

PROS Holdings, Inc.  
Form 10-Q  
May 07, 2009  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington D.C. 20549

**FORM 10-Q**

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

**For the quarterly period ended March 31, 2009**

**OR**

- o** **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: 333-141884**

**PROS HOLDINGS, INC.**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**76-0168604**  
(I.R.S. Employer Identification No.)

**3100 Main Street, Suite 900, Houston, TX 77002**

**(713) 335-5151**

(Address and telephone number of principal executive offices)

Indicate by check mark whether 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) had been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and post pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or smaller reporting company. See definition of accelerated filer, large accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act).

Large Accelerated Filer

Accelerated Filer

Non-Accelerated Filer

Smaller Reporting Company

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 outstanding of the Registrant's Common Stock, \$0.001 par value, was 25,692,975 as of May 4, 2009.

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PROS Holdings, Inc.

Form 10-Q for the Three Months Ended March 31, 2009

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## Cautionary Statement

*Except for the historical financial information contained herein, the matters discussed in this report on Form 10-Q (as well as documents incorporated herein by reference) may be considered forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements include declarations regarding the intent, belief or current expectations of PROS Holdings, Inc. and its management and may be signified by the words expects, anticipates, target, project, goals, estimates, potential, predicts, may, might, could, intends, believes or similar language. You are cautioned that any such forward-looking statements are not guarantees of future performance and involve a number of risks and uncertainties. Actual results could differ materially from those indicated by such forward-looking statements. Factors that could cause or contribute to such differences include those discussed under Risk Factors and elsewhere in this report. PROS Holdings, Inc. disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.*

Table of Contents**PART I. Financial Information****Item 1. Unaudited Condensed Consolidated Financial Statements****PROS Holdings, Inc.****Condensed Consolidated Balance Sheets****(In thousands, except share and per share data)****(Unaudited)**

	<b>March 31, 2009</b>	<b>December 31, 2008</b>
<b>Assets:</b>		
Current assets:		
Cash and cash equivalents	\$ 52,020	\$ 51,979
Accounts and unbilled receivables, net of allowance of \$1,900	17,628	16,179
Prepaid and other current assets	2,957	3,238
Total current assets	72,605	71,396
Property and equipment, net	2,692	2,901
Other long term assets, net	2,269	2,297
Total assets	\$ 77,566	\$ 76,594
<b>Liabilities and Stockholders Equity:</b>		
Current liabilities:		
Accounts payable	\$ 1,526	\$ 1,088
Accrued liabilities	2,686	2,920
Accrued payroll and other employee benefits	2,450	4,493
Deferred revenue	16,031	16,288
Other current liabilities	4,866	4,866
Total current liabilities	27,559	29,655
Long-term deferred revenue	3,096	3,187
Commitments and contingencies (Note 4)		
Stockholders equity:		
Common stock, \$0.001 par value, 75,000,000 shares authorized, 30,110,143 and 30,095,846 shares issued, respectively, 25,692,558 and 25,678,261 shares outstanding, respectively	30	30
Additional paid-in capital	58,835	57,668
Treasury stock 4,417,585 common shares, at cost	(13,938)	(13,938)
Retained earnings (deficit)	1,984	(8)
Total stockholders equity	46,911	43,752
Total liabilities and stockholders equity	\$ 77,566	\$ 76,594

*The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.*



Table of Contents**PROS Holdings, Inc.****Condensed Consolidated Statements of Operations****(In thousands, except share and per share data)****(Unaudited)**

	<b>For the Three Months Ended March 31,</b>	
	<b>2009</b>	<b>2008</b>
<b>Revenue:</b>		
License and implementation	\$ 11,924	\$ 12,806
Maintenance and support	6,102	5,114
Total revenue	18,026	17,920
<b>Cost of revenue:</b>		
License and implementation	3,592	3,413
Maintenance and support	1,226	1,180
Total cost of revenue	4,818	4,593
Gross profit	13,208	13,327
<b>Operating expenses:</b>		
Selling, general and administrative	5,505	5,125
Research and development	5,048	4,672
Income from operations	2,655	3,530
Other income:		
Interest income	90	422
Income before income tax provision	2,745	3,952
Income tax provision	755	1,380
Net income	\$ 1,990	\$ 2,572