

**FAIR ISAAC CORPORATION**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(In thousands)  
(Unaudited)

	<u>December 31,</u> <u>2020</u>	<u>September 30,</u> <u>2020</u>
<b>ASSETS:</b>		
Current assets:		
Cash and cash equivalents	\$ 144,662	\$ 157,394
Accounts receivable, net	310,626	334,180
Prepaid expenses and other current assets	53,153	42,504
Total current assets	<u>508,441</u>	<u>534,078</u>
Marketable securities and investments	29,782	26,573
Property and equipment, net	39,011	46,419
Operating lease right-of-use-assets	56,030	57,656
Goodwill and intangible assets, net	826,144	821,600
Other assets	117,455	119,914
	<u>\$ 1,576,863</u>	<u>\$ 1,606,240</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY:</b>		
Current liabilities:		
Accounts payable and other accrued liabilities	\$ 71,003	\$ 86,400
Accrued compensation and employee benefits	73,231	117,952
Deferred revenue	115,808	115,159
Current maturities on debt	131,000	95,000
Total current liabilities	<u>391,042</u>	<u>414,511</u>
Long-term debt	739,831	739,435
Operating lease liabilities	69,815	73,207
Other liabilities	52,054	48,005
Total liabilities	<u>1,252,742</u>	<u>1,275,158</u>
Stockholders' equity	324,121	331,082
	<u>\$ 1,576,863</u>	<u>\$ 1,606,240</u>

**FAIR ISAAC CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
(In thousands, except per share data)  
(Unaudited)

	<b>Quarter Ended December 31,</b>	
	<b>2020</b>	<b>2019</b>
Revenues:		
Transactional and maintenance	\$ 252,150	\$ 220,374
Professional services	41,425	44,025
License	18,839	34,105
Total revenues	312,414	298,504
Operating expenses:		
Cost of revenues	89,528	90,758
Research & development	40,651	38,943
Selling, general and administrative	93,911	112,021
Amortization of intangible assets	937	1,796
Restructuring and impairment charges	-	3,104
Gain on sale of product line assets	(7,334)	-
Total operating expenses	217,693	246,622
Operating income	94,721	51,882
Other expense, net	(6,761)	(9,987)
Income before income taxes	87,960	41,895
Income tax provision (benefit)	1,468	(13,026)
Net income	\$ 86,492	\$ 54,921
Basic earnings per share:	\$ 2.97	\$ 1.89
Diluted earnings per share:	\$ 2.90	\$ 1.82
Shares used in computing earnings per share:		
Basic	29,127	29,025
Diluted	29,789	30,169

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

	<b>Quarter Ended</b>	
	<b>December 31,</b>	
	<b>2020</b>	<b>2019</b>
<b>Cash flows from operating activities:</b>		
Net income	\$ 86,492	\$ 54,921
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	7,026	7,856
Share-based compensation	25,132	23,145
Changes in operating assets and liabilities	(35,584)	(28,419)
Other, net	(5,119)	2,862
Net cash provided by operating activities	<u>77,947</u>	<u>60,365</u>
<b>Cash flows from investing activities:</b>		
Purchases of property and equipment	(3,045)	(6,500)
Net activity from marketable securities	(1,174)	(2,566)
Proceeds from sale of product line assets	8,291	-
Other, net	(210)	55
Net cash provided by (used in) investing activities	<u>3,862</u>	<u>(9,011)</u>
<b>Cash flows from financing activities:</b>		
Proceeds from revolving line of credit	116,000	117,000
Payments on revolving line of credit	(80,000)	(367,000)
Proceeds from issuance of senior notes	-	350,000
Proceeds from issuances of common stock	57	5,091
Taxes paid related to net share settlement of equity awards	(85,678)	(86,047)
Repurchases of common stock	(50,011)	(60,009)
Other, net	(176)	(7,230)
Net cash used in financing activities	<u>(99,808)</u>	<u>(48,195)</u>
<b>Effect of exchange rate changes on cash</b>	<u>5,267</u>	<u>1,631</u>
Increase (decrease) in cash and cash equivalents	(12,732)	4,790
Cash and cash equivalents, beginning of period	157,394	106,426
Cash and cash equivalents, end of period	<u>\$ 144,662</u>	<u>\$ 111,216</u>

**FAIR ISAAC CORPORATION**  
**REVENUE BY SEGMENT**  
(In thousands)  
(Unaudited)

	Quarter Ended December 31,	
	2020	2019
Applications revenues:		
Transactional and maintenance	\$ 97,731	\$ 98,837
Professional services	30,605	34,023
License	7,025	19,318
Total Applications revenues	\$ 135,361	\$ 152,178
Scores revenues:		
Transactional and maintenance	\$ 138,590	\$ 107,446
Professional services	117	264
License	5,944	7,428
Total Scores revenues	\$ 144,651	\$ 115,138
Decision Management Software revenues:		
Transactional and maintenance	\$ 15,829	\$ 14,091
Professional services	10,703	9,738
License	5,870	7,359
Total Decision Management Software revenues	\$ 32,402	\$ 31,188
Total revenues:		
Transactional and maintenance	\$ 252,150	\$ 220,374
Professional services	41,425	44,025
License	18,839	34,105
Total revenues	\$ 312,414	\$ 298,504

**FAIR ISAAC CORPORATION**  
**NON-GAAP RESULTS**  
(In thousands, except per share data)  
(Unaudited)

	<b>Quarter Ended</b>	
	<b>December 31,</b>	
	<u>2020</u>	<u>2019</u>
GAAP net income	\$ 86,492	\$ 54,921
Amortization of intangible assets	937	1,796
Restructuring and impairment charges	-	3,104
Gain on sale of product line assets	(7,334)	-
Stock-based compensation expense	25,132	23,145
Income tax adjustments	(4,486)	(6,762)
Excess tax benefit	(19,183)	(22,018)
Non-GAAP net income	<u>\$ 81,558</u>	<u>\$ 54,186</u>
GAAP diluted earnings per share	\$ 2.90	\$ 1.82
Amortization of intangible assets	0.03	0.06
Restructuring and impairment charges	-	0.10
Gain on sale of product line assets	(0.25)	-
Stock-based compensation expense	0.84	0.77
Income tax adjustments	(0.15)	(0.22)
Excess tax benefit	(0.64)	(0.73)
Non-GAAP diluted earnings per share	<u>\$ 2.74</u>	<u>\$ 1.80</u>
Free cash flow		
Net cash provided by operating activities	\$ 77,947	\$ 60,365
Capital expenditures	(3,045)	(6,500)
Free cash flow	<u>\$ 74,902</u>	<u>\$ 53,865</u>

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

**About Non-GAAP Financial Measures**

To supplement the consolidated GAAP financial statements, the company uses the following non-GAAP financial measures: non-GAAP net income, non-GAAP EPS, and free cash flow. Non-GAAP net income and non-GAAP EPS exclude the impact of amortization expense, share-based compensation expense, restructuring and acquisition-related excess tax benefit, and adjustment to tax valuation allowance items. Free cash flow excludes capital expenditures and dividends paid. The presentation of these financial measure is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP.

Management uses these non-GAAP financial measures for financial and operational decision-making and as a means to evaluate period-to-period comparisons. Our management believes these non-GAAP financial measures provide meaningful supplemental information regarding our performance and liquidity by excluding certain item that may not be indicative of recurring business results including significant non-cash expenses. We believe management and investors benefit from referring to these non-GAAP financial measures in assessing our performance when planning, forecasting and analyzing future periods. These non-GAAP financial measures also facilitate management's internal comparisons to historical performance and liquidity as well as comparisons to our competitors' operating results. We believe these non-GAAP financial measures are useful to investors because they allow for greater transparency with respect to key measures used by management in its financial and operating decision-making