



Q2 2022

“

In a period of unprecedented labor market conditions characterized by elevated attrition and significant wage inflation, we focused on our client commitments and delivered balanced financial results in the second quarter. As we position the company for sustained success, we will continue to invest in our talented employees, our clients and our capabilities.

”

Brian Humphries | Chief Executive Officer

Revenue

\$4.9 billion

Reported YoY **↑ 7.0%**

Constant Currency YoY **↑ 9.5%**

Digital revenue up ~13% year-over-year and represents 50% of total revenue

GAAP and Adjusted Operating Margin | **15.5%**

GAAP EPS | **\$1.11**

Adjusted Diluted EPS | **\$1.14**

Cash Flow

Cash Flow
From Operations
\$528M

Free
Cash Flow
\$485M

Capital Return

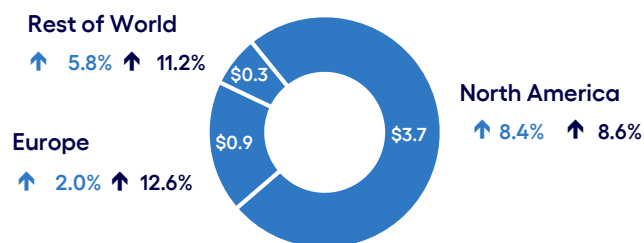
Q2 2022
Dividend
\$141M
\$0.27/share

Q2 2022 Share
Repurchases
\$318M

Revenue by Geography

(\$ In billions)

Reported YoY | Constant Currency YoY



Total
Employees
341,300

+900 QoQ

+40,100 YoY

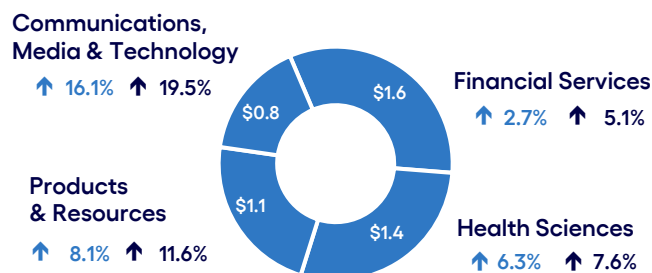
Voluntary
Annualized Attrition
31%

Voluntary Trailing 12-
Month Attrition
32%

Revenue by Segment

(\$ In billions)

Reported YoY | Constant Currency YoY



2021 ESG Report



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Q2 2022 year-over-year revenue growth reflects the impact from the sale of the Samlink subsidiary. For more information on the impact from the sale of the Samlink subsidiary, digital revenue and for non-GAAP financial reconciliations refer to Cognizant's 2022 second quarter earnings release issued on July 27, 2022, which accompanies this presentation and is available at investors.cognizant.com.

About Non-GAAP Financial Measures

To supplement our financial results presented in accordance with GAAP, this infographic includes references to the following measures defined by the Securities and Exchange Commission as non-GAAP financial measures: Adjusted Operating Margin, Adjusted Diluted EPS, 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. The reconciliations of our non-GAAP financial measures to the corresponding GAAP measures should be carefully evaluated.

Our non-GAAP financial measures, Adjusted Operating Margin and Adjusted Diluted EPS, exclude unusual items. Additionally, Adjusted Diluted EPS excludes net non-operating foreign currency exchange gains or losses and the tax impact of all the applicable adjustments. The income tax impact of each item is calculated by applying the statutory rate and local tax regulations in the jurisdiction in which the item was incurred. 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.

Management believes 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. Accordingly, we believe that the presentation of our non-GAAP measures, which exclude certain costs, 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 such as our net non-operating foreign currency exchange gains or losses. 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.

We disclose digital revenue as management believes it provides additional insights into the Company's business. Measuring digital revenue requires the use of estimates and judgement, there are no independent standards or requirements governing the calculation and our calculation may differ from the calculations underlying similar such metrics disclosed by other companies. In the first quarter of 2022, we modified our definition of digital revenue to reflect our latest assessment of digital skills, growth priorities and pricing initiatives. Under the updated definition, digital revenue as a percentage of total revenue was 46%, 47%, 49% and 49% for the first, second, third and fourth quarter of 2021, respectively, and 48% for full year 2021.

COGNIZANT TECHNOLOGY SOLUTIONS CORPORATION
Reconciliations of Non-GAAP Financial Measures
(Unaudited)

	Three Months Ended June 30, 2022
GAAP diluted EPS	\$ 1.11
Non-operating foreign currency exchange (gains) losses, pre-tax ⁽¹⁾	0.01
Tax effect of non-operating foreign currency exchange (gains) losses ⁽²⁾	0.02
Adjusted Diluted EPS	\$ 1.14

Notes:

- (1) Non-operating foreign currency exchange gains and losses, inclusive of gains and losses on related foreign exchange forward contracts not designated as hedging instruments for accounting purposes, are reported in "Foreign currency exchange gains (losses), net" in our unaudited consolidated statement of operations.
- (2) Presented below are the tax impacts of each of our non-GAAP adjustments to pre-tax income :

(in millions)	Three Months Ended June 30, 2022
Non-GAAP income tax (expense) related to:	
Foreign currency exchange gains and losses	\$ (14)

Reconciliation of Free Cash Flow

(in millions)	Three Months Ended June 30, 2022
Net cash provided by operating activities	\$ 528
Purchases of property and equipment	(43)
Free cash flow	\$ 485