



Press Release

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Black Knight Reports First Quarter 2018 Financial Results

- **Revenues of \$270.3 million and Adjusted Revenues of \$271.2 million**
- **Net earnings attributable to Black Knight of \$42.7 million, or \$0.29 per diluted share, and Adjusted Net Earnings of \$64.1 million, or \$0.43 per diluted share**
- **Adjusted EBITDA of \$129.9 million and Adjusted EBITDA Margin of 47.9%**

JACKSONVILLE, Fla. - May 7, 2018 - Black Knight, Inc. (NYSE: BKI), a leading provider of software, data and analytics solutions to the mortgage and consumer loan, real estate and capital markets verticals, today announced unaudited financial results for the first quarter ended March 31, 2018.

Revenues for the first quarter of 2018 increased 5% to \$270.3 million from \$258.1 million in the prior year quarter. Net earnings attributable to Black Knight for the first quarter of 2018 were \$42.7 million, or \$0.29 per diluted share, compared to \$12.2 million, or \$0.18 per diluted share, in the prior year quarter.

Adjusted Revenues for the first quarter of 2018 increased 5% to \$271.2 million from \$259.5 million in the prior year quarter. Adjusted Net Earnings for the first quarter of 2018 increased 42% to \$64.1 million, or \$0.43 per diluted share, compared to \$45.3 million, or \$0.30 per diluted share, in the prior year quarter.

Adjusted EBITDA for the first quarter of 2018 increased 9% to \$129.9 million from \$119.4 million in the prior year quarter. Adjusted EBITDA Margin was 47.9%, an increase of 190 basis points compared to the prior year quarter.

Black Knight Executive Chairman Bill Foley said, "We had a solid start to 2018, as we delivered Adjusted Revenues growth of 5% and Adjusted EBITDA growth of 9%, which drove margin expansion of 190 basis points. Our first quarter results reflect our continued focus on driving organic growth through cross-sell, adding new clients and the delivery of innovative solutions. The underlying fundamentals of our business remain strong, and we are on course to achieve the financial targets we have set for 2018."

Foley continued, "On behalf of the board of directors, we are excited to welcome Anthony Jabbour to Black Knight as Chief Executive Officer. I am confident that the extensive experience and skills he brings to the company will drive our future success, and we look forward to his leadership."

Black Knight Chief Executive Officer Anthony Jabbour added, "It is a privilege to join the Black Knight team and I am excited about where this company is today and where I believe it can be in the years to come. The unique blend of industry leading solutions, exceptional client partnerships and an employee base with deep industry knowledge lead me to believe that Black Knight is well positioned to continue its successes on all fronts."

Definitions of non-GAAP financial measures and the reconciliations to related GAAP measures are provided in subsequent sections of the press release narrative and supplemental schedules. Black Knight has not provided a reconciliation of forward-looking Adjusted Net Earnings Per Share and Adjusted EBITDA to the most directly comparable GAAP financial measures, due primarily to

variability and difficulty in making accurate forecasts and projections of non-operating matters that may arise, as not all of the information necessary for a quantitative reconciliation is available to Black Knight without unreasonable effort.

Segment Information

Software Solutions

Adjusted Revenues for the first quarter of 2018 increased 5% to \$233.6 million from \$223.1 million in the prior year quarter. Our servicing software business had Adjusted Revenues growth of 7%, primarily driven by strong loan growth on our core servicing software solution from new and existing clients, price increases and new client wins. In our origination software business, Adjusted Revenues declined 4% as increased professional services and new client wins were more than offset by lower Exchange volumes as a result of the 14% decline in refinancing originations as reported by the Mortgage Bankers Association and client contract termination fees in the prior year quarter. Adjusted EBITDA increased 9% to \$136.8 million from \$125.4 million, with an Adjusted EBITDA Margin of 58.6%, an increase of 240 basis points compared to the prior year quarter.

Data and Analytics

Adjusted Revenues for the first quarter of 2018 increased 3% to \$37.6 million from \$36.4 million in the prior year quarter primarily driven by growth in our multiple listing service business and increased volumes in our tax and title data businesses. Adjusted EBITDA was \$8.6 million compared to \$6.9 million in the prior year quarter, with an Adjusted EBITDA Margin of 22.9%, an increase of 390 basis points compared to the prior year quarter.

Share Repurchase Program

During the first quarter of 2018, we repurchased 3.0 million shares of common stock for \$141.5 million, or an average price of \$47.15 per share. As of March 31, 2018, we had approximately 3.8 million shares remaining under our share repurchase authorization.

Segment Realignment

On January 1, 2018, we realigned the composition of our two reportable segments. Certain enterprise business intelligence offerings in our Data and Analytics segment were moved to our Software Solutions segment (the "Segment Realignment"). This change aligns with our go-to-market strategy and with the internal management of our business operations, including the allocation of resources and assessment of performance. Prior period results have been reclassified to reflect the Segment Realignment.

Balance Sheet

As of March 31, 2018, we had cash and cash equivalents of \$9.9 million and debt of \$1,502.6 million. As of March 31, 2018, we had available capacity of \$363.5 million on our revolving credit facility.

Business Outlook

The following forward-looking statements reflect Black Knight's expectations as of today's date. Given the number of risk factors, uncertainties and assumptions discussed below, actual results may differ materially. Black Knight does not intend to update its forward-looking statements until its next quarterly results announcement, other than in publicly available statements.

Black Knight's full year 2018 outlook is as follows:

- Revenues are expected to be in the range of \$1,102 million to \$1,122 million.
- Adjusted Revenues are expected to be in the range of \$1,105 million to \$1,125 million.
- Adjusted Net Earnings Per Share is expected to be in the range of \$1.73 to \$1.81.
- Adjusted EBITDA is expected to be in the range of \$530 million to \$545 million.

Earnings Conference Call and Audio Webcast

Black Knight will host a conference call to discuss the first quarter 2018 financial results on May 7, 2018, at 5:00 p.m. ET. The conference call can be accessed live over the phone by dialing (877) 407-4018, or for international callers (201) 689-8471. A replay will be available from 8:00 p.m. ET on May 7, 2018 through May 14, 2018, and can be accessed by dialing (844) 512-2921, or for international callers (412) 317-6671, and entering replay passcode 13679141.

The call will also be webcast live from Black Knight's investor relations website at <http://investor.bkfs.com>. Following completion of the call, a recorded replay of the webcast will be available on the website.

About Black Knight

Black Knight (NYSE: BKI) is a leading provider of integrated software, data and analytics solutions that facilitate and automate many of the business processes across the homeownership lifecycle.

As a leading fintech, Black Knight is committed to being a premier business partner that clients rely on to achieve their strategic goals, realize greater success and better serve their customers by delivering best-in-class software, services and insights with a relentless commitment to excellence, innovation, integrity and leadership. For more information on Black Knight, please visit www.blackknightinc.com.

Non-GAAP Financial Measures

This earnings release presents non-GAAP financial information, including Adjusted Revenues, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Earnings and Adjusted Net Earnings Per Share. These are important financial performance measures for us, but are not financial measures as defined by generally accepted accounting principles ("GAAP"). The presentation of this financial information is not intended to be considered in isolation of or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. We use these non-GAAP financial performance measures for financial and operational decision making and as a means to evaluate period-to-period comparisons. We believe these measures provide useful information about operating results, enhance the overall understanding of past financial performance and future prospects and allow for greater transparency with respect to key metrics used by management in its financial and operational decision making, including determining a portion of executive compensation. We also present these non-GAAP financial performance measures because we believe investors, analysts and rating agencies consider them useful in measuring our ability to meet our debt service obligations. By disclosing these non-GAAP financial performance measures, we believe we offer investors a greater understanding of, and an enhanced level of transparency into, the means by which our management operates the company. These non-GAAP financial measures are not measures presented in accordance with GAAP, and our use of these terms may vary from that of others in our industry. These non-GAAP financial measures should not be considered as an alternative to revenues, operating income, net earnings, cash provided by operating activities or any other measures derived in accordance with GAAP as measures of operating performance or liquidity. Reconciliations of these measures to the most directly comparable GAAP financial measures are presented in the attached schedules.

Adjusted Revenues and Adjusted EBITDA for the Software Solutions and Data and Analytics segments are presented in conformity with Accounting Standards Codification Topic 280, *Segment Reporting*. These measures are reported to the chief operating decision maker for purposes of making decisions about allocating resources to the segments and assessing their performance. For these reasons, these measures are excluded from the definition of non-GAAP financial measures under the Securities and Exchange Commission's ("SEC") Regulation G and Item 10(e) of Regulation S-K.

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. This adjustment for the full year 2018 is expected to be approximately \$2.5 million.

Adjusted EBITDA - We define Adjusted EBITDA as Net earnings, with adjustments to reflect the addition or elimination of certain statement of earnings items including, but not limited to:

- Depreciation and amortization;
- Interest expense;
- Income tax expense;
- Other expense, net;
- deferred revenue purchase accounting adjustment;
- equity-based compensation, including related payroll taxes;
- costs associated with debt and/or equity offerings, including the spin-off of Black Knight from Fidelity National Financial, Inc. ("FNF") (the "Distribution"); and
- spin-off related transition costs.

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 with adjustments to reflect the addition or elimination of certain statement of earnings items including, but not limited to:

- the net incremental depreciation and amortization adjustments associated with the application of purchase accounting;
- deferred revenue purchase accounting adjustment;

- equity-based compensation, including related payroll taxes;
- costs associated with debt and/or equity offerings, including the Distribution;
- spin-off related transition costs;
- significant legal and regulatory matters; and
- adjustment for income tax expense assuming the conversion of all the shares of Class B common stock into shares of Class A common stock prior to the Distribution and the tax effect of the non-GAAP adjustments. Our adjusted effective tax rate was 26.6% and 37.0% for the three months ended March 31, 2018 and 2017, respectively.

Adjusted Net Earnings Per Share - For the periods prior to the Distribution, we calculate per share amounts assuming the exchange of all shares of Class B common stock into shares of Class A common stock at the beginning of the respective period. We also include the dilutive effect of any unvested restricted shares of common stock.

ASC 606

On January 1, 2018, we adopted ASC Topic 606, *Revenue from Contracts with Customers* ("ASC 606"), using the modified retrospective method. Under this method, we recognized the cumulative effect of applying the new revenue recognition standard to existing revenue contracts that were active as of the adoption date as an adjustment to the opening balance of Retained earnings. The reported results for the three months ended March 31, 2018 reflect the application of ASC 606, while the comparative information has not been restated and continues to be reported under the related accounting standards in effect for those periods.

Forward-Looking Statements

This press release contains forward-looking statements that involve a number of risks and uncertainties. Statements that are not historical facts, including statements regarding expectations, hopes, intentions or strategies regarding the future are forward-looking statements. Forward-looking statements are based on Black Knight management's beliefs, as well as assumptions made by, and information currently available to, them. Because such statements are based on expectations as to future financial and operating results and are not statements of fact, actual results may differ materially from those projected. Black Knight undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

The risks and uncertainties that forward-looking statements are subject to include, but are not limited to:

- security breaches against our information systems;
- our ability to maintain and grow our relationships with our customers;
- changes to the laws, rules and regulations that affect our and our customers' businesses;
- our ability to adapt our services to changes in technology or the marketplace;
- the effect of any potential defects, development delays, installation difficulties or system failures on our business and reputation;
- changes in general economic, business, regulatory and political conditions, particularly as they affect the mortgage industry;
- risks associated with the availability of data;
- the effects of our existing leverage on our ability to make acquisitions and invest in our business;
- our ability to successfully integrate strategic acquisitions;
- risks associated with our spin-off from FNF, including limitations on our strategic and operating flexibility as a result of the tax-free nature of the spin-off; and
- other risks and uncertainties detailed in the "Statement Regarding Forward-Looking Information," "Risk Factors" and other sections of our Annual Report on Form 10-K and other filings with the SEC.

SCHEDULE I
BLACK KNIGHT, INC.
Condensed Consolidated Balance Sheets
(Unaudited)
(In millions)

	March 31, 2018	December 31, 2017
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 9.9	\$ 16.2
Trade receivables, net	169.5	201.8
Prepaid expenses and other current assets	55.4	44.6
Receivables from related parties	17.2	18.1
Total current assets	252.0	280.7
Property and equipment, net	182.6	179.9
Computer software, net	411.1	416.8
Other intangible assets, net	217.4	231.6
Goodwill	2,306.8	2,306.8
Other non-current assets	265.0	240.1
Total assets	\$ 3,634.9	\$ 3,655.9
LIABILITIES AND EQUITY		
Current liabilities:		
Trade accounts payable and other accrued liabilities	\$ 59.4	\$ 65.0
Accrued compensation and benefits	33.0	51.9
Current portion of long-term debt	55.1	55.1
Deferred revenues	50.6	59.6
Total current liabilities	198.1	231.6
Deferred revenues	115.7	100.7
Deferred income taxes, net	235.3	224.6
Long-term debt, net of current portion	1,447.5	1,379.0
Other non-current liabilities	11.7	11.2
Total liabilities	2,008.3	1,947.1
Equity:		
Additional paid-in capital	1,560.1	1,593.6
Retained earnings	255.3	201.4
Accumulated other comprehensive earnings	8.3	3.9
Treasury stock, at cost	(197.1)	(90.1)
Total equity	1,626.6	1,708.8
Total liabilities and equity	\$ 3,634.9	\$ 3,655.9

SCHEDULE II
BLACK KNIGHT, INC.
Condensed Consolidated Statements of Earnings
(Unaudited)
(In millions, except per share data)

	Three months ended March 31,	
	2018	2017
Revenues	\$ 270.3	\$ 258.1
Expenses:		
Operating expenses	149.4	145.5
Depreciation and amortization	51.4	52.8
Transition and integration costs	1.3	1.2
Total expenses	202.1	199.5
Operating income	68.2	58.6
Other income and expense:		
Interest expense	(12.8)	(16.7)
Other expense, net	(0.2)	(2.0)
Total other expense, net	(13.0)	(18.7)
Earnings before income taxes	55.2	39.9
Income tax expense	12.5	6.0
Net earnings	42.7	33.9
Less: Net earnings attributable to noncontrolling interests	—	21.7
Net earnings attributable to Black Knight	\$ 42.7	\$ 12.2

	Three months ended March 31,	
	2018	2017
Earnings per share:		
Net earnings per share attributable to Black Knight common shareholders:		
Basic	\$ 0.29	\$ 0.18
Diluted(1)	\$ 0.29	\$ 0.18
Weighted average shares of common stock outstanding:		
Basic	148.8	67.6
Diluted(1)	149.2	152.9

(1) For the periods presented, potentially dilutive securities include unvested restricted stock awards and the shares of Class B common stock prior to the Distribution. The shares of Class B common stock did not share in the earnings or losses of Black Knight and were, therefore, not participating securities. Accordingly, basic and diluted net earnings per share of Class B common stock have not been presented. Prior to the Distribution, the numerator in the diluted net earnings per share calculation was adjusted to reflect our income tax expense at an expected effective tax rate assuming the conversion of the shares of Class B common stock into shares of Class A common stock on a one-for-one basis, for the quarter ended March 31, 2017. The effective tax rate for the three months ended March 31, 2017 was 32.8%. The denominator includes approximately 84.8 million shares of Class B common stock outstanding for the three months ended March 31, 2017. The denominator also includes the dilutive effect of approximately 0.4 million and 0.5 million shares of unvested restricted shares of common stock for the three months ended March 31, 2018 and 2017, respectively.

	Three months ended March 31, 2017
Earnings before income taxes	\$ 39.9
Income tax expense excluding the effect of noncontrolling interests	13.1
Net earnings	26.8
Diluted shares	152.9
Diluted net earnings per share	\$ 0.18

SCHEDULE III
BLACK KNIGHT, INC.
Condensed Consolidated Statements of Cash Flows
(Unaudited)
(In millions)

	Three months ended March 31,	
	2018	2017
Cash flows from operating activities:		
Net earnings	\$ 42.7	\$ 33.9
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	51.4	52.8
Amortization of debt issuance costs, bond premium and original issue discount	0.9	0.7
Loss on extinguishment of debt, net	—	0.4
Deferred income taxes, net	5.0	—
Equity-based compensation	7.7	5.2
Changes in assets and liabilities:		
Trade and other receivables, including receivables from related parties	32.7	(3.9)
Prepaid expenses and other assets	(6.4)	(9.4)
Deferred contract costs	(11.8)	(12.4)
Deferred revenues	1.1	8.5
Trade accounts payable and other accrued liabilities	(24.4)	(26.9)
Net cash provided by operating activities	<u>98.9</u>	<u>48.9</u>
Cash flows from investing activities:		
Additions to property and equipment	(10.1)	(3.7)
Additions to computer software	(14.6)	(12.5)
Net cash used in investing activities	<u>(24.7)</u>	<u>(16.2)</u>
Cash flows from financing activities:		
Borrowings	187.0	—
Debt service payments	(119.4)	(11.0)
Distributions to members	—	(38.0)
Purchases of treasury stock	(141.5)	—
Capital lease payments	—	(4.3)
Tax withholding payments for restricted share vesting	(6.6)	(4.1)
Debt issuance costs	—	(1.7)
Net cash used in financing activities	<u>(80.5)</u>	<u>(59.1)</u>
Net decrease in cash and cash equivalents	(6.3)	(26.4)
Cash and cash equivalents, beginning of period	16.2	133.9
Cash and cash equivalents, end of period	<u>\$ 9.9</u>	<u>\$ 107.5</u>
Supplemental cash flow information:		
Interest paid	\$ (11.9)	\$ (9.4)
Income taxes (paid) refunded, net	<u>\$ (0.5)</u>	<u>\$ 0.1</u>

SCHEDULE IV
BLACK KNIGHT, INC.
Segment Information
(Unaudited)
(In millions)

	Three months ended March 31, 2018			
	Software Solutions	Data and Analytics	Corporate and Other	Total
Revenues	\$ 233.6	\$ 37.6	\$ (0.9) (1)	\$ 270.3
Expenses:				
Operating expenses	96.8	29.0	23.6	149.4
Transition and integration costs	—	—	1.3	1.3
EBITDA	136.8	8.6	(25.8)	119.6
Depreciation and amortization	26.7	3.2	21.5 (2)	51.4
Operating income (loss)	110.1	5.4	(47.3)	68.2
Interest expense				(12.8)
Other expense, net				(0.2)
Earnings before income taxes				55.2
Income tax expense				12.5
Net earnings				\$ 42.7

(1) Revenues for Corporate and Other represent deferred revenue purchase accounting adjustments recorded in accordance with GAAP.

(2) Depreciation and amortization for Corporate and Other primarily represents net incremental depreciation and amortization adjustments associated with the application of purchase accounting recorded in accordance with GAAP.

	Three months ended March 31, 2017			
	Software Solutions	Data and Analytics	Corporate and Other	Total
Revenues	\$ 223.1	\$ 36.4	\$ (1.4) (1)	\$ 258.1
Expenses:				
Operating expenses	97.7	29.5	18.3	145.5
Transition and integration costs	—	—	1.2	1.2
EBITDA	125.4	6.9	(20.9)	111.4
Depreciation and amortization	27.6	3.0	22.2 (2)	52.8
Operating income (loss)	97.8	3.9	(43.1)	58.6
Interest expense				(16.7)
Other expense, net				(2.0)
Earnings before income taxes				39.9
Income tax expense				6.0
Net earnings				\$ 33.9

Note: Prior period results have been reclassified to reflect the Segment Realignment.

(1) Revenues for Corporate and Other represent deferred revenue purchase accounting adjustments recorded in accordance with GAAP.

(2) Depreciation and amortization for Corporate and Other primarily represents net incremental depreciation and amortization adjustments associated with the application of purchase accounting recorded in accordance with GAAP.

SCHEDULE V
BLACK KNIGHT, INC.
Reconciliation of GAAP to Non-GAAP Financial Measures
(Unaudited)
(In millions)

Reconciliation of Revenues to Adjusted Revenues

	Three months ended March 31,	
	2018	2017
Revenues	\$ 270.3	\$ 258.1
Deferred revenue purchase accounting adjustment	0.9	1.4
Adjusted Revenues	\$ 271.2	\$ 259.5

Reconciliation of Net Earnings to Adjusted EBITDA

	Three months ended March 31,	
	2018	2017
Net earnings	\$ 42.7	\$ 33.9
Depreciation and amortization	51.4	52.8
Interest expense	12.8	16.7
Income tax expense	12.5	6.0
Other expense, net	0.2	2.0
EBITDA	119.6	111.4
Deferred revenue purchase accounting adjustment	0.9	1.4
Equity-based compensation	8.1	5.4
Debt and/or equity offering expenses	0.5	1.2
Spin-off related transition costs	0.8	—
Adjusted EBITDA	\$ 129.9	\$ 119.4
Adjusted EBITDA Margin	47.9%	46.0%

SCHEDULE V (CONTINUED)
BLACK KNIGHT, INC.
Reconciliation of GAAP to Non-GAAP Financial Measures
(Unaudited)
(In millions, except per share data)

Reconciliation of Net Earnings to Adjusted Net Earnings

	Three months ended March 31,	
	2018	2017
Net earnings	\$ 42.7	\$ 33.9
Depreciation and amortization purchase accounting adjustment	21.5	22.0
Deferred revenue purchase accounting adjustment	0.9	1.4
Equity-based compensation	8.1	5.4
Debt and/or equity offering expenses	0.5	3.2
Spin-off related transition costs	1.0	—
Legal and regulatory matters	0.1	—
Income tax expense adjustment	(10.7)	(20.6)
Adjusted Net Earnings	<u>\$ 64.1</u>	<u>\$ 45.3</u>
Adjusted Net Earnings Per Share	<u>\$ 0.43</u>	<u>\$ 0.30</u>
Weighted Average Adjusted Shares Outstanding	<u>149.2</u>	<u>152.9</u>