

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K
CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): May 5, 2023

EPAM SYSTEMS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

1-35418
(Commission File Number)

22-3536104
(IRS Employer Identification No.)

41 University Drive
Newtown

(Address of principal executive offices)

Suite 202
Pennsylvania

18940

(Zip Code)

267-759-9000
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class
Common Stock, par value \$0.001 per share

Trading Symbol
EPAM

Name of Each Exchange on which Registered
New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On May 5, 2023, EPAM Systems, Inc. (the “Company” or “EPAM”) issued a press release and infographic discussing its results of operations for the first quarter ended March 31, 2023. A copy of the press release and the infographic are attached as Exhibit 99.1 and 99.2, respectively, to this report and are incorporated by reference into this Item 2.02.

The information in this report, including Exhibit 99.1 and Exhibit 99.2 attached hereto, is being furnished pursuant to Item 2.02 of Form 8-K and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”) or otherwise be subject to the liability of that section, nor shall it be deemed incorporated by reference in any filing under the Exchange Act or the Securities Act of 1933, except as expressly stated by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits.**(d) Exhibits**

99.1 [Press release dated May 5, 2023, announcing results of operations of EPAM Systems, Inc. for the third quarter ended September 30, 2022.](#)

99.2 [Investor Infographic dated May 5, 2023.](#)

101 Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document.

104 The cover page from this Current Report on Form 8-K, formatted as Inline XBRL.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: May 5, 2023

By: /s/ Jason Peterson
Name: Jason Peterson
Title: Senior Vice President, Chief Financial
Officer and Treasurer



EPAM Reports Results for First Quarter 2023 and Updates Full Year Outlook

- *First quarter revenues of \$1.211 billion, up 3.4% year-over-year*
- *GAAP Income from Operations was 9.9% of revenues and Non-GAAP Income from Operations was 14.7% of revenues for the first quarter*
- *First quarter GAAP Diluted EPS of \$1.73, an increase of 13.8%, and Non-GAAP Diluted EPS of \$2.47, a decrease of 0.8% on a year-over-year basis*
- *For the full year, EPAM now expects revenues to be in the range of \$4.950 billion to \$5.000 billion, GAAP Diluted EPS to be in the range of \$8.11 to \$8.31 and Non-GAAP Diluted EPS to be in the range of \$10.60 to \$10.80*
- *For the second quarter, EPAM expects revenues to be in the range of \$1.195 billion to \$1.205 billion, GAAP Diluted EPS to be in the range of \$1.82 to \$1.90 and Non-GAAP Diluted EPS to be in the range of \$2.38 to \$2.46*

Newtown, PA, USA — May 5, 2023 — EPAM Systems, Inc. (NYSE: EPAM), a leading digital transformation services and product engineering company, today reported results for the first quarter ended March 31, 2023.

"EPAM delivered solid results in the first quarter, made possible by the dedication of our talented team," said Arkadiy Dobkin, CEO & President, EPAM. "I am confident that our strong fundamentals and our ability to adapt the Company to a variety of challenges will enable us to navigate the current market uncertainties while positioning EPAM for the recovery of demand for technology-led transformation services."

First Quarter 2023 Highlights

- Revenues increased to \$1.211 billion, a year-over-year increase of \$39.3 million, or 3.4%. On an organic constant currency basis excluding the impact of the exit from Russia, revenues were up 7.0% compared to the first quarter of 2022;
- GAAP income from operations was \$120.4 million, a decrease of \$8.9 million, or 6.9%, compared to \$129.2 million in the first quarter of 2022;
- Non-GAAP income from operations was \$178.3 million, a decrease of \$10.4 million, or 5.5%, compared to \$188.7 million in the first quarter of 2022;
- Diluted earnings per share ("EPS") on a GAAP basis was \$1.73, an increase of \$0.21, or 13.8%, compared to \$1.52 in the first quarter of 2022; and
- Non-GAAP diluted EPS was \$2.47, a decrease of \$0.02, or 0.8%, compared to \$2.49 in the first quarter of 2022.

Cash Flow and Other Metrics

- Cash provided by operating activities was \$87.3 million for the first three months of 2023, compared to cash used in operating activities of \$51.8 million for the first three months of 2022;
- Cash, cash equivalents and restricted cash totaled \$1.752 billion as of March 31, 2023, an increase of \$68.4 million, or 4.1%, from \$1.684 billion as of December 31, 2022; and
- Total headcount was approximately 57,450 as of March 31, 2023. Included in this number were approximately 51,100 delivery professionals, a decrease of 3.3% from December 31, 2022.

2023 Outlook - Full Year and Second Quarter

Full Year

Due to uneven improvement in demand, EPAM now expects the following for the full year:

- The Company now expects revenues will be in the range of \$4.950 billion to \$5.000 billion for the full year reflecting a year-over-year growth rate of 3% at the midpoint of the range. Revenue growth on an organic constant currency basis excluding the impact of the exit from Russia will be over 3% at the midpoint of the range;
- For the full year, EPAM expects GAAP income from operations to continue to be in the range of 11.5% to 12.5% of revenues and non-GAAP income from operations to continue to be in the range of 15.5% to 16.5% of revenues;
- The Company expects its GAAP effective tax rate to continue to be approximately 21% and its non-GAAP effective tax rate to continue to be approximately 23%; and
- EPAM expects GAAP diluted EPS to now be in the range of \$8.11 to \$8.31 for the year, and non-GAAP diluted EPS to now be in the range of \$10.60 to \$10.80 for the year. The Company now expects weighted average diluted shares outstanding for the year of 59.4 million.

Second Quarter

EPAM expects the following for the second quarter:

- Revenues will be in the range of \$1.195 billion to \$1.205 billion for the second quarter reflecting a year-over-year growth rate of less than 1% at the midpoint of the range. Revenue growth on an organic constant currency basis excluding the impact of the exit from Russia will be less than 1% at the midpoint of the range;
- For the second quarter, EPAM expects GAAP income from operations to be in the range of 10.0% to 11.0% of revenues and non-GAAP income from operations to be in the range of 14.0% to 15.0% of revenues;
- The Company expects its GAAP effective tax rate to be approximately 20% and its non-GAAP effective tax rate to be approximately 23%; and
- EPAM expects GAAP diluted EPS will be in the range of \$1.82 to \$1.90 for the quarter, and non-GAAP diluted EPS will be in the range of \$2.38 to \$2.46 for the quarter. The Company expects weighted average diluted shares outstanding for the quarter of 59.4 million.

Conference Call Information

EPAM will host a conference call to discuss the results on Friday, May 5, 2023, at 8:00 a.m. EDT. The conference call will be available live on the EPAM website at <https://investors.epam.com>. Please visit the website at least 15 minutes prior to the call to register for the event. For those who cannot access the live webcast, a replay will be available in the Investor Relations section of the website.

About EPAM Systems

Since 1993, EPAM Systems, Inc. (NYSE: EPAM) has leveraged its advanced software engineering heritage to become the foremost global digital transformation services provider – leading the industry in digital and physical product development and digital platform engineering services. Through its innovative strategy; integrated advisory, consulting, and design capabilities; and unique 'Engineering DNA,' EPAM's globally deployed hybrid teams help make the future real for clients and communities around the world by powering better enterprise, education and health platforms that connect people, optimize experiences, and improve people's lives. In 2021, EPAM was added to the S&P 500 and included among the list of Forbes Global 2000 companies.

Selected by Newsweek as a 2021 and 2022 Most Loved Workplace, EPAM's global multidisciplinary teams serve customers in more than 50 countries across six continents. As a recognized leader, EPAM is listed among the top 15 companies in Information Technology Services on the Fortune 1000 and ranked four times as the top IT services company on Fortune's 100 Fastest Growing Companies list. EPAM is also listed among Ad Age's top 25 World's Largest Agency Companies for three consecutive years, and Consulting Magazine named EPAM Continuum a top 20 Fastest Growing Firm.

Learn more at www.epam.com and follow EPAM on [Twitter](#) and [LinkedIn](#).

Non-GAAP Financial Measures

EPAM supplements results reported in accordance with United States generally accepted accounting principles, referred to as GAAP, with non-GAAP financial 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 acquired 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 of EPAM employees based outside of Ukraine impacted by the war and geopolitical instability in the region, 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 revenues on an "organic constant currency basis excluding the impact of the exit from Russia," which is also a non-GAAP financial measure. This measure excludes the effect of acquisitions by removing revenues from an acquired company in the twelve months after completing an acquisition, foreign currency exchange rate fluctuations by translating the current period revenues into U.S. dollars at the weighted average exchange rates of the prior period of comparison and the decision to exit from Russia by removing revenues from customers located in Russia in both the current period and 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.

Forward-Looking Statements

This press release includes estimates and statements which may constitute forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, the accuracy of which are necessarily subject to risks, uncertainties, and assumptions as to future events that may not prove to be accurate. Our estimates and forward-looking statements are mainly based on our current expectations and estimates of future events and trends, which affect or may affect our business and operations. These statements may include words such as "may," "will," "should," "believe," "expect," "anticipate," "intend," "plan," "estimate" or similar expressions. Those future events and trends may relate to, among other things, developments relating to the war in Ukraine and escalation of the war in the surrounding region, political and civil unrest or military action in the geographies where we conduct business and operate, difficult conditions in global capital markets, foreign exchange markets and the broader economy, and the effect that these events may have on our revenues, operations, access to capital, and profitability. Other factors that could cause actual results to differ materially from those expressed or implied include general economic conditions, the risk factors discussed in the Company's most recent Annual Report on Form 10-K and the factors discussed in the Company's Quarterly Reports on Form 10-Q, particularly under the headings "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Risk Factors" and other filings with the Securities and Exchange Commission. Although we believe that these estimates and forward-looking statements are based upon reasonable assumptions, they are subject to several risks and uncertainties and are made based on information currently available to us. EPAM undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as may be required under applicable securities law.

Contact:

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EPAM SYSTEMS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
(In thousands, except per share data)

	Three Months Ended March 31,	
	2023	2022
Revenues	\$ 1,210,941	\$ 1,171,614
Operating expenses:		
Cost of revenues (exclusive of depreciation and amortization)	855,901	780,836
Selling, general and administrative expenses	211,887	237,277
Depreciation and amortization expense	22,782	24,259
Income from operations	120,371	129,242
Interest and other income/(loss), net	11,521	(165)
Foreign exchange loss	(4,608)	(22,785)
Income before provision for income taxes	127,284	106,292
Provision for income taxes	24,992	16,573
Net income	\$ 102,292	\$ 89,719
Net income per share:		
Basic	\$ 1.77	\$ 1.58
Diluted	\$ 1.73	\$ 1.52
Shares used in calculation of net income per share:		
Basic	57,702	56,915
Diluted	59,298	58,941

EPAM SYSTEMS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(In thousands, except par value)

	As of March 31, 2023	As of December 31, 2022
Assets		
Current assets		
Cash and cash equivalents	\$ 1,749,422	\$ 1,681,344
Trade receivables and contract assets, net of allowance of 14,184 and 15,310, respectively	934,236	932,626
Short-term investments	60,373	60,336
Prepaid and other current assets	86,758	85,319
Total current assets	2,830,789	2,759,625
Property and equipment, net	267,067	273,348
Operating lease right-of-use assets, net	146,815	148,780
Intangible assets, net	73,113	77,652
Goodwill	533,730	529,072
Deferred tax assets	167,654	172,797
Other noncurrent assets	52,177	47,877
Total assets	\$ 4,071,345	\$ 4,009,151
Liabilities		
Current liabilities		
Accounts payable	\$ 28,857	\$ 30,852
Accrued compensation and benefits expenses	444,728	475,871
Accrued expenses and other current liabilities	130,902	154,339
Income taxes payable, current	37,439	46,069
Operating lease liabilities, current	40,932	40,352
Total current liabilities	682,858	747,483
Long-term debt	28,253	27,693
Operating lease liabilities, noncurrent	117,913	122,317
Other noncurrent liabilities	111,879	108,648
Total liabilities	940,903	1,006,141
Commitments and contingencies		
Stockholders' equity		
Common stock, \$0.001 par value; 160,000 shares authorized; 57,862 and 57,668 shares issued, 57,848 and 57,655 shares outstanding at March 31, 2023 and December 31, 2022, respectively	58	58
Additional paid-in capital	864,254	847,965
Retained earnings	2,342,730	2,248,948
Treasury stock	(118)	(118)
Accumulated other comprehensive loss	(77,960)	(95,321)
Total EPAM Systems Inc. stockholders' equity	3,128,964	3,001,532
Noncontrolling interest in consolidated subsidiaries	1,478	1,478
Total equity	3,130,442	3,003,010
Total liabilities and stockholders' equity	\$ 4,071,345	\$ 4,009,151

EPAM SYSTEMS, INC. AND SUBSIDIARIES
Reconciliations of Non-GAAP Financial Measures to Comparable GAAP Financial Measures
(Unaudited)
(In thousands, except percent and per share amounts)

Reconciliation of revenue growth as reported on a GAAP basis to revenue growth on an organic constant currency basis excluding the impact of the exit from Russia is presented in the table below:

	Three Months Ended March 31, 2023
Revenue growth as reported	3.4 %
Foreign exchange rates impact	1.5 %
Inorganic revenue growth	(0.1) %
Impact of exit from Russia	2.2 %
Revenue growth on an organic constant currency basis excluding the impact of the exit from Russia ⁽¹⁾	7.0 %

(1) Constant currency revenue results are calculated by translating current period revenues in local currency into U.S. dollars at the weighted average exchange rates of the comparable prior period.

Reconciliation of various income statement amounts from GAAP to non-GAAP for the three months ended March 31, 2023 and 2022:

	Three Months Ended March 31, 2023		
	GAAP	Adjustments	Non-GAAP
Cost of revenues (exclusive of depreciation and amortization) ⁽²⁾	\$ 855,901	\$ (25,821)	\$ 830,080
Selling, general and administrative expenses ⁽³⁾	\$ 211,887	\$ (26,539)	\$ 185,348
Income from operations ⁽⁴⁾	\$ 120,371	\$ 57,897	\$ 178,268
Operating margin	9.9 %	4.8 %	14.7 %
Net income ⁽⁵⁾	\$ 102,292	\$ 44,301	\$ 146,593
Diluted earnings per share	\$ 1.73		\$ 2.47

	Three Months Ended March 31, 2022		
	GAAP	Adjustments	Non-GAAP
Cost of revenues (exclusive of depreciation and amortization) ⁽²⁾	\$ 780,836	\$ 54	\$ 780,890
Selling, general and administrative expenses ⁽³⁾	\$ 237,277	\$ (54,254)	\$ 183,023
Income from operations ⁽⁴⁾	\$ 129,242	\$ 59,444	\$ 188,686
Operating margin	11.0 %	5.1 %	16.1 %
Net income ⁽⁵⁾	\$ 89,719	\$ 57,324	\$ 147,043
Diluted earnings per share	\$ 1.52		\$ 2.49

Items (2) through (5) above are detailed in the table below with the specific cross-reference noted in the appropriate item.

	Three Months Ended March 31,	
	2023	2022
Stock-based compensation expense/(benefit)	\$ 16,011	\$ (424)
Humanitarian support in Ukraine ^(a)	2,440	19,156
Unbilled business continuity resources ^(b)	7,370	2,570
Discretionary compensation ^(c)	—	(21,356)
Total adjustments to GAAP cost of revenues⁽²⁾	25,821	(54)
Stock-based compensation expenses	22,568	7,536
Other acquisition-related expenses	241	579
One-time (benefits)/charges	(99)	1,363
Humanitarian support in Ukraine ^(a)	3,617	6,500
Geographic repositioning ^(d)	212	18,706
Russia long-lived asset impairment charges ^(e)	—	19,570
Total adjustments to GAAP selling, general and administrative expenses⁽³⁾	26,539	54,254
Amortization of acquired intangible assets	5,537	5,244
Total adjustments to GAAP income from operations⁽⁴⁾	57,897	59,444
Change in fair value of contingent consideration included in Interest and other income, net	300	3,373
Impairment of financial assets	—	1,300
Foreign exchange loss	4,608	22,785
Provision for income taxes:		
Tax effect on non-GAAP adjustments	(11,514)	(16,469)
Excess tax benefits related to stock-based compensation	(6,022)	(13,109)
Net discrete benefit from tax planning ^(f)	(968)	—
Total adjustments to GAAP net income⁽⁵⁾	\$ 44,301	\$ 57,324

(a) Humanitarian support in Ukraine includes expenses related to EPAM's \$100 million humanitarian commitment in response to Russia's invasion of Ukraine to support EPAM professionals and their families in and displaced from Ukraine. These expenses are incremental to those expenses incurred prior to the crisis, clearly separable from normal operations, and not expected to recur once the crisis has subsided and operations return to normal.

(b) Given the uncertainty in the region introduced by Russia's invasion of Ukraine, EPAM has assigned delivery employees in locations outside of the region to ensure the continuity of delivery for customers who have substantial delivery exposure to Ukraine or other delivery concerns resulting from the invasion. These employees are not billed to clients and operate largely in a standby or backup capacity. These expenses are incremental to those expenses incurred prior to the crisis, clearly separable from normal operations, and not expected to recur once the crisis has subsided and operations return to normal.

(c) Discretionary compensation includes the reduction of previously accrued amounts associated with the Company's variable compensation program for the year ended December 31, 2021. This adjustment was made in response to Russia's invasion of Ukraine and is not expected to recur in the future.

(d) Geographic repositioning includes expenses associated with the relocation to other countries of employees based outside of Ukraine impacted by the war and geopolitical instability in the region, and includes the cost of accommodations, travel and food. These expenses are incremental to those expenses incurred prior to the crisis, clearly separable from normal operations, and not expected to recur once the crisis has subsided and operations return to normal.

(e) As a result of the Company's decision to no longer serve customers in Russia, the Company incurred impairment charges for long-lived assets in Russia including charges of \$15.1 million associated with property and equipment, \$3.8 million associated with right-of-use assets and \$0.7 million associated with goodwill for the three months ended March 31, 2022. Consistent with the Company's historical non-GAAP policy, impairment charges have been excluded from non-GAAP results as these are one-time and unusual in nature.

(f) One-time benefit related to the implementation of tax planning to disregard certain foreign subsidiaries as separate entities for U.S. income tax purposes. Consistent with the Company's historical non-GAAP policy, the benefit related to the implementation of tax planning has been excluded from non-GAAP results as it is one-time and unusual in nature.

EPAM SYSTEMS, INC. AND SUBSIDIARIES

Reconciliations of Guidance Non-GAAP Financial Measures to Comparable GAAP Financial Measures
(Unaudited)

The below guidance constitutes forward-looking statements within the meaning of the federal securities laws and is based on a number of assumptions that are subject to change and many of which are outside the control of the Company. Actual results may differ materially from the Company's expectations depending on factors discussed in the Company's filings with the Securities and Exchange Commission.

Reconciliation of expected revenue growth on a GAAP basis to expected revenue growth on an organic constant currency basis excluding the impact of the exit from Russia is presented in the table below:

	Second Quarter 2023	Full Year 2023
Revenue growth (at midpoint of the range)	0.5 %	3 %
Foreign exchange rates impact	(0.8)%	(0.9)%
Inorganic revenue growth	(0.1)%	— %
Impact of exit from Russia	0.9 %	1.2 %
Revenue growth on an organic constant currency basis excluding the impact of the exit from Russia (at midpoint of the range) ⁽⁶⁾	0.5 %	3.3 %

(6) Constant currency revenue results are calculated by translating expected revenues in local currency into U.S. dollars at the weighted average exchange rates of the comparable prior period.

Reconciliation of expected GAAP to non-GAAP income from operations as a percentage of revenues is presented in the table below:

	Second Quarter 2023	Full Year 2023
GAAP income from operations as a percentage of revenues	10% to 11%	11.5% to 12.5%
Stock-based compensation expenses	2.8 %	3.0 %
<i>Included in cost of revenues (exclusive of depreciation and amortization)</i>	1.3 %	1.4 %
<i>Included in selling, general and administrative expenses</i>	1.5 %	1.6 %
Humanitarian support in Ukraine ^(a)	0.3 %	0.3 %
Unbilled business continuity resources ^(b)	0.2 %	0.2 %
One-time charges	0.2 %	0.1 %
Amortization of acquired intangible assets	0.5 %	0.4 %
Non-GAAP income from operations as a percentage of revenues	14% to 15%	15.5% to 16.5%

Reconciliation of expected GAAP to non-GAAP effective tax rate is presented in the table below:

	Second Quarter 2023	Full Year 2023
GAAP effective tax rate (approximately)	20 %	21 %
Tax effect on non-GAAP adjustments	1.9 %	1.4 %
Excess tax benefits related to stock-based compensation	1.1 %	0.6 %
Non-GAAP effective tax rate (approximately)	23 %	23 %

Reconciliation of expected GAAP to non-GAAP diluted earnings per share is presented in the table below:

	Second Quarter 2023	Full Year 2023
GAAP diluted earnings per share	\$1.82 to \$1.90	\$8.11 to \$8.31
Stock-based compensation expenses	0.56	2.48
<i>Included in cost of revenues (exclusive of depreciation and amortization)</i>	<i>0.27</i>	<i>1.18</i>
<i>Included in selling, general and administrative expenses</i>	<i>0.29</i>	<i>1.30</i>
Humanitarian support in Ukraine ^(a)	0.07	0.30
Unbilled business continuity resources ^(b)	0.05	0.17
One-time charges	0.05	0.03
Other acquisition-related expenses	—	0.02
Amortization of acquired intangible assets	0.09	0.37
Foreign exchange loss	—	0.08
Provision for income taxes:		
Tax effect on non-GAAP adjustments	(0.16)	(0.66)
Excess tax benefits related to stock-based compensation	(0.10)	(0.30)
Non-GAAP diluted earnings per share	\$2.38 to \$2.46	\$10.60 to \$10.80



Q1 2023

EPAM Reports Results

Q1 REVENUES

\$1.211B

3.4% ↑ **4.9% ↑**

YoY
(reported)

YoY
(constant currency)

OUTLOOK Q2 2023

Revenues in the range of

\$1.195B-\$1.205B

0.5% ↑

YoY
(midpoint of the range)

OUTLOOK FY 2023

Revenues in the range of

\$4.950B-\$5.000B

3.0% ↑

YoY
(midpoint of the range)

REVENUES BY INDUSTRY VERTICAL

Travel & Consumer*

\$278M **4.9% ↑**

YoY

Financial Services*

\$271M **4.1% ↑**

YoY

Business Information & Media

\$203M **4.2% ↑**

YoY

Software & Hi-Tech

\$189M **-0.2% ↓**

YoY

Life Sciences & Healthcare

\$111M **-10.1% ↓**

YoY

Emerging

\$159M **14.7% ↑**

YoY

REVENUES BY GEOGRAPHY

Americas

\$710M

3.4% ↑

YoY

EMEA

\$464M

10.0% ↑

YoY

APAC

\$27M

-9.4% ↓

YoY

CEE*

\$10M

-68.8% ↓

YoY

DILUTED EARNINGS PER SHARE

\$1.73

GAAP EPS

13.8% ↑

YoY

\$2.47

NON-GAAP EPS

-0.8% ↓

YoY

EMPLOYEES & LOCATIONS

57,450+

Total EPAMers

51,100+

Designers, Engineers & Consultants

50+

Countries & Regions

*Growth rate impacted by the Company's decision to exit its Russian Operations. Excluding this impact, growth in the Travel & Consumer and Financial Services verticals would have been 6.7% and 12.5%, respectively. Refer to EPAM's 1st Quarter Earnings Release for additional information and reconciliation of GAAP Diluted EPS to Non-GAAP Diluted EPS.

