Conduent
Singular Research Conference

June 2024

CONDUENT

Cautionary Statements

CONDUENT

Forward-Looking Statements

This document, any exhibits or attachments to this document, and other public statements we make may contain "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. The words "anticipate," "believe," "estimate," "expect," "plan," "intend," "will," "aim," "should," "could," "forecast," "target," "may," "continue to," "endeavor," "if," "growing," "projected," "potential," "likely," "see", "ahead", "further," "going forward," "on the horizon," and similar expressions (including the negative and plural forms of such words and phrases), as they relate to us, are intended to identify forward-looking statements, but the absence of these words does not mean that a statement is not forward looking. All statements other than statements of historical fact included in this 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; being on track to position Conduent with a strong low levered balance sheet; Conduent's AI approach and strategy, including regarding being uniquely positioned to help clients leverage new Gen AI technologies and projects underway to leverage Microsoft's Open AI services; and our projected financial performance for the full year 2024 and 2025, including all statements made under the sections captioned "Mid-Term Outlook" and "Summary" 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 completed divestitures, including the transfer of the Company's BenefitWallet's portfolio and the sale of the Company's Curbside Management and Public Safety Solutions businesses, including but not limited to the Company's ability to realize the benefits anticipated from such transactions; government appropriations and termination rights contained in our government contracts; the competitiveness of the markets in which we operate; our ability to renew commercial and government contracts, including contracts awarded through competitive bidding processes; our ability to recover capital and other investments in connection with our contracts; our reliance on third-party providers; risk and impact of geopolitical events and increasing geopolitical tensions (such as the wars in the Ukraine and Middle East), macroeconomic conditions, natural disasters and other factors in a particular country or region on our workforce, customers and vendors; our ability to deliver on our contractual obligations properly and on time; changes in interest in outsourced business process services; claims of infringement of third-party intellectual property rights; our ability to estimate the scope of work or the costs of performance in our contracts; the loss of key senior management and our ability to attract and retain necessary technical personnel and qualified subcontractors; our failure to develop new service offerings and protect our intellectual property rights; our ability to modernize our information technology infrastructure and consolidate data centers; expectations relating to environmental, social and governance considerations; utilization of our stock repurchase program; the failure to comply with laws relating to individually identifiable information and personal health information; the failure to comply with laws relating to processing certain financial transactions, including payment card transactions and debit or credit card transactions; breaches of our information systems or security systems or any service interruptions; our ability to comply with data security standards; developments in various contingent liabilities that are not reflected on our balance sheet, including those arising as a result of being involved in a variety of claims, lawsuits, investigations and proceedings; risks related to divestitures and acquisitions; risk and impact of potential goodwill and other asset impairments; our significant indebtedness and the terms of such indebtedness; our failure to obtain or maintain a satisfactory credit rating and financial performance; our ability to obtain adequate pricing for our services and to improve our cost structure; our ability to collect our receivables, including those for unbilled services; a decline in revenues from, or a loss of, or a reduction in business from or failure of significant clients; fluctuations in our non-recurring revenue; increases in the cost of voice and data services or significant interruptions in such services; our ability to receive dividends or other payments from our subsidiaries; and other factors that are set forth in the "Risk Factors" section, the "Legal Proceedings" section, the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section and other sections in our 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.

Cautionary Statements

Non-GAAP Financial Measures

We have reported our financial results in accordance with accounting principles generally accepted in the U.S.(U.S. GAAP). In addition, we have discussed our financial results using non-GAAP measures. We believe these non-GAAP measures allow investors to better understand the trends in our business and to better understand and compare our results. Accordingly, we believe it is necessary to adjust several reported amounts, determined in accordance with U.S. GAAP, to exclude the effects of certain items as well as their related tax effects. Management believes that these non-GAAP financial measures provide an additional means of analyzing the results of the current period against the corresponding prior period. However, these non-GAAP financial measures should be viewed in addition to, and not as a substitute for, our reported results prepared in accordance with U.S. GAAP. Our non-GAAP financial measures are not meant to be considered in isolation or as a substitute for comparable U.S. GAAP measures and should be read only in conjunction with our Consolidated Financial Statements prepared in accordance with U.S. GAAP. Our management regularly uses our 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", "Non-GAAP Reconciliations" and "Non-GAAP Outlook" sections in this document for a discussion of Adjusted Revenue, Adjusted EBITDA, Adjusted EBITDA Margin, and Adjusted Free Cash Flow, as well as other non-GAAP measures and their reconciliation to the reported U.S. GAAP measures.

Non-GAAP Outlook

In providing the outlook for Adjusted EBITDA we exclude certain items which are otherwise included in determining the comparable U.S. GAAP financial measure. A description of the adjustments which historically have been applicable in determining Adjusted EBITDA are reflected in the Appendix of this document. In addition, for "FY 2024 Outlook" reflected on the "Mid-Term Outlook" slide within this presentation, this is not adjusted for completed or anticipated divestiture activity or use of such proceeds. We are providing such outlook only on a non-GAAP basis because the Company is unable without unreasonable efforts to predict with reasonable certainty the totality or ultimate outcome or occurrence of these adjustments for the forward-looking period, which can be dependent on future events that may not be reliably predicted. Based on past reported results, where one or more of these items have been applicable, such excluded items could be material, individually or in the aggregate, to reported results. We have provided an outlook for Adjusted revenue only on a non-GAAP basis using foreign currency translation rates as of current period end due to the inability to, without unreasonable efforts, accurately predict foreign currency impact on revenues. Outlook for Adjusted Free Cash Flow is provided as a factor of expected Adjusted EBITDA, and such outlook is only available on a non-GAAP basis for the reasons described above.

Rationalization & Capital Allocation

3 Divestitures announced/closed … **$0.9B** gross proceeds from 3 divested assets ($0.7B net proceeds) … **$0.6B** proceeds received

65% of $1.0B capital target deployed

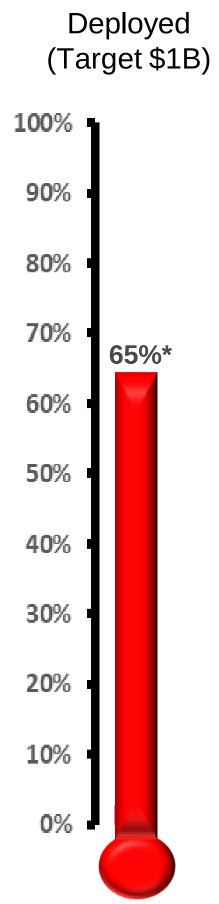
Debt reduced from $1.3B to $0.8B

$0.2B additional board authorization approval for debt repayment

~55M shares repurchased … Including 38.1M Icahn shares

~$18M share repurchase program remaining

On track to position Conduent with a strong low levered balance sheet



*As of 06/14/24

Mid-Term Outlook[2,3]

	FY 2024 Outlook[2,3]	Divestitures: Announced + Others	Other 2025 Assumptions	2025 Exit Rate
Adj. Revenue[1]	$3,600M - $3,700M	~$500M	2% - 4% Growth	$3,000M - $3,300M
Adj. EBITDA Margin[1]	8% - 9%	*~27%	*2% - 3% Margin Expansion	9% - 10%
Adj. Free Cash Flow[1] as % of Adj. EBITDA[1]	5% - 10%			25% - 30%
Other Modeling Considerations				
Net Proceeds		Announced $695M		
Cost Efficiency (included in Margin*)		~$50M	~$50M	
Debt [2]	$1.3B	Debt repayment $650M		$0.6B to $0.7B
Net Leverage [2] target	2.0 to 2.5x			~ 1.0x
Interest Expense	~$107M			~$38M
Restructuring	~$30M			~$15M
CapEx as a % of Revenue	~3%			~2.7%

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

(2) Refer to the Appendix for definitions.

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

Our History

CONDUENT

1988: ACS business launched

Acquisitions:

- **OBS** – Commercial Data Processing
- **CSX National System** – Transportation
- **CIC/DISC** – Outsourcing
- **Healthtech Corp** – Commercial Healthcare
- **Transfirst JV** – Government EBT
- **Genix Group** – BPO/ITO
- **BRC Holdings & Computer Data Systems** – Government
- **Consultec** – Government Healthcare
- **Global Government Solutions** – Government ITO
- **IMS Solutions & AFSA Data Corp –** Gov't
- **Buck** – HRO/TBO
- **ASCOM Holdings** – Transportation
- **LiveBridge** – Customer Care
- **Primax** – Payment Integrity
- **eServices Group Int'l -** BPO

1988 1990 1992 1994 1996 1998 2000 2002 2004 2006 2008

xerox 2010: ACS is acquired

- **Acquires Lateral Data** – Legal Solutions & Smart Data
- **Acquires Strata and Bunch** – Workers Comp
- **Exits ITO business with sale to ATOS**

2010 2012 2014 2016

CONDUENT 2017: Conduent spin off

Divestitures:

- **HR Consulting and Actuarial Solutions**
- **Constituent Government Software Solutions**
- **Select Customer Care Contracts**
- **Commercial Vehicle Operations**

2019: New Management

- New and more agile **operating model** established
- **Enterprise investments** in storage, compute, security & networking **Opens Global Command Center**
- **Data Center Consolidation** – *East Windsor & Sandy*
- **Divests Midas Software**
- **Simplifies** to 3 business units
- **Divestiture** of BenefitWallet
- **Divestiture** of Curbside Management and Public Safety businesses
- Icahn Share Repurchase

2018 2020 2022 2024

ACS: Serial Acquisitions | **Part of Xerox** | **Conduent Today**

Conduent at-a-Glance

CONDUENT

Creating exceptional outcomes for our clients and the millions of people who count on them

Businesses

Commercial

Improving customer experiences and business process efficiencies

- Customer Experience Management
- BPaaS Solutions

$1,932M*

Government

Powering public sector service delivery and constituent-centered goals

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

$1,094M*

Transportation

Creating smarter, safer journeys across the transportation ecosystem

- Road Usage Charging
- Transit

$696M*

*2023 Full Year Revenue

Recognitions

Industry

ISG Provider Lens 2023 Quadrant – Customer Experience Services – Leader, U.S.

NelsonHall NEAT Leader 2023 – Cloud HR Transformation

ISG Provider Lens 2023 Quadrant – Finance and Accounting Outsourcing Services – Procure to Pay – Rising Star, Global

Everest Group PEAK MATRIX 2023 – LEADER – HEALTHCARE PAYER OPERATIONS

NelsonHall NEAT Leader 2023 – Healthcare Payer Operational Transformation

GOVTECH 100 COMPANY 2023

Culture

Forbes – BEST EMPLOYERS FOR DIVERSITY – 3 YEARS IN A ROW

DEI – BEST PLACE TO WORK FOR DISABILITY INCLUSION 2023 – 100 DISABILITY EQUALITY INDEX

GLOBAL MOST LOVED WORKPLACES – Newsweek – 2023

Best Company LEADERSHIP 2023

BEST FOR VETS EMPLOYERS – MILITARY TIMES 2023

Global Presence

- **~57K** employees
- **25** countries
- **100+** delivery locations

Marquee Client Base

6 of Top 10
U.S. banks

4 of Top 5
aerospace firms

47 of 50
states

9 of Top 10
U.S. health plans

4 of Top 5
automakers

Nearly Half of Fortune 100
companies are Conduent clients

Conduent's AI approach and strategy

CONDUENT

Driving quality, efficiencies and faster cycle times through AI and uniquely positioned to help clients leverage new Gen AI technologies, bringing people, process and technology together

Existing AI deployments

- **Transportation**: Intelligent Transportation Systems, Smart Transportation Demand Prediction, Mobility-as-a-Service
- **Document Processing**: Intelligent Character Recognition, Intelligent Document Automation
- **CX**: AI-Powered Chatbots and Virtual Assistants

Gen AI approach

- 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

Target business outcomes

- **Clients' view**: Drive business process improvements through improved quality, increased productivity and reduced cycle time
- **Conduent's view**: Expand into new value chain adjacencies, increase competitive advantage of solutions and improve efficiency of operations

Conduent's Gen AI use case framework

Document Management	User Interaction (Call Center)	Search and Analytics
Summarization & Analysis	Agent Assist	Information Search
Image Identification &Text Extraction	Virtual Agent	Analytics
	Agent Talent Mgmt.	

- Our BPaaS model allows us to embed Gen AI at **process** level and/or integrate in key **proprietary platforms**
- Our portfolio diversity allows us to address business challenges, via Gen AI, across several **industries/domains** (Government, Transportation, Healthcare etc.)

Momentum on multiple fronts

Launched dedicated enterprise Gen AI program

Workstreams focused on use case execution, ecosystem partnerships and sales enablement and marketing

Prioritized 20+ use cases

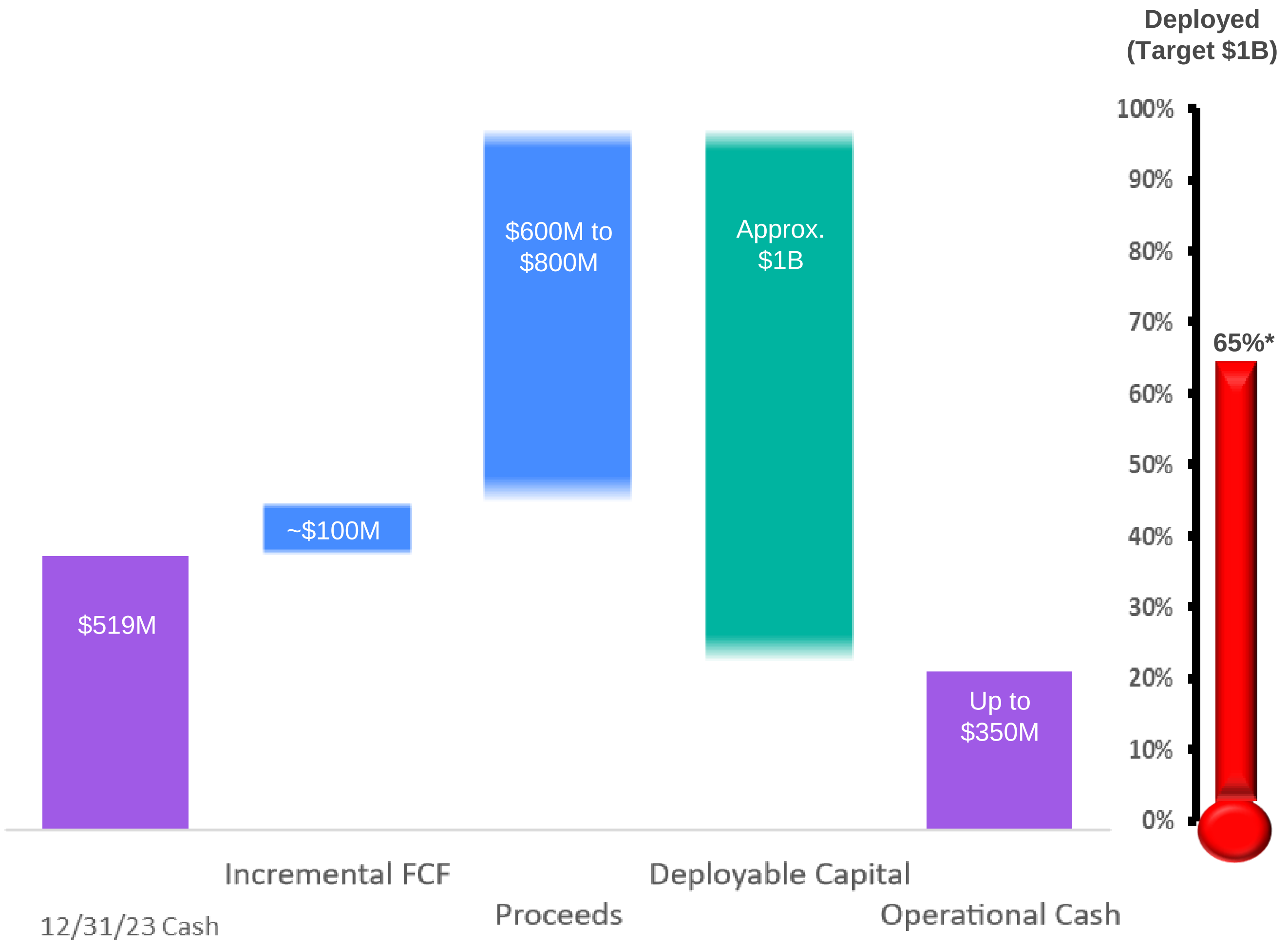
Client engagements, new solution features, and internal process improvement

Gen AI innovation initiative formed with Microsoft

Projects underway to leverage Microsoft's Open AI services in solution areas including healthcare claims management, CX, platforms and fraud detection

Summary

- Confident in achieving 2025 exit rate targets
- Portfolio rationalization on track
- 65% of $1B capital target deployed
- ~55M shares repurchased
- Debt repayment leading to lower leverage over time
- Senior level talent infusion underway
- Further updates in Q2 earnings



*As of 06/14/24

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: Projected Annual Recurring Revenue for contracts signed in the prior 12 months, less the annualized impact of any client losses, contractual volume and price changes, and other known impacts for which the company was notified in that same time period, which could positively or negatively impact results. The metric annualizes the net impact to revenue. Timing of revenue impact varies and may not be realized within the forward 12-month timeframe. The metric is for indicative purposes only. This metric excludes COVID-related volume impacts and non-recurring revenue signings. This metric is not indicative of any specific 12 month timeframe.

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 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.

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 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 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. Management cautions that amounts presented in accordance with Conduent's definition of Adjusted EBITDA and Adjusted EBITDA Margin may not be comparable to similar measures disclosed by other companies because not all companies calculate Adjusted EBITDA and Adjusted EBITDA Margin in the same manner.

Non-GAAP Financial Measures

Free Cash Flow

Free Cash Flow is defined as cash flows from operating activities as reported on the consolidated statement of cash flows, less cost of additions to land, buildings and equipment, cost of additions to internal use software, and proceeds from sales of land, buildings and equipment. We use the non-GAAP measure of Free Cash Flow as a criterion of liquidity. We use Free Cash Flow as a measure of liquidity to determine amounts we can reinvest in our core businesses, such as amounts available to make acquisitions and invest in land, buildings and equipment and internal use software, after required payments on debt. In order to provide a meaningful basis for comparison, we are providing information with respect to our Free Cash Flow reconciled to cash flow provided by operating activities, which we believe to be the most directly comparable measure under U.S. GAAP.

Adjusted Free Cash Flow

Adjusted Free Cash Flow is defined as Free Cash Flow from above plus adjustments for litigation insurance recoveries, transaction costs, taxes paid on gains from divestitures and litigation recoveries, proceeds from failed sale-leaseback transactions and certain other identified adjustments. We use Adjusted Free Cash Flow, in addition to Free Cash Flow, to provide supplemental information to our investors concerning our ability to generate cash from our ongoing operating activities; by excluding these items, we believe we provide useful additional information to our investors to help them further understand our ability to generate cash period-over-period as well as added information on comparability to our competitors. Such as with Free Cash Flow information, as so adjusted, it is specifically not intended to provide amounts available for discretionary spending. We have added certain adjustments to account for items which we do not believe reflect our core business or operating performance, and we computed all periods with such adjusted costs.

Revenue at Constant Currency

To better understand trends in our business, we believe that it is helpful to adjust revenue to exclude the impact of changes in the translation of foreign currencies into U.S. Dollars. We refer to this adjusted revenue as “constant currency.” Currency impact is determined as the difference between actual growth rates and constant currency growth rates. This currency impact is calculated by translating the current period activity in local currency using the comparable prior-year period's currency translation rate.

Non-GAAP Outlook

In providing the outlook for Adjusted EBITDA we exclude certain items which are otherwise included in determining the comparable U.S. GAAP financial measure. A description of the adjustments which historically have been applicable in determining Adjusted EBITDA are reflected in the table within this presentation. In addition, for "Mid-Term Outlook", this is not adjusted for completed or anticipated divestiture activity or use of such proceeds. We are providing such outlook only on a non-GAAP basis because the Company is unable without unreasonable efforts to predict with reasonable certainty the totality or ultimate outcome or occurrence of these adjustments for the forward-looking period, which can be dependent on future events that may not be reliably predicted. Based on past reported results, where one or more of these items have been applicable, such excluded items could be material, individually or in the aggregate, to reported results. We have provided an outlook for Adjusted revenue only on a non-GAAP basis using foreign currency translation rates as of current period end due to the inability to, without unreasonable efforts, accurately predict foreign currency impact on revenues. Outlook for Adjusted Free Cash Flow is provided as a factor of expected Adjusted EBITDA, and such outlook is only available on a non-GAAP basis for the reasons described above. For the same reason, we are unable to provide GAAP expected adjusted tax rate, which adjusts for our non-GAAP adjustments.

Government Stimulus Revenue

Revenue from payment volumes in our Government Services segment resulting from the Pandemic Supplemental Nutritional Assistance Program (PSNAP) and supplemental unemployment insurance.

Total Debt

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.

Net debt

Total Debt, including finance leases and other as well as deferred financing costs; less unrestricted cash divided by TTM Adjusted EBITDA.

Non-GAAP Reconciliations

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Revenue at Constant Currency, Adjusted Net Income (Loss), Adjusted Effective Tax Rate, Adjusted Operating Income (Loss) and Adjusted EBITDA

(in millions)	Q1 2024	FY 2023	Q4 2023	Q3 2023	Q2 2023	Q1 2023
REVENUE						
Revenue	$ 921	$ 3,722	$ 953	$ 932	$ 915	$ 922
Adjustment:						
Foreign currency impact	(2)	(11)	(6)	(7)	(1)	3
Revenue at Constant Currency	$ 919	$ 3,711	$ 947	$ 925	$ 914	$ 925
ADJUSTED NET INCOME (LOSS)						
Income (Loss) From Continuing Operations	$ 99	$ (296)	$ 6	$ (289)	$ (7)	$ (6)
Adjustments:						
Amortization of acquired intangible assets[1]	1	7	2	1	2	2
Restructuring and related costs	9	62	13	7	13	29
Loss on extinguishment of debt	2	—	—	—	—	—
Goodwill impairment	—	287	—	287	—	—
(Gain) loss on divestitures and transaction costs, net	(161)	10	2	3	3	2
Litigation settlements (recoveries), net	4	(30)	(8)	—	(1)	(21)
Other charges (credits)	(2)	3	6	(2)	—	(1)
Total Non-GAAP Adjustments	(147)	339	15	296	17	11
Income tax adjustments[2]	32	(43)	(11)	(25)	(4)	(3)
Adjusted Net Income	$ (16)	$ —	$ 10	$ (18)	$ 6	$ 2

CONTINUED

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

CONTINUED

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

CONTINUED

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

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

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

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

1. *Included in Depreciation and amortization on the Consolidated Statements of Income (Loss).*
2. *The tax impact of Adjusted Pre-tax income (loss) from continuing operations was calculated under the same accounting principles applied to the 'As Reported' pre-tax income (loss), which employs an annual effective tax rate method to the results and without regard to the adjustments listed.*
3. *Average shares for the 2024 and 2023 calculation of adjusted EPS excludes 5.4 million shares associated with our Series A convertible preferred stock and includes the impact of the preferred stock dividend of approximately $2 million each quarter.*

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Free Cash Flow and Adj. Free Cash Flow

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

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