

BlackLine

Investor Presentation | 2Q'24

As of August 6th, 2024



Safe Harbor

This presentation contains forward-looking statements. These statements may relate to, but are not limited to, expectations of future operating results or financial performance of BlackLine, Inc. (“BlackLine” or the “Company”), the calculation of certain key financial and operating metrics, capital expenditures, introduction of new solutions or products, expansion into new markets, plans for growth and future operations, technological capabilities, and ability to execute our technology and platform initiatives and strategic relationships, including our relationship with SAP, as well as assumptions relating to the foregoing. Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified. 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. You should not put undue reliance on any forward-looking statements. Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved, if at all.

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 that could cause actual performance or results to 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; and other risks and uncertainties described in other filings we make with the Securities and Exchange Commission (the “SEC”) from time to time, including the risks described under the heading “Risk Factors” in our Annual Report on Form 10-K and our subsequent Quarterly Reports on Form 10-Q, which are available on our website at <http://investors.blackline.com> and on the SEC’s website at www.sec.gov. In light of these risks and uncertainties, the forward-looking events and circumstances discussed in this presentation may not occur and actual results could differ materially from those anticipated or implied in the forward-looking statements. Except as required by law, BlackLine does not undertake any obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future developments or otherwise.

In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this presentation, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain, and investors are cautioned not to unduly rely upon these statements.

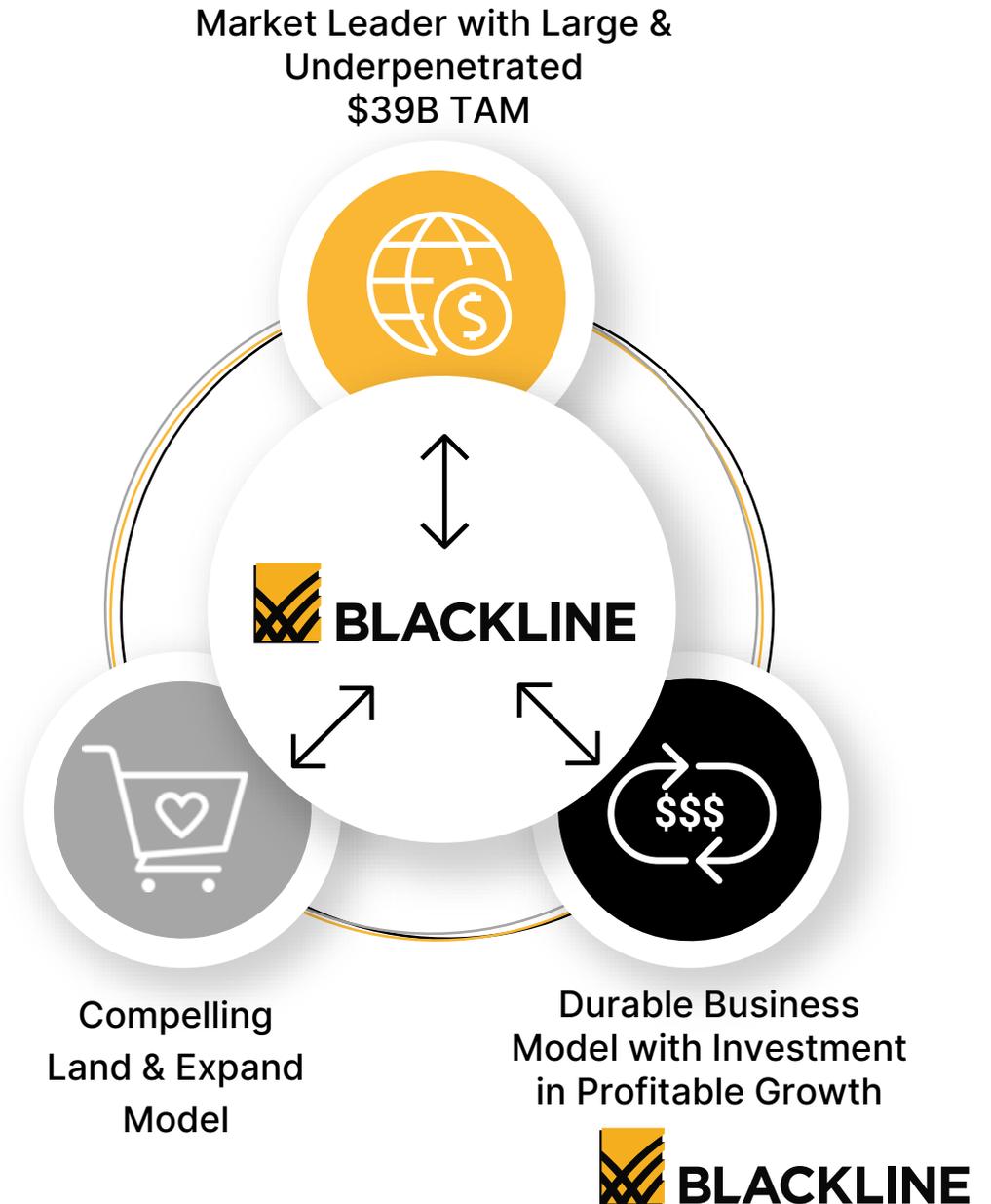
In addition to U.S. GAAP financials, this presentation includes certain non-GAAP financial measures, including non-GAAP gross profit, gross margin, free cash flow, sales and marketing expense, research and development expense, general and administrative expense, income (loss) from operations, operating margin, net income and net income margin. These non-GAAP measures are in addition to, not a substitute for or superior to, measures of financial performance prepared in accordance with U.S. GAAP. The non-GAAP financial measures we use may differ from the non-GAAP financial measures used by other companies. A reconciliation of these measures to the most directly comparable GAAP measure is included in the Appendix to this presentation.

WHO WE ARE

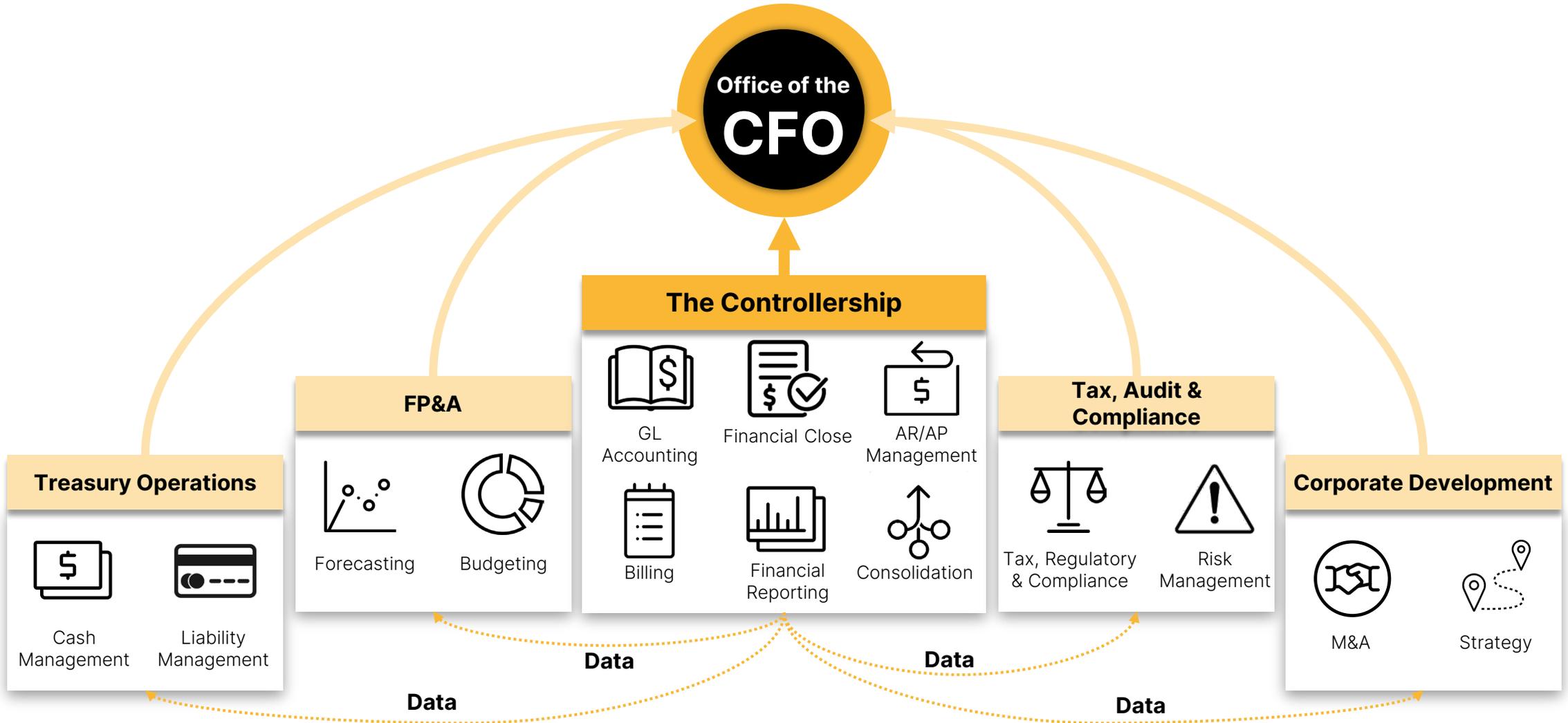
Champions of strategic accounting
and finance transformation

OUR WINNING ASPIRATION

To inspire, power, and guide
digital finance transformation

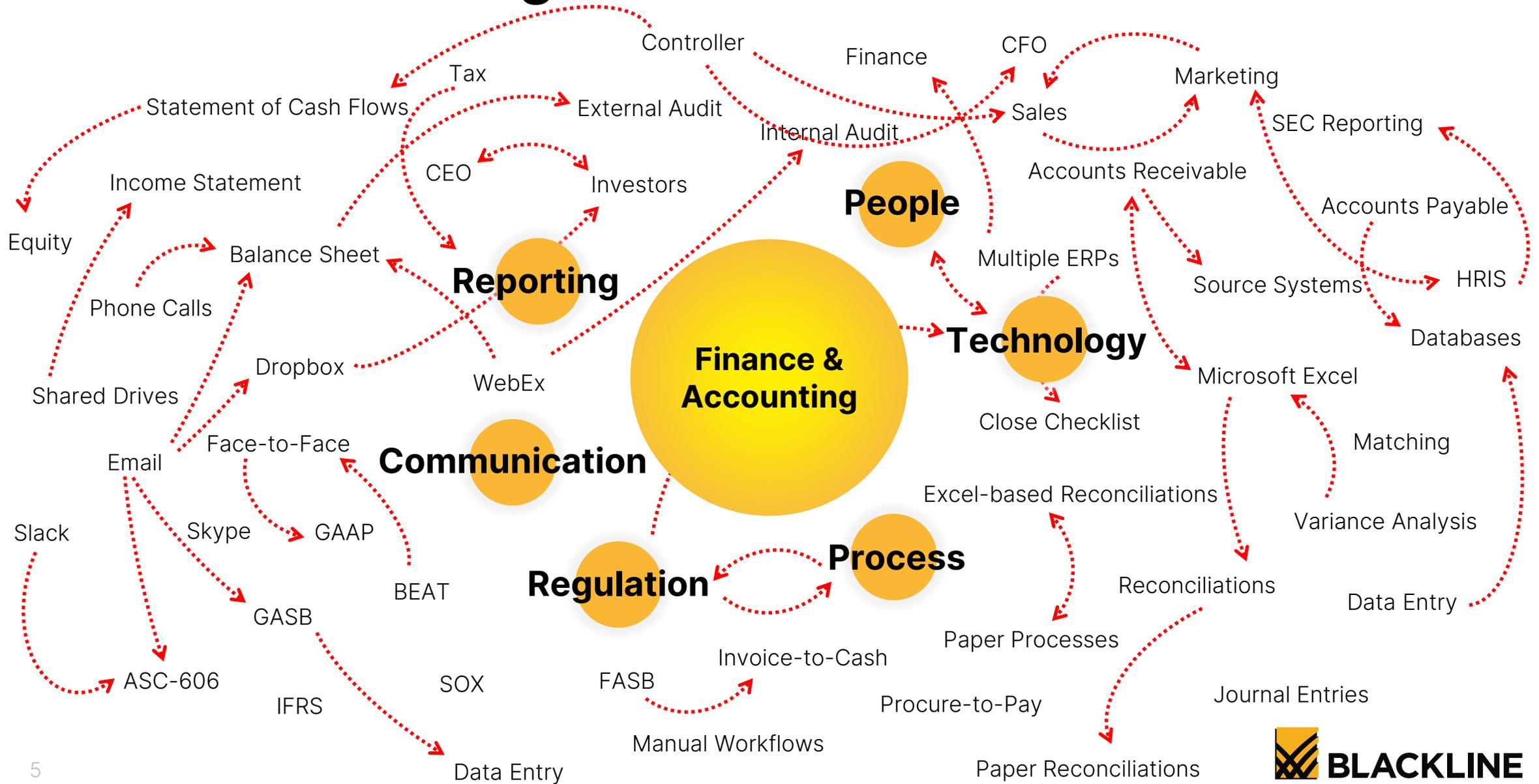


BlackLine's Market: The Office of the CFO

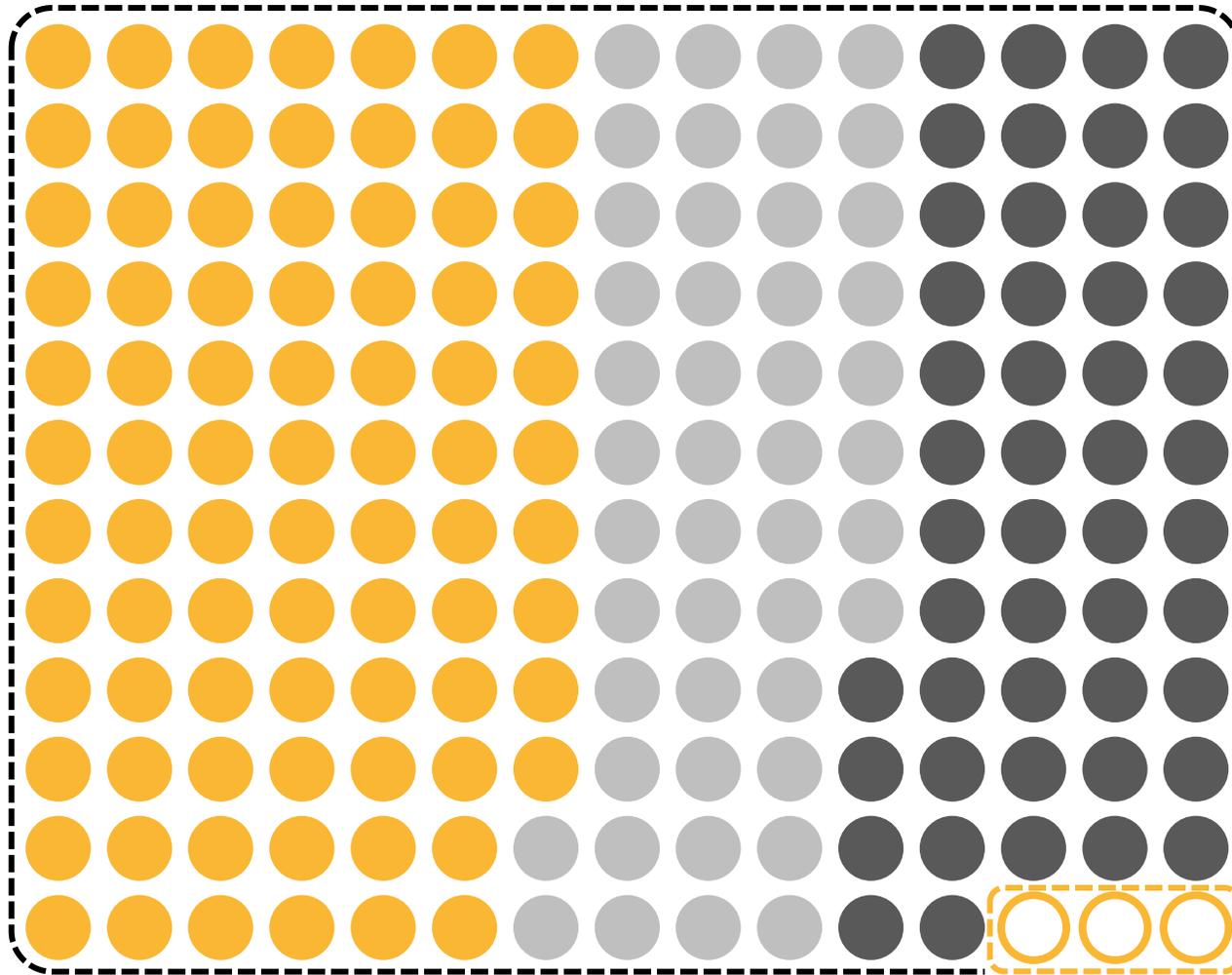


The controllershship's **upstream position** makes it prime real estate within the office of the CFO

Manual Accounting Processes Are Not Sustainable



Market Leader with Large & Underpenetrated TAM



\$39B+

\$18.5B Financial Close Market ¹

\$10B Invoice-to-Cash Market ²

\$11B Intercompany Financial Management Market ³

Comprised of >200,000 Target Customers

\$624M BlackLine LTM Revenue
Across 4,400+ Customers ⁴

Note: Excludes consolidation TAM.

¹ Source: Frost and Sullivan. TAM for Core Solutions.

² Source: Independent third-party analysis. Assumes ~40,000 target customers in the US, UK & EMEA with a maximum ARR spend of \$250K.

³ Source: Independent third-party analysis.

⁴ As of June 30, 2024.

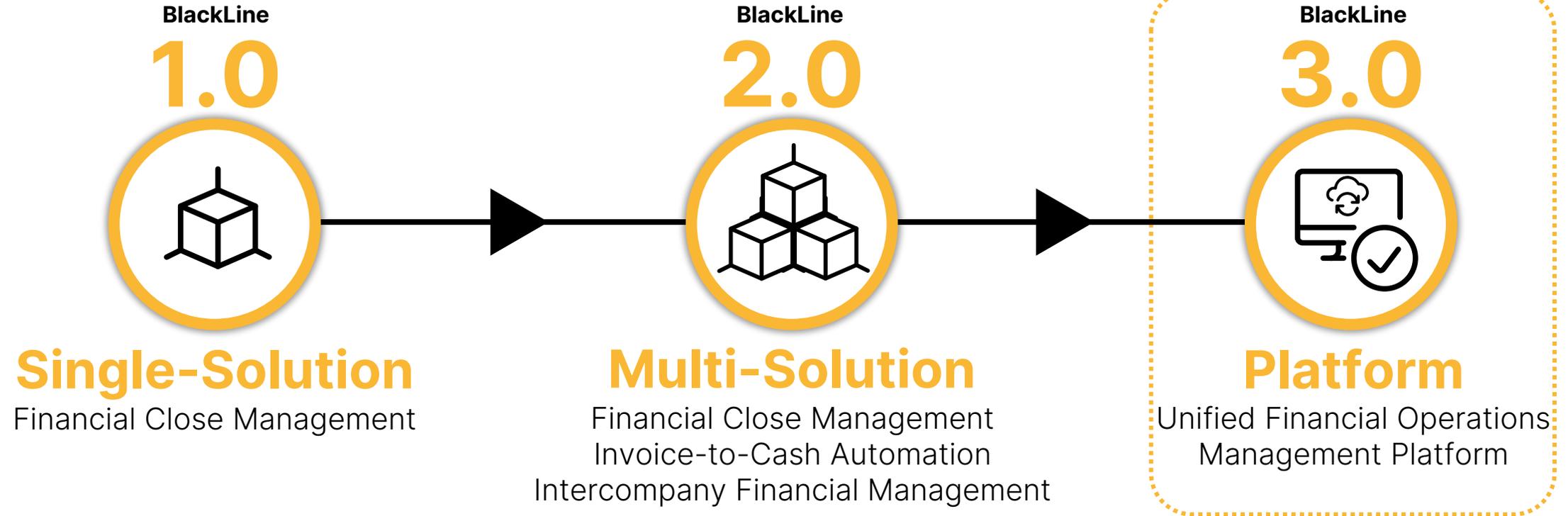


Strength Across Geographies, Sectors & Sizes



Building an Industry Leading Automation Platform

BlackLine is closer than ever before to realizing its plan to become a platform financial operations solution provider



Drive accountability through visibility. Reporting & Dashboards

Build accuracy, control, and consistency into every process. Financial Controls from Invoice-to-Cash to Financial Close and Compliance

Automate the repetitive to enable higher-value work. Intelligent Automation

Unify systems and data for a complete financial story. Secure integrations, ERP connectors & APIs

A Platform for the Future

BlackLine's platform drives modern accounting & optimizes financial operations

Unify. Orchestrate. Automate.
Embedded Intelligent Automation

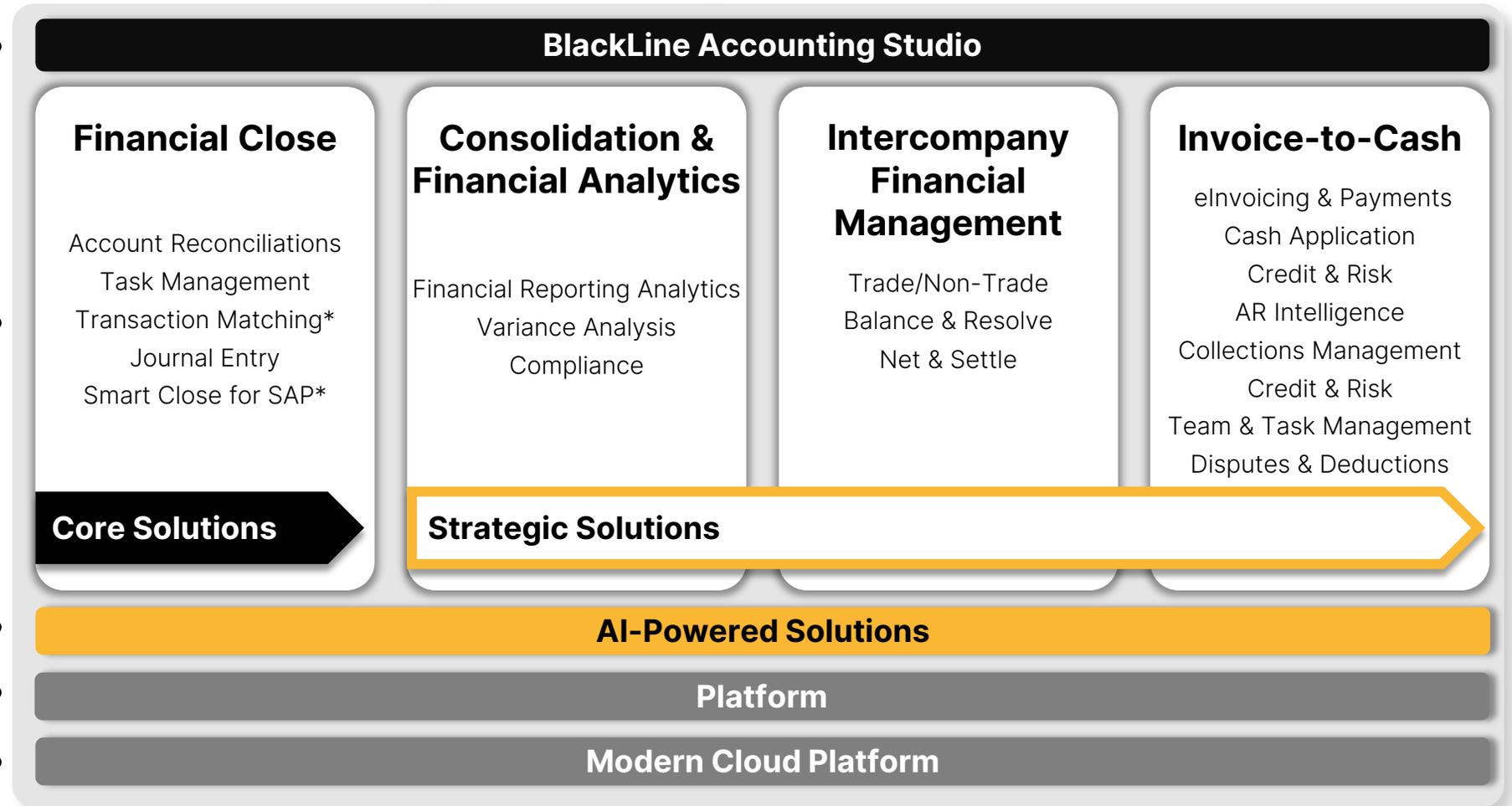
Comprehensive
End-to-End Workflows

AI Capabilities
Deep Automation & Enhanced Analytics

Flexible
Configurable, Seamless Integration

Scalable. Secure.

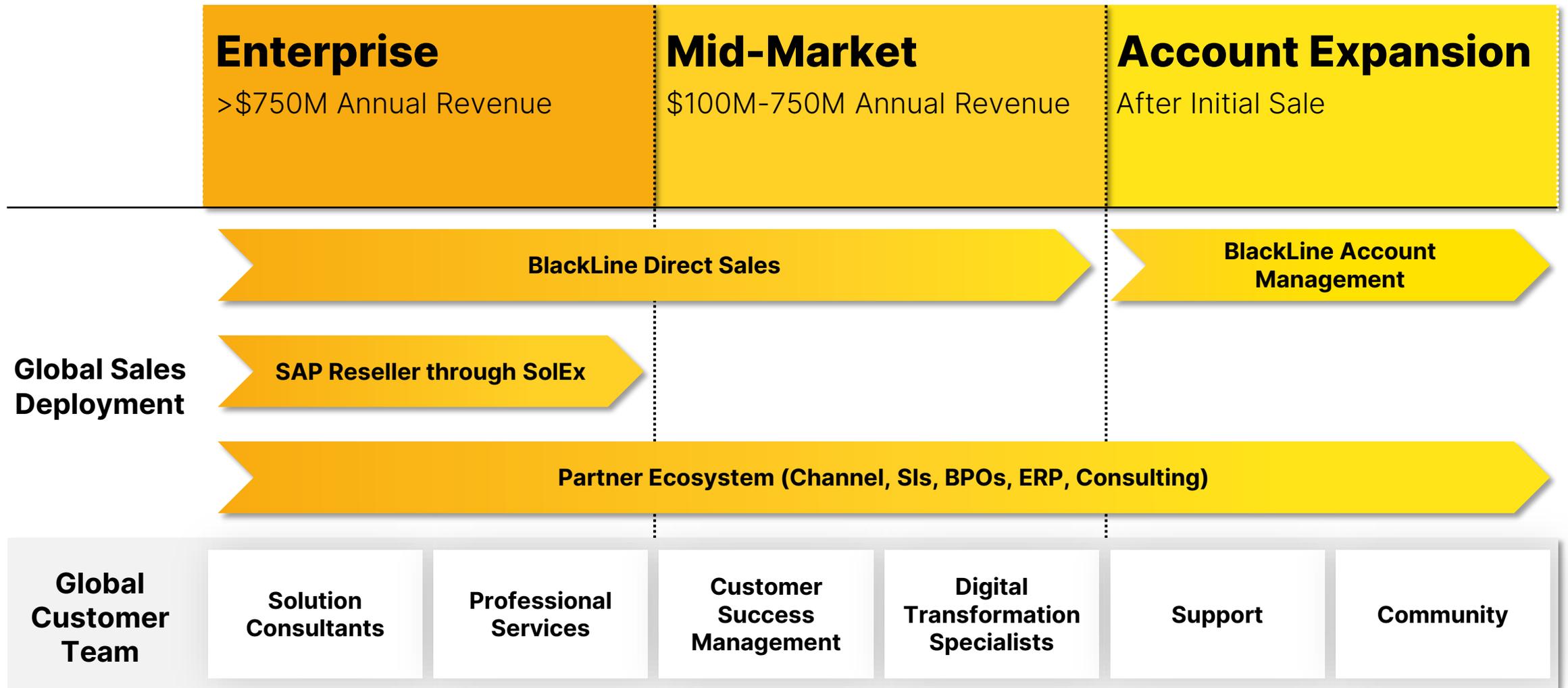
BlackLine's Financial Operations Management Platform:



9 * BlackLine defines Transaction Matching and Smart Close for SAP as "Strategic Solutions" for reporting purposes.

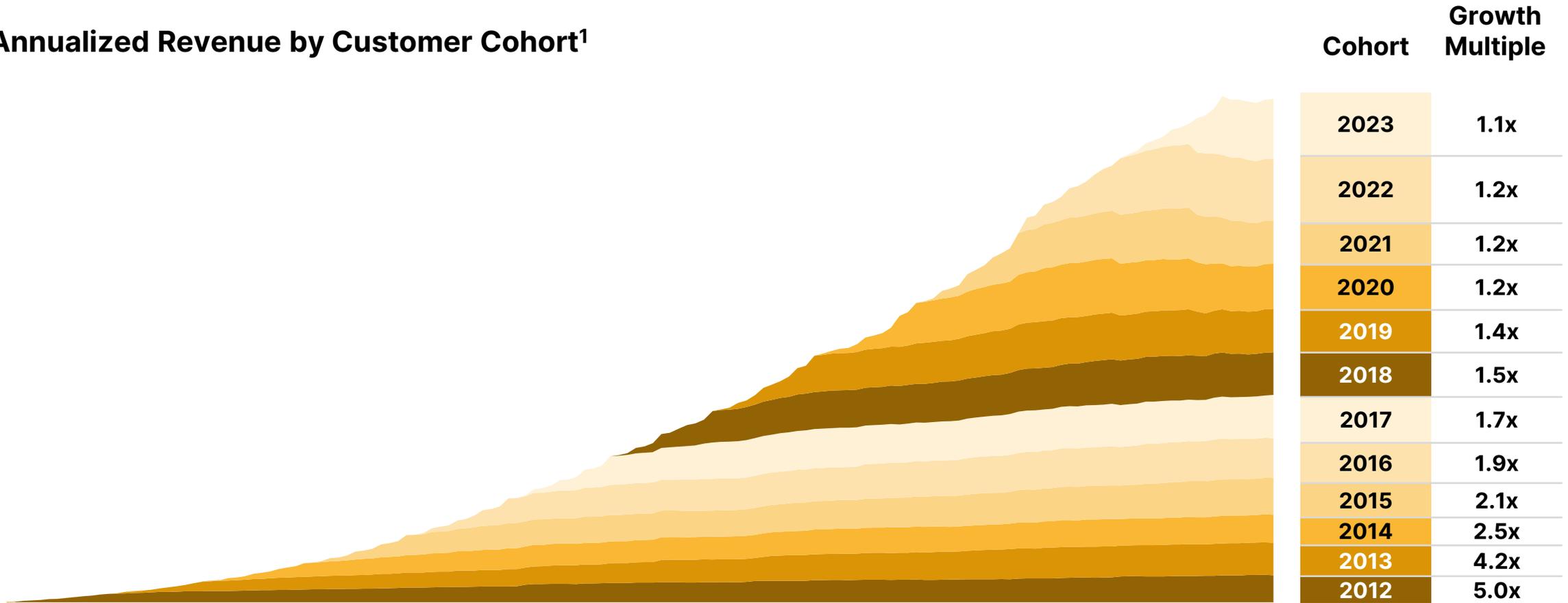


Our Go-To-Market & Customer Strategy



Proven Ability to Drive Land and Expand Platform

Annualized Revenue by Customer Cohort¹

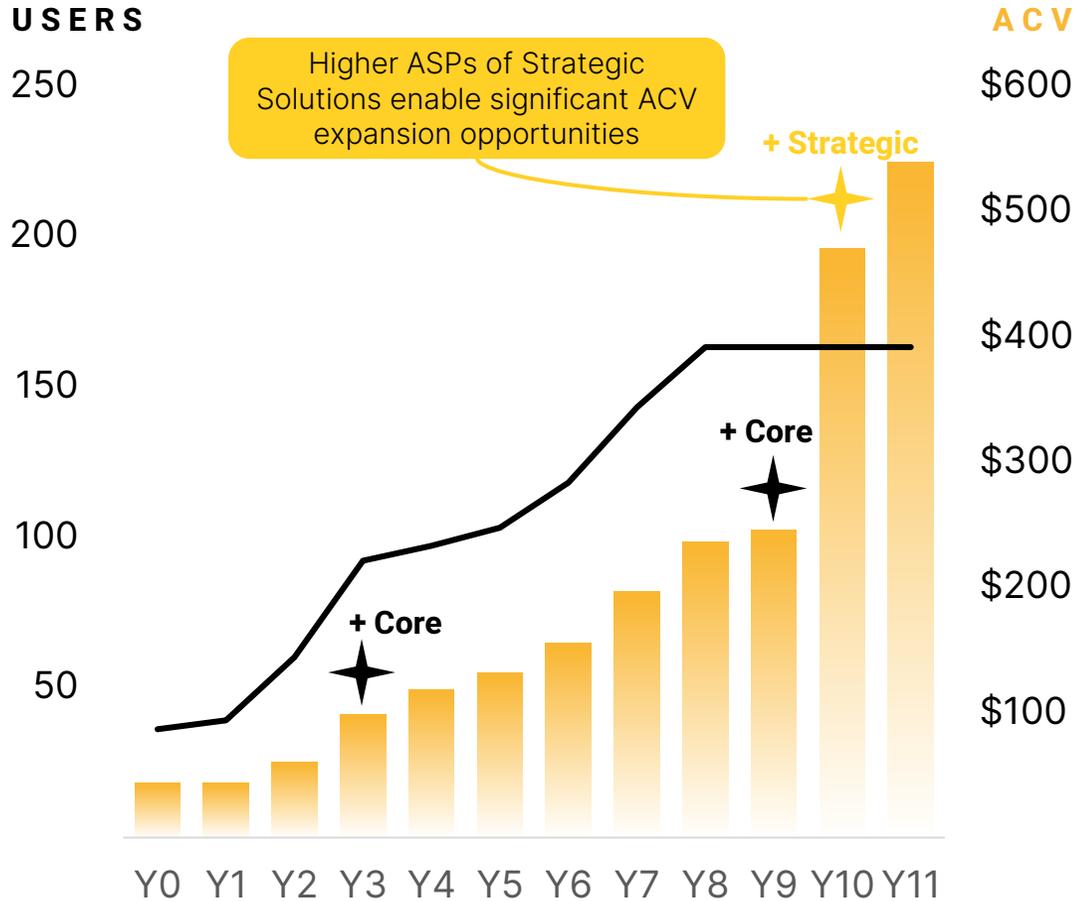


¹Reflects annualized subscription and support revenue for the group of customers that became our customers in each respective cohort year. A “cohort” is a grouping of customers by the year specified. For instance, the 2012 cohort includes all customers whose contract start date is between January 1, 2012, and December 31, 2012. We calculate annualized subscription and support revenue at a particular date as the total amount of minimum subscription and support revenue contractually committed under each of our customer agreements for that month through the remaining term of the agreement, divided by the remaining number of months in the term of the agreement, multiplied by twelve. We calculate initial annualized subscription and support revenue for any given cohort year as the sum of annualized subscription and support revenue as of the first month of each customer agreement that was entered into within that given cohort year. Accordingly, in contrast to annualized subscription and support revenue, initial annualized subscription and support revenue does not reflect any changes in the payments due under or for the duration of customer agreements following the first month of the customer agreement. Our annualized subscription and support revenue as of June 30, 2024, for our customer cohorts for each of the years 2012 through 2023 represented an increase over the initial annualized subscription and support revenue for such customer cohorts, shown as the “Growth Multiple” above.

Expanding Within Our Customers

Enterprise Consumer Retail Customer

Current ACV of ~\$540k



Enterprise Global Industrials Customer

Current ACV of ~\$1.3M



Extending the Competitive Moat Fuels Growth

Indispensable Platform for the Office of the CFO

- **Expanded functionality for the controllership**
- SaaS-based platform
- End-to-end accounting automation technology
- Highly scalable and configurable
- ERP agnostic

Strong Partner Ecosystem

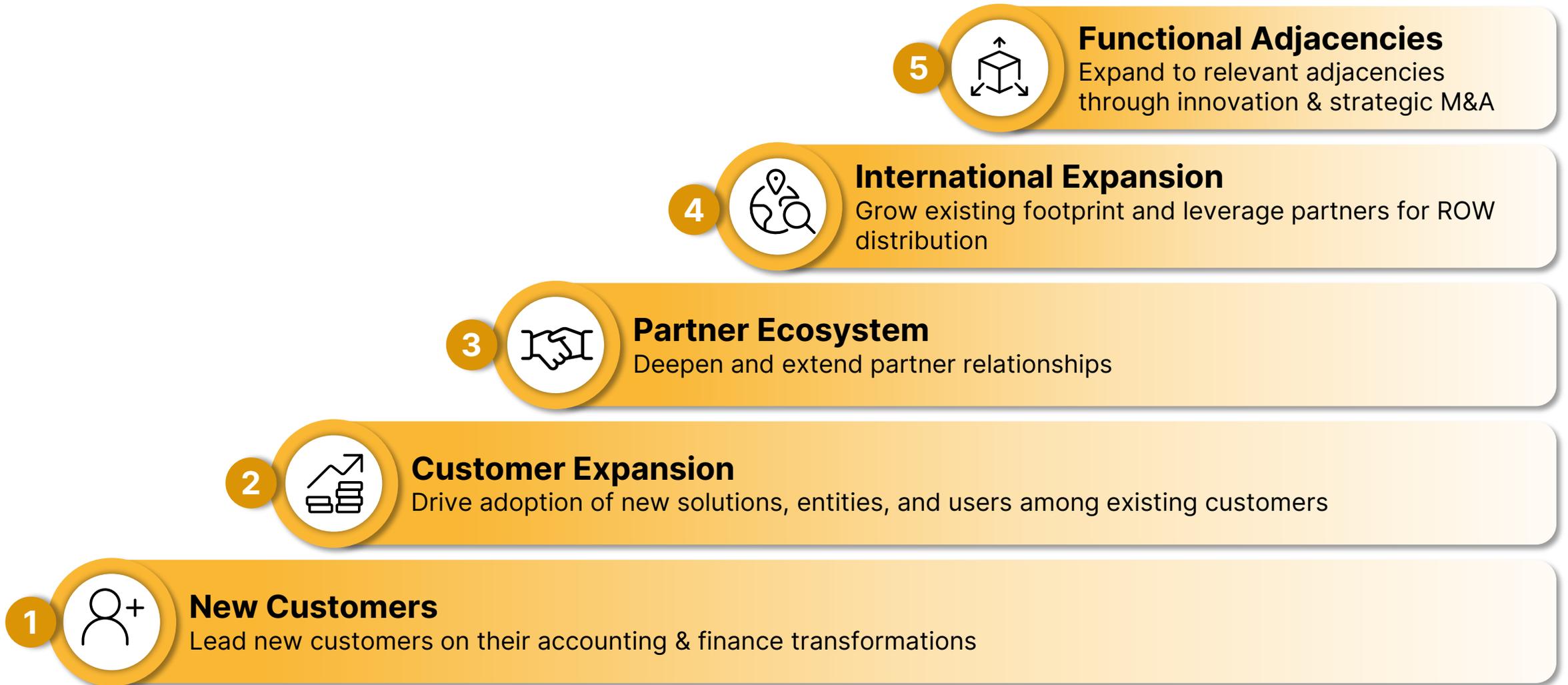
- Strategic reseller partnership with SAP Solution Extensions
- Global & regional consulting alliances
- Partner validation, C-Suite access & influence, and partner deployments
- Comprehensive partner enablement program

Customer Engagement & Success

- Guide all 4,400+ customers along their path to digital transformation, accelerate platform adoption and expand net revenue retention via:
- Leveraging BlackLine expertise and best practices
 - Providing one-on-one and one-to-many optimization workshops



Numerous Levers to Drive Sustained Growth



2Q'24 Financial Highlights



4,400+

Customers



11%

Revenue Growth

95% SaaS recurring revenue



\$620M

Total ARR¹

10% YoY increase



21%

FCF Margin²

\$34M of FCF generated



\$1.5k+

ARPU³

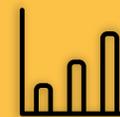
On our 396,000+ user base



79%

Gross Margin²

Highly-profitable business model



\$848M

RPO

9% YoY increase



104%

Net Revenue Retention

Compelling value proposition

Note: YoY growth as of June 30, 2024.

¹BlackLine defines ARR as: contracted recurring revenue components of term subscriptions and support normalized to a one-year period.

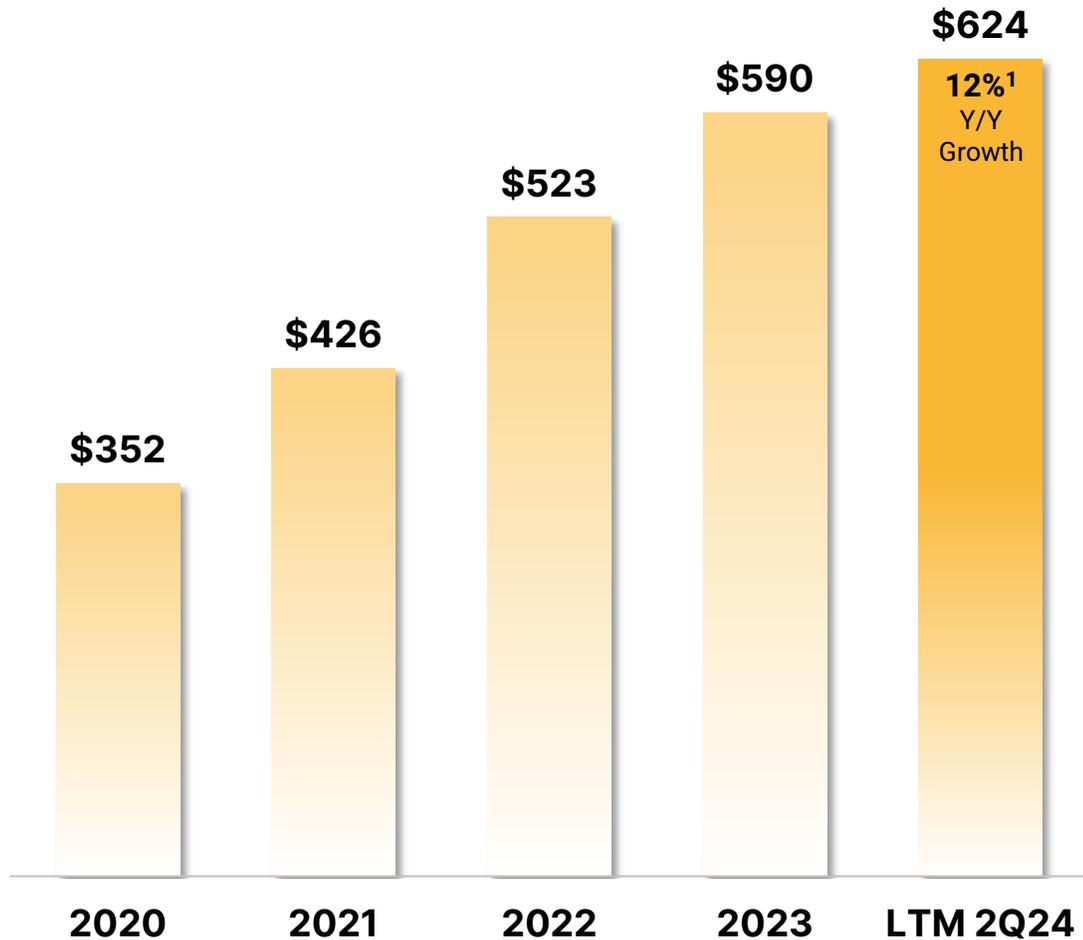
²Represents a Non-GAAP metric. See appendix for GAAP financial measures and reconciliations.

³Calculated as total ARR divided by total users as of June 30, 2024.

Highly Visible Subscription Growth Model

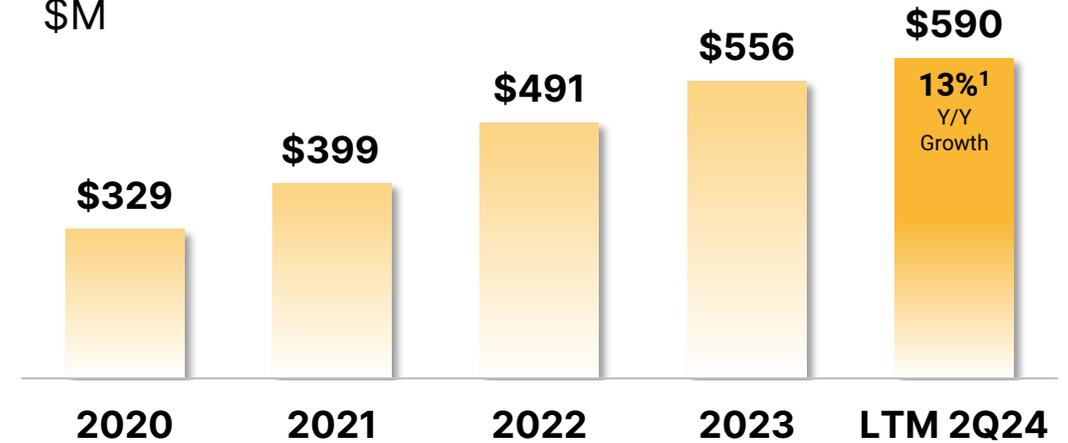
Total Revenue

\$M



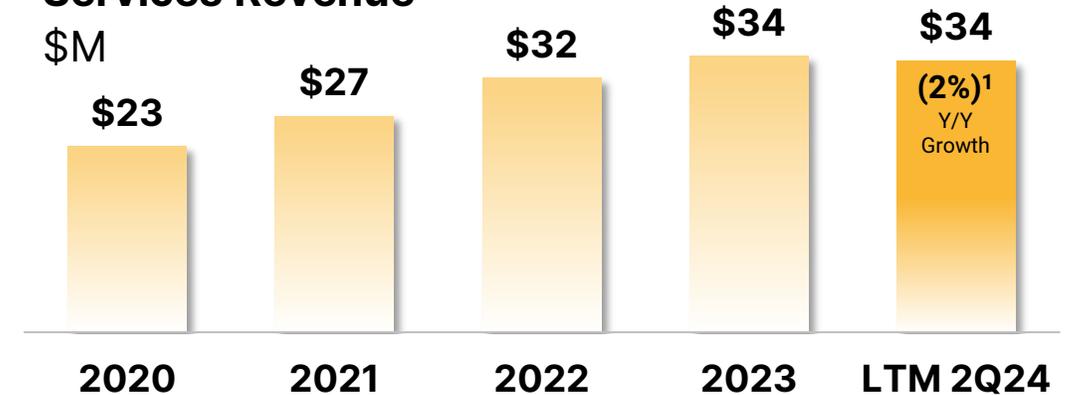
Subscription & Support Revenue

\$M



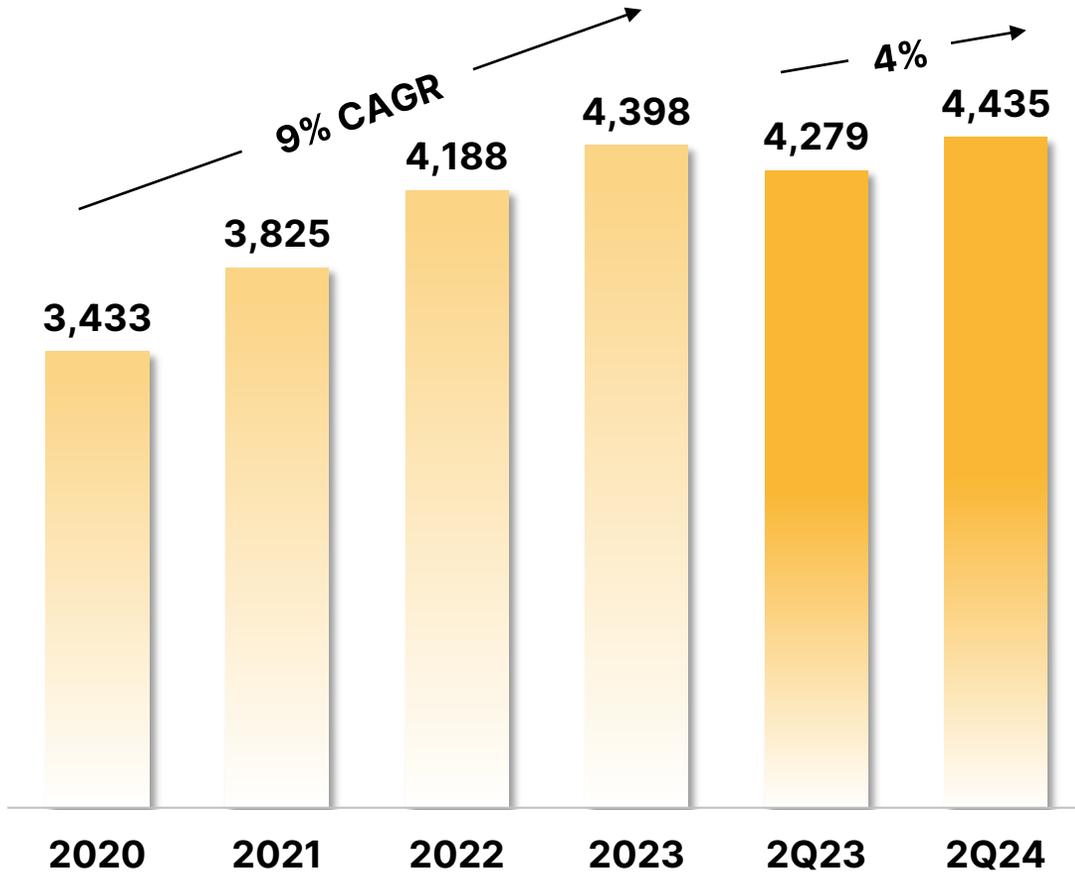
Services Revenue

\$M

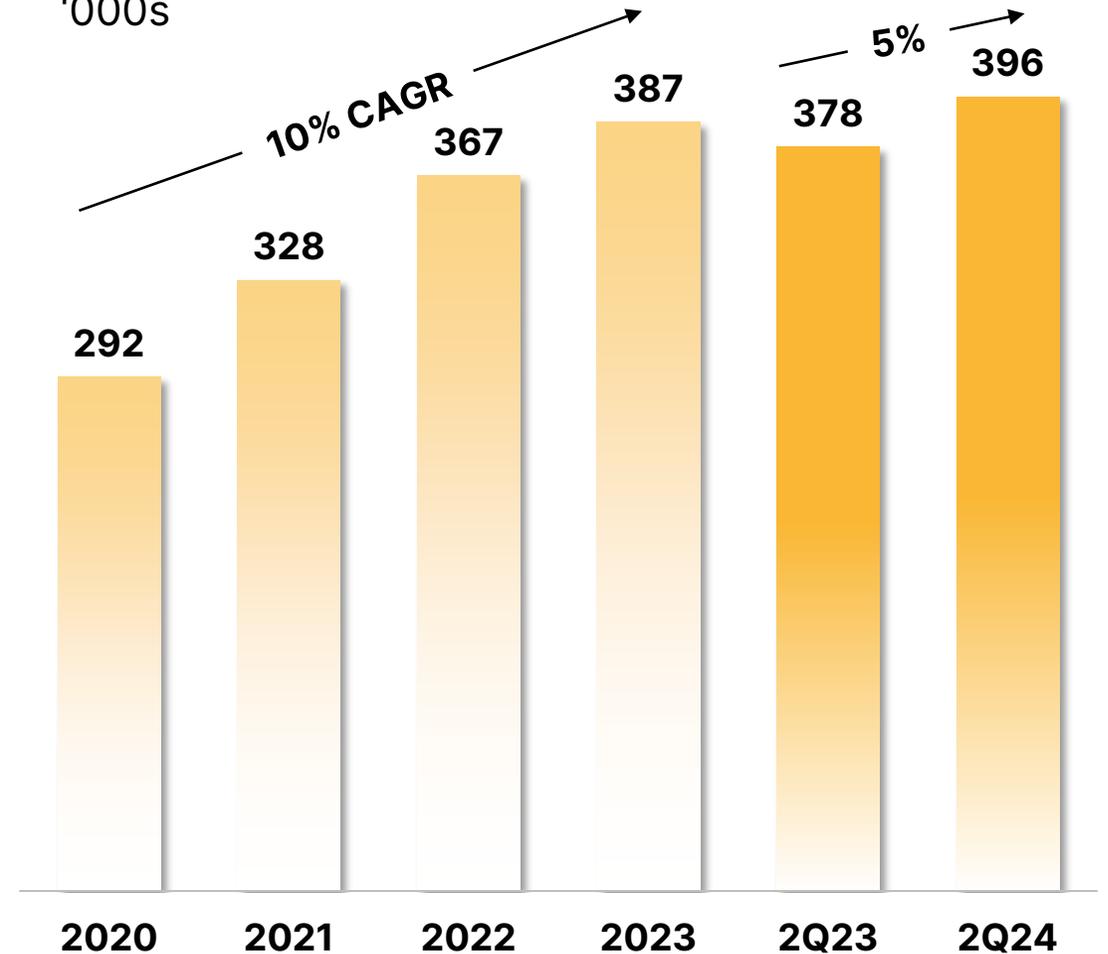


Consistent Customer and User Growth

Customers

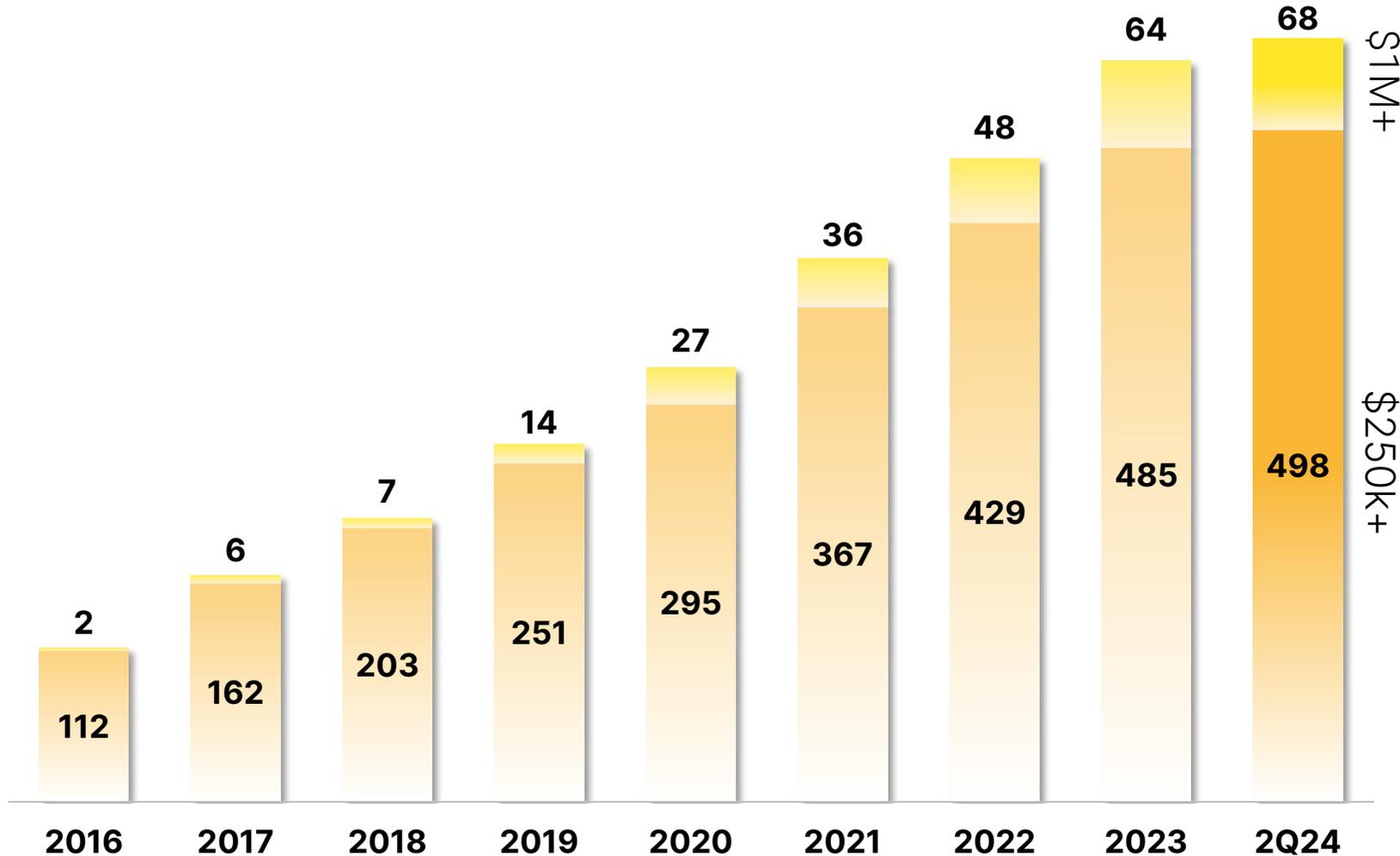


Users
'000s



Continuously Growing Our Customer Wallet Share

566 customers with an ARR¹ of \$250k+



60%

CAGR in customers
spending \$1M or more

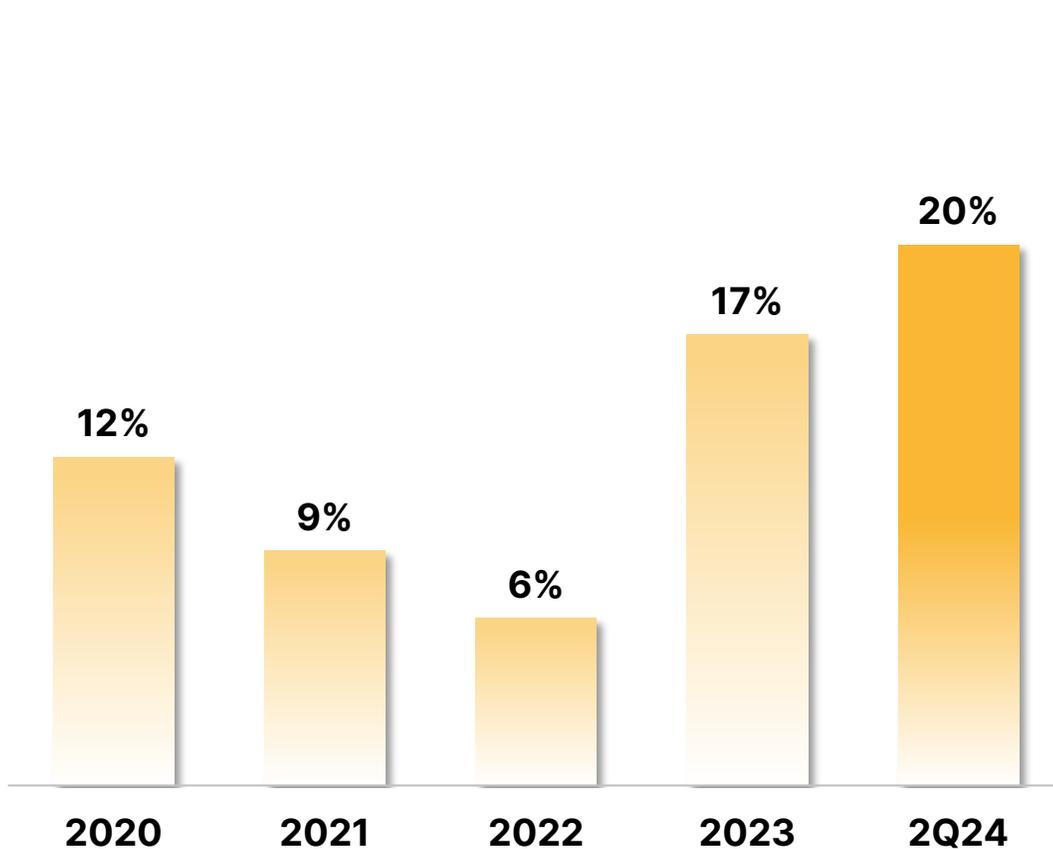
24%

CAGR in customers
spending \$250K or more

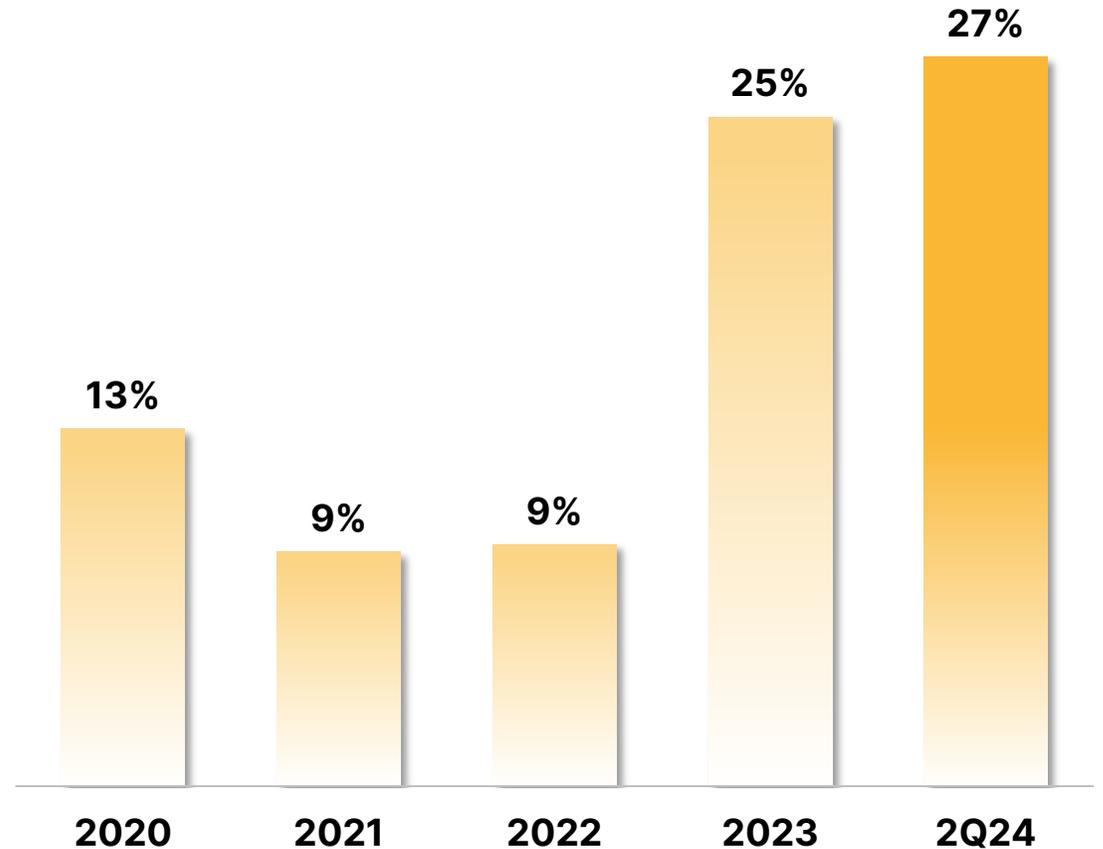
18 ¹ARR refers to annual subscription and support revenue. See appendix for BlackLine's full definition. Data as of June 30, 2024.

Demonstrated Profitability

Non-GAAP Operating Income Margin¹

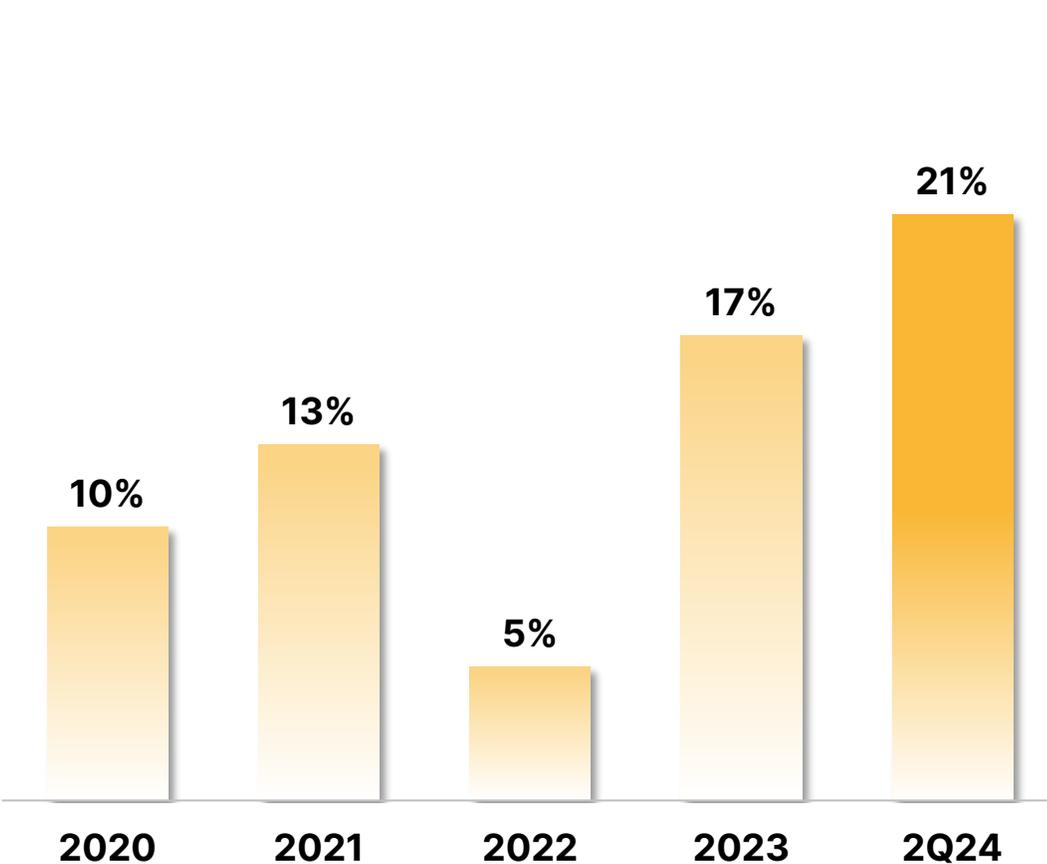


Non-GAAP Net Income Margin¹

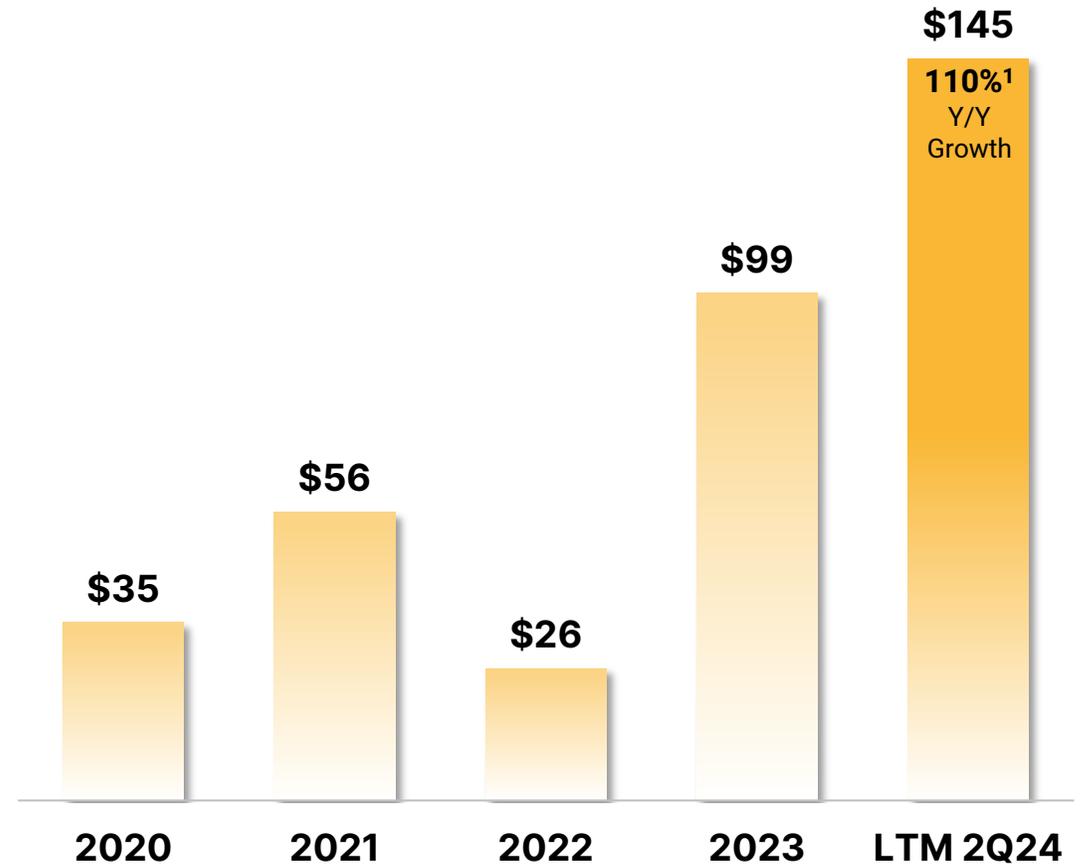


Sustained Cash Flow Generation

Free Cash Flow Margin



Free Cash Flow \$M



20 **Note:** Free cash flow defined as cash flows from operating activities less capex.
¹LTM growth as of June 30, 2024.

Medium-Term Targets & Long-Term Target Model

Metric	2020	2021	2022	2023	MT ¹ Target	LT Model	Primary Drivers
Total Revenue Growth	22%	21%	23%	13%	20% - 25%		Customer expansion, upsell/cross-sell, new logo growth
Gross Margin ²	83%	80%	79%	79%	80% - 82%	83%+	Completion of cloud-transition, scaled expansion
S&M (% of revenue) ²	42%	41%	42%	36%	38% - 40%	~38%	Efficiency, shrinking CAC with evolving upsell/cross-sell mix
R&D (% of revenue) ²	14%	16%	17%	15%	15% - 16%	~15%	Continue to fund solution & innovation roadmap
G&A (% of revenue) ²	15%	15%	15%	12%	11% - 12%	7% - 9%	G&A investment inflection point, economies of scale
Operating Margin ²	12%	9%	6%	17%	15% - 20%	21% - 23%	Operating efficiencies & scale
Free Cash Flow ²	10%	13%	5%	17%	16% - 21%		Operating efficiencies & scale



Appendix

NON-GAAP RECONCILIATIONS, NON-GAAP GROSS PROFIT AND FREE CASH FLOW (\$ IN 000'S)

	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	2019	2020	2021	2022	2023
Non-GAAP Revenues															
GAAP revenues	\$120,236	\$128,477	\$134,268	\$139,957	\$138,984	\$144,574	\$150,708	\$155,730	\$157,461	\$160,506	\$288,976	\$351,737	\$425,706	\$522,938	\$589,996
Purchase accounting adjustment to revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-GAAP Revenues	\$120,236	\$128,477	\$134,268	\$139,957	\$138,984	\$144,574	\$150,708	\$155,730	\$157,461	\$160,506	\$288,976	\$351,737	\$425,706	\$522,938	\$589,996
Non-GAAP Gross Profit															
GAAP gross profit	\$89,563	\$95,554	\$101,842	\$106,594	\$103,713	\$107,458	\$113,914	\$118,118	\$118,364	\$120,158	\$230,001	\$282,765	\$327,835	\$393,553	\$443,203
Purchase accounting adjustment to revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amortization of acquired developed technology	2,337	2,957	3,011	3,010	2,949	2,980	3,090	3,419	3,384	3,383	4,797	1,192	2,685	11,315	12,438
Stock-based compensation expense	1,714	2,249	2,346	2,286	2,797	3,273	3,249	3,121	2,596	3,653	4,814	6,896	8,410	8,595	12,440
Transaction-related costs	272	374	352	357	213	174	(41)	132	52	38	-	-	-	1,355	478
Total Non-GAAP Gross Profit	\$93,886	\$101,134	\$107,551	\$112,247	\$109,672	\$113,885	\$120,212	\$124,790	\$124,396	\$127,232	\$239,612	\$290,853	\$338,930	\$414,818	\$468,559
Total Non-GAAP Gross Profit Margin	78.1%	78.7%	80.1%	80.2%	78.9%	78.8%	79.8%	80.1%	79.0%	79.3%	82.9%	82.7%	79.6%	79.3%	79.4%
Free Cash Flow															
Cash flows from operating activities	\$176	\$5,907	\$24,176	\$25,754	\$22,867	\$24,551	\$37,026	\$42,169	\$50,425	\$40,698	\$29,724	\$54,735	\$80,093	\$56,013	\$126,613
Capitalized software development costs	(4,657)	(5,109)	(5,186)	(4,256)	(6,879)	(5,439)	(4,519)	(4,807)	(6,450)	(5,637)	(5,060)	(10,578)	(14,536)	(19,208)	(21,644)
Purchase of property and equipment	(1,528)	(5,775)	(2,439)	(1,232)	(1,676)	(1,153)	(1,098)	(2,026)	(299)	(677)	(4,632)	(6,513)	(8,729)	(10,974)	(5,953)
Financed purchases of property and equipment	-	(84)	-	-	-	-	-	-	-	-	(427)	(562)	(549)	(84)	-
Purchases of intangible assets	-	-	-	-	-	-	-	-	-	-	-	(2,333)	-	-	-
Free Cash Flow	(\$6,009)	(\$5,061)	\$16,551	\$20,266	\$14,312	\$17,959	\$31,409	\$35,336	\$43,676	\$34,384	\$19,605	\$34,749	\$56,279	\$25,747	\$99,016
Free Cash Flow Margin	(5.0%)	(3.9%)	12.3%	14.5%	10.3%	12.4%	20.8%	22.7%	27.7%	21.4%	6.8%	9.9%	13.2%	4.9%	16.8%

NON-GAAP RECONCILIATIONS, NON-GAAP OPERATING INCOME AND NON-GAAP NET INCOME (\$000'S)

	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	2019	2020	2021	2022	2023
Non-GAAP Income from Operations															
GAAP income (loss) from operations	(\$25,364)	(\$12,693)	(\$21,419)	\$3,278	(\$15,313)	\$17,920	(\$1,074)	\$12,815	\$1,748	\$2,208	(\$27,899)	(\$19,891)	(\$38,614)	(\$56,198)	\$14,348
Amortization of intangible assets	4,162	5,206	5,182	5,181	5,085	5,134	5,140	5,249	5,196	5,195	10,265	7,679	10,479	19,731	20,608
Stock-based compensation expense	15,902	20,609	20,899	18,474	20,883	20,451	20,633	18,101	19,196	23,406	34,052	49,690	65,870	75,884	80,068
Change in fair value of contingent consideration	(1,816)	(14,042)	1,745	(21,017)	3,106	(25,535)	(11,120)	-	-	-	46	28	(2,758)	(35,130)	(33,549)
Legal settlement costs (gains)	690	-	1,019	-	-	-	-	-	-	-	(380)	-	-	1,709	-
Transaction-related costs	7,033	3,676	3,272	2,850	790	1,219	1,823	1,246	216	(6)	-	4,736	1,586	16,831	5,078
Shelf offering costs	-	-	-	-	-	-	-	-	-	-	212	-	-	-	-
Impairment of capitalized software implementation costs	-	-	-	5,330	-	-	-	-	-	-	-	-	-	5,330	-
Restructuring costs	-	-	-	3,841	1,014	135	8,664	1,151	444	928	-	-	-	3,841	10,964
Total Non-GAAP Income From Operations	\$607	\$2,756	\$10,698	\$17,937	\$15,565	\$19,324	\$24,066	\$38,562	\$26,800	\$31,731	\$16,296	\$42,242	\$36,563	\$31,998	\$97,517
<i>Total Non-GAAP Income From Operations Margin</i>	<i>0.5%</i>	<i>2.1%</i>	<i>8.0%</i>	<i>12.8%</i>	<i>11.2%</i>	<i>13.4%</i>	<i>16.0%</i>	<i>24.8%</i>	<i>17.0%</i>	<i>19.8%</i>	<i>5.6%</i>	<i>12.0%</i>	<i>8.6%</i>	<i>6.1%</i>	<i>16.5%</i>
Non-GAAP Net Income Attributable to BlackLine															
Net income (loss) attributable to BlackLine ¹	(\$10,011)	(\$10,665)	(\$20,019)	\$11,304	(\$12,008)	\$30,849	\$11,923	\$22,069	\$10,829	\$76,690	(\$32,535)	(\$46,911)	(\$115,161)	(\$29,391)	\$52,833
Provision for (benefit from) income taxes related to acquisitions	(13,136)	145	299	(942)	(181)	286	(1,827)	526	(583)	2,902	90	(669)	(961)	(13,634)	(1,196)
Shelf offering costs	-	-	-	-	-	-	-	-	-	-	212	-	-	-	-
Stock-based compensation expense	15,840	20,517	20,802	18,417	20,740	20,364	20,503	17,981	19,085	23,292	34,052	49,690	65,723	75,576	79,588
Amortization of debt discount and issuance costs	1,357	1,373	1,389	1,392	1,362	1,379	1,396	1,398	1,385	1,294	8,410	22,689	55,538	5,511	5,535
Amortization of acquired intangible assets	4,162	5,206	5,182	5,181	5,085	5,134	5,140	5,249	5,196	5,195	10,265	7,679	10,479	19,731	20,608
Change in fair value of contingent consideration	(1,816)	(14,042)	1,745	(21,017)	3,106	(25,535)	(11,120)	-	-	-	46	28	(2,758)	(35,130)	(33,549)
Transaction-related costs	7,033	3,676	3,272	2,850	790	1,219	1,823	1,246	216	(6)	-	4,736	1,586	16,831	5,078
Legal settlement costs (gains)	690	-	1,019	-	-	-	-	-	-	-	(380)	-	-	1,709	-
Impairment of capitalized software implementation costs	-	-	-	5,330	-	-	-	-	-	-	-	-	-	5,330	-
Restructuring costs	-	-	-	3,841	1,014	135	8,664	1,151	444	928	-	-	-	3,841	10,964
Adjustment to redeemable non-controlling interest	(3,417)	(1,185)	1,375	(904)	5,192	(3,103)	1,355	1,890	3,503	(2,255)	1,833	8,858	15,077	(4,131)	5,334
(Gain) loss on extinguishment of convertible senior notes	-	-	-	-	-	-	-	-	-	(65,112)	-	-	7,012	-	-
Total Non-GAAP Net Income Attributable to BlackLine	\$702	\$5,025	\$15,064	\$25,452	\$25,100	\$30,728	\$37,857	\$51,510	\$40,075	\$42,928	\$21,993	\$46,100	\$36,535	\$46,243	\$145,195
<i>Total Non-GAAP Net Income Attributable to BlackLine Margin</i>	<i>0.6%</i>	<i>3.9%</i>	<i>11.2%</i>	<i>18.2%</i>	<i>18.1%</i>	<i>21.3%</i>	<i>25.1%</i>	<i>33.1%</i>	<i>25.5%</i>	<i>26.7%</i>	<i>7.6%</i>	<i>13.1%</i>	<i>8.6%</i>	<i>8.8%</i>	<i>24.6%</i>

24 ¹2019 net income attributable to BlackLine has been adjusted for the non-cash, income tax revision.



NON-GAAP RECONCILIATIONS, NON-GAAP S&M, NON-GAAP R&D, NON-GAAP G&A (\$000'S)

	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	2019	2020	2021	2022	2023
GAAP Sales and Marketing Expense	\$60,027	\$66,000	\$64,540	\$66,295	\$61,931	\$62,749	\$61,576	\$56,898	\$61,111	\$60,248	\$158,837	\$174,581	\$202,620	\$256,862	\$243,154
Amortization of intangible assets	(1,347)	(1,771)	(1,694)	(1,693)	(1,659)	(1,676)	(1,705)	(1,751)	(1,733)	(1,734)	(3,872)	(4,655)	(5,883)	(6,505)	(6,791)
Stock-based compensation expense	(5,924)	(7,438)	(7,257)	(5,691)	(6,483)	(6,182)	(6,123)	(5,364)	(5,794)	(6,629)	(15,389)	(21,546)	(22,756)	(26,310)	(24,152)
Transaction-related costs	(620)	(825)	(714)	(240)	15	(206)	(96)	(110)	33	(54)	-	-	-	(2,399)	(397)
Impairment of capitalized software implementation costs	-	-	-	(3,361)	-	-	-	-	-	-	-	-	-	(3,361)	-
Non-GAAP Sales and Marketing Expense	\$52,136	\$55,966	\$54,875	\$55,310	\$53,804	\$54,685	\$53,652	\$49,673	\$53,617	\$51,831	\$139,576	\$148,380	\$173,981	\$218,287	\$211,814
% of Total Revenue	43.4%	43.6%	40.9%	39.5%	38.7%	37.8%	35.6%	31.9%	34.1%	32.3%	48.3%	42.2%	40.9%	41.7%	35.9%
GAAP Research and Development Expense	\$25,248	\$27,902	\$27,721	\$28,022	\$27,105	\$26,802	\$26,722	\$22,578	\$25,015	\$25,721	\$43,006	\$56,464	\$77,322	\$108,893	\$103,207
Stock-based compensation expense	(2,897)	(3,810)	(3,847)	(3,828)	(3,824)	(3,708)	(3,750)	(1,813)	(2,851)	(3,499)	(4,729)	(7,398)	(11,110)	(14,382)	(13,095)
Transaction-related costs	(1,542)	(2,119)	(2,057)	(2,079)	(506)	(772)	(746)	(833)	(171)	106	-	-	-	(7,797)	(2,857)
Non-GAAP Research and Development Expense	\$20,809	\$21,973	\$21,817	\$22,115	\$22,775	\$22,322	\$22,226	\$19,932	\$21,993	\$22,328	\$38,277	\$49,066	\$66,212	\$86,714	\$87,255
% of Total Revenue	17.3%	17.1%	16.2%	15.8%	16.4%	15.4%	14.7%	12.8%	14.0%	13.9%	13.2%	13.9%	15.6%	16.6%	14.8%
GAAP General and Administrative Expense	\$29,652	\$14,345	\$31,000	\$5,158	\$28,976	(\$148)	\$18,026	\$24,676	\$30,046	\$31,053	\$56,057	\$71,611	\$86,507	\$80,155	\$71,530
Amortization of intangible assets	(478)	(478)	(477)	(478)	(477)	(478)	(345)	(79)	(79)	(78)	(1,596)	(1,832)	(1,911)	(1,911)	(1,379)
Stock-based compensation expense	(5,367)	(7,112)	(7,449)	(6,669)	(7,779)	(7,288)	(7,511)	(7,803)	(7,955)	(9,625)	(9,120)	(13,850)	(23,594)	(26,597)	(30,381)
Change in fair value of contingent consideration	1,816	14,042	(1,745)	21,017	(3,106)	25,535	11,120	-	-	-	(46)	(28)	2,758	35,130	33,549
Legal settlement costs (gains)	(690)	-	(1,019)	-	-	-	-	-	-	-	380	-	-	(1,709)	-
Transaction-related costs	(4,599)	(358)	(149)	(174)	(86)	(67)	(1,022)	(171)	(26)	(8)	-	(4,736)	(1,586)	(5,280)	(1,346)
Shelf offering costs	-	-	-	-	-	-	-	-	-	-	(212)	-	-	-	-
Impairment of capitalized software implementation costs	-	-	-	(1,969)	-	-	-	-	-	-	-	-	-	(1,969)	-
Non-GAAP General and Administrative Expense	\$20,334	\$20,439	\$20,161	\$16,885	\$17,528	\$17,554	\$20,268	\$16,623	\$21,986	\$21,342	\$45,463	\$51,165	\$62,174	\$77,819	\$71,973
% of Total Revenue	16.9%	15.9%	15.0%	12.1%	12.6%	12.1%	13.4%	10.7%	14.0%	13.3%	15.7%	14.5%	14.6%	14.9%	12.2%