



Earnings Call and Webcast Q3 2025

November 3, 2025

Safe Harbor Statement

The statements contained herein that are not historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. You can identify such forward-looking statements by the words “anticipates,” “expects,” “intends,” “plans,” “projects,” “believes,” “estimates,” “forecasts,” “likely,” “possibly,” “probably,” “could,” “goal,” “opportunity,” “objective,” “target,” “assume,” “outlook,” “guidance,” “predicts,” “appears,” “indicator” and similar expressions. Forward-looking statements involve a number of risks and uncertainties. In the normal course of business, in an effort to help keep our stockholders and the public informed about our operations, from time to time, we may issue such forward-looking statements, either orally or in writing. Generally, these statements relate to business plans or strategies; including our strategic partnership with Workday, Inc.; projected or anticipated benefits or other consequences of such plans or strategies; or projections involving anticipated revenues, earnings, average number of worksite employees, benefits and workers’ compensation costs, or other operating results. We base these forward-looking statements on our current expectations, estimates and projections. We caution you that these statements are not guarantees of future performance and involve risks, uncertainties and assumptions that we cannot predict. In addition, we have based many of these forward-looking statements on assumptions about future events that may prove to be inaccurate. Therefore, the actual results of the future events described in such forward-looking statements could differ materially from those stated in such forward-looking statements. Among the factors that could cause actual results to differ materially are (i) adverse economic conditions; (ii) failure to comply with or meet client expectations regarding certain COVID-19 relief programs, including the federal employee retention tax credit program; (iii) bank failures or other events affecting financial institutions; (iv) labor shortages, increasing competition for highly skilled workers, and evolving employee expectations regarding the workplace; (v) impact of inflation and changes in U.S. trade policy; (vi) vulnerability to regional economic factors because of our geographic market concentration; (vii) failure to comply with covenants under our credit facility; (viii) impact of a future outbreak of highly infectious or contagious disease; (ix) our liability for WSEE payroll, payroll taxes and benefits costs, or other liabilities associated with actions of our client companies or WSEEs, including if our clients fail to pay us; (x) increases in health insurance costs and workers’ compensation rates and underlying claims trends, health care reform, financial solvency of workers’ compensation carriers, other insurers or financial institutions, state unemployment tax rates, liabilities for employee and client actions or payroll-related claims; (xi) an adverse determination regarding our status as the employer of our WSEEs for tax and benefit purposes and an inability to offer alternative benefit plans following such a determination; (xii) cancellation of client contracts on short notice, or the inability to renew client contracts or attract new clients; (xiii) the ability to secure competitive replacement contracts for health insurance and workers’ compensation insurance at expiration of current contracts; (xiv) regulatory and tax developments and possible adverse application of various federal, state and local regulations; (xv) failure to manage growth of our operations and the effectiveness of our sales and marketing efforts; (xvi) the impact of the competitive environment and other developments in the human resources services industry, including the professional employer organization (or PEO) industry, on our growth and/or profitability; (xvii) an adverse final judgment or settlement of claims against Insperity; (xviii) disruptions of our information technology systems or failure to enhance our service and technology offerings to address new regulations or client expectations; (xix) our liability or damage to our reputation relating to disclosure of sensitive or private information as a result of data theft, cyberattacks or security vulnerabilities; (xx) failure of third-party providers, such as financial institutions, data centers or cloud service providers; (xxi) our ability to fully realize the anticipated benefits of our strategic partnership and joint solution with Workday, Inc.; and (xxii) our ability to integrate or realize expected returns on future product offerings, including through acquisitions, strategic partnerships, and investments. These factors are discussed in further detail in Insperity’s filings with the U.S. Securities and Exchange Commission. Any of these factors, or a combination of such factors, could materially affect the results of our operations and whether forward-looking statements we make ultimately prove to be accurate. Any forward-looking statements are made only as of the date hereof and, unless otherwise required by applicable securities laws, we undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Supplement to Earnings Release

This presentation is a supplement to our press release announcing our **third** quarter 2025 results, which can be found in the investor relations area (<http://ir.insperity.com>) of our website. It is intended to be read in conjunction with, not as a substitute for, or in isolation from, our earnings release.

Non-GAAP Financial Measures

This presentation contains non-GAAP financial measures, such as Adjusted Cash, Adjusted EBITDA and Adjusted EPS. Please see the Appendix for a further discussion.

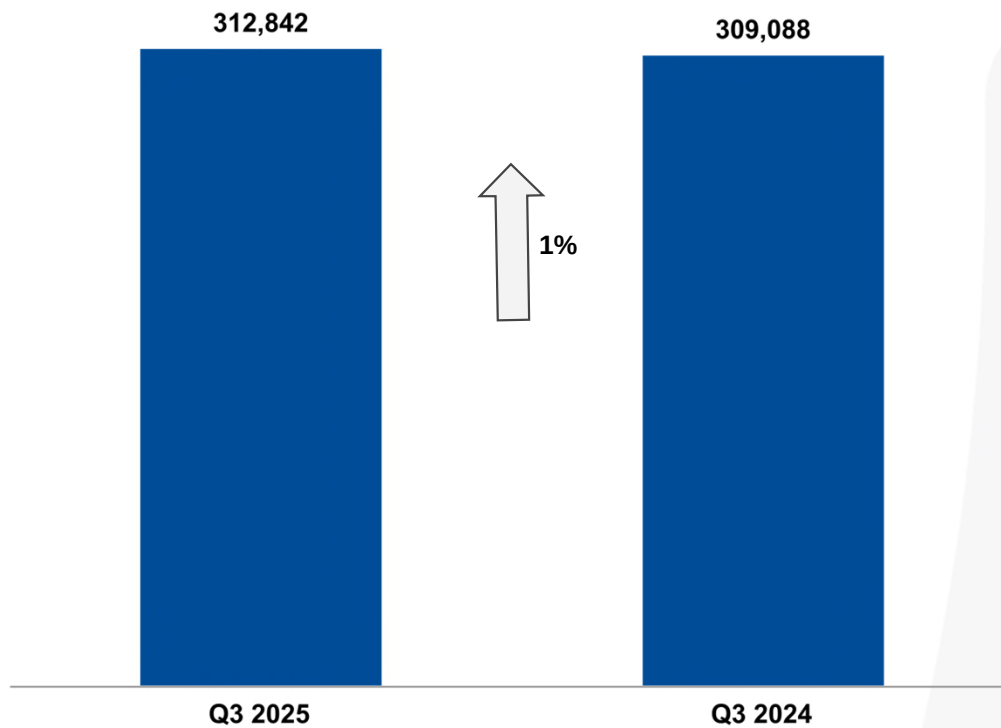


CEO Commentary

- **Actions expected to drive profitability recovery in 2026 in response to an unexpected step up in benefits costs trends experienced in 2025**
 - **Renegotiation and extension of our contract with UnitedHealthcare**
 - **Pricing and renewing clients at higher rates**
 - **Planned reduction in our large claims pooling level from \$1 million to \$500,000 for 2026**
- **Q3 rollout of HRScale, our strategic joint offering with Workday**
 - **New catalyst for future growth**
 - **Co-selling, co-marketing and co-branding is in full swing**
 - **Deployment and enablement capability in place for Beta clients**
- **Strong Q3 booked sales performance for HR360, our flagship service offering**
 - **Outperformance in mid-market segment**
 - **Largest sold HR360 account in our history with intent to migrate to HRScale**
 - **Strong momentum to start the fall sales and retention campaign**

Q3 2025 Financial Results

Average Paid Worksite Employees



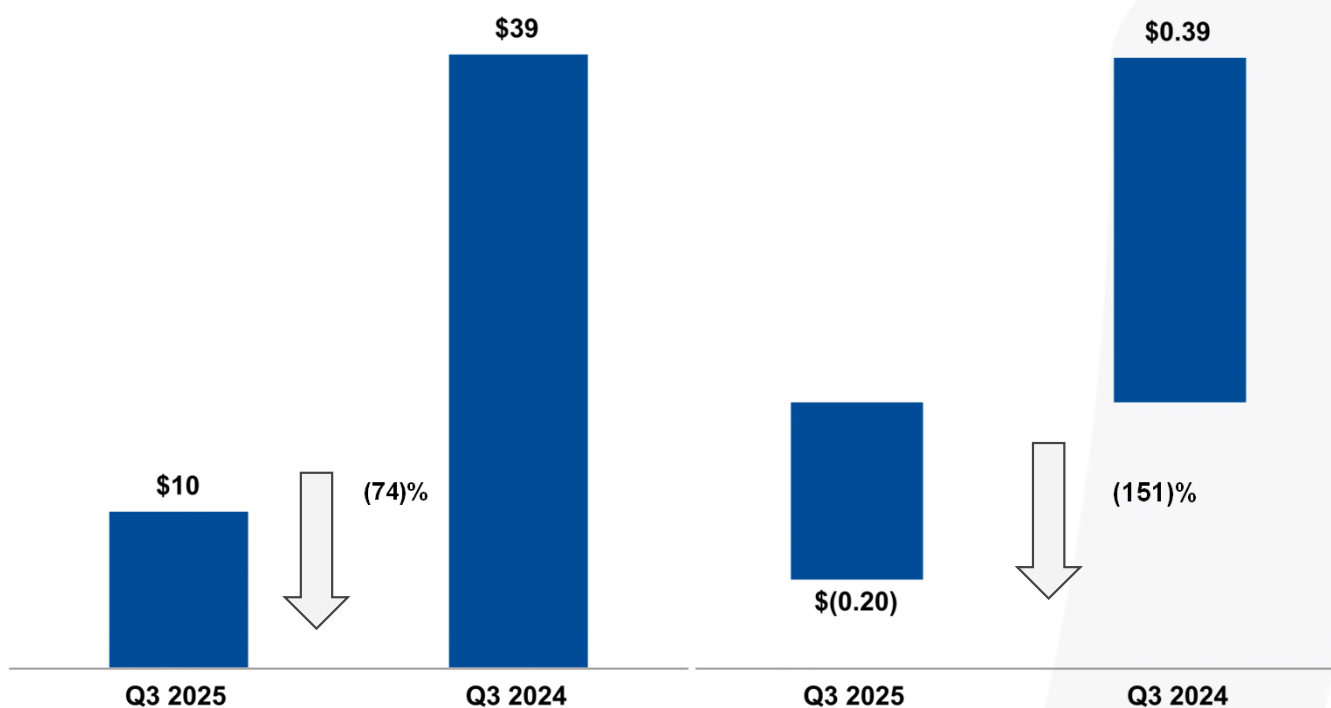
- Q3 average paid worksite employees increased 1%
- Worksite employees paid from new client sales declined slightly compared to Q3 2024
- Client retention for Q3 2025 remained consistent with Q3 2024
- Net hiring by clients was slightly lower during Q3 2025 compared to Q3 2024
- On a YTD basis all three components have improved in 2025 over 2024

Q3 2025 Financial Results

(\$ in millions, except per share amounts)

Adjusted EBITDA

Adjusted EPS

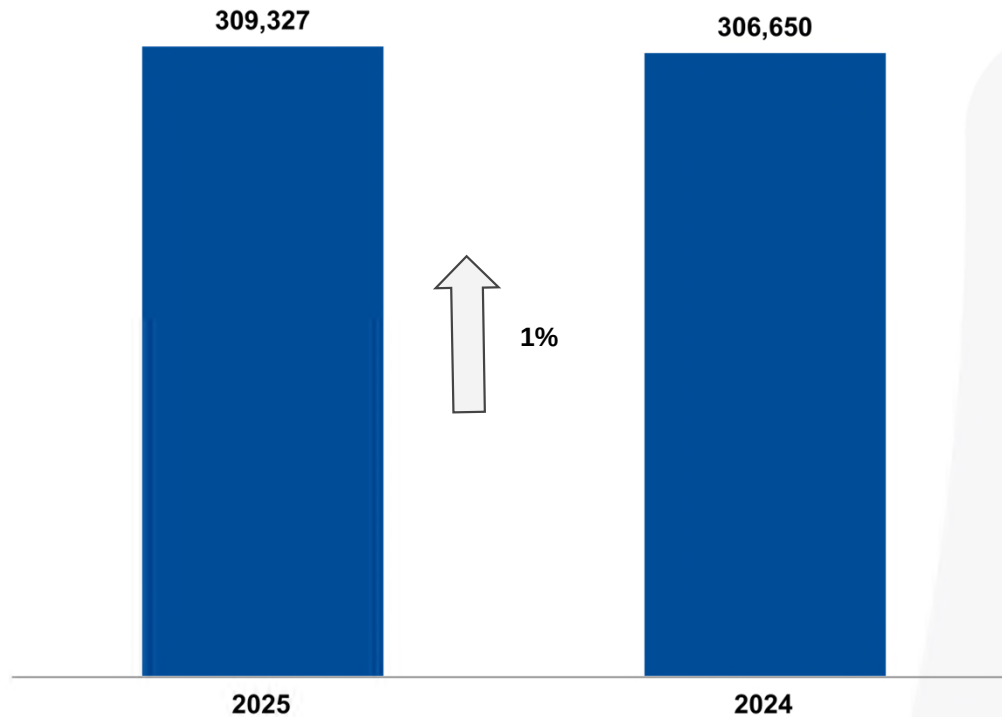


- Q3 2025 earnings declined from Q3 2024, primarily due to the following factors:
 - Higher-than-expected benefits costs in Q3 2025 which were driven by elevated inpatient, outpatient and pharmacy trends and frequency of large claim activity compared to Q3 2024
 - Q3 2024 included \$12 million of favorable claims run-off related to prior periods
 - Operating expenses down 4% compared to Q3 2024

Please refer to the Appendix slide at the end of this presentation for definitions of our non-GAAP financial measures.

YTD September 2025 Financial Results

Average Paid Worksite Employees

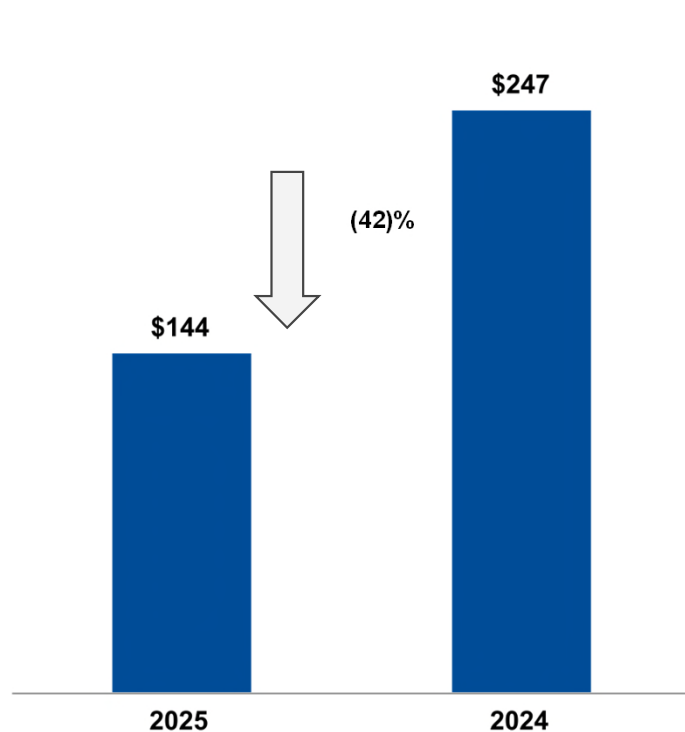


- Average paid worksite employees increased 1%
- Worksite employees paid from new sales, client retention and net hiring by our clients improved compared to 2024

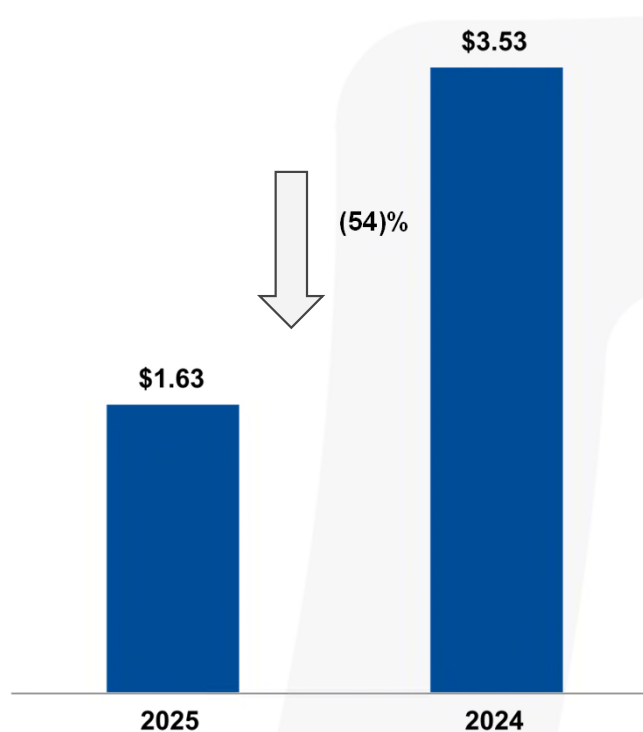
YTD September 2025 Financial Results

(\$ in millions, except per share amounts)

Adjusted EBITDA



Adjusted EPS



- Adjusted EBITDA decreased compared to 2024 primarily due to the following factors:
 - Higher-than-expected benefits costs in 2025, which were driven by elevated inpatient, outpatient and pharmacy trends and frequency of large claim activity compared to 2024
 - 2025 had a \$9 million unfavorable adjustment related to healthcare claims development whereas 2024 had a \$32 million favorable adjustment

Please refer to the Appendix slide at the end of this presentation for definitions of our non-GAAP financial measures.

Balance Sheet and Cash Flow

(\$ in millions)

	September 30, 2025	December 31, 2024
Adjusted Cash	\$120	\$134
Total Debt	\$369	\$369
Working Capital	\$172	\$155

Year-to-Date Period Ended:	September 30, 2025	September 30, 2024
Adjusted EBITDA	\$144	\$247
Dividends Paid	\$68	\$67
Cost of Shares Repurchased	\$19	\$52

- \$87 million returned to shareholders in the first nine months of 2025 through dividend program and share repurchases

Please refer to the Appendix slide at the end of this presentation for definitions of our non-GAAP financial measures.

Q4 and FY 2025 Outlook

	November 3, 2025 Q4 2025 Outlook			November 3, 2025 FY 2025 Outlook		
Average WSEEs paid	313,000	—	315,000	310,200	—	310,700
Year-over-year increase	1.3%	—	1.9%	1.0%	—	1.1%
Adjusted EPS	\$(0.79)	—	\$(0.16)	\$0.84	—	\$1.47
Year-over-year decrease	—	—	—	(77)%	—	(59)%
Adjusted EBITDA (in millions)	\$(25)	—	\$9	\$119	—	\$153
Year-over-year decrease	(209)%	—	(61)%	(56)%	—	(43)%

- **Average paid worksite employees**
 - YTD worksite employees paid from new sales, client retention and net hiring by our clients improved compared to 2024
 - Net hiring in the client base remains below historical levels
- **Earnings**
 - Increased annual benefits cost trend based on elevated claims level
 - FY 2025 earnings comparison to 2024 impacted by favorable benefits costs in prior year compared to a challenging environment this year
 - FY 2025 operating expenses expected to be approximately 3% below 2024, including \$48M associated with Workday strategic partnership investment

Definition of Key Metrics

Average WSEEs paid — Determined by calculating the company's cumulative WSEEs paid during the period divided by the number of months in the period.

Adjusted EPS — Represents diluted net income per share computed in accordance with GAAP, excluding the impact of non-cash stock-based compensation.

Adjusted EBITDA — Represents net income computed in accordance with GAAP, plus interest expense, income taxes, depreciation and amortization expense, amortization of SaaS implementation costs and non-cash stock-based compensation.

Please refer to the Appendix slide at the end of this presentation for definitions of our non-GAAP financial measures.



Appendix – Non-GAAP Financial Measures

Non-GAAP financial measures are not prepared in accordance with GAAP and may be different from non-GAAP financial measures used by other companies. Non-GAAP financial measures should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP. Investors are encouraged to review the reconciliation of the non-GAAP financial measures as provided in the company's press release announcing its **third** quarter 2025 results, which may be found on the investor relations area (<http://ir.insperity.com>) of the company's website.

Non-GAAP Measure	Definition	Benefit of Non-GAAP Measure
Adjusted cash, cash equivalents and marketable securities	Excludes funds associated with: • federal and state income tax withholdings, • employment taxes, • other payroll deductions, and • client prepayments.	We believe that the exclusion of the identified items helps us reflect the fundamentals of our underlying business model and analyze results against our expectations, against prior periods, and to plan for future periods by focusing on our underlying operations. We believe that the adjusted results provide relevant and useful information for investors because they allow investors to view performance in a manner similar to the method used by management and improves their ability to understand and assess our operating performance. Adjusted EBITDA is used by our lenders to assess our leverage and ability to make interest payments.
EBITDA	Represents net income computed in accordance with GAAP, plus: • interest expense, • income tax expense, • depreciation and amortization expense, and • amortization of SaaS implementation costs.	
Adjusted EBITDA	Represents EBITDA plus: • non-cash stock-based compensation.	
Adjusted EPS	Represents diluted net income per share computed in accordance with GAAP, excluding: • non-cash stock-based compensation.	