



Willis Towers Watson

Earnings Release Supplemental Materials 2021 Third Quarter Financial Results

October 28, 2021

Willis Towers Watson 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, impact of the termination of the business combination with Aon plc and the divestitures contemplated in connection therewith, 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 income receipt of the termination fee and its estimated income tax impact; our ability to consummate the transaction with Arthur J. Gallagher in the expected timeframe, or at all, and related risks; significant competition that we face and the potential for loss of market share and/or profitability; the impact of seasonality, differences in timing of renewals and non-recurring revenue increases from disposals and book-of-business sales; 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 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, development of case law, 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.

Willis Towers Watson Non-GAAP Measures

In order to assist readers of our consolidated financial statements in understanding the core operating results that Willis Towers Watson's management uses to evaluate the business and for financial planning, we present the following non-GAAP measures: (1) Constant Currency Change, (2) Organic Change, (3) Adjusted Operating Income/Margin, (4) Adjusted EBITDA/Margin, (5) Adjusted Net Income, (6) Adjusted Diluted Earnings Per Share, (7) Adjusted Income Before Taxes, (8) Adjusted Income Taxes/Tax Rate and (9) Free Cash Flow.

The Company believes that these measures are relevant and provide useful information widely used by analysts, investors and other interested parties in our industry to provide a baseline for evaluating and comparing our operating performance, and in the case of free cash flow, our liquidity results.

Reconciliations of these measures are included in the accompanying appendix of these earning release supplemental materials.

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.

Q3 2021 GAAP Financial Results

Key figures as reported are from continuing operations unless otherwise stated

\$USD million, except EPS and %	Three months ended September 30,			Nine months ended September 30,		
	2020	2021	change %	2020	2021	change %
Revenue	\$1,897	\$1,973	+4%	\$5,946	\$6,292	+6%
Income from operations	\$66	\$1,131	+1,614%	\$280	\$1,512	+440%
Operating margin %	3.5%	57.3%	+5,380 bps	4.7%	24.0%	+1,930 bps
Income from continuing operations	\$119	\$919	+672%	\$284	\$1,582	+457%
(Loss)/income from discontinued operations, net of tax	\$3	-\$12	-500%	\$253	\$247	-2%
Income from continuing operations per share	\$0.91	\$7.10	+680%	2.06	12.14	+489%
(Loss)/income from discontinued operations per share	\$0.02	-\$0.09	-502%	1.95	1.90	-3%
Diluted earnings per share*	\$0.93	\$6.99	+653%	\$3.99	\$14.00	+251%
Net cash from operating activities*				\$1,206	\$1,877	+56%

* include discontinued operations

Q3 2021 Non-GAAP Key Results From Continuing Operations¹

Willis Towers Watson reports third quarter 2021 earnings

Total Revenue

\$2.0B

Q3 2021 Revenue

Broad-Based Organic Growth

Constant currency growth of 3% and organic revenue growth of 7% for the quarter. Organic revenue growth across all segments

This reflects our commitment to our clients and their rapidly evolving needs as they continue to navigate business disruptions and marketplace uncertainty

Constant Currency %

+3% | **Flat**

Q3 2021 | Q3 2020

Organic %

+7% | **-1%**

Q3 2021 | Q3 2020

Adj. Diluted EPS²

\$1.73

Q3 2021 Adj. Diluted EPS

Double-Digit Earnings Growth

Delivered strong adjusted diluted EPS growth of 32%

Underpinned by robust growth in core operations as well as effective management of non-operating activities

+32%

Q3 2021

\$1.31

Q3 2020

Adj. Operating Margin²

13.4%

Q3 2021
Adj. Operating Margin

Core Margin Expansion

+120bps of core margin expansion from continuing operations

Strong organic growth coupled with operational efficiency gains and disciplined expense management helped drive continuing operations margin expansion

+120bps

Q3 2021

12.2%

Q3 2020

Free Cash Flow^{2,3}

\$1.8B

Free Cash Flow
nine months ended
September 30, 2021

Robust Core Cash Generation

Underlying FCF was robust as a result of working capital and operational improvements

FCF includes net \$942 million of deal termination income receipt that was offset by \$185 million of legal settlements payments and \$189 million of incentives and benefit-related items. **Absent these items, FCF growth would have been 17%**

+73%

YTD '21 vs.
YTD '20

\$1.0B

YTD 2020

¹ Continuing operations excludes the Reinsurance business, which has been reported as discontinued operations

² Signifies Non-GAAP financial measures. See appendix for Non-GAAP reconciliations

³ Includes discontinued operations

Organic Growth Across All Segments From Continuing Operations

Our unwavering commitment to our clients and colleagues is key to our growth

Organic Revenue Growth %

	Q3 2020	Q3 2021
Human Capital & Benefits	-2%	6%
Corporate Risk & Broking	-1%	6%
Investment, Risk & Reinsurance¹	3%	10%
Benefits Delivery & Administration	6%	7%
Willis Towers Watson	-1%	7%

HCB organic revenue growth was driven by Talent and Rewards strong market demand for rewards advisory work and talent and compensation products. Health and Benefits revenue grew from increased consulting work and commissions in North America. Technology and Administration Solutions revenue increased due to project work and client activity in Great Britain. Retirement revenue was flat with growth in Great Britain offset by a decline in revenue in North America.

CRB produced solid organic growth and was led by North America from new business across M&A, FINEX, Construction, Aerospace. Revenue in International, Great Britain, and Western Europe also increased with new business generation and strong renewals across several insurance lines, most notably, in FINEX and Retail.

IRR organic revenue growth reflects strong growth from continuing operations, which excludes Reinsurance line of business. The organic growth reflects strong advisory-related fees in both Investment and Insurance Consulting & Technology businesses.

BDA was led by Individual Marketplace, primarily TRANZACT. For the quarter, TRANZACT revenue was \$111 million with strong growth in Medicare Advantage sales. Benefits Outsourcing also increased, driven by its expanded client base.

¹ IRR segment results as presented for Q3 2021 excludes the Reinsurance business, which has been reported as discontinued operations

Summary of Segment Financial Results

Q3 2021 segment results compared to Q3 2020 on continuing operations basis

<i>As reported, \$USD million, except %</i>					
	Q3 2020		Q3 2021		
	Revenue	Operating Margin % ²	Revenue	Operating Margin % ²	Margin Year-over-year
Human Capital & Benefits	796	26%	852	28%	+210 bps
Corporate Risk & Broking	649	13%	697	16%	+380 bps
Investment, Risk & Reinsurance¹	220	9%	172	13%	+360 bps
Benefits Delivery & Administration	226	-5%	242	-8%	-260 bps

¹ IRR segment results as presented for Q3 2021 excludes the Reinsurance business, which has been reported as discontinued operations

² The Operating Margin percentage is rounded

Maintaining A Flexible Balance Sheet

Reinforcing our business fundamentals; safeguarding WTW's financial strength

<i>\$USD million</i>	Sept 30, 2020	Dec 31, 2020	Sept 30, 2021
Cash and Cash Equivalents	1,647	2,089	2,162
Total Debt¹	5,614	5,635	4,637
Total Equity	10,620	10,932	11,817
Debt to Adj. EBITDA² <i>Trailing 12-month</i>	2.3x	2.3x	1.7x

A disciplined capital management strategy intended to provide Willis Towers Watson with **the financial flexibility** to reinvest in our businesses, capitalize on market growth opportunities, and support significant value creation for shareholders

Our capital structure provides a solid foundation of business strength and reinforces our ability to capture growth in the long-term

History of effectively managing our leverage with a commitment to **maintaining investment grade credit rating**

Committed to a **disciplined approach to managing outstanding debt** and successfully reduced our leverage profile

1 Total Debt equals sum of current debt and long-term debt as shown on the Consolidated Balance Sheets.

2 Signifies Non-GAAP financial measure. See appendix for Non-GAAP reconciliations.

A Capital Strategy Fit For The Short & Long-Term

Disciplined approach to capital management

A capital light business model and capital structure to allow flexibility to deploy capital with the goal of creating the most value based on changes in the businesses and/or the macro environment

A strong focus on return on investment to optimize the use of cash

A disciplined approach to managing our pipeline of investment opportunities. Matching capital with opportunities with the goal of yielding the best results for our clients, colleagues, and shareholders

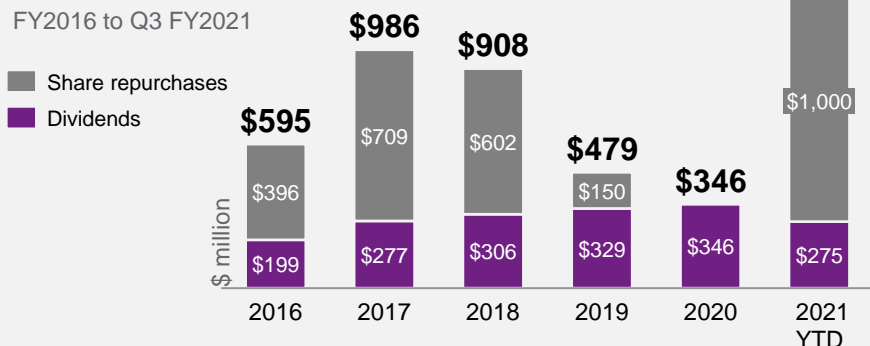
Goals to prioritize use of cash

- Reinvest in our capabilities, businesses, and processes
- Invest in innovation, technology, and new business opportunities
- Return excess cash to shareholders through share repurchase
- Strengthen balance sheet and liquidity
- Sustain dividends and payout ratio
- Pursue opportunistic small tuck-ins and bolt-on M&A to strengthen capabilities and divestitures

CASH RETURNED TO SHAREHOLDERS

\$4.6B

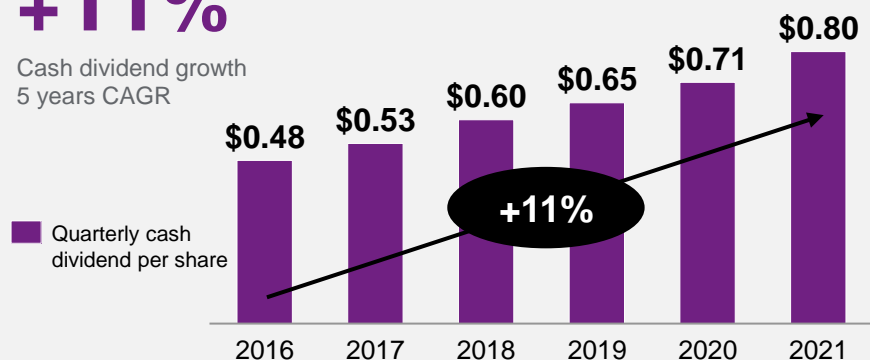
FY2016 to Q3 FY2021



MEANINGFUL DIVIDEND GROWTH

+11%

Cash dividend growth
5 years CAGR



Driving Continuous Sustainable Adjusted Operating Margin Improvement

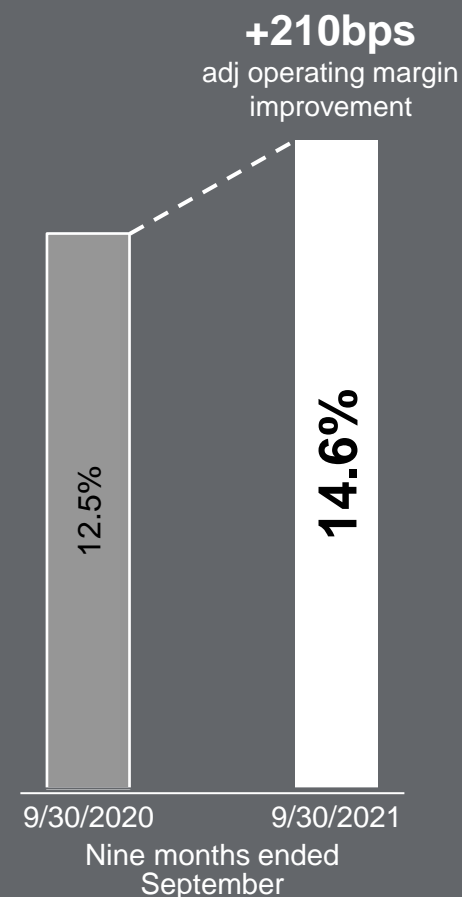
Adjusted Operating Margin %, Continuing Operations

\$USD millions except %

	Three months ended,					Three months ended,		
	Mar 31, 2020	June 30, 2020	Sep 30, 2020	Dec 31, 2020	Full Year 2020	Mar 31, 2021	June 30, 2021	Sep 30, 2021
Revenue	\$2,122	\$1,927	\$1,897	\$2,675	\$8,621	\$2,228	\$2,091	\$1,973
Salaries and benefits	1,292	1,277	1,238	1,353	5,160	1,419	1,317	1,255
Other operating expenses	463	377	370	488	1,698	400	384	385
Depreciation	98	66	73	70	307	71	72	69
Amortization	120	119	108	114	461	103	97	85
Restructuring costs	0	0	0	24	24	0	0	0
Transaction and integration costs	9	14	42	45	110	24	51	-952
Total cost of providing services	1,982	1,853	1,831	2,094	7,760	2,017	1,921	842
Income from operations	140	74	66	581	861	211	170	1,131
Abandonment of long-lived asset	35	0	0	0	35	0	0	0
Amortization	120	119	108	114	461	103	97	85
Restructuring costs	0	0	0	24	24	0	0	0
Transaction & integration costs	9	14	42	45	110	24	51	-952
Provision for significant litigation	0	0	15	50	65	0	0	0
Adjusted operating income	304	207	231	814	1,556	338	318	264
Adjusted operating margin %	14.3%	10.7%	12.2%	30.4%	18.1%	15.2%	15.2%	13.4%

YTD 2021

Continuing operations adjusted operating margin

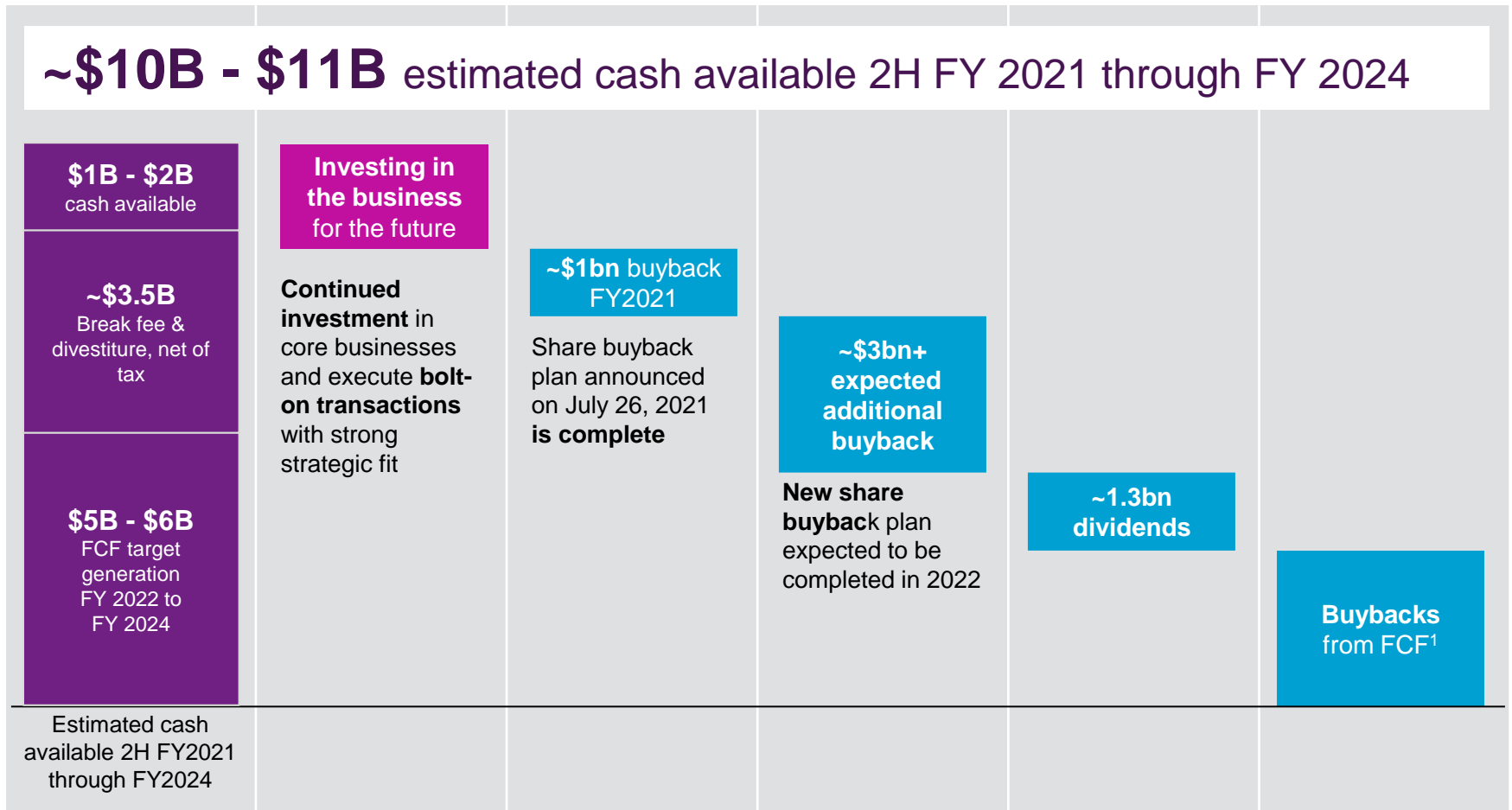


Income and margin as reported above does not reflect any reimbursement that may be received under a Transition Services Agreement following the completion of the pending Willis Re disposition

Key financial targets | Strategic initiatives will deliver sustainable growth and results

<p>3-year revenue growth</p> <p>Mid-single digit+ Organic revenue growth %</p> <p>>\$10B Total revenue by FY2024</p>	<p>FY2024 adjusted operating margin</p> <p>24% to 25% Adjusted operating margin</p> <p>Driven by >\$300M transformation initiatives savings and operating leverage resulting in significant margin improvement compared to FY2020</p>	<p>FY2022 to FY2024 strong FCF generation</p> <p>\$5 to \$6 billion FCF generation by FYE 2024 and disciplined capital deployment</p> <p>Significant capital available for share repurchases and investment in the business</p>	<p>FY2024 adjusted diluted EPS</p> <p>\$18 to \$21 Adjusted EPS</p>
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Capital allocation | ~\$10B - \$11B of firepower to drive shareholder value with a bold new investment in Willis Towers Watson providing a strong foundation for adjusted EPS target



1 Primary use of capital expected to be share buybacks unless investment opportunities with superior return potential arise
 2 As of September 30, 2021, approximately \$4.5 billion remained on the current repurchase authority

Appendix: Reconciliation of Non-GAAP Measures & Restatement for Discontinued Operations



Appendix 1: Constant currency and organic revenue change

As reported, USD millions, except %

	Three Months Ended		As Reported % Change	Components of Revenue Change ⁽ⁱ⁾			
	September 30, 2021	September 30, 2020		Currency Impact	Constant Currency Change	Acquisitions/ Divestitures	Organic Change
Human Capital & Benefits	\$ 852	\$ 796	7%	2%	5%	0%	6%
Corporate Risk & Broking	697	649	7%	1%	6%	0%	6%
Investment, Risk & Reinsurance	172	220	(22)%	2%	(24)%	(34)%	10%
Benefits Delivery & Administration	242	226	7%	0%	7%	0%	7%
Segment Revenue	1,963	1,891	4%	1%	3%	(4)%	7%
Reimbursable expenses and other	10	6					
Revenue	\$ 1,973	\$ 1,897	4%	1%	3%	(4)%	7%

	Nine Months Ended		As Reported % Change	Components of Revenue Change ⁽ⁱ⁾			
	September 30, 2021	September 30, 2020		Currency Impact	Constant Currency Change	Acquisitions/ Divestitures	Organic Change
Human Capital & Benefits	\$ 2,563	\$ 2,413	6%	3%	3%	0%	3%
Corporate Risk & Broking	2,295	2,089	10%	3%	6%	0%	6%
Investment, Risk & Reinsurance	615	716	(14)%	4%	(18)%	(30)%	12%
Benefits Delivery & Administration	771	666	16%	0%	16%	1%	15%
Segment Revenue	6,244	5,884	6%	3%	3%	(4)%	7%
Reimbursable expenses and other	48	62					
Revenue	\$ 6,292	\$ 5,946	6%	3%	2%	(4)%	6%

⁽ⁱ⁾ Components of revenue change may not add due to rounding

Appendix 2: Adjusted operating income and margin, adjusted EBITDA and margin, free cash flow

As reported, USD millions, except %

	Three Months Ended September 30,			
	2021		2020	
Income from operations	\$ 1,131	57.3%	\$ 66	3.5%
Adjusted for certain items:				
Amortization	85		108	
Transaction and integration, net	(952)		42	
Provision for significant litigation	—		15	
Adjusted operating income	<u>\$ 264</u>	13.4%	<u>\$ 231</u>	12.2%

	Nine Months Ended September 30,			
	2021		2020	
Income from operations	\$ 1,512	24.0%	\$ 280	4.7%
Adjusted for certain items:				
Abandonment of long-lived asset	—		35	
Amortization	285		347	
Transaction and integration, net	(877)		65	
Provision for significant litigation	—		15	
Adjusted operating income	<u>\$ 920</u>	14.6%	<u>\$ 742</u>	12.5%

	Nine Months Ended September 30,	
	2021	2020
Cash flows from operating activities	\$ 1,877	\$ 1,206
Less: Additions to fixed assets and software for internal use	(109)	(183)
Free Cash Flow	<u>\$ 1,768</u>	<u>\$ 1,023</u>

	Three Months Ended September 30,			
	2021		2020	
Net Income	\$ 907	46.0%	\$ 122	6.4%
Loss/(income) from discontinued operations, net of tax	12		(3)	
Provision for income taxes	267		42	
Interest expense	50		61	
Depreciation	69		73	
Amortization	85		108	
Transaction and integration, net	(952)		42	
Provision for significant litigation	—		15	
Gain on disposal of operations	(23)		(85)	
Adjusted EBITDA and Adjusted EBITDA Margin	<u>\$ 415</u>	21.0%	<u>\$ 375</u>	19.8%

	Nine Months Ended September 30,			
	2021		2020	
Net Income	\$ 1,829	29.1%	\$ 537	9.0%
Loss/(income) from discontinued operations, net of tax	(247)		(253)	
Provision for income taxes	386		133	
Interest expense	161		184	
Depreciation ⁽ⁱ⁾	212		237	
Amortization	285		347	
Transaction and integration, net	(877)		65	
Provision for significant litigation	—		15	
Gain on disposal of operations	(380)		(83)	
Adjusted EBITDA and Adjusted EBITDA Margin	<u>\$ 1,369</u>	21.8%	<u>\$ 1,182</u>	19.9%

⁽ⁱ⁾ Includes abandonment of long-lived asset of \$35 million for the nine months ended September 30, 2020.

Appendix 3: Adjusted net income and adjusted diluted earnings per share

As reported, USD millions, except % and EPS

	Three Months Ended September 30,	
	2021	2020
Net Income attributable to Willis Towers Watson	\$ 903	\$ 121
Adjusted for certain items:		
Loss/(income) from discontinued operations, net of tax	12	(3)
Amortization	85	108
Transaction and integration, net	(952)	42
Provision for significant litigation	—	15
Gain on disposal of operations	(23)	(85)
Tax effect on certain items listed above ⁽ⁱ⁾	199	(31)
Tax effect of the CARES Act	—	3
Adjusted Net Income	\$ 224	\$ 170
Weighted-average shares of common stock, diluted	129	130
Diluted Earnings Per Share	\$ 6.99	\$ 0.93
Adjusted for certain items: ⁽ⁱⁱ⁾		
Loss/(income) from discontinued operations, net of tax	0.09	(0.02)
Amortization	0.66	0.83
Transaction and integration, net	(7.37)	0.32
Provision for significant litigation	—	0.12
Gain on disposal of operations	(0.18)	(0.65)
Tax effect on certain items listed above ⁽ⁱ⁾	1.54	(0.24)
Tax effect of the CARES Act	—	0.02
Adjusted Diluted Earnings Per Share	\$ 1.73	\$ 1.31

	Nine Months Ended September 30,	
	2021	2020
Net Income attributable to Willis Towers Watson	\$ 1,820	\$ 520
Adjusted for certain items:		
Income from discontinued operations, net of tax	(247)	(253)
Abandonment of long-lived asset	—	35
Amortization	285	347
Transaction and integration, net	(877)	65
Provision for significant litigation	—	15
Gain on disposal of operations	(380)	(83)
Tax effect on certain items listed above ⁽ⁱ⁾	144	(96)
Tax effect of statutory rate change	40	—
Tax effect of the CARES Act	—	38
Adjusted Net Income	\$ 785	\$ 588
Weighted-average shares of common stock, diluted	130	130
Diluted Earnings Per Share	\$ 14.00	\$ 3.99
Adjusted for certain items: ⁽ⁱⁱ⁾		
Income from discontinued operations, net of tax	(1.90)	(1.95)
Abandonment of long-lived asset	—	0.27
Amortization	2.19	2.66
Transaction and integration, net	(6.75)	0.50
Provision for significant litigation	—	0.12
Gain on disposal of operations	(2.92)	(0.64)
Tax effect on certain items listed above ⁽ⁱ⁾	1.11	(0.74)
Tax effect of statutory rate change	0.31	—
Tax effect of the CARES Act	—	0.29
Adjusted Diluted Earnings Per Share	\$ 6.04	\$ 4.52

⁽ⁱ⁾ The tax effect was calculated using an effective tax rate for each item.

⁽ⁱⁱ⁾ Per share values and totals may differ due to rounding.

Appendix 4: Adjusted income before taxes and adjusted income tax rate

As reported, USD millions, except % and EPS

	Three Months Ended September 30,	
	2021	2020
Income from operations before income taxes	\$ 1,186	\$ 161
Adjusted for certain items:		
Amortization	85	108
Transaction and integration, net	(952)	42
Provision for significant litigation	—	15
Gain on disposal of operations	(23)	(85)
Adjusted income before taxes	<u>\$ 296</u>	<u>\$ 241</u>
Provision for income taxes	\$ 267	\$ 42
Tax effect on certain items listed above ⁽¹⁾	(199)	31
Tax effect of the CARES Act	—	(3)
Adjusted income taxes	<u>\$ 68</u>	<u>\$ 70</u>
U.S. GAAP tax rate	22.5%	26.6%
Adjusted income tax rate	23.2%	29.3%

	Nine Months Ended September 30,	
	2021	2020
Income from operations before income taxes	\$ 1,968	\$ 417
Adjusted for certain items:		
Abandonment of long-lived asset	—	35
Amortization	285	347
Transaction and integration, net	(877)	65
Provision for significant litigation	—	15
Gain on disposal of operations	(380)	(83)
Adjusted income before taxes	<u>\$ 996</u>	<u>\$ 796</u>
Provision for income taxes	\$ 386	\$ 133
Tax effect on certain items listed above ⁽¹⁾	(144)	96
Tax effect of statutory rate change	(40)	—
Tax effect of the CARES Act	—	(38)
Adjusted income taxes	<u>\$ 202</u>	<u>\$ 191</u>
U.S. GAAP tax rate	19.6%	31.9%
Adjusted income tax rate	20.3%	24.0%

⁽¹⁾ The tax effect was calculated using an effective tax rate for each item.

Appendix 5: Restated Income Statement For Continuing Operations

\$USD millions	Three months ended,					Full Year 2020	Three months ended,			
	Mar 31, 2020	June 30, 2020	Sep 30, 2020	Dec 31, 2020	Mar 31, 2021		June 30, 2021	Sep 30, 2021	YTD 2021	
Revenue	\$2,122	\$1,927	\$1,897	\$2,675	\$8,621	\$2,228	\$2,091	\$1,973	\$6,292	
Salaries and benefits	1,292	1,277	1,238	1,353	5,160	1,419	1,317	1,255	3,991	
Other operating expenses	463	377	370	488	1,698	400	384	385	1,169	
Depreciation	98	66	73	70	307	71	72	69	212	
Amortization	120	119	108	114	461	103	97	85	285	
Restructuring costs	0	0	0	24	24	0	0	0	0	
Transaction and integration expenses	9	14	42	45	110	24	51	(952)	(877)	
Total cost of providing services	1,982	1,853	1,831	2,094	7,760	2,017	1,921	842	4,780	
Income from operations	140	74	66	581	861	211	170	1,131	1,512	
Interest expense	(61)	(62)	(61)	(60)	(244)	(59)	(52)	(50)	(161)	
Other non-operating income, net	89	76	156	75	396	438	74	105	617	
INCOME FROM OPERATIONS BEFORE INCOME TAXES	168	88	161	596	1,013	590	192	1,186	1,968	
Provision for income taxes	(38)	(53)	(42)	(116)	(249)	(44)	(75)	(267)	(386)	
INCOME FROM CONTINUING OPERATIONS	130	35	119	480	764	546	117	919	1,582	
Income/(loss) from discontinued operations before income taxes	223	89	7	6	325	242	90	(15)	317	
(Provision for)/benefit from income taxes on discontinued operations	(40)	(22)	(4)	(3)	(69)	(52)	(21)	3	(70)	
INCOME FROM DISCONTINUED OPERATIONS, NET OF TAX	183	67	3	3	256	190	69	(12)	247	
NET INCOME	313	102	122	483	1,020	736	186	907	1,829	
Income attributable to non-controlling interests	(8)	(8)	(1)	(7)	(24)	(3)	(2)	(4)	(9)	
NET INCOME (attributable to common stockholders)	305	94	121	476	996	733	184	903	1,820	

Amounts may include rounded values

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