



SPS COMMERCE

INVESTOR DAY

September 23, 2025

Today's Agenda



Growth Strategy | Chad Collins, CEO



Product Strategy | Mike Svatek, CPO



Go-to-Market Strategy | Chad Collins, CEO



Break



Moderated Customer Panel



Network Strategy | Jamie Thingelstad, CTO



Financial Review | Kim Nelson, CFO



Q&A

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 customers, products, offerings 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, 2024, 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 and market analysis 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 historical "Adjusted EBITDA" and "Adjusted EBITDA Margin" which are, in each case, not presented in accordance with generally accepted accounting principles ("GAAP"). Reconciliations to the corresponding GAAP measure is provided in Appendix A of this presentation.

The Company does not present a reconciliation of the forward-looking non-GAAP financial measures, including Adjusted EBITDA and Adjusted EBITDA Margin, to the most directly comparable GAAP financial measures because it is impractical to forecast certain items without unreasonable efforts due to the uncertainty and inherent difficulty of predicting, within a reasonable range, the occurrence and financial impact of and the periods in which such items may be recognized.



Growth Strategy



Chad Collins

Chief Executive Officer

A brief overview of SPS Commerce

What we do

As the world's retail network, SPS Commerce connects businesses across global retail supply chains, empowering them with the expertise, guidance, and technology to work better together.

A brief overview of SPS Commerce

What we do

As the world's retail network, SPS Commerce connects businesses across global retail supply chains, empowering them with the expertise, guidance, and technology to work better together.

Who we serve



Retailers

Sell goods through brick-and-mortar, e-commerce, etc.



Suppliers

Manufacture goods for sale through the retail channel.



3PLs

Move goods between retailers, suppliers, and to end consumers.

A brief overview of SPS Commerce

What we do

As the world's retail network, SPS Commerce connects businesses across global retail supply chains, empowering them with the expertise, guidance, and technology to work better together.

Who we serve



Retailers

Sell goods through brick-and-mortar, e-commerce, etc.



Suppliers

Manufacture goods for sale through the retail channel.



3PLs

Move goods between retailers, suppliers, and to end consumers.

Customer benefits



Improved speed to market



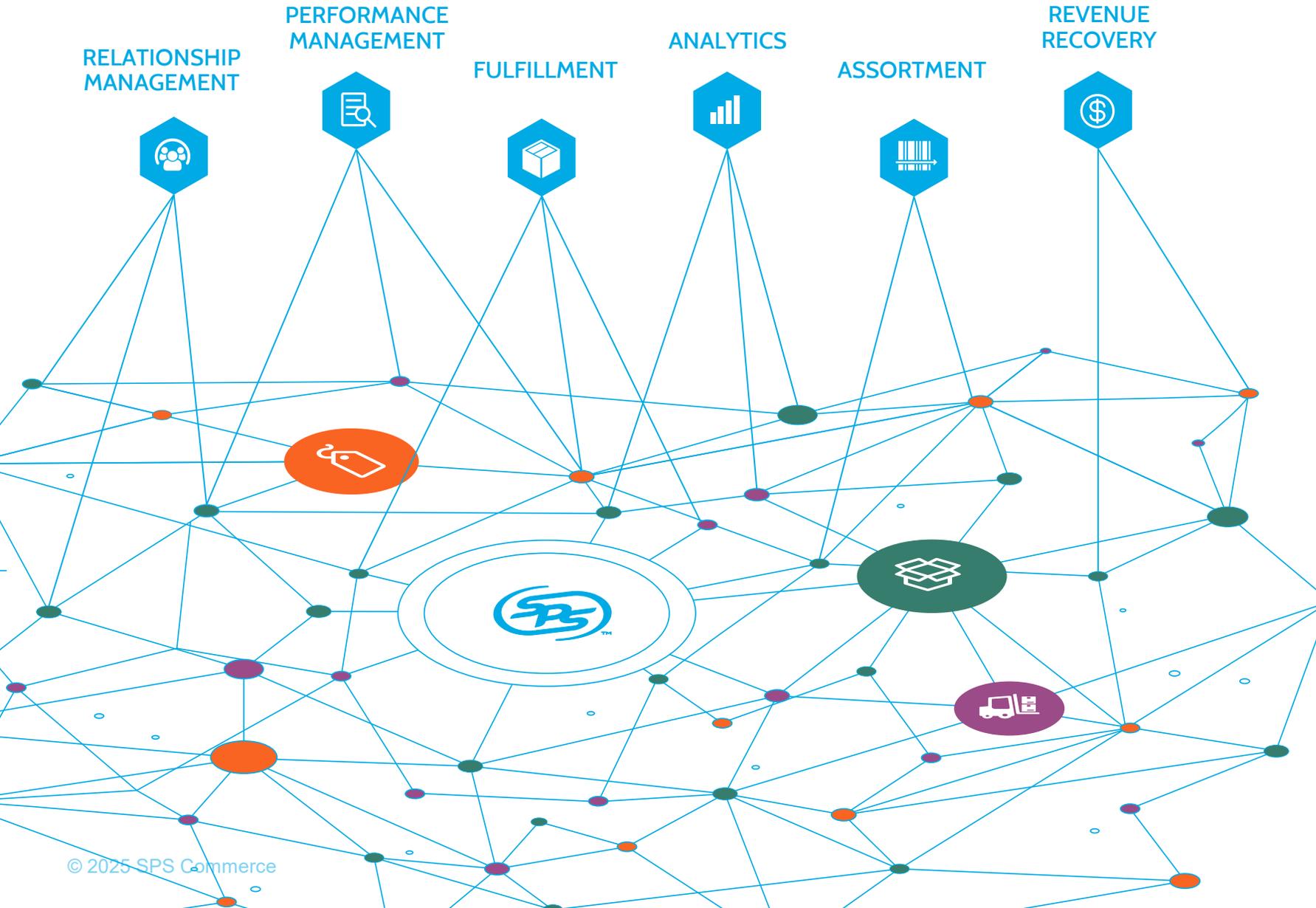
Sales and margin growth



Reduction in operating costs

Our Purpose:

To power the
connections that
move the world of
commerce *forward.*



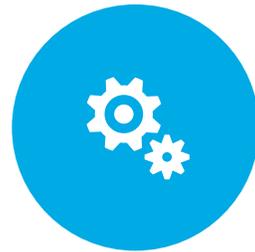
Our global network is the foundation and the force-multiplier behind this purpose.

- Protocol-Agnostic
- AI-Enabled
- Scalable
- Secure

We're chosen for



Expertise



Processes

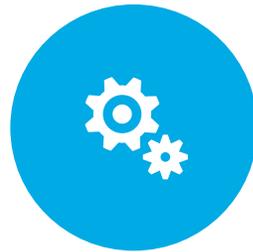


Platform

... and increasingly, the value of our data.



Expertise



Processes



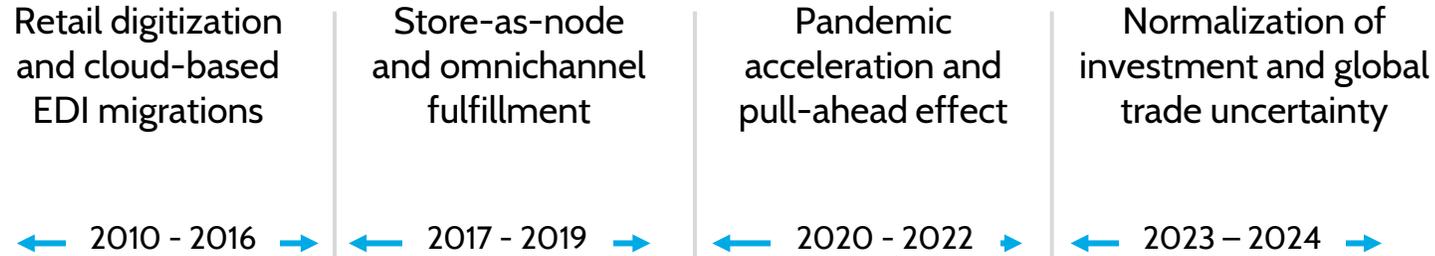
Platform



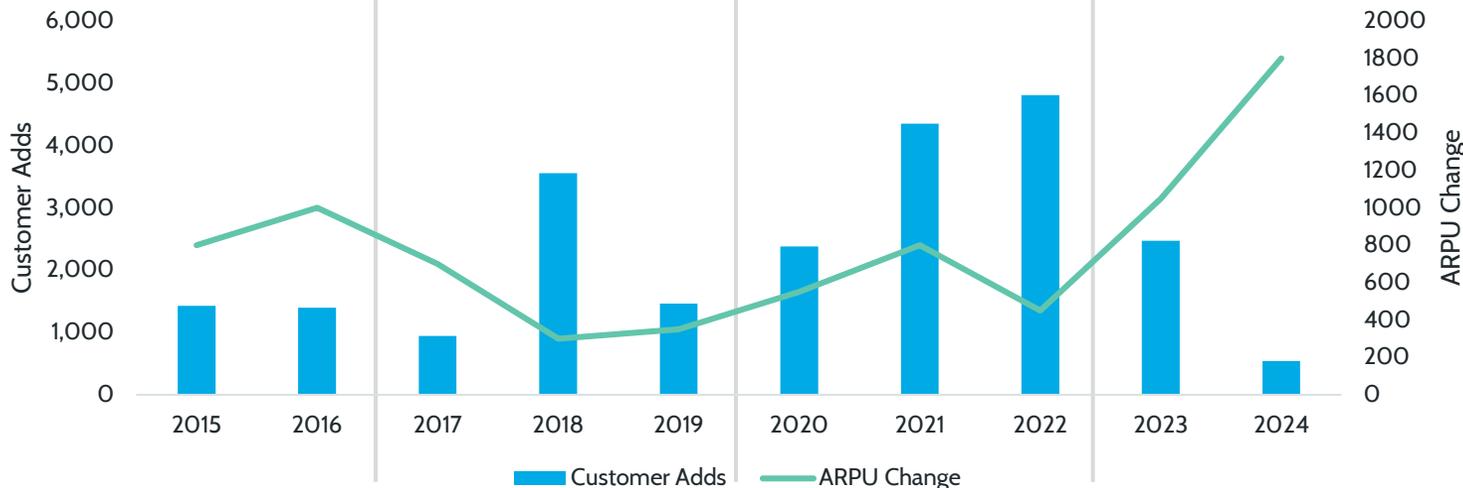
Data and
Network



Industry Dynamics and Pace of Change in Retail



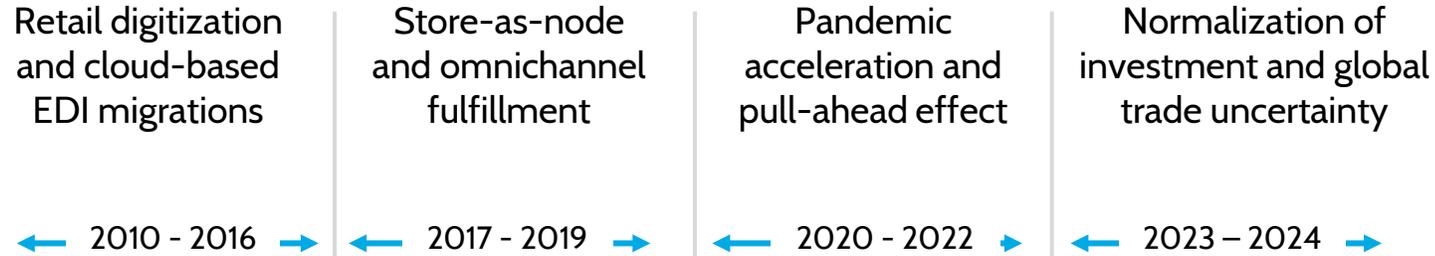
Customer CAGR	12%	7%	11%	4%
ARPU CAGR	14%	6%	6%	13%



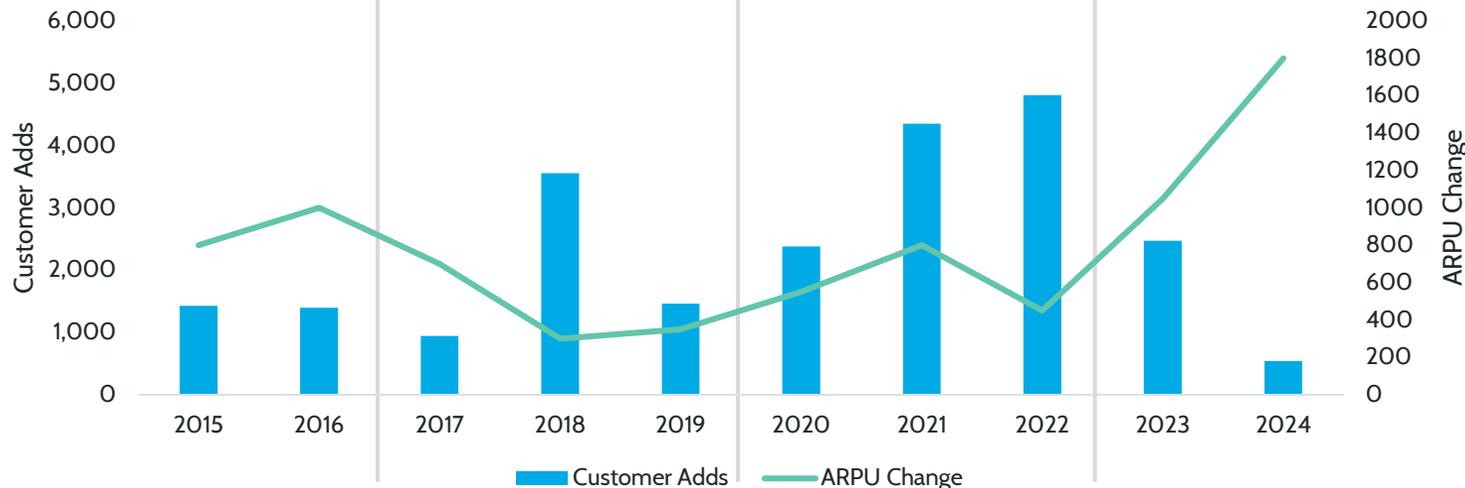
Dynamics behind the next phase of revenue growth of at least high single digits (without acquisitions):

- ✓ Pandemic “pull-in” effect
- ✓ Lower net customer adds in 2024
- ✓ Current macro uncertainty

Industry Dynamics and Pace of Change in Retail



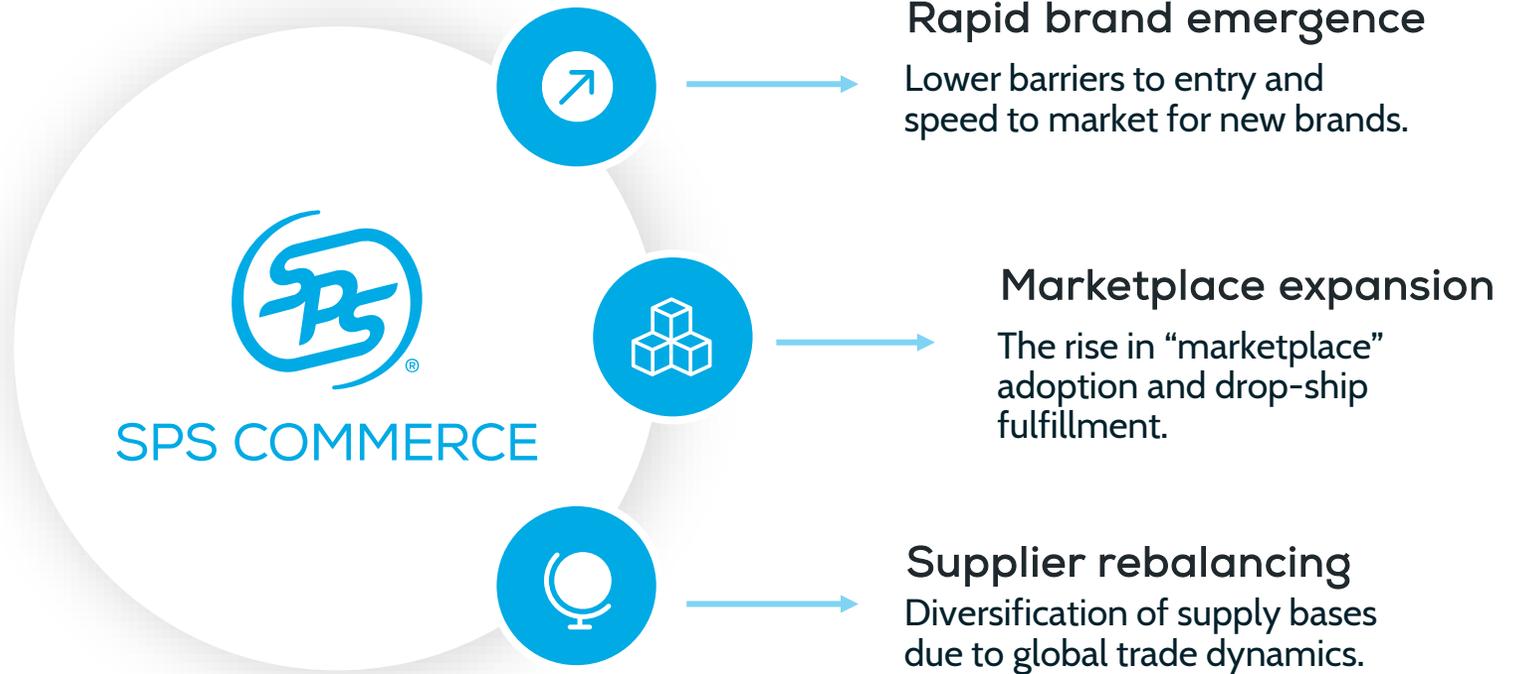
Customer CAGR	12%	7%	11%	4%
ARPU CAGR	14%	6%	6%	13%



Long-term growth opportunity:

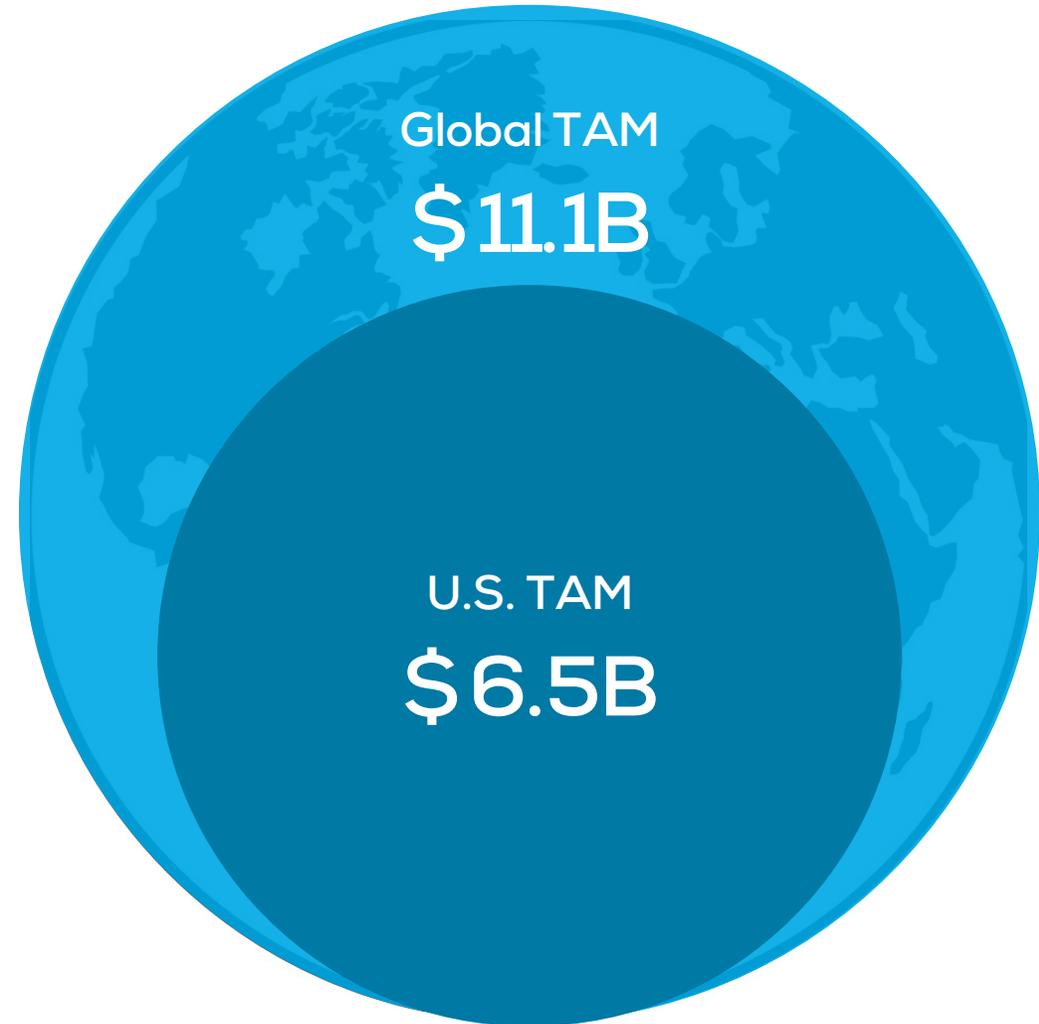
- ✓ New retail dynamics
- ✓ Large TAM
- ✓ Growing supply chain complexities require better collaboration and automation

These retail industry dynamics create opportunity for SPS.



SPS is built for a rapidly-changing environment that requires collaboration between retailers, suppliers, and third-party logistics companies (3PLs) to make, sell, and move goods in new ways.

Our opportunity:
a growing global market



Our opportunity: a growing global market



	Q2 2025	Opportunity*
Recurring Revenue Customers	54,500	275,000
Average Recurring Revenue/ Customer**	\$13,200	\$40,500

*Source: TAM Analysis and Market Penetration Study leveraging US Census NAICS Codes across Retail (42 Wholesalers), Distribution (42 Wholesalers), CPG/Finished Goods (31-33 Manufacturing), Retailers/Stores acting as suppliers (44-45 Retail Trade) as of February 2025.

**We calculate the annualized average recurring revenues per recurring revenue customer, which we also refer to as ARPU, by dividing the annualized recurring revenues for the period by the average of the beginning and ending number of recurring revenue customers for the period.

We have multiple inherent growth levers.

Land Customers

 Retail Programs

 Channel Partners

 Global Expansion

Expand Customers

 Expanding with Customers

 Upsell Opportunities

 Cross-Sell Products

A proven team to lead SPS in our next chapter of growth:



Chad Collins
Chief Executive
Officer



Mike Svatek
Chief Product
Officer



Jamie Thingelstad
Chief Technology
Officer



Kim Nelson
Chief Financial
Officer



Erica Koenig
Chief Human
Resources Officer



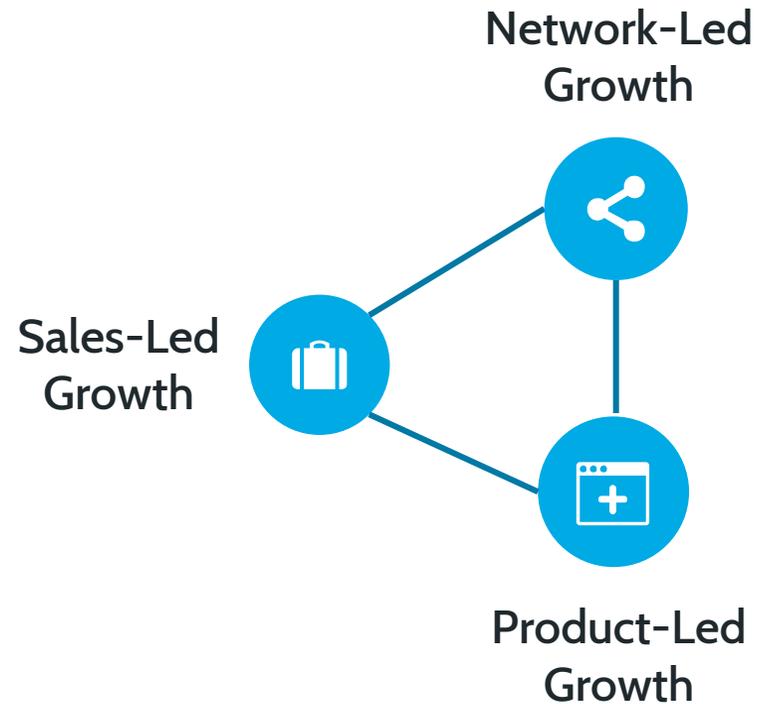
Maria Pergolino
Chief Marketing
Officer



Dan Juckniess
Chief Revenue
Officer

Our network leads the way.

The SPS network is signal-rich, creating a growth engine that reveals the next incremental dollar.





Growth Strategy

Key Takeaways

01

The SPS network is the foundation of our growth and a competitive differentiator.

02

Retailer programs are an efficient and differentiated way to increase suppliers in the network.

03

Customers choose SPS for our expertise, proven processes, technology, and increasingly, our data.

04

We are well-positioned to capitalize on an ever-evolving retail ecosystem and a growing global market.



Product Strategy



Mike Svatek

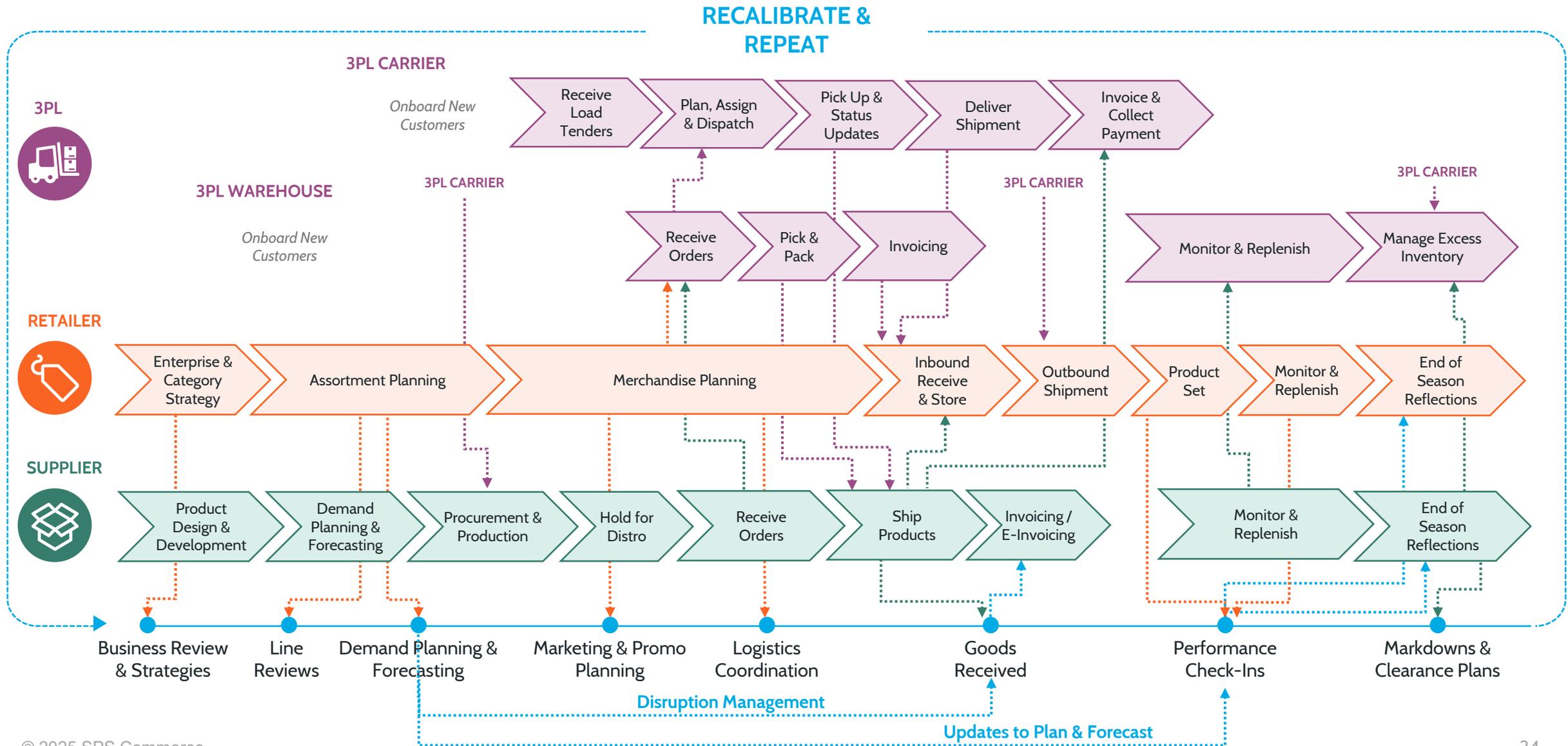
Chief Product Officer

Our Product Strategy

To build depth and breadth in solutions that **enable trading partners to collaborate better**—along the entire value chain.



This is why collaboration matters.



RECALIBRATE & REPEAT

3PL CARRIER

Onboard New Customers

Receive Load Tenders

Plan, Assign & Dispatch

Pick Up & Status Updates

Deliver Shipment

Invoice & Collect Payment

We enable **collaboration and automation** where trading partners' business processes connect.

3LP



RETAILER



SUPPLIER



Design & Development

Planning & Forecasting

Production

Distro

Orders

Products

E-Invoicing

Replenish

Season Reflections

Business Review & Strategies

Line Reviews

Demand Planning & Forecasting

Marketing & Promo Planning

Logistics Coordination

Goods Received

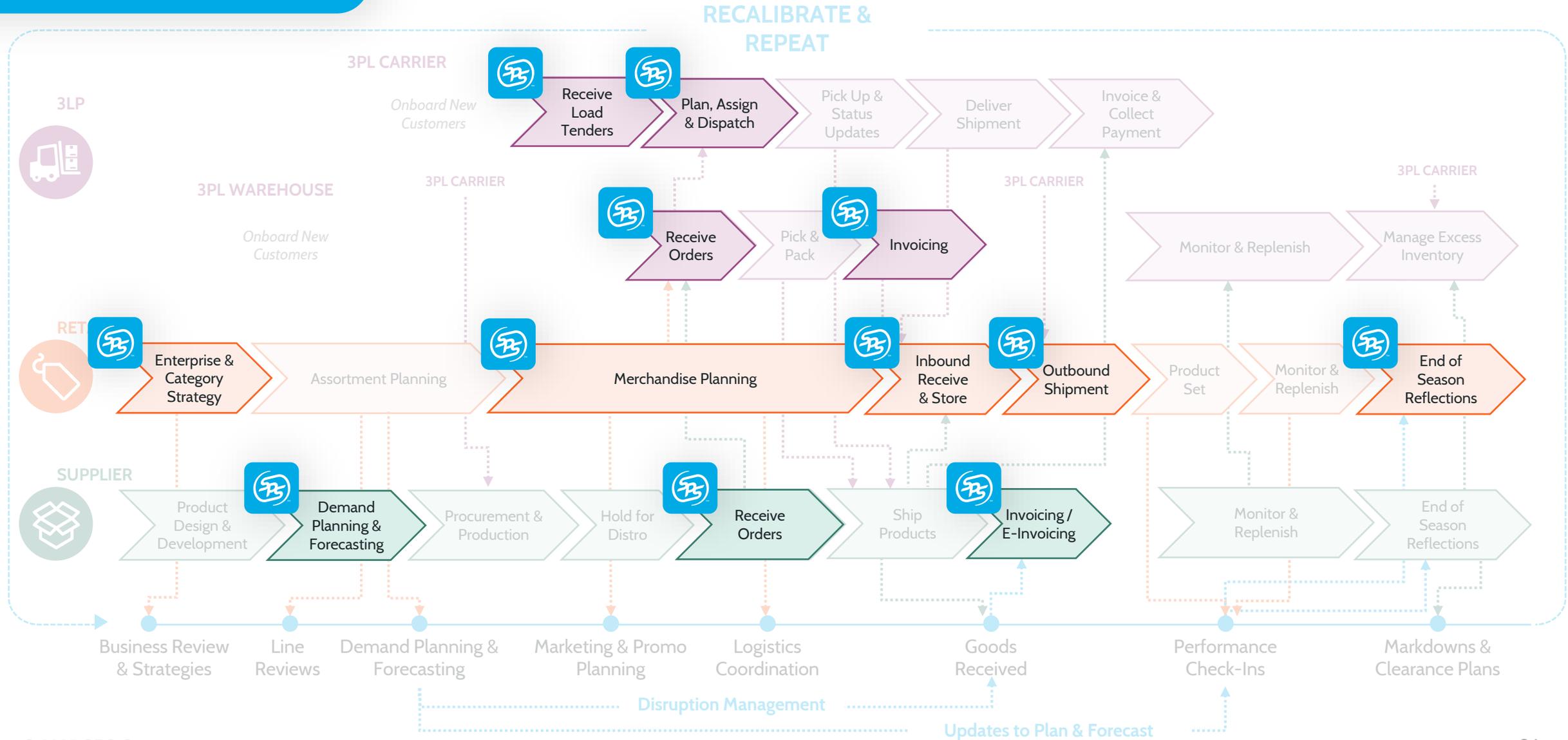
Performance Check-Ins

Markdowns & Clearance Plans

Disruption Management

Updates to Plan & Forecast

Our Impact in Key Areas



RECALIBRATE & REPEAT

3PL CARRIER

3PL



Onboard New

Receive Load

Plan, Assign

Pick Up & Status

Deliver

Invoice & Collect

And as retail dynamics continue to change, there are opportunities to expand our impact along the value chain.

Build

Feature sets and capabilities aligned to our core competencies and emerging customer needs.

Buy

Best-in-class, complementary to our core competencies, and grounded in well-established customer needs.

Partner

Adjacent to our offerings and connected to customer needs.

RETAIL



SUPPLY



Business Review & Strategies

Line Reviews

Demand Planning & Forecasting

Marketing & Promo Planning

Logistics Coordination

Goods Received

Performance Check-Ins

Markdowns & Clearance Plans

Disruption Management

Updates to Plan & Forecast



Let's talk about the network.



The network powers our products and solutions.

Data-Powered

Real-time, visible data across the network create “signals” for customer needs and inflection points.

System-Integrated

Our solutions are integrated into customers’ essential business processes and systems.

Expert-Led

Built on decades of retail expertise and best practices that improve supply chain collaboration.

We reimagined our retail go-to-market in 2025.

Our Customers

 Retailers

 Suppliers

 3PLs

We reimagined our retail go-to-market in 2025.

Our Customers

 Retailers

 Suppliers

 3PLs

+ New capability

traverse
SYSTEMS

Acquired May 2024

We reimagined our retail go-to-market in 2025.

Our Customers

 Retailers

 Suppliers

 3PLs

+ New capability

traverse
SYSTEMS

Acquired May 2024

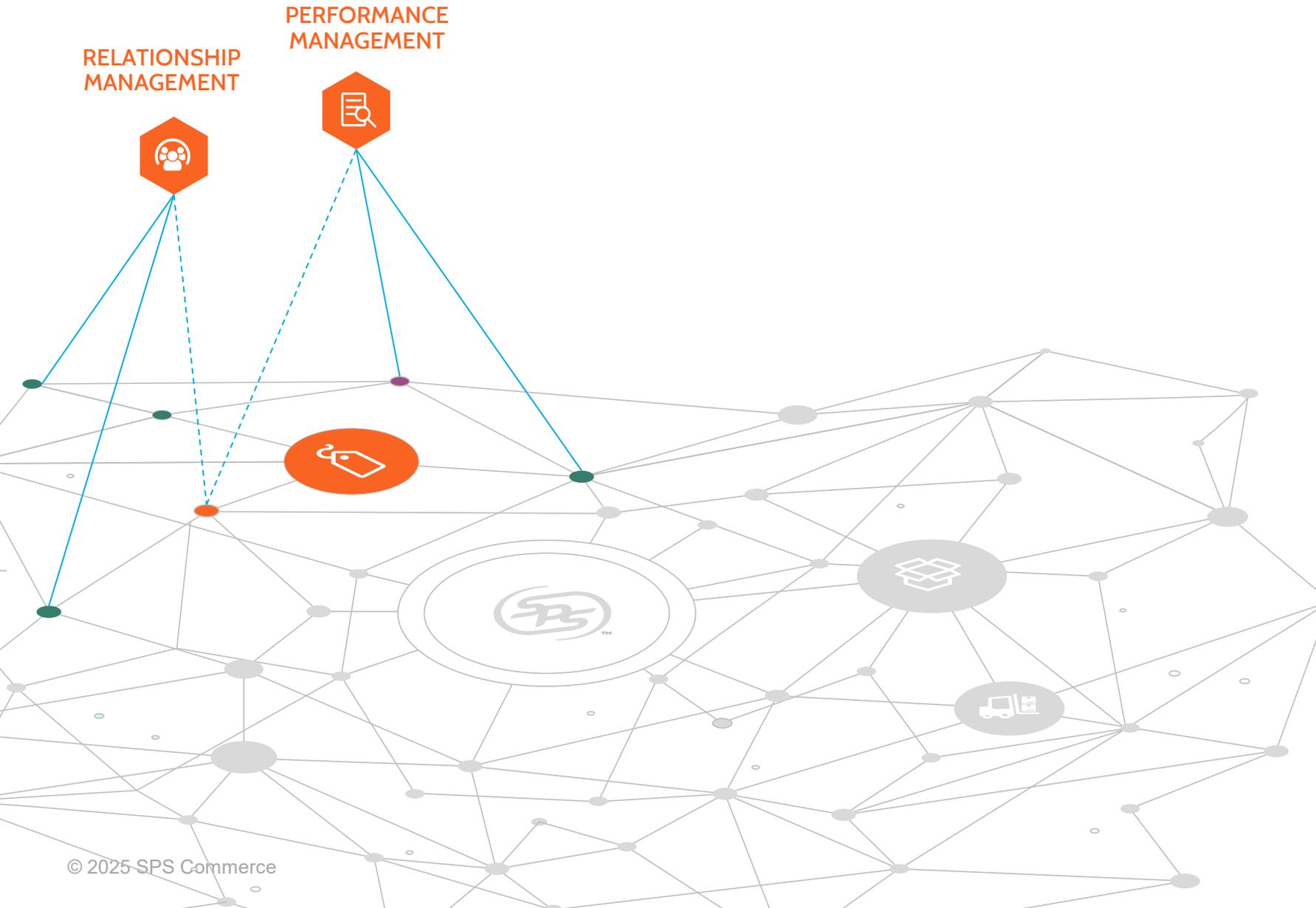
+ Stronger solutions



PERFORMANCE
MANAGEMENT



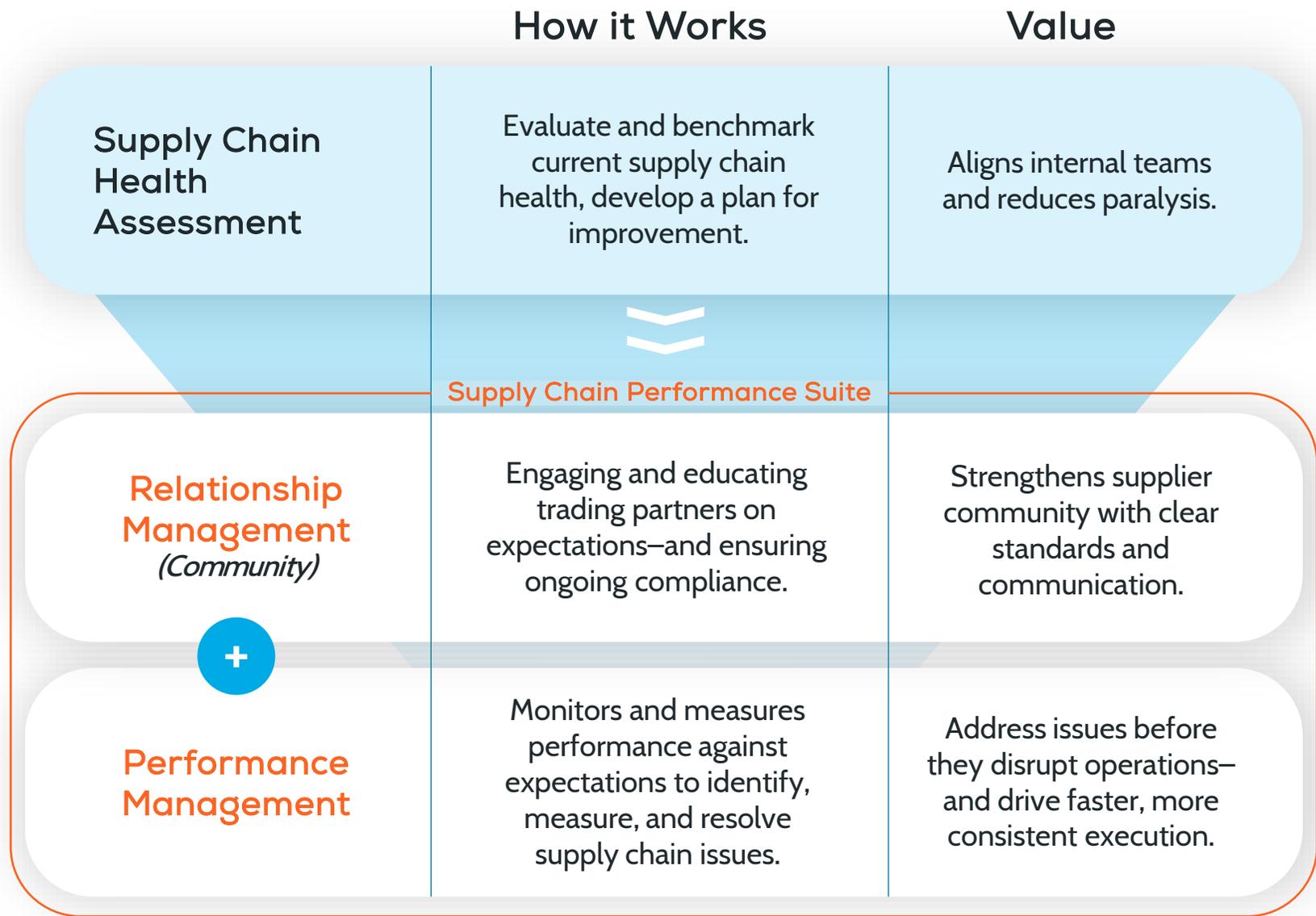
RELATIONSHIP
MANAGEMENT
(Community)



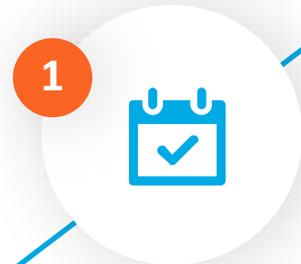
Retailers increase profitability by:

-  Right items, right place, right price
-  Right margin
-  Right inventory position

 **Retailer Solutions**



Supply Chain Performance Suite is designed to give retailers a clear path regardless of where they are today.



Just getting started

Retailers that want to establish foundational supply chain processes and capabilities.



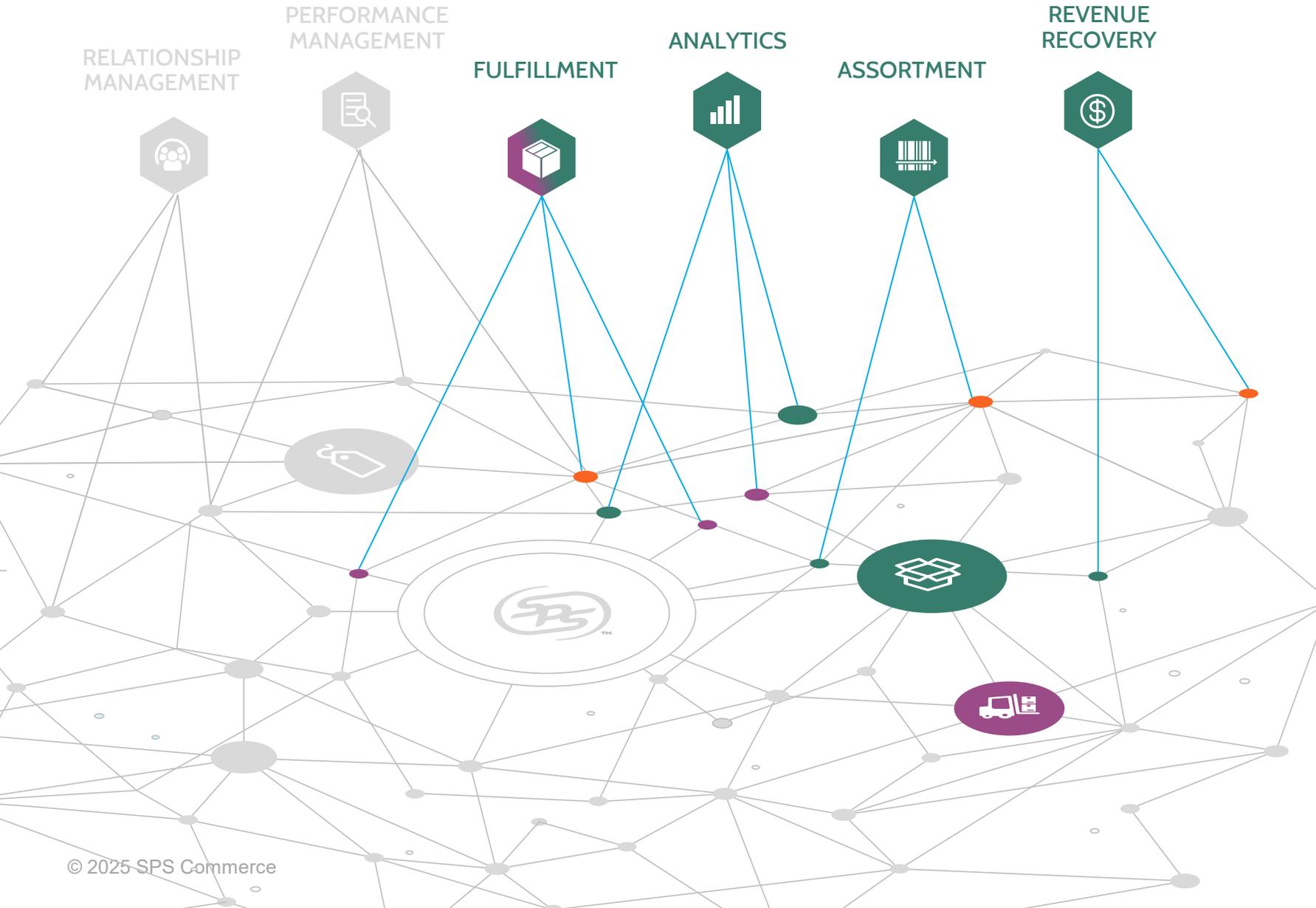
Growing and scaling

Retailers that want to expand existing relationship management capabilities and increase adoption.



Fine-tuning

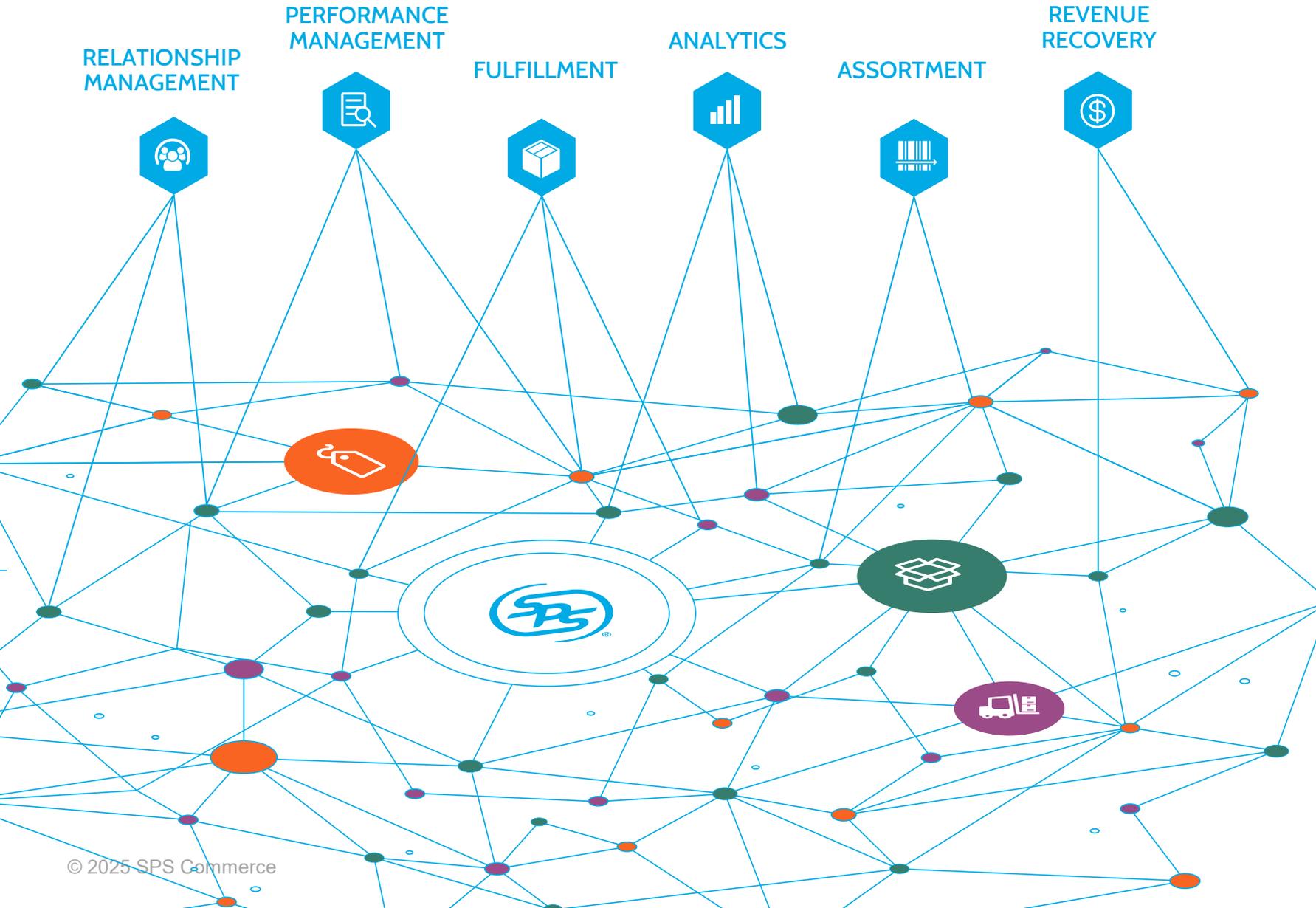
Retailers that want to focus on advanced performance monitoring.



Suppliers and 3PLs grow by streamlining and scaling their operations with many retail trading partners.

 **Supplier &
3PL Solutions**

	How it Works	Value
Fulfillment	Order Data Purchase Orders, Shipping Notices, Invoices	Supply chain visibility.
+		
Assortment	Item Data SKUs, Images, MSRP, Colors, Country of Origin	Accurate item setup and speed-to-market.
+		
Analytics	Sell-Through Data Sales, Returns, Prices, Promotions	Inventory health and demand forecasting intelligence.
+		
Revenue Recovery	Order Reconciliation Deductions, Chargebacks, Remittance	Dollars and margin recovery, performance improvement.



Product Strategy

- Collaboration
- Network
- Expertise



With SPS, supply chains don't just work—they work like they *should*.



Product Strategy

Key Takeaways

- 01 SPS Commerce helps trading partners collaborate better along the entire value chain.
- 02 The SPS network powers our products and solutions.
- 03 Our reimagined GTM strategy capitalizes on changing retail dynamics.



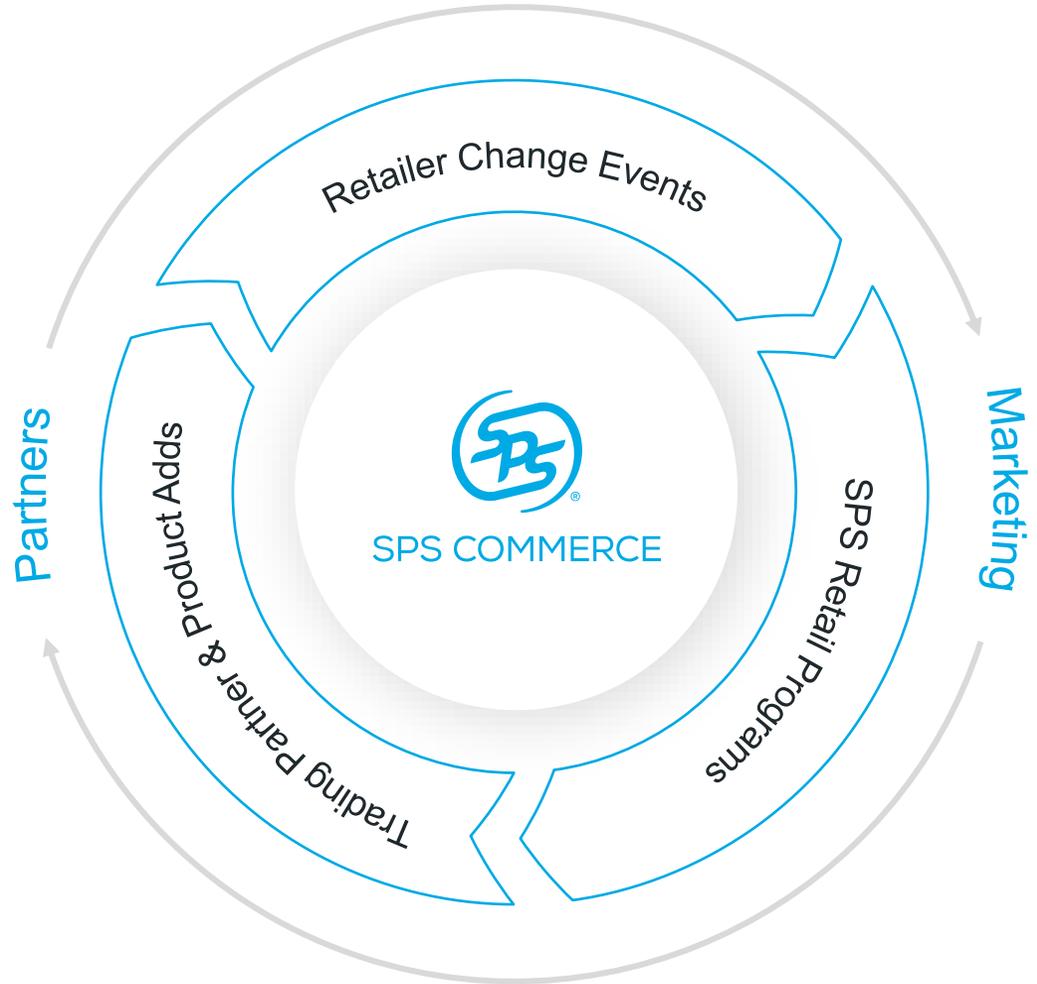
Go-to-Market Strategy



Chad Collins

Chief Executive Officer

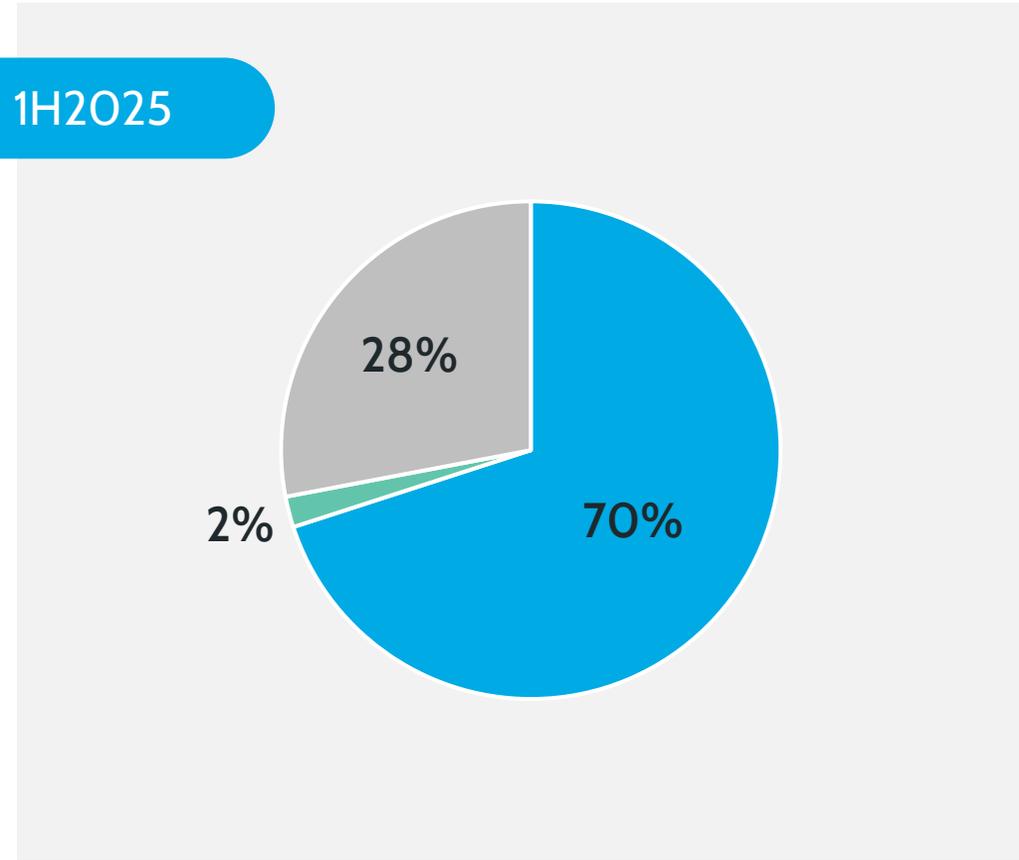
We have a proven and differentiated lead-generation engine.



Our win rates are consistently high.

Win Rates

1H2025



■ SPS ■ Competition ■ No Change

We have multiple inherent growth levers.

Land Customers

-  Retail Programs
-  Channel Partners
-  Global Expansion

Expand Customers

-  Expanding with Customers
-  Upsell Opportunities
-  Cross-Sell Products

A relationship management deployment is:

Land Customers

 Retail Programs

 Channel Partners

 Global Expansion

1 Enabling critical data exchanges that power business processes ...

2 ... by facilitating commitment and adoption among new and existing suppliers ...

3 ... so they can monitor and measure performance, driving accountability and collective improvement.

Core Tenets & Best Practices



Defined Business Value



Solid Executive Alignment



Quality Supplier Information



Merchandising Sponsorship



Program Collaboration

Land Customers

 Retail Programs

 Channel Partners

 Global Expansion

Relationship management programs are an embedded source of lead generation.



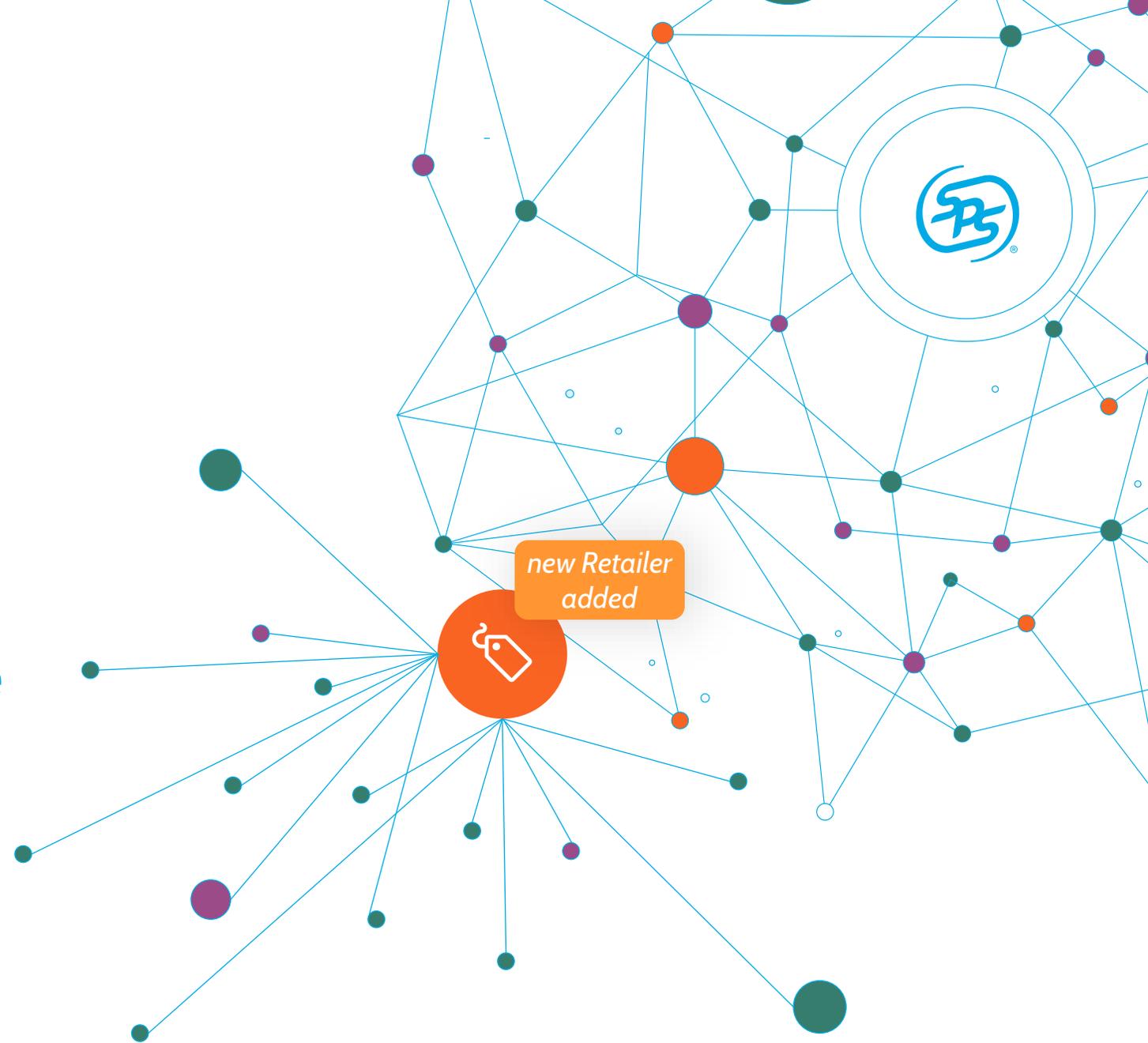
Land Customers

Retail Programs

Channel Partners

Global Expansion

Relationship management programs are an embedded source of lead generation.





WILLIAMS
SONOMA
CALIFORNIA

These programs generate new leads *and* new revenue in an ongoing capacity.

Williams Sonoma (and its portfolio brands) have enlisted SPS Commerce for 5+ change events.



Family of Brands



Fulfillment Models



Data Exchange



International
Expansion



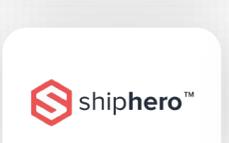
New Vendors

Our robust partner community is a consistent source of new customer adds.

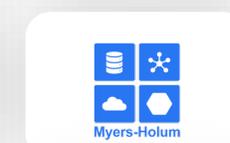
Land Customers

-  Retail Programs
-  Channel Partners
-  Global Expansion

Systems

SIs/VARS

Land Customers

Retail Programs

Channel Partners

Global Expansion

✓ We already have a strong foothold in Europe across customer types and industries

✓ We're recreating the proven North American GTM playbook

Global Footprint



We have multiple inherent growth levers.

Land Customers

 Retail Programs

 Channel Partners

 Global Expansion

Expand Customers

 Expanding with Customers

 Upsell Opportunities

 Cross-Sell Products

Common customer expansion inflection points:

Examples: Partner Expansion

A supplier expands their business into new retailers.

A supplier chooses to work with a 3PL partner.

A supplier chooses to work with a marketplace.

Examples: Document Volume Expansion

A retailer adds a new requirement (e.g., purchase order acknowledgement or advance ship notice).

A product sells more units more quickly than anticipated, and order volume grows.

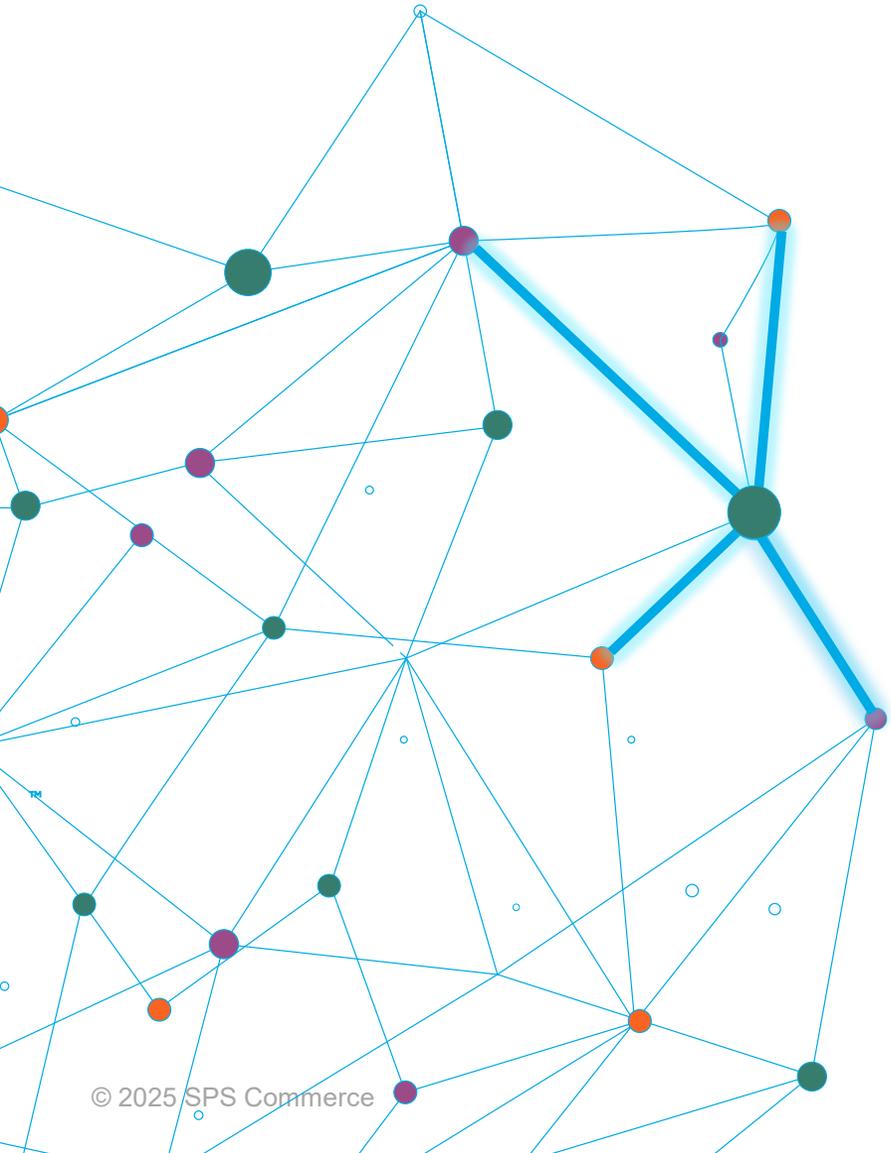
Adding trading partners increases the volume of documents exchanged.

Expand Customers

 Expanding with Customers

 Upsell Opportunities

 Cross-Sell Products



Network-led growth gives us visibility into opportunities we introduce to customers.

New trading partners

Additional features

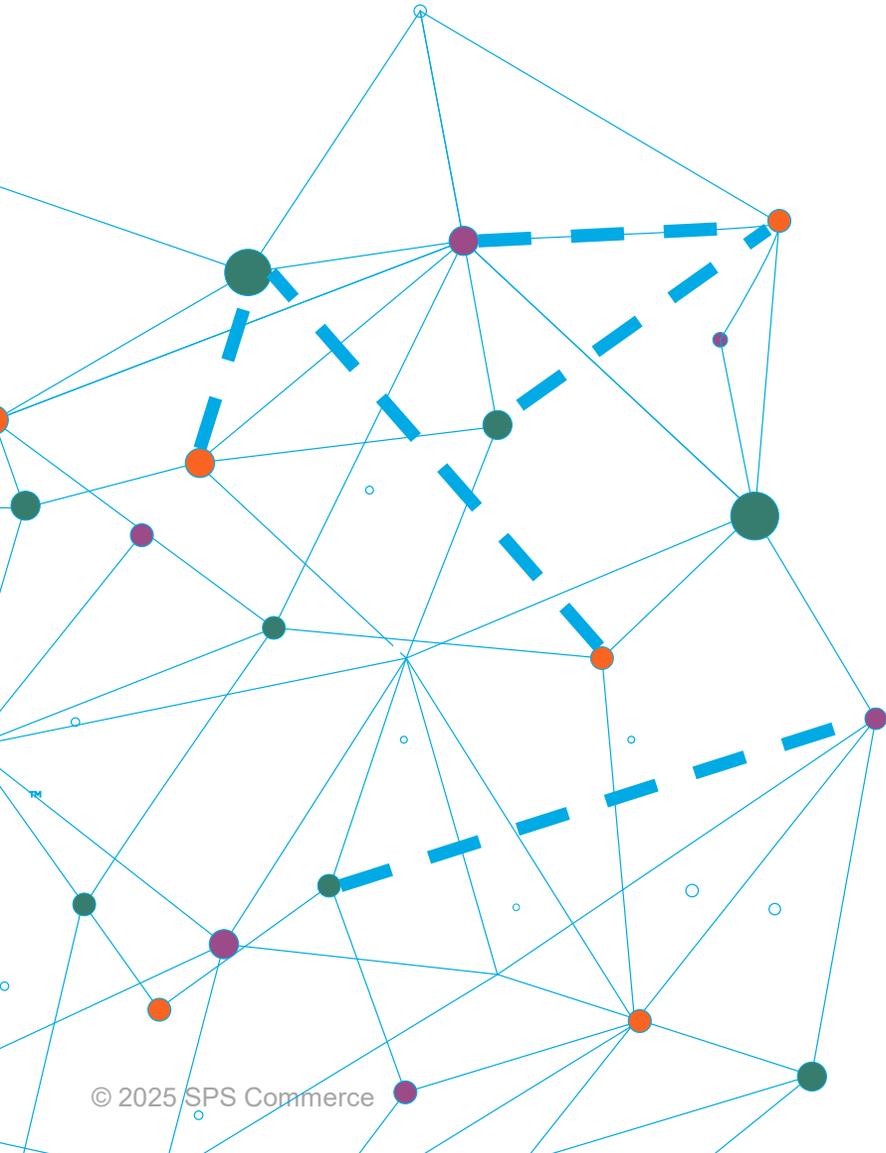
Increased document volume

Expand Customers

Expanding with Customers

Upsell Opportunities

Cross-Sell Products



The network also reveals unrealized connection points that we can facilitate to grow ARPU.

Example: Fulfillment customers whose retail trading partners share sell-through data with the network should be using Analytics.

Example: Fulfillment customers whose order volume with Walmart increases may be a candidate for Revenue Recovery.

Expand Customers

 Expanding with Customers

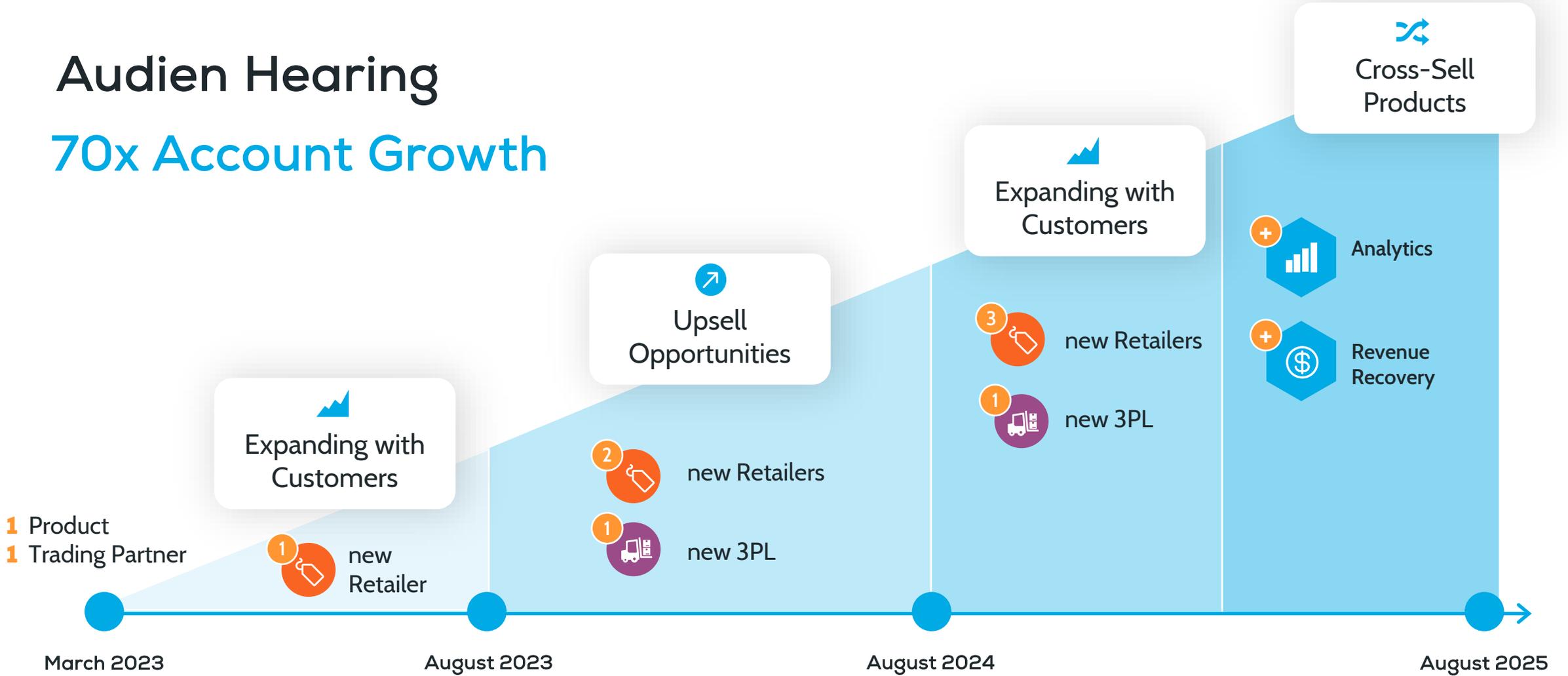
 Upsell Opportunities

 Cross-Sell Products

Audien Hearing

70x Account Growth

3 Products
9 Trading Partners



We have multiple inherent growth levers.

Land Customers

 Retail Programs

 Channel Partners

 Global Expansion

Expand Customers

 Expanding with Customers

 Upsell Opportunities

 Cross-Sell Products



Go-to-Market Strategy

Key Takeaways

01

Unique, proven, and optimized GTM strategy.

02

Multiple, inherent growth levers to land and expand.

03

Network-led growth drives upsell and cross-sell opportunities.



Customer Panel





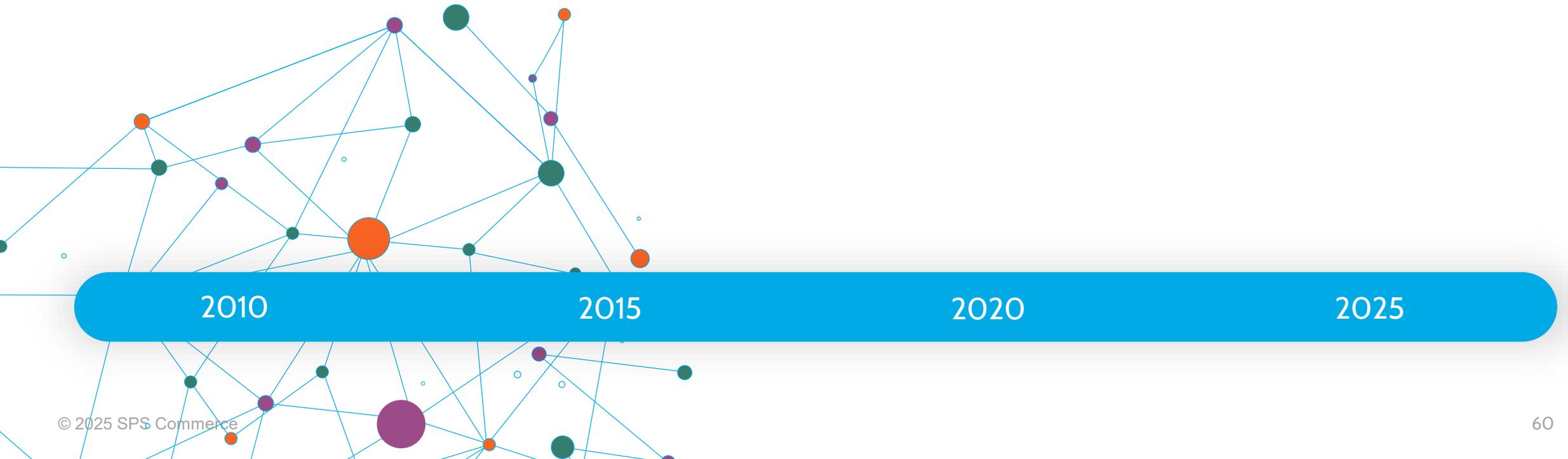
Network Strategy



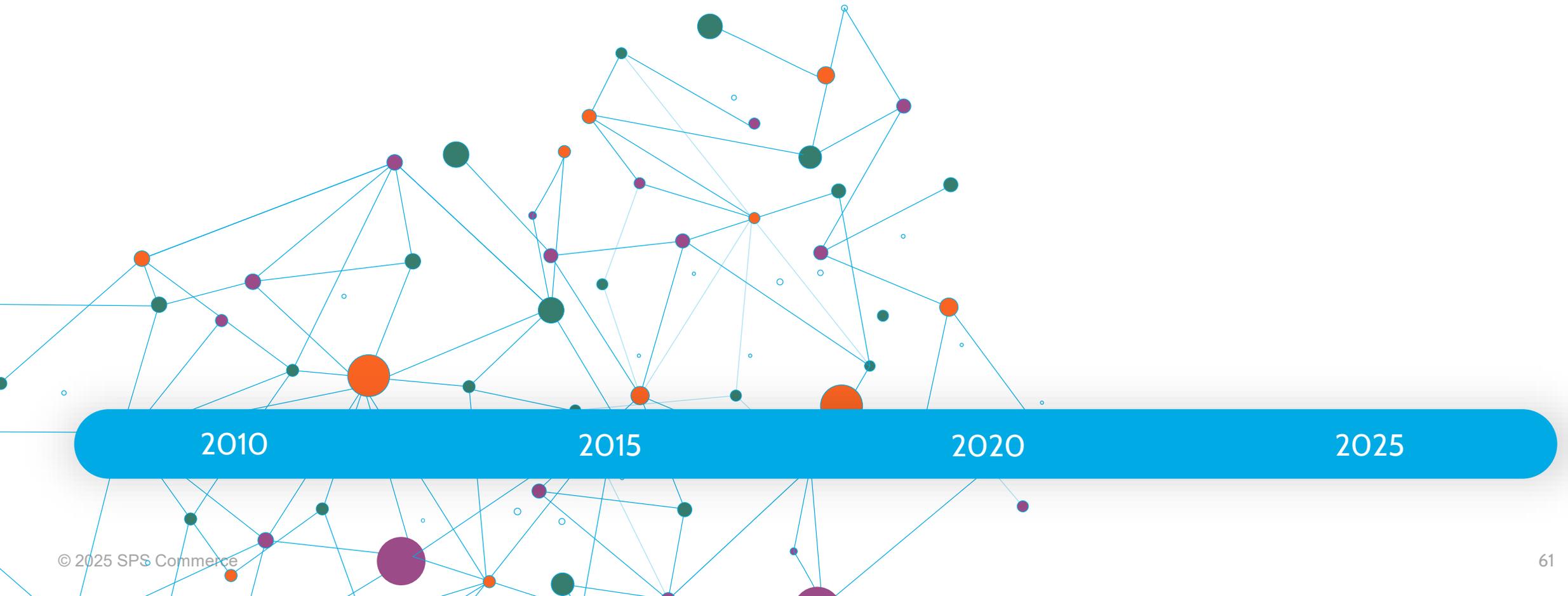
Jamie Thingelstad

Chief Technology Officer

25 years of network growth



25 years of network growth



25 years of network growth





SPS Network

By the numbers

300,000+
trading relationships*

\$650B+
transaction value**

33M+
product SKUs*

780M+
documents*

*TTM calculation
** Calculated on an annualized basis

Global Network Features

Protocol-Agnostic

Our network supports a variety of protocols and standards across data exchange and data types (e.g., EDI, API, JSON, CSV, etc.).

AI-Enabled

Our network is supported by agentic AI workflows that use proprietary data to add value to our customers—and back into the SPS business.

Scalable and Secure

Optimized for performance, security, and compliance with global reach and scale.

Powered by industry-leading performance and reliability

Trust

SPS Trust Center

Overview

Welcome to SPS Commerce's Trust Center. At SPS, safeguarding your data is paramount as we continue to lead the global retail network space. Our commitment to security ensures that the confidentiality of your data, the integrity of your transactions, and the availability of our network and services are protected at all times.

We leverage cloud technology and maintain rigorous, evolving controls to stay ahead of potential threats. Our dedicated security measures are designed to support data-driven partnerships while enabling you to focus on your core business.

For any security-related inquiries, please reach out to us at security@spcommerce.com

Compliance

- ISO/IEC 27001
- RH-ISAC
- SOC 1 Type 2
- SOC 2 Type 2

Documents

- REPORTS: Pentest Attestation
- REPORTS: Traverse SOC 2 Report
- COMPLIANCE: ISO/IEC 27001
- COMPLIANCE: SOC 1 Type 2
- COMPLIANCE: SOC 2 Type 2

Product Security

- Audit Logging
- Integrations
- Role-Based Access Control

Data Security

- Access Monitoring
- Data Backups
- Encryption-at-rest

Access Control

- Data Access
- Logging
- Password Security

Reports

- PCI DSS
- Pentest Attestation
- Traverse SOC 2 Report

Infrastructure

- Amazon Web Services
- BC/DR
- Data Center

Network Security

- Data Loss Prevention
- Firewall
- IDS/IPS

trust.spcommerce.com

Status

PLATFORM STATUS

SPS Commerce

[SUBSCRIBE TO UPDATES](#)

All Systems Operational

Fulfillment	Operational
Document Processing	Operational
AS2 Communications	Operational
FTP Communications	Operational
Assortment	Operational
Fulfillment Monitor	Operational
Dev Center	Operational
Commerce VAN	Operational
Integrations	Operational

status.spcommerce.com

Performance

System Metrics

Day | Week | Month

Transaction Processing 0.2 min

Commerce VAN Processing 18.6 Seconds

Inbound EDI Processing 0.3 min

Outbound EDI Processing 0.6 min

status.spcommerce.com



SPS Network

Powering the connections that move the world of commerce forward.

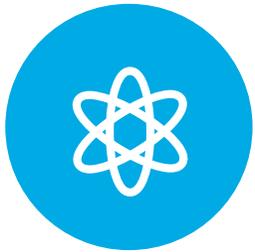
300,000+ trading relationships*	\$650B+ transaction value**
33M+ product SKUs*	780M+ documents*

connection point
1
security certificate

*TTM calculation

** Calculated on an annualized basis

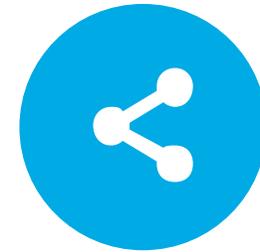
Our network gives us:



Data as a
differentiator

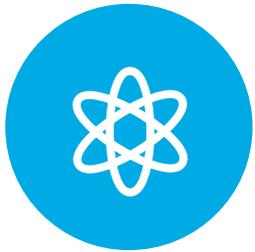


Faster time-to-value
for customers



Unique network-led
growth motion

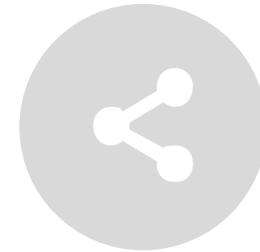
Our network gives us:



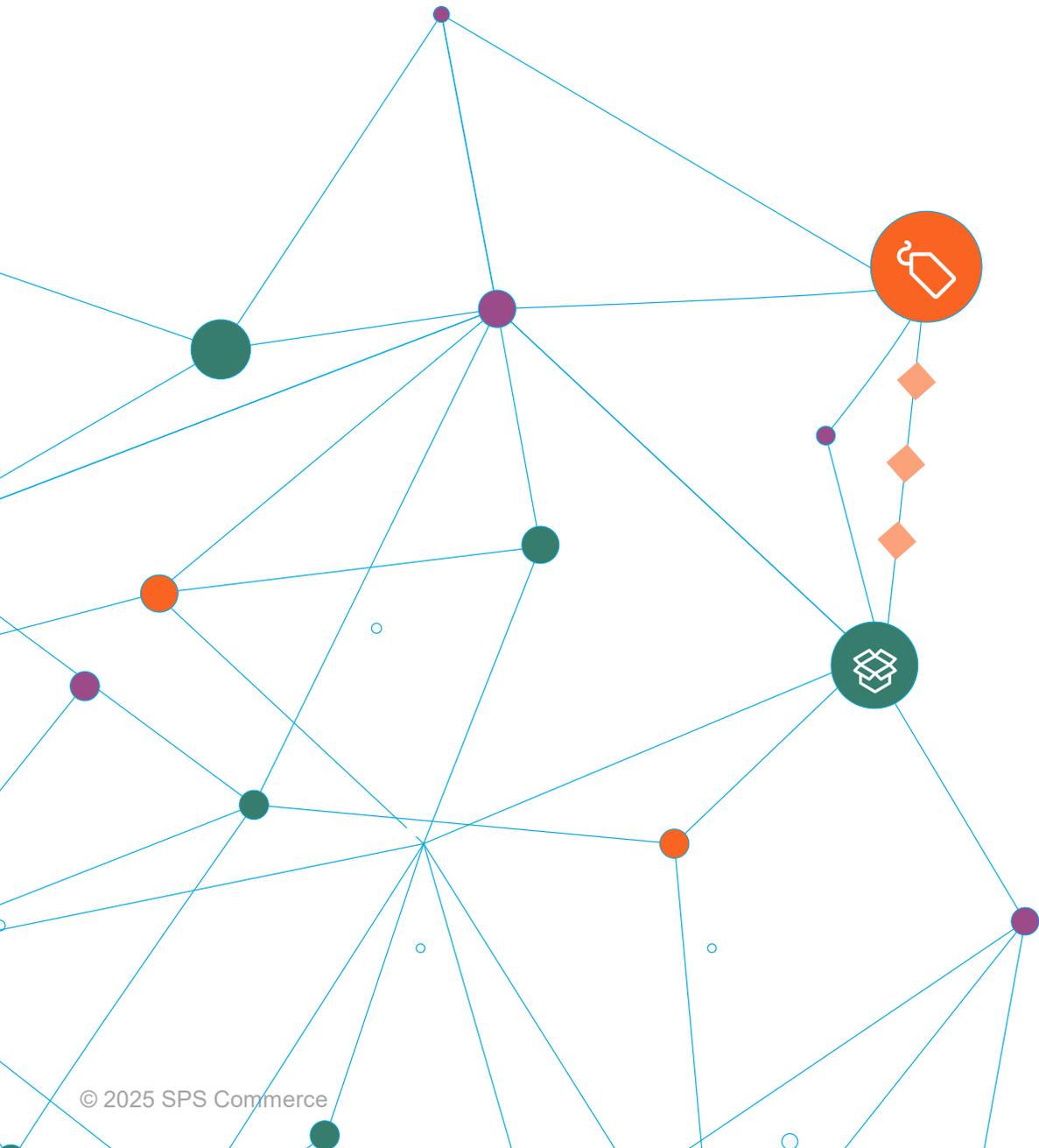
Data as a
differentiator



Faster time-to-value
for customers



Unique network-led
growth motion



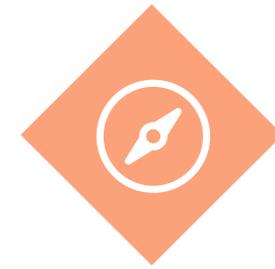
It's challenging for retailers to communicate their rules of engagement.

- ◆ Submit a purchase order acknowledgement within 24 hours of receiving an order.
- ◆ Ship with UPS to leverage preferred pricing and use this account number.
- ◆ Make sure all details are included in the advance ship notice (ASN) before receipt.

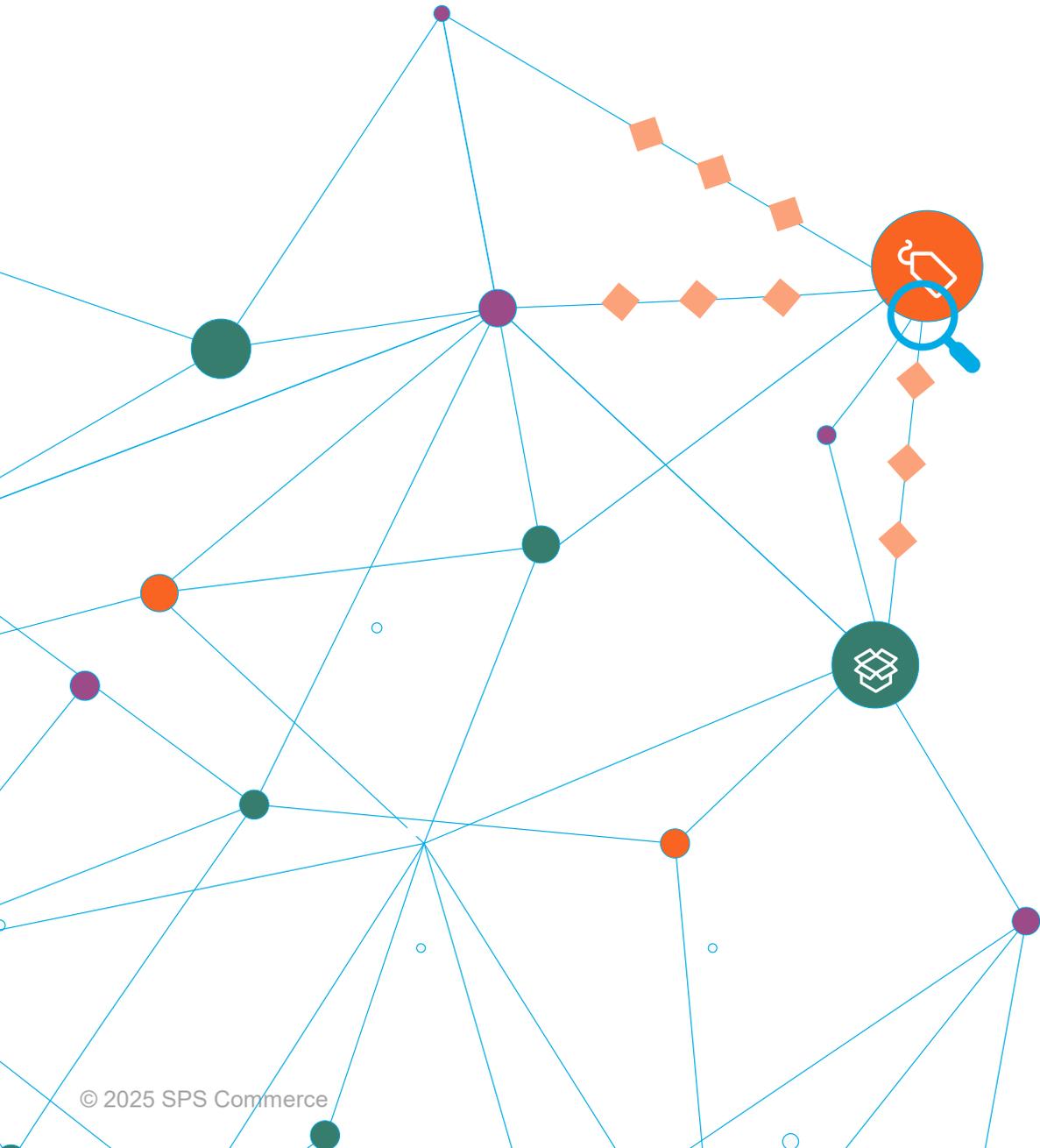
They have some documentation, but they rarely publish complete expectations (or keep them up to date).



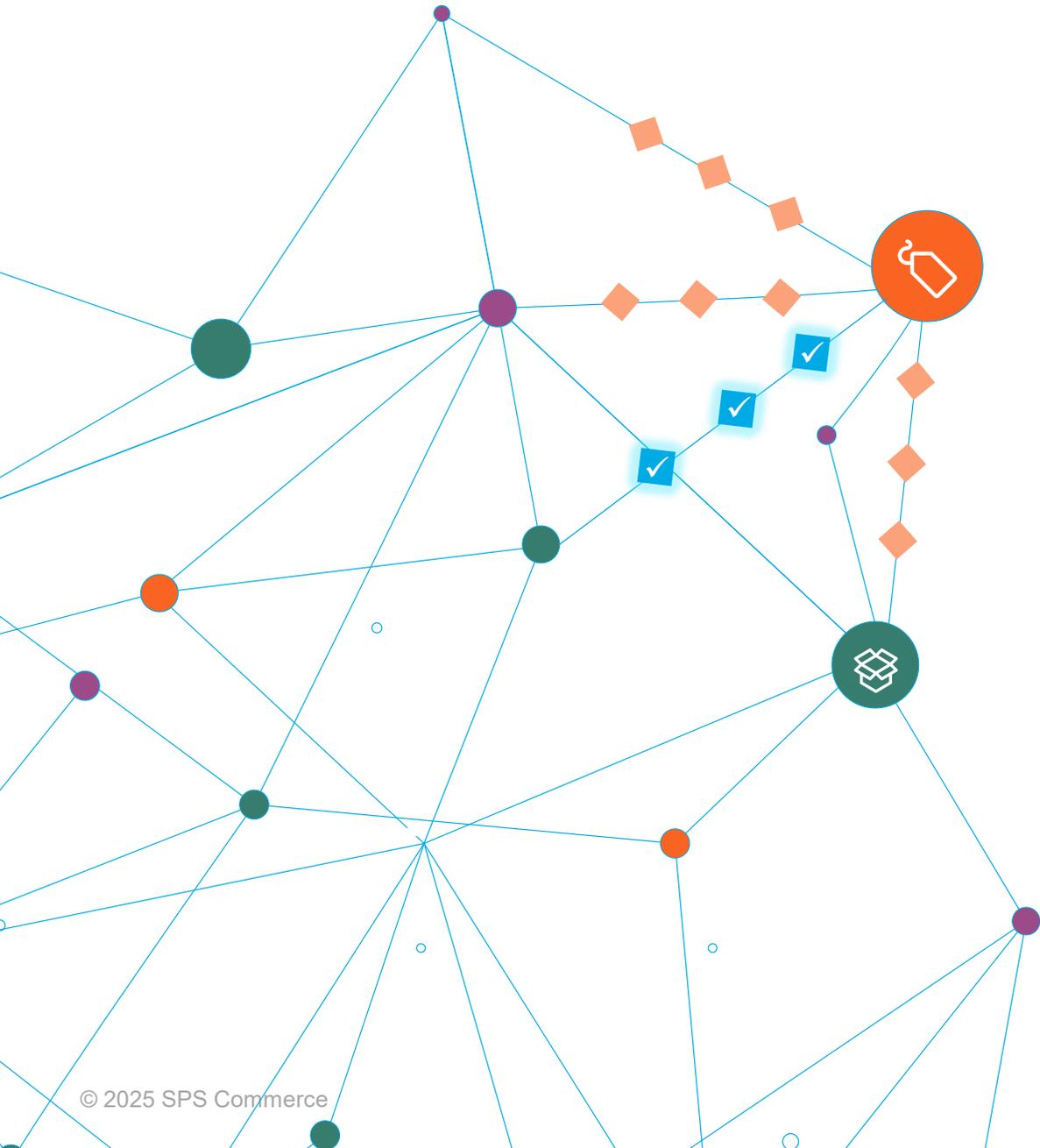
Retailer
Rulebooks



Vendor
Guides

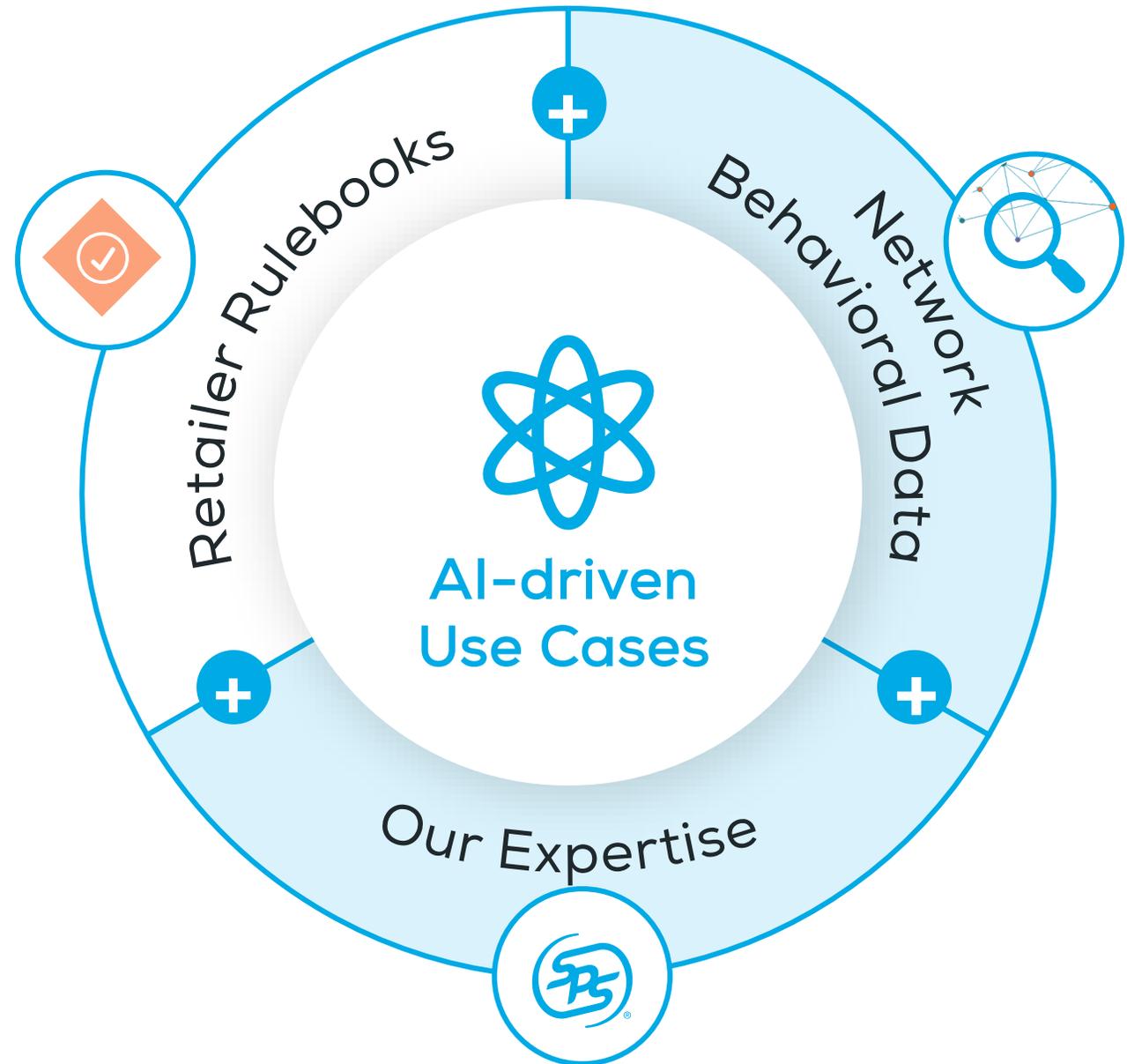


Network data gives us visibility into what Retailers *actually do* – not just what they say they do.

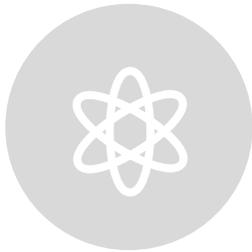


Trading partners that use SPS are uniquely equipped to get and stay on the same page.

The network provides unmatched value in the data that powers AI use cases.



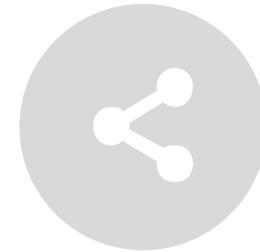
Our network gives us:



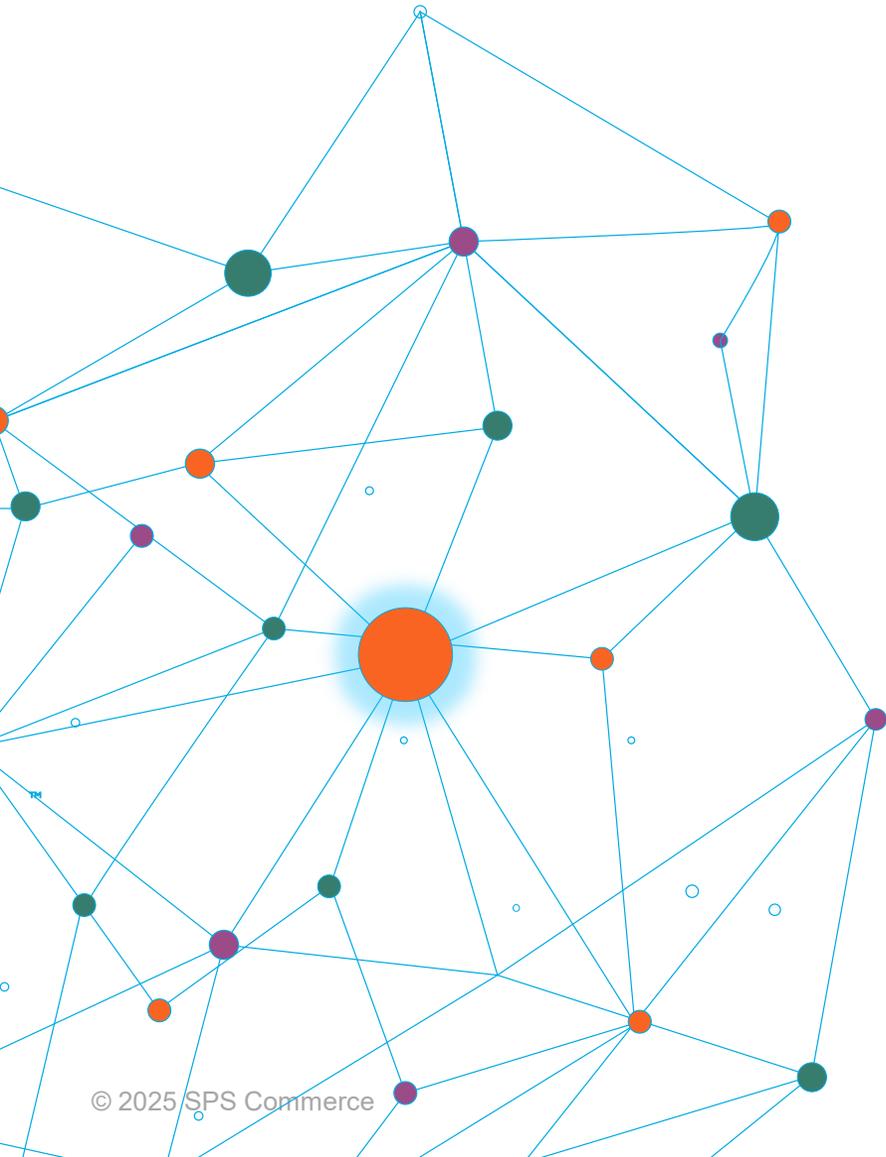
Data as a
differentiator



Faster time-to-value
for customers



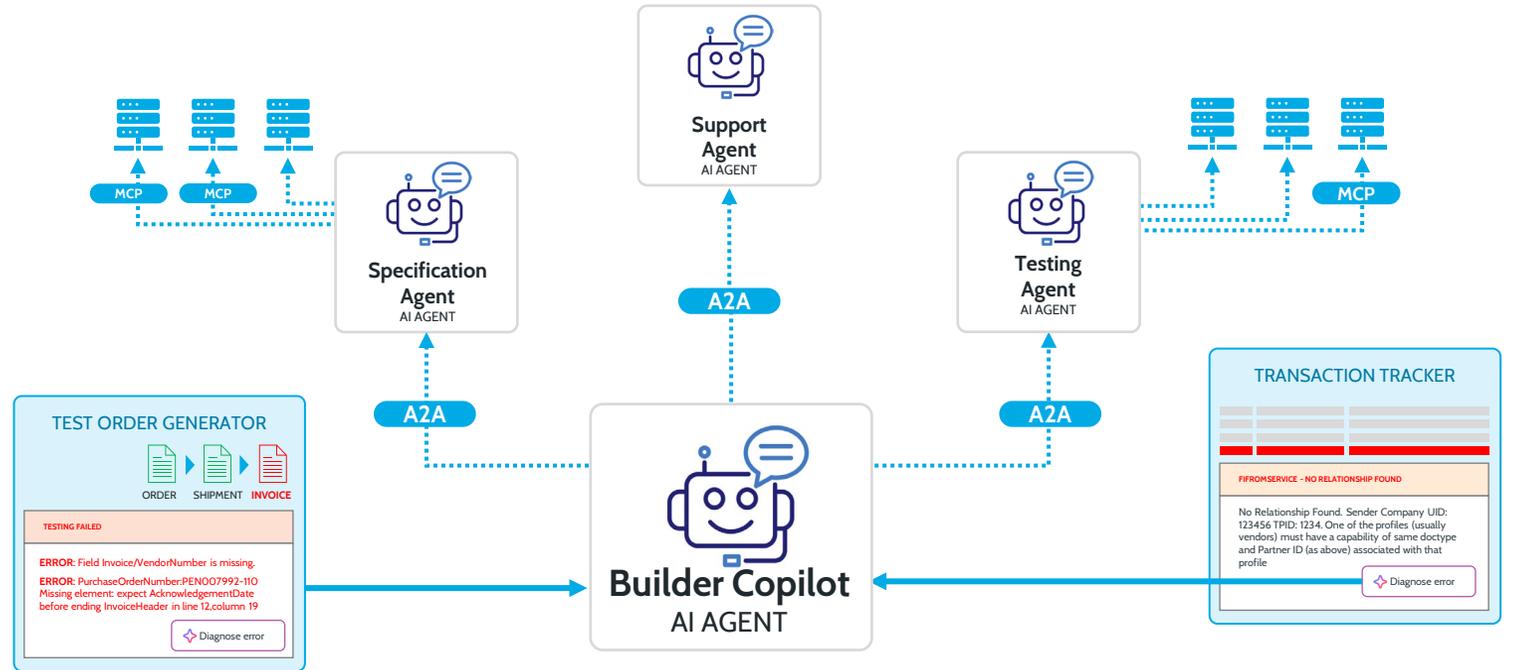
Unique network-led
growth motion



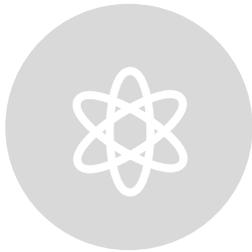
To support new customers, we've made it faster and easier to connect to the network.

Streamlined customer onboarding

We pre-built trading partner connections using network data and intelligence, reducing onboarding and setup time from weeks to days.



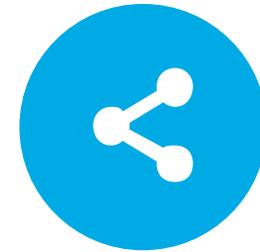
Our network gives us:



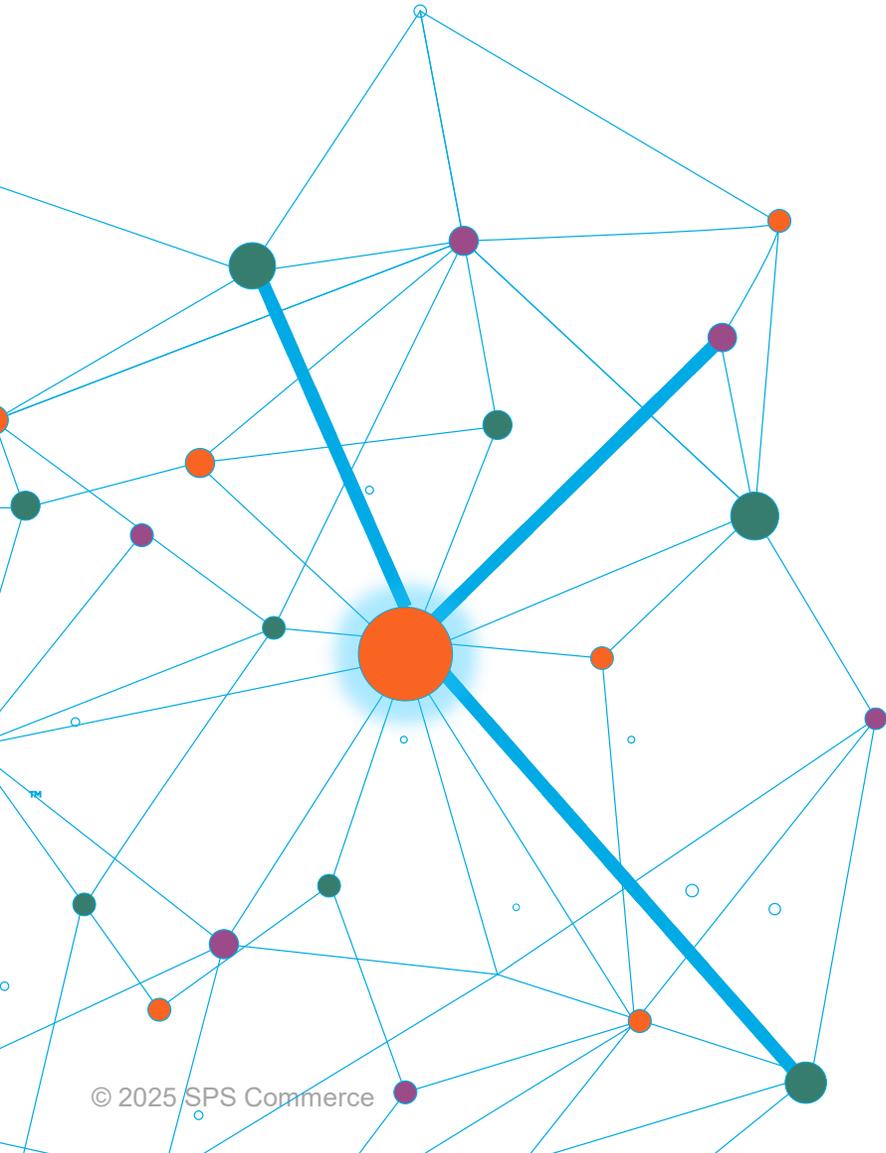
Data as a
differentiator



Faster time-to-value
for customers



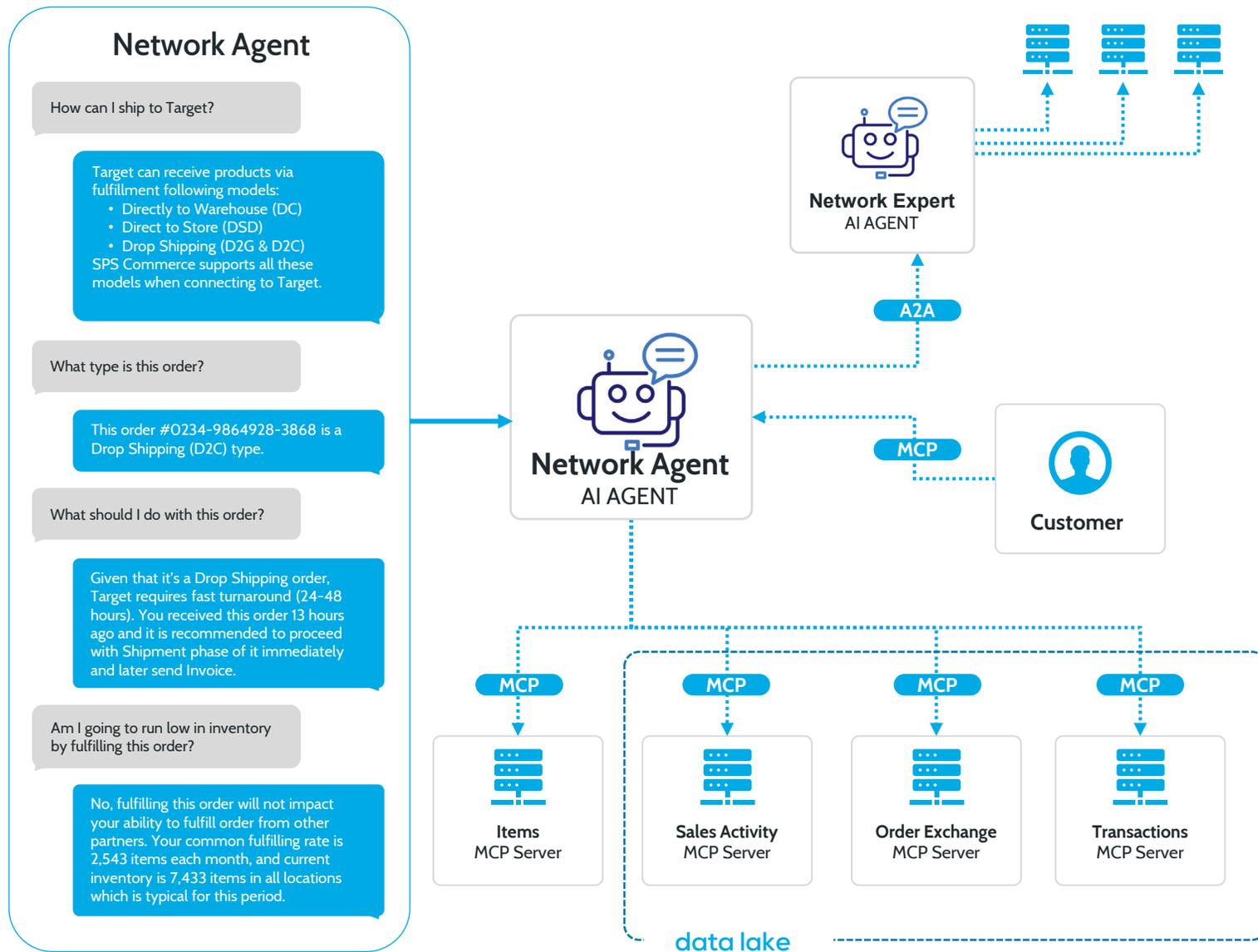
Unique network-led
growth motion

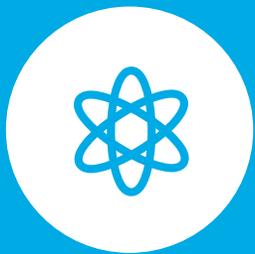


Network data agents support upsell and cross-sell motions.

Network Data Agents

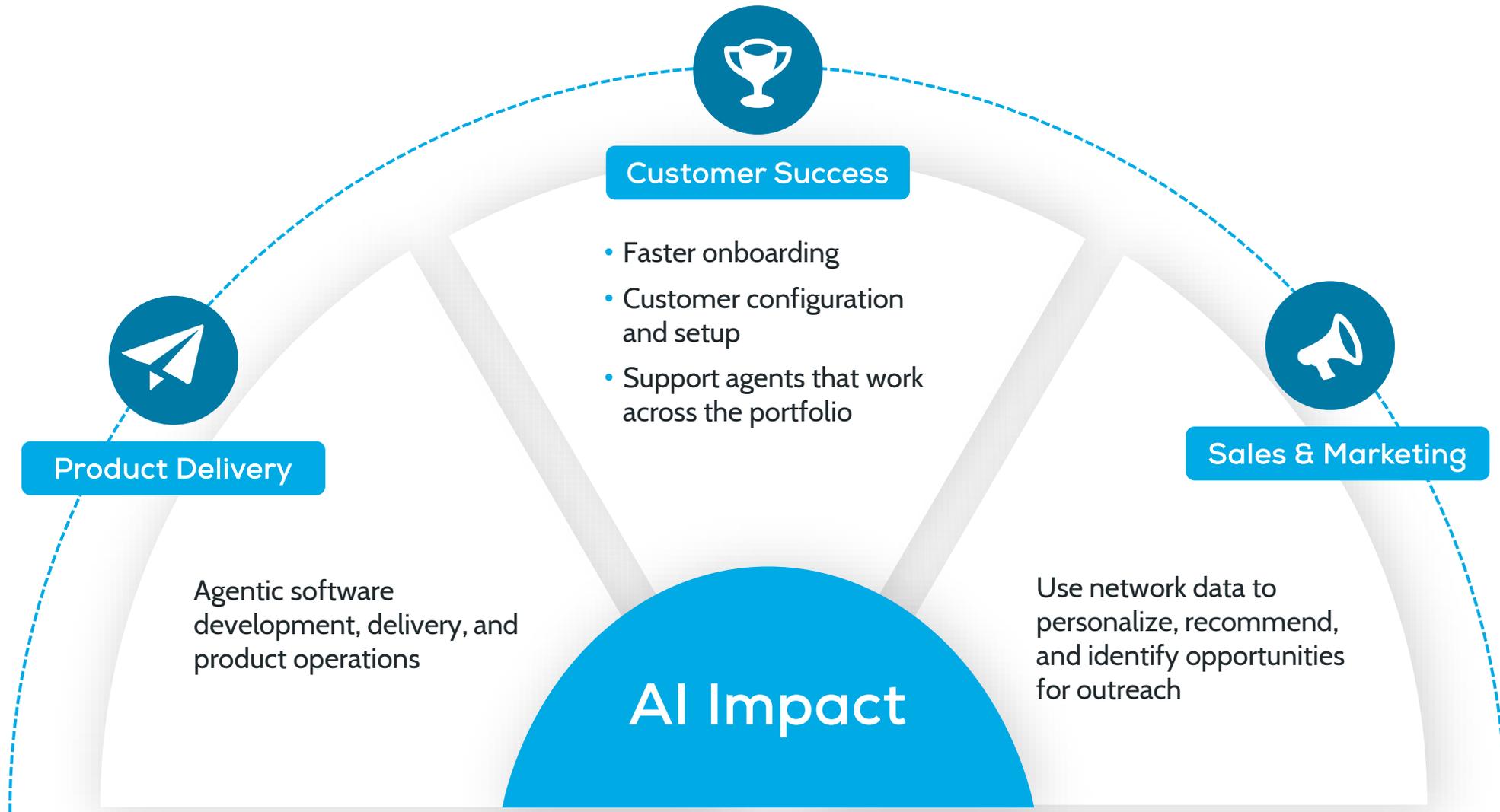
Making the world's retail network more accessible by building a conversational layer with agentic interfaces.





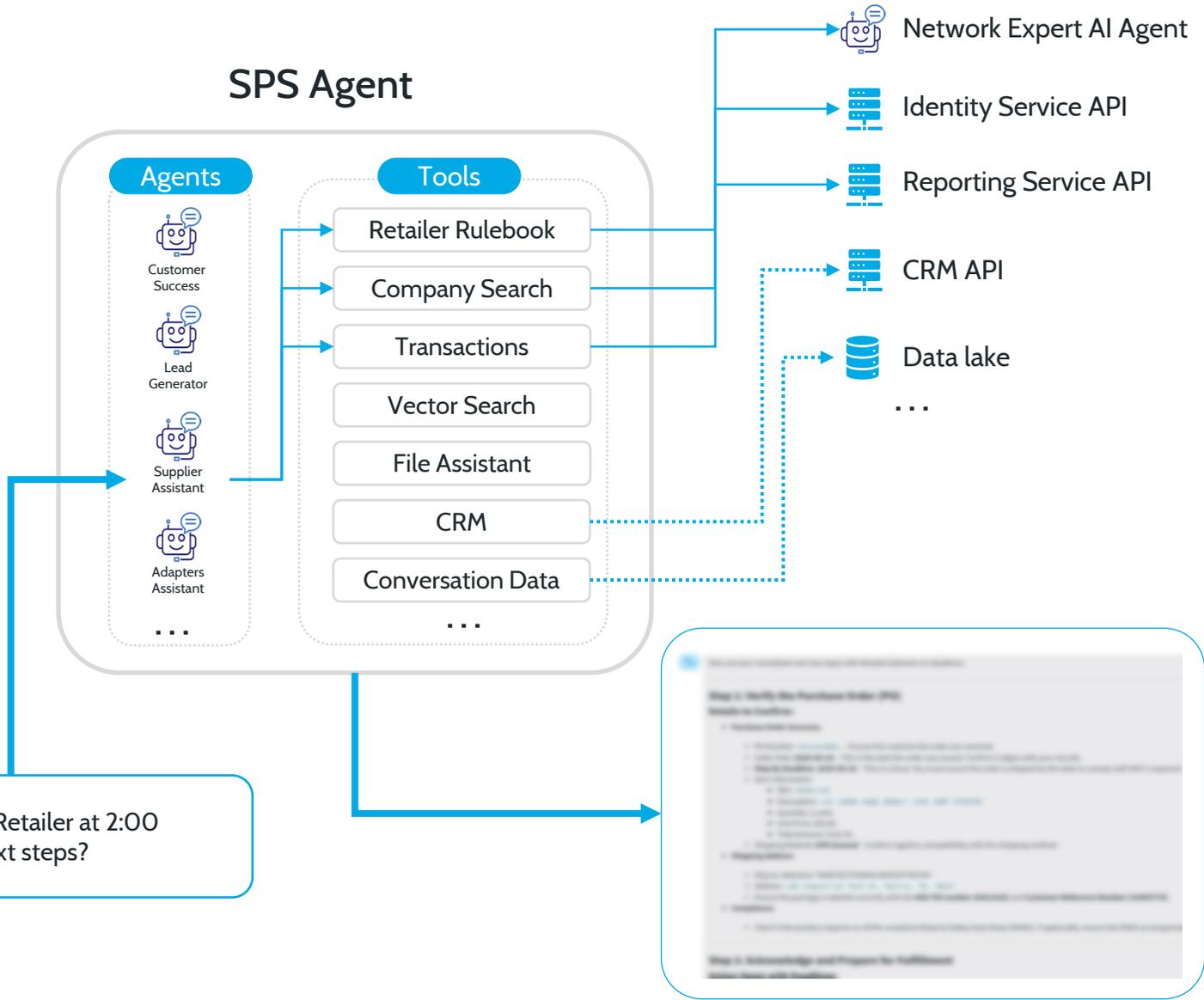
Data as a
differentiator

The network powers
internal AI use cases
that improve operational
efficiency.



SPS Agent Platform Spotlight

I received order 6411418001 from Retailer at 2:00 today. What are my immediate next steps?





Network Strategy

Key Takeaways

01

SPS's network is protocol-agnostic, AI-enabled, scalable, and secure.

02

Proprietary data along with retailer information and expertise is critical.

03

Multiple internal AI use-cases to drive operational efficiencies and customer value.



Financial Review



Kim Nelson

Chief Financial Officer

Key Messages



Strong foundation
for durable growth



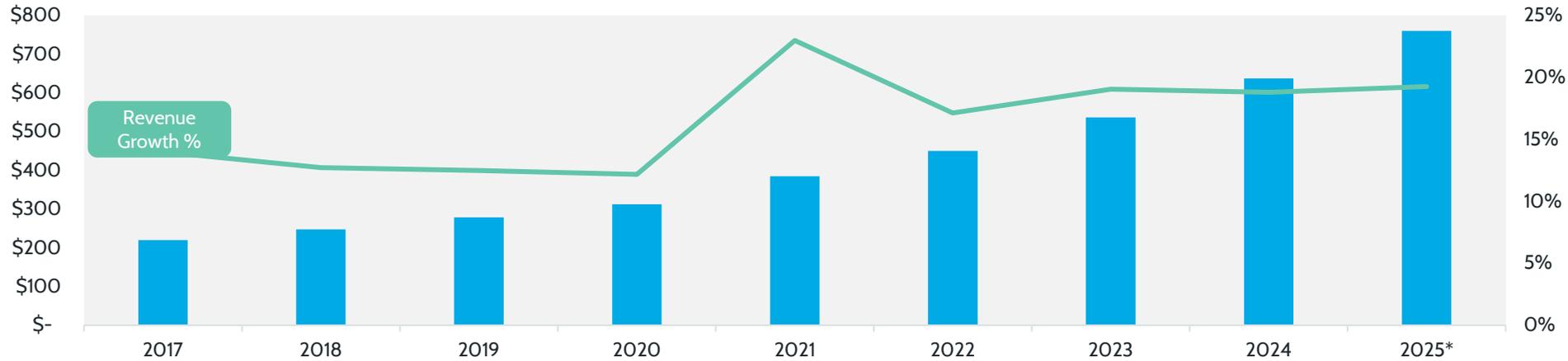
Multiple growth
drivers to capitalize
on large TAM



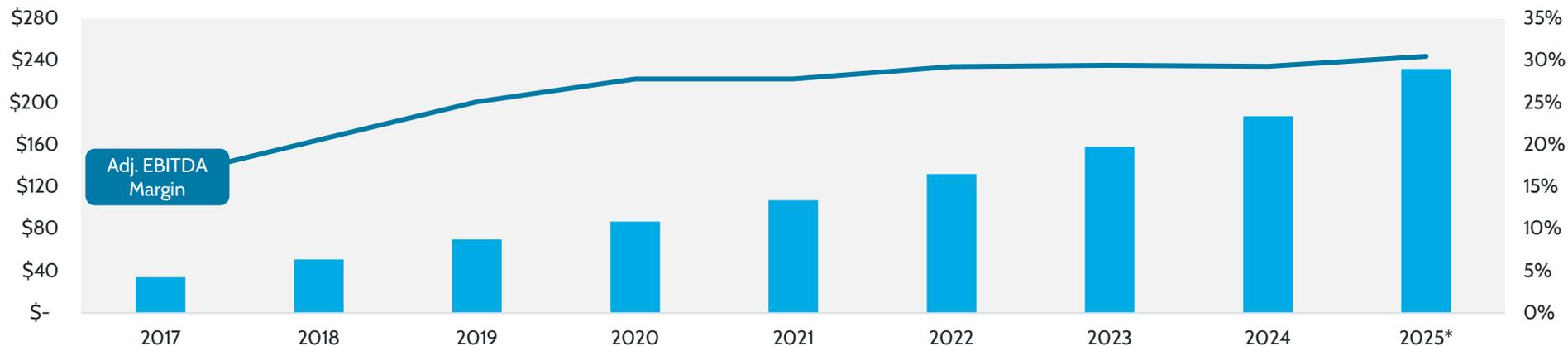
Conviction in
sustainable and
profitable growth

Track Record of Consistent Execution and Profitable Growth

Revenue (\$M)



Adj. EBITDA (\$M)

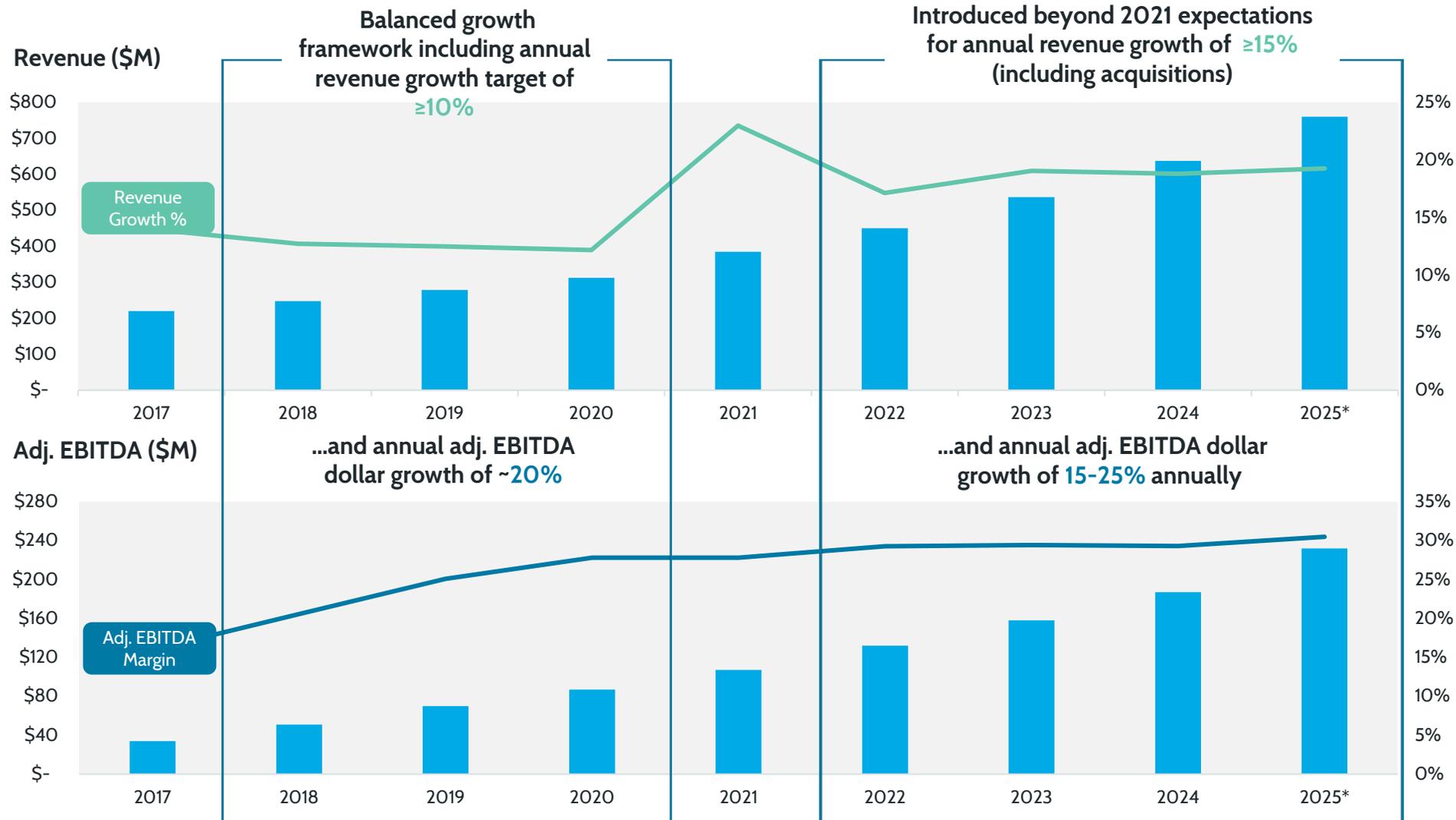


2017–2025*
CAGR

Revenue:
17%

Adj. EBITDA:
27%

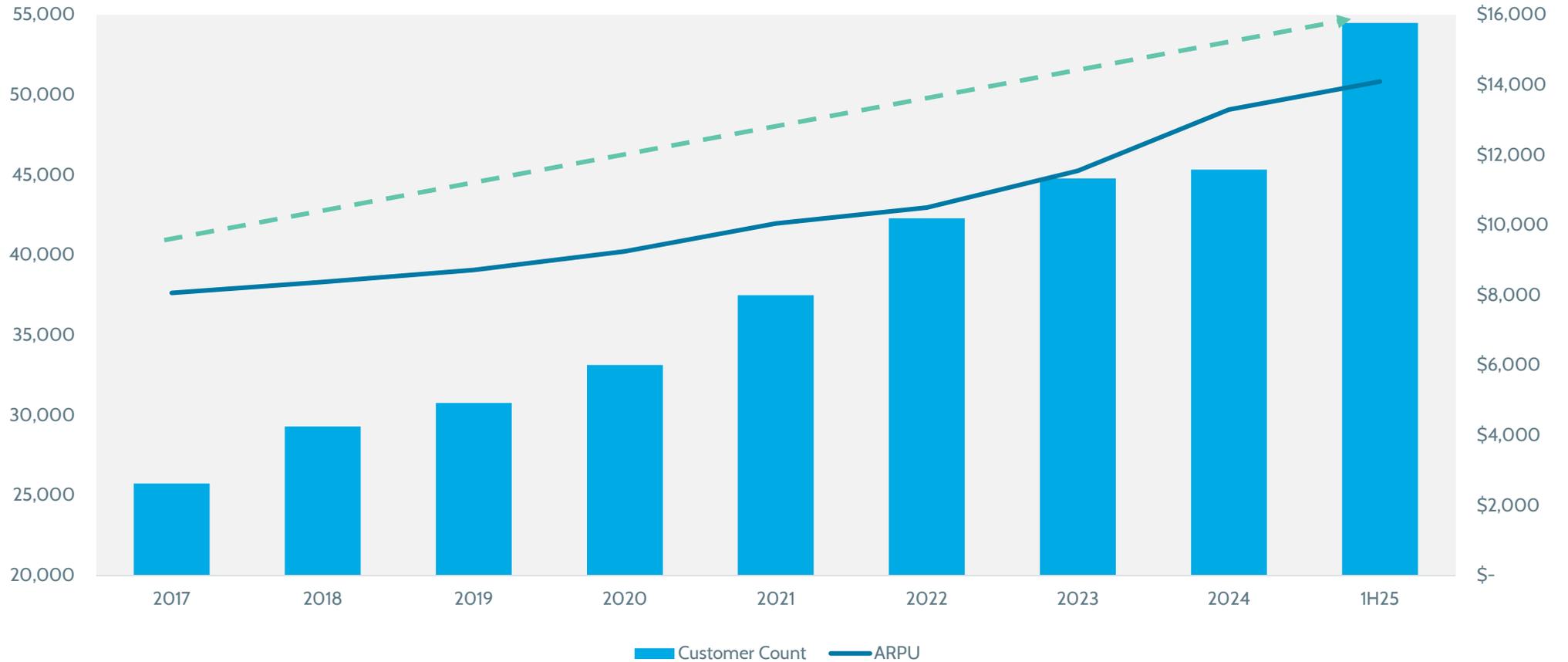
Track Record of Consistent Execution and Profitable Growth



Strong Foundation of Durable Growth

Customers

ARPU



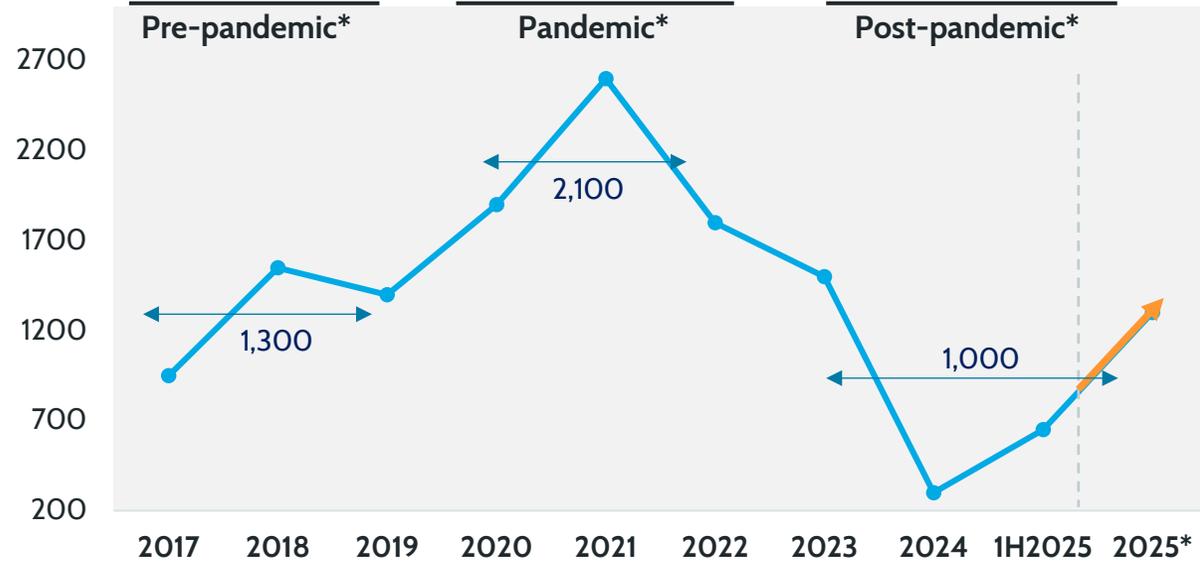
Strong Foundation of Durable Growth

Customers

55,000
50,000
45,000
40,000
35,000
30,000
25,000
20,000

2015

Sequential Adds Excluding M&A



*3-yr average for each period; assuming 2H25 adds same as 1H25

ARPU

\$16,000
\$14,000
\$12,000
\$10,000
\$8,000
\$6,000
\$4,000
\$2,000
\$-

1H25



Strong foundation
for durable growth

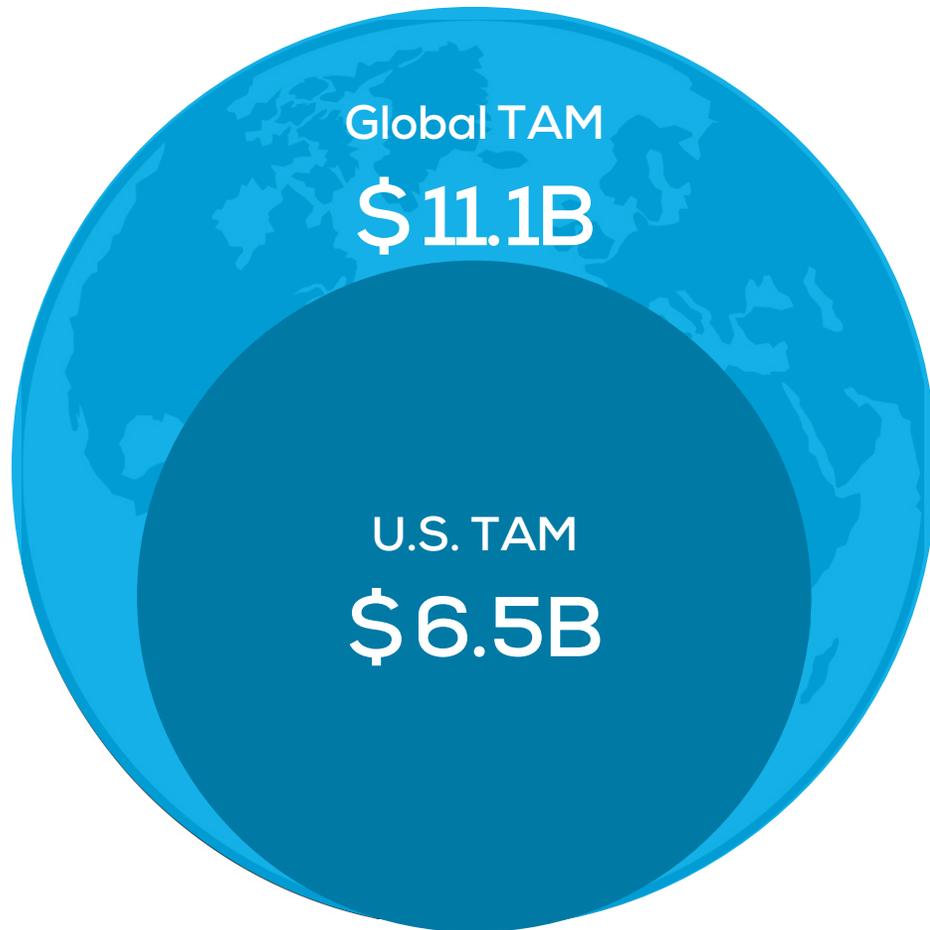


Multiple growth
drivers to capitalize
on large TAM



Conviction in
sustainable and
profitable growth

Multiple Growth Drivers to Capitalize on Large TAM



	Q2 2025	Opportunity*
Recurring Revenue Customers	54,500	275,000
Average Recurring Revenue/ Customer**	\$13,200	\$40,500

*Source: TAM Analysis and Market Penetration Study leveraging US Census NAICS Codes across Retail (42 Wholesalers), Distribution (42 Wholesalers), CPG/Finished Goods (31-33 Manufacturing), Retailers/Stores acting as suppliers (44-45 Retail Trade) as of February 2025.

**We calculate the annualized average recurring revenues per recurring revenue customer, which we also refer to as ARPU, by dividing the annualized recurring revenues for the period by the average of the beginning and ending number of recurring revenue customers for the period.

Deeper Look: U.S. Customer Groups

Small

Medium

Large

Description

Small-scale businesses operating with a small number of Retailers and have on average fewer transactions

Annual Revenue: **\$0-\$50M**
Typically **<100 FTEs**

Midsize Suppliers with broader customer reach and trading at larger scale than small businesses

Annual Revenue: **\$50M-\$300M**
Typically **100-499 FTEs**

Large Suppliers selling multiple product lines, to many Retailers, across multiple verticals

Annual Revenue: **\$300M+**
Typically **500+ FTEs**

Opportunity
Recurring
Revenue
Customers

127,500



12,800



6,300



Opportunity
Average
Recurring
Revenue
/Customer

\$32,500



\$94,000

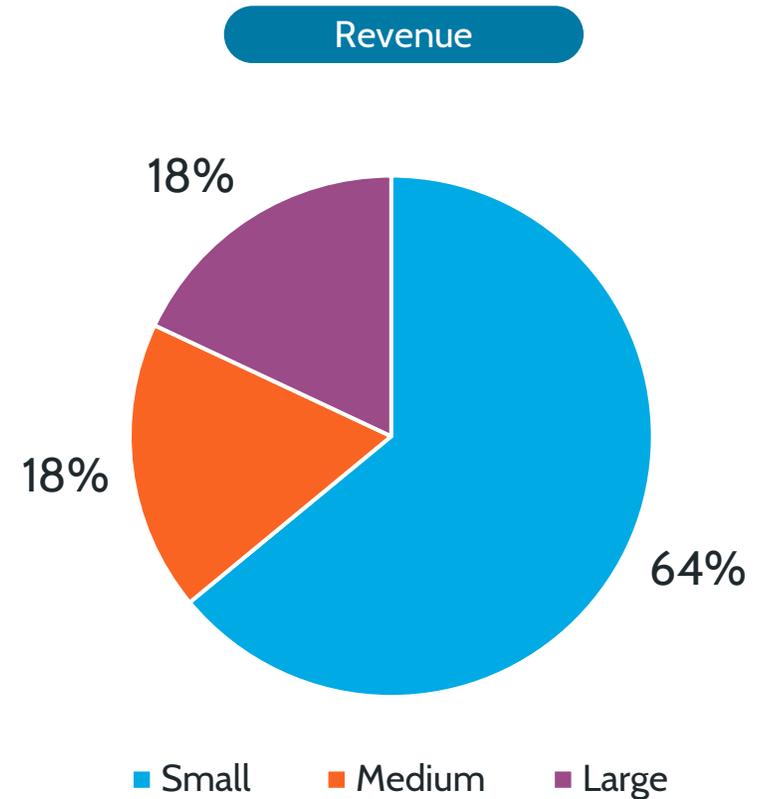
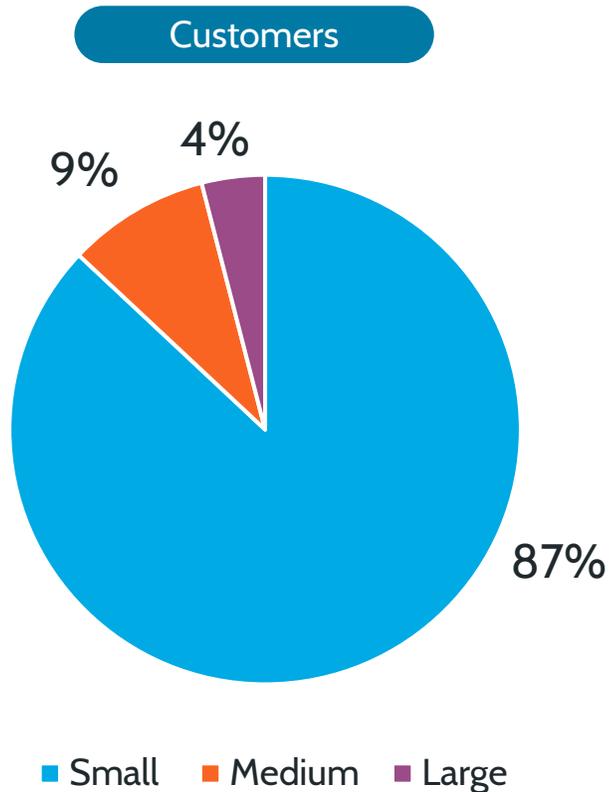


\$184,500



*Source: TAM Analysis and Market Penetration Study leveraging US Census NAICS Codes across Retail (42 Wholesalers), Distribution (42 Wholesalers), CPG/Finished Goods (31-33 Manufacturing), Retailers/Stores acting as suppliers (44-45 Retail Trade) as of February 2025.

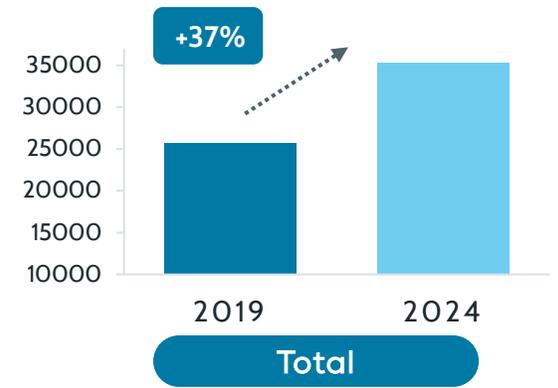
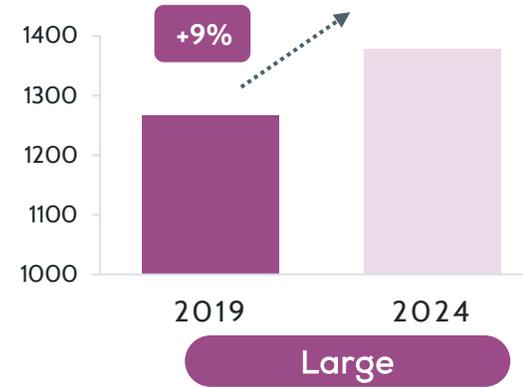
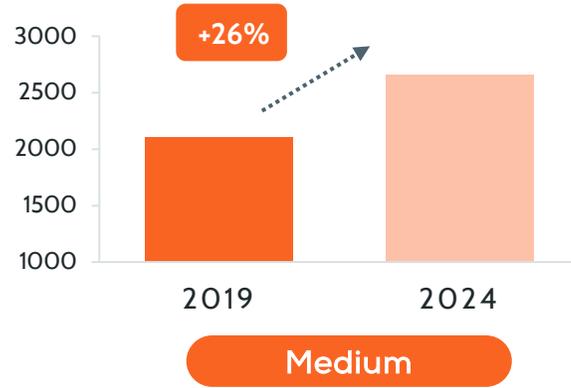
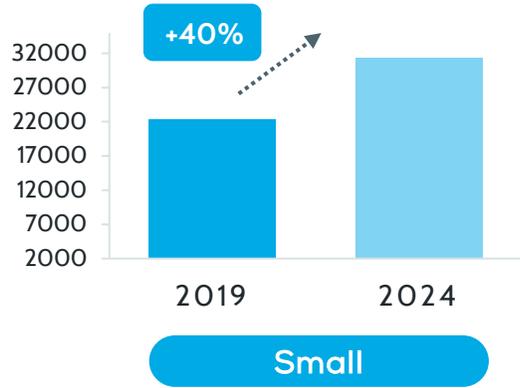
U.S. Customer Count and ARPU Opportunity by Customer Size



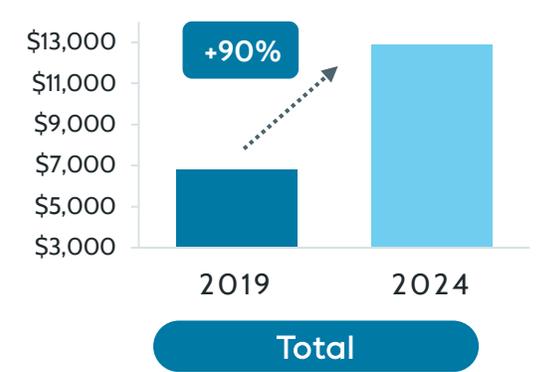
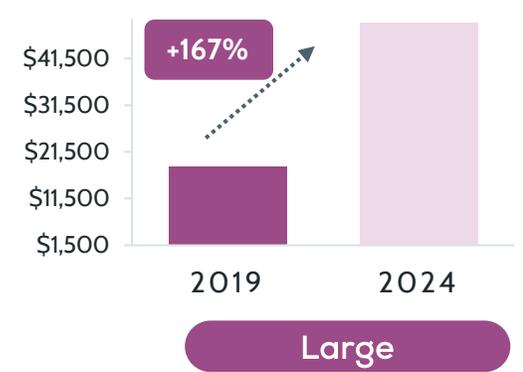
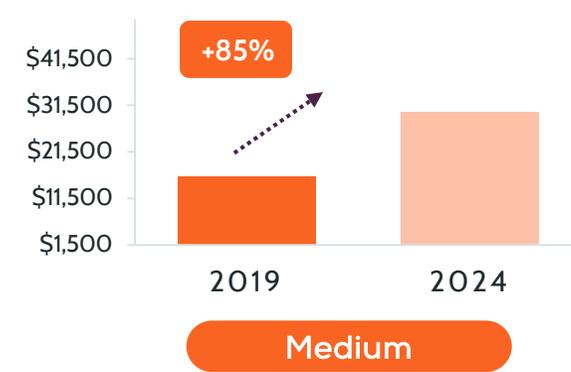
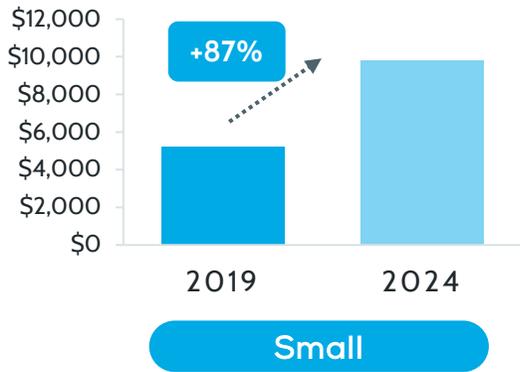
*Source: TAM Analysis and Market Penetration Study leveraging US Census NAICS Codes across Retail (42 Wholesalers), Distribution (42 Wholesalers), CPG/Finished Goods (31-33 Manufacturing), Retailers/Stores acting as suppliers (44-45 Retail Trade) as of February 2025.

Growth Across All Customer Sizes

Customers

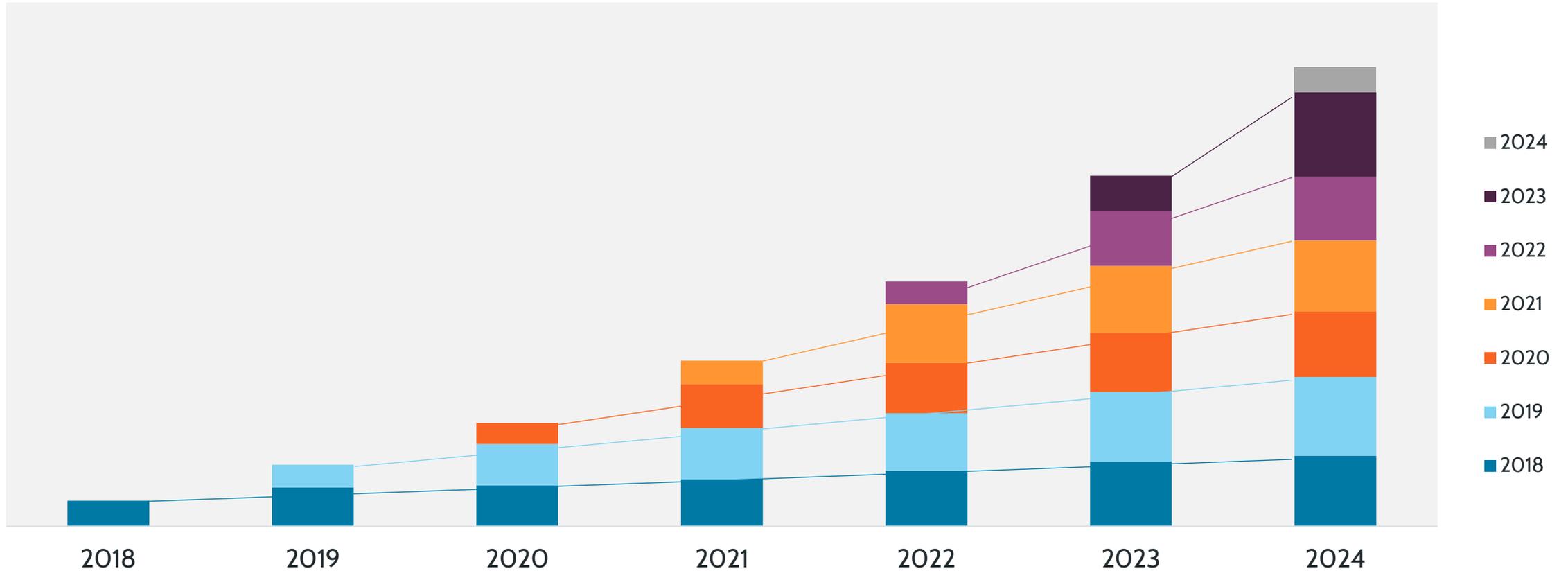


ARPU



Proven Ability to Land and Expand

2-3x revenue expansion across cohorts since initial year





Strong foundation
for durable growth



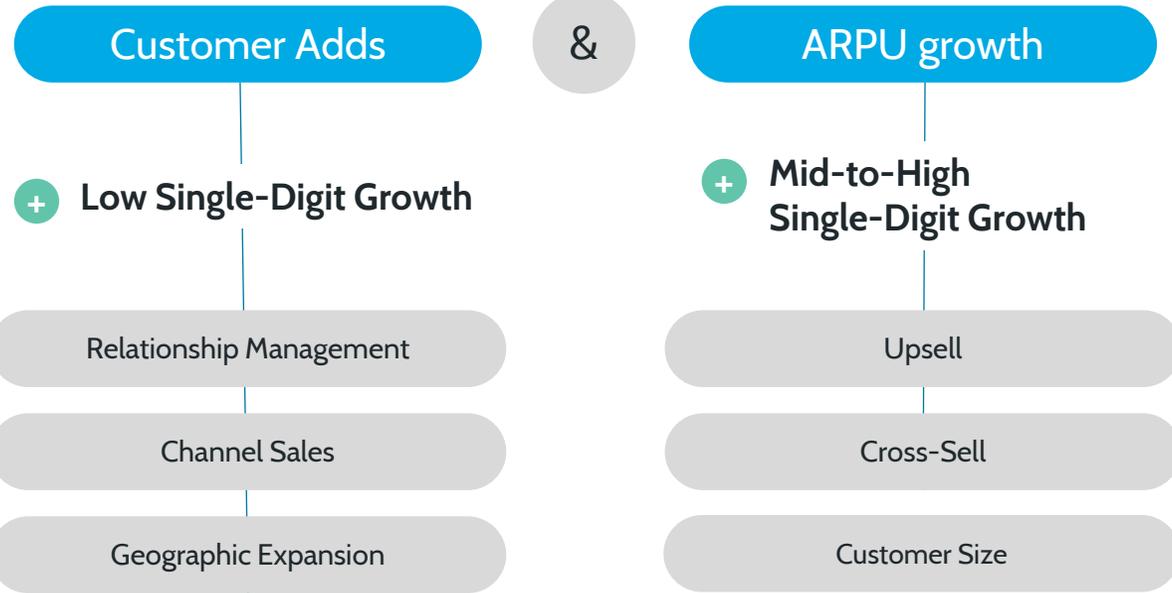
Multiple growth
drivers to capitalize
on large TAM



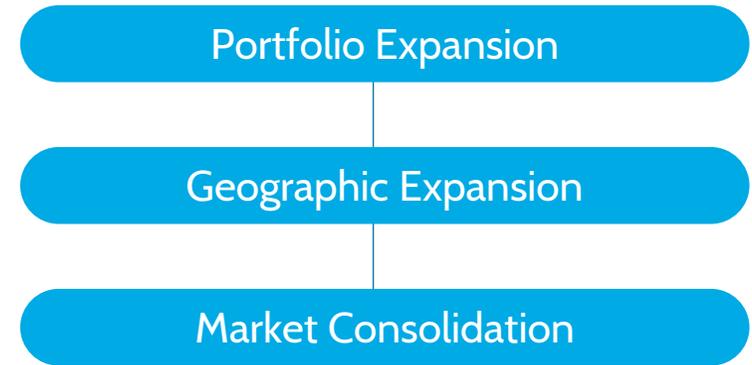
Conviction in
sustainable and
profitable growth

Key Metrics Drive Durable Revenue Growth Beyond 2025

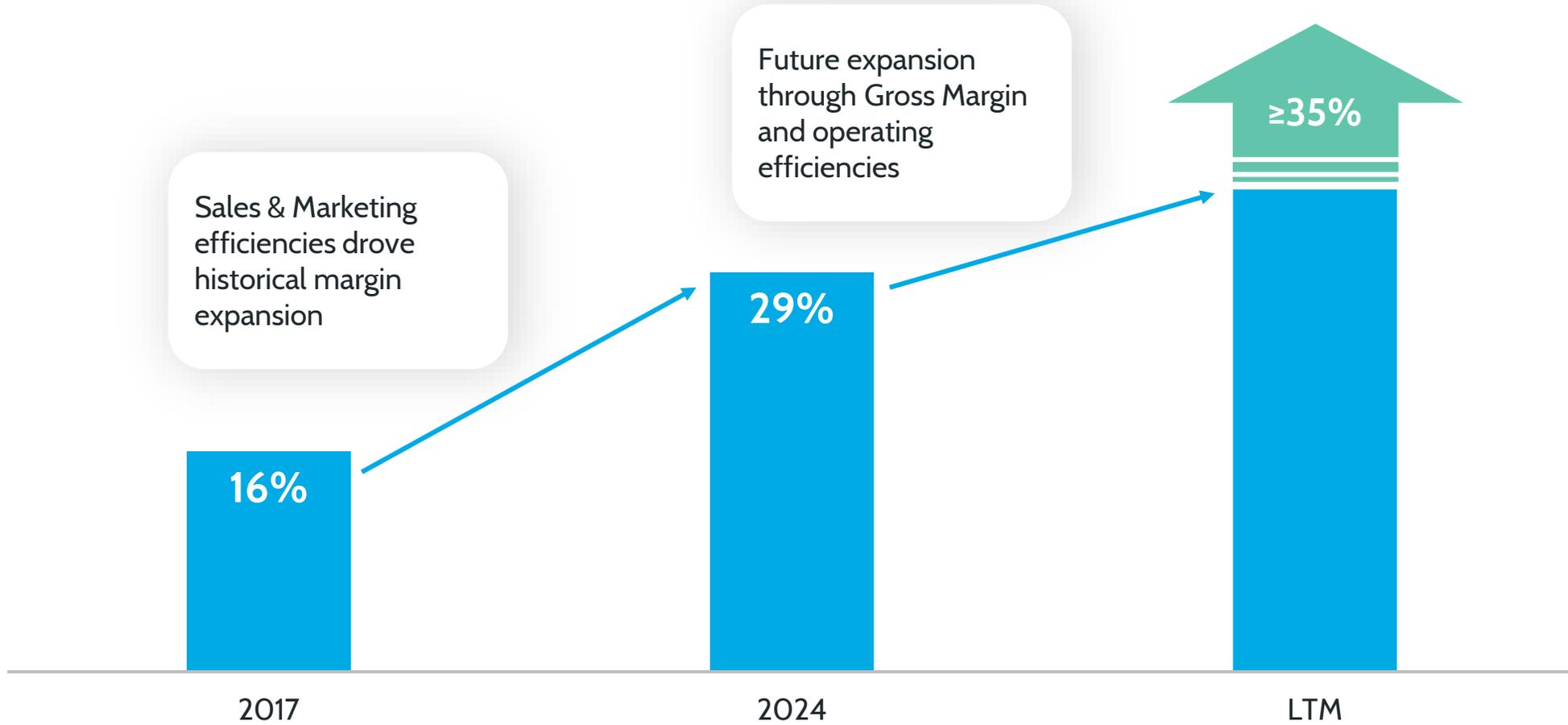
≥ High Single-Digit Revenue Growth



Acquisitions



On Track to Achieve Long-Term Adjusted EBITDA Margin of $\geq 35\%$



Profitable Revenue Growth and Strong Operating Leverage

	Mid-Term Model	Commentary
Revenue Growth	≥ High Single Digits (excluding future acquisitions)	<ul style="list-style-type: none"> • Low single-digit growth in net new customer adds • Mid-to-high single-digit growth in ARPU
Gross Margin	70-75%	<ul style="list-style-type: none"> • Inherent operational leverage from multi-year investments in customer experience • AI efficiencies
Research & Development	9-12%	<ul style="list-style-type: none"> • Fund innovation and roadmap for the best customer experience
Sales & Marketing	18-22%	<ul style="list-style-type: none"> • Invest in Sales & Marketing in line with revenue growth opportunity
General & Administrative	10-15%	<ul style="list-style-type: none"> • Scale, leverage, and increased productivity through AI
Adjusted EBITDA Margin	35+%	<ul style="list-style-type: none"> • 200bps in annual margin expansion

Capital Allocation

Share Repurchases

Capital Return

~50% of free cash flow in share repurchases
2024 : 1H2025*

Disciplined M&A

Buy

Best-in-class, complementary to our core competencies, and well-established customer needs

Organic growth investment

Build

Feature sets and capabilities aligned to core competencies and emerging customer needs

Portfolio Expansion

Geographic Expansion

Market Consolidation

*Free cash flow is net cash provided by operating activities less purchases of property and equipment.



Financial Review

Key Takeaways

- 01 Strong foundation for durable growth.
- 02 Multiple growth drivers to capitalize on large TAM.
- 03 Conviction in sustainable and profitable growth.



Appendix

Appendix A

Reconciliation of Non-GAAP Financial Measures

- Adjusted EBITDA and Adjusted EBITDA Margin are non-GAAP measures of financial performance. We believe that these non-GAAP financial 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 financial 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 financial 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 consolidated financial statements and are subject to inherent limitations. See corresponding filings with the SEC (Form 10-K or Form 10-Q) for further detail on other adjustments included in non-GAAP financial 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 investments held and foreign currency impact on cash and investments, investment income, and other adjustments as necessary for a fair presentation. Net income is the comparable GAAP measure of financial performance.
- 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.
- The following tables provide a reconciliation of net income to Adjusted EBITDA and the calculation of Adjusted EBITDA Margin:

(in thousands)	Year Ended December 31,							
	2024	2023	2022	2021	2020	2019	2018	2017
Net income	\$ 77,054	\$ 65,824	\$ 55,134	\$ 44,597	\$ 45,586	\$ 33,712	\$ 23,872	\$ 351
Income tax expense	22,422	19,739	16,190	8,944	7,094	8,358	4,468	3,544
Depreciation and amortization of property and equipment	18,721	18,631	16,421	14,788	13,127	11,123	8,593	7,208
Amortization of intangible assets	23,510	16,116	11,768	10,126	5,538	5,315	4,093	4,574
Stock-based compensation expense	54,557	45,508	33,399	27,574	18,936	14,690	12,510	12,727
Realized (gain) loss from investments held and foreign currency impact on cash and investments	(115)	(1,726)	1,026	1,456	(1,753)	—	—	—
Investment income	(10,582)	(7,660)	(1,670)	(278)	(1,208)	(2,947)	(2,329)	(1,032)
Discrete impact from tax law change	—	—	—	—	—	—	—	6,798
Other	1,064	1,198	—	(192)	(326)	(488)	94	—
Adjusted EBITDA	\$ 186,631	\$ 157,630	\$ 132,268	\$ 107,015	\$ 86,994	\$ 69,763	\$ 51,301	\$ 34,170

The year ending December 31, 2017 was 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 year ended December 31, 2017.

(in thousands, except Margin and Adjusted EBITDA Margin)	Year Ended December 31,							
	2024	2023	2022	2021	2020	2019	2018	2017
Revenue	\$ 637,765	\$ 536,910	\$ 450,875	\$ 385,276	\$ 312,630	\$ 279,124	\$ 248,240	\$ 220,085
Net Income	77,054	65,824	55,134	44,597	45,586	33,712	23,872	351
Margin	12%	12%	12%	12%	15%	12%	10%	0%
Adjusted EBITDA	\$ 186,631	\$ 157,630	\$ 132,268	\$ 107,015	\$ 86,994	\$ 69,763	\$ 51,301	\$ 34,170
Adjusted EBITDA Margin	29%	29%	29%	28%	28%	25%	21%	16%