

30-Jul-2025

# Cognizant Technology Solutions Corp.

(CTSH)

Q2 2025 Earnings Call

## CORPORATE PARTICIPANTS

### Tyler J. Scott

*Vice President-Investor Relations, Cognizant Technology Solutions Corp.*

### Jatin Pravinchandra Dalal

*Chief Financial Officer, Cognizant Technology Solutions Corp.*

### Ravi Kumar Singiseti

*Chief Executive Officer & Director, Cognizant Technology Solutions Corp.*

---

## OTHER PARTICIPANTS

### Tien-Tsin Huang

*Analyst, JPMorgan Securities LLC*

### Bryan C. Bergin

*Analyst, TD Cowen*

### James E. Faucette

*Analyst, Morgan Stanley & Co. LLC*

### Amit Daryanani

*Analyst, Evercore Group LLC*

### Jonathan Lee

*Analyst, Guggenheim Securities LLC*

### Surinder Thind

*Analyst, Jefferies LLC*

### James E. Friedman

*Analyst, Susquehanna Financial Group LLLP*

---

## MANAGEMENT DISCUSSION SECTION

**Operator:** Ladies and gentlemen, welcome to the Cognizant Technology Solutions' Second Quarter 2025 Earnings Conference Call. All lines have been placed on mute to prevent any background voice. After the speakers' remarks, there will be a question-and-answer session. [Operator Instructions] Thank you.

I would now like to turn the conference over to Mr. Tyler Scott, Vice President, Investor Relations. Please go ahead, sir.

---

### Tyler J. Scott

*Vice President-Investor Relations, Cognizant Technology Solutions Corp.*

Thank you, operator, and good afternoon, everyone. By now, you should have received a copy of the earnings release and the investor supplement for the company's second quarter 2025 results. If you have not, copies are available on our website, cognizant.com. The speakers we have on today's call are Ravi Kumar, Chief Executive Officer; and Jatin Dalal, Chief Financial Officer.

Before we begin, I would like to remind you that some of the comments made on today's call and some of the responses to your questions may contain forward-looking statements. These statements are subject to the risks and uncertainties as described in the company's earnings release and other filings with the SEC.

Additionally, during our call today, we will reference certain non-GAAP financial measures that we believe provide useful information for our Investors. Reconciliation of non-GAAP financial measures where appropriate to the corresponding GAAP measures can be found in the company's earnings release and other filings with the SEC.

With that, I'd now like to turn the call over to Ravi. Please go ahead.

---

## Ravi Kumar Singiseti

*Chief Executive Officer & Director, Cognizant Technology Solutions Corp.*

Thank you, Tyler, and good afternoon, everyone. Thank you for joining us. Our momentum continued in the second quarter of 2025, as we again delivered revenue growth and adjusted operating margin ahead of our expectations, while also accelerating our bookings growth.

Our performance reflects the depth and strength of our portfolio, supported by our continued strategic focus on AI-led opportunities and disciplined execution. As you can see from today's results, we continue to make progress towards building a resilient and durable company that thrives in both slow and high-velocity markets.

In the past, I've described the AI opportunity as a double engine transformation for our clients, both on productivity and innovation. In the second quarter, we delivered a healthy combination of wins in AI efficiency-led large deals and innovation-led projects, with agentic AI unlocking new revenue pools and spend cycles.

The 3-vector AI opportunity we have laid out on our strategy is resonating very well with our clients. AI projects in experimentation over the past few quarters have started to build momentum in downstream opportunities. I will expand on this further when I review our strategic progress shortly.

First, I will walk through the highlights and our key drivers from the quarter. Second quarter revenue grew 7.2% year-over-year in constant currency to \$5.2 billion. Our results marked the fourth consecutive quarter of year-over-year organic growth and another solid placement in our industry's Winner's Circle.

Organic revenue growth was led by Financial Services and Health Sciences, and benefited from the ramp of recently won large deals. Q2 bookings grew 18% year-over-year, translating to trailing 12 months growth of 6%.

During the quarter, we landed six large deals with TCV of \$100 million or greater, including two mega deals, each valued around \$1 billion. As a result of these wins, the TCV of our large deals more than doubled year-over-year, adjusted operating margin of 15.6% improved by 40 basis points year-over-year.

We're on track to achieve our 20 basis points to 40 basis points margin expansion goal for 2025. Headcount grew about 2% sequentially, led by hiring of recent college graduates, while trailing 12 months voluntary attrition for tech services declined by 60 basis points sequentially to 15.2%.

The progress reported today is the result of the strategic actions we have taken over the past 2.5 years to sharpen our innovation engine and develop our capabilities through investments in AI, engineering, and our platform strategy.

While we are still in the early innings of capturing the AI opportunity, I believe these strategic steps are helping drive our performance. A few data points of our progress include: first, we currently have more than 2,500 early GenAI client engagements, compared to 1,400 in quarter one; nearly 30% of our code was AI-generated in quarter two, significantly improving the productivity of our developers. This compares to only approximately 20% when we first disclosed this estimate two quarters ago; and thirdly, our AI research labs is accelerating the

industrialization of agent-based systems, backed by a robust portfolio of 59 US patents. Our areas of research are focused on building AI platforms and tooling to help clients accelerate the embrace of AI and agentic systems in enterprise landscapes.

In the current economic environment, clients are prioritizing productivity and value what we have characterized as Vector 1. Our ability to proactively craft AI-driven technology deployments that deliver faster execution, improve productivity, and cost savings is driving several of our large deal wins, including the two mega deals we won in quarter two. We expect Vector 1 to further accelerate as clients underwrite their innovation and growth projects with AI productivity-led savings we are enabling.

In the second quarter, out of a subset of our client base of nearly 360 key accounts, 97% of clients have adopted AI, of which 56% are scaling GenAI, and out of which, 78% have demonstrated impact from the adoption and scaling. We're also actively pursuing Vector 2 and Vector 3 opportunities, which we have labeled as industrializing AI and agenticizing the enterprise, respectively. This includes proactively helping clients with their AI-led innovation and agentic strategy as we quickly evolve our capabilities from experimentation to scaled production-grade programs.

In a scaled and structured manner, we have created cross-service line cohorts, anchored by our client partner teams, to deliver agentic workshops across our client base. For example, we are combining our strengths in logistics, customer service, and agentic AI to extend our relationship with Lineage, the world's largest owner and operator of temperature-controlled warehouses.

Under our new agreement, announced earlier this week, we will use powerful tools like agentic AI, automation and predictive insights to empower Lineage customer care professionals and help deliver a differentiated experience for their customers. I will touch on a few more examples shortly.

Now, I want to update you on our progress against our strategic priorities to amplify our talent, scale innovation, and accelerate growth. First, with amplifying talent, we continue to prepare our workforce for an AI-led future.

We are deepening our talent investments in emerging technology hubs, with plans to expand operations in Visakhapatnam. This follows our new site in GIFT City, Ahmedabad, and plans for a new 21-acre learning center in Chennai that is expected to train freshers and experienced hires in advanced AI skills.

Our talent efforts are reflected in our employee engagement survey, completed during the quarter, where scores remained well above industry and best-in-class benchmarks for the third year in a row. Next, with scaling innovation, our engine continues to gain momentum. Earlier this month, we launched Cognizant Agent Foundry, which accelerates enterprise-scale adoption of agentic AI.

Agent Foundry is powered by our Neuro AI suite and a strong AI partner ecosystem with hundreds of distinctive agents already available for use. It spans industries and platforms, with the domain-specific small language models, agent templates, and the library of pre-built agents supporting the full agent life cycle. As enterprises reimagine their process and workflows, we are building a repository of reusable agents for rapid deployment into enterprise landscapes.

Earlier today, we launched our first-ever Vibe Coding Week for all 344,000 of our associates to evangelize an AI-enabled software development cycle as the new and only way to deliver software with the help of our Code Assist platform partners. We believe this is the world's largest initiative of its kind, but what excites me most is the

opportunity for every associate to build real AI fluency and deliver continued higher productivity to all our client project work.

Also today, we launched Cognizant AI Training Data Services for Global 2000 clients who are embracing AI models in their businesses. For many years, Cognizant has helped digital-native leaders train some of the world's most advanced AI models. Working with trailblazers in tech, health care, automotive, media and retail, our more than 10,000 specialists have curated, annotated, and quality-checked billions of data points and millions of data labels across every major modality.

This includes speech, 2D, 3D imagery, video and LiDAR, often enriched with geospatial metadata for added accuracy. Our domain know-how has enabled us to produce high-precision, specialized data sets across industries. This new strategic offering will help empower enterprises to quickly build, fine-tune, validate, and deploy production-grade AI models at scale.

Thirdly, with accelerated growth, let me share a few examples of our innovation in action. Last month, we introduced Cognizant Autonomous Customer Engagement, a platform built with Google Cloud that uses agentic AI to deliver faster, smarter and more intuitive customer service. It is a significant advancement, and we have already secured clients in both health sciences and global food sectors.

We have formed a strategic partnership with a major global biopharmaceutical company to outsource the management of its global IT systems and applications, and transform them using generative AI and agentic AI. Our global collaboration is two-fold: driving productivity and efficiency by modernizing IT operations, while up-skilling and cross-skilling technology specialists who will transfer to Cognizant. This partnership highlights our growing leadership in AI-led transformation, as well as our long-term vision to empower clients through talent development and innovation.

Earlier today, we announced a new partnership with WRITER, a leader in agentic AI for the enterprise. This collaboration will bring together a deep industry knowledge with the global scale of WRITER's end-to-end enterprise-grade platform to enable organizations to build and deploy AI agents with a focus on highly regulated industries.

We recently won new business to deliver third-party administration services for a leading insurer's closed book of annuities business. What makes me particularly excited about this strategic agreement is the next-generation AI platform we'll build to not only modernize the portfolio, but also the opportunity for us to scale this AI platform to other clients in the future.

And finally, we delivered key TriZetto milestones in quarter two. In May, we completed what we believe is the largest TriZetto Facets cloud migration with a leading North American health care payer. We moved over 10 million member records to a containerized cloud environment, improving scalability and stability, and achieving new performance benchmarks.

In parallel, TriZetto has advanced its agentic AI strategy, with nearly 30 agents now live or in pilot, and another 10 in development. These agents are streamlining workflows across care management, claims, benefits and customer service, cutting onboarding time and improving case handling efficiency. The underlying foundation of the TriZetto agentic strategy is the TriZetto AI Gateway, which we are pleased to announce will launch next week.

Looking ahead, as I've described today and at our Investor Day earlier this year, we are positioning Cognizant for the generative and agentic AI future. And in the process, I believe we are building a new opportunity, one defined by agentification at scale with new client spend cycles.

We see this as a once-in-a-lifetime opportunity enabled by a revolutionary technology to reimagine enterprises, workplaces, and the workforce. We believe we have a bigger total addressable spend than ever before to partner with our clients on their AI journeys.

Our three core strategic imperatives are unchanged, but I want to shift the aperture on our lens to help you see more holistically the steps we have taken to differentiate ourselves in a rapidly changing market. I believe the AI wave is different from the prior waves, so too is the way Cognizant is responding.

Historically, the most successful companies in our industry thrived by sensing technological shifts and incubating economically viable solutions and new capabilities at scale. To capture the AI opportunity, we recognized and have started building a new layer, one that's in addition to the traditional interdisciplinary capabilities.

This new layer includes translating our award-winning AI labs work to differentiated AI platforms, small language models, and tooling to address accuracy of the models, reasoning layers to help make the technology responsible, investments into the evolving agent development life cycles.

Our pioneering work in context engineering, which is building layers of context, tribal knowledge, data flows, and workflows to create efficient and productive agentic systems, is already making waves with our clients on their agentic journeys.

From now, I call this new layer IP-on-the-edge, a working description in the evolving transitional phase of agentic AI. Our IP-on-the-edge progress is a very important differentiator in a fragmented and a heterogeneous market of AI builders.

We believe our early investments in AI, led by IP-on-the-edges are scaled interdisciplinary capability. Our partnerships are continued focus to diffuse AI efficiently into our product and client services teams have really helped us stay strategic to our clients' AI journeys, which is reflected in our financial, people, and client metrics.

In closing, we are proud of our Q2 results. We appreciate that long-term success will be determined by our ability to deliver sustainable performance. That said, while the demand environment remains dynamic, we are encouraged by our continued ability to drive large deal momentum and win a growing number of new spend cycles in Vector 2 and Vector 3 agentic opportunities.

Now, I'm going to turn the call over to Jatin.

---

## Jatin Pravinchandra Dalal

*Chief Financial Officer, Cognizant Technology Solutions Corp.*

Thank you, Ravi, and thank you all for joining us. Our second quarter revenue exceeded the high end of our guidance range, once again, earning us a place in the Winner's Circle, based on peer results reported so far.

Our Q2 performance was characterized by sharp operational rigor, disciplined cost management, and a productivity-first mindset that helped drive year-over-year margin expansion and EPS growth that outpaced revenue growth.

Through the first half of 2025, on a year-over-year basis, we achieved top-tier revenue growth, 40 basis points of adjusted operating margin expansion, and 11% adjusted EPS growth.

Now, let's turn to the details of the quarter. Second quarter revenue of \$5.2 billion grew 7.2% year-over-year in constant currency. Growth was led by strong organic performance in Financial Services and Health Sciences.

Belcan contributed approximately 400 basis points of inorganic growth. The demand environment was largely unchanged in the quarter. While visibility is still limited, the ramp of large deals more than offset discretionary spending pressure.

Now, let me provide some color by segment and region. All segment and region growth commentary represents year-over-year constant currency growth, unless otherwise stated.

Financial Services grew 6% year-over-year and led our organic growth with broad-based demand across sub-industries driven by digital engineering, legacy modernization, and vendor consolidation initiatives. These have supported a healthy pace of GenAI productivity-led deals and GCC opportunities across BFSI.

For example, earlier this year, we were chosen as a transformation partner by a large North American bank. This multiyear, multi-hundred-million-dollar deal has the client partnering with Cognizant in driving talent and technology transformation across the bank's banking and insurance units to support its go-to-market and talent strategies at the right cost.

While our BFS business continues to build on its strong performance, our insurance business is showing signs of improved growth, supported by strategic engagements with several key insurance clients in North America.

Health Sciences grew 5% year-over-year, driven by organic growth across payers, providers, and life sciences customers. As we noted last quarter, our clients are navigating a rapidly changing environment.

We expect the recent passage of the US budget bill and its changes to Medicaid will weigh on near-term discretionary demand from payers and providers. Meanwhile, life sciences customers face heightened uncertainty related to the tariff.

Despite this uncertainty, we believe our deep domain expertise and strong client relationships position us well as a strategic partner to help health care organizations adapt quickly, unlocking new opportunities for innovations, efficiency, and growth.

As a great example, one of the mega deals we signed in Q2 was with a large health care client. Our proactive approach and compelling value proposition helped us extend our long-standing relationship. We are helping this customer drive productivity and fund innovation by leveraging our deep industry expertise, AI skills, and platform investments.

In Products and Resources, growth was primarily attributable to Belcan. Although trade policy uncertainty has tempered discretionary spending, we are seeing demand for cost-takeout and productivity-led engagements, areas where our value proposition remains strong. In retail, consumer goods, and travel and hospitality, clients are actively investing in GenAI pilots aimed at elevating the customer experience.

Communication, Media and Technology returned to organic growth this quarter, led by the technology sector. We are witnessing robust demand from clients aiming to reduce costs and reallocate capital towards R&D and other

CapEx investments. Our expanding expertise in GenAI is strengthening our position as strategic partner in the CMT industry, enabling us to secure significant wins.

An example of this is the mega deal we won in the communications sector in Q2. The partnership encompasses both GenAI-driven productivity transformation and a good mix of new business through the contract duration.

For our client, this deal leverages all three pillars of our AI strategy: accelerating growth through AI-native offerings; enhancing enterprise productivity through AI-driven automation; and transforming customer experience with intelligent personalization.

By geography, revenue grew across all major regions. North America led with 8% growth, driven by Financial Services and Health Sciences. Continued strength in large deals and disciplined execution enabled us to deliver industry-leading growth again in Q2. We believe we are gaining market share in this region.

Europe grew 4%, again driven by growth among Life Sciences and Financial Services clients, including public sector. We are pleased with our momentum in the region, supported by new logos and a revamped sales strategy that have led to an improved large-deal pipeline. Rest of the world increased by about 6%, driven by Financial Services and Health Sciences from a segment standpoint, and by Australia geographically.

Now, to bookings, as Ravi mentioned, mega deals drove strong bookings this quarter. Second quarter bookings included a balanced mix of new wins and renewals, and trailing 12-month annual contract value, or ACV increased high single digits year-over-year. This improved backlog, along with our last 12-month book-to-bill of 1.4 times, support our full-year revenue outlook.

Turning to margins. Second-quarter operating margin of 15.6% increased by 40 basis points on an adjusted basis, benefiting from next-gen program savings and operational rigor, and the Indian rupee depreciation, despite the dilutive impact of Belcan. These improvements were partially offset by increased compensation costs and initial ramp-up costs of large deals.

Now, moving to cash flow and capital allocation. DSO of 83 days increased by two days sequentially and by three days year-over-year. Second-quarter free cash flow was \$331 million, compared to \$183 million a year ago.

During the second quarter, we returned \$521 million of capital to shareholders through share repurchases and dividends, bringing the first-half total to \$885 million. We ended the quarter with cash and short-term investments of \$1.8 billion, or net cash of \$1.2 billion. Before turning to guidance, I'll provide a brief overview of the expected impact from recent changes in US tax laws.

In July, the US passed a budget bill which, among other provisions, repealed certain requirements to capitalize research and experimental costs. As a result of this change, we expect to incur a one-time, non-cash tax expenses of approximately \$400 million in the third quarter related to a deferred tax asset on our Q2 balance sheet.

This amount would have otherwise been available to offset future taxes related to our non-US earnings. On a cash basis, this legislation is expected to reduce our near-term cash taxes and increase our operating cash flow. In 2025, we expect this improvement to be \$200 million, therefore, increasing our capital available to return to shareholders.

Now, the details of our forward outlook. For the third quarter of 2025, we expect revenue to grow 3.5% to 5% year-over-year in constant currency. As a reminder, Q3 includes only a partial year-over-year benefit from Belcan acquisition, which closed in August 2024.

We expect a little more than 200 basis points of inorganic contribution in the third quarter. The remaining guidance items I will discuss are for full-year 2025. We are modestly increasing the midpoint of our revenue range based on year-to-date performance and improved confidence in the second half.

In 2025, we now expect revenue to grow 4% to 6% in constant currency, reflecting a 50 basis point increase at the low end of the range. Revenue details in dollars are available in our press release and supplement.

We continue to expect full-year inorganic contribution of approximately 250 basis points. Our revenue guidance is based on current visibility and considers a range of scenarios that could unfold in the second half of the year. The low end of the range continues to assume further deterioration in the demand environment.

The midpoint incorporates an unchanged environment with ongoing discretionary weakness, partially offset by pipeline conversion, and the high end assumes an improved demand environment, further supported by our large deal pipeline.

Our adjusted operating margin guidance range remains 15.5% to 15.7%, or 20 basis points to 40 basis points of expansion. We expect margin expansion will be driven by cost discipline and SG&A leverage.

In parallel, we are driving continued operational rigor through AI-led automation and pyramid optimization to support gross margins over the medium-term. As a reminder, the second half of the year will include margin investments in large deals and a merit cycle.

Due to cash flow benefit from the US budget bill I discussed earlier, we now expect free cash flow to represent approximately 100% of net income, excluding the one-time non-cash charge that will be recorded in the third quarter. This has also allowed us to increase our expected return of capital. For the full year, we plan to return \$2 billion to shareholders, an increase of \$300 million from last quarter, driven by higher expected share repurchases. In total, we expect to deploy approximately \$1.4 billion in repurchases this year. Even with this increase, we maintain flexibility to pursue opportunistic M&A this year.

Other than the one-time non-cash tax charge I discussed, we don't expect the budget bill to impact our effective tax rate. Therefore, our adjusted tax rate guidance, which will exclude the one-time charge, is unchanged at 24% to 25%, but is trending towards the lower end of the range based on first-half performance.

We are increasing our EPS guidance range to \$5.08 to \$5.22, compared to our prior range of \$4.98 to \$5.14, reflecting our revised revenue guidance and favorable foreign currency rates. This represents 7% to 10% year-over-year growth. We expect a weighted average dilutive share count of about 489 million versus 491 previously.

With that, we'll open the call for your questions.

## QUESTION AND ANSWER SECTION

**Operator:** Thank you. We will now be conducting a question-and-answer session. [Operator Instructions] The first question comes from Tien-Tsin Huang with JPMorgan. Please go ahead.

**Tien-Tsin Huang**

*Analyst, JPMorgan Securities LLC*

Q

Thanks so much. Good afternoon. Really strong bookings here, so I'll ask on that if that's okay. I think I heard a pretty balanced mix of renewals and new deals, so I just wanted to clarify that.

And it sounds like you're seeing early renewals with clients looking to implement AI efficiencies. So just wanted to clarify that because we're all looking ahead and thinking about the pipeline. So I'm curious if you can replenish the pipeline, and what's your outlook for bookings in the second half of the year.

**Ravi Kumar Singiseti**

*Chief Executive Officer & Director, Cognizant Technology Solutions Corp.*

A

Yeah, Tien-Tsin, thank you for the question. This is Ravi here, and I'll ask Jatin to add. We had a good bookings mix, I mean 18% Y-on-Y, 6% trailing 12 months, a good mix of renewals and new business, six large deals, two mega deals more than \$1 billion.

I wouldn't say clients are proactively pushing and renewing earlier. There are occasional opportunities of that kind. I would equally say that clients are looking for sharing productivity when the renewal cycles come. And if we see an opportunity where we can sole-source and originate a deal, even if we are an incumbent, because we can actually share the benefit and create a bigger estate for ourselves, we are actually proactively reaching out to clients wherever we can, if we have the ability to create that value for the client and for ourselves.

And also one of the things in last few quarters, Tien-Tsin, was mostly large deals and momentum was related to productivity, consolidation, and AI-led productivity. Now, we are starting to see innovation-led deals, I call them Vector 2 and Vector 3.

We are starting to see innovation-led deals, which is very encouraging because that is new spend cycles from our clients. And it kind of aligns to growth imperatives of our clients. This is the first quarter where we've seen a combination of large deals, small deals, our ACV numbers are going up, which is very exciting because the monetization of billings to revenue will be faster. It's gone up sequentially, gone up Y-on-Y.

Combination of renewables are new, small and big, I mean the big mega deals, we have sustained the momentum and we're now seeing productivity and innovation both layering together. So it's probably one of the most healthy mixes of how I see bookings shaping up. And hopefully, it kind of continues that way for the rest of the year.

**Jatin Pravinchandra Dalal**

*Chief Financial Officer, Cognizant Technology Solutions Corp.*

A

Tien-Tsin, as we look at pipeline, we continue to feel good about what we have and how we are shaping the pipeline. So yes, it's been a great quarter, but we continue to work hard to add more to our pipeline as we look at the second half of the year.

**Tien-Tsin Huang**

*Analyst, JPMorgan Securities LLC*

Q

Great. That's interesting. Good color. Thank you for that. Thank you for sharing the ACV comment, both of you. Just on the – quickly follow-up, just gross margin outlook. You mentioned deal ramps, of course, it's contract execution. So these deals are coming on. Any considerations for gross margin as we look to the second half of the year? Thank you for the time.

**Jatin Pravinchandra Dalal**

*Chief Financial Officer, Cognizant Technology Solutions Corp.*

A

We will continue to execute well. If you see our utilization for first half is approximately 2 percentage point higher than the first half of 2024. We are doing some investments as we execute the second half.

You saw that the head count has actually gone up by 7,500 employees. So that's the play that we have, Tien-Tsin. As we execute, we'll have to constantly balance how well we use our resources, but at the same time, continue to evolve our resource mix for the demand that we see in the marketplace and that will shape our gross margin.

There is an overlay of the investments that we make as we ramp up our large deals, and we have won two of them in quarter two. So that overlay also will play out in the second half of the year. We have done so far well in terms of our stable gross margin year-over-year. We have done slight improvement sequentially, so we'll continue to work on this path as we move forward.

**Ravi Kumar Singiseti**

*Chief Executive Officer & Director, Cognizant Technology Solutions Corp.*

A

And those two mega deals have a sizable new business component.

**Tien-Tsin Huang**

*Analyst, JPMorgan Securities LLC*

Q

Understood. Thank you.

**Operator:** Thank you. Our next question comes from James Faucette with Morgan Stanley. Please go ahead.

**James E. Faucette**

*Analyst, Morgan Stanley & Co. LLC*

Q

Great. Thank you so much. Appreciate all the details. I want to probably touch on kind of the work that you've been doing, I'm intrigued by, as you characterized it, Vector 1, Vector 2, Vector 3. We've noticed a number of patents that you've been awarded. You talked about on today's call about having 100 agents or so available.

Can you just talk about how you're pricing those and incorporating those into deals and putting together that structure? That's a question we get a lot from investors, is how to think about some of this IP Cognizant's developing that is unique to it, and how to think about its impact on the business, both from a pricing as well as business opportunity standpoint?

**Ravi Kumar Singiseti**

*Chief Executive Officer & Director, Cognizant Technology Solutions Corp.*

A

Yeah, that's a great question. Well, I think, for the first time, we have an opportunity to really make it mainstream outcome-based. This is an evolving space.

I think the differentiation for the IT services sector, and I've mentioned this in my remarks, is no longer about just building capability, it's actually about interdisciplinary capability layered with IP-on-the-edge, as I call it. IP-on-the-edge because this is last-mile infrastructure needed to get enterprise-grade AI or agentic.

We have invested heavily on sensing them and converting them into platforms, tools, and reusable agent components in our foundry. It certainly gives us the opportunity to make it sticky, as well as to create some premium attached to it. Early days, but I'm very pleased, and I'm very optimistic about the fact that we have created a real differentiation for ourselves.

The real opportunity now is to continue building on it. I mean, we are starting to think about small language models. We're starting to think about areas where, when you hit the finishing line, you need things which are not going to be available either by software companies or by the companies which are establishing the plumbing, which is like, how does an agent development cycle look like?

We are investing into it, we are investing into – for the first time, there is a revolutionary technology which is now going to disrupt every process, every workflow, every data flow in a company. How do we create the ontology around it and package it into the things we can hand over to our project team so that, that becomes real?

So this is fast evolving. I'm excited about how we could price it, how we could bundle it. And this is very different to productivity. Productivity, you share it with clients, while innovation capital, you can monetize in a nonlinear way.

So we will continue to invest and continue to shape this narrative. And I think this is going to be our single biggest differentiator as we take our customers into agentic journeys. What's also happening, I did mention this in my remarks, this is not just about agentifying a process or a function in a company.

In addition to that, it's also an opportunity to run that process on behalf of the company, which then means there is a new spend area, which we are going to capture. And that's why I said the total addressable spend is higher than before.

I mean, there are things – we just applied technology and allowed our clients to run that – now clients are saying, wait a minute, if there's digital labor and human, and they want to come together, say, for a customer care function, are you better suited to run the customer care function? Which means the pie is going to increase because it's not just the technology, but we have to run that function on behalf of the company.

So we are starting to think about how do we go and pitch to clients on process functions, which are available for a partner to come and run it on their behalf with digital and human labor. So higher addressable spend, elasticity to pricing, and the ability to capture new talent pools, new spend pools, and of course, the talent we need is going to be interdisciplinary between domain and technology. So we're seeing some good exciting examples with partnerships with our clients.

---

**James E. Faucette**

*Analyst, Morgan Stanley & Co. LLC*



That's great. And then I wanted to touch on capital allocation. Back at the analyst meeting earlier this year, you talked about spending up to half of free cash flow on acquisitions. Just wondering if you can give an update on progress on pipeline there and what you're seeing from an evaluation perspective, et cetera?

**Jatin Pravinchandra Dalal**

*Chief Financial Officer, Cognizant Technology Solutions Corp.*

A

Sure. James, we covered two aspects at the Investor Day, and I will cover them again. The first is the capital allocation that we have spoken about for 2025, and second is the long-term capital allocation plan. So for 2025, we have spoken about returning \$1.7 billion to our shareholders at the Investor Day, which we have further increased to \$2 billion, as I covered in my opening remarks.

And of that \$2 billion, \$1.4 billion is for share repurchases and \$600 million is towards dividend. And that leaves us approximately with about \$500 million for M&A for this year, and we have a decent pipeline to think about it in the second half of the year. Now let me touch about the overall long-term capital allocation policy, that remains 50, 25, 25, which is 50 for M&A, 25 for the share buyback, and 25 for dividends.

**James E. Faucette**

*Analyst, Morgan Stanley & Co. LLC*

Q

That's great. Thanks very much, guys. Have a good day.

**Ravi Kumar Singiseti**

*Chief Executive Officer & Director, Cognizant Technology Solutions Corp.*

A

Thank you.

**Operator:** Thank you. Our next question comes from the line of Jonathan Lee from Guggenheim Partners. Please go ahead.

**Jonathan Lee**

*Analyst, Guggenheim Securities LLC*

Q

Great. Thanks for taking my question. You laid out the range of assumptions embedded in your full year outlook, but can you help frame how we should think about that as it relates to your 4Q exit rate. Are you assuming any sort of change in velocity in the business, given some of the embedded deceleration in that back half?

**Jatin Pravinchandra Dalal**

*Chief Financial Officer, Cognizant Technology Solutions Corp.*

A

So thank you for that question. Really, how – where we land in quarter four is a factor of quarter three performance and quarter four performance and nearly half of the year to go. Really, as a range, given the current uncertainty is a wide range today. At the lowest end, it's a negative number. At midpoint, we see that exit number around 1% and at the upper end, that is just under 4%.

So, we have flexibility within the range to execute, and we believe we'll continue to execute within that range in the way we have done so far. But it's a wide range, and we are not – I mean, we always mention that we are anchored around the midpoint of our guidance, but we always endeavor, of course, to do our best as we execute during the course of the year.

**Jonathan Lee**

*Analyst, Guggenheim Securities LLC*



Appreciate that insight. And given some of the demand-related puts and takes you laid out in your prepared remarks, can you help unpack which verticals and geographies you'd expect to maybe decelerate versus accelerate for the remainder of the calendar year, especially considering some of the large deal ramps you're anticipating?

**Ravi Kumar Singiseti**

*Chief Executive Officer & Director, Cognizant Technology Solutions Corp.*



Yes. So look, we've had Financial Services doing pretty well. This is the fourth consecutive quarter we have been able to do Y-on-Y growth in almost the whole year. We have – actually three quarters now, sequentially we've been growing in Financial Services. That's a sector I'm very excited about. It's unlocking innovation dollars, not just dollars related to productivity. And whenever you unlock innovation dollars, it's related to revenue, related to growth, so it's always exciting.

I see health care as an opportunity. I mean, as we talk, there is just a thought out of the press, Make American Health Care Technology Great Again. And that opportunity is all about applying technology to reduce the operational overhead, overhang on that sector. It's been a sector which hasn't as much embraced technology, and it has been fragmented all the way from payers, providers, and pharmacies. So we see that as a sector where we have strength as well. So we're going to see that. I mean, this is also the first time over the last few quarters our comms and technology sector has gone into a positive zone, and we are starting to improve in Products and Resources.

So effectively, if you see the performance of this quarter, it's an all-round performance, including a geo-based. If you double-click on a geo, even if you take the Belcan numbers out, all three geographies; Asia Pacific, Europe, and the US, US on a big base, I mean, amongst our peers, if you look at it, we are doing significantly well in the US. So it is reflective of an all-round performance, an all-weather company, a durable and a more sustainable momentum for us. So I'm optimistic about continued all-around performance as we go forward into the second half.

**Jonathan Lee**

*Analyst, Guggenheim Securities LLC*



Thanks for the color, Ravi.

**Operator:** Thank you. Our next question comes from the line of Jamie Friedman with SIG. Please go ahead.

**James E. Friedman**

*Analyst, Susquehanna Financial Group LLLP*



Thank you for taking the questions. So, Ravi, if you go back to the 3-Vector approach that you've articulated, enabling hyper-productivity was one, industrializing AI was two, agentifying the enterprise is three.

And I know you just recently made these out at the Analyst Day, but I'd just be curious if you could update us your perspective as to which of those – because the chronology that you had described was that it's now for all of them. Are any of those ahead of the others?

**Ravi Kumar Singiseti**

*Chief Executive Officer & Director, Cognizant Technology Solutions Corp.*

A

Great question. Of course, the Vector 1 is significantly ahead of the other two. It is timed in a way that we are in an uncertain market, slow market. Clients are looking for value. And sometimes are underwriting those savings for innovation.

So Vector 1 has been – I mean, look, we did 29 large deals last year. We did 17 in 2023. We've been on this journey for a while, and we've been doing very well on it. And on productivity, which we commit to our clients, we have been able to deliver as well as keep the savings what we can for ourselves.

I mean, I'm doing very well on bid-versus did and productivity. We have – today – just today, we ran this huge event in Cognizant to get everybody on to Code Assist platform. So productivity is probably ahead of the other two.

On the second and third, they're interlinked. I mean, they are interlinked because you do the second to lay the foundation for the third. But I'm actually surprised that the third is catching so much momentum. I wouldn't have said this a quarter ago, but so much momentum, customer care, F&A, Financial Services as an industry, health care, now our health care – TriZetto platform has agents which our clients are trying to embrace.

So agentification of an enterprise, not looking at agentification as the purpose, but looking at reducing, you know, elapsed times or increasing throughput or straight-through processing, or a completely new experience, clients are experimenting. And you just see the numbers, 1,400 projects we had last quarter. That number was incrementally moving. And this quarter, we are at 2,500 projects. So it's suddenly almost close to double.

So, I would say stable on a runway, Vector 1 and Vector 2 and Vector 3 is trying to catch up like a hockey stick now. I mean that's the right – I always expected it that way, more spend will happen, more unlock of dollars will happen, and when that happens, the excitement of using AI for growth, using AI for creating new products and new services will drive additional spend cycles, which we want to capture – additional labor pools and additional spend cycles. So the runway on productivity will start to slow down, and the runway on innovation will start to take off.

**James E. Friedman**

*Analyst, Susquehanna Financial Group LLLP*

Q

And then, for my follow-up, this time last year, you used to talk about the swim lane of cost takeout, and that remained the theme. This time, though, you're mentioning the word innovation more. I'm just trying to reconcile that with short duration discretionary. When you say innovation, does that mean short-duration discretionary? Because it doesn't seem like your guidance contemplates much cadence there, but your commentary does?

**Ravi Kumar Singiseti**

*Chief Executive Officer & Director, Cognizant Technology Solutions Corp.*

A

You know, part of it also gets to cost in the second cycle, in the Vector 2 and 3, even if it's innovation-led. I mean, productivity, the way I defined it was software development cycles. That's how I defined it. We went from 20% to 30% written by machines. The way I define innovation is even if you're doing it to reduce the cycle time, you're doing it to reduce operational cost, but you're doing it in an innovative way.

I'll give you examples. Say, if you go to a bank and say, you know, I can reduce your – know-your-customer cycle to two days or one day versus four or five days, using agentic. You could arguably say better experience, higher

throughput, faster velocity, but it's also reduced costs. So clients are looking at some of that which is self-served, if I may.

I mean, we announced a deal on customer care, which is for a logistics company called Lineage. I mean that was a combination of things, experience, cost, everything put together, but it's agentic. So there is still runway on productivity because productivity has only got to 30%. I mean, 30% is average. I have myself said that writing code from machines could be 50% in one year. I've said this before in some of my podcasts, and that is true. That is catching up.

So I think there is headroom there. There is nonlinearity there, but my excitement is more about the innovation side of it because as enterprises start to see the value, they will flip to newer products, newer services, growth, and using agentic to get there.

---

**James E. Friedman**

*Analyst, Susquehanna Financial Group LLLP*



Thank you.

---

**Operator:** Thank you. The next question comes from Bryan Bergin with TD Cowen. Please go ahead.

---

**Bryan C. Bergin**

*Analyst, TD Cowen*



Hi guys. Thanks for taking the question. Wanted to ask on the health care headwinds versus potential offsets here. So is there any way to frame how much the B2B may be incrementally weighing on growth in that segment versus what you thought 90 days ago? Any commentary on how you see health care moving through the second half of this year? And then, where are the offsets in the business if there are incremental headwinds?

---

**Ravi Kumar Singiseti**

*Chief Executive Officer & Director, Cognizant Technology Solutions Corp.*



I don't see – I mean, the way I see this is our exposure to Medicare and Medicaid is not a lot, right? We have a lot of commercial health care, a lot of payer business and provider business. And of course, we also have a fairly big exposure to life sciences. Life sciences is actually spending more than before. They will take the money from productivity and move it to innovation because innovation cycles are going to be run by technology and life sciences.

In health care, United States is predominantly United States. Almost all the problems you can talk about are related to productivity, related to outcomes. And based on what I know, technology is the only way you can come out of it.

So I would categorize health care as an opportunity of winning in the turns – more productivity-led, because that is the need of the hour. It will not be as much innovation like I spoke in my previous thing, but I would be – I would categorize that opportunity as – I mean, one of the deals we did – one of the billion-dollar deals we did was a health care company. And they did it because they wanted to unlock the productivity from AI-led transformation, and we've been able to create a win-win situation. So I'm going to see more of those opportunities in health care versus financial services, which will be more innovation-led.

---

**Bryan C. Bergin**

*Analyst, TD Cowen*



Okay. Understood. And then, Ravi, just a question for you as it relates to kind of the convergence of IT services and BPM. There's obviously a deal announced here recently in the space. How are you thinking about that dynamic from the standpoint of organic capabilities you have in Cognizant now versus inorganic targets to ensure you have that deep domain expertise and broader process depth as you talk about, digitizing, agentifying client operations, and then running them?

---

**Ravi Kumar Singiseti**

*Chief Executive Officer & Director, Cognizant Technology Solutions Corp.*

**A**

Great question, again. I mean, look, originally, everybody thought applying AI to operations will be the first thing to do. But sequentially, the way this shaped up is we first applied it to software development cycles.

And now, the lens is on operations. And I would actually believe that operations, data, AI, agentic, they're all going to come together. And the companies which have technology progress can go and disrupt existing portfolios. So the convergence of all of them and the application of agentic to operations of companies is a unique opportunity. The way to go about that opportunity is, can you actually grow faster than what it cannibalizes?

If you look at our BPO portfolio, a large part of it is also related to what we cater to digital natives. In fact, today, we announced a service called Cognizant AI Data Training Services. This is AI algorithms and machine learning algorithms we were training for years. We have 10,000 people doing that.

Now, look at the unique opportunity. I can actually flip it around and take it to Fortune 500 and the Global 2000, who are now building AI models, and we could create a unique differentiation because we are one of the largest players in that space. So there are opportunities. You could almost argue that there are some things in BPO, which will completely get commoditized and completely get automated. It will lead to a new set of things which you can attack, which is new labor pools. So I actually see BPO as a headless transformation opportunity with agentic and AI in the middle, and we are anchoring a lot of our deals using this as a key strength.

---

**Operator:** Thank you. Our next question comes from the line of Amit Daryanani with Evercore ISI. Please go ahead.

---

**Amit Daryanani**

*Analyst, Evercore Group LLC*

**Q**

Yes. Thanks a lot. Thanks for taking my question. I guess maybe to start with your head count, I think, it was up on a year-over-year basis for the first time in about eight quarters. Yeah. As you look into the back half of the year, can you just talk about – how should we think about head count growth? And can the utilization rate actually sustain [indiscernible] (00:59:30) range? Or is there potential for that to dip down?

---

**Jatin Pravinchandra Dalal**

*Chief Financial Officer, Cognizant Technology Solutions Corp.*

**A**

Yeah. Hi, Amit. This represents the hiring that we do during this time of the year of recent college graduates and that has reflected in the increase of 7,500 compared to quarter one.

You will see some increase also in second half of the year, but it won't be large increases as we will continue to double down on the AI-led productivity and how do we do more with less. So it would be a combination. On one hand, we will infuse more college, recent graduates as part of our talent pool; and on other hand, try and get the best out of what we can do with AI-led productivity. So you would see some increases, but it won't be large numbers.

**Ravi Kumar Singiseti***Chief Executive Officer & Director, Cognizant Technology Solutions Corp.*

A

In fact, if you do a Y-on-Y comparison, you would notice that we are almost like flat because we had 6,000 to 7,000 people who got added from Belcan. But we have actually done 3% – 3-plus percent – more than 3% organic growth. So it's a combination of, I would say, AI-led productivity, which we could keep to ourselves, plus operational rigor, which Jatin spoke about.

**Amit Daryanani***Analyst, Evercore Group LLC*

Q

Got it.

**Ravi Kumar Singiseti***Chief Executive Officer & Director, Cognizant Technology Solutions Corp.*

A

An addition now, which we have had is freshers, school graduates. And what we'll do for the rest of the year is also mostly school graduates out of India.

**Amit Daryanani***Analyst, Evercore Group LLC*

Q

Perfect. Thank you. And then if you go back to the bookings growth, I think bookings are up like 18%. And clearly, the industry is not growing at that rate. So it's fair to assume that your folks are picking up a good bit of market share over here. I'm curious, what do you attribute the share gains to and are these share gains coming at potentially a lower margin point, at least initially versus what you traditionally get?

**Ravi Kumar Singiseti***Chief Executive Officer & Director, Cognizant Technology Solutions Corp.*

A

So again, Jatin, you can jump in. Look, we have won them competitively. These are deals which we rightly prized. We know we'll hit the margin numbers we targeted for.

In fact, the 29 last year and the 17 the year before, we have now got a template in place, which we are – therefore getting stronger and stronger. Our win rates have significantly increased. We are able to sole-source and originate new deals. In fact, one of the deals we did was a deal we originated, the \$1 billion deal. One of them, we originated it ourselves. It didn't exist.

So our ability to take this to the market in an agile way and our ability to call it out where we think we can, we have been super sleek in the market to make that value proposition to our clients, who see this as a win-win.

This quarter, as I said earlier, it's been a fairly good mix; new business, higher ACV, 18% Y-on-Y TCV, good mix of small and large deals, renewables and new, and innovation and productivity-led. I mean, I've kind of used innovation more often in this quarter than before, because we've really seen more traction attached to it. So I'm kind of encouraged by the spread and the distribution across industries and geographies as well.

**Jatin Pravinchandra Dalal***Chief Financial Officer, Cognizant Technology Solutions Corp.*

A

And Amit, you are aware that we have been consistently winning, and Ravi referred to that, 17 deals in 2023 and then 29 in 2024. This year also started with very healthy numbers, with three megadeals that we have won since the beginning of the year.

And in 2024 as well as in 2025, we have guided for – I mean now in 2025, we have guided to 20 basis point to 40 basis point margin expansion. For the first half of this year, we have delivered 40 basis points higher.

So this stream – the point I'm trying to make is these large deals are now a mainstream part of our business and we are able to execute the investment in this deal with the overall cost discipline in the organization to overall - give out the outcomes, which are, on aggregate, accretive and margin, which is expanding, with everything that Ravi spoke about, we have a bid-versus did. We have a tight governance on how we execute, and so on and so forth.

**Operator:** Thank you. Our last question for today comes from the line of Surinder Thind with Jefferies. Please go ahead.

**Surinder Thind**

*Analyst, Jefferies LLC*

Q

Thank you. When I think about all of the commentary on innovation spend, I guess, is that code for saying that clients are getting more comfortable with the discretionary spend component?

And then, I guess, as part of that, what is allowing them to make those decisions, given what I would argue is the pace of technological change, right? It seems like every month, every few weeks, every quarter, we're seeing pretty big advances in the frontier models. And so I just want to understand that decision-making and the conversations that you're having and how we should think about what I would call these green shoots here of spend?

**Ravi Kumar Singiseti**

*Chief Executive Officer & Director, Cognizant Technology Solutions Corp.*

A

Yeah. So, Surinder, I kind of use the word innovation, but I would actually frame it as innovation-led process change, right? I mean, as I said, you want to go to a bank and do a process and know-your-customers in a lesser time, better experience and with lower cost, it is not as much as cost, but it is also because some of these processes have not been disrupted for a very, very long time. And right now, they have all started to look at this technology to go and [ph] visit (01:06:14) how to change.

Like what happened when the Internet came, sales and marketing changed forever. Now there is a unique opportunity to change that. But the opportunity is not just about going and applying AI or going and applying agentic. The opportunity is also to service that labor pool as a part of an opportunity where a customer is willing to outsource it now while they didn't do it in the past, because there is digital and human labor attached to it.

So we've been thoughtful about going and finding those kind of opportunities. I mean customer care is probably the best example. Customer care, nobody is wanting to do it – go through the agentification to just reduce cost. They're going through the agentification to improve experience and to also create more real-time access to – I mean, more real-time leverage to their end consumers.

So, the way I see it is to do all of this, I mean, you spoke about frontier models. To do all of this, the frontier models by itself can't do anything. They will need to be layered with a lot of things. They will be have to be layered with a data flow strategy, how are you going to change the workflows, how you build context engineering? I spoke about context engineering in some of my public posts before, how do you weave tribal knowledge and context of an enterprise.

All of this is a role of a system integrator. And I'm starting to see the – I'm now starting to see even application – even agent development life cycles, which are very different to software development cycles. Agent development life cycle is about scoping for outcomes, not scoping for a spec – behavioral design of agents, scaling agents, deploying agents, maintenance in software is different to maintenance in agents.

Now you have to supervise agents even during maintenance. So that whole cycle has changed. So, we have reinvented the process of building that IP-on-the-edge methodology, sensing what labor pools will be ready for it, with the limited discretionary which is there. And as discretionary goes up, the other possibilities will change. But as discretionary is available, you will have to route it to the right places.

In Financial Services, it's much more open. So we're seeing more of it. In other sectors, it is less. But that unlock will happen. It is bound to happen and the value has to shift the front end where the system integrators will anchor it.

---

**Surinder Thind**

*Analyst, Jefferies LLC*

Q

That's actually quite helpful. And then I guess, since you brought this up with the frontier models, a few weeks ago, OpenAI announced that they're willing to do certain consulting services if, let's say, they – you're willing to spend at least \$10 million with them. Is that something that we should consider, or that you consider from a competitive perspective that they're starting to get into the services game here? How should we take that?

---

**Ravi Kumar Singiseti**

*Chief Executive Officer & Director, Cognizant Technology Solutions Corp.*

A

It's very complicated for – just a technology company, which owns a frontier model to go and implement a business process change, which is a combination of domain, combination of operations, and system integration.

I spoke about the layers, in addition to frontier model, which you need to make the technology work in context to an enterprise. You could draw parallels to customization in an enterprise. When traditional software – when you have to do customization, you could draw the parallel to context engineering, data flows, workflows, and all of that.

So you have to walk the corridors of the clients to know how that is done in a company, and how it could be done now. And it's a combination of technology, ops, and domain. So there's no way you can actually deliver those services without that, unless you believe that the frontier model companies want to be in the services business.

And as I said, my services business is not just about capability. My services business is also to build these layers. And as I said before, there are companies which are plumbing in AI, there are companies which are going to build in AI, and we want to be that AI builder company.

Now, over a period of time, maybe some – couple of good big products integrated will show up at that point of time and the role of a system integrator might change. Or maybe we will own so much IP by then that we will continue to monetize it. But IP-on-the-edge is a real differentiator and a real thing needed in the AI era. And we are actually using some of our capital to invest into it.

---

**Surinder Thind**

*Analyst, Jefferies LLC*

Q

Thank you, Ravi. That's very, very helpful.

---

**Operator:** Thank you. Ladies and gentlemen, this concludes today's Cognizant Technology Solutions second quarter 2025 earnings conference call. You may now disconnect your lines. Thank you for your participation.

Disclaimer

The information herein is based on sources we believe to be reliable but is not guaranteed by us and does not purport to be a complete or error-free statement or summary of the available data. As such, we do not warrant, endorse or guarantee the completeness, accuracy, integrity, or timeliness of the information. You must evaluate, and bear all risks associated with, the use of any information provided hereunder, including any reliance on the accuracy, completeness, safety or usefulness of such information. This information is not intended to be used as the primary basis of investment decisions. It should not be construed as advice designed to meet the particular investment needs of any investor. This report is published solely for information purposes, and is not to be construed as financial or other advice or as an offer to sell or the solicitation of an offer to buy any security in any state where such an offer or solicitation would be illegal. Any information expressed herein on this date is subject to change without notice. Any opinions or assertions contained in this information do not represent the opinions or beliefs of FactSet CallStreet, LLC. FactSet CallStreet, LLC, or one or more of its employees, including the writer of this report, may have a position in any of the securities discussed herein.

THE INFORMATION PROVIDED TO YOU HEREUNDER IS PROVIDED "AS IS," AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, FactSet CallStreet, LLC AND ITS LICENSORS, BUSINESS ASSOCIATES AND SUPPLIERS DISCLAIM ALL WARRANTIES WITH RESPECT TO THE SAME, EXPRESS, IMPLIED AND STATUTORY, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, ACCURACY, COMPLETENESS, AND NON-INFRINGEMENT. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, NEITHER FACTSET CALLSTREET, LLC NOR ITS OFFICERS, MEMBERS, DIRECTORS, PARTNERS, AFFILIATES, BUSINESS ASSOCIATES, LICENSORS OR SUPPLIERS WILL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, INCLUDING WITHOUT LIMITATION DAMAGES FOR LOST PROFITS OR REVENUES, GOODWILL, WORK STOPPAGE, SECURITY BREACHES, VIRUSES, COMPUTER FAILURE OR MALFUNCTION, USE, DATA OR OTHER INTANGIBLE LOSSES OR COMMERCIAL DAMAGES, EVEN IF ANY OF SUCH PARTIES IS ADVISED OF THE POSSIBILITY OF SUCH LOSSES, ARISING UNDER OR IN CONNECTION WITH THE INFORMATION PROVIDED HEREIN OR ANY OTHER SUBJECT MATTER HEREOF.

The contents and appearance of this report are Copyrighted FactSet CallStreet, LLC 2025 CallStreet and FactSet CallStreet, LLC are trademarks and service marks of FactSet CallStreet, LLC. All other trademarks mentioned are trademarks of their respective companies. All rights reserved.