



# INVESTOR PRESENTATION

Q3 2017

# SAFE HARBOR STATEMENT

These materials contain forward-looking statements. You should not place undue reliance on those 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 its 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, sizeable opportunity in a 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, Media and Entertainment, 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 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.

HELPING OUR CUSTOMERS BE MORE COMPETITIVE AND DELIVERING **SOLUTIONS** THROUGH BEST-IN-CLASS ENGINEERING COMBINED WITH STRATEGY, CONSULTING AND INNOVATION SERVICES.

WE ADOPT A **GLOBAL GROWTH STRATEGY**, THINKING AND ACTING LIKE START-UPS, WORKING IN MULTIDISCIPLINARY TEAMS AND DELIVERING RESULTS. RELENTLESSLY. WITH A QUALITY OF DEVELOPER'S DEVELOPER.

# FAST FACTS

FOUNDED IN  
**1993**

US  
HEADQUARTERED  
PUBLIC COMPANY  
(NYSE:EPAM)

## REVENUE

Q3 2017  
**\$377.5M**

FY2017 GUIDANCE\*  
At least 24% reported &  
23% in constant currency



**21,600+**  
Engineers, designers  
and consultants

CONSTANT REVENUE  
GROWTH

**27**  
Consecutive Quarters

**20+%**  
YOY organic growth

**4**  
Continents

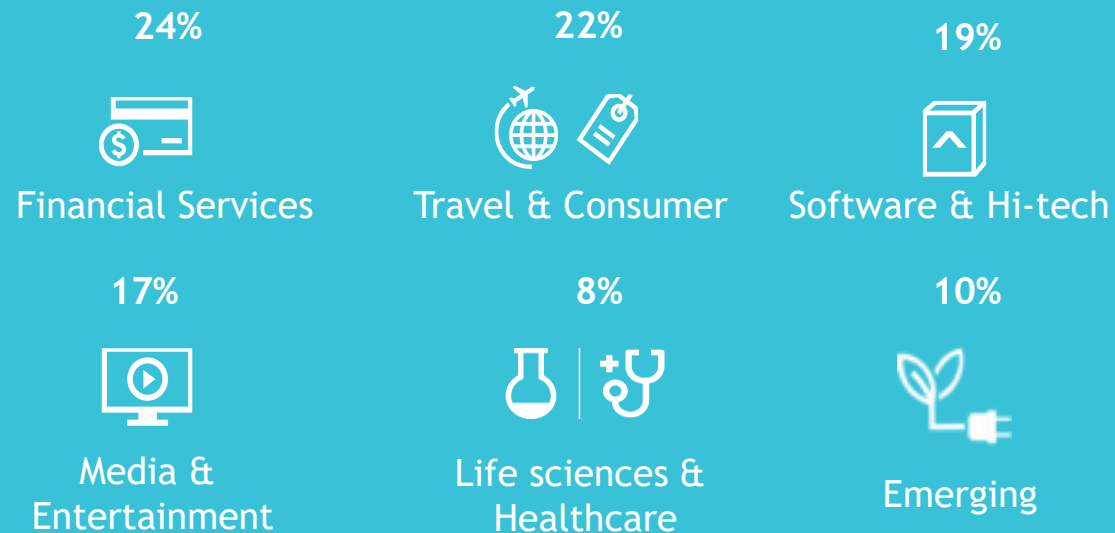
**25+**  
Countries



## REVENUE BY GEOGRAPHY\*

North America	<b>58%</b>
Europe	<b>36%</b>
CIS	<b>4%</b>
APAC	<b>2%</b>

## REVENUE BY INDUSTRY\*



## SERVICE MIX

Software Engineering &  
Product/Platform Development

QA and Test Automation

Managed Services

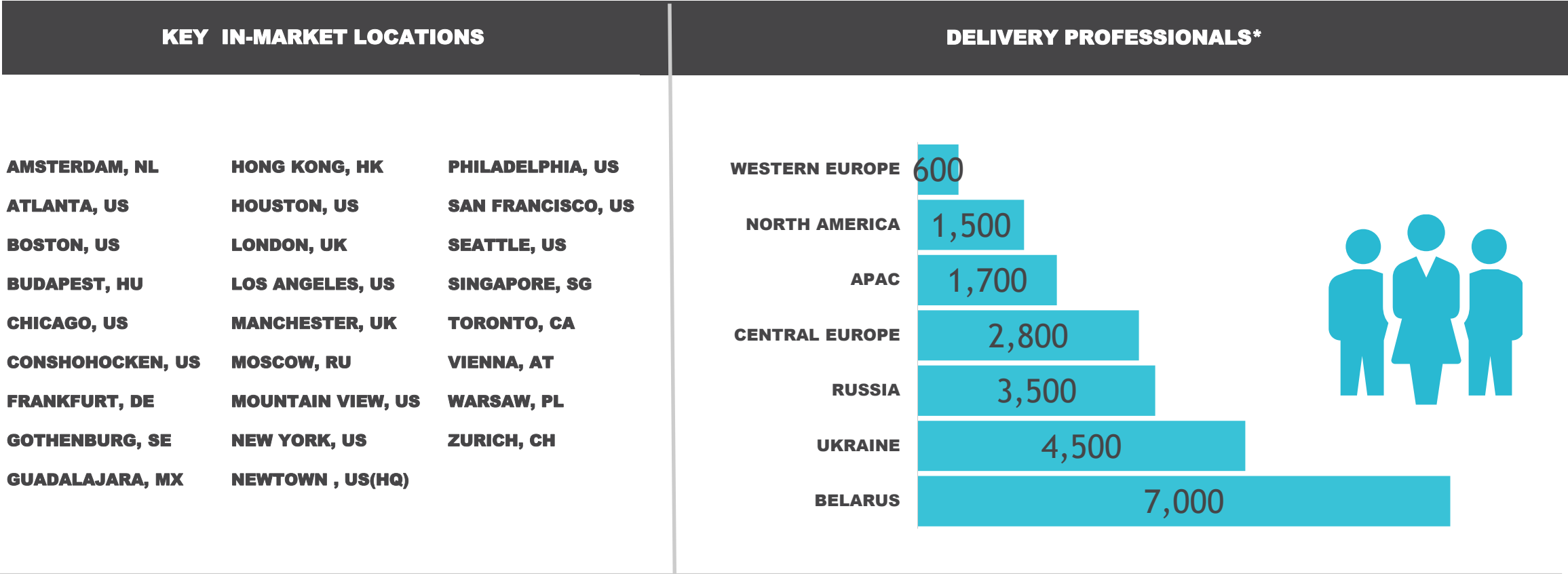
Infrastructure & Licensing

\* As of Q3 2017

A photograph of a modern glass skyscraper at night. The building's facade is composed of a grid of dark blue-tinted glass panels. Many of the windows are illuminated from within, showing office interiors with desks, chairs, and plants. The lights create a warm, yellowish glow that contrasts with the cool blue of the exterior. The building is curved, and the perspective is from a low angle, looking up. The text 'BUSINESS OVERVIEW' is overlaid in the lower-left quadrant in a bold, white, sans-serif font.

# **BUSINESS OVERVIEW**

# GROWING, GLOBAL SCALE IN OVER 25 COUNTRIES



\* Central Europe includes Hungary, Poland, Czech Republic, Bulgaria and Slovakia  
 APAC includes China, India, Kazakhstan, Armenia, Singapore, Hong Kong and Australia  
 Western Europe includes Germany, UK, Switzerland, Sweden, Netherlands, Ireland, Austria

# 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 (OTA) & largest global hospitality company*



## MEDIA & ENTERTAINMENT

Recognized M&E Leader by Research Analysts  
*Working with 5 of the 10 Top TV Networks to transform consumer-driven media*



## LIFE SCIENCES AND HEALTHCARE

R&D Domain Experts  
3 Industry Awards  
*Working with 10 of the 10 Top Pharma Companies*



## SOFTWARE & HI-TECH

23 Year History of Leading Product Development  
*Working with 30 of the top 100 ISV's*

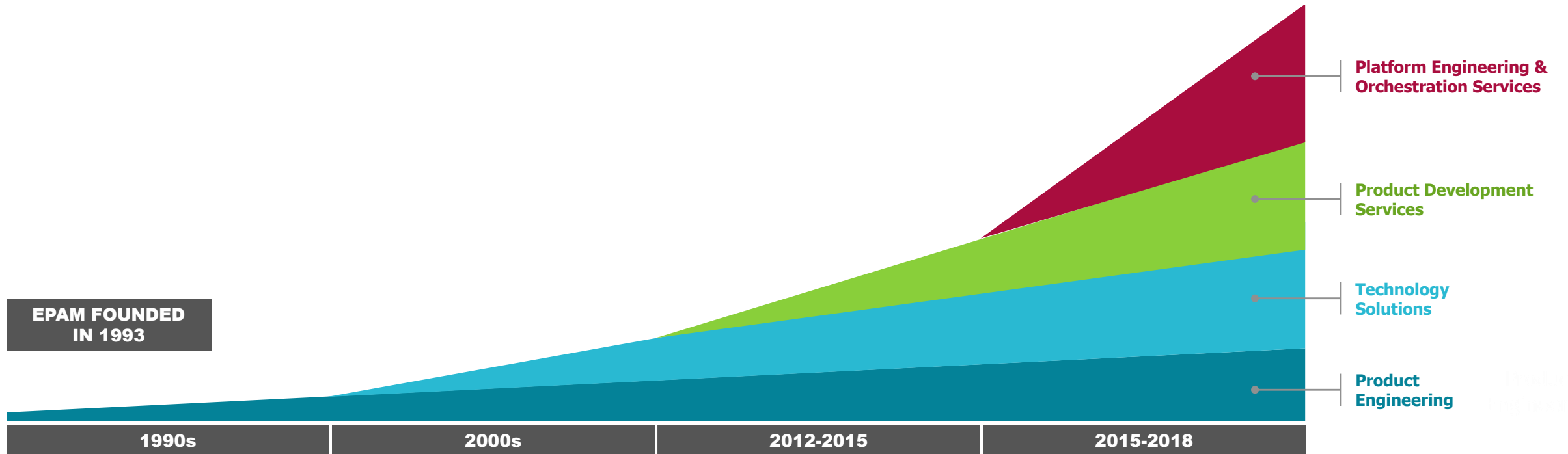


## EMERGING

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

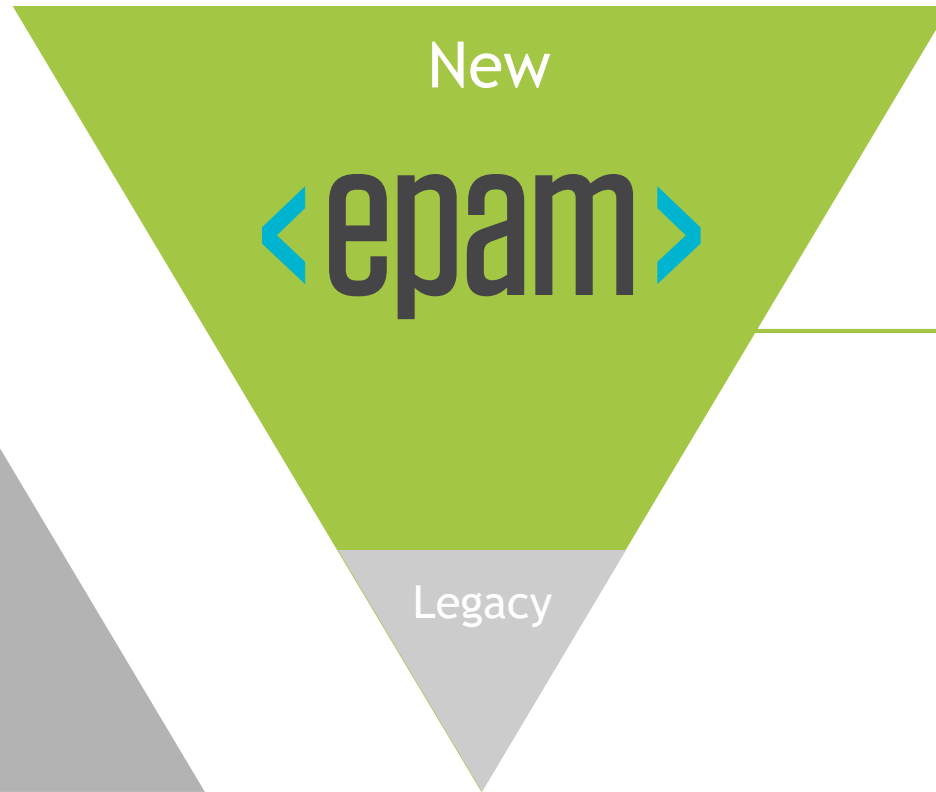
DOMAIN-LED ENTERPRISE SOLUTIONS		
	2006	Q3 2017
Software & Hi-Tech	75%	19%
Financial Services	0%	24%
Travel & Consumer	4%	22%
Media & Entertainment	8%	17%
Life Sciences & Healthcare	0%	8%
Emerging	13%	10%

# EPAM POSITIONED AS A 'NEW' PLAYER

Traditional System Integrators

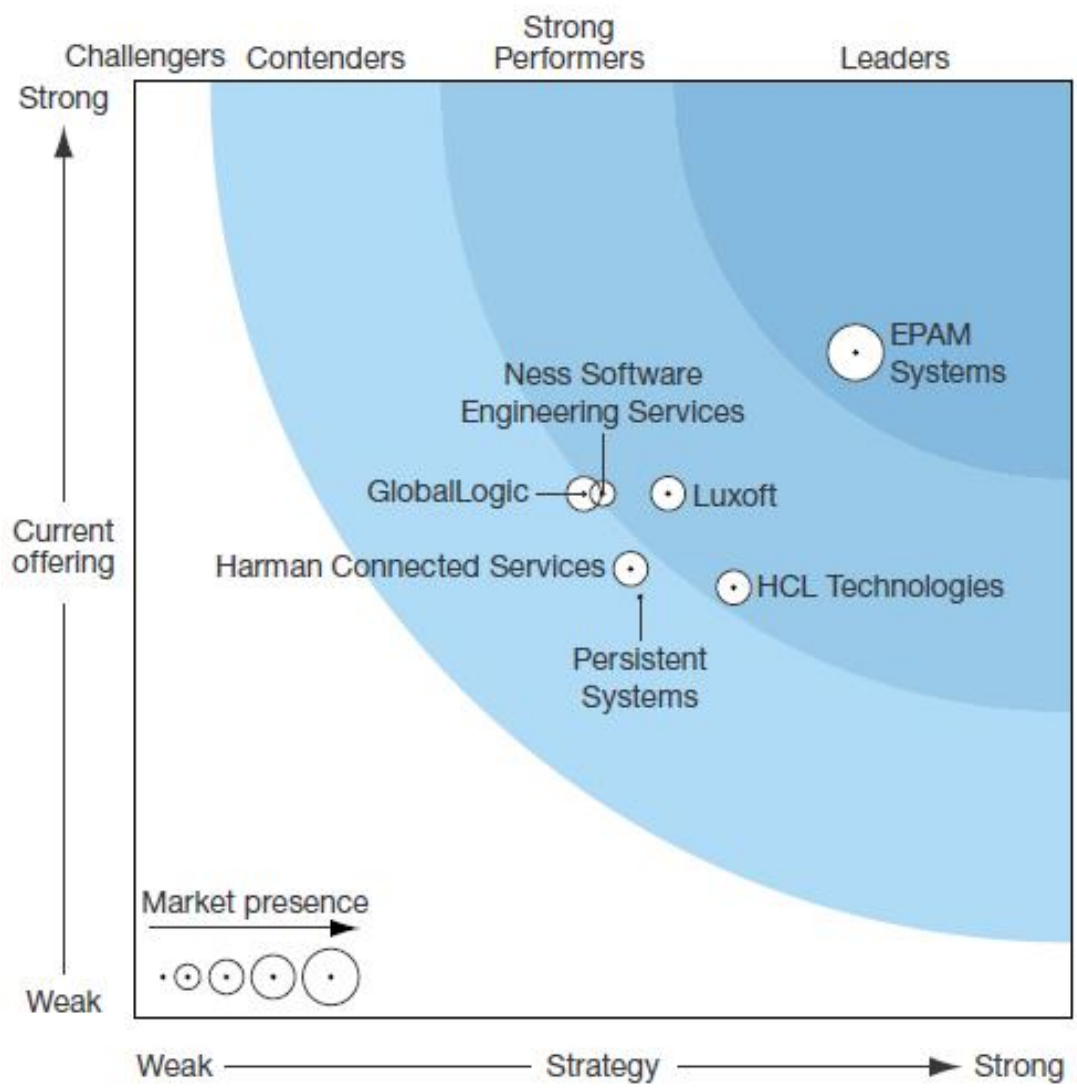


Software-Enriches-The Brand Company (Hybrid Engagements)



- Strategy Consulting
- Service Design
- CX and UX Skills
- Industry/Domain Expertise
- Product Development/ Agile Mindset
- Modern and Legacy Platform Expertise

# 2016: A 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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# RECOGNITIONS

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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 font.

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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 font.



# FINANCIAL OVERVIEW

US \$100  
\$50  
\$40  
\$30  
\$20  
\$10  
\$0  
1995  
1999  
2000  
2001

2003  
Year  
\$20  
\$18  
\$16  
\$14  
\$0

# KEY FINANCIAL HIGHLIGHTS

1

## STRONG REVENUE GROWTH

Long and consistent track record of organic growth

5 year revenue CAGR of 28%

Diversified Portfolio Across Industries, Geographies and Client Concentrations

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%

Superior earnings growth

5 year Non-GAAP EPS CAGR of 21%

15.7% effective tax rate in Q3 2017

4

## STRONG CASH FLOW & BALANCE SHEET

Cash balance as of September 30, 2017  
\$512.5 mm

Days Sales Outstanding of 82 as of September 30, 2017

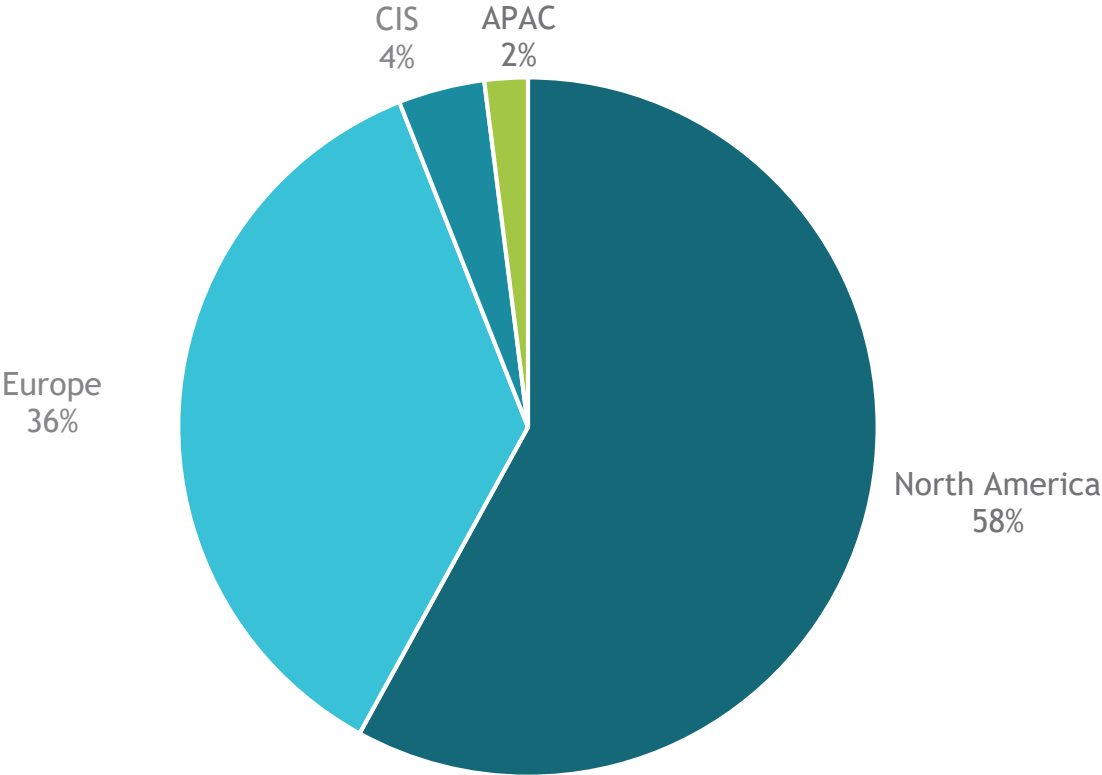
\$64.9 mm of cash flow from operations in Q3 2017

\$273.7 mm in on-demand, low-cost line of credit available in U.S.

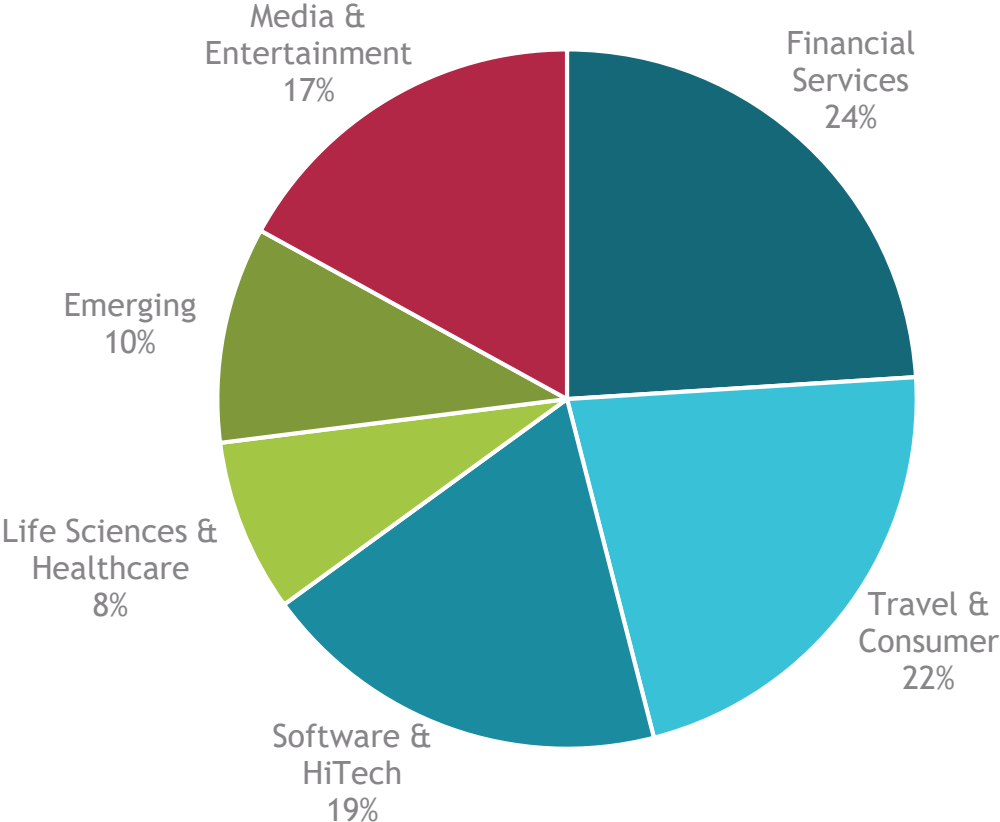
\* 5 year CAGR calculations are based on FY 2011 to FY 2016

# BALANCED REVENUE

## GEOGRAPHY



## INDUSTRY



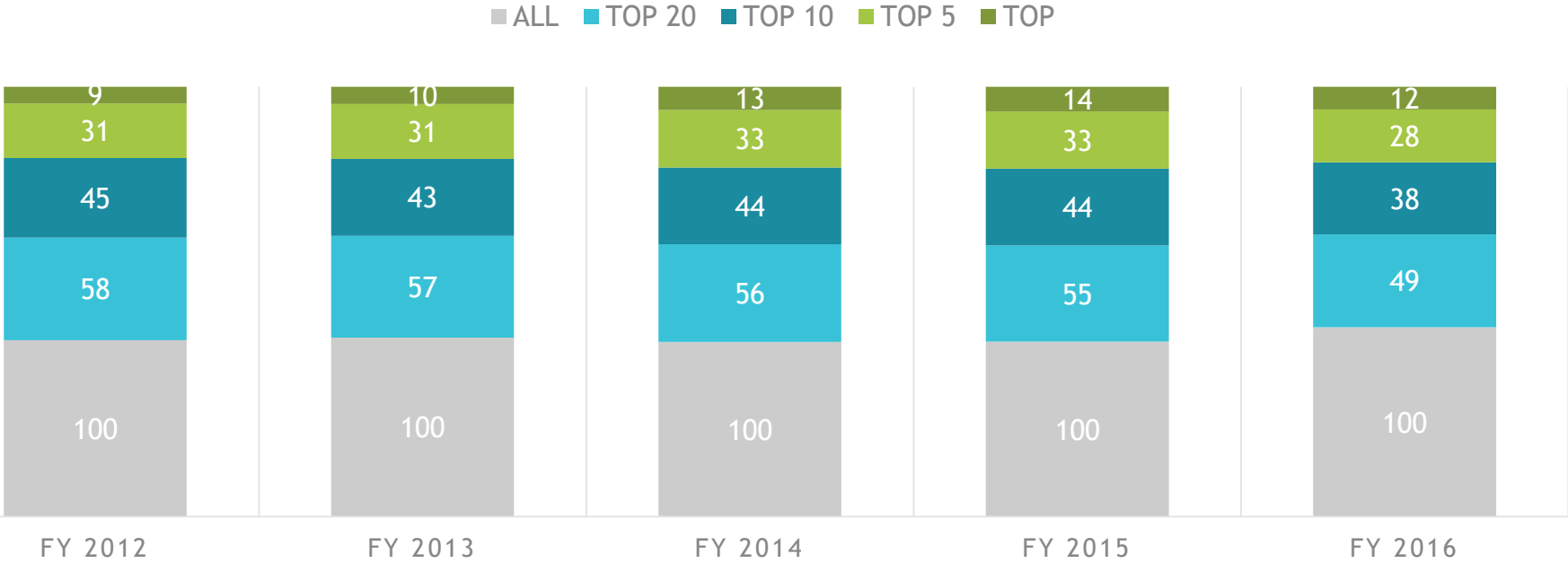
# CLIENT PORTFOLIO OVERVIEW

## BALANCED REVENUE CONCENTRATION (%)

**TOP 5 CLIENTS  
AVERAGE LIFE  
10 YEARS**

**TOP 10 CLIENTS  
AVERAGE LIFE  
10 YEARS**

**TOP 20 CLIENTS  
AVERAGE LIFE  
8 YEARS**



## GROWING LARGE AND STRATEGIC ACCOUNTS

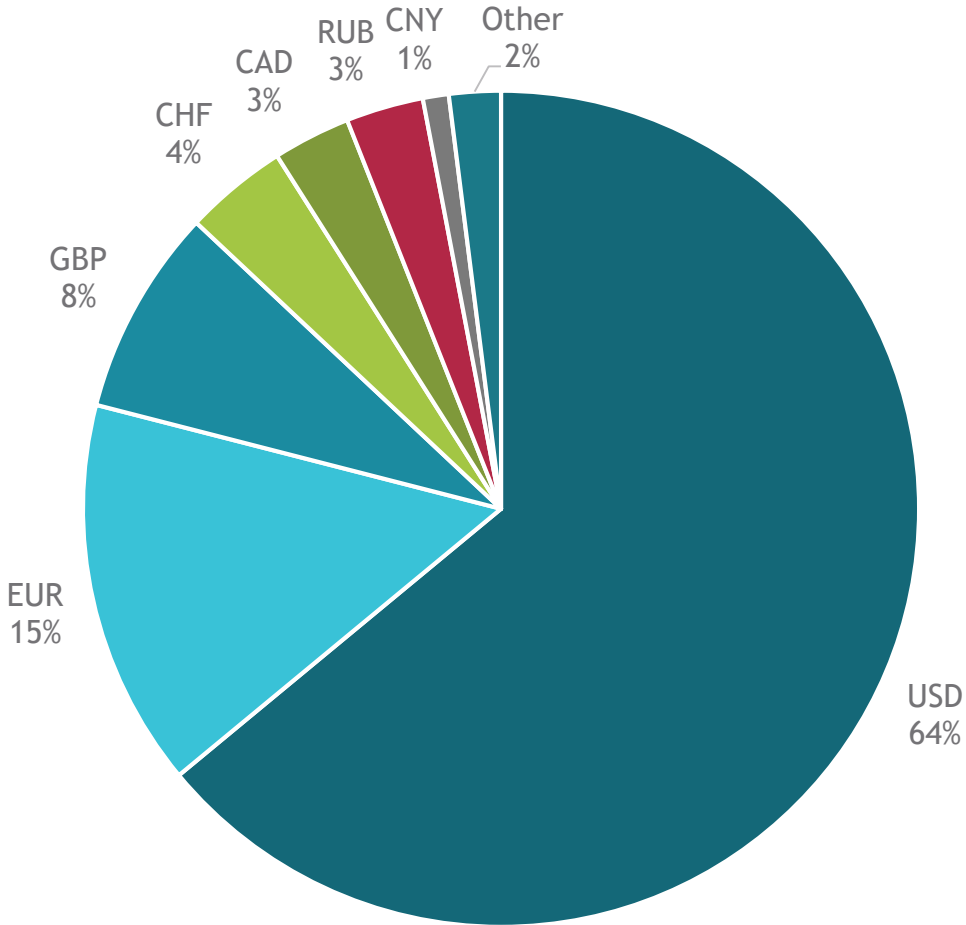
REVENUE*	FY 2013A	FY 2014A	FY 2015A	FY 2016A
\$20 MM+	4	6	7	7
\$10 MM - \$20 MM	8	6	7	12
\$5 MM - \$10MM	10	12	19	26
\$1 MM - \$ 5 MM	73	92	103	137
\$0.5MM - \$ 1MM	52	65	75	84

\* based on IT revenue

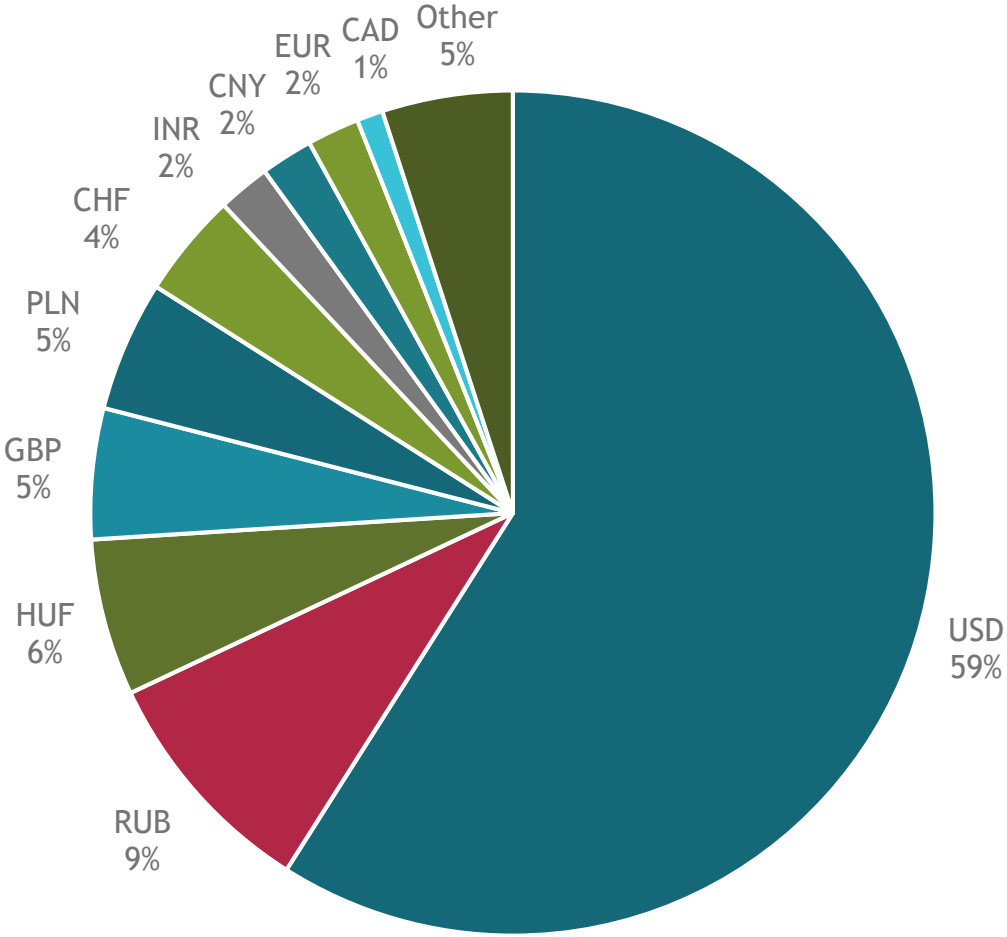


# CURRENCY MIX Q3 2017

### REVENUE MIX BY CURRENCY



### EXPENSE MIX BY CURRENCY



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

	FY2013A		FY2014A		FY2015A		FY2016A		Q32017A	
	NI	EPS	NI	EPS	NI	EPS	NI	EPS	NI	EPS
<b>GAAP</b>	<b>\$61,994</b>	<b>\$1.28</b>	<b>\$69,641</b>	<b>\$1.40</b>	<b>\$84,456</b>	<b>\$1.62</b>	<b>\$99,266</b>	<b>\$1.87</b>	<b>\$42,634</b>	<b>\$0.77</b>
Stock Based Comp	13,150	0.27	24,620	0.49	45,833	0.88	49,244	0.93	11,217	0.20
<i>reported within cost of revenue</i>	4,823	0.10	8,648	0.17	13,695	0.26	16,619	0.32	4,913	0.09
<i>reported within SG&amp;A (non-acquisition)</i>	3,910	0.08	7,143	0.14	13,448	0.26	19,741	0.37	216	0.00
<i>reported within SG&amp;A (acquisition related)</i>	4,417	0.09	8,829	0.18	18,690	0.36	12,884	0.24	6,088	0.11
M&A	218	0.01	904	0.02	733	0.02	706	0.01	32	0.00
Goodwill Write Off	—	—	2,241	0.04	—	—	—	—	—	—
Amortization of purchased intangible assets	2,785	0.06	5,349	0.11	5,416	0.10	8,170	0.15	1,869	0.04
Change in fair value of contingent consideration	—	—	1,924	0.04	—	—	—	—	—	—
One-time charges	(807)	(0.02)	3,845	0.08	741	0.01	—	—	258	0.01
Foreign Exchange	2,800	0.06	2,075	0.04	4,628	0.09	12,078	0.22	77	0.00
Non-GAAP Tax Effect	(3,856)	(0.08)	(10,562)	(0.21)	(13,254)	(0.25)	(15,014)	(0.28)	(2,497)	(0.05)
Excess Tax Benefit related to SO	—	—	—	—	—	—	—	—	(2,620)	(0.05)
<b>Non-GAAP</b>	<b>\$76,284</b>	<b>\$1.58</b>	<b>\$100,037</b>	<b>\$2.01</b>	<b>\$128,553</b>	<b>\$2.47</b>	<b>\$154,450</b>	<b>\$2.90</b>	<b>50,970</b>	<b>\$0.92</b>