

Willis Towers Watson

Willis Towers Watson Outlines Growth Strategy at Investor Day

September 9, 2021

Unveils “Grow, Simplify, Transform” Strategy to Unlock Value

Announces Three-Year Financial Targets

Expects to Return \$4+ Billion to Shareholders in Fiscal Years 2021-2022 Through Share Buybacks

ARLINGTON, Va., Sept. 09, 2021 (GLOBE NEWSWIRE) -- Willis Towers Watson (NASDAQ: WLTW), a leading global advisory, broking and solutions company, will outline its strategy to drive long-term growth and value creation for shareholders at its Investor Day today.

“Our distinctive mix of highly complementary businesses, scale and global reach has delivered superior value to our clients, colleagues and shareholders,” said John Haley, Willis Towers Watson’s chief executive officer. “I am confident that – under the leadership of Carl Hess and his highly-accomplished global leadership team – our strategy sets the course to accelerate our performance as an independent company and positions Willis Towers Watson for a bold new future.”

Carl Hess, president and future chief executive officer, added, “The central priorities of our strategy – grow, simplify and transform – build upon our core strengths, with a focus on driving sustainable revenue growth, improved operating margins and higher free cash flow conversion. We are committed to a disciplined capital allocation policy, beginning with a plan to return \$4+ billion to shareholders through share buybacks by fiscal year-end 2022. We have a world-class team and are energized and focused as we execute our strategy to capture the significant opportunities ahead.”

At today’s event, Willis Towers Watson will outline the key drivers of its strategy to build from its strengths, unlock shareholder value and achieve financial leadership. These drivers include:

- **Grow at or above market in priority areas.** Focus on core opportunities with the highest growth and return, including gaining market share in Risk and Broking and Individual Marketplace; innovating and evolving our offerings in markets such as defined contribution and wealth management; expediting capabilities in fast growth markets like health insurance markets, cyber and climate; and bringing targeted solutions to clients reflecting more connected offerings.
- **Simplify the business to increase agility and effectiveness.** Streamline operational structure, develop a globally consistent client model and enhance growth operations to improve sales and retention outcomes. This includes an agile decision-making process to increase speed of execution.
- **Transform operations to drive savings while enhancing our client and colleague experiences.** Drive \$300+ million in expected cost reductions to contribute 300 bps of margin improvement toward a fiscal year 2024 margin target through maximizing global platforms, right-shoring operations, rationalizing real estate and modernizing IT.

Three-Year Financial Targets

Willis Towers Watson will provide an update on its financial targets to reflect the company’s growth strategy and commitment to driving shareholder value. By year-end fiscal 2024, the company expects to:

- Grow its revenues to \$10+ billion by delivering growth in the mid-single digit range or greater, with reinvestment in differentiated solutions and scalable innovation, while continuing to capture market share.
- Improve margins to 24-25% through \$300+ million net run-rate savings driven by transformation and efficiency initiatives, as well as operating leverage as the business grows.
- Generate higher free cash flow conversion to deliver \$5-6 billion in free cash flow which when combined with the after-tax proceeds from the Willis Re divestiture and current cash balances will give the company \$10-11 billion of available cash by 2024 to help drive shareholder value.
- Return significant capital to shareholders beginning with the execution of \$4+ billion in share buybacks during fiscal years 2021-2022, all while maintaining the agility to invest in bolt-on opportunities to accelerate growth, acquire industry-leading capabilities and support our world-class team.
- Achieve adjusted EPS of at least \$18-21 per share and deliver industry leading total shareholder return.

Additional information will be shared during the Investor Day. Presenters will include: John Haley, chief executive officer; Carl Hess, president and future chief executive officer; Andrew Krasner, chief financial officer; Mike Burwell, former chief financial officer; Adam Garrard, head of Risk and Broking; Julie Gebauer, head of Health, Wealth and Career; and Gene Wickes, head of Benefits Delivery and Administration – Health, Wealth and Career.

Webcast and Materials

The Company’s Investor Day will be webcast live today, beginning at 9:30 a.m. Eastern Time. The webcast and presentation can be accessed via the Willis Towers Watson investor relations page at investors.willistowerswatson.com. The replay of the Investor Day will be available shortly after the live presentation.

About Willis Towers Watson

Willis Towers Watson (NASDAQ: WLTW) is a leading global advisory, broking and solutions company that helps clients around the world turn risk into

a path for growth. With roots dating to 1828, Willis Towers Watson has 45,000 employees serving more than 140 countries and markets. We design and deliver solutions that manage risk, optimize benefits, cultivate talent, and expand the power of capital to protect and strengthen institutions and individuals. Our unique perspective allows us to see the critical intersections between talent, assets and ideas — the dynamic formula that drives business performance. Together, we unlock potential. Learn more at willistowerswatson.com.

Forward-Looking Statements

This document contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. You can identify these statements and other forward-looking statements in this document by words such as “may”, “will”, “would”, “expect”, “anticipate”, “believe”, “estimate”, “plan”, “intend”, “continue”, or similar words, expressions or the negative of such terms or other comparable terminology.

These statements include, but are not limited to, such things as our outlook, the impact of the COVID-19 pandemic on our business, future capital expenditures, ongoing working capital efforts, future share repurchases, financial results (including our revenue), the impact of changes to tax laws on our financial results, existing and evolving business strategies and acquisitions and dispositions, demand for our services and competitive strengths, goals, the benefits of new initiatives, growth of our business and operations, our ability to successfully manage ongoing organizational and technology changes, including investments in improving systems and processes, and plans and references to future successes, including our future financial and operating results, plans, objectives, expectations and intentions and other statements that are not historical facts. Such statements are based upon the current beliefs and expectations of Willis Towers Watson’s management and are subject to significant risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements. All forward-looking disclosure is speculative by its nature.

There are important risks, uncertainties, events and factors that could cause our actual results or performance to differ materially from those in the forward-looking statements contained herein, including the following: our ability to successfully establish, execute and achieve our global business strategy as it evolves; changes in demand for our services, including any decline in consulting services, defined benefit pension plans or the purchasing of insurance; the risks related to changes in general economic, business and political conditions, including changes in the financial markets and inflation; the risks relating to the adverse impact of the ongoing COVID-19 pandemic on the demand for our products and services, our cash flows and our business operations, including increased demand on our information technology resources and systems and related risks of cybersecurity breaches or incidents; the risks relating to or arising from the termination of the business combination with Aon plc announced in March 2020 and the divestitures contemplated in connection therewith, including, among others, risks relating to the impact of such terminations on relationships, including with suppliers, customers, employees and regulators, risks relating to litigation in connection with the business combination and the impact of the costs of the business combination that will be borne by us, despite the business combination being terminated and the payment of the termination fee; significant competition that we face and the potential for loss of market share and/or profitability; the impact of seasonality and differences in timing of renewals; the failure to protect client data or breaches of information systems or insufficient safeguards against cybersecurity breaches or incidents; the risk of increased liability or new legal claims arising from our new and existing products and services, and expectations, intentions and outcomes relating to outstanding litigation; the risk of substantial negative outcomes on existing litigation or investigation matters; changes in the regulatory environment in which we operate, including, among other risks, the impacts of pending competition law and regulatory investigations; various claims, government inquiries or investigations or the potential for regulatory action; our ability to make divestitures (including our ability to close the planned divestiture of our Willis Re business) or acquisitions and our ability to integrate or manage such acquired businesses; our ability to successfully hedge against fluctuations in foreign currency rates; our ability to integrate direct-to-consumer sales and marketing solutions with our existing offerings and solutions; our ability to comply with complex and evolving regulations related to data privacy and cyber security; our ability to successfully manage ongoing organizational changes, including investments in improving systems and processes; disasters or business continuity problems; the impact of Brexit; our ability to successfully enhance our billing, collection and other working capital efforts, and thereby increase our free cash flow; the potential impact of the anticipated replacement of the London Interbank Offered Rate (“LIBOR”); our ability to properly identify and manage conflicts of interest; reputational damage, including from association with third parties; reliance on third-party services; the loss of key employees or a large number of employees; doing business internationally, including the impact of exchange rates; compliance with extensive government regulation; the risk of sanctions imposed by governments, or changes to associated sanction regulations; our ability to effectively apply technology, data and analytics changes for internal operations, maintaining industry standards and meeting client preferences; changes and developments in the insurance industry or the U.S. healthcare system, including those related to Medicare and any policy changes from the new Presidential administration and legislative actions from the current U.S. Congress; the inability to protect the Company’s intellectual property rights, or the potential infringement upon the intellectual property rights of others; fluctuations in our pension assets and liabilities; our capital structure, including indebtedness amounts, the limitations imposed by the covenants in the documents governing such indebtedness and the maintenance of the financial and disclosure controls and procedures of each; our ability to obtain financing on favorable terms or at all; adverse changes in our credit ratings; the impact of recent or potential changes to U.S. or foreign tax laws, including on our effective tax rate, and the enactment of additional, or the revision of existing, state, federal, and/or foreign regulatory and tax laws and regulations and any policy changes from the new Presidential administration and legislative actions from the current U.S. Congress; U.S. federal income tax consequences to U.S. persons owning at least 10% of our shares; changes in accounting principles, estimates or assumptions; fluctuation in revenue against our relatively fixed or higher than expected expenses; the laws of Ireland being different from the laws of the U.S. and potentially affording less protections to the holders of our securities; and our holding company structure potentially preventing us from being able to receive dividends or other distributions in needed amounts from our subsidiaries. The foregoing list of factors is not exhaustive and new factors may emerge from time to time that could also affect actual performance and results. For more information, please see Part I, Item 1A in our Annual Report on Form 10-K, and our subsequent filings with the SEC. Copies are available online at <http://www.sec.gov> or www.willistowerswatson.com.

Although we believe that the assumptions underlying our forward-looking statements are reasonable, any of these assumptions, and therefore also the forward-looking statements based on these assumptions, could themselves prove to be inaccurate. Given the significant uncertainties inherent in the forward-looking statements included in this document, our inclusion of this information is not a representation or guarantee by us that our objectives and plans will be achieved.

Our forward-looking statements speak only as of the date made, and we will not update these forward-looking statements unless the securities laws require us to do so. With regard to these risks, uncertainties and assumptions, the forward-looking events discussed in this document may not occur, and we caution you against unduly relying on these forward-looking statements.

The Company does not reconcile its forward-looking non-GAAP financial measures to the corresponding U.S. GAAP measures, due to variability and difficulty in making accurate forecasts and projections and/or certain information not being ascertainable or accessible; and because not all of the information, such as foreign currency impacts necessary for a quantitative reconciliation of these forward-looking non-GAAP financial measures to the most directly comparable U.S. GAAP financial measure, is available to the Company without unreasonable efforts. For the same reasons, the

Company is unable to address the probable significance of the unavailable information. The Company provides non-GAAP financial measures that it believes will be achieved, however it cannot accurately predict all of the components of the adjusted calculations and the U.S. GAAP measures may be materially different than the non-GAAP measures.

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