

blackbaud®



Blackbaud Investor Presentation

Ticker: BLKB

April 30, 2025

Forward-looking Statements

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements in this presentation consist of, among other things, statements regarding future operating results, all of which are based on current expectations, estimates, and forecasts, and the beliefs and assumptions of the Company's management. Words such as "believes," "seeks," "expects," "may," "might," "should," "intends," "could," "would," "likely," "will," "targets," "plans," "anticipates," "aims," "projects," "estimates," or any variations of such words and similar expressions are intended to identify such forward-looking statements. These forward-looking statements are subject to risks, uncertainties and assumptions that are difficult to predict. Accordingly, they should not be viewed as assurances of future performance, and actual results may differ materially and adversely from those expressed in any forward-looking statements. Factors that could cause actual results to differ materially from the Company's expectations expressed in this presentation include: expectations for continuing to successfully execute the Company's growth and operational improvement strategies; expectations of future growth in the social good software solutions market, segments within that market and the Company's total addressable market; expectations that achieving the Company's goals will extend its competitive advantage and provide improved product quality and innovative solutions for its customers; expectations that centers of excellence and use of best-of-breed platforms will drive increasing operating efficiency and contribute to margin improvement; expectations that the Company's financial position provides flexibility to fuel future growth through acquisitions or other opportunities; expectations that past acquisitions have expanded the Company's customer and market opportunities; risks associated with unfavorable media coverage; risks associated with acquisitions; risks inherent in the expansion of our international operations; the possibility of reduced growth or amount of charitable giving; uncertainty regarding increased business and renewals from existing customers; risks associated with implementation of software products; the ability to attract and retain key personnel; risks related to the Company's leverage, credit facility and share repurchase program; lengthy sales and implementation cycles; technological changes that make the Company's products and services less competitive; risk related to the adequacy of our data security procedures and cybersecurity and data protection risks and related liabilities and potential legal proceedings involving us and uncertainty regarding existing legal proceedings and the other risk factors set forth from time to time in the Company's SEC filings. Factors that could cause or contribute to such differences include, but are not limited to, those summarized under Risk Factors in the Company's most recent annual report on Form 10-K, and any quarterly reports on Forms 10-Q thereafter, copies of which are available free of charge at the SEC's website at www.sec.gov or upon request from the Company's investor relations department. Given these risks and uncertainties, you should not place undue reliance on these forward-looking statements. Also, forward-looking statements represent the Company's beliefs and assumptions only as of the date of this presentation. Except as required by law, the Company does not intend, and undertakes no obligation, to revise or update these forward-looking statements, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.

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Historical Financials and Non-GAAP Financial Measures

Use of Non-GAAP Financial Measures: The Company has provided in this presentation financial information that has not been prepared in accordance with GAAP. The Company uses 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 the Company's ongoing operational performance. The Company 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 from period to period with other companies in the Company's industry, many of which present similar non-GAAP financial measures to investors. These non-GAAP financial measures may not be completely comparable to similarly titled measures of other companies due to potential differences in the exact method of calculation between companies. The Company believes that these non-GAAP financial measures reflect the Company's ongoing business in a manner that allows for meaningful period-to-period comparison and analysis of trends in the Company's business. 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 reconciliations of these non-GAAP measures to their most directly comparable GAAP financial measures.

Blackbaud discusses non-GAAP organic revenue growth measures, including non-GAAP organic revenue growth, non-GAAP organic revenue growth on a constant currency basis, non-GAAP organic recurring revenue growth, and non-GAAP organic recurring revenue growth on a constant currency basis, which Blackbaud believes provide useful information for evaluating the periodic growth of its business as well as growth on a consistent basis. Each measure of non-GAAP organic revenue growth excludes incremental acquisition-related revenue attributable to companies acquired in the current fiscal year. For companies acquired in the immediately preceding fiscal year, if any, each measure of non-GAAP organic revenue growth reflects presentation of full year incremental non-GAAP revenue derived from such companies as if they were combined throughout the prior period, and it includes the current period non-GAAP revenue attributable to those companies. In addition, each measure of non-GAAP organic revenue growth excludes prior period revenue associated with divested businesses. The exclusion of the prior period revenue is intended to present the results of the divested businesses within the results of the combined company for the same period of time in both the prior and current periods. Blackbaud believes this presentation provides a more comparable representation of our current business' organic revenue growth and revenue run-rate. In these materials, Blackbaud is presenting the following unaudited information: historical recurring and total revenue for the three month period ended March 31, 2025, for the fiscal year ended December 31, 2024 and the interim periods therein; calculations for recurring revenue growth and total revenue growth for the period ended March 31, 2025; and calculations of non-GAAP organic revenue growth, non-GAAP organic recurring revenue growth, non-GAAP organic revenue growth on a constant currency basis and non-GAAP organic recurring revenue growth on a constant currency basis for the same periods.

Rule of 40 is defined as non-GAAP organic revenue growth plus non-GAAP adjusted EBITDA margin. Non-GAAP adjusted EBITDA is defined as GAAP net income plus interest, net; income tax provision (benefit); depreciation; amortization of intangible assets from business combinations; amortization of software development costs; stock-based compensation; acquisition and disposition-related costs; employee severance; restructuring and other real estate activities; costs, net of insurance, related to the previously disclosed security incident discovered in May 2020 (the "Security Incident"); and impairment charges.

Non-GAAP free cash flow is defined as operating cash flow less capital expenditures, including costs required to be capitalized for software development, and capital expenditures for property and equipment. In addition, and in order to provide a meaningful basis for comparison, Blackbaud also uses non-GAAP adjusted free cash flow in analyzing its operating performance. Non-GAAP adjusted free cash flow is defined as operating cash flow less capital expenditures, including costs required to be capitalized for software development, capital expenditures for property and equipment, plus cash outflows, net of insurance, related to the Security Incident. Blackbaud believes non-GAAP free cash flow and non-GAAP adjusted free cash flow provide useful measures of the company's operating performance. Non-GAAP adjusted free cash flow is not intended to represent and should not be viewed as the amount of residual cash flow available for discretionary expenditures.

Historical Financial Statements Being Presented: In these materials, Blackbaud is presenting the following unaudited historical financial information: historical consolidated balance sheets as of the fiscal year ended December 31, 2024 and interim consolidated balance sheets for each of the quarters within fiscal 2025 and 2024; historical consolidated statements of comprehensive income for the fiscal year ended December 31, 2024 and interim consolidated statements of comprehensive income for each of the quarters within fiscal 2025 and 2024; historical consolidated statements of cash flows for the fiscal year ended December 31, 2024 and interim consolidated statements of cash flows for each of the interim year-to-date periods within fiscal 2025 and 2024; and historical non-GAAP financial information for the fiscal year ended December 31, 2024 and for each of the quarters within fiscal 2025 and 2024 as well as reconciliations of the non-GAAP measures to their most directly comparable GAAP measures and related non-GAAP adjustments. Blackbaud is providing this unaudited financial information to allow investors and analysts to more easily access and review the Company's historical consolidated financial data by including such information in one document.

Reconciliation of GAAP to Non-GAAP Financial Measures: Reconciliations of the most directly comparable GAAP measures to non-GAAP financial measures and related adjustments, as well as details of Blackbaud's methodology for calculating non-GAAP organic revenue growth, non-GAAP organic revenue growth on a constant currency basis, non-GAAP organic recurring revenue growth, non-GAAP organic recurring revenue growth on a constant currency basis and Rule of 40 can be found in the Appendix to these materials and on the "Investor Relations" page of the Company's website.

Blackbaud has not reconciled forward-looking non-GAAP financial measures contained in this investor material to their most directly comparable GAAP measures. Such reconciliations would require unreasonable efforts at this time to estimate and quantify with a reasonable degree of certainty various necessary GAAP components, including for example those related to compensation, acquisition transactions and integration, tax items or others that may arise. These components and other factors could materially impact the amount of the future directly comparable GAAP measures, which may differ significantly from their non-GAAP counterparts.

Blackbaud Investment Pillars

Rich Market Opportunity

- Global market leadership
- Significant available TAM
- Stable end markets
- Fragmented competitive landscape

Innovation Driving Product Value

- AI empowering customers
- Leading the industry in Security encryption
- Product first approach driving 90%+ retention rates
- Portfolio depth and breadth is market leading
- Migration to 3rd party cloud enables leverage/efficiencies

Attractive Financial Model

- 5 point operating plan driving organizational focus
- Enviably recurring revenue stream
- Revenue diversification
- Large and diverse customer base
- Repeated earnings growth
- Strong cash flows

Purposeful Capital Allocation

- Programmatic share repurchase
- Focus on debt level to maintain optimal capital structure
- Targeted M&A to bolster innovation

Blackbaud At-a-Glance

Clear market leader providing software that powers social impact

Mission critical software built to accelerate impact in fundraising, nonprofit financial management, digital giving, grantmaking, corporate social responsibility and education management



Arts & Cultural Organizations



Companies



Faith Communities



Foundations



Healthcare Organizations



Higher Education Institutions



Individual Change Agents



K-12 Schools



Nonprofits

40+

years serving industry with demonstrated track record

\$1.1B

annual recurring revenue¹

~2,600

employees

\$100B+

donated, granted, and invested through our platforms every year

~40,000

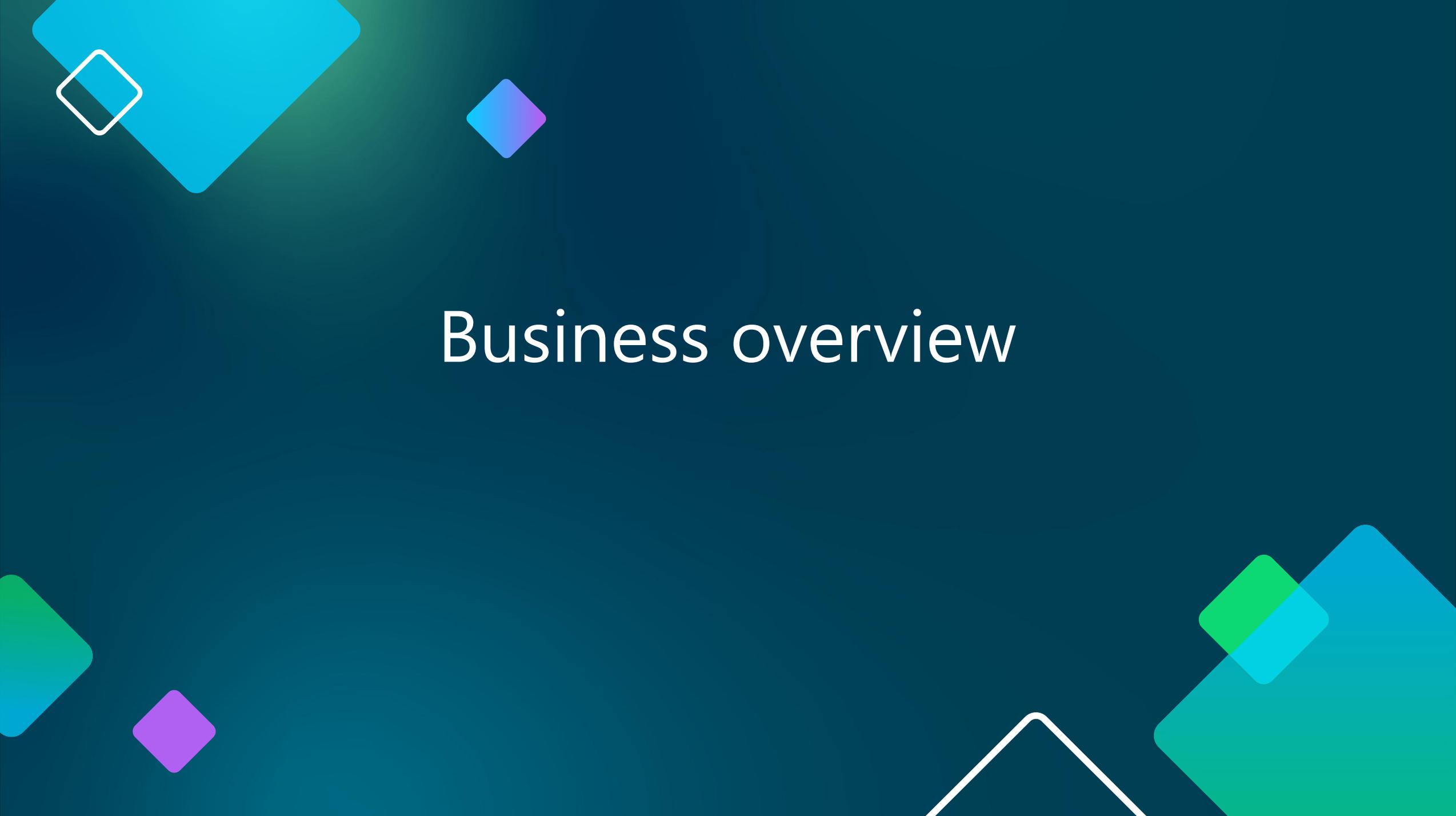
customers under contract²

Millions

of users and supporters in 100+ countries

¹ Non-GAAP, at mid-point of 2025 financial guidance, rounded to one decimal. Financial goals represent full year targets.

² Customers with contractual billing arrangements in 2024



Business overview

Blackbaud is the leading provider of software for powering social impact

We build, integrate and implement vertical-specific solutions purpose-built for the unique needs of our customers.



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

We drive impact through dedicated customer support and training, along with strategic and managed services tailored to our customers.



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



Our core competencies expand what is possible for purpose-driven organizations



Fundraising and Engagement

Fundraising
Peer-to-Peer Fundraising
Marketing



Financial Management

Fund Accounting
Financial Aid Management
Tuition Management



Grant and Award Management

Grantmaking
Award Management



Organizational and Program Management

Ticketing
Education Management



Social Responsibility

Employee Giving and Volunteering
Grantmaking



Payment Services

Merchant Services
Payables



Data Intelligence

Data Health
Insights
Performance

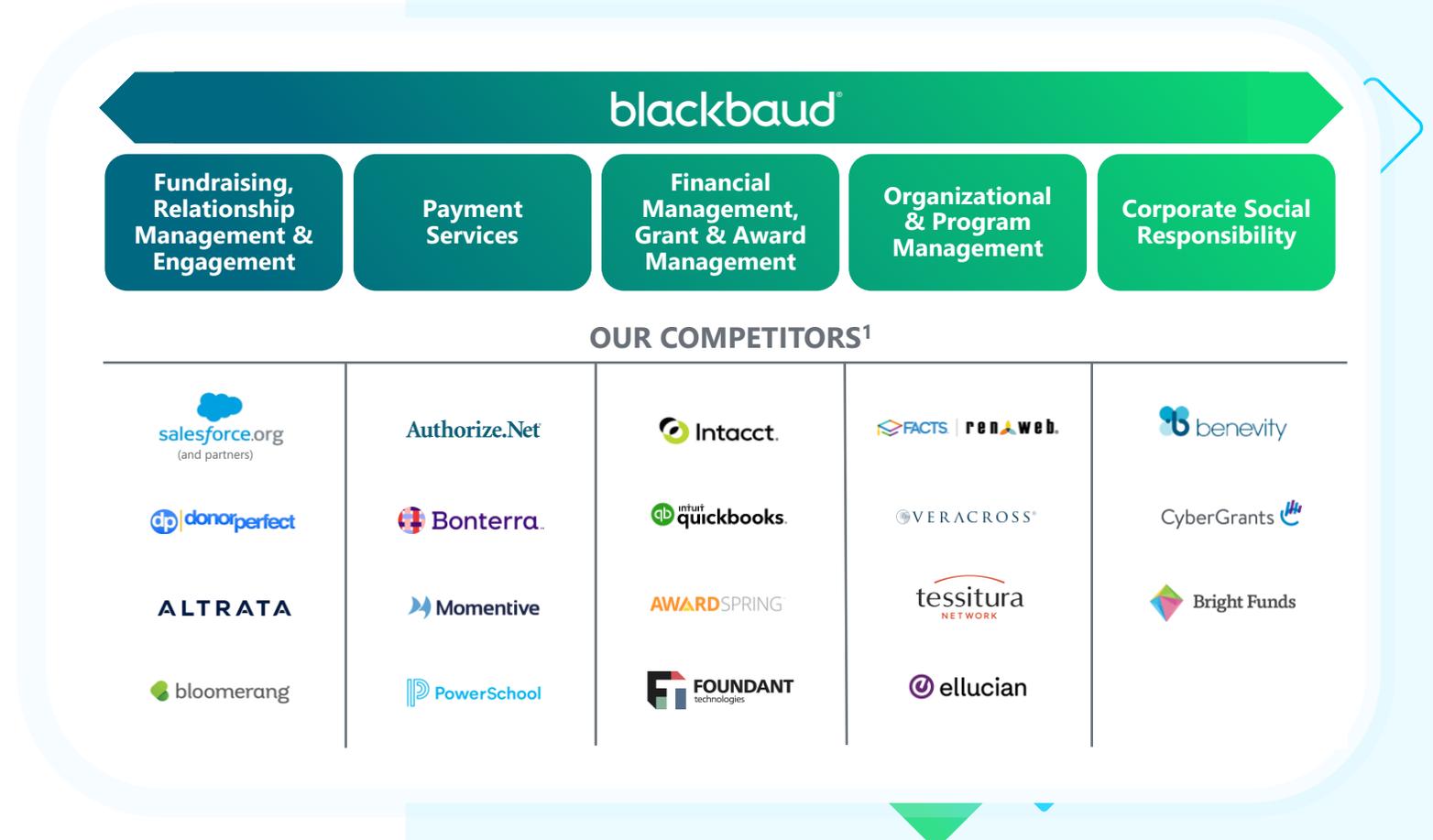


Services

Consulting Services
Implementation and Optimization Services

Most comprehensive solution set that accelerates impact

- Blackbaud is the **leading provider of software** wholly dedicated to powering social impact
- Only Blackbaud offers a full portfolio of **purpose-built, integrated solutions**
- Highly **fragmented competition** offers single-point solutions
- Large customer base with **strong retention**



¹Informed by internal competitive intelligence and analysis

Fueling accelerated impact for our customers

\$4.3B

goal for the Campaign for Carolina exceeded a year early utilizing Blackbaud CRM

300K

meals packed by employees for Rise Against Hunger using YourCause® CSRconnect®

\$400K

raised through a virtual event powered by JustGiving® from Blackbaud® Peer-to-Peer Fundraising



THE UNIVERSITY
of NORTH CAROLINA
at CHAPEL HILL



Archbishop
Moeller
High School



m c a s d
Museum of
Contemporary Art
San Diego

200%

boost in fundraising, including a \$1 million gift, powered by Blackbaud Raiser's Edge NXT®

100x

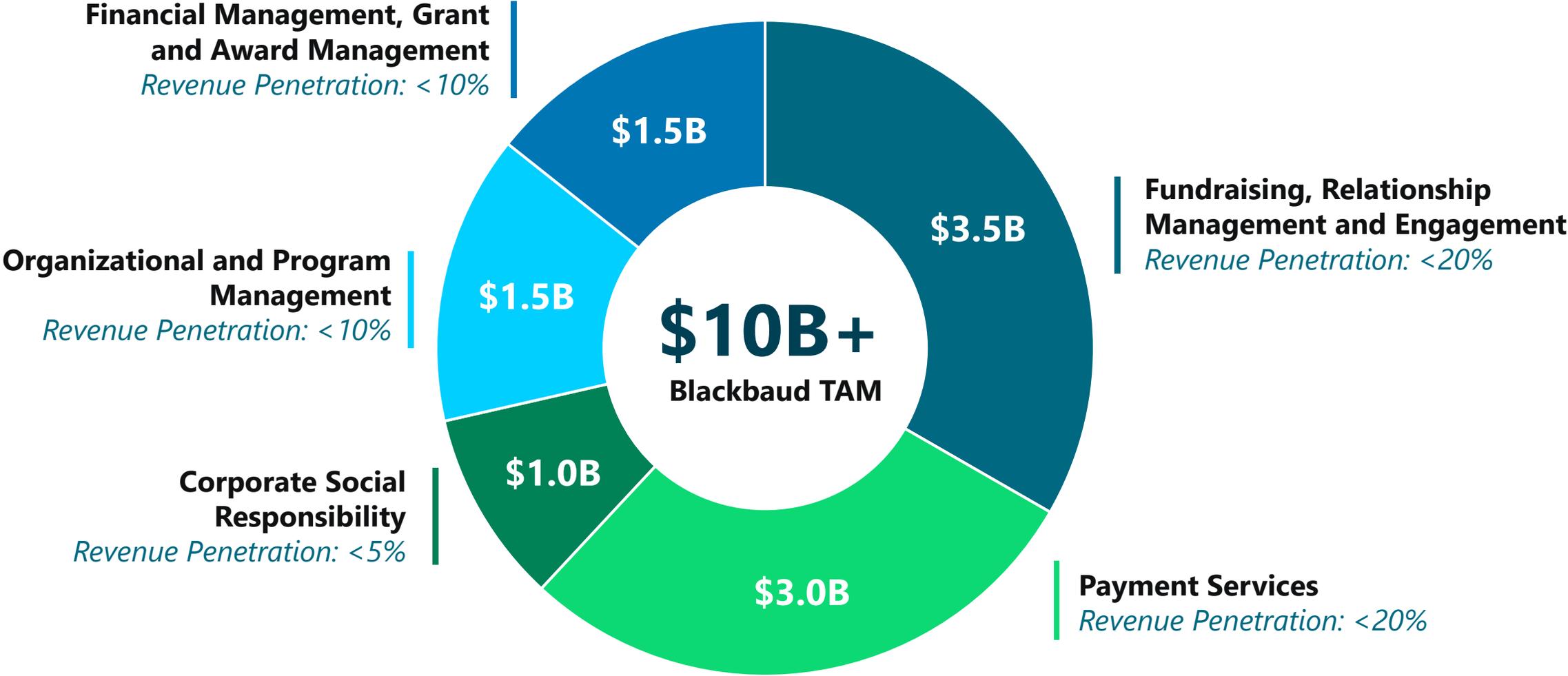
reduction in time setting up tuition account with Blackbaud's suite of education management solutions

350%

Increase in online donations after adoption of Blackbaud Altru and XTruLink, a Blackbaud partner



Large and underpenetrated total addressable market

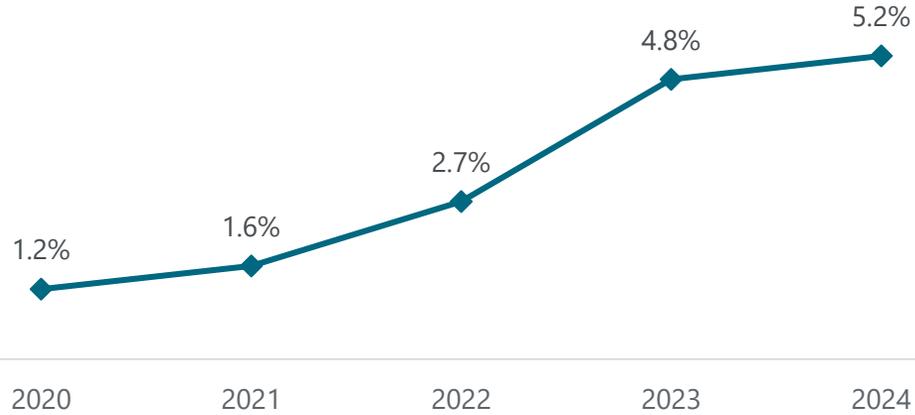


Sources: FY 2024 Blackbaud Revenue. Global Blackbaud TAM based on IRS data, Canadian Revenue Agency, Private School Universe, IPEDS, Dun & Bradstreet, HIMSS, Guidestar, S&P Global database, Small Business & Entrepreneurship Council, Blackbaud internal data

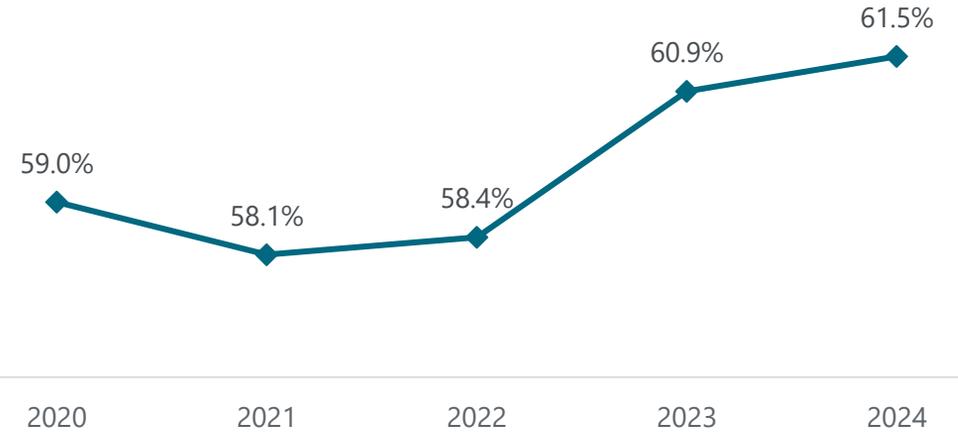


Track record of improving financial performance

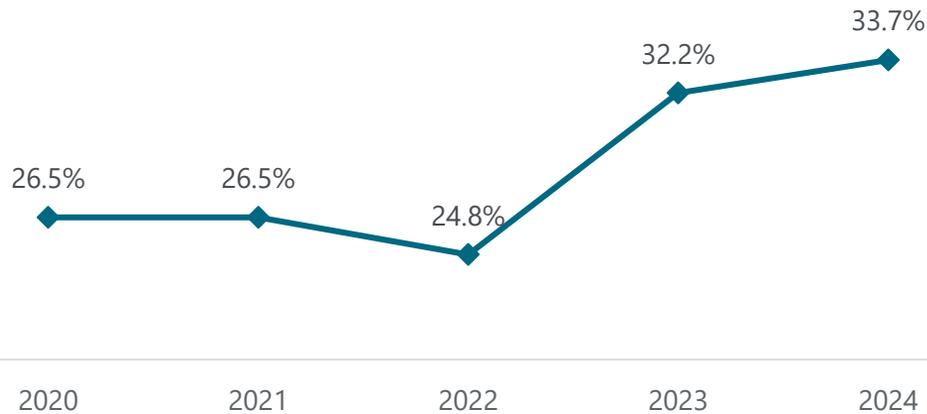
Organic Revenue Growth



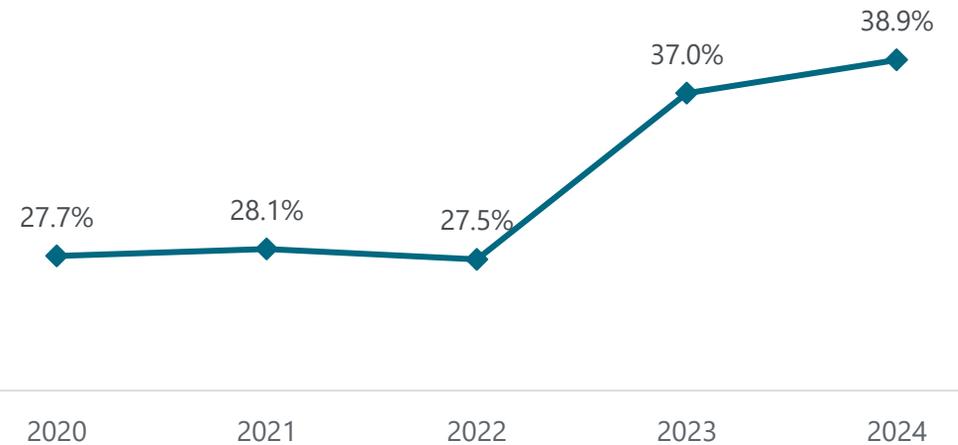
Non-GAAP Gross Margin



Non-GAAP Adjusted EBITDA Margin



Rule of 40





Update on operational initiatives

Operating plan driving improved financial performance

1

Product
Innovation and
delivery

2

Bookings growth
and acceleration

3

Transactional
revenue
optimization and
expansion

4

Modernized approach
to pricing and multi-
year customer
contracts

5

Keen attention
to cost
management

Adding substantial value for customers through product delivery and innovation

Corporate Social Impact Innovation

At the YourCause® from Blackbaud® Corporate Social Impact Summit previewed product innovation, including how YourCause is integrating AI, transforming the giving process, helping companies unleash generosity, and revolutionizing corporate social impact reporting

Raiser's Edge NXT® Enhancements

In April 2024, announced a major wave of all-new innovation and powerful enhancements coming to Raiser's Edge NXT®, including powerful new fundraising AI, a new streamlined user experience, and personalized productivity dashboards

bbcon 2024: 6 Waves of Innovation

From groundbreaking fundraising AI tools to new integrations and updates for core products, Blackbaud showcased six waves of innovation coming to our product portfolio—all focused on driving more connection and delivering more context

Optimized Donation Forms

New donation forms that fully integrate with Blackbaud's payment processing and CRM software and enable customers to raise more money while reduce processing costs

UBIQ Strategic Investment

Focus of the investment will be on delivering a native integration, extending Blackbaud's Total School Solution to include UBIQ's cutting-edge suite of marketing and admissions tools with seamless data integration across the platform

Prospect Insights Pro

New add-on capability within Raiser's Edge NXT® that gives fundraisers access to AI-driven insights to support planned and major gift fundraising

Direct sales force focused on signing new logos as well as upsell and cross-sell opportunities

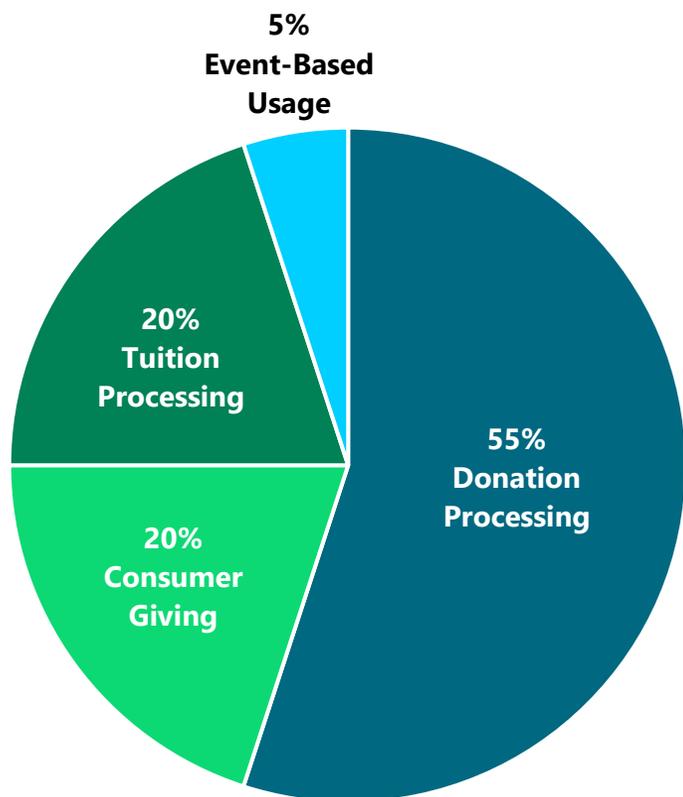


Select recent sales wins



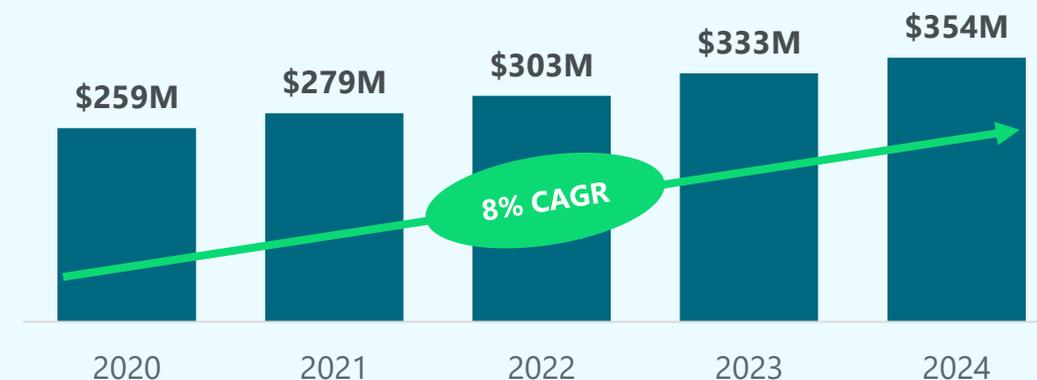
Initiatives across resilient and diverse transactional revenue streams drive continued consistent growth

Transactional recurring revenue streams¹



¹ Based on 2024 transactional revenue

Transactional recurring revenue growth



- Strong momentum in consumer giving and tuition processing as payments further migrate online
- Rate increases across select areas of payments portfolio
- Additional payments solutions optimization to drive enhanced donor experience

Modernized renewal pricing provides better economics and visibility

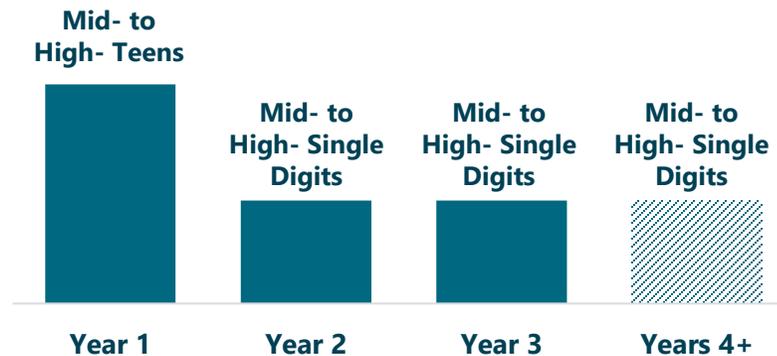
RENEWAL APPROACH *(since March 2023)*

Renewal Term Primarily 3-year contract renewal terms

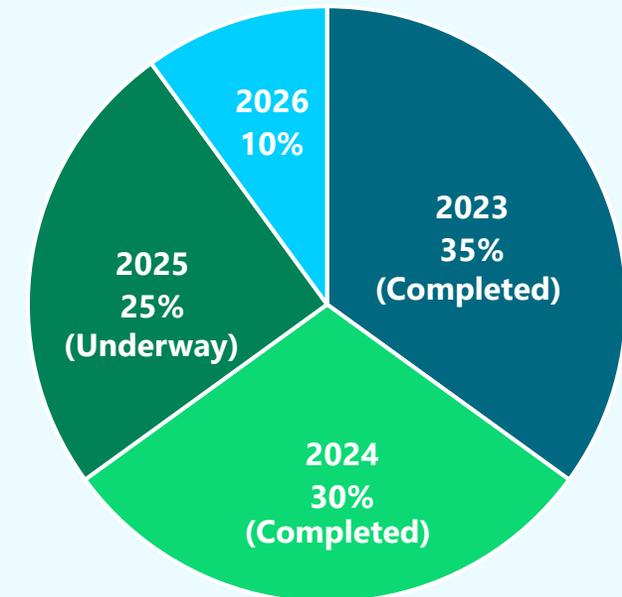
Rate Increase at Renewal Mid- to high-teens rate increase upon renewal

Embedded Escalator in Multi-Year Contracts Mid- to high-single digit rate increase embedded in both years 2 & 3

Illustration of Rate Increase on a 3-Year Contract Renewal



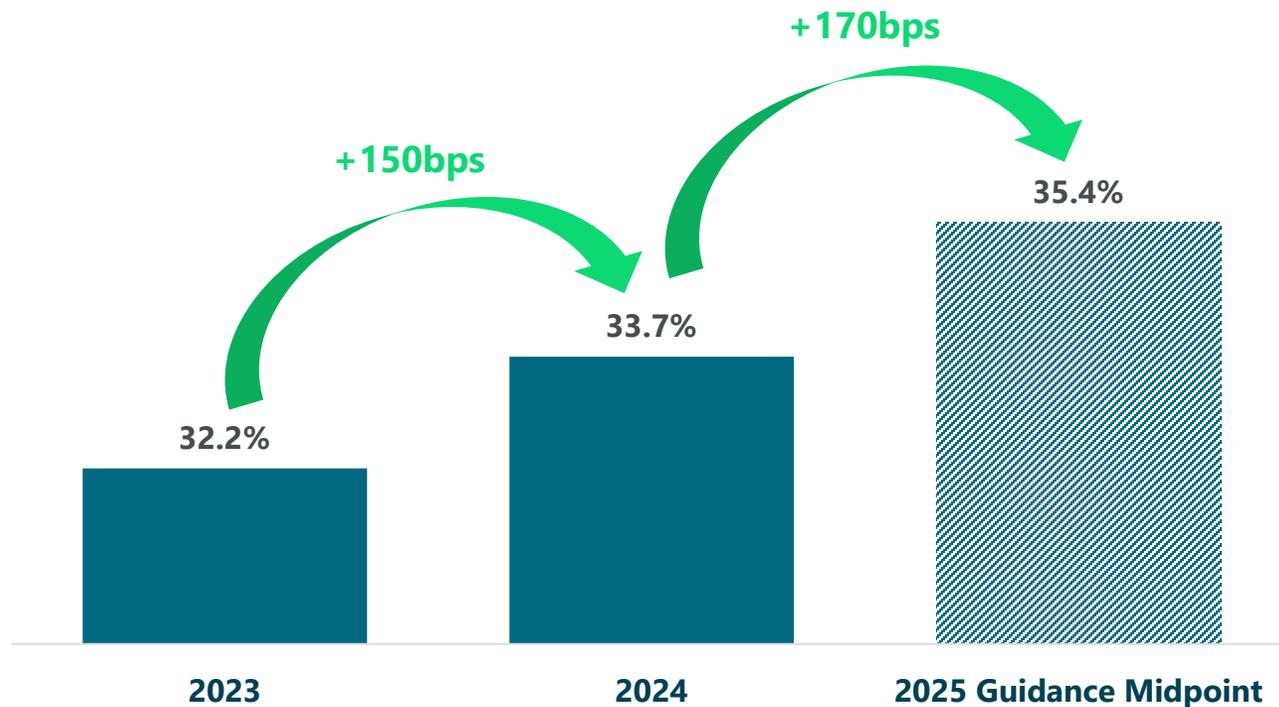
Mix of contracts eligible for renewal rate increase by renewal year¹



¹ Estimate as of end of July 2023, excludes new bookings.

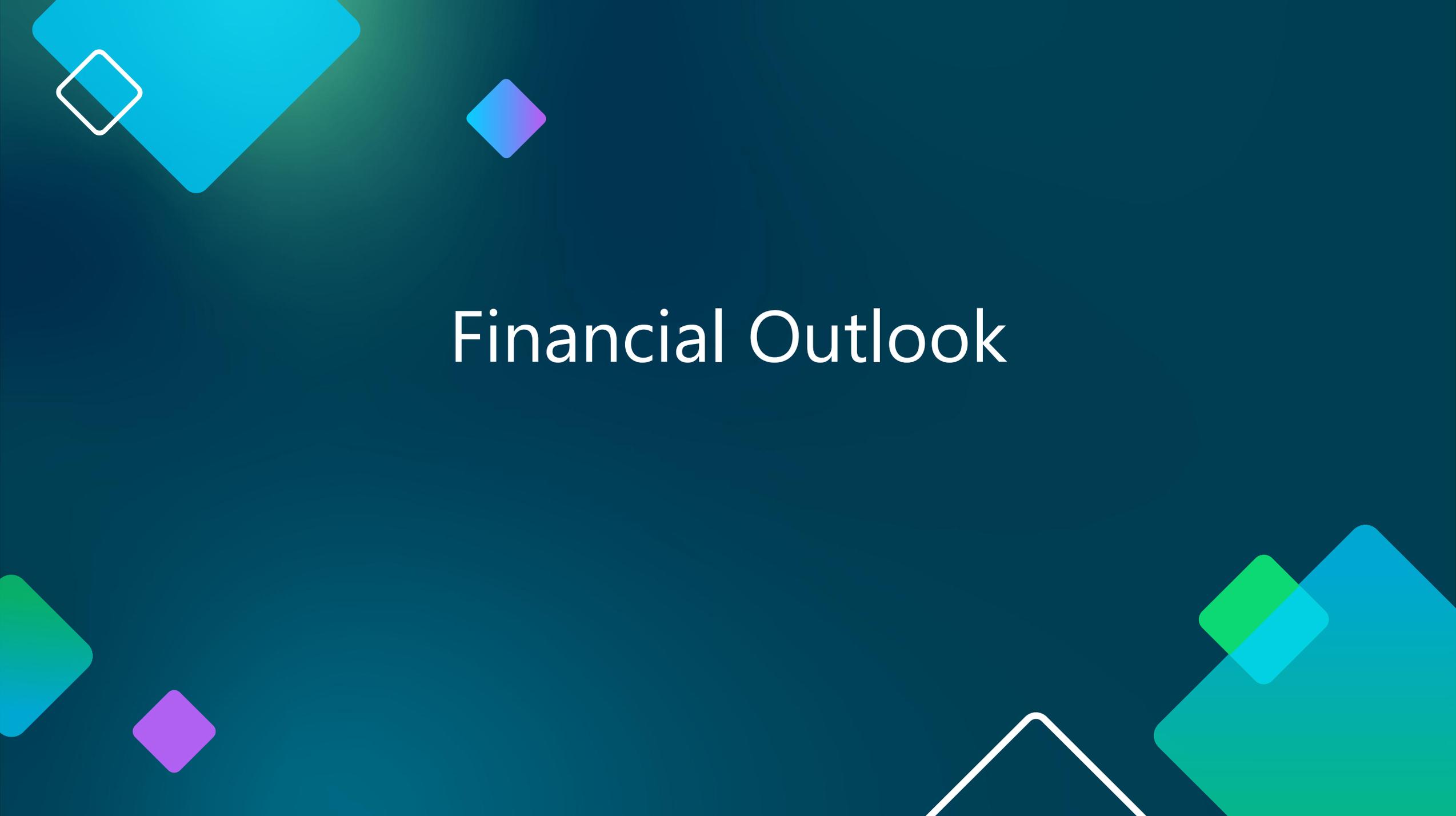
Keen attention to cost management will contribute to ongoing margin expansion

Non-GAAP adjusted EBITDA margin



Drivers of continued margin improvement:

- Continue to manage cost structure to realize scale from expense base
- Gross margin improvement via continued platform modernization
- Data center consolidation as we complete migration to third party cloud (2 data centers remaining to close)
- Fall-through benefit from renewal price increases



Financial Outlook

Q1 2025 Performance

Revenue Year over Year



Revenue Highlights:

- Contractual recurring growth supported by sales bookings and modernized approach to renewal pricing launched in March '23
- Strong transactional recurring growth in the quarter primarily driven by volume growth and improved take rates
- Q1 2024 included approximately \$2 million benefit due to leap year and extra day of revenue recognition
- Note: Blackbaud divested EverFi business as of 12/31/24

Rule of 40 Year over Year¹



Rule of 40 Highlights:

- Strong improvement in Q1 2025 Rule of 40 performance driven by increased EBITDA margin.
- Expect continued improvement to Rule of 40 performance in 2025 and beyond.

¹ Non-GAAP performance through 3/31/25. Rule of 40 at as reported currency measured by non-GAAP organic revenue growth plus non-GAAP Adjusted EBITDA margin. Rule of 40 at constant currency measured by non-GAAP organic revenue growth on constant currency basis plus non-GAAP Adjusted EBITDA margin shown on constant currency basis. Non-GAAP adjusted EBITDA is defined as GAAP net income plus interest, net; income tax provision (benefit); depreciation; amortization of intangible assets from business combinations; amortization of software development costs; stock-based compensation; acquisition and disposition-related costs; employee severance; restructuring and other real estate activities; costs, net of insurance, related to the previously disclosed security incident discovered in May 2020 (the "Security Incident"); and impairment of capitalized software development costs. Please refer to the appendix of this presentation.



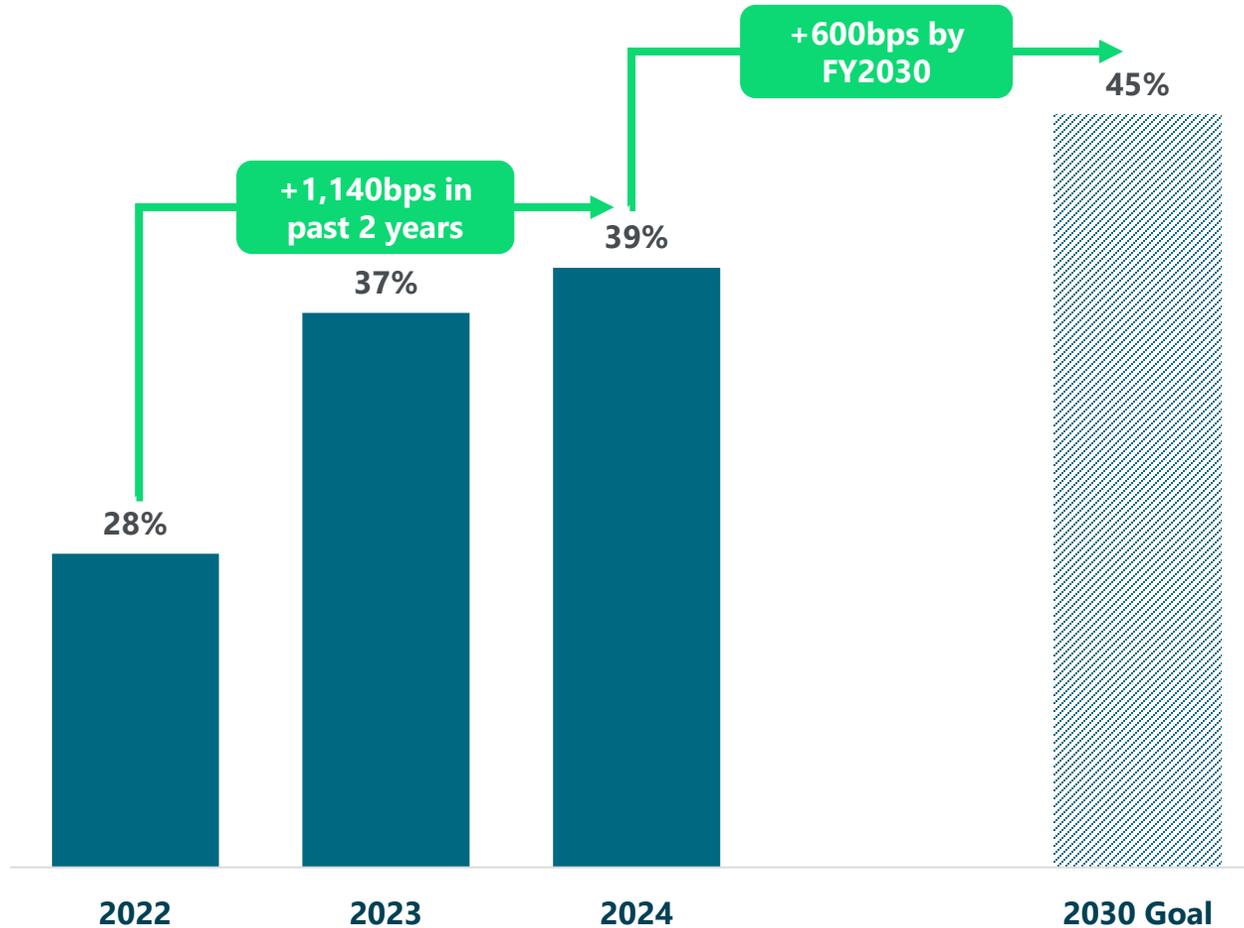
2025 total company guidance

Metric		Mid-Point	
Total Revenue	\$1,115M - \$1,125M	\$1,120M	 Revenue range implies organic growth at constant currency of 4.5% to 5.4%
Adjusted EBITDA Margin	34.9% - 35.9%	35.4%	 Midpoint of adjusted EBITDA margin range implies a 170bps improvement over FY24
Diluted EPS	\$4.16 - \$4.35	\$4.26	 Diluted EPS growth contemplates buyback of 3% to 5% of common stock outstanding in FY25
Adjusted Free Cash Flow	\$185M - \$195M	\$190M	 Adjusted free cash flow after planned expenditures that benefit future profitability

Non-GAAP. Assumptions included in full year 2025 financial guidance: Non-GAAP annualized effective tax rate of 24.5%; Interest expense for the year of \$65M - \$69M; Fully diluted shares for the year in the range of 48.5M - 49.5M; Capital expenditures for the year in the range of \$55M to \$65M, including approx. \$50M to \$60M of capitalized software development costs

In order to provide a meaningful basis for comparison, Blackbaud now uses non-GAAP adjusted free cash flow in analyzing its operating performance. Non-GAAP adjusted free cash flow is defined as operating cash flow less capital expenditures, including costs required to be capitalized for software development, capital expenditures for property and equipment, plus cash flow, net of insurance, related to the previously disclosed Security Incident. For full year 2025, Blackbaud currently expects net cash outlays of \$3 million to \$4 million for ongoing legal fees related to the Security Incident. In line with the Company's policy, all associated costs due to third-party service providers and consultants, including legal fees, are expensed as incurred.

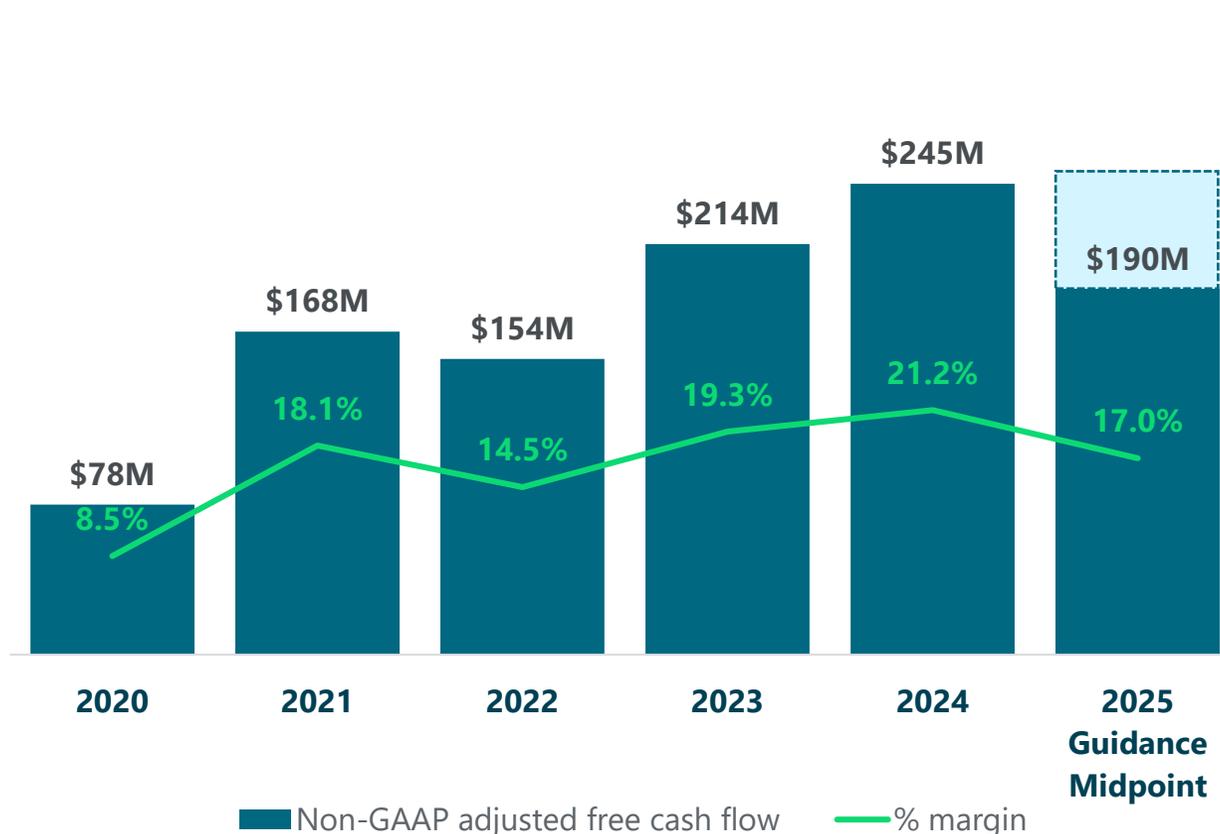
Rule of 45 by FY 2030



- Goal of achieving Rule of 45 by FY2030 through a combination of consistent mid-single digit organic revenue growth and margin expansion
- Expect continued free cash flow margin expansion as improvements to Rule of 45 goal flow through to cash generation
- Leverage strong free cash flow to fuel a disciplined capital allocation strategy

Strong free cash flow generation to fund investments and disciplined capital allocation strategy

Non-GAAP adjusted free cash flow¹



2025 Adjusted FCF Impact

Investments with Future Benefit to EBITDA and FCF	One-time cash release payment to the lessor in connection with the release of our lease for office space in Washington, DC which was acquired as part of the acquisition of EVERFI in December 2021	\$28M
	One-time investment for new office in India that will provide access to high quality and cost-effective tech talent	~\$5M
Interest Expense	~\$11 million of incremental interest expense related to the 2025 repurchase program. This is in addition to ~\$20 million of incremental interest in 2024 related to share repurchase	~\$11M
Other	Other factors including the timing of certain working capital items and divestiture related costs	~\$15M

1) FY 2025 figure reflects midpoint of guidance. Non-GAAP adjusted free cash flow is defined as operating cash flow less capital expenditures, including costs required to be capitalized for software development, capital expenditures for property and equipment, plus cash outflows, net of insurance, related to the previously disclosed Security Incident discovered in May 2020.

Blackbaud intends to repurchase up to 5% of outstanding stock in 2025¹

- Repurchased ~3% of common stock outstanding in Q1 2025 and ~4% including net share settlement of employee stock comp
- In total, expect to repurchase up to 5% of common stock outstanding in FY2025
- As of March 31, 2025, Blackbaud had approximately \$545 million remaining under its \$800 million authorization



1) The timing and amount of repurchases depends on several factors, including market and business conditions, the trading price of our common stock and the nature of other investment opportunities. The repurchase program may be limited, suspended or discontinued at any time without prior notice.

Long-term capital allocation strategy focused on maximizing shareholder value

Stock Repurchases

Up to 5% repurchase expected in 2025 under \$800M authorization

Minimally expect to repurchase stock to offset dilution from annual stock-based compensation (SBC)

Accretive M&A

Target acquisition opportunities with high synergy value and a focus on vertical end markets already served by other Blackbaud products

Debt Repayment

Manage debt balance to maintain optimal capital structure

Blackbaud Investment Pillars

Rich Market Opportunity

- Global market leadership
- Significant available TAM
- Stable end markets
- Fragmented competitive landscape

Innovation Driving Product Value

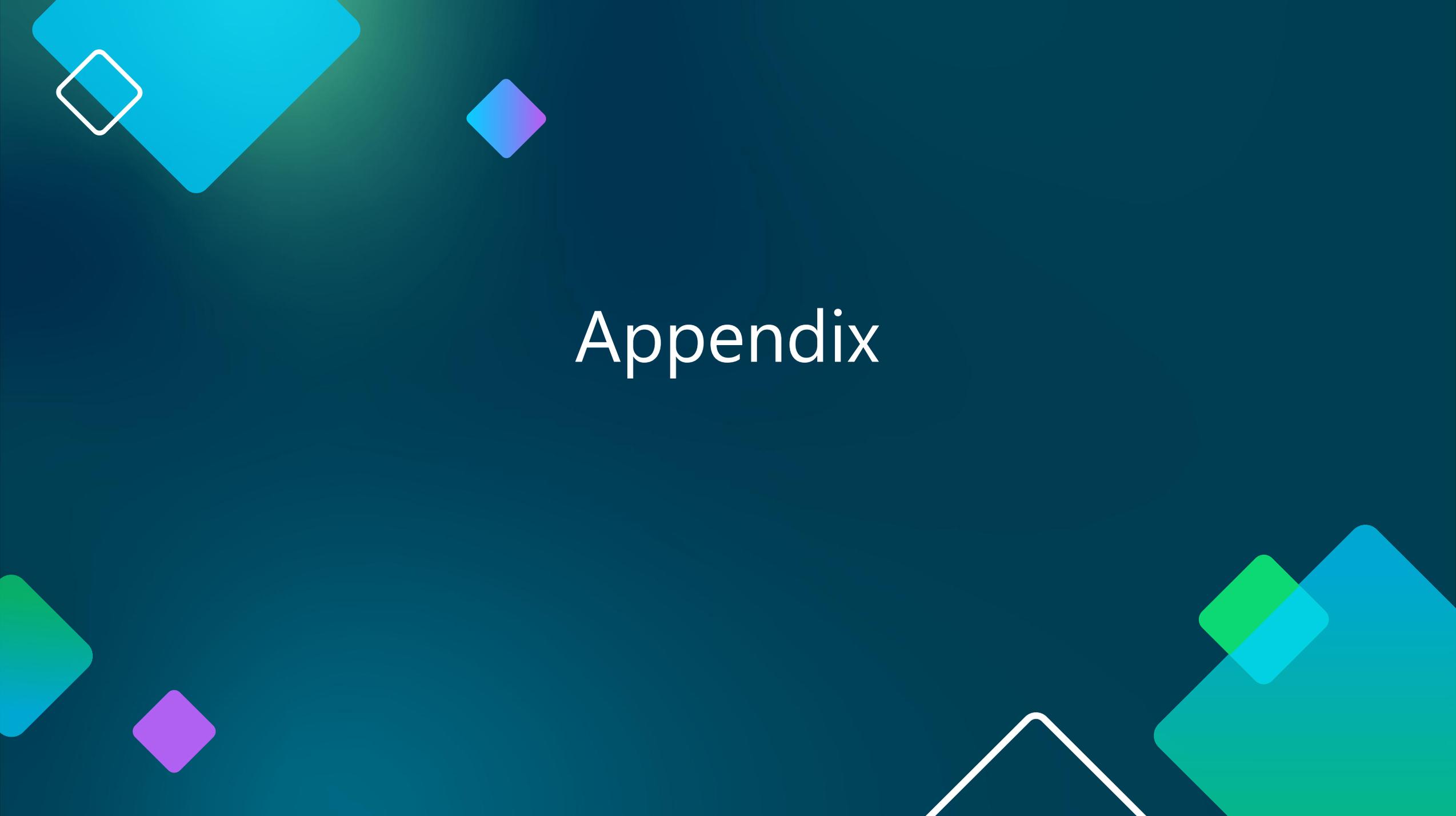
- AI empowering customers
- Leading the industry in Security encryption
- Product first approach driving 90%+ retention rates
- Portfolio depth and breadth is market leading
- Migration to 3rd party cloud enables leverage/efficiencies

Attractive Financial Model

- 5 point operating plan driving organizational focus
- Enviably recurring revenue stream
- Revenue diversification
- Large and diverse customer base
- Repeated earnings growth
- Strong cash flows

Purposeful Capital Allocation

- Programmatic share repurchase
- Focus on debt level to maintain optimal capital structure
- Targeted M&A to bolster innovation

The background is a dark teal color. It features several decorative elements: a large cyan rounded square in the top-left corner with a white outline diamond inside it; a small purple-to-cyan gradient diamond in the top-center; a cyan rounded square in the bottom-left corner; a purple-to-cyan gradient diamond in the bottom-left area; a white outline mountain-like shape in the bottom-center; and a large cyan rounded square in the bottom-right corner with a smaller cyan rounded square overlapping its top-left corner.

Appendix

Unaudited Historical Financial Information and Non-GAAP Financial Measures Being Presented

Reclassifications to the unaudited historical financial information

In order to provide comparability between periods presented, our “recurring” and “one-time services and other” revenue lines have been combined within “revenue” in the previously reported consolidated statements of comprehensive income to conform to the presentation of the current period. Similarly, “cost of recurring” and “cost of one-time services and other” have been combined within “cost of revenue” in the previously reported consolidated statements of comprehensive income to conform to the presentation of the current period.

Historical Reconciliations of GAAP and Non-GAAP Organic Revenue Growth (Unaudited)

(dollars in thousands)	Three months ended		Year ended	Three months ended			
	03/31/2025	03/31/2024	12/31/2024	12/31/2024	09/30/2024	06/30/2024	03/31/2024
GAAP revenue	\$ 270,661	\$ 279,250	\$ 1,155,495	\$ 302,232	\$ 286,727	\$ 287,286	\$ 279,250
GAAP revenue growth	(3.1)%						
Less: Non-GAAP revenue from divested businesses ⁽¹⁾	—	(23,409)	(85,777)	(19,096)	(19,516)	(23,756)	(23,409)
Non-GAAP organic revenue ⁽²⁾	\$ 270,661	\$ 255,841	\$ 1,069,718	\$ 283,136	\$ 267,211	\$ 263,530	\$ 255,841
Non-GAAP organic revenue growth	5.8 %						
Non-GAAP organic revenue ⁽²⁾	\$ 270,661	\$ 255,841	1,069,718	\$ 283,136	\$ 267,211	\$ 263,530	\$ 255,841
Foreign currency impact on Non-GAAP organic revenue ⁽³⁾	298	—	—	—	—	—	—
Non-GAAP organic revenue on constant currency basis ⁽³⁾	\$ 270,959	\$ 255,841	\$ 1,069,718	\$ 283,136	\$ 267,211	\$ 263,530	\$ 255,841
Non-GAAP organic revenue growth on constant currency basis	5.9 %						
GAAP recurring revenue	264,050	271,518	1,129,114	296,202	280,018	281,376	271,518
GAAP recurring revenue growth	(2.8)%						
Less: Non-GAAP recurring revenue from divested businesses ⁽¹⁾	—	(22,054)	(82,761)	(18,643)	(18,646)	(23,418)	(22,054)
Non-GAAP organic recurring revenue ⁽²⁾	\$ 264,050	\$ 249,464	\$ 1,046,353	\$ 277,559	\$ 261,372	\$ 257,958	\$ 249,464
Non-GAAP organic recurring revenue growth	5.8 %						
Non-GAAP organic recurring revenue ⁽²⁾	\$ 264,050	\$ 249,464	1,046,353	\$ 277,559	\$ 261,372	\$ 257,958	\$ 249,464
Foreign currency impact on non-GAAP organic recurring revenue ⁽³⁾	277	—	—	—	—	—	—
Non-GAAP organic recurring revenue on constant currency basis ⁽³⁾	\$ 264,327	\$ 249,464	\$ 1,046,353	\$ 277,559	\$ 261,372	\$ 257,958	\$ 249,464
Non-GAAP organic recurring revenue growth on constant currency basis	6.0 %						

(1) Non-GAAP revenue from divested businesses excludes revenue associated with divested businesses in the prior period. The exclusion of the prior period revenue is to present the results of the divested business with the results of the combined company for the same period of time in both the prior and current periods.

(2) Non-GAAP organic revenue and non-GAAP organic recurring revenue for the prior year periods presented herein may not agree to non-GAAP organic revenue presented in the respective prior period quarterly financial information solely due to the manner in which non-GAAP organic revenue growth is calculated.

(3) To determine non-GAAP organic revenue growth and non-GAAP organic recurring revenue growth on a constant currency basis, revenues from entities reporting in foreign currencies were translated to U.S. Dollars using the comparable period's quarterly weighted average foreign currency exchange rates. The primary foreign currencies creating the impact are the Australian Dollar, British Pound, Canadian Dollar and Euro.

Reconciliations of Non-GAAP Organic Revenue Growth and Rule of 40 (Unaudited)

(dollars in thousands)	Three months ended	
	03/31/2025	03/31/2024
GAAP net income	\$ 4,867	\$ 5,246
Non-GAAP adjustments:		
Add: Interest, net	15,290	8,228
Add: GAAP income tax provision (benefit)	723	(1,456)
Add: Depreciation	2,975	3,075
Add: Amortization of intangibles from business combinations	7,586	15,567
Add: Amortization of software development costs ⁽¹⁾	11,872	12,090
Subtotal	38,446	37,504
Non-GAAP EBITDA	\$ 43,313	\$ 42,750
Non-GAAP EBITDA margin⁽²⁾	16.0 %	
Non-GAAP adjustments:		
Add: Stock-based compensation expense	22,170	33,570
Add: Acquisition and disposition-related costs	25,132	2,255
Add: Security Incident-related costs ⁽³⁾	2,180	10,323
Subtotal	49,482	46,148
Non-GAAP adjusted EBITDA	\$ 92,795	\$ 88,898
Non-GAAP adjusted EBITDA margin⁽⁴⁾	34.3 %	
Rule of 40⁽⁵⁾	40.1 %	
Non-GAAP adjusted EBITDA	92,795	88,898
Foreign currency impact on Non-GAAP adjusted EBITDA ⁽⁶⁾	205	(415)
Non-GAAP adjusted EBITDA on constant currency basis⁽⁶⁾	\$ 93,000	\$ 88,483
Non-GAAP adjusted EBITDA margin on constant currency basis	34.3 %	
Rule of 40 on constant currency basis⁽⁷⁾	40.2 %	

(1) Includes amortization expense related to software development costs and amortization expense from capitalized cloud computing implementation costs.

(2) Measured by GAAP revenue divided by non-GAAP EBITDA.

(3) Includes Security Incident-related costs incurred, net of probable insurance recoveries. Recorded expenses consisted primarily of payments to third-party service providers and consultants, including legal fees, as well as settlements of customer claims, negotiated settlements and accruals for certain loss contingencies. Not included in this adjustment were costs associated with enhancements to our cybersecurity program.

(4) Measured by non-GAAP organic revenue divided by non-GAAP adjusted EBITDA.

(5) Measured by non-GAAP organic revenue growth plus non-GAAP adjusted EBITDA margin. See Non-GAAP organic revenue growth table on prior slide.

(6) To determine non-GAAP adjusted EBITDA on a constant currency basis, non-GAAP adjusted EBITDA from entities reporting in foreign currencies were translated to U.S. Dollars using the comparable prior period's quarterly weighted average foreign currency exchange rates. The primary foreign currencies creating the impact are the Australian Dollar, British Pound, Canadian Dollar and Euro.

(7) Measured by non-GAAP organic revenue growth on constant currency basis plus non-GAAP adjusted EBITDA margin on constant currency basis. See Non-GAAP organic revenue growth table on prior slide.

Reconciliation of GAAP to Non-GAAP Consolidated Statements of Operations (Unaudited)

Three Months Ended March 31, 2025							
(in thousands, except per share amounts)	GAAP	Stock-based compensation expense	Amortization of intangibles from business combinations	Acquisition and disposition-related costs	Security Incident-related costs ⁽¹⁾	Non-GAAP adjustments subtotal	Non-GAAP
Revenue	270,661	—	—	—	—	—	270,661
Cost of revenue	114,815	(2,698)	(7,052)	—	—	(9,750)	105,065
Gross profit	155,846	2,698	7,052	—	—	9,750	165,596
Total Gross Margin	57.6 %					3.6 %	61.2 %
Operating expenses							
Sales, marketing and customer success	44,644	(4,124)	—	—	—	(4,124)	40,520
Research and development	33,559	(5,914)	—	—	—	(5,914)	27,645
General and administrative	56,679	(9,434)	—	(25,132)	(2,180)	(36,746)	19,933
Amortization	534	—	(534)	—	—	(534)	—
Total operating expenses	135,416	(19,472)	(534)	(25,132)	(2,180)	(47,318)	88,098
Income from operations	20,430	22,170	7,586	25,132	2,180	57,068	77,498
Total Operating Margin	7.5 %					21.1 %	28.6 %
Net Income	\$ 4,867						\$ 47,307
Shares used in computing diluted earnings per share	49,445						49,445
Diluted earnings per share	\$ 0.10						\$ 0.96

(1) Includes Security Incident-related costs incurred, net of probable insurance recoveries. Recorded expenses consisted primarily of payments to third-party service providers and consultants, including legal fees, as well as settlements of customer claims, negotiated settlements and accruals for certain loss contingencies. Not included in this adjustment were costs associated with enhancements to our cybersecurity program.

Reconciliation of GAAP to Non-GAAP Consolidated Statements of Operations (Unaudited)

Three Months Ended March 31, 2024							
(in thousands, except per share amounts)	GAAP	Stock-based compensation expense	Amortization of intangibles from business combinations	Acquisition and disposition-related costs	Security Incident-related costs ⁽¹⁾	Non-GAAP adjustments subtotal	Non-GAAP
Revenue	279,250	—	—	—	—	—	279,250
Cost of revenue	126,206	(3,774)	(14,663)	—	—	(18,437)	107,769
Gross profit	153,044	3,774	14,663	—	—	18,437	171,481
Total Gross Margin	54.8 %					6.6 %	61.4 %
Operating expenses							
Sales, marketing and customer success	50,865	(5,181)	—	—	—	(5,181)	45,684
Research and development	42,802	(7,776)	—	—	—	(7,776)	35,026
General and administrative	47,754	(16,839)	—	(2,255)	(10,323)	(29,417)	18,337
Amortization	904	—	(904)	—	—	(904)	—
Total operating expenses	142,325	(29,796)	(904)	(2,255)	(10,323)	(43,278)	99,047
Income from operations	10,719	33,570	15,567	2,255	10,323	61,715	72,434
Total Operating Margin	3.8 %					22.1 %	25.9 %
Net Income	\$ 5,246						\$ 49,456
Shares used in computing diluted earnings per share	53,414						53,414
Diluted earnings per share	\$ 0.10						\$ 0.93

(1) Includes Security Incident-related costs incurred, net of probable insurance recoveries. Recorded expenses consisted primarily of payments to third-party service providers and consultants, including legal fees, as well as settlements of customer claims, negotiated settlements and accruals for certain loss contingencies. Not included in this adjustment were costs associated with enhancements to our cybersecurity program.

Historical Consolidated Balance Sheets (Unaudited)

(in thousands)	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025
Assets					
Current assets:					
Cash and cash equivalents	\$ 26,376	\$ 30,438	\$ 34,633	\$ 67,628	\$ 37,243
Restricted cash	356,493	800,670	428,095	741,884	419,400
Accounts receivable, net of allowance	96,097	152,832	97,988	83,539	78,105
Customer funds receivable	3,529	2,943	7,343	1,970	4,522
Prepaid expenses and other current assets	94,589	92,290	87,499	81,287	88,182
Total current assets	577,084	1,079,173	655,558	976,308	627,452
Property and equipment, net	96,074	98,066	95,053	91,926	85,031
Operating lease right-of-use assets	35,464	28,489	27,522	26,554	1,725
Software development costs, net	162,491	165,465	169,507	148,319	150,113
Goodwill	1,053,130	1,053,249	1,056,882	1,052,506	1,054,290
Intangible assets, net	565,008	549,521	536,008	132,881	126,338
Other assets	59,883	68,785	60,444	67,221	57,270
Total assets	\$ 2,549,134	\$ 3,042,748	\$ 2,600,974	\$ 2,495,715	\$ 2,102,219
Liabilities and stockholders' equity					
Current liabilities:					
Trade accounts payable	\$ 48,863	\$ 44,038	\$ 43,983	\$ 50,810	\$ 46,435
Accrued expenses and other current liabilities	75,271	51,682	48,745	75,543	45,124
Due to customers	358,836	802,372	434,093	742,340	422,780
Debt, current portion	19,302	23,786	23,830	23,875	23,350
Deferred revenue, current portion	360,355	427,098	411,554	359,529	326,209
Total current liabilities	862,627	1,348,976	962,205	1,252,097	863,898
Debt, net of current portion	1,020,520	998,071	977,019	1,051,110	1,182,343
Deferred tax liability	82,446	75,397	68,196	9,518	9,604
Deferred revenue, net of current portion	6,832	2,315	1,705	2,015	6,033
Operating lease liabilities, net of current portion	38,492	36,290	35,218	34,186	2,395
Other liabilities	4,163	4,362	12,304	4,796	4,771
Total liabilities	2,015,080	2,465,411	2,056,647	2,353,722	2,069,044
Commitments and contingencies					
Stockholders' equity:					
Preferred stock	—	—	—	—	—
Common stock, \$0.001 par value	71	71	71	71	72
Additional paid-in capital	1,184,338	1,208,624	1,227,198	1,291,442	1,319,562
Treasury stock, at cost	(855,692)	(857,452)	(922,516)	(1,060,348)	(1,198,721)
Accumulated other comprehensive loss	1,222	175	(6,887)	(4,869)	(8,302)
Accumulated deficit	204,115	225,919	246,461	(84,303)	(79,436)
Total stockholders' equity	534,054	577,337	544,327	141,993	33,175
Total liabilities and stockholders' equity	\$ 2,549,134	\$ 3,042,748	\$ 2,600,974	\$ 2,495,715	\$ 2,102,219

Historical Consolidated Statements of Comprehensive Income (Unaudited)

(in thousands, except share and per share amounts)	Q1 2024	Q2 2024	Q3 2024	Q4 2024	FY 2024	Q1 2025
Revenue	\$ 279,250	\$ 287,286	\$ 286,727	\$ 302,232	\$ 1,155,495	\$ 270,661
Cost of revenue	126,206	124,700	127,517	137,869	516,292	114,815
Gross profit	153,044	162,586	159,210	164,363	639,203	155,846
Operating expenses						
Sales, marketing and customer success	50,865	47,081	49,454	50,099	197,499	44,644
Research and development	42,802	39,068	39,368	39,348	160,586	33,559
General and administrative	47,754	33,443	25,645	35,881	142,723	56,679
Amortization of intangible assets	904	902	918	817	3,541	534
EVERFI disposition	—	—	—	405,360	405,360	—
Total operating expenses	142,325	120,494	115,385	531,505	909,709	135,416
Income (loss) from operations	10,719	42,092	43,825	(367,142)	(270,506)	20,430
Interest expense	(10,276)	(15,715)	(14,140)	(15,503)	(55,634)	(16,945)
Other income, net	3,347	3,310	2,997	4,895	14,549	2,105
Income (loss) before (benefit) provision for income taxes	3,790	29,687	32,682	(377,750)	(311,591)	5,590
Income tax (benefit) provision	(1,456)	7,883	12,140	(46,986)	(28,419)	723
Net income (loss)	\$ 5,246	\$ 21,804	\$ 20,542	\$ (330,764)	\$ (283,172)	\$ 4,867
Earnings (loss) per share						
Basic	\$ 0.10	\$ 0.43	\$ 0.41	\$ (6.74)	\$ (5.60)	\$ 0.10
Diluted	\$ 0.10	\$ 0.42	\$ 0.40	\$ (6.74)	\$ (5.60)	\$ 0.10
Common shares and equivalents outstanding						
Basic weighted average shares	52,052,370	50,747,337	50,409,292	49,051,396	50,560,538	48,429,061
Diluted weighted average shares	53,414,495	51,677,418	51,632,569	49,051,396	50,560,538	49,445,079
Other comprehensive income (loss)						
Foreign currency translation adjustment	(1,185)	339	6,463	(8,439)	(2,822)	3,259
Unrealized gain (loss) on derivative instruments, net of tax	4,095	(1,386)	(13,525)	10,457	(359)	(6,692)
Total other comprehensive income (loss)	2,910	(1,047)	(7,062)	2,018	(3,181)	(3,433)
Comprehensive income (loss)	\$ 8,156	\$ 20,757	\$ 13,480	\$ (328,746)	\$ (286,353)	\$ 1,434

Historical Consolidated Statements of Cash Flows (Unaudited)

(in thousands)	3 months ended 3/31/2024	6 months ended 6/30/2024	9 months ended 9/30/2024	12 months ended 12/31/2024	3 months ended 3/31/2025
Cash flows from operating activities					
Net income (loss)	\$ 5,246	\$ 27,050	\$ 47,592	\$ (283,172)	\$ 4,867
Adjustments to reconcile net income (loss) to net cash provided by operating activities:					
Depreciation and amortization	30,095	60,553	91,618	121,665	21,647
Provision for credit losses and sales returns	305	519	1,721	4,932	788
Stock-based compensation expense	33,570	57,856	76,430	104,968	22,170
Deferred taxes	(12,239)	(18,810)	(21,776)	(85,011)	(221)
Amortization of deferred financing costs and discount	349	984	1,786	2,538	699
Loss on disposition of businesses	1,561	1,561	1,561	16,847	—
EVERFI impairment charges	—	—	—	390,204	—
Other non-cash adjustments	—	2,462	2,462	2,462	(5,384)
Changes in operating assets and liabilities, net of acquisition and disposal of businesses:					
Accounts receivable	3,844	(53,062)	918	4,729	4,770
Prepaid expenses and other assets	(3,265)	(2,473)	(873)	3,339	(5,330)
Trade accounts payable	23,086	19,146	18,322	28,336	(4,651)
Accrued expenses and other liabilities	7,912	(13,579)	(16,373)	(13,328)	(8,207)
Deferred revenue	(25,845)	36,228	18,998	(2,541)	(29,760)
Net cash provided by operating activities	64,619	118,435	222,386	295,968	1,388
Cash flows from investing activities					
Purchase of property and equipment	(261)	(6,118)	(7,235)	(7,443)	(688)
Capitalized software development costs	(13,070)	(28,392)	(42,882)	(59,757)	(12,970)
Purchase of net assets of acquired companies, net of cash and restricted cash acquired	—	—	—	—	—
Cash used in disposition of business	(1,179)	(1,179)	(1,179)	(1,179)	(12,235)
Other investing activities	—	(5,029)	(5,029)	(5,029)	—
Net cash used in investing activities	(14,510)	(40,718)	(56,325)	(73,408)	(25,893)
Cash flows from financing activities					
Proceeds from issuance of debt	339,800	1,211,600	1,303,400	1,441,400	216,200
Payments on debt	(79,343)	(966,680)	(1,080,192)	(1,144,709)	(85,523)
Debt issuance costs	—	(6,458)	(6,458)	(6,458)	—
Employee taxes paid for withheld shares upon equity award settlement	(52,723)	(54,483)	(55,950)	(56,828)	(37,948)
Change in due to customers	(336,578)	106,851	(263,732)	46,957	(320,248)
Change in customer funds receivable	(3,197)	(2,577)	(6,777)	(1,679)	(2,483)
Purchase of treasury stock	(262,596)	(262,596)	(325,408)	(418,034)	(100,030)
Net cash (used in) provided by financing activities	(394,637)	25,657	(435,117)	(139,351)	(330,032)
Effect of exchange rate on cash, cash equivalents, and restricted cash	(860)	(523)	3,527	(1,954)	1,668
Net (decrease) increase in cash, cash equivalents, and restricted cash	(345,388)	102,851	(265,529)	81,255	(352,869)
Cash, cash equivalents, and restricted cash, beginning of period	728,257	728,257	728,257	728,257	809,512
Cash, cash equivalents, and restricted cash, end of period	\$ 382,869	\$ 831,108	\$ 462,728	\$ 809,512	\$ 456,643

Historical Reconciliations of GAAP to Non-GAAP Financial Measures (Unaudited)

(in thousands, except share and per share amounts)	Q1 2024	Q2 2024	Q3 2024	Q4 2024	FY 2024 ⁽¹⁾	Q1 2025
GAAP Revenue	\$ 279,250	\$ 287,286	\$ 286,727	\$ 302,232	\$ 1,155,495	\$ 270,661
GAAP gross profit	\$ 153,044	\$ 162,586	\$ 159,210	\$ 164,363	\$ 639,203	\$ 155,846
GAAP gross margin	54.8 %	56.6 %	55.5 %	54.4 %	55.3 %	57.6 %
Non-GAAP adjustments:						
Add: Stock-based compensation expense	3,774	3,377	2,915	4,026	14,092	2,698
Add: Amortization of intangibles from business combinations	14,663	14,639	14,667	12,988	56,957	7,052
Subtotal	18,437	18,016	17,582	17,014	71,049	9,750
Non-GAAP gross profit	\$ 171,481	\$ 180,602	\$ 176,792	\$ 181,377	\$ 710,252	\$ 165,596
Non-GAAP gross margin	61.4 %	62.9 %	61.7 %	60.0 %	61.5 %	61.2 %
GAAP income (loss) from operations	\$ 10,719	\$ 42,092	\$ 43,825	\$ (367,142)	\$ (270,506)	\$ 20,430
GAAP operating margin	3.8 %	14.7 %	15.3 %	(121.5)%	(23.4)%	7.5 %
Non-GAAP adjustments:						
Add: Stock-based compensation expense	33,570	24,286	18,574	28,538	104,968	22,170
Add: Amortization of intangibles from business combinations	15,567	15,541	15,585	13,805	60,498	7,586
Add: Acquisition and disposition-related costs	2,255	2,398	246	1,201	6,100	25,132
Add: Security Incident-related costs ⁽²⁾	10,323	1,822	637	918	13,700	2,180
Add: EVERFI impairment and disposition charges	—	—	—	405,360	405,360	—
Subtotal	61,715	44,047	35,042	449,822	590,626	57,068
Non-GAAP income from operations	\$ 72,434	\$ 86,139	\$ 78,867	\$ 82,680	\$ 320,120	\$ 77,498
Non-GAAP operating margin	25.9 %	30.0 %	27.5 %	27.4 %	27.7 %	28.6 %
GAAP income (loss) before (benefit) provision for income taxes	\$ 3,790	\$ 29,687	\$ 32,682	\$ (377,750)	\$ (311,591)	\$ 5,590
GAAP net income (loss)	\$ 5,246	\$ 21,804	\$ 20,542	\$ (330,764)	\$ (283,172)	\$ 4,867
Shares used in computing GAAP diluted earnings (loss) per share	53,414,495	51,677,418	51,632,569	49,051,396	50,560,538	49,445,079
GAAP diluted earnings (loss) per share	\$ 0.10	\$ 0.42	\$ 0.40	\$ (6.74)	\$ (5.60)	\$ 0.10
Non-GAAP adjustments:						
Add: GAAP income tax (benefit) provision	(1,456)	7,883	12,140	(46,986)	(28,419)	723
Add: Total Non-GAAP adjustments affecting income from operations	61,715	44,047	35,042	449,822	590,626	57,068
Add (less): Loss (gain) on disposal of business	—	—	—	—	—	—
Non-GAAP income before provision for income taxes	65,505	73,734	67,724	72,072	279,035	62,658
Assumed non-GAAP income tax provision ⁽³⁾	16,049	18,065	16,592	17,658	68,364	15,351
Non-GAAP net income	\$ 49,456	\$ 55,669	\$ 51,132	\$ 54,414	\$ 210,671	\$ 47,307
Shares used in computing Non-GAAP diluted earnings per share	53,414,495	51,677,418	51,632,569	50,591,254	51,750,308	49,445,079
Non-GAAP diluted earnings per share	\$ 0.93	\$ 1.08	\$ 0.99	\$ 1.08	\$ 4.07	\$ 0.96

(1) The individual amounts for each quarter may not sum to full year totals due to rounding.

(2) Includes Security Incident-related costs incurred. Recorded expenses consisted primarily of payments to third-party service providers and consultants, including legal fees, as well as settlements of customer claims, negotiated settlements and accruals for certain loss contingencies. Not included in this adjustment were costs associated with enhancements to our cybersecurity program.

(3) We apply a non-GAAP effective tax rate of 24.5% when calculating non-GAAP net income and non-GAAP diluted earnings per share.

Historical Reconciliations of GAAP to Non-GAAP Financial Measures (Unaudited)

(in thousands)	3 months ended	6 months ended	9 months ended	12 months ended	3 months ended
	3/31/2024	6/30/2024	9/30/2024	12/31/2024	3/31/2025
GAAP net cash provided by operating activities	64,619	118,435	222,386	295,968	1,388
GAAP operating cash flow margin	23.1 %	20.9 %	26.1 %	25.6 %	0.5 %
Non-GAAP adjustments:					
Less: purchase of property and equipment	(261)	(6,118)	(7,235)	(7,443)	(688)
Less: capitalized software development costs	(13,070)	(28,392)	(42,882)	(59,757)	(12,970)
Non-GAAP free cash flow	\$ 51,288	\$ 83,925	\$ 172,269	\$ 228,768	\$ (12,270)
Non-GAAP free cash flow margin	18.4 %	14.8 %	20.2 %	19.8 %	(4.5) %
Non-GAAP adjustments:					
Add: Security Incident-related cash flows	2,028	5,822	15,081	15,925	852
Non-GAAP adjusted free cash flow	\$ 53,316	\$ 89,747	\$ 187,350	\$ 244,693	\$ (11,418)
Non-GAAP adjusted free cash flow margin	19.1 %	15.8 %	22.0 %	21.2 %	(4.2) %

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Thank you

