



Fair Isaac Corporation

Q4 24 Financial Highlights

September 30, 2024



Q4 2024 FINANCIAL HIGHLIGHTS

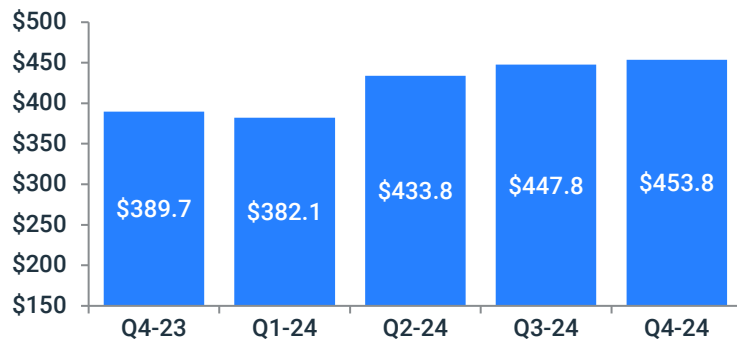
| Metric (In millions, except for EPS) | Q4 -23 | Q3 -24 | Q4 -24 | % Q/Q | % Y/Y |
|---|---------|---------|---------|-------|-------|
| Scores Revenues | \$195.5 | \$241.4 | \$249.2 | 3% | 27% |
| Software Revenues | \$194.2 | \$206.4 | \$204.6 | -1% | 5% |
| Total Revenues | \$389.7 | \$447.8 | \$453.8 | 1% | 16% |
| Software ARR | \$669.4 | \$709.6 | \$721.2 | 2% | 8% |
| Software ACV Bookings | \$28.0 | \$27.5 | \$22.1 | -20% | -21% |
| Non-GAAP Op. Margin* | 51% | 52% | 52% | 0% | 1% |
| Non-GAAP Net Margin* | 33% | 35% | 36% | 1% | 3% |
| Non-GAAP Diluted EPS* | \$5.01 | \$6.25 | \$6.54 | 5% | 31% |
| Adjusted EBITDA* | \$201.0 | \$236.8 | \$242.2 | 2% | 20% |

* For a detailed reconciliation, please refer to our Regulation G Disclosure

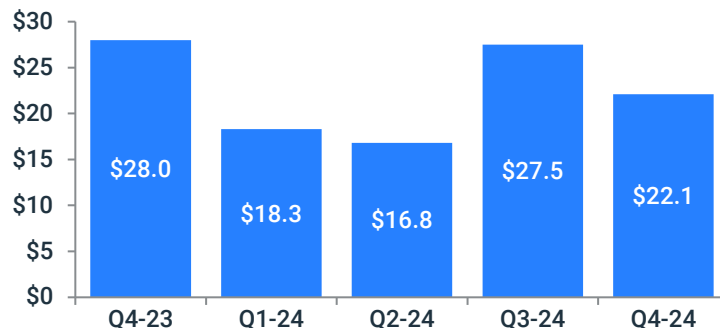
KEY OPERATING RESULTS

(In millions, except for EPS)

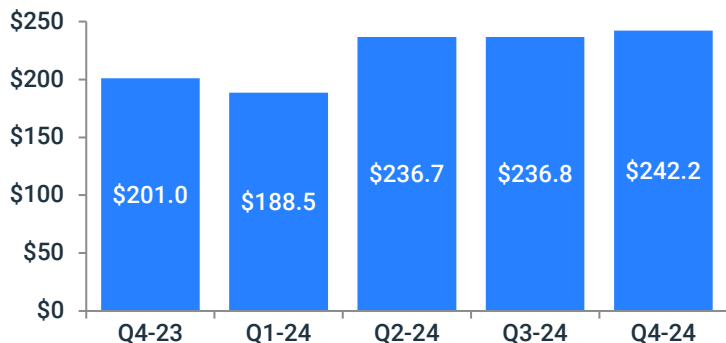
Revenues



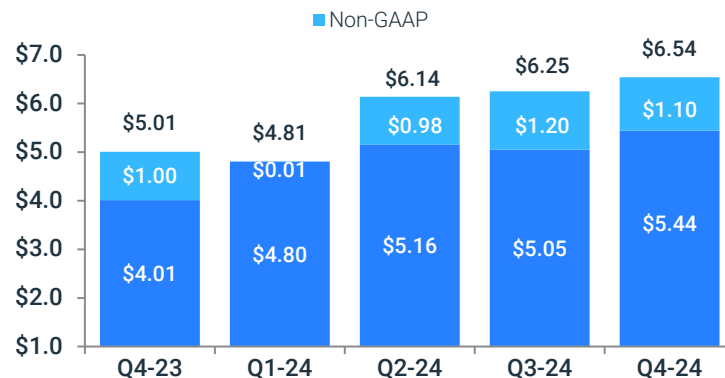
ACV Bookings



Adjusted EBITDA

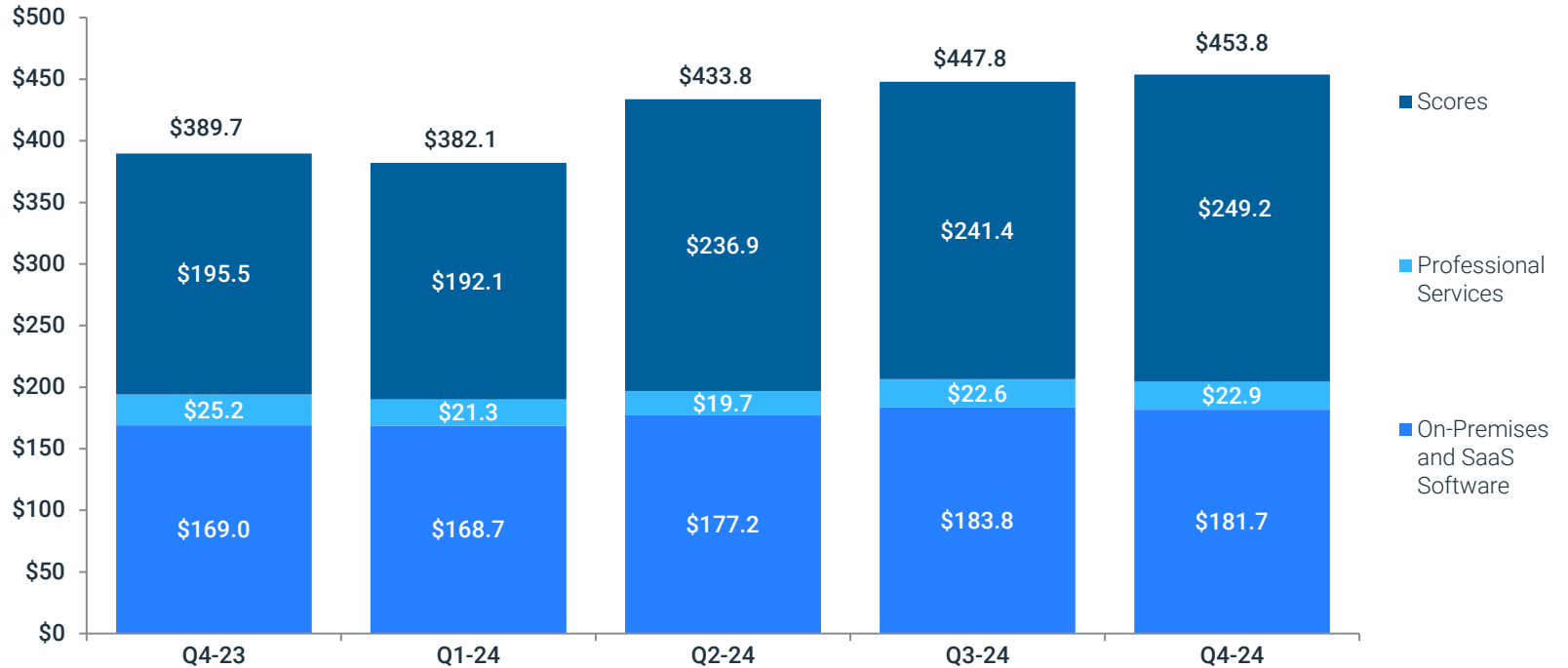


GAAP EPS



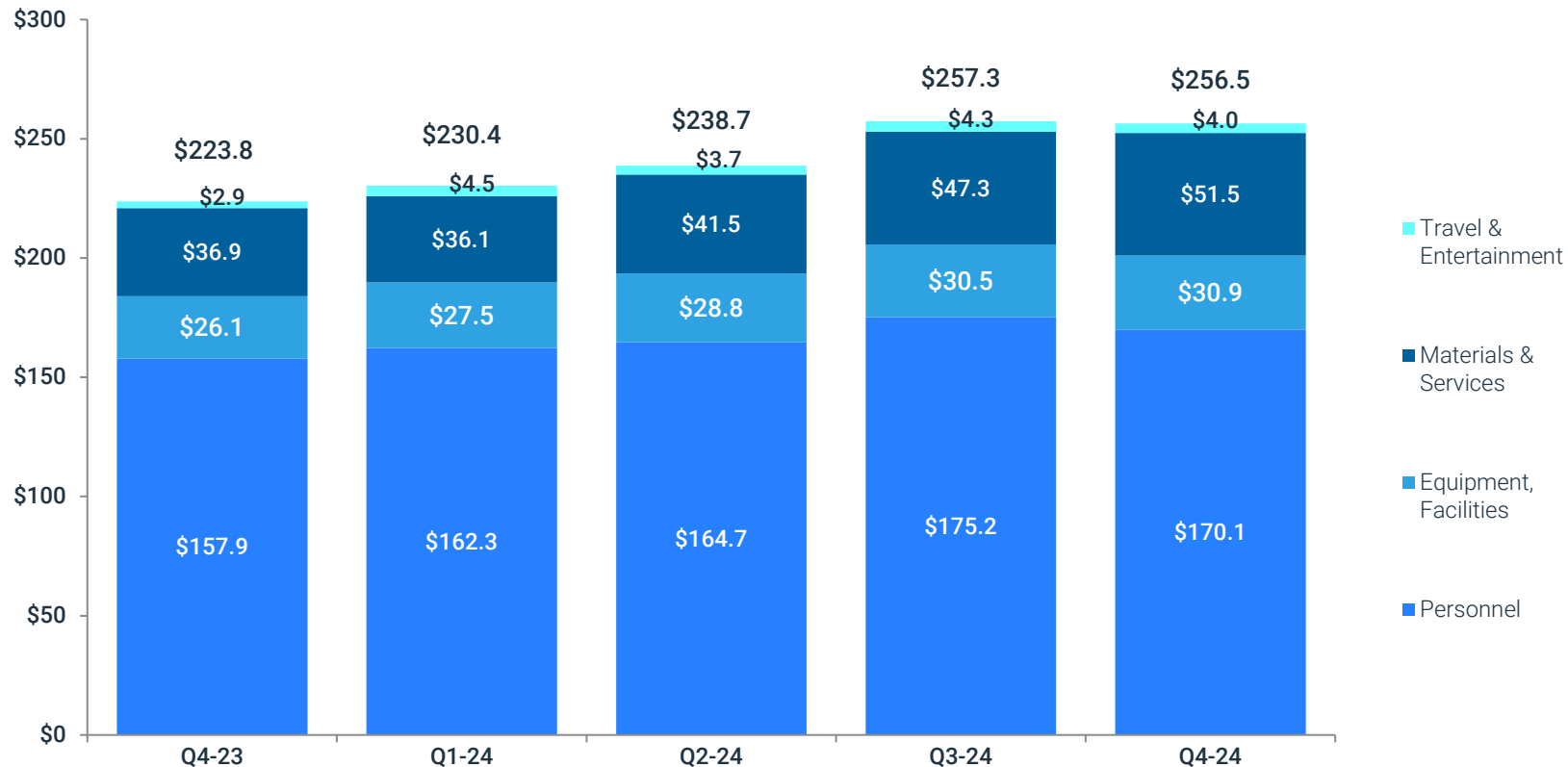
REVENUE TYPE MIX

(In millions)



EXPENSE REVIEW

(In millions)



SCORES HIGHLIGHTS

Total Scores revenues up 27% vs. Q4 23

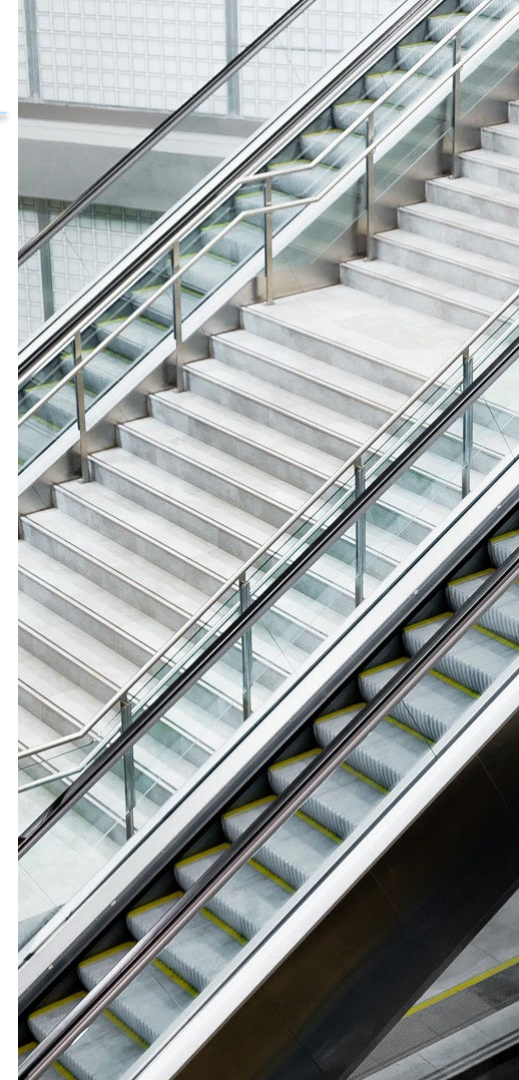
B2B revenue up 38% vs. Q4 23

B2C revenue down 1% vs. Q4 23

Mortgage Originations revenues up 95% vs. Q4 23

Auto Originations revenues down 2% vs. Q4 23

Card, Personal Loan and Other Originations revenues down 5% vs. Q4 23



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 – 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 |
|---------------------|----------------------|-------------------|------------------|-----------------------|----------------------|-------------------|------------------|-----------------------|
| <i>DBNRR</i> | | | | | | | | |
| 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.

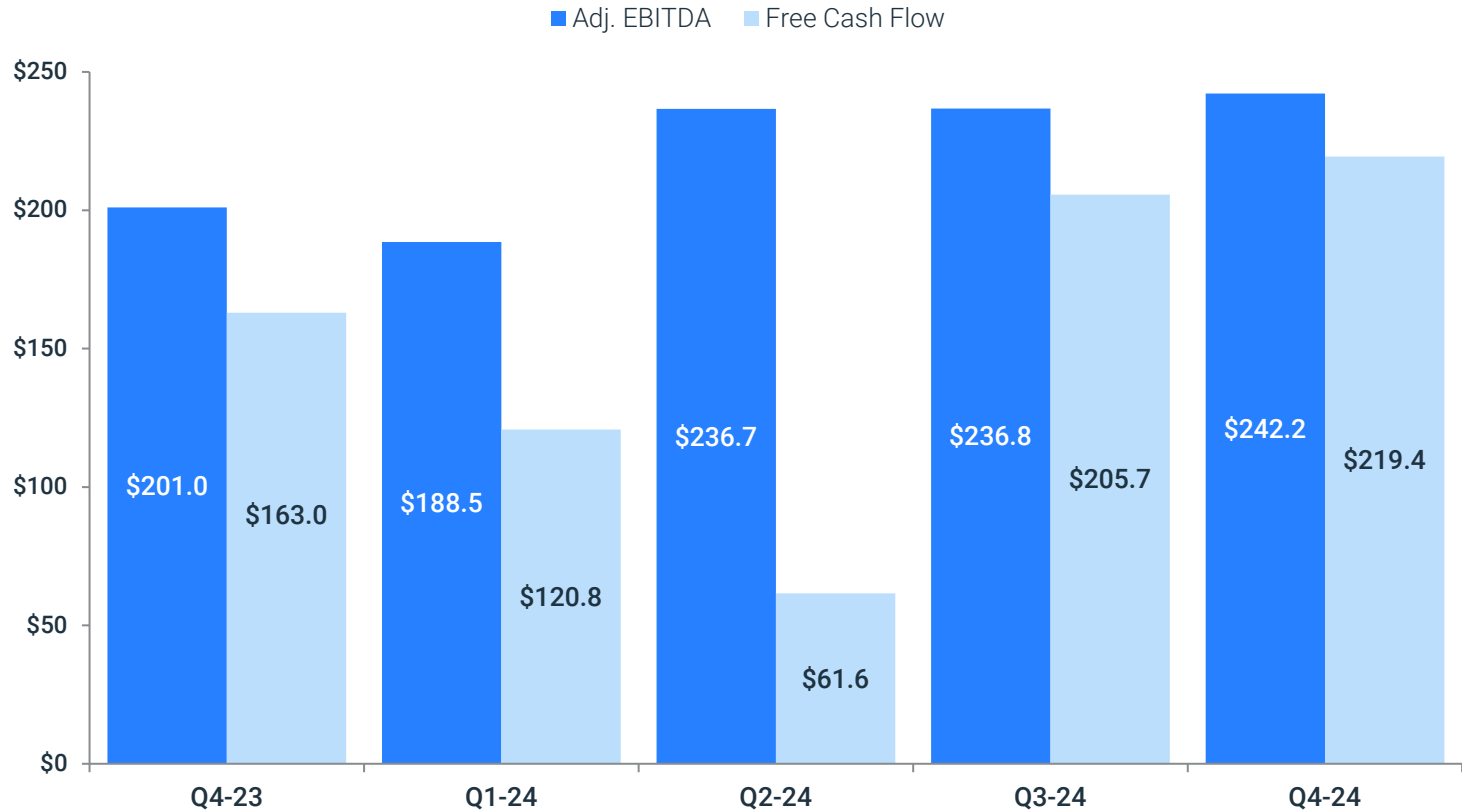
SOFTWARE ACV BOOKINGS - Excluding Q1 -23 Divestiture

| | 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) |

SEGMENT PROFITABILITY

| | Year Ended September 30, 2023 | | | |
|--|-------------------------------|-------------------|--------------------------------|-------------------|
| | Scores | Software | Unallocated Corporate Expenses | Total |
| | (In thousands) | | | |
| Segment revenues: | | | | |
| On-premises and SaaS software | \$ — | \$ 640,182 | \$ — | \$ 640,182 |
| Professional services | — | 99,547 | — | 99,547 |
| Scores | 773,828 | — | — | 773,828 |
| Total segment revenues | 773,828 | 739,729 | — | 1,513,557 |
| Segment operating expense | (92,757) | (498,538) | (156,426) | (747,721) |
| Segment operating income | <u>\$ 681,071</u> | <u>\$ 241,191</u> | <u>\$ (156,426)</u> | 765,836 |
| Unallocated share-based compensation expense | | | | (123,847) |
| Unallocated amortization expense | | | | (1,100) |
| Unallocated gain on product line asset sale | | | | 1,941 |
| Operating income | | | | 642,830 |
| Unallocated interest expense, net | | | | (95,546) |
| Unallocated other income, net | | | | 6,340 |
| Income before income taxes | | | | <u>\$ 553,624</u> |
| Depreciation and amortization | <u>\$ 485</u> | <u>\$ 9,550</u> | <u>\$ 71</u> | <u>\$ 10,106</u> |

| | Year Ended September 30, 2024 | | | |
|--|-------------------------------|-------------------|--------------------------------|-------------------|
| | Scores | Software | Unallocated Corporate Expenses | Total |
| | (In thousands) | | | |
| Segment revenues: | | | | |
| On-premises and SaaS software | \$ — | \$ 711,340 | \$ — | \$ 711,340 |
| Professional services | — | 86,536 | — | 86,536 |
| Scores | 919,650 | — | — | 919,650 |
| Total segment revenues | 919,650 | 797,876 | — | 1,717,526 |
| Segment operating expense | (106,296) | (540,347) | (186,898) | (833,541) |
| Segment operating income | <u>\$ 813,354</u> | <u>\$ 257,529</u> | <u>\$ (186,898)</u> | \$ 883,985 |
| Unallocated share-based compensation expense | | | | (149,439) |
| Unallocated amortization expense | | | | (917) |
| Operating income | | | | 733,629 |
| Unallocated interest expense, net | | | | (105,638) |
| Unallocated other income, net | | | | 14,034 |
| Income before income taxes | | | | <u>\$ 642,025</u> |
| Depreciation and amortization | <u>\$ 451</u> | <u>\$ 8,881</u> | <u>\$ 66</u> | <u>\$ 9,398</u> |

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



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