

Fair Isaac Corporation

Q4 19 Financial Highlights

September 30, 2019

Q4 2019 Highlights

- **Revenue:**
Q4 19 revenue of \$305 million vs. Q4 18 revenue of \$ 257 million or 19% increase
 - Applications revenue of \$150 million, or 8% y/y increase
 - Scores revenue of \$116 million, or 30% y/y increase
 - Decision Management Software revenue of \$39 million, or 41% y/y increase
- GAAP Net income of \$55 million or \$1.80 per share in Q4 19 vs. \$33 million or \$1.07 per share in Q4 18.
- Non-GAAP Net income of \$61 million or \$2.01 per share in Q4 19 vs. \$41 million or \$1.34 per share in Q4 18.
- Free Cash Flow was \$90 million in Q4 19 vs. \$53 million in Q4 18

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

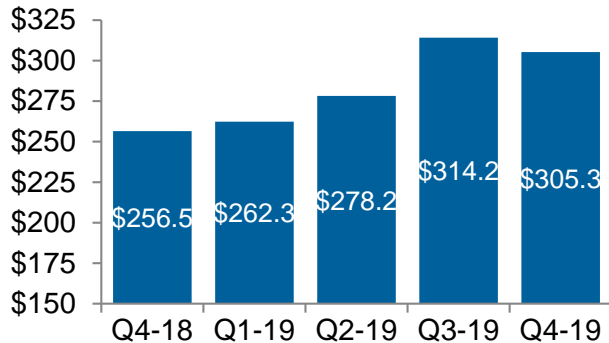
Q4 2019 Financial Highlights

Metric	Q4 18 As Adjusted	Q3 19	Q4 19	% Q/Q	% Y/Y
Revenues	\$256.5	\$314.2	\$305.3	-3%	19%
GAAP Diluted EPS	\$1.07	\$2.12	\$1.80	-15%	68%
Non-GAAP Op. Margin*	27%	34%	30%	-12%	11%
Non-GAAP net margin*	16%	24%	20%	-17%	25%
Non-GAAP Diluted EPS*	\$1.34	\$2.50	\$2.01	-20%	50%
Adjusted EBITDA*	\$75.3	\$112.9	\$98.9	-12%	31%
Free Cash Flow*	\$52.9	\$60.8	\$89.6	47%	69%
Headcount	3,668	3,967	4,009	1%	9%
Bookings	\$133.5	\$109.2	\$160.4	47%	20%

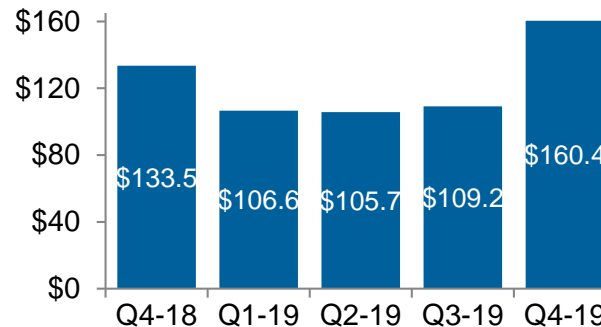
- **For a detailed reconciliation, please refer to our Regulation G Disclosure**
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Key Operating Results

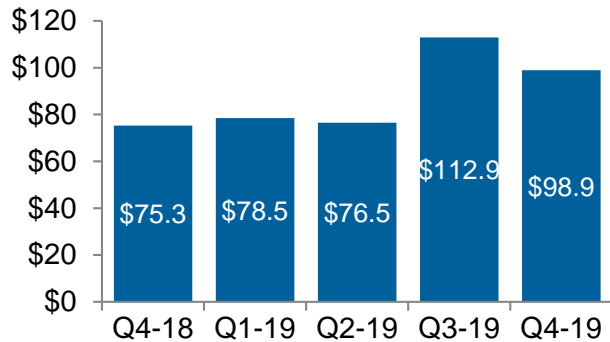
Revenues



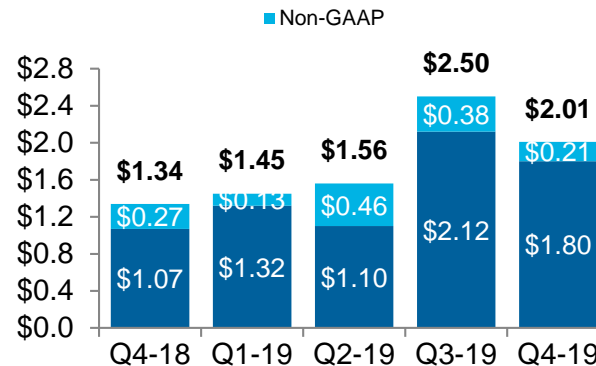
Bookings



Adjusted EBITDA

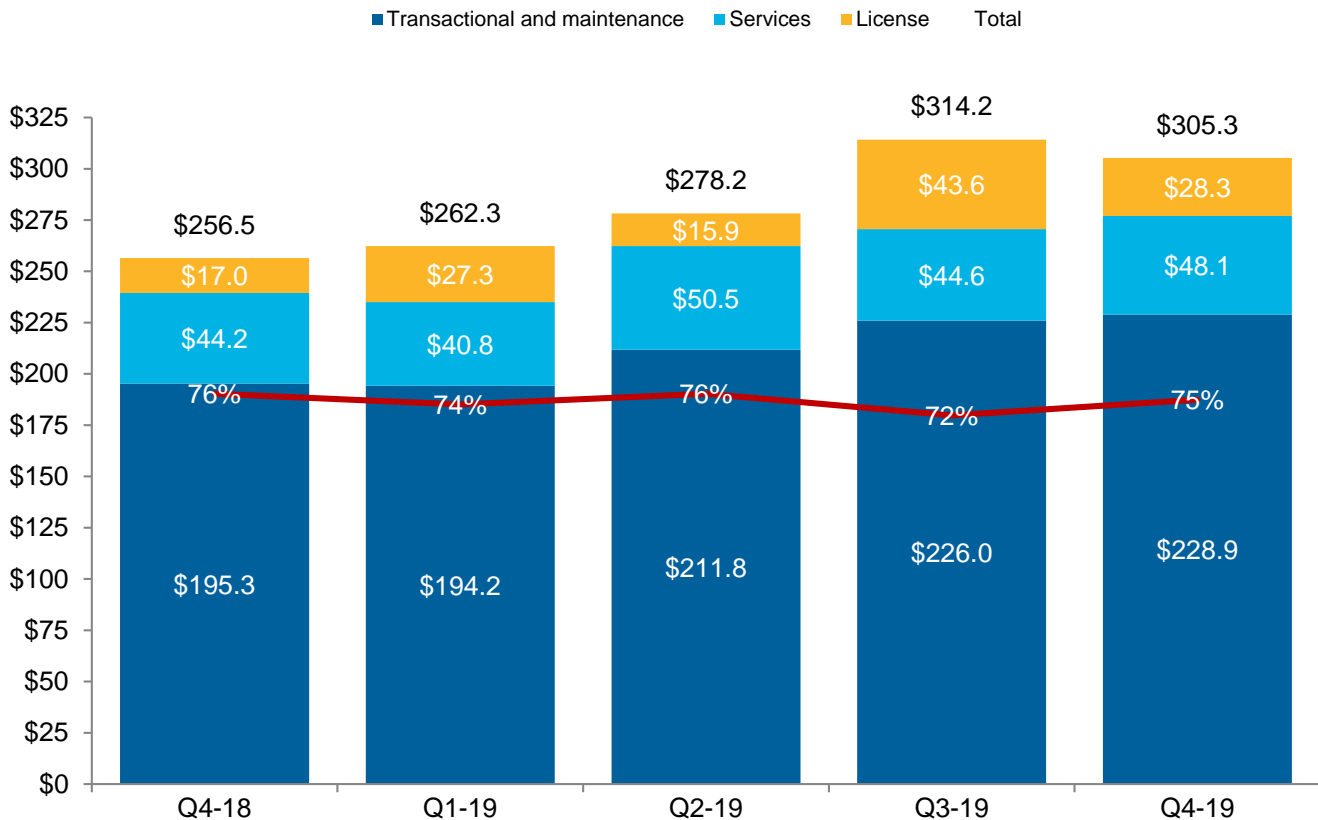


GAAP EPS



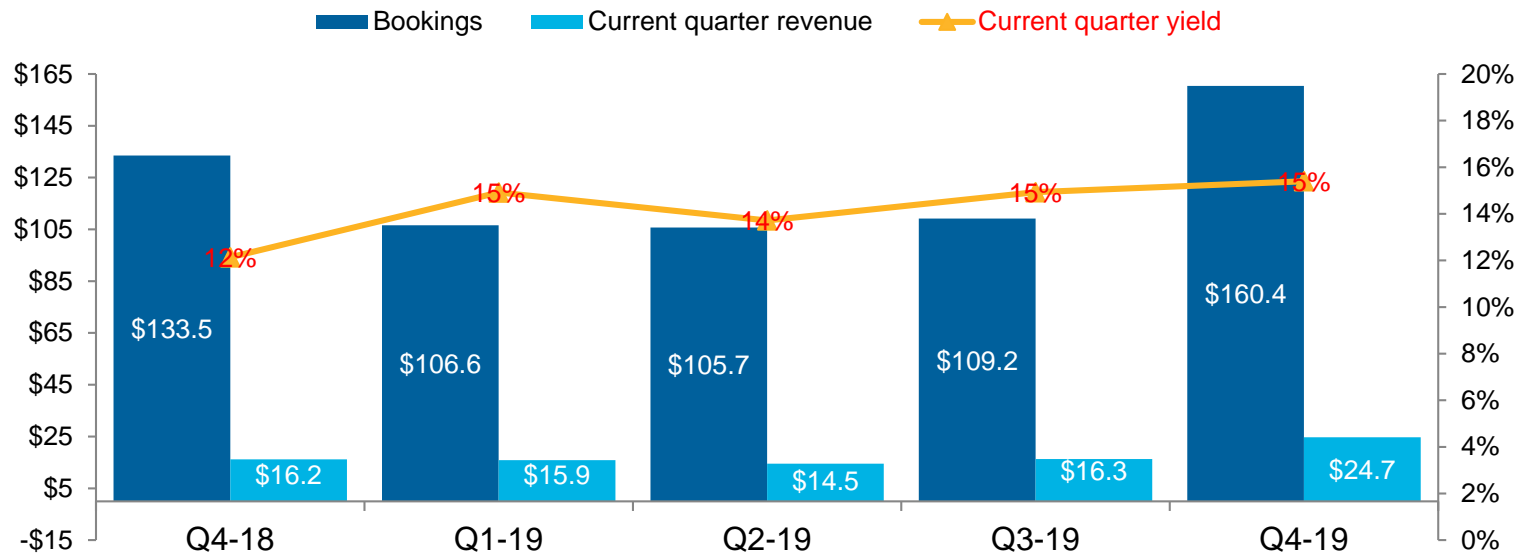
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Revenue Type Mix



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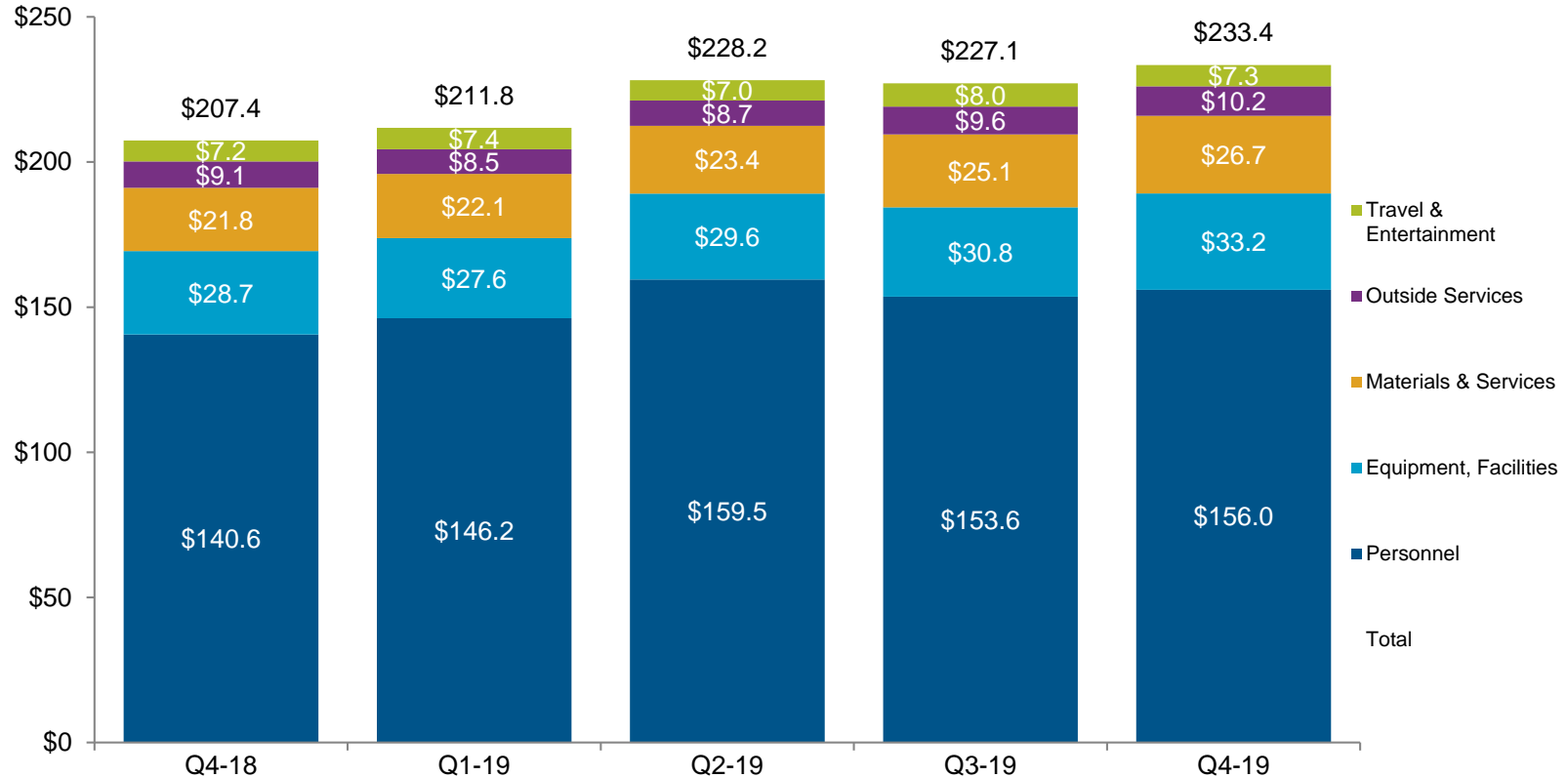
Bookings and Current Quarter Yield



# Deals \$1-3 million	16	16	12	15	25
# Deals >\$3 million	8	7	7	4	9
Average Term	31mos.	31mos.	32mos.	38mos.	34mos.

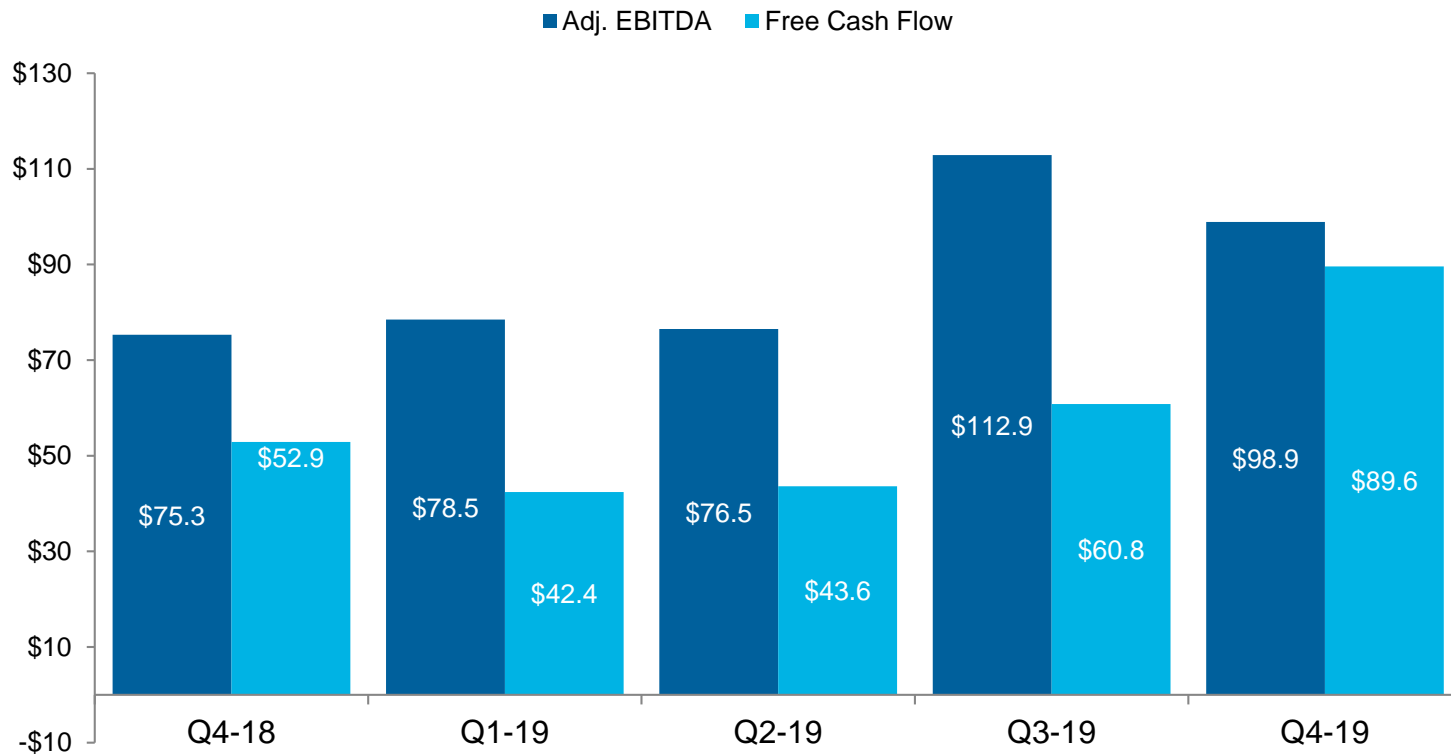
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Expense Review



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Adjusted EBITDA & Free Cash Flow



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Balance Sheet Review

\$ in Millions	4Q'18 As Adjusted	3Q'19	4Q'19	YoY Var	QoQ Var
ASSETS					
Cash & investments	\$ 109.8	\$ 100.5	\$ 128.3	17%	28%
Accounts receivable & other current assets	306.4	356.3	349.3	14%	-2%
Goodwill & intangibles, net	815.4	807.4	817.7	0%	1%
Other	98.9	109.6	138.2	40%	26%
Total Assets	\$ 1,330.5	\$ 1,373.8	\$ 1,433.5	8%	4%
LIABILITIES					
Current liabilities	\$ 473.9	\$ 457.7	\$ 490.8	4%	7%
Noncurrent liabilities	569.1	647.8	652.9	15%	1%
Total Liabilities	\$ 1,043.0	\$ 1,105.5	\$ 1,143.7	10%	3%
Stockholders Equity	\$ 287.5	\$ 268.3	\$ 289.8	1%	8%
Total Liabilities & Equity	\$ 1,330.5	\$ 1,373.8	\$ 1,433.5	8%	4%
METRICS					
Leverage Covenant (max 3.0)	2.54	2.29	2.14	(0.40)	(0.15)
Fixed Charge Covenant (min 2.5)	4.69	4.73	4.77	0.08	0.04
Days Sales Outstanding	96 days	92 days	100 days	4 day	8 day

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Segment Profitability

	Year Ended September 30, 2019				
	Applications	Scores	Decision Management Software	Unallocated Corporate Expenses	Total
	(In thousands)				
Segment revenues:					
Transactional and maintenance	\$ 395,398	\$ 415,288	\$ 50,262	\$ —	\$ 860,948
Professional services	137,258	2,157	44,680	—	184,095
License	72,378	3,732	38,930	—	115,040
Total segment revenues	605,034	421,177	133,872	—	1,160,083
Segment operating expense	(443,872)	(59,821)	(168,988)	(144,755)	(817,436)
Segment operating income (loss)	\$ 161,162	\$ 361,356	\$ (35,116)	\$ (144,755)	\$ 342,647
Unallocated share-based compensation expense					(82,973)
Unallocated amortization expense					(6,126)
Operating income					253,548
Unallocated interest expense, net					(39,752)
Unallocated other income, net					2,276
Income before income taxes					\$ 216,072
Depreciation expense	\$ 18,766	\$ 498	\$ 4,036	\$ 904	\$ 24,204

	Year Ended September 30, 2018 (As Adjusted)				
	Applications	Scores	Decision Management Software	Unallocated Corporate Expenses	Total
	(In thousands)				
Segment revenues:					
Transactional and maintenance	\$ 372,283	\$ 331,662	\$ 46,658	\$ —	\$ 750,603
Professional services	142,736	1,900	32,274	—	176,910
License	49,356	2,308	20,969	—	72,633
Total segment revenues	564,375	335,870	99,901	—	1,000,146
Segment operating expense	(420,411)	(63,452)	(134,261)	(125,255)	(743,379)
Segment operating income (loss)	\$ 143,964	\$ 272,418	\$ (34,360)	\$ (125,255)	\$ 256,767
Unallocated share-based compensation expense					(74,814)
Unallocated amortization expense					(6,594)
Operating income					175,359
Unallocated interest expense, net					(31,311)
Unallocated other income, net					12,884
Income before income taxes					\$ 156,932
Depreciation expense	\$ 15,651	\$ 555	\$ 5,471	\$ 956	\$ 22,633

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