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HR that Makes a Difference™

Earnings Call and Webcast Q4 2023

February 8, 2024

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,” “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; (iii) bank failures or other events affecting financial institutions, labor shortages, increasing competition for highly skilled workers, and evolving employee expectations regarding the workplace; (iv) impact of inflation; (v) vulnerability to regional economic factors because of our geographic market concentration; (vi) failure to comply with covenants under our credit facility; (vii) impact of a future outbreak of highly infectious or contagious disease; (viii) 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; (ix) 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; (x) 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; (xi) cancellation of client contracts on short notice, or the inability to renew client contracts or attract new clients; (xii) the ability to secure competitive replacement contracts for health insurance and workers’ compensation insurance at expiration of current contracts; (xiii) regulatory and tax developments and possible adverse application of various federal, state and local regulations; (xiv) failure to manage growth of our operations and the effectiveness of our sales and marketing efforts; (xv) the impact of the competitive environment and other developments in the human resources services industry, including the PEO industry, on our growth and/or profitability; (xvi) an adverse final judgment or settlement of claims against Insperity; (xvii) disruptions of our information technology systems or failure to enhance our service and technology offerings to address new regulations or client expectations; (xviii) 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; (xix) failure of third-party providers, such as financial institutions, data centers or cloud service providers; (xx) our ability to fully realize the anticipated benefits of our strategic partnership and plans to develop a joint solution with Workday, Inc.; and (xxi) 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 fourth quarter 2023 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 EBITDA and Adjusted EPS. Please see the Appendix for a further discussion.

CEO Commentary

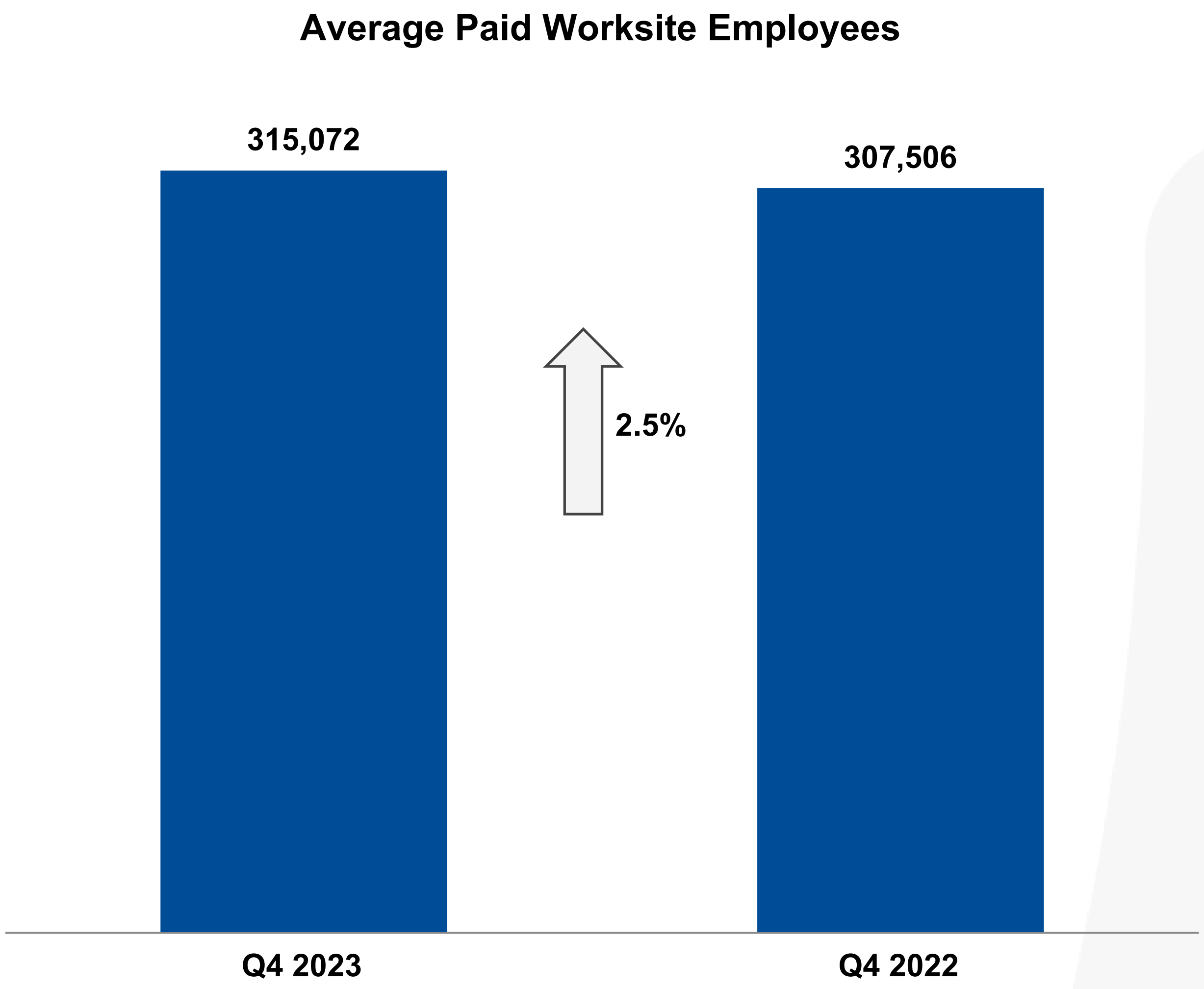
Today, we announced an exclusive strategic partnership with Workday committed to jointly developing, marketing, selling and supporting a leading solution for targeted small and medium-sized businesses that combines Workday's HR technology with Insperity's HR services.

The combination of Workday's best in class technology platform and Insperity's unmatched service experience will yield an industry-first solution to increase the likelihood, degree and speed of success for growing companies.

We believe this strategic partnership can elevate the trajectory of our long-term growth, profitability and value creation. Specifically, the partnership has the potential to dramatically improve all three of the most significant growth drivers of our financial model, including new sales, client retention and pricing of our services.

We expect to make a significant investment over a five-year period more heavily weighted in the first two years, including significant development to create the solution, staffing and training a new deployment and enablement organization, funding a go-to-market strategy ramping up sales and sales support staff, and subscriptions to the Workday solution.

Q4 2023 Financial Results

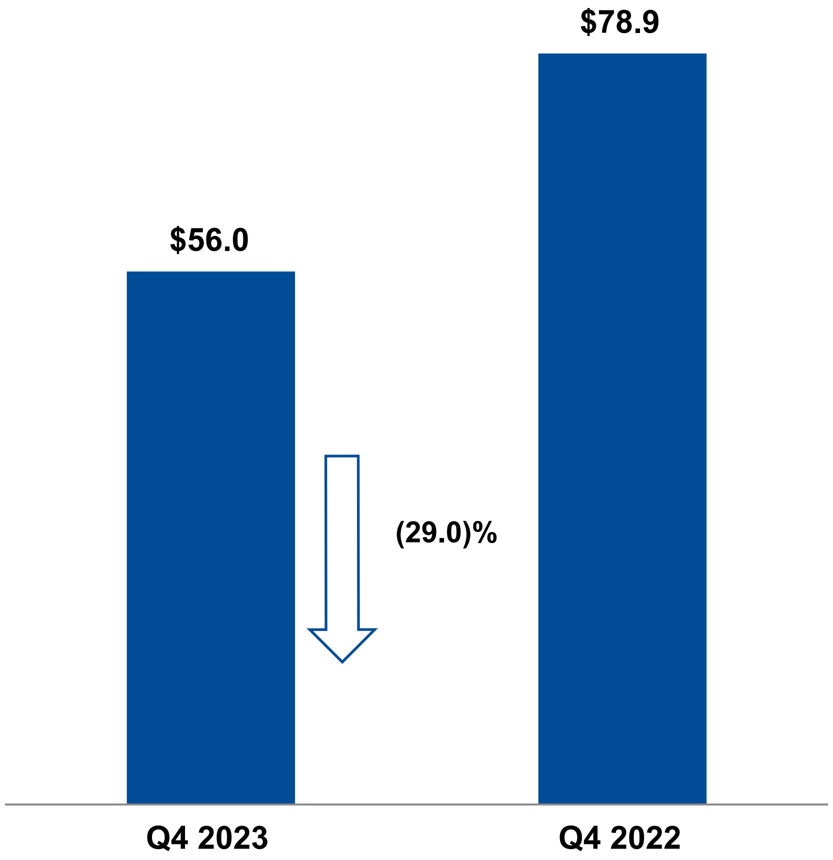


- Worksite employee growth continued to be impacted by macro-economic factors.
- We experienced a net reduction in worksite employees within our client base over the second half of 2023.

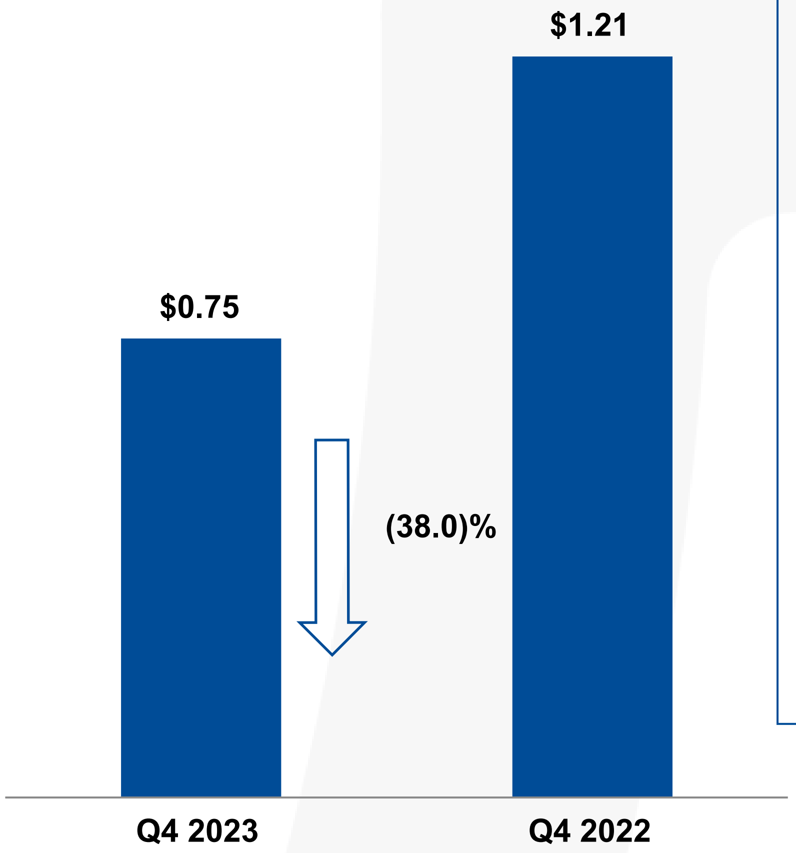
Q4 2023 Financial Results

($ in Millions, except per share amounts)

Adjusted EBITDA



Adjusted EPS



- **Decrease in earnings from Q4 of 2022 primarily due to a comparison to a period of unusually low benefit costs in the prior year period.**
- **Q4 2023 earnings exceeded our expectations on favorable pricing, benefits costs and contributions from our payroll tax area, while managing operating expenses to forecast.**
- **Operating expense increase of 5% in line with forecast and included (1) an 8% increase in the average number of Business Performance Advisors, (2) an increase in service and support personnel with the continued growth in clients and worksite employees and (3) further investment in technology.**

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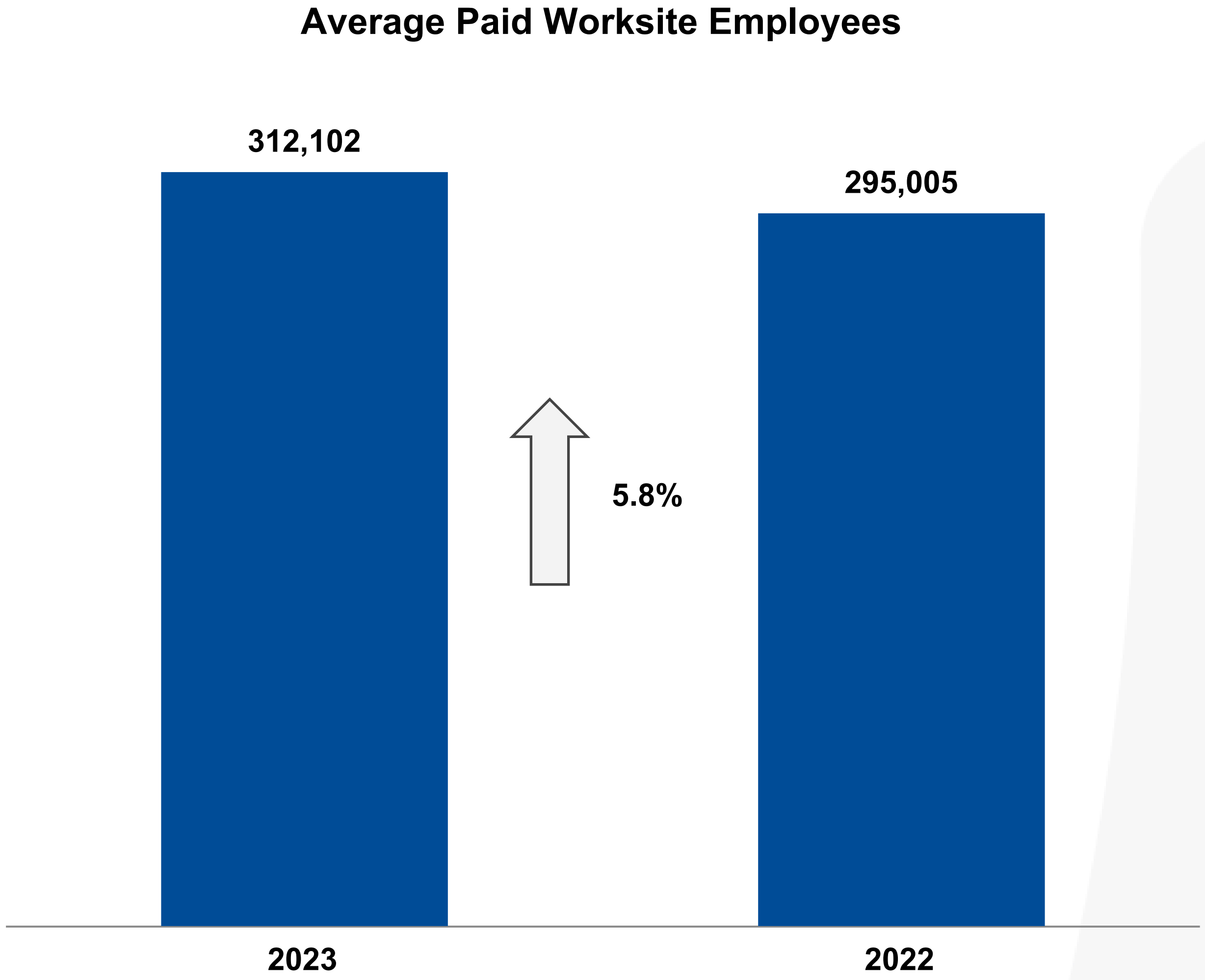
FY 2023 Financial Results



- Worksite employee growth continued to be impacted by macro-economic factors affecting our client base.
  - Significant decline in hiring by our client base over the course of 2023.
  - 2023 client retention slightly down at 83%.
  - Sales efficiency impacted by challenging economic environment and Business Performance Advisors new hires.

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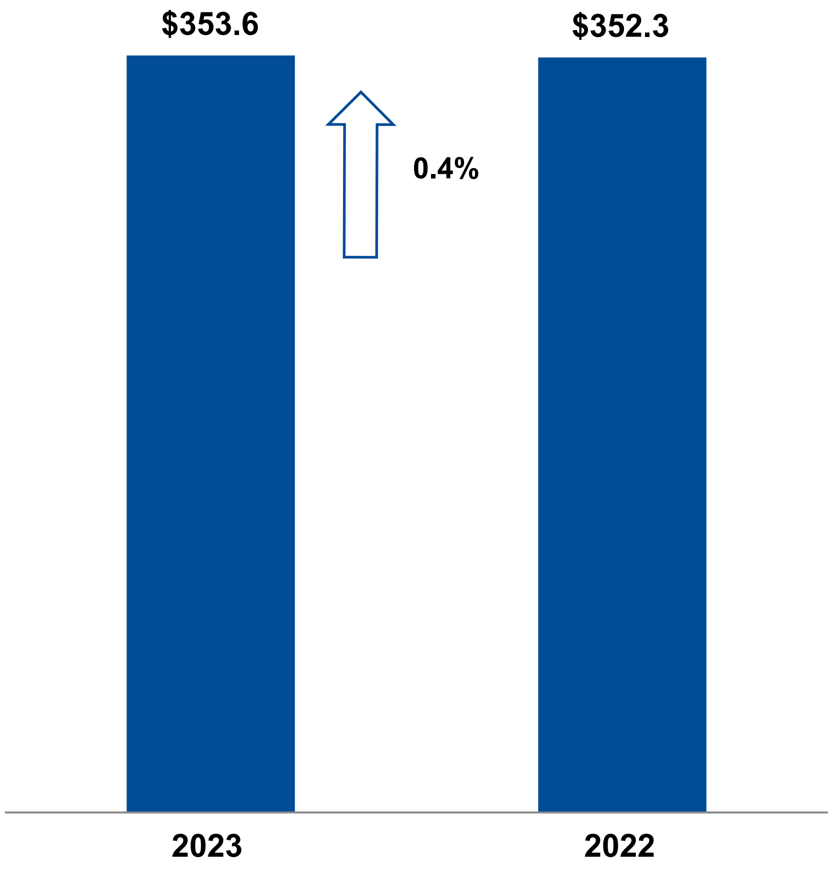
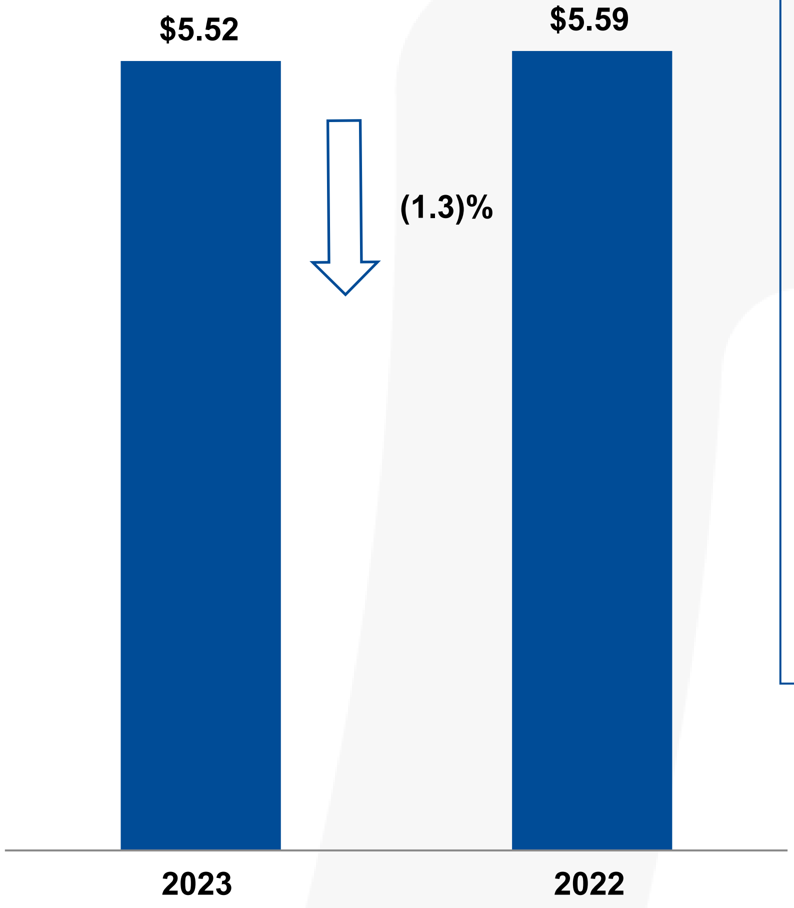
FY 2023 Financial Results

($ in Millions, except per share amounts)

Adjusted EBITDA



Adjusted EPS



- **Earnings relatively flat from 2022 primarily due to:**
  - **Macro-economic factors impacting worksite employee growth.**
  - **Elevated healthcare costs in Q2 of 2023 from large claim activity.**
  - **Investments in sales, service and technology.**
  - **Impact of inflationary environment on operating costs.**

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Balance Sheet and Cash Flow

($ in Millions)

	December 31, 2023	December 31, 2022
Adjusted Cash	$171.1	$224.3
Total Debt	$369.4	$369.4
Working Capital	$159.0	$158.5

Year-to-Date Period Ended:	December 31, 2023	December 31, 2022
Adjusted EBITDA	$353.6	$352.3
Dividends paid	$84.2	$76.6
Cost of Shares Repurchased	$131.5	$73.3

- **Strong cash flow and working capital position.**
- **$216 million returned to shareholders in 2023 through dividend program and share repurchases.**

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Q1 and Full Year 2024 Outlook

	February 8, 2024 Q1 2024 Outlook			February 8, 2024 FY 2024 Outlook		
Average WSEEs paid	303,625	—	306,700	318,350	—	321,500
Year-over-year increase (decrease)	(1)%	—	0%	2%	—	3%
Adjusted EPS	$1.94	—	$2.24	$3.02	—	$3.88
Year-over-year decrease	(27)%	—	(16)%	(45)%	—	(30)%
Adjusted EBITDA (in millions)	$121	—	$137	$241	—	$285
Year-over-year decrease	(21)%	—	(10)%	(32)%	—	(19)%

- **2024 adjusted EBITDA guidance reflects the following:**
  - **An estimate of $60 million relating to our investment in our strategic partnership with Workday, including both incremental and redeployed resources.**
  - **An impact of approximately $40 million associated with a lower 2024 WSEE starting point attributable to (1) the attrition of a small number of large accounts and (2) net reductions of employees by our client base in the latter half of 2023 and January 2024.**
  - **These two factors reduced our full year 2024 outlook for worksite employee growth by 4%.**

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 accompanying financial tables at the end of this presentation for the reconciliation of non-GAAP financial measures to the comparable GAAP financial measures.

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Reconciliation of GAAP to Non-GAAP Financial Measures

(in millions, except per share amounts)	Q1 2024 Guidance	Full Year 2024 Guidance
Net income	**$64 - $76**	**$69 - $101**
Income tax expense	22 - 26	24 - 36
Interest expense	7	29
SaaS implementation amortization	3	11
Depreciation and amortization	11	46
EBITDA	**107 - 123**	**179 - 223**
Stock-based compensation	14	62
Adjusted EBITDA	**$121 - $137**	**$241 - $285**
Diluted EPS	**$1.67 - $1.97**	**$1.82 - $2.68**
Non-GAAP adjustments:		
Stock-based compensation	0.37	1.62
Tax effect	(0.10)	(0.42)
Total non-GAAP adjustments, net	**0.27**	**1.20**
Adjusted EPS	**$1.94 - $2.24**	**$3.02 - $3.88**

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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 fourth quarter 2023 results and the company's annual report on Form 10-K for the years ending December 31, 2022, 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.	
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.	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.
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.	

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