

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

	<u>June 30,</u> <u>2021</u>	<u>September 30,</u> <u>2020</u>
<b>ASSETS:</b>		
Current assets:		
Cash and cash equivalents	\$ 237,612	\$ 157,394
Accounts receivable, net	280,598	334,180
Prepaid expenses and other current assets	38,670	42,504
Total current assets	<u>556,880</u>	<u>534,078</u>
Marketable securities and investments	34,394	26,573
Property and equipment, net	31,565	46,419
Operating lease right-of-use-assets	49,250	57,656
Goodwill and intangible assets, net	797,870	821,600
Other assets	119,196	119,914
	<u>\$ 1,589,155</u>	<u>\$ 1,606,240</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY:</b>		
Current liabilities:		
Accounts payable and other accrued liabilities	\$ 102,649	\$ 86,400
Accrued compensation and employee benefits	92,363	117,952
Deferred revenue	99,757	115,159
Current maturities on debt	250,000	95,000
Total current liabilities	<u>544,769</u>	<u>414,511</u>
Long-term debt	806,622	739,435
Operating lease liabilities	56,815	73,207
Other liabilities	56,111	48,005
Total liabilities	<u>1,464,317</u>	<u>1,275,158</u>
Stockholders' equity	124,838	331,082
	<u>\$ 1,589,155</u>	<u>\$ 1,606,240</u>

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

	Quarter Ended June 30,		Nine Months Ended June 30,	
	2021	2020	2021	2020
Revenues:				
Transactional and maintenance	\$ 288,078	\$ 246,829	\$ 821,147	\$ 707,905
Professional services	35,918	43,633	115,137	135,563
License	14,188	23,269	45,675	76,738
Total revenues	<u>338,184</u>	<u>313,731</u>	<u>981,959</u>	<u>920,206</u>
Operating expenses:				
Cost of revenues	82,240	88,569	260,101	267,466
Research & development	45,826	41,411	130,089	119,793
Selling, general and administrative	107,729	99,832	298,912	315,318
Amortization of intangible assets	810	1,048	2,692	4,046
Restructuring and impairment charges	-	-	-	3,104
Gains on product line asset sales and business divestiture	(92,805)	-	(100,139)	-
Total operating expenses	<u>143,800</u>	<u>230,860</u>	<u>591,655</u>	<u>709,727</u>
Operating income	194,384	82,871	390,304	210,479
Other expense, net	(6,492)	(6,663)	(22,628)	(29,912)
Income before income taxes	187,892	76,208	367,676	180,567
Provision for income taxes	36,694	12,132	61,312	3,282
Net income	<u>\$ 151,198</u>	<u>\$ 64,076</u>	<u>\$ 306,364</u>	<u>\$ 177,285</u>
Basic earnings per share:	<u>\$ 5.27</u>	<u>\$ 2.21</u>	<u>\$ 10.58</u>	<u>\$ 6.10</u>
Diluted earnings per share:	<u>\$ 5.18</u>	<u>\$ 2.15</u>	<u>\$ 10.38</u>	<u>\$ 5.92</u>
Shares used in computing earnings per share:				
Basic	<u>28,687</u>	<u>29,005</u>	<u>28,967</u>	<u>29,075</u>
Diluted	<u>29,195</u>	<u>29,744</u>	<u>29,505</u>	<u>29,966</u>

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

	<b>Nine Months Ended</b>	
	<b>June 30,</b>	
	<b>2021</b>	<b>2020</b>
<b>Cash flows from operating activities:</b>		
Net income	\$ 306,364	\$ 177,285
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	20,066	23,549
Share-based compensation	84,099	68,197
Changes in operating assets and liabilities	24,728	(55,873)
Gains on product line asset sales and business divestiture	(100,139)	-
Other, net	(3,056)	15,572
Net cash provided by operating activities	<u>332,062</u>	<u>228,730</u>
<b>Cash flows from investing activities:</b>		
Purchases of property and equipment	(5,792)	(21,073)
Net activity from marketable securities	(2,827)	(2,328)
Proceeds from product line asset sales and business divestiture	146,428	-
Other, net	(210)	55
Net cash provided by (used in) investing activities	<u>137,599</u>	<u>(23,346)</u>
<b>Cash flows from financing activities:</b>		
Proceeds from revolving line of credit	429,000	193,000
Payments on revolving line of credit	(208,000)	(435,000)
Proceeds from issuance of senior notes	-	350,000
Proceeds from issuances of common stock	14,580	26,235
Taxes paid related to net share settlement of equity awards	(88,770)	(100,067)
Repurchases of common stock	(541,205)	(210,000)
Other, net	(177)	(7,651)
Net cash used in financing activities	<u>(394,572)</u>	<u>(183,483)</u>
<b>Effect of exchange rate changes on cash</b>	<u>5,129</u>	<u>(2,654)</u>
Increase in cash and cash equivalents	80,218	19,247
Cash and cash equivalents, beginning of period	157,394	106,426
Cash and cash equivalents, end of period	<u>\$ 237,612</u>	<u>\$ 125,673</u>

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

	<b>Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>June 30,</b>		<b>June 30,</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Applications revenues:</b>				
Transactional and maintenance	\$ 99,822	\$ 98,476	\$ 294,240	\$ 295,102
Professional services	26,381	32,364	84,613	101,521
License	7,010	10,620	19,235	37,294
Total applications revenues	<u>\$ 133,213</u>	<u>\$ 141,460</u>	<u>\$ 398,088</u>	<u>\$ 433,917</u>
<b>Scores revenues:</b>				
Transactional and maintenance	\$ 170,415	\$ 130,268	\$ 476,217	\$ 365,324
Professional services	166	58	986	1,141
License	1,621	1,224	8,369	9,371
Total scores revenues	<u>\$ 172,202</u>	<u>\$ 131,550</u>	<u>\$ 485,572</u>	<u>\$ 375,836</u>
<b>Decision Management Software revenues:</b>				
Transactional and maintenance	\$ 17,841	\$ 18,085	\$ 50,690	\$ 47,479
Professional services	9,371	11,211	29,538	32,901
License	5,557	11,425	18,071	30,073
Total decision management software revenues	<u>\$ 32,769</u>	<u>\$ 40,721</u>	<u>\$ 98,299</u>	<u>\$ 110,453</u>
<b>Total revenues:</b>				
Transactional and maintenance	\$ 288,078	\$ 246,829	\$ 821,147	\$ 707,905
Professional services	35,918	43,633	115,137	135,563
License	14,188	23,269	45,675	76,738
Total revenues	<u>\$ 338,184</u>	<u>\$ 313,731</u>	<u>\$ 981,959</u>	<u>\$ 920,206</u>

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

	Quarter Ended June 30,		Nine Months Ended June 30,	
	2021	2020	2021	2020
GAAP net income	\$ 151,198	\$ 64,076	\$ 306,364	\$ 177,285
Amortization of intangible assets	810	1,048	2,692	4,046
Restructuring and impairment charges	-	-	-	3,104
Gains on product line asset sales and business divestiture	(92,805)	-	(100,139)	-
Stock-based compensation expense	30,761	22,265	84,099	68,198
Income tax adjustments	11,391	(5,739)	(366)	(18,546)
Excess tax benefit	(2,561)	(4,902)	(22,073)	(38,845)
Non-GAAP net income	<u>\$ 98,794</u>	<u>\$ 76,748</u>	<u>\$ 270,577</u>	<u>\$ 195,242</u>
GAAP diluted earnings per share	\$ 5.18	\$ 2.15	\$ 10.38	\$ 5.92
Amortization of intangible assets	0.03	0.04	0.09	0.14
Restructuring and impairment charges	-	-	-	0.10
Gains on product line asset sales and business divestiture	(3.18)	-	(3.39)	-
Stock-based compensation expense	1.05	0.75	2.85	2.28
Income tax adjustments	0.39	(0.19)	(0.01)	(0.62)
Excess tax benefit	(0.09)	(0.16)	(0.75)	(1.30)
Non-GAAP diluted earnings per share	<u>\$ 3.38</u>	<u>\$ 2.58</u>	<u>\$ 9.17</u>	<u>\$ 6.52</u>
Free cash flow				
Net cash provided by operating activities	\$ 100,592	\$ 106,871	\$ 332,062	\$ 228,730
Capital expenditures	(1,572)	(7,907)	(5,792)	(21,074)
Free cash flow	<u>\$ 99,020</u>	<u>\$ 98,964</u>	<u>\$ 326,270</u>	<u>\$ 207,656</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 measures 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 items 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.