

Historical and Non-GAAP Organic Revenue Growth

Three and Six Months Ended June 30, 2015



Use of Non-GAAP Financial Measures

- Blackbaud (“the Company”) has provided in these materials financial information that has not been prepared in accordance with GAAP. These non-GAAP financial measures are not completely comparable to similarly titled measures of other companies due to differences in the exact method of calculation between companies. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. Investors are encouraged to review the reconciliation of these non-GAAP measures to their most directly comparable GAAP financial measures.
- The Company uses these non-GAAP financial measures internally in analyzing its financial results and believes that these non-GAAP financial measures provide useful information to investors, as a supplement to GAAP measures, by reflecting 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. The Company believes non-GAAP organic revenue growth provides a more comparable representation of the current business’ organic revenue growth and revenue run-rate which the Company believes is useful information for evaluating the periodic growth of the business on a consistent basis.

Trademark Usage: All Blackbaud trademarks appearing herein registered trademarks of Blackbaud, Inc.

Historical and Non-GAAP Organic Revenue Growth

Blackbaud is presenting the following unaudited information:

- Our definition of non-GAAP organic revenue growth which discusses how that non-GAAP financial measure is calculated;
- Historical subscriptions, recurring¹ and total revenue for the three and six month periods ended June 30, 2015 and 2014;
- Historical subscriptions, recurring¹ and total revenue for the fiscal year ended December 31, 2014 and interim periods therein;
- Calculations for subscriptions revenue growth, recurring revenue growth and total revenue growth for the three and six month periods ended June 30, 2015;
- Calculations of non-GAAP organic subscriptions revenue growth, non-GAAP organic recurring revenue² growth, non-GAAP organic revenue growth and non-GAAP organic revenue growth on a constant currency basis; and
- Reconciliations of non-GAAP measures to their most directly comparable GAAP measures and related non-GAAP adjustments.

¹ Recurring revenue is equal to the sum of subscriptions revenue and maintenance revenue as reported in quarterly financial reports and as presented in these materials.

² Non-GAAP recurring revenue is equal to the sum of non-GAAP subscriptions revenue and non-GAAP maintenance revenue and as presented in these materials.

Historical and Non-GAAP Organic Revenue Growth

Definition and calculation of non-GAAP organic revenue growth as discussed in the Company's quarterly earnings releases under the header "Non-GAAP Financial Measures":

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, non-GAAP organic revenue growth reflects presentation of full year or stub period 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 as if there were no acquisition-related write-downs of acquired deferred revenue to fair value as required by GAAP. In addition, non-GAAP organic revenue growth excludes prior period revenue associated with divested businesses in the current fiscal year. The exclusion of the prior period revenue is 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. To determine non-GAAP organic revenue growth on a constant currency basis, revenues from entities reporting in foreign currencies are translated into U.S. dollars using the comparable prior year period's quarterly weighted average foreign currency exchange rates.

Historical and Non-GAAP Organic Revenue Growth

Blackbaud, Inc.
Reconciliation of non-GAAP measures to most directly comparable GAAP measures
(unaudited)

Revenue (in thousands, except percentages)	Six months ended,		Three months ended,		Year	Three months ended,			
	06/30/2015	06/30/2014	06/30/2015	03/31/2015	ended, 12/31/2014	12/31/2014	09/30/2014	06/30/2014	03/31/2014
GAAP revenue	303,252	267,010	156,259	146,993	564,421	152,813	144,598	139,388	127,622
GAAP revenue growth	13.6%		12.1%	15.2%					
Add: Non-GAAP acquisition-related revenue ⁽¹⁾	6,006	22,259	2,484	3,522	31,187	-	8,928	11,170	11,089
Less: Revenue from divested businesses ⁽²⁾	-	(194)	-	-	(1,279)	(520)	(565)	(194)	-
Total Non-GAAP adjustments	6,006	22,065	2,484	3,522	29,908	(520)	8,363	10,976	11,089
Non-GAAP revenue ⁽³⁾	309,258	289,075	158,743	150,515	594,329	152,293	152,961	150,364	138,711
Non-GAAP organic revenue growth	7.0%		5.6%	8.5%					
Non-GAAP revenue ⁽³⁾	309,258	289,075	158,743	150,515	594,329	152,293	152,961	150,364	138,711
Foreign currency impact on Non-GAAP revenue ⁽⁴⁾	4,082	-	2,420	1,662	-	-	-	-	-
Non-GAAP revenue on constant currency basis ⁽⁴⁾	313,340	289,075	161,163	152,177	594,329	152,293	152,961	150,364	138,711
Non-GAAP organic revenue growth on constant currency basis	8.4%		7.2%	9.7%					

(1) 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, Non-GAAP organic revenue growth reflects presentation of full year or stub period 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 from the acquisition-related deferred revenue write-downs attributable to those companies.

(2) For businesses divested in the current fiscal year, Non-GAAP organic revenue growth excludes a portion of the prior period revenue associated with businesses divested of in the current fiscal year. The exclusion of the prior period revenue is to present the results of the divested business within the results of the combined company for the same period of time in both the prior and current periods.

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

(4) To determine Non-GAAP organic revenue growth on a constant currency basis, revenues 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 Canadian Dollar, EURO, British Pound and Australian Dollar.

Historical and Non-GAAP Organic Revenue Growth

Blackbaud, Inc.
Reconciliation of non-GAAP measures to most directly comparable GAAP measures
(unaudited)

Revenue (in thousands, except percentages)	Six months ended,		Three months ended,		Year	Three months ended,			
	06/30/2015	06/30/2014	06/30/2015	03/31/2015	ended, 12/31/2014	12/31/2014	09/30/2014	06/30/2014	03/31/2014
GAAP subscriptions revenue	152,522	123,253	80,009	72,513	263,435	73,139	67,043	64,985	58,268
GAAP subscriptions revenue growth	23.7%		23.1%	24.4%					
Add: Non-GAAP acquisition-related subscriptions revenue ⁽¹⁾	3,212	11,807	1,311	1,901	15,947	-	4,140	5,821	5,986
Less: Subscriptions revenue from divested businesses ⁽²⁾	-	(56)	-	-	(371)	(143)	(172)	(56)	-
Total Non-GAAP adjustments	3,212	11,751	1,311	1,901	15,576	(143)	3,968	5,765	5,986
Non-GAAP subscriptions revenue	155,734	135,004	81,320	74,414	279,011	72,996	71,011	70,750	64,254
Non-GAAP organic subscriptions revenue growth	15.4%		14.9%	15.8%					
GAAP subscriptions revenue	152,522	123,253	80,009	72,513	263,435	73,139	67,043	64,985	58,268
GAAP maintenance revenue	77,523	72,179	38,627	38,896	147,418	38,418	36,821	36,527	35,652
GAAP recurring revenue	230,045	195,432	118,636	111,409	410,853	111,557	103,864	101,512	93,920
GAAP recurring revenue growth	17.7%		16.9%	18.6%					
Add: Non-GAAP acquisition-related recurring revenue ⁽¹⁾	5,613	19,536	2,320	3,293	27,546	-	8,010	9,688	9,848
Less: Recurring revenue from divested businesses ⁽²⁾	-	(106)	-	-	(705)	(280)	(319)	(106)	-
Total Non-GAAP adjustments	5,613	19,430	2,320	3,293	26,841	(280)	7,691	9,582	9,848
Non-GAAP recurring revenue	235,658	214,862	120,956	114,702	437,694	111,277	111,555	111,094	103,768
Non-GAAP organic recurring revenue growth	9.7%		8.9%	10.5%					

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(2) For businesses divested in the current fiscal year, Non-GAAP organic revenue growth excludes a portion of the prior period revenue associated with businesses divested of in the current fiscal year. The exclusion of the prior period revenue is to present the results of the divested business within the results of the combined company for the same period of time in both the prior and current periods.