

BOTTOMLINE TECHNOLOGIES INC /DE/
Form 10-Q
May 09, 2008

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2008

OR

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: 0-25259

Bottomline Technologies (de), Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

02-0433294
(I.R.S. Employer
Identification No.)

325 Corporate Drive
Portsmouth, New Hampshire
(Address of principal executive offices)

03801-6808
(Zip Code)

(603) 436-0700
(Registrant's telephone number, including area code)

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

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

Large Accelerated Filer Accelerated Filer
Non-Accelerated Filer Smaller Reporting Company
(Do not check if a 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 as of April 30, 2008 was 25,001,688.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Bottomline Technologies (de), Inc.
 Unaudited Condensed Consolidated Balance Sheets
 (in thousands)

	March 31, 2008	June 30, 2007
Assets		
Current assets:		
Cash and cash equivalents	\$ 76,877	\$ 38,997
Marketable securities	55	26,876
Accounts receivable, net of allowance for doubtful accounts and returns of \$1,276 at March 31, 2008 and \$1,590 at June 30, 2007	19,890	24,169
Other current assets	4,540	5,402
Total current assets	101,362	95,444
Property and equipment, net	8,846	8,270
Intangible assets, net	75,322	84,296
Other assets	2,612	1,784
Total assets	\$ 188,142	\$ 189,794
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 6,495	\$ 6,650
Accrued expenses	7,098	8,475
Deferred revenue	25,028	24,998
Total current liabilities	38,621	40,123
Deferred revenue, non-current	2,208	2,498
Deferred income taxes	4,876	6,258
Other liabilities	1,029	479
Total liabilities	46,734	49,358
Stockholders' equity:		
Common stock	26	25
Additional paid-in capital	275,247	263,229
Accumulated other comprehensive income	7,534	8,292
Treasury stock	(19,846)	(11,285)
Accumulated deficit	(121,553)	(119,825)
Total stockholders' equity	141,408	140,436
Total liabilities and stockholders' equity	\$ 188,142	\$ 189,794

See accompanying notes.

Bottomline Technologies (de), Inc.
 Unaudited Condensed Consolidated Statements of Operations
 (in thousands, except per share amounts)

	Three Months Ended March 31,	
	2008	2007
Revenues:		
Software licenses	\$ 3,149	\$ 4,071
Subscriptions and transactions	7,223	6,750
Service and maintenance	18,359	16,856
Equipment and supplies	3,301	3,438
Total revenues	32,032	31,115
Cost of revenues:		
Software licenses	173	177
Subscriptions and transactions	3,839	3,064
Service and maintenance (1)	8,117	7,864
Equipment and supplies	2,409	2,532
Total cost of revenues	14,538	13,637
Gross profit	17,494	17,478
Operating expenses:		
Sales and marketing (1)	7,411	8,073
Product development and engineering (1)	4,016	4,248
General and administrative (1)	4,516	5,110
Amortization of intangible assets	2,629	2,701
Total operating expenses		