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

FORM 8-K

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

Date of Report (date of earliest event reported): May 01, 2024

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 (CFR 230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (CFR 240.12b-2).☐ Emerging growth company

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

Item 2.02. Results of Operations and Financial Condition.

On May 01, 2024, Conduent Incorporated ("Registrant") released its first quarter 2024 earnings and is furnishing to the Securities and Exchange Commission (the "Commission") a copy of the earnings press release as Exhibit 99.1 to this Current Report on Form 8-K (this "Report") under Item 2.02 of Form 8-K.

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

Item 7.01. Regulation FD Disclosure.

On May 01, 2024, Registrant conducted an earnings call regarding its 2024 first quarter results and is furnishing to the Commission a copy of the presentation used during the earnings call as Exhibit 99.2 to this Report under Item 7.01 of Form 8-K.

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

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Registrant's first quarter 2024 earnings press release dated February 14, 2024
99.2	Registrant's investor presentation dated February 14, 2024
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

Forward-Looking Statements

This Report and any exhibits to this Report may contain "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995, as amended (the "Litigation Reform Act"). The words “anticipate,” “believe,” “estimate,” “expect,” "plan," “intend,” “will,” “aim,” “should,” “could,” “forecast,” “target,” “may,” "continue to," "endeavor," "if," “growing,” “projected,” “potential,” “likely,” "see," "ahead," "further," "going forward," "on the horizon," and similar expressions (including the negative and plural forms of such words and phrases), 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. 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 Report, any exhibits to this Report 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: risks related to pending dispositions, including the transfer of the Company's BenefitWallet's portfolio and the sale of the Company's Curbside Management and Public Safety Solutions businesses, including but not limited to the Company's ability to realize the benefits anticipated from such transactions, unexpected costs, liabilities or delays in connection with such transactions, and the significant transaction costs associated with such transactions; 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 wars in Ukraine and the Middle East), macroeconomic conditions, natural disasters and other factors in a particular country or region on our workforce, customers and vendors; 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; expectations relating to environmental, social and governance considerations; utilization of our stock repurchase program; 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; 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 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; our ability to receive dividends or other payments from our subsidiaries; 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 Commission. Any forward-looking statements made by us in this Report speak only as of the date on which they are made. We are under no obligation to, and expressly disclaim any obligation to, update or alter our forward-looking statements, whether because of new information, subsequent events or otherwise, except as required by law.

SIGNATURES

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

Date: May 01, 2024

CONDUENT INCORPORATED

By: ***/s/ STEPHEN WOOD***
Stephen Wood
Executive Vice President and Chief Financial Officer

News from Conduent

Conduent Incorporated
100 Campus Drive, Suite 200
Florham Park, NJ 07932
www.conduent.com

Conduent Reports First Quarter 2024 Financial Results

Key Q1 2024 Highlights

- Revenue: $921M
- Pre-tax Income: $127M
- Adj. EBITDA Margin(1): 7.5%
- New business signings ACV(2): $99M
- Net ARR Activity Metric(2) (TTM): $17M

FLORHAM PARK, NJ, May 1, 2024 - Conduent (NASDAQ: CNDT), a global technology-led business process solutions and services company, today announced its first quarter 2024 financial results.

Cliff Skelton, Conduent President and Chief Executive Officer stated, “Q1 2024 is a continued reflection of progress in our portfolio performance overlaid by timing considerations and variations across our segments. While Revenue exceeded expectations and Adjusted EBITDA/Margin were broadly in line with expectations, sales performance lagged due to the timing of several opportunities between Q1 and Q2. The diversity of our portfolio is further evidenced by a strong quarter in Transportation, improvement in Commercial and some softness in Government.”

“Earlier today we announced the closure of the sale of our Curbside Management and Public Safety businesses. In addition, we expect to finalize the BenefitWallet transaction in May. We will continue to rationalize our portfolio to enable future growth with efficient and effective capital deployment.”

“Finally, as previously stated, 2024 represents what we believe to be the trough in our growth turnaround. With the continued backing of our strong client base, partnerships with some of the leading global technology firms such as Microsoft and Oracle, and 57,000 dedicated associates, we expect continued progress along our 3-year journey and that progress is directly in line with our plan.”

Key Financial Q1 2024 Results

($ in millions, except margin and per share data)	Q1 2024	Q1 2023	Current Quarter Y/Y B/(W)
Revenue	$921	$922	(0.1)%
GAAP Net Income (Loss)	$99	$(6)	n/m
Adjusted EBITDA[(1)]	$69	$90	(23.3)%
Adjusted EBITDA Margin [(1)]	7.5%	9.8%	(230) bps
GAAP Income (Loss) Before Income Tax	$127	$(8)	n/m
GAAP Diluted EPS	$0.46	$(0.04)	n/m
Adjusted Diluted EPS[(1)]	$(0.09)	$0.00	n/m
Cash Flow from Operating Activities	$(37)	$(12)	(208)%
Adjusted Free Cash Flow[(1)]	$(60)	$(37)	(62)%

Performance Commentary

During the first quarter of 2024, we completed the first tranche of the BenefitWallet portfolio transfer, receiving $164 million as the pro-rata share of the purchase price. Following the completion of the second tranche on April 11, 2024, we expect the third and final tranche of the BenefitWallet portfolio transfer to be completed by the end of the second quarter of 2024.

As a result of the completion of the first and second tranches of the BenefitWallet portfolio transfer, we prepaid $259 million of principal of our Term Loan B.

Other portfolio rationalization efforts include the closure of the sale of the Curbside Management and Public Safety businesses.

Pre-tax income (loss) for the first quarter of 2024 was $127 million versus $(8) million in the prior year period. This increase is primarily driven by the gain on the transfer of the BenefitWallet portfolio.

Q1 2024 Adjusted EBITDA of $69 million and Adjusted EBITDA Margin of 7.5% were in line with our expectations.

Revenue for the first quarter of 2024 was substantially unchanged versus the prior year.

Conduent's nearly $1.0 billion total liquidity position remains strong with long-dated debt maturities and a modest net leverage ratio.

In the first quarter, we repurchased approximately 4.8 million shares of our common stock in connection with our ongoing share repurchase program.

Additional Q1 2024 Performance Highlights

Conduent achieved several milestones in technology-led solutions, operational excellence and culture, including:

- Collaborated in partnership with Microsoft on an initiative across the Conduent portfolio to drive innovation using Microsoft Azure OpenAI Services;
- Recently partnered with Oracle to streamline transaction processing by the migration of on-premises Oracle Exadata environment to the cloud with Oracle Database@Azure;
- Recognized as a Leader in CX Services Transformation NEAT - Cost Optimization Focus by NelsonHall;
- Named "GovTech Top 100 Company" for the third consecutive year; and
- Named Newsweek America's Greatest Workplaces for Women and Diversity 2024.

FY 2024 Outlook[2,3]

	FY 2023 Actuals	FY 2024 Outlook[2,3]
Revenue	$3,722M	$3,600M - $3,700M
Adj. EBITDA[1] / Adj. EBITDA Margin[1]	$378M / 10.2%	8% - 9%
Adj. Free Cash Flow[1] as % of Adj. EBITDA[1]	(1.3)%	5% - 10%

[1] Refer to Appendix for definition and complete Non-GAAP reconciliations of Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Diluted EPS and Adjusted Free Cash Flow.

[2] Refer to Appendix for definition.

[3] Refer to Appendix for additional information regarding non-GAAP outlook. FY 2024 Outlook is not adjusted for completed or anticipated divestiture activity or use of such proceeds.

Conference Call

Management will present the results during a conference call and webcast on May 1, 2024 at 9:00 a.m. ET.

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

The conference call will also be available by calling 877-407-4019 toll-free. If requested, the conference ID for this call is 13745034.

The international dial-in is 1-201-689-8337. The international conference ID is also 13745034.
A recording of the conference call will be available by calling 1-877-660-6853 three hours after the conference call concludes. The replay ID is 13745034.

The telephone recording will be available until May 15, 2024.

About Conduent

Conduent delivers digital business solutions and services spanning the commercial, government and transportation spectrum – creating valuable outcomes for its clients and the millions of people who count on them. The Company leverages cloud computing, artificial intelligence, machine learning, automation and advanced analytics to deliver mission-critical solutions. Through a dedicated global team of approximately 57,000 associates, process expertise and advanced technologies, Conduent's solutions and services digitally transform its clients' operations to enhance customer experiences, improve performance, increase efficiencies and reduce costs. Conduent adds momentum to its clients' missions in many ways including disbursing approximately $100 billion in government payments annually, enabling 2.3 billion customer service interactions annually, empowering millions of employees through HR services every year and processing nearly 13 million tolling transactions every day. Learn more at www.conduent.com.

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, our 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. Refer to the "Non-GAAP Financial Measures" section attached to this release for a discussion of these non-GAAP measures and their reconciliation to the reported U.S. GAAP measures.

Forward-Looking Statements

This press release, any exhibits or attachments to this release, and other public statements we make 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," “endeavor,” "if,” “growing,” “projected,” “potential,” “likely,” "see," "ahead," "further," "going forward," "on the horizon," and similar expressions (including the negative and plural forms of such words and phrases), 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 or any attachment to this press release 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; statements regarding portfolio divestitures, such as the transfer of the BenefitWallet portfolio and the sale of the Curbside Management and Public Safety Solutions businesses, including all statements regarding anticipated timing of closing of such divestitures; Conduent's liquidity position remaining strong; statements regarding our portfolio rationalization plan, including continuing to rationalize our portfolio to enable future growth with efficient and effective capital deployment; 2024 representing what we believe to be the trough in our growth turnaround; and expectations of continued progress along our 3-year journey being directly in line with our plan; and our projected financial performance for the full year 2024 and 2025, including all statements made under the section captioned “FY 2024 Outlook” within this release. These statements reflect our current views with respect to future events and are subject to certain risks, uncertainties and assumptions, many of which are outside of our control, that could cause actual results to differ materially from those expected or implied by such forward-looking statements contained in this press release, any exhibits to this press release and other public statements we make.

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: risks related to pending dispositions, including the transfer of the Company's BenefitWallet's portfolio and the sale of the Company's Curbside Management and Public Safety Solutions businesses, including but not limited to the Company's ability to realize the benefits anticipated from such transactions, unexpected costs, liabilities or delays in connection with such transactions, and the significant transaction costs associated with such transactions; government appropriations and termination rights contained in our government contracts; the competitiveness of the markets in which we operate; 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 wars in the Ukraine and Middle East), macroeconomic conditions, natural disasters and other factors in a particular country or region on our workforce, customers and vendors; 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; expectations relating to environmental, social and governance considerations; utilization of our stock repurchase program; 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; risks related to divestitures and acquisitions; 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 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; our ability to receive dividends or other payments from our subsidiaries; 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 2023 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 because of new information, subsequent events or otherwise, except as required by law.

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

	Three Months Ended March 31,			
(in millions, except per share data)	2024		2023	
Revenue	$	921	$	922
Operating Costs and Expenses				
Cost of services (excluding depreciation and amortization)		735		720
Selling, general and administrative (excluding depreciation and amortization)		116		111
Research and development (excluding depreciation and amortization)		2		2
Depreciation and amortization		62		61
Restructuring and related costs		9		29
Interest expense		27		27
(Gain) loss on divestitures and transaction costs, net		(161)		2
Litigation settlements (recoveries), net		4		(21)
Loss on extinguishment of debt		2		—
Other (income) expenses, net		(2)		(1)
Total Operating Costs and Expenses		794		930
Income (Loss) Before Income Taxes		127		(8)
Income tax expense (benefit)		28		(2)
Net Income (Loss)	$	99	$	(6)
Net Income (Loss) per Share:				
Basic	$	0.46	$	(0.04)
Diluted	$	0.46	$	(0.04)

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

	Three Months Ended March 31,	
(in millions)	2024	2023
Net Income (Loss)	$ 99	$ (6)
Other Comprehensive Income (Loss), Net[(1)]		
Currency translation adjustments, net	(11)	17
Unrecognized gains (losses), net	—	1
Other Comprehensive Income (Loss), Net	(11)	18
Comprehensive Income (Loss), Net	$ 88	$ 12

(1) All amounts are net of tax. Tax effects were immaterial.

CONDUENT INCORPORATED
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(in millions, except share data in thousands)	March 31, 2024	December 31, 2023
Assets		
Cash and cash equivalents	$ 415	$ 498
Accounts receivable, net	600	559
Assets held for sale	192	180
Contract assets	166	178
Other current assets	216	240
Total current assets	1,589	1,655
Land, buildings and equipment, net	186	197
Operating lease right-of-use assets	188	191
Intangible assets, net	31	32
Goodwill	643	651
Other long-term assets	421	436
Total Assets	$ 3,058	$ 3,162
Liabilities and Equity		
Current portion of long-term debt	$ 33	$ 34
Accounts payable	167	174
Accrued compensation and benefits costs	175	183
Unearned income	94	91
Liabilities held for sale	56	58
Other current liabilities	324	328
Total current liabilities	849	868
Long-term debt	1,083	1,248
Deferred taxes	43	30
Operating lease liabilities	155	157
Other long-term liabilities	81	84
Total Liabilities	2,211	2,387
Series A convertible preferred stock	142	142
Common stock	2	2
Treasury stock, at cost	(44)	(27)
Additional paid-in capital	3,941	3,938
Retained earnings (deficit)	(2,752)	(2,849)
Accumulated other comprehensive loss	(446)	(435)
Total Conduent Inc. Equity	701	629
Non-controlling Interest	4	4
Total Equity	705	633
Total Liabilities and Equity	$ 3,058	$ 3,162
Shares of common stock issued and outstanding	206,685	211,509
Shares of series A convertible preferred stock issued and outstanding	120	120
Shares of common stock held in treasury	13,665	8,841

CONDUENT INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(in millions)	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Cash Flows from Operating Activities:		
Net income (loss)	$ 99	$ (6)
Adjustments required to reconcile net income (loss) to cash flows from operating activities:		
Depreciation and amortization	62	61
Contract inducement amortization	1	1
Deferred income taxes	13	(8)
Amortization of debt financing costs	1	1
Loss on extinguishment of debt	2	—
(Gain) loss on divestitures and sales of fixed assets, net	(164)	—
Stock-based compensation	3	2
Changes in operating assets and liabilities	(54)	(63)
Net cash provided by (used in) operating activities	(37)	(12)
Cash Flows from Investing Activities:		
Cost of additions to land, buildings and equipment	(13)	(11)
Cost of additions to internal use software	(8)	(11)
Proceeds from divestitures	164	—
Net cash provided by (used in) investing activities	143	(22)
Cash Flows from Financing Activities:		
Payments on debt	(175)	(10)
Treasury stock purchases	(17)	—
Taxes paid for settlement of stock-based compensation	(5)	(7)
Dividends paid on preferred stock	(2)	(2)
Net cash provided by (used in) financing activities	(199)	(19)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(2)	2
Increase (decrease) in cash, cash equivalents and restricted cash	(95)	(51)
Cash, Cash Equivalents and Restricted Cash at Beginning of Period	519	598
Cash, Cash Equivalents and Restricted Cash at End of period[(1)]	$ 424	$ 547

(1) Includes $9 million and $21 million restricted cash as of March 31, 2024 and 2023, respectively, that were included in Other current assets on their respective Condensed Consolidated Balance Sheets.

Appendix

Definitions

Net ARR Activity Metric (TTM)

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.

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

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.

TTM: Trailing twelve months.

PBT: Profit before tax.

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, 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 Accounting Standards Codification 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 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 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.
- Goodwill impairment. This represents goodwill impairment charges related to entering the agreement to transfer the BenefitWallet portfolio.

- (Gain) loss on divestitures and transaction costs, net. Represents (gain) loss on divested businesses and transaction costs.
- Litigation settlements (recoveries), net represents settlements or recoveries for various matters subject to litigation.
- Loss on extinguishment of debt. This represents write-off related debt issuance costs related to prepayments of debt.
- Other charges (credits). This includes Other (income) expenses, net on the Consolidated Statements of Income (loss) and other insignificant (income) expenses and other adjustments.
- 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.

Adjusted Operating Income and Adjusted Operating Margin

We make adjustments to Costs and Expenses and Operating Margin for the following items, as applicable, for the purpose of calculating 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.
- Loss on extinguishment of debt.
- (Gain) loss on divestitures and transaction costs, net.
- Litigation settlements (recoveries), net.
- Other charges (credits).
- Divestitures.

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

Adjusted EBITDA and EBITDA Margin

We use Adjusted EBITDA and 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.

- Restructuring and related costs.
- Goodwill impairment.
- Loss on extinguishment of debt.
- (Gain) loss on divestitures and transaction costs, net.
- Litigation settlements (recoveries), net.
- Other charges (credits).
- 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.

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 Full Year 2024 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 is reflected in the table below. In addition, "Full Year 2024 Outlook", is not adjusted for completed or anticipated divestiture activity or use of such proceeds. 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. Full Year 2024 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 a GAAP expected adjusted tax rate, which adjusts for our non-GAAP adjustments.

Non-GAAP Reconciliations: Revenue at Constant Currency, Adjusted Net Income (Loss), Adjusted Effective Tax, Adjusted Operating Income (Loss) and Adjusted EBITDA were as follows:

(in millions)	Three Months Ended March 31, 2024	2023
REVENUE		
Revenue	$ 921	$ 922
Adjustment:		
Foreign currency impact	(2)	3
Revenue at Constant Currency	$ 919	$ 925
ADJUSTED NET INCOME (LOSS)		
Net Income (Loss)	$ 99	$ (6)
Adjustments:		
Amortization of acquired intangible assets[1]	1	2
Restructuring and related costs	9	29
Loss on extinguishment of debt	2	—
(Gain) loss on divestitures and transaction costs, net	(161)	2
Litigation settlements (recoveries), net	4	(21)
Other charges (credits)	(2)	(1)
Total Non-GAAP Adjustments	(147)	11
Income tax adjustments[2]	32	(3)
Adjusted Net Income (Loss)	$ (16)	$ 2
ADJUSTED EFFECTIVE TAX		
Income (Loss) Before Income Taxes	$ 127	$ (8)
Adjustments:		
Total Non-GAAP Adjustments	(147)	11
Adjusted PBT	$ (20)	$ 3
Income tax expense (benefit)	$ 28	$ (2)
Income tax adjustments[2]	(32)	3
Adjusted Income Tax Expense (Benefit)	(4)	1
Adjusted Net Income (Loss)	$ (16)	$ 2

CONTINUED	Three Months Ended March 31,	
(in millions)	2024	2023
ADJUSTED OPERATING INCOME (LOSS)		
Income (Loss) Before Income Taxes	$ 127	$ (8)
Adjustments:		
Total non-GAAP adjustments	(147)	11
Interest expense	27	27
Adjusted Operating Income (Loss)	$ 7	$ 30
ADJUSTED EBITDA		
Net Income (Loss)	$ 99	$ (6)
Income tax expense (benefit)	28	(2)
Depreciation and amortization	62	61
Contract inducement amortization	1	1
Interest expense	27	27
EBITDA	217	81
Adjustments:		
Restructuring and related costs	9	29
(Gain) loss on divestitures and transaction costs, net	(161)	2
Litigation settlements (recoveries), net	4	(21)
Loss on extinguishment of debt	2	—
Other charges (credits)	(2)	(1)
Adjusted EBITDA	$ 69	$ 90

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(1) Included in Depreciation and amortization on the Consolidated Statements of Income (Loss).

(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 adjustments listed.

Non-GAAP Reconciliations: Adjusted Weighted Average Shares Outstanding, Adjusted Diluted EPS, Adjusted Effective Tax Rate, Adjusted Operating Margin and Adjusted EBITDA Margin were as follows:

(Amounts are in whole dollars, shares are in thousands and margins and rates are in %)	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
ADJUSTED DILUTED EPS[1]		
Weighted Average Common Shares Outstanding	209,160	218,410
Adjustments:		
Restricted stock and performance units / shares	—	—
Adjusted Weighted Average Common Shares Outstanding	209,160	218,410
Diluted EPS from Continuing Operations	$ 0.46	$ (0.04)
Adjustments:		
Total non-GAAP adjustments	(0.70)	0.05
Income tax adjustments[2]	0.15	(0.01)
Adjusted Diluted EPS	$ (0.09)	$ —
ADJUSTED EFFECTIVE TAX RATE		
Effective tax rate	21.9 %	20.8 %
Adjustments:		
Total non-GAAP adjustments	0.3 %	14.2 %
Adjusted Effective Tax Rate[2]	22.2 %	35.0 %
ADJUSTED OPERATING MARGIN		
Income (Loss) Before Income Taxes Margin	13.8 %	(0.9)%
Adjustments:		
Total non-GAAP adjustments	(15.9)%	1.3 %
Interest expense	2.9 %	2.9 %
Margin for Adjusted Operating Income	0.8 %	3.3 %
ADJUSTED EBITDA MARGIN		
EBITDA Margin	23.6 %	8.8 %
Total non-GAAP adjustments	(16.1)%	1.0 %
Adjusted EBITDA Margin	7.5 %	9.8 %

(1) Average shares for the 2024 and 2023 calculation of adjusted EPS excludes 5.4 million shares associated with our Series A convertible preferred stock and includes the impact of preferred stock dividend of approximately $2 million and $2 million for the three months ended March 31, 2024 and 2023, respectively.

(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.

Free Cash Flow and Adjusted Free Cash Flow Reconciliation:

	Three Months Ended March 31,	
(in millions)	2024	2023
Operating Cash Flow	$ (37)	$ (12)
Cost of additions to land, buildings and equipment	(13)	(11)
Cost of additions to internal use software	(8)	(11)
Free Cash Flow	$ (58)	$ (34)
Free Cash Flow	$ (58)	$ (34)
Transaction costs	3	1
Vendor finance lease payments	(5)	(4)
Adjusted Free Cash Flow	$ (60)	$ (37)

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Conduent Q1 2024 Financial Results

May 01, 2024

Cautionary Statements

CONDUENT

Forward-Looking Statements

This document, any exhibits or attachments to this document, and other public statements we make may contain “forward-looking statements” as defined in the Private Securities Litigation R Act of 1995. The words “anticipate,” “believe,” “estimate,” “expect,” "plan," “intend,” “will,” “aim,” “should,” “could,” “forecast,” “target,” “may,” "continue to," "endeavor," "if," “growing,” “projecte “potential,” “likely,” "see", "ahead", "further," "going forward," "on the horizon," and similar expressions (including the negative and plural forms of such words and phrases), as they relate to u 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 i in this presentation or any attachment to this presentation are forward-looking statements, including, but not limited to, statements regarding our financial results, condition and outlook; chang our operating results; general market and economic conditions; statements regarding portfolio divestitures, such as the sale of the BenefitWallet HSA portfolio and Curbside Management and Safety Solutions business, including all statements regarding anticipated closing of such divestitures; statements regarding our expected deployable capital target; and our projected financial performance for the full year 2024 and 2025, including all statements made under the sections captioned "Debt Maturity", “FY 2023 Actuals and FY 2024 Outlook”, "Divestiture Update", "Mid- 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 many of which are outside of our control, that could cause actual results to differ materially from those expected or implied by such forward-looking statements contained in this document, any exhibits to this document and other public statements we make.

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: risks related to pending dispositions, including the transfer of the Company's BenefitWallet's portfolio and the sale of the Company's Curbside Management and Public Safety Solutions businesses, including but not to the Company's ability to realize the benefits anticipated from such transactions, unexpected costs, liabilities or delays in connection with such transactions, and the significant transaction c associated with such transactions; government appropriations and termination rights contained in our government contracts; the competitiveness of the markets in which we operate; our abili 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 wars in the Ukraine and Middle East), macroeconomic conditions, natural disasters and other factors in a particular country or region on our workforce, customers and vendors; our ability to deliver on our contractual obligations properly and on ti 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 performa 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 protect our intellectual property rights; our ability to modernize our information technology infrastructure and consolidate data centers; expectations relating to environmental, social and gove considerations; utilization of our stock repurchase program; the failure to comply with laws relating to individually identifiable information and personal health information; the failure to comply 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 o 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 r being involved in a variety of claims, lawsuits, investigations and proceedings; risks related to divestitures and acquisitions; risk and impact of potential goodwill and other asset impairments; significant indebtedness and the terms of such indebtedness; our failure to obtain or maintain a satisfactory credit rating and financial performance; our ability to obtain adequate pricing for o 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 o of significant clients; fluctuations in our non-recurring revenue; increases in the cost of voice and data services or significant interruptions in such services; our ability to received dividends or payments from our subsidiaries; and other factors that are set forth in the “Risk Factors” section, the “Legal Proceedings” section, the “Management's Discussion and Analysis of Financial Co 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 f 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 t 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.

Cautionary Statements

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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 financi 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 an 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 ce 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 cu period against the corresponding prior period. However, these non-GAAP financial measures should be viewed in addition to, and not as a substitute for, our 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 regul uses our supplemental non-GAAP financial measures internally to understand, manage and evaluate our business and make operating decisions, and providing such 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 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 t performance of our business based on certain of these non-GAAP measures. Refer to the "Non-GAAP Financial Measures" and "Non-GAAP Reconciliations" sections this document for a discussion of these non-GAAP measures and their reconciliation to the reported U.S. GAAP measures.

Q1 2024 Highlights

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Q1 Results / Metrics	
	• Revenue: $921M • Adj. EBITDA[1]: $69M • Adj. EBITDA Margin[1]: 7.5% • New business signings ACV[2]: $99M • Net ARR Activity Impact (TTM)[2,3]: $17M

Highlights

- Q1 Puts and Takes
  - Strong revenue quarter, exceeding expectations and flat YOY
  - Adj. EBITDA/EBITDA margin in line with Q1 expectations
  - Sales lagged expectations in Q1, primarily due to contract timing… expect improvement in Q2
  - Segment 'lumpiness' characterized by improvement in Transportation and s softness in Government
- Divestiture Activities Continue in Full Swing
  - Approximately $500M of after-tax proceeds from announced deals
  - 30% of our $1 billion deployable capital already deployed
  - Initial proceeds used for debt repayment

(1) Refer to Appendix for complete Non-GAAP reconciliations of Adjusted EBITDA and Adjusted EBITDA Margin.
(2) Full definition in the Appendix.
(3) Trailing Twelve Months.

Divestiture Update

$600-800M of potential divestiture proceeds

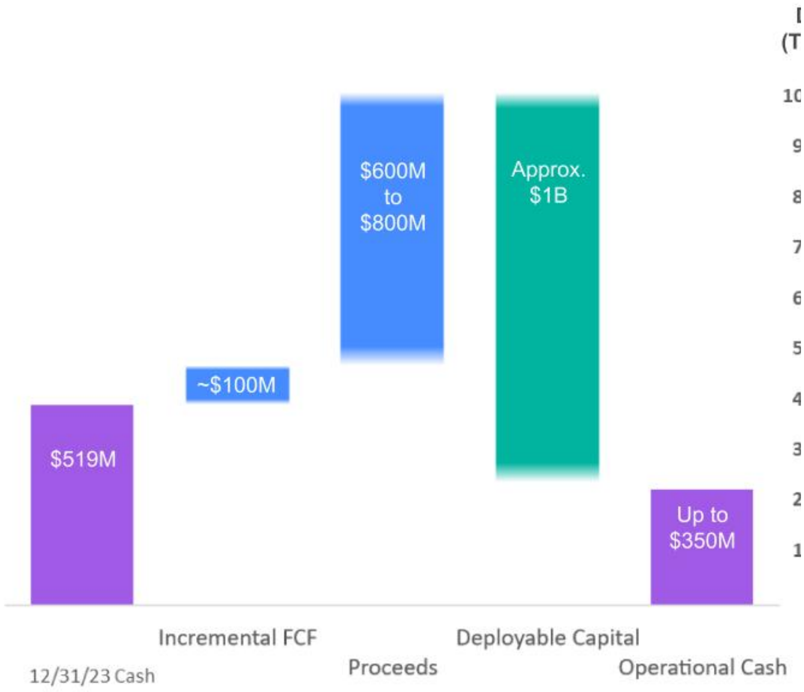
Enhanced valuation with appropriately deployed capital

A more nimble and **faster growing Conduent**

$303M (30%) Capital deployed against prepayment of debt and the share repurchase program

Deployable Capital

$1.0B **156%** of $638M Mkt Cap*



*As of 4/26/24

Key Sales Metrics

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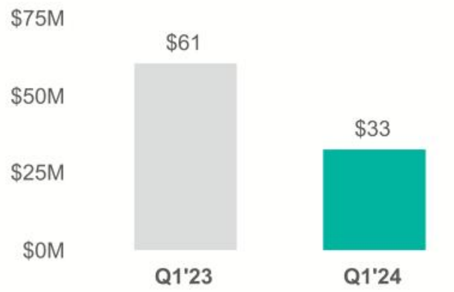
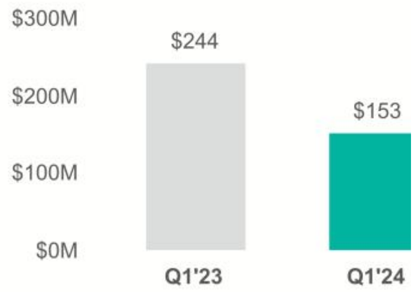
New Business ACV[1]

New Business ARR[1]

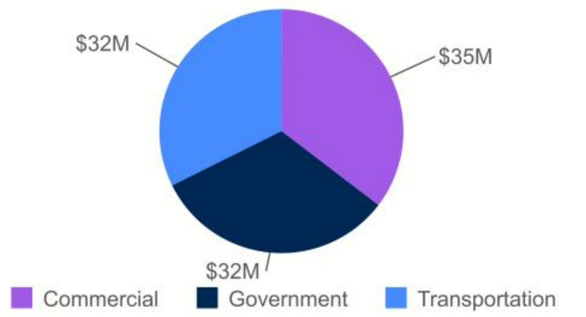


New Business TCV[1]



Net ARR Activity (TTM)[1,2]

Q1 New Business ACV[1] by Segment



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

Key Sales Metrics Trends

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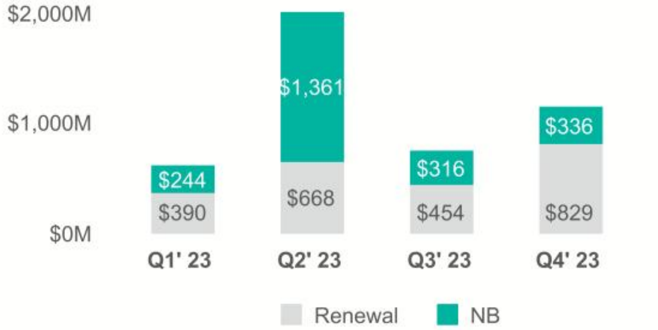
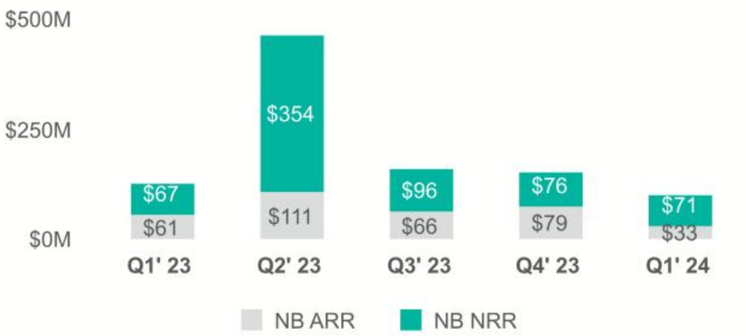
New Business ACV(1) Signings

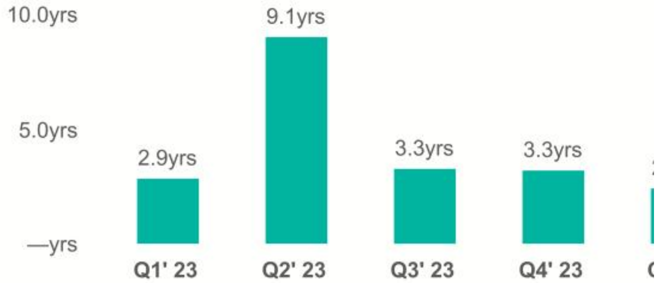
TCV Signings (incl. ARR(1) + NRR(1))



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



New Business ARR Avg. Contract Length



(1) Full definition in the Appendix.

Q1 2024 P&L Metrics

Revenue

Revenue Trend (Y/Y Compare)

Adj. EBITDA[1] / Adj. EBITDA Margin[1]

- **Revenue:** Substantially unchanged. New business ramp and stronger volumes in our Transportation segment, offset by lost business and lower volumes in Commercial and Government segments, as well as the impact of completing the first tranche of the BenefitWallet transfer.

- **Adj. EBITDA and Adj. EBITDA Margin[1]:** Decline primarily driven by the absence of a reversal of reserves related to a favorable legal settlement in our Government segment in the prior year.

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

Q1 2024 P&L by Segment

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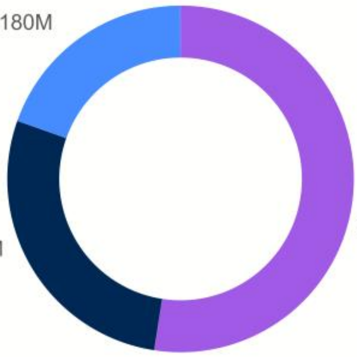
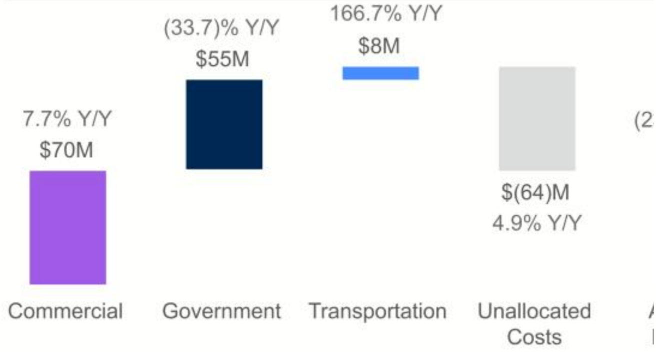
Revenue



- **Commercial:** Decrease primarily due to lost business, lower volumes in certain industries and the completion of the first tranche of the BenefitWallet sale, partially offset by new business ramp.
- **Government:** Decrease primarily due to lost business and lower volumes in our Payments business, partially offset by new business ramp and the impact of a non-repeating item in the prior year.
- **Transportation:** Increase primarily driven by new business ramp, including the State of Victoria contract, higher volumes and less impact from extended completion timelines compared to the prior year.

Adj. EBITDA(1) Contributions



- **Commercial:** Increase driven by cost efficiencies, partially o by the impact of the first tranche of BenefitWallet; margin 14 up 170 bps Y/Y.
- **Government:** Decrease primarily driven by the absence of t approx. $17M reversal of reserves related to a favorable leg settlement in the prior year as well as revenue mix; margin 2 down (1,010) bps Y/Y.
- **Transportation:** Increase driven by higher revenue and imp operating performance compared to the prior year; margin 4 up 240 bps Y/Y.
- **Unallocated Costs:** Increase primarily due to costs related transition away from a technology vendor.

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

Q1 2024 Cash Flow and Balance Sheet

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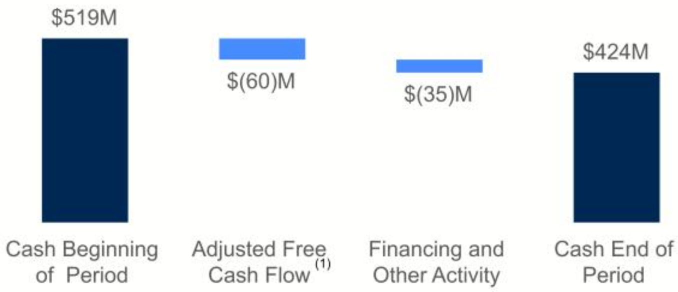
- Adj. Free Cash Flow[1]: $(60)M
- Capex[6] as % of revenue: 2.6%
- Net adjusted leverage ratio[7]: 2.0x
- $424M of cash[2] at end of Q1 2024
- $548M Available Revolving Credit Facility
- Shares repurchased: 4.8M
- Debt Prepayment: $164M

Balance Sheet

($ in millions)	**12/31/2023**	**3/31**
Total Cash[2]	$519	$4
Total Debt[4]	1,263	1,
Term Loan A[3] due 2026	238	2
Term Loan B[3] due 2028	505	3
Revolving Credit Facility due 2026[5]	—	-
Senior Notes due 2029	520	5
Finance leases and Other loans	37	3
Net adjusted leverage ratio[7]	2.1x	2

Q1 2024 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 2023 Actuals and FY 2024 Outlook[2,3]

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	FY 2023 Actuals	FY 2024 Outlook [2,3]
Revenue	$3,722M	$3,600M - $3,700M
Adj. EBITDA Margin[1]	10.2%	8% - 9%
Adj. Free Cash Flow[1] **as % of Adj. EBITDA**[1]	(1.3)%	5% - 10%

Other Modeling Considerations		
Interest Expense	$111M	Approx. $107M
Restructuring	$62M	Approx. $30M
CapEx	$116M	Approx. $110M

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

(2) Refer to Appendix for definition of Non-GAAP Outlook.

(3) FY 2024 Outlook is not adjusted for completed or anticipated divestiture activity or use of such proceeds.

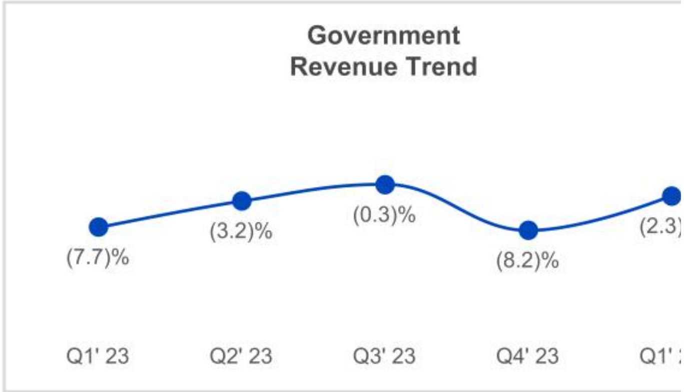
Mid-Term Outlook[2,3]

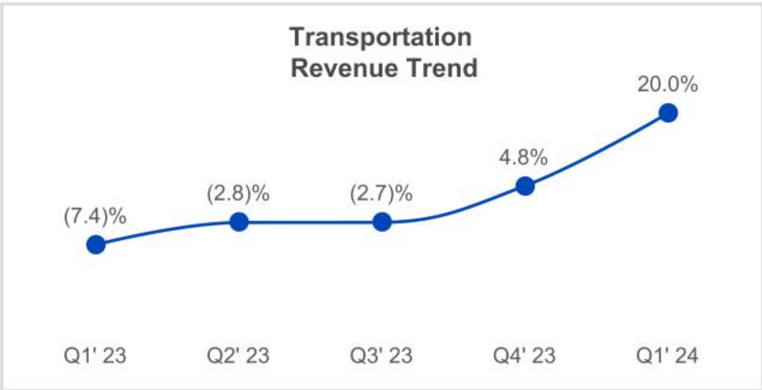
		Divestitures		
	FY 2024 Outlook[2,3]	Announced + Others	Other 2025 Assumptions	2025 E Rate
Adj. Revenue[1]	\$3,600M - \$3,700M	~\$500M	2% - 4% Growth	\$3,000 \$3,300
Adj. EBITDA Margin[1]	8% - 9%	*~27%	*2% - 3% Margin Expansion	9% - 1
Adj. Free Cash Flow[1] as % of Adj. EBITDA[1]	5% - 10%			TBC
Other Modeling Considerations				
Net Proceeds		Announced \$495M Others \$TBC		
Timing		Announced 1H'24 Others 2H'24		
Cost Efficiency (included in Margin*)		~\$50M	~\$50M	
Interest Expense	~\$107M			TBC
Restructuring	~\$30M			~\$15
CapEx as a % of Revenue	~3%			~2.7

(1) Refer to Appendix for complete Non-GAAP reconciliations of Adjusted Revenue, Adjusted EBITDA, Adjusted EBITDA Margin and Adjusted Free Cash Flow
(2) Refer to Appendix for definition of Non-GAAP Outlook.
(3) FY 2024 Outlook is not adjusted for completed or anticipated divestiture activity or use of such proceeds.

Appendix

Segment Revenue Trend





Revenue Growth Rates (2025 Exit Rate):

As communicated in the March 2023 Investor Briefing, t
expected growth rates for each business segment exitir
2025 are as follows:

Commercial:	3% to 5%
Government:	~3%
Transportation:	~4%

Q1 Highlights and Recognition

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

Leader in CX Services Transformation NEAT – Cost Optimization Focus

"GovTech Top 100" f
the third consecutive y

Renewed contract with NJ TRANSIT to continue upgrades of fare collection system

Sustain-a-Livity "Best in Regulatory Governance" Award in Jamaica for commitment to sustainable practices

Newsweek | America's **Greatest Workplaces for Women and Diversity 2024**

Definitions

New Business Total Contract Value (TCV): Estimated total future revenues from contracts signed during the period related to new logo, new service 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 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 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 o negatively impact results. The metric annualizes the net impact to revenue. Timing of revenue impact varies and may not be realized within the forwa 12-month timeframe. The metric is for indicative purposes only. This metric excludes COVID-related volume impacts and non-recurring revenue signi 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 pipe 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 beli 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, de 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 r 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 accorda 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 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 su 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 r 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.

Reconciliations of the following non-GAAP financial measures to the most directly comparable financial measures calculated and presented in accordance with U.S. GAAP Reconciliations 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 a 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 inc 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 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 (Lo 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 i 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, net. 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.
- Loss on extinguishment of debt. This represents write-off related debt issuance costs related to prepayments of debt.
- 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) expenses and other adjustments.
- 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 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 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 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 b

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 an 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.
- Loss on extinguishment of debt.
- (Gain) loss on divestitures and transaction costs, net.
- Litigation settlements (recoveries), net.
- Other charges (credits).
- 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, b 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 ma 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.
- Loss on extinguishment of debt.
- (Gain) loss on divestitures and transaction costs, net.
- Litigation settlements (recoveries), net.
- Other charges (credits).
- 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 "FY 2024 Outlook", this is not adjusted for completed or anticipated divestiture activity or use of such proceeds. 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)	Q1 2024	FY 2023	Q4 2023	Q3 2023	Q2 2023	Q1 2023
REVENUE						
Revenue	$ 921	$ 3,722	$ 953	$ 932	$ 915	$ 922
Adjustment:						
Foreign currency impact	(2)	(11)	(6)	(7)	(1)	3
Revenue at Constant Currency	$ 919	$ 3,711	$ 947	$ 925	$ 914	$ 925
ADJUSTED NET INCOME (LOSS)						
Income (Loss) From Continuing Operations	$ 99	$ (296)	$ 6	$ (289)	$ (7)	$ (6)
Adjustments:						
Amortization of acquired intangible assets[1]	1	7	2	1	2	2
Restructuring and related costs	9	62	13	7	13	29
Loss on extinguishment of debt	2	—	—	—	—	—
Goodwill impairment	—	287	—	287	—	—
(Gain) loss on divestitures and transaction costs, net	(161)	10	2	3	3	2
Litigation settlements (recoveries), net	4	(30)	(8)	—	(1)	(21)
Other charges (credits)	(2)	3	6	(2)	—	(1)
Total Non-GAAP Adjustments	(147)	339	15	296	17	11
Income tax adjustments[2]	32	(43)	(11)	(25)	(4)	(3)
Adjusted Net Income	$ (16)	$ —	$ 10	$ (18)	$ 6	$ 2

CONTINUED

(in millions)	Q1 2024	FY 2023	Q4 2023	Q3 2023	Q2 2023	Q1 2023
ADJUSTED EFFECTIVE TAX						
Income (Loss) Before Income Taxes	$ 127	$ (332)	$ (4)	$ (313)	$ (7)	$ (8)
Adjustment:						
Total Non-GAAP Adjustments	(147)	339	15	296	17	11
Adjusted PBT	$ (20)	$ 7	$ 11	$ (17)	$ 10	$ 3
Income tax expense (benefit)	$ 28	$ (36)	$ (10)	$ (24)	$ —	$ (2)
Income tax adjustments[(2)]	(32)	43	11	25	4	3
Adjusted Income Tax Expense (Benefit)	(4)	7	1	1	4	1
Adjusted Net Income (Loss)	$ (16)	$ —	$ 10	$ (18)	$ 6	$ 2
ADJUSTED OPERATING INCOME (LOSS)						
Income (Loss) Before Income Taxes	$ 127	$ (332)	$ (4)	$ (313)	$ (7)	$ (8)
Adjustment:						
Total non-GAAP adjustments	(147)	339	15	296	17	11
Interest expense	27	111	29	28	27	27
Adjusted Operating Income (Loss)	$ 7	$ 118	$ 40	$ 11	$ 37	$ 30

CONTINUED

(in millions)	Q1 2024	FY 2023	Q4 2023	Q3 2023	Q2 2023	Q1 2023
ADJUSTED EBITDA						
Net Income (Loss)	$ 99	$ (296)	$ 6	$ (289)	$ (7)	$ (6)
Income tax expense (benefit)	28	(36)	(10)	(24)	—	(2)
Depreciation and amortization	62	264	65	81	57	61
Contract inducement amortization	1	3	—	1	1	1
Interest expense	27	111	29	28	27	27
EBITDA	217	46	90	(203)	78	81
Adjustments:						
Restructuring and related costs	9	62	13	7	13	29
Loss on extinguishment of debt	2	—	—	—	—	—
Goodwill impairment	—	287	—	287	—	—
(Gain) loss on divestitures and transaction costs, net	(161)	10	2	3	3	2
Litigation settlements (recoveries), net	4	(30)	(8)	—	(1)	(21)
Other charges (credits)	(2)	3	6	(2)	—	(1)
Adjusted EBITDA	$ 69	$ 378	$ 103	$ 92	$ 93	$ 90

CONTINUED

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 %)	Q1 2024	FY 2023	Q4 2023	Q3 2023	Q2 2023	Q1 2023
ADJUSTED DILUTED EPS[(3)]						
Weighted Average Common Shares Outstanding	209,160	216,779	213,625	217,348	218,394	218,410
Adjustments:						
Restricted stock and performance units / shares	—	—	3,037	—	928	—
Adjusted Weighted Average Common Shares Outstanding	209,160	216,779	216,662	217,348	219,322	218,410
Diluted EPS from Continuing Operations	$ 0.46	$ (1.41)	$ 0.02	$ (1.34)	$ (0.04)	$ (0.04)
Adjustments:						
Total non-GAAP adjustments	(0.70)	1.57	0.06	1.37	0.07	0.05
Income tax adjustments[(2)]	0.15	(0.20)	(0.05)	(0.12)	(0.02)	(0.01)
Adjusted Diluted EPS	$ (0.09)	$ (0.04)	$ 0.03	$ (0.09)	$ 0.01	$ —
ADJUSTED EFFECTIVE TAX RATE						
Effective tax rate	21.9 %	10.7 %	272.1 %	7.8 %	(3.3)%	20.8 %
Adjustments:						
Total non-GAAP adjustments	0.3	96.6	(259.0)	(13.9)	45.5	14.2
Adjusted Effective Tax Rate[(2)]	22.2 %	107.3 %	13.1 %	(6.1)%	42.2 %	35.0 %

CONTINUED

(Margins are in %)	Q1 2024	FY 2023	Q4 2023	Q3 2023	Q2 2023	Q1 2023
ADJUSTED OPERATING MARGIN						
Income (Loss) Before Income Taxes Margin	13.8 %	(8.9)%	(0.4)%	(33.6)%	(0.8)%	(0.9)%
Adjustments:						
Total non-GAAP adjustments	(15.9)	9.1	1.6	31.8	1.8	1.3
Interest expense	2.9	3.0	3.0	3.0	3.0	2.9
Margin for Adjusted Operating Income	0.8 %	3.2 %	4.2 %	1.2 %	4.0 %	3.3 %
ADJUSTED EBITDA MARGIN						
EBITDA Margin	23.6	1.2	9.4	(21.8)	8.5	8.8
Total non-GAAP adjustments	(16.1)	9.0	1.4	31.7	1.7	1.0
Adjusted EBITDA Margin	7.5 %	10.2 %	10.8 %	9.9 %	10.2 %	9.8 %

The below footnotes correspond to the "Non-GAAP Reconciliations" slides

1. *Included in Depreciation and amortization on the Consolidated Statements of Income (Loss).*
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 adjustments listed.*
3. *Average shares for the 2024 and 2023 calculation of adjusted EPS excludes 5.4 million shares associated with our Series A convertible preferred stock and includes the impact o the preferred stock dividend of approximately $2 million each quarter.*

CONTINUED

Free Cash Flow and Adj. Free Cash Flow

(in millions)	Q1 2024	FY 2023	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Operating Cash Flow	$ (37)	$ 89	$ 122	$ (11)	$ (10)	$ (12)
Cost of additions to land, buildings and equipment	(13)	(51)	(18)	(13)	(9)	(11)
Cost of additions to internal use software	(8)	(42)	(11)	(9)	(11)	(11)
Free Cash Flow	**(58)**	**(4)**	**93**	**(33)**	**(30)**	**(34)**
Transaction costs	3	9	3	3	2	1
Vendor finance lease payments	(5)	(15)	(3)	(5)	(3)	(4)
Tax payment related to divestitures and litigation recoveries	—	5	—	—	5	—
Adjusted Free Cash Flow	**$ (60)**	**$ (5)**	**$ 93**	**$ (35)**	**$ (26)**	**$ (37)**

The below footnotes correspond to the "Q1 2024 Cash Flow and Balance Sheet" slide

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

(2) Total Cash includes $9M and $21M of restricted cash as of March 31, 2024 and December 31, 2023, respectively.

(3) Revolving credit facility and Term Loan A interest rate: Secured Overnight Financing Rate ("SOFR") + 225 bps; Term Loan B: Secured Overnight Financing Rate ("SOFR") + 425 bps.

(4) Total Debt as of March 31, 2024 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 March 31, 2024.

(6) Capex refers to additions to Land, Buildings & Equipment, Internal Use Software, Product Software 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.