



Fair Isaac Corporation

Investor Overview

March, 2025



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, 2024.

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

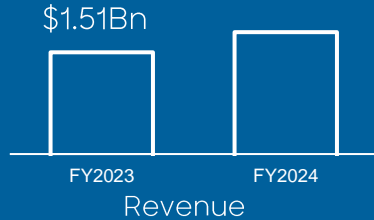
FICO provides analytics software solutions and services that enable businesses to harness the power of analytics to optimize, automate, and connect decisions to enhance business performance



~70

Year History

13%YoY **\$1.72Bn**



16%YoY **\$904m**



31%YoY **\$607m**



#1 for 7th
consecutive year

In “Innovations”, Chartis RiskTech 100 Awards



~3,600

FY2024 Employees



FORRESTER®
AI Decisioning Platform Wave



>80

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

40

FICO® Scores have been made available in over 40 countries across five continents

30+

FICO® Scores have been recognized as the standard measure of consumer credit risk in the US since 1989

90%

90% of top US lenders and credit unions use FICO® Scores.

Inclusion

Since 2015, over 50% of FICO's R&D investment in its Scores segment has focused on broadening global financial inclusion.

Empowerment

In the US and Canada, hundreds of lenders participate in the FICO® Score Open Access program providing FICO® Scores and education to consumers for free.

Trust

FICO® Scores were solely cited as the credit risk measure in over 95% of total dollars in US securitizations.

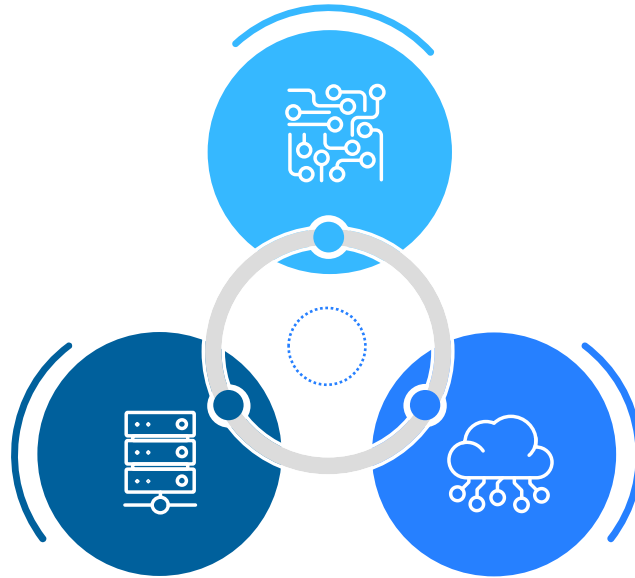
Our Core Market for Decision Management Software has Strong Industry Tailwinds

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
- 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

SOFTWARE ARR – Excluding Q1-23 Divestiture

	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024	June 30, 2024	September 30, 2024
	(In millions)							
ARR								
Platform	\$ 132.8	\$ 152.5	\$ 164.1	\$ 173.2	\$ 190.3	\$ 201.4	\$ 215.1	\$ 227.0
Non-Platform	450.1	461.0	481.8	496.2	497.4	495.6	494.5	494.2
Total	<u>\$ 582.9</u>	<u>\$ 613.5</u>	<u>\$ 645.9</u>	<u>\$ 669.4</u>	<u>\$ 687.7</u>	<u>\$ 697.0</u>	<u>\$ 709.6</u>	<u>\$ 721.2</u>
Percentage								
Platform	23%	25%	25%	26%	28%	29%	30%	31%
Non-Platform	77%	75%	75%	74%	72%	71%	70%	69%
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>
YoY Change								
Platform	46%	60%	53%	53%	43%	32%	31%	31%
Non-Platform	4%	7%	11%	14%	11%	8%	3%	0%
Total	11%	17%	20%	22%	18%	14%	10%	8%

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

	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024	June 30, 2024	September 30, 2024
DBNRR								
Platform	130%	146%	142%	145%	136%	126%	124%	123%
Non-Platform	103%	105%	109%	111%	108%	106%	101%	99%
Total	110%	114%	117%	120%	114%	112%	108%	106%

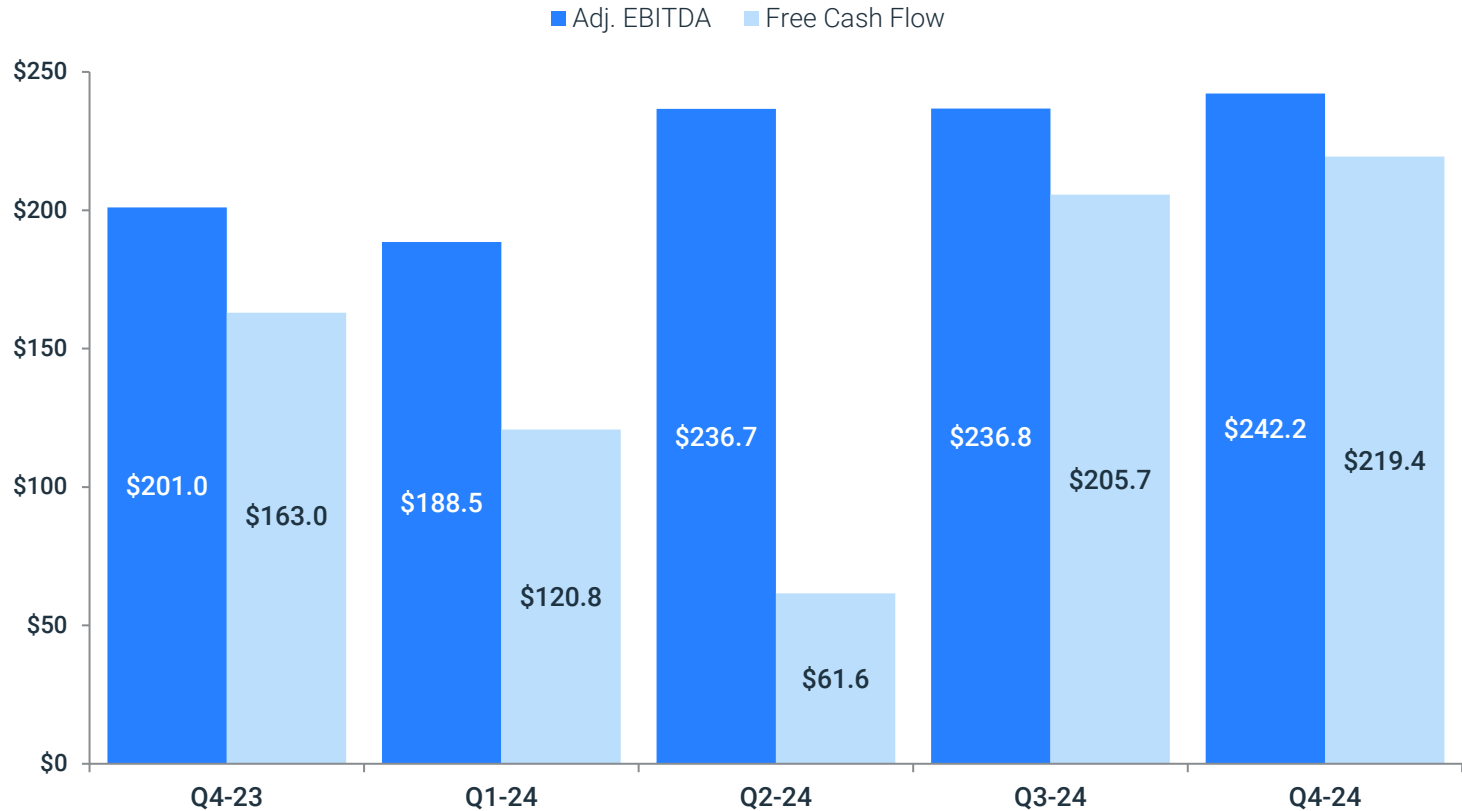
Dollar-Based Net Retention Rate (DBNRR) for any period is calculated by comparing the ARR at the end of the prior comparable quarter (base recurring revenue) to the ARR from that same cohort of customers at the end of the current quarter (retained recurring revenue); we then divide the retained recurring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

	Q1-23	Q2-23	Q3-23	Q4-23	Q1-24	Q2-24	Q3-24	Q4-24
	(In millions)							
Total ACV Bookings	\$ 21.5	\$ 23.3	\$ 21.1	\$ 28.0	\$ 18.3	\$ 16.8	\$ 27.5	\$ 22.1

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)	Q4-23	Q3-24	Q4-24	YoY Var	QoQ Var
ASSETS					
Cash & Investments	\$ 169.8	\$ 198.8	\$ 196.0	15%	-1%
Accounts Receivable & Other Current Assets	419.7	475.1	466.7	11%	-2%
Goodwill & Intangibles, net	774.2	776.8	782.8	1%	1%
Other	211.6	258.1	272.4	29%	6%
Total Assets	\$ 1,575.3	\$ 1,708.8	\$ 1,717.9	9%	1%
LIABILITIES					
Current Liabilities	\$ 367.7	\$ 337.2	\$ 380.3	3%	13%
Noncurrent Liabilities	1,895.6	2,200.9	2,300.3	21%	5%
Total Liabilities	2,263.3	2,538.1	2,680.6	18%	6%
Stockholders' Deficit	(688.0)	(829.3)	(962.7)	40%	16%
Total Liabilities & Stockholders' Deficit	\$ 1,575.3	\$ 1,708.8	\$ 1,717.9	9%	1%
METRICS					
Leverage Covenant (max 3.5)	2.30	2.38	2.38	0.08	0.00
Interest Coverage Covenant (min 3.0)	7.88	8.18	8.24	0.36	0.06
Days Sales Outstanding	102 days	97 days	95 days	(7 days)	(2 days)

GAAP to Non-GAAP Reconciliation

	Fiscal Year 2024	Fiscal Year 2023
<u>Net Income</u>		
Net income, as reported	\$ 512,811	\$ 429,375
Amortization of intangible assets	917	1,100
Gain on product line asset sale	-	(1,941)
Share-based compensation expense	149,439	123,847
Income tax adjustments	(38,083)	(30,806)
Excess tax benefit	(29,774)	(12,586)
Adjustment to tax reserves and valuation allowance	-	(8,940)
Non-GAAP net income	\$ 595,310	\$ 500,049
Revenues	\$1,717,526	\$1,513,557
Non-GAAP net margin	35%	33%
<u>Diluted Earnings per Share</u>		
Diluted earnings per share, as reported	\$ 20.45	\$ 16.93
Amortization of intangible assets	0.04	0.04
Gain on product line asset sale	-	(0.08)
Share-based compensation expense	5.96	4.88
Income tax adjustments	(1.52)	(1.21)
Excess tax benefit	(1.19)	(0.50)
Adjustment to tax reserves and valuation allowance	-	(0.35)
Non-GAAP diluted earnings per share	\$ 23.74	\$ 19.71

FY2025 GUIDANCE

Revenues – \$1.98 billion

GAAP Net Income – \$624 million

GAAP Earnings per Share – \$25.05

Non-GAAP Net Income – \$712 million

Non-GAAP Earnings per Share – \$28.58