

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
WASHINGTON, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): April 26, 2023**



**TRINET GROUP, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)  
**One Park Place, Suite 600**  
**Dublin, CA**  
(Address of principal executive offices)

**001-36373**  
(Commission File Number)

**95-3359658**  
(I.R.S. Employer  
Identification No.)

**94568**  
(Zip Code)

**Registrant's telephone number, including area code: (510) 352-5000**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock par value \$0.000025 per share	TNET	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 2.02 Results of Operations and Financial Condition**

On April 26, 2023, TriNet Group, Inc. (the “Company”) issued a press release announcing the Company’s financial and operating results for the quarter ended March 31, 2023. A copy of the press release, entitled “TriNet Announces First Quarter 2023 Results” is furnished as Exhibit 99.1 hereto and incorporated by reference.

The information in this Current Report on Form 8-K and the exhibit attached hereto shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing.

**Item 9.01 Financial Statements and Exhibits**

(d) Exhibits

<b>Exhibit Number</b>	<b>Description</b>
99.1	Press Release, dated April 26, 2023, entitled “TriNet Announces First Quarter 2023 Results”
104	Cover Page Interactive Data File (embedded with the Inline XBRL document)

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## INDEX TO EXHIBITS

<b>Exhibit Number</b>	<b>Description</b>
99.1	<a href="#">Press Release, dated April 26, 2023, entitled "TriNet Announces First Quarter 2023 Results"</a>
104	Cover Page Interactive Data File (embedded with the Inline XBRL document)

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: April 26, 2023

By: **TriNet Group, Inc.** /s/ Samantha Wellington  
\_\_\_\_\_  
**Samantha Wellington**  
**Executive Vice President, Business Affairs, Chief Legal Officer and Secretary**

## TriNet Announces First Quarter 2023 Results

*6% Growth in Professional Service Revenues to \$205 million*

*2% Growth in Total Revenues to \$1.2 billion*

*Net Income per Diluted Share of \$2.17 and Adjusted Net Income per Diluted Share of \$2.49*

**DUBLIN, Calif. — April 26, 2023** — [TriNet Group, Inc.](#) (NYSE: TNET), a leading provider of comprehensive and flexible human capital management (HCM) solutions for small and medium-size businesses (SMBs), today announced financial results for the first quarter ended March 31, 2023. The first quarter highlights below include non-GAAP financial measures which are reconciled later in this release.

First quarter highlights include:

- Professional service revenues increased 6% to \$205 million compared to the same period last year.
- Total revenues increased 2% to \$1.2 billion compared to the same period last year.
- Net income was \$131 million, or \$2.17 per diluted share, compared to net income of \$146 million, or \$2.21 per diluted share, in the same period last year.
- Adjusted Net Income was \$150 million, or \$2.49 per diluted share, compared to Adjusted Net Income of \$168 million, or \$2.55 per diluted share, in the same period last year.
- Adjusted EBITDA was \$223 million, representing an Adjusted EBITDA Margin of 17.9%, compared to Adjusted EBITDA of \$242 million, representing an Adjusted EBITDA Margin of 19.9% in the same period last year.
- Average Worksite Employees (WSEs) decreased 5% as compared to the same period last year, to approximately 327,000.
- Average HRIS Users decreased 9% as compared to the same period last year, to approximately 231,000.

“I am particularly pleased with our first quarter financial results which exceeded guidance and occurred during what proved to be a tumultuous first quarter economic environment,” said Burton M. Goldfield, TriNet’s President and CEO. “With our singular focus on putting our customers at the center of everything we do, we grew new sales and kept more of our customers longer. We controlled our costs while we launched our new brand identity which highlights the unique value we offer SMBs. We remained disciplined in our financial management and delivered strong earnings for our shareholders.”

Mr. Goldfield continued, “We often speak of how we use scale in service of our customers. The regional bank crisis in the first quarter was an extreme example of just that. Ultimately, none of our impacted customers missed a payroll. In business, you can count on the unexpected happening, and for our customers, they can count on TriNet to support them through challenging times.”

## Second Quarter and Full-Year 2023 Guidance

In addition to announcing our first quarter 2023 results, we provide our second quarter and full-year 2023 guidance. Non-GAAP financial measures are reconciled later in this release. Percentages reflect the increase or (decrease) from the prior year quarter and prior year end.

	Q2 2023		Full Year 2023	
	Low	High	Low	High
Total Revenues	— %	1 %	1 %	2 %
Professional Service Revenues	(3)%	— %	1 %	3 %
Insurance Cost Ratio	88.5 %	87.0 %	88.5 %	87.0 %
Diluted net income (loss) per share of common stock	\$ 0.72	\$ 0.96	\$ 3.96	\$ 4.90
Adjusted Net Income per share - diluted	\$ 1.15	\$ 1.40	\$ 5.40	\$ 6.35

## Quarterly Report on Form 10-Q

We anticipate filing our Quarterly Report on Form 10-Q (“Form 10-Q”) for the three months ended March 31, 2023 with the U.S. Securities and Exchange Commission (SEC) and making it available at <http://www.trinet.com> today, April 26, 2023. This press release should be read in conjunction with the Form 10-Q and the related Notes to Consolidated Financial Statements and Management's Discussion and Analysis of Financial Condition and Results of Operations contained in the Form 10-Q.

## Earnings Conference Call and Audio Webcast

TriNet will host a conference call at 2:00 p.m. PT (5:00 p.m. ET) today to discuss its first quarter results for 2023 and provide second quarter and full-year financial guidance for 2023. TriNet encourages participants to pre-register for the conference call. Callers who pre-register will be given a unique PIN to gain immediate access to the call and bypass the live operator. To pre-register, go to: <https://dpre register.com/sreg/10177150/f8d4d8ed98>. For those who would like to join the call but have not pre-registered, they can do so by dialing +1 (412) 317-5426 and requesting the “TriNet Conference Call.” The live webcast of the conference call can be accessed on the Investor Relations section of TriNet’s website at <https://investor.trinet.com>. A replay of the webcast will be available on this website for approximately one year. A telephonic replay will be available for one week following the conference call at +1 (412) 317-0088 conference ID: 6197218.

## About TriNet

TriNet provides small and medium-size businesses (SMBs) with full-service industry-specific HR solutions, providing both professional employer organization (PEO) and human resources information system (HRIS) services. TriNet offers access to human capital expertise, benefits, risk mitigation, compliance, payroll, and R&D tax credit services, all enabled by industry-leading technology. TriNet’s suite of products also includes services and software-based solutions to help streamline workflows by connecting HR, benefits, employee engagement, payroll and time & attendance. Rooted in more than 30 years of supporting entrepreneurs and adapting to the ever-changing modern workplace, TriNet empowers SMBs to focus on what matters most—growing their business and enabling their people. For more information, please visit [TriNet.com](http://TriNet.com) or follow us on Twitter, Facebook, LinkedIn and Instagram.

## Use of Non-GAAP Financial Measures

Reconciliations of non-GAAP financial measures to TriNet’s financial results as determined in accordance with GAAP are included at the end of this press release following the accompanying financial data. For a description of these non-GAAP financial measures, including the reasons management uses each measure, please see the section titled “Non-GAAP Financial Measures.”

## Forward-Looking Statements

This press release contains, and statements made during the above referenced conference call will contain, statements that are not historical in nature, are predictive in nature, or that depend upon or refer to future events or conditions or otherwise contain forward-looking statements within the meaning of Section 21 of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995, including, among other things, TriNet’s expectations and assumptions regarding: TriNet’s financial guidance for the second quarter and full-year 2023 and the underlying assumptions; TriNet’s future financial performance and long-term growth; the value to customers and stockholders of TriNet’s product offerings; the extent, length and growth impact of current economic uncertainty; the impact of our client support during any future banking crisis ; our ability to continue to grow new client sales and client tenure; and the ability of our solutions to meet all client needs throughout their business cycle. Forward-looking statements are often identified by the use of words such as, but not limited to, “ability,” “anticipate,” “believe,” “can,” “continue,” “could,” “estimate,” “expect,” “guidance,” “impact,” “intend,” “may,” “plan,” “predict,” “project,” “seek,” “should,” “strategy,” “target,” “value,” “will,” “would” and similar expressions or variations intended to identify forward-looking statements. These statements are not guarantees of future performance but are based on management’s expectations as of the date hereof and assumptions that are inherently subject to uncertainties, risks and changes in circumstances that are difficult to predict. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from our current expectations and any past or future results, performance or achievements expressed or implied by the forward-looking statements. Investors are cautioned not to place undue reliance upon any forward-looking statements.

Important factors that could cause actual results to differ materially from those expressed or implied by these forward-looking statements include: our ability to manage unexpected changes in workers' compensation and health insurance claims and costs by worksite employees; our ability to mitigate the unique business risks we face as a co-employer; the effects of volatility in the financial and economic environment on the businesses that make up our client base; loss of clients for reasons beyond our control; and the short-term contracts we typically use with our clients; the impact of regional or industry-specific economic and health factors on our operations; the impact of failures or limitations in the business systems and service centers we rely upon; the impact of recovery credits on our business and client loyalty and retention; changes in our insurance coverage or our relationships with key insurance carriers; our ability to improve our services and technology to satisfy client and regulatory expectations; our ability to effectively integrate businesses we have acquired or may acquire in the future; our ability to effectively manage and improve our operational effectiveness and resiliency; our ability to attract and retain qualified personnel; the effects of increased competition and our ability to compete effectively; the impact on our business of cyber-attacks, breaches, disclosures and other data-related incidents; our ability to protect against and remediate cyber-attacks, breaches, disclosures and other data-related incidents, whether intentional or inadvertent and whether attributable to us or our service providers; our ability to comply with constantly evolving data privacy and security laws; our ability to manage changes in, uncertainty regarding, or adverse application of the complex laws and regulations that govern our business; changing laws and regulations governing health insurance and employee benefits; our ability to be recognized as an employer of worksite employees and for our benefits plans to satisfy all requirements under federal and state regulations; changes in the laws and regulations that govern what it means to be an employer, employee or independent contractor; the impact of new and changing laws regarding remote work; our ability to comply with the licensing requirements that govern our HCM solutions; the outcome of existing and future legal and tax proceedings; fluctuation in our results of operations and stock price due to factors outside of our control; our ability to comply with the restrictions of our credit facility and meet our debt obligations; and the impact of concentrated ownership in our stock by Atairos and other large stockholders. Any of these factors could cause our actual results to differ materially from our anticipated results.

Further information on risks that could affect TriNet's results is included in our filings with the SEC, including under the headings "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in our most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, which are available on our investor relations website at <http://investor.trinet.com> and on the SEC website at [www.sec.gov](http://www.sec.gov). Copies of these filings are also available by contacting TriNet Corporation's Investor Relations Department at (510) 875-7201. Except as required by law, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements in this press release, and any forward-looking statements in this press release speak only as of the date of this press release. In addition, we do not assume any obligation, and do not intend, to update any of our forward-looking statements, except as required by law.

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## Key Financial and Operating Metrics

We regularly review certain key financial and operating metrics to evaluate growth trends, measure our performance and make strategic decisions. These key financial and operating metrics may change over time. Our key financial and operating metrics for the periods presented were as follows:

(in millions, except per share and Operating Metrics data)	Three Months Ended March 31,		
	2023	2022	% Change
<b>Income Statement Data:</b>			
Total revenues	\$ 1,246	\$ 1,218	2 %
Operating income	169	204	(17)
Net income	131	146	(10)
Diluted net income per share of common stock	2.17	2.21	(2)
<b>Non-GAAP measures <sup>(1)</sup>:</b>			
Adjusted EBITDA	223	242	(8)
Adjusted Net income	150	168	(11)
<b>Operating Metrics:</b>			
Insurance Cost Ratio	82 %	80 %	2 %
Average WSEs	327,107	343,245	(5)
Total WSEs at period end	328,299	348,349	(6)
Average HRIS Users <sup>(2)</sup>	231,347	253,766	(9)

(1) Refer to Non-GAAP measures definitions and reconciliations from GAAP measures under the heading "Non-GAAP Financial Measures".

(2) For the three months ended March 31, 2022, reflects HRIS Users from February 15, 2022, the date on which we acquired Zenefits, to the end of the period.

(in millions)	March 31, 2023	December 31, 2022	% Change
<b>Balance Sheet Data:</b>			
Cash and cash equivalents	\$ 707	\$ 354	100 %
Working capital	394	338	17 %
Total assets	3,736	3,443	9
Debt	791	496	59
Total stockholders' equity	825	775	6

(in millions)	Three Months Ended March 31,		
	2023	2022	% Change
<b>Cash Flow Data:</b>			
Net cash provided by (used in) operating activities	\$ (77)	\$ 214	(136) %
Net cash used in investing activities	(23)	(213)	(89)
Net cash provided by (used in) financing activities	200	(353)	(157)
<b>Non-GAAP measure <sup>(1)</sup>:</b>			
Corporate Operating Cash Flows	169	193	(12)

(1) Refer to Non-GAAP measures definitions and reconciliations from GAAP measures under the heading "Non-GAAP Financial Measures".

**TRINET GROUP, INC.  
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME (Unaudited)**

(in millions except per share data)	Three Months Ended March 31,	
	2023	2022
Professional service revenues	\$ 205	\$ 194
Insurance service revenues	1,041	1,024
<b>Total revenues</b>	<b>1,246</b>	<b>1,218</b>
Insurance costs	852	823
Cost of providing services	78	70
Sales and marketing	69	45
General and administrative	43	47
Systems development and programming	17	16
Depreciation and amortization of intangible assets	18	13
<b>Total costs and operating expenses</b>	<b>1,077</b>	<b>1,014</b>
<b>Operating income</b>	<b>169</b>	<b>204</b>
Other income (expense):		
Interest expense, bank fees and other	(7)	(5)
Interest income	18	1
<b>Income before provision for income taxes</b>	<b>180</b>	<b>200</b>
Income taxes	49	54
<b>Net income</b>	<b>\$ 131</b>	<b>\$ 146</b>
Other comprehensive income (loss), net of income taxes	3	(8)
<b>Comprehensive income</b>	<b>\$ 134</b>	<b>\$ 138</b>
<b>Net income per share:</b>		
Basic	\$ 2.18	\$ 2.23
Diluted	\$ 2.17	\$ 2.21
<b>Weighted average shares:</b>		
Basic	60	65
Diluted	60	66

**TRINET GROUP, INC.**  
**CONSOLIDATED BALANCE SHEETS (Unaudited)**

<i>(in millions, except share and per share data)</i>	March 31, 2023	December 31, 2022
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 707	\$ 354
Investments	89	76
Restricted cash, cash equivalents and investments	1,016	1,263
Accounts receivable, net	15	19
Unbilled revenue, net	371	375
Prepaid expenses, net	85	71
Other payroll assets	302	122
Other current assets	44	46
<b>Total current assets</b>	<b>2,629</b>	<b>2,326</b>
Restricted cash, cash equivalents and investments, noncurrent	155	153
Investments, noncurrent	142	151
Property and equipment, net	31	24
Operating lease right-of-use asset	29	31
Goodwill	462	462
Software and other intangible assets, net	155	163
Other assets	133	133
<b>Total assets</b>	<b>\$ 3,736</b>	<b>\$ 3,443</b>
<b>Liabilities and stockholders' equity</b>		
Current liabilities:		
Accounts payable and other current liabilities	\$ 130	\$ 98
Revolving credit agreement borrowings	295	—
Client deposits and other client liabilities	131	106
Accrued wages	416	437
Accrued health insurance costs, net	169	174
Accrued workers' compensation costs, net	54	54
Payroll tax liabilities and other payroll withholdings	1,007	1,087
Operating lease liabilities	16	15
Insurance premiums and other payables	17	17
<b>Total current liabilities</b>	<b>2,235</b>	<b>1,988</b>
Long-term debt, noncurrent	496	496
Accrued workers' compensation costs, noncurrent, net	127	128
Deferred taxes	9	8
Operating lease liabilities, noncurrent	36	41
Other non-current liabilities	8	7
<b>Total liabilities</b>	<b>2,911</b>	<b>2,668</b>
Stockholders' equity:		
Preferred stock	—	—
Common stock and additional paid-in capital	910	899
Retained earnings (Accumulated deficit)	(83)	(119)
Accumulated other comprehensive loss	(2)	(5)
<b>Total stockholders' equity</b>	<b>825</b>	<b>775</b>
<b>Total liabilities &amp; stockholders' equity</b>	<b>\$ 3,736</b>	<b>\$ 3,443</b>

**TRINET GROUP, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)**

(in millions)	Three Months Ended March 31,	
	2023	2022
<b>Operating activities</b>		
Net income	\$ 131	\$ 146
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>		
Depreciation and amortization	30	21
Amortization of ROU asset, lease modification, impairment, and abandonment	2	3
Stock based compensation	11	12
Deferred income taxes	—	2
Provision for doubtful accounts	1	—
Other	—	2
Changes in operating assets and liabilities:		
Accounts receivable, net	3	8
Unbilled revenue, net	5	7
Other assets and prepaid expenses, net	(24)	5
Other payroll assets	(180)	(16)
Accounts payable and other liabilities	30	10
Client deposits and other client liabilities	25	28
Accrued wages	(21)	188
Accrued health insurance costs, net	(5)	(8)
Accrued workers' compensation costs, net	(1)	1
Payroll taxes payable and other payroll withholdings	(80)	(191)
Operating lease liabilities	(4)	(4)
<b>Net cash provided by (used in) operating activities</b>	<b>(77)</b>	<b>214</b>
<b>Investing activities</b>		
Purchases of marketable securities	(82)	(91)
Proceeds from sale and maturity of marketable securities	76	72
Acquisitions of property and equipment	(17)	(11)
Acquisition of subsidiary, net of cash acquired	—	(183)
<b>Net cash used in investing activities</b>	<b>(23)</b>	<b>(213)</b>
<b>Financing activities</b>		
Repurchase of common stock	(91)	(350)
Revolver drawdown	495	—
Revolver repayment	(200)	—
Awards effectively repurchased for required employee withholding taxes	(4)	(3)
<b>Net cash provided by (used in) financing activities</b>	<b>200</b>	<b>(353)</b>
<b>Net increase (decrease) in cash and cash equivalents, unrestricted and restricted</b>	<b>100</b>	<b>(352)</b>
<b>Cash and cash equivalents, unrestricted and restricted:</b>		
Beginning of period	1,537	1,738
End of period	\$ 1,637	\$ 1,386
<b>Supplemental disclosures of cash flow information</b>		
Interest paid	\$ 11	\$ 9
Income taxes (refund) paid, net	\$ 4	\$ (12)
<b>Supplemental schedule of noncash investing and financing activities</b>		
Payable for purchase of property and equipment	\$ 5	\$ 4

## Non-GAAP Financial Measures

In addition to the selected financial measures presented in accordance with U.S. Generally Accepted Accounting Principles (GAAP), we monitor other non-GAAP financial measures that we use to manage our business, to make planning decisions, to allocate resources and to use as performance measures in our executive compensation plan. These key financial measures provide an additional view of our operational performance over the long term and provide information that we use to maintain and grow our business.

The presentation of these non-GAAP financial measures is used to enhance the understanding of certain aspects of our financial performance. It is not meant to be considered in isolation from, superior to, or as a substitute for the directly comparable financial measures prepared in accordance with GAAP.

Non-GAAP Measure	Definition	How We Use The Measure
<i>Adjusted EBITDA</i>	<ul style="list-style-type: none"> <li>• Net income, excluding the effects of:               <ul style="list-style-type: none"> <li>- income tax provision,</li> <li>- interest expense, bank fees and other,</li> <li>- depreciation,</li> <li>- amortization of intangible assets,</li> <li>- stock based compensation expense,</li> <li>- amortization of cloud computing arrangements, and</li> <li>- transaction and integration costs.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Provides period-to-period comparisons on a consistent basis and an understanding as to how our management evaluates the effectiveness of our business strategies by excluding certain non-recurring costs, which include transaction and integration costs, as well as certain non-cash charges such as depreciation and amortization, and stock-based compensation and certain impairment charges recognized based on the estimated fair values. We believe these charges are either not directly resulting from our core operations or not indicative of our ongoing operations.</li> <li>• Enhances comparisons to prior periods and, accordingly, facilitates the development of future projections and earnings growth prospects.</li> <li>• Provides a measure, among others, used in the determination of incentive compensation for management.</li> <li>• We also sometimes refer to Adjusted EBITDA margin, which is the ratio of Adjusted EBITDA to total revenues.</li> </ul>
<i>Adjusted Net Income</i>	<ul style="list-style-type: none"> <li>• Net income, excluding the effects of:               <ul style="list-style-type: none"> <li>- effective income tax rate (1),</li> <li>- stock based compensation,</li> <li>- amortization of intangible assets, net,</li> <li>- non-cash interest expense,</li> <li>- transaction and integration costs, and</li> <li>- the income tax effect (at our effective tax rate (1) of these pre-tax adjustments).</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Provides information to our stockholders and board of directors to understand how our management evaluates our business, to monitor and evaluate our operating results, and analyze profitability of our ongoing operations and trends on a consistent basis by excluding certain non-cash charges.</li> </ul>
<i>Corporate Operating Cash Flows</i>	<ul style="list-style-type: none"> <li>• Net cash provided by (used in) operating activities, excluding the effects of:               <ul style="list-style-type: none"> <li>- Assets associated with WSEs (accounts receivable, unbilled revenue, prepaid expenses and other current assets) and</li> <li>- Liabilities associated with WSEs (client deposits and other client liabilities, accrued wages, payroll tax insurance premiums and other payables, and other current liabilities).</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Provides information that our stockholders and management can use to evaluate our cash flows from operations independent of the current assets and liabilities associated with our WSEs.</li> <li>• Enhances comparisons to prior periods and, accordingly, used as a liquidity measure to manage other client liabilities, accrued wages, payroll tax benefit costs, accrued workers' compensation costs, strategies.</li> </ul>

(1) Non-GAAP effective tax rate is 25.6% and 25.5% for the first quarter of 2023 and 2022 respectively, which excludes the income tax impact from stock-based compensation, changes in uncertain tax positions, and nonrecurring benefits or expenses from federal legislative changes.

*Reconciliation of GAAP to Non-GAAP Measures*

The table below presents a reconciliation of net income to Adjusted EBITDA:

<i>(in millions)</i>	Three Months Ended March 31,	
	2023	2022
Net income	\$ 131	\$ 146
Provision for income taxes	49	54
Stock based compensation	11	12
Interest expense, bank fees and other <sup>(1)</sup>	7	6
Depreciation and amortization of intangible assets	18	14
Amortization of cloud computing arrangements	2	—
Transaction and integration costs	5	10
<b>Adjusted EBITDA</b>	<b>\$ 223</b>	<b>\$ 242</b>
<b>Adjusted EBITDA Margin</b>	<b>17.9 %</b>	<b>19.9 %</b>

The table below presents a reconciliation of net income to Adjusted Net Income and Adjusted Net Income per share - diluted:

<i>(in millions, except per share data)</i>	Three Months Ended March 31,	
	2023	2022
Net income	\$ 131	\$ 146
Effective income tax rate adjustment	3	4
Stock based compensation	11	12
Amortization of intangible assets <sup>(1)</sup>	6	3
Transaction and integration costs	5	10
Income tax impact of pre-tax adjustments	(6)	(7)
<b>Adjusted Net Income</b>	<b>\$ 150</b>	<b>\$ 168</b>
<b>GAAP weighted average shares of common stock - diluted</b>	<b>60</b>	<b>66</b>
<b>Adjusted Net Income per share - diluted</b>	<b>\$ 2.49</b>	<b>\$ 2.55</b>

The table below presents a reconciliation of net cash provided by (used in) operating activities to Corporate Operating Cash flows:

<i>(in millions)</i>	Three Months Ended March 31,	
	2023	2022
Net cash provided by (used in) operating activities	\$ (77)	\$ 214
Less: Change in WSE related other current assets	(178)	(9)
Less: Change in WSE related liabilities	(68)	30
<b>Net cash provided by (used in) operating activities - WSE</b>	<b>\$ (246)</b>	<b>\$ 21</b>
<b>Net cash provided by operating activities - Corporate</b>	<b>\$ 169</b>	<b>\$ 193</b>

*Reconciliation of GAAP to Non-GAAP Measures for the second quarter and full-year 2023 guidance.*

Low and high percentages represent increases (decreases) from the same periods in the previous year.

The table below presents a reconciliation of net income to Adjusted Net Income and Adjusted Net Income per share - diluted:

(in millions, except per share data)	Q2 2022			Q2 2023 Guidance			FY 2022			Year 2023 Guidance		
	Actual	Low	High	Actual	Low	High	Actual	Low	High	Actual	Low	High
Net income	\$ 85	(49)%	(32)%	\$ 355	(34)%	(18)%						
Effective income tax rate adjustment	—	(28)	(3)	5	697	678						
Stock based compensation	18	12	12	62	11	11						
Amortization of intangible assets	5	16	16	18	10	10						
Non-cash interest expense	1	(23)	(23)	1	(14)	(14)						
Transaction and integration costs	7	24	24	37	(46)	(46)						
Income tax impact of pre-tax adjustments	(8)	16	16	(30)	(7)	(7)						
<b>Adjusted Net Income</b>	<b>\$ 108</b>	<b>(36)%</b>	<b>(22)%</b>	<b>\$ 448</b>	<b>(24)%</b>	<b>(10)%</b>						
<b>GAAP weighted average shares of common stock - diluted</b>	<b>63</b>			<b>64</b>								
<b>Adjusted Net Income per share - diluted</b>	<b>\$ 1.72</b>	<b>\$ 1.15</b>	<b>\$ 1.40</b>	<b>\$ 7.07</b>	<b>\$ 5.40</b>	<b>\$ 6.35</b>						