

Cognizant

Investor briefing

November 18, 2021

Brian Humphries, Chief Executive Officer
Jan Siegmund, Chief Financial Officer

Forward-looking statements, non-GAAP financial measures and additional information

This investor presentation contains forward looking statements and non-GAAP financial measures. For important details with respect to such statements and measures, as well as a reconciliation of the non-GAAP financial measures to the corresponding GAAP financial measures, please see the additional disclosures at the end of this presentation.

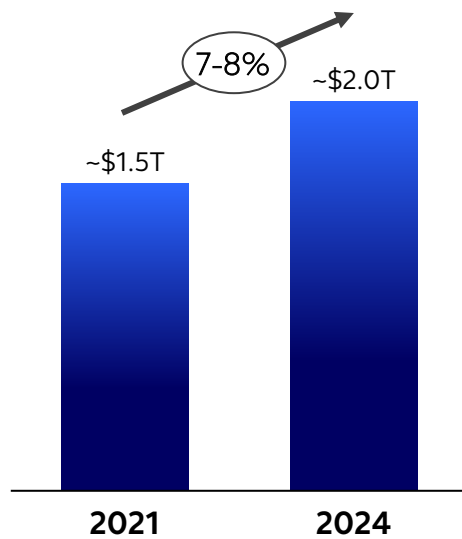
Additionally, all year-to-date figures referenced throughout this document are as of September 30, 2021.

Strategic update

Brian Humphries, Chief Executive Officer

Capturing the growth opportunity

A large, growing addressable market¹

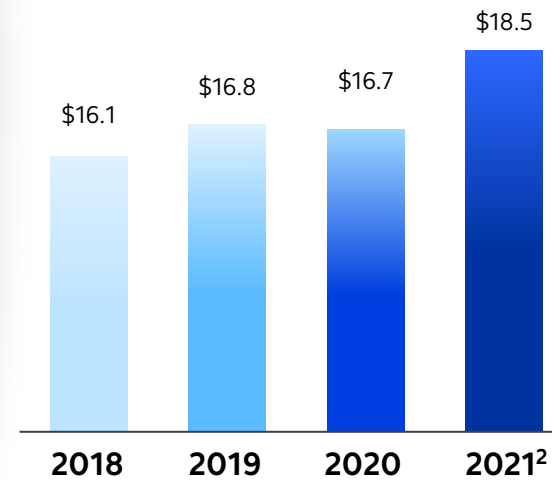


We've invested in the shift to digital

- ✓ ~500 commercial hires
- ✓ ~\$2.5B on digital acquisitions
- ✓ Training & reskilling
- ✓ Branding & digital marketing

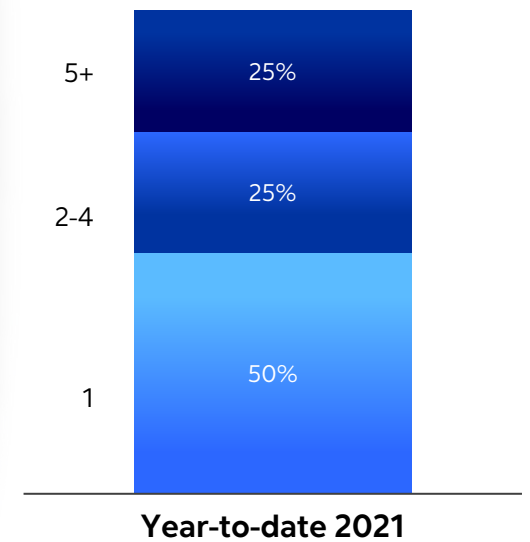
Fueling our growth acceleration

Cognizant revenue (\$B)



Our installed base is a huge asset

Number of practices each customer works with



¹ Market estimates built from a compilation of IT services forecasts from Gartner, IDC, Nelson Hall and SITI, as well as internally-generated estimates

² 2021 guidance as communicated in Q3 2021 earnings press release

Executing against a comprehensive program



The Cognizant agenda

Our purpose

Why we exist

We engineer modern businesses to improve everyday life

Our vision

What we aspire to achieve

To become the preeminent technology services partner to the Global 2000 C-Suite

Our values

How we work



Start with a point of view



Seek data, build knowledge



Always strive, never settle



Work as one

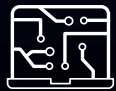


Do the right thing, the right way



Create conditions for everyone to thrive

Executing a growth strategy



Accelerate digital

Shift our portfolio towards high-growth digital services



Globalize Cognizant

Scale internationally



Increase relevance to clients

Invest in industry expertise to help our clients be successful



Reposition our brand

Strengthen our brand credentials

Execute our people strategy

Aligned portfolio to growth strategy

Strengthened our digital portfolio with ~\$2.5B of digital acquisitions since 2019, organic investments, and partnerships



Cloud



Data



Software



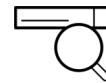
IoT



Digital Operations

Repositioned for growth by exiting non-core parts of the portfolio and investing in strategic areas

Refocused Digital Business Operations (DBO)



Exited content moderation

CognizantNeuro™

Invested to reposition DBO

~15%

DBO growth expected for 2021¹

Deprioritized local business in non-strategic markets



Exited local commercial business in Latin America & Africa

Driving growth in strategic markets like the UK, Australia, Japan, and Germany

¹ 2021 DBO growth is 12%, net of the ~300 basis points impact from our decision to exit certain content-related services

Supercharged talent

Talent actions

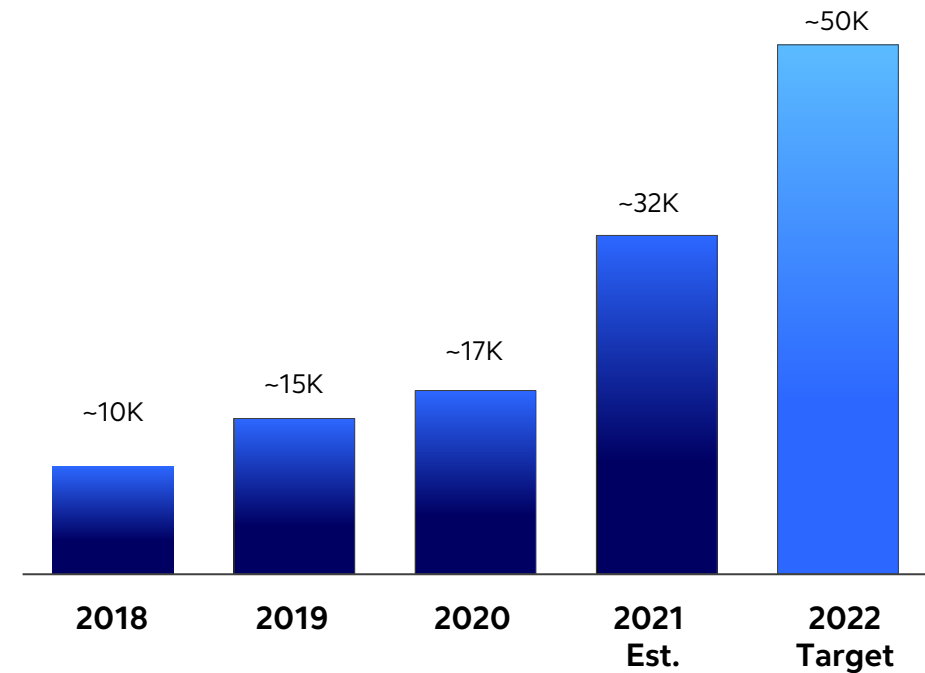
- Clarified vision and purpose underpinned by company values, including meritocracy, and diversity and inclusion
- Established compelling employee value proposition
- Refreshed leadership team with external hires and internal promotions
- Enhanced rigor on goals, performance evaluation, and talent management

Recognition as a top employer



Rebuilding the base of the delivery pyramid

Freshers onboarded



Strengthened partnerships

Established hyperscaler business groups



Complemented our traditional ISV partners with next-gen software / platform vendors



Embraced industry-specific partners



Investing to accelerate growth

Our digital portfolio and talent

- ✓ ~\$2.5B in M&A across cloud, data, IoT, and digital engineering since 2019
- ✓ Compensation and revised promotions cycle
- ✓ 100k+ associates reskilled

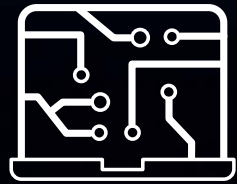
Our commercial engine

- ✓ ~500 commercial resources
- ✓ Branding and digital marketing
- ✓ Pricing, customer segmentation, and compensation

Our infrastructure

- ✓ Workflows and process digitization
- ✓ IT security
- ✓ Human capital management modernization

Resulting in **accelerated commercial momentum** and a more **sophisticated and scalable infrastructure** for future growth



**Accelerate
digital**



**Globalize
Cognizant**



**Increase relevance
to clients**



**Reposition
our brand**

Execute our people strategy

Digital is a critical component of Cognizant's strategy

Clients

Helping clients with their most strategic initiatives

Talent

Cutting-edge, impactful work that allows us to attract and retain talent

Financial

Double-digit growth and margin accretion

We have strengthened our digital credentials

Actions

Enhanced our digital capacity



Internet of Things (IoT)



Digital Engineering



Data



Cloud



Digital Experience



Cognizant Consulting



Intelligent Automation



Business Process Digitization

Invested in digital M&A

~\$2.5B since 2019

Strengthened hyperscale partnerships



Increased leverage of scaled agile frameworks and digital delivery methods; promoted digital skills aggressively

Results

Growing businesses

Digital engineering: ~**30% CAGR** 1H19 – 1H21

IoT: ~**35% CAGR** 1H19 – 1H21

Cloud: ~**20% CAGR** 1H19 – 1H21

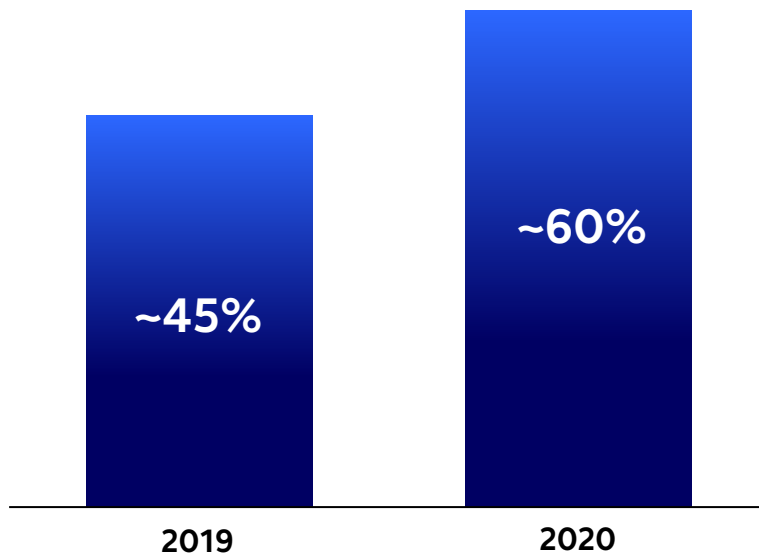
Digital mix shift

~**15 pts. increase** since 2018

Industry analysts are recognizing our progress

“Leader” rankings

% of analyst reports rank CTSH as a “Leader” vs. Other¹



2020 Leader in **Cloud Services, Digital Workplace, & Salesforce Healthcare**
2020 Leader in **Intelligent Automation** in Business Processes



2020 Leader in **Agile Software Development**
2020 Leader in **Digital Workplace Design** services



2020 Leader in **IoT Services & Platforms**



2021 Leader for **Data and Analytics** Service Providers



2020 Leader in **Digital Process Automation** Service Providers



2021 Leader in **IoT** services



2020 Leader in **Cloud Business Analytics** Services
2020 Business and Industrial **IoT Consulting & SI** Services

¹ Estimate based on select reports from Avasant, Everest Group, Gartner, HFS Research, IDC, and Forrester related to Cloud, Data, IoT, Digital Engineering, Digital Experience, and Digital Business Process Outsourcing

Addressing client needs across the entire stack

With our breadth of technical capabilities and skill sets, we can win by scaling from any number of “on-ramps” along our clients’ journeys

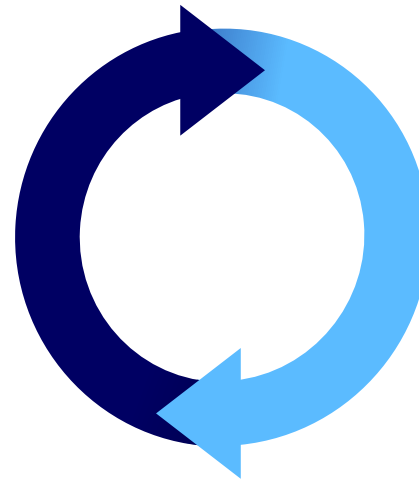
Modernizing technology platforms

Eliminating technology debt creates efficiencies and enables investment into digital transformation

Application modernization

Cloud migration

SaaS



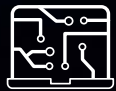
Shifting to agile workflows

Implementing agile workflows requires greater technology agility and scalability from a modern technology platform

Software product engineering

Experience design

Data modernization



**Accelerate
digital**



**Globalize
Cognizant**



**Increase relevance
to clients**



**Reposition
our brand**

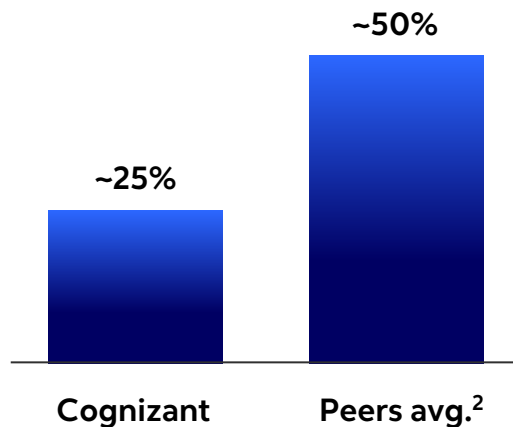
Execute our people strategy

We've only begun to capitalize on our global opportunity

Opportunity

Addressable international market \$900B¹

% of revenue outside North America 2020



Actions

Increased international marketing spend

10% of marketing spend in 2019 to 30% in 2021

Refreshed leadership with local hires



Investments in global delivery network



Results

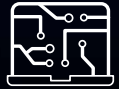
International bookings

up over 30% year-to-date



¹ Market estimates built from a compilation of IT services forecasts from Gartner, IDC, Nelson Hall and SITI, as well as internally-generated estimates

² Peers defined as Accenture, Capgemini, Infosys, TCS, Wipro



**Accelerate
digital**



**Globalize
Cognizant**



**Increase
relevance to
clients**



**Reposition
our brand**

Execute our people strategy

Growing client momentum

Banking & Financial Services



Globally enabled platform accelerating time to market



Consulting, cloud, and customer engagement

Healthcare & Life Sciences



Customer relationship management



Agency, marketing & clinical transformation, modernization to cloud

Products & Resources



Digital transformation and customer experience



Omni-channel customer experience transformation leveraging cloud

Communications, Media & Tech



Cloud-agnostic connected vehicle management solution



Digital engineering creating new revenue stream

Strategically positioned in Healthcare

Opportunity

Healthcare is a \$210B market¹ growing at 10% CAGR

We have strength in key operational areas

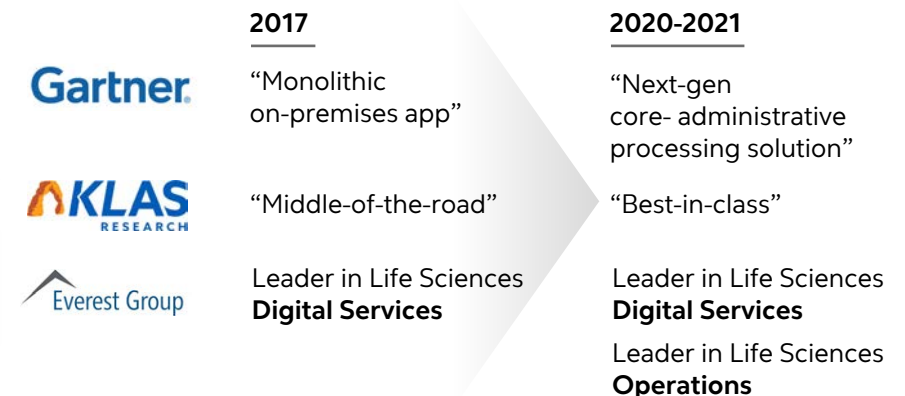
- Revenue Cycle Management
- CRM solution
- Claims administration
- Digital R&D
- Manufacturing 4.0
- Health intelligence & analytics

Actions

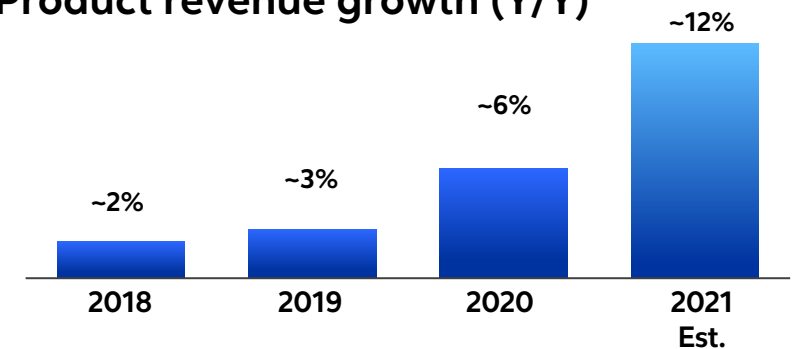
- ✓ Invested in digital solutions, domain expertise, and partnerships
- ✓ Modernized core platforms to improve customer centricity
- ✓ Invested in revenue cycle management, Shared Investigator Platform, and clearinghouse product
- ✓ Acquired Zenith Technologies and TQS to strengthen manufacturing 4.0 capabilities in Life Sciences

Results

Improved analyst recognition



Product revenue growth (Y/Y)



¹ Market estimates built from a compilation of IT services forecasts from Gartner, IDC, MarketsandMarkets, Everest, Nelson Hall

Financial Services recovery ongoing

Opportunity

Financial Services & Insurance is a \$370B market¹ growing at ~7% CAGR



Our historical performance lagged

- ✗ Insourcing at large global banking clients
- ✗ Large client losses
- ✗ Slow pivot to digital

Actions

- ✓ Refreshed commercial and delivery leadership and our client-facing teams
- ✓ Shifted portfolio towards more attractive market segments
- ✓ Increased focus on regional banks and mid-market insurers
- ✓ Embraced partner ecosystem across banking and insurance

Results

- ✓ Financial services bookings growth rate higher than total company YTD in 2021, driven by banking and digital
- ✓ North America regional bank double-digit Y/Y revenue growth for 5 consecutive quarters
- ✓ Expect Financial Services revenue growth rate to further improve in 2022²

¹ Market estimates built from a compilation of IT services forecasts from Gartner, IDC, Nelson Hall and SITI, as well as internally-generated estimates. ² Expected Financial Services revenue growth improvement in 2022 excludes revenue from Samlink for all periods. In Q4 '20, Cognizant made an offer to settle and exit a large customer engagement in the financial services segment in Continental Europe. The 2020 impact was a reduction of revenue of \$118 million. In Q4 '21, the company entered into an agreement to sell its Samlink subsidiary and thereby exit from a large financial services engagement in Continental Europe.



**Accelerate
digital**



**Globalize
Cognizant**



**Increase relevance
to clients**



**Reposition
our brand**

Execute our people strategy

We aim to be a preeminent technology services partner

A rate card
work/outsourcing
provider

An implementation
partner with digital
capabilities

A preferred digital
and technology
solutions partner

A strategic partner
and a global leader
in technology services

A preeminent
technology
services partner



Cognizant➔

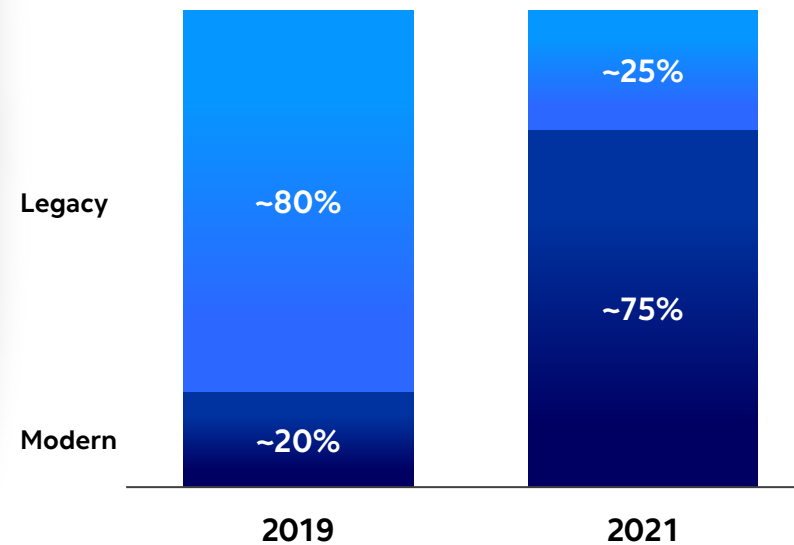
Repositioning Cognizant as a world-class global, digital brand

A global brand



A digital brand

Marketing tactics¹ (% of campaigns)



An employer of choice



YOU
Engineer Impact

Watch the Video

¹ Modern tactics include, among other areas, social, hyper-personalized, and digital campaigns; Legacy tactics include, among other areas, email marketing, webinars and tradeshows.

ESG is part of our business and future

Environmental

- ✓ Hired senior and experienced ESG leader
- ✓ Issued ESG report in June 2021 with assured greenhouse gas emissions data
- ✓ Exceeded green energy targets (28% of energy from renewable in 2020 in India)
- ✓ Committed in October 2021 to net zero by 2030



Social

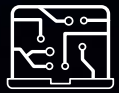
- ✓ Committed \$250M over 5 years via philanthropic capital, in-kind contributions, business expertise, and volunteering
 - Equitable digital economy educational opportunities
 - Advancing diversity, equity, and inclusion
 - Economic mobility through resources, opportunities, and infrastructure
 - Community health and well-being



Governance

- ✓ 2021 “Best in Overall Corporate Disclosure” US Transparency awards from Labrador (2020 “Best Proxy”)
- ✓ 2021 Best Proxy (Large Cap) from *IR Magazine* / *Corporate Secretary*





**Accelerate
digital**



**Globalize
Cognizant**



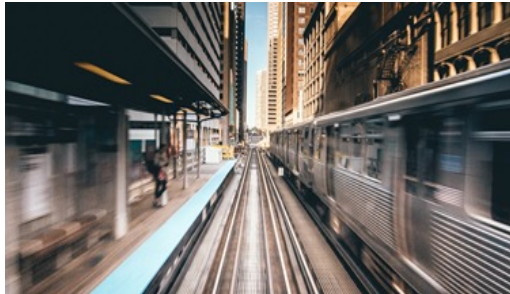
**Increase relevance
to clients**



**Reposition
our brand**

Execute our people strategy

At Cognizant, our 318,000+ associates engineer impact



Impact for our clients

We're designing game-changing solutions to shape the future of business and redefine what's possible through technology.



Impact on one another

We are a high-performing team with heart. Our diverse community is both caring and collaborative, solving big problems together.



Impact on society

Our associates combine their passion with Cognizant's reach and commitment to improve lives everywhere.



Impact on their lives

Our people are taking their lives and careers to new places with us, with the resources and support to be at their best.

Driving a focus on training, career development and total rewards to deliver a compelling **employee value proposition** and win the **hearts and minds** of employees

The future looks even brighter

High-growth market

Digital and international market opportunity

Strong financial position

Committed to driving shareholder value

Financial outlook

Jan Siegmund, Chief Financial Officer

Q3 results demonstrate growing momentum

11%

Constant currency (CC)¹
revenue growth Y/Y

15.8%

Adjusted operating margin¹

18%

Digital revenue growth Y/Y
44% of total revenue

24%

Bookings growth Y/Y
and +13% YTD

+17,000

Net employees added Q/Q

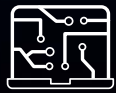
~\$18.5B

FY2021 revenue guidance²;
+9.8% constant currency
revenue growth Y/Y

¹See “About Non-GAAP Financial Measures” at the end of presentation for more information and reconciliations to the most directly comparable GAAP financial measures; Q3 '21 reported revenue growth 11.8% Y/Y, Q3 '21 GAAP margin 15.4%, and FY2021 revenue growth guidance 11.1% Y/Y

²Guidance provided as of October 27, 2021

Executing a growth strategy



Accelerate digital

Shift our portfolio towards high-growth digital services



Globalize Cognizant

Scale internationally



Increase relevance to clients

Invest in industry expertise to help our clients be successful



Reposition our brand

Strengthen our brand credentials

Execute our people strategy

2022–2024 financial outlook

Financial goals

8–11%
total revenue

constant currency CAGR
including ~2 pts. annual inorganic

20–40 bps
operating margin

annual expansion

~100%
of net income

free cash flow conversion

Capital deployment plans¹

~50% acquisitions
to support strategic priorities

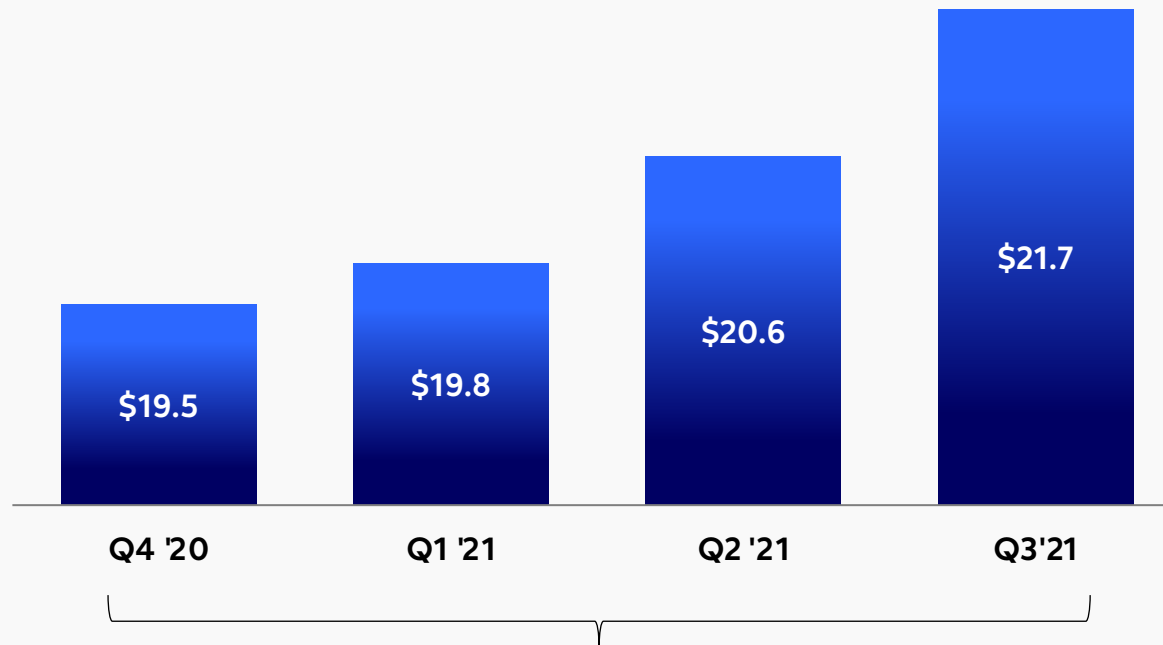
~25% share repurchases
targeted to offset dilution

~25% dividends
maintain dividend payout
ratio as % of net income

¹ % of annual free cash flow

Bookings momentum supports growth outlook

Trailing 12-months bookings (\$ billion)



1.2x trailing 12-month book-to-bill

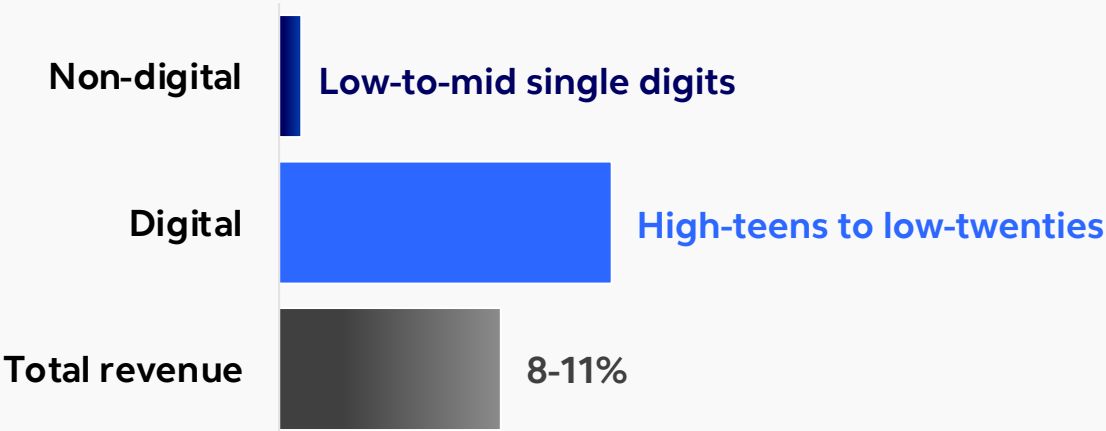
Bookings strength has been broad-based and led by digital

- Investments and strong demand have driven year-to-date bookings +13%
- Digital battlegrounds growing meaningfully above total company growth
- Win rates stable to improving across segments and digital portfolio

Digital strengthens financial profile

Digital supports revenue growth, margin goals, increases our relevance to clients, and is core to our employee value proposition.

Targeted CC growth CAGR 2022–2024¹



2024 target revenue mix



¹ Inclusive of mergers and acquisitions

A disciplined M&A framework is delivering results

Strategic alignment

International expansion

Digital

Targeted industry verticals

Portfolio fit

Small to medium sized acquisitions

Rigorous post-merger integration

Tracking achievement of revenue and cost synergies

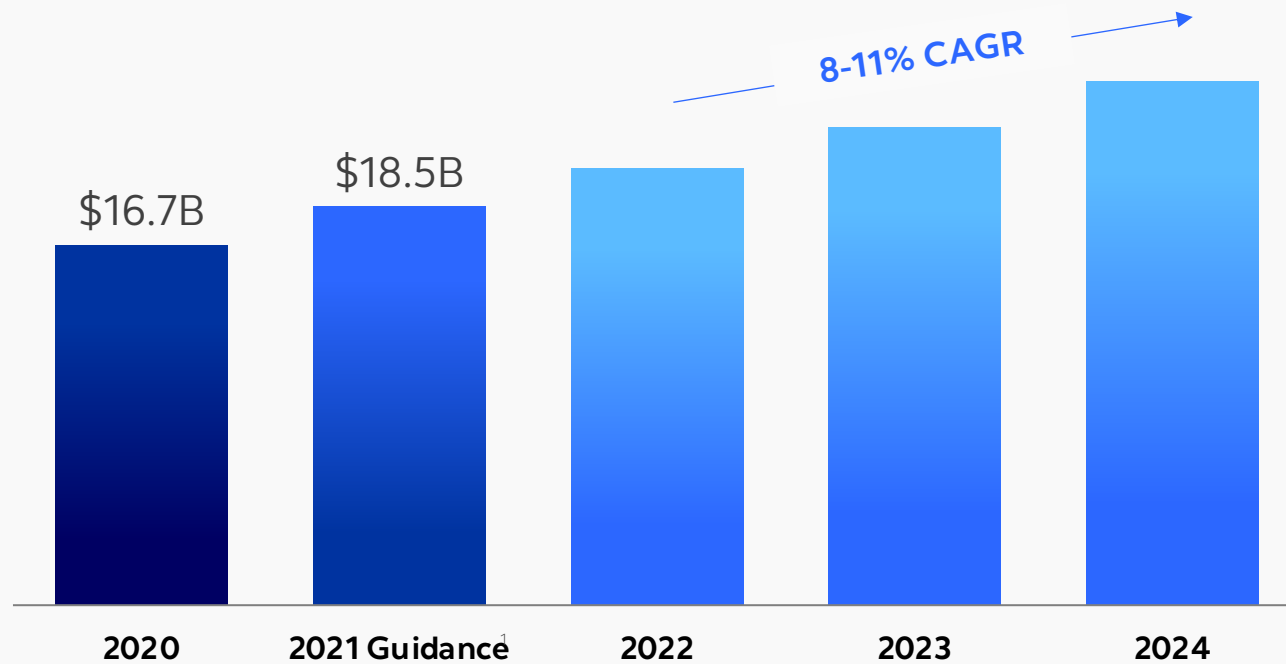
Revenue synergies supporting accelerating growth

- ✓ ~\$2.5 billion deployed into M&A since 2019
- ✓ 15 acquisitions completed in '20-'21, 100% aligned to digital battlegrounds
- ✓ Accretive to company revenue CAGR
- ✓ ~2 pts. of annual inorganic contribution expected for '22-'24



Revenue growth is expected to steadily improve

~6-9% organic constant currency CAGR
~2 Pts annual inorganic contribution

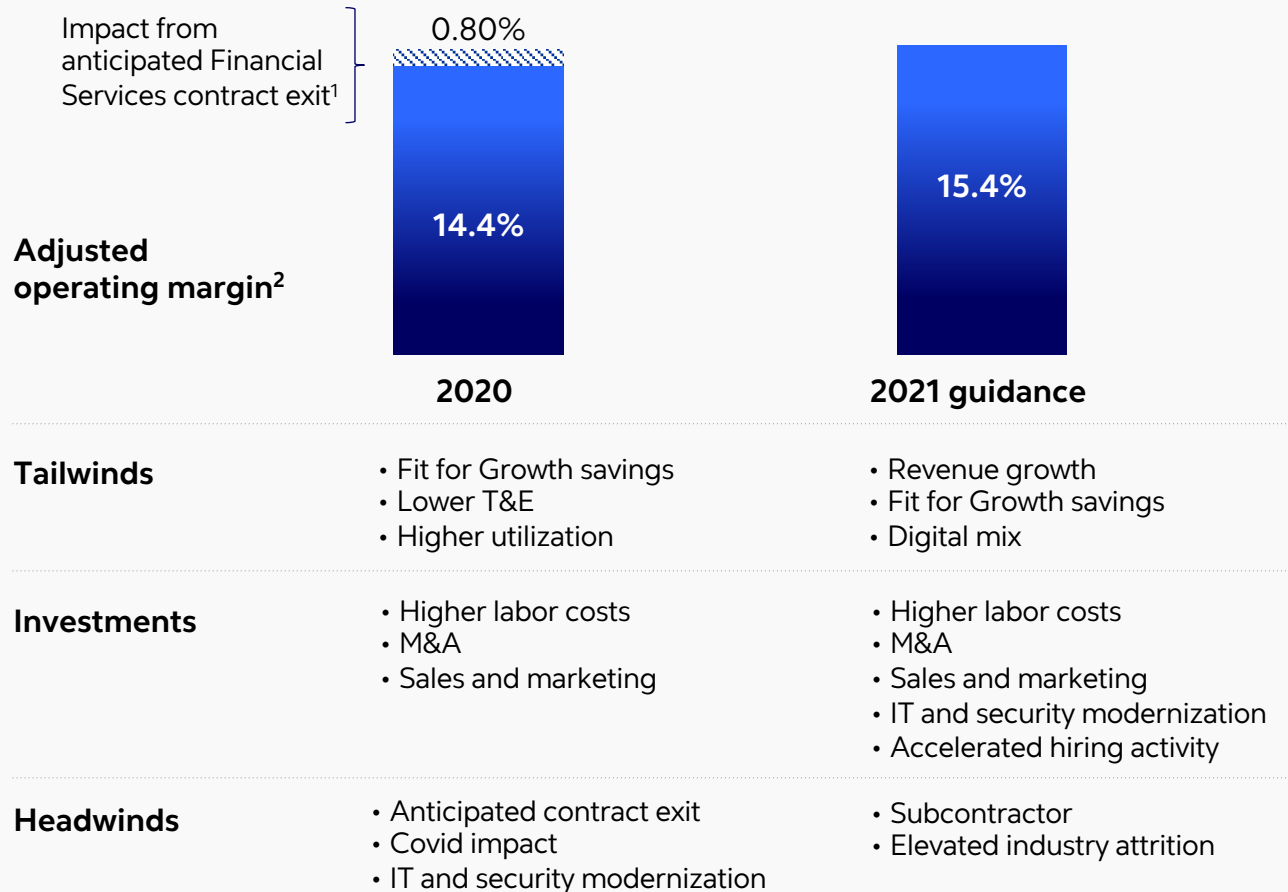


Organic revenue expected to drive +75% of growth '22-'24

- ✓ Enhanced digital portfolio strengthens our growth profile
- ✓ Strong installed base provides ample opportunity for growth
- ✓ 2022 revenue growth expected to be towards high-end of multi-year outlook

¹ 2021 guidance as communicated in Q3 2021 earnings press release

Operating margin has reached an inflection point

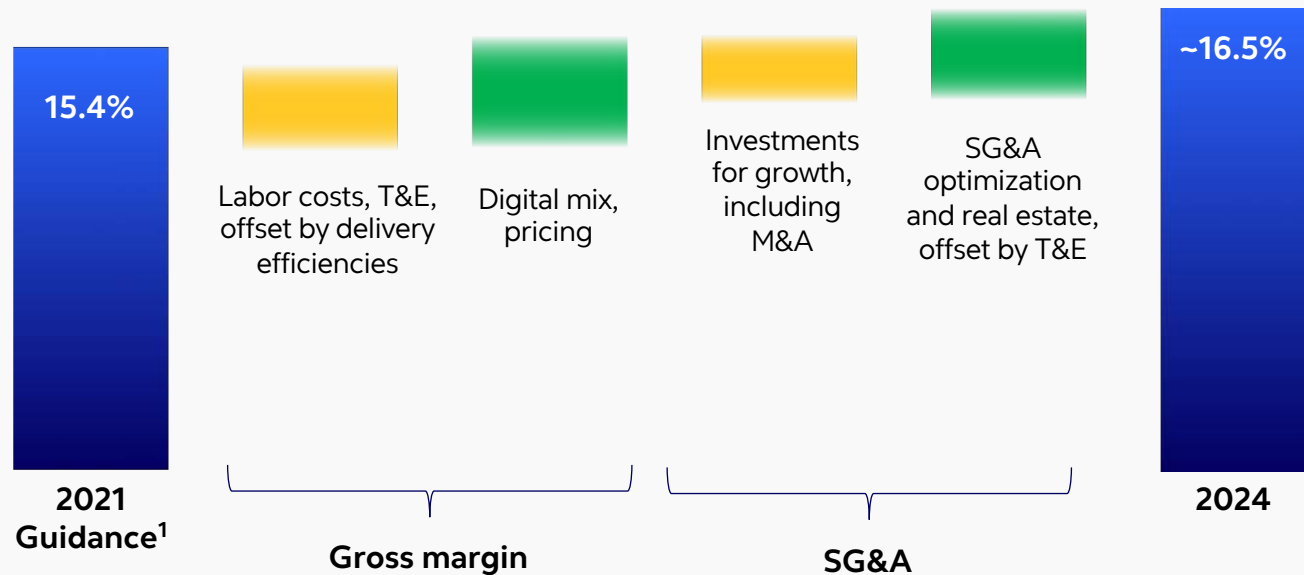


Recent operating margin performance reflects meaningful investment to support future revenue growth

- 2020 included impact of exogenous events in addition to one-time charge related to Financial Services contract exit
- Investments over last two years have supported strategic initiatives, replenished backlog, and supported accelerated growth
- 2021 guidance implies year-over-year expansion, despite meaningfully higher labor and other costs to offset elevated industry attrition

¹ 2020 GAAP operating margin of 12.7% and adjusted operating margin of 14.4% included the impact of an offer in Q4 2020 to settle and exit a large customer engagement in the financial services segment in Continental Europe. The 2020 impact was a reduction of revenue of \$118 million and additional expenses of \$33 million, primarily related to the impairment of long-lived assets. These charges negatively impacted GAAP and adjusted operating margin by approximately 80 basis points. ² See “About Non-GAAP Financial Measures” at the end of this presentation for more information and reconciliations to the most directly comparable GAAP financial measures.

Annual adjusted operating margin target expansion of 20-40 bps



Targeting annual expansion while maintaining flexibility to manage the business optimally

- ✓ Gross margin expansion driven by digital mix, pricing, managing subcontractor mix, and delivery efficiencies
- ✓ SG&A growth expected to be modestly below revenue growth, inclusive of investments in digital, international, and M&A
- ✓ 2022 expected to be at low end of annual margin expansion range given near-term impact from higher costs to offset elevated industry attrition

¹ 2021 guidance as communicated in Q3 2021 earnings press release

Cash flow is healthy and balance sheet is strong

\$2.3B trailing 12-month free cash flow¹

1.2x trailing 12-month free cash flow / net income

\$1.7B net cash¹ position as of Q3 2021

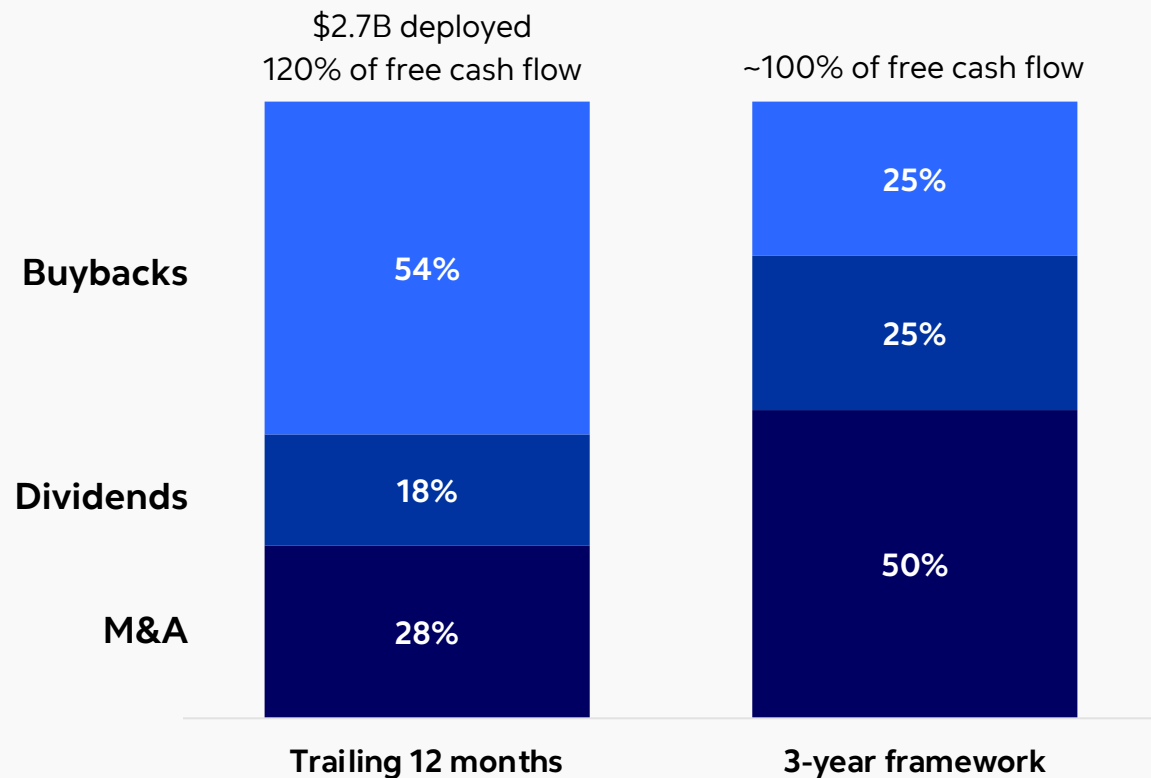
Capital-light model supports free cash flow outlook while strong balance sheet provides financial flexibility

- ✓ Annual free cash flow target of approximately 100% of net income
- ✓ Disciplined working capital program, including improving DSO and vendor optimization
- ✓ Focused capital spending program that supports strong free cash flow while investing in organic growth and operations
- ✓ Ample liquidity and low leverage provide financial flexibility to invest in acquisition opportunities

¹See “About Non-GAAP Financial Measures” at the end of this presentation for more information and reconciliations to the most directly comparable GAAP financial measures; Trailing 12-month operating cash flow \$2.6B

Capital allocation is balanced to support future growth

Percentage of total capital deployed



Consistent capital deployment framework that balances growth and return of capital to shareholders

- ✓ Programmatic M&A to support strategy
- ✓ Target consistent dividend payout ratio as a percentage of net income
- ✓ Share buybacks to offset dilution
- ✓ \$2.2 billion remaining under share repurchase authorization as of Q3 2021

Management continues to prioritize transparency

Digital

In Q1 '20, we aligned around a consistent, conservative digital definition

Bookings

In 2020, we began providing growth rates, further enhanced with book-to-bill in 2021, and beginning today, trailing 12-month bookings

Attrition

In 2020, we began providing voluntary attrition. Beginning Q2 '21, we began providing trailing 12-month for greater comparability to peers

Inorganic contribution

Consistent disclosure of quarterly inorganic revenue contribution since Q1 '21

Environmental, social, governance

Company's first ESG report released in Q2 '21. Net zero by 2030 commitment announced in Q4 '21

Proxy & governance disclosure

Recognized as "Best in Overall Corporate Disclosure" in 2021 US Transparency awards from Labrador, and 2020 awarded Best Proxy¹; 2021 Best Proxy from *IR Magazine / Corporate Secretary*²

¹ Labrador: 2021 Winners of Third Annual US Transparency Awards Announcement and Labrador: 2020 Winners of Second Annual U.S. Transparency Awards Announcement

² *IR Magazine / Corporate Secretary*: 2021 Corporate Governance Awards

Investment highlights

1. Meaningful growth opportunity

Supported by a large, growing and fragmented industry, and our installed base opportunity

3. Strong cash flow and balance sheet

Supporting a balanced capital allocation framework

2. Continued investments in digital and international markets

Supporting sustained and consistent revenue growth and margin expansion

4. Committed to driving shareholder returns

Supported by revenue growth, margin expansion, and \$1B+ return of capital to shareholders via share repurchases and dividends

Appendix:

Forward-looking statements and non-GAAP financial measures

Forward-looking statements

This presentation includes statements that 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 our strategy, industry trends, ESG goals and commitments, financial framework, capital deployment priorities and future financial results. These statements are neither promises nor guarantees, but are subject to a variety of risks and uncertainties, many of which are beyond our control, which could cause actual results to differ materially from those contemplated in these forward-looking statements. Existing and prospective investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Factors that could cause actual results to differ materially from those expressed or implied include general economic conditions, the competitive and rapidly changing nature of the markets we compete in, the competitive marketplace for talent and its impact on employee recruitment and retention, legal, reputational and financial risks resulting from cyberattacks, the impact of and effectiveness of business continuity plans during the COVID-19 pandemic, changes in the regulatory environment, including with respect to immigration and taxes, and the other factors discussed in our most recent Annual Report on Form 10-K and other filings with the Securities and Exchange Commission. Cognizant undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as may be required under applicable securities law.

About non-GAAP financial measures

To supplement our financial results presented in accordance with GAAP, this investor briefing includes references to the following measures defined by the Securities and Exchange Commission as non-GAAP financial measures: Adjusted Operating Margin, net cash, free cash flow and constant currency revenue growth. These non-GAAP financial measures are not based on any comprehensive set of accounting rules or principles and should not be considered a substitute for, or superior to, financial measures calculated in accordance with GAAP, and may be different from non-GAAP financial measures used by other companies. In addition, these non-GAAP financial measures should be read in conjunction with our financial statements prepared in accordance with GAAP. The reconciliations of our non-GAAP financial measures to the corresponding GAAP measures should be carefully evaluated.

Our non-GAAP financial measure Adjusted Operating Margin excludes unusual items. Net cash is defined as cash and cash equivalents and short-term investments less short-term and long-term debt. Free cash flow is defined as cash flows from operating activities net of purchases of property and equipment. Constant currency revenue growth is defined as revenues for a given period restated at the comparative period's foreign currency exchange rates measured against the comparative period's reported revenues. A reconciliation of constant currency revenue growth to GAAP revenue growth on a forward-looking basis cannot be provided without unreasonable efforts as we are unable to predict changes in foreign currency exchange rates.

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.

Bookings are defined as total contract value (or TCV) of new contracts, including new contract sales as well as renewals and expansions of existing contracts. Bookings can vary significantly quarter to quarter depending in part on the timing of the signing of a small number of large contracts. Measuring bookings involves the use of estimates and judgments and there are no third-party standards or requirements governing the calculation of bookings. The extent and timing of conversion of bookings to revenues may be impacted by, among other factors, the types of services and solutions sold, contract duration, the pace of client spending, actual volumes of services delivered as compared to the volumes anticipated at the time of sale, and contract modifications, including terminations, over the lifetime of a contract. The majority of our contracts are terminable by the client on short notice often without penalty, and some without notice. We do not update our bookings for material subsequent terminations or reductions related to bookings originally recorded in prior year periods or foreign currency exchange rate fluctuations. Information regarding our bookings is not comparable to, nor should it be substituted for, an analysis of our reported revenues. However, management believes that it is a key indicator of potential future revenues and provides a useful indicator of the volume of our business over time.

Reconciliations of non-GAAP financial measures

(in millions, except per share amounts)

	Full Year	Three Months	Guidance
	Dec 31, 2020	Sep 30, 2021	FY 2021
GAAP operating margin	12.7%	15.4%	
Class Action Settlement Loss ^(a)	-	0.4	0.1%
Realignment charges ^(b)	0.3	-	-
2020 Fit for Growth Plan restructuring charges ^(c)	1.0	-	-
COVID-19 charges ^(d)	0.4	-	-
Adjusted operating margin	14.4%	15.8%	~15.4%

Notes:

(a) In the third quarter of 2021, the parties to the consolidated putative securities class action suit filed a settlement agreement that, subject to the approval of the United States District Court for the District of New Jersey, would resolve the consolidated putative securities class action against us and certain of our former officers. The settlement agreement provides for a payment of \$95 million to the putative class (inclusive of attorneys' fees and litigation expenses). Adjusting for indemnification expenses, legal fees and other covered expenses incurred through September 7, 2021, the remaining available balance under the applicable directors and officers' insurance policies was \$75 million. As a result, we recorded a Class Action Settlement Loss of \$20 million in "Selling, general and administrative expenses" in our unaudited consolidated financial statements.

(b) During 2020, we incurred realignment charges that consisted of employee separation costs, employee retention costs and professional fees. The total costs related to the realignment are reported in "Restructuring charges" in our consolidated statements of operations.

(c) During 2020, we incurred restructuring charges as part of our 2020 Fit for Growth Plan that included employee separation costs, employee retention costs and facility exit costs and other charges. The total costs related to the 2020 Fit for Growth Plan are reported in "Restructuring charges" in our consolidated statements of operations.

(d) During 2020, we incurred costs in response to the COVID-19 pandemic, including a one-time bonus to our employees at the designation of associate and below in both India and the Philippines, certain costs to enable our employees to work remotely and costs to provide medical staff and extra cleaning services for our facilities. Most of the costs related to the pandemic are reported in "Cost of revenues" in our consolidated statement of operations.

Reconciliations of non-GAAP financial measures

Reconciliation of net cash

(in billions)	<u>Sep 30, 2021</u>
Cash and cash equivalents	\$ 1.7
Short-term investments	0.7
Less:	
Debt	<u>0.7</u>
Net cash	<u>\$ 1.7</u>

Reconciliations of free cash flow

(in billions)	<u>TTM Sep 30, 2021</u>
Net cash provided by operating activities	\$ 2.6
Purchases of property and equipment	<u>(0.3)</u>
Free cash flow	<u>\$ 2.3</u>