

# Conduent Investor Deck

November 2024

# Cautionary Statements

## 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 Reform Act of 1995. The words “anticipate,” “believe,” “estimate,” “expect,” “expectations,” “in front of us,” “plan,” “intend,” “will,” “aim,” “should,” “could,” “forecast,” “target,” “may,” “continue to,” “looking to continue,” “endeavor,” “if,” “growing,” “projected,” “potential,” “likely,” “see”, “ahead”, “further,” “going forward,” “on the horizon,” “as we progress,” “going to,” “path from here forward,” “think,” “path to deliver,” “from here,” 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 presentation or any attachment to this presentation are forward-looking statements, including, but not limited to, statements regarding our financial results, condition and outlook; changes in our operating results; general market and economic conditions; our portfolio rationalization plans; our share repurchases; strength of our sales pipeline and balance sheet; our growth strategy; expectations regarding our trajectory toward top line growth, sequential margin improvement, less capital intensity and improved cash flow conversion; 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-Term 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 recently completed dispositions including (i) the transfer of our BenefitWallet health savings account, medical savings account and flexible spending account portfolio, (ii) the sale of our Curbside Management and Public Safety Solutions businesses and (iii) the sale of our Casualty Claims Solutions business, including but not limited to our 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 and 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; 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 Annual Reports on Form 10-K, as well as in our Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with or furnished to the Securities and Exchange Commission. Any forward-looking statements made by us in this presentation speak only as of the date on which they are made. We are under no obligation to, and expressly disclaim any obligation to, update or alter our forward-looking statements, whether because of new information, subsequent events or otherwise, except as required by law.

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# Who We Are

Conduent is a **diverse, global** company with a portfolio of assets spanning both the commercial and public sectors.

Its **unique set of solutions and services** are utilized by some of the largest corporations, governments, and public sector agencies across multiple industries and geographies to deliver end-user excellence at scale and business process efficiencies, using state of the art proprietary technology.

The ~55,000-strong group of associates, located in 24 countries and fueled by a **strong culture**, are dedicated and motivated to serve both clients and the people they serve.

Conduent's **uniqueness, loyalty** and **dedication to service** make for a future of robust value creation and growth.



THE AMERICAN BUSINESS AWARDS®  
CIO – Leading Through Digital Disruption



# Our Goal: Driving Shareholder Value

## Strengths

Large and Favorable Market Opportunities

Technology-led Capabilities

Proven Outcomes for Marquee Clients

Strong Talent and Culture

Shareholder  
Value

## Outcomes

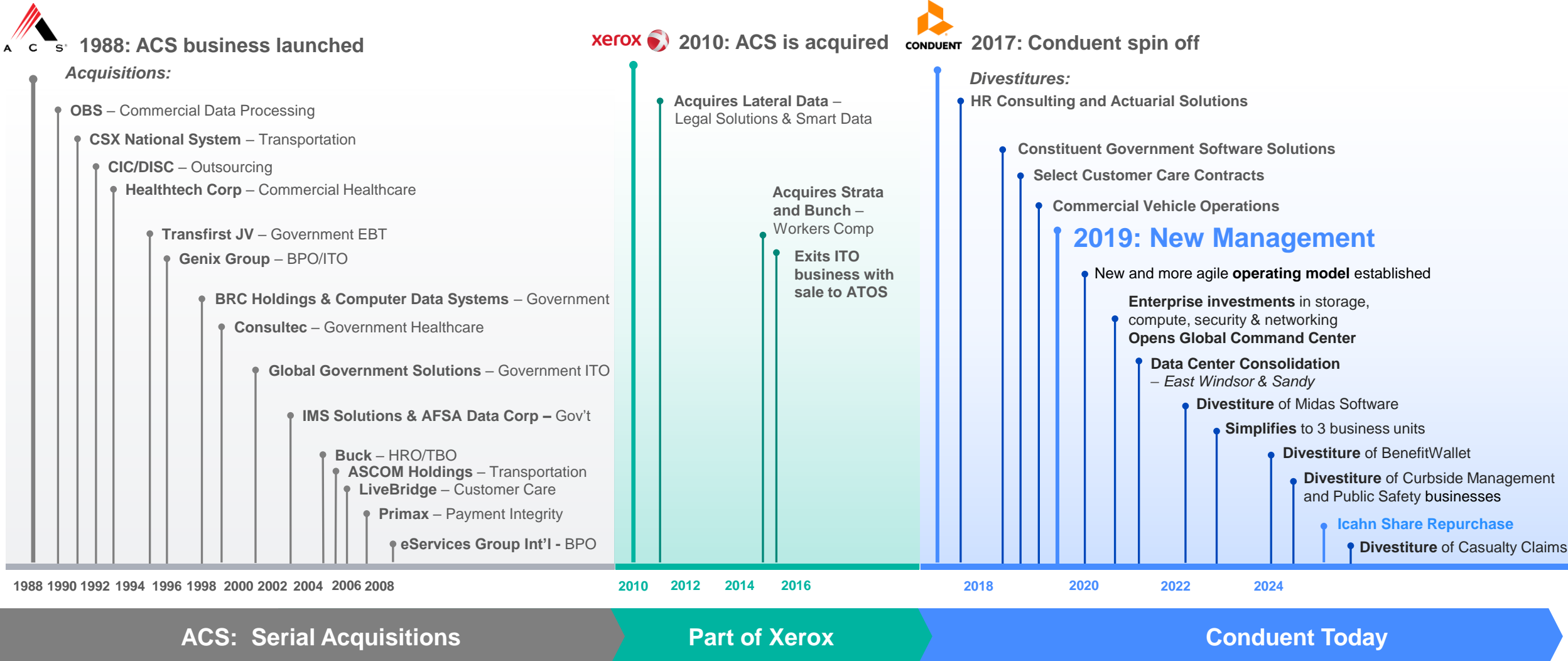
Revenue Growth

Improved Margin

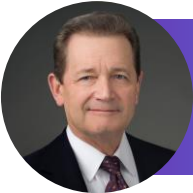
Expanded Free Cash Flow

Deployable Capital

# Our History



# Key Leadership



**Cliff Skelton**  
President and Chief Executive Officer

**Past Companies:**  
Ally, Bank of America, Fiserv



**Steve Wood**  
Chief Financial Officer

**Past Companies:**  
CheckFree, Fiserv



**Michael Krawitz**  
General Counsel and Secretary

**Past Companies:**  
York Risk Services, Applied Digital



**Mark Prout**  
Chief Technology and Information Officer

**Past Companies:**  
Fiserv, UPS



**Tracy Yelencsics**  
Chief Marketing Officer

**Past Companies:**  
Xerox



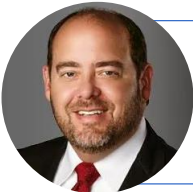
**Adam Appleby**  
Group President, Public Sector Solutions

**Past Companies:**  
Fiserv, Altisource, Ally



**Mike McDaniel**  
Group President, Commercial Solutions

**Past Companies:**  
DXC, Accenture, Honeywell



**Jeff Weiner**  
President, BPaaS Solutions

**Past Companies:**  
Gateway First Bank, Ally, Fannie Mae, Fiserv



**Anna Sever**  
President, Government Solutions

**Past Companies:**  
Magellan Federal, Maximus

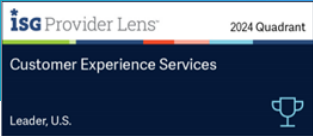


**Chris Kujawa**  
Chief Human Resources Officer

**Past Companies:**  
American Express, Ally, Target, Accenture

# Conduent at-a-Glance

Scale	Results	Outcomes
<p><b>\$3.0B–\$3.3B</b> 2025 Exit Rate<sup>(1)</sup> Adj. Revenue<sup>(2)</sup></p>	<p><b>8%–9%</b> 2025 Exit Rate<sup>(1)</sup> Adj. EBITDA Margin<sup>(2)</sup></p>	<p><b>+30 points</b> NPS<sup>(3)</sup> Improvement since 2017</p>
<p><b>~50%</b> of Fortune 100 are Clients</p>	<p><b>~90%</b> Recurring Revenue</p>	<p><b>20 years</b> Average Tenure of Top 20 Clients</p>
<p><b>46 of 50</b> States with Conduent Public Sector Solutions</p>	<p><b>8% CAGR</b> New Business Sales ACV 2019 - 2025</p>	<p><b>~40%</b> Improvement in Client Retention Since 2021</p>



(1) Consistent with the Company's publicly disclosed mid-term outlook., (2) Refer to Appendix for complete Non-GAAP reconciliations of Adjusted Revenue and Adjusted EBITDA Margin., (3) Net Promoter Score



# Commercial Solutions

Robust portfolio of technology-led solutions driving efficiencies and end-user experience across multiple industries

**~\$340M ACV<sup>(1,2)</sup>**

**~\$1.7B Revenue<sup>(1)</sup>**

## Technology-Led Business Solutions

### Cross-Industry Solutions


Transforming end-to-end business processes by automating and streamlining mission critical operations with technology solutions, while delivering connected, omnichannel digital experiences



Integrated Digital Solutions



HR Outsourcing Solutions




Finance, Accounting and Procurement Solutions



Multichannel Communications



Employee Benefit Solutions




Complex Experience Management<sup>(3)</sup>


**~\$1.4B** Total Revenue<sup>(1)</sup>

### Industry-Specific Solutions

Comprehensive industry-specific solutions combining advanced technology and expertise to drive operational excellence and regulatory compliance




Banking Back-Office Solutions<sup>(4)</sup>



Legal, Compliance and Analytics



Healthcare Claims Management



Pharma Patient Assistance

**~\$0.3B** Total Revenue<sup>(1)</sup>

(1) Projected 2025 Exit Rate, consistent with the Company's publicly disclosed mid-term outlook. Refer to Mid-Term Outlook slide for more details.

(2) Full definition in the Appendix.

(3) Complex Experience Management represents 29 clients, 14 of which have other Conduent services and solutions, and customer needs requiring skilled associates, where continuum of service across Conduent's offerings is important.

(4) Banking Back-Office Solutions exclude financial institutions products and services other than Banking Operations, Lockbox and Loan Manager.

# Government and Transportation Solutions

Helping governments and agencies deliver high quality programs to their constituents

**~\$170M Government ACV<sup>(1,2)</sup>**

**~\$130M Transportation ACV<sup>(1,2)</sup>**


## Government Solutions (Health, Human Services & Payments)


## Transportation Solutions

Helping state agencies streamline enrollment, determine eligibility, adjudicate claims and meet modularity mandates for government-funded healthcare programs


Delivering government-distributed payments and services seamlessly and securely utilizing proprietary software and expertise

Helping agencies collect payments, manage operations / equipment / service, and enable digital transactions for Transit and Road Usage Charging (RUC) globally

 Government Healthcare Solutions

 Benefit Card Programs  
e.g. SNAP

 Transit Fare Collection and Equipment Solutions

 Eligibility and Enrollment Solutions

 Payment Card Programs  
e.g. Unemployment Insurance

 Tolling Roadside and Backoffice Solutions (RUC)

 Child Support Solutions  
e.g. Child Care Payments

**~\$1.0B Total Revenue<sup>(1)</sup>**

**~\$0.6B Total Revenue<sup>(1)</sup>**

(1) Projected 2025 Exit Rate, consistent with the Company's publicly disclosed mid-term outlook. Refer to Mid-Term Outlook slide for more details.  
(2) Full definition in the Appendix.

# Capabilities that Enable Business Outcomes for Clients...A Few Examples

Capability	Solution	Technology	Outcome
Automation	Finance and Accounting	FastCap Spend Analytics	Increases recovery of overpayments and prevention of erroneous payments
	Government Healthcare	Medicaid Suite - Claims	System of record module for State Medicaid claims
	Healthcare Claims Mgmt	HSP Platform	Auto-adjudicates healthcare claims and provides system of record accuracy
Analytics	Legal and Compliance	Viewpoint eDiscovery Software	Automated legal research and data mining saving significant time
	Government Healthcare	Maven Platform	Pandemic / disease tracking to help improve public health
	Pharma Patient Assistance	IntelliHealth Platform	Facilitates access to expensive medications for those in need
Artificial Intelligence	Government Payments	GenAI Fraud Prevention Software	Enables proactive detection and prevention of fraud
	Integrated Digital Solutions	AI-driven handwriting recognition software	97% accurate handwritten form recognition
	Tolling Roadside	License Plate Recognition Software	Enables toll billing process without a transponder
Digital Payments	Payment Card Programs	Open Loop Payment Card System	Allows agencies to disburse unemployment and social security insurance payments
	Tolling Roadside	Integrated Payments Hub	Secure real time toll payments help avoid interchange fees and gain TVM
	Benefit Card Programs	Closed Loop Payment Card System	Enables distribution of SNAP/WIC via sophisticated, proprietary card system
Mobility	Transit Fare Collection	Account Based Ticketing	Allows for use of any form of payment on a mobile device
	Government Payments	Card Control Technologies	Card controls and info on mobile device to reduce calls and fraud
	Employee Benefit	Life@Work Connect Portal	Enables employees to access and manage benefits via mobile device

**~90%** of Conduent solutions are supported by proprietary technology capabilities

**~500** Patents including Analytics, Automation, and AI

**~20** Payment processing patents

# World Class Enterprise Technology Infrastructure

## Cloud-Enabled Scalable Architecture



Public and private Cloud technologies, based on client requirements

Enterprise class technology investments in Storage, Compute, Security and Networking

SDWAN: Cloud-based network enabling seamless failover in event of data circuit disruption

## Security & Compliance



Best-in-class security model, including partnerships with IBM, Palo Alto, Broadcom, and Microsoft

Compliance program supports third party attested audits such as PCI, NIST, ISO, and HITRUST

Significant, on-going investment to address the needs of the ever-changing security landscape

## Technology Infrastructure Built to Provide Secure and Scalable Solutions for Clients

## Data Centers



Purpose built data centers support millions of transactions every day

Four primary state-of-the-art data centers: Public (2) and Private (2)

A few additional small data centers in Asia Pac and Europe

## Global Presence



Centralized Command Center in Sandy, UT – provides advanced monitoring and early warning systems

Infrastructure professionals across the globe in 17 countries and 4 continents to support global operations and clients

# Global Delivery Expertise Deploying Proprietary Technology and Unique Service Offerings at Scale Across the World

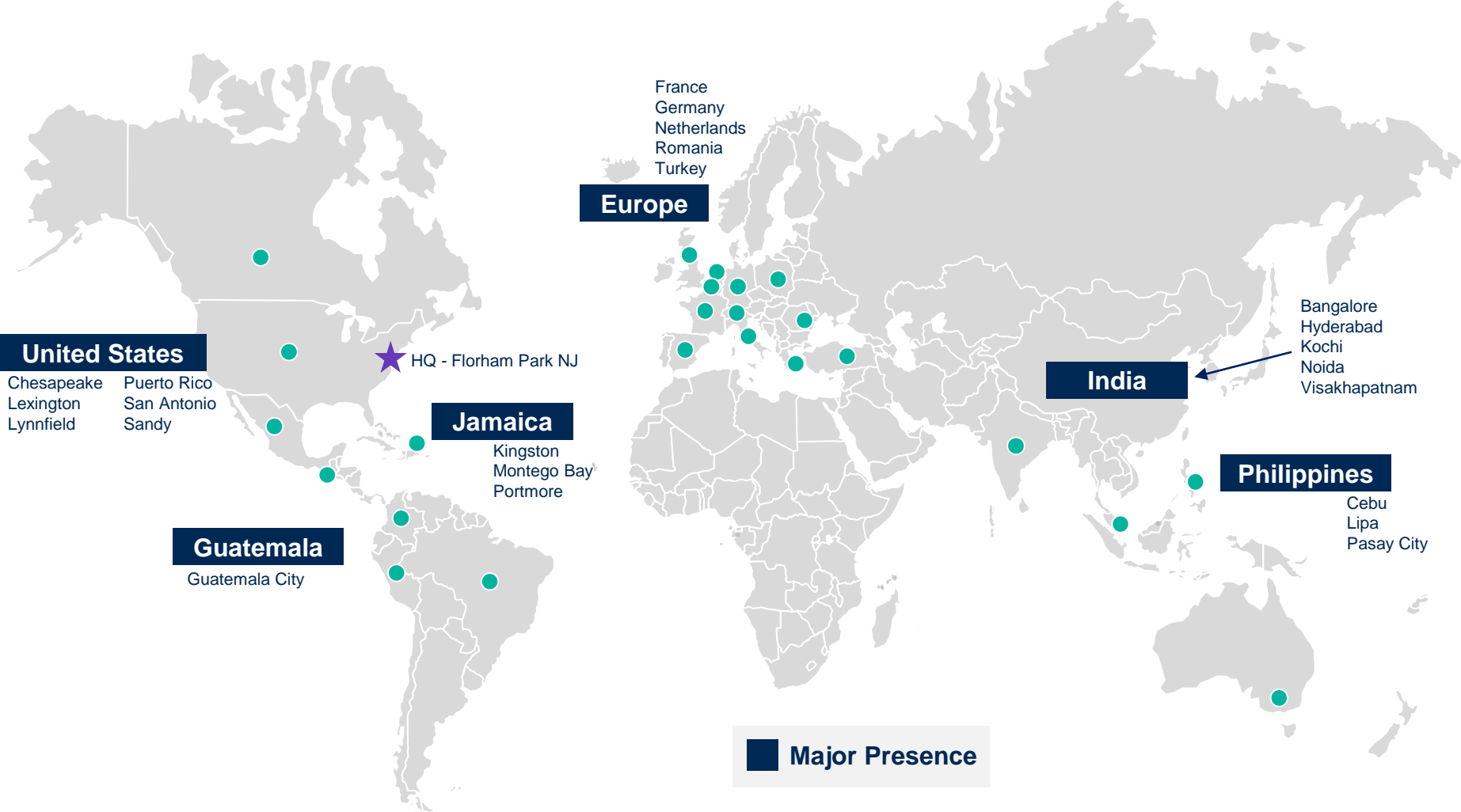
**~55K**  
Employees

**~14%**  
FTE tenure >10 years

**~31%**  
FTE tenure >5 years

**24**  
Countries

**130+**  
Delivery locations



# Loyal and Diverse Client Base Creating Long-Term Relationships

## Marquee Clients Across Diverse Industry Verticals

**6 of Top 10**  
U.S. Banks

**6 of Top 10**  
Pharma Companies

**9 of Top 10**  
U.S. Health Plans

**4 of Top 5**  
Automakers

**46 of 50**  
States

**25**  
Countries with Conduent  
Solutions

**~50%**  
Fortune 100 Companies

## Stable Recurring Revenue With Tenured Client Base

**~90%**  
Recurring Revenue<sup>(1)</sup>

**+30 Points**  
NPS Improvement Since 2017

**20 Years**  
Average Tenure of Top 20 Clients

# Conduent's AI Approach and Strategy

Driving quality, efficiency and faster cycle times employing AI

## Existing AI deployments

### Transportation:

- Intelligent Transportation Systems
- Smart Transportation Demand Prediction
- Mobility-as-a-Service



### Document Processing:

- Intelligent Character Recognition
- Intelligent Document Automation



### Customer Experience:

- AI-Powered Chatbots
- Virtual Assistants



Leverage best in class, market-leading GenAI technologies across solutions and operations

Utilize the power of Gen AI not to replace humans but to create innovative, additive opportunities across processes

Drive business process improvements through improved quality, increased productivity and reduced cycle times

## Conduent's Gen AI use case framework



**Document Management**



Summarization and analysis



Image identification and text extraction



**User Interaction (Call Center)**



Agent assist



Virtual agent



Agent talent management



**Search and Analytics**



Information search



Analytics

## Momentum on multiple fronts



Launched dedicated enterprise Gen AI program



Prioritized 20+ use cases



Gen AI innovation initiative formed with Microsoft

# Sustainability at Conduent

Comprehensive approach with a cross-functional, enterprise-wide program that assesses, develops, and reports on Sustainability initiatives and performance focused on four key pillars:



Protecting our planet



Delivering mission critical solutions for our clients



Supporting our people and communities



Responsibly governing our business

## We are committed to:

- Supporting clients and their end users, as well as our associates, suppliers and global communities
- Conducting business in an environmentally sustainable and socially responsible manner, both in our operations as well as in delivering solutions/services with positive sustainability impact.
- Engaging with key stakeholders to transparently report on our progress through recognized frameworks and standards





# Conduent Q3 2024 Financial Results

November 06, 2024

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# Q3 2024 Highlights

## Q3 Results / Metrics

- Adj. Revenue<sup>(1)</sup>: \$781M
- Adj. EBITDA<sup>(1)</sup>: \$32M
- Adj. EBITDA Margin<sup>(1)</sup>: 4.1%
- New business signings ACV<sup>(2)</sup>: \$111M
- Net ARR Activity Impact (TTM)<sup>(2,3)</sup>: \$46M

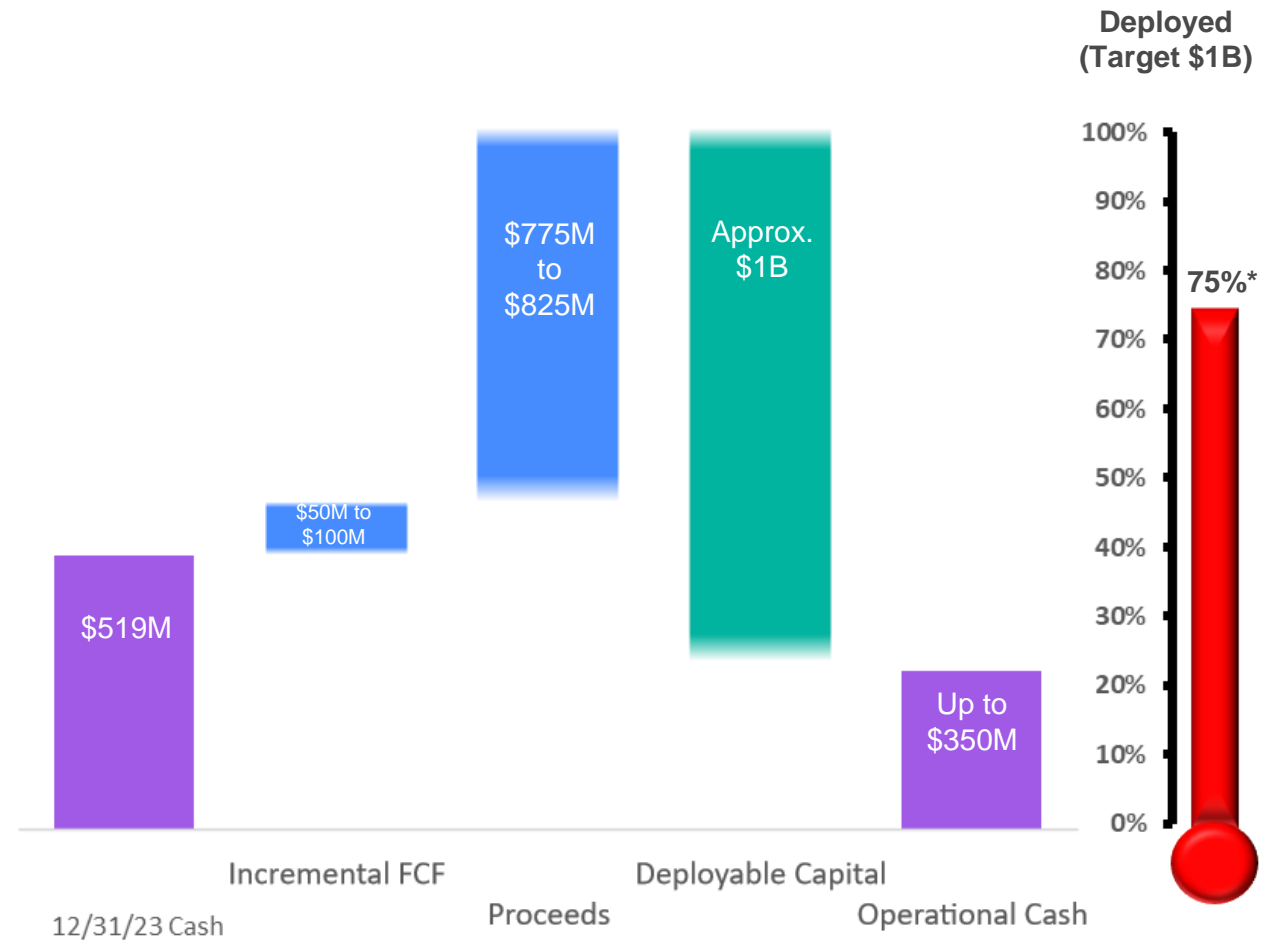
(1) Refer to Appendix for complete Non-GAAP reconciliations of Adjusted Revenue, Adjusted EBITDA and Adjusted EBITDA Margin.

(2) Full definition in the Appendix.

(3) Trailing Twelve Months.

# Divestiture Update

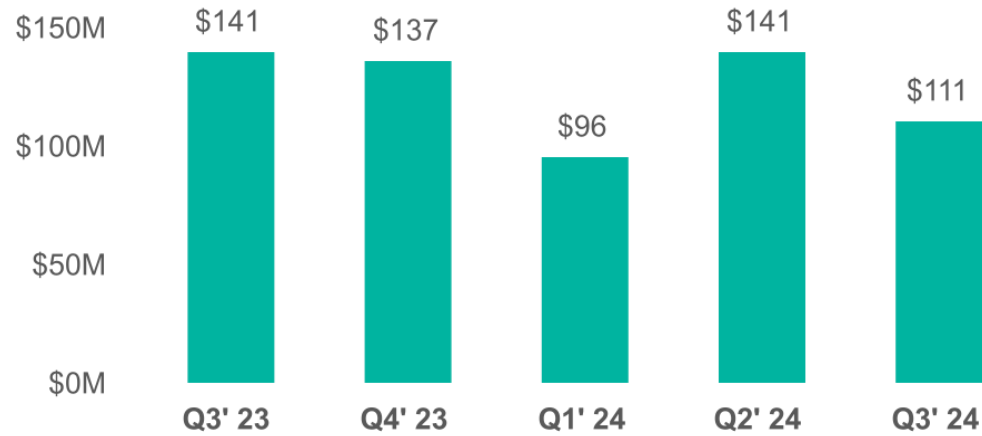
- Portfolio rationalization on track, already at top-end of proceeds' targeted range
- 75% of \$1B capital target deployed
- ~61M shares repurchased
- Debt repayment leading to lower leverage over time
- Line of sight to the \$1B of deployable capital
- Confident in achieving 2025 exit rate targets



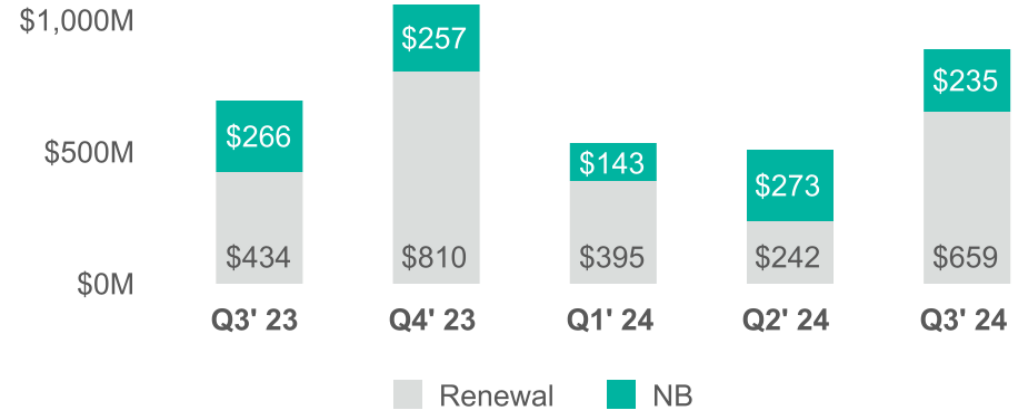
\*As of 9/30/24

# Key Sales Metrics

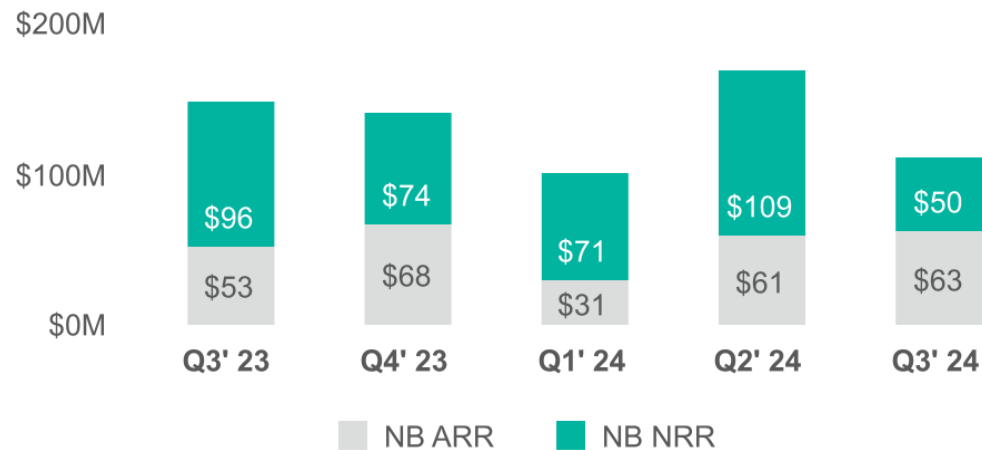
## New Business ACV<sup>(1)</sup> Signings



## TCV Signings (incl. ARR<sup>(1)</sup> + NRR<sup>(1)</sup>)



## New Business (ARR<sup>(1)</sup> + NRR<sup>(1)</sup>) Breakdown



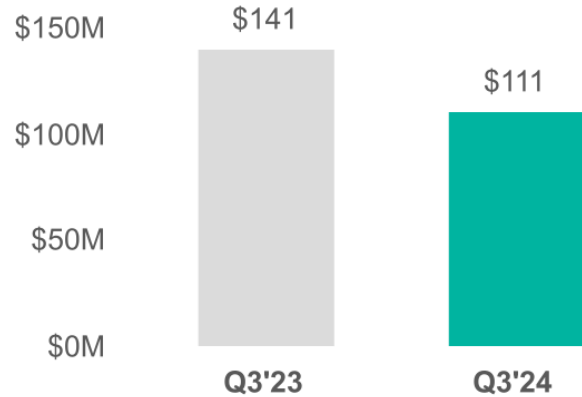
## New Business ARR Avg. Contract Length



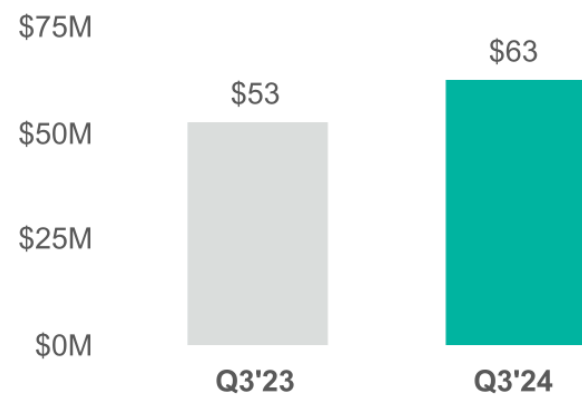
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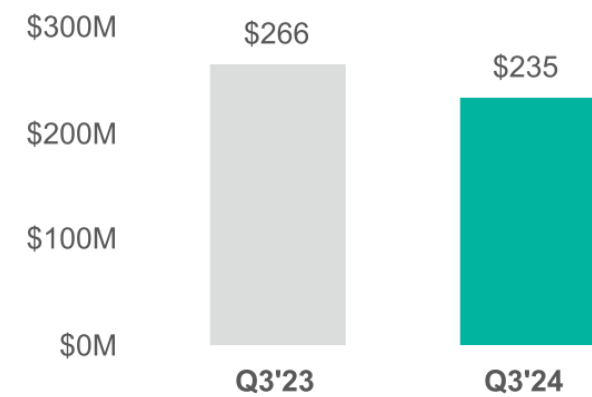
New Business ACV<sup>(1)</sup>



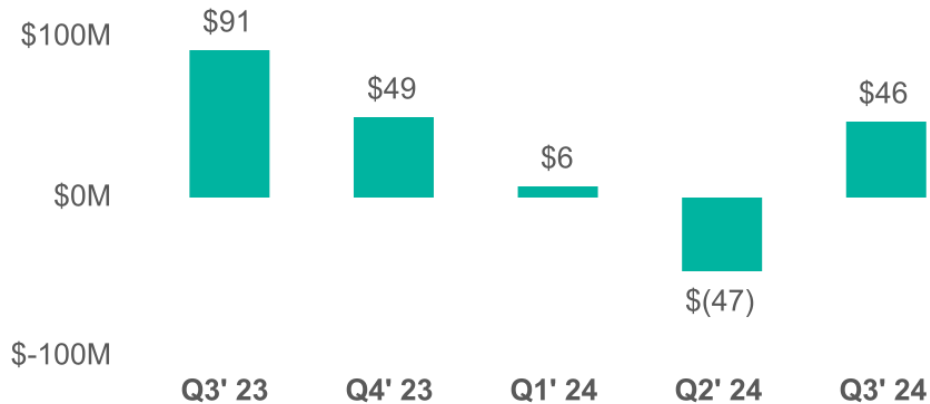
New Business ARR<sup>(1)</sup>



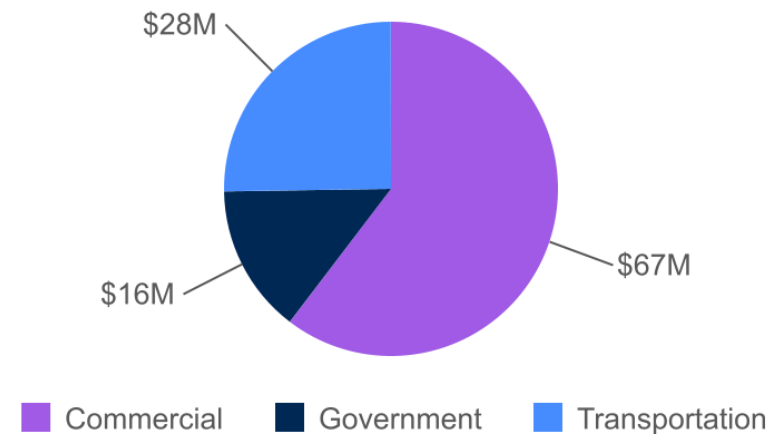
New Business TCV<sup>(1)</sup>



Net ARR Activity (TTM)<sup>(1,2)</sup>



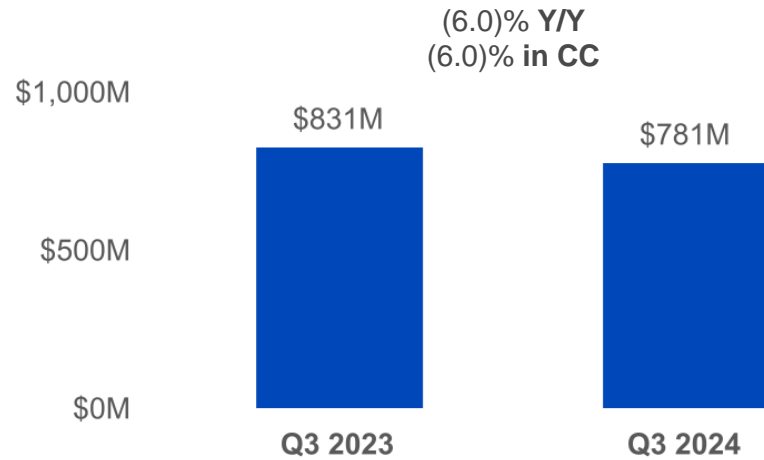
Q3 New Business ACV<sup>(1)</sup> by Segment



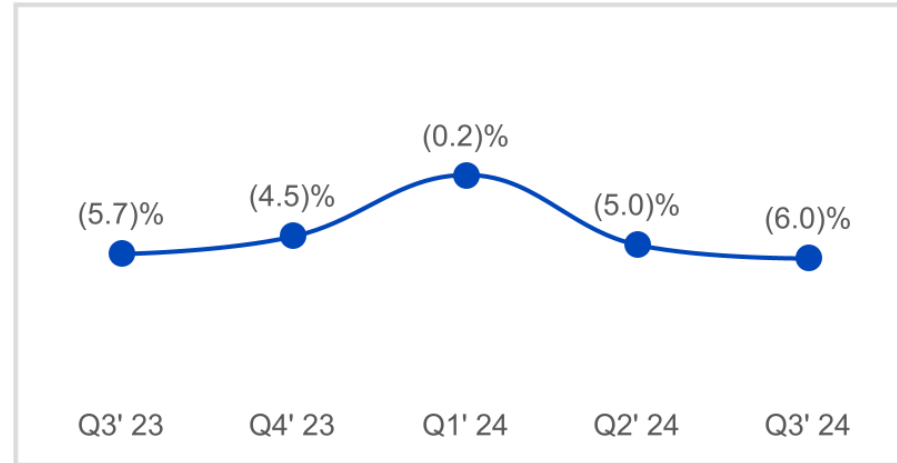
(1) Full definition in the Appendix.  
 (2) Trailing Twelve Months.

# Q3 2024 P&L Metrics

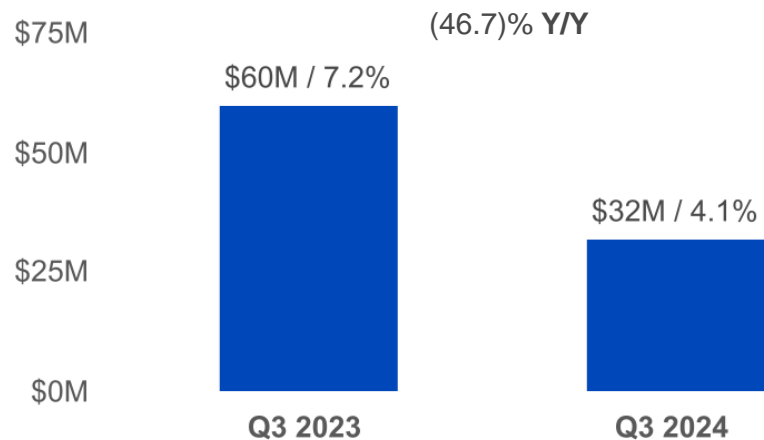
## Adj. Revenue<sup>(1)</sup>



## Adj. Revenue<sup>(1)</sup> Trend (Y/Y Compare)



## Adj. EBITDA<sup>(1)</sup> / Adj. EBITDA Margin<sup>(1)</sup>



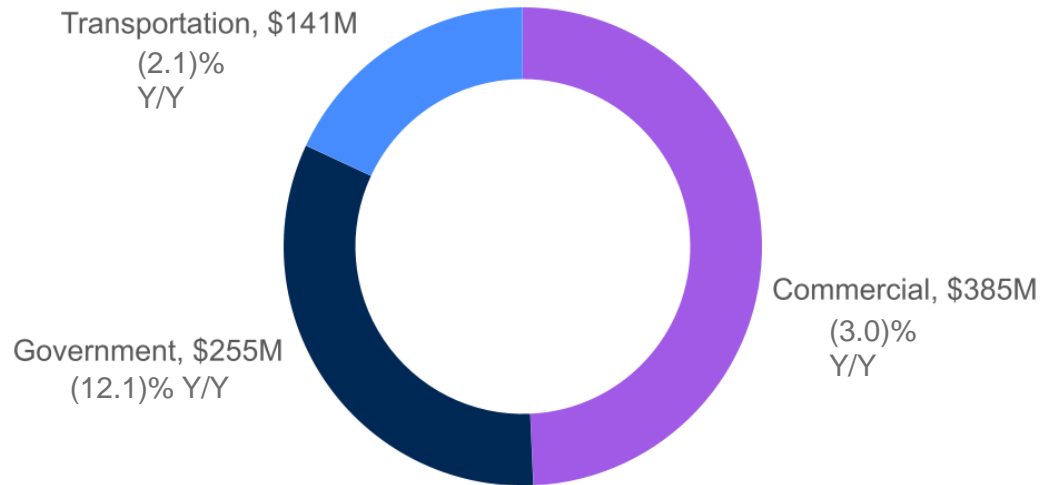
- **Adj. Revenue<sup>(1)</sup>:** Decline primarily driven by lost business, partially offset by new business ramp particularly in our Commercial and Transportation segments.
- **Adj. EBITDA and Adj. EBITDA Margin<sup>(1)</sup>:** Decline primarily driven by the impact of lost business and lower volumes, as well as the impact from stranded cost from divested assets, partially offset by new business ramp and cost efficiencies.

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



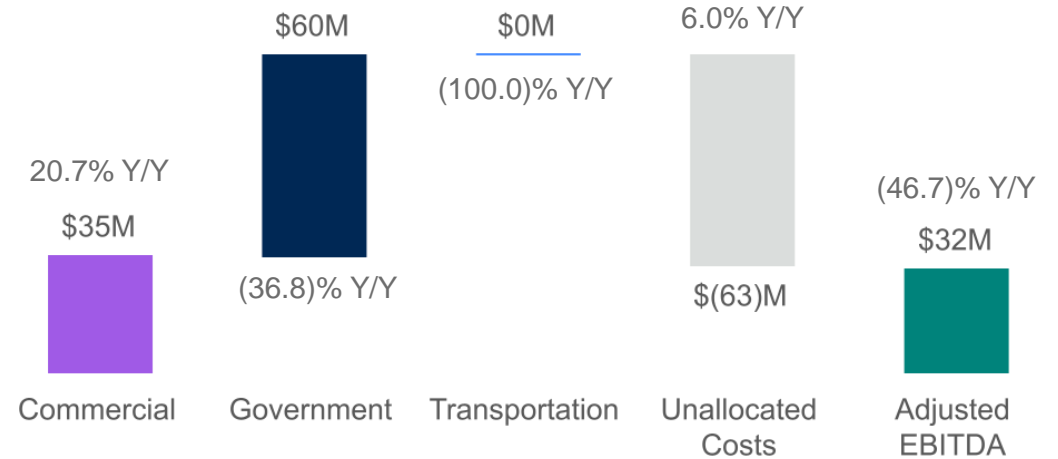
# Q3 2024 P&L by Segment

## Adj. Revenue<sup>(1)</sup>



- **Commercial:** Decrease primarily driven by lower volumes, partially offset by new business ramp outpacing lost business.
- **Government:** Decrease primarily driven by lost business and lower volumes.
- **Transportation:** Decrease driven by lower small project activity, partially offset by new business ramp outpacing lost business and improved operational performance with less impact from extended completion timelines compared to the prior year.

## Adj. EBITDA<sup>(1)</sup> Contributions



- **Commercial:** Increase primarily driven by new business ramp and cost efficiencies, partially offset by the impact of lower volumes; margin 9.1% up 180 bps Y/Y.
- **Government:** Decrease primarily driven by the impact of lost business and lower volumes; margin 23.5% down (930) bps Y/Y.
- **Transportation:** Decrease primarily driven by the non-retained portion of a Tolling contract, partially offset by improved operational performance; margin 0.0% down (210) bps Y/Y.
- **Unallocated Costs:** Decrease primarily due to lower technology costs.

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

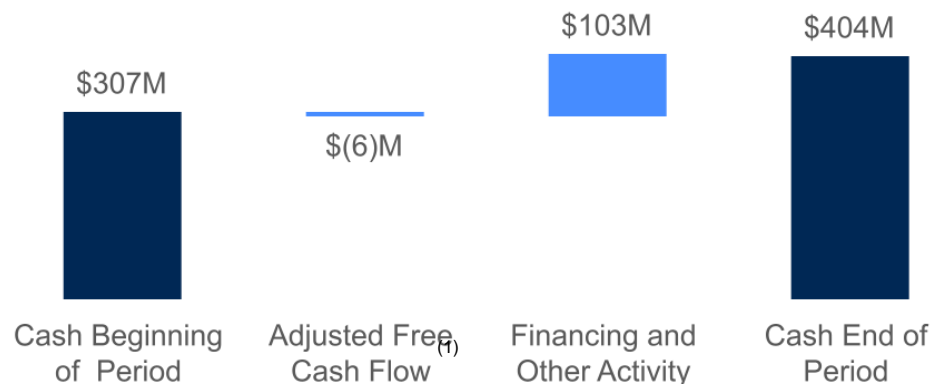
# Q3 2024 Cash Flow and Balance Sheet

- Adj. Free Cash Flow<sup>(1)</sup>: \$(6)M
- Capex<sup>(6)</sup> as % of revenue: 2.5%
- Net adjusted leverage ratio<sup>(7)</sup>: 1.4x
- \$404M of cash<sup>(2)</sup> at end of Q3 2024
- \$539M Available Revolving Credit Facility
- Shares repurchased: 3.9M
- Debt Prepayment: \$75M

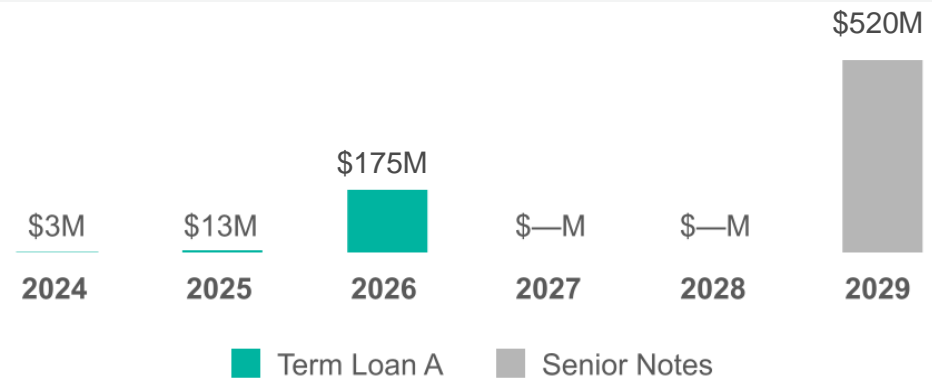
## Balance Sheet

(\$ in millions)	12/31/2023	9/30/2024
Total Cash <sup>(2)</sup>	\$519	\$404
Total Debt <sup>(4)</sup>	1,263	711
Term Loan A <sup>(3)</sup> due 2026	238	191
Term Loan B <sup>(3)</sup> due 2028	505	—
Revolving Credit Facility due 2026 <sup>(5)</sup>	—	—
Senior Notes due 2029	520	520
Finance leases and Other loans	37	42
Net adjusted leverage ratio <sup>(7)</sup>	2.1x	1.4x

## Q3 2024 Cash<sup>(2)</sup> Balance Changes



## Debt Maturity<sup>(8)</sup>



# FY 2023 Actuals and FY 2024 Outlook<sup>(2)</sup>

	FY 2023 Actuals	FY 2024 Outlook <sup>(2)</sup>
Adj. Revenue <sup>(1)</sup>	\$3,320M	\$3,185M - \$3,215M
Adj. EBITDA Margin <sup>(1)</sup>	7.4%	3.75% - 4.0%

Other Modeling Considerations <sup>(3)</sup>		
Adj. Free Cash Flow <sup>(1)</sup>	\$(5)M	Approx. (\$50M)
Interest Expense	\$111M	Approx. \$71M
Restructuring	\$62M	Approx. \$30M
CapEx	\$116M	Approx. \$90M

(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 additional information regarding Non-GAAP Outlook.

(3) FY 2023 Other Modeling Considerations are not adjusted for completed or anticipated divestiture activity or use of such proceeds.

# Mid-Term Outlook<sup>(2,3)</sup>

	FY 2023 Reported Actuals	Initial FY 2024 Outlook <sup>(2,3)</sup>	Divestitures Announced + Others	Other 2025 Assumptions	2025 Exit Rate
Revenue	\$3,722M	\$3,600M - \$3,700M	~\$450M	2% - 4% Growth	\$3,000M - \$3,300M
Adj. EBITDA Margin <sup>(1)</sup>	10.2%	8% - 9%	~30%	2% - 2.5% Margin Expansion	8% - 9%
Adj. Free Cash Flow <sup>(1)</sup> as % of Adj. EBITDA <sup>(1)</sup>	(1.3)%	5% - 10%			25% - 30%
<b>Other Modeling Considerations</b>					
Net Proceeds			Closed ~\$780M		
Cost Efficiency (included in Margin)			~\$50M <sup>(4)</sup>	~\$50M <sup>(4)</sup>	
Total Debt <sup>(5)</sup>	\$1.3B	\$1.3B	Debt repayment ~\$664M		\$0.6B to \$0.7B
Net Adj. Leverage <sup>(5)</sup> Target	2.1x	2.0 to 2.5x			~1.0x
Interest Expense	\$111M	~\$107M			~\$38M
Restructuring	\$62M	~\$30M			~\$15M
CapEx as a % of Revenue	3.1%	~3%			~2.7%

(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 additional information regarding Non-GAAP Outlook.

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

(4) Included in Margin.

(5) Refer to the Reconciliation of Net Debt and Net Adjusted Leverage Ratio found in the Appendix.

# CEO Update

# Q3 Update

People	Solutions	Objectives
--------	-----------	------------

- |   |   |  |
|---|---|--|
| <ul style="list-style-type: none"> <li>In line with a focus on growth, recruited and onboarded 3 new and very important senior leaders:               <ul style="list-style-type: none"> <li>Group President: \$1.7B Commercial Business</li> <li>President: \$1B Government Business</li> <li>General Manager: \$250M Tolling Business</li> </ul> </li> <li>Retention Rate, or the inverse of “churn”, continues to improve</li> </ul> | <ul style="list-style-type: none"> <li>Commercial sales strong, offsetting a slow start in Government sales... reflecting the upside of portfolio diversity</li> <li>Overall pipeline continues to be strong</li> <li>Continue to see offshoring opportunities in Commercial, thus enhancing our pursuit of margin expansion</li> <li>Continued progress in our large State of Victoria implementation</li> </ul> | <ul style="list-style-type: none"> <li>Divestiture work continues:               <ul style="list-style-type: none"> <li>Final stages of transition work from our 2024 divestiture program</li> <li>New considerations underway</li> </ul> </li> <li>Board of Directors: Now smaller and more nimble, enhancing decision process and governance routines</li> </ul> |
|---|---|--|



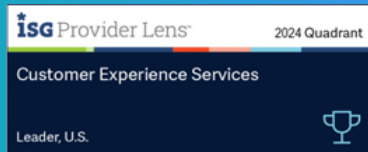
**NelsonHall 2024 NEAT Report Leader** for Healthcare Payer Operational Transformation across all five categories



"America's Best Employers for Diversity" for the fourth consecutive year

# Conduent at-a-Glance

Scale	Results	Outcomes
<p><b>\$3.0B - \$3.3B</b> 2025 Exit Rate<sup>(1)</sup> Adj. Revenue<sup>(2)</sup></p>	<p><b>8%-9%</b> 2025 Exit Rate<sup>(1)</sup> Adj. EBITDA Margin<sup>(2)</sup></p>	<p><b>+30 points</b> NPS<sup>(3)</sup> improvement since 2017</p>
<p><b>~50%</b> of Fortune 100 are Clients</p>	<p><b>~90%</b> Recurring Revenue</p>	<p><b>20 years</b> Average Tenure of Top 20 Clients</p>
<p><b>46 of 50</b> States with Conduent Public Sector Solutions</p>	<p><b>8% CAGR</b> New Business Sales ACV 2019 - 2025</p>	<p><b>~40%</b> Improvement in client retention since 2021</p>



(1) Consistent with the Company's publicly disclosed mid-term outlook.

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

(3) Net Promoter Score

# Commercial Solutions

Robust portfolio of technology-led solutions driving efficiencies and end-user experience across multiple industries

**~\$340M ACV<sup>(1,2)</sup>**

**~\$1.7B Revenue<sup>(1)</sup>**

## Technology-Led Business Solutions

### Cross-Industry Solutions

Transforming end-to-end business processes by automating and streamlining mission critical operations with technology solutions, while delivering connected, omnichannel digital experiences



Integrated Digital Solutions



HR Outsourcing Solutions



Finance, Accounting and Procurement Solutions



Multichannel Communications



Employee Benefit Solutions



Complex Experience Management<sup>(3)</sup>

**~\$1.4B Total Revenue<sup>(1)</sup>**

### Industry-Specific Solutions

Comprehensive industry-specific solutions combining advanced technology and expertise to drive operational excellence and regulatory compliance



Banking Back-Office Solutions<sup>(4)</sup>



Legal and Compliance Analytics



Healthcare Claims Management



Pharma Patient Assistance

**~\$0.3B Total Revenue<sup>(1)</sup>**

(1) Projected 2025 Exit Rate, consistent with the Company's publicly disclosed mid-term outlook. Refer to Mid-Term Outlook slide for more details.

(2) Full definition in the Appendix.

(3) Complex Experience Management represents 29 clients, 14 of which have other Conduent services and solutions, and customer needs requiring skilled associates, where continuum of service across Conduent's offerings is important.

(4) Banking Back-Office Solutions exclude financial institutions products and services other than Banking Operations, Lockbox and Loan Manager.



# Government and Transportation Solutions

Helping governments and agencies deliver high quality programs to their constituents



~\$170M Government ACV<sup>(1,2)</sup>

~\$130M Transportation ACV<sup>(1,2)</sup>

## Government Solutions (Health, Human Services & Payments)

Helping state agencies streamline enrollment, determine eligibility, adjudicate claims and meet modularity mandates for government-funded healthcare programs



Government Healthcare Solutions



Eligibility and Enrollment Solutions

Delivering government-distributed payments and services seamlessly and securely utilizing proprietary software and expertise



Benefit Card Programs  
e.g. SNAP



Payment Card Programs  
e.g. Unemployment Insurance



Child Support Solutions  
e.g. Child Care Payments

## Transportation Solutions

Helping agencies collect payments, manage operations / equipment / service, and enable digital transactions for Transit and Road Usage Charging (RUC) globally



Transit Fare Collection and Equipment Solutions



Tolling Roadside and Backoffice Solutions (RUC)

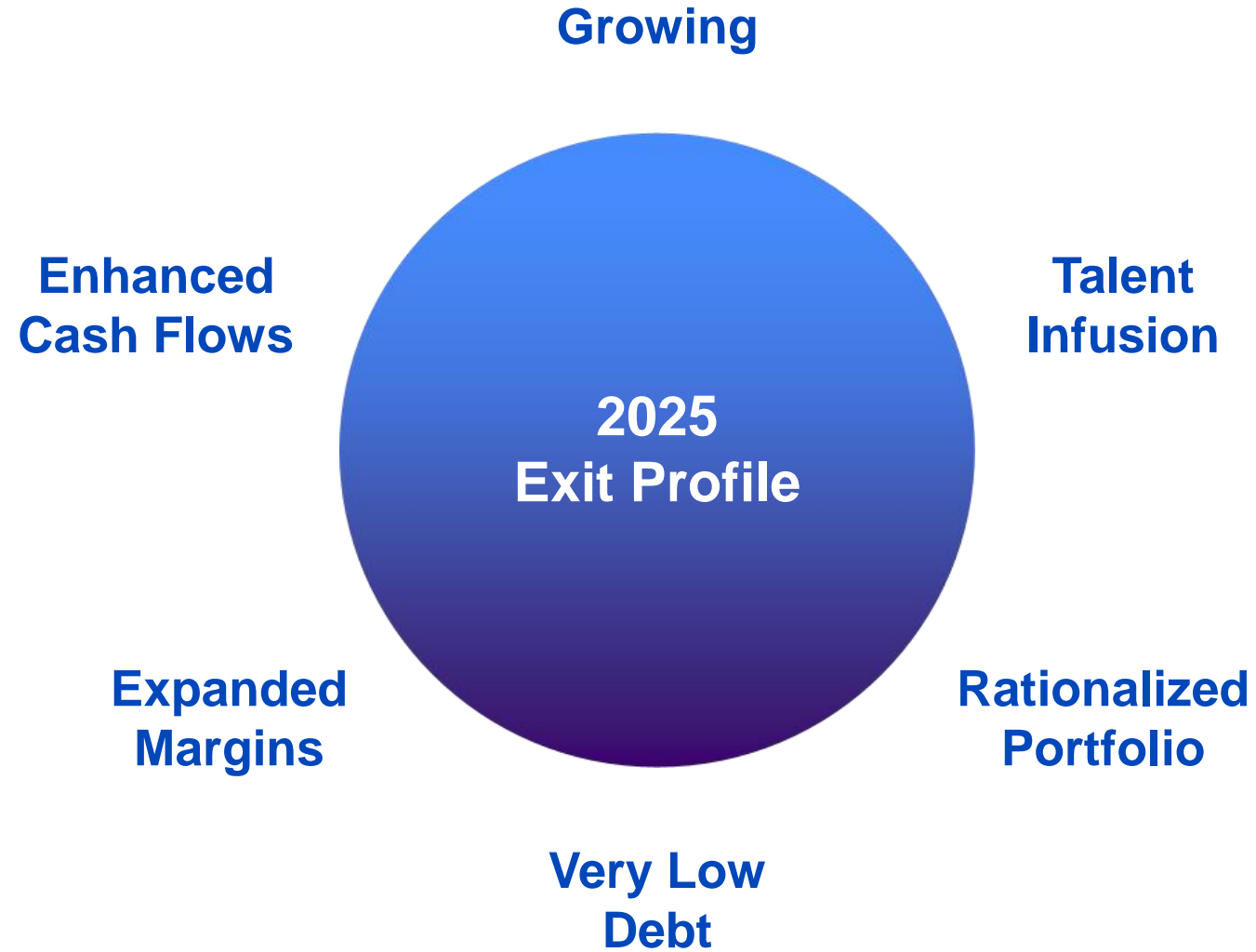
~\$1.0B Total Revenue<sup>(1)</sup>

~\$0.6B Total Revenue<sup>(1)</sup>

(1) Projected 2025 Exit Rate, consistent with the Company's publicly disclosed mid-term outlook. Refer to Mid-Term Outlook slide for more details.

(2) Full definition in the Appendix.

# Conduent



# Appendix

# Definitions

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

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

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

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

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

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

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

**Net ARR Activity Metric:** 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 non-recurring revenue signings. This metric is not indicative of any specific 12 month timeframe.

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

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

# Non-GAAP Financial Measures

## Non-GAAP Financial Measures

We have reported our financial results in accordance with accounting principles generally accepted in the U.S. (U.S. GAAP). In addition, we have discussed our financial results using non-GAAP measures. We believe these non-GAAP measures allow investors to better understand the trends in our business and to better understand and compare our results. Accordingly, we believe it is necessary to adjust several reported amounts, determined in accordance with U.S. GAAP, to exclude the effects of certain items as well as their related tax effects. Management believes that these non-GAAP financial measures provide an additional means of analyzing the results of the current period against the corresponding prior period. However, these non-GAAP financial measures should be viewed in addition to, and not as a substitute for, the Company's reported results prepared in accordance with U.S. GAAP. Our non-GAAP financial measures are not meant to be considered in isolation or as a substitute for comparable U.S. GAAP measures and should be read only in conjunction with our Condensed 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.

Management cautions that amounts presented in accordance with Conduent's definition of non-GAAP financial measures may not be comparable to similar measures disclosed by other companies because not all companies calculate non-GAAP measures in the same manner.

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

### **Adjusted Revenue, Adjusted Profit Before Tax, Adjusted Net Income (Loss), Adjusted Diluted Earnings per Share, Adjusted Weighted Average Common Shares Outstanding, and Adjusted Effective Tax Rate.**

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

- Amortization of acquired intangible assets. The amortization of acquired intangible assets is driven by acquisition activity, which can vary in size, nature and timing as compared to other companies within our industry and from period to period.
- Restructuring and related costs. Restructuring and related costs include restructuring and asset impairment charges as well as costs associated with our strategic transformation program.
- (Gain) loss on divestitures and transaction costs, 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 different reporting periods, by adjusting for certain items which may be recurring or non-recurring and which in our view do not necessarily reflect ongoing performance. We also internally use these measures to assess our operating performance, both absolutely and in comparison to other companies, and in evaluating or making selected compensation decisions.

Management believes that the adjusted effective tax rate, provided as supplemental information, facilitates a comparison by investors of our actual effective tax rate with an adjusted effective tax rate which reflects the impact of the items which are excluded in providing adjusted net income and certain other identified items, and may provide added insight into our underlying business results and how effective tax rates impact our ongoing business.

# Non-GAAP Financial Measures

## Adjusted Revenue, Adjusted Operating Income and Adjusted Operating Margin.

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

- Amortization of acquired intangible assets.
- Restructuring and related costs.
- Interest expense. Interest expense includes interest on long-term debt and amortization of debt issuance costs.
- Goodwill impairment.
- 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, by itself and for comparability between periods, by adjusting for certain non-cash items as well as certain other identified items which we do not believe are indicative of our ongoing business, and may also provide added insight on trends in our ongoing business.

# Non-GAAP Financial Measures

## Adjusted EBITDA and EBITDA Margin

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

- Restructuring and related costs.
- Goodwill impairment.
- 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.

# Non-GAAP Financial Measures

## Free Cash Flow

Free Cash Flow is defined as cash flows from operating activities as reported on the condensed 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

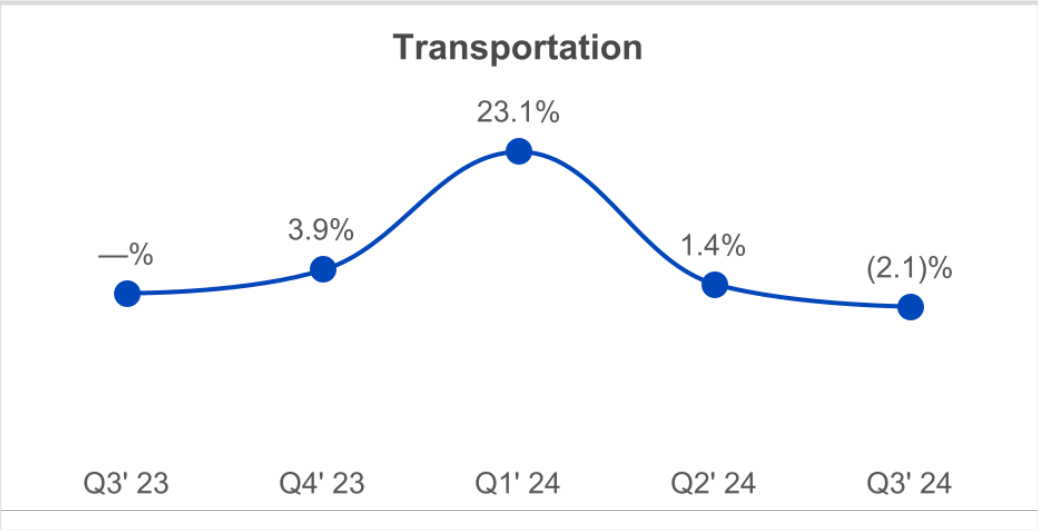
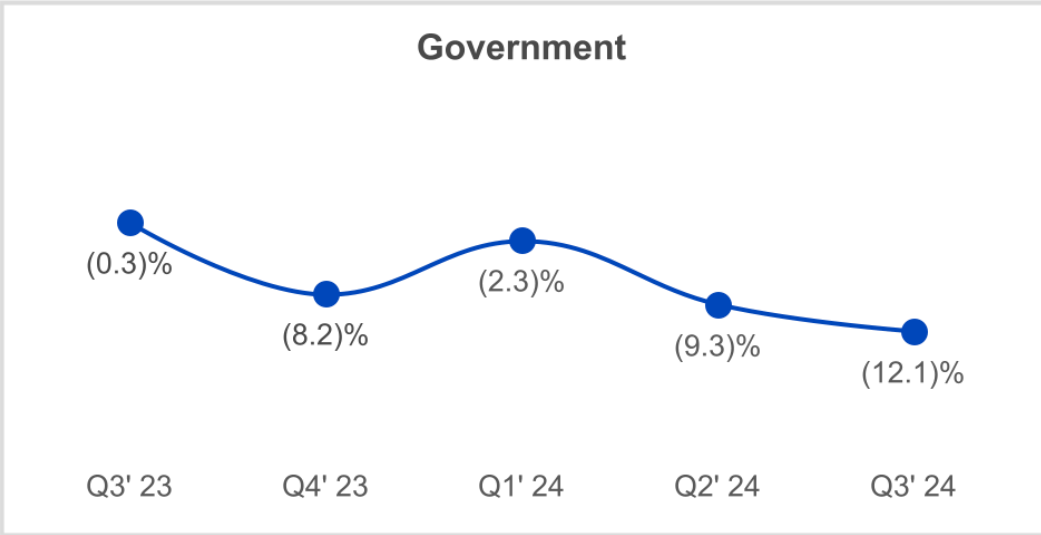
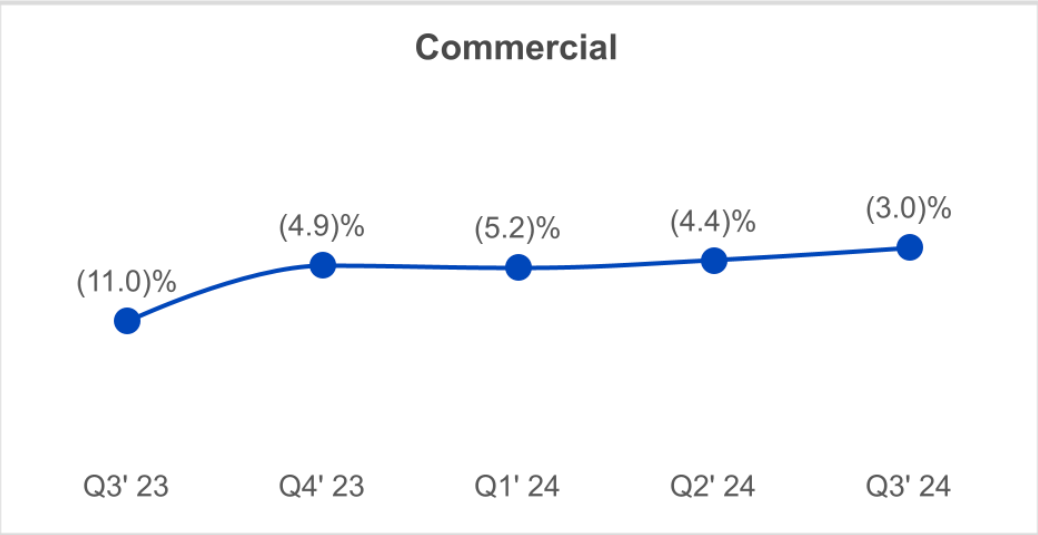
To better understand trends in our business, we believe that it is helpful to adjust revenue to exclude the impact of changes in the translation of foreign currencies into U.S. Dollars. We refer to this adjusted revenue as "constant currency." Currency impact is determined as the difference between actual 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 outlooks for Adjusted EBITDA Margin 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 Margin are reflected in the table within this presentation. We are providing such outlooks 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 outlooks 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.



# Segment Adjusted Revenue<sup>(1)</sup> Trend



### Adj. Revenue<sup>(1)</sup> Growth Rates (2025 Exit Rate):

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

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

(1) Refer to complete Non-GAAP reconciliations of Adjusted Revenue elsewhere in this Appendix.

# Non-GAAP Reconciliations

Adjusted Revenue, Revenue at Constant Currency, Adjusted Net Income (Loss), Adjusted Effective Tax Rate, Adjusted Operating Income (Loss) and Adjusted EBITDA (see footnotes on last page of Non-GAAP reconciliations)

(in millions)

	Q3 2024	Q2 2024	Q1 2024	FY 2023	Q4 2023	Q3 2023	Q2 2023	Q1 2023
<b>REVENUE</b>								
Revenue	\$ 807	\$ 828	\$ 921	\$ 3,722	\$ 953	\$ 932	\$ 915	\$ 922
Adjustment:								
Divestitures <sup>(1)</sup>	(26)	(54)	(100)	(402)	(102)	(101)	(100)	(99)
<b>Adjusted Revenue</b>	781	774	821	3,320	851	831	815	823
Foreign currency impact	—	1	(2)	(12)	(5)	(8)	(2)	3
<b>Revenue at Constant Currency</b>	<u>\$ 781</u>	<u>\$ 775</u>	<u>\$ 819</u>	<u>\$ 3,308</u>	<u>\$ 846</u>	<u>\$ 823</u>	<u>\$ 813</u>	<u>\$ 826</u>
<b>ADJUSTED NET INCOME (LOSS)</b>								
Income (Loss) From Continuing Operations	\$ 123	\$ 216	\$ 99	\$ (296)	\$ 6	\$ (289)	\$ (7)	\$ (6)
Adjustments:								
Amortization of acquired intangible assets <sup>(2)</sup>	1	2	1	7	2	1	2	2
Restructuring and related costs	4	8	9	62	13	7	13	29
Loss on extinguishment of debt	1	3	2	—	—	—	—	—
Goodwill impairment	—	—	—	287	—	287	—	—
(Gain) loss on divestitures and transaction costs, net	(188)	(347)	(161)	10	2	3	3	2
Litigation settlements (recoveries), net	1	1	4	(30)	(8)	—	(1)	(21)
Other charges (credits)	(2)	—	(2)	3	6	(2)	—	(1)
<b>Total Non-GAAP Adjustments</b>	(183)	(333)	(147)	339	15	296	17	11
Income tax adjustments <sup>(3)</sup>	39	92	32	(43)	(11)	(25)	(4)	(3)
<b>Adjusted Net Income (Loss) Before Adjustment for Divestitures</b>	(21)	(25)	(16)	—	10	(18)	6	2
Divestitures <sup>(1)</sup>	\$ (3)	\$ (8)	\$ (24)	\$ (103)	\$ (27)	\$ (26)	\$ (27)	\$ (23)
<b>Adjusted Net Income (Loss)</b>	<u>\$ (24)</u>	<u>\$ (33)</u>	<u>\$ (40)</u>	<u>\$ (103)</u>	<u>\$ (17)</u>	<u>\$ (44)</u>	<u>\$ (21)</u>	<u>\$ (21)</u>

# CONTINUED

(in millions)

	Q3 2024	Q2 2024	Q1 2024	FY 2023	Q4 2023	Q3 2023	Q2 2023	Q1 2023
<b>ADJUSTED EFFECTIVE TAX</b>								
Income (Loss) Before Income Taxes	\$ 159	\$ 300	\$ 127	\$ (332)	\$ (4)	\$ (313)	\$ (7)	\$ (8)
<u>Adjustment:</u>								
Total Non-GAAP Adjustments	(183)	(333)	(147)	339	15	296	17	11
Adjusted PBT Before Adjustment for Divestitures	(24)	(33)	(20)	7	11	(17)	10	3
Divestitures <sup>(1)</sup>	(3)	(8)	(24)	(103)	(27)	(26)	(27)	(23)
Adjusted PBT	\$ (27)	\$ (41)	\$ (44)	\$ (96)	\$ (16)	\$ (43)	\$ (17)	\$ (20)
Income tax expense (benefit)	\$ 36	\$ 84	\$ 28	\$ (36)	\$ (10)	\$ (24)	\$ —	\$ (2)
Income tax adjustments <sup>(3)</sup>	(39)	(92)	(32)	43	11	25	4	3
Adjusted Income Tax Expense (Benefit)	(3)	(8)	(4)	7	1	1	4	1
Adjusted Net Income (Loss) Before Adjustment for Divestitures	(21)	(25)	(16)	—	10	(18)	6	2
Divestitures <sup>(1)</sup>	(3)	(8)	(24)	(103)	(27)	(26)	(27)	(23)
Adjusted Net Income (Loss)	\$ (24)	\$ (33)	\$ (40)	\$ (103)	\$ (17)	\$ (44)	\$ (21)	\$ (21)
<b>ADJUSTED OPERATING INCOME (LOSS)</b>								
Income (Loss) Before Income Taxes	\$ 159	\$ 300	\$ 127	\$ (332)	\$ (4)	\$ (313)	\$ (7)	\$ (8)
<u>Adjustment:</u>								
Total non-GAAP adjustments	(183)	(333)	(147)	339	15	296	17	11
Interest expense	16	19	27	111	29	28	27	27
Adjusted Operating Income (Loss) Before Adjustment for Divestitures	(8)	(14)	7	118	40	11	37	30
Divestitures <sup>(1)</sup>	(3)	(8)	(24)	(103)	(27)	(26)	(27)	(23)
Adjusted Operating Income (Loss)	\$ (11)	\$ (22)	\$ (17)	\$ 15	\$ 13	\$ (15)	\$ 10	\$ 7

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(in millions)

## ADJUSTED EBITDA

	Q3 2024	Q2 2024	Q1 2024	FY 2023	Q4 2023	Q3 2023	Q2 2023	Q1 2023
<b>Net Income (Loss)</b>	\$ 123	\$ 216	\$ 99	\$ (296)	\$ 6	\$ (289)	\$ (7)	\$ (6)
Income tax expense (benefit)	36	84	28	(36)	(10)	(24)	—	(2)
Depreciation and amortization	44	51	62	264	65	81	57	61
Contract inducement amortization	1	—	1	3	—	1	1	1
Interest expense	16	19	27	111	29	28	27	27
<b>EBITDA Before Adjustment for Divestitures</b>	220	370	217	46	90	(203)	78	81
Divestitures <sup>(1)</sup>	(3)	(8)	(24)	(103)	(27)	(26)	(27)	(23)
Divestitures depreciation and amortization <sup>(1)</sup>	(1)	(3)	(9)	(28)	(8)	(6)	(7)	(7)
<b>EBITDA</b>	216	359	184	(85)	55	(235)	44	51
<u>Adjustments:</u>								
Restructuring and related costs	4	8	9	62	13	7	13	29
Loss on extinguishment of debt	1	3	2	—	—	—	—	—
Goodwill impairment	—	—	—	287	—	287	—	—
(Gain) loss on divestitures and transaction costs, net	(188)	(347)	(161)	10	2	3	3	2
Litigation settlements (recoveries), net	1	1	4	(30)	(8)	—	(1)	(21)
Other charges (credits)	(2)	—	(2)	3	6	(2)	—	(1)
<b>Adjusted EBITDA</b>	<u>\$ 32</u>	<u>\$ 24</u>	<u>\$ 36</u>	<u>\$ 247</u>	<u>\$ 68</u>	<u>\$ 60</u>	<u>\$ 59</u>	<u>\$ 60</u>

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

(Amounts are in whole dollars, shares are in thousands and margins are in %)

	Q3 2024	Q2 2024	Q1 2024	FY 2023	Q4 2023	Q3 2023	Q2 2023	Q1 2023
<b>ADJUSTED DILUTED EPS<sup>(4)</sup></b>								
<b>Weighted Average Common Shares Outstanding</b>	161,684	194,539	209,160	216,779	213,625	217,348	218,394	218,410
<u>Adjustments:</u>								
Restricted stock and performance units / shares	—	—	—	—	3,037	—	928	—
<b>Adjusted Weighted Average Common Shares Outstanding</b>	<u>161,684</u>	<u>194,539</u>	<u>209,160</u>	<u>216,779</u>	<u>216,662</u>	<u>217,348</u>	<u>219,322</u>	<u>218,410</u>
Diluted EPS from Continuing Operations	\$ 0.72	\$ 1.07	\$ 0.46	\$ (1.41)	\$ 0.02	\$ (1.34)	\$ (0.04)	\$ (0.04)
<u>Adjustments:</u>								
Total non-GAAP adjustments	(1.10)	(1.68)	(0.70)	1.57	0.06	1.37	0.07	0.05
Income tax adjustments <sup>(3)</sup>	0.24	0.47	0.15	(0.20)	(0.05)	(0.12)	(0.02)	(0.01)
<b>Adjusted Diluted EPS</b>	<u>\$ (0.14)</u>	<u>\$ (0.14)</u>	<u>\$ (0.09)</u>	<u>\$ (0.04)</u>	<u>\$ 0.03</u>	<u>\$ (0.09)</u>	<u>\$ 0.01</u>	<u>\$ —</u>
<b>ADJUSTED EFFECTIVE TAX RATE</b>								
<b>Effective tax rate</b>	22.2%	28.2%	21.9%	10.7%	272.1%	7.8%	(3.3)%	20.8%
<u>Adjustments:</u>								
Total non-GAAP adjustments	(9.7)	(4.6)	0.3	96.6	(259.0)	(13.9)	45.5	14.2
<b>Adjusted Effective Tax Rate<sup>(3)</sup></b>	<u>12.5%</u>	<u>23.6%</u>	<u>22.2%</u>	<u>107.3%</u>	<u>13.1%</u>	<u>(6.1)%</u>	<u>42.2%</u>	<u>35.0%</u>

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(Margins are in %)

	Q3 2024	Q2 2024	Q1 2024	FY 2023	Q4 2023	Q3 2023	Q2 2023	Q1 2023
<b>ADJUSTED OPERATING MARGIN</b>								
<b>Income (Loss) Before Income Taxes Margin</b>	19.7%	36.2%	13.8%	(8.9)%	(0.4)%	(33.6)%	(0.8)%	(0.9)%
<u>Adjustments:</u>								
Total non-GAAP adjustments	(22.7)	(40.2)	(15.9)	9.1	1.6	31.8	1.8	1.3
Interest expense	2.0	2.3	2.9	3.0	3.0	3.0	3.0	2.9
<b>Margin for Adjusted Operating Income Before Adjustment for Divestitures</b>	(1.0)	(1.7)	0.8	3.2	4.2	1.2	4.0	3.3
Divestitures <sup>(1)</sup>	(0.4)	(1.1)	(2.9)	(2.7)	(2.7)	(3.0)	(2.8)	(2.4)
<b>Margin for Adjusted Operating Income</b>	<u>(1.4)%</u>	<u>(2.8)%</u>	<u>(2.1)%</u>	<u>0.5%</u>	<u>1.5%</u>	<u>(1.8)%</u>	<u>1.2%</u>	<u>0.9%</u>
<b>ADJUSTED EBITDA MARGIN</b>								
<b>EBITDA Margin Before Adjustment for Divestitures</b>	27.3%	44.7%	23.6%	1.2%	9.4%	(21.8)%	8.5%	8.8%
Divestitures <sup>(1)</sup>	0.4	1.7	(1.2)	(3.8)	(2.9)	(6.5)	(3.1)	(2.6)
<b>EBITDA Margin</b>	27.7	46.4	22.4	(2.6)	6.5	(28.3)	5.4	6.2
Total non-GAAP adjustments	(22.8)	(40.5)	(16.1)	9.0	1.4	31.7	1.7	1.0
Divestitures <sup>(1)</sup>	(0.4)	(1.7)	1.2	3.8	2.9	6.5	3.1	2.6
<b>Adjusted EBITDA Margin Before Adjustment for Divestitures</b>	4.5	4.2	7.5	10.2	10.8	9.9	10.2	9.8
Divestitures <sup>(1)</sup>	(0.4)	(1.1)	(3.1)	(2.8)	(2.8)	(2.7)	(3.0)	(2.5)
<b>Adjusted EBITDA Margin</b>	<u>4.1%</u>	<u>3.1%</u>	<u>4.4%</u>	<u>7.4%</u>	<u>8.0%</u>	<u>7.2%</u>	<u>7.2%</u>	<u>7.3%</u>

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## Free Cash Flow and Adj. Free Cash Flow

<u>(in millions)</u>	<u>Q3 2024</u>	<u>Q2 2024</u>	<u>Q1 2024</u>	<u>FY 2023</u>	<u>Q4 2023</u>	<u>Q3 2023</u>	<u>Q2 2023</u>	<u>Q1 2023</u>
<b>Operating Cash Flow</b>	\$ (13)	\$ (41)	\$ (37)	\$ 89	\$ 122	\$ (11)	\$ (10)	\$ (12)
Cost of additions to land, buildings and equipment	(8)	(18)	(13)	(51)	(18)	(13)	(9)	(11)
Cost of additions to internal use software	(8)	(7)	(8)	(42)	(11)	(9)	(11)	(11)
<b>Free Cash Flow</b>	<b>(29)</b>	<b>(66)</b>	<b>(58)</b>	<b>(4)</b>	<b>93</b>	<b>(33)</b>	<b>(30)</b>	<b>(34)</b>
Transaction costs	7	8	3	9	3	3	2	1
Vendor finance lease payments	(5)	(4)	(5)	(15)	(3)	(5)	(3)	(4)
Tax payment related to divestitures and litigation recoveries	21	7	—	5	—	—	5	—
<b>Adjusted Free Cash Flow</b>	<b>\$ (6)</b>	<b>\$ (55)</b>	<b>\$ (60)</b>	<b>\$ (5)</b>	<b>\$ 93</b>	<b>\$ (35)</b>	<b>\$ (26)</b>	<b>\$ (37)</b>

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

1. All periods presented have been adjusted for the full impact from revenue and income/loss from all divestitures completed in 2024.
2. Included in Depreciation and amortization on the Condensed Consolidated Statements of Income (Loss).
3. The tax impact of Adjusted Pre-tax income (loss) 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.
4. 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 the preferred stock dividend of approximately \$2 million each quarter.

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## The below footnotes correspond to the "Q3 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 \$11M and \$21M of restricted cash as of September 30, 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 September 30, 2024 and December 31, 2023 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) \$539M of available capacity under Revolving Credit Facility as of September 30, 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). See reconciliation below.
- (8) Debt maturity amounts exclude finance leases, other loans and potential mandatory prepayments.

## Reconciliation of Net Debt and Net Adjusted Leverage Ratio

(\$ in millions, except ratio)	September 30, 2024	December 31, 2023
Long-term debt	\$ 718	\$ 1,248
Current portion of long-term debt	26	34
<b>Total GAAP debt</b>	<b>744</b>	<b>1,282</b>
less cash and cash equivalents	393	498
<b>Net Debt</b>	<b>\$ 351</b>	<b>\$ 784</b>

### Adjusted EBITDA for the three months ended

September 30, 2024	\$ 36	
June 30, 2024	35	
March 31, 2024	69	
December 31, 2023	103	\$ 103
September 30, 2023		92
June 30, 2023		93
March 31, 2023		90
<b>Trailing 12 months Adjusted EBITDA ("TTM AEBITDA")</b>	<b>\$ 243</b>	<b>\$ 378</b>

<b>Adjusted Leverage Ratio (Net Debt divided by TTM AEBITDA)</b>	<b>1.4</b>	<b>2.1</b>
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