



TriNet Group, Inc.

Investor Presentation

August – September 2018



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, “anticipate,” “believe,” “can,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “project,” “seek,” “should,” “strategy,” “target,” “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.

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 (U.S. 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.**

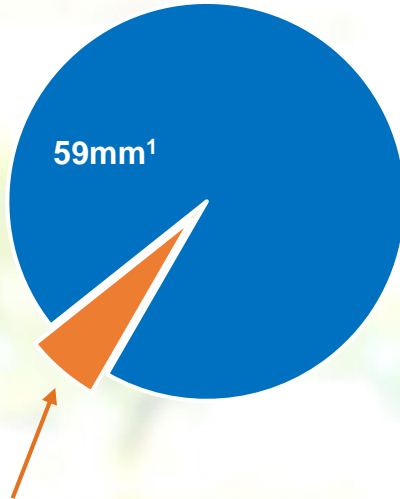
Investment Highlights

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



Market Opportunity

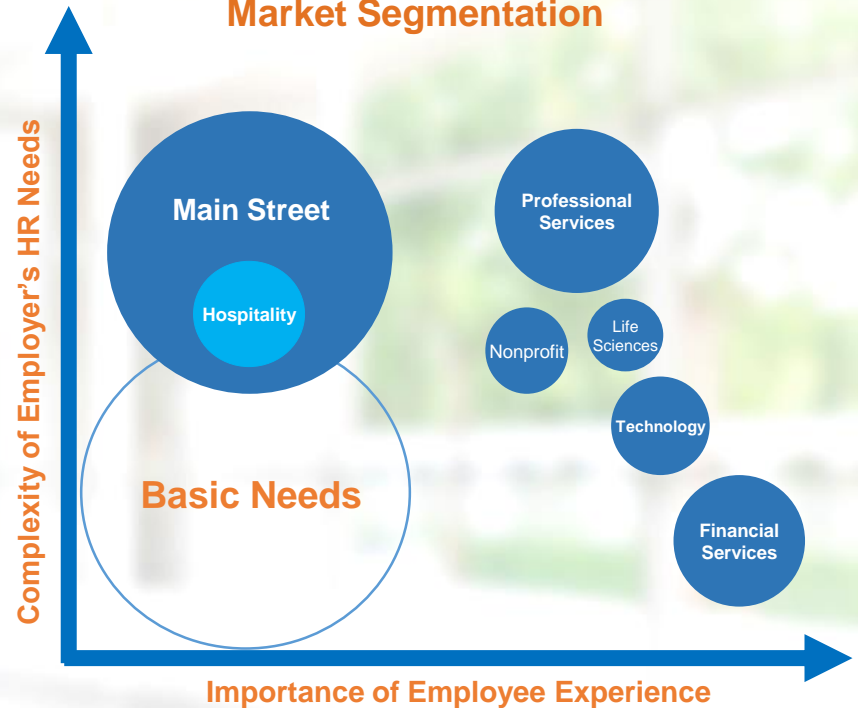
Underpenetrated SMB Market



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

PEO industry includes at least 780 PEO service providers²

Market Segmentation

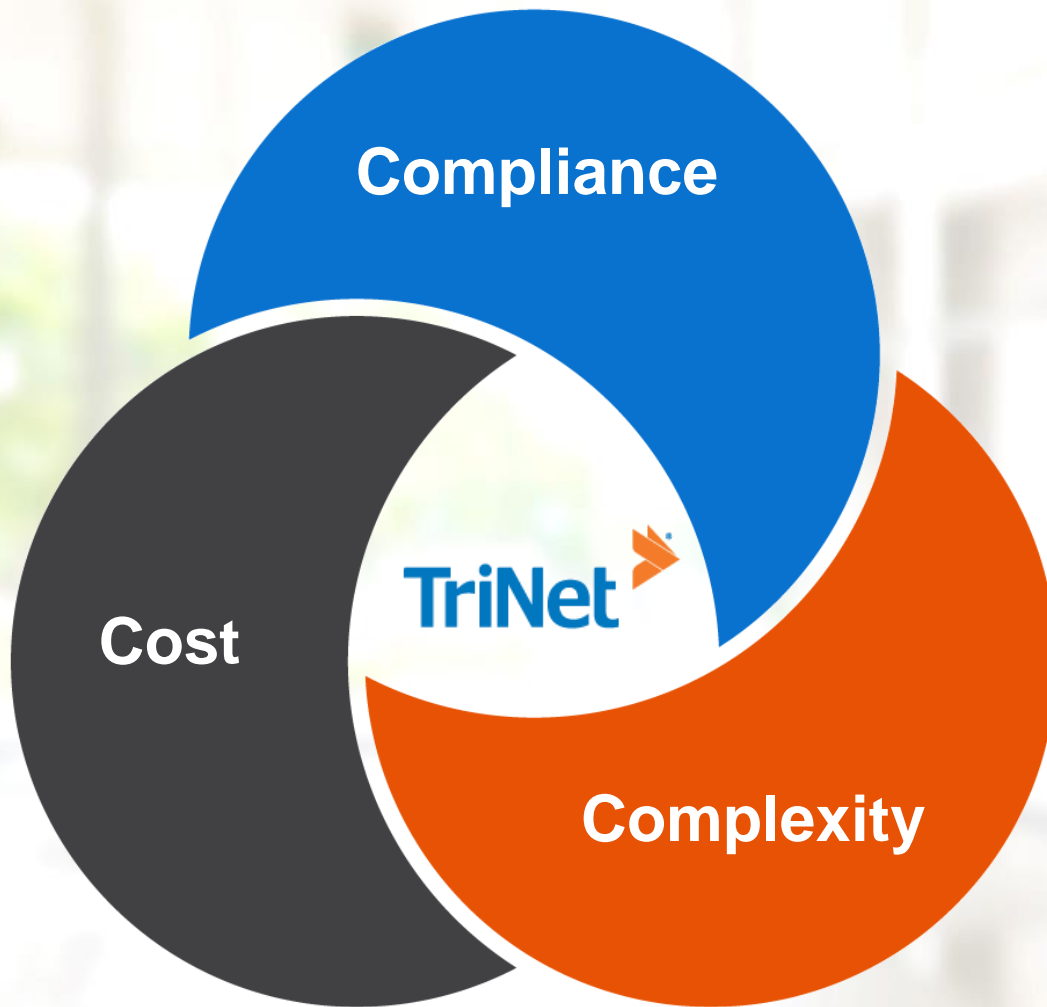


○ **Basic Needs** represents 28 million WSEs

● **TriNet Targeted Verticals** represent 29 million WSEs³

29mm WSEs³ in our targeted verticals representing a \$45 billion TAM⁴

Challenges Facing SMBs



Compliance

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

Complexity

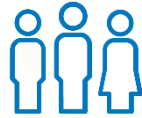
- Federal, state, and local regulations continue to diverge
- Managing HR across multiple jurisdictions

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 Bundled Solution Addresses These Challenges

TriNet Solution: Four Pillars of Value



BUSINESS PROCESS EXCELLENCE

Multi-state payroll processing and tax administration

Real-time payroll entry & preview

Employee onboarding, termination, benefits enrollment & administration

Expense management, HR data management & compensation reporting

Online and mobile apps for convenience

HR EXPERTISE

Multiple industry specific product and service offerings

Human capital consulting & claims administration

Benchmarking, templates & best practices

Talent and performance management, recruiting, and training

HR expert call center, consulting and pooled specialized resources

BENEFITS

Health insurance coverage: medical, dental & vision; life & disability insurance

Workers' compensation insurance coverage & claims remediation

Flexible spending & health savings accounts and retirement plans

Consolidated Omnibus Budget Reconciliation Act (COBRA)

Employment Practices Liability Insurance (EPLI)

COMPLIANCE

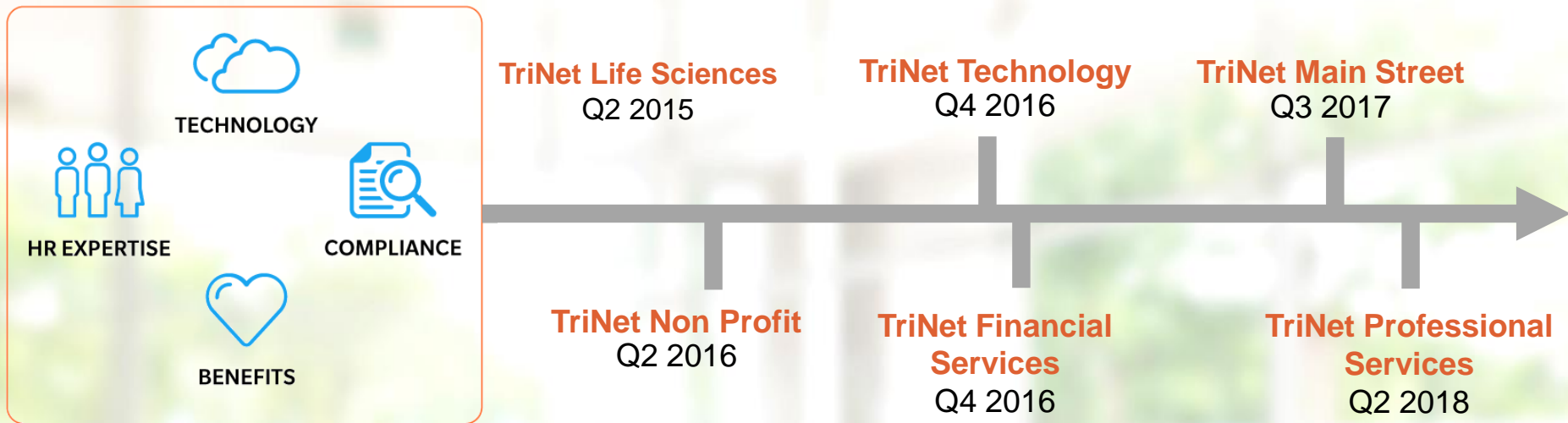
Federal, state & local labor, employment & benefit law compliance in all 50 states

Affordable Care Act (ACA) compliant support

Workplace risk management services & safety consultations

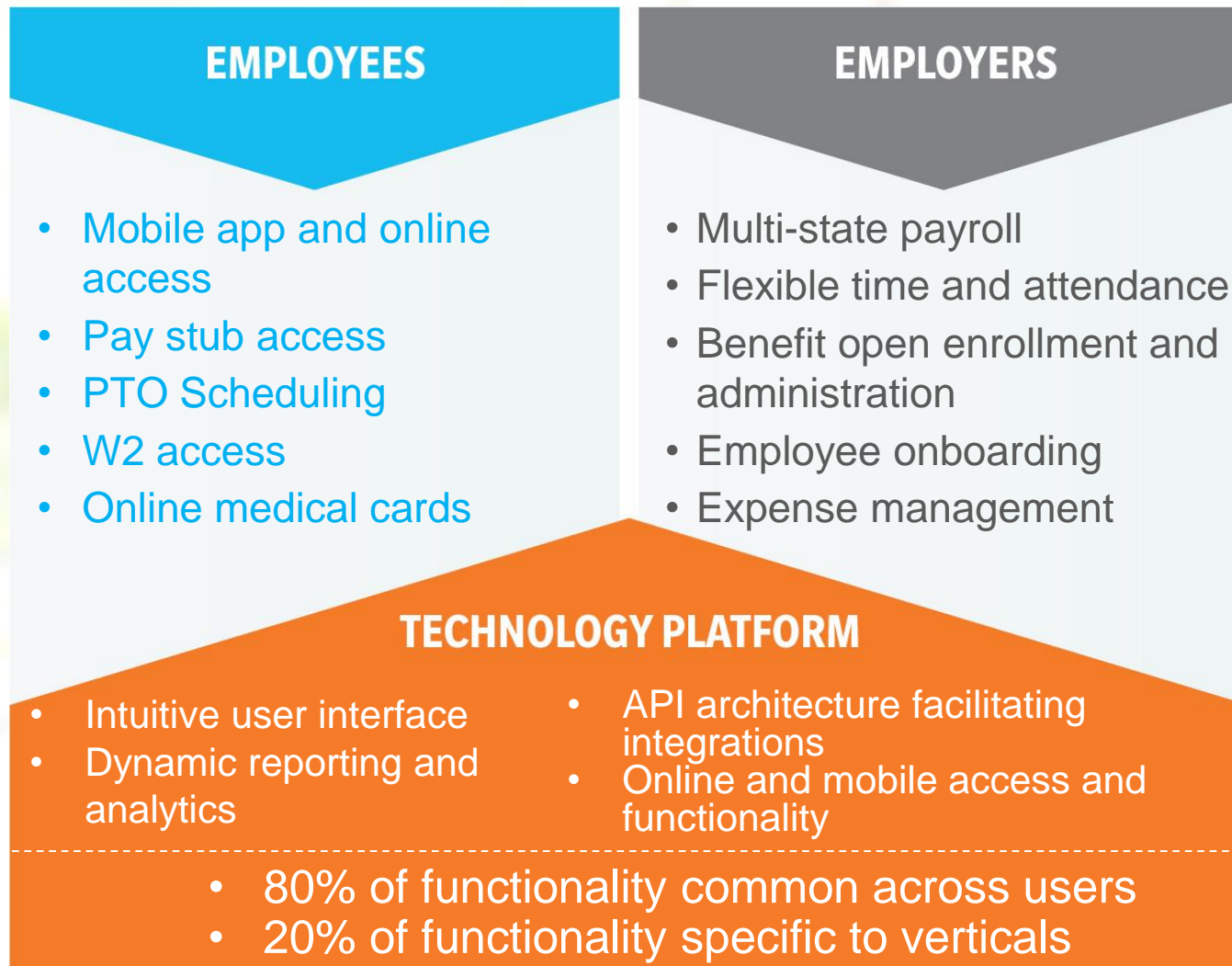
Monitor wide range of regulations from local family leave requirements to ACA

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 TriNet's Four Pillars of Value to tailor our vertical products for our targeted industries
- Focus on developing and enhancing our vertical products on a single platform

Tech-Enabled Business Services Company



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



Health Insurance

- Offer 100+ 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 will manage an aggregate deductible layer for approximately **85%** of our group health insurance premiums⁵
- 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

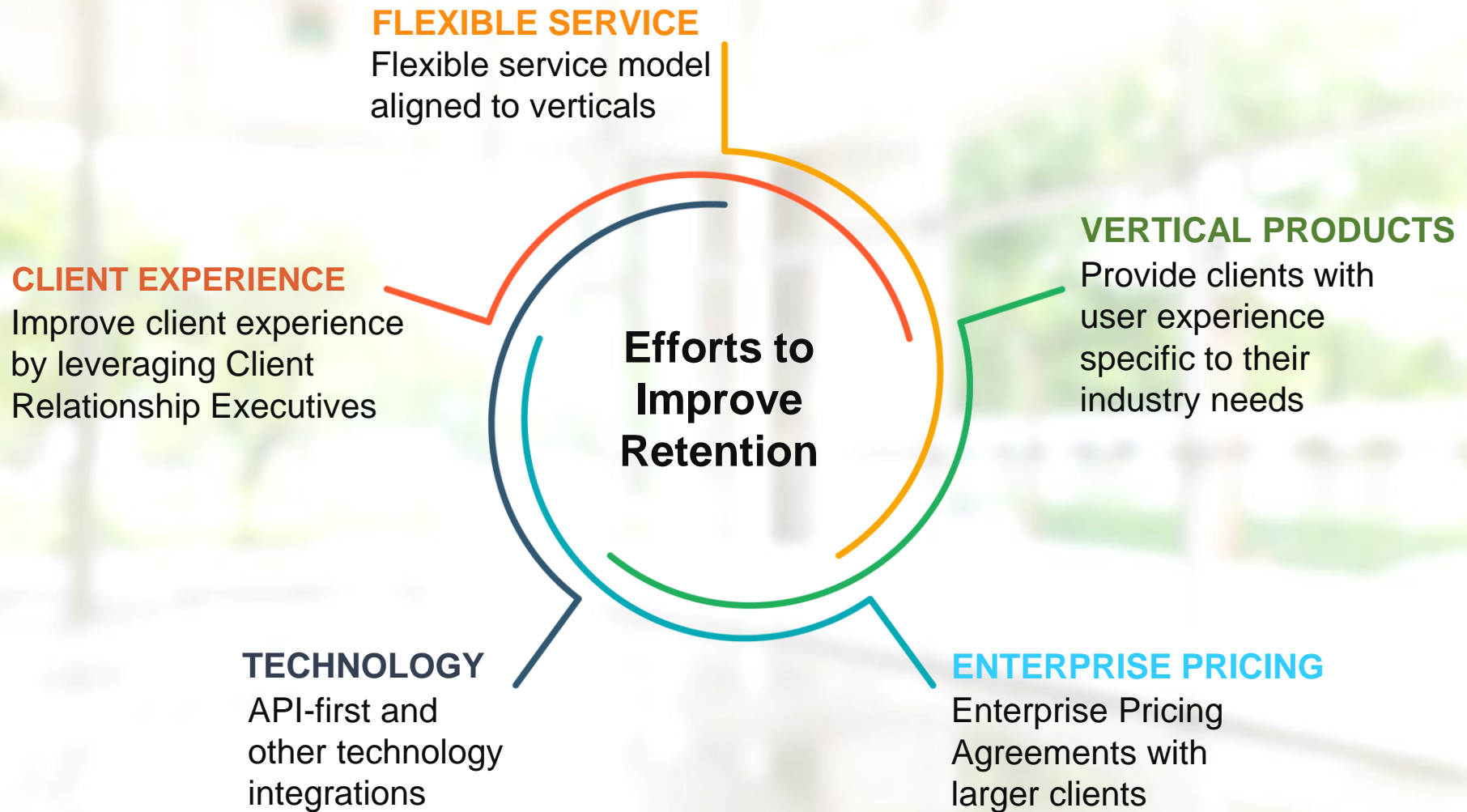
1 Improve Retention

2 Drive New Sales

3 Acquisitions



Growth Strategy: Improve Retention



Keeping Our Clients Longer Is Our Biggest 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: 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*

2018 & 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*

2018 Initiatives

1

Strengthen our operations, products, & services on our single platform

Increase operational leverage

2

Return to sequential volume growth

2H 2018

3

Improve insurance plan structures & choice

Reduce administrative expenses

4

Improve our client engagement model

Increase client retention

Financial Model

Revenue Growth

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

EPS Growth from Operational Improvements

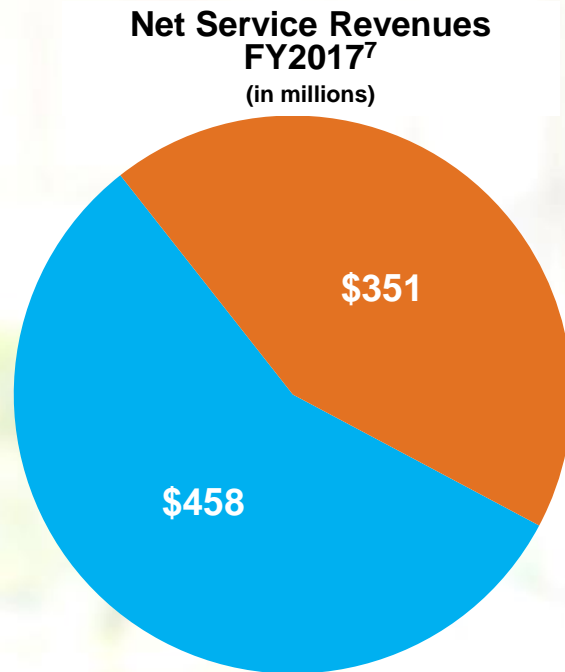
- Improve our single platform and eliminate legacy platform
- Use scale to reduce plan administrative costs
- Process improvements

Strong Corporate Cash Generation

- Efficient Working Capital
- CAPEX light
- Strong Cash Conversion⁶



Revenue Model



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.

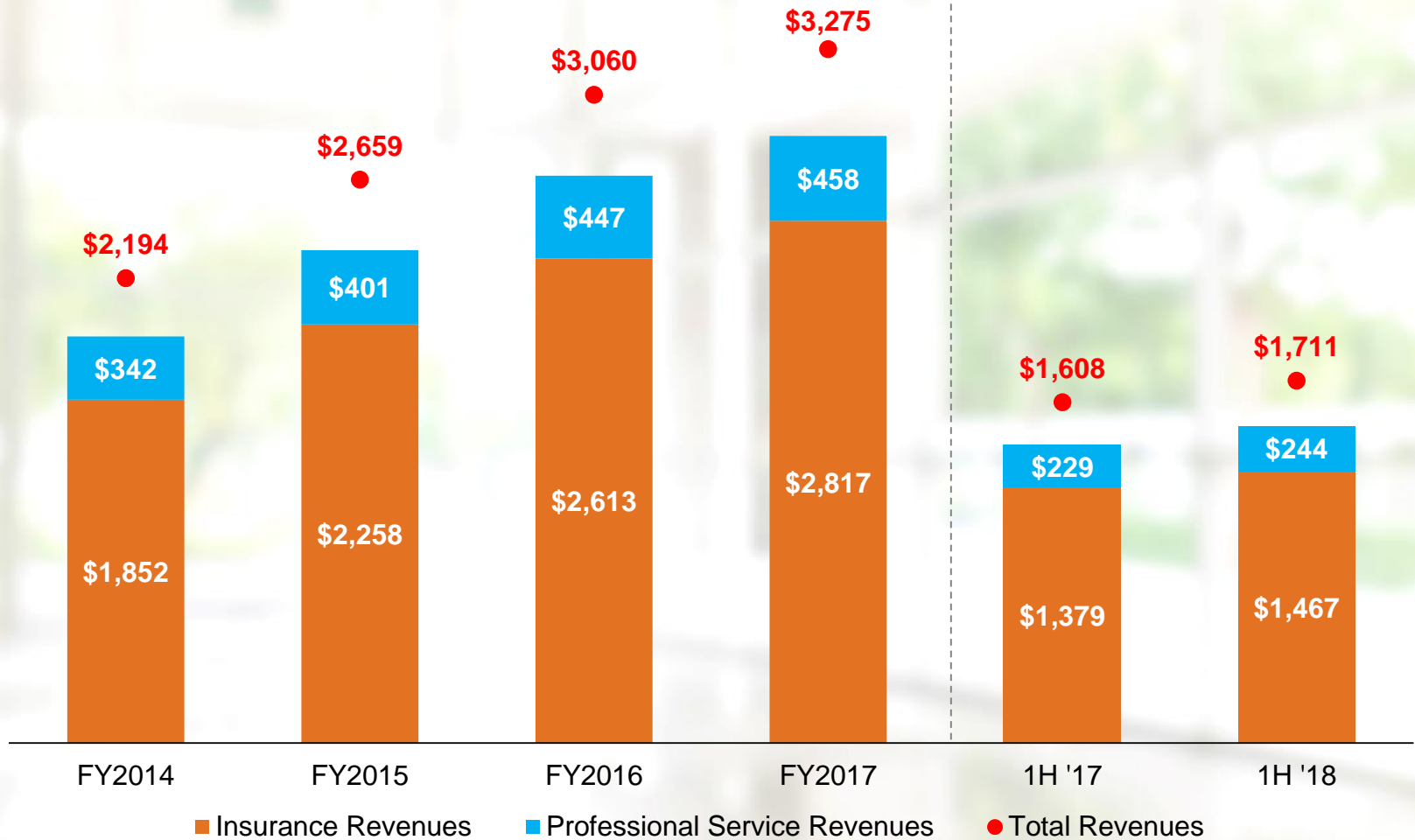
Net Insurance Service Revenues

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)

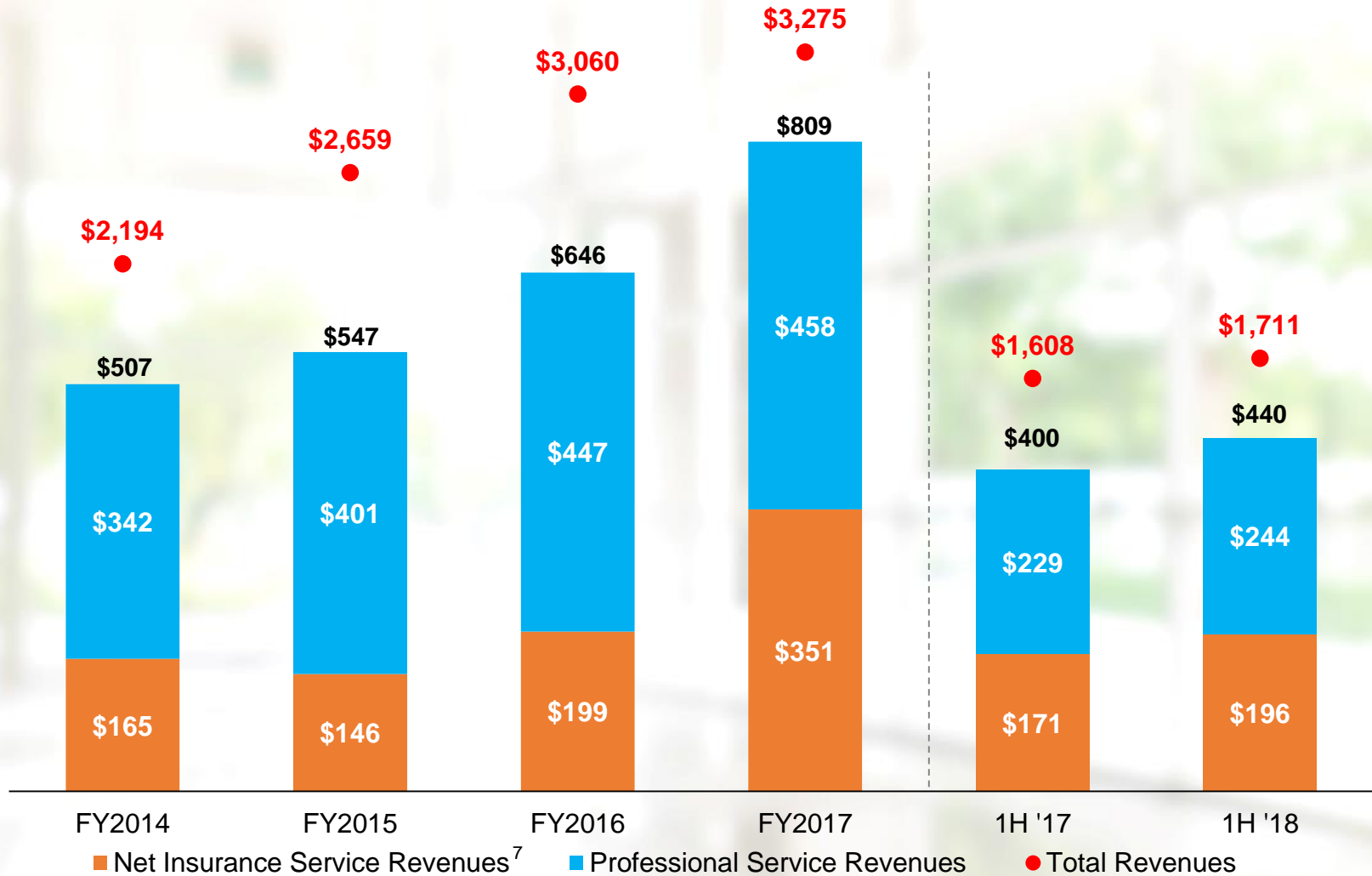
Total Revenues	\$3,275
Less Insurance Cost	2,466
Net Service Revenues ⁷	809
Professional Service Revenues	458
Net Insurance Service Revenues ⁷	351

Consistent Revenue Growth



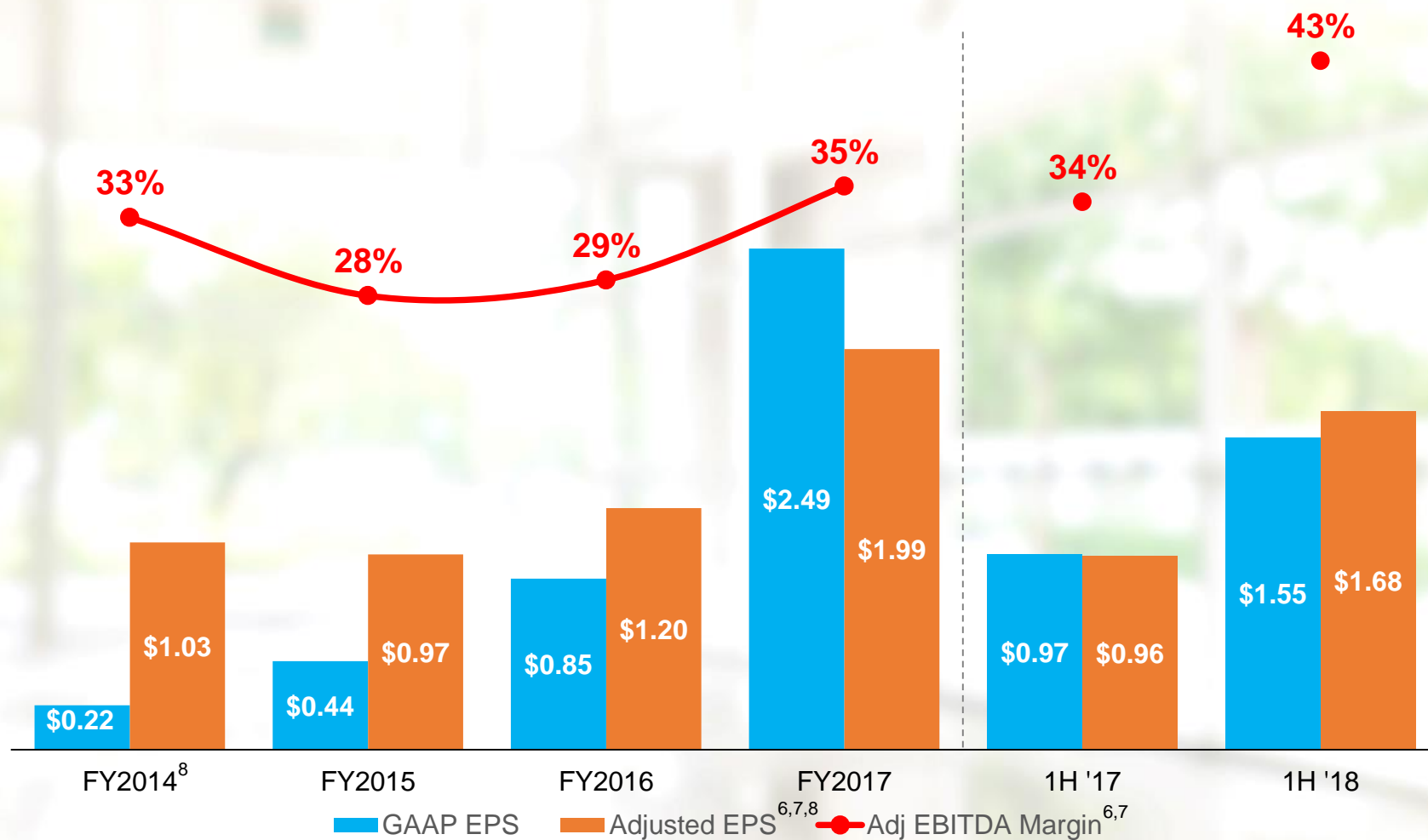
14% Organic GAAP Revenue CAGR From 2014 Through 2017

Strong Net Service Revenues Growth



Professional Service Revenues Historically ~2/3 of Net Service Revenues

Attractive EPS Growth



Strong Earnings Growth Supported by Expanding EBITDA Margins

Capital Allocation

1

Reinvest in business — drive revenue growth and margin expansion

2

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

3

Share repurchases primarily intended to offset dilution from employee compensation plans

Summary

- Innovation leader serving large, under penetrated market
- Differentiated vertical product offering
- Increased operational scale and financial leverage
- Profitable growth and strong cash flow generation

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)	Three Months Ended June 30,		Change Q2 2018 vs 2017		Six Months Ended June 30,		Change YTD 2018 vs. 2017	
	2018	2017	\$	%	2018	2017	\$	%
Total revenues	\$ 850	\$ 801	\$ 49	6 %	\$ 1,711	\$ 1,608	\$ 103	6 %
Less: Insurance costs	630	600	30	5	1,271	1,208	63	5
Net Service Revenues	\$ 220	\$ 201	\$ 19	10 %	\$ 440	\$ 400	\$ 40	10 %

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

(in millions)	Three Months Ended June 30,		Change Q2 2018 vs 2017		Six Months Ended June 30,		Change YTD 2018 vs. 2017	
	2018	2017	\$	%	2018	2017	\$	%
Insurance service revenues	\$ 735	\$ 692	\$ 43	6 %	\$ 1,467	\$ 1,379	\$ 88	6 %
Less: Insurance costs	630	600	30	5	1,271	1,208	63	5
Net Insurance Service Revenues	\$ 105	\$ 92	\$ 13	14 %	\$ 196	\$ 171	\$ 25	15 %
Net Insurance Service Revenues Margin	14%	13%			13%	12%		

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

(in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Net income	\$ 58	\$ 40	\$ 112	\$ 69
Provision for income taxes	14	12	27	28
Stock-based compensation	10	8	19	14
Interest expense and bank fees	7	5	13	10
Depreciation	8	6	16	13
Amortization of intangible assets	2	1	3	3
Adjusted EBITDA	\$ 99	\$ 72	190	\$ 137
Adjusted EBITDA Margin	45%	36%	43%	34%

(in millions, except share and per share data)	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Net income	\$ 58	\$ 40	\$ 112	\$ 69
Effective income tax rate adjustment	(6)	(9)	(10)	(11)
Stock-based compensation	10	8	19	14
Amortization of intangible assets	2	1	3	3
Non-cash interest expense	3	1	4	1
Income tax impact of pre-tax adjustments	(4)	(4)	(7)	(8)
Adjusted Net Income	\$ 63	\$ 37	\$ 121	\$ 68
GAAP Weighted average shares of common stock - diluted	73	71	72	71
Adjusted Net Income per share - diluted	\$ 0.87	\$ 0.52	\$ 1.68	\$ 0.96

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,				
	2017	2016	2015	2014	2013
Total revenues	\$ 3,275	\$ 3,060	\$ 2,659	\$ 2,194	\$ 1,644
Less: Insurance costs	2,466	2,414	2,112	1,686	1,227
Net Service Revenues	\$ 809	\$ 646	\$ 547	\$ 508	\$ 417

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

(in millions)	Year Ended December 31,				
	2017	2016	2015	2014	2013
Insurance service revenues	\$ 2,817	\$ 2,613	\$ 2,258	\$ 1,852	\$ 1,372
Less: Insurance costs	2,466	2,414	2,112	1,686	1,227
Net Insurance Service Revenues	\$ 351	\$ 199	\$ 146	\$ 166	\$ 145

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

(in millions)	Year Ended December 31,				
	2017	2016	2015	2014	2013
Net income	\$ 178	\$ 61	\$ 32	\$ 15	\$ 13
Provision for income taxes	22	43	28	18	8
Stock-based compensation	32	26	18	11	6
Interest expense and bank fees	20	20	19	54	46
Depreciation	28	19	15	14	12
Amortization of intangible assets	5	16	39	52	51
Secondary offering costs	—	—	—	1	—
Adjusted EBITDA	\$ 285	\$ 185	\$ 151	\$ 165	\$ 136
Adjusted EBITDA Margin ⁽¹⁾	35%	29%	28%	33%	33%

⁽¹⁾ Adjusted EBITDA Margin is calculated as the ratio of Adjusted EBITDA to Net Service Revenues

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

(in millions)	Year Ended December 31,				
	2017	2016	2015	2014	2013
Net income	\$ 178	\$ 61	\$ 32	\$ 15	\$ 13
Effective income tax rate adjustment	(59)	(1)	3	5	—
Stock-based compensation	32	26	18	11	6
Amortization of intangible assets	5	16	39	52	51
Non-cash interest expense	2	4	4	22	14
Debt prepayment premium	—	—	—	4	—
Secondary offering costs	—	—	—	1	—
Income tax impact of pre-tax adjustments	(16)	(19)	(25)	(36)	(27)
Adjusted Net Income	\$ 142	\$ 87	\$ 71	\$ 74	\$ 57

Appendix B

Cash Flow – Please refer to our current Quarterly Report on Form 10Q for a more detailed discussion of our Statement of Cash Flows

The following table presents our cash flow activities for the stated periods:

(in millions)	Six Months Ended June 30,					
	2018			2017		
	Corporate	WSE	Total	Corporate	WSE	Total
Net cash provided by (used in):						
Operating activities ⁽¹⁾	\$ 108	\$ (651)	\$ (543)	\$ 137	\$ (341)	\$ (204)
Investing activities	(166)	—	(166)	(9)	—	(9)
Financing activities	(36)	—	(36)	(45)	—	(45)
Net increase (decrease) in cash and cash equivalents, unrestricted and restricted	\$ (94)	\$ (651)	\$ (745)	\$ 83	\$ (341)	\$ (258)
Cash and cash equivalents, unrestricted and restricted:						
Beginning of period	\$ 476	\$ 1,262	\$ 1,738	\$ 278	\$ 955	\$ 1,233
End of period	\$ 382	\$ 611	\$ 993	\$ 361	\$ 614	\$ 975

Components of net cash used in operating activities are as follows:

(in millions)	Six Months Ended June 30,					
	2018			2017		
	Corporate	WSE	Total	Corporate	WSE	Total
Net income	\$ 112	\$ —	\$ 112	\$ 69	\$ —	\$ 69
Depreciation and amortization	24	—	24	16	—	16
Stock-based compensation expense	19	—	19	14	—	14
Payment of interest	(8)	—	(8)	(8)	—	(8)
Income tax (payments) refunds, net	(24)	—	(24)	—	—	—
Collateral (paid to) refunded from insurance carriers, net	—	—	—	5	—	5
Changes in other operating assets	(13)	1	(12)	29	42	71
Changes in other operating liabilities	(2)	(652)	(654)	12	(383)	(371)
Net cash provided by (used in) operating activities ⁽¹⁾	\$ 108	\$ (651)	\$ (543)	\$ 137	\$ (341)	\$ (204)

Appendix C

End Notes

- 1 US Census Bureau 2015; the number of employees employed by firms with 500 or fewer employees
- 2 National Association of Professional Employer Organizations (NAPEO); NAPEO White Paper Series, *An Economic Analysis: The PEO Industry Footprint*, September 2015
- 3 US Census Bureau 2015; the number of employees employed by firms within TriNet's targeted verticals and with 500 or fewer employees
- 4 TriNet internal estimate of Total Addressable Market based upon the number of employees within targeted verticals and estimated Net Service Revenue by vertical
- 5 TRINET GROUP, INC. Form 10-K – Annual Report for the Year Ended December 31, 2017.
- 6 Adjusted Net Income Per Share (or Adjusted EPS) is calculated by dividing non-GAAP measure Adjusted Net Income by Diluted Weighted Average Shares. Adjusted EBITDA Margin is calculated by dividing non-GAAP measures Adjusted EBITDA by Net Service Revenues. Cash Conversion is calculated by dividing Net Cash Provided by Operating Activities by non-GAAP measure Adjusted EBITDA. Non-GAAP measures are defined in, and reconciliation to our GAAP measures appear in, the Annual Reports and Quarterly Reports that we file with the U.S. Securities and Exchange Commission. Refer also to Appendix A for reconciliations from GAAP measures.
- 7 Non-GAAP financial measure. See slide #2 and Appendix A for more information about our non-GAAP financial measures, including reconciliations to GAAP. Additional information on our non-GAAP measures, including reconciliations, can also be found in the annual and quarterly reports we file with the Securities and Exchange Commission.
- 8 2014 Adjusted Net Income per Share was calculated on a pro forma basis