



FACT SHEET (1)

Q4 2018

(in millions except percentages, headcount, share and per share data)

	2017				2017	2018				2018
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
Revenues										
Total Revenues	\$ 324.7	\$ 349.0	\$ 377.5	\$ 399.3	\$ 1,450.4	\$ 424.1	\$ 445.6	\$ 468.2	\$ 504.9	\$ 1,842.9
IT Services Revenues	\$ 320.7	\$ 344.8	\$ 373.4	\$ 394.4	\$ 1,433.3	\$ 419.4	\$ 438.6	\$ 461.2	\$ 497.2	\$ 1,816.3
Reimbursable Expenses & Other Revenues	\$ 3.9	\$ 4.2	\$ 4.1	\$ 4.9	\$ 17.1	\$ 4.8	\$ 7.1	\$ 7.0	\$ 7.7	\$ 26.6
Y/Y Total Revenue Growth Rate	22.7 %	23.0 %	26.6 %	27.4 %	25.0 %	30.6 %	27.7 %	24.0 %	26.5 %	27.1 %
Q/Q Total Revenue Growth Rate	3.5 %	7.5 %	8.2 %	5.8 %	n/a	6.2 %	5.1 %	5.1 %	7.8 %	n/a
Y/Y Total Revenue Growth Rate in Constant Currency (2)	23.9 %	23.7 %	24.6 %	23.8 %	23.9 %	26.0 %	27.1 %	25.4 %	28.9 %	26.9 %
Q/Q Total Revenue Growth Rate in Constant Currency (2)	2.8 %	6.4 %	6.8 %	6.0 %	n/a	4.6 %	7.3 %	5.5 %	8.8 %	n/a
Geographies										
North America	\$ 189.3	\$ 206.0	\$ 218.1	\$ 227.3	\$ 840.7	\$ 239.4	\$ 264.5	\$ 284.1	\$ 311.2	\$ 1,099.2
As % of Total Revenues	58.3 %	59.0 %	57.8 %	56.9 %	58.0 %	56.5 %	59.3 %	60.7 %	61.6 %	59.6 %
Europe	\$ 114.3	\$ 121.2	\$ 135.5	\$ 140.3	\$ 511.3	\$ 153.1	\$ 149.8	\$ 152.2	\$ 157.3	\$ 612.5
As % of Total Revenues	35.2 %	34.8 %	35.9 %	35.1 %	35.2 %	36.1 %	33.6 %	32.5 %	31.2 %	33.2 %
CIS	\$ 14.5	\$ 14.8	\$ 16.0	\$ 23.1	\$ 68.4	\$ 21.8	\$ 19.4	\$ 18.5	\$ 22.0	\$ 81.7
As % of Total Revenues	4.5 %	4.2 %	4.2 %	5.8 %	4.7 %	5.1 %	4.4 %	4.0 %	4.4 %	4.4 %
APAC	\$ 6.5	\$ 7.0	\$ 8.0	\$ 8.6	\$ 30.0	\$ 9.8	\$ 12.0	\$ 13.3	\$ 14.4	\$ 49.5
As % of Total Revenues	2.0 %	2.0 %	2.1 %	2.2 %	2.1 %	2.3 %	2.7 %	2.8 %	2.8 %	2.8 %
Verticals (3)										
Financial Services	\$ 75.0	\$ 79.0	\$ 88.8	\$ 96.1	\$ 338.9	\$ 103.8	\$ 103.0	\$ 104.8	\$ 112.4	\$ 424.0
As % of Total Revenues	23.1 %	22.6 %	23.5 %	24.1 %	23.4 %	24.5 %	23.1 %	22.4 %	22.3 %	23.0 %
Travel & Consumer	\$ 71.8	\$ 77.6	\$ 82.9	\$ 85.0	\$ 317.4	\$ 91.8	\$ 101.0	\$ 101.1	\$ 99.7	\$ 393.6
As % of Total Revenues	22.1 %	22.2 %	22.0 %	21.3 %	21.9 %	21.6 %	22.7 %	21.6 %	19.7 %	21.4 %
Software & Hi-Tech	\$ 68.3	\$ 69.7	\$ 73.4	\$ 76.2	\$ 287.6	\$ 81.6	\$ 85.0	\$ 88.2	\$ 96.0	\$ 350.8
As % of Total Revenues	21.0 %	20.0 %	19.5 %	19.0 %	19.8 %	19.2 %	19.1 %	18.8 %	19.0 %	19.0 %
Business Information & Media	\$ 57.6	\$ 63.1	\$ 64.3	\$ 71.3	\$ 256.3	\$ 76.2	\$ 77.6	\$ 81.8	\$ 88.4	\$ 324.0
As % of Total Revenues	17.7 %	18.1 %	17.0 %	17.9 %	17.7 %	18.0 %	17.4 %	17.5 %	17.5 %	17.6 %
Life Sciences & Healthcare	\$ 27.1	\$ 28.9	\$ 31.8	\$ 32.9	\$ 120.6	\$ 32.3	\$ 38.5	\$ 44.6	\$ 56.3	\$ 171.7
As % of Total Revenues	8.3 %	8.3 %	8.4 %	8.2 %	8.3 %	7.6 %	8.6 %	9.5 %	11.2 %	9.3 %
Emerging Verticals	\$ 24.9	\$ 30.7	\$ 36.3	\$ 37.8	\$ 129.6	\$ 38.4	\$ 40.5	\$ 47.7	\$ 52.1	\$ 178.8
As % of Total Revenues	7.8 %	8.8 %	9.6 %	9.5 %	8.9 %	9.1 %	9.1 %	10.2 %	10.3 %	9.7 %
Contract Types (4)										
T&M	\$ 295.0	\$ 313.5	\$ 343.5	\$ 357.8	\$ 1,309.8	\$ 383.9	\$ 400.1	\$ 421.8	\$ 447.1	\$ 1,652.9
As % of Total Revenues	90.9 %	89.9 %	91.0 %	89.7 %	90.3 %	90.5 %	89.8 %	90.1 %	88.5 %	89.7 %
Fixed Price	\$ 25.1	\$ 30.5	\$ 28.8	\$ 35.7	\$ 120.0	\$ 38.6	\$ 44.2	\$ 45.0	\$ 56.5	\$ 184.3
As % of Total Revenues	7.7 %	8.7 %	7.6 %	8.9 %	8.3 %	9.1 %	9.9 %	9.6 %	11.2 %	10.0 %
Licensing	\$ 0.7	\$ 0.8	\$ 1.1	\$ 1.0	\$ 3.5	\$ 1.3	\$ 1.0	\$ 1.0	\$ 0.9	\$ 4.1
As % of Total Revenues	0.2 %	0.2 %	0.3 %	0.2 %	0.2 %	0.3 %	0.2 %	0.2 %	0.2 %	0.2 %
Other Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.3	\$ 0.3	\$ 0.4	\$ 0.4	\$ 1.6
As % of Total Revenues	—%	—%	—%	—%	—%	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %

	2017				2017	2018				2018
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
Currencies										
<i>Revenues by Currency, as % of Total Revenues</i>										
USD	65.1 %	65.0 %	63.6 %	62.7 %	64.0 %	62.7 %	64.6 %	65.0 %	65.3 %	64.5 %
EUR	12.5 %	14.3 %	14.9 %	15.1 %	14.3 %	16.0 %	15.0 %	15.1 %	14.4 %	15.1 %
GBP	9.5 %	8.5 %	8.2 %	8.0 %	8.5 %	7.9 %	7.8 %	7.4 %	7.2 %	7.6 %
RUB	3.4 %	3.3 %	3.2 %	4.6 %	3.6 %	4.1 %	3.4 %	2.9 %	3.4 %	3.4 %
CHF	3.1 %	2.6 %	3.6 %	3.1 %	3.1 %	3.3 %	3.0 %	3.3 %	3.1 %	3.2 %
CAD	3.7 %	3.6 %	3.5 %	3.1 %	3.5 %	2.9 %	3.0 %	2.9 %	2.8 %	2.9 %
CNY	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	0.9 %	1.1 %	1.1 %	1.1 %	1.1 %
KZT	0.2 %	0.3 %	0.4 %	0.6 %	0.4 %	0.4 %	0.5 %	0.5 %	0.5 %	0.5 %
Other	1.5 %	1.4 %	1.6 %	1.8 %	1.6 %	1.8 %	1.6 %	1.8 %	2.2 %	1.7 %
<i>Expenses by Currency, as % of Total Non-GAAP Operating Expenses</i>										
USD	56.9 %	59.0 %	59.1 %	58.0 %	58.3 %	52.8 %	58.6 %	60.8 %	61.5 %	58.5 %
RUB	9.6 %	9.2 %	8.9 %	9.8 %	9.4 %	11.4 %	9.4 %	9.1 %	9.0 %	9.6 %
PLN	5.1 %	5.2 %	5.2 %	5.3 %	5.2 %	6.1 %	5.6 %	5.1 %	4.7 %	5.4 %
HUF	6.8 %	6.3 %	6.5 %	6.2 %	6.4 %	6.4 %	5.4 %	5.0 %	4.4 %	5.2 %
GBP	5.3 %	4.8 %	4.5 %	4.8 %	4.8 %	5.2 %	4.2 %	3.7 %	4.1 %	4.3 %
CHF	4.1 %	3.8 %	4.0 %	3.6 %	3.9 %	4.3 %	4.0 %	3.9 %	3.8 %	4.0 %
EUR	1.1 %	1.6 %	1.9 %	2.2 %	1.7 %	2.7 %	2.6 %	2.4 %	2.2 %	2.5 %
INR	2.4 %	2.4 %	2.2 %	2.3 %	2.3 %	2.1 %	2.2 %	1.8 %	1.9 %	2.0 %
CNY	2.4 %	1.9 %	1.9 %	1.8 %	2.0 %	2.2 %	1.8 %	1.7 %	1.7 %	1.9 %
CAD	1.5 %	1.2 %	1.1 %	1.0 %	1.2 %	1.2 %	1.0 %	1.0 %	1.0 %	1.1 %
UAH	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%
BYN	0.1 %	—%	—%	—%	—%	—%	—%	—%	—%	—%
Other	4.7 %	4.6 %	4.7 %	5.0 %	4.8 %	5.6 %	5.2 %	5.5 %	5.7 %	5.5 %

Profitability										
GAAP										
Income from Operations	\$ 31.0	\$ 40.7	\$ 49.2	\$ 52.1	\$ 172.9	\$ 48.7	\$ 54.2	\$ 64.6	\$ 78.3	\$ 245.8
As % of Total Revenues	9.5 %	11.7 %	13.0 %	13.0 %	11.9 %	11.5 %	12.2 %	13.8 %	15.5 %	13.3 %
Net Income/(Loss)	\$ 23.6	\$ 37.4	\$ 42.6	\$ (30.9)	\$ 72.8	\$ 64.4	\$ 50.3	\$ 65.6	\$ 60.0	\$ 240.3
As % of Total Revenues	7.3 %	10.7 %	11.3 %	(7.7)%	5.0 %	15.2 %	11.3 %	14.0 %	11.9 %	13.0 %
Diluted Earnings/(Loss) Per Share	\$ 0.44	\$ 0.68	\$ 0.77	\$ (0.58)	\$ 1.32	\$ 1.15	\$ 0.89	\$ 1.15	\$ 1.05	\$ 4.24
Weighted Average Diluted Shares Outstanding, thousands	53,889	54,848	55,229	52,879	54,984	56,241	56,587	56,963	56,887	56,673
Non-GAAP										
Income from Operations	\$ 49.3	\$ 55.8	\$ 62.6	\$ 66.9	\$ 234.7	\$ 67.7	\$ 72.3	\$ 82.1	\$ 93.1	\$ 315.1
As % of Total Revenues	15.2 %	16.0 %	16.6 %	16.8 %	16.2 %	16.0 %	16.2 %	17.5 %	18.4 %	17.1 %
Net Income	\$ 38.9	\$ 43.8	\$ 51.0	\$ 56.6	\$ 190.3	\$ 52.2	\$ 57.1	\$ 66.4	\$ 72.3	\$ 248.0
As % of Total Revenues	12.0 %	12.5 %	13.5 %	14.2 %	13.1 %	12.3 %	12.8 %	14.2 %	14.3 %	13.5 %
Diluted Earnings Per Share	\$ 0.72	\$ 0.80	\$ 0.92	\$ 1.01	\$ 3.46	\$ 0.93	\$ 1.01	\$ 1.17	\$ 1.27	\$ 4.38
Weighted Average Diluted Shares Outstanding, thousands	53,889	54,848	55,229	55,944	54,984	56,241	56,587	56,963	56,887	56,673

Customer Concentration (as % of Total Revenues)										
Top Customer	9.8 %	8.7 %	see (5)	see (5)	see (5)	see (5)	see (5)	see (5)	see (5)	see (5)
Top 5 Customers	26.4 %	23.8 %	23.6 %	22.9 %	24.0 %	23.6 %	22.9 %	22.6 %	20.4 %	22.3 %
Top 10 Customers	36.2 %	33.7 %	33.3 %	32.7 %	33.9 %	33.3 %	32.2 %	31.9 %	29.8 %	31.6 %
Top 20 Customers	47.5 %	45.1 %	44.1 %	43.5 %	44.7 %	44.4 %	43.4 %	43.7 %	42.1 %	42.5 %
Outside of Top 20 Customers	52.5 %	54.9 %	55.9 %	56.5 %	55.3 %	55.6 %	56.6 %	56.3 %	57.9 %	57.5 %

	2017				2017	2018				2018
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
Cash Flows (6)										
Cash Flow Provided by Operations	\$ 29.1	\$ 30.2	\$ 62.2	\$ 71.2	\$ 192.8	\$ 7.3	\$ 59.5	\$ 102.3	\$ 123.1	\$ 292.2
Investing Cash Flows	\$ (5.7)	\$ (12.0)	\$ (6.5)	\$ (12.0)	\$ (36.2)	\$ (60.2)	\$ (8.2)	\$ (9.5)	\$ (34.2)	\$ (112.1)
Financing Cash Flows	\$ 7.9	\$ 26.3	\$ 6.1	\$ 9.5	\$ 49.7	\$ 4.0	\$ 7.6	\$ 9.3	\$ 2.1	\$ 23.0
Effect of Exchange Rates on Cash	\$ 3.0	\$ 3.0	\$ 4.5	\$ 1.3	\$ 11.8	\$ 3.0	\$ (10.7)	\$ (1.0)	\$ (5.5)	\$ (14.2)
Net Cash Flows	\$ 34.3	\$ 47.5	\$ 66.4	\$ 70.0	\$ 218.2	\$ (45.8)	\$ 48.2	\$ 101.0	\$ 85.5	\$ 188.9
Capital Expenditures (included in Investing Cash Flows)	\$ (5.7)	\$ (5.7)	\$ (5.4)	\$ (12.9)	\$ (29.8)	\$ (10.7)	\$ (8.6)	\$ (8.2)	\$ (10.1)	\$ (37.6)
Free Cash Flows (7)	\$ 23.4	\$ 24.5	\$ 56.8	\$ 58.3	\$ 163.0	\$ (3.4)	\$ 50.9	\$ 94.1	\$ 113.0	\$ 254.6
Adjusted Net Income Conversion (8)	60.2 %	55.9 %	111.4 %	103.0 %	85.7 %	(6.5)%	89.1 %	141.7 %	156.3 %	102.7 %

	2017				2017	2018				2018
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
Balance Sheet										
Cash and Cash Equivalents	\$ 398.4	\$ 443.5	\$ 512.5	\$ 582.6	\$ 582.6	\$ 535.9	\$ 584.1	\$ 685.1	\$ 770.6	\$ 770.6
Trade Accounts Receivable, net	\$ 176.7	\$ 208.3	\$ 230.1	\$ 265.6	\$ 265.6	\$ 262.3	\$ 283.0	\$ 282.3	\$ 297.7	\$ 297.7
Unbilled Revenues, net	\$ 102.8	\$ 107.9	\$ 106.4	\$ 86.5	\$ 86.5	\$ 136.8	\$ 123.4	\$ 129.7	\$ 104.7	\$ 104.7
Days Sales Outstanding (9)	77	82	82	81	81	83	83	81	73	73
Working Capital	\$ 585.1	\$ 658.3	\$ 724.8	\$ 779.1	\$ 779.1	\$ 790.3	\$ 843.1	\$ 908.0	\$ 936.2	\$ 936.2

	2017				2017	2018				2018
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
People										
Total Professionals, End of Period	22,433	23,233	24,547	25,962	25,962	26,705	27,431	28,447	30,156	30,156
Y/Y Net Change in Total Professionals	14.9 %	11.9 %	13.0 %	16.0 %	16.0 %	19.0 %	18.1 %	15.9 %	16.2 %	16.2 %
Billable Professionals, End of Period	19,677	20,414	21,638	22,998	22,998	23,709	24,316	25,235	26,760	26,760
Y/Y Net Change in Billable Professionals	14.7 %	12.1 %	13.5 %	16.9 %	16.9 %	20.5 %	19.1 %	16.6 %	16.4 %	16.4 %
Billable Utilization, Total	77.5 %	79.6 %	77.6 %	78.8 %	78.4 %	77.6 %	78.0 %	76.4 %	80.2 %	78.1 %

Footnotes:

(1) During EPAM Systems, Inc.'s earnings calls and in our earnings releases, management supplements results reported in accordance with United States generally accepted accounting principles, referred to as GAAP, with non-GAAP measures, as defined by SEC regulation G. Non-GAAP measures should be considered in addition to, not as a substitute for, the financial measures reported in accordance with GAAP. EPAM anticipates that it will continue to report both GAAP and certain non-GAAP financial measures in its financial results, including non-GAAP results that exclude stock-based compensation expense, write-offs and recoveries, acquisition-related costs, amortization of purchased intangible assets, goodwill impairment, legal settlements, certain other one-time charges and benefits, change in fair value of contingent consideration, foreign exchange gains and losses, the impact of U.S. tax reform, excess tax benefits related to stock-based compensation, and the related effect on income taxes of the pre-tax adjustments. EPAM's earnings releases filed with the SEC include reconciliations of results between GAAP measures and Non-GAAP measures.

(2) Constant currency revenues are calculated using weighted average exchange rates of the prior period of comparison.

(3) In Q1 2018, we changed the name of the Media & Entertainment vertical to Business Information & Media to better align with the clients that comprise the vertical and how management views the business.

(4) Effective January 1, 2018, EPAM adopted ASU 2014-09, Revenue from Contracts with Customers. As a result of the adoption, the Company started to account for reimbursable expenses as consideration included in the transaction price. Beginning with Q1 2018, the revenues by contract type now include reimbursable expenses.

(5) No single client comprises more than 10% of the Company's revenues for the relevant period. Effective Q3 2017, the top customer as a percentage of total revenues will only be presented when that amount exceeds 10%.

(6) Effective January 1, 2018, EPAM adopted ASU 2016-18, Statement of Cash Flows: Restricted Cash, which requires the Company to include restricted cash and cash equivalents in its consolidated statements of cash flows. As a result of the adoption, we restated our 2017 consolidated statements of cash flows. For more information, see Note 1 to our Form 10-K for the year ended December 31, 2018.

(7) Free cash flows is calculated as cash flows provided by operating activities as presented in the statement of cash flows under GAAP, less capital expenditures.

(8) Adjusted net income conversion is calculated by dividing free cash flows by non-GAAP net income.

(9) Days Sales Outstanding is calculated by dividing the amount of trade accounts receivable and unbilled revenues as of the end of the period by total revenues during the last three months in the period, and multiplying the result by the number of calendar days in the last three months in the period. For the period ended March 31, 2018, we have prepared the calculation excluding Continuum, acquired on March 15, 2018, due to the distortive impact that including a partial period of revenues would have on the calculation. Continuum is included in the calculation for the periods subsequent to Q1 2018. For the period ended December 31, 2018, Think, acquired on November 1, 2018, did not have a distortive impact on DSO.