

FAIR ISAAC CORPORATION
Supplemental Non-GAAP Financial Measures
(In thousands except per share data) (Unaudited)

The following is a reconciliation of the company's GAAP to Non-GAAP items.

	Fiscal Year	Quarter Ended	Quarter Ended	Quarter Ended	Quarter Ended	Fiscal Year	Quarter Ended	Quarter Ended	Quarter Ended	Quarter Ended
	2024	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	2023	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022
Operating Income										
Operating income, as reported	\$ 733,629	\$ 197,178	\$ 190,251	\$ 194,841	\$ 151,359	\$ 642,830	\$ 165,699	\$ 177,031	\$ 159,761	\$ 140,339
Amortization of intangible assets	917	92	275	275	275	1,100	275	275	275	275
Gain on product line asset sale	-	-	-	-	-	(1,941)	-	-	-	(1,941)
Share-based compensation expense	149,439	39,982	42,435	35,448	31,574	123,847	34,097	32,995	27,053	29,702
Non-GAAP operating income (segment operating income)	\$ 883,985	\$ 237,252	\$ 232,961	\$ 230,564	\$ 183,208	\$ 765,836	\$ 200,071	\$ 210,301	\$ 187,089	\$ 168,375
Revenues	\$ 1,717,526	\$ 453,809	\$ 447,849	\$ 433,809	\$ 382,059	\$ 1,513,557	\$ 389,733	\$ 398,688	\$ 380,266	\$ 344,870
Non-GAAP operating margin	51%	52%	52%	53%	48%	51%	51%	53%	49%	49%
Net Income										
Net income, as reported	\$ 512,811	\$ 135,691	\$ 126,256	\$ 129,799	\$ 121,065	\$ 429,375	\$ 101,424	\$ 128,758	\$ 101,550	\$ 97,643
Amortization of intangible assets	917	92	275	275	275	1,100	275	275	275	275
Gain on product line asset sale	-	-	-	-	-	(1,941)	-	-	-	(1,941)
Share-based compensation expense	149,439	39,982	42,435	35,448	31,574	123,847	34,097	32,995	27,053	29,702
Income tax adjustments	(38,083)	(10,134)	(10,939)	(9,096)	(7,915)	(30,806)	(8,760)	(8,314)	(6,818)	(6,914)
Excess tax benefit	(29,774)	(2,429)	(1,636)	(1,934)	(23,775)	(12,586)	(852)	(818)	(612)	(10,304)
Adjustment to tax reserves and valuation allowance	-	-	-	-	-	(8,940)	560	(9,500)	-	-
Non-GAAP net income	\$ 595,310	\$ 163,202	\$ 156,391	\$ 154,492	\$ 121,224	\$ 500,049	\$ 126,744	\$ 143,396	\$ 121,448	\$ 108,461
Revenues	\$ 1,717,526	\$ 453,809	\$ 447,849	\$ 433,809	\$ 382,059	\$ 1,513,557	\$ 389,733	\$ 398,688	\$ 380,266	\$ 344,870
Non-GAAP net margin	35%	36%	35%	36%	32%	33%	33%	36%	32%	31%
Diluted Earnings per Share										
Diluted earnings per share, as reported	\$ 20.45	\$ 5.44	\$ 5.05	\$ 5.16	\$ 4.80	\$ 16.93	\$ 4.01	\$ 5.08	\$ 4.00	\$ 3.84
Amortization of intangible assets	0.04	0.00	0.01	0.01	0.01	0.04	0.01	0.01	0.01	0.01
Gain on product line asset sale	-	-	-	-	-	(0.08)	-	-	-	(0.08)
Share-based compensation expense	5.96	1.60	1.70	1.41	1.25	4.88	1.35	1.30	1.06	1.17
Income tax adjustments	(1.52)	(0.41)	(0.44)	(0.36)	(0.31)	(1.21)	(0.35)	(0.33)	(0.27)	(0.27)
Excess tax benefit	(1.19)	(0.10)	(0.07)	(0.08)	(0.94)	(0.50)	(0.03)	(0.03)	(0.02)	(0.40)
Adjustment to tax reserves and valuation allowance	-	-	-	-	-	(0.35)	0.02	(0.37)	-	-
Non-GAAP diluted earnings per share	\$ 23.74	\$ 6.54	\$ 6.25	\$ 6.14	\$ 4.81	\$ 19.71	\$ 5.01	\$ 5.66	\$ 4.78	\$ 4.26
Reconciliation to Adjusted EBITDA										
Net income, as reported	\$ 512,811	\$ 135,691	\$ 126,256	\$ 129,799	\$ 121,065	\$ 429,375	\$ 101,424	\$ 128,758	\$ 101,550	\$ 97,643
Interest expense, net	105,638	28,515	26,868	26,093	24,162	95,546	24,304	24,545	23,897	22,800
Provision for income taxes	129,214	35,692	41,062	42,935	9,525	124,248	39,040	29,029	35,919	20,260
Other expense (income), net (1)	(3,310)	(594)	(2,781)	(112)	177	(1,416)	31	(3,068)	514	1,107
Amortization of intangible assets	917	92	275	275	275	1,100	275	275	275	275
Depreciation	9,397	2,784	2,701	2,221	1,691	10,105	1,863	2,214	2,881	3,147
Share-based compensation expense	149,439	39,982	42,435	35,448	31,574	123,847	34,097	32,995	27,053	29,702
Gain on product line asset sale	-	-	-	-	-	(1,941)	-	-	-	(1,941)
Adjusted EBITDA	\$ 904,106	\$ 242,162	\$ 236,816	\$ 236,659	\$ 188,469	\$ 780,864	\$ 201,034	\$ 214,748	\$ 192,089	\$ 172,993
Revenues	\$ 1,717,526	\$ 453,809	\$ 447,849	\$ 433,809	\$ 382,059	\$ 1,513,557	\$ 389,733	\$ 398,688	\$ 380,266	\$ 344,870
Adjusted EBITDA as a percent of revenues	53%	53%	53%	55%	49%	52%	52%	54%	51%	50%
Reconciliation To Free Cash Flow										
Net cash provided by operating activities	\$ 632,964	\$ 226,478	\$ 213,331	\$ 71,035	\$ 122,120	\$ 468,915	\$ 164,049	\$ 122,623	\$ 89,803	\$ 92,440
Reduced by cash flow items:										
Capital expenditures	25,551	7,123	7,645	9,422	1,361	4,237	1,068	793	1,526	850
Free cash flow	\$ 607,413	\$ 219,355	\$ 205,686	\$ 61,613	\$ 120,759	\$ 464,678	\$ 162,981	\$ 121,830	\$ 88,277	\$ 91,590
Revenues	\$ 1,717,526	\$ 453,809	\$ 447,849	\$ 433,809	\$ 382,059	\$ 1,513,557	\$ 389,733	\$ 398,688	\$ 380,266	\$ 344,870
Free cash flow as a percent of revenues	35%	48%	46%	14%	32%	31%	42%	31%	23%	27%

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

(1) Excludes gains and losses from securities held under a supplemental retirement and savings plan for certain officers and senior management employees, as the offsetting entries are included (as compensation expenses) in operating expenses, resulting in a net zero impact to the company's net income.