

# Alight Investor Presentation

J.P. Morgan TMC Conference

May 2024



# 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, our expected margin framework, statements regarding the sale of our Professional Services and HCM & Payroll Outsourcing businesses to an affiliate of H.I.G. Capital, including the expected time period to consummate the transaction, the anticipated benefits of the transaction, support plans, opportunities, anticipated future performance and expected stock buyback programs, and statements regarding our pro forma capital structure, future performance expectations and targets (including assumptions related to the impact of our restructuring efforts and synergies), statements related to our expected revenue under contract and other non-historical statements. In some cases, these forward-looking statements can be identified by the use of words such as "outlook," "believes," "expects," "potential," "continues," "creates," "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 elevated interest rates or changes in monetary and fiscal policies, competition in our industry, 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 the ability to meet the contingent payment conditions of the seller note, 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, 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](http://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 year ended December 31, 2022 to the combined Successor six months ended December 31, 2021 and Predecessor six months ended June 30, 2021 and the Predecessor year ended December 31, 2020. 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 and other information

Included in this presentation are certain non-GAAP financial measures, such as Adjusted EBITDA, Adjusted EBITDA Margin, Operating Cash Flow Conversion, and Net Leverage Ratio, 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.

The post-transaction financial information furnished herein has been presented for informational purposes and does not comply with the requirements Article 11 of Regulation S-X under the Securities Act of 1933, as amended ("Article 11") with regard to pro forma information. In addition, the Company cautions that the post-transaction financial information presented is unaudited and is not a comprehensive statement of actual financial results for such period and has not been audited or reviewed by the Company's independent registered public accounting firm. Alight's actual results may differ materially from this unaudited preliminary information. During the course of the preparation of Article 11 pro forma information giving effect to the completion of the sale of our Payroll & Professional Services business, which the Company expects to make available after the consummation of the proposed sale, adjustments to the unaudited preliminary financial information presented may be identified. Any such adjustments may be material. 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, including our anticipated net leverage ratio, adjusted EBITDA margin and operating cash flow conversion following the completion of the pending transaction. For the same reasons, we are unable to address the probable significance of the unavailable information, which could be material to future results.

Information included in this presentation is as of or for the period ended March 31, 2024, unless otherwise noted. Opinions expressed reflect the current opinions of the Company as of such date only and are based on the Company's opinions of the then-current market environment, which is subject to change.

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. The metric does not reflect potential future events such as unexpected client volume fluctuations, early contract terminations or early contract renewals. Our metric may differ from similar terms used by other companies and therefore comparability may be limited.

# Alight Overview

## SUMMARY

# Investment highlights

1

**Highly differentiated platform** provides a **one-stop shop** for clients and an **unparalleled set of data** to drive innovation and better participant outcomes

2

**Strong and growing recurring revenue** and cash flow foundation from **long-term contracts** with **deep-rooted, blue-chip install base**

3

**Secular tailwinds** from client desire to drive better employee engagement and cost savings through advanced solutions and vendor consolidation

4

Alight's unique ability to achieve these outcomes is generating commercial momentum and will **drive our mid-term organic growth guidance**

5

Three-year transformation focused on platform and simplifying operations has positioned Alight to drive **significant margin expansion and cash flow generation** going forward

# Summary of initial 3-year execution ended 2023

\$ in millions		Initial 3-yr plan		
Financial Metrics	2020A	2023A	2023	+/-
Total Revenue	\$2,728	\$3,410	\$3,235	+\$175
BPaaS Revenue	\$334	\$756	\$743	+\$13
Adj. EBITDA <sup>1</sup>	\$564	\$739	\$768	-\$29
Operating Cash Flow	\$233	\$386	In line w/ outlook	

## Alight Worklife Mobile

App  
(MAUs)



Up  
1000%

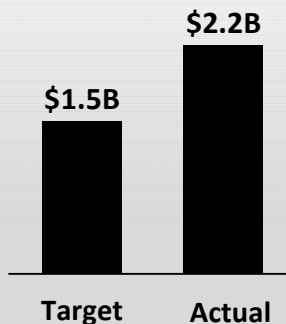
## Call Volumes

(per participant)

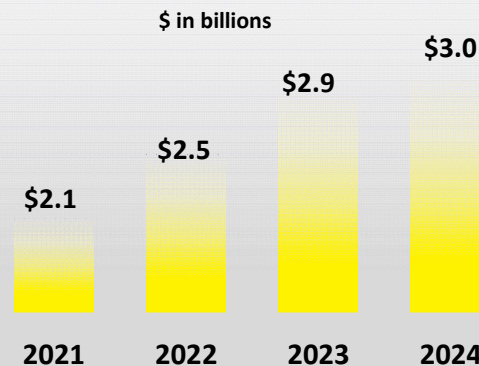


Down  
20%

## Cumulative BPaaS Bookings TCW



## January 1st Revenue Under Contract



## BPaaS Revenue as a % of Total



Up  
10 pts.

## Digital Enrollments



Up  
3 pts.

## AI Assistant Interactions



Up  
250%

## Revenue Retention %



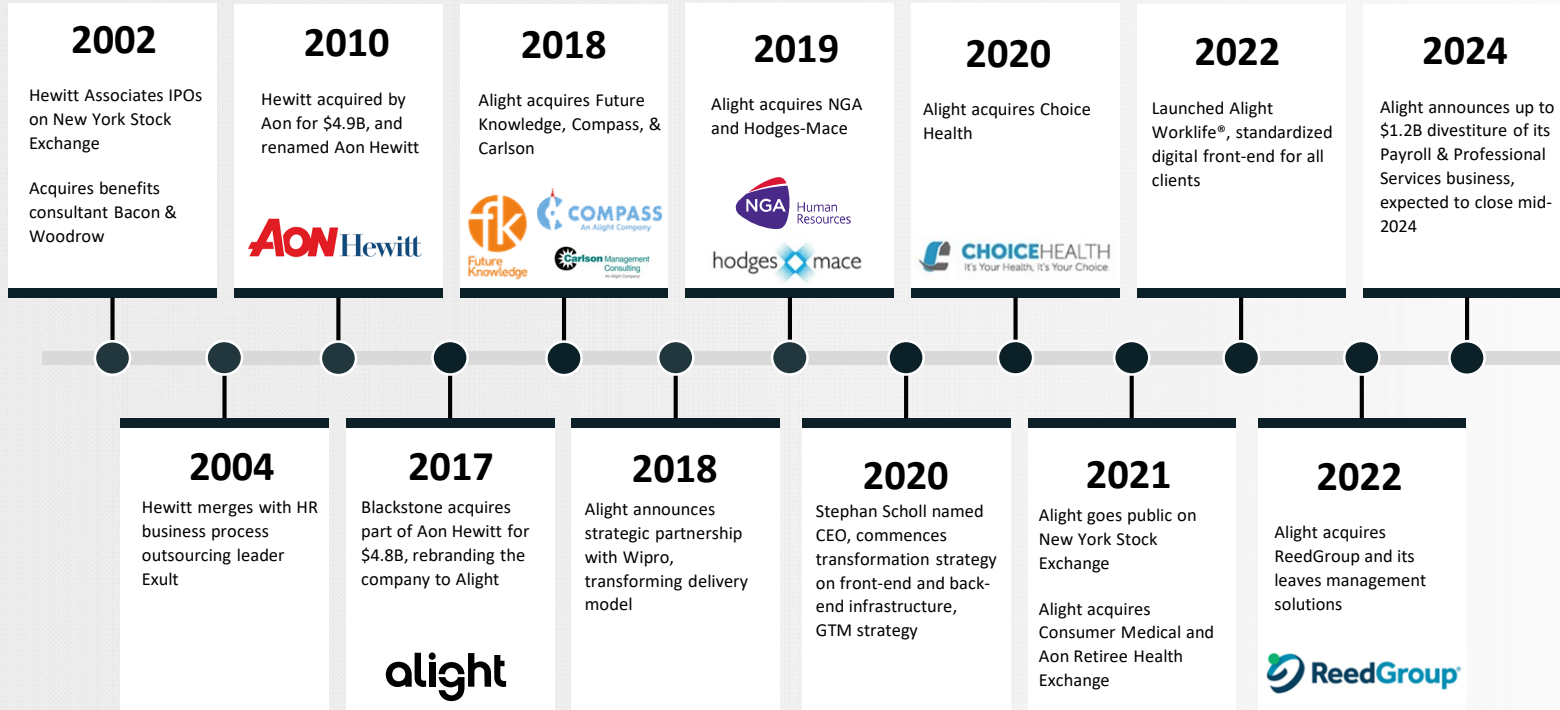
Up  
2 pts.

**alight**

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<sup>1</sup> 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.

# Strong core business built organically and via M&A in 21st century into industry leader for integrated benefits & wellbeing offering



## WHAT WE DO

Through our **proprietary integrated platform, Alight Worklife®**, and combined with world-class service capabilities and commercial partnerships, **we implement and administer Health and Wealth benefits solutions for many of the world's largest companies**

## POST-TRANSACTION ALIGHT BY THE NUMBERS

**Significant and growing install base**      **35M+** employees and dependents<sup>1</sup>      **5,000+** clients

**Durable and strengthening revenue model**      **97%** PF avg. revenue retention<sup>2</sup>      **93%** PF annual recurring revenue<sup>3</sup>

**Leading global scale**      **\$1.3T+** in DC assets under administration<sup>4</sup>      **200M+** Client interactions annually

**Largest and most complex global clients**      **~70%** Fortune 100 are Alight clients

<sup>1</sup> Number of participants as of 12/31/23

<sup>2</sup> Pro forma retention defined as prior year's active client revenue compared to the following year measured as of 12/31/23

<sup>3</sup> Pro forma estimate for fiscal year 2023

<sup>4</sup> As of 9/30/23

# HOW WE DO IT

**Alight Worklife platform**

## Alight Worklife

Employee Experience Platform

Mobile App | Web | Engagement Content | Platform Tooling  
AI Virtual Assistant | Analytics | Integrations | Security



**Alight Worklife engagement**



Wellbeing



Healthcare  
Navigation



Experience



**Alight Worklife administration**



Health



Wealth



Leaves



**Care**



Customer  
Care



Health Pros/  
Medical Allies



Benefit  
Counselors



Financial  
Advisors



**Benefits & wellbeing services**



Advise



Implement



Operate



Success

TECHNOLOGY

SERVICES

## 30+ year operating history across Benefits

**Mission-critical, cloud-based platform that manages, supports & administers complex benefits programs for many of the largest employers globally**

**Technology:** our proprietary platform is the longitudinal database / source of record for 35+ million of our client's employees and their dependents and the transactional engine to run their benefits and interface with all third-party providers

**Services:** value added expertise, navigation and personalized high-touch support unique to Alight at scale

**Typical contract structure:** 3–5-year duration; clients pay on a fixed PEPM (per employee per month) fee basis which varies based on number of solutions provided; majority include inflation protections

**New pricing model:** driving value for clients with our platform & services while monetizing new products

# Comprehensive, integrated **health** offering drives unique outcomes



## COMPETITIVE DIFFERENTIATION

**Leading benefits administrator** in North American market serving 700+ clients

Deep client penetration & long-term contracts, **servicing ~50% of Fortune 100**

**Only in-market solution supporting entire employee lifecycle** from hire through retirement

**Proven healthcare cost savings with annual ROI guarantee** for Healthcare Navigation

**Alight Worklife engagement platform** built for scalability, integration and flexibility



## ATTRACTIVE MARKET OPPORTUNITY

- Evolving workforce dynamics drive **greater complexity for employers** optimizing benefits and engaging employees
- **Expanding voluntary benefits market** drives need for benefit guidance and administration
- Significant market potential for **Healthcare Navigation** due to large healthcare cost increases causing **employers to search for cost saving solutions**
- **Aging employee base** without access to retiree medical is captive market for retiree health solutions generating **substantial commission stream**

## HEALTH SOLUTIONS

### Health Benefit Administration

Manage health, life, disability and voluntary benefits accurately and efficiently all year long

### Employee Onboarding

Licensed agent support for enrollment in core and voluntary benefits

### Healthcare Navigation

Comprehensive expert support throughout a person's healthcare journey optimizing engagement of employer benefits and programs for improved health outcomes

### Retiree Health Solutions

Expert support for retiree health coverage needs leveraging individual Medicare insurance products

### Smart-Choice Accounts

Comprehensive consumer accounts platform including FSA, HSA, HRA, Commuter, Tuition, Adoption

### Dependent Verification

Minimize health cost by ensuring only eligible dependents are covered

# Significant track record of leadership in **wealth** benefits



## COMPETITIVE DIFFERENTIATION

**Largest independent defined contribution (DC) recordkeeper** and second largest overall

**\$1.3T in DC assets across 12M participants**

**Largest defined benefit (DB) recordkeeper** with 5 million participants and 145+ clients

**Top 4 managed account provider** with \$30B+ in AUM

**Pension Risk Transfer** business has 6 business partners and 425K policyholders



## ATTRACTIVE MARKET OPPORTUNITY

- **US defined contribution market is \$10T<sup>1</sup>**, with top 5 recordkeepers covering 65% of AUM market share<sup>2</sup>
- **Pension de-risking market expanding** due to interest rate environment and employer desire to eliminate risk
- Legislative complexity requires **high level of support to help educate and guide employee decision-making**
- Retirement accounts are the second-largest contributor to household net worth<sup>3</sup>
- **Wealth benefits can drive traffic to Alight Worklife.** Almost half of investors check investment performance at least once per day<sup>4</sup>

## WEALTH SOLUTIONS

### DC and DB Outsourcing

401(k) and pension administration

### Managed Accounts & Advisory Services

Professionally-designed investment portfolios

### Financial Wellbeing

Personalized support to help people take control of their financial future

### Pension De-risking

Managing benefits for de-risking pension plans

# Leaves (absence management) bolsters powerful platform offering



## COMPETITIVE DIFFERENTIATION

**Largest tech-enabled provider** to large employer North American market

Deep client penetration & long-term contracts, **servicing >40% of Fortune 100**

Best-in-class technology platform enables **high ROI solutions at global scale**

**Unparalleled data analytics** leveraging 50+ million annual transactions

**Proprietary cloud-enabled technology** built for scalability and flexibility

**Mission-critical services** that lower costs and increase employee engagement



## ATTRACTIVE MARKET OPPORTUNITY

- Increasingly complex regulatory environment, **requiring expertise to navigate and driving outsourcing**
- **Market expanding** due to employer desire to drive cost savings, improved outcomes and maintain regulatory compliance
- **Complexity** from statutory and company-specific plans **requiring higher tier of support** to help educate and guide employee decision-making
- Proactive management of absences crucial to **combat lost productivity, costing employers more than half a trillion dollars<sup>1</sup>** in recent years

## LEAVES SOLUTIONS

**U.S. Outsourcing** (3rd party leave administration)

**LeavePro SaaS Solution** (SaaS leave management solution for employers)

**MDGuidelines** (Customizable clinical decision-making tool with API interface)

**Canada Outsourcing** (3rd party leave administration powered by Absence Connect)

# Go-forward Alight financial summary

# Benefits to anticipated divestiture of Alight's Professional Services and HCM & Payroll Outsourcing businesses

**\$1B**

upfront gross proceeds

**Up to \$200M**

seller notes

- Net upfront proceeds estimate of \$750 million, expected to reduce debt to below 3x leverage after closing, with any additional proceeds used for share repurchases
- Estimated \$250 million of Tax Receivable Agreement (TRA) and tax payments associated with upfront gross proceeds from the transaction with approximately 90% towards the TRA liability (payable in 2026)
- \$200 million of seller notes with \$50 million non-contingent & \$150 million contingent on 2025 performance of divested business

**~\$20M**

temporary stranded costs  
(assumed in PF margin of ~25%)

Temporary dis-synergy  
expected to be managed out  
within one year post-close

**Earnings  
Power**

- Profit enhancement with immediate ~300 bps. margin increase
- Reduced interest expense with <3x leverage
- \$248 million available for share repurchase program<sup>1</sup>
- Retain majority of margin benefit from back-office restructuring program

**Formal 2024 guidance for Alight's go-forward business to be issued after deal closing**

# New Alight revenue growth profile & visibility

## Typical seasonality of recurring revenue

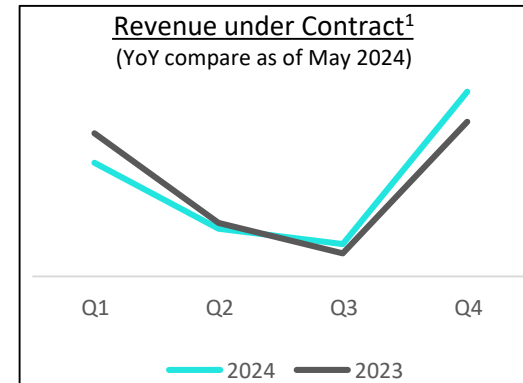
- Historic revenue retention of 96-98% with natural business cycle churn of 2-4% (large majority within non-BPaaS) taking place at end of year, offset through following year by new deal go-lives
- Government contract and M&A historically offset 1Q seasonality over last few years

## 1Q and 2Q 2024 dynamics

- Lower 1H 2023 bookings did not offset the year-end churn for non-BPaaS recurring revenue
- Project revenue fell short of expectations in 1Q, not expecting rebound in 2Q
- 2Q has similar dynamics with go-lives not offsetting churn, project softness and volumes

## New Alight: 2H & going forward

- Focus remains on profitable growth with high quality & higher margin recurring revenue which is 93%<sup>2</sup> of the total on a pro forma basis
- With our recurring revenue visibility, revenue under contract today for 2H24 is ahead of 2H23 on a comparable basis; with remaining sales execution we expect sequential growth from 2Q24 into 3Q24 and 4Q24
- Beginning to benefit from cloud migration savings in 2H24, \$75M expected annualized run-rate & driver towards ~28% margin
- Full pro forma financials for three years available within four business days after closing



### 2024 Revenue Under Contract by Quarter

**~95%**  
of Q2'24

**~90%**  
of Q3'24

**~85%**  
of Q4'24

### Go-Forward Revenue Under Contract by Year

	<b>01/01/2024</b>	<b>Growth</b>	<b>03/31/2024</b>
<b>2024</b>	\$2,133M	<b>+55M</b>	<b>\$2,188M</b>
<b>2025</b>	\$1,475M	<b>+90M</b>	<b>\$1,565M</b>
<b>2026</b>	\$1,039M	<b>+86M</b>	<b>\$1,125M</b>

**10%**

Revenue CAGR  
2020-2023

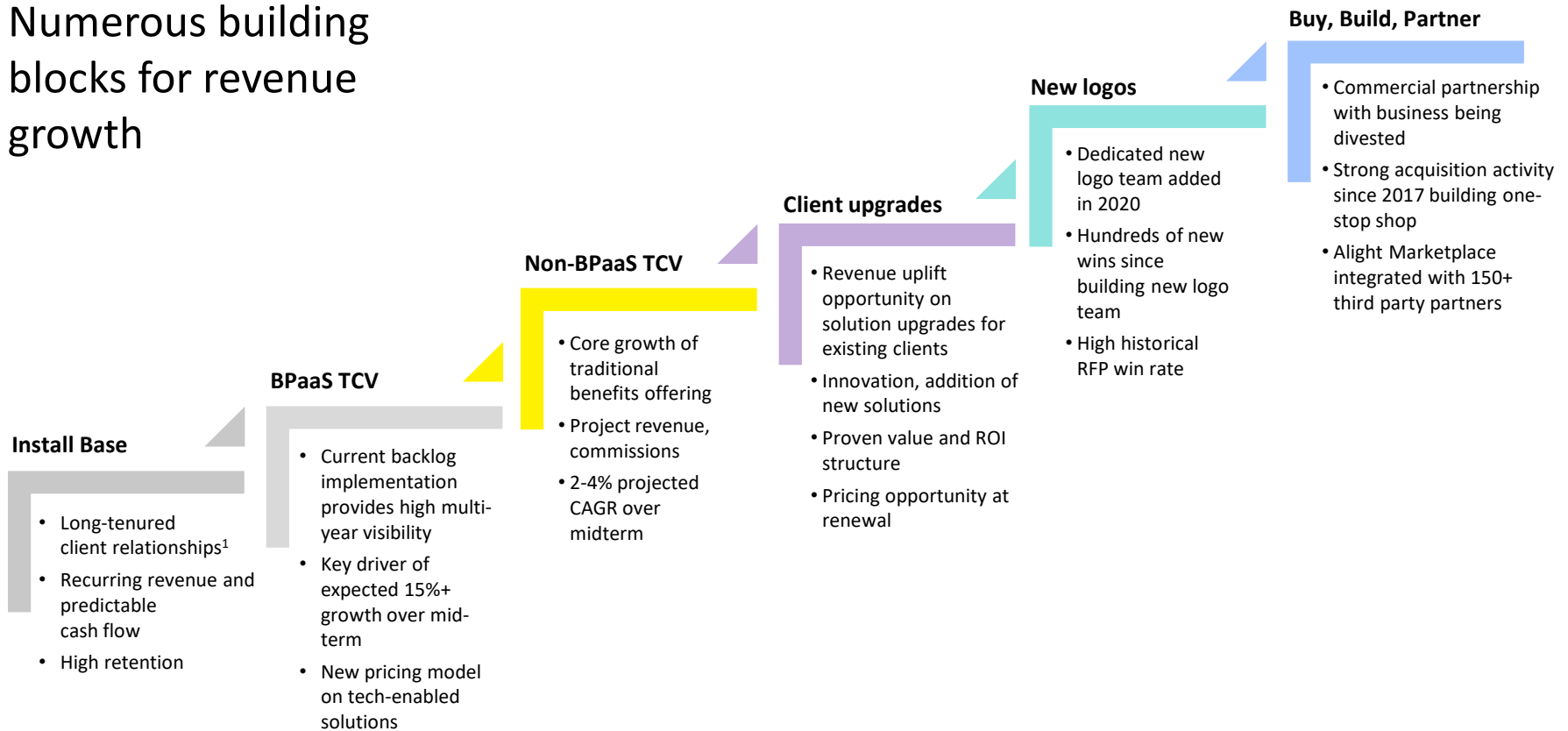
**50%**

BPaaS Revenue CAGR 2020-  
2023

**\$700M+**

Incremental Revenue Under Contract to start  
fiscal year 2020-2023

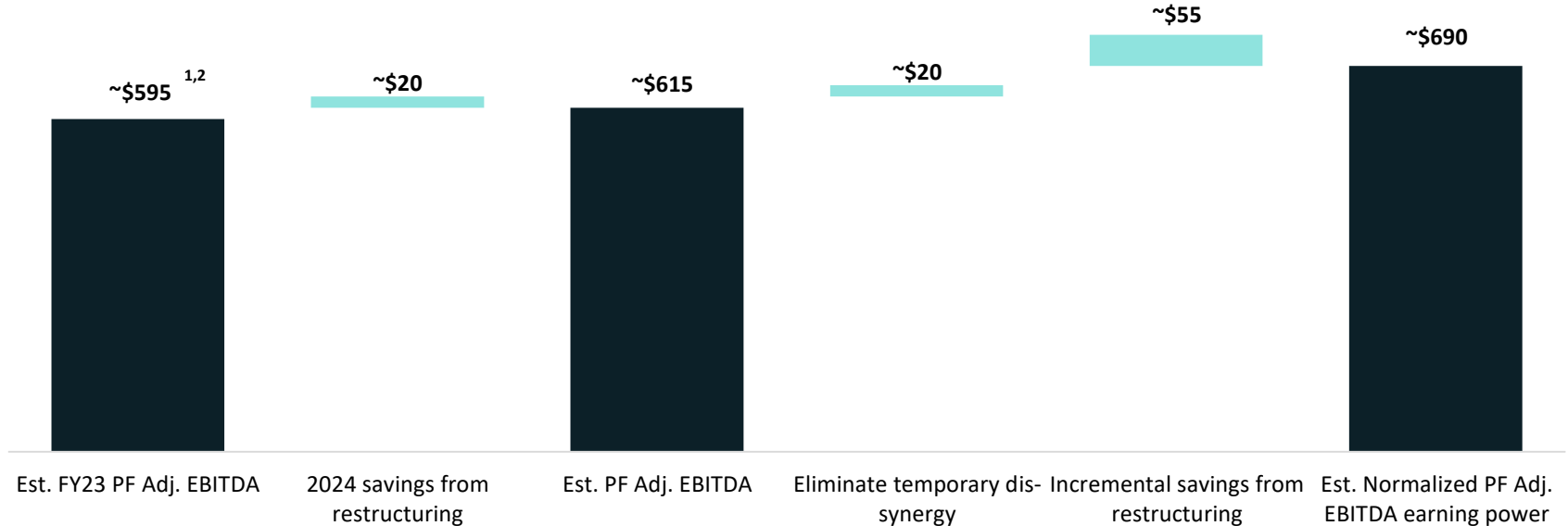
# Numerous building blocks for revenue growth



# Strong New Alight normalized earnings power

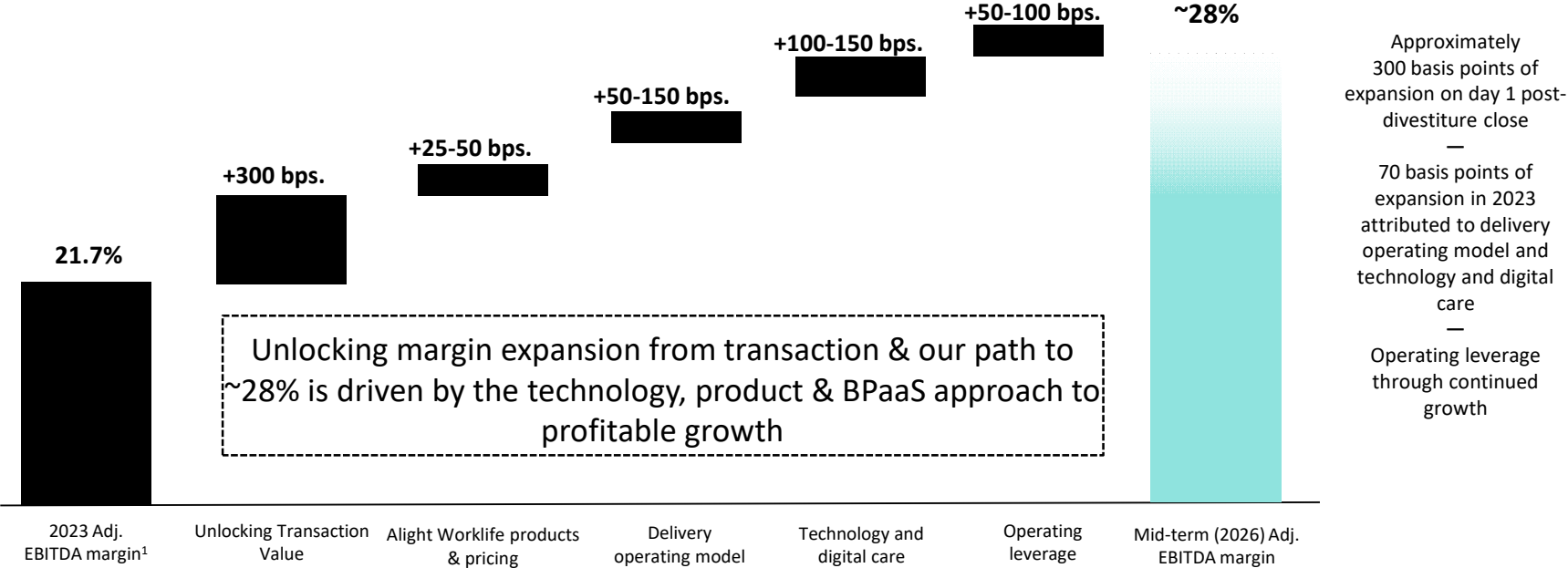
## Normalized Pro Forma (PF) Adj. EBITDA bridge

(\$ millions)



**Normalized earnings power after restructuring savings and temporary divestiture costs eliminated which provides a strong base for growth & continued margin expansion through technology and continued productivity**

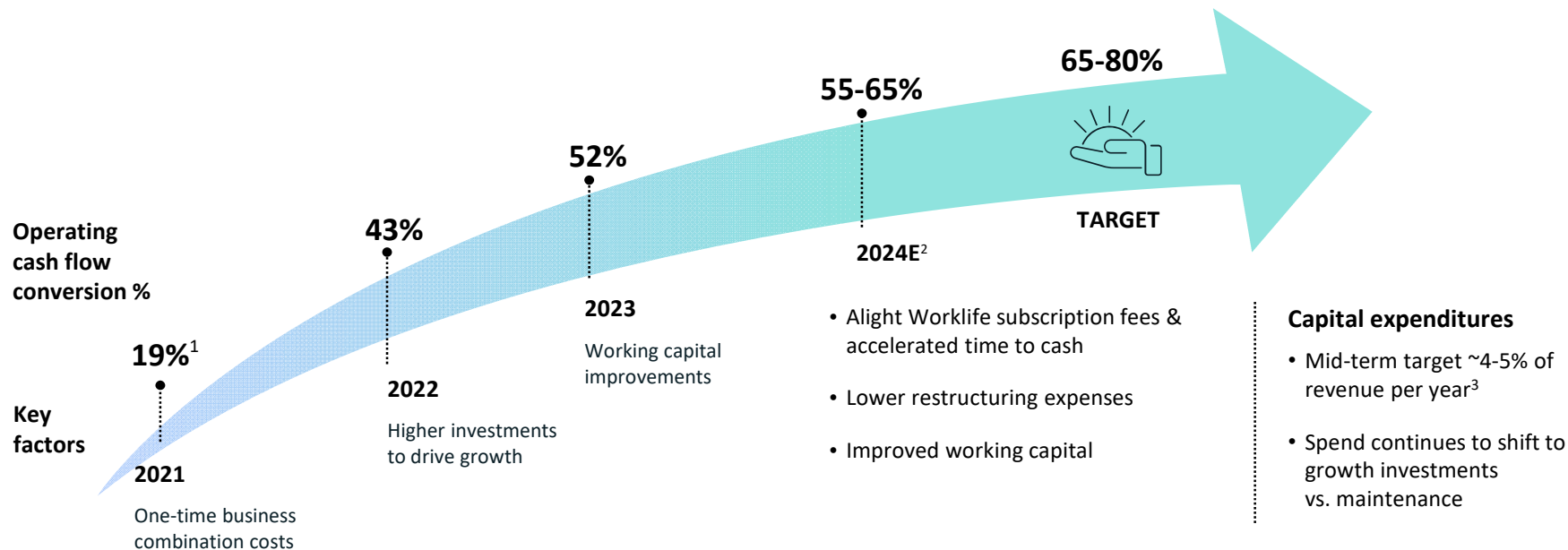
# Key drivers of +600 bps. Adj. EBITDA margin expansion opportunity



<sup>1</sup>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 this non-GAAP financial metric to its closest comparable GAAP metric is included in the appendix.



# Growing operating cash flow conversion



<sup>1</sup> For the Combined year ended December 31, 2021 (Successor six months ended December 31, 2021 and Predecessor six months ended June 30, 2021) operating cash flow conversion is calculated as Cash provided by operating activities of \$115 million over Adjusted EBITDA of \$621 million.

<sup>2</sup> Excludes separation costs

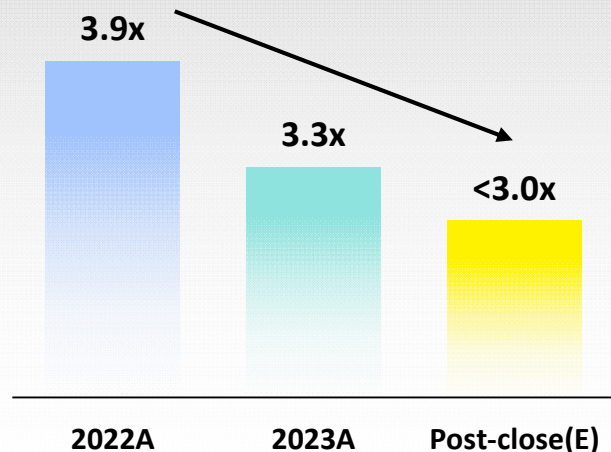
<sup>3</sup> Excludes capitalized leases

Note: Operating cash flow conversion is cash provided by operations divided by Adjusted EBITDA. A reconciliation of this non-GAAP financial metric to its closest comparable GAAP metric is included in the appendix. Please refer to "Disclaimer--Forward-looking statements" and "Disclaimer--Non-GAAP financial measures and financial statement presentation."

# Capital allocation philosophy aligned with value creation

## Net leverage ratio<sup>1</sup>

Accelerating the path to de-leveraging



## Strengthen balance sheet

Expected to reduce net leverage ratio<sup>1</sup> to **<3x**, accelerating achievement of mid-term target

## Capital return

Evaluate share repurchase opportunities; increased repurchase authorization by **\$200M**

## Reinvest in value-creating growth

Organic reinvestment into core business, higher growth and higher margin solutions; Capacity for attractive M&A

## Medium-term targets for **Alight post-transaction**

	Current Alight	New Alight	Commentary
<b>Revenue growth</b>	6-8%	4-6%	<ul style="list-style-type: none"> <li>• Higher recurring revenue base</li> <li>• Additional upside from M&amp;A given increased balance sheet flexibility</li> </ul>
<b>Adj. EBITDA margin</b>	25%+	~28%	<ul style="list-style-type: none"> <li>• Higher margin technology led solutions</li> <li>• Benefits from technology and transformation investments</li> </ul>
<b>BPaaS revenue growth</b>	15%+	15%+	<ul style="list-style-type: none"> <li>• Multiple levers including upgrades, new pricing and new products</li> </ul>
<b>Operating cash flow conversion</b>	60-80%	65-80%	<ul style="list-style-type: none"> <li>• Improved visibility into net working capital</li> </ul>
<b>Net leverage ratio</b>	3x	<3x	<ul style="list-style-type: none"> <li>• Increased balance sheet flexibility</li> </ul>

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.

# Alight Worklife & BPaaS Strategy



# Defining BPaaS and our winning strategy

*BPaaS is a technology-led product suite developed over the last 3+ years that leverages and builds upon Alight's strong traditional core business, unparalleled data and artificial intelligence into one comprehensive enterprise offering.*

*The defined set of SKUs within our engagement layer drive both material cost savings and improved outcomes for our clients and their employees & dependents.*



## Our Clients (Employer)



## Employees & Dependents

**alight**



One-stop shop integrated platform



Help navigating complex healthcare system



Larger, higher margin deals, expands TAM



Compelling ROI via audited savings



Improved outcomes & lower cost of care



Deepens client relationships



Improved employee health, engagement & retention



Consolidated content on one modern interface



More direct exposure to end user

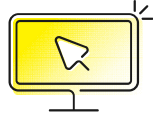
# Examples of key BPaaS solutions



## Health and clinical navigation

**Measurable outcomes:**  
Verified claims savings (\$),  
Program utilization

- Expert medical opinions for employees to find high-quality, in-network providers
- Help employees review costs of procedures and bills and provide education
- Second opinions from medical allies



## Align employee onboarding

**Measurable outcomes:**  
Employee turnover (%), Employee satisfaction

- Comprehensive way to enhance retention, increase pre-hire engagement and streamline onboarding
- Intuitive and empowering self-service portal for new hires
- Enables benefits enrollment early, provides team/company knowledge, offers expert support



## Program Optimization

**Measurable outcomes:**  
Program utilization

- Tool leveraging AI, data analytics and machine learning to personalize end-user program suggestions
- Increases awareness of HR and benefit programs and promotes behavior change
- Real-time employer dashboard anonymously measuring utilization, providing insights to maximize value of HR investment



## Align Well and Partner Network

**Measurable outcomes:**  
Verified claims savings (\$), Program utilization, Employee sentiment/satisfaction

- Drives sustained engagement through personalized plans and incentives embedded in fully integrated platform
- Partner Network offers solutions that improve holistic wellbeing and help employers deliver less traditional elements for total rewards strategy

# Transforming through our BPaaS-led platform strategy

## Established one common front-end for all clients



Development of comprehensive employee experience platform, Alight Worklife

+

Value-added tools driving different conversation for executives around human capital strategy

+

Accelerates industry shift from point solutions to enterprise offering

+

Revamped go-to market strategy with sales expertise across technology and services

## Ongoing back-end migration to cloud simplifies infrastructure



Restructuring program to exit physical data centers through 2024, estimated ~\$100M of annual run-rate savings (from \$140M program capital cost), \$75M of annual savings expected to stay with go-forward Alight

+

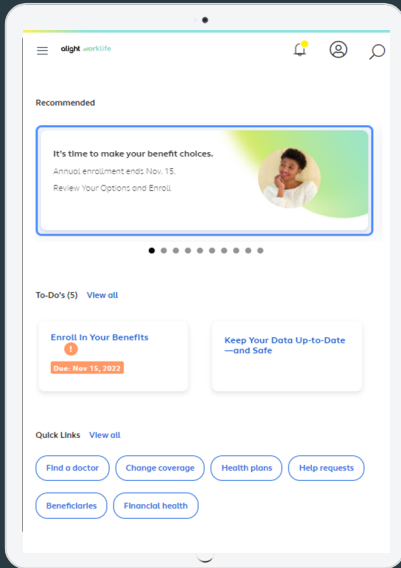
Eliminating redundant costs related to running dual technology infrastructures

+

Amplifies competitive advantages: speed to innovation, quicker implementation, more automation, and less customization

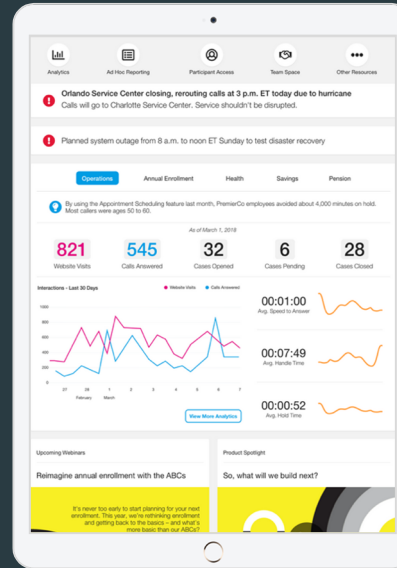
# Alight Worklife is our proprietary engagement & insights platform

## Digital and mobile-based platform acting as connective tissue across benefits & wellbeing solutions



### A differentiated end-user experience

- Consumer-grade front-end with friendly and standardized user interface to help employees understand & explore their plans and benefits options
- Semi-annual software updates with new features and solutions
- One-stop shop with single sign-on simplifies experience & encompasses all of Alight's services and solutions
- Full API integration layer with robust third-party partner network enhances content offering



### Enhanced decision-making for employer

- Fosters better employee experience
- Increases awareness and utilization of benefits, driving ROI on HR spend and direct cost savings
- Insights and benchmark analytics to help with HR strategic planning
- No code tooling helps HR pros efficiently develop and deliver important content to drive employee decision-making and outcomes

# Alight Worklife product roadmap journey



**2022**

**Engagement Platform Launch**

*A new, unified One Alight value proposition*



**2023**

**Wellbeing Expansion**

*Expanded solutions for integrated total wellbeing*



**2024**

**Outcomes Platform**

*Advancing the employee experience*



Alight Worklife launch/rollout



AI engine expansion



Engagement features & content



Platform tooling & architecture



Program Optimization



Alight Well



Alight Marketplace



Navigation/clinical integration

Engagement expansion

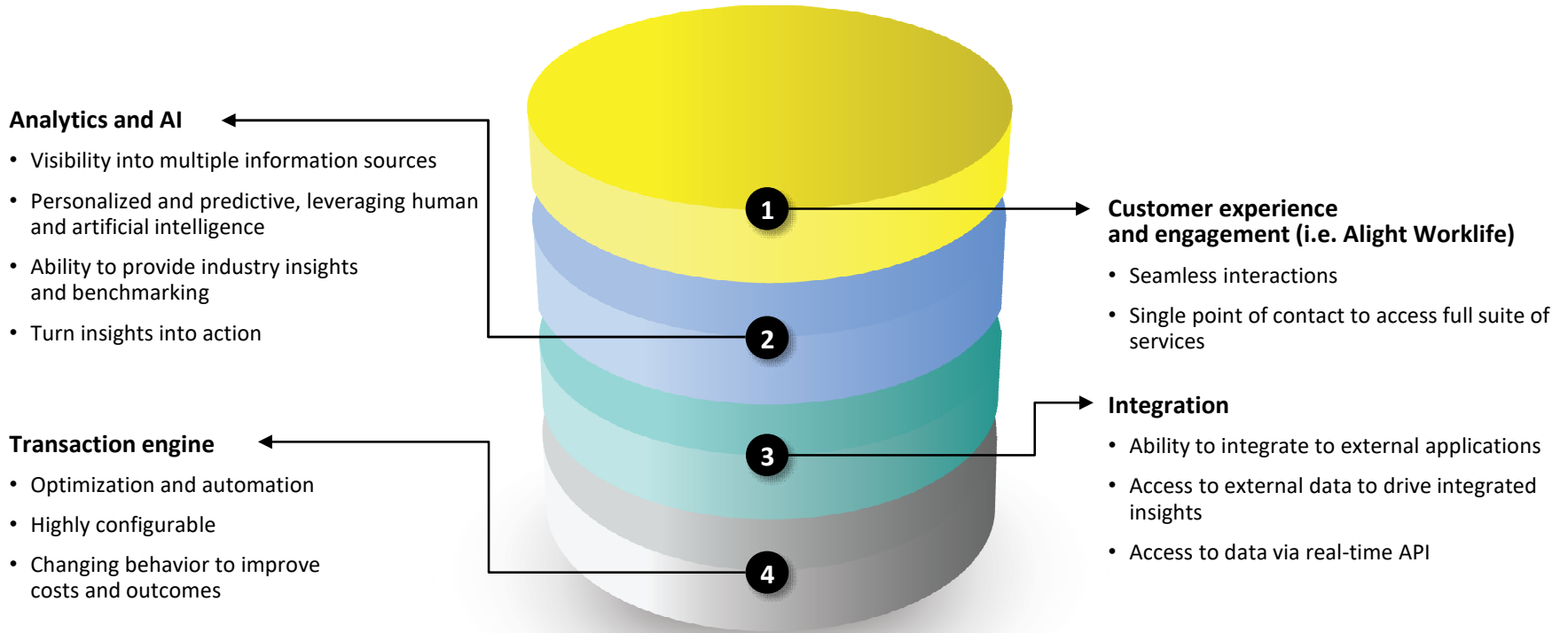
New integrated HR solutions

Connecting the ecosystem

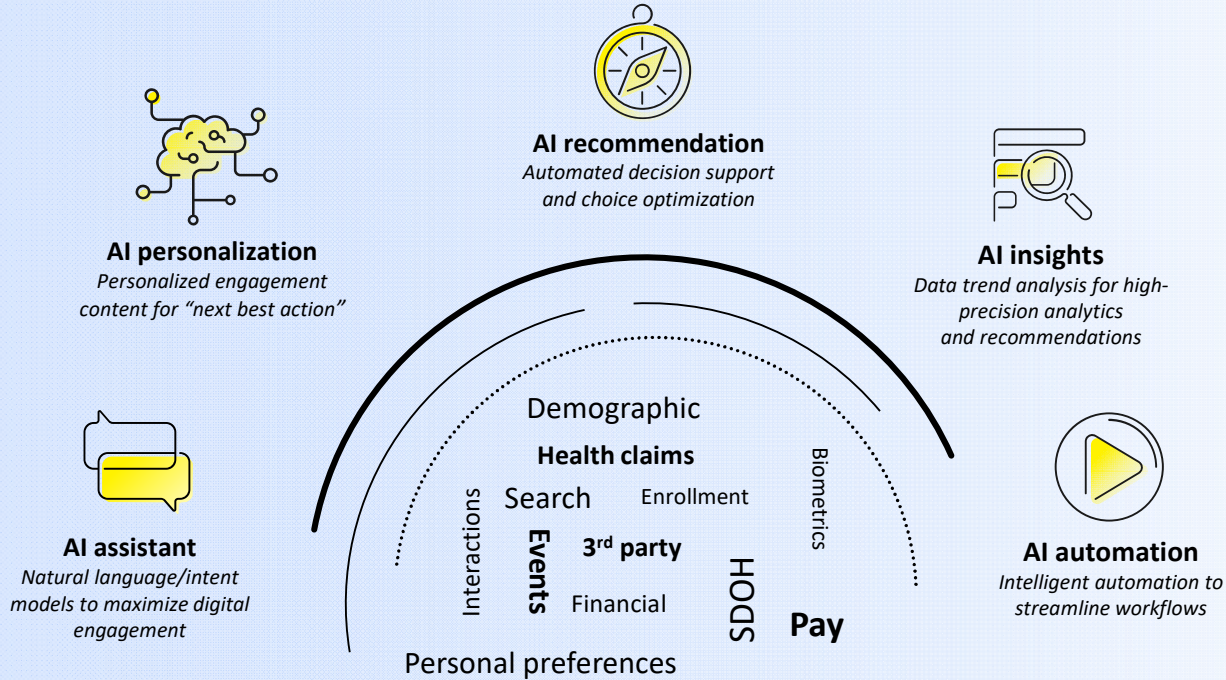
## The results

- Accelerated innovation
- Scalable, client-centric products
- Future-proofed technology foundation
- Expanded value proposition for clients
- Industry's broadest set of integrated solutions

# Platform approach supports integrated BPaaS offering



# AI engines power our platform



**21M** Personalized engagements LTM<sup>1</sup>  
**30M** Cumulative AI Assistant interactions

<sup>1</sup> Last twelve months ending 3/31/2024

# Bending the cost curve for clients-Health Navigation

## WE DRIVE BETTER END-USER DECISION-MAKING

- New software foundation focused on engagement
- Data analytics
- Integrations & tooling
- Artificial intelligence
- Personalized support

## DRIVING HEALTH CLAIMS SAVINGS FOR SELF-INSURED DRUG STORE

- Sought to reduce healthcare claim costs and improve employee engagement by implementing digital healthcare journey solution
- Help employees understand plans and how to choose right providers that are in-network
- Alight influenced employees with mix of digital tools, personal support and AI-driven personalization campaign
- **\$18M claim verified savings** for client and generated **\$45M** of health claims savings for top 5 clients

**Savings are tracked, quantified and audited for clients and can represent multiples compared to the incremental cost of adopted BPaaS product**

# Bending the cost curve for clients -Onboarding and Wealth

## ONBOARDING EMPLOYEES AT GLOBAL TECH GIANT

- Sought to reduce investment and time in hiring and training process by engaging new employees in benefit selection process sooner and with more guidance
- Provided a seamless health and financial wellbeing onboarding for all new hires, leveraging Alight's Navigation and Financial Path solutions
- Helped employees understand their total rewards program, driving greater engagement prior to and shortly after hiring
- This resulted in a **\$1.7M avoidance** in new hire turnover costs over 6-month period, **\$3.5M annualized**
- New hire users of the health and financial onboarding solution are **5.4x** more likely to stay in the first 6 months as compared to those that did not use the solutions.

## BUILDING FINANCIAL SECURITY FOR EMPLOYEES OF LARGE INDUSTRIAL COMPANY

- Sought to increase awareness of the Health Savings Account (HSA) benefit offered by the employer which would save pre-tax dollars towards qualified medical expenses & lower out of pocket health costs.
- Through AI-based messaging capabilities, Alight sent personalized push messages to targeted cohorts driving an increase in employee participation & contributions to their HSA.
- **36% of targeted group initiated savings** or increased contributions, resulting in average increase of **\$1,300** in existing HSA savings per employee and **nearly \$10M** more across workforce, enhancing financial security
- The increase in employee contributions to the HSA also led to nearly **\$1M in FICA tax savings** for the client

# Two high-performing complementary models driving strong enterprise results

Traditional non-BPaaS business generates strong, recurring cash flow and enables us to upgrade clients into larger and higher margin, BPaaS-led platform deals

## BPaaS

Including Alight Worklife platform and engagement solutions driving better outcomes

**~20% of revenue<sup>1</sup>**

Leveraging data analytics & AI

Tech-enabled solutions

More products and share of wallet

Enhances client ROI

**15%+ projected annual organic growth over mid-term**



## Traditional Non-BPaaS

Including standalone core administration

**~80% of revenue<sup>1</sup>**

Selling services for decades

Mission-critical and complex

Some project and non-recurring services

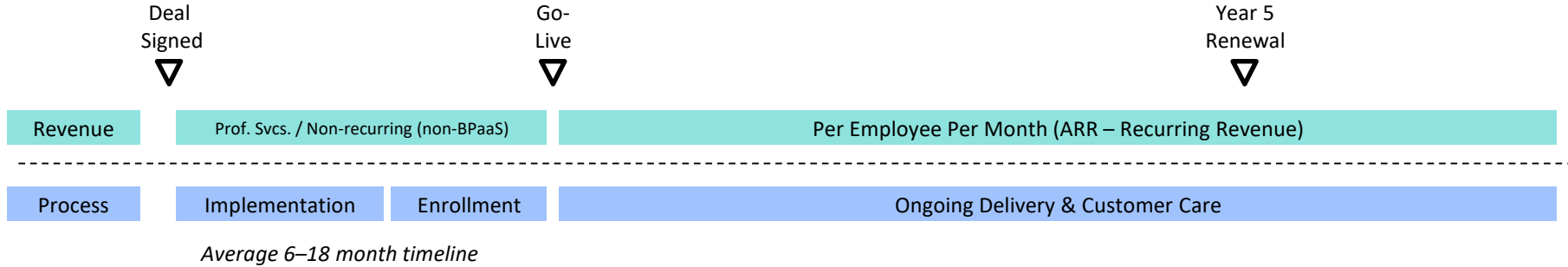
Resilient utility with strong visibility

**2-4% projected annual organic growth over mid-term**

# Appendix



# Lifecycle of a deal today (illustrative)



## Upfront investment cycle through ‘Go-Live’

- Professional Services & implementation teams configure & deploy platform technology
- Portion of Non-BPaaS revenue recognized in Professional Services segment
- Implementation costs deferred until go-live, new pricing model can accelerate time to cash
- Experience working capital outflow before Go Live typically

## Long-term recurring revenue & cash flow

- Platform & services fees are collected monthly on a PEPM-basis over life of contract
- Tech-enabled BPaaS solutions drive BPaaS revenue growth
- Optimizing our delivery & care for a client typically drives higher margins over time within the same deal
- Consistent cash flow from recurring deal drives operating cash flow conversion target of 60-80%

# Alight's share classes

CLASS	SHARES	CONSIDERATIONS
A	~550 million <sup>1</sup>	<ul style="list-style-type: none"><li>• Traditional common stock, disclosed in diluted share count</li><li>• Unvested RSUs are time-based and are considered in adjusted diluted share count</li><li>• Does not include PRSUs in advance of issuance; reassessed quarterly for likelihood to vest based on achievement of performance conditions</li></ul>
B	Not currently applicable for diluted share count	<ul style="list-style-type: none"><li>• Two tranches of 7.5 million shares each, seller-earnouts contingent on stock price triggers of \$12.50 and \$15 per share</li><li>• Issued if volume-weighted average price of class A stock noted above is achieved for 20 consecutive trading days</li><li>• Forfeited if not achieved within seven-year duration of going public</li><li>• Not considered in current diluted share count given contingency</li></ul>
V	~1 million <sup>1</sup>	<ul style="list-style-type: none"><li>• Non-controlling interest shares, largely held by some of our prior private equity owners</li><li>• Shares provide voting rights that correlate to Class A Units, which together are convertible into Class A common shares</li><li>• Considered in diluted share count, assumes full exchange into Class A shares</li></ul>
Z	Not applicable for diluted share count	<ul style="list-style-type: none"><li>• Forfeiture replacement shares established for pre-SPAC equity holders of the predecessor</li><li>• Only vest to the extent A or B shares are forfeited</li><li>• As a result, replacement shares from this class do not increase share count</li></ul>

<sup>1</sup> Shares outstanding as of 3/31/24

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

(in millions)	Successor		Successor/Predecessor	
	Year Ended December 31, 2023	Year Ended December 31, 2022	Year Ended December 31, 2021	2020 - predecessor
<b>Net Income (Loss)</b>	\$ (362)	\$ (72)	\$ (73)	\$ (103)
Interest expense	131	122	180	234
Income tax expense (benefit)	(4)	31	20	9
Depreciation	102	79	80	91
Intangible amortization	319	316	253	200
<b>EBITDA</b>	186	476	460	431
Share-based compensation	160	181	72	5
Transaction and integration expenses <sup>(1)</sup>	29	19	13	-
Non-recurring professional expenses	—	—	37	—
Transformation initiatives	—	—	-	8
Restructuring	85	63	14	77
(Gain) Loss from change in fair value of financial instruments	10	(38)	65	-
(Gain) Loss from change in fair value of tax receivable agreement	118	(41)	(37)	-
Other <sup>(2)</sup>	151	(1)	(3)	43
<b>Adjusted EBITDA</b>	\$ 739	\$ 659	\$ 621	\$ 564
Revenue	\$ 3,410	\$ 3,132	\$ 2,915	
<b>Adjusted EBITDA Margin<sup>(3)</sup></b>	21.7%	21.0%	21.3%	
Cash provided by (used for) operating activities	\$ 386	\$ 286	\$ 115	
<b>Operating Cash Flow Conversion<sup>(4)</sup></b>	52.2%	43.4%	18.5%	
Total Debt	\$ 2,794	\$ 2,823		
Cash and cash equivalents	\$ 358	\$ 250		
<b>Net Leverage Ratio<sup>(5)</sup></b>	3.3x	3.9x		

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

(2) Other primarily includes a \$148 million non-cash goodwill impairment charge for the three months and year ended December 31, 2023 related to the Company's Cloud Services reporting unit.

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

(4) Operating Cash Flow Conversion is defined as cash provided by operating activities divided by Adjusted EBITDA. Operating Cash Flow Conversion is used by management and stakeholders to evaluate our core operating performance.

(5) Net leverage ratio is defined as total balance sheet debt less cash and cash equivalents divided by Adjusted EBITDA.

## Reconciliation of operating cash flow conversion rate (unaudited)

	Successor			Predecessor
	Year Ended December 31, 2023	Year Ended December 31, 2022	Six Months Ended December 31, 2021	Six Months Ended June 30, 2021
(\$ in millions)				
<b>Adjusted EBITDA</b>	\$ 739	\$ 659	\$ 343	\$ 278
Cash provided by operations	\$ 386	\$ 286	\$ 57	\$ 58
<b>Operating Cash flow Conversion <sup>(1)</sup></b>	<b>52.2%</b>	<b>43.4%</b>	<b>16.6%</b>	<b>20.9%</b>