

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 item:

	Fiscal Year	Quarter Ended	Fiscal Year	Quarter Ended	Quarter Ended	Quarter Ended	Quarter Ended
	2019	December 31, 2018	2018	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017
			As Adjusted	As Adjusted	As Adjusted	As Adjusted	As Adjusted
Operating Income							
Operating income, as reported	\$ 49,004	\$ 49,004	\$ 175,359	\$ 47,558	\$ 44,537	\$ 46,439	\$ 36,825
Amortization of intangible assets	1,502	1,502	6,594	1,551	1,571	1,684	1,788
Stock-based compensation expense	21,854	21,854	74,813	20,183	18,882	19,238	16,510
Non-GAAP operating income (segment operating income)	\$ 72,360	\$ 72,360	\$ 256,766	\$ 69,292	\$ 64,990	\$ 67,361	\$ 55,123
Revenues	\$ 262,256	\$ 262,256	\$ 1,000,146	\$ 256,532	\$ 254,993	\$ 256,260	\$ 232,361
Non-GAAP operating margin	28%	28%	26%	27%	25%	26%	24%
Net Income							
Net income, as reported	\$ 40,007	\$ 40,007	\$ 126,482	\$ 32,713	\$ 29,721	\$ 31,169	\$ 32,879
Amortization of intangible assets	1,502	1,502	6,594	1,551	1,571	1,684	1,788
Stock-based compensation expense	21,854	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	(6,219)	(6,219)	(18,948)	(3,654)	(5,450)	(5,141)	(4,703)
Excess tax benefit	(13,233)	(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	\$ 43,911	\$ 43,911	\$ 171,442	\$ 41,085	\$ 44,525	\$ 47,033	\$ 38,799
Revenues	\$ 262,256	\$ 262,256	\$ 1,000,146	\$ 256,532	\$ 254,993	\$ 256,260	\$ 232,361
Non-GAAP net margin	17%	17%	17%	16%	17%	18%	17%
Diluted Earnings per Share							
Diluted earnings per share, as reported	\$ 1.32	\$ 1.32	\$ 4.06	\$ 1.07	\$ 0.95	\$ 1.00	\$ 1.04
Amortization of intangible assets	0.05	0.05	0.21	0.05	0.05	0.05	0.06
Stock-based compensation expense	0.72	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	(0.20)	(0.20)	(0.61)	(0.12)	(0.17)	(0.16)	(0.15)
Excess tax benefit	(0.44)	(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	\$ 1.45	\$ 1.45	\$ 5.50	\$ 1.34	\$ 1.43	\$ 1.50	\$ 1.23
Reconciliation to Adjusted EBITDA							
Net income, as reported	\$ 40,007	\$ 40,007	\$ 126,482	\$ 32,713	\$ 29,721	\$ 31,169	\$ 32,879
Interest expense, net	9,676	9,676	31,311	9,512	8,223	7,116	6,460
Provision for income taxes	(2,851)	(2,851)	30,450	16,277	8,181	7,993	(2,001)
Other expense (income), net	2,172	2,172	(12,884)	(10,944)	(1,588)	161	(513)
Amortization of intangible assets	1,502	1,502	6,594	1,551	1,571	1,684	1,788
Depreciation	6,144	6,144	22,633	5,981	5,348	5,510	5,794
Stock-based compensation expense	21,854	21,854	74,813	20,183	18,882	19,238	16,510
Adjusted EBITDA	\$ 78,504	\$ 78,504	\$ 279,399	\$ 75,273	\$ 70,338	\$ 72,871	\$ 60,917
Revenues	\$ 262,256	\$ 262,256	\$ 1,000,146	\$ 256,532	\$ 254,993	\$ 256,260	\$ 232,361
Adjusted EBITDA as a percent of revenue:	30%	30%	28%	29%	28%	28%	26%
Reconciliation To Free Cash Flow							
Net cash provided by operating activities	\$ 48,857	\$ 48,857	\$ 223,052	\$ 59,963	\$ 85,079	\$ 49,233	\$ 28,777
Reduced by cash flow items:							
Capital expenditures	6,474	6,474	31,299	7,079	13,109	7,067	4,044
Free cash flow	\$ 42,383	\$ 42,383	\$ 191,753	\$ 52,884	\$ 71,970	\$ 42,166	\$ 24,733
Revenues	\$ 262,256	\$ 262,256	\$ 1,000,146	\$ 256,532	\$ 254,993	\$ 256,260	\$ 232,361
Free cash flow as a percent of revenue:	16%	16%	19%	21%	28%	16%	11%

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