An aerial photograph of a dense urban skyline, likely New York City, featuring numerous skyscrapers and buildings. A dark, semi-transparent diagonal overlay covers the lower-left portion of the image, serving as a background for the text.

3rd Quarter 2024 Earnings Presentation

Alight, Inc.

November 12, 2024

alight

Disclaimer

Forward-looking statements

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements include, but are not limited to, statements relating to our ability to execute on our go-to-market strategy, statements related to our anticipated future performance (including our expected recurring revenue and margin profile, and savings from our cloud migration), statements related to our expected quarterly dividend program and expected stock buyback programs, statements related to our expected revenue under contract and statements related to the expectations regarding the performance and outlook for Alight's business, financial results, liquidity and capital resources, our strategic portfolio review, our investments in our products and clients, statements regarding our capital structure, expectations regarding our project revenue, and other non-historical statements, including certain statements in the "Financial guidance (99% of 2024 revenue under contract)", "Capital structure update", "4Q24 2024 Adjusted diluted EPS and modeling notes", "Key Drivers of Revenue Growth", and "Path to Growth Model", sections of this presentation. In some cases, these forward-looking statements can be identified by the use of words such as "outlook," "believes," "expects," "potential," "continues," "may," "will," "should," "could," "seeks," "projects," "predicts," "intends," "plans," "estimates," "anticipates" or the negative version of these words or other comparable words. Such forward-looking statements are subject to various risks and uncertainties including, among others, risks related to declines in economic activity in the industries, markets, and regions our clients serve, including as a result of elevated interest rates or changes in monetary and fiscal policies, competition in our industry, risks related to our ability to successfully separate our Payroll and Professional Services business, risks related to the performance of our information technology systems and networks, risks related to our ability to maintain the security and privacy of confidential and proprietary information, risks related to actions or proposals from activist stockholders, risks related to the ability to meet the contingent payment conditions of the seller note, and risks related to changes in regulation, including developments on the use of artificial intelligence and machine learning. Additional factors that could cause Alight's results to differ materially from those described in the forward-looking statements can be found under the section entitled "Risk Factors" of Alight's Annual Report on Form 10-K, filed with the Securities and Exchange Commission (the "SEC") on February 29, 2024 and in the Quarterly Report on Form 10-Q filed with the SEC on May 8, 2024, as such factors may be updated from time to time in Alight's filings with the SEC, which are, or will be, accessible on the SEC's website at www.sec.gov. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. These factors should not be construed as exhaustive and should be considered along with other factors noted in this presentation and in Alight's filings with the SEC. Alight undertakes no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by law.

Financial statement presentation

This presentation is not considered to be prepared in accordance with GAAP and has not been prepared as proforma

results under applicable regulations. Additionally, certain of the information in this presentation is not presented in accordance with GAAP or the requirements of Article 11 of Regulation S-X ("Regulation S-X") with respect to proforma financial information. In particular, this presentation includes supplemental proforma financial information that includes certain management adjustments in addition to those permitted under Regulation S-X. We believe the supplemental information is helpful in, among other things, presenting our results more consistently across prior periods. For more about those management adjustments, please see "Background regarding proforma adjusted supplemental financial results" in the appendix. For information presented in accordance with Regulation S-X, please see our Current Report on Form 8-K filed with the SEC on November 12, 2024.

Non-GAAP financial measures and other information

Included in this presentation are certain non-GAAP financial measures, such as Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Gross Profit, Adjusted Gross Profit Margin, Adjusted Net Income, Adjusted Operating Cash Flow, Operating Cash Flow Conversion (adjusted for separation costs), Net Leverage Ratio and Net Debt, designed to complement the financial information presented in accordance with U.S. GAAP because management believes such measures are useful to investors. Additionally, Net Leverage Ratio and Net Debt, as presented herein, differ from the Net Leverage Ratio and Net Debt figures as those relate to the Credit Facility, as the Borrower under the Credit Facility is Tempo Acquisition, LLC rather than Alight. We also use proforma adjusted EBITDA to calculate the Net Leverage Ratio as presented herein. These non-GAAP financial measures should be considered only as supplemental to, and not superior to, financial measures provided in accordance with GAAP. Please refer to the appendix of this presentation for a reconciliation of the historical non-GAAP financial measures included in this presentation to the most directly comparable financial measures prepared in accordance with GAAP.

Reconciliations of the historical financial measures used in this presentation that are not recognized under U.S. GAAP are included or described in the tables attached to the appendix. Because GAAP financial measures on a forward-looking basis are not accessible, and reconciling information is not available without unreasonable effort, we have not provided reconciliations for forward-looking non-GAAP measures. For the same reasons, we are unable to address the probable significance of the unavailable information, which could be material to future results.

Revenue Under Contract is an operational metric that represents management's estimate of anticipated revenue expected to be recognized in the period referenced based on available information that includes historical client contracting practices. The metric does not reflect potential future events such as unexpected client volume fluctuations, early contract terminations or early contract renewals. Our metric may differ from similar terms used by other companies and therefore comparability may be limited.

3Q24 strategic highlights

1 Transformational achievements set the stage for Alight's next chapter as technology-enabled services company

- Completed divestiture on July 12th, 2024 for \$1.0 billion in upfront gross proceeds, with up to \$200 million in seller notes
- Cloud migration completed with initial savings commencing in 4Q24; reaffirms \$75 million of expected annualized savings

2 Improving financial performance & commercial momentum; raising FY24 revenue guidance

- Revenue excluding Hosted saw sequential improvement in recurring revenue growth rate and timing benefit for project work
- Adjusted EBITDA¹ of \$118 million up 3.5% from prior year supported by productivity savings
- New wins and expanded relationships with companies including Hewlett Packard Enterprise, Nokia, and Siemens
- ARR bookings activity remains strong, expect double-digit ARR bookings growth in 2H24
- BPaaS revenue growth of 18.6% from prior year

3 Enhancing commitment to capital return

- Repurchased \$75M of shares in the quarter
- Subsequent to quarter-end, initiated quarterly dividend of \$0.04 per share reflecting commitment to a consistent return of capital

4 Enhancing operational performance and improving the client and end-user experience

- Annual enrollment benefiting from enhanced stability and efficiency of infrastructure due to cloud migration
- Mobile enrollments on Alight Worklife[®] increased 35% from prior year²

¹Adjusted EBITDA is defined as earnings before interest, taxes, depreciation and intangible amortization adjusted for the impact of certain non-cash and other items that we do not consider in the evaluation of ongoing operational performance. A reconciliation of these non-GAAP financial metric to its closest comparable GAAP metric is included in the appendix.

²Through November 7th, 2024

3Q24 financial results

(Excludes 11-day stub period from Payroll & Professional Services divestiture and financials from Hosted)

(\$ in millions)	3Q24	3Q23 ¹	Change
Revenue			
Recurring Revenue	\$504	\$505	-0.2%
Project Revenue	\$51	\$53	-3.8%
Total Revenue	\$555	\$558	-0.5%
Adjusted Gross Profit ² % margin	\$200 36.0%	\$207 37.1%	-3.4% -110 bps
Adjusted EBITDA % margin ³	\$118 21.3%	\$114 ⁴ 20.4%	+3.5% +90 bps

¹ 3Q23 results on a proforma adjusted basis, please see appendix for detail

² Adjusted gross profit is defined as revenue less cost of services adjusted for depreciation, amortization and share-based compensation. Adjusted gross profit margin percent is defined as adjusted gross profit divided by revenue. A reconciliation of this non-GAAP financial metric to its closest comparable GAAP metric is included in the appendix.

³ Adjusted EBITDA margin percent is defined as Adjusted EBITDA divided by revenue. A reconciliation of these non-GAAP financial metric to its closest comparable GAAP metric is included in the appendix.

⁴ \$3M of expense reclassified between continuing operations and discontinued operations from previous figures reducing 3Q23 Adjusted EBITDA and increasing 4Q23 Adjusted EBITDA, no expected impact to full year 2023.

Financial guidance (99% of 2024 revenue under contract)

(Raised revenue guidance with midpoint for FY24 increased by \$10M)

4Q24 guidance		Full Year 2024 guidance (proforma basis)	
Revenue	\$665 – \$685M	Revenue	\$2,338 – \$2,358M (up from \$2,325-\$2,350M)
BPaaS Revenue	\$144 - \$154M	BPaaS Revenue	\$497 - \$507M
Adjusted EBITDA	\$208 - \$233M	Adjusted EBITDA	\$585 - \$610M
Adjusted EPS	\$0.22 – \$0.27	Adjusted EPS	\$0.56 – \$0.61
Operating Cash Flow Conversion %¹	~60%	Operating Cash Flow Conversion %¹	55-65%

Revenue Under Contract ² as of 9/30/24	
Full year 2025	\$1.8B (↑\$150M ³)
Full year 2026	\$1.4B (↑\$100M ³)

¹ Excludes separation costs. Operating cash flow conversion is cash provided by operations divided by Adjusted EBITDA.

² Revenue Under Contract is an operational metric that represents management's estimate of anticipated revenue expected to be recognized in the period referenced based on available information that includes historical client contracting practices. The metric does not reflect potential future events such as unexpected client volume fluctuations, early contract terminations or early contract renewals. Our metric may differ from similar terms used by other companies and therefore comparability may be limited.

³ Compared to revenue under contract at 6/30/24

Note: This information is based on management's current expectations and estimates, which are based in part on market and industry data. Many factors are outside the control of management, and actual results may differ materially from the information set forth above. The Company has not reconciled forward-looking non-GAAP measures as reconciling information is not available without unreasonable effort. Please refer to "Disclaimer--Forward-looking statements" and "Disclaimer--Non-GAAP financial measures and financial statement presentation" herein and the risk factors set forth in our filings with the SEC.

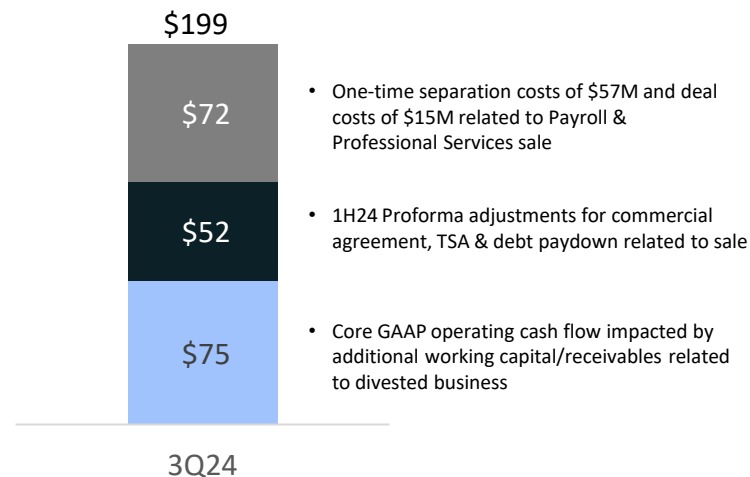


Capital structure update

(\$ millions)	9/30/2024	12/31/2023
Total Debt	\$2,031	\$2,794
Less Cash	\$300	\$324
Net Debt	\$1,731	\$2,470

- Repaid \$740 million of debt in July 2024
 - Net leverage ratio¹ of 2.9x on LTM proforma basis
 - No debt maturities until 2028
- Debt is 100% fixed through 2024 and 70% through 2025
- Completed \$75 million accelerated share repurchase
 - Remaining authorization of \$93 million
- Initiated quarterly dividend of \$0.04 per share

YTD Adj. Operating Cash Flow (\$M)



Reaffirmed full year OCF conversion rate of 55-65% excluding separation costs

4Q24 adjusted diluted EPS and modeling notes

Adjusted diluted EPS bridge		
	4Q 2024	Notes
Adjusted EBITDA	\$208-233M	See slide 5
Depreciation	\$33-38M	5-6% of revenue
Interest Expense	\$21-31M	Based on current forward curve and hedges in place
Adjusted EBT	\$144-179M	-
Adjusted Taxes¹	\$27-35M	22-25% annual adj. ETR
Adjusted Net Income	\$117-144M	-
Diluted O/S²	535-540M	-
Adjusted Diluted EPS³	\$0.22-0.27	-

Annual Modeling Notes

- Capital Expenditures⁴ mid-term target ~4-5% of revenue, above 5% in 2024
- W/C usage of 3-4% of revenue
- Stock comp expense: 2-3% of revenue⁵
- Adjusted results exclude all cash tax benefits from tax amortization of intangibles and other items

¹ Assumes a 26% statutory tax rate with a lower potential adjusted tax rate due to significant goodwill amortization deductions, credit carryforwards and loss carryforwards. The Company expects a low single digit cash tax rate.

² Management estimate of adjusted weighted shares outstanding

³ Adjusted Diluted Earnings per Share is defined as Adjusted Net Income divided by the adjusted weighted-average number of shares of Alight Inc. common stock, diluted.

⁴ Excludes capitalized leases

⁵ The estimated range is impacted by the expense recognition related to the probable achievement of the Company's PRSUs as well as forfeitures.

Note: This information is based on management's current expectations and estimates, which are based in part on market and industry data. Many factors are outside the control of management, and actual results may differ materially from the information set forth above. The Company has not reconciled forward-looking non-GAAP measures as reconciling information is not available without unreasonable effort. Please refer to "Forward-Looking Statements" and "Non-GAAP financial measures" herein and the risk factors set forth in our filings with the SEC.



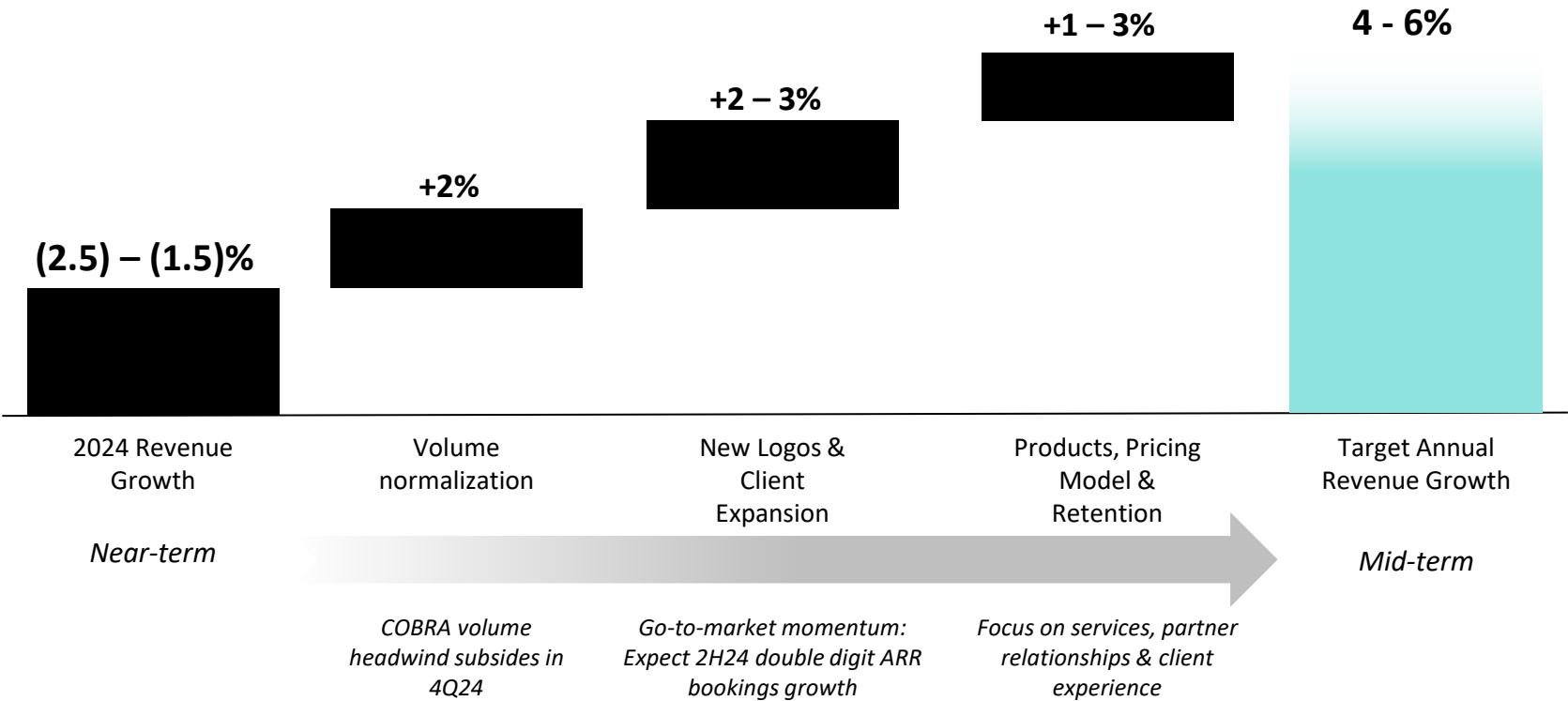
Key Drivers of Revenue Growth

	<u>Growth Model</u>	<u>2024 Expectations</u>
1 Revenue from New Wins: Bookings with new logos & existing client expansions that go-live and add revenue to the existing base of recurring revenue, including project revenue sold during current year	+6 - 8%	4.5 – 5.5% Prior guidance 4 – 5%
2 Volumes: Our revenue base is ~90% PEPM (per employee per month) billing based on the # of eligible participants for each client and is variable each month based on our clients’ growth or contraction in employees	+0 - 2%	~(2)%
3 Contract Renewals: Lost revenue from the prior year revenue base from clients who did not renew	(4) – (2)%	~(5)%
	+4 - 6%	(2.5) – (1.5)% Prior guidance (3) – (2)%

Notes on 2024 Expectations:

- Revenue from new wins:** Change in outlook driven by increased pressure on non-recurring project revenue outlook, expecting project revenue down approximately 20% in fourth quarter
- Volumes:** 2024 impacted by change in COBRA legislation in late 2023 as well as moderate softness in underlying client employment
- Contract renewals:** Losses in 2024 modestly higher than target range given client cost consciousness

Path to Growth Model



Appendix-Proforma Adjustment Reconciliations

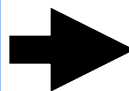
alight

Background regarding proforma adjusted supplemental financial results

Proforma adjusted supplemental financial results are designed to show the impact of the sale of the Payroll and Professional Services business as if it had happened at the beginning of 2023 with the objective of providing better comparability between periods. It includes the Company's actual results from continuing operations 'adjusted' for certain items that are the direct result of the transaction and our use of transaction proceeds. While we believe this presentation is useful to investors, these proforma adjusted financials should be viewed only as supplemental information to our previously and future reported results.

Key Proforma Adjustments

1. Services (e.g., customer care) that Alight is providing to Strada and receiving revenue pursuant to a Commercial Agreement
2. Certain shared delivery and technology costs that Alight either no longer incurs or will be reimbursed for under Transition Services Agreement (TSA)
3. Adjustments for lower interest expense from debt paydown in July '24
4. Tax impacts from above adjustments



Proforma Adjusted Financial Metrics

1. Adjusted income statement metrics for 3Q23
 - Proforma adjusted Revenue
 - Proforma adjusted Gross Profit/margin
 - Proforma adjusted EBITDA/margin
 - Proforma adjusted EPS
2. Adjusted cash flow metrics for 1H24

2023 3Q Total Revenue Disaggregation with Proforma Adjustments (unaudited)

(\$ in millions)	Three Months Ended September 30, 2023
Revenue:	
Recurring	\$ 497
<i>Proforma Adjustments</i>	<u>8</u>
Recurring - adjusted	505
Project	<u>53</u>
Total Revenue, excluding Hosted	558
Hosted Revenue	<u>7</u>
Total Revenue	\$ 565

Reconciliation of 2023 3Q Gross Profit to Adjusted Gross Profit with Proforma Adjustments (unaudited)

	Three Months Ended	
	September 30, 2023	
(\$ in millions)	<hr/>	
Gross Profit	\$	166
Add: stock-based compensation		7
Add: depreciation and amortization		19
<i>Add: Proforma Adjustments</i>		<i>15</i>
Adjusted Gross Profit	\$	207
Gross Profit Margin		29.8%
Adjusted Gross Profit Margin		37.1%

Reconciliation of Net Income (Loss) to Adjusted EBITDA with Proforma Adjustments (unaudited)

(in millions)	Three Months Ended September 30, 2023	Three Months Ended December 31, 2023	Three Months Ended March 31, 2024	Three Months Ended June 30, 2024	Three Months Ended September 30, 2024
Net Income (Loss) From Continuing Operations	\$ (40)	(132)	(121)	(4)	(44)
Interest expense	34	31	31	33	19
Income tax expense (benefit)	(14)	36	(27)	2	(9)
Depreciation	25	23	26	30	27
Intangible amortization	69	71	71	69	70
EBITDA From Continuing Operations	74	29	(20)	130	63
Share-based compensation	29	46	28	20	11
Transaction and integration expenses ⁽¹⁾	6	13	17	19	21
Restructuring	15	10	15	18	12
(Gain) Loss from change in fair value of financial instruments	(36)	21	21	(52)	(23)
(Gain) Loss from change in fair value of tax receivable agreement	11	88	55	(31)	27
Other	1	(1)	-	1	7
Adjusted EBITDA From Continuing Operations	\$ 100	206	116	105	118
<i>Proforma Adjustments</i>	\$ 14	14	15	23	-
Adjusted EBITDA w/ Proforma Adjustments	\$ 114	220	131	128	118
Total Revenue, excluding Hosted	\$ 558	691	568	550	555
Adjusted EBITDA Margin ⁽²⁾	20.4%	31.8%	23.1%	23.3%	21.3%
Total Debt					\$ 2,031
Cash and cash equivalents					\$ 300
Net Leverage Ratio ⁽³⁾					2.9x

(1) Transaction and integration expenses primarily relate to acquisition and divestiture activities.

(2) Adjusted EBITDA Margin is defined as Adjusted EBITDA as a percentage of revenue.

(3) Net leverage ratio is defined as total balance sheet debt less cash and cash equivalents divided by the last twelve months of Adjusted EBITDA.

Reconciliation of 2024 3Q Operating Cash Flow with Proforma Adjustments (unaudited)

(in millions)	Nine Months Ended September 30, 2024	
Net cash provided by continuing operating activities	\$	75
Separation costs		72
<i>Proforma Adjustments</i>		<u>52</u>
Net cash provided by continuing operating activities w/ proforma adjs	\$	199
Adjusted EBITDA from continuing operations w/ proforma adjs	\$	377
Operating Cash Flow Conversion		53%

Appendix-GAAP to Non-GAAP Reconciliations

alight

Reconciliation of Net Income (Loss) to Adjusted EBITDA (unaudited)

(in millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net Income (Loss) From Continuing Operations ⁽¹⁾	\$ (44)	\$ (40)	\$ (169)	\$ (196)
Interest expense	19	34	83	100
Income tax expense (benefit)	(9)	(14)	(34)	(45)
Depreciation	27	25	83	69
Intangible amortization	70	69	210	210
EBITDA From Continuing Operations	63	74	173	138
Share-based compensation	11	29	59	93
Transaction and integration expenses ⁽²⁾	21	6	57	16
Restructuring	12	15	45	63
(Gain) Loss from change in fair value of financial instruments	(23)	(36)	(54)	(11)
(Gain) Loss from change in fair value of tax receivable agreement	27	11	51	30
Other	7	1	8	2
Adjusted EBITDA From Continuing Operations	<u>\$ 118</u>	<u>\$ 100</u>	<u>\$ 339</u>	<u>\$ 331</u>
Revenue	\$ 555	\$ 557	\$ 1,652	\$ 1,704
Adjusted EBITDA Margin From Continuing Operations ⁽³⁾	21.3%	18.0%	20.5%	19.4%

(1) Adjusted EBITDA excludes the impact of discontinued operations. Comparable periods have been recast to exclude these impacts.

(2) Transaction and integration expenses primarily relate to acquisition and divestiture activities.

(3) Adjusted EBITDA Margin From Continuing Operations is defined as Adjusted EBITDA From Continuing Operations as a percentage of revenue.

Reconciliation of Gross Profit to Adjusted Gross Profit (unaudited)

(in millions)	Three Months Ended September 30, 2024		
	Employer Solutions	Other	Total
Gross Profit	\$ 174	\$ —	\$ 174
Add: stock-based compensation	3	—	3
Add: depreciation and amortization	23	—	23
Adjusted Gross Profit	<u>\$ 200</u>	<u>\$ —</u>	<u>\$ 200</u>
Gross Profit Margin	31.4 %	— %	31.4 %
Adjusted Gross Profit Margin	36.0 %	— %	36.0 %

(in millions)	Three Months Ended September 30, 2023		
	Employer Solutions	Other	Total
Gross Profit	\$ 166	\$ —	\$ 166
Add: stock-based compensation	7	—	7
Add: depreciation and amortization	19	—	19
Adjusted Gross Profit	<u>\$ 192</u>	<u>\$ —</u>	<u>\$ 192</u>
Gross Profit Margin	30.2 %	— %	29.8 %
Adjusted Gross Profit Margin	34.9 %	— %	34.5 %

Reconciliation of Net (Loss) Income to Adjusted Net Income & Adjusted Diluted Earnings per Share (unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
(in millions, except share and per share amounts)				
Numerator:				
Net Income (Loss) From Continuing Operations Attributable to Alight, Inc. ⁽¹⁾	\$ (44)	\$ (42)	\$ (167)	\$ (187)
Conversion of noncontrolling interest	—	2	(2)	(9)
Intangible amortization	70	69	210	210
Share-based compensation	11	29	59	93
Transaction and integration expenses ⁽²⁾	21	6	57	16
Restructuring	12	15	45	63
(Gain) Loss from change in fair value of financial instruments	(23)	(36)	(54)	(11)
(Gain) Loss from change in fair value of tax receivable agreement	27	11	51	30
Other	6	1	8	2
Tax effect of adjustments ⁽³⁾	(32)	(5)	(73)	(46)
Adjusted Net Income From Continuing Operations	\$ 48	\$ 50	\$ 134	\$ 161
Denominator:				
Weighted average shares outstanding - basic	535,828,896	493,226,324	545,659,335	486,683,943
Dilutive effect of the exchange of noncontrolling interest units	—	—	560,433	—
Dilutive effect of RSUs	—	—	—	—
Weighted average shares outstanding - diluted	535,828,896	493,226,324	546,219,768	486,683,943
Exchange of noncontrolling interest units ⁽⁴⁾	663,057	40,858,016	2,189,169	47,618,819
Impact of unvested RSUs ⁽⁵⁾	7,358,510	9,161,197	7,358,510	9,161,197
Adjusted shares of Class A Common Stock outstanding - diluted ⁽⁶⁾⁽⁷⁾	543,850,463	543,245,537	555,767,447	543,463,959
Basic (Net Loss) Earnings Per Share From Continuing Operations	\$ (0.08)	\$ (0.09)	\$ (0.31)	\$ (0.39)
Diluted (Net Loss) Earnings Per Share From Continuing Operations	\$ (0.08)	\$ (0.09)	\$ (0.31)	\$ (0.39)
Adjusted Diluted Earnings Per Share From Continuing Operations	\$ 0.09	\$ 0.09	\$ 0.24	\$ 0.30

- Excludes the impact of discontinued operations. Comparable periods have been recast to exclude these impacts.
- Transaction and integration expenses primarily relate to acquisitions and divestiture activities.
- Income tax effects have been calculated based on statutory tax rates for both U.S. and foreign jurisdictions based on the Company's mix of income and adjusted for significant changes in fair value measurement.
- Assumes the full exchange of the units held by noncontrolling interests for shares of Class A Common Stock of Alight, Inc. pursuant to the exchange agreement.
- Includes non-vested time-based restricted stock units that were determined to be antidilutive for U.S. GAAP diluted earnings per share purposes.
- Excludes two tranches of contingently issuable seller earnout shares: (i) 7.5 million shares will be issued if the Company's Class A Common Stock's volume-weighted average price ("VWAP") is >\$12.50 for any 20 trading days within a consecutive period of 30 trading days; (ii) 7.5 million shares will be issued if the Company's Class A Common Stock VWAP is >\$15.00 for any 20 trading days within a consecutive period of 30 trading days. Both tranches have a seven-year duration.
- Excludes approximately 10.2 million and 28.5 million performance-based units, which represents the gross number of shares expected to vest based on achievement of the respective performance conditions as of September 30, 2024 and 2023, respectively.