UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2023
OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________ to ___________

Commission File Number: 001-16503

WILLIS TOWERS WATSON PUBLIC LIMITED COMPANY

(Exact name of registrant as specified in its charter)

Ireland *(Jurisdiction of incorporation or organization)*	**98-0352587** *(I.R.S. Employer Identification No.)*
c/o Willis Group Limited **51 Lime Street, London EC3M 7DQ, England** *(Address of principal executive offices)*	**(011) 44-20-3124-6000** *(Registrant's telephone number, including area code)*

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Ordinary Shares, nominal value $0.000304635 per share	**WTW**	**NASDAQ Global Select Market**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of 'large accelerated filer', 'accelerated filer', 'smaller reporting company', and 'emerging growth company' in Rule 12b-2 of the Exchange Act.

Large accelerated filer	Accelerated filer	Non-accelerated filer	Smaller reporting company	☐
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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No

As of October 23, 2023, there were outstanding 103,260,407 ordinary shares, nominal value $0.000304635 per share, of the registrant.

WILLIS TOWERS WATSON PUBLIC LIMITED COMPANY

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For the Three and Nine Months Ended September 30, 2023

Certain Definitions

The following definitions apply throughout this quarterly report unless the context requires otherwise:

‘We’, ‘Us’, ‘Company’, ‘Willis Towers Watson’, ‘Our’, ‘Willis Towers Watson plc’ or ‘WTW’	Willis Towers Watson Public Limited Company, a company organized under the laws of Ireland, and its subsidiaries
‘shares’	The ordinary shares of Willis Towers Watson Public Limited Company, nominal value $0.000304635 per share
‘TRANZACT’	CD&R TZ Holdings, Inc. and its subsidiaries, doing business as TRANZACT
‘U.S.’	United States
‘U.K.’	United Kingdom
‘Brexit’	The United Kingdom’s exit from the European Union, which occurred on January 31, 2020.
‘E.U.’	European Union or European Union 27 (the number of member countries following the United Kingdom’s exit)
‘U.S. GAAP’	United States Generally Accepted Accounting Principles
‘FASB’	Financial Accounting Standards Board
‘ASC’	Accounting Standards Codification
‘ASU’	Accounting Standards Update
‘SEC’	United States Securities and Exchange Commission
‘EBITDA’	Earnings before Interest, Taxes, Depreciation and Amortization

Disclaimer Regarding Forward-looking Statements

We have included in this document 'forward-looking statements' within the meaning of Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934, which are intended to be covered by the safe harbors created by those laws. These forward-looking statements include information about possible or assumed future results of our operations. All statements, other than statements of historical facts, that address activities, events or developments that we expect or anticipate may occur in the future, including such things as: our outlook; the potential impact of natural or man-made disasters like health pandemics and other world health crises; future capital expenditures; ongoing working capital efforts; future share repurchases; financial results (including our revenue, costs or margins) and the impact of changes to tax laws on our financial results; existing and evolving business strategies and acquisitions and dispositions, including our completed sale of Willis Re to Arthur J. Gallagher & Co. ('Gallagher') and transitional arrangements related thereto; demand for our services and competitive strengths; strategic goals; the benefits of new initiatives; growth of our business and operations; our ability to successfully manage ongoing leadership, organizational and technology changes, including investments in improving systems and processes; our ability to implement and realize anticipated benefits of any cost-savings initiatives including the multi-year operational Transformation program; and plans and references to future successes, including our future financial and operating results, short-term and long-term financial goals, plans, objectives, expectations and intentions, including with respect to free cash flow generation, adjusted net revenue, adjusted operating margin and adjusted earnings per share, are forward-looking statements. Also, when we use words such as 'may', 'will', 'would', 'anticipate', 'believe', 'estimate', 'expect', 'intend', 'plan', 'continues', 'seek', 'target', 'goal', 'focus', 'probably', or similar expressions, we are making forward-looking statements. Such statements are based upon the current beliefs and expectations of the Company'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 in this document, including the following:

- our ability to successfully establish, execute and achieve our global business strategy as it evolves;
- our ability to fully realize anticipated benefits of our growth strategy;
- our ability to achieve our short-term and long-term financial goals, such as with respect to our cash flow generation, and the timing with respect to such achievement;
- the risks related to changes in general economic (including a possible recession), business and political conditions, including changes in the financial markets, inflation, credit availability, increased interest rates and trade policies;
- the risks to our short-term and long-term financial goals from any of the risks or uncertainties set forth herein;
- the risks to our business, financial condition, results of operations, and long-term goals that may be materially adversely affected by any negative impact on the global economy and capital markets resulting from or relating to inflation, the military conflict between Russia and Ukraine, evolving events in Israel and Gaza or any other geopolitical tensions and the withdrawal from our high-margin businesses in Russia and our ability to achieve cost-mitigation measures;
- our ability to successfully hedge against fluctuations in foreign currency rates;
- the risks relating to the adverse impacts of natural or man-made disasters like health pandemics and other world health crises, such as the COVID-19 pandemic, including supply chain, workforce availability, vaccination rates, and other impacts on the people and businesses in jurisdictions where we do business, on the demand for our products and services, our cash flows and our business operations;
- material interruptions to or loss of our information processing capabilities, or failure to effectively maintain and upgrade our information technology resources and systems and related risks of cybersecurity breaches or incidents;
- our ability to comply with complex and evolving regulations related to data privacy, cybersecurity and artificial intelligence;
- the risks relating to the transitional arrangements in effect subsequent to our now-completed sale of Willis Re to Gallagher;
- 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 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, including our ability to integrate or manage such acquired businesses as well as identify and successfully execute on opportunities for strategic collaboration;
- our ability to integrate direct-to-consumer sales and marketing solutions with our existing offerings and solutions;
- our ability to successfully manage ongoing organizational changes, including investments in improving systems and processes;
- disasters or business continuity problems;
- the ongoing impact of Brexit on our business and operations, including as a result of updated regulatory guidance, such as that issued by the European Insurance and Occupational Pensions Authority on February 3, 2023, ongoing efforts and resources allocated to the post-Brexit evolution of regulations and laws and the need to relocate talent or roles or both between or within the E.U. and the U.K., or otherwise;
- our ability to successfully enhance our billing, collection and other working capital efforts, and thereby increase our free cash flow;
- our ability to properly identify and manage conflicts of interest;
- reputational damage, including from association with third parties;
- reliance on third-party service providers and suppliers;
- risks relating to changes in our management structures and in senior leadership;
- the loss of key employees or a large number of employees and rehiring rates;
- our ability to maintain our corporate culture;
- doing business internationally, including the impact of foreign currency exchange rates;
- compliance with extensive government regulation;
- the risk of sanctions imposed by governments, or changes to associated sanction regulations (such as sanctions imposed on Russia) and related counter-sanctions;
- 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 legislative actions from the current U.S. Congress, and any other changes and developments in legal, economic, business or operational conditions impacting our Medicare benefits businesses such as TRANZACT;
- the inability to protect our intellectual property rights, or the potential infringement upon the intellectual property rights of others;
- fluctuations in our pension assets and liabilities and related changes in pension income, including as a result of, related to, or derived from movements in the interest rate environment, investment returns, inflation, or changes in other assumptions that are used to estimate our benefit obligations and its effect on adjusted earnings per share;
- 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 laws, and the enactment of additional, or the revision of existing, state, federal, and/or foreign laws and regulations, recent judicial decisions and development of case law, other regulations and any policy changes and legislative actions, including those that impact our effective tax rate;
- U.S. federal income tax consequences to U.S. persons owning at least 10% of our shares;

- changes in accounting principles, estimates or assumptions;
- risks relating to or arising from environmental, social and governance (‘ESG’) practices;
- 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.wtwco.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 Quarterly Report on Form 10-Q, 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.

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS (UNAUDITED)

WILLIS TOWERS WATSON PUBLIC LIMITED COMPANY
Condensed Consolidated Statements of Comprehensive Income
(In millions of U.S. dollars, except per share data)
(Unaudited)

	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Revenue	$ 2,166	$ 1,953	$ 6,569	$ 6,144
Costs of providing services				
Salaries and benefits	1,359	1,225	4,019	3,802
Other operating expenses	396	384	1,282	1,263
Depreciation	60	60	184	191
Amortization	62	71	203	239
Restructuring costs	17	9	30	71
Transaction and transformation	113	50	265	108
Total costs of providing services	2,007	1,799	5,983	5,674
Income from operations	159	154	586	470
Interest expense	(61)	(54)	(172)	(154)
Other income, net	66	85	126	205
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	164	185	540	521
Provision for income taxes	(25)	(1)	(99)	(63)
INCOME FROM CONTINUING OPERATIONS	139	184	441	458
INCOME/(LOSS) FROM DISCONTINUED OPERATIONS, NET OF TAX	—	8	—	(27)
NET INCOME	139	192	441	431
Income attributable to non-controlling interests	(3)	(2)	(8)	(10)
NET INCOME ATTRIBUTABLE TO WTW	$ 136	$ 190	$ 433	$ 421
EARNINGS PER SHARE				
Basic earnings per share:				
Income from continuing operations per share	$ 1.30	$ 1.65	$ 4.08	$ 3.95
Income/(loss) from discontinued operations per share	—	0.07	—	(0.24)
Basic earnings per share	$ 1.30	$ 1.72	$ 4.08	$ 3.71
Diluted earnings per share:				
Income from continuing operations per share	$ 1.29	$ 1.65	$ 4.06	$ 3.95
Income/(loss) from discontinued operations per share	—	0.07	—	(0.24)
Diluted earnings per share	$ 1.29	$ 1.72	$ 4.06	$ 3.71
Comprehensive income/(loss) before non-controlling interests	$ 61	$ (42)	$ 444	$ (103)
Comprehensive income attributable to non-controlling interests	(5)	(2)	(10)	(10)
Comprehensive income/(loss) attributable to WTW	$ 56	$ (44)	$ 434	$ (113)

See accompanying notes to the condensed consolidated financial statements

WILLIS TOWERS WATSON PUBLIC LIMITED COMPANY
Condensed Consolidated Balance Sheets
(In millions of U.S. dollars, except share data)
(Unaudited)

	September 30, 2023	December 31, 2022
ASSETS		
Cash and cash equivalents	$ 1,247	$ 1,262
Fiduciary assets	8,039	11,772
Accounts receivable, net	2,079	2,387
Prepaid and other current assets	469	414
Total current assets	11,834	15,835
Fixed assets, net	710	718
Goodwill	10,143	10,173
Other intangible assets, net	2,064	2,273
Right-of-use assets	533	586
Pension benefits assets	908	827
Other non-current assets	1,431	1,357
Total non-current assets	15,789	15,934
TOTAL ASSETS	$ 27,623	$ 31,769
LIABILITIES AND EQUITY		
Fiduciary liabilities	$ 8,039	$ 11,772
Deferred revenue and accrued expenses	1,868	1,915
Current debt	649	250
Current lease liabilities	119	126
Other current liabilities	630	716
Total current liabilities	11,305	14,779
Long-term debt	4,565	4,471
Liability for pension benefits	433	480
Deferred tax liabilities	706	748
Provision for liabilities	360	357
Long-term lease liabilities	569	620
Other non-current liabilities	200	221
Total non-current liabilities	6,833	6,897
TOTAL LIABILITIES	18,138	21,676
COMMITMENTS AND CONTINGENCIES		
EQUITY (i)		
Additional paid-in capital	10,903	10,876
Retained earnings	1,127	1,764
Accumulated other comprehensive loss, net of tax	(2,620)	(2,621)
Treasury shares, at cost, 17,519 shares in 2022	—	(3)
Total WTW shareholders' equity	9,410	10,016
Non-controlling interests	75	77
Total equity	9,485	10,093
TOTAL LIABILITIES AND EQUITY	$ 27,623	$ 31,769

(i) Equity includes (a) Ordinary shares $0.000304635 nominal value; Authorized 1,510,003,775; Issued 103,321,046 (2023) and 106,756,364 (2022); Outstanding 103,321,046 (2023) and 106,756,364 (2022) and (b) Preference shares, $0.000115 nominal value; Authorized 1,000,000,000 and Issued none in 2023 and 2022.

See accompanying notes to the condensed consolidated financial statements

WILLIS TOWERS WATSON PUBLIC LIMITED COMPANY
Condensed Consolidated Statements of Cash Flows
(In millions of U.S. dollars)
(Unaudited)

	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
NET INCOME	$ 441	$ 431
Adjustments to reconcile net income to total net cash from operating activities:		
Depreciation	184	191
Amortization	203	239
Impairment	—	81
Non-cash restructuring charges	19	56
Non-cash lease expense	83	94
Net periodic benefit of defined benefit pension plans	(20)	(113)
Provision for doubtful receivables from clients	8	13
Benefit from deferred income taxes	(58)	(92)
Share-based compensation	87	71
Net (gain)/loss on disposal of operations	(44)	76
Non-cash foreign exchange loss/(gain)	1	(178)
Other, net	21	(1)
Changes in operating assets and liabilities, net of effects from purchase of subsidiaries:		
Accounts receivable	261	270
Other assets	(175)	(198)
Other liabilities	(191)	(510)
Provisions	3	7
Net cash from operating activities	823	437
CASH FLOWS USED IN INVESTING ACTIVITIES		
Additions to fixed assets and software for internal use	(116)	(100)
Capitalized software costs	(66)	(50)
Acquisitions of operations, net of cash acquired	(6)	(80)
Proceeds from sale of operations	86	1
Cash and fiduciary funds transferred in sale of operations	(922)	(29)
(Purchase)/sale of investments	(6)	200
Net cash used in investing activities	(1,030)	(58)
CASH FLOWS USED IN FINANCING ACTIVITIES		
Senior notes issued	748	750
Debt issuance costs	(7)	(5)
Repayments of debt	(253)	(585)
Repurchase of shares	(804)	(3,090)
Proceeds from issuance of shares	—	7
Net (payments)/proceeds from fiduciary funds held for clients	(71)	157
Payments of deferred and contingent consideration related to acquisitions	(8)	(22)
Cash paid for employee taxes on withholding shares	(21)	(32)
Dividends paid	(265)	(280)
Acquisitions of and dividends paid to non-controlling interests	(47)	(9)
Net cash used in financing activities	(728)	(3,109)
DECREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH (i)	(935)	(2,730)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(54)	(290)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF PERIOD (i)	4,721	7,691
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF PERIOD (i)	$ 3,732	$ 4,671

(i) The amounts of cash, cash equivalents and restricted cash, their respective classification on the condensed consolidated balance sheets as well as their respective portions of the increase or decrease in cash, cash equivalents and restricted cash for each of the periods presented have been included in Note 19 — Supplemental Disclosures of Cash Flow Information.

See accompanying notes to the condensed consolidated financial statements

WILLIS TOWERS WATSON PUBLIC LIMITED COMPANY
Condensed Consolidated Statements of Changes in Equity
(In millions of U.S. dollars and number of shares in thousands)
(Unaudited)

	Nine Months Ended September 30, 2023							
	Shares outstanding	Additional paid-in capital	Retained earnings	Treasury shares	AOCL (i)	Total WTW shareholders' equity	Non-controlling interests	Total equity
Balance as of December 31, 2022	106,756	$ 10,876	$ 1,764	$ (3)	$ (2,621)	$ 10,016	$ 77	$ 10,093
Shares repurchased	(432)	(3)	(104)	3	—	(104)	—	(104)
Net income	—	—	203	—	—	203	3	206
Dividends declared ($0.84 per share)	—	—	(89)	—	—	(89)	—	(89)
Other comprehensive income	—	—	—	—	53	53	—	53
Issuance of shares under employee stock compensation plans	59	—	—	—	—	—	—	—
Share-based compensation and net settlements	—	18	—	—	—	18	—	18
Foreign currency translation	—	(1)	—	—	—	(1)	—	(1)
Balance as of March 31, 2023	106,383	$ 10,890	$ 1,774	$ —	$ (2,568)	$ 10,096	$ 80	$ 10,176
Shares repurchased	(1,537)	—	(350)	—	—	(350)	—	(350)
Net income	—	—	94	—	—	94	2	96
Dividends declared ($0.84 per share)	—	—	(89)	—	—	(89)	—	(89)
Dividends attributable to non-controlling interests	—	—	—	—	—	—	(4)	(4)
Other comprehensive income	—	—	—	—	28	28	—	28
Issuance of shares under employee stock compensation plans	97	—	—	—	—	—	—	—
Share-based compensation and net settlements	—	20	—	—	—	20	—	20
Balance as of June 30, 2023	104,943	$ 10,910	$ 1,429	$ —	$ (2,540)	$ 9,799	$ 78	$ 9,877
Shares repurchased	(1,681)	—	(350)	—	—	(350)	—	(350)
Net income	—	—	136	—	—	136	3	139
Dividends declared ($0.84 per share)	—	—	(88)	—	—	(88)	—	(88)
Dividends attributable to non-controlling interests	—	—	—	—	—	—	(8)	(8)
Other comprehensive loss	—	—	—	—	(80)	(80)	2	(78)
Issuance of shares under employee stock compensation plans	59	—	—	—	—	—	—	—
Share-based compensation and net settlements	—	20	—	—	—	20	—	20
Reduction of non-controlling interests (ii)	—	(29)	—	—	—	(29)	—	(29)
Foreign currency translation	—	2	—	—	—	2	—	2
Balance as of September 30, 2023	103,321	$ 10,903	$ 1,127	$ —	$ (2,620)	$ 9,410	$ 75	$ 9,485

(i) Accumulated other comprehensive loss, net of tax ('AOCL').

(ii) Attributable to the divestiture of businesses that are less than wholly-owned or the acquisition of shares previously owned by minority interest holders. In an acquisition, additional paid-in capital is adjusted as well to the extent that the consideration transferred differs from the carrying value of non-controlling interests prior to the acquisition.

WILLIS TOWERS WATSON PUBLIC LIMITED COMPANY
Condensed Consolidated Statements of Changes in Equity
(In millions of U.S. dollars and number of shares in thousands)
(Unaudited)

	Nine Months Ended September 30, 2022							
	Shares outstanding	Additional paid-in capital	Retained earnings	Treasury shares	AOCL (i)	Total WTW shareholders' equity	Non-controlling interests	Total equity
Balance as of December 31, 2021	122,056	$ 10,804	$ 4,645	$ (3)	$ (2,186)	$ 13,260	$ 48	$ 13,308
Shares repurchased	(9,860)	—	(2,250)	—	—	(2,250)	—	(2,250)
Net income	—	—	122	—	—	122	3	125
Dividends declared ($0.82 per share)	—	—	(94)	—	—	(94)	—	(94)
Dividends attributable to non-controlling interests	—	—	—	—	—	—	(1)	(1)
Other comprehensive loss	—	—	—	—	(56)	(56)	—	(56)
Issuance of shares under employee stock compensation plans	17	1	—	—	—	1	—	1
Share-based compensation and net settlements	—	20	—	—	—	20	—	20
Additional non-controlling interests	—	—	—	—	—	—	21	21
Foreign currency translation	—	1	—	—	—	1	—	1
Balance as of March 31, 2022	112,213	$ 10,826	$ 2,423	$ (3)	$ (2,242)	$ 11,004	$ 71	$ 11,075
Shares repurchased	(2,144)	—	(471)	—	—	(471)	—	(471)
Net income	—	—	109	—	—	109	5	114
Dividends declared ($0.82 per share)	—	—	(90)	—	—	(90)	—	(90)
Dividends attributable to non-controlling interests	—	—	—	—	—	—	(2)	(2)
Other comprehensive loss	—	—	—	—	(244)	(244)	—	(244)
Issuance of shares under employee stock compensation plans	27	—	—	—	—	—	—	—
Share-based compensation and net settlements	—	22	—	—	—	22	—	22
Additional non-controlling interests	—	—	—	—	—	—	6	6
Foreign currency translation	—	7	—	—	—	7	—	7
Balance as of June 30, 2022	110,096	$ 10,855	$ 1,971	$ (3)	$ (2,486)	$ 10,337	$ 80	$ 10,417
Shares repurchased	(1,789)	—	(369)	—	—	(369)	—	(369)
Net income	—	—	190	—	—	190	2	192
Dividends declared ($0.82 per share)	—	—	(86)	—	—	(86)	—	(86)
Dividends attributable to non-controlling interests	—	—	—	—	—	—	(5)	(5)
Other comprehensive loss	—	—	—	—	(234)	(234)	—	(234)
Issuance of shares under employee stock compensation plans	355	6	—	—	—	6	—	6
Share-based compensation and net settlements	—	(14)	—	—	—	(14)	—	(14)
Reduction of non-controlling interests (ii)	—	2	—	—	—	2	(2)	—
Foreign currency translation	—	6	—	—	—	6	—	6
Balance as of September 30, 2022	108,662	$ 10,855	$ 1,706	$ (3)	$ (2,720)	$ 9,838	$ 75	$ 9,913

(i) Accumulated other comprehensive loss, net of tax ('AOCL').

(ii) Attributable to the divestiture of businesses that are less than wholly-owned or the acquisition of shares previously owned by minority interest holders. In an acquisition, additional paid-in capital is adjusted as well to the extent that the consideration transferred differs from the carrying value of non-controlling interests prior to the acquisition.

See accompanying notes to the condensed consolidated financial statements

Note 1 — Nature of Operations

Willis Towers Watson Public Limited Company is a leading global advisory, broking and solutions company that provides data-driven, insight-led solutions in the areas of people, risk and capital. The Company has more than 46,000 colleagues 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 risk management services include strategic risk consulting (including providing actuarial analysis), a variety of due diligence services, the provision of practical on-site risk control services (such as health and safety and property loss control consulting), and analytical and advisory services (such as hazard modeling). We also assist our clients with planning for addressing incidents or crises when they occur. These services include contingency planning, security audits and product tampering plans.

We help our clients enhance business performance by delivering consulting services, technology and solutions that optimize benefits and cultivate talent. Our services and solutions encompass such areas as employee benefits, work and rewards, employee experience and benefits outsourcing. In addition, we provide investment advice to help our clients develop disciplined and efficient strategies to meet their investment goals and expand the power of capital.

As an insurance broker, we act as an intermediary between our clients and insurance carriers by advising on their risk management requirements, helping them to determine the best means of managing risk and negotiating and placing insurance with insurance carriers through our global distribution network.

We operate a private Medicare marketplace in the U.S. through which, along with our active employee marketplace, we help our clients move to a more sustainable economic model by capping and controlling the costs associated with healthcare benefits. We also provide direct-to-consumer sales of Medicare coverage.

We are not an insurance company, and therefore we do not underwrite insurable risks for our own account. We help sharpen strategies, enhance organizational resilience, motivate workforces and maximize performance to uncover opportunities for sustainable success.

Note 2 — Basis of Presentation and Recent Accounting Pronouncements

Basis of Presentation

The accompanying unaudited quarterly condensed consolidated financial statements of WTW and our subsidiaries are presented in accordance with the rules and regulations of the SEC for quarterly reports on Form 10-Q and therefore certain footnote disclosures have been condensed or omitted from these financial statements as they are not required for interim reporting under U.S. GAAP. In the opinion of management, these condensed consolidated financial statements reflect all adjustments, consisting of normal recurring adjustments, which are necessary for a fair presentation of the condensed consolidated financial statements and results for the interim periods. All intercompany accounts and transactions have been eliminated in consolidation. The condensed consolidated financial statements should be read together with the Company’s Annual Report on Form 10-K, filed with the SEC on February 24, 2023, and may be accessed via EDGAR on the SEC’s web site at www.sec.gov.

The results of operations for the three and nine months ended September 30, 2023 are not necessarily indicative of the results that can be expected for the entire year. The Company experiences seasonal fluctuations of its revenue. Revenue is typically higher during the Company’s first and fourth quarters due primarily to the timing of broking-related activities. The results reflect certain estimates and assumptions made by management, including those estimates used in calculating acquisition consideration and fair value of tangible and intangible assets and acquisition-related liabilities, professional liability claims, estimated bonuses, valuation of billed and unbilled receivables, and anticipated tax liabilities that affect the amounts reported in the condensed consolidated financial statements and related notes.

Recent Accounting Pronouncements

There were no new pronouncements that are expected to have a significant impact to the Company or its condensed consolidated financial statements.

Tax Legislation

Inflation Reduction Act

The Inflation Reduction Act (the ‘IRA’) was enacted into law on August 16, 2022 and certain portions of the IRA became effective January 1, 2023. The IRA introduced, among other provisions, a share repurchase excise tax and a new Corporate Alternative Minimum Tax (‘CAMT’) which imposes a 15% tax on the adjusted financial statement income of ‘applicable corporations’. The Company does not expect the excise tax or CAMT to have a significant impact on its condensed consolidated financial statements.

Pillar Two

On December 12, 2022, E.U. member states reached an agreement to implement Pillar Two, which introduces a global corporate minimum tax of 15% for certain large multinational companies beginning in 2023. For the rules to take effect, E.U. member states are required to enact domestic legislation by the end of 2023 to be effective January 1, 2024. The Company is currently evaluating the impact Pillar Two will have on its condensed consolidated financial statements.

Note 3 — Acquisitions and Divestitures

Divestitures

Divestment of Russian Business

During the first quarter of 2022, WTW announced its intention to transfer ownership of its Russian subsidiaries to local management who will operate independently in the Russian market. Due to the sanctions and prohibitions on certain types of business and activities, WTW deconsolidated its Russian entities on March 14, 2022. The transfer of its Russian subsidiaries to local management was completed on the agreed-upon terms on July 18, 2022, and the transfer was registered in Russia on July 25, 2022. The deconsolidation in the first quarter of 2022 resulted in a loss of $57 million, which includes an allocation of Risk & Broking goodwill, and was recognized as a loss on disposal of a business within Other income, net on our condensed consolidated statements of comprehensive income. Further, certain Russian insurance contracts were placed historically by our U.K. brokers into the London market, the majority of which were under multi-year terms resulting in both current and non-current accounts receivables. Total net assets impaired, including accounts receivable balances related to our Russian business that are held outside of our Russian entities, were $81 million recorded during the three months ended March 31, 2022 in Other operating expenses on our condensed consolidated statements of comprehensive income.

Willis Re Divestiture

On August 13, 2021, the Company entered into a definitive security and asset purchase agreement (the ‘Willis Re SAPA’) to sell its treaty-reinsurance business (‘Willis Re’) to Arthur J. Gallagher & Co. (‘Gallagher’), a leading global provider of insurance, risk management and consulting services, for total upfront cash consideration of $3.25 billion plus an earnout payable in 2025 of up to $750 million in cash, subject to certain adjustments. The deal was subject to required regulatory approvals and clearances, as well as other customary closing conditions, and was completed on December 1, 2021 (‘Principal Closing’). Although the majority of the Willis Re businesses transferred to Gallagher at Principal Closing, the assets and liabilities of certain Willis Re businesses were not transferred to Gallagher at the time due to local territory restrictions (‘Deferred Closing’). The Deferred Closing for all but one business was completed during the second quarter of 2022, and all net earnings of the Deferred Closing businesses accumulated between the Principal Closing and Deferred Closing remained payable to Gallagher at June 30, 2022 and September 30, 2022. The Company recognized a preliminary pre-tax gain of $2.3 billion upon completion of the sale in 2021, and during the second quarter of 2022, WTW recognized a $60 million reduction to the pre-tax gain related to an updated estimate of the working capital transferred upon disposal. The Company recognized the final allocation of the proceeds and related tax expense, as well as an adjustment of certain indemnities for the three months ended September 30, 2022. These amounts as well as the amounts payable with respect to the settled Deferred Closing businesses were remitted to Gallagher in October 2022. The remaining Deferred Closing business transferred during the fourth quarter of 2022, and all businesses have now been transferred to Gallagher. The gain is subject to tax in certain jurisdictions, mainly in the U.S., and is predominantly tax-exempt in the U.K.

In connection with the transaction, the Company reclassified the results of its Willis Re operations as discontinued operations on its condensed consolidated statements of comprehensive income and reclassified Willis Re assets and liabilities as held for sale on its condensed consolidated balance sheets. The condensed consolidated cash flow statements were not adjusted for the divestiture. Willis Re was previously included in the Company's former Investment, Risk and Reinsurance segment. As noted above, the results of the Deferred Closing businesses following the Principal Closing until their respective Deferred Closing dates have been included in income from discontinued operations on the condensed consolidated statements of comprehensive income during 2022.

The Company will account for the earnout as a gain contingency and therefore did not record any receivables upon close. Rather, the earnout will be recognized in the Company’s condensed consolidated financial statements, if it is received, in 2025.

A number of services are continuing under a cost reimbursement Transition Services Agreement ('TSA') in which WTW is providing Gallagher support including real estate leases, information technology, payroll, human resources and accounting. During the third quarter of 2023, the term for these services was extended from November 30, 2023 to May 31, 2024 and may be further extended by Gallagher, in accordance with the terms of the TSA. Fees earned under the TSA were $11 million and $29 million during the three and nine months ended September 30, 2023, respectively, and $8 million and $31 million during the three and nine months ended September 30, 2022, respectively, and have been recognized as a reduction to the costs incurred to service the TSA and are included in continuing operations within Other operating expenses on the condensed consolidated statements of comprehensive income. Costs incurred to service the TSA are expected to be reduced as part of the Company's Transformation program (see Note 6 — Restructuring Costs for a description of the program) as quickly as possible when the services are no longer required by Gallagher.

The following selected financial information relates to the operations of Willis Re for the periods presented:

	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2022
Revenue from discontinued operations	$ 10	$ 50
Costs of providing services		
Salaries and benefits	5	13
Other operating expenses	—	1
Total costs of providing services	5	14
Other income, net	—	—
Income from discontinued operations before income taxes	5	36
Adjustment to gain on disposal of Willis Re	(2)	(65)
Benefit from income taxes	5	7
Net income payable to Gallagher on Deferred Closing	—	(5)
Income/(loss) from discontinued operations, net of tax	$ 8	$ (27)

The expense amounts reflected above represent only the direct costs attributable to the Willis Re business and exclude allocations of corporate costs that will be retained following the sale. Neither the discontinued operations presented above, nor the unallocated corporate costs, reflect the impact of any cost reimbursement that will be received under the TSA.

Certain amounts included in the condensed consolidated balance sheets did not transfer to Gallagher under the terms of the Willis Re SAPA, and instead were to be settled by the Company, noting that certain fiduciary positions continued to be held under the terms of various co-broking agreements between subsidiaries of the Company and Gallagher. At December 31, 2022, the amounts of significant assets and liabilities related to the Willis Re businesses which were not transferred in the sale were $3.2 billion of fiduciary assets and liabilities, $29 million of accounts receivable and $73 million of other current liabilities. On May 31, 2023, the Company and Gallagher entered into a side letter to the Willis Re SAPA which became effective on June 1, 2023 and which (A) ended the co-broking agreements prospectively and which (B) transferred related fiduciary and certain non-fiduciary assets and liabilities to Gallagher at that time based on then-current estimates. These non-fiduciary amounts were finalized in the third quarter of 2023. The value of the initial transfer amounted to $74 million of other current liabilities less $26 million of accounts receivables due to the Company, totaling $48 million of net cash transferred to Gallagher. Additionally, total fiduciary assets and liabilities of $4.5 billion, including $868 million of fiduciary cash, was transferred to Gallagher. The total cash outflow of $916 million is included in cash used in investing activities in the condensed consolidated statement of cash flows. During the third quarter of 2023, WTW and Gallagher agreed to a final settlement of all balances which resulted in a $5 million increase to the gain on disposal recognized during the three months and nine months ended September 30, 2023 and is included within Other income, net on our condensed consolidated statements of comprehensive income. The settlement of remaining amounts owed to Gallagher totaling $11 million was accrued in Deferred revenue and accrued expenses on the condensed consolidated balance sheet at September 30, 2023 and was transferred in October 2023.

Other Divestitures

During the nine months ended September 30, 2023, the Company completed other divestitures for total cash consideration of $86 million and net gains on disposal of $39 million, which is included within Other income, net on our condensed consolidated statements of comprehensive income.

Note 4 — Revenue

Disaggregation of Revenue

The Company reports revenue by segment in Note 5 — Segment Information. The following tables present revenue by service offering and segment, as well as reconciliations to total revenue for the three and nine months ended September 30, 2023 and 2022. Along with reimbursable expenses and other, total revenue by service offering represents our revenue from customer contracts.

	Three Months Ended September 30,							
	HWC		R&B		Corporate (i) (ii)		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Broking	$ 241	$ 207	$ 673	$ 606	$ —	$ 1	$ 914	$ 814
Consulting	643	616	88	85	4	2	735	703
Outsourced administration	272	222	21	18	—	—	293	240
Other	119	111	46	38	—	—	165	149
Total revenue by service offering	1,275	1,156	828	747	4	3	2,107	1,906
Reimbursable expenses and other (i) (ii)	16	16	3	2	(2)	(5)	17	13
Total revenue from customer contracts	$ 1,291	$ 1,172	$ 831	$ 749	$ 2	$ (2)	$ 2,124	$ 1,919
Interest and other income (ii)	7	6	27	18	8	10	42	34
Total revenue	$ 1,298	$ 1,178	$ 858	$ 767	$ 10	$ 8	$ 2,166	$ 1,953

	Nine Months Ended September 30,							
	HWC		R&B		Corporate (i) (ii)		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Broking	$ 789	$ 714	$ 2,088	$ 1,963	$ 8	$ 8	$ 2,885	$ 2,685
Consulting	1,947	1,886	273	280	12	7	2,232	2,173
Outsourced administration	779	696	67	61	—	—	846	757
Other	247	237	168	147	—	—	415	384
Total revenue by service offering	3,762	3,533	2,596	2,451	20	15	6,378	5,999
Reimbursable expenses and other (i) (ii)	49	43	9	7	9	(6)	67	44
Total revenue from customer contracts	$ 3,811	$ 3,576	$ 2,605	$ 2,458	$ 29	$ 9	$ 6,445	$ 6,043
Interest and other income (ii)	22	32	63	57	39	12	124	101
Total revenue	$ 3,833	$ 3,608	$ 2,668	$ 2,515	$ 68	$ 21	$ 6,569	$ 6,144

(i) Reimbursable expenses and other, as well as Corporate revenue, are excluded from segment revenue, but included in total revenue on the condensed consolidated statements of comprehensive income. Amounts included in Corporate revenue may include eliminations, adjustments to reserves and impacts from hedged revenue transactions.

(ii) For the three and nine months ended September 30, 2022, $9 million of interest income was reclassified from Reimbursable expenses and other to Interest and other income in order to show the allocation of interest income related to fiduciary assets to Corporate. This amount was previously unallocated, but was allocated beginning with the presentation in our Annual Report on Form 10-K, filed with the SEC on February 24, 2023, and is therefore included in the full-year results presented therein.

Interest and other income is included in segment revenue and total revenue, however it has been presented separately in the above tables because it does not arise directly from contracts with customers. The significant components of interest and other income are as follows for the periods presented above:

	Three Months Ended September 30,							
	HWC		R&B		Corporate		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Book-of-business settlements	$ —	$ 1	$ 1	$ 11	$ —	$ —	$ 1	$ 12
Interest income	7	2	25	6	7	9	39	17
Other income	—	3	1	1	1	1	2	5
Total interest and other income	$ 7	$ 6	$ 27	$ 18	$ 8	$ 10	$ 42	$ 34

	Nine Months Ended September 30,							
	HWC		R&B		Corporate		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Book-of-business settlements	$ —	$ 19	$ 11	$ 41	$ —	$ —	$ 11	$ 60
Interest income	18	4	52	15	36	9	106	28
Other income	4	9	—	1	3	3	7	13
Total interest and other income	$ 22	$ 32	$ 63	$ 57	$ 39	$ 12	$ 124	$ 101

As a result of the cessation of the co-broking agreement, (see Note 3 — Acquisitions and Divestitures) interest income associated with fiduciary funds will be allocated more directly to the Risk and Broking segment beginning in the third quarter of 2023. These amounts were previously allocated to the Corporate segment following the disposal of Willis Re.

The following tables present revenue from service offerings by the geography where our work was performed for the three and nine months ended September 30, 2023 and 2022. Reconciliations to total revenue on our condensed consolidated statements of comprehensive income and to segment revenue are shown in the tables above.

	Three Months Ended September 30,							
	HWC		R&B		Corporate		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
North America	$ 830	$ 766	$ 344	$ 326	$ 3	$ 2	$ 1,177	$ 1,094
Europe	330	285	354	297	1	1	685	583
International	115	105	130	124	—	—	245	229
Total revenue by geography	$ 1,275	$ 1,156	$ 828	$ 747	$ 4	$ 3	$ 2,107	$ 1,906

	Nine Months Ended September 30,							
	HWC		R&B		Corporate		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
North America	$ 2,445	$ 2,301	$ 990	$ 936	$ 6	$ 6	$ 3,441	$ 3,243
Europe	991	931	1,214	1,128	12	8	2,217	2,067
International	326	301	392	387	2	1	720	689
Total revenue by geography	$ 3,762	$ 3,533	$ 2,596	$ 2,451	$ 20	$ 15	$ 6,378	$ 5,999

Contract Balances

The Company reports accounts receivable, net on the condensed consolidated balance sheets, which includes billed and unbilled receivables and current contract assets. In addition to accounts receivable, net, the Company had the following non-current contract assets and deferred revenue balances at September 30, 2023 and December 31, 2022:

	September 30, 2023	December 31, 2022
Billed receivables, net of allowance for doubtful accounts of $41 million and $46 million	$ 1,296	$ 1,464
Unbilled receivables	514	457
Current contract assets	269	466
Accounts receivable, net	$ 2,079	$ 2,387
Non-current accounts receivable, net	$ 8	$ 9
Non-current contract assets	$ 803	$ 745
Deferred revenue	$ 666	$ 646

During the three and nine months ended September 30, 2023, revenue of $62 million and $447 million, respectively, was recognized that was reflected as deferred revenue at December 31, 2022. During the three months ended September 30, 2023, revenue of $290 million was recognized that was reflected as deferred revenue at June 30, 2023.

During the three and nine months ended September 30, 2023, the Company recognized revenue of $1 million and $8 million, respectively, related to performance obligations satisfied prior to 2023.

Performance Obligations

The Company has contracts for which performance obligations have not been satisfied as of September 30, 2023 or have been partially satisfied as of this date. The following table shows the expected timing for the satisfaction of the remaining performance obligations. This table does not include contract renewals or variable consideration, which was excluded from the transaction prices in accordance with the guidance on constraining estimates of variable consideration.

In addition, in accordance with ASC 606, *Revenue From Contracts With Customers* (‘ASC 606’), the Company has elected not to disclose the remaining performance obligations when one or both of the following circumstances apply:

- Performance obligations which are part of a contract that has an original expected duration of less than one year, and
- Performance obligations satisfied in accordance with ASC 606-10-55-18 (‘right to invoice’).

	Remainder of 2023	2024	2025 onward	Total
Revenue expected to be recognized on contracts as of September 30, 2023	$ 213	$ 470	$ 704	$ 1,387

Since most of the Company's contracts are cancellable with less than one year's notice and have no substantive penalty for cancellation, the majority of the Company's remaining performance obligations as of September 30, 2023 have been excluded from the table above.

Note 5 — Segment Information

WTW has two reportable operating segments or business areas:

- Health, Wealth & Career ('HWC'); and
- Risk & Broking ('R&B').

WTW's chief operating decision maker is its chief executive officer. We determined that the operational data used by the chief operating decision maker is at the segment level. Management bases strategic goals and decisions on these segments and the data presented below is used to assess the adequacy of strategic decisions and the methods of achieving these strategies and related financial results. Management evaluates the performance of its segments and allocates resources to them based on net operating income on a pre-tax basis.

The Company experiences seasonal fluctuations of its revenue. Revenue is typically higher during the Company's first and fourth quarters due primarily to the timing of broking-related activities.

The following table presents segment revenue and segment operating income for our reportable segments for the three months ended September 30, 2023 and 2022.

	Three Months Ended September 30,					
	HWC		R&B		Total	
	2023	2022	2023	2022	2023	2022
Segment revenue	$ 1,282	$ 1,162	$ 855	$ 765	$ 2,137	$ 1,927
Segment operating income	$ 305	$ 236	$ 134	$ 105	$ 439	$ 341

The following table presents segment revenue and segment operating income for our reportable segments for the nine months ended September 30, 2023 and 2022.

	Nine Months Ended September 30,					
	HWC		R&B		Total	
	2023	2022	2023	2022	2023	2022
Segment revenue	$ 3,784	$ 3,565	$ 2,659	$ 2,508	$ 6,443	$ 6,073
Segment operating income	$ 836	$ 710	$ 459	$ 465	$ 1,295	$ 1,175

The following table presents reconciliations of the information reported by segment to the Company's condensed consolidated statements of comprehensive income amounts reported for the three and nine months ended September 30, 2023 and 2022.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Revenue:				
Total segment revenue	$ 2,137	$ 1,927	$ 6,443	$ 6,073
Reimbursable expenses and other	29	26	126	71
Revenue	$ 2,166	$ 1,953	$ 6,569	$ 6,144
Total segment operating income	$ 439	$ 341	$ 1,295	$ 1,175
Impairment (i)	—	—	—	(81)
Amortization	(62)	(71)	(203)	(239)
Restructuring costs (ii)	(17)	(9)	(30)	(71)
Transaction and transformation (iii)	(113)	(50)	(265)	(108)
Unallocated, net (iv)	(88)	(57)	(211)	(206)
Income from operations	159	154	586	470
Interest expense	(61)	(54)	(172)	(154)
Other income, net	66	85	126	205
Income from continuing operations before income taxes	$ 164	$ 185	$ 540	$ 521

(i) Represents the impairment related to the net assets of our Russian business that are held outside of our Russian entities (see Note 3 — Acquisitions and Divestitures for further information).
(ii) See Note 6 — Restructuring Costs for the composition of costs for 2023 and 2022.
(iii) In 2023 and 2022, in addition to legal fees and other transaction costs, includes primarily consulting fees and compensation costs related to the Transformation program (see Note 6 — Restructuring Costs).
(iv) Includes certain costs, primarily related to corporate functions which are not directly related to the segments, and certain differences between budgeted expenses determined at the beginning of the year and actual expenses that we report for U.S. GAAP purposes.

The Company does not currently provide asset information by reportable segment as it does not routinely evaluate the total asset position by segment.

Note 6 — Restructuring Costs

In the fourth quarter of 2021, the Company initiated a three-year 'Transformation program' designed to enhance operations, optimize technology and align its real estate footprint to its new ways of working. During the second quarter of 2023, we revised the expected costs and savings under the program and we now expect the program to generate annual cost savings in excess of $380 million by the end of 2024. The program is expected to incur cumulative costs of approximately $630 million and capital expenditures of approximately $270 million, for a total investment of $900 million. The main categories of charges will be in the following four areas:

- Real estate rationalization — includes costs to align the real estate footprint to the new ways of working (hybrid work) and includes breakage fees and the impairment of right-of-use ('ROU') assets and other related leasehold assets.
- Technology modernization — these charges are incurred in moving to common platforms and technologies, including migrating certain platforms and applications to the cloud. This category will include the impairment of technology assets that are duplicative or no longer revenue-producing, as well as costs for technology investments that do not qualify for capitalization.
- Process optimization — these costs will be incurred in the right-shoring strategy and automation of our operations, which will include optimizing resource deployment and appropriate colleague alignment. These costs will include process and organizational design costs, severance and separation-related costs and temporary retention costs.
- Other — other costs not included above including fees for professional services, other contract terminations not related to the above categories and supplier migration costs.

Certain costs under the Transformation program are accounted for under ASC 420, *Exit or Disposal Cost Obligation*, and are included as restructuring costs in the condensed consolidated statements of comprehensive income. Other costs incurred under the Transformation program are included in transaction and transformation and were $104 million and $231 million during the three and nine months ended September 30, 2023, respectively, and $42 million and $73 million during the three and nine months ended

September 30, 2022, respectively. An analysis of total restructuring costs incurred under the Transformation program by category and by segment and corporate functions, from commencement to September 30, 2023, is as follows:

	HWC	R&B	Corporate	Total
2021				
Real estate rationalization	$ —	$ —	$ 19	$ 19
Technology modernization	—	5	—	5
Process optimization	—	—	—	—
Other	—	—	2	2
2022				
Real estate rationalization	—	—	79	79
Technology modernization	—	3	16	19
Process optimization	1	—	—	1
Other	—	—	—	—
2023				
Real estate rationalization	—	—	29	29
Technology modernization	—	—	1	1
Process optimization	—	—	—	—
Other	—	—	—	—
Total				
Real estate rationalization	—	—	127	127
Technology modernization	—	8	17	25
Process optimization	1	—	—	1
Other	—	—	2	2
Total	$ 1	$ 8	$ 146	$ 155

A rollforward of the liability associated with cash-based charges related to restructuring costs associated with the Transformation program is as follows:

	Real estate rationalization	Technology modernization	Process optimization	Other	Total
Balance at October 1, 2021	$ —	$ —	$ —	$ —	$ —
Charges incurred	—	—	—	2	2
Cash payments	—	—	—	(1)	(1)
Balance at December 31, 2021	—	—	—	1	1
Charges incurred	27	—	1	—	28
Cash payments	(21)	—	(1)	(1)	(23)
Balance at December 31, 2022	6	—	—	—	6
Charges incurred	11	—	—	—	11
Cash payments	(14)	—	—	—	(14)
Balance at September 30, 2023	$ 3	$ —	$ —	$ —	$ 3

Note 7 — Income Taxes

Provision for income taxes for the three and nine months ended September 30, 2023 was $25 million and $99 million, respectively, compared to $1 million and $63 million for the three and nine months ended September 30, 2022, respectively. The effective tax rates were 15.5% and 18.3% for the three and nine months ended September 30, 2023, respectively, and 0.7% and 12.1% for the three and nine months ended September 30, 2022, respectively. These effective tax rates are calculated using extended values from our condensed consolidated statements of comprehensive income and are therefore more precise tax rates than can be calculated from rounded values. The prior-year quarter effective tax rate was lower due to certain discrete tax benefits related to amending the Company's U.S. federal and state tax returns in order to change certain elections available under the Coronavirus Aid, Relief, and Economic Security ('CARES') Act, and excess tax benefits on executive share-based compensation.

The Company recognizes deferred tax balances related to the undistributed earnings of subsidiaries when it expects that it will recover those undistributed earnings in a taxable manner, such as through receipt of dividends or sale of the investments. Historically, the Company has not provided taxes on cumulative earnings of its subsidiaries that have been reinvested indefinitely. As a result of its plans to restructure or distribute accumulated earnings of certain foreign operations, the Company has recorded an estimate of non-U.S. withholding and state income taxes. However, the Company asserts that the historical cumulative earnings of its other subsidiaries are reinvested indefinitely and therefore does not provide deferred tax liabilities on these amounts.

The Company records valuation allowances against net deferred tax assets based on whether it is more likely than not that the deferred tax assets will be realized. We have liabilities for uncertain tax positions under ASC 740, *Income Taxes* of $41 million, excluding interest and penalties. The Company believes the outcomes that are reasonably possible within the next 12 months may result in a reduction in the liability for uncertain tax positions of approximately $1 million to $2 million, excluding interest and penalties.

Note 8 — Goodwill and Other Intangible Assets

The components of goodwill are outlined below for the nine months ended September 30, 2023.

	HWC	R&B	Total
Balance at December 31, 2022:			
Goodwill, gross	$ 7,870	$ 2,795	$ 10,665
Accumulated impairment losses	(130)	(362)	(492)
Goodwill, net - December 31, 2022	7,740	2,433	10,173
Goodwill disposals	(21)	—	(21)
Foreign exchange	—	(9)	(9)
Balance at September 30, 2023:			
Goodwill, gross	7,849	2,786	10,635
Accumulated impairment losses	(130)	(362)	(492)
Goodwill, net - September 30, 2023	$ 7,719	$ 2,424	$ 10,143

Other Intangible Assets

The following table reflects changes in the net carrying amounts of the components of finite-lived intangible assets for the nine months ended September 30, 2023:

	Client relationships	Software	Trademark and trade name	Other	Total
Balance at December 31, 2022:					
Intangible assets, gross	$ 3,760	$ 725	$ 1,038	$ 98	$ 5,621
Accumulated amortization	(2,282)	(712)	(298)	(56)	(3,348)
Intangible assets, net - December 31, 2022	1,478	13	740	42	2,273
Intangible assets acquired	7	—	—	—	7
Intangible asset disposals	—	—	—	(13)	(13)
Amortization	(156)	(9)	(32)	(6)	(203)
Balance at September 30, 2023:					
Intangible assets, gross	3,766	720	1,037	63	5,586
Accumulated amortization	(2,437)	(716)	(329)	(40)	(3,522)
Intangible assets, net - September 30, 2023	$ 1,329	$ 4	$ 708	$ 23	$ 2,064

The weighted-average remaining life of amortizable intangible assets at September 30, 2023 was 11.9 years.

The table below reflects the future estimated amortization expense for amortizable intangible assets for the remainder of 2023 and for subsequent years:

	Amortization
Remainder of 2023	$ 60
2024	229
2025	209
2026	200
2027	196
Thereafter	1,170
Total	$ 2,064

Note 9 — Derivative Financial Instruments

We are exposed to certain foreign currency risks. Where possible, we identify exposures in our business that can be offset internally. Where no natural offset is identified, we may choose to enter into various derivative transactions. These instruments have the effect of reducing our exposure to unfavorable changes in foreign currency rates. The Company’s board of directors reviews and approves policies for managing this risk as summarized below. Additional information regarding our derivative financial instruments can be found in Note 11 — Fair Value Measurements and Note 17 — Accumulated Other Comprehensive Loss.

Foreign Currency Risk

Certain non-U.S. subsidiaries receive revenue and incur expenses in currencies other than their functional currency, and as a result, the foreign subsidiary's functional currency revenue and/or expenses will fluctuate as the currency rates change. Additionally, the forecast Pounds sterling expenses of our London brokerage market operations may exceed their Pounds sterling revenue, and the entity with such operations may also hold significant foreign currency asset or liability positions in the condensed consolidated balance sheets. To reduce such variability, we use foreign exchange contracts to hedge against this currency risk.

These derivatives were designated as hedging instruments and at September 30, 2023 and December 31, 2022 had total notional amounts of $106 million and $134 million, respectively, and had net fair value liabilities of $1 million and $3 million, respectively.

At September 30, 2023, the Company estimates, based on current exchange rates, there will be less than $1 million of net derivative losses on forward exchange rates reclassified from accumulated other comprehensive loss into earnings within the next twelve months as the forecast transactions affect earnings. At September 30, 2023, our longest outstanding maturity was 1.7 years.

The effects of the material derivative instruments that are designated as hedging instruments on the condensed consolidated statements of comprehensive income for the three and nine months ended September 30, 2023 and 2022 are below. Amounts pertaining to the ineffective portion of hedging instruments and those excluded from effectiveness testing were immaterial for the three and nine months ended September 30, 2023 and 2022.

	(Loss)/gain recognized in OCI (effective element)			
	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Forward exchange contracts	$ (2)	$ (6)	$ 1	$ (12)

Location of (loss)/gain reclassified from Accumulated OCL into income (effective element)	(Loss)/gain reclassified from Accumulated OCL into income (effective element)			
	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Revenue	$ —	$ —	$ —	$ 1
Salaries and benefits	—	(2)	(1)	(1)
	$ —	$ (2)	$ (1)	$ —

The Company engages in intercompany borrowing and lending between subsidiaries, primarily through its in-house banking operations which give rise to foreign exchange exposures. The Company mitigates these risks through the use of short-term foreign currency forward and swap transactions that offset the underlying exposure created when the borrower and lender have different functional currencies. These derivatives are not generally designated as hedging instruments, and at September 30, 2023 and December 31, 2022, we had notional amounts of $911 million and $1.7 billion, respectively. At September 30, 2023 and December 31, 2022, we had a net fair value liability of $1 million and a net fair value asset of $24 million, respectively. Such derivatives typically mature within three months.

The effects of derivatives that have not been designated as hedging instruments on the condensed consolidated statements of comprehensive income for the three and nine months ended September 30, 2023 and 2022 are as follows (see Note 16 — Other Income, Net for the net foreign currency impact on the Company's condensed consolidated statements of comprehensive income which includes the results of the offset of underlying exposures):

		(Loss)/gain recognized in income			
		Three Months Ended September 30,		Nine Months Ended September 30,	
Derivatives not designated as hedging instruments:	Location of (loss)/gain recognized in income	2023	2022	2023	2022
Forward exchange contracts	Other income, net	$ (13)	$ (182)	$ 3	$ (208)

Note 10 — Debt

Current debt consists of the following:

	September 30, 2023	December 31, 2022
4.625% senior notes due 2023	$ —	$ 250
3.600% senior notes due 2024	649	—
	$ 649	$ 250

Long-term debt consists of the following:

	September 30, 2023	December 31, 2022
Revolving $1.5 billion credit facility	$ —	$ —
3.600% senior notes due 2024	—	649
4.400% senior notes due 2026	548	547
4.650% senior notes due 2027	744	744
4.500% senior notes due 2028	597	597
2.950% senior notes due 2029	726	726
5.350% senior notes due 2033	741	—
6.125% senior notes due 2043	272	271
5.050% senior notes due 2048	395	395
3.875% senior notes due 2049	542	542
	$ 4,565	$ 4,471

Senior Notes

On May 17, 2023, the Company, together with its wholly-owned subsidiary, Willis North America Inc. as issuer, completed an offering of $750 million aggregate principal amount of 5.350% senior notes due 2033 (‘2033 senior notes’). The effective interest rate of the 2033 senior notes is 5.47%, which includes the impact of the discount upon issuance. The 2033 senior notes will mature on May 15, 2033. Interest on the 2033 senior notes accrues from May 17, 2023 and will be paid in cash on May 15 and November 15 of each year, commencing on November 15, 2023. The net proceeds from this offering, after deducting the underwriting discount and offering expenses, were $741 million, of which $256 million was used to fully repay the $250 million aggregate principal amount and related accrued interest of the 4.625% senior notes at maturity during the third quarter of 2023. The Company will use the remaining net proceeds for general corporate purposes.

Revolving Credit Facility

On June 29, 2023, Trinity Acquisition plc amended its revolving credit facility to replace the use of London Interbank Offered Rate (‘LIBOR’) with the Secured Overnight Financing Rate (‘SOFR’) in connection with its base-rate borrowings. This amendment was done in connection with the cessation of LIBOR and all other terms remain the same.

At September 30, 2023 and December 31, 2022, we were in compliance with all financial covenants.

Note 11 — Fair Value Measurements

The Company has categorized its assets and liabilities that are measured at fair value on a recurring and non-recurring basis into a three-level fair value hierarchy, based on the reliability of the inputs used to determine fair value as follows:

- Level 1: refers to fair values determined based on quoted market prices in active markets for identical assets;
- Level 2: refers to fair values estimated using observable market-based inputs or unobservable inputs that are corroborated by market data; and
- Level 3: includes fair values estimated using unobservable inputs that are not corroborated by market data.

The following methods and assumptions were used by the Company in estimating its fair value disclosure for financial instruments:

- Mutual funds and exchange-traded funds are classified as Level 1 because we use quoted market prices in active markets in determining the fair value of these securities.
- Commingled funds are not leveled within the fair value hierarchy as the funds are valued at the net value of shares held as reported by the manager of the funds. These funds are not exchange-traded.

- Hedge funds are not leveled within the fair value hierarchy as the fair values for these investments are estimated based on the net asset values derived from the latest audited financial statements or most recent capital account statements provided by the funds' investment manager or third-party administrator, as a practical expedient.
- Market values for our derivative instruments have been used to determine the fair values of forward foreign exchange contracts based on estimated amounts the Company would receive or have to pay to terminate the agreements, taking into account observable information about the current foreign currency forward rates. Such financial instruments are classified as Level 2.
- Contingent consideration payable is classified as Level 3, and we estimate fair value based on the likelihood and timing of achieving the relevant milestones of each arrangement, applying a probability assessment to each of the potential outcomes, which at times includes the use of a Monte Carlo simulation and discounting the probability-weighted payout. Typically, milestones are based on revenue or earnings growth for the acquired business.

The following tables present our assets and liabilities measured at fair value on a recurring basis at September 30, 2023 and December 31, 2022:

		Fair Value Measurements on a Recurring Basis at September 30, 2023			
	Balance Sheet Location	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets:					
Available-for-sale securities:					
Mutual funds / exchange-traded funds (i)	Prepaid and other current assets and other non-current assets	$ 96	$ —	$ —	$ 96
	Fiduciary assets	184	—	—	184
Commingled funds (i) (ii)	Other non-current assets	—	—	—	8
Hedge funds (i) (iii)	Other non-current assets	—	—	—	8
Derivatives:					
Derivative financial instruments (iv)	Prepaid and other current assets and other non-current assets	$ —	$ 1	$ —	$ 1
Liabilities:					
Contingent consideration:					
Contingent consideration (v) (vi)	Other current liabilities and other non-current liabilities	$ —	$ —	$ 40	$ 40
Derivatives:					
Derivative financial instruments (iv)	Other current liabilities and other non-current liabilities	$ —	$ 3	$ —	$ 3

	Balance Sheet Location	Fair Value Measurements on a Recurring Basis at December 31, 2022 Level 1	Level 2	Level 3	Total
Assets:					
Available-for-sale securities:					
Mutual funds / exchange-traded funds	Prepaid and other current assets and other non-current assets	$ 7	$ —	$ —	$ 7
	Fiduciary assets	142	—	—	142
Derivatives:					
Derivative financial instruments (iv)	Prepaid and other current assets and other non-current assets	$ —	$ 26	$ —	$ 26
Liabilities:					
Contingent consideration:					
Contingent consideration (v) (vi)	Other current liabilities and other non-current liabilities	$ —	$ —	$ 40	$ 40
Derivatives:					
Derivative financial instruments (iv)	Other current liabilities and other non-current liabilities	$ —	$ 5	$ —	$ 5

(i) With the exception of the funds included in fiduciary assets, the majority of these balances are held as part of deferred compensation plans with related liabilities in other current liabilities and other non-current liabilities on the condensed consolidated balance sheets.
(ii) Consists of the Towers Watson Global Equity Focus Fund, for which redemptions can occur on any business day, and require a minimum of one business day's notice.
(iii) Consists of the Towers Watson Alternative Credit Fund, for which the redemption period is generally quarterly, however requires a 50-day notice.
(iv) See Note 9 — Derivative Financial Instruments for further information on our derivative investments.
(v) Probability weightings are based on our knowledge of the past and planned performance of the acquired entity to which the contingent consideration applies. The fair value weighted-average discount rates used in our material contingent consideration calculations were 10.05% and 10.26% at September 30, 2023 and December 31, 2022, respectively. The range of these discount rates was 3.53% - 13.80% at September 30, 2023. Using different probability weightings and discount rates could result in an increase or decrease of the contingent consideration payable.
(vi) Consideration due to be paid across multiple years until 2027.

The following table summarizes the change in fair value of the Level 3 liabilities:

Fair Value Measurements Using Significant Unobservable Inputs (Level 3)	September 30, 2023
Balance at December 31, 2022	$ 40
Obligations assumed	—
Payments	(2)
Realized and unrealized losses (i)	3
Foreign exchange	(1)
Balance at September 30, 2023	$ 40

(i) Realized and unrealized losses include accretion and adjustments to contingent consideration liabilities, which are included within Interest expense and Other operating expenses, respectively, on the condensed consolidated statements of comprehensive income.

There were no significant transfers to or from Level 3 in the nine months ended September 30, 2023.

Fair value information about financial instruments not measured at fair value

The following tables present our liabilities not measured at fair value on a recurring basis at September 30, 2023 and December 31, 2022:

	September 30, 2023 Carrying Value	September 30, 2023 Fair Value	December 31, 2022 Carrying Value	December 31, 2022 Fair Value
Assets:				
Long-term note receivable	$ 70	$ 62	$ 68	$ 63
Liabilities:				
Current debt	$ 649	$ 640	$ 250	$ 248
Long-term debt	$ 4,565	$ 4,066	$ 4,471	$ 4,069

The carrying value of our revolving credit facility approximates its fair value. The fair values above, which exclude accrued interest, are not necessarily indicative of the amounts that the Company would realize upon disposition, nor do they indicate the Company's intent or ability to dispose of the financial instruments. The fair values of our respective senior notes and long-term note receivable are considered Level 2 financial instruments as they are corroborated by observable market data.

Note 12 — Retirement Benefits

Defined Benefit Plans

WTW sponsors both qualified and non-qualified defined benefit pension plans throughout the world. The majority of our plan assets and obligations are in the U.S. and the U.K. We have also included disclosures related to defined benefit plans in certain other countries, including Canada, France, Germany, Switzerland and Ireland. Together, these disclosed funded and unfunded plans represent 98% of WTW's pension obligations and are disclosed herein. We have removed prior-period disclosures pertaining to our post-retirement welfare plans as the Company considers such disclosure to no longer be material.

Components of Net Periodic Benefit (Income)/Cost for Defined Benefit Pension Plans

The following tables set forth the components of net periodic benefit (income)/cost for the Company's defined benefit pension plans for the three and nine months ended September 30, 2023 and 2022:

	Three Months Ended September 30,					
	2023			2022		
	U.S.	U.K.	Other	U.S.	U.K.	Other
Service cost	$ 14	$ 1	$ 4	$ 20	$ 2	$ 6
Interest cost	48	31	7	29	18	4
Expected return on plan assets	(76)	(41)	(10)	(83)	(34)	(10)
Settlements	—	—	—	3	1	—
Amortization of net loss	3	12	—	4	7	—
Amortization of prior service credit	—	(3)	—	—	(3)	1
Net periodic benefit (income)/cost	$ (11)	$ —	$ 1	$ (27)	$ (9)	$ 1

	Nine Months Ended September 30,					
	2023			2022		
	U.S.	U.K.	Other	U.S.	U.K.	Other
Service cost	$ 42	$ 4	$ 11	$ 58	$ 9	$ 17
Interest cost	146	90	21	88	54	12
Expected return on plan assets	(228)	(121)	(29)	(248)	(110)	(29)
Settlements	1	—	(1)	3	1	—
Amortization of net loss	9	36	—	11	22	2
Amortization of prior service credit	—	(9)	1	—	(9)	1
Net periodic benefit (income)/cost	$ (30)	$ —	$ 3	$ (88)	$ (33)	$ 3

Employer Contributions to Defined Benefit Pension Plans

The Company did not make any contributions to its U.S. plans during the nine months ended September 30, 2023 and currently does not anticipate making contributions over the remainder of the fiscal year. The Company made contributions of $10 million to its U.K. plans for the nine months ended September 30, 2023 and currently does not anticipate making contributions over the remainder of the fiscal year. The Company made contributions of $21 million to its other plans for the nine months ended September 30, 2023 and anticipates making additional contributions of $2 million for the remainder of the fiscal year.

Defined Contribution Plans

The Company made contributions to its defined contribution plans of $40 million and $121 million during the three and nine months ended September 30, 2023, respectively, and $34 million and $114 million during the three and nine months ended September 30, 2022, respectively.

Note 13 — Leases

The following tables present lease costs recorded on our condensed consolidated statements of comprehensive income for the three and nine months ended September 30, 2023 and 2022:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Finance lease cost:				
Amortization of right-of-use assets	$ —	$ —	$ 1	$ 1
Interest on lease liabilities	—	1	1	2
Operating lease cost	43	35	114	130
Short-term lease cost	1	—	1	—
Variable lease cost	11	13	39	47
Sublease income	(3)	(3)	(9)	(12)
Total lease cost, net	$ 52	$ 46	$ 147	$ 168

The total lease cost is recognized in different locations in our condensed consolidated statements of comprehensive income. Amortization of the finance lease ROU assets is included in depreciation, while the interest cost component of these finance leases is included in interest expense. All other costs are included in other operating expenses, with the exception of $15 million and $23 million incurred during the three and nine months ended September 30, 2023, respectively, and $2 million and $33 million incurred during the three and nine months ended September 30, 2022, respectively, that were included in restructuring costs (see Note 6 — Restructuring Costs) that primarily related to the acceleration of amortization of certain abandoned ROU assets and the payment of early termination fees. There are no significant lease costs that have been included as discontinued operations in the condensed consolidated statements of comprehensive income during the three and nine months ended September 30, 2022.

Note 14 — Commitments and Contingencies

Indemnification Agreements

WTW has various agreements which provide that it may be obligated to indemnify the other party to the agreement with respect to certain matters. Generally, these indemnification provisions are included in contracts arising in the normal course of business and in connection with the purchase and sale of certain businesses, including the disposal of Willis Re. It is not possible to predict the maximum potential amount of future payments that may become due under these indemnification agreements because of the conditional nature of the Company’s obligations and the unique facts of each particular agreement. However, we do not believe that any potential liability that may arise from such indemnity provisions is probable or material.

Legal Proceedings

In the ordinary course of business, the Company is subject to various actual and potential claims, lawsuits and other proceedings. Some of the claims, lawsuits and other proceedings seek damages in amounts which could, if assessed, be significant. The Company also receives subpoenas in the ordinary course of business and, from time to time, receives requests for information in connection with governmental investigations.

Errors and omissions claims, lawsuits, and other proceedings arising in the ordinary course of business are covered in part by professional indemnity or other appropriate insurance. The terms of this insurance vary by policy year. Regarding self-insured risks, the Company has established provisions which are believed to be adequate in light of current information and legal advice, or, in certain cases, where a range of loss exists, the Company accrues the minimum amount in the range if no amount within the range is a better estimate than any other amount. The Company adjusts such provisions from time to time according to developments. See Note 15 — Supplementary Information for Certain Balance Sheet Accounts for the amounts accrued at September 30, 2023 and December 31, 2022 in the condensed consolidated balance sheets.

On the basis of current information, the Company does not expect that the actual claims, lawsuits and other proceedings to which it is subject, or potential claims, lawsuits, and other proceedings relating to matters of which it is aware, will ultimately have a material adverse effect on its financial condition, results of operations or liquidity. Nonetheless, given the large or indeterminate amounts sought in certain of these actions, and the inherent unpredictability of litigation and disputes with insurance companies, it is possible that an adverse outcome or settlement in certain matters could, from time to time, have a material adverse effect on the Company’s results of operations or cash flows in a particular quarterly or annual period.

The Company provides for contingent liabilities based on ASC 450, *Contingencies,* when it is determined that a liability, inclusive of defense costs, is probable and reasonably estimable. The contingent liabilities recorded are primarily developed actuarially. Litigation is subject to many factors which are difficult to predict so there can be no assurance that in the event of a material unfavorable result in one or more claims, we will not incur material costs.

Note 15 — Supplementary Information for Certain Balance Sheet Accounts

Additional details of specific balance sheet accounts are detailed below.

Prepaid and other current assets consist of the following:

	September 30, 2023	December 31, 2022
Prepayments and accrued income	$ 135	$ 132
Deferred contract costs	72	71
Derivatives and investments	—	43
Deferred compensation plan assets	13	16
Corporate income and other taxes	202	89
Acquired renewal commissions receivable	8	9
Other current assets	39	54
Total prepaid and other current assets	$ 469	$ 414

Other current liabilities consist of the following:

	September 30, 2023	December 31, 2022
Dividends payable	$ 104	$ 102
Income taxes payable	51	83
Interest payable	41	49
Deferred compensation plan liabilities	13	14
Contingent and deferred consideration on acquisitions	17	17
Accrued retirement benefits	32	32
Payroll and other benefits-related liabilities	235	225
Derivatives	3	4
Third-party commissions	99	124
Other current liabilities	35	66
Total other current liabilities	$ 630	$ 716

Provision for liabilities consists of the following:

	September 30, 2023	December 31, 2022
Claims, lawsuits and other proceedings	$ 302	$ 296
Other provisions	58	61
Total provision for liabilities	$ 360	$ 357

Other non-current liabilities consist of the following:

	September 30, 2023	December 31, 2022
Deferred compensation plan liability	$ 73	$ 74
Contingent and deferred consideration on acquisitions	23	29
Liabilities for uncertain tax positions	34	40
Finance leases	8	12
Other non-current liabilities	62	66
Total other non-current liabilities	$ 200	$ 221

Note 16 — Other Income, Net

Other income, net consists of the following:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Gain/(loss) on disposal of operations (i)	$ 41	$ 21	$ 44	$ (11)
Net periodic pension and postretirement benefit credits	29	64	82	204
Interest in earnings of associates and other investments	1	—	3	4
Foreign exchange (loss)/gain (ii)	(3)	(1)	(7)	4
Other	(2)	1	4	4
Other income, net	$ 66	$ 85	$ 126	$ 205

(i) For the nine months ended September 30, 2022, includes a $24 million non-cash revaluation gain related to an acquisition completed in stages.

(ii) Includes the offsetting effects of the Company's foreign currency hedging program. See Note 9 — Derivative Financial Instruments.

Note 17 — Accumulated Other Comprehensive Loss

Changes in accumulated other comprehensive loss, net of non-controlling interests, and net of tax are provided in the following tables for the three and nine months ended September 30, 2023 and 2022. This table excludes amounts attributable to non-controlling interests, which are not material for further disclosure.

	Foreign currency translation (i)		Derivative instruments (i)		Defined pension and post-retirement benefit costs (ii)		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Quarter-to-date activity:								
Balance at June 30, 2023 and 2022, respectively	$ (926)	$ (794)	$ 12	$ 6	$ (1,626)	$ (1,698)	$ (2,540)	$ (2,486)
Other comprehensive (loss)/income before reclassifications	(85)	(240)	(2)	(5)	(1)	5	(88)	(240)
Loss reclassified from accumulated other comprehensive loss (net of income tax benefit of $2 and $2 at both periods)	—	—	—	1	8	5	8	6
Net current-period other comprehensive (loss)/income	(85)	(240)	(2)	(4)	7	10	(80)	(234)
Balance at September 30, 2023 and 2022, respectively	$ (1,011)	$ (1,034)	$ 10	$ 2	$ (1,619)	$ (1,688)	$ (2,620)	$ (2,720)
Year-to-date activity:								
Balance at December 31, 2022 and 2021, respectively	$ (987)	$ (489)	$ 9	$ 11	$ (1,643)	$ (1,708)	$ (2,621)	$ (2,186)
Other comprehensive (loss)/income before reclassifications	(24)	(545)	1	(8)	(1)	3	(24)	(550)
(Gain)/loss reclassified from accumulated other comprehensive loss (net of income tax benefit of $8 and $6, respectively)	—	—	—	(1)	25	17	25	16
Net current-period other comprehensive (loss)/income	(24)	(545)	1	(9)	24	20	1	(534)
Balance at September 30, 2023 and 2022, respectively	$ (1,011)	$ (1,034)	$ 10	$ 2	$ (1,619)	$ (1,688)	$ (2,620)	$ (2,720)

(i) Reclassification adjustments from accumulated other comprehensive loss related to derivative instruments are included in Revenue and Salaries and benefits in the accompanying condensed consolidated statements of comprehensive income. See Note 9 — Derivative Financial Instruments for additional details regarding the reclassification adjustments for the derivative settlements.

(ii) Reclassification adjustments from accumulated other comprehensive loss are included in the computation of net periodic pension cost (see Note 12 — Retirement Benefits). These components are included in Other income, net in the accompanying condensed consolidated statements of comprehensive income.

Note 18 — Earnings Per Share

Basic and diluted earnings per share from continuing operations attributable to WTW and discontinued operations, net of tax are calculated by dividing net income from continuing operations attributable to WTW and discontinued operations, net of tax, respectively, by the average number of ordinary shares outstanding during each period. The computation of diluted earnings per share reflects the potential dilution that could occur if dilutive securities and other contracts to issue shares were exercised or converted into shares or resulted in the issuance of shares that then shared in the net income of the Company.

At September 30, 2023 and 2022, there were 0.5 million and 0.4 million restricted time-based stock units outstanding, respectively, and there were 0.6 million restricted performance-based stock units outstanding at both periods presented. There were no time-based share options at September 30, 2023; such options were immaterial at September 30, 2022. There were no performance-based options outstanding at both September 30, 2023 and 2022.

Basic and diluted earnings per share are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Income from continuing operations	$ 139	$ 184	$ 441	$ 458
Less: income attributable to non-controllable interests	(3)	(2)	(8)	(10)
Income from continuing operations attributable to WTW	$ 136	$ 182	$ 433	$ 448
Income/(loss) from discontinued operations, net of tax	$ —	$ 8	$ —	$ (27)
Basic average number of shares outstanding	105	110	106	113
Dilutive effect of potentially issuable shares	—	1	1	1
Diluted average number of shares outstanding	105	111	107	114
Basic earnings per share from continuing operations attributable to WTW	$ 1.30	$ 1.65	$ 4.08	$ 3.95
Dilutive effect of potentially issuable shares	(0.01)	—	(0.02)	—
Diluted earnings per share from continuing operations attributable to WTW	$ 1.29	$ 1.65	$ 4.06	$ 3.95
Basic earnings/(loss) per share from discontinued operations, net of tax	$ —	$ 0.07	$ —	$ (0.24)
Dilutive effect of potentially issuable shares	—	—	—	—
Diluted earnings/(loss) per share from discontinued operations, net of tax	$ —	$ 0.07	$ —	$ (0.24)

Anti-dilutive restricted stock units were immaterial for the three and nine months ended September 30, 2023; for both the three and nine months ended September 30, 2022, 0.3 million restricted stock units were not included in the computation of the dilutive effect of potentially issuable shares because their effect was anti-dilutive. There were no anti-dilutive options for the three and nine months ended September 30, 2023 and 2022.

Note 19 — Supplemental Disclosures of Cash Flow Information

Supplemental disclosures regarding cash flow information are as follows:

	Nine months ended September 30,	
	2023	2022
Supplemental disclosures of cash flow information:		
Cash and cash equivalents	$ 1,247	$ 1,496
Fiduciary funds (included in fiduciary assets)	2,485	3,170
Cash and cash equivalents and fiduciary funds (included in current assets held for sale)	—	5
Total cash, cash equivalents and restricted cash	$ 3,732	$ 4,671
Increase/(decrease) in cash, cash equivalents and other restricted cash	$ 5	$ (2,904)
(Decrease)/increase in fiduciary funds	(940)	174
Total [(i)]	$ (935)	$ (2,730)

(i) Does not include the effect of exchange rate changes on cash, cash equivalents and restricted cash.

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This discussion includes forward-looking statements. See ‘Disclaimer Regarding Forward-looking Statements’ for certain cautionary information regarding forward-looking statements and a list of factors that could cause actual results to differ materially from those predicted in those statements.

This discussion includes references to non-GAAP financial measures as defined in the rules of the SEC. We present such non-GAAP financial measures, specifically, adjusted, constant currency and organic non-GAAP financial measures, as we believe such information is of interest to the investment community because it provides additional meaningful methods of evaluating certain aspects of the Company’s operating performance from period to period on a basis that may not be otherwise apparent under U.S. GAAP, and these provide a measure against which our businesses may be assessed in the future.

See ‘Non-GAAP Financial Measures’ below for further discussion of our adjusted, constant currency and organic non-GAAP financial measures.

Executive Overview

Market Conditions

Typically, our business benefits from regulatory change, political risk or economic uncertainty. Insurance broking generally tracks the economy, but demand for both insurance broking and consulting services usually remains steady during times of uncertainty. We have some businesses, such as our health and benefits and administration businesses, which can be counter cyclical during the early period of a significant economic change.

Within our insurance and brokerage business, due to the cyclical nature of the insurance market and the impact of other market conditions on insurance premiums, commission revenue may vary widely between accounting periods. A period of low or declining premium rates, generally known as a ‘soft’ or ‘softening’ market, generally leads to downward pressure on commission revenue and can have a material adverse impact on our revenue and operating margin. A ‘hard’ or ‘firming’ market, during which premium rates rise, generally has a favorable impact on our revenue and operating margin. Rates, however, vary by geography, industry and client segment. As a result, and due to the global and diverse nature of our business, we view rates in the aggregate. Overall, we are currently seeing a stabilizing market.

Market conditions in the broking industry in which we operate are generally defined by factors such as the strength of the economies in the various geographic regions in which we serve around the world, insurance rate movements, and insurance and reinsurance buying patterns of our clients.

The markets for our consulting, technology and solutions, and marketplace services are affected by economic, regulatory and legislative changes, technological developments, and increased competition from established and new competitors. We believe that the primary factors in selecting a human resources or risk management consulting company include reputation, the ability to provide measurable increases to shareholder value and return on investment, global scale, quality of service and the ability to tailor services to clients’ unique needs. In that regard, we are focused on developing and implementing technology, data and analytic solutions for both internal operations and for maintaining industry standards and meeting client preferences. We have made such investments from time to time and may decide, based on perceived business needs, to make investments in the future that may be different from past practice or what we currently anticipate.

With regard to the market for exchanges, we believe that clients base their decisions on a variety of factors that include the ability of the provider to deliver measurable cost savings for clients, a strong reputation for efficient execution and an innovative service delivery model and platform. Part of the employer-sponsored insurance market has matured and become more fragmented while other segments remain in the entry phase. As these market segments continue to evolve, we may experience growth in intervals, with periods of accelerated expansion balanced by periods of modest growth. In recent years, growth in the market for exchanges has slowed, and this trend may continue.

Risks and Uncertainties of the Economic Environment

U.S. and global markets are continuing to experience volatility and disruption as a result of the ongoing war between Russia and Ukraine and evolving events in Israel and Gaza. Although the length and impact of these ongoing situations are highly unpredictable, they have and could continue to lead to further market disruptions. The conflicts have contributed to negative impacts on the global economy and capital markets including significant inflation in many of the markets in which we operate. This impacts not only the cost of and access to liquidity, but also other costs to run and invest in our business.

Other global economic events, such as accommodative monetary and fiscal policy and geopolitical tensions beyond the ongoing wars, have also contributed to significant inflation across the globe. In particular, inflation in the United States, Europe, and other geographies has risen to levels not experienced in recent decades and we are seeing its impact on various aspects of our business. Moreover, U.S. and global economic conditions have created market uncertainty and volatility. Such general economic conditions, including inflation, stagflation, political volatility, costs of labor, cost of capital, interest rates, bank stability, credit availability, and tax rates, affect our operating and general and administrative expenses, and we have no control or limited ability to control such factors.

If our costs grow significantly in excess of our ability to raise revenue, whether as a result of the foregoing global economic factors or otherwise, our margins and results of operations may be materially and adversely impacted and we may not be able to achieve our strategic and financial objectives.

In 2022, our financial results were negatively impacted by adverse workforce factors in a number of businesses, particularly commercial risk broking and health and benefits broking. Additionally, our 2022 performance benefited from revenue from book sales, which is non-repeatable revenue. The net impact of these factors, which caused our growth in 2022 to be meaningfully slower than other competitors, may affect the comparability of our 2022 results against the same period (or periods) in 2023 or other future periods. See Part I, Item 1A 'Risk Factors' in our Annual Report on Form 10-K, filed with the SEC on February 24, 2023, for a discussion of risks that may affect our growth relative to expectation and our ability to compete.

Transformation Program

In the fourth quarter of 2021, the Company initiated a three-year 'Transformation program' designed to enhance operations, optimize technology and align its real estate footprint to its new ways of working. During the second quarter of 2023, we revised the expected costs and savings under the program and we now expect the program to generate annual cost savings in excess of $380 million by the end of 2024. The program is expected to incur cumulative costs of approximately $630 million and capital expenditures of approximately $270 million, for a total investment of $900 million. The main categories of charges will be in the following four areas:

- Real estate rationalization — includes costs to align the real estate footprint to the new ways of working (hybrid work) and includes breakage fees and the impairment of right-of-use assets and other related leasehold assets.
- Technology modernization — these charges are incurred in moving to common platforms and technologies, including migrating certain platforms and applications to the cloud. This category will include the impairment of technology assets that are duplicative or no longer revenue-producing, as well as costs for technology investments that do not qualify for capitalization.
- Process optimization — these costs will be incurred in the right-shoring strategy and automation of our operations, which will include optimizing resource deployment and appropriate colleague alignment. These costs will include process and organizational design costs, severance and separation-related costs and temporary retention costs.
- Other — other costs not included above including fees for professional services, other contract terminations not related to the above categories and supplier migration costs.

Certain costs under the Transformation program are accounted for under ASC 420, *Exit or Disposal Cost Obligation*, and are included as restructuring costs in the condensed consolidated statements of comprehensive income. For the three and nine months ended September 30, 2023, restructuring charges under our Transformation program totaled $17 million and $30 million, respectively; for the three and nine months ended September 30, 2022, restructuring charges under our Transformation program totaled $9 million and $71 million, respectively. Other costs incurred under the Transformation program are included in transaction and transformation and were $104 million and $231 million for the three and nine months ended September 30, 2023, respectively, and $42 million and $73 million for the three and nine months ended September 30, 2022, respectively.

From the actions taken during the third quarter of 2023, we have identified an additional $23 million of annualized run-rate savings during the year due to newly-realized opportunities and incremental sources of value. Since the inception of the program, we have identified $300 million of cumulative annualized run-rate savings, which overall are primarily attributable to the reduction of real estate and technology costs. We began to recognize the benefits from the program during 2022.

For a discussion of some of the risks associated with the Transformation program, see Part I, Item 1A 'Risk Factors' in our Annual Report on Form 10-K, filed with the SEC on February 24, 2023.

Financial Statement Overview

The table below sets forth our summarized condensed consolidated statements of comprehensive income and data as a percentage of revenue for the periods indicated.

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2023		2022		2023		2022	
	($ in millions, except per share data)							
Revenue	$ 2,166	100 %	$ 1,953	100 %	$ 6,569	100 %	$ 6,144	100 %
Costs of providing services								
Salaries and benefits	1,359	63 %	1,225	63 %	4,019	61 %	3,802	62 %
Other operating expenses	396	18 %	384	20 %	1,282	20 %	1,263	21 %
Depreciation	60	3 %	60	3 %	184	3 %	191	3 %
Amortization	62	3 %	71	4 %	203	3 %	239	4 %
Restructuring costs	17	1 %	9	— %	30	— %	71	1 %
Transaction and transformation	113	5 %	50	3 %	265	4 %	108	2 %
Total costs of providing services	2,007		1,799		5,983		5,674	
Income from operations	159	7 %	154	8 %	586	9 %	470	8 %
Interest expense	(61)	(3)%	(54)	(3)%	(172)	(3)%	(154)	(3)%
Other income, net	66	3 %	85	4 %	126	2 %	205	3 %
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	164	8 %	185	9 %	540	8 %	521	8 %
Provision for income taxes	(25)	(1)%	(1)	— %	(99)	(2)%	(63)	(1)%
INCOME FROM CONTINUING OPERATIONS	139	6 %	184	9 %	441	7 %	458	7 %
INCOME/(LOSS) FROM DISCONTINUED OPERATIONS, NET OF TAX	—	— %	8	— %	—	— %	(27)	— %
Income attributable to non-controlling interests	(3)	— %	(2)	— %	(8)	— %	(10)	— %
NET INCOME ATTRIBUTABLE TO WTW	$ 136	6 %	$ 190	10 %	$ 433	7 %	$ 421	7 %
Diluted earnings per share from continuing operations	$ 1.29		$ 1.65		$ 4.06		$ 3.95	

Consolidated Revenue (Continuing Operations)

Revenue for the three months ended September 30, 2023 was $2.2 billion, compared to $2.0 billion for the three months ended September 30, 2022, an increase of $213 million, or 11%, on an as-reported basis. Adjusting for the impacts of foreign currency and acquisitions and disposals, our organic revenue growth was 9% for the three months ended September 30, 2023. Revenue for the nine months ended September 30, 2023 was $6.6 billion, compared to $6.1 billion for the nine months ended September 30, 2022, an increase of $425 million, or 7%, on an as-reported basis. Adjusting for the impacts of foreign currency and acquisitions and disposals, our organic revenue growth was 8% for the nine months ended September 30, 2023. The increases in both as-reported and organic revenue were driven by strong performances in both segments as well as the recognition of higher interest income, on a year-to-date basis, that is not allocated to the segments.

Our revenue can be materially impacted by changes in currency conversions, which can fluctuate significantly over the course of a calendar year. For the three months ended September 30, 2023, currency translation increased our consolidated revenue by $32 million. The primary currencies driving this change were the Euro and Pound Sterling. For the nine months ended September 30, 2023, currency translation decreased our consolidated revenue by $40 million. The primary currencies driving this change were the Argentine Peso, Canadian Dollar and Pound Sterling.

The following table details our top five markets based on the percentage of consolidated revenue (in U.S. dollars) from the countries where work was performed for the nine months ended September 30, 2023. These figures do not represent the currency of the related revenue, which is presented in the next table.

Geographic Region	% of Revenue
United States	51 %
United Kingdom	19 %
France	5 %
Canada	3 %
Germany	3 %

The table below details the approximate percentage of our revenue and expenses from continuing operations by transactional currency for the nine months ended September 30, 2023.

Transactional Currency	Revenue	Expenses (i)
U.S. dollars	57 %	53 %
Pounds sterling	12 %	17 %
Euro	15 %	13 %
Other currencies	16 %	17 %

(i) These percentages exclude certain expenses for significant items which will not be settled in cash, or which we believe to be items that are not core to our current or future operations. These items include amortization of intangible assets and transaction and transformation.

The following tables set forth the total revenue for the three and nine months ended September 30, 2023 and 2022 and the components of the changes in total revenue for the three and nine months ended September 30, 2023, as compared to the prior year periods. The components of the revenue change may not add due to rounding.

	Three Months Ended September 30,			Components of Revenue Change			
	2023	2022	As Reported Change	Less: Currency Impact	Constant Currency Change	Less: Acquisitions/ Divestitures	Organic Change
	($ in millions)						
Revenue	$ 2,166	$ 1,953	11%	2%	9%	—%	9%

	Nine Months Ended September 30,			Components of Revenue Change			
	2023	2022	As Reported Change	Less: Currency Impact	Constant Currency Change	Less: Acquisitions/ Divestitures	Organic Change
	($ in millions)						
Revenue	$ 6,569	$ 6,144	7%	(1)%	8%	(1)%	8%

Definitions of Constant Currency Change and Organic Change are included under the section entitled ‘Non-GAAP Financial Measures’ elsewhere within Item 2 of this Form 10-Q.

Segment Revenue

The segment descriptions below should be read in conjunction with the full descriptions of our businesses contained in Part I, Item 1. ‘Business’, within our Annual Report on Form 10-K, filed with the SEC on February 24, 2023.

Segment revenue excludes amounts that were directly incurred on behalf of our clients and reimbursed by them (reimbursed expenses); however, these amounts are included in consolidated revenue, as permitted by applicable accounting standards and SEC rules.

The Company experiences seasonal fluctuations in its revenue. Revenue is typically higher during the Company’s first and fourth quarters due primarily to the timing of broking-related activities.

For each table presented below, the components of the revenue change may not add due to rounding.

Health, Wealth & Career

The Health, Wealth & Career (‘HWC’) segment provides an array of advice, broking, solutions and technology for employee benefit plans, institutional investors, compensation and career programs, and the employee experience overall. Our portfolio of services supports the interrelated challenges that the management teams of our clients face across human resources and finance.

HWC is the larger of the two segments of the Company. Addressing four key areas, Health, Wealth, Career and Benefits Delivery & Outsourcing, the segment is focused on addressing our clients’ people and risk needs to help them succeed in a global marketplace.

The following table sets forth HWC revenue for the three months ended September 30, 2023 and 2022 and the components of the change in revenue for the three months ended September 30, 2023 from the three months ended September 30, 2022.

	Three Months Ended September 30,			Components of Revenue Change			
	2023	2022	As Reported Change	Less: Currency Impact	Constant Currency Change	Less: Acquisitions/ Divestitures	Organic Change
	($ in millions)						
Segment revenue	$ 1,282	$ 1,162	10%	2%	8%	—%	9%

HWC segment revenue for the three months ended September 30, 2023 and 2022 was $1.3 billion and $1.2 billion, respectively. Organic growth was led by Benefits Delivery & Outsourcing, driven by new clients and increased compliance and other project activity in Outsourcing and growth from higher volumes and placements of Life and Medicare Advantage in Individual Marketplace. Our Wealth businesses generated organic revenue growth from higher levels of Retirement work in North America and Europe, along with new client acquisitions and higher fees in Investments. Organic revenue growth in Health was driven by the continued expansion of our Global Benefits Management client portfolio, new local clients, expanding consulting work for existing clients and increased brokerage income. Career had organic revenue growth from increased compensation survey sales, executive compensation and other reward-based advisory services, including pay transparency work and change communication services.

The following table sets forth HWC segment revenue for the nine months ended September 30, 2023 and 2022 and the components of the change in revenue for the nine months ended September 30, 2023 from the nine months ended September 30, 2022.

	Nine Months Ended September 30,			Components of Revenue Change			
	2023	2022	As Reported Change	Less: Currency Impact	Constant Currency Change	Less: Acquisitions/ Divestitures	Organic Change
	($ in millions)						
Segment revenue	$ 3,784	$ 3,565	6%	—%	7%	—%	7%

HWC segment revenue for the nine months ended September 30, 2023 and 2022 was $3.8 billion and $3.6 billion, respectively. Organic growth was led by Benefits Delivery & Outsourcing, driven by higher volumes and placements of Medicare Advantage and Life policies in Individual Marketplace and increased project activity in Outsourcing. Our Wealth businesses generated organic revenue growth from higher levels of Retirement work in North America and Europe, along with new client acquisitions and higher fees in Investments. Health had organic revenue growth driven by the continued expansion of our client portfolio, expanded consulting work and increased brokerage income. Career had organic revenue growth from increased compensation survey sales and executive compensation and other reward-based advisory services.

Risk & Broking

The Risk & Broking (‘R&B’) segment provides a broad range of risk advice, insurance brokerage and consulting services to clients worldwide ranging from small businesses to multinational corporations. The segment comprises two primary businesses - Corporate Risk & Broking and Insurance Consulting and Technology.

The following table sets forth R&B revenue for the three months ended September 30, 2023 and 2022 and the components of the change in revenue for the three months ended September 30, 2023 from the three months ended September 30, 2022.

	Three Months Ended September 30,			Components of Revenue Change			
	2023	2022	As Reported Change	Less: Currency Impact	Constant Currency Change	Less: Acquisitions/ Divestitures	Organic Change
	($ in millions)						
Segment revenue	$ 855	$ 765	12%	2%	10%	—%	10%

R&B segment revenue for the three months ended September 30, 2023 and 2022 was $855 million and $765 million, respectively. Corporate Risk & Broking generated solid organic revenue growth driven by strong new business, improved client retention and rate increases. Insurance Consulting and Technology had organic revenue growth from software sales and increased project revenue.

The following table sets forth R&B segment revenue for the nine months ended September 30, 2023 and 2022 and the components of the change in revenue for the nine months ended September 30, 2023 from the nine months ended September 30, 2022.

	Nine Months Ended September 30,		As Reported Change	Components of Revenue Change			
	2023	2022		Less: Currency Impact	Constant Currency Change	Less: Acquisitions/ Divestitures	Organic Change
	($ in millions)						
Segment revenue	$ 2,659	$ 2,508	6%	(1)%	7%	(2)%	9%

R&B segment revenue for the nine months ended September 30, 2023 and 2022 was $2.7 billion and $2.5 billion, respectively. Despite significant pressure from headwinds from book-of-business settlement revenue in the comparable period, Corporate Risk & Broking generated solid organic revenue growth driven by strong new business, improved client retention and rate increases. Insurance Consulting and Technology had organic revenue growth from software sales and increased project revenue.

Costs of Providing Services (Continuing Operations)

Total costs of providing services for the three months ended September 30, 2023 were $2.0 billion, compared to $1.8 billion for the three months ended September 30, 2022, an increase of $208 million, or 12%. Total costs of providing services for the nine months ended September 30, 2023 were $6.0 billion, compared to $5.7 billion for the nine months ended September 30, 2022, an increase of $309 million, or 5%. See the following discussion for further details.

Salaries and Benefits

Salaries and benefits for the three months ended September 30, 2023 were $1.4 billion, compared to $1.2 billion for the three months ended September 30, 2022, an increase of $134 million, or 11%. The increase in the current year is primarily due to higher salary expense and increased incentive and benefit costs for the period. Salaries and benefits, as a percentage of revenue, represented 63% for both the three months ended September 30, 2023 and 2022.

Salaries and benefits for the nine months ended September 30, 2023 were $4.0 billion, compared to $3.8 billion for the nine months ended September 30, 2022, an increase of $217 million, or 6%. The increase in the current year is primarily due to higher salary expense and increased incentive and benefit costs for the period. Salaries and benefits, as a percentage of revenue, represented 61% and 62% for the nine months ended September 30, 2023 and 2022, respectively.

Other Operating Expenses

Other operating expenses for the three months ended September 30, 2023 were $396 million, compared to $384 million for the three months ended September 30, 2022, an increase of $12 million, or 3%. The increase was primarily due to higher professional service and marketing-related expenses for the current-year period as compared to the prior-year comparable period, and higher travel and entertainment costs as post-pandemic activity continued to increase, partially offset by lower external labor fees in the current-year period.

Other operating expenses for both the nine months ended September 30, 2023 and 2022 were $1.3 billion, an increase of $19 million. The increase was primarily due to higher professional service and marketing-related expenses for the current-year as compared to the prior-year comparable period, and higher travel and entertainment costs due to continued increasing post-pandemic activity, partially offset by the absence of the prior-year asset impairments incurred, mostly accounts receivables, related to Russian insurance contracts placed by U.K. brokers in the London market (see Note 3 — Acquisitions and Divestitures within Part I, Item 1 ‘Financial Statements’ in this Form 10-Q for additional information) and lower external labor fees in the current year.

Depreciation

Depreciation for both the three months ended September 30, 2023 and 2022 was $60 million. Depreciation for the nine months ended September 30, 2023 was $184 million, compared to $191 million for the nine months ended September 30, 2022, a decrease of $7 million, or 4%. The decrease for the nine months ended September 30, 2023 is primarily due to a lower depreciable base of assets resulting from business disposals over the last two years and a lower dollar value of assets placed in service during the past few years.

Amortization

Amortization for the three months ended September 30, 2023 was $62 million, compared to $71 million for the three months ended September 30, 2022, a decrease of $9 million, or 13%. Amortization for the nine months ended September 30, 2023 was $203 million, compared to $239 million for the nine months ended September 30, 2022, a decrease of $36 million, or 15%. Our intangible amortization is generally more heavily weighted to the initial years of the useful lives of the related intangibles, and therefore amortization related to intangible assets will continue to decrease over time.

Restructuring Costs

Restructuring costs for the three months ended September 30, 2023 were $17 million, compared to $9 million for the three months ended September 30, 2022. Restructuring costs for the nine months ended September 30, 2023 were $30 million, compared to $71 million for the nine months ended September 30, 2022. Restructuring costs in both the current-year and prior-year periods primarily related to the real estate rationalization component of the Transformation program commenced by the Company during the fourth quarter of 2021 (see 'Transformation Program' within this Part I, Item 2 and Note 6 — Restructuring Costs within Part I, Item 1 'Financial Statements' of this Quarterly Report on Form 10-Q).

Transaction and Transformation

Transaction and transformation for the three months ended September 30, 2023 were $113 million, compared to $50 million for the three months ended September 30, 2022, an increase of $63 million. Transaction and transformation for the nine months ended September 30, 2023 were $265 million, compared to $108 million for the nine months ended September 30, 2022, an increase of $157 million. Transaction and transformation costs for the current year were higher primarily due to increased consulting and compensation costs related to our Transformation program (see 'Transformation Program' within this Part I, Item 2) incurred in the current-year periods as compared to the prior-year comparable periods.

Income from Operations

Income from operations for the three months ended September 30, 2023 was $159 million, compared to $154 million for the three months ended September 30, 2022, an increase of $5 million. This increase resulted primarily from higher revenue, partially offset by higher salary expense and incentive and benefit costs, increased transaction and transformation costs, and higher professional service and marketing-related expenses in the current-year period as compared to the prior-year period.

Income from operations for the nine months ended September 30, 2023 was $586 million, compared to $470 million for the nine months ended September 30, 2022, an increase of $116 million. This increase resulted primarily from higher revenue, the absence of the prior-year's asset impairment expense discussed above, and lower restructuring costs in the current year, partially offset by higher salary expense and incentive and benefit costs, increased transaction and transformation costs, higher professional service and marketing-related expenses, and increased travel and entertainment costs in the current-year period as compared to the prior-year period.

Interest Expense

Interest expense for the three months ended September 30, 2023 was $61 million, compared to $54 million for the three months ended September 30, 2022, an increase of $7 million, or 13%. Interest expense for the nine months ended September 30, 2023 was $172 million as compared to $154 million for the nine months ended September 30, 2022, an increase of $18 million, or 12%. These increases were primarily the result of higher levels of indebtedness in the current year.

Other Income, Net

Other income, net for the three months ended September 30, 2023 was $66 million, compared to $85 million for the three months ended September 30, 2022, a decrease of $19 million. Other income, net for the nine months ended September 30, 2023 was $126 million, compared to $205 million for the nine months ended September 30, 2022, a decrease of $79 million. These decreases were mostly due to lower pension income, which was primarily attributable to higher interest costs resulting from higher assumed discount rates in the current year, partially offset by greater gains on disposals in the current year.

Provision for Income Taxes

Provision for income taxes for the three months ended September 30, 2023 was $25 million, compared to $1 million for the three months ended September 30, 2022, an increase of $24 million. The effective tax rate was 15.5% for the three months ended September 30, 2023 and 0.7% for the three months ended September 30, 2022. Provision for income taxes for the nine months ended September 30, 2023 was $99 million, compared to $63 million for the nine months ended September 30, 2022, an increase of $36 million. The effective tax rate was 18.3% for the nine months ended September 30, 2023 and 12.1% for the nine months ended September 30, 2022. These effective tax rates are calculated using extended values from our condensed consolidated statements of comprehensive income and are therefore more precise tax rates than can be calculated from rounded values. The prior-year quarter effective tax rate was lower due to certain discrete tax benefits related to amending the Company's U.S. federal and state tax returns in order to change certain elections available under the Coronavirus Aid, Relief, and Economic Security ('CARES') Act, and excess tax benefits on executive share-based compensation.

Income/(loss) from Discontinued Operations, Net of Tax

Income from discontinued operations, net of tax for the three months ended September 30, 2022 was $8 million, and loss from discontinued operations, net of tax for the nine months ended September 30, 2022 was $27 million. The operations of our Willis Re business were reclassified to discontinued operations upon our entering into an agreement to sell the business during the third quarter of 2021 (see Note 3 – Acquisitions and Divestitures in Part I, Item 1 'Financial Statements' in this Form 10-Q). Gains and losses from discontinued operations in the prior year were primarily attributable to the adjustments to the gain on disposal resulting from updating the purchase price and the operations of the deferred closing entities and run-off activity associated with the divestiture.

Net Income Attributable to WTW

Net income attributable to WTW for the three months ended September 30, 2023 was $136 million, compared to $190 million for the three months ended September 30, 2022, a decrease of $54 million, or 28%. This decrease resulted primarily from higher salary expense and incentive and benefit costs, increased transaction and transformation costs, higher professional service and marketing-related expenses and lower pension income in the current-year period, partially offset by higher revenue and gains on disposals in the current-year period.

Net income attributable to WTW for the nine months ended September 30, 2023 was $433 million, compared to $421 million for the nine months ended September 30, 2022, an increase of $12 million, or 3%. This increase resulted primarily from higher revenue, the absence of the prior-year's asset impairment expense discussed above, lower restructuring costs, and higher gains on disposals in the current year, partially offset by higher salary expense and incentive and benefit costs, increased transaction and transformation costs, higher professional service and marketing-related expenses, higher travel and entertainment costs and lower pension income in the current year.

Liquidity and Capital Resources

Executive Summary

Our principal sources of liquidity are funds generated by operating activities, available cash and cash equivalents and amounts available under our revolving credit facilities and any new debt offerings.

There has been significant volatility in financial markets, including occasional declines in equity markets, inflation and changes in interest rates and reduced liquidity on a global basis. Specific to WTW, following the reduced spending driven by the COVID-19 pandemic, spending on travel and associated expenses began to increase in 2022, and this trend has continued in 2023 following the return to office for many companies which have increased in-person interactions.

Based on our current balance sheet and cash flows, current market conditions and information available to us at this time, we believe that WTW has access to sufficient liquidity, which includes all of the borrowing capacity available to draw against our $1.5 billion revolving credit facility, to meet our cash needs for the next twelve months, including investments in the business for growth and those related to our Transformation program, scheduled debt repayments, share repurchases and dividend payments. During the second quarter of 2023, we completed an offering of $750 million aggregate principal amount of 5.350% senior notes due 2033 and used the net proceeds during the current quarter to repay in full the $250 million aggregate principal amount and related accrued interest of 4.625% senior notes. The Company will use the remaining net proceeds for general corporate purposes. Additionally, during the nine months ended September 30, 2023 we repurchased $804 million of shares, with remaining authorization to repurchase an additional $1.5 billion.

From time to time, we will consider whether to repurchase shares based on many factors, including market and economic conditions, applicable legal requirements and other business considerations. The share repurchase program has no termination date and may be suspended or discontinued at any time.

Events that could change the historical cash flow dynamics discussed above include significant changes in operating results, potential future acquisitions or divestitures, material changes in geographic sources of cash, unexpected adverse impacts from litigation or regulatory matters, or future pension funding during periods of severe downturn in the capital markets.

Undistributed Earnings of Foreign Subsidiaries

The Company recognizes deferred tax balances related to the undistributed earnings of subsidiaries when it expects that it will recover those undistributed earnings in a taxable manner, such as through receipt of dividends or sale of the investments.

We continue to have certain subsidiaries whose earnings have not been deemed permanently reinvested, for which we have been accruing estimates of the tax effects of such repatriation. Excluding these certain subsidiaries, we continue to assert that the historical cumulative earnings for the remainder of our subsidiaries have been reinvested indefinitely and therefore do not provide deferred taxes on these amounts. If future events, including material changes in estimates of cash, working capital, long-term investment requirements or additional legislation, necessitate that these earnings be distributed, an additional provision for income and foreign withholding taxes, net of credits, may be necessary. Other potential sources of cash may be through the settlement of intercompany loans or return of capital distributions in a tax-efficient manner.

Cash and Cash Equivalents

Our cash and cash equivalents at September 30, 2023 totaled $1.2 billion, compared to $1.3 billion at December 31, 2022, a decrease of $15 million. In addition to cash flows generated by our operations, the significant cash activities during the first nine months of 2023 included share repurchases of $804 million, dividend payments, capital expenditures, and net proceeds from debt of $488 million.

Additionally, we had all of the borrowing capacity available to draw against our $1.5 billion revolving credit facility at both September 30, 2023 and December 31, 2022.

Included within cash and cash equivalents at September 30, 2023 and December 31, 2022 are amounts held for regulatory capital adequacy requirements, including $100 million and $99 million, respectively, held within our regulated U.K. entities.

Summarized Condensed Consolidated Cash Flows

The following table presents the summarized condensed consolidated cash flow information for the nine months ended September 30, 2023 and 2022:

	Nine Months Ended September 30,	
	2023	2022
	(in millions)	
Net cash from/(used in):		
Operating activities	$ 823	$ 437
Investing activities	(1,030)	(58)
Financing activities	(728)	(3,109)
DECREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH (i)	(935)	(2,730)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(54)	(290)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF PERIOD (i)	4,721	7,691
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF PERIOD (i)	$ 3,732	$ 4,671

(i) The amounts of cash, cash equivalents and restricted cash, their respective classification on the condensed consolidated balance sheets, as well as their respective portions of the increase or decrease in cash, cash equivalents and restricted cash for each of the periods presented, have been included in Note 19 — Supplemental Disclosures of Cash Flow Information within Part I, Item I ‘Financial Statements’ within this Quarterly Report on Form 10-Q.

Cash Flows From Operating Activities

Cash flows from operating activities were $823 million for the nine months ended September 30, 2023, compared to $437 million for the nine months ended September 30, 2022. The $823 million of net cash from operating activities for the nine months ended September 30, 2023 included net income of $441 million and $484 million of favorable non-cash adjustments, partially offset by unfavorable changes in operating assets and liabilities of $102 million. This increase in cash flows from operations as compared to the prior year was primarily due to the non-recurrence of prior-year headwinds, including realized losses on foreign currency hedges, payments made in the prior year for certain discretionary compensation and taxes for one-time gains recorded in connection with the Willis Re sale and the income receipt from the termination of the then-proposed Aon transaction. These prior-year cash flows were partially offset by increased Transformation program-related costs in the current year.

The $437 million of net cash from operating activities for the nine months ended September 30, 2022 included net income of $431 million and $437 million of favorable non-cash adjustments, partially offset by unfavorable changes in operating assets and liabilities of $431 million.

Cash Flows Used In Investing Activities

Cash flows used in investing activities for the nine months ended September 30, 2023 were $1.0 billion as compared to $58 million for the nine months ended September 30, 2022. The cash flows used in investing activities for the nine months ended September 30, 2023 consist primarily of cash and fiduciary funds of $922 million associated with the transfer to Gallagher under a new side letter to the Willis Re SAPA (see Note 3 — Acquisitions and Divestitures within Part I, Item 1 ‘Financial Statements’ in this Form 10-Q for additional information) and $182 million of capital expenditures and capitalized software additions. The cash flows used in investing activities in the prior-year period primarily include capital expenditures and capitalized software additions of $150 million, acquisitions of $80 million, and cash and fiduciary funds transferred on disposal of $29 million, partially offset by sales of investments of $200 million.

Cash Flows Used In Financing Activities

Cash flows used in financing activities for the nine months ended September 30, 2023 were $728 million. The significant financing activities included share repurchases of $804 million, dividend payments of $265 million, and net payments from fiduciary funds held for clients of $71 million, partially offset by $488 million of net proceeds from issuance of debt.

Cash flows used in financing activities for the nine months ended September 30, 2022 were $3.1 billion. The significant financing activities included share repurchases of $3.1 billion, debt repayments of $590 million and dividend payments of $280 million, partially offset by $750 million of net proceeds from issuance of debt and $157 million of net proceeds from fiduciary funds held for clients.

Indebtedness

Total debt, total equity, and the capitalization ratios at September 30, 2023 and December 31, 2022 were as follows:

	September 30, 2023	December 31, 2022
	($ in millions)	
Long-term debt	$ 4,565	$ 4,471
Current debt	649	250
Total debt	$ 5,214	$ 4,721
Total WTW shareholders’ equity	$ 9,410	$ 10,016
Capitalization ratio	35.7 %	32.0 %

At September 30, 2023, our mandatory debt repayments over the next twelve months include $650 million outstanding on our 3.600% senior notes due 2024. For more information regarding our current and long-term debt, please see ‘Supplemental Guarantor Financial Information’ elsewhere within this Item 2 Management's Discussion and Analysis of Financial Condition and Results of Operations.

At September 30, 2023 and December 31, 2022, we were in compliance with all financial covenants.

Fiduciary Funds

As an intermediary, we hold funds, generally in a fiduciary capacity, for the account of third parties, typically as the result of premiums received from clients that are in transit to insurers and claims due to clients that are in transit from insurers. We also hold funds for clients of our benefits account businesses. These fiduciary funds are included in fiduciary assets on our condensed consolidated balance sheets. We present the equal and corresponding fiduciary liabilities related to these fiduciary funds representing amounts or claims due to our clients or premiums due on their behalf to insurers on our condensed consolidated balance sheets.

Fiduciary funds are generally required to be kept in regulated bank accounts subject to guidelines which emphasize capital preservation and liquidity; such funds are not available to service the Company’s debt or for other corporate purposes. Notwithstanding the legal relationships with clients and insurers, the Company is entitled to retain investment income earned on certain of these fiduciary funds in accordance with industry custom and practice and, in some cases, as supported by agreements with insureds.

At September 30, 2023 and December 31, 2022, we had fiduciary funds of $2.7 billion and $3.6 billion, respectively. At December 31, 2022, $945 million of these funds were attributable to the divested Willis Re business. All amounts have since been settled or transferred to Gallagher due to the termination of the co-broking agreement (see Note 3 — Acquisitions and Divestitures within Part I, Item 1 ‘Financial Statements’ of this Quarterly Report on Form 10-Q for further information).

Share Repurchase Program

The Company is authorized to repurchase shares, by way of redemption or otherwise, and will consider whether to do so from time to time, based on many factors, including market conditions. There are no expiration dates for our repurchase plans or programs.

On July 26, 2021, the board of directors approved a $1.0 billion increase to the existing share repurchase program, which was previously at $500 million. Additionally, on September 16, 2021, the board of directors approved a $4.0 billion increase to the existing share repurchase program, on May 25, 2022, approved a $1.0 billion increase to the existing share repurchase program, and on

September 20, 2023, approved a $1.0 billion increase to the existing share repurchase program. These increases brought the total approved authorization to $7.5 billion.

At September 30, 2023, approximately $1.5 billion remained on the current repurchase authority. The maximum number of shares that could be repurchased based on the closing price of our ordinary shares on September 30, 2023 of $208.96 was 7,362,692.

During the three and nine months ended September 30, 2023, the Company had the following share repurchase activity:

	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2023
Shares repurchased	1,681,385	3,650,837
Average price per share	$208.16	$220.26
Aggregate repurchase cost (excluding broker costs)	$350 million	$804 million

Capital Commitments

The Company's capital expenditures for fixed assets and software for internal use were $116 million during the nine months ended September 30, 2023. The Company estimates that there will be additional such expenditures, which include those incurred under its Transformation program, in the range of $50 million to $70 million during the remainder of 2023. We currently expect cash from operations to adequately provide for these cash needs. There have been no material changes to our capital commitments since December 31, 2022.

Dividends

Total cash dividends of $265 million were paid during the nine months ended September 30, 2023. In August 2023, the board of directors approved a quarterly cash dividend of $0.84 per share ($3.36 per share annualized rate), which was paid on October 16, 2023 to shareholders of record as of September 30, 2023.

Supplemental Guarantor Financial Information

As of September 30, 2023, WTW has issued the following debt securities (the 'notes'):

a) Willis North America Inc. ('Willis North America') has approximately $4.4 billion senior notes outstanding, of which $650 million were issued on May 16, 2017, $1.0 billion were issued on September 10, 2018, $1.0 billion were issued on September 10, 2019, $275 million were issued on May 29, 2020, $750 million were issued on May 19, 2022, and $750 million were issued on May 17, 2023; and

b) Trinity Acquisition plc has $825 million senior notes outstanding, of which $275 million were issued on August 15, 2013 and $550 million were issued on March 22, 2016, and a $1.5 billion revolving credit facility, on which no balance was outstanding at September 30, 2023.

The following table presents a summary of the entities that issue each note and those wholly-owned subsidiaries of the Company that guarantee each respective note on a joint and several basis as of September 30, 2023. These subsidiaries are all consolidated by Willis Towers Watson plc (the 'parent company') and together with the parent company comprise the 'Obligor group'.

Entity	Trinity Acquisition plc Notes	Willis North America Inc. Notes
Willis Towers Watson plc	Guarantor	Guarantor
Trinity Acquisition plc	Issuer	Guarantor
Willis North America Inc.	Guarantor	Issuer
Willis Netherlands Holdings B.V.	Guarantor	Guarantor
Willis Investment UK Holdings Limited	Guarantor	Guarantor
TA I Limited	Guarantor	Guarantor
Willis Group Limited	Guarantor	Guarantor
Willis Towers Watson Sub Holdings Unlimited Company	Guarantor	Guarantor
Willis Towers Watson UK Holdings Limited	Guarantor	Guarantor

The notes issued by Willis North America and Trinity Acquisition plc:

- rank equally with all of the issuer's existing and future unsubordinated and unsecured debt;
- rank equally with the issuer's guarantee of all of the existing senior debt of the Company and the other guarantors, including any debt under the Revolving Credit Facility;

- are senior in right of payment to all of the issuer’s future subordinated debt; and
- are effectively subordinated to all of the issuer’s secured debt to the extent of the value of the assets securing such debt.

All other subsidiaries of the parent company are non-guarantor subsidiaries (‘the non-guarantor subsidiaries’).

Each member of the Obligor group has only a stockholder’s claim on the assets of the non-guarantor subsidiaries. This stockholder’s claim is junior to the claims that creditors have against those non-guarantor subsidiaries. Holders of the notes will only be creditors of the Obligor group and not creditors of the non-guarantor subsidiaries. As a result, all of the existing and future liabilities of the non-guarantor subsidiaries, including any claims of trade creditors and preferred stockholders, will be structurally senior to the notes. As of and for the periods ended September 30, 2023 and December 31, 2022, the non-guarantor subsidiaries represented substantially all of the total assets and accounted for substantially all of the total revenue of the Company prior to consolidating adjustments. The non-guarantor subsidiaries have other liabilities, including contingent liabilities that may be significant. Each indenture does not contain any limitations on the amount of additional debt that the Obligor group and the non-guarantor subsidiaries may incur. The amounts of this debt could be substantial, and this debt may be debt of the non-guarantor subsidiaries, in which case this debt would be effectively senior in right of payment to the notes.

The notes are obligations exclusively of the Obligor group. Substantially all of the Obligor group’s operations are conducted through its non-guarantor subsidiaries. Therefore, the Obligor group’s ability to service its debt, including the notes, is dependent upon the net cash flows of its non-guarantor subsidiaries and their ability to distribute those net cash flows as dividends, loans or other payments to the Obligor group. Certain laws restrict the ability of these non-guarantor subsidiaries to pay dividends and make loans and advances to the Obligor group. In addition, such non-guarantor subsidiaries may enter into contractual arrangements that limit their ability to pay dividends and make loans and advances to the Obligor group.

Intercompany balances and transactions between members of the Obligor group have been eliminated. All intercompany balances and transactions between the Obligor group and the non-guarantor subsidiaries have been presented in the disclosures below on a net presentation basis, rather than a gross basis, as this better reflects the nature of the intercompany positions and presents the funding or funded position that is to be received or owed. The intercompany balances and transactions between the Obligor group and non-guarantor subsidiaries, presented below, relate to a number of items including loan funding for acquisitions and other purposes, transfers of surplus cash between subsidiary companies, funding provided for working capital purposes, settlement of expense accounts, transactions related to share-based payment arrangements and share issuances, intercompany royalty arrangements, intercompany dividends and intercompany interest. At September 30, 2023 and December 31, 2022, the intercompany balances of the Obligor group with non-guarantor subsidiaries were net receivables of $1.0 billion and $600 million, respectively, and net payables of $11.2 billion and $10.2 billion, respectively.

No balances or transactions of non-guarantor subsidiaries are presented in the disclosures other than the intercompany items noted above.

Presented below is certain summarized financial information for the Obligor group.

`	As of September 30, 2023	As of December 31, 2022
	(in millions)	
Total current assets	$ 243	$ 216
Total non-current assets	1,007	685
Total current liabilities	6,154	6,916
Total non-current liabilities	10,416	8,212

	Nine months ended September 30, 2023
	(in millions)
Revenue	$ 1,093
Income from operations	881
Income from operations before income taxes [i]	305
Net income	434
Net income attributable to WTW	434

(i) Includes intercompany expense, net of the Obligor group from non-guarantor subsidiaries of $222 million for the nine months ended September 30, 2023.

Non-GAAP Financial Measures

In order to assist readers of our condensed consolidated financial statements in understanding the core operating results that WTW's management uses to evaluate the business and for financial planning purposes, we present the following non-GAAP measures and their most directly comparable U.S. GAAP measure:

Most Directly Comparable U.S. GAAP Measure	Non-GAAP Measure
As reported change	Constant currency change
As reported change	Organic change
Income from operations/margin	Adjusted operating income/margin
Net income/margin	Adjusted EBITDA/margin
Net income attributable to WTW	Adjusted net income
Diluted earnings per share	Adjusted diluted earnings per share
Income from continuing operations before income taxes	Adjusted income before taxes
Provision for income taxes/U.S. GAAP tax rate	Adjusted income taxes/tax rate
Net cash from operating activities	Free cash flow

The Company believes that these measures are relevant and provide pertinent 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.

Within the measures referred to as 'adjusted', we adjust for significant items which will not be settled in cash, or which we believe to be items that are not core to our current or future operations. Some of these items may not be applicable for the current quarter, however they may be part of our full-year results. Additionally, we have historically adjusted for certain items which are not described below, but for which we may adjust in a future period when applicable. Items applicable to the quarter or full year results, or the comparable periods, include the following:

- Income from discontinued operations, net of tax – Adjustment to remove the after-tax income from discontinued operations and the after-tax gain attributable to the divested Willis Re business.
- Restructuring costs and transaction and transformation – Management believes it is appropriate to adjust for restructuring costs and transaction and transformation when they relate to a specific significant program with a defined set of activities and costs that are not expected to continue beyond a defined period of time, or significant acquisition-related transaction expenses. We believe the adjustment is necessary to present how the Company is performing, both now and in the future when the incurrence of these costs will have concluded.
- Impairment – Adjustment to remove the impairment related to the net assets of our Russian business that are held outside of our Russian entities.
- Gains and losses on disposals of operations – Adjustment to remove the gains or losses resulting from disposed operations that have not been classified as discontinued operations.
- Tax effect of the CARES Act – Relates to the incremental tax expense or benefit, primarily from the Base Erosion and Anti-Abuse Tax ('BEAT'), generated from electing or changing elections of certain income tax provisions available under the CARES Act.
- Tax effect of internal reorganizations – Relates to the U.S. income tax expense resulting from the completion of internal reorganizations of the ownership of certain businesses that reduced the investments held by our U.S.-controlled subsidiaries.

These non-GAAP measures are not defined in the same manner by all companies and may not be comparable to other similarly titled measures of other companies. Non-GAAP measures should be considered in addition to, and not as a substitute for, the information contained within our condensed consolidated financial statements.

Constant Currency Change and Organic Change

We evaluate our revenue on an as reported (U.S. GAAP), constant currency and organic basis. We believe presenting constant currency and organic information provides valuable supplemental information regarding our comparable results, consistent with how we evaluate our performance internally.

- *Constant currency change* - Represents the year-over-year change in revenue excluding the impact of foreign currency fluctuations. To calculate this impact, the prior-year local currency results are first translated using the current-year monthly average exchange rates. The change is calculated by comparing the prior-year revenue, translated at the current-year monthly average exchange rates, to the current-year as-reported revenue, for the same period. We believe constant currency measures provide useful information to investors because they provide transparency to performance by excluding the effects that foreign currency exchange rate fluctuations have on period-over-period comparability given volatility in foreign currency exchange markets.

- *Organic change* - Excludes the impact of fluctuations in foreign currency exchange rates as described above and the period-over-period impact of acquisitions and divestitures on current-year revenue. We believe that excluding transaction-related items from our U.S. GAAP financial measures provides useful supplemental information to our investors, and it is important in illustrating what our core operating results would have been had we not included these transaction-related items, since the nature, size and number of these transaction-related items can vary from period to period.

The constant currency and organic change results, and a reconciliation from the reported results for consolidated revenue are included in the 'Consolidated Revenue (Continuing Operations)' section within this Form 10-Q. These measures are also reported by segment in the 'Segment Revenue' section within this Form 10-Q.

Reconciliations of the as-reported changes to the constant currency and organic changes for the three and nine months ended September 30, 2023 from the three and nine months ended September 30, 2022 are as follows. The components of revenue change may not add due to rounding.

	Three Months Ended September 30,			Components of Revenue Change			
	2023	2022	As Reported Change	Less: Currency Impact	Constant Currency Change	Less: Acquisitions/ Divestitures	Organic Change
	($ in millions)						
Revenue	$ 2,166	$ 1,953	11%	2%	9%	—%	9%

	Nine Months Ended September 30,			Components of Revenue Change			
	2023	2022	As Reported Change	Less: Currency Impact	Constant Currency Change	Less: Acquisitions/ Divestitures	Organic Change
	($ in millions)						
Revenue	$ 6,569	$ 6,144	7%	(1)%	8%	(1)%	8%

For the three months ended September 30, 2023, our as-reported revenue increased by 11% and our organic revenue grew by 9%. For the nine months ended September 30, 2023, our as-reported revenue increased by 7% and our organic revenue grew by 8%. The increases in both as-reported and organic revenue were driven by strong performances in both segments as well as the recognition of higher interest income, on a year-to-date basis, that is not allocated to the segments.

Adjusted Operating Income/Margin

We consider adjusted operating income/margin to be important financial measures, which are used internally to evaluate and assess our core operations and to benchmark our operating results against our competitors.

Adjusted operating income is defined as income from operations adjusted for impairment, amortization, restructuring costs, transaction and transformation and non-recurring items that, in management's judgment, significantly affect the period-over-period assessment of operating results. Adjusted operating income margin is calculated by dividing adjusted operating income by revenue.

Reconciliations of income from operations to adjusted operating income for the three and nine months ended September 30, 2023 and 2022 are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	($ in millions)			
Income from operations	$ 159	$ 154	$ 586	$ 470
Adjusted for certain items:				
Impairment	—	—	—	81
Amortization	62	71	203	239
Restructuring costs	17	9	30	71
Transaction and transformation	113	50	265	108
Adjusted operating income	$ 351	$ 284	$ 1,084	$ 969
Income from operations margin	7.3 %	7.9 %	8.9 %	7.6 %
Adjusted operating income margin	16.2 %	14.5 %	16.5 %	15.8 %

Adjusted operating income increased for the three months ended September 30, 2023 to $351 million, from $284 million for the three months ended September 30, 2022 and increased for the nine months ended September 30, 2023 to $1.1 billion from $969 million for the nine months ended September 30, 2022. These increases resulted primarily from higher revenue in the current year, partially offset by higher salary expense and incentive and benefit costs, higher professional service and marketing-related expenses, and increased travel and entertainment costs in the current-year periods as compared to the prior-year periods.

Adjusted EBITDA/Margin

We consider adjusted EBITDA/margin to be important financial measures, which are used internally to evaluate and assess our core operations, to benchmark our operating results against our competitors and to evaluate and measure our performance-based compensation plans.

Adjusted EBITDA is defined as net income adjusted for income from discontinued operations, net of tax, provision for income taxes, interest expense, impairment, depreciation and amortization, restructuring costs, transaction and transformation, gains and losses on disposals of operations and non-recurring items that, in management's judgment, significantly affect the period-over-period assessment of operating results. Adjusted EBITDA margin is calculated by dividing adjusted EBITDA by revenue.

Reconciliations of net income to adjusted EBITDA for the three and nine months ended September 30, 2023 and 2022 are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	($ in millions)			
NET INCOME	$ 139	$ 192	$ 441	$ 431
(Income)/loss from discontinued operations, net of tax	—	(8)	—	27
Provision for income taxes	25	1	99	63
Interest expense	61	54	172	154
Impairment	—	—	—	81
Depreciation	60	60	184	191
Amortization	62	71	203	239
Restructuring costs	17	9	30	71
Transaction and transformation	113	50	265	108
(Gain)/loss on disposal of operations	(41)	(21)	(44)	11
Adjusted EBITDA	$ 436	$ 408	$ 1,350	$ 1,376
Net income margin	6.4%	9.8%	6.7%	7.0%
Adjusted EBITDA margin	20.1%	20.9%	20.6%	22.4%

Adjusted EBITDA for the three months ended September 30, 2023 was $436 million, compared to $408 million for the three months ended September 30, 2022. This increase resulted primarily from higher revenue, partially offset by higher salary expense and incentive and benefit costs, higher professional service and marketing-related expenses, and lower pension income in the current-year period as compared to the prior-year period.

Adjusted EBITDA was $1.4 billion for both the nine months ended September 30, 2023 and 2022, a decrease of $26 million. This decrease was driven by the performance in the first half of the year in which higher salary expense and incentive and benefit costs, higher professional service and marketing-related expenses, increased travel and entertainment costs, and lower pension income in the current year, was partially offset by higher revenue in the current year.

Adjusted Net Income and Adjusted Diluted Earnings Per Share

Adjusted net income is defined as net income attributable to WTW adjusted for income from discontinued operations, net of tax, impairment, amortization, restructuring costs, transaction and transformation, gains and losses on disposals of operations and non-recurring items that, in management's judgment, significantly affect the period-over-period assessment of operating results and the related tax effect of those adjustments and the tax effects of internal reorganizations. This measure is used solely for the purpose of calculating adjusted diluted earnings per share.

Adjusted diluted earnings per share is defined as adjusted net income divided by the weighted-average number of ordinary shares, diluted. Adjusted diluted earnings per share is used to internally evaluate and assess our core operations and to benchmark our operating results against our competitors.

Reconciliations of net income attributable to WTW to adjusted diluted earnings per share for the three and nine months ended September 30, 2023 and 2022 are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	($ in millions)			
NET INCOME ATTRIBUTABLE TO WTW	$ 136	$ 190	$ 433	$ 421
Adjusted for certain items:				
(Income)/loss from discontinued operations, net of tax	—	(8)	—	27
Impairment	—	—	—	81
Amortization	62	71	203	239
Restructuring costs	17	9	30	71
Transaction and transformation	113	50	265	108
(Gain)/loss on disposal of operations	(41)	(21)	(44)	11
Tax effect on certain items listed above (i)	(51)	(24)	(128)	(116)
Tax effect of the CARES Act	—	(24)	—	(24)
Tax effect of internal reorganizations	—	—	2	—
Adjusted net income	$ 236	$ 243	$ 761	$ 818
Weighted-average ordinary shares — diluted	105	111	107	114
Diluted earnings per share	$ 1.29	$ 1.72	$ 4.06	$ 3.71
Adjusted for certain items (ii) :				
(Income)/loss from discontinued operations, net of tax	—	(0.07)	—	0.24
Impairment	—	—	—	0.71
Amortization	0.59	0.64	1.90	2.10
Restructuring costs	0.16	0.08	0.28	0.62
Transaction and transformation	1.07	0.45	2.48	0.95
(Gain)/loss on disposal of operations	(0.39)	(0.19)	(0.41)	0.10
Tax effect on certain items listed above (i)	(0.48)	(0.22)	(1.20)	(1.02)
Tax effect of the CARES Act	—	(0.22)	—	(0.21)
Tax effect of internal reorganizations	—	—	0.02	—
Adjusted diluted earnings per share	$ 2.24	$ 2.20	$ 7.13	$ 7.20

(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.

Our adjusted diluted earnings per share increased for the three months ended September 30, 2023 as compared to the three months ended September 30, 2022. This increase is primarily due to a lower weighted-average outstanding share count attributable to our share repurchase activity in the current year, and higher revenue, partially offset by higher salary expense and incentive and benefit costs, higher professional service and marketing-related expenses, and lower pension income in the current-year period as compared to the prior-year period.

Our adjusted diluted earnings per share decreased for the nine months ended September 30, 2023 as compared to the nine months ended September 30, 2022. This decrease was driven by the performance in the first half of the year in which higher salary expense and incentive and benefit costs, higher professional service and marketing-related expenses, higher travel and entertainment costs, and lower pension income in the current year, was partially offset by a lower weighted-average outstanding share count attributable to our share repurchase activity and higher revenue in the current year.

Adjusted Income Before Taxes and Adjusted Income Taxes/Tax Rate

Adjusted income before taxes is defined as income from operations before income taxes adjusted for impairment, amortization, restructuring costs, transaction and transformation, gains and losses on disposals of operations and non-recurring items that, in management's judgment, significantly affect the period-over-period assessment of operating results. Adjusted income before taxes is used solely for the purpose of calculating the adjusted income tax rate.

Adjusted income taxes/tax rate is defined as the provision for income taxes adjusted for taxes on certain items of impairment, amortization, restructuring costs, transaction and transformation, gains and losses on disposals of operations, the tax effects of internal reorganizations and non-recurring items that, in management's judgment, significantly affect the period-over-period assessment of operating results, divided by adjusted income before taxes. Adjusted income taxes is used solely for the purpose of calculating the adjusted income tax rate.

Management believes that the adjusted income tax rate presents a rate that is more closely aligned to the rate that we would incur if not for the reduction of pre-tax income for the adjusted items and the tax effects of internal reorganizations, which are not core to our current and future operations.

Reconciliations of income from operations before income taxes to adjusted income before taxes and provision for income taxes to adjusted income taxes for the three and nine months ended September 30, 2023 and 2022 are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	($ in millions)			
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	$ 164	$ 185	$ 540	$ 521
Adjusted for certain items:				
Impairment	—	—	—	81
Amortization	62	71	203	239
Restructuring costs	17	9	30	71
Transaction and transformation	113	50	265	108
(Gain)/loss on disposal of operations	(41)	(21)	(44)	11
Adjusted income before taxes	$ 315	$ 294	$ 994	$ 1,031
Provision for income taxes	$ 25	$ 1	$ 99	$ 63
Tax effect on certain items listed above (i)	51	24	128	116
Tax effect of the CARES Act	—	24	—	24
Tax effect of internal reorganizations	—	—	(2)	—
Adjusted income taxes	$ 76	$ 49	$ 225	$ 203
U.S. GAAP tax rate	15.5 %	0.7 %	18.3 %	12.1 %
Adjusted income tax rate	24.3 %	16.8 %	22.6 %	19.7 %

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

Our U.S. GAAP tax rates were 15.5% and 0.7% for the three months ended September 30, 2023 and 2022, respectively, and 18.3% and 12.1% for the nine months ended September 30, 2023 and 2022, respectively. The prior-year quarter effective tax rate was lower due to certain discrete tax benefits related to amending the Company’s U.S. federal and state tax returns in order to change certain elections available under the CARES Act, and excess tax benefits on executive share-based compensation.

Our adjusted income tax rates were 24.3% and 16.8% for the three months ended September 30, 2023 and 2022, respectively, and 22.6% and 19.7% for the nine months ended September 30, 2023 and 2022, respectively. The prior-year quarter adjusted effective tax rate was lower due to discrete excess tax benefits on executive share-based compensation.

Free Cash Flow

Free cash flow is defined as cash flows from operating activities less cash used to purchase fixed assets and software for internal use. Free cash flow is a liquidity measure and is not meant to represent residual cash flow available for discretionary expenditures.

Management believes that free cash flow presents the core operating performance and cash generating capabilities of our business operations.

Reconciliations of cash flows from operating activities to free cash flow for the nine months ended September 30, 2023 and 2022 are as follows:

	Nine Months Ended September 30,	
	2023	2022
	(in millions)	
Cash flows from operating activities	$ 823	$ 437
Less: Additions to fixed assets and software for internal use	(116)	(100)
Free cash flow	$ 707	$ 337

The increase in free cash flow during the current-year period was primarily due to the non-recurrence of prior-year headwinds, including realized losses on foreign currency hedges, payments made in the prior year for certain discretionary compensation and taxes for one-time gains recorded in connection with the Willis Re sale and the income receipt from the termination of the then-proposed Aon transaction. These prior-year cash flows were partially offset by increased Transformation program-related costs in the current year.

Critical Accounting Estimates

There were no material changes from the Critical Accounting Estimates disclosed in our Annual Report on Form 10-K for the year ended December 31, 2022, filed with the SEC on February 24, 2023.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We have considered changes in our exposure to market risks during the nine months ended September 30, 2023 and have determined that there have been no material changes to our exposure to market risks from those described in the Company's Annual Report on Form 10-K for the year ended December 31, 2022, filed with the SEC on February 24, 2023. However, we have provided the following information to supplement or update our disclosures on our Form 10-K.

The Company has a global investment policy which is designed to ensure that we maintain diversification of our cash investments throughout the world in order to minimize the risk of loss due to a counterparty failure.

Interest Income on Fiduciary Funds

As described in our Annual Report on Form 10-K, we are exposed to interest rate risk. Specifically, as a result of our operating activities, we receive cash for premiums and claims which we deposit in high-quality bank term deposit and money market funds, on which we earn interest, where permitted. We also hold funds for clients of our benefits accounts businesses. For the benefit funds not invested, cash and cash equivalents are held, on which we earn interest, until the funds are directed by plan participants to either be invested in mutual funds or paid out on their behalf. This interest earned is included in our condensed consolidated financial statements as interest income. These funds are regulated in terms of access and the instruments in which they may be invested, most of which are short-term in maturity. As a result of measures taken by central banks around the world, rates offered on these investments have increased, in some cases significantly, over the course of the last year. This has resulted in the Company recognizing higher interest income over the same period in the prior year. Interest income in the future will be a function of the short-term rates we are able to obtain by currency and the cash balances available to invest in these instruments. Interest income was $39 million and $106 million for the three and nine months ended September 30, 2023, respectively, and $17 million and $28 million for the three and nine months ended September 30, 2022, respectively. At September 30, 2023, we held $2.2 billion of fiduciary funds invested in interest-bearing accounts. If short-term interest rates increased or decreased by 25 basis points, interest earned on these invested fiduciary funds, and therefore our interest income recognized, would increase or decrease by approximately $6 million on an annualized basis.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As of September 30, 2023, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Chief Executive Officer ('CEO') and the Chief Financial Officer ('CFO'), of the effectiveness of the design and operation of the Company's disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the 'Exchange Act'). Based upon that evaluation, our management, including the CEO and CFO, concluded that the our disclosure controls and procedures are effective in providing reasonable assurance that the information required to be included in the periodic reports we file or submit under the Exchange Act is (1) recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and (2) accumulated and communicated to our management, including the CEO and the CFO, as appropriate, to allow for timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, identified in connection with the evaluation required by Rules 13a-15(d) or 15d-15(d) under the Exchange Act during the quarter ended September 30, 2023 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on the Effectiveness of Controls

Management, including the CEO and CFO, does not expect that our disclosure controls and procedures will necessarily prevent all errors and all fraud. However, management does expect that the control system provides reasonable assurance that its objectives will be met. A control system, no matter how well designed and operated, cannot provide absolute assurance that the control system's objectives will be met. In addition, the design of such internal controls must take into account the costs of designing and maintaining such a control system. Certain inherent limitations exist in control systems to make absolute assurances difficult, including the realities that judgments in decision-making can be faulty, that breakdowns can occur because of a simple error or mistake, and that individuals can circumvent controls. The design of any control system is based in part upon existing business conditions and risk assessments. There can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in business conditions or deterioration in the degree of compliance with policies or procedures. As a result, they may require change or revision. Because of the inherent limitations in a control system, misstatements due to error or fraud may occur and may not be detected. Nevertheless, the disclosure controls and procedures are designed to provide reasonable assurance of achieving their stated objectives, and the CEO and CFO have concluded that the disclosure controls and procedures are effective at a reasonable assurance level.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, we are a party to various lawsuits, arbitrations or mediations that arise in the ordinary course of business. The disclosure called for by Part II, Item 1 regarding our legal proceedings is incorporated by reference herein from Part I, Item 1 Note 14 — Commitments and Contingencies - Legal Proceedings of the notes to the condensed consolidated financial statements in this Form 10-Q for the quarter ended September 30, 2023.

ITEM 1A. RISK FACTORS

Except as described below, there are no material changes from risk factors as previously disclosed in our Annual Report on Form 10-K, filed with the SEC on February 24, 2023. We urge you to read the risk factors contained therein.

Macroeconomic trends, including inflation, increased interest rates and trade policies could continue to adversely affect our business, results of operations or financial condition.

Global economic events and other factors, such as accommodative monetary and fiscal policy and the impacts of the COVID-19 pandemic, have contributed to significant inflation in many of the markets in which we operate. In particular, inflation in the United States, Europe and other geographies has risen to levels not experienced in recent decades and we are seeing its impact on various aspects of our business, which in some cases have, or could in the future, negatively affect our business and financial condition. In order to combat inflation and restore price stability, a number of central banks around the world have raised interest rates and are expected to keep increasing interest rates in 2023. Increased inflation and interest rates may hinder the economic growth in a number of markets where we do business, and has had, and may continue to have, far reaching effects on the global economy. This weakness in the economy and the possibility of a global recession has had, and may continue to have, a negative effect on our business and financial condition, including on the value of our ordinary shares.

Moreover, U.S. and global economic conditions have created market uncertainty and volatility. Such general economic conditions, such as inflation, stagflation, political volatility, costs of labor, cost of capital, interest rates and tax rates, affect our operating and general and administrative expenses, and we have no control or limited ability to control such factors. If our costs grow significantly in excess of our ability to raise revenue, our margins and results of operations may be materially and adversely impacted and we may not be able to achieve our strategic and financial objectives. These conditions also affect our clients' businesses and the markets that they serve and may reduce demand for our services, increase demands for pricing accommodations or cause a higher rate of delays in the collection of, or losses on, our accounts receivable, which could adversely affect our results of operations.

Further, the continued slowdown in the global economy, including a recession, or in a particular region or industry, inflation or a tightening of the credit markets could negatively impact our business, financial condition and liquidity, including our ability to continue to access preferred sources of liquidity when we would like, and our borrowing costs could increase. In particular, further tightening of the credit markets could limit our ability to obtain external financing to fund our operations and capital expenditures, if and when needed. In addition, although we do not have any direct exposure to any of the banks affected by the recent banking crisis, we could experience losses on our holdings of cash and investments due to failures of other financial institutions and other parties. If other banks and financial institutions enter receivership or become insolvent in the future in response to financial conditions affecting the banking system and financial markets, our ability to access our existing cash, cash equivalents and investments may be threatened and could substantially and negatively impact our ability to do business as well as our financial condition. Furthermore, a continued deterioration or prolonged period of negative or stagnant macroeconomic conditions in the U.S. and globally could adversely affect our business, results of operations or financial condition.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

During the nine months ended September 30, 2023, no shares were issued by the Company without registration under the Securities Act of 1933, as amended.

(c) Issuer Purchases of Equity Securities

The Company is authorized to repurchase shares, by way of redemption or otherwise, and will consider whether to do so from time to time, based on many factors, including market conditions. There are no expiration dates for these repurchase plans or programs.

On July 26, 2021, the board of directors approved a $1.0 billion increase to the existing share repurchase program, which was previously at $500 million. Additionally, on September 16, 2021, the board of directors approved a $4.0 billion increase to the existing share repurchase program, on May 25, 2022, approved a $1.0 billion increase to the existing share repurchase program, and on September 20, 2023, approved a $1.0 billion increase to the existing share repurchase program. These increases brought the total approved authorization to $7.5 billion.

The following table presents specified information about the Company's repurchases of its ordinary shares in the third quarter of 2023 and the Company's remaining repurchase authority.

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Maximum number of shares that may yet be purchased under the plans or programs
July 1, 2023 through July 31, 2023	215,700	$ 231.80	215,700	8,828,377
August 1, 2023 through August 31, 2023	1,314,763	$ 204.34	1,314,763	7,513,614
September 1, 2023 through September 30, 2023	150,922	$ 207.65	150,922	7,362,692
	1,681,385	$ 208.16	1,681,385	

At September 30, 2023 the maximum number of shares that may yet be purchased under the existing share repurchase plan is 7,362,692, with approximately $1.5 billion remaining on the current open-ended repurchase authority granted by the board. An estimate of the maximum number of shares under the existing authorities was determined using the closing price of our ordinary shares on September 30, 2023 of $208.96.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

(a) None.

(b) None.

(c) Insider Trading Arrangements

For the quarter ended September 30, 2023, none of the Company's directors and officers adopted, modified, or terminated any contract, instruction or written plan for the purchase or sale of Company securities intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any 'non-Rule 10b5-1 trading arrangement' as defined under Item 408(c) of Regulation S-K.

ITEM 6. EXHIBITS

EXHIBIT INDEX

Exhibit Number	Description of Exhibit	Incorporated by Reference			Filed Herewith
		Schedule/ Form	Exhibit	Filing Date	
22.1	List of Issuers and Guarantor Subsidiaries.				X
31.1	Certification of the Registrant's Chief Executive Officer, Carl A. Hess, pursuant to Rule 13a-14 of the Securities Exchange Act of 1934.				X
31.2	Certification of the Registrant's Chief Financial Officer, Andrew J. Krasner, pursuant to Rule 13a-14 of the Securities Exchange Act of 1934.				X
32.1**	Certification of the Registrant's Chief Executive Officer, Carl A. Hess, and Chief Financial Officer, Andrew J. Krasner, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.				X
101.SCH	Inline XBRL Taxonomy Extension Schema Document				X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document				X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document				X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document				X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document				X
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)				X

** Furnished herewith. Any exhibits furnished herewith (including the certification furnished in Exhibit 32.1) are deemed to accompany this Quarterly Report on Form 10-Q and will not be deemed 'filed' for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the 'Exchange Act'), or otherwise subject to the liability of that section. Such information shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference.

SIGNATURES

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

Willis Towers Watson Public Limited Company
(Registrant)

/s/ Carl A. Hess		October 26, 2023
Name:	Carl A. Hess	Date
Title:	Chief Executive Officer	
/s/ Andrew J. Krasner		October 26, 2023
Name:	Andrew J. Krasner	Date
Title:	Chief Financial Officer	
/s/ Joseph S. Kurpis		October 26, 2023
Name:	Joseph S. Kurpis	Date
Title:	Principal Accounting Officer and Controller	

Exhibit 22.1

List of Issuers and Guarantor Subsidiaries

The below table sets forth the respective issuers and guarantors of the notes issued or guaranteed by Willis Towers Watson Public Limited Company, Trinity Acquisition plc and Willis North America Inc. and the jurisdiction of incorporation or organization for each such entity.

		Trinity Acquisition plc	Willis North America Inc.
Entity	**Jurisdiction of Incorporation or Organization**	**4.400% senior notes due 2026 6.125% senior notes due 2043**	**3.600% senior notes due 2024 4.650% senior notes due 2027 4.500% senior notes due 2028 2.950% senior notes due 2029 5.350% senior notes due 2033 5.050% senior notes due 2048 3.875% senior notes due 2049**
Willis Towers Watson Public Limited Company	Ireland	Guarantor	Guarantor
Trinity Acquisition plc	United Kingdom	Issuer	Guarantor
Willis North America Inc.	Delaware	Guarantor	Issuer
Willis Netherlands Holdings B.V.	Netherlands	Guarantor	Guarantor
Willis Investment UK Holdings Limited	United Kingdom	Guarantor	Guarantor
TA I Limited	United Kingdom	Guarantor	Guarantor
Willis Group Limited	United Kingdom	Guarantor	Guarantor
Willis Towers Watson Sub Holdings Unlimited Company	Ireland	Guarantor	Guarantor
Willis Towers Watson UK Holdings Limited	United Kingdom	Guarantor	Guarantor

Exhibit 31.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO SECURITIES EXCHANGE ACT RULES 13A-14(A) AND 15(D)-14(A),
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Carl A. Hess, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Willis Towers Watson Public Limited Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: October 26, 2023

/s/ Carl A. Hess

Carl A. Hess
Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO SECURITIES EXCHANGE ACT RULES 13A-14(A) AND 15(D)-14(A),
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Andrew J. Krasner, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Willis Towers Watson Public Limited Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 26, 2023

/s/ Andrew J. Krasner

Andrew J. Krasner
Chief Financial Officer

Exhibit 32.1

**CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
AND CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

Each of the undersigned hereby certifies, in his capacity as an officer of Willis Towers Watson Public Limited Company (the ‘Company’), pursuant to the requirements set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended (the ‘Exchange Act’) and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350), as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of his knowledge:

- The Quarterly Report of the Company on Form 10-Q for the period ended September 30, 2023 (the ‘Report’) fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Exchange Act; and
- The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 26, 2023

/s/ Carl A. Hess

Carl A. Hess
Chief Executive Officer

/s/ Andrew J. Krasner

Andrew J. Krasner
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.