



# Earnings Call and Webcast

## Q4 2025

February 10, 2026

# 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) disallowance of employee retention tax credits under certain COVID-19 relief programs; (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; (xi) financial solvency of workers’ compensation carriers, other insurers or financial institutions; (xii) the ability to adjust service fees for increases in state and local taxes, including state unemployment tax rates; (xiii) 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; (xiv) cancellation of client contracts on short notice, or the inability to renew client contracts or attract new clients; (xv) disruption from healthcare reform or the inability to secure competitive replacement contracts for health insurance and workers’ compensation insurance at expiration of current contracts; (xvi) regulatory and tax developments and possible adverse application of various federal, state and local regulations; (xvii) failure to manage growth of our operations and the effectiveness of our sales and marketing efforts; (xviii) 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; (xix) an adverse final judgment or settlement of claims against Insperity; (xx) disruptions of our information technology systems or failure to enhance our service and technology offerings to address new regulations or client expectations; (xxi) 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; (xxii) failure of third-party providers, such as financial institutions, data centers or cloud service providers; (xxiii) our ability to fully realize the anticipated benefits of our strategic partnership and joint solution with Workday, Inc.; and (xxiv) 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 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.

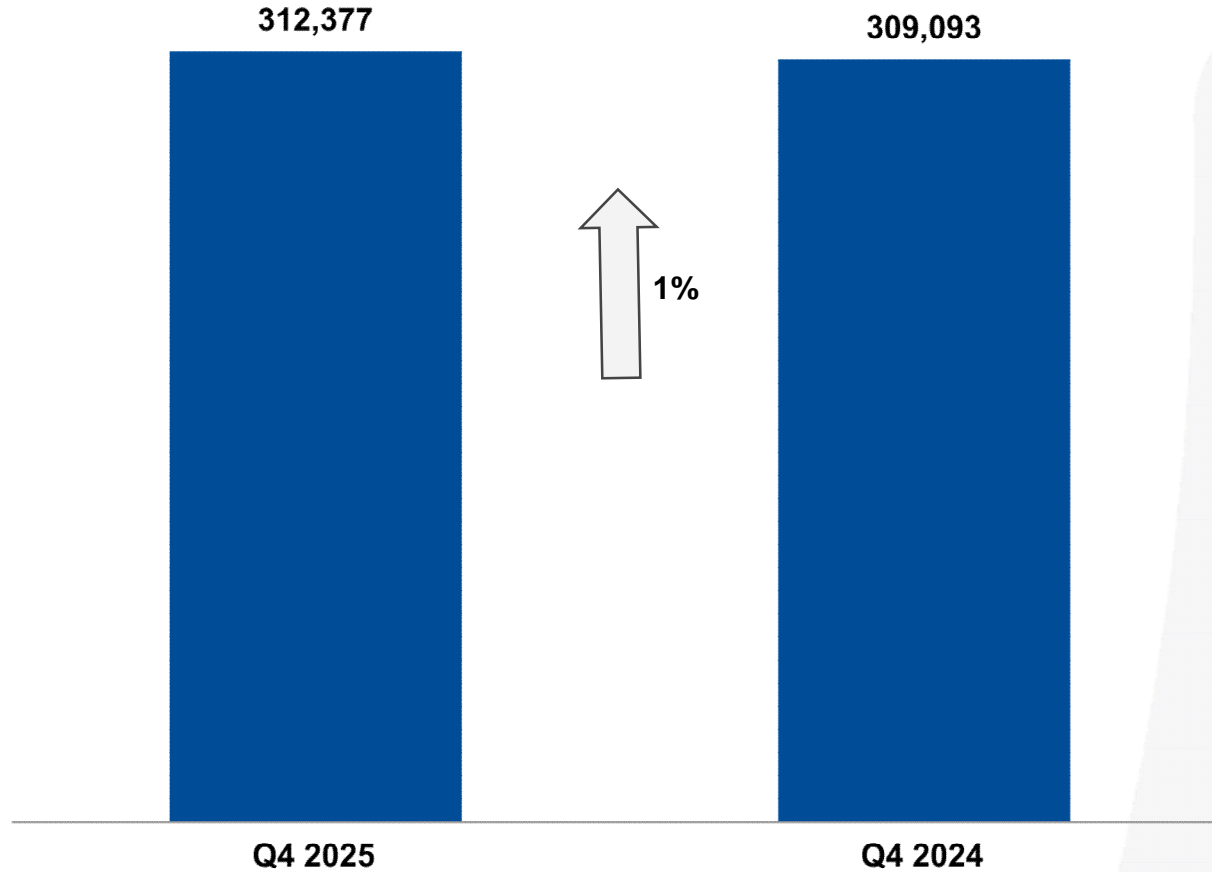


## CEO Commentary

- **We achieved a key year-end objective with a step up in gross profit margin as we entered 2026, positioning us for a significant recovery in profitability this year.**
- **Our 2026 plan continues to emphasize margin and profit recovery while regaining our growth momentum, which we expect to achieve through HR360 sales and retention initiatives and the roll out of HRScale.**
- **We are entering 2026 with stronger alignment, clearer priorities, and the most competitive product portfolio in our history, which we believe is a solid foundation for regaining our growth momentum.**
- **Based upon early HRScale sales activity levels with new prospects and existing clients, we expect approximately 6,000 to 8,000 paid worksite employees on HRScale by year end, with a solid queue scheduled for future deployment.**

# Q4 2025 Financial Results

## Average Paid Worksite Employees



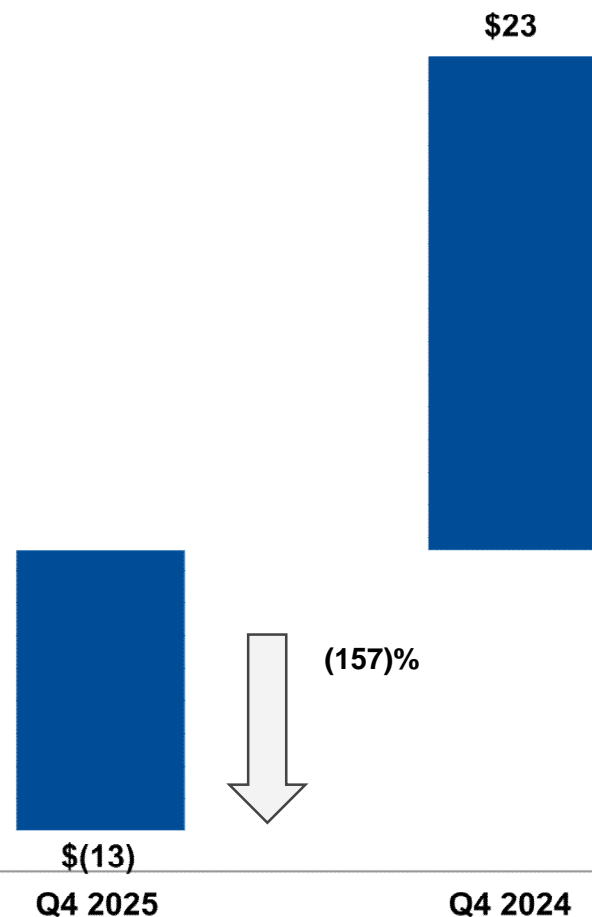
- Q4 average paid worksite employees increased 1%
- Worksite employees paid from new client sales increased slightly compared to Q4 2024
- Client retention for Q4 2025 was in line with Q4 2024
- Net hiring was flat during Q4 2025



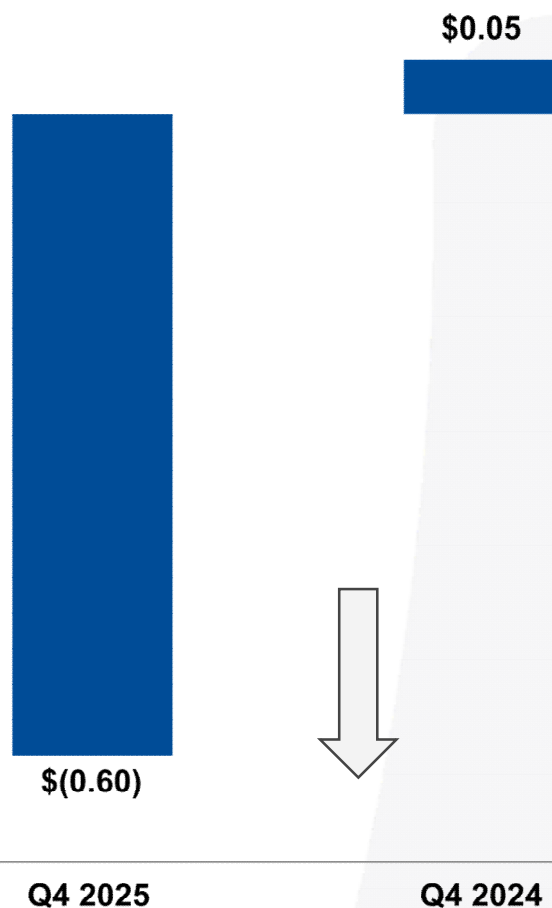
# Q4 2025 Financial Results

(\$ in millions, except per share amounts)

## Adjusted EBITDA



## Adjusted EPS

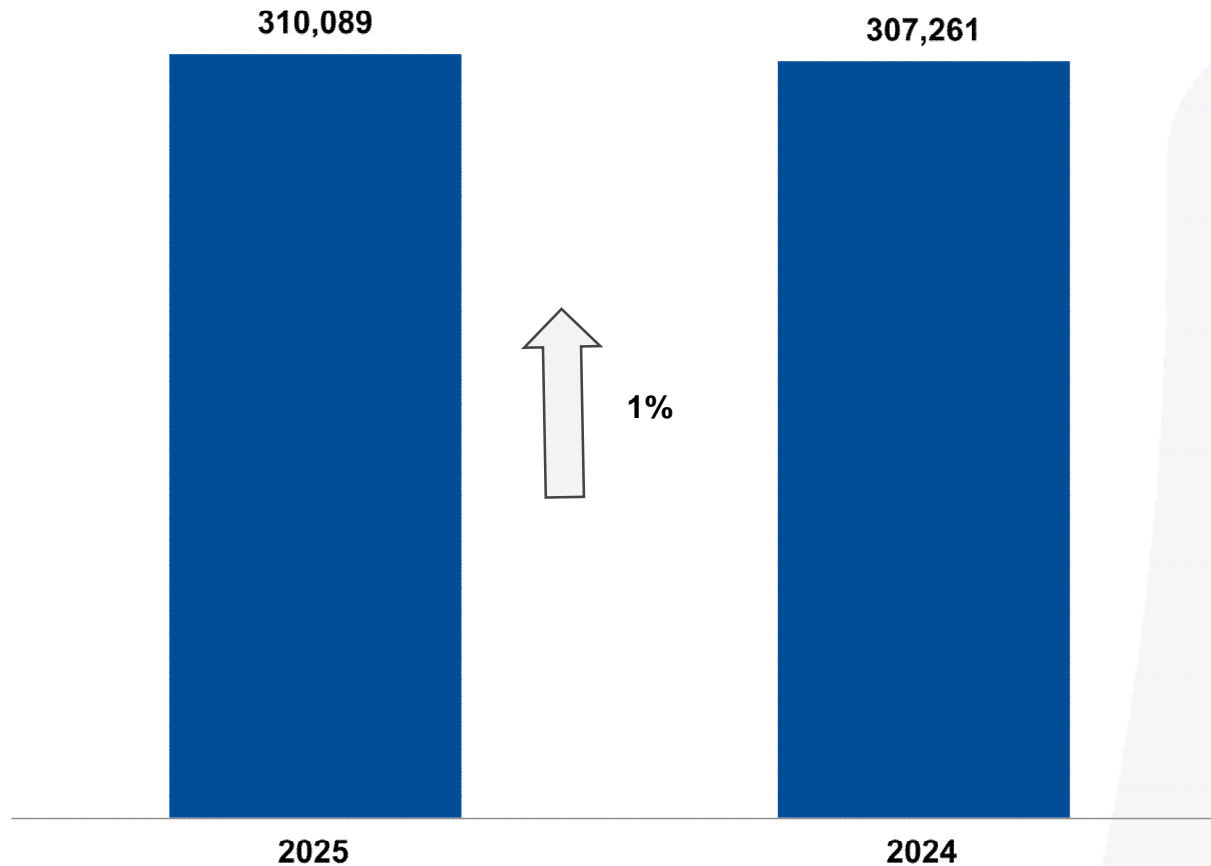


- Q4 2025 earnings declined from Q4 2024, primarily due to the following factors:
  - Continued elevated benefits costs, partially offset by increased pricing. The elevated benefits costs were driven by inpatient, outpatient, and pharmacy trends, as well as frequency of large claim activity.
  - Operating expenses decreased 6% compared to Q4 2024

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

# Full Year 2025 Financial Results

## Average Paid Worksite Employees

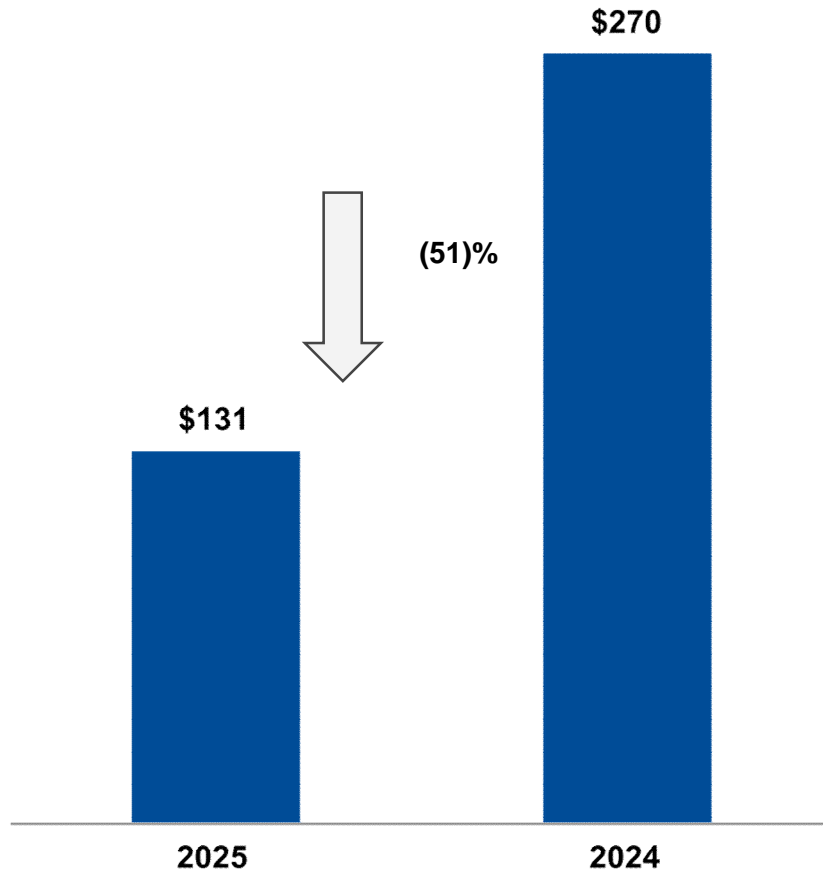


- Average paid worksite employees increased 1%
- Worksite employees paid from new sales, client retention and net hiring by our clients improved compared to 2024

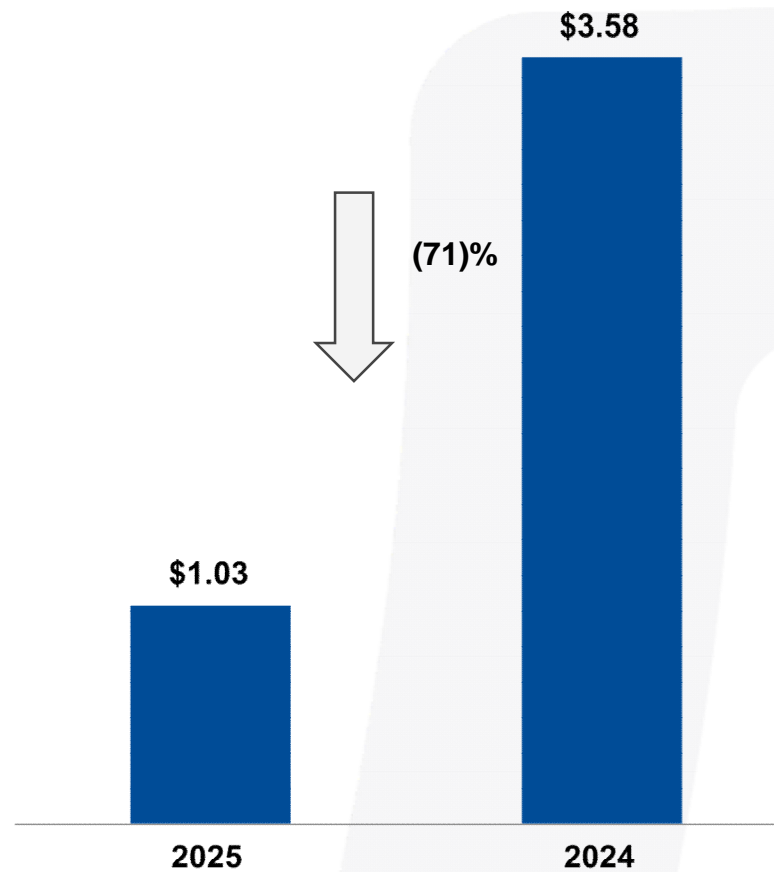
# Full Year 2025 Financial Results

(\$ in millions, except per share amounts)

## Adjusted EBITDA



## Adjusted EPS



- Adjusted EBITDA decreased compared to 2024 primarily due to the following factors:

- unfavorable results in our benefits program, partially offset by increased pricing
- 2025 had an \$11 million unfavorable adjustment related to healthcare claims development whereas 2024 had a \$29 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)

	December 31, 2025	December 31, 2024
Adjusted Cash	\$57	\$134
Total Debt	\$369	\$369
Working Capital	\$102	\$155

Year-to-Date Period Ended:	December 31, 2025	December 31, 2024
Adjusted EBITDA	\$131	\$270
Dividends Paid	\$90	\$89
Cost of Shares Repurchased	\$19	\$63

- \$109 million returned to shareholders in 2025 through dividend program and share repurchases
- During Q4 2025 we amended our credit facility to extend the maturity date to December 2028 and increase our borrowing base from \$650 million to \$750 million.

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



# Q1 and FY 2026 Outlook

	February 10, 2026 Q1 2026 Outlook		February 10, 2026 FY 2026 Outlook	
Average WSEEs paid	303,000	— 305,000	305,400	— 314,700
Year-over-year increase (decrease)	(1.0)%	— (0.3)%	(1.5)%	— 1.5%
Adjusted EPS <sup>1</sup>	\$1.03	— \$1.50	\$1.69	— \$2.72
Year-over-year increase (decrease)	(34)%	— (4)%	64%	— 164%
Adjusted EBITDA (in millions)	\$81	— \$111	\$170	— \$230
Year-over-year increase (decrease)	(21)%	— 9%	30%	— 76%

<sup>1</sup> Adjusted EPS includes an effective tax rate of 39% in Q1 2026 and 34% for the full year 2026.

## 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 and restructuring charge.

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

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

## • Average paid worksite employees

### ▪ Budgeted worksite employee growth in 2026 reflects:

- Year-end transition results in sales and client retention
- Continuing weakness in client net hiring

## • Earnings

- Reflects significant steps to achieve gross profit recovery through pricing and client selection, our new contract and plan design changes with United Healthcare
- Operating expenses expected to be approximately 3% below 2025 driven primarily by:
  - \$36M associated with Workday strategic partnership investment compared to \$48M in 2025
  - \$20M lower costs associated with a 4% non-BPA headcount reduction

# 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 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: <ul style="list-style-type: none"> <li>• federal and state income tax withholdings,</li> <li>• employment taxes,</li> <li>• other payroll deductions, and</li> <li>• client prepayments.</li> </ul>	<p>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.</p>
EBITDA	Represents net income computed in accordance with GAAP, plus: <ul style="list-style-type: none"> <li>• interest expense,</li> <li>• income tax expense,</li> <li>• depreciation and amortization expense, and</li> <li>• amortization of SaaS implementation costs.</li> </ul>	
Adjusted EBITDA	Represents EBITDA plus: <ul style="list-style-type: none"> <li>• non-cash stock-based compensation, and</li> <li>• restructuring charge.</li> </ul>	
Adjusted EPS	Represents diluted net income per share computed in accordance with GAAP, excluding: <ul style="list-style-type: none"> <li>• non-cash stock-based compensation, and</li> <li>• restructuring charge.</li> </ul>	