



# Aon plc

**First Quarter 2020 Results**

*May 1, 2020*

**AON**



**Greg Case**  
Chief Executive Officer

**Christa Davies**  
Chief Financial Officer

**Eric Andersen**  
President

# Safe Harbor Statement

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This communication contains certain statements related to future results, or states Aon's intentions, beliefs and expectations or predictions for the future which are forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from either historical or anticipated results depending on a variety of factors. These forward-looking statements include information about possible or assumed future results of Aon's operations, the uncertainty surrounding the COVID-19 outbreak, and Aon's pending combination with Willis Towers Watson (the "Combination"). All statements, other than statements of historical facts that address activities, events or developments that Aon expects or anticipates may occur in the future, including such things as its outlook, future capital expenditures, growth in commissions and fees, changes to the composition or level of its revenues, cash flow and liquidity, expected tax rates, business strategies, competitive strengths, goals, the benefits of new initiatives, growth of its business and operations, plans and references to future successes, are forward-looking statements. Also, when Aon uses the words such as "anticipate", "believe", "estimate", "expect", "intend", "plan", "probably", "potential", "looking forward", or similar expressions, it is making forward-looking statements.

The following factors, among others, could cause actual results to differ from those set forth in the forward looking statements: general economic and political conditions in different countries in which Aon does business around the world, including the U.K.'s withdrawal from the European Union; changes in the competitive environment or damage to Aon's reputation; fluctuations in exchange and interest rates that could influence revenue and expenses; changes in global equity and fixed income markets that could affect the return on invested assets; changes in the funding status of Aon's various defined benefit pension plans and the impact of any increased pension funding resulting from those changes; the level of Aon's debt limiting financial flexibility or increasing borrowing costs; rating agency actions that could affect Aon's ability to borrow funds; volatility in Aon's tax rate due to a variety of different factors, including U.S. tax reform; changes in estimates or assumptions on Aon's financial statements; limits on Aon's subsidiaries to make dividend and other payments to Aon; the impact of lawsuits and other contingent liabilities and loss contingencies arising from errors and omissions and other claims against Aon; the impact of, and potential challenges in complying with, legislation and regulation in the jurisdictions in which Aon operates, particularly given the global scope of Aon's businesses and the possibility of conflicting regulatory requirements across jurisdictions in which Aon does business; the impact of any investigations brought by regulatory authorities in the U.S., the U.K. and other countries; the impact of any inquiries relating to compliance with the U.S. Foreign Corrupt Practices Act and non-U.S. anti-corruption laws and with U.S. and non-U.S. trade sanctions regimes; failure to protect intellectual property rights or allegations that Aon infringes on the intellectual property rights of others; the effects of Irish law on Aon's operating flexibility and the enforcement of judgments against Aon; the failure to retain and attract qualified personnel; international risks associated with Aon's global operations; the effects of natural or man-made disasters, including the effects of COVID-19 and other health pandemics; the potential of a system or network breach or disruption resulting in operational interruption or improper disclosure of personal data; Aon's ability to develop and implement new technology; the damage to Aon's reputation among clients, markets or third parties; the actions taken by third parties that perform aspects of Aon's business operations and client services; the extent to which Aon manages certain risks created in connection with the services, including fiduciary and investments, consulting, and other advisory services, among others, that Aon currently provides, or will provide in the future, to clients; Aon's ability to continue, and the costs and the risks associated with, growing, developing and integrating companies that it acquires or new lines of business; changes in commercial property and casualty markets, commercial premium rates or methods of compensation; changes in the health care system or Aon's relationships with insurance carriers; Aon's ability to implement initiatives intended to yield cost savings, and the ability to achieve those cost savings; Aon's ability to realize the expected benefits from its restructuring plan; the possibility that the Combination will not be consummated; failure to obtain necessary shareholder or regulatory approvals or to satisfy any of the other conditions to the Combination; adverse effects on the market price of Aon's securities and/or operating results for any reason, including, without limitation, because of the failure to consummate the Combination; the failure to realize the expected benefits of the Combination (including anticipated revenue and growth synergies); the failure to effectively integrate the combined companies following the Combination; significant transaction and integration costs or difficulties in connection with the Combination and or unknown or inestimable liabilities; potential litigation associated with the Combination; potential impact of the announcement or consummation of the Combination on relationships, including with suppliers, customers, employees and regulators; and general economic, business and political conditions (including any epidemic, pandemic or disease outbreak, including COVID-19) that affect the combined companies following the consummation of the Combination.

Any or all of Aon's forward-looking statements may turn out to be inaccurate, and there are no guarantees about Aon's performance. The factors identified above are not exhaustive. Aon and its subsidiaries operate in a dynamic business environment in which new risks may emerge frequently. Accordingly, you should not place undue reliance on forward-looking statements, which speak only as of the dates on which they are made. In addition, results for the three months ended March 31, 2020 are not necessarily indicative of results that may be expected for the year ending December 31, 2020 or any future period, particularly in light of the continuing effect of the COVID-19 outbreak. Further information concerning Aon and its businesses, including factors that potentially could materially affect Aon's financial results, is contained in Aon's filings with the SEC. See Aon's Annual Report on Form 10-K for the year ended December 31, 2019 and its Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 for a further discussion of these and other risks and uncertainties applicable to Aon and its businesses. These factors may be revised or supplemented in subsequent reports. Aon is under no obligation, and expressly disclaims any obligation, to update or alter any forward-looking statement that it may make from time to time, whether as a result of new information, future events or otherwise.

# 2020 U.S. GAAP Financials From Continuing Operations

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	Q1'20
<b>Total Revenue</b>	<b>2%</b>
<b>Operating Margin</b>	<b>32.1%</b>
<b>Earnings Per Share</b>	<b>\$3.29</b>
<b>Cash Flow from Operations</b>	<b>\$338M</b>

## ***Explanation of Non-GAAP Measures***

This communication includes supplemental information related to organic revenue growth, free cash flow, adjusted operating margin, and adjusted earnings per share for continuing operations that exclude the effects of intangible asset amortization, restructuring, capital expenditures, and certain other noteworthy items that affected results for the comparable periods. Organic revenue growth includes the impact of intercompany activity and excludes foreign exchange rate changes, acquisitions, divestitures, transfers between revenue lines, fiduciary investment income, and gains or losses on derivatives accounted for as hedges. The impact of foreign exchange is determined by translating last year's revenue, expense, or net income at this year's foreign exchange rates. Reconciliations to the closest U.S. GAAP measure for each non-GAAP measure presented in this communication are provided in the attached appendices. Supplemental organic revenue growth information and additional measures that exclude the effects of certain items noted above do not affect net income or any other U.S. GAAP reported amounts. Free cash flow is cash flows from operating activity less capital expenditures. The effective tax rate, as adjusted, excludes the applicable tax impact associated with expenses for estimated intangible asset amortization, restructuring, and certain other noteworthy items. Management believes that these measures are important to make meaningful period-to-period comparisons and that this supplemental information is helpful to investors. Non-GAAP measures should be viewed in addition to, not in lieu of, Aon's Condensed Consolidated Financial Statements. Industry peers provide similar supplemental information regarding their performance, although they may not make identical adjustments

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# Leading Global Professional Services Firm Enabled by Data & Analytics

Aon is the leading global professional services firm providing **advice and solutions in Risk, Retirement and Health** at a time when those topics have never been more important to the global economy. Aon develops insights—**driven by data and delivered by experts**—that reduce the volatility our clients face and help them maximize their performance

**120**  
countries in which Aon operates



**50k**  
Aon colleagues around the world

## RISK

Aon provides risk advisory, commercial risk and reinsurance solutions to help clients better identify, quantify and manage their risk exposure



**\$125B**  
risk premium placed annually

## RETIREMENT

Aon provides actuarial, investment and bundled retirement solutions to help clients design and implement secure, equitable and sustainable retirement programs



**\$3.5T**  
in assets under advisement<sup>1</sup>

## HEALTH

Aon provides consulting, global benefits and exchange solutions to help clients mitigate rising health care costs and improve employee health and well-being



**\$180B**  
of healthcare premium directed annually

## ENABLED BY DATA & ANALYTICS



Aon combines proprietary data, technology, and advisory services to develop insights that help clients reduce volatility and improve performance



<sup>1</sup> As of 6/30/2019, includes non-discretionary assets advised by AHIC and its global affiliates which includes retainer clients and clients in which AHIC and its global affiliates have performed project services for over the past 12 months. Project clients may not currently engage AHIC at the time of the calculation of assets under advisement as the project may have concluded earlier during preceding 12-month period.

## In Times of Uncertainty, We Continue to Meet Client Needs

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- On top of the humanitarian crisis from COVID-19, we are entering a period of significant macroeconomic uncertainty
  - In April, the International Monetary Fund projected GDP decline of 3% in 2020, which would be materially more severe than the 2008-2009 recession in which we saw 0% GDP growth<sup>1</sup>
  - Unemployment is increasing globally, and for example, US unemployment has increased by 22 million new unemployment claims; some economists are predicting unemployment of 30%, worse than the peak of 25% in the Great Depression<sup>2</sup>
- Although no one can predict the severity of this economic downturn, or the ultimate impact...
- ...Our business is strong and our Aon United strategy is more important than ever
  - Our colleagues are responding to the new normal to become more responsive and connected
  - We are bringing innovative Aon United solutions from around the world to meet new client needs while also maintaining business-as-usual operations
  - Our Aon Business Services platform enables quicker, smarter decisions across the firm
  - We are becoming more essential to our clients, both as we help them to respond to needs today and in thinking about future long-tail risk
  - The steps we are taking today ensure that we will come out stronger and continue to drive long term shareholder value, both as Aon and in combination with Willis Towers Watson

<sup>1</sup> International Monetary Fund, World Economic Outlook, April 2020

<sup>2</sup> St. Louis Federal Reserve Bank

# Aon's Response to COVID-19

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## **Commitment to Safety, Productivity, and Wellbeing for Colleagues**

- No colleague will lose their job as a result of COVID-19
- Offering colleagues tools and services for optimizing remote work, telemedicine, and wellbeing
- Conducting outreach to teams on a regular basis to maintain connection and cohesiveness
- Leveraging firm-wide best practices to support informed decisions for Aon's own workforce



## **Helping Clients Reduce Volatility and Increase Performance**

- Our COVID-19 task force ensures we develop, deliver, and share solutions globally, from initial decision framework for leading in uncertainty, to crisis management, to actionable execution
- Our focus is on addressing our clients' biggest needs as many parts of the world are now shifting to a Return-to-Work environment – our data-driven solutions are helping organizations protect their people & assets, protect their balance sheet, maintain or increase revenue, manage costs and revisit their business strategy.
- Innovative tools like our Employee Impact Model, Talent Impact Model, and Pandemic Progression & Intervention Model are bringing together data and insight to help clients and communities react, respond, recover and reshape



## **Our Aon United Strategy Is More Relevant Than Ever**

- Clients are best served when we bring the full force of the firm, from across solution lines and geographies, to deliver innovative solutions to their biggest risks and challenges
- We remain committed to our expected all-share combination with Willis Towers Watson, which will accelerate our ability to innovate on behalf of clients



# Operating From a Position of Strength with Respect to COVID-19

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## Highly Resilient Aon Business Services Operational Platform

- Following local government and health guidelines, we have paused travel firm-wide, and now have over 98% of employees working from home, including over 98% of call center employees
- Employees are able to access all key applications and tools via Virtual Private Network (VPN), supporting 80,000 independent connections a day, and our 50,000 colleagues



## Strong Balance Sheet and Liquidity Profile with Financial Flexibility

- We do not take underwriting risk and are committed to our investment-grade credit rating
- Well-laddered debt maturity profile reduces liquidity risk, with no more than \$750 million term debt coming due in any one year, \$1.65 billion in committed credit, and access to commercial paper
- Currently focused on managing expenses and other obligations to preserve liquidity, and have taken historical steps to reduce structural uses of cash from capex and pension

# Aon United Blueprint

How We Bring the Best of Aon to Clients and Drive Sustainable Growth of Our Firm

## Client Value Creation

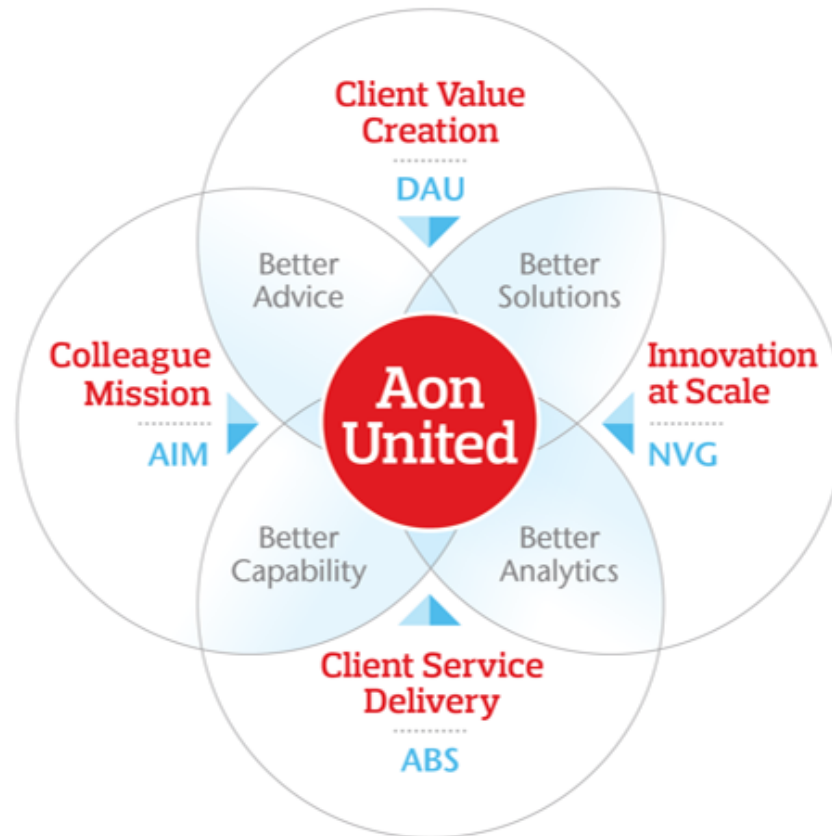
### Delivering Aon United (DAU)

DAU defines how Aon Colleagues work together to bring the best of the firm to clients and sets a new standard for client leadership. DAU helps us better understand the unique needs of the different types of clients Aon serves, delivers on our Client Promise commitment, and helps colleagues better articulate the value Aon creates.

## Colleague Mission

### Aon Impact Model (AIM)

AIM supports Aon's belief that businesses thrive when the communities they serve and the people they employ flourish. AIM sets behavior expectations and leverages Aon's diverse capabilities and shared values to ensure colleagues are shaping a distinctive and high-performing Aon United Culture.



## Innovation at Scale

### New Ventures Group (NVG)

NVG accelerates net new innovation on behalf of clients and expands Aon's addressable market. The NVG global leadership team works together with business leaders to bring the power of Aon's enterprise skills, assets, and relationships to incubate and rapidly scale the most significant growth stage opportunities.

## Client Service Delivery

### Aon Business Services (ABS)

ABS capitalizes on the benefits of scale to drive further operational excellence and provide client-facing colleagues more capability and opportunity to address client need. ABS leverages regional client service centers, connected by business platforms, that tightly integrate technology with shared global operational capabilities to deliver best-in-class client service.



# Executive Summary

# Strong Quarterly Performance and Focus on Long-Term Strategy

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## *Strong Quarterly Performance Against Key Metrics<sup>1</sup>*

- **Organic Revenue growth of +5%**, reflecting solid management of the renewal book portfolio
- **Operating Margin expansion of +200 basis points and operating income growth of +8%**; reflecting strong organic revenue growth, increased operating leverage, and preemptive expense discipline, partially offset by investment in long-term growth
- **Earnings per Share (EPS) growth of +11%**; reflecting strong organic revenue growth, operational strength, and effective capital management, partially offset by a higher effective tax rate and unfavorable FX translation
- **Free Cash Flow (FCF) growth of \$262M**; reflecting strong operational performance and improved working capital. The prior year period included approximately \$85 million of net cash payments related to legacy litigation

## *Committed to our Long-Term Strategy while Taking Steps to Maintain Stability and Flexibility*

- **Aon United Is Delivering:** More than ever, our clients need a partner who can bring solutions across Risk, Retirement and Health
- **Operating Model Enables Stability and Flexibility:** Our investments in Aon Business Services improve the effectiveness of our operations, allow us to efficiently run business-as-usual, and enable preemptive steps to reduce costs to ensure financial stability and flexibility
- **Committed to Willis Towers Watson:** Our intended combination will help us innovate faster, be more relevant for our clients, and continue to deliver on our Aon United Strategy

<sup>1</sup> Reflects performance from continuing operations. The results presented on this page are non-GAAP measures that are reconciled to their corresponding U.S. GAAP measures in the Appendices of this presentation.

# Our Focus on Key Financial Metrics Drives Shareholder Value

	<b><u>Context Changes During the Crisis ...</u></b>	<b><u>... While Long-Term Strategy is Constant</u></b>
<b>Organic Revenue Growth</b>	<ul style="list-style-type: none"><li>▪ Helping clients react, respond, recover using our COVID-19 framework, and bringing Aon United solutions from across the firm and around the world to meet most pressing need</li><li>▪ Continuing to deliver solutions, noting that our core business is recurring and largely non-discretionary</li></ul>	<ul style="list-style-type: none"><li>▪ Driving growth with ongoing innovation and improvement in core businesses</li><li>▪ Portfolio shift towards unmet client demand served by data &amp; analytics solutions</li><li>▪ Innovative solutions to unlock net new markets</li></ul>
<b>Operating Margins</b>	<ul style="list-style-type: none"><li>▪ Investment in Aon Business Services platforms enables business-as-usual operations with ongoing productivity gains</li><li>▪ In Q1, 82% of outside service spend was managed centrally, ensuring maximum supplier value with controlled working capital</li></ul>	<ul style="list-style-type: none"><li>▪ Operating margin expansion driven by top line growth and portfolio mix shift</li><li>▪ Aon Business Services creates ongoing productivity improvements in our operations and platforms</li></ul>
<b>Free Cash Flow</b>	<ul style="list-style-type: none"><li>▪ We run the firm on cash, and are using long-established processes to closely monitor and manage cash and working capital</li></ul>	<ul style="list-style-type: none"><li>▪ Optimize translation of revenue into the highest level of free cash flow</li><li>▪ Reduce cash uses from pension and capex, along with working capital improvements</li></ul>
<b>Return on Invested Capital</b>	<ul style="list-style-type: none"><li>▪ Pausing share buyback and M&amp;A to conservatively manage liquidity while maintaining dividend</li><li>▪ Creates financial flexibility and preserves future capital deployment opportunities</li></ul>	<ul style="list-style-type: none"><li>▪ ROIC drives all capital allocation decisions</li><li>▪ Share repurchase has and continues to be our highest return opportunity based on our long-term FCF outlook</li></ul>

***Translates into a Significant Shareholder Value Creation  
Opportunity in Any Economic Environment***

# 2020 Supplemental Financial Information<sup>1</sup>

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## COVID-19 AND RELATED ITEMS:

- Given uncertainty around duration and magnitude of COVID-19 and the resulting economic downturn, and its impacts to our clients and our firm, for the near term, we are **withdrawing our financial guidance of mid-single-digit or greater organic revenue growth and double-digit free cash flow growth**
- **Pausing share repurchase and M&A activity**, though maintaining dividend, and expect to increase cash balances in the short term to ensure we maintain financial stability and flexibility
- **Taking pre-emptive steps to reduce discretionary expenses not related to client service, and reduced some compensation expenses**
  - Committed that no colleague will lose their job as a result of the COVID-19 outbreak
  - These expense reductions will contribute to near-term margin improvement, however, some, such as those in salary, travel and entertainment, do not reflect sustainable core operating margin expansion

## FOREIGN CURRENCY:

- If currency were to remain stable at today's rates, we would **expect an unfavorable impact of approximately \$0.16 for the full year 2020**, including
  - -\$0.03 per share (-\$9 million operating income) in the second quarter
  - -\$0.04 per share (-\$12 million operating income) in the third quarter
  - -\$0.06 per share (-\$18 million operating income) in the fourth quarter

<sup>1</sup> Reflects the Company's best estimates as of May 1, 2020, and the Company disclaims any obligations to update whether a result of new information, future events, or otherwise. Actual results may differ materially.



# Quarterly Performance

## Performance Across Key Metrics<sup>1,2</sup>

	Q1'19	Q1'20
<b>Organic Revenue</b>	<b>+6%</b>	<b>+5%</b>
<b>Operating Margin</b>	<b>33.7%</b>	<b>35.7%</b>
<i>Year-over-Year</i>		<i>+200 bps</i>
<b>Earnings Per Share</b>	<b>\$3.31</b>	<b>\$3.68</b>
<i>Year-over-Year</i>		<i>+11%</i>
<b>Free Cash Flow</b>	<b>\$17M</b>	<b>\$279M</b>
<i>Year-over-Year</i>		<i>+1,541%</i>

1 Reflects performance from continuing operations. The results presented on this page are non-GAAP measures that are reconciled to their corresponding U.S. GAAP measures in the Appendices of this presentation.

2 The first quarter 2020 financial results are not necessarily indicative of results that may be expected for the full year or any future period, particularly in light of the continuing effect of the COVID-19 outbreak.



## Organic Revenue<sup>1</sup> – Strong Growth Across the Portfolio in Q1

- **Organic revenue growth of 5% overall in the first quarter**, primarily driven by strong new business generation in Reinsurance Solutions and strong management of the renewal book globally in Health Solutions and Commercial Risk Solutions
  - Organic revenue growth was pressured by certain discretionary businesses within Retirement Solutions and Data & Analytic Services, primarily due to the COVID-19 outbreak
- **Reported revenue growth increased 2% in the first quarter**, driven by strong organic revenue growth, partially offset by an unfavorable FX impact and divestitures

	Q1'19	Q1'20
<b>Commercial Risk Solutions</b>	<b>+6%</b>	<b>+4%</b>
<b>Reinsurance Solutions</b>	<b>+9%</b>	<b>+9%</b>
<b>Retirement Solutions</b>	<b>+2%</b>	<b>+0%</b>
<b>Health Solutions</b>	<b>+5%</b>	<b>+5%</b>
<b>Data &amp; Analytic Services</b>	<b>+5%</b>	<b>+1%</b>
<b>Total Aon</b>	<b>+6%</b>	<b>+5%</b>

<sup>1</sup> Reflects performance from continuing operations. Organic revenue is a non-GAAP measure that is reconciled to its corresponding U.S. GAAP measure in Appendix A of this presentation.

# Quarterly Summary of Organic Revenue Growth<sup>1</sup> Across Solutions Lines

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## **Commercial Risk Solutions**

- Organic revenue growth of +4% reflects growth across every major geography, highlighted by double-digit growth in Canada and Latin America, primarily driven by strong retention and management of the renewal book portfolio
- Results in the U.S. reflect a solid performance in core property & casualty, including strong retention, as well as double-digit growth in transaction liability
- On average globally, exposures and pricing were both modestly positive; resulting in a modestly positive market impact overall

## **Reinsurance Solutions**

- Organic revenue growth of +9% reflects strong net new business generation globally in treaty and solid growth in facultative placements, partially offset by a decline in capital markets transactions
- Results in the quarter include a modest positive impact from the timing of certain revenue, which will be spread evenly for the balance of 2020
- Market impact was modestly positive on results in the quarter

## **Retirement Solutions**

- Organic revenue growth of +0% reflects growth in Investments, including double-digit growth in delegated investment management, as well as modest growth in Human Capital, primarily for assessment services
- Results in the quarter were offset by a decline in core retirement, reflecting a decrease in billable hours and discretionary project-related work, primarily as a result of COVID-19

## **Health Solutions**

- Organic revenue growth of +5% reflects growth across every major geography in health and benefits brokerage, highlighted by particular strength in Latin America, Asia, and the EMEA region
- Results in the quarter also include growth in the active exchange business

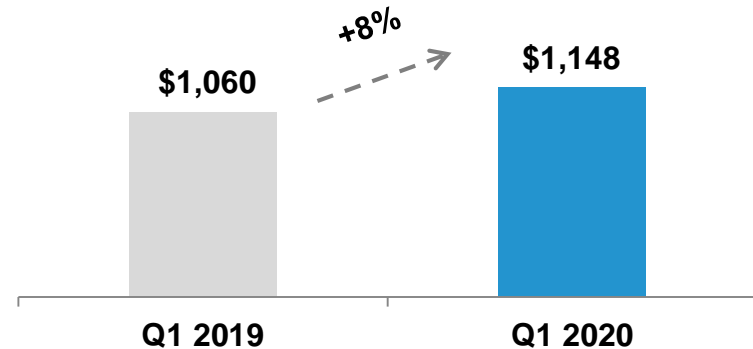
## **Data & Analytic Services**

- Organic revenue growth of +1% primarily reflects growth globally across the affinity business, with particular strength in the U.S. across both business and consumer solutions
- Results in the quarter also reflect pressure in certain, more discretionary parts of the business, primarily as a result of COVID-19

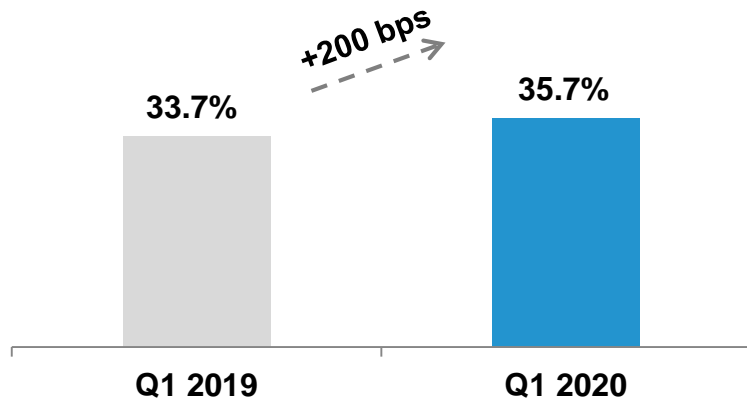
<sup>1</sup> Reflects performance from continuing operations. Organic revenue is a non-GAAP measure that is reconciled to its corresponding U.S. GAAP measure in Appendix A of this presentation.

# Operating Margin<sup>1</sup> – Improvement Reflects Increased Operating Leverage

## Operating Income (\$ millions)



## Operating Margin (%)



### Q1 Commentary

- Organic revenue growth of +5%, including strong growth in areas of continued investment
- FX translation had a -\$10 million impact if the Company were to restate prior year results at current quarter rates.
- Focused on expense discipline, including some steps to preemptively reduce and defer certain discretionary expenses

**Operating results include the absorption of investment in long-term growth and efficiency, which we manage prudently, especially given current uncertain economic outlook**

<sup>1</sup> Reflects performance from continuing operations. Operating income and operating margin are non-GAAP measures that are reconciled to their corresponding U.S. GAAP measures in Appendix B of this presentation.

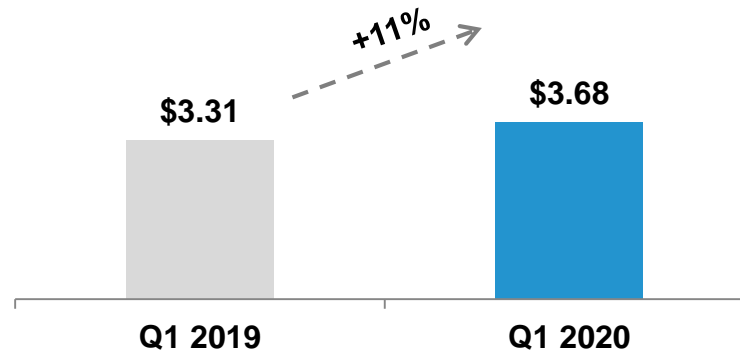
## EPS<sup>1</sup> – Delivered Double-Digit Growth

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- Double-digit earnings growth primarily reflects strong organic revenue growth, significant operational improvement and effective capital management, partially offset by a higher effective tax rate and unfavorable FX translation
- Results include investments across the portfolio to support long-term growth
- Repurchased 2.2 million ordinary shares for approximately \$460 million in Q1

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### EPS from Continuing Operations



<sup>1</sup> EPS from continuing operations and EPS attributable to Aon shareholders are non-GAAP measures that are reconciled to their corresponding U.S. GAAP measures in Appendix B of this presentation.

## Non-Operating Financials

(\$ millions)	Q1'19	Q1'20
<b>Interest Income</b>	\$2	\$2
<b>Interest Expense</b>	(\$72)	(\$83)
<b>Pension Income (Expense)<sup>1</sup></b>	\$4	\$4
<b>Other Income (Expense)</b>	(\$4)	\$25
<b>Effective Tax Rate<sup>1</sup></b>	16.9%	19.3%
<b>Non Controlling Interest</b>	(\$17)	(\$19)
<b>Actual Common Shares Outstanding</b>	240.9	231.1

- **Interest expense** increased \$11 million reflecting higher outstanding term debt and an increase in commercial paper borrowings
- **Other income (expense)** primarily reflects the gain on sale of a certain business and net gains from balance sheet FX revaluation of other assets and liabilities
- **Effective tax rate** increased due primarily to changes in the geographical mix of income and a net favorable impact from discrete items
  - *The prior year period included a net favorable impact from discrete items*
- **Actual common shares outstanding** decreased to 231.1 million with approximately 2.8 million additional dilutive equivalents. The Company repurchased 2.2 million ordinary shares for approximately \$460 million in Q1. Estimated Q2'20 beginning dilutive share count is ~233.9 million subject to share price movement, share issuance and share repurchase

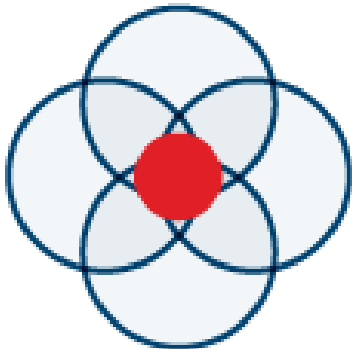
<sup>1</sup> Reflects performance from continuing operations. The results presented on this page are non-GAAP measures that are reconciled to their corresponding U.S. GAAP measures in the Appendices of this presentation



# Delivering Growth

# Our Aon United Strategy Is Even More Relevant in Challenging Times

- Our **Aon United Blueprint brings the best of our firm across of Risk, Retirement, and Health**; three areas of the economy growing in size, connectivity, and complexity, with substantial unmet need
- More than ever, **clients need a partner who can bring innovation and execution** to help them reduce volatility, strengthen their balance sheet, or drive growth
- We can **bring the best of the firm from all geographies and solution lines quickly and effectively** to address new and business-as-usual client needs



## Delivering More Client Value in the Core

- Our Aon United strategy **helps clients respond, react, recover and reshape**, while we continue to deliver better business-as-usual results given enhanced connectivity within our core
- Strong core business is largely recurring, non-discretionary, and with **retention rates of ~95% on average across the portfolio**
- **Proven history of portfolio management** demonstrates ability to focus and prioritize areas of greatest client need

## Innovation at Scale to Meet Pressing Needs

- Building on our **track record of developing innovative, first-to-market solutions** to address today's biggest challenges including COVID-19 and economic impacts

COVID-19  
Response  
Framework  
& Solutions

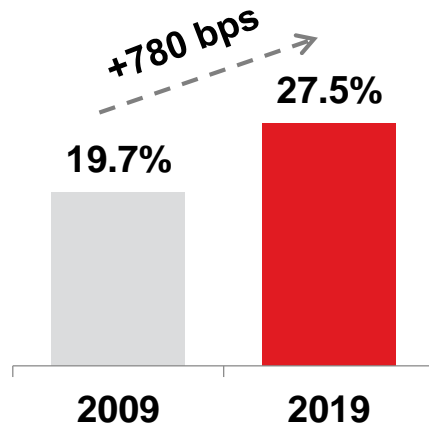
US  
Mortgage  
Risk

World Bank  
Cat Bond

- **Continuing to unlock net new solutions for long-term challenges** like climate change, intellectual property, and the health and wealth gap

# Aon Business Services Operating Model Enables Stability and Flexibility

## FY Operating Margin<sup>1</sup>



Historic drivers of margin expansion, particularly **operating leverage and expense discipline driven by Aon Business Services** are more important than ever

- Aon Business Services **integrates operations, technology, data, service delivery and vendor management**
- Service centers and business platforms **increase productivity in our operations**, giving client-facing colleagues more capacity to meet client need, including **600,000 hours of process automation in 2019**
- **Unified, resilient operating model** enables colleagues to work remotely and access all systems with no loss of productivity
- **Global management of working capital and rapid reduction of discretionary costs**, enables preemptive steps to preserve liquidity and increase stability
- Single platform enables **prioritized investment in our highest return opportunities** balanced with net operating margin improvement or current focus on flexibility

<sup>1</sup> Adjusted operating margin is a non-GAAP measure.



# Combination with Willis Towers Watson is Expected to Accelerate Innovation and Create Significant Shareholder Value

## Complementary Capabilities Accelerate Proven Aon United Growth Strategy

- Aligns Aon United and Willis Towers Watson growth strategies which is expected to accelerate innovation from both organizations to benefit clients
- Enables delivery of complementary capabilities that unlock new sources of value for all stakeholders
- Brings together 95,000 colleagues in risk, retirement and health, with the combined firm going to market under the Aon brand

## Reinforces Focus on Financial Goals and Creates Shareholder Value

- Accretive to Aon EPS<sup>1</sup> in the first full year of combination and peak EPS accretion<sup>1,2</sup> in the high teens after full realization of expected pre-tax synergies<sup>1,3,4</sup>
- Free cash flow is expected to breakeven<sup>1,3,4</sup> in the second full year of combination and free cash flow accretion of over 10%<sup>1,3,4</sup> after full realization of expected synergies<sup>4,5</sup>

## Key Transaction Details

- Willis Towers Watson shareholders will receive 1.08 Aon shares for each Willis Towers Watson share
- Committed to maintaining current Aon investment grade credit rating
- Expect to file a joint preliminary proxy in the coming weeks, and a definitive proxy thereafter with details about shareholder approval expected to be sought for each company in Q3 2020
- Transaction is expected to close in the first half of 2021, subject to regulatory and shareholder approvals and other customary closing conditions

**\$20B**

2019 pro-forma  
revenue

**\$2.4B**

2019 pro-forma  
Free Cash Flow

**\$800M**

Annual pre-tax  
cost synergies<sup>3,4</sup>  
by third full year

1. Reflects performance from continuing operations. The results presented on this page are non-GAAP measures that are reconciled to their corresponding U.S. GAAP measures in the Appendices of this presentation. 2. Statements in this document that the Proposed Combination is accretive to adjusted EPS should not be interpreted to mean that the earnings per share of Aon or Willis Towers Watson in the current or any future financial period will necessarily match or be greater than those for the relevant preceding financial period. 3. There are various material assumptions underlying the synergies and other cost reduction statements in this document which may result in the synergies and other cost reductions being materially greater or less than estimated. The estimates should therefore be read in conjunction with the bases and assumptions for these synergy numbers which are set out in Appendix I of the Rule 2.5 Announcement. 4. This statement should not be construed as a profit forecast or interpreted to mean that the profits or earnings of Aon or Willis Towers Watson in the first full year following the Proposed Combination, or in any subsequent period, will necessarily match or be greater than or be less than those for the relevant preceding financial period or any other period. 5. ~73% from the consolidation of business and central support functions and ~27% from the consolidation of infrastructure related to technology, real estate, and third-party contract. See the Rule 2.5 Announcement for further details.

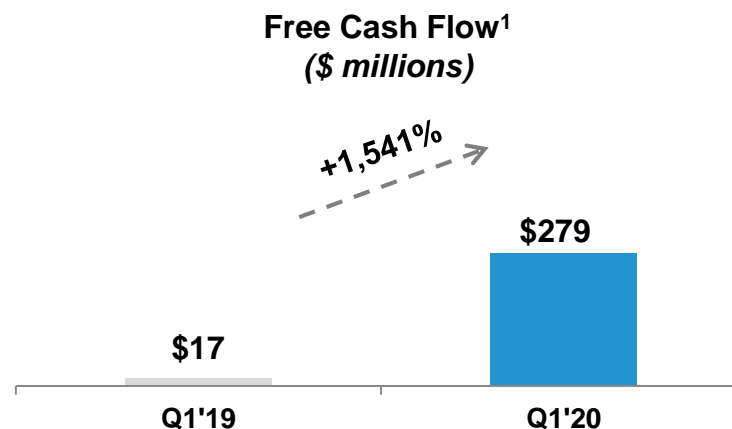


# Free Cash Flow (FCF) Drives Long-Term Shareholder Value

# Strong Financial Stability and Flexibility and Cash Generation

Balance Sheet (\$ millions)	Dec 31 2019	Mar 31 2020
Cash	\$790	\$690
Short-term Investments	\$138	\$170
Total Debt	\$7,339	\$8,111
Shareholders' Equity	\$3,375	\$3,169
Debt to EBITDA <sup>2</sup>	2.7x	2.8x

- We are committed to managing our current investment grade ratings
- Given global economic uncertainty, focused on prudently managing liquidity and financial flexibility:
  - Pausing share buyback and M&A activity and allowing cash to build on our balance sheet, which provides flexibility to pay down maturing term debt or commercial paper
  - Managing expenses and other obligations, such as extending days payable outstanding, when possible, to preserve available liquidity



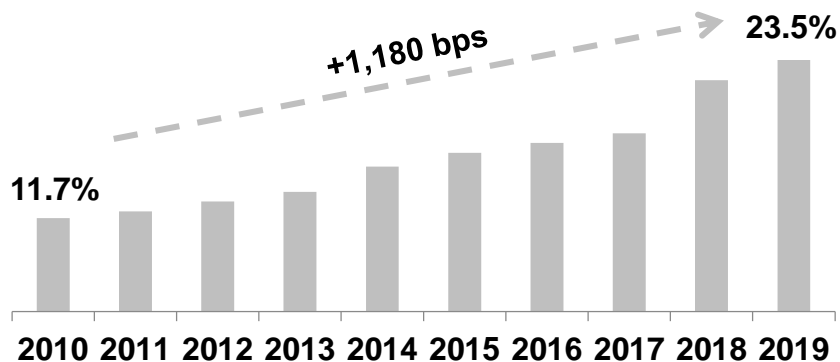
- Cash flows from operations increased \$264 million, primarily reflecting strong operational performance as well as near-term actions we have taken to improve certain areas of working capital
- The prior year period included approximately \$85 million of net cash payments related to legacy litigation
- Free cash flow increased \$262 million also reflecting a \$2 million increase in capital expenditures

<sup>1</sup> Reflects performance from continuing operations. Free cash flow is non-GAAP measure that is reconciled to its corresponding U.S. GAAP measure, in Appendix A of this presentation.

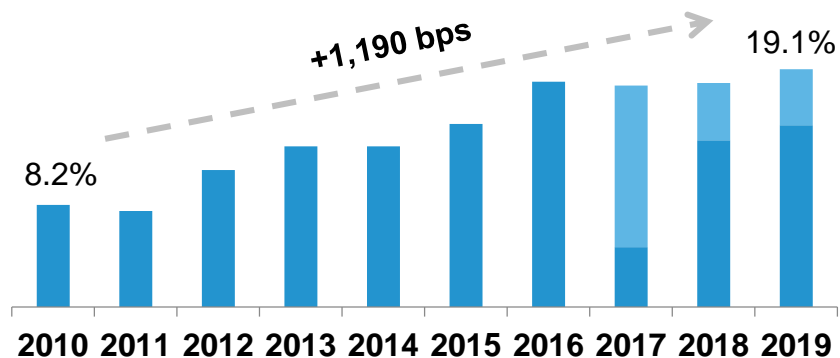
<sup>2</sup> Debt to EBITDA is calculated based on trailing twelve-month EBITDA using U.S. GAAP financials for continuing operations.

# Disciplined Focus on Capital Management and Free Cash Flow

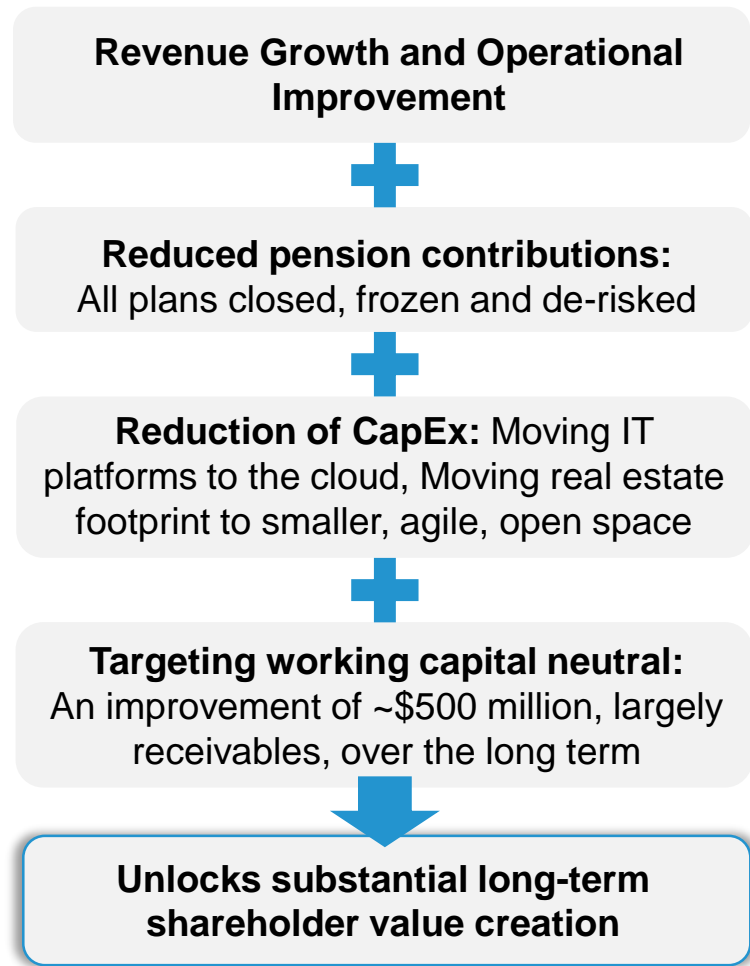
Return on Invested Capital<sup>1</sup> (%)



Free Cash Flow Margin<sup>2</sup> (%)



## Our Strategy to Drive Free Cash Flow<sup>2</sup>



<sup>1</sup> Return on Invested Capital (ROIC) is a non-GAAP measure. A reconciliation can be found in Appendix E.

<sup>2</sup> Free Cash Flow Margin is a non-GAAP measure. A reconciliation can be found in Appendix F.



# Appendix

# Commercial Risk Solutions

## Retail Brokerage:

- Our dedicated teams of risk experts utilize the industry's most comprehensive data and analytics capabilities to provide clients with distinctive risk advice that empowers results for their organizations
- Through our specialty-focused organizational structure, colleagues in 120 countries around the world dive deep into their areas of expertise to develop unparalleled insights around industry verticals and lines of business to best deliver value to clients in today's complex and integrated risk environment

## Global Risk Consulting:

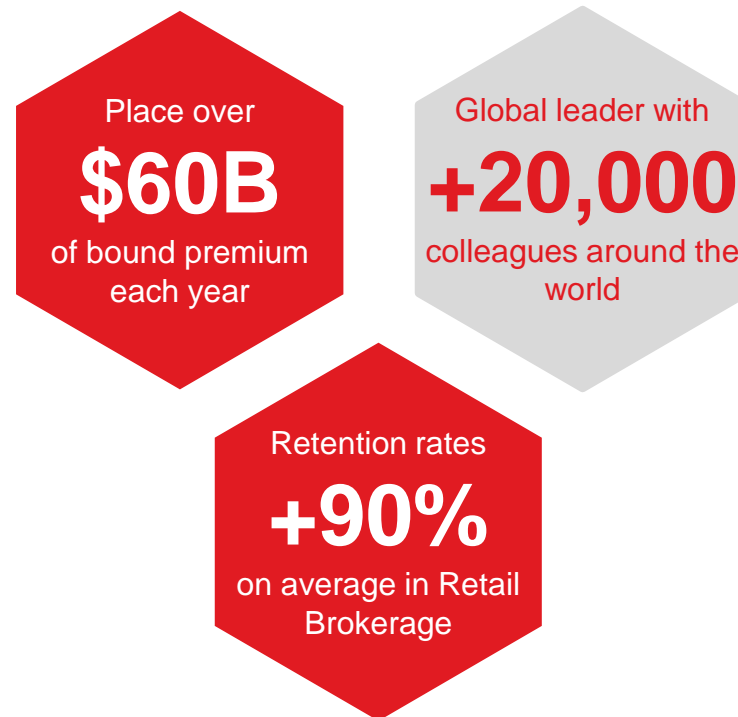
- World leading provider of risk consulting services supporting clients in better understanding and managing their risk profile through identifying and quantifying the risks they face by assisting them with the selection and implementation of the appropriate risk transfer, risk retention, and risk mitigation solutions, and by ensuring the continuity of their operations through claims consulting

## Cyber Solutions:

- One of the industry's premier resources in cyber risk management; our strategic focus extends to identifying and protecting critical digital assets supported by best-in-class transactional capabilities, enhanced coverage expertise, deep carrier relationships, and incident response expertise

## Captives:

- Leading global captive insurance solutions provider; managing +1,100 insurance entities worldwide including captives, protected segregated and incorporated cell facilities, as well as entities that support Insurance Linked Securities and specialist insurance and reinsurance companies



	Q1'17	Q2'17	Q3'17	Q4'17	2017	Q1'18	Q2'18	Q3'18	Q4'18	2018	Q1'19	Q2'19	Q3'19	Q4'19	2019	Q1'20
<b>Total Revenue<sup>1</sup> (\$M)</b>	\$989	\$1,041	\$915	\$1,218	\$4,163	\$1,184	\$1,166	\$1,029	\$1,273	\$4,652	\$1,118	\$1,167	\$1,057	\$1,331	\$4,673	\$1,146
<b>Organic Growth<sup>1</sup> (%)</b>	2%	2%	(1%)	5%	2%	4%	6%	8%	4%	6%	6%	6%	7%	7%	7%	4%

<sup>1</sup> Organic revenue is a non-GAAP measure that is reconciled to its corresponding U.S. GAAP measure for the above historical periods that have been restated on page 21 of the Company's fourth quarter 2017 press release dated February 2, 2018, for the new revenue recognition accounting standard effective in the first quarter of 2018.

# Reinsurance Solutions

## Treaty:

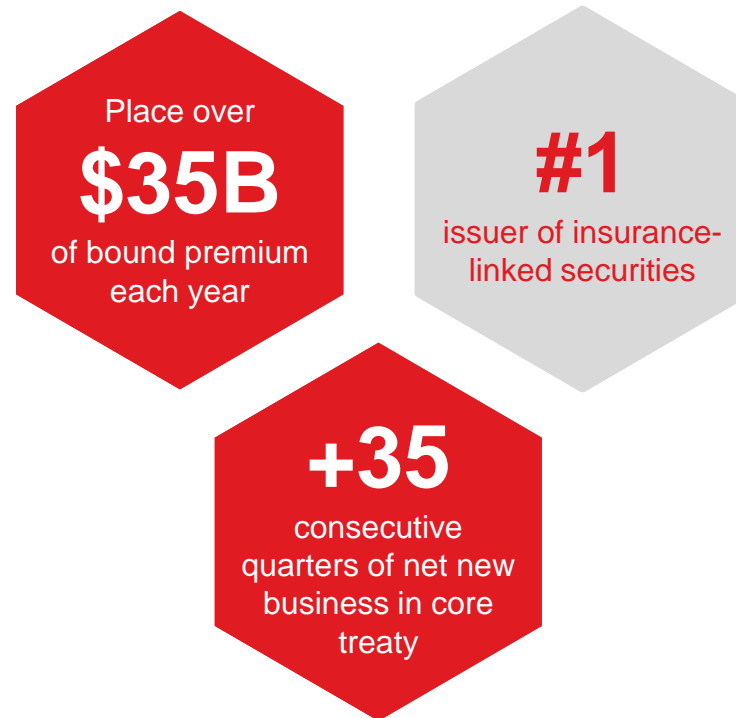
- Addresses underwriting and capital objectives on a portfolio level, allowing our clients to more effectively manage the combination of premium growth, return on capital and rating agency interests. This includes the development of more competitive, innovative and efficient risk transfer options.

## Facultative:

- Empowers clients to better understand, manage and transfer risk through innovative facultative solutions and the most efficient access to the global facultative markets

## Capital Markets:

- Global investment bank with expertise in M&A, capital raising, strategic advice, restructuring, recapitalization services, and insurance-linked securities
- Works with insurers, reinsurers, investment firms, banks, and corporations to manage complex commercial issues through the provision of corporate finance advisory services, capital markets solutions, and innovative risk management products



	Q1'17	Q2'17	Q3'17	Q4'17	2017	Q1'18	Q2'18	Q3'18	Q4'18	2018	Q1'19	Q2'19	Q3'19	Q4'19	2019	Q1'20
<b>Total Revenue<sup>1</sup> (\$M)</b>	\$671	\$345	\$257	\$153	\$1,426	\$742	\$380	\$279	\$162	\$1,563	\$788	\$420	\$291	\$187	\$1,686	\$848
<b>Organic Growth<sup>1</sup> (%)</b>	4%	6%	10%	20%	6%	6%	8%	8%	8%	7%	9%	12%	5%	17%	10%	9%

<sup>1</sup> Organic revenue is a non-GAAP measure that is reconciled to its corresponding U.S. GAAP measure for the above historical periods that have been restated on page 21 of the Company's fourth quarter 2017 press release dated February 2, 2018, for the new revenue recognition accounting standard effective in the first quarter of 2018.

# Retirement Solutions

## Retirement:

- The Retirement practice is dedicated to navigating the risk and opportunities associated with retirement and investing to optimize performance and financial security for institutions and individuals
- Retirement Consulting specializes in providing organizations across the globe with strategic design consulting on their retirement programs, actuarial services, and risk management – including pension de-risking, governance, integrated pension administration and legal and compliance consulting

## Human Capital:

- We deliver advice and solutions that help clients accelerate business outcomes by improving the performance of their people
- We support the full employee lifecycle from assessment and selection of the right talent to the design, alignment and benchmarking of compensation to business strategy and performance outcomes

## Investments:

- Provides public and private companies and other institutions with advice on developing and maintaining investment programs across a broad range of plan types, including defined benefit plans, defined contribution plans, endowments and foundations
- Our delegated investment solutions offer ongoing management of investment programs and fiduciary responsibilities either in a partial or full discretionary model for multiple asset owners. We partner with clients to deliver our scale and experience to help them effectively manage their investments, risk, governance and potentially lower costs

**+10,000**  
organizations trust  
Aon's advice and  
solutions

Approximately  
**\$3.5T**<sup>1</sup>  
of pension assets  
under independent  
advisory

Global leader with  
**+7,000**  
colleagues around  
the world

	Q1'17	Q2'17	Q3'17	Q4'17	2017	Q1'18	Q2'18	Q3'18	Q4'18	2018	Q1'19	Q2'19	Q3'19	Q4'19	2019	Q1'20
<b>Total Revenue<sup>2</sup> (\$M)</b>	\$385	\$388	\$492	\$489	\$1,754	\$424	\$431	\$501	\$509	\$1,865	\$420	\$419	\$484	\$494	\$1,817	\$397
<b>Organic Growth<sup>2</sup> (%)</b>	2%	1%	6%	4%	3%	-	3%	2%	4%	2%	2%	1%	3%	3%	2%	-

<sup>1</sup> As of 6/30/2019, includes non-discretionary assets advised by AHIC and its global affiliates which includes retainer clients and clients in which AHIC and its global affiliates have performed project services for over the past 12 months. Project clients may not currently engage AHIC at the time of the calculation of assets under advisement as the project may have concluded earlier during preceding 12-month period.

<sup>2</sup> Organic revenue is a non-GAAP measure that is reconciled to its corresponding U.S. GAAP measure for the above historical periods that have been restated on page 21 of the Company's fourth quarter 2017 press release dated February 2, 2018, for the new revenue recognition accounting standard effective in the first quarter of 2018.



# Health Solutions

Aon Health Solutions helps organizations confidently navigate the evolving health and benefits landscape while continuously adapting their approach and strategy to provide greater choice, affordability and wellbeing.

## Consulting & Brokerage:

- Develops and implements innovative, customized health and benefits strategies for clients of all sizes across industries and geographies to manage risk, drive engagement, and increase accountability
- Partners with insurers and other strategic partners to develop and implement new and innovative solutions.
- Delivers specialized expertise and solutions across a range of areas such as pharmacy, voluntary benefits, and regulatory
- Leverages proprietary, world-class, analytics and technology to help clients make informed decisions and manage healthcare outcomes

## Global Benefits:

- Advises multinational companies on range of topics including program design and management, financing optimization, and enhanced employee experience
- Assists employers in navigating and managing complex regulatory and compliance requirements in countries in which they operate

## Healthcare Exchanges:

- Helps transform how employers sponsor, structure, and deliver healthcare strategies for both active and retiree populations



	Q1'17	Q2'17	Q3'17	Q4'17	2017	Q1'18	Q2'18	Q3'18	Q4'18	2018	Q1'19	Q2'19	Q3'19	Q4'19	2019	Q1'20
<b>Total Revenue<sup>1</sup> (\$M)</b>	\$428	\$281	\$277	\$526	\$1,512	\$451	\$309	\$278	\$558	\$1,596	\$486	\$317	\$279	\$585	\$1,667	\$502
<b>Organic Growth<sup>1</sup> (%)</b>	15%	4%	4%	6%	7%	-	7%	8%	8%	5%	5%	6%	2%	5%	5%	5%

<sup>1</sup> Organic revenue is a non-GAAP measure that is reconciled to its corresponding U.S. GAAP measure for the above historical periods that have been restated on page 21 of the Company's fourth quarter 2017 press release dated February 2, 2018, for the new revenue recognition accounting standard effective in the first quarter of 2018.

# Data & Analytic Services

## Affinity:

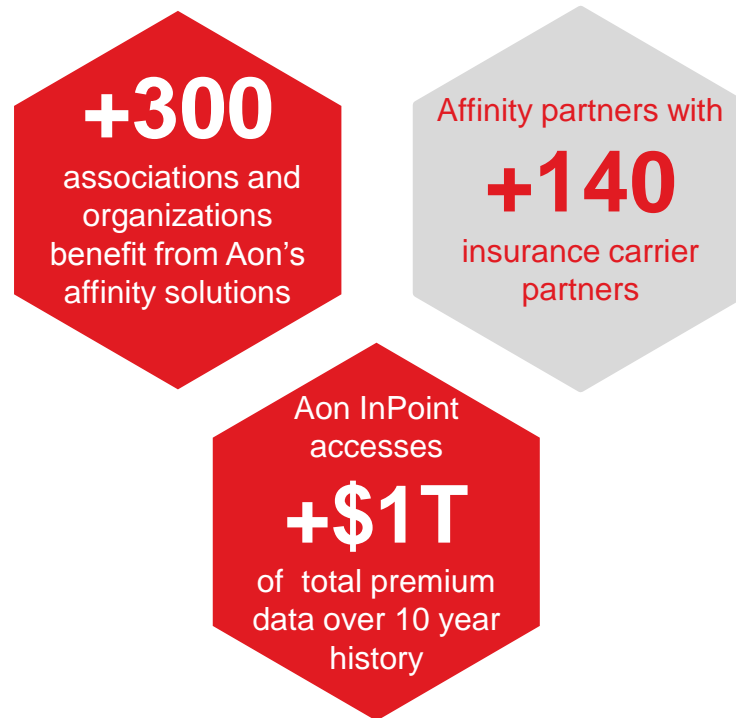
- Specializes in developing, marketing and administering customized insurance programs and specialty market solutions for affinity organizations and their members or affiliates

## Aon InPoint:

- Draws on Aon's proprietary database (Global Risk Insight Platform) and is dedicated to making insurers more competitive through providing data, analytics, engagement and consulting

## ReView:

- Draws on Aon's proprietary database and broker market knowledge to provide advisory services analysis and benchmarking to help reinsurers more effectively meet the needs of cedents through the development of more competitive, innovative and efficient risk transfer options



	Q1'17	Q2'17	Q3'17	Q4'17	2017	Q1'18	Q2'18	Q3'18	Q4'18	2018	Q1'19	Q2'19	Q3'19	Q4'19	2019	Q1'20
<b>Total Revenue<sup>1</sup> (\$M)</b>	\$273	\$281	\$287	\$299	\$1,140	\$294	\$277	\$263	\$271	\$1,105	\$336	\$286	\$271	\$291	\$1,184	\$331
<b>Organic Growth<sup>1</sup> (%)</b>	6%	4%	2%	12%	5%	1%	-4%	5%	9%	3%	5%	4%	3%	6%	4%	1%

<sup>1</sup> Organic revenue is a non-GAAP measure that is reconciled to its corresponding U.S. GAAP measure for the above historical periods that have been restated on page 21 of the Company's fourth quarter 2017 press release dated February 2, 2018, for the new revenue recognition accounting standard effective in the first quarter of 2018.

# Appendix A: Reconciliation of Non-GAAP Measures – Organic Revenue Growth & Free Cash Flow

Aon plc

Reconciliation of Non-GAAP Measures - Organic Revenue Growth and Free Cash Flow (Unaudited)

## Organic Revenue Growth From Continuing Operations (Unaudited)

(millions)	Three Months Ended			Less: Currency Impact <sup>(1)</sup>	Less: Fiduciary Investment Income <sup>(2)</sup>	Less: Acquisitions, Divestitures & Other	Organic Revenue Growth <sup>(3)</sup>
	Mar 31, 2020	Mar 31, 2019	% Change				
<b>Revenue</b>							
Commercial Risk Solutions	\$ 1,146	\$ 1,118	3%	(2)%	—%	1 %	4%
Reinsurance Solutions	848	788	8	(1)	—	—	9
Retirement Solutions	397	420	(5)	(1)	—	(4)	—
Health Solutions	502	486	3	(2)	—	—	5
Data & Analytic Services	331	336	(1)	(2)	—	—	1
Elimination	(5)	(5)	N/A	N/A	N/A	N/A	N/A
<b>Total revenue</b>	<b>\$ 3,219</b>	<b>\$ 3,143</b>	<b>2%</b>	<b>(2)%</b>	<b>—%</b>	<b>(1)%</b>	<b>5%</b>

(1) Currency impact is determined by translating last year's revenue at this year's foreign exchange rates.

(2) Fiduciary investment income for the three months ended March 31, 2020 and 2019 was \$15 million and \$19 million, respectively.

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

## Free Cash Flow from Operations (Unaudited)

(millions)	Three Months Ended		% Change
	Mar 31, 2020	Mar 31, 2019	
Cash Provided by Operating Activities	\$ 338	\$ 74	357%
Capital Expenditures Used for Operations	(59)	(57)	4
<b>Free Cash Flow Provided by Operations <sup>(1)</sup></b>	<b>\$ 279</b>	<b>\$ 17</b>	<b>1,541%</b>

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

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

Aon plc

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

(millions, except percentages)	Three Months Ended		% Change
	Mar 31, 2020	Mar 31, 2019	
Revenue from continuing operations	\$ 3,219	\$ 3,143	2%
Operating income from continuing operations:	\$ 1,033	\$ 872	18%
Amortization and impairment of intangible assets	97	97	
Restructuring	—	91	
Transaction costs <sup>(2)</sup>	18	—	
Operating income from continuing operations - as adjusted	\$ 1,148	\$ 1,060	8%
Operating margin from continuing operations	32.1%	27.7%	
Operating margin from continuing operations - as adjusted	35.7%	33.7%	

(millions, except percentages)	Three Months Ended		% Change
	Mar 31, 2020	Mar 31, 2019	
Operating income from continuing operations - as adjusted	\$ 1,148	\$ 1,060	8 %
Interest income	2	2	— %
Interest expense	(83)	(72)	15 %
Other income (expense):			
Other income (expense) - pensions - as adjusted	4	4	— %
Other income (expense) - other	25	(4)	725 %
Total Other income (expense) - as adjusted	29	—	100 %
Income before income taxes from continuing operations - as adjusted	1,096	990	11 %
Income tax expense <sup>(3)</sup>	212	167	27 %
Net income from continuing operations - as adjusted	884	823	7 %
Less: Net income attributable to noncontrolling interests	19	17	12 %
Net income attributable to Aon shareholders from continuing operations - as adjusted	865	806	7 %
Net income (loss) from discontinued operations	(1)	—	— %
Net income attributable to Aon shareholders - as adjusted	\$ 864	\$ 806	7 %
Diluted net income (loss) per share attributable to Aon shareholders:			
Continuing operations - as adjusted	\$ 3.68	\$ 3.31	11 %
Discontinued operations	—	—	— %
Net income attributable to Aon shareholders - as adjusted	\$ 3.68	\$ 3.31	11 %
Weighted average ordinary shares outstanding - diluted	234.5	243.7	(4)%
Effective Tax Rates: <sup>(3)</sup>			
Continuing Operations - U.S. GAAP	19.3%	15.7%	
Continuing Operations - Non-GAAP	19.3%	16.9%	
Discontinued Operations - U.S. GAAP	30.7%	—%	
Discontinued Operations - Non-GAAP	30.7%	—%	

(1) Certain noteworthy items impacting operating income in 2020 and 2019 are described in this schedule. The items shown with the caption "as adjusted" are non-GAAP measures.

(2) As part of the proposed merger with Willis Towers Watson, certain transaction costs will be incurred by the Company prior to the closing date which is expected in the first half of 2021. These costs may include advisory, legal, accounting, valuation, and other professional or consulting fees required to complete the transaction.

(3) Adjusted items are generally taxed at the estimated annual effective tax rate, except for the applicable tax impact associated with estimated restructuring plan expenses, accelerated tradename amortization, impairment charges and certain transaction costs, which are adjusted at the related jurisdictional rate. In addition, tax expense excludes the tax impacts of payment of certain legacy litigation and enactment date impacts of the Tax Cuts and Jobs Act of 2017.

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

Beginning in Q1 of 2018, Aon adopted a new accounting standard that shifted the financial components of net periodic pension cost and net periodic postretirement benefit cost from above the line in compensation and benefits expense to below the line in other income / expense.

**Based on current assumptions, our best estimate is approximately \$4 million of non-cash pension income per quarter as part of other income / expense in 2020, excluding all other items we do not forecast that could be favorable or unfavorable in any given period.**

<i>(millions)</i>	<b>Q1'20</b>
Other income (expense) – Pension – Non-GAAP	\$4
Other income (expense) – Other	\$25
<b>Total Other income (expense) – Non-GAAP</b>	<b>\$29</b>
Pension Settlements	-
<b>Total Other income (expense) – U.S. GAAP</b>	<b>\$29</b>

## Appendix D: Intangible Asset Amortization Schedule

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The estimated future amortization for finite lived intangible assets as of March 31, 2020 is as follows (in millions):

Remainder of 2020	\$	139
2021		136
2022		96
2023		85
2024		69
2025		51
Thereafter		170
Total	\$	746

## Appendix E: Reconciliation of Return on Invested Capital (ROIC)

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

<i>(millions)</i>	FY'10	FY'11	FY'12	FY'13	FY'14	FY'15	FY'16	FY'17	FY'18	FY'19
Revenue - as reported	8,512	11,287	11,514	11,815	12,045	11,682	11,627	9,998	10,770	11,013
Consolidated operating income - as reported	1,244	1,596	1,596	1,671	1,966	1,848	1,906	979	1,544	2,169
Restructuring	172	113	101	174	-	-	-	497	485	451
Pension adjustment	49	-	-	-	-	-	-	-	-	-
Hewitt related costs	40	47	-	-	-	-	-	-	-	-
Transactions/Headquarter relocation costs	-	3	24	5	-	-	15	-	-	-
Legacy receivable write-off	-	18	-	-	-	-	-	-	-	-
Anti-bribery, regulatory and compliance initiative	9	-	-	-	-	-	-	28	-	-
Legacy Litigation	-	-	-	-	35	176	-	-	75	13
Pension settlement	-	-	-	-	-	-	220	128	-	-
Amortization of Intangible Assets	154	362	423	395	352	314	277	704	593	392
Total Adjustments	424	543	548	574	387	490	512	1,357	1,153	856
<b>Consolidated operating income - as adjusted</b>	<b>\$ 1,668</b>	<b>\$ 2,139</b>	<b>\$ 2,144</b>	<b>\$ 2,245</b>	<b>\$ 2,353</b>	<b>\$ 2,338</b>	<b>\$ 2,418</b>	<b>\$ 2,336</b>	<b>\$ 2,697</b>	<b>\$ 3,025</b>
<i>Adjusted Effective tax rate (%)</i>	28.9%	27.3%	26.1%	25.4%	18.9%	17.9%	16.8%	14.9%	15.6%	17.5%
<b>NOPAT (Adj. OI*(1-Adj. Tax Rate))</b>	<b>\$ 1,186</b>	<b>\$ 1,555</b>	<b>\$ 1,584</b>	<b>\$ 1,675</b>	<b>\$ 1,908</b>	<b>\$ 1,919</b>	<b>\$ 2,012</b>	<b>\$ 1,988</b>	<b>\$ 2,276</b>	<b>\$ 2,496</b>
Short-term debt and current portion of long-term debt	492	337	452	703	783	562	336	299	251	712
Long-term debt	4,014	4,155	3,713	3,686	4,799	5,138	5,869	5,667	5,993	6,627
Total Debt	4,506	4,492	4,165	4,389	5,582	5,700	6,205	5,966	6,244	7,339
Total Shareholder's Equity	8,251	8,078	7,762	8,145	6,571	6,002	5,475	4,583	4,151	3,375
Noncontrolling interest	55	42	43	50	60	57	57	65	68	74
End of Period Total Invested Capital	12,812	12,612	11,970	12,584	12,213	11,759	11,737	10,614	10,463	10,788
<b>Average Total Invested Capital</b>	<b>10,126</b>	<b>12,712</b>	<b>12,291</b>	<b>12,277</b>	<b>12,399</b>	<b>11,986</b>	<b>11,748</b>	<b>11,176</b>	<b>10,539</b>	<b>10,626</b>
<b>ROIC (NOPAT/Average Total Invested Capital)</b>	<b>11.7%</b>	<b>12.2%</b>	<b>12.9%</b>	<b>13.6%</b>	<b>15.4%</b>	<b>16.0%</b>	<b>17.1%</b>	<b>17.8%</b>	<b>21.6%</b>	<b>23.5%</b>

## Appendix F: Reconciliation of Free Cash Flow Margin

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

<i>(millions)</i>	FY'10 <sup>1</sup>	FY'11 <sup>1</sup>	FY'12 <sup>1</sup>	FY'13	FY'14	FY'15	FY'16	FY'17	FY'18	FY'19
Revenue - as reported	8,512	11,287	11,514	11,815	12,045	11,682	11,627	9,998	10,770	11,013
Cash Flow from Operations	876	1,112	1,534	1,753	1,812	2,009	2,326	669	1,686	1,835
Capital Expenditures	(180)	(241)	(269)	(229)	(256)	(290)	(222)	(183)	(240)	(225)
<b>Free Cash Flow - as Reported</b>	<b>696</b>	<b>871</b>	<b>1,265</b>	<b>1,524</b>	<b>1,556</b>	<b>1,719</b>	<b>2,104</b>	<b>486</b>	<b>1,446</b>	<b>1,610</b>
Adjustments:										
2017 Restructuring initiatives (Cash + CapEx)								307	491	489
Transactions costs related to the divested business								45		
Tax payments related to the divested business								940		
<b>Underlying Free Cash Flow - as Adjusted</b>								<b>1,778</b>	<b>1,937</b>	<b>2,099</b>
<b>Free Cash Flow Margin</b>	<b>8.2%</b>	<b>7.7%</b>	<b>11.0%</b>	<b>12.9%</b>	<b>12.9%</b>	<b>14.7%</b>	<b>18.1%</b>	<b>17.8%</b>	<b>18.0%</b>	<b>19.1%</b>

<sup>1</sup> In the fourth quarter of 2015, the Company reclassified certain cash flows related to employee shares withheld for taxes. This resulted in reclassifying \$93 million, \$94 million, \$115 million for the years ended December 31, 2010, 2011, and 2012, respectively, from "Accounts payable and accrued liabilities" and "Other assets and liabilities" within Cash Flows From Operating Activities, to "Issuance of shares for employee benefit plans" within Cash Flows From Financing Activities.





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