



## FACT SHEET (1)

Q4 2019

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

	2018					2019				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
<b>Revenues</b>										
<b>Total Revenues</b>	\$424.1	\$445.6	\$468.2	\$504.9	\$1,842.9	\$521.3	\$551.6	\$588.1	\$632.8	\$2,293.8
<i>Year-Over-Year Growth Rate</i>	30.6%	27.7%	24.0%	26.5%	27.1%	22.9%	23.8%	25.6%	25.3%	24.5%
<i>Sequential Quarter Growth Rate</i>	6.2%	5.1%	5.1%	7.8%	n/a	3.2%	5.8%	6.6%	7.6%	n/a
<i>Year-Over-Year Growth Rate in Constant Currency (2)</i>	26.0%	27.1%	25.4%	28.9%	26.9%	26.3%	25.1%	27.2%	24.8%	25.8%
<i>Sequential Quarter Growth Rate in Constant Currency (2)</i>	4.6%	7.3%	5.5%	8.8%	n/a	2.8%	6.1%	7.3%	6.8%	n/a
<b>Geographies</b>										
<b>North America</b>	\$239.4	\$264.5	\$284.1	\$311.2	\$1,099.2	\$316.7	\$334.8	\$358.4	\$380.2	\$1,390.0
<i>As % of Total Revenues</i>	56.5%	59.3%	60.7%	61.6%	59.6%	60.7%	60.7%	60.9%	60.1%	60.6%
<i>Year-Over-Year Growth Rate</i>	26.5%	28.4%	30.3%	36.9%	30.7%	32.2%	26.6%	26.2%	22.2%	26.5%
<b>Europe</b>	\$153.1	\$149.8	\$152.2	\$157.3	\$612.5	\$173.5	\$177.3	\$189.3	\$206.8	\$746.9
<i>As % of Total Revenues</i>	36.1%	33.6%	32.5%	31.2%	33.2%	33.3%	32.2%	32.2%	32.7%	32.6%
<i>Year-Over-Year Growth Rate</i>	33.9%	23.6%	12.4%	12.1%	19.8%	13.3%	18.4%	24.4%	31.4%	21.9%
<b>CIS</b>	\$21.8	\$19.4	\$18.5	\$22.0	\$81.7	\$18.2	\$25.1	\$26.5	\$30.7	\$100.5
<i>As % of Total Revenues</i>	5.1%	4.4%	4.0%	4.4%	4.4%	3.5%	4.5%	4.5%	4.9%	4.4%
<i>Year-Over-Year Growth Rate</i>	49.8%	31.4%	15.9%	(4.8)%	19.5%	-16.6%	29.3%	43.0%	39.7%	23.0%
<b>APAC</b>	\$9.8	\$12.0	\$13.3	\$14.4	\$49.5	\$13.0	\$14.4	\$13.9	\$15.1	\$56.4
<i>As % of Total Revenues</i>	2.3%	2.7%	2.8%	2.8%	2.8%	2.5%	2.6%	2.4%	2.3%	2.4%
<i>Year-Over-Year Growth Rate</i>	51.9%	70.2%	67.6%	68.1%	65.0%	32.1%	19.9%	4.1%	5.4%	13.9%
<b>Verticals</b>										
<b>Financial Services</b>	\$103.8	\$103.0	\$104.8	\$112.4	\$424.0	\$113.3	\$120.5	\$130.3	\$136.8	\$500.9
<i>As % of Total Revenues</i>	24.5%	23.1%	22.4%	22.3%	23.0%	21.7%	21.9%	22.1%	21.6%	21.8%
<i>Year-Over-Year Growth Rate</i>	38.4%	30.3%	18.1%	16.9%	25.1%	9.1%	16.9%	24.4%	21.8%	18.1%
<b>Travel &amp; Consumer</b>	\$91.8	\$101.0	\$101.1	\$99.7	\$393.6	\$104.3	\$107.1	\$112.4	\$115.6	\$439.4
<i>As % of Total Revenues</i>	21.6%	22.7%	21.6%	19.7%	21.4%	20.0%	19.4%	19.1%	18.3%	19.2%
<i>Year-Over-Year Growth Rate</i>	27.8%	30.1%	21.9%	17.3%	24.0%	13.6%	6.0%	11.2%	15.9%	11.6%
<b>Software &amp; Hi-Tech</b>	\$81.6	\$85.0	\$88.2	\$96.0	\$350.8	\$99.9	\$105.5	\$108.4	\$119.6	\$433.4
<i>As % of Total Revenues</i>	19.2%	19.1%	18.8%	19.0%	19.0%	19.2%	19.1%	18.4%	18.9%	18.9%
<i>Year-Over-Year Growth Rate</i>	19.5%	22.0%	20.1%	26.0%	22.0%	22.4%	24.1%	22.9%	24.5%	23.5%
<b>Business Information &amp; Media</b>	\$76.2	\$77.6	\$81.8	\$88.4	\$324.0	\$95.0	\$98.1	\$105.8	\$122.0	\$420.9



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<i>As % of Total Revenues</i>	18.0%	17.4%	17.5%	17.5%	17.6%	18.2%	17.8%	18.0%	19.3%	18.4%
<i>Year-Over-Year Growth Rate</i>	32.4%	23.1%	27.2%	24.0%	26.4%	24.7%	26.4%	29.3%	38.0%	29.9%
Life Sciences & Healthcare	\$32.3	\$38.5	\$44.6	\$56.3	\$171.7	\$54.8	\$59.2	\$66.8	\$67.7	\$248.5
<i>As % of Total Revenues</i>	7.6%	8.6%	9.5%	11.2%	9.3%	10.5%	10.7%	11.4%	10.7%	10.8%
<i>Year-Over-Year Growth Rate</i>	19.3%	33.4%	40.4%	71.3%	42.4%	69.6%	53.7%	49.7%	20.3%	44.7%
Emerging Verticals	\$38.4	\$40.5	\$47.7	\$52.1	\$178.8	\$54.0	\$61.2	\$64.4	\$71.1	\$250.7
<i>As % of Total Revenues</i>	9.1%	9.1%	10.2%	10.3%	9.7%	10.4%	11.1%	11.0%	11.2%	10.9%
<i>Year-Over-Year Growth Rate</i>	54.4%	31.9%	31.4%	38.1%	37.9%	40.7%	51.3%	35.1%	36.3%	40.3%

## Profitability

	2018					2019				
<b>GAAP</b>										
Gross Margin	\$146.5	\$156.5	\$167.1	\$185.9	\$656.0	\$176.6	\$195.7	\$210.6	\$222.7	\$805.6
<i>As % of Total Revenues</i>	34.5%	35.1%	35.7%	36.8%	35.6%	33.9%	35.5%	35.8%	35.2%	35.1%
Selling, General and Administrative Expenses	\$89.6	\$93.3	\$93.2	\$97.4	\$373.6	\$101.8	\$111.8	\$118.9	\$125.0	\$457.4
<i>As % of Total Revenues</i>	21.1%	20.9%	19.9%	19.3%	20.3%	19.5%	20.3%	20.2%	19.8%	19.9%
Income from Operations	\$48.7	\$54.2	\$64.6	\$78.3	\$245.8	\$64.7	\$72.9	\$80.6	\$84.7	\$302.9
<i>As % of Total Revenues</i>	11.5%	12.2%	13.8%	15.5%	13.3%	12.4%	13.2%	13.7%	13.4%	13.2%
Net Income	\$64.4	\$50.3	\$65.6	\$60.0	\$240.3	\$60.8	\$58.8	\$67.0	\$74.5	\$261.1
<i>As % of Total Revenues</i>	15.2%	11.3%	14.0%	11.9%	13.0%	11.7%	10.7%	11.4%	11.8%	11.4%
Diluted Earnings Per Share	\$1.15	\$0.89	\$1.15	\$1.05	\$4.24	\$1.06	\$1.02	\$1.16	\$1.29	\$4.53
Effective Tax Rate	(34.5)%	12.0%	0.6%	23.9%	3.8%	5.4%	16.6%	16.2%	12.1%	12.8%
Weighted Average Diluted Shares Outstanding, thousands	56,241	56,587	56,963	56,887	56,673	57,236	57,614	57,844	57,965	57,668
<b>Non-GAAP</b>										
Gross Margin	\$154.8	\$163.5	\$174.6	\$190.3	\$683.2	\$189.4	\$203.2	\$218.2	\$232.4	\$843.2
<i>As % of Total Revenues</i>	36.5%	36.7%	37.3%	37.7%	37.1%	36.3%	36.8%	37.1%	36.7%	36.8%
Selling, General and Administrative Expenses	\$80.7	\$84.3	\$85.2	\$89.4	\$339.6	\$92.2	\$102.2	\$109.8	\$114.5	\$418.6
<i>As % of Total Revenues</i>	19.0%	18.9%	18.2%	17.7%	18.5%	17.7%	18.5%	18.7%	18.1%	18.3%
Income from Operations	\$67.7	\$72.3	\$82.1	\$93.1	\$315.1	\$89.2	\$92.6	\$99.7	\$107.6	\$389.2
<i>As % of Total Revenues</i>	16.0%	16.2%	17.5%	18.4%	17.1%	17.1%	16.8%	17.0%	17.0%	17.0%
Net Income	\$52.2	\$57.1	\$66.4	\$72.3	\$248.0	\$71.5	\$73.7	\$80.2	\$87.3	\$312.7
<i>As % of Total Revenues</i>	12.3%	12.8%	14.2%	14.3%	13.5%	13.7%	13.4%	13.6%	13.8%	13.6%



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	2018					2019				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
Diluted Earnings Per Share	\$0.93	\$1.01	\$1.17	\$1.27	\$4.38	\$1.25	\$1.28	\$1.39	\$1.51	\$5.42
Effective Tax Rate	22.2%	22.2%	20.1%	23.2%	21.9%	22.5%	22.5%	21.5%	20.7%	21.8%
Weighted Average Diluted Shares Outstanding, thousands	56,241	56,587	56,963	56,887	56,673	57,236	57,614	57,844	57,965	57,668
<b>Balance Sheet</b>										
Cash and Cash Equivalents	\$535.9	\$584.1	\$685.1	\$770.6	\$770.6	\$762.5	\$777.4	\$853.2	\$936.6	\$936.6
Trade Receivables and Contract Assets, net (3)	\$399.1	\$406.4	\$412.0	\$402.3	\$402.3	\$451.4	\$479.7	\$482.1	\$497.7	\$497.7
Days Sales Outstanding (4)	83	83	81	73	73	78	79	75	72	72
Working Capital	\$790.3	\$843.1	\$908.0	\$936.2	\$936.2	\$962.2	\$1,013.2	\$1,053.2	\$1,087.3	\$1,087.3
<b>Cash Flows</b>										
Cash Flows from Operating Activities	\$7.3	\$59.5	\$102.3	\$123.1	\$292.2	(\$0.2)	\$44.0	\$119.0	\$124.6	\$287.5
Cash Flows from Investing Activities	(\$60.2)	(\$8.2)	(\$9.5)	(\$34.2)	(\$112.1)	(\$18.6)	(\$28.9)	(\$40.1)	(\$57.8)	(\$145.4)
Cash Flows from Financing Activities	\$4.0	\$7.6	\$9.3	\$2.1	\$23.0	\$10.2	(\$2.0)	\$4.9	\$7.3	\$20.4
Effect of Exchange Rates on Cash	\$3.0	(\$10.7)	(\$1.0)	(\$5.5)	(\$14.2)	\$0.5	\$1.7	(\$8.0)	\$9.3	\$3.5
Net Cash Flows	(\$45.8)	\$48.2	\$101.0	\$85.5	\$188.9	(\$8.0)	\$14.9	\$75.8	\$83.4	\$166.0
CapEx (included in Cash Flows from Investing Activities)	(\$10.7)	(\$8.6)	(\$8.2)	(\$10.1)	(\$37.6)	(\$13.4)	(\$11.6)	(\$27.3)	(\$47.0)	(\$99.3)
Free Cash Flows (5)	(\$3.4)	\$50.9	\$94.1	\$113.0	\$254.6	(\$13.6)	\$32.4	\$91.8	\$77.6	\$188.1
Adjusted Net Income Conversion (6)	(6.5)%	89.1%	141.7%	156.3%	102.7%	(19.1)%	44.0%	114.4%	88.9%	60.2%



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	2018					2019				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
<b>Currencies</b>										
<i>Revenues by Currency, as % of Total Revenues</i>										
U.S. Dollar - USD	62.7%	64.6%	65.0%	65.3%	64.5%	67.0%	67.6%	68.3%	67.8%	67.7%
Euro - EUR	16.0%	15.0%	15.1%	14.4%	15.1%	14.2%	13.5%	13.1%	13.0%	13.4%
British Pound - GBP	7.9%	7.8%	7.4%	7.2%	7.6%	7.3%	6.6%	6.2%	6.1%	6.5%
Russian Ruble - RUB	4.1%	3.4%	2.9%	3.4%	3.4%	2.7%	3.8%	3.9%	4.2%	3.6%
Swiss Franc - CHF	3.3%	3.0%	3.3%	3.1%	3.2%	2.9%	2.6%	2.8%	3.0%	2.9%
Canadian Dollar - CAD	2.9%	3.0%	2.9%	2.8%	2.9%	2.4%	2.1%	2.4%	2.3%	2.3%
Chinese Yuan Renminbi - CNY	0.9%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	0.8%	0.5%	0.9%
Other	2.2%	2.1%	2.3%	2.7%	2.2%	2.4%	2.7%	2.5%	3.1%	2.7%
<i>Expenses by Currency, as % of Total non-GAAP OPEX</i>										
U.S. Dollar - USD	52.8%	58.6%	60.8%	61.5%	58.5%	55.0%	60.4%	61.7%	60.3%	59.5%
Russian Ruble - RUB	11.4%	9.4%	9.1%	9.0%	9.6%	10.6%	9.3%	9.1%	9.8%	9.7%
Polish Zloty - PLN	6.1%	5.6%	5.1%	4.7%	5.4%	5.1%	4.9%	4.7%	4.5%	4.8%
Hungarian Forint - HUF	6.4%	5.4%	5.0%	4.4%	5.2%	4.9%	4.6%	4.1%	4.0%	4.4%
British Pound - GBP	5.2%	4.2%	3.7%	4.1%	4.3%	5.5%	4.2%	3.7%	4.2%	4.4%
Swiss Franc - CHF	4.3%	4.0%	3.9%	3.8%	4.0%	4.1%	2.8%	3.1%	3.2%	3.3%
Euro - EUR	2.7%	2.6%	2.4%	2.2%	2.5%	2.9%	3.1%	3.1%	3.5%	3.1%
Indian Rupee - INR	2.1%	2.2%	1.8%	1.9%	2.0%	2.1%	2.1%	2.2%	2.1%	2.1%
Chinese Yuan Renminbi- CNY	2.2%	1.8%	1.7%	1.7%	1.9%	2.1%	1.6%	1.6%	1.6%	1.7%
Canadian Dollar - CAD	1.2%	1.0%	1.0%	1.0%	1.1%	1.4%	1.0%	0.9%	0.9%	1.0%
Ukrainian Hryvnia - UAH	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Belarusian Ruble - BYN	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other	5.6%	5.2%	5.5%	5.7%	5.5%	6.3%	6.0%	5.8%	5.9%	6.0%
<b>People</b>										
Total Professionals, End of Period	26,705	27,431	28,447	30,156	30,156	31,412	33,111	35,451	36,739	36,739
<i>Year-Over-Year Net Change in Total Professionals</i>	19.0%	18.1%	15.9%	16.2%	16.2%	17.6%	20.7%	24.6%	21.8%	21.8%
Delivery Professionals, End of Period	23,709	24,316	25,235	26,760	26,760	27,893	29,433	31,465	32,561	32,561
<i>Year-Over-Year Net Change in Delivery Professionals</i>	20.5%	19.1%	16.6%	16.4%	16.4%	17.6%	21.0%	24.7%	21.7%	21.7%
Utilization	77.6%	78.0%	76.4%	80.2%	78.1%	79.9%	78.4%	76.1%	77.9%	78.0%



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<b>Delivery Professionals by Location</b>										
Belarus					8,250					9,320
Ukraine					5,850					7,480
Russia					4,450					5,390
Central Europe					2,950					3,510
North America					2,300					2,930
APAC					2,150					2,790
Western Europe and Middle East					850					1,140
<b>Customers</b>										
<b>Customer Concentration, as % of Total Revenues</b>										
Top 5 Customers	23.6%	22.9%	22.6%	20.4%	22.3%	20.1%	19.4%	20.0%	20.5%	19.9%
Top 10 Customers	33.3%	32.2%	31.9%	29.8%	31.6%	29.6%	28.6%	29.0%	29.3%	29.1%
Top 20 Customers	44.4%	43.4%	43.7%	42.1%	42.5%	41.7%	40.3%	40.8%	41.0%	40.7%
Outside of Top 20 Customers	55.6%	56.6%	56.3%	57.9%	57.5%	58.3%	59.7%	59.2%	59.0%	59.3%
<b>Number of Accounts with Revenues:</b>										
\$20 Million +					14					22
\$10 - 20 Million					22					27
\$5 - 10 Million					45					42
\$1 - 5 Million					175					206
\$0.5 - 1 Million					119					105
<b>Contract Types</b>										
Time-and-Material	\$383.9	\$400.1	\$421.8	\$447.1	\$1,652.9	\$464.2	\$480.0	\$507.7	\$538.8	\$1,990.7
<i>As % of Total Revenues</i>	90.5%	89.8%	90.1%	88.5%	89.7%	89.1%	86.9%	86.3%	85.1%	86.9%
Fixed-Price	\$38.6	\$44.2	\$45.0	\$56.5	\$184.3	\$55.3	\$69.8	\$78.7	\$90.9	\$294.7
<i>As % of Total Revenues</i>	9.1%	9.9%	9.6%	11.2%	10.0%	10.6%	12.7%	13.4%	14.4%	12.8%
Licensing	\$1.3	\$1.0	\$1.0	\$0.9	\$4.1	\$1.2	\$1.0	\$1.0	\$1.9	\$5.1
<i>As % of Total Revenues</i>	0.3%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.3%	0.2%
Other Revenues	\$0.3	\$0.3	\$0.4	\$0.4	\$1.6	\$0.6	\$0.8	\$0.7	\$1.2	\$3.3
<i>As % of Total Revenues</i>	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.2%	0.1%	0.2%	0.1%



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### 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 expense, acquisition-related costs, amortization of purchased intangible assets, goodwill impairment, certain other one-time charges and benefits, changes 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. 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 GAAP measures and Non-GAAP measures.

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

(3) During the fourth quarter of 2019, the Company combined previously reported Accounts receivable and Unbilled revenues into Trade receivables and contract assets. Amounts presented here have been updated to reflect this revised presentation.

(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 Q1 2018, the calculation excludes 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. We did not adjust the calculation for other acquisitions as these acquisitions did not have a 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.