

Q3 2020

Financial Results

October 29, 2020





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 2020, discuss future expectations or state other forward-looking information related to financial results and business outlook for 2020. 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 annual report on Form 10-K for the year ended December 31, 2019, as supplemented by the Risk Factors contained in Part II, Item 1A of our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2020, June 30, 2020 and September 30, 2020. 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.



Reconciliation of Adjusted GAAP Measures

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

	Q4 2020		Full Year 2020	
	Low end of adjusted goal	High end of adjusted goal	Low end of adjusted goal	High end of adjusted goal
GAAP EPS	\$ 0.36	\$ 0.39	\$ 1.02	\$ 1.05
Non-GAAP adjustment (1):				
Non-GAAP reconciling items	0.46	0.46	1.89	1.89
Tax effect of reconciling items	(0.14)	(0.14)	(0.49)	(0.49)
Adjusted EPS	\$ 0.68	\$ 0.71	\$ 2.42	\$ 2.45

(1) Non-GAAP adjustment represents the impact of amortization expense, stock compensation, amortization of debt discount and issuance costs, loss on extinguishment of debt, 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 Q4 2020 and full year 2020 GAAP effective income tax rate to be approximately 20% and 23%, respectively. The Company's estimates of GAAP and adjusted fully diluted shares for 2020 are included in the following table. These estimates could be affected by share repurchases, shares issued in conjunction with future acquisitions and the potential impact from the conditional conversion features of our debt.

<i>(in millions)</i>	Q4 2020	Full Year 2020
GAAP fully diluted shares	32.6	32.5
Non-GAAP adjustment (2):		
Dilution offset from convertible note hedge transactions	—	—
Adjusted fully diluted shares	32.6	32.5

(2) Non-GAAP adjustment represents the exclusion of shares that are issuable upon conversion of our convertible notes due to the expectation that such shares will be offset by the convertible note hedge transactions entered into in September 2018 and August 2020.

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 October 29, 2020.

Operating Metrics

(in thousands, except per share data)	THREE MONTHS ENDED SEPTEMBER 30,			NINE MONTHS ENDED SEPTEMBER 30,		
	2020	2019	% Change	2020	2019	% Change
Revenues	\$ 157,678	\$ 144,684	9 %	\$ 449,579	\$ 420,368	7 %
Services Revenues (excluding reimbursable expenses)	\$ 155,242	\$ 140,173	11 %	\$ 440,556	\$ 405,969	9 %
Cost of Services (excluding reimbursable expenses)*	\$ 95,191	\$ 85,348	12 %	\$ 273,639	\$ 252,630	8 %
Services Revenues Net of Cost	\$ 60,051	\$ 54,825	10 %	\$ 166,917	\$ 153,339	9 %
% of Services Revenues	38.7 %	39.1 %		37.9 %	37.8 %	
Adjusted EBITDA**	\$ 31,149	\$ 25,259	23 %	\$ 81,283	\$ 68,528	19 %
% of Services Revenues	20.1 %	18.0 %		18.5 %	16.9 %	
Adjusted Net Income**	\$ 21,726	\$ 17,879	22 %	\$ 56,442	\$ 48,116	17 %
% of Services Revenues	14.0 %	12.8 %		12.8 %	11.9 %	
GAAP EPS	\$ 0.19	\$ 0.30	(37) %	\$ 0.67	\$ 0.79	(15) %
Amortization	0.22	0.12		0.48	0.37	
Stock Compensation	0.15	0.14		0.45	0.41	
Acquisition Costs/Earnout Adjustments	0.07	—		0.23	0.01	
Amortization of Debt Issuance Costs and Discounts	0.06	0.04		0.13	0.11	
Loss on Extinguishment of Debt	0.13	—		0.13	—	
Tax Effect of Above Reconciling Items	(0.15)	(0.04)		(0.35)	(0.20)	
Adjusted EPS**	\$ 0.67	\$ 0.56	20 %	\$ 1.74	\$ 1.49	17 %

* 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 October 29, 2020.

Operating Metrics

(in thousands)	Q3 2020	Q2 2020	% Change	Q3 2020	Q3 2019	% Change
Services Revenue (excluding reimbursable expenses)	\$ 155,242	\$ 144,306	8 %	\$ 155,242	\$ 140,173	11 %
Software and Hardware Revenue	\$ 923	\$ 503	NM*	\$ 923	\$ 624	NM*
Time & Materials ABR	Q3 2020			Q3 2019		
North American Employees	\$151			\$149		
Utilization	Q3 2020			Q3 2019		
North American Employees (Organic)	82%			81%		
Headcount	Q3 2020			Q3 2019		
	Average	Ending		Average	Ending	
North American Billable Employees	2,046	2,053		2,053	2,066	
Subcontractors	253	257		265	265	
Offshore Billable Employees	1,462	1,478		773	780	
Total Billable Headcount	3,761	3,788		3,091	3,111	
SG&A Headcount	596	612		505	513	
Total Headcount	4,357	4,400		3,596	3,624	

* "NM" means not meaningful.

Industry Data

Revenue by Industry (Top 10)	Q3 2020	Q2 2020	Q3 2019
Healthcare/Pharma/Life Sciences	35%	32%	32%
Financial Services/Banking/Insurance	14%	14%	16%
Manufacturing	10%	11%	10%
Automotive and Transport Products	8%	10%	10%
Retail and Consumer Goods	8%	8%	9%
Electronics and Computer Hardware	6%	7%	5%
Leisure, Media and Entertainment	5%	5%	3%
Business Services	4%	3%	5%
Energy and Utilities	4%	4%	2%
Telecommunications	2%	3%	5%