

4th Quarter and Full-year 2024 Earnings Presentation

Alight, Inc.

February 20, 2025

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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 relating to our ability to execute on our strategy and enhance shareholder value, statements related to our anticipated future performance (including our expected recurring revenue and margin profile, and savings from our cloud migration), statements related to our expected quarterly dividend program and expected stock buyback programs, statements related to our expected revenue under contract and ARR bookings, and 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 clients, statements regarding our capital structure, expectations regarding our project revenue, and other non-historical statements, including certain statements in the “4Q24 strategic highlights”, “Key drivers of revenue growth”, “Business outlook (89% of 2025 revenue under contract)”, “Capital structure update”, and “FY25 Adjusted diluted EPS and modeling notes” 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 changes in monetary and fiscal policies, competition in our industry, risks related to our ability to successfully separate our Payroll and Professional Services business, 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 actions or proposals from activist stockholders, risks related to the use of certain operational measures that may not have standard definitions, and risks related to changes in regulation, including developments on the use of artificial intelligence and machine learning. 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 February 29, 2024 and in the Quarterly Report on Form 10-Q filed with the SEC on May 8, 2024 and on November 12, 2024, 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 proforma results under applicable regulations. Additionally, certain of the information in this presentation is not presented in accordance with GAAP or the requirements of Article 11 of Regulation S-X ("Regulation S-X") with respect to proforma financial information. In particular, this presentation includes supplemental proforma financial information that includes certain management adjustments in addition to those permitted under Regulation S-X. We believe the supplemental information is helpful in, among other things, presenting our results more consistently across prior periods. For more about those management adjustments, please see “Background regarding proforma adjusted supplemental financial results” in the appendix. For information presented in accordance with Regulation S-X, please see our Current Report on Form 8-K filed with the SEC on February, 20 2025.

Non-GAAP financial measures and other information

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, Free Cash Flow, Adjusted Operating Cash Flow, Operating Cash Flow Conversion (adjusted for separation costs), Net Leverage Ratio 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. Additionally, Net Leverage Ratio and Net Debt, as presented herein, differ from the Net Leverage Ratio and Net Debt figures as those relate to the Credit Facility, as the Borrower under the Credit Facility is Tempo Acquisition, LLC rather than Alight. We also use proforma adjusted EBITDA to calculate the Net Leverage Ratio as presented herein. 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.

ARR bookings is an operational metric that represents management’s estimate of new long-term agreements closed in the period referenced. Revenue Under Contract is an operational metric that represents management’s estimate of anticipated revenue expected to be recognized in the period referenced based on available information that includes historical client contracting practices. Our ARR bookings and Revenue Under Contract metrics do not reflect potential future events such as unexpected client volume fluctuations, early contract terminations or early contract renewals. These metrics may differ from similar terms used by other companies and therefore comparability may be limited.

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4Q24 strategic highlights

1 **Strong finish to the year in line with expectations**

- Recurring revenue grew 0.3% from prior year to $617 million
    - Recurring revenue represented 90.7% of total revenue
- Adjusted EBITDA[1] of $217 million with adjusted EBITDA margin improving 10 basis points from prior year

2 **Commercial momentum sustained with strong revenue under contract[2] to start 2025**

- New wins or expanded relationships with companies including Fortune Brands Innovations and Agilis Partners
- Executed on double-digit ARR bookings[2] for 2H24 with full-year ARR bookings of $114 million, representing growth of 18%
- Entered 2025 with 89% of full year revenue under contract[2]

3 **Balancing capital return while strengthening balance sheet**

- Initiated quarterly dividend of $0.04 per share
- Repurchased $12 million of shares
- In conjunction with earnings announcement, increased stock repurchase authorization by $200 million
- Subsequent to year-end, repriced $2 billion term loan with expected interest savings of $10 million on annualized basis

4 **Strong annual enrollment execution while improving opportunities for benefits engagement**

- ~10 million participants successfully completed annual enrollment, with mobile enrollments increasing 69% from the prior year
- Announced Alight Worklife® integration with Microsoft Teams

[1] 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. Adjusted EBITDA margin is defined as Adjusted EBITDA divided by revenue. A reconciliation of these non-GAAP financial metric to its closest comparable GAAP metric is included in the appendix.
[2] ARR Bookings and Revenue Under Contract are operational metrics that do not have standard definitions and therefore comparability may be limited. See disclaimer for more information.

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Latest Alight Worklife release expands the client value proposition



First release of 2024 introduced ~50 new features

Integration with Microsoft Teams
Alight Worklife for Microsoft Teams brings powerful features into the Teams environment, enabling better benefits engagement, real-time insights and personalized support in the flow of everyday work

AI-powered innovations driven by Alight LumenAI™
Upgraded features bring next-level intelligence and greater efficiency including a new Reporting and Analytics platform to provide deeper insights for employers as well as expanded automation in claims processing

Introduction of Alight IRA
Versatile retirement savings solution offers easy rollover of old 401(k)s, a wide range of investment options and support to keep participants on an integrated path to maintain and grow retirement savings

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4Q24 financial results

($ in millions)	4Q24	4Q23[1]	Change
Revenue			
Recurring Revenue	$617	$615	+0.3%
Project Revenue	$63	$76	-17.1%
Total Revenue	**$680**	**$691**	**-1.6%**
Adjusted Gross Profit[2] % margin	$300 44.1%	$311 45.0%	-3.5% -90 bps
Adjusted EBITDA % margin	$217 31.9%	$220[3] 31.8%	-1.4% +10 bps

[1] 4Q23 results are presented on a proforma adjusted basis, please see disclaimer slide for additional information about proforma adjustment presentation and see appendix for details regarding adjustments and reconciliations, where applicable.
[2] 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.
[3] $3M of expense reclassified between continuing operations and discontinued operations from previous figures reducing 3Q23 Adjusted EBITDA and increasing 4Q23 Adjusted EBITDA, no expected impact to full year 2023.

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2024 financial results

($ in millions)	FY24[1]	FY23[1]	Change
Revenue			
Recurring Revenue	$2,156	$2,177	-1.0%
Project Revenue	$197	$219	-10.0%
Total Revenue	**$2,353**	**$2,396**	**-1.8%**
Adjusted Gross Profit % margin	$942 40.0%	$971 40.5%	-3.0% -50 bps
Adjusted EBITDA % margin	$594 25.2%	$596 24.9%	-0.3% +30 bps

[1] FY23 and FY24 results are presented on a proforma adjusted basis, please see disclaimer slide for additional information about proforma adjustment presentation and see appendix for details regarding adjustments and reconciliations, where applicable.

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Key drivers of revenue growth

	Growth Model	2025 Outlook	Operational Drivers of Growth
1 **Revenue from New Wins:** Bookings with new logos & existing client expansions that go-live and add revenue to the existing base of recurring revenue, including project revenue sold during current year	**+6 - 8%**	**~5 - 7%**	🟢 ARR bookings up 18% 🟡 Project revenue pipeline
2 **Volumes:** Our revenue base is ~90% PEPM (per employee per month) billing based on the # of eligible participants for each client and is variable each month based on our clients' growth or contraction in employees	**+0 - 2%**	**~0 - 1%**	🟡 Cautious view on employment levels
3 **Contract Renewals:** Lost revenue from the prior year revenue base from clients who did not renew	**(4) – (2)%**	**(6.5)%**	🟢 2024 renewal cycle with retention up 8 pts. YoY 🔴 2023 losses contribute over 2%
	+4 - 6%	**(1.5) - 1.5%**	

Notes on 2025 Expectations:

1. **Revenue from new wins:** Growth driven by 2023 and 2024 ARR bookings, as well as in-year revenue from 2025 bookings. Variability driven by project.
2. **Volumes:** Removed impact of COBRA legislation, variability in underlying client employment, slight benefit from new client and M&A volumes.
3. **Contract renewals:** 2025 expected to resemble 2024 with lag effect of losses from 2023 and early 2024. Recent contract renewals impacting 2H25 and 2026 improved.

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Business outlook (89% of 2025 revenue under contract)

Full Year 2025 business outlook	
Revenue	$2,318– $2,388M (1.5)% - 1.5%
Adjusted EBITDA	$620 - $645M 4% - 9%
Adjusted EPS	$0.58 – $0.64 2% - 12%
Free Cash Flow[1]	$250 - 285M 13% - 29%

Revenue Under Contract[2] as of 12/31/24	
Full year 2025	$2.1B (↑$260M[3])
Full year 2026	$1.5B (↑$170M[3])
Full year 2027	$1.2B

Modeling Considerations

Revenue & Bookings

- Total revenue at midpoint expected flat from prior year with recurring revenue up approximately 1% and project revenue down 6%
- Revenue growth rate will ramp through 2025 with a similar profile to 2024 with timing of new wins & losses… expect recurring revenue growth rate each quarter better than prior year comparable period
- Expect 1Q25 growth rate of -4% to -3%, including recurring revenue of -2.5% to -1.5%, project revenue down ~25%
- Expect 2Q25 growth rate of -3% to -1.5%, including recurring revenue of -1% to 0.5%, project revenue down ~25%
- 2H25 growth of low to mid single-digits expected, supported by revenue under contract & contractual go-lives
- Expect full-year 2025 ARR bookings of $130-145M
- Business impact related to tariffs & activities from the Department of Government Efficiency expected to be immaterial based on nature of public sector work and contracts

Adjusted EBITDA

- Expect full-year Adj. EBITDA margin of 26.7%-27.0%, expansion of 150 -180 basis pts.
- 1Q25 Adj. EBITDA of $110-120M, expected to be impacted by high-margin project work & divestiture dis-synergies… margin acceleration begins in 2Q25 through remainder of year

[1] Free cash flow is defined as cash provided by operating activities net of capital expenditures.
[2] See disclaimer slide for more information.
[3] Compared to revenue under contract at 9/30/24

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 "Disclaimer--Forward-looking statements" and "Disclaimer--Non-GAAP financial measures and financial statement presentation" herein and the risk factors set forth in our filings with the SEC.

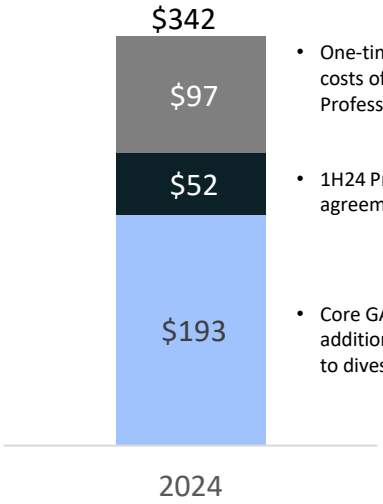
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Capital structure update

($ millions)	12/31/2024	12/31/2023
Total Debt	**$2,025**	**$2,794**
Less Cash	$343	$324
Net Debt	**$1,682**	**$2,470**

- Net leverage ratio[1] of 2.8x on proforma basis at 12/31/2024
- Debt is 70% fixed for 2025 and 40% for 2026
  - Repriced $2 billion term loan in January 2025, expect $10 million of annualized savings
  - No debt maturities until 2028
- Repurchased $12 million of shares in 4Q and initiated quarterly dividend of $0.04 per share
  - $167 million of shares repurchased in 2024
  - $281 million remaining authorization following upsizing

FY24 Adj. Operating Cash Flow ($M)



- One-time separation costs of $82M and deal costs of $15M related to Payroll & Professional Services sale
- 1H24 Proforma adjustments for commercial agreement, TSA & debt paydown related to sale
- Core GAAP operating cash flow impacted by additional working capital/receivables related to divested business

Operating Cash Flow Conversion[2] of 58% in 2024 excluding separation costs

[1] Net leverage ratio is defined as Alight's total balance sheet debt less cash and cash equivalents divided by Alight's proforma adjusted EBITDA for the trailing twelve months. Please refer to "Disclaimer – Non-GAAP financial measures and other information".
[2] Operating cash flow conversion is defined as cash provided by operating activities divided by adjusted EBITDA.

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FY25 adjusted diluted EPS and modeling notes

Adjusted diluted EPS bridge		
	FY 2025	Notes
Adjusted EBITDA	$620-645M	See slide 8
Depreciation	$110-120M	4-5% of revenue
Interest Expense	$90-100M	Based on current forward curve and hedges in place
Adjusted EBT	$410-435M	-
Adjusted Taxes[1]	$90-100M	21-24% annual adj. ETR
Adjusted Net Income	$315-340M	-
Diluted O/S[2]	535-545M	-
Adjusted Diluted EPS[3]	$0.58-0.64	-

2025 Notes

- Capital expenditures[4] between 4-5% of revenue
- W/C usage of 3-4% of revenue
- Stock comp expense: 2-3% of revenue[5]
- Adjusted diluted EPS does not contemplate any impact from potential share buybacks
- Adjusted results exclude all cash tax benefits from tax amortization of intangibles and other items

[1] Assumes a 26% statutory tax rate with a lower potential adjusted tax rate due to significant goodwill amortization deductions, credit carryforwards and loss carryforwards. The Company expects a low single digit cash tax rate.
[2] Management estimate of adjusted weighted shares outstanding
[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] Excludes capitalized leases
[5] 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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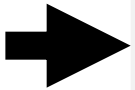
Appendix-Proforma Adjustment Reconciliations

Background regarding proforma adjusted supplemental financial results

Proforma adjusted supplemental financial results are designed to show the impact of the sale of the Payroll and Professional Services business as if it had happened at the beginning of 2023 with the objective of providing better comparability between periods. It includes the Company's actual results from continuing operations 'adjusted' for certain items that are the direct result of the transaction and our use of transaction proceeds. While we believe this presentation is useful to investors, these proforma adjusted financials should be viewed only as supplemental information to our previously and future reported results.

Key Proforma Adjustments

1. Services (e.g., customer care) that Alight is providing to Strada and receiving revenue pursuant to a Commercial Agreement
2. Certain shared delivery and technology costs that Alight either no longer incurs or will be reimbursed for under Transition Services Agreement (TSA)
3. Adjustments for lower interest expense from debt paydown in July '24
4. Tax impacts from above adjustments



Proforma Adjusted Financial Metrics

1. Adjusted income statement metrics for 4Q23, FY23 and FY24
   - Proforma adjusted Revenue
   - Proforma adjusted Gross Profit/margin
   - Proforma adjusted EBITDA/margin
   - Proforma adjusted EPS
2. Adjusted cash flow metrics for 1H24

Note: For more information, see slides 13-17

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Total Revenue Disaggregation with Proforma Adjustments (unaudited)

($ in millions)	Three Months Ended December 31, 2023	Twelve Months Ended December 31, 2023	Twelve Months Ended December 31, 2024
Revenue:			
Recurring	$ 606	$ 2,141	$ 2,135
Proforma Adjustments	*9*	*36*	*21*
Recurring - adjusted	615	2,177	2,156
Project	76	219	197
Total Revenue, excluding Hosted	691	2,396	2,353
Hosted Revenue	-	26	-
Total Revenue	$ 691	$ 2,422	$ 2,353

Note: Proforma adjustments reflect commercial agreement, see definition of Proforma adjustments on slide 12

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Reconciliation of Gross Profit to Adjusted Gross Profit with Proforma Adjustments (unaudited)

($ in millions)	Twelve Months Ended December 31, 2023	Twelve Months Ended December 31, 2024
Gross Profit	$ 812	$ 794
Add: stock-based compensation	30	14
Add: depreciation and amortization	72	96
Add: Proforma Adjustments	*57*	*38*
Adjusted Gross Profit	$ 971	$ 942
Gross Profit Margin	33.9%	33.7%
Adjusted Gross Profit Margin	40.5%	40.0%

($ in millions)	Three Months Ended December 31, 2023
Gross Profit	$ 270
Add: stock-based compensation	9
Add: depreciation and amortization	18
Add: Proforma Adjustments	*14*
Adjusted Gross Profit	$ 311
Gross Profit Margin	39.1%
Adjusted Gross Profit Margin	45.0%

Note: Proforma adjustments reflect commercial agreement and TSA, see definition of Proforma adjustments on slide 12

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Reconciliation of Net Income (Loss) to Adjusted EBITDA with Proforma Adjustments (unaudited)

(in millions)	Three Months Ended December 31, 2023	Twelve Months Ended December 31, 2023	Twelve Months Ended December 31, 2024
Net Income (Loss) From Continuing Operations	$ (121)	$ (317)	$ (140)
Interest expense	31	131	103
Income tax expense (benefit)	25	(20)	(8)
Depreciation	23	92	115
Intangible amortization	71	281	280
EBITDA From Continuing Operations	29	167	350
Share-based compensation	46	139	76
Transaction and integration expenses [(1)]	13	29	82
Restructuring	10	73	63
(Gain) Loss from change in fair value of financial instruments	21	10	(57)
(Gain) Loss from change in fair value of tax receivable agreement	88	118	34
Other	(1)	1	8
Adjusted EBITDA From Continuing Operations	$ 206	$ 537	$ 556
Proforma Adjustments	*$ 14*	*$ 59*	*$ 38*
Adjusted EBITDA w/ Proforma Adjustments	$ 220	$ 596	$ 594
Total Revenue, excluding Hosted	$ 691	$ 2,396	$ 2,353
Adjusted EBITDA Margin [(2)]	31.8%	24.9%	25.2%
Total Debt		2,794	2,025
Cash and cash equivalents		324	$ 343
Net Leverage Ratio [(3)]*		**3.3x**	**2.8x**

(1) Transaction and integration expenses primarily relate to acquisition and divestiture activities.

(2) Adjusted EBITDA Margin is defined as Adjusted EBITDA as a percentage of revenue.

(3) Net leverage ratio is defined as total balance sheet debt less cash and cash equivalents divided by the last twelve months of Adjusted EBITDA.

* December 31, 2023 Net Leverage Ratio based on Total Company results prior to divestiture.

Note: Proforma adjustments reflect commercial agreement and TSA, see definition of Proforma adjustments on slide 12

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Reconciliation of Net (Loss) Income to Adjusted Net Income & Adjusted Diluted Earnings per Share with Proforma Adjustments(unaudited)

(in millions, except share and per share amounts)	Twelve Months Ended December 31, 2023	Twelve Months Ended December 31, 2024
Numerator:		
Net Income (Loss) Attributable to Alight, Inc.	$ (300)	$ (138)
Conversion of noncontrolling interest	(17)	(2)
Intangible amortization	281	280
Share-based compensation	139	76
Transaction and integration expenses	29	82
Restructuring	73	63
(Gain) Loss from change in fair value of financial instruments	10	(57)
(Gain) Loss from change in fair value of tax receivable agreement	118	34
Other	1	8
Tax effect of adjustments	(100)	(85)
Adjusted Net Income	$ 234	$ 261
Proforma Adjustments	*$ 82*	*$ 52*
Adjusted Net Income with Proforma Adjustments	$ 316	$ 313
Denominator:		
Weighted average shares outstanding - basic	489,461,259	539,861,208
Dilutive effect of the exchange of noncontrolling interest units	—	510,237
Dilutive effect of RSUs	—	—
Weighted average shares outstanding - diluted	489,461,259	540,371,445
Exchange of noncontrolling interest units	44,569,341	518,412
Impact of unvested RSUs	10,080,390	7,325,106
Adjusted shares of Class A Common Stock outstanding - diluted	544,110,990	548,214,963
Basic (Net Loss) Earnings Per Share	$ (0.61)	$ (0.26)
Diluted (Net Loss) Earnings Per Share	$ (0.61)	$ (0.26)
Adj Diluted EPS w/ Proforma Adjustments	$ 0.58	$ 0.57

Note: Proforma adjustments reflect commercial agreement, TSA, interest expense and tax impact, see definition of Proforma adjustments on slide 12

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Reconciliation of 2024 Operating Cash Flow with Proforma Adjustments (unaudited)

(in millions)	Twelve Months Ended December 31, 2024
Net cash provided by continuing operating activities	$ 193
Separation costs	97
Proforma Adjustments	*52*
Net cash provided by continuing operating activities w/ proforma adjs	$ 342
Adjusted EBITDA from continuing operations w/ proforma adjs	$ 594
Operating Cash Flow Conversion	58%

Note: Proforma adjustments reflect commercial agreement, TSA, interest expense and tax impact, see definition of Proforma adjustments on slide 12

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Appendix-GAAP to Non-GAAP Reconciliations

Reconciliation of Net Income (Loss) to Adjusted EBITDA (unaudited)

(in millions)	Three Months Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023
Net Income (Loss) From Continuing Operations [1]	$ 29	$ (121)	$ (140)	$ (317)
Interest expense	20	31	103	131
Income tax expense (benefit)	26	25	(8)	(20)
Depreciation	32	23	115	92
Intangible amortization	70	71	280	281
EBITDA From Continuing Operations	177	29	350	167
Share-based compensation	17	46	76	139
Transaction and integration expenses [2]	25	13	82	29
Restructuring	18	10	63	73
(Gain) Loss from change in fair value of financial instruments	(3)	21	(57)	10
(Gain) Loss from change in fair value of tax receivable agreement	(17)	88	34	118
Other	—	(1)	8	1
Adjusted EBITDA From Continuing Operations	$ 217	$ 206	$ 556	$ 537
Revenue	$ 680	$ 682	$2,332	$2,386
Adjusted EBITDA Margin From Continuing Operations [3]	31.9%	30.2%	23.8%	22.5%

(1) Adjusted EBITDA excludes the impact of discontinued operations. Comparable periods have been recast to exclude these impacts.
(2) Transaction and integration expenses primarily relate to acquisition and divestiture activities.
(3) Adjusted EBITDA Margin From Continuing Operations is defined as Adjusted EBITDA from Continuing Operations as a percentage of revenue.

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Reconciliation of Gross Profit to Adjusted Gross Profit (unaudited)

($ in millions)	Three Months Ended December 31, 2024		
	Employer Solutions	Other	Total
Gross Profit	$ 271	$ —	$ 271
Add: stock-based compensation	3	—	3
Add: depreciation and amortization	26	—	26
Adjusted Gross Profit	$ 300	$ —	$ 300
Gross Profit Margin	39.9 %	0.0 %	39.9 %
Adjusted Gross Profit Margin	44.1 %	0.0 %	44.1 %

($ in millions)	Three Months Ended December 31, 2023		
	Employer Solutions	Other	Total
Gross Profit	$ 270	$ —	$ 270
Add: stock-based compensation	9	—	9
Add: depreciation and amortization	18	—	18
Adjusted Gross Profit	$ 297	$ —	$ 297
Gross Profit Margin	39.6 %	0.0 %	39.6 %
Adjusted Gross Profit Margin	43.5 %	0.0 %	43.5 %

($ in millions)	Year Ended December 31, 2024		
	Employer Solutions	Other	Total
Gross Profit	$ 794	$ —	$ 794
Add: stock-based compensation	14	—	14
Add: depreciation and amortization	96	—	96
Adjusted Gross Profit	$ 904	$ —	$ 904
Gross Profit Margin	34.0 %	0.0 %	34.0 %
Adjusted Gross Profit Margin	38.8 %	0.0 %	38.8 %

	Year Ended December 31, 2023		
	Employer Solutions	Other	Total
Gross Profit	$ 812	$ (2)	$ 810
Add: stock-based compensation	30	—	30
Add: depreciation and amortization	70	2	72
Adjusted Gross Profit	$ 912	$ —	$ 912
Gross Profit Margin	34.4 %	(7.7)%	33.9 %
Adjusted Gross Profit Margin	38.6 %	0.0 %	38.2 %

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Reconciliation of Net (Loss) Income to Adjusted Net Income & Adjusted Diluted Earnings per Share (unaudited)

(in millions, except share and per share amounts)	Three Months Ended December 31, 2024	Three Months Ended December 31, 2023	Year Ended December 31, 2024	Year Ended December 31, 2023
Numerator:				
Net Income (Loss) From Continuing Operations Attributable to Alight, Inc. [1]	$ 29	$ (113)	$ (138)	$ (300)
Conversion of noncontrolling interest	—	(8)	(2)	(17)
Intangible amortization	70	71	280	281
Share-based compensation	17	46	76	139
Transaction and integration expenses [2]	25	13	82	29
Restructuring	18	10	63	73
(Gain) Loss from change in fair value of financial instruments	(3)	21	(57)	10
(Gain) Loss from change in fair value of tax receivable agreement	(17)	88	34	118
Other	—	(1)	8	1
Tax effect of adjustments [3]	(12)	(54)	(85)	(100)
Adjusted Net Income From Continuing Operations	$ 127	$ 73	$ 261	$ 234
Denominator:				
Weighted average shares outstanding - basic	532,282,913	497,702,644	539,861,208	489,461,259
Dilutive effect of the exchange of noncontrolling interest units	510,237	—	510,237	—
Dilutive effect of RSUs	1,287,553	—	—	—
Weighted average shares outstanding - diluted	534,080,703	497,702,644	540,371,445	489,461,259
Exchange of noncontrolling interest units[4]	28,080	35,520,344	518,412	44,569,341
Impact of unvested RSUs[5]	6,037,553	10,080,390	7,325,106	10,080,390
Adjusted shares of Class A Common Stock outstanding - diluted[6][7]	540,146,336	543,303,378	548,214,963	544,110,990
Basic (Net Loss) Earnings Per Share From Continuing Operations	$ 0.05	$ (0.23)	$ (0.25)	$ (0.61)
Diluted (Net Loss) Earnings Per Share From Continuing Operations	$ 0.05	$ (0.23)	$ (0.25)	$ (0.61)
Adjusted Diluted Earnings Per Share From Continuing Operations	$ 0.24	$ 0.13	$ 0.48	$ 0.43

(1) Excludes the impact of discontinued operations. Comparable periods have been recast to exclude these impacts.

(2) Transaction and integration expenses primarily relate to acquisitions and divestiture activities.

(3) 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.

(4) 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.

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

(6) Excludes two tranches of contingently issuable seller earnout shares: (i) 7.5 million shares will be issued if the Company's Class A Common Stock's volume-weighted average price ("VWAP") is >$12.50 for any 20 trading days within a consecutive period of 30 trading days; (ii) 7.5 million shares will be issued if the Company's Class A Common Stock VWAP is >$15.00 for any 20 trading days within a consecutive period of 30 trading days. Both tranches have a seven-year duration.

(7) Excludes approximately 10.9 million and 27.4 million performance-based units, which represents the gross number of shares expected to vest based on achievement of the respective performance conditions as of December 31, 2024 and 2023, respectively.

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