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Q1 2019

# Financial Results

May 2, 2019





# Safe Harbor Statement

The adjusted GAAP and GAAP earnings per share goals, as well as effective income tax rate and fully diluted shares for 2019, outlined in this presentation are estimates of future company performance and are forward-looking statements within the meaning of the securities laws. These forward-looking statements are subject to risk and uncertainties and are based on management's current expectations and are subject to certain risks and uncertainties that could cause actual results to differ materially from management's current expectations and the forward-looking statements made in this presentation. These risks and uncertainties include, but are not limited to, the possibility that our actual results do not meet the projections and guidance contained in this presentation, the impact of the general economy and economic and political uncertainty on our business; potential changes to federal, state, local and foreign laws, regulations, and policies; client demand for our services and solutions; maintaining a balance of our supply of skills and resources with client demand; effectively competing in a highly competitive market; protecting our clients' and our data and information; risks from international operations including fluctuations in exchange rates; changes to immigration policies; obtaining favorable pricing to reflect services provided; adapting to changes in technologies and offerings; risk of loss of one or more significant software vendors; making appropriate estimates and assumptions in connection with preparing our consolidated financial statements; maintaining effective internal controls; changes to tax levels, audits, investigations, tax laws or their interpretation; risks associated with managing growth organically and through acquisitions; risks associated with servicing our debt, the potential impact on the value of our common stock from the conditional conversion features of our debt and the associated convertible note hedge transactions; legal liabilities, including intellectual property protection and infringement or the disclosure of personally identifiable information; and the risks detailed from time to time within our filings with the Securities and Exchange Commission, including the most recent Form 10-K and Form 10-Q.

# Reconciliation of Adjusted GAAP Measures

The following table provides a reconciliation of Perficient, Inc. GAAP EPS guidance to Adjusted EPS guidance:

	Q2 2019		Full Year 2019	
	Low end of adjusted goal	High end of adjusted goal	Low end of adjusted goal	High end of adjusted goal
GAAP EPS	\$ 0.22	\$ 0.25	\$ 0.90	\$ 1.02
Non-GAAP adjustment (1):				
Non-GAAP reconciling items	0.30	0.30	1.18	1.18
Tax effect of reconciling items	(0.06)	(0.06)	(0.28)	(0.28)
Adjusted EPS	\$ 0.46	\$ 0.49	\$ 1.80	\$ 1.92

(1) Non-GAAP adjustment represents the impact of amortization expense, stock compensation, amortization of debt discount and issuance costs, acquisition costs, and adjustments to fair value of contingent consideration, net of the tax effect of these adjustments, divided by fully diluted shares. Perficient currently expects its Q2 2019 and full year 2019 GAAP effective income tax rate to be approximately 28% and 24%, respectively. The Company's estimates of fully diluted shares for 2019, by quarter, are included in the following table. These estimates could be affected by share repurchases and shares issued in conjunction with future acquisitions.

	Q1 Actual	Q2	Q3	Q4	Full Year
Fully Diluted Shares for 2019 (in millions)	32.2	31.9	31.8	31.8	32.0

Note further discussion and reconciliation of Perficient, Inc. non-GAAP financial measures can be found in our earnings press release and Form 8-K furnished May 2, 2019.

# Operating Metrics

(in thousands, except per share data)	THREE MONTHS ENDED MARCH 31,			YEAR ENDED DECEMBER 31,		
	2019	2018	% Change	2018	2017	% Change
Revenues	\$ 133,815	\$ 120,942	11%	\$ 498,375	\$ 485,261	3%
Services Revenues*	\$ 132,866	\$ 120,196	11%	\$ 494,001	\$ 446,619	11%
Cost of Services**	\$ 86,071	\$ 79,227	9%	\$ 319,831	\$ 289,473	10%
Services Revenues Net of Cost	\$ 46,795	\$ 40,969	14%	\$ 174,170	\$ 157,146	11%
% of Services Revenues	35.2%	34.1%		35.3%	35.2%	
EBITDA Excluding Stock Compensation and Tax-Related Bonus	\$ 19,677	\$ 16,876	17%	\$ 76,479	\$ 70,847	8%
% of Services Revenues	14.8%	14.0%		15.5%	15.9%	
Income from Operations	\$ 10,530	\$ 6,791	55%	\$ 35,944	\$ 28,980	24%
% of Services Revenues	7.9%	5.6%		7.3%	6.5%	
Net Income	\$ 7,026	\$ 4,928	43%	\$ 24,559	\$ 18,581	32%
% of Services Revenues	5.3%	4.1%		5.0%	4.2%	
Adjusted Net Income	\$ 13,718	\$ 11,711	17%	\$ 53,265	\$ 41,883	27%
% of Services Revenues	10.3%	9.7%		10.8%	9.4%	
GAAP EPS	\$ 0.22	\$ 0.15	47%	\$ 0.73	\$ 0.55	33%
Amortization	0.13	0.11		0.49	0.44	
Stock Compensation	0.14	0.12		0.49	0.43	
Acquisition Costs/Earnout Adjustments	(0.02)	0.04		0.11	0.13	
Amortization of Debt Issuance Costs and Discounts	0.04	—		0.04	—	
Write-off of Unamortized Credit Facility Fees	—	—		—	0.01	
Tax-Related Bonus	—	—		—	0.08	
Tax Effect of Above Reconciling Items and 2017 Tax Act	(0.08)	(0.07)		(0.27)	(0.41)	
Adjusted EPS	\$ 0.43	\$ 0.35	23%	\$ 1.59	\$ 1.23	29%

\* Services Revenues includes reimbursable expenses.

\*\*Cost of Services excludes depreciation, amortization and tax-related bonus.

# Operating Metrics

(in thousands)	Q1 2019	Q4 2018	% Change	Q1 2019	Q1 2018	% Change
Services Revenue (including reimbursable expenses)	\$ 132,866	\$ 130,015	2%	\$ 132,866	\$ 120,196	11%
Software and Hardware Revenue	\$ 949	\$ 1,687	(44)%	\$ 949	\$ 746	27%

  

Time & Materials ABR	Q1 2019	Q4 2018
North American Employees	\$147	\$146

  

Utilization	Q1 2019	Q4 2018
North American Employees (Organic)	81%	80%

  

Headcount	Q1 2019		Q4 2018	
	Average	Ending	Average	Ending
North American Billable Employees	1,910	1,927	1,850	1,867
Subcontractors	267	289	247	239
Offshore Billable Employees	721	740	686	689
Total Billable Headcount	<b>2,898</b>	<b>2,956</b>	<b>2,783</b>	<b>2,795</b>
SG&A Headcount	519	525	493	504
Total Headcount	<b>3,417</b>	<b>3,481</b>	<b>3,276</b>	<b>3,299</b>

# Solutions Data

Revenue by Solution (Top 10)	Q1 2019	Q4 2018	Q1 2018
Analytics	16%	12%	10%
Custom Applications	15%	16%	15%
Management Consulting	14%	15%	14%
Commerce	9%	10%	11%
Content Management	8%	8%	10%
Portals/Collaboration	8%	9%	6%
Business Integration	7%	7%	7%
Customer Relationship Management	3%	4%	5%
Business Process Management	3%	3%	4%
Platform	2%	2%	3%

# Industry Data

Revenue by Industry (Top 10)	Q1 2019	Q4 2018	Q1 2018
Healthcare/Pharma/Life Sciences	30%	30%	26%
Financial Services/Banking/Insurance	17%	15%	14%
Automotive and Transport Products	10%	10%	10%
Retail and Consumer Goods	9%	11%	10%
Manufacturing	9%	10%	10%
Telecommunications	6%	6%	6%
Electronics and Computer Hardware	5%	5%	8%
Business Services	5%	4%	4%
Energy and Utilities	3%	4%	3%
Leisure, Media and Entertainment	3%	3%	3%

# Platform Data

Revenue by Platform	Q1 2019	Q4 2018	Q1 2018
IBM/Redhat	21%	21%	25%
Microsoft	16%	16%	18%
Adobe/Magento/Marketo	15%	13%	11%
Oracle	6%	6%	10%
Sitecore	4%	5%	2%
Pivotal	4%	4%	2%
Salesforce	3%	3%	3%
Other Technologies	26%	27%	23%
Management Consulting*	5%	5%	6%

\*Platform independent