



# 2020 ANNUAL REPORT





## OUR MISSION

To be the **PREMIER PROVIDER** of software, data and analytics known for **CLIENT FOCUS** and **PRODUCT EXCELLENCE** and the delivery of **INNOVATIVE**, seamlessly **INTEGRATED** solutions with **URGENCY**.

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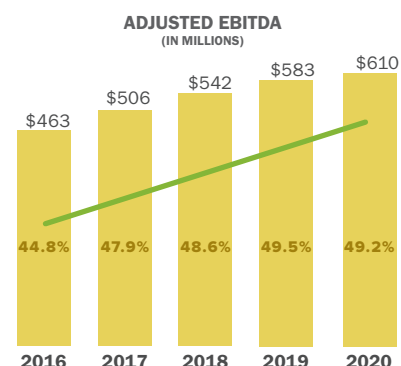
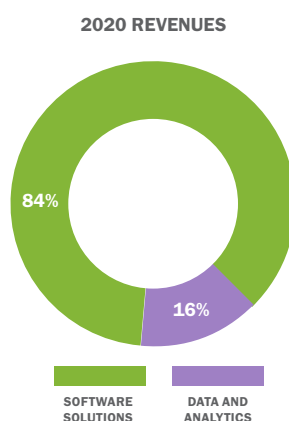
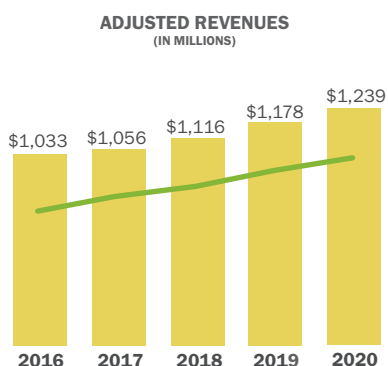
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# FINANCIAL HIGHLIGHTS



	2020	2019	2018
(in millions, except per share data)			
Revenues	<b>\$1,238.5</b>	\$1,177.2	\$1,114.0
Adjusted revenues <sup>(1)</sup>	<b>\$1,238.9</b>	\$1,177.7	\$1,116.5
Earnings before equity in earnings (losses) of unconsolidated affiliates	<b>\$178.7</b>	\$182.8	\$168.5
Net earnings	<b>\$245.8</b>	\$108.8	\$168.5
Net earnings margin	<b>19.8%</b>	9.2%	15.1%
Net earnings attributable to Black Knight <sup>(2)</sup>	<b>\$264.1</b>	\$108.8	\$168.5
Net earnings attributable to Black Knight, per diluted share <sup>(2)</sup>	<b>\$1.73</b>	\$0.73	\$1.14
Adjusted net earnings <sup>(1)</sup>	<b>\$322.3</b>	\$295.4	\$277.9
Adjusted EPS <sup>(1)</sup>	<b>\$2.11</b>	\$1.99	\$1.87
Adjusted EBITDA <sup>(1)</sup>	<b>\$609.9</b>	\$583.4	\$542.5
Adjusted EBITDA margin <sup>(1)</sup>	<b>49.2%</b>	49.5%	48.6%

(1) For a description and reconciliation of non-GAAP financial measures presented in this document, please see the Non-GAAP Financial Measures page, or visit the Black Knight Investor Relations website at <https://investor.blackknightinc.com>.

(2) In 2020, the effect of our indirect investment in Dun & Bradstreet Holdings, Inc. was an increase in Net earnings attributable to Black Knight of \$62.1 million, or \$0.41 per diluted share, compared to a reduction in Net earnings attributable to Black Knight of \$73.9 million, or \$0.50 per diluted share, in 2019.

# TO OUR VALUED SHAREHOLDERS

Without a doubt, 2020 was a year like no other.

We are pleased with our performance in 2020 and all that we accomplished, especially in light of the uncertain economic environment caused by the pandemic. Despite these challenges, 2020 was a year where we delivered on our commitments, signed new clients, expanded relationships with existing clients and implemented additional portfolios onto our premier software platforms – all while providing superior support for our clients.

Specifically, in 2020, we launched several innovative products at a rapid pace, completed three acquisitions, delivered the implementation of Bank of America's servicing portfolio onto the MSP® system and exceeded our sales goals.



**William P. Foley, II**  
Chairman of the Board

## DELIVERING INNOVATIVE SOLUTIONS WITH URGENCY

One of our core tenets is to deliver innovative solutions – with urgency – and to integrate them across our ecosystem to help our clients grow revenue, expand margins and support their compliance efforts. We are committed to developing best-in-class solutions and, when appropriate, acquiring companies or proven technologies that accelerate our time to market for our clients or expand our addressable market.

This year, we launched several new, innovative solutions across the mortgage life cycle. As an example, to assist in the home-buying process, we introduced the SCOUT™ solution, a cloud-based application that enables remote property inspections by helping homeowners easily collect and transmit their property data and important details and photos without requiring an appraiser to enter the property. Appraisers then use this information to help determine the property's value.

We introduced Seller Digital™ for our lender clients. This powerful solution leverages artificial intelligence and decisioning to help correspondent lenders originate and sell loans. Seller Digital is fully integrated with our Empower® loan origination system; product, pricing and eligibility engine (PPE); point of sale digital solution; and our guided eClose solution.



Anthony M. Jabbour  
Chief Executive Officer

For our servicing clients, we launched our next-generation Customer Service™ solution, which gives customer service representatives highly personalized information about their customers' loans, homes and neighborhoods through an intuitive, easy-to-use graphical user interface so they can respond to customer questions more quickly, accurately and efficiently.

The introduction of our Mandatory Analytics™ solution enables investors to measure the success of their portfolio sales in comparison to overall market performance, down to the loan level, to help them make more informed decisions.

And, we launched the unique and innovative McDash Flash™ data report suite, which leverages daily, loan-level data to provide market participants with the most current view of the forbearance and mortgage performance landscape.

## EXPANDING THE BLACK KNIGHT ECOSYSTEM

In addition to building innovative solutions, we also acquired three companies that help expand the solutions we offer to the markets we serve. Our acquisition of Collateral Analytics gives us additional real estate analytic products and tools to support appraisers, appraisal management companies, lenders, investors and government agencies, along with adding powerful automated valuation models (AVMs), collateral and mortgage risk tools.

The acquisition of DocVerify in August accelerated our goal of delivering remote online notarization functionality as part of our ability to provide a fully digital experience throughout the real estate and mortgage continuum. DocVerify's trusted and proven digital document verification capabilities are already seamlessly integrated with Expedite Close™, Black Knight's digital closing platform.

In September, our Optimal Blue acquisition added an industry-leading PPE and hedging capabilities to our already robust set of solutions and further enhanced our comprehensive data and analytics offerings. By combining our Optimal Blue and Compass Analytics businesses, we have a single team that provides premier solutions to the secondary market.

## CLIENT-FIRST CULTURE

In addition to delivering quality solutions to help our clients better serve their borrowers and operate more efficiently, we continue to make significant investments to support regulatory requirements. This laser focus on supporting our clients with their regulatory requirements led to strong sales and cross-sales across all business lines.

In our origination software business, we signed 10 new Empower clients, including a top-50 originator. We continue to sell solutions such as Point of Sale™, Expedite Close, Remote Online Notarization™, AIVA™ and Fee Services™, which augment the LOS by making the origination process more efficient. In fact, the sales team for these solutions achieved extraordinary growth by tripling direct sales in 2020 over 2019.

Our secondary marketing business unit had a record sales year in 2020 by adding 199 new PPE clients, 63 new hedging clients and 30 new investors to our client base. We also cross-sold our PPE to six Empower clients in the fourth quarter, further highlighting the benefits of unifying Black Knight and Optimal Blue.

In the servicing software business, we signed nine new MSP clients, which matches the number of clients we signed last year and the most signed since 2013. Along with other ongoing implementations, these clients will add nearly 1.9 million loans to MSP by the end of 2022. We also renewed nine MSP clients to long-term contracts in 2020.

As our clients continue to look for ways to increase customer satisfaction, retention and profitability, we continue to see strong adoption of our Servicing Digital™ solution. Servicers are able to reduce costs and increase customer satisfaction by allowing their customers to self-serve. Consumers can benefit from the strong capabilities in the app that enable them to look at “what-if scenarios” around paying off their loans; to reach out for loss mitigation; or, in a low-rate environment, to start a refinance application. As further proof of the value this offering delivers to both consumers and servicers, we signed 20 clients to Servicing Digital in 2020, representing 12.7 million loans.



## INNOVATION



## INTEGRATION



## URGENCY

Our Loss Mitigation™ solution is another recent offering that has generated significant client interest. As millions of loans on forbearance plans reach their expiration date, servicers need an intuitive, powerful tool to help them make decisions on these loans. In 2020, 23 MSP clients – representing 33 percent of MSP loans – signed up for Loss Mitigation.

In our data and analytics business, we launched the Rapid Analytics Platform™ to help transform the way companies work, leverage data and enable decision science strategies. By the end of 2020, we had signed 12 more clients to this powerful, cloud-based analytics platform.

## FOCUSED ON THE FUTURE

As we move into 2021, Black Knight will continue executing on our strategic initiatives to drive organic growth through winning new clients, delivering innovative products at an accelerated pace, and cross-selling our solutions to existing clients. We will continue to pursue select acquisitions that will help us further solidify our strong offerings. And, above all, we will remain focused on providing exceptional support to our clients.

William P. Foley, II  
Chairman of the Board

Anthony M. Jabbour  
Chief Executive Officer

# NON-GAAP FINANCIAL MEASURES

## RECONCILIATION OF REVENUES TO ADJUSTED REVENUES

(\$ in millions)	Year Ended				
	2020	2019	2018	2017	2016
<b>Revenues</b>	<b>\$1,238.5</b>	<b>\$1,177.2</b>	<b>\$1,114.0</b>	<b>\$1,051.6</b>	<b>\$1,026.0</b>
Deferred revenue purchase accounting adjustment	0.4	0.5	2.5	4.5	7.3
<b>Adjusted revenues</b>	<b>\$1,238.9</b>	<b>\$1,177.7</b>	<b>\$1,116.5</b>	<b>\$1,056.1</b>	<b>\$1,033.3</b>

## RECONCILIATION OF NET EARNINGS TO ADJUSTED EBITDA

(\$ in millions)	Year Ended				
	2020	2019	2018	2017	2016
<b>Net earnings attributable to Black Knight</b>	<b>\$264.1</b>	<b>\$108.8</b>	<b>\$168.5</b>	<b>\$182.3</b>	<b>\$45.8</b>
Depreciation and amortization	270.7	236.2	217.0	206.5	208.3
Interest expense, net	62.9	63.5	51.7	57.5	67.6
Income tax expense (benefit)	41.6	41.9	37.7	(61.8)	25.8
Other (income) expense, net	(16.4)	1.4	71	12.6	6.4
Equity in (earnings) losses of unconsolidated affiliates, net of tax	(62.1)	74.0	—	—	—
Gain on sale of investment in unconsolidated affiliate, net of tax	(5.0)	—	—	—	—
Net losses attributable to redeemable noncontrolling interests	(18.3)	—	—	—	—
Net earnings attributable to noncontrolling interests	—	—	—	71.9	87.2
<b>EBITDA</b>	<b>537.5</b>	<b>525.8</b>	<b>482.0</b>	<b>469.0</b>	<b>441.1</b>
Deferred revenue purchase accounting adjustment	0.4	0.5	2.5	4.5	7.3
Equity-based compensation	40.6	51.7	51.4	19.2	12.4
Debt and/or equity offering expenses	0.1	—	0.7	7.5	0.6
Spin-off-related transition costs	—	—	2.2	5.6	—
Acquisition-related costs	26.1	3.8	1.3	—	1.7
Expense reduction initiatives	5.2	1.6	—	—	—
Executive transition costs	—	—	2.4	—	—
<b>Adjusted EBITDA</b>	<b>\$609.9</b>	<b>\$583.4</b>	<b>\$542.5</b>	<b>\$505.8</b>	<b>\$463.1</b>
Net earnings margin	19.8%	9.2%	15.1%	24.2%	13.0%
Adjusted EBITDA margin	49.2%	49.5%	48.6%	47.9%	44.8%

## RECONCILIATION OF NET EARNINGS TO ADJUSTED NET EARNINGS

(\$ in millions, except per share data)	Year Ended		
	2020	2019	2018
<b>Net earnings attributable to Black Knight</b>	<b>\$264.1</b>	<b>\$108.8</b>	<b>\$168.5</b>
Equity in (earnings) losses of unconsolidated affiliates, net of tax	(62.1)	74.0	—
Gain on sale of investment in unconsolidated affiliate, net of tax	(5.0)	—	—
Depreciation and amortization purchase accounting adjustment	135.4	97.4	90.6
Deferred revenue purchase accounting adjustment	0.4	0.5	2.5
Equity-based compensation	40.6	51.7	51.4
Debt and/or equity offering expenses	0.1	—	6.5
Spin-off-related transition costs	—	—	2.4
Acquisition-related costs	26.1	3.8	1.3
Expense reduction initiatives	5.2	1.6	—
Executive transition costs	—	—	2.4
Legal matters	(16.2)	1.5	0.8
Income tax expense adjustment	(43.9)	(43.9)	(48.5)
Redeemable noncontrolling interests adjustment	(22.4)	—	—
<b>Adjusted net earnings</b>	<b>\$322.3</b>	<b>\$295.4</b>	<b>\$277.9</b>
Adjusted EPS	\$2.11	\$1.99	\$1.87
Weighted average shares outstanding, diluted	152.9	148.6	148.2

**Adjusted revenues** – We define Adjusted revenues as Revenues adjusted to include the revenues that were not recorded by Black Knight during the periods presented due to the deferred revenue purchase accounting adjustment recorded in accordance with GAAP. These adjustments are reflected in Corporate and Other.

**Adjusted EBITDA** – We define Adjusted EBITDA as Net earnings attributable to Black Knight, with adjustments to reflect the addition or elimination of certain statement of earnings items including, but not limited to (i) Depreciation and amortization; (ii) Impairment charges; (iii) Interest expense, net; (iv) Income tax expense (benefit); (v) Other (income) expense, net; (vi) Equity in (earnings) losses of unconsolidated affiliates, net of tax; (vii) (Gains) losses on sale of investments in unconsolidated affiliate, net of tax; (viii) Net earnings (losses) attributable to redeemable noncontrolling interests; (ix) deferred revenue purchase accounting adjustment; (x) equity-based compensation, including certain related payroll taxes; (xi) costs associated with debt and/or equity offerings, including the spin-off of Black Knight from Fidelity National Financial, Inc. ("FNF") (the "Distribution"); (xii) spin-off-related transition costs; (xiii) acquisition-related costs, including costs pursuant to purchase agreements; (xiv) costs associated with expense reduction initiatives; and (xv) costs associated with executive transition. Prior to the Distribution, Adjusted EBITDA also includes an adjustment for Net earnings attributable to noncontrolling interests. These adjustments are reflected in Corporate and Other.

**Adjusted EBITDA margin** – Adjusted EBITDA margin is calculated by dividing Adjusted EBITDA by Adjusted revenues.

**Adjusted net earnings** – We define Adjusted net earnings as Net earnings attributable to Black Knight with adjustments to reflect the addition or elimination of certain statement of earnings items including, but not limited to (i) equity in (earnings) losses of unconsolidated affiliates, net of tax; (ii) (gains) losses on sale of investments in unconsolidated affiliate, net of tax; (iii) the net incremental depreciation and amortization adjustments associated with the application of purchase accounting, primarily related to the FNF acquisition of a predecessor of Black Knight in January 2014; (iv) deferred revenue purchase accounting adjustment; (v) equity-based compensation, including certain related payroll taxes; (vi) costs associated with debt and/or equity offerings, including the Distribution; (vii) spin-off-related transition costs; (viii) acquisition-related costs, including costs pursuant to purchase agreements; (ix) costs associated with expense reduction initiatives; (x) costs associated with executive transition; (xi) costs and settlement (gains) losses associated with significant legal matters; (xii) adjustment for income tax expense primarily related to the tax effect of the non-GAAP adjustments; and (xiii) adjustment for redeemable noncontrolling interests primarily related to the effect of the non-GAAP adjustments.

**Adjusted EPS** – Adjusted EPS is calculated by dividing Adjusted net earnings by the diluted weighted average shares of common stock outstanding.

# INFORMATION

## BOARD OF DIRECTORS

**William P. Foley, II**  
Chairman  
Black Knight, Inc.

**David K. Hunt**  
Private Investor

**Ganesh B. Rao**  
Managing Director  
Thomas H. Lee Partners, L.P.

**Catherine L. Burke**  
Chief Strategy Officer  
Daniel J. Edelman Holdings, Inc.

**Anthony M. Jabbour**  
Chief Executive Officer  
Black Knight, Inc.

**John D. Rood**  
Chairman  
The Vestcor Companies, Inc.

**Thomas M. Hagerty**  
Managing Director  
Thomas H. Lee Partners, L.P.

**Joseph M. Otting**  
Private Investor

**Nancy L. Shanik**  
Private Investor

COMMITTEE COMPOSITION	Audit	Compensation	Nominating and Governance	Risk
Catherine L. Burke				
Thomas M. Hagerty*				
David K. Hunt				
Joseph M. Otting				
Ganesh B. Rao				
John D. Rood				
Nancy L. Shanik				

 MEMBER  CHAIRPERSON \* INDEPENDENT LEAD DIRECTOR

## CORPORATE OFFICERS

**Anthony M. Jabbour**  
Chief Executive Officer

**Shelley S. Leonard**  
Chief Product and Digital Officer

**Colleen E. Haley**  
Corporate Secretary

**Joseph M. Nackashi**  
President

**Michael L. Gravelle**  
Executive Vice President  
and General Counsel

**Michele M. Meyers**  
Chief Accounting Officer  
and Treasurer

**Kirk T. Larsen**  
Executive Vice President  
and Chief Financial Officer

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# COMPANY AND SHAREHOLDER INFORMATION

## CORPORATE OFFICE

Black Knight, Inc.  
601 Riverside Avenue  
Jacksonville, FL 32204

BlackKnightInc.com

## STOCK TRANSFER AGENT AND REGISTRAR

Continental Stock Transfer and Trust Company  
1 State Street  
New York, NY 10004

(212) 509-4000

## INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

KPMG LLP  
501 Riverside Avenue, Suite 500  
Jacksonville, FL 32202

## STOCK EXCHANGE LISTING

The ticker symbol for Black Knight, Inc. common stock is [BKI](#), and it is listed on the New York Stock Exchange.

## PUBLICATIONS

The Company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q are available on the Investors section of the Company's website at [BlackKnightInc.com](#).

A Notice of Annual Meeting of Shareholders and Proxy Statement are furnished to shareholders in advance of the Annual Meeting.

## INVESTOR RELATIONS

Please visit the [Contact Investor Relations](#) section of Black Knight's Investors website at [BlackKnightInc.com](#) to submit a question or request to the Investor Relations department.

You can also contact Black Knight's Investor Relations department via email at [investor@BKFS.com](mailto:investor@BKFS.com) or by phone at 904.854.3683.

## CERTIFICATIONS

Black Knight filed the Chief Executive Officer and Chief Financial Officer certifications required by Section 302 of the Sarbanes-Oxley Act of 2002 as exhibits to its Annual Report on Form 10-K for the year ended December 31, 2020.



BlackKnightInc.com | 904.854.5100