

<epam>

# INVESTOR PRESENTATION

Q2 2018



# SAFE HARBOR STATEMENT

These materials contain forward-looking statements. You should not place undue reliance on these statements because they are subject to numerous uncertainties and factors relating to the Company's operations and business environment, all of which are difficult to predict and many of which are beyond the Company's control. Forward-looking statements include information concerning the Company's possible or assumed future results of operations, including descriptions of its business strategy. These statements may include words such as "may," "will," "should," "believe," "expect," "anticipate," "intend," "plan," "estimate" or similar expressions. These statements are based on assumptions that we have made in light of management's experience in the industry as well as our perceptions of historical trends, current conditions, expected future developments and other factors we believe are appropriate under the circumstances. You should understand that these statements are not guarantees of performance or results. They involve known and unknown risks, uncertainties and assumptions. Although the Company believes that these forward-looking statements are based on reasonable assumptions, you should be aware that many factors could affect the Company's actual financial results or results of operations and could cause actual results to differ materially from those in the forward-looking statements. These factors are discussed in more detail in the Company's filings with the Securities and Exchange Commission. These risks could cause actual results to differ materially from those implied by forward-looking statements. You should keep in mind that any forward-looking statement made herein, or elsewhere, speaks only as of the date on which it is made. New risks and uncertainties come up from time to time, and it is impossible to predict these events or how they may affect the Company. The Company has no obligation to update any forward-looking statements after the date hereof, except as required by federal securities laws.

# EPAM OVERVIEW



Fast-growing opportunity in a sizeable global market



Deep talent pool of highly-skilled professionals delivering solutions through best-in-class engineering combined with strategy, consulting and innovation services



Ability to deliver a broad range of software engineering, digital engagement, consulting and IT services with a strong focus on innovative and scalable software solutions



Industry solutions for Financial Services, Travel and Consumer, Life Sciences and Healthcare, Business Information and Media, and Software and Hi-Tech



Serving clients from 25+ countries across North America, Europe, Asia and Australia



Proven ability to grow and sustain a strong profitability model

## ABOUT EPAM

We are consultants, designers, architects and engineers who enable our customers to be competitive and disruptive in the marketplace through innovative technology solutions while helping them to navigate successfully through multiple waves of technology change.



We help our customers be more competitive by delivering solutions through best-in-class engineering combined with strategy, design, consulting and innovation services.

We adopt a global growth strategy, thinking and acting like start-ups, working in multidisciplinary teams and delivering results. Relentlessly.

# Fast Facts

FOUNDED IN  
**1993**  
U.S. HEADQUARTERED  
PUBLIC COMPANY  
(NYSE:EPAM)  
FY 2017 REVENUE  
**\$1.45B**

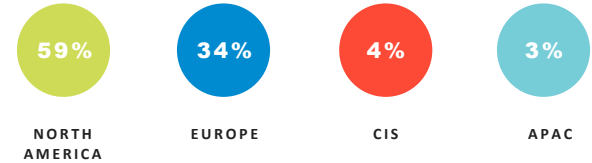
**REVENUE**  
Q2 2018  
**\$446M**

FY 2018  
REVENUE  
GUIDANCE\*  
  
AT LEAST 26%  
GROWTH REPORTED &  
25% IN  
CONSTANT CURRENCY



**30**  
CONSECUTIVE  
QUARTERS OF  
**20+%**  
YOY ORGANIC REVENUE  
GROWTH

## Q2 2018 REVENUE BY GEOGRAPHY



**25+ COUNTRIES**

## SERVICE MIX

SOFTWARE ENGINEERING  
PRODUCT/PLATFORM DEVELOPMENT  
QA AND TEST AUTOMATION  
INFRASTRUCTURE & LICENSING

**DIGITAL BUSINESS**

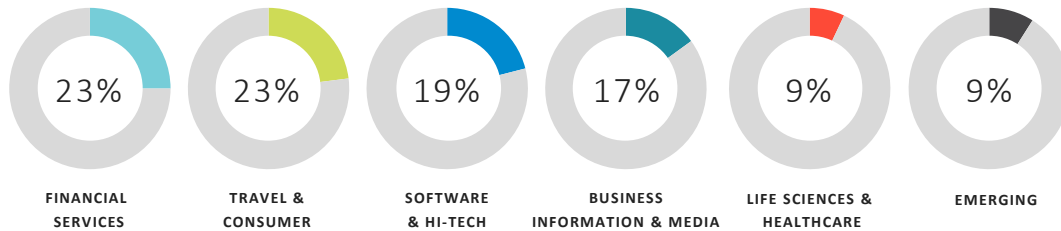
**PRODUCT ENGINEERING**

**MANAGED SERVICES**

**CONSULTING**

24,300+ Engineers, Designers and Consultants  
27,400+ EPAMers\*\*

## Q2 2018 REVENUE BY INDUSTRY



\*As of Q2 2018 Earnings Release

\*\*Data for Q2 2018

# BUSINESS OVERVIEW

# Growing, Global Scale in Over 25 Countries

KEY IN-MARKET LOCATIONS			DELIVERY PROFESSIONALS*	
NEWTOWN, US (HQ)	GUADALAJARA, MX	PHILADELPHIA, US	WESTERN EUROPE AND MIDDLE EAST	700
AMSTERDAM, NL	HONG KONG, HK	PRAGUE, CZ	APAC	1,800
ATLANTA, US	HOUSTON, US	SAN FRANCISCO, US	NORTH AMERICA	2,000
BOSTON, US	LONDON, UK	SEATTLE, US	CENTRAL EUROPE	3,000
BUDAPEST, HU	LOS ANGELES, US	SHANGHAI, CN	RUSSIA	4,000
CHICAGO, US	MALAGA, ES	SINGAPORE, SG	UKRAINE	5,100
CONSHOHOCKEN, US	MANCHESTER, UK	TORONTO, CA	BELARUS	7,700
DEBRECEN, HU	MOSCOW, RU	VIENNA, AT		
DUBLIN, IE	MOUNTAIN VIEW, US	WASHINGTON DC, US		
FRANKFURT, DE	NEW YORK, US	WARSAW, PL		
GOTHENBURG, SE	OTTAWA, CA	ZURICH, CH		

\* Western Europe and Middle East includes Germany, UK, Switzerland, Sweden, Netherlands, Ireland, Austria, Belgium, Italy, Spain and UAE  
 APAC includes China, India, Kazakhstan, Armenia, Singapore, Hong Kong, Australia, New Zealand and South Korea  
 Central Europe includes Hungary, Poland, Czech Republic, Bulgaria and Slovakia

# Established & Expanding Global Verticals

## FINANCIAL SERVICES

Award-Winning Wealth Management Platform  
Deep Expertise in Current and Emerging FinTech  
***Working with 5 of the 10 largest investment banks***

## TRAVEL & CONSUMER

Leading Digital Transformation for Global Retailers  
***Working with the largest online travel association and the largest global hospitality company***

## BUSINESS INFORMATION & MEDIA

Recognized Leader by Independent Research Analysts  
***Working with 4 of the 4 top broadcast networks and 14 of the top 30 TV networks to transform consumer-driven media***

## LIFE SCIENCES & HEALTHCARE

R&D Domain Experts with 700+ Complex Solutions & Services Supporting the Entire Drug Discovery Workflow  
***Working with 9 of the 10 top pharma companies***

## SOFTWARE & HI-TECH

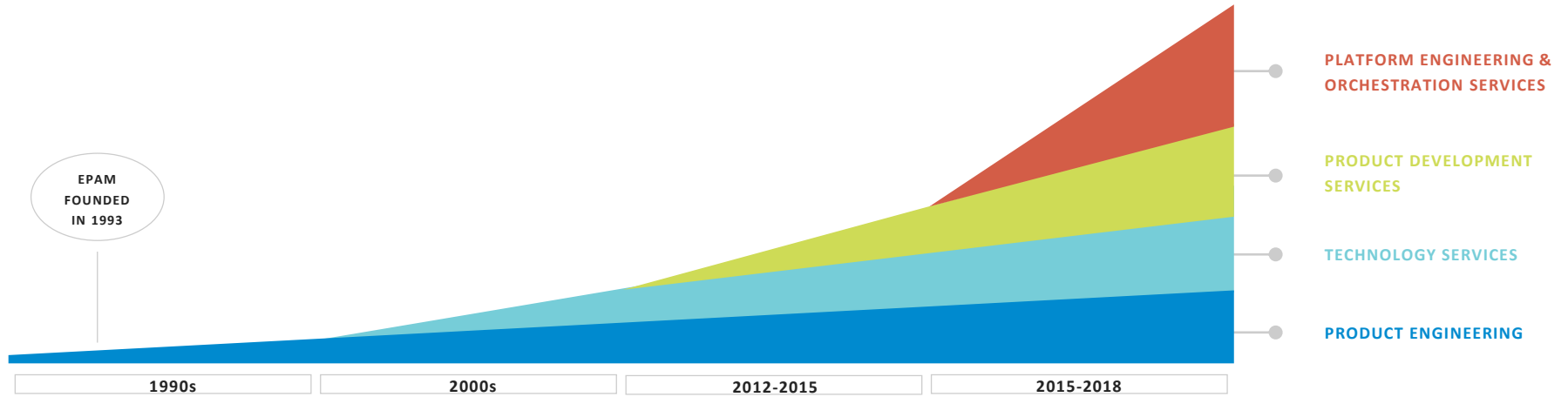
24-Year History of Leading Product Development  
***Working with 30+ of the top 100 ISVs***

## EMERGING

Deep Expertise Offers Innovative Solutions  
***Working with industries ranging from Energy and Utilities to Telecom and Automotive***



# Product Engineering Underpins Evolution and Growth



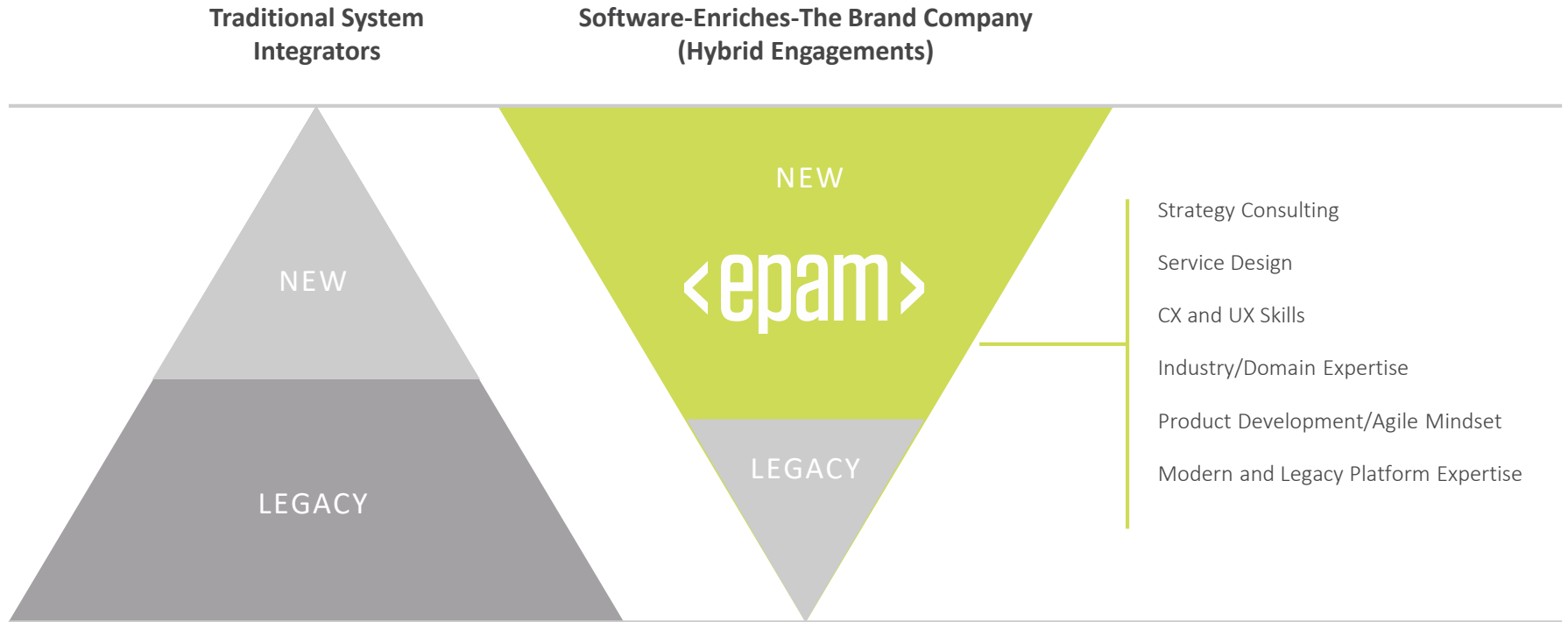
## ORGANIC COMPETENCIES

Core Product Engineering  
 User Experience  
 Digital Strategy  
 Analytics & Big Data  
 Commerce  
 Mobile  
 Social

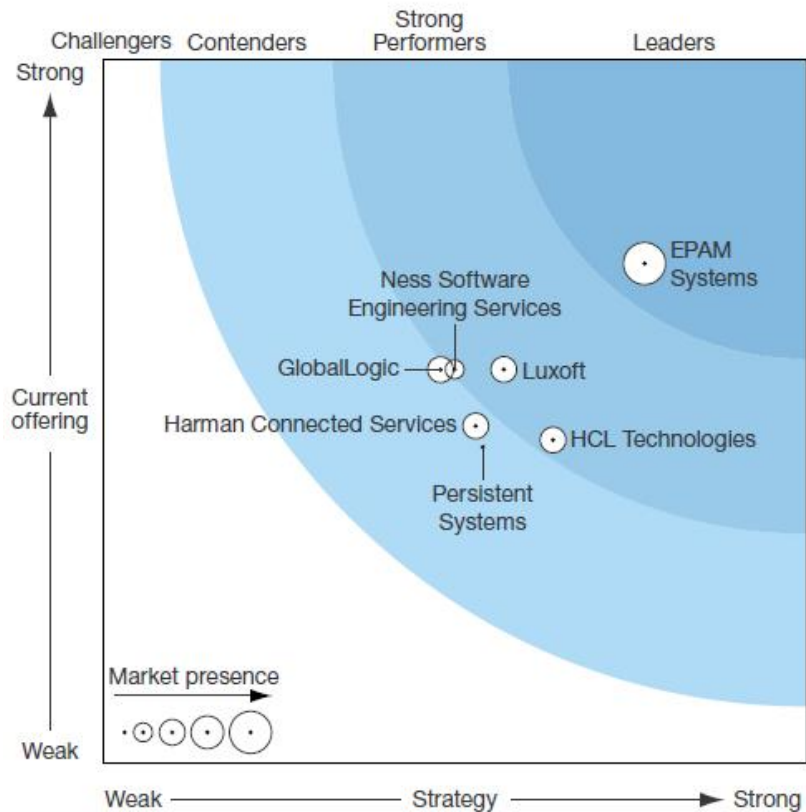
## DOMAIN-LED ENTERPRISE SOLUTIONS

	2006	2017	Q2-18
Financial Services	0%	23%	23%
Travel & Consumer	4%	22%	23%
Software & Hi-Tech	75%	20%	19%
Business Information & Media	8%	18%	17%
Life Sciences & Healthcare	0%	8%	9%
Emerging	13%	9%	9%

# EPAM is Positioned as a 'New' Player



# The Leader in Digital Platform Engineering Services



“ THE COMPANY EXHIBITED THE  
**STRONGEST GRASP & EXECUTION**  
OF DIGITAL PLATFORM ENGINEERING SERVICES (DPES) OF  
ALL THE VENDORS EVALUATED IN THIS REPORT”

FORRESTER WAVE™: DIGITAL PLATFORM ENGINEERING SERVICES, Q2' 16

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## Recognition

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Named #12 on Forbes' list of America's 25  
fastest-growing tech companies 2017

And on Forbes' list Of the 100 Most  
Trustworthy Companies in America 2016

The logo for Forbes magazine, featuring the word "Forbes" in a bold, black, serif typeface.

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Named top information technology  
services company on Fortune's 100  
Fastest Growing Companies 2015

The logo for Fortune magazine, featuring the word "FORTUNE" in a bold, red, serif typeface.

# FINANCIAL OVERVIEW

# KEY FINANCIAL HIGHLIGHTS

1

## STRONG REVENUE GROWTH

Long and consistent track record of organic growth

5 year revenue CAGR\* of 27%

Diversified client portfolio across industries and geographies

2

## HIGH REVENUE VISIBILITY

Loyal client base, with average of 10 years with our top 10 clients

90+% recurring revenue from clients with us over one year

80–90% revenue visibility throughout the fiscal year

Approximately 90% of revenue is time-and-material

3

## STRONG PROFITABILITY

Strong operating margins

5 year Non-GAAP Income from Operations CAGR\* of 26%

20.5% Non-GAAP effective tax rate in FY 2017

Superior earnings growth

5 year Non-GAAP EPS CAGR\* of 21%

4

## STRONG CASH FLOW & BALANCE SHEET

Cash balance as of June 30, 2018  
\$584.1M

Days Sales Outstanding of 83 as of June 30, 2018

\$59.5M of cash flow from operations in Q2 2018

\$274.7M in low-cost line of credit available in U.S.

\* 5 year CAGR calculations are based on FY 2012 to FY 2017

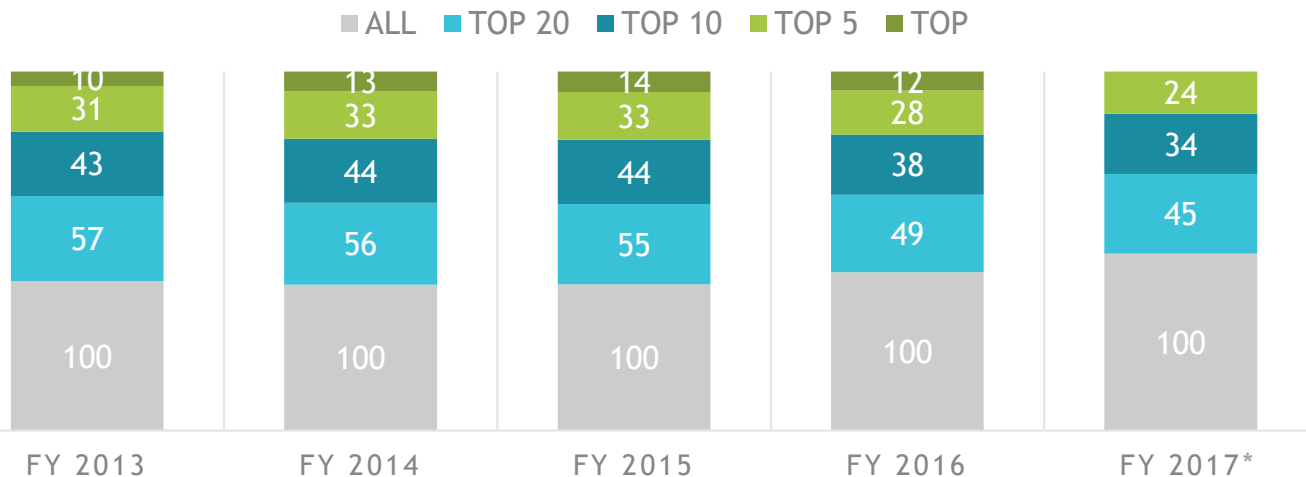
# CLIENT PORTFOLIO OVERVIEW

TOP 5 CLIENTS  
AVERAGE LIFE  
**11 YEARS**

TOP 10 CLIENTS  
AVERAGE LIFE  
**10 YEARS**

TOP 20 CLIENTS  
AVERAGE LIFE  
**8 YEARS**

## BALANCED REVENUE CONCENTRATION (%)



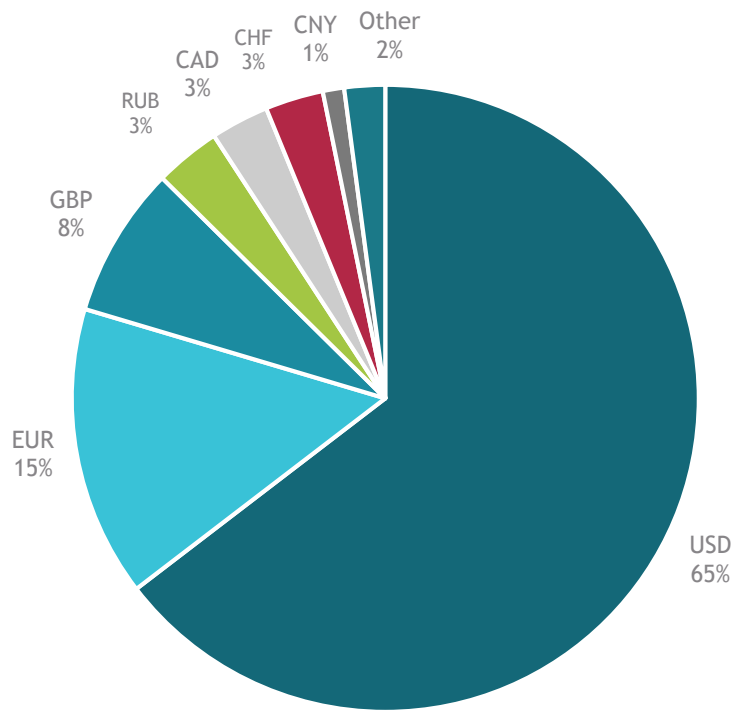
## GROWING LARGE AND STRATEGIC ACCOUNTS

REVENUE	FY 2013A	FY 2014A	FY 2015A	FY 2016A	FY 2017A
\$20 MM+	4	6	7	7	10
\$10 MM - \$20 MM	8	6	7	12	16
\$5 MM - \$10MM	10	12	19	26	37
\$1 MM - \$5 MM	73	92	103	137	169
\$0.5MM - \$1MM	52	65	75	84	84

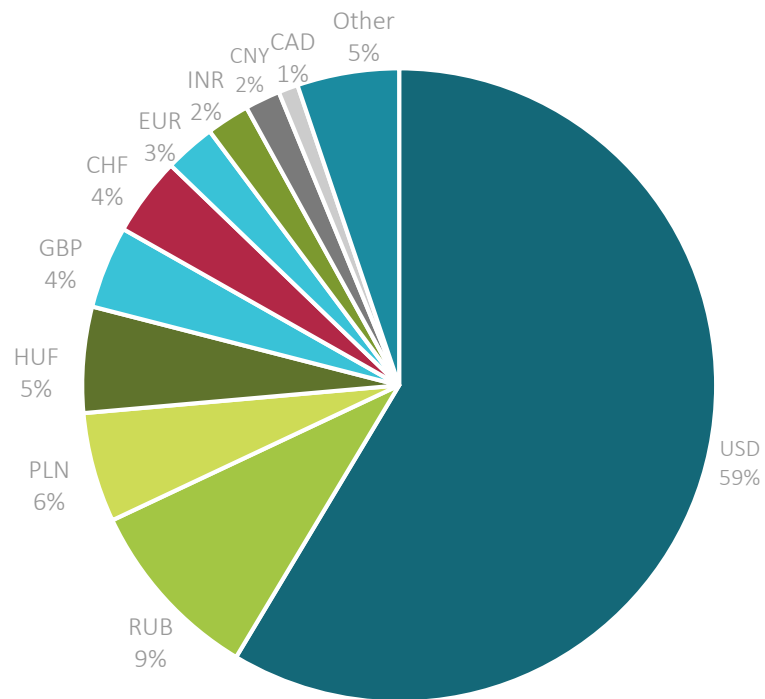
\* No single client comprises more than 10% of the Company's revenue for the relevant period.

# CURRENCY MIX Q2 2018

## REVENUE



## EXPENSE





# GAAP TO NON-GAAP RECONCILIATION (in thousands, except per share amounts)

	FY2015A		FY2016A		FY2017A		Q2 2018	
	Net Income	EPS	Net Income	EPS	Net Income	EPS	Net Income	EPS
<b>GAAP</b>	<b>\$84,456</b>	<b>\$1.62</b>	<b>\$99,266</b>	<b>\$1.87</b>	<b>\$72,760</b>	<b>\$1.32</b>	<b>\$50,255</b>	<b>\$0.89</b>
Stock-Based Compensation Expenses	45,833	0.88	49,244	0.93	52,407	0.95	14,810	0.26
<i>included in cost of revenues (exclusive of depreciation and amortization)</i>	13,695	0.26	16,619	0.32	20,868	0.38	7,054	0.12
<i>included in selling, general and administrative expenses</i>	32,138	0.62	32,625	0.61	31,539	0.57	7,756	0.14
Other Acquisition-Related Expenses	733	0.02	706	0.01	1,500	0.03	85	—
Amortization of Purchased Intangible Assets	5,416	0.10	8,170	0.15	7,562	0.14	2,032	0.04
One-Time Charges	741	0.01	—	—	242	—	1,156	0.02
Foreign Exchange Loss/(Gain)	4,628	0.09	12,078	0.22	3,242	0.06	(1,830)	(0.03)
Provision for Income Taxes:								
Tax Effect on Non-GAAP Adjustments	(13,254)	(0.25)	(15,014)	(0.28)	(12,736)	(0.23)	(3,286)	(0.06)
Net Discrete Provision for/(Benefit from) U.S. Tax Reform and Tax Planning	—	—	—	—	74,632	1.36	(706)	(0.01)
Excess Tax Benefit Related to Stock-Based Compensation	—	—	—	—	(9,307)	(0.17)	(5,440)	(0.10)
<b>Non-GAAP</b>	<b>\$128,553</b>	<b>\$2.47</b>	<b>\$154,450</b>	<b>\$2.90</b>	<b>\$190,302</b>	<b>\$3.46</b>	<b>\$57,076</b>	<b>\$1.01</b>