

# “Strong results delivered by integrated Aon United solutions”

Insights from this quarter’s conference call



“

The interconnected nature of today’s risk landscape is creating new and complex challenges, and our clients need help to evolve to meet these emerging issues. By accelerating our Aon Business Services plan, unlocking integrated solutions through Risk Capital and Human Capital and strengthening our Client Leadership Model, we are setting the standard for next generation analytics and client service.”

**Greg Case**

Chief Executive Officer



“

Our strong financial results in the third quarter and year-to-date reflect strong operational performance driven by our Aon United strategy and Aon Business Services platform. These results position us very well to continue driving results in 2023 and over the long term, and we look forward to building this momentum into the last quarter of the year.”

**Christa Davies**

Chief Financial Officer

# Performance Across Key Financial Metrics<sup>1</sup>

## Organic Revenue Growth

<b>+6%</b>		<b>+7%</b>	
Q3'22	Q3'23	YTD 2022	YTD 2023
+5%	+6%	+7%	+7%

Reflects strong retention, management of the renewal book, and net new business generation

## Adjusted Earnings Per Share

<b>+15%</b>		<b>+8%</b>	
Q3'22	Q3'23	YTD 2022	YTD 2023
\$2.02	\$2.32	\$9.51	\$10.26

Reflects strong organic revenue growth and effective capital management, partially offset by unfavorable impact from FX

## Adjusted Operating Margin

<b>+120 bps</b>		<b>+80 bps</b>	
Q3'22	Q3'23	YTD 2022	YTD 2023
23.1%	24.3%	30.0%	30.8%

Reflects organic revenue growth and increased fiduciary investment income, partially offset by increased expenses and investments in long-term growth

## Free Cash Flow

<b>(4%)</b>	
YTD 2022	YTD 2023
\$2,051M	\$1,971M

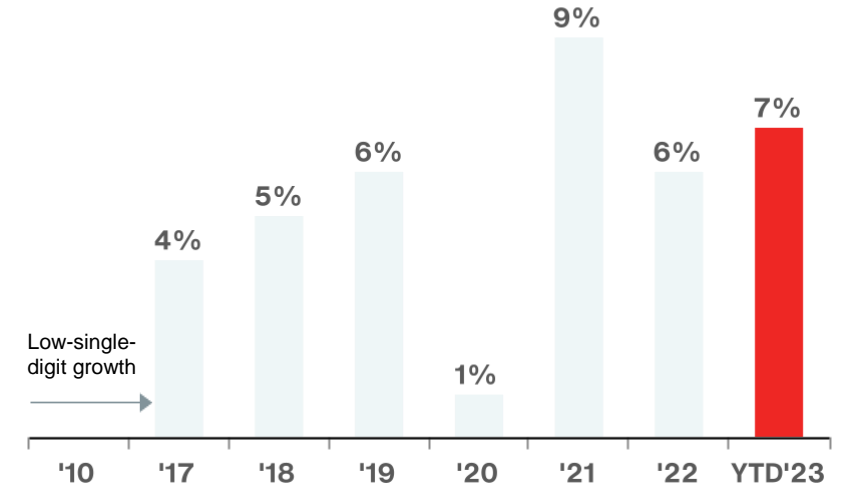
Reflects decrease in cash flows provided by operations and increase in capital expenditures. Capital expenditures elevated compared to prior year period after execution of technology projects driving long-term growth.

# Strong Organic Revenue<sup>1</sup> Growth Across All Solution Lines

- **Organic revenue growth of +6% overall in the third quarter**, driven by ongoing strong retention, management of the renewal book, and net new business generation
- **Reported revenue growth of +10% in the third quarter**, including a 2% favorable impact from fiduciary investment income<sup>2</sup> and 2% favorable impact from FX

	Q3'22	Q3'23	YTD'22	YTD'23
Commercial Risk Solutions	+5%	+4%	+7%	+5%
Reinsurance Solutions	+7%	+11%	+7%	+9%
Health Solutions	+5%	+10%	+8%	+9%
Wealth Solutions	+2%	+4%	+2%	+4%
<b>Total Aon</b>	<b>+5%</b>	<b>+6%</b>	<b>+7%</b>	<b>+7%</b>

## Organic Revenue Growth



*In 2017, established Aon United, our one-firm strategy, to drive long-term growth*

*Expect mid-single-digit or greater organic revenue growth in 2023 and over the long-term*



1. Organic revenue is a non-GAAP measure that is reconciled to its corresponding U.S. GAAP measure in Appendix A of this presentation.  
 2. Fiduciary investment income for the three months ended September 30, 2023 was \$80 million.

# Our Annual Long-Term Track Record on Key Financial Metrics<sup>1</sup>

Driving Top and Bottom-Line Improvement

	FY 2010	FY 2022	12-Year Change
<b>Organic Revenue Growth</b>	+0%	+6%	<b>+4% avg / year</b>
<b>Adjusted Operating Margin</b>	19.6%	30.8%	1,120 bps ~90 bps / year
<b>Adjusted Earnings Per Share</b>	\$3.48	\$13.39	<b>+12% CAGR</b>
<b>Free Cash Flow</b>	\$0.7B	\$3.0B	<b>+13% CAGR</b>
<b>Free Cash Flow Margin</b>	8.2%	24.2%	+1,600 bps ~130 bps / year
<b>Shares Outstanding<sup>2</sup></b>	332.3M	205.4M	<b>~38% Net Reduction</b>
<b>Return on Invested Capital (ROIC)</b>	11.7%	30.6%	+1,890 bps ~160 bps / year



1. The results presented on this page are non-GAAP measures that are reconciled to their corresponding U.S. GAAP measures in the Appendices of the presentation.
2. Calculated as the change in actual shares outstanding from December 31, 2010 to December 31, 2022.

# Aon is in the business of better decisions

Aon exists to shape decisions for the better — to protect and enrich the lives of people around the world. Our colleagues provide our clients in over 120 countries and sovereignties with advice and solutions that give them the clarity and confidence to make better decisions to protect and grow their business.

## 50,000

colleagues around the world

## 120+

countries and sovereignties with Aon clients

Through our experience, global reach and state-of-the-art analytics, we are better able to help clients meet rapidly changing, increasingly complex and interconnected challenges across four areas of need:

Navigating new forms of volatility

Building a resilient workforce

Rethinking access to capital

Addressing the underserved

### Commercial Risk Solutions

Shifts in technology, economics and geopolitics are creating unprecedented volatility. We help clients identify, measure and manage their risk exposure.

## \$110B+

<sup>1</sup>

of bound premium placed annually

### Health Solutions

Health is declining, costs are rising and workers have vastly different needs. We help companies improve employee health and wellbeing while managing costs.

## \$35B

of bound premium placed annually

### Reinsurance Solutions

Businesses, governments and communities need to become more resilient. Our expertise and insight help (re)insurers navigate uncharted territories and create more relevant solutions.

## \$50B+

of bound premium placed annually

### Wealth Solutions

Global business is becoming increasingly difficult to navigate. We help employers, fiduciaries and investment officers optimize results and provide a more secure future for their stakeholders.

## \$3.8T

<sup>2</sup>

of assets under advisement



<sup>1</sup> Includes approximately \$55 billion of captive premium.

<sup>2</sup> As of 6/30/2022, includes non-discretionary assets advised by Aon and its global affiliates which includes retainer clients and clients in which Aon and its global affiliates have performed project services for over the past 12 months. Project clients may not currently engage Aon at the time of the calculation of assets under advisement as the project may have concluded earlier during preceding 12-month period.

# Appendix

# Appendix A: Reconciliation of Non-GAAP Measures – Organic Revenue Growth

Aon Organic Revenue Reconciliation		Q3'20	Q4'20	FY'20	Q1'21	Q2'21	Q3'21	Q4'21	FY'21	Q1'22	Q2'22	Q3'22	Q4'22	FY'22	Q1'23	Q2'23	Q3'23	
<b>Commercial Risk</b>	Current period revenue	1,320	1,664	5,861	1,640	1,643	1,505	1,847	6,635	1,719	1,692	1,482	1,822	6,715	1,778	1,774	1,585	
	Prior year period revenue	1,328	1,622	5,857	1,477	1,400	1,320	1,664	5,861	1,640	1,543	1,505	1,847	6,635	1,719	1,692	1,482	
	% change	-1%	3%	0%	11%	17%	14%	11%	13%	5%	3%	-2%	-1%	1%	3%	5%	7%	
	Less: Currency Impact <sup>(1)</sup>	0%	2%	0%	5%	5%	2%	-1%	2%	-3%	-4%	-5%	-4%	-4%	-4%	-3%	-1%	1%
	Less: Fiduciary Investment Income <sup>(2)</sup>	-1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	1%	1%	2%	2%	2%
	Less: Acquisitions, Divestitures & Other	0%	0%	-1%	-1%	-1%	-1%	0%	0%	-1%	0%	3%	-2%	-2%	-2%	-1%	—%	
	Organic Revenue Growth <sup>(3)</sup>	0%	1%	1%	7%	13%	13%	12%	11%	9%	7%	4%	4%	6%	6%	5%	4%	
<b>Reinsurance</b>	Current period revenue	321	197	1,814	922	500	353	222	1,997	976	537	396	281	2,190	1,077	607	465	
	Prior year period revenue	291	187	1,686	848	448	321	197	1,814	922	500	353	222	1,997	976	537	396	
	% change	10%	5%	8%	9%	12%	10%	13%	10%	6%	7%	12%	27%	10%	10%	13%	17%	
	Less: Currency Impact <sup>(1)</sup>	0%	0%	0%	3%	1%	1%	-1%	2%	-2%	-5%	-4%	-3%	-3%	-2%	-1%	1%	
	Less: Fiduciary Investment Income <sup>(2)</sup>	-3%	-3%	-1%	-1%	0%	0%	0%	0%	0%	0%	3%	7%	1%	2%	5%	5%	
	Less: Acquisitions, Divestitures & Other	0%	-4%	-1%	1%	2%	1%	1%	0%	1%	3%	6%	14%	4%	1%	0%	0%	
	Organic Revenue Growth <sup>(3)</sup>	13%	12%	10%	6%	9%	8%	13%	8%	7%	9%	7%	9%	8%	9%	9%	11%	
<b>Health</b>	Current period revenue	423	751	2,067	615	391	497	651	2,154	638	414	494	678	2,224	671	447	552	
	Prior year period revenue	434	724	2,104	572	321	423	751	2,067	615	391	497	651	2,154	638	414	494	
	% change	-3%	4%	-2%	8%	22%	17%	-13%	4%	4%	6%	-1%	4%	3%	5%	8%	12%	
	Less: Currency Impact <sup>(1)</sup>	-1%	0%	-1%	3%	5%	2%	-1%	2%	-3%	-3%	-4%	-3%	-3%	-3%	-1%	2%	
	Less: Fiduciary Investment Income <sup>(2)</sup>	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
	Less: Acquisitions, Divestitures & Other	1%	3%	1%	1%	0%	-1%	-19%	-8%	-1%	-2%	-2%	0%	-2%	0%	-1%	0%	
	Organic Revenue Growth <sup>(3)</sup>	-3%	1%	-2%	4%	17%	16%	7%	10%	8%	11%	5%	7%	8%	8%	10%	10%	
<b>Wealth</b>	Current period revenue	327	357	1,341	355	356	351	364	1,426	345	343	326	353	1,367	350	352	352	
	Prior year period revenue	329	355	1,380	327	330	327	357	1,341	355	356	351	364	1,426	345	343	326	
	% change	-1%	1%	-3%	9%	8%	7%	2%	6%	-3%	-4%	-7%	-3%	-4%	1%	3%	8%	
	Less: Currency Impact <sup>(1)</sup>	2%	2%	0%	4%	6%	3%	0%	3%	-2%	-5%	-6%	-6%	-5%	-4%	0%	3%	
	Less: Fiduciary Investment Income <sup>(2)</sup>	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
	Less: Acquisitions, Divestitures & Other	0%	0%	-2%	1%	1%	0%	1%	1%	-1%	-2%	-3%	-3%	-2%	-1%	1%	1%	
	Organic Revenue Growth <sup>(3)</sup>	-3%	-1%	-1%	4%	1%	4%	1%	2%	0%	3%	2%	6%	3%	6%	2%	4%	
<b>Total Company</b>	Current period revenue	2,385	2,965	11,066	3,525	2,886	2,702	3,080	12,193	3,670	2,983	2,696	3,130	12,479	3,871	3,177	2,953	
	Prior year period revenue	2,379	2,885	11,013	3,219	2,497	2,385	2,965	11,066	3,525	2,886	2,702	3,080	12,193	3,670	2,983	2,696	
	% change	0%	3%	0%	10%	16%	13%	4%	10%	4%	3%	0%	2%	2%	5%	7%	10%	
	Less: Currency Impact <sup>(1)</sup>	0%	1%	0%	4%	4%	2%	-1%	2%	-3%	-4%	-5%	-4%	-4%	-3%	-1%	2%	
	Less: Fiduciary Investment Income <sup>(2)</sup>	-1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	1%	1%	1%	2%	2%	
	Less: Acquisitions, Divestitures & Other	1%	0%	-1%	0%	1%	-1%	-5%	-1%	-1%	-1%	-2%	0%	-1%	0%	0%	0%	
	Organic Revenue Growth <sup>(3)</sup>	0%	2%	1%	6%	11%	12%	10%	9%	8%	8%	5%	5%	6%	7%	6%	6%	

1. Currency impact represents the effect on prior year period results if they were translated at current period foreign exchange rates.

2. Total fiduciary investment income for the three months ended March 31, 2023, June 30, 2023, and September 30, 2023 was \$52 million, \$64 million, and \$80 million respectively, for the three months ended March 31, 2022, June 30, 2022, September 30, 2022, and December 31, 2022 was \$2 million, \$7 million, \$26 million, and \$41 million, respectively, for the three months ended March 31, 2021, June 30, 2021, September 30, 2021, and December 31, 2021 was \$2 million, \$2 million, \$2 million, and \$2 million, respectively, for the three months ended March 31, 2020, June 30, 2020, September 30, 2020, and December 31, 2020 was \$15 million, \$5 million, \$3 million, and \$4 million, respectively, and for the twelve months ended December 31 for the years 2022, 2021, 2020 was \$76 million, \$8 million, and \$27 million, respectively.

3. Organic revenue growth includes the impact of intercompany activity and excludes the impact of changes in foreign exchange rates, fiduciary investment income, acquisitions, divestitures, transfers between revenue lines, and gains or losses on derivatives accounted for as hedges.

# Appendix A: Reconciliation of Non-GAAP Measures – Organic Revenue Growth (Cont'd)

Aon Organic Revenue Reconciliation														
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	YTD'23
<b>Total Revenue</b>														
Current period revenue	8,512	11,287	11,514	11,815	12,045	11,682	11,627	9,998	10,770	11,013	11,066	12,193	12,479	10,001
Prior year period revenue	7,595	8,512	11,287	11,514	11,815	12,045	11,682	9,409	9,998	10,770	11,013	11,066	12,193	9,349
% change	12%	33%	2%	3%	2%	(3)%	—%	6%	8%	2%	—%	10%	2%	7%
Less: Currency Impact <sup>(1)</sup>	1%	2%	(1)%	(1)%	(1)%	(6)%	(2)%	—%	1%	(3)%	—%	2%	(4)%	(1)%
Less Fiduciary Investment Income <sup>(2)</sup>	(1)%	—%	(1)%	—%	—%	—%	1%	—%	—%	—%	—%	—%	1%	2%
Less: Acquisitions, Divestitures & Other	12%	29%	1%	1%	—%	—%	(2)%	2%	2%	(1)%	(1)%	(1)%	(1)%	(1)%
Organic Revenue Growth <sup>(3)</sup>	—%	2%	3%	3%	3%	3%	3%	4%	5%	6%	1%	9%	6%	7%

1. Currency impact represents the effect on prior year period results if they were translated at current period foreign exchange rates.

2. Fiduciary investment income for the nine months ended September 30, 2023, was \$196 million, and for the twelve months ended December 31 for the years 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015, 2014, 2013, 2012, 2011, and 2010 was \$76 million, \$8 million, \$27 million, \$74 million, \$53 million, \$32 million, \$22 million, \$21 million, \$26 million, \$28 million, \$38 million, \$52 million and \$55 million, respectively.

3. Organic revenue growth includes the impact of intercompany activity and excludes the impact of changes in foreign exchange rates, fiduciary investment income, acquisitions, divestitures, transfers between revenue lines, and gains or losses on derivatives accounted for as hedges.



# Appendix B: Reconciliation of Non-GAAP Measures – Operating Income and Diluted Earnings Per Share

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2023	2022	% Change	2023	2022	% Change
<i>(millions, except percentages)</i>						
Revenue	\$ 2,953	\$ 2,696	10 %	\$ 10,001	\$ 9,349	7 %
<b>Operating income</b>	\$ 691	\$ 590	17 %	\$ 3,006	\$ 2,657	13 %
Amortization and impairment of intangible assets	20	34		70	87	
Accelerating Aon United Program expenses (2)	6	—		6	—	
Legal settlements (2)	—	—		—	58	
<b>Operating income - as adjusted</b>	\$ 717	\$ 624	15 %	\$ 3,082	\$ 2,802	10 %
Operating margin	23.4 %	21.9 %		30.1 %	28.4 %	
<b>Operating margin - as adjusted</b>	24.3 %	23.1 %		30.8 %	30.0 %	

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2023	2022	% Change	2023	2022	% Change
<i>(millions, except percentages)</i>						
<b>Operating income - as adjusted</b>	\$ 717	\$ 624	15 %	\$ 3,082	\$ 2,802	10 %
Interest income	9	7	29 %	19	15	27 %
Interest expense	(119)	(103)	16 %	(360)	(296)	22 %
Other income (expense):						
Other income (expense) - pensions - as adjusted (4)	(18)	(3)	500 %	(51)	(9)	467 %
Other income (expense) - other	(3)	19	(116)%	(27)	80	(134)%
Other income (expense) - as adjusted (4)	(21)	16	(231)%	(78)	71	(210)%
<b>Income before income taxes - as adjusted</b>	586	544	8 %	2,663	2,592	3 %
Income tax expense (5)	101	104	(3)%	494	504	(2)%
<b>Net income - as adjusted</b>	485	440	10 %	2,169	2,088	4 %
Less: Net income attributable to noncontrolling interests	11	10	10 %	55	48	15 %
<b>Net income attributable to Aon shareholders from continuing operations - as adjusted</b>	474	430	10 %	2,114	2,040	4 %
<b>Net income attributable to Aon shareholders - as adjusted</b>	\$ 474	\$ 430	10 %	\$ 2,114	\$ 2,040	4 %
<b>Diluted net income (loss) per share attributable to Aon shareholders</b>						
Continuing operations - as adjusted	\$ 2.32	\$ 2.02	15 %	\$ 10.26	\$ 9.51	8 %
Discontinued operations	—	—	—	—	—	—
<b>Diluted net income per share attributable to Aon shareholders - as adjusted</b>	\$ 2.32	\$ 2.02	15 %	\$ 10.26	\$ 9.51	8 %
Weighted average ordinary shares outstanding - diluted	204.6	212.6	(4)%	206.0	214.6	(4)%
<b>Effective Tax Rates (5)</b>						
U.S. GAAP	16.6 %	18.0 %		17.1 %	19.1 %	
Non-GAAP	17.2 %	19.1 %		18.6 %	19.4 %	

- Certain noteworthy items impacting operating income in the three months and nine months ended September 30, 2023 and 2022 are described in this schedule. The items shown with the caption "as adjusted" are non-GAAP measures.
- In the third quarter of 2023, the Company initiated a three-year Accelerating Aon United Program (the Program) designed to accelerate the Aon Business Services operating model, enhance our ability to deliver risk and human capital solutions, and the Aon client leadership model across our organization, optimize and invest in technological advancements to enable service delivery and next generation analytical tools, and reduce its real estate footprint to its new way of hybrid working. Total Program charges incurred for the three and nine months ended September 30, 2023 was \$6 million.
- In connection with certain legal settlements reached, a \$58 million charge was recognized in the second quarter of 2022.
- To further its pension de-risking strategy, the Company settled certain pension obligations in the Netherlands through the purchase of annuities, where certain pension assets were liquidated to purchase the annuities. A non-cash settlement charge totaling \$27 million was recognized in the second quarter of 2023 which is excluded from Adjusted Other income (expense) - as adjusted.
- Adjusted items are generally taxed at the estimated annual effective tax rate, except for the applicable tax impact associated with the anticipated sale of certain assets and liabilities classified as held for sale as well as certain pension and legal settlements, which are adjusted at the related jurisdictional rate.

# Appendix B: Reconciliation of Non-GAAP Measures – Operating Income and Diluted Earnings Per Share<sup>1</sup> (Cont'd)

	Twelve Months Ended December 31,
	2010 (as revised)
<i>(millions, except per share data)</i>	
<b>Operating income - as adjusted</b>	\$ 1,650
Interest income	15
Interest expense	(182)
Hewitt related costs	14
Interest expense – as adjusted	(168)
Other (expense) income – as adjusted	-
<b>Income from continuing operations before income taxes - as adjusted</b>	1,497
Income taxes <sup>(2)</sup>	433
<b>Income from continuing operations – as adjusted</b>	1,064
Less: Net income attributable to noncontrolling interests	26
<b>Income from continuing operations attributable to Aon stockholders – as adjusted</b>	1,038
<b>Diluted earnings per share from continuing operations – as adjusted</b>	\$ 3.48
<b>Weighted average common shares outstanding - diluted</b>	298.1

- (1) Certain noteworthy items impacting operating income in 2010 are described in this schedule. The items shown with the caption "as adjusted" are non-GAAP measures.
- (2) The effective tax rate for continuing operations is 28.4% for the twelve months ended December 31, 2010. All adjusting items are generally taxed at the effective tax rate. However, the twelve months ended December 31, 2010 U.S. GAAP effective tax rate was adjusted to 28.9% to exclude the impact of the 40% tax rate applied to the \$49 million U.S. pension expense adjustment for prior years recorded in the second quarter 2010.

# Appendix C: Adjusted Operating Income and Margin and Reconciliation of Return on Invested Capital (ROIC)

**Return on Invested Capital (ROIC)** is a non-GAAP measure calculated as adjusted net operating profit after tax (NOPAT) divided by average invested capital (short-term debt, + long-term debt + total equity) and represents how well we are allocating our capital to generate returns. The metric for the historical periods shown below was calculated using financial results for total consolidated Aon, and therefore includes discontinued operations in connection with the sale of the outsourcing business completed on May 1, 2017, which will not be included on a going forward basis.

## Aon Corporation

### Continuing Operations - Externally Reported Financial Metrics

	Cont. Ops Cont. Ops Cont. Ops Cont. Ops Cont. Ops Cont. Ops												
(millions)	FY'10	FY'11	FY'12	FY'13	FY'14	FY'15	FY'16	FY'17	FY'18	FY'19	FY'20	FY'21	FY'22
Revenue - as reported	8,512	11,287	11,514	11,815	12,045	11,682	11,627	9,998	10,770	11,013	11,066	12,193	12,479
Consolidated operating income - as reported	1,244	1,596	1,596	1,671	1,966	1,848	1,906	979	1,544	2,169	2,781	2,090	3,669
<i>Consolidated operating margin - as reported</i>	<i>14.6%</i>	<i>14.1%</i>	<i>13.9%</i>	<i>14.1%</i>	<i>16.3%</i>	<i>15.8%</i>	<i>16.4%</i>	<i>9.8%</i>	<i>14.3%</i>	<i>19.7%</i>	<i>25.1%</i>	<i>17.1%</i>	<i>29.4%</i>
Restructuring	172	113	101	174	-	-	-	497	485	451	-	-	-
Pension adjustment	49	-	-	-	-	-	-	-	-	-	-	-	-
Hewitt related costs	40	47	-	-	-	-	-	-	-	-	-	-	-
Transactions/Headquarter relocation costs	-	3	24	5	-	-	15	-	-	-	123	1,436	-
Legacy receivable write-off	-	18	-	-	-	-	-	-	-	-	-	-	-
Anti-bribery, regulatory and compliance initiative	9	-	-	-	-	-	-	28	-	-	-	-	-
Legacy Litigation	-	-	-	-	35	176	-	-	75	13	-	-	-
Pension settlement	-	-	-	-	-	-	220	128	-	-	-	-	-
Legal settlement	-	-	-	-	-	-	-	-	-	-	-	-	58
Amortization of Intangible Assets	154	362	423	395	352	314	277	704	593	392	246	147	113
Total Adjustments	424	543	548	574	387	490	512	1,357	1,153	856	369	1,583	171
<b>Consolidated operating income - as adjusted</b>	<b>\$ 1,668</b>	<b>\$ 2,139</b>	<b>\$ 2,144</b>	<b>\$ 2,245</b>	<b>\$ 2,353</b>	<b>\$ 2,338</b>	<b>\$ 2,418</b>	<b>\$ 2,336</b>	<b>\$ 2,697</b>	<b>\$ 3,025</b>	<b>\$ 3,150</b>	<b>\$ 3,673</b>	<b>\$ 3,840</b>
<i>Consolidated operating margin - as adjusted</i>	<i>19.6%</i>	<i>19.0%</i>	<i>18.6%</i>	<i>19.0%</i>	<i>19.5%</i>	<i>20.0%</i>	<i>20.8%</i>	<i>23.4%</i>	<i>25.0%</i>	<i>27.5%</i>	<i>28.5%</i>	<i>30.1%</i>	<i>30.8%</i>
<i>Adjusted Effective tax rate (%)</i>	<i>28.9%</i>	<i>27.3%</i>	<i>26.1%</i>	<i>25.4%</i>	<i>18.9%</i>	<i>17.9%</i>	<i>16.8%</i>	<i>14.9%</i>	<i>15.6%</i>	<i>17.5%</i>	<i>17.6%</i>	<i>18.4%</i>	<i>16.7%</i>
<b>NOPAT (Adj. OI*(1-Adj. Tax Rate))</b>	<b>\$ 1,186</b>	<b>\$ 1,555</b>	<b>\$ 1,584</b>	<b>\$ 1,675</b>	<b>\$ 1,908</b>	<b>\$ 1,919</b>	<b>\$ 2,012</b>	<b>\$ 1,988</b>	<b>\$ 2,276</b>	<b>\$ 2,496</b>	<b>\$ 2,596</b>	<b>\$ 2,997</b>	<b>\$ 3,199</b>
Short-term debt and current portion of long-term debt	492	337	452	703	783	562	336	299	251	712	448	1,164	945
Long-term debt	4,014	4,155	3,713	3,686	4,799	5,138	5,869	5,667	5,993	6,627	7,281	8,228	9,825
Total Debt	4,506	4,492	4,165	4,389	5,582	5,700	6,205	5,966	6,244	7,339	7,729	9,392	10,770
Total Shareholder's Equity	8,251	8,078	7,762	8,145	6,571	6,002	5,475	4,583	4,151	3,375	3,495	1,061	(529)
Noncontrolling interest	55	42	43	50	60	57	57	65	68	74	88	97	100
End of Period Total Invested Capital	12,812	12,612	11,970	12,584	12,213	11,759	11,737	10,614	10,463	10,788	11,312	10,550	10,341
<b>Average Total Invested Capital</b>	<b>10,126</b>	<b>12,712</b>	<b>12,291</b>	<b>12,277</b>	<b>12,399</b>	<b>11,986</b>	<b>11,748</b>	<b>11,176</b>	<b>10,539</b>	<b>10,626</b>	<b>11,050</b>	<b>10,931</b>	<b>10,446</b>
<b>ROIC (NOPAT/Average Total Invested Capital)</b>	<b>11.7%</b>	<b>12.2%</b>	<b>12.9%</b>	<b>13.6%</b>	<b>15.4%</b>	<b>16.0%</b>	<b>17.1%</b>	<b>17.8%</b>	<b>21.6%</b>	<b>23.5%</b>	<b>23.5%</b>	<b>27.4%</b>	<b>30.6%</b>

# Appendix D: Other Income (Expense) Under Pension Accounting Standard Effective 1/1/2018 (ASU No. 2017-07)

With the exception of service cost, all financial components of net periodic pension cost and net periodic postretirement benefit cost shifted from above the line in compensation and benefits expense to below the line in other income / expense.

**Based on current assumptions, expect ~\$15m of non-cash pension expense in the fourth quarter of 2023, totaling ~\$66 million of non-cash pension expense for full year 2023, excluding all other items we do not forecast that could be favorable or unfavorable in any given period**

<i>(millions)</i>	Q1'23	Q2'23	Q3'23
Other income (expense) – Pension – Non-GAAP	\$(17)	\$(16)	\$(18)
Other income (expense) – Other	\$(8)	\$(16)	\$(3)
<b>Total Other income (expense) – Non-GAAP</b>	<b>\$(25)</b>	<b>\$(32)</b>	<b>\$(21)</b>
Pension Settlements	—	(27)	—
Gain on Sale of Business	—	—	—
<b>Total Other income (expense) – U.S. GAAP</b>	<b>\$(25)</b>	<b>\$(59)</b>	<b>\$(21)</b>

# Appendix E: Reconciliation of Free Cash Flow & Free Cash Flow Margin

**Free Cash Flow Margin** is a non-GAAP measure calculated as Free Cash Flow (defined as Cash Flows from Operations less Capital Expenditures) / Total Revenue and represents our conversion rate of revenue into cash. The metric for the historical periods shown below was calculated using financial results for total consolidated Aon, and therefore includes discontinued operations in connection with the sale of the outsourcing business completed on May 1, 2017, which will not be included on a going forward basis.

(\$ millions)	FY'10	FY'11	FY'12	FY'13	FY'14	FY'15	FY'16	FY'17	FY'18	FY'19	FY'20	FY'21	FY'22
Revenue - as reported	8,512	11,287	11,514	11,815	12,045	11,682	11,627	9,998	10,770	11,013	11,066	12,193	12,479
Cash Provided by Operating Activities	876	1,112	1,534	1,753	1,812	2,009	2,326	669	1,686	1,835	2,783	2,182	3,219
Capital Expenditures	(180)	<sup>1</sup> (241)	(269)	(229)	(256)	(290)	(222)	(183)	(240)	(225)	(141)	(137)	(196)
<b>Free Cash Flow - as Reported</b>	<b>696</b>	<b>871</b>	<b>1,265</b>	<b>1,524</b>	<b>1,556</b>	<b>1,719</b>	<b>2,104</b>	<b>486</b>	<b>1,446</b>	<b>1,610</b>	<b>2,642</b>	<b>2,045</b>	<b>3,023</b>
<b>Free Cash Flow Margin</b>	<b>8.2%</b>	<b>7.7%</b>	<b>11.0%</b>	<b>12.9%</b>	<b>12.9%</b>	<b>14.7%</b>	<b>18.1%</b>	<b>4.9%</b>	<b>13.4%</b>	<b>14.6%</b>	<b>23.9%</b>	<b>16.8%</b>	<b>24.2%</b>

1. In Q4'15, we reclassified certain cash flows related to employee shares withheld for taxes. This resulted in reclassifying \$94M and \$115M for the FY'11 and FY'12, respectively, from "Accounts payable and accrued liabilities" and "Other assets and liabilities" within Cash Flows From Operating Activities, to "Issuance of shares for employee benefit plans" within Cash Flows From Financing Activities.

## Free Cash Flows (Unaudited)

(\$ millions)	Nine Months Ended September 30,		
	2023	2022	% Change
Cash Provided by Operating Activities	\$ 2,174	\$ 2,177	- %
Capital Expenditures	(203)	(126)	61 %
<b>Free Cash Flows <sup>(1)</sup></b>	<b>\$ 1,971</b>	<b>\$ 2,051</b>	<b>(4) %</b>

1. Free cash flow is defined as cash flows from operations less capital expenditures. This non-GAAP measure does not imply or represent a precise calculation of residual cash flow available for discretionary expenditures.

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