

PERFICIENT INC
Form 10-Q
November 08, 2006

**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, 2006

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.)

**1120 South Capital of Texas Highway, Building 3, Suite 220
Austin, Texas 78746**

(Address of principal executive offices)

(512) 531-6000

(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 is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer" and "large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

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 October 25, 2006, there were 27,168,257 shares of Common Stock outstanding.

TABLE OF CONTENTS

Part I.	Financial Information	3
Item 1.	Financial Statements (Unaudited)	3
	Condensed Consolidated Balance Sheets as of September 30, 2006 and December 31, 2005	3
	Condensed Consolidated Statements of Operations for the Three Months and Nine Months Ended September 30, 2006 and 2005	4
	Condensed Consolidated Statement of Stockholders' Equity for the Nine Months Ended September 30, 2006	5
	Condensed Consolidated Statements of Cash Flows for the Nine Months Ended September 30, 2006 and 2005	6
	Notes to Unaudited Condensed Consolidated Financial Statements	7
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	19
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	26
Item 4.	Controls and Procedures	26
Part II.	Other Information	28
Item 1A.	Risk Factors	28
Item 6.	Exhibits	28
	Signatures	29

PART I. FINANCIAL INFORMATION**Item 1. Financial Statements**

Perficient, Inc.
Condensed Consolidated Balance Sheets
(Unaudited)

	September 30, 2006	December 31, 2005
(In thousands)		
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 65	\$ 5,096
Accounts receivable, net	37,916	23,251
Other current assets:		
Prepaid expenses	1,783	887
Other current assets	2,773	1,530
Total other current assets	4,556	2,417
Total current assets	42,537	30,764
Property and equipment, net	1,584	960
Goodwill	68,946	46,263
Intangible assets, net	12,973	5,768
Other non-current assets	1,016	1,180
Total assets	\$ 127,056	\$ 84,935
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 2,260	\$ 3,774
Current portion of long-term debt	1,410	1,337
Other current liabilities	16,286	8,331
Note payable to related parties	--	244
Total current liabilities	19,956	13,686
Long-term borrowings, net of current portion	5,472	5,338
Deferred taxes	1,004	--
Total liabilities	26,432	19,024
Stockholders' equity:		
Common stock (par value \$.001 per share; 50,000,000 shares authorized and 26,270,076 shares issued and outstanding as of September 30, 2006; 23,294,509 shares issued and outstanding as of December 31, 2005)		
	26	23
Additional paid-in capital	143,055	115,120
Accumulated other comprehensive loss	(105)	(87)
Accumulated deficit	(42,352)	(49,145)
Total stockholders' equity	100,624	65,911
Total liabilities and stockholders' equity	\$ 127,056	\$ 84,935

See accompanying notes to interim unaudited condensed consolidated financial statements.

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

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2006	2005	2006	2005
	(In thousands, except per share data)			
Revenues				
Services	\$ 40,219	\$ 23,157	\$ 98,577	\$ 60,049
Software	1,532	1,918	6,800	4,718
Reimbursable expenses	2,543	1,048	6,071	2,741
Total revenues	44,294	26,123	111,448	67,508
Cost of revenues (exclusive of depreciation and amortization, shown separately below)				
Project personnel costs		24,190	13,771	59,911
Software costs				36,319