

MANHATTAN ASSOCIATES, INC. AND SUBSIDIARIES
RECONCILIATION OF SELECTED GAAP TO NON-GAAP MEASURES
(in thousands, except per share amounts)

	2019	2020	2021	2022	2023
GAAP Operating income	\$ 115,924	\$ 114,061	\$ 134,333	\$ 152,700	\$ 209,881
Equity-based compensation ^(a)	31,841	33,355	43,259	59,361	71,571
Purchase amortization ^(c)	430	429	264	-	-
Adjusted operating income (Non-GAAP)	<u>\$ 148,195</u>	<u>\$ 147,845</u>	<u>\$ 177,856</u>	<u>\$ 212,061</u>	<u>\$ 281,452</u>
GAAP Income tax provision	\$ 30,315	\$ 26,536	\$ 23,600	\$ 29,162	\$ 37,103
Equity-based compensation ^(a)	4,627	3,679	6,272	9,058	10,563
Tax benefit of stock awards vested ^(b)	156	3,830	4,383	4,383	3,480
Purchase amortization ^(c)	107	105	65	-	-
Adjusted income tax provision (Non-GAAP)	<u>\$ 35,205</u>	<u>\$ 34,150</u>	<u>\$ 34,320</u>	<u>\$ 42,603</u>	<u>\$ 51,146</u>
GAAP Net income	\$ 85,762	\$ 87,240	\$ 110,472	\$ 128,959	\$ 176,568
Equity-based compensation ^(a)	27,214	29,676	36,987	50,303	61,008
Tax benefit of stock awards vested ^(b)	(156)	(3,830)	(4,383)	(4,383)	(3,480)
Purchase amortization ^(c)	323	324	199	-	-
Adjusted net income (Non-GAAP)	<u>\$ 113,143</u>	<u>\$ 113,410</u>	<u>\$ 143,275</u>	<u>\$ 174,879</u>	<u>\$ 234,096</u>
GAAP Diluted EPS	\$ 1.32	\$ 1.36	\$ 1.72	\$ 2.03	\$ 2.82
Equity-based compensation ^(a)	0.42	0.46	0.58	0.79	0.97
Tax benefit of stock awards vested ^(b)	-	(0.06)	(0.07)	(0.07)	(0.06)
Purchase amortization ^(c)	-	-	-	-	-
Adjusted diluted EPS (Non-GAAP)	<u>\$ 1.74</u>	<u>\$ 1.76</u>	<u>\$ 2.23</u>	<u>\$ 2.76</u>	<u>\$ 3.74</u>
Fully diluted shares	65,103	64,333	64,323	63,408	62,608

(a) Adjusted results exclude all equity-based compensation to facilitate comparison with our peers. The equity-based compensation is included in the following GAAP operating expense lines for the year ended December 31, 2019, 2020, 2021, 2022 and 2023:

	2019	2020	2021	2022	2023
Cost of services	\$ 9,298	\$ 10,156	\$ 15,159	\$ 21,876	\$ 28,571
Research and development	6,126	6,810	8,814	13,081	15,674
Sales and marketing	3,311	3,454	4,345	6,003	7,093
General and administrative	13,106	12,935	14,941	18,401	20,233
Total equity-based compensation	<u>\$ 31,841</u>	<u>\$ 33,355</u>	<u>\$ 43,259</u>	<u>\$ 59,361</u>	<u>\$ 71,571</u>

(b) Adjustments represent the excess tax benefits and tax deficiencies of the equity awards vested during the period. Excess tax benefits (deficiencies) occur when the amount deductible on our tax return for an equity award is more (less) than the cumulative compensation cost recognized for financial reporting purposes. As discussed above, we exclude equity-based compensation from adjusted non-GAAP results to be consistent with other companies in the software industry and for the other reasons explained in our Current Report on Form 8-K filed with the SEC. Therefore, we also exclude the related tax benefit (expense) generated upon their vesting.

(c) Adjustments represent purchased intangibles amortization from a prior acquisition. We exclude that amortization from adjusted results to facilitate comparison with our peers, to facilitate comparisons of the results of our core operations from period to period.