NAPEO Quarterly Pulse Survey – Q4 2017 Results

### How did the 4th quarter of 2017 compare with the 4th quarter of 2016?

#### PEO Revenue

<table>
<thead>
<tr>
<th>Typical PEO</th>
<th>Increased Somewhat</th>
<th>Increased Significantly</th>
<th>Decreased Somewhat</th>
<th>Decreased Significantly</th>
<th>Stayed About the Same</th>
</tr>
</thead>
<tbody>
<tr>
<td>Typical PEO</td>
<td>50.0%</td>
<td>21.9%</td>
<td>6.3%</td>
<td>21.9%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Response Count: 32

#### Average annual wage per worksite employee (WSE)

<table>
<thead>
<tr>
<th>Typical PEO</th>
<th>Increased Somewhat</th>
<th>Increased Significantly</th>
<th>Decreased Somewhat</th>
<th>Decreased Significantly</th>
<th>Stayed About the Same</th>
</tr>
</thead>
<tbody>
<tr>
<td>Typical PEO</td>
<td>65.5%</td>
<td>34.5%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Response Count: 31

### Note:
Throughout this report, the word “Typical” is used to describe the median (middle) value for a given item.

*Internal employees excluding sales staff*
How did the 4th quarter of 2017 compare with the 4th quarter of 2016?

Average number of worksite employees (WSEs) per client company

- **Typical PEO**
  - Stayed About the Same
  - **Response Count**: 31

Gross profit ($)

- **Typical PEO**
  - Increased Somewhat
  - **Response Count**: 30

Operating income ($)

- **Typical PEO**
  - Increased Somewhat
  - **Response Count**: 32
How did the 4th quarter of 2017 compare with the 4th quarter of 2016?

Number of internal employees (including salespeople)

Typical PEO

Stayed About the Same

Response Count 31

Number of Clients

Typical PEO

Increased Somewhat

Response Count 32

Number of Worker’s Compensation claims reported to carrier

Typical PEO

Stayed About the Same

Response Count 29
WSE Projection

How do you anticipate your number of WSEs will change over the next 12 months?

Typical PEO

- Increase Significantly: 3.2%
- Increase Somewhat: 71.0%
- Stay About the Same: 22.6%
- Decrease Somewhat: 3.2%
- Decrease Significantly: 3.2%

Response Count: 31