

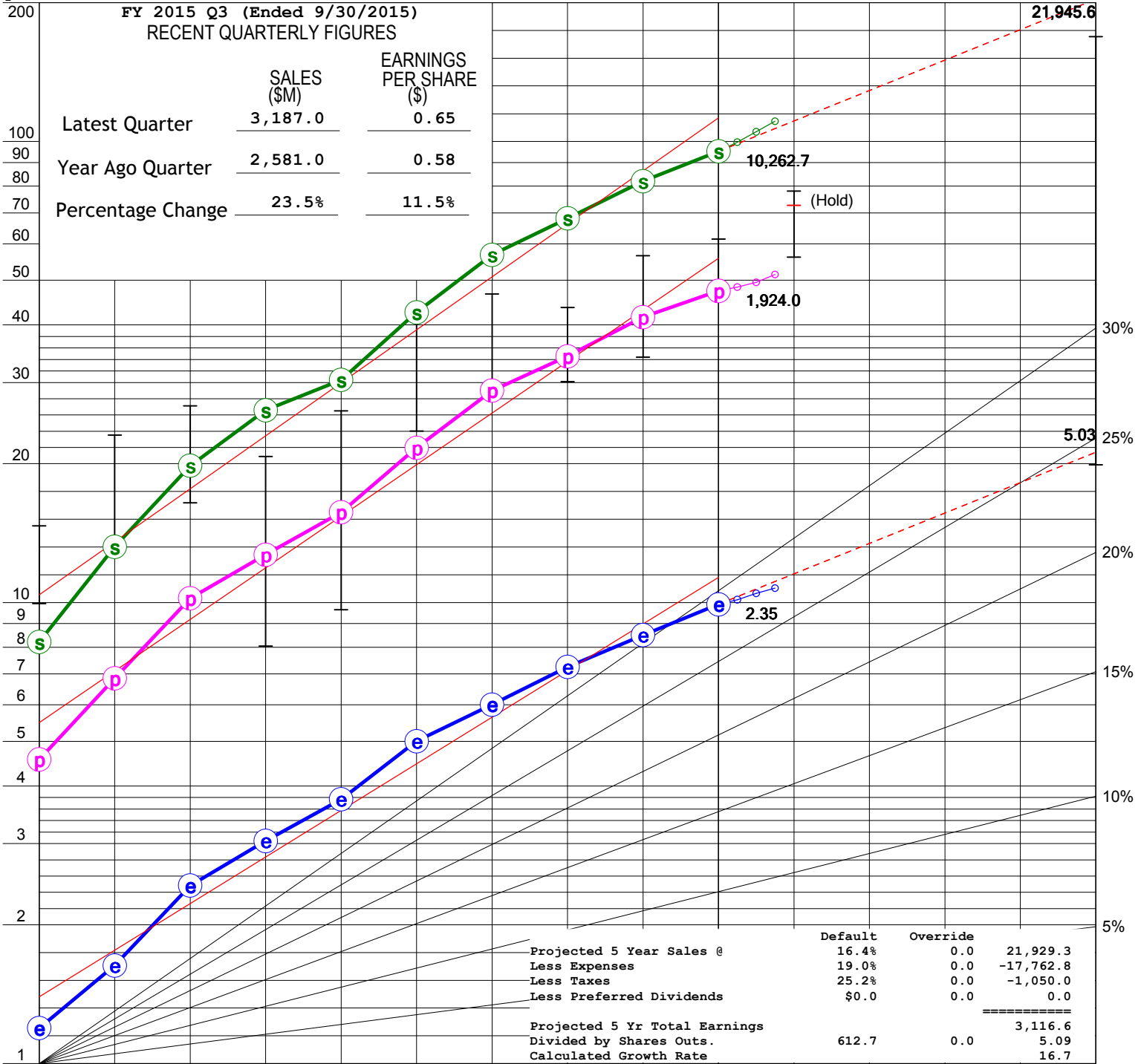


# Stock Study

Company	Cognizant Technology ..	Price Date	11/27/15
Study by	Dick Lewis	Data Date	11/25/15
Sector	Technology	Last Judgment	02/06/14
Industry	Information Technology S	Data Source	StkCntrl
Preferred(\$M)	0.0	Reference	Morningstr
Diluted(M Shares)	612.7	% Insiders	0.4
Debt(\$M)	950.0	% Institutions	96.7
% Debt to Tot.Cap.	11.4	Quality	6.8 (Take Stock)

## 1 Growth Analysis

NAS: CTSH



- |                                   |        |  |        |               |
|-----------------------------------|--------|--|--------|---------------|
| (1) Historical Sales Growth       | 30.3 % | (3) Historical Earnings Per Share Growth       | 26.2 % | www.iclub.com |
| (2) Estimated Future Sales Growth | 16.4 % | (4) Estimated Future Earnings Per Share Growth | 16.4 % |               |
| (5) Sales Growth R <sup>2</sup>   | 0.98   | (6) Earnings Per Share Growth R <sup>2</sup>   | 0.98   |               |

## 2 QUALITY ANALYSIS

Company **Cognizant Technology Solutio**

(CTSH)

11/27/15

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	5 YEAR AVG.	TREND UP / DOWN
<b>A</b> % Pre-tax Profit on Sales	20.9	19.5	19.4	18.3	19.4	19.1	19.1	18.9	19.1	18.7	19.0	EVEN
<b>B</b> % ROE (Beginning Yr)	NMF	33.6	34.0	28.3	26.3	26.6	24.1	26.5	25.0	25.3	25.5	EVEN
<b>C</b> % Debt to Equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	12.6	12.6	EVEN

## 3 PRICE, PRICE/EARNINGS RATIO and DIVIDEND ANALYSIS

CURRENT PRICE (P/E) 65.00 (25.5) 52-WEEK HIGH (P/E) 69.80 (27.4) 52-WEEK LOW (P/E) 50.17 (19.7)

Fiscal Year	High Price	Low Price	EPS	High P/E	Low P/E	Dividend	% Payout	% High Yield
1 2010	37.4	21.0	1.19	31.5	17.7	0.000	0.0	0.0
2 2011	41.7	26.8	1.42	29.3	18.8	0.000	0.0	0.0
3 2012	39.0	27.0	1.72	22.7	15.7	0.000	0.0	0.0
4 2013	50.6	30.5	2.02	25.1	15.1	0.000	0.0	0.0
5 2014	54.9	41.5	2.35	23.4	17.7	0.000	0.0	0.0
6 AVERAGE (10 Years) :		19.8		32.5	19.3		0.0	
AVERAGE P/E RATIO	25.9		PROJECTED P/E RATIO	21.9		TTM EPS	2.55	
CURRENT P/E RATIO	25.5		PEG RATIO	1.3		FTM EPS	2.97	
RELATIVE VALUE	98.5%		PROJ. RELATIVE VALUE	<del>84.6%</del> 87.6%		AVG TTM + FTM EPS	2.76	

## 4 EVALUATING REWARD and RISK over the next 5 years

### A FUTURE HIGH PRICE ANALYSIS -- NEXT 5 YEARS

Selected High P/E ~~32.5~~ 30.0 X Estimated High Earnings/Share 5.03 = Forecast High Price \$ 150.9

### B FUTURE LOW PRICE ANALYSIS -- NEXT 5 YEARS

(a) Sel. Low P/E ~~19.3~~ 20.0 X Estimated Low Earnings/Share ~~2.35~~ 0.89 = \$ 17.8

(b) Average 5-Year Low Price = 19.8

(c) Recent Severe Low Price = 30.5

(d) Price Dividend Will Support = Present Divd. + High Yield = 0.000 + 0.000 = 0.0

Selected Estimated Low Price = \$ 17.8

### C PRICE RANGES

Forecast High Price 150.9 - Estimated Low Price 17.8 = Range 133.1 25% of Range = 33.3

BUY (Lower 25% of Range) = 17.8 to 51.1

MAYBE (Middle 50% of Range) = 51.1 to 117.6

SELL (Upper 25% of Range) = 117.6 to 150.9

Current Price 64.999 is in the Hold Range

### D REWARD/RISK ANALYSIS (Potential Gain vs. Risk of Loss)

(Forecast High Price 150.9 - Current Price 64.999) ÷ (Current Price 64.999 - Estimated Low Price 17.8) = 1.8 To 1

## 5 TOTAL RETURN ANALYSIS

### A CURRENT YIELD

Present Full Year's Dividend \$ 0.000 ÷ Current Price of Stock \$ 64.999 = 0.0 % Present Yield or % Returned on Purchase Price

### B AVERAGE YIELD - USING FORECAST HIGH P/E

Avg. % Payout 0.0 ÷ Forecast High P/E 30.0 = Avg. Yield 0.0

### AVERAGE YIELD - USING FORECAST AVERAGE P/E

Avg. % Payout 0.0 ÷ Forecast Avg P/E 25.0 = Avg. Yield 0.0

### C % COMPOUND ANNUAL TOTAL RETURN - USING FORECAST HIGH P/E

Average Yield 0.0 % + Annual Appreciation 18.3 % = Compound Annual Total Return 18.3 %

### D % PROJECTED AVERAGE RETURN - USING FORECAST AVERAGE P/E

Average Yield 0.0 % + Annual Appreciation 14.1 % = Projected Average Total Return 14.1 %