

TriNet Group, Inc.

William Blair Growth Company
Conference



Richard Beckert, CFO

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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.

Forward-looking statements are not guarantees of future performance, but are based on our expectations and assumptions as of the date of this presentation, which are inherently subject to uncertainties, risks and changes in circumstances that are difficult to predict. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from our current expectations and any past or future results, performance or achievements. Investors are cautioned not to place undue reliance upon any forward-looking statements.

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.

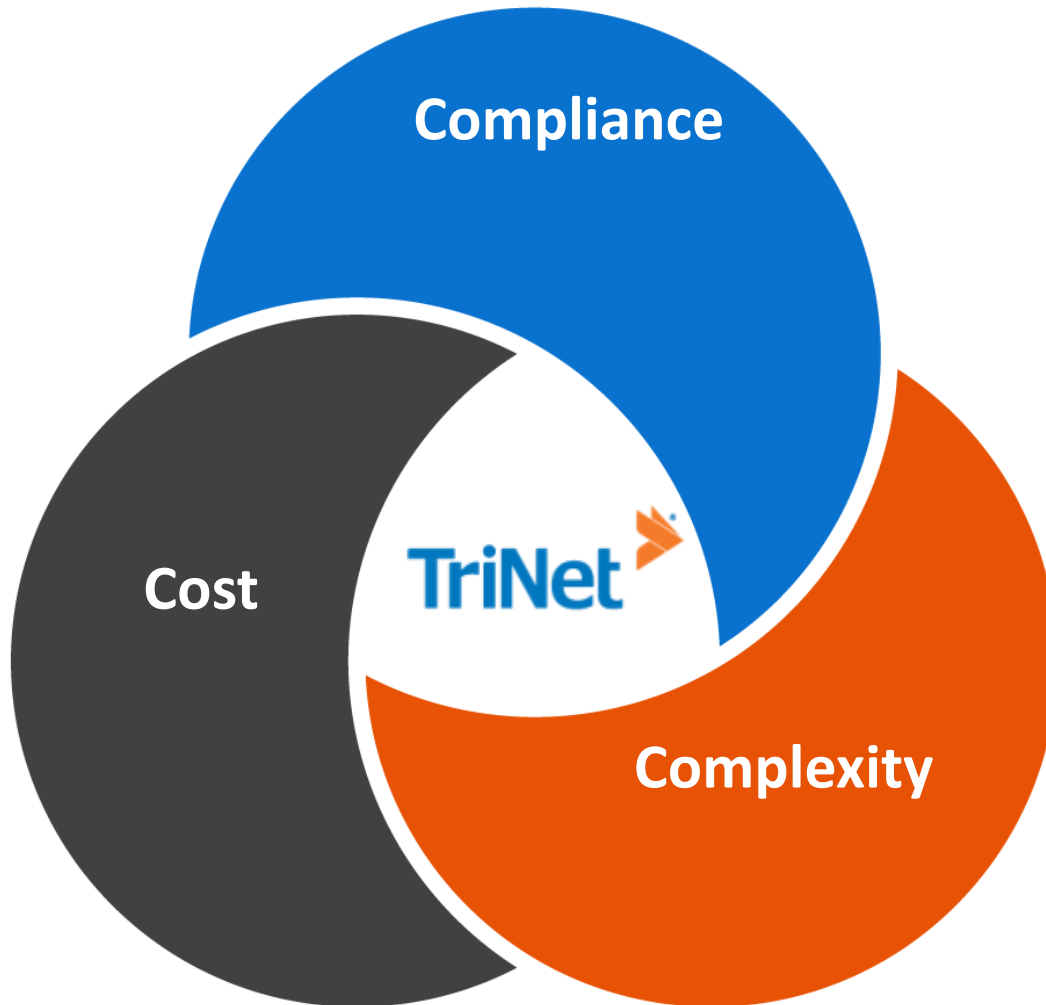
The presentation of these non-GAAP financial measures is used to enhance the understanding of certain aspects of our financial performance. It is not meant to be considered in isolation, superior to, or as a substitute, for the directly comparable financial measures prepared in accordance with GAAP. **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

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



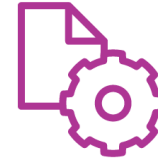
PAYROLL SERVICES

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

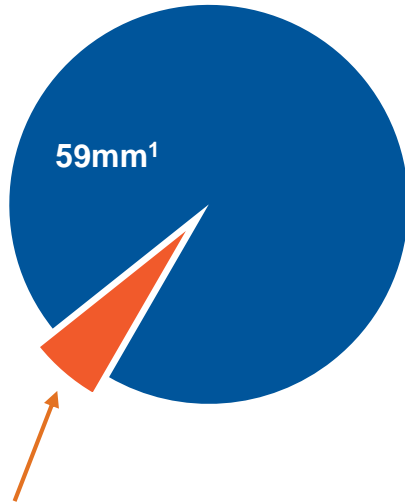
Online and mobile app for real-time data access

Store, view and manage core HR information

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

Market Opportunity

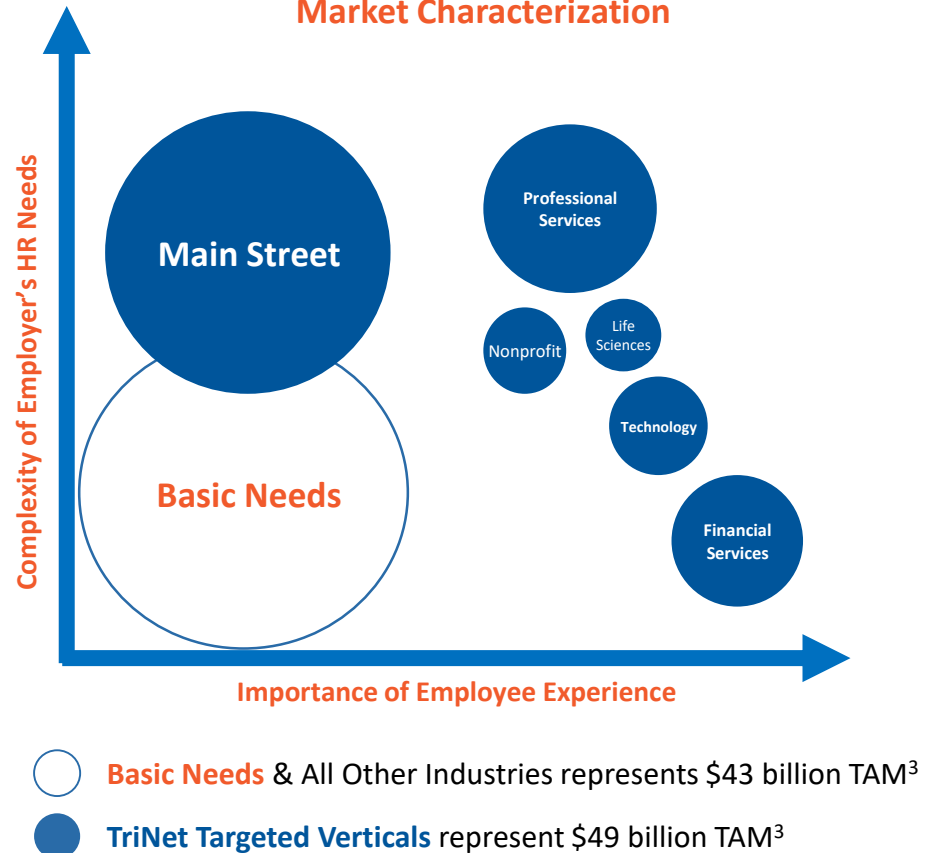
Underpenetrated SMB Market



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

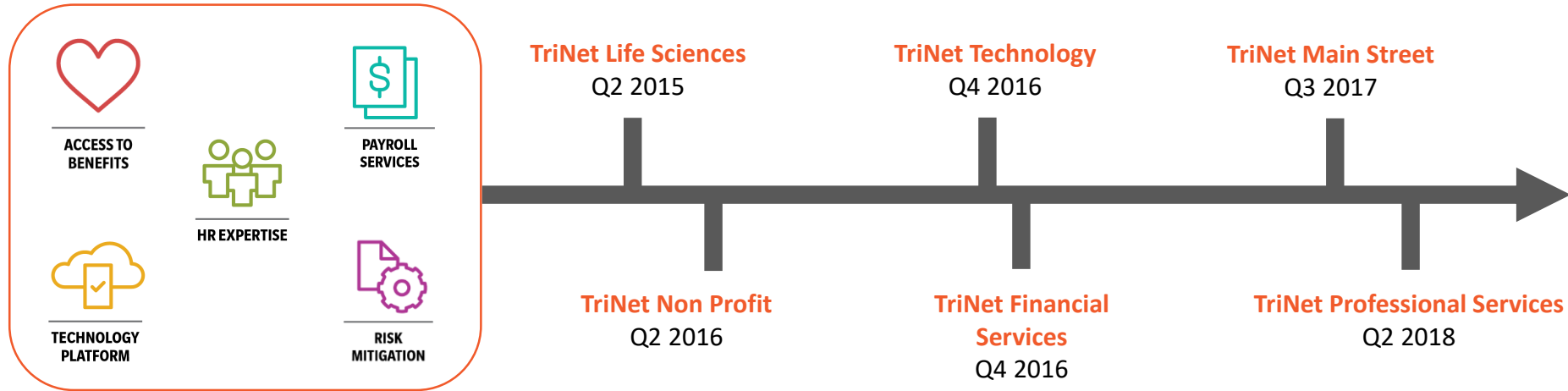
PEO industry includes at least 900 PEO service providers²

Market Characterization



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

Vertical Strategy

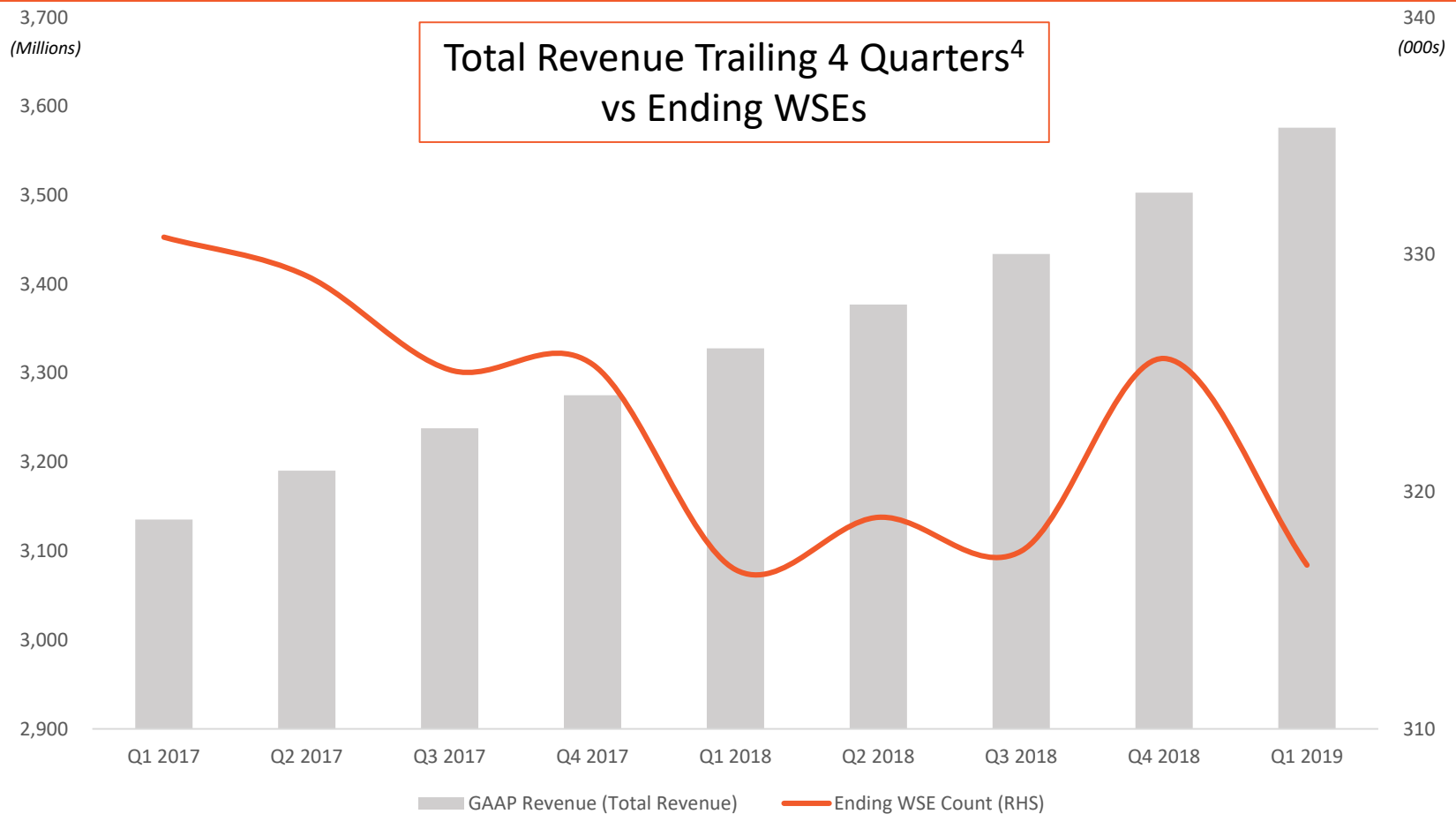


- Different industries have different needs
- SMBs seek partners who know their industries and can scale with them
- Aligns sales force, product development, and service teams with our five common product and service capabilities
- Focus on developing and enhancing our vertical products on a single platform

Platform Migration 2016-2018

- Launched our platform migration efforts Q1 2016 ✓
Successfully migrated three platforms to our common platform
- Reviewed our entire installed base ✓
Ensured our clients were properly priced to risk
- Completed SOI migration Q1 2018 ✓
Last cohort impacted by repricing was April 2019

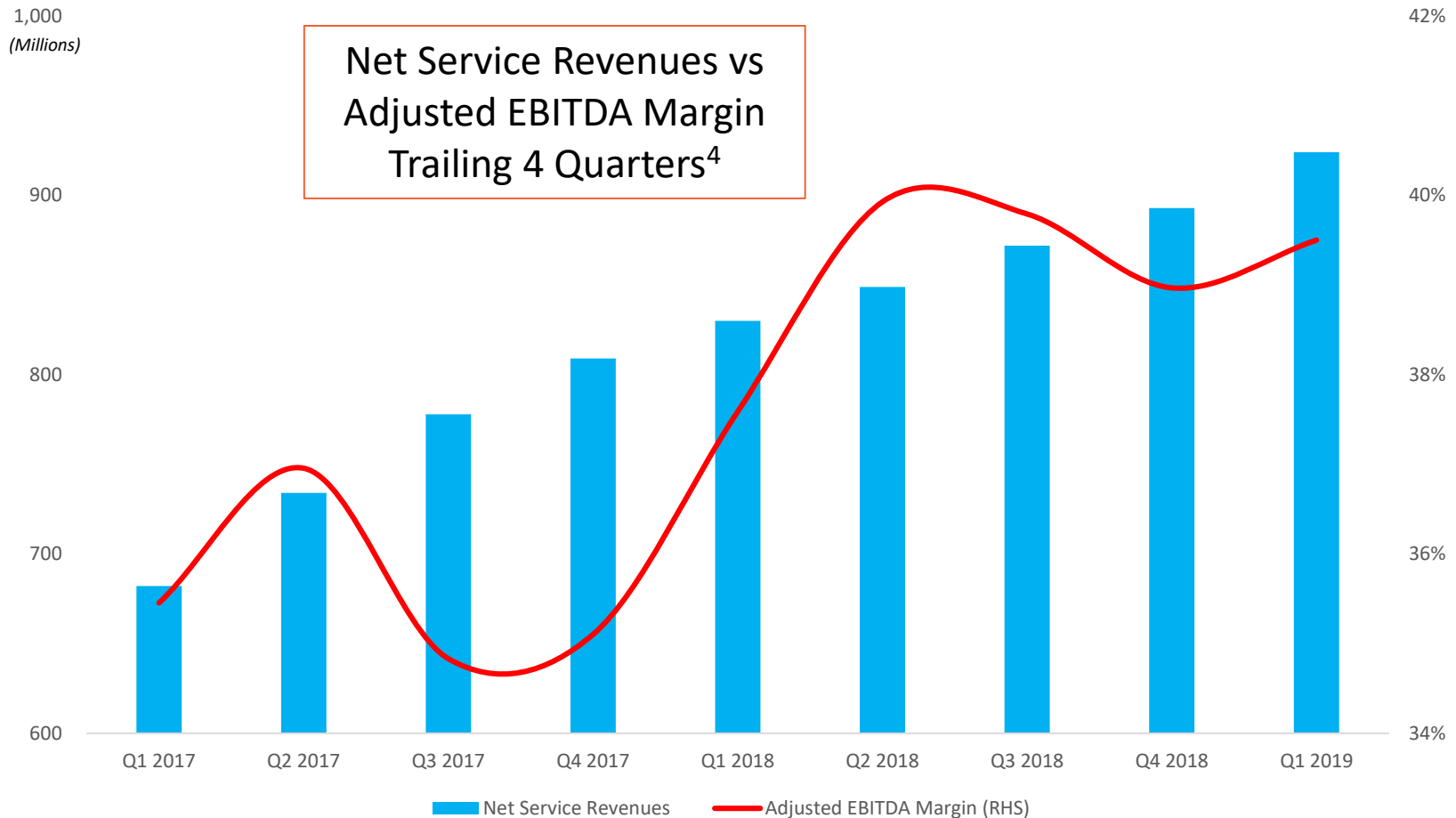
Continued Growth through the Migration



From Q1 2017 through Q1 2019:

- *14% GAAP Revenue growth*
- *4% contraction of Ending WSEs*
- *Increased enrollment in our insurance offerings*

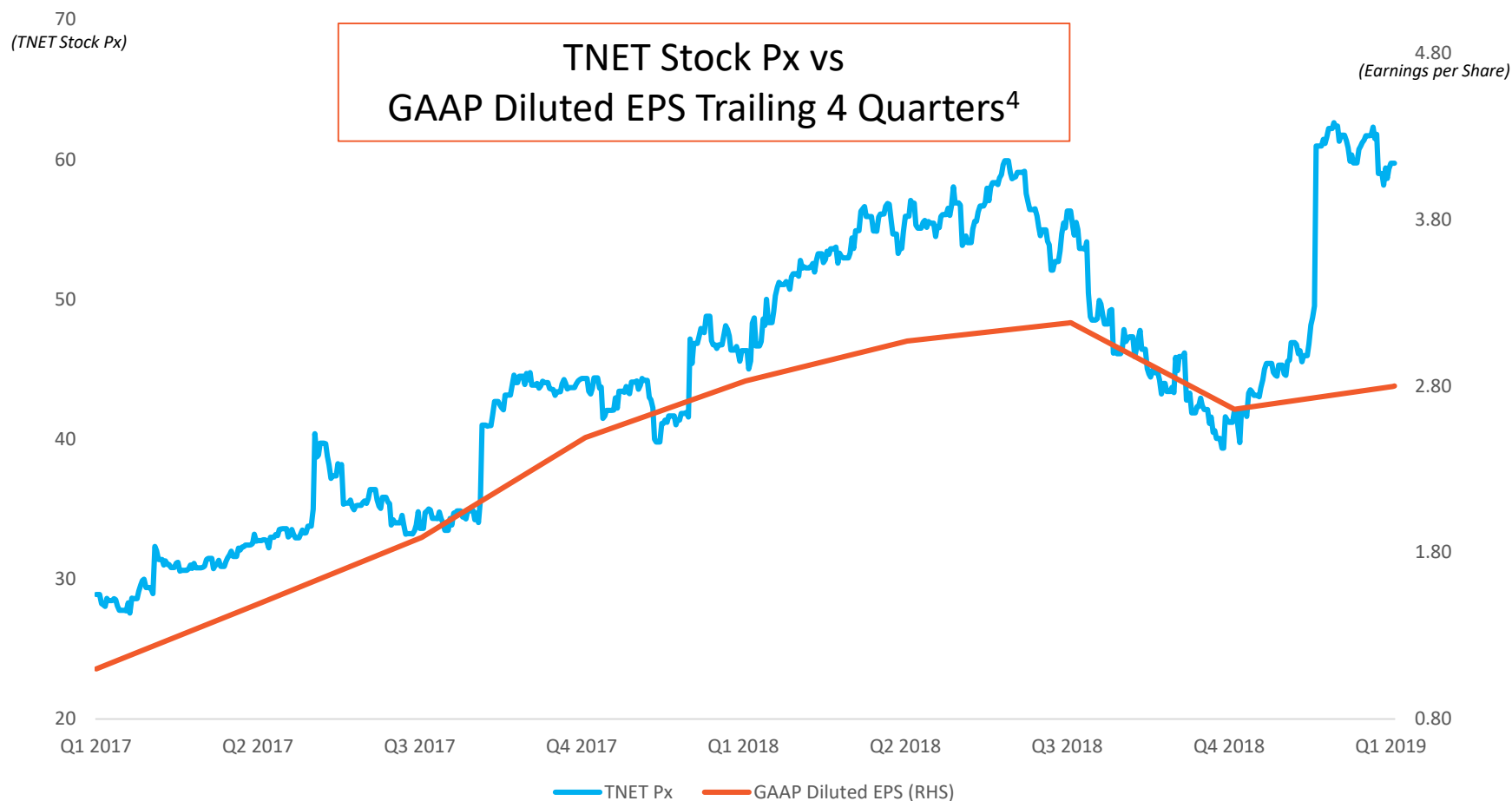
Revenue Growth Paired with Cost Management



From Q1 2017 through Q1 2019:

- *35% Net Service Revenues^{5,6} growth*
- *400 bps expansion in Adjusted EBITDA Margin^{5,6}*

Strong Returns for Shareholders



From Q1 2017 through Q1 2019:

- *60% compounded annual growth⁷ in GAAP Diluted EPS*
- *44% compounded annual growth⁷ in TNET Stock Price*

2019 Growth 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

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



Questions?



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:

	Three Months Ended													
(in millions)	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016	
Total revenues	\$ 934	\$ 917	\$ 875	\$ 850	\$ 861	\$ 848	\$ 818	\$ 801	\$ 808	\$ 811	\$ 770	\$ 746	\$ 733	
Less: Insurance costs	683	692	647	630	641	644	613	600	609	638	609	597	570	
Net Service Revenues	\$ 251	\$ 225	\$ 228	\$ 220	\$ 220	\$ 204	\$ 205	\$ 201	\$ 199	\$ 173	\$ 161	\$ 149	\$ 163	

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

	Three Months Ended													
	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016	
(in millions)														
Net income	\$ 63	\$ 29	\$ 51	\$ 58	\$ 54	\$ 66	\$ 43	\$ 40	\$ 29	\$ 23	\$ 15	\$ 12	\$ 12	
Provision for income taxes	20	13	9	14	13	(22)	15	12	16	15	9	9	9	
Stock-based compensation	9	13	12	10	9	11	8	8	6	6	6	7	7	
Interest expense and bank fees	5	5	5	7	6	5	5	5	5	5	5	5	5	
Depreciation and amortization of intangible assets	11	10	11	10	9	9	9	7	7	7	10	10	9	
Adjusted EBITDA	\$ 108	\$ 70	\$ 88	\$ 99	\$ 91	\$ 69	\$ 80	\$ 72	\$ 63	\$ 56	\$ 45	\$ 43	\$ 42	
Adjusted EBITDA Margin	43%	32%	38%	45%	41%	34%	39%	36%	32%	32%	28%	29%	26%	

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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(in millions)	Three Months Ended March 31,					
	2019			2018		
	Corporate	WSE	Total	Corporate	WSE	Total
Net cash provided by (used in):						
Operating activities	\$ 78	\$ (220)	\$ (142)	\$ 45	\$ (581)	\$ (536)
Investing activities	(11)	—	(11)	2	—	2
Financing activities	(47)	—	(47)	(19)	—	(19)
Net increase (decrease) in cash and cash equivalents, unrestricted and restricted	\$ 20	\$ (220)	\$ (200)	\$ 28	\$ (581)	\$ (553)
Cash and cash equivalents, unrestricted and restricted:						
Beginning of period	425	924	1,349	476	1,262	1,738
End of period	\$ 445	\$ 704	\$ 1,149	\$ 504	\$ 681	\$ 1,185
Net increase (decrease) in cash and cash equivalents:						
Unrestricted	\$ 23	\$ —	\$ 23	\$ (6)	\$ —	\$ (6)
Restricted	(3)	(220)	(223)	34	(581)	(547)

(in millions)	Three Months Ended March 31,					
	2019			2018		
	Corporate	WSE	Total	Corporate	WSE	Total
Net income	\$ 63	\$ —	\$ 63	\$ 54	\$ —	\$ 54
Depreciation and amortization	18	—	18	10	—	10
Stock-based compensation expense	9	—	9	9	—	9
Interest paid	(4)	—	(4)	(4)	—	(4)
Income tax payments, net	(1)	—	(1)	—	—	—
Changes in other operating assets	(4)	(45)	(49)	(2)	(15)	(17)
Changes in other operating liabilities	(3)	(175)	(178)	(22)	(566)	(588)
Net cash provided by (used in) operating activities	\$ 78	\$ (220)	\$ (142)	\$ 45	\$ (581)	\$ (536)

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 The balance represents the results for the trailing four quarters
- 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. 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 Q1 2019 value by the Q1 2017 value and raising the result to the power of one divided by two, the number of years between those values.