



# HR solutions for the people that matter.

TriNet Group Inc.  
Investor Presentation  
April 2022 – July 2022

# 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: our acquisition of Zenefits our ability to diversify our offerings and grow the Zenefits client base, the desirability of our new our HCM business and platform as an alternative to PEO for different SMBs, 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 manage unexpected changes in workers’ compensation and health insurance claims and costs by worksite employees; our ability to mitigate the business risks we face as a co-employer; 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; loss of clients for reasons beyond our control; the short-term contracts we typically use with our clients; the impact of regional or industry-specific economic and health factors on our operations; the impact of failures or limitations in the business systems we rely upon; the impact of our 2020 Recovery Credit program and 2021 Credit Program; adverse changes in our insurance coverage or our relationships with key insurance carriers; our ability to improve our services and 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

Q1 Financial Highlights

Financial Review

Guidance

TriNet Overview

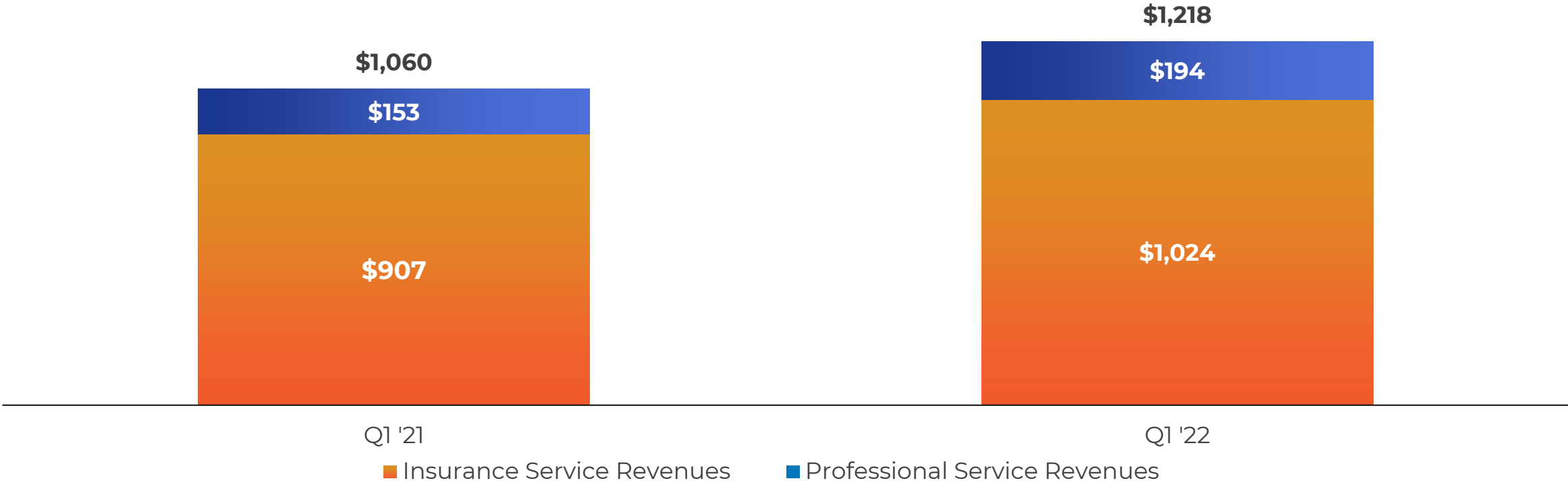
Growth Strategy

Appendix

# Q1 Financial Highlights

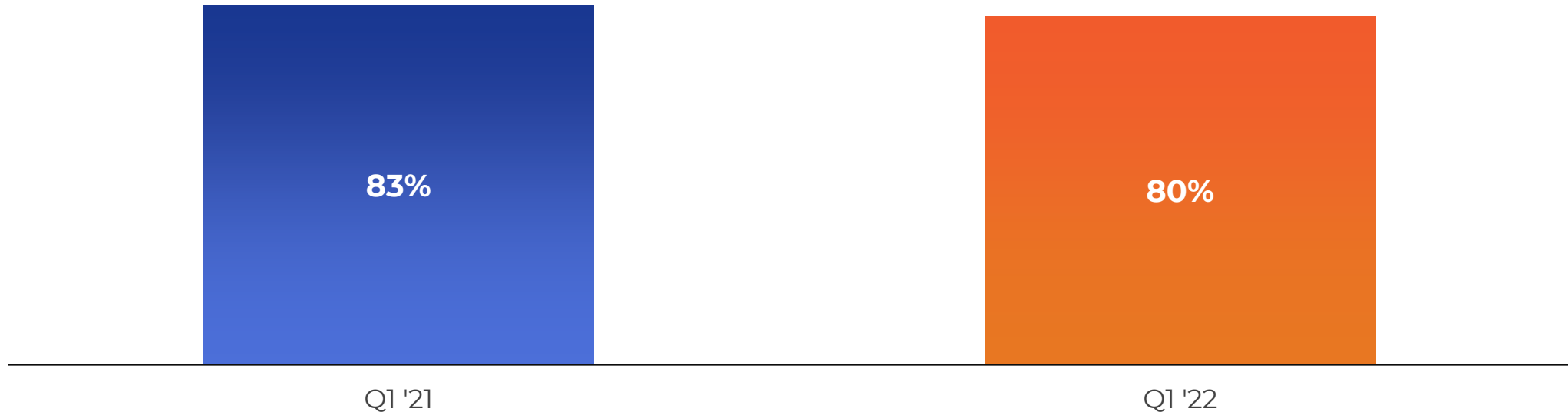
# Q1 Total Revenues<sup>4</sup>

- In Q1 '22, Total Revenues increased **15%** year-over-year, and Professional Service Revenues increased **27%** year-over-year



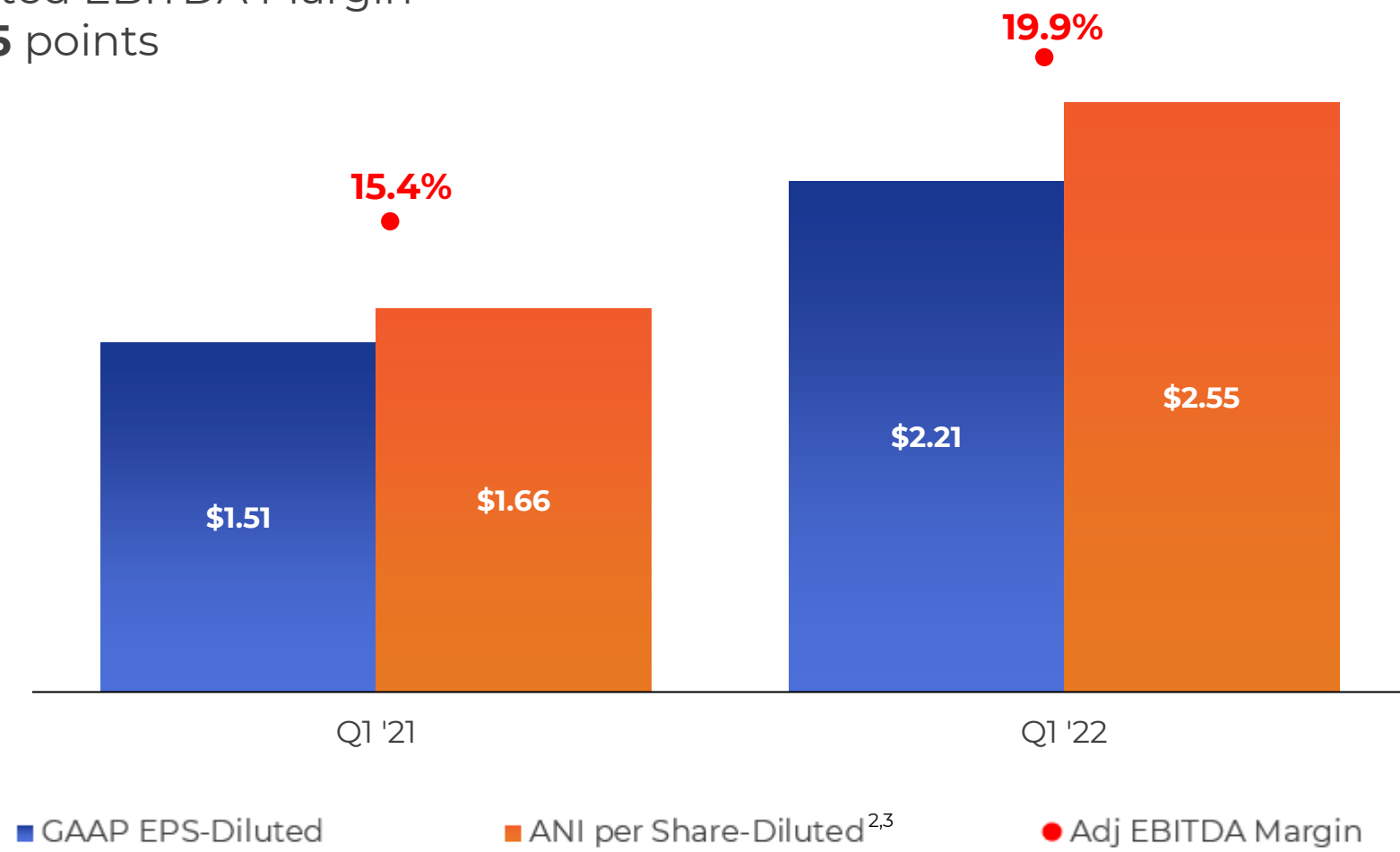
# Q1 Insurance Cost Ratio<sup>4</sup>

- Insurance Cost Ratio<sup>1</sup> declined by approximately **3 points** year-over-year in Q1 '22
- The year-over-year decline of our Q1 '22 Insurance Cost Ratio was most impacted by the \$25 million reduction in Insurance Service Revenues from the 2021 Credit Program



# Q1 2022 EPS<sup>4</sup> & Adjusted EBITDA Margin<sup>2,3,4</sup>

- GAAP and Adjusted Net Income (ANI) per share-diluted<sup>2,3</sup> in Q1 '22 increased **46%** and **54%**, respectively
- For Q1 '22, Adjusted EBITDA Margin<sup>2,3</sup> expanded by **4.5** points







# Guidance\*

	FY 2022	Δ	Q2 2022
GAAP Total Revenue	7% - 9%	+2%	8% - 9%
Professional Service Revenue	15% - 18%	+9%	14% - 15%
Insurance Cost Ratio <sup>1</sup>	89.0% - 88.0%		88.5% - 87.5%
GAAP Earnings per Share	\$3.28 - \$3.91	-\$0.60	\$0.69 - \$0.80
Adjusted Net Income per Share <sup>3</sup>	\$4.70 - \$5.35	+\$0.15	\$1.10 - \$1.21

\* See Appendix C for a GAAP to Non-GAAP reconciliation of the guidance above.

\* FY 2022 GAAP Total Revenue and Professional Service Revenue include \$40-45 million of TriNet Zenefits Revenue

\* FY 2022 GAAP Earnings per Share includes incremental expenses attributable to the Zenefits acquisition

\* Q2 2022 GAAP Total Revenue and Professional Service Revenue guidance includes approximately \$12 million in TriNet Zenefits revenue

# Prior Fiscal Year Financial Review

# Financial Model

## Revenue Growth

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

## EPS Growth from Operating Leverage

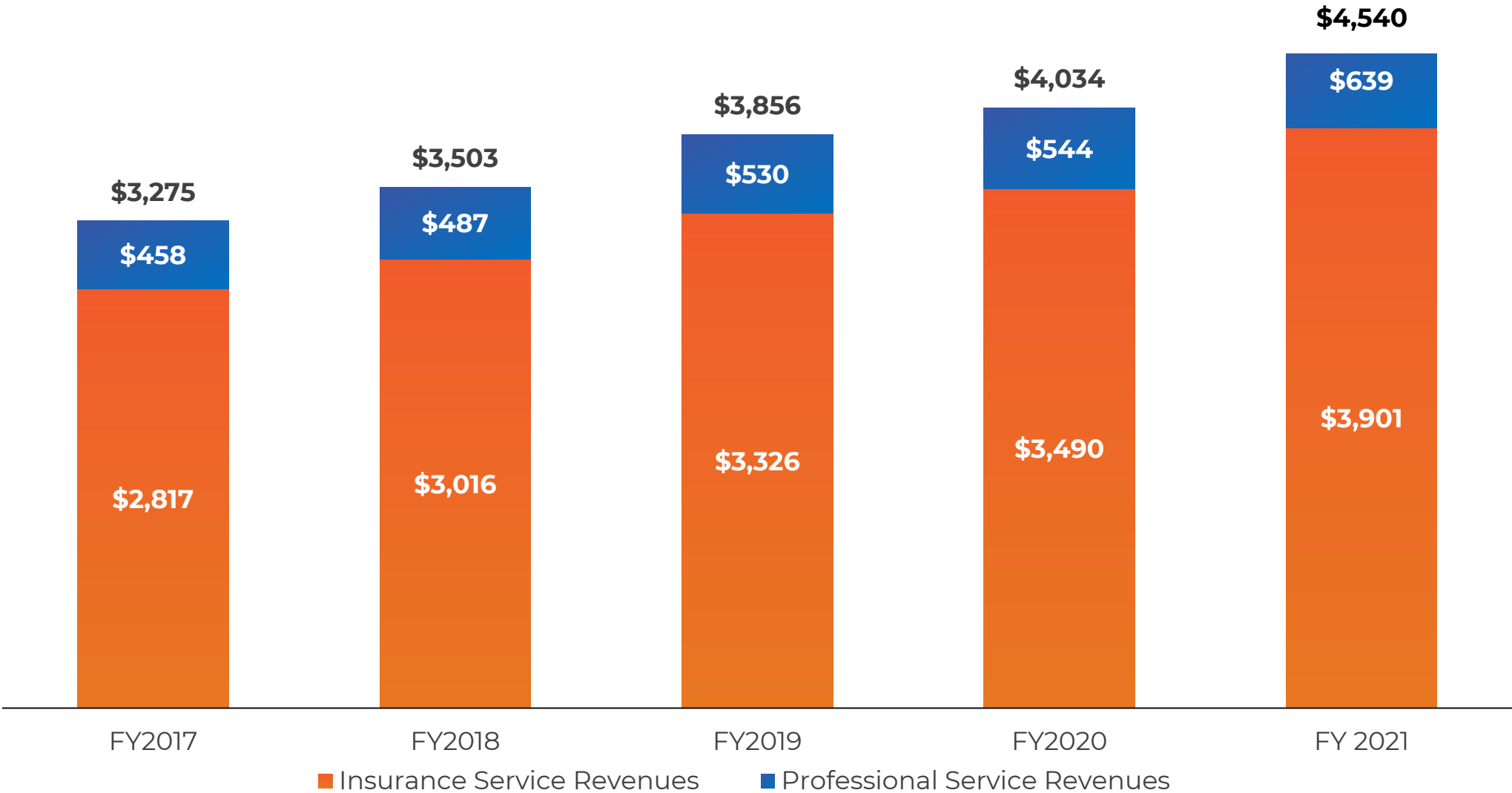
- Disciplined Operating Expense management
- Use scale in operations and service of our customers
- Continuous process improvement

## Strong Corporate Operating Cash Flow\*

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

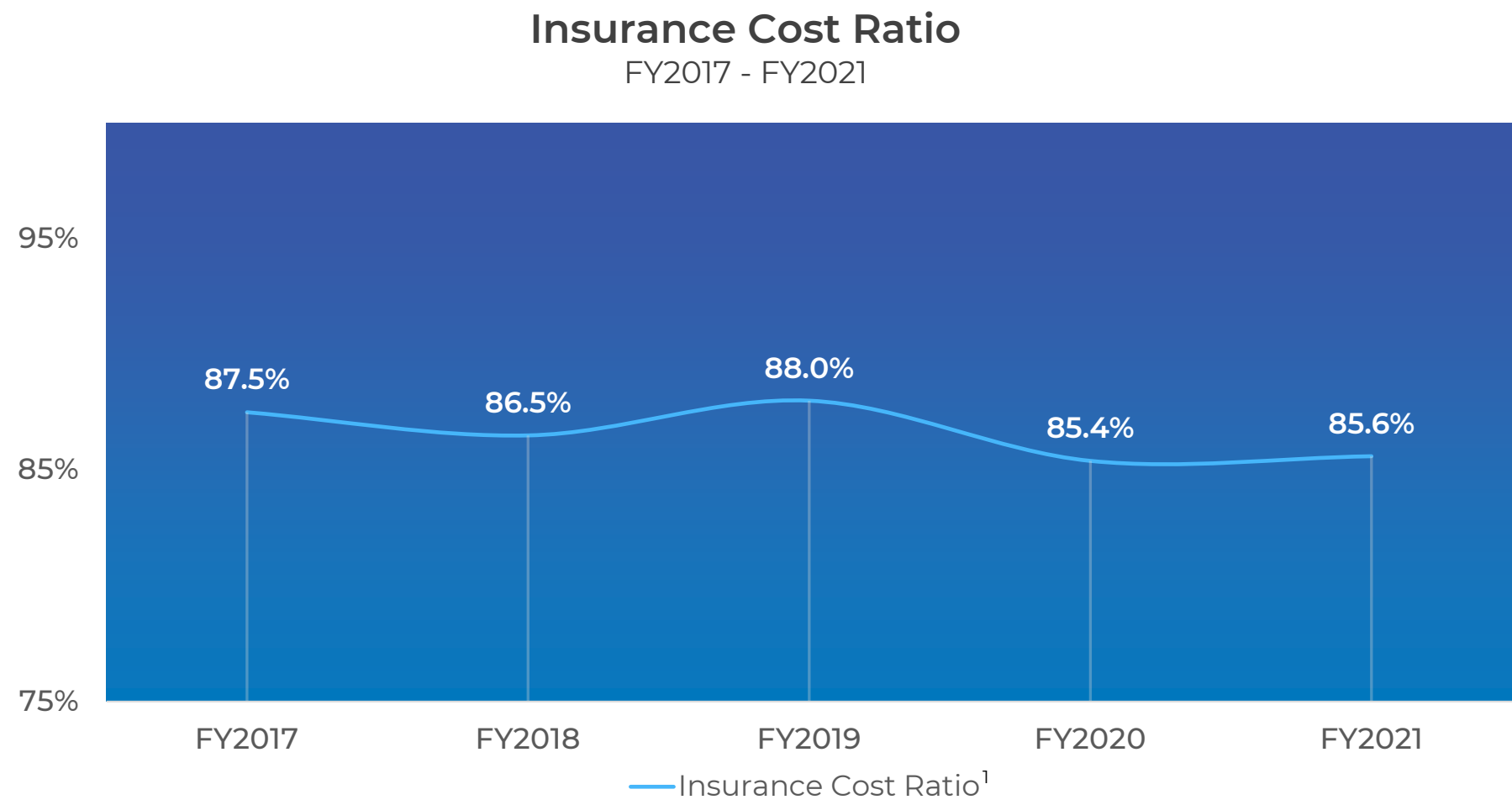
\* See Appendix B for definition.

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



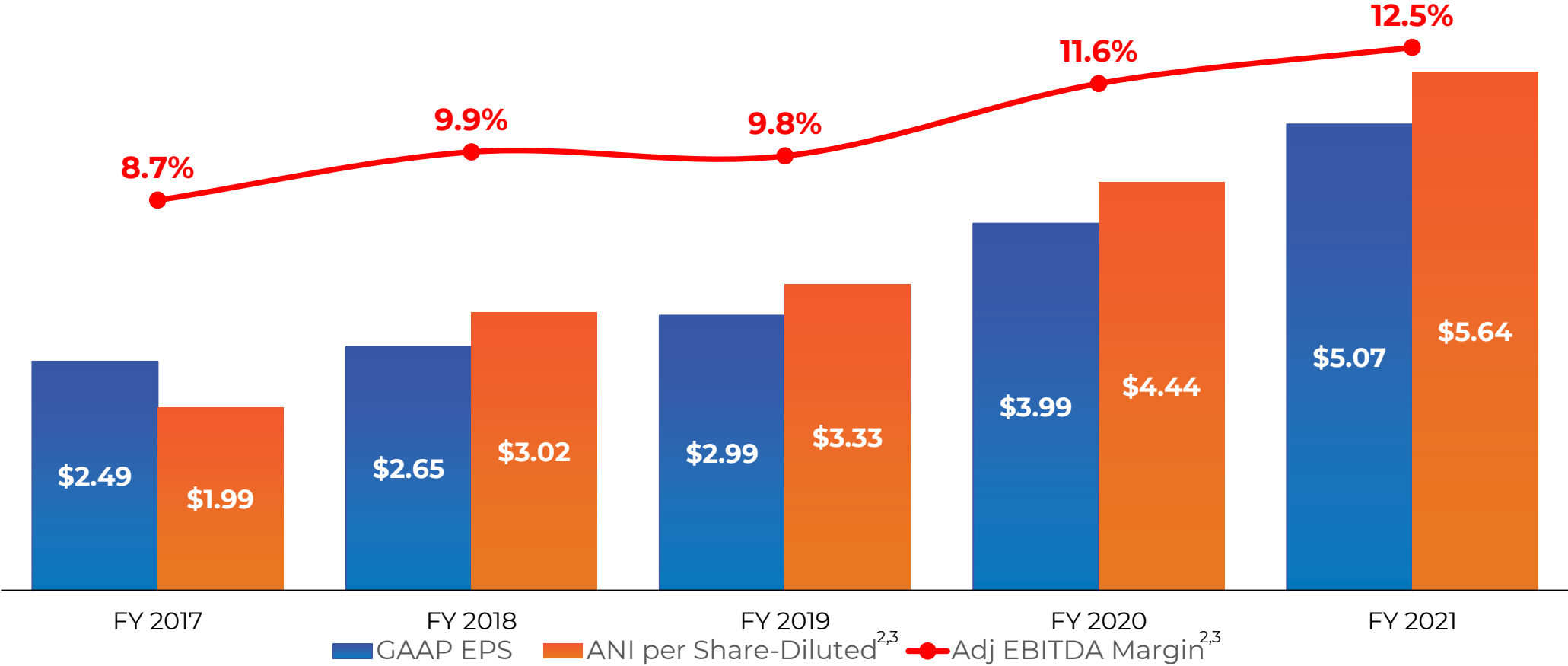
9% Total Revenues CAGR<sup>5</sup> From 2017 Through 2021

# Historical Insurance Cost Ratio <sup>1,4</sup>



*Priced for Stable Insurance Cost Experience*

# Attractive EPS<sup>4</sup> Growth & Adj EBITDA Margin<sup>3,4</sup> Expansion



*19% GAAP EPS CAGR<sup>5</sup> and 30% Adjusted EPS<sup>3</sup> CAGR<sup>5</sup> From 2017 Through 2021 with Adjusted EBITDA Margin<sup>3</sup> Expansion*

# Capital Allocation

1



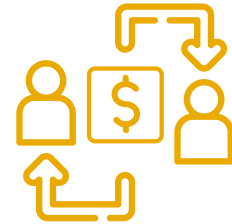
**Reinvest in business** —  
drive revenue growth  
and margin expansion

2



**Potential Acquisitions** —  
drive growth through  
acquisitions of technology,  
product, and services

3



**Share repurchases** —  
intended to offset dilution  
and return capital  
to shareholders



# TriNet Overview

# Investment Highlights

Innovation leader serving large, under-penetrated market

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Increased operational scale and financial leverage

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Differentiated vertical product offerings

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Profitable growth supported by strong corporate cash generation\*

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\* See Appendix B

# Large Market Opportunity

**~61 million**

Number of Employees who work for companies with 500 or fewer employees<sup>6</sup>

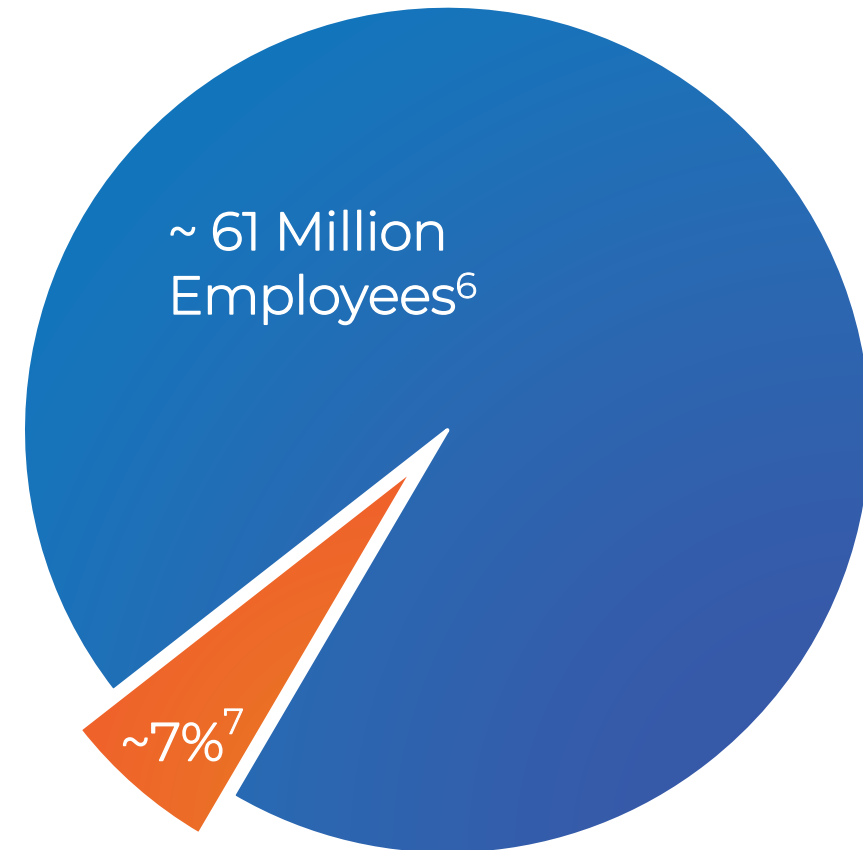
**7%**

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

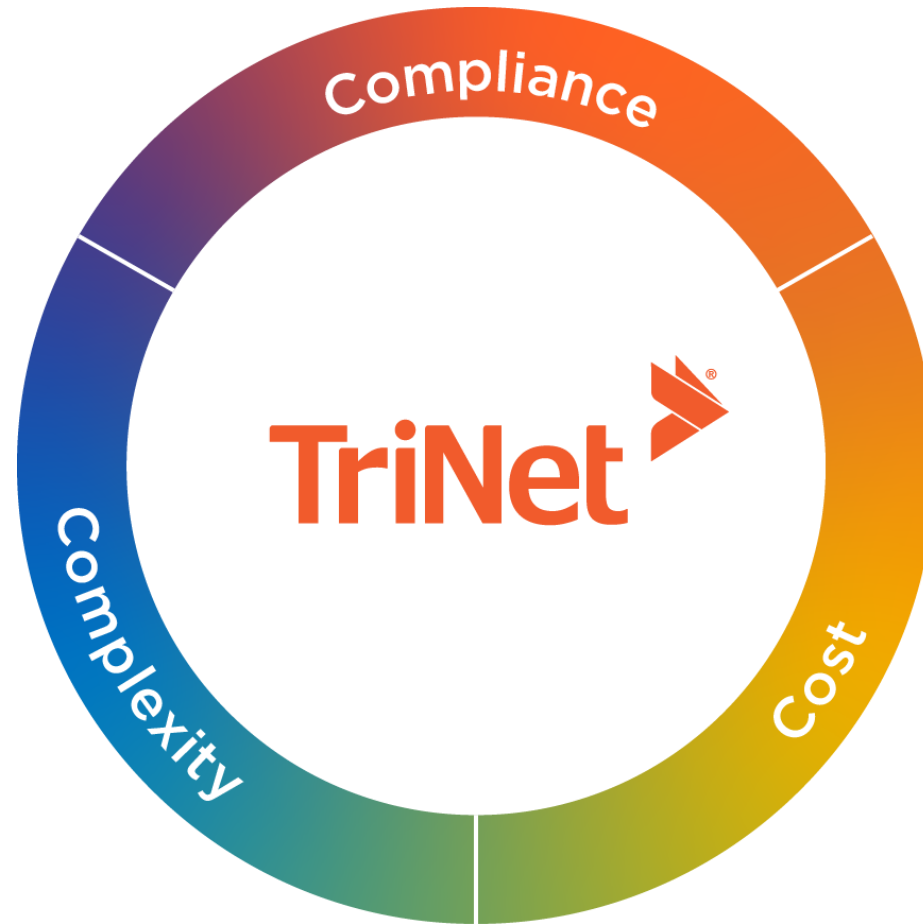
**480+**

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

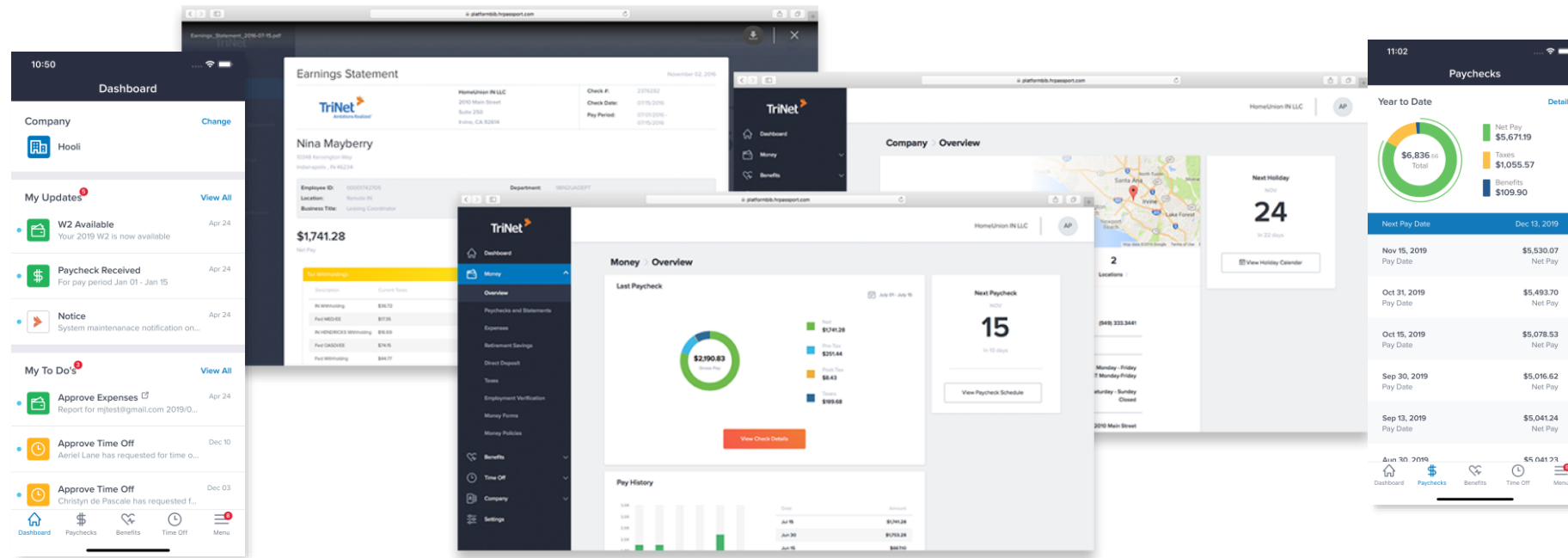
## Complexity

- 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

# Leading PEO Technology Platform



- Benefits Enrollment
- New Hire Onboarding
- Automatic Payroll
- Workforce Analytics
- Mobile App
- 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

# Scaled Service Model

**Rapid access to HR expertise:  
when they want, how they want**



**On-demand  
support**



Personalized  
strategic resource  
**Account Manager**



Specialized experts  
**HR Guidance  
Benefits  
Payroll  
Platform**



Responsive support  
for your employees,  
24/7  
**Solution Center**

# 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



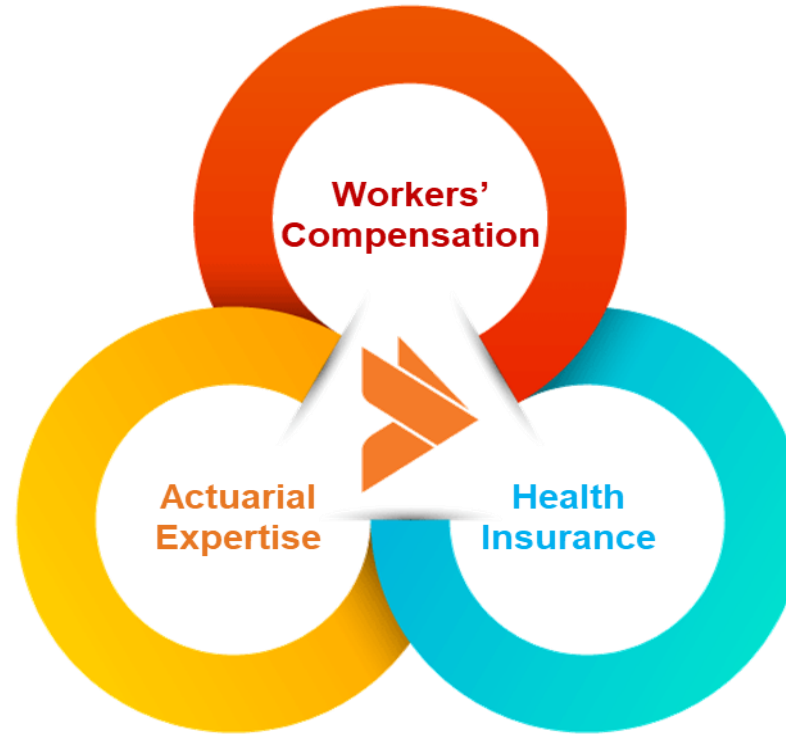
# Insurance Services

## 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

# Servicing SMBs with PEO and with HCM Software

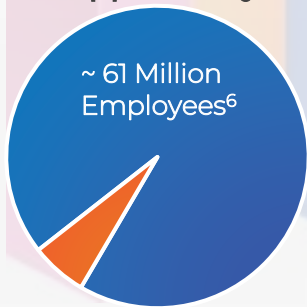


**PEO + HCM Software**  
TriNet can now better service SMBs throughout their lifecycle

**SMB Lifecycle**  
Process of growing from small to medium to large, addressing changing complexity, and importance of the employee experience

**Configurable Model**  
An SMB may need a PEO or HCM software at different times for different reasons. Now TriNet can accommodate those dynamic needs

The SMB TAM is our Opportunity



We view PEO and HCM software as complementary leveraging our scale and technology in the service of our customers



# TriNet zenefits Leading HCM Software Platform

**zenefits | Payroll**

Overview Employees Pay Runs Timeline Reports & Forms Settings

**Ready, set, run!**

Your next pay run by May 3rd at 2:00 PM (PDT) so we can pay your employees on time.

**Add New Employee**

**Jillian Wilde**  
Full Time - Los Angeles

**Job Details**

Job Title	Class Instructor	✓
Department	Fitness Training	✓
Work Location	Los Angeles	✓
Classification	Independent Contractor	✓
Hire Date	08/14/2019	✓

Back Next

**Salaried and Exempt Pay Periods**

	SUN	MON	TUE	WED	THU	FRI	SAT
29	30	1	2	3	4	5	6
6	7	8	9	10	11	12	13
13	14	15	16	17	18	19	20
20	21	22	23	24	25	26	27
27	28	29	30	31	1	2	3

**Holiday** 05/28/2018  
**Check Date** 05/08/2018  
**Payroll Due** 05/09/2018

**zenefits | Demo Center**

Let's get started

**Tasks**

- Review Jane Lougher's qualifying life event (QLE) proof document by June 14th, 2021

**Feed**

May 19th Birthdays  
Happy birthday—Jane Cranton!

**Workers**

Add Alexon Emily Jennifer Erin Michael Jane Christina  
Alexia Nancy David Andrea Joseph Ray Alex See All

**Quick Links**

- App Directory
- Benefits Preview
- Buy Now
- Training
- COVID-19 RESOURCES
- COVID-19 FAQs
- Paycheck Protection Program (PPP) Loan
- UDuTest - At-Home Testing for COVID-19
- Zyware Learning
- Coronavirus Prevention & Response Training

**Dashboard Metrics**

- Company NPS of 55
- Client Retention of 92%
- Sales Revenue of \$5.5M

## People Operations Platform



HR



Time



Payroll



Benefits



Talent



Wellbeing



Collaboration



Analytics



Compliance Engine



Zen Assistant

# PEO Growth Strategy

# Three Pillars of Growth

1



Retention

2



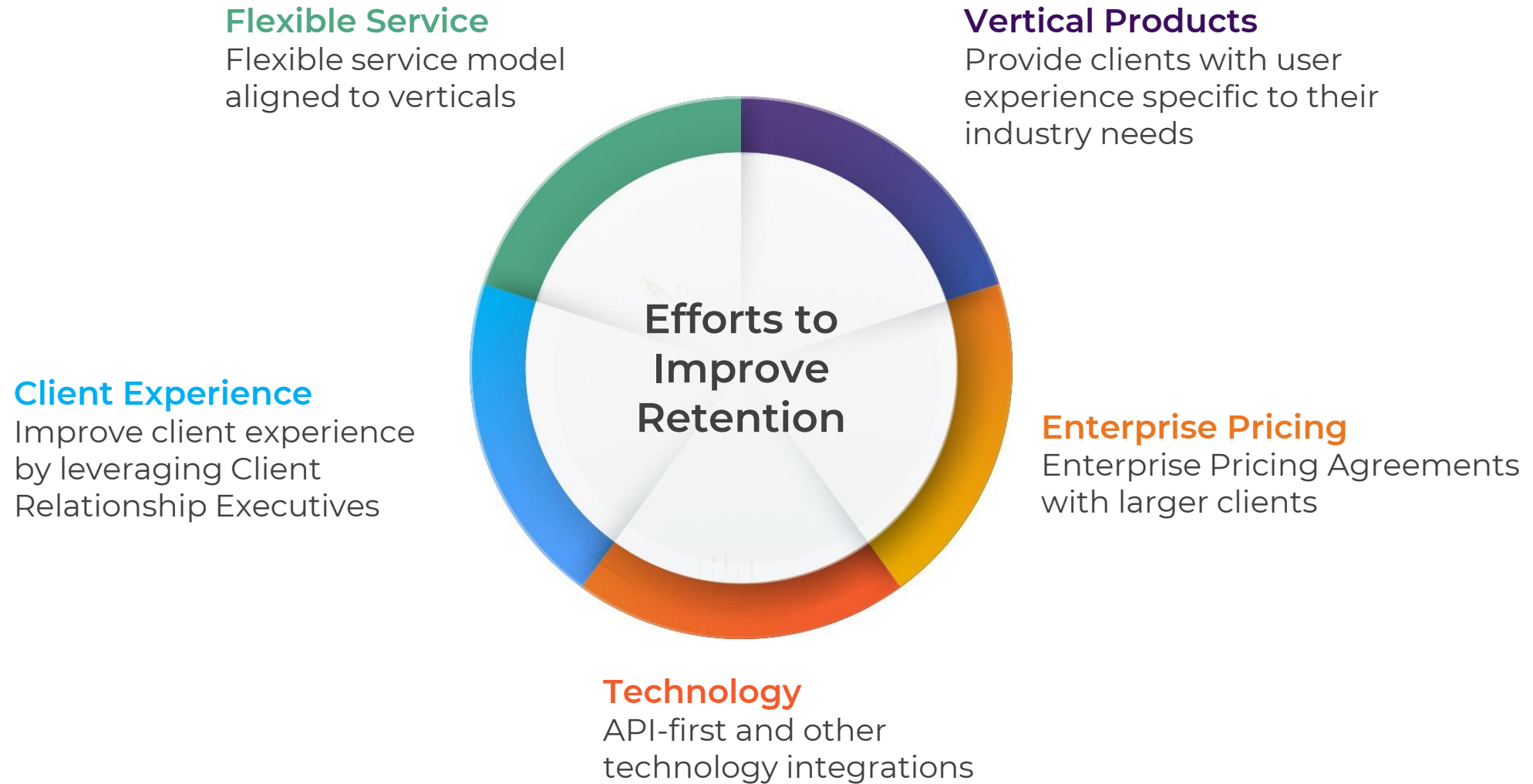
New Sales

3



Acquisitions

# Retention



# New Sales

**Concentrate  
Go-to-Market  
Resources**

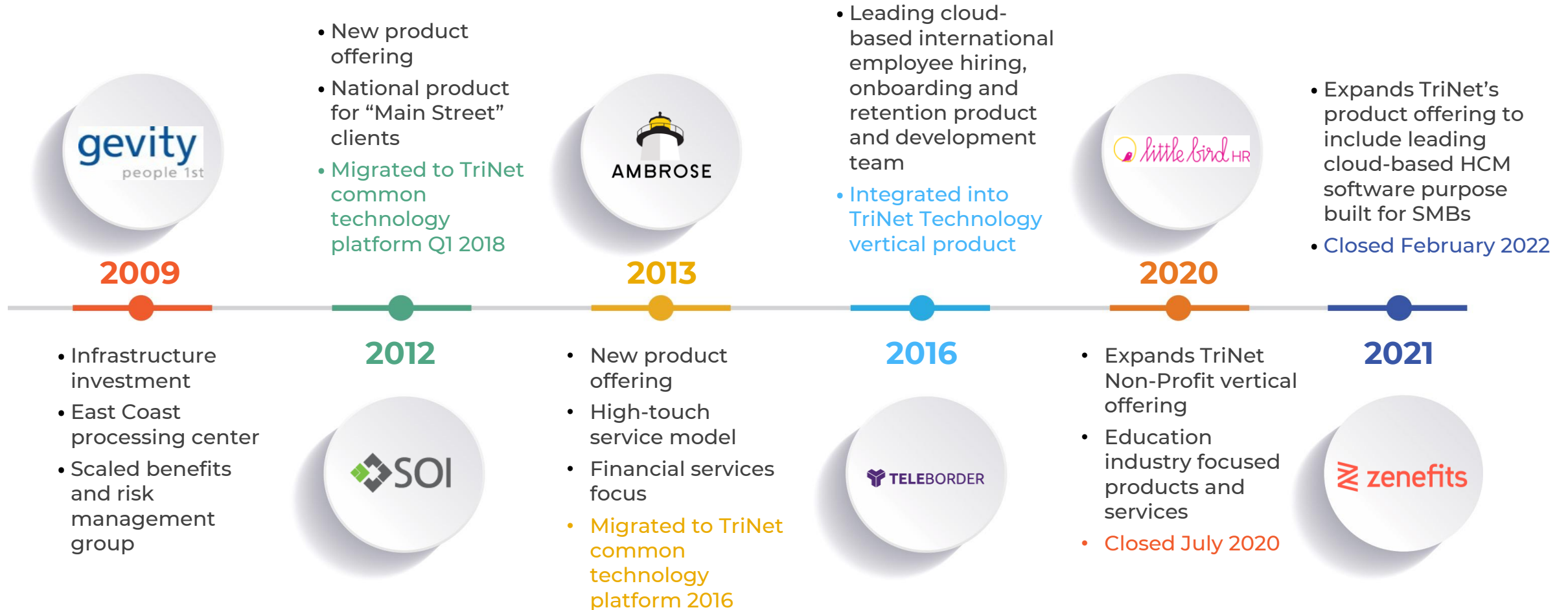
where we are  
advantaged

Expand and  
Improve  
**Top of Funnel**

Keep Sellers  
Selling with  
**Effective Support**

Leverage  
**Strategic  
Partnerships**

# Acquisitions





# 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 Net income to Adjusted EBITDA:

(in millions)	Year Ended December 31,				
	2021	2020	2019	2018	2017
Net income	\$ 338	\$ 272	\$ 212	\$ 192	\$ 178
Provision for income taxes	103	85	58	49	22
Stock based compensation	50	43	41	44	32
Interest expense and bank fees	20	21	21	22	20
Depreciation and amortization of intangible assets	54	47	46	40	33
<b>Adjusted EBITDA</b>	<b>\$ 565</b>	<b>\$ 468</b>	<b>\$ 378</b>	<b>\$ 347</b>	<b>\$ 285</b>
<b>Adjusted EBITDA Margin</b>	<b>12.5 %</b>	<b>11.6 %</b>	<b>9.8 %</b>	<b>9.9 %</b>	<b>8.7 %</b>

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

(in millions)	Year Ended December 31,				
	2021	2020	2019	2018	2017
Net income	\$ 338	\$ 272	\$ 212	\$ 192	\$ 178
Effective income tax rate adjustment	(10)	(6)	(11)	(13)	(59)
Stock based compensation	50	43	41	44	32
Amortization of intangible assets	12	5	5	5	5
Non-cash interest expense	3	1	1	4	2
Income tax impact of pre-tax adjustments	(17)	(12)	(12)	(14)	(16)
<b>Adjusted Net Income</b>	<b>\$ 376</b>	<b>\$ 303</b>	<b>\$ 236</b>	<b>\$ 218</b>	<b>\$ 142</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 net income to Adjusted EBITDA:

(in millions)	Three Months Ended March 31,	
	2022	2021
Net income	\$ 146	\$ 101
Provision for income taxes	54	34
Stock based compensation	12	11
Interest expense, bank fees and other	6	5
Depreciation and amortization of intangible assets <sup>1</sup>	14	12
Transaction and integration costs	10	—
<b>Adjusted EBITDA</b>	<b>\$ 242</b>	<b>\$ 163</b>
<b>Adjusted EBITDA Margin</b>	<b>19.9 %</b>	<b>15.4 %</b>

<sup>(1)</sup> Amount includes 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 March 31,	
	2022	2021
Net income	\$ 146	\$ 101
Effective income tax rate adjustment	4	—
Stock based compensation	12	11
Amortization of intangible assets	3	1
Non-cash interest expense	—	2
Transaction and integration costs	10	—
Income tax impact of pre-tax adjustments	(7)	(4)
<b>Adjusted Net Income</b>	<b>\$ 168</b>	<b>\$ 111</b>
<b>GAAP weighted average shares of common stock - diluted</b>	<b>66</b>	<b>67</b>
<b>Adjusted Net Income per share - diluted</b>	<b>\$ 2.55</b>	<b>\$ 1.66</b>

The table below presents a reconciliation of net cash provided by (used in) operating activities to Corporate Operating Cash flows:

(in millions)	Three Months Ended March 31,	
	2022	2021
Net cash provided by (used in) operating activities	\$ 214	\$ (175)
Less: Change in WSE related other current assets	(9)	(85)
Less: Change in WSE related liabilities	30	(221)
<b>Net cash provided by (used in) operating activities - WSE</b>	<b>\$ 21</b>	<b>\$ (306)</b>
<b>Net cash provided by operating activities - Corporate</b>	<b>\$ 193</b>	<b>\$ 131</b>

## 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)	Three Months Ended March 31,					
	2022			2021		
	Corporate	WSE	Total	Corporate	WSE	Total
Net cash provided by (used in):						
Operating activities	\$ 193	\$ 21	\$ 214	\$ 131	\$ (306)	\$ (175)
Investing activities	(209)	(4)	(213)	6	(9)	(3)
Financing activities	(353)	—	(353)	56	—	56
<b>Net increase (decrease) in cash and cash equivalents, unrestricted and restricted</b>	<b>\$ (369)</b>	<b>\$ 17</b>	<b>\$ (352)</b>	<b>\$ 193</b>	<b>\$ (315)</b>	<b>\$ (122)</b>
Cash and cash equivalents, unrestricted and restricted:						
Beginning of period	660	1,078	1,738	352	1,291	1,643
End of period	\$ 291	\$ 1,095	\$ 1,386	\$ 545	\$ 976	\$ 1,521
Net increase (decrease) in cash and cash equivalents:						
Unrestricted	\$ (377)	\$ —	\$ (377)	\$ 199	\$ —	\$ 199
Restricted	8	17	25	(6)	(315)	(321)

### Operating Activities

Components of net cash provided by (used in) operating activities are as follows:

(in millions)	Three Months Ended March 31,	
	2022	2021
Net cash provided by (used in) operating activities	\$ 214	\$ (175)
Net cash provided by (used in) operating activities - WSE	21	(306)
Net cash provided by operating activities - Corporate	193	131

## Appendix C – Guidance Reconciliation

*Reconciliation of GAAP to Non-GAAP Measures for the second quarter and full-year 2022 guidance.*

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

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

	Q2 2021			Q2 2022 Guidance			FY 2021			Year 2022 Guidance		
(in millions, except per share data)	Actual			Low			Actual			Low		
	High			High			High			High		
Net income	\$	91		(52)%		(45)%	\$	338		(37)%		(25)%
Effective income tax rate adjustment		(4)		(100)		(107)		(10)		(96)		(106)
Stock based compensation		13		35		35		50		29		29
Amortization of intangible assets		9		(42)		(42)		12		48		48
Non-cash interest expense		1		—		—		3		(65)		(65)
Transaction and integration costs		—		—		—		—		—		—
Income tax impact of pre-tax adjustments		(6)		57		57		(17)		92		92
<b>Adjusted Net Income</b>	<b>\$</b>	<b>104</b>		<b>(33)%</b>		<b>(26)%</b>	<b>\$</b>	<b>376</b>		<b>(19)%</b>		<b>(8)%</b>
<b>GAAP weighted average shares of common stock - diluted</b>		<b>67</b>						<b>67</b>				
<b>Adjusted Net Income per share - diluted</b>	<b>\$</b>	<b>1.56</b>	<b>\$</b>	<b>1.10</b>	<b>\$</b>	<b>1.21</b>	<b>\$</b>	<b>5.64</b>	<b>\$</b>	<b>4.70</b>	<b>\$</b>	<b>5.35</b>

## 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.
- <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 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’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 FY2021 value by the FY2017 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.