Forward-Looking Statements and Non-GAAP Financial Measures

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, our positioning for the future, our future performance, and any statements about the future effect of the COVID-19 pandemic on our business, customers or the global economy and our business prospects, all of which fall 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, 2019, 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 presentation 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.

This presentation contains references to “adjusted EBITDA” which is, in each case, not presented in accordance with generally accepted accounting principles (“GAAP”). A reconciliation to the corresponding GAAP measure is provided in Appendix A, herewith.
Our Mission & Vision

**Mission**
To connect all retail trading partners through the easiest-to-join and use network, freeing them to focus on what they do best.

**Vision**
To be the world’s retail network.
The World’s Largest Cloud Retail Network
90,000+ customers, 1,000+ system partners, 300,000+ connections

Proven Go-to-Market Motion
Unique, viral, lead-generation engine

Industry Leading Products and Solutions
Multiple products to cross-sell and upsell across all retail channels

Established and Growing Global Footprint
Multinational customers supported by operations in NA, EU, and APAC

Track Record of Profitable, Sustained Growth
Long term adjusted EBITDA margin target of 35%

Large and Expanding Market Opportunity
$5 billion TAM
The Power of the SPS Commerce Network

* Retailers include brick-and-mortar stores, retailer ecommerce sites, ecommerce-only retailers, grocers and distributors. Within these categories we work with retailers, distributors, and suppliers.
Our Lead Generation is Viral

Our Network Flywheel

Tremendous go-to-market leverage from our network model and community.
Community & Network in Action

Retail Change Event → LEADS TO → New Supplier → LEADS TO → Additional Retailers → LEADS TO → More Trading Partners
We Support a Global Network of 90,000+ Customers
Industry Evolution Fuels Our Growth

Ever-increasing omnichannel consumer expectations require more efficient, optimized supply chains and systems. This is exactly where our expertise and solutions excel.
Industry-Leading Products

Business Applications

Assortment  Fulfillment  Analytics  Community

Dev Center  3rd Party Applications

Development Environment

Commerce Network

Global Cloud Infrastructure
# Generating a Large Global Opportunity

<table>
<thead>
<tr>
<th>Opportunity</th>
<th>Q3 2020</th>
<th>Future</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recurring Revenue Customers</td>
<td>32,000</td>
<td>200,000</td>
</tr>
<tr>
<td>Revenue / Customer</td>
<td>$9,500</td>
<td>$25,000</td>
</tr>
</tbody>
</table>

(Adding trading partners / size of customer / multiple products)
Inherent Growth Opportunities

Land new customers & expand network
- Community enablement
- Channel sales
- Marketing

Increase wallet size
- New trading partner relationships
- Cross-sell products
- Customer size

Consolidation Opportunities
- Customer
- Product
- Technology
- Geography
Why We Are Positioned for Continued Growth

- World’s largest cloud retail network
- Unique community approach fuels viral lead-gen engine
- Leading products solving needs across all retail channels
- Global footprint with strong presence in key markets
- Track record of profitable and sustained growth
- Multi-billion-dollar market opportunity
# Operating Model

Attractive durable revenue growth and strong operating leverage

<table>
<thead>
<tr>
<th></th>
<th>2019 Actual</th>
<th>Target Model (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue Growth</td>
<td>12%</td>
<td>≥ 10%</td>
</tr>
<tr>
<td>Gross Margin</td>
<td></td>
<td>Low 70s</td>
</tr>
<tr>
<td>Expenses (% of revenue)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research &amp; Development</td>
<td>10 – 12%</td>
<td></td>
</tr>
<tr>
<td>Sales &amp; Marketing</td>
<td></td>
<td>Low 20s</td>
</tr>
<tr>
<td>General &amp; Administrative</td>
<td>10 – 12%</td>
<td></td>
</tr>
<tr>
<td>Adjusted EBITDA Margin</td>
<td>25%</td>
<td>35%</td>
</tr>
</tbody>
</table>
COVID-19 Update (as of 10/28/20)

- We continue to monitor the uncertainty around the duration and magnitude of the pandemic, and the impact that a second wave of infections may have on economic activity. We are also taking into account the possibility of continued pressure on retailers, prolonged store closures and bankruptcies all of which would negatively impact our business.

- For the remainder of the year, we expect to see continued softness in Analytics, however, we expect Fulfillment to remain strong.

- Given our history of strong operating leverage and the resilience of our SaaS business model, we remain confident in our ability to expand adjusted EBITDA margin in 2020, and achieve our long term adjusted EBITDA margin target of 35%.
Predictable Revenue & Adjusted EBITDA Growth

Revenue ($M)

<table>
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<tr>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>45</td>
<td>58</td>
<td>77</td>
<td>104</td>
<td>128</td>
<td>159</td>
<td>193</td>
<td>220</td>
<td>248</td>
<td>279</td>
<td>310</td>
</tr>
</tbody>
</table>

Adjusted EBITDA ($M)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>5</td>
<td>5</td>
<td>9</td>
<td>14</td>
<td>18</td>
<td>23</td>
<td>25</td>
<td>34</td>
<td>51</td>
<td>70</td>
<td>85</td>
</tr>
</tbody>
</table>

* FY 2020 estimate based on midpoint of company guidance provided on October 28, 2020.
Growth Across Key Metrics

Recurring Revenue Customers

<table>
<thead>
<tr>
<th>Year</th>
<th>Q3 2020</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>11K</td>
<td>32K</td>
<td></td>
</tr>
</tbody>
</table>

Average Revenue / Customer

<table>
<thead>
<tr>
<th>Year</th>
<th>Q3 2020</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2.9K</td>
<td>$9.5K</td>
<td></td>
</tr>
</tbody>
</table>

Total Revenue ($M)

<table>
<thead>
<tr>
<th>Year</th>
<th>2009</th>
<th>2020*</th>
</tr>
</thead>
<tbody>
<tr>
<td>$38M</td>
<td>$310M</td>
<td></td>
</tr>
</tbody>
</table>

* FY 2020 estimate based on midpoint of company guidance provided on October 28, 2020.
Adjusted EBITDA Margin Expansion

Adjusted EBITDA margin long term target expectation as reiterated on the company’s Q2 20 earnings conference call on October 28, 2020.
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Appendix A – Reconciliation of Non-GAAP Financial Measures

• Adjusted EBITDA consists of net income adjusted for depreciation and amortization, interest expense, interest income, income tax expense, the discrete impact from tax law change, stock-based compensation expense, and other adjustments as necessary for a fair presentation. Other adjustments includes the impact of acquisition based fair value adjustment, a one-time tax related to an international acquisition, as well as the impact of use tax refunds.

• We use Adjusted EBITDA as a measure of operating performance because it assists us in comparing performance on a consistent basis, as it removes the impact of our capital structure from our operating results. We believe Adjusted EBITDA is useful to an investor in evaluating our operating performance because it is widely used to measure a company’s 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 our capital structure and the method by which assets were acquired.

• The following table provides a reconciliation of net income to Adjusted EBITDA (in thousands):

<table>
<thead>
<tr>
<th></th>
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<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income</td>
<td>$33,712</td>
<td>$23,872</td>
<td>$351</td>
<td>$4,963</td>
<td>$4,639</td>
<td>$2,704</td>
<td>$1,051</td>
<td>$1,222</td>
<td>$13,703</td>
<td>$2,884</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>16,438</td>
<td>12,686</td>
<td>11,782</td>
<td>11,336</td>
<td>9,572</td>
<td>8,570</td>
<td>8,051</td>
<td>4,918</td>
<td>2,647</td>
<td>1,533</td>
</tr>
<tr>
<td>Interest income, net</td>
<td>(2,947)</td>
<td>(2,329)</td>
<td>(1,032)</td>
<td>(601)</td>
<td>(197)</td>
<td>(187)</td>
<td>(112)</td>
<td>(19)</td>
<td>(89)</td>
<td>(84)</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>8,358</td>
<td>4,468</td>
<td>3,544</td>
<td>2,755</td>
<td>2,436</td>
<td>1,408</td>
<td>866</td>
<td>121</td>
<td>(12,619)</td>
<td>92</td>
</tr>
<tr>
<td>Discrete impact from tax law change</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>6,798</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Stock-based compensation expense</td>
<td>14,690</td>
<td>12,510</td>
<td>12,727</td>
<td>8,023</td>
<td>6,379</td>
<td>5,396</td>
<td>4,203</td>
<td>2,755</td>
<td>1,768</td>
<td>750</td>
</tr>
<tr>
<td>Other</td>
<td>(488)</td>
<td>94</td>
<td>—</td>
<td>(1,106)</td>
<td>(209)</td>
<td>269</td>
<td>(105)</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>$ 69,763</td>
<td>$ 51,301</td>
<td>$ 34,170</td>
<td>$ 25,370</td>
<td>$ 22,620</td>
<td>$ 18,160</td>
<td>$ 13,774</td>
<td>$ 8,997</td>
<td>$ 5,410</td>
<td>$ 5,175</td>
</tr>
</tbody>
</table>

The years ending December 31, 2017 and 2016 were adjusted for ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606) and Other Assets and Deferred Costs – Contracts with Customers (Subtopic 340-40), adopted on January 1, 2018 and retrospectively applied for the two years ended December 31, 2017 and 2016.