

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 8-K**

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

**Date of Report (date of earliest event reported): March 7, 2024**



**CONDUENT INCORPORATED**

(Exact name of registrant as specified in its charter)

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

**001-37817**  
(Commission  
File Number)

**81-2983623**  
(IRS Employer  
Identification No.)

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

(Address of principal executive offices) (Zip Code)

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

**Not Applicable**

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

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

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
<b>Common Stock, \$0.01 par value</b>	<b>CNDT</b>	<b>NASDAQ Global Select Market</b>

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

Emerging Growth Company

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

## Item 2.01. Completion of Acquisition or Disposal of Assets.

As previously announced on September 19, 2023, Conduent Incorporated ("Conduent"), by and through its wholly owned subsidiary, Conduent Business Services, LLC ("CBS"), entered into a Custodial Transfer and Asset Purchase Agreement (the "Purchase Agreement") with HealthEquity, Inc. ("HealthEquity"), to transfer its BenefitWallet health savings account ("HSA") and medical savings account ("MSA") portfolio to HealthEquity (the "Transfer"). Capitalized terms used but not defined herein have the meanings ascribed to such terms in the Purchase Agreement.

The Purchase Agreement provides that HealthEquity will, over the course of the several Conversion Dates, pay to CBS an aggregate purchase price of \$425 million (the "Purchase Price"), subject to a purchase price adjustment following the Final Conversion Date based on the amount of HSA and MSA assets actually transferred, as consideration for its acquisition of the exclusive right to act as custodian of the HSA Accounts and MSA Accounts (and the assumption of certain specified obligations). The Transfer will close in multiple tranches. A pro-rata portion of the Purchase Price, based upon the relative value of HSA and MSA assets transferred in that tranche, shall be payable upon each Conversion Date.

On March 7, 2024, following the completion of the first tranche of the Transfer, the Initial Conversion Date was attained and Conduent received \$164 million as the pro-rata share of the Purchase Price. Conduent anticipates the remaining two tranches will be completed by May 9, 2024.

## Item 8.01 Other Events

On March 13, 2024, Conduent notified Bank of America, N.A., the Administrative Agent for our Credit Agreement, that we intend to use the \$164 million proceeds to voluntarily prepay a portion of the outstanding balance of the Senior Secured Term Loan B.

## Item 9.01. Financial Statements and Exhibits.

### (b) Pro Forma Financial Information.

The following unaudited pro forma condensed consolidated financial statements of Conduent, after giving effect to the Transfer, are filed as Exhibit 99.1 to this Current Report on Form 8-K and incorporated by reference herein:

- Conduent's unaudited pro forma condensed consolidated balance sheet as of December 31, 2023; and
- Conduent's unaudited pro forma condensed consolidated statement of income (loss) for the year ended December 31, 2023.

The unaudited pro forma condensed consolidated financial statements are not intended to represent or be indicative of the Conduent's consolidated results of operations or financial position that would have been reported had the Transfer been completed as of the dates presented and should not be taken as representation of the Conduent's future consolidated results of operations or financial condition. The pro forma adjustments are based on available information and certain assumptions that management believes are reasonable under the circumstances.

(d) Exhibits.

<b>Exhibit No.</b>	<b>Description</b>
<a href="#">99.1</a> 104	Unaudited Pro Forma Condensed Consolidated Financial Statements of Conduent Incorporated Cover Page Interactive Data File (embedded within the Inline XBRL document)

## **Forward-Looking Statements**

This Current Report on Form 8-K ("Report") and any exhibits to this Report may contain "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995, as amended. The words "anticipate," "believe," "estimate," "expect," "plan," "intend," "will," "aim," "should," "could," "forecast," "target," "may," "continue to," "endeavor," "if," "growing," "projected," "potential," "likely," "see," "ahead," "further," "going forward," "on the horizon," and similar expressions, as they relate to us, are intended to identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. These statements include, but may not be limited to, statements regarding the expectation that the sale of the Company's BenefitWallet's HSA, MSA and flexible spending account portfolio to HealthEquity will be consummated and the timing of such consummation. These statements reflect our current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those expressed or implied herein as anticipated, believed, estimated, expected or intended or using other similar expressions. In accordance with the provisions of the Litigation Reform Act, we are making investors aware that such forward-looking statements, because they relate to future events, are by their very nature subject to many important factors and uncertainties that could cause actual results to differ materially from those contemplated by the forward-looking statements contained in this Report, any exhibits to this Report and other public statements we make. Important factors and uncertainties that could cause actual results to differ materially from those in our forward-looking statements include, but are not limited to: the Company's ability to realize the benefits anticipated from the sale of the Company's BenefitWallet's HSA, MSA and flexible spending account portfolio to HealthEquity; unexpected costs, liabilities or delays in connection with the proposed transaction; the significant transaction costs associated with the proposed transaction; negative effects of the announcement, pendency or consummation of the transaction on the market price of our common stock or operating results, including as a result of changes in key customer, supplier, employee or other business relationships; the risk of litigation or regulatory actions; our inability to retain and hire key personnel; the risk that certain contractual restrictions contained in the transaction agreement during the pendency of the proposed transaction could adversely affect our ability to pursue business opportunities or strategic transactions; and other factors that are set forth in the "Risk Factors" and other sections of our Annual Report on Form 10-K, as well as in our Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the Securities and Exchange Commission ("SEC"). Any forward-looking statements made by us in this Report speak only as of the date on which they are made. We are under no obligation to, and expressly disclaim any obligation to, update or alter our forward-looking statements, whether because of new information, subsequent events or otherwise, except as required by law.

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**SIGNATURES**

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

Date: March 13, 2024

CONDUENT INCORPORATED

By:             
*/s/ STEPHEN WOOD*

Stephen Wood  
Executive Vice President and Chief Financial Officer

**Conduent Incorporated**  
**Unaudited Pro Forma Condensed Consolidated Financial Statements**

**Introduction**

As previously announced on September 19, 2023, Conduent Incorporated ("Conduent" or the "Company"), by and through its wholly owned subsidiary, Conduent Business Services, LLC ("CBS"), entered into a Custodial Transfer and Asset Purchase Agreement (the "Purchase Agreement") with HealthEquity, Inc. ("HealthEquity"), to transfer its BenefitWallet health savings account ("HSA") and medical savings account ("MSA") portfolio (collectively, the "Business") to HealthEquity (the "Transfer"). Capitalized terms used but not defined herein have the meanings ascribed to such terms in the Purchase Agreement.

The Purchase Agreement provides that HealthEquity will, over the course of the several Conversion Dates, pay to CBS an aggregate purchase price of \$425 million (the "Purchase Price"), subject to a purchase price adjustment following the Final Conversion Date based on the amount of HSA and MSA assets actually transferred, as consideration for its acquisition of the exclusive right to act as custodian of the HSA Accounts and MSA Accounts (and the assumption of certain specified obligations). The Transfer closes in multiple tranches. A pro-rata portion of the Purchase Price, based upon the relative value of HSA and MSA assets transferred in the respective tranche, shall be payable upon each Conversion Date.

On March 7, 2024, following completion of the first tranche of the Transfer, the Initial Conversion Date was attained and Conduent received \$164 million as the pro-rata share of the Purchase Price. Conduent anticipates the remaining two tranches will be completed by May 9, 2024.

On March 13, 2024, Conduent notified Bank of America, N.A., the Administrative Agent for our Credit Agreement, that we intend to use the \$164 million proceeds to voluntarily prepay a portion of the outstanding balance of the Senior Secured Term Loan B.

The unaudited pro forma condensed consolidated financial information of the Company was derived from the historical condensed consolidated financial statements. The unaudited pro forma condensed consolidated balance sheet gives effect to the Transfer as if it occurred on December 31, 2023. The unaudited pro forma condensed consolidated statements of income (loss) for the year ended December 31, 2023, give effect to the Transfer as if it occurred on January 1, 2023. The following unaudited pro forma condensed consolidated financial information should be read in conjunction with the Company's historical financial statements and accompanying notes for the year ended December 31, 2023, which were included in the Company's Form 10-K filed on February 21, 2024.

The transaction accounting adjustments for the Transfer remove results of operations and also give effect to adjustments to reflect the cash proceeds of \$425 million from the Transfer and the payment of related income taxes of \$85 million. As of January 1, 2023 and December 31, 2023, there were no material asset or liability balances related to the Business.

The unaudited pro forma condensed consolidated financial information is based on information currently available and assumptions that the Company believes are reasonable. Such information is provided for illustrative and informational purposes only and is not intended to reflect what the Company's consolidated financial position and results of operations would have been had the Transfer occurred on the dates indicated above and is not necessarily indicative of the Company's future consolidated financial position and results of operations.

**Conduent Incorporated**  
**Unaudited Pro Forma Condensed Consolidated Balance Sheet**  
**As of December 31, 2023**

(in millions)	Conduent Historical	Transaction Accounting Adjustments	Notes	Unaudited Pro Forma
<b>Assets</b>				
Cash and cash equivalents	\$ 498	\$ 340	(a)	\$ 838
Accounts receivable, net	559	—		559
Assets held for sale	180	—		180
Contract assets	178	—		178
Other current assets	240	—		240
Total current assets	1,655	340		1,995
Land, buildings and equipment, net	197	—		197
Operating lease right-of-use assets	191	—		191
Intangible assets, net	32	—		32
Goodwill	651	—		651
Other long-term assets	436	—		436
Total Assets	\$ 3,162	\$ 340		\$ 3,502
<b>Liabilities and Equity</b>				
Current portion of long-term debt	\$ 34	\$ —		\$ 34
Accounts payable	174	—		174
Accrued compensation and benefits costs	183	—		183
Unearned income	91	—		91
Liabilities held for sale	58	—		58
Other current liabilities	328	13	(b)	341
Total current liabilities	868	13		881
Long-term debt	1,248	—		1,248
Deferred taxes	30	23	(c)	53
Operating lease liabilities	157	—		157
Other long-term liabilities	84	—		84
Total Liabilities	2,387	36		2,423
Series A convertible preferred stock	142	—		142
Common stock	2	—		2
Treasury stock, at cost	(27)	—		(27)
Additional paid-in capital	3,938	—		3,938
Retained earnings (deficit)	(2,849)	304	(d)	(2,545)
Accumulated other comprehensive loss	(435)	—		(435)
Total Conduent Inc. Equity	629	304		933
Non-controlling Interest	4	—		4
Total Equity	633	304		937
Total Liabilities and Equity	\$ 3,162	\$ 340		\$ 3,502

**Conduent Incorporated**  
**Unaudited Pro Forma Condensed Consolidated Statement of Income (Loss)**  
**For the Year Ended December 31, 2023**

(in millions, except per share data. Shares in thousands)	Conduent Historical	Transaction Accounting Adjustments	Notes	Unaudited Pro Forma
<b>Revenue</b>	\$ 3,722	\$ (118)	(e)	\$ 3,604
<b>Operating Costs and Expenses</b>				
Cost of services (excluding depreciation and amortization)	2,888	(16)	(e)	2,872
Selling, general and administrative (excluding depreciation and amortization)	458	(14)	(e)	444
Research and development (excluding depreciation and amortization)	7	—		7
Depreciation and amortization	264	(2)	(e)	262
Restructuring and related costs	62	—		62
Interest expense	111	—		111
Goodwill impairment	287	—		287
(Gain) loss on divestitures and transaction costs, net	10	(412)	(f)	(402)
Litigation settlements (recoveries), net	(30)	—		(30)
Other (income) expenses, net	(3)	—		(3)
<b>Total Operating Costs and Expenses</b>	<u>4,054</u>	<u>(444)</u>		<u>3,610</u>
<b>Income (Loss) Before Income Taxes</b>	(332)	326		(6)
Income tax expense (benefit)	(36)	79	(g)	43
<b>Net Income (Loss)</b>	<u>\$ (296)</u>	<u>\$ 247</u>		<u>\$ (49)</u>
<b>Net Income (Loss) per Share:</b>				
Basic	\$ (1.41)			\$ (0.28)
Diluted	\$ (1.41)			\$ (0.28)
<b>Weighted Average Shares Outstanding (Basic and Diluted)</b>	216,779			216,779

**Conduent Incorporated**  
**Notes to Unaudited Pro Forma Condensed Consolidated Financial Statements**

**1. Basis of Presentation**

The unaudited pro forma condensed consolidated financial statements give effect to the transaction accounting adjustments necessary to reflect the transfer of the Business (the "Transfer") as if it had occurred:

- (a) on January 1, 2023, in the unaudited pro forma statement of income (loss) for the year ended December 31, 2023; and
- (b) on December 31, 2023, in the unaudited pro forma balance sheet.

**2. Pro Forma Adjustments**

The unaudited pro forma condensed consolidated financial statements reflect the following adjustments:

- (a) Adjustment reflects cash proceeds of \$425 million from the Transfer less tax payment of \$85 million related to the gain on the Transfer and before any use of proceeds related to the Transfer.
- (b) Adjustment represents accrual of estimated direct transaction costs totaling \$13 million.
- (c) Adjustment represents the estimated utilization of \$23 million of deferred tax assets as a result of the Transfer.
- (d) Adjustment reflects after tax gain as if the Transfer had occurred on December 31, 2023. The after-tax gain on disposal is calculated as follows: \$425 million representing the net cash proceeds of the Transfer less (i) estimated direct transaction costs of \$13 million and (ii) estimated income tax provision of \$108 million. As of December 31, 2023, there were no material asset or liability balances related to the Business.
- (e) Adjustments reflect the elimination of revenue, costs of services, and operating expenses of the Business, including estimated IT infrastructure costs, enterprise application costs and certain corporate overhead expenses that are expected to be eliminated.
- (f) Adjustment reflects gain as if the Transfer had occurred on January 1, 2023. The gain on disposal is calculated as follows: \$425 million representing the net cash proceeds less estimated direct transaction costs of \$13 million. As of January 1, 2023, there were no material asset or liability balances related to the Business.
- (g) Adjustments represent the estimated income tax effect of the transaction accounting adjustments.