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Cognizant Technology Solutions Corporation Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you. (Operator instructions) Your first question comes from Tien-Tsin Huang with JP Morgan.

Gordon Coburn

Hi, Tien-Tsin. How are you?

Tien-Tsin Huang – JP Morgan

Hey, Gordon. Thanks. Nice quarter for sure. I just want to ask about the outlook given the strong start. Actually the second quarter growth expectation is pretty consistent with what you suggested in the past. Any change in the visibility in the second half? Just trying to balance your comments with your historical seasonal pattern. Anything we should consider as we recast our second half outlook?

Gordon Coburn

Yes. We're assuming that the economy stays weak, that hopefully things will stabilize. But we are not any assuming any rebound in the economy in the second half of the year. And therefore, when you look at our guidance, you'll see that essentially we're expecting quite modest revenue growth sequentially for the remainder of the year, and I think that, in line with expectations, the economy remains weak.

Tien-Tsin Huang – JP Morgan

Do you give specific interest income expectation for the quarter? I just want to sneak that last housekeeping question in.

Gordon Coburn

Sure. You know, for the year at this point, I think it's probably somewhere around \$13 million, and ramps up a little bit. So probably \$3.2 million, \$3.3 million for Q2, which is obviously down substantially from last year, but we just – our money was all invested very short term and we've gone corporate in the last 30 days on that. But as I mentioned, we – that short fall in interest income, we're comfortable, covering by taking our margins up slightly from what we've planned.

Operator, next call or question?

Operator

Thank you. Your next question comes from Moshe Katri with Cowen & Company.

Moshe Katri – Cowen & Company

Thanks. Nice quarter, Gordon and Francisco. I wanted to go just briefly in some of the demand metrics that will specifically focus on self-cycled, project-ramp decision making,. Any change from the previous quarter? And then you can talk about this by vertical, are you still comfortable with the previous guidance for Q2? Or were you expecting a drop in financial services to be offset by strengths from other verticals? Thanks.

Francisco D'Souza

Moshe, it's Frank. A couple of things I'll say. I don't think we've seen significant changes from last quarter in terms of the earlier metrics you talked about, self-cycled, continue to be right around where they were last quarter. They've not elongated certainly since that time.

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