

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2026

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 1-11689

Fair Isaac Corporation

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

5 West Mendenhall, Suite 105
Bozeman, Montana
(Address of principal executive offices)

94-1499887
(I.R.S. Employer
Identification No.)

59715
(Zip Code)

Registrant’s telephone number, including area code: 406-982-7276

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value per share	FICO	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act:

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Yes ☐ No ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
The number of shares of common stock outstanding on July 17, 2026 was 21,597,635 (excluding 67,259,148 shares held by us as treasury stock).

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PART I – FINANCIAL INFORMATION
Item 1. Unaudited Financial Statements

FAIR ISAAC CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

	June 30, 2026	September 30, 2025
	(In thousands, except par value data)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 248,444	\$ 134,136
Accounts receivable, net	592,530	529,148
Prepaid expenses and other current assets	40,589	41,881
Total current assets	881,563	705,165
Marketable securities	56,093	54,625
Property and equipment, net	90,988	67,713
Operating lease right-of-use assets	23,087	26,213
Goodwill	791,815	783,340
Deferred income taxes	92,384	118,553
Other assets	101,443	112,524
Total assets	\$ 2,037,373	\$ 1,868,133
Liabilities and Stockholders' Deficit		
Current liabilities:		
Accounts payable	\$ 26,878	\$ 32,315
Accrued compensation and employee benefits	110,863	115,369
Other accrued liabilities	102,026	114,618
Deferred revenue	205,424	187,372
Current maturities on debt	300,000	399,541
Total current liabilities	745,191	849,215
Long-term debt	5,282,389	2,656,150
Operating lease liabilities	15,621	19,187
Other liabilities	91,307	89,365
Total liabilities	6,134,508	3,613,917
Commitments and contingencies		
Stockholders' deficit:		
Preferred stock (\$0.01 par value; 1,000 shares authorized; none issued and outstanding)	—	—
Common stock (\$0.01 par value; 200,000 shares authorized, 88,857 shares issued and 21,597 and 23,764 shares outstanding at June 30, 2026 and September 30, 2025, respectively)	216	238
Additional paid-in-capital	1,062,618	1,331,120
Treasury stock, at cost (67,260 and 65,093 shares at June 30, 2026 and September 30, 2025, respectively)	(10,276,707)	(7,537,908)
Retained earnings	5,212,819	4,552,816
Accumulated other comprehensive loss	(96,081)	(92,050)
Total stockholders' deficit	(4,097,135)	(1,745,784)
Total liabilities and stockholders' deficit	\$ 2,037,373	\$ 1,868,133

See accompanying notes.

FAIR ISAAC CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
(Unaudited)

	Quarter Ended June 30,		Nine Months Ended June 30,	
	2026	2025	2026	2025
(In thousands, except per share data)				
Revenues:				
On-premises and SaaS software	\$ 196,969	\$ 187,915	\$ 584,421	\$ 557,752
Professional services	18,322	24,191	54,999	60,343
Scores	458,897	324,309	1,238,404	857,023
Total revenues	674,188	536,415	1,877,824	1,475,118
Operating expenses:				
Cost of revenues	87,017	87,571	265,477	262,546
Research and development	53,708	47,212	157,536	137,394
Selling, general and administrative	170,835	139,114	455,669	387,484
Total operating expenses	311,560	273,897	878,682	787,424
Operating income	362,628	262,518	999,142	687,694
Interest expense, net	(59,877)	(32,899)	(146,462)	(93,765)
Other income, net	11,908	7,372	9,939	6,207
Income before income taxes	314,659	236,991	862,619	600,136
Provision for income taxes	77,487	55,202	202,616	103,204
Net income	237,172	181,789	660,003	496,932
Other comprehensive income (loss):				
Foreign currency translation adjustments	(536)	13,003	(4,031)	3,356
Comprehensive income	\$ 236,636	\$ 194,792	\$ 655,972	\$ 500,288
Earnings per share:				
Basic	\$ 10.46	\$ 7.49	\$ 28.28	\$ 20.41
Diluted	\$ 10.45	\$ 7.40	\$ 28.12	\$ 20.12
Shares used in computing earnings per share:				
Basic	22,670	24,284	23,341	24,350
Diluted	22,703	24,575	23,470	24,696

See accompanying notes.

FAIR ISAAC CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT
(Unaudited)

(In thousands)	Common Stock		Additional Paid-in-Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Deficit
	Shares	Par Value					
Balance at March 31, 2026	23,295	\$ 233	\$ 1,316,744	\$ (8,298,729)	\$ 4,975,647	\$ (95,545)	\$ (2,101,650)
Share-based compensation	—	—	52,331	—	—	—	52,331
Issuance of treasury stock under employee stock plans	8	—	(6,457)	949	—	—	(5,508)
Repurchases of common stock	(1,706)	(17)	(300,000)	(1,978,927)	—	—	(2,278,944)
Net income	—	—	—	—	237,172	—	237,172
Foreign currency translation adjustments	—	—	—	—	—	(536)	(536)
Balance at June 30, 2026	21,597	\$ 216	\$ 1,062,618	\$ (10,276,707)	\$ 5,212,819	\$ (96,081)	\$ (4,097,135)

(In thousands)	Common Stock		Additional Paid-in-Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Deficit
	Shares	Par Value					
Balance at March 31, 2025	24,352	\$ 244	\$ 1,251,784	\$ (6,490,817)	\$ 4,216,013	\$ (101,276)	\$ (1,124,052)
Share-based compensation	—	—	41,930	—	—	—	41,930
Issuance of treasury stock under employee stock plans	28	—	(1,602)	2,791	—	—	1,189
Repurchases of common stock	(284)	(3)	—	(511,302)	—	—	(511,305)
Net income	—	—	—	—	181,789	—	181,789
Foreign currency translation adjustments	—	—	—	—	—	13,003	13,003
Balance at June 30, 2025	24,096	\$ 241	\$ 1,292,112	\$ (6,999,328)	\$ 4,397,802	\$ (88,273)	\$ (1,397,446)

(In thousands)	Common Stock		Additional Paid-in-Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Deficit
	Shares	Par Value					
Balance at September 30, 2025	23,764	\$ 238	\$ 1,331,120	\$ (7,537,908)	\$ 4,552,816	\$ (92,050)	\$ (1,745,784)
Share-based compensation	—	—	141,910	—	—	—	141,910
Issuance of treasury stock under employee stock plans	118	1	(110,412)	14,071	—	—	(96,340)
Repurchases of common stock	(2,285)	(23)	(300,000)	(2,752,870)	—	—	(3,052,893)
Net income	—	—	—	—	660,003	—	660,003
Foreign currency translation adjustments	—	—	—	—	—	(4,031)	(4,031)
Balance at June 30, 2026	21,597	\$ 216	\$ 1,062,618	\$ (10,276,707)	\$ 5,212,819	\$ (96,081)	\$ (4,097,135)

(In thousands)	Common Stock		Additional Paid-in-Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Deficit
	Shares	Par Value					
Balance at September 30, 2024	24,392	\$ 244	\$ 1,366,572	\$ (6,138,736)	\$ 3,900,870	\$ (91,629)	\$ (962,679)
Share-based compensation	—	—	124,288	—	—	—	124,288
Issuance of treasury stock under employee stock plans	179	2	(198,748)	17,467	—	—	(181,279)
Repurchases of common stock	(475)	(5)	—	(878,059)	—	—	(878,064)
Net income	—	—	—	—	496,932	—	496,932
Foreign currency translation adjustments	—	—	—	—	—	3,356	3,356
Balance at June 30, 2025	24,096	\$ 241	\$ 1,292,112	\$ (6,999,328)	\$ 4,397,802	\$ (88,273)	\$ (1,397,446)

See accompanying notes.

FAIR ISAAC CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine Months Ended June 30,	
	2026	2025
	(In thousands)	
Cash flows from operating activities:		
Net income	\$ 660,003	\$ 496,932
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	12,123	10,931
Share-based compensation	141,910	124,288
Deferred income taxes	25,693	(19,427)
Net gain on marketable securities	(2,765)	(1,629)
Non-cash operating lease costs	7,158	7,426
Provision for doubtful accounts	—	1,485
Net loss on sales and abandonment of property and equipment	26	93
Changes in operating assets and liabilities:		
Accounts receivable	(50,766)	(32,784)
Prepaid expenses and other assets	(1,370)	(25,094)
Accounts payable	(5,538)	4,276
Accrued compensation and employee benefits	(4,419)	(9,656)
Other liabilities	(21,107)	(16,580)
Deferred revenue	16,932	14,877
Net cash provided by operating activities	777,880	555,138
Cash flows from investing activities:		
Purchases of property and equipment	(1,355)	(4,751)
Capitalized internal-use software costs	(26,491)	(21,831)
Proceeds from sales of marketable securities	16,566	1,856
Purchases of marketable securities	(15,186)	(5,664)
Purchases of other investments	(12,810)	—
Net cash used in investing activities	(39,276)	(30,390)
Cash flows from financing activities:		
Proceeds from revolving line of credit and term loans	2,950,000	450,000
Payments on revolving line of credit and term loans	(1,015,000)	(1,368,750)
Proceeds from issuance of senior notes	1,000,000	1,500,000
Payments on senior notes	(400,000)	—
Payments on debt issuance costs	(12,063)	(17,163)
Payments on finance leases	(2,950)	(3,079)
Proceeds from issuance of treasury stock under employee stock plans	14,935	21,908
Taxes paid related to net share settlement of equity awards	(111,275)	(203,188)
Repurchases of common stock, inclusive of excise tax and prepayment under accelerated share repurchase agreement	(3,045,992)	(866,520)
Net cash used in financing activities	(622,345)	(486,792)
Effect of exchange rate changes on cash	(1,951)	426
Increase in cash and cash equivalents	114,308	38,382
Cash and cash equivalents, beginning of period	134,136	150,667
Cash and cash equivalents, end of period	\$ 248,444	\$ 189,049
Supplemental disclosures of cash flow information:		
Cash paid for income taxes, net of refunds of \$8,538 and \$3,442 during the nine-month periods ended June 30, 2026 and 2025, respectively	\$ 162,882	\$ 129,078
Cash paid for interest	\$ 162,420	\$ 101,112
Supplemental disclosures of non-cash investing and financing activities:		
Purchase of property and equipment included in accounts payable	\$ 213	\$ 2,600
Unsettled repurchases of common stock, inclusive of excise tax accrued, but not yet paid	\$ 25,318	\$ 24,935

See accompanying notes.

FAIR ISAAC CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Nature of Business

Fair Isaac Corporation

Fair Isaac Corporation (NYSE: FICO) (together with its consolidated subsidiaries, the “Company,” which may also be referred to in this report as “we,” “us,” “our,” or “FICO”) is a global analytics software leader. We were founded in 1956 on the premise that data, used intelligently, can improve business decisions. Today, FICO’s software and the widely used FICO® Score operationalize analytics, enabling thousands of businesses in more than 80 countries to uncover new opportunities, make timely decisions that matter, and execute them at scale. Most leading banks and credit card issuers rely on our solutions, as do insurers, retailers, telecommunications providers, automotive lenders, consumer reporting agencies, public agencies, and organizations in other industries. We also serve consumers through online services that enable people to access and understand their FICO® Scores — the standard measure of consumer credit risk in the United States (“U.S.”) — empowering them to increase financial literacy and manage their financial health.

Principles of Consolidation and Basis of Presentation

We have prepared the accompanying unaudited interim condensed consolidated financial statements in accordance with the instructions to Form 10-Q and the applicable accounting guidance. Consequently, we have not necessarily included all information and footnotes required for audited financial statements. In our opinion, the accompanying unaudited interim condensed consolidated financial statements reflect all adjustments (consisting only of normal recurring adjustments, except as otherwise indicated) necessary for a fair presentation of our financial position and results of operations. These unaudited condensed consolidated financial statements and notes thereto should be read in conjunction with our audited consolidated financial statements and notes thereto presented in our Annual Report on Form 10-K for the fiscal year ended September 30, 2025. The interim financial information contained in this report is not necessarily indicative of the results to be expected for any other interim period or for the entire fiscal year.

The condensed consolidated financial statements include the accounts of FICO and its subsidiaries. All intercompany accounts and transactions have been eliminated.

Use of Estimates

We make estimates and assumptions that affect the amounts reported in the condensed consolidated financial statements and the disclosures made in the accompanying notes. For example, we use estimates in determining the appropriate levels of various accruals; variable considerations included in the transaction price and standalone selling price of each performance obligation for our customer contracts; labor hours in connection with fixed-fee service contracts; the amount of our tax provision; and the realizability of deferred tax assets. We also use estimates in determining the remaining economic lives and carrying values of property and equipment and other long-lived assets. In addition, we use assumptions to estimate the fair value of reporting units and share-based compensation. Actual results may differ from our estimates.

New Accounting Pronouncements

Recent Accounting Pronouncements Not Yet Adopted

In December 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2023-09, “*Income Taxes (Topic 740): Improvements to Income Tax Disclosures*” (“ASU 2023-09”). ASU 2023-09 requires disaggregated information about a reporting entity’s effective tax rate reconciliation as well as disaggregated information on income tax paid. The standard is effective for fiscal years beginning after December 15, 2024, which means that it will be effective for our annual periods beginning with the fiscal year ending September 30, 2026. We are currently evaluating the impact that the updated standard will have on our disclosures within our consolidated financial statements.

In November 2024, the FASB issued ASU No. 2024-03, *“Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses”* (“ASU 2024-03”). ASU 2024-03 requires disaggregated disclosure of certain income statement expenses an entity presents on the face of the income statement into specified categories in disclosures within the footnotes to the financial statements, including employee compensation, depreciation, intangible asset amortization, and certain other expenses, when applicable. The standard is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027, which means that it will be effective for our annual periods beginning with the fiscal year ending September 30, 2028, and our interim periods beginning October 1, 2028. Early adoption is permitted. We are currently evaluating the impact that the updated standard will have on our disclosures within our consolidated financial statements.

In September 2025, the FASB issued ASU No. 2025-06, *“Intangibles — Goodwill and Other — Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software”* (“ASU 2025-06”). ASU 2025-06 removes references to prescriptive and sequential software development project stages, and instead requires capitalizing software costs when both of the following occur: (1) management has authorized and committed to funding the software project, and (2) it is probable that the project will be completed and the software will be used to perform the function intended, with consideration as to when significant uncertainty associated with the development activities of the software has been resolved. Additionally, ASU 2025-06 clarifies the disclosure requirements for capitalized internal-use software costs. The standard is effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2027, which means that it will be effective for our fiscal years beginning October 1, 2028. Early adoption is permitted. We are currently evaluating the impact that the updated standard will have on our consolidated financial statements and related disclosures.

We do not expect that any other recently issued accounting pronouncements will have a significant effect on our consolidated financial statements.

2. Fair Value Measurements

Fair value is defined as the price that would be received from the sale of an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The accounting guidance establishes a three-level hierarchy for disclosure that is based on the extent and level of judgment used to estimate the fair value of assets and liabilities.

- Level 1 — uses unadjusted quoted prices that are available in active markets for identical assets or liabilities. Our Level 1 assets were comprised of bank time deposits and certain marketable securities and our Level 1 liabilities included senior notes as of June 30, 2026 and September 30, 2025.
- Level 2 — uses inputs other than quoted prices included in Level 1 that are either directly or indirectly observable through correlation with market data. These include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and inputs to valuation models or other pricing methodologies that do not require significant judgment because the inputs used in the model, such as interest rates and volatility, can be corroborated by readily observable market data. We did not have any assets or liabilities that are valued using inputs identified under a Level 2 hierarchy as of June 30, 2026 and September 30, 2025.
- Level 3 — uses one or more significant inputs that are unobservable and supported by little or no market activity, and that reflect the use of significant management judgment. Level 3 assets and liabilities include those whose fair value measurements are determined using pricing models, discounted cash flow methodologies or similar valuation techniques, and significant management judgment or estimation. We did not value any assets or liabilities using inputs identified under a Level 3 hierarchy as of June 30, 2026 and September 30, 2025.

The following tables represent financial assets that we measured at fair value on a recurring basis at June 30, 2026 and September 30, 2025:

June 30, 2026	Active Markets for Identical Instruments (Level 1)	Fair Value as of June 30, 2026
	(In thousands)	
Assets:		
Cash equivalents ⁽¹⁾	\$ 13,229	\$ 13,229
Marketable securities ⁽²⁾	56,093	56,093
Total	<u>\$ 69,322</u>	<u>\$ 69,322</u>
September 30, 2025	Active Markets for Identical Instruments (Level 1)	Fair Value as of September 30, 2025
	(In thousands)	
Assets:		
Cash equivalents ⁽¹⁾	\$ 6	\$ 6
Marketable securities ⁽²⁾	54,625	54,625
Total	<u>\$ 54,631</u>	<u>\$ 54,631</u>

(1) Included in cash and cash equivalents on our condensed consolidated balance sheets at June 30, 2026 and September 30, 2025. Not included in these tables are cash deposits of \$235.2 million and \$134.1 million at June 30, 2026 and September 30, 2025, respectively.

(2) Represents securities held under a non-qualified deferred compensation plan for certain officers and senior management employees, which are distributed upon separation from service or at a specific date while still employed. Included in marketable securities on our condensed consolidated balance sheets at June 30, 2026 and September 30, 2025.

See Note 6 for the fair value of our senior notes.

There were no transfers between Level 1, Level 2, and Level 3 of the fair value hierarchy during the quarters and nine-month periods ended June 30, 2026 and 2025.

3. Derivative Financial Instruments

We use derivative instruments to manage risks caused by fluctuations in foreign exchange rates. The primary objective of our derivative instruments is to protect the value of foreign-currency-denominated receivables and cash balances from the effects of volatility in foreign exchange rates that might occur prior to conversion to their functional currencies. We principally utilize foreign currency forward contracts, which enable us to buy and sell foreign currencies in the future at fixed exchange rates and economically offset changes in foreign exchange rates. We routinely enter into contracts to offset exposures denominated in the British pound, Euro, and Singapore dollar.

Foreign-currency-denominated receivables and cash balances are remeasured at foreign exchange rates in effect on the balance sheet date with the effects of changes in foreign exchange rates reported in other income, net. The forward contracts are not designated as hedges and are marked to market through other income, net. Fair value changes in the forward contracts help mitigate the changes in the value of the remeasured receivable and cash balances attributable to changes in foreign exchange rates. The forward contracts are short-term in nature and typically have average maturities at inception of less than three months.

The following tables summarize our outstanding foreign currency forward contracts, by currency, at June 30, 2026 and September 30, 2025:

June 30, 2026					
Contract Amount				Fair Value	
Foreign Currency		USD		USD	
(In thousands)					
Sell foreign currency:					
Euro (EUR)	EUR	4,300	\$	4,907	\$ —
Buy foreign currency:					
British pound (GBP)	GBP	5,902	\$	7,800	\$ —
Singapore dollar (SGD)	SGD	6,853	\$	5,300	\$ —

September 30, 2025					
Contract Amount				Fair Value	
Foreign Currency		USD		USD	
(In thousands)					
Sell foreign currency:					
Euro (EUR)	EUR	7,700	\$	9,034	\$ —
Buy foreign currency:					
British pound (GBP)	GBP	10,019	\$	13,500	\$ —
Singapore dollar (SGD)	SGD	8,087	\$	6,300	\$ —

The foreign currency forward contracts were entered into on June 30, 2026 and September 30, 2025; therefore, their fair value was \$0 on each of these dates.

Gains (losses) on derivative financial instruments were recorded in our condensed consolidated statements of income and comprehensive income as a component of other income, net, and consisted of the following:

	Quarter Ended June 30,		Nine Months Ended June 30,	
	2026	2025	2026	2025
(In thousands)				
Gains (losses) on foreign currency forward contracts	\$ 3	\$ 950	\$ (572)	\$ 68

4. Goodwill

The following table summarizes changes to goodwill during the nine months ended June 30, 2026, both in total and as allocated to our segments. As of June 30, 2026, there was no accumulated goodwill impairment loss.

	Scores	Software	Total
	(In thousands)		
Balance at September 30, 2025	\$ 146,648	\$ 636,692	\$ 783,340
Foreign currency translation and other adjustments	—	8,475	8,475
Balance at June 30, 2026	\$ 146,648	\$ 645,167	\$ 791,815

5. Composition of Certain Financial Statement Captions

The following table presents the composition of property and equipment, net at June 30, 2026 and September 30, 2025:

	June 30, 2026	September 30, 2025
	(In thousands)	
Property and equipment, net:		
Property and equipment	\$ 66,977	\$ 66,134
Internal-use software	73,642	47,151
Less: accumulated depreciation and amortization	(49,631)	(45,572)
Total	<u>\$ 90,988</u>	<u>\$ 67,713</u>

The following table presents the composition of other accrued liabilities at June 30, 2026 and September 30, 2025:

	June 30, 2026	September 30, 2025
	(In thousands)	
Other accrued liabilities:		
Interest payable	\$ 37,727	\$ 53,500
Other	64,299	61,118
Total	<u>\$ 102,026</u>	<u>\$ 114,618</u>

6. Debt

The following table represents our debt at carrying value at June 30, 2026 and September 30, 2025:

	June 30, 2026	September 30, 2025
	(In thousands)	
Current maturities on debt:		
Term loan	\$ 300,000	\$ —
The 2018 Senior Notes	—	400,000
Less: debt issuance costs	—	(459)
Current maturities on debt	<u>300,000</u>	<u>399,541</u>
Long-term debt:		
Revolving line of credit	710,000	275,000
Term loan	1,200,000	—
The 2019 Senior Notes and the 2021 Senior Notes	900,000	900,000
The 2025 Senior Notes	1,500,000	1,500,000
The 2026 Senior Notes	1,000,000	—
Less: debt issuance costs	(27,611)	(18,850)
Long-term debt	<u>5,282,389</u>	<u>2,656,150</u>
Total debt	<u>\$ 5,582,389</u>	<u>\$ 3,055,691</u>

Revolving Line of Credit and Term Loan

We have a credit agreement with a syndicate of banks that provides for a \$1.0 billion unsecured revolving line of credit that matures on May 13, 2030. On June 5, 2026, we amended our credit agreement to provide for the issuance of a \$1.5 billion unsecured term loan that was borrowed in full on June 5, 2026 and matures on May 15, 2028. The credit agreement also provides for an option for us to request additional incremental term loans and/or incremental increases to the revolving line of credit from time to time, in each case subject to the terms and conditions of the credit agreement. Borrowings under the credit agreement can be used for working capital and general corporate purposes and may also be used for the refinancing of existing debt, acquisitions, and the repurchase of our common stock. Principal on the term loan is to be repaid in consecutive quarterly installments on the last business day of March, June, September, and December equal to (i) \$75.0 million from September 30, 2026 through and including June 30, 2027 and (ii) \$112.5 million thereafter. Interest rates on amounts borrowed under the revolving line of credit and term loan are based on (i) an adjusted base rate, which is the greatest of (a) the prime rate, (b) the Federal Funds rate plus 0.5%, and (c) the Daily Simple Secured Overnight Financing Rate (“SOFR”) plus 1%, plus, in each case, an applicable margin, (ii) the Daily Simple SOFR plus an applicable margin (or, if such rate is no longer available, a successor benchmark rate determined in accordance with the terms of the credit agreement), or (iii) term SOFR (without a credit spread adjustment) plus an applicable margin (or, if such rate is no longer available, a successor benchmark rate determined in accordance with the terms of the credit agreement). The applicable margin for base rate borrowings and for SOFR borrowings for the loans under the credit agreement is determined based on our consolidated leverage ratio. The applicable margin for loans under the revolving line of credit for base rate borrowings ranges from 0% to 1% per annum and for SOFR borrowings ranges from 1% to 2% per annum. The applicable margin for the term loan for base rate borrowings ranges from 0.5% to 1.25% per annum and for SOFR borrowings ranges from 1.5% to 2.25% per annum. In addition, we must pay certain credit agreement fees. The credit agreement contains certain restrictive covenants including a maximum consolidated leverage ratio of 4.5 to 1.0 through December 30, 2026, 4.0 to 1.0 during December 31, 2026 through December 30, 2027, and 3.5 to 1.0 during December 31, 2027 and thereafter, subject to a step up to 4.0 to 1.0 following certain permitted acquisitions and subject to certain conditions, and contains other covenants typical of an unsecured credit facility.

As of June 30, 2026, we had \$710.0 million in borrowings outstanding under the revolving line of credit at a weighted-average interest rate of 5.643% and \$1.5 billion in outstanding balance of the term loan at an interest rate of 5.863%, and we were in compliance with all financial covenants under the credit agreement.

Senior Notes

On May 8, 2018, we issued \$400.0 million of senior notes in a private offering to qualified institutional investors (the “2018 Senior Notes”). The 2018 Senior Notes required interest payments semi-annually at a rate of 5.25% per annum and were to mature on May 15, 2026. On March 26, 2026, prior to the maturity date, we repaid in full the 2018 Senior Notes, utilizing proceeds from the issuance of the 2026 Senior Notes (as defined below).

On December 6, 2019, we issued \$350.0 million of senior notes in a private offering to qualified institutional investors (the “2019 Senior Notes”). The 2019 Senior Notes require interest payments semi-annually at a rate of 4.00% per annum and will mature on June 15, 2028.

On December 17, 2021, we issued \$550.0 million of additional senior notes of the same class as the 2019 Senior Notes in a private offering to qualified institutional investors (the “2021 Senior Notes”). The 2021 Senior Notes require interest payments semi-annually at a rate of 4.00% per annum and will mature on June 15, 2028, the same date as the 2019 Senior Notes.

On May 13, 2025, we issued \$1.5 billion of senior notes in a private offering to qualified institutional investors (the “2025 Senior Notes”). The 2025 Senior Notes require interest payments semi-annually at a rate of 6.00% per annum and will mature on May 15, 2033.

On March 20, 2026, we issued \$1.0 billion of senior notes in a private offering to qualified institutional investors (the “2026 Senior Notes,” and collectively with the 2018 Senior Notes, the 2019 Senior Notes, the 2021 Senior Notes, and the 2025 Senior Notes, the “Senior Notes”). The 2026 Senior Notes require interest payments semi-annually at a rate of 6.25% per annum and will mature on September 15, 2034.

The indentures for the Senior Notes contain certain covenants typical of unsecured obligations and we were in compliance as of June 30, 2026.

The following table presents the face values and fair values for the Senior Notes at June 30, 2026 and September 30, 2025:

	June 30, 2026		September 30, 2025	
	Face Value	Fair Value	Face Value	Fair Value
(In thousands)				
The 2018 Senior Notes	\$ —	\$ —	\$ 400,000	\$ 399,500
The 2019 Senior Notes and the 2021 Senior Notes	900,000	874,125	900,000	875,250
The 2025 Senior Notes	1,500,000	1,475,625	1,500,000	1,518,750
The 2026 Senior Notes	1,000,000	983,750	—	—
Total	<u>\$ 3,400,000</u>	<u>\$ 3,333,500</u>	<u>\$ 2,800,000</u>	<u>\$ 2,793,500</u>

7. Accelerated Share Repurchase

Our Board of Directors has authorized us to make repurchases of shares of our common stock from time to time in the open market, in negotiated transactions, and through accelerated share repurchase programs. As part of the broader stock repurchase program, we entered into an accelerated share repurchase agreement (“ASR Agreement”) with Wells Fargo Securities, Inc. (“Wells Fargo Securities”) on June 5, 2026 to repurchase \$1.5 billion of our common stock. The ASR Agreement was accounted for as two separate transactions: (1) a repurchase of shares of common stock and (2) an equity-linked contract on our own common stock. Pursuant to the ASR Agreement, we paid \$1.5 billion to Wells Fargo Securities and received an initial delivery of 1,055,103 shares of common stock, which had a value of approximately \$1.2 billion and therefore approximated 80 percent of the total number of expected shares to be repurchased under the ASR Agreement. The remaining \$300.0 million is considered a prepayment under the ASR Agreement, due to shares not yet being delivered with respect to such amount. The equity-linked contract for this remaining \$300.0 million, representing shares to be delivered by Wells Fargo Securities to us under the ASR Agreement at settlement, was recorded as a reduction to additional paid-in-capital as of June 30, 2026. The final number of shares to be repurchased and the average price paid per share will be determined upon the settlement of the ASR Agreement, which is expected to occur during the fourth quarter of fiscal 2026. The final number of shares to be repurchased will be based on the volume-weighted average price of our common stock over the term of the ASR Agreement, less a discount and subject to adjustments pursuant to the terms and conditions of the ASR Agreement.

8. Revenue from Contracts with Customers

Disaggregation of Revenue

The following tables provide information about disaggregated revenue by primary geographical market:

	Quarter Ended June 30, 2026			
	Scores	Software	Total	Percentage
(Dollars in thousands)				
Americas (*)	\$ 457,267	\$ 154,667	\$ 611,934	91 %
Europe, Middle East and Africa	1,072	40,351	41,423	6 %
Asia Pacific	558	20,273	20,831	3 %
Total	<u>\$ 458,897</u>	<u>\$ 215,291</u>	<u>\$ 674,188</u>	<u>100 %</u>

(*) Americas revenue included U.S. revenue of \$552.4 million for the quarter ended June 30, 2026.

	Quarter Ended June 30, 2025			
	Scores	Software	Total	Percentage
(Dollars in thousands)				
Americas (*)	\$ 321,154	\$ 149,003	\$ 470,157	87 %
Europe, Middle East and Africa	1,553	39,844	41,397	8 %
Asia Pacific	1,602	23,259	24,861	5 %
Total	<u>\$ 324,309</u>	<u>\$ 212,106</u>	<u>\$ 536,415</u>	<u>100 %</u>

(*) Americas revenue included U.S. revenue of \$422.7 million for the quarter ended June 30, 2025.

	Nine Months Ended June 30, 2026			
	Scores	Software	Total	Percentage
	(Dollars in thousands)			
Americas (*)	\$ 1,230,488	\$ 456,745	\$ 1,687,233	90 %
Europe, Middle East and Africa	5,281	122,471	127,752	7 %
Asia Pacific	2,635	60,204	62,839	3 %
Total	<u>\$ 1,238,404</u>	<u>\$ 639,420</u>	<u>\$ 1,877,824</u>	<u>100 %</u>

(*) Americas revenue included U.S. revenue of \$1.5 billion for the nine months ended June 30, 2026.

	Nine Months Ended June 30, 2025			
	Scores	Software	Total	Percentage
	(Dollars in thousands)			
Americas (*)	\$ 846,102	\$ 432,932	\$ 1,279,034	87 %
Europe, Middle East and Africa	5,097	116,059	121,156	8 %
Asia Pacific	5,824	69,104	74,928	5 %
Total	<u>\$ 857,023</u>	<u>\$ 618,095</u>	<u>\$ 1,475,118</u>	<u>100 %</u>

(*) Americas revenue included U.S. revenue of \$1.1 billion for the nine months ended June 30, 2025.

The following table provides information about disaggregated revenue for on-premises and SaaS software within our Software segment by deployment method:

	Quarter Ended June 30,		Percentage of revenues		Nine Months Ended June 30,		Percentage of revenues	
	2026	2025	2026	2025	2026	2025	2026	2025
	(Dollars in thousands)							
On-premises software	\$ 68,234	\$ 81,673	35 %	43 %	\$ 219,397	\$ 246,808	38 %	44 %
SaaS software	128,735	106,242	65 %	57 %	365,024	310,944	62 %	56 %
Total	<u>\$ 196,969</u>	<u>\$ 187,915</u>	<u>100 %</u>	<u>100 %</u>	<u>\$ 584,421</u>	<u>\$ 557,752</u>	<u>100 %</u>	<u>100 %</u>

The following table provides information about disaggregated revenue for on-premises and SaaS software within our Software segment by product features:

	Quarter Ended June 30,		Percentage of revenues		Nine Months Ended June 30,		Percentage of revenues	
	2026	2025	2026	2025	2026	2025	2026	2025
	(Dollars in thousands)							
Platform software	\$ 101,845	\$ 61,479	52 %	33 %	\$ 262,665	\$ 171,765	45 %	31 %
Non-platform software	95,124	126,436	48 %	67 %	321,756	385,987	55 %	69 %
Total	<u>\$ 196,969</u>	<u>\$ 187,915</u>	<u>100 %</u>	<u>100 %</u>	<u>\$ 584,421</u>	<u>\$ 557,752</u>	<u>100 %</u>	<u>100 %</u>

The following table provides information about disaggregated revenue for on-premises and SaaS software within our Software segment by timing of revenue recognition:

	Quarter Ended June 30,		Percentage of revenues		Nine Months Ended June 30,		Percentage of revenues	
	2026	2025	2026	2025	2026	2025	2026	2025
(Dollars in thousands)								
Software recognized at a point in time ⁽¹⁾	\$ 13,215	\$ 24,485	7 %	13 %	\$ 53,284	\$ 72,902	9 %	13 %
Software recognized over contract term ⁽²⁾	183,754	163,430	93 %	87 %	531,137	484,850	91 %	87 %
Total	<u>\$ 196,969</u>	<u>\$ 187,915</u>	<u>100 %</u>	<u>100 %</u>	<u>\$ 584,421</u>	<u>\$ 557,752</u>	<u>100 %</u>	<u>100 %</u>

(1) Includes license portion of our on-premises subscription software and perpetual licenses, both of which are recognized when the software is made available to the customer, or at the start of the subscription.

(2) Includes maintenance portion and usage-based fees of our on-premises subscription software, maintenance revenue on perpetual licenses, as well as SaaS revenue.

The following table provides information about disaggregated revenue for our Scores segment by distribution method:

	Quarter Ended June 30,		Percentage of revenues		Nine Months Ended June 30,		Percentage of revenues	
	2026	2025	2026	2025	2026	2025	2026	2025
(Dollars in thousands)								
Business-to-business Scores	\$ 400,043	\$ 268,479	87 %	83 %	\$ 1,066,285	\$ 693,364	86 %	81 %
Business-to-consumer Scores	58,854	55,830	13 %	17 %	172,119	163,659	14 %	19 %
Total	<u>\$ 458,897</u>	<u>\$ 324,309</u>	<u>100 %</u>	<u>100 %</u>	<u>\$ 1,238,404</u>	<u>\$ 857,023</u>	<u>100 %</u>	<u>100 %</u>

We derive a substantial portion of revenues from our contracts with the three major consumer reporting agencies, Experian, TransUnion and Equifax. Revenues collectively generated by agreements with these customers accounted for 63% and 54% of our total revenues in the quarters ended June 30, 2026 and 2025, respectively, with all three consumer reporting agencies each contributing more than 10% of our total revenues in each of the quarters ended June 30, 2026 and 2025. Revenues collectively generated by agreements with these customers accounted for 60% and 51% of our total revenues in the nine months ended June 30, 2026 and 2025, respectively, with all three consumer reporting agencies each contributing more than 10% of our total revenues in each of the nine months ended June 30, 2026 and 2025. At June 30, 2026 and September 30, 2025, three and two customers, respectively, accounted for 10% or more of total consolidated receivables.

Contract Balances

We record a receivable when we satisfy a performance obligation prior to invoicing if only the passage of time is required before payment is due or if we have an unconditional right to consideration before we satisfy a performance obligation. We record a contract asset when we satisfy a performance obligation prior to invoicing but our right to consideration is conditional. We record deferred revenue when the payment is made or due before we satisfy a performance obligation.

Receivables at June 30, 2026 and September 30, 2025 consisted of the following:

	June 30, 2026	September 30, 2025
	(In thousands)	
Billed	\$ 365,012	\$ 327,721
Unbilled	259,482	246,600
	624,494	574,321
Less: allowance for doubtful accounts	(7,677)	(7,964)
Net receivables	616,817	566,357
Less: long-term receivables (*)	(24,287)	(37,209)
Short-term receivables (*)	\$ 592,530	\$ 529,148

(*) Short-term receivables and long-term receivables were recorded in accounts receivable, net and other assets, respectively, within the accompanying condensed consolidated balance sheets.

Deferred revenue primarily relates to our maintenance and SaaS contracts billed annually in advance and generally recognized ratably over the term of the service period. Significant changes in the deferred revenues balances are as follows:

	Nine Months Ended June 30, 2026
	(In thousands)
Deferred revenues, beginning balance (*)	\$ 189,238
Revenue recognized that was included in the deferred revenues balance at the beginning of the period	(167,595)
Increases due to billings, excluding amounts recognized as revenue during the period	185,643
Deferred revenues, ending balance (*)	\$ 207,286

(*) Deferred revenues at June 30, 2026 included current portion of \$205.4 million and long-term portion of \$1.9 million that were recorded in deferred revenue and other liabilities, respectively, within the condensed consolidated balance sheets. Deferred revenues at September 30, 2025 included current portion of \$187.4 million and long-term portion of \$1.8 million that were recorded in deferred revenue and other liabilities, respectively, within the condensed consolidated balance sheets.

Payment terms and conditions vary by contract type, although terms generally include a requirement of payment within 30 to 60 days. In instances where the timing of revenue recognition differs from the timing of invoicing, we have determined our contracts generally do not include a significant financing component. The primary purpose of our invoicing terms is to provide customers with simplified and predictable ways of purchasing our products and services, not to provide customers with financing or to receive financing from our customers. Examples include multi-year on-premises licenses that are invoiced annually with revenue recognized upfront and invoicing at the beginning of a subscription term with revenue recognized ratably over the contract period.

Performance Obligations

Revenue allocated to remaining performance obligations represents contracted revenue that will be recognized in future periods, which is comprised of deferred revenue and amounts that will be invoiced and recognized as revenue in future periods. This does not include:

- Usage-based revenue that will be recognized in future periods from on-premises software subscriptions;
- Consumption-based variable fees from SaaS software that will be recognized in the distinct service period during which it is earned; and
- Revenue from variable considerations that will be recognized in accordance with the “right-to-invoice” practical expedient, such as fees from our professional services billed based on a time and materials basis.

Revenue allocated to remaining performance obligations was \$680.4 million as of June 30, 2026, approximately 50% of which we expect to recognize over the next 14 months and the remainder thereafter. Revenue allocated to remaining performance obligations was \$655.7 million as of September 30, 2025.

9. Income Taxes

Effective Tax Rate

The effective income tax rate was 24.6% and 23.3% during the quarters ended June 30, 2026 and 2025, respectively, and 23.5% and 17.2% during the nine months ended June 30, 2026 and 2025, respectively. The provision for income taxes during interim quarterly reporting periods is based on our estimates of the effective tax rates for the full fiscal year. The effective tax rate in any quarter can also be affected positively or negatively by adjustments that are required to be reported in the specific quarter of resolution.

The One Big Beautiful Bill Act (“OBBBA”) of 2025 was signed into law on July 4, 2025. Included among the provisions is the ability to immediately expense domestic research and experimental (“R&E”) expenditures, as well as an election to accelerate any unamortized domestic R&E expenditures over a one- or two-year period. Both provisions are effective for FICO in fiscal 2026. The impacts of the OBBBA were reflected in FICO’s results for the nine months ended June 30, 2026.

The total unrecognized tax benefit for uncertain tax positions was estimated to be \$23.2 million and \$19.5 million at June 30, 2026 and September 30, 2025, respectively. We recognize interest expense related to unrecognized tax benefits and penalties as part of the provision for income taxes in our condensed consolidated statements of income and comprehensive income. We accrued interest of \$2.9 million and \$1.9 million related to unrecognized tax benefits as of June 30, 2026 and September 30, 2025, respectively.

10. Earnings per Share

The following table presents reconciliations for the numerators and denominators of basic and diluted earnings per share (“EPS”) for the quarters and nine-month periods ended June 30, 2026 and 2025:

	Quarter Ended June 30,		Nine Months Ended June 30,	
	2026	2025	2026	2025
(In thousands, except per share data)				
Numerator for diluted and basic earnings per share:				
Net income	\$ 237,172	\$ 181,789	\$ 660,003	\$ 496,932
Denominator — share:				
Basic weighted-average shares	22,670	24,284	23,341	24,350
Effect of dilutive securities	33	291	129	346
Diluted weighted-average shares	22,703	24,575	23,470	24,696
Earnings per share:				
Basic	\$ 10.46	\$ 7.49	\$ 28.28	\$ 20.41
Diluted	\$ 10.45	\$ 7.40	\$ 28.12	\$ 20.12

Anti-dilutive share-based awards excluded from the calculations of diluted EPS were immaterial during the periods presented.

11. Segment Information

We are organized into two reportable segments: Scores and Software. Although we sell solutions and services to a large number of end user product and industry markets, our reportable business segments reflect the primary method in which management organizes and evaluates internal financial information to make operating decisions and assess performance.

- *Scores.* This segment includes our business-to-business (“B2B”) scoring solutions and services which give our clients access to predictive credit and other scores that can be easily integrated into their transaction streams and decision-making processes. This segment also includes our business-to-consumer (“B2C”) scoring solutions, including our myFICO.com subscription offerings.
- *Software.* This segment includes pre-configured analytic and decision management solutions designed for a specific type of business need or process — such as account origination, customer management, customer engagement, fraud detection, and marketing — as well as associated professional services. This segment also includes FICO® Platform, a modular software offering designed to support advanced analytic and decision use cases, as well as stand-alone analytic and decisioning software that can be configured by our customers to address a wide variety of business use cases. These offerings are available to our customers as SaaS or as on-premises software.

Our chief operating decision maker (“CODM”), who is our Chief Executive Officer, evaluates segment financial performance based on segment revenues, segment operating expenses in total and segment operating income. Segment operating expenses consist of direct and indirect costs principally related to personnel, facilities, IT infrastructure, depreciation and amortization, consulting and travel. Indirect costs are allocated to the segments generally based on relative segment revenues, fixed rates established by management based upon estimated expense contribution levels and other assumptions that management considers reasonable. We do not allocate broad-based incentive expense, share-based compensation expense, restructuring and acquisition-related expense, amortization expense, various corporate charges and certain other income and expense measures to our segments. These income and expense items are not allocated because they are not considered in evaluating the segment’s operating performance. Our CODM does not evaluate the financial performance of each segment based on its respective assets or capital expenditures; rather, depreciation and amortization amounts are allocated to the segments from their internal cost centers as described above.

The following tables summarize segment information for the quarters and nine-month periods ended June 30, 2026 and 2025:

	Quarter Ended June 30, 2026		
	Scores	Software	Total
	(In thousands)		
Segment revenues:			
On-premises and SaaS software	\$ —	\$ 196,969	\$ 196,969
Professional services	—	18,322	18,322
Scores	458,897	—	458,897
Total segment revenues	458,897	215,291	674,188
Segment operating expense	(42,011)	(160,251)	(202,262)
Segment operating income	\$ 416,886	\$ 55,040	471,926
Unallocated corporate expenses			(56,967)
Unallocated share-based compensation expense			(52,331)
Operating income			362,628
Unallocated interest expense, net			(59,877)
Unallocated other income, net			11,908
Income before income taxes			\$ 314,659

	Quarter Ended June 30, 2025		
	Scores	Software	Total
	(In thousands)		
Segment revenues:			
On-premises and SaaS software	\$ —	\$ 187,915	\$ 187,915
Professional services	—	24,191	24,191
Scores	324,309	—	324,309
Total segment revenues	324,309	212,106	536,415
Segment operating expense	(39,598)	(144,164)	(183,762)
Segment operating income	\$ 284,711	\$ 67,942	352,653
Unallocated corporate expenses			(48,205)
Unallocated share-based compensation expense			(41,930)
Operating income			262,518
Unallocated interest expense, net			(32,899)
Unallocated other income, net			7,372
Income before income taxes			\$ 236,991

	Nine Months Ended June 30, 2026		
	Scores	Software	Total
	(In thousands)		
Segment revenues:			
On-premises and SaaS software	\$ —	\$ 584,421	\$ 584,421
Professional services	—	54,999	54,999
Scores	1,238,404	—	1,238,404
Total segment revenues	1,238,404	639,420	1,877,824
Segment operating expense	(121,189)	(463,172)	(584,361)
Segment operating income	\$ 1,117,215	\$ 176,248	1,293,463
Unallocated corporate expenses			(152,411)
Unallocated share-based compensation expense			(141,910)
Operating income			999,142
Unallocated interest expense, net			(146,462)
Unallocated other income, net			9,939
Income before income taxes			\$ 862,619

	Nine Months Ended June 30, 2025		
	Scores	Software	Total
	(In thousands)		
Segment revenues:			
On-premises and SaaS software	\$ —	\$ 557,752	\$ 557,752
Professional services	—	60,343	60,343
Scores	857,023	—	857,023
Total segment revenues	857,023	618,095	1,475,118
Segment operating expense	(103,571)	(426,087)	(529,658)
Segment operating income	\$ 753,452	\$ 192,008	945,460
Unallocated corporate expenses			(133,478)
Unallocated share-based compensation expense			(124,288)
Operating income			687,694
Unallocated interest expense, net			(93,765)
Unallocated other income, net			6,207
Income before income taxes			\$ 600,136

The following table presents depreciation and amortization on property and equipment for the quarters and nine-month periods ended June 30, 2026 and 2025:

	Quarter Ended June 30,		Nine Months Ended June 30,	
	2026	2025	2026	2025
	(In thousands)			
Depreciation and amortization:				
Scores	\$ 109	\$ 139	\$ 316	\$ 382
Software	2,171	2,730	6,667	7,522
Total segment depreciation and amortization	2,280	2,869	6,983	7,904
Unallocated corporate	376	20	951	56
Total depreciation and amortization	\$ 2,656	\$ 2,889	\$ 7,934	\$ 7,960

12. Contingencies

We are in disputes with certain customers regarding amounts owed in connection with the sale of certain of our products and services. We also have had claims asserted by former employees relating to compensation and other employment matters. We are also involved in various other claims and legal actions arising in the ordinary course of business. We record litigation accruals for legal matters which are both probable and estimable. For legal proceedings for which there is a reasonable possibility of loss (meaning those losses for which the likelihood is more than remote but less than probable), we have determined we do not have a material exposure, either individually or in the aggregate.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**FORWARD-LOOKING STATEMENTS**

Statements contained in this report that are not statements of historical fact are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (the "PSLRA"). In addition, certain statements in our future filings with the Securities and Exchange Commission ("SEC"), in press releases, and in oral and written statements made by us or with our approval that are not statements of historical fact constitute forward-looking statements within the meaning of the PSLRA. Examples of forward-looking statements include, but are not limited to: (i) projections of revenue, income or loss, expenses, earnings or loss per share, the payment or nonpayment of dividends, share repurchases, capital structure and other statements concerning future financial performance; (ii) statements of our plans and objectives by our management or Board of Directors, including those relating to products or services, research and development, and the sufficiency of capital resources; (iii) statements of assumptions underlying such statements, including those related to economic conditions; (iv) statements regarding results of business combinations or strategic divestitures; (v) statements regarding business relationships with vendors, customers or collaborators, including the proportion of revenues generated from international as opposed to domestic customers; and (vi) statements regarding products and services, their characteristics, performance, sales potential or effect in use by customers. Words such as "believes," "anticipates," "expects," "intends," "targeted," "should," "potential," "goals," "strategy," "outlook," "plan," "estimated," "will," variations of these terms and similar expressions are intended to identify forward-looking statements, but are not the exclusive means of identifying such statements. Forward-looking statements involve risks and uncertainties that may cause actual results to differ materially from those in such statements. Factors that could cause actual results to differ from those discussed in the forward-looking statements include, but are not limited to, those described in Part I, Item 1A "Risk Factors" of our Annual Report on Form 10-K for the fiscal year ended September 30, 2025 and in subsequent filings with the SEC. The performance of our business and our securities may be adversely affected by these factors and by other factors common to other businesses and investments, or to the general economy. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date they are made. We disclaim any intent or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Readers should carefully review the disclosures and the risk factors described in this and other documents we file from time to time with the SEC, including our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

OVERVIEW

We were founded in 1956 on the premise that data, used intelligently, can improve business decisions. Today, FICO's software and the widely used FICO® Score operationalize analytics, enabling thousands of businesses in more than 80 countries to uncover new opportunities, make timely decisions that matter, and execute them at scale. Most leading banks and credit card issuers rely on our solutions, as do insurers, retailers, telecommunications providers, automotive lenders, consumer reporting agencies, public agencies, and organizations in other industries. We also serve consumers through online services that enable people to access and understand their FICO® Scores — the standard measure of consumer credit risk in the United States ("U.S.") — empowering them to increase financial literacy and manage their financial health.

Our business consists of two operating segments: Scores and Software.

Our Scores segment includes our business-to-business ("B2B") scoring solutions and services which give our clients access to predictive credit and other scores that can be easily integrated into their transaction streams and decision-making processes. This segment also includes our business-to-consumer ("B2C") scoring solutions, including our myFICO.com subscription offerings.

Our Software segment includes pre-configured analytic and decision management solutions designed for a specific type of business need or process — such as account origination, customer management, customer engagement, fraud detection, and marketing — as well as associated professional services. This segment also includes FICO® Platform, a modular software offering designed to support advanced analytic and decision use cases, as well as stand-alone analytic and decisioning software that can be configured by our customers to address a wide variety of business use cases. Our offerings are available to our customers as software-as-a-service ("SaaS") or as on-premises software.

Highlights from the quarter and nine months ended June 30, 2026

- Total revenues were \$674.2 million during the quarter ended June 30, 2026, a 26% increase from the quarter ended June 30, 2025, and \$1.9 billion during the nine months ended June 30, 2026, a 27% increase from the nine months ended June 30, 2025.

- Revenues for our Scores segment were \$458.9 million during the quarter ended June 30, 2026, a 41% increase from the quarter ended June 30, 2025, and \$1.2 billion during the nine months ended June 30, 2026, a 45% increase from the nine months ended June 30, 2025.
- Annual Recurring Revenue for our Software segment as of June 30, 2026 was \$815.8 million, a 10% increase from June 30, 2025.
- Dollar-Based Net Retention Rate for our Software segment was 109% as of June 30, 2026.
- Operating income was \$362.6 million during the quarter ended June 30, 2026, a 38% increase from the quarter ended June 30, 2025, and \$999.1 million during the nine months ended June 30, 2026, a 45% increase from the nine months ended June 30, 2025.
- Net income was \$237.2 million during the quarter ended June 30, 2026, a 30% increase from the quarter ended June 30, 2025, and \$660.0 million during the nine months ended June 30, 2026, a 33% increase from the nine months ended June 30, 2025.
- Diluted EPS was \$10.45 during the quarter ended June 30, 2026, a 41% increase from the quarter ended June 30, 2025, and \$28.12 during the nine months ended June 30, 2026, a 40% increase from the nine months ended June 30, 2025.
- Cash flows from operating activities were \$777.9 million during the nine months ended June 30, 2026, compared with \$555.1 million during the nine months ended June 30, 2025.
- In June 2026, we amended our credit agreement to provide for a \$1.5 billion term loan, the proceeds of which were used to fund an accelerated share repurchase agreement (“ASR Agreement”).
- Total debt balance was \$5.6 billion as of June 30, 2026, compared with \$3.1 billion as of September 30, 2025.
- Total share repurchases during the quarter ended June 30, 2026 were \$2.3 billion, compared with \$511.3 million during the quarter ended June 30, 2025, and during the nine months ended June 30, 2026 were \$3.1 billion, compared with \$878.1 million during the nine months ended June 30, 2025. The quarter and nine months ended June 30, 2026 included \$1.5 billion paid under the ASR Agreement.

Key performance metrics for Software segment

Annual Contract Value Bookings (“ACV Bookings”)

Management regards ACV Bookings as an important indicator of future revenues, but it is not comparable to, nor is it a substitute for, an analysis of our revenues and other U.S. generally accepted accounting principles (“U.S. GAAP”) measures. We define ACV Bookings as 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 we exclude perpetual licenses and other software revenues that are non-recurring in nature. For renewals of existing software subscription contracts, we count only incremental annual revenue expected over the current contract as ACV Bookings.

ACV Bookings is calculated by dividing the total expected contract value by the contract term in years. The expected contract value equals the fixed amount — including guaranteed minimums, if any — stated in the contract, plus estimates of future usage-based fees. We develop estimates from discussions with our customers and examinations of historical data from similar products and customer arrangements. Differences between estimates and actual results occur due to variability in the estimated usage. This variability can be the result of the economic trends in our customers’ industries, individual performance of our customers relative to their competitors, and regulatory and other factors that affect the business environment in which our customers operate. For the periods presented, ACV Bookings related to estimates of future usage-based fees was approximately 20% of the total ACV Bookings amount on an annualized basis. Differences between the initial estimates of future usage-based fees and actual results historically have not been material and we do not currently expect that they will be materially different in the future.

We disclose estimated revenue expected to be recognized in the future related to remaining performance obligations in Note 8 to the accompanying condensed consolidated financial statements. However, we believe ACV Bookings is a useful supplemental measure of our business as it includes estimated revenues and future billings excluded from Note 8, such as usage-based fees and guaranteed minimums derived from our on-premises software licenses, among others.

The following table summarizes our ACV Bookings during the periods indicated:

	Quarter Ended June 30,		Nine Months Ended June 30,	
	2026	2025	2026	2025
	(In millions)			
Total on-premises and SaaS software	\$ 29.1	\$ 26.7	\$ 95.2	\$ 69.7

Annual Recurring Revenue (“ARR”)

Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers*, requires us to recognize a significant portion of revenue from our on-premises software subscriptions at the point in time when the software is first made available to the customer, or at the beginning of the subscription term, despite the fact that our contracts typically call for billing these amounts ratably over the life of the subscription. The remaining portion of our on-premises software subscription revenue including maintenance and usage-based fees are recognized over the life of the contract. This point-in-time recognition of a portion of our on-premises software subscription revenue creates significant variability in the revenue recognized period to period based on the timing of the subscription start date and the subscription term. Furthermore, this point-in-time revenue recognition can create a significant difference between the timing of our revenue recognition and the actual customer billing under the contract. We use ARR to measure the underlying performance of our subscription-based contracts and mitigate the impact of this variability. ARR is defined as the 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 our software licensing and subscription arrangements that are not expected to recur (primarily perpetual licenses) are excluded. We calculate ARR as the quarterly recurring revenue run-rate multiplied by four.

The following table summarizes our ARR for on-premises and SaaS software exiting each of the dates presented:

	September 30, 2024	December 31, 2024	March 31, 2025	June 30, 2025	September 30, 2025	December 31, 2025	March 31, 2026	June 30, 2026
ARR	(In millions)							
Platform	\$ 227.0	\$ 227.7	\$ 234.7	\$ 254.2	\$ 263.6	\$ 302.6	\$ 348.8	\$ 412.8
Non-platform	494.2	501.6	479.9	484.9	483.7	463.4	440.0	403.0
Total	<u>\$ 721.2</u>	<u>\$ 729.3</u>	<u>\$ 714.6</u>	<u>\$ 739.1</u>	<u>\$ 747.3</u>	<u>\$ 766.0</u>	<u>\$ 788.8</u>	<u>\$ 815.8</u>
Percentage								
Platform	31 %	31 %	33 %	34 %	35 %	40 %	44 %	51 %
Non-platform	69 %	69 %	67 %	66 %	65 %	60 %	56 %	49 %
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	31 %	20 %	17 %	18 %	16 %	33 %	49 %	62 %
Non-platform	— %	1 %	(3)%	(2)%	(2)%	(8)%	(8)%	(17)%
Total	8 %	6 %	3 %	4 %	4 %	5 %	10 %	10 %

Dollar-Based Net Retention Rate (“DBNRR”)

We consider DBNRR to be an important measure of our success in retaining and growing revenue from our existing customers. To calculate DBNRR for any period, we compare the ARR at the end of the prior comparable quarter (“base ARR”) to the ARR from that same cohort of customers at the end of the current quarter (“retained ARR”); we then divide the retained ARR by the base ARR to arrive at the DBNRR. Our calculation includes the positive impact among this cohort of customers of selling additional products, price increases and increases in usage-based fees, and the negative impact of customer attrition, price decreases, and decreases in usage-based fees during the period. However, the calculation does not include the positive impact from sales to any new customers acquired during the period. Our DBNRR may increase or decrease from period to period as a result of various factors, including the timing of new sales and customer renewal rates.

The following table summarizes our DBNRR for on-premises and SaaS software exiting each of the dates presented:

	September 30, 2024	December 31, 2024	March 31, 2025	June 30, 2025	September 30, 2025	December 31, 2025	March 31, 2026	June 30, 2026
<i>DBNRR</i>								
Platform	123 %	112 %	110 %	115 %	112 %	122 %	136 %	148 %
Non-platform	99 %	100 %	96 %	97 %	97 %	91 %	90 %	82 %
Total	106 %	105 %	102 %	103 %	102 %	103 %	109 %	109 %

RESULTS OF OPERATIONS

We are organized into two reportable segments: Scores and Software. Although we sell solutions and services into a large number of end user product and industry markets, our reportable business segments reflect the primary method in which management organizes and evaluates internal financial information to make operating decisions and assess performance.

Segment revenues, operating income, and related financial information, including disaggregation of revenue, are set forth in Note 8 and Note 11 to the accompanying condensed consolidated financial statements.

Revenues

The following tables set forth certain summary information on a segment basis related to our revenues for the quarters and nine-month periods ended June 30, 2026 and 2025:

Segment	Quarter Ended June 30,		Percentage of Revenues		Period-to-Period Change	Period-to-Period Percentage Change
	2026	2025	2026	2025		
	(In thousands)				(In thousands)	
Scores	\$ 458,897	\$ 324,309	68 %	60 %	\$ 134,588	41 %
Software	215,291	212,106	32 %	40 %	3,185	2 %
Total	\$ 674,188	\$ 536,415	100 %	100 %	137,773	26 %

Segment	Nine Months Ended June 30,		Percentage of Revenues		Period-to-Period Change	Period-to-Period Percentage Change
	2026	2025	2026	2025		
	(In thousands)				(In thousands)	
Scores	\$ 1,238,404	\$ 857,023	66 %	58 %	\$ 381,381	45 %
Software	639,420	618,095	34 %	42 %	21,325	3 %
Total	\$ 1,877,824	\$ 1,475,118	100 %	100 %	402,706	27 %

Quarter Ended June 30, 2026 Compared to Quarter Ended June 30, 2025

Scores

Scores segment revenues increased \$134.6 million due to an increase of \$131.6 million in our business-to-business scores revenue and an increase of \$3.0 million in our business-to-consumer scores revenue. The increase in business-to-business scores revenue was primarily attributable to a higher mortgage origination scores unit price. The increase in business-to-consumer scores revenue was primarily attributable to an increase in royalties derived from scores sold indirectly to consumers through credit reporting agencies.

Software

The following table provides information about disaggregated revenue for our Software segment by revenue types:

	Quarter Ended June 30,		Period-to-Period Change	Period-to-Period Percentage Change
	2026	2025		
	(In thousands)		(In thousands)	
On-premises and SaaS software	\$ 196,969	\$ 187,915	\$ 9,054	5 %
Professional services	18,322	24,191	(5,869)	(24)%
Total	\$ 215,291	\$ 212,106	3,185	2 %

Software segment revenues increased \$3.2 million due to a \$9.1 million increase in our on-premises and SaaS software revenue, partially offset by a \$5.9 million decrease in our professional services revenue. The increase in our on-premises and SaaS software revenue was primarily attributable to an increase in revenue recognized over time largely driven by SaaS growth for our Platform products, partially offset by a decrease in license revenue recognized at a point in time. The decrease in professional services revenue was primarily attributable to our strategy to emphasize higher-margin software over professional services.

Nine Months Ended June 30, 2026 Compared to Nine Months Ended June 30, 2025

Scores

Scores segment revenues increased \$381.4 million due to an increase of \$372.9 million in our business-to-business scores revenue and an increase of \$8.5 million in our business-to-consumer scores revenue. The increase in business-to-business scores revenue was primarily attributable to both a higher unit price and an increase in volume of mortgage origination scores. The increase in business-to-consumer scores revenue was primarily attributable to an increase in royalties derived from scores sold indirectly to consumers through credit reporting agencies.

Software

	Nine Months Ended June 30,		Period-to-Period Change	Period-to-Period Percentage Change
	2026	2025		
	(In thousands)		(In thousands)	
On-premises and SaaS software	\$ 584,421	\$ 557,752	\$ 26,669	5 %
Professional services	54,999	60,343	(5,344)	(9)%
Total	\$ 639,420	\$ 618,095	21,325	3 %

Software segment revenues increased \$21.3 million due to a \$26.7 million increase in our on-premises and SaaS software revenue, partially offset by a \$5.3 million decrease in professional services revenue. The increase in our on-premises and SaaS software revenue was primarily attributable to an increase in revenue recognized over time largely driven by SaaS growth for our Platform products, partially offset by a decrease in license revenue recognized at a point in time. The decrease in professional services revenue was primarily attributable to our strategy to emphasize higher-margin software over professional services.

Operating Expenses and Other Expense, Net

The following tables set forth certain summary information related to our condensed consolidated statements of income and comprehensive income for the quarters and nine-month periods ended June 30, 2026 and 2025:

	Quarter Ended June 30,		Percentage of Revenues		Period-to-Period Change (In thousands, except employees)	Period-to- Period Percentage Change
	2026	2025	2026	2025		
	(In thousands, except employees)					
Revenues	\$ 674,188	\$ 536,415	100 %	100 %	\$ 137,773	26 %
Operating expenses:						
Cost of revenues	87,017	87,571	13 %	16 %	(554)	(1)%
Research and development	53,708	47,212	8 %	9 %	6,496	14 %
Selling, general and administrative	170,835	139,114	25 %	26 %	31,721	23 %
Total operating expenses	311,560	273,897	46 %	51 %	37,663	14 %
Operating income	362,628	262,518	54 %	49 %	100,110	38 %
Interest expense, net	(59,877)	(32,899)	(9)%	(6)%	(26,978)	82 %
Other income, net	11,908	7,372	2 %	1 %	4,536	62 %
Income before income taxes	314,659	236,991	47 %	44 %	77,668	33 %
Provision for income taxes	77,487	55,202	12 %	10 %	22,285	40 %
Net income	\$ 237,172	\$ 181,789	35 %	34 %	55,383	30 %
Number of employees at quarter end	3,876	3,855			21	1 %

	Nine Months Ended June 30,		Percentage of Revenues		Period-to-Period Change (In thousands)	Period-to- Period Percentage Change
	2026	2025	2026	2025		
	(In thousands)					
Revenues	\$ 1,877,824	\$ 1,475,118	100 %	100 %	\$ 402,706	27 %
Operating expenses:						
Cost of revenues	265,477	262,546	14 %	18 %	2,931	1 %
Research and development	157,536	137,394	9 %	9 %	20,142	15 %
Selling, general and administrative	455,669	387,484	24 %	26 %	68,185	18 %
Total operating expenses	878,682	787,424	47 %	53 %	91,258	12 %
Operating income	999,142	687,694	53 %	47 %	311,448	45 %
Interest expense, net	(146,462)	(93,765)	(8)%	(6)%	(52,697)	56 %
Other income, net	9,939	6,207	1 %	— %	3,732	60 %
Income before income taxes	862,619	600,136	46 %	41 %	262,483	44 %
Provision for income taxes	202,616	103,204	11 %	7 %	99,412	96 %
Net income	\$ 660,003	\$ 496,932	35 %	34 %	163,071	33 %

Cost of Revenues

Cost of revenues consists primarily of employee salaries, incentives, and benefits for personnel directly involved in delivering software products, operating SaaS infrastructure, and providing support, implementation and consulting services; overhead, facilities and data center costs; software royalty fees; consumer reporting agency data and processing services; third-party hosting fees related to our SaaS services; travel costs; and outside services.

Cost of revenues remained consistent quarter-over-prior year quarter. Cost of revenues as a percentage of revenues decreased to 13% during the quarter ended June 30, 2026 from 16% during the quarter ended June 30, 2025, primarily due to increased sales of our higher-margin Scores products.

The year-to-date period-over-period increase in cost of revenues of \$2.9 million was primarily attributable to a \$6.9 million increase in infrastructure and facilities costs, partially offset by a \$2.9 million decrease in personnel and labor costs and a \$1.1 million decrease in direct materials and other costs. The increase in infrastructure and facilities costs was primarily attributable to an increase in third-party data center hosting costs. The decrease in personnel and labor costs was primarily attributable to decreased headcount. The decrease in direct materials and other costs was primarily attributable to decreased telecommunications costs that support FICO® Customer Communications Services revenue. Cost of revenues as a percentage of revenues decreased to 14% during the nine months ended June 30, 2026 from 18% during the nine months ended June 30, 2025, primarily due to increased sales of our higher-margin Scores products.

Research and Development

Research and development expenses include personnel and related overhead costs incurred in the development of new products and services, including research of mathematical and statistical models and development of new versions of Software products.

The quarter-over-prior year quarter increase in research and development expenses of \$6.5 million was primarily attributable to a \$5.4 million increase in infrastructure and facilities costs and a \$2.2 million increase in personnel and labor costs, partially offset by a \$1.1 million decrease in outside services and other costs. The increase in infrastructure and facilities costs was primarily attributable to increased third-party data center hosting costs. The increase in personnel and labor costs was primarily attributable to increased incentive costs, increased fringe benefit costs related to our deferred compensation plan, and increased share-based compensation costs. The decrease in outside services and other costs was primarily attributable to decreased third-party contractor costs. Research and development expenses as a percentage of revenues decreased to 8% during the quarter ended June 30, 2026 from 9% during the quarter ended June 30, 2025.

The year-to-date period-over-period increase in research and development expenses of \$20.1 million was primarily attributable to a \$15.5 million increase in infrastructure and facilities costs and a \$9.4 million increase in personnel and labor costs, partially offset by a \$4.8 million decrease in outside services and other costs. The increase in infrastructure and facilities costs was primarily attributable to increased third-party data center hosting costs. The increase in personnel and labor costs was primarily attributable to increased incentive costs, increased headcount, and increased share-based compensation costs. The decrease in outside services and other costs was primarily attributable to decreased third-party contractor costs. Research and development expenses as a percentage of revenues remained consistent at 9% during each of the nine months ended June 30, 2026 and 2025.

Selling, General and Administrative

Selling, general and administrative expenses consist principally of employee salaries, incentives, commissions and benefits; travel costs; overhead costs; advertising and other promotional expenses; corporate facilities expenses; legal expenses; and business development expenses.

The quarter-over-prior year quarter increase in selling, general and administrative expenses of \$31.7 million was primarily attributable to a \$25.6 million increase in personnel and labor costs and a \$6.1 million increase in marketing and other costs. The increase in personnel and labor costs was primarily attributable to increased share-based compensation costs, increased headcount, increased fringe benefit costs related to our deferred compensation plan, increased incentive costs, and increased commission costs. The increase in marketing and other costs was primarily attributable to increased advertising and other promotional costs. Selling, general and administrative expenses as a percentage of revenues decreased to 25% during the quarter ended June 30, 2026 from 26% during the quarter ended June 30, 2025.

The year-to-date period-over-period increase in selling, general and administrative expenses of \$68.2 million was primarily attributable to a \$50.4 million increase in personnel and labor costs, a \$13.9 million increase in marketing and other costs, and a \$3.9 million increase in outside services costs. The increase in personnel and labor costs was primarily attributable to increased headcount, increased share-based compensation costs, increased commission costs, increased incentive costs, and increased fringe benefit costs related to our deferred compensation plan. The increase in marketing and other costs was primarily attributable to increased advertising and other promotional costs. The increase in outside services costs was primarily attributable to increased third-party consulting costs. Selling, general and administrative expenses as a percentage of revenues decreased to 24% during the nine months ended June 30, 2026 from 26% during the nine months ended June 30, 2025.

Interest Expense, Net

Interest expense includes interest on the senior notes issued in March 2026, May 2025, December 2021, December 2019 and May 2018, as well as interest and credit agreement fees on the revolving line of credit and term loans. On our condensed consolidated statements of income and comprehensive income, interest expense is netted with interest income, which is derived primarily from the investment of funds in excess of our immediate operating requirements.

The quarter-over-prior year quarter increase in interest expense, net of \$27.0 million was primarily attributable to a higher average outstanding debt balance during the quarter ended June 30, 2026. The higher average debt balance was primarily attributable to the \$1.5 billion of 2025 Senior Notes (as defined below), the \$1.0 billion of 2026 Senior Notes (as defined below), the \$1.5 billion term loan issued during June 2026, and a higher average outstanding balance on borrowings under our revolving line of credit.

The year-to-date period-over-period increase in interest expense, net of \$52.7 million was primarily attributable to a higher average outstanding debt balance during the nine months ended June 30, 2026. The higher average debt balance was primarily attributable to the \$1.5 billion of 2025 Senior Notes (as defined below) and the \$1.0 billion of 2026 Senior Notes (as defined below).

Other Income, Net

Other income, net consists primarily of unrealized investment gains/losses and realized gains/losses on marketable securities classified as trading securities, exchange rate gains/losses resulting from remeasurement of foreign-currency-denominated receivables and cash balances held by our various reporting entities into their respective functional currencies at period-end market rates, net of the impact of offsetting foreign currency forward contracts, and other non-operating items.

The quarter-over-prior year quarter increase in other income, net of \$4.5 million was primarily attributable to an increase in net unrealized and realized gains on investments classified as trading securities in our deferred compensation plan.

The year-to-date period-over-period increase in other income, net of \$3.7 million was primarily attributable to an increase in dividend income and realized gains on investments classified as trading securities in our deferred compensation plan.

Provision for Income Taxes

The effective income tax rate was 24.6% and 23.3% during the quarters ended June 30, 2026 and 2025, respectively, and 23.5% and 17.2% during the nine months ended June 30, 2026 and 2025, respectively. The provision for income taxes during interim quarterly reporting periods is based on our estimates of the effective tax rates for the full fiscal year. The effective tax rate in any quarter can also be affected positively or negatively by adjustments that are required to be reported in the specific quarter of resolution.

The effective tax rates for the quarters and nine months ended June 30, 2026 and 2025 were favorably impacted by the recording of excess tax benefits relating to stock awards. The impact is dependent upon grants of share-based compensation and the future stock price in relation to the fair value of awards on the grant date. The decrease in stock price for awards that vested in December 2025 resulted in a decreased net excess tax benefit for the nine months ended June 30, 2026.

Operating Income

The following tables set forth certain summary information on a segment basis related to our operating income for the quarters ended June 30, 2026 and 2025:

Segment	Quarter Ended June 30,		Period-to-Period Change	Period-to-Period Percentage Change
	2026	2025		
	(In thousands)		(In thousands)	
Scores	\$ 416,886	\$ 284,711	\$ 132,175	46 %
Software	55,040	67,942	(12,902)	(19)%
Total segment operating income	471,926	352,653	119,273	34 %
Unallocated corporate expenses	(56,967)	(48,205)	(8,762)	18 %
Unallocated share-based compensation	(52,331)	(41,930)	(10,401)	25 %
Operating income	\$ 362,628	\$ 262,518	100,110	38 %

	Scores				Software			
	Quarter Ended June 30,		Percentage of Revenues		Quarter Ended June 30,		Percentage of Revenues	
	2026	2025	2026	2025	2026	2025	2026	2025
	(In thousands)				(In thousands)			
Segment revenues	\$ 458,897	\$ 324,309	100 %	100 %	\$ 215,291	\$ 212,106	100 %	100 %
Segment operating expense	(42,011)	(39,598)	(9)%	(12)%	(160,251)	(144,164)	(74)%	(68)%
Segment operating income	\$ 416,886	\$ 284,711	91 %	88 %	\$ 55,040	\$ 67,942	26 %	32 %

The quarter-over-prior year quarter increase in operating income of \$100.1 million was attributable to a \$137.8 million increase in segment revenues, partially offset by an \$18.5 million increase in segment operating expenses, a \$10.4 million increase in share-based compensation expense, and an \$8.8 million increase in corporate expenses.

At the segment level, the quarter-over-prior year quarter increase in segment operating income of \$119.3 million was the result of a \$132.2 million increase in our Scores segment operating income, partially offset by a \$12.9 million decrease in our Software segment operating income.

The quarter-over-prior year quarter increase in Scores segment operating income of \$132.2 million was due to a \$134.6 million increase in segment revenue, partially offset by a \$2.4 million increase in segment operating expenses. Scores segment operating income as a percentage of segment revenue increased to 91% from 88%, primarily due to higher business-to-business scores revenue driven by a higher mortgage origination scores unit price.

The quarter-over-prior year quarter decrease in Software segment operating income of \$12.9 million was due to a \$16.1 million increase in segment operating expenses, partially offset by a \$3.2 million increase in segment revenue. Software segment operating income as a percentage of segment revenue decreased to 26% from 32%, primarily attributable to a decrease in sales of higher-margin software recognized at a point in time and an increase in third-party data center hosting costs.

The following tables set forth certain summary information on a segment basis related to our operating income for the nine-month periods ended June 30, 2026 and 2025:

Segment	Nine Months Ended June 30,		Period-to-Period Change	Period-to-Period Percentage Change
	2026	2025		
	(In thousands)			
Scores	\$ 1,117,215	\$ 753,452	\$ 363,763	48 %
Software	176,248	192,008	(15,760)	(8)%
Total segment operating income	1,293,463	945,460	348,003	37 %
Unallocated corporate expenses	(152,411)	(133,478)	(18,933)	14 %
Unallocated share-based compensation	(141,910)	(124,288)	(17,622)	14 %
Operating income	\$ 999,142	\$ 687,694	311,448	45 %

	Scores				Software			
	Nine Months Ended June 30,		Percentage of Revenues		Nine Months Ended June 30,		Percentage of Revenues	
	2026	2025	2026	2025	2026	2025	2026	2025
	(In thousands)				(In thousands)			
Segment revenues	\$ 1,238,404	\$ 857,023	100 %	100 %	\$ 639,420	\$ 618,095	100 %	100 %
Segment operating expense	(121,189)	(103,571)	(10)%	(12)%	(463,172)	(426,087)	(72)%	(69)%
Segment operating income	\$ 1,117,215	\$ 753,452	90 %	88 %	\$ 176,248	\$ 192,008	28 %	31 %

The year-to-date period-over-period increase of \$311.4 million in operating income was attributable to a \$402.7 million increase in segment revenues, partially offset by a \$54.7 million increase in segment operating expenses, an \$18.9 million increase in corporate expenses, and a \$17.7 million increase in share-based compensation expense.

At the segment level, the year-to-date period-over-period increase of \$348.0 million in segment operating income was the result of a \$363.8 million increase in our Scores segment operating income, partially offset by a \$15.8 million decrease in our Software segment operating income.

The year-to-date period-over-period \$363.8 million increase in Scores segment operating income was attributable to a \$381.4 million increase in segment revenue, partially offset by a \$17.6 million increase in segment operating expenses. Scores segment operating income as a percentage of segment revenue increased to 90% from 88%, primarily due to higher business-to-business scores revenue driven by both a higher unit price and an increase in volume of mortgage origination scores.

The year-to-date period-over-period \$15.8 million decrease in Software segment operating income was due to a \$37.1 million increase in segment operating expenses, partially offset by a \$21.3 million increase in segment revenue. Software segment operating income as a percentage of segment revenue decreased to 28% from 31%, primarily attributable to an increase in third-party data center hosting costs and a decrease in sales of higher-margin software recognized at a point in time.

CAPITAL RESOURCES AND LIQUIDITY

Outlook

As of June 30, 2026, we had \$248.4 million in cash and cash equivalents, which included \$139.8 million held by our foreign subsidiaries. We believe our cash and cash equivalents balances, including those held by our foreign subsidiaries, as well as available borrowings from our \$1.0 billion revolving line of credit and anticipated cash flows from operating activities, will be sufficient to fund our working and other capital requirements for at least the next 12 months and thereafter for the foreseeable future, including the \$300.0 million principal payments due on our term loan over the next 12 months. Under our current financing arrangements, we have no other significant debt obligations maturing over the next 12 months. For jurisdictions outside the U.S. where cash may be repatriated in the future, the Company expects the net impact of any repatriations to be immaterial to the Company's overall tax liability.

In the normal course of business, we evaluate the merits of acquiring technology or businesses, or establishing strategic relationships with or investing in these businesses. We may elect to use available cash and cash equivalents to fund such activities in the future. In the event additional needs for cash arise, or if we refinance our existing debt, we may raise additional funds from a combination of sources, including the potential issuance of debt or equity securities. Additional financing might not be available on terms favorable to us, or at all. If adequate funds were not available or were not available on acceptable terms, our ability to take advantage of unanticipated opportunities or respond to competitive pressures could be limited.

Summary of Cash Flows

	Nine Months Ended June 30,		Period-to-Period Change
	2026	2025	
	(In thousands)		
Cash provided by (used in):			
Operating activities	\$ 777,880	\$ 555,138	\$ 222,742
Investing activities	(39,276)	(30,390)	(8,886)
Financing activities	(622,345)	(486,792)	(135,553)
Effect of exchange rate changes on cash	(1,951)	426	(2,377)
Increase in cash and cash equivalents	\$ 114,308	\$ 38,382	75,926

Cash Flows from Operating Activities

Our primary method for funding operations and growth has been through cash flows generated from operating activities. Net cash provided by operating activities increased to \$777.9 million during the nine months ended June 30, 2026 from \$555.1 million during the nine months ended June 30, 2025. The \$222.7 million increase was attributable to a \$163.1 million increase in net income and a \$60.9 million increase in non-cash items, partially offset by a \$1.3 million decrease due to the timing of receipts and payments in our ordinary course of business.

Cash Flows from Investing Activities

Net cash used in investing activities increased to \$39.3 million for the nine months ended June 30, 2026 from \$30.4 million for the nine months ended June 30, 2025. The \$8.9 million increase was attributable to a \$4.7 million increase in capitalized internal-use software costs and a \$12.8 million increase in purchases of other investments, partially offset by a \$5.2 million increase in proceeds from sales, net of purchases, of marketable securities and a \$3.4 million decrease in purchases of property and equipment.

Cash Flows from Financing Activities

Net cash used in financing activities increased to \$622.3 million for the nine months ended June 30, 2026 from \$486.8 million for the nine months ended June 30, 2025. The \$135.6 million increase was primarily attributable to a \$2.2 billion increase in repurchases of common stock (including the \$1.5 billion paid under the ASR Agreement in the nine months ended June 30, 2026), a \$500.0 million decrease in proceeds from issuance of senior notes, and the \$400.0 million repayment of 2018 Senior Notes (as defined below), partially offset by a \$2.9 billion increase in proceeds, net of payments, from the revolving line of credit and term loans, and a \$91.9 million decrease in taxes paid related to net share settlement of equity awards.

Repurchases of Common Stock

In June 2025, our Board of Directors approved a stock repurchase program (the “June 2025 program”), replacing our previously authorized July 2024 stock repurchase program, which was terminated prior to its expiration. The June 2025 program was open-ended and authorized repurchases of shares of our common stock from time to time up to an aggregate cost of \$1.0 billion in the open market or in negotiated transactions. In February 2026, our Board of Directors approved a stock repurchase program (the “February 2026 program”), replacing the June 2025 program, which was terminated prior to its expiration. The February 2026 program was open-ended and authorized repurchases of shares of our common stock from time to time up to an aggregate cost of \$1.5 billion in the open market or in negotiated transactions. In June 2026, our Board of Directors approved a stock repurchase program (the “June 2026 program”), replacing the February 2026 program, which was terminated prior to its expiration. The June 2026 program is open-ended and authorizes repurchases of shares of our common stock from time to time up to an aggregate cost of \$2.0 billion in the open market, in negotiated transactions or through accelerated share repurchase programs. The June 2026 program remains in effect until the total authorized amount is expended or until further action by our Board of Directors.

As of June 30, 2026, we had \$800.0 million remaining under the June 2026 program, which includes the \$300.0 million prepayment under the ASR Agreement as to which shares have not yet been repurchased and will be delivered to us upon settlement of the ASR Agreement. During the quarter and nine months ended June 30, 2026, we expended \$2.3 billion and \$3.1 billion, respectively, under the June 2025 program, the February 2026 program, and the June 2026 program, as applicable, including \$1.5 billion under the ASR Agreement entered into as part of the June 2026 program. Under the ASR Agreement, we received an initial delivery of 1,055,103 shares of common stock, representing approximately 80 percent of the total shares expected to be repurchased under the ASR Agreement. The final number of shares repurchased and the average price paid per share will be determined upon the settlement of the ASR Agreement, which is expected to occur during the fourth quarter of fiscal 2026.

During the quarter and nine months ended June 30, 2025, we expended \$511.3 million and \$878.1 million, respectively, under the June 2025 program and other previously authorized stock repurchase programs.

Revolving Line of Credit and Term Loan

We have a credit agreement with a syndicate of banks that provides for a \$1.0 billion unsecured revolving line of credit that matures on May 13, 2030. On June 5, 2026, we amended our credit agreement to provide for the issuance of a \$1.5 billion unsecured term loan that was borrowed in full on June 5, 2026 and matures on May 15, 2028. The credit agreement also provides for an option for us to request additional incremental term loans and/or incremental increases to the revolving line of credit from time to time, in each case subject to the terms and conditions of the credit agreement. Borrowings under the credit agreement can be used for working capital and general corporate purposes and may also be used for the refinancing of existing debt, acquisitions, and the repurchase of our common stock. Principal on the term loan is to be repaid in consecutive quarterly installments on the last business day of March, June, September, and December equal to (i) \$75.0 million from September 30, 2026 through and including June 30, 2027 and (ii) \$112.5 million thereafter. Interest rates on amounts borrowed under the revolving line of credit and term loan are based on (i) an adjusted base rate, which is the greatest of (a) the prime rate, (b) the Federal Funds rate plus 0.5%, and (c) the Daily Simple Secured Overnight Financing Rate (“SOFR”) plus 1%, plus, in each case, an applicable margin, (ii) the Daily Simple SOFR plus an applicable margin (or, if such rate is no longer available, a successor benchmark rate determined in accordance with the terms of the credit agreement), or (iii) term SOFR (without a credit spread adjustment) plus an applicable margin (or, if such rate is no longer available, a successor benchmark rate determined in accordance with the terms of the credit agreement). The applicable margin for base rate borrowings and for SOFR borrowings for the loans under the credit agreement is determined based on our consolidated leverage ratio. The applicable margin for loans under the revolving line of credit for base rate borrowings ranges from 0% to 1% per annum and for SOFR borrowings ranges from 1% to 2% per annum. The applicable margin for the term loan for base rate borrowings ranges from 0.5% to 1.25% per annum and for SOFR borrowings ranges from 1.5% to 2.25% per annum. In addition, we must pay certain credit agreement fees. The credit agreement contains certain restrictive covenants including a maximum consolidated leverage ratio of 4.5 to 1.0 through December 30, 2026, 4.0 to 1.0 during December 31, 2026 through December 30, 2027, and 3.5 to 1.0 during December 31, 2027 and thereafter, subject to a step up to 4.0 to 1.0 following certain permitted acquisitions and subject to certain conditions, and contains other covenants typical of an unsecured credit facility.

As of June 30, 2026, we had \$710.0 million in borrowings outstanding under the revolving line of credit at a weighted-average interest rate of 5.643% and \$1.5 billion in outstanding balance of the term loan at an interest rate of 5.863%, and we were in compliance with all financial covenants under the credit agreement.

Senior Notes

On May 8, 2018, we issued \$400.0 million of senior notes in a private offering to qualified institutional investors (the “2018 Senior Notes”). The 2018 Senior Notes required interest payments semi-annually at a rate of 5.25% per annum and were to mature on May 15, 2026. On March 26, 2026, prior to the maturity date, we repaid in full the 2018 Senior Notes, utilizing proceeds from the issuance of the 2026 Senior Notes (as defined below). On December 6, 2019, we issued \$350.0 million of senior notes in a private offering to qualified institutional investors (the “2019 Senior Notes”). The 2019 Senior Notes require interest payments semi-annually at a rate of 4.00% per annum and will mature on June 15, 2028. On December 17, 2021, we issued \$550.0 million of additional senior notes of the same class as the 2019 Senior Notes in a private offering to qualified institutional investors (the “2021 Senior Notes”). The 2021 Senior Notes require interest payments semi-annually at a rate of 4.00% per annum and will mature on June 15, 2028, the same date as the 2019 Senior Notes. On May 13, 2025, we issued \$1.5 billion of senior notes in a private offering to qualified institutional investors (the “2025 Senior Notes”). The 2025 Senior Notes require interest payments semi-annually at a rate of 6.00% per annum and will mature on May 15, 2033. On March 20, 2026, we issued \$1.0 billion of senior notes in a private offering to qualified institutional investors (the “2026 Senior Notes,” and collectively with the 2018 Senior Notes, the 2019 Senior Notes, the 2021 Senior Notes, and the 2025 Senior Notes, the “Senior Notes”). The 2026 Senior Notes require interest payments semi-annually at a rate of 6.25% per annum and will mature on September 15, 2034. The indentures for the Senior Notes contain certain covenants typical of unsecured obligations. As of June 30, 2026, the carrying value of the Senior Notes was \$3.4 billion and we were in compliance with all financial covenants under these obligations.

CRITICAL ACCOUNTING ESTIMATES

We prepare our condensed consolidated financial statements in conformity with U.S. GAAP. These accounting principles require management to make certain judgments and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the condensed consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. We periodically evaluate our estimates including those relating to revenue recognition, goodwill resulting from business combinations and other long-lived assets — impairment assessment, share-based compensation, income taxes, and contingencies and litigation. We base our estimates on historical experience and various other assumptions that we believe to be reasonable based on the specific circumstances, the results of which form the basis for making judgments about the carrying value of certain assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates and such differences could be material to our financial condition and results of operations. Critical accounting estimates are those that involve a significant level of estimation uncertainty and have had or are reasonably likely to have a material impact on our financial condition and results of operations.

You should carefully consider the critical accounting estimates disclosed in Part II, Item 7 “Management’s Discussion and Analysis of Financial Condition and Results of Operations” of our Annual Report on Form 10-K for the fiscal year ended September 30, 2025 (“Annual Report on Form 10-K”). There have been no significant changes from the critical accounting estimates disclosed in our Annual Report on Form 10-K.

New Accounting Pronouncements

For information about recent accounting pronouncements not yet adopted and the impact on our consolidated financial statements, refer to Part I, Item 1, “Unaudited Financial Statements,” Note 1, “Nature of Business” in our accompanying Notes to Condensed Consolidated Financial Statements.

Item 3. *Quantitative and Qualitative Disclosures about Market Risk*

Market Risk Disclosures

We are exposed to market risk related to changes in interest rates and foreign exchange rates. We do not use derivative financial instruments for speculative or trading purposes.

Interest Rate

We maintain an investment portfolio consisting of bank deposits and money market funds. The funds provide daily liquidity and may be subject to interest rate risk and fall in value if market interest rates increase. We do not expect our operating expenses to be affected to any significant degree by a sudden change in market interest rates. The following table presents the principal amounts and related weighted-average yields for our investments with interest rate risk at June 30, 2026 and September 30, 2025:

	June 30, 2026			September 30, 2025		
	Cost Basis	Carrying Amount	Average Yield	Cost Basis	Carrying Amount	Average Yield
(Dollars in thousands)						
Cash and cash equivalents	\$ 248,444	\$ 248,444	2.97 %	\$ 134,136	\$ 134,136	1.77 %

The fair value of the Senior Notes may increase or decrease due to various factors, including fluctuations in market interest rates and fluctuations in general economic conditions. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Capital Resources and Liquidity” for additional information on the Senior Notes. The following table presents the face values and fair values for the Senior Notes at June 30, 2026 and September 30, 2025:

	June 30, 2026		September 30, 2025	
	Face Value	Fair Value	Face Value	Fair Value
(In thousands)				
The 2018 Senior Notes	\$ —	\$ —	\$ 400,000	\$ 399,500
The 2019 Senior Notes and the 2021 Senior Notes	900,000	874,125	900,000	875,250
The 2025 Senior Notes	1,500,000	1,475,625	1,500,000	1,518,750
The 2026 Senior Notes	1,000,000	983,750	—	—
Total	<u>\$ 3,400,000</u>	<u>\$ 3,333,500</u>	<u>\$ 2,800,000</u>	<u>\$ 2,793,500</u>

We have interest rate risk with respect to our unsecured revolving line of credit and term loan. Interest rates on amounts borrowed under the revolving line of credit and term loan are based on (i) an adjusted base rate, which is the greatest of (a) the prime rate, (b) the Federal Funds rate plus 0.5%, and (c) the Daily Simple Secured Overnight Financing Rate (“SOFR”) plus 1%, plus, in each case, an applicable margin, (ii) the Daily Simple SOFR plus an applicable margin (or, if such rate is no longer available, a successor benchmark rate determined in accordance with the terms of the credit agreement), or (iii) term SOFR (without a credit spread adjustment) plus an applicable margin (or, if such rate is no longer available, a successor benchmark rate determined in accordance with the terms of the credit agreement). The applicable margin for base rate borrowings and for SOFR borrowings for the loans under the credit agreement is determined based on our consolidated leverage ratio. The applicable margin for loans under the revolving line of credit for base rate borrowings ranges from 0% to 1% per annum and for SOFR borrowings ranges from 1% to 2% per annum. The applicable margin for the term loan for base rate borrowings ranges from 0.5% to 1.25% per annum and for SOFR borrowings ranges from 1.5% to 2.25% per annum. A change in interest rates on this variable rate debt impacts the interest incurred and cash flows, but does not impact the fair value of the instrument. As of June 30, 2026, we had \$710.0 million in borrowings outstanding under the revolving line of credit at a weighted-average interest rate of 5.643% and \$1.5 billion in outstanding balance of the term loan at an interest rate of 5.863%.

Foreign Currency Forward Contracts

We maintain a program to manage our foreign exchange rate risk on existing foreign-currency-denominated receivables and cash balances by entering into forward contracts to sell or buy foreign currencies. At period end, foreign-currency-denominated receivables and cash balances held by our various reporting entities are remeasured into their respective functional currencies at current market rates. The change in value from this remeasurement is then reported as a foreign exchange gain or loss for that period in our accompanying condensed consolidated statements of income and comprehensive income and the resulting gain or loss on the forward contract mitigates the foreign exchange rate risk of the associated assets. All of our foreign currency forward contracts have maturity periods of less than three months. Such derivative financial instruments are subject to market risk.

The following tables summarize our outstanding foreign currency forward contracts, by currency, at June 30, 2026 and September 30, 2025:

June 30, 2026					
Contract Amount				Fair Value	
Foreign Currency		USD		USD	
(In thousands)					
Sell foreign currency:					
Euro (EUR)	EUR	4,300	\$	4,907	\$ —
Buy foreign currency:					
British pound (GBP)	GBP	5,902	\$	7,800	\$ —
Singapore dollar (SGD)	SGD	6,853	\$	5,300	\$ —

September 30, 2025					
Contract Amount				Fair Value	
Foreign Currency		USD		USD	
(In thousands)					
Sell foreign currency:					
Euro (EUR)	EUR	7,700	\$	9,034	\$ —
Buy foreign currency:					
British pound (GBP)	GBP	10,019	\$	13,500	\$ —
Singapore dollar (SGD)	SGD	8,087	\$	6,300	\$ —

The foreign currency forward contracts were entered into on June 30, 2026 and September 30, 2025; therefore, their fair value was \$0 on each of these dates.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

An evaluation was carried out under the supervision and with the participation of FICO’s management, including the Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”), of the effectiveness of the design and operation of FICO’s disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) as of the end of the period covered by this quarterly report. Based on that evaluation, the CEO and CFO have concluded that FICO’s disclosure controls and procedures were effective as of June 30, 2026 to ensure that information required to be disclosed by FICO in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms. In addition, the disclosure controls and procedures are designed to ensure that information required to be disclosed is accumulated and communicated to management, including the CEO and CFO, allowing timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

No change in FICO’s internal control over financial reporting was identified in connection with the evaluation required by Rules 13a-15 or 15d-15 of the Exchange Act that occurred during the period covered by this quarterly report and that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

FICO is a defendant in consolidated putative class action lawsuits brought in the Northern District of Illinois against FICO and the credit bureaus, Equifax, Experian and TransUnion, alleging antitrust claims in connection with the distribution of FICO Scores. On November 24, 2024, the court ruled on FICO’s and the credit bureaus’ motions to dismiss the plaintiffs’ amended complaints. The court dismissed with prejudice all claims in the lawsuit other than a Sherman Act Section 2 claim and accompanying state law claims against FICO, which were allowed to proceed through the discovery stage of the litigation. FICO intends to vigorously defend against the remaining claims in this proceeding.

Item 1A. Risk Factors

In addition to the other information set forth in this Quarterly Report, you should carefully consider the factors discussed in Part I, Item 1A “Risk Factors” in our Annual Report on Form 10-K for our fiscal year ended September 30, 2025 (our “Annual Report on Form 10-K”). The risks discussed in our Annual Report on Form 10-K could materially affect our business, financial condition and future results. The risks described in our Annual Report on Form 10-K are not the only risks facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be insignificant also may materially and adversely affect our business, financial condition or operating results in the future. There have been no material changes from the risk factors disclosed in our Annual Report on Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased ⁽¹⁾	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs ⁽²⁾	Maximum Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs ⁽²⁾
April 1, 2026 through April 30, 2026	166,545	\$ 1,039.19	163,541	\$ 894,102,225
May 1, 2026 through May 31, 2026	488,341	\$ 1,211.13	486,770	\$ 304,525,654
June 1, 2026 through June 30, 2026	1,055,475	\$ 1,137.33	1,055,103	\$ 800,000,000
	<u>1,710,361</u>	<u>\$ 1,148.84</u>	<u>1,705,414</u>	<u>\$ 800,000,000</u>

(1) Includes 4,947 shares delivered in satisfaction of the tax withholding obligations resulting from the vesting of restricted stock units held by employees during the quarter ended June 30, 2026.

(2) In February 2026, our Board of Directors approved a stock repurchase program (the “February 2026 program”), replacing our previously authorized June 2025 stock repurchase program, which was terminated prior to its expiration. The February 2026 program was open-ended and authorized repurchases of shares of our common stock from time to time up to an aggregate cost of \$1.5 billion in the open market or in negotiated transactions. In June 2026, our Board of Directors approved a stock repurchase program (the “June 2026 program”), replacing the February 2026 program, which was terminated prior to its expiration. The June 2026 program is open-ended and authorizes repurchases of shares of our common stock from time to time up to an aggregate cost of \$2.0 billion in the open market, in negotiated transactions or through accelerated share repurchase programs. The June 2026 program remains in effect until the total authorized amount is expended or until further action by our Board of Directors. As part of the June 2026 program, we entered into the ASR Agreement with Wells Fargo Securities, Inc. (“Wells Fargo Securities”) on June 5, 2026 to repurchase \$1.5 billion of our common stock. Pursuant to the ASR Agreement, we paid \$1.5 billion to Wells Fargo Securities and received an initial delivery of 1,055,103 shares of common stock, which approximated 80 percent of the total number of expected shares to be repurchased under the ASR Agreement. The final number of shares to be repurchased and the average price paid per share will be determined upon the settlement of the ASR Agreement, which is expected to occur during the fourth quarter of fiscal 2026.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. *Mine Safety Disclosures*

Not applicable.

Item 5. *Other Information*

Trading Arrangements

During the quarter ended June 30, 2026, none of our directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted, modified or terminated any contract, instruction or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) of the Exchange Act or any non-Rule 10b5-1 trading arrangement (as defined in Item 408(c) of Regulation S-K).

Item 6. Exhibits

<u>Exhibit Number</u>	<u>Description</u>
3.1	Restated Certificate of Incorporation of Fair Isaac Corporation, dated March 4, 2026. (Incorporated by reference to Exhibit 3.2 to the Company's Form 8-K filed on March 5, 2026.)
3.2	By-laws of Fair Isaac Corporation. (Incorporated by reference to Exhibit 3.1 to the Company's Form 10-Q for the quarter ended December 31, 2009.)
10.1	First Amendment to Third Amended and Restated Credit Agreement among the Company, the several banks and other financial institutions parties thereto, and Wells Fargo Bank, National Association, as administrative agent, dated as of June 5, 2026. (Incorporated by reference to Exhibit 10.1 to the Company's Form 8-K filed June 8, 2026.)
31.1 *	Rule 13a-14(a)/15d-14(a) Certifications of CEO.
31.2 *	Rule 13a-14(a)/15d-14(a) Certifications of CFO.
32.1 **	Section 1350 Certification of CEO.
32.2 **	Section 1350 Certification of CFO.
101.INS *	Inline XBRL Instance Document.
101.SCH *	Inline XBRL Taxonomy Extension Schema Document.
101.CAL *	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF *	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB *	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE *	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104 *	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).

* Filed herewith.

** Furnished herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

FAIR ISAAC CORPORATION

DATE: July 29, 2026

By /s/ STEVEN P. WEBER
Steven P. Weber
Executive Vice President and Chief Financial Officer
(for Registrant as duly authorized officer and
as Principal Financial Officer)

DATE: July 29, 2026

By /s/ MICHAEL S. LEONARD
Michael S. Leonard
Vice President and Chief Accounting Officer
(Principal Accounting Officer)

CERTIFICATIONS

I, William J. Lansing, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Fair Isaac Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 29, 2026

/s/ WILLIAM J. LANSING

William J. Lansing

Chief Executive Officer

CERTIFICATIONS

I, Steven P. Weber, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Fair Isaac Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 29, 2026

/s/ STEVEN P. WEBER

Steven P. Weber

Executive Vice President and Chief Financial Officer

**CERTIFICATION UNDER SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned certifies that this periodic report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in this periodic report fairly presents, in all material respects, the financial condition and results of operations of Fair Isaac Corporation.

Date: July 29, 2026

/s/ WILLIAM J. LANSING

William J. Lansing

Chief Executive Officer

**CERTIFICATION UNDER SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned certifies that this periodic report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in this periodic report fairly presents, in all material respects, the financial condition and results of operations of Fair Isaac Corporation.

Date: July 29, 2026

/s/ STEVEN P. WEBER

Steven P. Weber

Executive Vice President and Chief Financial Officer