Conduent Investor Deck

November 2023

Cautionary Statements

Forward-Looking Statements

This document contains “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. The words “anticipate,” “believe,” “estimate,” “expect,” "plan," “intend,” “will,” “aim,” “should,” “could,” “forecast,” “target,” “may,” "continue to," "if,” “growing,” “projected,” “potential,” “likely,” "see", "ahead", "further," "going forward," "on the horizon," 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 presentation are forward-looking statements, including, but not limited to, statements regarding our financial results, condition and outlook; changes in our operating results; general market and economic conditions; our long-term game plan; our belief that our team of talented associates and technology-led solutions strongly position us as the partner that can help our clients through these uncertain times; our continued focus on incremental improvement in our sales, operations, technology performance and capabilities to drive sustained success; our projected financial performance for the full year 2023, including all statements made under the sections captioned “FY 2022 Actuals and 2023 Outlook” and "Segment Revenue Trend" within this presentation. 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.

In accordance with the provisions of the Litigation Reform Act, we are making investors aware that 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 presentation, any exhibits to this presentation and other public statements we make. Our actual results may vary materially from those expressed or implied in our forward-looking statements.

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: 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; risk and impact of geopolitical events and increasing geopolitical tensions (such as the war in Ukraine), macroeconomic conditions, natural disasters and other factors (such as pandemics, including coronavirus) in a particular country or region on our workforce, customers and vendors; conditions abroad, including local economics, political environments, fluctuating foreign currencies and shifting regulatory schemes; relying on third party providers; our ability to deliver on our contractual obligations properly and on time; changes in interest in outsourced business process services; 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; 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 continuing effects of the COVID-19 pandemic on our business, operations, financial results and financial condition, which is dependent on developments which are uncertain and cannot be predicted; 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; 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; changes in tax and other laws and regulations; risk and impact of potential goodwill and other asset impairments; our significant indebtedness and the terms of such indebtedness; our failure to obtain or maintain a satisfactory credit rating and financial performance; our ability to receive dividends or other payments from our subsidiaries; 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; increases in the cost of voice and data services or significant interruptions in such services; changes in government regulation and economic, strategic, political and social conditions; volatility of our stock price and the risk of litigation following a decline in the price of our stock; economic factors such as inflation, the level of economic activity and labor market conditions, as well as rising interest rates; 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 Annual Reports 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 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 because of new information, subsequent events or otherwise, except as required by law.

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Conduent is squarely focused on client success and **enhancing performance, experience and value** in their everyday operations, and at every moment where they interact with their end users.

Our Goal: Driving Shareholder Value

Strengths		Outcomes
Large and Favorable Market Opportunities		Revenue Growth
Technology-led Capabilities	Shareholder Value	Improved Margin
Proven Outcomes for Marquee Clients		Expanded Free Cash Flow
Strong Talent and Culture		Deployable Capital

Our History

CONDUENT

1988: ACS business launched

Acquisitions:

- **OBS** – Commercial Data Processing
- **CSX National System** – Transportation
- **CIC/DISC** – Outsourcing
- **Healthtech Corp** – Commercial Healthcare
- **Transfirst JV** – Government EBT
- **Genix Group** – BPO/ITO
- **BRC Holdings & Computer Data Systems** – Government
- **Consultec** – Government Healthcare
- **Global Government Solutions** – Government ITO
- **IMS Solutions & AFSA Data Corp –** Gov't
- **Buck** – HRO/TBO
- **ASCOM Holdings** – Transportation
- **LiveBridge** – Customer Care
- **Primax** – Payment Integrity
- **eServices Group Int'l -** BPO

1988 1990 1992 1994 1996 1998 2000 2002 2004 2006 2008

2010: ACS is acquired

xerox

- **Acquires Lateral Data –** Legal Solutions & Smart Data
- **Acquires Strata and Bunch –** Workers Comp
- **Exits ITO business with sale to ATOS**

2010 2012 2014 2016

2017: Conduent spin off

CONDUENT

Divestitures:

- **HR Consulting and Actuarial Solutions**
- **Constituent Government Software Solutions**
- **Select Customer Care Contracts**
- **Commercial Vehicle Operations**

2019: New Management

- New and more agile **operating model** established
- **Enterprise investments** in storage, compute, security & networking **Opens Global Command Center**
- **Data Center Consolidation** – *East Windsor & Sandy*
- **Divests Midas Software**
- **Simplifies** to 3 business units

2018 2020 2022

ACS: Serial Acquisitions | **Part of Xerox** | **Conduent Today**

Conduent at-a-Glance

Three Lines of Business

Line of Business	Description	Offerings	Revenue
Commercial	Enhancing customer experience and business process efficiency across the enterprise	• Customer Experience Management • Business Operations Solutions • Casualty and Healthcare Solutions	$1,992M*
Government	Streamlining delivery of government services to constituents in need	• Government Healthcare • Payments and Child Support • Eligibility and Enrollment	$1,150M*
Transportation	Creating safe, seamless journeys across the transportation ecosystem	• Road Usage Charging • Transit • Public Safety and Curbside	$709M*

*2022 Adjusted Revenue

Combining Core Capabilities to Drive Outcomes

CONDUENT

1. Enhance customer experiences across multiple channels
2. Digitize and manage documents
3. Process digital payments
4. Automate healthcare-related claims
5. Streamline business administration functions
6. Provide hardware technology and system integration

Commercial

Government

Transportation

We provide solutions through a combination of these **technology-led capabilities** to deliver outcomes at scale across commercial, government and transportation sectors

Creating Valuable Outcomes for Clients

CONDUENT

Experience	Increased sales, customer and employee satisfaction, first call resolution
	Faster commutes, improved convenience, reduced congestion
Performance	Increased accuracy, faster processing, greater compliance
	Faster, more secure payments, increased fraud prevention
Value	Reduced costs, increased efficiency and agility
	Greater revenue collection, increased utilization

Addressing clients' needs to streamline operations, reduce cost, elevate the customer experience and enable scale

Strong and Trusted Client Base

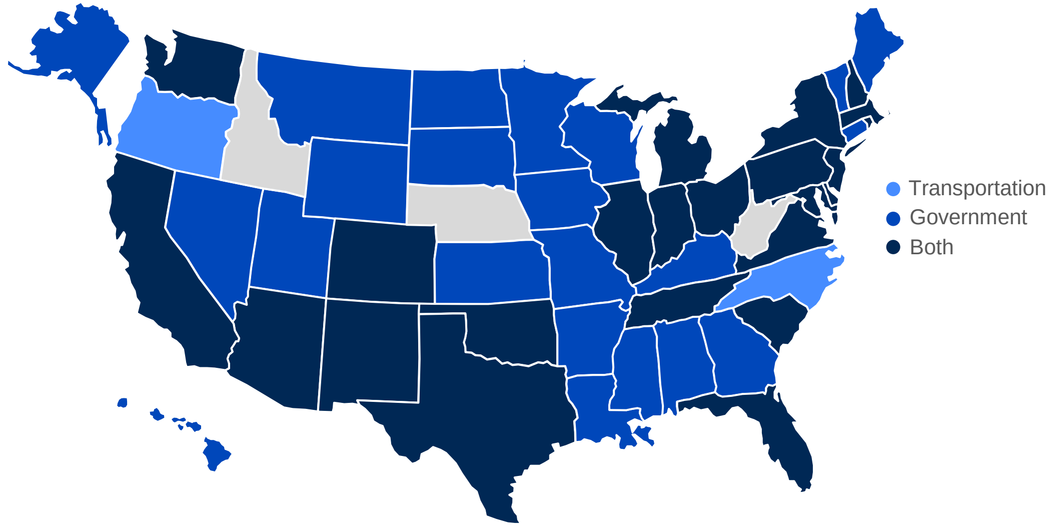
Commercial

17 of the top 20 U.S. health insurance companies

9 of the top 10 pharma companies

4 of the top 5 automakers

Government and Transportation



47 states, District of Columbia, Puerto Rico

23 countries with transportation and government solutions

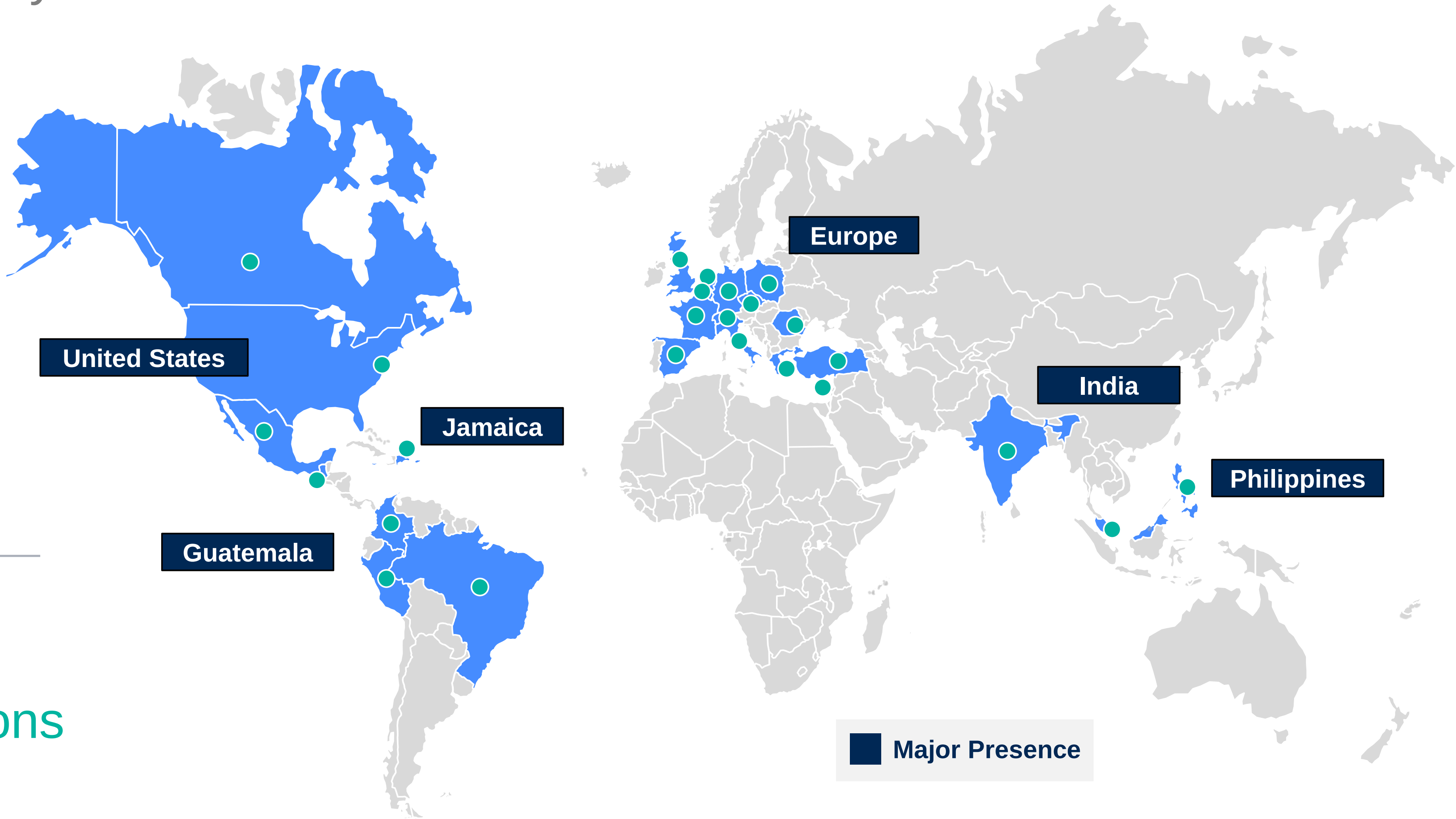
Global Delivery Footprint

Provides efficiency and scale

~60K
Employees

25
Countries

100+
Delivery locations



Large and Growing Addressable Markets

CONDUENT

$168B*	Commercial
$20B*	Government
$12B*	Transportation

*Segment proportion of Conduent's $200B TAM

Sources: Nelson Hall, Gartner, Frost and Sullivan, Devenir, ComplexDiscovery, Conduent Internal Analysis

Recognition

Industry Leadership Recognition

Culture Recognition

Commercial Solutions | At a Glance

CONDUENT

Robust portfolio of technology-led solutions enhancing customer experience and business process efficiency end-to-end across the enterprise

Customer Experience Management

- CXNow
- Multichannel Communications
- Transformation/Analytics

Delivering connected, omnichannel customer experiences throughout the customer life cycle.

ISG Provider Lens: Global Leader Customer Experience Services
Digital Operations, AI & Analytics, WFH

1.3B
CX interactions annually

Business Operations Solutions

- Automated Document Solutions
- Banking Solutions
- Finance, Accounting and Procurement
- Legal and Compliance Solutions
- Total Benefits Outsourcing

Transforming business and HR processes by automating and streamlining mission-critical operations through technology solutions.

ISG Top 15 Service & Technology Provider

NelsonHall Leader in Next Generation **Benefits Administration**

3.6B
Documents captured, indexed and classified

Casualty and Healthcare Solutions

- Workers Comp Claims Solutions
- Healthcare Claims Solutions
- Pharma and Life Sciences Solutions
- Payment Integrity

Streamlining healthcare and casualty insurance processes, ensuring payment accuracy and improving health outcomes.

Largest Bill Review Provider for Workers Comp Claims

Everest Leader in Healthcare CXM and Payer Operations

17 / 20
Top healthcare payers are clients

Government Solutions | At a Glance

CONDUENT

Helping government agencies in 45 states automate and optimize the delivery of healthcare and social services to better serve residents, patients, families, and individuals

Government Healthcare

- Conduent Medicaid Suite
- Pharmacy Benefits Management
- Maven Disease Surveillance Tracking

Delivering program administration solutions for government-funded healthcare programs that reduce costs, streamline operations, increase program participation and improve compliance.

588M

Claims processed in 2022

Payments and Child Support

- Card Programs
- State Disbursement Units
- Child Support Enforcement IT
- Digital Integrated Payment Hub

Enabling agencies to meet their mission of delivering accurate, convenient, secure payments to the individuals who need them - from SNAP and TANF benefits to child support, pension and unemployment insurance payments.

$106B

In benefits disbursed in 2022

Eligibility and Enrollment

- Eligibility Application Processing
- Enrollment Broker Platform
- Eligibility Customer Care

Helping agencies streamline enrollment, determine eligibility, proactively engage constituents and enable seamless access to benefits and programs, while ensuring alignment with program regulations.

32M

U.S. residents supported across different programs

Transportation Solutions | At a Glance

CONDUENT

Technology solutions that automate, streamline, and optimize transportation operations, improve revenue collection and create safe, seamless journeys across the transportation ecosystem

Road Usage Charging

- Roadside Solutions
- Back Office Systems
- Collections Administration

Helping transportation authorities manage traffic flow, fund highways and other infrastructure, and reduce congestion and pollution with tolling capabilities.

11.8M

tolling transactions processed per day, including 48% of top 10 tolling agencies

Transit

- Open Payments Fare Collection
- Account Based Fare Collection
- Fleet Management Solutions
- Intelligent Mobility Solutions

Delivering flexible passenger payment and ticketing options, intelligent public transport management systems and CAD/AVL solutions, to make transit faster, safer and more reliable.

100M

transit tickets processed each day

Public Safety / Curbside Management

- Citation and Permit Administration
- Parking Asset Management Solutions
- Business Intelligence and Data Analytics
- Photo Enforcement & Violation Processing Solutions

Optimizing transportation operations and helping make communities safer through automated photo enforcement, analytics, intelligent parking and violations processing solutions.

8.7M

citations and delinquent revenue payments processed annually

Corporate Social Responsibility

Making a difference every day

Environmental: Protecting our planet

42%
Reduction in Scope 2 carbon emissions since 2019

43.3K
Electronic items recycled in 2022

15.6M
Pounds of paper recycled in 2022

51%
Real estate square footage reduction since 2017

Social: Supporting people and communities who count on us

138%
increase in EIG membership since 2020

10.2K
volunteer hours in support of local communities

7
DEI & Culture awards in 2022

82.3%
SPARK Index Score Most Loved Workplace

Governance: Responsibly governing our business

87.5%
of the board of directors are independent

37.5%
of the board of directors identify as female or ethnically diverse

99%
of associates completed annual ethics training

15.2%
of sourceable spend allocated to diverse suppliers in the US

"Thanks to the hard work of our associates, we advanced our ESG initiatives while also modeling ethical behavior throughout our company.

We strive to protect our planet, support our associates and communities, make a difference for millions of people through our solutions and responsibly govern our business."

Cliff Skelton,
Conduent President and CEO

CONDUENT

A future-rationalized portfolio and capital allocation approach focused on unlocking more value and accelerating growth.

Background to Portfolio Rationalization

CONDUENT

Ongoing portfolio analysis continues to confirm the sum of the parts valuation is superior to CNDT valuation

“Staying the course” for our turnaround through the changing market conditions had to be the highest priority

A more recent portfolio examination confirmed that all solutions in the portfolio can grow, but with variation in the opportunity

The Time is Now

- Foundation enhanced
- Client buying patterns are more evident
- Growth trajectories understood
- Investment needs prioritized

Approach

Growth and **value creation** can be accelerated by rationalizing the portfolio

Considerations

- Growth opportunities and timing
- Bandwidth and investment requirements
- External scarcity value
- Market dynamics such as interest rates, outsourcing trends and technology trends
- Internal / external synergies

Conclusions

- Our portfolio is too wide and diverse
- Some solutions will take too long to grow or require too much investment / bandwidth
- Some solutions will command a higher multiple than CNDT
- Sale of Midas Suite is a proof point

Actions

- Prioritized the portfolio for grow / optimize / rationalize
- More clearly articulated the best use of proceeds
- Finalizing sequence and timing

Outcomes Over Time

$500-700M of potential divestiture proceeds

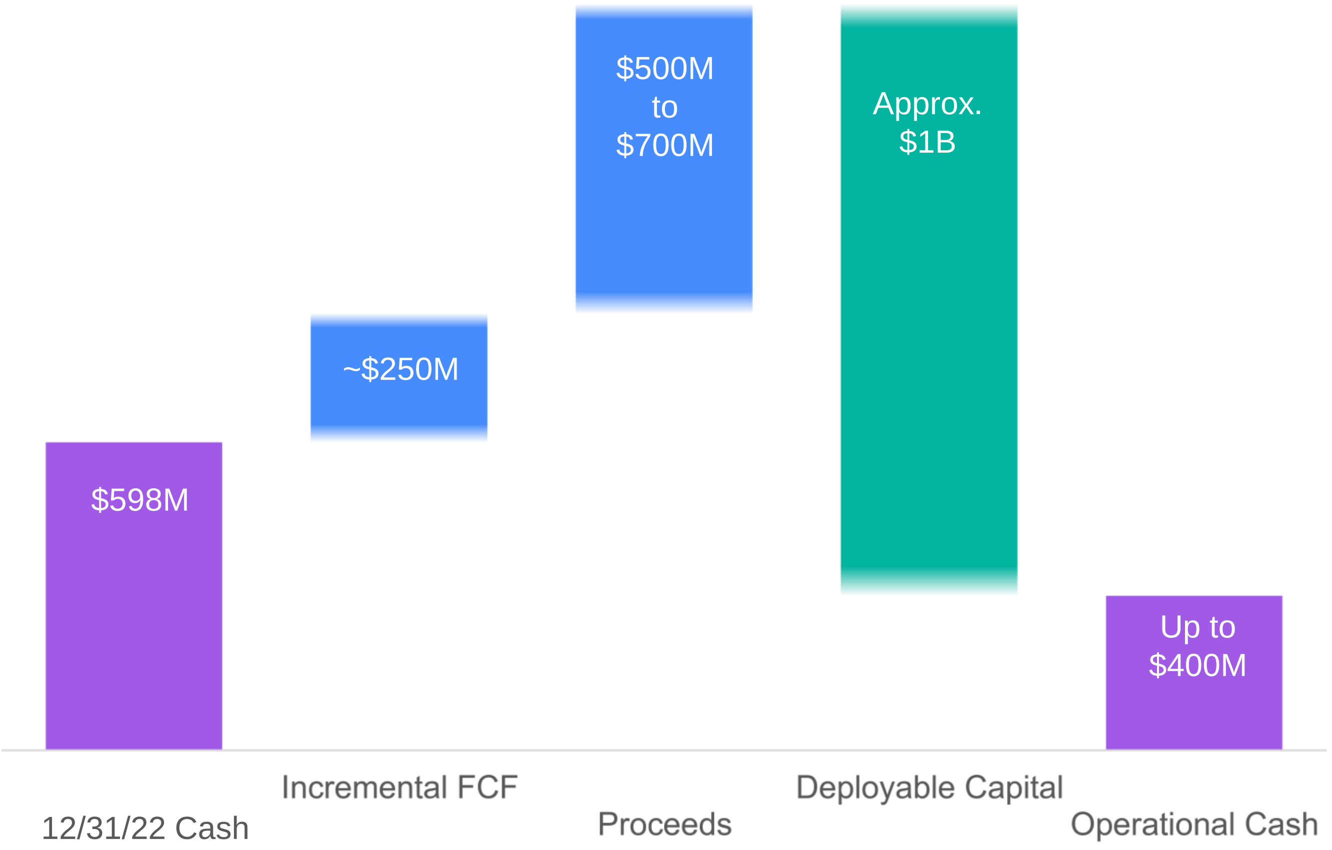
Enhanced valuation with appropriately deployed capital

A more nimble and **faster growing Conduent…** enhancing the 3-4% organic growth trajectory

Deployable capital available: base case plus proceeds from divestitures (2022 to 2025)

$1.0B **142%** *of Mkt Cap**

**Market Cap at 3/27/23 $704M*



Capital Allocation Priorities

CONDUENT

Approximately $1.0B of capital available to deploy

Internal Investments	Current spending sufficient to drive organic growth expectations
M&A	No plans for large acquisitions
Debt Reduction	**Maintain modest levels of net leverage**
Shareholders Returns	**Proportion of excess cash distributed**

Proforma Financials *(2025 Exit Rate)*

CONDUENT

$3.3-$3.6B	Adj. Revenue
4-5%	Adj. Revenue Growth
9.5-10.5%	Adj. EBITDA Margin

3-5%	Commercial
~3%	Government
~4%	Transportation

Proforma financials after portfolio rationalization activity

Conduent
Q3 2023 Financial Results

November 01, 2023

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Q3 2023 Highlights

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Q3 Results / Metrics	• Adj.Revenue[1]: $932M • Adj. EBITDA[1]: $92M • Adj. EBITDA Margin[1]: 9.9% • New business signings ACV[2]: $154M • Net ARR Activity Impact (TTM)[2,3]: $103M
Highlights	• Overall Revenue and Adjusted EBITDA exceeded expectations for Q3 with a strong quarter in the Government segment offset by milestone timing in Transportation. • New business sales continue to be stronger in Government and Transportation, however Commercial continues to be impacted by macro-economic trends. • New business sales pipeline is strong, with 13% growth quarter-over-quarter. • Dedicated portfolio rationalization work on track exemplified by BenefitWallet HSA portfolio announcement. Additional efforts productive and expanding. • Government Healthcare strategy producing results and optimism: selected by State of Texas for Medicaid Claims solution on our cloud-native modular platform. • Immediate Payments strategy beginning to take hold. Implemented in Commonwealth of Virginia… several other pending announcements with particular emphasis in the Transportation segment.

(1) Refer to Appendix for complete Non-GAAP reconciliations of Adjusted Revenue, Adjusted EBITDA and Adjusted EBITDA Margin.

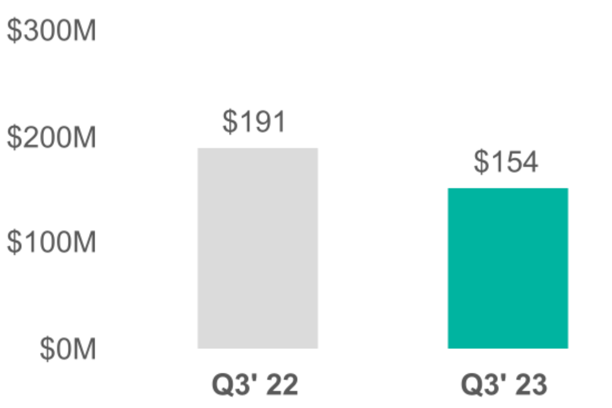
(2) Full definition in the Appendix.

(3) Trailing Twelve Months.

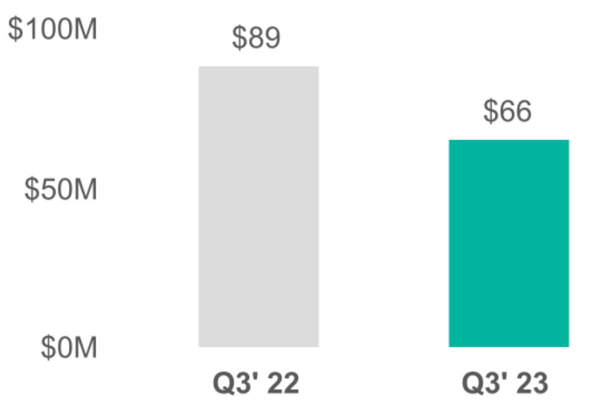
Key Sales Metrics

CONDUENT

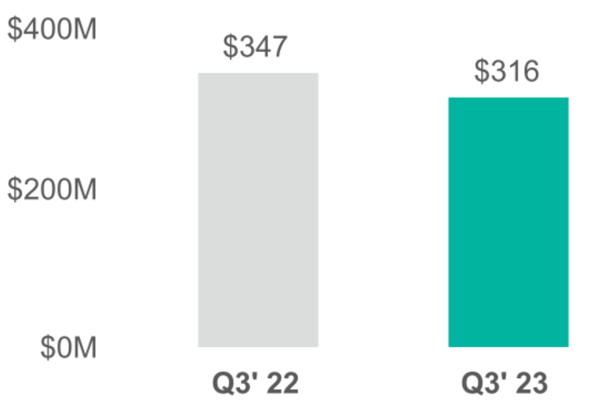
New Business ACV[1]



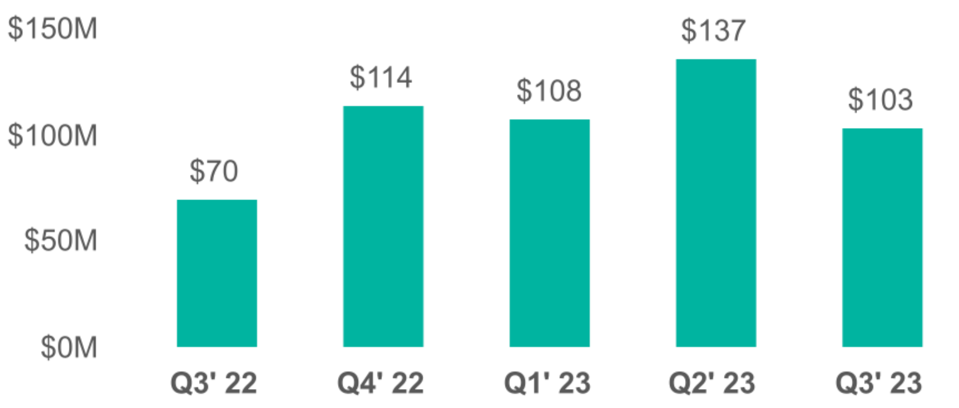
New Business ARR[1]



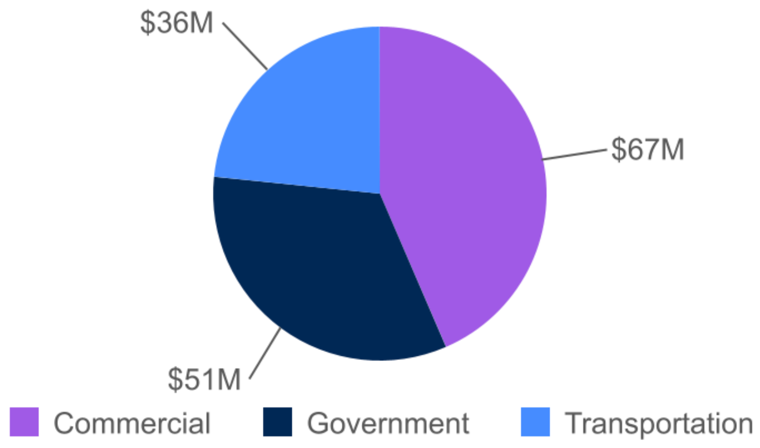
New Business TCV[1]



Net ARR Activity (TTM)[1,2]



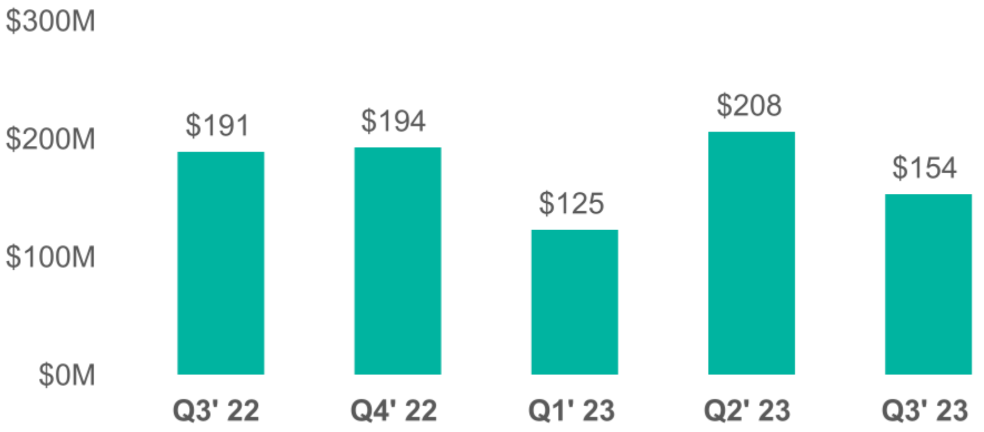
Q3 New Business ACV[1] by Segment



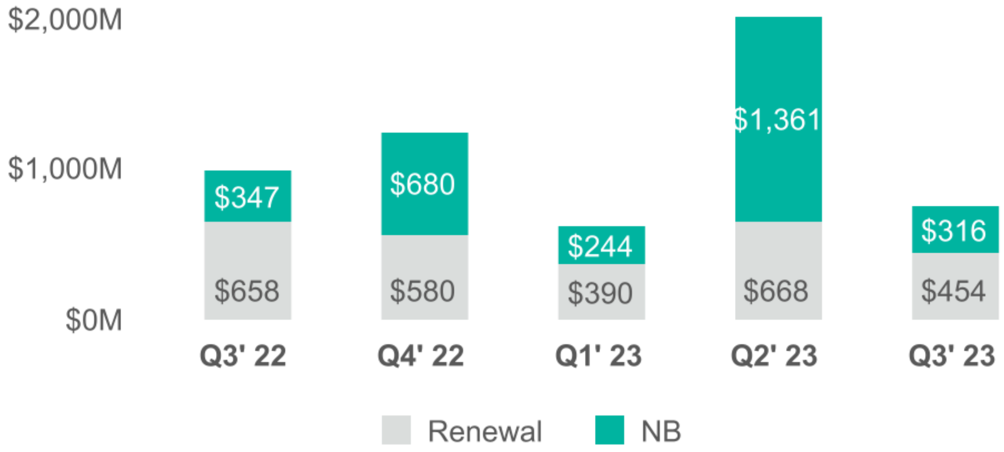
(1) Full definition in the Appendix.
(2) Trailing Twelve Months.

Key Sales Metrics Trends

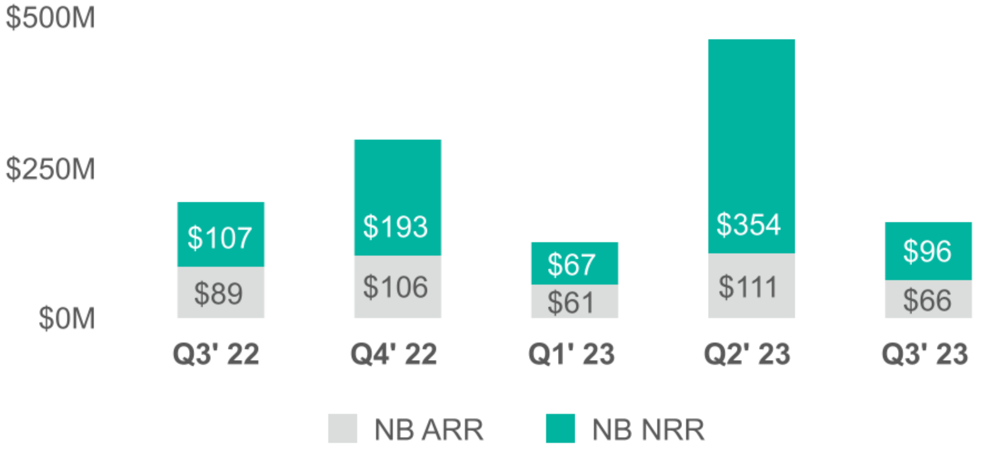
New Business ACV[1] Signings



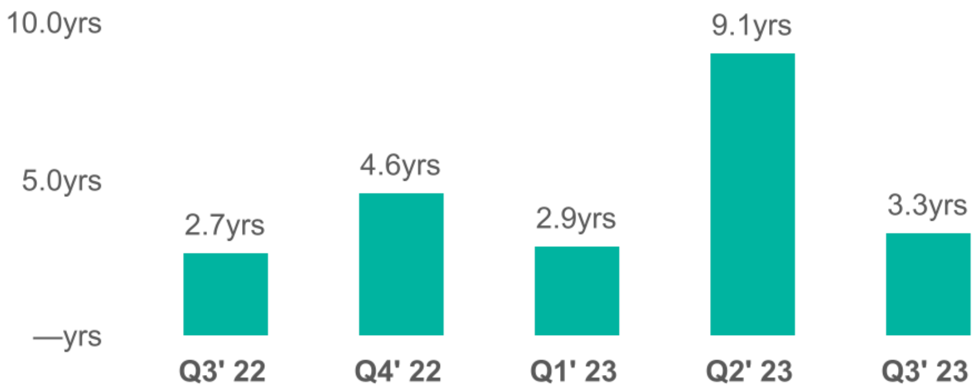
TCV Signings (incl. ARR[1] + NRR[1])



New Business (ARR[1] + NRR[1] Breakdown)



New Business ARR Avg. Contract Length

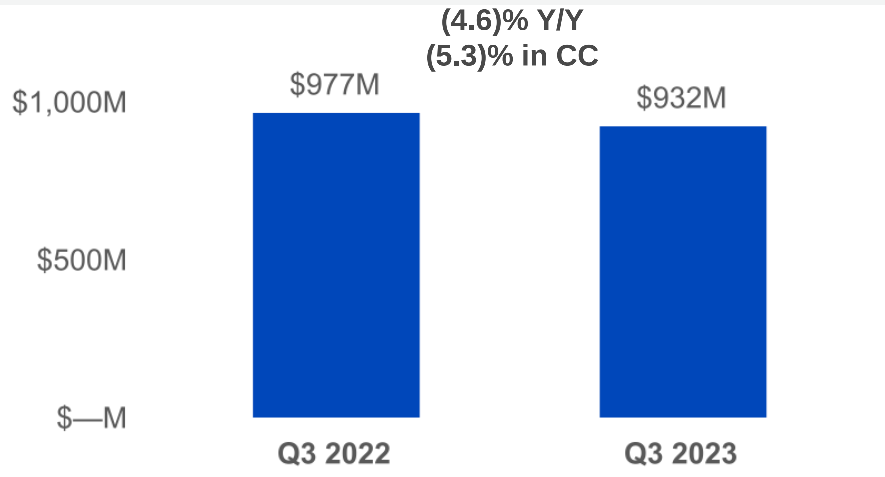


(1) Full definition in the Appendix.

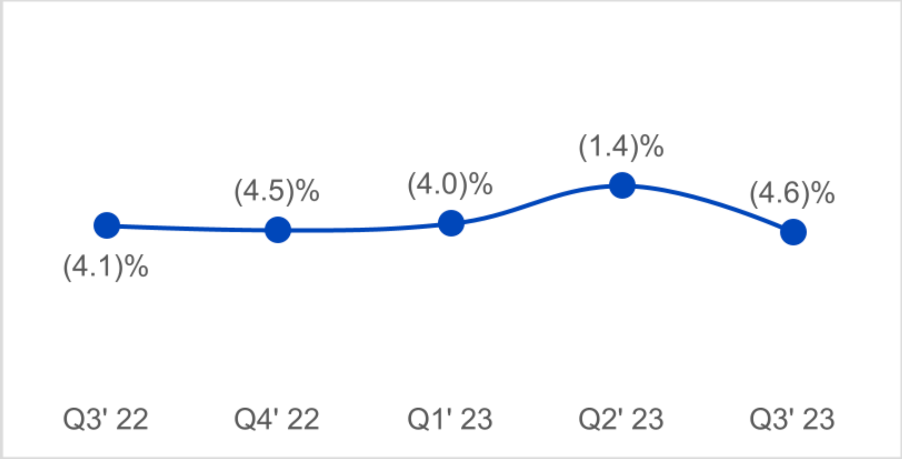
Q3 2023 P&L Metrics

CONDUENT

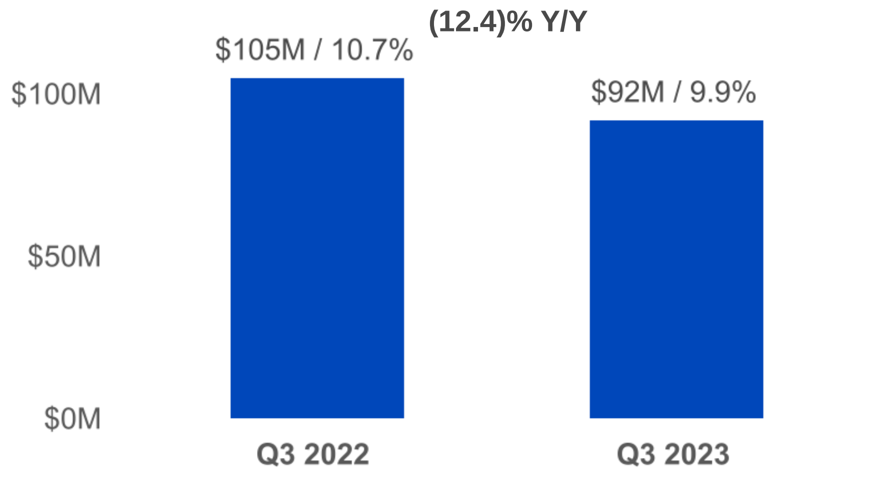
Adj. Revenue(1)



Adj. Revenue(1) Trend (Y/Y Compare)



Adj. EBITDA(1) / Adj. EBITDA Margin(1)



- **Adj. Revenue(1):** Decrease driven by lost business from prior periods and non-repeating items(2) in the prior year period, partially offset by new business ramp and higher interest rates positively impacting BenefitWallet.

- **Adj. EBITDA(1) and Adj. EBITDA Margin(1):** Decline driven by a number of discrete items in the current and prior year quarter as noted on the following slide.

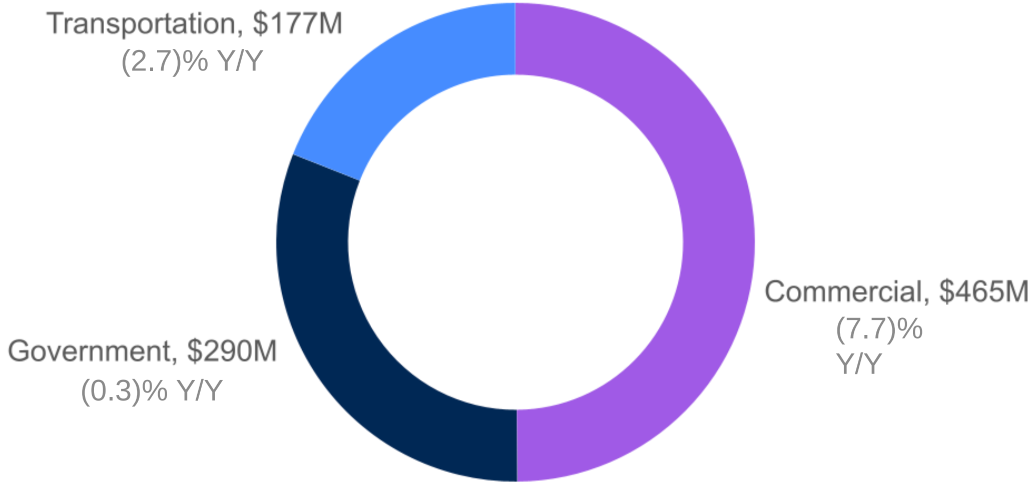
(1) Refer to Appendix for complete Non-GAAP reconciliations of Adjusted Revenue, Adjusted EBITDA and Adjusted EBITDA Margin.

(2) Non-repeating items include: recognition of the revenue benefit associated with a minimum annual commitment contract with a large client in our Commercial segment and federal stimulus revenue in our Government segment.

Q3 2023 P&L by Segment

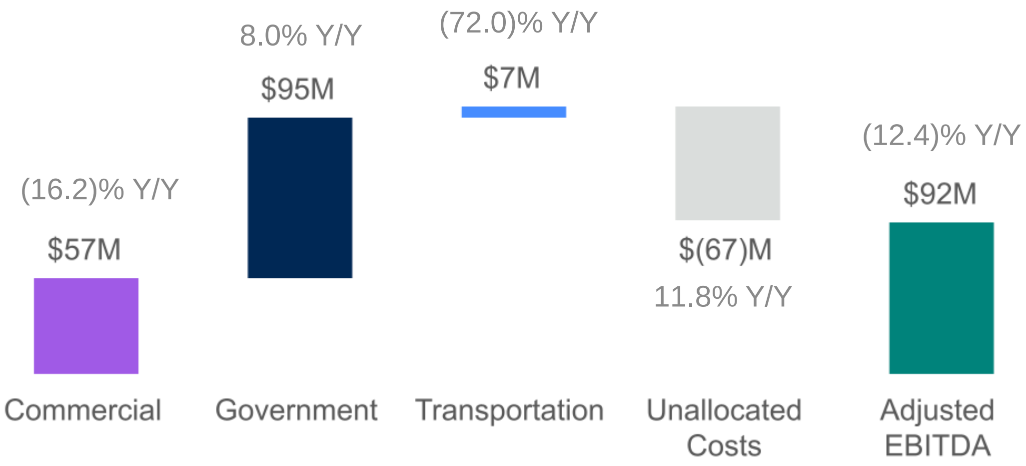
CONDUENT

Adj. Revenue(1)



- **Commercial:** Decrease primarily due to lower volumes in certain industries and non-repeating(2) items in the prior year period, partially offset by higher interest rates impacting BenefitWallet.
- **Government:** Substantially unchanged due to new business ramp and a contractual enhancement to a client implementation positively impacting revenue recognition, offset by lost business and non-recurring stimulus payments volume in the prior year.
- **Transportation:** Decrease primarily driven by extended completion timelines on large implementations affecting revenue recognition.

Adj. EBITDA(1) Contributions



- **Commercial:** Decrease driven by the non-repeating(2) items in the prior year period, partially offset by higher interest rates impacting BenefitWallet and cost efficiencies; margin 12.3% down (120) bps Y/Y.
- **Government:** Increase primarily driven by a contractual enhancement to a client implementation positively impacting revenue and EBITDA; margin 32.8% up 260 bps Y/Y.
- **Transportation:** Reduction driven by extended completion timelines negatively impacting revenue and EBITDA, as well as revenue mix; margin 4.0% down (970) bps Y/Y.
- **Unallocated Costs:** Decrease primarily due to cost efficiencies.

(1) Refer to Appendix for complete Non-GAAP reconciliations of Adjusted Revenue, Adjusted EBITDA and Adjusted EBITDA Margin.

(2) Non-repeating items include: recognition of the revenue benefit associated with a minimum annual commitment contract with a large client in our Commercial segment.

Q3 2023 Cash Flow and Balance Sheet

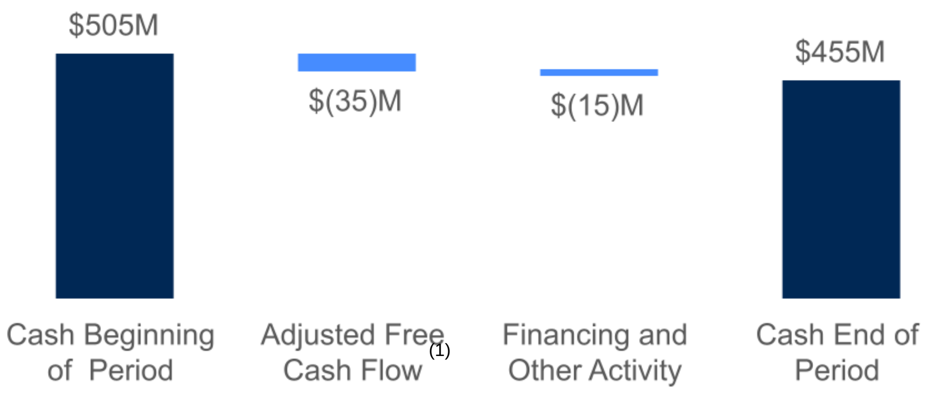
CONDUENT

- Adj. Free Cash Flow[1]: $(35)M
- Capex[6] as % of revenue: 3.0%
- Net adjusted leverage ratio[7]: 2.3x
- $455M of cash[2] at end of Q3 2023
- $548M Available Revolving Credit Facility
- Shares repurchased: 1,959,334

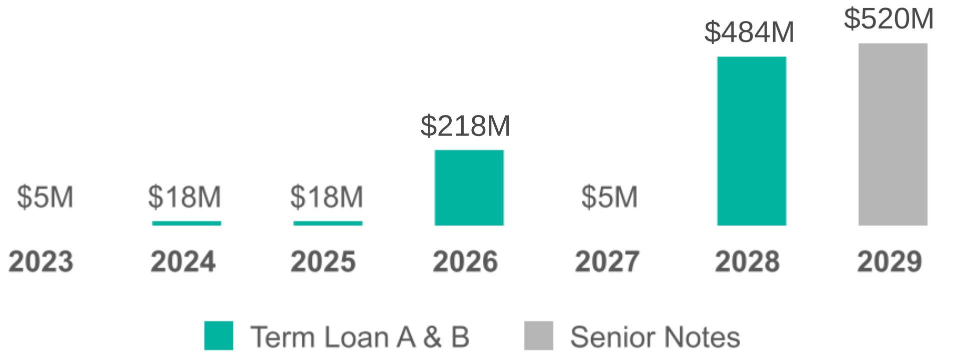
Balance Sheet

($ in millions)	**12/31/2022**	**9/30/2023**
Total Cash[2]	$598	$455
Total Debt[4]	1,282	1,268
Term Loan A[3] due 2026	252	242
Term Loan B[3] due 2028	510	506
Revolving Credit Facility due 2026[5]	—	—
Senior Notes due 2029	520	520
Finance leases and Other loans	53	58
Net adjusted leverage ratio[7]	1.8x	2.3x

Q3 2023 Cash[2] Balance Changes



Debt Maturity[8]



For the complete set of footnotes associated with this slide, please refer to the last page of the Appendix.

FY 2022 Actuals and 2023 Outlook[4]

	FY 2022 Actuals	FY 2023 Outlook [4]
Adj. Revenue[1]	$3,851M	$3,700M - $3,720M
Adj. EBITDA[1] / Adj. EBITDA Margin[1]	$394M / 10.2%	Approx. 10.0%
Adj. Free Cash Flow[2] as % of Adj. EBITDA[1]	1.5%[3]	Approx. 0%[3]

Other Modeling Considerations		
Government Stimulus Revenue[4]	$42M	$0M
Interest Expense	$84M	Approx. $105M
Restructuring	$39M	Approx. $60M
CapEx	$193M	Approx. $130M

(1) Refer to Appendix for complete Non-GAAP reconciliations of Adjusted Revenue, Adjusted EBITDA and Adjusted EBITDA Margin.

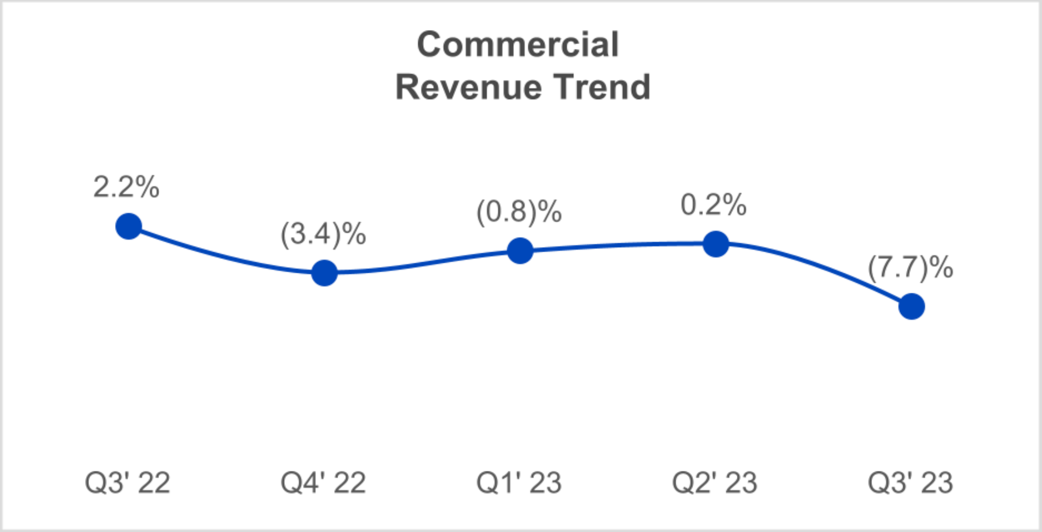
(2) Refer to Appendix for definition and complete Non-GAAP reconciliation of Adjusted Free Cash Flow.

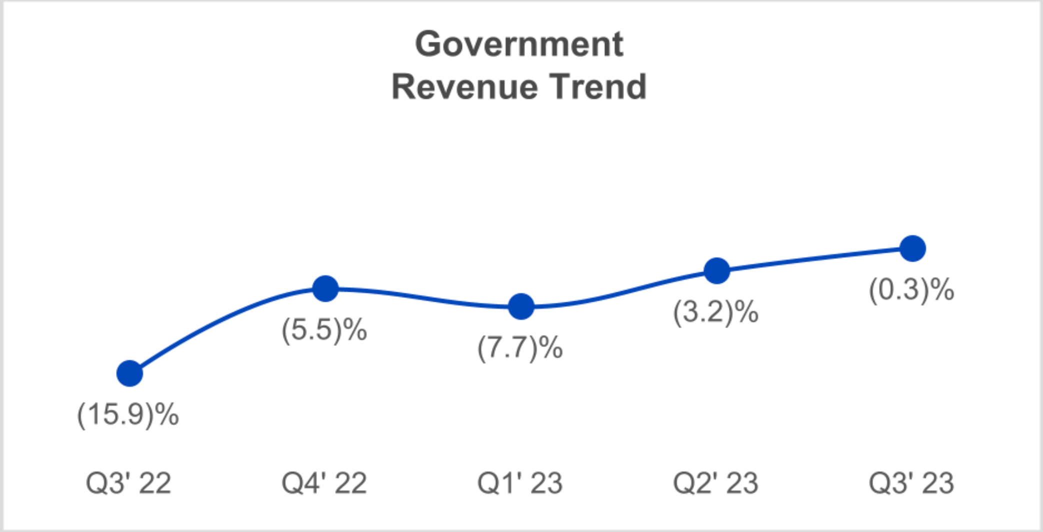
(3) Normalized for the impact of payment of deferred payroll taxes primarily related to the CARES Act of $27M in 2022, Adjusted Free Cash Flow as a percentage of Adjusted EBITDA is approximately 8% in 2022. Adjusted Free Cash Flow for 2023 includes an outstanding US Federal tax refund of $29M expected to be received in 2023.

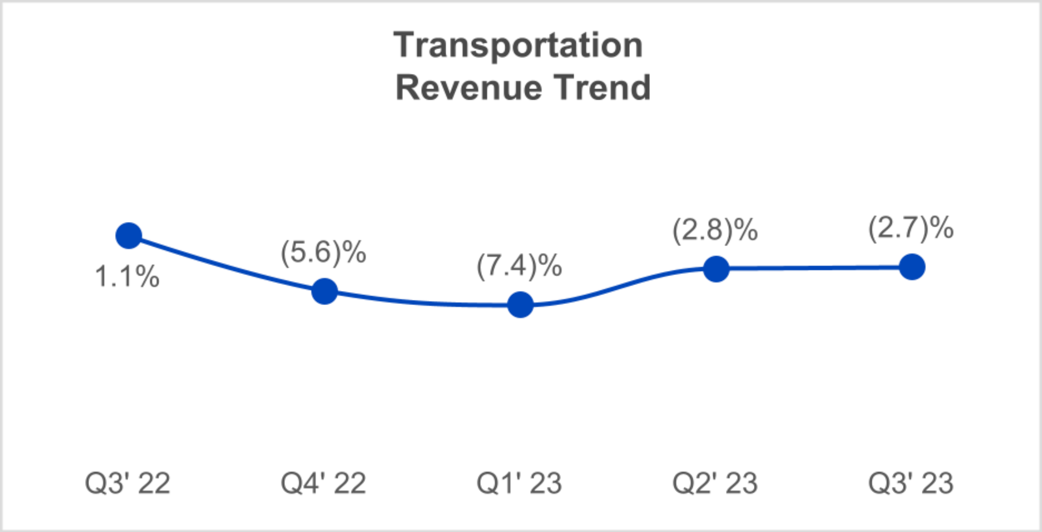
(4) Refer to Appendix for definition of Non-GAAP Outlook and Government Stimulus Revenue.

Appendix

Segment Revenue Trend







- **Commercial:**
  - New business pipeline and better client retention support a constant currency growth trajectory over time.
- **Government:**
  - Stimulus payments volumes in 2022 and legacy lost business created a grow over challenge for 2023. New business signings and strong pipeline position this segment for growth over time.
- **Transportation:**
  - New business signings position this segment for constant currency revenue growth over time.

Q3 Highlights and Recognition

CONDUENT

A collaborative, team-oriented culture laser-focused on driving valuable outcomes for clients

Selected for multi-year **Medicaid Claims processing** and support by **state of Texas**

Expanded Human Capital Solutions capabilities through **Charles Schwab partnership**

Maintained Leader Ranking in Everest Group Healthcare Payer Operations PEAK Matrix® Assessment

Designated as a Leader in 2023 ISG Provider Lens for Customer Experience Services

Named a Finalist in Four Sustainability Categories for the 2023 CiTTi Transportation Industry Awards in the UK

Awarded Best Company Leadership Team by Comparably

Definitions

New Business Total Contract Value (TCV): Estimated total future revenues from contracts signed during the period related to new logo, new service line or expansion with existing customers.

New Business Non-Recurring Revenue (NRR): Metric measures the non-recurring revenue for any new business signing, includes:

i. Signing value of any contract with term less than 12 months
ii. Signing value of project based revenue, not expected to continue long term.

New Business Annual Recurring Revenue (ARR): Metric measures the revenue from recurring services provided to the client for any new business signing. ARR represents the recurring services provided to a customer with the opportunity for renewal at the end of the contract term. The calculation of ARR is (Total Contract Value less Non-Recurring Revenue) divided by the Contract Term.

New Business Annual Contract Value (ACV): (New Business TCV / contract term) multiplied by 12.

Renewal TCV Signings: Estimated total future revenues from contracts signed during the period related to renewals.

Renewal Signings Annual Recurring Revenue (ARR): Metric measures the revenue from recurring services provided to the client for any renewal signing. ARR represents the recurring services provided to a customer with the opportunity for renewal at the end of the contract term. The calculation of ARR is: (Total Contract Value - Non-Recurring Revenue) / the Contract Term.

Net ARR Activity: Projected Annual Recurring Revenue for contracts signed in the prior 12 months, less the annualized impact of any client losses, contractual volume and price changes, and other known impacts for which the company was notified in that same time period, which could positively or negatively impact results. The metric annualizes the net impact to revenue. Timing of revenue impact varies and may not be realized within the forward 12-month timeframe. The metric is for indicative purposes only. This metric excludes COVID-related volume impacts and non-recurring revenue signings. This metric is not indicative of any specific 12 month timeframe.

Total New Business Pipeline (Cumulative Pipeline): TCV pipeline of deals in all sell stages. Extends past next 12 month period to include total pipeline. Excludes the impact of divested business as required.

Implied New Business Average Contract Length: (New business TCV – New business NRR) / New business ARR = Implied New Business Average Contract Length.

Non-GAAP Financial Measures

Non-GAAP Financial Measures

We have reported our financial results in accordance with accounting principles generally accepted in the U.S. (U.S. 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 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 results of the current period against the corresponding prior period. 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 Consolidated Financial Statements prepared in accordance with U.S. GAAP. Our management regularly uses our non-GAAP financial measures internally to understand, manage and evaluate our business and make operating decisions. 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. 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 Revenue, Adjusted Net Income (Loss), Adjusted Diluted Earnings per Share, Adjusted Weighted Average Common Shares Outstanding, and Adjusted Effective Tax Rate.

We make adjustments to Net Income (Loss) before Income Taxes for the following items, as applicable, to the particular financial measure, for the purpose of calculating Adjusted Revenue, Adjusted Net Income (Loss), Adjusted Diluted Earnings per Share, Adjusted Weighted Average Common Shares Outstanding, and Adjusted Effective Tax Rate:

- Amortization of acquired intangible assets. The amortization of acquired intangible assets is driven by acquisition activity, which can vary in size, nature and timing as compared to other companies within our industry and 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.
- (Gain) loss on divestitures and transaction costs. Represents (gain) loss on divested businesses and transaction costs.
- Goodwill Impairment. This represents goodwill impairment charges related to entering the agreement to transfer the BenefitWallet portfolio.
- Litigation settlements (recoveries), net. Litigation settlements (recoveries), net represents provisions for various matters subject to litigation.
- Other charges (credits). This includes Other (income) expenses, net on the Condensed Consolidated Statements of Income (loss) and other insignificant (income) expense associated with providing transition services on the California Medicaid contract loss and other adjustments.
- Abandonment of Cloud Computing Project. This includes charges in connection with the abandonment of a cloud computing project. The costs include writing off previously capitalized costs and accruing remaining hosting fees that continue to be incurred without any economic benefit.
- Divestitures. Revenue and Adjusted EBITDA of divested businesses are excluded.

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 the 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

Adjusted Revenue, Adjusted Operating Income and Adjusted Operating Margin.

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

- Amortization of acquired intangible assets.
- Restructuring and related costs.
- Interest expense. Interest expense includes interest on long-term debt and amortization of debt issuance costs.
- Goodwill impairment.
- (Gain) loss on divestitures and transaction costs.
- Litigation settlements (recoveries), net.
- Other charges (credits).
- Abandonment of Cloud Computing Project.
- 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.

Non-GAAP Financial Measures

Adjusted EBITDA and EBITDA Margin

We use Adjusted EBITDA and Adjusted 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. Adjusted EBITDA represents income (loss) before interest, income taxes, depreciation and amortization and contract inducement amortization adjusted for the following items. Adjusted EBITDA Margin is Adjusted EBITDA divided by revenue or adjusted revenue, as applicable:

- Restructuring and related costs.
- Goodwill impairment.
- (Gain) loss on divestitures and transaction costs.
- Litigation settlements (recoveries), net.
- Other charges (credits).
- Abandonment of Cloud Computing Project.
- 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 Adjusted EBITDA Margin may not be comparable to similar measures disclosed by other companies because not all companies calculate Adjusted EBITDA and Adjusted EBITDA Margin in the same manner.

Non-GAAP Financial Measures

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, and proceeds from sales of land, buildings and equipment. We use the non-GAAP measure of Free Cash Flow as a criterion of liquidity. 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 and invest in land, buildings and equipment and internal use software, after required 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 adjustments for litigation insurance recoveries, transaction costs, taxes paid on gains from divestitures and litigation recoveries, proceeds from failed sale-leaseback transactions and certain other identified adjustments. We use Adjusted Free Cash Flow, in addition to Free Cash Flow, to provide supplemental information to our investors concerning our ability to generate cash from our ongoing operating activities; by excluding these items, we believe we provide useful additional information to our investors to help them further understand our ability to generate cash period-over-period as well as added information on comparability to our competitors. Such as with Free Cash Flow information, as so adjusted, it is specifically not intended to provide amounts available for discretionary spending. We have added certain adjustments to account for items which we do not believe reflect our core business or operating performance, and we computed all periods with such adjusted costs.

Revenue at 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 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 the outlook for Adjusted EBITDA we exclude certain items which are otherwise included in determining the comparable U.S. GAAP financial measure. A description of the adjustments which historically have been applicable in determining Adjusted EBITDA are reflected in the table within this presentation. In addition, for "Full Year 2022 Actuals" we are excluding the impacts of $7 million of Revenue and $2 million of Adjusted EBITDA related to the divestiture of the Midas business. We are providing such outlook only on a non-GAAP basis because the Company is unable without unreasonable efforts to predict with reasonable certainty the totality or ultimate outcome or occurrence of these adjustments for the forward-looking period, 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. We have provided an outlook for Adjusted revenue only on a non-GAAP basis using foreign currency translation rates as of current period end due to the inability to, without unreasonable efforts, accurately predict foreign currency impact on revenues. Outlook for Adjusted Free Cash Flow is provided as a factor of expected Adjusted EBITDA, and such outlook is only available on a non-GAAP basis for the reasons described above. For the same reason, we are unable to provide GAAP expected adjusted tax rate, which adjusts for our non-GAAP adjustments.

Government Stimulus Revenue

Revenue from payment volumes in our Government Services segment resulting from the Pandemic Supplemental Nutritional Assistance Program (PSNAP) and supplemental unemployment insurance.

Non-GAAP Reconciliations

CONDUENT

Revenue at Constant Currency, Adjusted Net Income (Loss), Adjusted Effective Tax Rate, Adjusted Operating Income (Loss) and Adjusted EBITDA

(in millions)	Q3 2023	Q2 2023	Q1 2023	FY 2022	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Revenue	$ 932	$ 915	$ 922	$ 3,858	$ 986	$ 977	$ 928	$ 967
Adjustment:								
Divestitures[1]	—	—	—	(7)	—	—	—	(7)
Adjusted Revenue	932	915	922	3,851	986	977	928	960
Foreign currency impact	(7)	(1)	3	39	9	14	11	5
Revenue at Constant Currency	$ 925	$ 914	$ 925	$ 3,890	$ 995	$ 991	$ 939	$ 965
ADJUSTED NET INCOME (LOSS)								
Income (Loss) From Continuing Operations	$ (289)	$ (7)	$ (6)	$ (182)	$ (333)	$ 15	$ —	$ 136
Adjustments:								
Amortization of acquired intangible assets[2]	1	2	2	13	2	2	3	6
Restructuring and related costs	7	13	29	39	15	4	11	9
Goodwill impairment	287	—	—	358	358	—	—	—
(Gain) loss on divestitures and transaction costs, net	3	3	2	(158)	1	1	3	(163)
Litigation settlements (recoveries), net	—	(1)	(21)	(32)	(1)	—	(3)	(28)
Other charges (credits)	(2)	—	(1)	(1)	(1)	—	(1)	1
Total Non-GAAP Adjustments	296	17	11	219	374	7	13	(175)
Income tax adjustments[3]	(25)	(4)	(3)	24	(36)	—	(4)	64
Adjusted Net Income	$ (18)	$ 6	$ 2	$ 61	$ 5	$ 22	$ 9	$ 25

CONTINUED

(in millions)	Q3 2023	Q2 2023	Q1 2023	FY 2022	Q4 2022	Q3 2022	Q2 2022	Q1 2022
ADJUSTED EFFECTIVE TAX								
Income (Loss) Before Income Taxes	$ (313)	$ (7)	$ (8)	$ (127)	$ (365)	$ 23	$ 5	$ 210
Adjustment:								
Total Non-GAAP Adjustments	296	17	11	219	374	7	13	(175)
Adjusted PBT Before Adjustment for Divestitures	(17)	10	3	92	9	30	18	35
Divestitures[1]	—	—	—	(2)	—	—	—	(2)
Adjusted PBT	$ (17)	$ 10	$ 3	$ 90	$ 9	$ 30	$ 18	$ 33
Income tax expense (benefit)	$ (24)	$ —	$ (2)	$ 55	$ (32)	$ 8	$ 5	$ 74
Income tax adjustments[3]	25	4	3	(24)	36	—	4	(64)
Adjusted Income Tax Expense (Benefit)	1	4	1	31	4	8	9	10
Adjusted Net Income (Loss) Before Adjustment for Divestitures	(18)	6	2	61	5	22	9	25
Divestitures[1]	—	—	—	(2)	—	—	—	(2)
Adjusted Net Income (Loss)	$ (18)	$ 6	$ 2	$ 59	$ 5	$ 22	$ 9	$ 23
ADJUSTED OPERATING INCOME (LOSS)								
Income (Loss) Before Income Taxes	$ (313)	$ (7)	$ (8)	$ (127)	$ (365)	$ 23	$ 5	$ 210
Adjustment:								
Total non-GAAP adjustments	296	17	11	219	374	7	13	(175)
Interest expense	28	27	27	84	25	22	18	19
Adjusted Operating Income (Loss) Before Adjustment for Divestitures	11	37	30	176	34	52	36	54
Divestitures[1]	—	—	—	(2)	—	—	—	(2)
Adjusted Operating Income (Loss)	$ 11	$ 37	$ 30	$ 174	$ 34	$ 52	$ 36	$ 52

CONTINUED

(in millions)	Q3 2023	Q2 2023	Q1 2023	FY 2022	Q4 2022	Q3 2022	Q2 2022	Q1 2022
ADJUSTED EBITDA								
Net Income (Loss)	$ (289)	$ (7)	$ (6)	$ (182)	$ (333)	$ 15	$ —	$ 136
Income tax expense (benefit)	(24)	—	(2)	55	(32)	8	5	74
Depreciation and amortization	81	57	61	230	62	54	53	61
Contract inducement amortization	1	1	1	3	1	1	1	—
Interest expense	28	27	27	84	25	22	18	19
EBITDA Before Adjustment for Divestitures	(203)	78	81	190	(277)	100	77	290
Divestitures[(1)]	—	—	—	(2)	—	—	—	(2)
EBITDA	(203)	78	81	188	(277)	100	77	288
Adjustments:								
Restructuring and related costs	7	13	29	39	15	4	11	9
Goodwill impairment	287	—	—	358	358	—	—	—
(Gain) loss on divestitures and transaction costs, net	3	3	2	(158)	1	1	3	(163)
Litigation settlements (recoveries), net	—	(1)	(21)	(32)	(1)	—	(3)	(28)
Other charges (credits)	(2)	—	(1)	(1)	(1)	—	(1)	1
Adjusted EBITDA	$ 92	$ 93	$ 90	$ 394	$ 95	$ 105	$ 87	$ 107

1. *Adjusted for the full impact from revenue and income/loss from divestitures for all periods presented.*
2. *Included in Depreciation and amortization on the Consolidated Statements of Income (Loss).*
3. *The tax impact of Adjusted Pre-tax income (loss) from continuing operations was 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 and without regard to the adjustments listed.*

CONTINUED

CONDUENT

Adjusted Weighted Average Shares Outstanding, Adjusted Diluted EPS, Adjusted Effective Tax Rate, Adjusted Operating Margin, and Adjusted EBITDA Margin

(Amounts are in whole dollars, shares are in thousands and margins are in %)	Q3 2023	Q2 2023	Q1 2023	FY 2022	Q4 2022	Q3 2022	Q2 2022	Q1 2022
ADJUSTED DILUTED EPS[1]								
Weighted Average Common Shares Outstanding	217,348	218,394	218,410	215,886	216,500	215,775	215,629	215,503
Adjustments:								
Restricted stock and performance units / shares	—	928	—	3,612	4,296	3,668	3,489	2,994
Adjusted Weighted Average Common Shares Outstanding	217,348	219,322	218,410	219,498	220,796	219,443	219,118	218,497
Diluted EPS from Continuing Operations	$ (1.34)	$ (0.04)	$ (0.04)	$ (0.89)	$ (1.55)	$ 0.06	$ (0.01)	$ 0.61
Adjustments:								
Total non-GAAP adjustments	1.37	0.07	0.05	1.01	1.72	0.03	0.06	(0.80)
Income tax adjustments[2]	(0.12)	(0.02)	(0.01)	0.11	(0.16)	—	(0.02)	0.29
Adjusted Diluted EPS	$ (0.09)	$ 0.01	$ 0.00	$ 0.23	$ 0.01	$ 0.09	$ 0.03	$ 0.10
ADJUSTED EFFECTIVE TAX RATE								
Effective tax rate	7.8 %	(3.3) %	20.8 %	(43.9) %	8.7 %	33.8 %	99.6 %	35.2 %
Adjustments:								
Total non-GAAP adjustments	(13.9)	45.5	14.2	78.2	39.9	(6.3)	(52.9)	(5.6)
Adjusted Effective Tax Rate[2]	(6.1) %	42.2 %	35.0 %	34.3 %	48.6 %	27.5 %	46.7 %	29.6 %

CONTINUED

(Margins are in %)	Q3 2023	Q2 2023	Q1 2023	FY 2022	Q4 2022	Q3 2022	Q2 2022	Q1 2022
ADJUSTED OPERATING MARGIN								
Income (Loss) Before Income Taxes Margin	(33.6) %	(0.8) %	(0.9) %	(3.3) %	(37.0) %	2.4 %	0.5 %	21.7 %
Adjustments:								
Total non-GAAP adjustments	31.8	1.8	1.3	5.7	37.9	0.6	1.5	(18.1)
Interest expense	3.0	3.0	2.9	2.2	2.5	2.3	1.9	2.0
Margin for Adjusted Operating Income Before Adjustment for Divestitures	1.2	4.0	3.3	4.6	3.4	5.3	3.9	5.6
Divestitures[3]	—	—	—	(0.1)	—	—	—	(0.2)
Margin for Adjusted Operating Income	1.2 %	4.0 %	3.3 %	4.5 %	3.4 %	5.3 %	3.9 %	5.4 %
ADJUSTED EBITDA MARGIN								
EBITDA Margin Before Adjustment for Divestitures	(21.8) %	8.5 %	8.8 %	4.9 %	(28.1) %	10.2 %	8.3 %	30.0 %
Divestitures[3]	—	—	—	—	—	—	—	—
EBITDA Margin	(21.8)	8.5	8.8	4.9	(28.1)	10.2	8.3	30.0
Total non-GAAP adjustments	31.7	1.7	1.0	5.4	37.7	0.5	1.1	(18.7)
Divestitures[3]	—	—	—	—	—	—	—	—
Adjusted EBITDA Margin Before Adjustment for Divestitures	9.9	10.2	9.8	10.3	9.6	10.7	9.4	11.3
Divestitures[3]	—	—	—	(0.1)	—	—	—	(0.2)
Adjusted EBITDA Margin	9.9 %	10.2 %	9.8 %	10.2 %	9.6 %	10.7 %	9.4 %	11.1 %

1. *Average shares for the 2023 and 2022 calculation of adjusted EPS excludes 5.4 million shares associated with our Series A convertible preferred stock and includes the impact of the preferred stock dividend of approximately $2 million each quarter.*
2. *The tax impact of Adjusted Pre-tax income (loss) from continuing operations was 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 and without regard to the Total Non-GAAP adjustments.*
3. *Adjusted for the full impact from revenue and income/loss from divestitures for all periods presented.*

CONTINUED

Free Cash Flow and Adj. Free Cash Flow

(in millions)	Q3 2023	Q2 2023	Q1 2023	FY 2022	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Operating Cash Flow	$ (11)	$ (10)	$ (12)	$ 144	$ 51	$ 98	$ (16)	$ 11
Cost of additions to land, buildings and equipment	(13)	(9)	(11)	(92)	(30)	(11)	(17)	(34)
Cost of additions to internal use software	(9)	(11)	(11)	(61)	(13)	(16)	(16)	(16)
Free Cash Flow	**(33)**	**(30)**	**(34)**	**(9)**	**8**	**71**	**(49)**	**(39)**
Transaction costs	3	2	1	8	2	3	2	1
Vendor finance lease payments	(5)	(3)	(4)	(10)	(3)	(2)	(2)	(3)
Portion of Texas litigation settlement (recoveries) recognized in Litigation settlements (recoveries), net	—	—	—	(24)	—	—	—	(24)
Proceeds from failed sale-leaseback transactions	—	—	—	13	13	—	—	—
Tax payment related to divestitures and litigation recoveries	—	5	—	28	4	6	18	—
Adjusted Free Cash Flow	**$ (35)**	**$ (26)**	**$ (37)**	**$ 6**	**$ 24**	**$ 78**	**$ (31)**	**$ (65)**

The below footnotes correspond to the "Q3 2023 Cash Flow and Balance Sheet" slide

(1) Refer to Appendix for complete Non-GAAP reconciliations of Adjusted Free Cash Flow.

(2) Total Cash includes $4M and $16M of restricted cash as of September 30, 2023 and December 31, 2022, respectively.

(3) Revolving credit facility and Term Loan A interest rate: LIBOR + 225 bps; Term Loan B: LIBOR + 425 bps.

(4) Total Debt as of September 30, 2023 and December 31, 2022 includes Term Loan A, Term Loan B, Senior Notes and Revolving credit facility borrowings and excludes finance leases and other as well as deferred financing costs.

(5) $548M of available capacity under Revolving Credit Facility as of September 30, 2023.

(6) Capex refers to additions to Land, Buildings & Equipment, Internal Use Software, Software Product Additions and Software as a Service Implementation Cost.

(7) Net debt (Total Debt, including finance leases and other as well as deferred financing costs; less unrestricted cash) divided by TTM Adjusted EBITDA (not adjusted for divestitures).

(8) Debt maturity amounts exclude finance leases, other loans and potential mandatory prepayments.