



FACT SHEET

Q1 2021

This Fact Sheet includes non-GAAP measures as discussed in Footnote #1.
(in millions except percentages, headcount, share and per share data)

	2020					2021
	Q1	Q2	Q3	Q4	Full Year	Q1
Revenues						
Total Revenues	\$651.4	\$632.4	\$652.2	\$723.5	\$2,659.5	\$780.8
<i>Year-Over-Year Growth Rate</i>	24.9%	14.6%	10.9%	14.3%	15.9%	19.9%
<i>Sequential Quarter Growth Rate</i>	2.9%	(2.9%)	3.1 %	10.9%	n/a	7.9%
<i>Year-Over-Year Growth Rate in Constant Currency ⁽²⁾</i>	26.0%	15.5%	10.0%	13.7%	16.0%	17.8%
<i>Sequential Quarter Growth Rate in Constant Currency ⁽²⁾</i>	3.7%	(2.7%)	1.9 %	10.3%	n/a	7.7%
Geographies						
North America	\$389.8	\$381.9	\$390.0	\$433.4	\$1,595.1	\$470.3
<i>As % of Total Revenues</i>	59.9%	60.4%	59.8%	59.9%	60.0%	60.2%
<i>Year-Over-Year Growth Rate</i>	23.1%	14.1%	8.8%	14.0%	14.8%	20.6%
Europe	\$223.1	\$211.1	\$214.5	\$231.2	\$879.9	\$259.4
<i>As % of Total Revenues</i>	34.2%	33.4%	32.9%	32.0%	33.1%	33.2%
<i>Year-Over-Year Growth Rate</i>	28.6%	19.0%	13.3%	11.8%	17.8%	16.3%
CIS	\$24.9	\$22.1	\$30.0	\$37.7	\$114.7	\$30.1
<i>As % of Total Revenues</i>	3.8%	3.5%	4.6%	5.2%	4.3%	3.9%
<i>Year-Over-Year Growth Rate</i>	36.8 %	(12.0%)	13.4 %	22.9%	14.2%	21.2 %
APAC	\$13.6	\$17.3	\$17.7	\$21.2	\$69.8	\$21.0
<i>As % of Total Revenues</i>	2.1%	2.7%	2.7%	2.9%	2.6%	2.7%
<i>Year-Over-Year Growth Rate</i>	4.7%	20.5%	27.4%	39.4%	23.7%	53.9%
Verticals						
Financial Services	\$131.7	\$128.0	\$136.7	\$158.9	\$555.3	\$168.9
<i>As % of Total Revenues</i>	20.2%	20.2%	20.9%	22.0%	20.9%	21.6%
<i>Year-Over-Year Growth Rate</i>	16.2%	6.3%	4.9%	16.1%	10.9%	28.3%
Business Information & Media	\$138.7	\$140.2	\$140.0	\$141.7	\$560.7	\$147.7
<i>As % of Total Revenues</i>	21.3%	22.2%	21.5%	19.6%	21.1%	19.0%
<i>Year-Over-Year Growth Rate</i>	46.0%	42.9%	32.3%	16.2%	33.2%	6.5%
Software & Hi-Tech	\$121.9	\$119.5	\$118.8	\$136.6	\$496.8	\$147.1
<i>As % of Total Revenues</i>	18.7%	18.9%	18.2%	18.9%	18.7%	18.8%
<i>Year-Over-Year Growth Rate</i>	21.9%	13.2%	9.7%	14.3%	14.6%	20.7%
Travel & Consumer	\$119.5	\$107.3	\$110.2	\$121.8	\$458.8	\$139.0
<i>As % of Total Revenues</i>	18.4%	17.0%	16.9%	16.8%	17.2%	17.8%
<i>Year-Over-Year Growth Rate</i>	14.6%	0.1%	(2.0%)	5.4%	4.4%	16.3%
Life Sciences & Healthcare	\$69.2	\$68.9	\$74.2	\$84.0	\$296.3	\$91.1
<i>As % of Total Revenues</i>	10.6%	10.9%	11.4%	11.6%	11.1%	11.7%
<i>Year-Over-Year Growth Rate</i>	26.4%	16.4%	11.1%	24.0%	19.3%	31.6%
Emerging Verticals	\$70.4	\$68.5	\$72.3	\$80.5	\$291.6	\$87.0
<i>As % of Total Revenues</i>	10.8%	10.8%	11.1%	11.1%	11.0%	11.1%
<i>Year-Over-Year Growth Rate</i>	30.3%	11.9%	12.2%	13.1%	16.3%	23.6%



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	Q1	Q2	Q3	Q4	Full Year	Q1
Customer Concentration, as % of Total Revenues						
Top 5 Customers	22.1%	23.2%	22.7%	20.1%	22.0%	20.2%
Top 10 Customers	31.6%	32.5%	31.6%	29.8%	30.9%	28.7%
Top 20 Customers	43.5%	44.3%	43.3%	41.8%	42.3%	40.7%
Outside of Top 20 Customers	56.5%	55.7%	56.7%	58.2%	57.7%	59.3%
Number of Accounts with Revenues:						
Over \$20 Million					28	
\$10 - \$20 Million					27	
\$5 - \$10 Million					43	
\$1 - \$5 Million					225	
\$0.5 - \$1 Million					107	
Contract Types						
Time-and-Material	\$561.2	\$554.9	\$559.1	\$615.9	\$2,291.1	\$665.0
<i>As % of Total Revenues</i>	86.2%	87.7%	85.7%	85.1%	86.2%	85.1%
Fixed-Price	\$85.9	\$72.4	\$90.4	\$103.3	\$352.0	\$111.3
<i>As % of Total Revenues</i>	13.2%	11.5%	13.9%	14.3%	13.2%	14.3%
Licensing	\$3.4	\$2.5	\$2.0	\$3.2	\$11.1	\$3.7
<i>As % of Total Revenues</i>	0.5%	0.4%	0.3%	0.4%	0.4%	0.5%
Other Revenues	\$0.9	\$2.6	\$0.7	\$1.1	\$5.3	\$0.8
<i>As % of Total Revenues</i>	0.1%	0.4%	0.1%	0.2%	0.2%	0.1%



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	2020					2021
	Q1	Q2	Q3	Q4	Full Year	Q1
Profitability						
GAAP						
Gross Margin	\$227.6	\$212.8	\$228.9	\$257.7	\$927.0	\$261.4
<i>As % of Total Revenues</i>	34.9%	33.7%	35.1%	35.6%	34.9%	33.5%
Selling, General and Administrative Expenses	\$125.1	\$114.2	\$116.5	\$128.9	\$484.8	\$136.4
<i>As % of Total Revenues</i>	19.2%	18.1%	17.9%	17.8%	18.2%	17.5%
Income from Operations	\$87.5	\$83.4	\$96.4	\$112.0	\$379.3	\$107.3
<i>As % of Total Revenues</i>	13.4%	13.2%	14.8%	15.5%	14.3%	13.7%
Net Income	\$85.6	\$66.6	\$89.4	\$85.5	\$327.2	\$109.0
<i>As % of Total Revenues</i>	13.1%	10.5%	13.7%	11.8%	12.3%	14.0%
Diluted Earnings Per Share	\$1.47	\$1.14	\$1.53	\$1.46	\$5.60	\$1.86
<i>Year-Over-Year Growth Rate</i>	38.7%	11.8%	31.9%	13.2%	23.6%	26.5%
Effective Tax Rate	11.3%	12.4%	14.0%	16.2%	13.6%	5.1%
Weighted Average Diluted Shares Outstanding, thousands	58,143	58,246	58,616	58,774	58,446	58,778
Non-GAAP						
Gross Margin	\$231.5	\$221.8	\$239.7	\$266.7	\$959.7	\$272.6
<i>As % of Total Revenues</i>	35.5%	35.1%	36.8%	36.9%	36.1%	34.9%
Selling, General and Administrative Expenses	\$114.4	\$101.4	\$103.6	\$117.2	\$436.5	\$121.0
<i>As % of Total Revenues</i>	17.6%	16.0%	15.9%	16.2%	16.4%	15.5%
Income from Operations	\$105.3	\$108.2	\$123.3	\$135.9	\$472.7	\$136.9
<i>As % of Total Revenues</i>	16.2%	17.1%	18.9%	18.8%	17.8%	17.5%
Net Income	\$82.9	\$85.0	\$96.7	\$106.0	\$370.6	\$106.2
<i>As % of Total Revenues</i>	12.7%	13.4%	14.8%	14.7%	13.9%	13.6%
Diluted Earnings Per Share	\$1.43	\$1.46	\$1.65	\$1.81	\$6.34	\$1.81
<i>Year-Over-Year Growth Rate</i>	14.4%	14.1%	18.7%	19.9%	17.0%	26.6%
Effective Tax Rate	22.8%	22.3%	22.6%	22.6%	22.6%	22.7%
Weighted Average Diluted Shares Outstanding, thousands	58,143	58,246	58,616	58,774	58,446	58,778



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	Q1	Q2	Q3	Q4	Full Year	Q1
Balance Sheet						
Cash and Cash Equivalents	\$916.3	\$993.7	\$1,161.1	\$1,322.1	\$1,322.1	\$1,372.8
Trade Receivables and Contract Assets, net	\$542.7	\$506.9	\$493.2	\$501.1	\$501.1	\$585.0
Days Sales Outstanding ⁽³⁾	76	73	70	64	64	67
Working Capital	\$1,118.4	\$1,232.8	\$1,337.4	\$1,446.8	\$1,446.8	\$1,541.0
Cash Flows						
Cash Flows from Operating Activities	\$63.3	\$146.2	\$175.6	\$159.3	\$544.4	\$12.8
Cash Flows from Investing Activities	(\$59.5)	(\$74.1)	(\$15.7)	(\$17.9)	(\$167.2)	\$48.5
Cash Flows from Financing Activities	(\$2.0)	(\$4.6)	\$5.6	\$0.2	(\$0.8)	\$1.3
Effect of Exchange Rates on Cash	(\$22.0)	\$10.0	\$1.9	\$19.5	\$9.4	(\$11.9)
Net Cash Flows	(\$20.3)	\$77.5	\$167.3	\$161.3	\$385.8	\$50.8
CapEx (included in Cash Flows from Investing Activities)	(\$29.1)	(\$11.4)	(\$9.8)	(\$18.5)	(\$68.8)	(\$11.2)
Free Cash Flows ⁽⁴⁾	\$34.2	\$134.7	\$165.8	\$140.9	\$475.6	\$1.6
Adjusted Net Income Conversion ⁽⁵⁾	41.2%	158.5%	171.5%	132.8%	128.3%	1.5%
Currencies						
Revenues by Currency, as % of Total Revenues						
U.S. Dollar - USD	69.4%	69.6%	67.3%	67.0%	68.3%	66.5%
Euro - EUR	12.4%	12.0%	12.4%	12.5%	12.3%	12.1%
British Pound - GBP	6.0%	5.7%	5.8%	5.7%	5.8%	6.7%
Swiss Franc - CHF	3.4%	3.4%	3.6%	4.0%	3.6%	4.6%
Russian Ruble - RUB	3.1%	2.8%	4.1%	4.7%	3.7%	3.4%
Canadian Dollar - CAD	2.3%	2.2%	2.3%	1.8%	2.1%	2.5%
Other	3.4%	4.3%	4.5%	4.3%	4.2%	4.2%
Expenses by Currency, as % of Total non-GAAP OPEX						
U.S. Dollar - USD	54.6%	60.2%	61.0%	58.9%	58.6%	52.8%
Russian Ruble - RUB	10.5%	9.2%	8.7%	9.3%	9.5%	10.4%
Polish Zloty - PLN	5.1%	4.8%	4.8%	4.9%	4.9%	5.8%
Euro - EUR	4.2%	4.2%	3.9%	4.3%	4.1%	5.0%
Swiss Franc - CHF	4.1%	3.9%	3.9%	4.3%	4.0%	4.9%
British Pound - GBP	4.5%	3.3%	3.6%	3.6%	3.8%	4.7%
Hungarian Forint - HUF	4.2%	3.6%	3.9%	3.7%	3.9%	4.0%
Indian Rupee - INR	2.2%	2.4%	2.5%	2.7%	2.4%	2.8%
Chinese Yuan Renminbi - CNY	1.7%	1.5%	1.5%	1.6%	1.6%	1.5%
Mexican Peso - MXN	1.3%	1.1%	1.1%	1.4%	1.2%	1.5%
Canadian Dollar - CAD	1.2%	0.9%	0.9%	0.9%	1.0%	1.3%
Other	6.4%	4.9%	4.2%	4.4%	5.0%	5.3%



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	2020					2021
	Q1	Q2	Q3	Q4	Full Year	Q1
People						
Total Professionals, End of Period	37,385	36,448	38,012	41,168	41,168	43,450
<i>Year-Over-Year Net Change in Total Professionals</i>	19.0%	10.1%	7.2%	12.1%	12.1%	16.2%
Delivery Professionals, End of Period	33,111	32,298	33,778	36,737	36,737	38,830
<i>Year-Over-Year Net Change in Delivery Professionals</i>	18.7%	9.7%	7.4%	12.8%	12.8%	17.3%
Utilization	79.5%	83.9%	78.2%	77.9%	79.8%	81.4%
Delivery Professionals by Location						
Belarus					9,638	
Ukraine					9,115	
Russia					6,348	
APAC					3,567	
Central Europe					3,522	
North America					3,060	
Western Europe and Middle East					1,487	

Footnotes:

(1) During EPAM Systems, Inc.'s earnings calls, in our earnings releases and investor decks, management supplements results reported in accordance with United States generally accepted accounting principles, referred to as GAAP, with non-GAAP measures. Management believes these measures help illustrate underlying trends in EPAM's business and uses the measures to establish budgets and operational goals, communicate internally and externally, for managing EPAM's business and evaluating its performance. Management also believes these measures help investors compare EPAM's operating performance with its results in prior periods. 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 expenses, acquisition-related costs including amortization of intangible assets, impairment of assets, certain other one-time charges and benefits, changes in fair value of contingent consideration, foreign exchange gains and losses, excess tax benefits related to stock-based compensation, and the related effect on income taxes of the pre-tax adjustments. Management also compares operating results on a basis of "constant currency," which is also a non-GAAP financial measure. This measure excludes the effect of foreign currency exchange rate fluctuations by translating the current period revenues and expenses into U.S. dollars at the weighted average exchange rates of the prior period of comparison. Because EPAM's reported non-GAAP financial measures are not calculated in accordance with GAAP, these measures are not comparable to GAAP and may not be comparable to similarly described non-GAAP measures reported by other companies within EPAM's industry. Consequently, EPAM's non-GAAP financial measures should not be evaluated in isolation or supplant comparable GAAP measures, but rather, should be considered together with the information in EPAM's consolidated financial statements, which are prepared in accordance with GAAP. EPAM's earnings releases, available on our website and furnished to the SEC, include reconciliations of results between non-GAAP measures and the comparable GAAP measures.

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

(3) Days Sales Outstanding is calculated by dividing the amount of Trade receivables and contract assets, net 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. We did not adjust the calculation herein for acquisitions as these did not have a distortive impact on Days Sales Outstanding in the respective periods of acquisition.

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

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