

3rd Quarter 2023 Earnings Presentation

Alight, Inc.

November 1, 2023

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Disclaimer

Forward-looking statements

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements include, but are not limited to, statements related to the expectations regarding the performance and outlook for Alight's business, financial results, liquidity and capital resources, our investments in our products and customers, our expected revenue under contract, statements regarding our capital structure, expectations regarding our project revenue, our expected margin framework, and other non-historical statements, including certain statements in the "Powerful results grounded in success of transformation" and "2023 guidance (over 95% of revenue under contract)" sections of this presentation. In some cases, these forward-looking statements can be identified by the use of words such as “outlook,” “believes,” “expects,” “potential,” “continues,” “may,” “will,” “should,” “could,” “seeks,” “projects,” “predicts,” “intends,” “plans,” “estimates,” “anticipates” or the negative version of these words or other comparable words. Such forward-looking statements are subject to various risks and uncertainties including, among others, risks related to declines in economic activity in the industries, markets, and regions our clients serve, including as a result of increases in inflation rates or interest rates or changes in monetary and fiscal policies, risks related to the performance of our information technology systems and networks, risks related to our ability to maintain the security and privacy of confidential and proprietary information, risks related to changes in regulation, including developments on the use of artificial intelligence and machine learning, and competition in our industry. Additional factors that could cause Alight’s results to differ materially from those described in the forward-looking statements can be found under the section entitled “Risk Factors” of Alight’s Annual Report on Form 10-K, filed with the Securities and Exchange Commission (the "SEC") on March 1, 2023, as such factors may be updated from time to time in Alight's filings with the SEC, which are, or will be, accessible on the SEC's website at www.sec.gov. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. These factors should not be construed as exhaustive and should be considered along with other factors noted in this presentation and in Alight’s filings with the SEC. Alight undertakes no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by law.

Financial statement presentation

This presentation is not considered to be prepared in accordance with GAAP and has not been prepared as pro forma results under applicable regulations.

Non-GAAP financial measures

Included in this presentation are certain non-GAAP financial measures, such as Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Gross Profit, Adjusted Gross Profit Margin, Adjusted Net Income, Adjusted Earnings per Share, Adjusted Diluted Earnings per Share, Operating Cash Flow Conversion, and Net Debt, designed to complement the financial information presented in accordance with U.S. GAAP because management believes such measures are useful to investors. These non-GAAP financial measures should be considered only as supplemental to, and not superior to, financial measures provided in accordance with GAAP. Please refer to the appendix of this presentation for a reconciliation of the historical non-GAAP financial measures included in this presentation to the most directly comparable financial measures prepared in accordance with GAAP.

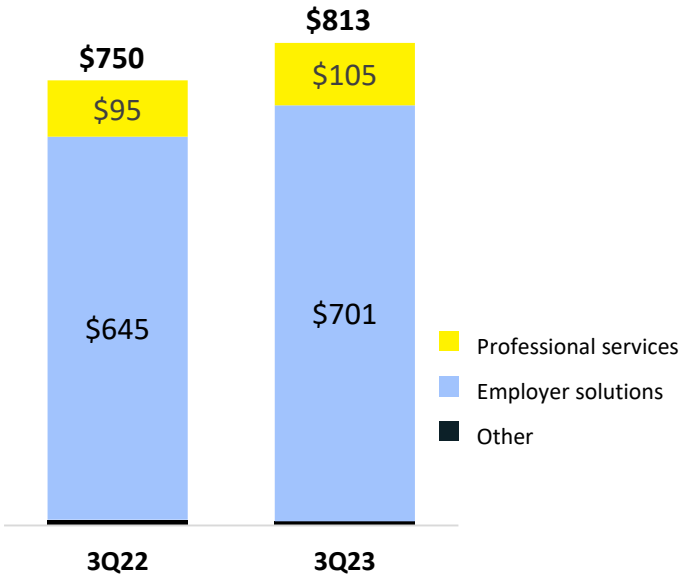
Reconciliations of the historical financial measures used in this presentation that are not recognized under U.S. GAAP are included or described in the tables attached to the appendix. Because GAAP financial measures on a forward-looking basis are not accessible, and reconciling information is not available without unreasonable effort, we have not provided reconciliations for forward-looking non-GAAP measures. For the same reasons, we are unable to address the probable significance of the unavailable information, which could be material to future results.

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Strong 3Q performance with revenue growth of 8.4% versus prior year

3Q revenue ($ in millions)



KEY HIGHLIGHTS

Recurring Revenue	↑8.3% 83.3% of total revenue
BPaaS Revenue	↑21.9% 22.6% of total revenue
Employer Solutions Adjusted Gross Profit Margin %[1]	↑390 bps To 37.1%

BPaaS bookings of $262 million, growth of 26% from prior year

[1] Adjusted gross profit is defined as revenue less cost of services adjusted for depreciation, amortization and share-based compensation. Adjusted gross profit margin percent is defined as adjusted gross profit divided by revenue. A reconciliation of this non-GAAP financial metric to its closest comparable GAAP metric is included in the appendix.

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Powerful results grounded in success of transformation

1

Broad-based demand for solutions reflected in strong quarterly bookings

- Delivered $262 million in BPaaS bookings, representing growth of 26% from prior year
- Cumulative bookings at 9/30/23 of nearly $2 billion, approximately $500 million ahead of three-year plan
- Significant new logo wins and expanded relationships through Alight Worklife with FedEx, NielsenIQ and Royal BAM Group

2

Executing strategy and delivering results that drive value

- Strong revenue growth in both segments, with Employer Solutions up 8.7% and Professional Services up 10.5%
- Adjusted gross profit margin[1] improved 340 basis points to 35.3%
- Adjusted EBITDA[2] of $158 million or growth of 18.8% from prior year
- Year to date operating cash flow increased by $50 million from the prior year to $251 million, or growth of 25%

3

Delivering a better user experience and improved tools that drive savings for employers and Alight

- New annual enrollment features introduced such as *quick enroll* and *restore your progress* are simplifying the signup process, saving time, and reducing call center volumes
    - Experiencing call center volumes reduction of 11% related to annual enrollment
- Ongoing investment in artificial intelligence grounded in delivering an improved user experience, enabling confident decisions, and creating value for clients
- Deeper integration of leaves management within Alight Worklife® combined with enhanced features are creating clear use cases for significant employer savings

[1] A reconciliation of this non-GAAP financial metric to its closest comparable GAAP metric is included in the appendix.
[2] Adjusted EBITDA is defined as earnings before interest, taxes, depreciation and intangible amortization adjusted for the impact of certain non-cash and other items that we do not consider in the evaluation of ongoing operational performance. A reconciliation of this non-GAAP financial metric to its closest comparable GAAP metric is included in the appendix.

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Strong 3Q revenue growth and margin expansion driving profitability

($ in millions)	3Q23	3Q22	Change
Revenue			
Total Revenue	*$813*	*$750*	*+8.4%*
Revenue ex-Other	*$806*	*$740*	*+8.9%*
BPaaS Revenue	*$184*	*$151*	*+21.9%*
Adjusted Gross Profit[1]	$287	$239	+20.1%
% margin	*35.3%*	*31.9%*	*+340 bps*
Adjusted EBITDA[1, 2]	$158	$133	+18.8%
% margin	*19.4%*	*17.7%*	*170 bps*

3Q Highlights

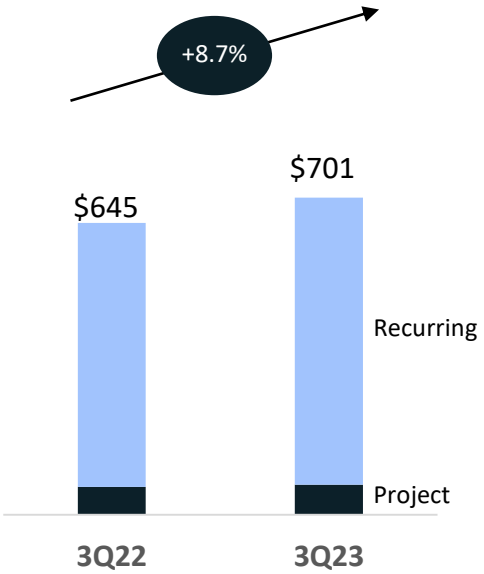
- Top-line growth of 8.4% driven by strong growth in both segments and substantial BPaaS revenue growth
- Continued strong expansion in adjusted gross profit margin led by largest segment, Employer Solutions
- Adjusted EBITDA grew 18.8% with margins improving 170 basis points

[1] A reconciliation of this non-GAAP financial metric to its closest comparable GAAP metric is included in the appendix.
[2] Adjusted EBITDA margin percent is defined as adjusted EBITDA divided by revenue.

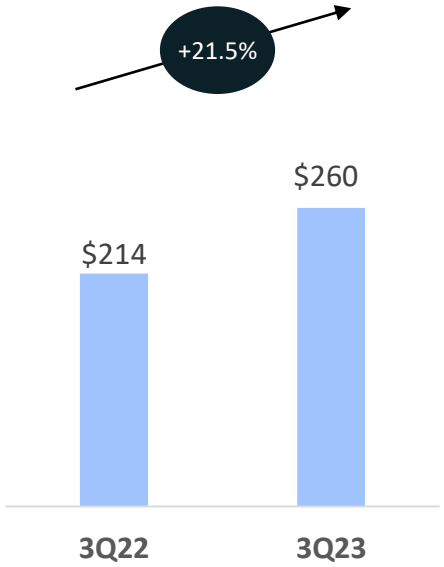
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Employer Solutions delivering strong profitability & margin expansion

Revenue ($M)



Adjusted Gross Profit ($M)[1]



3Q Highlights

- 8.7% growth in recurring revenue
- Project revenue growth of 8.1%
- Adjusted gross profit margin[1] increased 390 basis points
- Continued margin expansion driven by BPaaS growth and productivity savings

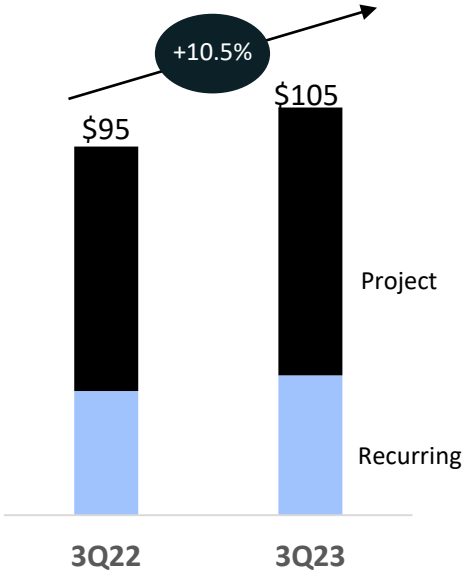
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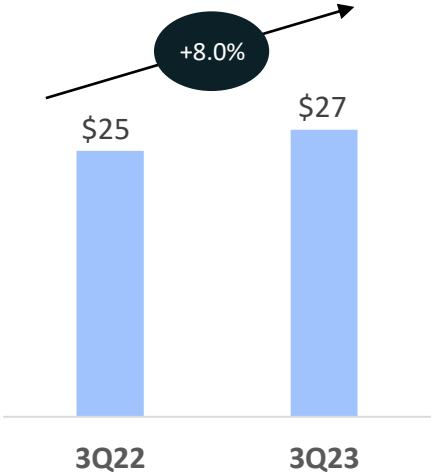
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Professional Services accelerating revenue growth driven by high-profile projects

Revenue ($M)



Adjusted Gross Profit ($M)[1]



3Q Highlights

- Strong bookings over last year drove double-digit revenue growth
- Recurring revenue increased 12.5%
- Project revenue driven by large implementations, which enable future BPaaS revenues

[1] A reconciliation of this non-GAAP financial metric to its closest comparable GAAP metric is included in the appendix.

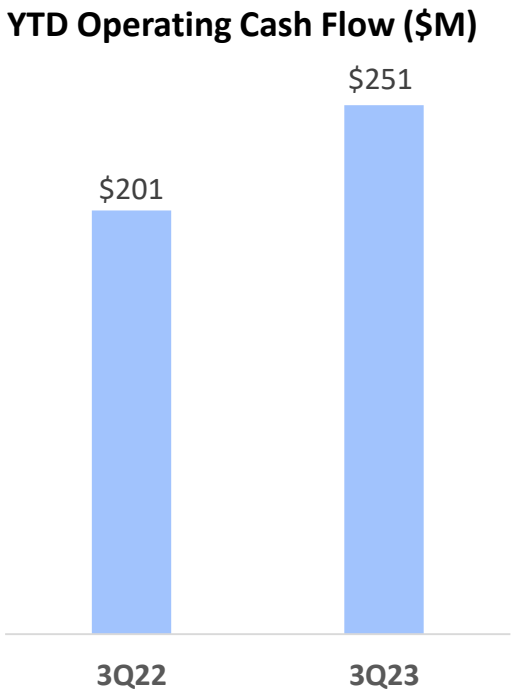
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Strong cash flow generation and capital structure focus enhances flexibility

($ millions)	9/30/2023	12/31/2022
Total Debt	**$2,801**	**$2,823**
Less Cash	$276	$250
Net Debt	**$2,525**	**$2,573**

- Completed opportunistic repricing of 2028 term loan
  - Improved interest rate by 25 basis points for anticipated $6M annualized interest expense savings
- Lower expected 2023 interest expense of $130M - $135M, from $140M – $150M
- Well-protected in volatile interest rate environment
  - 84% fixed through 2024 and 60% through 2025
- YTD operating cash flow grew $50M versus prior year, growth of 25%
- Repurchased $26M of shares in the third quarter; remaining authorization of $48M at 9/30/23



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2023 guidance (Over 95% of revenue under contract)[1]

Raised 2023 adjusted EPS guidance range
$2.7 billion of 2024 revenue under contract[1]

	FY 2023 Guidance
Revenue	$3.47 – $3.51B *+11 - 12%*
Adjusted EBITDA	$735 - $750M *+12 - 14%*
Adjusted EPS	$0.65 – $0.69 *Up from $0.62-$0.67*
BPaaS Bookings TCV	$700 – $900M
Operating Cash Flow Conversion %[2]	45-55%

Key Factors

- Accelerating growth driven by BPaaS bookings & full-year impact of Federal Thrift
- Professional Services project revenue expected to rebound with higher backlog entering the year
- Continuing investments in Alight Worklife & streamlining our back-office

Modeling Considerations

- Revenue growth rate was first half weighted in part due to Federal Thrift
- Monitoring macroenvironment and 4Q contributions from short-term projects within Employer Solutions, commissions within our Retiree Health business, and Professional Services

[1] As of September 30, 2023.
[2] Operating cash flow conversion is calculated annually as Cash provided by operating activities as a percentage of Adjusted EBITDA
Note: This information is based on management's current expectations and estimates, which are based in part on market and industry data. Many factors are outside the control of management, and actual results may differ materially from the information set forth above. The Company has not reconciled forward-looking non-GAAP measures as reconciling information is not available without unreasonable effort. Please refer to Disclaimers - "Forward-Looking Statements" and "Non-GAAP financial measures" herein and the risk factors set forth in our filings with the SEC.

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Appendix – Non-GAAP Reconciliations

Adjusted diluted EPS and modeling notes

Adjusted diluted EPS bridge		
	2023	Notes
Adjusted EBITDA	$735-750M	See page 12
Depreciation	$105-110M	~3% of revenue
Interest Expense	$130-135M	Based on current forward curve and hedges in place
Adjusted EBT	$490-510M	-
Adjusted Taxes[1]	$120-135M	24% - 28% effective tax rate
Adjusted Net Income	$355-375M	-
Diluted O/S[2]	544.5M	See page 14
Adjusted Diluted EPS[3]	$0.65-0.69	-

Additional Modeling Notes

- CapEx usage of ~5% revenue and W/C usage of ~4% revenue
- 2023 expected stock comp expense: $150-155M[4]
- Expect stock-based comp expense to average between 2-3% of revenue following this year
- Adjusted results exclude all cash tax benefits from tax amortization of intangibles and other items

[1] Assumes a 26% US tax rate (federal + state), with a higher potential average effective tax rate due to incremental tax in international jurisdictions. Due to significant tax amortization deductions and certain tax credit carryforwards, the Company has a low single-digit cash tax rate.
[2] A calculation of diluted shares outstanding is included in the appendix.
[3] Adjusted Diluted Earnings per Share is defined as Adjusted Net Income divided by the adjusted weighted-average number of shares of Alight Inc. common stock, diluted.
[4]The estimated range is impacted by the expense recognition related to the probable achievement of the Company's PRSUs as well as forfeitures.
Note: This information is based on management's current expectations and estimates, which are based in part on market and industry data. Many factors are outside the control of management, and actual results may differ materially from the information set forth above. The Company has not reconciled forward-looking non-GAAP measures as reconciling information is not available without unreasonable effort. Please refer to "Forward-Looking Statements" and "Non-GAAP financial measures" herein and the risk factors set forth in our filings with the SEC.

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Reconciliation of Net Income (Loss) to Adjusted EBITDA

Reconciliation of Net Loss to Adjusted EBITDA
(Unaudited)

(in millions)	Three Months Ended September 30		Nine Months Ended September 30	
	2023	2022	2023	2022
Net Income (Loss)	$ (46)	$ (45)	$ (192)	$ (6)
Interest expense	34	31	100	89
Income tax expense (benefit)	31	(20)	26	(28)
Depreciation	26	21	76	56
Intangible amortization	79	78	239	237
EBITDA	124	65	249	348
Share-based compensation	35	54	110	129
Transaction and integration expenses[(1)]	6	2	16	11
Restructuring	17	23	73	43
(Gain) Loss from change in fair value of financial instruments	(36)	10	(11)	(53)
(Gain) Loss from change in fair value of tax receivable agreement	11	(20)	30	(63)
Other[(2)]	1	(1)	2	2
Adjusted EBITDA	$ 158	$ 133	$ 469	$ 417
Revenue	$ 813	$ 750	$ 2,450	$ 2,190
Adjusted EBITDA Margin[(3)]	19.4%	17.7%	19.1%	19.0%

[(1)] Transaction and integration expenses primarily relate acquisition activity.

[(2)] Other primarily includes expenses related to debt financing.

[(3)] Adjusted EBITDA Margin is defined as Adjusted EBITDA as a percentage of revenue.

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Reconciliation of Gross Profit to Adjusted Gross Profit

	Three Months Ended September 30, 2023			
($ in millions)	**Employer Solutions**	**Professional Services**	**Other**	**Total**
Gross Profit	$ 231	$ 26	$ -	$ 257
Add: stock-based compensation	9	-	-	9
Add: depreciation and amortization	20	1	-	21
Adjusted Gross Profit	$ 260	$ 27	$ -	$ 287
Gross Profit Margin	33.0%	24.8%	-	31.6%
Adjusted Gross Profit Margin	37.1%	25.7%	-	35.3%

	Three Months Ended September 30, 2022			
($ in millions)	**Employer Solutions**	**Professional Services**	**Other**	**Total**
Gross Profit	$ 189	$ 23	$ -	$ 212
Add: stock-based compensation	11	1	-	12
Add: depreciation and amortization	14	1	-	15
Adjusted Gross Profit	$ 214	$ 25	$ -	$ 239
Gross Profit Margin	29.3%	24.2%	-	28.3%
Adjusted Gross Profit Margin	33.2%	26.3%	-	31.9%

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Reconciliation of Net (Loss) Income Attributable to Alight, Inc. to Adjusted Net Income & Adjusted Diluted Earnings per Share

Reconciliation of Net Income (Loss) Attributable to Alight, Inc. to Adjusted Net Income and Adjusted Diluted Earnings per Share
(Unaudited)

(in millions, except share and per share amounts)	Three Months Ended September 30		Nine Months Ended September 30	
	2023	2022	2023	2022
Numerator:				
Net (Loss) Income Attributable to Alight, Inc.	$ (48)	$ (37)	$ (183)	$ 3
Conversion of noncontrolling interest	2	(8)	(9)	(9)
Intangible amortization	79	78	239	237
Share-based compensation	35	54	110	129
Transaction and integration expenses	6	2	16	11
Restructuring	17	23	73	43
(Gain) Loss from change in fair value of financial instruments	(36)	10	(11)	(53)
(Gain) Loss from change in fair value of tax receivable agreement	11	(20)	30	(63)
Other	1	(1)	2	2
Tax effect of adjustments[1]	7	(37)	(44)	(104)
Adjusted Net Income	$ 74	$ 64	$ 223	$ 196
Denominator:				
Weighted average shares outstanding - basic	493,226,324	457,904,703	486,683,943	457,535,329
Dilutive effect of the exchange of noncontrolling interest units	—	—	—	75,800,317
Dilutive effect of RSUs	—	—	—	770,953
Weighted average shares outstanding - diluted	493,226,324	457,904,703	486,683,943	534,106,599
Exchange of noncontrolling interest units[2]	40,858,016	75,800,317	47,618,819	—
Impact of unvested RSUs[3]	9,161,197	10,289,937	9,161,197	9,518,984
Adjusted shares of Class A Common Stock outstanding - diluted[4]	543,245,537	543,994,957	543,463,959	543,625,583
Basic (Net Loss) Earnings Per Share	$ (0.10)	$ (0.08)	$ (0.38)	$ 0.01
Diluted (Net Loss) Earnings Per Share	$ (0.10)	$ (0.08)	$ (0.38)	$ —
Adjusted Diluted Earnings Per Share[4][5]	$ 0.14	$ 0.12	$ 0.41	$ 0.36

(1) Income tax effects have been calculated based on statutory tax rates for both U.S. and foreign jurisdictions based on the Company's mix of income and adjusted for significant changes in fair value measurement.

(2) Assumes the full exchange of the units held by noncontrolling interests for shares of Class A Common Stock of Alight, Inc. pursuant to the exchange agreement.

(3) Includes non-vested time-based restricted stock units that were determined to be antidilutive for U.S. GAAP diluted earnings per share purposes.

(4) Excludes two tranches of contingently issuable earnout shares: (i) 7.5 million shares will be issued if the volume-weighted average price ("VWAP") of the Company's Class A Common Stock is >$12.50 for 20 consecutive trading days; and (ii) 7.5 million shares will be issued if the VWAP of the Company's Class A Common Stock is >$15.00 for 20 consecutive trading dates. Both tranches have a seven-year duration.

(5) Excludes 28,547,275 and 33,148,917performance-based units, which represents the gross number of shares expected to vest based on achievement of performance conditions as of Sept 30, 2023 and Sept 30, 2022, respectively.

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