
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported) **March 7, 2005**

BLACKBAUD, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

000-50600

(Commission File Number)

11-2617163

(IRS Employer ID Number)

2000 Daniel Island Drive, Charleston, South Carolina 29492

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code **(843) 216-6200**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-
-

Item 7.01 Regulation FD Disclosure

Beginning on March 7, 2005, the Chief Executive Officer and Chief Financial Officer of Blackbaud plan to make a presentation regarding its business to various members of the investment community. A copy of the presentation is filed with this report as Exhibit 99.1.

Blackbaud's investor presentation includes disclosure of selected non-GAAP financial measures, including pro forma gross margin, pro forma operating income and margin, pro forma net income and pro forma earnings per share. Blackbaud utilizes these non-GAAP financial measures internally in analyzing its financial results, and believes they are useful to investors, as a supplement to GAAP measures, in evaluating Blackbaud's ongoing operational performance. Blackbaud believes that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating ongoing operating results and trends and in comparing its financial results with other companies in Blackbaud's industry, many of which disclose similar non-GAAP financial measures to investors. As noted in the presentation, the non-GAAP financial results discussed above exclude the impact of costs associated with the Blackbaud's IPO (completed on July 22, 2004), amortization of intangibles arising from business combinations and the expensing of stock option compensation.

Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. Investors are encouraged to review the reconciliation of these non-GAAP measures to their most directly comparable GAAP financial measure, as provided in Exhibit 99.2 filed herewith.

The information furnished in Items 7.01 and 9.01 of this report shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific release in such a filing.

Item 9.01 Financial Statements and Exhibits

Exhibit 99.1 Presentation of Blackbaud, Inc.

Exhibit 99.2 Blackbaud's reconciliation of non-GAAP financial measures to most directly comparable GAAP financial measures.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

BLACKBAUD, INC.

Date: March 7, 2005

/s/ Timothy V. Williams

Timothy V. Williams,

Vice President and Chief Financial Officer



Blackbaud Presentation

Bob Sywolski/Tim Williams

Forward Looking Statements

This presentation contains “forward-looking statements”. These statements relate to future events or our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. We caution you not to place undue reliance on forward-looking statements, which reflect our analysis only and speak only as of the date of this presentation. We undertake no obligation to update the forward-looking statements to reflect subsequent events or circumstances.

This presentation contains trade names, trademarks and service marks of other companies. We do not intend our use or display of other parties’ trade names, trademarks & service marks to imply a relationship with, or endorsement or sponsorship of, these other parties.

Company Overview

- ◆ Dominant global provider of software/services to the non profit sector
- ◆ Helping customers
 - Increase donations
 - Improve communications
 - Optimize financial efficiency and compliance
- ◆ 25 Years of domain expertise and 13,000 customers
- ◆ Solid financial performance
 - 2004 Rev - \$139M + 18% (4yr CAGR 13.4%)
 - 2004 Pro Forma Op Inc \$40M + 17% (4yr CAGR 20.5%)
- ◆ Attractive Revenue model
 - 50% from software/services (23% growth in 2004)
 - 50% from recurring sources (17% growth in 2004)

Investment Highlights

- ◆ Multi-billion dollar market with consistent long-term growth trends
- ◆ Dominant market share driven by
 - Industry leading core back-end systems
 - critical mass of 13,000 customers and domain expertise
 - Solid track record with new products
- ◆ Customer base supports strong back-to-base sales
- ◆ Attractive financial model with
 - Revenue predictability
 - Attractive margins
 - Sizable cash flow
- ◆ Experienced management team with solid operational track record

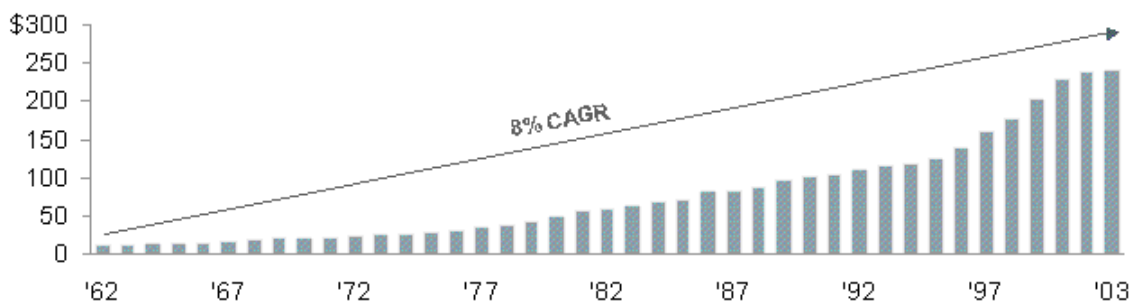
Nonprofit Market is Large and Growing

- ◆ Over 1.5 million NPOs in the U.S. (360,000 addressable market)
 - \$241 billion annual contributions
 - \$600 billion in fees for services
- ◆ Over 1.5 million NPOs internationally
- ◆ Revenue for filing NPOs represents 11.6% of U.S. GDP



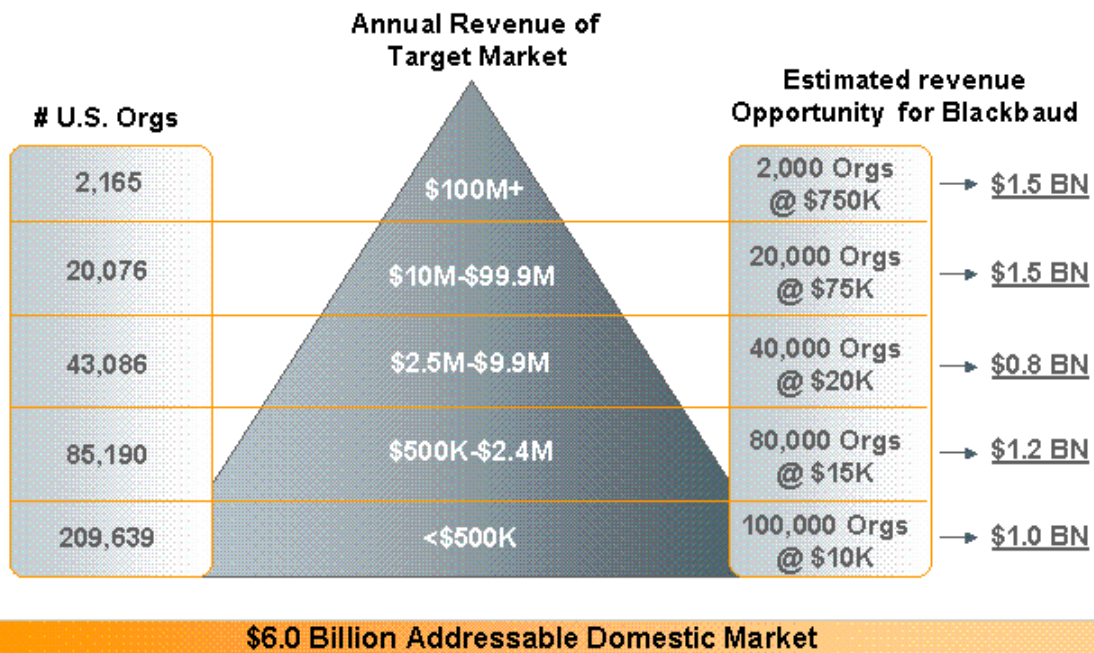
Over \$841 billion of annual total spend

U.S. nonprofit contributions (\$ billions)



Source: Giving USA


The Domestic Nonprofit Market Opportunity



Source: Company estimates

Nonprofits Face Unique Challenges

- ◆ Raising more money and improving relationships with donors/constituents
- ◆ Improving operational efficiency
- ◆ Managing finances with enhanced accountability and compliance



Nonprofits are under pressure to improve performance and operate more like for profit businesses


Core Offerings

 **TheRaiser'sEdge**[®]

> 9,000 customers

 **TheFinancialEdge**[™]

> 3,000 customers

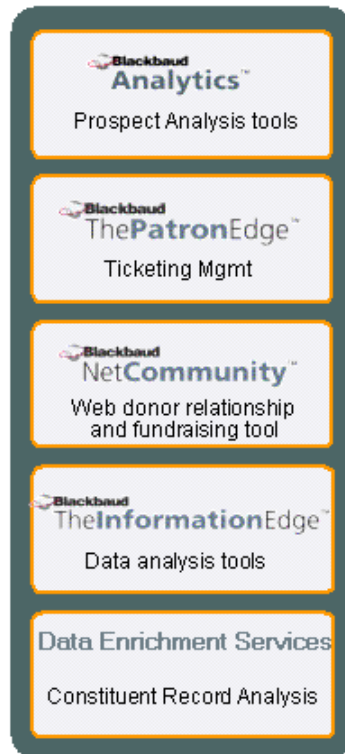
 **TheEducationEdge**[™]

~ 750 customers

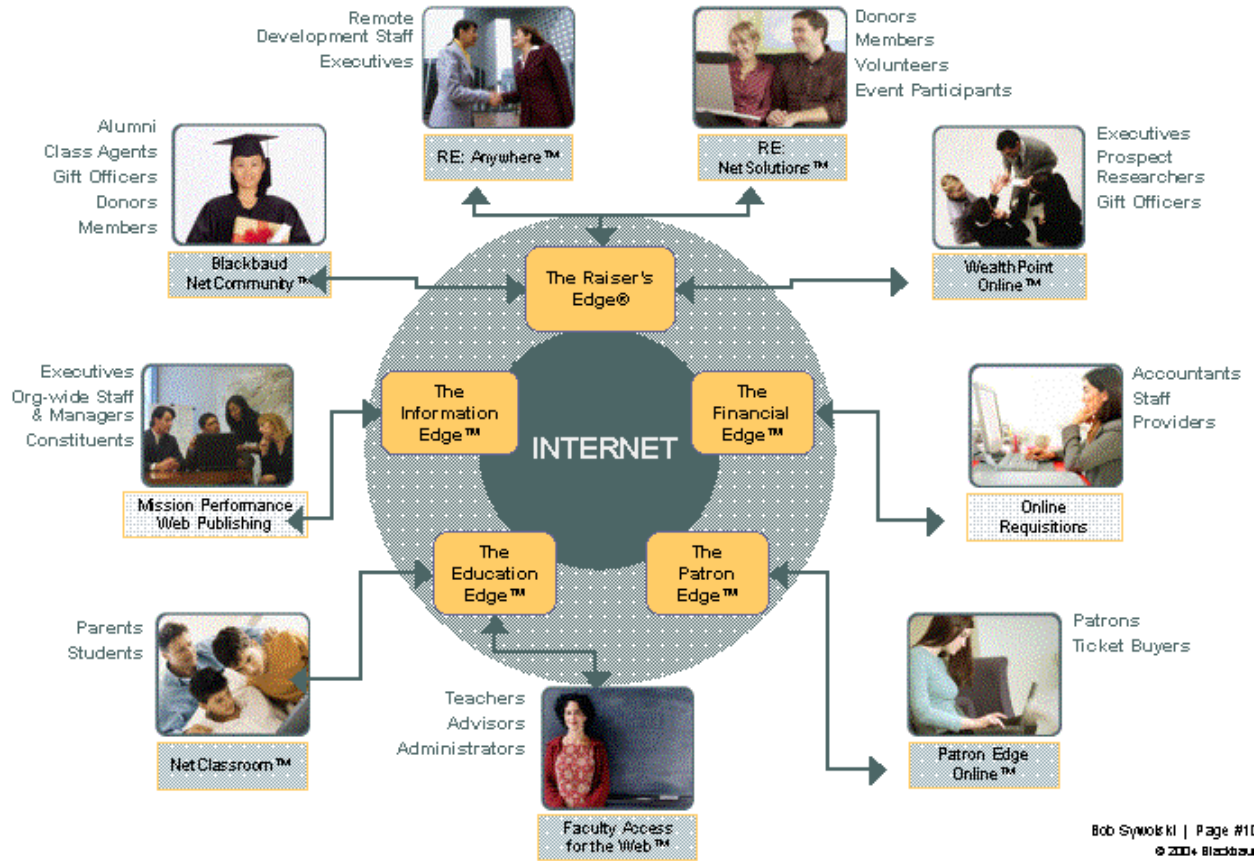
Address these Challenges

- Best-of-breed functionality
- ~ 86% of sales (2004 Bookings) - growing at 17%
- With tight integration between apps as differentiator — only vendor in the space to offer 'complete solution'
- Drives new customer growth and lays foundation for back-to-base sales

New Offerings ... with tight integration to core products



- Improves fund raising effectiveness by analyzing and revealing prospects likelihood and capacity to give
- Comprehensive ticketing solution which allows holistic view of patrons, visitors and donors.
- Online community / content management system with extensions to each major product line
- Business Intelligence for nonprofits
- Helps nonprofits improve data accuracy by cleansing and appending information to their records



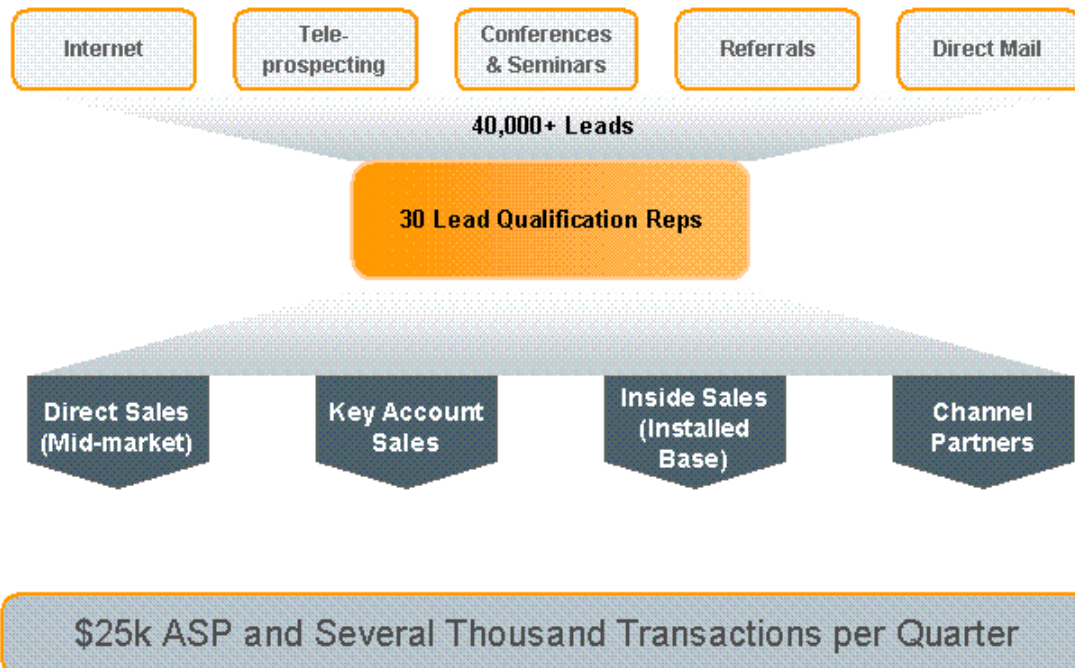
Blackbaud Solutions Stack



Large and Diversified Customer Base

Healthcare	The Children's Hospital of Philadelphia® A pediatric healthcare network Catholic Healthcare West CHW CEDARS-SINAI
Family / Human Services	THE SALVATION ARMY The Susan G. Komen Breast Cancer Foundation March of Dimes Leading babies together Kaiser Permanente
Schools K-12	MILTON ACADEMY EPISCOPAL HIGH SCHOOL Head-Royce School
Higher Education	HARVARD MEDICAL SCHOOL MILTON HALL Texas A&M UNIVERSITY Bowdoin
Cultural	Philadelphia Museum of Art SEMOMA New York Philharmonic
Recreational / Social	United Way BOYS & GIRLS CLUB Habitat for Humanity International Junior Achievement
Religious	JEWISH COMMUNITY FEDERATION Ligonier Ministries Archdiocese of New York

Diversified Sales Channel Drives High Volume Strategy



Why Blackbaud Wins

Nonprofit industry
expertise

- Focus on nonprofit customer needs for 25 years and extensive professional services capabilities

End-to End,
Integrated Suite

- We own the “backend” and provide analytics, ticketing, web support, Internet apps and professional services

Proven track record of
reliability and customer
service

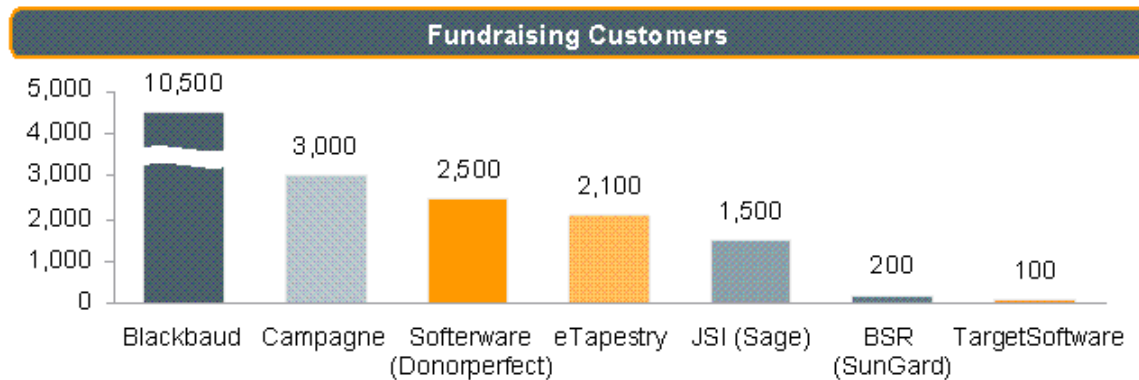
- Largest installed customer base of over 13,000 nonprofits

Financial strength and
scale

- Customers depend on Blackbaud stability and longevity

Market Leadership and Universal Brand Recognition

- ◆ Sources of Competition
 - Internally developed solutions are the most common competition
 - 3rd party competition comes from small, private vendors and divisions of larger orgs
 - Blackbaud dominates Fundraising and leads all major application categories



Attractive Business and Revenue Model

Attractive Growth

Software/Services are 50% of rev

“Core” + “New Offerings”

2004 — Software 19% growth
Services 25% growth

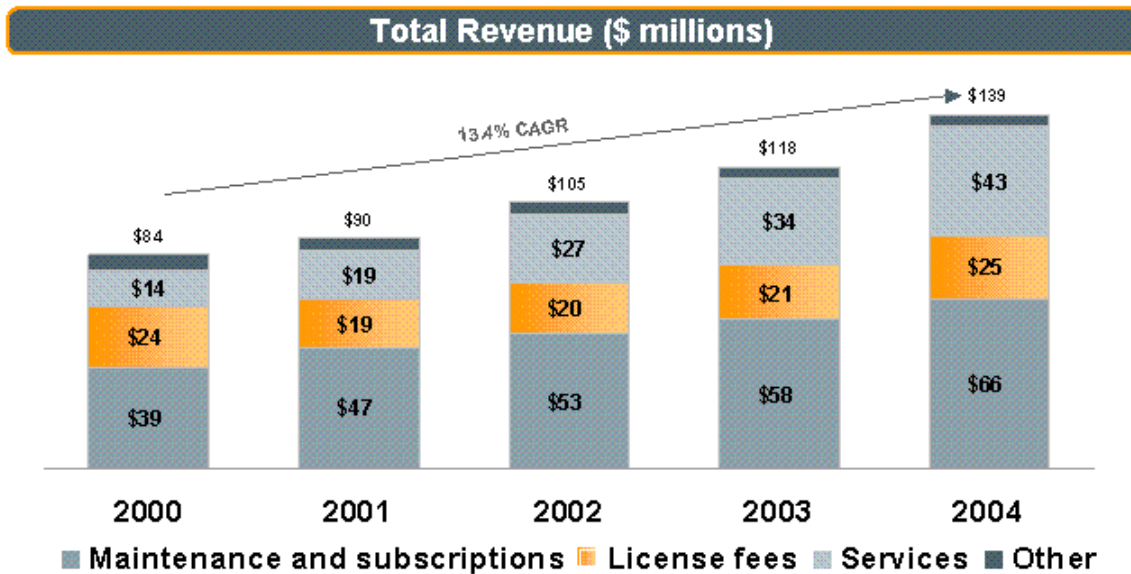
Predictability

Recurring sources are 50% of rev

Greater than 90% renewal rates

2004 — Maintenance 12% growth
Subscription 82% growth

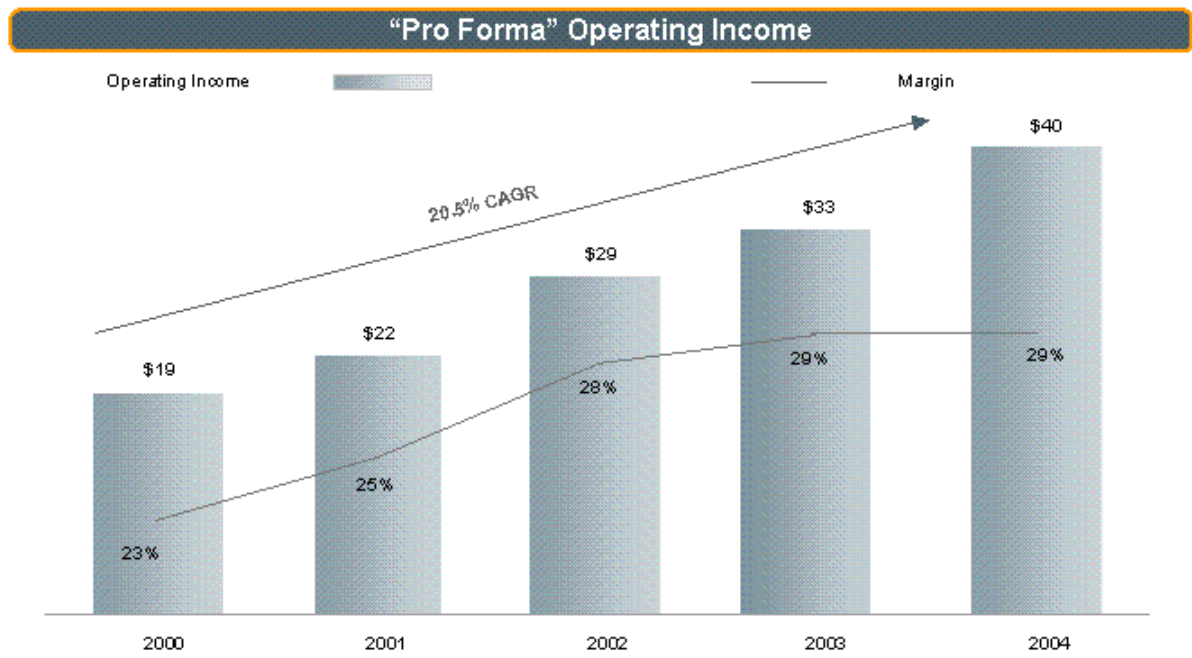
Solid Revenue Growth



Mid-90's maintenance renewal rates creates strong recurring revenue base

Consistent Growth in Profitability

\$ millions



Note: Results exclude stock option compensation expense, amortization of intangibles and IPO costs.

2004 Performance

(\$millions)

	Q4 2004A	YoY Growth	Full Yr 2004A	YoY Growth
License revenue	\$6.8	15%	\$25.4	19%
Total revenue	\$35.7	17%	\$138.7	17%
“Pro forma” gross profit % <i>margin</i>	\$11.3 68%	14%	\$41.2 70%	18%
“Pro forma” operating income % <i>margin</i>	\$9.9 28%	16%	\$40.0 29%	17%
“Pro forma” net income	\$6.2	15%	\$24.7	24%
“Pro forma” earnings per share	\$0.13		\$0.54	

Note: Results exclude stock option compensation expense, amortization of intangibles and IPO related costs.

Capital Management Program

- ◆ Announced February 1
 - Driven by strategy to maximize use of cash and returns for investors
- ◆ Dividend and share buyback
 - \$.20/share annual cash dividend; \$.05/share paid February 28 to shareholders of record February 14
 - \$35 million share buyback authorization effective February 4
- ◆ Cash resources more than adequate
 - \$42 million at December 31
 - \$30 million line of credit available
- ◆ Cash generating capabilities are significant
 - \$40 million free cash flow in 2004, +23% vs. 2003
 - Infrastructure and working capital needs are insignificant
 - DSO's of ~ 40 days
 - Deferred tax asset provides \$7.7 million of annual tax savings, available through 2014

Summary

- ◆ Multi-billion dollar market opportunity with consistent long-term growth trends
- ◆ Dominant market share position supported by critical mass and domain expertise
- ◆ Industry leader in core, back-end systems and track record of launching new products to drive growth
- ◆ Growing relationships with 13,000 customers
- ◆ Attractive financial model highlighted by revenue predictability, attractive margins and sizable cash flow
- ◆ Experienced management team with solid operational track record



Blackbaud Presentation

Bob Sywolski/Tim Williams

BLACKBAUD, INC.
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES
(Unaudited)
(In thousands, except per share amounts)

	Twelve Months Ended December 31,	
	2004	2003
GAAP revenue	\$ 138,745	\$ 118,093
GAAP gross margin	\$ 98,206	\$ 78,719
Pro forma adjustments:		
Amortization of deferred stock compensation	(631)	3,847
Pro forma gross profit	\$ 97,575	\$ 82,566
Pro forma gross margin	70%	70%
GAAP income from operations	\$ 19,157	\$ 5,696
Pro forma adjustments:		
Amortization of deferred stock compensation	18,379	27,538
Costs of initial public offering	2,455	—
Amortization of intangibles from business combinations	32	848
Total pro forma adjustments	20,866	28,386
Pro forma income from operations	\$ 40,023	\$ 34,082
Pro forma operating margin	29%	29%
GAAP net income (loss)	\$ 12,641	\$ (478)
Pro forma adjustments:		
Total pro forma adjustments affecting income from operations	20,866	28,386
Tax impact related to pro forma adjustments	(8,840)	(8,000)
Pro forma net income	\$ 24,667	\$ 19,908
GAAP shares used in computing diluted income (loss) per share	46,541	42,396
Pro forma adjustments:		
Incremental shares related to stock options	(508)	2,548
Shares used in computing pro forma earnings per diluted share	46,033	44,944
Pro forma earnings per diluted share	\$ 0.54	\$ 0.44