

United States
Securities and Exchange Commission
Washington, DC 20549

Form 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): May 2, 2023

PERFICIENT, INC.
(Exact Name of Registrant as Specified in its Charter)

Delaware (State or Other Jurisdiction of Incorporation)	001-15169 (Commission File Number)	74-2853258 (IRS Employer Identification No.)
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555 Maryville University Drive
Suite 600
Saint Louis, Missouri 63141
(Address of principal executive offices)
(314) 529-3600
(Registrant's telephone number, including area code)

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.001 par value	PRFT	The Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On May 2, 2023, Perficient, Inc. ("Perficient") announced its financial results for the three months ended March 31, 2023. A copy of the press release is being furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference into this Item 2.02.

In accordance with General Instruction B.2 of Form 8-K, the information in this Current Report on Form 8-K, including Exhibits 99.1 and 99.2, shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that Section, nor shall such information and Exhibits be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

ITEM 7.01 REGULATION FD DISCLOSURE

Financial Results Presentation

On May 2, 2023, Perficient posted on the Investor Relations page of its website at www.perficient.com a slide presentation related to its first quarter ended March 31, 2023 financial results and operating metrics. A copy of the slide presentation is furnished as Exhibit 99.2 to this Current Report on Form 8-K. The information contained or incorporated in our website is not part of this filing.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits.

Exhibit Number	Description
99.1	Perficient, Inc. Press Release, dated May 2, 2023, announcing financial results for the three months ended March 31, 2023
99.2	Perficient, Inc. Q1 2023 Financial Results Presentation
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.
PERFICIENT, INC.

Date: May 2, 2023

By: /s/ Paul E. Martin
Paul E. Martin
Chief Financial Officer

PERFICIENT REPORTS FIRST QUARTER 2023 RESULTS
~ Company Expands Board of Directors, Nominates Jill A. Jones ~

ST. LOUIS (May 2, 2023) - [Perficient, Inc.](#) (Nasdaq: PRFT) (“Perficient”), the leading global digital consultancy transforming the world’s largest enterprises and biggest brands, today reported its financial results for the quarter ended March 31, 2023.

Financial Highlights

For the quarter ended March 31, 2023:

- Revenues increased 4% to \$231.4 million from \$222.1 million in the first quarter of 2022;
- Net income remained strong at \$26.8 million;
- GAAP earnings per share results on a fully diluted basis remained flat with the first quarter of 2022 at \$0.75;
- Adjusted earnings per share results (a non-GAAP measure; see attached schedule, which reconciles to GAAP earnings per share) on a fully diluted basis increased 6% to \$1.04 from \$0.98 in the first quarter of 2022; and
- Adjusted EBITDA (a non-GAAP measure; see attached schedule, which reconciles to GAAP net income) increased 6% to \$50.1 million from \$47.2 million in the first quarter of 2022.

“Our performance in the first quarter was steady and the year is off to a solid start. Strong bookings have positioned Perficient for increased growth, particularly in the second half of the year,” said Jeffrey Davis, chairman and CEO. “We’re pursuing large and expanded opportunities with existing and new customers. Our fully integrated delivery model that blends great global talent and depth in North America, Latin America, and India continues to resonate with enterprises who recognize and value the differentiated experience that partnering with Perficient provides.”

Other Highlights

Among other recent achievements, Perficient:

- Approved an increase in the size of the Board of Directors from seven members to eight members to be effective at the 2023 annual meeting of the stockholders of Perficient, and nominated Jill A. Jones to fill the resulting vacancy;
- Published the 2022 Perficient Community Impact Report, detailing various ESG initiatives Perficient and its colleagues are supporting and activities making a difference in the communities where we live and work;
- Was named the 2023 Adobe Digital Experience Emerging Partner of the Year for the Americas region, recognizing Perficient for excellence in delivering solutions that have a significant impact on customer success;
- Announced the availability of its ‘Envision Online’ platform, an innovative digital transformation resource that is enabling businesses to make strategic and competitive decisions faster;
- Amended and extended its existing credit agreement to provide for revolving credit borrowings up to a maximum principal amount of \$300.0 million with a May 2028 maturity;
- Expanded its collaboration with the Mark Cuban Foundation to continue educating future tech leaders by hosting free AI Bootcamps for high school students in Detroit, St. Louis, Dallas, and Houston; and
- Launched the “Electrifying the Future of Automotive” program to empower college students from eight notable universities to build the next generation of electric formula-style race cars.

Business Outlook

The following statements are based on current expectations. These statements are forward-looking and actual results may differ materially. See “Safe Harbor Statement” below.

Perficient expects its second quarter 2023 revenue to be in the range of \$231 million to \$237 million. Second quarter GAAP earnings per share is expected to be in the range of \$0.74 to \$0.78. Second quarter adjusted earnings per share (a non-GAAP

measure; see attached schedule which reconciles to GAAP earnings per share guidance) is expected to be in the range of \$1.08 to \$1.13.

Conference Call Details

Perficient will host a conference call regarding first quarter financial results today, May 2, 2023, at 11 a.m. Eastern.

Analysts and investors who wish to ask questions during the Q&A session can register for the call on <https://register.vevent.com/register/B165e0e6d89b0148c99b648a1f237557e2>. Registrants will receive confirmation with dial-in details.

A live webcast of the event can be accessed on <https://perficient.gcs-web.com/events/event-details/q1-2023-perficient-earnings-conference-call>. A replay of the webcast will be available on <https://perficient.gcs-web.com/> starting approximately two hours after the event and will be archived on the site for one year.

About Perficient

Perficient is the leading global digital consultancy. We imagine, create, engineer, and run digital transformation solutions that help our clients exceed customers' expectations, outpace competition, and grow their business. With unparalleled strategy, creative, and technology capabilities, we bring big thinking and innovative ideas, along with a practical approach to help the world's largest enterprises and biggest brands succeed. Traded on the Nasdaq Global Select Market, Perficient is a member of the Russell 2000 index and the S&P SmallCap 600 index. For more information, visit www.perficient.com.

Safe Harbor Statement

Some of the statements contained in this news release that are not purely historical statements discuss future expectations or state other forward-looking information related to financial results and business outlook for 2023. Those statements are subject to known and unknown risks, uncertainties, and other factors that could cause the actual results to differ materially from those contemplated by the statements. The forward-looking information is based on management's current intent, belief, expectations, estimates, and projections regarding our company and our industry. You should be aware that those statements only reflect our predictions. Actual events or results may differ substantially. Important factors that could cause our actual results to be materially different from the forward-looking statements include (but are not limited to) those disclosed under the heading "Risk Factors" in our most recently filed annual report on Form 10-K and other securities filings, and the following:

- (1) the possibility that our actual results do not meet the projections and guidance contained in this news release;
- (2) the impact of the general economy and economic and political uncertainty on our business;
- (3) risks associated with potential changes to federal, state, local and foreign laws, regulations, and policies;
- (4) risks associated with the operation of our business generally, including:
 - a. client demand for our services and solutions;
 - b. effectively competing in a highly competitive market;
 - c. risks from international operations including fluctuations in exchange rates;
 - d. adapting to changes in technologies and offerings;
 - e. the impact of health emergencies and pandemics on our business which may amplify certain of the other factors contained herein;
 - f. obtaining favorable pricing to reflect services provided;
 - g. risk of loss of one or more significant software vendors;
 - h. maintaining a balance of our supply of skills and resources with client demand;
 - i. changes to immigration policies;
 - j. protecting our clients' and our data and information;
 - k. changes to tax levels, audits, investigations, tax laws or their interpretation;
 - l. making appropriate estimates and assumptions in connection with preparing our consolidated financial statements; and
 - m. maintaining effective internal controls;
- (5) risks associated with managing growth organically and through acquisitions;
- (6) 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;
- (7) legal liabilities, including intellectual property protection and infringement or the disclosure of personally identifiable information; and
- (8) the risks detailed from time to time within our filings with the Securities and Exchange Commission.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, or achievements. This cautionary statement is provided pursuant to Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The forward-looking statements in this release are made only as of the date hereof and we undertake no obligation to update publicly any forward-looking statement for any reason, even if new information becomes available or other events occur in the future.

Perficient, Inc.
Unaudited Consolidated Statements of Operations
(in thousands, except per share information)

	Three Months Ended March 31,	
	2023	2022
Revenues		
Services excluding reimbursable expenses	\$ 228,384	\$ 219,475
Reimbursable expenses	2,469	1,959
Total services	230,853	221,434
Software and hardware	555	677
Total revenues	231,408	222,111
Cost of revenues (exclusive of depreciation and amortization, shown separately below)		
Cost of services	141,688	136,090
Stock compensation	2,524	2,428
Total cost of revenues	144,212	138,518
Selling, general and administrative	39,604	38,776
Stock compensation	4,316	3,475
Total selling, general and administrative	43,920	42,251
Depreciation	2,305	1,873
Amortization	5,817	5,979
Acquisition costs	79	299
Adjustment to fair value of contingent consideration	(2,026)	(979)
Income from operations	37,101	34,170
Net interest expense	505	887
Net other expense	75	233
Income before income taxes	36,521	33,050
Provision for income taxes	9,721	5,914
Net income	\$ 26,800	\$ 27,136
Basic net income per share	\$ 0.79	\$ 0.80
Diluted net income per share	\$ 0.75	\$ 0.75
Shares used in computing basic net income per share	33,914	33,843
Shares used in computing diluted net income per share	36,697	36,839
Net income used in computing diluted net income per share	\$ 27,360	\$ 27,763

Perficient, Inc.
Condensed Consolidated Balance Sheets
(in thousands)

	<u>March 31, 2023 (unaudited)</u>	<u>December 31, 2022</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 40,995	\$ 30,130
Accounts receivable, net	183,455	202,298
Prepaid expenses	6,822	6,432
Other current assets	9,549	16,756
Total current assets	240,821	255,616
Property and equipment, net	16,785	17,970
Operating lease right-of-use assets	26,249	27,088
Goodwill	569,390	565,161
Intangible assets, net	83,746	88,937
Other non-current assets	44,864	41,116
Total assets	\$ 981,855	\$ 995,888
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 14,529	\$ 24,351
Other current liabilities	67,591	104,780
Total current liabilities	82,120	129,131
Long-term debt, net	395,159	394,587
Operating lease liabilities	20,313	18,528
Other non-current liabilities	46,084	43,515
Total liabilities	\$ 543,676	\$ 585,761
Stockholders' equity:		
Preferred stock	\$ —	\$ —
Common stock	53	53
Additional paid-in capital	410,959	403,866
Accumulated other comprehensive loss	(15,747)	(17,519)
Treasury stock	(362,149)	(354,536)
Retained earnings	405,063	378,263
Total stockholders' equity	438,179	410,127
Total liabilities and stockholders' equity	\$ 981,855	\$ 995,888

Perficent, Inc.
Unaudited Condensed Consolidated Statements of Cash Flow
(in thousands)

	Three Months Ended March 31,	
	2023	2022
Net income	\$ 26,800	\$ 27,136
Adjustments to reconcile net income to net cash provided by operations	11,493	17,274
Changes in operating assets and liabilities, net of business acquisitions	3,038	(33,236)
Net cash provided by operating activities	41,331	11,174
Net cash used in investing activities	(1,315)	(2,714)
Net cash used in financing activities	(29,422)	(8,706)
Effect of exchange rate on cash and cash equivalents	271	11
Change in cash and cash equivalents	10,865	(235)
Cash and cash equivalents at beginning of period	30,130	24,410
Cash and cash equivalents at end of period	<u>\$ 40,995</u>	<u>\$ 24,175</u>

See the Company's Form 10-Q for the full consolidated statements of cash flows.

About Non-GAAP Financial Information

This news release includes non-GAAP financial measures. For a description of these non-GAAP financial measures, including the reasons management uses each measure, and reconciliations of these non-GAAP financial measures to the most directly comparable financial measures prepared in accordance with Generally Accepted Accounting Principles ("GAAP"), please see the section entitled "About Non-GAAP Financial Measures" and the accompanying tables entitled "Reconciliation of GAAP to Non-GAAP Measures."

About Non-GAAP Financial Measures

Perficient provides non-GAAP financial measures for adjusted EBITDA (earnings before interest, income taxes, depreciation, amortization, stock compensation, loss on extinguishment of debt, acquisition costs, adjustment to fair value of contingent consideration and other acquisition adjustments), adjusted net income, and adjusted earnings per share data as supplemental information regarding Perficient's business performance. Perficient believes that these non-GAAP financial measures are useful to investors because they provide investors with a better understanding of Perficient's past financial performance and future results. Perficient's management uses these non-GAAP financial measures when it internally evaluates the performance of Perficient's business and makes operating decisions, including internal operating budgeting, performance measurement, and the calculation of bonuses and discretionary compensation. Management excludes stock-based compensation related to restricted stock awards, the amortization of intangible assets, amortization of debt discounts and issuance costs related to convertible senior notes, loss on extinguishment of debt, acquisition costs, adjustments to the fair value of contingent consideration, other acquisition adjustments, net other income and expense, the impact of other infrequent or unusual transactions, and income tax effects of the foregoing, when making operational decisions.

Perficient believes that providing the non-GAAP financial measures to its investors is useful because it allows investors to evaluate Perficient's performance using the same methodology and information used by Perficient's management. Specifically, adjusted net income is used by management primarily to review business performance and determine performance-based incentive compensation for executives and other employees. Management uses adjusted EBITDA to measure operating profitability, evaluate trends, and make strategic business decisions.

Non-GAAP financial measures are subject to inherent limitations because they do not include all of the expenses included under GAAP and because they involve the exercise of discretionary judgment as to which charges are excluded from the non-GAAP financial measure. However, Perficient's management compensates for these limitations by providing the relevant disclosure of the items excluded in the calculation of adjusted EBITDA, adjusted net income, and adjusted earnings per share. In addition, some items that are excluded from adjusted net income and adjusted earnings per share can have a material impact on cash. Management compensates for these limitations by evaluating the non-GAAP measure together with the most directly comparable GAAP measure. Perficient has historically provided non-GAAP financial measures to the investment community as a supplement to its GAAP results to enable investors to evaluate Perficient's business performance in the way that management does. Perficient's definition may be different from similar non-GAAP financial measures used by other companies and/or analysts.

The non-GAAP adjustments, and the basis for excluding them, are outlined below:

Amortization

Perficient has incurred expense on amortization of intangible assets primarily related to various acquisitions. Management excludes these items for the purposes of calculating adjusted EBITDA, adjusted net income, and adjusted earnings per share. Perficient believes that eliminating this expense from its non-GAAP financial measures is useful to investors because the amortization of intangible assets can be inconsistent in amount and frequency, and is significantly impacted by the timing and magnitude of Perficient's acquisition transactions, which also vary substantially in frequency from period to period.

Acquisition Costs

Perficient incurs transaction costs related to merger and acquisition-related activities which are expensed in its GAAP financial statements. Management excludes these items for the purposes of calculating adjusted EBITDA, adjusted net income, and adjusted earnings per share. Perficient believes that excluding these expenses from its non-GAAP financial measures is useful to investors because these are expenses associated with each transaction and are inconsistent in amount and frequency causing comparison of current and historical financial results to be difficult.

Adjustment to Fair Value of Contingent Consideration

Perficient is required to remeasure its contingent consideration liability related to acquisitions each reporting period until the contingency is settled. Any changes in fair value are recognized in earnings. Management excludes these items for the purposes of calculating adjusted EBITDA, adjusted net income, and adjusted earnings per share. Perficient believes that excluding these

adjustments from its non-GAAP financial measures is useful to investors because they are related to acquisitions and are inconsistent in amount and frequency from period to period.

Amortization of Debt Issuance Costs

On November 9, 2021, Perficient issued \$380.0 million aggregate principal amount of 0.125% Convertible Senior Notes due 2026, and on August 14, 2020, Perficient issued \$230.0 million aggregate principal amount of 1.250% Convertible Senior Notes due 2025 (the "2026 Notes," and "2025 Notes," respectively, and collectively, the "Notes") in private placements to qualified institutional purchasers. Issuance costs attributable to the Notes, in addition to issuance costs related to Perficient's credit agreement, are being amortized to interest expense over their respective terms. Perficient believes that excluding these non-cash expenses from its non-GAAP financial measures is useful to investors because the expenses are not reflective of Perficient's business performance.

Foreign Exchange Loss (Gain)

Non-operating foreign currency exchange gains and losses, inclusive of gains and losses on related foreign exchange forward contracts not designated as hedging instruments for accounting purposes, are reported in net other expense (income) in our consolidated statements of operations. As our operations expand into countries outside of the United States, foreign exchange gains and losses have and will become increasingly material. Perficient believes that excluding these gains and losses from its non-GAAP financial measures is useful to investors because foreign exchange gains and losses will vary as the underlying currencies fluctuate, which makes it difficult to compare current and historical results.

Stock Compensation

Perficient incurs stock-based compensation expense under Financial Accounting Standards Board Accounting Standards Codification Topic 718, *Compensation - Stock Compensation*. Perficient excludes stock-based compensation expense and the related tax effects for the purposes of calculating adjusted EBITDA, adjusted net income, and adjusted earnings per share because stock-based compensation is a non-cash expense, which Perficient believes is not reflective of its business performance. The nature of stock-based compensation expense also makes it very difficult to estimate prospectively, since the expense will vary with changes in the stock price and market conditions at the time of new grants, varying valuation methodologies, subjective assumptions, and different award types, making the comparison of current results with forward-looking guidance potentially difficult for investors to interpret. The tax effects of stock-based compensation expense may also vary significantly from period to period, without any change in underlying operational performance, thereby obscuring the underlying profitability of operations relative to prior periods. Perficient believes that non-GAAP measures of profitability, which exclude stock-based compensation, are widely used by analysts and investors.

Dilution Offset from Convertible Note Hedge Transactions

It is Perficient's current intent to settle conversions of the Notes through combination settlement, which involves repayment of the principal portion in cash and any excess of the conversion value over the principal amount in shares of our common stock. Perficient excludes the shares that are issuable upon conversions of the Notes because Perficient expects that the dilution from such shares will be offset by the convertible note hedge transactions entered into in November 2021 and August 2020 in connection with the issuance of the Notes.

Perficient, Inc.
Reconciliation of GAAP to Non-GAAP Measures
(unaudited)
(in thousands, except per share data)

	Three Months Ended March 31,	
	2023	2022
GAAP Net Income	\$ 26,800	\$ 27,136
Adjustments:		
Provision for income taxes	9,721	5,914
Amortization	5,817	5,979
Acquisition costs	79	299
Adjustment to fair value of contingent consideration	(2,026)	(979)
Amortization of debt issuance costs	608	607
Foreign exchange loss	89	214
Stock compensation	6,840	5,903
Adjusted Net Income Before Tax	47,928	45,073
Adjusted income tax (1)	12,365	11,494
Adjusted Net Income	\$ 35,563	\$ 33,579
GAAP Earnings Per Share (diluted)	\$ 0.75	\$ 0.75
Adjusted Earnings Per Share (diluted)	\$ 1.04	\$ 0.98
Shares used in computing GAAP Earnings Per Share (diluted)	36,697	36,839
Dilution offset from convertible note hedge transactions	(2,430)	(2,431)
Shares used in computing Adjusted Earnings Per Share (diluted)	34,267	34,408
Net income used in computing GAAP Earnings Per Share (diluted)	\$ 27,360	\$ 27,763

(1) The estimated adjusted effective tax rate of 25.8% and 25.5% for the three months ended March 31, 2023 and 2022, respectively, has been used to calculate the provision for income taxes for non-GAAP purposes.

Perficient, Inc.
Reconciliation of GAAP to Non-GAAP Measures
(unaudited)
(in thousands)

	Three Months Ended March 31,	
	2023	2022
GAAP Net Income	\$ 26,800	\$ 27,136
Adjustments:		
Provision for income taxes	9,721	5,914
Net interest expense	505	887
Net other expense	75	233
Depreciation	2,305	1,873
Amortization	5,817	5,979
Acquisition costs	79	299
Adjustment to fair value of contingent consideration	(2,026)	(979)
Stock compensation	6,840	5,903
Adjusted EBITDA (1)	<u>\$ 50,116</u>	<u>\$ 47,245</u>

(1) Adjusted EBITDA is a non-GAAP performance measure and is not intended to be a performance measure that should be regarded as an alternative to or more meaningful than either GAAP operating income or GAAP net income. Adjusted EBITDA measures presented may not be comparable to similarly titled measures presented by other companies.

Perficient, Inc.
Reconciliation of GAAP to Non-GAAP Measures
(unaudited)

	Q2 2023		Full Year 2023	
	Low end of adjusted goal	High end of adjusted goal	Low end of adjusted goal	High end of adjusted goal
GAAP EPS	\$ 0.74	\$ 0.78	\$ 3.24	\$ 3.40
Non-GAAP adjustment (1):				
Non-GAAP reconciling items	0.43	0.44	1.71	1.69
Tax effect of reconciling items	(0.09)	(0.09)	(0.35)	(0.34)
Adjusted EPS	<u>\$ 1.08</u>	<u>\$ 1.13</u>	<u>\$ 4.60</u>	<u>\$ 4.75</u>

(1) Non-GAAP adjustment represents the impact of amortization expense, stock compensation, amortization of debt issuance costs, foreign exchange gains and losses, acquisition costs and adjustments to fair value of contingent consideration, net of the tax effect of these adjustments, divided by adjusted fully diluted shares. Perficient currently expects its Q2 2023 and full year 2023 GAAP effective income tax rate to be approximately 27%. Perficient currently expects its Q2 2023 and full year 2023 estimated adjusted effective income tax rate to be approximately 26%. Perficient's estimates of GAAP and adjusted fully diluted shares for 2023 are included in the following table. These estimates could be affected by share repurchases, shares issued in conjunction with future acquisitions, changes in share price and the potential impact from the conditional conversion features of our debt.

(in millions)	Q2 2023	Full Year 2023
GAAP Fully Diluted Shares	36.7	36.7
Non-GAAP adjustment (2):		
Dilution offset from convertible note hedge transactions	(2.4)	(2.4)
Adjusted Fully Diluted Shares	<u>34.3</u>	<u>34.3</u>

(2) Non-GAAP adjustment represents the exclusion of shares that are issuable upon conversion of our convertible notes due to the expectation that shares relating to the principal amount of our convertible notes will be paid in cash and any excess will be offset by the convertible note hedge transactions entered into in August 2020 and November 2021.

Q1 2023

Financial Results

May 2, 2023





Safe Harbor Statement

Some of the statements contained in this presentation that are not purely historical statements, including our GAAP EPS guidance and Adjusted EPS guidance, as well as our effective income tax rate and GAAP and adjusted fully diluted shares for 2023, discuss future expectations or state other forward-looking information related to financial results and business outlook for 2023. Those statements are subject to known and unknown risks, uncertainties and other factors that could cause the actual results to differ materially from those contemplated by the statements. The "forward-looking" information is based on management's current intent, belief, expectations, estimates, and projections regarding our company and our industry. You should be aware that those statements only reflect our predictions. Actual events or results may differ substantially. Important factors that could cause our actual results to be materially different from the forward-looking statements are disclosed under the heading "Risk Factors" in our most recently filed annual report on Form 10-K. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, or achievements. This cautionary statement is provided pursuant to Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The forward-looking statements in this presentation are made only as of the date hereof and we undertake no obligation to update publicly any forward-looking statement for any reason, even if new information becomes available or other events occur in the future.



Reconciliation of Adjusted GAAP Measures

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

	Q2 2023		Full Year 2023	
	Low end of adjusted goal	High end of adjusted goal	Low end of adjusted goal	High end of adjusted goal
GAAP EPS	\$ 0.74	\$ 0.78	\$ 3.24	\$ 3.40
Non-GAAP adjustment (1):				
Non-GAAP reconciling items	0.43	0.44	1.71	1.69
Tax effect of reconciling items	(0.09)	(0.09)	(0.35)	(0.34)
Adjusted EPS	\$ 1.08	\$ 1.13	\$ 4.60	\$ 4.75

(1) Non-GAAP adjustment represents the impact of amortization expense, stock compensation, amortization of debt issuance costs, foreign exchange gains and losses, acquisition costs and adjustments to fair value of contingent consideration, net of the tax effect of these adjustments, divided by adjusted fully diluted shares. Perficient currently expects its Q2 2023 and full year 2023 GAAP effective income tax rate to be approximately 27%. Perficient currently expects its Q2 2023 and full year 2023 estimated adjusted effective income tax rate to be approximately 26%. Perficient's estimates of GAAP and adjusted fully diluted shares for 2023 are included in the following table. These estimates could be affected by share repurchases, shares issued in conjunction with future acquisitions, changes in share price and the potential impact from the conditional conversion features of our debt.

(in millions)	Q2 2023	Full Year 2023
GAAP fully diluted shares	36.7	36.7
Non-GAAP adjustment (2):		
Dilution offset from convertible note hedge transactions	(2.4)	(2.4)
Adjusted fully diluted shares	34.3	34.3

(2) Non-GAAP adjustment represents the exclusion of shares that are issuable upon conversion of our convertible notes due to the expectation that shares relating to the principal amount of our convertible notes will be paid in cash and any excess will be offset by the convertible note hedge transactions entered into in August 2020 and November 2021.

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, 2023.

Financial Metrics

(in thousands, except per share data)	THREE MONTHS ENDED MARCH 31,			YEAR ENDED DECEMBER 31,		
	2023	2022	% Change	2022	2021	% Change
Revenues	\$ 231,408	\$ 222,111	4 %	\$ 905,062	\$ 761,027	19 %
Services Revenues (excluding reimbursable expenses)	\$ 228,384	\$ 219,475	4 %	\$ 893,050	\$ 748,045	19 %
Cost of Services (excluding reimbursable expenses and stock compensation)*	\$ 139,219	\$ 134,131	4 %	\$ 533,689	\$ 448,737	19 %
Services Revenues Net of Cost	\$ 89,165	\$ 85,344	4 %	\$ 359,361	\$ 299,308	20 %
% of Services Revenues	39.0 %	38.9 %		40.2 %	40.0 %	
Adjusted EBITDA**	\$ 50,116	\$ 47,245	6 %	\$ 205,805	\$ 162,855	26 %
% of Services Revenues	21.9 %	21.5 %		23.0 %	21.8 %	
Adjusted Net Income**	\$ 35,563	\$ 33,579	6 %	\$ 146,684	\$ 115,849	27 %
% of Services Revenues	15.6 %	15.3 %		16.4 %	15.5 %	
GAAP EPS	\$ 0.75	\$ 0.75	- %	\$ 2.90	\$ 1.50	93 %
Amortization	0.17	0.17		0.72	0.71	
Stock Compensation	0.20	0.17		0.72	0.70	
Debt Related Adjustments***	0.06	0.06		0.21	1.28	
Foreign Exchange Loss and Other	-	0.01		0.01	0.01	
Acquisition Costs / Earnout Adjustments	(0.06)	(0.02)		0.11	0.12	
Tax Effect of Above Reconciling Items	(0.08)	(0.16)		(0.39)	(0.82)	
Adjusted EPS**	\$ 1.04	\$ 0.98	6 %	\$ 4.28	\$ 3.50	22 %

* Cost of Services excludes depreciation and amortization.

** 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, 2023.

*** Debt Related Adjustments includes amortization of debt issuance costs, loss on extinguishment of debt, dilution offset from convertible note hedge transactions, and an adjustment to remove the interest expense on convertible notes which was added back in the calculation of diluted GAAP EPS under the if-converted method.

Operating Metrics

(in thousands)	Q1 2023	Q1 2022	% Change
Services Revenue (excluding reimbursable expenses)	\$ 228,384	\$ 219,475	4 %
Reimbursable Expenses	\$ 2,469	\$ 1,959	NM*
Software and Hardware Revenue	\$ 555	\$ 677	NM*

(in thousands)	Q1 2023		Q1 2022	
	Average	Ending	Average	Ending
Offshore/Nearshore Billable Employees (a)	3,520	3,541	2,825	2,878
Onshore Billable Employees (b)	2,441	2,412	2,484	2,542
Subcontractors	353	362	414	413
Total Billable Headcount	6,314	6,315	5,723	5,833
SG&A Headcount	953	973	953	984
Total Headcount	7,267	7,288	6,676	6,817

(a) Offshore/Nearshore includes all employees, excluding Onshore

(b) Onshore includes US, Canada, and the United Kingdom

* "NM" means not meaningful.

Industry Data

Revenue by Industry	Q1 2023	Q4 2022	Q1 2022
Financial Services/Banking/Insurance	21%	22%	20%
Healthcare/Pharma/Life Sciences	21%	21%	26%
Manufacturing	10%	10%	8%
Leisure, Media, and Entertainment	9%	9%	9%
Automotive and Transportation	8%	9%	10%
Electronics and Computer Hardware	7%	7%	7%
Retail and Consumer Goods	7%	7%	7%
Business Services	7%	5%	7%
Other	10%	10%	6%

