

# Manhattan Associates (MANH)

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Small Talk Feb. 2017

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## Manhattan Associates

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## MANH: What it does

- Founded 1990
- Develops, sells, deploys, services, and maintains software solutions designed to manage supply chains, inventory, and omni-channel operations.

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## MANH: Where it does it

2015 revenue breakdown:

- services, 77%;
- software license, 14%;
- hardware and other, 9%.

International sales accounted for 24% of revenues

Has approximately 3,060 employees,  
1200+ customers

Acquired: Evant, 2005; Logistics.com, 2002.

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## MANH: Core Markets >>>

- Retail
- Food/Grocery
- Consumer Goods
- Logistics Service Providers
- Life Sciences
- Industrial/Wholesale
- High Tech/Electronics
- Transportation Providers
- Government

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## MANH: How its industry does

### IT Services industry

Business prospects are bright

Client spending expected to remain stable, if not increase in years to come

Sheer size of data management and supply chain is overwhelming

Large scale companies rely on IT services becoming normal, recurring expense

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## MANH: Strengths

- Debt free for 25 years
- R&D investment—2015 = \$50 M
- Diversification of markets
- 40% of retailers use their software
- 50% of top 100 motor carriers use MC S
- 40+ % of domestic grocery products by TMS
- Strong cash flow—stock buybacks

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## MANH: Weaknesses

- Not income generating, no dividend
- Client implementation delays
- Foreign currency headwinds (strong dollar)
- Cautious customer spending habits

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## MANH: Opportunities

- Sheer size and growth of data management and supply chain
- Expanding IT support in healthcare, financial services and cloud computing
- Spending on IT has become recurring expense
- Organizational software and hardware has become key to a company's survival

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## MANH: Threats

- Slide in Timeliness (VL)
- Spending on IT could fluctuate
- Does not pay dividend in this income climate
- Competition strong especially with HP combo with Computer Sciences
- Softer business climate expected

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MANH:

Let's go on to the SSG

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