

Cognizant Discusses Growth Strategy and Multi-Year Outlook at 2021 Investor Briefing

- Highlights company's momentum in its growth strategy and establishing digital leadership

- Introduces 2022-2024 outlook: annual constant currency revenue growth of 8% to 11% and annual operating margin expansion of 20 to 40 basis points

TEANECK, N.J., Nov. 18, 2021 /PRNewswire/ -- [Cognizant](#) (Nasdaq: CTSH), a leading provider of information technology, consulting, and business process services, today hosted a virtual Investor Briefing to provide an update on its growth strategy and financial targets.

"We continue to make strong progress in positioning the company for sustained revenue growth and margin expansion," said Brian Humphries, Chief Executive Officer. "By executing a growth strategy, which includes strengthening our digital portfolio, partnerships, and commercial engine, while investing in our global delivery network, people, and capabilities, we can help clients with their most strategic initiatives across their transformation journeys. I am excited about the global opportunities that lie ahead to accelerate our growth, expand margins, and deliver enhanced long-term shareholder value."

Event Overview

During the Investor Briefing, CEO Brian Humphries provided an update on Cognizant's strategy to drive growth and long-term shareholder value, including:

- **Accelerating digital**, shifting of the portfolio toward high-growth digital services
- **Globalizing Cognizant**, scaling internationally
- **Increasing relevance to clients**, investing in industry expertise to help clients be successful
- **Repositioning the brand**, strengthening Cognizant's brand credentials

The company also provided an update on ongoing initiatives to support its people and strengthen its operations.

2022-2024 Financial Targets

Cognizant believes that the strategic levers outlined during the company's Investor Briefing will drive accelerated long-term growth. As part of today's event, CFO Jan Siegmund shared additional detail on Cognizant's updated financial framework and capital deployment priorities, including the following targets for 2022-2024:

- Revenue growth of 8% to 11% annually, in constant currency
- Operating margin expansion of 20 to 40 basis points annually
- Free cash flow expected to be deployed as follows:
 - 50% to strategic acquisitions
 - 25% to share repurchases
 - 25% to dividends

Webcast Information

A replay of the webcast and a copy of the presentation is available on Cognizant's Investor Relations website at <http://investors.cognizant.com>.

About Cognizant

Cognizant (Nasdaq: CTSH) engineers modern businesses. We help our clients modernize technology, reimagine processes and transform experiences so they can stay ahead in our fast-changing world. Together, we're improving everyday life. See how at www.cognizant.com or @cognizant.

Forward-Looking Statements

This press release includes statements that may constitute forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, the accuracy of which are necessarily subject to risks, uncertainties, and assumptions as to future events that may not prove to be accurate. These statements include, but are not limited to, express or implied forward-looking statements relating to our expectations regarding our strategy, financial framework, capital deployment priorities and future financial results. These statements are neither promises nor guarantees, but are subject to a variety of risks and uncertainties, many of which are beyond our control, which could cause actual results to differ materially from those contemplated in these forward-looking statements. Existing and prospective investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Factors that could cause actual results to differ materially from those expressed or implied include general economic conditions, the competitive and rapidly changing nature of the markets we compete in, the competitive marketplace for talent and its impact on employee recruitment and retention, legal, reputational and financial risks resulting from cyberattacks, the impact of and effectiveness of

business continuity plans during the COVID-19 pandemic, changes in the regulatory environment, including with respect to immigration and taxes, and the other factors discussed in our most recent Annual Report on Form 10-K and other filings with the Securities and Exchange Commission. Cognizant undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as may be required under applicable securities law.

About Non-GAAP Financial Measures

To supplement our financial results presented in accordance with GAAP, this press release includes references to the following measures defined by the Securities and Exchange Commission as non-GAAP financial measures: free cash flow and constant currency revenue growth. These non-GAAP financial measures are not based on any comprehensive set of accounting rules or principles and should not be considered a substitute for, or superior to, financial measures calculated in accordance with GAAP, and may be different from non-GAAP financial measures used by other companies. In addition, these non-GAAP financial measures should be read in conjunction with our financial statements prepared in accordance with GAAP.

Free cash flow is defined as cash flows from operating activities net of purchases of property and equipment. Constant currency revenue growth is defined as revenues for a given period restated at the comparative period's foreign currency exchange rates measured against the comparative period's reported revenues.

We believe providing investors with an operating view consistent with how we manage the company provides enhanced transparency into our operating results. For our internal management reporting and budgeting purposes, we use various GAAP and non-GAAP financial measures for financial and operational decision-making, to evaluate period-to-period comparisons, to determine portions of the compensation for our executive officers and for making comparisons of our operating results to those of our competitors. Therefore, it is our belief that the use of non-GAAP financial measures provides a meaningful supplemental measure for investors to evaluate our financial performance. Accordingly, we believe that the presentation of our non-GAAP measures, when read in conjunction with our reported GAAP results, can provide useful supplemental information to our management and investors regarding financial and business trends relating to our financial condition and results of operations.

A limitation of using non-GAAP financial measures versus financial measures calculated in accordance with GAAP is that non-GAAP financial measures do not reflect all of the amounts associated with our operating results as determined in accordance with GAAP and may exclude costs that are recurring. In addition, other companies may calculate non-GAAP financial measures differently than us, thereby limiting the usefulness of these non-GAAP financial measures as a comparative tool. We compensate for these limitations by providing specific information regarding the GAAP amounts excluded from our non-GAAP financial measures to allow investors to evaluate such non-GAAP financial measures.

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¹ A full reconciliation of constant currency revenue growth to the corresponding GAAP measure on a forward-looking basis cannot be provided without unreasonable efforts, as Cognizant is unable to predict changes in foreign currency exchange rates. See "About Non-GAAP Financial Measures" for more information.

SOURCE Cognizant

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