



# Quarterly Earnings Summary

First Quarter 2023

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# Starting the year with continued momentum driven by our Aon United strategy

Insights from this quarter's conference call



“

Our clients are being asked to make decisions faster than ever. As a result, we see strong and ongoing demand for our advice and solutions – as many of our clients realize that remaining in defensive or reactive mode is not sufficient, and in fact a pivot to offense is ultimately necessary to win and achieve their objectives. This requires that we bring the best from across our firm to enable our clients to make better decisions – which is the core of Aon United.”

**Greg Case**

Chief Executive Officer



“

Our first quarter results reflect strong operational performance driven by our Aon United strategy. We start the year in a position of strength and expect to continue to make progress on our key financial metrics and our commitment to drive long-term shareholder value creation.”

**Christa Davies**

Chief Financial Officer

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

## Organic Revenue Growth

**+7%**

Q1'22	Q1'23
+8%	+7%

Reflects ongoing strong retention and net new business generation

## Adjusted Earnings Per Share Growth

**+7%**

Q1'22	Q1'23
\$4.83	\$5.17

Reflects strong organic revenue growth and effective capital management, partially offset by a \$(0.13) unfavorable impact from FX

## Adjusted Operating Margin Expansion

**+70 bps**

Q1'22	Q1'23
38.0%	38.7%

Reflects strong organic revenue growth and increased fiduciary investment income

## Free Cash Flow Growth

**(-17)%**

Q1'22	Q2'23
\$440M	\$367M

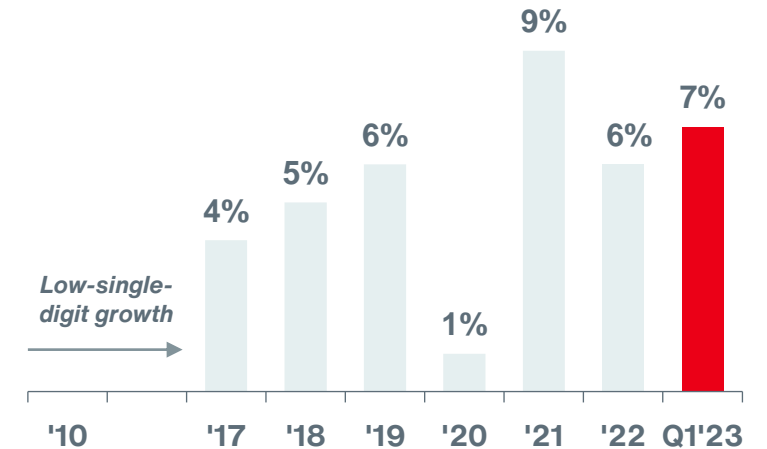
Reflects a decrease in cash flows from operations and a \$53 million increase in capital expenditures

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

- **Organic revenue growth of +7% overall in the first quarter**, driven by ongoing strong retention, net new business generation, and management of the renewal book portfolio
- **Reported revenue growth of 5% in the first quarter**, including a (3)% unfavorable impact from FX and a +1% favorable impact from fiduciary investment income<sup>2</sup>

	Q1'22	Q1'23
<b>Commercial Risk Solutions</b>	<b>+9%</b>	<b>+6%</b>
<b>Reinsurance Solutions</b>	<b>+7%</b>	<b>+9%</b>
<b>Health Solutions</b>	<b>+8%</b>	<b>+8%</b>
<b>Wealth Solutions</b>	<b>+0%</b>	<b>+6%</b>
<b>Total Aon</b>	<b>+8%</b>	<b>+7%</b>

## Organic Revenue Growth Annual Trend



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

# 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%	<b>+1,120 bps</b> <i>~90 bps / year</i>
<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%	<b>+1,600 bps</b> <i>~130 bps / year</i>
<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%	<b>+1,890 bps</b> <i>~160 bps / year</i>



<sup>1</sup> 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.

<sup>2</sup> 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 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 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

# Explanation of Non-GAAP Measures

This communication includes supplemental information not calculated in accordance with generally accepted accounting principles in the United States (“U.S. GAAP”), including organic revenue growth, free cash flow, adjusted operating income, adjusted operating margin, adjusted earnings per share, adjusted net income attributable to Aon shareholders, adjusted net income per share, and adjusted effective tax rate that exclude the effects of intangible asset amortization and impairment, pension settlements, capital expenditures, and certain other noteworthy items that affected results for the comparable periods. Organic revenue growth includes the impact of intercompany activity and excludes foreign exchange rate changes, acquisitions, divestitures, transfers between revenue lines, fiduciary investment income, and gains or losses on derivatives accounted for as hedges. Currency impact represents the effect on prior year period results if they were translated at current period foreign exchange rates. Reconciliations to the closest U.S. GAAP measure for each non-GAAP measure presented in this communication are provided in the attached appendices. Supplemental organic revenue growth information and additional measures that exclude the effects of certain items noted above do not affect net income or any other U.S. GAAP reported amounts. Free cash flow is cash flows from operating activity less capital expenditures. The adjusted effective tax rate excludes the applicable tax impact associated with expenses for estimated intangible asset amortization and impairment, and certain other noteworthy items. Management believes that these measures are important to make meaningful period-to-period comparisons and that this supplemental information is helpful to investors. Management also uses these measures to assess operating performance and performance for compensation. Non-GAAP measures should be viewed in addition to, not in lieu of, Aon’s Consolidated Financial Statements. Industry peers provide similar supplemental information regarding their performance, although they may not make identical adjustments.



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

Aon Organic Revenue Reconciliation		Q1'20	Q2'20	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
<b>Commercial Risk</b>	Current period revenue	1,477	1,400	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
	Prior year period revenue	1,454	1,453	1,328	1,622	5,857	1,477	1,400	1,320	1,664	5,861	1,640	1,643	1,505	1,847	6,635	1,719
	% Change	2%	-4%	-1%	3%	0%	11%	17%	14%	11%	13%	5%	3%	-2%	-1%	1%	3%
	Less: Currency Impact <sup>(1)</sup>	-2%	-2%	0%	2%	0%	5%	5%	2%	-1%	2%	-3%	-4%	-5%	-4%	-4%	-3%
	Less Fiduciary Investment Income <sup>(2)</sup>	0%	-1%	-1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	1%	1%	2%
	Less: Acquisitions, Divestitures & Other	0%	0%	0%	0%	-1%	-1%	-1%	-1%	0%	0%	-1%	0%	-3%	-2%	-2%	-2%
Organic Revenue Growth <sup>(3)</sup>		4%	-1%	0%	1%	1%	7%	13%	13%	12%	11%	9%	7%	5%	4%	6%	6%
<b>Reinsurance</b>	Current period revenue	848	448	321	197	1,814	922	500	353	222	1,997	976	537	396	281	2,190	1,077
	Prior year period revenue	788	420	291	187	1,686	848	448	321	197	1,814	922	500	353	222	1,997	976
	% Change	8%	7%	10%	5%	8%	9%	12%	10%	13%	10%	6%	7%	12%	27%	10%	10%
	Less: Currency Impact <sup>(1)</sup>	-1%	0%	0%	0%	0%	3%	1%	1%	-1%	2%	-2%	-5%	-4%	-3%	-3%	-2%
	Less Fiduciary Investment Income <sup>(2)</sup>	0%	-1%	-3%	-3%	-1%	-1%	0%	0%	0%	0%	0%	0%	3%	7%	1%	2%
	Less: Acquisitions, Divestitures & Other	0%	-1%	0%	-4%	-1%	1%	2%	1%	1%	0%	1%	3%	6%	14%	4%	1%
Organic Revenue Growth <sup>(3)</sup>		9%	9%	13%	12%	10%	6%	9%	8%	13%	8%	7%	9%	7%	9%	8%	9%
<b>Health</b>	Current period revenue	572	321	423	751	2,067	615	391	497	651	2,154	638	414	494	678	2,224	671
	Prior year period revenue	557	389	434	724	2,104	572	321	423	751	2,067	615	391	497	651	2,154	638
	% Change	3%	-17%	-3%	4%	-2%	8%	22%	17%	-13%	4%	4%	6%	-1%	4%	3%	5%
	Less: Currency Impact <sup>(1)</sup>	-2%	-4%	-1%	0%	-1%	3%	5%	2%	-1%	2%	-3%	-3%	-4%	-3%	-3%	-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	1%	3%	1%	3%	1%	1%	0%	-1%	-19%	-8%	-1%	-2%	-2%	0%	-2%	0%
Organic Revenue Growth <sup>(3)</sup>		4%	-16%	-3%	1%	-2%	4%	17%	16%	7%	10%	8%	11%	5%	7%	8%	8%
<b>Wealth</b>	Current period revenue	327	330	327	357	1,341	355	356	351	364	1,426	345	343	326	353	1,367	350
	Prior year period revenue	349	347	329	355	1,380	327	330	327	357	1,341	355	356	351	364	1,426	345
	% Change	-6%	-5%	-1%	1%	-3%	9%	8%	7%	2%	6%	-3%	-4%	-7%	-3%	-4%	1%
	Less: Currency Impact <sup>(1)</sup>	-1%	-2%	2%	2%	0%	4%	6%	3%	0%	3%	-2%	-5%	-6%	-6%	-5%	-4%
	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	-4%	-4%	0%	0%	-2%	1%	1%	0%	1%	1%	-1%	-2%	-3%	-3%	-2%	-1%
Organic Revenue Growth <sup>(3)</sup>		-1%	1%	-3%	-1%	-1%	4%	1%	4%	1%	2%	0%	3%	2%	6%	3%	6%
<b>Total Company</b>	Current period revenue	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	3,130	12,479	3,871
	Prior year period revenue	3,143	2,606	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
	% Change	2%	-4%	0%	3%	0%	10%	16%	13%	4%	10%	4%	3%	0%	2%	2%	5%
	Less: Currency Impact <sup>(1)</sup>	-2%	-2%	0%	1%	0%	4%	4%	2%	-1%	2%	-3%	-4%	-5%	-4%	-4%	-3%
	Less Fiduciary Investment Income <sup>(2)</sup>	0%	-1%	-1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	1%	1%	1%
	Less: Acquisitions, Divestitures & Other	-1%	0%	1%	0%	-1%	0%	1%	-1%	-5%	-1%	-1%	-1%	-1%	0%	-1%	0%
Organic Revenue Growth <sup>(3)</sup>		5%	-1%	0%	2%	1%	6%	11%	12%	10%	9%	8%	8%	5%	5%	6%	7%



- (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 was \$52 million, for the three months ended March 31, June 30, September 30, and December 31 2022 was \$2 million, \$7 million, \$26 million, and \$41 million, respectively, for the three months ended March 31, June 30, September 30, and December 31 2021 was \$2 million, \$2 million, and \$2 million, respectively, for the three months ended March 31, June 30, September 30, 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
<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
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
% Change	12%	33%	2%	3%	2%	-3%	0%	6%	8%	2%	0%	10%	2%
Less: Currency Impact <sup>(1)</sup>	1%	2%	-1%	-1%	-1%	-6%	-2%	0%	1%	-3%	0%	2%	-4%
Less Fiduciary Investment Income <sup>(2)</sup>	-1%	0%	-1%	0%	0%	0%	1%	0%	0%	0%	0%	0%	1%
Less: Acquisitions, Divestitures & Other	12%	29%	1%	1%	0%	0%	-2%	2%	2%	-1%	-1%	-1%	-1%
<b>Organic Revenue Growth <sup>(3)</sup></b>	<b>0%</b>	<b>2%</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>	<b>4%</b>	<b>5%</b>	<b>6%</b>	<b>1%</b>	<b>9%</b>	<b>6%</b>

(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 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

Aon plc

Reconciliation of Non-GAAP Measures - Operating Income, Operating Margin, and Diluted Earnings Per Share (Unaudited) <sup>(1)</sup>

(millions, except percentages)	Three Months Ended March 31,		% Change
	2023	2022	
Revenue	\$3,871	\$3,670	5 %
Operating income	\$1,473	\$1,367	8 %
Amortization and impairment of intangible assets	25	28	
Operating income - as adjusted	\$1,498	\$1,395	7 %
Operating margin	38.1 %	37.2 %	
Operating margin - as adjusted	38.7 %	38.0 %	

(millions, except percentages)	Three Months Ended March 31,		% Change
	2023	2022	
Operating income - as adjusted	\$1,498	\$1,395	7 %
Interest income	5	3	67 %
Interest expense	(111)	(91)	22 %
Other income (expense):			
Other income (expense) - pensions	(17)	(3)	(467)%
Other income (expense) - other	(8)	28	(129)%
Total Other income (expense) - as adjusted	(25)	25	(200)%
Income before income taxes - as adjusted	1,367	1,332	3 %
Income tax expense <sup>(2)</sup>	268	262	2 %
Net income - as adjusted	1,099	1,070	3 %
Less: Net income attributable to noncontrolling interests	29	25	16 %
Net income attributable to Aon shareholders - as adjusted	\$1,070	\$1,045	2 %
Diluted net income per share attributable to Aon shareholders - as adjusted	\$ 5.17	\$ 4.83	7 %
Weighted average ordinary shares outstanding - diluted	207.1	216.4	(4)%
Effective Tax Rates <sup>(2)</sup>			
U.S. GAAP	19.6 %	19.6 %	
Non-GAAP	19.6 %	19.7 %	

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

	Twelve Months Ended December 31,
<i>(millions, except per share data)</i>	2010 (as revised)
Operating income - as adjusted	\$ 1,650
Interest income	15
Interest expense	(182)
Hewitt related costs	14
Interest expense – as adjusted	(168)
Other (expense) income – as adjusted	-
Income from continuing operations before income taxes - as adjusted	1,497
Income taxes <sup>(2)</sup>	433
Income from continuing operations – as adjusted	1,064
Less: Net income attributable to noncontrolling interests	26
Income from continuing operations attributable to Aon stockholders – as adjusted	1,038
Diluted earnings per share from continuing operations – as adjusted	\$ 3.48
Weighted average common shares outstanding - diluted	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
Consolidated operating margin - as reported	14.6%	14.1%	13.9%	14.1%	16.3%	15.8%	16.4%	9.8%	14.3%	19.7%	25.1%	17.1%	29.4%
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>
Consolidated operating margin - as adjusted	19.6%	19.0%	18.6%	19.0%	19.5%	20.0%	20.8%	23.4%	25.0%	27.5%	28.5%	30.1%	30.8%
Adjusted Effective tax rate (%)	28.9%	27.3%	26.1%	25.4%	18.9%	17.9%	16.8%	14.9%	15.6%	17.5%	17.6%	18.4%	16.7%
<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: 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 <sup>1</sup>	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)	(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>

- <sup>1</sup> 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.

	Three Months Ended March 31,	
	2023	2022
Cash provided by operating activities	\$ 443	\$ 463
Capital expenditures	(76)	(23)
<b>Free cash flow</b>	<b>\$ 367</b>	<b>\$ 440</b>