UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

[Mark One]

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2026

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: 0-23999

MANHATTAN ASSOCIATES, INC.

(Exact Name of Registrant as Specified in Its Charter)

Georgia **(State or Other Jurisdiction of Incorporation or Organization)**	**58-2373424** **(I.R.S. Employer Identification No.)**
2300 Windy Ridge Parkway, Tenth Floor **Atlanta, Georgia** **(Address of Principal Executive Offices)**	**30339** **(Zip Code)**

Registrant's Telephone Number, Including Area Code: (770) 955-7070

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $.01 per share	MANH	Nasdaq Global Select Market

Indicate by check mark whether the Registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulations S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging Growth Company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares of the Registrant's class of capital stock outstanding as of October 28, 2026, the latest practicable date, is as follows: 58,061,893 shares of common stock, $0.01 par value per share.

MANHATTAN ASSOCIATES, INC.
FORM 10-Q
Quarter Ended September 30, 2026

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PART I
FINANCIAL INFORMATION

Item 1. Financial Statements

MANHATTAN ASSOCIATES, INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets
(in thousands, except share and per share data)

	September 30, 2026 (unaudited)	December 31, 2025
ASSETS		
Current assets:		
Cash and cash equivalents	**$ 199,449**	$ 328,747
Accounts receivable, net	**268,110**	214,679
Prepaid expenses and other current assets	**45,340**	39,912
Total current assets	**512,899**	583,338
Property and equipment, net	**23,823**	23,120
Operating lease right-of-use assets	**44,435**	50,443
Goodwill, net	**62,239**	62,244
Deferred income taxes	**58,608**	75,900
Other assets	**48,809**	44,343
Total assets	**$ 750,813**	$ 839,388
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	**$ 22,118**	$ 22,182
Accrued compensation and benefits	**76,739**	69,309
Accrued and other liabilities	**32,877**	26,570
Deferred revenue	**348,090**	337,049
Income taxes payable	**271**	803
Total current liabilities	**480,095**	455,913
Operating lease liabilities, long-term	**51,744**	56,180
Other non-current liabilities	**18,231**	12,530
Shareholders' equity:		
Preferred stock, no par value; 20,000,000 shares authorized, no shares issued or outstanding in 2026 and 2025	**-**	-
Common stock, $0.01 par value; 200,000,000 shares authorized; 58,061,274 and 59,845,291 shares issued and outstanding at September 30, 2026 and December 31, 2025, respectively	**581**	598
Retained earnings	**238,568**	345,097
Accumulated other comprehensive loss	**(38,406)**	(30,930)
Total shareholders' equity	**200,743**	314,765
Total liabilities and shareholders' equity	**$ 750,813**	$ 839,388

See accompanying Notes to Condensed Consolidated Financial Statements.

MANHATTAN ASSOCIATES, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Income
(in thousands, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026 (unaudited)	2025 (unaudited)	2026 (unaudited)	2025 (unaudited)
Revenue:				
Cloud subscriptions	**$ 134,438**	$ 104,852	**$ 378,283**	$ 299,580
Software license	**3,634**	1,356	**7,791**	12,176
Maintenance	**29,229**	30,492	**90,344**	97,693
Services	**134,417**	133,007	**393,181**	383,033
Hardware	**4,469**	6,088	**16,597**	18,521
Total revenue	**306,187**	275,795	**886,196**	811,003
Costs and expenses:				
Cost of cloud subscriptions, maintenance and services	**131,257**	119,604	**386,241**	349,883
Cost of software license	**633**	208	**1,753**	711
Research and development	**35,543**	36,360	**107,654**	106,529
Sales and marketing	**26,784**	18,057	**85,235**	59,097
General and administrative	**29,258**	24,078	**79,705**	74,273
Depreciation and amortization	**1,717**	1,660	**5,182**	4,785
Restructuring expense	**-**	-	**8,263**	2,937
Total costs and expenses	**225,192**	199,967	**674,033**	598,215
Operating income	**80,995**	75,828	**212,163**	212,788
Other income, net	**1,888**	2,604	**7,208**	4,656
Income before income taxes	**82,883**	78,432	**219,371**	217,444
Income tax provision	**21,539**	19,799	**58,380**	49,449
Net income	**$ 61,344**	$ 58,633	**$ 160,991**	$ 167,995
Basic earnings per share	**$ 1.05**	$ 0.97	**$ 2.73**	$ 2.77
Diluted earnings per share	**$ 1.04**	$ 0.96	**$ 2.72**	$ 2.75
Weighted average number of shares:				
Basic	**58,207**	60,381	**58,880**	60,620
Diluted	**58,732**	60,954	**59,250**	61,183

See accompanying Notes to Condensed Consolidated Financial Statements.

MANHATTAN ASSOCIATES, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Comprehensive Income
(in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026 (unaudited)	2025 (unaudited)	2026 (unaudited)	2025 (unaudited)
Net income	**$ 61,344**	$ 58,633	**$ 160,991**	$ 167,995
Foreign currency translation adjustment, net of tax	**(1,380)**	(3,751)	**(7,476)**	846
Comprehensive income	**$ 59,964**	$ 54,882	**$ 153,515**	$ 168,841

See accompanying Notes to Condensed Consolidated Financial Statements.

MANHATTAN ASSOCIATES, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
(in thousands)

	Nine Months Ended September 30,	
	2026 (unaudited)	**2025** (unaudited)
Operating activities:		
Net income	**$ 160,991**	$ 167,995
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	**5,182**	4,785
Equity-based compensation	**90,095**	80,678
Gain on disposal of equipment	**(162)**	(22)
Deferred income taxes	**16,871**	17,946
Unrealized foreign currency loss	**1,909**	246
Changes in operating assets and liabilities:		
Accounts receivable, net	**(54,863)**	(8,865)
Other assets	**(13,040)**	(4,311)
Accounts payable, accrued and other liabilities	**16,066**	(18,463)
Income taxes	**2,059**	(9,840)
Deferred revenue	**18,206**	12,271
Net cash provided by operating activities	**243,314**	242,420
Investing activities:		
Purchase of property and equipment	**(6,099)**	(10,799)
Net cash used in investing activities	**(6,099)**	(10,799)
Financing activities:		
Repurchase of common stock	**(356,929)**	(238,187)
Net cash used in financing activities	**(356,929)**	(238,187)
Foreign currency impact on cash	**(9,584)**	3,891
Net change in cash and cash equivalents	**(129,298)**	(2,675)
Cash and cash equivalents at beginning of period	**328,747**	266,230
Cash and cash equivalents at end of period	**$ 199,449**	$ 263,555

See accompanying Notes to Condensed Consolidated Financial Statements.

MANHATTAN ASSOCIATES, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Shareholders' Equity
(in thousands, except share data)

	Common Stock		Additional Paid-In	Retained	Accumulated Other Comprehensive	Total Shareholders'
	Shares	Amount	Capital	Earnings	Loss	Equity
For the Three Months Ended September 30, 2026						
Balance, June 30, 2026 (unaudited)	**58,300,070**	**$ 583**	**$ -**	**$ 193,950**	**$ (37,026)**	**$ 157,507**
Repurchase of common stock	**(247,623)**	**(2)**	**(33,724)**	**(16,726)**	**-**	**(50,452)**
Restricted stock units issuance	**8,827**	**-**	**-**	**-**	**-**	**-**
Excise tax on net stock repurchases	**-**	**-**	**(491)**	**-**	**-**	**(491)**
Equity-based compensation	**-**	**-**	**34,215**	**-**	**-**	**34,215**
Foreign currency translation adjustment	**-**	**-**	**-**	**-**	**(1,380)**	**(1,380)**
Net income	**-**	**-**	**-**	**61,344**	**-**	**61,344**
Balance, September 30, 2026 (unaudited)	**58,061,274**	**$ 581**	**$ -**	**$ 238,568**	**$ (38,406)**	**$ 200,743**
For the Nine Months Ended September 30, 2026						
Balance, December 31, 2025 (audited)	**59,845,291**	**$ 598**	**$ -**	**$ 345,097**	**$ (30,930)**	**$ 314,765**
Repurchase of common stock	**(2,363,231)**	**(23)**	**(87,402)**	**(267,520)**	**-**	**(354,945)**
Restricted stock units issuance	**579,214**	**6**	**(6)**	**-**	**-**	**-**
Excise tax on net stock repurchases	**-**	**-**	**(2,687)**	**-**	**-**	**(2,687)**
Equity-based compensation	**-**	**-**	**90,095**	**-**	**-**	**90,095**
Foreign currency translation adjustment	**-**	**-**	**-**	**-**	**(7,476)**	**(7,476)**
Net income	**-**	**-**	**-**	**160,991**	**-**	**160,991**
Balance, September 30, 2026 (unaudited)	**58,061,274**	**$ 581**	**$ -**	**$ 238,568**	**$ (38,406)**	**$ 200,743**
For the Three Months Ended September 30, 2025						
Balance, June 30, 2025 (unaudited)	60,468,401	$ 604	$ -	$ 304,480	$ (26,325)	$ 278,759
Repurchase of common stock	(240,891)	(2)	(27,124)	(24,423)	-	(51,549)
Restricted stock units issuance	28,932	-	-	-	-	-
Excise tax on net stock repurchases	-	-	(453)	-	-	(453)
Equity-based compensation	-	-	27,577	-	-	27,577
Foreign currency translation adjustment	-	-	-	-	(3,751)	(3,751)
Net income	-	-	-	58,633	-	58,633
Balance, September 30, 2025 (unaudited)	60,256,442	$ 602	$ -	$ 338,690	$ (30,076)	$ 309,216
For the Nine Months Ended September 30, 2025						
Balance, December 31, 2024 (audited)	60,921,191	$ 609	$ -	$ 329,439	$ (30,922)	$ 299,126
Repurchase of common stock	(1,224,719)	(12)	(79,431)	(158,744)	-	(238,187)
Restricted stock units issuance	559,970	5	(5)	-	-	-
Excise tax on net stock repurchases	-	-	(1,242)	-	-	(1,242)
Equity-based compensation	-	-	80,678	-	-	80,678
Foreign currency translation adjustment	-	-	-	-	846	846
Net income	-	-	-	167,995	-	167,995
Balance, September 30, 2025 (unaudited)	60,256,442	$ 602	$ -	$ 338,690	$ (30,076)	$ 309,216

See accompanying Notes to Condensed Consolidated Financial Statements.

Notes to Condensed Consolidated Financial Statements
(Unaudited)

1. Basis of Presentation and Principles of Consolidation

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements of Manhattan Associates, Inc. and its subsidiaries (the "Company," "we," "us," "our," or "Manhattan") have been prepared in accordance with accounting principles generally accepted in the United States (GAAP) for interim financial information, with the instructions to Form 10-Q and with Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required for complete financial statements. In the opinion of management, these condensed consolidated financial statements contain all normal recurring adjustments considered necessary for a fair presentation of our financial position at September 30, 2026, the results of operations for the three and nine months ended September 30, 2026 and 2025, and cash flows for the nine months ended September 30, 2026 and 2025. The results for the three and nine months ended September 30, 2026 are not necessarily indicative of the results to be expected for the full year or any other interim period. These statements should be read in conjunction with our audited consolidated financial statements and management's discussion and analysis included in our annual report on Form 10-K for the year ended December 31, 2025.

Principles of Consolidation

The accompanying condensed consolidated financial statements include our accounts and the accounts of our wholly owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

Recent Accounting Pronouncements

In November 2024, the FASB issued Accounting Standards Update No. 2024-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses ("ASU 2024-03"), and in January 2025, the FASB issued Accounting Standards Update No. 2025-01, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date ("ASU 2025-01"). ASU 2024-03 requires additional disclosure of the nature of expenses included in the income statement as well as disclosures about specific types of expenses included in the expense captions presented in the income statement. We expect to adopt the updated accounting guidance in our Annual Report on Form 10-K for the year ended December 31, 2027, and for interim period reporting beginning in 2028, as required in ASU 2024-03 and further clarified by ASU 2025-01. The Company is currently evaluating the impact that the adoption of these standards will have on its disclosures.

In September 2025, the FASB issued Accounting Standards Update No. 2025-06, Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software. ASU 2025-06 amends certain aspects of the accounting for and disclosure for internal-use software costs, which removes references to software development project stages and considers different software development methods, including methods that entities may use to develop software in the future. ASU 2025-06 requires an entity to capitalize software costs when: (1) management has authorized and committed to funding the software project, and (2) it is probable that the project will be completed, and the software will be used to perform the function intended (referred to as the "probable-to-complete recognition threshold"). In evaluating the probable-to-complete recognition threshold, an entity is required to consider whether there is significant uncertainty associated with the development activities of the software. ASU 2025-06 is effective for annual reporting periods beginning after December 15, 2027, and interim reporting periods within those annual reporting periods. The Company is currently evaluating the new guidance but does not expect material changes to results of operations, cash flows, or financial condition.

2. Revenue Recognition

We recognize revenue when we transfer control of the promised products or services to our customers, in an amount that reflects the consideration we expect to be entitled to in exchange for those products or services. We derive our revenue from cloud subscriptions, software licenses, customer support services and software enhancements ("maintenance") for software licenses, professional services, and sales of hardware. We exclude sales and usage-based taxes from revenue.

Nature of Products and Services

Cloud subscriptions include software as a service ("SaaS") and hosting arrangements which provide customers with the right to use our software within a cloud environment that we provide and manage where the customer does not have the right to take possession of the software without significant penalty. SaaS and hosting revenues are recognized over the contract period as the service is provided.

Our services revenue consists of fees generated from implementation, training and application managed services, including reimbursements of out-of-pocket expenses in connection with our implementation services. Implementation services include system planning, design, configuration, testing, and other software implementation support, and are typically optional and distinct from our

software. Following implementation, customers may purchase application managed services to support and maintain our software. Fees for our services are separately priced and are generally billed on an hourly basis, and revenue is recognized over time as the services are performed. In certain situations, we render professional services under agreements based upon a fixed fee for portions of or all of the engagement. Revenue related to fixed-fee-based services contracts is recognized over time based on the proportion performed.

Our cloud contracts with customers can include the sales of SaaS and services. We allocate the transaction price to the distinct performance obligations based on relative stand-alone selling price (SSP). We estimate SSP based on the prices charged to customers, or by using information such as market conditions and other observable inputs. The selling price of our cloud subscriptions are highly variable. Thus, we estimate SSP for our cloud subscriptions using the residual approach, determined based on total transaction price less the SSP of other goods and services promised in the contract.

We provide maintenance services to customers who have previously purchased a perpetual license, including a comprehensive 24 hours per day, 365 days per year program that provides customers with software upgrades, when and if available, which include additional or improved functionality and technological advances incorporating emerging supply chain and industry initiatives. Maintenance contracts typically only have one performance obligation. Revenue related to maintenance is generally paid in advance and recognized over the term of the agreement, typically twelve months.

Our perpetual software licenses provide the customer with a right to use the software as it exists at the time of purchase. We recognize revenue for distinct software licenses once the license period has begun and we have made the software available to the customer. The selling prices of our software licenses are highly variable. Thus, we estimate SSP for software licenses using the residual approach, determined based on total transaction price less the SSP of other goods and services promised in the contract.

Our customers periodically purchase hardware products developed and manufactured by third parties from us for use with the software licenses purchased from us. These products include computer hardware, radio frequency terminal networks, radio frequency identification (RFID) chip readers, bar code printers and scanners, and other peripherals. As we do not physically control the hardware that we sell, we are acting as an agent in the transaction and recognize our hardware revenue net of related cost. We recognize hardware revenue when control is transferred to the customer upon shipment.

Contract Balances

Cloud subscriptions and maintenance for perpetual software licenses are typically billed annually in advance. Timing of invoicing to customers may differ from timing of revenue recognition. Payment terms for our software licenses vary. We have an established history of collecting under the terms of our software license contracts without providing refunds or concessions to our customers. Services are typically billed monthly as performed. In instances where the timing of revenue recognition differs from the timing of invoicing, we have determined that our contracts generally do not include a significant financing component. The primary purpose of our invoicing terms is to provide customers with predictable ways to purchase our software and services, not to provide or receive financing. Additionally, we are applying the practical expedient to exclude from consideration any contracts with payment terms of one year or less. We rarely offer terms extending beyond one year.

Deferred revenue mainly represents amounts collected prior to having completed performance of cloud subscriptions, maintenance, and professional services. In the three and nine months ended September 30, 2026, we recognized $64.1 million and $301.3 million of revenue that was included in the deferred revenue balance as of December 31, 2025. In the three months ended September 30, 2026, we recognized $155.7 million of revenue that was included in the deferred revenue balance as of June 30, 2026.

Remaining Performance Obligations

As of September 30, 2026, approximately $2.6 billion of revenue is expected to be recognized from remaining performance obligations. Over 99% of our remaining performance obligations represent cloud native subscriptions with a non-cancelable term greater than one year (including cloud-deferred revenue as well as amounts we will invoice and recognize as revenue from our performance of cloud services in future periods). Maintenance contracts for perpetual software licenses are typically one year in duration and are not included in the remaining performance obligations. We expect to recognize revenue on approximately 40% of these remaining performance obligations over the next 24 months with the majority of the remaining balance recognized over the following 36 months. We have elected not to provide disclosures regarding remaining performance obligations for contracts with a term of 1 year or less.

Returns and Allowances

We have not experienced significant returns or warranty claims to date and, as a result, have not recorded a provision for the cost of returns and product warranty claims.

We record an allowance for credit losses utilizing a model of internal historical losses data. In estimating the allowance for credit losses, we considered our historical write-offs, the historical creditworthiness of the customer, and other factors. We also

analyzed expected credit losses given future risks in projected economic conditions and future risks of customer collection. Should any of these factors change, the estimates made by us will also change accordingly, which could affect the level of our future allowances. Additions to the allowance for credit losses are recorded in general and administrative expense and were immaterial in all periods presented. Our credit loss reserve was $0.9 million as of September 30, 2026 and December 31, 2025.

We also adjust accounts receivable with a corresponding adjustment in services revenue for the most likely amount of potential service revenue adjustments based on a detailed assessment of accounts receivable. The total amount recorded to services revenue was a $0.8 million reduction and $0.1 million reduction for the three months ended September 30, 2026 and 2025, respectively, and $3.0 million and $0.5 million for the nine months ended September 30, 2026 and 2025, respectively. As of September 30, 2026 and December 31, 2025, we have reduced our accounts receivable balance by $3.5 million and $1.9 million, respectively, for these potential adjustments.

Deferred Commissions

We consider sales commissions to be incremental costs of obtaining a contract with a customer. We defer and recognize an asset for sales commissions related to performance obligations with an expected period of benefit of more than one year. We amortize these amounts over the expected benefit period, which we estimate by considering several factors, including the rate of technological change and duration of our customer contracts. Sales commission for renewal contracts are amortized over the related contractual renewal period. We apply the practical expedient to expense sales commissions when the amortization period would have been one year or less. Deferred commissions were $58.1 million as of September 30, 2026, of which $43.6 million is included in other assets and $14.5 million is included in prepaid expenses. Sales commission expense is included in Sales and Marketing expense in the accompanying Consolidated Statements of Income. Amortization of sales commissions was $3.5 million and $3.0 million for the three months ended September 30, 2026 and 2025, respectively, and $10.6 million and $8.8 million for the nine months ended September 30, 2026 and 2025. No impairment losses were recognized during the periods.

3. Fair Value Measurement

We measure our investments based on a fair value hierarchy disclosure framework that prioritizes and ranks the level of market price observability used in measuring assets and liabilities at fair value. Market price observability is affected by a number of factors, including the type of asset or liability and its characteristics. This hierarchy prioritizes the inputs into three broad levels as follows:

- Level 1–Quoted prices in active markets for identical instruments.
- Level 2–Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.
- Level 3–Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

Our investments typically have maturities of 90 days or less from the date of purchase and are classified as cash equivalents. At September 30, 2026, our cash and cash equivalents were $110.2 million and $89.2 million, respectively. Cash equivalents consist of highly liquid money market funds. For money market funds, we use quoted prices from active markets that are classified at Level 1, the highest level of observable input in the disclosure hierarchy framework. We had no investments classified at Level 2 or Level 3 at September 30, 2026.

4. Equity-Based Compensation

We granted 2,490 and 99,649 restricted stock units (RSUs) during the three months ended September 30, 2026 and 2025, respectively, and granted 840,043 and 594,983 RSUs during the nine months ended September 30, 2026 and 2025, respectively. Equity-based compensation expense related to RSUs was $34.2 million and $27.6 million during the three months ended September 30, 2026 and 2025, respectively, and $90.1 million and $80.7 million during the nine months ended September 30, 2026 and 2025, respectively.

We present below a summary of changes during the nine months ended September 30, 2026 in our unvested restricted stock units:

	Number of shares/units
Outstanding at December 31, 2025	1,396,941
Granted	840,043
Vested	(579,214)
Forfeited	(95,060)
Outstanding at September 30, 2026	**1,562,710**

5. Income Taxes

Our provision for income taxes varied from the tax computed at the U.S. federal statutory income tax rate for the periods presented primarily due to the Foreign Derived Intangible Income deduction, state taxes, employee compensation limitation, the tax effects of stock-based compensation, and the U.S. research and development tax credit. Our effective tax rate was 26.0% and 25.2% for the three months ended September 30, 2026 and 2025, respectively, and 26.6% and 22.7% for the nine months ended September 30, 2026 and 2025, respectively. The increase in the effective tax rate for the three and nine months ended September 30, 2026 is due to a decrease of stock-based compensation benefits.

We apply the provisions for income taxes related to, among other things, accounting for uncertain tax positions and disclosure requirements in accordance with Accounting Standards Codification (ASC) 740, Income Taxes. For the three months ended September 30, 2026, there were no material changes to our uncertain tax positions.

We conduct business globally and, as a result, file income tax returns in the U.S. federal jurisdiction and various state and foreign jurisdictions. In the normal course of business, Manhattan is subject to examination by taxing authorities throughout the world. We are no longer subject to U.S. federal, substantially all state and local income tax examinations and substantially all non-U.S. income tax examinations for years before 2015.

On July 4, 2025, the One Big Beautiful Bill Act ("OBBBA") was enacted into law. The OBBBA allowed an immediate deduction for domestic research and development expenditures, reinstates 100% bonus depreciation, and modifies international tax provisions. The acceleration of the deduction for domestic research and development expenditures reduced our cash taxes owed for 2025 and 2026.

6. Basic and Diluted Net Income Per Share

Basic net income per share is computed using net income divided by the weighted average number of shares of common stock outstanding ("Weighted Shares") for the period presented.

Diluted net income per share is computed using net income divided by Weighted Shares and the treasury stock method effect of common equivalent shares ("CESs") outstanding for each period presented.

In the following table, we present a reconciliation of earnings per share and the shares used in the computation of earnings per share for the three and nine months ended September 30, 2026 and 2025 (in thousands, except per share data):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(in thousands, except per share data)		(in thousands, except per share data)	
Net income	**$ 61,344**	$ 58,633	**$ 160,991**	$ 167,995
Earnings per share:				
Basic	**$ 1.05**	$ 0.97	**$ 2.73**	$ 2.77
Effect of CESs	**(0.01)**	(0.01)	**(0.01)**	(0.02)
Diluted	**$ 1.04**	$ 0.96	**$ 2.72**	$ 2.75
Weighted average number of shares:				
Basic	**58,207**	60,381	**58,880**	60,620
Effect of CESs	**525**	573	**370**	563
Diluted	**58,732**	60,954	**59,250**	61,183

The number of anti-dilutive CESs during the three and nine months ended September 30, 2026 and 2025 was immaterial.

7. Contingencies

From time to time, we are involved in litigation relating to claims arising out of the ordinary course of business, and occasionally legal proceedings not in the ordinary course.

Many of our software products and services are critical to our customers' business operations. Failures could result in claims against us for substantial damages, regardless of our level of responsibility for those failures. We attempt to limit contractually our liability for damages arising from product or service failures or our negligent acts or omissions, but there can be no absolute assurance that those limitations will be enforceable.

Although litigation and other legal proceeding outcomes are difficult to predict, we do not believe we are a party to any legal proceeding the result of which is likely to have a material adverse impact on our business, financial position, results of operations, or cash flows. We expense legal costs associated with loss contingencies as we incur them. We record insurance recoveries when received.

Among other proceedings, we are currently party to the lawsuits described below.

Securities Litigation

On February 25, 2025, an alleged Company shareholder filed a putative class action lawsuit, Prime v. Manhattan Associates, Inc., et al., No. 1:25-cv-00992-TRJ (N.D. Ga.), in the United States District Court for the Northern District of Georgia against the Company and certain of our current and former officers (the "Prime Action"). The complaint in the Prime Action alleged violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Rule 10b-5 promulgated under that act, based on purported materially false and misleading statements and omissions allegedly made by the defendants (the Company and named current and former officers) between October 22, 2024, and January 28, 2025. The complaint in the Prime Action sought class certification, unspecified monetary damages, and costs and attorneys' fees. On April 15, 2025, another alleged Company shareholder filed a putative class action lawsuit, City of Orlando Police Officers' Pension Fund v. Manhattan Associates, Inc., et al., No. 1:25-cv-02089-TRJ (N.D. Ga.), in the United States District Court for the Northern District of Georgia against the Company and certain of our current and former officers (the "City of Orlando Action"). The complaint in the City of Orlando Action alleged violations of Sections 10(b) and 20(a) of the Exchange Act and Rule 10b-5 based on purported materially false and misleading statements and omissions allegedly made by the defendants between July 24, 2024, and February 7, 2025. The factual allegations underlying the claims in the City of Orlando Action were similar to the factual allegations made in the Prime Action. The complaint in the City of Orlando Action sought class certification, unspecified monetary damages, and costs and attorneys' fees. On May 2, 2025, the Court consolidated the two actions (the "Consolidated Action"), and on May 23, 2025, the Court appointed the plaintiffs in the City of Orlando Action as the lead plaintiffs in the Consolidated Action. On July 22, 2025, the lead plaintiffs filed their Amended Complaint, in which the securities law violations alleged are the same as those alleged in the original actions and the proposed class period is the same as in the City of Orlando action. The defendants deny the material allegations in the Consolidated Action, which is still in the early stages and has not yet been certified as a class action, and intend to defend themselves vigorously. The defendants filed a motion to dismiss the Consolidated Action on September 22, 2025, and the parties presented oral arguments on the motion on April 9, 2026. On September 29, 2026, the Court entered an order denying, in part, the motion to dismiss and allowing certain claims to proceed. The Company maintains insurance that may cover defendants' liability arising out of this litigation up to the policy limits and subject to meeting certain deductibles and to other terms and conditions. We are unable to predict the ultimate timing or outcome of, or reasonably estimate the possible losses or a range of possible losses resulting from, these proceedings.

Derivative Litigation

On September 22, 2025, a purported Company shareholder, Patrick Ayers, filed a shareholder derivative lawsuit, Ayers v. Capel, et al., No. 1:25-cv-05416-TRJ, in the United States District Court for the Northern District of Georgia (the "Ayers Action"). The Ayers Action names certain of the Company's current and former officers and directors as defendants. The allegations in the Ayers Action overlap substantially with the allegations in the above-referenced Consolidated Action. The Ayers Action asserts claims for alleged violations of the federal securities laws, breach of fiduciary duty, waste, and unjust enrichment. On October 20, 2026, the Court entered an order staying the Ayers Action pending further developments in the Consolidated Action. On August 24, 2026, another purported Company shareholder, Richard Delman, filed a shareholder derivative lawsuit, Delman v. Capel, et al., No. 26CV06969, in the Superior Court of Cobb County, Georgia (the "Delman Action"). The Delman action names certain of the Company's current and former officers and directors as defendants. The allegations in the Delman Action overlap substantially with the allegations in the above-referenced Consolidated Action and Ayers Action. The Delman Action asserts claims for breach of fiduciary duty, unjust enrichment, and waste. The parties have moved the Court for an order staying the Delman Action pending further developments in the Consolidated Action. On September 17, 2026, another purported shareholder, Jonathan Taylor, filed a shareholder derivative lawsuit, Taylor v. Capel, et al., No. 26CV013154, in the Superior Court of Fulton County, Georgia (the "Taylor Action"). The Taylor Action names certain of the Company's current and former officers and directors as defendants. The allegations in the Taylor Action overlap substantially with the allegations in the above-referenced Consolidated Action, the Ayers Action, and the Delman Action. The Taylor Action asserts claims for breach of fiduciary duty, unjust enrichment, waste, gross mismanagement, and abuse of control. The time for the defendants to respond to the complaint in the Taylor Action has not yet expired. We are unable to

predict the ultimate timing or outcome of, or reasonably estimate the possible losses or a range of possible losses resulting from, these proceedings.

8. Reportable Segments

We manage our business by geographic segment and have three geographic reportable segments: the Americas (North, Latin and South America); Europe, the Middle East, and Africa (EMEA); and Asia Pacific (APAC). All segments derive revenue from the sale and implementation of our supply chain commerce solutions. We primarily operate in the Americas operating segment because most of the Company's service offerings operate on the Manhattan platform and are deployed and sold in a nearly identical manner. The individual products sold by the segments are similar in nature and are all designed to help companies manage the effectiveness and efficiency of their supply chain commerce. We use the same accounting policies for each reportable segment. The chief operating decision maker (Chief Executive Officer) reviews the variances in each reportable segment's operating income compared to prior periods and to budget on a monthly basis to evaluate performance and allocate resources (including employees, financial or capital).

The Americas segment charges royalty fees to the other segments based on cloud subscriptions and software licenses sold by those reportable segments. The royalties, which totaled approximately $8.1 million and $6.5 million for both the three months ended September 30, 2026 and 2025, respectively, and $22.5 million and $19.4 million for the nine months ended September 30, 2026 and 2025, respectively, are included in costs of revenue for each segment with a corresponding reduction in the Americas segment's cost of revenue. The revenues represented below are from external customers only. The geography-based costs consist of costs for professional services personnel, direct sales and marketing expenses, infrastructure costs to support the employee and customer base, billing and financial systems, management and general and administrative support. There are certain corporate expenses included in the Americas segment that we do not charge to the other segments. Such expenses include research and development, including those related to India operations, stock compensation, certain marketing and general and administrative costs that support the global organization, and the amortization of acquired developed technology.

In accordance with segment reporting topic of the FASB Codification, we present below certain financial information by reportable segment for the three and nine months ended September 30, 2026 and 2025 (in thousands):

	Three Months Ended September 30,							
	2026				2025			
	Americas	EMEA	APAC	Consolidated	Americas	EMEA	APAC	Consolidated
Revenue:								
Cloud subscriptions	**$ 102,739**	**$ 26,490**	**$ 5,209**	**$ 134,438**	$ 79,336	$ 21,272	$ 4,244	$ 104,852
Software license	**3,025**	**444**	**165**	**3,634**	834	379	143	1,356
Maintenance	**22,711**	**4,393**	**2,125**	**29,229**	23,648	4,568	2,276	30,492
Services	**100,367**	**25,541**	**8,509**	**134,417**	96,791	27,718	8,498	133,007
Hardware	**4,323**	**48**	**98**	**4,469**	6,050	38	-	6,088
Total revenue	**233,165**	**56,916**	**16,106**	**306,187**	206,659	53,975	15,161	275,795
Costs and Expenses:								
Cost of revenue	**$ 97,546**	**$ 27,390**	**$ 6,954**	**131,890**	87,819	25,434	6,559	119,812
Operating expenses	**84,366**	**5,571**	**1,648**	**91,585**	71,622	5,474	1,399	78,495
Depreciation and amortization	**1,460**	**226**	**31**	**1,717**	1,435	190	35	1,660
Restructuring expense	-	-	-	-	-	-	-	-
Total costs and expenses	**183,372**	**33,187**	**8,633**	**225,192**	160,876	31,098	7,993	199,967
Operating income	**$ 49,793**	**$ 23,729**	**$ 7,473**	**$ 80,995**	$ 45,783	$ 22,877	$ 7,168	$ 75,828
Interest income				**758**				1,007
Other income (loss), net				**1,130**				1,597
Income before income taxes				**$ 82,883**				$ 78,432

	Nine Months Ended September 30,							
	2026				2025			
	Americas	EMEA	APAC	Consolidated	Americas	EMEA	APAC	Consolidated
Revenue:								
Cloud subscriptions	**$ 289,877**	**$ 73,775**	**$ 14,631**	**$ 378,283**	$ 230,728	$ 58,154	$ 10,698	$ 299,580
Software license	**6,022**	**1,242**	**527**	**7,791**	3,192	8,242	742	12,176
Maintenance	**70,352**	**13,659**	**6,333**	**90,344**	77,349	13,810	6,534	97,693
Services	**292,764**	**76,587**	**23,830**	**393,181**	278,455	81,256	23,322	383,033
Hardware	**15,712**	**694**	**191**	**16,597**	18,156	356	9	18,521
Total revenue	**674,727**	**165,957**	**45,512**	**886,196**	607,880	161,818	41,305	811,003
Costs and Expenses:								
Cost of revenue	**284,436**	**83,518**	**20,040**	**387,994**	254,366	77,777	18,451	350,594
Operating expenses	**250,114**	**17,893**	**4,587**	**272,594**	218,792	17,073	4,034	239,899
Depreciation and amortization	**4,406**	**679**	**97**	**5,182**	4,089	581	115	4,785
Restructuring expense	**5,637**	**2,346**	**280**	**8,263**	2,937	-	-	2,937
Total costs and expenses	**544,593**	**104,436**	**25,004**	**674,033**	480,184	95,431	22,600	598,215
Operating income	**$ 130,134**	**$ 61,521**	**$ 20,508**	**$ 212,163**	$ 127,696	$ 66,387	$ 18,705	$ 212,788
Interest income				**2,462**				2,960
Other income (loss), net				**4,746**				1,696
Income before income taxes				**$ 219,371**				$ 217,444

In the following table, we present goodwill, long-lived assets, and total assets by reportable segment as of September 30, 2026 and December 31, 2025 (in thousands):

	As of September 30, 2026				As of December 31, 2025			
	Americas	EMEA	APAC	Consolidated	Americas	EMEA	APAC	Consolidated
Goodwill, net	**$ 54,766**	**$ 5,510**	**$ 1,963**	**$ 62,239**	$ 54,766	$ 5,515	$ 1,963	$ 62,244
Long lived assets	**103,547**	**10,981**	**2,541**	**117,069**	104,217	11,320	2,369	117,906
Total assets	**590,951**	**127,486**	**32,376**	**750,813**	696,019	116,219	27,150	839,388

We derived revenue from sales to customers outside the United States of approximately $106.4 million and $96.6 million for the three months ended September 30, 2026 and 2025, respectively, and approximately $305.3 million and $279.6 million for the nine months ended September 30, 2026 and 2025, respectively. Our remaining revenue was derived from domestic sales.

Cloud subscriptions revenue primarily relates to our Manhattan Active omnichannel, warehouse management solutions, and transportation management solutions for the nine months ended September 30, 2026. The majority of our software license revenue (approximately 95% and 90%) relates to our warehouse management product group for the three and nine months ended September 30, 2026, respectively.

9. Restructuring Expense

On June 1, 2026, the Company reduced its global headcount by approximately 6%, leveraging increased operational efficiencies and allowing the Company to focus investments on key strategic priorities. The Company recorded pretax restructuring expense of approximately $8.3 million, which reduced net income by approximately $6.2 million, or $0.11 per fully diluted share, in the nine months ended September 30, 2026. The expense primarily consists of employee severance and outplacement services. The expense is classified in "Restructuring expense" in the Company's Consolidated Statements of Income for the nine months ended September 30, 2026.

The following table summarizes the activity in the restructuring accrual for the nine months ended September 30, 2026 (in thousands):

	Americas	EMEA	APAC	Consolidated
		(in thousands)		
Restructuring expense	**5,637**	**2,346**	**280**	**$ 8,263**
Cash payments	**(4,878)**	**(2,018)**	**(280)**	**(7,176)**
Restructuring accrual balance at September 30, 2026	**$ 759**	**$ 328**	**$ -**	**$ 1,087**

The balance at September 30, 2026 is included in "Accrued compensation and benefits" in the Company's Condensed Consolidated Balance Sheets. The remaining balance is expected to be paid primarily during the remainder of 2026.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion should be read in conjunction with the condensed consolidated financial statements for the three and nine months ended September 30, 2026 and 2025, including the notes to those statements, included elsewhere in this quarterly report. We also recommend the following discussion be read in conjunction with management's discussion and analysis and consolidated financial statements included in our annual report on Form 10-K for the year ended December 31, 2025. Statements in the following discussion that are not statements of historical fact are "forward-looking statements." Actual results may differ materially from the results predicted in such forward-looking statements, for a variety of factors. See "Forward-Looking Statements" below.

References in this filing to the "Company," "Manhattan," "Manhattan Associates," "we," "our," and "us" refer to Manhattan Associates, Inc., our predecessors, and our wholly owned and consolidated subsidiaries.

Business Overview

We develop, sell, deploy, service and maintain software solutions designed to manage supply chains, inventory, and omnichannel operations for retailers, wholesalers, manufacturers, logistics providers, government agencies, and other organizations. Our customers include many of the world's premier and most profitable brands. Our proprietary applications architecture is highly differentiated among enterprise application providers, particularly within the Omni Channel and Supply Chain categories, through which we deliver a versionless yet highly extensible experience for our customers. With AI-driven insights and zero downtime updates, we deliver innovation seamlessly into customer environments without the need for planned maintenance windows.

Our business model is singularly focused on the development and implementation of complex commerce enablement software solutions that are designed to optimize supply chains, and retail store operations including point-of-sale (POS) effectiveness and efficiency for our customers.

We have five principal sources of revenue:

- cloud subscriptions, including software as a service (SaaS) and hosting of software;
- licenses of our software;
- customer support services and software enhancements (collectively, "maintenance") related to software licenses;
- professional services, including solutions planning and implementation, related consulting, customer training, and reimbursements from customers for out-of-pocket expenses (collectively, "services"); and
- hardware sales.

In the three and nine months ended September 30, 2026, we generated $306.2 million and $886.2 million in total revenue. The revenue mix for the three months ended September 30, 2026 was: cloud subscriptions 44%; software license 1%; maintenance 10%; services 44%; and hardware 1%. The revenue mix for the nine months ended September 30, 2026 was: cloud subscriptions 43%; software license 1%; maintenance 10%; services 44%; and hardware 2%.

We have three geographic reportable segments: North, Latin, and South America (the "Americas"), Europe, the Middle East, and Africa (EMEA), and Asia-Pacific (APAC). Geographic revenue is based on the location of the sale. Our international revenue was approximately $106.4 million and $305.3 million for the three and nine months ended September 30, 2026, which represents approximately 35% and 34% of our total revenue for both the three and nine months ended September 30, 2026, respectively. International revenue includes all revenue derived from sales to customers outside the United States. At September 30, 2026, we employed approximately 3,980 employees worldwide. We have offices in Australia, Chile, China, France, Germany, India, Italy, Japan, the Netherlands, Singapore, Spain, the United Kingdom, and the United States, as well as representatives in Mexico and reseller partnerships in Latin America, Eastern Europe, the Middle East, South Africa, and Asia.

Future Expectations

While we remain cautious about the global economy, including with respect to macroeconomic uncertainty and global instability resulting from the military conflict involving the United States, Israel, and Iran and the ongoing war between Russia and Ukraine, our results for the first nine months of 2026 exceeded our expectations due to solid demand for our cloud solutions. Our solutions are mission critical, supporting complex global supply chains. We believe that favorable secular tailwinds, such as the digital transformation of businesses in manufacturing, wholesale, and retail, coupled with our commitment to investing in organic innovation to deliver leading cloud supply chain, inventory, and omnichannel commerce solutions is in synergistic alignment with current market demand. We believe this alignment is contributing to our strong financial results, higher demand, and strong win rates for our solutions for the period. We remain committed to investing in our business to drive customer success and expand our total addressable market, which we believe will position us well to achieve long-term sustainable growth and earnings.

Going forward, we are investing in our cloud business, including enterprise investments in innovation, and strategic operating expenses to support growth objectives.

For the remainder of 2026, our five strategic goals remain to:

- Focus on customer success and drive sustainable long-term growth;
- Invest in innovation to expand our products and total addressable market;
- Expand our Manhattan Active suite of cloud solutions;
- Develop and grow our cloud business and cloud subscription revenue; and
- Expand our global sales and marketing teams.

Cloud Subscription

Under our Manhattan Active® Solutions cloud subscription offering, customers pay a periodic fee for the right to use our software within a cloud environment that we provide and manage over a specified period of time. Demand for our Manhattan Active® cloud solutions continues to grow nicely, with cloud revenue up 28% over the same quarter in the prior year. In the three months ended September 30, 2026, cloud revenue represents about 97% of our total software revenue.

Customers on our legacy perpetual license program can convert their maintenance contracts to cloud subscription contracts.

Global Economic Trends and Industry Factors

Global macro-economic trends, technology spending, and supply chain management market growth are important barometers for our business. In the three and nine months ended September 30, 2026, approximately 65% and 66% of our total revenue was generated in the United States, respectively; 19% in EMEA; and the remaining balance in APAC, Canada, and Latin America. In addition, Gartner Inc. ("Gartner"), an information technology research and advisory company, estimates that approximately 80% of every supply chain software solutions dollar invested is spent in North America and Europe; consequently, the health of the U.S. and the European economies have a meaningful impact on our financial results.

We sell technology-based solutions with total pricing, including software and services, in many cases exceeding $1.0 million. Our software is often a part of our customers' and prospects' much larger capital commitment associated with facilities expansion and business improvement. We believe that, given the mission critical nature of our software, combined with a challenging global macro environment, our current sales cycles for large cloud subscriptions in our target markets could be extended. While demand for our solutions is solid, the current business climate within the United States and geographic regions in which we operate may affect customers' and prospects' decisions regarding timing of strategic capital expenditures.

While we are encouraged by our results, we remain cautious regarding the pace of global economic growth. We believe global geopolitical and economic volatility likely will continue to shape customers' and prospects' enterprise software buying decisions.

Key Performance Metrics

We regularly review metrics to evaluate our business, measure our performance, identify trends affecting our business, formulate financial projections and make strategic decisions. We believe cloud subscriptions revenue growth and remaining performance obligation (RPO) growth are the leading indicators of our business performance, primarily derived from cloud subscription fees that customers pay for our Unified Omnichannel Commerce and Digital Supply Chain solutions.

Cloud Subscriptions Revenue Growth

Our cloud revenue growth provides insight into our ability to maintain and grow our cloud customer base. Total cloud revenue increased to $378.3 million in the nine months ended September 30, 2026 from $299.6 million for the same period in the prior year, representing a 26% year-over-year increase. Cloud revenue growth is being driven by strong demand for our cloud offerings.

Remaining Performance Obligations

Transaction price allocated to RPO represents contracted revenue that has not yet been recognized, which includes deferred revenue and non-cancelable amounts that we expect to invoice and recognize as revenue in future periods. Over 99% of our RPO represent cloud native subscriptions with a non-cancelable term greater than one year. Maintenance contracts typically are for one year and are not included in RPO. RPO provides insight into our contracted backlog of future business. As of September 30, 2026, our RPO was approximately $2.6 billion, an increase of 25% over September 30, 2025 on strong demand.

Revenue

Cloud Subscriptions and Software License Revenue. In the three months ended September 30, 2026, cloud subscriptions revenue totaled $134.5 million or 44% of total revenues. The Americas, EMEA, and APAC segments recognized $102.8 million, $26.5 million, and $5.2 million in cloud subscriptions revenue, respectively, in the three months ended September 30, 2026. In the nine months ended September 30, 2026, cloud subscriptions revenue totaled $378.3 million or 43% of total revenues. The Americas, EMEA, and APAC segments recognized $289.9 million, $73.8 million, and $14.6 million in cloud subscriptions revenue, respectively, in the nine months ended September 30, 2026. Cloud subscriptions revenue is recognized over the term of the agreement, typically five years or more. Cloud subscription revenue growth is influenced by the strength of general economic and business conditions and the competitive position of our software products. These revenues generally have long sales cycles. During the three and nine months ended September 30, 2026, approximately 35% and 40%, respectively, of the total value of new non-cancelable cloud subscriptions (excluding renewals) signed was with new customers, and 65% and 60%, respectively, was with existing customers. We define new customers as entities from which we either have never earned revenue or have not recognized revenue in the last five years.

In the three months ended September 30, 2026, license revenue totaled $3.6 million, or 1% of total revenue. The Americas, EMEA, and APAC segments totaled $3.0 million, $0.5 million, and $0.1 million in license revenue, respectively, in the three months ended September 30, 2026. In the nine months ended September 30, 2026, license revenue totaled $7.8 million, or 1% of total revenue. The Americas, EMEA, and APAC segments totaled $6.0 million, $1.3 million, and $0.5 million in license revenue, respectively, in the nine months ended September 30, 2026.

Our Unified Omnichannel Commerce and Digital Supply Chain solutions are focused on core omnichannel operation (e-commerce, retail store operations and POS), supply chain commerce operations (Warehouse Management, Transportation Management, and Labor Management), and demand forecasting and replenishment, which are intensely competitive markets characterized by rapid technological change. We are a market leader in the supply chain management and omnichannel software solutions market as defined by industry analysts such as ARC Advisory Group and Gartner. Our goal is to extend our position as a leading global supply chain solutions provider by growing our cloud subscriptions revenues faster than our competitors through investment in innovation.

Maintenance Revenue. Our maintenance revenue for the three months ended September 30, 2026 totaled $29.2 million, or 10% of total revenue. The Americas, EMEA and APAC segments recognized $22.7 million, $4.4 million, and $2.1 million, respectively, in maintenance revenue in the three months ended September 30, 2026. In the nine months ended September 30, 2026, maintenance revenue totaled $90.3 million, or 10% of total revenue. The Americas, EMEA, and APAC segments totaled $70.3 million, $13.7 million, and $6.3 million in maintenance revenue, respectively, in the nine months ended September 30, 2026. For maintenance, we offer a comprehensive 24 hours per day, 365 days per year program that provides our customers with software upgrades, when and if available, which include additional or improved functionality and technological advances incorporating emerging supply chain and industry initiatives.

Maintenance relates to our legacy perpetual license sales. We expect maintenance revenues to decline as we continue to develop our cloud offerings, and be offset by additional cloud revenue, including from customers converting their maintenance contracts to cloud subscriptions. The growth of maintenance revenues is influenced by: (1) new software license contracts; (2) annual renewal of support contracts; and (3) fluctuations in currency rates. Substantially all of our customers renew their annual support contracts or convert their maintenance contracts to cloud subscriptions. Maintenance revenue is generally paid in advance and recognized over the term of the agreement, typically twelve months. Maintenance renewal revenue is recognized over the renewal period once we have a contract upon payment from the customer.

Services Revenue. In the three months ended September 30, 2026, our services revenue totaled $134.4 million, or 44% of total revenue. The Americas, EMEA, and APAC segments recognized $100.4 million, $25.5 million, and $8.5 million, respectively, in services revenue in the three months ended September 30, 2026. In the nine months ended September 30, 2026, services revenue totaled $393.2 million, or 44% of total revenue. The Americas, EMEA, and APAC segments totaled $292.8 million, $76.6 million, and $23.8 million in services revenue, respectively, in the nine months ended September 30, 2026.

Our professional services organization provides our customers with expertise and assistance in planning and implementing our solutions. To ensure a successful product implementation, consultants assist customers with the initial implementation of a system or service, the conversion and transfer of the customer's historical data to the new system or service, and ongoing training, education, and system/service upgrades. We believe our professional services enable customers to implement our software rapidly, ensure the customer's success with our solutions, strengthen our customer relationships, and add to our industry-specific knowledge base for use in future implementations and product innovations.

Although our professional services are optional, the majority of our customers use at least some portion of these services for their planning, implementation, ongoing support, training, system upgrades or related needs. Professional services are typically rendered under time and materials-based contracts with services typically billed on an hourly basis. Professional services are sometimes rendered under fixed-fee based contracts with payments due on specific dates or milestones.

Services revenue growth is contingent upon cloud sales and customer upgrade cycles, which are influenced by the strength of general economic and business conditions and the competitive position of our software products. In addition, our professional services business has competitive exposure to offshore providers and other consulting companies.

Hardware Revenue. Our hardware revenue, which we recognize net of related costs, totaled $4.5 million in the three months ended September 30, 2026 representing 1% of total revenue. For the nine months ended September 30, 2026, hardware revenue totaled $16.6 million, or 2% of total revenue. As a convenience for our cloud and perpetual license customers, we resell a variety of hardware products developed and manufactured by third parties. These products include computer hardware, radio frequency terminal networks, RFID chip readers, bar code printers and scanners, and other peripherals. We resell all third-party hardware products and related maintenance pursuant to agreements with manufacturers or through distributor-authorized reseller agreements pursuant to which we are entitled to purchase hardware products and services at discount prices. We purchase hardware from our vendors only after receiving an order from a customer. As a result, we do not maintain hardware inventory.

Product Development

We continue to invest significantly in research and development (R&D) to provide leading Unified Omnichannel Commerce and Digital Supply Chain solutions to enable global retailers, manufacturers, wholesalers, distributors, and logistics providers to successfully manage accelerating and fluctuating demands as well as the increasing complexity and volatility of their local and global supply chains, retail store operations, and POS. Our R&D expenses were $35.5 million and $107.7 million for the three and nine months ended September 30, 2026, respectively.

We expect to continue to focus our R&D resources on the development and enhancement of our core supply chain planning, supply chain execution, order management and store software solutions. We offer what we believe to be the broadest solutions portfolio in the supply chain solutions marketplace, addressing all aspects of demand forecasting and replenishment, transportation management, distribution management, and omnichannel operations including order management, store inventory & fulfillment, call center, and POS.

We continue to invest in artificial intelligence (AI) technology to enhance our functional offerings on our Manhattan Active Platform, with a recent emphasis on agentic AI advancements. Our AI capabilities are seamlessly embedded within all supply chain execution, planning, and commerce applications, aimed at delivering real-time optimization and value creation. We plan to further expand our investments in generative AI, including leveraging third-party large language models to unlock value in a broader range of use cases.

We also plan to continue to enhance our existing solutions and to introduce new solutions to address evolving industry standards and market needs. We identify opportunities to further enhance our solutions and to develop and provide new solutions through our customer support organization, as well as through ongoing customer consulting engagements and implementations, interactions with our user groups, association with leading industry analysts and market research firms, and participation in industry standards and research committees. Our solutions address the needs of customers in various vertical markets, including retail, consumer goods, food and grocery, logistics service providers, industrial and wholesale, high technology and electronics, life sciences, and government.

Cash Flow and Financial Condition

For the three and nine months ended September 30, 2026, we generated cash flow from operating activities of $68.6 million and $243.3 million. Our cash and cash equivalents at September 30, 2026 totaled $199.4 million, with no debt. We currently have no credit facilities. Our primary uses of cash have been for funding investments in R&D as well as sales and marketing in our Unified Omnichannel Commerce and Digital Supply Chain solutions to drive revenue and earnings growth. In addition, during the nine months ended September 30, 2026, we repurchased approximately $325.0 million of Manhattan Associates' outstanding common stock under the share repurchase program approved by our Board of Directors. In March 2026, our Board of Directors approved an increase to the Company's share repurchase authority from $100 million to $500 million. As of the end of the quarter, approximately $175.0 million remained under the existing March 2026 repurchase authority.

For the remainder of 2026, we expect our first priority for use of cash will continue to be investments in our Unified Omnichannel Commerce, Digital Supply Chain, and Manhattan Active® Agents solutions. We also expect to prioritize capital allocation in our global teams to fund growth and share repurchases. We do not anticipate any borrowing requirements in 2026 for general corporate purposes.

Results of Operations

In the following table, we present a summary of our consolidated results for the three and nine months ended September 30, 2026 and 2025.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(in thousands, except per share data)			
Revenue	**$ 306,187**	$ 275,795	**$ 886,196**	$ 811,003
Costs and expenses	**225,192**	199,967	**674,033**	598,215
Operating income	**80,995**	75,828	**212,163**	212,788
Other income, net	**1,888**	2,604	**7,208**	4,656
Income before income taxes	**82,883**	78,432	**219,371**	217,444
Net income	**$ 61,344**	$ 58,633	**$ 160,991**	$ 167,995
Diluted earnings per share	**$ 1.04**	$ 0.96	**$ 2.72**	$ 2.75
Diluted weighted average number of shares	**58,732**	60,954	**59,250**	61,183

We have three geographic reportable segments: the Americas, EMEA, and APAC. Geographic revenue information is based on the location of sale. The revenues represented below are from external customers only. The geography-based expenses include costs of personnel, direct sales, marketing expenses, and general and administrative costs to support the business. There are certain corporate expenses included in the Americas segment that we do not charge to the other segments, including R&D, including those related to India operations, stock compensation, certain marketing and general and administrative costs that support the global organization, and the amortization of acquired developed technology. During the three and nine months ended September 30, 2026 and 2025, we derived the majority of our revenues from sales to customers within our Americas segment. In the following table, we present a summary of revenue and operating income by segment:

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2026	2025	% Change vs. Prior Year	2026	2025	% Change vs. Prior Year
Revenue:	(in thousands)			(in thousands)		
Cloud subscriptions						
Americas	**102,739**	79,336	29%	**289,877**	230,728	26%
EMEA	**26,490**	21,272	25%	**73,775**	58,154	27%
APAC	**5,209**	4,244	23%	**14,631**	10,698	37%
Total cloud subscriptions	**$ 134,438**	$ 104,852	28%	**$ 378,283**	$ 299,580	26%
Software license						
Americas	**3,025**	834	263%	**6,022**	3,192	89%
EMEA	**444**	379	17%	**1,242**	8,242	-85%
APAC	**165**	143	15%	**527**	742	-29%
Total software license	**$ 3,634**	$ 1,356	168%	**$ 7,791**	$ 12,176	-36%
Maintenance						
Americas	**22,711**	23,648	-4%	**70,352**	77,349	-9%
EMEA	**4,393**	4,568	-4%	**13,659**	13,810	-1%
APAC	**2,125**	2,276	-7%	**6,333**	6,534	-3%
Total maintenance	**$ 29,229**	$ 30,492	-4%	**$ 90,344**	$ 97,693	-8%
Services						
Americas	**100,367**	96,791	4%	**292,764**	278,455	5%
EMEA	**25,541**	27,718	-8%	**76,587**	81,256	-6%
APAC	**8,509**	8,498	0%	**23,830**	23,322	2%
Total services	**$ 134,417**	$ 133,007	1%	**$ 393,181**	$ 383,033	3%
Hardware						
Americas	**4,323**	6,050	-29%	**15,712**	18,156	-13%
EMEA	**48**	38	26%	**694**	356	95%
APAC	**98**	-	-	**191**	9	2022%
Total hardware	**$ 4,469**	$ 6,088	-27%	**$ 16,597**	$ 18,521	-10%
Total Revenue						
Americas	**233,165**	206,659	13%	**674,727**	607,880	11%
EMEA	**56,916**	53,975	5%	**165,957**	161,818	3%
APAC	**16,106**	15,161	6%	**45,512**	41,305	10%
Total revenue	**$ 306,187**	$ 275,795	11%	**$ 886,196**	$ 811,003	9%
Operating income:						
Americas	**49,793**	45,783	9%	**130,134**	127,696	2%
EMEA	**23,729**	22,877	4%	**61,521**	66,387	-7%
APAC	**7,473**	7,168	4%	**20,508**	18,705	10%
Total operating income	**$ 80,995**	$ 75,828	7%	**$ 212,163**	$ 212,788	0%

Condensed Consolidated Financial Summary - Third Quarter 2026

- Consolidated total revenue: $306.2 million for the third quarter of 2026, compared to $275.8 million for the third quarter of 2025;
- Cloud subscription revenue: $134.4 million for the third quarter of 2026, compared to $104.9 million for the third quarter of 2025;
- Services revenue: $134.4 million for the third quarter of 2026, compared to $133.0 million for the third quarter of 2025;

- Operating income: $81.0 million for the third quarter of 2026, compared to $75.8 million for the third quarter of 2025;
- Operating margins: 26.5% for the third quarter of 2026, compared to 27.5% for the third quarter of 2025;
- Diluted earnings per share: $1.04 for the third quarter of 2026 compared to $0.96 for the third quarter of 2025;
- Cash flow from operations: $68.6 million in the third quarter of 2026, compared to $93.1 million in the third quarter of 2025;
- Days sales outstanding: 81 days at September 30, 2026, compared to 67 days at June 30, 2026;
- Cash: $199.4 million at September 30, 2026, compared to $186.1 million at June 30, 2026; and
- Share repurchases: In the three months ended September 30, 2026, we reduced our shares of common stock outstanding through the repurchase of approximately 0.2 million shares of our common stock, under the share repurchase program authorized by our Board of Directors for a total investment of $50.0 million. In March 2026, our Board of Directors approved an increase to the Company's share repurchase authority from $100 million to $500 million. As of the end of the quarter, approximately $175.0 million remained under the existing March 2026 repurchase authority.

Below we discuss our consolidated results of operations for the third quarters of 2026 and 2025.

Revenue

	Three Months Ended September 30,				
			% Change vs.	% of Total Revenue	
	2026	2025	Prior Year	2026	2025
	(in thousands)				
Cloud subscriptions	**$ 134,438**	$ 104,852	**28%**	**44%**	38%
Software license	**3,634**	1,356	**168%**	**1%**	1%
Maintenance	**29,229**	30,492	**-4%**	**10%**	11%
Services	**134,417**	133,007	**1%**	**44%**	48%
Hardware	**4,469**	6,088	**-27%**	**1%**	2%
Total revenue	**$ 306,187**	$ 275,795	**11%**	**100%**	100%

Cloud Subscriptions Revenue. In the third quarter of 2026, cloud subscriptions revenue increased $29.6 million compared to the same quarter in the prior year. Our customers have demonstrated a clear preference for cloud-based solutions, including existing customers that are migrating from on-premise to cloud-based offerings. Cloud subscriptions revenue for the Americas, EMEA and APAC segments increased $23.4 million, $5.2 million and $1.0 million in the third quarter of 2026, respectively.

Software License Revenue. Software license revenue increased $2.3 million in the third quarter of 2026 compared to the same quarter in the prior year. The perpetual license sales percentage mix across our product suite in the third quarter ended September 30, 2026 was approximately 95% warehouse management solutions.

Maintenance Revenue. Maintenance revenue decreased $1.3 million in the third quarter of 2026 compared to the same quarter in the prior year. Maintenance relates to our perpetual software licenses. The decrease in maintenance revenue is primarily driven by customer demand for cloud-based solutions over perpetual software licenses. Maintenance revenue for the Americas, EMEA, and APAC segment decreased by $0.9 million, $0.2 million, and $0.2 million, respectively.

Services Revenue. Services revenue increased $1.4 million in the third quarter of 2026 compared to the same quarter in the prior year. Services revenue increased $3.6 million for the Americas segment, partially offset by a decrease of $2.2 million for the EMEA segment compared to the same quarter in the prior year. Services revenue remained relatively flat for the APAC segment. The increase in services revenue for the Americas segment is primarily driven by demand for cloud-based solutions. The percentage of professional services revenue that relates to cloud subscriptions in the third quarter of 2026 and 2025 was approximately 83% and 77%, respectively. The remainder of our professional services revenue relates to implementations, ongoing support, and upgrades of licensed software.

Hardware Revenue. Hardware revenue, net decreased $1.6 million in the third quarter of 2026 compared to the same quarter in the prior year. The majority of our hardware revenue is derived from our Americas segment. Sales of hardware are largely dependent upon customer-specific desires, which fluctuate.

Cost of Revenue

	Three Months Ended September 30,		
	2026	2025	% Change vs. Prior Year
Cost of cloud subscriptions, maintenance and services	**$ 131,257**	$ 119,604	10%
Cost of software license	**633**	208	204%
Total cost of revenue	**$ 131,890**	$ 119,812	10%

Cost of Cloud Subscriptions, Maintenance and Services. Costs of cloud subscriptions, maintenance and services consist primarily of salaries and other personnel-related expenses of employees dedicated to cloud subscriptions; maintenance services; and professional and technical services as well as hosting fees. The $11.7 million increase in the quarter ended September 30, 2026 compared to the same quarter in the prior year was due to a $7.4 million increase in performance-based compensation expense, a $2.5 million increase in computer infrastructure cost, a $2.2 million increase in compensation and other personnel-related expenses, partially offset by a $0.4 million decrease in travel costs.

Cost of Software License. Cost of software license consists of the costs associated with software reproduction; media, packaging and delivery; documentation, and other related costs; and royalties on third-party software sold with or as part of our products. Cost of software license increased $0.4 million in the third quarter of 2026 compared to the same quarter in the prior year.

Operating Expenses

	Three Months Ended September 30,		
	2026	2025	% Change vs. Prior Year
	(in thousands)		
Research and development	**$ 35,543**	$ 36,360	**-2%**
Sales and marketing	**26,784**	18,057	**48%**
General and administrative	**29,258**	24,078	**22%**
Depreciation and amortization	**1,717**	1,660	**3%**
Operating expenses	**$ 93,302**	$ 80,155	**16%**

Research and Development. Our principal R&D activities have focused on the expansion and integration of new products and releases, including cloud-based solutions, while expanding the product footprint of our software solution suites in Supply Chain, Demand Forecasting and Replenishment, Omnichannel, and POS. R&D expenses primarily consist of salaries and other personnel-related costs for personnel involved in our R&D activities. R&D expenses for the quarter ended September 30, 2026 decreased $0.8 million compared to the same quarter of 2025 primarily from a $2.3 million decrease in compensation and other personnel-related expenses and a $0.6 million decrease in computer infrastructure cost, partially offset by a $2.2 million increase in performance-based compensation expense.

Sales and Marketing. Sales and marketing expenses include salaries, commissions, travel and other personnel-related costs and the costs of our marketing and alliance programs and related activities. Sales and marketing expenses increased $8.7 million in the quarter ended September 30, 2026 compared to the same quarter in the prior year as we have expanded our sales force and increased our marketing efforts to accelerate our revenue growth. The increase is primarily due to a $3.2 million increase in compensation and other personnel-related expenses, a $2.6 million increase in performance-based compensation expense, and a $2.6 million increase in marketing and campaign program expenses.

General and Administrative (G&A). G&A expenses consist primarily of salaries and other personnel-related costs of executive, financial, human resources, information technology, and administrative personnel, as well as facilities, legal, insurance, accounting, and other administrative expenses. G&A expenses increased $5.2 million in the current year quarter compared to the same quarter in the prior year primarily due to a $2.7 million increase in compensation and other personnel-related expenses, a $1.0 million increase in professional fees, a $0.7 million increase in performance-based compensation expense, and a $0.7 million increase in internal-use software costs.

Depreciation and Amortization. Depreciation and amortization of intangibles and software expense for both the third quarter of 2026 and 2025 was $1.7 million.

Operating Income

Operating income in the third quarter of 2026 was $81.0 million compared to $75.8 million in the same quarter in the prior year. Operating margin was 26.5% for the third quarter of 2026 versus 27.5% for the same quarter in the prior year. Operating income increased primarily due to increased cloud subscriptions revenue. Operating margin decreased primarily due the increase in sales and marketing expenses.

Other Income and Income Taxes

	Three Months Ended September 30,		
	2026	2025	% Change vs. Prior Year
	(in thousands)		
Other income, net	**$ 1,888**	$ 2,604	-27%
Income tax provision	**21,539**	19,799	9%

Other income, net. Other income, net primarily includes interest income, foreign currency gains and losses, and other non-operating expenses. Other income, net decreased $0.7 million in the third quarter of 2026 compared to the same quarter in the prior year primarily due to a $0.5 million decrease in foreign currency gains. The decrease of foreign currency gains is mainly due to gains or losses on intercompany transactions denominated in foreign currencies with subsidiaries due to the fluctuation of the U.S. dollar relative to other foreign currencies, primarily the Indian Rupee. We recorded net foreign currency gains of $1.1 million in the third quarter of 2026, and gains of $1.6 million in the same quarter in the prior year.

Income tax provision. Our effective income tax rate was 26.0% and 25.2% for the quarters ended September 30, 2026 and 2025, respectively. The increase in the effective tax rate for the three months ended September 30, 2026 is due to a decrease of stock-based compensation benefits.

Condensed Consolidated Financial Summary – First Nine Months of 2026

- Consolidated revenue: $886.2 million for the nine months ended September 30, 2026 compared to $811.0 million for the nine months ended September 30, 2025.
- Cloud subscription revenue: $378.3 million for the nine months ended September 30, 2026 compared to $299.6 million for the nine months ended September 30, 2025.
- Services revenue: $393.2 million for the nine months ended September 30, 2026, compared to $383.0 million for the nine months ended September 30, 2025.
- Operating income: $212.2 million for the nine months ended September 30, 2026, compared to $212.8 million for the nine months ended September 30, 2025.
- Operating margins: 23.9% for the nine months ended September 30, 2026, compared to 26.2% for the nine months ended September 30, 2025.
- Diluted earnings per share: $2.72 for the nine months ended September 30, 2026 compared to $2.75 for the nine months ended September 30, 2025.
- Cash flow from operations: $243.3 million for the nine months ended September 30, 2026, compared to $242.4 million for the nine months ended September 30, 2025.
- Cash: $199.4 million at September 30, 2026, compared to $328.7 million at December 31, 2025.
- Share repurchases: During the nine months ended September 30, 2026, we reduced our shares of common stock outstanding by approximately 3.6% primarily through the repurchase of approximately 2.2 million shares of our common stock, under the share repurchase program authorized by our Board of Directors, for a total investment of $325.0 million.

Below we discuss our consolidated results of operations for the nine months ended September 30, 2026 and 2025.

Revenue

	Nine Months Ended September 30,				
	2026	2025	% Change vs. Prior Year	% of Total Revenue 2026	% of Total Revenue 2025
	(in thousands)				
Cloud subscriptions	**$ 378,283**	$ 299,580	**26%**	**43%**	37%
Software license	**7,791**	12,176	**-36%**	**1%**	2%
Maintenance	**90,344**	97,693	**-8%**	**10%**	12%
Services	**393,181**	383,033	**3%**	**44%**	47%
Hardware	**16,597**	18,521	**-10%**	**2%**	2%
Total revenue	**$ 886,196**	$ 811,003	**9%**	**100%**	100%

Cloud Subscription Revenue. Cloud subscriptions revenue increased $78.7 million in the nine months ended September 30, 2026 compared to the same period in the prior year. Customers have demonstrated a clear preference for cloud-based solutions, including existing customers that are migrating from on-premise to cloud-based offerings. Cloud subscriptions revenue for the Americas, EMEA and APAC segments increased $59.2 million, $15.6 million and $3.9 million, respectively, in the nine months ended September 30, 2026 compared to the same period in the prior year.

Software License Revenue. Software license revenue decreased $4.4 million in the nine months ended September 30, 2026 compared to the same period in the prior year, predominantly driven by one large contract with an existing customer in the prior year period. The license sales percentage mix across our product suite in the nine months ended September 30, 2026 was approximately 90% warehouse management solutions.

Maintenance Revenue. Maintenance revenue decreased $7.3 million in the nine months ended September 30, 2026 compared to the same period in the prior year. Maintenance revenue for the Americas segment decreased by $7.0 million and the EMEA and APAC segments remained relatively flat in the nine months ended September 30, 2026 compared to the same period in the prior year.

Services Revenue. Services revenue increased $10.1 million in the nine months ended September 30, 2026 compared to the same period in the prior year. Services revenue increased $14.3 million and $0.5 million for the Americas and APAC segments, respectively, partially offset by a decrease of $4.7 million for the EMEA segment nine months ended September 30, 2026 compared to the same period in the prior year. The increase in services revenue is primarily driven by demand for cloud-based solutions. The percentage of professional services revenue that relates to cloud subscriptions in the nine months ended September 30, 2026 and 2025 was approximately 82% and 75%, respectively. The remainder of our professional services revenue relates to implementations, ongoing support, and upgrades of licensed software.

Hardware Revenue. Hardware revenue decreased $1.9 million in the nine months ended September 30, 2026 compared to the same period in the prior year. The majority of our hardware revenue is derived from our Americas segment. Sales of hardware is largely dependent upon customer-specific desires, which fluctuate.

Cost of Revenue

	Nine Months Ended September 30,		
	2026	2025	% Change vs. Prior Year
Cost of cloud subscriptions, maintenance and services	**$ 386,241**	$ 349,883	10%
Cost of software license	**1,753**	711	147%
Total cost of revenue	**$ 387,994**	$ 350,594	11%

Cost of Cloud Subscriptions, Maintenance and Services. Costs of cloud subscriptions, maintenance and services consist primarily of salaries and other personnel-related expenses of employees dedicated to cloud operations; maintenance services; and professional and technical services as well as hosting fees. The $36.4 million increase in the nine months ended September 30, 2026 compared to the same period in the prior year was principally due to a $13.7 million increase in performance-based compensation expense, a $12.8 million increase in compensation and other personnel-related expenses, a $8.7 million increase in computer infrastructure cost, and a $1.0 million increase in travel expenses.

Cost of Software License. Cost of software license consists of the costs associated with software reproduction; media, packaging and delivery; documentation, and other related costs; and royalties on third-party software sold with or as part of our

products. Cost of software license increased $1.0 million in the nine months ended September 30, 2026 compared to the same period in the prior year.

Operating Expenses

	Nine Months Ended September 30,		
	2026	2025	% Change vs. Prior Year
	(in thousands)		
Research and development	**$ 107,654**	$ 106,529	**1%**
Sales and marketing	**85,235**	59,097	**44%**
General and administrative	**79,705**	74,273	**7%**
Depreciation and amortization	**5,182**	4,785	**8%**
Restructuring expense	**8,263**	2,937	**181%**
Operating expenses	**$ 286,039**	$ 247,621	**16%**

Research and Development. R&D expenses increased $1.1 million for the nine months ended September 30, 2026 compared to the same period in the prior year primarily due to a $3.7 million increase in performance-based compensation expense, partially offset by a $2.3 million decrease in compensation and other personnel related expenses.

Sales and Marketing. Sales and marketing expenses increased $26.1 million in the nine months ended September 30, 2026 compared to the same period in the prior year as we have expanded our sales force and increased our marketing efforts to accelerate our revenue growth. The increase is primarily due to a $9.4 million increase in compensation and other personnel related expenses, a $8.2 million increase in marketing and campaign programs, a $7.5 million increase in performance-based compensation expense, and a $0.7 million increase in travel expense.

General and Administrative. General and administrative expenses increased $5.4 million in the nine months ended September 30, 2026 compared to the same period in the prior year primarily due to a $7.2 million increase in compensation and other personnel related expenses, $3.3 million increase in professional fees, a $1.4 million increase in performance-based compensation expense, a $1.2 million increase in internal-use software costs, and a $0.9 million increase in benefits expense for a prior period insurance recovery on an unusual health insurance claim. These increases are partially offset by a $5.2 million decrease in stock compensation expense, a $3.0 million decrease in signing bonus expense, and a $0.7 million decrease in recruiting fees, all of which were related to the hiring of our chief executive officer in the prior year period.

Depreciation and Amortization. Depreciation and amortization of intangibles and software expense for the nine months ended September 30, 2026 and 2025 was $5.2 million and $4.8 million, respectively.

Restructuring Expense. Restructuring expense increased by $5.4 million in the nine months ended September 30, 2026 compared to the same period in the prior year. On June 1, 2026, the Company reduced its global headcount by approximately 6%, leveraging increased operational efficiencies and allowing the Company to focus investments on key strategic priorities. The Company recorded pretax restructuring expense of approximately $8.3 million, which reduced net income by approximately $6.2 million, or $0.11 per fully diluted share, in the second quarter of 2026, which is partially offset by the $2.9 million expense in January 2025 for the elimination of approximately 100 positions to align the Company's services capacity with customer demand, which was impacted by short-term macro-economic uncertainty.

Operating Income

Operating income for the nine months ended September 30, 2026 was $212.2 million compared to $212.8 million for the same period in the prior year. Operating margin was 23.9% the first nine months of 2026 versus 26.2% for the same period in the prior year. Operating income and margin decreased primarily due to the restructuring expense as well as an increase in sales and marketing expenses.

Other Income and Income Taxes

	Nine Months Ended September 30,		
	2026	2025	% Change vs. Prior Year
	(in thousands)		
Other income, net	**$ 7,208**	$ 4,656	55%
Income tax provision	**58,380**	49,449	18%

Other income, net. Other income, net increased $2.6 million in the nine months ended September 30, 2026 compared to the same period in the prior year primarily due to a $2.9 million increase in foreign currency gains. The increase of foreign currency gains is mainly due to gains or losses on intercompany transactions denominated in foreign currencies with subsidiaries due to the fluctuation of the U.S. dollar relative to other foreign currencies, primarily the Indian Rupee. We recorded net foreign currency gains of $4.6 million and $1.7 million in the first nine months of 2026 and 2025, respectively.

Income tax provision. Our effective income tax rate was 26.6% and 22.7% for the nine months ended September 30, 2026 and 2025, respectively. The increase in the effective tax rate for the nine months ended September 30, 2026 is due to a decrease of stock-based compensation benefits.

Liquidity and Capital Resources

During the first nine months of 2026, we funded our business exclusively through cash generated from operations. Our cash and cash equivalents as of September 30, 2026 included $64.2 million held in the U.S. and $135.2 million held by our foreign subsidiaries. We believe that our cash balances in the U.S. are sufficient to fund our U.S. operations. In the future, if we elect to repatriate the unremitted earnings of our foreign subsidiaries, we would not be subject to additional U.S. income taxes on such earnings, but we could be subject to additional local withholding taxes.

Cash flow from operating activities totaled $243.3 million and $242.4 million in the nine months ended September 30, 2026 and 2025, respectively. Typical factors affecting our cash provided by operating activities include our level of revenue and earnings for the period, the timing and amount of employee bonus and income tax payments, and the timing of cash collections from our customers which is our primary source of operating cash flow. Cash flow from operating activities for the nine months ended September 30, 2026 increased $0.9 million compared to the same period in the prior year, which is mainly due the timing of cash collections from our customers and lower income tax payments.

Cash flow used in investing activities totaled $6.1 million and $10.8 million in the nine months ended September 30, 2026 and 2025, respectively. Our investing activities for both the nine months ended September 30, 2026 and 2025 consisted of capital spending to support company growth.

Cash flow used in financing activities totaled $356.9 million and $238.2 million in the nine months ended September 30, 2026 and 2025, respectively. The use of cash for financing activities in both periods was to purchase our common stock, including shares withheld for taxes due upon vesting of restricted stock units of $30.0 million and $38.7 million in the nine months ended September 30, 2026 and 2025, respectively.

Periodically, opportunities may arise to grow our business through the acquisition of complementary products, and technologies. Any material acquisition could result in a decrease to our working capital depending on the amount, timing, and nature of the consideration to be paid. We believe that our existing cash will be sufficient to meet our working capital and capital expenditure needs at least for the next twelve months, although there can be no assurance that this will be the case. For the remainder of 2026, we anticipate that our priorities for use of cash will be similar to prior years, with our first priority being continued investment in product development and profitably investing in our business to extend our market leadership. We will continue to weigh our share repurchase options against cash for acquisitions and investing in the business. We will also continue to evaluate acquisition opportunities that are complementary to our product footprint and technology direction. At this time, we do not anticipate any borrowing requirements for the remainder of 2026 for general corporate purposes.

Aggregate Contractual Obligations

Our principal commitments consist of multiple non-cancellable contracts for cloud infrastructure services and obligations under operating leases. As of September 30, 2026, our cloud infrastructure obligations are approximately $165.4 million over the next 4 years. We also enter into non-cancellable subscriptions in the ordinary course of business for internal software to support our operations. Our obligations, as of September 30, 2026, are approximately $35.0 million over the next 6 years. We expect to fulfill all these commitments from our working capital.

Critical Accounting Policies and Estimates

In the first nine months of 2026, there were no significant changes to our critical accounting policies and estimates from those disclosed in the section “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our annual report on Form 10-K for the year ended December 31, 2025.

Forward-Looking Statements

Certain statements contained in this filing are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, including but not limited to statements related to expectations about global macroeconomic trends and industry developments, plans for future business development activities, anticipated costs of revenues, product mix and service

revenues, research and development, selling, general and administrative activities, and liquidity and capital needs and resources. When used in this quarterly report, the words “may,” “expect,” “forecast,” “anticipate,” “intend,” “plan,” "design", “believe,” “could,” “seek,” “estimate,” “project,” and similar expressions are generally intended to identify forward-looking statements. Undue reliance should not be placed on these forward-looking statements, which reflect opinions only as of the date of this quarterly report. Such forward-looking statements are subject to risks, uncertainties, and other factors that could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. Investors are cautioned that forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those contemplated by such forward-looking statements.

Some of the factors that could cause actual results to differ materially from the results discussed in forward-looking statements include:

- ongoing disruption and transformation in our vertical markets;
- general economic, political and market conditions, including market volatility, interest and inflation rates, trends and fluctuations of each, and efforts to control them;
- general geo-political developments, including the military conflict between the United States, Israel, and Iran, as well as the ongoing war between Russia and Ukraine, political instability, civil unrest, economic sanctions, and terrorist activities;
- our ability to attract and retain highly skilled employees;
- competition;
- our dependence on a single line of business;
- our dependence on generating revenue from cloud subscriptions and software licenses to drive business;
- undetected errors or “bugs” in our software;
- the risk of defects, delays or interruptions in our cloud subscription services;
- possible compromises of our data protection and IT security measures;
- risks associated with our use of generative and agentic artificial intelligence;
- risks associated with large system implementations;
- possible liability to customers if our products fail;
- the difficulty of predicting operating results;
- the possible effects on international commerce of new or increased tariffs, or a “trade war;”
- the impact of changes in federal government priorities and spending, including on our or our customers’ federal government contracts;
- adverse litigation results;
- the requirement to maintain high quality professional service capabilities;
- the risks of international operations, including foreign currency exchange risk;
- the possibility that research and developments investments may not yield sufficient returns;
- the long sales cycle associated with our products;
- the need to continually improve our technology;
- risks associated with managing growth;
- reliance on third party and open source software;
- the need for our products to interoperate with other systems;
- the need to protect our intellectual property, and our exposure to intellectual property claims of others;
- natural disasters, weather events, and disease outbreaks, pandemics, or other major public health crises; and
- and other risks described under the heading “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2025, as these may be further updated from time to time in subsequent quarterly reports.

We undertake no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes in future operating results.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

There were no material changes to the Quantitative and Qualitative Disclosures about Market Risk previously disclosed in our annual report on Form 10-K for the year ended December 31, 2025.

Item 4. Controls and Procedures.

Disclosure Controls and Procedures

We maintain disclosure controls and procedures designed to provide reasonable assurance that information required to be disclosed in reports filed under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

No system of controls, no matter how well designed and operated, can provide absolute assurance that the objectives of the system of controls are met, and no evaluation of controls can provide absolute assurance that the system of controls has operated effectively in all cases. Our disclosure controls and procedures however are designed to provide reasonable assurance that the objectives of disclosure controls and procedures are met.

As of the end of the period covered by this report, our management evaluated, with the participation of our Chief Executive Officer and Chief Financial Officer, the effectiveness of our disclosure controls and procedures. Based on the evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were effective to provide reasonable assurance that the objectives of disclosure controls and procedures are met.

Changes in Internal Control over Financial Reporting

During the three months ended September 30, 2026, there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting, including any corrective actions with regard to material weaknesses.

PART II
OTHER INFORMATION

Item 1. Legal Proceedings.

From time to time, we are involved in litigation relating to claims arising out of the ordinary course of business, and occasionally legal proceedings not in the ordinary course.

Many of our installations involve products that are critical to the operations of our clients' businesses. Any failure in one of our products could result in a claim for substantial damages against us, regardless of our responsibility for such failure. Although we attempt to limit contractually our liability for damages arising from product failures or negligent acts or omissions, there can be no assurance that the limitations of liability set forth in our contracts will be enforceable in all instances.

Although litigation and other legal proceeding outcomes are inherently difficult to predict, we do not currently believe we are a party to any legal proceeding the result of which is likely to have a material adverse impact on our business, financial position, results of operations, or cash flows. A description of lawsuits to which we are currently a party is included in Note 7 to the condensed consolidated financial statements in Part I, Item 1 of this quarterly report on Form 10-Q and are incorporated by reference.

Item 1A. Risk Factors.

In addition to the information set forth in this report, you should carefully consider the risk factors disclosed in Item 1A, "Risk Factors," of our annual report on Form 10-K for the year ended December 31, 2025, as supplemented by the risk factors disclosed in 1A, "Risk Factors," of our quarterly report on Form 10-Q for the quarter ended March 31, 2026.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

The following table provides information regarding common stock purchases under our publicly announced repurchase program for the quarter ended September 30, 2026.

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs
July 1 - July 31, 2026	-	$ -	-	$ 225,017,084
August 1 - August 31, 2026	145,443	199.61	145,443	195,985,521
September 1 - September 30, 2026	99,305	211.15	99,305	175,017,690
Total	244,748		244,748	

Item 3. Defaults Upon Senior Securities.

No events occurred during the quarter covered by this report that would require a response to this item.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

Rule 10b5-1 Trading Plans

During the quarter ended September 30, 2026, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading agreement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in item 408(a) of Regulation S-K.

Item 6. Exhibits.

Exhibit 3.2	Amended Bylaws of the Registrant (As Amended Effective October 22, 2026)
Exhibit 31.1	Certification of Principal Executive Officer pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
Exhibit 31.2	Certification of Principal Financial Officer pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
Exhibit 32*	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
Exhibit 101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
Exhibit 101.SCH	Inline XBRL Taxonomy Extension Schema Document
Exhibit 101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
Exhibit 101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
Exhibit 101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
Exhibit 101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
Exhibit 104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2026, has been formatted in Inline XBRL.

* In accordance with Item 601(b)(32)(ii) of the SEC's Regulation S-K, this Exhibit is hereby furnished to the SEC as an accompanying document and is not deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MANHATTAN ASSOCIATES, INC.

Date: October 30, 2026

/s/ Eric A. Clark

Eric A. Clark
President and Chief Executive Officer
(Principal Executive Officer)

Date: October 30, 2026

/s/ Linda Pinne

Linda Pinne
Senior Vice President, Chief Financial Officer
(Principal Financial Officer)

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a)/15d-14(a), AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Eric A. Clark, certify that:

1. I have reviewed this quarterly report on Form 10-Q of the registrant;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated this 30th day of October, 2026

/s/ Eric A. Clark
Eric A. Clark
President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a)/15d-14(a), AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Linda Pinne, certify that:

1. I have reviewed this quarterly report on Form 10-Q of the registrant;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated this 30th day of October, 2026

/s/ Linda Pinne
Linda Pinne
Senior Vice President, Chief Financial Officer

Exhibit 32

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

This Certificate is being delivered pursuant to the requirements of Section 1350 of Chapter 63 (Mail Fraud) of Title 18 (Crimes and Criminal Procedures) of the United States Code and shall not be relied on by any person for any other purpose.

The undersigned, who are the Chief Executive Officer and Chief Financial Officer, respectively, of Manhattan Associates, Inc. (the "Company"), hereby each certify that, to the undersigned's knowledge:

The Quarterly Report on Form 10-Q of the Company for the quarterly period ended September 30, 2026 (the "Report"), which accompanies this Certification, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and all information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated this 30th day of October, 2026

/s/ Eric A. Clark
Eric A. Clark
President and Chief Executive Officer

/s/ Linda Pinne
Linda Pinne
Senior Vice President, Chief Financial Officer

In accordance with SEC Release No. 34-47986, this Exhibit is furnished to the SEC as an accompanying document and is not deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933. A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to the registrant and will be retained by the registrant and furnished to the Securities and Exchange Commission or its staff upon request.