



# Cognizant

Quarterly Update  
Report Abstract

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NelsonHall

15 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 2017 Performance: Another Strong Quarter with Revenues at Top-End of Guidance, though Margin Just Misses**

- Growth was stronger in Consulting & Technology, driven by digital projects: Outsourcing growth softens but expected to improve in H2
- Manufacturing & EU continue to enjoy strong growth, boosted by Aker Group captive acquisition. Healthcare also strong, with pent up demand following end to M&A uncertainties, though uncertainty re ACA repeal continues to weigh
- Banking/capital markets business remains very soft
- N. America continues to determine overall company topline growth. Continental Europe, which had another strong quarter, continues to benefit from the captive acquisitions in the Nordics, plus contracts in France and the Netherlands
- Raises bottom end of full year guidance, confirms margin guidance.

### **Margin Expansion Program Kicks off with Voluntary Severance Program and Underperformer Layoffs**

Progress in Q2 a little stronger than expected.

### **Healthcare Sector Ambitions Remain Central to Future Growth**

- Announces intended acquisition of TMG Health
- Launches the TriZetto Healthcare Cloud Solution, which provides Cognizant with several types of near-term and longer-term opportunity.

### **Investments in Digital: Opens Fourth Collaboratory; Additional Openings and More Acquisition Activity Likely**

**Two new independent directors in place, as per the agreement with activist investor.**

*This Quarterly Update on Cognizant is 15 pages. For details, contact [guy.saunders@nelson-hall.com](mailto:guy.saunders@nelson-hall.com)*

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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

13 pages

## Report Authors

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