

Willis Towers Watson

Earnings Release Supplemental Materials 2020 Third Quarter Financial Results

October 29, 2020

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, our pending business combination with Aon plc, future capital expenditures, ongoing working capital efforts, future share repurchases, growth in 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: the ability of the company to successfully establish, execute and achieve its 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; changes in general economic, business and political conditions, including changes in the financial markets; the risk that the COVID-19 pandemic substantially and negatively impacts the demand for our products and services and cash flows, and/or continues to materially impact 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 our pending business combination with Aon plc announced in March 2020, including, among others, our ability to consummate the transaction, including on the terms of the business combination agreement, on the anticipated timeline, and/or with the required regulatory approvals; significant competition that the company faces 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 the Stanford litigation settlement approval will be overturned on appeal, the risk that the Stanford bar order may be challenged in other jurisdictions, and the risk that the charge related to the Stanford settlement may not be deductible; the risk of substantial negative outcomes on existing litigation or investigation matters; changes in the regulatory environment in which the company operates, including, among other risks, the impact of pending competition law and regulatory investigations; various claims, government inquiries or investigations or the potential for regulatory action; the company’s ability to make divestitures or acquisitions and its ability to integrate or manage such acquired businesses (including the recently-completed acquisition in Latin America); 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; the ability to comply with complex and evolving regulations related to data privacy and cyber security; the ability to successfully manage ongoing organizational changes, including investments in improving systems and processes; disasters or business continuity problems; the impact of Brexit; risks relating to the U.S. 2020 election, including a potential increase in the corporate tax rate; 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 LIBOR; the ability of the company 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; 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 United States healthcare system, including those related to Medicare; the inability to protect the company’s intellectual property rights, or the potential infringement upon the intellectual property rights of others; fluctuations in the company’s pension assets and liabilities; the company’s 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; the ability of the company to obtain financing on favorable terms or at all; adverse changes in the credit ratings of the company; the impact of recent changes to U.S. 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; U.S. federal income tax consequences to U.S. persons owning at least 10% of the company’s shares; changes in accounting principles, estimates or assumptions; fluctuation in revenue against the company’s relatively fixed or higher than expected expenses; the laws of Ireland being different from the laws of the United States and potentially affording less protections to the holders of our securities; and the company’s holding company structure potentially preventing it from being able to receive dividends or other distributions in needed amounts from our subsidiaries. These factors also include those described under “Risk Factors” in the company’s most recent 10-K and 10-Q filings and subsequent filings filed with the SEC, including definitive additional materials, the merger proxy statement and other filings generally applicable to significant transactions and related integrations that are or will be filed 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. In light of 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. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this document may not occur, and we caution you against 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 2020 GAAP Financial Results

Key Figures

\$USD million, except EPS and %	Three months ended September 30,		Nine months ended September 30,	
	2019	2020	2019	2020
Revenue <i>as reported % change</i>	\$1,989	\$2,009 +1%	\$6,349	\$6,588 +4%
Income from Operations <i>as reported % change</i>	\$107	\$73 -32%	\$642	\$596 -7%
Operating Margin % <i>as reported change, basis points</i>	5.4%	3.6% -180 bps	10.1%	9.0% -110 bps
Net Income attributable to Willis Towers Watson <i>as reported % change</i>	\$75	\$121 +61%	\$500	\$520 +4%
Diluted EPS <i>as reported % change</i>	\$0.58	\$0.93 +60%	\$3.84	\$3.99 +4%
Net Cash From Operating Activities <i>as reported % change</i>			\$620	\$1,206 +95%

Q3 2020 Key Figures, Includes Non-GAAP Financial Results

Willis Towers Watson reports third quarter 2020 earnings

Total Revenue

\$2.1B

Q3 2020 Revenue

Resilient Recurring Revenue Base

Total revenue increased 1%, while organic revenue decreased 1% for the quarter.

We remain committed to our clients and to helping them manage their rapidly-evolving needs as they continue to navigate business disruptions from COVID-19.

Constant Currency %

Flat

Q3 2020

+9%

Q3 2019

Organic %

-1%

Q3 2020

+6%

Q3 2019

Adj. Diluted EPS¹

\$1.33

Q3 2020 Adj. Diluted EPS

Modest Earnings Growth

Delivered solid earnings despite a challenging global operating environment.

+2%

Q3 2020

\$1.31

Q3 2019

Adj. Operating Margin¹

11.8%

Q3 2020
Adj. Operating Margin

Improved Margin Profile

Maintained disciplined expense management during a time of economic challenge and uncertainty by quickly reducing discretionary spending in order to preserve our margin profile in a sustainable manner

+20bps

Q3 2020

11.6%

Q3 2019

Free Cash Flow¹

\$1.0B

Free Cash Flow
nine months ended
September 30, 2020

Strong Cash Management Discipline

Free cash flow is up \$578m, or 130%, compared to the first nine months of 2019 driven by significant working capital improvement.

Keen focus on liquidity management and cash generation to preserve WTW's financial strength and flexibility.

+130%

YTD '20 vs.
YTD '19

\$445M

YTD 2019

¹ Signifies Non-GAAP financial measures. See appendix for Non-GAAP reconciliations.

Resilient Business Portfolio At A Time Of Economic Uncertainty

Our breadth of services and commitment to our clients were key to our business resilience

Organic Revenue Growth %

	Q3 2019	Q3 2020
Human Capital & Benefits	6%	-2%
Corporate Risk & Broking	7%	-1%
Investment, Risk & Reinsurance	3%	3%
Benefits Delivery & Administration ¹	2%	6%
Willis Towers Watson	6%	-1%

HCB saw modest contraction mainly due to the impact of COVID-19 on the Talent and Reward business. Health and Benefits had moderate revenue growth from increased consulting and brokerage services. Retirement and Technology & Administration Solutions also saw modest contraction

CRB had modest revenue contraction due to timing of projects and non-recurring benefit from the sale of business in North America in prior year results. Revenue was also impacted by the change in remuneration model in Great Britain, which required reporting of revenue and expense on a net basis

IRR had organic revenue growth in most business lines and was led by Reinsurance with new business wins and solid renewals. Insurance Consulting & Technology revenue grew from technology sales. Investment and Max Matthiessen had revenue growth a result of positive volatility in financial markets. We completed the sale of Max Matthiessen during the third quarter

BDA delivered solid organic revenue growth led by robust growth momentum in the TRANZACT business. The rest of BDA also saw organic growth driven by expanded client base and new projects

¹ Benefits Delivery & Administration organic growth as presented includes TRANZACT as of August 1, 2020

Summary of Segment Financial Results

Q3 2020 segment results compared to Q3 2019

As reported, \$USD million, except %					
	Q3 2019		Q3 2020		
	Revenue	Operating Margin % ¹	Revenue	Operating Margin % ¹	Margin Year-over-year
Human Capital & Benefits	807	27%	796	26%	-30 bps
Corporate Risk & Broking	651	12%	649	13%	+10 bps
Investment, Risk & Reinsurance	325	9%	331	9%	-70 bps
Benefits Delivery & Administration²	179	-12%	226	-5%	+660 bps

¹ The Operating Margin percentage is rounded.

² Revenue includes TRANZACT revenue for Q3 2020 after July 30, 2019 closing.

Maintaining A Flexible Balance Sheet Position

Reinforcing our business fundamentals; safeguarding WTW's financial strength

<i>\$USD million</i>	Sept 30, 2019	Dec 31, 2019	Sept 30, 2020
Cash and Cash Equivalents	867	887	1,647
Total Debt¹	5,865	5,617	5,614
Total Equity	10,001	10,369	10,620
Debt to Adj. EBITDA² <i>Trailing 12-month</i>	2.7x	2.4x	2.3x

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 for business strength and growth in the long-term

A solid history of effectively managing our leverage with a commitment to **maintaining investment grade credit rating**

Taking a **disciplined approach to managing outstanding debt** with the near-term focus on liquidity management and the goal to returning our leverage profile to historical level (pre-TRANZACT)

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 allocation

A capital light business model and capital structure allow us to shift capital between growth and value creation 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 that yields the best results for our clients, colleagues, and shareholders

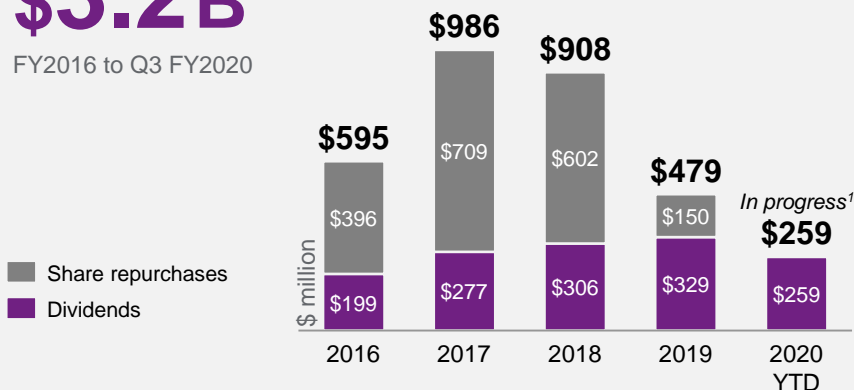
Goals to prioritize use of cash

1. Reinvest in our capabilities, businesses, and processes
2. Invest in innovation, technology, and new business opportunities
3. Pursue opportunistic mergers, acquisitions, and divestitures
4. Strengthen balance sheet and liquidity
5. Return excess cash to shareholders through share repurchase¹
6. Sustain dividends and payout ratio

CASH RETURNED TO SHAREHOLDERS

\$3.2B

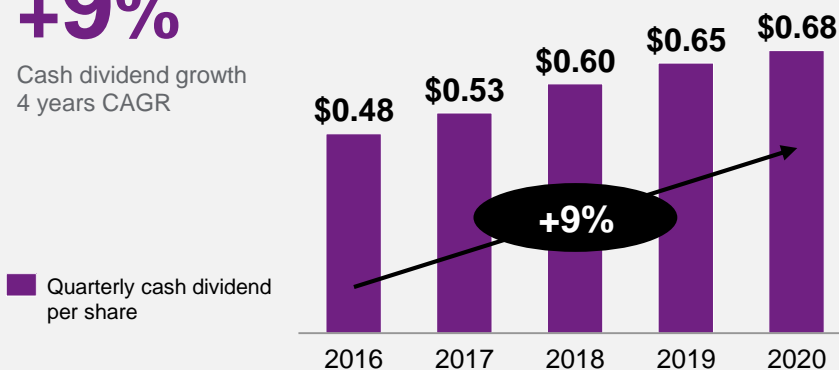
FY2016 to Q3 FY2020



MEANINGFUL DIVIDEND GROWTH

+9%

Cash dividend growth
4 years CAGR



¹ With regard to certain prohibitions under the transaction agreement in connection with the pending business combination with Aon, no share repurchase is expected during the remainder of 2020

Our primary focus during this crisis has been and continues to be

1 Client Winning Solutions

Willis Towers Watson is rising to meet our clients' evolving needs during this extraordinary time.

We are creating leading content and providing innovative solutions to help our clients address COVID-19 related issues such as health and wellbeing program access, remote workforce management, complex claims and heightened risk exposures, and navigating the capital and liquidity uncertainty.

2 Colleague Health & Wellbeing

The health and wellbeing of our colleagues, their families, and the communities we serve around the world continue to be our utmost priority and continue to be an important part of every decision we make.

Despite the challenges, our colleagues around the world continue to acclimate to the new remote working environment, while simultaneously delivering the high quality services and solutions for our clients.

3 Safeguard Our Business

We have a dedicated team with broad scope to reinforce our business fundamentals and safeguard the financial strength of Willis Towers Watson.

The pandemic had a manageable impact on Willis Towers Watson's demand and cash flow so far, but economic future developments remain difficult to predict. We continue to take a proactive approach to manage expenses, reinforce cash and liquidity, and monitor and plan for different scenarios to safeguard the future of Willis Towers Watson.



Client Winning Solutions



Colleague Health & Wellbeing



Safeguard Our Business

Economic Outlook Remains Challenging & Unpredictable

Proactively reinforcing financial management discipline

Cash Discipline Across Opex, Capex, and Working Capital

Willis Towers Watson's effort to tightly manage discretionary spending and working capital is helping to limit COVID-19's financial impact so far. To that effect, we will continue to be disciplined and thoughtful about managing cost and capital to safeguard the future for Willis Towers Watson and our stakeholders



Comprehensive Contingency Planning

The pandemic has slowed growth in the short-term, especially for services that are considered discretionary for our clients, but we believe our business model remains resilient. Nevertheless, we are actively evaluating and planning. We are prepared to take swift actions, as necessary, to help mitigate adverse consequences and preserve cash and our margins in the event that we might sustain a prolonged negative impact to our operations



Protecting Balance Sheet And Strengthening Liquidity

The global nature of the pandemic had a profound impact on our clients and broadly reduced liquidity around the world. While the impact on Willis Towers Watson has been manageable, we are actively shifting our short-term financial management strategies to focus on protecting our balance sheet, maximizing financial flexibility, and securing access to capital



Appendix: Reconciliation of Non-GAAP Measures



Appendix 1: Constant currency and organic revenue change

As reported, USD millions, except %

	Three Months Ended September 30,		As Reported % Change	Components of Revenue Change ⁽ⁱ⁾			
	2020	2019		Currency Impact	Constant Currency Change	Acquisitions/ Divestitures	Organic Change
Human Capital & Benefits	\$ 796	\$ 807	(1)%	1%	(2)%	0%	(2)%
Corporate Risk & Broking	649	651	0%	0%	(1)%	0%	(1)%
Investment, Risk & Reinsurance	331	325	2%	2%	0%	(3)%	3%
Benefits Delivery & Administration	226	179	26%	0%	26%	19%	6%
Segment Revenue	2,002	1,962	2%	1%	1%	1%	0%
Reimbursable expenses and other	7	27					
Revenue	\$ 2,009	\$ 1,989	1%	1%	0%	1%	(1)%

	Nine Months Ended September 30,		As Reported % Change	Components of Revenue Change ⁽ⁱ⁾			
	2020	2019		Currency Impact	Constant Currency Change	Acquisitions/ Divestitures	Organic Change
Human Capital & Benefits	\$ 2,413	\$ 2,433	(1)%	(1)%	0%	0%	0%
Corporate Risk & Broking	2,089	2,069	1%	(1)%	2%	0%	2%
Investment, Risk & Reinsurance	1,359	1,323	3%	(1)%	3%	(1)%	4%
Benefits Delivery & Administration	666	440	51%	0%	51%	49%	2%
Segment Revenue	6,527	6,265	4%	(1)%	5%	3%	2%
Reimbursable expenses and other	61	84					
Revenue	\$ 6,588	\$ 6,349	4%	(1)%	5%	3%	1%

⁽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, 2020		2019	
Income from operations	\$	73	3.6%	\$ 107 5.4%
Adjusted for certain items:				
Amortization		108		118
Transaction and integration expenses		42		6
Provision for significant litigation ⁽ⁱ⁾		15		—
Adjusted operating income	<u>\$</u>	<u>238</u>	<u>11.8%</u>	<u>\$ 231 11.6%</u>

	Three Months Ended September 30, 2020		2019	
Net Income	\$	122	6.1%	\$ 80 4.0%
Provision for income taxes		46		20
Interest expense		61		62
Depreciation		73		58
Amortization		108		118
Transaction and integration expenses		42		6
Provision for significant litigation ⁽ⁱ⁾		15		—
Gain on disposal of operations		(85)		—
Adjusted EBITDA and Adjusted EBITDA Margin	<u>\$</u>	<u>382</u>	<u>19.0%</u>	<u>\$ 344 17.3%</u>

	Nine Months Ended September 30, 2020		2019	
Cash flows from operating activities	\$	1,206	\$	620
Less: Additions to fixed assets and software for internal use		(183)		(175)
Free Cash Flow	<u>\$</u>	<u>1,023</u>	<u>\$</u>	<u>445</u>

	Nine Months Ended September 30, 2020		2019	
Income from operations	\$	596	9.0%	\$ 642 10.1%
Adjusted for certain items:				
Abandonment of long-lived asset		35		—
Amortization		348		368
Transaction and integration expenses		65		12
Provision for significant litigation ⁽ⁱ⁾		15		—
Adjusted operating income	<u>\$</u>	<u>1,059</u>	<u>16.1%</u>	<u>\$ 1,022 16.1%</u>

	Nine Months Ended September 30, 2020		2019	
Net Income	\$	537	8.2%	\$ 552 8.2%
Provision for income taxes		199		125
Interest expense		184		172
Depreciation ⁽ⁱⁱ⁾		238		171
Amortization		348		368
Transaction and integration expenses		65		12
Provision for significant litigation ⁽ⁱ⁾		15		—
Gain on disposal of operations		(83)		—
Adjusted EBITDA and Adjusted EBITDA Margin	<u>\$</u>	<u>1,503</u>	<u>22.8%</u>	<u>\$ 1,370 21.6%</u>

⁽ⁱ⁾ See ‘Willis Towers Watson Merger-Related Securities Litigation’ within Part 1, Note 13 in the Company’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2020.

⁽ⁱⁱ⁾ 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,	
	2020	2019
Net Income attributable to Willis Towers Watson	\$ 121	\$ 75
Adjusted for certain items:		
Amortization	108	118
Transaction and integration expenses	42	6
Provision for significant litigation ⁽ⁱ⁾	15	—
Gain on disposal of operations	(85)	—
Tax effect on certain items listed above ⁽ⁱⁱ⁾	(31)	(29)
Tax effect of the CARES Act	3	—
Adjusted Net Income	\$ 173	\$ 170
Weighted-average shares of common stock, diluted	130	130
Diluted Earnings Per Share	\$ 0.93	\$ 0.58
Adjusted for certain items: ⁽ⁱⁱⁱ⁾		
Amortization	0.83	0.91
Transaction and integration expenses	0.32	0.05
Provision for significant litigation ⁽ⁱ⁾	0.12	—
Gain on disposal of operations	(0.65)	—
Tax effect on certain items listed above ⁽ⁱⁱ⁾	(0.24)	(0.23)
Tax effect of the CARES Act	0.02	—
Adjusted Diluted Earnings Per Share	\$ 1.33	\$ 1.31

	Nine Months Ended September 30,	
	2020	2019
Net Income attributable to Willis Towers Watson	\$ 520	\$ 500
Adjusted for certain items:		
Abandonment of long-lived asset	35	—
Amortization	348	368
Transaction and integration expenses	65	12
Provision for significant litigation ⁽ⁱ⁾	15	—
Gain on disposal of operations	(83)	—
Tax effect on certain items listed above ⁽ⁱⁱ⁾	(96)	(90)
Tax effect of the CARES Act	38	—
Adjusted Net Income	\$ 842	\$ 790
Weighted-average shares of common stock, diluted	130	130
Diluted Earnings Per Share	\$ 3.99	\$ 3.84
Adjusted for certain items: ⁽ⁱⁱⁱ⁾		
Abandonment of long-lived asset	0.27	—
Amortization	2.67	2.82
Transaction and integration expenses	0.50	0.09
Provision for significant litigation ⁽ⁱ⁾	0.12	—
Gain on disposal of operations	(0.64)	—
Tax effect on certain items listed above ⁽ⁱⁱ⁾	(0.74)	(0.69)
Tax effect of the CARES Act	0.29	—
Adjusted Diluted Earnings Per Share	\$ 6.47	\$ 6.06

⁽ⁱ⁾ See 'Willis Towers Watson Merger-Related Securities Litigation' within Part 1, Note 13 in the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020.

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

⁽ⁱⁱⁱ⁾ 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,	
	2020	2019
Income from operations before income taxes	\$ 168	\$ 100
Adjusted for certain items:		
Amortization	108	118
Transaction and integration expenses	42	6
Provision for significant litigation ⁽ⁱ⁾	15	—
Gain on disposal of operations	(85)	—
Adjusted income before taxes	<u>\$ 248</u>	<u>\$ 224</u>
Provision for income taxes	\$ 46	\$ 20
Tax effect on certain items listed above ⁽ⁱⁱ⁾	31	29
Tax effect of the CARES Act	(3)	—
Adjusted income taxes	<u>\$ 74</u>	<u>\$ 49</u>
U.S. GAAP tax rate	27.6%	20.4%
Adjusted income tax rate	30.0%	22.2%

	Nine Months Ended September 30,	
	2020	2019
Income from operations before income taxes	\$ 736	\$ 647
Adjusted for certain items:		
Abandonment of long-lived asset	35	—
Amortization	348	368
Transaction and integration expenses	65	12
Provision for significant litigation ⁽ⁱ⁾	15	—
Gain on disposal of operations	(83)	—
Adjusted income before taxes	<u>\$ 1,116</u>	<u>\$ 1,027</u>
Provision for income taxes	\$ 199	\$ 125
Tax effect on certain items listed above ⁽ⁱⁱ⁾	96	90
Tax effect of the CARES Act	(38)	—
Adjusted income taxes	<u>\$ 257</u>	<u>\$ 215</u>
U.S. GAAP tax rate	27.1%	19.3%
Adjusted income tax rate	23.1%	21.0%

⁽ⁱ⁾ See 'Willis Towers Watson Merger-Related Securities Litigation' within Part 1, Note 13 in the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020.

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

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 more than 45,000 employees and services clients in more than 140 countries. 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.

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