

SPS Commerce

Investor Presentation

Q4'17

Forward-looking statements

This presentation contains forward-looking statements, including information about management's view of SPS Commerce's future expectations, plans and prospects, including our views regarding future execution within our business, the opportunity we see in the retail supply chain world and our performance for the first quarter, within the safe harbor provisions under The Private Securities Litigation Reform Act of 1995. These statements involve known and unknown risks, uncertainties and other factors which may cause the results of SPS Commerce to be materially different than those expressed or implied in such statements. Certain of these risk factors and others are included in documents SPS Commerce files with the Securities and Exchange Commission, including but not limited to, SPS Commerce's Annual Report on Form 10-K for the year ended December 31, 2016, as well as subsequent reports filed with the Securities and Exchange Commission. Other unknown or unpredictable factors also could have material adverse effects on SPS Commerce's future results. The forward-looking statements included in this press release are made only as of the date hereof. SPS Commerce cannot guarantee future results, levels of activity, performance or achievements. Accordingly, you should not place undue reliance on these forward-looking statements. Finally, SPS Commerce expressly disclaims any intent or obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

SPS Commerce

We power the world's largest cloud retail network. Our solutions drive retail transformation and efficiencies to over 75,000 customers worldwide.

investment highlights

1. Power of our retail network
2. Industry evolution fuels growth
3. Multiple growth opportunities
4. Strong profit growth while investing for the future
5. Multi-billion dollar global opportunity

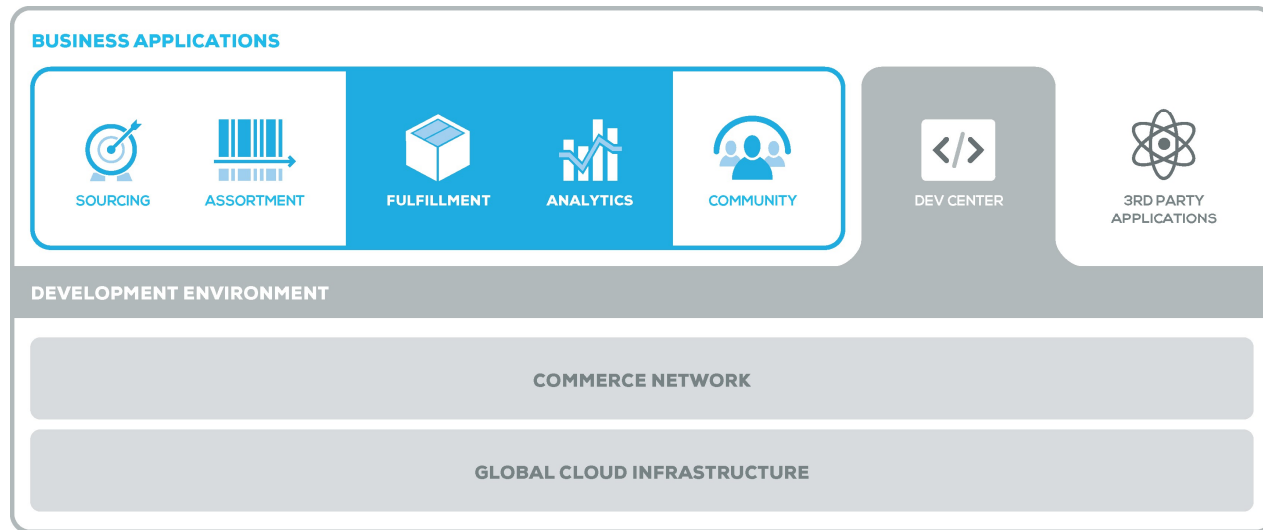
The power of the network



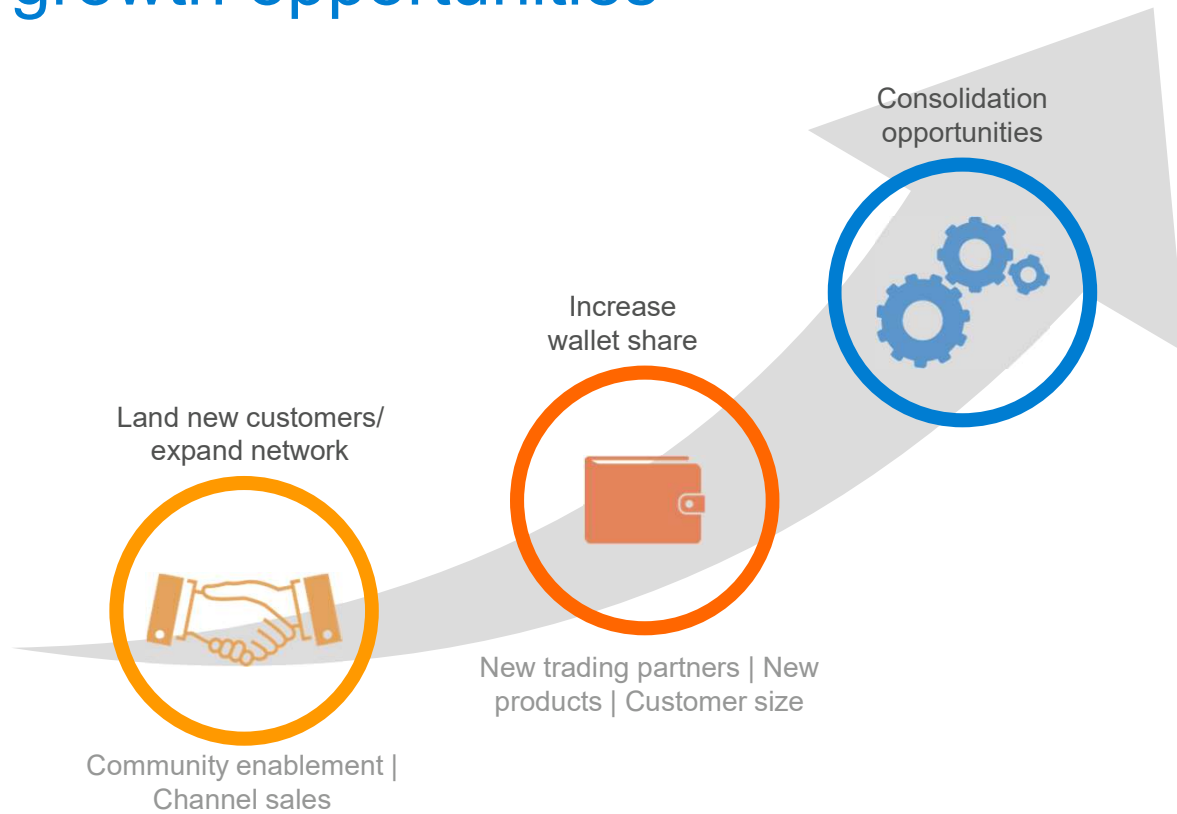
Industry evolution fuels growth



Retail Network



Network provides inherent growth opportunities



Widening the competitive moat



Most Trading Partner
Connections



Comprehensive retail
cloud-based offering



Deep Integration
Expertise

Vision / Innovation **Leader**

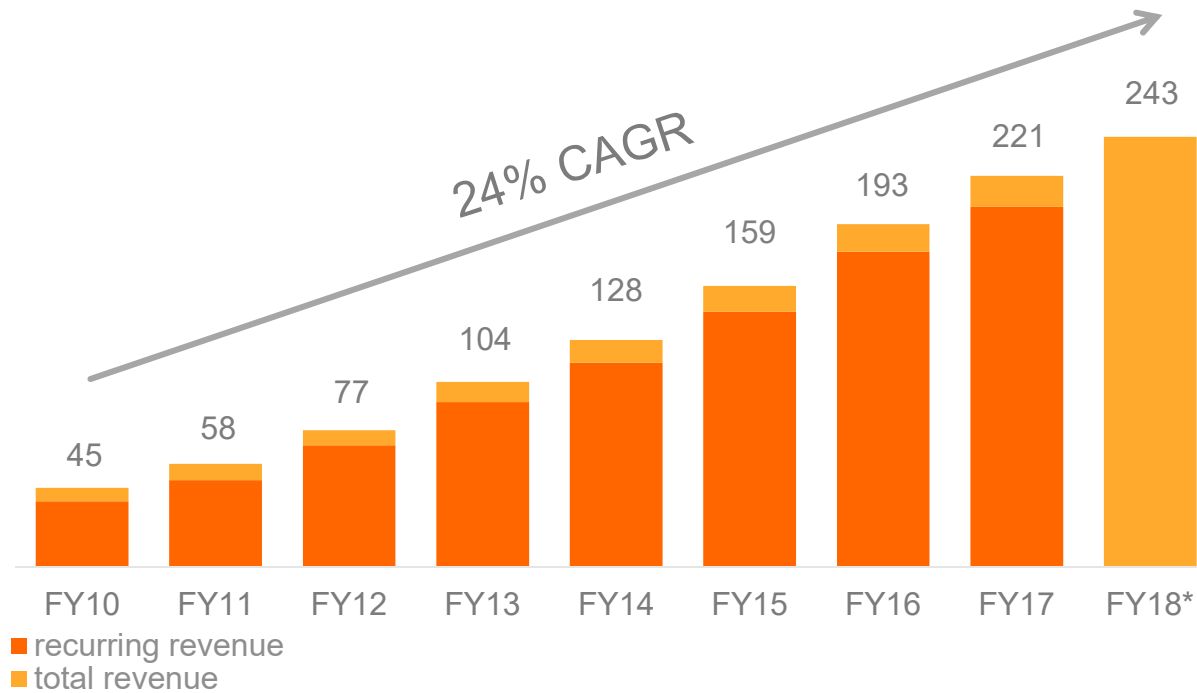
75K+ companies powering our network



financial highlights

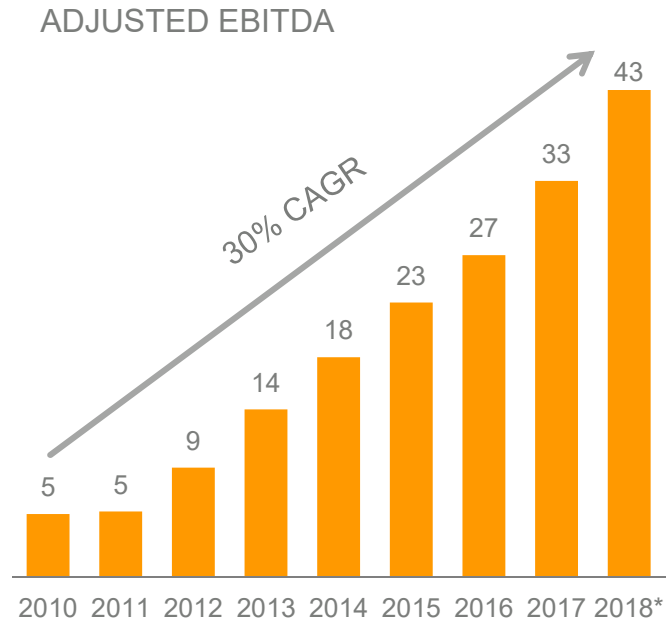
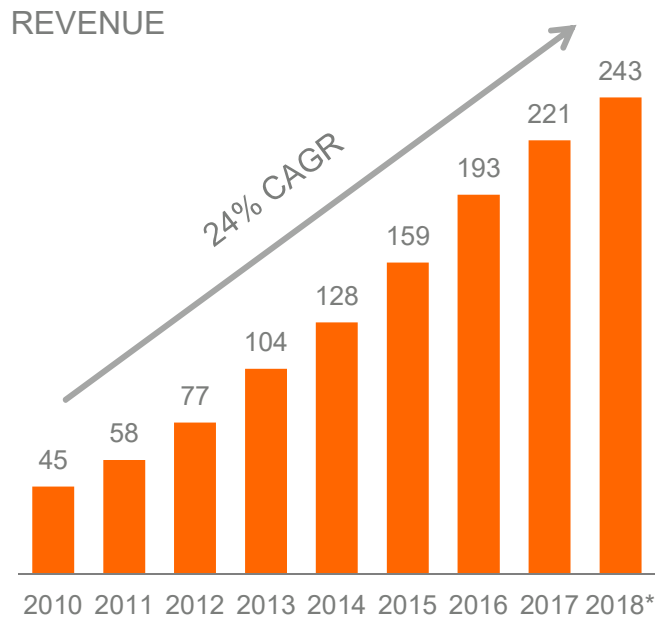
1. Strong, predictable revenue growth
2. Investing for growth while driving incremental margin expansion
3. Consistent growth in key metrics
4. Multi-billion dollar opportunity

Predictable Recurring Revenue Growth



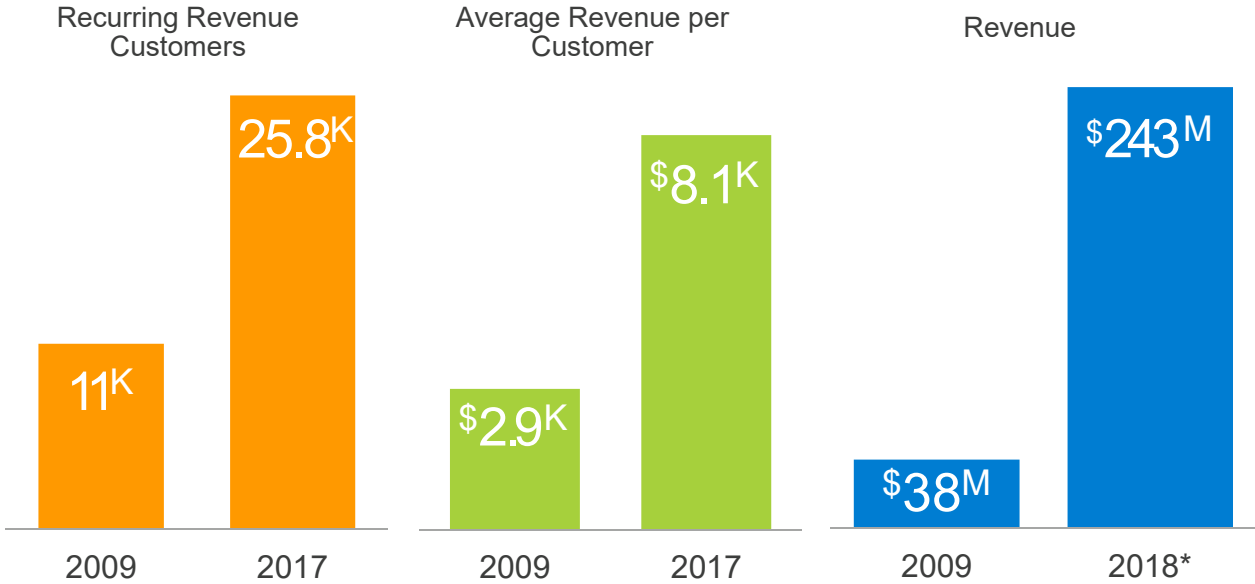
*FY 2018 estimate based on midpoint of company guidance provided on February 6, 2018

Strong Revenue and Adjusted EBITDA Growth



*FY 2018 estimate based on midpoint of company guidance provided on February 6, 2018

Growth across key metrics



*FY 2018 estimate based on midpoint of company guidance provided on February 6, 2018

Target model

	2020	Long-term target
Revenue run rate (exiting the year)	> \$300M	
Adjusted EBITDA	> \$65M	
Adjusted EBITDA margin %	Low 20's	35%

Large global opportunity

	Current	Future Opportunity
Customers	25,800	200,000
Revenue / customer <small>(adding connections / size of customer / multiple products)</small>	\$8,100	\$25,000



summary

1. Power of our retail network
2. Industry evolution fuels growth
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Appendix

ASC 606 and ASC 340-40

1. Under ASC 606, 2017 revenue will show a reduction of approximately \$500 thousand and 2018 revenue will be reduced by approximately \$400 thousand.
2. Under ASC 340-40, the majority of commissions will now be expensed over two years, resulting in a reduction of commission expense of approximately \$2 million in 2017 and approximately \$1 million in 2018.
3. As a result, adjusted EBITDA increases by approximately \$1.5 million in 2017 and approximately \$600 thousand in 2018 versus the prior accounting standard.
4. Our guidance reflects these changes, and you can see the impact to prior years on our financial data sheet on our website. There will also be more information provided in our 10-K filing.