

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): March 30, 2023



CONDUENT INCORPORATED

(Exact name of registrant as specified in its charter)

New York
(State or other jurisdiction of
incorporation or organization)

001-37817
(Commission
File Number)

81-2983623
(IRS Employer
Identification No.)

**100 Campus Drive, Suite 200,
Florham Park, New Jersey
07932**

(Address of principal executive offices) (Zip Code)

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

Not Applicable

(Former name or former address, if changed since last report)

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

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

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

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

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

Title of each class
Common Stock, \$0.01 par value

Trading Symbol(s)
CNDT

Name of each exchange on which registered
NASDAQ Global Select Market

Item 7.01. Regulation FD Disclosure.

On March 30, 2023, Conduent Incorporated (the Registrant) will host a virtual Investor Day. A copy of the presentation to be displayed during the Investor Day webcast is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

The information in this Current Report on Form 8-K (including the exhibits attached hereto) shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that Section. The information in this Current Report on Form 8-K (including the exhibits attached hereto) shall not be deemed incorporated by reference into any filing or other document under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing or document.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Registrant's Investor Presentation dated March 30, 2023
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 words "anticipate," "believe," "estimate," "expect," "plan," "intend," "will," "aim," "should," "could," "forecast," "target," "may," "continue to," "if," "growing," "projected," "potential," "likely," "see," "ahead," "further," "going forward," "on the horizon," and similar expressions, as they relate to us, are intended to identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. In addition, all statements regarding the anticipated effects of the COVID-19 pandemic and the responses thereto, including the pandemic's impact on general economic and market conditions, as well as on our business, customers, and markets, results of operations and financial condition, as well as other statements that are not strictly historical in nature, are 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 Current Report on Form 8-K, any exhibits to this Current Report on Form 8-K and other public statements we make. Our actual results may vary materially from those expressed or implied in our forward-looking statements. These forward-looking statements are also subject to the continuing impact of the COVID-19 pandemic on our business, operations, financial results and financial condition, which is dependent on developments which are uncertain and cannot be predicted.

Important factors and uncertainties that could cause actual results to differ materially from those in our forward-looking statements include, but are not limited to: government appropriations and termination rights contained in our government contracts; our ability to renew commercial and government contracts, including contracts awarded through competitive bidding processes; our ability to recover capital and other investments in connection with our contracts; our reliance on third-party providers; risk and impact of geopolitical events and increasing geopolitical tensions (such as the war in Ukraine), macroeconomic conditions, natural disasters and other factors (such as pandemics, including coronavirus) in a particular country or region on our workforce, customers and vendors; conditions abroad, including local economics, political environments, fluctuating foreign currencies and shifting regulatory schemes; relying on third party providers; our ability to deliver on our contractual obligations properly and on time; changes in interest in outsourced business process services; claims of infringement of third-party intellectual property rights; our ability to estimate the scope of work or the costs of performance in our contracts; the loss of key senior management and our ability to attract and retain necessary technical personnel and qualified subcontractors; our failure to develop new service offerings and protect our intellectual property rights; our ability to modernize our information technology infrastructure and consolidate data centers; the continuing effects of the COVID-19 pandemic on our business, operations, financial results and financial condition, which is dependent on developments which are uncertain and cannot be predicted; the failure to comply with laws relating to individually identifiable information and personal health information; the failure to comply with laws relating to processing certain financial transactions, including payment card transactions and debit or credit card transactions; breaches of our information systems or security systems or any service interruptions; our ability to comply with data security standards; developments in various contingent liabilities that are not reflected on our balance sheet, including those arising as a result of being involved in a variety of claims, lawsuits, investigations and proceedings; changes in tax and other laws and regulations; risk and impact of potential goodwill and other asset impairments; our significant indebtedness and the terms of such indebtedness; our failure to obtain or maintain a satisfactory credit rating and financial performance; our ability to receive dividends or other payments from our subsidiaries; our ability to obtain adequate pricing for our services and to improve our cost structure; our ability to collect our receivables, including those for unbilled services; a decline in revenues from, or a loss of, or a reduction in business from or failure of significant clients; fluctuations in our non-recurring revenue; increases in the cost of voice and data services or significant interruptions in such services; changes in government regulation and economic, strategic, political and social conditions; volatility of our stock price and the risk of litigation following a decline in the price of our stock; economic factors such as inflation, the level of economic activity and labor market conditions, as well as rising interest rates; and other factors that are set forth in the "Risk Factors" section, the "Legal Proceedings" section, the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section and other sections in our Annual Reports on Form 10-K, as well as in our Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with or furnished to the Securities and Exchange Commission (SEC). Any forward-looking

statements made by us in this Form 8-K 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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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: March 30, 2023

CONDUENT INCORPORATED

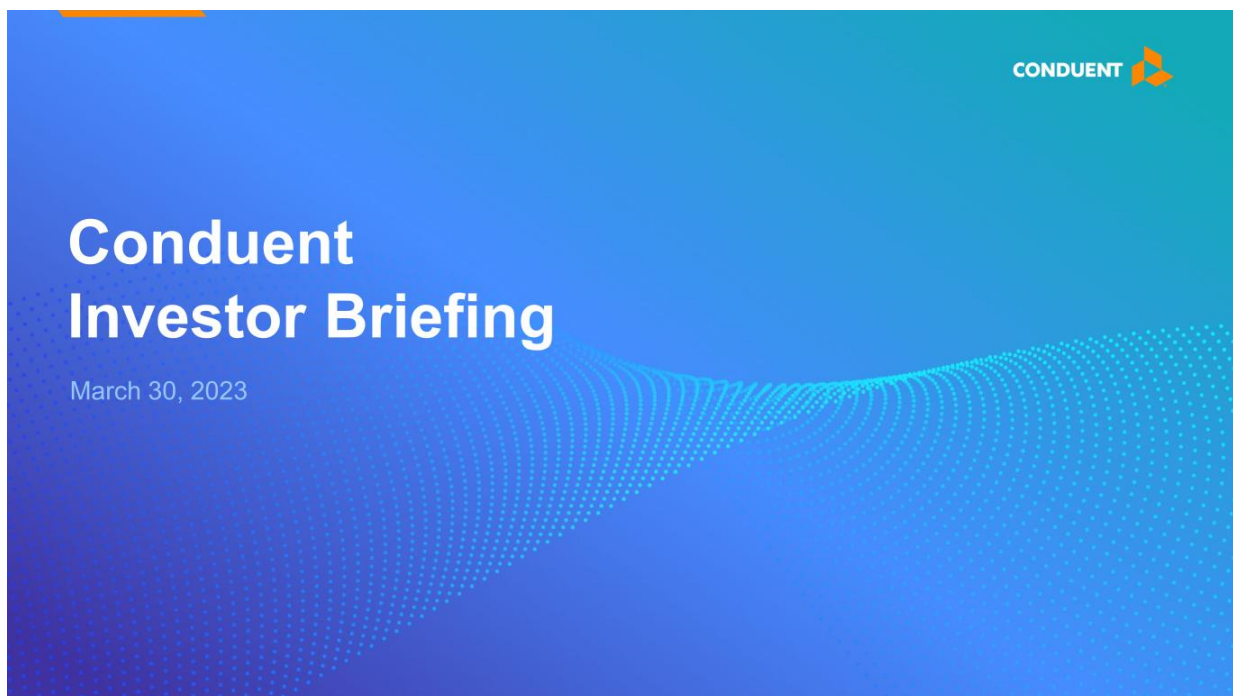
By:

/s/ STEPHEN WOOD

Stephen Wood
Executive Vice President and Chief Financial Officer

Conduent Investor Briefing

March 30, 2023



Cautionary Statements



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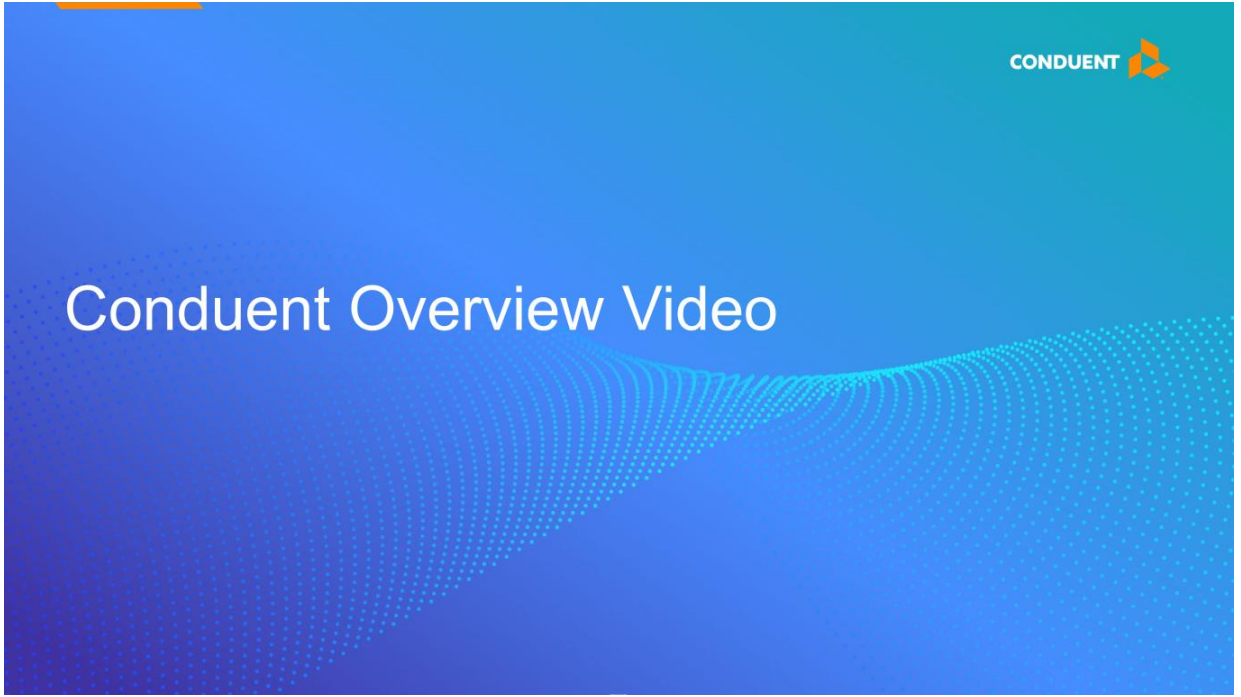
Cautionary Statements



Non-GAAP Financial Measures

We have reported our financial results in accordance with U.S. generally accepted accounting principles (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 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. Refer to the "Non-GAAP Financial Measures" and "Non-GAAP Reconciliations" sections in this document for a discussion of these non-GAAP measures and their reconciliation to the reported U.S. GAAP measures.

Conduent Overview Video



Agenda and Introduction

Welcome Giles Goodburn

Company Overview and Opportunity Cliff Skelton

Business Overviews

Commercial Randall King
Transportation Lou Keyes
Government Mark E. King

Financial Review Steve Wood

Enhancing Value Creation Cliff Skelton

Q&A

Key Takeaways



Repaired and strengthened the foundation



Unique value propositions aligned to attractive market opportunities



Financial outlook with **revenue growth, margin accretion** and **cash generation**



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

Experienced Management Team

Our Goal: Driving Shareholder Value

Strengths

Large and Favorable Market Opportunities

Technology-led Capabilities

Proven Outcomes for Marquee Clients

Strong Talent and Culture



Outcomes

Revenue Growth

Improved Margin

Expanded Free Cash Flow

Deployable Capital

Key Takeaways



Repaired and strengthened the foundation



Unique value propositions aligned to attractive market opportunities



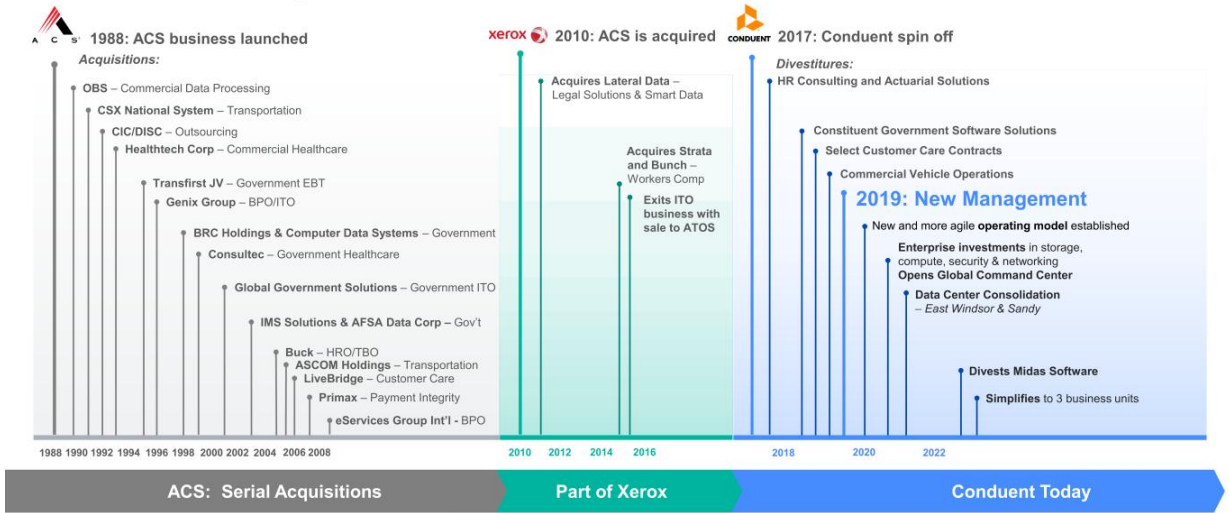
Financial outlook with **revenue growth, margin accretion** and **cash generation**



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Experienced Management Team

Our History



We Have Strengthened the Foundation

The Past

- Clients lacked confidence
- Operations and technology lacked predictability and stability
- Culture lacked collaboration and team spirit
- Inadequate internal planning discipline

Resulting In...

- Inadequate system uptime
- Sales not growing or outpacing client attrition
- Associate attrition at all time high
- Lack of client referenceability

Transformation Journey

- Focus on clients
- Rebuild technology infrastructure
- Drive operational excellence
- Instill process discipline
- Strengthen talent and culture

The Results

90% Reduction in technology-related incidents, drastically improving technology uptime which has become a hallmark for Conduent

20% Improvement in service level performance

3-year Net Promoter **Score improved**



~2X New Business Sales nearly doubled since 2019 (TCV); growing at a 24% CAGR.

Recognized as supplier of the year by GM, Toyota Financial Services, H&R Block, and several other Fortune 50 companies

Supplier of the Year
2021 & 2022

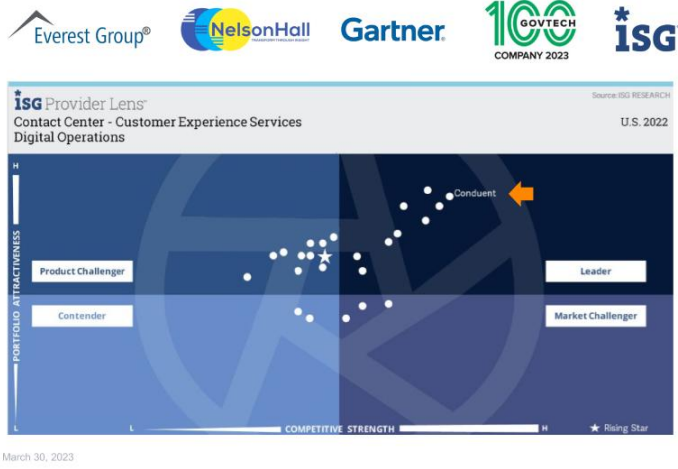


Supplier Excellence
Recognition
2021 & 2022



Recognition

Industry Leadership Recognition



Culture Recognition



Key Takeaways



Repaired and strengthened the foundation



Unique value propositions aligned to attractive market opportunities



Financial outlook with **revenue growth, margin accretion** and **cash generation**



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

Experienced Management Team



Three Lines of Business

Commercial

Enhancing customer experience and business process efficiency across the enterprise

- Customer Experience Management
- Business Operations Solutions
- Casualty and Healthcare Solutions

\$1,992M*



Government

Streamlining delivery of government services to constituents in need

- Government Healthcare
- Payments and Child Support
- Eligibility and Enrollment

\$1,150M*



Transportation

Creating safe, seamless journeys across the transportation ecosystem

- Road Usage Charging
- Transit
- Public Safety and Curbside

\$709M*

Strong and Trusted Client Base

Commercial



- 17 of the top 20 U.S. health insurance companies
- 9 of the top 10 pharma companies
- 4 of the top 5 automakers




Government and Transportation



- 47 states, District of Columbia, Puerto Rico
- 23 countries with transportation and government solutions

Large and Growing Addressable Markets



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

*Segment proportion of Conduent's \$200B TAM

Priorities of the Markets We Serve

Commercial 	Digital solutions to drive transformation and automation
	Improved customer experience
	Integrated, end-to-end offerings to increase value
Government 	More efficient and secure payment solutions
	Interoperable and modular healthcare systems in the cloud
	Enhanced citizen experience
Transportation 	Greater safety and efficiency
	Improved patron experience
	Modernized infrastructure and congestion solutions


What We Do to Meet That Demand

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

Commercial	
Government	
Transportation	

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

Creating Valuable Outcomes for Clients

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

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

Business Overviews



Randall King
President,
Commercial
Solutions

- Significant experience leading operations, services and risk for one of the largest banks in the U.S.
- Known for developing strategic solutions as well as strong partnerships and client engagement
- Successful at delivering large scale transformation and operational excellence



Lou Keyes
President,
Transportation
Solutions

- Significant experience in technology-led business solutions and professional services
- Extensive success in driving growth and client service across a range of industries
- Strength in growing businesses and managing a large client base



Mark E. King
President,
Government
Solutions

- Significant experience leading businesses in the FinTech and Banking industries
- Deep expertise in payments, operations and technology
- Proven experience in risk management which is critical to the government sector

Commercial Solutions

Commercial Solutions | At a Glance



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

Customer Experience Management

- CXNow
- Multichannel Communications
- Transformation/Analytics

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

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

1.3B

CX interactions annually

Business Operations Solutions

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

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

ISG Top 15 Service & Technology Provider
NelsonHall Leader in Next Generation **Benefits Administration**

3.6B

Documents captured, indexed and classified

Casualty and Healthcare Solutions

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

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

Largest Bill Review Provider for Workers Comp Claims
Everest Leader in Healthcare CXM and Payer Operations

17 / 20

Top healthcare payers are clients

Commercial Solutions Competitive Advantages



End-to-End Value Chain

Multiple capabilities creating innovative outcomes for clients **across entire value chain** vs. point solutions

- Solutions touch every aspect of the end-to-end value stream from front office to back office – from customer care and collections to human resources
- Ability to combine solutions to drive proactive ideas and solutions to help clients achieve strategic and more sustainable outcomes

Innovative Technology

Enabling **automation** and **digitization** through our technology, **improving quality** and **reducing cost**

- Largest workers compensation bill review platform (Strataware)
- Launched CXNow customer experience platform, creating end-to-end insights
- Leading edge integrated Pharma CRM (IntelliHealth) for patient programs
- Launched Integrated Payment Hub with new Real Time Payments[®] rail

Flexible Scale

Delivering across spectrum of small to large clients by leveraging scalable technology and platforms

- Ability to ramp quickly for all types of interactions from sales and tech support to care management and financial services
- Expansive scale (20 languages, 19 countries) to support large, multinational client base
- Verticalization and domain knowledge in high growth segments

Focus Areas for Growth

Through our diverse portfolio of solutions coupled with innovative technology and scale, the Commercial business is well-positioned to improve market share with our 600+ clients

Customer Experience Solutions

CXNow platform enables fast access for small to large clients

- Recognized **industry leader** serving some of the **most loyal brands** in the world
- Improving **CX is a priority** for most companies – we can help them with our **30+ years experience** and **scale**
- Almost all our clients have a need for CX solutions – opportunity to **deepen relationships / wallet share**
- **Driving accelerated growth** through CXNow supporting clients of **any size** with broad range of CX capabilities

March 30, 2023

Finance, Accounting and Procurement

New tech-led capability creating faster speed to value

- **\$3.3B of current client spend** under management, 33.5M invoices processed annually
- **New capabilities** to drive pipeline and deepen relationships across market segments, for example:
 - ✓ **FastCap® solution – Analytics to find cost leakage** with rapid implementation and low entry cost using shared outcome model for clients

Healthcare and Pharma

New innovative solutions to expand market share

- New **Medicare Advantage capability** for medical claim processing platform
- New **Provider Data Management** capability – increasing data accuracy and improving cost for Pharma Co's
- Expanding **Medical Information and Pharmacovigilance** capabilities and global footprint

Digital Payments

New capability creating multiple methods to fulfill payment needs

- Utilizing **Integrated Payment Hub** to complement our portfolio of solutions and deepen relationships with clients
- Ability to enable clients to make payments **faster** and at **reduced cost**
 - ✓ Reimbursements
 - ✓ Refunds
 - ✓ Vendor payments

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Transportation Solutions

Transportation Solutions | At a Glance

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

Road Usage Charging

- Roadside Solutions
- Back Office Systems
- Collections Administration

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

11.8M

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

Transit

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

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

100M

transit tickets processed each day

Public Safety / Curbside Management

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

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

8.7M

citations and delinquent revenue payments processed annually

Transportation Solutions Competitive Advantages



Complete End-to-End Market Coverage

- Transit
- Road Usage Charging (Tolling)
- Curbside (Parking) and Public Safety

Real Time Payments®

- Real Time Payments® (RTP®)
- Request For Pay (RFP)
- Efficient vendor payments integrated with their A/P systems
- Reimbursements

Superior Back-Office Capability

- Official back-office system of record
- Print and mail communications
- Document scanning and indexing
- Call center, email, chat
- Asset management

Focus Areas for Growth

Depth and breadth of offerings along with market conditions driven by innovation provide attractive opportunities for Conduent to extend transportation leadership position



Payments

- Expansion into Digital Payments including **Real Time Payments® (RTP®)**
 - 24/7 payments with no cut-off times unlike traditional payment types
 - Irrevocable payments generating greater efficiencies and reducing exception processing for agencies
- **Request For Pay (RFP)** enables travelers to make payments for their tolling invoice anytime, anywhere, using their mobile device or computer



Geographic and Solution Expansion

- Expanding **Transit in the U.S.** and **Tolling/Public Safety/Curbside internationally**
- **New solutions** to grow in adjacent segments & mid-market
 - Congestion management and mileage-based user solutions
 - IoT roadside solution
 - Technology enhancements to improve customer experience, intelligent decision making and case management
 - Bus lane and school bus stop arm enforcement

Government Solutions

Government Solutions | At a Glance



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

Government Healthcare

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

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

588M

Claims processed in 2022

Payments and Child Support

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

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

\$106B

In benefits disbursed in 2022

Eligibility and Enrollment

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

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

32M

U.S. residents supported across different programs

Government Solutions Competitive Advantages



Extensive and Diverse Network Across States

Services provided for **45 out of 50** U.S. states

Deep knowledge of government systems and requirements – **50 years of experience**

Support to multiple social programs including **SNAP, TANF, UI, Child Support, Medicaid**



A Top Provider of **Modern Cloud-Enabled, Medicaid Suite**

First cloud-native solution in the market

Modular, advanced and outcome-driven one stop solution for State Medicaid agencies

Enables **data-driven** decision making and **predictive analytics** to drive better **quality of care**



Leading Innovation in Payments

Integrated Payment Hub providing multichannel payment capabilities spanning traditional and new digital payment options

Faster payments including Zelle®, Real Time Payments® (RTP®) and FedNowSM (once launched)

Fast and easy to deploy digital payments via a single API



Only Provider with **Comprehensive End-to-End Solutions**

Diversified solutions that span multiple buyers and entities

Self-service portals to enhance citizen engagement

Complete **technology stack** with services wrapped around systems

Focus Areas For Growth

Medicaid Administration

- **Modernization mandates** resetting the market
- Conduent is the only supplier with **cloud-native solution**
- **Comprehensive Medicaid solution suite (CMdS) with expanding market opportunity:**
 - Multiple primary modules already developed
 - Continuing investment to add new features and functionalities
- Recently **won multiple states** and multi-year **pipeline is strong at approximately \$6B (TCV)**

Digital Payments

- States are seeking **more efficient payment methods**, like Zelle® and Real Time Payments®, for a variety of disbursements to vendors and constituents
- **Digital payments drive efficiencies** – reducing exception processing and time delays, mitigating risk and lowering costs
- Social programs, based on traditional Electronic Benefit Transfer cards, looking to migrate to **chip-enabled cards and mobile wallets** to improve constituent experience
- States considering adding **digital payment methods** to provide continuity during natural disaster events and to disburse **emergency relief assistance**

Digital Payments

Digital Payments



Kathy Mertes
Global Head,
Digital Payments

- 30 years in the banking and payments field across multiple industries including government, corporate and healthcare
- Deep experience in credit card fraud prevention, consumer payments, and product and operational responsibilities for money markets and asset management accounts
- Most recently led key strategies for BNY Mellon Treasury Services
- Member of The Clearing House (TCH) Corporate Advisory Group

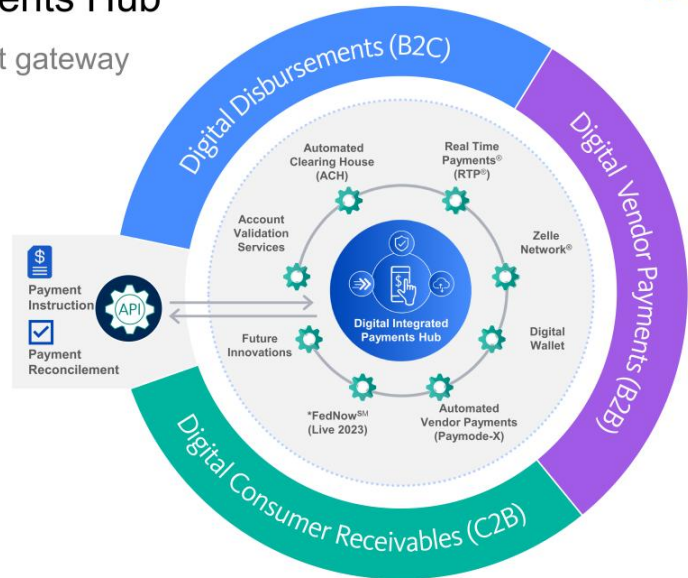
Digital Integrated Payments Hub

All digital, cloud-based payment gateway

Reduce Costs by up to 60% vs. checks

Improve Customer Experience
Accelerate payments from 10+ days to minutes

Simplify and Streamline
Single platform for all payment types



Key Takeaways



Repaired and strengthened the foundation



Unique value propositions aligned to attractive market opportunities



Financial outlook with **revenue growth, margin accretion and cash generation**



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

Experienced Management Team

Financial outlook with **revenue growth**, **margin accretion** and **cash generation**



Continued sales growth



Normalizing of client losses



Expanding margins and enhanced cash flow generation



Deployable capital maintaining a strong balance sheet

Agenda | Financial Historical Context

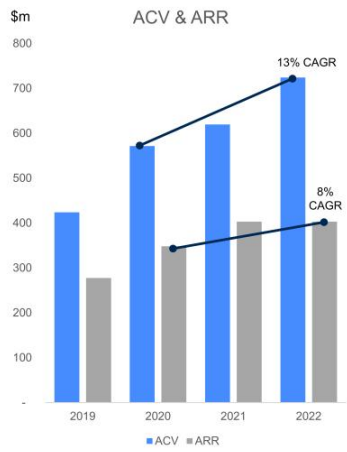
Historical Context

Outlook



Key Revenue Hydraulics (Historical, 2019-2022)

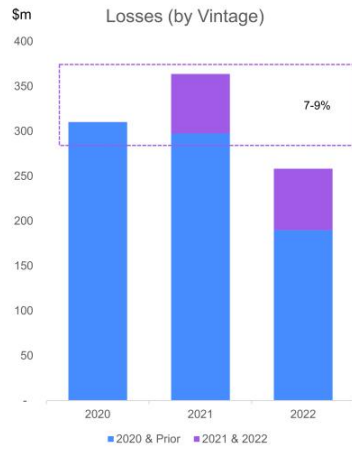
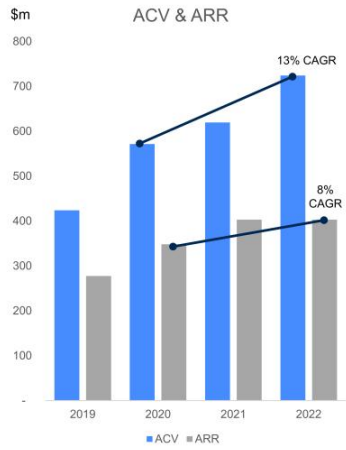
Sequential improvement in ACV (13% 3-Year CAGR) and ARR (8% 3-Year CAGR) performance.



Key Revenue Hydraulics *(Historical, 2019-2022)*

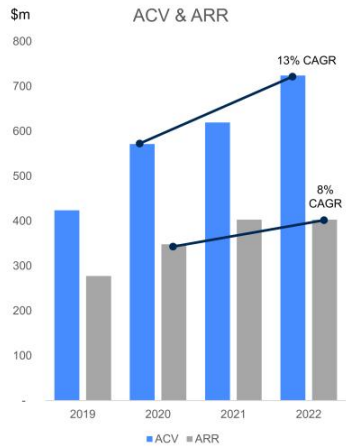
Sequential improvement in ACV (13% 3 Year CAGR) and ARR (8% 3 Year CAGR) performance.

Higher than anticipated rate of losses directly linked to residual poor operational and technical quality were running at 7%-9% of annual revenue.

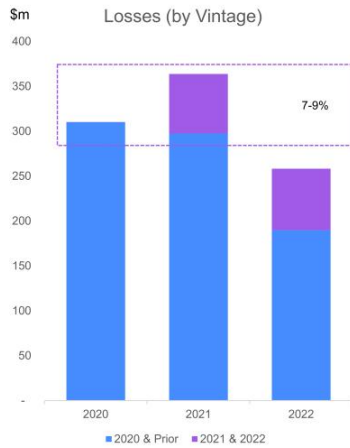


Key Revenue Hydraulics (Historical, 2019-2022)

Sequential improvement in ACV (13% 3 Year CAGR) and ARR (8% 3 Year CAGR) performance.



Higher than anticipated rate of losses directly linked to residual poor operational & technical quality were running at 7%-9% of annual revenue.



Generally low level of organic headwinds, a discrete impact with a small number of large clients and lost volume from COVID.

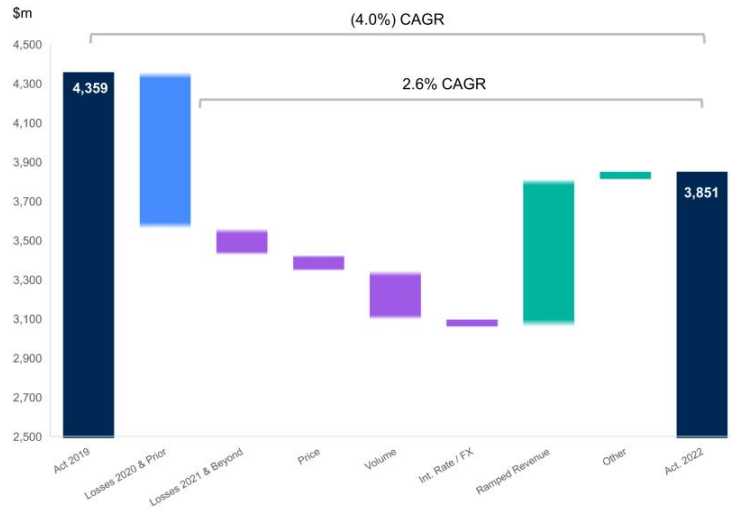


Adjusted Revenue Walk (Historical, 2019 to 2022)

Key Takeaways

- Significant losses in 2020 and prior.
- Volume losses include items not expected to re-occur.
- Improving Sales Performance driving ramped revenue.

90% of Base Revenue is Recurring



Adjusted EBITDA Walk (Historical, 2019 to 2022)

Key Takeaways

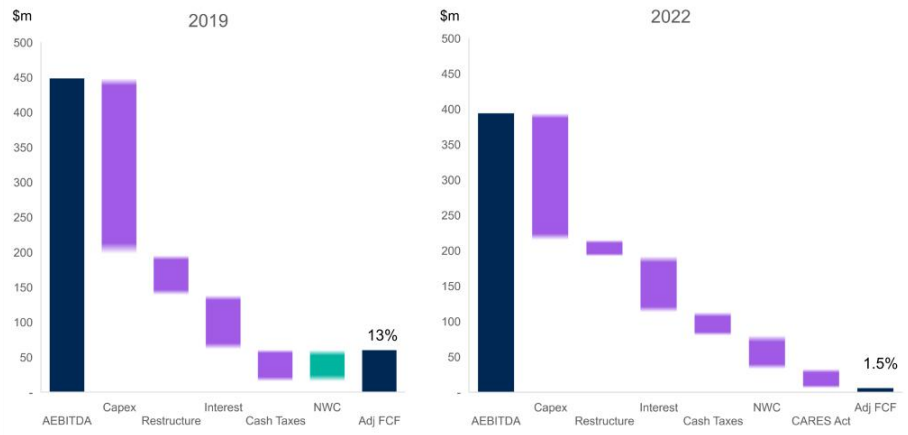
- Losses have driven a margin-replacement cycle; as losses normalize, this headwind should dissipate.
- The revenue volume/mix includes significant operational efficiencies.
- Investments in infrastructure have driven lower unit delivery costs with spend reducing from 12.3% of revenue to 10.5%, while improving quality and stability.
- Real estate rationalization reflects a 20% reduction (1.3M sq ft).
- Overheads reflect corporate reductions and one-time impacts, such as legal recoveries.



Adj. EBITDA to Adj. FCF Walk (Historical, 2019 & 2022)

Key Takeaways

- Capital use is tapering as the initial phases of technology stability programs conclude.
- Restructuring primarily reflects data center optimization and early lease surrenders.
- Cash taxes are influenced by geographic mix of income and timing of deductions.
- Net Working Capital is a drag in the short term due to the timing of cashflows on the revenue replacement cycle.



Agenda | Financial Outlook

Historical Context

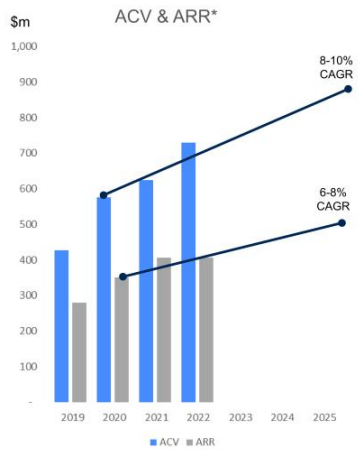


Outlook



Key Revenue Hydraulics *(Outlook to 2025)*

We expect to continue to grow ACV at a high single-digit to low double-digit rate, and ARR at a mid-to-high single-digit rate.

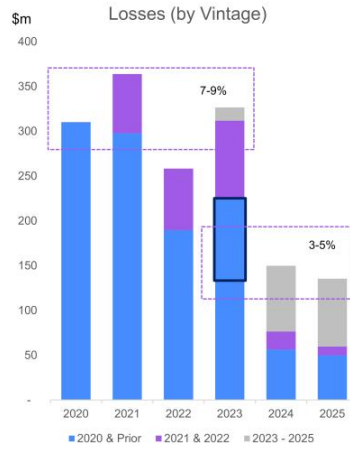
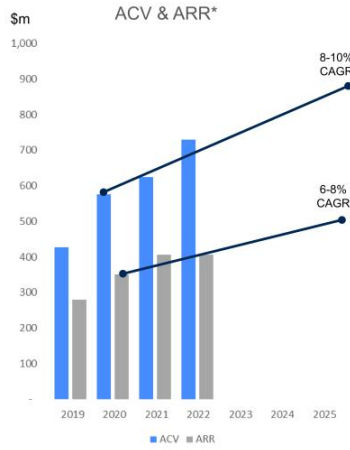


March 30, 2023 * We look to these metrics on an annual basis as sales have been and are lumpy (e.g. Q4 2022 was higher than average, and we expect Q1 2023 to be lower than average).

Key Revenue Hydraulics *(Outlook to 2025)*

We expect to continue to grow ACV at a high single digit to low double-digit rate, and ARR at a mid-to-high single digit rate.

We expect losses to normalize in the 3%-5% range supported by improved levels of operational and technical stability and investments in solutions.



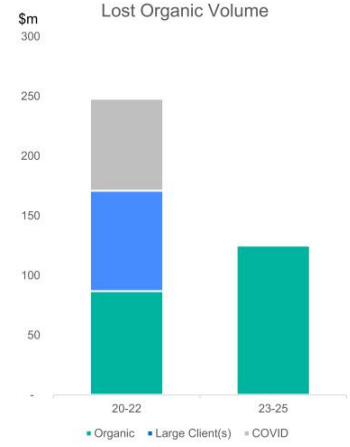
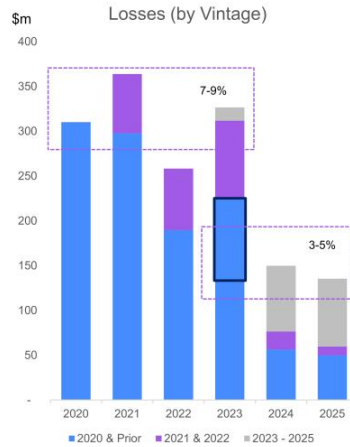
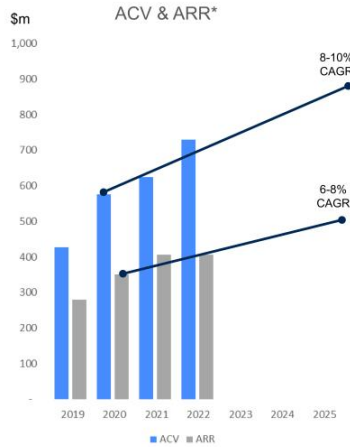
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Generally low level of organic headwinds, affected by discrete impact from small number of large clients and COVID.



March 30, 2023

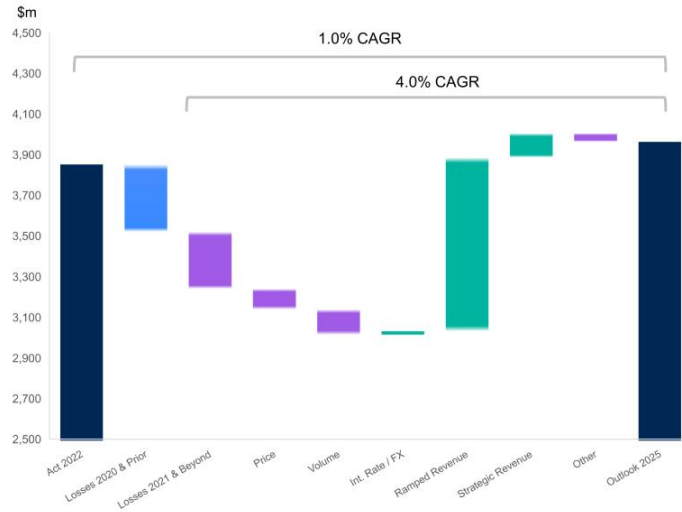
* We look to these metrics on an annual basis as sales have been and are lumpy (e.g. Q4 2022 was higher than average, and we expect Q1 2023 to be lower than average).

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Adjusted Revenue Walk (Outlook, 2022 to 2025)

Key Takeaways

- Losses begin to normalize towards 3% - 5% of revenue once pre-2021 vintage losses are overcome.
- Volume trends have normalized.
- Continued improvement in CAGR of sales at high single digit rates YoY.
- Strategic Revenue includes new product capabilities, such as Real Time Payments®, geographic expansion, partnerships and mega-deals in Transportation space.
- Base business positioned for a 3% - 4% organic growth trajectory.



Adjusted EBITDA Walk (Outlook, 2022 to 2025)

Key Takeaways

- Revenue volume/mix improvement from higher margin opportunities, and benefit from a partially fixed cost base.
- Continued infrastructure and real estate efficiencies including real estate terminations at natural lease-end dates, reducing restructuring costs.
- Overhead assumptions include investments in talent acquisition, healthcare costs and benefits.
- Reversal of one-time impacts from 2019-2022, such as legal recoveries.



Adj. EBITDA to Adj. FCF Walk (Outlook, 2023 & 2025)

Key Takeaways

- Capital programs normalize to approximately 4% of revenue.
- Restructuring tapers with less burden from data center optimization and real estate.
- Cash taxes in 2023 are lower due to the expected Federal Refund and are also influenced by geographic mix of income and timing of deductions.
- Net Working Capital is a drag from revenue growth.



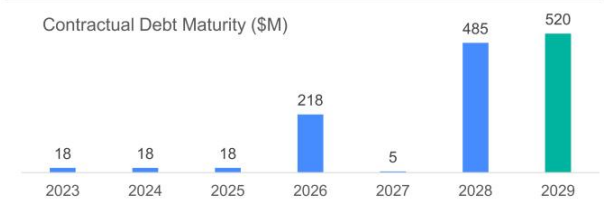
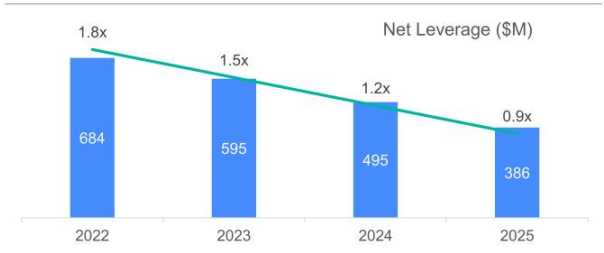
Medium Term Financial Outlook (2025 Exit Rate)



Refer to the appendix for other modeling considerations

Balance Sheet Strength

December 31, 2022	
Total Cash	\$598M
Available Credit (Revolving Credit Facility)	\$548M
Total Available Liquidity	\$1,146M
Debt	\$1,282M
Net Debt	\$684M
Net Adjusted Leverage Ratio	1.8x



Base Case Cumulative Capital Available



Key Takeaways



Repaired and strengthened the foundation



Unique value propositions aligned to attractive market opportunities



Financial outlook with revenue growth, margin accretion and cash generation



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

Experienced Management Team

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

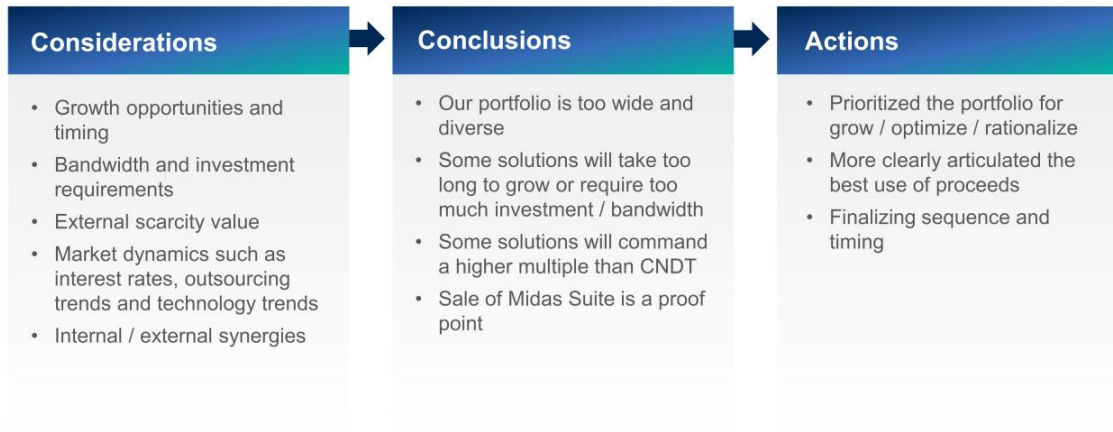
“Staying the course” for our turnaround through the changing market conditions had to be the highest priority

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

The Time is Now

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

Growth and value creation can be accelerated by rationalizing the portfolio



Outcomes

\$500-700M of potential divestiture proceeds

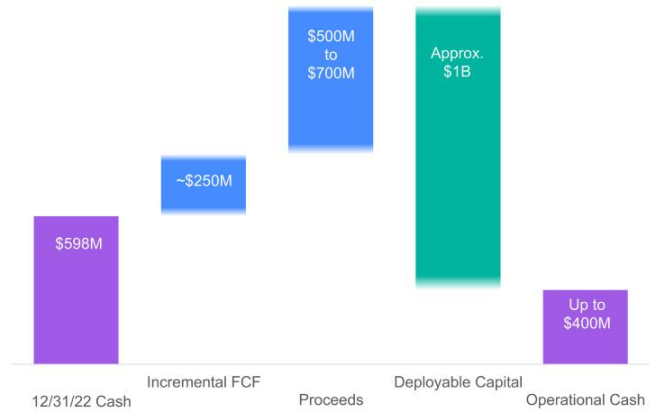
Enhanced valuation with appropriately deployed capital

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

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

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

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



Capital Allocation Priorities

Approximately \$1.0B of capital available to deploy

Internal Investments

Current spending sufficient to drive organic growth expectations

M&A

No plans for large acquisitions

Debt Reduction

Maintain modest levels of net leverage

Shareholders Returns

Proportion of excess cash distributed

Proforma Financials (2025 Exit Rate)



Proforma financials after portfolio rationalization activity



Repaired and strengthened the foundation



Unique value propositions aligned to attractive market opportunities



Financial outlook with **revenue growth, margin accretion** and **cash generation**



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Experienced Management Team

Conduent and BNY Mellon Digital Integrated Payment Hub Video

Q&A

Thank you for joining us.

The webcast replay and presentation material
will be available at:






www.conduent.com/investorbriefing2023



Appendix

- Other Modelling Considerations
- Definitions
- Reconciliations

Other Modeling Considerations

	2023	2024	2025
Net Interest Expense*	~\$90M		~\$65M
Restructuring	~\$40M		~\$20M
Capex (% of Revenue)	~4.3%		~4%
Adj. Effective Tax Rate	~50%		~30%
Interest Rate (Benefit Wallet)	~4.5%		~3.5%

March 30, 2023

*Assumes incremental Adj. FCF pays down Debt

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Definitions

New Business Total Contract Value (TCV):

Estimated total future revenues from contracts signed during the period related to new logo, new service line or expansion with existing customers.

New Business Annual Recurring Revenue (ARR):

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

New Business Annual Contract Value (ACV):

(New Business TCV / contract term) multiplied by 12.

Non-GAAP Financial Measures



Non-GAAP Financial Measures

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

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

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

Adjusted Revenue

We make adjustments to Revenue for the following item for the purpose of calculating Adjusted Revenue:

- Divestitures. Revenue of divested businesses is excluded.

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

Non-GAAP Financial Measures



Adjusted EBITDA and EBITDA Margin

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

- Amortization of acquired intangible assets. The amortization of acquired intangible assets is driven by acquisition activity, which can vary in size, nature and timing as compared to other companies within our industry and from period to period.
- Restructuring and related costs. Restructuring and related costs include restructuring and asset impairment charges as well as costs associated with our strategic transformation program.
- (Gain) loss on divestitures and transaction costs. Represents (gain) loss on divested businesses and transaction costs and certain legal costs associated with divestitures.
- Goodwill impairment. This represents goodwill impairment charges related to the lower than expected new customer contract signings and an unexpected softening of the future business pipeline for certain solutions in our Commercial segment.
- Litigation settlements (recoveries), net. Litigation settlements (recoveries), net represents provisions for various matters subject to litigation.
- Other charges (credits). This includes Other (income) expenses, net on the Condensed Consolidated Statements of Income (loss) and other insignificant (income) expense associated with providing transition services on the California Medicaid contract loss and other adjustments.
- Abandonment of Cloud Computing Project. This includes charges in connection with the abandonment of a cloud computing project. The costs include writing off previously capitalized costs and accruing remaining hosting fees that continue to be incurred without any economic benefit.
- Divestitures. Revenue and Adjusted EBITDA of divested businesses are excluded.

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 and for performance based components of employee compensation; 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.

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



Revenue at Constant Currency, Adjusted EBITDA and Adjusted Free Cash Flow

(in millions)	FY 2022	FY 2021	FY 2020	FY 2019
Revenue	\$ 3,858	\$ 4,140	\$ 4,163	\$ 4,467
Adjustment:				
Divestitures ⁽¹⁾	(7)	(70)	(72)	(108)
Adjusted Revenue	3,851	4,070	4,091	4,359
Foreign currency impact	39	(17)	1	24
Revenue at Constant Currency	\$ 3,890	\$ 4,053	\$ 4,092	\$ 4,383

Non-GAAP Reconciliations



Adjusted EBITDA

(in millions)

	FY 2022	FY 2021	FY 2020	FY 2019
ADJUSTED EBITDA				
Net Income (Loss)	\$ (182)	\$ (28)	\$ (118)	\$ (1,934)
Income tax expense (benefit)	55	3	(21)	(172)
Depreciation and amortization	230	352	459	459
Contract inducement amortization	3	1	2	3
Interest expense	84	55	60	78
EBITDA Before Adjustment for Divestitures	190	383	382	(1,566)
Divestitures ⁽¹⁾	(2)	(32)	(33)	(40)
Divestitures depreciation and amortization ⁽¹⁾	—	(7)	(5)	—
EBITDA	188	344	344	(1,606)
Adjustments:				
Restructuring and related costs	39	45	67	71
Loss on extinguishment of debt	—	15	—	—
Goodwill impairment	358	—	—	1,952
(Gain) loss on divestitures and transaction costs, net	(158)	3	17	25
Litigation settlements (recoveries), net	(32)	3	20	17
Abandonment of Cloud Computing Project	—	32	—	—
Other charges (credits)	(1)	6	(6)	(5)
Adjusted EBITDA	\$ 394	\$ 448	\$ 442	\$ 454

1. Adjusted for the full impact from revenue and income/loss from divestitures for all periods presented.
2. Included in Depreciation and amortization on the Consolidated Statements of Income (Loss).
3. The tax impact of Adjusted Pre-tax income (loss) from continuing operations was calculated under the same accounting principles applied to the 'As Reported' pre-tax income (loss), which employs an annual effective tax rate method to the results and without regard to the adjustments listed.

March 30, 2023

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Non-GAAP Reconciliations



Free Cash Flow and Adjusted Free Cash Flow

(in millions)	FY 2022	FY 2021	FY 2020	FY 2019
Operating Cash Flow	\$ 144	\$ 243	\$ 161	\$ 132
Cost of additions to land, buildings and equipment	(92)	(80)	(76)	(148)
Proceeds from sale of land, buildings and equipment	—	—	—	2
Cost of additions to internal use software	(61)	(67)	(63)	(67)
Free Cash Flow	(9)	96	22	(81)
Transaction costs	8	2	5	14
Vendor finance lease payments	(10)	(9)	(11)	(3)
Texas litigation payments	—	—	118	118
Portion of Texas litigation settlement (recoveries) recognized in Litigation settlements (recoveries), net	(24)	—	—	—
Proceeds from failed sale-leaseback transactions	13	—	—	—
Tax payment related to divestitures and litigation recoveries	28	—	—	9
Adjusted Free Cash Flow	\$ 6	\$ 89	\$ 134	\$ 57



