

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

---

**FORM 8-K**

---

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): April 26, 2005

**MANHATTAN ASSOCIATES, INC.**

(Exact Name of Registrant as Specified in Its Charter)

**Georgia**  
(State or Other Jurisdiction of  
Incorporation or organization)

**0-23999**  
(Commission File Number)

**58-2373424**  
(I.R.S. Employer Identification No.)

**2300 Windy Ridge Parkway, Suite 700, Atlanta, Georgia  
30339**

(Address of Principal Executive Offices)  
(Zip Code)

**(770) 955-7070**  
(Registrant's telephone number, including area code)

**NONE**  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
- 
- 

**TABLE OF CONTENTS**

[Item 2.02 Results of Operations and Financial Condition.](#)

[Item 9.01. Financial Statements and Exhibits.](#)

[SIGNATURES](#)

[EXHIBIT INDEX](#)

[EX-99.1 PRESS RELEASE, DATED APRIL 26, 2005](#)

---

**Item 2.02 Results of Operations and Financial Condition.**

On April 26, 2005, Manhattan Associates, Inc. (the “Company”) issued a press release providing the final results for its financial performance for the first quarter ended March 31, 2005. A copy of this press release is attached as Exhibit 99.1. Pursuant to General Instruction B.2 of Form 8-K, this exhibit is “furnished” and not “filed” for purposes of Section 18 of the Securities Exchange Act of 1934.

The press release includes, as additional information regarding the Company’s operating results, the Company’s adjusted net income and adjusted net income per share, which exclude the amortization of acquisition-related intangibles, net of income tax effects. The measures are not in accordance with, or an alternative for, generally accepted accounting principles in the United States (“GAAP”) and may be different from non-GAAP net income and non-GAAP per share measures used by other companies. The Company believes that this presentation of adjusted net income and adjusted net income per share provides useful information to investors regarding certain additional financial and business trends relating to the Company’s financial condition and results of operations.

**Item 9.01. Financial Statements and Exhibits.**

(c) Exhibits.

99.1 Press Release, dated April 26, 2005.

---

**SIGNATURES**

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

**Manhattan Associates, Inc.**

By: /s/ Steven R. Norton  
*Steven R. Norton*  
Senior Vice President and Chief Financial Officer

Dated: April 26, 2005

---

**EXHIBIT INDEX**

| <u>Exhibit<br/>Number</u> | <u>Description</u>                   |
|---------------------------|--------------------------------------|
| 99.1                      | Press Release, dated April 26, 2005. |

**FOR IMMEDIATE RELEASE**

Contact: Matt Roberts  
Investor Relations/Business Analysis Director  
678.597.7317  
mroberts@manh.com

**Manhattan Associates Reports Results for the First Quarter 2005**

*Company Posts Record Revenue, Achieves Adjusted EPS of \$0.18*

**ATLANTA – April 26, 2005** – Manhattan Associates®, Inc. (Nasdaq: MANH), the global leader in providing supply chain execution and optimization solutions, today announced results for the first quarter ended March 31, 2005.

**Key quarterly financial metrics for Manhattan Associates include:**

- Software and hosting fees for the quarter ended March 31, 2005, were a record \$13.8 million, an increase of 12% over the first quarter of 2004;
- Services revenue for the quarter ended March 31, 2005, was a record \$37.4 million, an increase of 11% over the first quarter of 2004;
- Total revenue for the quarter ended March 31, 2005, was a record \$56.3 million, an increase of 10% over the first quarter of 2004;
- Operating income for the quarter ended March 31, 2005, was \$7.3 million, a decrease of 11% over the first quarter of 2004, but an increase of 12% over the fourth quarter of 2004;
- Total cash and investments increased to \$175.4 million as of March 31, 2005; and
- International revenue for the quarter ended March 31, 2005, was \$10.9 million, which represents 19% of total revenue in the first quarter.

GAAP net income was \$4.8 million, or \$0.16 per fully diluted share, for the first quarter of 2005 compared to \$5.7 million, or \$0.18 per fully diluted share, for the first quarter of 2004.

Adjusted net income for the first quarter of 2005, which excludes the amortization of acquisition-related intangible assets, net of taxes, was \$5.3 million, or \$0.18 per fully diluted share. Adjusted net income for the first quarter of 2004, which excludes the amortization of acquisition-related intangible assets, net of taxes, was \$6.2 million, or \$0.20 per fully diluted share.

The company provides adjusted net income and adjusted net income per share in this press release as additional information regarding the company's operating results. The measures are not in accordance with, or an alternative for, GAAP and may be different from non-GAAP net income and non-GAAP per share measures used by other companies. The company believes

---

that this presentation of adjusted net income and adjusted net income per share provides useful information to investors regarding additional financial and business trends relating to the company's financial condition and results of operations. The effective tax rate used in calculating adjusted net income was 38.9% and 34.5% for the first quarter of 2005 and the first quarter of 2004, respectively.

"We are off to a solid start in 2005," said Pete Sinisgalli, president and chief executive officer of Manhattan Associates. "We saw a number of large deals close this quarter and we are pleased to see our customers continuing to purchase a variety of components across our Integrated Logistics Solutions™ offering. In addition, we saw a modest sequential improvement in our services gross margin. We achieved a 52% services gross margin this quarter compared with a 51% margin in the fourth quarter of last year."

**Other significant achievements during the quarter include:**

- Securing new customer wins at companies such as Ballantine Produce Co., Inc., BDI Laguna, Inc., DealEasy Information Technology, Innovative Logistics, ManTech Security Technologies, Mayo Foundation, Perfect 10 Satellite Distribution, Roadshow Entertainment, S. Abraham & Sons, Inc. and TS Freight;
  - Expanding customer relationships with companies such as AtomicBox, Inc., Bulova Corporation, Coles Myer Ltd., Electronics for Imaging, Inc., Ellis Hosiery Mills, Inc., Exel Plc., Kellwood Company, Limited Brands, Inc., Performance Team Freight Systems, Genesco, Inc., Hudd Distribution Services, Inc., Olympus America, Inc., Party City Corporation, Revlon Consumer Products Corp., S.P. Richards Company, Tally-Weijl, Tibbett and Britten Limited, Toys R Us and VF Corporation;
  - Closing four large deals, each of which were \$1 million or more in recognized license revenue;
  - Becoming one of the first global ISVs selected by Microsoft® Business Solutions to become part of its Axapta® Industry Builder initiative and signing our first customer, Perfect 10 Satellite Distribution. The initiative provides Manhattan Associates with expanded global reach through the Microsoft Business Solutions channel network—with more than 1,160 channel partners—to customers around the world;
  - Securing approximately 50% of revenues from our non-Warehouse Management solutions including Distributed Order Management, Transportation Management, Trading
-

Partner Management, RFID, Reverse Logistics Management and Performance Management.

### **Business Outlook for 2005**

Manhattan Associates currently intends to publish, in each quarterly earnings release, certain expectations with respect to future financial performance. The following statements regarding future financial performance are based on current expectations, which include a modestly improving general economic and information technology spending environment over the course of the current year. These statements are forward looking. Actual results may differ materially, especially in the current uncertain economic environment. These statements do not reflect the potential impact of mergers, acquisitions or other business combinations that may be completed after the date of this release.

Manhattan Associates will make its earnings release and published expectations available on its Web site ([www.manh.com](http://www.manh.com)). Beginning June 15, 2005, Manhattan Associates will observe a "Quiet Period" during which Manhattan Associates and its representatives will not comment concerning previously published financial expectations. Prior to the start of the Quiet Period, the public can continue to rely on the expectations published in this Business Outlook section as still being Manhattan Associates' current expectation on matters covered, unless Manhattan Associates publishes a notice stating otherwise. The public should not rely on previously published expectations during the Quiet Period, and Manhattan Associates disclaims any obligation to update any previously published financial expectations during the Quiet Period. The Quiet Period will extend until the date when Manhattan Associates' next quarterly earnings release is published, presently scheduled for the fourth week of July 2005.

Steve Norton, senior vice president and chief financial officer stated, "For the quarter ending June 30, 2005, Manhattan Associates expects to achieve net earnings of between \$0.18 and \$0.22 per fully diluted share and adjusted earnings, which excludes the amortization of acquisition-related intangibles and other acquisition related costs in connection with an attempted business combination, of between \$0.22 and \$0.26 per fully diluted share. For the full-year 2005, we expect net earnings per fully diluted share of between \$0.78 and \$0.84 which includes the amortization of acquisition-related intangibles and other acquisition related costs in

---

connection with an attempted business combination and adjusted earnings per share to be in the range of \$0.88 to \$0.94.”

#### **About Manhattan Associates**

Manhattan Associates, Inc., is the global leader in providing supply chain execution and optimization solutions. It enables operational excellence through its warehouse, transportation, distributed order management, reverse logistics and trading partner management applications, as well as its RFID, performance management and event management capabilities. These Integrated Logistics Solutions™ leverage state-of-the-art technologies, innovative practices and our domain expertise to enhance performance, profitability and competitive advantage. Manhattan Associates has licensed more than 900 customers representing more than 1,600 facilities worldwide, which include some of the world’s leading manufacturers, distributors and retailers. For more information about Manhattan Associates, visit [www.manh.com](http://www.manh.com).

*This press release may contain “forward-looking statements” relating to Manhattan Associates, Inc. Prospective investors are cautioned that any such 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. Among the important factors that could cause actual results to differ materially from those indicated by such forward-looking statements are delays in product development, undetected software errors, competitive pressures, technical difficulties, market acceptance, availability of technical personnel, changes in customer requirements, risks of international operations and general economic conditions. Additional factors are set forth in “Safe Harbor Compliance Statement for Forward-Looking Statements” included as Exhibit 99.1 to the Company’s Annual Report on Form 10-K for the year ended December 31, 2004. Manhattan Associates undertakes no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes in future operating results.*

###

---



**MANHATTAN ASSOCIATES, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
(in thousands, except per share amounts)

|   | Three Months Ended |                 |
|---|--------------------|-----------------|
|   | March 31,          |                 |
|   | 2005               | 2004            |
|   | (unaudited)        |                 |
| <b>Revenue:</b>                                 |                    |                 |
| Software and hosting fees                       | \$ 13,814          | \$ 12,306       |
| Services  | 37,437             | 33,606          |
| Hardware and other                              | 5,056              | 5,381           |
| Total revenue                                   | <u>56,307</u>      | <u>51,293</u>   |
| <b>Costs and Expenses:</b>                      |                    |                 |
| Cost of software and hosting fees               | 1,311              | 823             |
| Cost of services                                | 17,822             | 15,096          |
| Cost of hardware and other                      | 4,518              | 4,578           |
| Research and development                        | 7,678              | 7,200           |
| Sales and marketing                             | 9,688              | 7,920           |
| General and administrative                      | 7,026              | 6,528           |
| Amortization of acquisition-related intangibles | 924                | 870             |
| Total costs and expenses                        | <u>48,967</u>      | <u>43,015</u>   |
| Operating income                                | 7,340              | 8,278           |
| Other income, net                               | 485                | 389             |
| Income before income taxes                      | 7,825              | 8,667           |
| Income tax provision                            | 3,043              | 2,990           |
| Net income                                      | <u>\$ 4,782</u>    | <u>\$ 5,677</u> |
| Basic net income per share                      | <u>\$ 0.16</u>     | <u>\$ 0.19</u>  |
| Diluted net income per share                    | <u>\$ 0.16</u>     | <u>\$ 0.18</u>  |
| <b>Weighted average number of shares:</b>       |                    |                 |
| Basic   | <u>29,620</u>      | <u>30,135</u>   |
| Diluted   | <u>30,276</u>      | <u>31,349</u>   |
| <b>Reconciliation of Adjusted Net Income:</b>   |                    |                 |
| Net income                                      | \$ 4,782           | \$ 5,677        |
| Amortization of acquisition-related intangibles | 924                | 870             |
| Income tax effect                               | (359)              | (300)           |
| Adjusted net income                             | <u>\$ 5,347</u>    | <u>\$ 6,247</u> |
| Adjusted net income per diluted share           | <u>\$ 0.18</u>     | <u>\$ 0.20</u>  |

-more-

**MANHATTAN ASSOCIATES, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(in thousands)

|  | March 31,<br>2005<br>(unaudited) | December 31,<br>2004 |
|--|----------------------------------|----------------------|
| <b>ASSETS</b>                                  |                                  |                      |
| Current Assets:                                |                                  |                      |
| Cash and cash equivalents                      | \$ 100,664                       | \$ 37,429            |
| Short-term investments                         | 55,052                           | 88,794               |
| Accounts receivable, net                       | 49,500                           | 45,996               |
| Prepaid expenses and other current assets      | 8,580                            | 7,087                |
| Deferred income taxes                          | 6,377                            | 4,257                |
| Total current assets                           | 220,173                          | 183,563              |
| Long-term investments                          | 19,675                           | 46,433               |
| Property and equipment, net                    | 14,148                           | 13,598               |
| Intangible and other assets                    | 45,065                           | 46,907               |
| Total assets                                   | <u>\$ 299,061</u>                | <u>\$ 290,501</u>    |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>    |                                  |                      |
| Current Liabilities:                           |                                  |                      |
| Accounts payable and accrued liabilities       | \$ 18,084                        | \$ 19,518            |
| Current portion of capital lease obligations   | 141                              | 139                  |
| Income taxes payable                           | 5,717                            | 2,233                |
| Deferred rent                                  | 203                              | 203                  |
| Deferred revenue                               | 24,912                           | 22,710               |
| Total current liabilities                      | 49,057                           | 44,803               |
| Long-term portion of capital lease obligations | 112                              | 148                  |
| Deferred rent                                  | 406                              | 457                  |
| Deferred income taxes                          | 330                              | 466                  |
| Total shareholders' equity                     | 249,156                          | 244,627              |
| Total liabilities and shareholders' equity     | <u>\$ 299,061</u>                | <u>\$ 290,501</u>    |

###