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COGNIZANT REPORTS FOURTH QUARTER AND FULL YEAR 2018 RESULTS

Annual revenue of \$16.13 billion, up 8.9% over 2017
Names Brian Humphries as CEO, Succeeding Co-Founder Francisco D'Souza

TEANECK, N.J., February 6, 2019 - Cognizant Technology Solutions Corporation (Nasdaq: CTSI), one of the world's leading professional services companies, today announced its fourth quarter and full year 2018 financial results.

Highlights - Fourth Quarter 2018¹

- Quarterly revenue rose to \$4.13 billion, up 7.9% (8.8% in constant currency²) from the year-ago quarter.
- Quarterly GAAP diluted EPS was \$1.12, compared to \$(0.03) in the year-ago quarter.
- Quarterly non-GAAP diluted EPS² was \$1.13, compared to \$1.03 in the year-ago quarter.
- Quarterly Adjusted Diluted EPS² was \$0.98, compared to \$0.96 in the year-ago quarter.

Revenue for the fourth quarter of 2018 rose to \$4.13 billion, up 7.9% from \$3.83 billion in the fourth quarter of 2017. GAAP operating margin was 16.8%, non-GAAP operating margin² was 19.5%, and Adjusted Operating Margin² was 17.0% for the fourth quarter of 2018. Net income was \$648 million, or \$1.12 per diluted share, compared to a net loss of \$(18) million, or \$(0.03) per diluted share, in the fourth quarter of 2017. Fourth quarter 2017 GAAP net loss included the one-time incremental income tax expense of \$617 million related to the implementation of the U.S. Tax Cuts and Jobs Act. Non-GAAP diluted EPS was \$1.13, compared to \$1.03 in the fourth quarter of 2017. Adjusted Diluted EPS was \$0.98, compared to \$0.96 in the fourth quarter of 2017.

¹ On January 1, 2018, we adopted ASC Topic 606, "Revenue from Contracts with Customers," or the New Revenue Standard, using the modified retrospective method. Results for reporting periods beginning on or after January 1, 2018 are presented under the New Revenue Standard, while prior period amounts are not adjusted and continue to be reported in accordance with our historic accounting policies. For the three months ended December 31, 2018, adoption of the New Revenue Standard had a positive impact on revenue of \$11 million, income from operations of \$30 million and diluted earnings per share of \$0.04 per share.

² Non-GAAP diluted EPS and non-GAAP operating margin exclude stock-based compensation expense, acquisition-related charges and unusual items, and non-GAAP diluted EPS additionally excludes net non-operating foreign currency exchange gains or losses and the tax effect of the applicable adjustments. Adjusted Diluted EPS and Adjusted Operating Margin exclude only unusual items, and Adjusted Diluted EPS additionally excludes net non-operating foreign currency exchange gains or losses and the tax impact of all the applicable adjustments. 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. Reconciliations of non-GAAP diluted EPS, Adjusted Diluted EPS, non-GAAP operating margin and Adjusted Operating Margin to the corresponding GAAP measures are included at the end of this release.

“Cognizant executed well in 2018, diversifying our revenue base and client roster, and investing to build distinctive leadership in six advanced digital capabilities,” said Francisco D’Souza, Vice Chairman and Chief Executive Officer. “Forming the core of our digital strategy, these capabilities are instrumental in helping clients digitize and transform their entire enterprises, which we call being digital at scale. Digital continues to permeate and power every industry, creating a substantial market opportunity for us across the industries, geographies, and buyer groups we serve. With a disciplined plan for executing our digital strategy, we’ve set Cognizant up for the next stage of sustainable strong growth and value creation.”

Highlights - Full Year 2018³

- Revenue increased to \$16.13 billion, up 8.9% (8.5% in constant currency) from 2017.
- GAAP diluted EPS was \$3.60, compared to \$2.53 in 2017.
- Non-GAAP diluted EPS was \$4.57, compared to \$3.77 in 2017.
- Adjusted Diluted EPS was \$4.02, compared to \$3.42 in 2017.

Revenue for 2018 increased to \$16.13 billion, up 8.9% from \$14.81 billion for 2017. GAAP net income for 2018 was \$2.10 billion, or \$3.60 per diluted share, compared to \$1.50 billion, or \$2.53 per diluted share, for 2017. Non-GAAP diluted EPS was \$4.57 in 2018, compared to \$3.77 in 2017. Adjusted Diluted EPS was \$4.02 in 2018, compared to \$3.42 in 2017. GAAP operating margin was 17.4%, non-GAAP operating margin was 20.7% and Adjusted Operating Margin was 18.1% for 2018.

First Quarter & Full Year 2019 Outlook

The Company is providing the following guidance:

- First quarter 2019 year-over-year revenue growth of 7.5-8.5% in constant currency.⁴
- Full year 2019 year-over-year revenue growth of 7.0-9.0% in constant currency.⁴
- Full year 2019 Adjusted Diluted EPS⁵ expected to be at least \$4.40.

“Our full year 2018 results reflect the on-going execution of our long-term strategy, which is expected to drive sustainable revenue and earnings growth,” said Karen McLoughlin, Chief Financial Officer. “In 2018, we continued to focus on operational excellence to drive margin enhancement, while continuing to invest in the business. In addition, we introduced a more balanced capital return program to start in 2019.”

³ For the year ended December 31, 2018, adoption of the New Revenue Standard had a positive impact on revenue of \$96 million, income from operations of \$134 million and diluted earnings per share of \$0.19 per share.

⁴ Based on current foreign exchange rates, we expect first quarter and full year 2019 revenue growth to be negatively impacted by 170 basis points and 70 basis points, respectively.

⁵ A full reconciliation of Adjusted Diluted EPS guidance to GAAP diluted EPS guidance on a forward-looking basis cannot be provided without unreasonable efforts, as we are unable to provide reconciling information with respect to unusual items, net non-operating foreign currency exchange gains or losses, and the tax effects of these adjustments, all of which are adjustments to Adjusted Diluted EPS.

Executive Changes

The Company announced today that its Board of Directors has appointed Brian Humphries, currently the CEO of Vodafone Business, as its CEO and a member of the Board of Directors, in each case effective April 1, 2019. Following Humphries' appointment, Francisco D'Souza, who co-founded Cognizant and has served as CEO since 2007, will serve as full-time Executive Vice Chairman to facilitate the transition through June 30, 2019. Thereafter, he will remain on the Board as Vice Chairman. The Company also announced that Rajeev Mehta will step down as the Company's President, effective April 1, 2019. Additional information can be found <http://www.cognizant.com/investors/sec-filings>.

"Raj has provided Cognizant with his leadership, operational skills, and passion for clients for more than two decades in a variety of operating roles and has served as our president for the past two and a half years," said D'Souza. "We're grateful to Raj for his countless contributions to the growth and success of Cognizant. On behalf of the Board, I wish Raj well in his future endeavors."

Return of Capital Program - Dividend

The Company has declared a quarterly cash dividend of \$0.20 per share on Cognizant Class A common stock for shareholders of record at the close of business on February 21, 2019. This dividend will be payable on February 28, 2019.

Conference Call

Cognizant will host a conference call on February 6, 2019 at 8:00 a.m. (Eastern) to discuss the Company's fourth quarter 2018 results. To listen to the conference call, please dial (877) 810-9510 (domestically) or (201) 493-6778 (internationally) and provide the following conference passcode: "**Cognizant Call.**"

The conference call will also be available live on the Investor Relations section of the Cognizant website at <http://investors.cognizant.com>. Please go to the website at least 15 minutes prior to the call to register and to download and install any necessary audio software. An earnings supplement will also be available on the Cognizant website at the time of the conference call.

For those who cannot access the live broadcast, a replay will be available. To listen to the replay, please dial (877) 660-6853 (domestically) or (201) 612-7415 (internationally) and enter 13686264 from two hours after the end of the call until 11:59 p.m. (Eastern) on Wednesday, February 20, 2019. The replay will also be available at Cognizant's website www.cognizant.com for 60 days following the call.

About Cognizant

Cognizant (Nasdaq-100: CTSI) is one of the world's leading professional services companies, transforming clients' business, operating and technology models for the digital era. Our unique industry-based, consultative approach helps clients envision, build and run more innovative and efficient businesses. Headquartered in the U.S., Cognizant is ranked 195 on the Fortune 500 and is consistently listed among the most admired companies in the world. Learn how Cognizant helps clients lead with digital at www.cognizant.com or follow us @Cognizant.

Forward-Looking Statements

This press release includes statements which 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 plans and expectations surrounding the transition to a new CEO, our expectations regarding opportunities in the marketplace, investment in and growth of our business, our shift to digital services and solutions, our anticipated financial performance and our capital return program. 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 failure of the new CEO to join the Company in the timeframe expected, or at all, 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: non-GAAP income from operations, non-GAAP operating margin, non-GAAP diluted earnings per share, or non-GAAP diluted EPS, Adjusted Income From Operations, Adjusted Operating Margin, Adjusted Diluted Earnings Per Share, or 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.

In 2018, we announced a plan to modify our non-GAAP financial measures. Our historical non-GAAP financial measures, non-GAAP operating margin, non-GAAP income from operations and non-GAAP diluted EPS, excluded stock-based compensation expense, acquisition-related charges and unusual items, such as realignment charges and, in the second quarter of 2018, the initial funding of the Cognizant U.S. Foundation. Our non-GAAP diluted EPS additionally excluded net non-operating foreign currency exchange gains or losses and unusual items, such as the effect of the net income tax expense related to the enactment of the Tax Reform Act in the third quarter of 2018 and the fourth quarter of 2017, the effect of the recognition in the first quarter of 2017 of an income tax benefit previously unrecognized in our consolidated financial statements related to a specific uncertain tax position and the tax impacts of all applicable adjustments. Our new non-GAAP financial measures, Adjusted Operating Margin and Adjusted Income From Operations, exclude only unusual items and Adjusted Diluted EPS additionally 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. Additionally, we are introducing two new non-GAAP financial measures: free cash flow and constant currency revenue growth. 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. Therefore, it is our belief that the use of non-GAAP financial measures excluding certain costs provides a meaningful supplemental measure for investors to evaluate our financial performance. Accordingly, we believe that the presentation in the following tables of our new non-GAAP financial measures (Adjusted Income from Operations, Adjusted Operating Margin, Adjusted Diluted EPS, free cash flow and constant currency revenue growth) as well as our historical non-GAAP financial measures (non-GAAP income from operations, non-GAAP operating margin and non-GAAP diluted EPS) along with a reconciliation to the most comparable GAAP measures, as applicable, 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, namely stock-based compensation, acquisition-related charges, including amortization of purchased intangibles, and 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.

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