UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (date of earliest event reported): May 9, 2018

CONDUENT INCORPORATED
(Exact name of registrant as specified in its charter)

New York	001-37817	81-2983623
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

100 Campus Drive, Suite 200
Florham Park, New Jersey
07932
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (844) 663-2638

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (CFR 230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (CFR 240.12b-2). ☐ Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02. Results of Operations and Financial Condition.

On May 9, 2018, Registrant released its first quarter 2018 earnings and is furnishing to the Securities and Exchange Commission a copy of the earnings press release as Exhibit 99.1 to this Report under Item 2.02 of Form 8-K.

The information contained in Item 2.02 of this Report and in Exhibit 99.1 shall not be deemed "filed" with the Commission for purposes of Section 18 of the Exchange Act of 1934, as amended, or otherwise subject to the liability of that section.

Item 7.01. Regulation FD Disclosure.

On May 9, 2018, Registrant conducted an earnings call regarding its 2018 first quarter results and is furnishing to the Securities and Exchange Commission a copy of the presentation used during the earnings call as Exhibit 99.2 to this Report under Item 7.01 of Form 8-K.

The information contained in Item 7.01 of this Report and in Exhibit 99.2 to this Report shall not be deemed "filed" with the Commission for purposes of Section 18 of the Exchange Act of 1934, as amended, or otherwise subject to the liability of that section.

Exhibit 99.1 and Exhibit 99.2 to this Report contain certain financial measures that are considered "non-GAAP financial measures" as defined in the SEC rules. Exhibit 99.1 and Exhibit 99.2 to this Report also contain the reconciliation of these non-GAAP financial measures to their most directly comparable financial measures calculated and presented in accordance with generally accepted accounting principles, as well as the reasons why Registrant's management believes that presentation of the non-GAAP financial measures provides useful information to investors regarding Registrant's results of operations and, to the extent material, a statement disclosing any other additional purposes for which Registrant's management uses the non-GAAP financial measures.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Registrant's first quarter 2018 earnings press release dated May 9, 2018
99.2	Registrant's investor presentation dated May 9, 2018

Forward-Looking Statements

This Report and any exhibits to this Report may contain "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. The words “anticipate,” “believe,” “estimate,” “expect,” “intend,” “will,” “should” and similar expressions, as they relate to us, are intended to identify forward-looking statements. These statements reflect management's current beliefs, assumptions and expectations and are subject to a number of factors that may cause actual results to differ materially. Such factors include, but are not limited to: termination rights contained in our government contracts; our ability to renew commercial and government contracts awarded through competitive bidding processes; our ability to recover capital and other investments in connection with our contracts; our ability to attract and retain necessary technical personnel and qualified subcontractors; our ability to deliver on our contractual obligations properly and on time; competitive pressures; our significant indebtedness; changes in interest in outsourced business process services; our ability to obtain adequate pricing for our services and to improve our cost structure; claims of infringement of third-party intellectual property rights; the failure to comply with laws relating to individually identifiable information, and personal health information and laws relating to processing certain financial transactions, including payment card transactions and debit or credit card transactions; breaches of our security systems and service interruptions; our ability to estimate the scope of work or the costs of performance in our contracts; our ability to collect our receivables for unbilled services; a decline in revenues from or a loss or failure of significant clients; fluctuations in our non-recurring revenue; our failure to maintain a satisfactory credit rating; our ability to attract and retain key employees; increases in the cost of telephone and data services or significant interruptions in such services; our failure to develop new service offerings; our ability to receive dividends or other payments from our subsidiaries; changes in tax and other laws and regulations; changes in government regulation and economic, strategic, political and social conditions; changes in U.S. GAAP or other applicable accounting policies; 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 2017 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 the Securities and Exchange Commission. Any forward-looking statements made by us in this report 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.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, Registrant has duly authorized this Report to be signed on its behalf by the undersigned duly authorized.

Date: May 9, 2018

CONDUENT INCORPORATED

By: ***/s/ ALLAN COHEN***

Allan Cohen

Vice President and Chief Accounting Officer

EXHIBIT 99.1

News from Conduent

Conduent Incorporated
100 Campus Drive, Suite 200
Florham Park, NJ 07932

www.conduent.com

Conduent Reports First Quarter 2018 Results; Strong Operational and Financial Performance Led by Commercial Segment; Executing on Portfolio Strategy with Improvement in Core Business

Key Quarterly Highlights

- Revenue of $1,420 million
- Net income from continuing operations of $(50) million, GAAP diluted EPS from continuing operations of $(0.26)
- Adjusted net income of $47 million and adjusted diluted EPS from continuing operations of $0.22
- Adjusted EBITDA of $161 million
- Cash flow from operations of $(38) million and adjusted free cash flow of $(69) million
- Renewal rate of 94% and $1,022 million of renewal TCV
- Cash Balance of $553 million; Adjusted Cash Balance of $461 million

Portfolio Highlights

- Update on $250 - $500 million of targeted divestitures:
  - Signed divestitures[1] representing ~$321 million in 2017 revenue
  - ~$175 million of revenue from Public Sector in progress
- Targeting divesting an additional ~$500 million of revenue from select Customer Care contracts

(1) Signed deals are subject to regulatory approvals and customary closing conditions

FLORHAM PARK, NJ, May 9, 2018 - Conduent (NYSE: CNDT), the world's largest provider of diversified business services, today announced its first quarter 2018 financial results.

"We had a strong start to the year and continued to show improvement in our trajectory from both a financial and operational perspective. We have announced the signing of definitive agreements for two divestitures so far in 2018. We are also divesting approximately $500 million of additional revenue from certain Customer Care contracts. These are important steps in strengthening our balance sheet, solidifying the core of our business and positioning the company for long-term, profitable growth," said Ashok Vemuri, CEO of Conduent. "In the first quarter, our Commercial revenues, excluding one-time items and strategic actions, grew three percent as investment in our core is starting to yield results. Profitability improved across key segments with higher service line penetration, better pricing and deployment of platforms and software."

First Quarter 2018 Results

First quarter 2018 revenues were $1,420 million, down 8.6% compared to Q1 2017. Adjusting for the impact of the 606 accounting standard and excluding divestitures completed in Q3 2017, revenues were down 4.3% compared with Q1 2017.

Pre-tax income was $(54) million compared to $(22) million in Q1 2017. GAAP operating margin as reported was (3.8)% compared to (1.4)% in Q1 2017. The company reported Q1 2018 GAAP net income of $(50) million compared with $(6) million in Q1 2017. Diluted EPS from continuing operations was ($0.26) versus ($0.06) in the same period last year, driven primarily by non-recurring, non-cash items related to expenses associated with transaction expenses and accruals for a contract termination related to litigation.

First quarter adjusted operating income was $105 million, with an adjusted operating margin of 7.4% as compared to adjusted operating income of $89 million, with an adjusted operating margin of 5.7% in Q1 2017. Adjusted EBITDA improved 5% to $161 million, with an adjusted EBITDA margin of 11.3%, as compared to $153 million, with an adjusted EBITDA margin of 9.9% in Q1 2017. Adjusting for the impact of the 606 accounting standard and excluding divestitures completed in Q3 2017, Adjusted EBITDA improved 9.5% compared with Q1 2017. The company reported adjusted diluted EPS from continuing operations of $0.22 compared to $0.16 in Q1 2017.

Conduent had a use of $(38) million in cash flow from operations during the first quarter 2018 and ended the quarter with a cash balance of $553 million. Total debt was $2,053 million as of March 31, 2018.

Excluding funds that are associated with the termination of the deferred compensation plan that are expected to be disbursed to participants in 2018, Conduent ended the quarter with an adjusted cash balance of $461 million.

Headcount of approximately 85,000 as of March 31, 2018 compared with approximately 90,000 as of December 31, 2017.

Total contract value (TCV) signings of $1,428 million for the quarter were up 53% compared with Q1 2017, impacted by greater renewal signings primarily with travel, government, telecom and industrial clients.

Financial and Strategic Outlook

Conduent updated the following guidance ranges for FY 2018:

(in millions)	**FY 2017**	**Impact from Adjustments to FY 2017**	**Adjusted FY 2017**	**Prior FY 2018 Guidance**	**Signed Q2 2018 Divestiture Impact (assumes close date of 6/30/2018)[4]**	**Updated FY 2018 Guidance**
Revenue[1]	$6,022	$(225)	$5,797	$5,625 - $5,799	~$160	$5,440 - $5,640
Adjusted EBITDA	$672	$(17)	$655	$707 - $733	~$35	$672 - $698
Adjusted Free Cash Flow[2]	$204	($1)	$203	25 - 35% of Adj. EBITDA		25 - 35% of Adj. EBITDA

Adjustments impacting FY 2017[3]	**Revenue**	**Adj. EBITDA**	**Free Cash Flow**
Divestitures (completed in Q3 2017)	$(59)	$(6)	($1)
Estimated impact from adoption of new accounting standard for revenue recognition	$(166)	$(11)	$0
Total	**$(225)**	**($17)**	**($1)**

Note: Please refer to the "Non-GAAP Outlook" in the non-GAAP section below for certain non-GAAP information concerning outlook

(1) Year-over-year revenue comparison at constant currency.

(2) FY17 Adjusted Free Cash Flow. Please refer to the "Adjusted Free Cash Flow Reconciliation" in the non GAAP section below.

(3) Divestitures include the five businesses which were sold in Q3 2017. Prior to the transactions, these businesses earned $59 million of revenue, $6 million in Adjusted EBITDA and $1 million of Free Cash Flow in 2017. Please see Report on Form 8-K filed October 4, 2017 and the Q3 2017 Quarterly Earnings presentation, available in the Investor Relations section of www.conduent.com, for additional details.

Estimated impact from the adoption of the new accounting standard for revenue recognition, had it been applicable in FY 2017, it would have had an estimated impact to Conduent FY 2017 revenues of $166 million and Adjusted EBITDA of $11 million. There is no impact to Free Cash Flow from this accounting standard adoption.
(4) Signed deals are subject to regulatory approvals and customary closing conditions

"The progress we are making on executing on targeted divestitures and improving our margin profile within our core business has been encouraging," said Brian Webb-Walsh, CFO of Conduent. "We updated our guidance for the impact of the recently signed divestitures, but excluding these factors, we would have been in-line with our previous guidance."

Conference Call

Management will present the results during a conference call and webcast on May 9, 2018 at 10 a.m. ET.

The call will be available by live audio webcast with the news release and online presentation slides at https://investor.conduent.com/.

The conference call will also be available by calling 877-883-0383 (international dial-in 412-902-6506) at approximately 9:45 a.m. ET.

A recording of the conference call will be available by calling 877-344-7529, or 412-317-0088 one hour after the conference call concludes on May 9, 2018. The replay ID is 10119737.

About Conduent

Conduent (NYSE: CNDT) is the world's largest provider of diversified business services with leading capabilities in transaction processing, automation and analytics. The company's global workforce is dedicated to helping its large and diverse client base deliver quality services to the people they serve. These clients include 76 of the Fortune 100 companies and over 500 government entities.

Conduent's differentiated offerings touch millions of lives every day, including two-thirds of all insured patients in the U.S. and nearly nine million people who travel through toll systems daily. Whether it's digital payments, claims processing, benefit administration, automated tolling, customer care or distributed learning - Conduent manages and modernizes these interactions to create value for both its clients and their constituents. Learn more at www.conduent.com.

Non-GAAP Measures

We have reported our financial results in accordance with U.S. generally accepted accounting principles (GAAP). In addition, we have discussed our financial results using non-GAAP measures. We believe these non-GAAP measures allow investors to better understand the trends in our business and to better understand and compare our results. Accordingly, we believe it is necessary to adjust several reported amounts, determined in accordance with GAAP, to exclude the effects of certain items as well as their related tax effects. Management believes that these non-GAAP financial measures provide an additional means of analyzing the current periods' results against the corresponding prior periods' results. These non-GAAP financial measures should be viewed in addition to, and not as a substitute for, the Company's reported results prepared in accordance with U.S. GAAP. Our non-GAAP financial measures are not meant to be considered in isolation or as a substitute for comparable U.S. GAAP measures and should be read only in conjunction with our Condensed Consolidated Financial Statements prepared in accordance with U.S. GAAP. Our management regularly uses supplemental non-GAAP financial measures internally to understand, manage and evaluate our business and make operating decisions, and providing such non-GAAP financial measures to investors allows for a further level of transparency as to how management reviews and evaluates our business results and trends. These non-GAAP measures are among the primary factors management uses in planning for and forecasting future periods. Compensation of our executives is based in part on the performance of our business based on these non-GAAP measures. Refer to the "Non-GAAP Financial Measures" section attached to this release for a discussion of these non-GAAP measures and their reconciliation to the reported GAAP measures.

Forward-Looking Statements

This Report and any exhibits to this Report may contain "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. The words “anticipate,” “believe,” “estimate,” “expect,” “intend,” “will,” “should” and similar expressions, as they relate to us, are intended to identify forward-looking statements. These statements reflect management's current beliefs, assumptions and expectations and are subject to a number of factors that may cause actual results to differ materially. Such factors include, but are not limited to: termination rights contained in our government contracts; our ability to renew commercial and government contracts awarded through competitive bidding processes; our ability to recover capital and other investments in connection with our contracts; our ability to attract and retain necessary technical personnel and qualified subcontractors; our ability to deliver on our contractual obligations properly and on time; competitive pressures; our significant indebtedness; changes in interest in outsourced business process services; our ability to obtain adequate pricing for our services and to improve our cost structure; claims of infringement of third-party intellectual property rights; the failure to comply with laws relating to individually identifiable information, and personal health information and laws relating to processing certain financial transactions, including payment card transactions and debit or credit card transactions; breaches of our security systems and service interruptions; our ability to estimate the scope of work or the costs of performance in our contracts; our ability to collect our receivables for unbilled services; a decline in revenues from or a loss or failure of significant clients; fluctuations in our non-recurring revenue; our failure to maintain a satisfactory credit rating; our ability to attract and retain key employees; increases in the cost of telephone and data services or significant interruptions in such services; our failure to develop new service offerings; our ability to receive dividends or other payments from our subsidiaries; changes in tax and other laws and regulations; changes in government regulation and economic, strategic, political and social conditions; changes in U.S. GAAP or other applicable accounting policies; 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 2017 Annual Report on Form 10-K filed with the Securities and Exchange Commission. Any forward-looking statements made by us in this report 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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CONDUENT INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (LOSS) (UNAUDITED)

(in millions, except per-share data)	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017
Revenue	$ 1,420	$ 1,553
Cost of services	1,168	1,294
Gross Margin	252	259
Operating Costs and Expenses		
Research and development	2	4
Selling, general and administrative	145	169
Restructuring and related costs	20	18
Amortization of acquired intangible assets	61	61
Separation costs	—	5
Interest expense	33	36
(Gain) loss on divestitures and transaction costs	15	—
Litigation costs (recoveries), net	31	(11)
Other (income) expenses, net	(1)	(1)
Total Operating Costs and Expenses	306	281
Income (Loss) Before Income Taxes	(54)	(22)
Income tax expense (benefit)	(4)	(12)
Income (Loss) From Continuing Operations	(50)	(10)
Income from discontinued operations, net of tax	—	4
Net Income (Loss)	$ (50)	$ (6)
Basic Earnings (Loss) per Share:		
Continuing operations	$ (0.26)	$ (0.06)
Discontinued operations	—	0.02
Total Basic Earnings (Loss) per Share	$ (0.26)	$ (0.04)
Diluted Earnings (Loss) per Share:		
Continuing operations	$ (0.26)	$ (0.06)
Discontinued operations	—	0.02
Total Diluted Earnings (Loss) per Share	$ (0.26)	$ (0.04)

EXHIBIT 99.1

CONDUENT INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

	Three Months Ended March 31,	
(in millions)	2018	2017
Net Income (Loss)	$ (50)	$ (6)
Other Comprehensive Income (Loss), Net:		
Currency translation adjustments, net	9	12
Reclassification of currency translation adjustments on divestitures	5	—
Unrecognized gains (loss), net	(1)	2
Changes in benefit plans, net	—	1
Other Comprehensive Income (Loss), Net	13	15
Comprehensive Income (Loss), Net	$ (37)	$ 9

EXHIBIT 99.1

CONDUENT INCORPORATED
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(in millions, except share data in thousands)	March 31, 2018	December 31, 2017
Assets		
Cash and cash equivalents	$ 553	$ 658
Accounts receivable, net	1,026	1,114
Assets held for sale	659	757
Contract assets	163	—
Other current assets	219	181
Total current assets	2,620	2,710
Land, buildings and equipment, net	260	257
Intangible assets, net	831	891
Goodwill	3,457	3,366
Other long-term assets	343	324
Total Assets	$ 7,511	$ 7,548
Liabilities and Equity		
Short-term debt and current portion of long-term debt	$ 81	$ 82
Accounts payable	152	138
Accrued compensation and benefits costs	289	335
Unearned income	142	151
Liabilities held for sale	173	169
Other current liabilities	537	493
Total current liabilities	1,374	1,368
Long-term debt	1,972	1,979
Deferred taxes	382	384
Other long-term liabilities	131	146
Total Liabilities	3,859	3,877
Series A convertible preferred stock	142	142
Common stock	2	2
Additional paid-in capital	3,853	3,850
Retained earnings (deficit)	136	171
Accumulated other comprehensive loss	(481)	(494)
Total Equity	3,510	3,529
Total Liabilities and Equity	$ 7,511	$ 7,548
Shares of common stock issued and outstanding	210,494	210,440
Shares of series A convertible preferred stock issued and outstanding	120	120

CONDUENT INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	Three Months Ended March 31,	
(in millions)	2018	2017
Cash Flows from Operating Activities:		
Net income (loss)	$ (50)	$ (6)
Adjustments required to reconcile net income (loss) to cash flows from operating activities:		
Depreciation and amortization	117	125
Deferred income taxes	(8)	(6)
(Gain) loss from investments	(1)	(3)
Amortization of debt financing costs	2	2
Net (gain) loss on divestitures and transaction costs	15	(7)
Stock-based compensation	7	6
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(75)	(110)
(Increase) decrease in other current and long-term assets	(49)	(34)
Increase (decrease) in accounts payable and accrued compensation	(40)	(49)
Increase (decrease) in restructuring liabilities	7	3
Increase (decrease) in other current and long-term liabilities	43	(17)
Net change in income tax assets and liabilities	(5)	(9)
Other operating, net	(1)	(2)
Net cash provided by (used in) operating activities	(38)	(107)
Cash Flows from Investing Activities:		
Cost of additions to land, buildings and equipment	(33)	(17)
Cost of additions to internal use software	(6)	(8)
Net cash (used in) provided by investing activities	(39)	(25)
Cash Flows from Financing Activities:		
Proceeds on long-term debt	—	306
Debt issuance fee payments	—	(1)
Payments on debt	(21)	(144)
Net (payments to) transfer from former parent company	—	(161)
Issuance of common stock related to employee stock plans	(4)	(2)
Dividends paid on preferred stock	(2)	(2)
Other financing	—	(2)
Net cash provided by (used in) financing activities	(27)	(6)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	—	2
Increase (decrease) in cash, cash equivalents and restricted cash	(104)	(136)
Cash, Cash Equivalents and Restricted Cash at Beginning of Period[1]	667	416
Cash, Cash Equivalents and Restricted Cash at End of period[1]	$ 563	$ 280

(1) Includes approximately $10 million and $25 million of restricted cash for 2018 and 2017, respectively, that were included in Other current assets on the Condensed Consolidated Balance Sheets.

Non-GAAP Financial Measures

We have reported our financial results in accordance with U.S. GAAP. In addition, we have discussed our results using non-GAAP measures.

We believe these non-GAAP measures allow investors to better understand the trends in our business and to better understand and compare our results. Accordingly, we believe it is necessary to adjust several reported amounts, determined in accordance with GAAP, to exclude the effects of certain items as well as their related tax effects. Management believes that these non-GAAP financial measures provide an additional means of analyzing the current periods' results against the corresponding prior periods' results. However, these non-GAAP financial measures should be viewed in addition to, and not as a substitute for, the Company's reported results prepared in accordance with U.S. GAAP. Our non-GAAP financial measures are not meant to be considered in isolation or as a substitute for comparable U.S. GAAP measures and should be read only in conjunction with our Condensed Consolidated Financial Statements prepared in accordance with U.S. GAAP. Our management regularly uses our supplemental non-GAAP financial measures internally to understand, manage and evaluate our business and make operating decisions, and providing such non-GAAP financial measures to investors allows for a further level of transparency as to how management reviews and evaluates our business results and trends. These non-GAAP measures are among the primary factors management uses in planning for and forecasting future periods . Compensation of our executives is based in part on the performance of our business based on these non-GAAP measures.

A reconciliation of the non-GAAP financial measures to the most directly comparable financial measures calculated and presented in accordance with GAAP are provided below.

These reconciliations also include the income tax effects for our non-GAAP performance measures in total, to the extent applicable. The income tax effects are calculated under the same accounting principles as applied to our reported pre-tax performance measures under ASC 740, which employs an annual effective tax rate method including an adjustment for estimated Base Erosion and Anti-Abuse Tax (BEAT). The noted income tax effect for our non-GAAP performance measures is effectively the difference in income taxes for reported and adjusted pre-tax income calculated under the annual effective tax rate method. The tax effect of the non-GAAP adjustments was calculated based upon evaluation of the statutory tax treatment and the applicable statutory tax rate in the jurisdictions in which such charges were incurred.

Adjusted Net Income (Loss), Adjusted Earnings per Share and Adjusted Effective Tax Rate

We make adjustments to Income (Loss) before Income Taxes for the following items for the purpose of calculating Adjusted Net Income (Loss), Adjusted Earnings per Share and Adjusted Effective Tax Rate:

- Amortization of acquired intangible assets. The amortization of intangible assets is driven by acquisition activity, which can vary in size, nature and timing as compared to other companies within our industry from period to period.
- Restructuring and related costs. Restructuring and related costs include restructuring and asset impairment charges as well as costs associated with our strategic transformation program.
- Separation costs. Separation costs are expenses incurred in connection with the separation from Xerox Corporation into a separate, independent, publicly traded company. These costs primarily relate to third-party investment banking, accounting, legal, consulting and other similar types of services related to the separation transaction as well as costs associated with the operational separation of the two companies.
- Other (income) expenses, net. Other (income) expenses, net includes currency (gains) losses, net and all other (income) expenses, net.
- NY Medicaid Management Information System (NY MMIS). Costs associated with the company not fully completing the State of New York Health Enterprise platform project.
- Health Enterprise (HE charge). Cost associated with not fully completing the Health Enterprise Medical platform implementation projects in California and Montana.
- Litigation costs (recoveries), net.
- (Gain) loss on divestitures and transaction costs.

The Company provides adjusted net income and adjusted EPS financial measures to assist our investors in evaluating our ongoing operating performance for the current reporting period and, where provided, over different reporting periods, by adjusting for certain items which may be recurring or non-recurring and which in our view do not necessarily reflect ongoing performance. We also internally use these measures to assess our operating performance, both absolutely and in comparison to other companies, and in evaluating or making selected compensation decisions.

Management believes that adjusted effective tax rate, provided as supplemental information, facilitates a comparison by investors of our actual effective tax rate with an adjusted effective tax rate which reflects the impact of the items which are excluded in providing adjusted net income, and may provide added insight into our underlying business results and how effective tax rates impact our ongoing business.

Adjusted Revenue and Operating Income and Adjusted Operating Margin

We make adjustments to Revenue, Costs and Expenses and Operating Margin for the following items, for the purpose of calculating Adjusted Operating Income and Adjusted Operating Margin:

- Amortization of acquired intangible assets.
- Restructuring and related costs.
- Separation costs.
- Interest expense. Interest expense includes interest on long-term debt and amortization of debt issuance costs.
- Other (income) expenses, net.
- NY MMIS.
- HE charge.
- Litigation costs (recoveries), net.
- (Gain) loss on divestitures and transaction costs.
- ASC 606 adjustment.
- (Revenue) / (Income) loss from divestitures.

We provide our investors with adjusted revenue, adjusted operating income and adjusted operating margin information, as supplemental information, because we believe it offers added insight, by itself and for comparability between periods, by adjusting for certain non-cash items as well as certain other identified items which we do not believe are indicative of our ongoing business, and may also provide added insight on trends in our ongoing business.

Adjusted EBITDA and EBITDA Margin

We use Adjusted EBITDA and EBITDA Margin as an additional way of assessing certain aspects of our operations that, when viewed with the GAAP results and the accompanying reconciliations to corresponding GAAP financial measures, provide a more complete understanding of our on-going business. Adjusted EBITDA represents income (loss) before interest, income taxes, depreciation and amortization adjusted for the following items. EBITDA margin is Adjusted EBITDA divided by adjusted revenue.

- Restructuring and related costs.
- Separation costs.
- Other (income) expenses, net.
- NY MMIS.
- HE charge.
- Litigation costs (recoveries), net.
- (Gain) loss on divestitures and transaction costs.
- ASC 606 adjustment.
- (Revenue) / (Income) loss from divestitures.

Adjusted EBITDA is not intended to represent cash flows from operations, operating income (loss) or net income (loss) as defined by U.S. GAAP as indicators of operating performances. Management cautions that amounts presented in accordance with Conduent's definition of Adjusted EBITDA and EBITDA margin may not be comparable to similar measures disclosed by other companies because not all companies calculate Adjusted EBITDA and EBITDA margin in the same manner.

Free Cash Flow

Free Cash Flow is defined as cash flows from operating activities as reported on the consolidated statement of cash flows, less cost of additions to land, buildings and equipment, cost of additions to internal use software, vendor financed capital lease additions and proceeds from sales of land, buildings and equipment. We use the non-GAAP measure of Free Cash Flow as a criterion of liquidity and performance-based components of employee compensation. We use Free Cash Flow as a measure of liquidity to determine amounts we can reinvest in our core businesses, such as amounts available to make acquisitions, invest in land, buildings and equipment and internal use software, make principal payments on debt. In order to provide a meaningful basis for comparison, we are providing information with respect to our Free Cash Flow reconciled to cash flow provided by operating activities, which we believe to be the most directly comparable measure under U.S. GAAP.

Adjusted Free Cash Flow

Adjusted free cash flow is defined as free cash flow from above plus deferred compensation payments.

Adjusted Cash

Adjusted cash is defined as the cash and cash equivalents less cash from terminated deferred compensation to be paid to plan participants.

Constant Currency

To better understand trends in our business, we believe that it is helpful to adjust revenue to exclude the impact of changes in the translation of foreign currencies into U.S. Dollars. We refer to this adjusted revenue as “constant currency.” Currency impact is the difference between actual growth rates and constant currency growth rates.

Non-GAAP Outlook

In providing outlook for adjusted EBITDA we exclude certain items which are otherwise included in determining the comparable GAAP financial measure. A description of the adjustments which historically have been applicable in determining adjusted EBITDA are reflected in the table below. We are providing such outlook only on a non-GAAP basis because the Company is unable to predict with reasonable certainty the totality or ultimate outcome or occurrence of these adjustments for the forward-looking period, such as amortization, restructuring, separation costs, NY MMIS, HE charge, and certain other adjusted items, which can be dependent on future events that may not be reliably predicted. Based on past reported results, where one or more of these items have been applicable, such excluded items could be material, individually or in the aggregate, to reported results.

Net Income (Loss) and EPS Reconciliation:

	Three Months Ended			
	March 31, 2018		March 31, 2017	
(in millions, except earnings per share)	Net Income (Loss)	Diluted EPS	Net Income (Loss)	Diluted EPS
GAAP as Reported From Continuing Operations	$ (50)	$ (0.26)	$ (10)	$ (0.06)
Adjustments:				
Amortization of acquired intangible assets	61		61	
NY MMIS	—		8	
Restructuring and related costs	20		18	
HE charge	—		(5)	
Separation costs	—		5	
(Gain) loss on divestitures and transaction costs	15		—	
Litigation costs (recoveries), net	31		(11)	
Other (income) expenses, net	(1)		(1)	
Less: Income tax adjustments(1)	(29)		(30)	
Adjusted Net Income (Loss) and EPS	$ 47	$ 0.22	$ 35	$ 0.16
(GAAP shares)				
Weighted average common shares outstanding		205		203
Restricted stock and performance units / shares		—		—
Adjusted Weighted Average Shares Outstanding(2)		205		203
(Non-GAAP shares)				
Weighted average common shares outstanding		205		203
Restricted stock and performance shares		3		2
Adjusted Weighted Average Shares Outstanding(2)		208		205

(1) Reflects the income tax (expense) benefit of the adjustments. Refer to the Effective Tax Rate reconciliation details.

(2) Average shares for the 2018 and 2017 calculation of adjusted EPS excludes 5 million shares associated with our Series A convertible preferred stock and includes the impact of the preferred stock quarterly dividend of approximately $2.4 million.

Effective Tax Rate Reconciliation:

	Three Months Ended March 31, 2018			Three Months Ended March 31, 2017		
(in millions)	Pre-Tax Income (Loss)	Income Tax (Benefit) Expense	Effective Tax Rate	Pre-Tax Income (Loss)	Income Tax (Benefit) Expense	Effective Tax Rate
GAAP as Reported From Continuing Operations	$ (54)	$ (4)	7.4%	$ (22)	$ (12)	54.5%
Non-GAAP adjustments(1)	126	29		75	30	
Adjusted(2)	$ 72	$ 25	34.7%	$ 53	$ 18	34.0%

(1) Refer to Net Income (Loss) reconciliation for details.

(2) The tax impact of Adjusted Pre-Tax Income (Loss) from continuing operations is calculated under the same accounting principles applied to the As Reported Pre-Tax Income, which employs an annual effective tax rate method to the results including an adjustment for estimated BEAT.

Revenue and Operating Income / Margin Reconciliation:

	Three Months Ended March 31, 2018			Three Months Ended March 31, 2017		
(in millions)	Profit (Loss)	Revenue	Margin	Profit (Loss)	Revenue	Margin
GAAP as Reported[(1)]	$ (54)	$ 1,420	(3.8)%	$ (22)	$ 1,553	(1.4)%
Adjustments:						
Amortization of acquired intangible assets	61			61		
NY MMIS	—			8		
Restructuring and related costs	20			18		
HE charge	—			(5)		
Separation costs	—			5		
Interest expense	33			36		
(Gain) loss on divestitures and transaction costs	15			—		
Litigation costs (recoveries), net	31			(11)		
Other (income) expenses, net	(1)			(1)		
Adjusted Operating Income/Margin	$ 105	$ 1,420	7.4 %	$ 89	$ 1,553	5.7 %

	Three Months Ended March 31, 2018			Three Months Ended March 31, 2017		
				Adjusted for 606 and Divestitures		
(in millions)	Profit (Loss)	Revenue	Margin	Profit (Loss)	Revenue	Margin
GAAP as Reported[(1)]	$ (54)	$ 1,420	(3.8)%	$ (22)	$ 1,553	(1.4)%
Adjustments:						
Amortization of acquired intangible assets	61			61		
NY MMIS	—			8		
Restructuring and related costs	20			18		
HE charge	—			(5)		
Separation costs	—			5		
Interest expense	33			36		
(Gain) loss on divestitures and transaction costs	15			—		
Litigation costs (recoveries), net	31			(11)		
ASC 606 adjustment	—	—		(3)	(46)	
Less (income) loss from divestitures	—	—		(3)	(23)	
Other (income) expenses, net	(1)			(1)		
Adjusted Operating Income/Margin	$ 105	$ 1,420	7.4 %	$ 83	$ 1,484	5.6 %

(1) Pre-Tax Loss and revenue from continuing operations.

EXHIBIT 99.1

Adjusted EBITDA / Margin Reconciliation:

(in millions)	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017
GAAP Revenue As Reported	$ 1,420	$ 1,553
Reconciliation to Adjusted EBITDA		
GAAP Net Income (Loss) from Continuing Operations	(50)	(10)
Interest expense	33	36
Income tax expense (benefit)	(4)	(12)
Segment depreciation and amortization	56	64
Amortization of acquired intangible assets	61	61
EBITDA	96	139
EBITDA Margin	*6.8%*	*9.0%*
EBITDA	$ 96	$ 139
Adjustments:		
Restructuring and related costs	20	18
Separation costs	—	5
NY MMIS	—	8
HE charge	—	(5)
(Gain) loss on divestitures and transaction costs	15	—
Litigation costs (recoveries), net	31	(11)
Other (income) expenses, net	(1)	(1)
Adjusted EBITDA	$ 161	$ 153
Adjusted EBITDA Margin	*11.3%*	*9.9%*

(in millions)	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017
	Adjusted for 606 and Divestitures	
GAAP Revenue As Reported	$ 1,420	$ 1,553
ASC 606 adjustment	—	(46)
Less revenue from divestitures	$ —	$ (23)
Adjusted Revenue From Continuing Operations	$ 1,420	$ 1,484
Reconciliation to Adjusted EBITDA		
GAAP Net Income (Loss) from Continuing Operations	(50)	(10)
Interest expense	33	36
Income tax expense (benefit)	(4)	(12)
Segment depreciation and amortization	56	64
Amortization of acquired intangible assets	61	61
ASC 606 adjustment	—	(3)
Less pre-tax (income) loss from divestitures	—	(3)
EBITDA	96	133
EBITDA Margin	*6.8%*	*9.0%*
EBITDA	$ 96	$ 133
Adjustments:		
Restructuring and related costs	20	18
Separation costs	—	5
NY MMIS	—	8
HE charge	—	(5)
(Gain) loss on divestitures and transaction costs	15	—
Litigation costs (recoveries), net	31	(11)
Other (income) expenses, net	(1)	(1)
Adjusted EBITDA	$ 161	$ 147
Adjusted EBITDA Margin	*11.3%*	*9.9%*

Free Cash Flow Reconciliation:

(in millions)	Three Months Ended March 31, 2018	2017
Operating Cash Flow	$ (38)	$ (107)
Cost of additions to land, buildings and equipment	(33)	(17)
Cost of additions to internal use software	(6)	(8)
Vendor financed capital leases	—	(12)
Free Cash Flow	**$ (77)**	**$ (144)**
Free Cash Flow	$ (77)	$ (144)
Deferred compensation payments and adjustments	7	1
Transaction costs	1	—
Adjusted Free Cash Flow	**$ (69)**	**$ (143)**

Cash / Adjusted Cash Reconciliation:

(in millions)	As of March 31, 2018	As of December 31, 2017
Cash and cash equivalents	$ 553	$ 658
Deferred compensation payments and adjustments	7	17
Deferred compensation payable	(99)	(116)
Adjusted cash and cash equivalents	**$ 461**	**$ 559**

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May 9, 2018

Conduent
Q1 2018
Earnings Results

Cautionary Statements

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Forward-Looking Statements

This report contains "forward-looking statements", as defined in the Private Securities Litigation Reform Act of 1995, that involve risks and uncertainties. These statements can be identified by the fact that they do not relate strictly to historical or current facts, but rather are based on current expectations, estimates, assumptions and projections about the business process outsourcing industry and our business and financial results. Forward-looking statements often include words such as "anticipates," "estimates," "expects," "projects," "intends," "plans," "believes" and words and terms of similar substance in connection with discussions of future operating or financial performance. As with any projection or forecast, forward-looking statements are inherently susceptible to uncertainty and changes in circumstances. Our actual results may vary materially from those expressed or implied in our forward-looking statements. Accordingly, undue reliance should not be placed on any forward-looking statement made by us or on our behalf. 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: termination rights contained in our government contracts; our ability to renew commercial and government contracts awarded through competitive bidding processes; our ability to recover capital and other investments in connection with our contracts; our ability to attract and retain necessary technical personnel and qualified subcontractors; our ability to deliver on our contractual obligations properly and on time; competitive pressures; our significant indebtedness; changes in interest in outsourced business process services; our ability to obtain adequate pricing for our services and to improve our cost structure; claims of infringement of third-party intellectual property rights; the failure to comply with laws relating to individually identifiable information, and personal health information and laws relating to processing certain financial transactions, including payment card transactions and debit or credit card transactions; breaches of our security systems and service interruptions; our ability to estimate the scope of work or the costs of performance in our contracts; our ability to collect our receivables for unbilled services; a decline in revenues from or a loss or failure of significant clients; fluctuations in our non-recurring revenue; our failure to maintain a satisfactory credit rating; our ability to attract and retain key employees; increases in the cost of telephone and data services or significant interruptions in such services; our failure to develop new service offerings; our ability to receive dividends or other payments from our subsidiaries; changes in tax and other laws and regulations; changes in government regulation and economic, strategic, political and social conditions; changes in U.S. GAAP or other applicable accounting policies; 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 2017 Annual Report on Form 10-K filed with the Securities and Exchange Commission. Any forward-looking statements made by us in this presentation 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.

Non-GAAP Financial Measures

We have reported our financial results in accordance with U.S. generally accepted accounting principles (GAAP). In addition, we have discussed our financial results using non-GAAP measures. We believe these non-GAAP measures allow investors to better understand the trends in our business and to better understand and compare our results. Accordingly, we believe it is necessary to adjust several reported amounts, determined in accordance with GAAP, to exclude the effects of certain items as well as their related tax effects. Management believes that these non-GAAP financial measures provide an additional means of analyzing the current periods' results against the corresponding prior periods' results. However, these non-GAAP financial measures should be viewed in addition to, and not as a substitute for, the Company's reported results prepared in accordance with U.S. GAAP. Our non-GAAP financial measures are not meant to be considered in isolation or as a substitute for comparable U.S. GAAP measures and should be read only in conjunction with our Condensed Consolidated Financial Statements prepared in accordance with U.S. GAAP. Our management regularly uses our supplemental non-GAAP financial measures internally to understand, manage and evaluate our business and make operating decisions, and providing such non-GAAP financial measures to investors allows for a further level of transparency as to how management reviews and evaluates our business results and trends. These non-GAAP measures are among the primary factors management uses in planning for and forecasting future periods. Compensation of our executives is based in part on the performance of our business based on certain of these non-GAAP measures. Non-GAAP measures are footnoted, where applicable, in each slide herein.

Q1 2018 Overview

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Key Quarterly Highlights

- Revenue flat (adjusting for ASC 606, divestitures and strategic decisions) - demonstrates improvement in core business
- Strong Adjusted EBITDA margin expansion with meaningful profitability improvement in both segments
- TCV signings of $1.4B up 53% yr/yr
- Strong yr/yr cash improvement - reduced cash usage by 50%

Portfolio Highlights

- Update on $250M - $500M of targeted revenue for divestitures
  - Signed divestitures(1) representing ~$321M in 2017 revenue
  - ~$175M from Public Sector in progress
- Targeting divesting an additional ~$500M of revenue from select Customer Care contracts

Revenue(2)	Profitability(2)	Adjusted EBITDA(2)
$1,420M, down 9% yr/yr as reported and flat yr/yr adjusting for ASC 606, divestitures and strategic decisions	Adjusted operating margin of 7.4%, up 180 bps yr/yr, adjusting for ASC 606 and divestitures GAAP diluted EPS from cont. operations $(0.26) Adj. diluted EPS from cont. operations $0.22	$161M, up 10% yr/yr adjusting for ASC 606 and divestitures Adj EBITDA margin of 11.3%, up 140 bps yr/yr adjusting for ASC 606 and divestitures

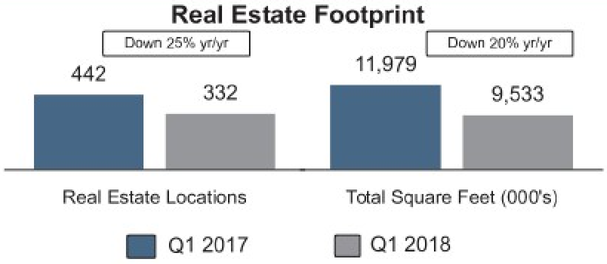
(1) Signed deals are subject to regulatory approvals and customary closing conditions
(2) Refer to Appendix for Non-GAAP reconciliations of adjusted revenue, adjusted operating income/margin, adjusted EBITDA/margin and adjusted EPS and for impact from ASC 606 accounting change and divestitures

Strategic Transformation

Progress and Outlook

- Remain on-target for cumulative 2018 transformation goal of ~$700M
- Remediated last of six large Customer Care contracts
    - Received price increase (improves profitability in 2018)
    - Expect to address long-term contract via strategic options by Q2 2019
- IT transformation and real estate rationalization progressing according to plan and will have a meaningful impact in FY 2018
- Total SG&A down vs Q1 2017 with increased sales spend and lower G&A
    - Sales spend up 3% yr/yr; G&A spend down 19% yr/yr

Real Estate Footprint



Selling, General & Administrative (SG&A) Trends

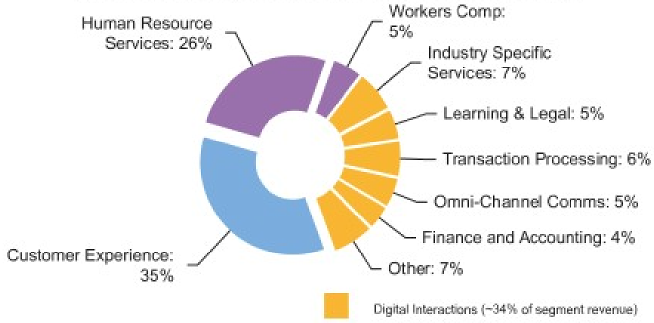
(1) Refer to Appendix for Non-GAAP reconciliations of ASC 606 accounting change and divestitures

Segment Summary - Q1 2018

Commercial
(adjusting for impact of ASC 606)(1)

- Revenue excluding strategic decisions, **up 3%** yr/yr
  - Revenue down (2)%
- Adj. EBITDA margin improved 210 bps yr/yr through better technology deployment, price increases and operational efficiencies
- Revenue productivity ~$50K per employee(2), flat with Q1 2017
- European revenue ~11% of Commercial; continued focus for expansion

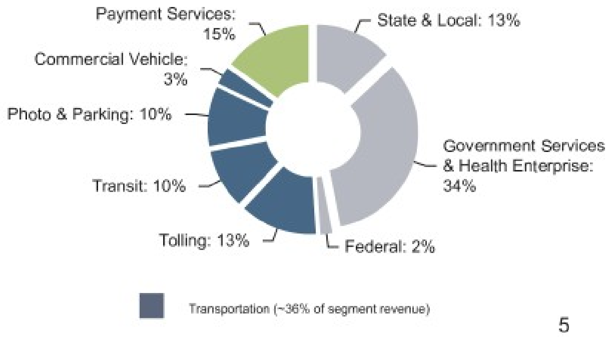
Q1 Revenue By Service Line (% of segment total)



Public Sector
(adjusting for impact of ASC 606)(1)

- Revenue excluding strategic decisions down (4)% yr/yr
  - Revenue down (6)%
- Adj. EBITDA margin improved 120 bps yr/yr driven by operational efficiencies and price increases
- Revenue productivity ~$217K per employee(2), down ~2% vs. Q1 2017

Q1 Revenue By Business (% of segment total)



(1) Refer to Appendix for Non-GAAP reconciliations of ASC 606 accounting change
(2) Revenue productivity excludes corporate overhead

Q1 2018 Signings, Pipeline and Renewal Rate[1]

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$1,428M

Total Contract Value (TCV) Signings

- TCV up 53% yr/yr, driven by increased renewal activity partially offset by new business signings decline

94%

Renewal Rate

- Renewals: $1,022M, grew 155% yr/yr driven primarily by commercial clients
- Reflects opportunities in-line with business model, acceptable margin and risk

$406M

New Business TCV

- New Business: $406M, declined 23% yr/yr
- Continued focus on strategic wins with acceptable margin
- Sales investment leading to results; 60% of new business signings from new clients and better cross-sell

~$12B

Rolling 12-Month Pipeline

- Reflects increased discipline, focus on profitable strategic deals (removal of stand-alone customer experience) and one lost large transit deal
- Seeing strong demand across all sectors, especially for tech-based platform deals

(1) See definitions in Appendix

Financials

Q1 2018 Earnings

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(in millions)	Q1 2018	Q1 2017	B/(W) Yr/Yr	Q1 2017 adjusted for 606, Divestitures(1)	B/(W) Yr/Yr adjusted for 606, Divestitures	Comments Q1 2018 vs Q1 2017
Revenue	$1,420	$1,553	($133)	$1,484	($64)	Decline driven by ASC 606, divestitures and strategic actions
Gross margin	*17.7%*	*16.7%*	*+100 bps*			
SG&A	145	169	24			Transformation progress
Adjusted operating income(1)	**$105**	**$89**	**$16**	**$83**	**$22**	Improvements in gross margin and lower G&A
Adjusted operating margin(1)	***7.4%***	***5.7%***	***+170 bps***	***5.6%***	***+180 bps***	
Adjusted EBITDA[1]	**$161**	**$153**	**$8**	**$147**	**$14**	Transformation initiative and contract remediation
Adjusted EBITDA margin[1]	***11.3%***	***9.9%***	***+140 bps***	***9.9%***	***+140 bps***	
Amortization of acquired intangible assets	61	61	—			
Restructuring, and related costs	20	18	(2)			
Interest expense	33	36	3			
Separation costs	—	5	5			
(Gain) loss on divestitures and transaction costs	15	—	(15)			Divestiture transaction costs
Other net expense / (income)	32	(8)	(40)			Litigation-related contract termination
Pretax income (loss)	**(54)**	**(22)**	**(32)**			
GAAP tax (benefit)	($4)	($12)	($8)			
GAAP net income (loss) from Continuing Operations	**($50)**	**($10)**	**($40)**			
GAAP Diluted EPS from Continuing Operations	**($0.26)**	**($0.06)**	**($0.20)**			
Adjusted tax rate(1)	34.7%	34.0%	*(70 bps)*			
Adjusted net income(1)	$47	$35	$12			Margin expansion
Adjusted Diluted EPS[1] from Continuing Operations	**$0.22**	**$0.16**	**$0.06**			

(1) Adjusted 2017 results for impact from ASC 606 accounting change and divestitures. Please refer to Appendix for Non-GAAP reconciliations

Commercial Segment

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Quarterly Revenue and Profit
(adjusting for ASC 606)(1)

	Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q1 '18
Segment Profit(1)	$25	$31	$49	$71	$44
Segment Margin(1)	2.9%	3.7%	6.0%	8.3%	5.2%
AEBITDA(1)	$61	$69	$83	$105	$78
AEBITDA Margin(1)	7.0%	8.3%	10.1%	12.3%	9.1%

Revenue ($ in M) — **% Segment Margin**

Q1 2018 Segment Highlights(1)

- Revenue declined (2)% yr/yr, impacted by strategic decisions
  - Excluding strategic decisions, revenue up 3% yr/yr
  - Improved revenue trajectory driven by contract remediation and expansion with existing clients in high-tech, pharma/life sciences

- Segment profit grew 76% yr/yr, driven by strategic transformation / contract remediation / delivery efficiency

(1) Adjusted 2017 results for impact from ASC 606 accounting change. Please refer to Appendix for Non-GAAP reconciliations for adjusted EBITDA and adjusted EBITDA margin

Public Sector Segment

Quarterly Revenue and Profit
(adjusting for ASC 606)[1]

	Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q1 '18
Segment Profit[1]	$55	$51	$58	$62	$65
Segment Margin[1]	9.3%	8.8%	9.9%	10.6%	11.6%
AEBITDA[1]	$85	$81	$84	$84	$87
AEBITDA Margin[1]	14.4%	13.9%	14.4%	14.4%	15.6%

Revenue ($ in M) — **% Segment Margin**

Q1 2018 Segment Highlights[1]

- Revenue down (6)% yr/yr, impacted by prior year strategic actions and contract losses
  - Excluding strategic actions, down (4)% yr/yr
- Health Enterprise reclassified to Public Sector
- Transportation down both yr/yr and sequentially, but expected to be up in FY 2018 (excluding 2018 divestiture impact) from Q2 2018 contract ramp
- Segment profit improved 18% yr/yr driven by strategic transformation savings and revenue mix

(1) Adjusted 2017 results for impact from ASC 606 accounting change. Please refer to Appendix for Non-GAAP reconciliations for adjusted EBITDA and adjusted EBITDA margin

Other Segment

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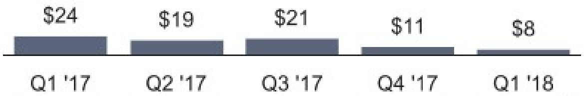
Quarterly Revenue and Profit

(adjusting for ASC 606 and divestitures)[1]



	Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q1 '18
Segment Profit (Loss)[1]	$—	$1	$2	($5)	($4)
AEBITDA[1]	$1	$3	$3	($4)	($4)

Reported Quarterly Revenue and Profit

	Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q1 '18
Segment Profit (Loss)[1]	$3	$2	$4	$(5)	$(4)
AEBITDA[1]	$4	$4	$5	$(4)	$(4)

Q1 2018 Segment Highlights[1]

- Revenue declined (67)% yr/yr and (27)% sequentially as education business run-off accelerated
- Expecting run-rate of $0 revenue and break-even by end of 2018

(1) Adjusted 2017 results for impact from ASC 606 accounting change and divestitures. Please refer to Appendix for Non-GAAP reconciliations

Cash Flow

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(in millions)

	Q1 2017	Q1 2018	B/(W) Yr/Yr
Net loss	**($6)**	**($50)**	**($44)**
Depreciation & amortization	125	117	(8)
Stock-based compensation	6	7	1
Deferred tax benefit	(6)	(8)	(2)
Restructuring payments	(9)	(12)	(3)
Restructuring and related costs	12	19	7
Change for income tax assets and liabilities	(9)	(5)	4
Change in accounts receivable	(110)	(75)	35
Change in other net working capital	(100)	(46)	54
Other[1]	(10)	15	25
Operating Cash Flow	**($107)**	**($38)**	**$69**
Purchase of LB&E[2] and other	(25)	(39)	(14)
Investing Cash Flow	**($25)**	**($39)**	**($14)**
Cash from Financing	**($6)**	**($27)**	**($21)**
Effect of exchange rates on cash and cash equivalents	2	—	(2)
Change in cash, restricted cash and cash equivalents	(136)	(104)	32
Beginning cash, restricted cash and cash equivalents[3]	416	667	251
Ending Cash, Restricted Cash and Cash Equivalents[3]	**$280**	**$563**	**$283**
Memo: Adjusted Free Cash Flow[4]	**($143)**	**($69)**	**$74**

Q1 2018 Commentary:

- Improvement in operating cash flow driven by working capital
- Adjusted free cash flow[5] of $(69)M; improvement of $74M vs Q1 2017
- Capex ~2.7% of Revenue in Q1 2018. Expected to be ~3% of Revenue in FY 2018

(1) Includes gain (loss) on investments, amortization of financing costs, net (gain) loss on divestitures and transaction costs, and Other operating, net
(2) Includes cost of additions to land, building and equipment (LB&E) and internal use software
(3) Includes approximately $10 million and $25 million of restricted cash for 2018 and 2017, respectively, that were included in Other current assets on the Condensed Consolidated Balance Sheets
(4) Adjusted free cash flow is defined as operating cash flow less cost of net additions to land, building and equipment, internal use software and cost of capital leases, and the addition of net deferred compensation payments, and tax and other payments related to divestitures (Q1 2018 includes $1 million of divestiture expenses and $7 million of net deferred compensation payment). Please refer to Appendix for Non-GAAP reconciliation

Capital Structure Overview

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Debt Structure ($ in millions)

(in millions)	12/31/2017	3/31/2018
Total Cash	**$658**	**$553**
Deferred Comp Cash	*(99)*	*(92)*
Adjusted Cash(1)	**559**	**461**
Total Debt(2)	**2,061**	**2,053**
Term Loan A(3), (6) due 2021	732	728
Term Loan B(3) due 2023	842	840
10.5% Senior Notes due 2024	510	510
Capital Leases	33	28
Current net leverage ratio(5)	2.2x	2.4x

Credit Metrics

FY 2018E interest expense	**~$135M**
Preferred dividend (annual)	*~$10M*
Target net leverage ratio	<2.5x
Average remaining maturity on outstanding debt	~5.3 years

Key Messages

- Current leverage ratio 2.4x
- Revolver remains undrawn(4)
- Expect to spend ~$300M cash on future acquisitions
- Divestiture proceeds expected to be used for debt repayments or acquisitions

(1) Adjusted Cash excludes cash received from termination of the Deferred Compensation Plan (current net balance of $92M) that will be used to pay participants through Q4 2018
(2) Total debt excludes deferred financing costs.
(3) Revolving credit facility and Term Loan A interest rate is Libor + 225 bps; Term Loan B is Libor + 300 bps effective October 7, 2017
(4) $739M of available capacity under Revolving Credit Facility as of 3/31/2018
(5) Net debt (total debt less adjusted cash) divided by TTM Adjusted EBITDA
(6) Includes initial EUR 260M borrowing converted at end of quarter exchange rates; Reflects appreciation of the EUR; there was no incremental borrowing on the Term Loan A in Q1 2018

Divestiture Update

CONDUENT

Q2 2018 Signed[1] Divestitures

- Off-Street Parking FY 2017 Revenue: ~$43M (Transportation)
- HR Consulting & Actuarial Services FY 2017 Revenue: ~$278M (HRS)

Expected Financial Impact (from Q2 2018 divestitures signed to-date)

- FY 2017 Revenue: ~$321M
- FY 2017 Adjusted EBITDA: ~$70M
- Targeting ~$20M of stranded overhead cost takeout to mitigate Adjusted EBITDA impact in FY 2019

[1] Signed deals are subject to regulatory approvals and customary closing conditions

FY 2018 Guidance

CONDUENT

Updated for Signed Divestitures

(in millions)	FY 2017	Impact from Adjustments to FY 2017[4]	Adjusted FY 2017	Prior FY 2018 Guidance	Signed Q2 2018 Divestiture impact[5] (assumes close date 6/30/2018)	Updated FY 2018 Guidance
Revenue (constant currency)[1]	$6,022	($225)	$5,797	$5,600- $5,800	~$160	$5,440 - $5,640
Adjusted EBITDA[2]	$672	($17)	$655	$707 - $733	~$35	$672 - $698
Adjusted Free Cash Flow[3]	$204	($1)	$203	25 - 35% of Adj. EBITDA		25 - 35% of Adj. EBITDA

(1) Constant currency based on foreign exchange rates as of the prior-year period
(2) Please refer to Appendix "Non-GAAP Outlook" for certain non-GAAP information concerning outlook
(3) Includes approximately $10 million and $25 million of restricted cash for 2018 and 2017, respectively, that were included in Other current assets on the Condensed Consolidated Balance Sheets
(4) Adjusted free cash flow is defined as operating cash flow less cost of net additions to land, building and equipment, internal use software and cost of capital leases, and the addition of net deferred compensation payments, and tax and other payments related to divestitures (Q1 2018 includes $1M of divestiture expenses and $7M of net deferred compensation payment). Please refer to Appendix for Non-GAAP reconciliation
(4) Estimated impact from the adoption of the ASC 606 accounting standard for revenue recognition, had it been applicable in FY 2017. See slides in Appendix
(5) Signed deals are subject to regulatory approvals and customary closing conditions

CONDUENT

CEO Closing Remarks

Conduent: A Digital Interactions Company

CONDUENT

Clients

76 of the Fortune 100

20 of the top 20 Health Insurers

9 of top 10 Pharma Companies

3 of the top 5 Life Insurers

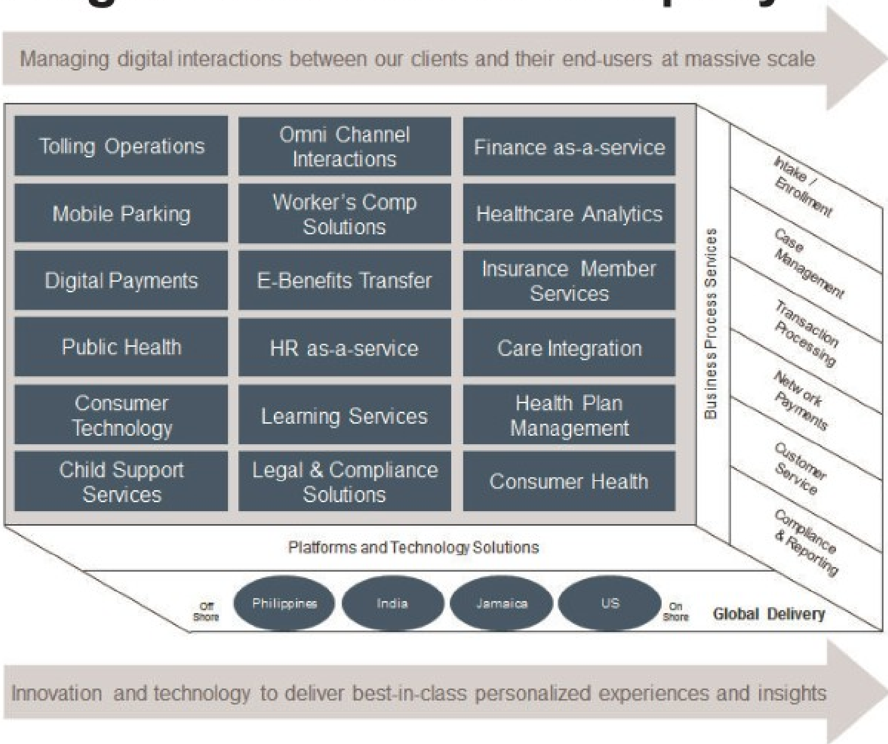
4 of the top 5 Telecommunications

5 of the top 10 banks

6 of the top 10 Auto Manufacturers

4 of the top 5 Aerospace firms

All 50 States



Our Client's End-User

Commuters

Pharmacists

Doctors

Patients

Government benefit recipients

Employees

Members (insurance)

Technology Consumers

Banking Customers

Suppliers

Conduent's Core Businesses: Five Dimensions

Facet	*Core Business*	*Attractiveness*
1. Individualized interactions at massive scale	- High volume, repeatable, unique, secure - Employees, Retirees (BenefitWallet) - Citizens (payments) - Members (Multichannel comms)	- Sticky, front-office capability - Deep, decades-long expertise in specific domains
2. Differentiated digital platforms and services	- Platforms underpin service delivery - Tolling (Vector) - Childsupport (KidStar)	- High client pain point - Technology-based, higher margin
3. Standardized processes and tools	- 80% common / 20% custom. - Strataware (workers comp) - Benefit Mgt (RightOpt)	- Efficiencies of investments, operating scale and knowledge
4. Global Delivery Potential	- Global accu-shoring model - F&A (Dart) - TBO (Life@work)	- Access broadest source of talent, human capital - Continual, "follow-the-sun" operations
5. Shared business model vision (own vs. partner)	- Offering plays essential role in clients value chain - Contains attractive as up-sell / cross-sell component - Learning (KnowledgeConnections) - Compliance (Viewpoint)	- Grow service line penetration - High potential relationship development.

Q&A

Appendix

Signings & Renewal Rate[1]

CONDUENT

($ in millions)	Q1' 17	Q2' 17	Q3' 17	Q4' 17	Q1' 18
Total Contract Value	$931	$1,244	$1,047	$1,730	$1,428
New Business	$530	$657	$390	$683	$406
Renewals	$401	$587	$657	$1,047	$1,022
Annual Recurring Revenue Signings	$143	$130	$92	$168	$93
Non-Recurring Revenue Signings	$92	$109	$86	$96	$63
Renewal rate	92%	89%	98%	96%	94%

(1) See definitions in Appendix

2018 Modeling Considerations

CONDUENT

	Outlook Commentary
Profitability	Typical seasonality tends to be weighted toward 2H (as seen in FY 2017)
Restructuring costs	Expected to be $50M - $75M for the full year
Interest Expense	Expected to be ~$135M for the full year, given TLB repricings and interest rate expectations
Cash Flow	Cash flow typically weighted towards Q4, given seasonal items
Capex	Expected to be ~3.0% of Revenue in FY 2018
Other segment	Expect education business to fully run off by end of 2018
Divestitures and M&A	FY 2018 guidance updated for divestitures signed as of 5/9/2018. No impact in guidance for future divestitures and acquisitions. Will be added as deals close.

Definitions

CONDUENT

TCV = Total contract value
Annual Recurring Revenue Signings = Only includes new business TCV.
New Business TCV = Annual recurring revenue signings multiplied by the contract term plus non-recurring revenue signings.

Renewal Rate = Annual recurring revenue (ARR) on contracts that are renewed during the period as a percentage of ARR on all contracts for which a renewal decision was made during the period (excluding contracts for which a strategic decision to not renew was made based on risk or profitability).

Revenue productivity = Calculated as trailing-twelve months (TTM) revenue / average quarter-end headcount for last four quarters. Segment calculation excludes corporate headcount.

Non-GAAP Financial Measures

Non-GAAP Financial Measures

We have reported our financial results in accordance with U.S. generally accepted accounting principles (GAAP). In addition, we have discussed our financial results using the non-GAAP measures. We believe these non-GAAP measures allow investors to better understand the trends in our business and to better understand and compare our results. Accordingly, we believe it is necessary to adjust several reported amounts, determined in accordance with U.S. GAAP, to exclude the effects of certain items as well as their related tax effects. Management believes that these non-GAAP financial measures provide an additional means of analyzing the current periods' results against the corresponding prior periods' results. However, these non-GAAP financial measures should be viewed in addition to, and not as a substitute for, the Company's reported results prepared in accordance with U.S. GAAP. Our non-GAAP financial measures are not meant to be considered in isolation or as a substitute for comparable U.S. GAAP measures and should be read only in conjunction with our Condensed Consolidated Financial Statements prepared in accordance with U.S. GAAP. Our management regularly uses our supplemental non-GAAP financial measures internally to understand, manage and evaluate our business and make operating decisions, and providing such non-GAAP financial measures to investors allows for a further level of transparency as to how management reviews and evaluates our business results and trends. These non-GAAP measures are among the primary factors management uses in planning for and forecasting future periods. Compensation of our executives is based in part on the performance of our business based on certain of these non-GAAP measures.

A reconciliation of the following non-GAAP financial measures to the most directly comparable financial measures calculated and presented in accordance with U.S. GAAP are provided below.

These reconciliations also include the income tax effects for our non-GAAP performance measures in total, to the extent applicable. The income tax effects are calculated under the same accounting principles as applied to our reported pre-tax performance measures under ASC 740, which employs an annual effective tax rate method. The noted income tax effect for our non-GAAP performance measures is effectively the difference in income taxes for reported and adjusted pre-tax income calculated under the annual effective tax rate method including an adjustment for estimated Base Erosion and Anti-Abuse Tax (BEAT). The tax effect of the non-GAAP adjustments was calculated based upon evaluation of the statutory tax treatment and the applicable statutory tax rate in the jurisdictions in which such charges were incurred.

Adjusted Net Income (Loss), Adjusted Earnings per Share and Adjusted Effective Tax Rate.

We make adjustments to Income (Loss) before Income Taxes for the following items, for the purpose of calculating Adjusted Net Income (Loss), Adjusted Earnings per Share and Adjusted Effective Tax Rate:

- Amortization of acquired intangible assets. The amortization of intangible assets is driven by acquisition activity, which can vary in size, nature and timing as compared to other companies within our industry from period to period.
- Restructuring and related costs. Restructuring and related costs include restructuring and asset impairment charges as well as costs associated with our strategic transformation program.
- Separation costs. Separation costs are expenses incurred in connection with the separation from Xerox Corporation into a separate, independent, publicly traded company. These costs primarily relate to third-party investment banking, accounting, legal, consulting and other similar types of services related to the separation transaction as well as costs associated with the operational separation of the two companies.
- Other (income) expenses, net. Other (income) expenses, net includes currency (gains) losses, net, litigation matters and all other (income) expenses, net.
- NY Medicaid Management Information System (NY MMIS). Costs associated with the company not fully completing the State of New York Health Enterprise platform project.
- Health Enterprise (HE charge). Cost associated with not fully completing the Health Enterprise Medical platform implementation projects in California and Montana.
- Litigation costs (recoveries), net.
- (Gain) loss on divestitures and transaction costs.

The Company provides adjusted net income and adjusted EPS financial measures to assist our investors in evaluating our ongoing operating performance for the current reporting period and, where provided, over different reporting periods, by adjusting for certain items which may be recurring or non-recurring and which in our view do not necessarily reflect ongoing performance. We also internally use these measures to assess our operating performance, both absolutely and in comparison to other companies, and in evaluating or making selected compensation decisions.

Management believes that adjusted effective tax rate, provided as supplemental information, facilitates a comparison by investors of our actual effective tax rate with an adjusted effective tax rate which reflects the impact of the items which are excluded in providing adjusted net income and certain other identified items, and may provide added insight into our underlying business results and how effective tax rates impact our ongoing business.

Non-GAAP Financial Measures

CONDUENT

Adjusted Revenue, Adjusted Operating Income and Adjusted Operating Margin.

We make adjustments to Revenue, Costs and Expenses and Margin for the following items (as defined above), for the purpose of calculating Adjusted Operating Income and Adjusted Operating Margin:

- Amortization of acquired intangible assets.
- Restructuring and related costs.
- Separation costs.
- Interest expense. Interest expense includes interest on long-term debt and amortization of debt issuance costs.
- Other (income) expenses, net.
- NY MMIS.
- HE charge.
- Litigation costs (recoveries), net
- (Gain) loss on divestitures and transaction costs.
- ASC 606 adjustment.
- (Revenue) / (Income) loss from divestitures.

We provide our investors with adjusted revenue, adjusted operating income and adjusted operating margin information, as supplemental information, because we believe it offers added insight, by itself and for comparability between periods, by adjusting for certain non-cash items as well as certain other identified items which we do not believe are indicative of our ongoing business, and may also provide added insight on trends in our ongoing business.

Adjusted Other Segment Profit and Margin

We adjust our Other Segment profit and margin for NY MMIS and HE charge adjustments.

We provide Other segment adjusted loss and Other segment adjusted margin information, as supplemental information, because we believe that the adjustment for NY MMIS wind-down costs and HE charge, which we do not believe are indicative of our ongoing business, supplementally provides investors added insight into underlying Other segment loss and gross margin results and trends, both by itself and in comparison to other periods.

Non-GAAP Financial Measures

CONDUENT

Segment and Consolidated Adjusted EBITDA and EBITDA Margin
We use Adjusted EBITDA and EBITDA Margin as an additional way of assessing certain aspects of our operations that, when viewed with the U.S. GAAP results and the accompanying reconciliations to corresponding U.S. GAAP financial measures, provide a more complete understanding of our on-going business. We also use Adjusted EBITDA and EBITDA MArgin to provide additional information that is useful to understand the financial covenants contained in the Company's credit facility and indenture. Adjusted EBITDA represents Income (loss) before Interest, Income Taxes, Depreciation and Amortization adjusted for the following items (which are defined above). EBITDA margin is Adjusted EBITDA divided by adjusted revenue:

- Restructuring and related costs.
- Separation costs.
- Other (income) expenses, net.
- NY MMIS / NY MMIS Depreciation. Costs associated with the company not fully completing the State of New York Health Enterprise platform project.
- HE charge.
- (Gain) loss on divestitures and transaction costs.
- Litigation costs (recoveries), net.
- ASC 606 adjustment.
- (Revenue) / (Income) loss from divestitures.

Adjusted EBITDA is not intended to represent cash flows from operations, operating income (loss) or net income (loss) as defined by U.S. GAAP as indicators of operating performance. Management cautions that amounts presented in accordance with Conduent's definition of Adjusted EBITDA and EBITDA Margin may not be comparable to similar measures disclosed by other companies because not all companies calculate Adjusted EBITDA and EBITDA Margin in the same manner.

Adjusted Public Sector Segment Revenue and Profit

We adjusted Public Sector Segment revenue, profit and margin for the NY MMIS and HE charges.

Free Cash Flow
Free Cash Flow is defined as cash flows from operating activities as reported on the consolidated statement of cash flows, less cost of additions to land, buildings and equipment, cost of additions to internal use software, vendor financed capital lease and proceeds from sales of land, buildings and equipment. We use the non-GAAP measure of Free Cash Flow as a criterion of liquidity and performance-based components of employee compensation. We use Free Cash Flow as a measure of liquidity to determine amounts we can reinvest in our core businesses, such as amounts available to make acquisitions, invest in land, buildings and equipment and internal use software, make principal payments on debt. In order to provide a meaningful basis for comparison, we are providing information with respect to our Free Cash Flow reconciled to cash flow provided by operating activities, which we believe to be the most directly comparable measure under U.S. GAAP.

Adjusted Free Cash Flow
Adjusted free cash flow is defined as operating cash flow less cost of net additions to land, building and equipment, internal use software and cost of capital leases, and the addition of net deferred compensation payments, and tax and other payments related to divestitures.

Adjusted Cash
Adjusted cash is defined as cash and cash equivalents less cash from terminated deferred compensation to be paid to plan participants.

Constant Currency
To better understand trends in our business, we believe that it is helpful to adjust revenue to exclude the impact of changes in the translation of foreign currencies into U.S. Dollars. We refer to this adjusted revenue as "constant currency." Currency impact can be determined as the difference between actual growth rates and constant currency growth rates. This currency impact is calculated by translating the current period activity in local currency using the comparable prior-year period's currency translation rate.

Non-GAAP Outlook
In providing outlook for adjusted EBITDA we exclude certain items which are otherwise included in determining the comparable GAAP financial measure. A description of the adjustments which historically have been applicable in determining adjusted EBITDA are reflected in the table below. We are providing such outlook only on a non-GAAP basis because the Company is unable to predict with reasonable certainty the totality or ultimate outcome or occurrence of these adjustments for the forward-looking period, such as amortization, restructuring, separation costs, NY MMIS, HE charge, and certain other adjusted items, which can be dependent on future events that may not be reliably predicted. Based on past reported results, where one or more of these items have been applicable, such excluded items could be material, individually or in the aggregate, to reported results.

Non-GAAP Reconciliation: Adj. Net Income (Loss) & Adj. EPS

CONDUENT

	Three Months Ended March 31,			
	2018		2017	
(in millions, except EPS)	Net Income (Loss)	Diluted EPS	Net Income (Loss)	Diluted EPS
GAAP as Reported From Continuing Operations	$ (50)	$ (0.26)	$ (10)	$ (0.06)
Adjustments:				
Amortization of acquired intangible assets	61		61	
NY MMIS	—		8	
Restructuring and related costs	20		18	
HE charge	—		(5)	
Separation costs	—		5	
(Gain) loss on divestitures and transaction costs	15		—	
Litigation costs (recoveries), net	31		(11)	
Other (income) expenses, net	(1)		(1)	
Less: Income tax adjustments(1)	(29)		(30)	
Adjusted Net Income (Loss) and EPS	$ 47	$ 0.22	$ 35	$ 0.16
(GAAP shares in thousands)				
Weighted average common shares outstanding		205,093		203,400
Stock options		—		—
Restricted stock and performance units / shares		—		—
Adjusted Weighted Average Shares Outstanding(2)		205,093		203,400
(Non-GAAP shares in thousands)				
Weighted average common shares outstanding		205,093		203,400
Stock options		143		230
Restricted stock and performance shares		2,773		2,152
Adjusted Weighted Average Shares Outstanding(2)		208,009		205,782

(1) Reflects the income tax (expense) benefit of the adjustments. Refer to the Effective Tax Rate reconciliation details.

(2) Average shares for the 2018 and 2017 calculation of adjusted EPS excludes 5 million shares associated with our Series A convertible preferred stock and includes the impact of the preferred stock quarterly dividend of approximately $2.4 million.

CONDUENT

Non-GAAP Reconciliation: Adj. Effective Tax Rate

(in millions)	Three Months Ended March 31, 2018 Pre-Tax Income (Loss)	Income Tax (Benefit) Expense	Effective Tax Rate	Three Months Ended March 31, 2017 Pre-Tax Income (Loss)	Income Tax (Benefit) Expense	Effective Tax Rate
GAAP as Reported From Continuing Operations	$ (54)	$ (4)	7.4%	$ (22)	$ (12)	54.5%
Non-GAAP adjustments[1]	126	29		75	30	
Adjusted[2]	$ 72	$ 25	34.7%	$ 53	$ 18	34.0%

(1) Refer to Net Income (Loss) reconciliation for details of non-GAAP adjustments.

(2) The tax impact of Adjusted Pre-Tax Income (Loss) from continuing operations is calculated under the same accounting principles applied to the As Reported Pre-Tax Income (Loss), which employs an annual effective tax rate method to the results including an adjustment for estimated BEAT.

Non-GAAP Reconciliation: Adj. Revenue and Adj. Operating Income / Margin

CONDUENT

		Previously Reported				
(in millions)	Q1 2018	FY 2017	Q4 2017	Q3 2017	Q2 2017	Q1 2017
GAAP Revenue From Continuing Operations	$ 1,420	$ 6,022	$ 1,493	$ 1,480	$ 1,496	$ 1,553
GAAP Pre-tax Income (Loss) From Continuing Operations	(54)	(16)	4	13	(11)	(22)
GAAP Operating Margin As Reported	*(3.8)%*	*(0.3)%*	*0.3%*	*0.9%*	*(0.7)%*	*(1.4)%*
GAAP Revenue From Continuing Operations	$ 1,420	$ 6,022	$ 1,493	$ 1,480	$ 1,496	$ 1,553
Adjusted Revenue	$ 1,420	$ 6,022	$ 1,493	$ 1,480	$ 1,496	$ 1,553
GAAP Pre-tax income (Loss) From Continuing Operations	$ (54)	$ (16)	$ 4	$ 13	$ (11)	$ (22)
Adjustments:						
Amortization of acquired intangible assets	61	243	61	60	61	61
NY MMIS	—	9	(1)	1	1	8
Restructuring and related costs	20	101	25	22	36	18
HE charge	—	(8)	—	(3)	—	(5)
Separation costs	—	12	4	2	1	5
Interest expense	33	137	32	35	34	36
(Gain) loss on divestitures and transaction costs	15	(42)	(1)	(16)	(25)	—
Litigation costs (recoveries), net	31	(11)	3	6	(9)	(11)
Other (income) expenses, net	(1)	(7)	3	(9)	—	(1)
Adjusted Operating Income/Margin	*$ 105*	*$ 418*	*$ 130*	*$ 111*	*$ 88*	*$ 89*
Adjusted Operating Margin	7.4 %	6.9 %	8.7%	7.5%	5.9 %	5.7 %

Non-GAAP Reconciliation: Adjusted Revenue and Operating Income / Margin[1]

CONDUENT

(in millions)	Q1 2018	FY 2017	Q4 2017	Q3 2017	Q2 2017	Q1 2017
		Adjusted for 606 and Divestitures[1]				
GAAP Revenue From Continuing Operations	$ 1,420	$ 6,022	$ 1,493	$ 1,480	$ 1,496	$ 1,553
ASC 606 adjustment	—	(166)	(41)	(39)	(40)	(46)
Less revenue from divestitures	—	(59)	—	(14)	(22)	(23)
Adjusted Revenue From Continuing Operations	1,420	5,797	1,452	1,427	1,434	1,484
Pre-tax Income (Loss) From Continuing Operations	(54)	(16)	4	13	(11)	(22)
ASC 606 adjustment	—	(11)	(3)	(2)	(3)	(3)
Less pre-tax (income) loss from divestitures	—	(7)	—	(2)	(2)	(3)
Adjusted Pre-Tax Income (Loss)	(54)	(34)	1	9	(16)	(28)
Adjusted Operating Margin	*(3.8)%*	*(0.6)%*	*0.1%*	*0.6%*	*(1.1)%*	*(1.9)%*
Adjusted Revenue	$ 1,420	$ 5,797	$ 1,452	$ 1,427	$ 1,434	$ 1,484
Pre-tax income (Loss) From Continuing Operations	$ (54)	$ (16)	$ 4	$ 13	$ (11)	$ (22)
Adjustments:						
Amortization of acquired intangible assets	61	243	61	60	61	61
NY MMIS	—	9	(1)	1	1	8
Restructuring and related costs	20	101	25	22	36	18
HE charge	—	(8)	—	(3)	—	(5)
Separation costs	—	12	4	2	1	5
Interest expense	33	137	32	35	34	36
(Gain) loss on divestitures and transaction costs	15	(42)	(1)	(16)	(25)	—
Litigation costs (recoveries), net	31	(11)	3	6	(9)	(11)
ASC 606 adjustment	—	(11)	(3)	(2)	(3)	(3)
Less pre-tax (income) loss from divestitures	—	(7)	—	(2)	(2)	(3)
Other (income) expenses, net	(1)	(7)	3	(9)	—	(1)
Adjusted Operating Income/Margin	*$ 105*	*$ 400*	*$ 127*	*$ 107*	*$ 83*	*$ 83*
Adjusted Operating Margin	*7.4 %*	*6.9 %*	*8.7%*	*7.5%*	*5.8 %*	*5.6 %*

(1) adjusted for the impact from 606 accounting standard change and revenue and (income) loss from divestitures

Non-GAAP Reconciliation: Adjusted EBITDA

CONDUENT

(in millions)	Q1 2018	FY 2017	Q4 2017	Q3 2017	Q2 2017	Q1 2017
		Previously Reported				
Reconciliation to Adjusted Revenue						
GAAP Revenue From Continuing Operations	$ 1,420	$ 6,022	$ 1,493	$ 1,480	$ 1,496	$ 1,553
Adjusted Revenue	$ 1,420	$ 6,022	$ 1,493	$ 1,480	$ 1,496	$ 1,553
GAAP Net Income (Loss) from Continuing Operations	$ (50)	$ 177	$ 208	$ (17)	$ (4)	$ (10)
Interest expense	33	137	32	35	34	36
Income tax expense (benefit)	(4)	(193)	(204)	30	(7)	(12)
Segment depreciation and amortization	56	254	58	63	69	64
Amortization of acquired intangible assets	61	243	61	60	61	61
EBITDA	$ 96	$ 618	$ 155	$ 171	$ 153	$ 139
EBITDA Margin	*6.8%*	*10.3%*	*10.4%*	*11.6%*	*10.2%*	*9.0%*
EBITDA	$ 96	$ 618	$ 155	$ 171	$ 153	$ 139
Restructuring and related costs	20	101	25	22	36	18
Separation costs	—	12	4	2	1	5
NY MMIS	—	9	(1)	1	1	8
HE charge	—	(8)	—	(3)	—	(5)
(Gain) loss on divestitures and transaction costs	15	(42)	(1)	(16)	(25)	—
Litigation costs (recoveries), net	31	(11)	3	6	(9)	(11)
Other (income) expenses, net	(1)	(7)	3	(9)	—	(1)
Adjusted EBITDA	161	672	188	174	157	153
Adjusted EBITDA Margin	11.3%	11.2%	12.6%	11.8%	10.5%	9.9%

Non-GAAP Reconciliation: Adjusted EBITDA[1]

CONDUENT

(in millions)	Q1 2018	FY 2017	Q4 2017	Q3 2017	Q2 2017	Q1 2017
		Adjusted for 606 and Divestitures[1]				
Reconciliation to Adjusted Revenue						
GAAP Revenue From Continuing Operations	$ 1,420	$ 6,022	$ 1,493	$ 1,480	$ 1,496	$ 1,553
ASC 606 adjustment	$ —	$ (166)	$ (41)	$ (39)	$ (40)	$ (46)
Less revenue from divestitures	$ —	$ (59)	$ —	$ (14)	$ (22)	$ (23)
Adjusted Revenue From Continuing Operations	$ 1,420	$ 5,797	$ 1,452	$ 1,427	$ 1,434	$ 1,484
Net Income (Loss) from Continuing Operations	$ (50)	$ 177	$ 208	$ (17)	$ (4)	$ (10)
Interest expense	33	137	32	35	34	36
Income tax expense (benefit)	(4)	(193)	(204)	30	(7)	(12)
Segment depreciation and amortization	56	254	58	63	69	64
Amortization of acquired intangible assets	61	243	61	60	61	61
ASC 606 adjustment	—	(11)	(3)	(2)	(3)	(3)
Less pre-tax (income) loss from divestitures	—	(6)	—	(2)	(1)	(3)
EBITDA adjusted for 606 and divestitures	$ 96	$ 601	$ 152	$ 167	$ 149	$ 133
EBITDA Margin	*6.8%*	*10.4%*	*10.5%*	*11.7%*	*10.4%*	*9.0%*
Adjusted EBITDA	$ 96	$ 601	$ 152	$ 167	$ 149	$ 133
Restructuring and related costs	20	101	25	22	36	18
Separation costs	—	12	4	2	1	5
NY MMIS	—	9	(1)	1	1	8
HE charge	—	(8)	—	(3)	—	(5)
(Gain) loss on divestitures and transaction costs	15	(42)	(1)	(16)	(25)	—
Litigation costs (recoveries), net	31	(11)	3	6	(9)	(11)
Other (income) expenses, net	(1)	(7)	3	(9)	—	(1)
Adjusted EBITDA	161	655	185	170	153	147
Adjusted EBITDA Margin	11.3%	11.3%	12.7%	11.9%	10.7%	9.9%

(1) adjusted for the estimated impact from the adoption of the 606 accounting standard, had it been applicable in FY 2017 and revenue and (income) loss from divestitures

Non-GAAP Reconciliation: Segment Adjusted EBITDA(1)

CONDUENT

(in millions)	Q1 2018	FY 2017	Q4 2017	Q3 2017	Q2 2017	Q1 2017
		Previously Reported				
Commercial Industries						
Segment GAAP revenue	$ 854	$ 3,475	$ 879	$ 845	$ 856	$ 895
Segment profit	$ 44	$ 181	$ 73	$ 49	$ 33	$ 26
Segment depreciation and amortization	34	142	34	34	38	36
Adjusted Segment EBITDA	78	323	107	83	71	62
Adjusted EBITDA Margin	*9.1 %*	*9.3%*	*12.2 %*	*9.8%*	*8.3%*	*6.9%*
Public Sector						
Segment GAAP revenue	$ 558	$ 2,408	$ 602	$ 599	$ 598	$ 609
Segment profit	$ 65	$ 232	$ 63	$ 60	$ 52	$ 57
Segment depreciation and amortization	22	107	23	28	29	27
EBITDA	87	339	86	88	81	84
EBITDA Margin	*15.6 %*	*14.1%*	*14.3 %*	*14.7%*	*13.5%*	*13.8%*
Segment EBITA	87	339	86	88	81	84
NY MMIS(2)	—	9	(1)	1	1	8
HE charge(2)	—	(8)	—	(3)	—	(5)
Adjusted Segment EBITDA	87	340	85	86	82	87
Adjusted EBITDA Margin	*15.6 %*	*14.1%*	*14.1 %*	*14.4%*	*13.7%*	*14.3%*
Other Segment						
Segment GAAP revenue	$ 8	$ 139	$ 12	$ 36	$ 42	$ 49
GAAP Segment profit (loss)	$ (4)	$ 4	$ (5)	$ 4	$ 2	$ 3
Segment depreciation and amortization	—	5	1	1	2	1
Adjusted Segment EBITDA	$ (4)	$ 9	$ (4)	$ 5	$ 4	$ 4
Adjusted EBITDA Margin	*(50.0)%*	*6.5%*	*(33.3)%*	*13.9%*	*9.5%*	*8.2%*

(1) Certain reclassifications have been made to prior year information to conform to current year presentation.

(2) HE business moved from Other segment into Public Sector segment effective Q1 2018.

Non-GAAP Reconciliation: Segment Adjusted EBITDA[(1)]

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(in millions)	Q1 2018	FY 2017	Q4 2017	Q3 2017	Q2 2017	Q1 2017
		Adjusted for 606 and Divestitures[(1)]				
Commercial Industries						
Segment GAAP revenue	$ 854	$ 3,475	$ 879	$ 845	$ 856	$ 895
ASC 606 adjustment	—	(93)	(23)	(22)	(22)	(26)
Segment Revenue Adjusted for 606	$ 854	$ 3,382	$ 856	$ 823	$ 834	$ 869
Segment profit	44	181	73	49	33	26
Segment depreciation and amortization	34	142	34	34	38	36
ASC 606 adjustment	—	(5)	(2)	—	(2)	(1)
Segment EBITDA Adjusted for 606	$ 78	$ 318	$ 105	$ 83	$ 69	$ 61
Adjusted EBITDA Margin	9.1%	9.4%	12.3%	10.1%	8.3%	7.0%
Public Sector						
Segment GAAP revenue	$ 558	$ 2,408	$ 602	$ 599	$ 598	$ 609
ASC 606 adjustment	—	(68)	(17)	(16)	(17)	(18)
Segment Revenue Adjusted for 606	$ 558	$ 2,340	$ 585	$ 583	$ 581	$ 591
Segment profit	$ 65	$ 232	$ 63	$ 60	$ 52	$ 57
Segment depreciation and amortization	22	107	23	28	29	27
ASC 606 adjustment	—	(6)	(1)	(2)	(1)	(2)
Segment EBITDA Adjusted for 606	87	333	85	86	80	82
EBITDA Margin	15.6%	14.2%	14.5%	14.8%	13.8%	13.9%
Segment EBITDA Adjusted for 606	87	333	85	86	80	82
NY MMIS[(2)]	—	9	(1)	1	1	8
HE charge[(2)]	—	(8)	—	(3)	—	(5)
Adjusted Segment EBITDA	87	334	84	84	81	85
Adjusted EBITDA Margin	15.6%	14.3%	14.4%	14.4%	13.9%	14.4%

(1) adjusted for the estimated impact from the adoption of the 606 accounting standard, had it been applicable in FY 2017 and revenue and (income) loss from divestitures. Certain reclassifications have been made to prior year information to conform to current year presentation.

(2) HE business moved from Other segment into Public Sector segment effective Q1 2018.

Non-GAAP Reconciliation: Segment Adjusted EBITDA[1] Continued

CONDUENT

	Adjusted for 606 and Divestitures[1]					
(in millions)	Q1 2018	FY 2017	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Other Segment						
Segment GAAP revenue	$ 8	$ 139	$ 12	$ 36	$ 42	$ 49
ASC 606 adjustment	—	(5)	(1)	(1)	(1)	(2)
Less revenue from divestitures	—	(59)	—	(14)	(22)	(23)
Segment GAAP revenue adjusted for 606 and divestitures	$ 8	$ 75	$ 11	$ 21	$ 19	$ 24
GAAP Segment profit (loss)	$ (4)	$ 4	$ (5)	$ 4	$ 2	$ 3
Segment depreciation and amortization	—	5	1	1	2	1
ASC 606 adjustment	—	—	—	—	—	—
Less pre-tax (income) loss from divestitures	—	(6)	—	(2)	(1)	(3)
Adjusted Segment EBITDA	$ (4)	$ 3	$ (4)	$ 3	$ 3	$ 1
Adjusted EBITDA Margin	*(50.0)%*	*4.0%*	*(36.4)%*	*14.3%*	*15.8%*	*4.2%*

(1) adjusted for the estimated impact from the adoption of the 606 accounting standard, had it been applicable in FY 2017 and revenue and (income) loss from divestitures. Certain reclassifications have been made to prior year information to conform to current year presentation.

Non-GAAP Reconciliation: Adj. Free Cash Flow

(in millions)	Three Months Ended March 31, 2018	2017
Operating Cash Flow	$ (38)	$ (107)
Cost of additions to land, buildings & equipment	(33)	(17)
Proceeds from sales of land, buildings and equipment	(6)	(8)
Vendor financed capital leases	—	(12)
Deferred compensation payments and adjustments	7	1
Transaction costs	1	—
Adjusted Free Cash Flow	**$ (69)**	**$ (143)**

Non-GAAP Reconciliation: Adjusted Cash

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(in millions)	As of March 31, 2018	As of December 31, 2017
Cash and cash equivalents	$ 553	$ 658
Deferred compensation payments and adjustments	7	17
Deferred compensation payable	(99)	(116)
Adjusted cash and cash equivalents	**$ 461**	**$ 559**

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