

blackbaud®

Blackbaud *Investor Presentation*

Ticker: BLKB

April 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.

Trademark Usage

All Blackbaud product names appearing herein are trademarks or registered trademarks of Blackbaud, Inc. This presentation contains trade names, trademarks and service marks of other companies. The Company does not intend its use or display of other parties' trade names, trademarks and service marks to imply a relationship with, or endorsement or sponsorship of, these other parties.



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, 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 period ended March 31, 2026; 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; 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.

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
- Fragmented competitive landscape

Innovation Driving Product Value

- AI empowering customers
- Embedded cyber security protects customer data
- Product first approach driving 90%+ retention rates
- Market leading portfolio depth and breadth
- Continued migration to 3rd party cloud enables leverage & efficiencies

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%



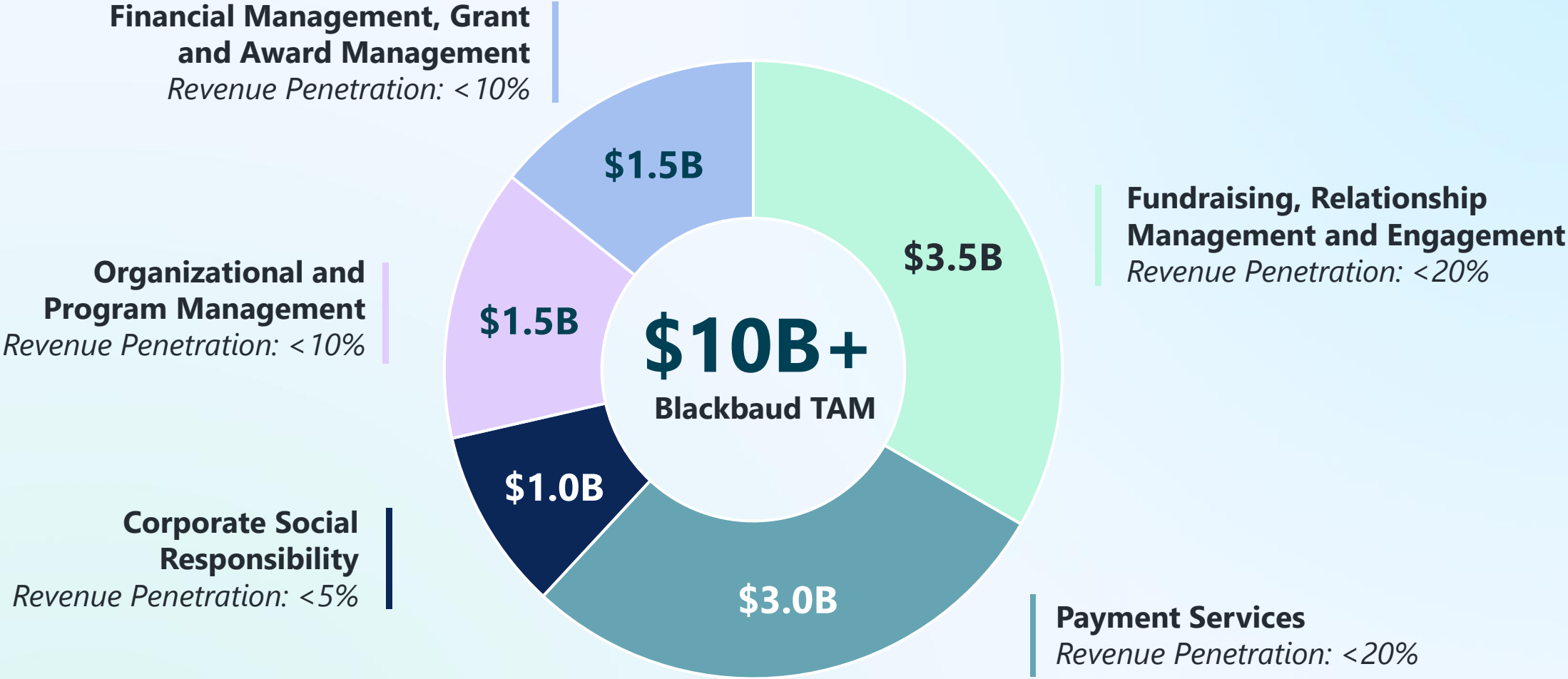
reduction in workload by leveraging Payment Assistant in Blackbaud Financial Edge NXT®

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



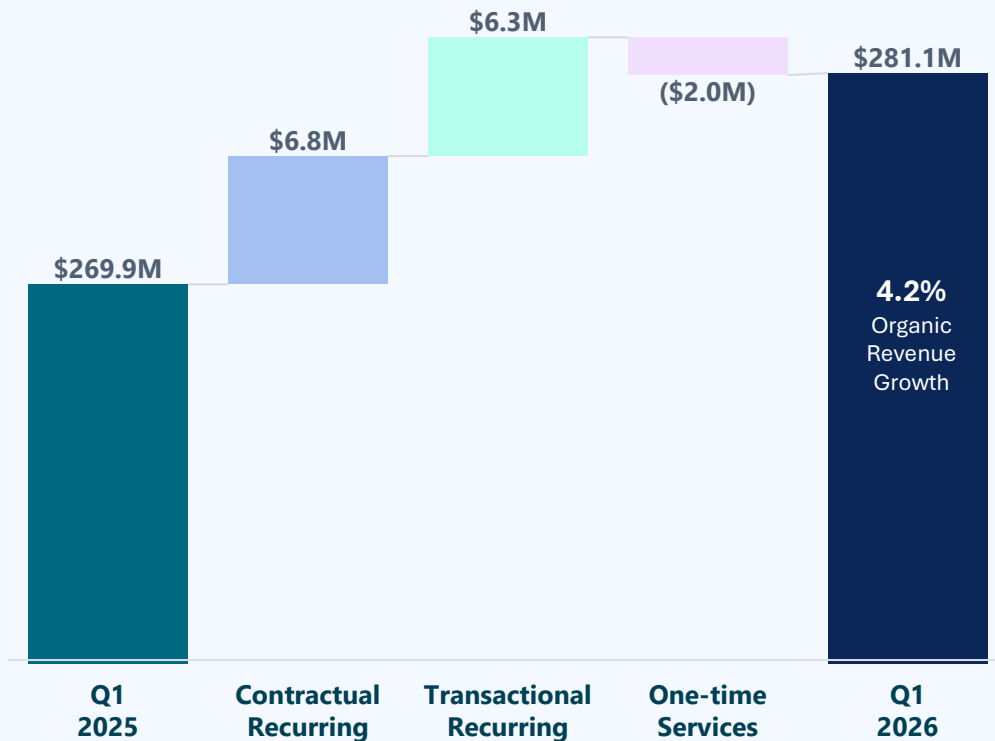
Sources: FY 2025 Blackbaud Revenue. Global Blackbaud TAM based on IRS data, Canadian Revenue Agency, Private School Universe, IPEDS, Dun & Bradstreet, HIMSS, Guidestar, S&P Global database, Small Business & Entrepreneurship Council, Blackbaud internal data



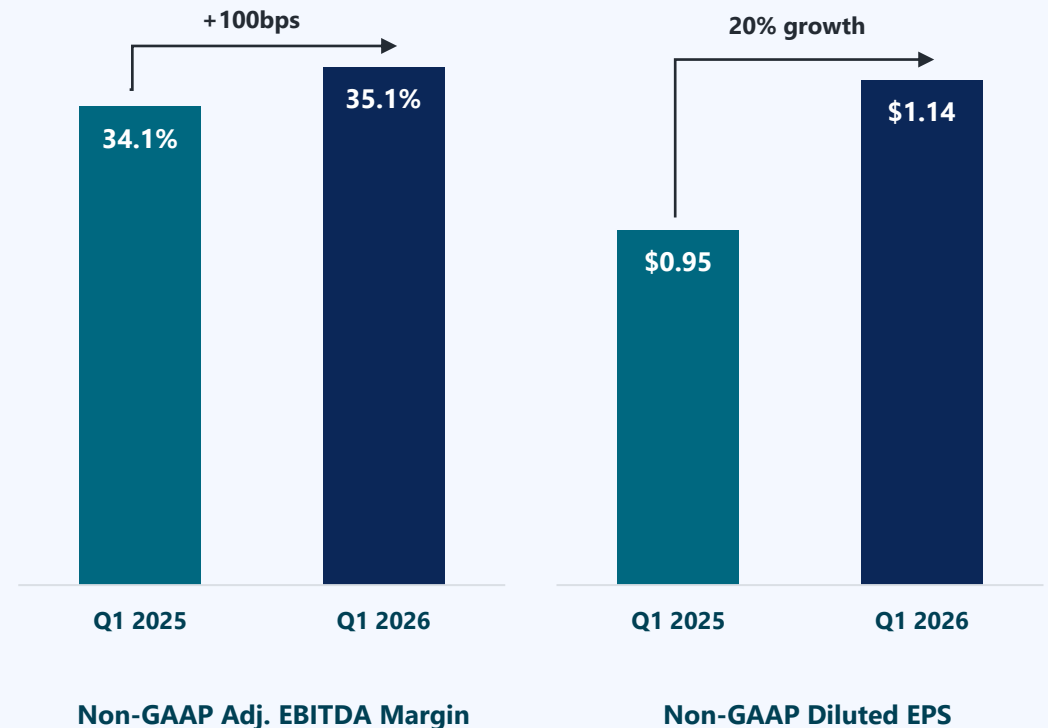
Q1 2026 Performance & FY26 Financial Guidance

Q1 2026 Performance

Non-GAAP Organic Revenue Year over Year



Profitability Year over Year



Non-GAAP performance through 3/31/26. 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.

Sensitivity: Public



2026 total company guidance

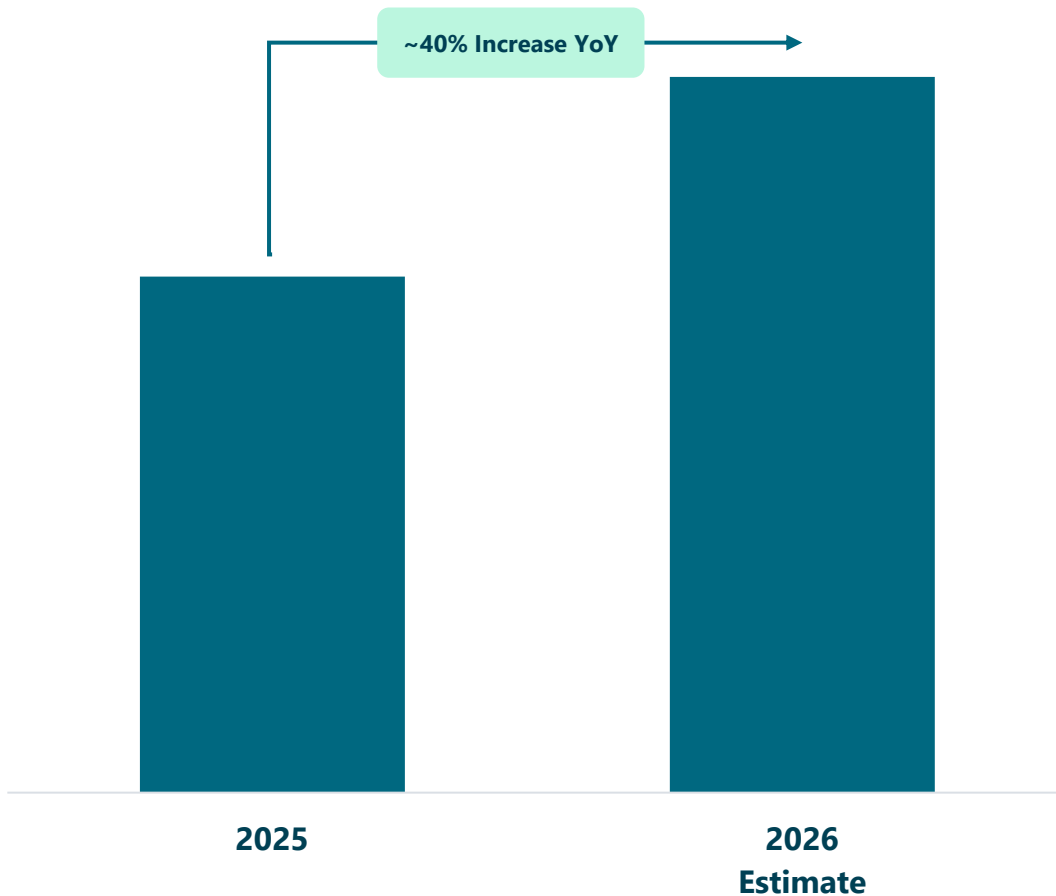
(\$ in millions, except per share amounts)	Low	Midpoint	High	Implied Growth at Midpoint
Total Revenue	\$1,173	\$1,176	\$1,179	4.25%
Non-GAAP Adjusted EBITDA	\$430	\$434	\$438	7%
Non-GAAP EPS	\$5.15	\$5.20	\$5.25	17%
Non-GAAP Free Cash Flow	\$280	\$285	\$290	37%

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

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.
- We anticipate renewal rates on these up for renewal contracts to remain in line with prior years, however the larger volume of contracts up for renewal may result in higher churn dollars.
- This is forecasted 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

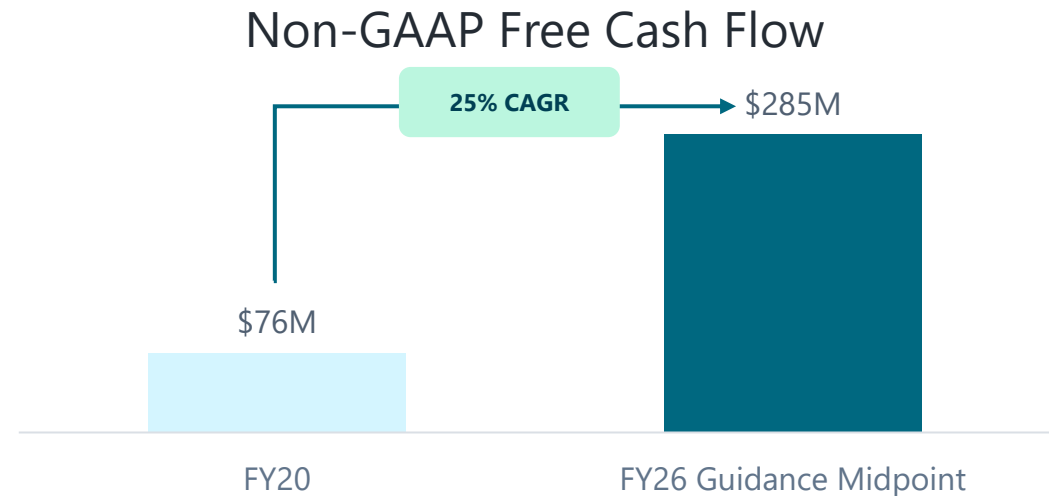
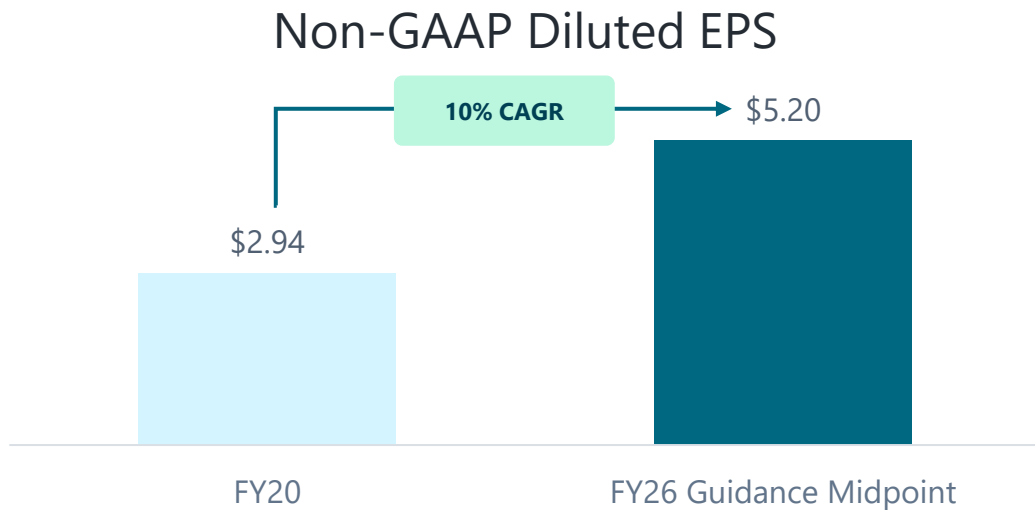
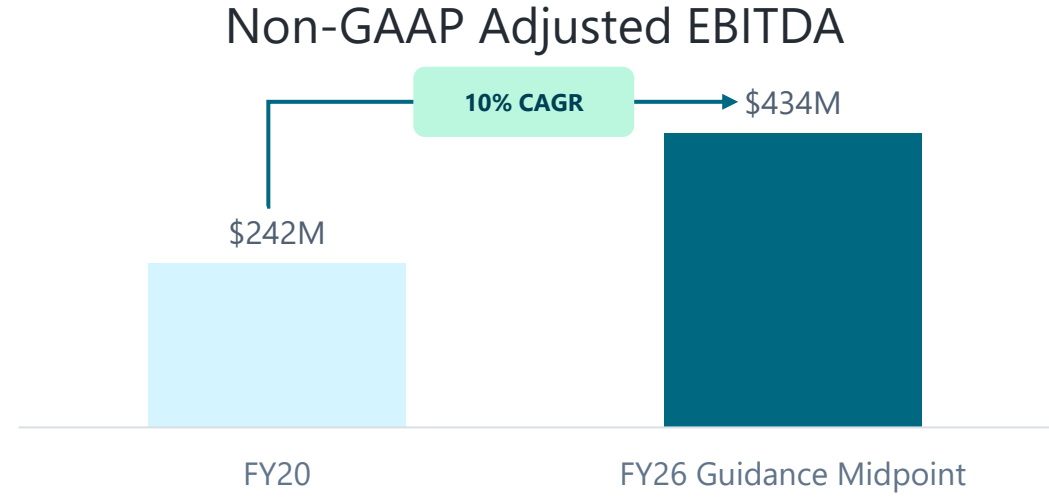
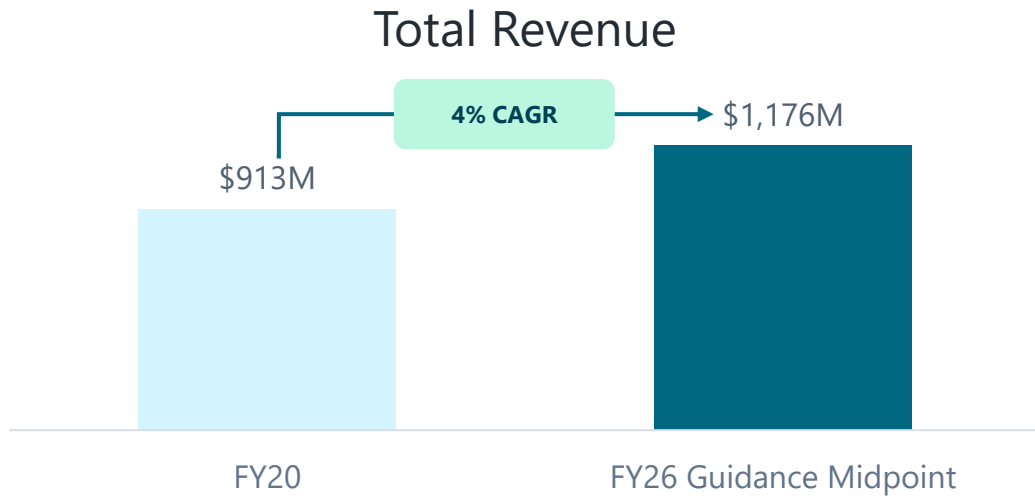


Sustained competitive advantage via commitment to AI and product innovation with a platform to deliver these solutions at scale



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



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%+

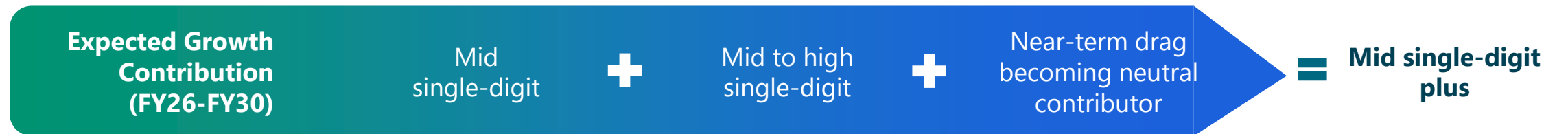
- Goal of achieving Rule of 45 by 2030.
- New product offerings such as Agents for Good represent potential upside to current long-term revenue growth targets.
- Expect EBITDA growth to outpace revenue growth via operating leverage and ongoing cost and efficiency initiatives, with focus on improving 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	<ul style="list-style-type: none"> Bookings (new logo) Bookings (cross-sell & upsell) Sales productivity Customer retention (3+ year contracts) Price uplift at renewal & annual escalators 	<ul style="list-style-type: none"> New unit (new logo) New unit (cross-sell & upsell) Same store volume growth Digital giving mix shift Pricing models 	<ul style="list-style-type: none"> 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

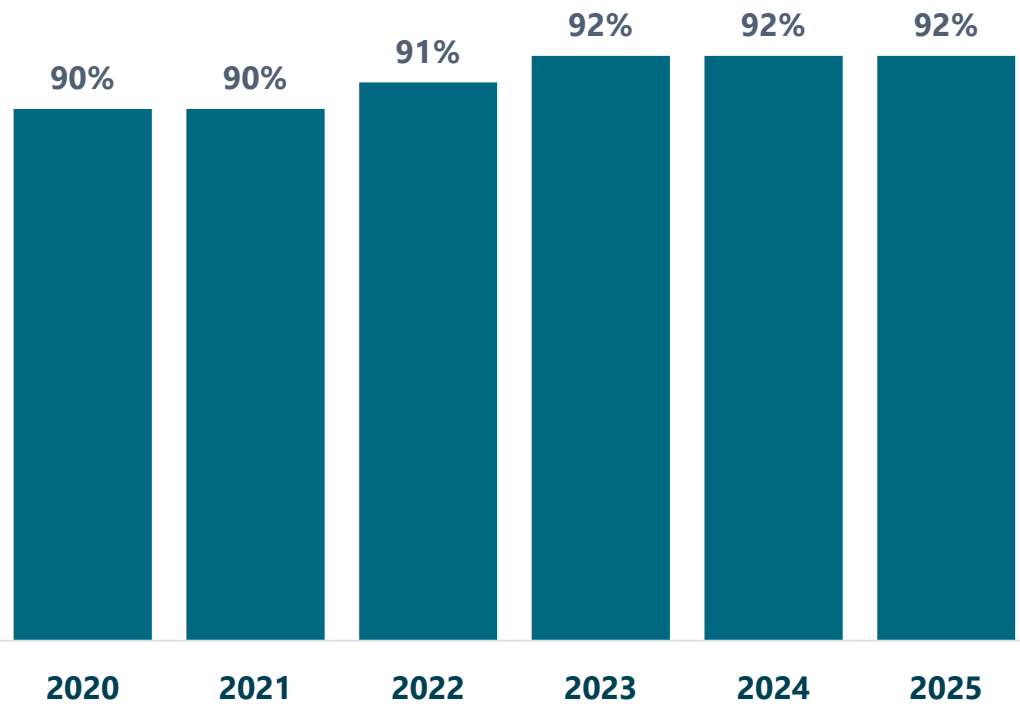
Blackbaud’s Agents for Good strategy brings net new products into sales team’s bag for 2026+

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
(~20% on 4+ years)

Typical contract term length

Mid to high single-digit

Contract price increase at renewal

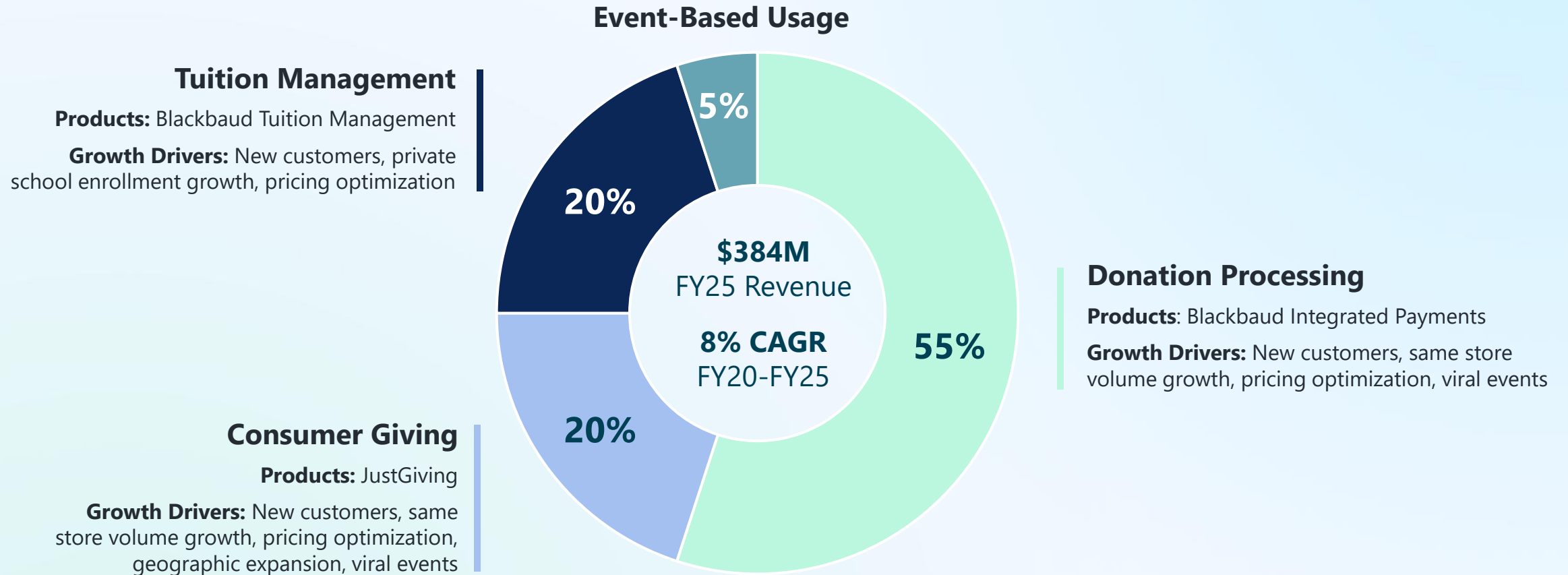
Mid to high single-digit

Embedded annual price escalators

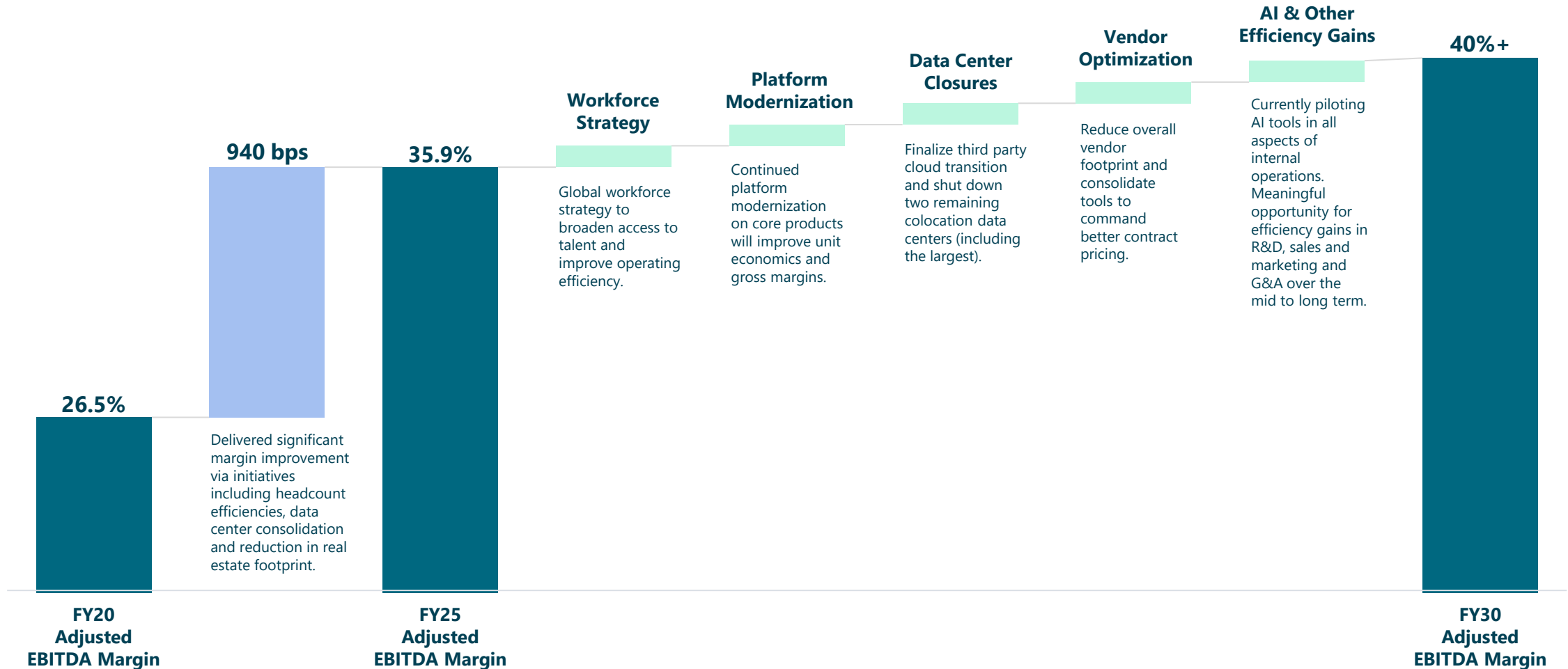
Historical gross dollar retention metrics exclude EverFi that was divested as of 12/31/2024.



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

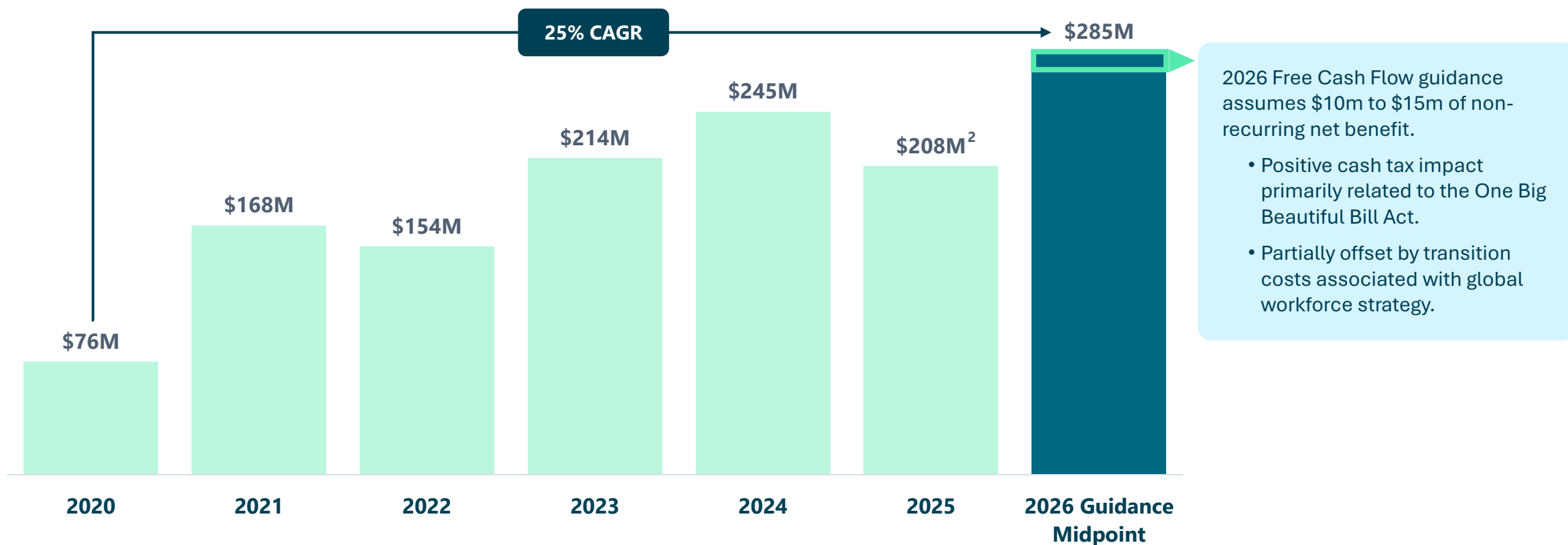


Profit driver: multiple initiatives underway to deliver high-single digit EBITDA growth and margin expansion



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

Non-GAAP free cash flow¹

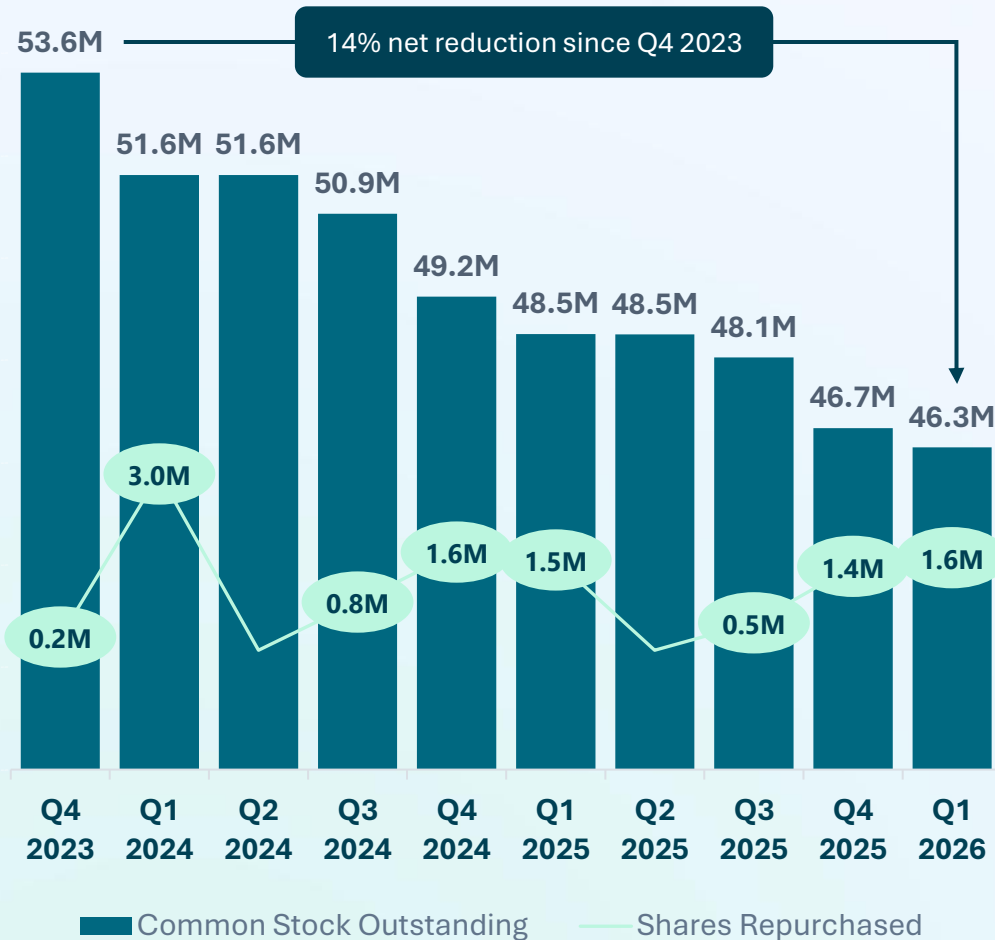


1. Non-GAAP adjusted free cash flow is defined as operating cash flow less capital expenditures, including costs required to be capitalized for software development, and capital expenditures for property and equipment. FY21-FY25 represent adjusted FCF which adds back cash outflows, net of insurance, 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. \$878 million remaining as of 3/31/2026

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

Stock Repurchases

- Blackbaud has reduced common stock outstanding by 14% 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



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
- Embedded cyber security protects customer data
- Product first approach driving 90%+ retention rates
- Market leading portfolio depth and breadth
- Continued migration to 3rd party cloud enables leverage & efficiencies

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

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
Assets					
Current assets:					
Cash and cash equivalents	\$ 37,243	\$ 41,566	\$ 38,255	\$ 38,914	\$ 34,096
Restricted cash	419,400	870,248	419,185	720,061	418,671
Accounts receivable, net of allowance	78,105	146,044	82,561	80,517	75,691
Customer funds receivable	4,522	5,696	3,996	1,308	7,605
Prepaid expenses and other current assets	88,329	91,551	94,838	89,290	106,158
Total current assets	627,599	1,155,105	638,835	930,090	642,221
Property and equipment, net	85,031	83,052	85,332	85,076	85,053
Software development costs, net	150,113	153,604	154,074	155,842	156,628
Goodwill	1,054,290	1,057,927	1,056,656	1,056,815	1,055,777
Intangible assets, net	126,338	120,791	112,697	106,654	99,279
Other assets	58,995	60,050	56,847	56,205	70,340
Total assets	\$ 2,102,366	\$ 2,630,529	\$ 2,104,441	\$ 2,390,682	\$ 2,109,298
Liabilities and stockholders' equity					
Current liabilities:					
Trade accounts payable	\$ 46,435	\$ 42,664	\$ 48,761	\$ 27,344	\$ 46,884
Accrued expenses and other current liabilities	46,138	42,101	53,050	43,272	37,515
Due to customers	422,780	874,757	421,820	719,833	425,124
Debt, current portion	23,350	22,566	22,613	22,660	23,160
Deferred revenue, current portion	325,559	398,836	383,138	368,986	333,996
Total current liabilities	864,262	1,380,924	929,382	1,182,095	866,679
Debt, net of current portion	1,182,343	1,136,112	1,042,005	1,087,037	1,163,182
Deferred tax liability	25,085	25,254	9,246	21,981	27,333
Deferred revenue, net of current portion	6,033	2,179	1,773	2,778	6,054
Other liabilities	7,166	13,322	13,846	11,737	11,496
Total liabilities	2,084,889	2,557,791	1,996,252	2,305,628	2,074,744
Commitments and contingencies					
Stockholders' equity:					
Preferred stock	—	—	—	—	—
Common stock, \$0.001 par value	72	72	72	72	74
Additional paid-in capital	1,319,562	1,347,234	1,369,807	1,391,641	1,415,521
Treasury stock, at cost	(1,198,721)	(1,199,608)	(1,231,316)	(1,316,224)	(1,423,843)
Accumulated other comprehensive loss	(8,302)	(6,292)	(9,198)	(5,948)	(3,850)
Retained earnings	(95,134)	(68,668)	(21,176)	15,513	46,652
Total stockholders' equity	17,477	72,738	108,189	85,054	34,554
Total liabilities and stockholders' equity	\$ 2,102,366	\$ 2,630,529	\$ 2,104,441	\$ 2,390,682	\$ 2,109,298

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
Revenue	\$ 269,936	\$ 282,030	\$ 281,143	\$ 295,256	\$ 1,128,365	\$ 281,140
Cost of revenue	114,815	113,633	113,653	122,972	465,073	114,581
Gross profit	155,121	168,397	167,490	172,284	663,292	166,559
Operating expenses						
Sales, marketing and customer success	44,644	44,046	44,105	44,769	177,564	47,349
Research and development	33,559	33,595	37,198	33,778	138,130	36,916
General and administrative	56,679	32,856	31,044	34,031	154,610	30,261
Amortization of intangible assets	534	566	570	564	2,234	588
Total operating expenses	135,416	111,063	112,917	113,142	472,538	115,114
Income from operations	19,705	57,334	54,573	59,142	190,754	51,445
Interest expense	(16,945)	(18,411)	(16,774)	(15,840)	(67,970)	(16,036)
Other income, net	2,105	1,118	3,245	2,531	8,999	2,396
Income before provision (benefit) for income taxes	4,865	40,041	41,044	45,833	131,783	37,805
Income tax provision (benefit)	542	13,575	(6,448)	9,144	16,813	6,666
Net income	\$ 4,323	\$ 26,466	\$ 47,492	\$ 36,689	\$ 114,970	\$ 31,139
Earnings per share						
Basic	\$ 0.09	\$ 0.55	\$ 1.00	\$ 0.78	\$ 2.41	\$ 0.68
Diluted	\$ 0.09	\$ 0.55	\$ 0.98	\$ 0.76	\$ 2.37	\$ 0.67
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
Diluted weighted average shares	49,445,079	48,248,057	48,498,285	47,960,158	48,469,961	46,351,379
Other comprehensive income						
Foreign currency translation adjustment	3,259	7,324	(2,284)	568	8,867	(1,480)
Unrealized (loss) gain on derivative instruments, net of tax	(6,692)	(5,314)	(622)	2,682	(9,946)	3,578
Total other comprehensive (loss) income	(3,433)	2,010	(2,906)	3,250	(1,079)	2,098
Comprehensive income	\$ 890	\$ 28,476	\$ 44,586	\$ 39,939	\$ 113,891	\$ 33,237

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
Cash flows from operating activities					
Net income	\$ 4,323	\$ 30,789	\$ 78,281	\$ 114,970	\$ 31,139
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
Net provision for credit losses and sales returns	788	2,973	3,788	4,382	1,128
Stock-based compensation expense	22,170	49,422	71,079	92,910	23,880
Deferred taxes	(221)	(653)	(16,682)	(181)	4,257
Amortization of deferred financing costs and discount	699	1,346	1,940	2,480	486
Other non-cash adjustments	(5,384)	(5,407)	(5,180)	(5,177)	—
Changes in operating assets and liabilities, net of acquisition and disposal of businesses:					
Accounts receivable	4,770	(64,984)	(2,422)	(938)	3,613
Prepaid expenses and other assets	(5,192)	(8,955)	(9,707)	(4,487)	(18,048)
Trade accounts payable	(4,651)	(8,408)	(3,233)	(23,535)	19,258
Accrued expenses and other liabilities	(8,134)	(9,910)	2,033	(10,826)	(3,186)
Deferred revenue	(29,427)	38,770	22,991	9,737	(31,619)
Net cash provided by operating activities	1,388	68,329	207,540	265,550	51,459
Cash flows from investing activities					
Purchase of property and equipment	(688)	(1,311)	(4,805)	(7,767)	(1,668)
Capitalized software development costs	(12,970)	(27,787)	(40,268)	(54,236)	(12,798)
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)	—
Net cash used in investing activities	(25,893)	(41,333)	(57,308)	(74,938)	(14,466)
Cash flows from financing activities					
Proceeds from issuance of debt	216,200	272,300	307,000	404,500	139,900
Payments on debt	(85,523)	(187,666)	(316,922)	(369,784)	(74,968)
Employee taxes paid for withheld shares upon equity award settlement	(37,948)	(38,655)	(39,669)	(40,403)	(25,112)
Change in due to customers	(320,248)	128,582	(323,467)	(25,557)	(294,090)
Change in customer funds receivable	(2,483)	(3,262)	(1,676)	997	(6,395)
Purchase of treasury stock, including excise tax payments	(100,030)	(103,205)	(133,338)	(217,152)	(82,103)
Net cash (used in) provided by financing activities	(330,032)	68,094	(508,072)	(247,399)	(342,768)
Effect of exchange rate on cash, cash equivalents, and restricted cash	1,668	7,212	5,768	6,250	(433)
Net (decrease) increase in cash, cash equivalents, and restricted cash	(352,869)	102,302	(352,072)	(50,537)	(306,208)
Cash, cash equivalents, and restricted cash, beginning of period	809,512	809,512	809,512	809,512	758,975
Cash, cash equivalents, and restricted cash, end of period	\$ 456,643	\$ 911,814	\$ 457,440	\$ 758,975	\$ 452,767

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
GAAP Revenue	\$ 269,936	\$ 282,030	\$ 281,143	\$ 295,256	\$ 1,128,365	\$ 281,140
GAAP gross profit	\$ 155,121	\$ 168,397	\$ 167,490	\$ 172,284	\$ 663,292	\$ 166,559
GAAP gross margin	57.5 %	59.7 %	59.6 %	58.4 %	58.8 %	59.2 %
Non-GAAP adjustments:						
Add: Stock-based compensation expense	2,698	3,250	2,850	2,719	11,517	3,087
Add: Amortization of intangibles from business combinations	7,052	7,020	6,811	6,761	27,644	6,267
Add: Employee severance	—	302	(18)	—	284	—
Add: GCC workforce transition costs	—	—	—	—	—	275
Subtotal	9,750	10,572	9,643	9,480	39,445	9,629
Non-GAAP gross profit	\$ 164,871	\$ 178,969	\$ 177,133	\$ 181,764	\$ 702,737	\$ 176,188
Non-GAAP gross margin	61.1 %	63.5 %	63.0 %	61.6 %	62.3 %	62.7 %
GAAP income from operations	\$ 19,705	\$ 57,334	\$ 54,573	\$ 59,142	\$ 190,754	\$ 51,445
GAAP operating margin	7.3 %	20.3 %	19.4 %	20.0 %	16.9 %	18.3 %
Non-GAAP adjustments:						
Add: Stock-based compensation expense	22,170	27,252	21,657	21,831	92,910	23,880
Add: Amortization of intangibles from business combinations	7,586	7,586	7,381	7,325	29,878	6,855
Add: Employee severance	—	2,147	(242)	—	1,905	—
Add: GCC workforce transition costs	—	—	—	—	—	1,026
Add: Acquisition and disposition-related costs	25,132	264	383	112	25,891	147
Add: Security Incident-related costs	2,180	395	247	282	3,104	—
Subtotal	57,068	37,644	29,426	29,550	153,688	31,908
Non-GAAP income from operations	\$ 76,773	\$ 94,978	\$ 83,999	\$ 88,692	\$ 344,442	\$ 83,353
Non-GAAP operating margin	28.4 %	33.7 %	29.9 %	30.0 %	30.5 %	29.6 %
GAAP income before provision (benefit) for income taxes	\$ 4,865	\$ 40,041	\$ 41,044	\$ 45,833	\$ 131,783	\$ 37,805
GAAP net income	\$ 4,323	\$ 26,466	\$ 47,492	\$ 36,689	\$ 114,970	\$ 31,139
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
GAAP diluted earnings per share	\$ 0.09	\$ 0.55	\$ 0.98	\$ 0.76	\$ 2.37	\$ 0.67
Non-GAAP adjustments:						
Add: GAAP income tax provision (benefit)	542	13,575	(6,448)	9,144	16,813	6,666
Add: Total Non-GAAP adjustments affecting income from operations	57,068	37,644	29,426	29,550	153,688	31,908
Non-GAAP income before provision for income taxes	61,933	77,685	70,470	75,383	285,471	69,713
Assumed non-GAAP income tax provision ⁽²⁾	15,174	19,033	17,265	18,469	69,941	17,080
Non-GAAP net income	\$ 46,759	\$ 58,652	\$ 53,205	\$ 56,914	\$ 215,530	\$ 52,633
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
Non-GAAP diluted earnings per share	\$ 0.95	\$ 1.22	\$ 1.10	\$ 1.19	\$ 4.45	\$ 1.14

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

(2) We use a non-GAAP effective tax rate of 24.5% when calculating non-GAAP net income and non-GAAP diluted earnings per share. We base this rate on our estimated annual GAAP income tax rate, adjusted for items excluded from GAAP income when calculating non-GAAP income and for significant nonrecurring tax adjustments. We review this non-GAAP tax rate annually to determine whether it remains appropriate for evaluating our financial performance. In conducting this review, we consider our GAAP annual effective tax rate, changes in tax legislation, non-GAAP adjustments, and shifts in the geographic mix of revenues and expenses. We also evaluate other factors that we deem significant. Because the tax treatment of non-GAAP adjustments differs from GAAP and because of our methodology for estimating the annual tax rate, the non-GAAP tax rate may differ from the GAAP tax rate and from our actual tax liabilities.



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
	3/31/2025	6/30/2025	9/30/2025	12/31/2025	3/31/2026
GAAP net cash provided by operating activities	1,388	68,329	207,540	265,550	51,459
GAAP operating cash flow margin	0.5 %	12.4 %	24.9 %	23.5 %	18.3 %
Non-GAAP adjustments:					
Less: purchase of property and equipment	(688)	(1,311)	(4,805)	(7,767)	(1,668)
Less: capitalized software development costs	(12,970)	(27,787)	(40,268)	(54,236)	(12,798)
Non-GAAP free cash flow	<u>\$ (12,270)</u>	<u>\$ 39,231</u>	<u>\$ 162,467</u>	<u>\$ 203,547</u>	<u>\$ 36,993</u>
Non-GAAP free cash flow margin	(4.5)%	7.1 %	19.5 %	18.0 %	13.2 %

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
Revenue						
Contractual recurring	\$ 175,465	\$ 180,128	\$ 182,984	\$ 183,243	\$ 721,820	\$ 182,314
Transactional recurring	87,860	96,151	92,818	107,512	384,341	94,171
Total recurring revenue	\$ 263,325	\$ 276,279	\$ 275,802	\$ 290,755	\$ 1,106,161	\$ 276,485
One-time services and other	6,611	5,751	5,341	4,501	22,204	4,655
Total revenue	\$ 269,936	\$ 282,030	\$ 281,143	\$ 295,256	\$ 1,128,365	\$ 281,140

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

(dollars in thousands)	Three months ended		Year ended	Three months ended			
	03/31/2026	03/31/2025	12/31/2025	12/31/2025	09/30/2025	06/30/2025	03/31/2025
GAAP revenue	\$ 281,140	\$ 269,936	\$ 1,128,365	\$ 295,256	\$ 281,143	\$ 282,030	\$ 269,936
GAAP revenue growth	4.2 %						
Less: Non-GAAP revenue from divested businesses ⁽¹⁾	—	—	—	—	—	—	—
Non-GAAP organic revenue ⁽²⁾	\$ 281,140	\$ 269,936	\$ 1,128,365	\$ 295,256	\$ 281,143	\$ 282,030	\$ 269,936
Non-GAAP organic revenue growth	4.2 %						
Non-GAAP organic revenue ⁽²⁾	\$ 281,140	\$ 269,936	1,128,365	\$ 295,256	\$ 281,143	\$ 282,030	\$ 269,936
Foreign currency impact on Non-GAAP organic revenue ⁽³⁾	(2,240)	—	—	—	—	—	—
Non-GAAP organic revenue on constant currency basis ⁽³⁾	\$ 278,900	\$ 269,936	\$ 1,128,365	\$ 295,256	\$ 281,143	\$ 282,030	\$ 269,936
Non-GAAP organic revenue growth on constant currency basis	3.3 %						
GAAP recurring revenue	276,485	263,325	1,106,161	290,755	275,802	276,279	263,325
GAAP recurring revenue growth	5.0 %						
Less: Non-GAAP recurring revenue from divested businesses ⁽¹⁾	—	—	—	—	—	—	—
Non-GAAP organic recurring revenue ⁽²⁾	\$ 276,485	\$ 263,325	\$ 1,106,161	\$ 290,755	\$ 275,802	\$ 276,279	\$ 263,325
Non-GAAP organic recurring revenue growth	5.0 %						
Non-GAAP organic recurring revenue ⁽²⁾	\$ 276,485	\$ 263,325	1,106,161	\$ 290,755	\$ 275,802	\$ 276,279	\$ 263,325
Foreign currency impact on non-GAAP organic recurring revenue ⁽³⁾	(2,198)	—	—	—	—	—	—
Non-GAAP organic recurring revenue on constant currency basis ⁽³⁾	\$ 274,287	\$ 263,325	\$ 1,106,161	\$ 290,755	\$ 275,802	\$ 276,279	\$ 263,325
Non-GAAP organic recurring revenue growth on constant currency basis	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	
	03/31/2026	03/31/2025
GAAP net income	\$ 31,139	\$ 4,323
Non-GAAP adjustments:		
Add: Interest, net	14,357	15,290
Add: GAAP income tax provision	6,666	542
Add: Depreciation	2,206	2,975
Add: Amortization of intangibles from business combinations	6,855	7,586
Add: Amortization of software development costs ⁽¹⁾	12,421	11,872
Subtotal	42,505	38,265
Non-GAAP EBITDA	\$ 73,644	\$ 42,588
Non-GAAP EBITDA margin⁽²⁾	26.2 %	
Non-GAAP adjustments:		
Add: Stock-based compensation expense	23,880	22,170
Add: GCC workforce transition costs	1,026	—
Add: Acquisition and disposition-related costs	147	25,132
Add: Security Incident-related costs	—	2,180
Subtotal	25,053	49,482
Non-GAAP adjusted EBITDA	\$ 98,697	\$ 92,070
Non-GAAP adjusted EBITDA margin⁽³⁾	35.1 %	
Rule of 40⁽⁴⁾	39.3 %	
Non-GAAP adjusted EBITDA	98,697	92,070
Foreign currency impact on Non-GAAP adjusted EBITDA ⁽⁵⁾	(1,029)	205
Non-GAAP adjusted EBITDA on constant currency basis⁽⁵⁾	\$ 97,668	\$ 92,275
Non-GAAP adjusted EBITDA margin on constant currency basis	35.0 %	
Rule of 40 on constant currency basis⁽⁶⁾	38.3 %	

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

(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 March 31, 2026							
(in thousands, except per share amounts)	GAAP	Stock-based compensation expense	Amortization of intangibles from business combinations	GCC workforce transition costs	Acquisition and disposition-related costs	Non-GAAP adjustments subtotal	Non-GAAP
Revenue	281,140	—	—	—	—	—	281,140
Cost of revenue	114,581	(3,087)	(6,267)	(275)	—	(9,629)	104,952
Gross profit	166,559	3,087	6,267	275	—	9,629	176,188
Total Gross Margin	59.2 %					3.5 %	62.7 %
Operating expenses							
Sales, marketing and customer success	47,349	(4,849)	—	(284)	—	(5,133)	42,216
Research and development	36,916	(6,254)	—	(194)	—	(6,448)	30,468
General and administrative	30,261	(9,690)	—	(273)	(147)	(10,110)	20,151
Amortization	588	—	(588)	—	—	(588)	—
Total operating expenses	115,114	(20,793)	(588)	(751)	(147)	(22,279)	92,835
Income from operations	51,445	23,880	6,855	1,026	147	31,908	83,353
Total Operating Margin	18.3 %					11.3 %	29.6 %
Net Income	\$ 31,139						\$ 52,633
Shares used in computing diluted earnings per share	46,351						46,351
Diluted earnings per share	\$ 0.67						\$ 1.14

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	Non-GAAP adjustments subtotal	Non-GAAP
Revenue	269,936	—	—	—	—	—	269,936
Cost of revenue	114,815	(2,698)	(7,052)	—	—	(9,750)	105,065
Gross profit	155,121	2,698	7,052	—	—	9,750	164,871
Total Gross Margin	57.5 %					3.6 %	61.1 %
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	19,705	22,170	7,586	25,132	2,180	57,068	76,773
Total Operating Margin	7.3 %					21.1 %	28.4 %
Net Income	\$ 4,323						\$ 46,759
Shares used in computing diluted earnings per share	49,445						49,445
Diluted earnings per share	\$ 0.09						\$ 0.95