



Cognizant

Quarterly Update
Report Abstract

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by Rachael Stormonth
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

Q3 2018 performance: revenues at midpoint of guidance; retail strong, ongoing softness in large banks in Europe and APAC

Claims digital revenue grew in the low 20% range and is now >30% of revenue, with the strongest quarter in digital for the retail sector for 'many years'.

BFSI revenue growth continues to be slow.

Healthcare sector revenues were boosted by first- time contributions from two acquisitions.

Non-GAAP operating margin benefits from transition to ASC 606 and from Rupee depreciation. Management highlights there was also significant margin expansion from operational leverage.

Attrition remains an issue.

Cuts top end of full year guidance by \$170m

Two Salesforce specialists acquired in Q3

SaaSfocus, brings in 350 personnel and expands presence in Australia, particularly in BFSI, manufacturing and automotive sectors

ATG: expands capabilities in U.S. around Quote to Cash solutions

Acquisition of Softvision in Q4 will add scale and expertise in agile development and a nearshore delivery capability in Romania

These acquisitions should all be margin accretive as well as boosting revenues from digital.

New chair of board; new CEO in 2019?

This Quarterly Update on Cognizant is 15 pages. For details, contact guy.saunders@nelson-hall.com

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.

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Report Length

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Report Authors

Rachael Stormonth