

Alight, Inc.

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Tien-Tsin Huang: This is Tien-Tsin Huang. I cover the Payments, Processors and IT Services Group at J.P. Morgan. Really excited have Alight back with us. We're going to take questions from the audience, also questions from the portal. For those listening in, I'll be watching for that.

We have Stephan Scholl Scholl, CEO, Katie Rooney, of course, CFO. Greg's going to keep us honest as well. Again, we'll go through fireside chat. I've gathered some questions. Thank you, both, for being here.

Stephan Scholl: Thanks for having us. Great to see you too. Thanks for the time.

Tien-Tsin Huang: It's we're doing in-person stuff.

Stephan Scholl: It's great doing it.

Tien-Tsin Huang: It's great seeing everybody for sure. Always excited to see you guys. We've had some of your peers here as well. We've been leading all the questions the same way. Thinking about the current macro climate, there's a lot of questions around, of course, demand, macro inflation, supply chain, tight labor environment.

That impacts Alight in some many different ways. I'm curious how that's impacting client decision-making and what you're seeing on the ground. Maybe we could start with that if you guys don't mind.

Stephan Scholl: That sounds great. There's no question. The last couple of years, the people agenda has become top of mind for every CEO and c-level executive in every company.

If you look at the last couple of years, they've realized that they haven't spent enough in terms of really looking at the transformation of how to help employees stay healthier and financially secure. And so, if you look at the history of CEOs and CIOs and others, you can see that they spend a lot of their effort the last decade or so, in helping drive client transformations.

When they turn their sights over to the employee, they wake up and realize that many of the Fortune 500 companies have between 60 and up to 100 different solutions stitch together for hired to retire. When it comes to our world, which is really the health and well-being part of it, there's between 30 and 50 different point solutions.

Macro trend, whether economy, whether future recession or not, I would say, what I've seen is the focus from c-level executives on doubling down, on spending the effort to consolidate, simplify, give better engagement platform to employees is, if not number one, top two to three initiatives in every company that I talked to.

Tien-Tsin Huang: Given that, have you done anything differently in the last three, five, seven months? I'm not saying over the last two years, but just in reaction to that.

Stephan Scholl: We've been very aggressive on the platform side. We have a two-pronged strategy. One is the content layers, so we've continued to be acquisitive. We've also been aggressive in the technology-layer transformation, but the bigger piece of initiative for us has been the platform, meaning we have 30 million participants.

That is the largest capability in the industry in the benefits world, and it's leveraging that relationship to expand beyond benefits into all around health and well-being. That effort, we just launched 30 days ago to our largest clients, the Alight Worklife platform. That's being deployed as we speak, third iteration or third version of that product in the last year available on a mobile phone.

It's the only place for an employee to go to really have access to your benefits data, your 401(k), HSA, payroll data, retirement information, everything, all the navigation, clinical. The notion of staying financially secure and healthy is the full complement of what we've been doing the last several months.

Tien-Tsin Huang: Good. Last time we all got together, I asked you guys about BPaaS bookings. I know that's a big push for the company. I feel like it's been, booking's been growing 200-plus percent for a while. I just wanted to say that because I'm not asking the same questions over and over again. I think revenues were up what, 20, 23 percent.

The question I always get when we're doing early calls with investors is who are you replacing? What is it? Is it more existing clients? Are these prospective clients? What's the process? What's the rhythm of the go-to-market? Maybe if we can start with that.

Stephan Scholl: Katie, you can jump in as well here. It's been super exciting to see the response from clients around willing to undo the last 20 years across the fragmented silos.

We've announced publicly some great wins at PWC, Sartorius, Navistar, a Fortune global 19 company, Shell, who all were looking at Fidelity, ADP, Ceridian, any of the B companies that are part of the list, Bswift, Businessolver, and I'm forgetting one more in there, Accolades of the world, Grand Rounds.

They all fit a small piece of what they were looking for. When we convinced them of at the end of the day stitching it together into one engagement platform, one source of data, one technology platform, one contract, one relationship versus four to five, it became very clear. Didn't start out that way with multiple RFPs in many of those accounts.

We're seeing a lot of positive reaction to wanting to get to one more consolidated place.

Katie Rooney: The only thing I'd add, Tien-Tsin, is if you think about the client-demand cycle and where we sit today, it's everyone's looking for their competitive advantage, and especially with the war for talent.

If you think about what we can bring and what we can offer coming at it from an outcomes-based approach to help drive a different experience to drive a different outcome for both the employer and the employee is, it's a different discussion for us to have with the clients.

Tien-Tsin Huang: Yeah, agreed. It's easy to talk about growth, and bookings, and all that good

stuff, but just how do we measure performance?

I know you talked about this, talked to us about engagement, thinking about how that's going about, but how do you measure the performance on Worklifee or any of these engagements that you do with these big enterprises, big brands, big logos? They're all sophisticated. I'm sure it can be tough. How do you measure that?

Stephan Scholl: I'll just give a recent example. I was with Dell, who was one of our foundation clients in this journey.

Tien-Tsin Huang: I remember.

Stephan Scholl: I'm allowed to publicly say that. This is at their board level, Michael and his team, the people agenda is top three agenda items, and the benefits department, Tracy and team have presented to that executive team.

They have had a 20-plus-percent improvement in their NPS scores in terms of the notion of how employees feel, the importance of benefits, the value of benefits at Dell has driven a direct impact of $20 million of savings. The fact that 89 percent of the employee population feel the value of benefits is a determinant in their experience at Dell, being an employee at Dell, that's hugely valuable.

89 percent puts them in, that's an innovator category. What drove that is a lot of our transformation work with them on engaging in a personalized way with their employee so that we meet the specific needs of a large population on a broad issues of financial, health-related matters.

Rather than sending them just a dearth of information that can be 20 different plans and huge amount of complexity, we were able to specialize the communications to the individual employee so they can make really educated decisions. That's that, a big impetus to what helped them jump to that 89 percent level of excitement around how employees feel about the benefits program.

Tien-Tsin Huang: Good. You touch a lot of people. You mentioned 30 million. You get a ton of

data. I asked ADP and a lot of the other players the same question. What kind of data advantage do you have? Some of the players don't do much with it. We're starting to see others do tangential things like ID verification, employment verification, things like that.

For you, it feels like it's important from a go-to-market overall selling standpoint and building product, content, things like that. Stephan, you do a great job of talking about this. How important is data from a competitive standpoint?

Stephan Scholl: It's everything because when I first started two years ago, because we were virtual, I was able to talk to 40 C-suite executives in our largest clients. They all said, "We love that you do the administration for us, but I'm understanding and hearing from mine employees that half of them have made the wrong decision. They're not getting the help that they need."

Hence, the whole strategy then, which I already walked into it with, was just validated by clients is that they want a place to go for employees to really get a full complement of information.

The use cases are so variable. Let me give a few. The notion on the health side, by the way, I get every Friday an email from my chief medical officer, and we're saving lives around this one example I've given a few times now.

Large client of ours. This employee was diagnosed with scoliosis. Before she had to go do more spinal surgery, they said you got to go to Alight to get a third round of just validation. They just implemented our Solution Suite then.

We found out through a diagnosis, through data, through analytics, through research that she doesn't have scoliosis, that she actually has osteoporosis. The difference between those two things, A, is a huge amount of cost, but it's saving her life.

The same is true on the health side when you start thinking about the benefits decisions. I have large corporations that spend billions of dollars on benefits, but the fact many of them have lower-income-salaried employees, and in a couple of cases, we have people that are making $40,000 and below in call centers who during the pandemic didn't have critical illness.

It takes the aggregation of the data, looking at the decisions that they've made. We go in and look at the history of the employees in terms of savings rates. We call out that, "Hey, they're 5, 8, 10 years away from retirement. You're not saving enough. Tell them 8 years in advance. 10 years advanced, not 6 months before retirement."

We've seen the stats when you consolidate the data and you do benefits enrollment, but you bring in the 401(k) or HSA discussion, there's a 28 percent improvement in savings rates when you consolidate into one decision.

Because people are looking at it saying, "Well, I can't afford to do X, Y, or Z lower benefits, higher deductibles, payroll deductions, 401(k) contributions," but when you do it all into context of those three pieces, people are making better decisions and trade-offs in maximizing saving rates, picking the right deductibles, or also picking which bucket to put it in

Tien-Tsin Huang: Good. That's good stuff. That's good stuff. Thinking about that, leveraging data, I know there are a lot of tools to capture all that and to relay that, but investments are going to be required.

I know you've talked, Katie, about investments. Maybe walk us through some of that. I broke down here. Gross margins are down a little bit in the first quarter. You've got an expectation for the second half and beyond. There's a lot of M&A and other things. Catch us up on where we are in the investment journey.

Katie Rooney: We set out a plan year ago January and said we'd get a six to seven percent growth this year. That's kind of the path we're on this year with $650 to $662 million of adjusted EBITDA.

Within that, we are self-funding a number of investments to continue to drive the growth. We have a contract, as you know, with the federal thrift going live later this year. We're investing ahead of that to bring six million people live.

We have investments in our commercial organization in terms of driving more feet on the street to accelerate our bookings growth, which you're seeing, and also in product and technology.

We've said we'll spend $38 million this year -- majority of that coming in the second and third quarter -- to help accelerate the growth drivers, because the great thing about this business, we have over 85 percent of our 22 revenue under contract.

We have visibility into that, so we can manage and drive those investments to support that growth that we'll see later in the year.

Tien-Tsin Huang: Part of the investments -- we've talked about this -- I know is to stand up the federal contract. How risky is that implementation? Quite large, six million, etc. Is there risk and push out or cost overruns, things like that?

Katie Rooney: There always is [laughs] with a contract of that size. Honestly, I have to give tremendous kudos to our team.

They've done an incredible job. We're doing that in partnership with Accenture. I think the teams have done an incredible job building out that that platform, so that we're ready. We've said we're going to go live in the back half of the year, and we're on track to do that.

Tien-Tsin Huang: To be clear, you're bearing costs for that now for the benefit of the revenue to come on the second half once it cuts over.

Katie Rooney: Correct.

Stephan Scholl: We have a governance process weekly. Like anything, it's green, green, green all the way through, which is where it is right now. These are big programs. The good news is we have a PMO structure, and you all know Accenture. That's the great thing of what I said two years ago. We can't do all this on our own.

Having a great partner like Accenture along for the ride with us with their size and capability. They know how to do this along with our size and strength and capability. So far, it's been going really well.

Tien-Tsin Huang: I mentioned Accenture. Let's talk about professional services and implementation work. Refresh us because the services business has changed a little bit when I first got to know you guys. It was a big Workday implementer. You got a lot of certifications -- still do -- against workday.

That sector has been generally going in a nice place. You've shown a little bit of decline, but you're expecting a recovery in second half. Why is that?

Stephan Scholl: Similar to your data question earlier. At the end of the day, when you look at who we serve half the Fortune 500, 72 percent of the Fortune 100, a lot of those organizations already have Workday or planning on Workday on the base HR North American Payroll, the position management piece.

The wealth of data, getting that piece right and how that feeds benefits and Global Payroll and DC and DB, all the defined contribution defined benefits pieces is crucial. It gives me a stronger window into, what I call, the hundred percent data map to help in the platform side relegate that into better experience for employees.

I do it not for Workday sake, but I do it for Alight's sake. I love the fact that I can implement Workday, get access to the data, configure it, set it up, harmonize it, and distill it into a platform play. That's why I do it.

That's why you're also seeing us moving from project base to subscription which is more managed services. We're managing the end to end of patches, updates and fixes, yes, but it's because customers are seeing us own that data architecture across it. That's valuable to them.

They're not just giving us the Workday managing of that piece, but it's the whole picture all the way through that I think is really putting us into a new opportunity.

We're doing less and less of just chasing the Workday services deals for Workday sake on its own. Look, I think that's exciting for them. That's what we had that air pocket. Katie, you can talk to me...

Tien-Tsin Huang: Sake of business, yeah.

Katie Rooney: We have great pipeline in that business at the same time. When you think about the time in from pipeline to revenue, our subscription business is longer from bookings to revenue, but in the professional services business, it's shorter, and so you have more visibility to seeing those deals coming online later in the back half of the year.

Tien-Tsin Huang: One more follow-up to that, if you don't mind. I know the margin profile and professional services is different. There's a war for talent. You know that very, very well, but everyone's trying to hire these certified employees.

How do you retain that group? Is that a potential headwind that we should be watching out for?

Katie Rooney: I'd say actually it already has been. I think we've seen some of that because when we did have a slowdown in the pipeline, you can't manage the business in a way to just let people go and try to hire him back to your point.

Tien-Tsin Huang: Your decision fails.

Katie Rooney : That would be a tough proposition to get them back. The intent is we have great people. We are building a pipeline. We're going to retain those colleagues. Again, when you think about the lead time, we have them on board to help us execute on the deals we're signing.

Stephan Scholl: I think the big difference for us also -- our clients have said it -- from the beginning, we had a global strategy around workday, meaning a lot of it is based out of India and offshore.

If you think of the three largest Workday implementers, one of the top three, we have the largest India presence for Workday out of those three that has been for us also.

Believe it or not, in some of the centers that we are in, our attrition has been less and the pressure is a little bit less than what we've seen here in the US with onsite employees. That's

going to help, too, the fact that we're a global delivery capability.

Tien-Tsin Huang: That makes sense. Look, it's an asset. I think it's an asset to have that many certified employees working against it, which reminds me why you also have a working relationship with Wipro on the global delivery side, India. How did those two work together?

Katie Rooney: I think of them a little bit differently in terms of capabilities and services, so they work seamlessly together. The benefit is -- you asked at the start about the kind of environment we're in -- this business, when you think about the subscription base, is very recession resistant in the sense that you see stability and volumes in terms of the services we provide.

Having the partnership with Wipro also helps that as well when you think about it from an inflationary perspective...

Katie Rooney: In terms of the contract we've had there. That one year of great capability, they're investing behind that capability to help us automate and drive transformation for our clients, but we can also have good visibility into the financial model around it.

Stephan Scholl: I was in India three weeks ago with the chairman, the CEO, and his executive team. By the way, they hired 50,000 people in 60 days. It's incredible.

Tien-Tsin Huang: It's crazy.

Stephan Scholl: We've moved away from a labor arbitrage agreement that I inherited when I got here to one of a partnership. If you think about the concept of ESG, the capital S, social responsibility, is the one that's the most nebulous today. There's not enough formulaic approaches to it.

We've view with our approach around Alight, and so does Wipro, because they have a global capability to actually really build out the standards, the configurations, the product, the implementation teams needed to implement a Capital S strategy.

We're talking about new, exciting go-to-market strategies together and with their size and scale. It's an incredible opportunity...

Tien-Tsin Huang: The keys that they're doing that at scale, right?

Katie Rooney: Yeah.

Tien-Tsin Huang: This is not...We're not talking about dozens of people.

Stephan Scholl: [laughs] No, I know. No.

Tien-Tsin Huang: Let's think back to the numbers of [inaudible] , if you don't mind. Recurring revenue growth, seven percent, employee services. Debt professional services recovering in the second half. Then you got the federal contract coming on. Help us unpack that 7 to 10 percent revenue growth target that's been out there.

You said revenue retention. What? 97 percent? There's a backlog. Again, trying to build up the pieces to build up to the overall growth rate.

Katie Rooney: Yeah. If you think about it for this year, again, we've said six to seven percent at seven percent recurring. Started the first quarter, so I think seeing good momentum across those services lines. When you take a step back, as you think about the drivers of this business, as I said, three to five-year contracts, good subscription base.

You don't see a lot of volatility on the core, whether up or down market in terms of how those contracts work. The opportunity is as we said in this environment...We talked about BPaaS. We talked about bringing the best of product and service.

You think about adding additional value to the client, especially in this market. The demand of moving our clients up that value chain. When you think about gross, we said, historically, we've been low-to-mid single digits. Going forward, we're going to be mid-to-high because we're capturing additional TAM in terms of driving outcomes, driving an ROI approach.

Additional content we're bringing into our clients that we can leverage to drive that growth. It's within our existing base and also new logo.

Tien-Tsin Huang: OK. Let me ask one more and then we'll open it up just on the capital structure side. You guys wrote it down, financial flexibility. That is something you have. No big debt maturities. You fixed out a lot of your debt. Is M&A...

The logical question that people are asking is at this point in the cycle, is that a logical assumption or priority for capital?

Katie Rooney: Let me start. Yeah, I think. When you think about where we sit today, we were self-funding our own investments. We're driving top line and bottom line. We're driving cash flow and we're going to invest inorganically.

There is a good opportunity from an M&A perspective to add on content, to add on additional international capabilities. You think about our distribution channel, 30 million people, the ability to sell into that. There's real opportunity there.

Tien-Tsin Huang: Content, geography. Is scale important? Or more adding more breadth is a bigger deal for you?

Stephan Scholl: We're also going to put a lot of effort. The race to Berlin for us is owning the relationship with those 30. Moving to 36 million participants. That is priority number one.

Tien-Tsin Huang: Products that are more end market, end-user oriented.

Stephan Scholl: I would say within the Worklife platform. We haven't done a lot of work on analytics and things like closed-loop reporting, but we have more to do to verticalized. There are very specialized little companies would be tuck-ins that are $5- to $25-million.

Companies that have really figured out close to reporting for banking, for retail on the analytics.

On the integration side, some pre-configured integrations are such more to deep technology stuff that we would manifest all around harmonizing the data and the analytics, and the experience for the end consumer through Worklife.

That 30 million people, anything health-related and well-being related, they look to Alight. That's the platform piece and then the international piece, you saw it with the IKEA announcement. You saw it with Shell, you saw it with Sartorius.

Companies are stopping localized buying decisions in the name of corporate governance and saying stop the siloed buy, we want to move to a corporate. I have thousands of people in EMEA and giving them more product around well-being.

I was in Holland just a few weeks ago after my India trip, and even places like ABN AMRO and others are all saying how can we do more around well-being? Even as socially responsible as the Dutch and other countries are, they still see that they have so much more to do, and there really is nobody doing it, and they would love to learn more about what's happening here in the US and how it applies.

Different revenue model, different cost model, but well-being is a big topic internationally as well.

Tien-Tsin Huang: Yeah, a lot of good content stuff that could happen. Any questions? Happy to take them now. I'll keep going. If you don't mind waiting for mic, let's use that. Thank you.

Audience Member: Hi. Just two questions. First on the federal Thrift, I think this is by far the biggest deal you've ever brought on. Working with Accenture, does that open up other opportunities going forward? Are there other large federal agencies, large corporations who are looking at this to see if you can handle that scale?

If so, can you speed up that in future deals, either of that size, smaller, or bigger? Are you learning from the federal Thrift, the way to speed the enter the pipeline to revenue recognition?

Stephan Scholl: I'll start with that last piece, which is we built our wealth cloud platform, which has gone live in the last few months, on the foundation of Thrift. Thrift was the enabler to spend

[inaudible] we needed. We needed to be.

You can imagine, as you all know, to be in the cloud for the government, all the fed ramp, all the gov cloud, all the certifications and securities, there's nothing more...

Banks, of course, are up there too, but federal government is the most stringent security framework on the planet. To be able to be compliant with that, we had a lot of work to do the last 18 months, which we have now all done. That's your last question.

Plus, just the partnership with Accenture, when you take the federal contract, there's provisions in there that allow us to take to the state level. I don't have a strong state department sales force today. Accenture does.

When you start thinking about there's many states with between 300,000 and 500,000 employees, pretty big. Not six million, but half a million times several of those equal a tremendous opportunity. Of course, they're all asking us how it's going, what's happening.

A lot of those provisions, a lot of the rules, a lot of the calculations that we do are very applicable to state government organizations. That's just going to take time, as you can well imagine. In terms of your first question, this is a big one. As you said to me last time, this is three Walmarts, and just getting one of those would be a feather in somebody's cap.

This for us, for me personally, I view it as real stated confirmation of not only us being able to drive a new strategy, but being able to execute against a large-scale transformation towards a new paradigm around well-being and the federal government being an anchor tenant around that.

Audience Member: Just one followup. You're amongst a rare breed in a universe of SPACs that hit their target, raise guidance, generating cash flow, no debt issues. Have you considered a buyback? You're generating significant EBITDA growth, you're targeting 10 percent revenue growth next year, and you're generating cash.

You're deleveraging pretty quickly. I know there are M&A opportunities out there. You don't want to make short-term mistakes for longer-term opportunities, but have you considered a buyback?

Katie Rooney: We're looking at all capital return decisions. It's something we look at. We look at it from a return perspective, a perceived value. It's also an interesting market that we're in right now. We're looking at all those opportunities.

Stephan Scholl: To your last point too. As you can see how passionate I am around, there's this small window of opportunity to go own that relationship. When we get that relationship with 30 million participants, that will put us, in terms of economics, and TAM, and everything else, up there with three to five corporate standards.

That's it. There's only three to five companies that can say that today. That's our goal. We need a lot of activity to do that. While our share price is where it is today, so have the acquisition targets have also come down commensurately. We're doing the trade-off balance of that as we go through the next few months. Thank you.

Katie Rooney: He's just bringing you your own mic.

Audience Member: Can you talk about who is your competition? There's a bunch of benefits admin folks. There are some that are more healthcare-oriented. Some are more employer or carrier-oriented. Help us understand, do you go head up against them? Do you partner with them?

Stephan Scholl: We talked about this with Tien-Tsin, I mentioned it earlier, which is, we compete with a lot of different competitors. Probably the best example is deals. If you look at the Navistar deal, the PWC deal, there's a lot more that we've won where they've sent out four RFPs for this well-being platform.

Included in those were Fidelity, the ADPs, to your comment, bswift, business solver -- one more in there -- Benefitfocus, thank you. You got Ceridian was a competitor. You have obviously all the Accolad,e Grand Rounds in that CM navigation space. That's maybe 10 of those. The issue is the reason why four RFPs were sent out, each one of our competitors solve for one of those four pieces.

We were the only ones who solved for all four of those pieces. Now, like anything in a sales process, it's never a given, you have to go in and win the best of breed battle while we fight the end-to-end enterprise transformation piece.

Those deals, a big company like PWC, you can imagine the size and scale of that company with 300-plus thousand people made a decision to give us all four of those contracts into one agreement because they saw the value of one relationship, one platform, one approach across these really important systems.

Those are great competitors and great companies in their own space, they just don't have our breath. Is that helpful?

Tien-Tsin Huang: Thanks for that. Any others. We got what? Less than five minutes left. Let me rapid fire a few more. We talked about M&A, someone asked a question around buybacks. The Bill Foley value creation playbook he's involved, just curious how engaged he is and if anything has changed there?

Stephan Scholl: I was with him last week. It's a rare breed to have investment banking background, and just being an investor, but he's also an operator. I've spent a lot of time with him around the design point of the company, around the next three to five years. He gives great advice and counsel.

He looks at 400 companies a year on average with different investment profiles, A, his personal money, his investment funds that he works with. He's a great source of information. He's also a great source of experience and value to me and to the team. He's very engaged. He's going to be with us in Chicago next week at our next week's board meeting.

Big supporter, and understands the orientation of taking a spreadsheet and when you put one percent improvement in there, how actually complicated it is to operate that. It's been super helpful.

Tien-Tsin Huang: Thinking about short term, I know a lot of focus on macro, and you've got the Federal contract, as we're looking at this externally, what big milestones or events do you think

are going to matter here for Alight as you look to '23 and even '24?

Stephan Scholl: Hitting our BPaaS bookings numbers this year. We are committed to basically $1.3 billion over two years, so that, which drives quality of revenue, gives us the revenue under contract into '23 that we've talked about, the thrift program. Getting that, to your earlier question, and just being able to as much as they'll let us market it, of course.

It's a lot of confidentiality around those types of agreements. Being able to say we're up and running, everybody will understand that. Getting that right and continuing to prove out the platform piece, and getting the voice of client. We're working on some really neat deals as we speak.

Being able to share those and just to be able to show the difference like the old world that you've under written against, perpetual to cloud in '14 through '16. A few companies saw that. I was in the middle of that when everybody said, "What, are you guys crazy giving up all that great gross margin on-premise dollars for some SaaS cloud-based 40 percent gross margin dream?"

We all know what happened there. Or best-of-breed to enterprise, we saw what companies like SAP and Oracle did to that 20 years ago. We're in that third big race of that people agenda moving from those two worlds to cloud, to harmonized, integrated. Continuing that platform piece of it and proving that out will be the third piece for me.

Katie Rooney: Yeah. Well said.

Tien-Tsin Huang: Does the turning of the calendar do anything in terms of changing the pipeline? When we catch up with you after the first quarter results, will you have a different picture on the pipeline at that point?

Katie: For next year, you mean?

Tien-Tsin Huang: Yeah, for next year just hypothetically, and any year. Thinking about just turning the calendar, people are thinking about their budgets. W2 has been paid out, budget has been set, does that matter or is there a pretty consistent flow?

Katie Rooney: It's pretty consistent. I think it comes back to timing of decisions because a lot of companies want to be able to, if they're going to make changes, do that in the back half of the year. They're making decisions, you're seeing higher sales flow through in back half of the year because then you have a year to work through that. I don't think that's big driver, honestly.

Tien-Tsin Huang: Pipeline is not the issue. It's just converting and the timing of close. Let me just get you guys out of here. Again, always grateful for you guys being here. It was alluded to in the other question, you've been meeting with investors, what do you think is still under-appreciated about Alight?

Katie Rooney: I'll give my answer, and then you should give yours. I think three things, first is the stability of the base, especially in a recessionary environment. As you've looked at us even through COVID, the subscription revenue is very stable. Just that base business of cash flow generation, we're going to continue to see that grow and drive value.

Back to my point, we're able to fund our own investment. You think about the health of just the stability of the core I think sometimes is underappreciated, with the opportunity to drive accelerated growth through the [inaudible] strategy where we're seeing demand. Seeing both sides of that, it's a little more complicated. I think that's a real opportunity.

Stephan Scholl: Two things I would say is, it's exciting to be in a category of one. It's also a negative being in a category of one, to your question, how do you underwrite? I appreciate the complexity of modeling us in underwriting to our playbook when there's a peer group that's very limited in what we do.

Again, I've been here twice before. I know that movie, I've seen it and have had a great success with it. I don't think this would be any different. The second one which is different than the last couple of playbooks is that we're actually doing it ourselves, investing while still maintaining the profitability, this profitable growth orientation.

I never want to go through that on-prem to cloud migration again. That was a hard three years to convince people that on the other side of that, there is this wonderful SaaS-based growth. Here,

we're actually doing profitable growth while we're transforming the business. That's a unique dynamic while we're growing our business.

Tien-Tsin Huang: Look, it's going to be fun to watch as we roll here. Thank you both for the update.

Stephan Scholl: Thank you for having us.

Katie Rooney: Thank you.

Tien-Tsin Huang: I'm sure I'll catch you at the next event.

Stephan Scholl: You got it. Good seeing you. Thanks everybody.