

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): April 29, 2021

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 April 29, 2021, Perficient, Inc. (“Perficient”) announced its financial results for the three months ended March 31, 2021. 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 April 29, 2021, 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, 2021 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 April 29, 2021, announcing financial results for the three months ended March 31, 2021
99.2	Perficient, Inc. Q1 2021 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: April 29, 2021

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 FIRST QUARTER 2021 RESULTS

~ Offshore Revenue Up 130%; Company Expands Share Repurchase Program; Raises Full Year Revenue and Earnings Guidance ~

ST. LOUIS (April 29, 2021) - [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, 2021.

Financial Highlights

For the quarter ended March 31, 2021:

- Services revenues excluding reimbursable expenses increased 18% to \$166.5 million from \$141.0 million in the first quarter of 2020;
- Total revenues increased 16% to \$169.3 million from \$145.6 million in the first quarter of 2020;
- Net income increased 51% to \$13.6 million from \$9.0 million in the first quarter of 2020, reflecting, among other things, the continued mix shift to higher margin offshore delivery;
- GAAP earnings per share results on a fully diluted basis increased 52% to \$0.41 from \$0.27 in the first quarter of 2020, primarily as a result of the increase in net income discussed above;
- 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 47% to \$0.75 from \$0.51 in the first quarter of 2020; and
- Adjusted EBITDA (a non-GAAP measure; see attached schedule, which reconciles to GAAP net income) increased 46% to \$34.6 million from \$23.8 million in the first quarter of 2020.

“Perficient’s performance, portfolio, presence and potential has never been stronger,” said Jeffrey Davis, chairman and CEO. “The world’s leading enterprises and biggest brands are increasingly realizing that partnering with Perficient delivers near-term value and long-term advantage. Our offshore revenue grew 130% during the quarter, with 42% organic growth. That is a clear demonstration that our momentum is accelerating and that we are boldly redefining what the world’s greatest companies can expect from a global digital consultancy.”

Other Highlights

Among other recent achievements, Perficient:

- Expanded and extended Perficient’s stock repurchase program on April 27, 2021 by an additional \$50.0 million of our common stock for a total repurchase program of \$315.0 million since the program’s inception in 2008, and extended the expiration date of the program to December 31, 2022 (as of March 31, 2021, under this program, Perficient had repurchased a total of 15.9 million shares at a cost of \$244.5 million);
- Received the Red Hat Application Platform Success Partner of the Year award, recognizing excellence in delivering value for clients through application platform modernization;
- Was named the Talend U.S. Partner of the Year, recognizing Perficient’s exceptional innovation and leadership in advancing digital transformation initiatives for Talend customers;
- Was recognized by Modern Healthcare as the fourth-largest healthcare IT consulting firm based on 2020 revenue and the number of health information technology contracts and consultants;
- Gained a CMMI Level 5 maturity rating, the highest available, from the Capability Maturity Model Integration (CMMI) Institute for its global delivery center in Nagpur, India;
- Announced its collaboration with the Mark Cuban Foundation to host AI Bootcamps to educate underserved high school students in the Dallas, Texas area and train next generation AI leaders; and
- Was included in three Forrester Now Tech reports, including the “Now Tech: Application Modernization and Migration Services, Q1 2021” report, the “Now Tech: AI Consultancies, Q1 2021” report, and the “Now Tech: Salesforce Consulting Partners, Q1 2021” report.

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 2021 revenue to be in the range of \$173 million to \$179 million. Second quarter GAAP earnings per share is expected to be in the range of \$0.41 to \$0.44. 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 \$0.77 to \$0.80.

Perficient is raising its previously provided full year 2021 revenue guidance range from \$670 million to \$704 million to \$685 million to \$710 million, raising its 2021 GAAP earnings per share guidance range from \$1.57 to \$1.72 to \$1.72 to \$1.87 and raising its 2021 adjusted earnings per share (a non-GAAP measure; see attached schedule which reconciles to GAAP earnings per share guidance) guidance range from \$2.85 to \$3.00 to \$3.00 to \$3.15.

Conference Call Details

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

WHAT: Perficient Reports First Quarter 2021 Results
WHEN: April 29, 2021, at 11 a.m. Eastern
CONFERENCE CALL NUMBERS: 855-246-0403 (U.S. and Canada); 414-238-9806 (International)
PARTICIPANT PASSCODE: 3929328
REPLAY TIMES: April 29, 2021, at 2 p.m. Eastern, through Thursday, May 6, 2021, at 2 p.m. Eastern
REPLAY NUMBER: 855-859-2056 (U.S. and Canada); 404-537-3406 (International)
REPLAY PASSCODE: 3929328

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 2021. 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 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 March 31,	
	2021	2020
Revenues		
Services excluding reimbursable expenses	\$ 166,476	\$ 141,008
Reimbursable expenses	2,254	4,394
Total services	168,730	145,402
Software and hardware	611	160
Total revenues	169,341	145,562
Cost of revenues (exclusive of depreciation and amortization, shown separately below)		
Cost of services	103,961	91,499
Stock compensation	2,101	1,718
Total cost of revenues	106,062	93,217
Selling, general and administrative	30,789	30,293
Stock compensation	3,190	2,928
Total selling, general and administrative	33,979	33,221
Depreciation	1,460	1,288
Amortization	7,052	3,922
Acquisition costs	68	1,813
Adjustment to fair value of contingent consideration	514	(335)
Income from operations	20,206	12,436
Net interest expense	3,296	1,926
Net other expense	122	7
Income before income taxes	16,788	10,503
Provision for income taxes	3,195	1,529
Net income	\$ 13,593	\$ 8,974
Basic net income per share	\$ 0.43	\$ 0.28
Diluted net income per share	\$ 0.41	\$ 0.27
Shares used in computing basic net income per share	31,864	31,637
Shares used in computing diluted net income per share	33,015	32,876

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

	March 31, 2021 (unaudited)	December 31, 2020
Assets		
Current assets:		
Cash and cash equivalents	\$ 72,058	\$ 83,204
Accounts receivable, net	138,836	133,085
Prepaid expenses	6,468	5,575
Other current assets	4,688	4,646
Total current assets	222,050	226,510
Property and equipment, net	11,717	11,902
Operating lease right-of-use assets	37,195	38,539
Goodwill	421,927	427,928
Intangible assets, net	55,368	63,571
Other non-current assets	19,253	17,311
Total assets	\$ 767,510	\$ 785,761
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 16,150	\$ 25,613
Other current liabilities	87,373	103,267
Total current liabilities	103,523	128,880
Long-term debt, net	186,135	183,624
Operating lease liabilities	27,937	29,098
Other non-current liabilities	51,381	50,081
Total liabilities	368,976	391,683
Stockholders' equity:		
Preferred stock	—	—
Common stock	51	50
Additional paid-in capital	465,156	459,866
Accumulated other comprehensive (loss) income	(540)	3,746
Treasury stock	(299,367)	(289,225)
Retained earnings	233,234	219,641
Total stockholders' equity	398,534	394,078
Total liabilities and stockholders' equity	\$ 767,510	\$ 785,761

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 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 “2025 Notes” and the “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 are being amortized to interest expense over the period from the issuance dates through the respective contractual maturity dates. Issuance costs related to the Notes were allocated pro rata based on the relative fair values of the liability and equity components. Issuance costs attributable to the liability component of 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 expands into countries outside of the United States, and in particular as a result of 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. We exclude the shares that are issuable upon conversions of the Notes because we expect that the dilution from such shares will be offset by the convertible note hedge transactions entered into in 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 March 31,	
	2021	2020
GAAP Net Income	\$ 13,593	\$ 8,974
Adjustments:		
Provision for income taxes	3,195	1,529
Amortization	7,052	3,922
Acquisition costs	68	1,813
Adjustment to fair value of contingent consideration	514	(335)
Amortization of debt discount and issuance costs	2,528	1,201
Foreign exchange loss	128	14
Stock compensation	5,291	4,646
Adjusted Net Income Before Tax	32,369	21,764
Adjusted income tax (1)	8,092	5,332
Adjusted Net Income	\$ 24,277	\$ 16,432
GAAP Earnings Per Share (diluted)	\$ 0.41	\$ 0.27
Adjusted Earnings Per Share (diluted)	\$ 0.75	\$ 0.51
Shares used in computing GAAP Earnings Per Share (diluted)	33,015	32,876
Dilution offset from convertible note hedge transactions	(433)	(529)
Shares used in computing Adjusted Earnings Per Share (diluted)	32,582	32,347

(1) The estimated adjusted effective tax rate of 25.0% and 24.5% for the three months ended March 31, 2021 and 2020, 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,	
	2021	2020
GAAP Net Income	\$ 13,593	\$ 8,974
Adjustments:		
Provision for income taxes	3,195	1,529
Net interest expense	3,296	1,926
Net other expense	122	7
Depreciation	1,460	1,288
Amortization	7,052	3,922
Acquisition costs	68	1,813
Adjustment to fair value of contingent consideration	514	(335)
Stock compensation	5,291	4,646
Adjusted EBITDA (1)	<u>\$ 34,591</u>	<u>\$ 23,770</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 2021		Full Year 2021	
	Low end of adjusted goal	High end of adjusted goal	Low end of adjusted goal	High end of adjusted goal
GAAP EPS	\$ 0.41	\$ 0.44	\$ 1.72	\$ 1.87
Non-GAAP adjustment (1):				
Non-GAAP reconciling items	0.46	0.46	1.73	1.73
Tax effect of reconciling items	(0.10)	(0.10)	(0.45)	(0.45)
Adjusted EPS	<u>\$ 0.77</u>	<u>\$ 0.80</u>	<u>\$ 3.00</u>	<u>\$ 3.15</u>

(1) Non-GAAP adjustment represents the impact of amortization expense, stock compensation, amortization of debt discount and 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 2021 and full year 2021 GAAP effective income tax rate to be approximately 28% and 24%, respectively. The Company's estimates of GAAP and adjusted fully diluted shares for 2021 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.

(in millions)	Q2 2021	Full Year 2021
GAAP Fully Diluted Shares	33.4	33.4
Non-GAAP adjustment (2):		
Dilution offset from convertible note hedge transactions	(0.9)	(0.9)
Adjusted Fully Diluted Shares	<u>32.5</u>	<u>32.5</u>

(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 August 2020 and September 2018.

Q1 2021

Financial Results

April 29, 2021





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 2021, discuss future expectations or state other forward-looking information related to financial results and business outlook for 2021. 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 2021		Full Year 2021	
	Low end of adjusted goal	High end of adjusted goal	Low end of adjusted goal	High end of adjusted goal
GAAP EPS	\$ 0.41	\$ 0.44	\$ 1.72	\$ 1.87
Non-GAAP adjustment (1):				
Non-GAAP reconciling items	0.46	0.46	1.73	1.73
Tax effect of reconciling items	(0.10)	(0.10)	(0.45)	(0.45)
Adjusted EPS	\$ 0.77	\$ 0.80	\$ 3.00	\$ 3.15

(1) Non-GAAP adjustment represents the impact of amortization expense, stock compensation, amortization of debt discount and issuance costs, foreign exchange gain or loss, 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 2021 and full year 2021 GAAP effective income tax rate to be approximately 28% and 24%, respectively. The Company's estimates of GAAP and adjusted fully diluted shares for 2021 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.

(in millions)	Q2 2021	Full Year 2021
GAAP fully diluted shares	33.4	33.4
Non-GAAP adjustment (2):		
Dilution offset from convertible note hedge transactions	(0.9)	(0.9)
Adjusted fully diluted shares	32.5	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 August 2020 and September 2018.

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 April 29, 2021.

Financial Metrics

(in thousands, except per share data)	THREE MONTHS ENDED MARCH 31,			YEAR ENDED DECEMBER 31,		
	2021	2020	% Change	2020	2019	% Change
Revenues	\$ 169,341	\$ 145,562	16 %	\$ 612,133	\$ 565,527	8 %
Services Revenues (excluding reimbursable expenses)	\$ 166,476	\$ 141,008	18 %	\$ 599,473	\$ 546,444	10 %
Cost of Services (excluding reimbursable expenses)*	\$ 101,707	\$ 87,105	17 %	\$ 370,613	\$ 338,739	9 %
Services Revenues Net of Cost	\$ 64,769	\$ 53,903	20 %	\$ 228,860	\$ 207,705	10 %
% of Services Revenues	38.9 %	38.2 %		38.2 %	38.0 %	
Adjusted EBITDA**	\$ 34,591	\$ 23,770	46 %	\$ 116,273	\$ 95,022	22 %
% of Services Revenues	20.8 %	16.9 %		19.4 %	17.4 %	
Adjusted Net Income**	\$ 24,277	\$ 16,432	48 %	\$ 81,221	\$ 66,809	22 %
% of Services Revenues	14.6 %	11.7 %		13.5 %	12.2 %	
GAAP EPS	\$ 0.41	\$ 0.27	52 %	\$ 0.93	\$ 1.15	(19) %
Amortization	0.22	0.12		0.70	0.50	
Stock Compensation	0.16	0.15		0.60	0.56	
Acquisition Costs/Earnout Adjustments	0.02	0.05		0.41	0.04	
Amortization of Debt Issuance Costs and Discounts	0.08	0.04		0.21	0.14	
Loss on Extinguishment of Debt	—	—		0.14	—	
Foreign Exchange Loss/(Gain)	0.01	—		0.01	—	
Tax Effect of Above Reconciling Items	(0.15)	(0.12)		(0.50)	(0.32)	
Adjusted EPS**	\$ 0.75	\$ 0.51	47 %	\$ 2.50	\$ 2.07	21 %

* 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 April 29, 2021.

Operating Metrics

(in thousands)	Q1 2021	Q4 2020	% Change	Q1 2021	Q1 2020	% Change
Services Revenue (excluding reimbursable expenses)	\$ 166,476	\$ 158,917	5 %	\$ 166,476	\$ 141,008	18 %
Software and Hardware Revenue	\$ 611	\$ 964	NM*	\$ 611	\$ 160	NM*

Headcount	Q1 2021		Q1 2020	
	Average	Ending	Average	Ending
North American Billable Employees	2,151	2,204	2,074	2,079
Subcontractors	266	282	237	246
Offshore Billable Employees	1,626	1,678	851	862
Total Billable Headcount	4,043	4,164	3,162	3,187
SG&A Headcount	664	664	571	565
Total Headcount	4,707	4,828	3,733	3,752

* "NM" means not meaningful.

Industry Data

Revenue by Industry	Q1 2021	Q4 2020	Q1 2020
Healthcare/Pharma/Life Sciences	32%	33%	30%
Financial Services/Banking/Insurance	17%	16%	15%
Automotive and Transport Products	10%	9%	10%
Manufacturing	9%	11%	10%
Retail and Consumer Goods	9%	8%	9%
Business Services	6%	6%	3%
Leisure, Media and Entertainment	6%	5%	5%
Electronics and Computer Hardware	5%	5%	6%
Other	6%	7%	12%

