

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) September 22, 2004

BLACKBAUD, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

000-50600

(Commission File Number)

11-2617163

(IRS Employer ID Number)

2000 Daniel Island Drive, Charleston, South Carolina 29492

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code

(843) 216-6200

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 7.01 Regulation FD Disclosure

Beginning on September 22, 2004, the Chief Executive Officer and Chief Financial Officer of Blackbaud plan to make a presentation regarding its business to various members of the investment community, including in connection with the Banc of America Securities Annual Investment Conference to be held on September 23, 2004. As Blackbaud announced on September 20, 2004, a live webcast of the presentation and breakout session can be accessed online. A copy of the presentation is filed with this report as Exhibit 99.1.

Blackbaud's investor presentation includes disclosure of selected non-GAAP financial measures, including pro forma gross margin, pro forma operating income and margin, pro forma net income and pro forma earnings per share. Blackbaud utilizes 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 Blackbaud's ongoing operational performance. Blackbaud 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 with other companies in Blackbaud's industry, many of which disclose similar non-GAAP financial measures to investors. As noted in the presentation, the non-GAAP financial measures presented exclude costs associated with Blackbaud's IPO (completed on July 22nd) and the non-cash costs for expensing of stock option compensation.

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 measure, as provided in Exhibit 99.2 filed herewith.

The information furnished in Items 7.01 and 9.01 of this report shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific release in such a filing.

Item 9.01 Financial Statements and Exhibits

Exhibit 99.1 Presentation given by Blackbaud in connection with the Bank of America Securities Annual Investment Conference on Thursday, September 23, 2004.

Exhibit 99.2 Blackbaud's reconciliation of non-GAAP financial measures to most directly comparable GAAP financial measures.

SIGNATURES

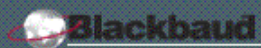
Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

BLACKBAUD, INC.

Date: September 22, 2004

/s/ Timothy V. Williams

Timothy V. Williams,
Vice President and Chief Financial Officer



BAS Investment Conference



34th Annual Investment Conference
Banc of America Securities

September 23, 2004
Robert J. Sywolski, CEO

Forward Looking Statements

This presentation contains forward-looking statements and we do not undertake an obligation to update such forward-looking statements to reflect subsequent events or circumstances.

Actual results might differ materially from those projected in the forward-looking statements. Additional information concerning factors that could cause actual results to materially differ from those in the forward-looking statements is contained in our recent SEC filings such as our Registration Statement on Form S-1 and our periodic reports filed under the Securities Exchange Act of 1934, copies of which are available upon request from our Investor Relations Department.

This presentation contains trade names, trademarks and service marks of other companies. We do not intend our use or display of other parties' trade names, trademarks & service marks to imply a relationship with, or endorsement or sponsorship of, these other parties.

Financial Disclosures

This presentation includes selected non-GAAP or "pro-forma" financial disclosures. For a presentation of and reconciliation to the most directly-comparable GAAP financial measures, go to our Form 8-K filings made on August 4, 2004 and September 22, 2004 available on the SEC's website at www.sec.gov or through the link on our website.

Blackbaud Overview and Highlights

Blackbaud is the leading global end-to-end provider of software and related services to the nonprofit market

Our offerings help nonprofits

- ◆ Increase donations
- ◆ Improve communications with constituents
- ◆ Manage their finances and operate more efficiently

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- ◆ **The market leader with 24 years of experience & 12,500 customers worldwide**
 - ◆ **Solid Financial Performance**
 - TTM Revenue at June 30, 2004 - \$128 million (Up 15% Y/Y)
 - TTM "Pro forma" Operating Income - \$36 million (28% Margin)
 - TTM "Pro forma" Net Income - \$22 million (Up 30% Y/Y)
 - ◆ **Diversified Revenue Sources**
 - 50% new sales
 - 50% recurring maintenance and subscription services (with 94% renewal rate)

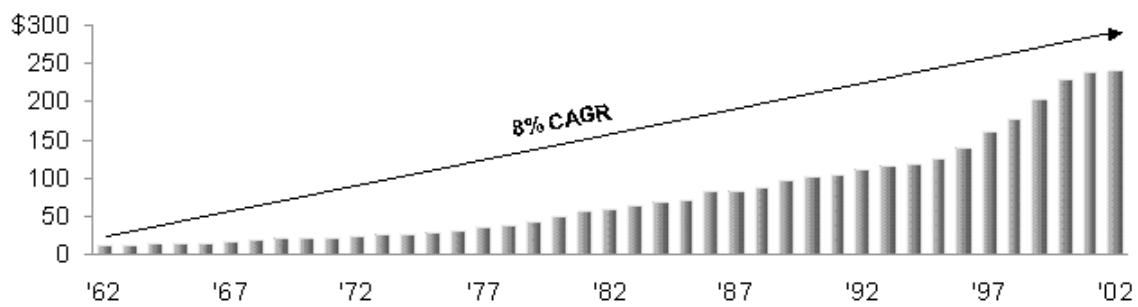
Nonprofit Market is Large and Growing

- ◆ Over 1.5 million NPOs in the U.S. (360,000 in our addressable market)
 - \$241 billion annual contributions
 - \$600 billion in fees for services
- ◆ Over 1.5 million NPOs internationally
- ◆ NPOs contribute 8.5% to the U.S. GDP*



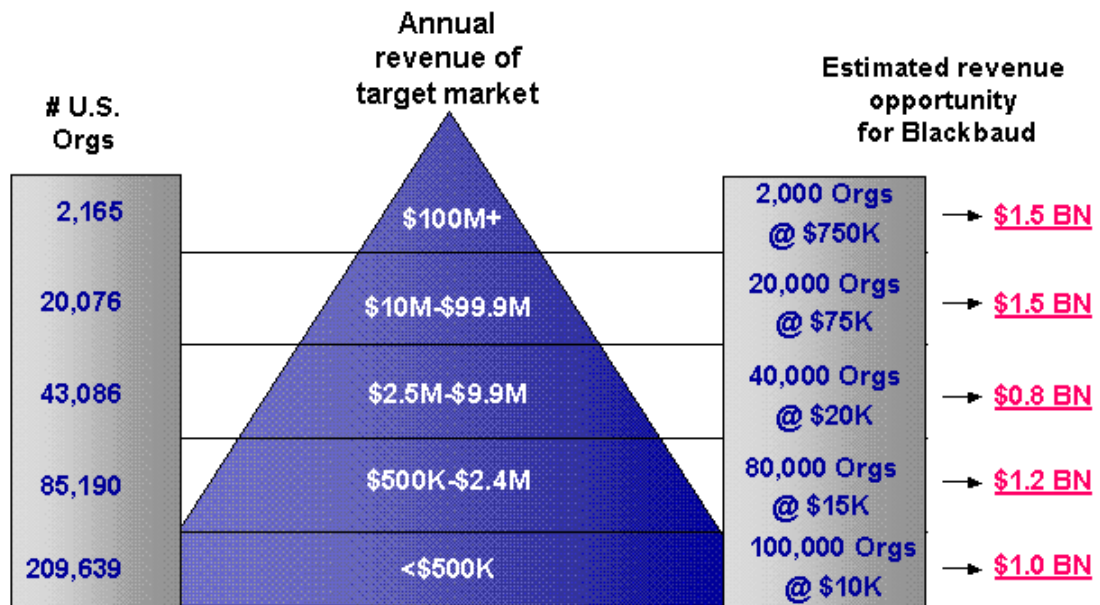
Over \$841 billion of annual total spend

U.S. nonprofit contributions (\$ billions)



* US Department of Commerce

Addressable U.S. Market – 360,000 NPOs



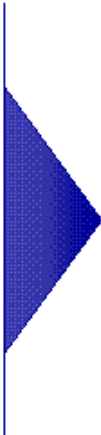
\$6.0 Billion Visible Domestic Market

Source: Company estimates

Nonprofits Face Unique Challenges

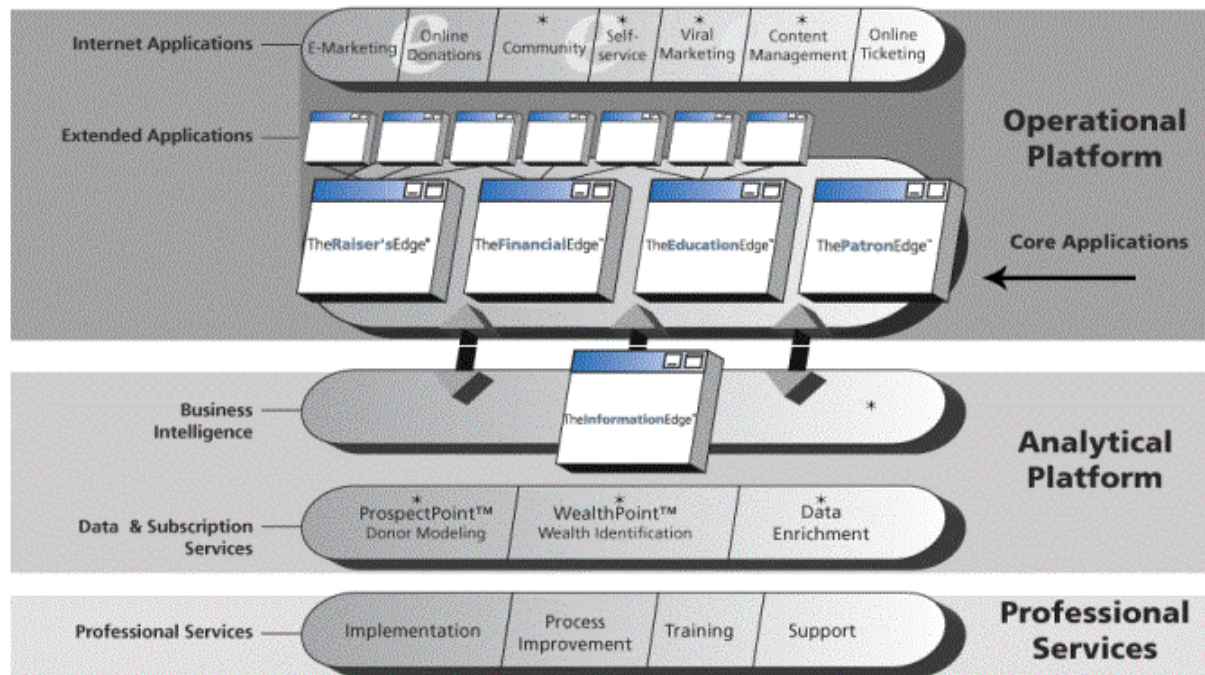
Key Challenges for Nonprofits

- ◆ Raising more money and improving relationships with donors/constituents
- ◆ Improving operational efficiency
- ◆ Managing finances with specific nonprofit requirements



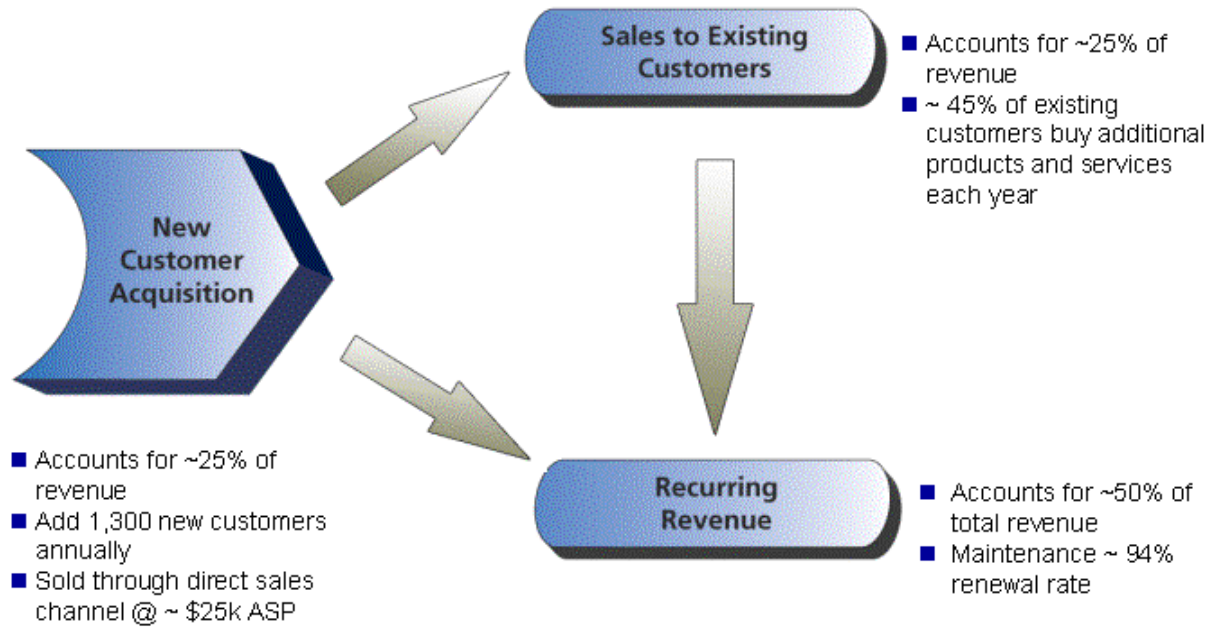
Nonprofits are under pressure to improve performance and operate more like for profit businesses

Blackbaud Solutions Stack



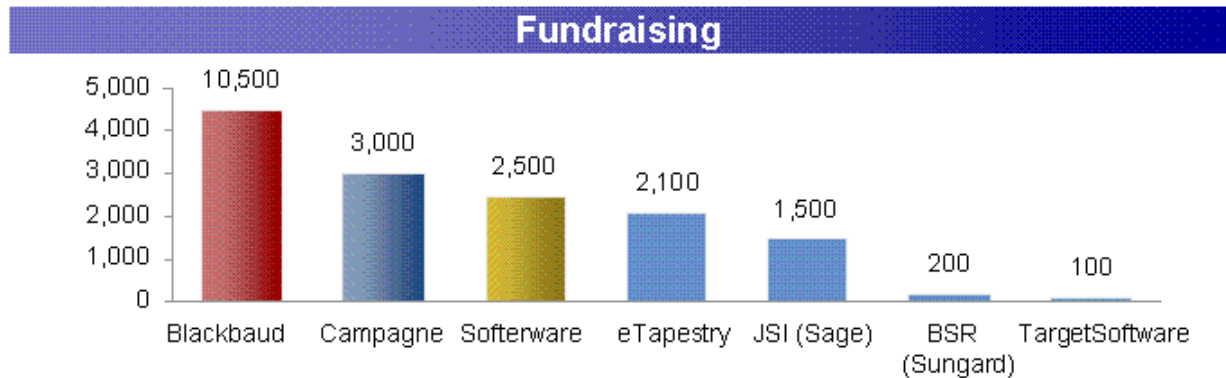
Proven and Successful Business Model

Key Revenue Drivers

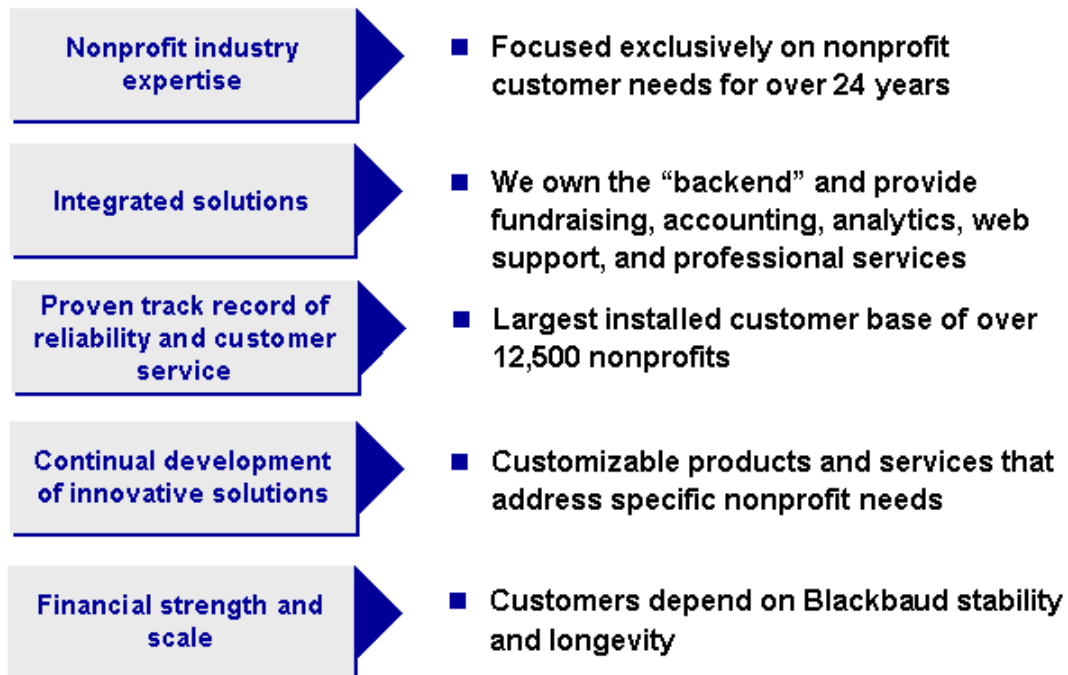


Competitive Landscape

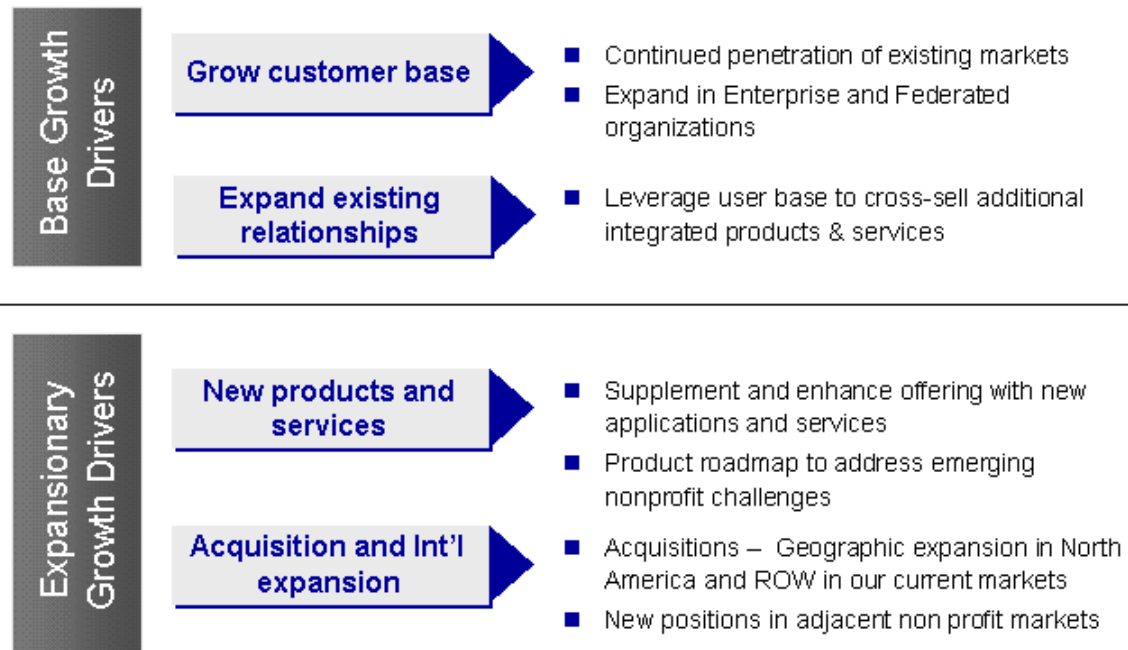
- ◆ Internally developed solutions are the most common competition
- ◆ Small Mom and Pops (lifestyle companies) and divisions of larger orgs make up majority of vendor competition
- ◆ Blackbaud dominates Fundraising and leads all major application categories in non-profit sector



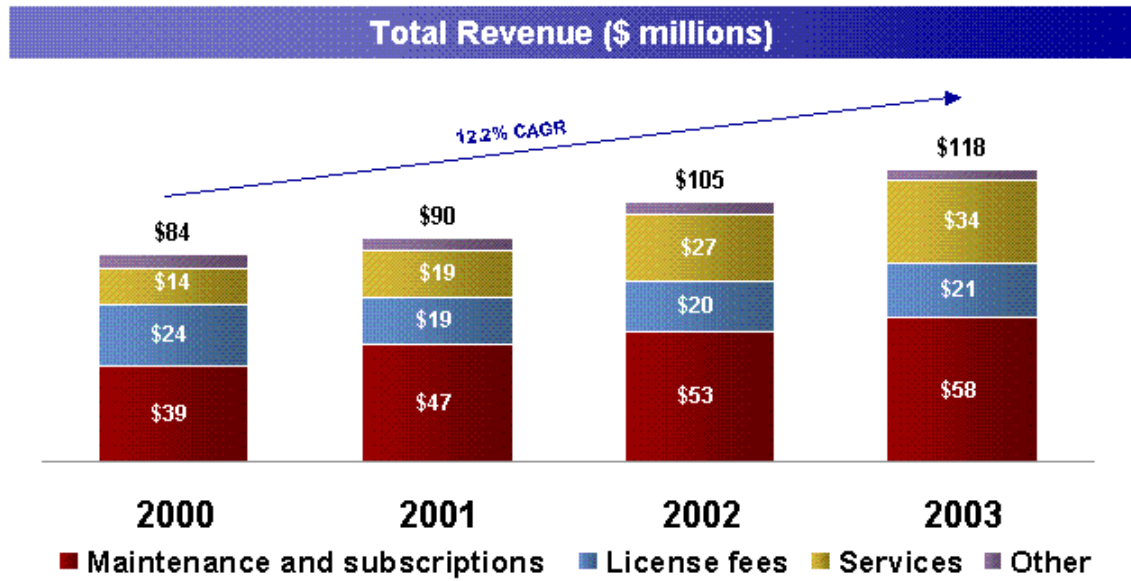
Why Blackbaud Wins



Growth Strategy



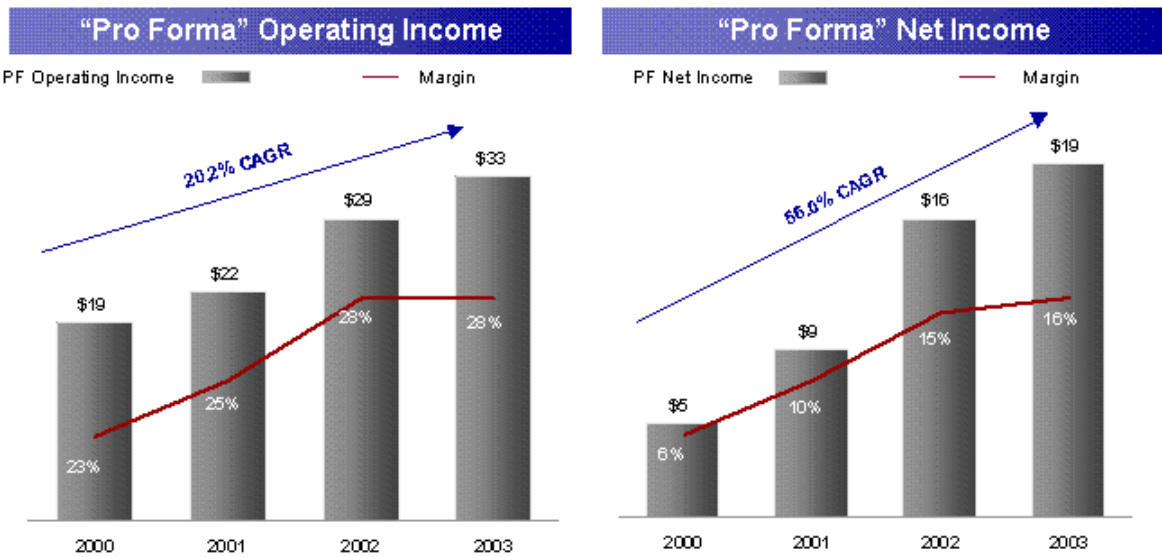
Solid Revenue Growth



94% maintenance renewal rate creates strong recurring revenue base

Consistent Growth in Profitability & Cash Flow

\$ millions



Note: Results exclude stock option compensation expense in 2003, there are no "Pro forma" adjustments to the results for 2000, 2001 and 2002

Other Financial Highlights

- ◆ **Cash flow generation (from operating and investing activities)**
 - ~\$33M in 2003 and ~\$15M in 1H 2004, up 43% vs 1H 2003
 - Paid off of \$115M LBO debt in 4 years, 18 months early

- ◆ **Financial controls**
 - DSO's less than 40 days

- ◆ **Deferred tax benefit of \$85M at 6/30/04**
 - Provides \$7.5M of annual tax liability reduction

- ◆ **Liquidity and cash position**
 - \$32M today and \$30M committed line of credit

- ◆ **“Clean” balance sheet**
 - No capitalized software

2Q Performance Review and Guidance (8/17)

(\$ millions)			Guidance Highlights	
	2Q04	YoY Change	3Q04	FY2004
License revenue	\$7.3	29%	\$5.8	\$24.6
Total revenue	\$35.5	19%	\$33.5 - 34.5	\$134 - 136
“Pro forma” gross profit <i>% margin</i>	\$25.1 71%			
“Pro forma” operating income <i>% margin</i>	\$10.6 30%		26-28%	27-28%
“Pro forma” EPS	\$0.14	17%	\$0.13	\$0.50 - 0.51

Note: Results exclude stock option compensation expense & IPO related expenses

Uniquely Positioned Franchise



The leader in the nonprofit space

Nonprofit Expertise	Proven Track Record	Pricing Power	Financial Strength/Scale
<ul style="list-style-type: none">■ Focused on nonprofit organizations for over 24 years■ Continued development of innovative solutions targeting specific nonprofit needs	<ul style="list-style-type: none">■ Largest installed customer base of over 12,500 nonprofits■ Mid-80's customer retention rates	<ul style="list-style-type: none">■ Implemented maintenance price increase■ Services gross margins in excess of ~50%	<ul style="list-style-type: none">■ Continued growth throughout the economic downturn■ Customers depend on Blackbaud's stability and longevity

BLACKBAUD, INC.
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES
(Unaudited)

	Trailing Twelve Months Ended		Year Ended December 31, 2003
	2004	June 30, 2003	
GAAP revenue	\$127,788	\$111,027	\$118,093
GAAP gross margin	\$ 87,437	\$ 75,378	\$ 78,719
Pro forma adjustments:			
Amortization of deferred stock compensation	2,868	1,608	3,847
Pro forma gross profit	\$ 90,305	\$ 76,986	\$ 82,566
Pro forma gross margin	71%	69%	70%
GAAP income from operations	\$ 17,711	\$ 17,590	\$ 5,696
Pro forma adjustments:			
Amortization of deferred stock compensation	16,538	12,822	27,538
Costs of initial public offering	1,650	—	—
Total pro forma adjustments	18,188	12,822	27,538
Pro forma income from operations	\$ 35,899	\$ 30,412	\$ 33,234
Pro forma operating margin	28%	27%	28%
GAAP net income(loss)	\$ 9,159	\$ 7,177	\$ (478)
Pro forma adjustments:			
Total pro forma adjustments affecting income from operations	18,188	12,822	27,538
Tax impact related to pro forma adjustments	(5,627)	(3,180)	(7,767)
Pro forma net income	\$ 21,720	\$ 16,819	\$ 19,293

BLACKBAUD, INC.
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES
(Unaudited)
(In thousands, except per share amounts; unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
GAAP revenue	\$35,489	\$29,840	\$66,844	\$57,148
GAAP gross margin	\$25,070	\$19,889	\$46,798	\$38,080
Pro forma adjustments:				
Amortization of deferred stock compensation	298	893	629	1608
Pro forma gross profit	\$25,368	\$20,782	\$47,427	\$39,688
Pro forma gross margin	71%	70%	71%	69%
GAAP income/(loss) from operations	\$ 9,062	\$ 2,447	\$15,654	\$ 3,640
Pro forma adjustments:				
Amortization of deferred stock compensation	824	6,661	1,822	12,822
Costs of initial public offering	700	—	1,650	—
Total pro forma adjustments	1,524	6,661	3,472	12,822
Pro forma income from operations	\$10,586	\$ 9,108	\$19,126	\$16,462
Pro forma operating margin	30%	31%	29%	29%
GAAP net income(loss)	\$ 5,343	\$ (246)	\$ 9,340	\$ (297)
Pro forma adjustments:				
Total pro forma adjustments affecting income from operations	1,524	6,661	3,472	12,822
Tax impact related to pro forma adjustments	(419)	(1,142)	(1,056)	(3,180)
Pro forma net income	\$ 6,448	\$ 5,273	\$11,756	\$ 9,345
GAAP shares used in computing diluted income(loss) per share	45,984	42,403	45,944	42,382
Pro forma adjustments:				
Incremental shares related to stock options	(198)	2,171	(175)	1,764
Shares used in computing proforma earnings per diluted share	45,786	44,574	45,769	44,146
Pro forma earnings per diluted share	\$ 0.14	\$ 0.12	\$ 0.26	\$ 0.21