



FACT SHEET

Q4 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	Q2	Q3	Q4	Full Year
Revenues										
Total Revenues	\$651.4	\$632.4	\$652.2	\$723.5	\$2,659.5	\$780.8	\$881.4	\$988.5	\$1,107.4	\$3,758.1
<i>Year-Over-Year Growth Rate</i>	24.9%	14.6%	10.9%	14.3%	15.9%	19.9%	39.4%	51.6%	53.1%	41.3%
<i>Sequential Quarter Growth Rate</i>	2.9%	(2.9%)	3.1 %	10.9%	n/a	7.9%	12.9%	12.2%	12.0%	n/a
<i>Year-Over-Year Growth Rate in Constant Currency ⁽²⁾</i>	26.0%	15.5%	10.0%	13.7%	16.0%	17.8%	35.9%	50.7%	54.1%	39.9%
<i>Sequential Quarter Growth Rate in Constant Currency ⁽²⁾</i>	3.7%	(2.7%)	1.9 %	10.3%	n/a	7.7%	12.3%	13.0%	12.7%	n/a
Verticals										
Financial Services	\$131.7	\$128.0	\$136.7	\$158.9	\$555.3	\$168.9	\$193.9	\$230.9	\$254.7	\$848.4
<i>As % of Total Revenues</i>	20.2%	20.2%	20.9%	22.0%	20.9%	21.6%	22.0%	23.4%	23.0%	22.6%
<i>Year-Over-Year Growth Rate</i>	16.2%	6.3%	4.9%	16.1%	10.9%	28.3%	51.5%	68.9%	60.3%	52.8%
Travel & Consumer	\$119.5	\$107.3	\$110.2	\$121.8	\$458.8	\$139.0	\$171.5	\$197.5	\$233.0	\$741.1
<i>As % of Total Revenues</i>	18.4%	17.0%	16.9%	16.8%	17.2%	17.8%	19.5%	20.0%	21.0%	19.7%
<i>Year-Over-Year Growth Rate</i>	14.6%	0.1%	(2.0%)	5.4%	4.4%	16.3%	59.9%	79.3%	91.3%	61.5%
Business Information & Media	\$138.7	\$140.2	\$140.0	\$141.7	\$560.7	\$147.7	\$157.9	\$173.0	\$188.4	\$666.9
<i>As % of Total Revenues</i>	21.3%	22.2%	21.5%	19.6%	21.1%	19.0%	17.9%	17.5%	17.0%	17.7%
<i>Year-Over-Year Growth Rate</i>	46.0%	42.9%	32.3%	16.2%	33.2%	6.5%	12.5%	23.6%	32.9%	19.0%
Software & Hi-Tech	\$121.9	\$119.5	\$118.8	\$136.6	\$496.8	\$147.1	\$159.2	\$174.3	\$184.0	\$664.6
<i>As % of Total Revenues</i>	18.7%	18.9%	18.2%	18.9%	18.7%	18.8%	18.0%	17.6%	16.6%	17.7%
<i>Year-Over-Year Growth Rate</i>	21.9%	13.2%	9.7%	14.3%	14.6%	20.7%	33.2%	46.6%	34.7%	33.8%
Life Sciences & Healthcare	\$69.2	\$68.9	\$74.2	\$84.0	\$296.3	\$91.1	\$91.7	\$96.1	\$112.4	\$391.3
<i>As % of Total Revenues</i>	10.6%	10.9%	11.4%	11.6%	11.1%	11.7%	10.4%	9.7%	10.2%	10.4%
<i>Year-Over-Year Growth Rate</i>	26.4%	16.4%	11.1%	24.0%	19.3%	31.6%	33.1%	29.5%	33.9%	32.1%
Emerging Verticals	\$70.4	\$68.5	\$72.3	\$80.5	\$291.6	\$87.0	\$107.2	\$116.7	\$134.9	\$445.8
<i>As % of Total Revenues</i>	10.8%	10.8%	11.1%	11.1%	11.0%	11.1%	12.2%	11.8%	12.2%	11.9%
<i>Year-Over-Year Growth Rate</i>	30.3%	11.9%	12.2%	13.1%	16.3%	23.6%	56.4%	61.5%	67.6%	52.9%
Geographies ⁽³⁾										
Americas	\$389.8	\$381.9	\$390.0	\$433.4	\$1,595.1	\$470.3	\$527.4	\$591.3	\$637.7	\$2,226.8
<i>As % of Total Revenues</i>	59.9%	60.4%	59.8%	59.9%	60.0%	60.2%	59.8%	59.8%	57.6%	59.3%
<i>Year-Over-Year Growth Rate</i>	23.1%	14.1%	8.8%	14.0%	14.8%	20.6%	38.1%	51.6%	47.2%	39.6%
EMEA	\$223.1	\$211.1	\$214.5	\$231.2	\$879.9	\$259.4	\$291.3	\$323.8	\$385.3	\$1,259.7
<i>As % of Total Revenues</i>	34.2%	33.4%	32.9%	32.0%	33.1%	33.2%	33.0%	32.8%	34.8%	33.4%
<i>Year-Over-Year Growth Rate</i>	28.6%	19.0%	13.3%	11.8%	17.8%	16.3%	38.0%	50.9%	66.6%	43.2%
CEE	\$24.9	\$22.1	\$30.0	\$37.7	\$114.7	\$30.1	\$37.7	\$45.0	\$55.2	\$168.0
<i>As % of Total Revenues</i>	3.8%	3.5%	4.6%	5.2%	4.3%	3.9%	4.4%	4.5%	5.0%	4.5%
<i>Year-Over-Year Growth Rate</i>	36.8 %	(12.0%)	13.4 %	22.9%	14.2%	21.2 %	70.8 %	49.7 %	46.4%	46.5%
APAC	\$13.6	\$17.3	\$17.7	\$21.2	\$69.8	\$21.0	\$25.0	\$28.4	\$29.2	\$103.6
<i>As % of Total Revenues</i>	2.1%	2.7%	2.7%	2.9%	2.6%	2.7%	2.8%	2.9%	2.6%	2.8%
<i>Year-Over-Year Growth Rate</i>	4.7%	20.5%	27.4%	39.4%	23.7%	53.9%	44.4%	60.4%	38.0%	48.4%



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	2020					2021					
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year	
Customer Concentration, as % of Total Revenues											
Top 5 Customers	22.1%	23.2%	22.7%	20.1%	22.0%	20.2%	18.7%	17.7%	16.6%	18.2%	
Top 10 Customers	31.6%	32.5%	31.6%	29.8%	30.9%	28.7%	26.4%	25.0%	23.7%	25.7%	
Top 20 Customers	43.5%	44.3%	43.3%	41.8%	42.3%	40.7%	37.9%	36.8%	35.3%	37.1%	
Outside of Top 20 Customers	56.5%	55.7%	56.7%	58.2%	57.7%	59.3%	62.1%	63.2%	64.7%	62.9%	
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	\$752.5	\$851.6	\$940.6	\$3,209.7	
<i>As % of Total Revenues</i>	86.2%	87.7%	85.7%	85.1%	86.2%	85.1%	85.4%	86.1%	85.0%	85.4%	
Fixed-Price	\$85.9	\$72.4	\$90.4	\$103.3	\$352.0	\$111.3	\$123.8	\$132.4	\$161.9	\$529.4	
<i>As % of Total Revenues</i>	13.2%	11.5%	13.9%	14.3%	13.2%	14.3%	14.0%	13.4%	14.6%	14.1%	
Licensing	\$3.4	\$2.5	\$2.0	\$3.2	\$11.1	\$3.7	\$4.4	\$3.6	\$3.9	\$15.6	
<i>As % of Total Revenues</i>	0.5%	0.4%	0.3%	0.4%	0.4%	0.5%	0.5%	0.4%	0.3%	0.4%	
Other Revenues	\$0.9	\$2.6	\$0.7	\$1.1	\$5.3	\$0.8	\$0.7	\$0.9	\$1.0	\$3.4	
<i>As % of Total Revenues</i>	0.1%	0.4%	0.1%	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	



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	2020					2021				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
Profitability										
GAAP										
Gross Margin	\$227.6	\$212.8	\$228.9	\$257.7	\$927.0	\$261.4	\$297.6	\$335.2	\$380.2	\$1,274.4
<i>As % of Total Revenues</i>	34.9%	33.7%	35.1%	35.6%	34.9%	33.5%	33.8%	33.9%	34.3%	33.9%
Selling, General and Administrative Expenses	\$125.1	\$114.2	\$116.5	\$128.9	\$484.8	\$136.4	\$151.9	\$169.5	\$190.9	\$648.7
<i>As % of Total Revenues</i>	19.2%	18.1%	17.9%	17.8%	18.2%	17.5%	17.2%	17.1%	17.2%	17.3%
Income from Operations	\$87.5	\$83.4	\$96.4	\$112.0	\$379.3	\$107.3	\$125.3	\$144.1	\$165.7	\$542.3
<i>As % of Total Revenues</i>	13.4%	13.2%	14.8%	15.5%	14.3%	13.7%	14.2%	14.6%	15.0%	14.4%
Net Income	\$85.6	\$66.6	\$89.4	\$85.5	\$327.2	\$109.0	\$114.7	\$115.7	\$142.3	\$481.7
<i>As % of Total Revenues</i>	13.1%	10.5%	13.7%	11.8%	12.3%	14.0%	13.0%	11.7%	12.8%	12.8%
Diluted Earnings Per Share	\$1.47	\$1.14	\$1.53	\$1.46	\$5.60	\$1.86	\$1.94	\$1.95	\$2.40	\$8.15
<i>Year-Over-Year Growth Rate</i>	38.7%	11.8%	31.9%	13.2%	23.6%	26.5%	70.2%	27.5%	64.4%	45.5%
Effective Tax Rate	11.3%	12.4%	14.0%	16.2%	13.6%	5.1%	6.9%	14.6%	11.0%	9.7%
Weighted Average Diluted Shares Outstanding, thousands	58,143	58,246	58,616	58,774	58,446	58,778	59,011	59,203	59,254	59,064
Non-GAAP										
Gross Margin	\$231.5	\$221.8	\$239.7	\$266.7	\$959.7	\$272.6	\$308.9	\$347.3	\$397.2	\$1,326.0
<i>As % of Total Revenues</i>	35.5%	35.1%	36.8%	36.9%	36.1%	34.9%	35.0%	35.1%	35.9%	35.3%
Selling, General and Administrative Expenses	\$114.4	\$101.4	\$103.6	\$117.2	\$436.5	\$121.0	\$137.2	\$150.8	\$173.1	\$582.1
<i>As % of Total Revenues</i>	17.6%	16.0%	15.9%	16.2%	16.4%	15.5%	15.6%	15.3%	15.6%	15.5%
Income from Operations	\$105.3	\$108.2	\$123.3	\$135.9	\$472.7	\$136.9	\$155.2	\$179.6	\$206.4	\$678.2
<i>As % of Total Revenues</i>	16.2%	17.1%	18.9%	18.8%	17.8%	17.5%	17.6%	18.2%	18.6%	18.0%
Net Income	\$82.9	\$85.0	\$96.7	\$106.0	\$370.6	\$106.2	\$121.1	\$143.2	\$163.7	\$534.3
<i>As % of Total Revenues</i>	12.7%	13.4%	14.8%	14.7%	13.9%	13.6%	13.7%	14.5%	14.8%	14.2%
Diluted Earnings Per Share	\$1.43	\$1.46	\$1.65	\$1.81	\$6.34	\$1.81	\$2.05	\$2.42	\$2.76	\$9.05
<i>Year-Over-Year Growth Rate</i>	14.4%	14.1%	18.7%	19.9%	17.0%	26.6%	40.4%	46.7%	52.5%	42.7%
Effective Tax Rate	22.8%	22.3%	22.6%	22.6%	22.6%	22.7%	22.9%	21.0%	21.9%	22.0%
Weighted Average Diluted Shares Outstanding, thousands	58,143	58,246	58,616	58,774	58,446	58,778	59,011	59,203	59,254	59,064



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	2020					2021				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
Balance Sheet										
Cash and Cash Equivalents	\$916.3	\$993.7	\$1,161.1	\$1,322.1	\$1,322.1	\$1,372.8	\$1,283.2	\$1,266.6	\$1,446.6	\$1,446.6
Trade Receivables and Contract Assets, net	\$542.7	\$506.9	\$493.2	\$501.1	\$501.1	\$585.0	\$682.2	\$755.6	\$768.9	\$768.9
Days Sales Outstanding ⁽⁴⁾	76	73	70	64	64	67	70	70	62	62
Working Capital	\$1,118.4	\$1,232.8	\$1,337.4	\$1,446.8	\$1,446.8	\$1,541.0	\$1,515.1	\$1,459.6	\$1,506.1	\$1,506.1
Cash Flows										
Cash Flows from Operating Activities	\$63.3	\$146.2	\$175.6	\$159.3	\$544.4	\$12.8	\$68.8	\$206.1	\$284.6	\$572.3
Cash Flows from Investing Activities	(\$59.5)	(\$74.1)	(\$15.7)	(\$17.9)	(\$167.2)	\$48.5	(\$145.9)	(\$61.1)	(\$210.4)	(\$368.9)
Cash Flows from Financing Activities	(\$2.0)	(\$4.6)	\$5.6	\$0.2	(\$0.8)	\$1.3	(\$20.3)	\$4.5	(\$45.1)	(\$59.6)
Effect of Exchange Rates on Cash	(\$22.0)	\$10.0	\$1.9	\$19.5	\$9.4	(\$11.9)	\$8.1	(\$8.9)	(\$5.3)	(\$18.0)
Net Cash Flows	(\$20.3)	\$77.5	\$167.3	\$161.3	\$385.8	\$50.8	(\$89.2)	\$140.5	\$23.8	\$125.8
CapEx (included in Cash Flows from Investing Activities)	(\$29.1)	(\$11.4)	(\$9.8)	(\$18.5)	(\$68.8)	(\$11.2)	(\$22.6)	(\$21.1)	(\$56.6)	(\$111.5)
Free Cash Flows ⁽⁵⁾	\$34.2	\$134.7	\$165.8	\$140.9	\$475.6	\$1.6	\$46.2	\$184.9	\$228.0	\$460.8
Adjusted Net Income Conversion ⁽⁶⁾	41.2%	158.5%	171.5%	132.8%	128.3%	1.5%	38.2%	129.1%	139.3%	86.3%
Currencies										
<i>Revenues by Currency, as % of Total Revenues</i>										
U.S. Dollar - USD	69.4%	69.6%	67.3%	67.0%	68.3%	66.5%	65.6%	65.3%	64.0%	65.2%
Euro - EUR	12.4%	12.0%	12.4%	12.5%	12.3%	12.1%	12.3%	12.5%	14.5%	12.9%
British Pound - GBP	6.0%	5.7%	5.8%	5.7%	5.8%	6.7%	7.7%	8.1%	8.1%	7.7%
Russian Ruble - RUB	3.1%	2.8%	4.1%	4.7%	3.7%	3.4%	3.9%	4.2%	4.3%	4.0%
Swiss Franc - CHF	3.4%	3.4%	3.6%	4.0%	3.6%	4.6%	3.7%	3.2%	2.8%	3.5%
Canadian Dollar - CAD	2.3%	2.2%	2.3%	1.8%	2.1%	2.5%	2.6%	2.3%	2.0%	2.3%
Other	3.4%	4.3%	4.5%	4.3%	4.2%	4.2%	4.2%	4.4%	4.3%	4.4%
<i>Expenses by Currency, as % of Total non-GAAP OPEX</i>										
U.S. Dollar - USD	54.6%	60.2%	61.0%	58.9%	58.6%	52.8%	55.8%	56.5%	52.6%	54.4%
Russian Ruble - RUB	10.5%	9.2%	8.7%	9.3%	9.5%	10.4%	8.8%	8.6%	9.4%	9.3%
Euro - EUR	4.2%	4.2%	3.9%	4.3%	4.1%	5.0%	4.7%	5.5%	8.5%	6.1%
Polish Zloty - PLN	5.1%	4.8%	4.8%	4.9%	4.9%	5.8%	5.7%	5.5%	5.9%	5.8%
British Pound - GBP	4.5%	3.3%	3.6%	3.6%	3.8%	4.7%	4.4%	3.9%	3.9%	4.2%
Swiss Franc - CHF	4.1%	3.9%	3.9%	4.3%	4.0%	4.9%	4.1%	3.4%	3.1%	3.8%
Hungarian Forint - HUF	4.2%	3.6%	3.9%	3.7%	3.9%	4.0%	3.6%	3.2%	2.8%	3.4%
Indian Rupee - INR	2.2%	2.4%	2.5%	2.7%	2.4%	2.8%	3.2%	3.3%	3.7%	3.3%
Mexican Peso - MXN	1.3%	1.1%	1.1%	1.4%	1.2%	1.5%	1.5%	1.8%	1.7%	1.6%
Chinese Yuan Renminbi - CNY	1.7%	1.5%	1.5%	1.6%	1.6%	1.5%	1.5%	1.3%	1.2%	1.4%
Canadian Dollar - CAD	1.2%	0.9%	0.9%	0.9%	1.0%	1.3%	1.1%	1.1%	1.1%	1.1%
Other	6.4%	4.9%	4.2%	4.4%	5.0%	5.3%	5.6%	5.9%	6.1%	5.6%



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People										
Total Professionals, End of Period	37,385	36,448	38,012	41,168	41,168	43,450	47,862	52,682	58,824	58,824
<i>Year-Over-Year Net Change in Total Professionals</i>	<i>19.0%</i>	<i>10.1%</i>	<i>7.2%</i>	<i>12.1%</i>	<i>12.1%</i>	<i>16.2%</i>	<i>31.3%</i>	<i>38.6%</i>	<i>42.9%</i>	<i>42.9%</i>
Delivery Professionals, End of Period	33,111	32,298	33,778	36,737	36,737	38,830	42,842	47,098	52,617	52,617
<i>Year-Over-Year Net Change in Delivery Professionals</i>	<i>18.7%</i>	<i>9.7%</i>	<i>7.4%</i>	<i>12.8%</i>	<i>12.8%</i>	<i>17.3%</i>	<i>32.6%</i>	<i>39.4%</i>	<i>43.2%</i>	<i>43.2%</i>
Utilization	79.5%	83.9%	78.2%	77.9%	79.8%	81.4%	80.2%	77.1%	76.8%	78.7%
Delivery Professionals by Location										
Ukraine					9,115					12,389
Belarus					9,638					9,416
Russia					6,348					8,933
APAC					3,567					7,253
Central Europe					3,522					5,527
Americas					3,060					4,744
Western Europe and Middle East					1,487					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, 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. 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.