NAPEO Quarterly Pulse Survey – Q1 2020 Results

WSEs per Client

| Typical PEO | 20 |

Clients per FTE*

| Typical PEO | 8 |

WSEs per FTE*

| Typical PEO | 151 |

*Internal employees excluding sales staff

How did the 1st quarter of 2020 compare with the 1st quarter of 2019?

PEO Revenue

Typical PEO

- Stayed About the Same

Response Count

37

Average annual wage per worksite employee (WSE)

Typical PEO

- Stayed About the Same

Response Count

36

Note: Throughout this report, the word “Typical” is used to describe the median (middle) value for a given item.
How did the 1st quarter of 2020 compare with the 1st quarter of 2019?

Average number of worksite employees (WSEs) per client company

Typical PEO
- Stayed About the Same: 44%
- Increased Significantly: 17%
- Increased Somewhat: 6%
- Decreased Somewhat: 3%
- Decreased Significantly: 3%

Response Count: 36

Gross profit ($)

Typical PEO
- Stayed About the Same: 38%
- Increased Significantly: 30%
- Increased Somewhat: 30%
- Decreased Somewhat: 3%
- Decreased Significantly: 3%

Response Count: 37

Operating income ($)

Typical PEO
- Stayed About the Same: 43%
- Increased Significantly: 22%
- Increased Somewhat: 5%
- Decreased Somewhat: 3%
- Decreased Significantly: 3%

Response Count: 37
How did the 1st quarter of 2020 compare with the 1st quarter of 2019?

Number of internal employees (including salespeople)

Typical PEO

Stayed About the Same

Response Count 37

Number of Clients

Typical PEO

Stayed About the Same

Response Count 37

Number of Worker's Compensation claims reported to carrier

Typical PEO

Stayed About the Same

Response Count 34
WSE Projection

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

Typical PEO

Decrease Somewhat

Response Count

36