

Blackbaud *Investor Presentation*

Ticker: BLKB

October 28, 2026

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 and nine month periods ended September 30, 2026, for the fiscal year ended December 31, 2025 and the interim periods therein; calculations for recurring revenue growth and total revenue growth for the nine month period ended September 30, 2026 and the interim periods therein; 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; employee severance; global workforce transition costs; acquisition and disposition-related costs; restructuring and other real estate activities; Security Incident-related costs; and impairment and disposition 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. Blackbaud believes non-GAAP free cash flow provides a useful measure of the company's operating performance.

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, 2025 and interim consolidated balance sheets for each of the quarters within fiscal 2026 and 2025; historical consolidated statements of comprehensive income for the fiscal year ended December 31, 2025 and interim consolidated statements of comprehensive income for each of the quarters within fiscal 2026 and 2025; historical consolidated statements of cash flows for the fiscal year ended December 31, 2025 and interim consolidated statements of cash flows for each of the interim year-to-date periods within fiscal 2026 and 2025; and historical non-GAAP financial information for the fiscal year ended December 31, 2025 and for each of the quarters within fiscal 2026 and 2025 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 and sticky customer base
- Fragmented competitive landscape

Innovation Driving Product Value

- Internal use of AI greatly speeds pace of innovation
- Agents for Good represents new product category
- Enhancing existing system of record solutions with AI
- Embedded cyber security protects customer data

Attractive Financial Model

- Envable recurring revenue stream
- Large and diverse customer base
- Sustained double digit earnings growth
- Strong cash flows

Purposeful Capital Allocation

- Multi-year, programmatic share repurchase
- Focus on debt level to maintain optimal capital structure
- Targeted M&A to bolster innovation

Business Overview

Blackbaud is the world's leading provider of AI-powered solutions for social impact

Cloud Software

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

Data Intelligence

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

Services

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

Expertise

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

Blackbaud propels impact at scale with the sector's most intelligent solutions



AI-powered solutions serving the specific needs of the diverse social impact market



Arts & Cultural
Organizations



Companies



Faith Communities



Foundations



Healthcare
Organizations



Higher Education
Institutions



Individual Change
Agents



K-12 Schools



Nonprofits

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



Fundraising & Engagement

- Fundraising
- Peer-to-Peer Fundraising
- Marketing



AI & Data Intelligence

- Agents for Good
- Insights
- Data Health



Financial Management

- Fund Accounting
- Financial Aid Management
- Tuition Management



Organizational & Program Management

- Education Management
- Ticketing



Grant & Award Management

- Grantmaking
- Award Management



Payment Services

- Merchant Services
- Payables



Social Responsibility

- Employee Giving and Volunteering
- Grantmaking



Services

- Consulting Services
- Implementation and Optimization Services

Most comprehensive solution set that accelerates impact

- Blackbaud is the **leading provider of AI-powered solutions** 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

\$250M



rolling fundraising average achieved by leveraging Blackbaud Enterprise Fundraising CRM™

225%



year-over-year increase in giving and volunteering by using YourCause® CSRconnect® and Impact Edge™

90%



of lapsed donors recaptured by using Prospect Insights in Blackbaud Raiser's Edge NXT®

blackbaud®

941%



increase in annual fundraising since the inception of its Challenge Against Cancer program by using Blackbaud TeamRaiser®

50%



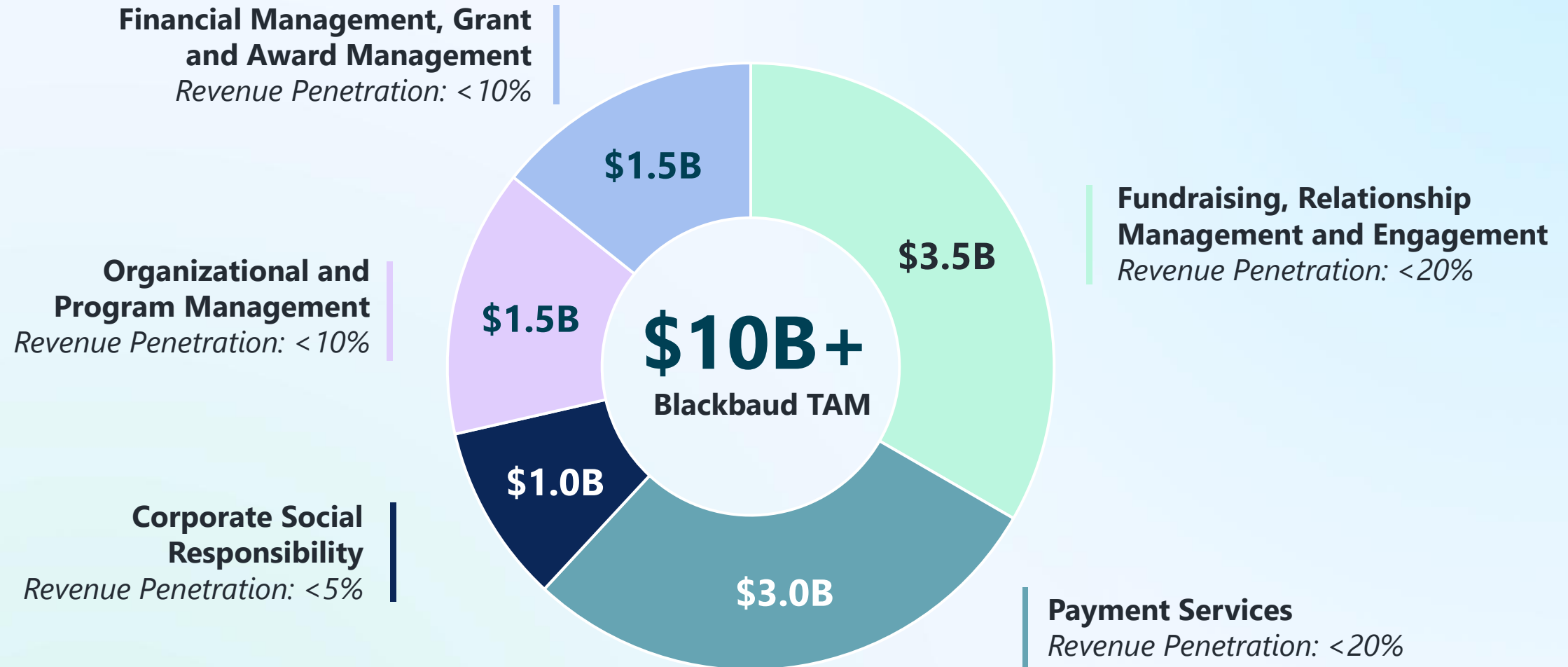
reduction in workload by leveraging Payment Assistant in Blackbaud Financial Edge NXT®

84%



year-over-year increase in fundraising with their use of Blackbaud Raiser's Edge NXT® and Blackbaud Donation Forms

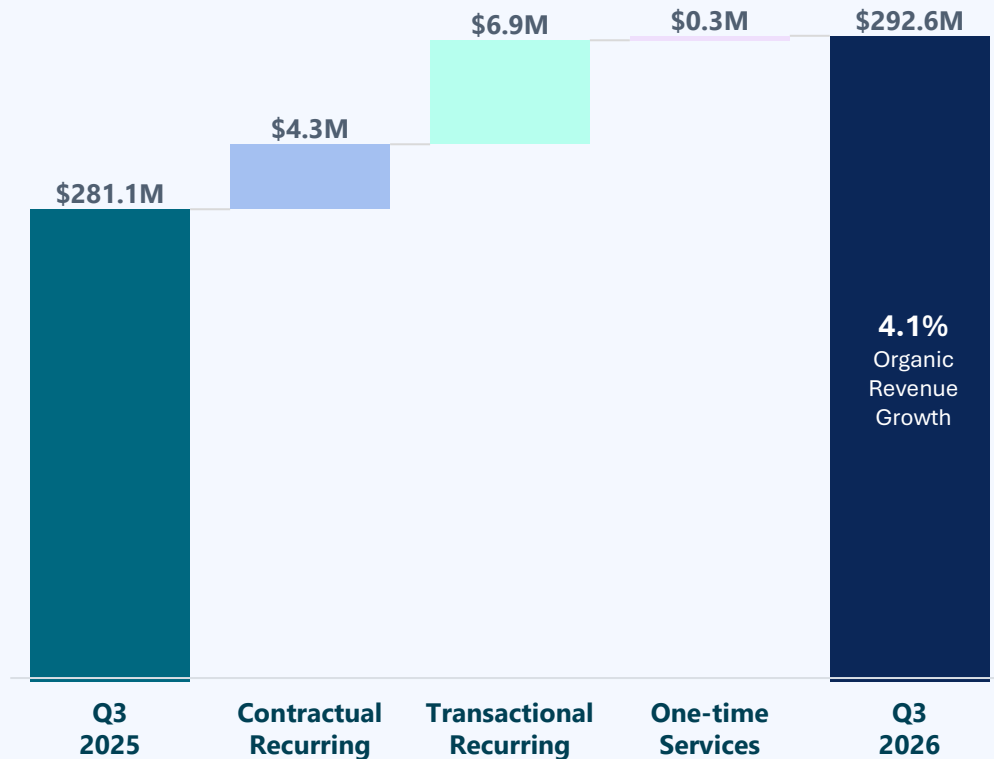
Large and underpenetrated total addressable market



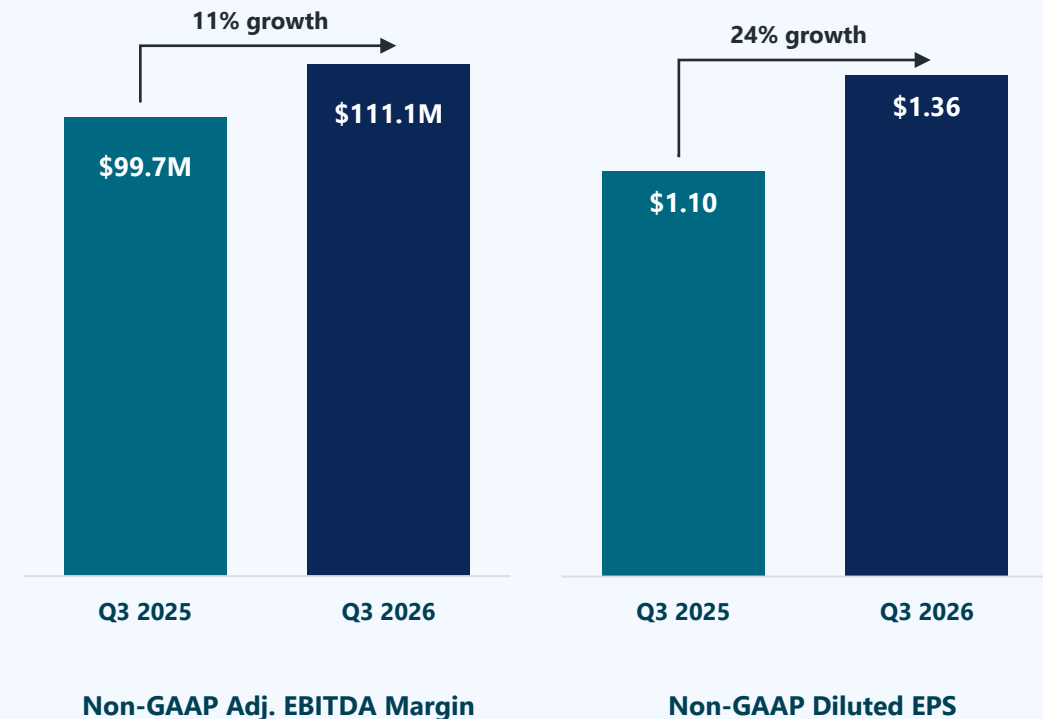
Q3 2026 Performance & FY26 Financial Guidance

Q3 2026 Performance

Non-GAAP Organic Revenue Year over Year



Profitability Year over Year



Non-GAAP performance through 9/30/26. 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; GCC workforce transition costs; 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. Please refer to the appendix of this presentation.



2026 total company guidance

Expect to finish in the upper half of the guidance range

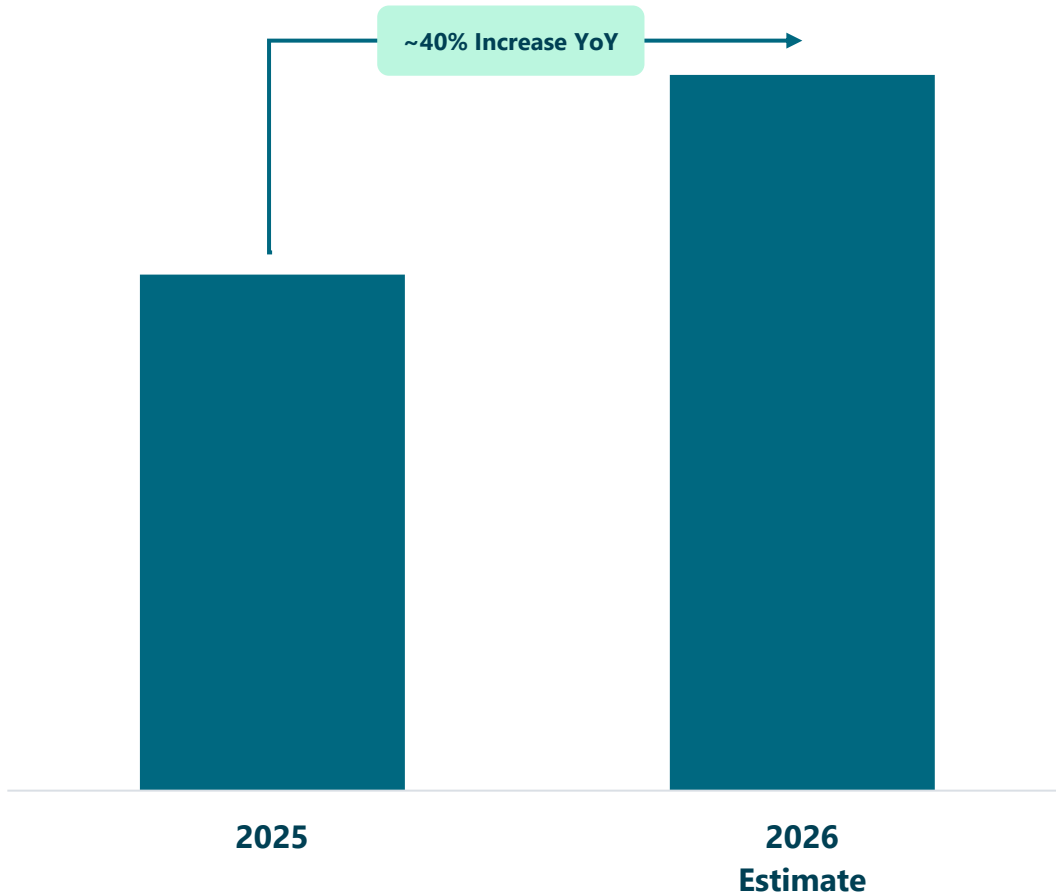
(\$ in millions, except per share amounts)	Low	Midpoint	High	Implied Growth at Midpoint
Total Revenue	\$1,173	\$1,176	\$1,179	4.25%
Non-GAAP Adjusted EBITDA	\$430	\$434	\$438	7%
Non-GAAP EPS	\$5.15	\$5.20	\$5.25	17%
Non-GAAP Free Cash Flow	\$280	\$285	\$290	37%

Assumptions included in full year 2026 financial guidance: Non-GAAP annualized effective tax rate of 24.5%; Interest expense for the year of \$62M - \$66M; Fully diluted shares for the year in the range of 45M - 46M; Capital expenditures for the year in the range of \$60M to \$70M, including approximately \$52M to \$62M of capitalized software development costs.



Anticipated impact of larger up for renewal cohort on FY26 revenue growth outlook and gross dollar retention rate

Renewal Cohort Sizes



- Dollar value of renewal cohorts fluctuate from year to year based on mix of contracts up for renewal.
- Blackbaud's 2026 contractual recurring renewal cohort is approximately 40% larger than last year.
- As a result, we continue to expect a near-term dip in reported gross dollar retention as a greater amount of recurring revenue comes up for renewal during the year. As we move past this larger renewal cohort, we expect gross dollar retention rates to climb back to our more recent norm of 91% to 92% by the end of 2027.
- The larger renewal cohort is expected to have a negative impact of 0.5 to 0.75 percentage points on total revenue growth for 2026, which is reflected in our financial guidance ranges.

Long-term Aspirational Goals

Blackbaud is an ideal platform for compounding profitable growth



Clear market leader with the most comprehensive set of purpose-built and mission critical solutions powering social impact



Durable and proven operating model with resilient end markets and strong recurring revenue



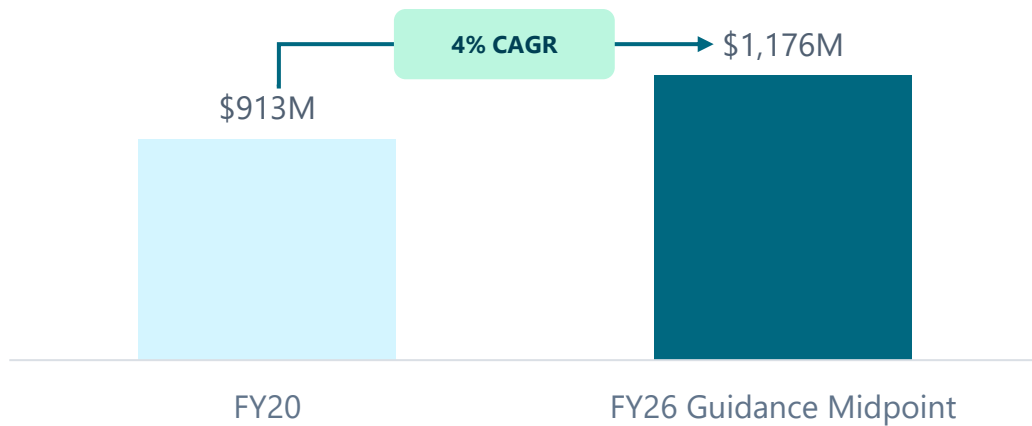
Sustained competitive advantage via commitment to AI and product innovation with a platform to deliver these solutions at scale



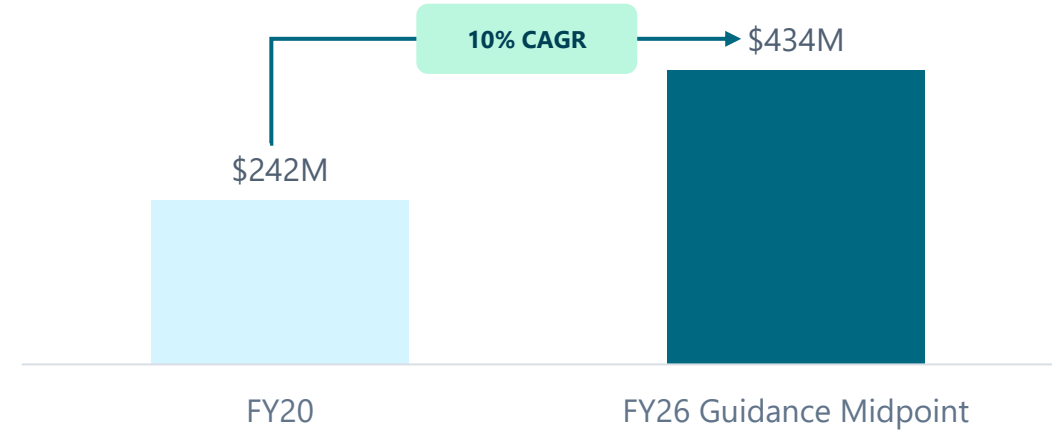
Track record of delivering improved financial performance with a pathway to consistent revenue growth, expanding margins and double-digit EPS growth over the long-term

Significant financial progress since 2020

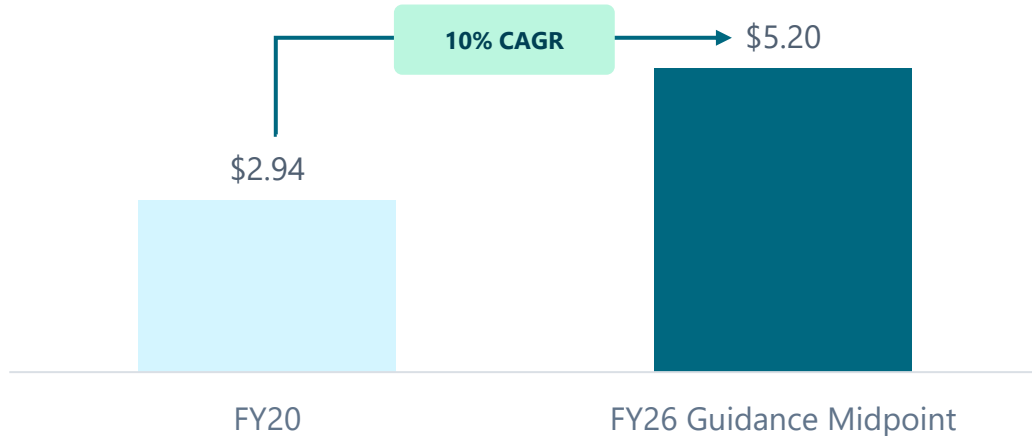
Total Revenue



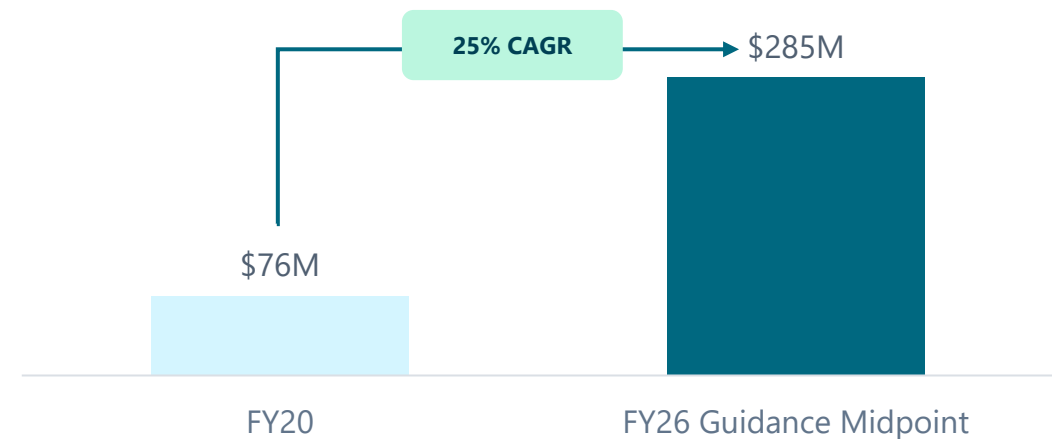
Non-GAAP Adjusted EBITDA



Non-GAAP Diluted EPS



Non-GAAP Free Cash Flow



Executing on defined initiatives to drive strong financial results

(\$ in millions, except per share amounts)	FY25 Actuals	FY26 Guidance Midpoint	CAGR Targets: '26 – '30
Total Revenue	\$1,128 (5.5% growth ¹)	\$1,176 (4.3% growth)	4% to 6%
Non-GAAP Adjusted EBITDA	\$405 (~8% growth ¹)	\$434 (7% growth)	6% to 8%
Non-GAAP EPS	\$4.45 (~12% growth ¹)	\$5.20 (17% growth)	13%+

FCF Margin	18%	24%	Expand FCF margin to 28%+
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- Goal of achieving Rule of 45 by 2030.
- New product offerings such as Agents for Good represent potential upside to current long-term revenue growth targets.
- Expect EBITDA growth to outpace revenue growth via operating leverage and ongoing cost and efficiency initiatives, with focus on improving EBITDA to FCF conversion.
- Targeting consistent double digit non-GAAP EPS growth supported by continued stock repurchase and debt reduction.

1) FY25 growth rates after normalizing for estimated impact of 12/31/24 divestiture of EverFi.



Blackbaud's revenue growth model

	Contractual Recurring (Software)	Transactional Recurring (Payments)	One-time Services and Other	Total Revenue
Revenue Mix (% of FY25 Total)	64%	34%	2%	100%
Historical Growth CAGR (FY20-FY25)	4%	8%	(19%)	4%
Growth Drivers	• Bookings (new logo) • Bookings (cross-sell & upsell) • Sales productivity • Customer retention (3+ year contracts) • Price uplift at renewal & annual escalators	• New unit (new logo) • New unit (cross-sell & upsell) • Same store volume growth • Digital giving mix shift • Pricing models	• Small component of overall revenue • Actively shrunk this portion of portfolio (transition to third party partners) to focus on high value software and payments	



Revenue driver: proven “land and expand” model underpinned by product development and innovation

New Logo

Approximately half of direct sales force focused on new customer acquisition to refill top of funnel in “land and expand” sales model

New Product

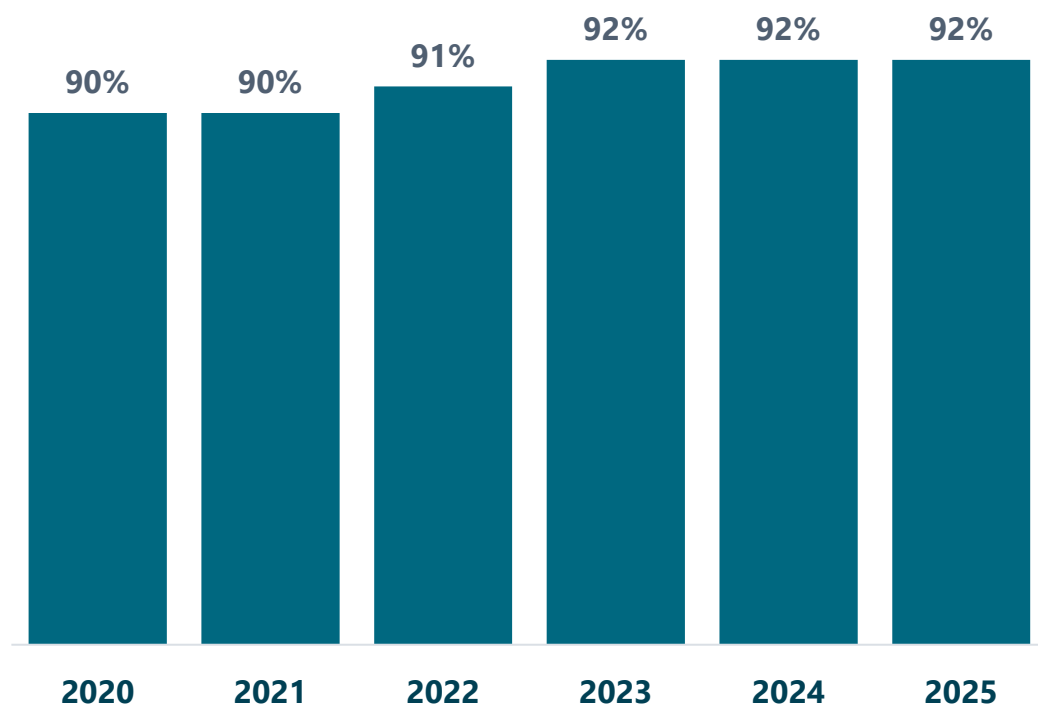
Blackbaud’s Agents for Good strategy brings net new products into sales team’s bag for 2026+

Cross-sell / Upsell

Approximately half of direct sales force focused on selling to existing customers. Meaningful opportunity for continued product expansion

Revenue driver: mission critical products drive strong retention rates

Gross Dollar Retention Rate



3+ years
(~25% on 4+ years)

Typical contract
term length

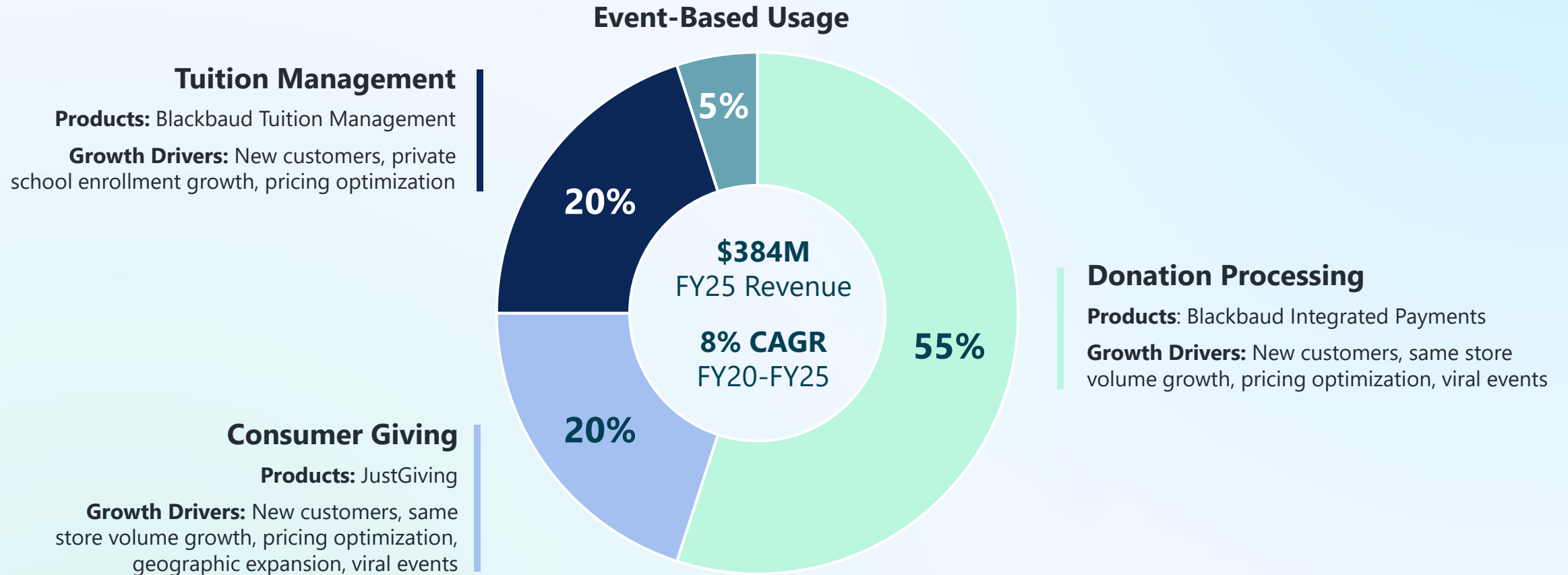
**Mid to high
single-digit**

Contract price
increase at renewal

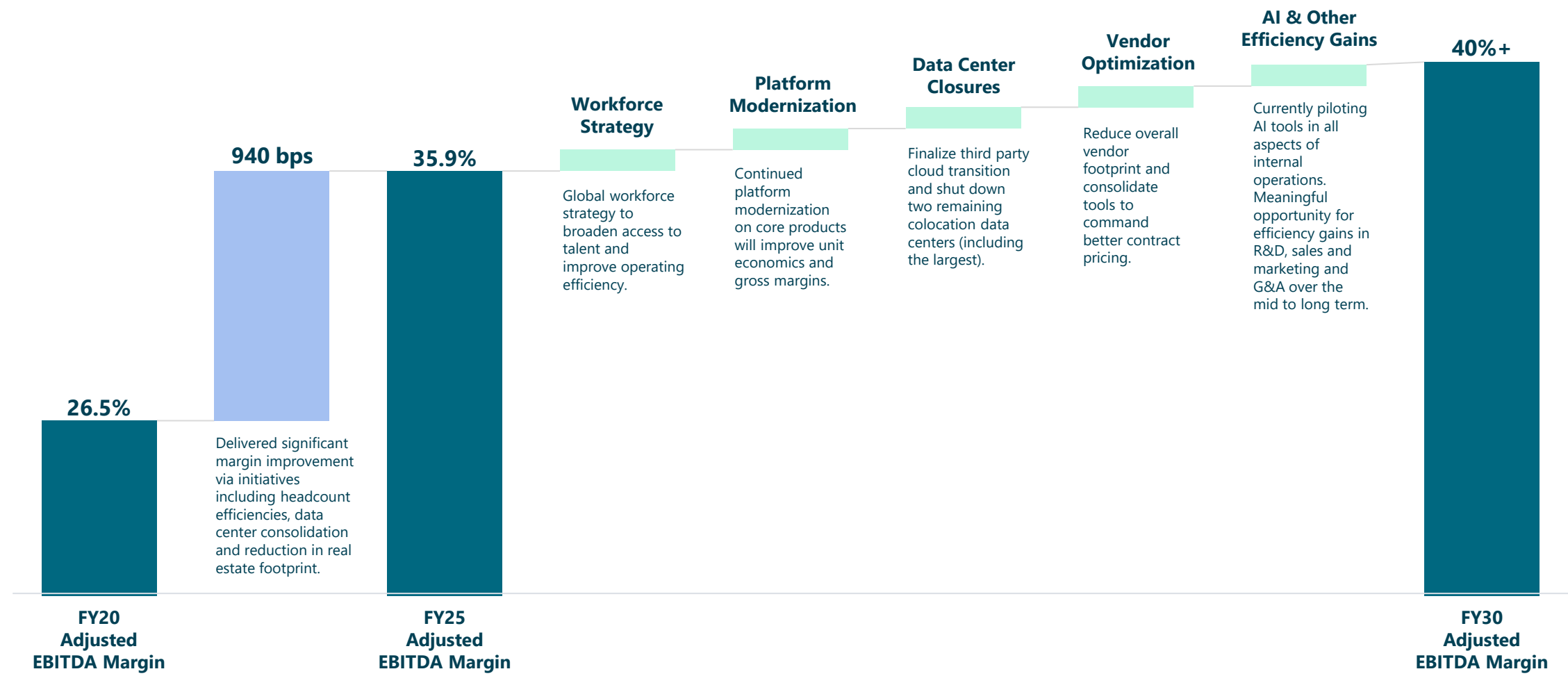
**Mid to high
single-digit**

Embedded annual
price escalators

Revenue driver: diverse transactional revenue streams deliver high single-digit growth

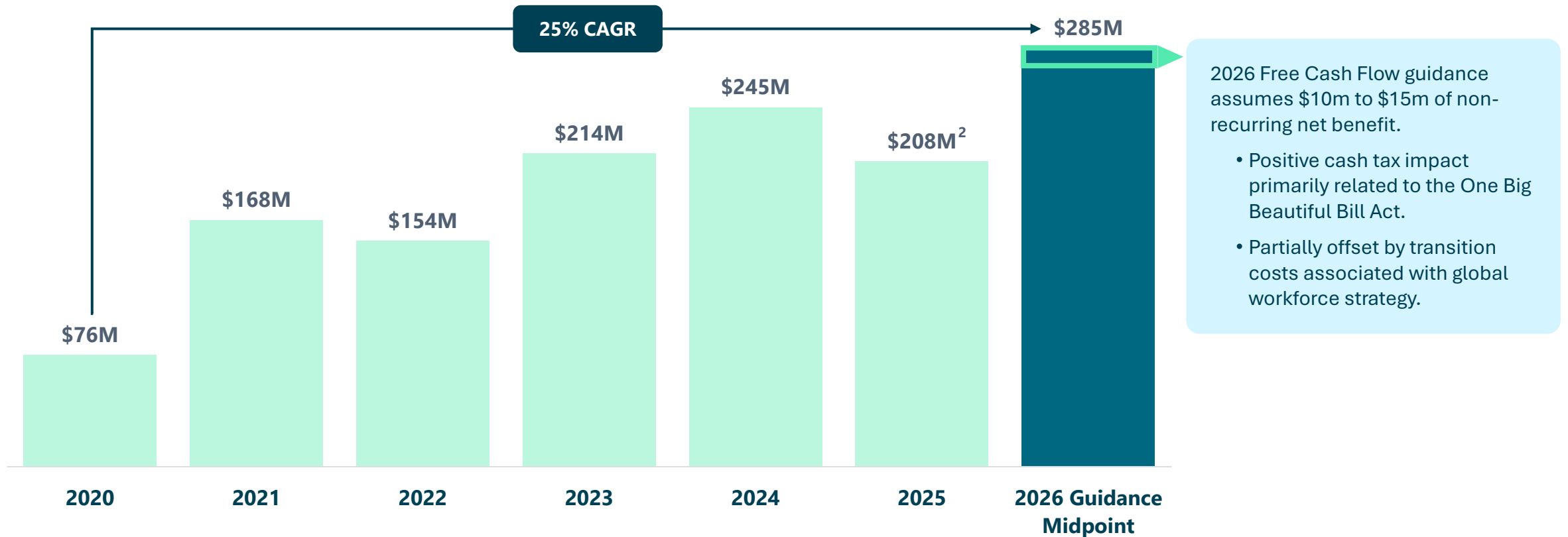


Profit driver: multiple initiatives underway to deliver high-single digit EBITDA growth and margin expansion



Capital allocation: strong free cash flow generation to fund investments and fuel disciplined capital allocation strategy

Non-GAAP free cash flow¹

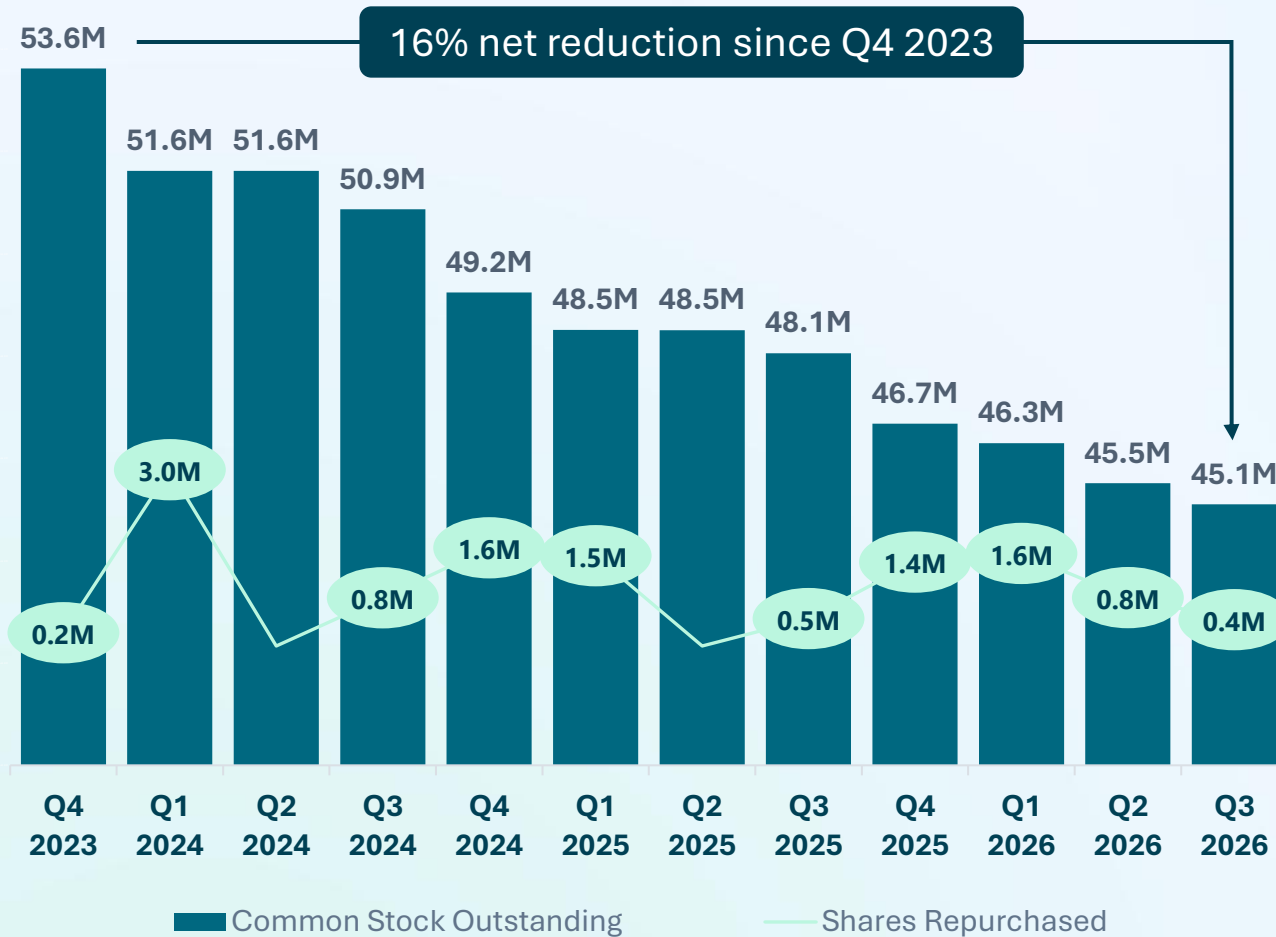


1. Non-GAAP adjusted free cash flow is defined as operating cash flow less capital expenditures, including costs required to be capitalized for software development, and capital expenditures for property and equipment. FY21-FY25 represent adjusted FCF which adds back cash outflows, net of insurance, related to the previously disclosed Security Incident discovered in May 2020.

2. FY 2025 figure includes approximately \$12 million of cash tax benefit related to the One Big Beautiful Bill Act and approximately \$60 million of one-time items and working capital fluctuations that negatively impacted our 2025 free cash flow.



Capital allocation: executing on stock repurchase program to meaningfully reduce common stock outstanding



98%

Percentage of cumulative FCF allocated to stock repurchase between 2023 and 2025

50%+

Expected percentage of cumulative FCF between 2026 and 2030 that will be allocated to future stock repurchases to continue reducing common stock outstanding over time

\$1 Billion

Board authorization for stock repurchases. \$832 million remaining as of 9/30/2026

Capital allocation: long-term capital allocation strategy focused on maximizing shareholder value

Stock Repurchases

- Blackbaud has reduced common stock outstanding by 16% since Q4 2023
- Expect to allocate 50%+ of FY26-FY30 free cash flow to stock repurchases and continue to reduce common stock outstanding over time

Debt Repayment

- Manage debt balance and related interest expense to optimize for non-GAAP EPS and FCF growth over the long-term
- Targeting Debt to EBITDA ratio below 2.0x over the mid and long-term

Accretive M&A

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

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Purposeful Capital Allocation

- Multi-year, programmatic share repurchase
- Focus on debt level to maintain optimal capital structure
- Targeted M&A to bolster innovation

Thank you.

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 “operating lease right-of-use assets” line has been combined within “other assets” in the previously reported condensed consolidated balance sheets to conform to the presentation of the current period. Similarly, "operating lease liabilities, net of current portion" has been combined within "other liabilities" in the previously reported condensed consolidated balance sheets to conform to the presentation of the current period.

Historical Consolidated Balance Sheets (Unaudited)

(in thousands)	Q1 2025		Q2 2025		Q3 2025		Q4 2025		Q1 2026		Q2 2026		Q3 2026	
Assets														
Current assets:														
Cash and cash equivalents	\$	37,243	\$	41,566	\$	38,255	\$	38,914	\$	34,096	\$	34,388	\$	35,734
Restricted cash		419,400		870,248		419,185		720,061		418,671		846,620		428,166
Accounts receivable, net of allowance		78,105		146,044		82,561		80,517		75,691		134,888		76,214
Customer funds receivable		4,522		5,696		3,996		1,308		7,605		6,378		3,918
Prepaid expenses and other current assets		88,329		91,551		94,838		89,290		106,158		96,620		86,064
Total current assets		627,599		1,155,105		638,835		930,090		642,221		1,118,894		630,096
Property and equipment, net		85,031		83,052		85,332		85,076		85,053		85,499		83,827
Software development costs, net		150,113		153,604		154,074		155,842		156,628		158,999		159,048
Goodwill		1,054,290		1,057,927		1,056,656		1,056,815		1,055,777		1,055,923		1,055,937
Intangible assets, net		126,338		120,791		112,697		106,654		99,279		93,379		87,413
Other assets		58,995		60,050		56,847		56,205		70,340		81,802		90,516
Total assets	\$	2,102,366	\$	2,630,529	\$	2,104,441	\$	2,390,682	\$	2,109,298	\$	2,594,496	\$	2,106,837
Liabilities and stockholders' equity														
Current liabilities:														
Trade accounts payable	\$	46,435	\$	42,664	\$	48,761	\$	27,344	\$	46,884	\$	35,431	\$	38,404
Accrued expenses and other current liabilities		46,138		42,101		53,050		43,272		37,515		37,603		51,047
Due to customers		422,780		874,757		421,820		719,833		425,124		851,793		430,703
Debt, current portion		23,350		22,566		22,613		22,660		23,160		22,595		22,654
Deferred revenue, current portion		325,559		398,836		383,138		368,986		333,996		403,630		380,989
Total current liabilities		864,262		1,380,924		929,382		1,182,095		866,679		1,351,052		923,797
Debt, net of current portion		1,182,343		1,136,112		1,042,005		1,087,037		1,163,182		1,127,412		1,022,143
Deferred tax liability		25,085		25,254		9,246		21,981		27,333		33,407		25,100
Deferred revenue, net of current portion		6,033		2,179		1,773		2,778		6,054		2,773		3,674
Other liabilities		7,166		13,322		13,846		11,737		11,496		12,822		12,638
Total liabilities		2,084,889		2,557,791		1,996,252		2,305,628		2,074,744		2,527,466		1,987,352
Commitments and contingencies														
Stockholders' equity:														
Preferred stock		—		—		—		—		—		—		—
Common stock, \$0.001 par value		72		72		72		72		74		74		74
Additional paid-in capital		1,319,562		1,347,234		1,369,807		1,391,641		1,415,521		1,438,227		1,459,322
Treasury stock, at cost		(1,198,721)		(1,199,608)		(1,231,316)		(1,316,224)		(1,423,843)		(1,452,356)		(1,471,199)
Accumulated other comprehensive income (loss)		(8,302)		(6,292)		(9,198)		(5,948)		(3,850)		(925)		3,210
Retained earnings		(95,134)		(68,668)		(21,176)		15,513		46,652		82,010		128,078
Total stockholders' equity		17,477		72,738		108,189		85,054		34,554		67,030		119,485
Total liabilities and stockholders' equity	\$	2,102,366	\$	2,630,529	\$	2,104,441	\$	2,390,682	\$	2,109,298	\$	2,594,496	\$	2,106,837

Historical Consolidated Statements of Comprehensive Income (Unaudited)

(in thousands, except share and per share amounts)	Q1 2025		Q2 2025		Q3 2025		Q4 2025		FY 2025		Q1 2026		Q2 2026		Q3 2026	
Revenue	\$	269,936	\$	282,030	\$	281,143	\$	295,256	\$	1,128,365	\$	281,140	\$	290,597	\$	292,641
Cost of revenue		114,815		113,633		113,653		122,972		465,073		114,581		112,434		114,850
Gross profit		155,121		168,397		167,490		172,284		663,292		166,559		178,163		177,791
Operating expenses																
Sales, marketing and customer success		44,644		44,046		44,105		44,769		177,564		47,349		46,256		46,218
Research and development		33,559		33,595		37,198		33,778		138,130		36,916		34,856		36,206
General and administrative		56,679		32,856		31,044		34,031		154,610		30,261		34,449		34,828
Amortization of intangible assets		534		566		570		564		2,234		588		586		588
Total operating expenses		135,416		111,063		112,917		113,142		472,538		115,114		116,147		117,840
Income from operations		19,705		57,334		54,573		59,142		190,754		51,445		62,016		59,951
Interest expense		(16,945)		(18,411)		(16,774)		(15,840)		(67,970)		(16,036)		(17,579)		(16,109)
Other income, net		2,105		1,118		3,245		2,531		8,999		2,396		1,984		2,597
Income before provision (benefit) for income taxes		4,865		40,041		41,044		45,833		131,783		37,805		46,421		46,439
Income tax provision (benefit)		542		13,575		(6,448)		9,144		16,813		6,666		11,063		371
Net income	\$	4,323	\$	26,466	\$	47,492	\$	36,689	\$	114,970	\$	31,139	\$	35,358	\$	46,068
Earnings per share																
Basic	\$	0.09	\$	0.55	\$	1.00	\$	0.78	\$	2.41	\$	0.68	\$	0.79	\$	1.04
Diluted	\$	0.09	\$	0.55	\$	0.98	\$	0.76	\$	2.37	\$	0.67	\$	0.79	\$	1.02
Common shares and equivalents outstanding																
Basic weighted average shares		48,429,061		47,784,062		47,680,002		46,845,015		47,680,184		45,562,304		44,759,580		44,267,816
Diluted weighted average shares		49,445,079		48,248,057		48,498,285		47,960,158		48,469,961		46,351,379		44,884,337		44,961,588
Other comprehensive income																
Foreign currency translation adjustment		3,259		7,324		(2,284)		568		8,867		(1,480)		(117)		(106)
Unrealized (loss) gain on derivative instruments, net of tax		(6,692)		(5,314)		(622)		2,682		(9,946)		3,578		3,042		4,241
Total other comprehensive (loss) income		(3,433)		2,010		(2,906)		3,250		(1,079)		2,098		2,925		4,135
Comprehensive income	\$	890	\$	28,476	\$	44,586	\$	39,939	\$	113,891	\$	33,237	\$	38,283	\$	50,203

Historical Consolidated Statements of Cash Flows (Unaudited)

(in thousands)	3 months ended 3/31/2025	6 months ended 6/30/2025	9 months ended 9/30/2025	12 months ended 12/31/2025	3 months ended 3/31/2026	6 months ended 6/30/2026	9 months ended 9/30/2026
Cash flows from operating activities							
Net income	\$ 4,323	\$ 30,789	\$ 78,281	\$ 114,970	\$ 31,139	\$ 66,497	\$ 112,565
Adjustments to reconcile net income to net cash provided by operating activities:							
Depreciation and amortization	21,647	43,346	64,652	86,215	20,551	41,293	62,595
Net provision for credit losses and sales returns	788	2,973	3,788	4,382	1,128	3,020	5,064
Stock-based compensation expense	22,170	49,422	71,079	92,910	23,880	46,586	67,682
Deferred taxes	(221)	(653)	(16,682)	(181)	4,257	9,380	4,892
Amortization of deferred financing costs and discount	699	1,346	1,940	2,480	486	1,269	1,861
Other non-cash adjustments	(5,384)	(5,407)	(5,180)	(5,177)	—	1,313	1,313
Changes in operating assets and liabilities, net of acquisition and disposal of businesses:							
Accounts receivable	4,770	(64,984)	(2,422)	(938)	3,613	(57,465)	(817)
Prepaid expenses and other assets	(5,192)	(8,955)	(9,707)	(4,487)	(18,048)	(11,416)	(8,832)
Trade accounts payable	(4,651)	(8,408)	(3,233)	(23,535)	19,258	6,818	11,750
Accrued expenses and other liabilities	(8,134)	(9,910)	2,033	(10,826)	(3,186)	530	13,242
Deferred revenue	(29,427)	38,770	22,991	9,737	(31,619)	34,688	12,929
Net cash provided by operating activities	1,388	68,329	207,540	265,550	51,459	142,513	284,244
Cash flows from investing activities							
Purchase of property and equipment	(688)	(1,311)	(4,805)	(7,767)	(1,668)	(4,117)	(7,320)
Capitalized software development costs	(12,970)	(27,787)	(40,268)	(54,236)	(12,798)	(26,127)	(38,635)
Purchase of net assets of acquired companies, net of cash and restricted cash acquired	—	—	—	(700)	—	—	—
Cash used in disposition of business	(12,235)	(12,235)	(12,235)	(12,235)	—	—	—
Other investing activities	—	—	—	—	—	(8,675)	(8,675)
Net cash used in investing activities	(25,893)	(41,333)	(57,308)	(74,938)	(14,466)	(38,919)	(54,630)
Cash flows from financing activities							
Proceeds from issuance of debt	216,200	272,300	307,000	404,500	139,900	209,500	230,700
Payments on debt	(85,523)	(187,666)	(316,922)	(369,784)	(74,968)	(180,857)	(307,760)
Employee taxes paid for withheld shares upon equity award settlement	(37,948)	(38,655)	(39,669)	(40,403)	(25,112)	(25,319)	(25,696)
Change in due to customers	(320,248)	128,582	(323,467)	(25,557)	(294,090)	132,582	(288,369)
Change in customer funds receivable	(2,483)	(3,262)	(1,676)	997	(6,395)	(5,175)	(2,692)
Purchase of treasury stock, including excise tax payments	(100,030)	(103,205)	(133,338)	(217,152)	(82,103)	(111,637)	(129,933)
Net cash (used in) provided by financing activities	(330,032)	68,094	(508,072)	(247,399)	(342,768)	19,094	(523,750)
Effect of exchange rate on cash, cash equivalents, and restricted cash	1,668	7,212	5,768	6,250	(433)	(655)	(939)
Net (decrease) increase in cash, cash equivalents, and restricted cash	(352,869)	102,302	(352,072)	(50,537)	(306,208)	122,033	(295,075)
Cash, cash equivalents, and restricted cash, beginning of period	809,512	809,512	809,512	809,512	758,975	758,975	758,975
Cash, cash equivalents, and restricted cash, end of period	\$ 456,643	\$ 911,814	\$ 457,440	\$ 758,975	\$ 452,767	\$ 881,008	\$ 463,900

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

(in thousands, except share and per share amounts)	Q1 2025		Q2 2025		Q3 2025		Q4 2025		FY 2025 ⁽¹⁾		Q1 2026		Q2 2026		Q3 2026	
GAAP Revenue	\$	269,936	\$	282,030	\$	281,143	\$	295,256	\$	1,128,365	\$	281,140	\$	290,597	\$	292,641
GAAP gross profit	\$	155,121	\$	168,397	\$	167,490	\$	172,284	\$	663,292	\$	166,559	\$	178,163	\$	177,791
GAAP gross margin		57.5 %		59.7 %		59.6 %		58.4 %		58.8 %		59.2 %		61.3 %		60.8 %
Non-GAAP adjustments:																
Add: Stock-based compensation expense		2,698		3,250		2,850		2,719		11,517		3,087		2,714		2,693
Add: Amortization of intangibles from business combinations		7,052		7,020		6,811		6,761		27,644		6,267		5,404		5,405
Add: Employee severance		—		302		(18)		—		284		—		—		—
Add: Global workforce transition costs		—		—		—		—		—		275		267		1,014
Subtotal		9,750		10,572		9,643		9,480		39,445		9,629		8,385		9,112
Non-GAAP gross profit	\$	164,871	\$	178,969	\$	177,133	\$	181,764	\$	702,737	\$	176,188	\$	186,548	\$	186,903
Non-GAAP gross margin		61.1 %		63.5 %		63.0 %		61.6 %		62.3 %		62.7 %		64.2 %		63.9 %
GAAP income from operations	\$	19,705	\$	57,334	\$	54,573	\$	59,142	\$	190,754	\$	51,445	\$	62,016	\$	59,951
GAAP operating margin		7.3 %		20.3 %		19.4 %		20.0 %		16.9 %		18.3 %		21.3 %		20.5 %
Non-GAAP adjustments:																
Add: Stock-based compensation expense		22,170		27,252		21,657		21,831		92,910		23,880		22,706		22,100
Add: Amortization of intangibles from business combinations		7,586		7,586		7,381		7,325		29,878		6,855		5,990		5,993
Add: Employee severance		—		2,147		(242)		—		1,905		—		—		—
Add: Global workforce transition costs		—		—		—		—		—		1,026		1,974		5,439
Add: Acquisition and disposition-related costs		25,132		264		383		112		25,891		147		866		237
Add: Security Incident-related costs		2,180		395		247		282		3,104		—		—		853
Add: Impairment of capitalized software development costs		—		—		—		—		—		—		1,056		—
Subtotal		57,068		37,644		29,426		29,550		153,688		31,908		32,592		34,622
Non-GAAP income from operations	\$	76,773	\$	94,978	\$	83,999	\$	88,692	\$	344,442	\$	83,353	\$	94,608	\$	94,573
Non-GAAP operating margin		28.4 %		33.7 %		29.9 %		30.0 %		30.5 %		29.6 %		32.6 %		32.3 %
GAAP income before provision (benefit) for income taxes	\$	4,865	\$	40,041	\$	41,044	\$	45,833	\$	131,783	\$	37,805	\$	46,421	\$	46,439
GAAP net income	\$	4,323	\$	26,466	\$	47,492	\$	36,689	\$	114,970	\$	31,139	\$	35,358	\$	46,068
Shares used in computing GAAP diluted earnings per share		49,445,079		48,248,057		48,498,285		47,960,158		48,469,961		46,351,379		44,884,337		44,961,588
GAAP diluted earnings per share	\$	0.09	\$	0.55	\$	0.98	\$	0.76	\$	2.37	\$	0.67	\$	0.79	\$	1.02
Non-GAAP adjustments:																
Add: GAAP income tax provision (benefit)		542		13,575		(6,448)		9,144		16,813		6,666		11,063		371
Add: Total Non-GAAP adjustments affecting income from operations		57,068		37,644		29,426		29,550		153,688		31,908		32,592		34,622
Non-GAAP income before provision for income taxes		61,933		77,685		70,470		75,383		285,471		69,713		79,013		81,061
Assumed non-GAAP income tax provision ⁽²⁾		15,174		19,033		17,265		18,469		69,941		17,080		19,358		19,860
Non-GAAP net income	\$	46,759	\$	58,652	\$	53,205	\$	56,914	\$	215,530	\$	52,633	\$	59,655	\$	61,201
Shares used in computing Non-GAAP diluted earnings per share		49,445,079		48,248,057		48,498,285		47,960,158		48,469,961		46,351,379		44,884,337		44,961,588
Non-GAAP diluted earnings per share	\$	0.95	\$	1.22	\$	1.10	\$	1.19	\$	4.45	\$	1.14	\$	1.33	\$	1.36

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	6 months ended	9 months ended
	3/31/2025	6/30/2025	9/30/2025	12/31/2025	3/31/2026	06/30/2026	09/30/2026
GAAP net cash provided by operating activities	1,388	68,329	207,540	265,550	51,459	142,513	284,244
GAAP operating cash flow margin	0.5 %	12.4 %	24.9 %	23.5 %	18.3 %	24.9 %	32.9 %
Non-GAAP adjustments:							
Less: purchase of property and equipment	(688)	(1,311)	(4,805)	(7,767)	(1,668)	(4,117)	(7,320)
Less: capitalized software development costs	(12,970)	(27,787)	(40,268)	(54,236)	(12,798)	(26,127)	(38,635)
Non-GAAP free cash flow	\$ (12,270)	\$ 39,231	\$ 162,467	\$ 203,547	\$ 36,993	\$ 112,269	\$ 238,289
Non-GAAP free cash flow margin	(4.5)%	7.1 %	19.5 %	18.0 %	13.2 %	19.6 %	27.6 %

Historical Revenue by Type (Unaudited)

(in thousands, except share and per share amounts)	Q1 2025		Q2 2025		Q3 2025		Q4 2025		FY 2025		Q1 2026		Q2 2026		Q3 2026	
Revenue																
Contractual recurring	\$	175,465	\$	180,128	\$	182,984	\$	183,243	\$	721,820	\$	182,314	\$	186,365	\$	187,270
Transactional recurring		87,860		96,151		92,818		107,512		384,341		94,171		98,926		99,760
Total recurring revenue	\$	263,325	\$	276,279	\$	275,802	\$	290,755	\$	1,106,161	\$	276,485	\$	285,291	\$	287,030
One-time services and other		6,611		5,751		5,341		4,501		22,204		4,655		5,306		5,611
Total revenue	\$	269,936	\$	282,030	\$	281,143	\$	295,256	\$	1,128,365	\$	281,140	\$	290,597	\$	292,641

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

(dollars in thousands)	Nine months ended		Three months ended			Year ended	Three months ended			
	09/30/2026	09/30/2025	09/30/2026	06/30/2026	03/31/2026	12/31/2025	12/31/2025	09/30/2025	06/30/2025	03/31/2025
GAAP revenue	\$ 864,378	\$ 833,109	\$ 292,641	\$ 290,597	\$ 281,140	\$ 1,128,365	\$ 295,256	\$ 281,143	\$ 282,030	\$ 269,936
GAAP revenue growth	3.8 %		4.1 %	3.0 %	4.2 %					
Less: Non-GAAP revenue from divested businesses ⁽¹⁾	—	—	—	—	—	—	—	—	—	—
Non-GAAP organic revenue ⁽²⁾	\$ 864,378	\$ 833,109	\$ 292,641	\$ 290,597	\$ 281,140	\$ 1,128,365	\$ 295,256	\$ 281,143	\$ 282,030	\$ 269,936
Non-GAAP organic revenue growth	3.8 %		4.1 %	3.0 %	4.2 %					
Non-GAAP organic revenue ⁽²⁾	\$ 864,378	\$ 833,109	\$ 292,641	\$ 290,597	\$ 281,140	1,128,365	\$ 295,256	\$ 281,143	\$ 282,030	\$ 269,936
Foreign currency impact on Non-GAAP organic revenue ⁽³⁾	(3,167)	—	(237)	(690)	(2,240)	—	—	—	—	—
Non-GAAP organic revenue on constant currency basis ⁽³⁾	\$ 861,211	\$ 833,109	\$ 292,404	\$ 289,907	\$ 278,900	\$ 1,128,365	\$ 295,256	\$ 281,143	\$ 282,030	\$ 269,936
Non-GAAP organic revenue growth on constant currency basis	3.4 %		4.0 %	2.8 %	3.3 %					
GAAP recurring revenue	848,806	815,406	287,030	285,291	276,485	1,106,161	290,755	275,802	276,279	263,325
GAAP recurring revenue growth	4.1 %		4.1 %	3.3 %	5.0 %					
Less: Non-GAAP recurring revenue from divested businesses ⁽¹⁾	—	—	—	—	—	—	—	—	—	—
Non-GAAP organic recurring revenue ⁽²⁾	\$ 848,806	\$ 815,406	\$ 287,030	\$ 285,291	\$ 276,485	\$ 1,106,161	\$ 290,755	\$ 275,802	\$ 276,279	\$ 263,325
Non-GAAP organic recurring revenue growth	4.1 %		4.1 %	3.3 %	5.0 %					
Non-GAAP organic recurring revenue ⁽²⁾	\$ 848,806	\$ 815,406	\$ 287,030	\$ 285,291	\$ 276,485	1,106,161	\$ 290,755	\$ 275,802	\$ 276,279	\$ 263,325
Foreign currency impact on non-GAAP organic recurring revenue ⁽³⁾	(3,095)	—	(227)	(670)	(2,198)	—	—	—	—	—
Non-GAAP organic recurring revenue on constant currency basis ⁽³⁾	\$ 845,711	\$ 815,406	\$ 286,803	\$ 284,621	\$ 274,287	\$ 1,106,161	\$ 290,755	\$ 275,802	\$ 276,279	\$ 263,325
Non-GAAP organic recurring revenue growth on constant currency basis	3.7 %		4.0 %	3.0 %	4.2 %					

(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		Nine months ended	
	09/30/2026	09/30/2025	09/30/2026	09/30/2025
GAAP net income	\$ 46,068	\$ 47,492	\$ 112,565	\$ 78,281
Non-GAAP adjustments:				
Add: Interest, net	13,865	14,403	43,874	46,136
Add: GAAP income tax provision (benefit)	371	(6,448)	18,100	7,669
Add: Depreciation	3,177	2,181	8,228	7,823
Add: Amortization of intangibles from business combinations	5,993	7,381	18,838	22,553
Add: Amortization of software development costs ⁽¹⁾	12,978	12,605	38,203	36,781
Subtotal	36,384	30,122	127,243	120,962
Non-GAAP EBITDA	\$ 82,452	\$ 77,614	\$ 239,808	\$ 199,243
Non-GAAP EBITDA margin⁽²⁾	28.2 %		27.7 %	
Non-GAAP adjustments:				
Add: Stock-based compensation expense	22,100	21,657	68,686	71,079
Add: Employee severance	—	(242)	—	1,905
Add: Global workforce transition costs	5,439	—	8,439	—
Add: Acquisition and disposition-related costs	237	383	1,250	25,779
Add: Security Incident-related costs	853	247	853	2,822
Add: Impairment of capitalized software development costs	—	—	1,056	—
Subtotal	28,629	22,045	80,284	101,585
Non-GAAP adjusted EBITDA	\$ 111,081	\$ 99,659	\$ 320,092	\$ 300,828
Non-GAAP adjusted EBITDA margin⁽³⁾	38.0 %		37.0 %	
Rule of 40⁽⁴⁾	42.1 %		40.8 %	
Non-GAAP adjusted EBITDA	111,081	99,659	320,092	300,828
Foreign currency impact on Non-GAAP adjusted EBITDA ⁽⁵⁾	(76)	(512)	(1,267)	(1,403)
Non-GAAP adjusted EBITDA on constant currency basis⁽⁵⁾	\$ 111,005	\$ 99,147	\$ 318,825	\$ 299,425
Non-GAAP adjusted EBITDA margin on constant currency basis	38.0 %		37.0 %	
Rule of 40 on constant currency basis⁽⁶⁾	42.0 %		40.4 %	

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

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

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

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

(5) 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.

(6) 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 September 30, 2026								
(in thousands, except per share amounts)	GAAP	Stock-based compensation expense	Amortization of intangibles from business combinations	Global workforce transition costs	Acquisition and disposition-related costs	Security Incident-related costs	Non-GAAP adjustments subtotal	Non-GAAP
Revenue	292,641	—	—	—	—	—	—	292,641
Cost of revenue	114,850	(2,693)	(5,405)	(1,014)	—	—	(9,112)	105,738
Gross profit	177,791	2,693	5,405	1,014	—	—	9,112	186,903
<i>Total gross margin</i>	<i>60.8 %</i>						<i>3.1 %</i>	<i>63.9 %</i>
Operating expenses								
Sales, marketing and customer success	46,218	(3,052)	—	(1,183)	—	—	(4,235)	41,983
Research and development	36,206	(6,235)	—	(1,958)	—	—	(8,193)	28,013
General and administrative	34,828	(10,120)	—	(1,284)	(237)	(853)	(12,494)	22,334
Amortization	588	—	(588)	—	—	—	(588)	—
Total operating expenses	117,840	(19,407)	(588)	(4,425)	(237)	(853)	(25,510)	92,330
Income from operations	59,951	22,100	5,993	5,439	237	853	34,622	94,573
<i>Total operating margin</i>	<i>20.5 %</i>						<i>11.8 %</i>	<i>32.3 %</i>
Net income	\$ 46,068						\$ 61,201	
Shares used in computing diluted earnings per share	44,962							44,962
Diluted earnings per share	\$ 1.02						\$ 1.36	

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

Three Months Ended September 30, 2025								
(in thousands, except per share amounts)	GAAP	Stock-based compensation expense	Amortization of intangibles from business combinations	Employee severance	Acquisition and disposition-related costs	Security Incident-related costs	Non-GAAP adjustments subtotal	Non-GAAP
Revenue	281,143	—	—	—	—	—	—	281,143
Cost of revenue	113,653	(2,850)	(6,811)	18	—	—	(9,643)	104,010
Gross profit	167,490	2,850	6,811	(18)	—	—	9,643	177,133
<i>Total gross margin</i>	<i>59.6 %</i>						<i>3.4 %</i>	<i>63.0 %</i>
Operating expenses								
Sales, marketing and customer success	44,105	(3,797)	—	29	—	—	(3,768)	40,337
Research and development	37,198	(5,780)	—	162	—	—	(5,618)	31,580
General and administrative	31,044	(9,230)	—	33	(383)	(247)	(9,827)	21,217
Amortization	570	—	(570)	—	—	—	(570)	—
Total operating expenses	112,917	(18,807)	(570)	224	(383)	(247)	(19,783)	93,134
Income from operations	54,573	21,657	7,381	(242)	383	247	29,426	83,999
<i>Total operating margin</i>	<i>19.4 %</i>						<i>10.5 %</i>	<i>29.9 %</i>
Net Income	\$ 47,492						\$ 53,205	
Shares used in computing diluted earnings per share	48,498							48,498
Diluted earnings per share	\$ 0.98						\$ 1.10	

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

Nine Months Ended September 30, 2026									
(in thousands, except per share amounts)	GAAP	Stock-based compensation expense	Amortization of intangibles from business combinations	Global workforce transition costs	Acquisition and disposition-related costs	Security Incident-related costs	Impairment of capitalized software development costs	Non-GAAP adjustments subtotal	Non-GAAP
Revenue	864,378	—	—	—	—	—	—	—	864,378
Cost of revenue	341,865	(8,494)	(17,076)	(1,556)	—	—	—	(27,126)	314,739
Gross profit	522,513	8,494	17,076	1,556	—	—	—	27,126	549,639
<i>Total gross margin</i>	<i>60.4 %</i>							<i>3.2 %</i>	<i>63.6 %</i>
Operating expenses									
Sales, marketing and customer success	139,823	(11,303)	—	(1,500)	—	—	—	(12,803)	127,020
Research and development	107,978	(18,974)	—	(2,333)	—	—	—	(21,307)	86,671
General and administrative	99,538	(29,915)	—	(3,050)	(1,250)	(853)	(1,056)	(36,124)	63,414
Amortization	1,762	—	(1,762)	—	—	—	—	(1,762)	—
Total operating expenses	349,101	(60,192)	(1,762)	(6,883)	(1,250)	(853)	(1,056)	(71,996)	277,105
Income from operations	173,412	68,686	18,838	8,439	1,250	853	1,056	99,122	272,534
<i>Total operating margin</i>	<i>20.1 %</i>							<i>11.4 %</i>	<i>31.5 %</i>
Net Income	\$ 112,565							\$	173,489
Shares used in computing diluted earnings per share	45,245								45,245
Diluted earnings per share	\$ 2.49							\$	3.83

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

Nine Months Ended September 30, 2025								
(in thousands, except per share amounts)	GAAP	Stock-based compensation expense	Amortization of intangibles from business combinations	Employee severance	Acquisition and disposition-related costs	Security Incident-related costs	Non-GAAP adjustments subtotal	Non-GAAP
Revenue	833,109	—	—	—	—	—	—	833,109
Cost of revenue	342,101	(8,798)	(20,883)	(284)	—	—	(29,965)	312,136
Gross profit	491,008	8,798	20,883	284	—	—	29,965	520,973
<i>Total gross margin</i>	<i>58.9 %</i>						<i>3.6 %</i>	<i>62.5 %</i>
Operating expenses								
Sales, marketing and customer success	132,795	(12,249)	—	(271)	—	—	(12,520)	120,275
Research and development	104,352	(18,170)	—	(827)	—	—	(18,997)	85,355
General and administrative	120,579	(31,862)	—	(523)	(25,779)	(2,822)	(60,986)	59,593
Amortization	1,670	—	(1,670)	—	—	—	(1,670)	—
Total operating expenses	359,396	(62,281)	(1,670)	(1,621)	(25,779)	(2,822)	(94,173)	265,223
Income from operations	131,612	71,079	22,553	1,905	25,779	2,822	124,138	255,750
<i>Total operating margin</i>	<i>15.8 %</i>						<i>14.9 %</i>	<i>30.7 %</i>
Net Income	\$ 78,281						\$	158,616
Shares used in computing diluted earnings per share	48,634							48,634
Diluted earnings per share	\$ 1.61						\$	3.26