

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, 2024
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)

c/o Willis Group Limited
51 Lime Street, London EC3M 7DQ, England
(Address of principal executive offices)

98-0352587
(I.R.S. Employer
Identification No.)

(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 28, 2024, there were outstanding 100,725,472 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, 2024

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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’ | TZ Holdings, Inc. and its subsidiaries, doing business as TRANZACT |
| ‘U.S.’ | United States |
| ‘U.K.’ | United Kingdom |
| ‘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; plans and references to future performance, including our future financial and operating results (including our revenue, costs, or margins), short-term and long-term financial goals, plans, objectives, expectations and intentions, including with respect to organic revenue growth, free cash flow generation, adjusted net revenue, adjusted operating margin and adjusted earnings per share; future share repurchases; demand for our services and competitive strengths; strategic goals; existing and evolving business strategies including those related to acquisition and disposition activity; the benefits of new initiatives; the growth of our business and operations; the sustained health of our product, service, transaction, client, and talent assessment and management pipelines; 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 our multi-year operational transformation program; the potential impact of natural or man-made disasters like health pandemics and other world health crises; future capital expenditures; ongoing working capital efforts; the impact of changes to tax laws on our financial results; and our recognition of future impairment charges or write-off of receivables, are forward-looking statements. Also, when we use words such as ‘may’, ‘will’, ‘would’, ‘anticipate’, ‘believe’, ‘estimate’, ‘expect’, ‘intend’, ‘plan’, ‘continue’, ‘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 our 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 the anticipated benefits of our growth strategy, including inorganic growth through acquisitions;
- our ability to make divestitures, including the pending sale of our TRANZACT business (inclusive of all the legal entities that comprise such business), or acquisitions, including our ability to integrate or manage acquired businesses or de-integrate businesses to be disposed, as well as our ability to identify and successfully execute on opportunities for strategic collaboration;
- our ability to consummate the pending sale of TRANZACT, and related incremental risks associated therewith including our ability to obtain approval (or for applicable waiting periods to expire) under the U.S. Hart-Scott-Rodino Antitrust Improvements Act of 1976;
- our ability to successfully manage ongoing organizational changes, including as part of our multi-year operational transformation program, investments in improving systems and processes, and in connection with our acquisition and divestiture activities, including the pending sale of TRANZACT, and related to changes in leadership in any of our businesses;
- risks relating to changes in our management structures and in senior leadership;
- 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 conditions, business and political conditions, changes in the financial markets, inflation, credit availability, increased interest rates and changes in 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 relating to the adverse impacts of macroeconomic trends, including inflation, changes in interest rates and trade policies, as well as political events, war, such as the Russia-Ukraine and Middle East conflicts, and other international disputes, terrorism, natural disasters, public health issues and other business interruptions on the global economy and capital markets, which could have a material adverse effect on our business, financial condition, results of operations and long-term goals;
- our ability to successfully hedge against fluctuations in foreign currency rates;
- the risks relating to the adverse impacts of natural or man-made disasters such as health pandemics and other world health crises 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 previously-completed sale of Willis Re to Arthur J. Gallagher & Co. ('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 insufficiency of client data protection, potential 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 integrate direct-to-consumer sales and marketing solutions with our existing offerings and solutions;
- disasters or business continuity problems;
- 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;
- 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, any legislative actions from the current U.S. Congress, the recent Final Rule from the Centers for Medicare & Medicaid Services ('CMS') for contract year 2025 and any judicial claims, rulings and appeals related thereto, and any other changes and developments in legal, regulatory, economic, business or operational conditions that could impact 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 their 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 may impose additional excise taxes or 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;
- our recognition of non-cash pre-tax losses and related impairment charges in connection with our pending sale of TRANZACT and other future impairment charges or write-offs of receivables;
- 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 risk that investment levels, including cash spending to achieve additional expected savings under our multi-year operational transformation program and beyond and cash spending to make investments in new initiatives to improve growth, increase;
- 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.wtco.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, | | Nine Months Ended September 30, | |
|--|-------------------------------------|----------|------------------------------------|----------|
| | 2024 | 2023 | 2024 | 2023 |
| Revenue | \$ 2,289 | \$ 2,166 | \$ 6,895 | \$ 6,569 |
| Costs of providing services | | | | |
| Salaries and benefits | 1,396 | 1,359 | 4,135 | 4,019 |
| Other operating expenses | 419 | 396 | 1,315 | 1,282 |
| Impairment | 1,042 | — | 1,042 | — |
| Depreciation | 60 | 60 | 176 | 184 |
| Amortization | 56 | 62 | 176 | 203 |
| Restructuring costs | 8 | 17 | 29 | 30 |
| Transaction and transformation | 74 | 113 | 296 | 265 |
| Total costs of providing services | 3,055 | 2,007 | 7,169 | 5,983 |
| (Loss)/income from operations | (766) | 159 | (274) | 586 |
| Interest expense | (65) | (61) | (197) | (172) |
| Other (loss)/income, net | (1,163) | 66 | (1,113) | 126 |
| (LOSS)/INCOME FROM OPERATIONS BEFORE INCOME TAXES | (1,994) | 164 | (1,584) | 540 |
| Benefit from/(provision for) income taxes | 322 | (25) | 248 | (99) |
| NET (LOSS)/INCOME | (1,672) | 139 | (1,336) | 441 |
| Income attributable to non-controlling interests | (3) | (3) | (8) | (8) |
| NET (LOSS)/INCOME ATTRIBUTABLE TO WTW | \$ (1,675) | \$ 136 | \$ (1,344) | \$ 433 |
| (LOSS)/EARNINGS PER SHARE | | | | |
| Basic (loss)/earnings per share | \$ (16.44) | \$ 1.30 | \$ (13.11) | \$ 4.08 |
| Diluted (loss)/earnings per share | \$ (16.44) | \$ 1.29 | \$ (13.11) | \$ 4.06 |
| Comprehensive (loss)/income before non-controlling interests | \$ (1,561) | \$ 61 | \$ (1,290) | \$ 444 |
| Comprehensive income attributable to non-controlling interests | (3) | (5) | (8) | (10) |
| Comprehensive (loss)/income attributable to WTW | \$ (1,564) | \$ 56 | \$ (1,298) | \$ 434 |

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, 2024 | December 31, 2023 |
|--|-----------------------|----------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 1,372 | \$ 1,424 |
| Fiduciary assets | 9,176 | 9,073 |
| Accounts receivable, net | 2,118 | 2,572 |
| Prepaid and other current assets | 558 | 364 |
| Current assets held for sale | 1,089 | — |
| Total current assets | 14,313 | 13,433 |
| Fixed assets, net | 710 | 720 |
| Goodwill | 8,882 | 10,195 |
| Other intangible assets, net | 1,360 | 2,016 |
| Right-of-use assets | 539 | 565 |
| Pension benefits assets | 632 | 588 |
| Other non-current assets | 732 | 1,573 |
| Total non-current assets | 12,855 | 15,657 |
| TOTAL ASSETS | \$ 27,168 | \$ 29,090 |
| LIABILITIES AND EQUITY | | |
| Fiduciary liabilities | \$ 9,176 | \$ 9,073 |
| Deferred revenue and accrued expenses | 2,027 | 2,104 |
| Current debt | — | 650 |
| Current lease liabilities | 122 | 125 |
| Other current liabilities | 735 | 678 |
| Current liabilities held for sale | 475 | — |
| Total current liabilities | 12,535 | 12,630 |
| Long-term debt | 5,308 | 4,567 |
| Liability for pension benefits | 487 | 563 |
| Deferred tax liabilities | 94 | 542 |
| Provision for liabilities | 416 | 365 |
| Long-term lease liabilities | 556 | 592 |
| Other non-current liabilities | 202 | 238 |
| Total non-current liabilities | 7,063 | 6,867 |
| TOTAL LIABILITIES | 19,598 | 19,497 |
| COMMITMENTS AND CONTINGENCIES | | |
| EQUITY ⁽ⁱ⁾ | | |
| Additional paid-in capital | 10,957 | 10,910 |
| (Accumulated deficit)/retained earnings | (650) | 1,466 |
| Accumulated other comprehensive loss, net of tax | (2,810) | (2,856) |
| Treasury shares, at cost, 15,574 shares in 2024 | (5) | — |
| Total WTW shareholders' equity | 7,492 | 9,520 |
| Non-controlling interests | 78 | 73 |
| Total equity | 7,570 | 9,593 |
| TOTAL LIABILITIES AND EQUITY | \$ 27,168 | \$ 29,090 |

(i) Equity includes (a) Ordinary shares \$0.000304635 nominal value; Authorized 1,510,003,775; Issued 100,887,015 (2024) and 102,538,072 (2023); Outstanding 100,871,441 (2024) and 102,538,072 (2023) and (b) Preference shares, \$0.000115 nominal value; Authorized 1,000,000,000 and Issued none in 2024 and 2023.

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, | |
|--|---------------------------------|------------------------|
| | 2024 | 2023 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| NET (LOSS)/INCOME | \$ (1,336) | \$ 441 |
| Adjustments to reconcile net income to total net cash from operating activities: | | |
| Depreciation | 176 | 184 |
| Amortization | 176 | 203 |
| Impairment | 1,042 | — |
| Non-cash restructuring charges | 17 | 19 |
| Non-cash lease expense | 76 | 83 |
| Net periodic benefit of defined benefit pension plans | (15) | (20) |
| Provision for doubtful receivables from clients | 13 | 8 |
| Benefit from deferred income taxes | (379) | (58) |
| Share-based compensation | 85 | 87 |
| Net loss/(gain) on disposal of operations | 1,190 | (44) |
| Non-cash foreign exchange (gain)/loss | (25) | 1 |
| Other, net | 32 | 21 |
| Changes in operating assets and liabilities, net of effects from purchase of subsidiaries: | | |
| Accounts receivable | 271 | 261 |
| Other assets | (299) | (175) |
| Other liabilities | (159) | (191) |
| Provisions | 48 | 3 |
| Net cash from operating activities | <u>913</u> | <u>823</u> |
| CASH FLOWS USED IN INVESTING ACTIVITIES | | |
| Additions to fixed assets and software for internal use | (106) | (116) |
| Capitalized software costs | (83) | (66) |
| Acquisitions of operations, net of cash acquired | (28) | (6) |
| Proceeds from sale of operations | — | 86 |
| Cash and fiduciary funds transferred in sale of operations | — | (922) |
| Purchase of investments | (13) | (6) |
| Net cash used in investing activities | <u>(230)</u> | <u>(1,030)</u> |
| CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES | | |
| Senior notes issued | 746 | 748 |
| Debt issuance costs | (9) | (7) |
| Repayments of debt | (653) | (253) |
| Repurchase of shares | (506) | (804) |
| Net proceeds/(payments) from fiduciary funds held for clients | 934 | (71) |
| Payments of deferred and contingent consideration related to acquisitions | (2) | (8) |
| Cash paid for employee taxes on withholding shares | (30) | (21) |
| Dividends paid | (265) | (265) |
| Acquisitions of and dividends paid to non-controlling interests | (10) | (47) |
| Net cash from/(used in) financing activities | <u>205</u> | <u>(728)</u> |
| INCREASE/(DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH ⁽ⁱ⁾ | 888 | (935) |
| Effect of exchange rate changes on cash, cash equivalents and restricted cash | 32 | (54) |
| CASH, CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF PERIOD ⁽ⁱ⁾ | 3,792 | 4,721 |
| CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF PERIOD ⁽ⁱ⁾ | \$ <u>4,712</u> | \$ <u>3,732</u> |

(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, 2024

| | Shares outstanding | Additional paid-in capital | Retained earnings/ (accumulated deficit) | Treasury shares | AOCL ⁽ⁱ⁾ | Total WTW shareholders' equity | Non- controlling interests | Total equity |
|---|-----------------------|-------------------------------|---|--------------------|---------------------|--------------------------------------|----------------------------------|-----------------|
| Balance as of December 31, 2023 | 102,538 | \$ 10,910 | \$ 1,466 | \$ — | \$ (2,856) | \$ 9,520 | \$ 73 | \$ 9,593 |
| Shares repurchased | (374) | — | (101) | — | — | (101) | — | (101) |
| Net income | — | — | 190 | — | — | 190 | 4 | 194 |
| Dividends declared (\$0.88 per share) | — | — | (91) | — | — | (91) | — | (91) |
| Dividends attributable to non-controlling interests | — | — | — | — | — | — | (1) | (1) |
| Other comprehensive loss | — | — | — | — | (49) | (49) | — | (49) |
| Issuance of shares under employee stock compensation plans | 49 | — | — | — | — | — | — | — |
| Share-based compensation and net settlements | — | 16 | — | — | — | 16 | — | 16 |
| Additional non-controlling interests ⁽ⁱⁱ⁾ | — | — | — | — | — | — | 3 | 3 |
| Foreign currency translation | — | 4 | — | — | — | 4 | — | 4 |
| Balance as of March 31, 2024 | 102,213 | \$ 10,930 | \$ 1,464 | \$ — | \$ (2,905) | \$ 9,489 | \$ 79 | \$ 9,568 |
| Shares repurchased | (775) | — | (200) | — | — | (200) | — | (200) |
| Net income | — | — | 141 | — | — | 141 | 1 | 142 |
| Dividends declared (\$0.88 per share) | — | — | (90) | — | — | (90) | — | (90) |
| Dividends attributable to non-controlling interests | — | — | — | — | — | — | (2) | (2) |
| Other comprehensive loss | — | — | — | — | (16) | (16) | — | (16) |
| Issuance of shares under employee stock compensation plans | 109 | — | — | — | — | — | — | — |
| Share-based compensation and net settlements | — | 12 | — | — | — | 12 | — | 12 |
| Foreign currency translation | — | 1 | — | — | — | 1 | — | 1 |
| Balance as of June 30, 2024 | 101,547 | \$ 10,943 | \$ 1,315 | \$ — | \$ (2,921) | \$ 9,337 | \$ 78 | \$ 9,415 |
| Shares repurchased | (717) | — | (200) | (5) | — | (205) | — | (205) |
| Net (loss)/income | — | — | (1,675) | — | — | (1,675) | 3 | (1,672) |
| Dividends declared (\$0.88 per share) | — | — | (90) | — | — | (90) | — | (90) |
| Dividends attributable to non-controlling interests | — | — | — | — | — | — | (3) | (3) |
| Other comprehensive income | — | — | — | — | 111 | 111 | — | 111 |
| Issuance of shares under employee stock compensation plans | 41 | — | — | — | — | — | — | — |
| Share-based compensation and net settlements | — | 23 | — | — | — | 23 | — | 23 |
| Reduction of non-controlling interests ⁽ⁱⁱ⁾ | — | (4) | — | — | — | (4) | — | (4) |
| Foreign currency translation | — | (5) | — | — | — | (5) | — | (5) |
| Balance as of September 30, 2024 | 100,871 | \$ 10,957 | \$ (650) | \$ (5) | \$ (2,810) | \$ 7,492 | \$ 78 | \$ 7,570 |

(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, 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.

See accompanying notes to the condensed consolidated financial statements

WILLIS TOWERS WATSON PUBLIC LIMITED COMPANY
Notes to the Condensed Consolidated Financial Statements
(Tabular amounts in millions of U.S. dollars, except per share data)
(Unaudited)

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 48,000 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 control 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 or property loss control consulting), and analytical and advisory services (such as hazard modeling and climate risk quantification). We also assist our clients with managing incidents or crises when they occur. These services include contingency planning, security audits and product tampering plans.

We help our clients enhance their business performance by delivering consulting services, technology and solutions that help them anticipate, identify and capitalize on emerging opportunities in human capital management, as well as offer investment advice to help them develop disciplined and efficient strategies to meet their investment goals.

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, however, effective on September 30, 2024, the Company entered into an agreement to sell this business (TRANZACT), which is targeted for completion by December 31, 2024 (see Note 3 – Acquisitions and Divestitures).

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 22, 2024, 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, 2024 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.

Significant Accounting Policies

Employee Share Purchase Plan — In the second quarter of 2024, the Company launched an employee share purchase plan (“ESPP”) which is initially available to colleagues in North America and certain other countries. The ESPP operates under the WTW Amended and Restated 2010 Employee Share Purchase Plan, as amended and restated on February 28, 2024. The ESPP allows eligible colleagues to defer a portion of their after-tax income during biannual six-month offering periods, at the end of which periods amounts deferred are converted to shares using the Company’s closing share price on the last trading day of the applicable offering period with a 15% discount applied. The ESPP has 1,377,500 shares available for purchase. ASC 840, *Distinguishing Liabilities from Equity*, requires these deferred amounts to be recognized as liabilities, which we have included in other current liabilities on our accompanying condensed consolidated balance sheet until they are converted to shares on the purchase date.

Recent Accounting Pronouncements

Not Yet Adopted

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which is intended to improve the transparency of income tax disclosures by requiring consistent categories and greater disaggregation of information within the income tax rate reconciliation and income taxes paid disclosures. It also includes certain other amendments intended to improve the effectiveness of income tax disclosures. Specifically, this ASU requires a tabular income tax rate reconciliation using both percentages and amounts disaggregated into specific categories with certain reconciling items at or above 5% of the statutory tax, further disaggregated by its nature and/or jurisdiction. Additionally, income taxes paid will be required to be presented by federal, state, local and foreign jurisdictions, including amounts paid to individual jurisdictions representing 5% or more of the total income taxes paid. This ASU becomes effective for the Company on January 1, 2025, with early adoption permitted. The guidance is applied prospectively, with the option for retrospective application. The Company does not plan to early-adopt this ASU and is assessing the expected impact on its condensed consolidated financial statements.

In March 2024, the SEC adopted final rules on the enhancement and standardization of climate-related disclosures for investors. The rules require disclosure of certain climate-related information in registration statements and annual reports on Form 10-K. For example, the rules require the notes to the financial statements to include disclosure regarding the effects of severe weather events and other natural conditions, subject to certain materiality thresholds. Additionally, the rules also require certain other disclosures outside of the financial statements. Among other things, these requirements include Scope 1 (direct) and Scope 2 (indirect from purchased energy) greenhouse gas (“GHG”) emissions, if material, which will be subject to assurance requirements that will be phased in, as well as governance, oversight and risk management disclosures, which include any transition plan adopted to manage material transition risk, and material climate targets and goals.

The rules become effective in phases, currently beginning with any material current-year effects of severe weather events and other natural conditions and the more qualitative disclosures being required for inclusion in the Company’s 2025 Form 10-K, and some of the other more quantitative disclosures being required for the 2026 Form 10-K. While the disclosures are meant to cover the same periods in the financial statements, the requirements may be adopted on a prospective basis beginning with 2025. The Scope 1 and Scope 2 GHG emissions disclosures, which are required for the 2026 fiscal year, allow for additional time but must be filed by the due date of the second quarterly report on Form 10-Q or by amending the Form 10-K by that same deadline. Third-party limited assurance of the GHG emissions disclosures is required for the Company’s 2029 Form 10-K and reasonable assurance is required for the Company’s 2033 Form 10-K.

Following a number of legal challenges to the final rule that have been consolidated for review in the U.S. Court of Appeals for the Eighth Circuit, the SEC has voluntarily stayed the newly-released climate rules pending the completion of judicial review of such consolidated petitions to avoid regulatory uncertainty for companies subject to the rule while the litigation proceeds. The Company is monitoring the outcome of the litigation and will provide the required disclosures if and when required.

Adopted

In November 2023, the FASB issued ASU No. 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, which is intended to improve reportable segment disclosure requirements through enhanced disclosures about significant segment expenses. Among other amendments, this ASU creates a ‘significant expense principle,’ and adds required disclosures of significant expenses for each reportable segment, as well as certain other disclosures to help investors understand how the chief operating decision maker (“CODM”) evaluates segment expenses and operating results. In addition, this ASU requires for interim periods all disclosures about a reportable segment’s profit or loss and assets under ASC 280, *Segment Reporting* that had previously only been provided annually (e.g., interest income and expense, depreciation and amortization expense). The annual requirements of this ASU became effective for the Company on January 1, 2024, at which time it was adopted; the Company will include the new disclosures in our Annual Report on Form 10-K for the year ended December 31, 2024, as required. New interim disclosures are required for fiscal years beginning January 1, 2025 and will be included at that time.

Other 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'. New rules included in the proposed regulations issued on April 9, 2024 apply to share repurchases after April 12, 2024. The Company does not expect the excise tax or, to the extent applicable, CAMT to have a significant impact on its condensed consolidated financial statements.

Pillar Two

On October 8, 2021, the Organisation for Economic Co-operation and Development ('OECD') announced an international agreement with more than 140 countries to implement a two-pillar solution to address tax challenges arising from the digitalization of the economy. The agreement introduced rules that would result in the reallocation of certain taxing rights over multinational companies from their home countries to the markets where they have business activities and earn profits, regardless of physical presence ('Pillar One') and introduced a global corporate minimum tax of 15% for certain large multinational companies starting in 2024 ('Pillar Two'). On December 20, 2021, the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting released the Model Global Anti-Base Erosion ('GloBE') rules (the 'OECD Model Rules') under Pillar Two. On December 12, 2022, E.U. member states reached an agreement to implement Pillar Two and this requires E.U. member states to enact domestic legislation to put Pillar Two into effect. In 2023, many E.U. countries enacted the necessary legislation (based on the OECD Model Rules) to implement Pillar Two in 2024. Ireland, in particular, enacted Pillar Two by signing Finance (No. 2) Bill 2023 into law in December 2023. Other countries and territories have indicated they will introduce Pillar Two beginning in 2025. To date, this legislation has not had a material impact on our tax provision or effective tax rate, however we continue to monitor evolving tax legislation in the jurisdictions in which we operate.

Note 3 — Acquisitions and Divestitures

Acquisitions

The Company completed acquisitions during the nine months ended September 30, 2024 for combined cash payments of \$36 million and contingent consideration fair valued at \$3 million.

Divestitures

TRANZACT Divestiture

Effective on September 30, 2024, the Company entered into an agreement to sell TRANZACT, its direct-to-consumer insurance distribution business, for total cash consideration of \$632 million, subject to certain adjustments. The completion of the deal is subject to required regulatory approvals and clearances, as well as other customary closing conditions, and is targeted for completion by December 31, 2024. After the sale is complete, a number of services are expected to continue to be provided by WTW to TRANZACT under a Transition Services Agreement.

In connection with the pending transaction, the Company has reclassified TRANZACT's assets and liabilities as held-for-sale on its condensed consolidated balance sheets and recorded a pre-tax loss on the expected disposal of \$920 million in order to adjust the carrying value of TRANZACT to its fair value (less estimated costs to dispose of the business) and record transaction costs incurred during the quarter. Additionally, and in conjunction with the expected sale, the Company recognized a \$1.0 billion pre-tax goodwill impairment charge within its Benefits, Delivery and Administration reporting unit ('BDA'). The loss on disposal and impairment were increased by a combined deferred tax adjustment of \$304 million, which is offset by an equal \$304 million deferred tax benefit which was recognized within benefit from income taxes on the condensed consolidated statement of income for the three months ended September 30, 2024. An additional deferred tax benefit, net of valuation allowance, arising from the expected tax loss on disposal was also recorded within benefit from income taxes on the condensed consolidated statement of income for the three months ended September 30, 2024.

Under held-for-sale accounting, the Company will continue to adjust the net book value of TRANZACT to fair value (less estimated costs to dispose of the business) until the closing date of the transaction which will result in additional loss on disposal.

TRANZACT is included in our Health, Wealth and Career segment. The following selected financial information relates to the operations of TRANZACT for the periods presented:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|------------------|-------------------------------------|--------|------------------------------------|--------|
| | 2024 | 2023 | 2024 | 2023 |
| Revenue | \$ 137 | \$ 140 | \$ 463 | \$ 458 |
| Operating income | — | 1 | 45 | 43 |

The following table summarizes the total assets and liabilities of TRANZACT classified as held-for-sale within our condensed consolidated balance sheet at September 30, 2024:

| | September 30, 2024 |
|--|-----------------------|
| Assets held for sale: | |
| Accounts receivable, net | \$ 190 |
| Fixed assets, net | 21 |
| Goodwill | 311 |
| Other intangible assets, net | 501 |
| Right-of-use assets | 14 |
| Other assets | 970 |
| Adjustment to fair value | (918) |
| Total assets held for sale | \$ 1,089 |
| Liabilities held for sale: | |
| Deferred revenue and accrued expenses | \$ 76 |
| Deferred tax liabilities | 381 |
| Lease liabilities | 17 |
| Other liabilities | 1 |
| Total liabilities held for sale | \$ 475 |

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.

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. 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 (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 during the second quarter of 2023 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, were transferred to Gallagher. The total cash outflow of \$916 million was included in cash used in investing activities in the condensed consolidated statements of cash flows for the six months ended June 30, 2023. 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 at that time, 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 transferred in October 2023.

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 during the second quarter of 2024, the second of the two extensions allowed under the TSA was invoked and the term for these services was further extended to November 30, 2024. Fees earned under the TSA were \$7 million and \$18 million during the three and nine months ended September 30, 2024, respectively, and \$11 million and \$29 million during the three and nine months ended September 30, 2023, respectively, and

have been recognized as a reduction to the costs incurred to service the TSA and are included 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.

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, 2024 and 2023. 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⁾ | | Total | |
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Broking | \$ 262 | \$ 241 | \$ 744 | \$ 673 | \$ — | \$ — | \$ 1,006 | \$ 914 |
| Consulting | 653 | 643 | 93 | 88 | — | 4 | 746 | 735 |
| Outsourced administration | 268 | 272 | 16 | 21 | — | — | 284 | 293 |
| Other | 134 | 119 | 53 | 46 | — | — | 187 | 165 |
| Total revenue by service offering | 1,317 | 1,275 | 906 | 828 | — | 4 | 2,223 | 2,107 |
| Reimbursable expenses and other ⁽ⁱ⁾ | 17 | 16 | 3 | 3 | (5) | (2) | 15 | 17 |
| Total revenue from customer contracts | \$ 1,334 | \$ 1,291 | \$ 909 | \$ 831 | \$ (5) | \$ 2 | \$ 2,238 | \$ 2,124 |
| Interest and other income | 11 | 7 | 34 | 27 | 6 | 8 | 51 | 42 |
| Total revenue | \$ 1,345 | \$ 1,298 | \$ 943 | \$ 858 | \$ 1 | \$ 10 | \$ 2,289 | \$ 2,166 |

| | Nine Months Ended September 30, | | | | | | | |
|--|---------------------------------|----------|----------|----------|--------------------------|-------|----------|----------|
| | HWC | | R&B | | Corporate ⁽ⁱ⁾ | | Total | |
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Broking | \$ 876 | \$ 789 | \$ 2,264 | \$ 2,088 | \$ — | \$ 8 | \$ 3,140 | \$ 2,885 |
| Consulting | 1,966 | 1,947 | 294 | 273 | 1 | 12 | 2,261 | 2,232 |
| Outsourced administration | 791 | 779 | 63 | 67 | — | — | 854 | 846 |
| Other | 262 | 247 | 180 | 168 | — | — | 442 | 415 |
| Total revenue by service offering | 3,895 | 3,762 | 2,801 | 2,596 | 1 | 20 | 6,697 | 6,378 |
| Reimbursable expenses and other ⁽ⁱ⁾ | 49 | 49 | 9 | 9 | (3) | 9 | 55 | 67 |
| Total revenue from customer contracts | \$ 3,944 | \$ 3,811 | \$ 2,810 | \$ 2,605 | \$ (2) | \$ 29 | \$ 6,752 | \$ 6,445 |
| Interest and other income | 29 | 22 | 96 | 63 | 18 | 39 | 143 | 124 |
| Total revenue | \$ 3,973 | \$ 3,833 | \$ 2,906 | \$ 2,668 | \$ 16 | \$ 68 | \$ 6,895 | \$ 6,569 |

(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.

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 | |
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Book-of-business settlements | \$ 3 | \$ — | \$ 4 | \$ 1 | \$ — | \$ — | \$ 7 | \$ 1 |
| Interest income | 8 | 7 | 29 | 25 | 6 | 7 | 43 | 39 |
| Other income | — | — | 1 | 1 | — | 1 | 1 | 2 |
| Total interest and other income | \$ 11 | \$ 7 | \$ 34 | \$ 27 | \$ 6 | \$ 8 | \$ 51 | \$ 42 |

| | Nine Months Ended September 30, | | | | | | | |
|---------------------------------|---------------------------------|-------|-------|-------|-----------|-------|--------|--------|
| | HWC | | R&B | | Corporate | | Total | |
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Book-of-business settlements | \$ 3 | \$ — | \$ 8 | \$ 11 | \$ — | \$ — | \$ 11 | \$ 11 |
| Interest income | 26 | 18 | 86 | 52 | 18 | 36 | 130 | 106 |
| Other income | — | 4 | 2 | — | — | 3 | 2 | 7 |
| Total interest and other income | \$ 29 | \$ 22 | \$ 96 | \$ 63 | \$ 18 | \$ 39 | \$ 143 | \$ 124 |

As a result of the cessation of the co-broking agreement, (see Note 3 — Acquisitions and Divestitures) interest income associated with fiduciary funds is now 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, 2024 and 2023. 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 | |
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| North America | \$ 830 | \$ 830 | \$ 364 | \$ 344 | \$ — | \$ 3 | \$ 1,194 | \$ 1,177 |
| Europe | 362 | 330 | 397 | 354 | — | 1 | 759 | 685 |
| International | 125 | 115 | 145 | 130 | — | — | 270 | 245 |
| Total revenue by geography | \$ 1,317 | \$ 1,275 | \$ 906 | \$ 828 | \$ — | \$ 4 | \$ 2,223 | \$ 2,107 |

| | Nine Months Ended September 30, | | | | | | | |
|----------------------------|---------------------------------|----------|----------|----------|-----------|-------|----------|----------|
| | HWC | | R&B | | Corporate | | Total | |
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| North America | \$ 2,480 | \$ 2,445 | \$ 1,056 | \$ 990 | \$ — | \$ 6 | \$ 3,536 | \$ 3,441 |
| Europe | 1,069 | 991 | 1,317 | 1,214 | 1 | 12 | 2,387 | 2,217 |
| International | 346 | 326 | 428 | 392 | — | 2 | 774 | 720 |
| Total revenue by geography | \$ 3,895 | \$ 3,762 | \$ 2,801 | \$ 2,596 | \$ 1 | \$ 20 | \$ 6,697 | \$ 6,378 |

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, 2024 and December 31, 2023:

| | September 30, 2024 | December 31, 2023 |
|---|--------------------|-------------------|
| Billed receivables, net of allowance for doubtful accounts of \$40 million and \$34 million | \$ 1,445 | \$ 1,581 |
| Unbilled receivables | 584 | 491 |
| Current contract assets | 89 | 500 |
| Accounts receivable, net | \$ 2,118 | \$ 2,572 |
| Non-current accounts receivable, net | \$ 17 | \$ 19 |
| Non-current contract assets | \$ — | \$ 909 |
| Deferred revenue | \$ 747 | \$ 677 |

The amounts presented above exclude the receivables of TRANZACT at September 30, 2024, which have been reclassified as assets held for sale on the Company's condensed consolidated balance sheet (see Note 3 – Acquisitions and Divestitures), including \$190 million of accounts receivable, net and \$951 million of non-current contract assets.

During the three and nine months ended September 30, 2024, revenue of \$67 million and \$468 million, respectively, was recognized that was reflected as deferred revenue at December 31, 2023. During the three months ended September 30, 2024, revenue of \$264 million was recognized that was reflected as deferred revenue at June 30, 2024.

During the three and nine months ended September 30, 2024, the Company recognized revenue of \$10 million and \$31 million, respectively, related to performance obligations satisfied prior to 2024.

Performance Obligations

The Company has contracts for which performance obligations have not been satisfied as of September 30, 2024 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 2024 | 2025 | 2026 onward | Total |
|---|----------------------|--------|-------------|----------|
| Revenue expected to be recognized on contracts as of September 30, 2024 | \$ 153 | \$ 503 | \$ 762 | \$ 1,418 |

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, 2024 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, 2024 and 2023.

| | Three Months Ended September 30, | | | | | |
|--------------------------|----------------------------------|----------|--------|--------|----------|----------|
| | HWC | | R&B | | Total | |
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Segment revenue | \$ 1,328 | \$ 1,282 | \$ 940 | \$ 855 | \$ 2,268 | \$ 2,137 |
| Segment operating income | \$ 329 | \$ 305 | \$ 170 | \$ 134 | \$ 499 | \$ 439 |

The following table presents segment revenue and segment operating income for our reportable segments for the nine months ended September 30, 2024 and 2023.

| | Nine Months Ended September 30, | | | | | |
|--------------------------|---------------------------------|----------|----------|----------|----------|----------|
| | HWC | | R&B | | Total | |
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Segment revenue | \$ 3,924 | \$ 3,784 | \$ 2,897 | \$ 2,659 | \$ 6,821 | \$ 6,443 |
| Segment operating income | \$ 941 | \$ 836 | \$ 575 | \$ 459 | \$ 1,516 | \$ 1,295 |

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, 2024 and 2023.

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|-------------------------------------|-----------------|------------------------------------|-----------------|
| | 2024 | 2023 | 2024 | 2023 |
| Revenue: | | | | |
| Total segment revenue | \$ 2,268 | \$ 2,137 | \$ 6,821 | \$ 6,443 |
| Reimbursable expenses and other | 21 | 29 | 74 | 126 |
| Revenue | <u>\$ 2,289</u> | <u>\$ 2,166</u> | <u>\$ 6,895</u> | <u>\$ 6,569</u> |
| Operating Income: | | | | |
| Total segment operating income | \$ 499 | \$ 439 | \$ 1,516 | \$ 1,295 |
| Impairment ⁽ⁱ⁾ | (1,042) | — | (1,042) | — |
| Amortization | (56) | (62) | (176) | (203) |
| Restructuring costs ⁽ⁱⁱ⁾ | (8) | (17) | (29) | (30) |
| Transaction and transformation ⁽ⁱⁱⁱ⁾ | (74) | (113) | (296) | (265) |
| Unallocated, net ^(iv) | (85) | (88) | (247) | (211) |
| (Loss)/income from operations | (766) | 159 | (274) | 586 |
| Interest expense | (65) | (61) | (197) | (172) |
| Other (loss)/income, net | (1,163) | 66 | (1,113) | 126 |
| (Loss)/income from operations before income taxes | <u>\$ (1,994)</u> | <u>\$ 164</u> | <u>\$ (1,584)</u> | <u>\$ 540</u> |

(i) Represents the non-cash goodwill impairment associated with our BDA reporting unit related to the pending sale of our TRANZACT business (see Note 3 — Acquisitions and Divestitures for further information).

(ii) See Note 6 — Restructuring Costs for the composition of costs for 2024 and 2023.

(iii) In 2024 and 2023, 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 fourth quarter of 2023, we revised the expected costs and savings under the program and we currently expect the program to generate annual cost savings in excess of \$450 million by the end of 2024. The program is expected to incur cumulative costs of approximately \$1.045 billion and capital expenditures of approximately \$130 million, for a total investment of approximately \$1.175 billion. The main categories of charges have been 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 includes 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 are incurred in the right-shoring strategy and automation of our operations, which includes optimizing resource deployment and appropriate colleague alignment. These costs 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 \$67 million and \$272 million during the three and nine months ended September 30, 2024, respectively, and \$104 million and \$231 million during the three and nine months ended September 30, 2023, 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, 2024, 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 | — | — | 46 | 46 |
| Technology modernization | 2 | 5 | 15 | 22 |
| Process optimization | — | — | — | — |
| Other | — | — | — | — |
| 2024 | | | | |
| Real estate rationalization | — | — | 28 | 28 |
| Technology modernization | — | — | 1 | 1 |
| Process optimization | — | — | — | — |
| Other | — | — | — | — |
| Total | | | | |
| Real estate rationalization | — | — | 172 | 172 |
| Technology modernization | 2 | 13 | 32 | 47 |
| Process optimization | 1 | — | — | 1 |
| Other | — | — | 2 | 2 |
| Total | <u>\$ 3</u> | <u>\$ 13</u> | <u>\$ 206</u> | <u>\$ 222</u> |

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 | 22 | 8 | — | — | 30 |
| Cash payments | (25) | — | — | — | (25) |
| Balance at December 31, 2023 | 3 | 8 | — | — | 11 |
| Charges incurred | 12 | — | — | — | 12 |
| Cash payments | (15) | (6) | — | — | (21) |
| Balance at September 30, 2024 | <u>\$ —</u> | <u>\$ 2</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ 2</u> |

Note 7 — Income Taxes

Benefit from income taxes for the three and nine months ended September 30, 2024 was \$322 million and \$248 million, respectively, compared to a provision for income taxes of \$25 million and \$99 million for the three and nine months ended September 30, 2023, respectively. The effective tax rates were 16.1% and 15.6% for the three and nine months ended September 30, 2024, respectively, and 15.5% and 18.3% for the three and nine months ended September 30, 2023, 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 effective tax rate for the three months ended September 30, 2023 was lower due to the tax-exempt gain on a business disposal. The current-year effective tax rate for the nine months ended September 30, 2024 was lower due to deferred tax benefits recognized on the gross-up to carrying value of net assets to be disposed and a deferred tax benefit of \$56 million, net of a \$37 million valuation allowance, on the expected tax loss on disposal of TRANZACT (see Note 3 – Acquisitions and Divestitures). 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. During the three months ended September 30, 2024 the Company recorded a \$37 million valuation allowance related to unrealized capital losses that are not more-likely-than-not to be realized.

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 \$50 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 \$3 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, 2024.

| | HWC | R&B | Total |
|--|----------|----------|-----------|
| Balance at December 31, 2023: | | | |
| Goodwill, gross | \$ 7,866 | \$ 2,821 | \$ 10,687 |
| Accumulated impairment losses | (130) | (362) | (492) |
| Goodwill, net - December 31, 2023 | 7,736 | 2,459 | 10,195 |
| Goodwill acquired | 21 | — | 21 |
| Impairment | (1,042) | — | (1,042) |
| Reclassification to held for sale ⁽ⁱ⁾ | (311) | — | (311) |
| Foreign exchange | 10 | 9 | 19 |
| Balance at September 30, 2024: | | | |
| Goodwill, gross | 7,325 | 2,830 | 10,155 |
| Accumulated impairment losses | (911) | (362) | (1,273) |
| Goodwill, net - September 30, 2024 | \$ 6,414 | \$ 2,468 | \$ 8,882 |

(i) Amounts reclassified to held for sale were determined on a relative fair value allocation and are net of the impairment of goodwill on the BDA reporting unit. As such, \$261 million of the accumulated impairment loss was also reclassified to held for sale.

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, 2024:

| | Client relationships | Software | Trademark and trade name | Other | Total |
|---|----------------------|----------|--------------------------|-------|----------|
| Balance at December 31, 2023: | | | | | |
| Intangible assets, gross | \$ 3,807 | \$ 729 | \$ 1,039 | \$ 63 | \$ 5,638 |
| Accumulated amortization | (2,514) | (726) | (342) | (40) | (3,622) |
| Intangible assets, net - December 31, 2023 | 1,293 | 3 | 697 | 23 | 2,016 |
| Intangible assets acquired | 20 | — | — | — | 20 |
| Amortization | (138) | (2) | (32) | (4) | (176) |
| Reclassification to held for sale | (484) | — | — | (17) | (501) |
| Foreign exchange | — | 1 | 2 | (2) | 1 |
| Balance at September 30, 2024: | | | | | |
| Intangible assets, gross | 3,213 | 744 | 1,041 | 29 | 5,027 |
| Accumulated amortization | (2,522) | (742) | (374) | (29) | (3,667) |
| Intangible assets, net - September 30, 2024 | \$ 691 | \$ 2 | \$ 667 | \$ — | \$ 1,360 |

The weighted-average remaining life of amortizable intangible assets at September 30, 2024 was 11.4 years.

The table below reflects the future estimated amortization expense for amortizable intangible assets for the remainder of 2024 and for subsequent years:

| | Amortization |
|-------------------|--------------|
| Remainder of 2024 | \$ 50 |
| 2025 | 188 |
| 2026 | 167 |
| 2027 | 151 |
| 2028 | 136 |
| Thereafter | 668 |
| Total | \$ 1,360 |

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, 2024 and December 31, 2023 had total notional amounts of \$147 million and \$119 million, respectively, and had net asset fair values of \$5 million and \$2 million, respectively.

At September 30, 2024, the Company estimates, based on current exchange rates, there will be \$3 million of net derivative gains 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, 2024, 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, 2024 and 2023 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, 2024 and 2023.

| | Gain/(loss) recognized in OCI (effective element) | | | |
|----------------------------|---|--------|---------------------------------|------|
| | Three months ended September 30, | | Nine months ended September 30, | |
| | 2024 | 2023 | 2024 | 2023 |
| Forward exchange contracts | \$ 5 | \$ (2) | \$ 5 | \$ 1 |

| 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, | |
| | 2024 | 2023 | 2024 | 2023 |
| Revenue | \$ — | \$ — | \$ (1) | \$ — |
| Salaries and benefits | — | — | 2 | (1) |
| | \$ — | \$ — | \$ 1 | \$ (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, 2024 and December 31, 2023, we had notional amounts of \$1.1 billion and \$1.2 billion, respectively, with net asset fair values of \$1 million and \$3 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, 2024 and 2023 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):

| Derivatives not designated as hedging instruments: | Location of (loss)/gain recognized in income | (Loss)/gain recognized in income | | | |
|--|--|----------------------------------|---------|---------------------------------|------|
| | | Three Months Ended September 30, | | Nine Months Ended September 30, | |
| | | 2024 | 2023 | 2024 | 2023 |
| Forward exchange contracts | Other income, net | \$ (4) | \$ (13) | \$ (12) | \$ 3 |

Note 10 — Debt

Current debt consists of the following:

| | September 30, 2024 | December 31, 2023 |
|------------------------------|-----------------------|----------------------|
| 3.600% senior notes due 2024 | \$ — | \$ 650 |
| | \$ — | \$ 650 |

Long-term debt consists of the following:

| | September 30, 2024 | December 31, 2023 |
|---|-----------------------|----------------------|
| Revolving \$1.5 billion credit facility | \$ — | \$ — |
| 4.400% senior notes due 2026 | 549 | 548 |
| 4.650% senior notes due 2027 | 746 | 745 |
| 4.500% senior notes due 2028 | 598 | 598 |
| 2.950% senior notes due 2029 | 725 | 726 |
| 5.350% senior notes due 2033 | 742 | 741 |
| 6.125% senior notes due 2043 | 272 | 272 |
| 5.050% senior notes due 2048 | 396 | 395 |
| 3.875% senior notes due 2049 | 543 | 542 |
| 5.900% senior notes due 2054 | 737 | — |
| | \$ 5,308 | \$ 4,567 |

Senior Notes

On March 5, 2024, the Company, together with its wholly-owned subsidiary, Willis North America Inc., as issuer, completed an offering of \$750 million aggregate principal amount of 5.900% senior notes due 2054 ('2054 senior notes'). The effective interest rate of the 2054 senior notes is 6.00%, which includes the impact of the discount upon issuance. The 2054 senior notes will mature on

March 5, 2024. Interest on the 2024 senior notes accrues from March 5, 2024 and will be paid in cash on March 5 and September 5 of each year, commencing on September 5, 2024. The net proceeds from this offering, after deducting the underwriting discount and offering expenses, were approximately \$737 million, of which \$662 million was used to fully repay the \$650 million aggregate principal amount and related accrued interest of the 3.600% senior notes at maturity during the second quarter of 2024. The Company is using the remaining net proceeds for general corporate purposes.

At September 30, 2024 and December 31, 2023, 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 and option 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, 2024 and December 31, 2023:

| | Balance Sheet Location | Fair Value Measurements on a Recurring Basis at September 30, 2024 | | | |
|---|---|---|---------|---------|--------|
| | | Level 1 | Level 2 | Level 3 | Total |
| Assets: | | | | | |
| <i>Available-for-sale securities:</i> | | | | | |
| Mutual funds/exchange traded funds ⁽ⁱ⁾ | Prepaid and other current assets and Other non-current assets | \$ 110 | \$ — | \$ — | \$ 110 |
| | Fiduciary assets | 320 | — | — | 320 |
| Commingled funds ^{(i) (ii)} | Other non-current assets | — | — | — | 18 |
| Hedge funds ^{(i) (iii)} | Other non-current assets | — | — | — | 17 |
| <i>Derivatives:</i> | | | | | |
| Derivative financial instruments ^(iv) | Prepaid and other current assets and Other non-current assets | \$ — | \$ 7 | \$ — | \$ 7 |
| Liabilities: | | | | | |
| <i>Contingent consideration:</i> | | | | | |
| Contingent consideration ^{(v) (vi)} | Other current liabilities and Other non-current liabilities | \$ — | \$ — | \$ 39 | \$ 39 |
| <i>Derivatives:</i> | | | | | |
| Derivative financial instruments ^(iv) | Other current liabilities and Other non-current liabilities | \$ — | \$ 1 | \$ — | \$ 1 |

| | | Fair Value Measurements on a Recurring Basis at December 31, 2023 | | | |
|---|---|--|---------|---------|--------|
| | | Level 1 | Level 2 | Level 3 | Total |
| Assets: | | | | | |
| <i>Available-for-sale securities:</i> | | | | | |
| Mutual funds/exchange traded funds ⁽ⁱ⁾ | Prepaid and other current assets and Other non-current assets | \$ 102 | \$ — | \$ — | \$ 102 |
| | Fiduciary assets | 215 | — | — | 215 |
| Commingled funds ^{(i) (ii)} | Other non-current assets | — | — | — | 9 |
| Hedge funds ^{(i) (iii)} | Other non-current assets | — | — | — | 8 |
| <i>Derivatives:</i> | | | | | |
| Derivative financial instruments ^(iv) | Prepaid and other current assets and Other non-current assets | \$ — | \$ 6 | \$ — | \$ 6 |
| Liabilities: | | | | | |
| <i>Contingent consideration:</i> | | | | | |
| Contingent consideration ^(v) | Other current liabilities and Other non-current liabilities | \$ — | \$ — | \$ 31 | \$ 31 |
| <i>Derivatives:</i> | | | | | |
| Derivative financial instruments ^(iv) | Other current liabilities and Other non-current liabilities | \$ — | \$ 1 | \$ — | \$ 1 |

- (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 13.40% and 13.28% at September 30, 2024 and December 31, 2023, respectively. The range of these discount rates was 11.00% - 13.80% at September 30, 2024. 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 2029.

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, 2024 |
|---|--------------------|
| Balance at December 31, 2023 | \$ 31 |
| Obligations assumed | 3 |
| Payments | (8) |
| Realized and unrealized losses ⁽ⁱ⁾ | 13 |
| Foreign exchange | — |
| Balance at September 30, 2024 | \$ 39 |

- (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, 2024.

Non-recurring Fair Value Measurement

The Company has assets that may be required to be recorded at fair value on a non-recurring basis. These assets are evaluated when certain triggering events occur (including the planned disposal of a business or a decrease in estimated future cash flows) that indicate their carrying amounts may not be recoverable. During the three months ended September 30, 2024, the Company recorded goodwill impairment charges of \$1.0 billion on its BDA reporting unit in connection with the pending sale of TRANZACT (see Note 3 —

Acquisitions and Divestitures). The fair value of the reporting unit was determined in part using discounted future cash flows, which is a Level 3 valuation technique.

Fair Value Information about Financial Instruments Not Measured at Fair Value

The following tables present our assets and liabilities not measured at fair value on a recurring basis at September 30, 2024 and December 31, 2023:

| | September 30, 2024 | | December 31, 2023 | |
|---------------------------|--------------------|------------|-------------------|------------|
| | Carrying Value | Fair Value | Carrying Value | Fair Value |
| Assets: | | | | |
| Long-term note receivable | \$ 78 | \$ 75 | \$ 74 | \$ 70 |
| Liabilities: | | | | |
| Current debt | \$ — | \$ — | \$ 650 | \$ 645 |
| Long-term debt | \$ 5,308 | \$ 5,226 | \$ 4,567 | \$ 4,359 |

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.

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, 2024 and 2023:

| | Three Months Ended September 30, | | | | | |
|--------------------------------------|----------------------------------|------|-------|---------|------|-------|
| | 2024 | | | 2023 | | |
| | U.S. | U.K. | Other | U.S. | U.K. | Other |
| Service cost | \$ 11 | \$ 1 | \$ 4 | \$ 14 | \$ 1 | \$ 4 |
| Interest cost | 49 | 29 | 7 | 48 | 31 | 7 |
| Expected return on plan assets | (76) | (40) | (11) | (76) | (41) | (10) |
| Amortization of net loss | 9 | 14 | — | 3 | 12 | — |
| Amortization of prior service credit | — | (3) | 1 | — | (3) | — |
| Net periodic benefit (income)/cost | \$ (7) | \$ 1 | \$ 1 | \$ (11) | \$ — | \$ 1 |

| | Nine Months Ended September 30, | | | | | |
|--------------------------------------|---------------------------------|-------|-------|---------|-------|-------|
| | 2024 | | | 2023 | | |
| | U.S. | U.K. | Other | U.S. | U.K. | Other |
| Service cost | \$ 32 | \$ 4 | \$ 12 | \$ 42 | \$ 4 | \$ 11 |
| Interest cost | 147 | 86 | 20 | 146 | 90 | 21 |
| Expected return on plan assets | (227) | (119) | (32) | (228) | (121) | (29) |
| Settlement | — | — | — | 1 | — | (1) |
| Amortization of net loss | 27 | 41 | 1 | 9 | 36 | — |
| Amortization of prior service credit | — | (9) | 1 | — | (9) | 1 |
| Net periodic benefit (income)/cost | \$ (21) | \$ 3 | \$ 2 | \$ (30) | \$ — | \$ 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, 2024 and currently does not anticipate making contributions over the remainder of the fiscal year. The Company made contributions of \$2 million to its U.K. plans for the nine months ended September 30, 2024 and anticipates making additional contributions of \$1 million for the remainder of the fiscal year. The Company made contributions of \$11 million to its other plans for the nine months ended September 30, 2024 and anticipates making less than \$1 million of additional contributions for the remainder of the fiscal year.

Defined Contribution Plans

The Company had contribution expense related to its defined contribution plans of \$43 million and \$128 million during the three and nine months ended September 30, 2024, respectively, and \$40 million and \$121 million during the three and nine months ended September 30, 2023, 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, 2024 and 2023:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|-------------------------------------|---|--------------|--|---------------|
| | 2024 | 2023 | 2024 | 2023 |
| Finance lease cost: | | | | |
| Amortization of right-of-use assets | \$ — | \$ — | \$ 1 | \$ 1 |
| Interest on lease liabilities | 1 | — | 1 | 1 |
| Operating lease cost | 31 | 43 | 102 | 114 |
| Short-term lease cost | — | 1 | — | 1 |
| Variable lease cost | 11 | 11 | 41 | 39 |
| Sublease income | (5) | (3) | (15) | (9) |
| Total lease cost, net | <u>\$ 38</u> | <u>\$ 52</u> | <u>\$ 130</u> | <u>\$ 147</u> |

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 \$4 million and \$21 million incurred during the three and nine months ended September 30, 2024, respectively, and \$15 million and \$23 million incurred during the three and nine months ended September 30, 2023, 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.

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, 2024 and December 31, 2023 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. The current-year presentation excludes the assets and liabilities of TRANZACT, which have been reclassified as held for sale as appropriate on the condensed consolidated balance sheets.

Prepaid and other current assets consist of the following:

| | September 30, 2024 | December 31, 2023 |
|---|-----------------------|----------------------|
| Prepayments and accrued income | \$ 125 | \$ 123 |
| Deferred contract costs | 78 | 76 |
| Derivatives and investments | 4 | 4 |
| Deferred compensation plan assets | 17 | 16 |
| Corporate income and other taxes | 265 | 87 |
| Acquired renewal commissions receivable | — | 5 |
| Other current assets | 69 | 53 |
| Total prepaid and other current assets | <u>\$ 558</u> | <u>\$ 364</u> |

Other non-current assets consist of the following:

| | September 30, 2024 | December 31, 2023 |
|---|-----------------------|----------------------|
| Prepayments and accrued income | \$ 16 | \$ 9 |
| Deferred contract costs | 158 | 142 |
| Deferred compensation plan assets | 112 | 89 |
| Deferred tax assets | 104 | 86 |
| Accounts receivable, net | 17 | 19 |
| Acquired renewal commissions receivable | — | 23 |
| Long-term note receivable | 78 | 74 |
| Other investments | 91 | 88 |
| Insurance recovery receivables | 114 | 85 |
| Non-current contract assets | — | 909 |
| Other non-current assets | 42 | 49 |
| Total other non-current assets | <u>\$ 732</u> | <u>\$ 1,573</u> |

Provision for liabilities consists of the following:

| | September 30, 2024 | December 31, 2023 |
|--|-----------------------|----------------------|
| Claims, lawsuits and other proceedings | \$ 351 | \$ 306 |
| Other provisions | 65 | 59 |
| Total provision for liabilities | <u>\$ 416</u> | <u>\$ 365</u> |

Other non-current liabilities consist of the following:

| | September 30, 2024 | December 31, 2023 |
|---|-----------------------|----------------------|
| Deferred and long-term compensation plan liabilities | \$ 95 | \$ 97 |
| Contingent and deferred consideration on acquisitions | 9 | 27 |
| Liabilities for uncertain tax positions | 42 | 42 |
| Finance leases | 3 | 7 |
| Other non-current liabilities | 53 | 65 |
| Total other non-current liabilities | <u>\$ 202</u> | <u>\$ 238</u> |

Note 16 — Other (Loss)/Income, Net

Other (loss)/income, net consists of the following:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|-------------------------------------|--------------|------------------------------------|---------------|
| | 2024 | 2023 | 2024 | 2023 |
| (Loss)/gain on disposal of operations | \$ (1,190) | \$ 41 | \$ (1,190) | \$ 44 |
| Net periodic pension and postretirement benefit credits | 22 | 29 | 65 | 82 |
| Interest in earnings of associates and other investments | 4 | 1 | 5 | 3 |
| Foreign exchange (loss)/gain ⁽ⁱ⁾ | (2) | (3) | 2 | (7) |
| Other | 3 | (2) | 5 | 4 |
| Other (loss)/income, net | <u>\$ (1,163)</u> | <u>\$ 66</u> | <u>\$ (1,113)</u> | <u>\$ 126</u> |

(i) 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, 2024 and 2023. These tables exclude amounts attributable to non-controlling interests, which are not material for further disclosure.

| | Foreign currency translation | | Derivative instruments ⁽ⁱ⁾ | | Defined pension and post-retirement benefit costs | | Total | |
|--|---------------------------------|-------------------|--|--------------|---|-------------------|-------------------|-------------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Quarter-to-date activity: | | | | | | | | |
| Balance at June 30, 2024 and 2023, respectively | \$ (909) | \$ (926) | \$ 11 | \$ 12 | \$ (2,023) | \$ (1,626) | \$ (2,921) | \$ (2,540) |
| Other comprehensive income/(loss) before reclassifications | 94 | (85) | 2 | (2) | — | (1) | 96 | (88) |
| Loss reclassified from accumulated other comprehensive loss (net of income tax benefit of \$5 and \$2, respectively) | — | — | — | — | 15 | 8 | 15 | 8 |
| Net current-period other comprehensive income/(loss) | <u>94</u> | <u>(85)</u> | <u>2</u> | <u>(2)</u> | <u>15</u> | <u>7</u> | <u>111</u> | <u>(80)</u> |
| Balance at September 30, 2024 and 2023, respectively | <u>\$ (815)</u> | <u>\$ (1,011)</u> | <u>\$ 13</u> | <u>\$ 10</u> | <u>\$ (2,008)</u> | <u>\$ (1,619)</u> | <u>\$ (2,810)</u> | <u>\$ (2,620)</u> |
| Year-to-date activity: | | | | | | | | |
| Balance at December 31, 2023 and 2022, respectively | \$ (816) | \$ (987) | \$ 11 | \$ 9 | \$ (2,051) | \$ (1,643) | \$ (2,856) | \$ (2,621) |
| Other comprehensive income/(loss) before reclassifications | 1 | (24) | 3 | 1 | — | (1) | 4 | (24) |
| (Income)/loss reclassified from accumulated other comprehensive loss (net of income tax benefit of \$14 and \$8, respectively) | — | — | (1) | — | 43 | 25 | 42 | 25 |
| Net current-period other comprehensive income/(loss) | <u>1</u> | <u>(24)</u> | <u>2</u> | <u>1</u> | <u>43</u> | <u>24</u> | <u>46</u> | <u>1</u> |
| Balance at September 30, 2024 and 2023, respectively | <u>\$ (815)</u> | <u>\$ (1,011)</u> | <u>\$ 13</u> | <u>\$ 10</u> | <u>\$ (2,008)</u> | <u>\$ (1,619)</u> | <u>\$ (2,810)</u> | <u>\$ (2,620)</u> |

(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.

Note 18 — Earnings Per Share

Basic and diluted earnings per share are calculated by dividing net (loss)/income attributable to WTW by the average number of ordinary shares outstanding during each period. The computation of diluted (loss)/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, 2024 and 2023, there were 0.6 million restricted performance-based stock units outstanding at each period presented, and 0.5 million restricted time-based stock units outstanding at each period presented. The Company had no time-based share options outstanding and no performance-based options outstanding at September 30, 2024 and 2023.

Basic and diluted (loss)/earnings per share are as follows:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|----------------------------------|---------|---------------------------------|---------|
| | 2024 | 2023 | 2024 | 2023 |
| Net (loss)/income attributable to WTW | \$ (1,675) | \$ 136 | \$ (1,344) | \$ 433 |
| Basic average number of shares outstanding | 102 | 105 | 103 | 106 |
| Dilutive effect of potentially issuable shares | — | — | — | 1 |
| Diluted average number of shares outstanding | 102 | 105 | 103 | 107 |
| Basic (loss)/earnings per share | \$ (16.44) | \$ 1.30 | \$ (13.11) | \$ 4.08 |
| Dilutive effect of potentially issuable shares | — | (0.01) | — | (0.02) |
| Diluted (loss)/earnings per share | \$ (16.44) | \$ 1.29 | \$ (13.11) | \$ 4.06 |

The dilutive effect of potentially issuable shares was not computed for the three and nine months ended September 30, 2024 as the Company reported a net loss within its condensed consolidated statements of comprehensive income. Anti-dilutive restricted stock units were immaterial for the three and nine months ended September 30, 2023. There were no anti-dilutive options for the three and nine months ended September 30, 2023.

Note 19 — Supplemental Disclosures of Cash Flow Information

Supplemental disclosures regarding cash flow information are as follows:

| | Nine months ended September 30, | |
|---|---------------------------------|----------|
| | 2024 | 2023 |
| Supplemental disclosures of cash flow information: | | |
| Cash and cash equivalents | \$ 1,372 | \$ 1,247 |
| Fiduciary funds (included in fiduciary assets) | 3,340 | 2,485 |
| Total cash, cash equivalents and restricted cash | \$ 4,712 | \$ 3,732 |
| (Decrease)/increase in cash, cash equivalents and other restricted cash | \$ (54) | \$ 5 |
| Increase/(decrease) in fiduciary funds | 942 | (940) |
| Total | \$ 888 | \$ (935) |

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 to softening 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 Russia-Ukraine and Middle East conflicts. Although the length and impact of these situations are highly unpredictable, the conflicts have contributed to negative impacts on and volatility of the global economy and capital markets, resulting in significant inflation and fluctuating interest rates in many of the markets in which we operate, and could continue to lead to further market disruptions. 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, supply chain disruptions and geopolitical tensions beyond the aforementioned ongoing wars, 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 while this has eased somewhat in the last year, 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 cost of doing business, including our operating and general and administrative expenses, and we have no control or limited ability to control such factors. These general economic conditions impact revenue, including revenue from customers as well as income from funds we hold on behalf of customers and pension-related income.

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.

See Part I, Item 1A ‘Risk Factors’ in our Annual Report on Form 10-K, filed with the SEC on February 22, 2024, for a discussion of risks that may affect, among other things, our growth relative to expectation and our ability to achieve our objectives.

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 fourth quarter of 2023, we revised the expected costs and savings under the program and we currently expect the program to generate annual cost savings in excess of \$450 million by the end of 2024. The program is expected to incur cumulative costs of approximately \$1.045 billion and capital expenditures of approximately \$130 million, for a total investment of approximately \$1.175 billion. The main categories of charges have been in the following four areas:

- Real estate rationalization — includes costs to align the real estate footprint to our 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 includes 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 are incurred in the right-shoring strategy and automation of our operations, which includes optimizing resource deployment and appropriate colleague alignment. These costs 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, 2024, restructuring charges under our Transformation program totaled \$8 million and \$29 million, respectively; for the three and nine months ended September 30, 2023, restructuring charges under our Transformation program totaled \$17 million and \$30 million, respectively. Other costs incurred under the Transformation program are included in transaction and transformation and were \$67 million and \$272 million for the three and nine months ended September 30, 2024, respectively, and \$104 million and \$231 million for the three and nine months ended September 30, 2023, respectively.

From the actions taken during the third quarter of 2024, we have identified an additional \$52 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 \$446 million of cumulative annualized run-rate savings, which overall are primarily attributable to process optimization. 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 22, 2024.

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, | | | |
|---|---|--------|----------|-------|---------------------------------|--------|----------|-------|
| | 2024 | | 2023 | | 2024 | | 2023 | |
| | (\$ in millions, except per share data) | | | | | | | |
| Revenue | \$ 2,289 | 100 % | \$ 2,166 | 100 % | \$ 6,895 | 100 % | \$ 6,569 | 100 % |
| Costs of providing services | | | | | | | | |
| Salaries and benefits | 1,396 | 61 % | 1,359 | 63 % | 4,135 | 60 % | 4,019 | 61 % |
| Other operating expenses | 419 | 18 % | 396 | 18 % | 1,315 | 19 % | 1,282 | 20 % |
| Impairment ⁽ⁱ⁾ | 1,042 | 46 % | — | — % | 1,042 | 15 % | — | — % |
| Depreciation | 60 | 3 % | 60 | 3 % | 176 | 3 % | 184 | 3 % |
| Amortization | 56 | 2 % | 62 | 3 % | 176 | 3 % | 203 | 3 % |
| Restructuring costs | 8 | — % | 17 | 1 % | 29 | — % | 30 | — % |
| Transaction and transformation | 74 | 3 % | 113 | 5 % | 296 | 4 % | 265 | 4 % |
| Total costs of providing services | 3,055 | | 2,007 | | 7,169 | | 5,983 | |
| (Loss)/income from operations | (766) | (33) % | 159 | 7 % | (274) | (4) % | 586 | 9 % |
| Interest expense | (65) | (3) % | (61) | (3) % | (197) | (3) % | (172) | (3) % |
| Other (loss)/income, net ⁽ⁱ⁾ | (1,163) | (51) % | 66 | 3 % | (1,113) | (16) % | 126 | 2 % |
| (LOSS)/INCOME FROM OPERATIONS BEFORE INCOME TAXES | (1,994) | (87) % | 164 | 8 % | (1,584) | (23) % | 540 | 8 % |
| Benefit from/(provision for) income taxes | 322 | 14 % | (25) | (1) % | 248 | 4 % | (99) | (2) % |
| Income attributable to non-controlling interests | (3) | — % | (3) | — % | (8) | — % | (8) | — % |
| NET (LOSS)/INCOME ATTRIBUTABLE TO WTW | \$ (1,675) | (73) % | \$ 136 | 6 % | \$ (1,344) | (19) % | \$ 433 | 7 % |
| Diluted (loss)/earnings per share | \$ (16.44) | | \$ 1.29 | | \$ (13.11) | | \$ 4.06 | |

(i) For the three and nine months ended September 30, 2024, Impairment and Other (loss)/income, net include goodwill-related impairment expense and loss on disposal, respectively, associated with the pending sale of our TRANZACT business (see Note 3 — Acquisitions and Divestitures within Part I, Item 1 'Financial Statements' in this Quarterly Report on Form 10-Q).

Consolidated Revenue

Revenue for the three months ended September 30, 2024 was \$2.3 billion, compared to \$2.2 billion for the three months ended September 30, 2023, an increase of \$123 million, or 6%, on an as-reported basis. Adjusting for the impacts of foreign currency and acquisitions and disposals, our organic revenue growth was 6% for the three months ended September 30, 2024. Revenue for the nine months ended September 30, 2024 was \$6.9 billion, compared to \$6.6 billion for the nine months ended September 30, 2023, an increase of \$326 million, or 5%, on an as-reported basis. Adjusting for the impacts of foreign currency and acquisitions and disposals, our organic revenue growth was 5% for the nine months ended September 30, 2024. The increases in both as-reported and organic revenue were driven by strong performances in both segments. For additional information, please see the section entitled 'Segment Revenue' elsewhere within this Item 2 in this Quarterly Report on Form 10-Q.

Our revenue can be materially impacted by changes in currency conversions, which can fluctuate significantly over the course of a calendar year. However, for the three months ended September 30, 2024, the impact of currency translation on our revenue was immaterial. For the nine months ended September 30, 2024, currency translation decreased our consolidated revenue by \$4 million.

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, 2024. These figures do not represent the currency of the related revenue, which is presented in the next table.

| Geographic Region | % of Revenue |
|-------------------|--------------|
| United States | 49 % |
| United Kingdom | 20 % |
| France | 5 % |
| Canada | 3 % |
| Germany | 3 % |

The table below details the approximate percentage of our revenue and expenses by transactional currency for the nine months ended September 30, 2024.

| Transactional Currency | Revenue | Expenses ⁽ⁱ⁾ |
|------------------------|---------|-------------------------|
| U.S. dollars | 57 % | 52 % |
| Pounds sterling | 12 % | 18 % |
| 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 costs.

The following tables set forth the total revenue for the three and nine months ended September 30, 2024 and 2023, and the components of the change in total revenue for the three and nine months ended September 30, 2024, as compared to the prior-year periods. The components of the revenue change may not add due to rounding.

| | Three Months Ended September 30, | | As Reported Change | Components of Revenue Change | | | |
|---------|----------------------------------|----------|--------------------|------------------------------|--------------------------|---------------------------------|-------------------------------|
| | 2024 | 2023 | | Less: Currency Impact | Constant Currency Change | Less: Acquisitions/Divestitures | Organic Change ⁽ⁱ⁾ |
| | (\$ in millions) | | | | | | |
| Revenue | \$ 2,289 | \$ 2,166 | 6% | —% | 6% | —% | 6% |

| | Nine Months Ended September 30, | | As Reported Change | Components of Revenue Change | | | |
|---------|---------------------------------|----------|--------------------|------------------------------|--------------------------|---------------------------------|-------------------------------|
| | 2024 | 2023 | | Less: Currency Impact | Constant Currency Change | Less: Acquisitions/Divestitures | Organic Change ⁽ⁱ⁾ |
| | (\$ in millions) | | | | | | |
| Revenue | \$ 6,895 | \$ 6,569 | 5% | —% | 5% | —% | 5% |

(i) Interest income did not contribute to organic change for the three and nine months ended September 30, 2024.

Definitions of Constant Currency Change and Organic Change are included under the section entitled ‘Non-GAAP Financial Measures’ elsewhere within Item 2 in this Quarterly Report on 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 22, 2024.

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, 2024 and 2023, and the components of the change in revenue for the three months ended September 30, 2024 from the three months ended September 30, 2023.

| | Three Months Ended | | As Reported Change | Components of Revenue Change | | | |
|---|--------------------|----------|--------------------|------------------------------|--------------------------|----------------------------------|----------------|
| | September 30, | | | Less: Currency Impact | Constant Currency Change | Less: Acquisitions/ Divestitures | Organic Change |
| | 2024 | 2023 | | | | | |
| | (\$ in millions) | | | | | | |
| Segment revenue excluding interest income | \$ 1,320 | \$ 1,275 | 4% | —% | 3% | —% | 4% |
| Interest income | 8 | 7 | | | | | |
| Total segment revenue | \$ 1,328 | \$ 1,282 | 4% | —% | 3% | —% | 4% |

HWC segment revenue for both the three months ended September 30, 2024 and 2023 was \$1.3 billion. Health had organic revenue growth driven by strong client retention, new local appointments and the continued expansion of our Global Benefits Management client portfolio in International and Europe, along with increased brokerage income in North America. Wealth generated organic revenue growth from higher levels of Retirement work in Europe and an increase in our Investments business due to capital market improvements and growth from our LifeSight solution. Career had organic revenue growth from increased compensation survey sales and advisory services in Work & Rewards and product revenue in Employee Experience. Benefits Delivery & Outsourcing had an organic revenue decline for the quarter primarily as a result of deliberately moderating growth in Individual Marketplace and a stronger comparable in Outsourcing.

The following table sets forth HWC segment revenue for the nine months ended September 30, 2024 and 2023 and the components of the change in revenue for the nine months ended September 30, 2024 from the nine months ended September 30, 2023.

| | Nine Months Ended | | As Reported Change | Components of Revenue Change | | | |
|---|-------------------|----------|--------------------|------------------------------|--------------------------|----------------------------------|----------------|
| | September 30, | | | Less: Currency Impact | Constant Currency Change | Less: Acquisitions/ Divestitures | Organic Change |
| | 2024 | 2023 | | | | | |
| | (\$ in millions) | | | | | | |
| Segment revenue excluding interest income | \$ 3,898 | \$ 3,766 | 4% | —% | 4% | —% | 4% |
| Interest income | 26 | 18 | | | | | |
| Total segment revenue | \$ 3,924 | \$ 3,784 | 4% | —% | 4% | —% | 4% |

HWC segment revenue for the nine months ended September 30, 2024 and 2023 was \$3.9 billion and \$3.8 billion, respectively. Organic revenue growth in Health was achieved across all regions and led by International. Our Wealth businesses generated organic revenue growth from our Investments-related solutions and higher levels of Retirement work in North America and Europe. Career had organic revenue growth from increased project work in Employee Experience and Work & Rewards. Organic growth in Benefits Delivery & Outsourcing was driven by higher project work in Outsourcing and higher commissions and fees from Individual Marketplace.

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, 2024 and 2023, and the components of the change in revenue for the three months ended September 30, 2024 from the three months ended September 30, 2023.

| | Three Months Ended | | As Reported Change | Components of Revenue Change | | | |
|---|--------------------|--------|--------------------|------------------------------|--------------------------|----------------------------------|----------------|
| | September 30, | | | Less: Currency Impact | Constant Currency Change | Less: Acquisitions/ Divestitures | Organic Change |
| | 2024 | 2023 | | | | | |
| | (\$ in millions) | | | | | | |
| Segment revenue excluding interest income | \$ 911 | \$ 830 | 10% | —% | 10% | —% | 10% |
| Interest income | 29 | 25 | | | | | |
| Total segment revenue | \$ 940 | \$ 855 | 10% | —% | 10% | —% | 10% |

R&B segment revenue for the three months ended September 30, 2024 and 2023 was \$940 million and \$855 million, respectively. Corporate Risk & Broking had organic revenue growth primarily driven by higher levels of new business activity and strong client retention. Insurance Consulting and Technology had organic revenue growth for the quarter primarily due to strong software sales in Technology, partially offset by tempered demand for discretionary services in Consulting.

The following table sets forth R&B segment revenue for the nine months ended September 30, 2024 and 2023 and the components of the change in revenue for the nine months ended September 30, 2024 from the nine months ended September 30, 2023.

| | Nine Months Ended | | As Reported Change | Components of Revenue Change | | | |
|---|-------------------|----------|--------------------|------------------------------|--------------------------|----------------------------------|----------------|
| | September 30, | | | Less: Currency Impact | Constant Currency Change | Less: Acquisitions/ Divestitures | Organic Change |
| | 2024 | 2023 | | | | | |
| | (\$ in millions) | | | | | | |
| Segment revenue excluding interest income | \$ 2,811 | \$ 2,607 | 8% | —% | 8% | —% | 8% |
| Interest income | 86 | 52 | | | | | |
| Total segment revenue | \$ 2,897 | \$ 2,659 | 9% | —% | 9% | —% | 9% |

R&B segment revenue for the nine months ended September 30, 2024 and 2023 was \$2.9 billion and \$2.7 billion, respectively. Corporate Risk & Broking had organic revenue growth primarily driven by higher levels of new business activity and strong client retention and renewal increases across all geographies. Insurance Consulting and Technology had flat organic revenue growth for the year primarily due to tempered demand for discretionary services.

Costs of Providing Services

Total costs of providing services for the three months ended September 30, 2024 were \$3.1 billion, compared to \$2.0 billion for the three months ended September 30, 2023, an increase of \$1.0 billion. Total costs of providing services for the nine months ended September 30, 2024 were \$7.2 billion, compared to \$6.0 billion for the nine months ended September 30, 2023, an increase of \$1.2 billion. These increases resulted from the impairment expense associated with the pending sale of our TRANZACT business in the current-year period (see Note 3 — Acquisitions and Divestitures within Part I, Item 1 ‘Financial Statements’ in this Quarterly Report on Form 10-Q). See the following discussion for further details.

Salaries and Benefits

Salaries and benefits for both the three months ended September 30, 2024 and 2023 were \$1.4 billion, an increase of \$37 million, or 3%. The increase in the current-year period is primarily due to higher salary expense, driven by increased colleague headcount and cost-of-living compensation adjustments, and higher benefit costs for the period. Salaries and benefits, as a percentage of revenue, represented 61% and 63% for the three months ended September 30, 2024 and 2023, respectively.

Salaries and benefits for the nine months ended September 30, 2024 were \$4.1 billion, compared to \$4.0 billion for the nine months ended September 30, 2023, an increase of \$116 million, or 3%. The increase in the current year is primarily due to higher salary expense, driven by increased colleague headcount and cost-of-living compensation adjustments, and higher incentive and benefit costs for the period. Salaries and benefits, as a percentage of revenue, represented 60% and 61% for the nine months ended September 30, 2024 and 2023, respectively.

Other Operating Expenses

Other operating expenses for the three months ended September 30, 2024 were \$419 million, compared to \$396 million for the three months ended September 30, 2023, an increase of \$23 million, or 6%. The increase was primarily due to higher non-income-related tax expense for the current-year period as compared to the prior-year period.

Other operating expenses for both the nine months ended September 30, 2024 and 2023 were \$1.3 billion, an increase of \$33 million, or 3%. The increase was primarily due to higher non-income-related tax expense and increased marketing costs, partially offset by lower occupancy costs for the current year as compared to the prior year.

Impairment

Impairment for both the three and nine months ended September 30, 2024 was \$1.0 billion. Impairment is attributable to the goodwill impairment associated with our Benefits, Delivery and Administration (‘BDA’) reporting unit related to the pending sale of our TRANZACT business (see Note 3 — Acquisitions and Divestitures within Part I, Item 1 ‘Financial Statements’ in this Quarterly Report on Form 10-Q).

Depreciation

Depreciation for both the three months ended September 30, 2024 and 2023 was \$60 million. Depreciation for the nine months ended September 30, 2024 was \$176 million, compared to \$184 million for the nine months ended September 30, 2023, a decrease of \$8 million, or 4%. The year-over-year decrease was primarily due to a lower depreciable base of assets resulting from business disposals and a lower dollar value of assets placed in service during the past few years.

Amortization

Amortization for the three months ended September 30, 2024 was \$56 million, compared to \$62 million for the three months ended September 30, 2023, a decrease of \$6 million, or 10%. Amortization for the nine months ended September 30, 2024 was \$176 million, compared to \$203 million for the nine months ended September 30, 2023, a decrease of \$27 million, or 13%. Our intangible amortization is generally more weighted to the initial years of the useful lives of the related intangibles, and therefore amortization related to intangible assets has decreased and will continue to decrease over time.

Restructuring Costs

Restructuring costs for the three months ended September 30, 2024 were \$8 million, compared to \$17 million for the three months ended September 30, 2023. Restructuring costs for the nine months ended September 30, 2024 were \$29 million, compared to \$30 million for the nine months ended September 30, 2023. 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' in this Quarterly Report on Form 10-Q).

Transaction and Transformation

Transaction and transformation costs for the three months ended September 30, 2024 were \$74 million, compared to \$113 million for the three months ended September 30, 2023, a decrease of \$39 million. Transaction and transformation costs for the nine months ended September 30, 2024 were \$296 million, compared to \$265 million for the nine months ended September 30, 2023, an increase of \$31 million. Transaction and transformation costs for the current year-to-date period were higher primarily due to increased compensation and consulting costs related to our Transformation program (see 'Transformation Program' within this Part I, Item 2) incurred in the current year as compared to the prior-year comparable period.

(Loss)/Income from Operations

Loss from operations for the three months ended September 30, 2024 was \$766 million, compared to income from operations of \$159 million for the three months ended September 30, 2023, a decrease of \$925 million. This decrease resulted from the impairment expense associated with the pending sale of our TRANZACT business in the current-year period (see Note 3 — Acquisitions and Divestitures within Part I, Item 1 'Financial Statements' in this Quarterly Report on Form 10-Q), partially offset by higher revenue in the current-year period.

Loss from operations for the nine months ended September 30, 2024 was \$274 million, compared to income from operations of \$586 million for the nine months ended September 30, 2023, a decrease of \$860 million. This decrease resulted from the impairment expense associated with the pending sale of our TRANZACT business, higher salary expense and increased incentive and benefit costs in the current year, partially offset by higher revenue in the current year.

Interest Expense

Interest expense for the three months ended September 30, 2024 was \$65 million, compared to \$61 million for the three months ended September 30, 2023, an increase of \$4 million, or 7%. Interest expense for the nine months ended September 30, 2024 was \$197 million as compared to \$172 million for the nine months ended September 30, 2023, an increase of \$25 million, or 15%. These increases were the result of a greater level of indebtedness in the current year and the higher interest rate-bearing senior notes issued by the Company during the last two years.

Other (Loss)/Income, Net

Other (loss)/income, net for the three months ended September 30, 2024 was a loss of \$1.2 billion, compared to income of \$66 million for the three months ended September 30, 2023, a decrease of \$1.2 billion. Other (loss)/income, net for the nine months ended September 30, 2024 was a loss of \$1.1 billion, compared to income of \$126 million for the nine months ended September 30, 2023, a decrease of \$1.2 billion. The decreases were due to a higher loss on disposal in the current-year periods, which are attributable to the pending sale of our TRANZACT business (see Note 3 — Acquisitions and Divestitures within Part I, Item 1 'Financial Statements' in this Quarterly Report on Form 10-Q).

Benefit from/(Provision for) Income Taxes

Benefit from/(provision for) income taxes for the three months ended September 30, 2024 was a benefit of \$322 million, compared to a provision of \$25 million for the three months ended September 30, 2023, a decrease of \$347 million. The effective tax rates were 16.1% for the three months ended September 30, 2024 and 15.5% for the three months ended September 30, 2023. Benefit from/(provision for) income taxes for the nine months ended September 30, 2024 was a benefit of \$248 million, compared to a provision of \$99 million for the nine months ended September 30, 2023. The effective tax rates were 15.6% for the nine months ended September 30, 2024 and 18.3% for the nine months ended September 30, 2023. 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 effective tax rate for the three months ended September 30, 2023 was lower due to the tax-exempt gain on a business disposal. The current-year effective tax rate for the nine months ended September 30, 2024 was lower due to deferred tax benefits recognized on the gross-up to carrying value of net assets to be disposed and a deferred tax benefit of \$56 million, net of a \$37 million valuation allowance, on the expected tax loss on disposal of TRANZACT (see Note 3 – Acquisitions and Divestitures within Part I, Item 1 ‘Financial Statements’ in this Quarterly Report on Form 10-Q). 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. During the three months ended September 30, 2024 the Company recorded a \$37 million valuation allowance related to unrealized capital losses that are not more-likely-than-not to be realized.

Net (Loss)/Income Attributable to WTW

Net loss attributable to WTW for the three months ended September 30, 2024 was \$1.7 billion, compared to income of \$136 million for the three months ended September 30, 2023, a decrease of \$1.8 billion. This decrease resulted from the loss on disposal and impairment expense associated with the pending sale of our TRANZACT business in the current-year period (see Note 3 — Acquisitions and Divestitures within Part I, Item 1 ‘Financial Statements’ in this Quarterly Report on Form 10-Q), partially offset by lower tax expense attributable to the losses associated with the pending sale and higher revenue in the current-year period.

Net loss attributable to WTW for the nine months ended September 30, 2024 was \$1.3 billion, compared to income of \$433 million for the nine months ended September 30, 2023, a decrease of \$1.8 billion. This decrease resulted from the loss on disposal and impairment expense associated with the pending sale of our TRANZACT business, higher salary expense and increased incentive and benefit costs in the current year, partially offset by higher revenue and lower tax expense attributable to the losses associated with the pending sale 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 facility 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 and we expect this volatility could continue.

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 first quarter of 2024, we completed an offering of \$750 million aggregate principal amount of 5.900% senior notes due 2054 and used the net proceeds during the second quarter to repay in full the \$650 million aggregate principal amount and related accrued interest of the 3.600% senior notes. The Company is using the remaining net proceeds for general corporate purposes. Additionally, during the nine months ended September 30, 2024, we repurchased \$506 million of shares and have authorization to repurchase an additional \$837 million.

We consider many factors, including market and economic conditions, applicable legal requirements and other business considerations, when considering whether to repurchase shares. Our share repurchase program (as further described below under ‘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, the receipt of significant earnout payments related to past divestitures, 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, 2024 and December 31, 2023 totaled \$1.4 billion. The decrease of \$52 million in cash from December 31, 2023 to September 30, 2024 was due primarily to \$506 million of share repurchases, \$265 million of dividend payments and \$230 million of cash outflows attributable to investing activities, partially offset by \$913 million of cash inflows from operating activities.

Additionally, we had all of the borrowing capacity available to draw against our \$1.5 billion revolving credit facility at both September 30, 2024 and December 31, 2023.

Included within cash and cash equivalents at September 30, 2024 and December 31, 2023 are amounts held for regulatory capital adequacy requirements, including \$108 million and \$105 million, respectively, 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, 2024 and 2023:

| | Nine Months Ended September 30, | |
|--|---------------------------------|----------|
| | 2024 | 2023 |
| | (in millions) | |
| Net cash from/(used in): | | |
| Operating activities | \$ 913 | \$ 823 |
| Investing activities | (230) | (1,030) |
| Financing activities | 205 | (728) |
| INCREASE/(DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH ⁽ⁱ⁾ | 888 | (935) |
| Effect of exchange rate changes on cash, cash equivalents and restricted cash | 32 | (54) |
| CASH, CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF PERIOD ⁽ⁱ⁾ | 3,792 | 4,721 |
| CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF PERIOD ⁽ⁱ⁾ | \$ 4,712 | \$ 3,732 |

(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' in this Quarterly Report on Form 10-Q.

Cash Flows From Operating Activities

Cash flows from operating activities were \$913 million for the nine months ended September 30, 2024, compared to \$823 million for the nine months ended September 30, 2023. The \$913 million of net cash from operating activities for the nine months ended September 30, 2024 included \$2.4 billion of favorable non-cash adjustments, partially offset by a net loss of \$1.3 billion and unfavorable changes in operating assets and liabilities of \$139 million. This increase in cash flows from operations as compared to the prior year was primarily driven by operating margin expansion, partially offset by increased cash outflows related to the Transformation program and discretionary compensation payments in the current year as compared to the prior year.

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.

Cash Flows Used In Investing Activities

Cash flows used in investing activities for the nine months ended September 30, 2024 were \$230 million as compared \$1.0 billion for the nine months ended September 30, 2023. The cash flows used in investing activities in the current year consisted primarily of capital expenditures and capitalized software additions.

The cash flows used in investing activities for the nine months ended September 30, 2023 consisted primarily of cash and fiduciary funds of \$922 million associated with the transfer to Gallagher under a side letter agreement to the Willis Re SAPA (see Note 3 — Acquisitions and Divestitures within Part I, Item 1 ‘Financial Statements’ in this Quarterly Report on Form 10-Q for additional information) and \$182 million of capital expenditures and capitalized software additions.

Cash Flows From/(Used In) Financing Activities

Cash flows from financing activities for the nine months ended September 30, 2024 were \$205 million. The significant financing activities included net proceeds from fiduciary funds held for clients of \$934 million and \$84 million of net proceeds from the issuance of debt, partially offset by share repurchases of \$506 million and dividend payments of \$265 million.

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 the issuance of debt.

Indebtedness

Total debt, total equity, and the capitalization ratios at September 30, 2024 and December 31, 2023 were as follows:

| | September 30, 2024 | December 31, 2023 |
|--------------------------------|-----------------------|----------------------|
| | (\$ in millions) | |
| Long-term debt | \$ 5,308 | \$ 4,567 |
| Current debt | — | 650 |
| Total debt | \$ 5,308 | \$ 5,217 |
| Total WTW shareholders’ equity | \$ 7,492 | \$ 9,520 |
| Capitalization ratio | 41.5% | 35.4% |

The capitalization ratio increased from December 31, 2023 due primarily to the earnings loss in the current quarter driven by the recognition of impairment expense and loss on disposal associated with the pending sale of our TRANZACT business (see Note 3 — Acquisitions and Divestitures in Part I, Item 1 ‘Financial Statements’ in this Quarterly Report on Form 10-Q for further information).

At September 30, 2024, the Company does not have any mandatory debt repayments over the next twelve months. For more information regarding our current and long-term debt, please see the section entitled ‘Supplemental Guarantor Financial Information’ elsewhere within this Item 2 in this Quarterly Report on Form 10-Q.

At September 30, 2024 and December 31, 2023, 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, some of which are invested in open-ended mutual funds as directed by the participant. 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, 2024 and December 31, 2023, we had fiduciary funds of \$3.7 billion and \$2.6 billion, respectively.

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 September 20, 2023, the board of directors approved a \$1.0 billion increase to the existing share repurchase program. This increase brought the total approved authorization, since the announcement of the program on April 20, 2016, to \$9.2 billion.

At September 30, 2024, approximately \$837 million 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, 2024 of \$294.53 was 2,841,324.

During the three and nine months ended September 30, 2024, the Company had the following share repurchase activity:

| | Three Months Ended September 30, 2024 | Nine Months Ended September 30, 2024 |
|--|--|---|
| Shares repurchased | 717,016 | 1,865,740 |
| Average price per share | \$285.76 | \$271.02 |
| Aggregate repurchase cost (excluding broker costs) | \$205 million | \$506 million |

Capital Commitments

The Company's capital expenditures for fixed assets and software for internal use were \$106 million during the nine months ended September 30, 2024. The Company estimates that there will be additional such expenditures, which include those incurred under its Transformation program, in the range of \$40 million - \$65 million during the remainder of 2024. 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, 2023.

Dividends

Total cash dividends of \$265 million were paid during the nine months ended September 30, 2024. In August 2024, the board of directors approved a quarterly cash dividend of \$0.88 per share (\$3.52 per share annualized rate), which was paid on October 15, 2024 to shareholders of record as of September 30, 2024.

Supplemental Guarantor Financial Information

As of September 30, 2024, WTW has issued the following debt securities (the 'notes'):

- a) Willis North America Inc. ('Willis North America') has approximately \$4.5 billion senior notes outstanding, of which \$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, \$750 million were issued on May 17, 2023 and \$750 million were issued on March 5, 2024; and
- b) Trinity Acquisition plc has approximately \$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, 2024.

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, 2024. 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, 2024 and December 31, 2023, 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, 2024 and December 31, 2023, the intercompany balances of the Obligor group with non-guarantor subsidiaries were net receivables of \$4.1 billion and \$3.4 billion, respectively, and net payables of \$15.0 billion and \$14.0 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, 2024 | As of December 31, 2023 |
|-------------------------------|-----------------------------|----------------------------|
| | (in millions) | |
| Total current assets | \$ 194 | \$ 299 |
| Total non-current assets | 4,141 | 3,454 |
| Total current liabilities | 7,978 | 7,576 |
| Total non-current liabilities | 12,566 | 11,848 |

| | Nine months ended September 30, 2024 | |
|---|---|-------|
| | (in millions) | |
| Revenue | \$ | 819 |
| Income from operations | | 646 |
| Loss from operations before income taxes ⁽ⁱ⁾ | | (132) |
| Net loss | | (52) |
| Net loss attributable to WTW | | (52) |

(i) Includes intercompany expense, net of the Obligor group from non-guarantor subsidiaries of \$263 million for the nine months ended September 30, 2024.

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 |
| (Loss)/income from operations/margin | Adjusted operating income/margin |
| Net (loss)/income/margin | Adjusted EBITDA/margin |
| Net (loss)/income attributable to WTW | Adjusted net income |
| Diluted (loss)/earnings per share | Adjusted diluted earnings per share |
| (Loss)/income from operations before income taxes | Adjusted income before taxes |
| (Benefit from)/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. For a complete summary of our adjusting items, please see our Annual Report on Form 10-K filed with the SEC on February 22, 2024. Items applicable to the quarter or full year results, or the comparable periods, include the following:

- 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 non-cash goodwill impairment associated with our Benefits, Delivery and Administration ('BDA') reporting unit related to the pending sale of our TRANZACT business.
- Provisions for specified litigation matters – We will include provisions for litigation matters which we believe are not representative of our core business operations. Among other things, we determine this by reference to the amount of the loss (net of insurance and other recovery receivables) and by reference to whether the matter relates to an unusual and complex scenario that is not expected to be repeated as part of our ongoing, ordinary business. These amounts are presented net of insurance and other recovery receivables. See the footnotes to the reconciliation tables below for more specificity on the litigation matter excluded from adjusted results.
- 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 significant adjustments – Relates to the incremental tax expense or benefit resulting from significant or unusual events including significant statutory tax rate changes enacted in material jurisdictions in which we operate, internal reorganizations of ownership of certain businesses that reduced the investment held by our U.S.-controlled subsidiaries and the recovery of certain refunds or payment of taxes related to businesses in which we no longer participate.

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' 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, 2024 from the three and nine months ended September 30, 2023 are as follows. The components of revenue change may not add due to rounding.

| | Three Months Ended September 30, | | As Reported Change | Components of Revenue Change | | | Organic Change ⁽ⁱ⁾ |
|---------|----------------------------------|----------|--------------------|------------------------------|--------------------------|---------------------------------|-------------------------------|
| | 2024 | 2023 | | Less: Currency Impact | Constant Currency Change | Less: Acquisitions/Divestitures | |
| | (\$ in millions) | | | | | | |
| Revenue | \$ 2,289 | \$ 2,166 | 6% | —% | 6% | —% | 6% |

| | Nine Months Ended September 30, | | As Reported Change | Components of Revenue Change | | | Organic Change ⁽ⁱ⁾ |
|---------|---------------------------------|----------|--------------------|------------------------------|--------------------------|---------------------------------|-------------------------------|
| | 2024 | 2023 | | Less: Currency Impact | Constant Currency Change | Less: Acquisitions/Divestitures | |
| | (\$ in millions) | | | | | | |
| Revenue | \$ 6,895 | \$ 6,569 | 5% | —% | 5% | —% | 5% |

(i) Interest income did not contribute to organic change for the three and nine months ended September 30, 2024.

For the three months ended September 30, 2024, both our as-reported revenue and organic revenue increased by 6%. For the nine months ended September 30, 2024, both our as-reported revenue and organic revenue increased by 5%. The increases in both as-reported and organic revenue were driven by strong performances in both segments. For additional information, please see the section entitled 'Segment Revenue' elsewhere within Item 2 in this Quarterly Report on Form 10-Q.

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 (loss)/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 (loss)/income from operations to adjusted operating income for the three and nine months ended September 30, 2024 and 2023 are as follows:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|-------------------------------------|--------|------------------------------------|----------|
| | 2024 | 2023 | 2024 | 2023 |
| | (\$ in millions) | | | |
| (Loss)/income from operations | \$ (766) | \$ 159 | \$ (274) | \$ 586 |
| Adjusted for certain items: | | | | |
| Impairment | 1,042 | — | 1,042 | — |
| Amortization | 56 | 62 | 176 | 203 |
| Restructuring costs | 8 | 17 | 29 | 30 |
| Transaction and transformation | 74 | 113 | 296 | 265 |
| Provision for specified litigation matter ⁽ⁱ⁾ | — | — | 13 | — |
| Adjusted operating income | \$ 414 | \$ 351 | \$ 1,282 | \$ 1,084 |
| (Loss)/income from operations margin | (33.5)% | 7.3% | (4.0)% | 8.9% |
| Adjusted operating income margin | 18.1% | 16.2% | 18.6% | 16.5% |

(i) Represents a provision related to potential litigation arising out of a structured insurance program originally placed for a client over 15 years ago. The program is of a type and complexity that was highly bespoke to the client and for that reason is unlikely to be exactly replicated elsewhere. Because of this, while we do not believe the potential litigation is material, we believe excluding this matter from adjusted results makes results more comparable from period to period and more representative of our core business operations.

Adjusted operating income increased for the three months ended September 30, 2024 to \$414 million, from \$351 million for the three months ended September 30, 2023 and increased for the nine months ended September 30, 2024 to \$1.3 billion from \$1.1 billion for the nine months ended September 30, 2023. These increases resulted primarily from higher revenue in the current-year periods, partially offset by higher salary expense and increased incentive and benefit 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 (loss)/income adjusted for (benefit from)/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 (loss)/income to adjusted EBITDA for the three and nine months ended September 30, 2024 and 2023 are as follows:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|-------------------------------------|---------------|------------------------------------|-----------------|
| | 2024 | 2023 | 2024 | 2023 |
| | (in millions) | | | |
| NET (LOSS)/INCOME | \$ (1,672) | \$ 139 | \$ (1,336) | \$ 441 |
| (Benefit from)/provision for income taxes | (322) | 25 | (248) | 99 |
| Interest expense | 65 | 61 | 197 | 172 |
| Impairment | 1,042 | — | 1,042 | — |
| Depreciation | 60 | 60 | 176 | 184 |
| Amortization | 56 | 62 | 176 | 203 |
| Restructuring costs | 8 | 17 | 29 | 30 |
| Transaction and transformation | 74 | 113 | 296 | 265 |
| Provision for specified litigation matter ⁽ⁱ⁾ | — | — | 13 | — |
| Loss/(gain) on disposal of operations | 1,190 | (41) | 1,190 | (44) |
| Adjusted EBITDA | <u>\$ 501</u> | <u>\$ 436</u> | <u>\$ 1,535</u> | <u>\$ 1,350</u> |
| Net (loss)/income margin | (73.0)% | 6.4% | (19.4)% | 6.7% |
| Adjusted EBITDA margin | 21.9% | 20.1% | 22.3% | 20.6% |

(i) Represents a provision related to potential litigation arising out of a structured insurance program originally placed for a client over 15 years ago. The program is of a type and complexity that was highly bespoke to the client and for that reason is unlikely to be exactly replicated elsewhere. Because of this, while we do not believe the potential litigation is material, we believe excluding this matter from adjusted results makes results more comparable from period to period and more representative of our core business operations.

Adjusted EBITDA for the three months ended September 30, 2024 was \$501 million, compared to \$436 million for the three months ended September 30, 2023, and was \$1.5 billion for the nine months ended September 30, 2024, compared to \$1.4 billion for the nine months ended September 30, 2023. These increases resulted primarily from higher revenue in the current-year periods, partially offset by higher salary expense and increased incentive and benefit costs in the current-year periods as compared to the prior-year periods.

Adjusted Net Income and Adjusted Diluted Earnings Per Share

Adjusted net income is defined as net (loss)/income attributable to WTW 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 and the related tax effect of those adjustments and the tax effects of significant adjustments. 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 (loss)/income attributable to WTW to adjusted diluted earnings per share for the three and nine months ended September 30, 2024 and 2023 are as follows:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|-------------------------------------|----------------|------------------------------------|----------------|
| | 2024 | 2023 | 2024 | 2023 |
| | (\$ and shares in millions) | | | |
| NET (LOSS)/INCOME ATTRIBUTABLE TO WTW | \$ (1,675) | \$ 136 | \$ (1,344) | \$ 433 |
| Adjusted for certain items: | | | | |
| Impairment | 1,042 | — | 1,042 | — |
| Amortization | 56 | 62 | 176 | 203 |
| Restructuring costs | 8 | 17 | 29 | 30 |
| Transaction and transformation | 74 | 113 | 296 | 265 |
| Provision for specified litigation matter ⁽ⁱ⁾ | — | — | 13 | — |
| Loss/(gain) on disposal of operations | 1,190 | (41) | 1,190 | (44) |
| Tax effect on certain items listed above ⁽ⁱⁱ⁾ | (396) | (51) | (492) | (128) |
| Tax effect of significant adjustments | — | — | (7) | 2 |
| Adjusted net income | <u>\$ 299</u> | <u>\$ 236</u> | <u>\$ 903</u> | <u>\$ 761</u> |
| Weighted-average ordinary shares — diluted | 102 | 105 | 103 | 107 |
| Diluted (loss)/earnings per share | \$ (16.44) | \$ 1.29 | \$ (13.11) | \$ 4.06 |
| Adjusted for certain items ⁽ⁱⁱⁱ⁾ : | | | | |
| Impairment | 10.23 | — | 10.17 | — |
| Amortization | 0.55 | 0.59 | 1.72 | 1.90 |
| Restructuring costs | 0.08 | 0.16 | 0.28 | 0.28 |
| Transaction and transformation | 0.73 | 1.07 | 2.89 | 2.48 |
| Provision for specified litigation matter ⁽ⁱ⁾ | — | — | 0.13 | — |
| Loss/(gain) on disposal of operations | 11.68 | (0.39) | 11.61 | (0.41) |
| Tax effect on certain items listed above ⁽ⁱⁱ⁾ | (3.89) | (0.48) | (4.80) | (1.20) |
| Tax effect of significant adjustments | — | — | (0.07) | 0.02 |
| Adjusted diluted earnings per share | <u>\$ 2.93</u> | <u>\$ 2.24</u> | <u>\$ 8.81</u> | <u>\$ 7.13</u> |

(i) Represents a provision related to potential litigation arising out of a structured insurance program originally placed for a client over 15 years ago. The program is of a type and complexity that was highly bespoke to the client and for that reason is unlikely to be exactly replicated elsewhere. Because of this, while we do not believe the potential litigation is material, we believe excluding this matter from adjusted results makes results more comparable from period to period and more representative of our core business operations.

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

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

Our adjusted diluted earnings per share increased for both the three and nine months ended September 30, 2024 as compared to the prior year primarily due to higher revenue in the current-year periods, partially offset by higher salary expense and increased incentive and benefit costs in the current-year periods as compared to the prior-year periods.

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 (benefit from)/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 significant adjustments 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 significant adjustments, which are not core to our current and future operations.

Reconciliations of (loss)/income from operations before income taxes to adjusted income before taxes and (benefit from)/provision for income taxes to adjusted income taxes for the three and nine months ended September 30, 2024 and 2023 are as follows:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|-------------------------------------|--------|------------------------------------|--------|
| | 2024 | 2023 | 2024 | 2023 |
| | (\$ in millions) | | | |
| (LOSS)/INCOME FROM OPERATIONS BEFORE INCOME TAXES | \$ (1,994) | \$ 164 | \$ (1,584) | \$ 540 |
| Adjusted for certain items: | | | | |
| Impairment | 1,042 | — | 1,042 | — |
| Amortization | 56 | 62 | 176 | 203 |
| Restructuring costs | 8 | 17 | 29 | 30 |
| Transaction and transformation | 74 | 113 | 296 | 265 |
| Provision for specified litigation matter ⁽ⁱ⁾ | — | — | 13 | — |
| Loss/(gain) on disposal of operations | 1,190 | (41) | 1,190 | (44) |
| Adjusted income before taxes | \$ 376 | \$ 315 | \$ 1,162 | \$ 994 |
| (Benefit from)/provision for income taxes | \$ (322) | \$ 25 | \$ (248) | \$ 99 |
| Tax effect on certain items listed above ⁽ⁱⁱ⁾ | 396 | 51 | 492 | 128 |
| Tax effect of significant adjustments | — | — | 7 | (2) |
| Adjusted income taxes | \$ 74 | \$ 76 | \$ 251 | \$ 225 |
| U.S. GAAP tax rate | 16.1% | 15.5% | 15.6% | 18.3% |
| Adjusted income tax rate | 19.7% | 24.3% | 21.6% | 22.6% |

(i) Represents a provision related to potential litigation arising out of a structured insurance program originally placed for a client over 15 years ago. The program is of a type and complexity that was highly bespoke to the client and for that reason is unlikely to be exactly replicated elsewhere. Because of this, while we do not believe the potential litigation is material, we believe excluding this matter from adjusted results makes results more comparable from period to period and more representative of our core business operations.

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

Our U.S. GAAP tax rates were 16.1% and 15.5% for the three months ended September 30, 2024 and 2023, respectively, and 15.6% and 18.3% for the nine months ended September 30, 2024 and 2023, respectively. The prior-year effective tax rate for the three months ended September 30, 2023 was lower due to the tax-exempt gain on a business disposal. The current-year effective tax rate for the nine months ended September 30, 2024 was lower due to deferred tax benefits recognized on the gross-up to carrying value of net assets to be disposed and a deferred tax benefit of \$56 million, net of a \$37 million valuation allowance, on the expected tax loss on disposal of TRANZACT (see Note 3 – Acquisitions and Divestitures within Part I, Item 1 ‘Financial Statements’ in this Quarterly Report on Form 10-Q). 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. During the three months ended September 30, 2024 the Company recorded a \$37 million valuation allowance related to unrealized capital losses that are not more-likely-than-not to be realized.

Our adjusted income tax rates were 19.7% and 24.3% for the three months ended September 30, 2024 and 2023, respectively, and 21.6% and 22.6% for the nine months ended September 30, 2024 and 2023, respectively. The current-year periods’ adjusted tax rates are lower due to the geographical distribution of profit and additional interest received on a tax refund recognized in the three months ended September 30, 2024.

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, 2024 and 2023 are as follows:

| | Nine Months Ended September 30, | |
|---|---------------------------------|---------------|
| | 2024 | 2023 |
| | (in millions) | |
| Cash flows from operating activities | \$ 913 | \$ 823 |
| Less: Additions to fixed assets and software for internal use | (106) | (116) |
| Free cash flow | <u>\$ 807</u> | <u>\$ 707</u> |

The increase in free cash flow during the current year was primarily driven by operating margin expansion, partially offset by increased cash outflows related to the Transformation program and discretionary compensation payments in the current year as compared to the prior 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, 2023, filed with the SEC on February 22, 2024, other than the following information regarding the goodwill impairment analysis performed during the three months ended September 30, 2024.

Goodwill and Intangible Assets — Impairment Review

In applying the acquisition method of accounting for business combinations, amounts assigned to identifiable assets and liabilities acquired were based on estimated fair values as of the date of acquisition, with the remainder recorded as goodwill. Intangible assets are initially valued at fair value using generally accepted valuation methods appropriate for the type of intangible asset. Intangible assets with definite lives are amortized over their estimated useful lives and are reviewed for impairment if indicators of impairment arise. Intangible assets with indefinite lives are tested for impairment annually as of October 1, and whenever indicators of impairment arise. The fair value of the intangible assets is compared with their carrying value and an impairment loss would be recognized for the amount by which the carrying amount exceeds the fair value. Goodwill is tested for impairment annually as of October 1, and whenever indicators of impairment arise.

Goodwill is tested at the reporting unit level, and the Company has seven reporting units as of October 1, 2024. As discussed in Note 3 — Acquisitions and Divestitures within Part I, Item 1 ‘Financial Statements’ in this Quarterly Report on Form 10-Q, in connection with the planned disposal of TRANZACT, during the three months ended September 30, 2024, the Company recorded a \$1.0 billion non-cash goodwill impairment charge on the BDA reporting unit. The BDA reporting unit goodwill after impairment is approximately \$1.2 billion. After reflecting the disposal of TRANZACT, the fair value of the remaining reporting unit is estimated to be significantly in excess of its carrying value.

The Company continuously monitors and evaluates relevant events and circumstances that could unfavorably impact the significant assumptions noted above, including changes to the regulatory environment, general industry, market and macro-economic conditions and recent market valuations from transactions of comparable companies. It is possible that future changes in such circumstances, or in the inputs or assumptions used in estimating the fair value of the reporting unit, could require the Company to record a non-cash impairment charge.

To perform the test, we used valuation techniques to estimate the fair value of a reporting unit that are under the income and/or market approaches of valuation methods:

- *Discounted cash flow method* — Under the discounted cash flow method, an income approach, the business enterprise value is determined by discounting to present value the terminal value which is calculated using debt-free after-tax cash flows for a finite period of years. Key estimates in this approach were internal financial projection estimates prepared by management, assessment of business risk, and expected rates of return on capital.
- *Guideline public company method* — The guideline public company method, a market approach, develops valuation multiples by comparing our reporting units to similar publicly traded companies. Key estimates and determination of valuation multiples rely on the selection of similar companies, obtaining forecast revenue and EBITDA estimates for the similar companies and selection of valuation multiples as they apply to the reporting unit characteristics.
- *Guideline transaction method* — Under the guideline transactions method, a market approach, actual transaction prices and operating data from companies deemed reasonably similar to the reporting units are used to develop valuation multiples as an indication of how much a knowledgeable investor in the marketplace would be willing to pay for the business units.

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, 2024 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, 2023, filed with the SEC on February 22, 2024. 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 \$43 million and \$130 million for the three and nine months ended September 30, 2024, respectively, and \$39 million and \$106 million for the three and nine months ended September 30, 2023, respectively. At September 30, 2024, we held \$2.9 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 \$7 million on an annualized basis.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As of September 30, 2024, 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, 2024 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, 2024.

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 22, 2024. We urge you to read the risk factors contained therein.

The consummation of our pending sale of TRANZACT is subject to certain risks. The pending transaction also creates certain incremental risks for the Company that may negatively affect our operations, financial results or reputation.

Our ability to consummate the pending sale of TRANZACT pursuant to our equity purchase agreement, dated as of September 30, 2024, is subject to important risks, including, but not limited to: the risk that we may not obtain the required regulatory approvals, including under the U.S. Hart-Scott-Rodino Antitrust Improvements Act of 1976, or satisfy other customary closing conditions required to complete the transaction on its agreed-upon terms and the anticipated schedule, if at all. Other risks of the pending sale of TRANZACT to our operations, financial results or reputation include, but are not limited to: the risk of additional loss upon consummation of the pending transaction as a result of reclassifying TRANZACT's assets and liabilities as 'held-for-sale', which accounting treatment requires us to continue to adjust the net book value of TRANZACT to fair value (less estimated costs to dispose of the business) until the transaction's closing date; the risk that management's attention is diverted from other matters during the pendency of the transaction and in the post-closing period; the impact of the announcement and/or the potential impact of the consummation of the pending transaction on relationships, including with employees, suppliers, carriers, clients and competitors; the risk of disruptions from the pending transaction that impact our business; the risk that the pending transaction does not yield the intended outcomes for our strategy, operations and/or financial results; the risk that there may be litigation associated with (or required to compel) consummation of the transaction; and other risks described in our other SEC filings. Failure to consummate the sale of TRANZACT may materially affect our business, financial condition or results of operations.

Our business will be negatively affected if we are not able to anticipate and keep pace with rapid changes in government laws or regulations, or if government laws or regulations decrease the need for our services, increase our costs or limit our compensation.

A material portion of our revenue is affected by statutory or regulatory changes. Some examples of statutory or regulatory changes that could materially impact us are any changes to the U.S. Patient Protection and Affordable Care Act ('PPACA'), the Healthcare and Education Reconciliation Act of 2010 ('HCERA'), which we refer to collectively as 'Healthcare Reform', or to the Medicare laws and regulations. While the U.S. Congress has not passed legislation replacing or fundamentally amending Healthcare Reform (other than changes to the individual mandate), such legislation, or another version of Healthcare Reform, could be implemented in the future. In addition, some U.S. political candidates and representatives elected to office have expressed a desire to amend all or a portion of Healthcare Reform or otherwise establish alternatives to employer-sponsored health insurance or replace it with government-sponsored health insurance, often referred to as 'Medicare for All'. If we are unable to adapt our services to potential new laws and regulations, or judicial modifications, with respect to Healthcare Reform or otherwise, our ability to provide effective services in these areas may be impacted. In addition, more restrictive marketing rules or interpretations of the Centers for Medicare and Medicaid Services, or judicial decisions that restrict or otherwise change existing provisions of U.S. healthcare regulation, could have an adverse impact on our healthcare-related businesses.

Furthermore, in the context of our direct-to-consumer sales and marketing solutions, we are subject to various federal and state laws and regulations that prescribe when and how we may market to consumers (including, without limitation, the Telephone Consumer Protection Act and other telemarketing laws and the Medicare Communications and Marketing Guidelines issued by the Centers for Medicare & Medicaid Services ('CMS') of the U.S. Department of Health and Human Service). Federal and state legislators and/or regulators recently have expressed concerns about certain existing methods of marketing individual health policies, particularly Medicare Advantage and Medicare Supplement policies, and have held hearings and sought information from us and from competitors. In addition, CMS has recently expanded its regulation and oversight of the marketing of Medicare Advantage policies. Changes to these laws and/or regulations, or increased scrutiny or enforcement by regulators, could negatively affect our ability to market directly to consumers and/or increase our costs or liabilities. In particular, CMS issued a proposed rule for Contract Year 2025 for the Medicare Advantage and Medicare Prescription Drug programs that modifies agent, broker, and other third-party requirements. On April 4, 2024, CMS issued its Contract Year 2025 Medicare Advantage and Part D Final Rule (the 'CMS 2025 Final Rule'). Among other things, the CMS 2025 Final Rule restructures the compensation that Medicare Advantage and Part D organizations may pay to independent agents and brokers by increasing the amounts paid to them as 'compensation' and eliminating administrative

payments related to enrollment. Uncertainty exists regarding the interpretation and implementation of the CMS 2025 Final Rule, particularly in light of the recent federal court decision which stayed portions of the CMS 2025 Final Rule relating to the proposed ‘fixed fee’ compensation increase and certain contract-terms restrictions. Depending on how and whether the rule is implemented, the CMS 2025 Final Rule may require changes to the way we are compensated for some of the services that we provide and has the potential to negatively impact the revenue that our Medicare Advantage and Part D insurance businesses may receive if we are unable to adjust our business to account for such changes. This could in turn impact the value of and impairment of goodwill or receivables associated with the business. In addition, in the event that we and insurance carriers interpret the rules in ways deemed incorrect, that may increase the potential for litigation, claims, fines, or other penalties which could have an adverse impact on our Medicare insurance businesses’ financial results. Further, periodic CMS rule changes, including those contained in the CMS 2025 Final Rule, may impact the profitability of Medicare Advantage and Part D plans to the Plan Sponsors, which in turn may impact the amount of compensation paid to agents and brokers for distributing such plans.

In addition, on April 23, 2024, the United States Department of Labor (‘DOL’) released a final rule (the ‘Retirement Security Rule’) that, among other things, expands the definition of an investment advice fiduciary under the Employee Retirement Income Security Act (‘ERISA’) and broadens the scope of advice that must meet fiduciary standards. As we continue to review the Retirement Security Rule, uncertainty exists regarding the Retirement Security Rule’s impact on one or more of our businesses, the conduct of which may become subject to fiduciary standards. Industry trade groups brought legal challenges to the Retirement Security Rule and, in late July 2024, two federal district courts issued stays halting the implementation of the entirety of the Retirement Security Rule until further notice. The DOL has appealed these decisions to the United States Court of Appeals for the Fifth Circuit.

Many other areas in which we provide services are the subject of government regulation, which is constantly evolving. For example, our activities in connection with insurance brokerage services are subject to regulation and supervision by national, state or other authorities. Insurance laws in the markets in which we operate are often complex and generally grant broad discretion to supervisory authorities in adopting regulations and supervising regulated activities. That supervision generally includes the licensing of insurance brokers and agents and the regulation of the handling and investment of client funds held in a fiduciary capacity. Our continuing ability to provide insurance brokerage in the markets in which we currently operate is dependent upon our compliance with the rules and regulations promulgated from time to time by the regulatory authorities in each of these locations.

Changes in government and accounting regulations in the U.S. and the U.K., two of our principal geographic markets, affecting the value, use or delivery of benefits and human capital programs, may materially adversely affect the demand for, or the profitability of, our various services. In addition, we have significant operations throughout the world, which further subject us to applicable laws and regulations of countries outside the U.S. and the U.K. Changes in legislation or regulations and actions by regulators in particular countries, including changes in administration and enforcement policies, could require operational improvements or modifications, which may result in higher costs or hinder our ability to operate our business in those countries.

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

During the nine months ended September 30, 2024, 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 September 20, 2023, the board of directors approved a \$1.0 billion increase to the existing share repurchase program. This increase brought the total approved authorization, since the announcement of the program on April 20, 2016, to \$9.2 billion.

The following table presents specified information about the Company’s repurchases of its shares in the third quarter of 2024 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, 2024 through July 31, 2024 | 32,799 | \$ 282.24 | 32,799 | 3,525,541 |
| August 1, 2024 through August 31, 2024 | 363,252 | \$ 281.41 | 363,252 | 3,162,289 |
| September 1, 2024 through September 30, 2024 | 320,965 | \$ 291.05 | 320,965 | 2,841,324 |
| | <u>717,016</u> | \$ 285.76 | <u>717,016</u> | |

At September 30, 2024 the maximum number of shares that may yet be purchased under the existing share repurchase plan is 2,841,324, with approximately \$837 million 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, 2024 of \$294.53.

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, 2024, 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. | 10-Q | 22.1 | July 25, 2024 | |
| 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.SC H | Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents | | | | 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.

† Management contract or compensatory plan or arrangement.

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)

| | |
|--------------------------------|-------------------------|
| <u>/s/ Carl A. Hess</u> | <u>October 31, 2024</u> |
| Name: Carl A. Hess | Date |
| Title: Chief Executive Officer | |

| | |
|--------------------------------|-------------------------|
| <u>/s/ Andrew J. Krasner</u> | <u>October 31, 2024</u> |
| Name: Andrew J. Krasner | Date |
| Title: Chief Financial Officer | |

| | |
|--|-------------------------|
| <u>/s/ Joseph S. Kurpis</u> | <u>October 31, 2024</u> |
| Name: Joseph S. Kurpis | Date |
| Title: Principal Accounting Officer and Controller | |

**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 31, 2024

/s/ Carl A. Hess

Carl A. Hess

Chief Executive Officer

**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 31, 2024

/s/ Andrew J. Krasner

Andrew J. Krasner

Chief Financial Officer

**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, 2024 (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 31, 2024

/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.
