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): February 8, 2022

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

New York	001-37817	81-2983623
(State or other jurisdiction of incorporation or organization)	(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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 par value	**CNDT**	**NASDAQ Global Select Market**

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

☐ 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 2.01. Completion of Acquisition or Disposition of Assets.

As previously announced on January 4, 2022, Conduent Business Services, LLC, a wholly owned subsidiary of Conduent Incorporated ("Conduent"), entered into a definitive agreement with Symplr Software, Inc., ("Buyer") pursuant to which Conduent agreed to sell its Midas suite of patient safety, quality and advanced analytics solutions for an aggregate cash purchase price of $340 million, less certain indebtedness and adjusted for the difference between estimated working capital at closing and a negotiated working capital target (the "Business"). On February 8, 2022, Conduent successfully completed the sale of the Business. At closing, Buyer paid Conduent $321 million in cash, which is subject to settlement of customary post-closing adjustments. Conduent intends to use the net proceeds received from the sale of the Business for general corporate purposes, which may include funding capital expenditures and the repayment of indebtedness.

Item 8.01. Other Events.

On February 9, 2022, Conduent issued a press release announcing the completion of the sale of the Business, a copy of which is attached hereto as Exhibit 99.1 and is incorporated by reference herein. The information contained in Item 8.01 and in Exhibit 99.1 to this Current Report on Form 8-K shall not be deemed "filed" with the Securities and Exchange Commission for purposes of Section 18 of the Exchange Act of 1934, as amended, or otherwise subject to the liability of that section.

Item 9.01. Financial Statements and Exhibits.

(b) Pro Forma Financial Information.

The following unaudited pro forma condensed consolidated financial statements of Conduent, after giving effect to the sale of the Business, are filed as Exhibit 99.2 to this Current Report on Form 8-K and incorporated by reference herein:

- Conduent's unaudited pro forma condensed consolidated balance sheet as of September 30, 2021;
- Conduent's unaudited pro forma condensed consolidated statement of income (loss) for the nine months ended September 30, 2021; and
- Conduent's unaudited pro forma condensed consolidated statement of income (loss) for the year ended December 31, 2020.

The unaudited pro forma condensed consolidated financial statements are not intended to represent or be indicative of the Conduent's consolidated results of operations or financial position that would have been reported had the disposition been completed as of the dates presented and should not be taken as representation of the Conduent's future consolidated results of operations or financial condition. The pro forma adjustments are based on available information and certain assumptions that management believes are reasonable under the circumstances.

(d) Exhibits.

Exhibit No.	Description
99.1	Press release of Conduent Incorporated dated February 9, 2022.
99.2	Unaudited Pro Forma Condensed Consolidated Financial Statements of Conduent Incorporated.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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: February 14, 2022

CONDUENT INCORPORATED

By: ***/s/ KEVIN CIAGLO***
Kevin Ciaglo
Assistant Secretary

Exhibit 99.1

News from Conduent

Conduent Incorporated
100 Campus Drive
Florham Park, N.J. 07932

www.Conduent.com

Conduent Completes Sale of its Midas Suite of Solutions to symplr

Sale ties to Conduent's ongoing strategy to focus on synergies within its portfolio to enhance shareholder and client value

Conduent will continue to offer a range of solutions serving the healthcare industry

FLORHAM PARK, N.J., February 9, 2022 – Conduent Incorporated (Nasdaq: CNDT), a business process services and solutions company, today announced it has closed the sale of its Midas Suite of Solutions to symplr® for a price of $340 million less certain customary adjustments. The signing of the transaction was announced Jan. 4, 2022.

Net proceeds, after payment of taxes and related expenses, are expected to be approximately $270 million, and will be used for repayment of debt and investing in Conduent's business.

As previously disclosed, the transaction is part of Conduent's ongoing strategy to focus on synergies within its portfolio to enhance shareholder and client value. Conduent will continue to provide a seamless transition for Midas clients and associates.

Conduent is proud to continue serving the healthcare industry with offerings spanning patient engagement, care management and claims processing. Conduent's services and solutions interact with 75 percent of U.S. insured patients. These solutions enhance member experiences, elevate claims automation, and optimize key business operations to drive process and cost efficiencies across the healthcare ecosystem.

About Conduent

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

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

Conduent Forward-Looking Statements

This release and any attachments to this release may contain "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. The words "anticipate," "believe," "estimate," "expect," "plan," "intend," "will," "aim," "should," "could," "forecast," "target," "may," "continue to," "if," "growing," "projected," "potential," "likely," and similar expressions, as they relate to us, are intended to identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. All statements other than statements of historical fact included in this press release are forward-looking statements, including, but not limited to, statements regarding our belief that the transaction will streamline opportunities that enhance shareholder and client value, that Conduent's core offerings will continue to include a range of solutions for the healthcare industry that enhance member experiences, elevate claims automation, and optimize key business operations to drive process and cost efficiencies across the healthcare ecosystem. 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 press release, any exhibits to this press release and other public statements we make. Our actual results may vary materially from those expressed or implied in our forward-looking statements. These forward-looking statements are also subject to the significant continuing impact of the COVID-19 pandemic on our business, operations, financial results and financial condition, which is dependent on developments which are highly uncertain and cannot be predicted.

Important factors and uncertainties that could cause our actual results to differ materially from those in our forward-looking statements include, but are not limited to: the significant continuing effects of the ongoing COVID-19 pandemic on our business, operations, financial results and financial condition, which is dependent on developments which are highly uncertain and cannot be predicted; government appropriations and termination rights contained in our government contracts; our ability to renew commercial and government contracts, including contracts awarded through competitive bidding processes; our ability to recover capital and other investments in connection with our contracts; our reliance on third-party providers; our ability to deliver on our contractual obligations properly and on time; changes in interest in outsourced business process services; risk and impact of geopolitical events, natural disasters and other factors (such as pandemics, including coronavirus) in a particular country or region on our workforce, customers and vendors; claims of infringement of third-party intellectual property rights; our ability to estimate the scope of work or the costs of performance in our contracts; the loss of key senior management and our ability to attract and retain necessary technical personnel and qualified subcontractors; increases in the cost of telephone and data services or significant interruptions in such services; our failure to develop new service offerings and protect our intellectual property rights; our ability to modernize our information technology infrastructure and consolidate data centers; the failure to comply with laws relating to individually identifiable information and personal health information; the failure to comply with laws relating to processing certain financial transactions, including payment card transactions and debit or credit card transactions; breaches of our information systems or security systems or any service interruptions; our ability to comply with data security standards; changes in tax and other laws and regulations; risk and impact of potential goodwill and other asset impairments; our significant indebtedness; our ability to obtain adequate pricing for our services and to improve our cost structure; our ability to collect our receivables, including those for unbilled services; a decline in revenues from, or a loss of, or a reduction in business from or failure of significant clients; fluctuations in our non-recurring revenue; our failure to maintain a satisfactory credit rating; our ability to receive dividends or other payments from our subsidiaries; developments in various contingent liabilities that are not reflected on our balance sheet, including those arising as a result of being involved in a variety of claims, lawsuits, investigations and proceedings; conditions abroad, including local economics, political environments, fluctuating foreign currencies and shifting regulatory schemes; changes in government regulation and economic, strategic, political and social conditions; changes in the volatility of our stock price and the risk of litigation following a decline in the price of our stock; the impact of the ongoing COVID-19 pandemic; 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 2020 Annual Report on Form 10-K, as well as in our Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with or furnished to the Securities and Exchange Commission. Any forward-looking statements made by us in this release speak only as of the date on which they are made. We are under no obligation to, and expressly disclaim any obligation to, update or alter our forward-looking statements, whether as a result of new information, subsequent events or otherwise.

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For Conduent:

Media Contact:

Sean Collins
Conduent
Sean.Collins2@conduent.com
+1-310-497-9205

Investor Relations Contact:

Giles Goodburn
Conduent
ir@conduent.com
+1-203-216-3546

Note: To receive RSS news feeds, visit www.news.conduent.com. For open commentary, industry perspectives and views, visit http://twitter.com/Conduent, http://www.linkedin.com/company/conduent or http://www.facebook.com/Conduent.

Conduent Incorporated
Unaudited Pro Forma Condensed Consolidated Financial Statements

Introduction

On December 29, 2021 Conduent Business Services, LLC, a wholly owned subsidiary of Conduent Incorporated (“Conduent” or the “Company”), entered into a definitive agreement with Symplr Software, Inc., (“Buyer”) pursuant to which Conduent agreed to sell its Midas suite of patient safety, quality and advanced analytics solutions (the “Business”) for an aggregate cash purchase price of $340 million, less certain indebtedness and adjusted for the difference between estimated working capital at closing and a negotiated working capital target. On February 8, 2022, Conduent successfully completed the sale of the Business. At closing, the Buyer paid Conduent $321 million in cash, which is subject to settlement of customary post-closing adjustments; such settlement is likely to occur in the second quarter of 2022 and is not expected to be material.

The unaudited pro forma condensed consolidated financial data of the Company was derived from the historical condensed consolidated financial statements. The unaudited pro forma condensed consolidated balance sheet assumes the sale of the Business occurred on September 30, 2021. The unaudited pro forma condensed consolidated statements of income (loss) for the nine months ended September 30, 2021, and the year ended December 31, 2020, give effect to the sale of the Business as if it occurred as of January 1, 2020. The following unaudited pro forma condensed consolidated financial information should be read in conjunction with the Company’s historical financial statements and accompanying notes for the year ended December 31, 2020, which were included in the Form 10-K filed on February 24, 2021, and the Company’s historical condensed consolidated financial statements and accompanying notes for the nine months ended September 30, 2021, which were included in the Quarterly Report on Form 10-Q filed on November 4, 2021.

The transaction accounting adjustments for the sale of the Business remove the assets, liabilities and results of operations and also give effect to adjustments to reflect the cash proceeds of approximately $321 million from the sale of the Business, the payment of related income taxes of $52 million and the repayment of debt in the amount of $100 million on February 11, 2022.

The unaudited pro forma condensed consolidated financial information is based on information currently available and assumptions that the Company believes are reasonable and is provided for illustrative and informational purposes only and is not intended to reflect what the Company’s consolidated financial position and results of operations would have been had the sale of the Business occurred on the dates indicated above and is not necessarily indicative of the Company’s future consolidated financial position and results of operations.

Conduent Incorporated
Unaudited Pro Forma Condensed Consolidated Balance Sheet
As of September 30, 2021

(in millions)	Conduent Historical	Transaction Accounting Adjustments	Notes	Unaudited Pro Forma
Assets				
Cash and cash equivalents	$ 394	$ 169	(a)	$ 563
Accounts receivable, net	701	(8)	(b)	693
Contract assets	159	—		159
Other current assets	257	(1)	(b)	256
Total current assets	1,511	160		1,671
Land, buildings and equipment, net	273	—		273
Operating lease right-of-use assets	243	—		243
Intangible assets, net	84	—		84
Goodwill	1,506	(162)	(b)	1,344
Other long-term assets	475	(14)	(b)	461
Total Assets	$ 4,092	$ (16)		$ 4,076
Liabilities and Equity				
Current portion of long-term debt	$ 21	$ —		$ 21
Accounts payable	169	(1)	(b)	168
Accrued compensation and benefits costs	252	(2)	(b)	250
Unearned income	111	(26)	(b)	85
Other current liabilities	434	1	(b) (g)	435
Total current liabilities	987	(28)		959
Long-term debt	1,384	(100)	(a)	1,284
Deferred taxes	87	16	(h)	103
Operating lease liabilities	195	—		195
Other long-term liabilities	114	—		114
Total Liabilities	2,767	(112)		2,655
Series A convertible preferred stock	142	—		142
Common stock	2	—		2
Additional paid-in capital	3,912	—		3,912
Retained earnings (deficit)	(2,308)	96	(c)	(2,212)
Accumulated other comprehensive loss	(423)	—		(423)
Total Equity	1,183	96		1,279
Total Liabilities and Equity	$ 4,092	$ (16)		$ 4,076

See accompanying notes to unaudited pro forma condensed consolidated financial statements.

Conduent Incorporated
Unaudited Pro Forma Condensed Consolidated Statement of Income (Loss)
For the Nine Months Ended September 30, 2021

(in millions, except per share data)	Conduent Historical	Transaction Accounting Adjustments	Notes	Unaudited Pro Forma
Revenue	$ 3,092	$ (54)	(d)	$ 3,038
Operating Costs and Expenses				
Cost of services (excluding depreciation and amortization)	2,335	(24)	(d)	2,311
Selling, general and administrative (excluding depreciation and amortization)	382	(7)	(d)	375
Research and development (excluding depreciation and amortization)	3	—		3
Depreciation and amortization	265	(5)	(d)	260
Restructuring and related costs	31	—		31
Interest expense	38	(2)	(e)	36
(Gain) loss on divestitures and transaction costs	1	—		1
Litigation costs	2	—		2
Loss on extinguishment of debt	2	—		2
Other (income) expenses, net	4	—		4
Total Operating Costs and Expenses	3,063	(38)		3,025
Income Before Income Taxes	29	(16)		13
Income tax expense	17	(4)	(f)	13
Net Income (Loss)	$ 12	$ (12)		$ —
Net Earnings (Loss) per Share:				
Basic	$ 0.02			$ (0.03)
Diluted	$ 0.02			$ (0.03)

See accompanying notes to unaudited pro forma condensed consolidated financial statements.

Conduent Incorporated
Unaudited Pro Forma Condensed Consolidated Statement of Income (Loss)
For the Year Ended December 31, 2020

(in millions, except per share data)	Conduent Historical	Transaction Accounting Adjustments	Notes	Unaudited Pro Forma
Revenue	$ 4,163	$ (72)	(d)	$ 4,091
Operating Costs and Expenses				
Cost of services (excluding depreciation and amortization)	3,209	(32)	(d)	3,177
Selling, general and administrative (excluding depreciation and amortization)	468	(10)	(d)	458
Research and development (excluding depreciation and amortization)	1	—		1
Depreciation and amortization	459	(7)	(d)	452
Restructuring and related costs	67	—		67
Interest expense	60	(2)	(e)	58
(Gain) loss on divestitures and transaction costs	17	(164)	(i)	(147)
Litigation costs	20	—		20
Loss on extinguishment of debt	—	—		—
Other (income) expenses, net	1	—		1
Total Operating Costs and Expenses	4,302	(215)		4,087
Income (Loss) Before Income Taxes	(139)	143		4
Income tax (benefit) expense	(21)	63	(f)	42
Net Income (Loss)	$ (118)	$ 80		$ (38)
Net Earnings (Loss) per Share				
Basic	$ (0.61)			$ (0.23)
Diluted	$ (0.61)			$ (0.23)

See accompanying notes to unaudited pro forma condensed consolidated financial statements.

Conduent Incorporated
Notes to Unaudited Pro Forma Condensed Consolidated Statements

1. Basis of Presentation

The unaudited pro forma condensed consolidated financial statements give effect to the transaction accounting adjustments necessary to reflect the sale of the Business (the "Transaction") as if it had occurred as of January 1, 2020, in the unaudited pro forma statements of operations for the nine months ended September 30, 2021, and the year ended December 31, 2020, and on September 30, 2021, in the unaudited pro forma balance sheet.

2. Pro Forma Adjustments

The unaudited pro forma condensed consolidated financial statements reflect the following adjustments:

(a) Adjustment reflects cash proceeds of approximately $321 million from sale of the Business less (i) repayment of approximately $100 million of debt and (ii) tax payment of $52 million related to the gain on the transaction with the remaining amount of $169 million designated as excess cash.

(b) Adjustments reflect the disposition of net assets of the Business as of September 30, 2021.

(c) Adjustment reflects after tax gain as if the Transaction had occurred on September 30, 2021. The after-tax gain on disposal is calculated as follows: $321 million representing the net cash proceeds less (i) the net assets of the disposed Business of $155 million, (ii) estimated direct transaction costs of $2 million and (iii) estimated income tax provision of $68 million.

(d) Adjustments reflect the elimination of revenue, costs of services, and operating expenses of the Business, including estimated IT infrastructure costs, enterprise application costs and certain corporate overhead expenses that are expected to be eliminated.

(e) Adjustments reflect the estimated reduction to interest and amortization of debt discount expense related to the intended use of a portion of the estimated net proceeds from the sale of the Business for repayment of approximately $100 million of debt as if such debt was repaid on January 1, 2020.

(f) Adjustments represent the estimated income tax effect of the transaction accounting adjustments.

(g) Adjustment represents accrual of estimated direct transaction costs of approximately $2 million.

(h) Adjustment represents the estimated utilization of deferred tax assets as a result of the Transaction.

(i) Adjustment reflects gain as if the Transaction had occurred on January 1, 2020. The gain on disposal is calculated as follows: $321 million representing the net cash proceeds less (i) the net assets of the disposed Business of $155 million and (ii) estimated direct transaction costs of $2 million.