



Blackbaud Acquires EVERFI

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TICKER: BLKB

January 3, 2022

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Key Messages

1

Doubles Blackbaud's total addressable market (TAM) opportunity to \$20B+

2

Impact-as-a-Service™ (IaaS) cloud platform advances Blackbaud's position as a leading technology partner in ESG and CSR

3

Combination of strong Blackbaud performance and acquisition of EVERFI expected to accelerate 2022 organic revenue growth into the mid to high single-digits

4

Shared sense of purpose with complementary missions and products—substantial revenue synergy opportunity with YourCause™ from Blackbaud

Pulls forward timeline to achieving **long-term aspirational goal:**

Mid to High Single-Digit

organic revenue growth

While driving toward **40%+** using Rule of 40 framework

Blackbaud is the world's leading cloud software company powering social good.



NONPROFITS



HIGHER EDUCATION INSTITUTIONS



K-12 SCHOOLS



HEALTHCARE ORGANIZATIONS



FAITH COMMUNITIES



ARTS AND CULTURAL ORGANIZATIONS



FOUNDATIONS



COMPANIES



INDIVIDUAL CHANGE AGENTS



Our Mission: To empower and connect people to drive impact for social good.



Cloud Software

We build, integrate, implement, and support solutions that help make our customers' vision a reality.



Services

We offer dedicated customer support and online training, along with strategic and managed services tailored to outcomes.



Data Intelligence

Using exclusive data, analytics, and expertise, we deliver unparalleled insight and intelligence to our customers.



Expertise

With more than four decades of experience, we are the undisputed industry experts on technology for social good.

Blackbaud anticipating solid financial performance in 2021

TOTAL NON-GAAP REVENUE

\$920M+

Original best estimate: \$900M+

- Contractual recurring revenue benefitting from solid trends in renewals and year over year improvement in sales productivity
- Q4 transactional revenue could drive variability tied to year-end seasonal giving
- Benefiting from the return of larger in-person events and a higher percentage of online giving
- Reduction of one-time services and other revenue of \$15M-\$20M

ADJUSTED EBITDA MARGIN

26%+

Original best estimate: 25%+

- Inclusive of actions taken in response to the pandemic that are not repeating in 2021
- Heightened fourth quarter investments in innovation, customer success, and security and cloud infrastructure are progressing well, with some likely to push into early 2022

FREE CASH FLOW

\$150M+

Original floor: \$100M+

- Stronger than anticipated performance with free cash flow of \$132M year-to-date through Q3
- Potential variability through year-end dependent on Q4 transactional revenue
- Less capital expenditures expected in 2021 given purchase of HQ in Q3 2020
- Capitalized software development costs roughly flat to 2020

Non-GAAP Revenue, non-GAAP adjusted EBITDA margin and non-GAAP free cash flow. Non-GAAP Revenue estimates shown on constant currency basis. 2021 estimates provided on 2/9/2021, updated on 11/3/2021 and reaffirmed as of 1/3/2022.

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World's leading cloud
software company
powering social good

EVERFI

Global technology leader driving
social impact through education
to address the most challenging
issues facing society

A Powerful Combination for Social Good

Strategic Rationale

Advances Blackbaud's position as a leading technology partner in the large and fast-growing environmental, social and governance (ESG) and corporate social responsibility (CSR) spaces

Category-creating Impact-as-a-Service™ leader with substantial growth synergy driven by cross-sell opportunity with YourCause™

Shared sense of purpose and complementary missions—retaining founders and leadership team

Doubles Blackbaud's total addressable market (TAM) opportunity to \$20B+ underpinned by long-term ESG growth trends and strong enterprise corporate relationships

Enhances Financial Profile

EVERFI has a high-growth recurring revenue model expecting to generate \$120M in 2022 with year-on-year growth approaching 20%

Accelerates Blackbaud's long-term financial goal timeline to achieve mid to high single-digit organic revenue growth, beginning in 2022

EVERFI is profitable though anticipated to be dilutive, initially, to Blackbaud's EBITDA margin driven by investments to accelerate the combined growth opportunity

Plan calls for rapid deleveraging driven by strong free cash flow generation

Transaction Overview

Transaction Consideration	Total purchase price of approximately \$750M comprised of \$450M of cash and \$300M of Blackbaud Common Stock, subject to certain customary adjustments
Transaction Date	Closed December 31, 2021
Financing	The acquisition was financed with a combination of cash reserves, credit facilities and the issuance of new Blackbaud Inc. common stock
Executive Team	EVERFI's executive team, including founder and CEO Tom Davidson, will join Blackbaud focused on accelerating expansion efforts

Introducing EVERFI

Cloud-based subscription offering with multi-year contracts

EVERFI

500+

Employees

~2,000

Global customers

25,000+

Active K-12 schools

~7M

Learners annually

Enables organizations to deliver social impact at scale through cloud software and digital education

Pioneered Impact-as-a-Service™ platform for customers' ESG and CSR initiatives to meet social and regulatory demands

Impressive and diversified customer base with some of the world's largest and most well-known financial institutions, companies, foundations, and sports leagues

Trusted partner to school districts across North America with digital education programs implemented in more than 25,000 schools each year, including the top 100 largest school districts in the U.S.

Social Impact, Delivered at Scale: Impact-as-a-Service™

Core Financial Services and ESG offerings to meet social and regulatory demands

~2,000
Global customers



Customer-Sponsored Digital Education

FINANCIAL LITERACY, COMMUNITY EDUCATION, WORKPLACE TRAINING

EVERFI

Cloud-based Software Platform

Impact Reporting Dashboard

AMPLIFY AND MESSAGE IMPACT FOR COMMUNITY, BOARDS, REGULATORS, EMPLOYEES & STAKEHOLDERS

Activation Across Global Network of Students, Community Members and Employees

~7 Million
Learners annually



EVERFI has an impressive customer base with some of the world's largest and most well-known brands

						J.P.Morgan
						
						
						

FINANCIAL SERVICES

Financial Services

Private-labeled subscription products that allow financial institutions to provide and report on data-driven financial wellness programs in communities

ESG

ESG

Subscription enables companies, foundations, and sports leagues to launch and scale massive learning initiatives both internally and externally

Acquisition Creates Substantial Revenue Synergies

Complementary product offerings with YourCause®

spanning community education, volunteering, grantmaking and philanthropy programs

Significant Cross-sell Opportunities

given minimal customer overlap



Blackbaud + EVERFI is a natural fit

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\$920M+

2021E Revenue¹

93%

Recurring Revenue

**Mid to High
Single-Digit**

Organic Revenue Growth Target¹

Millions

of users across
100+ countries²

Shared sense of purpose
with strong mission-driven cultures
united in a commitment to customers,
innovation, and social impact

**Together, we will be the
leading partner**
to support corporations in community
education, volunteering, grantmaking
and philanthropy programs

**Substantial growth
synergy opportunity**
with minimal overlap in
customer bases and strong enterprise
corporation relationships

EVERFI

~\$100M

2021E Revenue²

>90%

Recurring Revenue²

Approaching 20%

2022E Revenue Growth²

7 Million

Learners annually²

(1) As previously estimated and disclosed on November 3, 2021

(2) Internal data and company estimates

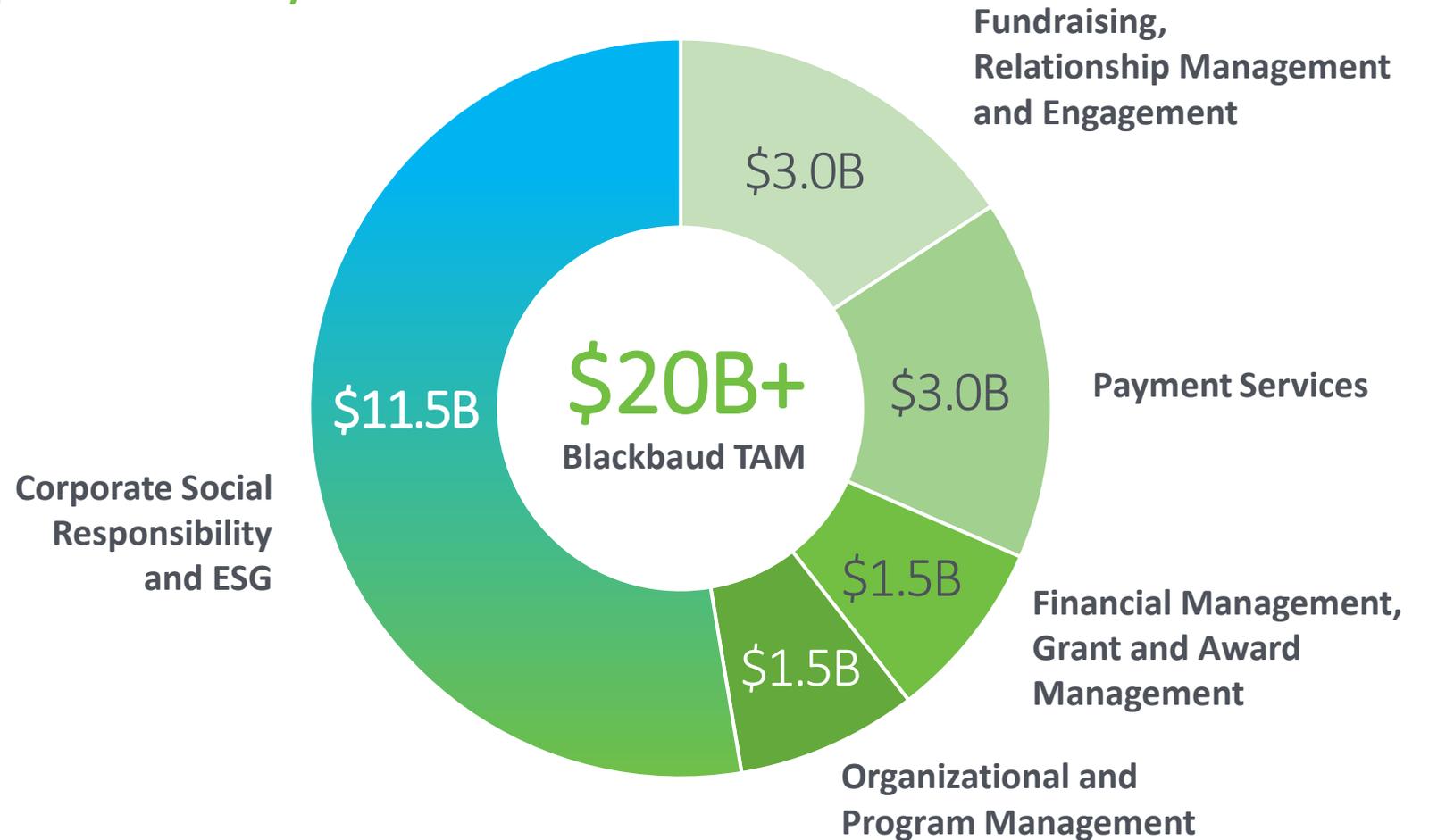
EVERFI Doubles Blackbaud's TAM with Expanded Opportunity in Corporate Social Responsibility and ESG

Increases Blackbaud total addressable market to \$20B+

increasing the addressable opportunity within corporate social responsibility and ESG by \$10B

Positions Blackbaud to be the leading technology partner

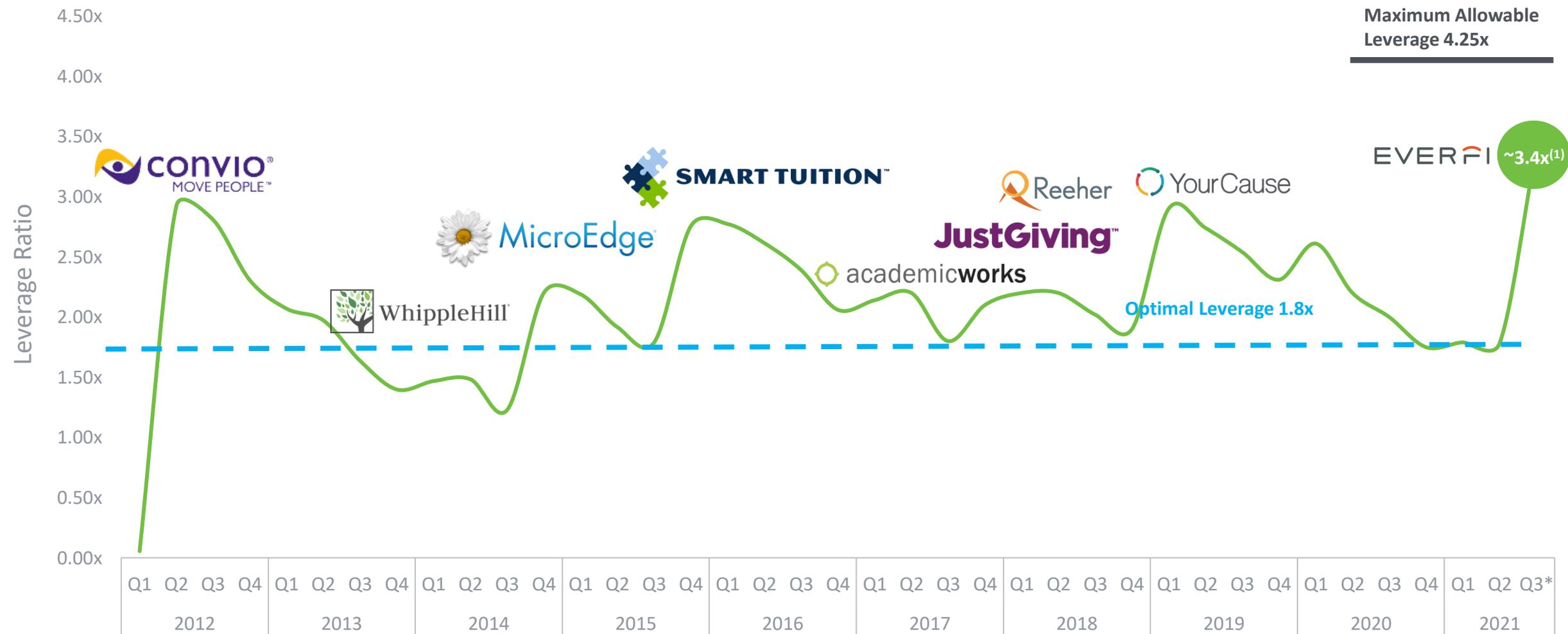
to support corporations in community education, volunteering, grantmaking and philanthropy programs



EVERFI Directly Aligned with Four-Point Strategy



Proven history of rapid deleveraging post-acquisition



(1) Proforma Q3 leverage ratio

Note: Current covenant for leverage ratio is less than or equal to 4.25x. Calculation of debt over TTM EBITDA is based on credit agreement in place at the end of the respective reporting quarter.

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EVERFI