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Aon Plc (AON)

Q2 2024 Earnings Call

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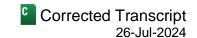
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MANAGEMENT DISCUSSION SECTION

Operator: Good morning and thank you for holding. Welcome to Aon Plc's Second Quarter 2024 Conference Call. At this time, all parties will be in a listen-only mode until the guestion-and-answer portion of today's call.

I would also like to remind all parties that this call is being recorded. If anyone has any objections, you may disconnect your line at this time. It is important to note that some of the comments in today's call may constitute certain statements that are forward-looking in nature as defined by the Private Securities Reform Act of 1995. Such statements are subject to certain risks and uncertainties that could cause actual results to differ materially from historical results or those anticipated. Information concerning risk factors that could cause such differences are described in the press release covering our first (sic) [second] (00:00:53) quarter 2024 results as well as having been posted on our website.

Now, it is my pleasure to turn the call over to Greg Case, CEO of Aon Plc.

Gregory C. Case

Chief Executive Officer & Executive Director, Aon Plc

Good morning, everyone, and welcome to our second quarter conference call. I'm joined by Christa Davies, our CFO; and Eric Andersen, our President. Additionally, we're delighted to be joined by Edmund Reese, who will succeed Christa as CFO on July 29. On our call today, Christa and I will provide our usual prepared remarks and Edmund will highlight a few initial observations before he officially steps in to report in Q3. As in previous quarters, we posted a detailed financial presentation on our website.

We begin by thanking our colleagues around the world, including the 7,700 colleagues we welcomed from NFP for the great work they do to deliver for clients on each of the three pillars of our 3x3 Plan, delivering Risk Capital and Human Capital solutions through our Aon Client Leadership model scaled by the Aon Business Services platform.

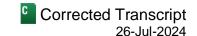
Let's now turn to Edmund. Edmund, on behalf of Global Aon, we're thrilled to have you on our team and your first day on the investor call as you officially step into the CFO role on Monday. Welcome.

Edmund J. Reese

Chief Financial Officer, Broadridge Financial Solutions

Thank you, Greg, and good morning, everyone. I'm incredibly excited to be here. First, I want to start by thanking my Aon colleagues for their very warm welcome. I've connected with literally hundreds of colleagues over the last month and it's been great to meet everyone and really experience the energy and the enthusiasm of Aon and the commitment to deliver on our plans. What's the most exciting for me is seeing firsthand the investment and the corresponding growth opportunity for our clients, colleagues and shareholders as we deliver on the 3x3 Plan over 2024, 2025 and 2026. And I have to say that with the 3x3 fully in place in 2026 and the building momentum, equally compelling is the significant opportunity that will deliver value creation beyond 2026 and over the long-term.

Finally, the financial model is strong and the company is performing and well-positioned to continue to deliver long-term double-digit free cash flow growth. I also want to add that I'm looking forward to meeting investors and the sell-side and talking through how we will deliver on our guidance and continue to allocate and invest their



capital with discipline, focused on high-return investment and capital return. And, of course, reporting our third quarter results and fielding questions at that time.

So, Greg, back to you.

Gregory C. Case

Chief Executive Officer & Executive Director, Aon Plc

Thanks, Edmund, and we're very excited to have you here. Before speaking to results in detail, I want to highlight a great example of the power of the United firm to deliver solutions where they're needed greatly.

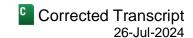
In Ukraine, until last month, there was no functioning war risk insurance market because carriers couldn't get reinsurance coverage due to standing war exclusions. Working with the US and Ukrainian governments, we created a solution that provides insurance and reinsurance capital to Ukrainian insurers, which has already brought in \$350 million of new capital, encompassing a first of its kind structure that facilitates new investments and economic recovery. This structure enables rebuilding and economic activity during the war and much more rapid investment in reconstruction and resilience longer term. This product couldn't have been created without global connectivity, expertise, data and analytics, on the ground relationships and local market knowledge, and our proven ability to match risk and capital across private and public sectors. This innovative structure helps protect and grow the economy and helps the people of Ukraine recover and rebuild. It's a compelling example of the positive impact that our industry can have in addressing major challenges in the global economy.

Turning now to current quarter results. In Q2, our team delivered 6% total organic revenue growth with all solution lines at 6% or greater, and both Aon and NFP delivering mid single-digit organic revenue growth. For clarification and transparency, the 6% organic performance for Aon is 6% without NFP. With this organic growth and the addition of NFP, we delivered 18% total revenue growth, 19% adjusted operating income growth and margins of 27.4%, an increase of 10 basis points year-over-year and 60 basis points from our combined 2023 margin baseline, including only two months of NFP. Year-to-date, we delivered 5% organic revenue growth, 11% total revenue growth and adjusted operating margin expansion, contributing to 12% adjusted operating income growth and 7% growth in earnings per share.

Turning to our solution lines, in Commercial Risk, organic revenue growth of 6% reflects double-digit growth in EMEA and LatAm, the strong growth in North America driven by net new business growth and strong retention. On average, we saw growth in exposures and generally flat pricing resulting in modestly positive market impact. And while we're starting to see the turnaround in external capital markets, our M&A services business had modest positive impact in the quarter, although the available pipeline remains strong and growing. For NFP, growth for the two months was consistent with our North American business. Overall, a strong result. Finally, we're making great progress on priority talent acquisitions with continuing focus in this area and expect these new colleagues to contribute to further growth over time.

Turning to Reinsurance, 7% organic revenue growth in Q2 reflects strong growth in treaty with strength internationally in LatAm, EMEA and APAC. We saw increased capacity in the US property cat space, which provides ongoing opportunity for our clients to increase and optimize their coverage, supported by our team's leading expertise, data analytics.

Health Solutions delivered 6% organic revenue growth with high single-digit growth globally in core health and benefits and real strength in consumer-facing and executive benefits driven by new business wins. The market environment reflects an increased healthcare cost trend and positive impact from enrollment levels. NFP's contribution was consistent with Aon's performance, an impressive result in the midst of the closing.



And, finally, Wealth Solutions organic revenue growth was 9%, an outstanding result, reflecting ongoing strength in pension derisking and core retirement. And it also delivered strong growth driven by asset inflows and market performance. Overall, we're pleased with both the top and bottom line growth in the quarter as we continue to deliver against our 3x3 Plan on all fronts. Further, after only two months of NFP, our early progress is fully on track or ahead of expectations.

Four key growth and value creation opportunities highlight this strong start. First, on independent and connected, outlining how we're bringing NFP into Aon. Our teams are coming together with a shared vision and client-first mindset and they're building connectivity across Aon and NFP. Our early close is increasing momentum as we work together to deliver wins and bring the best from Aon and NFP to our clients. Second top-line growth. We're seeing strong organic revenue growth from NFP, and though early, we're on track to deliver our revenue synergy commitments, noting that we modeled zero net impact in 2024 and are seeing strong client and colleague retention. Third, NFP's M&A engine is [indiscernible] (00:08:46) exceptionally well and the pipeline remains very strong. We've completed 14 deals so far in 2024 at attractive multiples weighted towards Commercial Risk and Health, and we're finding that our independent and connected value proposition is distinctive and highly attractive. And fourth, bottom-line growth. We're on track to fully deliver in-line with guidance on all aspects of the combination through efficiencies, cost synergies and free cash flow impact, leveraging operational best practices from our Aon Business Services.

In summary, our Q2 and year-to-date results demonstrate progress against our financial guidance and our 3x3 Plan, which will deliver superior content and capability across Risk Capital and Human Capital, through Aon client Leadership ensuring we bring relevant client solutions all the time, all enabled through Aon Business Services. This performance will deliver compelling long-term value creation for clients, colleagues and shareholders.

Before I turn to Christa for one final time, I want to take a moment to thank her again for great partnership, leadership and friendship and for her inspiring and invaluable commitment to building our firm.

Christa, over to you for your thoughts on our financial results and long-term outlook.

Christa Davies

Chief Financial Officer & Executive Vice President-Global Finance, Aon Plc

Thank you so much, Greg, and thank you so much for the partnership. My time at Aon was and will continue to be the highlight of my career. I remain incredibly excited about the value creation potential we have ahead of us through the 3x3 Plan. I'm thrilled to welcome Edmund and I look forward to serving as an advisor to the team to support and ensure a smooth transition.

Turning now to the quarter, as Greg highlighted, we delivered exceptional results in the second quarter with 6% organic revenue growth, highlighted by 7% in Wealth and 7% in – I'm sorry, 9% in Wealth and 7% in Reinsurance. Our overall organic revenue growth does not include the impact – does include the impact of NFP, beginning from April 25 when we closed the acquisition but we only had two months performance. NFP's Q2 performance was inline with the business case as it delivered mid single-digit organic revenue growth. NFP also contributed to the 18% total revenue growth in the quarter, which translated into 19% adjusted operating income growth, margins of 27.4%, and 6% adjusted earnings per share growth. These results position us well to drive progress against all elements of the 3x3 Plan driving results in 2024 and over the long-term.

As I reflect on our performance through the first-half of the year, as Greg noted, organic revenue growth was 6% in Q2, driven by net new business generation and ongoing strong retention. We continue to expect mid single-



digit or greater organic revenue growth for the full-year 2024 and over the long-term. As Greg described, we're making excellent progress with NFP. We continue to expect that NFP will contribute to the firm's overall revenue growth through organic revenue growth, including \$175 million of net revenue synergies by 2026 and inorganic growth from ongoing M&A. While it's early, we're on track to achieve [indiscernible] (00:12:07) synergies with no net impact in 2024 from cost and revenue synergies and positive impact in 2025 and 2026. This is exactly in-line with the guidance we gave when we announced the deal. It's also worth noting that voluntary colleague attrition at NFP is down year-over-year.

Moving to operating performance, we delivered strong operational improvement with adjusted operating margins of 33.8% in the first-half, an increase of 20 basis points driven by revenue growth, portfolio mix shift, efficiencies from Aon Business Services and restructuring savings, overcoming expense growth including investments in colleagues and technology to drive long-term growth. If we consider the combined historic margin profile of Aon and NFP, including two-thirds of NFP's results from the second quarter of 2023, adjusted operating margins expanded 60 basis points in Q2 and 80 basis points year-to-date, which is how we think about ongoing margin expansion.

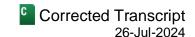
We're making meaningful progress on our Aon Business Services strategy, including through our restructuring program, which helps to accelerate our 3x3 Plan and contributes to margin expansion through net savings. We continue to streamline and improve operational processes, moving work to the best locations and enhancing colleague and client experience with powerful new tools such as our Property, Casualty, D&O, cyber and Health Risk Analyzers.

Restructuring savings in the second quarter were \$25 million, resulting in \$45 million of restructuring savings year-to-date, and 60 basis points of contribution to adjusted operating margin year-to-date. Restructuring actions completed so far are expected to generate \$95 million of savings in 2024. We expect restructuring savings will fall to the bottom-line. At this time, we continue to expect \$100 million of realized savings in 2024 as we continue to accelerate our plans for Aon Business Services and our business.

As we think about adjusted operating margins moving forward, we continue to expect to drive adjusted operating margin expansion over the full-year on a combined firm basis and the long-term through ongoing revenue growth, portfolio mix shift to higher revenue growth, higher margin areas of the portfolio and efficiencies from Aon Business Services. As we previously communicated, we think that the right baseline from which to measure 2025 adjusted operating margin growth is 30.6%. [ph] Calculators are (00:14:52) 31.6% from 2023, less a 100 basis point drag from NFP for the periods from the 2020 – from the April 25 close through the end of 2024. We also expect fiduciary investment income to be relatively flat year-over-year based on current interest rate expectations. So, we expect the tailwind we've seen in the first-half of the year will be reduced in the back-half while we remain committed to driving full-year adjusted operating margin expansion in 2024 and over the long-term against this adjusted baseline of 30.6%.

Turning to EPS, adjusted EPS grew 6% in Q2 and 7% year-to-date, reflecting double-digit adjusted operating income growth and ongoing share buyback, partially offset by higher interest expense, the issuance of 19 million shares to fund the acquisition of NFP, and a higher tax rate.

Turning now to free cash flow, we generated \$721 million of free cash flow year-to-date, reflecting strong operating income growth and lower CapEx, offset by payments related to NFP transaction and integration charges, legal settlement expense, restructuring and higher cash tax payments as we've previously communicated. As we look forward, our free cash flow outlook remains strong based on our strong expected operating income growth and a \$500 million long-term opportunity in working capital. We've communicated that in



the near-term, free cash flow will be impacted by restructuring, higher interest expense and NFP deal and integration costs. In 2025 and 2026, NFP is expected to add \$300 million and \$600 million of incremental free cash flow, respectively, contributing to our overall expectation of long-term double-digit free cash flow growth.

We allocate capital based on ROIC and long-term value creation, which we've done through time through core business investment, share buyback and M&A. As we look historically, we have a successful track record of balancing organic investment, acquisitions, divestitures and share buyback as we continue to optimize our portfolio against our priority investment areas on an ROIC basis. Given the very strong, long-term free cash flow outlook for the firm, we expect share repurchase will remain our highest ROIC opportunity. We completed \$500 million of buyback in the first-half and continue to expect share buyback to be substantial at \$1 billion or more in 2024 based on our current M&A expectations for the rest of the year. We also expect to continue to invest organically and inorganically in content and capabilities that we can scale to address unmet client needs.

Regarding M&A, our M&A pipeline continues to be focused on our high priority areas, including the mid-market and attractive geographies that will bring scalable solutions to our clients' growing and evolving challenges. Knowing that we closed an acquisition in France this quarter, bringing new specialist capabilities in health and benefits into Aon. We are also continuing to see success from NFP's impressive M&A engine. Since the beginning of 2024, NFP has completed 14 acquisitions at attractive multiples weighted towards Commercial Risk and Health, representing \$36 million in annualized revenue.

As we previously communicated, we expect NFP to do M&A comprised of \$45 million to \$60 million of EBITDA per year and they are on track for the full-year 2024. We look forward to building on their established track record and executing against their strong pipeline to drive future growth in the space and value creation within our ROIC framework. Going forward, we'll continue to actively manage the portfolio and assess all capital allocation decisions on an ROIC basis, contemplating buyback, M&A and delevering.

Turning now to our balance sheet and debt capacity, we remain confident in the strength of our balance sheet. As previously communicated, we expect our credit ratios to be elevated over the next 12 to 18 months as we bring our leverage ratios back in-line with levels consistent with our credit profile, driven by substantial free cash flow generation and incremental debt capacity from EBITDA growth, noting our track record of effectively managing leverage within our current ratings. In summary, our strong financial results in the quarter and year-to-date position us well to continue driving progress against all elements of our 3x3 Plan and driving results in 2024 and over the long-term. We look forward to building on this momentum.

With that, I'll turn the call back over to the operator, and Greg, Eric and I would be delighted to take your questions.

QUESTION AND ANSWER SECTION

Operator: Thank you. At this time, we will be conducting a question-and-answer session. [Operator Instructions] And our first question comes from the line of Elyse Greenspan with Wells Fargo. Please proceed with your question.

Elyse Greenspan

Analyst, Wells Fargo Securities LLC

Hi. Thanks. Good morning. Before I get into the questions, I just also just want to extend my congrats to Christa just on your successful career at Aon.

Christa Davies

Chief Financial Officer & Executive Vice President-Global Finance, Aon Plc

Thanks so much, Elyse.

Elyse Greenspan

Analyst, Wells Fargo Securities LLC

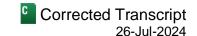
Yeah. Thanks, Christa. My first question is on Commercial Risk. I guess it's two parts maybe. Greg, you said the overall organic growth wasn't impacted by NFP. Would that statement also hold true for Commercial Risk? And then can you also just expand on what turned in the quarter? You guys went from 3% to 6%. You saw a doubling of growth within that segment in the quarter?

Gregory C. Case

Chief Executive Officer & Executive Director, Aon Plc

Yeah. Maybe I'll start Elyse but then it's important to get Eric's standpoint and Christa is here too. Listen, first of all, to your first question. Yes. We want to be really clear about NFP has been two months. So, you take NFP out completely, the 6% and all the solution line results would have been exactly the same without NFP. So that's exactly correct. And even - if you think about Commercial Risk, maybe I'd put it in context a little bit. What we're seeing in Commercial Risk is exactly consistent with what you're seeing really across the firm. And you should expect and we expect that we're going to continue to make progress and build momentum in 2024, 2025 and 2026 on the 3x3 Plan. And again this all starts with better understanding the client need and then taking some very specific hard steps to put Aon in a position to address this demand in a way that we think at least is going to be a better set of solutions and really distinctive and that's really the 3x3 Plan. And you know what the elements of that are and that's what delivered the 6% organic on the margin expansion and the OI growth. In Commercial Risk specifically, again even without NFP, 6% growth was driven by real strength in net new business generation and strong retention and really the strong performance held across all major geographies. And we wouldn't probably get into quarter-to-quarter because the quarters are different, the mix is different between them. As we said in Q1, there were some external factors we saw last quarter that we didn't expect were ever going to repeat and they likely won't repeat and they didn't repeat. And, on average, if you step back, you see growth in exposures, generally flat pricing resulting in modestly positive market impact.

As we said, M&A services, we're starting to see the turnaround in external capital markets but really M&A services really had modest positive impact in the quarter, but our team, look, with the investments we've made and the caliber of that team and the capability are incredibly well-positioned to take advantage of the growing and what is available pipeline out there now. And again, with that said, NFP growth for the two months was consistent and



that went into the overall as Christa described. And I would also say we're making great progress on our priority hire pipeline, in areas like energy and construction and expect these new colleagues to contribute to further growth over time. But really Elyse what we're trying to highlight is Q2 is just a continuation of what we're doing with the 3x3 Plan and you're starting to see that really play out. And we expect it's going to continue for the rest of the year and into the 2025 and 2026 and beyond.

But Eric, what would you add to that?

Eric J. Andersen

President, Aon Plc

Yeah, Greg. So, first off, I would say that strong retention and strong new business really are an outcome of the work that's been going on in the quarter. But just to touch a little bit on the priority hires, if I could for a second, as you mentioned, in the key specialty areas, construction, energy, other industry areas, we're looking at those investments in people like we do any other investment. We want to bring in the best talent that is out there and support them with the best tools and analytics, whether it's the new analyzers that Christa talked about, some of the broker-led analytics. New tools like automated certificates of insurance to make sure we're providing the right colleague and client experience. But I would also say that the analyzers fit into what we've been doing around the \$1 billion dollar investment in ABS and those tools. And when you match that talent, that new talent and existing talent or the great talent that's already here at Aon, with those new tools, you begin to provide a different experience for our colleagues who can actually serve their clients better, but also to the clients themselves who get better insight from us really begin to unlock the analytics that we've been talking about, match that with the global broking capability, the access to the reinsurance capital, really the whole strategy around how we're bringing capital to clients. And you see a different experience and we have seen it in client events, whether it's at rims or our Property Symposium, our other client events that have been going on in the first-half of the year. You really see the excitement from the clients who are starting to really understand and what we're trying to give to them and the whole ecosystem of tools and talent and people.

I could share stories and tell you some client wins and things. But really the new news are these risk analyzers and you see it also on the Health side. The ability to show a client where their risks are or how they structure a program around it and then how they access global capital with a client leader who fully understands their business is actually helping us drive better, stronger retention and better net new business wins.

Elyse Greenspan

Analyst, Wells Fargo Securities LLC

Thanks. And then my follow-up question, the tax rate in the quarter. It went to above 22%. I know you guys have typically guided like to 18.5%, which is like the five-year average. Is there something – is your tax rate structurally higher with NFP, or is there something one-off that we should think about when thinking about the run rate tax rate?

Christa Davies

Chief Financial Officer & Executive Vice President-Global Finance, Aon Plc

Thanks so much for the question, Elyse. In Q2, similar to Q1, the tax rate was driven by a geographic mix of income and the impact of unfavorable discretes. I would note that discretes can be favorable or unfavorable in any one quarter and therefore the rate can be lumpy quarter-to-quarter. We really do think about it over the full-year. And as you said Elyse, we don't give guidance going forward but that is a historical accurate rate going backwards.

Elyse Greenspan

Analyst, Wells Fargo Securities LLC

And then one more quick one, Christa. I think you said NFP expected \$45 million to \$60 million of EBITDA in M&A and you're on track this year. But I think there was \$36 million of revenue so far. So, is it just that you guys are – see a pipeline that would probably be more back-half than first-half weighted in terms of transactions?

Christa Davies

Chief Financial Officer & Executive Vice President-Global Finance, Aon Plc

That is exactly right, Elyse. And what we've really seen is the pipe – the acquisition activity to NFP slowed down a little as they were negotiating with us for obvious reasons. But the pipeline looks incredibly strong in the back-half of the year and we think they are fully on track to deliver that \$45 million to \$60 million of EBITDA in 2024.

Elyse Greenspan

Analyst, Wells Fargo Securities LLC

Thank you.

Operator: Thank you. Our next question comes from the line of Andrew Kligerman with TD Securities. Please proceed with your question.

Andrew Kligerman

Analyst, TD Cowen

Hey. Good morning. And also just a congratulations to Christa on the next phase of her career. What an awesome run you've had it at Aon. Just exceptional leadership; operationally, technologically, I mean unparalleled as a CFO. So, we'll miss watching you in action but congrats on the next phase.

Christa Davies

Chief Financial Officer & Executive Vice President-Global Finance, Aon Plc

Thank you very much, Andrew.

Andrew Kligerman

Analyst, TD Cowen

Sure. And then I guess moving back to Commercial Risk solutions, and Greg you mentioned and Eric mentioned new hires in the energy area. Could you elaborate a little bit on where – and actually let me take a step back. I mean, there was a lot of maybe concern out there that net hires were negative at Aon. So, could you talk about 2Q was net producer staffing positive or negative? Was that a big influence on the 2Q and how do you see that playing out in the second-half of the year? Do you think you'll be net hiring positive?

Gregory C. Case

Chief Executive Officer & Executive Director, Aon Plc

Yeah. So, thank you, Andrew. I appreciate it and really appreciate your perspectives. First, take a step back overall. Just to remind, we have currently the highest engagement we've had in basically almost forever. It's a really positive story that continues to evolve and build. And it really is a function of our colleagues understanding and really contributing to and leading the ability for us to support and help clients. And if you think about the example we started off with today, it's a powerful example of what we can do and the impact our firm can have and that's really – that generates a lot of energy around our firm and that's why our engagement is so high. That's

reflected in our attrition and our voluntary attrition continues to be very low, lower than – back to pre-pandemic, so very, very positive from that standpoint.

It's really against that context, we also though said, listen, there are some areas where we think there are some priority opportunities. Construction is one, energy is one, et cetera, and there are a few others around the firm. And we've had great fortune in bringing colleagues in to drive that

But I think Eric's point that we're not just – this isn't about numbers. This is about capability. So, it's bringing in great practitioners and then arming them with our colleagues with these capabilities and a set of analytics. And make no mistake about it, what we've done with the analyzers we think is unique and it really is supported by Aon Business Services platform, also unique. And remember, we also made the unpopular decision to invest \$1 billion to accelerate that capability and you're starting to see that show up, the beginnings of that. You saw it in the second quarter. You'll see it in the third and the fourth quarter and into 2025 and 2026. So, that's really what's going on in terms of where we are. And you'll see us continue to make that investment as it strengthens the firm and our client serving capability.

But Eric, what else would you add to that?

Eric J. Andersen

President, Aon Plc

I would also – I would broaden the aperture a little bit around just thinking about producers. Greg, you talked about the tools, which are absolutely right. But when you think about what we do for clients, it's more than just production. It's – does the client manager or client executive understand the client industry? Does the broker, if it's an energy broker, be able to talk about the risks of a client, are the claims people or the risk analytics people being able to sort of match that to the industry expertise.

So, when we talk about investments in areas like construction or energy or life sciences and pharmaceuticals, it really is broader than just a producer. You actually have to have that skill set to be able to serve that client all the way through the chain on the risk side, and more and more so on the talent and health and wealth side as well. So, we are investing in those areas where we see growth and we plan to continue to make those investments as the year progresses.

Andrew Kligerman

Analyst, TD Cowen

So, I guess just kind of putting the – framing it a little bit. This 6% organic revenue growth, it fits in with your mid single-digit or higher objective and it really shouldn't come as a surprise, right? It kind of fits with this strategy that you're describing?

Gregory C. Case

Chief Executive Officer & Executive Director, Aon Plc

Yeah. Andrew, if you step back and think about where we were, I know everyone tends to look at the quarter-to-quarter, we look at the overall trend over time and in particular just great pure core skill and our ability to make a difference with clients. And what we're describing is with the 3x3 Plan, this is not conceptual. This is a serious double-down on an organization around Risk Capital, which means we're connecting Reinsurance and Commercial Risk capability in a way that's never been connected in our industry before. On the Human Capital side, as Eric talked about with talent, health and retirement, that combination that has then been reinforced and supported and driven by Aon Business Services. And if you think about the talent, back to the talent question you



raised, we brought a very unique set of talent skills in Aon Business Services from our industry but, candidly, well outside of our industry from firms like Conagra and like Walmart and like Google and like Accenture, and they've come together to do some things that have never been done. So that, to us, is the foundation that's been set down. And all you're seeing in the second quarter is just a manifestation as that happened. That then gets amplified when you bring in capability, as Eric has described. And we're doing that and continuing to focus on that.

So that's the story. And our view is, again, it's 2024, 2025 and 2026. It's a three commitments over the next three years that we think put us in a unique position to not only succeed with clients but to build momentum. Even Edmund alluded to this as he came in, to build momentum beyond 2026. So, that's exactly what we're on track to do. And you can expect continuation in the second-half of the year to see that play out.

Andrew Kligerman

Analyst, TD Cowen

Got it. And then just real quickly on NFP. Christa mentioned \$45 million to \$60 million of EBITDA acquired in each year. How about a more sizable middle-market acquisition? Is that something in the cards or is it something that maybe you need to digest NFP and maybe a year or two or three down the road, you start thinking about that?

Gregory C. Case

Chief Executive Officer & Executive Director, Aon Plc

Listen, first of all, you always step back, as Christa described and has always done around our ROIC, return on invested capital framework, and what we're trying to do to sort of maximize outcome for our clients but also for our shareholders. So, everything is on the construct of that. Listen, we love this platform. This has been fantastic. We had very high expectations of NFP coming in and they've been exceeded. Now, it's only two months but Doug Hammond and the team have been fantastic, working with Eric. Absolutely fantastic. We love this platform and what this platform can do, so that's really what we're going to concentrate. We're going to focus on that and reinforce the M&A plan that Christa talked about and really bring capability to Aon Business Services into the middle-market in a unique way as well. When you think about it, we want our colleagues in NFP to understand they had a great franchise and capability before, now with additional capability from Aon, wow, even more for that producer group.

So, this is really going to be our focal point in every way, shape or form. And what we're finding is that's absolutely true. And also NFP has capability that actually resonates across global Aon. So, it really is going both ways sort of in the context of it. So, look for us to focus on that and to get that right and that's going to be our mission and really our obsession as we sort of complete 2024 and into 2025.

Andrew Kligerman

Analyst, TD Cowen

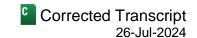
Awesome. Thanks, Greg.

Operator: Thank you. Our next question comes from the line of Mike Zaremski with BMO Capital Markets. Please proceed with question.

Michael Zaremski

Analyst, BMO Capital Markets Corp.

Hey, guys. Good morning. Back to the – so on the – just curious of the math when you say share repurchases is the highest ROIC opportunity. Am I wrong to assume that M&A now on the NFP platform would be a higher ROIC



opportunity? But, of course, given just the size of Aon and the amount of M&A you can do that, that you can't spend it all in the near-term? Or am I thinking about the math incorrectly, assuming a market multiple is paid for M&A and smaller as far as acquisitions?

Christa Davies

Chief Financial Officer & Executive Vice President-Global Finance, Aon Plc Yeah. Hey. Thanks so much for the question. The first thing I would say is if you model the free cash flow growth

of Aon, which is substantial and accelerating as a result of the 3x3 Plan and the investment we've made in restructuring and the return on that and NFP, the highest return on capital across Aon remains share buyback. It is a phenomenal return. It's a phenomenal return at today's prices. It's a phenomenal return at our all-time highs. And so we will disproportionately allocate capital to share buyback, which is what you've seen us do despite commitments we've got in 2024 on paying down debt and delivering and the NFP transaction costs and some other uses of cash in 2024. And we'll commit to do over \$1 billion of buyback in 2024 and over the long-term because that's really driving amazing free cash flow growth and therefore amazing free cash flow per share growth for shareholders.

Michael Zaremski

Analyst, BMO Capital Markets Corp.

Okay. Interesting. Some of your peers I guess – yeah, maybe even probably more optimistic on the margins [ph] that I've been (00:36:52) modeling out.

So, just switching gears a bit to just the overall market environment and organic growth. Great to see an improvement in risk solutions and organic. Would it be - I know you characterized the M&A environment as picking up a bit. I mean, would it be fair to say, I know you've given us tidbits in the past that financial lines, cyber were Aon is one of the leaders is still kind of a drag but lesser of a drag. And to the extent those lines eventually kind of pricing normalizes that we - that this is just a kind of a pricing impact that's going on. I mean, any other color you want to kind of provide on some of the macro that's been going on?

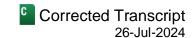
Eric J. Andersen

President, Aon Plc

Sure. Sure. This is Eric. Why don't I take this one? I think, listen, we're describing it as a transitioning market where you look at it across the global platform of Aon, you'd see essentially pricing is we, call it, flat. But within that, there's 100 mini-markets. You've got property, you've got casualty specialty lines, et cetera. Overall, you're still seeing, as you asked around cyber and D&O, you're seeing pricing very much in favor of a buyer, a buyer's market but that pricing is moderating. So, it's not as steep as it was earlier.

On the transaction services. Greg mentioned it. But I would just say that we're seeing an appropriate share of the pipeline of things that are happening, so we feel pretty good about that. Property is I would say heading towards flat for – on average but with better risks. Maybe there's an opportunity for a price decrease, for more challenging risk maybe it scale up a little bit.

Casualty is probably the area that's getting the most attention right now, especially based on sort of coming out of the pandemic. Was the pricing right and there've been reserve needs. So, there's questions around casualty, especially around auto and anything with wheels I would say. But that will develop. But that is that is actually still an increasing market from a pricing standpoint. But I would also say when you get into a scenario like this, clients' behavior actually changes. They make different decisions. So, as they're able to potentially save in certain areas, they will invest that premium elsewhere. Because during the last five years of a challenging market, they made



decisions going the other way where they actually reduced some of the insurance, took higher retentions, narrower coverage, that type of thing. And so they're able to revisit some of those decisions in this kind of a market. So, our expectation is, as we go through the rest of the year, you're going to continue to see the market transition in the way that it is right now. But, ultimately, clients' behavior changes. And it's one of the actually – just to go back to the analyzer comment, it's one of the beauties of this risk analyzer on the insurance side is it actually compares their existing programs and allows them to make different risk-trading decisions as to where to deploy new capital to protect themselves and change structures. So, it is a great opportunity for clients to reevaluate where they are today and how they build the right financial protection for them going forward.

Michael Zaremski

Analyst, BMO Capital Markets Corp.

Thank you.

Operator: Thank you. Our next question comes from the line of Jimmy Bhullar with JPMorgan. Please proceed with your question.

Jimmy S. Bhullar

Analyst, JPMorgan Securities LLC

Hi. Good morning. So, first, just had a question on organic growth in Commercial Risk. This was I think the best quarter you've had in over a year. So, if you were to point to maybe two or three items that might have – like what are the few large items that might have driven the uptick versus what you've seen in the last several quarters? I don't know to what extent, it was hiring or capital markets activity but any color that you could give on the drivers of the pickup?

Gregory C. Case

Chief Executive Officer & Executive Director, Aon Plc

So, Jimmy, thanks for the question. I'll start and Eric, add additional color from the client standpoint. As we talked about, Jimmy, this is really net new business generation and strong retention. Those are the two macro pieces sort of what drive this. What causes that? What causes that is literally what we're doing at the [indiscernible] (00:40:54) with clients, and what we put in place last year on Risk Capital and Human Capital really reinforces that. Eric just talked about the examples on the risk analyzers. These investments Jimmy are unique. I mean, they are really putting us in a position where we can help clients see the risk market a bit differently and make different choices. The prior question was about unit price. This isn't about unit price. This is overall about overall volatility and how you think about it across the coverage lines. We have a chance to sort of talk to clients about that. That's why you win new logos. That's why you do more with clients. That's why you keep them longer. All those things are beginning to show up. And what we've highlighted is you can expect that to continue to progress for the backhalf of the year and into 2025 and 2026. So, that what's really what's driving what we're doing. This is the baseline. When you add on top of that, the investments we're making in capability and in some of these priority areas that we see great demand. We've name-checked construction and energy. There are a few others but those are the big pieces and that's really the overall set of drivers.

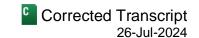
Eric, anything else you want to throw in there?

Eric J. Andersen

President, Aon Plc

Yeah. Maybe I'll – let me pick it up a little bit of a level. We put out a report recently around a better decisions report that focused in on these four major trends that are happening around tech, trade, workforce and weather,





and how business leaders feel like they're not prepared to deal with all this and this cyber attack or system outage that happened this week is just one example that brings it to mind. And so clients are really looking hard at their risk exposures that give us an opportunity as a connected firm globally with the right analytics to be able to help them navigate some of these topics. And so we've been seeing this building in terms of client need and strong growth in Europe, strong growth in Latin America, connected around client opportunities everywhere in the world, so a lot of the underpinnings that have been our Aon United strategy have really begun to take effect in a period where clients feel significant need.

Jimmy S. Bhullar

Analyst, JPMorgan Securities LLC

Okay. And then maybe on the tax item. How much of the uptick in the tax rate versus last year was because of just the geographic and the product mix versus maybe some discrete items, just to get an idea on where it would have been otherwise?

Christa Davies

Chief Financial Officer & Executive Vice President-Global Finance, Aon Plc

Yes. Thanks for the question. We haven't actually given that detail in terms of the split but it is consistent with Q1 in that the two things driving it really are the mix of geographic income and unfavorable discrete, and I would say discretes can be favorable or unfavorable in any one quarter, which makes the tax rate lumpy by quarter. And I would go back to saying the way we think about it is over the course of a full-year.

Jimmy S. Bhullar

Analyst, JPMorgan Securities LLC

Thank you.

Operator: Thank you. Our next question comes on the line of Rob Cox with Goldman Sachs. Please proceed with your question.

Robert Cox

Analyst, Goldman Sachs & Co. LLC

Hey. Thanks. So, yeah, there's been a couple of questions here on Commercial Risk, organic but I don't think specifically on net new business in the US, which I think you guys were a little bit more cautious on last quarter. It looks like North America turned around a bit and I don't think net new business would have necessarily been one of those things that were kind of non-recurring last quarter. So, any additional color on how that net new business trends in the US. And if it improved meaningfully, what would have driven that quarter-over-quarter?

Gregory C. Case

Chief Executive Officer & Executive Director, Aon Plc

Yeah, Robert. Thanks for the question. Step back for a second. Be careful with quarter-to-quarter. If you sort of compare where we are, think about sort of Commercial Risk versus Q2 of 2023 [ph] versus 6% here, 5% the last quarter (00:44:36), so it's a progression over kind of a comparable quarter. And really the fundamentals are exactly what we said they are. It really is net new business. It's better, it's stronger retention across the board. And also, by the way, the connectivity of our firm means we're doing things in Human Capital that leverages off our Risk Capital, and then in Risk Capital, it leverages off of Human Capital in ways that sort of actually we're doing more with clients and you're seeing that as well. And so that's the progression. And as we've really dug into the 3x3 Plan, as we closed last year and begun this year, you're starting to see the momentum around that. You

didn't see as much of that in Q1 as you now see in Q2. And we think it's going to continue to pick up as we continue to introduce the analyzers and all the capability and the service enhancements that Eric has talked about. So, that really is the driver.

This is really global though. If you think about it, all of our solution lines are at 6% or greater, all of our solution lines. And the geographic strength was really global, even more so outside the US than even inside the US and so that will continue to progress. And – but that's really – it's not complicated. It's just execution. And we continue to execute and then amplified by priority capability we're bringing in from a hiring standpoint.

Robert Cox

Analyst, Goldman Sachs & Co. LLC

Okay. Got it. Thank you. And then, yeah, on this priority hiring pipeline, I think energy and construction are two areas with strong current growth. I guess do you see growth in those areas continuing to be strong? And maybe you can help us size maybe the margin impact from this priority hiring pipeline?

Eric J. Andersen

President, Aon Plc

Sure. And I would say, listen, if you go back to what I just said about those four trends and you think about trade and the reshoring, so that's usually manifest in our industry as construction as global chains become sort of nearer to home base as you see a significant amount of construction. Our enterprise client strategy, where we are connecting with clients around the world as they build into North America or they build into Mexico or other areas, we're there to capture and work with those clients on those exposures. Certainly energy, not just traditional energy, but renewable energy. They're very specific expertise, both on a client management but also a sort of brokerage capability to be able to draw capital. Our ability to invest there is important. Don't forget the analytic investment that's needed as well to be able to provide the insight around how to strategically manage those risks and ultimately match capital to that risk.

So, we are investing across the spectrum of capability within that industry framework. You could put financial institutions, you could put pharmaceutical. We highlight construction and energy because they're so tangible and people can see what's happening. But there are certainly other areas where we are investing as well. But it goes across, not just production but through capability, all the way through analytics.

Robert Cox

Analyst, Goldman Sachs & Co. LLC

Okay. That makes a lot of sense. Thank you. And if I could sneak in one more. Just wanted to ask if the timeline for NFP to be accretive to adjusted EPS is still 2026 and if you could provide any updated color there?

Christa Davies

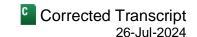
Chief Financial Officer & Executive Vice President-Global Finance, Aon Plc

Yeah. So, we are exactly on track with all deal financials and returns on the deal including EPS accretion; dilutive in 2024, breakeven in 2025 and accretive in 2026. And I would note that free cash flow per share follows that same trajectory. And so we are super-excited, albeit early days, two months in, on delivering on the revenue synergies, the cost synergies and the free cash flow of \$300 million in 2025 and \$600 million in 2026.

Robert Cox

Analyst, Goldman Sachs & Co. LLC

Thank you.



Operator: Thank you. Our next question comes from the line of David Motemaden with Evercore ISI. Please proceed with your question.

David Motemaden

Analyst, Evercore ISI

Hey. Thanks. Good morning. Also, I wanted to extend my congratulations to Christa and wish you good luck on the next chapter.

Christa Davies

Chief Financial Officer & Executive Vice President-Global Finance, Aon Plc

Thanks so much, David.

David Motemaden

Analyst, Evercore ISI

So I had a question just – so, Greg, when I -it's a bigger picture question just sort of looking back over the last seven, eight years at the drivers of organic growth at Aon. And if I look historically, we've seen most of the organic growth really coming from productivity improvement as opposed to adding head count. Over this call, in the last call, it's mentioned just hiring more than in the past, which I think is a welcome change. I just wanted to sort of level-set my expectations here and how you guys are thinking about the balance between maybe adding head count now as well as productivity improvement going forward?

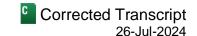
Gregory C. Case

Chief Executive Officer & Executive Director, Aon Plc

Yeah. Really appreciate the question, David. Listen, if you step back, again this thesis we've talked about is consistent and it will continue forever with this team and it really is around capability and delivering one client at a time and how you create the maximum leverage to do that for that client. And that means then - whether you call it productivity, effectiveness, we need better solutions, better content to support these clients. Although if you haven't seen this megatrend analysis that Eric talked about, we love to send you a copy. You got to take a look at this. And this is not our genius. This is looking around the world and it's interesting what are clients facing. And we not only did the megatrends report. We actually did a survey on top of it. We went out and talked to 800 C-suite executives around how they think about these megatrends. David, all four of these were kind of five-alarm fires, three of which they basically said I need help on, and so, right now, I don't know exactly what to do. Against that, you need, again, whether you call it productivity, we need better capability. To be blunt, you got to give them better insight and that's really been the investment. And if you think about it, part of the investment is connected investment. We actually have to operate as a global firm. If someone is coming out of Europe to invest in the US and our colleagues aren't talking to each other, that means that our clients [indiscernible] (00:50:50). No. We're not going to do that. We're going to serve in an integrated way on behalf of client needs. And we have done that. And, by the way, call that productivity over the last number of years, that served us really well. And what you've seen us now do with the 3x3 is say, look, we're going to double-down on that. We see even more opportunity again coming out of this megatrends report and what we're hearing from clients and we are doubling down. This is Aon Business Services. This is talent and capability and risk analytics. This is \$1 billion bet to really strength that.

And then we said with that capability, our ability then to bring in colleagues and to arm our current colleagues is now greater. And so the reason we see opportunity to bring additional talent is the need is high. And when they come in, it isn't just more bodies. It's more individuals, no doubt. But it's actually more individuals, each of whom have greater capability, both in analytics but also in the way in which we are really delivering on their behalf. So,





this is what you see us doing right now and it really cuts across all of our solution lines. So, it really is a nice combination sort of in terms of where we are and we're going to be able to do this without backing up on our commitments; mid single-digits or greater, improved margins and free cash flow.

And just to be clear, what's happening on free cash flow is an opportunity for us, which we think is quite unique for us and for you and it really is the translation of revenue into free cash flow. The 3x3 is going to take what has been a decade-plus double-digit free cash flow growth and it's going to strengthen it. And so that's what additional capability magnified by additional individuals. And so really – there really isn't one over the other David. It's both. And we're doubling down on capability. And, in doing so, it creates the opportunity. It's also why NFP was so attractive for us. We can bring this capability now, not just at the large corporate arena but into the middle-market. And we can do so with this incredible platform called NFP. So, that really – that's the combination.

Now, that's easy to say and really hard to do and almost impossible to duplicate. But that's the mission, that's what we love and that's what you're starting to see in Q2 and you'll see throughout the year.

David Motemaden

Analyst, Evercore ISI

Great. Thanks. That's helpful. And then maybe just a quick follow-up on that. You mentioned the middle-market business. I guess could you just, now with NFP, how much of the Commercial Risk business is middle-market as you guys would define it?

Eric J. Andersen

President, Aon Plc

Look, I think there is still a significant amount of room for us to grow in the middle-market. It's one of the reasons why we're so excited about this independent and connected philosophy that we're bringing to the NFP team. Independent as in we want their 900 salespeople certainly continuing to do what they've been doing historically for NFP but they're seeing challenges to their client base around some of these risks that we've been talking about, whether it's cyber, et cetera, that are actually getting closer to the middle-market as a real risk, and their ability to be used, Aon content or Aon producers and client, just being able to use some of the NFP content for the middle-market business that sits within Aon is such a great opportunity to drive more activity and more opportunity for us to serve that middle-market client base. But we're still – we still see a lot of runway in front of us on whether you would call a \$31-billion market, we're still relatively underweight in that space. And so there's a lot of good room to run here.

David Motemaden

Analyst, Evercore ISI

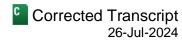
Great. Thank you.

Operator: Thank you. Our next question comes from the line of Meyer Shields with KBW. Please proceed with your question.

Meyer Shields

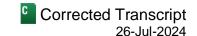
Analyst, KBW Research

Great. Thanks so much. I also want to congratulate Christa on never having to take another question from me, except for this one.



<u></u>	
Christa Davies Chief Financial Officer & Executive Vice President-Global Finance, Aon Plc	A
Thank you, Meyer.	
Meyer Shields Analyst, KBW Research	Q
My pleasures. Is it safe to say that the geographic footprint of earnings, including NFP, with different than legacy Aon over the last decade?	h regard to taxes is
Christa Davies Chief Financial Officer & Executive Vice President-Global Finance, Aon Plc	A
We are definitely more US-weighted. That is true. Because NFP is more US-weighted.	
Meyer Shields Analyst, KBW Research	Q
Okay. Perfect. That's what I wanted to know or confirm. And with regard to the investments been talking about, can you give us a sense of the timeline in terms of just like how much chas already been done and how does the hiring timeline compare to the productivity timeline.	of this unusual effort
Eric J. Andersen President, Aon Plc	A
Listen, I would say when we launched the 3x3 strategy back at the middle of the end of last ourselves the priorities investments that we wanted to make where we thought there was reclients. And so it is not something we started last week if that's your question. We've been over the last 12 months. How do you actually build that pipeline of talent, how do you actual firm, how you onboard them, how you take existing Aon clients and deploy them into those It's been something that's been going on parallel to bringing in outside talent. So, it's not jut discussion. So, it's something that we identified as we laid out the 3x3 Plan. It's something two to three years as well as a real opportunity for the firm to invest in growth.	real need for us to serve looking at it essentially ally get them on into the growth areas as well? ast an outside talent
Gregory C. Case Chief Executive Officer & Executive Director, Aon Plc	A
And, Meyer, your question on productivity. Listen, productivity evolves over time. It doesn't as you know. If you ask yourself, how much of the hiring shows up in Q2 of 2024, limited, r folks are just coming in. But, by the way, they ramp a lot faster when you give them the cordescribing because they have skills and capability. And it's not going to their existing client clients, which they love to be able to do and come in and build their portfolio. So, for us, this to really play out in 2025 and 2026 in a powerful way. But, in the meantime, the capability current field is what's driving result.	right? These are these ntent capability Eric is ts. It's going to new is amplification is going
Meyer Shields Analyst, KBW Research	Q

Okay. Perfect. That's what I needed now.



Operator: Thank you. Our next question comes from the line of Grace Carter with Bank of America. Please proceed with your question.

Grace H. Carter

Analyst, BofA Securities, Inc.

Hi. Thanks for taking my question. I have one more on I guess talent acquisition. I think you [indiscernible] (00:57:17) mentioned maybe some talent acquisition in NFP. Just how have you found I guess competition for talent in the middle-market versus where you've historically played so far? And I guess how receptive are people that have historically worked in the middle-market to joining a larger organization and how might your capabilities be an advantage when you're looking to hire in that market?

Eric J. Andersen

President, Aon Plc

So, thanks for the question. I would say there is a war for talent where there is good talent everywhere. So, whether it's the large segment, whether it's the small segment, the mid-market segment, whether it's in health, in wealth or risk. So, I think you can safely assume that where there are good people, there are people chasing those good people. And so when we laid out the premise for the NFP integration with Aon around independent and connected, we did that under the guise of understanding that would be valuable to the individual colleague at NFP, is to be able to serve their client in the same format that they used to serve them in terms of that strong personal relationship but give them better content and give them better tools over time.

And so early on in the process, the content piece we are connecting very quickly, which can be connecting them to our broking centers, giving them access to our programs or our facilities, showing – beginning to map out how do you deliver analytics at scale through ABS into the middle-market client base. On the health side, how do you actually – with complementary client sets, how do you begin to aggregate the data to be able to give better insight to that client? So, really what we're trying to do with the NFP colleague is make them better in terms of the tools that they have. They already have great relationships. It's how do we make them better in the areas that they want to serve those clients. We think that ultimately will allow us to draw more individual people in. We're already seeing that the pipeline on M&A is a better quality pipeline for the NFP team because this independent and connected capability is really resonating with these firms who are seeing that their clients are looking for more. They don't want to give up that relationship piece.

And so I think we're finding the best of a big firm with a lot of capabilities and a mid-market firm that's strong in relationships and finding that connection, being able to use the analytics, being able to use the technology and be able to use the content, but in a way that drives for them better outcomes while still maintaining those relationships. So, that's the goal and that's what we're, as Christa said, two months in, early days. But we feel pretty good about how we've started.

Grace H. Carter

Analyst, BofA Securities, Inc.

Thank you. And I also wanted to ask about the Wealth organic growth. It was quite a bit higher than how it's historically trended, maybe kind of in the mid single-digits, maybe low single-digits. Is there anything in there that would be unusual this quarter? Or to what extent do you feel like these results are sustainable going forward? And can you just remind us if there's anything in the NFP acquisition that might change the mix of that business going forward? Thank you.

Gregory C. Case

Chief Executive Officer & Executive Director, Aon Plc

Appreciate the question. And, just to be brief, we can go to any detail offline if it's helpful Grace if you think about it. But, listen, this has been – it's just a terrific business and the team's done amazing job. The pension risk transfer is a big, big part of the world these days, particularly in the US and the UK. We have an incredibly strong leading position in that. You're seeing that play through the regulatory challenges and changes. So, all these things sort fit and NFP has an incredibly strong capability in this arena too and we're seeing that as well. So – but again, to emphasize what you see and the 9% is the Aon results overall, even without NFP and that's what you see playing out. Just an exceptionally strong team in the current environment.

Grace H. Carter

Analyst, BofA Securities, Inc.

Thank you.

Operator: Thank you. And our last question comes from the line of Cave Montazeri with Deutsche Bank. Please proceed with your question.

Cave Montazeri

Analyst, Deutsche Bank Securities, Inc.

Yeah. Just wanted follow-up on your comments you just made in the last question. The NFP, the legacy NFP producers, are they already using the new tools from Aon, or is that something that's going to take a bit longer to give them access to?

Eric J. Andersen

President, Aon Plc

So, in the planning process leading up to the close and then the 90 days since we've closed, we have put a significant amount of work to connect them, first with products and capabilities because I think that's the easiest thing to get started with. And then we're laying the track to be able to provide the analytic capabilities both in Health, Wealth and in Risk, which will take a little bit of time as we go through the year. But we have started with opening access to our broking center, opening products that we have in Affinity or programs we have in Risk and Health to be able to offer them to their client base.

So, we have started with the things that are easier to connect and we're laying the plans to do some of the more – sort of the more structural things around analytics.

Cave Montazeri

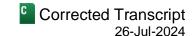
Analyst, Deutsche Bank Securities, Inc.

Makes sense. And then my second question is on cyber. In light of last week's CrowdStrike outage and the fact that it's unlikely to be the last time we see this given how interconnected the digital world is. On a go-forward basis, do you think your clients who already have cyber insurance, do you think they have the right amount of insurance and the right type of cyber protection in place in case their business comes to a halt due to systemic outage, third-party software glitch from the third-party or something of the likes?

Eric J. Andersen

President, Aon Plc

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Sure. Look, I think that's hard to answer that question on a macro basis in terms of what does each client have. Certainly, the focus has historically been on kind of malicious intent on a cyber hack, but certainly a system outage, not driven by a cyber assault, does create a new form of risk exposure that's always been there, honestly, but maybe now is at the front-of-mind as people look to see the type of cover that they have.

I think the insurance part of the risk taker part is certainly going to look at that from a scope of cover or price for the coverage. All that's healthy in a growing marketplace. But certainly, technology overall, whether it's AI or cyber or what-have-you is certainly a front-of-mind of our clients, as we Greg and I both mentioned in that survey we just put out. And so I do think it will be an area where we continue to invest and want to be able to provide that capability and understanding to our clients with the cyber analyzer that we're launching. But certainly when items, when things like this happen, it certainly raises the profile and causes each of our clients to look pretty carefully at their own risk platform to understand it.

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Analyst, Deutsche Bank Securities, Inc.

Thank you.

Operator: Thank you. I would now like to turn the call back over to Greg Case for closing remarks.

Gregory C. Case

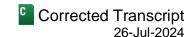
Chief Executive Officer & Executive Director, Aon Plc

I just wanted to do two things. First, again, recognize and welcome Edmund. Edmund, it's so awesome to have you around the leadership table and just looking forward to our work and our mission together and we'll be teed up and ready to go for Q3, to lead the call, so thanks for that, Edmund.

And then of course to Christa. Christa, you are an extraordinary leader and an even more compelling individual and thank you. Thank you so much on behalf of global Aon for 16 years of true excellence. Thanks you so much. Talk to you soon everyone.

Operator: And this concludes today's conference and you may disconnect your lines at this time. Thank you for your participation.





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