An aerial photograph of a dense urban skyline, likely New York City, featuring numerous skyscrapers and buildings. A diagonal line splits the image from the top-left to the bottom-right. The area to the right of the line is brightly lit, showing the tops of many buildings in warm, golden light. The area to the left of the line is in deep shadow, with a dark, semi-transparent black overlay.

4<sup>th</sup> Quarter and Full Year 2022 Earnings Presentation

Alight, Inc.

February 21, 2023



# 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, the expected benefit of recent acquisitions and relationships, our investments in our products and customers, our expected revenue under contract, statements regarding our capital structure, our transformation initiatives and the expected impact on our operations and financial results, our expected margin framework, and seasonality expectations, and other non-historical statements, including certain statements in the "Delivering on our transformation through Year 2", "Margin framework through 2024", and "2023 guidance (83% 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, 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 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](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. 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 for the periods during fiscal year 2021 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, Operating Cash Flow Conversion, 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.

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# Growth strategy & results

**alight**



# 2022 Key metrics

## Transformation metrics

**\$871M**

TCV of BPaaS bookings  
(vs. \$680-700M guidance)

**\$564M**

BPaaS revenue (↑45%)

**33.5%**

Employer Solutions  
Gross Margin %

## Foundational metrics

**+36M**

Participants<sup>1</sup>

**~70%**

of the Fortune 100  
are Alight clients<sup>2</sup>

**98%**

avg. revenue  
retention<sup>3</sup>

**\$3.1B**

2022 revenue

**\$659M**

2022 adjusted  
EBITDA

**84%**

annual recurring  
revenue<sup>4</sup>

<sup>1</sup> +36M participants as of 12/31/22.

<sup>2</sup> Measured as of the latest Fortune list published in May 2022.

<sup>3</sup> Retention defined as prior year's active client revenue compared to the following year measured as of 12/31/22.

<sup>4</sup> As of 12/31/22.

# Delivering results through second year of transformation

## 1 2022 results ahead of expectations as momentum continues

- Total revenue growth, excluding Hosted, of +7.5% with BPaaS revenue +44.6% and Adjusted EBITDA<sup>1</sup> +6.1% to \$659M for the full year due to \$38M of investment
- Operating cash flow conversion increased from 19% to 43% in 2022

## 2 Worklife platform driving outcomes with significant new logo wins

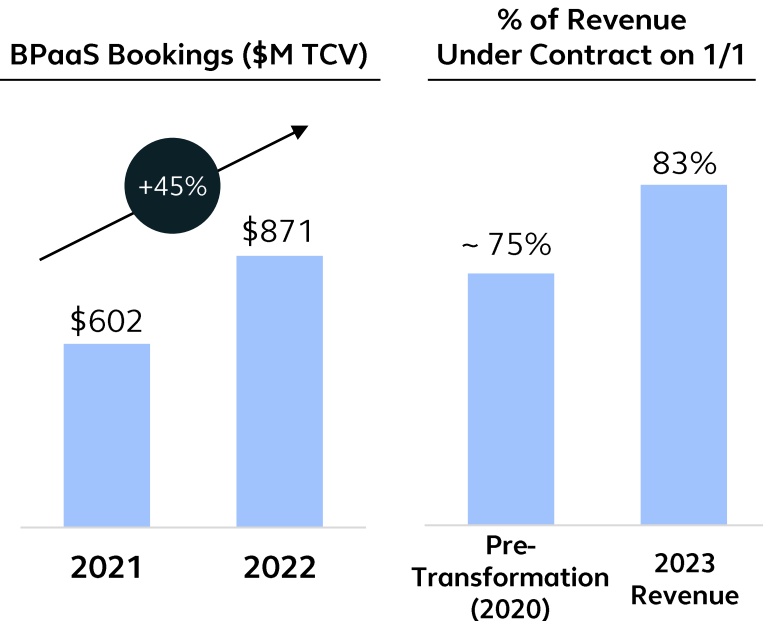
- FY22 BPaaS bookings of \$871M TCV well ahead of target driven by new logo wins including GE
- Continuing to invest in our product roadmap and go-to-market strategy including new client wins
- Technology investments & Worklife adoption were critical drivers of successful annual enrollment

## 3 2023 full-year guidance driven by strong '22 bookings which provide \$2.9B of revenue under contract

- Revenue of \$3.47-3.51B (11-12% revenue growth)
- Adjusted EBITDA<sup>1</sup> of \$735-750M, growth of 12-14% with EBITDA margin expansion of 15-50 bps with \$50M of investment
- Adjusted EPS<sup>1</sup> of \$0.62-0.67, growth of 9-18%
- BPaaS TCV bookings of \$900 million to \$1 billion
- Operating cash flow conversion rate of 45-55%, up from 43% in the prior year

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

# 2022 Review: Worklife driving key OneAlight client wins with strong bookings and revenue growth

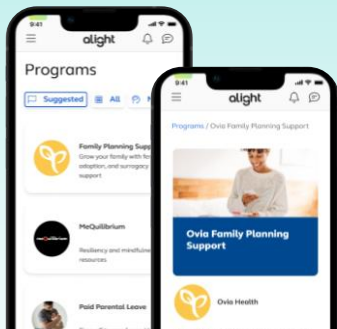


- New Logo win for Health benefits & Global Payroll HR Services built on Worklife as the engagement platform
- Strategic partnership to support the GE spinoff into three separate public companies

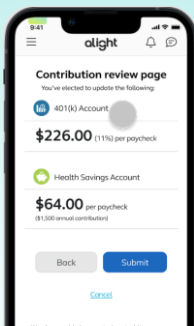


# In Q422, launched expanded solutions for wellbeing outcomes

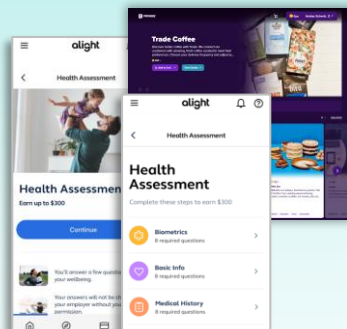
Building on our foundation to drive holistic wellbeing and measurable outcomes



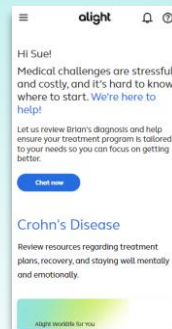
PROGRAM  
OPTIMIZATION



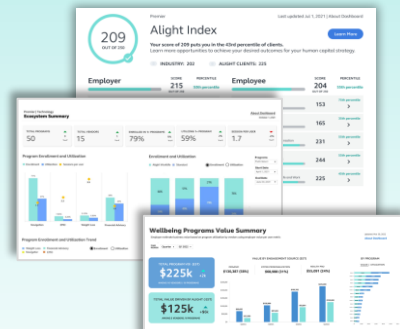
SMART SAVINGS  
PLANNER



ALIGHT WELL &  
MARKETPLACE



INTEGRATED  
NAVIGATION



VALUE-BASED INSIGHTS  
AND ANALYTICS

# Starting a Family – Alight Worklife Drives Better End-to-end Experience

HR

Retirement accounts

Leave administrator

Colleague recommendations

Daycare

Benefits information

Fertility testing

Family members

Childbirth classes

Stress support

Google

OB/Gyn

Carriers

Coverage questions

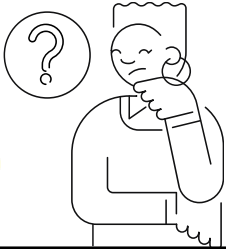
Benefits

Rx

FSA

Call centers

Claims questions



Current Experience

Confusion

Missed resources and opportunities

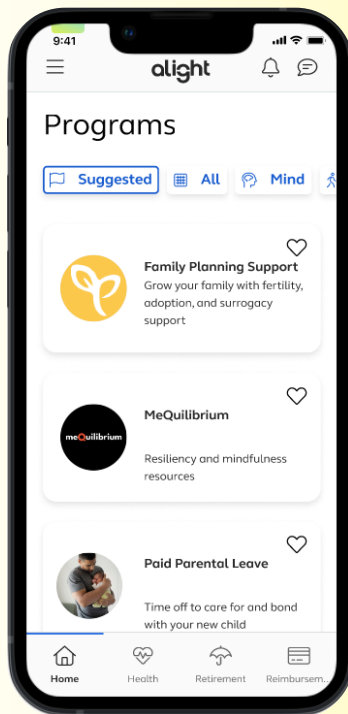
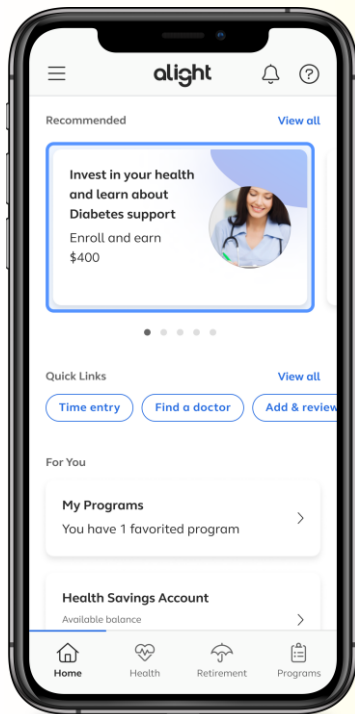
Low understanding/utilization

Suboptimal outcomes





# New solutions & expanding use cases drive digital engagement



200%

mobile  
enrollments  
'21 to '22

1.25m

App downloads  
in 2022

89%

Record digital CSAT  
(up from 79%)

>170%

monthly mobile  
active users in '22

26%

Reduction in  
channel jumpers

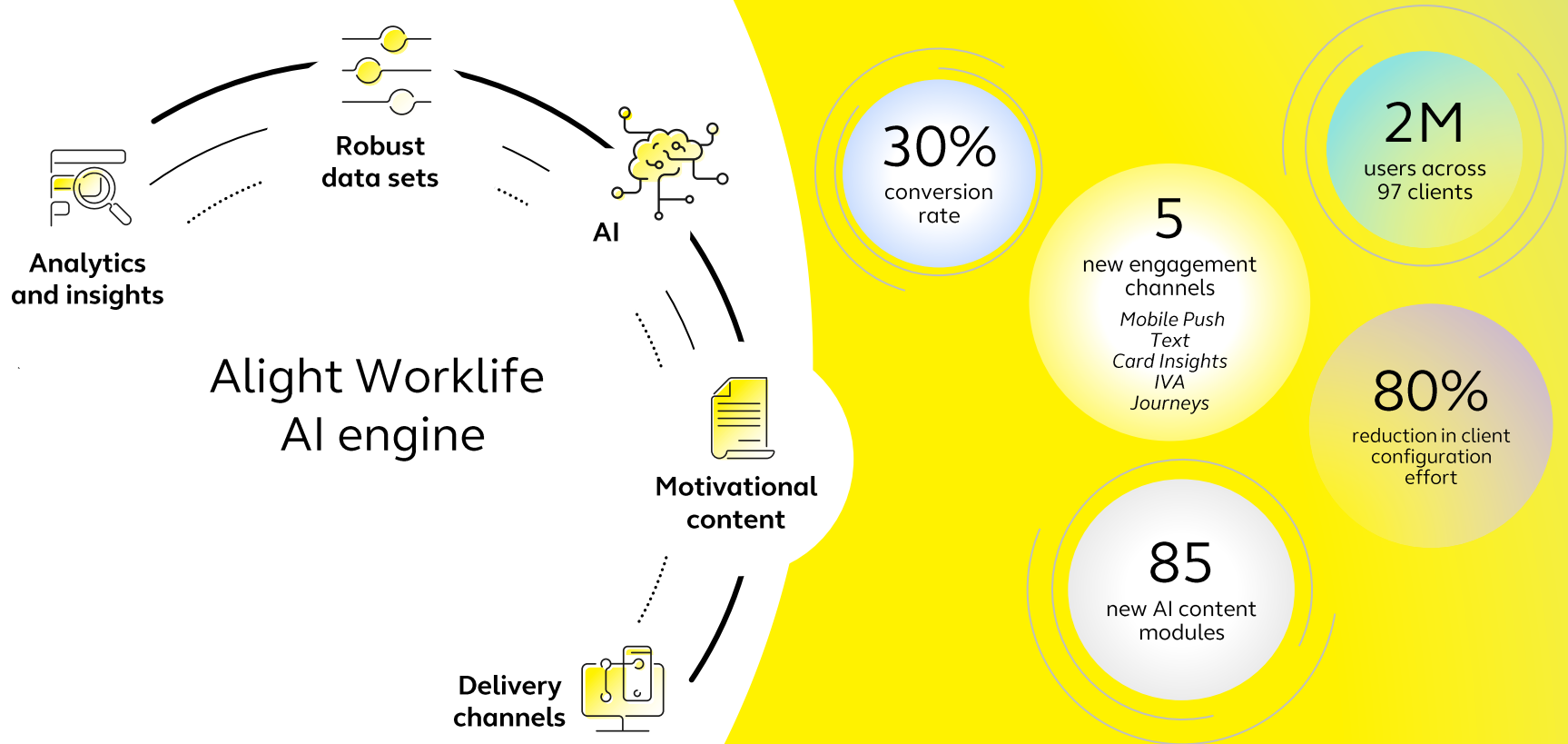
TOP  
INTERACTIONS

Recommended  
carousel  
To Do Items  
Quick Links

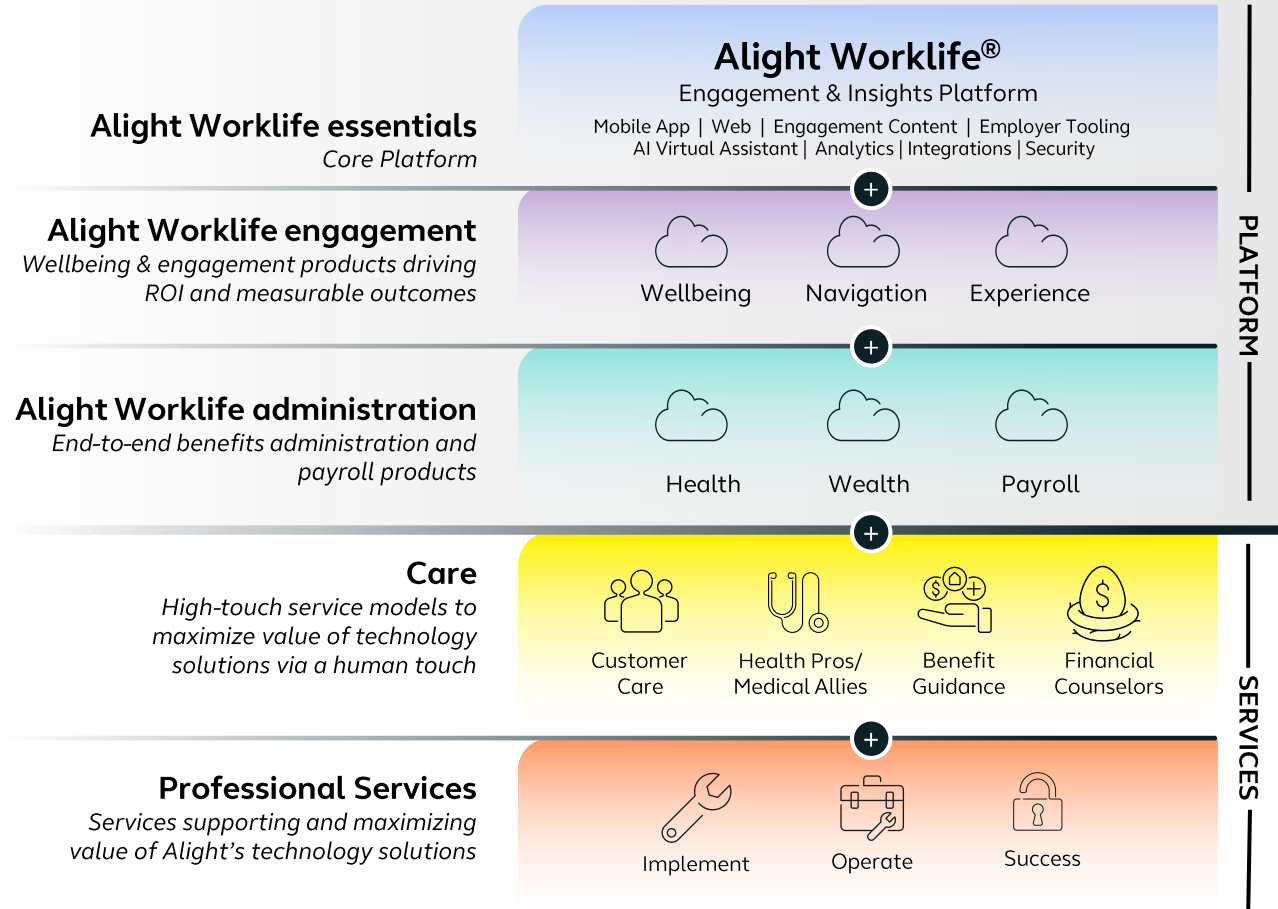
4.8

★★★★★  
mobile app  
rating

# Increased engagement provides more data to power our Worklife AI engine



In 2023, we will help clients understand the value we can bring at both the platform and services levels



# Financial results & outlook

**alight**

# 4Q summary of consolidated results

(\$ in millions)	4Q22	4Q21	Change
Revenue			
<i>Total Revenue</i>	\$942M	\$864M	+9.0%
<i>Revenue ex-Hosted</i>	\$931M	\$853M	+9.1%
<i>BPaaS Revenue</i>	\$171M	\$106M	+61.3%
Gross Profit	\$342M	\$294M	+16.3%
% margin	36.3%	34.0%	+230 bps
Adjusted EBITDA <sup>1</sup>	\$242M	\$190M	+27.4%
% margin	25.7%	22.0%	+370 bps

## 4Q Highlights

- Revenue growth of 9% driven by substantial BPaaS revenue growth
- Strong margin expansion across both gross margin and EBITDA margin

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



# FY 2022 summary of consolidated results

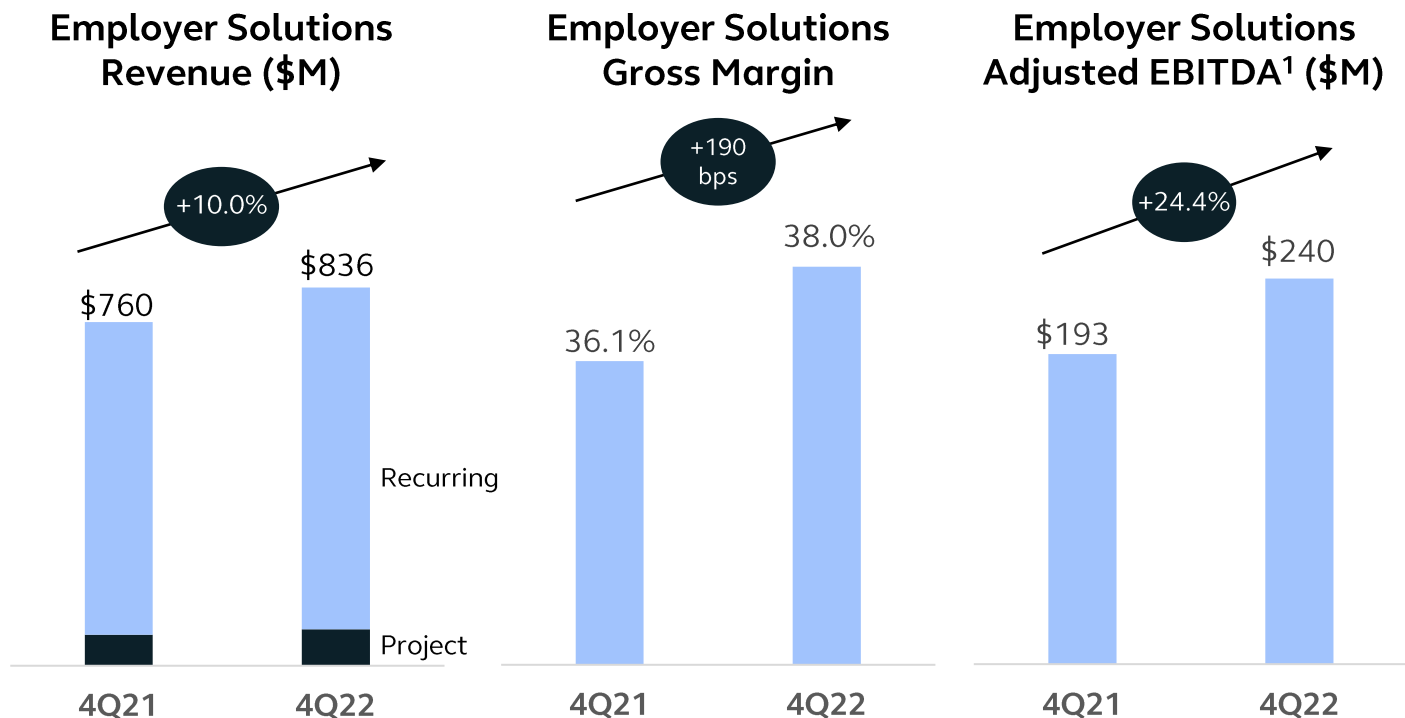
(\$ in millions)	2022	2021	Change
Revenue			
<i>Total Revenue</i>	\$3.132B	\$2.915B	+7.4%
<i>Revenue ex-Hosted</i>	\$3.089B	\$2.873B	+7.5%
<i>BPaaS Revenue</i>	\$564M	\$390M	+44.6%
Gross Profit	\$996M	\$967M	+3.0%
% margin	31.8%	33.2%	-140 bps
Adjusted EBITDA <sup>1</sup>	\$659M	\$621M	+6.1%
% margin	21.0%	21.3%	-30 bps

## FY 2022 Highlights

- Revenue growth above guidance range at +7.4%
- Employer solutions recurring revenue growth of 9.1%
- Gross margin impacted by seasonality & investments, with margin expansion in the fourth quarter
- Adjusted EBITDA at upper end of guidance range

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

# Employer Solutions strength across revenue streams with margin expansion



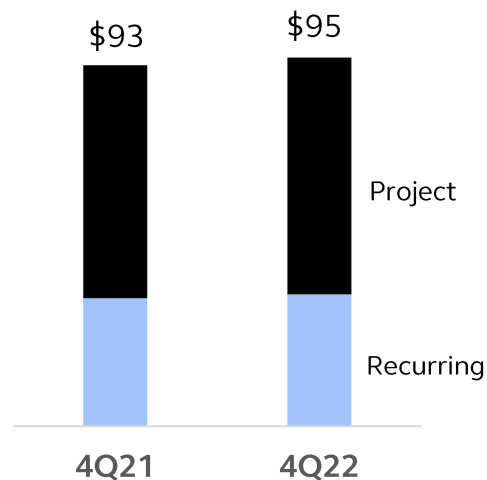
## 4Q Highlights

- 9.3% growth in recurring revenue
- Strong annual enrollment season drove project revenue growth
- Continued margin expansion through operating leverage & streamlined delivery model

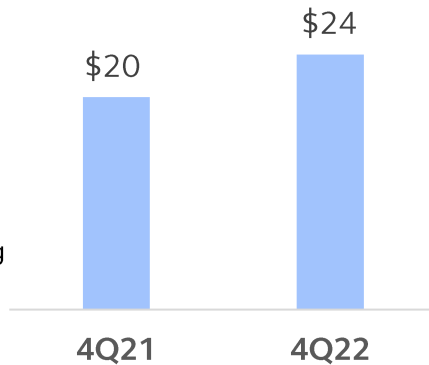
<sup>1</sup> A reconciliation of this non-GAAP financial metric to its closest comparable GAAP metric is included in the appendix.

# Professional Services positioned to accelerate growth

## Professional Services Revenue (\$M)



## Professional Services Gross Profit (\$M)



## Professional Services Adjusted EBITDA<sup>1</sup> (\$M)



## 4Q Highlights

- Revenue growth expected to accelerate in 2023 with very strong bookings year in 2022
- Improved profitability with revenue growth driven by productivity initiatives

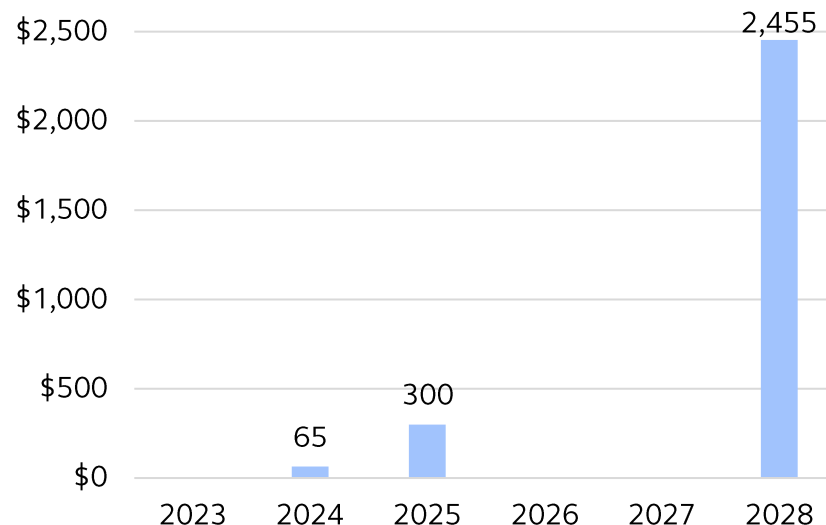
<sup>1</sup> A reconciliation of this non-GAAP financial metric to its closest comparable GAAP metric is included in the appendix.

# Capital structure supported by resilient business model

(\$ millions)	12/31/2022	12/31/2021
<b>Total Debt</b>	<b>\$2,823</b>	<b>\$2,868</b>
Less Cash	\$250	\$372
<b>Net Debt</b>	<b>\$2,573</b>	<b>\$2,496</b>

- Well protected in a rising rate environment with hedging strategy
  - 70+% fixed rate debt portfolio for 2023-2024 and 50% fixed rate debt portfolio for 2025
  - Estimated interest costs of \$140-150M in 2023
- No material near-term debt maturities
- Generated \$286M in operating cash flow in 2022 vs. \$115M in 2021

**Debt Maturity Schedule as of 12/31/22 (\$M)<sup>1</sup>**



# Delivering on our transformation through Year 2

## Phase 1: Commercial Go To Market

*BPaaS: Driving engagement & outcomes through OneAlight*

**2020 - 2021**

- New logo focus with OneAlight market makers
- New BPaaS offerings & ROI framework
- Transformational deals... streamlining bifurcated products

## Phase 2: Alight Worklife

*Front-end cloud platform launch & integration*

**2021 - 2022**

- Larger deals & share of HCM spend... recurring revenue uplift
- New design, channels & technology increase engagement and action
- Worklife becomes single resource from daily wellbeing to complex care

## Phase 3: Operational Excellence

*Selling & delivering Worklife with back office cloud migration*

**2023 +**

- Worklife platform subscription drives access to full suite of engagement solutions
- Optimized 'Managed Services' for world class ongoing delivery & consulting
- Streamlined cloud back office & digital tooling enables paradigm shift in costs to serve

**Key Metrics**  
'20 → '22  
CAGR

BPaaS Bookings TCV +80%  
700+ new logos since 2021

Total Alight Revenue +7%  
Recurring Revenue +9%  
BPaaS Revenue +30%

**Targeting 400 - 500 bps. GM% expansion**

**Positions us to deliver 60-80% OCF conversion**

Margin Expansion & Cash Flow

Revenue Growth

Bookings Growth



# Expanding margins & cash flow through transformation

Worklife transformation simplifies how we deliver for clients with better outcomes, while driving significant opportunities to streamline our Back Office infrastructure

## Worklife Transformation

+25 – 50 bps.

- Incremental platform subscription fees
- Upsell of additional Worklife modules
- Annual subscription fee increases

## How we Deliver

+75 - 100 bps.

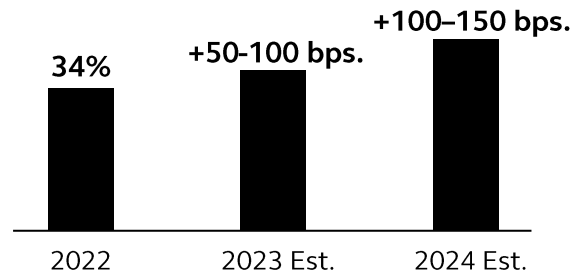
- Ongoing delivery standards, eliminate custom bundles
- Standardized, digital customer care
- Consulting unbundled & priced incrementally

## Streamlining our back office

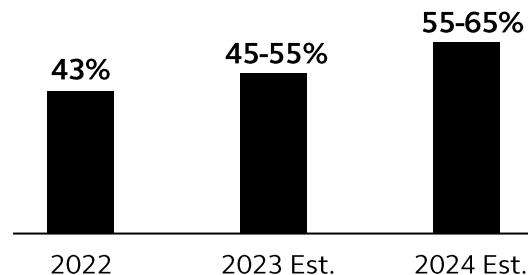
+50 – 100 bps.

- Full cloud transition... efficiencies in Technology spend
- Significantly reduces real estate infrastructure

## Employer Solutions Segment GM%



## Operating Cash Flow Conversion %



# 2023 guidance (83% of revenue under contract)<sup>1</sup>

	FY 2023 Guidance
(\$ millions)	
Revenue	\$3.475 – \$3.510B +11 - 12%
Adjusted EBITDA	\$735 – \$750M +12 - 14%
Adjusted EPS	\$0.62 – \$0.67
BPaaS Bookings TCV	\$900 – \$1,000M
Operating Cash Flow Conversion %	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 starting backlog
- Continuing investments in Worklife & streamlining our backoffice
- Cautious on challenging macro-environment, could marginally impact project revenue

## Modeling Considerations

- Revenue & Adjusted EBITDA seasonality should be consistent with 2022, weighted to 4Q

<sup>1</sup> As of December 31, 2022.

<sup>2</sup> 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. 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.

# Appendix – Non-GAAP Reconciliations

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# Adjusted EBITDA

	Successor				Predecessor
	Three Months Ended December 31, 2022	Three Months Ended December 31, 2021	Year Ended December 31, 2022	Six Months Ended December 31, 2021	Six Months Ended June 30, 2021
(in millions)					
<b>Net Income (Loss)</b>	\$ (66)	\$ 72	\$ (72)	\$ (48)	\$ (25)
Interest expense	33	29	122	57	123
Income tax expense (benefit)	59	25	31	25	(5)
Depreciation	23	17	79	31	49
Intangible amortization	79	79	316	153	100
<b>EBITDA</b>	128	222	476	218	242
Share-based compensation	52	52	181	67	5
Transaction and integration expenses <sup>(1)</sup>	8	10	19	13	—
Non-recurring professional expenses <sup>(2)</sup>	—	2	—	19	18
Restructuring	20	2	63	5	9
(Gain) Loss from change in fair value of financial instruments	15	(25)	(38)	65	—
(Gain) Loss from change in fair value of tax receivable agreement	22	(64)	(41)	(37)	—
Other <sup>(3)</sup>	(3)	(9)	(1)	(7)	4
<b>Adjusted EBITDA</b>	\$ 242	\$ 190	\$ 659	\$ 343	\$ 278
Capital expenditures	(33)	(32)	(148)	(59)	(55)
<b>Adjusted EBITDA less Capital Expenditures</b>	\$ 209	\$ 158	\$ 511	\$ 284	\$ 223
Revenue	\$ 942	\$ 864	\$ 3,132	\$ 1,554	\$ 1,361
<b>Adjusted EBITDA Margin<sup>(4)</sup></b>	25.7%	22.0%	21.0%	22.1%	20.4%
Cash provided by (used for) operating activities	\$ 85	\$ 64	\$ 286	\$ 57	58
<b>Operating Cash Flow Conversion<sup>(5)</sup></b>	35.1%	33.7%	43.4%	16.6%	20.9%

<sup>(1)</sup> Transaction and integration expenses related to acquisition activity.

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

<sup>(3)</sup> For the year ended December 31, 2022, other primarily includes expenses related to debt refinancing completed in the first quarter of 2022 and other non-operational activities. For the Successor six months ended December 31, 2021 and the Predecessor six months ended June 30, 2021, other primarily includes activities related to long-term incentives. For the Predecessor year ended December 31, 2020, other primarily includes expenses related to long-term incentives and acquisitions.

<sup>(4)</sup> Adjusted EBITDA Margin defined as Adjusted EBITDA as a percentage of revenue.

<sup>(5)</sup> 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.

# Segment Adjusted EBITDA

(in millions)	Segment Profit <sup>(4)</sup>					
	Successor				Predecessor	
	Three Months Ended December 31, 2022	Three Months Ended December 31, 2021	Year Ended December 31, 2022	Six Months Ended December 31, 2021	Six Months Ended June 30, 2021	
Employer Solutions	\$ 240	\$ 193	\$ 659	\$ 344	\$ 274	
Professional Services	1	(3)	1	1	7	
Hosted Business	1	—	(1)	(2)	(3)	
Total Adjusted EBITDA of all reportable segments	242	190	659	343	278	
Share-based compensation	52	52	181	67	5	
Transaction and integration expenses <sup>(1)</sup>	8	10	19	13	—	
Non-recurring professional expenses <sup>(2)</sup>	—	2	—	19	18	
Restructuring	20	2	63	5	9	
Other <sup>(3)</sup>	(1)	(12)	15	(10)	(5)	
Depreciation	23	17	79	31	49	
Intangible amortization	79	79	316	153	100	
Operating Income (Loss)	61	40	(14)	65	102	
(Gain) Loss from change in fair value of financial instruments	15	(25)	(38)	65	—	
(Gain) Loss from change in fair value of tax receivable agreement	22	(64)	(41)	(37)	—	
Interest expense	33	29	122	57	123	
Other (income) expense, net	(2)	3	(16)	3	9	
Income (Loss) Before Income Tax Expense (Benefit)	\$ (7)	\$ 97	\$ (41)	\$ (23)	\$ (30)	

<sup>(1)</sup> Transaction and integration expenses related to acquisition activity.

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

<sup>(3)</sup> For the Successor three and year ended December 31, 2022, other primarily includes expenses related to debt refinancing completed in the first quarter of 2022 and other non-operational activities, offset by Other (income) expense, net.

For the Successor six months ended December 31, 2021 and the Predecessor six months ended June 30, 2021, other includes long-term incentive expenses, offset by Other (income) expense, net.

<sup>(4)</sup> Segment Profit is defined as Segment Adjusted EBITDA



# Adjusted Net Income & Adjusted Diluted Earnings per Share

(in millions, except share and per share amounts)	Successor	
	Year Ended December 31, 2022	Six Months Ended December 31, 2021
<b>Numerator:</b>		
Net (Loss) Income Attributable to Alight, Inc.	\$ (62)	\$ (35)
Conversion of noncontrolling interest	(10)	(13)
Intangible amortization	316	153
Share-based compensation	181	67
Transaction and integration expenses	19	13
Restructuring	63	5
(Gain) Loss from change in fair value of financial instruments	(38)	65
(Gain) Loss from change in fair value of tax receivable agreement	(41)	(37)
Other	(1)	12
Tax effect of adjustments <sup>(1)</sup>	(121)	(62)
<b>Adjusted Net Income</b>	<b>\$ 306</b>	<b>\$ 168</b>
<b>Denominator:</b>		
Weighted average shares outstanding - basic	458,558,192	439,800,624
Dilutive effect of the exchange of noncontrolling interest units	—	—
Dilutive effect of RSUs	—	—
Weighted average shares outstanding - diluted	458,558,192	439,800,624
Exchange of noncontrolling units <sup>(2)</sup>	63,481,465	77,459,687
Impact of warrants exercised <sup>(3)</sup>	—	14,490,641
Impact of unvested RSUs <sup>(4)</sup>	7,624,817	7,007,072
Timing impact of NCI conversions <sup>(5)</sup>	11,183,908	—
<b>Adjusted shares of Class A Common Stock outstanding - diluted<sup>(6)</sup></b>	<b>540,848,382</b>	<b>538,758,024</b>
<b>Basic (Net Loss) Earnings Per Share</b>	<b>\$ (0.14)</b>	<b>\$ (0.08)</b>
<b>Adjusted Diluted Earnings Per Share<sup>(6)(7)</sup></b>	<b>\$ 0.57</b>	<b>\$ 0.31</b>

(1) Income tax effects have been calculated based on the 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) Represents the number of shares of Class A Common Stock issued in relation to the warrant exercises completed in December 2021, not fully included in the weighted average shares outstanding.

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

(5) 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 20 consecutive trading days; (ii) 7.5 million share will be issued if the Company's Class A Common Stock VWAP is >\$15.00 for 20 consecutive trading days. Both tranches have a seven-year duration.

(6) Excludes 32,852,974 and 16,036,220 performance-based units, which represents maximum achievement of the respective performance conditions for units granted during the year and six months ended December 31, 2022 and 2021, respectively.

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