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## PROS Holdings Inc. F1Q09 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator Instructions) Your first question comes from the line of Tom Roderick - Thomas Weisel Partners.

#### Tom Roderick - Thomas Weisel Partners

I was hoping you could dive in to the bookings environment a little bit more. I know it is not necessarily a metric you want to be a sharing in great detail but just to get a better sense for what type of business is closing, how it is closing, how sales cycles are stretching. Any details you can offer along that line would be helpful and then just in terms of our directional thinking, if we look at the license line here down 15% year on year, is it kind of fair to think about the bookings growth being in that ballpark maybe a little bit better or a little worse? Any directional evidence you can give us will be great. Thank you.

#### Bert Winemiller

The economic environment obviously has affected budgets and all of our target markets and our customers are experiencing the same kind of challenging economy almost universally and as a result, they have significantly reduced any capital expenditure budgets. Also even when there is an innovative investment that they want to make, it is getting much more scrutiny than we have ever seen in the past. So, this causes sales cycles to be lengthened. There is a lot more scrutiny at the most senior levels and what is happening is it is kind of counter intuitive because we are actually seeing more sales activity. We are seeing more meeting; more people are showing up at our webinars. More people are coming to our seminar series because pricing is getting visibility and margin optimization is getting visibility in a way that it probably would not have if there was not this difficult economy and this challenging environment, especially when they have unpredictable demand and very volatile cost. It is an incredibly challenging environment for people to price appropriately let along optimally.

So, I would say there are two sides of that. Sales cycles are lengthening, getting bookings is more challenging but the confidence that there is awareness and there is a big pricing and margin optimization, market opportunity out in front of us, our confidence has never been high. In terms of booking trend, we would just say it is too early to take any of the current situations that we are experiencing and generalize those into any trends. As you know we stand to this vision and there is not any statistically significant data that will support any trends at this time. We are pleased that we close contracts in four out of five of our industries. We are pleased that we have an experienced

projects stopping or slowing down to any significant degree. We are pleased that there is a lot of momentum in our current customer base to actually accelerate the implementations of our software. We are actually having more C-level meetings with our customers today so far in 2009 that we have ever had because they want to know how they can get the value even faster.

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