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Perficient, Inc. Q3 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from George Price – Stifel Nicolaus.

George Price – Stifel Nicolaus

First question, if I look at the fourth quarter revenue guidance, the \$180 to \$200 million looks more like roughly \$184 to \$187 million so sort of in the low to mid area of the \$180 to \$200 million range. You reiterated the \$.30 to \$0.40, should we assume that the same thing should be implied for that EPS range, more in kind of the upper 30s, kind of EPS is really the implied range?

Jeffrey S. Davis

I think the implied range, to your point, would be more in the midpoint, more on the middle. Right, if it correlates to revenue. Now, there's potentially some upside in revenue probably from software. Q4 is always a big software quarter for us and we actually think we might have some upside on the services piece as well. When we put ranges out our intention is always to hit the midpoint with some surety and obviously shoot for the higher end.

George Price – Stifel Nicolaus

Just to follow up on your point, the software component of the guide relative to I think prior fourth quarters did seem a little bit lower. I guess what are you seeing out there in terms of client indications for potential flush at the end of the year?

Jeffrey S. Davis

If you look at our historical guidance relative to our actual it's going to tend to look conservative in the fourth quarter and the reason for that is software deals materialize and close literally in the last few weeks of the quarter so we don't have good visibility in to that. I think actually this guidance is probably relatively strong to some prior fourth quarters even though as I said I do expect there to be some upside. We're seeing good signs from clients on spend, both on services and software and certainly as I said I think we'll see some deals materializing particularly around some budgets that need to get used probably in the late November/December time frames. So again, I think there's upside to that we just don't have that visibility right now.

George Price – Stifel Nicolaus

How much do you think July and September is going to catch up from under spending earlier in the year versus new incremental spending? I guess the surge that we're seeing and we're seeing with other companies too coming in to the third quarter and then the fourth quarter, how much of that can we think of as maybe continuing in to next year versus just happens that people under spend earlier in the year?

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