BlackLine Announces First Quarter Financial Results

LOS ANGELES, May 06, 2025 (GLOBE NEWSWIRE) -- BlackLine, Inc. (Nasdaq: BL), today announced financial results for the first quarter ended March 31, 2025.

“BlackLine’s first quarter delivered solid results with bookings exceeding expectations, driven by improved execution along with continued margin expansion,” said Owen Ryan, Co-CEO of BlackLine. “Our key strategic initiatives continue to advance steadily: Studio360 adoption is growing, our new pricing strategy is gaining traction, our industry-specific approach is building momentum, and our public sector business is progressing as planned. While navigating current market uncertainty, we are focused on managing the near-term without compromising our long-term vision and growth trajectory.”

“We are accelerating innovation across our platform and product ecosystem,” said Therese Tucker, Co-CEO of BlackLine. “We are expanding the powerful capabilities of our Studio360 platform, integrating cutting-edge Agentic AI experiences across our products, and delivering unique and differentiated industry solutions. As we move forward, we’re not just improving existing processes – we are fundamentally reimagining how accounting and finance professionals work.”

First Quarter 2025 Financial Highlights

- Total GAAP revenues of $166.9 million, an increase of 6% compared to the first quarter of 2024.
- GAAP operating margin of 2.1%, compared to 1.1% in the first quarter of 2024.
- Non-GAAP operating margin of 20.9%, compared to 17.0% in the first quarter of 2024.
- GAAP net income attributable to BlackLine of $6.1 million, or $0.10 per diluted share compared to GAAP net income attributable to BlackLine of $10.8 million, or $0.17 per diluted share in the first quarter of 2024.
- Non-GAAP net income attributable to BlackLine of $36.3 million, or $0.49 per diluted share compared to non-GAAP net income attributable to BlackLine of $40.1 million, or $0.54 per diluted share in the first quarter of 2024.
- Billings of $159.0 million, an increase of 9% compared to the first quarter of 2024.
- Remaining performance obligation of $913.2 million, an increase of 11% compared to March 31, 2024.
- Operating cash flow of $46.7 million, compared to $50.4 million in the first quarter of 2024.
- Free cash flow of $32.6 million, compared to $43.7 million in the first quarter of 2024.
- Repurchased approximately 0.9 million shares of common stock for $45.5 million as part of its share repurchase program under which approximately $154.5 million of buyback capacity remained at March 31, 2025.

First Quarter Key Metrics and Recent Business Highlights

- BlackLine had a total of 4,455 customers at March 31, 2025.
- BlackLine had a total of 393,892 users at March 31, 2025, reflecting customer migrations to the Company’s new platform pricing model.
- Achieved a dollar-based net revenue retention rate of 104% at March 31, 2025.
- Recognized by Forrester in a report on Top AI Use Cases for Accounts Receivable Automation in 2025.
- Announced 2024 Partner Award Winners, recognizing excellence in digital finance transformation.
- Expanded Bengaluru operations to drive global growth and innovation.

The financial results included in this press release are preliminary and subject to final review. Financial results will not be final until BlackLine files its Quarterly Report on Form 10-Q for the period. Information about BlackLine’s use of non-GAAP financial measures is provided below under “Use of Non-GAAP Financial Measures.”

Financial Outlook

Second Quarter 2025

- Total GAAP revenue is expected to be in the range of $170 million to $172 million.
- Non-GAAP operating margin is expected to be in the range of 20.5% to 21.5%.
- Non-GAAP net income attributable to BlackLine is expected to be in the range of $38 million to $40 million, or $0.51 to

$0.53 per share on 78.2 million diluted weighted average shares outstanding.

Full Year 2025

- Total GAAP revenue is expected to be in the range of $692 million to $705 million.
- Non-GAAP operating margin is expected to be in the range of 21.5% to 22.5%.
- Non-GAAP net income attributable to BlackLine is expected to be in the range of $159 million to $167 million, or $2.12 to $2.22 per share on 77.9 million diluted weighted average shares outstanding.

Guidance for non-GAAP operating margin, non-GAAP net income attributable to BlackLine, and non-GAAP net income per share attributable to BlackLine excludes specified items from the corresponding GAAP financial measures as outlined below under "Use of Non-GAAP Financial Measures" and as detailed in the reconciliations of non-GAAP measures for historical periods. Reconciliations of non-GAAP operating margin, non-GAAP net income attributable to BlackLine, and non-GAAP net income per share attributable to BlackLine guidance to the most directly comparable U.S. GAAP measures are not available on a forward-looking basis without unreasonable efforts due to the unpredictability and complexity of the charges excluded from these non-GAAP financial measures. The Company expects the variability of the above items could have a significant, and potentially unpredictable, impact on its future GAAP operating margin, net income attributable to BlackLine, and net income per share attributable to BlackLine.

Quarterly Conference Call

BlackLine will hold a conference call to discuss its first quarter results at 2:00 p.m. Pacific time on Tuesday, May 6, 2025. A live audio webcast will be accessible on BlackLine's investor relations website at https://investors.blackline.com. Participants can preregister for the conference call. A replay of the webcast will be available at https://investors.blackline.com for 12 months. BlackLine has used, and intends to continue to use, its Investor Relations website as a means of disclosing material non-public information and for complying with its disclosure obligations under Regulation FD.

About BlackLine

BlackLine (Nasdaq: BL), the future-ready platform for the Office of the CFO, drives digital finance transformation by empowering organizations with accurate, efficient, and intelligent financial operations.

BlackLine's comprehensive platform addresses mission-critical processes, including record-to-report and invoice-to-cash, enabling unified and accurate data, streamlined and optimized processes, and real-time insight through visibility, automation, and AI. BlackLine's proven, collaborative approach ensures continuous transformation, delivering immediate impact and sustained value. With a proven track record of innovation, industry-leading R&D investment, and world-class security practices, more than 4,400 customers across multiple industries partner with BlackLine to lead their organizations into the future.

For more information, please visit blackline.com.

Forward-looking Statements

This release and the conference call referenced above contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "could," "expect," "plan," anticipate," "believe," "estimate," "predict," "intend," "potential," "would," "continue," "ongoing," or the negative of these terms or other comparable terminology. Forward-looking statements in this release and quarterly conference call include, but are not limited to, statements regarding BlackLine's future financial and operational performance, including, without limitation, GAAP and non-GAAP guidance for the second quarter and full year of 2025, the impact of progress against certain key initiatives, our expectations for our business, including the demand environment, BlackLine's addressable market, market position and pipeline, our international growth, and our relationships with our customers and partners, including opportunities to expand those relationships.

Any forward-looking statements contained in this press release or the quarterly conference call are based upon BlackLine's historical performance and its current plans, estimates and expectations and are not a representation that such plans, estimates, or expectations will be achieved. Forward-looking statements are based on information available at the time those statements are made and/or management's good-faith beliefs and assumptions as of that time with respect to future events, and are subject to risks and uncertainties. If any of these risks or uncertainties materialize or if any assumptions prove incorrect, actual performance or results may differ materially from those expressed in or suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to, risks related to the Company's ability to attract new customers and expand sales to existing customers; the extent to which customers renew their subscription agreements or increase the number of users; the impact of current and future economic uncertainty and other unfavorable conditions in the Company's industry or the global economy; the Company's ability to manage growth and scale effectively, including entry into new geographies; the Company's ability to provide successful enhancements, new features and modifications to its software solutions; the Company's ability to develop new products and software solutions and the success of any new product and service introductions; the Company's ability to effectively incorporate artificial intelligence and machine learning technologies (AI/ML) into its platform and business and the potential reputational harm or legal liability that may result from the use of AI/ML solutions and features; the success of the Company's strategic relationships with technology vendors and business process outsourcers, channel partners and alliance partners; any breaches of the Company's security measures; a disruption in the Company's hosting network infrastructure; costs and reputational harm that could result from defects in the Company's solutions; the loss of any key employees; continued strong demand for the Company's software in the United States, Europe, Asia Pacific, and Latin America; the Company's ability to compete as the financial close management provider for organizations of all sizes; the timing and success of solutions offered by competitors; including competitors' ability to incorporate AI/ML into products and offerings more quickly or successfully; changes in the proportion of the Company's customer base that is comprised of enterprise or mid-sized organizations; the Company's ability to expand and effectively manage its sales teams and their performance and productivity; fluctuations in our financial results due to long and increasingly variable sales cycles; failure to protect the Company's intellectual property; the Company's ability to integrate acquired businesses and technologies successfully or achieve the expected benefits of such transactions; unpredictable and uncertain macro and regional economic conditions; seasonality; changes in current tax or accounting rules; cyber attacks and the risk that the Company's security measures may not be sufficient to secure its customer or confidential data adequately; acts of terrorism or other vandalism, war, or natural disasters including the effects of

climate change; the impact of any determination of deficiencies or weaknesses in our internal controls and processes; and other risks and uncertainties described in the other filings we make with the Securities and Exchange Commission from time to time, including the risks described under the heading “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2024 filed with the Securities and Exchange Commission on February 21, 2025. Additional information will also be set forth in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2025. Forward-looking statements should not be read as a guarantee of future performance or results, and you should not place undue reliance on such statements. Except as required by law, we do not undertake any obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future developments or otherwise. All of the information in this press release is subject to completion of our quarterly review process.

Use of Non-GAAP Financial Measures

To supplement its consolidated financial statements, which are prepared and presented in accordance with U.S. generally accepted accounting principles, or GAAP, BlackLine has provided in this release and the quarterly conference call held on May 6, 2025, certain financial measures that have not been prepared in accordance with GAAP defined as “non-GAAP financial measures,” which include (i) non-GAAP gross profit and non-GAAP gross margin, (ii) non-GAAP operating expenses, (iii) non-GAAP operating income and non-GAAP operating margin, (iv) non-GAAP net income attributable to BlackLine, Inc., (v) diluted non-GAAP net income per share attributable to BlackLine, Inc., and (vi) free cash flow.

BlackLine’s management uses these non-GAAP financial measures internally in analyzing its financial results and believes they are useful to investors, as a supplement to the corresponding GAAP measures, in evaluating BlackLine’s ongoing operational performance and trends and in comparing its financial measures with other companies in the same industry, many of which present similar non-GAAP financial measures to help investors understand the operational performance of their businesses. However, it is important to note that the particular items BlackLine excludes from, or includes in, its non-GAAP financial measures may differ from the items excluded from, or included in, similar non-GAAP financial measures used by other companies in the same industry. 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. A reconciliation of the non-GAAP financial measures to such GAAP measures has been provided in the tables included as part of this press release.

Non-GAAP Gross Profit and Non-GAAP Gross Margin. Non-GAAP gross profit is defined as GAAP revenues less GAAP cost of revenue adjusted for amortization of acquired developed technology, stock-based compensation, and transaction-related costs (including, but not limited to, accounting, legal, and advisory fees related to the transaction, as well as transaction-related retention bonuses). Non-GAAP gross margin is defined as non-GAAP gross profit divided by GAAP revenues. BlackLine believes that presenting non-GAAP gross profit and non-GAAP gross margin is useful to investors as it eliminates the impact of certain non-cash expenses and allows a direct comparison between periods.

Non-GAAP Operating Expenses. Non-GAAP operating expenses include (a) non-GAAP sales and marketing expense, (b) non-GAAP research and development expense, and (c) non-GAAP general and administrative expense. Non-GAAP sales and marketing expense is defined as GAAP sales and marketing expense adjusted for amortization of intangible assets, stock-based compensation, and transaction-related costs. Non-GAAP research and development expense is defined as GAAP research and development expense adjusted for stock-based compensation and transaction-related costs. Non-GAAP general and administrative expense is defined as GAAP general and administrative expense adjusted for amortization of intangible assets, stock-based compensation, change in fair value of contingent consideration, transaction-related costs, and legal settlement gains or costs. BlackLine believes that presenting each of the non-GAAP operating expenses is useful to investors as it eliminates the impact of certain cash and non-cash expenses and allows a direct comparison of operating expenses between periods.

Non-GAAP Income from Operations and Non-GAAP Operating Margin. Non-GAAP income from operations is defined as GAAP income from operations adjusted for amortization of intangible assets, stock-based compensation, change in fair value of contingent consideration, transaction-related costs, legal settlement gains or costs, and restructuring costs. Non-GAAP operating margin is defined as non-GAAP income from operations divided by GAAP revenues. BlackLine believes that presenting non-GAAP income from operations and non-GAAP operating margin is useful to investors as it eliminates the impact of items that have been impacted by the Company’s acquisitions and other related costs in order to allow a direct comparison of income from operations between all periods presented.

Non-GAAP Net Income Attributable to BlackLine and Diluted Non-GAAP Net Income Per Share Attributable to BlackLine, Inc. Non-GAAP net income attributable to BlackLine is defined as GAAP net income attributable to BlackLine adjusted for the impact of the provision for (benefit from) income taxes related to acquisitions, amortization of intangible assets, stock-based compensation, amortization of debt issuance costs from our convertible senior notes, change in fair value of contingent consideration, transaction-related costs, legal settlement gains or costs, restructuring costs, adjustment to the redeemable non-controlling interest to the redemption amount, and gain on extinguishment of convertible senior notes. Diluted non-GAAP net income per share attributable to BlackLine, Inc. includes the adjustment for shares resulting from the elimination of stock-based compensation. BlackLine believes that presenting non-GAAP net income attributable to BlackLine is useful to investors as it eliminates the impact of items that have been impacted by the Company’s acquisitions and other related costs to allow a direct comparison of net income between all periods presented.

Free Cash Flow. Free cash flow is defined as cash flows provided by (used in) operating activities less cash flows used to purchase property and equipment, financed and otherwise, capitalized software development, and intangible assets. BlackLine believes that presenting free cash flow is useful to investors as it provides a measure of the Company’s liquidity used by management to evaluate the amount of cash generated by the Company’s business including the impact of purchases of property and equipment and cost of capitalized software development.

Use of Operating Metrics

BlackLine has provided in this release and the quarterly conference call held on May 6, 2025 certain operating metrics, including (i) number of customers, (ii) number of users, and (iii) dollar-based net revenue retention rate, which BlackLine uses to evaluate its business, measure its performance, identify trends affecting its business, formulate financial projections and make strategic decisions. These operating metrics exclude the impact of certain Runbook licensed customers and users who are on perpetual license agreements and did not have an active subscription agreement with BlackLine as of March 31, 2025.

Dollar-based Net Revenue Retention Rate. Dollar-based net revenue retention rate is calculated as the implied monthly subscription and support revenue at the end of a period for the base set of customers from which the Company generated subscription revenue in the year prior to the

calculation, divided by the implied monthly subscription and support revenue one year prior to the date of calculation for that same customer base. This calculation does not reflect implied monthly subscription and support revenue for new customers added during the one-year period but does include the effect of customers who terminated during the period. Implied monthly subscription and support revenue is defined as the total amount of minimum subscription and support revenue contractually committed to, under each of BlackLine's customer agreements over the entire term of the agreement, divided by the number of months in the term of the agreement. BlackLine believes that dollar-based net revenue retention rate is an important metric to measure the long-term value of customer agreements and the Company's ability to retain and grow its relationships with existing customers over time.

Number of Customers. A customer is defined as a company that contributes to our subscription and support revenue as of the measurement date. In situations where an organization has multiple subsidiaries or divisions, each entity that is invoiced as a separate entity is treated as a separate customer. In an instance where an existing customer requests its invoice be divided for the sole purpose of restructuring its internal billing arrangement without any incremental increase in revenue, such customer continues to be treated as a single customer. BlackLine believes that its ability to expand its customer base is an indicator of the Company's market penetration and the growth of its business.

Number of Users. Historically, BlackLine's products were priced based on the number of users of its platform. Over time, the Company has begun to sell an increasing number of non-user based products with fixed or transaction-based pricing. For this reason, we believe the growth in the number of total users is less correlated to the growth of the business overall.

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BlackLine, Inc.
Condensed Consolidated Balance Sheets
(in thousands)
(unaudited)

	March 31, 2025	December 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	$ 479,536	$ 885,915
Marketable securities	386,945	—
Accounts receivable, net of allowances	146,609	178,141
Prepaid expenses and other current assets	30,263	28,348
Total current assets	1,043,353	1,092,404
Capitalized software development costs, net	46,139	45,448
Property and equipment, net	14,273	11,840
Intangible assets, net	55,870	59,520
Goodwill	448,965	448,965
Operating lease right-of-use assets	26,818	22,772
Deferred tax assets, net	54,324	53,208
Other assets	91,406	90,879
Total assets	$ 1,781,148	$ 1,825,036
LIABILITIES, REDEEMABLE NON-CONTROLLING INTEREST, AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 3,959	$ 8,463
Accrued expenses and other current liabilities	62,759	71,574
Deferred revenue, current	330,804	338,615
Finance lease liabilities, current	12	66
Operating lease liabilities, current	3,379	3,525
Convertible senior notes, net, current	229,379	—
Total current liabilities	630,292	422,243
Finance lease liabilities, noncurrent	49	53
Operating lease liabilities, noncurrent	24,645	20,283
Convertible senior notes, net, noncurrent	664,130	892,675
Deferred tax liabilities, net	4,335	4,532
Deferred revenue, noncurrent	1,265	1,390
Other long-term liabilities	2,711	708
Total liabilities	1,327,427	1,341,884
Commitments and contingencies		
Redeemable non-controlling interest	35,818	36,483
Stockholders' equity:		

Common stock	623	628
Additional paid-in capital	461,570	495,391
Accumulated other comprehensive loss	(178)	(361)
Accumulated deficit	(44,112)	(48,989)
Total stockholders' equity	417,903	446,669
Total liabilities, redeemable non-controlling interest, and stockholders' equity	$ 1,781,148	$ 1,825,036

BlackLine, Inc.
Condensed Consolidated Statements of Operations
(in thousands, except per share data)
(unaudited)

	Quarter Ended March 31,	
	2025	**2024**
Revenues		
Subscription and support	$ 158,462	$ 149,501
Professional services	8,469	7,960
Total revenues	166,931	157,461
Cost of revenues		
Subscription and support	34,130	32,052
Professional services	6,794	7,045
Total cost of revenues	40,924	39,097
Gross profit	126,007	118,364
Operating expenses		
Sales and marketing	63,063	61,111
Research and development	25,725	25,015
General and administrative	28,345	30,046
Restructuring costs	5,299	444
Total operating expenses	122,432	116,616
Income from operations	3,575	1,748
Other income (expense)		
Interest income	8,892	15,360
Interest expense	(2,522)	(1,469)
Other income, net	6,370	13,891
Income before income taxes	9,945	15,639
Provision for income taxes	4,671	869
Net income	5,274	14,770
Net income attributable to redeemable non-controlling interest	397	438
Adjustment attributable to redeemable non-controlling interest	(1,178)	3,503
Net income attributable to BlackLine, Inc.	$ 6,055	$ 10,829
Basic net income per share attributable to BlackLine, Inc.	$ 0.10	$ 0.18
Shares used to calculate basic net income per share	62,822	61,643
Diluted net income per share attributable to BlackLine, Inc.	$ 0.10	$ 0.17
Shares used to calculate diluted net income per share	64,839	72,893

BlackLine, Inc.
Calculation of Diluted Net Income Per Share
(in thousands, except per share data)
(unaudited)

	Quarter Ended March 31,	
	2025	**2024**
Diluted Net Income Per Share		
Numerator:		

Net income attributable to BlackLine, Inc.	$ 6,055	$ 10,829
Interest expense, net of taxes	125	1,394
Net income attributable to BlackLine, Inc. for diluted calculation	$ 6,180	$ 12,223
Denominator:		
Weighted average shares	62,822	61,643
Dilutive effect of securities	632	926
Dilutive effect of convertible senior notes	1,385	10,324
Shares used to calculate diluted net income per share	64,839	72,893
Diluted net income per share attributable to BlackLine, Inc.	$ 0.10	$ 0.17

BlackLine, Inc.
Condensed Consolidated Statements of Cash Flows
(in thousands)
(unaudited)

	Quarter Ended March 31,	
	2025	**2024**
Cash flows from operating activities		
Net income attributable to BlackLine, Inc.	$ 6,055	$ 10,829
Net income and adjustment attributable to redeemable non-controlling interest	(781)	3,941
Net income	5,274	14,770
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	11,498	12,648
Amortization of debt issuance costs	834	1,385
Stock-based compensation	18,574	18,562
Noncash lease expense	1,397	1,558
Accretion of purchase discounts on marketable securities, net	(1,968)	(8,542)
Net foreign currency (gains) losses	(227)	38
Deferred income taxes	(1,313)	(1,041)
Provision for credit losses	56	—
Changes in operating assets and liabilities:		
Accounts receivable	32,737	45,696
Prepaid expenses and other current assets	(1,878)	(1,964)
Other assets	(517)	2,406
Accounts payable	(3,590)	(6,792)
Accrued expenses and other current liabilities	(6,631)	(14,774)
Deferred revenue	(8,024)	(11,830)
Operating lease liabilities	(1,510)	(1,710)
Lease incentive receipts	30	—
Other long-term liabilities	2,000	15
Net cash provided by operating activities	46,742	50,425
Cash flows from investing activities		
Purchases of marketable securities	(384,923)	(294,961)
Proceeds from maturities of marketable securities	—	322,700
Capitalized software development costs	(8,167)	(6,450)
Purchases of property and equipment	(5,951)	(299)
Net cash provided by (used in) investing activities	(399,041)	20,990
Cash flows from financing activities		
Principal payments under finance lease obligations	(57)	(258)
Repurchases of common stock	(45,451)	—
Proceeds from exercises of stock options	2,136	314
Acquisition of common stock for tax withholding obligations	(10,939)	(10,981)
Net cash used in financing activities	(54,311)	(10,925)
Effect of foreign currency exchange rate changes on cash, cash equivalents, and restricted cash	240	(212)
Net increase (decrease) in cash, cash equivalents, and restricted cash	(406,370)	60,278
Cash, cash equivalents, and restricted cash, beginning of period	886,147	271,363
Cash, cash equivalents, and restricted cash, end of period	$ 479,777	$ 331,641

Reconciliation of cash, cash equivalents, and restricted cash to the condensed consolidated balance sheets		
Cash and cash equivalents at end of period	$ 479,536	$ 331,401
Restricted cash included within other assets at end of period	241	240
Total cash, cash equivalents, and restricted cash at end of period shown in the condensed consolidated statements of cash flows	$ 479,777	$ 331,641

BlackLine, Inc.
Reconciliations of Non-GAAP Financial Measures
(in thousands, except percentages and per share data)
(unaudited)

	Quarter Ended March 31,	
	2025	**2024**
Non-GAAP Gross Profit:		
Gross profit	$ 126,007	$ 118,364
Amortization of acquired developed technology	3,173	3,384
Stock-based compensation	3,646	2,596
Transaction-related costs	8	52
Total non-GAAP gross profit	$ 132,834	$ 124,396
Gross margin	75.5%	75.2%
Non-GAAP gross margin	79.6%	79.0%
Non-GAAP Operating Income:		
Operating income	$ 3,575	$ 1,748
Amortization of intangible assets	3,650	5,196
Stock-based compensation	19,419	19,196
Transaction-related costs	3,010	216
Restructuring costs	5,299	444
Total non-GAAP operating income	$ 34,953	$ 26,800
GAAP operating margin	2.1%	1.1%
Non-GAAP operating margin	20.9%	17.0%
Non-GAAP Net Income Attributable to BlackLine, Inc.:		
Net income attributable to BlackLine, Inc.	$ 6,055	$ 10,829
Benefit from income taxes	(654)	(583)
Amortization of intangible assets	3,650	5,196
Stock-based compensation	19,308	19,085
Amortization of debt issuance costs	834	1,385
Transaction-related costs	3,010	216
Restructuring costs	5,299	444
Adjustment to redeemable non-controlling interest	(1,178)	3,503
Total non-GAAP net income attributable to BlackLine, Inc.	$ 36,324	$ 40,075
Basic Non-GAAP Net Income Per Share Attributable to BlackLine, Inc.:		
Basic non-GAAP net income per share attributable to BlackLine, Inc.	$ 0.58	$ 0.65
Shares used to calculate basic non-GAAP net income per share	62,822	61,643
Diluted Non-GAAP Net Income Per Share Attributable to BlackLine, Inc.		
Numerator:		
Non-GAAP net income attributable to BlackLine, Inc.	$ 36,324	$ 40,075
Interest expense, net of taxes	1,472	74
Non-GAAP net income attributable to BlackLine, Inc. for diluted calculation	$ 37,796	$ 40,149
Denominator:		
Weighted average shares	62,822	61,643
Dilutive effect of securities	2,985	2,911
Dilutive effect of convertible senior notes	11,243	10,324

Shares used to calculate diluted non-GAAP net income per share	77,050	74,878
Diluted non-GAAP net income per share attributable to BlackLine, Inc.	$ 0.49	$ 0.54
Non-GAAP Sales and Marketing Expense:		
Sales and marketing expense	$ 63,063	$ 61,111
Amortization of intangible assets	(398)	(1,733)
Stock-based compensation	(6,044)	(5,794)
Transaction-related costs	(10)	33
Total non-GAAP sales and marketing expense	$ 56,611	$ 53,617
Non-GAAP Research and Development Expense:		
Research and development expense	$ 25,725	$ 25,015
Stock-based compensation	(3,350)	(2,851)
Transaction-related costs	(21)	(171)
Total non-GAAP research and development expense	$ 22,354	$ 21,993
Non-GAAP General and Administrative Expense:		
General and administrative expense	$ 28,345	$ 30,046
Amortization of intangible assets	(79)	(79)
Stock-based compensation	(6,379)	(7,955)
Transaction-related costs	(2,971)	(26)
Total non-GAAP general and administrative expense	$ 18,916	$ 21,986
Total Non-GAAP Operating Expenses	$ 97,881	$ 97,596
Free Cash Flow		
Net cash provided by operating activities	$ 46,742	$ 50,425
Capitalized software development costs	(8,167)	(6,450)
Purchases of property and equipment	(5,951)	(299)
Free cash flow	$ 32,624	$ 43,676



Source: BlackLine, Inc.