

FICO: The Decisions Company

November, 2017

Some of the statements made by us during this meeting, including statements concerning our expectations about future operations and financial results, are forward-looking statements within the meaning of the “Safe Harbor” provisions of the Private Securities Litigation Reform Act of 1995.

These forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially, including those risks and uncertainties described from time to time in our SEC reports, including its annual report on Form 10-K for the year ended September 30, 2016.

Product roadmaps and similar marketing materials should be considered forward-looking and subject to future change at FICO’s discretion. Future functionality, features or enhancements as shown are FICO’s current projections of the product direction, but are not specific commitments or obligations.

FICO Overview

Profile	Leading analytic software company, specializing in decision management Founded: 1956 NYSE: FICO Revenues: \$990M (2018 Guidance)
Products and Services	Credit scores and related analytic models for businesses and consumers Analytic applications for applying advanced analytics to specific business problems Decision Management Software for developing and deploying analytic applications
Clients and Markets	10,000+ clients in 100+ countries Industry focus: Banking, insurance, retail, health care
Recent Rankings	#1 in services operations analytics applications software (IDC)* #4 in advanced and predictive analytics software (IDC)** #25 in the FinTech 100 (IDC) #25 in the FinTech Forward 100 (American Banker)
Offices	20+ offices worldwide, HQ in San Jose, California 3,300+ employees

*IDC, *Worldwide Business Analytics Software Market Shares, 2014: Line of Business Drives Cloud and Visual Discovery Adoption*, August 2015

**IDC, *Worldwide Advanced and Predictive Analytics Software Market Shares, 2014: The Rise of the Long Tail*, July 2015

A blurred background image showing two men in business attire sitting at a table, looking at documents and talking. The image is dark and out of focus, serving as a backdrop for the text on the left side of the slide.

“FICO has incredibly deep knowledge about what it takes to make predictive models actionable.”

The Forrester Wave™: Big Data Predictive Analytics Solutions, Q2 2015,
Forrester Research, Inc.
April 1, 2015



Accelerate our analytic innovation, bringing more value to every client



Give the power of FICO analytics to companies in any industry



Use the cloud to help businesses of any size deploy analytics faster and at lower cost



Reveal the secrets in Big Data to transform our clients' customer engagement

Market Leading Products and Solutions

Credit Decisioning

FICO® Score

#1 credit risk score

10+ billion credit decisions a year

Customer Service

FICO® TRIAD®
Customer Manager

#1 credit account management system

65% of card accounts worldwide

Fraud & Security

FICO® Falcon® Fraud
Manager

#1 payment card fraud solution

2.6+ billion payment cards protected

Decision Management

FICO® Decision
Management Suite

**Comprehensive platform for developing
decision management applications**

Customer Engagement

FICO® Customer
Communication Services

**Leading Omni-Channel
Communications Solution**

200M Communications a year

Scores – extend our B2B leadership and brand value into consumer market.

- Expand Open Access, direct-to-consumer partners, lead generation and Affinity.
- Financial Inclusion Initiatives:
 - FICO XD adoption.
 - International scoring opportunities

Applications – expand existing offerings with SaaS-enabled versions.

- Expand sales coverage, services capability, client success, and skills.
- Expand recurring revenue and cloud growth.
- Invest in “Cloud-first” solutions.

DMS – provide a simple, cost-effective way to develop/deploy analytics.

- Expand pipeline, sales coverage, productivity, and skills to accelerate growth within financial services and new verticals.
- Continue to invest in the product, including the release of DMS 3.0.

Capital Allocation

- Invest in key areas to support growth.
- Grow earnings faster than revenue.
- Share repurchases with tuck-in M&A.

*Plan growth for mid-single digits;
Drive to accelerate to high-single-digits*

Example: FICO® Decision Management Suite

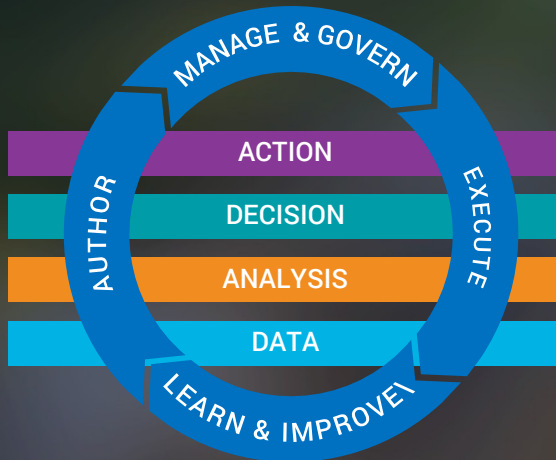
Ingest and explore data

Discover analytic insights

Execute analytics in operational decisions

Create and deliver engaging web & mobile applications

Track and improve models & strategies



- Full suite of Decision Management software authoring components
 - Analytics, Decisions, and Optimization
 - Application development and productivity tools
- Rich, configurable user interfaces for browser and mobile
- Management tools to create insight, increase control and drive learning
- Visualizes insights to decision performance with dashboards and reports
- Allows Seamless integration of new application functionality with FICO/Partner Solutions

FICO® Consumer Scores Mission

Provide high-quality trusted solutions to

- help **Consumers** better understand and manage their financial health and access to credit
- enable **Partners** to better acquire, retain and engage with prospective and current customers utilizing FICO® Scores, robust FICO Tools and FICO® Score Content

DIRECT TO CONSUMER

Maintain premium brand destination for consumer access to all FICO® Scores, tools & content

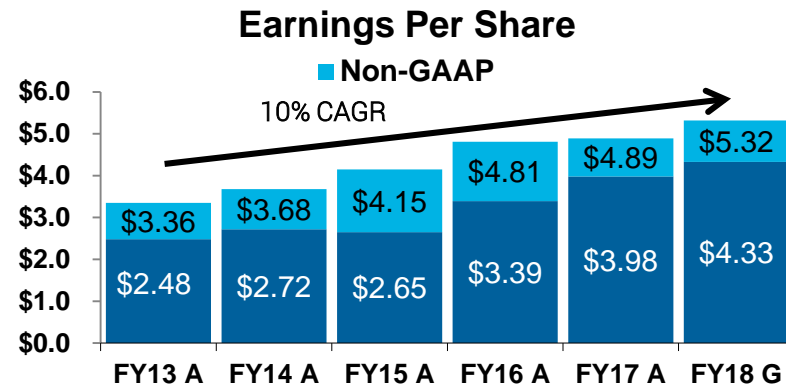
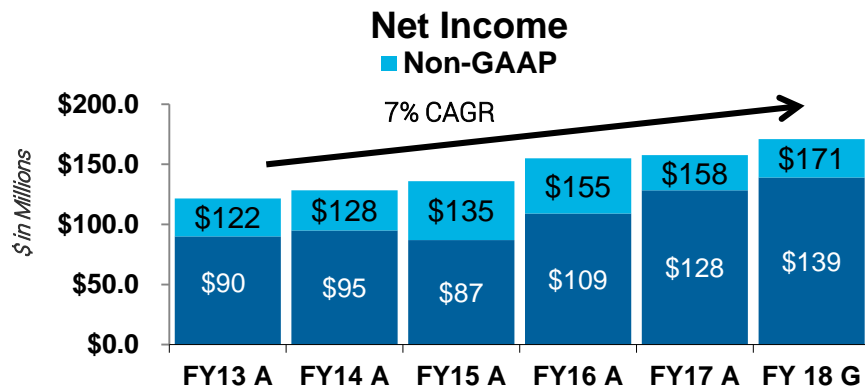
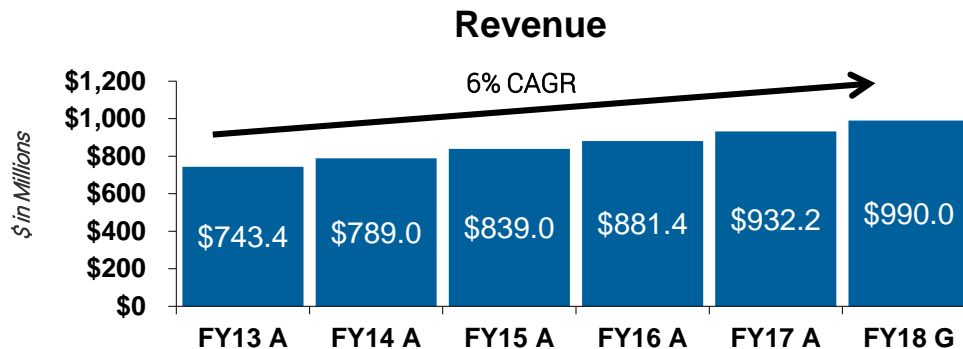
INDIRECT PARTNERS

Grow license programs to premier & value add brands for resale, affinity and educational programs

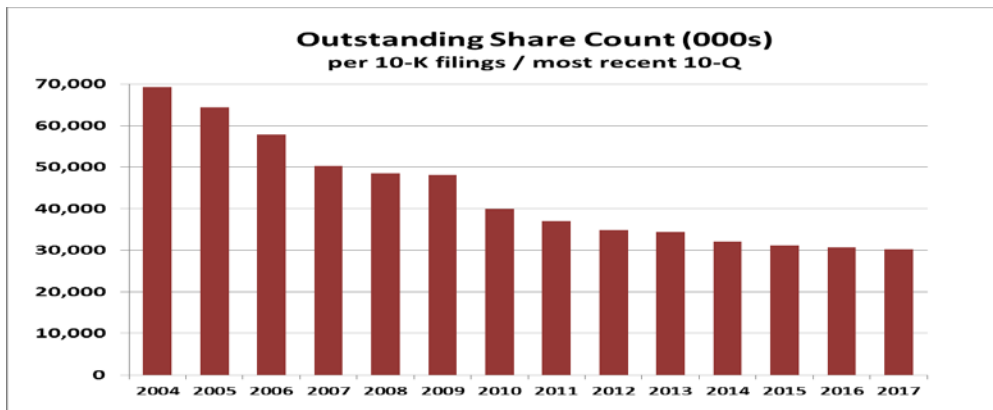
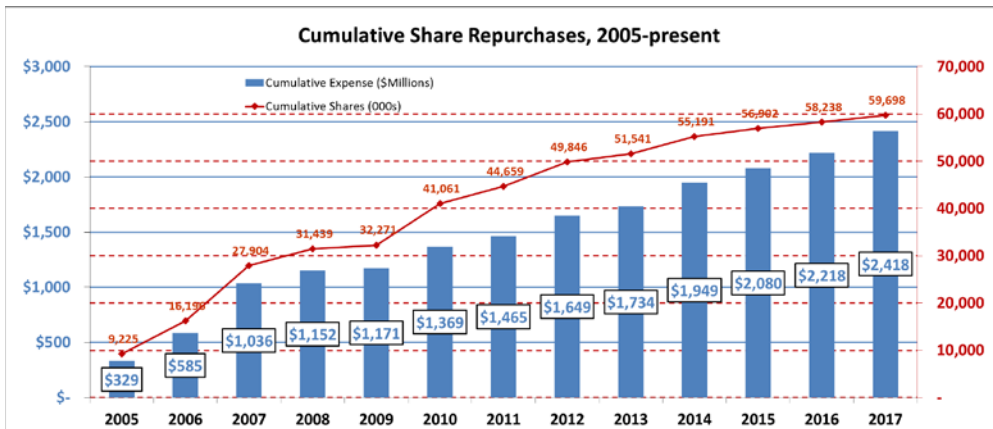
LENDER PARTNERS

Expand lender licensed programs for enhanced content, non-lending customers and pre-qual programs

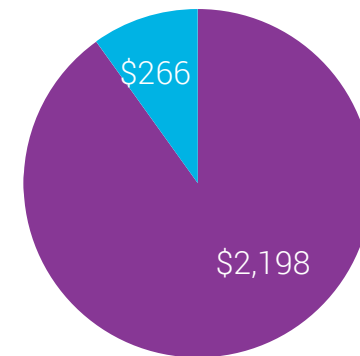
Key Operating Trends



Efficient Use of Cash



Historical use of cash since 2005



■ Share Repurchases ■ Acquisitions

Regulation G Disclosures (Unaudited) Current Non-GAAP Measures

	Fiscal Year 2017	Quarter Ended September 30, 2017	Quarter Ended June 30, 2017	Quarter Ended March 31, 2017	Quarter Ended December 31, 2016	Fiscal Year 2016	Quarter Ended September 30, 2016	Quarter Ended June 30, 2016	Quarter Ended March 31, 2016	Quarter Ended December 31, 2015
Operating Income										
Operating income, as reported	\$ 177,200	\$ 60,803	\$ 41,429	\$ 40,041	\$ 34,927	\$ 169,591	\$ 44,915	\$ 55,318	\$ 38,524	\$ 30,834
Amortization of intangible assets	12,709	2,712	3,365	3,312	3,320	13,982	3,409	3,486	3,507	3,580
Restructuring and acquisition-related	4,471	-	4,471	-	-	-	-	-	-	-
Stock-based compensation expense	61,222	17,676	14,315	14,712	14,519	55,508	13,804	13,404	13,600	14,700
Non-GAAP operating income (segment operating income)	\$ 255,602	\$ 81,191	\$ 63,580	\$ 58,065	\$ 52,766	\$ 239,081	\$ 62,128	\$ 72,208	\$ 55,631	\$ 49,114
Revenues	\$ 932,169	\$ 253,205	\$ 230,986	\$ 228,378	\$ 219,600	\$ 881,356	\$ 235,824	\$ 238,778	\$ 206,678	\$ 200,076
Non-GAAP operating margin	27%	32%	28%	25%	24%	27%	26%	30%	27%	25%
Net Income										
Net income, as reported	\$ 128,256	40,044	25,227	25,084	37,901	\$ 109,448	32,104	34,987	23,116	19,241
Amortization of intangible assets	12,709	2,712	3,365	3,312	3,320	13,982	3,409	3,486	3,507	3,580
Restructuring and acquisition-related	4,471	-	4,471	-	-	-	-	-	-	-
Stock-based compensation expense	61,222	17,676	14,315	14,712	14,519	55,508	13,804	13,404	13,600	14,700
Income tax adjustments	(24,316)	(6,515)	(7,272)	(5,542)	(4,987)	(20,235)	(4,676)	(5,051)	(5,094)	(5,414)
Excess tax benefit	(24,746)	(1,198)	(6,685)	(3,602)	(17,261)	-	-	-	-	-
Adjustment to foreign tax credit and tax reserves	-	-	-	-	-	(3,287)	(3,287)	-	-	-
Non-GAAP net income	\$ 157,596	\$ 52,719	\$ 37,421	\$ 33,964	\$ 33,492	\$ 155,416	\$ 41,354	\$ 46,826	\$ 35,129	\$ 32,107
Revenues	\$ 932,169	\$ 253,205	\$ 230,986	\$ 228,378	\$ 219,600	\$ 881,356	\$ 235,824	\$ 238,778	\$ 206,678	\$ 200,076
Non-GAAP net margin	17%	21%	16%	15%	15%	18%	18%	20%	17%	16%
Diluted Earnings per Share										
Diluted earnings per share, as reported	\$ 3.98	\$ 1.25	\$ 0.78	\$ 0.78	\$ 1.16	\$ 3.39	\$ 1.00	\$ 1.08	\$ 0.72	\$ 0.59
Amortization of intangible assets	0.39	0.08	0.10	0.10	0.10	0.43	0.11	0.11	0.11	0.11
Restructuring and acquisition-related	0.14	-	0.14	-	-	-	-	-	-	-
Stock-based compensation expense	1.90	0.55	0.44	0.46	0.45	1.72	0.43	0.41	0.42	0.45
Income tax adjustments	(0.75)	(0.20)	(0.23)	(0.17)	(0.15)	(0.63)	(0.15)	(0.16)	(0.16)	(0.17)
Excess tax benefit	(0.77)	(0.04)	(0.08)	(0.11)	(0.53)	-	-	-	-	-
Adjustment to foreign tax credit and tax reserves	-	-	-	-	-	(0.10)	(0.10)	-	-	-
Non-GAAP diluted earnings per share	\$ 4.89	\$ 1.65	\$ 1.16	\$ 1.05	\$ 1.03	\$ 4.81	\$ 1.28	\$ 1.45	\$ 1.09	\$ 0.99
Reconciliation to Adjusted EBITDA										
Net income, as reported	\$ 128,256	\$ 40,044	\$ 25,227	\$ 25,084	\$ 37,901	\$ 109,448	\$ 32,104	\$ 34,987	\$ 23,116	\$ 19,241
Interest expense, net	25,790	6,387	6,653	6,578	6,172	26,634	6,314	6,781	6,815	6,724
Provision for income taxes	23,068	14,158	10,104	8,052	(9,246)	35,121	6,255	15,303	9,028	4,535
Other expense (income), net	86	214	(555)	327	100	(1,610)	243	(1,752)	(435)	334
Amortization of intangible assets	12,709	2,712	3,365	3,312	3,320	13,982	3,409	3,486	3,507	3,580
Depreciation	22,980	5,936	5,697	5,738	5,609	17,650	5,096	4,473	4,219	3,862
Stock-based compensation expense	61,222	17,676	14,315	14,712	14,519	55,508	13,804	13,404	13,600	14,700
Restructuring and acquisition-related	4,471	-	4,471	-	-	-	-	-	-	-
Adjusted EBITDA	\$ 276,582	\$ 87,127	\$ 69,277	\$ 63,803	\$ 58,375	\$ 256,733	\$ 67,225	\$ 76,682	\$ 59,850	\$ 52,976
Revenues	\$ 932,169	\$ 253,205	\$ 230,986	\$ 228,378	\$ 219,600	\$ 881,356	\$ 235,824	\$ 238,778	\$ 206,678	\$ 200,076
Adjusted EBITDA as a percent of revenues	30%	34%	30%	28%	27%	29%	29%	32%	29%	26%
Reconciliation To Free Cash Flow										
Net cash provided by operating activities	\$ 225,644	\$ 54,221	\$ 72,027	\$ 66,418	\$ 32,978	\$ 210,267	\$ 32,542	\$ 85,390	\$ 41,705	\$ 50,630
Reduced by cash flow items:										
Capital expenditures	19,828	5,036	5,189	5,284	4,319	21,969	9,428	4,734	3,513	4,294
Dividends paid	1,238	-	-	620	618	2,488	619	624	623	622
Free cash flow	\$ 204,578	\$ 49,185	\$ 66,838	\$ 60,514	\$ 28,041	\$ 185,810	\$ 22,495	\$ 80,032	\$ 37,569	\$ 45,714
Revenues	\$ 932,169	\$ 253,205	\$ 230,986	\$ 228,378	\$ 219,600	\$ 881,356	\$ 235,824	\$ 238,778	\$ 206,678	\$ 200,076
Free cash flow as a percent of revenues	22%	19%	29%	26%	13%	21%	10%	34%	18%	23%

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