,981	5,348	5,510	5,794
Stock-based compensation expense	82,973	21,042	19,595	20,482	21,854	74,813	20,183	18,882	19,238	16,510
Adjusted EBITDA	\$ 366,852	\$ 98,889	\$ 112,930	\$ 76,529	\$ 78,504	\$ 279,399	\$ 75,273	\$ 70,338	\$ 72,871	\$ 60,917
Revenues	\$ 1,160,083	\$ 305,344	\$ 314,249	\$ 278,234	\$ 262,256	\$ 1,000,146	\$ 256,532	\$ 254,993	\$ 256,260	\$ 232,361
Adjusted EBITDA as a percent of revenues	32%	32%	36%	28%	30%	28%	29%	28%	28%	26%
Reconciliation To Free Cash Flow										
Net cash provided by operating activities	\$ 260,350	\$ 95,414	\$ 68,290	\$ 47,789	\$ 48,857	\$ 223,052	\$ 59,963	\$ 85,079	\$ 49,233	\$ 28,777
Reduced by cash flow items:										
Capital expenditures	23,981	5,811	7,526	4,170	6,474	31,299	7,079	13,109	7,067	4,044
Free cash flow	\$ 236,369	\$ 89,603	\$ 60,764	\$ 43,619	\$ 42,383	\$ 191,753	\$ 52,884	\$ 71,970	\$ 42,166	\$ 24,733
Revenues	\$ 1,160,083	\$ 305,344	\$ 314,249	\$ 278,234	\$ 262,256	\$ 1,000,146	\$ 256,532	\$ 254,993	\$ 256,260	\$ 232,361
Free cash flow as a percent of revenues	20%	29%	19%	16%	16%	19%	21%	28%	16%	11%

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