



FACT SHEET

Q3 2022

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

	2021					2022		
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3
Revenues								
Total Revenues	\$780.8	\$881.4	\$988.5	\$1,107.4	\$3,758.1	\$1,171.6	\$1,194.9	\$1,226.9
<i>Year-Over-Year Growth Rate</i>	19.9%	39.4%	51.6%	53.1%	41.3%	50.1%	35.6%	24.1%
<i>Sequential Quarter Growth Rate</i>	7.9%	12.9%	12.2%	12.0%	n/a	5.8%	2.0%	2.7%
<i>Year-Over-Year Growth Rate in Constant Currency ⁽²⁾</i>	17.8%	35.9%	50.7%	54.1%	39.9%	53.0%	40.1%	29.8%
<i>Sequential Quarter Growth Rate in Constant Currency ⁽²⁾</i>	7.7%	12.3%	13.0%	12.7%	n/a	6.8%	3.2%	4.4%
Verticals								
Travel & Consumer	\$139.0	\$171.5	\$197.5	\$233.0	\$741.1	\$265.3	\$276.3	\$280.4
<i>As % of Total Revenues</i>	17.8%	19.5%	20.0%	21.0%	19.7%	22.6%	23.1%	22.9%
<i>Year-Over-Year Growth Rate</i>	16.3%	59.9%	79.3%	91.3%	61.5%	90.9%	61.1%	41.9%
Financial Services	\$168.9	\$193.9	\$230.9	\$254.7	\$848.4	\$260.1	\$251.0	\$254.7
<i>As % of Total Revenues</i>	21.6%	22.0%	23.4%	23.0%	22.6%	22.2%	21.0%	20.8%
<i>Year-Over-Year Growth Rate</i>	28.3%	51.5%	68.9%	60.3%	52.8%	54.0%	29.4%	10.4%
Business Information & Media	\$147.7	\$157.9	\$173.0	\$188.4	\$666.9	\$194.3	\$197.9	\$208.9
<i>As % of Total Revenues</i>	19.0%	17.9%	17.5%	17.0%	17.7%	16.6%	16.6%	17.0%
<i>Year-Over-Year Growth Rate</i>	6.5%	12.5%	23.6%	32.9%	19.0%	31.5%	25.4%	20.8%
Software & Hi-Tech	\$147.1	\$159.2	\$174.3	\$184.0	\$664.6	\$189.5	\$195.3	\$205.4
<i>As % of Total Revenues</i>	18.8%	18.0%	17.6%	16.6%	17.7%	16.2%	16.3%	16.7%
<i>Year-Over-Year Growth Rate</i>	20.7%	33.2%	46.6%	34.7%	33.8%	28.8%	22.7%	17.8%
Life Sciences & Healthcare	\$91.1	\$91.7	\$96.1	\$112.4	\$391.3	\$123.8	\$128.5	\$129.7
<i>As % of Total Revenues</i>	11.7%	10.4%	9.7%	10.2%	10.4%	10.6%	10.8%	10.6%
<i>Year-Over-Year Growth Rate</i>	31.6%	33.1%	29.5%	33.9%	32.1%	35.9%	40.1%	35.0%
Emerging Verticals	\$87.0	\$107.2	\$116.7	\$134.9	\$445.8	\$138.6	\$145.9	\$147.8
<i>As % of Total Revenues</i>	11.1%	12.2%	11.8%	12.2%	11.9%	11.8%	12.2%	12.0%
<i>Year-Over-Year Growth Rate</i>	23.6%	56.4%	61.5%	67.6%	52.9%	59.4%	36.1%	26.6%
Geographies ⁽³⁾								
Americas	\$470.3	\$527.4	\$591.3	\$637.7	\$2,226.8	\$686.8	\$721.6	\$747.1
<i>As % of Total Revenues</i>	60.2%	59.8%	59.8%	57.6%	59.3%	58.7%	60.4%	60.9%
<i>Year-Over-Year Growth Rate</i>	20.6%	38.1%	51.6%	47.2%	39.6%	46.0%	36.8%	26.3%
EMEA	\$259.4	\$291.3	\$323.8	\$385.3	\$1,259.7	\$421.9	\$423.0	\$438.2
<i>As % of Total Revenues</i>	33.2%	33.0%	32.8%	34.8%	33.4%	36.0%	35.4%	35.7%
<i>Year-Over-Year Growth Rate</i>	16.3%	38.0%	50.9%	66.6%	43.2%	62.7%	45.2%	35.3%
APAC	\$21.0	\$25.0	\$28.4	\$29.2	\$103.6	\$29.6	\$30.2	\$31.4
<i>As % of Total Revenues</i>	2.7%	2.8%	2.9%	2.6%	2.8%	2.5%	2.5%	2.6%
<i>Year-Over-Year Growth Rate</i>	53.9%	44.4%	60.4%	38.0%	48.4%	41.2%	20.8%	10.5%
CEE	\$30.1	\$37.7	\$45.0	\$55.2	\$168.0	\$33.3	\$20.1	\$10.2
<i>As % of Total Revenues</i>	3.9%	4.4%	4.5%	5.0%	4.5%	2.8%	1.7%	0.8%
<i>Year-Over-Year Growth Rate</i>	21.2%	70.8%	49.7%	46.4%	46.5%	10.5%	(46.7)%	(77.2)%



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	2021					2022		
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3
Customer Concentration, as % of Total Revenues								
Top 5 Customers	20.2%	18.7%	17.7%	16.6%	18.2%	17.0%	16.5%	16.4%
Top 10 Customers	28.7%	26.4%	25.0%	23.7%	25.7%	24.1%	24.2%	24.4%
Top 20 Customers	40.7%	37.9%	36.8%	35.3%	37.1%	35.7%	35.5%	36.1%
Outside of Top 20 Customers	59.3%	62.1%	63.2%	64.7%	62.9%	64.3%	64.5%	63.9%
Number of Accounts with Revenues:								
Over \$20 Million					40			
\$10 - \$20 Million					38			
\$5 - \$10 Million					63			
\$1 - \$5 Million					271			
\$0.5 - \$1 Million					133			
Contract Types								
Time-and-Material	\$665.0	\$752.5	\$851.6	\$940.6	\$3,209.7	\$1,023.2	\$1,059.6	\$1,084.8
<i>As % of Total Revenues</i>	85.1%	85.4%	86.1%	85.0%	85.4%	87.3%	88.6%	88.4%
Fixed-Price	\$111.3	\$123.8	\$132.4	\$161.9	\$529.4	\$143.5	\$131.2	\$136.4
<i>As % of Total Revenues</i>	14.3%	14.0%	13.4%	14.6%	14.1%	12.3%	11.0%	11.1%
Licensing and other revenues	\$4.5	\$5.1	\$4.5	\$4.9	\$19.0	\$4.9	\$4.1	\$5.7
<i>As % of Total Revenues</i>	0.6%	0.6%	0.5%	0.4%	0.5%	0.4%	0.4%	0.5%



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	2021					2022		
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3
Profitability								
GAAP								
Gross Margin	\$261.4	\$297.6	\$335.2	\$380.2	\$1,274.4	\$390.8	\$348.5	\$400.1
<i>As % of Total Revenues</i>	33.5%	33.8%	33.9%	34.3%	33.9%	33.4%	29.2%	32.6%
Selling, General and Administrative Expenses	\$136.4	\$151.9	\$169.5	\$190.9	\$648.7	\$237.3	\$232.5	\$198.0
<i>As % of Total Revenues</i>	17.5%	17.2%	17.1%	17.2%	17.3%	20.3%	19.5%	16.1%
Income from Operations	\$107.3	\$125.3	\$144.1	\$165.7	\$542.3	\$129.2	\$93.0	\$180.2
<i>As % of Total Revenues</i>	13.7%	14.2%	14.6%	15.0%	14.4%	11.0%	7.8%	14.7%
Net Income	\$109.0	\$114.7	\$115.7	\$142.3	\$481.7	\$89.7	\$18.6	\$156.1
<i>As % of Total Revenues</i>	14.0%	13.0%	11.7%	12.8%	12.8%	7.7%	1.6%	12.7%
Diluted Earnings Per Share	\$1.86	\$1.94	\$1.95	\$2.40	\$8.15	\$1.52	\$0.32	\$2.63
<i>Year-Over-Year Growth Rate</i>	26.5%	70.2%	27.5%	64.4%	45.5%	(18.3%)	(83.5%)	34.9%
Effective Tax Rate	5.1%	6.9%	14.6%	11.0%	9.7%	15.6%	(114.9%)	18.4%
Weighted Average Diluted Shares Outstanding, thousands	58,778	59,011	59,203	59,254	59,064	58,941	59,020	59,357
Non-GAAP								
Gross Margin	\$272.6	\$308.9	\$347.3	\$397.2	\$1,326.0	\$390.7	\$375.8	\$421.5
<i>As % of Total Revenues</i>	34.9%	35.0%	35.1%	35.9%	35.3%	33.3%	31.5%	34.4%
Selling, General and Administrative Expenses	\$121.0	\$137.2	\$150.8	\$173.1	\$582.1	\$183.0	\$181.1	\$172.8
<i>As % of Total Revenues</i>	15.5%	15.6%	15.3%	15.6%	15.5%	15.6%	15.2%	14.1%
Income from Operations	\$136.9	\$155.2	\$179.6	\$206.4	\$678.2	\$188.7	\$177.5	\$232.4
<i>As % of Total Revenues</i>	17.5%	17.6%	18.2%	18.6%	18.0%	16.1%	14.9%	18.9%
Net Income	\$106.2	\$121.1	\$143.2	\$163.7	\$534.3	\$147.0	\$140.2	\$183.7
<i>As % of Total Revenues</i>	13.6%	13.7%	14.5%	14.8%	14.2%	12.6%	11.7%	15.0%
Diluted Earnings Per Share	\$1.81	\$2.05	\$2.42	\$2.76	\$9.05	\$2.49	\$2.38	\$3.10
<i>Year-Over-Year Growth Rate</i>	26.6%	40.4%	46.7%	52.5%	42.7%	37.6%	16.1%	28.1%
Effective Tax Rate	22.7%	22.9%	21.0%	21.9%	22.0%	23.9%	22.9%	23.1%
Weighted Average Diluted Shares Outstanding, thousands	58,778	59,011	59,203	59,254	59,064	58,941	59,020	59,357



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	2021					2022		
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3
Balance Sheet								
Cash and Cash Equivalents	\$1,372.8	\$1,283.2	\$1,266.6	\$1,446.6	\$1,446.6	\$1,276.5	\$1,293.5	\$1,487.6
Trade Receivables and Contract Assets, net	\$585.0	\$682.2	\$755.6	\$768.9	\$768.9	\$901.3	\$929.2	\$917.1
Days Sales Outstanding ⁽⁴⁾	67	70	70	62	62	69	71	69
Working Capital	\$1,541.0	\$1,515.1	\$1,459.6	\$1,506.1	\$1,506.1	\$1,583.5	\$1,675.0	\$1,800.0
Cash Flows								
Cash Flows from Operating Activities	\$12.8	\$68.8	\$206.1	\$284.6	\$572.3	(\$51.8)	\$77.5	\$252.4
Cash Flows from Investing Activities	\$48.5	(\$145.9)	(\$61.1)	(\$210.4)	(\$368.9)	(\$34.6)	(\$88.5)	(\$28.7)
Cash Flows from Financing Activities	\$1.3	(\$20.3)	\$4.5	(\$45.1)	(\$59.6)	(\$9.6)	(\$1.0)	\$0.6
Effect of Exchange Rates on Cash	(\$11.9)	\$8.1	(\$8.9)	(\$5.3)	(\$18.0)	(\$45.4)	(\$0.3)	(\$30.2)
Net Cash Flows	\$50.8	(\$89.2)	\$140.5	\$23.8	\$125.8	(\$141.4)	(\$12.3)	\$194.0
CapEx (included in Cash Flows from Investing Activities)	(\$11.2)	(\$22.6)	(\$21.1)	(\$56.6)	(\$111.5)	(\$23.3)	(\$18.2)	(\$18.7)
Free Cash Flows ⁽⁵⁾	\$1.6	\$46.2	\$184.9	\$228.0	\$460.8	(\$75.1)	\$59.4	\$233.7
Adjusted Net Income Conversion ⁽⁶⁾	1.5%	38.2%	129.1%	139.3%	86.3%	(51.1)%	42.3 %	127.2%
Currencies								
<i>Revenues by Currency, as % of Total Revenues</i>								
U.S. Dollar - USD	66.5%	65.6%	65.3%	64.0%	65.2%	65.0%	66.5%	67.6%
Euro - EUR	12.1%	12.3%	12.5%	14.5%	12.9%	15.2%	15.2%	15.0%
British Pound - GBP	6.7%	7.7%	8.1%	8.1%	7.7%	8.0%	7.4%	7.7%
Swiss Franc - CHF	4.6%	3.7%	3.2%	2.8%	3.5%	3.1%	2.8%	2.7%
Canadian Dollar - CAD	2.5%	2.6%	2.3%	2.0%	2.3%	2.1%	2.5%	2.2%
Russian Ruble - RUB	3.4%	3.9%	4.2%	4.3%	4.0%	2.5%	1.6%	0.7%
Other	4.2%	4.2%	4.4%	4.3%	4.4%	4.1%	4.0%	4.1%
<i>Expenses by Currency, as % of Total non-GAAP OPEX</i>								
U.S. Dollar - USD	52.8%	55.8%	56.5%	52.6%	54.4%	42.7%	47.0%	49.0%
Euro - EUR	5.0%	4.7%	5.5%	8.5%	6.1%	11.0%	10.9%	13.5%
Polish Zloty - PLN	5.8%	5.7%	5.5%	5.9%	5.8%	6.9%	6.9%	8.0%
Indian Rupee - INR	2.8%	3.2%	3.3%	3.7%	3.3%	4.2%	5.1%	5.5%
British Pound - GBP	4.7%	4.4%	3.9%	3.9%	4.2%	5.4%	4.0%	3.8%
Swiss Franc - CHF	4.9%	4.1%	3.4%	3.1%	3.8%	4.1%	3.0%	3.1%
Hungarian Forint - HUF	4.0%	3.6%	3.2%	2.8%	3.4%	3.2%	2.8%	2.8%
Mexican Peso - MXN	1.5%	1.5%	1.8%	1.7%	1.6%	1.9%	2.2%	2.2%
Colombian peso - COP	0.0%	0.1%	0.5%	1.0%	0.4%	1.2%	1.7%	1.9%
Canadian Dollar - CAD	1.3%	1.1%	1.1%	1.1%	1.1%	1.7%	1.4%	1.5%
Chinese Yuan Renminbi - CNY	1.5%	1.5%	1.3%	1.2%	1.4%	1.3%	1.4%	1.4%
Russian Ruble - RUB	10.4%	8.8%	8.6%	9.4%	9.3%	10.9%	8.0%	1.2%
Other	5.3%	5.5%	5.4%	5.1%	5.2%	5.5%	5.6%	6.1%



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People								
Total Professionals, End of Period	43,450	47,862	52,682	58,824	58,824	61,598	61,309	60,298
<i>Year-Over-Year Net Change in Total Professionals</i>	16.2%	31.3%	38.6%	42.9%	42.9%	41.8%	28.1%	14.5%
Delivery Professionals, End of Period	38,830	42,842	47,098	52,617	52,617	55,070	54,885	53,933
<i>Year-Over-Year Net Change in Delivery Professionals</i>	17.3%	32.6%	39.4%	43.2%	43.2%	41.8%	28.1%	14.5%
Utilization	81.4%	80.2%	77.1%	76.8%	78.7%	78.4%	78.0%	73.5%
Delivery Professionals by Location								
Ukraine					12,389			
Belarus					9,416			
Russia					8,933			
APAC					7,253			
Central Europe					5,527			
Americas					4,744			
Western Europe and Middle East					4,355			

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, expenses associated with EPAM's humanitarian commitment to its professionals in Ukraine, unbilled business continuity resources resulting from Russia's invasion of Ukraine, costs associated with the geographic repositioning efforts in Russia and Belarus, employee separation costs in Russia, 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) Due to growth and addition of customers in new locations we renamed our revenue geographies in Q4 2021. North America is now Americas, Europe is now EMEA, CIS is now CEE. We did not change the reporting approach of the revenues as a result of this naming change.

(4) 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. For the quarter ended December 31, 2021, we have prepared the calculation excluding Emakina Group, acquired on November 3, 2021, and Optiva Media, acquired on December 1, 2021, due to the distortive impact that including a partial period of revenues would have on the calculation. We did not adjust the calculation herein for any other acquisitions as these did not have a significant distortive impact on Days Sales Outstanding in the respective periods of acquisition.

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

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