



Alight, Inc.

Investor Presentation at Baird 2022 Global
Consumer, Technology & Services Conference

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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 (the “Securities Act”), 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, the expected benefit of recent acquisitions and investments in our business, the expected return on investment from the use of our products, the success of our expanded relationships with existing clients, the recovery of certain of our businesses, and other non-historical statements, including certain statements in the “Financial Results & Outlook” section 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 the level of business activity of our clients, risks related to the impact of the COVID-19 pandemic, including as a result of new strains or variants of the virus, competition in our industry, the performance of our information technology systems and networks, our ability to maintain the security and privacy of confidential and proprietary information and changes in regulation. 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 10, 2022, 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 includes certain historical consolidated financial and other data for Alight Holding Company, LLC (formerly known as Tempo Holding Company, LLC) (“Alight Holdings”) and its subsidiaries. In connection with the completion of Alight’s business combination transaction with Foley Trasimene Acquisition Corp. on July 2, 2021, we undertook certain reorganization transactions so that substantially all of our assets and business are held by Alight Holdings, of which Alight, Inc. is the managing member.

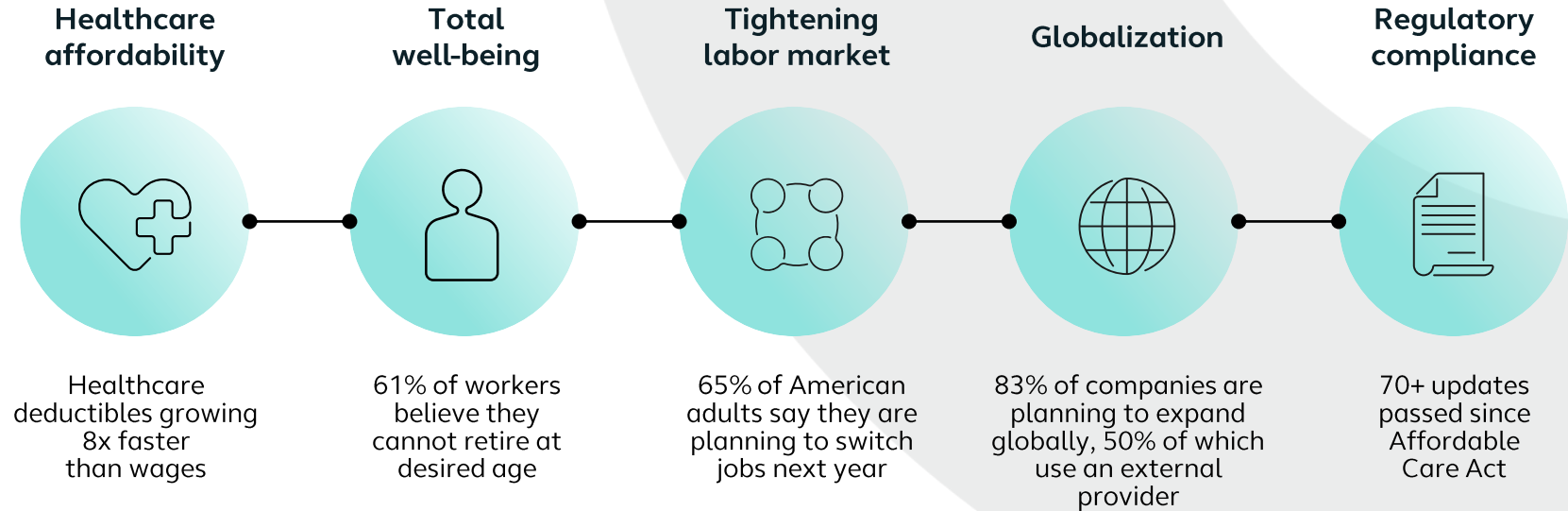
The Company’s discussion of the results of operations compares the results of the Successor three months ended March 31, 2022 to the results of the Predecessor three months ended March 31, 2021. This presentation is not considered to be prepared in accordance with GAAP and has not been prepared as pro forma results under applicable regulations. We believe the combined results provide a more meaningful basis of comparison and is useful in identifying current business trends for the periods presented.

Non-GAAP financial measures

Included in this presentation are certain non-GAAP financial measures, such as Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Net Income, Adjusted Earnings per Share, Adjusted Diluted Earnings per Share, Adjusted EBITDA less Capital Expenditures, 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 non-GAAP measures used in this presentation 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.

Confluence of factors influencing the future of the workplace



The pandemic and tight labor market magnified and accelerated these trends

Sources: Alight Solutions, Kaiser Family Foundation, The Wall Street Journal, Upwork, Key Bank Capital Markets, PwC.

Transformation in 2022 & beyond supported by solid foundation

1Q22

Transformation metrics

\$122M

TCV of BPaaS bookings
(↑205% YoY/ \$724M
cumulative total¹)

\$114M

BPaaS revenue (↑23% YoY)

32.7%

Employer Solutions
GM% (↓150bps YoY)

Foundational metrics entering 2022

30M+

participants

70%

of the Fortune 100
are Alight clients

97%

avg. revenue
retention²

\$2.9B

2021 revenue

\$621M

2021 adjusted
EBITDA

83+%

annual recurring
revenue

¹ Cumulative total since 1Q 2021.

² Retention defined as prior year's active client revenue compared to the following year.

Value of integrated offer for clients

Clients can choose among a variety of Alight content cloud solutions delivered through the Alight Worklife engagement platform supported by services:

1. Alight Worklife Platform

- Integrated user engagement platform
- Available in 4 tiers (basic to full optimization of ecosystem)

2. Content

- Modular content offerings available in 3-5 tiers per cloud
- Frequently added/enhanced content (e.g., Clinical and Retiree Health)

3. Global Delivery & Professional Services

- Support services such as call centers, consulting, etc.
- Available as part of premium bundle or a la carte

BPaaS

Platform

Alight Worklife

Enterprise-wide engagement platform



Content



Health cloud



Wealth cloud



Payroll cloud



Wellbeing cloud



Clinical cloud



Retiree health cloud

Delivery



Global Delivery

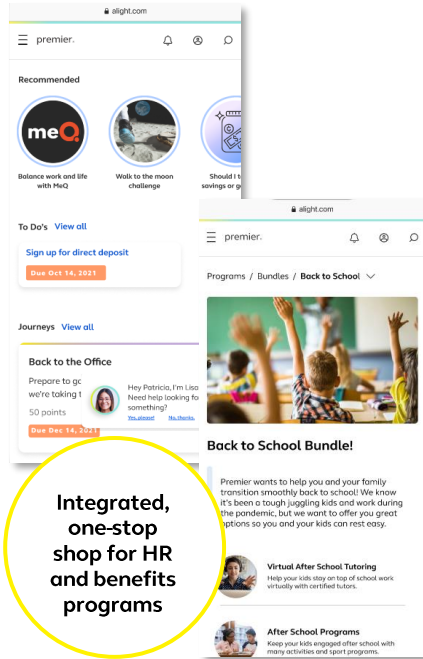


Measurable Outcomes

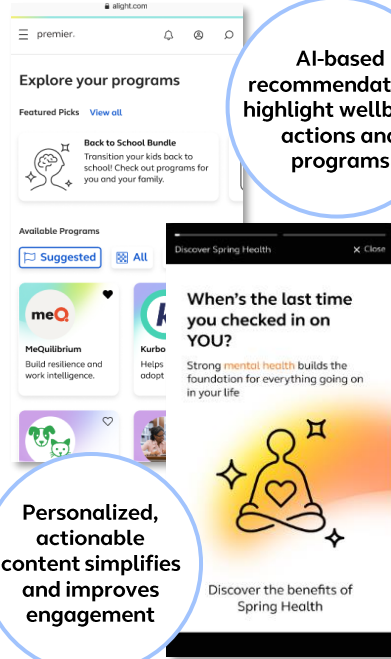
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Leveraging data to drive higher utilization and engagement for clients

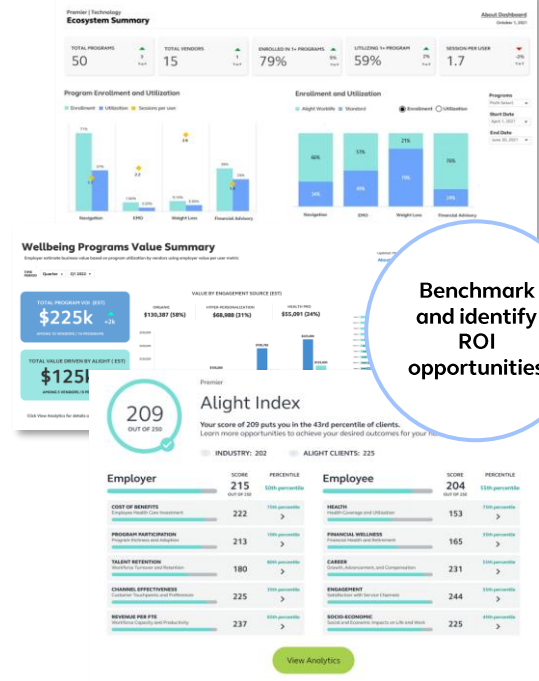
INTEGRATE



GUIDE



MEASURE



2022 guidance and margin commentary

	FY 2022 Guidance
(\$ millions)	<u>Outlook</u>
Revenue	\$3.09 – 3.12B +6 - 7%
Adjusted EBITDA	\$650 - 662M
Adjusted Diluted EPS	\$0.54-0.60
BPaaS TCV	\$680 - 700M +13 – 16.3%

Key Factors

- \$38M aggregate impact to Adjusted EBITDA margin in 1Q - 3Q22
 - Investment to support federal contract go-live
 - Investments made in key commercial areas and technology
- Anticipate a Professional Services project revenue rebound
- Adjusted EBITDA is more seasonally concentrated in 4Q with these investments and the addition of retiree health exchange business

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

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. Please refer to "Forward-Looking Statements" herein and the risk factors set forth in our filings with the SEC.

Appendix – Adjusted diluted EPS and Non-GAAP Reconciliations

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Adjusted diluted EPS and modeling notes

Adjusted diluted EPS bridge		
<i>(\$ millions)</i>	<u>2022</u>	<u>Notes</u>
Adjusted EBITDA¹	\$650-662M	See page 17
Depreciation & Amortization	\$80-85M	~3% of revenue
Interest Expense	\$120-130M	Based on current forward curve and hedges in place
Adjusted EBT	\$432-462M	-
Adjusted Taxes²	\$136-144M	26% U.S. tax rate, 29.5-33% effective tax rate
Adjusted Net Income	\$292-326M	-
Diluted O/S³	544M	See page 23
Adjusted Diluted EPS	\$0.54-0.60	-

Additional Modeling Notes

- CapEx and W/C usage : ~4% of revenue, respectively
- 2022 stock comp expense: \$150-175M⁴
- Adjusted results exclude all cash tax benefits from tax amortization of intangibles and other items

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

² Assumes a 26% US tax rate (federal + state), with a higher 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.

³ A calculation of diluted shares outstanding is included in the appendix.

⁴ The estimated range is impacted by the expense recognition related to the probable achievement of the Company's PRSUs.

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. Please refer to "Forward-Looking Statements" herein and the risk factors set forth in our filings with the SEC.

Adjusted 2021 EBITDA

(in millions)	Successor		Predecessor			
	Three Months Ended	Six Months Ended	Six Months Ended	Three Months Ended	Year Ended	
	December 31,	December 31,	June 30,	December 31,	December 31,	December 31,
	2021	2021	2021	2020	2020	2019
Net Income (Loss)	\$ 72	\$ (48)	\$ (25)	\$ (18)	\$ (103)	\$ 22
Interest expense	29	57	123	62	234	224
Income tax expense (benefit)	25	25	(5)	(3)	9	16
Depreciation	17	31	49	25	91	68
Intangible amortization	79	153	100	49	200	185
EBITDA	222	218	242	115	431	515
Share-based compensation	52	67	5	—	5	9
Transaction and integration expenses ⁽¹⁾	10	13	—	—	—	—
Non-recurring professional expenses ⁽²⁾	2	19	18	—	—	14
Transformation initiatives ⁽³⁾	—	—	—	(3)	8	22
Restructuring	2	5	9	20	77	14
(Gain) loss from change in fair value of financial instru	(25)	65	—	—	—	—
Gain from change in fair value of tax receivable agree	(64)	(37)	—	—	—	—
Other ⁽⁴⁾	(9)	(7)	4	16	43	22
Adjusted EBITDA	\$ 190	\$ 343	\$ 278	\$ 148	\$ 564	\$ 596
Revenue	\$ 864	\$ 1,554	\$ 1,361	\$ 720	\$ 2,728	\$ 2,552
Adjusted EBITDA Margin ⁽⁵⁾	22.0%	22.1%	20.4%	20.6%	20.7%	23.4%

(1) Transaction and integration expenses relate to acquisitions in 2021.

(2) Non-recurring professional expenses includes external advisor and legal costs related to the Company's Business Combination.

(3) Transformation initiatives in fiscal years 2020 and 2019 includes expenses related to enhancing our data center for both periods, and severance expense for the first half of 2019.

(4) Other primarily includes activity related to long-term incentives and expenses related to acquisitions in fiscal years 2020 and 2019.

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

Segment Adjusted EBITDA

	Segment Profit ⁽⁴⁾	
	Successor	Predecessor
(in millions)	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
Employer Solutions	\$ 142	\$ 136
Professional Services	—	—
Hosted Business	—	(3)
Total Adjusted EBITDA of all reportable segments	142	133
Share-based compensation	33	2
Transaction and integration expenses ⁽¹⁾	6	—
Non-recurring professional expenses ⁽²⁾	—	9
Restructuring	6	7
Other ⁽³⁾	3	(5)
Depreciation	17	24
Intangible amortization	79	50
Operating (Loss) Income	(2)	46
Gain from change in fair value of financial instruments	(13)	—
Gain from change in fair value of tax receivable agreement	(5)	—
Interest expense	29	62
Other (income) expense, net	(1)	8
Loss Before Income Tax Expense (Benefit)	<u>\$ (12)</u>	<u>\$ (24)</u>

⁽¹⁾ Transaction and integration expenses relate to acquisition activity.

⁽²⁾ Non-recurring professional expenses includes external advisor and legal costs related to the Company's Business Combination completed in 2021.

⁽³⁾ For the three months ended March 31, 2022, other primarily includes expenses related to debt financing, offset by Other income, net. For the three months ended March 31, 2021, other includes long-term incentive expenses, offset by Other expense, net.

⁽⁴⁾ Segment Profit is defined as Segment Adjusted EBITDA.

Adjusted Net Income & Adjusted Diluted Earnings per Share

	Three Months Ended March 31, 2022	
(in millions, except share and per share amounts)		
Numerator:		
Net Loss Attributable to Alight, Inc.	\$	(11)
Conversion of noncontrolling interest		(2)
Intangible amortization		79
Share-based compensation		33
Transaction and integration expenses		6
Restructuring		6
Gain from change in fair value of financial instruments		(13)
Gain from change in fair value of tax receivable agreement		(5)
Other		2
Tax effect of adjustments ⁽¹⁾		(28)
Adjusted Net Income	\$	67
Denominator:		
Weighted average shares outstanding - basic and diluted		456,838,216
Exchange of noncontrolling interest units ⁽²⁾		76,220,431
Impact of unvested RSUs ⁽³⁾		11,137,394
Adjusted shares of Class A Common Stock outstanding - diluted		544,196,041
Basic and Diluted Net Loss Per Share	\$	(0.02)
Adjusted Diluted Earnings Per Share⁽⁴⁾⁽⁵⁾	\$	0.12

⁽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.

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

⁽⁵⁾ Excludes 35,501,399 performance-based units, which represents maximum achievement of the respective performance conditions for units granted during the year ended December 31, 2021 and the three months ended March 31, 2022.