



# Quarterly Earnings Summary

Third Quarter 2022

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# “Strongly positioned to deliver on our full-year financial commitments”

Insights from this quarter’s conference call



“

Overall, our strong performance in Q3 and year-to-date reflects the strength of our Aon United strategy and our Aon Business Services platform, delivered seamlessly for clients across regions and solution lines. For the full year, we remain confident in our commitment to mid-single-digit or greater organic revenue growth, margin improvement and double-digit free cash flow growth.”

**Greg Case**

Chief Executive Officer



“

Aon Business Services is a key contributor to margin expansion and represents a competitive advantage, especially in a highly inflationary market. Our Aon Business Services platform continues to drive efficiency gains, improved quality and service and increased innovation at scale.”

**Christa Davies**

Chief Financial Officer

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

## Organic Revenue Growth

<b>+5%</b>		<b>+7%</b>	
Q3'21	Q3'22	YTD'21	YTD'22
+12%	+5%	+9%	+7%

Reflects ongoing strong retention and net new business generation

## Adjusted Earnings Per Share

<b>+16%</b>		<b>+14%</b>	
Q3'21	Q3'22	YTD'21	YTD'22
\$1.74	\$2.02	\$8.31	\$9.51

Reflects strong organic revenue growth and effective capital management, partially offset by a \$(0.05) unfavorable impact from FX

## Adjusted Operating Margin

<b>+100 bps</b>		<b>+80 bps</b>	
Q3'21	Q3'22	YTD'21	YTD'22
22.1%	23.1%	29.2%	30.0%

Reflects organic revenue growth outpacing expense growth, including investments in long-term growth

## Free Cash Flow

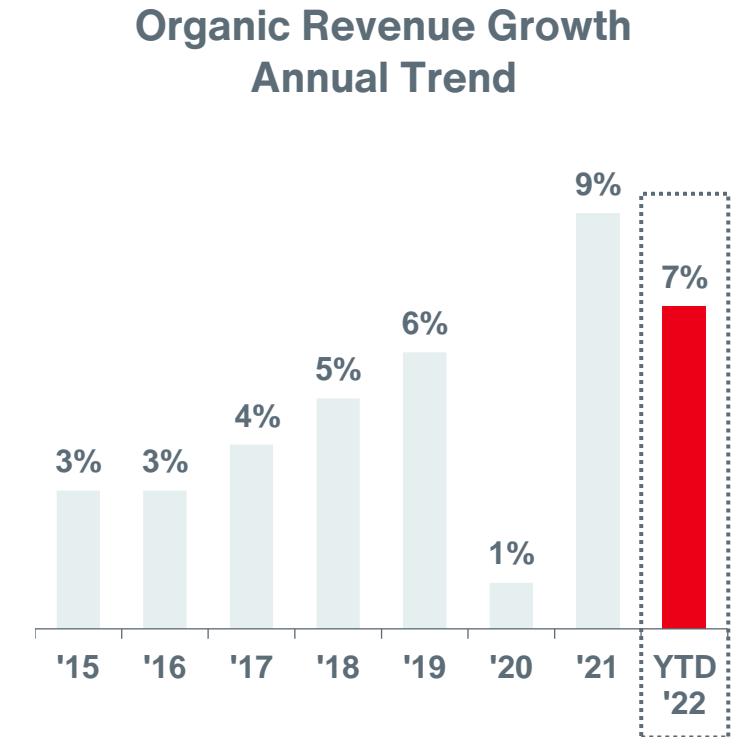
<b>+79%</b>	
YTD'21	YTD'22
\$1,149M	\$2,051M

Reflects an increase in cash flows from operations, due primarily to transaction costs in the prior year period, partially offset by a \$24M increase in capital expenditures

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

- **Organic revenue growth of +5% overall in the third quarter**, driven by ongoing strong retention and net new business generation
  - Organic revenue growth of +7% year-to-date reflects mid-single-digit or greater growth in three of our four solutions lines
- **Reported revenue growth was flat in the third quarter**, including a (5)% unfavorable impact from FX, a (1)% unfavorable impact from divestitures, net of acquisitions, and a +1% favorable impact from fiduciary investment income<sup>2</sup>

Organic Revenue Growth				
	Q3'21	Q3'22	YTD'21	YTD'22
<b>Commercial Risk Solutions</b>	+13%	+5%	+11%	+7%
<b>Reinsurance Solutions</b>	+8%	+7%	+7%	+7%
<b>Health Solutions</b>	+16%	+5%	+11%	+8%
<b>Wealth Solutions</b>	+4%	+2%	+3%	+2%
<b>Total Aon</b>	<b>+12%</b>	<b>+5%</b>	<b>+9%</b>	<b>+7%</b>



*Expect mid-single-digit or greater organic revenue growth in 2022 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 Total fiduciary investment income for the three months ended September 30, 2022 was \$26 million.

# A Decade of Momentum on Key Financial Metrics<sup>1</sup>

Driving Top and Bottom-Line Improvement

	FY 2011	FY 2021	10-Year Growth
<b>Organic Revenue Growth</b>	+2%	+9%	<b>+4% avg / year</b>
<b>Adjusted Operating Margin</b>	19.0%	30.1%	<b>+1,110 bps</b> <i>~100 bps / year</i>
<b>Adjusted Earnings Per Share</b>	\$4.06	\$12.00	<b>+11% CAGR</b>
<b>Free Cash Flow</b>	\$0.9B	\$2.0B	<b>+9% CAGR*</b>
<b>Shares Outstanding<sup>2</sup></b>	324.8M	214.8M	<b>~34% Net Reduction</b>
<b>Return on Invested Capital (ROIC)</b>	12.2%	27.4%	<b>+1,520 bps</b> <i>~150 bps / year</i>

\* Excluding \$1B termination fee in 2021, Free Cash Flow CAGR is +13% over the last decade



<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, 2011 to December 31, 2021.

# 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.

### \$75B+

of bound premium placed annually<sup>1</sup>

## 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.

### \$180B

of healthcare premium directed annually<sup>2</sup>

## 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.

### \$4.1T<sup>3</sup>

of assets under advisement

<sup>1</sup> Includes approximately \$30 billion of captive premium

<sup>2</sup> Includes \$30B of fully-insured premium and \$150B of self-insured premium equivalents

<sup>3</sup> As of 6/30/2021, 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, free cash flow margin, adjusted operating income, adjusted operating margin, adjusted earnings per share, adjusted net income attributable to Aon shareholders, adjusted net income per share, other income (expense), as adjusted, pension income (expense), as adjusted, adjusted net operating profit after tax, return on invested capital, and adjusted effective tax rate that exclude the effects of intangible asset amortization and impairment, 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 is determined by translating last year’s revenue, expense, or net income at this year’s 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. Non-GAAP measures should be viewed in addition to, not in lieu of, Aon’s Condensed 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		Q3'19	Q4'19	FY'19	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	YTD'22
<b>Commercial Risk</b>	Current period revenue	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	1,692	1,482	4,893
	Prior year period revenue	1,292	1,544	5,757	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	4,788
	% Change	3%	5%	2%	2%	-4%	-1%	3%	0%	11%	17%	14%	11%	13%	5%	3%	-2%	2%
	Less: Currency Impact <sup>(1)</sup>	-2%	-2%	-3%	-2%	-2%	0%	2%	0%	5%	5%	2%	-1%	2%	-3%	-4%	-5%	-4%
	Less Fiduciary Investment Income <sup>(2)</sup>	0%	0%	0%	0%	-1%	-1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	0%
	Less: Acquisitions, Divestitures & Other	-1%	0%	-1%	0%	0%	0%	0%	-1%	-1%	-1%	-1%	0%	0%	-1%	0%	-3%	-1%
	Organic Revenue Growth <sup>(3)</sup>	6%	7%	6%	4%	-1%	0%	1%	1%	7%	13%	13%	12%	11%	9%	7%	5%	7%
<b>Reinsurance</b>	Current period revenue	291	187	1,686	848	448	321	197	1,814	922	500	353	222	1,997	976	537	396	1,909
	Prior year period revenue	279	162	1,563	788	420	291	187	1,686	848	448	321	197	1,814	922	500	353	1,775
	% Change	4%	15%	8%	8%	7%	10%	5%	8%	9%	12%	10%	13%	10%	6%	7%	12%	8%
	Less: Currency Impact <sup>(1)</sup>	-1%	-1%	-2%	-1%	0%	0%	0%	0%	3%	1%	1%	-1%	2%	-2%	-5%	-4%	-3%
	Less Fiduciary Investment Income <sup>(2)</sup>	1%	1%	1%	0%	-1%	-3%	-3%	-1%	-1%	0%	0%	0%	0%	0%	0%	3%	1%
	Less: Acquisitions, Divestitures & Other	-1%	-2%	-1%	0%	-1%	0%	-4%	-1%	1%	2%	1%	1%	0%	1%	3%	6%	3%
	Organic Revenue Growth <sup>(3)</sup>	5%	17%	10%	9%	9%	13%	12%	10%	6%	9%	8%	13%	8%	7%	9%	7%	
<b>Health</b>	Current period revenue	434	724	2,104	572	321	423	751	2,067	615	391	497	651	2,154	638	414	494	1,546
	Prior year period revenue	431	689	2,018	557	389	434	724	2,104	572	321	423	751	2,067	615	391	497	1,503
	% Change	1%	5%	4%	3%	-17%	-3%	4%	-2%	8%	22%	17%	-13%	4%	4%	6%	-1%	3%
	Less: Currency Impact <sup>(1)</sup>	-2%	-1%	-3%	-2%	-4%	-1%	0%	-1%	3%	5%	2%	-1%	2%	-3%	-3%	-4%	-3%
	Less Fiduciary Investment Income <sup>(2)</sup>	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Less: Acquisitions, Divestitures & Other	1%	0%	2%	1%	3%	1%	3%	1%	1%	0%	-1%	-19%	-8%	-1%	-2%	-2%	-2%
	Organic Revenue Growth <sup>(3)</sup>	2%	6%	5%	4%	-16%	-3%	1%	-2%	4%	17%	16%	7%	10%	8%	11%	5%	
<b>Wealth</b>	Current period revenue	329	355	1,380	327	330	327	357	1,341	355	356	351	364	1,426	345	343	326	1,014
	Prior year period revenue	348	378	1,443	349	347	329	355	1,380	327	330	327	357	1,341	355	356	351	1,062
	% Change	-5%	-6%	-4%	-6%	-5%	-1%	1%	-3%	9%	8%	7%	2%	6%	-3%	-4%	-7%	-5%
	Less: Currency Impact <sup>(1)</sup>	-2%	-1%	-2%	-1%	-2%	2%	2%	0%	4%	6%	3%	0%	3%	-2%	-5%	-6%	-4%
	Less Fiduciary Investment Income <sup>(2)</sup>	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Less: Acquisitions, Divestitures & Other	-6%	-7%	-3%	-4%	-4%	0%	0%	-2%	1%	1%	0%	1%	1%	-1%	-2%	-3%	-3%
	Organic Revenue Growth <sup>(3)</sup>	3%	2%	1%	-1%	1%	-3%	-1%	-1%	4%	1%	4%	1%	2%	0%	3%	2%	
<b>Total Company</b>	Current 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	9,349
	Prior year period revenue	2,349	2,770	10,770	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	9,113
	% Change	1%	4%	2%	2%	-4%	0%	3%	0%	10%	13%	4%	4%	10%	4%	3%	0%	3%
	Less: Currency Impact <sup>(1)</sup>	-2%	-1%	-3%	-2%	-2%	0%	1%	0%	4%	4%	2%	-1%	2%	-3%	-4%	-5%	-4%
	Less Fiduciary Investment Income <sup>(2)</sup>	0%	0%	0%	0%	-1%	-1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	0%
	Less: Acquisitions, Divestitures & Other	-2%	-2%	-1%	-1%	0%	1%	0%	-1%	0%	1%	-1%	-5%	-1%	-1%	-1%	-1%	0%
	Organic Revenue Growth <sup>(3)</sup>	5%	7%	6%	5%	-1%	0%	2%	1%	6%	11%	12%	10%	9%	8%	8%	5%	

(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 September 30, June 30, and March 31, 2022 was \$26 million, \$7 million, and \$2 million, respectively, for the three months ended December 31, September 30, June 30, and March 31 for the years 2021, 2020, and 2019 was \$2 million, \$2 million, \$2 million, \$2 million, \$4 million, \$3 million, \$5 million, \$15 million, \$16 million, \$21 million, \$18 million, and \$19 million, respectively, and for the twelve months ended December 31 for the years 2021, 2020, and 2019 was \$8 million, \$27 million, and \$74 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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Total Revenue</b>											
Current period revenue	11,287	11,514	11,815	12,045	11,682	11,627	9,998	10,770	11,013	11,066	12,193
Prior year period revenue	8,512	11,287	11,514	11,815	12,045	11,682	9,409	9,998	10,770	11,013	11,066
% Change	33%	2%	3%	2%	-3%	0%	6%	8%	2%	0%	10%
Less: Currency Impact <sup>(1)</sup>	2%	-1%	-1%	-1%	-6%	-2%	0%	1%	-3%	0%	2%
Less Fiduciary Investment Income <sup>(2)</sup>	0%	-1%	0%	0%	0%	1%	0%	0%	0%	0%	0%
Less: Acquisitions, Divestitures & Other	29%	1%	1%	0%	0%	-2%	2%	2%	-1%	-1%	-1%
<b>Organic Revenue Growth <sup>(3)</sup></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>

(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 2021, 2020, 2019, 2018, 2017, 2016, 2015, 2014, 2013, 2012, and 2011 was \$8 million, \$27 million, \$74 million, \$53 million, \$32 million, \$22 million, \$21 million, \$26 million, \$28 million, \$38 million, and \$52 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 September 30,			Nine Months Ended September 30,		
	2022	2021	% Change	2022	2021	% Change
<b>Revenue</b>	\$2,696	\$2,702	— %	\$9,349	\$9,113	3 %
<b>Operating income (loss)</b>	\$ 590	\$ (801)	174 %	\$2,657	\$1,116	138 %
Amortization and impairment of intangible assets	34	36		87	112	
Transaction costs and other charges related to the combination and resulting termination <sup>(2)</sup>	—	1,363		—	1,436	
Legal settlements <sup>(3)</sup>	—	—		58	—	
<b>Operating income - as adjusted</b>	\$ 624	\$ 598	4 %	\$2,802	\$2,664	5 %
<b>Operating margin</b>	21.9 %	(29.6)%		28.4 %	12.2 %	
<b>Operating margin - as adjusted</b>	23.1 %	22.1 %		30.0 %	29.2 %	

(millions, except percentages)	Three Months Ended September 30,			Nine Months Ended September 30,		
	2022	2021	% Change	2022	2021	% Change
<b>Operating income - as adjusted</b>	\$ 624	\$ 598	4 %	\$2,802	\$2,664	5 %
Interest income	7	3	133 %	15	9	67 %
Interest expense	(103)	(80)	29 %	(296)	(237)	25 %
Other income (expense):						
Other income (expense) - pensions	(3)	5	(160)%	(9)	19	(147)%
Other income (expense) - other	19	5	280 %	80	(12)	767 %
Total Other income (expense) - as adjusted	16	10	60 %	71	7	914 %
<b>Income before income taxes - as adjusted</b>	544	531	2 %	2,592	2,443	6 %
Income tax expense <sup>(4)</sup>	104	127	(18)%	504	507	(1)%
<b>Net income - as adjusted</b>	440	404	9 %	2,088	1,936	8 %
Less: Net income attributable to noncontrolling interests	10	9	11 %	48	43	12 %
<b>Net income attributable to Aon shareholders - as adjusted</b>	\$ 430	\$ 395	9 %	\$2,040	\$1,893	8 %
<b>Diluted net income per share attributable to Aon shareholders - as adjusted</b>	\$ 2.02	\$ 1.74	16 %	\$ 9.51	\$ 8.31	14 %
<b>Weighted average ordinary shares outstanding - diluted <sup>(5)</sup></b>	212.6	226.9	(6)%	214.6	227.7	(6)%
<b>Effective Tax Rates <sup>(4)</sup></b>						
U.S. GAAP	18.0 %	(2.6)%		19.1 %	51.4 %	
Non-GAAP	19.1 %	23.9 %		19.4 %	20.8 %	

(1) Certain noteworthy items impacting operating income in the three and nine months ended September 30, 2022 and 2021 are described in this schedule. The items shown with the caption "as adjusted" are non-GAAP measures.

(2) As part of the proposed combination with Willis Towers Watson, which was subsequently terminated in the third quarter of 2021, certain transaction costs were incurred by the Company through the third quarter of 2021. These costs included advisory, legal, accounting, valuation, and other professional or consulting fees related to the combination, including planned divestitures, some of which were terminated, as well as certain compensation expenses and expenses related to further steps on our Aon United operating model as a result of the termination. Additionally, this includes the \$1 billion termination fee paid in connection with the termination of the combination.

(3) In connection with certain legal settlements reached, a \$58 million charge was recognized in the second quarter of 2022.

(4) Adjusted items are generally taxed at the estimated annual effective tax rate, except for the applicable tax impact associated with certain transaction costs and other charges related to the combination and resulting termination, as well as certain legal and pension settlements, which are adjusted at the related jurisdictional rate. In addition, income tax expense for the nine months ended September 30, 2021 was adjusted to exclude the impact of remeasuring the net deferred tax liabilities in the U.K. as a result of the corporate income tax rate increase enacted in the second quarter of 2021.

(5) For the three months ended September 30, 2021, the Weighted average ordinary shares outstanding - diluted includes the dilutive effect of approximately 1.5 million of potentially issuable shares, which have been excluded from the U.S. GAAP Weighted average ordinary shares outstanding.

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

<i>(millions, except per share data)</i>	Twelve Months Ended December 31,
	2011
<b>Operating income - as adjusted</b>	\$ 2,139
Interest income	18
Interest expense	(245)
Other (expense) income – as adjusted	34
<b>Income from continuing operations before income taxes - as adjusted</b>	1,946
Income taxes <sup>(2)</sup>	531
<b>Income from continuing operations – as adjusted</b>	1,415
Less: Net income attributable to noncontrolling interests	31
<b>Income from continuing operations attributable to Aon stockholders – as adjusted</b>	1,384
<b>Diluted earnings per share from continuing operations</b>	\$ 2.87
<b>Diluted earnings per share from continuing operations – as adjusted</b>	\$ 4.06
<b>Weighted average common shares outstanding - diluted</b>	340.9

(1) The effective tax rate for continuing operations was 27.3% for the twelve months ended December 31, 2011. All adjusting items are generally taxed at the effective tax rate.

<i>(millions, except per share data)</i>	Twelve Months Ended December 31,
	2021
<b>Operating income - as adjusted</b>	\$ 3,673
Interest income	11
Interest expense	(322)
Other income (expense):	
Other income - pensions	21
Other income (expense) - other - as adjusted <sup>(2)</sup>	7
<b>Total Other income (expense) - as adjusted</b>	28
<b>Income before income taxes - as adjusted</b>	3,390
Income tax expense <sup>(3)</sup>	623
<b>Net income - as adjusted</b>	2,767
Less: Net income attributable to noncontrolling interests	53
<b>Net income attributable to Aon shareholders - as adjusted</b>	2,714
<b>Diluted net income (loss) per share attributable to Aon shareholders</b>	\$ 5.55
<b>Diluted net income (loss) per share attributable to Aon shareholders – as adjusted</b>	\$ 12.00
<b>Weighted average ordinary shares outstanding - diluted</b>	226.1
<b>Effective Tax Rates<sup>(3)</sup></b>	
U.S. GAAP	32.3 %
Non-GAAP	18.4 %

- (1) A gain of \$124 million was recorded for the year ended December 31, 2021 related to the disposal of the Aon Retiree Health Exchange™ business which was originally agreed upon in connection with the terminated combination with WTW. As a result of the termination of the combination, an amended agreement was executed to complete the transaction in the fourth quarter of 2021.
- (2) Adjusted items are generally taxed at the estimated annual effective tax rate, except for the applicable tax impact associated with accelerated tradename amortization, impairment charges, certain gains from dispositions, and certain transaction costs and other charges related to the combination and resulting termination, which are adjusted at the related jurisdictional rate. In addition, income tax expense for the year ended December 31, 2021 excludes the impact of remeasuring the net deferred tax liabilities in the U.K. as a result of the corporate income tax rate increase enacted in the second quarter of 2021.

# 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.

<i>(millions)</i>	FY'11	FY'12	FY'13	FY'14	FY'15	FY'16	FY'17	FY'18	FY'19	FY'20	FY'21
Revenue - as reported	11,287	11,514	11,815	12,045	11,682	11,627	9,998	10,770	11,013	11,066	12,193
Consolidated operating income - as reported	1,596	1,596	1,671	1,966	1,848	1,906	979	1,544	2,169	2,781	2,090
<i>Consolidated operating margin - as reported</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>
Amortization of Intangible Assets	362	423	395	352	314	277	704	593	392	246	147
Restructuring	113	101	174	-	-	-	497	485	451	-	-
Hewitt related costs	47	-	-	-	-	-	-	-	-	-	-
Transactions/Headquarter relocation costs	3	24	5	-	-	15	-	-	-	123	1,436
Legacy receivable write-off	18	-	-	-	-	-	-	-	-	-	-
Anti-bribery, regulatory and compliance initiative	-	-	-	-	-	-	28	-	-	-	-
Legacy Litigation	-	-	-	35	176	-	-	75	13	-	-
Pension settlement	-	-	-	-	-	220	128	-	-	-	-
Total Adjustments	543	548	574	387	490	512	1,357	1,153	856	369	1,583
<b>Consolidated operating income - as adjusted</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>
<i>Consolidated operating margin - as adjusted</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>Adjusted Effective tax rate (%)</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>
<b>NOPAT (Adj. OI*(1-Adj. Tax Rate))</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>
Short-term debt and current portion of long-term debt	337	452	703	783	562	336	299	251	712	448	1,164
Long-term debt	4,155	3,713	3,686	4,799	5,138	5,869	5,667	5,993	6,627	7,281	8,228
Total Debt	4,492	4,165	4,389	5,582	5,700	6,205	5,966	6,244	7,339	7,729	9,392
Total Shareholder's Equity	8,078	7,762	8,145	6,571	6,002	5,475	4,583	4,151	3,375	3,495	1,061
Noncontrolling interest	42	43	50	60	57	57	65	68	74	88	97
End of Period Total Invested Capital	12,612	11,970	12,584	12,213	11,759	11,737	10,614	10,463	10,788	11,312	10,550
<b>Average Total Invested Capital</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>ROIC (NOPAT/Average Total Invested Capital)</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>

# 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'11	FY'12	FY'13	FY'14	FY'15	FY'16	FY'17	FY'18	FY'19	FY'20	FY'21
Revenue - as reported	11,287	11,514	11,815	12,045	11,682	11,627	9,998	10,770	11,013	11,066	12,193
Cash Provided by Operating Activities <sup>1</sup>	1,112	1,534	1,753	1,812	2,009	2,326	669	1,686	1,835	2,783	2,182
Capital Expenditures	(241)	(269)	(229)	(256)	(290)	(222)	(183)	(240)	(225)	(141)	(137)
<b>Free Cash Flow - as Reported</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>Free Cash Flow Margin</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>

<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.

## Free Cash Flows (Unaudited)

(\$ millions)	Nine Months Ended September 30,		
	2022	2021	% Change
Cash Provided by Operating Activities	\$ 2,177	\$ 1,251	74 %
Capital Expenditures	(126)	(102)	24 %
<b>Free Cash Flows <sup>(1)</sup></b>	<b>\$ 2,051</b>	<b>\$ 1,149</b>	<b>79 %</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.