

Fair Isaac Corporation

Q2 21 Financial Highlights

March 31, 2021

Q2 2021 Highlights

- Revenue:

Q2 21 revenue of \$331 million vs. Q2 20 revenue of \$308 million or 8% increase.

- Applications revenue of \$129 million, or 8% y/y decrease
- Scores revenue of \$169 million, or 31% y/y increase
- Decision Management Software revenue of \$33 million, or 14% y/y decrease

- GAAP Net income of \$69 million or \$2.33 per share in Q2 21 vs. \$58 million or \$1.94 per share in Q2 20.
- Non-GAAP Net income of \$90 million or \$3.06 per share in Q2 21 vs. \$64 million or \$2.14 per share in Q2 20.
- Free Cash Flow was \$152 million in Q2 21 vs. \$55 million in Q2 20

Liquidity Review

	<u>March 31, 2021</u>
Cash	\$198M
Available capacity on revolving line	\$175M
Total Liquidity	\$373M
Leverage Ratio for Q221 ¹	1.60x

¹ Net debt to Adj. EBITDA as defined in bank revolving line of credit. Current covenant is 3.25x.

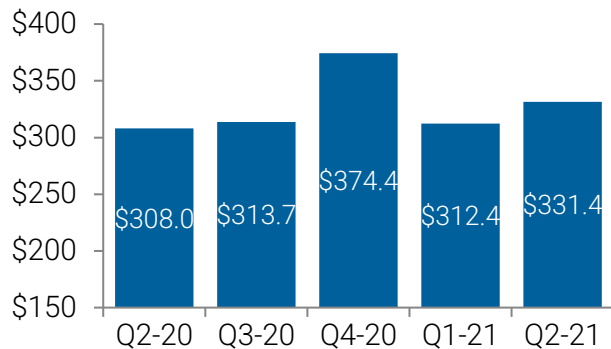
Q2 2021 Financial Highlights

Metric	Q2 20	Q1 21	Q2 21	% Q/Q	% Y/Y
Revenues	\$308.0	\$312.4	\$331.4	6%	8%
GAAP Diluted EPS	\$1.94	\$2.90	\$2.33	-20%	20%
Non-GAAP Op. Margin*	32%	36%	39%	8%	22%
Non-GAAP net margin*	21%	26%	27%	4%	29%
Non-GAAP Diluted EPS*	\$2.14	\$2.74	\$3.06	12%	43%
Adjusted EBITDA*	\$105.7	\$119.0	\$135.6	14%	28%
Free Cash Flow*	\$54.8	\$74.9	\$152.3	103%	178%
Headcount	4,029	3,890	3,953	2%	-2%
Bookings	\$84.1	\$68.1	\$84.0	23%	0%

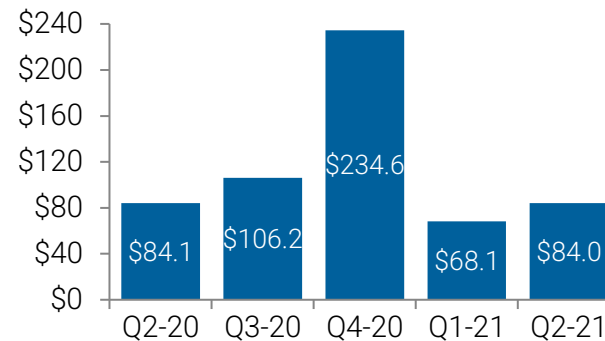
- For a detailed reconciliation, please refer to our Regulation G Disclosure

Key Operating Results

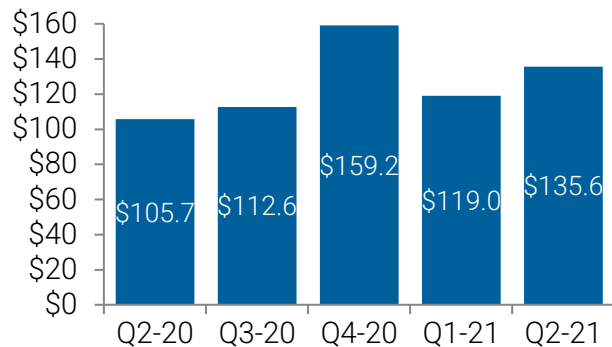
Revenues



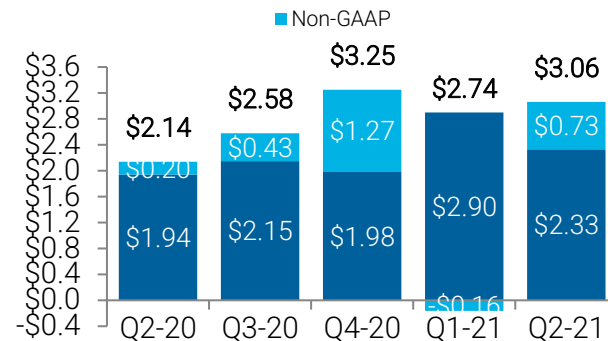
Bookings



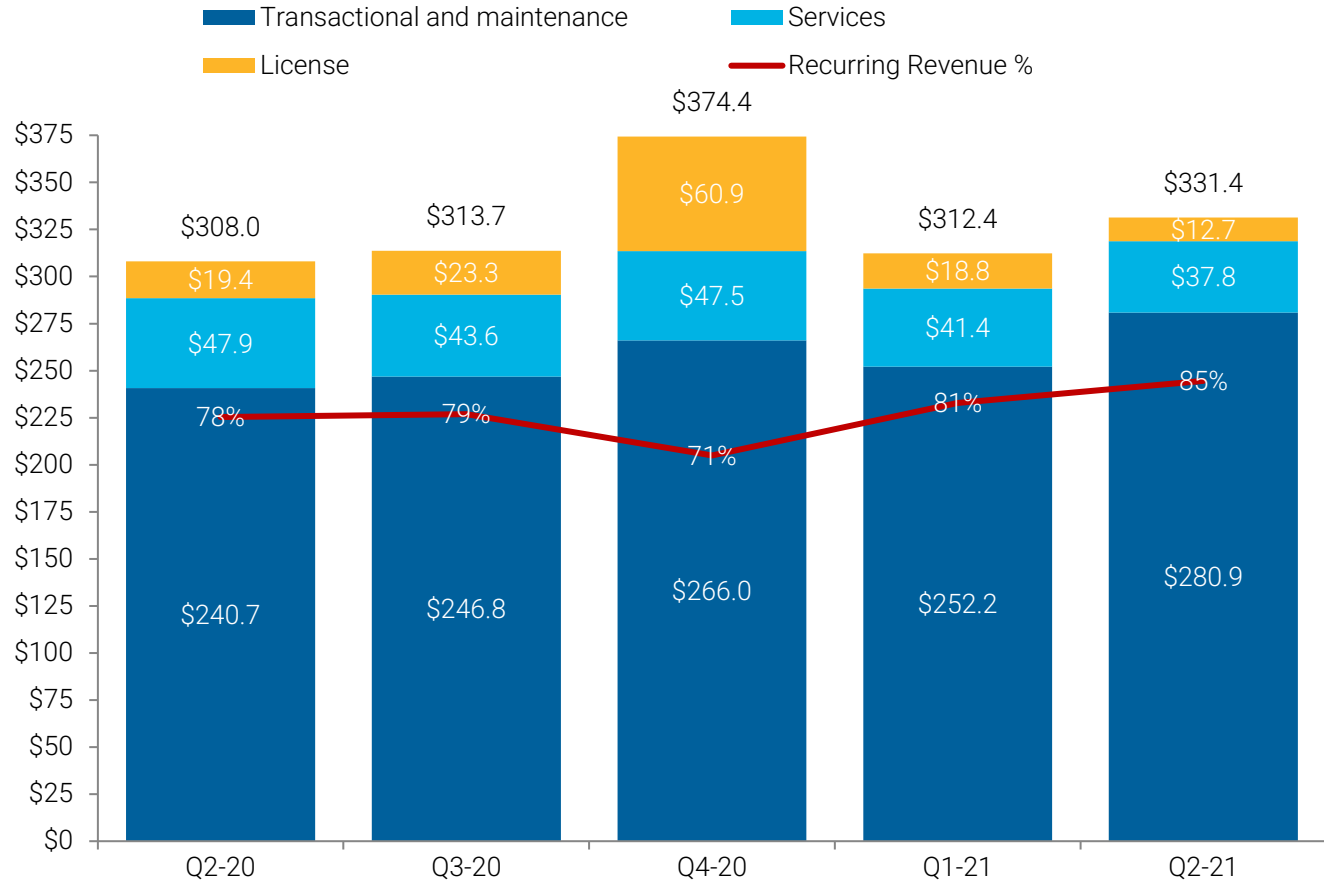
Adjusted EBITDA



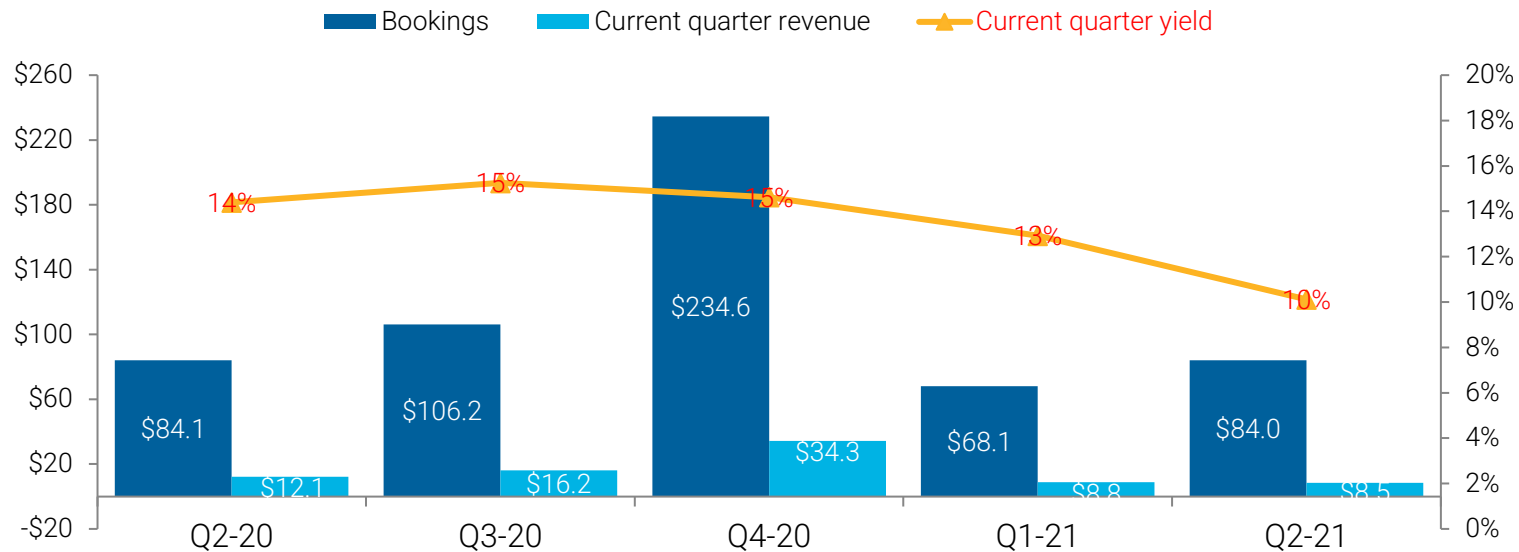
GAAP EPS



Revenue Type Mix

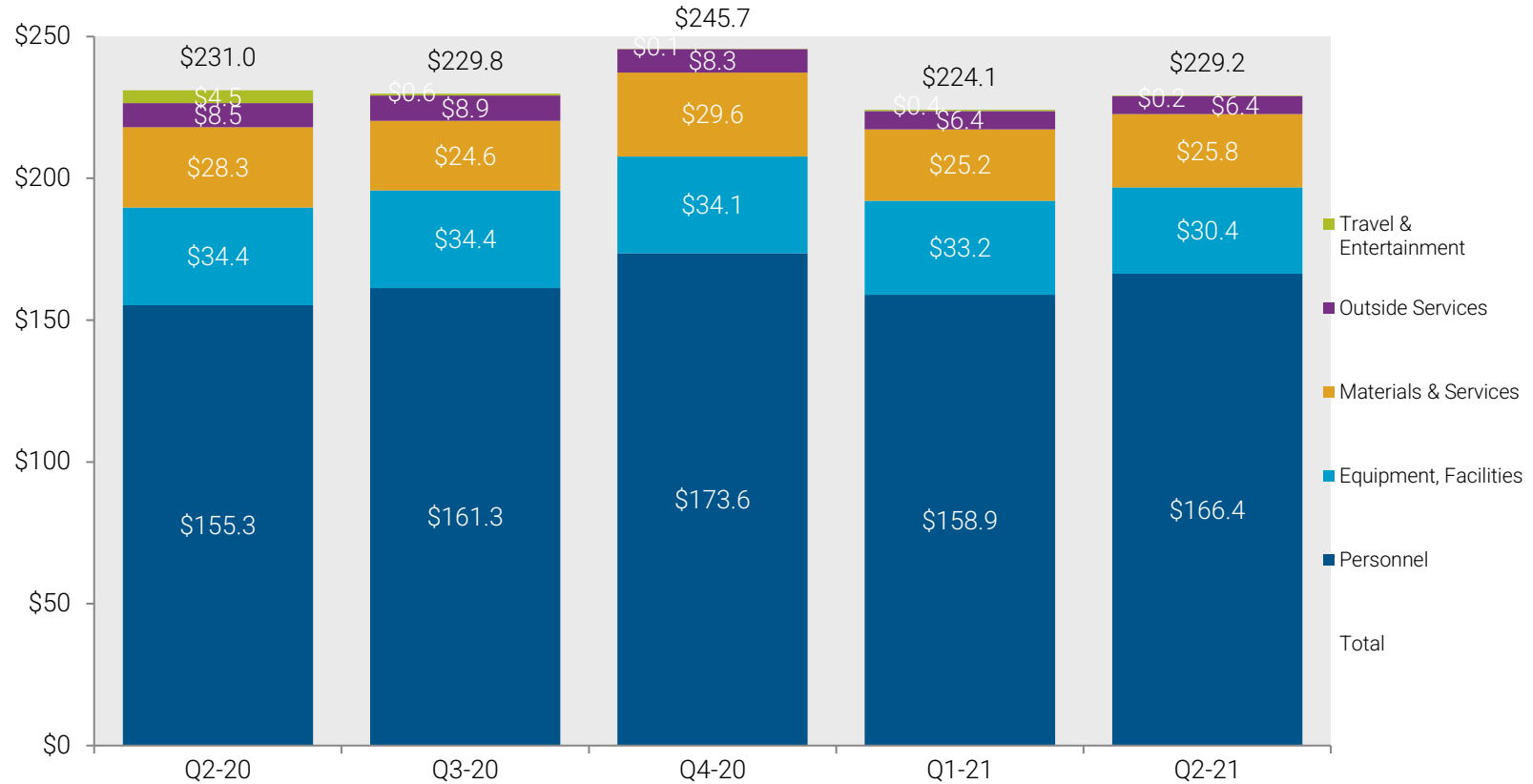


Bookings and Current Quarter Yield

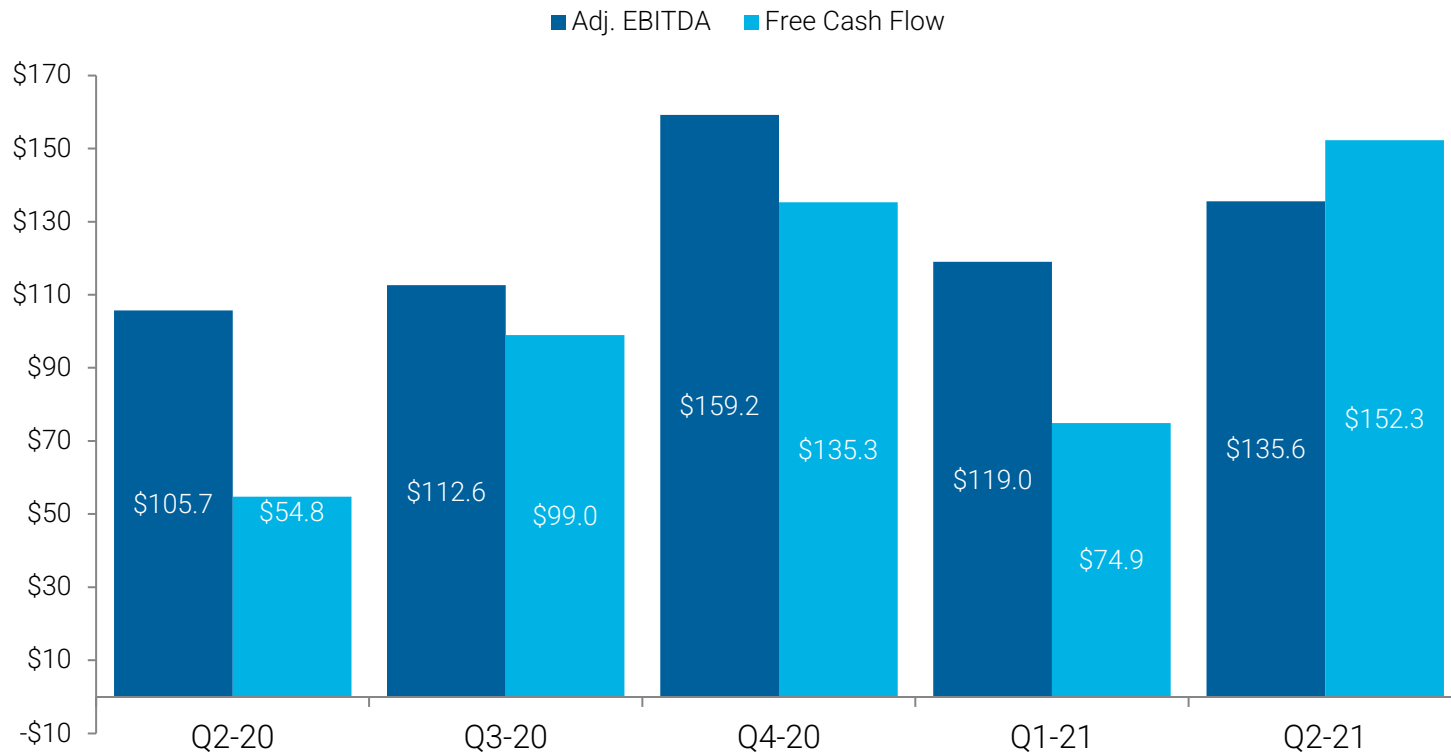


# Deals \$1-3 million	12	8	18	9	10
# Deals >\$3 million	3	8	13	2	3
Average Term	35 mos.	37 mos.	55 mos.	36 mos.	34 mos.

Expense Review



Adjusted EBITDA & Free Cash Flow



Balance Sheet Review

\$ in Millions	2Q'20	1Q'21	2Q'21	YoY Var	QoQ Var
ASSETS					
Cash & investments	\$ 130.1	\$ 174.4	\$ 229.6	76%	32%
Accounts receivable & other current assets	374.7	363.8	323.5	-14%	-11%
Goodwill & intangibles, net	815.8	826.1	824.5	1%	0%
Other	231.5	212.5	202.0	-13%	-5%
Total Assets	\$ 1,552.1	\$ 1,576.8	\$ 1,579.6	2%	0%
LIABILITIES					
Current liabilities	\$ 479.8	\$ 391.0	\$ 495.3	3%	27%
Noncurrent liabilities	858.2	861.7	861.0	0%	0%
Total Liabilities	\$ 1,338.0	\$ 1,252.7	\$ 1,356.3	1%	8%
Stockholders Equity	\$ 214.1	\$ 324.1	\$ 223.3	4%	-31%
Total Liabilities & Equity	\$ 1,552.1	\$ 1,576.8	\$ 1,579.6	2%	0%
METRICS					
Leverage Covenant (max 3.25)	2.25	1.60	1.60	(0.65)	0.00
Interest Coverage/Fixed Charge Covenant (min 3.0)	4.71	11.90	13.12	8.41	1.22
Days Sales Outstanding	100 days	106 days	89 days	-11 day	-17 day

Segment Profitability

	Quarter Ended March 31, 2021				
	Applications	Scores	Decision Management Software	Unallocated Corporate Expenses	Total
	(In thousands)				
Segment revenues:					
Transactional and maintenance	\$ 96,687	\$ 167,212	\$ 17,020	\$ —	\$ 280,919
Professional services	27,627	703	9,464	—	37,794
License	5,200	804	6,644	—	12,648
Total segment revenues	129,514	168,719	33,128	—	331,361
Segment operating expense	(102,142)	(22,177)	(43,300)	(33,392)	(201,011)
Segment operating income (loss)	\$ 27,372	\$ 146,542	\$ (10,172)	\$ (33,392)	130,350
Unallocated share-based compensation expense					(28,206)
Unallocated amortization expense					(945)
Operating income					101,199
Unallocated interest expense, net					(9,943)
Unallocated other income, net					568
Income before income taxes					\$ 91,824
Depreciation expense	\$ 4,110	\$ 167	\$ 902	\$ 45	\$ 5,224

	Quarter Ended March 31, 2020				
	Applications	Scores	Decision Management Software	Unallocated Corporate Expenses	Total
	(In thousands)				
Segment revenues:					
Transactional and maintenance	\$ 97,789	\$ 127,610	\$ 15,303	\$ —	\$ 240,702
Professional services	35,134	819	11,952	—	47,905
License	7,356	719	11,289	—	19,364
Total segment revenues	140,279	129,148	38,544	—	307,971
Segment operating expense	(111,456)	(15,660)	(47,354)	(33,785)	(208,255)
Segment operating income (loss)	\$ 28,823	\$ 113,488	\$ (8,810)	\$ (33,785)	99,716
Unallocated share-based compensation expense					(22,788)
Unallocated amortization expense					(1,202)
Operating income					75,726
Unallocated interest expense, net					(11,254)
Unallocated other expense, net					(2,008)
Income before income taxes					\$ 62,464
Depreciation expense	\$ 4,553	\$ 141	\$ 1,158	\$ 108	\$ 5,960

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