

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): August 4, 2022

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.)

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 August 4, 2022, Perficient, Inc. (“Perficient”) announced its financial results for the three and six months ended June 30, 2022. 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 August 4, 2022, Perficient posted on the Investor Relations page of its website at www.perficient.com a slide presentation related to its second quarter ended June 30, 2022 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 August 4, 2022, announcing financial results for the three and six months ended June 30, 2022
99.2	Perficient, Inc. Q2 2022 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: August 4, 2022

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

For more information, please contact:
 Bill Davis, Perficient, 314-529-3555
bill.davis@perficient.com

PERFICIENT REPORTS SECOND QUARTER 2022 RESULTS
 ~ Q2 Revenues Up 21%; Company Reaffirms Full Year GAAP and Adjusted Earnings Per Share Guidance ~

ST. LOUIS (August 4, 2022) - 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 June 30, 2022.

Financial Highlights

For the quarter ended June 30, 2022:

- Revenues increased 21% to \$222.7 million from \$184.1 million in the second quarter of 2021;
- Net income increased 68% to \$27.8 million from \$16.6 million in the second quarter of 2021, primarily as a result of higher revenues and lower selling, general and administrative expense as a percentage of revenue;
- GAAP earnings per share results on a fully diluted basis increased 57% to \$0.77 from \$0.49 in the second quarter of 2021, primarily as a result of the increase in net income;
- 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 26% to \$1.06 from \$0.84 in the second quarter of 2021; and
- Adjusted EBITDA (a non-GAAP measure; see attached schedule, which reconciles to GAAP net income) increased 31% to \$51.2 million from \$39.0 million in the second quarter of 2021.

"Profitability and revenue growth were strong during the second quarter," said Jeffrey Davis, chairman and CEO. "Demand for our digital transformation services continues to accelerate and bookings remain robust as the value-based pivot to Perficient continues. A key and ongoing catalyst to our success is the expanding contributions coming from our fully-integrated offshore and nearshore delivery teams, where revenue grew 44% organically and 93% overall."

Other Highlights

Among other recent achievements, Perficient:

- Expanded its presence in India by adding four new global delivery locations and expanding an existing location to further accommodate ongoing growth and meet client demand;
- Was named in the "The Forrester Wave™: Modern Application Development Services, Q3 2022" report as a Strong Performer, earning top scores in Talent Management, AI and Data, Design, Quality and Productivity, and Partner Ecosystem;
- Received the 2022 Sitecore Global Partner Award for Sales Excellence, recognizing overall superior commitment to selling with Sitecore;
- Achieved the Acquia Marketing Cloud Practice Certification for demonstrating the highest levels of competency across Acquia's Marketing Cloud technologies; and
- Received 2022 best workplace distinctions in St. Louis, Chicago, Denver, Minneapolis, and Southern California.

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 third quarter 2022 revenue to be in the range of \$227 million to \$233 million. Third quarter GAAP earnings per share is expected to be in the range of \$0.75 to \$0.78. Third 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 \$1.12.

Perficient is updating its full year 2022 revenue guidance to a range of \$907 million to \$923 million, reaffirming its 2022 GAAP earnings per share guidance range of \$3.08 to \$3.19 and reaffirming its 2022 adjusted earnings per share (a non-GAAP measure; see attached schedule which reconciles to GAAP earnings per share guidance) guidance range of \$4.24 to \$4.36.

Conference Call Details

Perficient will host a conference call regarding second quarter financial results today, August 4, 2022, 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/Blc35dd6f136e0409b9a98d3ce1b165b68>. 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/q2-2022-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 2022. 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, many of which are, or may be, amplified by the novel coronavirus (COVID-19) pandemic:

- (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) the impact of the COVID-19 pandemic on our business;
- (4) risks associated with potential changes to federal, state, local and foreign laws, regulations, and policies;
- (5) 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. obtaining favorable pricing to reflect services provided;
 - f. risk of loss of one or more significant software vendors;
 - g. maintaining a balance of our supply of skills and resources with client demand;
 - h. changes to immigration policies;
 - i. protecting our clients' and our data and information;
 - j. changes to tax levels, audits, investigations, tax laws or their interpretation;
 - k. making appropriate estimates and assumptions in connection with preparing our consolidated financial statements; and
 - l. maintaining effective internal controls;
- (6) risks associated with managing growth organically and through acquisitions;
- (7) 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;
- (8) legal liabilities, including intellectual property protection and infringement or the disclosure of personally identifiable information; and
- (9) 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 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 June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Revenues				
Services excluding reimbursable expenses	\$ 219,835	\$ 181,213	\$ 439,310	\$ 347,689
Reimbursable expenses	2,428	2,562	4,387	4,816
Total services	222,263	183,775	443,697	352,505
Software and hardware	475	361	1,152	972
Total revenues	222,738	184,136	444,849	353,477
Cost of revenues (exclusive of depreciation and amortization, shown separately below)				
Cost of services	134,356	110,942	270,446	214,903
Stock compensation	2,406	2,238	4,834	4,339
Total cost of revenues	136,762	113,180	275,280	219,242
Selling, general and administrative	37,150	34,146	75,926	64,935
Stock compensation	3,710	3,278	7,185	6,468
Total selling, general and administrative	40,860	37,424	83,111	71,403
Depreciation	2,005	1,615	3,878	3,075
Amortization	5,998	6,333	11,977	13,385
Acquisition costs	61	—	360	68
Adjustment to fair value of contingent consideration	(2,487)	(510)	(3,466)	4
Income from operations	39,539	26,094	73,709	46,300
Net interest expense	805	3,367	1,692	6,663
Net other expense	153	9	386	131
Income before income taxes	38,581	22,718	71,631	39,506
Provision for income taxes	10,799	6,145	16,713	9,340
Net income	<u>\$ 27,782</u>	<u>\$ 16,573</u>	<u>\$ 54,918</u>	<u>\$ 30,166</u>
Basic net income per share	\$ 0.82	\$ 0.52	\$ 1.62	\$ 0.95
Diluted net income per share	\$ 0.77	\$ 0.49	\$ 1.52	\$ 0.90
Shares used in computing basic net income per share	33,914	31,922	33,879	31,893
Shares used in computing diluted net income per share	36,785	33,867	36,812	33,500
Net income used in computing diluted net income per share	\$ 28,332	\$ 16,573	\$ 56,088	\$ 30,166

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

	<u>June 30, 2022 (unaudited)</u>	<u>December 31, 2021</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 38,868	\$ 24,410
Accounts receivable, net	196,620	177,602
Prepaid expenses	7,020	5,400
Other current assets	8,825	7,296
Total current assets	251,333	214,708
Property and equipment, net	20,192	14,747
Operating lease right-of-use assets	32,170	33,353
Goodwill	512,716	515,229
Intangible assets, net	69,211	81,277
Other non-current assets	41,321	23,258
Total assets	<u>\$ 926,943</u>	<u>\$ 882,572</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 20,588	\$ 26,074
Other current liabilities	73,484	93,877
Total current liabilities	94,072	119,951
Long-term debt, net	393,478	326,126
Operating lease liabilities	22,900	23,898
Other non-current liabilities	49,762	47,832
Total liabilities	560,212	517,807
Stockholders' equity:		
Preferred stock	—	—
Common stock	53	53
Additional paid-in capital	383,987	423,235
Accumulated other comprehensive loss	(8,861)	(5,843)
Treasury stock	(337,237)	(324,412)
Retained earnings	328,789	271,732
Total stockholders' equity	366,731	364,765
Total liabilities and stockholders' equity	<u>\$ 926,943</u>	<u>\$ 882,572</u>

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, acquisition costs and adjustment to fair value of contingent consideration), 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, acquisition costs, adjustments to the fair value of contingent consideration, 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 Discount and Debt Issuance Costs

On November 9, 2021, Perficient issued \$380.0 million aggregate principal amount of 0.125% Convertible Senior Notes due 2026, on August 14, 2020, Perficient issued \$230.0 million aggregate principal amount of 1.250% Convertible Senior Notes due 2025, and on September 11, 2018, Perficient issued \$143.8 million aggregate principal amount of 2.375% Convertible Senior Notes due 2023 (the “2026 Notes,” “2025 Notes,” and “2023 Notes,” respectively, and together, the “Notes”) in private placements to qualified institutional purchasers. In accordance with accounting for debt with conversions and other options, Perficient bifurcated the principal amount of the Notes into liability and equity components. The resulting debt discounts were amortized to interest expense over the period from the issuance dates through the respective contractual maturity dates. Upon adoption of Accounting Standards Update (“ASU”) No. 2020-06, *Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging - Contracts in Entity’s Own Equity (Subtopic 815-40)* on January 1, 2022, Perficient no longer records amortization of debt discount as a result of accounting for the convertible debt instrument as a single liability measured at its amortized cost. 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 the company’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, and in particular as a result of our 2021 acquisition of Izmul S.A. and its subsidiaries (“Overactive”), based in Argentina, Chile, Colombia, Puerto Rico, and Uruguay, and our 2020 acquisition of Productora de Software S.A.S., based in Colombia, 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, August 2020, and September 2018 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 June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
GAAP Net Income	\$ 27,782	\$ 16,573	\$ 54,918	\$ 30,166
Adjustments:				
Provision for income taxes	10,799	6,145	16,713	9,340
Amortization	5,998	6,333	11,977	13,385
Acquisition costs	61	—	360	68
Adjustment to fair value of contingent consideration	(2,487)	(510)	(3,466)	4
Amortization of debt discount and issuance costs	608	2,562	1,215	5,090
Foreign exchange loss	158	8	373	136
Stock compensation	6,116	5,516	12,019	10,807
Adjusted Net Income Before Tax	49,035	36,627	94,109	68,996
Adjusted income tax (1)	12,700	9,230	24,186	17,318
Adjusted Net Income	\$ 36,335	\$ 27,397	\$ 69,923	\$ 51,678
GAAP Earnings Per Share (diluted)	\$ 0.77	\$ 0.49	\$ 1.52	\$ 0.90
Adjusted Earnings Per Share (diluted)	\$ 1.06	\$ 0.84	\$ 2.03	\$ 1.58
Shares used in computing GAAP Earnings Per Share (diluted)	36,785	33,867	36,812	33,500
Dilution offset from convertible note hedge transactions	(2,431)	(1,251)	(2,431)	(894)
Shares used in computing Adjusted Earnings Per Share (diluted)	34,354	32,616	34,381	32,606
Net income used in computing GAAP Earnings Per Share (diluted)	\$ 28,332	\$ 16,573	\$ 56,088	\$ 30,166

(1) The estimated adjusted effective tax rate of 25.9% and 25.2% for the three months ended June 30, 2022 and 2021, respectively, and 25.7% and 25.1% for the six months ended June 30, 2022 and 2021, 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 June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
GAAP Net Income	\$ 27,782	\$ 16,573	\$ 54,918	\$ 30,166
Adjustments:				
Provision for income taxes	10,799	6,145	16,713	9,340
Net interest expense	805	3,367	1,692	6,663
Net other expense	153	9	386	131
Depreciation	2,005	1,615	3,878	3,075
Amortization	5,998	6,333	11,977	13,385
Acquisition costs	61	—	360	68
Adjustment to fair value of contingent consideration	(2,487)	(510)	(3,466)	4
Stock compensation	6,116	5,516	12,019	10,807
Adjusted EBITDA (1)	<u>\$ 51,232</u>	<u>\$ 39,048</u>	<u>\$ 98,477</u>	<u>\$ 73,639</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)

	Q3 2022		Full Year 2022	
	Low end of adjusted goal	High end of adjusted goal	Low end of adjusted goal	High end of adjusted goal
GAAP EPS	\$ 0.75	\$ 0.78	\$ 3.08	\$ 3.19
Non-GAAP adjustment (1):				
Non-GAAP reconciling items	0.40	0.40	1.56	1.57
Tax effect of reconciling items	(0.07)	(0.06)	(0.40)	(0.40)
Adjusted EPS	\$ 1.08	\$ 1.12	\$ 4.24	\$ 4.36

- (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. Upon adoption of ASU No. 2020-06, *Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging - Contracts in Entity's Own Equity (Subtopic 815-40)* on January 1, 2022, Perficient no longer records amortization of debt discount as a result of accounting for the convertible debt instrument as a single liability measured at its amortized cost. Perficient currently expects its Q3 2022 and full year 2022 GAAP effective income tax rate to be approximately 28% and 25%, respectively. Perficient's estimates of GAAP and adjusted fully diluted shares for 2022 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)	Q3 2022 (2)	Full Year 2022 (2)
GAAP Fully Diluted Shares (3)	36.7	36.8
Non-GAAP adjustment (4):		
Dilution offset from convertible note hedge transactions	(2.4)	(2.4)
Adjusted Fully Diluted Shares	34.3	34.4

- (2) The calculation of fully diluted shares assumes an average share price of \$99 per share for the three months ending September 30, 2022, and \$101 per share for the twelve months ending December 31, 2022, provided, however, that Perficient makes no prediction as to what its actual stock price will be for such period or any other period.
- (3) Upon adoption of ASU No. 2020-06, *Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging - Contracts in Entity's Own Equity (Subtopic 815-40)* on January 1, 2022, Perficient prospectively utilizes the if-converted method to calculate the impact of convertible instruments on GAAP diluted earnings per share.
- (4) 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.

Q2 2022

Financial Results

August 4, 2022





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 2022, discuss future expectations or state other forward-looking information related to financial results and business outlook for 2022. 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:

	Q3 2022		Full Year 2022	
	Low end of adjusted goal	High end of adjusted goal	Low end of adjusted goal	High end of adjusted goal
GAAP EPS	\$ 0.75	\$ 0.78	\$ 3.08	\$ 3.19
Non-GAAP adjustment (1):				
Non-GAAP reconciling items	0.40	0.40	1.56	1.57
Tax effect of reconciling items	(0.07)	(0.06)	(0.40)	(0.40)
Adjusted EPS	\$ 1.08	\$ 1.12	\$ 4.24	\$ 4.36

(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. Upon adoption of ASU No. 2020-06, *Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40)* on January 1, 2022, Perficient no longer records amortization of debt discount as a result of accounting for the convertible debt instrument as a single liability measured at its amortized cost. Perficient currently expects its Q3 2022 and full year 2022 GAAP effective income tax rate to be approximately 28% and 25%, respectively. Perficient's estimates of GAAP and adjusted fully diluted shares for 2022 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)	Q3 2022 (2)	Full Year 2022 (2)
GAAP fully diluted shares (3)	36.7	36.8
Non-GAAP adjustment (4):		
Dilution offset from convertible note hedge transactions	(2.4)	(2.4)
Adjusted fully diluted shares	34.3	34.4

(2) The calculation of fully diluted shares assumes an average share price of \$99 per share for the three months ending September 30, 2022, and \$101 per share for the twelve months ending December 31, 2022, provided, however, that Perficient makes no prediction as to what its actual stock price will be for such period or any other period.

(3) Upon adoption of ASU No. 2020-06, *Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40)* on January 1, 2022, Perficient prospectively utilizes the if-converted method to calculate the impact of convertible instruments on GAAP diluted earnings per share.

(4) 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 August 4, 2022.

Financial Metrics

(in thousands, except per share data)	THREE MONTHS ENDED JUNE 30,			SIX MONTHS ENDED JUNE 30,		
	2022	2021	% Change	2022	2021	% Change
Revenues	\$ 222,738	\$ 184,136	21 %	\$ 444,849	\$ 353,477	26 %
Services Revenues (excluding reimbursable expenses)	\$ 219,835	\$ 181,213	21 %	\$ 439,310	\$ 347,689	26 %
Cost of Services (excluding reimbursable expenses and stock compensation)*	\$ 131,928	\$ 108,380	22 %	\$ 266,059	\$ 210,087	27 %
Services Revenues Net of Cost	\$ 87,907	\$ 72,833	21 %	\$ 173,251	\$ 137,602	26 %
% of Services Revenues	40.0 %	40.2 %		39.4 %	39.6 %	
Adjusted EBITDA***	\$ 51,232	\$ 39,048	31 %	\$ 98,477	\$ 73,639	34 %
% of Services Revenues	23.3 %	21.5 %		22.4 %	21.2 %	
Adjusted Net Income***	\$ 36,335	\$ 27,397	33 %	\$ 69,923	\$ 51,678	35 %
% of Services Revenues	16.5 %	15.1 %		15.9 %	14.9 %	
GAAP EPS	\$ 0.77	\$ 0.49	57 %	\$ 1.52	\$ 0.90	69 %
Amortization	0.18	0.19		0.35	0.41	
Stock Compensation	0.18	0.17		0.35	0.33	
Debt Related Adjustments**	0.06	0.10		0.11	0.18	
Foreign Exchange Loss	-	-		0.01	-	
Acquisition Costs / Earnout Adjustments	(0.07)	(0.02)		(0.09)	-	
Tax Effect of Above Reconciling Items	(0.06)	(0.09)		(0.22)	(0.24)	
Adjusted EPS**	\$ 1.06	\$ 0.84	26 %	\$ 2.03	\$ 1.58	28 %

* Cost of Services excludes depreciation and amortization.

** Debt Related Adjustments includes amortization of debt discount and 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.

*** 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 August 4, 2022.

Operating Metrics

(in thousands)	Q2 2022	Q2 2021	% Change
Services Revenue (excluding reimbursable expenses)	\$ 219,835	\$ 181,213	21 %
Software and Hardware Revenue	\$ 475	\$ 361	NM*

Headcount	Q2 2022		Q2 2021	
	Average	Ending	Average	Ending
North American Billable Employees	2,528	2,493	2,255	2,296
Subcontractors	371	355	315	335
Offshore Billable Employees	2,907	2,962	1,765	1,812
Total Billable Headcount	5,806	5,810	4,335	4,443
SG&A Headcount	957	937	665	680
Total Headcount	6,763	6,747	5,000	5,123

* "NM" means not meaningful.

Industry Data

Revenue by Industry	Q2 2022	Q1 2022	Q2 2021
Healthcare/Pharma/Life Sciences	25%	26%	31%
Financial Services/Banking/Insurance	19%	20%	18%
Automotive and Transportation	14%	13%	10%
Manufacturing	9%	8%	9%
Retail and Consumer Goods	7%	7%	9%
Electronics and Computer Hardware	7%	7%	6%
Leisure, Media, and Entertainment	6%	6%	6%
Business Services	5%	7%	5%
Other	8%	6%	6%

