



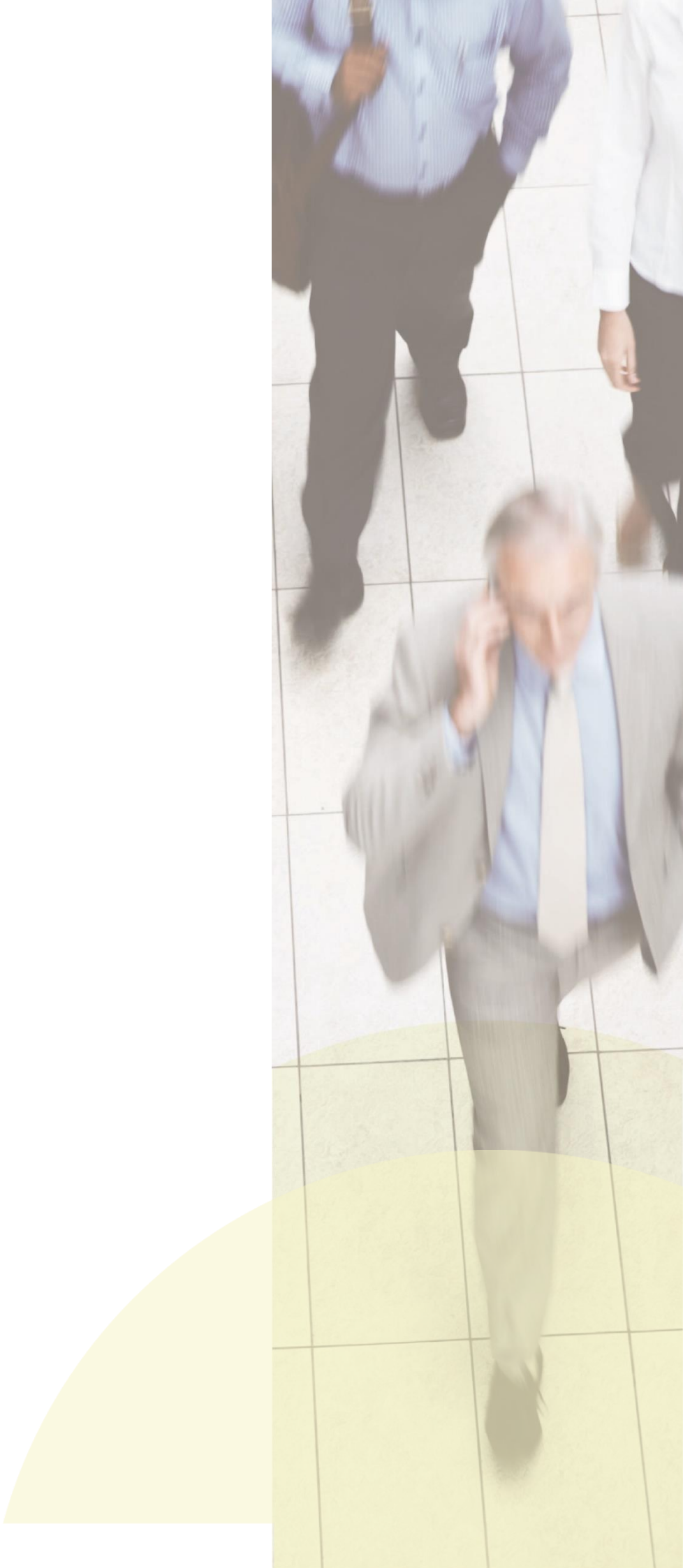
Cognizant

Quarterly Update
Report Abstract

August 2016

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NelsonHall

10 pages





Who Is This Quarterly Update For?

NelsonHall's Quarterly Update on Cognizant provides a snapshot of developments at the company in the last quarter. It accompanies NelsonHall's more comprehensive Key Vendor Assessment program.

Both programs are designed for:

- Marketing, sales and business managers developing strategies to target service opportunities within the BPO/IT Services markets
- Sourcing managers monitoring the capabilities of existing suppliers of IT and BPO services and identifying vendor suitability for these services
- Consultants advising clients on vendor selection
- Vendor marketing, sales and business managers looking to benchmark themselves against their peers
- Financial analysts and investors specializing in the BPO/IT services sector.



Highlights

Q2 performance:

- Revenue growth was in the guided range, with a slight recovery on Q1
- Non-GAAP operating margin was just above the 19-20% target range
- Reduces guidance for 2016 because of softness in key banking and healthcare sectors, plus depreciation of GBP post-Brexit
- Management commentary is shifting to the strength of Cognizant's position in the medium and long term

Has repatriated cash from India to the U.S. and other international operations to improve flexibility for capital deployment. Likely to make a series of tuck-in acquisitions, similar to several it has made in recent quarters.

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Recent Contract Awards

M&A and Investments

New Partnerships

Immediate Challenges

Appendix A: Financials

Appendix B: Number of Strategic Accounts

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Scope of the Report

The report provides a quarterly update on Cognizant, looking at financial performance and key developments during the period.

It accompanies NelsonHall's Key Vendor Assessment program which looks at Cognizant's IT and BPO offerings, capabilities, and market and financial strengths, including:

- Identification of the company's strategy, emphases and new developments
- Revenue breakdowns
- Analysis of the company's offerings and key service components
- Analysis of the profile of the company's client base including the company's targeting strategy and examples of current contracts
- Analysis of the company's strengths, weaknesses and outlook.

Report Length

10 pages

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