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# Cognizant Technology Solutions Corp.

(CTSH)

Morgan Stanley Technology, Media & Telecom Conference

## CORPORATE PARTICIPANTS

**Jatin Pravinchandra Dalal**

*Chief Financial Officer, Cognizant Technology Solutions Corp.*

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## OTHER PARTICIPANTS

**James E. Faucette**

*Analyst, Morgan Stanley & Co. LLC*

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## MANAGEMENT DISCUSSION SECTION

**James E. Faucette**

*Analyst, Morgan Stanley & Co. LLC*

Thanks for joining us this afternoon. My name is James Faucette, senior IT services analyst here at Morgan Stanley. I'm very pleased to have Jatin Dalal, CFO of Cognizant, who will be chatting with us this afternoon.

Before we get started, I do have a quick disclosure to read. Please see the Morgan Stanley Research Disclosures website at [morganstanley.com/researchdisclosures](https://morganstanley.com/researchdisclosures). If you have any questions, please reach out to your Morgan Stanley sales rep. So, thanks for being here today. Really appreciate you guys making the trip. Always excited to hear kind of what's happening with Cognizant. Certainly, there's been a lot of work underway for a few years with the management team very focused on AI development, et cetera.

## QUESTION AND ANSWER SECTION

**James E. Faucette**

*Analyst, Morgan Stanley & Co. LLC*

Q

But maybe to start, why don't you give us a little bit of a preamble talk about how you put together your outlook for calendar year 2026, and how you're thinking about organic growth generally?

**Jatin Pravinchandra Dalal**

*Chief Financial Officer, Cognizant Technology Solutions Corp.*

A

Sure. James, so thank you very much for having us. Wonderful to be here meeting all the investors. Let me start with the whole assumption around guidance range. And as you know, we guided 4% to 6.5% total growth for 2026, of which inorganic contribution is roughly 150 basis points, of which 100 is done and 50 to go.

Now, at the midpoint of our guidance range, we assume that the environment continues to be what it was at the time of giving the guidance. At the upper end, we expected the guide, the environment to improve during the course of 2026. And clearly, at the bottom end, we have assumed that if the environment falls off from where we started and that could be the lower end. So, that's the overall thinking as we think about 2026.

**James E. Faucette**

*Analyst, Morgan Stanley & Co. LLC*

Q

So, if without 1%, 1.5% of organic growth, it seems all right, maybe slightly better than what we've heard across the market as a whole. How much do you attribute that to market share gains versus a broader improvement in client spending? And let's start there, I guess.

**Jatin Pravinchandra Dalal**

*Chief Financial Officer, Cognizant Technology Solutions Corp.*

A

Yeah. So, if you – the midpoint of the organic range, so if you see the total range is 4% to 6.5%, midpoint is 5.25%; and therefore, the organic is 3.75% for 2026. It is a combination of both. We have seen some amount of gains coming from discretionary spend which is in areas like BFSI. The market is expanding and we have participated better than others in the discretionary spend. And to our large deal wins, there is, of course, market share gain as we have consolidated our position in some of our key accounts, so that has also contributed. So, it's a little bit of both that we are considered for our midpoint of our organic guidance.

**James E. Faucette**

*Analyst, Morgan Stanley & Co. LLC*

Q

Got it. Got it. And let's talk about the competitive environment a little bit. What do you think is central to your ability to take at least some share in the current environment?

**Jatin Pravinchandra Dalal**

*Chief Financial Officer, Cognizant Technology Solutions Corp.*

A

A few things. The whole cycle of winning more business in consolidation, when the industry is going through consolidation, is about your ability to execute well. We continue to win large deals, but more importantly, we execute them very well. So, we won 27, 28 deals in 2024 and similar number in 2025. And we continue to execute well and consumer then builds a sort of a pool of references come forward. And therefore, we are able to win the

next deal and deal after, et cetera. So, the beauty or virtuous cycle of large deal wins is their ability to execute well.

The second is you should be seen as a company of future and a company which is leaning forward in investments like AI to be seen as a partner of future. And very happy to share that I think we have built that image over the last three years that our customers perceive us as a company which is investing in future and there's the right partner for that.

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**James E. Faucette**

*Analyst, Morgan Stanley & Co. LLC*

Q

Right. Got it. So, let's talk about your clients and what they're communicating around their calendar year 2026 IP budgets relative to particularly last year. Can you give a general assessment now that we're really past February, how budget growth compares this year? It looks like it will compare this year to last year. And where are you seeing either by vertical or geography spending increase versus where would you characterize clients are still being more cautious?

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**Jatin Pravinchandra Dalal**

*Chief Financial Officer, Cognizant Technology Solutions Corp.*

A

I would say, the environment remains what it was. So, it has certainly not shown an acceleration from where it was. Of course, there are more macro issues that we have. We have seen in last week that [indiscernible] (00:14:50) a short-term headwind sort of thing. But the environment remains what it is. From an industry standpoint, we definitely see BFSI continue to grow very well. For 2025, we grew 7% and it exited a 9% growth run rate. Healthcare, which is another large segment for us, has grown by 6% in 2025. So, despite regulatory uncertainty, that industry has done well. Where we do see a certain lack of discretionary momentum is Products and Resources.

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**James E. Faucette**

*Analyst, Morgan Stanley & Co. LLC*

Q

Okay.

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**Jatin Pravinchandra Dalal**

*Chief Financial Officer, Cognizant Technology Solutions Corp.*

A

And Communications and Media. In both places, we see more of a wait and watch or a slow growth scenario.

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**James E. Faucette**

*Analyst, Morgan Stanley & Co. LLC*

Q

So, can I delve in a little bit, so when you talk about like BFSI like doing pretty well, that makes sense given kind of the way those end markets have been functioning. Healthcare always seems like it's a work in process there, but materials and in that kind of thing, it seems like and maybe this is just an artifact of the stock market, but it seems like that market is maybe a little bit better. What do you think needs to happen there for that industry to start to feel a little more optimistic about their spend?

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**Jatin Pravinchandra Dalal**

*Chief Financial Officer, Cognizant Technology Solutions Corp.*

A

I think that industry, especially retail and manufacturing, has been far more focused on supply chain during the course of 2025. And with some stability emerging there, I think the priority will now shift toward what they need to

get accomplished on IT and new trends like AI they get for their business. And so, I think, 2025 was more about catching up on what they need to accomplish on the supply side.

**James E. Faucette**

*Analyst, Morgan Stanley & Co. LLC*

Q

And obviously, that was very disrupted or a lot of uncertainty introduced because of tariff and potential changes in tariff regimes, et cetera.

**Jatin Pravinchandra Dalal**

*Chief Financial Officer, Cognizant Technology Solutions Corp.*

A

Okay.

**James E. Faucette**

*Analyst, Morgan Stanley & Co. LLC*

Q

So, that makes sense. So, let's pivot to everybody's top topic, AI and its implications. You've noted that gen AI-driven productivity is really being embedded into new deal economics. How are recent deal vintages tracking versus your internal efficiency assumptions? Are you performing as you expected when you put these deals together?

**Jatin Pravinchandra Dalal**

*Chief Financial Officer, Cognizant Technology Solutions Corp.*

A

Yeah. Absolutely. And so, this is something that we are very careful when we first review the deal, before we submit our bids, we look at very carefully how the deal is constructed and what is the solution, because you don't win some of these deals in on price point. I mean, that's one of the factors. But it's also how well neat and how well thoughtful your solution is for customer makes a big difference. So, one is we review it very well. And then, we track it versus through a true-up process called bid versus did on a monthly basis, the CEO of the company and I review it every month, and we have done quite well as the portfolio. We are within a percentage range of the revenue that we expected from the deal. We are within – a percentage points within the margin that we expected.

So, at the portfolio we have, we continue to deliver well. We have a delivery excellence team which continues to review the deployment of tools and productivity measures that we had anticipated in the deal and how they are getting deployed. So, we have the orchestration behind to make sure we deliver to the promise that we made to those.

**James E. Faucette**

*Analyst, Morgan Stanley & Co. LLC*

Q

Got it. And how do you see those types of engagements evolving? I mean, you see customers be more willing to accept that or do you feel like they're being more demanding and assuming productivity improvements, and how are you navigating that?

**Jatin Pravinchandra Dalal**

*Chief Financial Officer, Cognizant Technology Solutions Corp.*

A

It's a very collaborative process where you work with customer. I mean, there is no deal which gets signed on the RFP being out and being submitted. So, there are at least four or five very detailed workshops that we do with customers to decide what is the right answer from a solutioning standpoint to very specific customer context. And therefore, there's very little surprise from customer standpoint on what to expect when we start deploying the

solution. There is over, I would say, last five quarters, there is a significantly higher openness and keenness to deploy the new technologies, and therefore, expect a greater productivity and total cost of ownership significantly better than what it could have been, let's say, in 2023. So, there's definitely more keenness to deploy.

**James E. Faucette**

*Analyst, Morgan Stanley & Co. LLC*

Q

Got it. So, once again, sticking a little bit on contract structure, fixed price revenue grew strongly in 2025. Looking ahead, where do you see the primary risks in the structures whether it's in scoping, productivity assumptions, execution, change order dynamics? I think it's interesting to me at least that fixed price has something to do or not to do kind of ebbs and flows over the history of IT services. So, where are we now in terms of where it could go, and what are your key risks?

**Jatin Pravinchandra Dalal**

*Chief Financial Officer, Cognizant Technology Solutions Corp.*

A

I think the risks of and, of course, rewards of fixed price projects remain as we all know. But I think this is a better model for our customer when there are lot of things changing around them. And it is difficult for them to anticipate the total cost of ownership they would be able to achieve in a time and material basis. This is the certainty of outcome that we are able to give. Most of the time, yeah, we deliver to the point, so it's not that fixed price project are significantly more profitable for us or significantly more loss making for us.

**James E. Faucette**

*Analyst, Morgan Stanley & Co. LLC*

Q

Right.

**Jatin Pravinchandra Dalal**

*Chief Financial Officer, Cognizant Technology Solutions Corp.*

A

It is the certainty of outcome that is the best sort of offer coming through fixed price project. In a changing technology landscape, we also like fixed price project because sometimes, you assume that you will use a technique here and some tool here. Then, when you actually start executing, you get a better answer to the same problem and you can deploy it and get to the superior outcome. So, the flexibility links with partners as well as certainty it offers to the customer is something that creates the win-win for the fixed rate.

**James E. Faucette**

*Analyst, Morgan Stanley & Co. LLC*

Q

So, do you see that continuing to grow as a proportion of your mix, and where can it get to, do you think?

**Jatin Pravinchandra Dalal**

*Chief Financial Officer, Cognizant Technology Solutions Corp.*

A

Yeah, we continue to believe that – we believe that it will continue to grow. And over the last three years, it has moved about 6 percentage, 7 percentage... it also comes with a greater risk. So, you could have, of course, a more cost deployment to get to the same outcome. So, I wouldn't say that it's a nirvana for margin...

**James E. Faucette**

*Analyst, Morgan Stanley & Co. LLC*

Q

Right.

**Jatin Pravinchandra Dalal**

*Chief Financial Officer, Cognizant Technology Solutions Corp.*

A

...but it is a good enabler, a good building block to get to a good outcome. We also make a good profitability on time and material contract, so that's also fine. But I think the – so I don't think we should drive fixed priced projects just from profitability angle. It should be just a win-win that we – it should be more about the win-win that we spoke about.

**James E. Faucette**

*Analyst, Morgan Stanley & Co. LLC*

Q

So, I'm hopeful that you can help address a little bit of a mystery or conundrum around BPO. BPO has grown roughly at 9% to 10% for the last several years, quite a bit faster obviously, than the corporate average and certainly ahead of the industry. On the other hand, most investors really have concerns about gen AI disruption, particularly to this segment of the business. What has been driving that growth in practice? Is it net new demand, share gains? Are you being able to increase pricing, expanding scope beyond typical BPO? Just help us understand what's been driving the growth in BPO and how sustainable that might be?

**Jatin Pravinchandra Dalal**

*Chief Financial Officer, Cognizant Technology Solutions Corp.*

A

Sure. So, BPO has been a great adopter of gen AI technology.

**James E. Faucette**

*Analyst, Morgan Stanley & Co. LLC*

Q

Yes.

**Jatin Pravinchandra Dalal**

*Chief Financial Officer, Cognizant Technology Solutions Corp.*

A

And while the initial perception was that because of gen AI adoption, the throughput that BPO generates would shrink or the volume that it operates will shrink. But effectively, it has been otherwise, meaning we are able to now generate more throughput with the combination of human and virtual agents, and that has been lapped up by customer. On top of that, we are also going out of – after the total addressable market which was not accessible to third-party service provider. For example, there is a 100-people customer service work, essentially, it would not have gone to BPO because it would have been too small.

**James E. Faucette**

*Analyst, Morgan Stanley & Co. LLC*

Q

Too small, yeah.

**Jatin Pravinchandra Dalal**

*Chief Financial Officer, Cognizant Technology Solutions Corp.*

A

But now, multiple thousands of such hundred people pieces of work are spread across many organizations, which are now far more amenable for an agentic deployment. You don't even have to worry about offshoring, et cetera. You could, but you need not. You could even deploy an agentic solution variable wherever that works and you could get significant productivity like 50%, 60% productivity coming through that. And therefore, you see BPO has not only overcome the compression that was perceived as a risk to the sector to the revenue line, but is actually growing healthy as an industry not just Cognizant, but other companies also in the industry.

**James E. Faucette**

*Analyst, Morgan Stanley & Co. LLC*



Yeah. For sure. For sure. So, similar question to fixed price. So, in some of the other companies that are publicly traded and have financials in the BPO space, their margins tend to be pretty good sometimes 400 or 500 basis points above kind of even where Cognizant is operating. Is BPO for you being faster growth? Is it a margin contributor right now? How should we think about that?

**Jatin Pravinchandra Dalal**

*Chief Financial Officer, Cognizant Technology Solutions Corp.*



Yeah. So, it's a great question. And BPO business is not only faster growing, but it's also better profitability for us. So, all in all, it's a good portfolio contribution that if they grow, grow fast.

**James E. Faucette**

*Analyst, Morgan Stanley & Co. LLC*



That's interesting. Now onto the most – the one topic that people tend to be most sensitive to and that's discretionary spend, right, because I think, Cognizant over – particularly, the last three or four years, has done a really great job, not only on BPO, as we've just talked about, but also in some of the other work that you're doing on long duration contracts and in outsourcing and the like. But discretionary spend seems to be the volatile piece and can make the difference or at least make a big difference one year to the next in terms of growth rates or even versus estimates. It seems like there's been a little bit of spend improvement that has been visible in financial services. What types of projects in financial services are seeing the strongest demand, and what do you – how do you view the durability of these key drivers?

**Jatin Pravinchandra Dalal**

*Chief Financial Officer, Cognizant Technology Solutions Corp.*



Yeah. So, that's an excellent question. I think discretionary spend is what goes and sits on the layer of large deals that you win. So, discretionary spend tends to give you a bump for the growth in a particular year. And as a historical reference, the discretionary spend really grew post-COVID. And then, by end of 2022 or early 2023, that started moderating. We definitely see the BFSI discretionary spend. As I mentioned, we grew 8% to 9%, 9% for quarter four of 2025. These contracts are in two or three buckets, but the one is really compliance-led work, where a lot of change around BFSI continues to happen. And at some point in time, they need to catch up on that.

The second is BFSI is an early adopter of technology. So, they are now deploying AI tools and techniques in their workflows, in their functions that customer service, their engagement with their own customers and so, on and so, forth. So, that's second. And third is the -, in terms of some of the work that was accelerated on digitalization post-COVID and put on back burner, now it's coming back in terms of how do I implement customer journey for my digital bank, et cetera. So, it's some compliance. Second is improving overall enterprise or functional strength of BFSI organization. And third is customer journey. So, these are the three things that we see.

**James E. Faucette**

*Analyst, Morgan Stanley & Co. LLC*



Got it. Got it. I've been monopolizing questions for the last 20 minutes or so. Any questions from the audience? Just raise your hand. We'll get you a microphone. So, let's go – just stay on the discretionary spend topic. So, a little bit of improvement in financial services. Where else have you been seeing recently some improvement in discretionary spend outlook?

**Jatin Pravinchandra Dalal**

*Chief Financial Officer, Cognizant Technology Solutions Corp.*

A

We have seen some improvement definitely on health, on pharmaceutical side. There is some discretionary improvement. We have seen a little bit improvement also in consumer product side, which was actually [indiscernible] (00:29:51) with retail and manufacturing underlying with the quarter three of last year. But it is sort of coming back in terms of discussion.

**James E. Faucette**

*Analyst, Morgan Stanley & Co. LLC*

Q

Got it. Got it. And any place that's getting worse on discretionary spend, I mean, I don't know how it could, but...

**Jatin Pravinchandra Dalal**

*Chief Financial Officer, Cognizant Technology Solutions Corp.*

A

I think, I would say, Communication and Media has been a sort of volatile. So, that's what I would say, I mean, one quarter is good, one quarter is a little uncertain.

**James E. Faucette**

*Analyst, Morgan Stanley & Co. LLC*

Q

Got it. Got it. And what do you think is driving volatility there? Any speculation?

**Jatin Pravinchandra Dalal**

*Chief Financial Officer, Cognizant Technology Solutions Corp.*

A

I think there are more company-specific, especially on Communication side, there are company-specific initiatives that are taken to either significantly reduce cost or transform the organization. So, I think there are various company priorities which are taking over the immediate IT spend and decision.

**James E. Faucette**

*Analyst, Morgan Stanley & Co. LLC*

Q

How much on uplift in discretionary spend? I think one of the things that investors have been keenly trying to watch is, as companies and organizations move from AI pilots and trying to figure out what makes sense to move into production, et cetera, turning to the likes of Cognizant to help on with those development work, implementation, maybe even restructuring and re-architecting some of the underlying systems and data, like what's happening from that perspective? Is that a meaningful part of your work or even of the discretionary business that's starting to come in the front door?

**Jatin Pravinchandra Dalal**

*Chief Financial Officer, Cognizant Technology Solutions Corp.*

A

We definitely see that we are moving away from just POCs and let's create something which looks good, but it's not scalable. It's more application to real impact on business. We spoke about deployment of agentic solutions to one of our large logistics customer in US. Very recently, we have rolled out a large agentic solution for one of our customers in food processing industry. So, there is now more meaningful deployment of agentic solutions that we see. And we see that there's a unique role that companies like Cognizant has to play in terms of helping customers determine what is the right answer for customer.

**James E. Faucette**

*Analyst, Morgan Stanley & Co. LLC*



Got it. I think we have a question on the back.

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[indiscernible] (00:32:27) AI pipeline in production and the status of – I mean, gen AI is moving like really quickly right now, right, so the velocity is very fast. Is that an impediment for – how much of an impediment is that for your customers in terms of like waiting until kind of maybe the rate of improvement slows down before, yeah, it's going through a long process of asking Cognizant to do something really big for the company? And maybe an analogy is looking at past cycles where at the initial phase of the technology, that you have to wait for the rate of improvement to slow down somewhat before the bulk of your clients start to sign up?

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**Jatin Pravinchandra Dalal**

*Chief Financial Officer, Cognizant Technology Solutions Corp.*



I would say, it is – not so much about rate of improvement to stabilize before the deployment begins. I think it's bringing AI to B2B applications, which is just beginning to take off. So, far, it was lapped up by consumers, but now, we are beginning to see where the application is becoming real for B2B, for large customer. So, we have examples on a faster deployment of a package implementation. We have fast – we have now examples or quick solutions regarding modernization of legacy code. And in some of that is now beginning to getting picked up much faster than what it has been. So, until six or eight months back, the technology was for the technology's sake. Now, it is really the practical application for Fortune 2000 customers, which is coming before.

So, we are very early in that cycle. And yes, there are set of customers who are waiting to see what is the final outcome, and then, I will sort of go after it. But more than that, I think it's really making practical applications of AI for large-scale IT problems or IT challenges of a Fortune 2000 customer is just beginning to happen. So, hopefully, it will take off as we go forward.

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**James E. Faucette**

*Analyst, Morgan Stanley & Co. LLC*



And then, a follow-up question. Can we just get him a follow-up? Just give your follow-up question, then I'll repeat it.

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You talked about the size of AI contract [indiscernible] (00:35:03)?

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**James E. Faucette**

*Analyst, Morgan Stanley & Co. LLC*



So, the question was, how do these AI-related project sizes compare to traditional contracts?

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**Jatin Pravinchandra Dalal**

*Chief Financial Officer, Cognizant Technology Solutions Corp.*



Yeah. They're still smaller in size, maybe \$8 million to \$10 million, \$12 million in TCV. That is, of course, in traditional size, it could – we will have \$200 million, \$300 million, \$500 million of contract, but that is not

unanticipated for a new service. Almost every new service that we have ever sold as an industry has started on a small scale. So, this is actually the right size to anticipate as we look at our new technology deployment.

**James E. Faucette**

*Analyst, Morgan Stanley & Co. LLC*

Q

Got it. Question over here in the back.

Q

Yeah. So, what is in your contracts today as you work with agentic solutions in enterprises, what is the shape of that adoption typically look like? Do people start by building their own solutions? Are they using OpenAI's Frontier? Are they taking out of the box solutions from SaaS companies? Like where is it that enterprises are investing today when you see it?

**Jatin Pravinchandra Dalal**

*Chief Financial Officer, Cognizant Technology Solutions Corp.*

A

So, it is different for different customers, as you would imagine at this point of evolution. But effectively, why customer starts to by is that, I have a business problem that can be solved by AI, let me first think about what is the solution that I am going to build. So, you start with what is the compute that you are going to get? What is the LLM that you are going to deploy? Do you need entire LLM or you can build an SLM and [indiscernible] (00:36:36) 20%, 30% to LLM and the rest you can solve at their end to reduce the cost? Do I need agents which are branded agents from SaaS players or I could use a generic agent to be deployed and I could do from a cost standpoint, a combination of 30/70 or something like that.

Then, you go back and check thing. This is the data requirement and this is a training requirement, how do I take my load on GPU from training versus actual usage. Then, I start deploying and then, I think about how do I monitor the performance of agents? So this is the whole cycle. It is not going to one partner and asking the answer, but it's really working with the ecosystem and developing this whole integrated answer before the deployment. You could even use something like work fabric in the middle to improve the training time, which is very effective. So, this is still how it is getting deployed as we speak.

**James E. Faucette**

*Analyst, Morgan Stanley & Co. LLC*

Q

So, I want to talk quickly back on margin expansion, we'll tie some of this back together. But on the 10 to 30 basis points of operating margin expansion, can you break down the key contributors across gross margin, SG&A leverage, utilization and even FX, like how should we thinking about the contribution of each of those elements?

**Jatin Pravinchandra Dalal**

*Chief Financial Officer, Cognizant Technology Solutions Corp.*

A

Sure. So, we have for 2026 adjusted 10 to 30 basis point margin expansion coming with the combination of both gross margin and SG&A leverage. Our message on gross margin is that of stability...

**James E. Faucette**

*Analyst, Morgan Stanley & Co. LLC*

Q

Okay.

**Jatin Pravinchandra Dalal**

*Chief Financial Officer, Cognizant Technology Solutions Corp.*

A

...for the year, but it will have its own volatility through the quarters as we go. And the reason for that is some of the large deals when you win and when you are ramping them up, you tend to deploy cost ahead of the revenue generation. And therefore, you tend to manage that as a year. But quarterly, there could be variation around that. We definitely see contribution coming from improved pyramid. We hired 20,000 recent college graduates in 2025. We are going to add to that number another 15%, 20% in 2026. We will have a big course on the AI alert productivity, not just that we need to do as per the contract, but where we could improve the gross margin profile and retain it ourselves. SG&A, the leverage of AI on SG&A, the right shoring of SG&A, I know there are opportunities. So, these are the levers which we will work on here.

**James E. Faucette**

*Analyst, Morgan Stanley & Co. LLC*

Q

So, big question we tend to get obviously, and I'm sure you get it as well is kind of a blanket question is one of pricing. And what are you seeing from a pricing perspective? I think some of your recent commentary was that maybe that was improving slightly, but I'm trying to measure that against things like gross margin and how you may be changing utilization and pyramid use, et cetera, to get to that flat gross margin that you're talking about?

**Jatin Pravinchandra Dalal**

*Chief Financial Officer, Cognizant Technology Solutions Corp.*

A

Yeah, the pricing on the new work related with AI is definitely better and superior to the current book of business. On the current book of business, definitely, the productivity pressure, I would say, not pricing pressure, it's reduction of unit of consumption versus the unit price reduction that you are looking at. And I think, so this is the two worlds that we need to navigate that on new business, we reprice what is right and we defend well on the existing book of business.

**James E. Faucette**

*Analyst, Morgan Stanley & Co. LLC*

Q

So, last few minutes here, I want to talk about the potential for India listing. I know that that has been something that investors here in the US have looked at with a great deal of interest, feeling like maybe that was a potential path to realize some value that maybe the stock should have, et cetera. Any progress on that evaluation, and what are the main considerations and timeline that investors should be prepared for as far as next updates and progress?

**Jatin Pravinchandra Dalal**

*Chief Financial Officer, Cognizant Technology Solutions Corp.*

A

Absolutely. So, I think the biggest driver for it is there are – there is a set of investors that would love to invest with us. And that pool is today is not fully accessible by us. So, listing that could make Cognizant as an investable stock by those that large pool of capital. Second is, of course, we have a large brand in India...

**James E. Faucette**

*Analyst, Morgan Stanley & Co. LLC*

Q

Yes.

**Jatin Pravinchandra Dalal**

*Chief Financial Officer, Cognizant Technology Solutions Corp.*

A

...and it could further enhance that and our employees could own more local shares. The timeline continues to be – it's something which is medium term. It is not immediate because there is a regulatory process we can do to make good progress. But we are still not at a point where we have enough clarity regarding the decision of whether we go forward or we don't go forward. But we are definitely at a much – we have far more awareness of the regulation and what it could entail compared to where we begin the journey in the end of October. So, we continue to make progress and we'll continue to update as we move forward.

**James E. Faucette**

*Analyst, Morgan Stanley & Co. LLC*

Q

So, do you think, obviously, there can be lots of considerations why you would move forward or not. But sitting here today, do you feel like it is feasible that if it is something that makes sense to you, et cetera, that can be done?

**Jatin Pravinchandra Dalal**

*Chief Financial Officer, Cognizant Technology Solutions Corp.*

A

I think, I would say, we are progressing on the journey. We don't have the view of the final regulation. So, difficult to say yes or no to that question.

**James E. Faucette**

*Analyst, Morgan Stanley & Co. LLC*

Q

Okay.

**Jatin Pravinchandra Dalal**

*Chief Financial Officer, Cognizant Technology Solutions Corp.*

A

But I would say, economic regulation remains and we'll work through the regulation.

**James E. Faucette**

*Analyst, Morgan Stanley & Co. LLC*

Q

So, last 45 seconds here. So, Jatin, what would be the primary thing that you would have investors focus on and pay attention to for 2026?

**Jatin Pravinchandra Dalal**

*Chief Financial Officer, Cognizant Technology Solutions Corp.*

A

I would say, it's just the role that companies like Cognizant can play and Cognizant has demonstrated it, is how we capture the value in the new world of AI. I think that's our story, and we would request attention there.

**James E. Faucette**

*Analyst, Morgan Stanley & Co. LLC*

Got it. Well, thank you very much. Thanks to everybody for joining us, and have a good rest of the day.

**Jatin Pravinchandra Dalal**

*Chief Financial Officer, Cognizant Technology Solutions Corp.*

Thank you very much, James.

**James E. Faucette**

*Analyst, Morgan Stanley & Co. LLC*

Yes.

**Jatin Pravinchandra Dalal**

*Chief Financial Officer, Cognizant Technology Solutions Corp.*

Thank you.

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