

### SPS Commerce Reports Third Quarter 2022 Financial Results

October 27, 2022

Company delivers 87th consecutive quarter of topline growth

Revenue growth of 17% year-over-year; Recurring revenue growth of 18% year-over-year

MINNEAPOLIS, Oct. 27, 2022 (GLOBE NEWSWIRE) -- SPS Commerce, Inc. (Nasdaq: SPSC), a leader in retail cloud services, today announced financial results for the third quarter ended September 30, 2022.

#### Third Quarter 2022 Financial Highlights

- Revenue was \$114.5 million in the third quarter of 2022, compared to \$97.9 million in the third quarter of 2021, reflecting 17% growth.
- Recurring revenue grew 18% from the third quarter of 2021.
- Net income was \$15.9 million or \$0.43 per diluted share, compared to net income of \$11.4 million or \$0.31 per diluted share in the third quarter of 2021.
- Non-GAAP income per diluted share was \$0.63, compared to non-GAAP income per diluted share of \$0.47 in the third guarter of 2021.
- Adjusted EBITDA for the third quarter of 2022 increased 31% to \$34.7 million compared to the third quarter of 2021.

"For suppliers and retailers alike, automation is key to improving efficiency. SPS Commerce facilitates automation, enables integration with a range of e-commerce platforms, and future proofs against new process and technology requirements," said Archie Black, CEO of SPS Commerce. "We continue to believe that increasing complexity in omnichannel retail will continue to fuel the need for automation between trading partners and throughout the supply chain."

"SPS Commerce's leading solutions and our growing network of trading partners across various industries continue to solidify our competitive position, strengthening our ability to capitalize on our large and expanding market opportunity, and deliver consistent and profitable growth," said Kim Nelson, CFO of SPS Commerce.

#### Guidance

#### Fourth Quarter 2022 Guidance

- Revenue is expected to be in the range of \$120.0 million to \$121.0 million.
- Net income per diluted share is expected to be in the range of \$0.29 to \$0.30, with fully diluted weighted average shares outstanding of 37.2 million shares.
- Non-GAAP income per diluted share is expected to be in the range of \$0.52 to \$0.53.
- Adjusted EBITDA is expected to be in the range of \$32.8 million to \$33.5 million.
- Non-cash, share-based compensation expense is expected to be \$8.3 million, depreciation expense is expected to be \$4.8 million, and amortization expense is expected to be \$3.8 million.

#### Full Year 2022 Guidance

- Revenue is expected to be in the range of \$448.9 million to \$449.9 million, representing 17% growth over 2021.
- Net income per diluted share is expected to be in the range of \$1.35 to \$1.36, with fully diluted weighted average shares outstanding of 37.0 million shares.
- Non-GAAP income per diluted share is expected to be in the range of \$2.23 to \$2.24.
- Adjusted EBITDA is expected to be in the range of \$130.1 to \$130.8 million, representing 22% growth over 2021.
- Non-cash, share-based compensation expense is expected to be \$33.9 million, depreciation expense is expected to be \$16.8 million, and amortization expense is expected to be \$11.7 million.

#### Quarterly Conference Call

To access the call, please dial 1-866-652-5200, or outside the U.S. 1-412-317-6060 at least 15 minutes prior to the 3:30 p.m. CT start time. Please ask to be joined into the SPS Commerce Q3 2022 conference call. A live webcast of the call will also be available at <a href="http://investors.spscommerce.com">http://investors.spscommerce.com</a> under the Events and Presentations menu. The replay will also be available on our website at <a href="http://investors.spscommerce.com">http://investors.spscommerce.com</a> under the Events and Presentations menu.

#### About SPS Commerce

SPS Commerce is the world's leading retail network, connecting trading partners around the globe to optimize supply chain operations for all retail

partners. We support data-driven partnerships with innovative cloud technology, customer-obsessed service and accessible experts so our customers can focus on what they do best. To date, more than 105,000 companies in retail, distribution, grocery and e-commerce have chosen SPS as their retail network. SPS has achieved 87 consecutive quarters of revenue growth and is headquartered in Minneapolis. For additional information, contact SPS at 866-245-8100 or visit www.spscommerce.com.

SPS COMMERCE, SPS, SPS logo, 1=INFINITY logo, AS THE NETWORK GROWS, SO DOES YOUR OPPORTUNITY, INFINITE RETAIL POWER, MASTERING THE RETAIL GAME and RSX are marks of SPS Commerce, Inc. and Registered in the U.S. Patent and Trademark Office. IN:FLUENCE, and others are further marks of SPS Commerce, Inc. These marks may be registered or otherwise protected in other countries.

#### SPS-F

#### **Use of Non-GAAP Financial Measures**

To supplement our financial statements, we provide investors with Adjusted EBITDA, Adjusted EBITDA Margin, and non-GAAP income per share, all of which are non-GAAP financial measures. We believe that these non-GAAP measures provide useful information to our management, board of directors, and investors regarding certain financial and business trends relating to our financial condition and results of operations.

Our management uses these non-GAAP measures to compare our performance to that of prior periods for trend analyses and planning purposes. Adjusted EBITDA is also used for purposes of determining executive and senior management incentive compensation. We believe these non-GAAP financial measures are useful to an investor as they are widely used in evaluating operating performance. Adjusted EBITDA and Adjusted EBITDA Margin are used to measure operating performance without regard to items such as depreciation and amortization, which can vary depending upon accounting methods and the book value of assets, and to present a meaningful measure of corporate performance exclusive of capital structure and the method by which assets were acquired.

These non-GAAP measures should not be considered a substitute for, or superior to, financial measures calculated in accordance with GAAP. These non-GAAP financial measures exclude significant expenses and income that are required by GAAP to be recorded in our financial statements and are subject to inherent limitations. Investors should review the reconciliations of non-GAAP financial measures to the comparable GAAP financial measures that are included in this press release.

#### Adjusted EBITDA Measures:

Adjusted EBITDA consists of net income adjusted for income tax expense, depreciation and amortization expense, stock-based compensation expense, realized gain or loss from foreign currency on cash and investments held, investment income or loss, and other adjustments as necessary for a fair presentation.

Adjusted EBITDA Margin consists of Adjusted EBITDA divided by revenue. Margin, the comparable GAAP measure of financial performance, consists of net income divided by revenue.

#### Non-GAAP Income Per Share Measure:

Non-GAAP income per share consists of net income adjusted for stock-based compensation expense, amortization expense related to intangible assets, realized gain or loss from foreign currency on cash and investments held, other adjustments as necessary for a fair presentation, and the corresponding tax impacts of the adjustments to net income, divided by the weighted average number of shares of common and diluted stock outstanding during each period.

To quantify the tax effects, we recalculated income tax expense excluding the direct book and tax effects of the specific items constituting the non-GAAP adjustments. The difference between this recalculated income tax expense and GAAP income tax expense is presented as the income tax effect of the non-GAAP adjustments.

#### **Forward-Looking Statements**

This press release may contain 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 fourth quarter and full year of 2022, 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, 2021, 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, INC. CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited; in thousands, except shares)

	•	September 30, [ 2022			
ASSETS					
Current assets					
Cash and cash equivalents	\$	186,230	\$	207,552	
Short-term investments		50,928		49,758	
Accounts receivable		40,445		38,811	

Accounts receivable, net      36,787      34,562        Deferred costs      50,002      44,529        Other assets      339,273      352,443        Total current assets      339,273      352,443        Property and equipment, net      32,923      31,901        Operating lease right-Oruse assets      9,760      10,851        GoodWill      165,508      143,663        Intangible assets, net      70,742      58,587        Other assets      2223      182        Other assets, on-current      1,787      3,2028        Total assets      2223      182        Other assets, on-current      1,787      3,2028        Total assets      2,223      182        Current liabilities      2,237      3,302        Accoud compensation      \$ 8,709      \$ 637,090      \$ 615,846        Deferred revenue      5,949      50,422      8,330        Accoud compensation      \$ 8,70      \$ 8,330      \$ 615,846        Total assets      5,020      8,330      \$ 6,428        Operating lease liabilities      4,434      7,14	Allowance for credit losses	(3,658)	(4,249)
Other assets      15.246      16.042        Total current assets      339.273      352.443        Property and equipment, net      32.923      31.901        Operating lease inght-of-use assets      9.760      10.851        Goodwill      165.908      143,663        Intangible assets, net      70.742      58,587        Other assets      223      182        Other assets, one-current      1.64,74      15,191        Deferred income tax assets      223      637,090      \$      615,846        Current liabilities      28,779      31,661      3,028      4,336      4,108        Accounds payable      \$      8,200      \$      8,330      \$      615,846        Deferred revenue      \$      8,200      \$      8,330      \$      615,846        Current liabilities      28,779      31,661      \$      4,336      4,108      \$      637,090      \$      615,846        Deferred revenue      \$      8,349      \$      50,422      8,349      \$      6,4287        Operating lease liabilities	Accounts receivable, net	36,787	34,562
Total current assets      339,273      352,443        Property and equipment, net      32,923      31,901        Operating lease right-of-use assets      9,760      10,851        Goodwill      165,908      143,663        Intangible assets, net      70,742      58,587        Other assets      223      182        Deferred costs, non-current      16,474      15,191        Deferred income tax assets      223      182        Other assets, non-current      1,787      3,028        Current liabilities      637,090      \$      615,846        Accounts payable      \$      8,200      \$      8,330        Accrued expenses      5,202      8,345      4,108      106,466      102,872        Operating lease liabilities      105,466      102,872      131,587      Commitments and contigencies      13,974      16,426        Deferred revenue, non-current      5,146      5,144      7,145      13,587        Operating lease liabilities      0,12,872      131,587      131,587        Commitments and contigencies      129,427      131,587      131,5	Deferred costs	50,082	44,529
Property and equipment, net      32,923      31,901        Operating lease right-of-use assets      9,760      10,851        Goodwill      165,908      143,663        Intangible assets, net      70,742      58,587        Other assets      223      182        Deferred costs, non-current      1,787      3,028        Total assets      223      182        Other assets, non-current      1,787      3,028        Total assets      28      637,090      \$ 615,846        Current liabilities      \$ 8,200      \$ 8,302      \$ 8,303        Accrued compensation      5,202      8,345      0.667        Accrued compensation      5,202      8,345      0.67,909      \$ 50,428        Operating lease liabilities      5,202      8,345      0.612,827      0.612,827        Other liabilities      105,466      102,872      0.12,872      0.612,827        Other liabilities      1,944      7,145      1.64,864      7,145        Deferred revenue, non-current      5,146      5,144      7,145        Total liabilities      1,29,427	Other assets	15,246	16,042
Operating lease right-of-use assets      9,760      10,851        Goodwill      166,908      143,663        Intangible assets, net      70,742      58,587        Other assets      223      182        Other assets, non-current      16,474      15,191        Other assets, non-current      223      182        Other assets, non-current      1,787      3,028        Total assets      28,779      637,090      \$ 615,846        Current liabilities      28,779      31,661      3,028        Accounts payable      \$ 8,200      \$ 8,330      3,611        Accrued compensation      28,779      31,661      3,028        Operating lease liabilities      4,336      4,108        Operating lease liabilities      4,336      4,108        Operating lease liabilities      105,466      102,872        Operating lease liabilities      13,974      16,426        Deferred revenue, non-current      5,146      5,144        Operating lease liabilities      4,841      7,145        Total liabilities      129,427      131,567        Commitments	Total current assets	339,273	352,443
Goodwill      165,908      143,663        Intangible assets, net      70,742      58,567        Other assets      223      162        Deferred costs, non-current      16,474      15,191        Deferred income tax assets      223      182        Other assets, non-current      1,787      3,028        Total assets      \$ 637,090      \$ 615,846        Current liabilities      \$ 8,200      \$ 8,330        Accrued compensation      28,779      31,661        Accrued expenses      5,202      8,349        Deferred revenue      58,049      50,428        Operating lease liabilities      4,336      4,108        Total current liabilities      105,466      102,872        Other liabilities      105,466      5,144        Operating lease liabilities, non-current      5,146      5,144        Operating lease liabilities      129,427      131,587        Total liabilities      129,427      131,587        Total liabilities      129,427      131,587        Total liabilities      129,427      131,587        Total liabilities<	Property and equipment, net	32,923	31,901
Intangible assets, net      70,742      58,587        Other assets      16,474      15,191        Deferred income tax assets      223      182        Other assets, non-current      1,787      3,028        Total assets, non-current      1,787      3,028        Current liabilities      \$      637,090      \$      615,846        Current liabilities      28,779      31,661      3      8,330        Accrued compensation      28,779      31,661      3,462      8,349      50,428        Operating lease liabilities      4,336      4,108      4,108      102,872      015,466      102,872        Other liabilities      4,336      4,108      102,872      015,466      102,872        Other liabilities      4,41      7,145      5,144      5,144      02,872        Other liabilities      4,841      7,145      5,146      5,144      5,146        Operating lease liabilities      4,841      7,145      5,146      5,144      7,145        Total current liabilities      129,427      131,597      16,426      5,146	Operating lease right-of-use assets	9,760	10,851
Other assets      Use        Deferred costs, non-current      16,474      15,191        Deferred income tax assets      223      182        Other assets, non-current      1,787      3,028        Total assets      \$ 637,090      \$ 615,846        Current liabilities      S      8,200      \$ 8,330        Accrued compensation      28,779      31,661        Accrued compensation      28,779      31,661        Accrued expenses      5,202      8,345        Deferred revenue      58,949      50,428        Operating lease liabilities      4,336      4,108        Total current liabilities      105,466      102,872        Other liabilities      105,466      102,872        Other liabilities      4,841      7,145        Deferred revenue, non-current      13,974      16,426        Deferred income tax liabilities, non-current      13,974      16,426        Deferred income tax liabilities      4,841      7,145        Total liabilities      129,427      131,587        Commitments and contingencies      38      38 <td< td=""><td>Goodwill</td><td>165,908</td><td>143,663</td></td<>	Goodwill	165,908	143,663
Deferred costs, non-current      16,474      15,191        Deferred income tax assets      223      182        Other assets, non-current      1,787      3,028        Total assets      \$      637,090      \$      615,846        Current liabilities      *      8,200      \$      8,330        Accounts payable      \$      8,200      \$      8,330        Accrued compensation      28,779      31,661      3,455        Deferred revenue      58,949      50,428      5,022      8,345        Deferred revenue      58,949      50,428      4,108      4,108      4,108      4,108      105,466      102,872      105,466      102,872      105,466      102,872      105,466      102,872      131,587      105,466      102,872      131,587      105,466      102,872      131,587      105,466      129,427      131,587        Commitments and contingencies      5,000,000 shares authorized; 0 shares issued and outstanding      -      -      -      -        Commitments and 36,037,964 and 36,009,257 shares outstanding, respectively      38      38      38	Intangible assets, net	70,742	58,587
Deferred income tax assets      223      162        Other assets, non-current      1,787      3.028        Total assets      \$ 637,090      \$ 615,846        LIABILITIES AND STOCKHOLDERS' EQUITY        Current liabilities       8        Accounts payable      \$ 8,200      \$ 8,330        Accrued compensation      28,779      31,661        Accrued expenses      5,202      8,345        Deferred revenue      58,949      50,428        Operating lease liabilities      105,466      102,872        Other liabilities      105,466      102,872        Other liabilities      113,974      16,426        Deferred revenue, non-current      5,146      5,144        Operating lease liabilities, non-current      113,974      16,426        Deferred income tax liabilities      129,427      131,587        Commitments and contingencies      13,974      16,426        Stockholders' equity      -      -      -        Preferred stock, \$0.001 par value; 5,000,000 shares authorized; 38,184,747 and 37,798,610 shares issued and outstanding commitments and contingencies      38      38	Other assets		
Other assets, non-current Total assets      1,787      3,028        Total assets      \$ 637,090      \$ 615,846        LIABILITIES AND STOCKHOLDERS' EQUITY         Current liabilities      \$ 8,200      \$ 8,330        Accounts payable      \$ 8,200      \$ 8,330        Accrued compensation      28,779      31,661        Accrued expenses      5,202      8,345        Deferred revenue      58,949      50,428        Operating lease liabilities      4,336      4,108        Total current liabilities      105,466      102,872        Other liabilities      105,466      102,872        Other liabilities      13,974      16,426        Deferred revenue, non-current      5,146      5,144        Operating lease liabilities, non-current      13,974      16,422        Deferred revenue, non-current      129,427      131,587        Commitments and contingencies      3      13,874        Stockholders' equity      38      38        Preferred stock, \$0.001 par value; 5,000,000 shares authorized; 38,184,747 and 37,798,610 shares issued and outstanding      -        Common stock, \$0.001 par value;	Deferred costs, non-current	16,474	15,191
Total assets\$637,090\$615,846LIABILITIES AND STOCKHOLDERS' EQUITYCurrent liabilities\$8,200\$8,330Accounts payable\$8,200\$8,330Accrued compensation28,77931,661Accrued expenses5,2028,345Deferred revenue58,94950,428Operating lease liabilities4,3364,108Total current liabilities105,466102,872Other liabilities105,466102,872Other liabilities4,8417,145Deferred revenue, non-current5,1465,144Operating lease liabilities, non-current13,97416,426Deferred income tax liabilities129,427131,587Commitments and contingencies38,184,747 and 37,798,610 shares-Stockholders' equity3838Treasury Stock, at cost; 2,146,783 and 1,789,353 shares, respectively(128,377)(85,677)Additional paid-in capital463,336433,258Retained earnings177,306138,087Accurulated other comprehensive loss(4,660)(1,447)Total stockholders' equity507,663484,259	Deferred income tax assets	223	182
LIABILITIES AND STOCKHOLDERS' EQUITYCurrent liabilitiesAccounts payable\$ 8,200\$ 8,330Accrued compensation28,77931,661Accrued expenses5,2028,345Deferred revenue58,94950,428Operating lease liabilities4,3364,108Total current liabilities105,466102,872Other liabilities105,466102,872Other liabilities5,1445,144Operating lease liabilities, non-current5,1465,144Operating lease liabilities, non-current13,97416,426Deferred revenue, and contingencies4,8417,145Total liabilities129,427131,587Commitments and contingencies5-Stockholders' equity3838Preferred stock, \$0.001 par value; 5,000,000 shares authorized; 0 shares issued and outstanding common stock, \$0.001 par value; 110,000,000 shares authorized; 38,184,747 and 37,798,610 shares issued; and 36,037,964 and 36,009,257 shares outstanding, respectively3838Treasury Stock, at cost; 2,146,783 and 1,789,353 shares, respectively(128,377)(85,677)Additional paid-in capital463,356433,258433,258Retained earnings177,306138,08746,356433,258Accurulated other comprehensive loss(4,660)(1,447)Total stockholders' equity507,663484,259	Other assets, non-current	1,787	3,028
Current liabilities      \$      8,200      \$      8,330        Accrued compensation      28,779      31,661        Accrued expenses      5,202      8,345        Deferred revenue      58,949      50,428        Operating lease liabilities      4,336      4,108        Total current liabilities      105,466      102,872        Other liabilities      105,466      102,872        Other liabilities, non-current      5,146      5,144        Operating lease liabilities, non-current      13,974      16,426        Deferred income tax liabilities      4,841      7,145        Total liabilities      129,427      131,587        Commitments and contingencies      2      -        Stockholders' equity      38      38        Preferred stock, \$0.001 par value; 5,000,000 shares authorized; 0 shares issued and outstanding      -      -        Common stock, \$0.001 par value; 110,000,000 shares authorized; 38,184,747 and 37,798,610 shares      38      38        Treasury Stock, at cost; 2,146,783 and 1,789,353 shares, respectively      38      38      38        Treasury Stock, at cost; 2,146,783 and 1,789,353 shares, respectively	Total assets	\$ 637,090	\$ 615,846
Accounts payable      \$      8,200      \$      8,330        Accrued compensation      28,779      31,661        Accrued expenses      5,202      8,345        Deferred revenue      58,949      50,428        Operating lease liabilities      4,336      4,108        Total current liabilities      105,466      102,872        Other liabilities      5,146      5,144        Operating lease liabilities, non-current      5,146      5,144        Operating lease liabilities      4,841      7,145        Deferred income tax liabilities      4,841      7,145        Total liabilities      129,427      131,587        Commitments and contingencies      5      38        Stockholders' equity      7      4        Preferred stock, \$0.001 par value; 5,000,000 shares authorized; 0 shares issued and outstanding      -      -        Commitments and contingencies      38      38      38        Stockholders' equity      38      38      38        Treasury Stock, at cost; 2,146,783 and 1,789,353 shares, respectively      38      38      38        Accumulated other comprehensi	LIABILITIES AND STOCKHOLDERS' EQUITY		
Accrued compensation      28,779      31,661        Accrued expenses      5,202      8,345        Deferred revenue      58,949      50,428        Operating lease liabilities      4,336      4,108        Total current liabilities      105,466      102,872        Other liabilities      105,466      102,872        Other liabilities      13,974      16,426        Deferred revenue, non-current      5,146      5,144        Operating lease liabilities, non-current      13,974      16,426        Deferred income tax liabilities      4,841      7,145        Total liabilities      129,427      131,587        Commitments and contingencies      5tockholders' equity      -        Preferred stock, \$0.001 par value; 5,000,000 shares authorized; 0 shares issued and outstanding Common stock, \$0.001 par value; 10,000,000 shares authorized; 38,184,747 and 37,798,610 shares issued; and 36,037,964 and 36,009,257 shares outstanding, respectively      38      38        Treasury Stock, at cost; 2,146,783 and 1,789,353 shares, respectively      (128,377)      (85,677)        Additional paid-in capital      463,356      433,258      433,258        Retained earnings      177,306      138,087	Current liabilities		
Accrued expenses      5,202      8,345        Deferred revenue      58,949      50,428        Operating lease liabilities      4,336      4,108        Total current liabilities      105,466      102,872        Other liabilities      5,146      5,144        Operating lease liabilities, non-current      5,146      5,144        Operating lease liabilities, non-current      113,974      16,426        Deferred income tax liabilities      4,841      7,145        Total liabilities      129,427      131,587        Commitments and contingencies      129,427      131,587        Stockholders' equity      -      -        Preferred stock, \$0.001 par value; 5,000,000 shares authorized; 0 shares issued and outstanding common stock, \$0.001 par value; 5,000,000 shares authorized; 38,184,747 and 37,798,610 shares issued; and 36,037,964 and 36,009,257 shares outstanding, respectively      38      38        Treasury Stock, at cost; 2,146,783 and 1,789,353 shares, respectively      (128,377)      (85,677)        Additional paid-in capital      463,356      433,258        Retained earnings      177,306      138,087        Accumulated other comprehensive loss      (4,660)      (1,447)	Accounts payable	\$ ,	\$ ,
Deferred revenue      58,949      50,428        Operating lease liabilities      4,336      4,108        Total current liabilities      105,466      102,872        Other liabilities      5,146      5,144        Operating lease liabilities, non-current      5,146      5,144        Operating lease liabilities, non-current      13,974      16,426        Deferred income tax liabilities      4,841      7,145        Total liabilities      129,427      131,587        Commitments and contingencies      129,427      131,587        Stockholders' equity      -      -        Preferred stock, \$0.001 par value; 5,000,000 shares authorized; 0 shares issued and outstanding      -      -        Commot stock, \$0.001 par value; 5,000,000 shares authorized; 38,184,747 and 37,798,610 shares issued; and 36,037,964 and 36,009,257 shares outstanding, respectively      38      38        Treasury Stock, at cost; 2,146,783 and 1,789,353 shares, respectively      (128,377)      (85,677)        Additional paid-in capital      463,356      433,258        Retained earnings      177,306      138,087        Accumulated other comprehensive loss      (4,660)      (1,447)        Total stockho	Accrued compensation	28,779	,
Operating lease liabilities4,3364,108Total current liabilities105,466102,872Other liabilities5,1465,144Operating lease liabilities, non-current5,1465,144Operating lease liabilities, non-current13,97416,426Deferred income tax liabilities4,8417,145Total liabilities129,427131,587Commitments and contingenciesStockholders' equity-Preferred stock, \$0.001 par value; 5,000,000 shares authorized; 0 shares issued and outstanding Common stock, \$0.001 par value; 110,000,000 shares authorized; 38,184,747 and 37,798,610 shares issued; and 36,037,964 and 36,009,257 shares outstanding, respectively3838Treasury Stock, at cost; 2,146,783 and 1,789,353 shares, respectively383838Retained earnings177,306138,087463,356433,258Accumulated other comprehensive loss(4,660)(1,447)(1,447)Total stockholders' equity507,663484,259	Accrued expenses	5,202	8,345
Total current liabilities105,466102,872Other liabilitiesDeferred revenue, non-current5,1465,144Operating lease liabilities, non-current13,97416,426Deferred income tax liabilities4,8417,145Total liabilities129,427131,587Commitments and contingenciesStockholders' equity-Preferred stock, \$0.001 par value; 5,000,000 shares authorized; 0 shares issued and outstanding Common stock, \$0.001 par value; 110,000,000 shares authorized; 38,184,747 and 37,798,610 shares issued; and 36,037,964 and 36,009,257 shares outstanding, respectively3838Treasury Stock, at cost; 2,146,783 and 1,789,353 shares, respectively(128,377)(85,677)Additional paid-in capital Retained earnings463,356433,258Retained earnings177,306138,087Accumulated other comprehensive loss(4,660)(1,447)Total stockholders' equity507,663484,259	Deferred revenue	-	50,428
Other liabilitiesDeferred revenue, non-current5,146Operating lease liabilities, non-current13,974Deferred income tax liabilities4,8417,145Total liabilities129,427131,587Commitments and contingenciesStockholders' equityPreferred stock, \$0.001 par value; 5,000,000 shares authorized; 0 shares issued and outstandingCommon stock, \$0.001 par value; 110,000,000 shares authorized; 0 shares issued and outstandingCommon stock, \$0.001 par value; 110,000,000 shares authorized; 38,184,747 and 37,798,610 sharesissued; and 36,037,964 and 36,009,257 shares outstanding, respectively38Treasury Stock, at cost; 2,146,783 and 1,789,353 shares, respectively4dditional paid-in capitalRetained earningsAccumulated other comprehensive loss(4,660)(1,447)Total stockholders' equity	Operating lease liabilities	4,336	4,108
Deferred revenue, non-current5,1465,144Operating lease liabilities, non-current13,97416,426Deferred income tax liabilities4,8417,145Total liabilities129,427131,587Commitments and contingencies22Stockholders' equityreferred stock, \$0.001 par value; 5,000,000 shares authorized; 0 shares issued and outstanding Common stock, \$0.001 par value; 110,000,000 shares authorized; 38,184,747 and 37,798,610 shares issued; and 36,037,964 and 36,009,257 shares outstanding, respectively3838Treasury Stock, at cost; 2,146,783 and 1,789,353 shares, respectively(128,377)(85,677)Additional paid-in capital Retained earnings463,356433,258Retained earnings177,306138,087Accumulated other comprehensive loss(4,660)(1,447)Total stockholders' equity507,663484,259	Total current liabilities	105,466	102,872
Operating lease liabilities, non-current13,97416,426Deferred income tax liabilities4,8417,145Total liabilities129,427131,587Commitments and contingencies129,427131,587Stockholders' equityPreferred stock, \$0.001 par value; 5,000,000 shares authorized; 0 shares issued and outstanding Common stock, \$0.001 par value; 110,000,000 shares authorized; 38,184,747 and 37,798,610 shares issued; and 36,037,964 and 36,009,257 shares outstanding, respectively3838Treasury Stock, at cost; 2,146,783 and 1,789,353 shares, respectively(128,377)(85,677)Additional paid-in capital Retained earnings463,356433,258Retained earnings1177,306138,087Accumulated other comprehensive loss(4,660)(1,447)Total stockholders' equity507,663484,259	Other liabilities		
Deferred income tax liabilities4,8417,145Total liabilities129,427131,587Commitments and contingenciesStockholders' equity-Preferred stock, \$0.001 par value; 5,000,000 shares authorized; 0 shares issued and outstanding Common stock, \$0.001 par value; 110,000,000 shares authorized; 38,184,747 and 37,798,610 shares issued; and 36,037,964 and 36,009,257 shares outstanding, respectively38Treasury Stock, at cost; 2,146,783 and 1,789,353 shares, respectively(128,377)Additional paid-in capital463,356Retained earnings177,306Accumulated other comprehensive loss(4,660)Total stockholders' equity507,663	Deferred revenue, non-current	5,146	5,144
Total liabilities129,427131,587Commitments and contingenciesStockholders' equityPreferred stock, \$0.001 par value; 5,000,000 shares authorized; 0 shares issued and outstandingCommon stock, \$0.001 par value; 110,000,000 shares authorized; 38,184,747 and 37,798,610 shares issued; and 36,037,964 and 36,009,257 shares outstanding, respectivelyTreasury Stock, at cost; 2,146,783 and 1,789,353 shares, respectively3838Treasury Stock, at cost; 2,146,783 and 1,789,353 shares, respectively(128,377)Additional paid-in capital463,356Retained earnings177,306Accumulated other comprehensive loss(4,660)Total stockholders' equity507,663	Operating lease liabilities, non-current		-
Commitments and contingenciesStockholders' equityPreferred stock, \$0.001 par value; 5,000,000 shares authorized; 0 shares issued and outstandingCommon stock, \$0.001 par value; 110,000,000 shares authorized; 38,184,747 and 37,798,610 shares issued; and 36,037,964 and 36,009,257 shares outstanding, respectively38Treasury Stock, at cost; 2,146,783 and 1,789,353 shares, respectively463,356463,356463,356463,356463,356177,306138,087Accumulated other comprehensive loss464,660)(1,447)Total stockholders' equity	Deferred income tax liabilities	4,841	7,145
Stockholders' equity-Preferred stock, \$0.001 par value; 5,000,000 shares authorized; 0 shares issued and outstanding-Common stock, \$0.001 par value; 110,000,000 shares authorized; 38,184,747 and 37,798,610 shares38issued; and 36,037,964 and 36,009,257 shares outstanding, respectively38Treasury Stock, at cost; 2,146,783 and 1,789,353 shares, respectively(128,377)Additional paid-in capital463,356Retained earnings177,306Accumulated other comprehensive loss(4,660)Total stockholders' equity507,663	Total liabilities	129,427	131,587
Preferred stock, \$0.001 par value; 5,000,000 shares authorized; 0 shares issued and outstanding—Common stock, \$0.001 par value; 110,000,000 shares authorized; 38,184,747 and 37,798,610 shares issued; and 36,037,964 and 36,009,257 shares outstanding, respectively3838Treasury Stock, at cost; 2,146,783 and 1,789,353 shares, respectively(128,377)(85,677)Additional paid-in capital463,356433,258Retained earnings177,306138,087Accumulated other comprehensive loss(4,660)(1,447)Total stockholders' equity507,663484,259	Commitments and contingencies		
Common stock, \$0.001 par value; 110,000,000 shares authorized; 38,184,747 and 37,798,610 shares issued; and 36,037,964 and 36,009,257 shares outstanding, respectively3838Treasury Stock, at cost; 2,146,783 and 1,789,353 shares, respectively(128,377)(85,677)Additional paid-in capital463,356433,258Retained earnings177,306138,087Accumulated other comprehensive loss(4,660)(1,447)Total stockholders' equity507,663484,259	Stockholders' equity		
issued; and 36,037,964 and 36,009,257 shares outstanding, respectively3838Treasury Stock, at cost; 2,146,783 and 1,789,353 shares, respectively(128,377)(85,677)Additional paid-in capital463,356433,258Retained earnings177,306138,087Accumulated other comprehensive loss(1,447)(1,447)Total stockholders' equity507,663484,259	Preferred stock, \$0.001 par value; 5,000,000 shares authorized; 0 shares issued and outstanding	—	—
Treasury Stock, at cost; 2,146,783 and 1,789,353 shares, respectively    (128,377)    (85,677)      Additional paid-in capital    463,356    433,258      Retained earnings    177,306    138,087      Accumulated other comprehensive loss    (4,660)    (1,447)      Total stockholders' equity    507,663    484,259			
Additional paid-in capital463,356433,258Retained earnings177,306138,087Accumulated other comprehensive loss(4,660)(1,447)Total stockholders' equity507,663484,259			
Retained earnings      177,306      138,087        Accumulated other comprehensive loss      (4,660)      (1,447)        Total stockholders' equity      507,663      484,259		· · · /	( )
Accumulated other comprehensive loss(4,660)(1,447)Total stockholders' equity507,663484,259			
Total stockholders' equity 507,663 484,259	5	-	
		( . ,	· · · · · · · · · · · · · · · · · · ·
Total liabilities and stockholders' equity 615 846			-
	Total liabilities and stockholders' equity	\$ 637,090	\$ 615,846

## SPS COMMERCE, INC. CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Unaudited; in thousands, except per share amounts)

		nths Ended mber 30,	Nine Month Septemb		
	2022	2021	2022	2021	
Revenues	\$ 114,486	<b>\$ 97,887</b>	\$ 328,857	\$ 282,520	
Cost of revenues	38,605	34,343	111,524	96,043	
Gross profit	75,88	63,544	217,333	186,477	
Operating expenses					
Sales and marketing	25,334	22,079	74,571	65,386	
Research and development	11,13	5 10,854	33,268	28,459	
General and administrative	16,724	14,691	49,390	45,186	
Amortization of intangible assets	2,998	2,399	7,936	7,734	
Total operating expenses	56,19	50,023	165,165	146,765	
Income from operations	19,690	13,521	52,168	39,712	
Other expense, net	(695	) (716)	(1,610)	(1,424)	
Income before income taxes	18,995	5 12,805	50,558	38,288	
Income tax expense	3,132	1,356	11,339	6,456	
Net income	\$ 15,863	3 \$ 11,449	\$ 39,219	\$ 31,832	

Basic Diluted	\$ \$	0.44 0.43	\$ \$	0.32 0.31	\$ \$	1.09 1.06	\$ \$	0.89 0.86
Weighted average common shares used to compute net income per share								
Basic		36,093		35,961		36,104		35,873
Diluted		36,915		37,015		36,942		36,898

# SPS COMMERCE, INC. CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited; in thousands)

	Nine Months Septemb	
	2022	2021
Cash flows from operating activities		
Net income	\$ 39,219	\$ 31,832
Reconciliation of net income to net cash provided by operating activities		
Deferred income taxes	(2,092)	1,013
Depreciation and amortization of property and equipment	11,983	10,989
Amortization of intangible assets	7,936	7,734
Provision for credit losses	2,889	4,037
Stock-based compensation	25,636	21,273
Other, net	43	234
Changes in assets and liabilities, net of effects of acquisition		
Accounts receivable	(3,999)	(5,327)
Deferred costs	(7,174)	(5,686)
Other current and non-current assets	2,202	(3,893)
Accounts payable	129	(1,518)
Accrued compensation	(4,388)	6,617
Accrued expenses	(3,035)	(174)
Deferred revenue	8,261	13,401
Operating leases	(1,127)	1,036
Net cash provided by operating activities	76,483	81,568
Cash flows from investing activities		
Purchases of property and equipment	(13,894)	(15,567)
Purchases of investments	(134,276)	(84,020)
Maturities of investments	132,500	67,500
Acquisition of business, net	(44,923)	_
Net cash used in investing activities	(60,593)	(32,087)
Cash flows from financing activities		
Repurchases of common stock	(42,700)	(10,661)
Net proceeds from exercise of options to purchase common stock	2,457	7,027
Net proceeds from employee stock purchase plan activity	3,588	2,316
Payments for contingent consideration	—	(2,042)
Net cash used in financing activities	(36,655)	(3,360)
Effect of foreign currency exchange rate changes	(557)	(10)
Net increase (decrease) in cash and cash equivalents	(21,322)	46,111
Cash and cash equivalents at beginning of period	207,552	149,692
Cash and cash equivalents at end of period	\$ 186,230	\$ 195,803

#### SPS COMMERCE, INC.

NON-GAAP RECONCILIATION (Unaudited; in thousands, except per share amounts)

Adj	usted EBI	ΓDA						
	Three Months Ended September 30,				Nine Month Septemb			
	20	)22	20	)21	20	)22	20	)21
Net income	\$	15,863	\$	11,449	\$	39,219	\$	31,832
Income tax expense		3,132		1,356		11,339		6,456
Depreciation and amortization of property and equipment		4,169		3,695		11,983		10,989

Adjusted EBITDA	\$ 34,687	\$ 26,536	\$ 97,317	\$ 79,321
Other			· · ·	(213)
Investment income	(586)	(66)	(806)	(242)
Realized loss from foreign currency on cash and investments held	1,151	854	2,010	1,492
Stock-based compensation expense	7,960	6,849	25,636	21,273
Amortization of intangible assets	2,998	2,399	7,936	7,734

	Adjusted EBITDA Margin					
		Three Months Ended September 30,				
	2022	2021	2022	2021		
Revenue	\$ 114,486	\$ 97,887	\$ 328,857	\$ 282,520		
Net income	15,863	11,449	39,219	31,832		
Margin	14 %	12 %	12 %	11 %		
Adjusted EBITDA	34,687	26,536	97,317	79,321		
Adjusted EBITDA Margin	30 %	27 %	30 %	28 %		

Three Mont        Septem        2022        15,863        7,960        2,998	ber 30,	021 11,449 6,849	2 \$	Nine Month Septemb 2022 39,219	er 30,	021
15,863 7,960 2,998		11,449 6,849		39,219		0 <b>21</b> 31,832
7,960 2,998	\$	6,849	\$	-	\$	31.832
2,998				05 000		,
				25,636		21,273
		2,399		7,936		7,734
1,151		854		2,010		1,492
—		_		—		(213)
(4,866)		(4,178)		(11,576)		(12,152)
23,106	\$	17,373	\$	63,225	\$	49,966
36,093		35,961		36,104		35,873
36,915		37,015		36,942		36,898
0.64	\$	0.48	\$	1.75	\$	1.39
0.63	\$	0.47	\$	1.71	\$	1.35
	1,151 (4,866) 23,106 36,093 36,915 0.64	1,151 (4,866) 23,106 \$ 36,093 36,915 0.64 \$	1,151  854	1,151  854    (4,866)  (4,178)    23,106  \$ 17,373    36,093  35,961    36,915  37,015    0.64  \$ 0.48	1,151  854  2,010	1,151    854    2,010      (4,866)    (4,178)    (11,576)      (23,106    \$ 17,373    \$ 63,225      36,093    35,961    36,104      36,915    37,015    36,942      0.64    \$ 0.48    \$ 1.75

Contact: Investor Relations The Blueshirt Group Irmina Blaszczyk & Lisa Laukkanen SPSC@blueshirtgroup.com 415-217-4962



Source: SPS Commerce, Inc.