

2017 PROS Holdings Analyst Briefing

May 11th, 2017
2:00 PM Central





Forward-looking Statements

Included in this material are forward-looking statements including, but not limited to, those related to earnings and other financial projections. These predictions, estimates, and other forward-looking statements involve known and unknown risks and uncertainties that may cause actual results to differ materially from those expressed or implied in this presentation. We refer you to the documents we file with the Securities and Exchange Commission, which identify and discuss important factors that could cause actual results to differ materially from those discussed in these forward-looking statements. All statements included in these materials are based upon information known at the time, and PROS Holdings assumes no obligation to update any such statements.



Agenda

1. Financial Update
2. Time to Value
3. Modern Commerce
4. PROS & Microsoft
5. Speaker Panel Q&A



Financial Update

Stefan Schulz
Chief Financial Officer





Layering Benefits:

Land & Expand Selling

Impact on Subscription Revenue

Impact on Recurring Billings

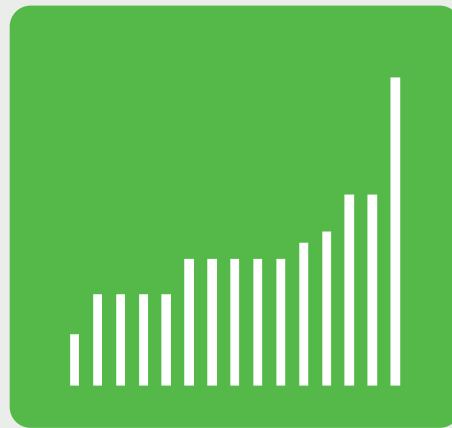
Long History of Expansions*



Annual Expansions



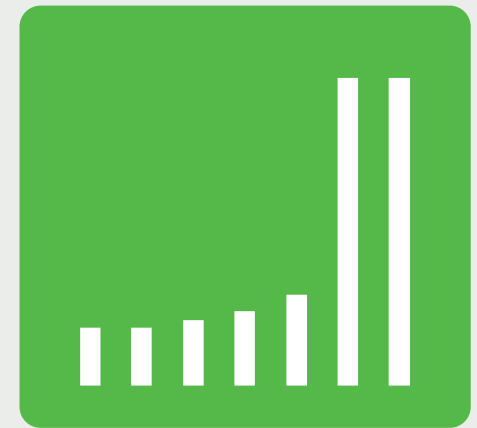
Industrial Equipment
Manufacturer



Services Company



Healthcare Company



Major Airline

*Examples of recurring revenue growth with existing customers, as presented in November 2016 Analyst Day.

Accelerated Expansions



Quarterly Expansions



Diversified Manufacturing Company



Software Company



Industrial Equipment Manufacturer



Technology Company

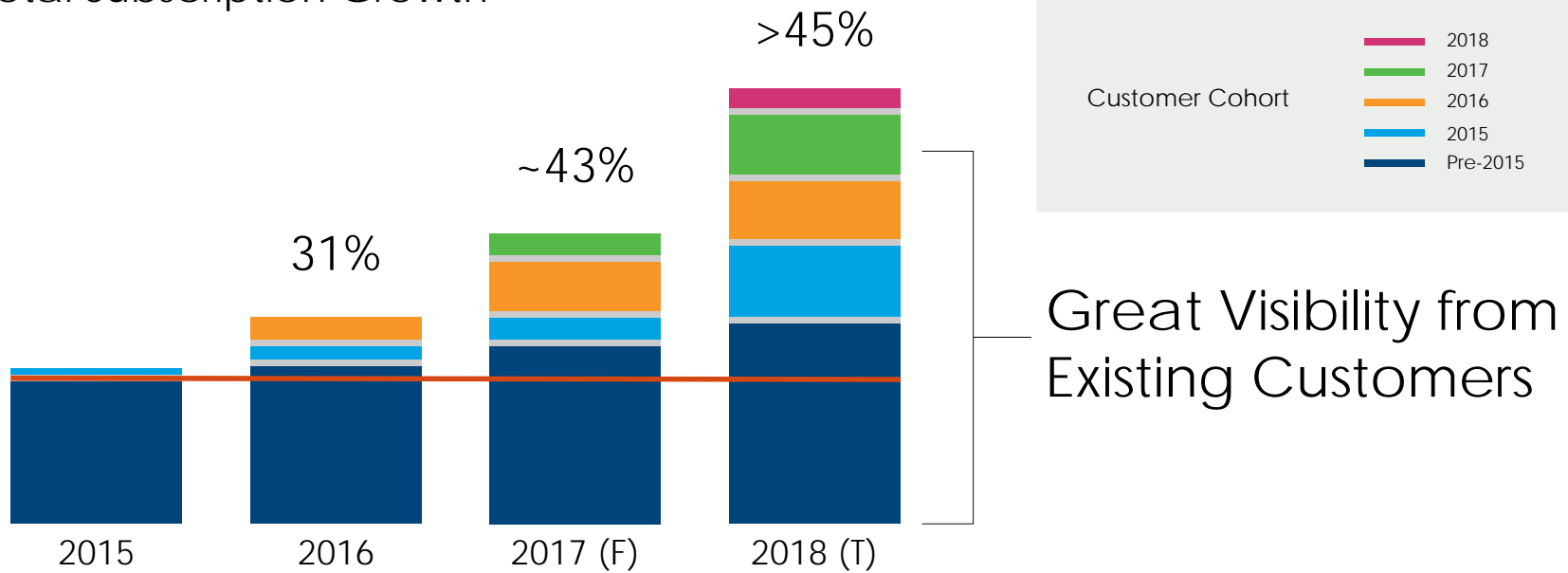
Annual Expansions



Subscription Revenue Building to Growth



Total Subscription Growth

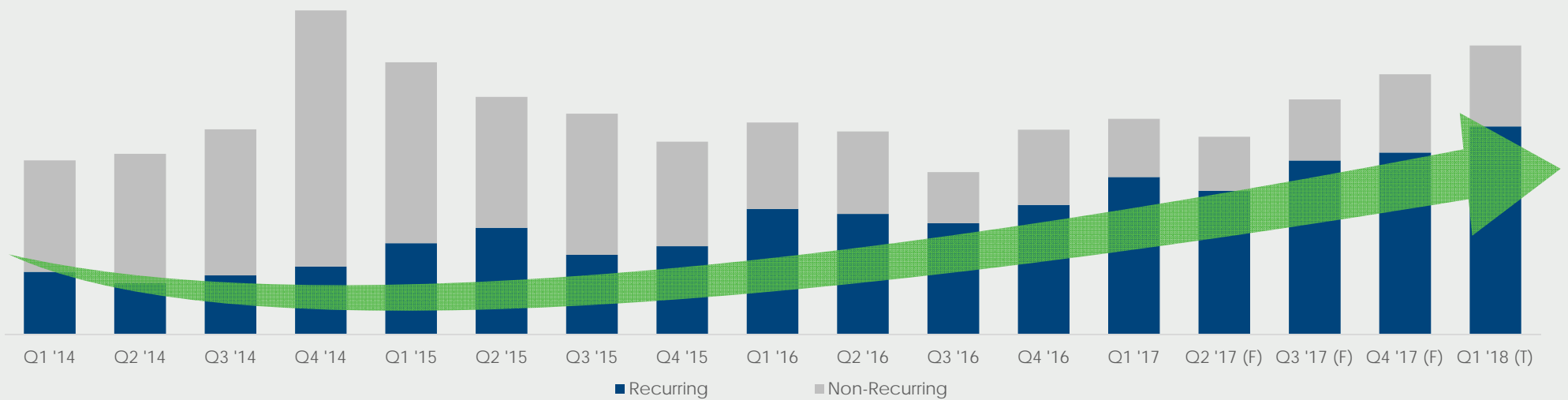


Great Visibility from Existing Customers

(F) = Forecast
(T) = Target



Recurring Billings Driving Growth



21%

CAGR

Recurring Billings
through Q1'17

(F) = Forecast
(T) = Target



Attractive Long-Term Financial Profile



	2015	2016	2017 (F)
Revenue Growth	(11%)	(11%)	6%-8%
Recurring Revenue	54%	70%	73%-74%
Gross Margin	66%	61%	61%-62%
FCF / Revenue	5%	(16%)	(11%)-(13%)

Target Model
>20%
>85%
69%-72%
18%-22%

(F) = Forecast

2017 Represents a Return to Growth

- Full year revenue growth
- Significant growth in recurring revenue
- By end of year, we expect to cross over break-even for free cash flow



Time to Value

Mike Jahoda

Senior Vice President, Professional Services



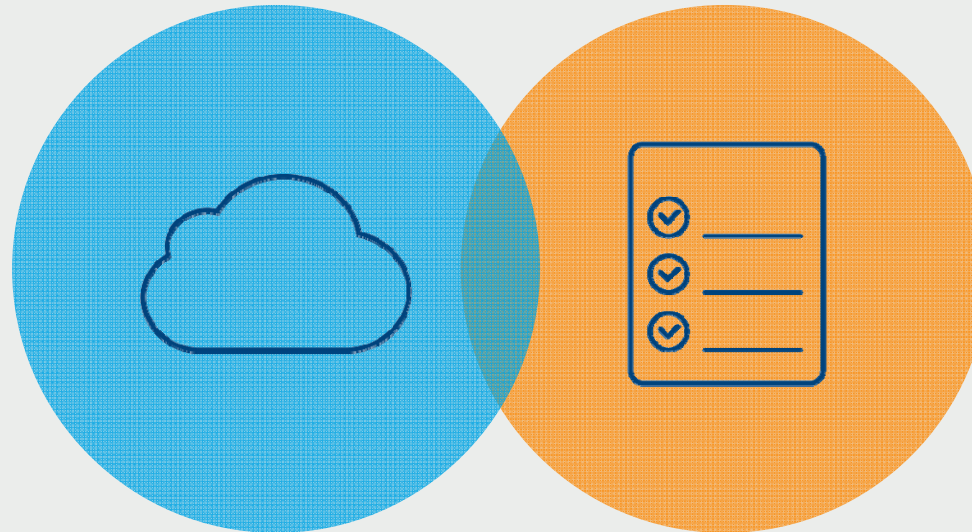
Driving Faster Time to Value



Customers Can Get to Value In 90-120 Days

Cloud

Rapid deployment
Optimized performance
Easy expansion



Industry

Quick Start packages
Best practices
Trained algorithms



Modern Commerce

Andres Reiner
President & CEO



HOW DATA SCIENCE IS HELPING BRANDS AND PUBLISHERS

THREE WAYS ARTIFICIAL INTELLIGENCE WILL TRANSFORM
ONLINE SHOPPING

STUDY: DATA MUST 'DELIVER'
IN THE AGE OF PERSONALIZATION

BALANCING MACHINE LEARNING AND
HUMAN INTUITION IN THE TRAVEL INDUSTRY

WHY 80% OF CONSUMERS ARE EXCITED ABOUT THE WAY AI AND
MACHINE LEARNING WILL CHANGE THEIR LIVES

HOW B2B AND B2C COMMERCE MIMIC
EACH OTHER WITH IOT DATA AND AI

DIGITAL TRANSFORMATION REQUIRED RETHINKING,
VC SAYS

GET PREDICTIVE: THE KEYS TO
ACHIEVING DATA-DRIVEN
PERSONALIZATION AND PRICING

> 300 Companies

39 Countries 20 Industries

A word cloud of 39 countries arranged in a diamond shape. The countries listed are: CANADA, SWEDEN, FINLAND, RUSSIA, USA, UNITED KINGDOM, DENMARK, AUSTRIA, GERMANY, FRANCE, BELGIUM, SWITZERLAND, CHINA, SOUTH KOREA, JAPAN, PORTUGAL, SPAIN, UKRAINE, POLAND, HONG KONG, MEXICO, TURKEY, KAZAKHSTAN, SRI LANKA, TAIWAN, MOROCCO, SAUDI ARABIA, QATAR, THAILAND, PHILIPPINES, BRAZIL, KENYA, UNITED ARAB EMIRATES, VIETNAM, MALAYSIA, CHILE, SOUTH AFRICA, AUSTRALIA, and NEW ZEALAND.

B2B



B2C





B2P

Personalized

MODERN COMMERCE

Frictionless



PROS and Microsoft

Hayden Stafford

Corporate Vice President, Global Sales, Microsoft Dynamics







outperform

Speaker Panel Q&A





Thank You