



TriNet Group, Inc.

Investor Presentation



July - October 2019

Disclaimer

Cautionary Note Regarding Forward-Looking Statements and Other Financial Information

This presentation contains statements that are not historical in nature, are predictive in nature, or that depend upon or refer to future events or conditions or otherwise contain forward-looking statements within the meaning of Section 21 of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. Forward-looking statements are often identified by the use of words such as, but not limited to, “ability,” “anticipate,” “believe,” “can,” “continue,” “could,” “design,” “estimate,” “expect,” “forecast,” “hope,” “impact,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “seek,” “should,” “strategy,” “target,” “value,” “will,” “would” and similar expressions or variations.

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Important factors that could cause actual results to differ materially from those expressed or implied by our forward-looking statements include, but are not limited to, those discussed in our most recent Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and the other filings we make with U.S. Securities and Exchange Commission, which are available on our investor relations website at <http://investor.trinet.com> and on the SEC website at www.sec.gov. Examples of forward-looking statements include our expectations regarding our market opportunity, the impact of our current operational initiatives, growth strategy and vertical strategy, and our customer experience, retention and new sales goals.

The information in this presentation only reflects our view as of the date on which this presentation is made. Except as required by law, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements in this presentation and we do not assume any obligation, and do not intend, to update any of our forward-looking statements.

Non-GAAP Financial Measures

In addition to financial measures presented in accordance with U.S. Generally Accepted Accounting Principles (GAAP), we present other non-GAAP financial measures in this presentation that we monitor and use to manage our business, to make planning decisions, to allocate resources, and to use as performance measures in our executive compensation plan. These key financial measures provide an additional view of our operational performance over the long term and provide useful information that we use in order to maintain and grow our business.

The presentation of these non-GAAP financial measures is used to enhance the understanding of certain aspects of our financial performance. It is not meant to be considered in isolation, superior to, or as a substitute, for the directly comparable financial measures prepared in accordance with GAAP. **Reconciliations of the non-GAAP financial measures included in this presentation to TriNet's financial results as determined in accordance with GAAP are included in Appendix A.**

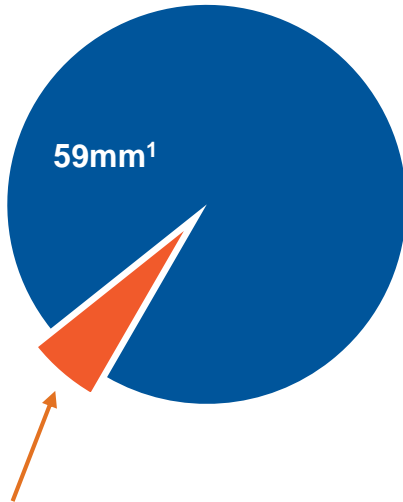
Investment Highlights

- Innovation leader serving large, under-penetrated market
- Differentiated vertical product offerings
- Increased operational scale and financial leverage
- Profitable growth supported by strong corporate cash generation*

*see Appendix B

Market Opportunity

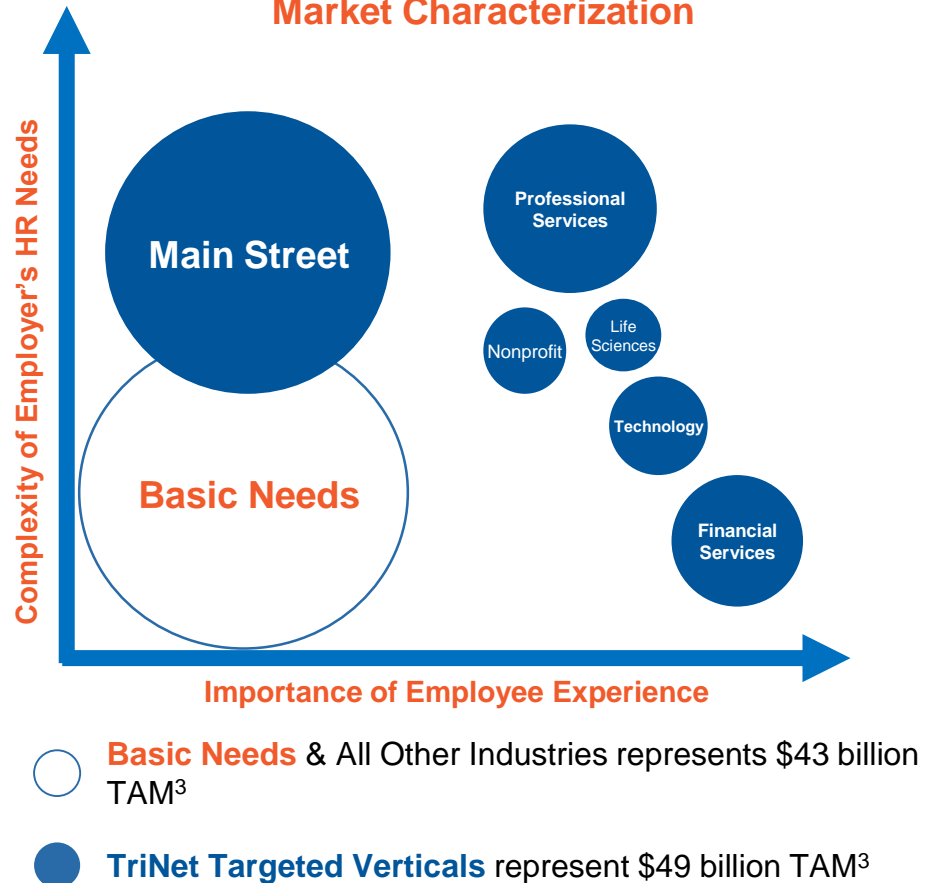
Underpenetrated SMB Market



Approximately 6% of Small and Medium Sized Business (SMB) Worksite Employees (WSEs) work for SMBs using a PEO

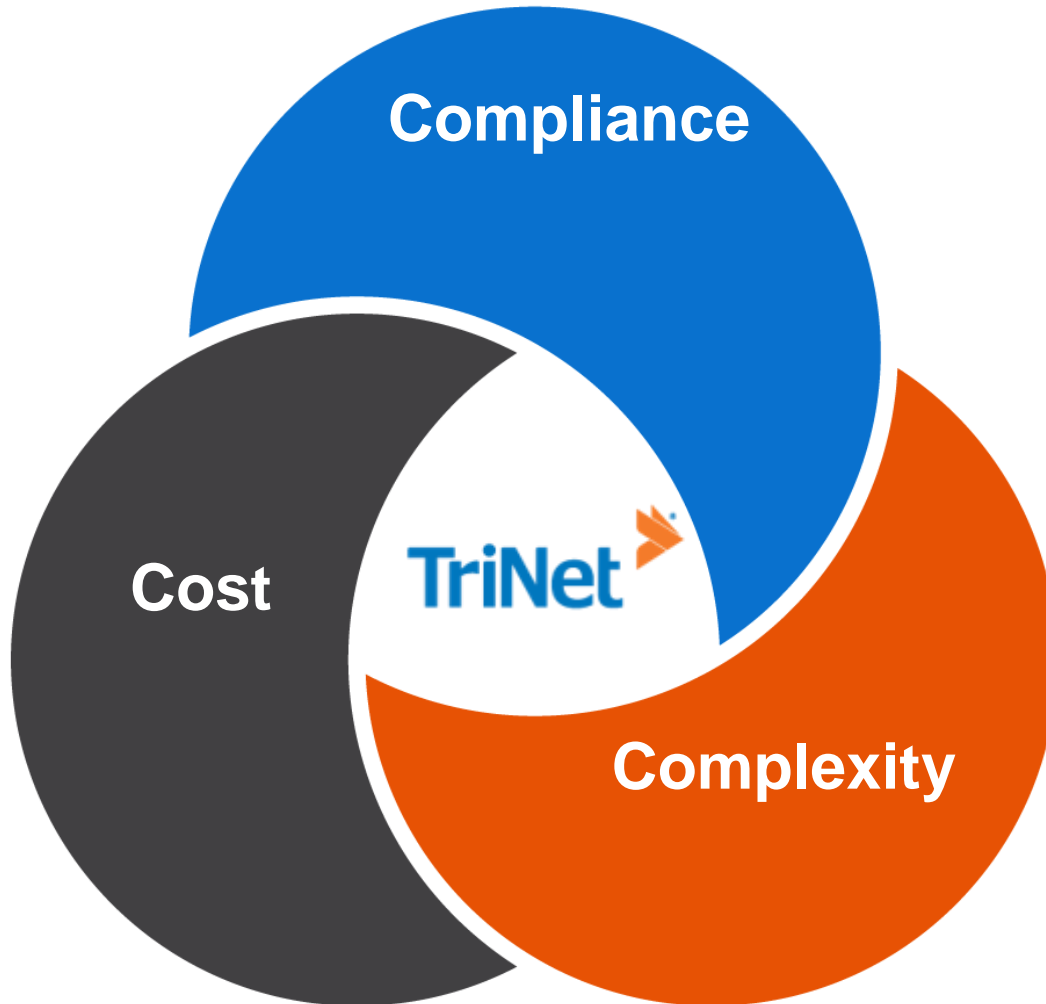
PEO industry includes at least 900 PEO service providers²

Market Characterization



Our targeted verticals represent a \$49 billion Net Service Revenues TAM³

Challenges Facing SMBs



Compliance

- Significant regulatory oversight
- Risks for federal, state, and local noncompliance are high

Complexity

- Federal, state, and local regulations continue to diverge
- Managing HR across multiple jurisdictions

Cost

- SMBs pay multiple vendors and employees for a variety of operational and insurance solutions
- Expensive for SMBs to ensure compliance and to vigorously defend themselves

TriNet's Comprehensive HR Products and Solutions Address These Challenges

Common Product and Service Capabilities



HR EXPERTISE

Multiple Industry-specific product and service offerings

HR support center and benefit claims administration

Federal, state and local labor, employment-related best practices guidance

Immigration and visa support



ACCESS TO BENEFITS

Health insurance: medical, dental and vision

Flexible spending accounts, health savings accounts and retirement plans

Consolidated Omnibus Budget Reconciliation Act (COBRA) administration

Affordable Care Act (ACA) compliance support

Leave management

Enrollment management



PAYROLL SERVICES

Multi-state payroll processing and tax administration

Real-time payroll entry and preview

Withholding and reporting of various federal, state and local payroll and unemployment taxes

Time and attendance, time off and overtime, and expense management tools



RISK MITIGATION

Workers' compensation insurance coverage and claims remediation

Workplace risk management services and safety consultation

Monitor a wide range of HR regulations, from local family leave requirements to the Affordable Care Act

Employment practices liability insurance (EPLI)



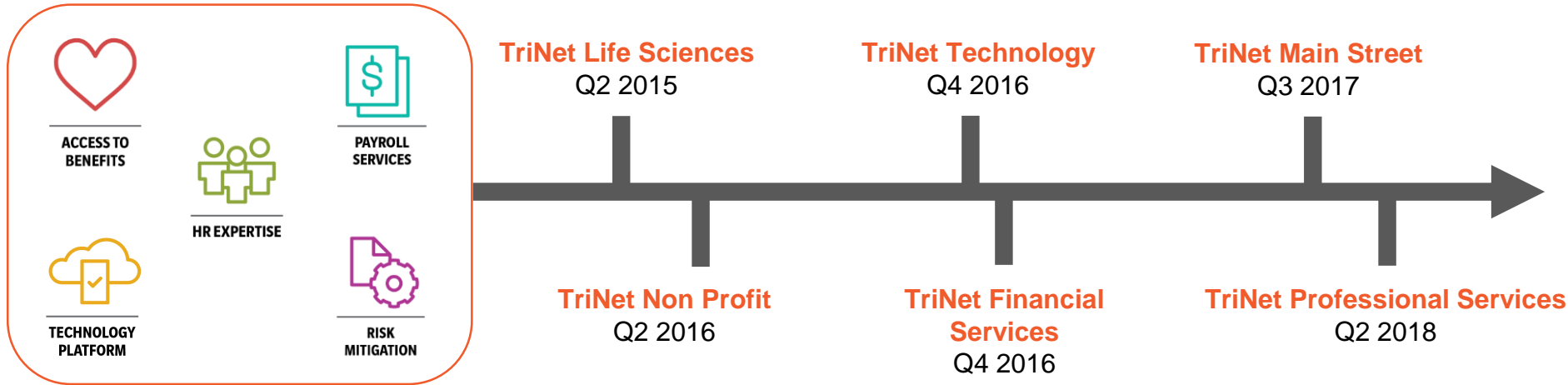
TECHNOLOGY PLATFORM

Online and mobile app for real-time data access

Store, view and manage core HR information

Administer variety of HR transactions, like payroll processing, tax and benefits administration, compensation reporting, and expense management

Vertical Strategy



- Different industries have different needs
- SMBs seek partners who know their industries and can scale with them
- Aligns sales force, product development, and service teams with our five common product and service capabilities
- Focus on developing and enhancing our vertical products on a single platform

Tech-Enabled Business Services Company

EMPLOYEES

- Mobile app and online access
- Pay stub access
- PTO Scheduling
- W2 access
- Online medical cards

EMPLOYERS

- Multi-state payroll
- Flexible time and attendance
- Benefit open enrollment and administration
- Employee onboarding
- Expense management

TECHNOLOGY PLATFORM

- Intuitive user interface
- Dynamic reporting and analytics
- API architecture facilitating integrations
- Online and mobile access and functionality
- 80% of functionality common across users
- 20% of functionality specific to verticals

Proprietary Technology Platform Enables Operational Scale and Financial Leverage

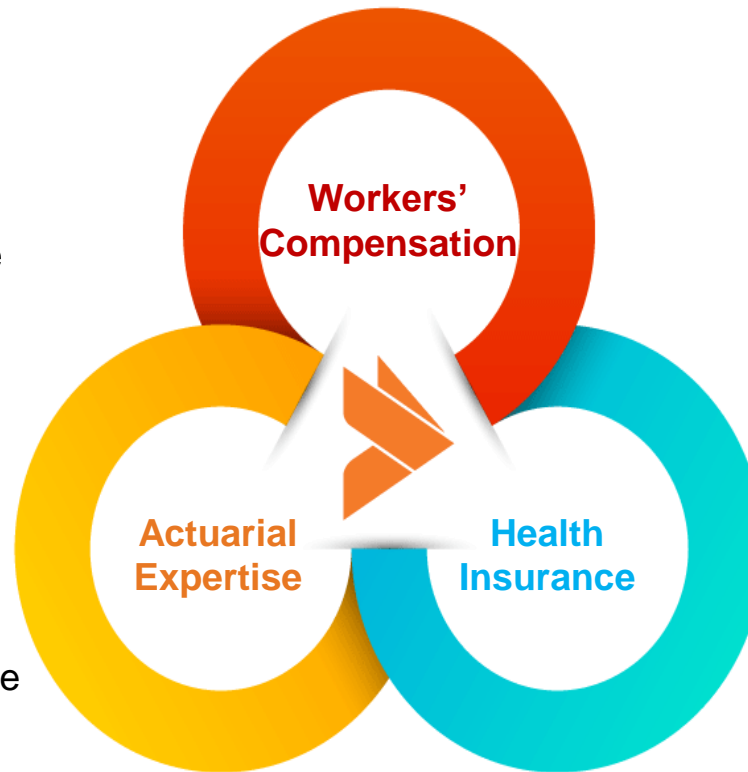
Insurance Services

Workers' Compensation

- Provide fully insured, industry standard
- **\$1 million** per claim deductible policies
- Assist clients by providing risk management services

Actuarial Expertise

- Maintain internal workers' compensation and health actuaries
- Tasked with ensuring clients are appropriately priced to risk and experience
- Critical for tracking and forecasting claims



Health Insurance

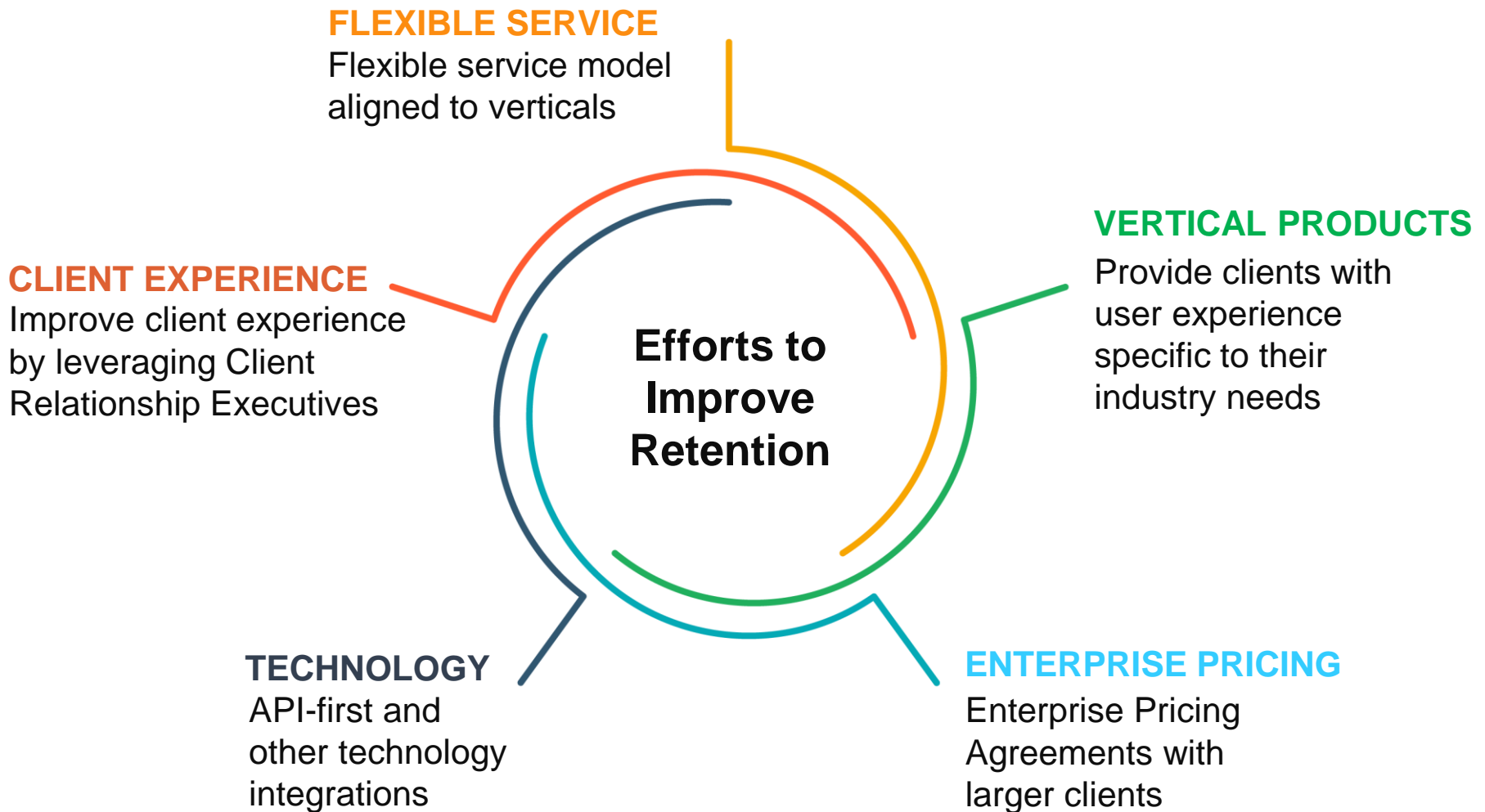
- Offer 300+ fully insured health plans, including plans in all 50 states
- Scale enables us to offer national and regional health offerings aligned to our target verticals
- In 2018, we managed an aggregate deductible layer for approximately **81%** of our group health insurance fees⁴
- By managing this deductible layer, we work with our carrier partners to construct offerings we believe will be more attractive to our target verticals

Leverage Scale for the Benefit of our Clients

Growth Strategy

- 1 Improve Retention
- 2 Drive New Sales
- 3 Potential Acquisitions

Growth Strategy: Improve Retention



Keeping Our Clients Longer Is A Key Growth Opportunity

Growth Strategy: New Sales

- Align sales force by geography and industry vertical
- Recruit sales candidates from our targeted vertical industries
- Retain, develop, and grow our sales force
- Expand referral networks and industry relationships
- Tie sales compensation to annual contract value

Vertical Strategy Focuses Salesforce on Value Sale

Growth Strategy: Potential Acquisitions

2009

- Infrastructure investment
- East Coast processing center
- Scaled benefits and risk management group

2013

- New product offering
- High-touch service model
- Financial services focus
- *Migrated to TriNet common technology platform 2016*

2019 & Beyond

Potential for Tuck-ins

- Attractive vertical or geographic footprint

Technology

- Improve platform or products



2012

- New product offering
- National product for “Main Street” clients
- *Migrated to TriNet common technology platform Q1 2018*

2016

- Leading cloud-based international employee hiring, onboarding and retention product and development team
- *Integrated into TriNet Technology vertical product*

2019 Initiatives

1 Strengthen our operations, products, and services on our single platform

Increase operational leverage

2 Improve our client engagement model

Increase client retention rates

3 Drive new sales growth

Increase sales productivity

Financial Model

Revenue Growth

- Vertical strategy drives volume growth
- Vertical products increase value received
- Insurance products priced to risk

EPS Growth from Operational Improvements

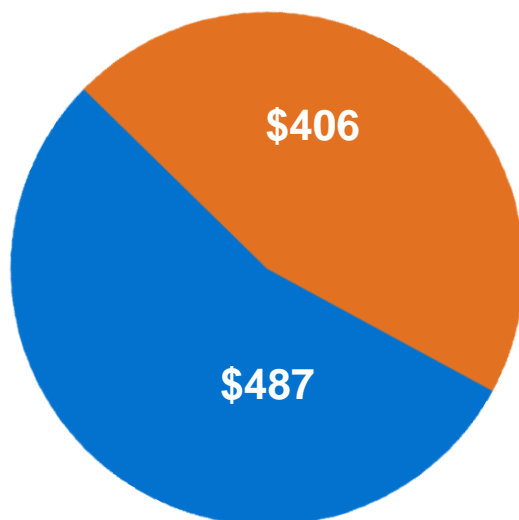
- Improve our single platform
- Use scale to reduce plan administrative costs
- Process improvements

Strong Corporate Cash Generation

- Efficient Working Capital
- CAPEX light
- Profitability supported by corporate cash generation

Revenue Model

Net Service Revenues
FY2018^{5,6}
(in millions)



Professional Service Revenues

Fees charged to clients for processing payroll-related transactions, access to our HR expertise, employment and benefit law compliance, and other HR-related services.

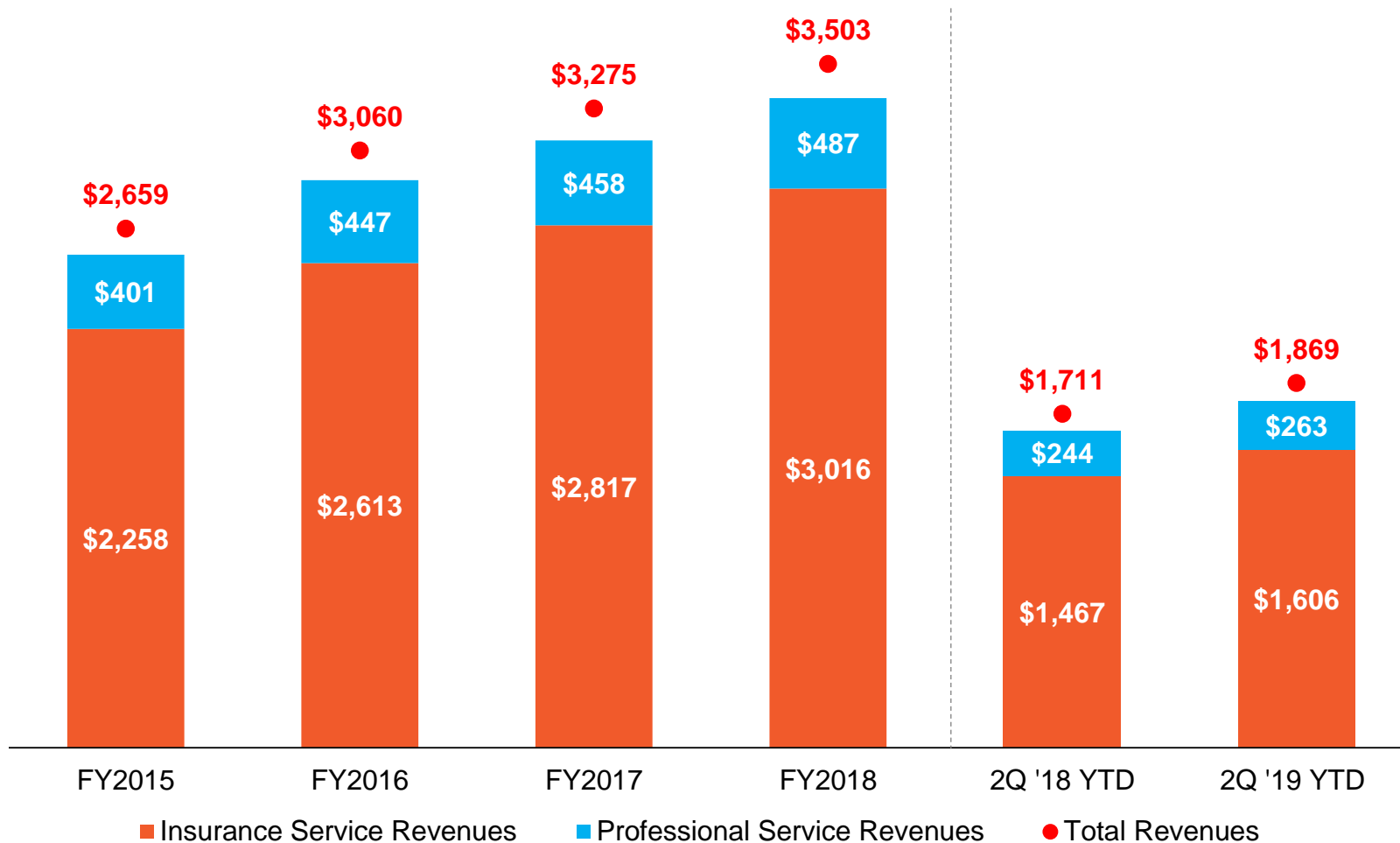
Net Insurance Service Revenues^{5,6}

Workers' comp and health insurance-related billings and administrative fees, less premiums paid to our insurance carriers, reimbursement of workers' comp and health-related claims, and changes in loss reserves.

TriNet Revenue Model (in millions)

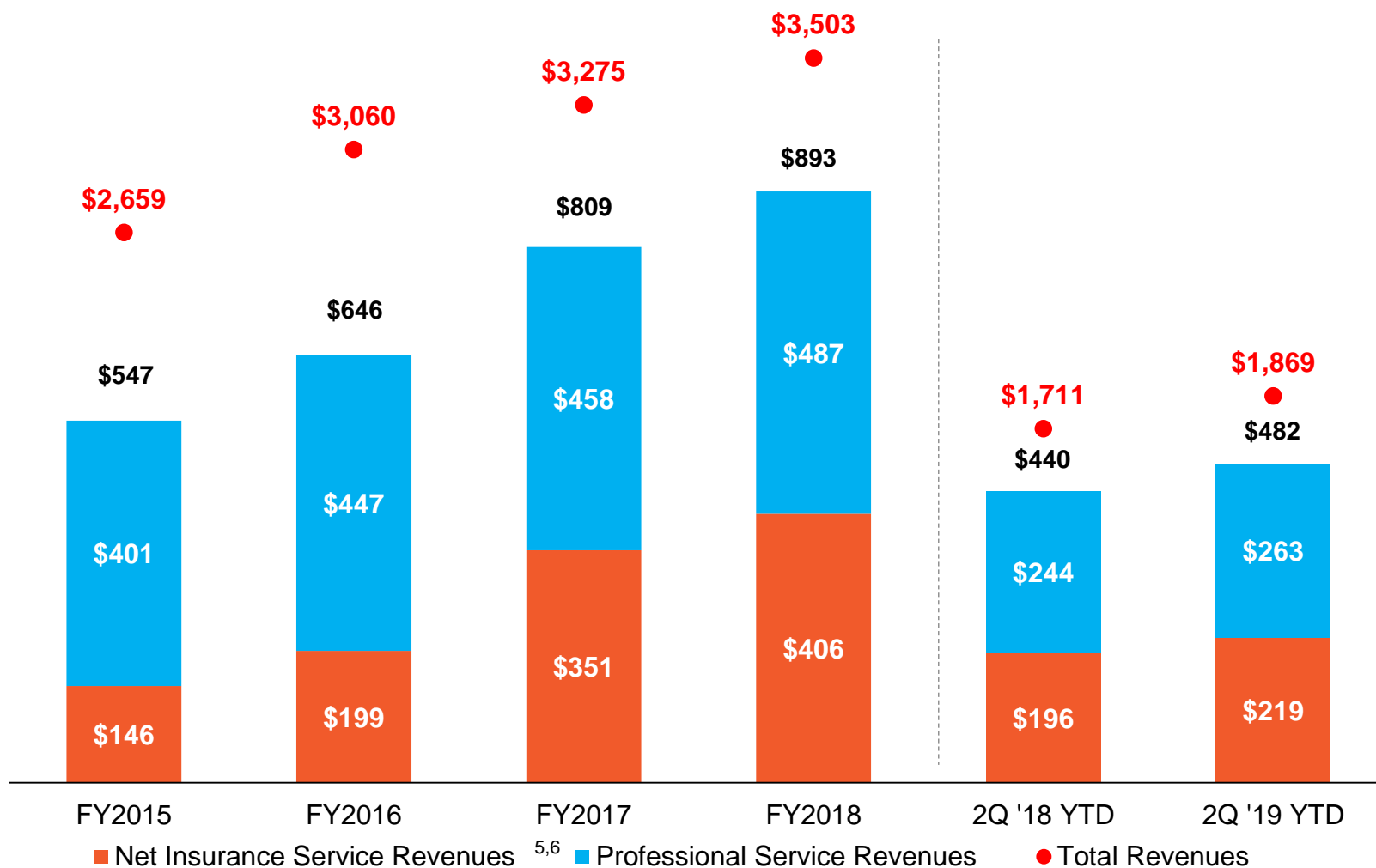
Total Revenues	\$3,503
Less Insurance Cost	\$2,610
Net Service Revenues^{5,6}	\$893
Professional Service Revenues	\$487
Net Insurance Service Revenues ^{5,6}	\$406

Consistent Revenue Growth



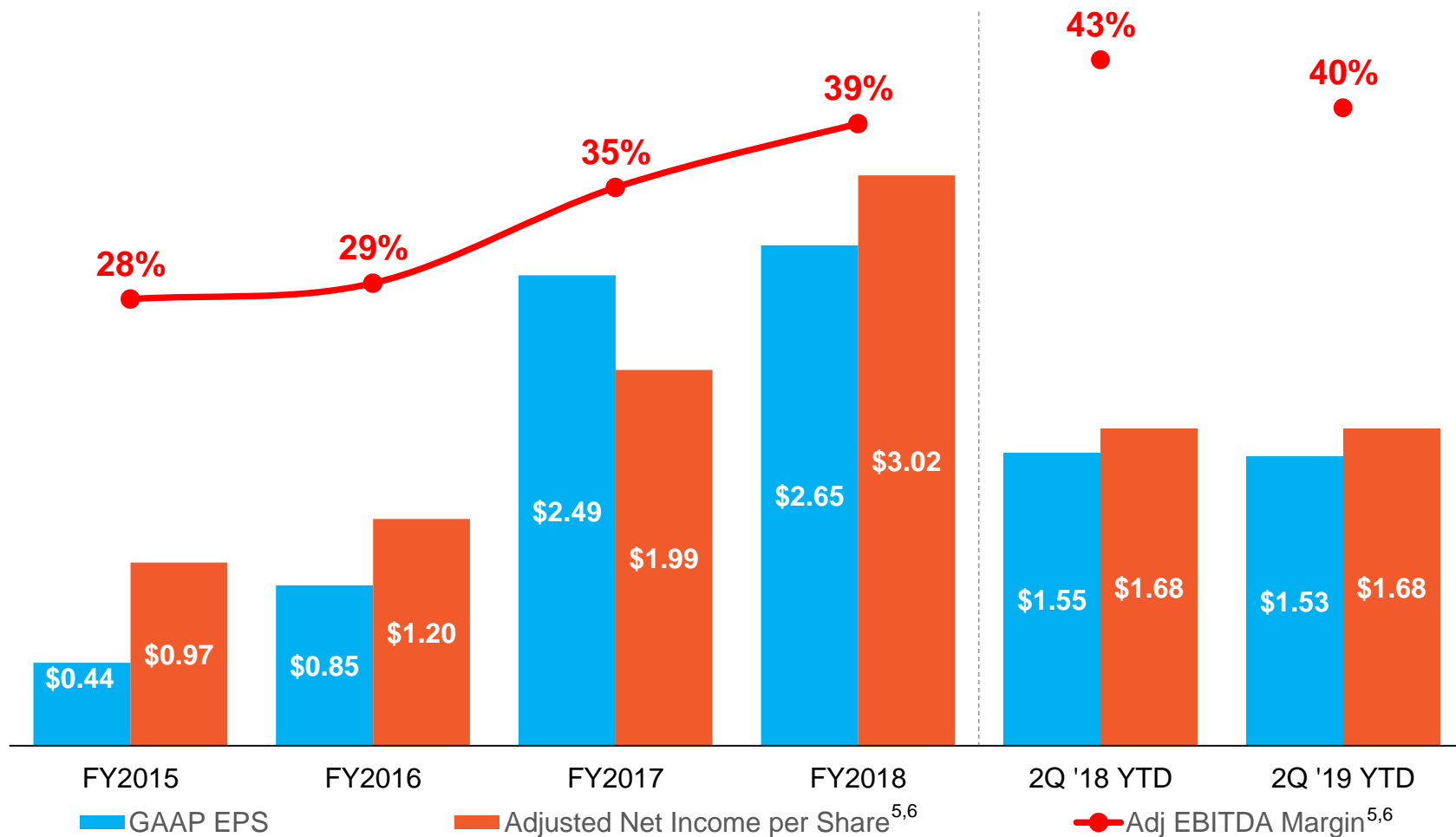
10% Organic GAAP Revenue CAGR⁷ From 2015 Through 2018

Strong Net Service Revenues^{5,6} Growth



18% Organic Net Service Revenues^{5,6} CAGR⁷ From 2015 Through 2018

Attractive EPS Growth



Strong Earnings Growth Supported by Expanding EBITDA⁶ Margins

Capital Allocation

1

Reinvest in business — drive revenue growth and margin expansion

2

Potential Acquisitions — Tuck-ins and Technology — potential to target geographies or verticals and improve products and/or operations

3

Share repurchases intended to offset dilution from employee compensation plans with flexibility for repurchases to return value to our stockholders

Summary

- Innovation leader serving large, under penetrated market
- Differentiated vertical product offering
- Increased operational scale and financial leverage
- Profitable growth supported by corporate cash generation*

*see Appendix B

Appendix A

Reconciliation of non-GAAP financial measures to GAAP financial measures

Reconciliation of GAAP to Non-GAAP Measures

The table below presents a reconciliation of total revenues to Net Service Revenues:

(in millions)	Year Ended December 31,				
	2018	2017	2016	2015	2014
Total revenues	\$ 3,503	\$ 3,275	\$ 3,060	\$ 2,659	\$ 2,194
Less: Insurance costs	2,610	2,466	2,414	2,112	1,686
Net Service Revenues	\$ 893	\$ 809	\$ 646	\$ 547	\$ 508

The table below presents a reconciliation of insurance service revenues to Net Insurance Service Revenues:

(in millions)	Year Ended December 31,				
	2018	2017	2016	2015	2014
Insurance service revenues	\$ 3,016	\$ 2,817	\$ 2,613	\$ 2,258	\$ 1,852
Less: Insurance costs	2,610	2,466	2,414	2,112	1,686
Net Insurance Service Revenues	\$ 406	\$ 351	\$ 199	\$ 146	\$ 166
Net Insurance Service Revenue Margin	13%	12%	8%	6%	9%

The table below presents a reconciliation of net income to Adjusted EBITDA and Adjusted EBITDA Margin:

(in millions)	Year Ended December 31,				
	2018	2017	2016	2015	2014
Net income	\$ 192	\$ 178	\$ 61	\$ 32	\$ 15
Provision for income taxes	49	22	43	28	18
Stock-based compensation	44	32	26	18	11
Interest expense and bank fees	22	20	20	19	54
Depreciation	35	28	19	15	14
Amortization of intangible assets	5	5	16	39	52
Secondary offering costs	—	—	—	—	1
Adjusted EBITDA	\$ 347	\$ 285	\$ 185	\$ 151	\$ 165
Adjusted EBITDA Margin	39%	35%	29%	28%	33%

The table below presents a reconciliation of net income to Adjusted Net Income:

(in millions)	Year Ended December 31,				
	2018	2017	2016	2015	2014
Net income	\$ 192	\$ 178	\$ 61	\$ 32	\$ 15
Effective income tax rate adjustment	(13)	(59)	(1)	3	5
Stock-based compensation	44	32	26	18	11
Amortization of intangible assets	5	5	16	39	52
Debt prepayment premium	—	—	—	—	4
Secondary offering costs	—	—	—	—	1
Non-cash interest expense	4	2	4	4	22
Income tax impact of pre-tax adjustments	(14)	(16)	(19)	(25)	(36)
Adjusted Net Income	\$ 218	\$ 142	\$ 87	\$ 71	\$ 74

Appendix A

Reconciliation of non-GAAP financial measures to GAAP financial measures

Reconciliation of GAAP to Non-GAAP Measures

The table below presents a reconciliation of total revenues to Net Service Revenues:

(in millions)	Six Months Ended June 30,	
	2019	2018
Total revenues	\$ 1,869	\$ 1,711
Less: Insurance costs	1,387	1,271
Net Service Revenues	\$ 482	\$ 440

The table below presents a reconciliation of insurance service revenues to Net Insurance Service Revenues:

(in millions)	Six Months Ended June 30,	
	2019	2018
Insurance service revenues	\$ 1,606	\$ 1,467
Less: Insurance costs	1,387	1,271
Net Insurance Service Revenues	\$ 219	\$ 196
Net Insurance Service Revenue Margin	14%	13%

The table below presents a reconciliation of net income to Adjusted EBITDA and Adjusted EBITDA Margin:

(in millions)	Six Months Ended June 30,	
	2019	2018
Net income	\$ 109	\$ 112
Provision for income taxes	30	27
Stock-based compensation	20	19
Interest expense and bank fees	11	13
Depreciation and amortization of intangible assets	23	19
Adjusted EBITDA	\$ 193	\$ 190
Adjusted EBITDA Margin	40%	43%

The table below presents a reconciliation of net income to Adjusted Net Income:

(in millions)	Six Months Ended June 30,	
	2019	2018
Net income	\$ 109	\$ 112
Effective income tax rate adjustment	(6)	(10)
Stock-based compensation	20	19
Amortization of intangible assets	3	3
Non-cash interest expense	—	4
Income tax impact of pre-tax adjustments	(6)	(7)
Adjusted Net Income	\$ 120	\$ 121

Appendix B

Please refer to our most recent Annual Report and Quarterly Reports for a more detailed discussion of our Statement of Cash Flows

(in millions)	Year Ended December 31,					
	2018			2017		
	Corporate	WSE	Total	Corporate	WSE	Total
Net cash provided by (used in):						
Operating activities ⁽¹⁾	\$ 234	\$ (338)	\$ (104)	\$ 299	\$ 307	\$ 606
Investing activities	(200)	—	(200)	(24)	—	(24)
Financing activities	(85)	—	(85)	(77)	—	(77)
Net increase (decrease) in cash and cash equivalents, unrestricted and restricted	\$ (51)	\$ (338)	\$ (389)	\$ 198	\$ 307	\$ 505
Cash and cash equivalents, unrestricted and restricted:						
Beginning of period	\$ 476	\$ 1,262	\$ 1,738	\$ 278	\$ 955	\$ 1,233
End of period	\$ 425	\$ 924	\$ 1,349	\$ 476	\$ 1,262	\$ 1,738
Net increase (decrease) in cash and cash equivalents:						
Unrestricted	\$ (108)	\$ —	\$ (108)	\$ 152	\$ —	\$ 152
Restricted	57	(338)	(281)	46	307	353

(in millions)	Year Ended December 31,					
	2018			2017		
	Corporate	WSE	Total	Corporate	WSE	Total
Net income	\$ 192	\$ —	\$ 192	\$ 178	\$ —	\$ 178
Depreciation and amortization	46	—	46	35	—	35
Stock-based compensation expense	44	—	44	32	—	32
Payment of interest	(17)	—	(17)	(16)	—	(16)
Income tax payments, net	(49)	—	(49)	(2)	—	(2)
Collateral (paid to) refunded from insurance carriers, net	—	26	26	—	(3)	(3)
Changes in deferred taxes	1	—	1	(25)	—	(25)
Changes in other operating assets	(44)	(27)	(71)	36	(36)	—
Changes in other operating liabilities	61	(337)	(276)	61	346	407
Net cash provided by (used in) operating activities ⁽¹⁾	\$ 234	\$ (338)	\$ (104)	\$ 299	\$ 307	\$ 606

(1) Prior year balances were retrospectively adjusted for Accounting Standards Update (ASU) 2016-18.

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Appendix B

Please refer to our most recent Annual Report and Quarterly Reports for a more detailed discussion of our Statement of Cash Flows

(in millions)	Six Months Ended June 30,					
	2019			2018		
	Corporate	WSE	Total	Corporate	WSE	Total
Net cash provided by (used in):						
Operating activities	\$ 107	\$ (269)	\$ (161)	\$ 108	\$ (651)	\$ (543)
Investing activities	(27)	2	(25)	(166)	—	(166)
Financing activities	(77)	—	(77)	(36)	—	(36)
Net increase (decrease) in cash and cash equivalents, unrestricted and restricted	\$ 3	\$ (267)	\$ (264)	\$ (94)	\$ (651)	\$ (745)
Cash and cash equivalents, unrestricted and restricted:						
Beginning of period	425	924	1,349	476	1,262	1,738
End of period	\$ 428	\$ 657	\$ 1,085	\$ 382	\$ 611	\$ 993
Net increase (decrease) in cash and cash equivalents:						
Unrestricted	\$ (9)	\$ —	\$ (9)	\$ (134)	\$ —	\$ (134)
Restricted	12	(267)	(255)	40	(651)	(611)

(in millions)	Six Months Ended June 30,					
	2019			2018		
	Corporate	WSE	Total	Corporate	WSE	Total
Net income	\$ 109	\$ —	\$ 109	\$ 112	\$ —	\$ 112
Depreciation and amortization	27	—	27	24	—	24
Noncash lease expense	10	—	10	—	—	—
Stock-based compensation expense	20	—	20	19	—	19
Interest paid	(9)	—	(9)	(8)	—	(8)
Income tax payments, net	(33)	—	(33)	(24)	—	(24)
Changes in other operating assets	(29)	(52)	(81)	(13)	1	(12)
Changes in other operating liabilities	12	(217)	(205)	(2)	(652)	(654)
Net cash provided by (used in) operating activities	\$ 107	\$ (269)	\$ (162)	\$ 108	\$ (651)	\$ (543)

Appendix C

End Notes

- 1 US Small Business Administration, Office of Advocacy, *2018 Small Business Profile*; the total number of employees employed by firms with 500 or fewer employees.
- 2 National Association of Professional Employer Organizations (NAPEO); NAPEO White Paper Series #6, *An Economic Analysis: The PEO Industry Footprint in 2018*, September 2018.
- 3 TriNet internal estimate of Total Addressable Market based upon the number of employees within targeted verticals and estimated Net Service Revenue by vertical.
- 4 TRINET GROUP, INC. Form 10-K – Annual Report for the Year Ended December 31, 2018.
- 5 Non-GAAP financial measure. See End Note 7, Slide 2 and Appendix A for more information about these non-GAAP financial measures, including reconciliations to GAAP. Additional information on these and our other non-GAAP measures, including reconciliations, can also be found in the annual and quarterly reports we file with the Securities and Exchange Commission.
- 6 Net Service Revenues is a non-GAAP measure calculated by subtracting insurance costs from Total revenues. Net Insurance Service Revenues is a non-GAAP measure calculated by subtracting insurance costs from Insurance revenues. Adjusted Net Income Per Share (or Adjusted EPS) is a non-GAAP measure calculated by dividing non-GAAP measure Adjusted Net Income by Diluted Weighted Average Shares. Adjusted Net Income is a non-GAAP measure calculated as Net income, excluding the effects of: effective income tax rate, stock-based compensation, amortization of intangible assets, non-cash interest expense, and the income tax effect (at our effective tax rate) of these pre-tax adjustments. Adjusted EBITDA Margin is a non-GAAP measure calculated by dividing non-GAAP measures Adjusted EBITDA by Net Service Revenues. Adjusted EBITDA is a non-GAAP measure calculated as Net income, excluding the effects of income tax provision, interest expense, depreciation, amortization of intangible assets, and stock-based compensation expense.
- 7 Compounded Annual Growth Rate. CAGR is the percentage obtained by dividing the FY2018 value by the FY2015 value and raising the result to the power of one divided by three, the number of years between those values.