

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): April 27, 2023

WILLIS TOWERS WATSON PLC
(Exact name of registrant as specified in its charter)

Ireland
(State or Other Jurisdiction of Incorporation)

001-16503
(Commission File Number)

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

c/o Willis Group Limited, 51 Lime Street, London, EC3M 7DQ, England
(Address, including Zip Code, of Principal Executive Offices)

Registrant's telephone number, including area code: (011) (44)-(20)-3124-6000

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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 is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Item 2.02. Results of Operations and Financial Condition.

On April 27, 2023, Willis Towers Watson Public Limited Company (“WTW”) issued a press release announcing its financial results for the period ended March 31, 2023.

A copy of WTW’s press release is attached hereto as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference herein. A reconciliation between certain non-GAAP financial measures and reported financial results is provided as an attachment to the press release.

Item 7.01. Regulation FD Disclosure.

WTW also posted a slide presentation to the investor relations section of its website which it may refer to during its conference call to discuss the results. The slide presentation is attached hereto as Exhibit 99.2 to this Current Report on Form 8-K and is incorporated by reference herein.

The information contained in Item 2.02 and Item 7.01 of this Current Report on Form 8-K (including Exhibits 99.1 and 99.2) is being furnished and shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities 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 as shall be expressly set forth by specific reference in any such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

The following exhibits are furnished herewith:

Exhibit No. Description

[99.1](#) [Press release, dated April 27, 2023, announcing the financial results for the period ended March 31, 2023, for WTW.](#)

[99.2](#) [Slide Presentation, supplementing the above press release.](#)

104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

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 hereunto duly authorized.

WILLIS TOWERS WATSON PLC
(Registrant)

Date: April 27, 2023

By: /s/ Andrew Krasner
Name: Andrew Krasner
Title: Chief Financial Officer

WTW Reports First Quarter 2023 Earnings

- Revenue¹ increased 4% to \$2.2 billion with organic growth of 8%
- Diluted Earnings per Share were \$1.88 for the quarter, up 83% over prior year
- Adjusted Diluted Earnings per Share were \$2.84 for the quarter, up 7% over prior year
- Operating Margin was 12.7% for the quarter, up 440 basis points over prior year
- Adjusted Operating Margin was 18.6% for the quarter, up 140 basis points over prior year

LONDON, April 27, 2023 (GLOBE NEWSWIRE) -- WTW (NASDAQ: WTW) (the “Company”), a leading global advisory, broking and solutions company, today announced financial results for the first quarter ended March 31, 2023.

“The first quarter was a solid start to the year for WTW,” said Carl Hess, WTW’s chief executive officer. “Our investments in talent and technology, along with the momentum in our business, helped us achieve excellent revenue increases on both a reported and an organic basis. Our top-line revenue growth, together with our expense discipline, the successful execution of our transformation efforts and initiatives to simplify our company drove operating margin expansion over the prior year. We are proving ourselves to be resilient in a complex risk and economic environment.”

Consolidated Results

As reported, USD millions, except %

Key Metrics	Q1-23	Q1-22	Y/Y Change
Revenue ¹	\$2,244	\$2,160	Reported 4% CC 7% Organic 8%
Income from Operations	\$285	\$179	59%
Operating Margin %	12.7%	8.3%	440 bps
Adjusted Operating Income	\$418	\$371	13%
Adjusted Operating Margin %	18.6%	17.2%	140 bps
Net Income	\$206	\$125	65%
Adjusted Net Income	\$306	\$315	(3)%
Diluted EPS	\$1.88	\$1.03	83%
Adjusted Diluted EPS	\$2.84	\$2.66	7%

¹ The revenue amounts included in this release are presented on a U.S. GAAP basis except where stated otherwise. This excludes reinsurance revenue which is reported in discontinued operations. The segment discussion is on an organic basis.

Revenue was \$2.24 billion for the first quarter of 2023, an increase of 4% as compared to \$2.16 billion for the same period in the prior year. Excluding a 3% foreign currency headwind, revenue increased 7%. On an organic basis, revenue increased 8%. See Supplemental Segment Information on page 8 for additional detail on book-of-business settlements and interest income included in revenue.

Net Income for the first quarter of 2023 was \$206 million, an increase of 65% compared to Net Income of \$125 million in the prior-year first quarter. Adjusted EBITDA for the first quarter was \$503 million, or 22.4% of revenue, a decrease of 3%, compared to Adjusted EBITDA of \$518 million, or 24.0% of revenue, in the prior-year first quarter. Book-of-business settlements and interest income, included in revenue and income, created a tailwind to all measures of profit, which was offset by the headwind from the sanction-driven divestiture of our highly-profitable Russian business. The U.S. GAAP tax rate for the first quarter was 19.5%, and the adjusted income tax rate for the first quarter used in calculating adjusted diluted earnings per share was 20.5%.

Cash Flow and Capital Allocation

Cash flows from operating activities were \$134 million for the quarter ended March 31, 2023, compared to \$21 million for the prior year. Free cash flow for the quarters ended March 31, 2023 and 2022 was \$92 million and (\$10) million, respectively, an improvement of \$102 million. During the quarter ended March 31, 2023, the Company repurchased \$104 million of WTW outstanding shares. For further discussion on expectation for free cash flow, see “Updated Free Cash Flow Outlook” below.

Quarterly Business Highlights

- Realized \$75 million of incremental annualized Transformation Program savings in the first quarter, bringing the total to \$224 million in cumulative savings since the program's inception. Refer to the Supplemental Slides for additional detail.
- Repurchased 432,140 of our shares for \$104 million during the quarter.
- Announced strategic collaborations to help further improve the insurance placement experience with Zurich, via our Broking Platform, and Sapiens, a software provider for the insurance industry.
- Launched the LifeSight Pooled Employer Plan in the U.S., with Transamerica overseeing administration and recordkeeping, to help simplify the 401(k) plan sponsorship for employers and provide better outcomes for their employees.

First Quarter 2023 Segment Highlights

Health, Wealth & Career

As reported, USD millions, except %

Health, Wealth & Career	Q1-23	Q1-22	Y/Y Change
-------------------------	-------	-------	------------

Total Revenue	\$1,287	\$1,244	Reported 3% CC 6% Organic 6%
Operating Income	\$309	\$257	20%
Operating Margin %	24.0%	20.7%	330 bps

The HWC segment had revenue of \$1.29 billion in the first quarter, an increase of 3% (6% increase constant currency and organic) from \$1.24 billion in the prior year. Organic growth was led by Health, driven by increased project activity in North America and the continued expansion of our client portfolio in International. Benefits Delivery & Outsourcing generated organic revenue growth through new clients and compliance project work in Outsourcing and higher volumes and placements of Medicare Advantage and Life policies in Individual Marketplace. Our Wealth businesses generated organic revenue growth from higher levels of Retirement work in Europe and North America, including compliance and de-risking projects along with new client acquisitions. Our Career businesses grew revenue organically through increased demand for Advisory services and increases in data and software license sales.

Operating margins in the HWC segment increased 330 basis points from the prior-year first quarter to 24.0%, primarily from higher operating leverage.

Risk & Broking

As reported, USD millions, except %

Risk & Broking	Q1-23	Q1-22	Y/Y Change
Total Revenue	\$904	\$891	Reported 1% CC 5% Organic 10%
Operating Income	\$180	\$192	(6)%
Operating Margin %	19.9%	21.6%	(170) bps

The R&B segment had revenue of \$904 million in the first quarter, an increase of 1% (5% increase constant currency and 10% increase organic) from \$891 million in the prior year. On an organic basis, Corporate Risk & Broking generated excellent organic revenue growth across all geographies, primarily driven by new business and increased retention in our global lines of business, most notably in Aerospace, Financial Solutions and Natural Resources. Insurance Consulting and Technology had organic revenue growth primarily from software sales.

Operating margins in the R&B segment decreased 170 basis points from the prior-year first quarter to 19.9%, primarily due to the divestiture of our Russian operations.

2023 Outlook

Based on current and anticipated market conditions, the Company's full-year targets for 2023 are as follows:

- Expect to deliver mid-single digit organic revenue growth
- Expect to deliver adjusted operating margin expansion for the full year 2023
- Expect to deliver approximately \$100 million of incremental run-rate savings from the Transformation Program in 2023
- Expect approximately \$112 million in non-cash pension income for the full year 2023
- Expect a foreign currency headwind on adjusted earnings per share of approximately \$0.05 for the full year 2023 at today's rates, up from \$0.01 previously

Outlook includes Non-GAAP financial measures. We do not reconcile forward-looking Non-GAAP measures for reasons explained below.

Updated Free Cash Flow Outlook

As part of our strategic plan, we set a target for three-year cumulative Free Cash Flow ("FCF"). This target reflected our goal to substantially improve FCF generation. We recognized that there were – and still are – substantial FCF improvement opportunities for WTW achievable across various time horizons, with many of the larger opportunities expected to play out over multiple years. However, we have now concluded that the paths to realizing these long-term improvement opportunities will likely take us beyond the end of 2024. As a result, WTW is modifying its target of generating \$4.3B - \$5.3B in cumulative FCF between 2022 and 2024. Over the near term, we expect FCF as a percentage of revenue to meaningfully improve from the prior-year base of 8%, primarily reflecting the absence of the one-time headwinds experienced last year, partially offset by the acceleration and expansion of our Transformation program. Over the long-term, we expect continual improvement towards peers' free cash flow margins.

Conference Call

The Company will host a live webcast and conference call to discuss the financial results for the first quarter 2023. It will be held on Thursday, April 27, 2023, beginning at 9:00 a.m. Eastern Time. A live broadcast of the conference call will be available on WTW's website [here](#). The conference call will include a question-and-answer session. To participate in the question-and-answer session, please register [here](#). An online replay will be available at www.wtwco.com shortly after the call concludes.

About WTW

At WTW (NASDAQ: WTW), we provide data-driven, insight-led solutions in the areas of people, risk and capital. Leveraging the global view and local expertise of our colleagues serving 140 countries and markets, we help organizations sharpen their strategy, enhance organizational resilience, motivate their workforce and maximize performance. Working shoulder to shoulder with our clients, we uncover opportunities for sustainable success—and provide perspective that moves you. Learn more at www.wtwco.com.

WTW Non-GAAP Measures

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

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

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

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

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.

We consider Constant Currency Change, Organic Change, Adjusted Operating Income/Margin, Adjusted EBITDA/Margin, Adjusted Net Income, Adjusted Diluted Earnings Per Share, Adjusted Income Before Taxes, Adjusted Income Taxes/Tax Rate and Free Cash Flow to be important financial measures, which are used to internally evaluate and assess our core operations and to benchmark our operating and liquidity results against our competitors. These non-GAAP measures are important in illustrating what our comparable operating and liquidity results would have been had we not incurred transaction-related and non-recurring items. Our non-GAAP measures and their accompanying definitions are presented as follows:

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.

Adjusted Operating Income/Margin – Income from operations adjusted for 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. 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 EBITDA/Margin – Net Income adjusted for loss/(income) from discontinued operations, net of tax, provision for income taxes, interest expense, 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. 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 Net Income – Net Income Attributable to WTW adjusted for loss/(income) from discontinued operations, net of tax, amortization, restructuring costs, transaction and transformation, gains and losses on disposals of operations and non-recurring items that, in management's judgment, significantly affect the period-over-period assessment of operating results and the related tax effect of those adjustments and the tax effects of internal reorganizations. This measure is used solely for the purpose of calculating adjusted diluted earnings per share.

Adjusted Diluted Earnings Per Share – 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.

Adjusted Income Before Taxes – Income from operations before income taxes adjusted for 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 – Provision for income taxes adjusted for taxes on certain items of amortization, restructuring costs, transaction and transformation, gains and losses on disposals of operations, the tax effects of internal reorganizations, and non-recurring items that, in management’s judgment, significantly affect the period-over-period assessment of operating results, divided by adjusted income before taxes. Adjusted income taxes is used solely for the purpose of calculating the adjusted income tax rate. Management believes that the adjusted income tax rate presents a rate that is more closely aligned to the rate that we would incur if not for the reduction of pre-tax income for the adjusted items and the tax effects of internal reorganizations, which are not core to our current and future operations.

Free Cash Flow – 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.

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.

Reconciliations of these measures are included in the accompanying tables with the following exception:

The Company does not reconcile its forward-looking non-GAAP financial measures to the corresponding U.S. GAAP measures, due to variability and difficulty in making accurate forecasts and projections and/or certain information not being ascertainable or accessible; and because not all of the information, such as foreign currency impacts necessary for a quantitative reconciliation of these forward-looking non-GAAP financial measures to the most directly comparable U.S. GAAP financial measure, is available to the Company without unreasonable efforts. For the same reasons, the Company is unable to address the probable significance of the unavailable information. The Company provides non-GAAP financial measures that it believes will be achieved, however it cannot accurately predict all of the components of the adjusted calculations and the U.S. GAAP measures may be materially different than the non-GAAP measures.

WTW Forward-Looking Statements

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

There are important risks, uncertainties, events and factors that could cause our actual results or performance to differ materially from those in the forward-looking statements contained in this document, including the following: our ability to successfully establish, execute and achieve our global business strategy as it evolves; our ability to fully realize anticipated benefits of our growth strategy; our ability to achieve our short-term and long-term financial goals, such as with respect to our cash flow generation, and the timing with respect to such achievement; the risks related to changes in general economic (including a possible recession), business and political conditions, including changes in the financial markets, inflation, credit availability, increased interest rates and trade policies; the risks to our short-term and long-term financial goals from any of the risks or uncertainties set forth herein; the risks to our business, financial condition, results of operations, and long-term goals that may be materially adversely affected by any negative impact on the global economy and capital markets resulting from or relating to inflation, the military conflict between Russia and Ukraine or any other geopolitical tensions and the withdrawal from our high margin businesses in Russia and our ability to achieve cost-mitigation measures; our ability to successfully hedge against fluctuations in foreign currency rates; the risks relating to the adverse impacts of natural or man-made disasters like health pandemics and other world health crises, such as the COVID-19 pandemic, including supply chain, workforce availability, vaccination rates, and other impacts on the people and businesses in jurisdictions where we do business, on the demand for our products and services, our cash flows and our business operations; material interruptions to or loss of our information processing capabilities, or failure to effectively maintain and upgrade our information technology resources and systems and related risks of cybersecurity breaches or incidents; our ability to comply with complex and evolving regulations related to data privacy and cybersecurity; the risks relating to the transitional arrangements in effect subsequent to our now-completed sale of Willis Re to Gallagher; significant competition that we face and the potential for loss of market share and/or profitability; the impact of seasonality and differences in timing of renewals and non-recurring revenue increases from disposals and book-of-business sales; the failure to protect client data or breaches of information systems or insufficient safeguards against cybersecurity

breaches or incidents; the risk of increased liability or new legal claims arising from our new and existing products and services, and expectations, intentions and outcomes relating to outstanding litigation; the risk of substantial negative outcomes on existing litigation or investigation matters; changes in the regulatory environment in which we operate, including, among other risks, the impacts of pending competition law and regulatory investigations; various claims, government inquiries or investigations or the potential for regulatory action; our ability to make divestitures or acquisitions, including and our ability to integrate or manage such acquired businesses, as well as identify and successfully execute on opportunities for strategic collaboration; our ability to integrate direct-to-consumer sales and marketing solutions with our existing offerings and solutions; our ability to successfully manage ongoing organizational changes, including investments in improving systems and processes; disasters or business continuity problems; the ongoing impact of Brexit on our business and operations, including as a result of updated regulatory guidance, such as that issued by the European Insurance and Occupational Pensions Authority on February 3, 2023, ongoing efforts and resources allocated to the post-Brexit evolution of regulations and laws and the need to relocate talent or roles or both between or within the E.U. and the U.K., or otherwise; our ability to successfully enhance our billing, collection and other working capital efforts, and thereby increase our free cash flow; the impact of the impending cessation of the London Interbank Offered Rate; our ability to properly identify and manage conflicts of interest; reputational damage, including from association with third parties; reliance on third-party service providers and suppliers; risks relating to changes in our management structures and in senior leadership; the loss of key employees or a large number of employees and rehiring rates; our ability to maintain our corporate culture; doing business internationally, including the impact of foreign currency exchange rates; compliance with extensive government regulation; the risk of sanctions imposed by governments, or changes to associated sanction regulations (such as sanctions imposed on Russia) and related counter-sanctions; our ability to effectively apply technology, data and analytics changes for internal operations, maintaining industry standards and meeting client preferences; changes and developments in the insurance industry or the U.S. healthcare system, including those related to Medicare and any legislative actions from the current U.S. Congress, and any other changes and developments in legal, economic, business or operational conditions impacting our Medicare benefits businesses such as TRANZACT; the inability to protect our intellectual property rights, or the potential infringement upon the intellectual property rights of others; fluctuations in our pension assets and liabilities and related changes in pension income, including as a result of, related to, or derived from movements in the interest rate environment, investment returns, inflation, or changes in other assumptions that are used to estimate our benefit obligations and its effect on adjusted earnings per share; our capital structure, including indebtedness amounts, the limitations imposed by the covenants in the documents governing such indebtedness and the maintenance of the financial and disclosure controls and procedures of each; our ability to obtain financing on favorable terms or at all; adverse changes in our credit ratings; the impact of recent or potential changes to U.S. or foreign laws, and the enactment of additional, or the revision of existing, state, federal, and/or foreign laws and regulations, recent judicial decisions and development of case law, other regulations and any policy changes and legislative actions, including those that impact our effective tax rate; U.S. federal income tax consequences to U.S. persons owning at least 10% of our shares; changes in accounting principles, estimates or assumptions; risks relating to or arising from environmental, social and governance ('ESG') practices; fluctuation in revenue against our relatively fixed or higher than expected expenses; the laws of Ireland being different from the laws of the U.S. and potentially affording less protections to the holders of our securities; and our holding company structure potentially preventing us from being able to receive dividends or other distributions in needed amounts from our subsidiaries. The foregoing list of factors is not exhaustive and new factors may emerge from time to time that could also affect actual performance and results. For more information, please see Part I, Item 1A in our Annual Report on Form 10-K, and our subsequent filings with the SEC. Copies are available online at www.sec.gov or www.wtwco.com.

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

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

Contact

INVESTORS

Claudia De La Hoz | Claudia.Delahoz@wtwco.com

WTW
Supplemental Segment Information
(In millions of U.S. dollars)
(Unaudited)

REVENUE

	Three Months Ended March 31,		As Reported % Change	Components of Revenue Change ⁽ⁱ⁾			
				Less:		Less:	
				2023	2022	Currency Impact	Constant Currency Change
Health, Wealth & Career	\$ 1,287	\$ 1,244	3%	(3)%	6%	0%	6%
Risk & Broking	904	891	1%	(4)%	5%	(5)%	10%
Segment Revenue	<u>2,191</u>	<u>2,135</u>	3%	(3)%	6%	(2)%	8%
Reimbursable expenses and other	53	25					
Revenue	<u>\$ 2,244</u>	<u>\$ 2,160</u>	4%	(3)%	7%	(1)%	8%

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

BOOK-OF-BUSINESS SETTLEMENTS AND INTEREST INCOME

	Three Months Ended March 31,							
	HWC		R&B		Corporate		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Book-of-business settlements	\$ —	\$ 3	\$ 7	\$ —	\$ —	\$ —	\$ 7	\$ 3
Interest income	5	1	12	3	15	—	32	4
Total interest and other income	<u>\$ 5</u>	<u>\$ 4</u>	<u>\$ 19</u>	<u>\$ 3</u>	<u>\$ 15</u>	<u>\$ —</u>	<u>\$ 39</u>	<u>\$ 7</u>

SEGMENT OPERATING INCOME ⁽ⁱ⁾

	Three Months Ended March 31,	
	2023	2022
Health, Wealth & Career	\$ 309	\$ 257
Risk & Broking	180	192
Segment Operating Income	<u>\$ 489</u>	<u>\$ 449</u>

(i) Segment operating income excludes certain costs, including amortization of intangibles, restructuring costs, transaction and transformation expenses, certain litigation provisions, and to the extent that the actual expense based upon which allocations are made differs from the forecast/budget amount, a reconciling item will be created between internally-allocated expenses and the actual expenses reported for U.S. GAAP purposes.

SEGMENT OPERATING MARGINS

	Three Months Ended March 31,	
	2023	2022
Health, Wealth & Career	24.0%	20.7%
Risk & Broking	19.9%	21.6%

RECONCILIATION OF SEGMENT OPERATING INCOME TO INCOME FROM OPERATIONS BEFORE INCOME TAXES

	Three Months Ended March 31,	
	2023	2022
Segment Operating Income	\$ 489	\$ 449
Impairment ⁽ⁱ⁾	—	(81)
Amortization	(71)	(85)
Restructuring costs	(3)	(6)
Transaction and transformation ⁽ⁱⁱ⁾	(59)	(20)
Unallocated, net ⁽ⁱⁱⁱ⁾	(71)	(78)
Income from Operations	285	179
Interest expense	(54)	(49)
Other income, net	25	27
Income from continuing operations before income taxes	<u>\$ 256</u>	<u>\$ 157</u>

(i) Represents the impairment related to the net assets of our Russian business that are held outside of our Russian entities.

(ii) In 2023 and 2022, in addition to legal fees and other transaction costs, includes primarily consulting fees related to the Transformation program.

(iii) 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.

WTW

Reconciliations of Non-GAAP Measures
(In millions of U.S. dollars, except per share data)
(Unaudited)

RECONCILIATION OF NET INCOME ATTRIBUTABLE TO WTW TO ADJUSTED DILUTED EARNINGS PER SHARE

Three Months Ended March 31,	
2023	2022

Net Income attributable to WTW	\$	203	\$	122
Adjusted for certain items:				
Income from discontinued operations, net of tax		—		(11)
Impairment		—		81
Amortization		71		85
Restructuring costs		3		6
Transaction and transformation		59		20
Loss on disposal of operations		—		54
Tax effect on certain items listed above ⁽ⁱ⁾		(34)		(42)
Tax effect of internal reorganizations		4		—
Adjusted Net Income	\$	306	\$	315

Weighted-average ordinary shares, diluted 108 118

Diluted Earnings Per Share	\$	1.88	\$	1.03
Adjusted for certain items: ⁽ⁱⁱ⁾				
Income from discontinued operations, net of tax		—		(0.09)
Impairment		—		0.68
Amortization		0.66		0.72
Restructuring costs		0.03		0.05
Transaction and transformation		0.55		0.17
Loss on disposal of operations		—		0.46
Tax effect on certain items listed above ⁽ⁱ⁾		(0.32)		(0.36)
Tax effect of internal reorganizations		0.04		—
Adjusted Diluted Earnings Per Share	\$	2.84	\$	2.66

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

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

RECONCILIATION OF NET INCOME TO ADJUSTED EBITDA

	Three Months Ended March 31,					
	2023		2022			
Net Income	\$	206	9.2%	\$	125	5.8%
Income from discontinued operations, net of tax		—			(11)	
Provision for income taxes		50			43	
Interest expense		54			49	
Impairment		—			81	
Depreciation		60			66	
Amortization		71			85	
Restructuring costs		3			6	
Transaction and transformation		59			20	
Loss on disposal of operations		—			54	
Adjusted EBITDA and Adjusted EBITDA Margin	\$	503	22.4%	\$	518	24.0%

RECONCILIATION OF INCOME FROM OPERATIONS TO ADJUSTED OPERATING INCOME

	Three Months Ended March 31,					
	2023		2022			
Income from operations	\$	285	12.7%	\$	179	8.3%
Adjusted for certain items:						
Impairment		—			81	
Amortization		71			85	
Restructuring costs		3			6	
Transaction and transformation		59			20	
Adjusted operating income	\$	418	18.6%	\$	371	17.2%

RECONCILIATION OF GAAP INCOME TAXES/TAX RATE TO ADJUSTED INCOME TAXES/TAX RATE

Three Months Ended March 31,	
2023	2022

Income from continuing operations before income taxes	\$	256	\$	157
Adjusted for certain items:				
Impairment		—		81
Amortization		71		85
Restructuring costs		3		6
Transaction and transformation		59		20
Loss on disposal of operations		—		54
Adjusted income before taxes	\$	389	\$	403
Provision for income taxes	\$	50	\$	43
Tax effect on certain items listed above ⁽ⁱ⁾		34		42
Tax effect of internal reorganizations		(4)		—
Adjusted income taxes	\$	80	\$	85
U.S. GAAP tax rate		19.5 %		27.5 %
Adjusted income tax rate		20.5 %		21.1 %

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

RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO FREE CASH FLOW

	Three Months Ended March 31,	
	2023	2022
Cash flows from operating activities	\$ 134	\$ 21
Less: Additions to fixed assets and software for internal use	(42)	(31)
Free Cash Flow	\$ 92	\$ (10)

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

	Three Months Ended March 31,	
	2023	2022
Revenue	\$ 2,244	\$ 2,160
Costs of providing services		
Salaries and benefits	1,313	1,318
Other operating expenses	453	486
Depreciation	60	66
Amortization	71	85
Restructuring costs	3	6
Transaction and transformation	59	20
Total costs of providing services	<u>1,959</u>	<u>1,981</u>
Income from operations	285	179
Interest expense	(54)	(49)
Other income, net	<u>25</u>	<u>27</u>
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	256	157
Provision for income taxes	<u>(50)</u>	<u>(43)</u>
INCOME FROM CONTINUING OPERATIONS	206	114
INCOME FROM DISCONTINUED OPERATIONS, NET OF TAX	—	11
NET INCOME	<u>206</u>	<u>125</u>
Income attributable to non-controlling interests	<u>(3)</u>	<u>(3)</u>

NET INCOME ATTRIBUTABLE TO WTW	\$	203	\$	122
EARNINGS PER SHARE				
Basic earnings per share				
Income from continuing operations per share	\$	1.89	\$	0.94
Income from discontinued operations per share	\$	—	\$	0.09
Basic earnings per share	\$	1.89	\$	1.03
Diluted earnings per share				
Income from continuing operations per share	\$	1.88	\$	0.94
Income from discontinued operations per share	\$	—	\$	0.09
Diluted earnings per share	\$	1.88	\$	1.03
Weighted-average shares of common stock, basic		107		118
Weighted-average shares of common stock, diluted		108		118

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

	March 31, 2023	December 31, 2022
ASSETS		
Cash and cash equivalents	\$ 1,135	\$ 1,262
Fiduciary assets	12,213	11,772
Accounts receivable, net	2,261	2,387
Prepaid and other current assets	337	414
Total current assets	15,946	15,835
Fixed assets, net	723	718
Goodwill	10,193	10,173
Other intangible assets, net	2,212	2,273
Right-of-use assets	577	586
Pension benefits assets	863	827
Other non-current assets	1,392	1,357
Total non-current assets	15,960	15,934
TOTAL ASSETS	\$ 31,906	\$ 31,769
LIABILITIES AND EQUITY		
Fiduciary liabilities	\$ 12,213	\$ 11,772
Deferred revenue and accrued expenses	1,485	1,915
Current debt	250	250
Current lease liabilities	127	126
Other current liabilities	814	716
Total current liabilities	14,889	14,779
Long-term debt	4,472	4,471
Liability for pension benefits	457	480
Deferred tax liabilities	736	748
Provision for liabilities	366	357
Long-term lease liabilities	610	620
Other non-current liabilities	200	221
Total non-current liabilities	6,841	6,897
TOTAL LIABILITIES	21,730	21,676
COMMITMENTS AND CONTINGENCIES		
EQUITY⁽ⁱ⁾		
Additional paid-in capital	10,890	10,876
Retained earnings	1,774	1,764
Accumulated other comprehensive loss, net of tax	(2,568)	(2,621)
Treasury shares, at cost, 17,519 shares in 2022	—	(3)
Total WTW shareholders' equity	10,096	10,016
Non-controlling interests	80	77
Total Equity	10,176	10,093
TOTAL LIABILITIES AND EQUITY	\$ 31,906	\$ 31,769

(i) Equity includes (a) Ordinary shares \$0.000304635 nominal value; Authorized 1,510,003,775; Issued 106,382,693 (2023) and 106,756,364 (2022); Outstanding 106,382,693 (2023) and 106,756,364 (2022) and (b) Preference shares, \$0.000115 nominal value; Authorized 1,000,000,000 and Issued none in 2023 and 2022.

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

	Three Months Ended March 31,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
NET INCOME	\$ 206	\$ 125
Adjustments to reconcile net income to total net cash from operating activities:		
Depreciation	60	66
Amortization	71	85
Impairment	—	81
Non-cash restructuring charges	2	—
Non-cash lease expense	27	33
Net periodic benefit of defined benefit pension plans	(8)	(40)
Provision for doubtful receivables from clients	7	5
Benefit from deferred income taxes	(15)	(17)
Share-based compensation	26	22
Net loss on disposal of operations	—	56
Non-cash foreign exchange loss/(gain)	11	(5)
Other, net	10	(5)
Changes in operating assets and liabilities, net of effects from purchase of subsidiaries:		
Accounts receivable	129	82
Other assets	11	(22)
Other liabilities	(411)	(458)
Provisions	8	13
Net cash from operating activities	134	21
CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES		
Additions to fixed assets and software for internal use	(42)	(31)
Capitalized software costs	(19)	(15)
Acquisitions of operations, net of cash acquired	(4)	(68)
Cash and fiduciary funds transferred in sale of operations	—	(12)
Sale of investments	4	200
Net cash (used in)/from investing activities	(61)	74
CASH FLOWS USED IN FINANCING ACTIVITIES		
Repayments of debt	(1)	(1)
Repurchase of shares	(104)	(2,250)
Proceeds from issuance of shares	—	1
Net payments from fiduciary funds held for clients	(250)	(211)
Payments of deferred and contingent consideration related to acquisitions	(6)	(20)
Cash paid for employee taxes on withholding shares	(5)	(1)
Dividends paid	(87)	(98)
Net cash used in financing activities	(453)	(2,580)
DECREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(380)	(2,485)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	21	(34)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF PERIOD ⁽ⁱ⁾	4,721	7,691
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF PERIOD ⁽ⁱ⁾	\$ 4,362	\$ 5,172

(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 the Supplemental Disclosures of Cash Flow Information section.

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

	Three Months Ended March 31,	
	2023	2022
Supplemental disclosures of cash flow information:		

Cash and cash equivalents	\$ 1,135	\$ 2,198
Fiduciary funds (included in fiduciary assets)	3,227	2,967
Cash and cash equivalents and fiduciary funds (included in current assets held for sale)	—	7
Total cash, cash equivalents and restricted cash	<u>\$ 4,362</u>	<u>\$ 5,172</u>
Decrease in cash, cash equivalents and other restricted cash	\$ (130)	\$ (2,274)
Decrease in fiduciary funds	<u>(250)</u>	<u>(211)</u>
Total	<u>\$ (380)</u>	<u>\$ (2,485)</u>



WTW

Earnings Release Supplemental Materials
2023 First Quarter Financial Results

April 27, 2023

wtwco.com
© 2023 WTW. All rights reserved.

wtw

WTW Forward-Looking Statements

This document contains 'forward-looking statements' within the meaning of Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934, which are intended to be covered by the safe harbors created by those laws. These forward-looking statements include information about possible or assumed future results of our operations. All statements, other than statements of historical facts, that address activities, events, or developments that we expect or anticipate may occur in the future, including such things as our outlook, the potential impact of natural or man-made disasters like health pandemics and other world health crises on; future capital expenditures; ongoing working capital efforts; future share repurchases; financial results (including our revenue, costs, or margins) and the impact of changes to tax laws on our financial results; existing and evolving business strategies and acquisitions and dispositions, including our completed sale of Willis Re to Arthur J. Gallagher & Co. ('Gallagher') and transitional arrangements related thereto; demands for our services and competitive strengths; strategic goals; the benefits of new initiatives; growth of our business and operations; our ability to successfully manage ongoing leadership, organizational and technology changes, including investments in improving systems and processes; our ability to implement and realize anticipated benefits of any cost-savings initiatives including the multi-year operational Transformation program; and plans and references to future successes, including our future financial and operating results, short-term and long-term financial goals, plans, objectives, expectations and intentions are forward-looking statements including with respect to free cash flow generation, adjusted net revenue, adjusted operating margin, and adjusted earnings per share. Also, when we use words such as 'may,' 'will,' 'could,' '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 the Company's management and are subject to significant risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements. All forward-looking disclosure is speculative by its nature.

There are important risks, uncertainties, events and factors that could cause our actual results or performance to differ materially from those in the forward-looking statements contained in this document, including the following: our ability to successfully establish, execute and achieve our global business strategy as it evolves; our ability to fully realize anticipated benefits of our growth strategy; our ability to achieve our short-term and long-term financial goals, such as with respect to our cash flow generation, and the timing with respect to such achievement; the risks related to changes in general economic (including a possible recession), business and political conditions, including changes in the financial markets, inflation, credit availability, increased interest rates and trade policies; the risks to our short-term and long-term financial goals from any of the risks or uncertainties set forth herein; the risks to our business, financial condition, results of operations, and long-term goals that may be materially adversely affected by any negative impact on the global economy and capital markets resulting from or relating to inflation, the military conflict between Russia and Ukraine or any other geopolitical tensions and the withdrawal from our high margin businesses in Russia and our ability to achieve cost-mitigation measures; our ability to successfully hedge against fluctuations in foreign currency rates; the risks relating to the adverse impacts of natural or man-made disasters like health pandemics and other world health crises, such as the COVID-19 pandemic, including supply chain, workforce availability, vaccination rates, and other impacts on the people and businesses in jurisdictions where we do business, on the demand for our products and services, our cash flows and our business operations; material interruptions to or loss of our information processing capabilities, or failure to effectively maintain and upgrade our information technology resources and systems and related risks of cybersecurity breaches or incidents; our ability to comply with complex and evolving regulations related to data privacy and cybersecurity; the risks relating to the transitional arrangements in effect subsequent to our now-completed sale of Willis Re to Gallagher; significant competition that we face and the potential for loss of market share and/or profitability; the impact of seasonality and differences in timing of renewals and non-recurring revenue increases from disposals and book-of-business sales; the failure to protect client data or breaches of information systems or insufficient safeguards against cybersecurity breaches or incidents; the risk of increased liability or new legal claims arising from our new and existing products and services, and expectations, intentions and outcomes relating to outstanding litigation; the risk of substantial negative outcomes on existing litigation or investigation matters; changes in the regulatory environment in which we operate, including, among other risks, the impacts of pending competition law and regulatory investigations, various claims, government inquiries or investigations or the potential for regulatory action; our ability to make divestitures or acquisitions, including and our ability to integrate or manage such acquired businesses, as well as identify and successfully execute on opportunities for strategic collaboration; our ability to integrate direct-to-consumer sales and marketing solutions with our existing offerings and solutions; our ability to successfully manage ongoing organizational changes, including investments in improving systems and processes, disasters or business continuity problems; the ongoing impact of Brexit on our business and operations, including as a result of updated regulatory guidance, such as that issued by the European Insurance and Occupational Pensions Authority on February 3, 2023, ongoing efforts and resources allocated to the post-Brexit evolution of regulations and laws and the need to relocate talent or roles or both between or within the E.U. and the U.K., or otherwise; our ability to successfully enhance our billing, collection and other working capital efforts, and thereby increase our free cash flow; the impact of the impending cessation of the London Interbank Offered Rate; our ability to properly identify and manage conflicts of interest; reputational damage, including from association with third parties, reliance on third-party service providers and suppliers; risks relating to changes in our management structures and in senior leadership; the loss of key employees or a large number of employees and rehiring rates; our ability to maintain our corporate culture; doing business internationally, including the impact of foreign currency exchange rates; compliance with extensive government regulation; the risk of sanctions imposed by governments, or changes to associated sanction regulations (such as sanctions imposed on Russia) and related counter-sanctions; our ability to effectively apply technology, data and analytics changes for internal operations, maintaining industry standards and meeting client preferences; changes and developments in the insurance industry or the U.S. healthcare system, including those related to Medicare and any legislative actions from the current U.S. Congress, and any other changes and developments in legal, economic, business or operational conditions impacting our Medicare benefits businesses such as TRANZACT; the inability to protect our intellectual property rights, or the potential infringement upon the intellectual property rights of others; fluctuations in our pension assets and liabilities and related changes in pension income, including as a result of, related to, or derived from movements in the interest rate environment, investment returns, inflation, or changes in other assumptions that are used to estimate our benefit obligations, and its effect on adjusted earnings per share; our capital structure, including indebtedness amounts, the limitations imposed by the covenants in the documents governing such indebtedness and the maintenance of the financial and disclosure controls and procedures of each; our ability to obtain financing on favorable terms or at all; adverse changes in our credit ratings; the impact of recent or potential changes to U.S. or foreign laws, and the enactment of additional, or the revision of existing, state, federal, and/or foreign laws and regulations, recent judicial decisions and development of case law, other regulations and any policy changes and legislative actions, including those that impact our effective tax rate; U.S. federal income tax consequences to U.S. persons owning at least 10% of our shares; changes in accounting principles, estimates or assumptions; risks relating to or arising from environmental, social and governance ("ESG") practices; fluctuation in revenue against our relatively fixed or higher than expected expenses; the laws of Ireland being different from the laws of the U.S. and potentially affording less protections to the holders of our securities, and our holding company structure potentially preventing us from being able to receive dividends or other distributions in needed amounts from our subsidiaries. The foregoing list of factors is not exhaustive and new factors may emerge from time to time that could also affect actual performance and results. For more information, please see Part I, Item 1A in our Annual Report on Form 10-K, and our subsequent filings with the SEC. Copies are available online at www.sec.gov or www.wtwco.com.

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

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

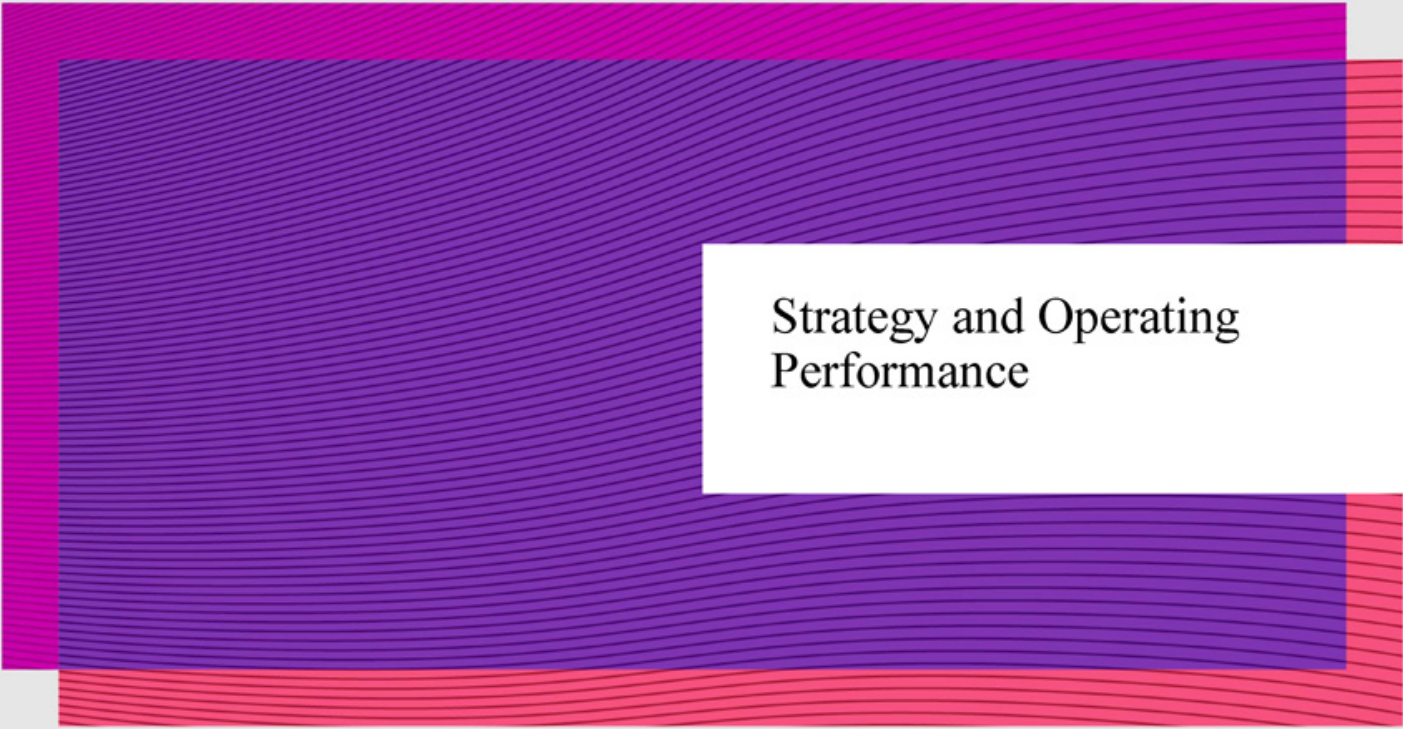
WTW Non-GAAP Measures

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

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

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

The Company does not reconcile its forward-looking non-GAAP financial measures to the corresponding U.S. GAAP measures, due to variability and difficulty in making accurate forecasts and projections and/or certain information not being ascertainable or accessible, and because not all of the information, such as foreign currency impacts necessary for a quantitative reconciliation of these forward-looking non-GAAP financial measures to the most directly comparable U.S. GAAP financial measure, is available to the Company without unreasonable efforts. For the same reasons, the Company is unable to address the probable significance of the unavailable information. The Company provides non-GAAP financial measures that it believes will be achieved, however it cannot accurately predict all of the components of the adjusted calculations and the U.S. GAAP measures may be materially different than the non-GAAP measures.



Strategy and Operating Performance

Key Takeaways



Delivered strong organic growth¹ of 8% in Q1-23 and Adjusted EPS¹ growth of 7% for Q1-23



Continued to make significant progress on strategic priorities



Realized \$75M of incremental annualized savings in Q1-23, bringing the total to \$224M since Transformation Program inception



Continued to return value to shareholders, repurchasing \$104M of shares in Q1-23



Remain focused on delivering 2024 financial targets: MSD Organic revenue growth¹, Adj. op. margin¹ of 23-24% and Adj. EPS¹ of \$17.50 - \$20.50

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

wtwco.com

© 2023 WTW. All rights reserved. See "WTW Forward-Looking Statements" above for information about forward-looking statements and cautionary language, including how actual results may differ materially from those in the slide presentation.

wtw

5

Q1 2023 GAAP Financial Results

Key figures

\$USD million, except EPS and %	Three months ended March 31,		
	2023	2022	Change
Revenue	\$2,244	\$2,160	4%
Income from operations	\$285	\$179	59%
Operating margin %	12.7%	8.3%	440 bps
Net income	\$206	\$125	65%
Diluted earnings per share	\$1.88	\$1.03	83%
Net cash from operating activities	\$134	\$21	538%

Q1 2023 Key Figures, Including Non-GAAP Financial Results

Solid operating performance

Q1 2023 Results

Total Revenue	\$2.2B Q1 2023	+8% Q1 2023 Organic	+2% Q1 2022 Organic
Adjusted Diluted EPS ¹	\$2.84 Q1 2023	+7% Q1 2023	\$2.66 Q1 2022
Adjusted Operating Margin ¹	18.6% Q1 2023	+140bps Q1 2023	17.2% Q1 2022
Free Cash Flow ¹	\$92M Q1 2023	\$102M Q1-23 v. Q1-22	-\$10M Q1 2022
Transformation Program	\$224M of run rate savings since inception		

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

wtwco.com

© 2023 WTW. All rights reserved. See "WTW Forward-Looking Statements" above for information about forward-looking statements and cautionary language, including how actual results may differ materially from those in the slide presentation.

wtw

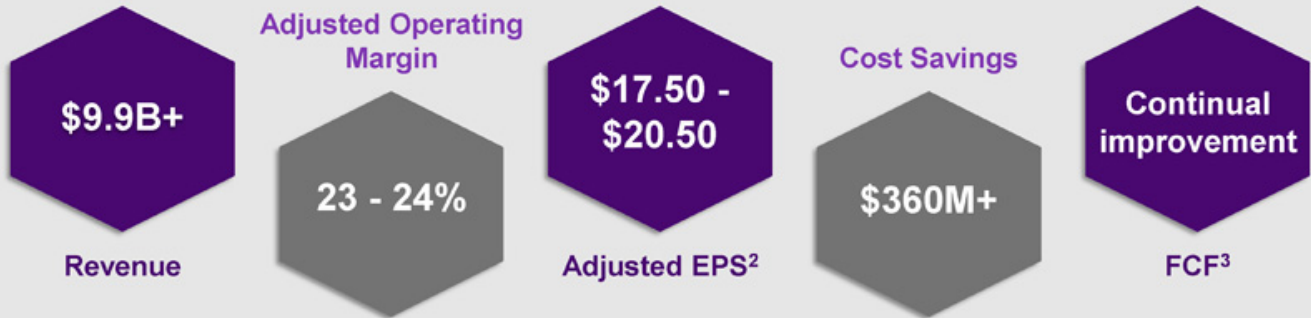
7

Our Strategic Priorities: Grow, Simplify, Transform

Focus on the execution on our strategy and the generation of outstanding value creation for all shareholders

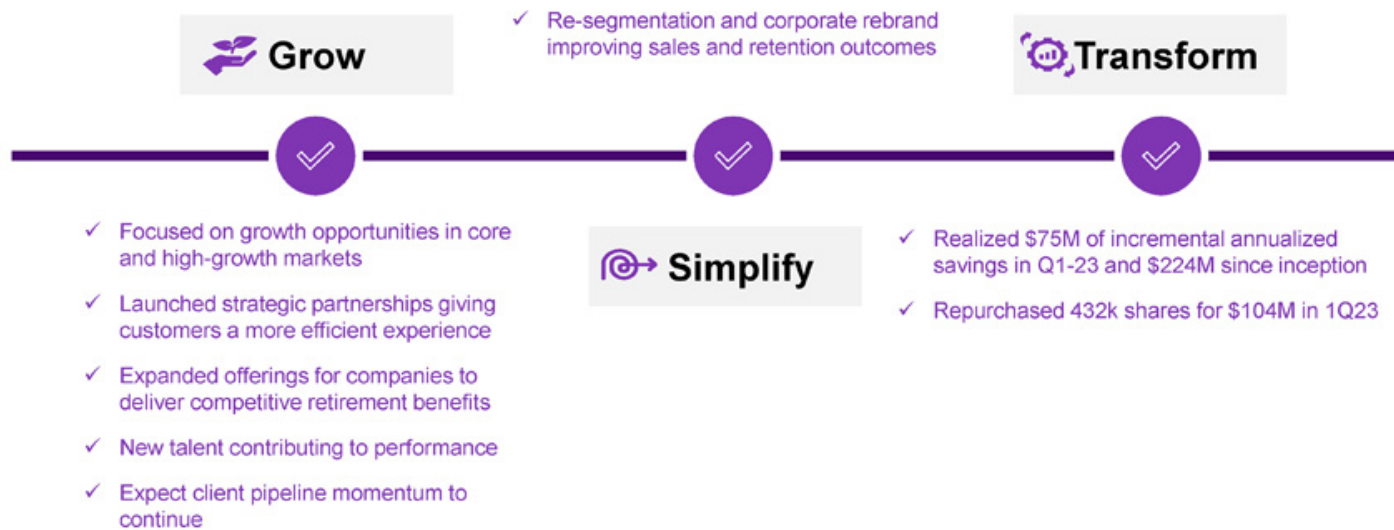
- **Grow:** Invest to grow at or above market in chosen areas
- **Simplify:** Increase agility; do the basics well
- **Transform:** Enhance client and colleague experience through operational excellence

FY 2024 Financial Targets¹



¹ Reflects the Company's current beliefs and expectations as of April 27, 2023 and are subject to significant risks and uncertainties. Also includes Non-GAAP financial measures. We do not reconcile forward-looking Non-GAAP measures for reasons explained in the appendix.
² As a reminder, full-year 2023 pension income is expected to be about \$112 million. If this level of pension income were to remain consistent in 2024, it would pose a significant headwind to our 2024 adjusted EPS target. Pension income, which is sensitive to macroeconomic conditions, is re-measured at year-end. Accordingly, we will provide additional guidance on our 2024 pension income expectations and its impact to the adjusted EPS target when we release Q4 2023 earnings results.
³ Refer to Appendix 2 for more information on Free Cash Flow Outlook.

Recent Progress Against Strategic Priorities



We Have a Portfolio of Leading Businesses in Attractive Markets

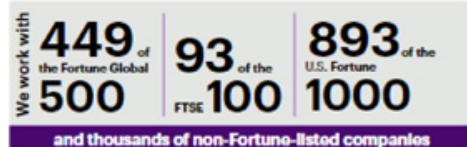
Delivering superior advice, broking and solutions in the areas of people, risk and capital

We have:

A distinctive mix of complementary businesses

- Accomplished and aspiring talent
- Collaborative client-first culture
- Sophisticated data and analytics
- Powerful tools

A strong balance sheet and significant financial flexibility



~35M individuals use our platforms to access benefits and insurance

Segment Overview: Health, Wealth, & Career¹

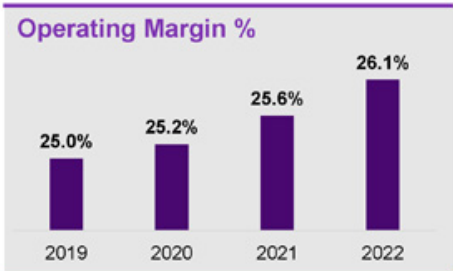
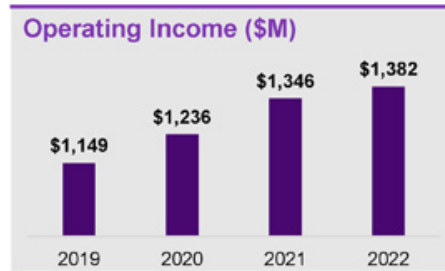
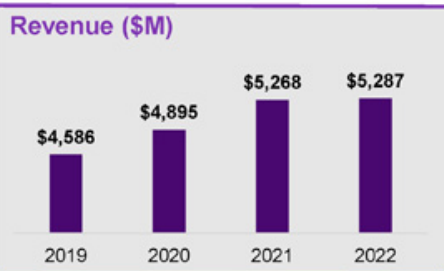
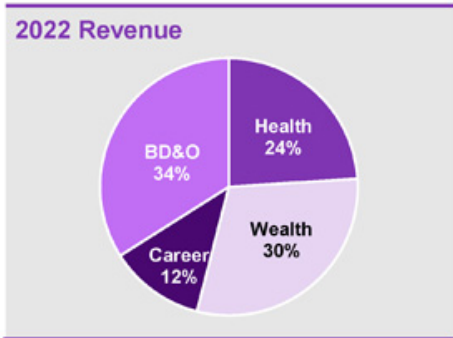
Health, Wealth & Career: World-class portfolio of leading businesses providing advisory and consulting services within human capital, employee benefits and retirement verticals

Health provides advice, broking, solutions and software for employee benefit plans, HR organizations and management teams of our clients

Wealth provides advice and management for retirement and investment asset owners using a sophisticated framework for managing risk

Career provides compensation advisory services, employee experience software and platforms, and other career-related consulting services to our clients

Benefits Delivery & Outsourcing provides medical exchange and outsourcing services to active employees and retirees across the group and individual markets as well as pension outsourcing



¹ Includes Segment financial measures. See accompanying Earnings Release for Supplemental Segment Information. Segment results prior to 2022 were recast to reflect the realignment effective January 1, 2022.

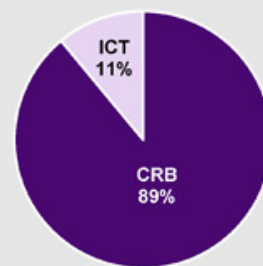
Segment Overview: Risk & Broking¹

Risk & Broking: Risk advisory and solutions business delivering innovative, integrated solutions tailored to client needs and underpinned by cutting edge data and analytics, technology and experienced risk thinkers

Corporate Risk & Broking provides a broad range of risk advice insurance brokerage and consulting services to clients worldwide ranging from small businesses to multinational corporations

Insurance Consulting and Technology provides advice and technology solutions to the insurance industry to help clients measure and manage risk and capita and improve performance

2022 Revenue



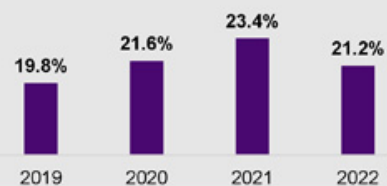
Revenue (\$M)



Operating Income (\$M)



Operating Margin %



¹ Includes Segment financial measures. See accompanying Earnings Release for Supplemental Segment Information. Segment results prior to 2022 were recast to reflect the realignment effective January 1, 2022.

Value Creation Framework

1. Seek profitable growth through innovation in attractive markets
2. Target superior shareholder returns through buybacks and prudent investments
3. Defensive business model with historically lower volatility than other financial services subsectors
4. Accelerate operational transformation, resulting in meaningful margin improvements
5. Experienced, diverse management and global leadership team focused on achieving targets

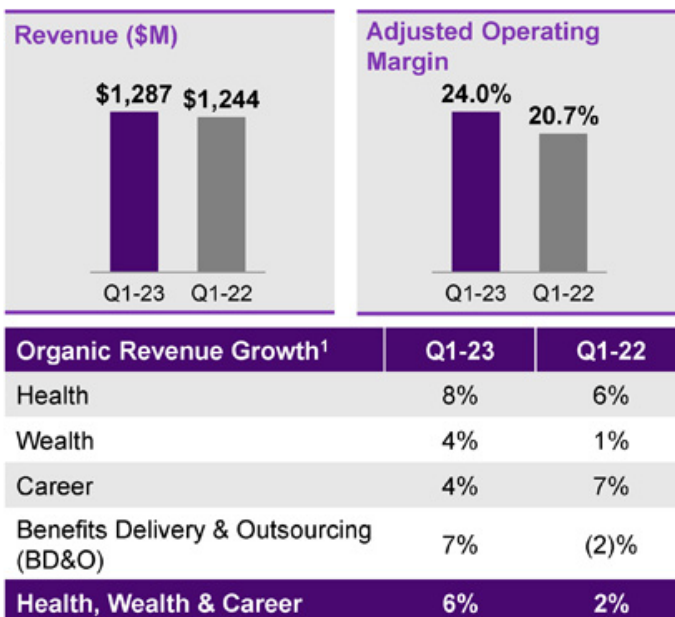
Financial Review

Quarterly Segment Performance: Health, Wealth & Career

Segment Highlights

- For the quarter, HWC grew 6% organically, with Health leading the segment.
 - Health organic revenue growth was driven by increased project activity in North America and the continued expansion of our client portfolio in International.
 - BD&O generated organic revenue growth through new clients and compliance project work in Outsourcing and higher volumes and placements of Medicare Advantage and Life policies in Individual Marketplace.
 - Wealth generated organic revenue growth from higher levels of Retirement work in Europe and North America, including compliance and de-risking projects along with new client acquisitions.
 - Career grew revenue organically through increased demand for Advisory services and increases in data and software license sales.
- Operating income was \$309M in the quarter, an increase of 20% from the prior year. Operating margin increased 330 bps from the prior year to 24.0% primarily from higher operating leverage.

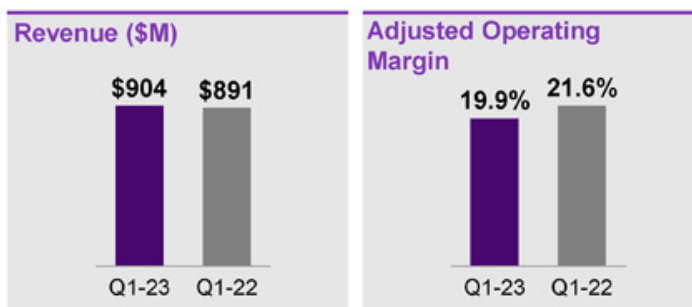
¹ Signifies Non-GAAP financial measure. See appendix for Non-GAAP reconciliations.



Segment Performance: Risk & Broking

Segment Highlights

- For the quarter, R&B grew 10% organically.
 - CRB generated excellent organic revenue growth across all geographies, primarily driven by new business and increased retention in our global lines of business, most notably in Aerospace, Financial Solutions and Natural Resources.
 - ICT had organic revenue growth primarily from software sales.
- Operating income of \$180M in the quarter declined by 6%.
- Operating margin contracted by 170 bps primarily reflecting headwinds from investments in talent.



Organic Revenue Growth ¹	Q1-23	Q1-22
Corporate Risk & Broking (CRB)	10%	(1)%
Insurance Consulting & Technology (ICT)	7%	9%
Risk & Broking	10%	0%

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

Continued Progress on Transformation Program

On track to generate \$360M+ of annualized savings through 2024

Costs to Achieve (\$ millions)	Q1 2023	Cumulative From Inception	Total Transformation
Real Estate Rationalization	\$3	\$101	
Technology Modernization	\$15	\$70	
Process Optimization	\$26	\$118	
Other	\$4	\$20	
Total Restructuring / Transformation Costs	\$48	\$309	~\$630
Total Capital Expenditures	\$19	\$55	~\$270
Total Costs to Achieve	\$67	\$364	~\$900
Annualized Run-Rate Savings	\$75	\$224	\$360+

Delivering on our financial commitments

- Delivering **\$360M+** run-rate savings to contribute 360 bps of margin improvement, while investing for growth
- Realized **\$75M of incremental annualized savings in Q1-23** and **\$224M of annualized savings** since program inception
- In Q1-23, we incurred **\$48M of restructuring / transformation related charges**
- **\$19M of capital expenditures** for the quarter
- Cumulative total investment (OpEx + CapEx) to date is **\$364M representing ~40%** of expected total one-time program costs

Maintaining a Flexible Balance Sheet

Reinforcing our business fundamentals; safeguarding WTW's financial strengths

(\$ millions)	Dec 31, 2022	Mar 31, 2023
Cash and Cash Equivalents	1,262	1,135
Total Debt ¹	4,721	4,722
Total Equity	10,093	10,176
Debt to Adj. EBITDA ² <i>Trailing 12-month</i>	2.0x	2.0x

Disciplined capital management strategy

Provides WTW with the **financial flexibility** to reinvest in our businesses, capitalize on market growth opportunities and support significant value creation for shareholders

- Our capital structure provides a solid foundation of business strength and reinforces our ability to capture long-term growth
- History of effectively managing our leverage with a commitment to **maintaining our investment grade credit rating**
- Committed to a **disciplined approach to managing outstanding debt** and successfully reduced our leverage profile

¹ Total Debt equals sum of current debt and long-term debt as shown on the Consolidated Balance Sheets.
² Signifies Non-GAAP financial measure. See appendix for Non-GAAP reconciliations.

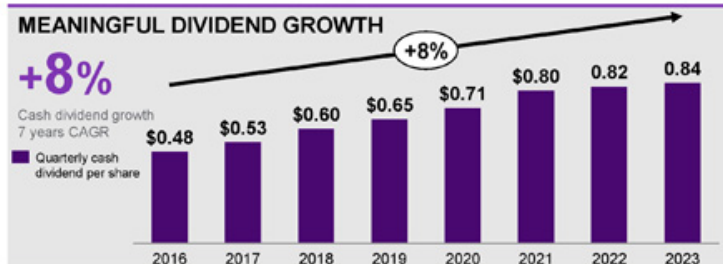
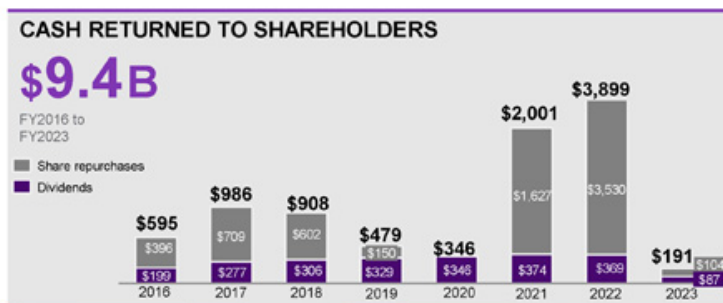
Executing Against a Balanced Capital Allocation Strategy

Capital Allocation Priorities

- Reinvest in capabilities, businesses, and processes
- Invest in innovation, technology, and new business
- Return excess cash to shareholders through share repurchases and dividends
- Strengthen balance sheet and liquidity
- Sustain dividends and payout ratio
- Business portfolio management
- Pursue opportunistic tuck-in and bolt-on M&A to strengthen capabilities

Q1-23 Highlights

- Repurchased \$104 million of shares during the quarter
- Paid quarterly cash dividend of \$0.84 per common share



2023 Financial Targets¹



¹ Reflects the Company's current beliefs and expectations as of April 27, 2023 and are subject to significant risks and uncertainties. Also includes Non-GAAP financial measures. We do not reconcile forward-looking Non-GAAP measures for reasons explained in the appendix.

wtwco.com

© 2023 WTW. All rights reserved. See "WTW Forward-Looking Statements" above for information about forward-looking statements and cautionary language, including how actual results may differ materially from those in the slide presentation.

wtw

20

Appendix 1: Reconciliation of Non-GAAP Measures

Constant Currency and Organic Revenue Change

As reported, USD millions except %

	Three Months Ended March 31,		As Reported % Change	Components of Revenue Change ⁽¹⁾			
	2023	2022		Less: Currency Impact	Constant Currency Change	Less: Acquisitions/ Divestitures	Organic Change
Health, Wealth & Career	\$ 1,287	\$ 1,244	3%	(3)%	6%	0%	6%
Risk & Broking	904	891	1%	(4)%	5%	(5)%	10%
Segment Revenue	2,191	2,135	3%	(3)%	6%	(2)%	8%
Divested businesses and other	53	25					
Revenue	\$ 2,244	\$ 2,160	4%	(3)%	7%	(1)%	8%

⁽¹⁾ Components of revenue change may not add due to rounding

wtw.com

© 2023 WTW. All rights reserved. See "WTW Forward-Looking Statements" above for information about forward-looking statements and cautionary language, including how actual results may differ materially from those in the slide presentation.

wtw

22

Adjusted Op Income and Margin, Adj. EBITDA and Margin

As reported, USD millions except %

	Three Months Ended March 31,					
	2023		2022			
Income from operations	\$	285	12.7%	\$	179	8.3%
Adjusted for certain items:						
Impairment		—			81	
Amortization		71			85	
Restructuring costs		3			6	
Transaction and transformation		59			20	
Adjusted operating income	\$	418	18.6%	\$	371	17.2%
	Three Months Ended March 31,					
	2023		2022			
Net Income	\$	208	9.2%	\$	125	5.8%
Income from discontinued operations, net of tax		—			(11)	
Provision for income taxes		50			43	
Interest expense		54			49	
Impairment		—			81	
Depreciation		60			66	
Amortization		71			85	
Restructuring costs		3			6	
Transaction and transformation		59			20	
Loss on disposal of operations		—			54	
Adjusted EBITDA and Adjusted EBITDA Margin	\$	503	22.4%	\$	518	24.0%

Adjusted Net Income and Adjusted Diluted EPS

As reported, USD millions except %

	Three Months Ended March 31,	
	2023	2022
Net Income attributable to WTW	\$ 203	\$ 122
Adjusted for certain items:		
Income from discontinued operations, net of tax	—	(11)
Impairment	—	81
Amortization	71	85
Restructuring costs	3	6
Transaction and transformation	59	20
Loss on disposal of operations	—	54
Tax effect on certain items listed above ⁽¹⁾	(34)	(42)
Tax effect of internal reorganizations	4	—
Adjusted Net Income	\$ 306	\$ 315
Weighted-average shares of common stock, diluted	108	118
Diluted Earnings Per Share	\$ 1.88	\$ 1.03
Adjusted for certain items: ⁽²⁾		
Income from discontinued operations, net of tax	—	(0.09)
Impairment	—	0.68
Amortization	0.66	0.72
Restructuring costs	0.03	0.05
Transaction and transformation	0.55	0.17
Loss on disposal of operations	—	0.46
Tax effect on certain items listed above ⁽¹⁾	(0.32)	(0.36)
Tax effect of internal reorganizations	0.04	—
Adjusted Diluted Earnings Per Share	\$ 2.84	\$ 2.66

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

⁽²⁾ Per share values and totals may differ due to rounding.

wtwco.com

© 2023 WTW. All rights reserved. See "WTW Forward-Looking Statements" above for information about forward-looking statements and cautionary language, including how actual results may differ materially from those in the slide presentation.

wtw

24

Adjusted Income Before Taxes, Adjusted Income Tax Rate and Free Cash Flow

As reported, USD millions except %

	Three Months Ended March 31,	
	2023	2022
Income from continuing operations before income taxes	\$ 256	\$ 157
Adjusted for certain items:		
Impairment	—	81
Amortization	71	85
Restructuring costs	3	6
Transaction and transformation	59	20
Loss on disposal of operations	—	54
Adjusted income before taxes	\$ 389	\$ 403
Provision for income taxes	\$ 50	\$ 43
Tax effect on certain items listed above ⁽¹⁾	34	42
Tax effect of internal reorganizations	(4)	—
Adjusted income taxes	\$ 80	\$ 85
U.S. GAAP tax rate	19.5%	27.5%
Adjusted income tax rate	20.5%	21.1%

	Three Months Ended March 31,	
	2023	2022
Cash flows from operating activities	\$ 134	\$ 21
Less: Additions to fixed assets and software for internal use	(42)	(31)
Free Cash Flow	\$ 92	\$ (10)

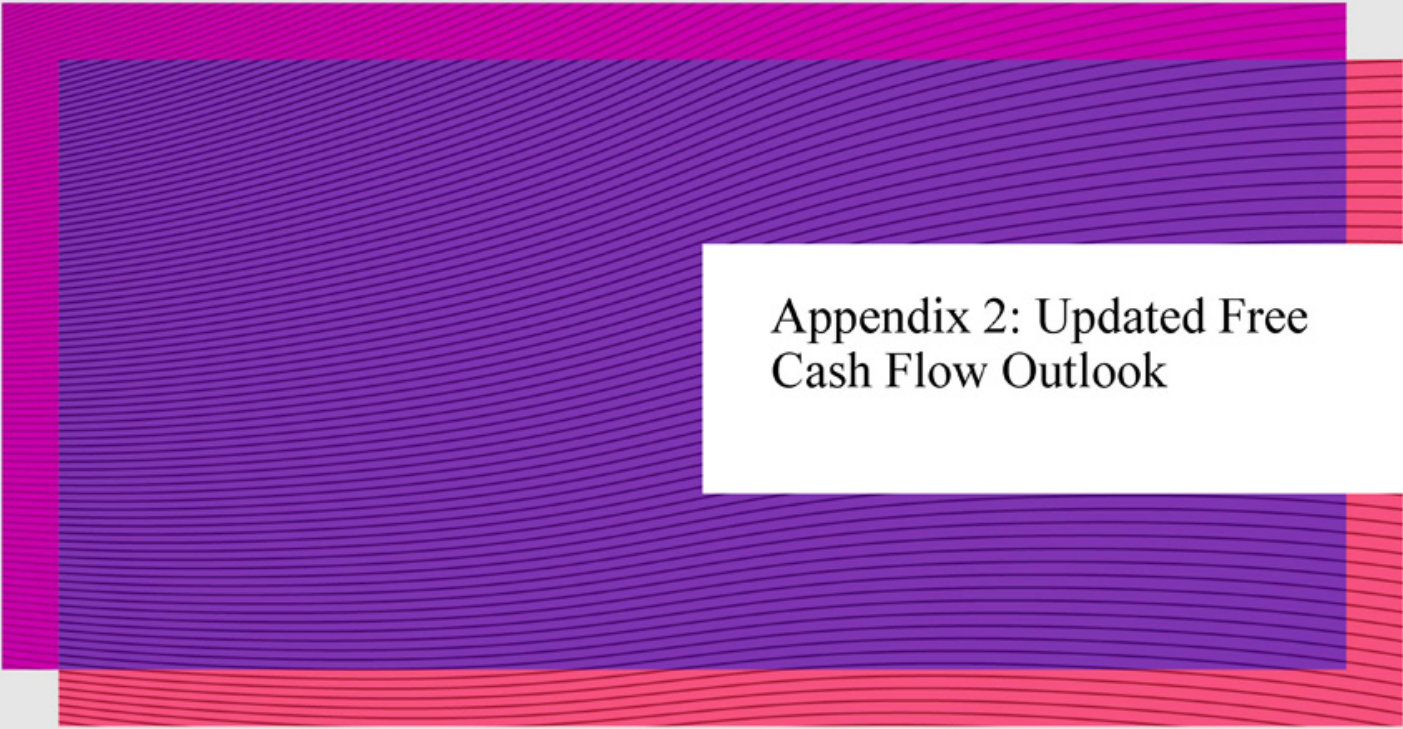
⁽¹⁾ The tax effect was calculated using an effective tax rate for each item.

wtw.com

© 2023 WTW. All rights reserved. See "WTW Forward-Looking Statements" above for information about forward-looking statements and cautionary language, including how actual results may differ materially from those in the slide presentation.

wtw

25



Appendix 2: Updated Free Cash Flow Outlook

Updated Free Cash Flow Outlook

As part of our strategic plan, we set a target for three-year cumulative Free Cash Flow ("FCF"). This target reflected our goal to substantially improve FCF generation. We recognized that there were – and still are – substantial FCF improvement opportunities for WTW achievable across various time horizons, with many of the larger opportunities expected to play out over multiple years. However, we have now concluded that the paths to realizing these long-term improvement opportunities will likely take us beyond the end of 2024. As a result, WTW is modifying its target of generating \$4.3B - \$5.3B in cumulative FCF between 2022 and 2024. Over the near term, we expect FCF as a percentage of revenue to meaningfully improve from the prior-year base of 8%, primarily reflecting the absence of the one-time headwinds experienced last year, partially offset by the acceleration and expansion of our Transformation program. Over the long-term, we expect continual improvement towards peers' free cash flow margins.



About WTW

At WTW (NASDAQ: WTW), we provide data-driven, insight-led solutions in the areas of people, risk and capital. Leveraging the global view and local expertise of our colleagues serving 140 countries and markets, we help organizations sharpen their strategy, enhance organizational resilience, motivate their workforce and maximize performance. Working shoulder to shoulder with our clients, we uncover opportunities for sustainable success—and provide perspective that moves you. Learn more at www.wtwco.com.