

**HR solutions for the people that matter.**

TriNet Group Inc.  
Investor Presentation  
July 2021 – October 2021

# 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 intended to identify forward-looking statements.

Examples of forward-looking statements include, among others, TriNet's guidance and expectations regarding future financial performance and TriNet's expectations regarding: the impact of the COVID-19 pandemic; the impact of our vertical strategy and the ability of that strategy to resonate with our clients and prospective clients; our ability to leverage our scale and industry HR experience to deliver compelling vertical product and service offerings; our ability to generate profitable growth and cash generation; our ability to improve retention, grow new sales and successfully pursue potential acquisitions; planned improvements to our operations, products, services and technology platform; our ability to drive operating efficiencies and improve the customer experience; our ability to grow EPS through operational improvements; the impact of our capital allocation strategy and share repurchase program; the relative value of our benefit offerings versus those SMBs can independently obtain; the principal competitive drivers in our market; our plans to retain clients and manage client attrition; the impact of our investment strategy; seasonal trends and their impact on our business; fluctuations in the period-to-period timing of when we incur certain operating expenses; the estimates and assumptions we use to prepare our financial statements and guidance; and other expectations, outlooks and forecasts on our future business, operational and financial performance.

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](http://www.sec.gov), including risk factors associated with the economic, health and business disruption caused by the COVID-19 pandemic; the impact of the COVID-19 pandemic on our clients and prospects, insurance costs and operations; the impact of the COVID-19 pandemic on the laws and regulations that impact our industry and clients; our ability to mitigate the business risks we face as a co-employer; our ability to manage unexpected changes in workers' compensation and health insurance claims and costs by worksite employees; the effects of volatility in the financial and economic environment on the businesses that make up our client base, and the concentration of our clients in certain geographies and industries; the impact of failures or limitations in the business systems we rely upon; the impact of our Recovery Credit program; adverse changes in our insurance coverage or our relationships with key insurance carriers; our ability to improve our technology to satisfy regulatory requirements and meet the expectations of our clients and manage client attrition; our ability to effectively integrate businesses we have acquired or may acquire in the future; our ability to effectively manage and improve our operational processes; our ability to attract and retain qualified personnel; the effects of increased competition and our ability to compete effectively; the impact on our business of cyber-attacks and security breaches; our ability to secure our information technology infrastructure and our confidential, sensitive and personal information; our ability to comply with constantly evolving data privacy and security laws; our ability to manage changes in, uncertainty regarding, or adverse application of the complex laws and regulations that govern our business; changing laws and regulations governing health insurance and employee benefits; our ability to be recognized as an employer of worksite employees under federal and state regulations; changes in the laws and regulations that govern what it means to be an employer, employee or independent contractor; our ability to comply with the laws and regulations that govern PEOs and other similar industries; the outcome of existing and future legal and tax proceedings; fluctuation in our results of operation and stock price due to factors outside of our control, such as the volume and severity of our workers' compensation and health insurance claims and the amount and timing of our insurance costs, operating expenses and capital expenditure requirements; our ability to comply with the restrictions of our credit facility and meet our debt obligations; and the impact of concentrated ownership in our stock. Any of these factors could cause our actual results to differ materially from our anticipated results.

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. Given these risks and uncertainties, investors are cautioned not to place undue reliance upon any forward-looking statements.

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.

# Disclaimer

## 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, B, C and D.**

# Agenda

Q2 2021 Financial Review

Guidance

Financial Review

TriNet Overview

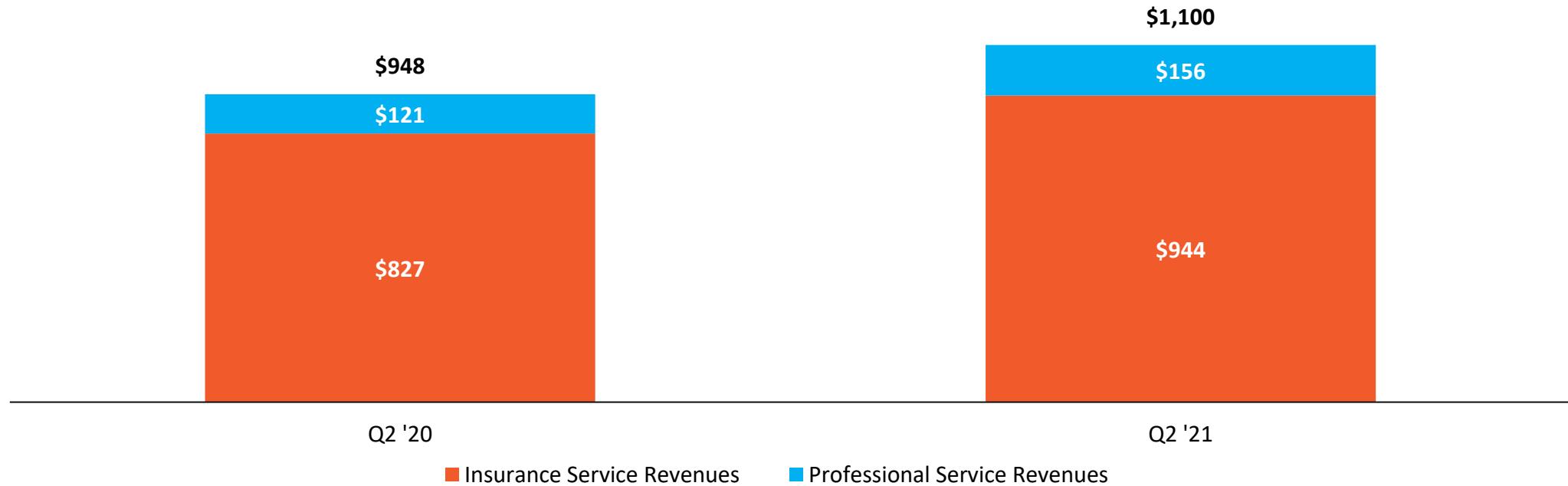
Appendix



# Q2 2021 Financial Review

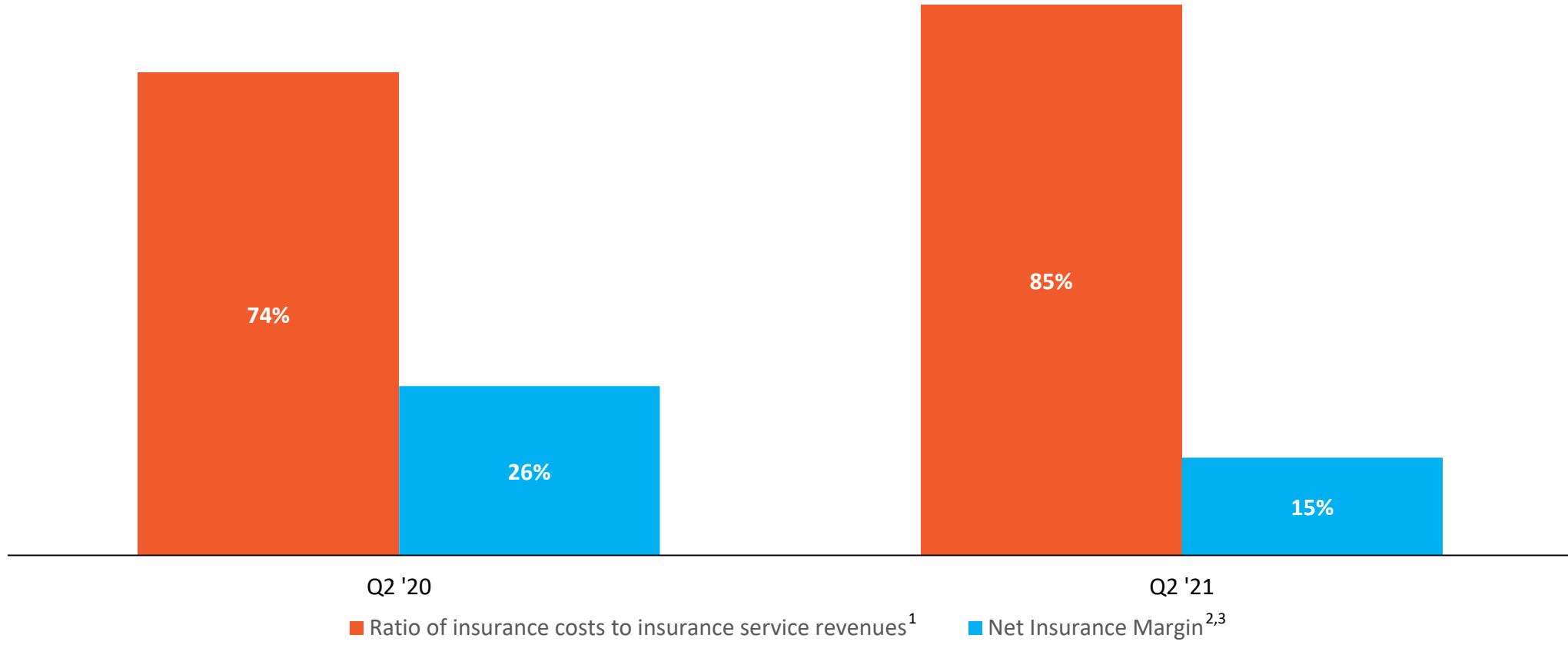
# Q2 2021 Total Revenues

- Q2 '21 Total Revenues increased **16%** year-over-year
- Q2 '21 Professional Service Revenues increased **29%** year-over-year



# Q2 2021 Insurance Cost Performance

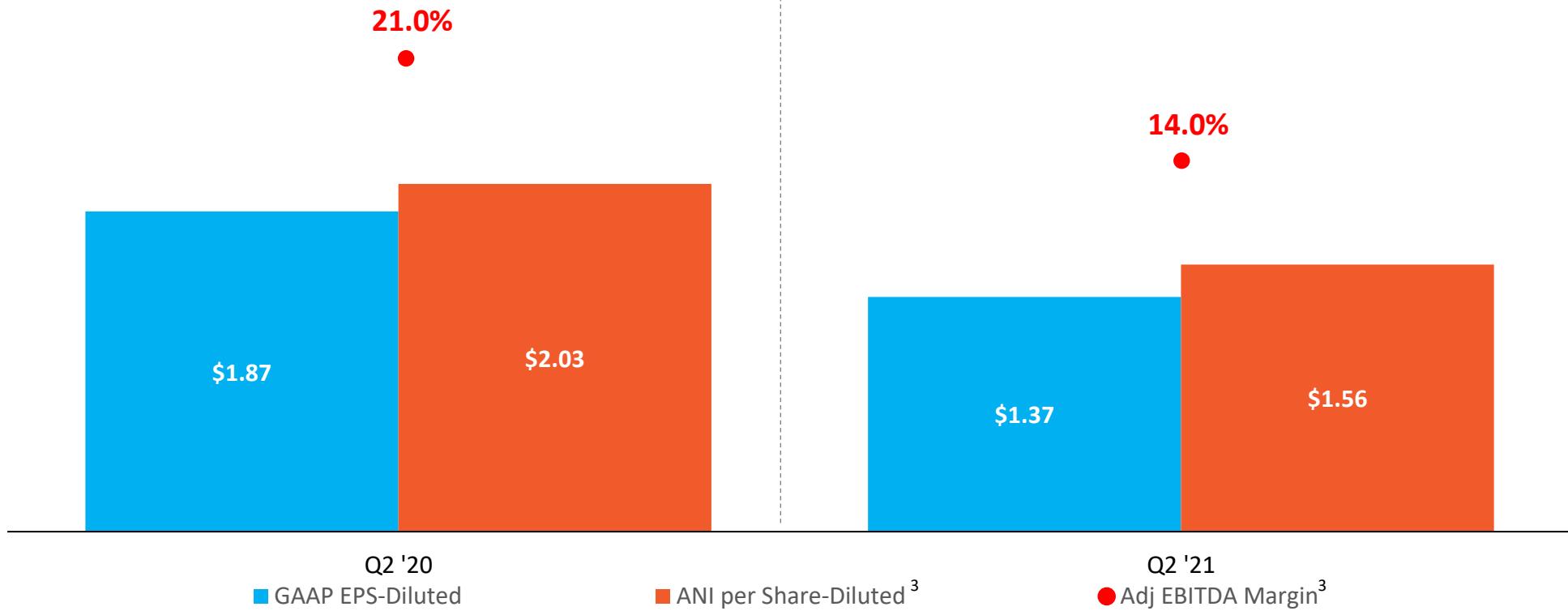
- Q2 '21 ratio of insurance cost to insurance service revenues increased by **11 points** year-over-year with Net Insurance Margin decreased by **11 points**



<sup>1</sup>This ratio is obtained by dividing GAAP insurance costs by GAAP insurance service revenues

# Q2 2021 EPS<sup>6</sup> & Adjusted EBITDA Margin<sup>2,3,4</sup>

- Q2 '21 GAAP and Adjusted Net Income (ANI) per share-diluted<sup>2,3</sup> decreased **27%** and **23%**, respectively





# Guidance

# Guidance

	FY 2021	Q3 2021
GAAP Total Revenue	10% - 12%	15% - 17%
Professional Service Revenue	13% - 15%	15% - 20%
Net Insurance Margin <sup>2,3</sup>	11.5% - 12.5%	8.5% - 10.5%
Ratio of Insurance Costs to Insurance Service Revenues <sup>1</sup>	88.5% - 87.5%	91.5% - 89.5%
GAAP Earnings per Share	\$3.60 - \$4.03	\$0.48 - \$0.72
Adjusted Net Income per Share <sup>3</sup>	\$4.25 - \$4.70	\$0.62 - \$0.87

\* See Appendix C for reconciliation of non-GAAP metrics

<sup>1</sup>This ratio is obtained by dividing GAAP insurance costs by GAAP insurance service revenues

# Financial Review

# Financial Model

## Revenue Growth

- Vertical strategy drives volume growth
- Customer experience drives retention
- Insurance products priced to risk

## EPS Growth from Operational Improvements

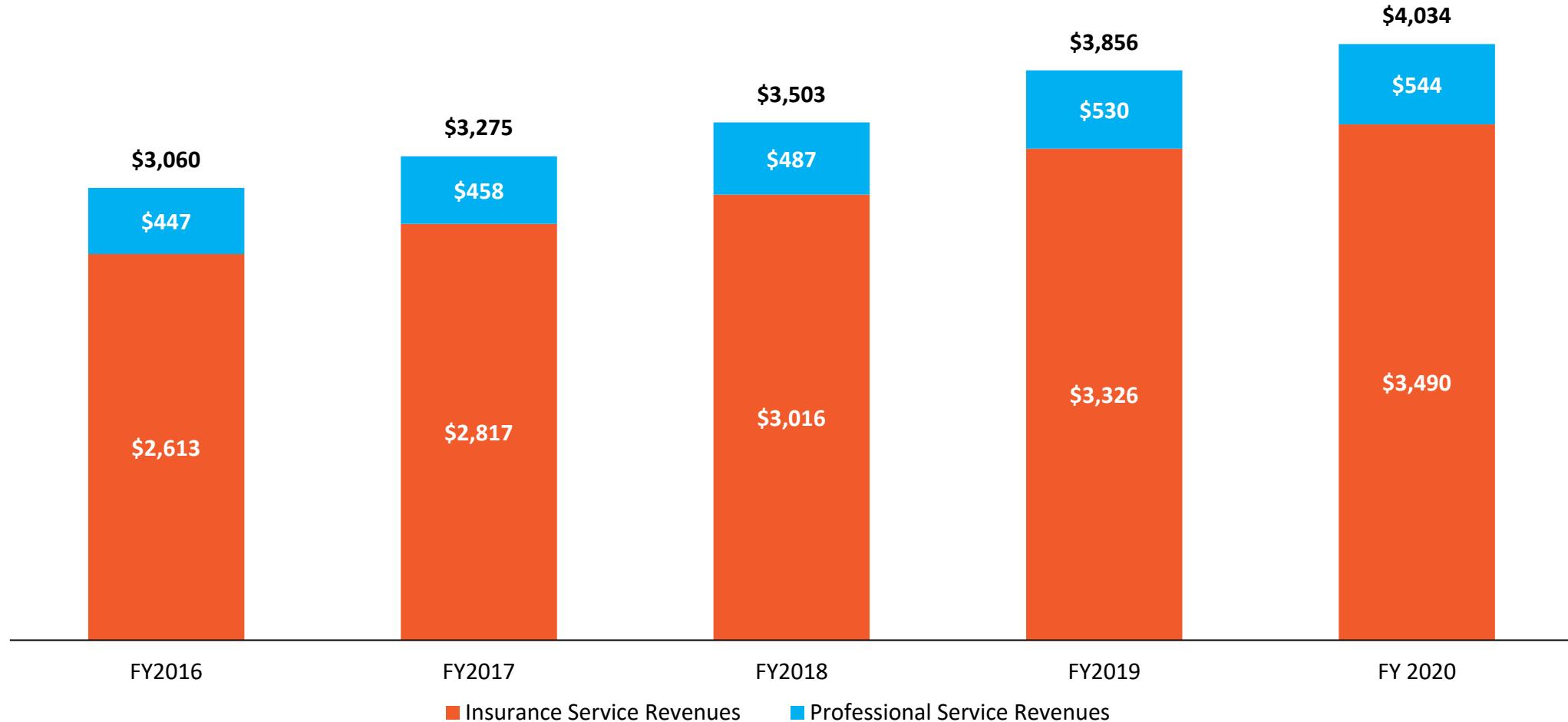
- Improve our single platform
- Use scale to reduce plan administrative costs
- Process improvements

## Strong Corporate Operating Cash Flow\*

- Efficient Working Capital
- CAPEX light
- Profitability supported by corporate operating cash flows

\* See Appendix B for definition.

# Consistent Total Revenues<sup>4</sup> Growth

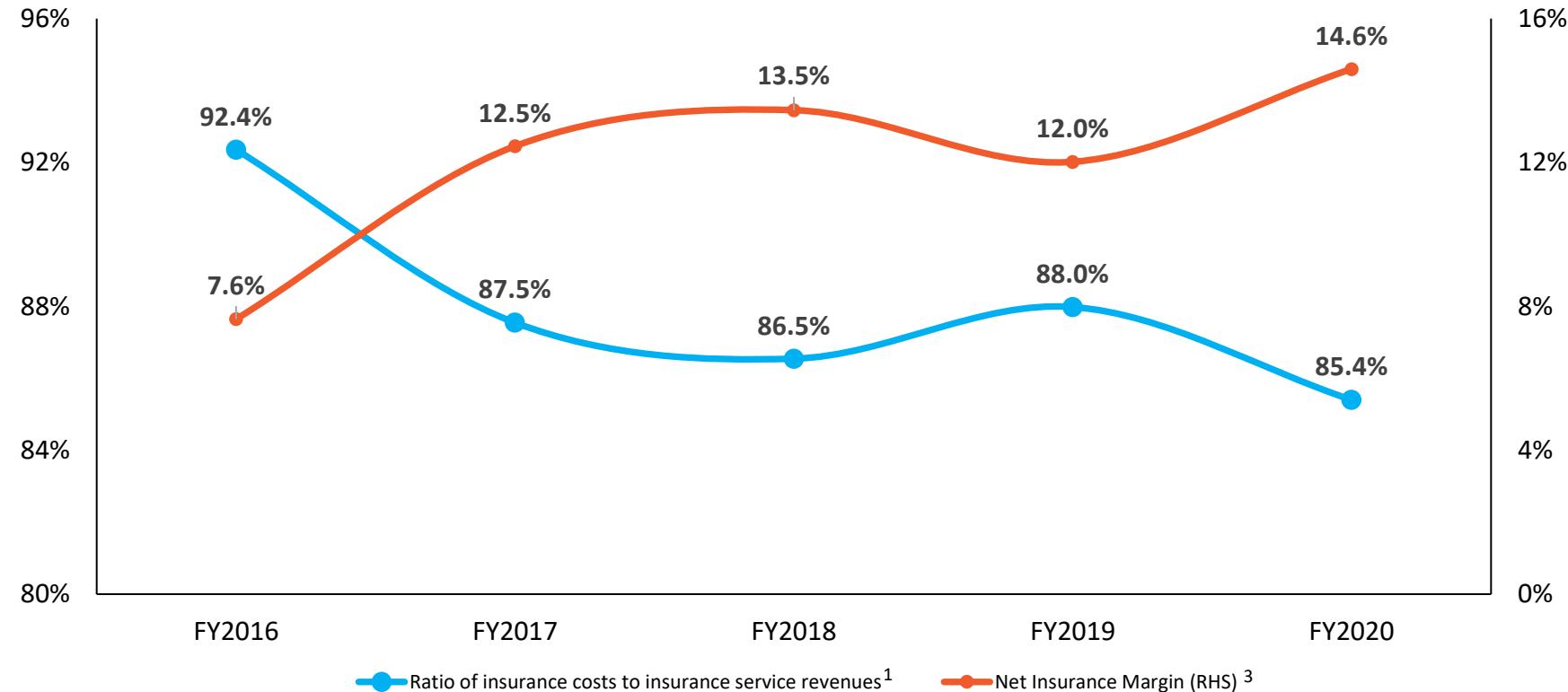


7% Total Revenues CAGR<sup>5</sup> From 2016 Through 2020

# Historical Insurance Cost Performance Comparison<sup>2,3</sup>

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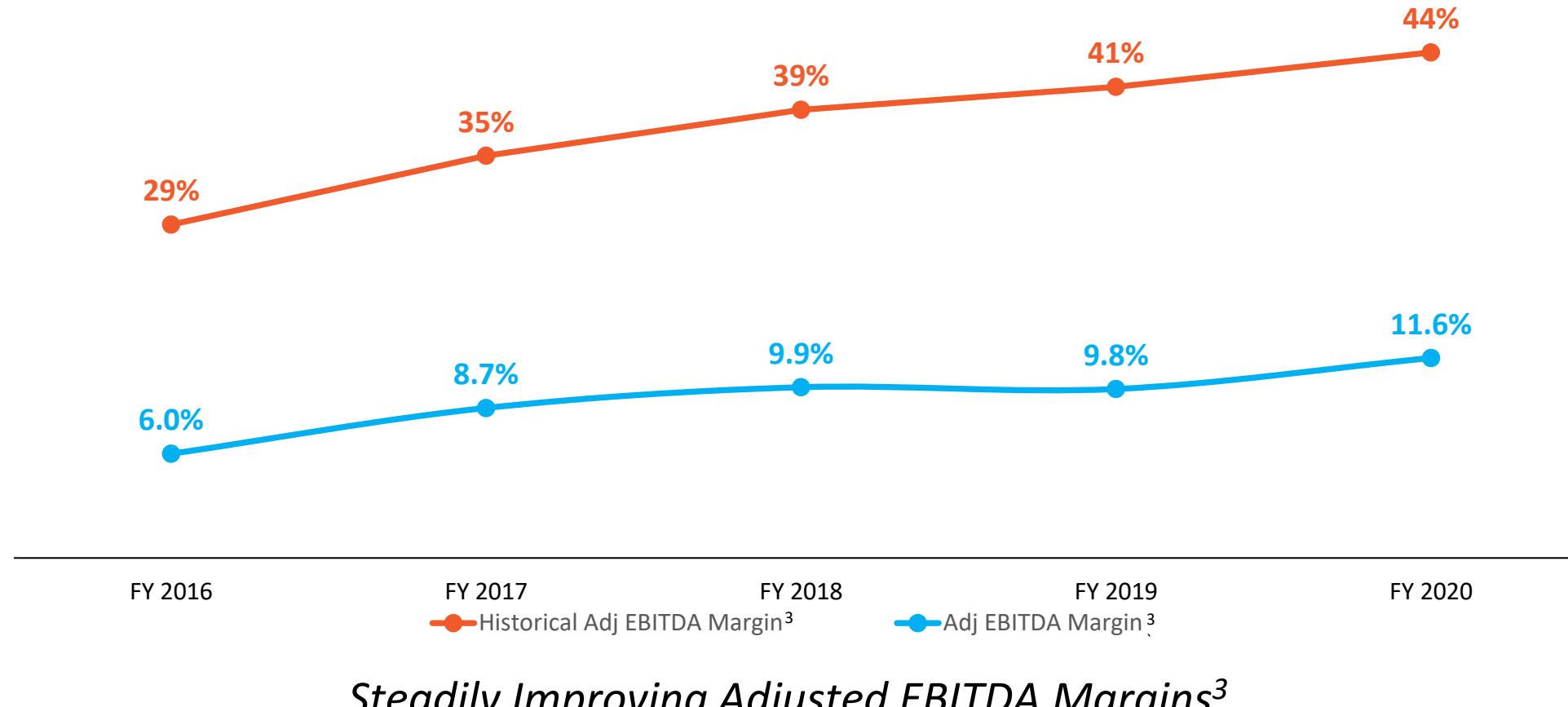
Comparison of Insurance Cost Performance  
FY2016 - FY2020



*Multi-year improvement and stabilization in Insurance Cost performance*

<sup>1</sup>This ratio is obtained by dividing GAAP insurance costs by GAAP insurance service revenues

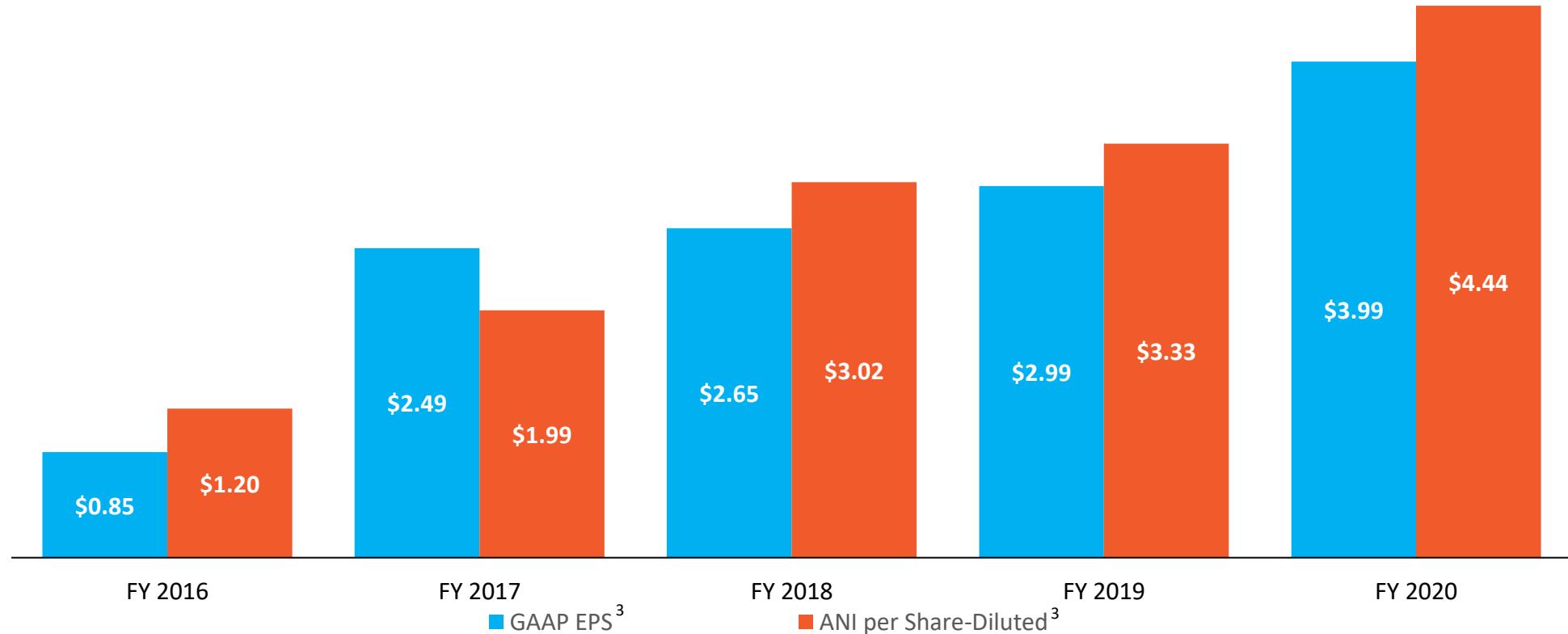
# Adjusted EBITDA Margin Comparison



Historical Adjusted EBITDA Margin provided solely to help readers understand our new Adjusted EBITDA Margin calculation, which uses Total Revenues in the denominator. We are discontinuing the use of Historical Adjusted EBITDA Margin.

# Attractive EPS<sup>4</sup> Growth

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*47% GAAP EPS CAGR<sup>5</sup> and 39% Adjusted EPS<sup>3</sup> CAGR<sup>5</sup> From 2016 Through 2020*

# 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 and return capital to shareholders opportunistically

# TriNet Overview

# 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

# Large Market Opportunity

**~61 million**

Number of Employees who work for companies with 500 or fewer employees

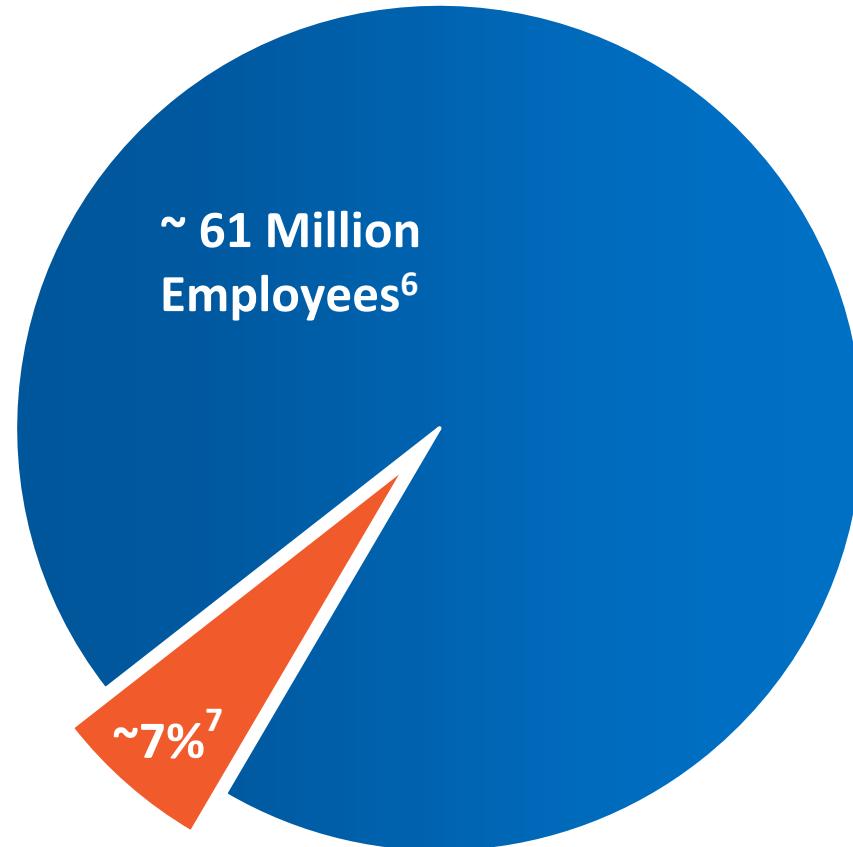
**7%**

Approximate percentage of SMB Worksite Employees (WSEs) who work for SMBs using a PEO

**480+**

PEO industry is made up of over 480 PEO service providers<sup>7</sup>

## Underpenetrated SMB Market



# Challenges Facing SMBs



## Compliance

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

## Complexity

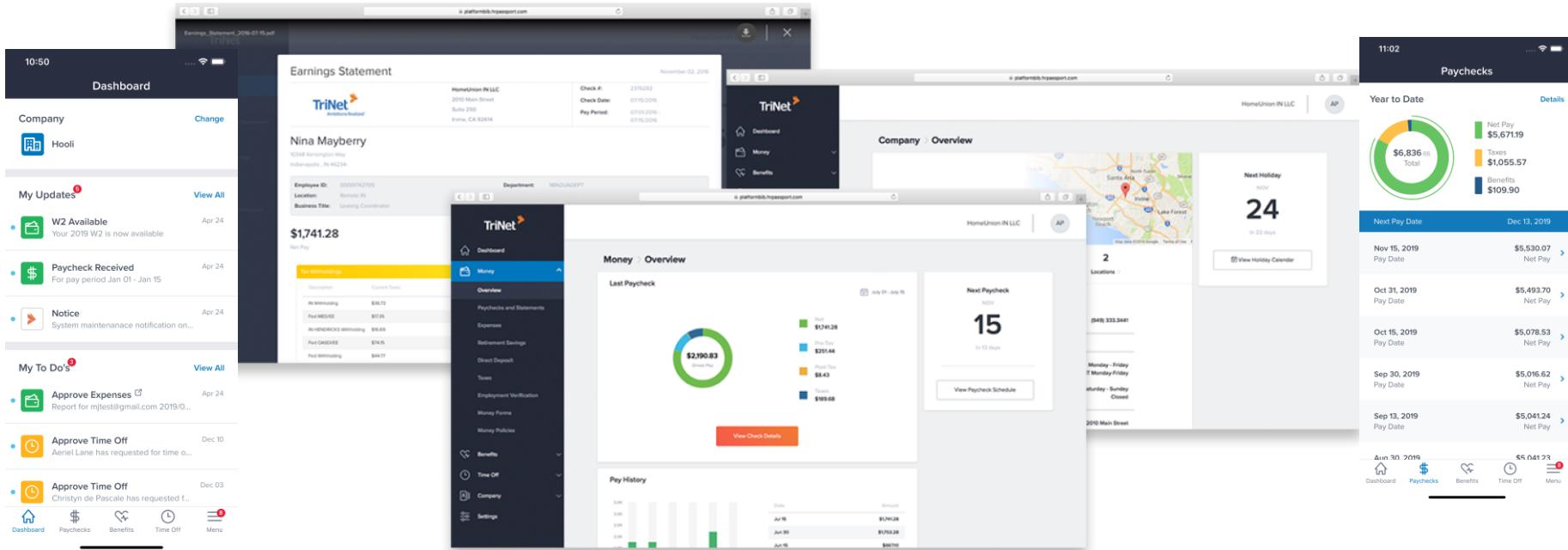
- Federal, state, and local regulations continue to diverge
- Managing HR across multiple jurisdictions

## 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

# Technology Enabled Business Services Company

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- Benefits Enrollment
- New Hire Onboarding
- Automatic Payroll
- Workforce Analytics
- Mobile
- Time Tracking
- Expense Management
- Marketplace
- Integration Center

# Common Product and Service Capabilities



## HR Expertise

- ACA compliance guidance
- Employee onboarding and orientation
- Benefits funding guidance and strategy
- Employee resource center
- HR compliance best practices review
- Human Capital Assessment
- Retention tracking
- Support hiring/terminating
- Assists with reporting and analytics
- Immigration services
- PTO policies and guidance
- Recruitment and interview training



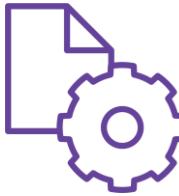
## Benefit Options

- Medical (PPO, HMO, HDHP)
- Dental
- Vision
- Flexible Spending Account (FSA) and Health Savings Account (HSA) administration
- Life/AD&D
- Short-term and long-term disability
- COBRA administration
- 401(k) setup and administration
- Payroll contributions
- Benefits enrollment and administrative access
- Employee Assistance Program (EAP)
- Employee discounts and perks
- Commuter benefits
- Pet insurance



## Payroll Services

- Payroll processing and management
- Online paystubs
- Federal, state, and local employment tax filing and remittance
- W-2 administration
- Wage garnishment
- Payroll reporting
- Direct deposit



## Risk Mitigation

- Workers' compensation
- Employment Practices Liability Insurance (EPLI)
- Compliance expertise for applicable federal/state employment laws
- Sexual harassment awareness training
- Unemployment insurance claim administration
- Workplace safety best practices
- Claims management
- Affordable Care Act compliance
- Employee handbook
- EEO-1 reporting
- Termination guidance
- Workplace employment posters
- Wage and hour guidance



## Technology Platform

- Employee and manager self-service platform
- Online on-boarding and benefits enrollment
- PTO tracking
- Database management and custom reporting
- Online training
- Performance management
- Expense management
- Applicant tracking
- Background screening
- Compensation benchmarks
- Total compensation statements
- HR reports (census, payroll, deductions, benefits, etc.)
- Visa tracking

# Customer Service Model

RAPID ACCESS TO HR EXPERTISE: WHEN THEY WANT, HOW THEY WANT



On-demand support



# Vertical Strategy



**Full-service HR** solutions tailored to our targeted Verticals

- Different industries have different needs
- SMBs want partners who know their industries and can scale with them
- Vertical Strategy aligns sales force, service teams, and product development
- Focused development and enhancement of vertical products on our platform

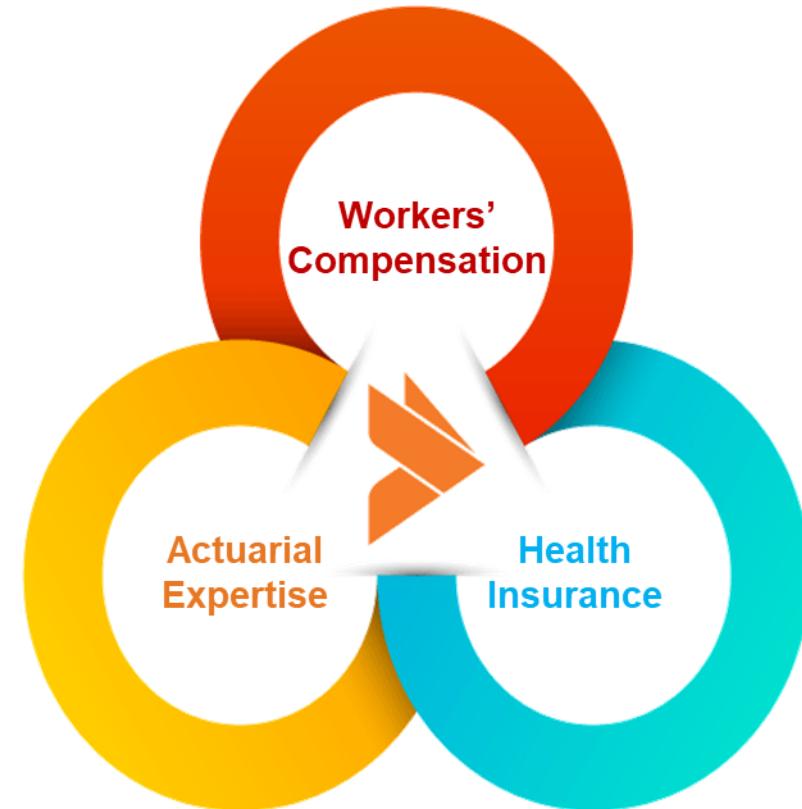
# Insurance Services

## 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
- We manage an aggregate deductible layer for the majority of our group health insurance fees.
- By managing this deductible layer, we work with our carrier partners to construct offerings we believe will be more attractive to our target verticals



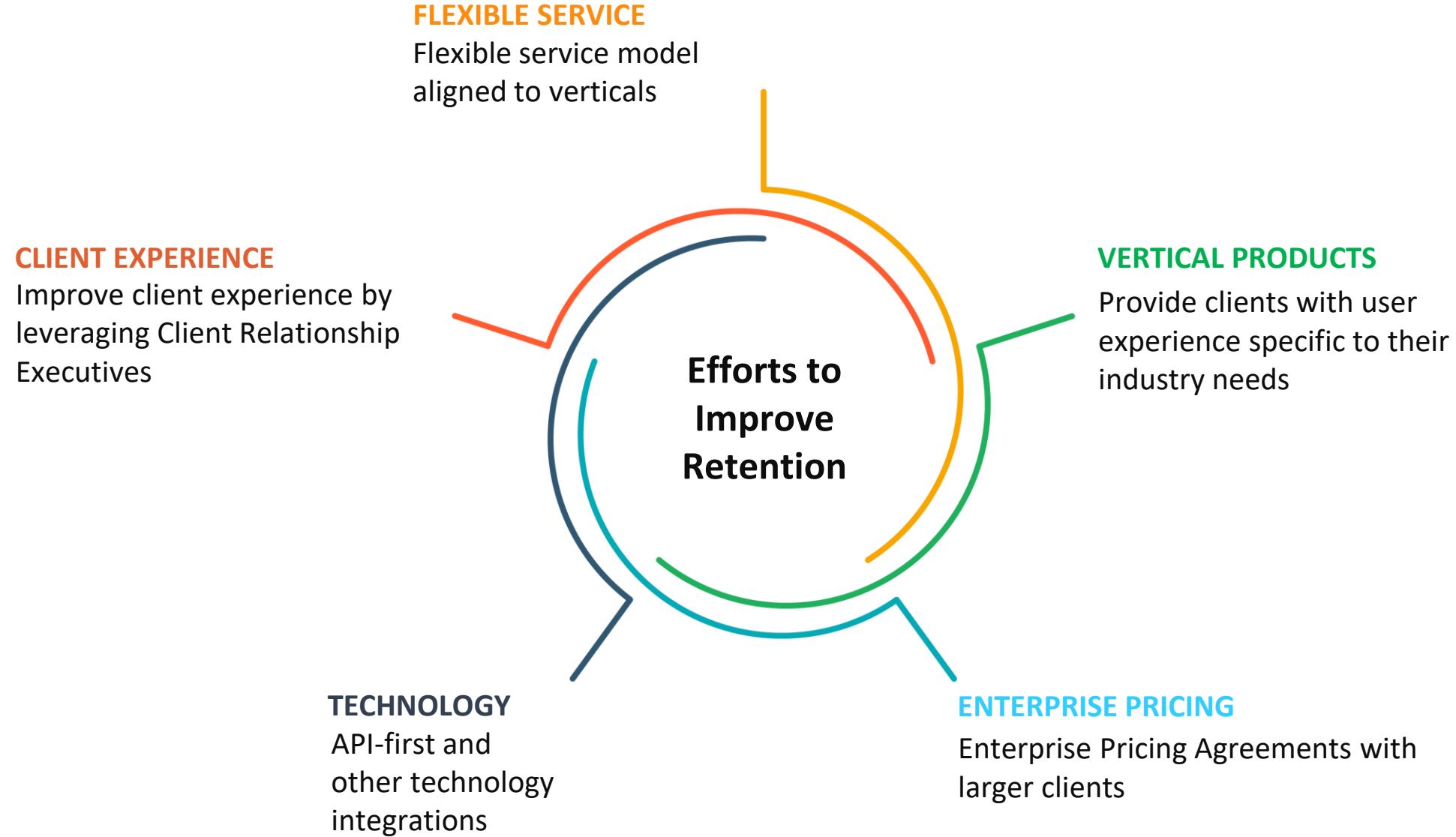
# Growth Strategy

1 Retention

2 New Sales

3 Acquisitions

# Retention



Vertical Strategy Focuses  
our Salesforce  
on Value Sale

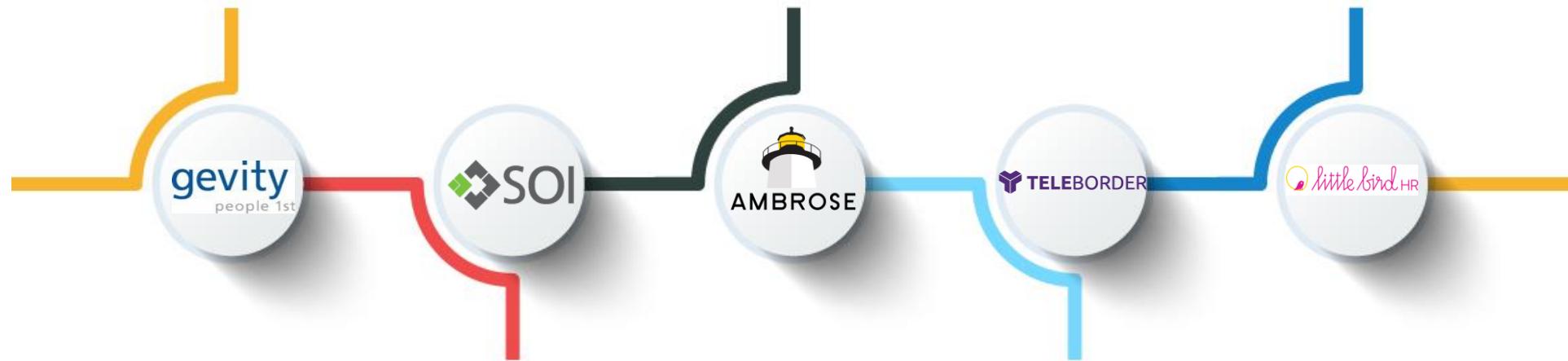
Leverage the **TriNet** organization to achieve accelerated top line growth

- Sales and Marketing partnering to drive accelerating lead generation
- Build on our channel successes
- Increase field productivity with a focus on sales team and sales representative development

# Acquisitions

## 2009

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



## 2016

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

# Appendix

# 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,				
	2020	2019	2018	2017	2016
Total revenues	\$ 4,034	\$ 3,856	\$ 3,503	\$ 3,275	\$ 3,060
Less: Insurance costs	2,979	2,927	2,610	2,466	2,414
<b>Net Service Revenues</b>	<b>\$ 1,055</b>	<b>\$ 929</b>	<b>\$ 893</b>	<b>\$ 809</b>	<b>\$ 646</b>

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

(in millions)	Year Ended December 31,				
	2020	2019	2018	2017	2016
Insurance service revenues	\$ 3,490	\$ 3,326	\$ 3,016	\$ 2,817	\$ 2,613
Less: Insurance costs	2,979	2,927	2,610	2,466	2,414
<b>Net Insurance Service Revenues</b>	<b>\$ 511</b>	<b>\$ 399</b>	<b>\$ 406</b>	<b>\$ 351</b>	<b>\$ 199</b>
<b>Net Insurance Margin</b>	<b>15 %</b>	<b>12 %</b>	<b>13 %</b>	<b>12 %</b>	<b>8 %</b>

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

(in millions)	Year Ended December 31,				
	2020	2019	2018	2017	2016
Net income	\$ 272	\$ 212	\$ 192	\$ 178	\$ 61
Provision for income taxes	85	58	49	22	43
Stock based compensation	43	41	44	32	26
Interest expense and bank fees	21	21	22	20	20
Depreciation and amortization of intangible assets	47	46	40	33	35
<b>Adjusted EBITDA</b>	<b>\$ 468</b>	<b>\$ 378</b>	<b>\$ 347</b>	<b>\$ 285</b>	<b>\$ 185</b>
<b>Adjusted EBITDA Margin (as previously presented)</b>	<b>44 %</b>	<b>41 %</b>	<b>39 %</b>	<b>35 %</b>	<b>29 %</b>
<b>Adjusted EBITDA Margin (current presentation)</b>	<b>11.6 %</b>	<b>9.8 %</b>	<b>9.9 %</b>	<b>8.7 %</b>	<b>6.0 %</b>

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

(in millions)	Year Ended December 31,				
	2020	2019	2018	2017	2016
Net income	\$ 272	\$ 212	\$ 192	\$ 178	\$ 61
Effective income tax rate adjustment	(6)	(11)	(13)	(59)	(1)
Stock based compensation	43	41	44	32	26
Amortization of intangible assets	5	5	5	5	16
Non-cash interest expense	1	1	4	2	4
Income tax impact of pre-tax adjustments	(12)	(12)	(14)	(16)	(19)
<b>Adjusted Net Income</b>	<b>\$ 303</b>	<b>\$ 236</b>	<b>\$ 218</b>	<b>\$ 142</b>	<b>\$ 87</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)	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Total revenues	\$ 1,100	\$ 948	\$ 2,160	\$ 1,996
Less: Insurance costs	798	613	1,549	1,378
<b>Net Service Revenues</b>	<b>\$ 302</b>	<b>\$ 335</b>	<b>\$ 611</b>	<b>\$ 618</b>

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

(in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Insurance service revenues	\$ 944	\$ 827	\$ 1,851	\$ 1,719
Less: Insurance costs	798	613	1,549	1,378
<b>Net Insurance Service Revenues</b>	<b>\$ 146</b>	<b>\$ 214</b>	<b>\$ 302</b>	<b>\$ 341</b>
<b>NIM</b>	<b>15 %</b>	<b>26 %</b>	<b>16 %</b>	<b>20 %</b>

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

(in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Net income	\$ 91	\$ 126	\$ 192	\$ 217
Provision for income taxes	26	45	60	75
Stock based compensation	13	11	24	20
Interest expense, bank fees and other	5	4	10	8
Depreciation and amortization of intangible assets <sup>1</sup>	19	13	31	24
<b>Adjusted EBITDA</b>	<b>\$ 154</b>	<b>\$ 199</b>	<b>\$ 317</b>	<b>\$ 344</b>
<b>Adjusted EBITDA Margin</b>	<b>14.0 %</b>	<b>21.0 %</b>	<b>14.7 %</b>	<b>17.2 %</b>

<sup>(1)</sup> Amount includes impairment of customer relationship intangibles and amortization of cloud computing arrangements included in operating expenses.

The table below presents a reconciliation of net income to Adjusted Net Income and Adjusted Net Income per share - diluted:

(in millions, except per share data)	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Net income	\$ 91	\$ 126	\$ 192	\$ 217
Effective income tax rate adjustment	(4)	1	(4)	1
Stock based compensation	13	11	24	20
Amortization of intangible assets <sup>1</sup>	9	1	10	3
Non-cash interest expense	1	—	3	—
Income tax impact of pre-tax adjustments	(6)	(3)	(10)	(6)
<b>Adjusted Net Income</b>	<b>\$ 104</b>	<b>\$ 136</b>	<b>\$ 215</b>	<b>\$ 235</b>
<b>GAAP weighted average shares of common stock - diluted</b>	<b>67</b>	<b>68</b>	<b>67</b>	<b>69</b>
<b>Adjusted Net Income per share - diluted</b>	<b>\$ 1.56</b>	<b>\$ 2.03</b>	<b>\$ 3.20</b>	<b>\$ 3.39</b>

<sup>(1)</sup> Amount includes impairment of customer relationship intangibles.

## Appendix B

Please refer to our most recent Annual Report and Quarterly Reports 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,					
	2021			2020		
	Corporate	WSE	Total	Corporate	WSE	Total
<b>Net cash provided by (used in):</b>						
Operating activities	\$ 240	\$ (430)	\$ (190)	\$ 315	\$ (445)	\$ (130)
Investing activities	(128)	(7)	(135)	(35)	(86)	(121)
Financing activities	43	—	43	122	—	122
<b>Net increase (decrease) in cash and cash equivalents, unrestricted and restricted</b>	<b>\$ 155</b>	<b>\$ (437)</b>	<b>\$ (282)</b>	<b>\$ 402</b>	<b>\$ (531)</b>	<b>\$ (129)</b>
<b>Cash and cash equivalents, unrestricted and restricted:</b>						
<b>Beginning of period</b>	<b>352</b>	<b>1,291</b>	<b>1,643</b>	<b>291</b>	<b>1,165</b>	<b>1,456</b>
<b>End of period</b>	<b>\$ 507</b>	<b>\$ 854</b>	<b>\$ 1,361</b>	<b>\$ 693</b>	<b>\$ 634</b>	<b>\$ 1,327</b>

Net increase (decrease) in cash and cash equivalents:

Unrestricted	\$ 163	\$ —	\$ 163	\$ 424	\$ —	\$ 424
Restricted	(8)	(437)	(445)	(22)	(531)	(553)

Components of net cash provided by operating activities are as follows:

(in millions)	Six Months Ended June 30,	
	2021	2020
<b>Net cash used in operating activities</b>	<b>\$ (190)</b>	<b>\$ (130)</b>
<b>Net cash used in operating activities - WSE</b>	<b>(430)</b>	<b>\$ (445)</b>
<b>Net cash provided by operating activities - Corporate</b>	<b>240</b>	<b>315</b>

# Appendix C – Guidance Reconciliation

## *Reconciliation of GAAP to Non-GAAP Measures for the third quarter and full-year 2021 guidance.*

Low and high percentages represent increases (decreases) from the same period in the previous year.

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

(in millions)	Q3 2020		Q3 2021 Guidance		FY 2020		Year 2021 Guidance	
	Actual	Low	High	Actual	Low	High		
Insurance service revenues	\$ 849	14 %	17 %	\$ 3,490	10 %	11 %		
Less: Insurance costs	759	17	17	2,979	14	14		
<b>Net Insurance Service Revenues</b>	<b>\$ 90</b>	<b>(8)%</b>	<b>16 %</b>	<b>\$ 511</b>	<b>(14)%</b>	<b>(5)%</b>		
NIM	10.6 %	8.5 %	10.5 %	14.6 %	11.5 %	12.5 %		
<b>Ratio of insurance costs to insurance service revenues</b>	<b>89 %</b>	<b>91.5 %</b>	<b>89.5 %</b>	<b>85 %</b>	<b>88.5 %</b>	<b>87.5 %</b>		

The table below presents a reconciliation of net income to Adjusted Net Income and Adjusted Net Income per share - diluted:

(in millions, except per share data)	Q3 2020		Q3 2021 Guidance		FY 2020		Year 2021 Guidance	
	Actual	Low	High	Actual	Low	High		
Net income	\$ 33	(1)%	49 %	\$ 272	(12)%	(1)%		
Effective income tax rate adjustment	(4)	(36)	(54)	(6)	13	(4)		
Stock based compensation	11	32	32	43	23	23		
Amortization of intangible assets <sup>1</sup>	1	3	3	5	136	136		
Non-cash interest expense	1	28	28	1	287	287		
Income tax impact of pre-tax adjustments	(3)	29	29	(12)	39	39		
<b>Adjusted Net Income</b>	<b>\$ 39</b>	<b>11 %</b>	<b>55 %</b>	<b>\$ 303</b>	<b>(6)%</b>	<b>4 %</b>		
<b>GAAP weighted average shares of common stock - diluted</b>	<b>68</b>			<b>68</b>				
<b>Adjusted Net Income per share - diluted</b>	<b>\$ 0.56</b>	<b>\$ 0.62</b>	<b>\$ 0.87</b>	<b>\$ 4.44</b>	<b>\$ 4.25</b>	<b>\$ 4.70</b>		

<sup>(1)</sup> Guidance amounts includes impairment of customer relationship intangibles.

# Appendix D – End Notes

- <sup>1</sup> Insurance costs to insurance service revenues ratio, or Insurance Cost Ratio, is a ratio obtained by dividing GAAP Insurance Costs by GAAP Insurance Service Revenues.
- <sup>2</sup> Non-GAAP financial measure. See End Note 4, Slide 2 and Appendix A and/or Appendix C 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.
- <sup>3</sup> 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 Net Income per share – diluted is a non-GAAP measure calculated by dividing Adjusted Net Income by GAAP Weighted average shares of common stock – diluted. Adjusted EBITDA is a non-GAAP measure calculated as Net income, excluding the effects of income tax provision, interest expense, bank fees and other, depreciation, amortization of intangible assets, and stock-based compensation expense. 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 Total Revenues. Historical Adjusted EBITDA Margin is a non-GAAP measure calculated by dividing non-GAAP measures Adjusted EBITDA by Net Service Revenues.
- <sup>4</sup> For more information regarding these measures, please see our Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q, including under the headings “Management’s Discussion and Analysis of Financial Condition and Results of Operations”. Our most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, which are available on our investor relations website at <http://investor.trinet.com> and on the SEC’s website at [www.sec.gov](http://www.sec.gov). Copies of these filings are also available by contacting TriNet Corporation’s Investor Relations Department at (510) 875-7201 or by clicking on the links under SEC Filings on TriNet’s Investor Relations website at <http://investor.trinet.com>.
- <sup>5</sup> Compounded Annual Growth Rate. CAGR is the percentage obtained by dividing the FY2020 value by the FY2016 value and raising the result to the power of one divided by four, the number of years between those values.
- <sup>6</sup> US Census Bureau, *2018 SUSB Annual Data Tables by Establishment Industry*; the total number of employees employed by firms with 500 or fewer employees.
- <sup>7</sup> National Association of Professional Employer Organizations (NAPEO); NAPEO White Paper Series #9, *The PEO Industry Footprint 2021*, May 2021.