First Quarter 2019

Financial Results and Highlights

May 2, 2019

Forward-Looking Statements

This earnings supplement includes statements which may constitute forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, the accuracy of which are necessarily subject to risks, uncertainties, and assumptions as to future events that may not prove to be accurate. These statements include, but are not limited to, express or implied forward-looking statements relating to our expectations regarding opportunities in the marketplace, investment in and growth of our business, our shift to digital solutions and services, our anticipated financial performance, our capital deployment plan and the incremental accrual related to the India Defined Contribution Obligation. These statements are neither promises nor guarantees, but are subject to a variety of risks and uncertainties, many of which are beyond our control, which could cause actual results to differ materially from those contemplated in these forward-looking statements. Existing and prospective investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Factors that could cause actual results to differ materially from those expressed or implied include general economic conditions, changes in the regulatory environment, including with respect to immigration and taxes, and the other factors discussed in our most recent Annual Report on Form 10-K and other filings with the Securities and Exchange Commission. Cognizant undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as may be required under applicable securities law.

Q1 performance below expectations; foundation and capabilities are solid and market opportunity is robust

1Q'19 Results

Consolidated Revenue

$4.11B

+5.1% Y/Y
+6.8% Y/Y Constant Currency ("CC") [1]

Operating Margin

13.1%	16.0%
GAAP Operating Margin	Adjusted Operating Margin

Adjusted Operating Margin[1]
-170bps Y/Y

EPS

$0.77	$0.91
GAAP Diluted EPS	Adjusted Diluted EPS

Adjusted Diluted EPS[1]
-3.2% Y/Y

[1] Constant currency revenue growth, Adjusted Operating Margin and Adjusted Diluted Earnings Per Share ("EPS") are not measurements of financial performance prepared in accordance with GAAP. Adjusted Operating Margin and Adjusted Diluted EPS exclude unusual items, and Adjusted Diluted EPS additionally excludes net non-operating foreign currency exchange gains or losses and the tax impact of all the applicable adjustments. Constant currency revenue growth, or CC, is a non-GAAP financial measure defined as revenues for a given period restated at the comparative period's foreign currency exchange rates measured against the comparative period's reported revenues. Reconciliations of Adjusted Operating Margin and Adjusted Diluted EPS to the corresponding GAAP measures are included at the end of this earnings supplement.

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Double digit revenue growth in CMT and P&R offsets softness in Financial Services and Healthcare

Results in ($M)

	1Q'19			
			Y/Y Growth %	Y/Y Growth % (CC)
Financial Services	$	**1,436**	(1.7)%	0.2%
Healthcare		**1,165**	3.9%	4.6%
Products and Resources ("P&R")		**914**	11.3%	13.8%
Communications, Media and Technology ("CMT")		**595**	16.9%	19.6%
Total Revenues	**$**	**4,110**	**5.1%**	**6.8%**

Segment Insights

Financial Services	• Softness with a few of our largest banking clients and several insurance and North American regional banking clients • Progress in furthering our platforms and solutions strategy for banking clients through the acquisition of MeritSoft
Healthcare	• Industry consolidation affecting several healthcare payer clients as well as the accelerated movement of some work to a captive at a large North American client • Life Sciences delivered above company average growth, driven by large enterprise deals and momentum with our industry specific platforms
Products and Resources	• Double digit growth in constant currency, across retail and consumer goods, travel and hospitality, and manufacturing, logistics, energy and utilities operating segments • Strength in cloud and digital engineering services and increased demand for interactive, IoT and analytics solutions across clients
Communications, Media and Technology	• Technology delivered double digit growth driven primarily by our digital content solutions. • Within media and communications growth was driven primarily by digital services with media and entertainment clients to accelerate their transformation to modern media companies, partially offset by slower growth with communications clients involved in industry consolidation

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Revenue growth supported by strong performance in international markets

Results in ($M)	1Q'19			
			Y/Y Growth %	Y/Y Growth % (CC)
North America	$	**3,123**	5.0%	5.0%
United Kingdom		***329***	*6.1%*	*12.1%*
Rest of Europe		***405***	*8.3%*	*16.2%*
Europe - Total		**734**	7.3%	14.3%
Rest of World		**253**	~Flat	7.1%
Total Revenues	**$**	**4,110**	**5.1%**	**6.8%**

Geographic Insights

- Rest of World: On a constant currency basis, the three industry segments outside of Financial Services saw double digit growth
    - Asia Pacific negatively impacted by the weakness in certain large banking clients
- Rest of Europe: Strength in life sciences and communications and media, partially offset by weakness in certain large banking clients
    - Seeing stronger growth from several of our newer logos in banking
- Expect to increase our investments and drive international growth, particularly throughout Europe

Additional revenue and operating metrics

Results in ($M)	1Q'19	
Type of Contract:		**% of Total Revenues**
Time and Materials	**$ 2,152**	**52.4%**
Fixed-Price	**1,468**	**35.7%**
Transaction or Volume Based	**490**	**11.9%**
Service Line:		
Consulting and Technology Services	**$ 2,409**	**58.6%**
Outsourcing Services Revenue	**1,701**	**41.4%**
Additional Revenue Insights:		
Top five customers		**8.8%**
Top ten customers		**15.7%**

	1Q'19	1Q'18
Days Sales Outstanding (DSO)	**78**	**75**

	1Q'19	4Q'18	1Q'18
Employees	**285,800**	281,600	261,400
Q/Q Change	**+1.5%**		
Y/Y Change	**+9.3%**		
Quarterly Annualized Attrition	**19%**	19%	20%
Utilization			
Offshore (excluding trainees)	**83%**	83%	83%
Onsite	**91%**	92%	92%

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Strong financial position and disciplined capital deployment

Cash and Financing

- Finished 1Q’19 with **$3.7B** of cash and short-term investments, down **$0.8B** from 4Q’18
- Outstanding debt balance was **$746M** at the end of the quarter
- Operating cash flows for 1Q’19 were **$269M**

Capital Deployment

Results in ($M)	**1Q’19**
FCF[1] – Worldwide	**$ 163**
Dividends Paid	$ 116
Stock Repurchases	$ 750
Acquisitions	$ 197

- FCF[1] / Net Income: ~0.4x
- 1Q'19: Repurchased 9.5M shares
- 1Q'19: Diluted share count decreased to 575M shares
- $1,775M remaining balance under Board authorized stock repurchase program

Acquisitions- 1Q19

Mustache	U.S. based creative content agency specializing in creating original and branded content for digital, broadcast and social mediums– *Closed January 2019*
Meritsoft	Platform for post-trade processing, an intelligent automation solution for managing taxes, fees, commissions, and cash flow functions between financial institutions – *Closed March 2019*

[1] Free Cash Flow (FCF) is a non-GAAP financial measure defined as cash flows from operating activities net of purchases of property and equipment. A reconciliation of FCF to the corresponding GAAP measure is included at the end of this earnings supplement.

Guidance

Revenue Guidance[1,4]	
2Q’19	3.9-4.9% Y/Y in CC[2]
FY’19	3.6-5.1% Y/Y in CC[3]

Additional Full Year 2019 Guidance[1,4]	
Adjusted Operating Margin	Approximately 17.0%
Tax Rate	24-26%
Share Count	Approximately 572 million
Adjusted Diluted EPS	$3.87-$3.95

Key FX Assumptions in Guidance	
INR	69.20
GBP	1.30
EUR	1.12

Capital Deployment Plan

- *Utilize ~ 50% of global FCF annually for dividends and share repurchases*
- *Maintain a dividend payout ratio of ~20%*
- *Reduce our outstanding share count by ~1% annually*
- *~25% of our annual global FCF to be used for acquisitions that enhance our longer term strategy of enriching our digital capabilities, expanding our geographic footprint and enhancing our vertical expertise*

[1] Guidance is as of May 2, 2019
[2] 2Q’19 revenue guidance based on current exchange rates translates to growth of 2.6-3.6% ($4.11B-$4.15B) reflecting our assumption of a negative 130 bps for foreign exchange
[3] FY’19 revenue guidance based on current exchange rates translates to growth of 2.7-4.2% ($16.55B-$16.80B) reflecting our assumption of a negative 90 bps for foreign exchange
[4] Guidance does not account for any potential impact from events such as changes to immigration and tax policies.

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Appendix: Reconciliation of Non-GAAP Financial Measures

Reconciliations of non-GAAP financial measures

To supplement our financial results presented in accordance with GAAP, this earnings supplement includes references to the following measures defined by the Securities and Exchange Commission as non-GAAP financial measures: Adjusted Income From Operations, Adjusted Operating Margin, Adjusted Diluted Earnings Per Share ("Adjusted Diluted EPS"), free cash flow and constant currency revenue growth. These non-GAAP financial measures are not based on any comprehensive set of accounting rules or principles and should not be considered a substitute for, or superior to, financial measures calculated in accordance with GAAP, and may be different from non-GAAP financial measures used by other companies. In addition, these non-GAAP financial measures should be read in conjunction with our financial statements prepared in accordance with GAAP. The reconciliations of our non-GAAP financial measures to the corresponding GAAP measures should be carefully evaluated. A full reconciliation of Adjusted Operating Margin guidance to GAAP operating margin guidance on a forward-looking basis cannot be provided without unreasonable efforts, as we are unable to provide reconciling information with respect to unusual items. Additionally, a full reconciliation of Adjusted Diluted EPS guidance to GAAP diluted EPS guidance on a forward-looking basis cannot be provided without unreasonable efforts, as we are unable to provide reconciling information with respect to unusual items, net non-operating foreign currency exchange gains or losses, and the tax effects of these adjustments, all of which are adjustments to Adjusted Diluted EPS.

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

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

Reconciliations of Non-GAAP Financial Measures

Unaudited *(dollars in millions, except per share amounts)*	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018	Guidance Q2 2019	Guidance Full Year 2019
GAAP income from operations	$ 539	$ 693		
Realignment charges[a]	2	1		
Incremental accrual related to the India Defined Contribution Obligation[b]	117	—		
Adjusted Income From Operations	$ 658	$ 694		
GAAP operating margin	13.1%	17.7%		
Realignment charges	—	—	(a)	(a)
Incremental accrual related to the India Defined Contribution Obligation	2.9%	—	(b)	(b)
Adjusted Operating Margin	16.0%	17.7%	approximately 16.0%	approximately 17.0%
GAAP diluted earnings per share	$ 0.77	$ 0.88		
Effect of above adjustments, pre-tax	0.20	—		(a), (b)
Non-operating foreign currency exchange (gains) losses, pre-tax[c]	(0.01)	0.06		(c)
Tax effect of above adjustments [d]	(0.05)	—		(a), (b), (c)
Adjusted Diluted Earnings Per Share	$ 0.91	$ 0.94		$3.87 - $3.95

Please refer to pages 12 and 13 of this earnings supplement for corresponding Non-GAAP notes.

Reconciliations of Non-GAAP Financial Measures

Notes:

(a) During the three months ended March 31, 2019, we incurred $2 million in costs associated with the CEO transition and the departure of our President. We expect to incur approximately $23 million in additional compensation and benefits costs associated with the CEO transition and the departure of our President during the second quarter of 2019. Realignment charges may also include employee separation costs, lease termination costs and costs related to the development of our realignment, as applicable. The total costs related to the realignment are reported in "Selling, general and administrative expenses" in our unaudited consolidated statements of operations. As part of our realignment program, management is currently evaluating various strategies, including additional employee separation programs. The timing, nature and magnitude of these initiatives are not finalized at this time. As such, we cannot provide realignment charges on a forward-looking basis without unreasonable effort.

(b) On February 28, 2019, a ruling of the Supreme Court of India interpreting certain statutory defined contribution obligations of employees and employers (the “India Defined Contribution Obligation”) altered historical understandings of such obligations, extending them to cover additional portions of the employee’s income. As a result, the contributions of our employees and the Company in future periods are required to be increased. We have accrued $117 million with respect to prior periods, assuming retroactive application of the Supreme Court’s ruling. There is significant uncertainty as to how the liability should be calculated as it is impacted by multiple variables, including the period of assessment, the application with respect to certain current and former employees and whether interest and penalties may be assessed. Since the ruling, a variety of trade associations and industry groups have advocated to the Indian government, highlighting the harm to the information technology sector, other industries and job growth in India that would result from a retroactive application of the ruling. We anticipate the Indian government will review the matter and believe there is a substantial question as to the extent to which the Indian government may apply the Supreme Court’s ruling on a retroactive basis, if at all. As such, the ultimate amount of our obligation may be materially different from the amount accrued and therefore, the amount and timing of an adjustment to this accrual, if any, cannot be provided on a forward-looking basis without unreasonable efforts. The incremental accrual related to the India Defined Contribution Obligation is reported in "Selling, general and administrative expenses" in our unaudited consolidated statement of operations

(c) Non-operating foreign currency exchange gains and losses, inclusive of gains and losses on related foreign exchange forward contracts not designated as hedging instruments for accounting purposes, are reported in "Foreign currency exchange gains (losses), net" in our unaudited consolidated statements of operations. Non-operating foreign currency exchange gains and losses are subject to high variability and low visibility and therefore cannot be provided on a forward-looking basis without unreasonable efforts.

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Reconciliations of Non-GAAP Financial Measures

(d) Presented below are the tax impacts of each of our non-GAAP adjustments to pre-tax income:

	Three Months Ended March 31, 2019	2018
	(in millions)	
Non-GAAP income tax benefit (expense) related to:		
Realignment charges	$ —	$ —
Incremental accrual related to the India Defined Contribution Obligation	31	—
Foreign currency exchange gains and losses	1	(1)

The effective tax rate related to each of our non-GAAP adjustments varies depending on the jurisdictions in which such income and expenses are generated and the statutory rates applicable in those jurisdictions.

Reconciliation of Free Cash Flow

(in millions)	Three Months Ended March 31, 2019	2018
Net cash provided by operating activities	$ 269	$ 388
Purchases of property and equipment	(106)	(96)
Free cash flow	$ 163	$ 292

The above tables serve to reconcile the Non-GAAP financial measures to comparable GAAP measures. Please refer to the "About Non-GAAP Financial Measures" section of our press release for further information on the use of these Non-GAAP measures.