

PERFICIENT INC
Form 10-Q
November 04, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2010

OR

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

For the transition period from _____ to _____

Commission file number: 001-15169
PERFICIENT, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

No. 74-2853258
(I.R.S. Employer Identification No.)

520 Maryville Centre Drive,
Suite 400
Saint Louis, Missouri 63141
(Address of principal executive offices)
(314) 529-3600
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements during the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer

Non-accelerated filer (Do not check Smaller reporting company
if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

As of November 1, 2010, there were 29,718,604 shares of Common Stock outstanding.

TABLE OF CONTENTS

Part		
I.	Financial Information	1
Item		
1.	Financial Statements	1
	Condensed Consolidated Balance Sheets as of September 30, 2010 and December 31, 2009	1
	Condensed Consolidated Statements of Operations for the Three and Nine Months Ended September 30, 2010 and 2009	2
	Condensed Consolidated Statement of Stockholders' Equity for the Nine Months Ended September 30, 2010	3
	Condensed Consolidated Statements of Cash Flows for the Nine Months Ended September 30, 2010 and 2009	4
	Notes to Unaudited Condensed Consolidated Financial Statements	5
Item		
2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	13
Item		
3.	Quantitative and Qualitative Disclosures About Market Risk	20
Item		
4.	Controls and Procedures	20
Part		
II.	Other Information	20
Item		
1A.	Risk Factors	20
Item		
2.	Unregistered Sales of Equity Securities and Use of Proceeds	21
Item		
6.	Exhibits	21
	Signatures	22

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Perficient, Inc.
Condensed Consolidated Balance Sheets
(Unaudited)

	September 30, 2010	December 31, 2009
	(In thousands, except share information)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 13,861	\$ 17,975
Short-term investments	7,212	6,327
Total cash, cash equivalents and short-term investments	21,073	24,302
Accounts receivable, net	43,880	38,244
Prepaid expenses	1,182	1,258
Other current assets	1,312	1,534
Total current assets	67,447	65,338
Long-term investments	7,001	3,652
Property and equipment, net	1,724	1,278
Goodwill	106,938	104,168
Intangible assets, net	6,412	7,605
Other non-current assets	3,674	2,769
Total assets	\$ 193,196	\$ 184,810
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 4,808	\$ 3,657
Other current liabilities	16,911	11,476
Total current liabilities	21,719	15,133
Other non-current liabilities	1,238	1,329
Total liabilities	\$ 22,957	\$ 16,462
Stockholders' equity:		
Common stock (par value \$.001 per share; 50,000,000 shares authorized and 32,394,042 shares issued and 26,416,568 shares outstanding as of September 30, 2010; 31,621,089 shares issued and 27,082,569 shares outstanding as of December 31, 2009)	\$ 32	\$ 32
Additional paid-in capital	217,984	208,003
Accumulated other comprehensive loss	(274)	(273)
Treasury stock, at cost (5,977,474 shares as of September 30, 2010; 4,538,520 shares as of December 31, 2009)	(40,791)	(27,529)
Accumulated deficit	(6,712)	(11,885)
Total stockholders' equity	170,239	168,348
Total liabilities and stockholders' equity	\$ 193,196	\$ 184,810

See accompanying notes to interim unaudited condensed consolidated financial statements.

Perficient, Inc.
Condensed Consolidated Statements of Operations
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
Revenues	(In thousands, except per share data)			
Services	\$ 47,733	\$ 39,309	\$ 138,325	\$ 125,051
Software and hardware	4,395	3,047	13,620	8,755
Reimbursable expenses	2,520	2,133	7,078	6,904
Total revenues	54,648	44,489	159,023	140,710
Cost of revenues (exclusive of depreciation and amortization, shown separately below)				
Project personnel costs	30,464	27,985	88,991	87,171
Software and hardware costs	3,810	2,605	12,017	7,787
Reimbursable expenses	2,520	2,133	7,078	6,904
Other project related expenses	1,403	909	4,115	2,949
Total cost of revenues	38,197	33,632	112,201	104,811
Gross margin	16,451	10,857	46,822	35,899
Selling, general and administrative	11,705	9,754	34,532	30,413
Depreciation	225	375	567	1,243
Amortization	975	1,022	2,989	3,239
Acquisition costs	--	--	406	--
Income (loss) from operations	3,546	(294)	8,328	1,004
Net interest income	37	16	107	204
Net other income (expense)	16	(4)	42	254
Income (loss) before income taxes	3,599	(282)	8,477	1,462
Provision (benefit) for income taxes	1,346	(397)	3,304	628
Net income	\$ 2,253	\$ 115	\$ 5,173	\$ 834
Basic net income per share	\$ 0.08	\$ --	\$ 0.19	\$ 0.03
Diluted net income per share	\$ 0.08	\$ --	\$ 0.18	\$ 0.03
Shares used in computing basic net income per share	26,594	27,231	26,932	27,764
Shares used in computing diluted net income per share	27,964	28,480	28,394	28,677

See accompanying notes to interim unaudited condensed consolidated financial statements.

Perficient, Inc.
 Condensed Consolidated Statement of Stockholders' Equity
 Nine Months Ended September 30, 2010
 (Unaudited)
 (In thousands)

	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Treasury Stock	Accumulated Deficit	Total Stockholders' Equity
Balance at December 31, 2009	27,083	\$ 32	\$ 208,003	\$ (273)	\$ (27,529)	\$ (11,885)	\$ 168,348
Proceeds from the exercise of stock options and sales of stock through the Employee Stock Purchase Plan	269	--	1,025	--	--	--	1,025
Net tax benefit from stock option exercises and restricted stock vesting	--	--	323	--	--	--	323
Stock compensation related to restricted stock vesting and retirement savings plan contributions	371	--	7,530	--	--	--	--