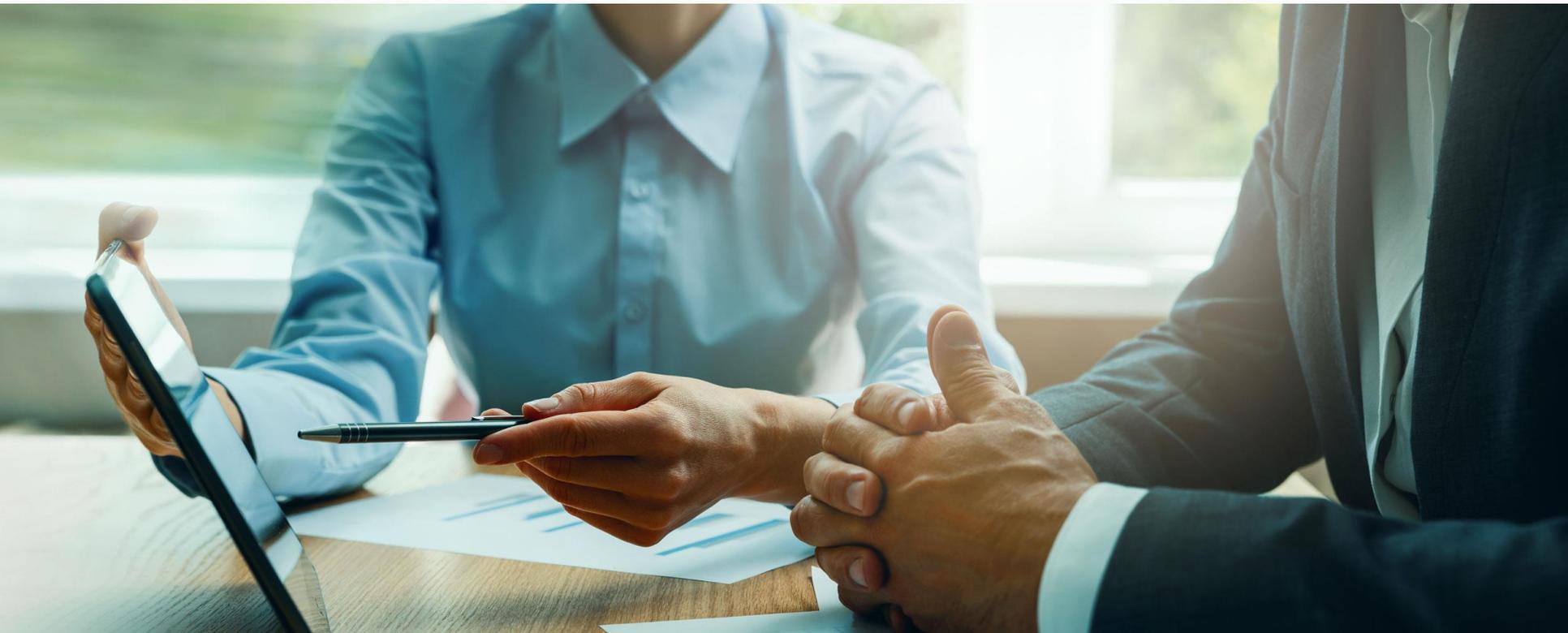




# Fair Isaac Corporation

Q2 24 Financial Highlights

March 31, 2024



# Q2 2024 FINANCIAL HIGHLIGHTS

Metric (In millions, except for EPS)	Q2-23	Q1-24	Q2-24	% Q/Q	% Y/Y
Scores Revenues	\$198.5	\$192.1	\$236.9	23%	19%
Software Revenues	\$181.8	\$190.0	\$196.9	4%	8%
Total Revenues	\$380.3	\$382.1	\$433.8	14%	14%
Software ARR	\$613.5	\$687.7	\$697.0	1%	14%
Software ACV Bookings	\$23.3	\$18.3	\$16.8	-8%	-28%
Non-GAAP Op. Margin*	49%	48%	53%	5%	4%
Non-GAAP Net Margin*	32%	32%	36%	4%	4%
Non-GAAP Diluted EPS*	\$4.78	\$4.81	\$6.14	28%	28%
Adjusted EBITDA*	\$192.1	\$188.5	\$236.7	26%	23%

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

# KEY OPERATING RESULTS

(In millions, except for EPS)

## Revenues



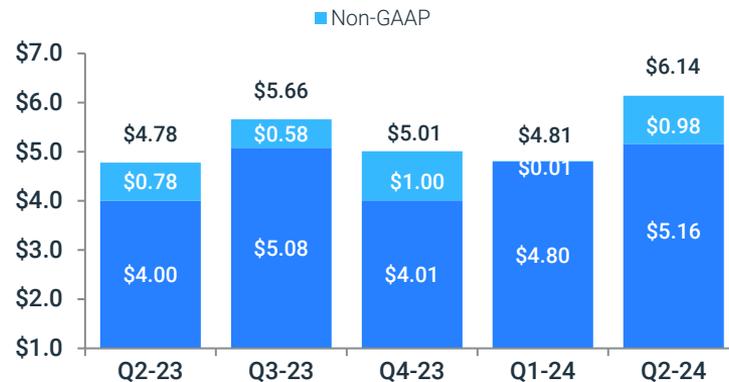
## ACV Bookings



## Adjusted EBITDA

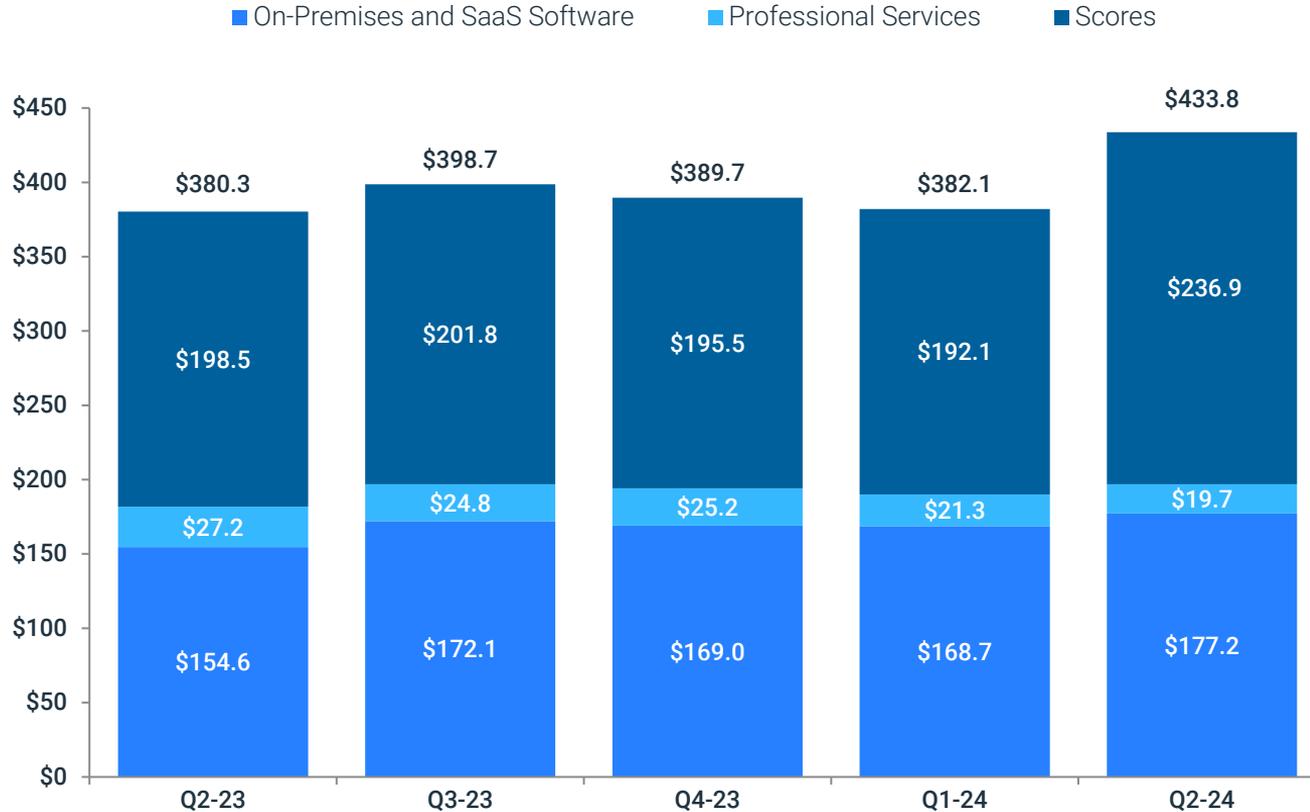


## GAAP EPS



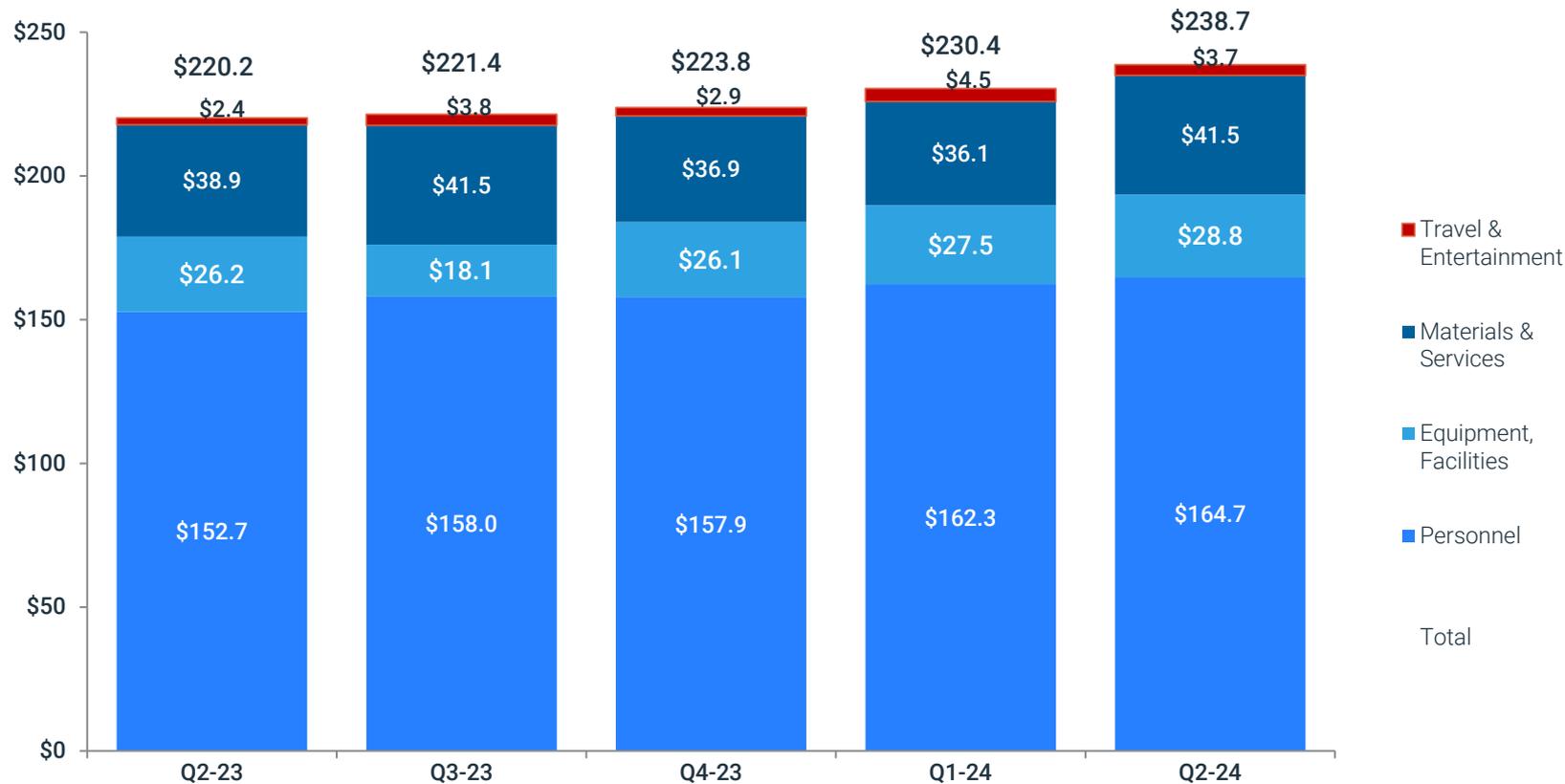
# REVENUE TYPE MIX

(In millions)



# EXPENSE REVIEW

(In millions)



# SCORES HIGHLIGHTS

Total Scores revenues up 19% vs. Q2 23

B2B revenue up 28% vs. Q2 23

B2C revenue down 4% vs. Q2 23

Mortgage Originations revenues up 85% vs. Q2 23

Auto Originations revenues up 1% vs. Q2 23

Card, Personal Loan and Other Originations revenues down 9% vs. Q2 23



# SOFTWARE ARR – Excluding Q1-23 Divestiture

	June 30, 2022	September 30, 2022	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024
<b>(In millions)</b>								
<b>ARR</b>								
<b>Platform</b>	\$ 107.2	\$ 113.1	\$ 132.8	\$ 152.5	\$ 164.1	\$ 173.2	\$ 190.3	\$ 201.4
<b>Non-Platform</b>	432.3	437.0	450.1	461.0	481.8	496.2	497.4	495.6
<b>Total</b>	\$ 539.5	\$ 550.1	\$ 582.9	\$ 613.5	\$ 645.9	\$ 669.4	\$ 687.7	\$ 697.0
<b>Percentage</b>								
<b>Platform</b>	20%	21%	23%	25%	25%	26%	28%	29%
<b>Non-Platform</b>	80%	79%	77%	75%	75%	74%	72%	71%
<b>Total</b>	100%	100%	100%	100%	100%	100%	100%	100%
<b>YoY Change</b>								
<b>Platform</b>	62%	54%	46%	60%	53%	53%	43%	32%
<b>Non-Platform</b>	2%	2%	4%	7%	11%	14%	11%	8%
<b>Total</b>	10%	10%	11%	17%	20%	22%	18%	14%

ARR is defined as 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 the licensing and subscription arrangements that are not expected to recur (primarily perpetual licenses) are excluded. If a customer contract contains invoicing amounts that increase over the contract term, then ARR reflects the annualized invoicing amount outlined in the contract for the current reporting period. We calculate ARR as the quarterly recurring revenue multiplied by four.

Platform software is defined as products that can run on our platform today using shared platform capabilities without the need for any custom integrations or modifications (other than what is normally required for products on the platform today).

# SOFTWARE DBNRR – Excluding Q1-23 Divestiture

	June 30, 2022	September 30, 2022	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024
<b><i>DBNRR</i></b>								
<b>Platform</b>	137%	129%	130%	146%	142%	145%	136%	126%
<b>Non-Platform</b>	101%	101%	103%	105%	109%	111%	108%	106%
<b>Total</b>	109%	109%	110%	114%	117%	120%	114%	112%

Dollar-Based Net Retention Rate (DBNRR) for any period is calculated by comparing the ARR at the end of the prior comparable quarter (base recurring revenue) to the ARR from that same cohort of customers at the end of the current quarter (retained recurring revenue); we then divide the retained recurring revenue by the base recurring revenue to arrive at the DBNRR.

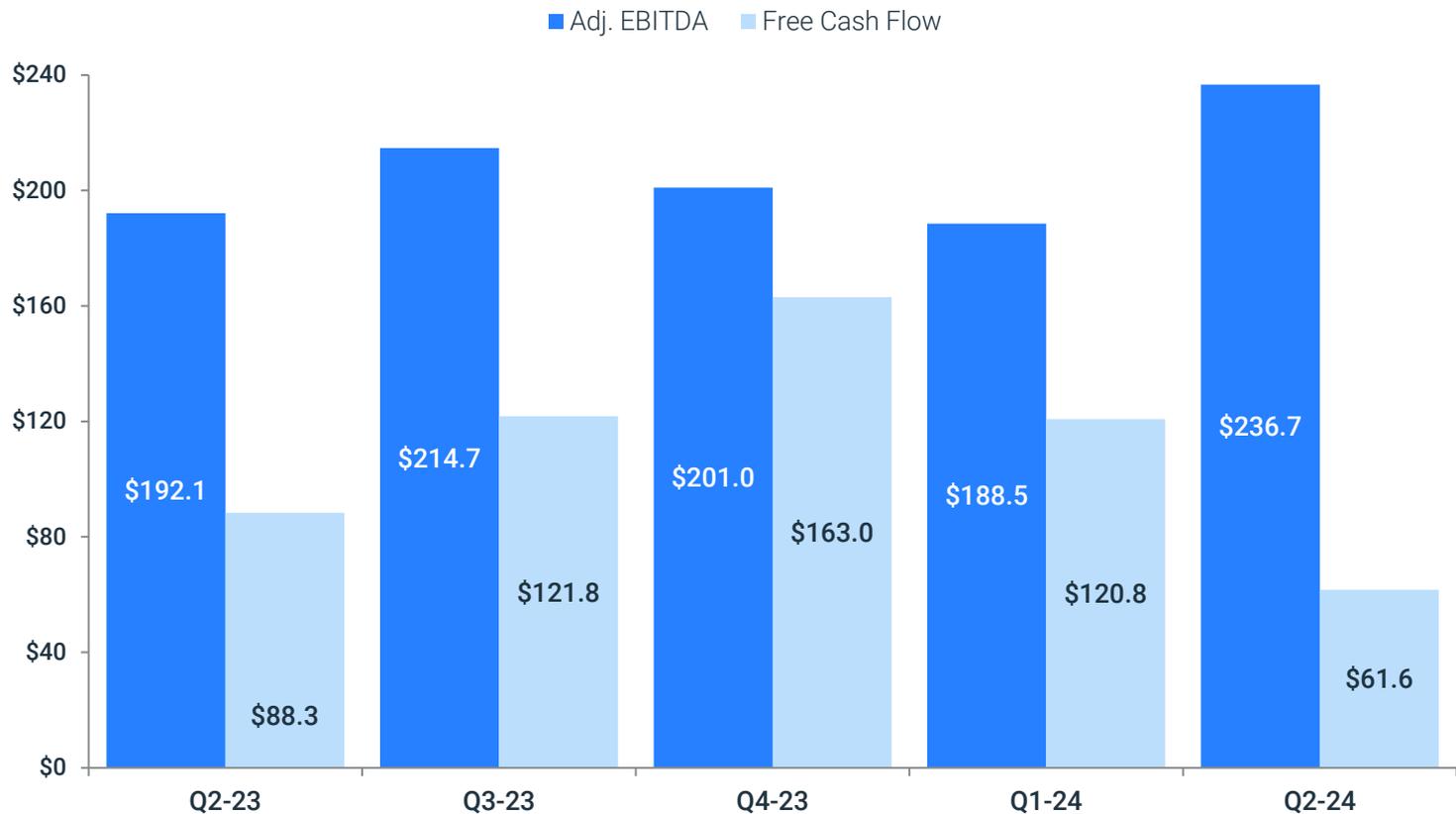
# SOFTWARE ACV BOOKINGS - Excluding Q1-23 Divestiture

	Q3-22	Q4-22	Q1-23	Q2-23	Q3-23	Q4-23	Q1-24	Q2-24
	(In millions)							
<b>Total ACV Bookings</b>	\$ 18.7	\$ 29.2	\$ 21.5	\$ 23.3	\$ 21.1	\$ 28.0	\$ 18.3	\$ 16.8

Annual Contract Value Bookings (ACV Bookings) are 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 exclude perpetual licenses and other revenues that are non-recurring in nature.

# ADJUSTED EBITDA & FREE CASH FLOW

(In millions)



# BALANCE SHEET REVIEW

(In millions)	Q2-23	Q1-24	Q2-24	YoY Var	QoQ Var
<b>ASSETS</b>					
Cash & Investments	\$ 168.6	\$ 198.6	\$ 178.3	6%	-10%
Accounts Receivable & Other Current Assets	383.5	404.9	505.8	32%	25%
Goodwill & Intangibles, net	775.8	777.8	776.7	0%	0%
Other	174.5	212.2	242.3	39%	14%
<b>Total Assets</b>	<b>\$ 1,502.4</b>	<b>\$ 1,593.5</b>	<b>\$ 1,703.1</b>	<b>13%</b>	<b>7%</b>
<b>LIABILITIES</b>					
Current Liabilities	\$ 373.3	\$ 433.1	\$ 315.1	-16%	-27%
Noncurrent Liabilities	1,899.9	1,886.2	2,123.7	12%	13%
<b>Total Liabilities</b>	<b>2,273.2</b>	<b>2,319.3</b>	<b>2,438.8</b>	<b>7%</b>	<b>5%</b>
<b>Stockholders' Deficit</b>	<b>(770.8)</b>	<b>(725.8)</b>	<b>(735.7)</b>	<b>-5%</b>	<b>1%</b>
<b>Total Liabilities &amp; Stockholders' Deficit</b>	<b>\$ 1,502.4</b>	<b>\$ 1,593.5</b>	<b>\$ 1,703.1</b>	<b>13%</b>	<b>7%</b>
<b>METRICS</b>					
<b>Leverage Covenant (max 3.5)</b>	<b>2.65</b>	<b>2.36</b>	<b>2.37</b>	<b>(0.28)</b>	<b>0.01</b>
<b>Interest Coverage Covenant (min 3.0)</b>	<b>7.97</b>	<b>7.91</b>	<b>8.16</b>	<b>0.19</b>	<b>0.25</b>
<b>Days Sales Outstanding</b>	<b>90 days</b>	<b>99 days</b>	<b>106 days</b>	<b>16 days</b>	<b>7 days</b>

# SEGMENT PROFITABILITY

	Quarter Ended March 31, 2023			
	Scores	Software	Unallocated Corporate Expenses	Total
	(In thousands)			
Segment revenues:				
On-premises and SaaS software	\$ —	\$ 154,584	\$ —	\$ 154,584
Professional services	—	27,175	—	27,175
Scores	198,507	—	—	198,507
Total segment revenues	198,507	181,759	—	380,266
Segment operating expense	(23,102)	(126,892)	(43,183)	(193,177)
Segment operating income	<u>\$ 175,405</u>	<u>\$ 54,867</u>	<u>\$ (43,183)</u>	187,089
Unallocated share-based compensation expense				(27,053)
Unallocated amortization expense				(275)
Operating income				159,761
Unallocated interest expense, net				(23,897)
Unallocated other income, net				1,605
Income before income taxes				<u>\$ 137,469</u>
Depreciation expense	\$ 138	\$ 2,723	\$ 20	<u>\$ 2,881</u>

	Quarter Ended March 31, 2024			
	Scores	Software	Unallocated Corporate Expenses	Total
	(In thousands)			
Segment revenues:				
On-premises and SaaS software	\$ —	\$ 177,180	\$ —	\$ 177,180
Professional services	—	19,744	—	19,744
Scores	236,885	—	—	236,885
Total segment revenues	236,885	196,924	—	433,809
Segment operating expense	(24,677)	(132,762)	(45,806)	(203,245)
Segment operating income	<u>\$ 212,208</u>	<u>\$ 64,162</u>	<u>\$ (45,806)</u>	230,564
Unallocated share-based compensation expense				(35,448)
Unallocated amortization expense				(275)
Operating income				194,841
Unallocated interest expense, net				(26,093)
Unallocated other income, net				3,986
Income before income taxes				<u>\$ 172,734</u>
Depreciation expense	\$ 107	\$ 2,099	\$ 16	<u>\$ 2,222</u>

# UPDATED FY2024 GUIDANCE

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Revenues – \$1.690 billion

GAAP Net Income – \$495 million

GAAP Earnings per Share – \$19.70

Non-GAAP Net Income – \$573 million

Non-GAAP Earnings per Share – \$22.80



# Fair Isaac Corporation

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