

KEYSTONE'S

U.S. Growth/Value Stock Research Service

NOVEMBER 5018

Independent Equity Advisors

Editor: Ryan Irvine, BBA (Finance)

Senior Analyst: Aaron Dunn, CFA

Focus BUY Portfolio	Initial Coverage: EPAM Systems, Inc.
	Price: \$123.28
	Symbol: EPAM: NYSE
	Near Term: ▲ BUY
	Long Term: ▲ BUY

Summary

Since 1993, EPAM Systems, Inc. (EPAM: NYSE) has leveraged its software engineering expertise to become a leading global product development, digital platform engineering, and top digital and product design agency. Through its 'Engineering DNA' and innovative strategy, consulting, and design capabilities, EPAM works in collaboration with its customers to deliver next-gen solutions that turn complex business challenges into real business outcomes. EPAM's global teams serve customers in over 25 countries across North America, Europe, Asia and Australia. EPAM is a recognized market leader in multiple categories among top global independent research agencies, and was one of only four technology companies to appear on each of the Forbes 25 Fastest Growing Public Tech Companies lists between 2013 and 2017. (Source: EPAM Press Release).

Subscriptions

ANNUAL SUBSCRIPTION

U.S. GROWTH/VALUE STOCK RESEARCH

ANNUAL PAYMENT: \$799.00

(PLUS APPLICABLE TAXES)

Send a cheque or money order payable to:
KeyStone Financial Publishing Corp.

555-15216 North Bluff Rd
White Rock, BC V4B 0A7, Canada

To order by Visa or MasterCard

Phone: (604) 273-1118

Fax: (604) 239-2138

Visit: www.keystocks.com

E-mail: subscriptions@keystocks.com

All prices include shipping and handling charges.
Canadian residents please add GST.

Visit www.keystocks.com for more details.

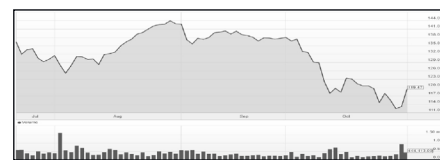


www.keystocks.com

The information presented in this publication is drawn from sources believed to be reliable; however, the accuracy or completeness of this information is not guaranteed. Neither KeyStone Financial Publishing Corp. nor any of its affiliates accepts any liabilities whatsoever for any loss resulting from the use of this publication or its content. It should not be assumed that the past performance of any companies featured in this publication will equal future performance. KeyStone Financial Publishing Corp. is under no obligation to update information contained within this publication. KeyStone Financial Publishing Corp. does not accept fees or benefits of any nature from any corporation for the selection of the company within this publication. Employees of KeyStone Financial Publishing Corp. may hold a minor position in some of the featured companies' securities. The information contained herein is for informative purposes only. This publication does not constitute an offer to sell or the solicitation of an offer to buy any securities. KeyStone's Investment Research is not designed to counsel individual investors; those seeking specific investment advice should consider a qualified investment professional.

EPAM Systems, Inc. (EPAM: NYSE)**Recommendation: BUY****Focus BUY Portfolio**

Current Price (November 5, 2018).....\$123.28

**COMPANY DESCRIPTION**

Since 1993, EPAM Systems, Inc. (EPAM: NYSE) has leveraged its software engineering expertise to become a leading global product development, digital platform engineering, and top digital and product design agency. Through its 'Engineering DNA' and innovative strategy, consulting, and design capabilities, EPAM works in collaboration with its customers to deliver next-gen solutions that turn complex business challenges into real business outcomes. EPAM's global teams serve customers in over 25 countries across North America, Europe, Asia and Australia. EPAM is a recognized market leader in multiple categories among top global independent research agencies, and was one of only four technology companies to appear on each of the Forbes 25 Fastest Growing Public Tech Companies lists between 2013 and 2017. (Source: EPAM Press Release).

INVESTMENT HIGHLIGHTS

- Provides expertise to enterprise customers to facilitate digital transformation, customer engagement, product development, improved operating efficiencies and deeper insights using artificial intelligence and data analytics.
- 31 consecutive quarters of 20%+ year-over-year organic revenue growth.
- Consistent profitability and double-digit EPS growth for 8-straight years.
- Cash rich balance sheet with minimal debt (9% of market cap in net cash).
- Reasonable valuation based on long-term fundamentals and historical track record.

RECENT FINANCIALS**Third Quarter 2018 Performance:**

- Revenue increased 24% to \$468.2 million.
- Non-GAAP operating income increased 31% to \$82.1 million.
- Non-GAAP operating margin increased to 17.5% from 16.6% in the previous year.
- Non-GAAP diluted earnings per share increased 27% to \$1.17.

EPAM provides software engineering and consulting services to 6 industry verticals including Financial Services, Travel and Consumer, Software and High-Tech, Business Information & Media, Life Sciences and Healthcare, and Emerging.

The drivers of growth are consistent across these verticals and include digital transformation, and increased focus on customer engagement, product development and driving efficiencies and deeper insights, using

TABLE 1: MARKET DATA

Symbol	EPAM
Yield	0%
Market Capitalization	\$6.8 B
Shares Outstanding (basic)	53,852,000
Shares Outstanding (diluted)	56,963,000
Average Daily Trading Volume	403,570

TABLE 2: QUARTERLY FINANCIAL DATA

(thousands)	Q3 2018	Q3 2017	Change
Revenues	\$468,186	\$377,523	24.0%
Operating Income	\$82,053	\$62,624	31.0%
Non-GAAP Net Income	\$66,367	\$50,970	30.2%
Non-GAAP EPS	\$1.17	\$0.92	27.2%
Net Cash	\$660,080	\$487,452	35.4%
Shareholder's Equity	\$1,195,935	\$985,145	21.4%

TABLE 3: YTD FINANCIAL DATA

(thousands)	9M 2018	9M 2017	Change
Revenues	\$1,337,981	\$1,051,151	27.3%
Operating Income	\$222,046	\$167,710	32.4%
Non-GAAP Net Income	\$175,686	\$133,676	31.4%
Non-GAAP EPS	\$3.10	\$2.45	26.5%

TABLE 4: FINANCIAL RATIOS

	2018e
Price-to-Earnings	29.4
Price-to-FCF	26.5
Gross Margin	17.5%
Return on Equity	20.6%
Current Ratio	5.0
Debt-to-EBITDA	0.0

EPAM Systems, Inc. (EPAM: NYSE)**Recommendation: BUY****Focus BUY Portfolio**

Current Price (November 5, 2018).....\$123.28



artificial intelligence, machine learning and analytics.

EPAM's largest vertical is the Financial Services industry which delivered year-over-year growth of 18.1%. Travel and Consumer grew 21.9%, Software and Hi-Tech grew approximately 20.1%, Business Information & Media grew 27.2%, Life Sciences and Healthcare grew 40.3%, and Emerging grew 31.4%.

In the third quarter, growth from the top 20 clients was approximately 23%, and growth outside the top 20 clients was approximately 25% compared to the same quarter last year.

9 Month 2018 Performance:

- Revenue increased 27% to \$1,337.9 million.
- Non-GAAP operating income increased 32% to \$222.0 million.
- Non-GAAP operating margin increased to 16.6% from 16.0% in the previous year.
- Non-GAAP diluted earnings per share increased 27% to \$3.10.

BALANCE SHEET

EPAM has a strong financial position with \$660 million in net cash which is equivalent to approximately \$12.00 per share or 9% of the company's market capitalization.

OUTLOOK

- Q4 revenue is expected to grow at least 25% and non-GAAP EPS is expected to grow at least 21% to \$1.22 based on the company's guidance.
- Full year 2018 revenue is expected to grow at least 26% and non-GAAP EPS is expected to grow at least 25% to \$4.32.

HISTORICAL FINANCIALS

The following charts illustrate EPAM's full history of publicly available financial information which goes back to 2010.

TABLE 1: MARKET DATA

Symbol	EPAM
Yield	0%
Market Capitalization	\$6.8 B
Shares Outstanding (basic)	53,852,000
Shares Outstanding (diluted)	56,963,000
Average Daily Trading Volume	403,570

TABLE 2: QUARTERLY FINANCIAL DATA

(thousands)	Q3 2018	Q3 2017	Change
Revenues	\$468,186	\$377,523	24.0%
Operating Income	\$82,053	\$62,624	31.0%
Non-GAAP Net Income	\$66,367	\$50,970	30.2%
Non-GAAP EPS	\$1.17	\$0.92	27.2%
Net Cash	\$660,080	\$487,452	35.4%
Shareholder's Equity	\$1,195,935	\$985,145	21.4%

TABLE 3: YTD FINANCIAL DATA

(thousands)	9M 2018	9M 2017	Change
Revenues	\$1,337,981	\$1,051,151	27.3%
Operating Income	\$222,046	\$167,710	32.4%
Non-GAAP Net Income	\$175,686	\$133,676	31.4%
Non-GAAP EPS	\$3.10	\$2.45	26.5%

TABLE 4: FINANCIAL RATIOS

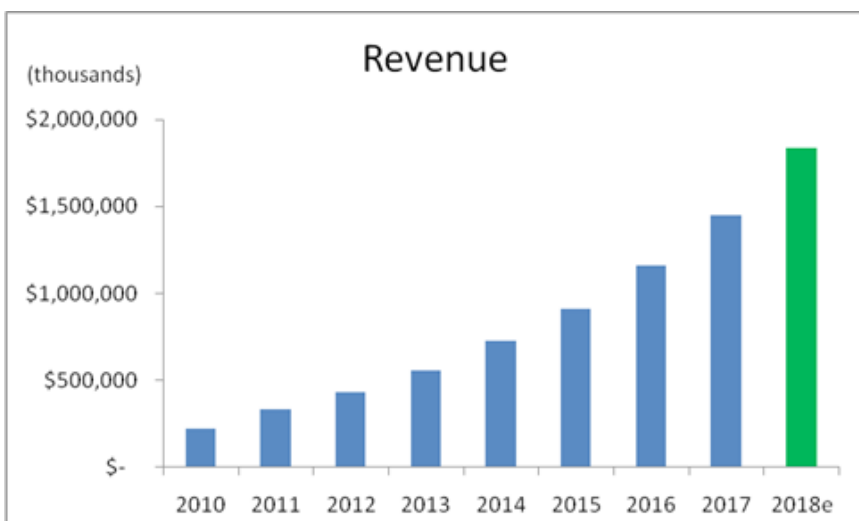
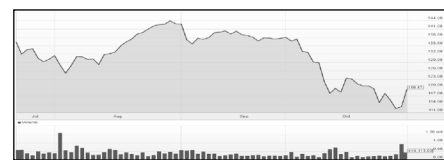
	2018e
Price-to-Earnings	29.4
Price-to-FCF	26.5
Gross Margin	17.5%
Return on Equity	20.6%
Current Ratio	5.0
Debt-to-EBITDA	0.0

EPAM Systems, Inc. (EPAM: NYSE)

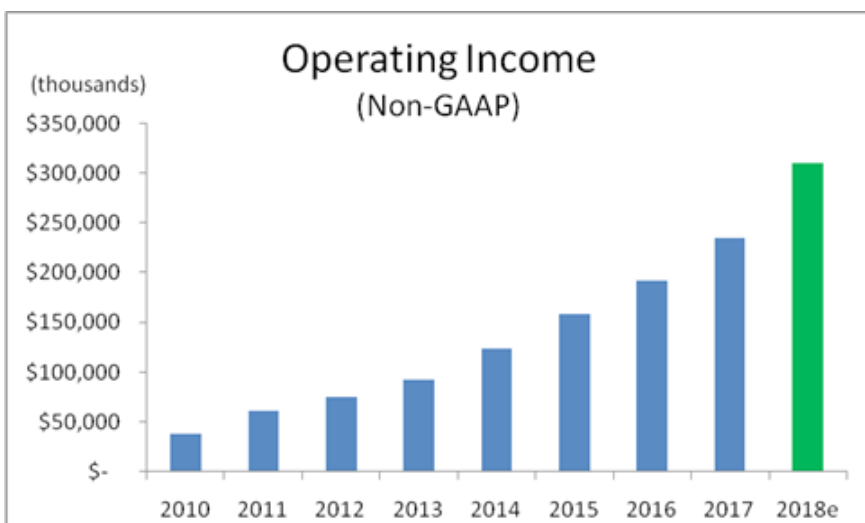
Recommendation: BUY

Focus BUY Portfolio

Current Price (November 5, 2018).....\$123.28



EPAM has produced consistent revenue growth over the 8-year period from 2010 to 2017 with average compound growth of 31%. The company expects full year revenue growth of approximately 26% in 2018.



EPAM has produced consistent growth in non-GAAP operating income over the 8-year period with average compound growth of 30% per year. The company expects non-GAAP operating income to grow approximately 32% in 2018.

TABLE 1: MARKET DATA

Symbol	EPAM
Yield	0%
Market Capitalization	\$6.8 B
Shares Outstanding (basic)	53,852,000
Shares Outstanding (diluted)	56,963,000
Average Daily Trading Volume	403,570

TABLE 2: QUARTERLY FINANCIAL DATA

(thousands)	Q3 2018	Q3 2017	Change
Revenues	\$468,186	\$377,523	24.0%
Operating Income	\$82,053	\$62,624	31.0%
Non-GAAP Net Income	\$66,367	\$50,970	30.2%
Non-GAAP EPS	\$1.17	\$0.92	27.2%
Net Cash	\$660,080	\$487,452	35.4%
Shareholder's Equity	\$1,195,935	\$985,145	21.4%

TABLE 3: YTD FINANCIAL DATA

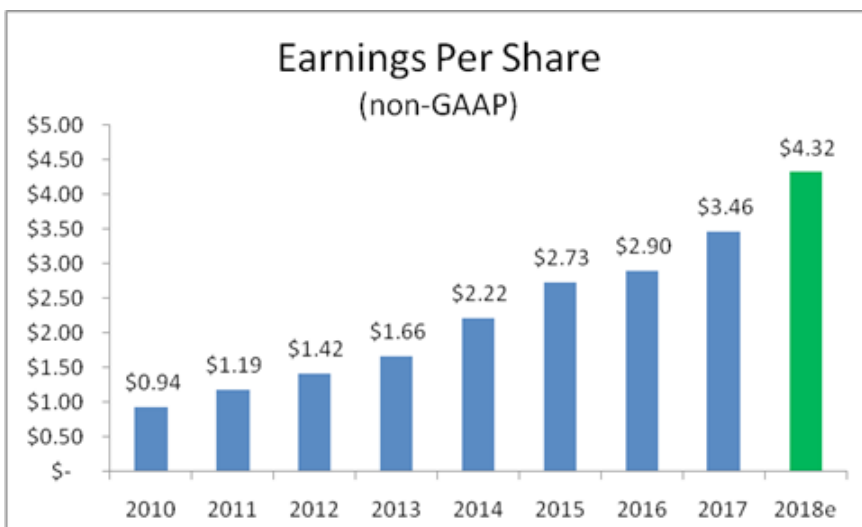
(thousands)	9M 2018	9M 2017	Change
Revenues	\$1,337,981	\$1,051,151	27.3%
Operating Income	\$222,046	\$167,710	32.4%
Non-GAAP Net Income	\$175,686	\$133,676	31.4%
Non-GAAP EPS	\$3.10	\$2.45	26.5%

TABLE 4: FINANCIAL RATIOS

	2018e
Price-to-Earnings	29.4
Price-to-FCF	26.5
Gross Margin	17.5%
Return on Equity	20.6%
Current Ratio	5.0
Debt-to-EBITDA	0.0

EPAM Systems, Inc. (EPAM: NYSE)**Recommendation: BUY****Focus BUY Portfolio**

Current Price (November 5, 2018).....\$123.28



EPAM has produced consistent growth in non-GAAP EPS over the 8-year period with average compound growth of 24% per year. The company expects non-GAAP EPS to grow approximately 25% in 2018.

OPERATIONS

EPAM provides software engineering and product and platform development services to 6 established and growing industry verticals.

<p>FINANCIAL SERVICES</p> <p>Award-Winning Wealth Management Platform Deep Expertise in Current and Emerging FinTech Working with 5 of the 10 largest investment banks</p>	<p>TRAVEL & CONSUMER</p> <p>Leading Digital Transformation for Global Retailers Working with the largest online travel association and the largest global hospitality company</p>	<p>BUSINESS INFORMATION & MEDIA</p> <p>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</p>
<p>LIFE SCIENCES & HEALTHCARE</p> <p>R&D Domain Experts with 700+ Complex Solutions & Services Supporting the Entire Drug Discovery Workflow Working with 9 of the 10 top pharma companies</p>	<p>SOFTWARE & HI-TECH</p> <p>24-Year History of Leading Product Development Working with 30+ of the top 100 ISVs</p>	<p>EMERGING</p> <p>Deep Expertise Offers Innovative Solutions Working with industries ranging from Energy and Utilities to Telecom and Automotive</p>

Symbol	EPAM
Yield	0%
Market Capitalization	\$6.8 B
Shares Outstanding (basic)	53,852,000
Shares Outstanding (diluted)	56,963,000
Average Daily Trading Volume	403,570

(thousands)	Q3 2018	Q3 2017	Change
Revenues	\$468,186	\$377,523	24.0%
Operating Income	\$82,053	\$62,624	31.0%
Non-GAAP Net Income	\$66,367	\$50,970	30.2%
Non-GAAP EPS	\$1.17	\$0.92	27.2%
Net Cash	\$660,080	\$487,452	35.4%
Shareholder's Equity	\$1,195,935	\$985,145	21.4%

(thousands)	9M 2018	9M 2017	Change
Revenues	\$1,337,981	\$1,051,151	27.3%
Operating Income	\$222,046	\$167,710	32.4%
Non-GAAP Net Income	\$175,686	\$133,676	31.4%
Non-GAAP EPS	\$3.10	\$2.45	26.5%

	2018e
Price-to-Earnings	29.4
Price-to-FCF	26.5
Gross Margin	17.5%
Return on Equity	20.6%
Current Ratio	5.0
Debt-to-EBITDA	0.0

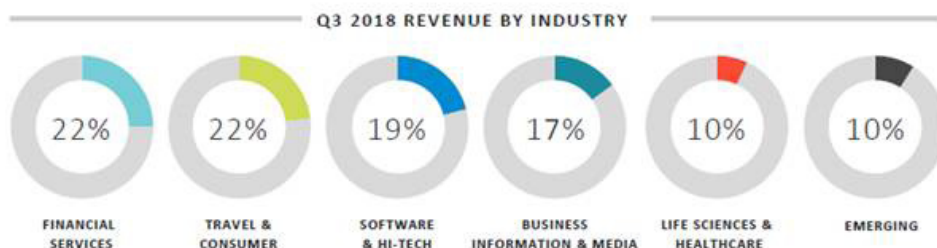
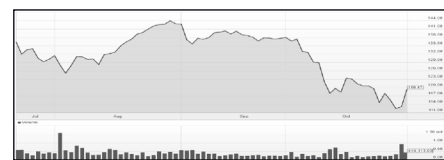
Source: Q3 EPAM Corporate Presentation

EPAM Systems, Inc. (EPAM: NYSE)

Recommendation: BUY

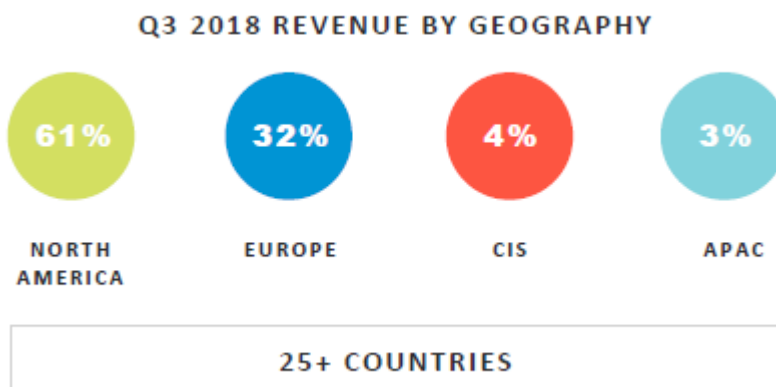
Focus BUY Portfolio

Current Price (November 5, 2018).....\$123.28



Source: Q3 EPAM Corporate Presentation

EPAM has a presence in over 25 countries around the world with a focus on North America and Europe.



Source: Q3 EPAM Corporate Presentation

KEY AREAS OF GROWTH

EPAM continues to benefit from growth drivers which are consistent across its industry verticals including digital transformation, and increased focus on customer engagement, product development, and driving efficiencies and deeper insights, using artificial intelligence, machine learning and analytics.

Technological innovation is disrupting nearly every industry at a rapid pace and massive scale. New entrants and disruptive forces are posing threats to established enterprises like never before and are redefining competitive advantages. In order to remain competitive, enterprises need to augment or replace outdated and inflexible IT systems with completely new architecture which can meet the evolving needs of customers and is adaptable to rapidly changing market environments. A challenge for enterprises is that they often lack the internal personnel and capabilities to design and implement this new architecture. In addition, the speed

TABLE 1: MARKET DATA

Symbol	EPAM
Yield	0%
Market Capitalization	\$6.8 B
Shares Outstanding (basic)	53,852,000
Shares Outstanding (diluted)	56,963,000
Average Daily Trading Volume	403,570

TABLE 2: QUARTERLY FINANCIAL DATA

(thousands)	Q3 2018	Q3 2017	Change
Revenues	\$468,186	\$377,523	24.0%
Operating Income	\$82,053	\$62,624	31.0%
Non-GAAP Net Income	\$66,367	\$50,970	30.2%
Non-GAAP EPS	\$1.17	\$0.92	27.2%
Net Cash	\$660,080	\$487,452	35.4%
Shareholder's Equity	\$1,195,935	\$985,145	21.4%

TABLE 3: YTD FINANCIAL DATA

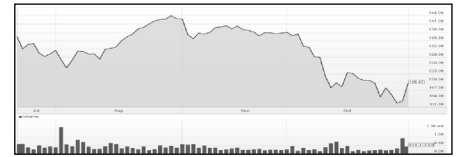
(thousands)	9M 2018	9M 2017	Change
Revenues	\$1,337,981	\$1,051,151	27.3%
Operating Income	\$222,046	\$167,710	32.4%
Non-GAAP Net Income	\$175,686	\$133,676	31.4%
Non-GAAP EPS	\$3.10	\$2.45	26.5%

TABLE 4: FINANCIAL RATIOS

	2018e
Price-to-Earnings	29.4
Price-to-FCF	26.5
Gross Margin	17.5%
Return on Equity	20.6%
Current Ratio	5.0
Debt-to-EBITDA	0.0

EPAM Systems, Inc. (EPAM: NYSE)**Recommendation: BUY****Focus BUY Portfolio**

Current Price (November 5, 2018).....\$123.28



of change is also a threat because the opportunity to gain or maintain a competitive advantage by replacing or building a new system can pass very quickly.

It is crucial for enterprises to have access to the capabilities and experience required to keep pace with these changes. This challenge continues to increase as the next wave of digitalization involves integrating people, suppliers, consumers, and businesses into scalable and flexible platforms and requires a higher level of expertise in designing and building complex systems.

VALUATION

EPAM is expecting non-GAAP earnings of \$4.32 per share for 2018 which equates to a price-to-earnings valuation of 29 times (27 times on cash-out basis).

EPAM trades at a premium to the market and to its own average valuation multiple over the past 5 years. The company's valuation relative to earnings is not exactly cheap; however, given the strong track record and outlook for the company, we still believe that this represents growth at a "reasonable price."

Within the software technology space specifically, companies with track records and outlooks of double-digit revenue and earnings growth and strong balance sheets generally trade at price-to-earnings multiples ranging from 30 to 50+ times. Considering the comparable companies, we believe that EPAM's valuation can continue to expand from the current level as the company executes successfully on its growth strategy.

	2013	2014	2015	2016	2017		Current
Average Share Price	\$27.99	\$40.69	\$68.42	\$68.56	\$83.14		\$127.00
Non-GAAP EPS	\$1.66	\$2.22	\$2.73	\$2.90	\$3.46		\$4.32
Price-to-EPS	16.9	18.3	25.1	23.6	24.0		29.4

CONCLUSION

EPAM Systems is a software engineering company with a strong track record of profitability and growth. The company continues to benefit from growth drivers which are consistent across the industry verticals it serves, including digital transformation, and increased focus on customer engagement, product development, and driving efficiencies and deeper insights, using artificial intelligence, machine learning, and analytics.

Technological innovation is disrupting nearly every industry at a rapid pace and massive scale. In order to remain competitive, enterprises

TABLE 1: MARKET DATA

Symbol	EPAM
Yield	0%
Market Capitalization	\$6.8 B
Shares Outstanding (basic)	53,852,000
Shares Outstanding (diluted)	56,963,000
Average Daily Trading Volume	403,570

TABLE 2: QUARTERLY FINANCIAL DATA

(thousands)	Q3 2018	Q3 2017	Change
Revenues	\$468,186	\$377,523	24.0%
Operating Income	\$82,053	\$62,624	31.0%
Non-GAAP Net Income	\$66,367	\$50,970	30.2%
Non-GAAP EPS	\$1.17	\$0.92	27.2%
Net Cash	\$660,080	\$487,452	35.4%
Shareholder's Equity	\$1,195,935	\$985,145	21.4%

TABLE 3: YTD FINANCIAL DATA

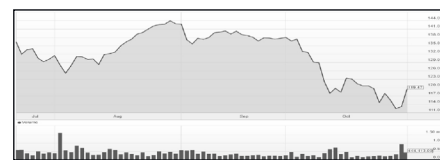
(thousands)	9M 2018	9M 2017	Change
Revenues	\$1,337,981	\$1,051,151	27.3%
Operating Income	\$222,046	\$167,710	32.4%
Non-GAAP Net Income	\$175,686	\$133,676	31.4%
Non-GAAP EPS	\$3.10	\$2.45	26.5%

TABLE 4: FINANCIAL RATIOS

	2018e
Price-to-Earnings	29.4
Price-to-FCF	26.5
Gross Margin	17.5%
Return on Equity	20.6%
Current Ratio	5.0
Debt-to-EBITDA	0.0

EPAM Systems, Inc. (EPAM: NYSE)**Recommendation: BUY****Focus BUY Portfolio**

Current Price (November 5, 2018).....\$123.28



must continuously invest and upgrade existing systems. EPAM helps its enterprise clients remain competitive by designing and creating new IT systems and architecture which can meet the evolving needs of customers and is adaptable to rapidly changing market environments.

EPAM has a strong track record of profitability and growth which goes back to the beginning of its history as a public company. EPAM has reported 31 consecutive quarters of 20%+ year-over-year organic revenue growth and 8-straight years of consistent profitability and double-digit growth in earnings per share. The company also maintains a very strong balance sheet which consists of \$660 million in net cash (\$12 per share). From a valuation perspective, EPAM does trade at a premium multiple of 29 times earnings (27 times on cash-out basis); however, among comparable companies with similar growth and fundamentals, we generally see valuations in the range of 30 to 50 times or higher.

Looking forward, the pace of technological innovation and accompanying corporate investment will fluctuate but the long-term trend will undoubtedly remain strong. EPAM is well positioned to benefit from this trend and to continue to deliver strong growth and profitability. We see an attractive opportunity in the stock over a 2 to 3-year time frame and are initiating coverage with a rating of BUY.

TABLE 1: MARKET DATA

Symbol	EPAM
Yield	0%
Market Capitalization	\$6.8 B
Shares Outstanding (basic)	53,852,000
Shares Outstanding (diluted)	56,963,000
Average Daily Trading Volume	403,570

TABLE 2: QUARTERLY FINANCIAL DATA

(thousands)	Q3 2018	Q3 2017	Change
Revenues	\$468,186	\$377,523	24.0%
Operating Income	\$82,053	\$62,624	31.0%
Non-GAAP Net Income	\$66,367	\$50,970	30.2%
Non-GAAP EPS	\$1.17	\$0.92	27.2%
Net Cash	\$660,080	\$487,452	35.4%
Shareholder's Equity	\$1,195,935	\$985,145	21.4%

TABLE 3: YTD FINANCIAL DATA

(thousands)	9M 2018	9M 2017	Change
Revenues	\$1,337,981	\$1,051,151	27.3%
Operating Income	\$222,046	\$167,710	32.4%
Non-GAAP Net Income	\$175,686	\$133,676	31.4%
Non-GAAP EPS	\$3.10	\$2.45	26.5%

TABLE 4: FINANCIAL RATIOS

	2018e
Price-to-Earnings	29.4
Price-to-FCF	26.5
Gross Margin	17.5%
Return on Equity	20.6%
Current Ratio	5.0
Debt-to-EBITDA	0.0

2008a; 2009e

The term (a) refers to the actually results that a company has posted on its financial statements. The term (e) refers to analyst estimates of future results.

Book value (BV)

The total value of a company's assets, on its Balance Sheet, less any liabilities. Also referred to as Shareholder Equity. (The value of a company's assets, on its Balance Sheet, does not necessarily reflect the true value of assets).

Cash Flow from Operations (CFO; Operating Cash Flow)

The cash inflow that a company receives during a period, resulting from operating activities (does not include Cash Flow from Investing or Financing).

Current ratio

One of many ratios designed to evaluate short-term liquidity of a company. Calculated as current assets divided by current liabilities, this ratio gauges the level of cash resources relative to current liabilities as a measure of cash obligations (the ratio should be greater than 1).

D/E: Debt-to-equity ratio

A measure of a company's financial leverage calculated by dividing long term debt by shareholders equity. It indicates what proportion of equity and debt the company is using to finance its assets (a lower ratio indicates lower relative debt ratios).

EBITDA

Earnings before interest, taxes, depreciation, and amortization. EBITDA is calculated as revenue minus expenses (excluding tax, interest, depreciation, and amortization).

EPS: Earnings per share

A company's earnings available to common shareholders, also known as net income or net profit, divided by the number of shares outstanding.

Fair Value

The price at which an analyst believes a company's stock should be priced. Although this value is based on intelligent analysis, it in no way is a representation of what the company's share price will be trading at given any period of time. The analysis used to determine Fair Value is based on numerous assumptions and uncertainties. Fair Value should be used only as a general guide to investing and should not be depended upon.

FCFE: Free cash flow to equity

Cash flow from operations less working capital requirements, sustaining capital expenditures and scheduled debt repayments. FCFE consists of cash inflows that are available to the shareholders of the company.

Net working capital surplus (deficiency)

A measure of the company's ability to carry on its normal business comfortably and without financial stringency, to expand its operations without the need of new financing, and to meet emergencies and losses. Calculated by deducting current liabilities from the current assets (as positive figure is a surplus, whereas a negative figure is a deficiency).

P/B: Price-to-book ratio

Calculated as a stock's market value (current closing price) divided by its latest quarter's book value. While a lower P/B ratio could mean that the stock is undervalued, it could also serve as a sign of weak fundamentals, and as with most ratios, this varies a fair amount by industry.

P/CF: Price-to-cash flow ratio

Calculated as a company's current share price divided by its cash flow per share (i.e., free cash flow divided by the number of company's shares outstanding) over the last four quarters (called "TTM," or "trailing 12 months" calculation). It is a measure of the market's expectations regarding a firm's future financial health.

P/S: Price-to-sales ratio

It is calculated as a stock's current market price divided by its sales (revenue) per share. When calculating this ratio, we use the company's revenue from its latest four quarters, or on a TTM basis.

ROE: Return on equity

A measure of a corporation's profitability, calculated as net income divided by shareholder's equity. ROE is often useful in comparing the profitability of a company to other firms in the same industry.

Tangible Book Value (TBV)

The total value of a company's assets, on its Balance Sheet, less any liabilities and intangible assets such as goodwill. Also referred to as Shareholder Equity. (Also true asset values likely differ from Balance Sheet Values, Tangible Book Value is generally considered a more accurate representation of value).

Times Interest Earned

The multiple of Net Income (before interest and taxes) to interest payments during the period. This assesses a company's ability and margin of safety, with respect to meeting its interest obligations (a higher number is more attractive).

Yield

The investment return resulting from income distributions. Calculated as the annual or annualized interest or dividend distribution, divided by the cost of the original investment.

Disclosure					
Stock Holding				Other	
Companies	KeyStone	KeyStone Employees	Related Companies	Investment Banking Client	Related Company Business Relationship
EPAM Systems, Inc.	NO	NO	NO	NO	NO

Disclaimer: The information in this publication is derived from sources believed to be reliable. Neither KeyStone Financial, its employees or any affiliated parties guarantee the accuracy of this information or accept any liability for losses, financial or otherwise, arising from using these reports. These reports contain forward looking data, which is based on estimates and assumptions. Actual results may differ significantly from the estimates contained in these reports. Recommendations contained in these report do not consider the risk tolerance or financial situation of individual users. For personal financial advice, it is recommended that you consult a qualified financial advisor.