Blackbaud Investor Presentation

Ticker: BLKB

April 30, 2024

Forward-looking Statements

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

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Historical Financials and Non-GAAP Financial Measures

Use of Non-GAAP Financial Measures: The Company has provided in this presentation financial information that has not been prepared in accordance with GAAP. The Company uses these non-GAAP financial measures internally in analyzing its financial results and believes they are useful to investors, as a supplement to GAAP measures, in evaluating the Company's ongoing operational performance. The Company believes that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating ongoing operating results and trends and in comparing its financial results from period to period with other companies in the Company's industry, many of which present similar non-GAAP financial measures to investors. These non-GAAP financial measures may not be completely comparable to similarly titled measures of other companies due to potential differences in the exact method of calculation between companies. The Company believes that these non-GAAP financial measures reflect the Company's ongoing business in a manner that allows for meaningful period-to-period comparison and analysis of trends in the Company's business. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. Investors are encouraged to review the reconciliations of these non-GAAP measures to their most directly comparable GAAP financial measures.

Blackbaud discusses non-GAAP organic revenue growth measures, including non-GAAP organic revenue growth, non-GAAP organic revenue growth on a constant currency basis, non-GAAP organic recurring revenue growth, and non-GAAP organic recurring revenue growth on a constant currency basis, which Blackbaud believes provide useful information for evaluating the periodic growth of its business as well as growth on a consistent basis. Each measure of non-GAAP organic revenue growth excludes incremental acquisition-related revenue attributable to companies acquired in the current fiscal year. For companies acquired in the immediately preceding fiscal year, if any, each measure of non-GAAP organic revenue growth reflects presentation of full year incremental non-GAAP revenue derived from such companies as if they were combined throughout the prior period, and it includes the current period non-GAAP revenue attributable to those companies. In addition, each measure of non-GAAP organic revenue growth excludes prior period revenue associated with divested businesses. The exclusion of the prior period revenue is intended to present the results of the divested businesses within the results of the combined company for the same period of time in both the prior and current periods. Blackbaud believes this presentation provides a more comparable representation of our current business' organic revenue growth and revenue run-rate. In these materials, Blackbaud is presenting the following unaudited information: historical recurring and total revenue for the three month period ended March 31, 2024, for the fiscal year ended December 31, 2023 and the interim periods therein; calculations for recurring revenue growth and total revenue growth for the period ended March 31, 2024; 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 and content development costs; stock-based compensation; acquisition and disposition-related costs; employee severance; restructuring and other real estate activities; costs, net of insurance, related to the previously disclosed security incident discovered in May 2020 (the "Security Incident"); and impairment of capitalized software development costs.

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

Historical Financial Statements Being Presented: In these materials, Blackbaud is presenting the following unaudited historical financial information: historical consolidated balance sheets as of the fiscal year ended December 31, 2023 and interim consolidated balance sheets for each of the quarters within fiscal 2024 and 2023; historical consolidated statements of comprehensive income for the fiscal year ended December 31, 2023 and interim consolidated statements of comprehensive income for each of the quarters within fiscal 2024 and 2023; historical consolidated statements of cash flows for the fiscal year ended December 31, 2023 and interim consolidated statements of cash flows for each of the interim year-to-date periods within fiscal 2024 and 2023; and historical non-GAAP financial information for the fiscal year ended December 31, 2023 and for each of the quarters within fiscal 2024 and 2023 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 Highlights

1. Clear market leader with the most comprehensive solution set of purpose-built and mission critical software and services powering social impact

2. A Rule of 40 company with strong cash flow experiencing an inflection point in financial performance

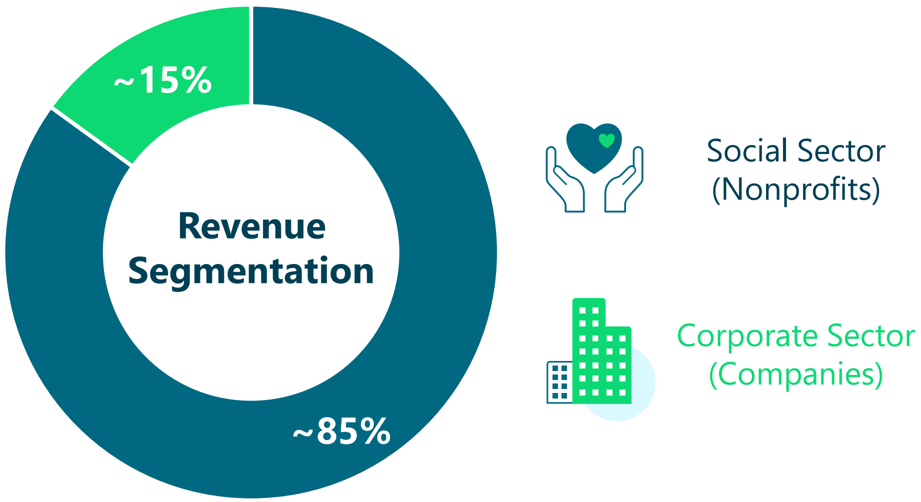
3. Executing on 5-point operating plan to drive sustained, high single-digit revenue growth and mid-30's EBITDA margin

4. Launching a meaningful stock repurchase program intended to reduce shares outstanding by 7% to 10% in 2024

Blackbaud At-a-Glance

Clear market leader providing software that powers social impact

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



40+

years serving industry with demonstrated track record

$100B+

donated, granted, and invested through our platforms every year

$1.2B

annual recurring revenue[1]

40,000+

customers under contract[2]

~3,000

remote employees

Millions

of users and supporters in 100+ countries

1 Non-GAAP, at mid-point of 2024 financial guidance, rounded to one decimal. Financial goals represent full year targets.
2 Customers with contractual billing arrangements in 2023

Business overview

Blackbaud is the leading provider of software for powering 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 the undisputed industry experts on technology for social good.

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

Fundraising and Engagement

Fundraising

Peer-to-Peer Fundraising

Marketing

Financial Management

Fund Accounting

Financial Aid Management

Tuition Management

Grant and Award Management

Grantmaking

Award Management

Organizational and Program Management

Ticketing

Education Management

Social Responsibility

EVERFI

Grantmaking

Employee Giving and Volunteering

Payment Services

Merchant Services

Payables

Data Intelligence

Data Health

Insights

Performance

Services

Consulting Services

Implementation and Optimization Services

Most comprehensive solution set that accelerates impact

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

blackbaud

Corporate Social Responsibility & ESG	Fundraising, Relationship Management & Engagement	Payment Services	Financial Management, Grant & Award Management	Organizational & Program Management

OUR COMPETITORS[1]

benevity	salesforce.org (and partners)	Authorize.Net	Intacct	FACTS | renweb
CyberGrants	donorperfect	Bonterra	intuit quickbooks	VERACROSS
Bright Funds	ALTRATA	communitybrands	AWARDSPRING	tessitura NETWORK
	bloomerang	PowerSchool	FOUNDANT technologies	ellucian

[1]Informed by internal competitive intelligence and analysis

Fueling accelerated impact for our customers

$4.3B

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

300K

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

$400K

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

200%

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

100x

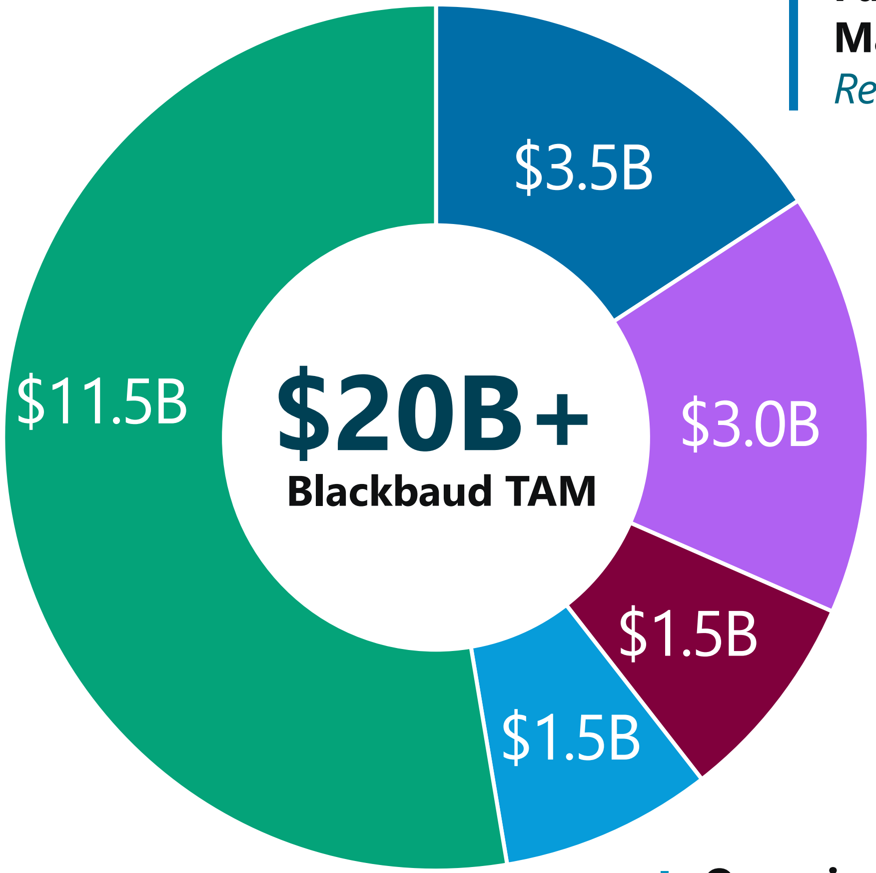
reduction in time setting up tuition account with Blackbaud's suite of education management solutions

350%

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

Sourced from Blackbaud customer stories

Large and underpenetrated total addressable market



Fundraising, Relationship Management and Engagement
Revenue Penetration: <20%

Payment Services
Revenue Penetration: <20%

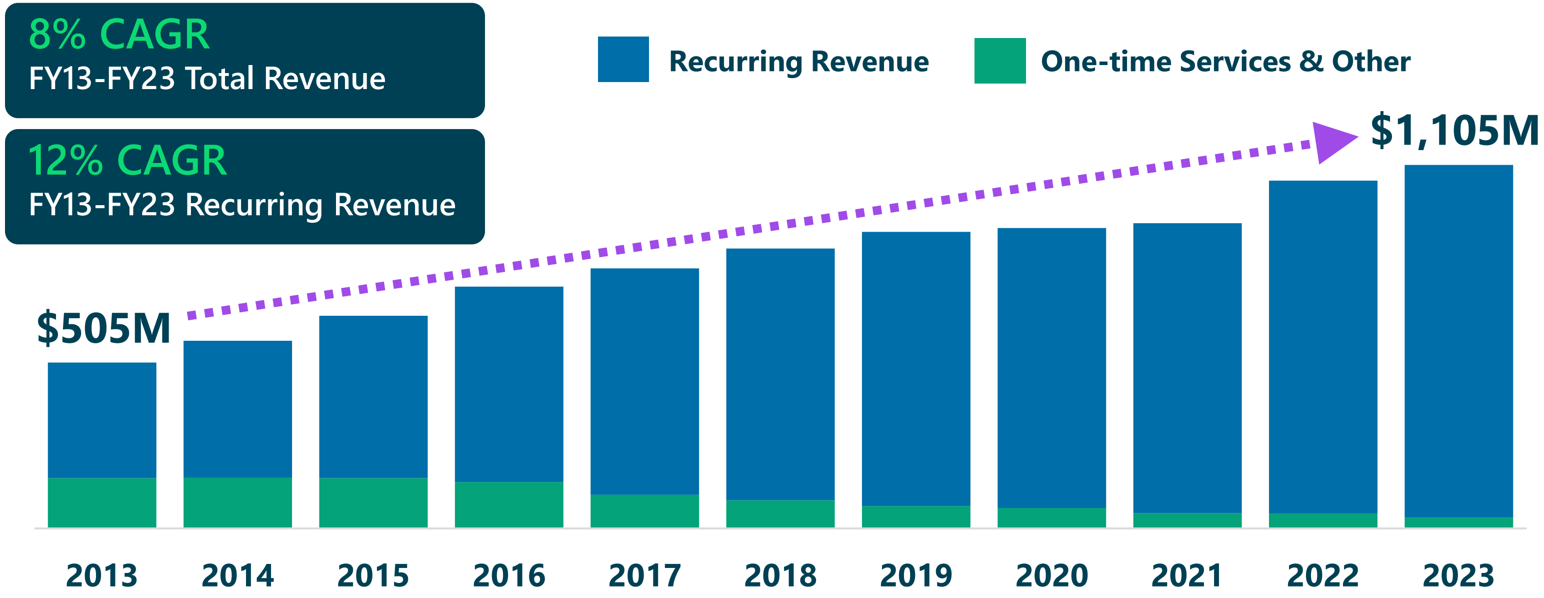
Financial Management, Grant and Award Management
Revenue Penetration: <10%

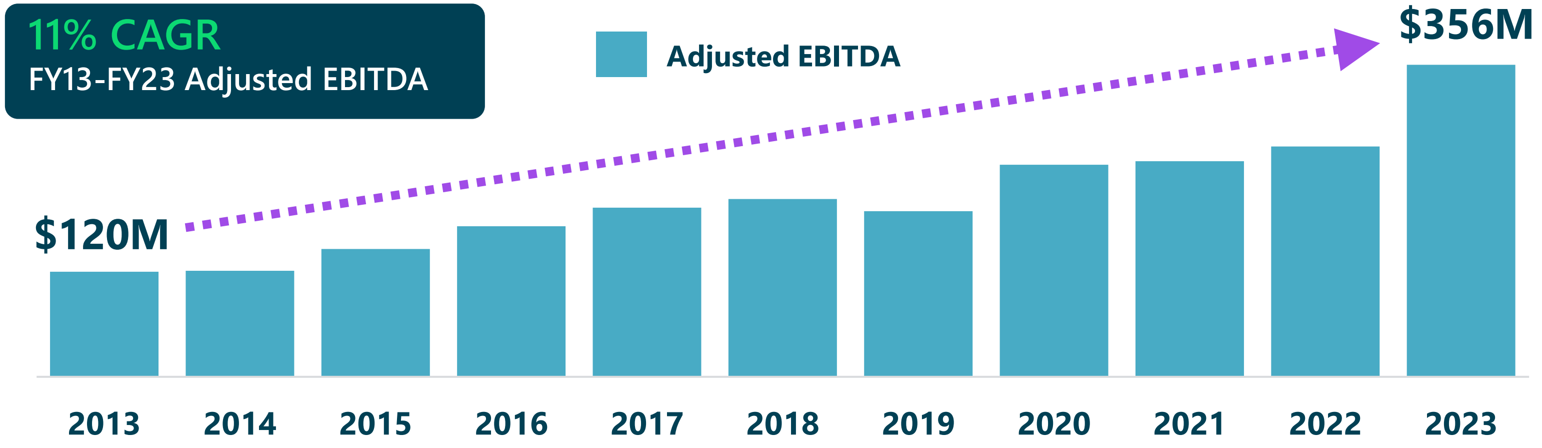
Organizational and Program Management
Revenue Penetration: <10%

Corporate Social Responsibility and ESG
Revenue Penetration: <5%

Sources: FY 2023 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

Record of delivering strong recurring revenue and adjusted EBITDA growth





- Recurring revenue represented 97% of total revenue in 2023
- Multiple levers to drive meaningful growth going forward underpinned by five point operating plan
- Adjusted EBITDA growth in excess of total revenue growth
- Execution of successful M&A strategy has grown the revenue base and accelerated growth and the shift to the cloud

Non-GAAP Revenue. Beginning with 2016, results reflect adoption of ASC 606. Non-GAAP Adjusted EBITDA as defined on page 3.

Update on operational initiatives

Five point operating plan driving improved financial performance

1. Product Innovation and delivery
2. Bookings growth and acceleration
3. Transactional revenue optimization and expansion
4. Modernized approach to pricing and multi-year customer contracts
5. Keen attention to cost management

Adding substantial value for customers through product delivery and innovation

Raiser's Edge NXT® Enhancements

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

Optimized Donation Forms

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

Prospect Insights Pro for Raiser's Edge NXT®

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

Impact Edge™

A first-of-its-kind AI-powered, social impact reporting and storytelling solution for corporate social responsibility (CSR) and social impact teams of all sizes

JustGiving Storywriter

With new generative AI capabilities, fundraisers on JustGiving are able to quickly and easily create personal stories to share with their networks. JustGiving's research shows that pages that include a clear and personal story raise around 65% more than those that don't

Good Move™

New development transforms the Good Move activity-tracking mobile app into a powerful mobile participant center for Blackbaud TeamRaiser® peer to peer fundraising events

Initiative 2

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

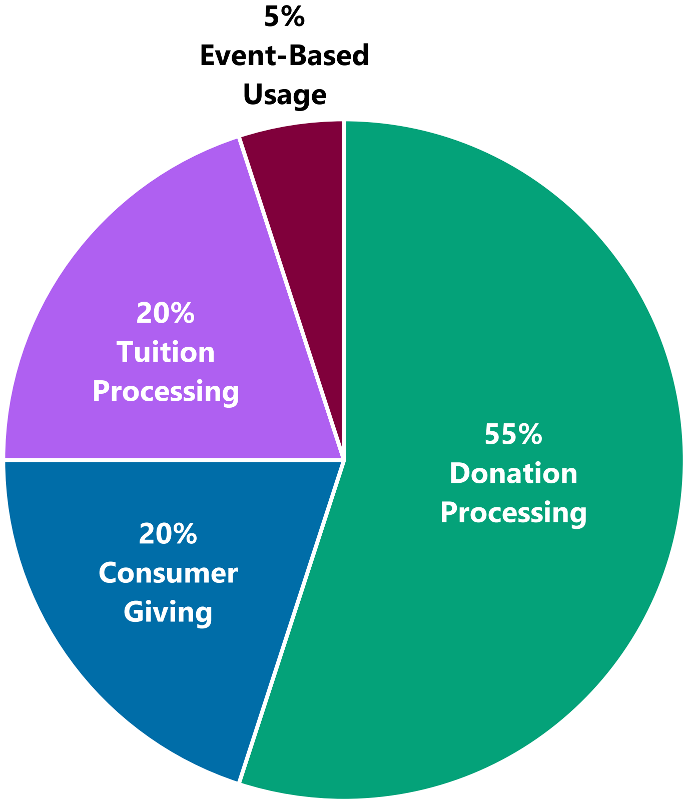
Select recent sales wins across Social Sector and Corporate Sector end markets

Note: Sample of sales wins in trailing twelve months ended 3/31/24

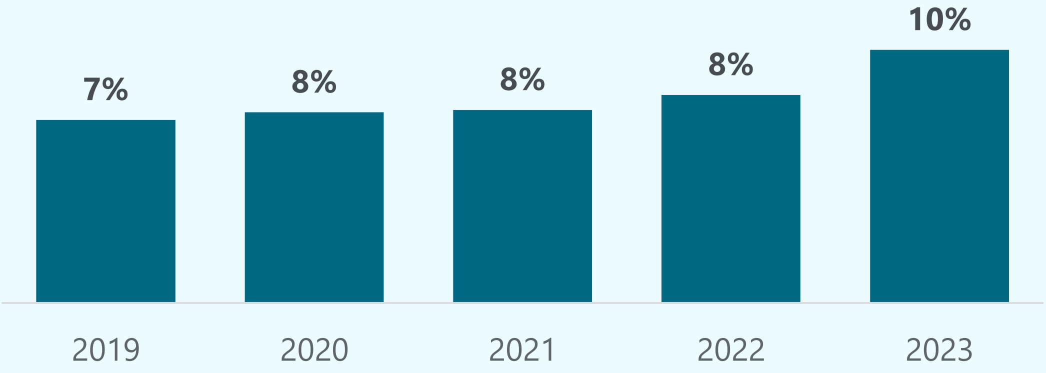
Initiative 3

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

Transactional recurring revenue streams[1]



Transactional recurring revenue growth



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

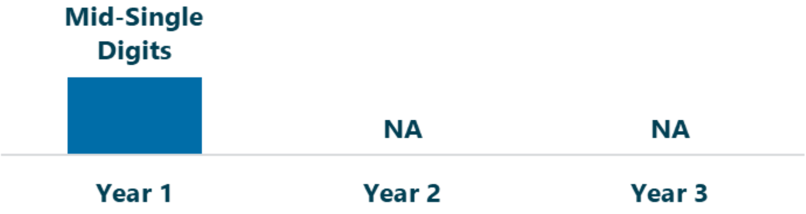
[1] Based on 2023 transactional revenue

Initiative 4

Modernized renewal pricing provides better economics and visibility

	PRIOR APPROACH	NEW APPROACH *(since March 2023)*
Renewal Term	*Mix of annual and multi-year renewal contracts*	Primarily 3-year contract renewal terms
Rate Increase at Renewal	*Mid-single digit rate increase upon renewal*	Mid- to high-teens rate increase upon renewal
Embedded Escalator in Multi-Year Contracts	*No embedded annual price increase on multi-year contracts*	Mid- to high-single digit rate increase embedded in both years 2 & 3

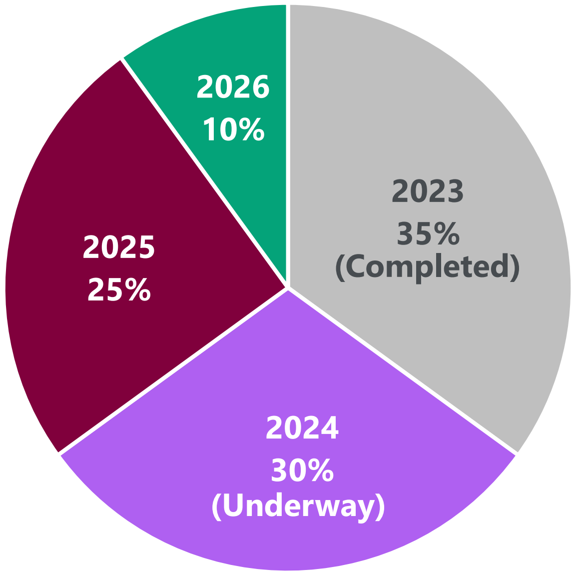
Illustration of Rate Increase on a 3-Year Contract Renewal



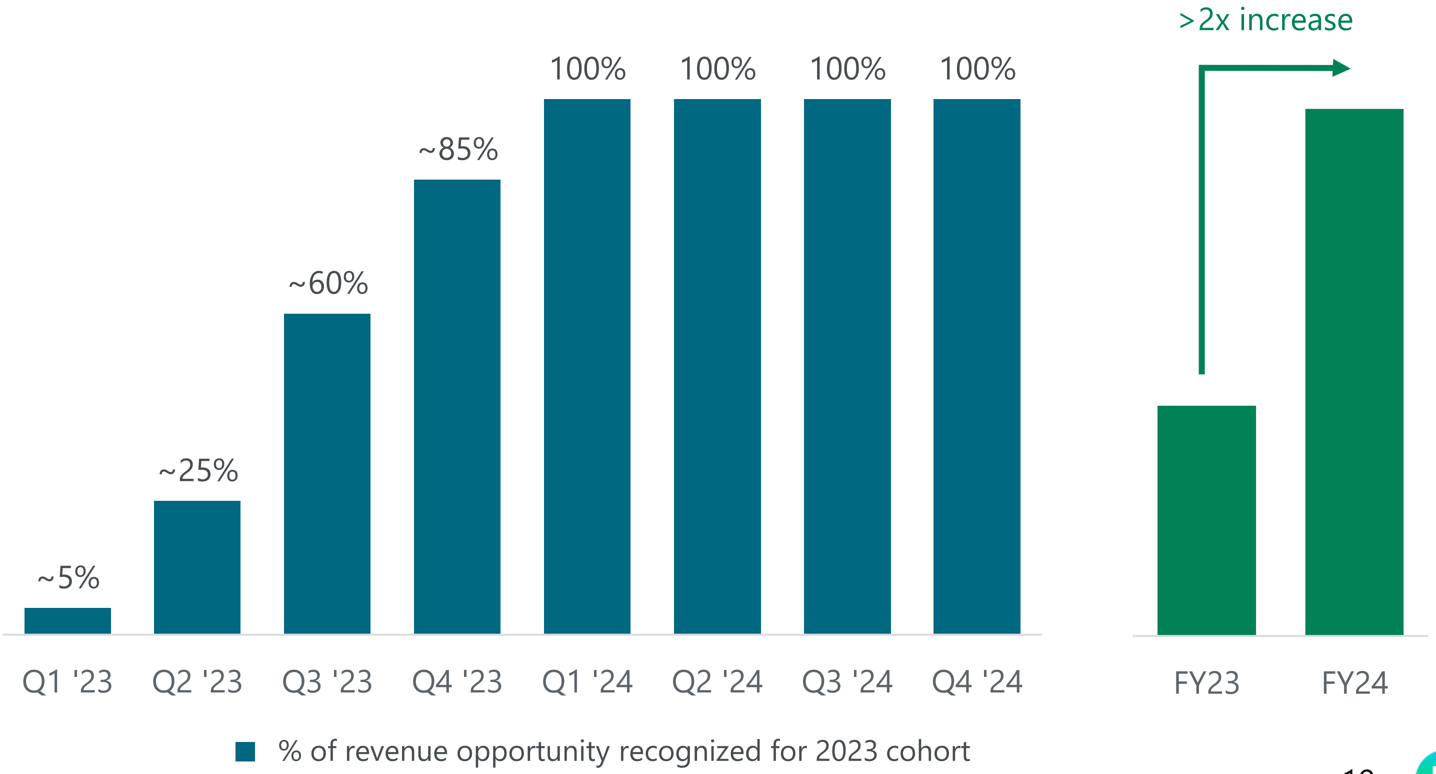
Initiative 4

Contract renewal distribution creates sustainable longer-term growth

Mix of contracts eligible for renewal rate increase by renewal year[1]



Revenue uplift from 2023 cohort more than doubles in 2024

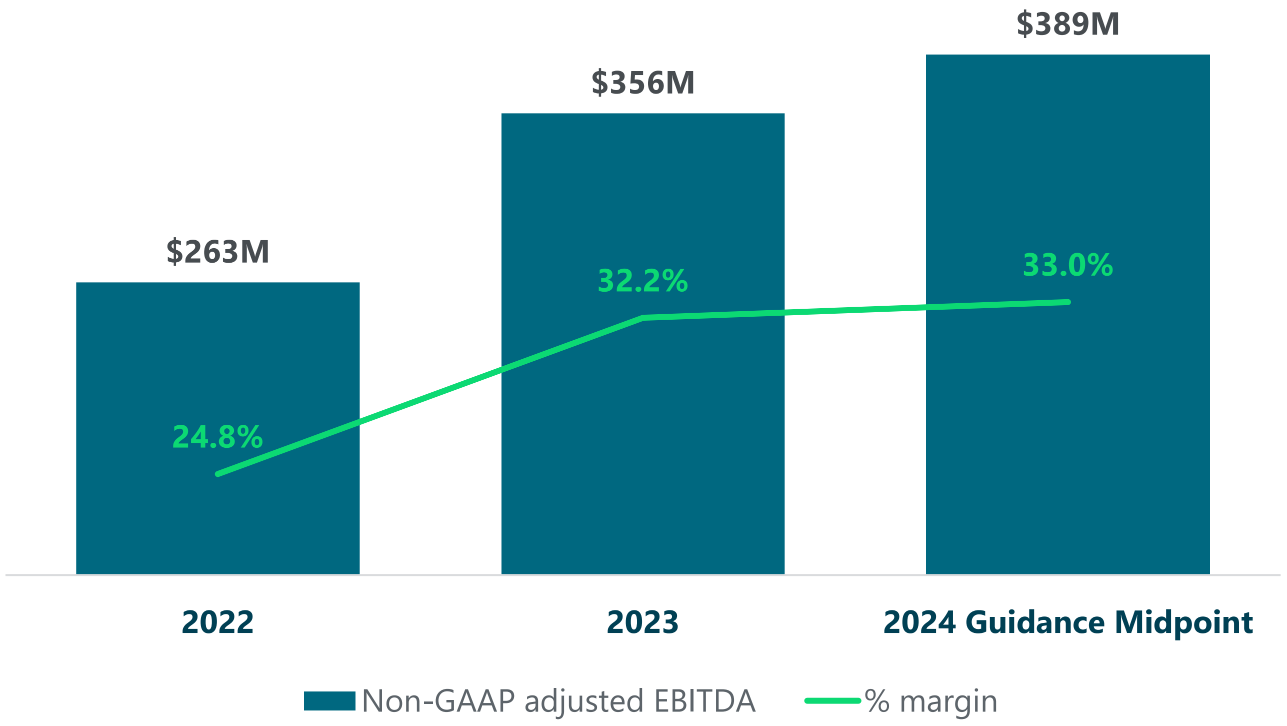


[1] As of end of July 2023, excludes new bookings

Initiative 5

Keen attention to cost management will contribute to ongoing margin expansion

Non-GAAP adjusted EBITDA



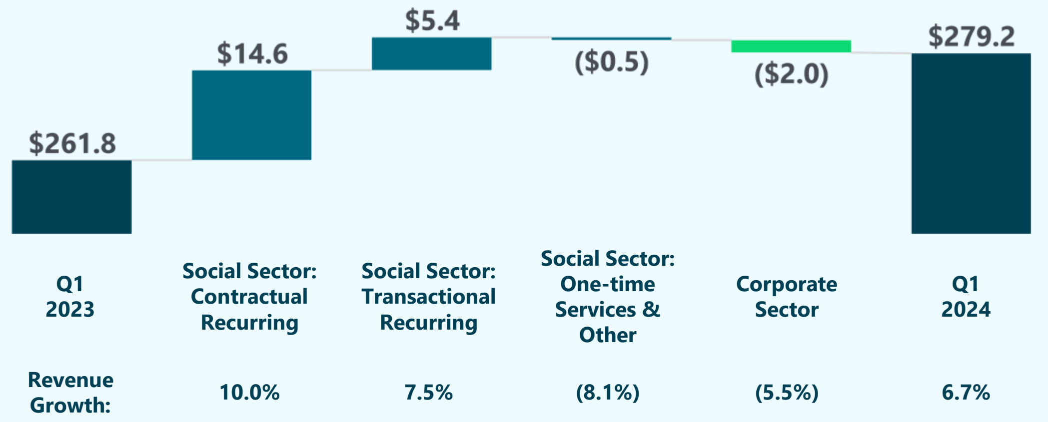
Drivers of continued margin improvement:

- Intend to maintain headcount at current level of approximately 3,000 employees for foreseeable future
- Fall-through benefit from renewal price increases
- IT consolidation as we complete migration to third party cloud (2 data centers remaining to close)
- Continue to manage cost structure to realize scale from expense base

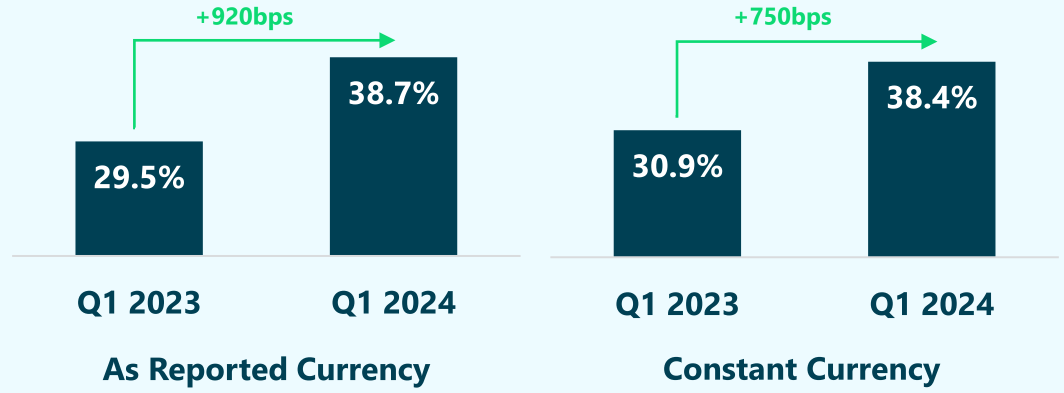
Financial Outlook

Significant YoY improvement in Q1 2024

Revenue Year over Year



Rule of 40 Year over Year[1]



Social Sector Revenue

- Contractual recurring growth supported by sales bookings, standard renewal price increases and modernized approach to renewal pricing launched in March '23
- Increased donation volumes as well as processing rate increases drove transactional recurring growth
- One-time services continues to decline in line with strategic decision to minimize non-recurring revenue

Corporate Sector Revenue

- Macro headwinds leading to softer bookings and retention
- Divested EverFi's nonrecurring services business in the UK in Q1
- Dilutive to overall company growth

Rule of 40 Highlights:

- Significant YoY improvement driven by revenue growth acceleration and adjusted EBITDA margin expansion
- Q1 typically represents the seasonal low point for adjusted EBITDA margin in Blackbaud's fiscal year
- Targeting 40% Rule of 40 at the midpoint of FY 2024 financial guidance, which will be a three-point improvement over FY 2023

[1] Non-GAAP performance through 3/31/24. Rule of 40 at as reported currency measured by non-GAAP organic revenue growth plus non-GAAP Adjusted EBITDA margin. Rule of 40 at constant currency measured by non-GAAP organic revenue growth on constant currency basis plus non-GAAP Adjusted EBITDA margin shown on constant currency basis. Non-GAAP adjusted EBITDA is defined as GAAP net income plus interest, net; income tax provision (benefit); depreciation; amortization of intangible assets from business combinations; amortization of software and content development costs; stock-based compensation; acquisition and disposition-related costs; employee severance; restructuring and other real estate activities; costs, net of insurance, related to the previously disclosed security incident discovered in May 2020 (the "Security Incident"); and impairment of capitalized software development costs. Please refer to the appendix of this presentation.

Updated 2024 total company guidance

Updated to reflect divestiture of EverFi non-recurring creative services business in UK ($6m reduction to revenue guidance range) and recent stock repurchase activity (decrease to expected fully diluted shares and increase to expected interest expense)

Metric		Mid-Point
Total Revenue	$1,164M - $1,194M	$1,179M
Adjusted EBITDA Margin	32.5% - 33.5%	33.0%
Diluted EPS	$4.12 - $4.38	$4.25
Adjusted Free Cash Flow	$254M - $274M	$264M

- 7.4% organic revenue growth rate, up from 4.8% in 2023. Social Sector growing high single to low double digits, offset by decline in Corporate Sector
- 33.0% adjusted EBITDA margin is 80bps improvement over 2023 and inclusive of material investment to accelerate cybersecurity initiatives
- EPS up $0.27 despite increase in non-GAAP effective tax rate from 20% to 24.5%
- A $50 million increase from 2023, representing a 310bps improvement in adjusted free cash flow margin YoY

Non-GAAP. Assumptions included in full year 2024 financial guidance: Non-GAAP annualized effective tax rate of 24.5%; Interest expense for the year of $48M - $52M; Fully diluted shares for the year in the range of 52M – 53M; Capital expenditures for the year in the range of $65M to $75M, including approx. $60M to $70M of capitalized software and content development costs

In order to provide a meaningful basis for comparison, Blackbaud now uses non-GAAP adjusted free cash flow in analyzing its operating performance. Non-GAAP adjusted free cash flow is defined as operating cash flow less capital expenditures, including costs required to be capitalized for software and content development, capital expenditures for property and equipment, plus cash flow, net of insurance, related to the previously disclosed Security Incident. For full year 2024, Blackbaud currently expects net cash outlays of $8 million to $13 million for ongoing legal fees related to the Security Incident. In line with the Company's policy, all associated costs due to third-party service providers and consultants, including legal fees, are expensed as incurred. As of March 31, 2024, we have recorded approximately $8.5 million in aggregate liabilities for loss contingencies based primarily on recent negotiations with certain governmental agencies related to the Security Incident that we believed we could reasonably estimate in accordance with our loss contingency procedures. Please refer to the section below titled "Non-GAAP Financial Measures" for more information on Blackbaud's use of non-GAAP financial measures.

Revenue growth rate disaggregation

	Revenue Mix 2023 Actual	Revenue Growth Rate: 2022 Actual	2023 Actual	2024 Estimate[3]	Commentary
Contractual Recurring	55%	2%	4%[2]	~10%	Improvement driven by sales bookings, standard renewal price increases and modernized approach to renewal pricing launched in March 2023
Transactional Recurring	29%	7%	11%[2]	~7%	Global events drove elevated giving in 2H 2023 creating a tough compare for 2024. Expect reversion to historical norm of ~7%
One-time Services & Other	2%	(30%)	(29%)[2]	~(6%)	One-time services decline in line with strategic decision to minimize non-recurring revenue
Subtotal: Social Sector	**86%**	**2%**	**5%[2]**	**~9%**	~400bps increase YoY
Corporate Sector	**14%**	**298%[1]**	**0%**	**~(4%)**	Macro headwinds leading to softer bookings and retention
Total Revenue (organic)	**100%**	**2.7%**	**4.8%**	**~7.4%**	A 260bps increase YoY at the midpoint of 2024 guidance

1) Growth rate positively impacted by acquisition of EVERFI on December 31, 2021
2) Growth rates negatively impacted by divestiture of our Foundation Information Management System ("FIMS") and DonorCentral NXT solutions on September 9, 2022
3) 2024 Estimate represents expected revenue growth rate by revenue category. At the midpoint of 2024 financial guidance, Blackbaud expects $1,179M in total revenue which represents an organic growth rate of 7.4%

Expected 2024 revenue growth contribution from Social Sector renewal pricing and contract terms[1]

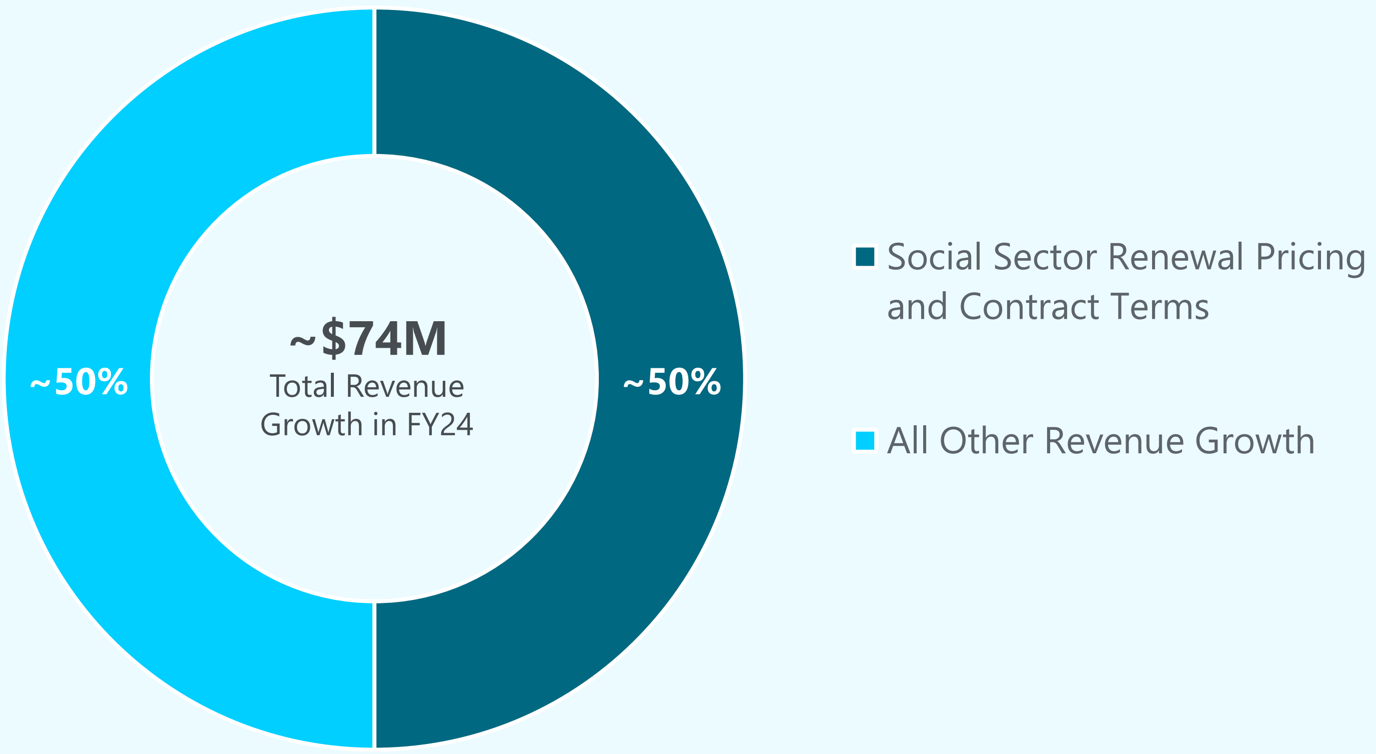
- At the midpoint of 2024 financial guidance, the Company expects approximately half of total revenue growth to come from Social Sector renewal pricing and contract terms

- The new Social Sector renewal pricing initiative launched in March 2023 has three components:

    1. Price increases in each year of a 3-year contract
    2. Annual price increases slightly higher than historical rates
    3. First year price increase that includes an incremental inflationary price increase

- This new initiative was rolled out to ~35% of contracts in 2023, ~30% in 2024, ~25% in 2025 and the remaining ~10% in 2026

2024 Revenue Growth at Guidance Midpoint

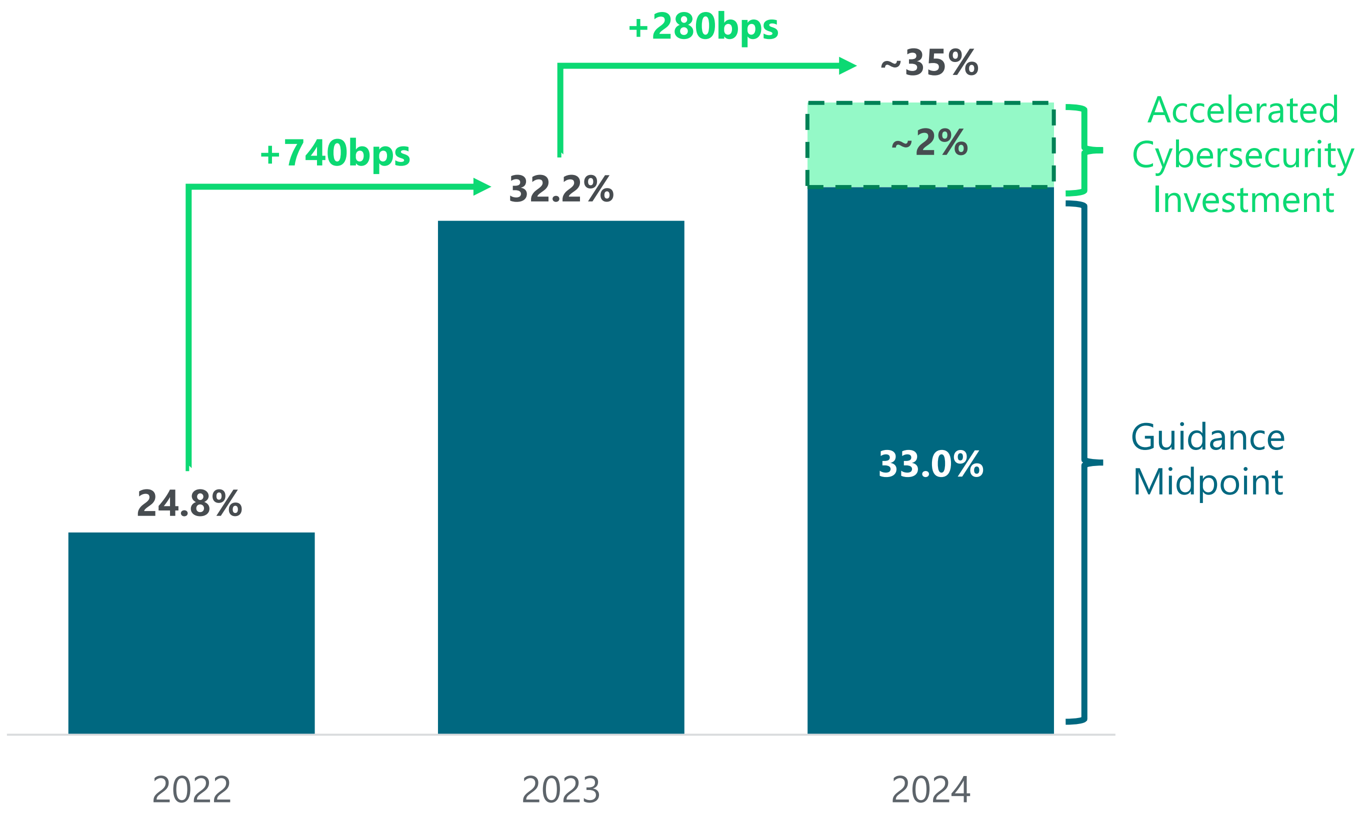


1) Forward looking revenue contribution based on internal estimates

Strong non-GAAP adjusted EBITDA margin expansion

- Five-point operating plan drove 740 basis points of adjusted EBITDA margin expansion in 2023
- 2024 guidance is inclusive of a material, one-time step up in expense that will accelerate the completion of key security initiatives and will greatly benefit our customers for the long-term, including:
    - Cybersecurity talent (employees and third-party resources)
    - Systems and tooling to enhance identity & privilege access management and data loss prevention
- Absent this accelerated cybersecurity investment, 2024 adjusted EBITDA margins would have been ~200bps higher, or ~35%
- We do not expect the 2024 accelerated cybersecurity investment to repeat in 2025 and beyond

Non-GAAP Adjusted EBITDA Margin



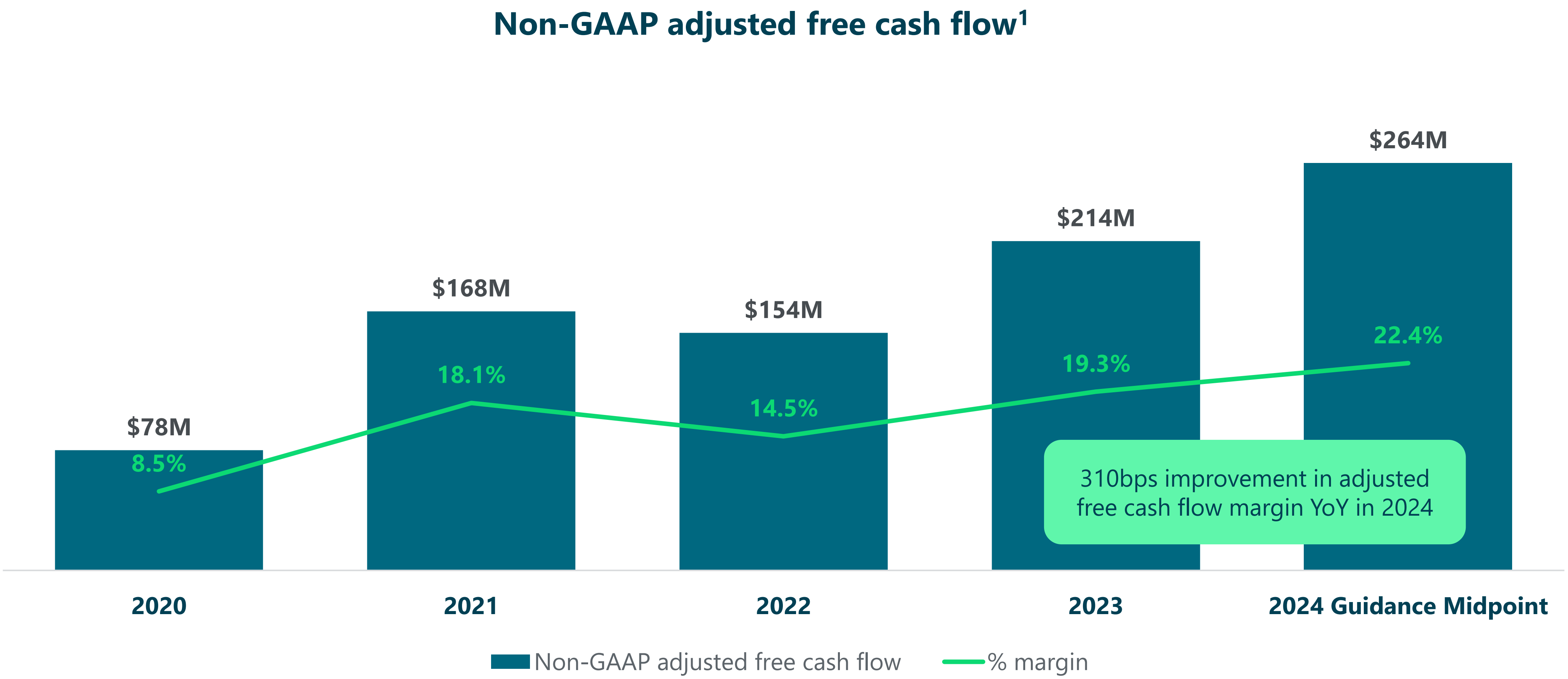
Sustained Rule of 40 performance in FY24

	2022	2023	2024 *Guidance Midpoint*
Organic revenue growth	2.7%	4.8%	7.4%
Adjusted EBITDA margin	24.8%	32.2%	33.0%
Rule of 40	27.5%	37.0%	40.4%

Drivers of sustained Rule of 40 improvement

1. **Product delivery & innovation**
2. **Bookings growth & acceleration**
3. **Transactional revenue optimization & expansion**
4. **Modernized approach to renewals**
5. **Keen attention to cost management**

Significant, sustainable adjusted free cash flow growth in 2023 expected to continue in 2024



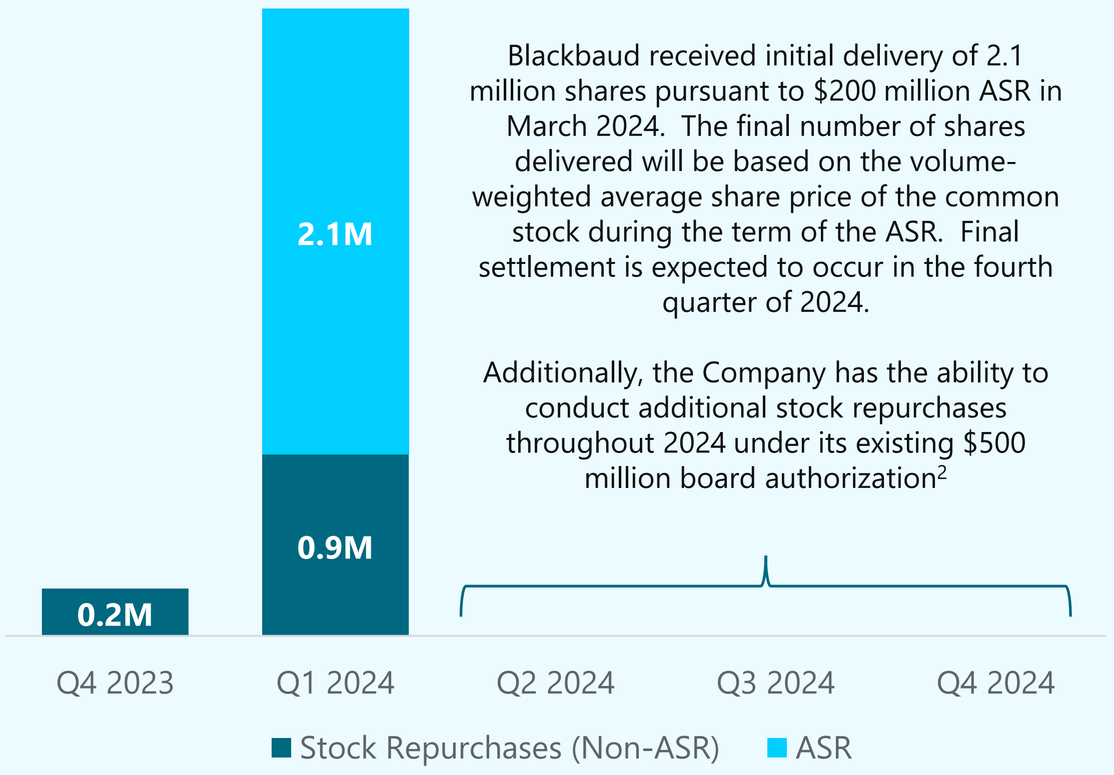
1) FY 2024 figure reflects midpoint of guidance. Non-GAAP adjusted free cash flow is defined as operating cash flow less capital expenditures, including costs required to be capitalized for software and content development, capital expenditures for property and equipment, plus cash outflows, net of insurance, related to the previously disclosed Security Incident discovered in May 2020.

Blackbaud intends to repurchase between 7% and 10% of outstanding stock in 2024[1]

Common Stock Outstanding as of 12/31/23:	**53,625,440**
Less: Stock repurchases	(2,954,211) 5.5% of 12/31/23 stock outstanding
Plus: SBC vesting net of shares surrendered for taxes	953,014
Common Stock Outstanding as of 3/31/24:	**51,624,243**

Stock Repurchase Activity

(number of shares in millions)



1) The timing and amount of repurchases depends on several factors, including market and business conditions, the trading price of our common stock and the nature of other investment opportunities. The repurchase program may be limited, suspended or discontinued at anytime without prior notice.
2) As of March 31, 2024, Blackbaud had approximately $259.7 million remaining under its approved $500 million common stock repurchase program that was authorized in January 2024.

Long-term capital allocation strategy focused on maximizing shareholder value

Stock Repurchases

7% to 10% repurchase expected in 2024 under $500M authorization

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

Accretive M&A

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

Debt Repayment

Manage debt balance to maintain optimal capital structure

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

Blackbaud Investment Highlights

1. Clear market leader with the most comprehensive solution set of purpose-built and mission critical software and services powering social impact
2. A Rule of 40 company with strong cash flow experiencing an inflection point in financial performance
3. Executing on 5-point operating plan to drive sustained, high single-digit revenue growth and mid-30's EBITDA margin
4. Launching a meaningful stock repurchase program intended to reduce shares outstanding by 7% to 10% in 2024

Appendix

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

(dollars in thousands)	Three months ended		Year ended	Three months ended			
	03/31/2024	03/31/2023	12/31/2023	12/31/2023	09/30/2023	06/30/2023	03/31/2023
GAAP revenue	$ 279,250	$ 261,753	$ 1,105,432	$ 295,011	$ 277,626	$ 271,042	$ 261,753
GAAP revenue growth	**6.7 %**						
Less: Non-GAAP revenue from divested businesses[1]	—	(646)	(7,402)	(2,213)	(2,692)	(1,851)	(646)
Non-GAAP organic revenue[2]	$ 279,250	$ 261,107	$ 1,098,030	$ 292,798	$ 274,934	$ 269,191	$ 261,107
Non-GAAP organic revenue growth	**6.9 %**						
Non-GAAP organic revenue[2]	$ 279,250	$ 261,107	1,098,030	$ 292,798	$ 274,934	$ 269,191	$ 261,107
Foreign currency impact on Non-GAAP organic revenue[3]	(911)	—	—	—	—	—	—
Non-GAAP organic revenue on constant currency basis[3]	$ 278,339	$ 261,107	$ 1,098,030	$ 292,798	$ 274,934	$ 269,191	$ 261,107
Non-GAAP organic revenue growth on constant currency basis	**6.6 %**						
GAAP recurring revenue	271,518	252,748	1,071,520	287,381	269,001	262,390	252,748
GAAP recurring revenue growth	**7.4 %**						
Less: Non-GAAP recurring revenue from divested businesses[1]	—	—	—	—	—	—	—
Non-GAAP organic recurring revenue[2]	$ 271,518	$ 252,748	$ 1,071,520	$ 287,381	$ 269,001	$ 262,390	$ 252,748
Non-GAAP organic recurring revenue growth	**7.4 %**						
Non-GAAP organic recurring revenue[2]	$ 271,518	$ 252,748	1,071,520	$ 287,381	$ 269,001	$ 262,390	$ 252,748
Foreign currency impact on non-GAAP organic recurring revenue[3]	(868)	—	—	—	—	—	—
Non-GAAP organic recurring revenue on constant currency basis[3]	$ 270,650	$ 252,748	$ 1,071,520	$ 287,381	$ 269,001	$ 262,390	$ 252,748
Non-GAAP organic recurring revenue growth on constant currency basis	**7.1 %**						

(1) Non-GAAP revenue from divested businesses excludes revenue associated with divested businesses. 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	
	03/31/2024	03/31/2023
GAAP net income	$ 5,246	$ (14,701)
Non-GAAP adjustments:		
Add: Interest, net	8,228	9,426
Less: GAAP income tax benefit	(1,456)	(3,901)
Add: Depreciation	3,075	3,336
Add: Amortization of intangibles from business combinations	15,567	13,885
Add: Amortization of software and content development costs(1)	12,090	10,606
Subtotal	37,504	33,352
Non-GAAP EBITDA	$ 42,750	$ 18,651
Non-GAAP EBITDA margin(2)	15.3 %	
Non-GAAP adjustments:		
Add: Stock-based compensation expense	33,570	29,925
Add: Employee severance	—	4,322
Add: Acquisition and disposition-related costs	2,255	619
Add: Security Incident-related costs(3)	10,323	17,783
Subtotal	46,148	52,649
Non-GAAP adjusted EBITDA	$ 88,898	$ 71,300
Non-GAAP adjusted EBITDA margin(4)	**31.8 %**	
Rule of 40(5)	**38.7 %**	
Non-GAAP adjusted EBITDA	88,898	71,300
Foreign currency impact on Non-GAAP adjusted EBITDA(6)	(415)	1,297
Non-GAAP adjusted EBITDA on constant currency basis(6)	$ 88,483	$ 72,597
Non-GAAP adjusted EBITDA margin on constant currency basis	**31.8 %**	
Rule of 40 on constant currency basis(7)	**38.4 %**	

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

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

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

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

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

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

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

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

Three Months Ended March 31, 2024							
(in thousands, except per share amounts)	GAAP	Stock-based compensation expense	Amortization of intangibles from business combinations	Acquisition and disposition-related costs	Security Incident-related costs[1]	Non-GAAP adjustments subtotal	Non-GAAP
Revenue							
Recurring	$ 271,518	$ —	$ —	$ —	$ —	$ —	$ 271,518
One-time services and other	7,732	—	—	—	—	—	7,732
Total revenue	**279,250**	—	—	—	—	—	**279,250**
Cost of revenue							
Cost of recurring	119,188	(3,138)	(14,324)	—	—	(17,462)	101,726
Cost of one-time services and other	7,018	(636)	(339)	—	—	(975)	6,043
Total cost of revenue	**126,206**	**(3,774)**	**(14,663)**	—	—	**(18,437)**	**107,769**
Gross profit	**153,044**	**3,774**	**14,663**	—	—	**18,437**	**171,481**
Recurring gross margin	*56.1 %*					*6.4 %*	*62.5 %*
One-time services and other gross margin	*9.2 %*					*12.6 %*	*21.8 %*
Total Gross Margin	***54.8 %***					***6.6 %***	***61.4 %***
Operating expenses							
Sales, marketing and customer success	50,865	(5,181)	—	—	—	(5,181)	45,684
Research and development	42,802	(7,776)	—	—	—	(7,776)	35,026
General and administrative	47,754	(16,839)	—	(2,255)	(10,323)	(29,417)	18,337
Amortization	904	—	(904)	—	—	(904)	—
Total operating expenses	**142,325**	**(29,796)**	**(904)**	**(2,255)**	**(10,323)**	**(43,278)**	**99,047**
Income from operations	**10,719**	**33,570**	**15,567**	**2,255**	**10,323**	**61,715**	**72,434**
Total Operating Margin	***3.8 %***					***22.1 %***	***25.9 %***
Net Income	**$ 5,246**						**$ 49,456**
Shares used in computing diluted earnings per share	53,414						53,414
Diluted earnings per share	**$ 0.10**						**$ 0.93**

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

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

Three Months Ended March 31, 2023								
(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[1]	Non-GAAP adjustments subtotal	Non-GAAP
Revenue								
Recurring	$ 252,748	$ —	$ —	$ —	$ —	$ —	$ —	$ 252,748
One-time services and other	9,005	—	—	—	—	—	—	9,005
Total revenue	**261,753**	—	—	—	—	—	—	**261,753**
Cost of revenue								
Cost of recurring	114,500	(3,187)	(12,766)	(411)	—	—	(16,364)	98,136
Cost of one-time services and other	8,612	(767)	(345)	(332)	—	—	(1,444)	7,168
Total cost of revenue	**123,112**	**(3,954)**	**(13,111)**	**(743)**	—	—	**(17,808)**	**105,304**
Gross profit	**138,641**	**3,954**	**13,111**	**743**	—	—	**17,808**	**156,449**
Recurring gross margin	*54.7 %*						*6.5 %*	*61.2 %*
One-time services and other gross margin	*4.4 %*						*16.0 %*	*20.4 %*
Total Gross Margin	***53.0 %***						***6.8 %***	***59.8 %***
Operating expenses								
Sales, marketing and customer success	54,385	(5,515)	—	(1,636)	—	—	(7,151)	47,234
Research and development	40,591	(7,302)	—	(1,133)	—	—	(8,435)	32,156
General and administrative	52,838	(13,154)	—	(810)	(619)	(17,783)	(32,366)	20,472
Amortization	774	—	(774)	—	—	—	(774)	—
Total operating expenses	**148,588**	**(25,971)**	**(774)**	**(3,579)**	**(619)**	**(17,783)**	**(48,726)**	**99,862**
Income from operations	**(9,947)**	**29,925**	**13,885**	**4,322**	**619**	**17,783**	**66,534**	**56,587**
Total Operating Margin	***(3.8)%***						***25.4 %***	***21.6 %***
Net (loss) income	**$ (14,701)**							**$ 38,346**
Shares used in computing diluted (loss) earnings per share	52,133							53,171
Diluted (loss) earnings per share	**$ (0.28)**							**$ 0.72**

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

Historical Consolidated Balance Sheets (Unaudited)

(in thousands)	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
Assets					
Current assets:					
Cash and cash equivalents	$ 24,083	$ 29,041	$ 31,091	$ 31,251	$ 26,376
Restricted cash	364,071	761,289	359,596	697,006	356,493
Accounts receivable, net of allowance	100,253	168,908	102,755	101,862	96,097
Customer funds receivable	2,136	3,731	3,557	353	3,529
Prepaid expenses and other current assets	88,779	81,597	82,407	99,285	94,589
Total current assets	579,322	1,044,566	579,406	929,757	577,084
Property and equipment, net	105,309	104,672	100,575	98,689	96,074
Operating lease right-of-use assets	47,176	45,497	38,374	36,927	35,464
Software and content development costs, net	145,705	151,158	155,937	160,194	162,491
Goodwill	1,051,652	1,053,342	1,051,163	1,053,738	1,053,130
Intangible assets, net	622,237	609,524	594,169	581,937	565,008
Other assets	87,947	84,254	83,654	51,037	59,883
Total assets	$ 2,639,348	$ 3,093,013	$ 2,603,278	$ 2,912,279	$ 2,549,134
Liabilities and stockholders’ equity					
Current liabilities:					
Trade accounts payable	$ 46,528	$ 40,730	$ 39,357	$ 25,184	$ 48,863
Accrued expenses and other current liabilities	72,799	102,747	101,379	64,322	75,271
Due to customers	364,397	763,845	361,837	695,842	358,836
Debt, current portion	19,136	19,176	19,217	19,259	19,302
Deferred revenue, current portion	361,003	434,631	415,810	392,530	360,355
Total current liabilities	863,863	1,361,129	937,600	1,197,137	862,627
Debt, net of current portion	858,912	827,403	723,376	760,405	1,020,520
Deferred tax liability	131,460	91,306	94,322	93,292	82,446
Deferred revenue, net of current portion	6,956	3,520	3,022	2,397	6,832
Operating lease liabilities, net of current portion	45,190	43,529	41,811	40,085	38,492
Other liabilities	13,234	4,756	2,976	10,258	4,163
Total liabilities	1,919,615	2,331,643	1,803,107	2,103,574	2,015,080
Commitments and contingencies					
Stockholders’ equity:					
Preferred stock	—	—	—	—	—
Common stock, $0.001 par value	69	69	69	69	71
Additional paid-in capital	1,105,189	1,138,553	1,170,919	1,203,012	1,184,338
Treasury stock, at cost	(568,277)	(570,547)	(572,428)	(591,557)	(855,692)
Accumulated other comprehensive income (loss)	404	8,842	8,141	(1,688)	1,222
Retained earnings	182,348	184,453	193,470	198,869	204,115
Total stockholders’ equity	719,733	761,370	800,171	808,705	534,054
Total liabilities and stockholders’ equity	$ 2,639,348	$ 3,093,013	$ 2,603,278	$ 2,912,279	$ 2,549,134

Historical Consolidated Statements of Comprehensive Income (Unaudited)

(in thousands, except share and per share amounts)	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023	Q1 2024
Revenue						
Recurring	$ 252,748	$ 262,390	$ 269,001	$ 287,381	$ 1,071,520	$ 271,518
One-time services and other	9,005	8,652	8,625	7,630	33,912	7,732
Total revenue	261,753	271,042	277,626	295,011	1,105,432	279,250
Cost of revenue						
Cost of recurring	114,500	113,926	114,132	127,897	470,455	119,188
Cost of one-time services and other	8,612	7,549	7,634	7,938	31,733	7,018
Total cost of revenue	123,112	121,475	121,766	135,835	502,188	126,206
Gross profit	138,641	149,567	155,860	159,176	603,244	153,044
Operating expenses						
Sales, marketing and customer success	54,385	53,191	52,462	52,120	212,158	50,865
Research and development	40,591	36,146	37,965	38,602	153,304	42,802
General and administrative	52,838	59,148	42,596	35,356	189,938	47,754
Amortization	774	788	793	784	3,139	904
Total operating expenses	148,588	149,273	133,816	126,862	558,539	142,325
(Loss) income from operations	(9,947)	294	22,044	32,314	44,705	10,719
Interest expense	(10,662)	(11,167)	(9,620)	(8,473)	(39,922)	(10,276)
Other income, net	2,007	2,778	5,662	2,414	12,861	3,347
(Loss) income before (benefit) provision for income taxes	(18,602)	(8,095)	18,086	26,255	17,644	3,790
Income tax (benefit) provision	(3,901)	(10,200)	9,069	20,856	15,824	(1,456)
Net (loss) income	$ (14,701)	$ 2,105	$ 9,017	$ 5,399	$ 1,820	$ 5,246
(Loss) earnings per share						
Basic	$ (0.28)	$ 0.04	$ 0.17	$ 0.10	$ 0.03	$ 0.10
Diluted	$ (0.28)	$ 0.04	$ 0.17	$ 0.10	$ 0.03	$ 0.10
Common shares and equivalents outstanding						
Basic weighted average shares	52,132,999	52,642,411	52,704,974	52,697,294	52,546,406	52,052,370
Diluted weighted average shares	52,132,999	53,643,124	54,089,897	54,439,689	53,721,342	53,414,495
Other comprehensive (loss) income						
Foreign currency translation adjustment	2,158	3,055	(4,794)	4,630	5,049	(1,185)
Unrealized (loss) gain on derivative instruments, net of tax	(10,692)	5,383	4,093	(14,459)	(15,675)	4,095
Total other comprehensive (loss) income	(8,534)	8,438	(701)	(9,829)	(10,626)	2,910
Comprehensive (loss) income	$ (23,235)	$ 10,543	$ 8,316	$ (4,430)	$ (8,806)	$ 8,156

Historical Consolidated Statements of Cash Flows (Unaudited)

(in thousands)	3 months ended 3/31/2023	6 months ended 6/30/2023	9 months ended 9/30/2023	12 months ended 12/31/2023	3 months ended 3/31/2024
Cash flows from operating activities					
Net (loss) income	$ (14,701)	$ (12,596)	$ (3,579)	$ 1,820	$ 5,246
Adjustments to reconcile net (loss) income to net cash provided by operating activities:					
Depreciation and amortization	27,272	53,622	81,627	109,487	30,095
Provision for credit losses and sales returns	1,522	3,798	4,815	4,500	305
Stock-based compensation expense	29,925	63,289	95,668	127,762	33,570
Deferred taxes	9,245	(33,101)	(31,163)	(24,368)	(12,239)
Amortization of deferred financing costs and discount	500	963	1,388	1,775	349
Loss on disposition of business	—	—	—	—	1,561
Other non-cash adjustments	(215)	(1,569)	5,106	5,023	—
Changes in operating assets and liabilities, net of acquisition and disposal of businesses:					
Accounts receivable	1,139	(69,624)	(4,757)	(3,237)	3,844
Prepaid expenses and other assets	(2,750)	9,470	14,488	16,851	(3,265)
Trade accounts payable	3,362	(3,431)	(3,362)	(18,576)	23,086
Accrued expenses and other liabilities	(15,931)	11,948	9,073	(30,275)	7,912
Deferred revenue	(17,562)	52,233	33,679	8,872	(25,845)
Net cash provided by operating activities	21,806	75,002	202,983	199,634	64,619
Cash flows from investing activities					
Purchase of property and equipment	(1,364)	(2,779)	(4,243)	(4,685)	(261)
Capitalized software and content development costs	(13,967)	(28,756)	(44,664)	(59,443)	(13,070)
Purchase of net assets of acquired companies, net of cash and restricted cash acquired	—	—	(13)	(13)	—
Net cash used in disposition of business	—	—	—	—	(1,179)
Other investing activities	—	—	(250)	(250)	—
Net cash used in investing activities	(15,331)	(31,535)	(49,170)	(64,391)	(14,510)
Cash flows from financing activities					
Proceeds from issuance of debt	92,600	158,000	175,800	293,200	339,800
Payments on debt	(75,403)	(171,824)	(293,957)	(374,595)	(79,343)
Employee taxes paid for withheld shares upon equity award settlement	(31,417)	(33,687)	(35,568)	(35,867)	(52,723)
Change in due to customers	(337,159)	61,313	(339,735)	(6,812)	(336,578)
Change in customer funds receivable	(1,859)	(3,359)	(3,286)	(60)	(3,197)
Purchase of treasury stock	—	—	—	(18,831)	(262,596)
Net cash (used in) provided by financing activities	(353,238)	10,443	(496,746)	(142,965)	(394,637)
Effect of exchange rate on cash, cash equivalents, and restricted cash	986	2,489	(311)	2,048	(860)
Net (decrease) increase in cash, cash equivalents, and restricted cash	(345,777)	56,399	(343,244)	(5,674)	(345,388)
Cash, cash equivalents, and restricted cash, beginning of period	733,931	733,931	733,931	733,931	728,257
Cash, cash equivalents, and restricted cash, end of period	$ 388,154	$ 790,330	$ 390,687	$ 728,257	$ 382,869

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

(in thousands, except share and per share amounts)	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023[1]	Q1 2024
GAAP Revenue	$ 261,753	$ 271,042	$ 277,626	$ 295,011	$ 1,105,432	$ 279,250
GAAP gross profit	$ 138,641	$ 149,567	$ 155,860	$ 159,176	$ 603,244	$ 153,044
GAAP gross margin	53.0 %	55.2 %	56.1 %	54.0 %	54.6 %	54.8 %
Non-GAAP adjustments:						
Add: Stock-based compensation expense	3,954	4,143	4,145	4,416	16,658	3,774
Add: Amortization of intangibles from business combinations	13,111	13,136	13,117	13,099	52,463	14,663
Add: Employee severance	743	54	—	—	797	—
Subtotal	17,808	17,333	17,262	17,515	69,918	18,437
Non-GAAP gross profit	$ 156,449	$ 166,900	$ 173,122	$ 176,691	$ 673,162	$ 171,481
Non-GAAP gross margin	59.8 %	61.6 %	62.4 %	59.9 %	60.9 %	61.4 %
GAAP (loss) income from operations	$ (9,947)	$ 294	$ 22,044	$ 32,314	$ 44,705	$ 10,719
GAAP operating margin	(3.8)%	0.1 %	7.9 %	11.0 %	4.0 %	3.8 %
Non-GAAP adjustments:						
Add: Stock-based compensation expense	29,925	33,364	32,379	32,094	127,762	33,570
Add: Amortization of intangibles from business combinations	13,885	13,924	13,910	13,883	55,602	15,567
Add: Employee severance	4,322	632	140	55	5,149	—
Add: Acquisition and disposition-related costs	619	(849)	7,029	657	7,456	2,255
Add: Security Incident-related costs[2]	17,783	26,777	4,086	4,780	53,426	10,323
Subtotal	66,534	73,848	57,544	51,469	249,395	61,715
Non-GAAP income from operations	$ 56,587	$ 74,142	$ 79,588	$ 83,783	$ 294,100	$ 72,434
Non-GAAP operating margin	21.6 %	27.4 %	28.7 %	28.4 %	26.6 %	25.9 %
GAAP (loss) income before (benefit) provision for income taxes	$ (18,602)	$ (8,095)	$ 18,086	$ 26,255	$ 17,644	$ 3,790
GAAP net (loss) income	$ (14,701)	$ 2,105	$ 9,017	$ 5,399	$ 1,820	$ 5,246
Shares used in computing GAAP diluted (loss) earnings per share	52,132,999	53,643,124	54,089,897	54,439,689	53,721,342	53,414,495
GAAP diluted (loss) earnings per share	$ (0.28)	$ 0.04	$ 0.17	$ 0.10	$ 0.03	$ 0.10
Non-GAAP adjustments:						
Add: GAAP income tax (benefit) provision	(3,901)	(10,200)	9,069	20,856	15,824	(1,456)
Add: Total Non-GAAP adjustments affecting income from operations	66,534	73,848	57,544	51,469	249,395	61,715
Non-GAAP income before provision for income taxes	47,932	65,753	75,630	77,724	267,039	65,505
Assumed non-GAAP income tax provision[3]	9,586	13,151	15,126	15,545	53,408	16,049
Non-GAAP net income	$ 38,346	$ 52,602	$ 60,504	$ 62,179	$ 213,631	$ 49,456
Shares used in computing Non-GAAP diluted earnings per share	53,171,410	53,643,124	54,089,897	54,439,689	53,721,342	53,414,495
Non-GAAP diluted earnings per share	$ 0.72	$ 0.98	$ 1.12	$ 1.14	$ 3.98	$ 0.93

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

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

(3) We apply a non-GAAP effective tax rate of 20.0% when calculating non-GAAP net income and non-GAAP diluted earnings per share.

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

(in thousands)	3 months ended 3/31/2023	6 months ended 6/30/2023	9 months ended 9/30/2023	12 months ended 12/31/2023	3 months ended 3/31/2024
GAAP net cash provided by operating activities	21,806	75,002	202,983	199,634	64,619
GAAP operating cash flow margin	8.3 %	14.1 %	25.0 %	18.1 %	23.1 %
Non-GAAP adjustments:					
Less: purchase of property and equipment	(1,364)	(2,779)	(4,243)	(4,685)	(261)
Less: capitalized software and content development costs	(13,967)	(28,756)	(44,664)	(59,443)	(13,070)
Non-GAAP free cash flow	$ 6,475	$ 43,467	$ 154,076	$ 135,506	$ 51,288
Non-GAAP free cash flow margin	2.5 %	8.2 %	19.0 %	12.3 %	18.4 %
Non-GAAP adjustments:					
Add: Security Incident-related cash flows	9,223	15,822	23,100	78,010	2,028
Non-GAAP adjusted free cash flow	$ 15,698	$ 59,289	$ 177,176	$ 213,516	$ 53,316
Non-GAAP adjusted free cash flow margin	6.0 %	11.1 %	21.9 %	19.3 %	19.1 %

Thank you