



Conduent to Pursue Separation of Transportation Business

April 7, 2022

Conduent is committed to executing either a sale or a spin-off of its Transportation business

Separation will maximize shareholder value by simplifying Conduent's business model, creating two separate businesses with dedicated focus on providing exceptional outcomes for clients in their distinct markets

FLORHAM PARK, N.J., April 07, 2022 (GLOBE NEWSWIRE) -- [Conduent Incorporated](#) (Nasdaq: CNDT), a business process services and solutions company, today announced it is pursuing a separation of its Transportation business through either a sale or a spin-off.

Conduent's Board of Directors and management team believe that separating the Transportation business, which serves public sector transportation agencies, will enable Conduent's Commercial, Government, and Transportation businesses to benefit from more focused operating models and capital allocation priorities aligned with industry-specific dynamics in their respective markets. Additionally, this separation is expected to unlock significant value for Conduent and its shareholders. Conduent intends to execute the separation through whichever path maximizes shareholder value.

"For the past several years, we have been diligently fortifying the foundation of our business, significantly improving the quality of service, streamlining operations, and strengthening our financial position," said Cliff Skelton, President and Chief Executive Officer. "Based on the progress we've made and the stability and credibility the Transportation business has established with its client base, we are confident that the time is right to pursue a separation. This initiative is the next logical step in our plan to further simplify and strengthen the company."

Skelton continued, "The Transportation business is driven by different underlying macroeconomic trends with a discrete client base and growth profile. We believe this separation will unlock significant value by dislodging any potential conglomerate discount and enabling a more focused approach to capital and resource allocation."

Benefits of the Separation

Conduent's Commercial and Government businesses will continue to deliver business services and solutions through differentiated technology platforms that enable increased efficiencies, cost savings, and value at scale for both businesses and governments. With 30 years of expertise, deep domain knowledge, and understanding of its clients' operations, Conduent has established itself as a leader in areas such as customer experience, business operations solutions, healthcare, government payments, and claims processing, and is a trusted partner to its clients. Following the separation, Conduent would still be among the top 5 largest diversified outsourcing services employers in the Fortune 1000, continuing to provide essential services and solutions to clients and end users around the globe.

The Transportation business will continue to deliver solutions to a large and stable client base of global transportation agencies in more than 20 countries. Clients rely on the Transportation business as a key partner in solving the next generation of mobility challenges with innovative solutions. This business will continue to help public sector transportation agencies capture revenue while improving traveler experiences, increasing public safety and accessibility, reducing congestion and emissions, and modernizing multi-modal travel. These opportunities span the smart-city and infrastructure ecosystem, including modernization investments in areas such as all-electronic tolling, contactless payments in transit, dynamic pricing in curbside management, and analytics-based public safety and congestion management solutions.

Additional details will be disclosed as Conduent finalizes its separation plans. Until a separation is complete, Conduent will continue to operate as a single company.

About Conduent

Conduent delivers mission-critical services and solutions on behalf of businesses and governments – creating exceptional outcomes for its clients and the millions of people who count on them. Through our dedicated people, process, and technology, Conduent solutions and services automate workflows, improve efficiencies, reduce costs, and enable revenue growth. This is why most Fortune 100 companies and over 500 government entities depend on Conduent every day to manage their essential interactions and move their operations forward.

Conduent's differentiated services and solutions improve experiences for millions of people every day, including three out of every four U.S. insured patients, 10 million employees who use its HR Services, and nearly 18 million benefits recipients. Conduent's solutions deliver exceptional outcomes for its clients including approximately \$10 billion of annual processed tolling transactions, \$18 billion of total bill reductions from medical bill review of workers compensation claims, up to 40% efficiency increase in HR operations, up to 27% reduction in government benefits costs, up to 40% improvement in finance, accounting and procurement expense, and improved customer service interaction times by up to 20% with higher end-user satisfaction. Learn more at www.conduent.com.

Forward-Looking Statements

This release and any attachments to this release may contain "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. The words "anticipate," "believe," "estimate," "expect," "plan," "intend," "will," "enable," "aim," "should," "could," "would," "forecast," "target," "may," "continue to," "if," "growing," "projected," "potential," "planned," "opportunities," "likely," and similar expressions, as they relate to us, are intended to identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. All statements other than statements of historical fact included in this release are forward-looking statements, including, but not limited to, statements regarding current beliefs, commitments, assumptions, expectations and intentions, including with respect to the proposed separation of the Transportation business, the timing, completion, and effects of any separation transaction, the future financial and operating performance, market position and client base of each business, the business models and strategic and competitive advantages of each business, future opportunities, client outcomes, addressable markets and cost reductions available to each business, the effects of any separation transaction on shareholder value and interests and market perception of any separation transaction. These statements reflect our current views with respect to future events and are subject to certain

risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those expressed or implied herein as anticipated, believed, estimated, expected or intended or using other similar expressions.

Such forward-looking statements, because they relate to future events, are by their very nature subject to many important factors and uncertainties that could cause actual results to differ materially from those contemplated by the forward-looking statements contained in this release, any exhibits to this release and other public statements we make. Our actual results may vary materially from those expressed or implied in our forward-looking statements. These forward-looking statements are also subject to the significant continuing impact of the COVID-19 pandemic on our business, operations, financial results and financial condition, which is dependent on developments which are highly uncertain and cannot be predicted.

Important factors and uncertainties that could cause our actual results to differ materially from those in our forward-looking statements include, but are not limited to: uncertainty regarding whether a transaction will be commenced or completed and the timing and value of such transaction; the significant continuing effects of the ongoing COVID-19 pandemic on our business, operations, financial results and financial condition, which is dependent on developments which are highly uncertain and cannot be predicted; government appropriations and termination rights contained in our government contracts; our ability to renew commercial and government contracts, including contracts awarded through competitive bidding processes; our ability to recover capital and other investments in connection with our contracts; our reliance on third-party providers; our ability to deliver on our contractual obligations properly and on time; changes in interest in outsourced business process services; risk and impact of geopolitical events, natural disasters and other factors (such as pandemics, including coronavirus) in a particular country or region on our workforce, customers and vendors; claims of infringement of third-party intellectual property rights; our ability to estimate the scope of work or the costs of performance in our contracts; the loss of key senior management and our ability to attract and retain necessary technical personnel and qualified subcontractors; increases in the cost of telephone and data services or significant interruptions in such services; our failure to develop new service offerings and protect our intellectual property rights; our ability to modernize our information technology infrastructure and consolidate data centers; the failure to comply with laws relating to individually identifiable information and personal health information; the failure to comply with laws relating to processing certain financial transactions, including payment card transactions and debit or credit card transactions; breaches of our information systems or security systems or any service interruptions; our ability to comply with data security standards; changes in tax and other laws and regulations; risk and impact of potential goodwill and other asset impairments; our significant indebtedness; our ability to obtain adequate pricing for our services and to improve our cost structure; our ability to collect our receivables, including those for unbilled services; a decline in revenues from, or a loss of, or a reduction in business from or failure of significant clients; fluctuations in our non-recurring revenue; our failure to maintain a satisfactory credit rating; our ability to receive dividends or other payments from our subsidiaries; developments in various contingent liabilities that are not reflected on our balance sheet, including those arising as a result of being involved in a variety of claims, lawsuits, investigations and proceedings; conditions abroad, including local economics, political environments, fluctuating foreign currencies and shifting regulatory schemes; changes in government regulation and economic, strategic, political and social conditions; changes in the volatility of our stock price and the risk of litigation following a decline in the price of our stock; and other factors that are set forth in the "Risk Factors" section, the "Legal Proceedings" section, the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section and other sections in our 2021 Annual Report on Form 10-K, as well as in our Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with or furnished to the Securities and Exchange Commission. Any forward-looking statements made by us in this release speak only as of the date on which they are made. We are under no obligation to, and expressly disclaim any obligation to, update or alter our forward-looking statements, whether as a result of new information, subsequent events or otherwise.

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