

Same AI Storm. Concentrix Down 40%, Rival Up 11%

Two outsourcing giants under the same AI and offshoring pressure, and why the market punished only Concentrix (CNXC) in 2026

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About this report

Every substantive claim in this report carries an evidence classification and, where applicable, a numbered source. Facts are separated from vendor claims, third-party estimates, the author's assessments, and untested hypotheses. Forward-looking sections use scenarios with observable tripwires rather than point forecasts. Stated assumptions are listed before the analysis begins.

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Scope and evidentiary standard

This report asks why Concentrix, the second-largest customer experience outsourcer in the world, has lost about 40 percent of its stock market value in 2026, and why TP (formerly Teleperformance), the largest, gained about 11 percent over the same months while facing the same pressure from AI and offshoring. It covers Concentrix's fiscal 2026 results through the third quarter ended 31 August 2026, its acquisitions since 2017, its balance sheet, its AI products and the way it reports them, and TP's results through the first half of 2026. EXL, Genpact, TaskUs and TTEC appear as reference points. Prices are closing prices to 5 October 2026.

The published numbers here need discounting for three reasons. Much of the coverage of Concentrix's results comes from financial aggregators that summarise filings, and two of them mislabel operating cash flow as free cash flow; where that happened, this report uses the filing. Both companies report their AI business in measures they define themselves, which no auditor has examined. And Concentrix's fiscal year ends in November while TP's ends in December, so any quarter-by-quarter comparison between them is offset by two months. Every substantive claim below carries one of six classifications, and every claim resting on an external source carries a numbered reference to the source list. Calculations are the author's own and are labelled as such.

Label	Definition	How to treat it
FACT	Verifiable in the cited primary source: a filing, press release, official documentation, or standards body announcement.	Reliable as stated. Check the source if the exact wording matters.
VENDOR CLAIM	Reported by a vendor about its own business or product. Self-measured and not audited by any third party.	The vendor said it. Directionally useful, not a measurement. Definitions of the metric are usually undisclosed.

Label	Definition	How to treat it
THIRD-PARTY ESTIMATE	A research firm forecast or survey result. Methodology is proprietary and generally not reproducible.	Use for direction and order of magnitude only. Do not build a model on it.
ASSESSMENT	The author's reasoned judgment from the cited evidence. Falsifiable, and the reasoning is shown so it can be argued with.	This is analysis, not reporting. Disagree with it where your evidence differs.
HYPOTHESIS	A proposition offered for testing. Not currently supported by sufficient evidence to assert.	Treat as a research question, not a conclusion. Each one names what would confirm or refute it.
SCENARIO	A structured future state with a stated subjective probability. The probability is the author's judgment, not a calculated figure.	Use the leading indicators attached to each, not the probability. The indicators are observable; the probability is not.

Assumptions this analysis rests on

Four premises are assumed rather than shown. If one is wrong, the conclusion named under it fails.

One. Management's description of the revenue drags is honest in direction

The report takes Concentrix management at its word that offshoring and two large technology clients are the main reasons revenue is falling, and that AI shows up mainly as price pressure. If AI substitution is in fact the larger drag and is being described as something else, the scenarios understate the downside and the reading that the market is overreacting to AI fails.

Two. Share prices reflect expectations, not just flows

The comparison treats the gap between the two stocks as a judgment about the two companies. If the gap is mostly fund flows, index changes or currency, the argument that TP bought credibility with its leadership change loses most of its force.

Three. Non-GAAP earnings are a fair guide to cash

Concentrix's adjusted earnings and adjusted free cash flow are assumed to track the cash the business generates. The filing supports this for fiscal 2026 so far. If restructuring charges keep recurring at the 2026 rate, the adjusted figures overstate cash and the debt paydown plan in the balance sheet section slips.

Four. The second-hand account of iX Hello is unverified and nothing rests on it

An unconfirmed account says Concentrix is winding down iX Hello, its autonomous AI product. The report treats this as a hypothesis with stated tests. If it is false, no conclusion changes. If it is true, it strengthens the reading of the leadership section but does not create it.

The call

ASSESSMENT Concentrix and TP are being squeezed by the same forces, and on revenue alone TP has had the worse year. The market punished Concentrix anyway because Concentrix made its own position worse: it borrowed to buy its largest labor-heavy business just as generative AI arrived, then cut guidance twice while describing its AI progress in measures that change every quarter. TP replaced its leadership with an AI operator and its anchor shareholder bought more stock, while Concentrix's anchor shareholder sold. The gap is credibility and debt, and closing it is a board decision more than a product one. What would overturn this: a fiscal 2027 quarter in which Concentrix returns to constant-currency growth without an acquisition.

My judgment on the evidence assembled here, nothing more. There is data I can't see and data I may have missed. New evidence can move me, including to the opposite position, and I reserve the right to move.

Executive summary

Concentrix's 2026 is a story about direction more than size. Revenue is roughly flat for the year, the dividend went up and adjusted earnings beat the consensus forecast. What the market priced was the slope: growth that has turned negative and is guided to fall faster, on a balance sheet carrying more net debt than the equity is worth. TP's numbers are no better, but its direction of travel and its story changed in March.

FINDING 1 Concentrix's revenue decline is speeding up.

FACT Constant-currency growth went from plus 1.9 percent in the first quarter to plus 0.6 percent in the second and minus 0.5 percent in the third, and the company guides the fourth quarter to a decline of 3 to 5 percent. Full-year revenue guidance has been cut twice since January. ^{[1] [2] [3] [4]}

FINDING 2 TP is winning on confidence while its revenue shrinks faster.

FACT TP's like-for-like revenue fell 1.7 percent in the first half of 2026, worse than Concentrix over the same months, and its net profit fell. Its stock still rose about 11 percent this year, and about 50 percent from its March low, after it named a former McKinsey customer-care AI leader as chief executive. ^{[25] [27] [22]}

FINDING 3 The acquisitions bought revenue without growth, and \$2.6 billion of their value has been written off in nine months.

FACT Revenue rose 35 percent in fiscal 2024 on the Webhelp purchase, but pro forma constant-currency growth was 2.7 percent. Goodwill impairments of \$1,523 million in the fourth quarter of fiscal 2025 and \$1,050 million in the third quarter of fiscal 2026 followed, both attributed by the company to its share price. ^{[6] [4] [1]}

FINDING 4 Management names offshoring and two hyperscale clients as the main drags, not AI replacing agents.

VENDOR CLAIM Offshoring cost about 3 percent of revenue in the third quarter, and two large technology clients are ending support for some of their customer groups faster than planned.

AI appears in management's account as clients choosing cheaper automated options and as price pressure the company says it will not chase. ^[9]

FINDING 5 Concentrix's AI metrics cannot be reconciled with each other or with reported revenue.

ASSESSMENT Within a year the company has described its AI business as \$60 million of annualized revenue, as a software line pacing toward \$120 million, as \$1.3 billion of revenue running through its iX platform, and as \$3 billion of AI-influenced revenue. None is defined in a filing. A reader cannot tell from these numbers whether AI is adding revenue or relabeling it. ^{[10] [11] [9]}

FINDING 6 The two anchor shareholders moved in opposite directions.

FACT Groupe Bruxelles Lambert, which received Concentrix stock for Webhelp, sold enough shares by April 2026 to lose its board nomination right. Saham Group, the vehicle of TP's chairman, spent about EUR 355 million in September 2026 raising its TP stake to about 12.7 percent. ^{[14] [28]}

FINDING 7 The evidence points to a capital-allocation and credibility failure more than an AI-literacy failure.

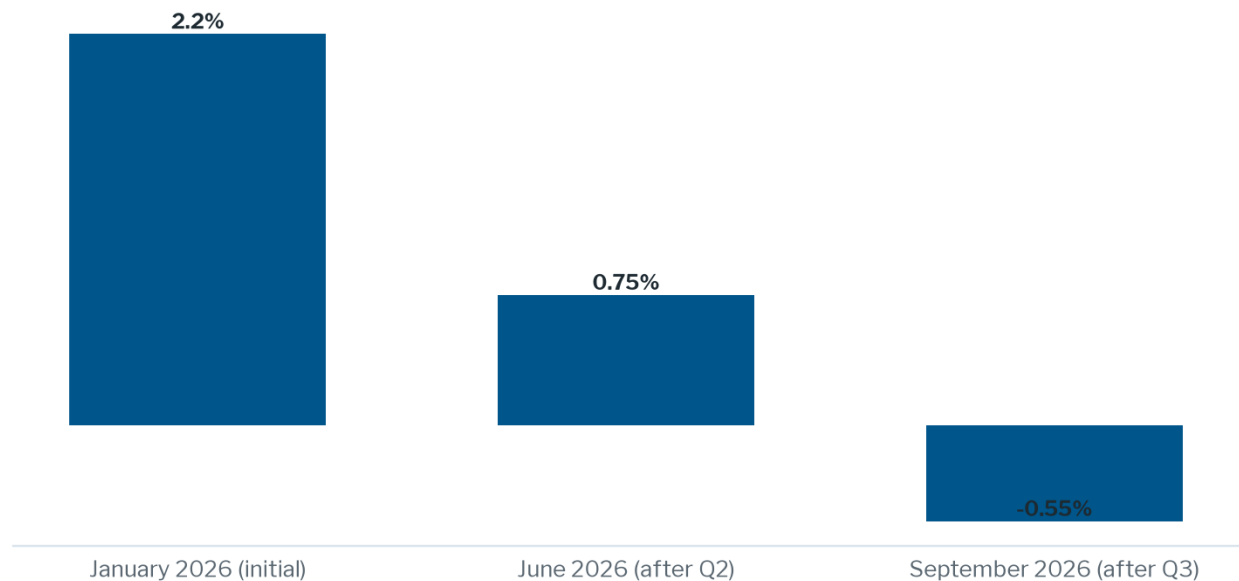
ASSESSMENT Concentrix shipped AI products early and has a story to tell about them. What the record shows is a large debt-funded bet on labor revenue made four months after ChatGPT's public launch, followed by forecasts the company has repeatedly missed. TP's board answered the same doubts by changing the chief executive. Concentrix's has not. ^{[5] [50] [12]}

Where the revenue went

FACT Concentrix reported third-quarter fiscal 2026 revenue of \$2,453.7 million on 29 September 2026, down 1.2 percent from \$2,483.3 million a year earlier and down 0.5 percent in constant currency. Non-GAAP earnings per share were \$2.92 against \$2.78 a year earlier. The company declared a quarterly dividend of \$0.37, up from \$0.36. The GAAP net loss of \$988.1 million came almost entirely from a \$1,050.0 million non-cash goodwill impairment, which the company attributed to "the recent trading range for the Company's stock price and market capitalization." ^[1]

FACT Some coverage reported record third-quarter free cash flow of \$268 million. That figure is operating cash flow. Adjusted free cash flow in the filing was \$218.3 million, still a solid quarter, and the company guides fiscal 2026 adjusted free cash flow to \$630 million to \$650 million. ^{[1] [21]}

FACT The outlook did the damage. Fourth-quarter guidance is revenue of \$2,410 million to \$2,460 million, a constant-currency decline of 3 to 5 percent. Full-year guidance now sits at \$9,826.5 million to \$9,876.5 million, a constant-currency change of minus 0.8 to minus 0.3 percent. In January the company had guided to \$10,035 million to \$10,180 million and growth of 1.5 to 3.0 percent; in June it cut that to \$9,925 million to \$10,025 million. ^{[1] [2] [4]}

FIGURE 1 Concentrix fiscal 2026 constant-currency revenue growth guidance, midpoint

FACT Midpoints of the company's own guidance ranges in its quarterly releases. Guidance is management's forecast, not a result; the point is how far it moved in nine months. ^{[4] [2] [1]}

FACT The stock moved with each cut. After the second-quarter report on 29 June, shares fell 17.5 percent in the morning session on 30 June and touched a 52-week low of \$19.12. After the third-quarter report, shares traded about 11 percent lower before the open on 30 September, reversed during the day, and closed at \$24.91 on 2 October after a 7.8 percent fall that day. The stock closed 2025 at \$41.58. ^{[17] [18] [19] [20] [22]}

What management says is driving it

VENDOR CLAIM On the third-quarter call, management described three drags. Clients moving work from the US and Western Europe to cheaper offshore locations cost about 3 percent of revenue in the quarter, with a similar or slightly smaller effect expected in fiscal 2027; only 10 to 11 percent of revenue is still delivered from locations clients could move offshore. Two hyperscale technology clients are ending support for certain customer groups faster than first planned, with the effect now finishing by the end of the fourth quarter instead of running into fiscal 2027. And in commoditized work, the chief executive said, "we're not going to chase price." ^[9]

ASSESSMENT Each of these is a revenue loss the company has some reason to accept. Offshore work carries lower revenue but often similar or better margin, and walking away from price-led bids protects margin at the cost of volume. That explains why earnings beat while revenue missed. It also means the revenue line has no floor that management is defending, which is what the market reacted to.

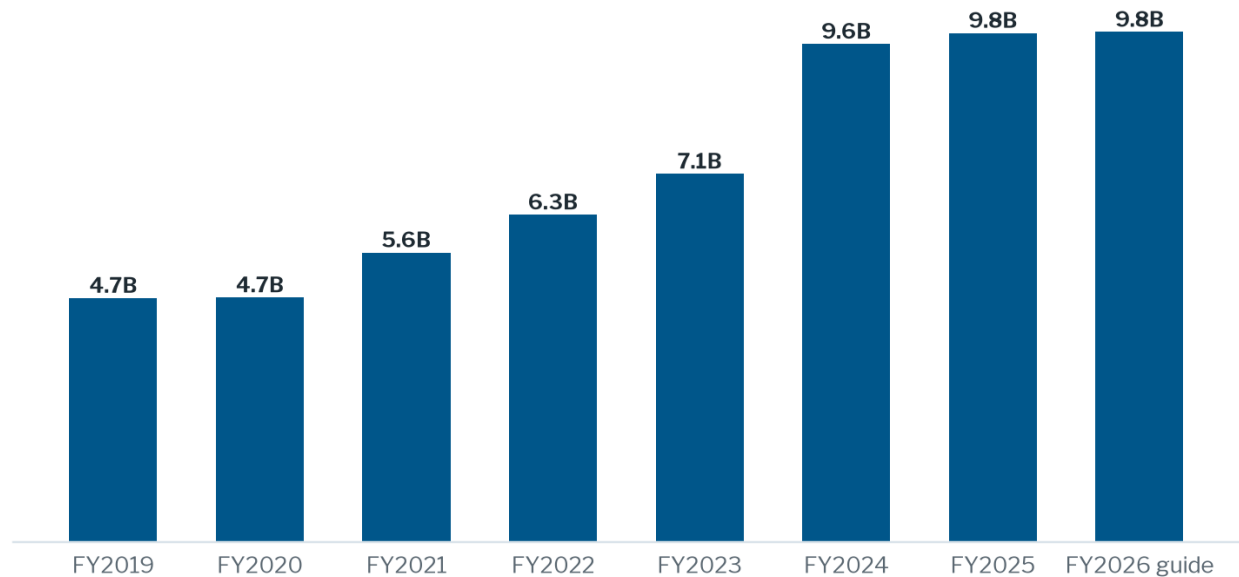
ASSESSMENT The 10 to 11 percent figure matters for fiscal 2027. If most of the movable work has already moved, the offshoring drag should shrink on its own during 2027. That is the strongest part of the bull case, and it is checkable in each quarterly release.

What the acquisitions bought

FACT Concentrix grew into the second-largest company in its industry mostly by purchase. Tigerspike, a digital design firm, was bought in July 2017 for an undisclosed price. Convergys was bought in October 2018, while Concentrix was still part of SYNnex, at a recorded purchase price of about \$2.3 billion. PK (formerly ProKarma), an engineering and digital services firm, closed in December 2021 for about \$1.6 billion in cash. Webhelp, a European customer experience outsourcer, closed on 25 September 2023 for preliminary consideration of \$3,752.4 million net of cash acquired, made up of \$2,444.4 million in cash, 14.86 million Concentrix shares, a \$711.8 million sellers' note and earnout shares. ^{[8] [7] [5]}

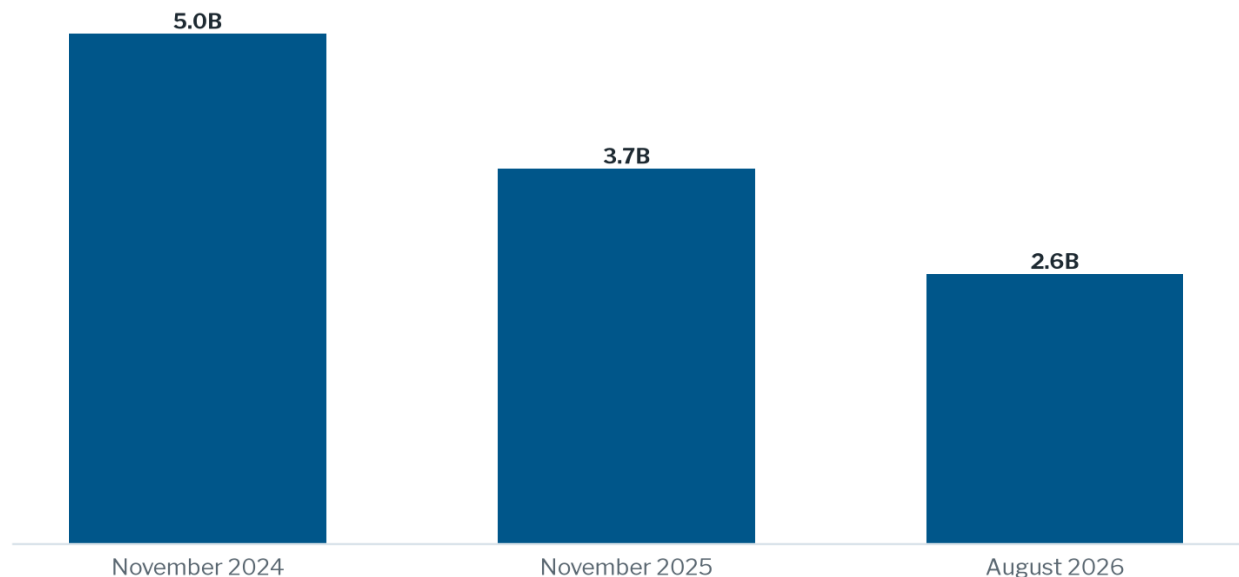
Deal	Closed	Price	What it added
Tigerspike	July 2017	Undisclosed	Digital design and app development, about 300 staff
Convergys	October 2018	About \$2.3 billion recorded	Large US-centred contact center operation
PK (ProKarma)	December 2021	About \$1.6 billion cash	Engineering, data and digital services, more than 5,000 staff
Webhelp	September 2023	\$3.75 billion net consideration	European customer experience outsourcing, paid partly in debt and stock

FACT Webhelp was announced on 29 March 2023, four months after OpenAI released ChatGPT to the public on 30 November 2022. Reported revenue rose 35.2 percent in fiscal 2024 to \$9,618.9 million as Webhelp was consolidated, but the company's pro forma constant-currency growth, which treats Webhelp as owned in both years, was 2.7 percent. Fiscal 2025 revenue grew 2.1 percent in constant currency. ^{[50] [6] [4]}

FIGURE 2 Concentrix annual revenue, US\$ billions, fiscal years ending November

FACT Reported revenue from the company's annual releases and filings; fiscal 2026 is the midpoint of guidance. The step up in 2024 is Webhelp, consolidated from late September 2023. Fiscal 2022 is taken from a syndicated copy of the company release. [\[46\]](#) [\[47\]](#) [\[49\]](#) [\[48\]](#) [\[6\]](#) [\[4\]](#) [\[1\]](#)

FACT Goodwill on the balance sheet was \$4,987.0 million at 30 November 2024, \$3,671.7 million a year later after the first impairment, and \$2,636.7 million at 31 August 2026 after the second. The two charges total \$2,573.3 million. [\[6\]](#) [\[4\]](#) [\[1\]](#)

FIGURE 3 Concentrix goodwill on the balance sheet, US\$ billions

FACT From the fiscal 2024 annual report and the fourth-quarter 2025 and third-quarter 2026 releases. Goodwill also moves with currency, so the year-on-year change is close to but not exactly the impairment total. [\[6\]](#) [\[4\]](#) [\[1\]](#)

ASSESSMENT The company says both impairments were triggered by its share price, and the accounting supports that reading: a market value below book value forces the test. But the cause

runs both ways. The share price fell because investors stopped believing the acquired businesses would grow, and the impairments are the accounting record of that loss of belief. Against roughly \$7.6 billion paid for Convergy, PK and Webhelp, about a third has now been written off.

THIRD-PARTY ESTIMATE Avasant, an advisory firm, noted at the time that the combined company's growth guidance dropped to 1 to 3 percent from Concentrix's standalone 5 percent or more, against \$120 million of promised cost synergies by year three. In effect the deal traded growth rate for scale and cost savings. ^[44]

ASSESSMENT The timing is the strategic error, more than the price. Webhelp was the largest purchase in the company's history and it bought exactly the kind of revenue, agents billed by the hour or seat, that generative AI threatens most directly. A board approving it in early 2023 could not have known how fast AI would move. It could have known that the case for paying for scale in labor-based outsourcing had just become uncertain, and the deal went ahead on terms that loaded the company with debt and an anchor shareholder who would later sell.

The balance sheet turns a slow decline into a fast stock

FACT At 31 August 2026 Concentrix had total debt of \$4,375.4 million and cash of \$244.7 million, so net debt of about \$4,130.7 million. With 60.95 million shares outstanding at a price of \$25.18 on 5 October, the equity was worth about \$1.53 billion. Management targets net debt of about 2.6 times adjusted EBITDA at the end of fiscal 2026 and about 2.2 times a year later, has suspended buybacks to pay down debt, and expects to repay more than \$550 million in fiscal 2027. ^{[1] [9] [21] [22]}

ASSESSMENT Debt is about 73 percent of the company's enterprise value. At that ratio, small changes in what the business is expected to be worth produce large swings in the stock. A 10 percent fall in enterprise value cuts the equity by more than a third. That is why a quarter with an earnings beat and a revenue miss of 1.2 percent could move the stock by double digits in both directions within three days.

FACT TP reported net debt of EUR 4,013 million at 30 June 2026, including EUR 801 million of lease liabilities, and recurring EBITDA of EUR 907 million for the first half. Its diluted earnings per share and net profit for the half imply about 58 million diluted shares. ^[25]

Measure	Concentrix	TP
Net debt, excluding leases	\$4.13 billion (31 Aug 2026)	EUR 3.21 billion (30 Jun 2026)
Net debt to EBITDA	About 2.6x, management target for Nov 2026	About 2.2x including leases, author's calculation from half-year EBITDA
Equity market value, 5 Oct 2026	About \$1.5 billion	About EUR 4.0 billion, author's estimate
Net debt per unit of equity value	About 2.7	About 0.8

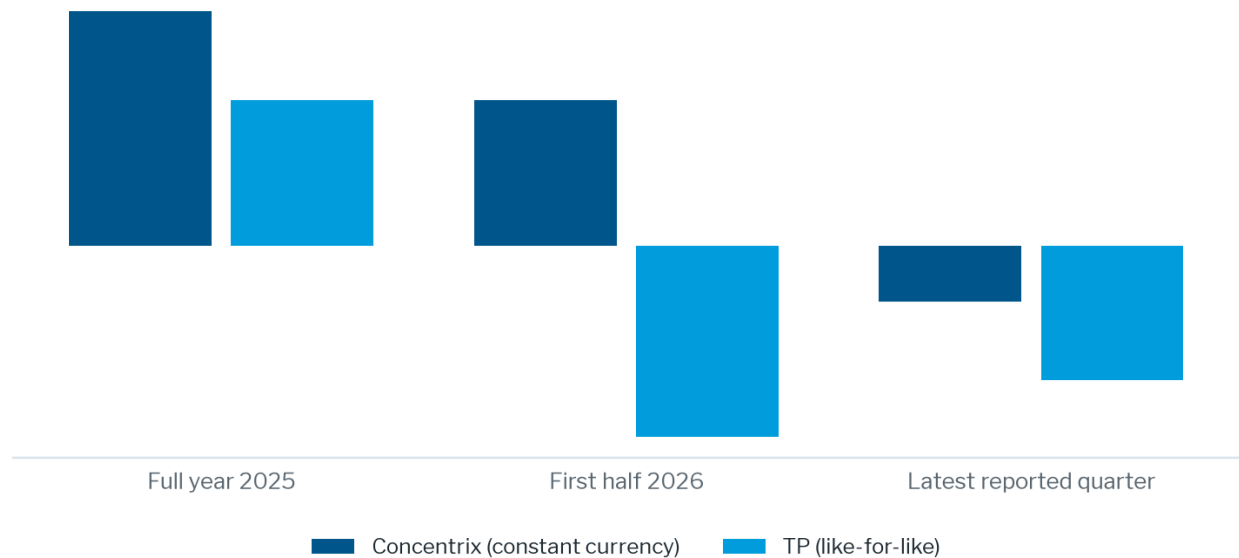
ASSESSMENT Measured against earnings, the two balance sheets are not far apart, and the comparison is rough because the companies account for leases differently. Measured against equity value, Concentrix carries more than three times the debt per dollar of stock. Most of that gap is the share price fall itself, so debt does not explain why the stocks diverged. It explains why Concentrix's stock falls so much harder when expectations drop.

FACT Financial data sites put the stock's forward price-to-earnings ratio at about 2.2 times. Dividing the 2 October price by the midpoint of fiscal 2026 adjusted earnings guidance gives about 2.3 times. The annual dividend of \$1.48 is a yield of about 5.9 percent. ^{[21] [1]}

ASSESSMENT A multiple that low says the market does not believe adjusted earnings will hold as revenue falls, or does not believe they will reach shareholders before the debt is paid. The dividend costs about \$90 million a year against \$630 million to \$650 million of guided free cash flow, so it is affordable today. It is also the first thing a board under pressure to repay debt faster would cut.

The rival the market forgave

FACT TP reported 2025 revenue of EUR 10,209 million, up 1.3 percent like-for-like, with a recurring EBITA margin of 14.6 percent, down from 15.0 percent. Net profit fell to EUR 497 million from EUR 523 million. In the first quarter of 2026 like-for-like revenue fell 2.2 percent; in the second quarter it fell 1.2 percent, for a first-half decline of 1.7 percent. First-half net profit fell to EUR 216 million from EUR 249 million. TP blamed faster offshoring, automation in its trust and safety work, and pricing pressure, the same list Concentrix gives. ^{[23] [24] [25]}

FIGURE 4 Organic revenue growth, Concentrix against TP

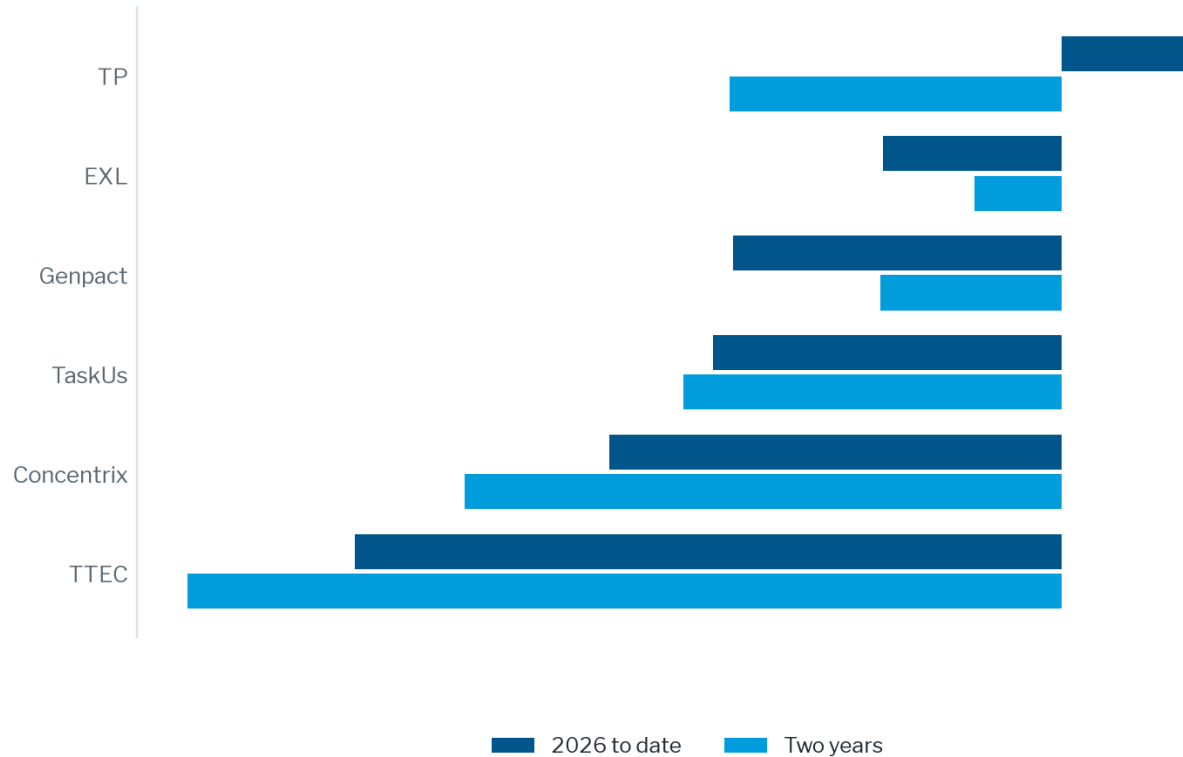
FACT Concentrix's first half is the author's revenue-weighted average of its reported first- and second-quarter constant-currency rates. Fiscal calendars differ: Concentrix's latest quarter ended 31 August, TP's 30 June. The two companies define organic growth differently, so read the direction, not the decimal. [\[4\]](#) [\[3\]](#) [\[2\]](#) [\[1\]](#) [\[23\]](#) [\[25\]](#)

FACT On 26 February 2026 TP named Jorge Amar group chief executive from 16 March. The company described him as a former senior partner and global lead of McKinsey's digital customer care practice and "a renowned global expert in at-scale AI-native customer operations," and he had advised TP's leadership for the previous nine months. The founder-chief executive and two deputy chief executives left their executive roles on 15 March. Bloomberg's headline read "Teleperformance Replaces CEOs With McKinsey AI Consultant." TP then named a group chief AI officer, a former Microsoft Germany technology chief, effective 4 May. [\[23\]](#) [\[27\]](#) [\[24\]](#)

FACT TP's share price closed 2025 at EUR 61.84, fell to EUR 45.77 on 25 March 2026, rose 13 percent on the day of its first-half results, and closed at EUR 68.66 on 5 October. In September, Saham Group, the vehicle of TP's chairman, raised its stake to about 12.7 percent in a deal worth about EUR 355 million. TP confirmed its 2026 guidance of 0 to 2 percent like-for-like growth with its first-half results and opened a review of its business portfolio. [\[22\]](#) [\[28\]](#) [\[25\]](#)

ASSESSMENT Nothing in TP's operating results explains a stock that has risen half again from its low while revenue fell. What changed was the story and the people telling it: a chief executive hired for AI fluency, a named AI officer, a plan with 2028 targets, a portfolio review, and a large insider buyer. Investors were paid in direction. TP's second quarter was less bad than its first, while Concentrix's third quarter was worse than its second and its fourth is guided worse again.

ASSESSMENT This forgiveness is fragile. TP's Future Forward plan targets 4 to 6 percent like-for-like growth a year to 2028, and it is currently shrinking. If TP misses its own 0 to 2 percent guidance for 2026, the reset loses its first test. Buyers and investors using TP as proof that an AI-led leadership change works should wait for that number before drawing the conclusion. [\[26\]](#) [\[25\]](#)

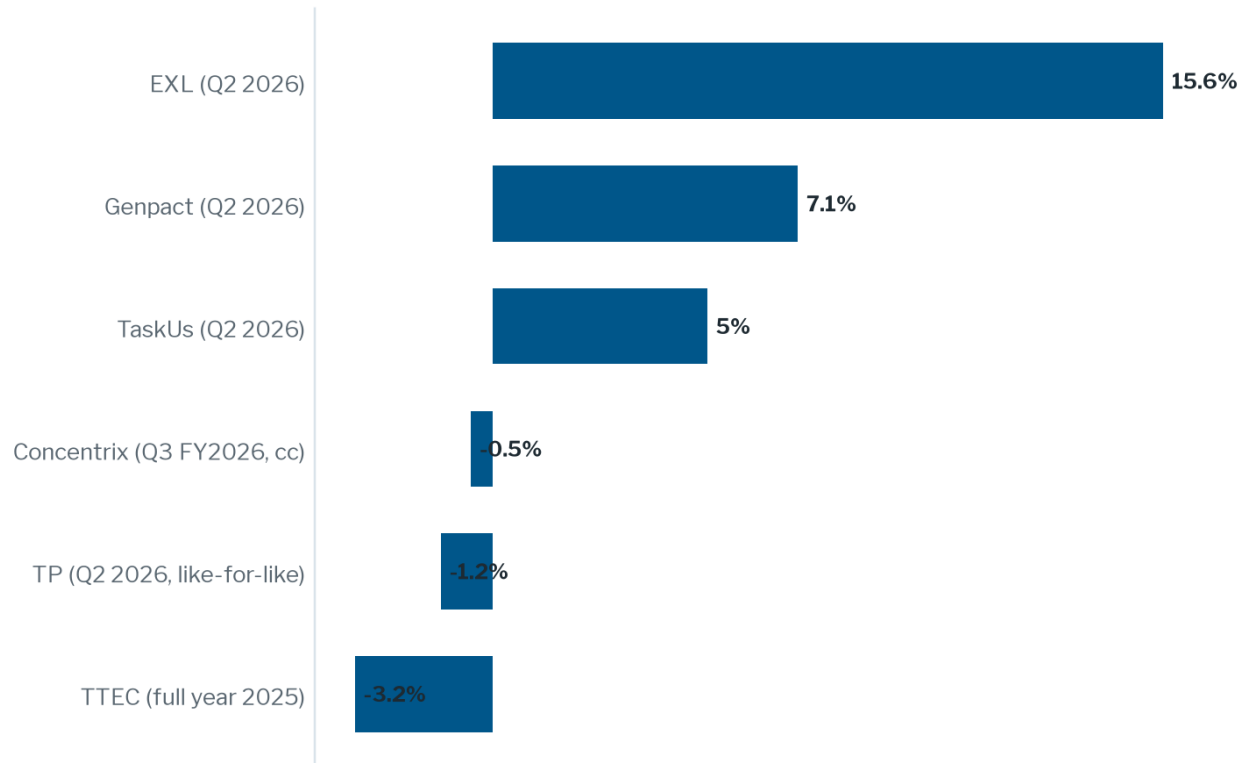
FIGURE 5 Share price change by company, to 5 October 2026

FACT The author's calculation from Yahoo Finance closing prices, not adjusted for dividends. TP is priced in euros, the others in US dollars. TP is the only one up this year, and it is still down 29 percent over two years. ^[22]

ASSESSMENT The chart also corrects the idea that Concentrix is alone. Every listed peer except TP is down in 2026, including the two whose revenue is growing fastest. TTEC, a smaller contact center operator, is down more than Concentrix. The sector is being sold as a group, and Concentrix's extra loss over that baseline is the part this report tries to explain.

Who is actually growing

FACT EXL reported second-quarter 2026 revenue of \$594.8 million, up 15.6 percent, and raised its full-year guidance to growth of 14 to 16 percent, including an acquisition. Genpact reported second-quarter revenue of \$1,343 million, up 7.1 percent, with its technology services line up 24.1 percent and its core business services up 1.9 percent. TaskUs reported second-quarter revenue of \$308.9 million, up 5 percent, with AI services revenue of \$66.1 million, up about 26 percent. TTEC's 2025 revenue fell 3.2 percent. ^{[29] [30] [31] [32]}

FIGURE 6 Latest reported revenue growth by company

FACT Periods and definitions differ: EXL, Genpact and TaskUs report headline growth, which includes acquisitions; Concentrix and TP report organic measures; TTEC's latest full year is used because its 2026 quarters were not checked. Direction is reliable, ranking within a point or two is not. ^{[29] [30] [31] [1] [25] [32]}

VENDOR CLAIM EXL says data- and AI-led work is about 61 percent of its revenue and growing about 30 percent. Genpact credits its move to what it calls agentic operations. TaskUs attributes its growth to AI services, mostly data labeling and model safety work for AI companies. ^{[29] [30] [31]}

ASSESSMENT The growth in this industry sits in work that feeds AI systems or rebuilds clients' operations around them. Voice and chat seats are the shrinking part. Concentrix owns some of that capability through PK and its iX products, but by its own account most of its revenue is still the seat-based work the faster growers have moved away from. Even so, EXL and Genpact stocks are down this year, so growth alone does not earn a re-rating in this market.

AI is a smaller drag than the stock implies

THIRD-PARTY ESTIMATE Gartner predicts that agentic AI will resolve 80 percent of common customer service issues without a human by 2029, cutting operating costs by 30 percent. The prediction covers routine, well-scoped issues, and it is often misquoted as 80 percent of all contacts. ^[33]

THIRD-PARTY ESTIMATE Gartner's own surveys point the other way on jobs in the near term. In a December 2025 release, only 20 percent of customer service leaders reported AI-driven headcount reduction. Gartner predicts that by 2027 half of organizations that planned large staff cuts will drop the plan, and that half of companies that cut staff because of AI will rehire for similar

work under other titles. In January 2026 it predicted that generative AI's cost per resolution will exceed \$3 by 2030, more than many offshore human agents cost. ^{[35] [34] [37] [36]}

FACT Klarna said in February 2024 that its AI assistant handled two-thirds of customer chats, work it equated to 700 full-time agents. Teleperformance shares fell 19 percent that day. By May 2025 Klarna's chief executive was saying the push had produced lower-quality service and that the company was hiring human agents again, under a remote model he said would replace the few thousand agents it outsourced. ^{[40] [39]}

ASSESSMENT Klarna shows the threat more precisely than the headline did. What AI removed was the outsourcer standing between Klarna and its human agents. That is the risk to Concentrix's model: clients keep some human service but bring it in-house or onto platforms, and buy the AI from software vendors.

THIRD-PARTY ESTIMATE HFS Research projects that services sold as software, priced per outcome, will become a \$422 billion segment of business process outsourcing by 2035, and that moving from per-agent to per-outcome pricing shrinks the total BPO market by about \$61 billion compared with the conventional path. HFS puts outcome prices at \$0.99 to \$2.00 per resolved interaction. Salesforce launched its Agentforce product at \$2 per conversation in 2024 and added \$0.10-per-action pricing in May 2025. ^{[38] [42]}

ASSESSMENT The deflation runs through price before it runs through volume. A client that automates its simplest third of contacts still needs agents for the rest, but it will no longer pay hourly rates for the automated part, and it expects the remaining work to cost less too. That matches what management describes: clients choosing cheaper options and a company declining to chase price. AI is a real drag on Concentrix, but by the company's own numbers offshoring and two clients' decisions are bigger ones this year. The market is pricing the AI risk for the next five years into a stock whose current problems are more ordinary.

FACT The sector has traded as a block on this fear. In January 2026, after Concentrix's first impairment, TP shares fell about 3 percent and Morgan Stanley cut its TP target. After Concentrix's June guidance cut, TP fell 11 to 13 percent with no news of its own. ^{[43] [41]}

Leadership and AI, on the record

FACT Concentrix launched its iX product suite, including iX Hello, an autonomous AI product for customer conversations, on 25 September 2024, and released iX Hello 2.0 in February 2025. It launched iX Hero, agentic tools that work alongside human agents, on 22 May 2025. iX Hello is priced by consumption and iX Hero by seat subscription. ^{[12] [13] [10]}

ASSESSMENT That timeline undercuts the idea that Concentrix's leadership missed AI. It had products in market within two years of ChatGPT's release and before most of its rivals. The weakness the record shows is different: the company has not explained in auditable terms what those products earn, and it bought its biggest labor business at the moment those products began to threaten it.

When stated	How Concentrix described its AI business	Defined in a filing?
January 2026 (Q4 FY2025)	iX suite at break-even, over \$60 million of annualized AI revenue	No
March 2026 (Q1 FY2026)	iX Hero annual recurring revenue of \$60 million, target of \$100 million or more by year end	No
June 2026 (Q2 FY2026)	iX suite signings up 400 percent, nearly 100 deals, target above \$120 million annual recurring revenue	No
September 2026 (Q3 FY2026)	\$1.3 billion of revenue running through iX suite, \$3 billion AI-influenced, software licensing pacing toward \$120 million	No

VENDOR CLAIM On the third-quarter call the chief executive said that "50% of our revenue is coming from business we have won and deployed within the last 3 years since the introduction of AI." ^[1]

ASSESSMENT Each of these may be true. Together they show a company changing the measure each quarter, moving from small, specific numbers to large, loose ones. A \$120 million software line is about 1 percent of revenue. "AI-influenced" revenue of \$3 billion could mean any contract where an AI tool touches the work. Investors who were told in January that AI was a \$60 million business are being told in September that it is a \$3 billion one, and the stock fell anyway. That is the credibility problem stated in one table, and it is a leadership problem whatever the quality of the products. ^{[10] [11] [9]}

HYPOTHESIS The author has an unconfirmed second-hand account that Concentrix is winding down iX Hello and returning to its core outsourcing business. No public source confirms this: iX Hello is still marketed, and the company cited it in a January 2026 industry recognition. On the fiscal 2025 third-quarter call, management said iX Hero was getting stronger adoption than the fully autonomous iX Hello, which is consistent with a shift of emphasis. This would be confirmed by iX Hello's removal from the product pages, by a restructuring charge tied to the technology unit, or by management describing the iX business only in terms of agent-assist products. It would be refuted by new iX Hello releases or client announcements in fiscal 2027. ^{[45] [12]}

ASSESSMENT If the account is right, it is a defensible product decision. Agent-assist tools fit a company whose revenue is people, and fully autonomous agents compete with that revenue. The problem would be the signal. A company that retreats from autonomous AI to protect seat revenue is telling the market its strategy depends on clients not doing what Gartner, HFS and Klarna say they will do.

FACT On 23 July 2026 Concentrix's board adopted an amended executive severance plan that pays two times salary and bonus on a change of control and adds severance outside a change of control. On 15 September the company disclosed a severance agreement with its executive vice president for customer success, leaving at year end. The chief executive and chief financial officer remain in place. The chief executive has led the company since before its 2020 spin-off from SYNnex. ^{[15] [16]}

ASSESSMENT TP's board made a visible choice: it replaced a founder-led team with an operator hired for AI fluency, and the market rewarded the choice before seeing results. Concentrix's board has kept the team that made the Webhelp decision and the three 2026 forecasts. That may be the right call on the merits, but it means the company has to earn back credibility with results rather than with a reset, and results are what the fourth-quarter guidance says are not coming next.

Scenarios to late 2027

A point forecast for this stock would be false precision. The fiscal 2026 guidance midpoint moved by nearly three percentage points of growth in nine months, and a single quarter's results have moved the stock 17 percent in a morning. Four scenarios below run to the fiscal 2027 third-quarter report in late September 2027. The probabilities are the author's subjective judgment and the least reliable content in this report; the earliest signs are the most useful part, because anyone can watch for them without private information.

SCENARIO A **Managed decline, then flat** 40 percent

The fourth-quarter decline lands inside guidance, the offshoring drag fades as the movable work runs out, and the hyperscale client losses finish as planned. Revenue declines in the first half of fiscal 2027 and is close to flat by the fourth quarter. Debt falls by more than \$550 million.

Consequence. The stock re-rates modestly as net debt falls, without returning to its 2025 levels. The dividend holds. Leadership stays.

Earliest visible sign. First-quarter fiscal 2027 constant-currency decline narrower than the fourth quarter's, in the March 2027 release.

SCENARIO B **Prolonged shrinkage and a balance-sheet squeeze** 30 percent

Declines of 3 percent or more continue through fiscal 2027 as clients cut prices on renewal and move simple work to software vendors. A third impairment follows if the stock falls further.

Consequence. The dividend is cut to speed up debt repayment, and pressure for a leadership change or a sale rises. The stock tests or breaks its June low.

Earliest visible sign. Fiscal 2027 guidance given in January 2027 calling for a decline, or a dividend cut.

SCENARIO C **Strategic event** 20 percent

The board starts a strategic review, sells a business line such as PK's engineering services, agrees a take-private, or names a new chief executive.

Consequence. The stock moves on the deal terms instead of the operating results. Buyers face a change of owner or priorities mid-contract.

Earliest visible sign. A 13D filing by an activist, an announced review, or a leadership change disclosed in an 8-K.

SCENARIO D **AI-led return to growth 10 percent**

New business, which management says will exceed \$6 billion in fiscal 2027, outruns the losses, and the iX software line reaches a size that matters. Constant-currency growth turns positive in the second half of fiscal 2027.

Consequence. The call in this report is overturned. The stock re-rates sharply from a very low multiple.

Earliest visible sign. A quarter of positive constant-currency growth, with software revenue disclosed in a filing rather than on a call.

Leading indicators

Each row is an event anyone can observe from public filings or prices. The column on scenarios says which way the event moves the odds.

If this happens	It means	Moves toward	Where to watch
Q4 FY2026 decline lands worse than minus 5 percent	Client losses or price cuts are deeper than management saw in September	B	Concentrix Q4 release, January 2027
Fiscal 2027 guidance calls for growth	Management sees the drags ending and is willing to commit to it	A or D	Q4 release and call, January 2027
Dividend cut or suspended	Debt repayment now outranks shareholder income	B or C	Quarterly dividend declarations
A further goodwill impairment	The share price has fallen below book value again	B	Quarterly releases and 10-Q
AI or software revenue defined in a 10-Q or 10-K	Management is willing to be audited on its AI claims	D	SEC filings
13D filing by an activist investor	Someone is buying the stock to force change	C	SEC EDGAR
Leadership change at Concentrix	The board is buying the reset TP bought	C	8-K filings
TP reports positive like-for-like growth for 2026	TP's reset is working on revenue, not just sentiment	Widens the gap	TP full-year release, February 2027

Dated predictions

These are stated so the report can be scored later. Confidence is the author's.

Prediction	Resolves	Confidence
Concentrix's Q4 FY2026 constant-currency revenue change falls within its minus 3 to minus 5 percent guidance	January 2027	70 percent
Concentrix keeps a quarterly dividend of at least \$0.37 through its first fiscal 2027 declaration	March 2027	65 percent
TP reports 2026 like-for-like revenue growth of zero or better, meeting its guidance	February 2027	40 percent
Concentrix reports positive constant-currency growth in at least one fiscal 2027 quarter	September 2027	35 percent
Concentrix announces a strategic review, a business sale, a take-private or a chief executive change	30 September 2027	30 percent

Implications

For investors

ASSESSMENT The stock is cheap on earnings because the market expects the earnings to shrink and the debt to be repaid first. The equity is a call option on revenue stabilizing, with a dividend paid while you wait. That is a coherent position for an investor who believes the offshoring drag ends in 2027 and that AI deflation arrives slowly. It is a poor one for anyone who needs the thesis confirmed before buying, because confirmation, a positive quarter, would move the stock before it can be acted on. The single number to watch is the first-quarter fiscal 2027 constant-currency rate against the fourth quarter's. TP is not the safe alternative it looks like. Its stock has priced in a recovery its revenue has not yet shown.

For buyers of outsourced customer service

ASSESSMENT A supplier under this much pressure is more willing to negotiate on price and terms, and less able to invest in the AI it is selling you. Use the first and protect against the second. Ask Concentrix, and TP, for outcome-based pricing on the work you plan to automate, so your savings are not captured by hourly rates. Write change-of-control and key-staff clauses into new contracts, given the 20 percent chance this report gives a strategic event. If you rely on iX Hello specifically, ask for a written product roadmap and support commitment through your contract term, because the product's future is the least certain thing in this report. And do not read TP's leadership change as proof its delivery is better. Its revenue is shrinking at a similar rate, and a new executive team is a reason to check account continuity too.

For a board

ASSESSMENT Concentrix's own board faces the question TP's answered in February: whether the team that built the company by buying labor revenue is the team to run it while that revenue shrinks. The case for continuity is real. Management has kept margins, cash flow and the dividend

intact through a hard year. The case against is that two guidance cuts and four ways of measuring AI in a year have cost the company the market's trust, and debt makes that trust expensive to lose. The board does not need to change the chief executive to answer this, but it does need to do something visible: an independent strategic review, auditable AI revenue disclosure, or a capital plan with dates. For other boards in labor-based services, the lesson from both companies is that an AI strategy announced by the same people who sold the old model will be discounted until a revenue line proves it.

What this document cannot answer

Which clients account for the hyperscale losses, how much revenue each represents, and whether other large technology clients are making similar decisions. Concentrix does not name them, and its client concentration disclosure in the annual report was not examined for this report.

How Concentrix's AI revenue measures are calculated. "AI-influenced revenue" and "revenue running through iX suite" are not defined in any filing reviewed here, and only management or an auditor can resolve them.

Whether iX Hello is being wound down. That needs either a company statement or client-side evidence such as contract renewals that drop the product.

The covenant terms, maturity schedule and refinancing cost of Concentrix's debt. The annual report and credit agreements hold these and were not analysed here. They decide how much room the board has before a dividend cut becomes necessary.

How Webhelp's operations have performed since 2023 relative to legacy Concentrix. The company reports segments by geography and type of work, not by acquired business.

What clients are actually paying per contact under new AI-assisted contracts compared with the hourly contracts they replace. This is the core of the deflation argument and is only knowable from contract data or buyer interviews.

Half-life of this assessment

Six months. Share prices, analyst targets, the fourth-quarter result, fiscal 2027 guidance in January 2027, and the iX Hello question. TP's 2026 full-year result in February 2027 will either confirm or undercut the comparison at the centre of this report.

Twelve months. Whether the offshoring drag fades as management expects, whether the dividend survives the debt repayment plan, and whether either company publishes auditable AI revenue. The scenario probabilities should be redone after the first fiscal 2027 quarter.

Twenty-four months. The pricing shift from paying per agent to paying per outcome, and the Gartner and HFS forecasts on how fast AI takes simple contacts.

Architectural. Concentrix's choice to buy scale in labor-based outsourcing with debt in 2023, and the goodwill written off since, are facts that will not change. Neither will the exposure of any business billed by the hour to a technology that does part of the hour's work.

Limitations

No company named in this report commissioned, funded, reviewed or saw it before publication, and none has editorial control over it. It is analysis, not investment advice.

The evidence base has five specific weaknesses. Earnings call quotations come from independent transcripts and aggregator summaries, not the companies' official transcripts, and the AI revenue figures for the first and second quarters of fiscal 2026 come from summaries rather than the transcripts themselves. Several price points, including the June intraday drop and the analyst target changes, come from financial news aggregators, and two sources conflict on Bank of America's current target, so this report does not use it. Share price comparisons are the author's calculations from Yahoo Finance closes and are not adjusted for dividends or currency. The TP equity value and net-debt ratio are estimates derived from figures in TP's half-year release rather than reported numbers. The reported sale of Concentrix shares by Groupe Bruxelles Lambert in April 2026 comes from an aggregator and was not checked against the Form 4 or 13D filings; the loss of its board nomination right is confirmed in Concentrix's own 8-K.

One limit of scope. This report reads disclosures and coverage. It includes no interviews with clients, employees or management, so every statement about what clients are deciding comes through management's own account of it.

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