



## BlackLine Announces Second Quarter Financial Results

LOS ANGELES, Aug. 05, 2025 (GLOBE NEWSWIRE) -- [BlackLine, Inc.](#) (Nasdaq: BL), today announced financial results for the second quarter ended June 30, 2025.

“Our strong second quarter results demonstrate BlackLine's growing success, which is a direct outcome of our disciplined go-to-market execution and significant progress on the strategic initiatives we outlined last fall,” said Owen Ryan, Co-CEO of BlackLine. “Specifically, the delivery of our Studio360 platform, adoption of our new pricing strategy, sharpened industry focus, and enhanced partner network all played a key role in driving this quarter’s performance.”

“Innovation truly drives BlackLine, and our Studio360 platform is leading the charge in bringing new levels of clarity and control within the Office of the CFO,” said Therese Tucker, Co-CEO of BlackLine. “With significant advancements across our solutions, powered by our thoughtful approach to AI, we are empowering customers with the integrated, intelligent solutions they need to transform their operations.”

## Second Quarter 2025 Financial Highlights

- Total GAAP revenues of \$172.0 million, an increase of 7% compared to the second quarter of 2024.
- GAAP operating margin of 4.4%, compared to 1.4% in the second quarter of 2024.
- Non-GAAP operating margin of 22.1%, compared to 19.8% in the second quarter of 2024.
- GAAP net income attributable to BlackLine of \$8.3 million, or \$0.13 per diluted share compared to GAAP net income attributable to BlackLine of \$76.7 million, or \$0.22 per diluted share in the second quarter of 2024.
- Non-GAAP net income attributable to BlackLine of \$37.9 million, or \$0.51 per diluted share compared to non-GAAP net income attributable to BlackLine of \$42.9 million, or \$0.58 per diluted share in the second quarter of 2024.
- Billings of \$182.3 million, an increase of 11% compared to the second quarter of 2024.
- Remaining performance obligation of \$944.3 million, an increase of 11% compared to the second quarter of 2024.
- Operating cash flow of \$32.3 million, compared to \$40.7 million in the second quarter of 2024.
- Free cash flow of \$25.4 million, compared to \$34.4 million in the second quarter of 2024.
- Repurchased approximately 0.8 million shares of common stock for \$43.3 million as part of its share repurchase program under which approximately \$111.2 million of buyback capacity remained at June 30, 2025.

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<sup>1</sup> Excludes the after-tax impact of the gain on extinguishment of debt associated with the partial repurchase of the 2026 convertible senior notes.

## Second Quarter Key Metrics and Recent Business Highlights

- BlackLine had a total of 4,451 customers at June 30, 2025.
- BlackLine had a total of 389,559 users at June 30, 2025, reflecting customer migrations to the Company's recently implemented platform pricing model.
- Achieved a dollar-based net revenue retention rate of 105% at June 30, 2025.
- Expanded into the U.S. public sector with the signing of the Company's first federal agency.
- Appointed Sam Balaji and Greg Hughes to the BlackLine Board of Directors.
- Announced the integration of Agentic AI capabilities to accelerate future-ready financial operations.

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

### Third Quarter 2025

- Total GAAP revenue is expected to be in the range of \$177 million to \$179 million.
- Non-GAAP operating margin is expected to be in the range of 20% to 21%.
- Non-GAAP net income attributable to BlackLine is expected to be in the range of \$36 million to \$38 million, or \$0.48 to \$0.51 per share on 77.3 million diluted weighted average shares outstanding.

### Full Year 2025

- Total GAAP revenue is expected to be in the range of \$696 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 \$2.13 to \$2.24 per share on 77.3 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 second quarter results at 2:00 p.m. Pacific time on Tuesday, August 5, 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](https://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 third 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 June 30, 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 August 5, 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 income tax effects of acquisitions, stock-based compensation shortfalls and windfalls, and the discrete tax impact of other non-GAAP adjustments, 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 August 5, 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 June 30, 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)

June 30, 202

**ASSETS**

Current assets:

Cash and cash equivalents	\$
Marketable securities	
Accounts receivable, net of allowances	
Prepaid expenses and other current assets	
Total current assets	_____

Capitalized software development costs, net  
Property and equipment, net  
Intangible assets, net  
Goodwill  
Operating lease right-of-use assets  
Deferred tax assets, net

Other assets		
Total assets	\$	1
<b>LIABILITIES, REDEEMABLE NON-CONTROLLING INTEREST, AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$	
Accrued expenses and other current liabilities		
Deferred revenue, current		
Finance lease liabilities, current		
Operating lease liabilities, current		
Convertible senior notes, net, current		
Total current liabilities		
Finance lease liabilities, noncurrent		
Operating lease liabilities, noncurrent		
Convertible senior notes, net, noncurrent		
Deferred tax liabilities, net		
Deferred revenue, noncurrent		
Other long-term liabilities		
Total liabilities		1
Commitments and contingencies		
Redeemable non-controlling interest		
Stockholders' equity:		
Common stock		
Additional paid-in capital		
Accumulated other comprehensive loss		
Accumulated deficit		
Total stockholders' equity		
Total liabilities, redeemable non-controlling interest, and stockholders' equity	\$	1

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

	Quarter Ended		
	June 30,		
	2025	2024	
Revenues			
Subscription and support	\$ 163,027	\$ 151,787	\$
Professional services	8,998	8,719	
Total revenues	172,025	160,506	
Cost of revenues			
Subscription and support	35,189	33,756	
Professional services	7,433	6,592	
Total cost of revenues	42,622	40,348	
Gross profit	129,403	120,158	
Operating expenses			
Sales and marketing	64,712	60,248	
Research and development	27,964	25,721	
General and administrative	28,138	31,053	
Restructuring costs	1,044	928	
Total operating expenses	121,858	117,950	
Income from operations	7,545	2,208	
Other income (expense)			
Interest income	8,555	14,065	
Interest expense	(2,533)	(2,089)	
Gain on extinguishment of convertible senior notes	—	65,112	
Other income, net	6,022	77,088	

Income before income taxes	13,567	79,296
Provision for income taxes	6,176	4,337
Net income	7,391	74,959
Net income attributable to redeemable non-controlling interest	660	524
Adjustment attributable to redeemable non-controlling interest	(1,561)	(2,255)
Net income attributable to BlackLine, Inc.	\$ 8,292	\$ 76,690
Basic net income per share attributable to BlackLine, Inc.	\$ 0.13	\$ 1.24
Shares used to calculate basic net income per share	62,143	61,979
Diluted net income per share attributable to BlackLine, Inc.	\$ 0.13	\$ 0.22
Shares used to calculate diluted net income per share	64,004	72,522

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

	Quarter Ended	
	June 30,	
	2025	2024
<b>Diluted Net Income Per Share</b>		
Numerator:		
Net income attributable to BlackLine, Inc.	\$ 8,292	\$ 76,690
Interest expense, net of taxes	130	1,707
Gain on extinguishment of convertible senior notes, net of taxes	—	(62,147)
Net income attributable to BlackLine, Inc. for diluted calculation	\$ 8,422	\$ 16,250
Denominator:		
Weighted average shares	62,143	61,979
Dilutive effect of securities	476	635
Dilutive effect of convertible senior notes	1,385	9,908
Shares used to calculate diluted net income per share	64,004	72,522
<b>Diluted net income per share attributable to BlackLine, Inc.</b>	\$ 0.13	\$ 0.22

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

	Quarter Ended	
	June 30,	
	2025	2024
Cash flows from operating activities		
Net income attributable to BlackLine, Inc.	\$ 8,292	\$ 76,690
Net income and adjustment attributable to redeemable non-controlling interest	(901)	(1,731)
Net income	7,391	74,959
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	11,475	12,652
Amortization of debt issuance costs	845	1,294
Stock-based compensation	24,657	22,726
Gain on extinguishment of convertible senior notes	—	(65,112)
Noncash lease expense	1,297	1,552
Accretion of purchase discounts on marketable securities, net	(3,393)	(6,719)
Net foreign currency (gains) losses	788	(195)
Deferred income taxes	(921)	(214)

Provision for credit losses	19	7	
Changes in operating assets and liabilities:			
Accounts receivable	(27,269)	(11,701)	
Prepaid expenses and other current assets	6,666	5,488	
Other assets	(911)	(797)	
Accounts payable	6,119	249	
Accrued expenses and other current liabilities	(6,358)	3,878	
Deferred revenue	10,272	4,028	
Operating lease liabilities	(1,729)	(1,531)	
Lease incentive receipts	—	—	
Other long-term liabilities	3,397	134	
Net cash provided by operating activities	<u>32,345</u>	<u>40,698</u>	
Cash flows from investing activities			
Purchases of marketable securities	(92,017)	(101,143)	
Proceeds from maturities of marketable securities	84,000	268,800	
Proceeds from sales of marketable securities	—	324,098	
Capitalized software development costs	(5,994)	(5,637)	
Purchases of property and equipment	(966)	(677)	
Net cash provided by (used in) investing activities	<u>(14,977)</u>	<u>485,441</u>	
Cash flows from financing activities			
Proceeds from issuance of convertible senior notes, net of issuance costs	—	662,641	
Partial repurchase of convertible senior notes	—	(848,519)	
Purchase of capped calls related to convertible senior notes	—	(59,738)	
Principal payments under finance lease obligations	(3)	(258)	
Repurchases of common stock	(43,332)	—	
Proceeds from exercises of stock options	2,882	2,324	
Proceeds from employee stock purchase plan	4,592	4,249	
Acquisition of common stock for tax withholding obligations	(2,052)	(1,403)	
Net cash used in financing activities	<u>(37,913)</u>	<u>(240,704)</u>	
Effect of foreign currency exchange rate changes on cash, cash equivalents, and restricted cash	170	(209)	
Net increase (decrease) in cash, cash equivalents, and restricted cash	(20,375)	285,226	
Cash, cash equivalents, and restricted cash, beginning of period	479,777	331,641	
Cash, cash equivalents, and restricted cash, end of period	<u>\$ 459,402</u>	<u>\$ 616,867</u>	<u>\$</u>
Reconciliation of cash, cash equivalents, and restricted cash to the condensed consolidated balance sheets			
Cash and cash equivalents at end of period	\$ 459,141	\$ 616,629	\$
Restricted cash included within other assets at end of period	261	238	
Total cash, cash equivalents, and restricted cash at end of period shown in the condensed consolidated statements of cash flows	<u>\$ 459,402</u>	<u>\$ 616,867</u>	<u>\$</u>

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

	Quarter Ended		
	June 30,		
	2025	2024	
<b>Non-GAAP Gross Profit:</b>			
Gross profit	\$ 129,403	\$ 120,158	\$
Amortization of acquired developed technology	3,207	3,383	
Stock-based compensation	4,535	3,653	
Transaction-related costs	—	38	
<b>Total non-GAAP gross profit</b>	<u>\$ 137,145</u>	<u>\$ 127,232</u>	<u>\$</u>
Gross margin	75.2%	74.9%	
Non-GAAP gross margin	79.7%	79.3%	

**Non-GAAP Operating Income:**

Operating income	\$	7,545	\$	2,208	\$
Amortization of intangible assets		3,468		5,195	
Stock-based compensation		25,571		23,406	
Transaction-related costs (credits)		128		(6)	
Restructuring and legal settlement costs		1,295		928	
<b>Total non-GAAP operating income</b>	<b>\$</b>	<b>38,007</b>	<b>\$</b>	<b>31,731</b>	<b>\$</b>
GAAP operating margin		4.4%		1.4%	
Non-GAAP operating margin		22.1%		19.8%	

**Non-GAAP Net Income Attributable to BlackLine, Inc.:**

Net income attributable to BlackLine, Inc.	\$	8,292	\$	76,690	\$
Provision for (benefit from) income taxes		(12)		2,902	
Amortization of intangible assets		3,468		5,195	
Stock-based compensation		25,447		23,292	
Amortization of debt issuance costs		845		1,294	
Transaction-related costs (credits)		128		(6)	
Restructuring and legal settlement costs		1,295		928	
Adjustment to redeemable non-controlling interest		(1,561)		(2,255)	
Gain on extinguishment of convertible senior notes		—		(65,112)	
<b>Total non-GAAP net income attributable to BlackLine, Inc.</b>	<b>\$</b>	<b>37,902</b>	<b>\$</b>	<b>42,928</b>	<b>\$</b>

**Basic Non-GAAP Net Income Per Share Attributable to BlackLine, Inc.:**

Basic non-GAAP net income per share attributable to BlackLine, Inc.	\$	0.61	\$	0.69	\$
Shares used to calculate basic non-GAAP net income per share		62,143		61,979	

**Diluted Non-GAAP Net Income Per Share Attributable to BlackLine, Inc.**

Numerator:

Non-GAAP net income attributable to BlackLine, Inc.	\$	37,902	\$	42,928	\$
Interest expense, net of taxes		1,451		699	
Non-GAAP net income attributable to BlackLine, Inc. for diluted calculation	<b>\$</b>	<b>39,353</b>	<b>\$</b>	<b>43,627</b>	<b>\$</b>

Denominator:

Weighted average shares		62,143		61,979	
Dilutive effect of securities		4,351		3,524	
Dilutive effect of convertible senior notes		11,243		9,908	
Shares used to calculate diluted non-GAAP net income per share		77,737		75,411	
<b>Diluted non-GAAP net income per share attributable to BlackLine, Inc.</b>	<b>\$</b>	<b>0.51</b>	<b>\$</b>	<b>0.58</b>	<b>\$</b>

**Non-GAAP Sales and Marketing Expense:**

Sales and marketing expense	\$	64,712	\$	60,248	\$
Amortization of intangible assets		(183)		(1,734)	
Stock-based compensation		(6,900)		(6,629)	
Transaction-related costs		—		(54)	
<b>Total non-GAAP sales and marketing expense</b>	<b>\$</b>	<b>57,629</b>	<b>\$</b>	<b>51,831</b>	<b>\$</b>

**Non-GAAP Research and Development Expense:**

Research and development expense	\$	27,964	\$	25,721	\$
Stock-based compensation		(4,451)		(3,499)	
Transaction-related credits (costs)		—		106	
<b>Total non-GAAP research and development expense</b>	<b>\$</b>	<b>23,513</b>	<b>\$</b>	<b>22,328</b>	<b>\$</b>

**Non-GAAP General and Administrative Expense:**

General and administrative expense	\$	28,138	\$	31,053	\$
Amortization of intangible assets		(78)		(78)	
Stock-based compensation		(9,685)		(9,625)	
Transaction-related costs		(128)		(8)	
Restructuring and legal settlement costs		(251)		—	
<b>Total non-GAAP general and administrative expense</b>	<b>\$</b>	<b>17,996</b>	<b>\$</b>	<b>21,342</b>	<b>\$</b>

<b>Total Non-GAAP Operating Expenses</b>	<u>\$ 99,138</u>	<u>\$ 95,501</u>	<u>\$</u>
<b>Free Cash Flow</b>			
Net cash provided by operating activities	\$ 32,345	\$ 40,698	\$
Capitalized software development costs	(5,994)	(5,637)	
Purchases of property and equipment	(966)	(677)	
<b>Free cash flow</b>	<u>\$ 25,385</u>	<u>\$ 34,384</u>	<u>\$</u>