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: government appropriations and 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 cost of telephone and data services or significant interruptions in such services; our failure to receive significant revenues from or a loss or failure of significant clients; fluctuations in our non-recurring revenue; our customer commitments; our ability to collect our receivables for unbilled services; a decline in demand for technology-led digital transactions; customer decision-making cycles and lead time for new service offerings; our ability to modernize our information technology infrastructure and consolidate data centers; our ability to comply with data security standards; 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 2018 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 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. 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.
Managing secure, mission critical operations and digital interactions at scale for commercial, transportation and government clients.

THE BENEFITS OF DIGITAL PLATFORMS FOR BUSINESS PROCESSES

- Scalable
- Embedded in client infrastructure
- Enables real-time data analytics and insights
- Meets end-user expectation of modern digital experience
- Rapidly adjusts to changing market dynamics
Who We Are

Among the Largest Digital Business Services Company in the Market

COMMERCIAL

Delivering end-to-end business-to-business and business-to-consumer solutions that transform the way our clients operate and facilitate individualized, immediate and intelligent interactions for our clients end users.

Core Offerings

- End-User Engagement
- HR Services
- Benefits Administration
- Workers Comp Management
- Digital Payments

- Legal & Compliance
- Healthcare Solutions
- Learning Services
- Banking Operations
- Industry Specific Solutions

~55% of revenue ¹

GOVERNMENT

Providing business process services to U.S. federal, state and local and foreign governments and agencies to streamline operations and improve the citizen experience.

Core Offerings

- Child Support Solutions
- Payment Solutions
- Government Healthcare Solutions

- Case Management Solutions
- Eligibility and Enrollment Solutions

~30% of revenue ¹

TRANSPORTATION

Integrating innovative technologies, advanced analytics and end-user-focused solutions to deliver safer and more efficient experiences for travelers and real-time revenue management for governments and agencies.

Core Offerings

- Roadway Charging & Management
- Transit

- Curbside Management
- Public Safety

~15% of revenue ¹

## Three Business Segments Poised for Long-term Growth

### COMMERCIAL

**Our Clients**
- **Majority** of the Fortune 100
- **19 of top 20** Health Insurers
- **9 of top 10** Pharma Companies
- **6 of top 10** Automakers
- **7 of top 10** U.S. Banks

**Interactions Managed**
- **70%** U.S. Insured Patients touched by CNDT
- **$775B** B2B Payments
- **50%** of U.S. Workers Comp Transactions
- Leading Provider of Health Spending Accounts with **1.1M** BenefitWallet HSAs
- **10M+** employees with CNDT HR Services

### GOVERNMENT

**Our Clients**
- Partners in **49 States**
- **150+** Payment Service Programs in **30+ States**
- **54+ million** registered government payment cards

**Interactions Managed**
- **$40B** in Gov’t Healthcare Provider Payments Processed per Year
- **$3.6B** Gov’t Payment Transactions
- **43%** U.S. Child Support Payments
- **55%** SNAP Payments

### TRANSPORTATION

**Our Clients**
- **1 out of 4** US public safety systems are implemented by Conduent Transportation
- **48%** of US parking systems are managed by Conduent Transportation

**Interactions Managed**
- **48%** U.S. Toll Transactions
- **$2.4B** toll transactions processed per year
- **8.9 Million** people travel through Conduent Transportation toll systems daily
# Conduent by the Numbers

## Enterprise Snapshot

### FINANCIAL SNAPSHOT: FY 2018 ADJUSTED RESULTS\(^{(1)}\)

<table>
<thead>
<tr>
<th></th>
<th>($4.6)B</th>
<th>($535)M</th>
<th>($218)M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adj. EBITDA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adj. FCF</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>67k</th>
<th>&gt;1k</th>
<th>35</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Patents</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business Areas</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### STRONG OPERATIONAL FOUNDATION\(^{(2)}\)

### ATTRACTIVE BALANCE SHEET & CASH GENERATION

<table>
<thead>
<tr>
<th></th>
<th>(~30)%</th>
<th>(~8.7)%</th>
<th>1.7(x)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adj. EBITDA to FCF Conversion(^{(3)})</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FCF Yield(^{(4)})</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Leverage Ratio(^{(5)})</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

\(^{(1)}\) 2018 Revenue and EBITDA adjusted to exclude Divestitures. Refer to Appendix for Non-GAAP reconciliations.
\(^{(2)}\) As of 3/31/19.
\(^{(3)}\) FY2019 Guidance projects Adj EBITDA conversion of \(~30\)%.
\(^{(4)}\) FY2019 Guidance midpoint cashflow (168M) divided by basic market cap per FactSet ($1.94B) as of 5/28/19.
\(^{(5)}\) Leverage as of 3/31/19.
What We’ve Done

PLAN AT SPIN

Exit unprofitable businesses ✓
Optimize headcount ✓
Streamline accounts ✓
Reduce real estate footprint ✓
Decrease leverage ✓

EXECUTION SINCE SPIN

~$1B Divestitures
~40% Real Estate Reduction (sq. ft.)
1.2x Turns improvement in Debt Profile from 2.9x to 1.7x

>$730 Million in 3-yr Cumulative Savings
~30% Reduction in Workforce
~44% Reduction in Interest Expense

$200M ~3 year Modernization Investment
~10K Long-Tail Accounts Exited
700bps Reduction in High Cost Labor
Complementary Portfolio of Segments and Platforms
## Significant Opportunity to Unlock Value Across Business Segments

<table>
<thead>
<tr>
<th>SEGMENT</th>
<th>CONDUENT</th>
<th>PEER GROUP</th>
<th>Addressable Market</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>COMMERCIAL</strong></td>
<td><strong>Key performance metrics</strong>&lt;br&gt;Revenue: $2.6B&lt;br&gt;Adj. EBITDA: $598M</td>
<td><strong>PEER GROUP</strong>&lt;br&gt;<strong>EV/EBITDA Multiple</strong>: 15.1x</td>
<td><strong>$729B</strong>&lt;br&gt;Addressable Market 3, 4, 5, 6</td>
</tr>
<tr>
<td><strong>GOVERNMENT</strong></td>
<td><strong>Key performance metrics</strong>&lt;br&gt;Revenue: $1.4B&lt;br&gt;Adj. EBITDA: $451M</td>
<td><strong>PEER GROUP</strong>&lt;br&gt;<strong>EV/EBITDA Multiple</strong>: 8.1x</td>
<td><strong>$155B</strong>&lt;br&gt;Addressable Market 3, 4, 5, 6</td>
</tr>
<tr>
<td><strong>TRANSPORTATION</strong></td>
<td><strong>Key performance metrics</strong>&lt;br&gt;Revenue: $729M&lt;br&gt;Adj. EBITDA: $149M</td>
<td><strong>PEER GROUP</strong>&lt;br&gt;<strong>EV/EBITDA Multiple</strong>: 11.0x</td>
<td><strong>$20B</strong>&lt;br&gt;Addressable Market 3, 6</td>
</tr>
</tbody>
</table>

1. Conduent FY 2018 Results, excludes corporate costs
3. 2020 Addressable Market, Source Gartner, IDC, Conduent Internal and Nelson Hall
4. (i) Commercial includes - Healthcare (payer, provider, PLS), C&I, Financial Services, Europe, Payments (Cross border, KYC and Reg-Tech) and Digitization
5. (ii) Government includes - GHS, State Services and Federal, Payments (Healthcare)
Deep Domain and Process Capabilities Across All Three Segments
Delivering Mission Critical Interactions Through Platforms, Services, and Partners

Solutions Across Segments

- Finance, Accounting And Procurement Solutions
- HRS And Learning Services
- Legal And Compliance Services
- Medical Claims Management Solutions
- End-user Engagement Services
- Industry-specific Solutions

Serving Clients in Multiple Industries

1. Industry-specific Solutions designed for Federal, Government, Transport, Healthcare, and Banking Industries
### Significant Opportunity to Unlock Value Across Business Segments

#### Solutions Across Segments

<table>
<thead>
<tr>
<th><strong>SOLUTIONS ACROSS SEGMENTS</strong></th>
<th><strong>COMMERCIAL</strong></th>
<th><strong>GOVERNMENT</strong></th>
<th><strong>TRANSPORTATION</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance, Accounting And Procurement Solutions</td>
<td>Entrenched</td>
<td>Near-term Opportunity</td>
<td>Long-term Opportunity</td>
</tr>
<tr>
<td>HRS And Learning Services</td>
<td>Entrenched/Growing</td>
<td>Near-term Opportunity</td>
<td>Long-term Opportunity</td>
</tr>
<tr>
<td>Legal And Compliance Services</td>
<td>Entrenched</td>
<td>Near-term Opportunity</td>
<td>Long-term Opportunity</td>
</tr>
<tr>
<td>Medical Claims Management Solutions</td>
<td>Entrenched/Growing</td>
<td>Growing</td>
<td>Long-term Opportunity</td>
</tr>
<tr>
<td>End-user Engagement Services</td>
<td>Entrenched/Growing</td>
<td>Growing</td>
<td>Entrenched</td>
</tr>
<tr>
<td>Industry-specific Solutions</td>
<td>Entrenched/Growing</td>
<td>Entrenched/Growing</td>
<td>Entrenched/Growing</td>
</tr>
</tbody>
</table>
Path to Growth
Path to Growth

- Well positioned to capitalize on macro-trend outlook
- Investment in digital transformation to enhance margins
- Expansion of service offerings among existing customer base in each business unit
- Opportunistic approach to growing innovative technology capabilities
Positioned to Capitalize on the Macro-trends of Tomorrow
Big bets offer massive opportunity across all segments

**ADDRESSING ~$1 TRILLION MARKET OPPORTUNITY WITH OUR BIG BETS**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Description</th>
<th>Market Opportunity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthcare</td>
<td>Connecting the healthcare ecosystem to provide the right care at the right time and place</td>
<td>$43B</td>
</tr>
<tr>
<td>Transportation</td>
<td>New mobility options and solutions are redefining the journey</td>
<td>$20B</td>
</tr>
<tr>
<td>Payments</td>
<td>Changing demographics and consumer expectations are fueling shift to digital payments</td>
<td>$543B</td>
</tr>
<tr>
<td>Digitalization</td>
<td>Digitalization is improving end-user experience through individualized, immediate and intelligent interactions</td>
<td>$137B</td>
</tr>
<tr>
<td>Outsourcing</td>
<td>Automation, analytics, AI, and blockchain are driving a revolution in the future</td>
<td>$161B</td>
</tr>
</tbody>
</table>

1. 2020 Addressable Market. Source Gartner, IDC, Conduent Internal and Nelson Hall
4. Outsourcing represents vertical view of Conduent’s addressable market; (Outsourcing number excludes HC and Transportation)
Near-Term Investments Position Conduent for the Long Term
Investing ~$200 million\(^1\) over three years to modernize digital platforms

<table>
<thead>
<tr>
<th>SOLUTIONS</th>
<th>INVESTMENT</th>
<th>OBJECTIVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthcare</td>
<td>~$40M</td>
<td>✓ Become leading platform in healthcare consumer services</td>
</tr>
<tr>
<td></td>
<td></td>
<td>✓ Build best-in-class population health</td>
</tr>
<tr>
<td></td>
<td></td>
<td>✓ Developing new technology models focusing on wellness</td>
</tr>
<tr>
<td>Transportation</td>
<td>~$45M</td>
<td>✓ Transform business into a Mobility-as-a-Service provider by incubating new offerings</td>
</tr>
<tr>
<td></td>
<td></td>
<td>✓ Position as a trusted partner and thought leader</td>
</tr>
<tr>
<td></td>
<td></td>
<td>✓ Modernize portfolio to cloud-based, digitally powered, outcomes based business</td>
</tr>
<tr>
<td></td>
<td></td>
<td>✓ Drive predictable implementation and operational delivery</td>
</tr>
<tr>
<td>Payments</td>
<td>~$25M</td>
<td>✓ Be the preferred payment provider with transformational business solutions around digitization, data analytics, AI and blockchain to ensure compliance and seamless client experience</td>
</tr>
<tr>
<td>Human Resource Services(^3)</td>
<td>~$65M</td>
<td>✓ Become the leading provider of workforce solutions across the full recruit-to-retire lifecycle to help companies achieve competitive advantage through engaged and informed employees</td>
</tr>
<tr>
<td>Industry-specific Solutions</td>
<td>~$25M</td>
<td>✓ Designing industry-specific solutions together with our clients to meet their business demands</td>
</tr>
</tbody>
</table>

1. Expected approximate investment by Platform Group
2. Industry CAGR 2018-2020
3. Includes ~$20M of investment in Workers Comp Solutions
Investment in Our Digital Experience Focus

DIGITAL INTERACTIONS

• Conduent sits at the intersection of millions of mission-critical interactions everyday
• Clients want to leverage data and analytics to improve the interaction experience with their end users
• Investing in technology to ensure that every interaction is Immediate, Intelligent and Individualized
• Platform-based offerings allow for interactions at massive scale and a constant feedback loop

KEY
1 Legacy BPO Business
2 Traditional Services Model Progression
3 Next Generation Digital Business Services

Evolving Digital Business Services

COMPANY VALUE CHAIN

1 DO BETTER
Traditional BPO Services
• Labor intensive
• Rule-based

2 DO MORE
Business Process as-a-service (BPaaS)
• Automated Delivery
• Subscription/Outcome-based

DO DIFFERENT
Intelligent Platforms And Digital Experience

Data aggregation and analytics
Cross-platform integration
Personalized offerings
Real-time, insight driven services
Modernized and scalable capabilities
Service offering ecosystems
Creating Value Through Digital Interactions

AN ESSENTIAL PARTNER

Our Clients’ End Users
- Commuters
- Pharmacists
- Doctors
- Patients
- Government Benefit Recipients
- Employees
- Insurance Members
- Technology Consumers
- Banking Customers
- Suppliers
- Travelers
- Shoppers
- Citizens

Ecosystem Integration
- EHR/EMR Systems
- HR Systems
- Exchanges
- CMS
- Finance Systems
- Payment Systems

Ecosystem Partners
- Technology Partners
- Benefit Providers
- Insurers
- Employers
- Financial Institutions
- Government Agencies
- Healthcare Providers
- Enterprises

Supporting Services
- Account Management
- Analytic Insights
- Billing
- Customer Support
- Case Management
- Engagement
- Operations

Conduent Digital Interaction Platforms

Digital Device
Prudent Capital Allocation

**INVESTMENT IN CORE BUSINESS**

**MERGERS AND ACQUISITIONS**
Expanding into growing markets that service the future of our business

**PRIORITIZE DELIVERING LONG TERM SHAREHOLDER VALUE**

**OPTIMIZED BALANCE SHEET**
Maintaining appropriate capital levels

**HOW WE’RE INVESTING**
- Modernizing client facing platforms to meet client demands
- Upgrading back office infrastructure to improve performance, security, and delivery

**ACQUISITION PROFILE**
- Technology that offers accelerated integration with current clients
- Accretive attributes that allow Conduent to move up the value chain
- Strong synergies that bolster current portfolio

**MAXIMIZING SHAREHOLDER VALUE**
- Long-term approach to returning shareholder value via developing best-in-class assets and relationships

**ACHIEVING BEST-IN-CLASS CAPITAL STRUCTURE**
- Disciplined approach to capital allocation with a focus on deleveraging the balance sheet
Attractive Financial Profile and Disciplined Capital Allocation
### Financials

1. Segment revenue excludes impact from ASC 606 and divestitures.
2. Revenue and adj. EBITDA from divestitures moved to Other segment.
3. Majority of stranded costs moved to Unallocated Corporate Costs and expected to be addressed in 2019 and 2020.

#### Q1 2019 and FY 2018 Segment Summary

<table>
<thead>
<tr>
<th>Segment</th>
<th>Q1 2019 ($M)</th>
<th>FY 2018 ($M)</th>
<th>Commercial Revenue</th>
<th>Commercial Adj. EBITDA</th>
<th>Government Revenue</th>
<th>Government Adj. EBITDA</th>
<th>Transportation Revenue</th>
<th>Transportation Adj. EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial</td>
<td>612</td>
<td>654</td>
<td>138</td>
<td>135</td>
<td>2,550</td>
<td>2,593</td>
<td>729</td>
<td>725</td>
</tr>
<tr>
<td>Government</td>
<td>325</td>
<td>335</td>
<td>115</td>
<td>95</td>
<td>1,351</td>
<td>1,407</td>
<td>154</td>
<td>175</td>
</tr>
<tr>
<td>Transportation</td>
<td>184</td>
<td>176</td>
<td>35</td>
<td>29</td>
<td>451</td>
<td>437</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other(2)</td>
<td>1</td>
<td>7</td>
<td>-</td>
<td>(2)</td>
<td>11</td>
<td>75</td>
<td>18</td>
<td>(16)</td>
</tr>
<tr>
<td>Shared IT / Infrastructure &amp; Corporate Costs(3)</td>
<td>-</td>
<td>-</td>
<td>(166)</td>
<td>(137)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,122</td>
<td>1,172</td>
<td>120</td>
<td>122</td>
<td>535</td>
<td>520</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Q1 2019 Segment Commentary

**Commercial**
- Adjusted revenue down (6.4)% yr/yr; FY adj. EBITDA margin 22.1%.
- Revenue decline driven by lower client volumes, lost business, and strategic actions.

**Government**
- Adjusted revenue down (3.0)% yr/yr; FY adj. EBITDA margin 29.2%.
- Revenue decline driven by lost business and pricing.

**Transportation**
- Adjusted revenue up 4.5% yr/yr; FY adj. EBITDA margin 15.8%.
- Revenue increase driven by new business. Adj EBITDA impacted by SLA penalties and higher IT delivery costs.

**Shared IT / Infrastructure & Corporate Costs**
- Meaningful reduction yr/yr down 17.5% due to continued progress on cost transformation initiatives.
- Q1 partially driven by seasonality and a negotiated settlement with an IT infrastructure services vendor.

---

1. Segment revenue excludes impact from ASC 606 and divestitures.
2. Revenue and adj. EBITDA from divestitures moved to Other segment.
3. Majority of stranded costs moved to Unallocated Corporate Costs and expected to be addressed in 2019 and 2020.
### Strong Cash Flow Generation Amid Digital Investment

#### (in millions)  

<table>
<thead>
<tr>
<th></th>
<th>Q1 2019</th>
<th>FY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income (loss)</td>
<td>($308)</td>
<td>($416)</td>
</tr>
<tr>
<td>Depreciation &amp; amortization</td>
<td>115</td>
<td>460</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>7</td>
<td>38</td>
</tr>
<tr>
<td>Deferred tax benefit</td>
<td>(45)</td>
<td>(75)</td>
</tr>
<tr>
<td>Goodwill impairment</td>
<td>284</td>
<td>-</td>
</tr>
<tr>
<td>(Gain) loss on extinguishment of debt</td>
<td>-</td>
<td>108</td>
</tr>
<tr>
<td>Changes in operating assets and liabilities</td>
<td>(117)</td>
<td>118</td>
</tr>
<tr>
<td>Other(1)</td>
<td>15</td>
<td>50</td>
</tr>
<tr>
<td><strong>Operating Cash Flow</strong></td>
<td>(49)</td>
<td>$283</td>
</tr>
<tr>
<td>Purchase of LB&amp;E(2) and other</td>
<td>(70)</td>
<td>(224)</td>
</tr>
<tr>
<td>Proceeds from sales of LB&amp;E</td>
<td>1</td>
<td>13</td>
</tr>
<tr>
<td>Net proceeds/payments for divestitures/acquisitions</td>
<td>(99)</td>
<td>670</td>
</tr>
<tr>
<td>Other investing, net</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td><strong>Investing Cash Flow</strong></td>
<td>($168)</td>
<td>$460</td>
</tr>
<tr>
<td><strong>Cash from Financing</strong></td>
<td>($22)</td>
<td>($637)</td>
</tr>
<tr>
<td>Effect of exchange rates on cash and cash equivalents</td>
<td>2</td>
<td>(8)</td>
</tr>
<tr>
<td>Change in cash, restricted cash and cash equivalents</td>
<td>(237)</td>
<td>98</td>
</tr>
<tr>
<td>Beginning cash, restricted cash and cash equivalents</td>
<td>765</td>
<td>667</td>
</tr>
<tr>
<td><strong>Ending Cash, Restricted Cash and Cash Equivalents(3)</strong></td>
<td>$528</td>
<td>$765</td>
</tr>
<tr>
<td><strong>Memo: Adjusted Free Cash Flow(4)</strong></td>
<td>($93)</td>
<td>$218</td>
</tr>
<tr>
<td><strong>Better / (Worse) vs prior year period</strong></td>
<td>($24)</td>
<td>$5</td>
</tr>
</tbody>
</table>

1. Includes gain (loss) on investments, amortization of debt financing costs, (gain) loss on divestitures and transaction costs, contract inducement amortization and Other operating, net
2. Includes cost of additions to land, building and equipment (LB&E) and internal use software
3. Includes $9 million of restricted cash for 2018 and $8 million of restricted cash for 2019 that was included in Other current assets on the Condensed Consolidated Balance Sheets
4. Refer to Appendix for Non-GAAP reconciliations.

#### Q1 2019 KEY MESSAGES

- Cash outflow primarily driven by Texas settlement payment and other working capital movements. Texas settlement payments of $118M made to date; planned payments of $118M to be made in January 2020.
- Capex of 6% revenue driven by IT investments
- Adjusted free cash(4) down ($24M) yr/yr driven by higher capex spend
**Strong, Flexible Balance Sheet**

### DEBT STRUCTURE ($M)

<table>
<thead>
<tr>
<th></th>
<th>12/31/2017</th>
<th>12/31/2018</th>
<th>3/31/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Cash(1)</td>
<td>$667</td>
<td>$765</td>
<td>$528</td>
</tr>
<tr>
<td>Deferred Comp Cash</td>
<td>(99)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Restricted Cash</td>
<td>(9)</td>
<td>(9)</td>
<td>(8)</td>
</tr>
<tr>
<td>Adjusted Cash</td>
<td>$559</td>
<td>$756</td>
<td>$520</td>
</tr>
<tr>
<td>Total Debt(2)</td>
<td>$2,061</td>
<td>$1,567</td>
<td>$1,549</td>
</tr>
<tr>
<td>Term Loan A(3),(5) due 2022</td>
<td>732</td>
<td>705</td>
<td>691</td>
</tr>
<tr>
<td>Term Loan B(3) due 2023</td>
<td>842</td>
<td>833</td>
<td>831</td>
</tr>
<tr>
<td>10.5% Senior Notes due 2024</td>
<td>510</td>
<td>34</td>
<td>34</td>
</tr>
<tr>
<td>Capital Lease</td>
<td>33</td>
<td>26</td>
<td>23</td>
</tr>
<tr>
<td>Current Net Leverage Ratio(4)</td>
<td>2.2x</td>
<td>1.2x</td>
<td>1.7x</td>
</tr>
</tbody>
</table>

1. Total cash includes restricted cash
2. Total debt excludes deferred financing costs (for example, $30M in 2019)
3. Revolving credit facility and Term Loan A interest rate is Libor + 175 bps; Term Loan B is Libor + 250 bps effective June 28, 2018
4. Net debt (total debt less adjusted cash) divided by TTM Adjusted EBITDA. Adjusted ratio uses Adjusted total Debt.
5. Includes initial EUR 260M borrowing converted at end of quarter exchange rates; Reflects appreciation of the EUR.

### TARGET CREDIT METRICS

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2019 Interest Expense</td>
<td>~$90M</td>
</tr>
<tr>
<td>Preferred Dividend (Annual)</td>
<td>~$10M</td>
</tr>
<tr>
<td>Target Net Leverage Ratio</td>
<td>~2.0x</td>
</tr>
<tr>
<td>Average Remaining Maturity on Outstanding Debt</td>
<td>~4 years</td>
</tr>
</tbody>
</table>

### CREDIT METRICS HEALTH CHECK

- Current Leverage Ratio at 1.7x(4)
- Revolver remains undrawn
- Texas settlement payments of $118M made to date; planned payments of $118M to be made in January 2020
- Balanced capital allocation focused on driving shareholder value
### FY 2019 Guidance

<table>
<thead>
<tr>
<th>FY 2018 REPORTED</th>
<th>ADJ FY 2018¹</th>
<th>FY 2019 GUIDANCE⁴</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue²</td>
<td>$5.39B</td>
<td>$4.64B</td>
</tr>
<tr>
<td>Adj. EBITDA Margin</td>
<td>11.9%</td>
<td>11.5%</td>
</tr>
<tr>
<td>Adj. Free Cash Flow³</td>
<td>$218M</td>
<td></td>
</tr>
<tr>
<td>FCF % of Adj. EBITDA³</td>
<td>34.1%</td>
<td></td>
</tr>
</tbody>
</table>

1. Adjusted to remove impacts of divestitures. Refer to Appendix for Non-GAAP reconciliations.
2. Year-over-year revenue growth comparison at constant currency
3. FY 2019 FCF adjusted for Texas-related litigation impact
4. Includes no additional M&A
Appendix
1- Example Solution Set Deep Dives
2- Non GAAP Reconciliations
Commercial Segment Solution Deep Dive Example: **Digital Processing Services**

**DATA & DOCUMENT MANAGEMENT**
("INBOUND")

We digitize and streamline the inbound mail process, extract data and automate workflows to accelerate our clients’ business processes—delivering faster processing times and an enhanced customer experience.

**Digital mailroom services**
- Mailroom management and digital transformation
- Document prep, scanning, indexing, classification
- Distribute electronic documents to downstream processes, repositories, archives

**Capture and data management**
- Ingest documents and data from multiple sources and multiple digital and physical formats
- Extract, OCR, index, QA, classify documents, validate data
- Inject data into the appropriate business processes
- Provide content management for the archival, retrieval and retention of documents and data

**Business process management**
- Streamline downstream processes by reviewing how data and images are handled after mail intake and data capture
- Process optimization utilizing RPA to increase efficiency, reduction in error rate and increase the quality

**MULTICHANNEL COMMUNICATIONS**
("OUTBOUND")

We combine technology with channel expertise to manage timely, coordinated delivery of our client’s critical communications across traditional print & mail, mobile, web, email, SMS, and e-presentment.

**Transactional print & mail**
- High-volume printing and mailing services
- Latest print and mailing technologies
- Secure facilities

**Dynamic composition & multichannel delivery**
- Create variable & personalized communications from multiple data/input sources
- Delivery output in multiple channels i.e. print, mobile, web, email

**Repository & presentment**
- Storage of all content with comprehensive search and auditing features
- Presentment portal services
Commercial Segment Solution Deep Dive Example: **HR services**

**The right talent can be a powerful competitive advantage.**
We offer services that help clients attract, retain and develop the top talent required to compete on a global level.

### Consulting & Analytics
- Leading provider of HR consulting services including strategy & design for all aspects of Human Resources
- Award winning communications, change management, and transformation partner
- Practice aligned with key area of Human Resources functions of Health, Wealth, and Career

### Benefits Administration
- One of the top three providers in the comprehensive benefits outsourcing market
- Integrated solution for H&W, DB, and DC administration
- Offer both a traditional and a Private Exchange options
- Leading edge self service tools

### Learning Services
- Top learning BPO company by Gartner, IDC, Nelson Hall, Training Industry, and Everest
- Comprehensive service offering from strategy to delivery with global reach and scalability
- Create a high performance and business-ready workforce that is equipped to respond to changing market and customer requirements

### HR and Global Payroll
- Comprehensive global delivery model supporting multiple languages
- HR as a service model for popular three strategic SaaS platforms (Workday, SuccessFactors, Oracle Cloud)

---

<table>
<thead>
<tr>
<th>KNOWLEDGE</th>
<th>ENGAGEMENT</th>
<th>INNOVATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>11M</td>
<td>123</td>
<td>50</td>
</tr>
<tr>
<td>employees receiving services</td>
<td>countries supported</td>
<td>years of delivery experience</td>
</tr>
<tr>
<td>3M</td>
<td>15,000</td>
<td></td>
</tr>
<tr>
<td>learners supported globally</td>
<td>instructor resources available</td>
<td></td>
</tr>
</tbody>
</table>
Government Segment Solution Deep Dive Example: **Government Payments**

Quick, accurate payment processing. Secure transactions that protect personal information. Below are just a few of the ways prepaid cards and electronic payment systems help government agencies receive and disburse funds.

**ELECTRONIC BENEFITS TRANSFER (EBT) SOLUTIONS**

Benefit recipients get their benefits quickly and accurately with EBT cards powered by EPPIC. Our ConnectEBT mobile app gives cardholders secure, convenient access to information and funds. States use our EBT Intelligent Analytics Portal to combat fraud, waste, and abuse.

**Offerings**

- EBT Payment Card
- WIC (Women Infants & Children) Connect
- EBT Intelligent Analytics
- Way2Go Card
- Way2Go Mobile App
- ConnectEBT Mobile App
- EPPICard Mobile App

**ELECTRONIC PAYMENT SOLUTIONS**

Electronic payment cards facilitate quicker and more accurate payment processing. They also enable secure transactions that protect personal information.

**Offerings**

- Electronic Payment Card
- Electronic Childcare Time & Attendance
- Tax Refund Payment Cards
- Pension Cards
- Payroll Cards
- Unemployment Insurance Payment Cards
- Federal Programs Direct Express Cards
Transportation Segment Solution Deep Dive Example: **Transit**

We integrate innovative technologies, deep analytical capabilities, and end-user focused solutions to deliver faster, safer, and more economical experiences for travelers and real-time revenue management to transit agencies and authorities.

**FARE COLLECTION & INTELLIGENT MOBILITY SOLUTIONS**
Solutions designed to improve the traveler experience, reduce administrative expense, optimize pricing, and enable analytics for transit authorities.

<table>
<thead>
<tr>
<th>Offerings</th>
<th>Offerings</th>
<th>Offerings</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Account-based Ticketing Solutions</td>
<td>• Mobile Ticketing</td>
<td>• Mobile Supervisor</td>
</tr>
<tr>
<td>• Open-loop Payment Solutions</td>
<td>• Seamless MaaS Solution</td>
<td>• Incident Corrective Tools</td>
</tr>
<tr>
<td>• Closed-loop Payment Solutions</td>
<td>• Smart Trip Planner</td>
<td>• Business Intelligence Tools</td>
</tr>
<tr>
<td>• Hybrid Payment Solutions</td>
<td>• ATLAS Ops Transit Platform</td>
<td>• Traveler Information Systems</td>
</tr>
<tr>
<td>• Data Analytics Solutions</td>
<td>• Mobility Analytics Platform</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Mobility Companion Platform</td>
<td>• Yard Management</td>
</tr>
</tbody>
</table>

**CAD/AVL SOLUTIONS**
Computer-Aided Dispatch and Automated Vehicle Location (CAD/AVL) solutions designed to manage incidents, increase efficiencies, track assets, optimize routes, and provide analytics.
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. 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

We make adjustments to Revenue for the following items:

- ASC 606 adjustment.

We provide our investors with adjusted revenue 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 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 (which are defined above). Adjusted EBITDA margin is Adjusted EBITDA divided by adjusted revenue (as defined below):

- 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.
- Litigation costs (recoveries), net. Litigation costs (recoveries), net represents reserves for the State of Texas litigation, Student Loan Service exposures and certain terminated contracts that are subject to litigation.
- Goodwill impairment. This represents Goodwill impairment charge related to the loss of certain Transportation segment customer contracts, lower expected new Transportation segment customer contracts and higher costs of delivery.
- (Gain) loss on extinguishment of debt. Represents premium on debt extinguishment and write down of the associated unamortized discount and issuance costs.
- Other (income) expenses, net. Other (income) expenses, net includes currency (gains) losses, net and all other (income) expenses, net.
- NY MMIS charge (credit) / NY MMIS Depreciation. Costs associated with the Company not fully completing the State of New York Health Enterprise Platform project.
- HE charge (credit). Costs associated with not fully completing the Health Enterprise Medical platform projects in California and Montana.
- ASC 606 adjustment.

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 EBITDA Margin in the same manner.

Adjusted Government Services Segment Revenue and Profit- We adjusted Government Services Segment revenue, profit and margin for the NY MMIS and HE charges as we believe it offers added insight, by itself and for comparability between periods, for items which we do not believe are indicative of our ongoing business.

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, tax payments related to divestitures, 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 and invest in land, buildings and equipment and internal use software and make required 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, transaction costs, costs related to Texas litigation, and certain other identified adjustments.

Adjusted Cash- Adjusted cash is defined as cash and cash equivalents less cash from terminated deferred compensation to be paid to plan participants. We believe this provides added insight into cash and cash equivalent positions.

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. We have provided and outlook for revenue on a constant currency basis due to the inability to accurately predict foreign currency impact on revenues. Outlook for Free Cash Flow and Adjusted Free Cash Flow is provided as a factor of expected adjusted EBITDA, see above.
### Non-GAAP Reconciliations: Adjusted Revenue and Adjusted EBITDA

<table>
<thead>
<tr>
<th>($ IN MILLIONS)</th>
<th>Q1 2017</th>
<th>FY 2017</th>
<th>Q1 2018</th>
<th>FY 2018</th>
<th>Q1 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>$1,553</td>
<td>$6,022</td>
<td>$1,420</td>
<td>$5,393</td>
<td>$1,158</td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ASC 606 adjustment</td>
<td>(46)</td>
<td>(166)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2017 divestitures(1)</td>
<td>(23)</td>
<td>(59)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2018 divestitures(1)</td>
<td>(256)</td>
<td>(997)</td>
<td>(248)</td>
<td>(752)</td>
<td>(36)</td>
</tr>
<tr>
<td><strong>Adjusted Revenue</strong></td>
<td>$1,228</td>
<td>$4,800</td>
<td>$1,172</td>
<td>$4,641</td>
<td>$1,122</td>
</tr>
</tbody>
</table>

| **Income (Loss) from Continuing Operations** | $ (10) | $ 177  | $ (50)  | $ (416) | $ (308) |
| Adjustments: |         |         |         |         |         |
| Interest expense | 36      | 137     | 33      | 112     | 20      |
| Income tax expense (benefit) | (12)   | (193)   | (4)     | 21      | 30      |
| Depreciation and amortization | 125    | 495     | 116     | 460     | 115     |
| Contract inducement amortization | -      | 2       | 1       | 3       | 1       |
| Restructuring and related costs | 18     | 101     | 20      | 81      | 16      |
| Goodwill impairment | -      | -       | -       | -       | 284     |
| (Gain) loss on divestitures and transaction costs | -      | (42)    | 15      | 42      | 14      |
| Litigation costs (recoveries), net | (11)   | (11)    | 31      | 227     | 12      |
| (Gain) loss on extinguishment of debt | -      | -       | -       | 108     | -       |
| Separation costs | 5       | 12      | -       | -       | -       |
| Other (income) expenses, net | (1)    | (7)     | (1)     | 5       | (1)     |
| NY MMIS charge (credit) | 8      | 9       | -       | (2)     | -       |
| HE charge (credit) | (5)    | (8)     | -       | (1)     | -       |
| ASC 606 adjustment | (3)    | (11)    | -       | -       | -       |
| 2017 divestitures(1) | (3)    | (7)     | -       | -       | -       |
| 2017 divestitures depreciation and amortization | -      | 1       | -       | -       | -       |
| 2018 divestitures(1) | (25)   | (121)   | (39)    | (98)    | (1)     |
| 2018 divestitures depreciation and amortization | (4)    | (14)    | (2)     | (7)     | -       |
| **Adjusted EBITDA** | $118    | $520    | $120    | $535    | $122    |
| **Adjusted EBITDA Margin** | 9.6%    | 10.8%   | 10.2%   | 11.5%   | 10.9%   |

---

1. Adjusted for the full impact from revenue and income/loss from divestitures for all periods presented.
## Non-GAAP Reconciliations: Adjusted Free Cash Flow

<table>
<thead>
<tr>
<th>($ IN MILLIONS)</th>
<th>Q1 2017</th>
<th>FY 2017</th>
<th>Q1 2018</th>
<th>FY 2018</th>
<th>Q1 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Cash Flow</td>
<td>$ (107)</td>
<td>$ 300</td>
<td>$ (38)</td>
<td>$ 283</td>
<td>$ (49)</td>
</tr>
<tr>
<td>Cost of additions to land, buildings and equipment</td>
<td>(17)</td>
<td>(96)</td>
<td>(33)</td>
<td>(179)</td>
<td>(53)</td>
</tr>
<tr>
<td>Proceeds from sales of land, buildings and equipment</td>
<td>-</td>
<td>33</td>
<td>-</td>
<td>13</td>
<td>1</td>
</tr>
<tr>
<td>Cost of additions to internal use software</td>
<td>(8)</td>
<td>(36)</td>
<td>(6)</td>
<td>(45)</td>
<td>(17)</td>
</tr>
<tr>
<td>Tax payment related to divestitures</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>90</td>
<td>2</td>
</tr>
<tr>
<td>Vendor financed capital leases</td>
<td>(12)</td>
<td>(16)</td>
<td>-</td>
<td>(14)</td>
<td>-</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>$ (144)</td>
<td>$ 185</td>
<td>$ (77)</td>
<td>$ 148</td>
<td>$ (116)</td>
</tr>
<tr>
<td>Transaction costs</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>33</td>
<td>3</td>
</tr>
<tr>
<td>Transaction costs tax benefit</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(5)</td>
<td>-</td>
</tr>
<tr>
<td>Debt buyback tax benefit</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(26)</td>
<td>-</td>
</tr>
<tr>
<td>Litigation payments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>20</td>
</tr>
<tr>
<td>Deferred compensation tax benefit</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(31)</td>
<td>-</td>
</tr>
<tr>
<td>Deferred compensation payments and adjustments</td>
<td>1</td>
<td>28</td>
<td>7</td>
<td>99</td>
<td>-</td>
</tr>
<tr>
<td>Adjusted Free Cash Flow</td>
<td>$ (143)</td>
<td>$ 213</td>
<td>$ (69)</td>
<td>$ 218</td>
<td>$ (93)</td>
</tr>
</tbody>
</table>