



## BlackLine Announces Fourth Quarter and Full Year 2025 Financial Results

LOS ANGELES, Feb. 10, 2026 (GLOBE NEWSWIRE) -- [BlackLine, Inc.](#) (Nasdaq: BL), today announced financial results for the fourth quarter and full year ended December 31, 2025.

"Our fourth-quarter performance, highlighted by record bookings, provides encouraging validation of the strategic transformation we initiated over two years ago," said Owen Ryan, CEO of BlackLine. "The intentional steps we have taken to modernize our Go-To-Market engine, scale our Studio360 platform, and launch Verity AI to deliver outcomes for customers are translating into solid results. While we are pleased with this momentum, we remain focused on disciplined execution to drive revenue growth and operating margin expansion in 2026."

### Fourth Quarter 2025 Financial Highlights

- Total GAAP revenues of \$183.2 million, an increase of 8.1% compared to the fourth quarter of 2024.
- GAAP operating margin of 3.7%, compared to 3.7% in the fourth quarter of 2024.
- Non-GAAP operating margin of 24.7%, compared to 18.1% in the fourth quarter of 2024.
- GAAP net income attributable to BlackLine of \$4.9 million, or \$0.08 per diluted share compared to GAAP net income attributable to BlackLine of \$56.4 million, or \$0.79 per diluted share in the fourth quarter of 2024.
- Non-GAAP net income attributable to BlackLine of \$45.2 million, or \$0.63 per diluted share compared to non-GAAP net income attributable to BlackLine of \$34.6 million, or \$0.47 per diluted share in the fourth quarter of 2024.
- Billings of \$226.9 million, an increase of 9.5% compared to the fourth quarter of 2024.
- Remaining performance obligation of \$1.1 billion, an increase of 23.5% compared to the fourth quarter of 2024.
- Operating cash flow of \$26.7 million, compared to \$43.8 million in the fourth quarter of 2024.
- Free cash flow of \$19.9 million, compared to \$36.5 million in the fourth quarter of 2024.
- Repurchased approximately 0.6 million shares of common stock for \$33.8 million as part of our share repurchase program under which approximately \$164.5 million of buyback capacity remained at December 31, 2025.

### Full Year 2025 Financial Highlights

- Total GAAP revenues of \$700.4 million, an increase of 7.2% from 2024.
- GAAP operating margin of 3.6%, compared to 2.8% in 2024.
- Non-GAAP operating margin of 22.3%, compared to 19.4% in 2024.
- GAAP net income attributable to BlackLine of \$24.5 million, or \$0.39 per diluted share compared to GAAP net income attributable to BlackLine of \$161.2 million, or \$1.45 per diluted share in 2024.
- Non-GAAP net income attributable to BlackLine of \$157.0 million, or \$2.13 per diluted share compared to non-GAAP net income attributable to BlackLine of \$162.1 million, or \$2.18 per diluted share in 2024.
- Operating cash flow of \$169.6 million, compared to \$190.8 million from 2024.
- Free cash flow of \$134.9 million, compared to \$164.0 million from 2024.
- Repurchased approximately 4.5 million shares of common stock for \$235.5 million as part of our share repurchase program under which approximately \$164.5 million of buyback capacity remained at December 31, 2025.

### Fourth Quarter Key Metrics and Recent Business Highlights

- BlackLine had a total of 4,394 customers at December 31, 2025.
- Platform pricing Annual Recurring Revenue (ARR) as a percentage of eligible ARR, which excludes Solex and public sector ARR, was 11%.
- Achieved a dollar-based net revenue retention rate of 105% at December 31, 2025.
- Acquired WiseLayer, an AI-powered accounting and finance automation company, to enhance BlackLine's AI capabilities.

- Expanded global cloud footprint to Saudi Arabia to support growing customer demand.
- Secured official listing on the FedRAMP Marketplace.
- Completed multi-year Google Cloud Platform migration.

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 Annual Report on Form 10-K 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**

### **First Quarter 2026**

- Total GAAP revenue is expected to be in the range of \$180 million to \$182 million.
- Non-GAAP operating margin is expected to be in the range of 18.5% to 19.5%.
- Non-GAAP net income attributable to BlackLine is expected to be in the range of \$31 million to \$33 million, or \$0.44 to \$0.46 per share on 74.5 million diluted weighted average shares outstanding.

### **Full Year 2026**

- Total GAAP revenue is expected to be in the range of \$764 million to \$768 million.
- Non-GAAP operating margin is expected to be in the range of 23.7% to 24.3%.
- Non-GAAP net income attributable to BlackLine is expected to be in the range of \$172 million to \$180 million, or \$2.37 to \$2.48 per share on 75.0 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 fourth quarter and full year 2025 results at 2:00 p.m. Pacific time on Tuesday, February 10, 2026. 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. Built on the Studio360 platform, BlackLine unifies data, streamlines processes, and delivers real-time insights through automation and intelligence powered by Verity - a comprehensive suite of embedded, auditable AI capabilities that provides finance and accounting teams with a new digital workforce.

With a proven, collaborative approach and a track record of innovation supported by industry-leading R&D investment and world-class security practices, more than 4,300 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 first quarter and full year of 2026, 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 Quarterly Report on Form 10-Q for the quarter ended September 30, 2025 filed with the Securities and Exchange Commission on November 7, 2025. Additional information will also be set forth in our Annual Report on Form 10-K for the year ended December 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 February 10, 2026, 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, restructuring 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, restructuring costs, and legal settlement gains or 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, restructuring costs, legal settlement gains or 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 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 February 10, 2026 certain operating metrics, including (i) number of customers, (ii) Platform pricing ARR as a percentage of eligible ARR, 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.

**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.

**Platform Pricing ARR as a Percentage of Eligible ARR.** Platform pricing ARR as a percentage of eligible ARR is calculated as platform annual recurring revenue divided by our eligible annual recurring revenue. We define eligible ARR as total annual recurring revenue, excluding revenue from SAP solutions-extensions ("SolEx") and the public sector.

**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.

### Investor and Media Contact:

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

|   | December 31,<br>2025 | December 31,<br>2024 |
|---|----------------------|----------------------|
| <b>ASSETS</b>   |                      |                      |
| Current assets:   |                      |                      |
| Cash and cash equivalents   | \$ 390,034           | \$ 885,915           |
| Marketable securities   | 388,178              | —                    |
| Accounts receivable, net of allowances  | 218,100              | 178,141              |
| Prepaid expenses and other current assets   | 28,897               | 28,348               |
| Total current assets  | 1,025,209            | 1,092,404            |
| Capitalized software development costs, net                                       | 49,494               | 45,448               |
| Property and equipment, net   | 13,255               | 11,840               |
| Intangible assets, net  | 49,352               | 59,520               |
| Goodwill  | 465,804              | 448,965              |
| Operating lease right-of-use assets   | 22,756               | 22,772               |
| Deferred tax assets, net  | 39,341               | 53,208               |
| Other assets  | 94,308               | 90,879               |
| Total assets  | <u>\$ 1,759,519</u>  | <u>\$ 1,825,036</u>  |
| <b>LIABILITIES, REDEEMABLE NON-CONTROLLING INTEREST, AND STOCKHOLDERS' EQUITY</b> |                      |                      |
| Current liabilities:  |                      |                      |
| Accounts payable  | \$ 15,523            | \$ 8,463             |
| Accrued expenses and other current liabilities                                    | 76,790               | 71,574               |

|  |              |              |
|--|--------------|--------------|
| Deferred revenue, current  | 368,593      | 338,615      |
| Finance lease liabilities, current   | 12           | 66           |
| Operating lease liabilities, current   | 4,436        | 3,525        |
| Convertible senior notes, net, current   | 230,023      | —            |
| Total current liabilities  | 695,377      | 422,243      |
| Finance lease liabilities, noncurrent  | 40           | 53           |
| Operating lease liabilities, noncurrent  | 19,850       | 20,283       |
| Convertible senior notes, net, noncurrent  | 666,046      | 892,675      |
| Deferred tax liabilities, net  | 5,244        | 4,532        |
| Deferred revenue, noncurrent   | 922          | 1,390        |
| Other long-term liabilities  | 593          | 708          |
| Total liabilities  | 1,388,072    | 1,341,884    |
| Commitments and contingencies  |              |              |
| Redeemable non-controlling interest  | 39,121       | 36,483       |
| Stockholders' equity:  |              |              |
| Common stock   | 599          | 628          |
| Additional paid-in capital   | 356,841      | 495,391      |
| Accumulated other comprehensive loss   | (296)        | (361)        |
| Accumulated deficit  | (24,818)     | (48,989)     |
| Total stockholders' equity   | 332,326      | 446,669      |
| Total liabilities, redeemable non-controlling interest, and stockholders' equity | \$ 1,759,519 | \$ 1,825,036 |

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

|  | Quarter Ended |            | Year Ended   |            |
|--|---------------|------------|--------------|------------|
|  | December 31,  |            | December 31, |            |
|  | 2025          | 2024       | 2025         | 2024       |
| Revenues   |               |            |              |            |
| Subscription and support                                       | \$ 173,229    | \$ 160,988 | \$ 662,928   | \$ 619,287 |
| Professional services  | 9,952         | 8,472      | 37,499       | 34,049     |
| Total revenues   | 183,181       | 169,460    | 700,427      | 653,336    |
| Cost of revenues   |               |            |              |            |
| Subscription and support                                       | 37,589        | 34,833     | 144,038      | 135,308    |
| Professional services  | 7,861         | 6,581      | 29,347       | 26,657     |
| Total cost of revenues   | 45,450        | 41,414     | 173,385      | 161,965    |
| Gross profit   | 137,731       | 128,046    | 527,042      | 491,371    |
| Operating expenses   |               |            |              |            |
| Sales and marketing  | 63,662        | 64,769     | 258,930      | 248,347    |
| Research and development                                       | 28,182        | 24,588     | 109,202      | 100,973    |
| General and administrative                                     | 33,048        | 32,480     | 118,732      | 121,795    |
| Restructuring costs  | 6,016         | (8)        | 14,626       | 1,720      |
| Total operating expenses                                       | 130,908       | 121,829    | 501,490      | 472,835    |
| Income from operations   | 6,823         | 6,217      | 25,552       | 18,536     |
| Other income (expense)   |               |            |              |            |
| Interest income  | 7,178         | 9,399      | 32,825       | 49,808     |
| Interest expense   | (2,549)       | (2,523)    | (10,149)     | (8,758)    |
| Gain on extinguishment of convertible senior notes             | —             | —          | —            | 65,112     |
| Other income, net  | 4,629         | 6,876      | 22,676       | 106,162    |
| Income before income taxes                                     | 11,452        | 13,093     | 48,228       | 124,698    |
| Provision for (benefit from) income taxes                      | 5,471         | (50,374)   | 20,971       | (43,067)   |
| Net income   | 5,981         | 63,467     | 27,257       | 167,765    |
| Net income attributable to redeemable non-controlling interest | 380           | 670        | 3,086        | 1,952      |
| Adjustment attributable to redeemable non-controlling interest | 715           | 6,380      | (347)        | 4,639      |
| Net income attributable to BlackLine, Inc.                     | \$ 4,886      | \$ 56,417  | \$ 24,518    | \$ 161,174 |
| Basic net income per share attributable to BlackLine, Inc.     | \$ 0.08       | \$ 0.90    | \$ 0.40      | \$ 2.59    |
| Shares used to calculate basic net income per share            | 59,635        | 62,640     | 61,430       | 62,129     |

|  |         |         |         |         |
|--|---------|---------|---------|---------|
| Diluted net income per share attributable to BlackLine, Inc. | \$ 0.08 | \$ 0.79 | \$ 0.39 | \$ 1.45 |
| Shares used to calculate diluted net income per share        | 71,599  | 74,610  | 65,921  | 73,503  |

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

|   | Quarter Ended<br>December 31, |                  | Year Ended<br>December 31, |                   |
|---|-------------------------------|------------------|----------------------------|-------------------|
|   | 2025                          | 2024             | 2025                       | 2024              |
| <b>Diluted Net Income Per Share</b>                                 |                               |                  |                            |                   |
| Numerator:  |                               |                  |                            |                   |
| Net income attributable to BlackLine, Inc.                          | \$ 4,886                      | \$ 56,417        | \$ 24,518                  | \$ 161,174        |
| Interest expense, net of taxes                                      | 719                           | 2,305            | 1,073                      | 7,804             |
| Gain on extinguishment of convertible senior notes, net of taxes    | —                             | —                | —                          | (62,147)          |
| Net income attributable to BlackLine, Inc. for diluted calculation  | <u>\$ 5,605</u>               | <u>\$ 58,722</u> | <u>\$ 25,591</u>           | <u>\$ 106,831</u> |
| Denominator:  |                               |                  |                            |                   |
| Weighted average shares   | 59,635                        | 62,640           | 61,430                     | 62,129            |
| Dilutive effect of securities                                       | 977                           | 727              | 686                        | 691               |
| Dilutive effect of convertible senior notes                         | <u>10,987</u>                 | <u>11,243</u>    | <u>3,805</u>               | <u>10,683</u>     |
| Shares used to calculate diluted net income per share               | <u>71,599</u>                 | <u>74,610</u>    | <u>65,921</u>              | <u>73,503</u>     |
| <b>Diluted net income per share attributable to BlackLine, Inc.</b> | <u>\$ 0.08</u>                | <u>\$ 0.79</u>   | <u>\$ 0.39</u>             | <u>\$ 1.45</u>    |

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

|   | Quarter Ended<br>December 31, |               | Year Ended<br>December 31, |                |
|---|-------------------------------|---------------|----------------------------|----------------|
|   | 2025                          | 2024          | 2025                       | 2024           |
| Cash flows from operating activities  |                               |               |                            |                |
| Net income attributable to BlackLine, Inc.  | \$ 4,886                      | \$ 56,417     | \$ 24,518                  | \$ 161,174     |
| Net income and adjustment attributable to redeemable non-controlling interest     | 1,095                         | 7,050         | 2,739                      | 6,591          |
| Net income  | <u>5,981</u>                  | <u>63,467</u> | <u>27,257</u>              | <u>167,765</u> |
| Adjustments to reconcile net income to net cash provided by operating activities: |                               |               |                            |                |
| Depreciation and amortization   | 11,912                        | 12,120        | 46,535                     | 50,345         |
| Amortization of debt issuance costs   | 859                           | 849           | 3,394                      | 4,486          |
| Stock-based compensation  | 25,965                        | 19,340        | 92,590                     | 83,251         |
| Gain on extinguishment of convertible senior notes                                | —                             | —             | —                          | (65,112)       |
| Noncash lease expense   | 1,840                         | 1,611         | 5,923                      | 6,221          |
| Accretion of purchase discounts on marketable securities, net                     | (3,186)                       | (326)         | (11,690)                   | (18,441)       |
| Net foreign currency (gains) losses   | (148)                         | (81)          | 605                        | 279            |
| Deferred income taxes   | 6,289                         | (53,323)      | 15,047                     | (54,802)       |
| Provision for credit losses   | 6                             | 70            | 107                        | 84             |
| Changes in operating assets and liabilities, net of impact of acquisition:        |                               |               |                            |                |
| Accounts receivable   | (62,245)                      | (43,317)      | (38,159)                   | (7,552)        |
| Prepaid expenses and other current assets   | (4,657)                       | (1,609)       | (251)                      | 2,742          |
| Other assets  | (2,437)                       | 298           | (3,663)                    | 2,505          |
| Accounts payable  | 4,124                         | 4,333         | 5,346                      | (1,123)        |
| Accrued expenses and other current liabilities                                    | 64                            | 3,968         | 3,209                      | 7,087          |
| Deferred revenue  | 43,563                        | 37,819        | 29,236                     | 18,968         |
| Operating lease liabilities   | (1,280)                       | (1,563)       | (5,872)                    | (5,963)        |
| Lease incentive receipts  | —                             | —             | 30                         | —              |
| Other long-term liabilities   | <u>30</u>                     | <u>138</u>    | <u>(77)</u>                | <u>96</u>      |

|   |            |            |            |            |
|---|------------|------------|------------|------------|
| Net cash provided by operating activities   | 26,680     | 43,794     | 169,567    | 190,836    |
| Cash flows from investing activities  |            |            |            |            |
| Purchases of marketable securities  | (140,030)  | —          | (747,644)  | (396,104)  |
| Proceeds from maturities of marketable securities   | 141,000    | 121,289    | 373,000    | 1,023,286  |
| Proceeds from sales of marketable securities  | 200        | —          | 200        | 324,098    |
| Capitalized software development costs  | (6,177)    | (6,513)    | (26,597)   | (24,714)   |
| Purchases of property and equipment   | (623)      | (756)      | (8,074)    | (2,126)    |
| Acquisition, net of cash acquired   | (16,174)   | —          | (16,174)   | —          |
| Net cash provided by (used in) investing activities   | (21,804)   | 114,020    | (425,289)  | 924,440    |
| Cash flows from financing activities  |            |            |            |            |
| Proceeds from issuance of convertible senior notes, net of issuance costs                       | —          | —          | —          | 661,979    |
| Partial repurchase of convertible senior notes  | —          | —          | —          | (848,519)  |
| Repayment of convertible senior notes   | —          | —          | —          | (250,000)  |
| Purchase of capped calls related to convertible senior notes                                    | —          | —          | —          | (59,738)   |
| Principal payments under finance lease obligations  | (3)        | (228)      | (66)       | (999)      |
| Repurchases of common stock   | (34,816)   | —          | (235,543)  | —          |
| Proceeds from exercises of stock options  | 64         | 4,553      | 5,215      | 7,591      |
| Proceeds from employee stock purchase plan  | 2,581      | 2,757      | 7,173      | 7,006      |
| Acquisition of common stock for tax withholding obligations                                     | (2,027)    | (3,861)    | (16,892)   | (17,465)   |
| Net cash provided by (used in) financing activities   | (34,201)   | 3,221      | (240,113)  | (500,145)  |
| Effect of foreign currency exchange rate changes on cash, cash equivalents, and restricted cash | (355)      | (403)      | (92)       | (347)      |
| Net increase (decrease) in cash, cash equivalents, and restricted cash                          | (29,680)   | 160,632    | (495,927)  | 614,784    |
| Cash, cash equivalents, and restricted cash, beginning of period                                | 419,900    | 725,515    | 886,147    | 271,363    |
| Cash, cash equivalents, and restricted cash, end of period                                      | \$ 390,220 | \$ 886,147 | \$ 390,220 | \$ 886,147 |

Reconciliation of cash, cash equivalents, and restricted cash to the consolidated balance sheets:

|   |            |            |            |            |
|---|------------|------------|------------|------------|
| Cash and cash equivalents at end of period  | \$ 390,034 | \$ 885,915 | \$ 390,034 | \$ 885,915 |
| Restricted cash included within prepaid expenses and other current assets at end of period                            | 186        | —          | 186        | —          |
| Restricted cash included within other assets at end of period   | —          | 232        | —          | 232        |
| Total cash, cash equivalents, and restricted cash at end of period shown in the consolidated statements of cash flows | \$ 390,220 | \$ 886,147 | \$ 390,220 | \$ 886,147 |

#### BlackLine, Inc.

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

|   | Quarter Ended     |                   | Year Ended        |                   |
|---|-------------------|-------------------|-------------------|-------------------|
|   | December 31,      |                   | December 31,      |                   |
|   | 2025              | 2024              | 2025              | 2024              |
| <b>Non-GAAP Gross Profit:</b>                 |                   |                   |                   |                   |
| Gross profit                                  | \$ 137,731        | \$ 128,046        | \$ 527,042        | \$ 491,371        |
| Amortization of acquired developed technology | 3,282             | 3,243             | 12,905            | 13,370            |
| Stock-based compensation                      | 4,669             | 3,561             | 17,232            | 13,347            |
| Transaction-related costs                     | —                 | 25                | 8                 | 151               |
| <b>Total non-GAAP gross profit</b>            | <b>\$ 145,682</b> | <b>\$ 134,875</b> | <b>\$ 557,187</b> | <b>\$ 518,239</b> |
| Gross margin                                  | 75.2%             | 75.6%             | 75.2%             | 75.2%             |
| Non-GAAP gross margin                         | 79.5%             | 79.6%             | 79.5%             | 79.3%             |
| <b>Non-GAAP Operating Income:</b>             |                   |                   |                   |                   |
| Operating income                              | \$ 6,823          | \$ 6,217          | \$ 25,552         | \$ 18,536         |
| Amortization of intangible assets             | 3,545             | 4,305             | 14,168            | 19,886            |
| Stock-based compensation                      | 26,982            | 20,138            | 96,325            | 86,097            |
| Transaction-related costs                     | 1,642             | —                 | 4,780             | 568               |
| Restructuring and legal settlement costs      | 6,192             | (8)               | 15,454            | 1,720             |
| <b>Total non-GAAP operating income</b>        | <b>\$ 45,184</b>  | <b>\$ 30,652</b>  | <b>\$ 156,279</b> | <b>\$ 126,807</b> |

|                           |       |       |       |       |
|---------------------------|-------|-------|-------|-------|
| GAAP operating margin     | 3.7%  | 3.7%  | 3.6%  | 2.8%  |
| Non-GAAP operating margin | 24.7% | 18.1% | 22.3% | 19.4% |

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

|  |                  |                  |                   |                   |
|--|------------------|------------------|-------------------|-------------------|
| Net income attributable to BlackLine, Inc.                       | \$ 4,886         | \$ 56,417        | \$ 24,518         | \$ 161,174        |
| Provision for (benefit from) income taxes                        | 516              | (53,351)         | (782)             | (50,948)          |
| Amortization of intangible assets                                | 3,545            | 4,305            | 14,168            | 19,886            |
| Stock-based compensation   | 26,864           | 20,044           | 95,850            | 85,654            |
| Amortization of debt issuance costs                              | 859              | 849              | 3,394             | 4,486             |
| Transaction-related costs  | 1,642            | —                | 4,780             | 568               |
| Restructuring and legal settlement costs                         | 6,192            | (8)              | 15,454            | 1,720             |
| Adjustment to redeemable non-controlling interest                | 715              | 6,380            | (347)             | 4,639             |
| Gain on extinguishment of convertible senior notes               | —                | —                | —                 | (65,112)          |
| <b>Total non-GAAP net income attributable to BlackLine, Inc.</b> | <b>\$ 45,219</b> | <b>\$ 34,636</b> | <b>\$ 157,035</b> | <b>\$ 162,067</b> |

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

|   |         |         |         |         |
|---|---------|---------|---------|---------|
| Basic non-GAAP net income per share attributable to BlackLine, Inc. | \$ 0.76 | \$ 0.55 | \$ 2.56 | \$ 2.61 |
| Shares used to calculate basic non-GAAP net income per share        | 59,635  | 62,640  | 61,430  | 62,129  |

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

Numerator:

|   |           |           |            |            |
|---|-----------|-----------|------------|------------|
| Non-GAAP net income attributable to BlackLine, Inc.                         | \$ 45,219 | \$ 34,636 | \$ 157,035 | \$ 162,067 |
| Interest expense, net of taxes  | 1,529     | 1,539     | 5,933      | 3,909      |
| Non-GAAP net income attributable to BlackLine, Inc. for diluted calculation | \$ 46,748 | \$ 36,175 | \$ 162,968 | \$ 165,976 |

Denominator:

|  |        |        |        |        |
|--|--------|--------|--------|--------|
| Weighted average shares  | 59,635 | 62,640 | 61,430 | 62,129 |
| Dilutive effect of securities                                  | 4,171  | 3,441  | 3,908  | 3,312  |
| Dilutive effect of convertible senior notes                    | 10,987 | 11,243 | 11,178 | 10,683 |
| Shares used to calculate diluted non-GAAP net income per share | 74,793 | 77,324 | 76,516 | 76,124 |

**Diluted non-GAAP net income per share attributable to BlackLine, Inc.**

|  |         |         |         |         |
|--|---------|---------|---------|---------|
|  | \$ 0.63 | \$ 0.47 | \$ 2.13 | \$ 2.18 |
|--|---------|---------|---------|---------|

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

|                                   |           |           |            |            |
|-----------------------------------|-----------|-----------|------------|------------|
| Sales and marketing expense       | \$ 63,662 | \$ 64,769 | \$ 258,930 | \$ 248,347 |
| Amortization of intangible assets | (184)     | (983)     | (948)      | (6,201)    |
| Stock-based compensation          | (7,243)   | (6,260)   | (27,238)   | (25,428)   |
| Transaction-related costs         | —         | (136)     | (10)       | (320)      |

**Total non-GAAP sales and marketing expense**

|  |           |           |            |            |
|--|-----------|-----------|------------|------------|
|  | \$ 56,235 | \$ 57,390 | \$ 230,734 | \$ 216,398 |
|--|-----------|-----------|------------|------------|

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

|                                  |           |           |            |            |
|----------------------------------|-----------|-----------|------------|------------|
| Research and development expense | \$ 28,182 | \$ 24,588 | \$ 109,202 | \$ 100,973 |
| Stock-based compensation         | (4,637)   | (3,390)   | (16,633)   | (13,345)   |
| Transaction-related costs        | —         | 170       | (21)       | (46)       |

**Total non-GAAP research and development expense**

|  |           |           |           |           |
|--|-----------|-----------|-----------|-----------|
|  | \$ 23,545 | \$ 21,368 | \$ 92,548 | \$ 87,582 |
|--|-----------|-----------|-----------|-----------|

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

|  |           |           |            |            |
|--|-----------|-----------|------------|------------|
| General and administrative expense       | \$ 33,048 | \$ 32,480 | \$ 118,732 | \$ 121,795 |
| Amortization of intangible assets        | (79)      | (79)      | (315)      | (315)      |
| Stock-based compensation                 | (10,433)  | (6,927)   | (35,222)   | (33,977)   |
| Transaction-related costs                | (1,642)   | (9)       | (4,741)    | (51)       |
| Restructuring and legal settlement costs | (176)     | —         | (828)      | —          |

**Total non-GAAP general and administrative expense**

|  |           |           |           |           |
|--|-----------|-----------|-----------|-----------|
|  | \$ 20,718 | \$ 25,465 | \$ 77,626 | \$ 87,452 |
|--|-----------|-----------|-----------|-----------|

**Total Non-GAAP Operating Expenses**

|  |            |            |            |            |
|--|------------|------------|------------|------------|
|  | \$ 100,498 | \$ 104,223 | \$ 400,908 | \$ 391,432 |
|--|------------|------------|------------|------------|

**Free Cash Flow**

|   |                  |                  |                   |                   |
|---|------------------|------------------|-------------------|-------------------|
| Net cash provided by operating activities | \$ 26,680        | \$ 43,794        | \$ 169,567        | \$ 190,836        |
| Capitalized software development costs    | (6,177)          | (6,513)          | (26,597)          | (24,714)          |
| Purchases of property and equipment       | (623)            | (756)            | (8,074)           | (2,126)           |
| <b>Free cash flow</b>                     | <u>\$ 19,880</u> | <u>\$ 36,525</u> | <u>\$ 134,896</u> | <u>\$ 163,996</u> |



Source: BlackLine, Inc.