



FIRST-QUARTER 2019

# Investor Presentation

# Forward-Looking Statements & Non-GAAP Measures

Forward-looking statements in this presentation are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those projected. Such risks and uncertainties include, but are not limited to: we may be more sensitive to revenue fluctuations than other companies, which could result in fluctuations in the market price of our common stock; payments on accounts receivable may be slower than expected, or amounts due on receivables or notes may not be fully collectible; we are dependent on the services of our executive officers and other key employees, the loss of any of whom may have a material adverse effect on our business, financial condition and results of operations; restrictions imposed by independence requirements and conflict of interest rules may limit our ability to provide services to clients of the attest firms with which we have contractual relationships and the ability of such attest firms to provide attestation services to our clients; our goodwill and intangible assets could become impaired, which could lead to material non-cash charges against earnings; our goodwill and intangible assets could become impaired, which could lead to material non-cash charges against earnings; certain liabilities resulting from acquisitions are estimated and could lead to a material non-cash impact on earnings; governmental regulations and interpretations are subject to changes, which could have a material adverse effect on revenue; changes in the United States healthcare environment, including new healthcare legislation, may adversely affect the revenue and margins in our healthcare benefit businesses; we are subject to risks relating to processing customer transactions for our payroll and other transaction processing businesses; cyber attacks or other security breaches involving our computer systems or the systems of one or more of our vendors could materially and adversely affect our business; we are subject to risk as it relates to software that we license from third parties; we could be held liable for errors and omissions; the future issuance of additional shares could adversely affect the price of our common stock; our principal stockholders may have substantial control over our operations; we require a significant amount of cash for interest payments on our debt and to expand our business as planned; terms of our credit facility may adversely affect our ability to run our business and/or reduce stockholder returns; our failure to satisfy covenants in our debt instruments will cause a default under those instruments; we are reliant on information processing systems and any failure of these systems could have a material adverse effect on our business, financial condition and results of operations; we may not be able to acquire and finance additional businesses which may limit our ability to pursue our business strategy; the business services industry is competitive and fragmented; if we are unable to compete effectively, our business, financial condition and results of operations may be negatively impacted; there is volatility in our stock price. A more detailed description of such risks and uncertainties may be found in the Company's filings with the Securities and Exchange Commission.

All forward-looking statements made in this presentation are made only as of the end of the first quarter of 2019. The Company does not undertake any obligation to publicly update or correct any forward-looking statements to reflect events or circumstances that subsequently have occurred or of which it thereafter has become aware since the end of the first quarter of 2019.

The Company has included certain Non-GAAP measures in this presentation. Non-GAAP measures are commonly used by the Company, its shareholders and debt holders to evaluate, assess and benchmark the Company's operational results and to provide an additional measure with respect to the Company's ability to meet future debt obligations. Reconciliations for Non-GAAP measures can be found in the Appendix.

# Who We Are



LEADING PROVIDER OF FINANCIAL, INSURANCE AND ADVISORY SERVICES TO PRIMARILY SMALL AND MIDSIZED BUSINESSES (SMB) IN THE U.S.



See Appendix



# Key Financial Highlights

	2014	2018	TOTAL GROWTH	CAGR
REVENUE (IN MILLIONS)	\$719.5	\$922.0	28.1%	6.4%
PRE-TAX INCOME (IN MILLIONS)	\$50.6	\$79.8	57.9%	12.1%
PRE-TAX MARGIN	7.0%	8.7%	170 bps	
GAAP EPS (FROM CONTINUING OPERATIONS)	\$0.59	\$1.09	84.7%	16.6%

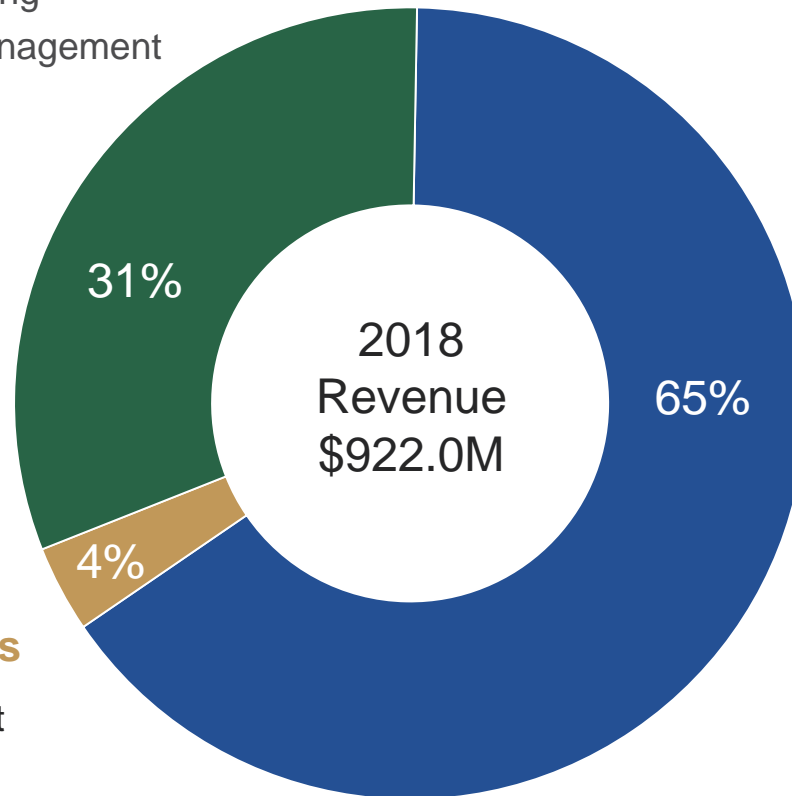
# Revenue Profile

## Benefits and Insurance Services

- Employee Benefits Consulting
- Payroll / Human Capital Management
- Property & Casualty
- Retirement Plan Services

## National Practices

- Technology Support



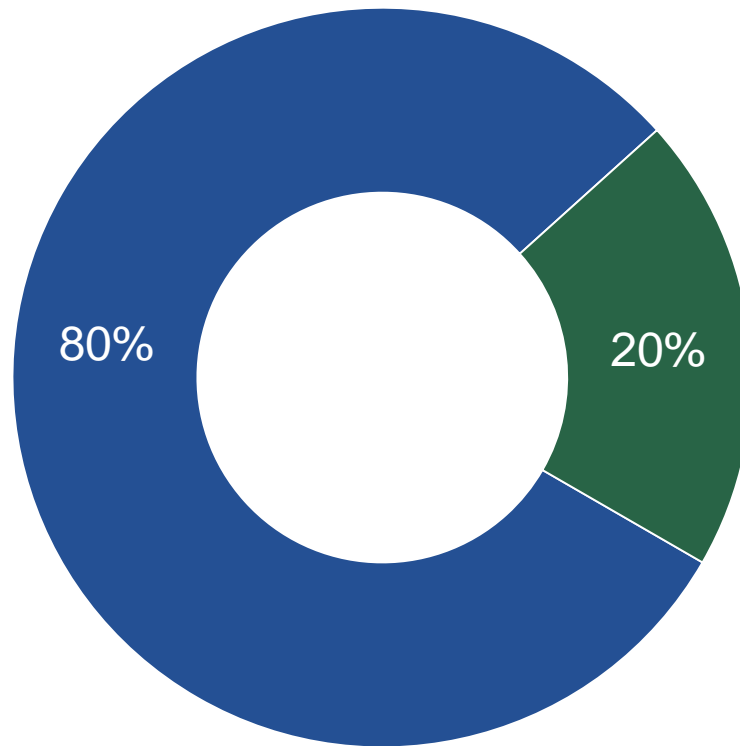
## Financial Services

- Accounting and Tax
- Government Health Care Consulting
- Financial Advisory
- Transaction Advisory
- Risk & Advisory Services
- Valuation

# Recurring Revenue

## Recurring Revenue

- Annual Tax Compliance
- Group Health Benefits
- Government Health Care Consulting
- Property & Casualty
- Payroll
- Retirement Plan Services
- Technology Support



## Project-based work

- Financial Consulting
- Valuation
- Compensation Studies
- Litigation Support
- Transaction Advisory
- Executive Search

# Client Profile

## Target Clients



SMB

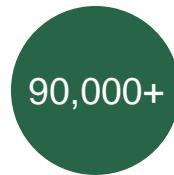


50 to 2,000  
Employees



\$5M to \$200M  
in Revenue

NATIONAL RESOURCES – PERSONAL SERVICE



90,000+  
Total  
Clients



50,000+  
Business  
Clients



90%  
Client Retention  
Rate

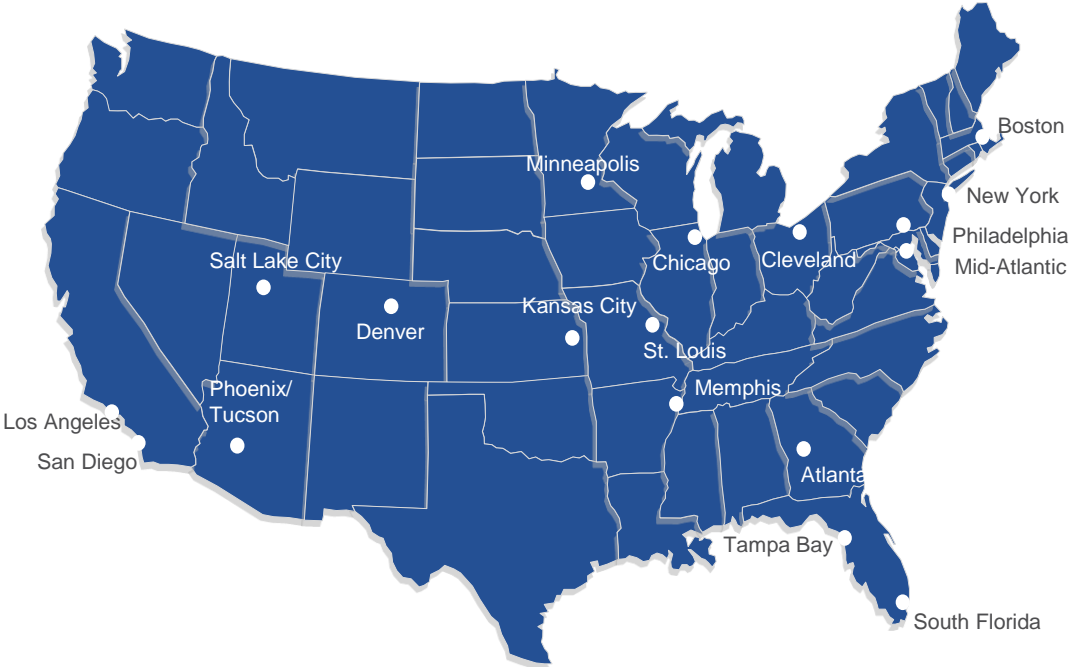
# National Scale

4,800 Team Members

100+ Offices

32 States

18 Major Markets



OPPORTUNITY TO EXPAND INTO NEW AND STRENGTHEN EXISTING MARKETS



# Financial Services

Top 10

Accounting Provider  
Nationally<sup>(1)</sup>

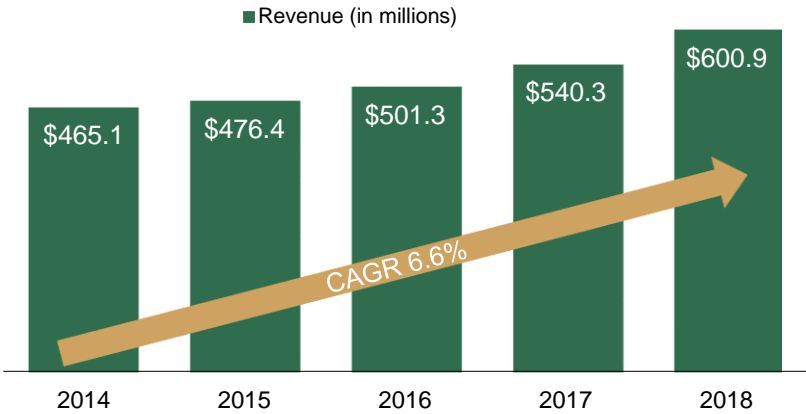
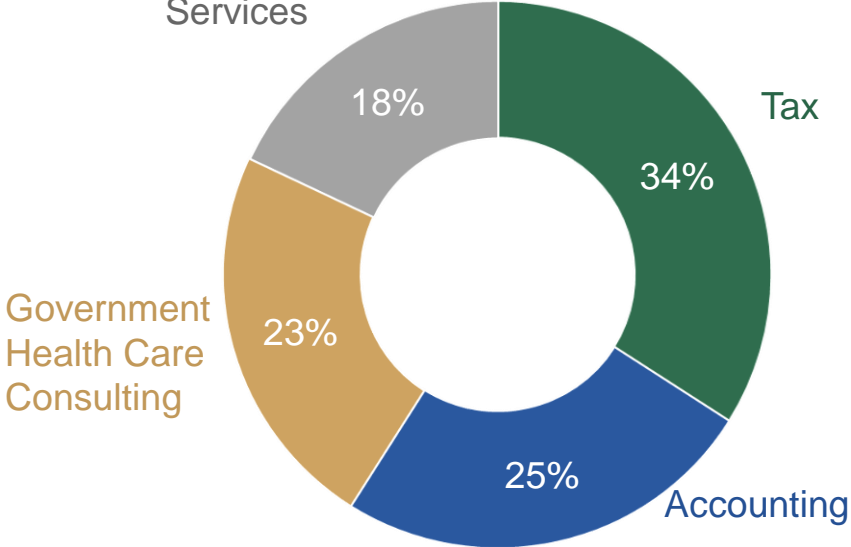
Leading

Government Health  
Care Consultant

Leading

Business Advisory  
Consultant

Business Advisory  
Services



# Benefits and Insurance Services

Best

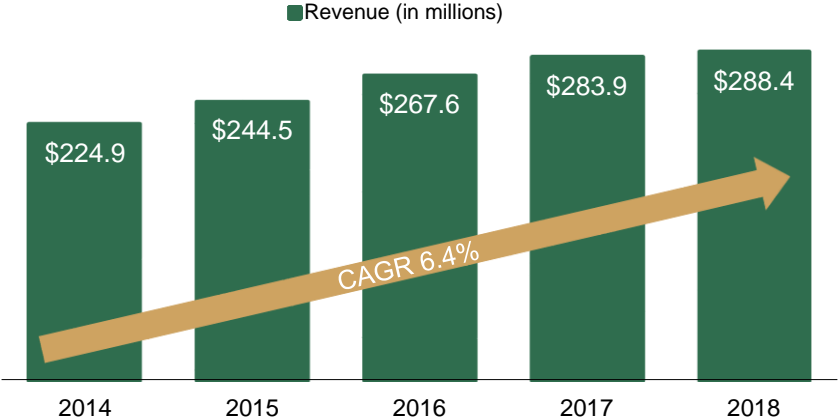
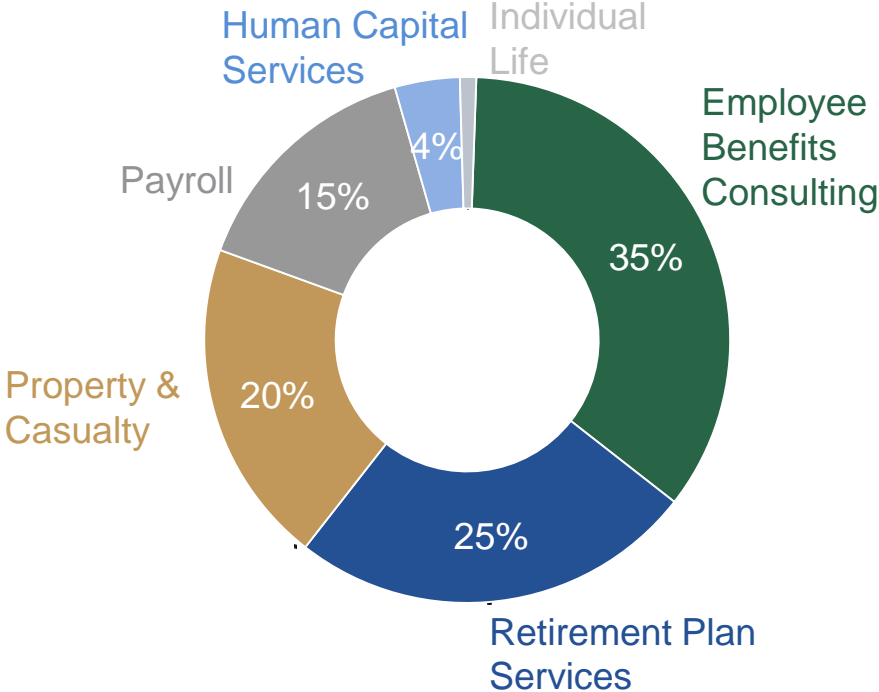
Places to Work in Insurance<sup>(1)</sup>

Top 20

Broker of U.S. Business<sup>(2)</sup>

Top 100

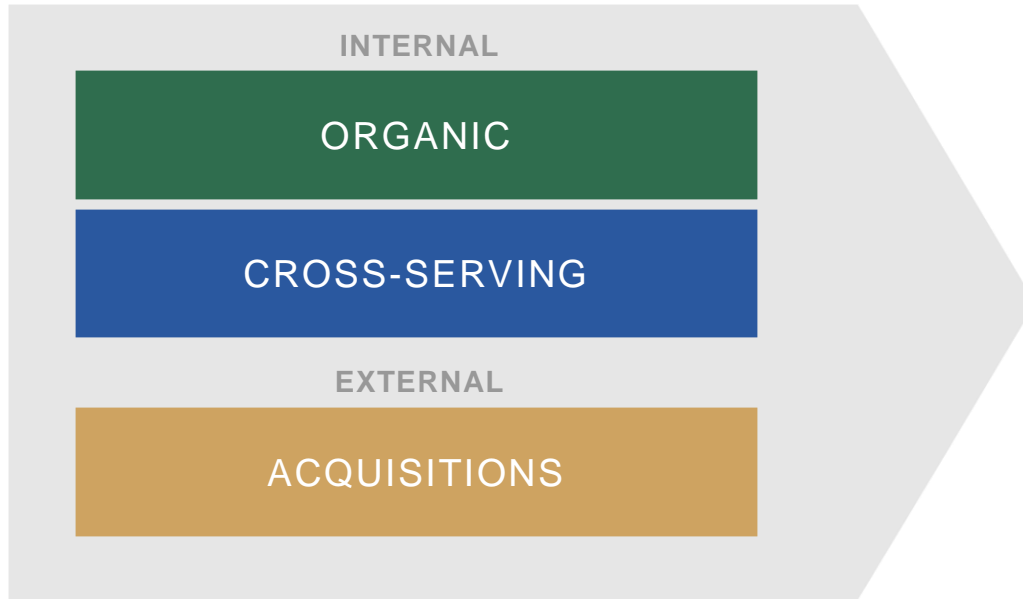
Retirement Plan Adviser<sup>(3)</sup>



(1) Business Insurance Magazine – 2015, 2016, 2017, 2018  
 (2) Business Insurance Magazine – July 2018  
 (3) PLANADVISER – February 2019

# Focus on Growth

## REVENUE GROWTH COMPONENTS



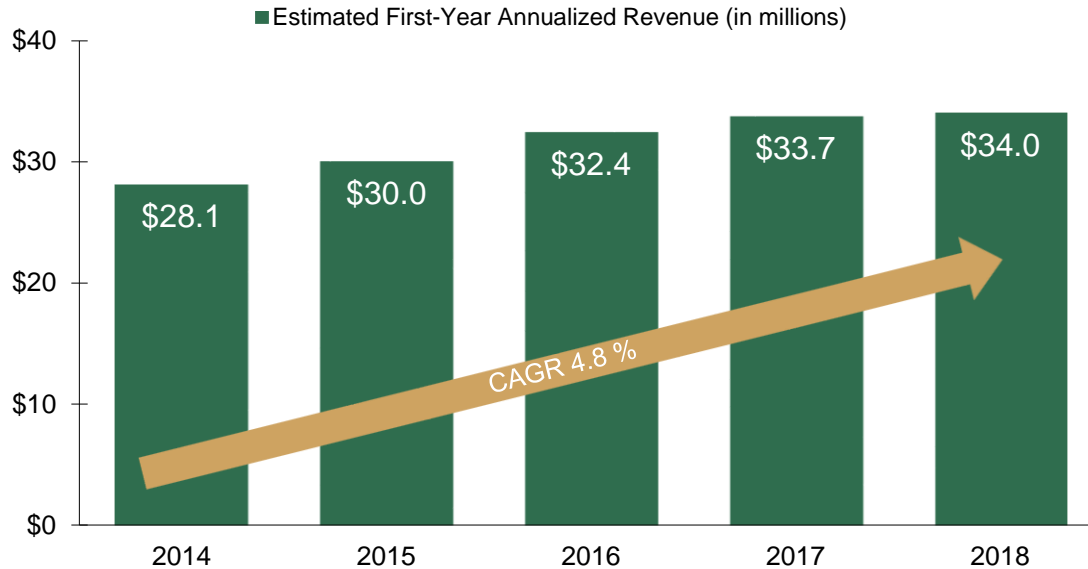
COMPOUNDED  
ANNUAL  
GROWTH RATE  
SINCE 2014

6.4%

EARNINGS PER SHARE (from continuing operations)

16.6%

# Growth by Cross-Serving



Trust



Co-location



Training



Recognition/  
Reward

# Growth by Acquisition



- Successful local or regional company
- Cultural fit
- Strong leadership
- Desire for greater national platform and enhanced client service capabilities
- Cross-serving potential

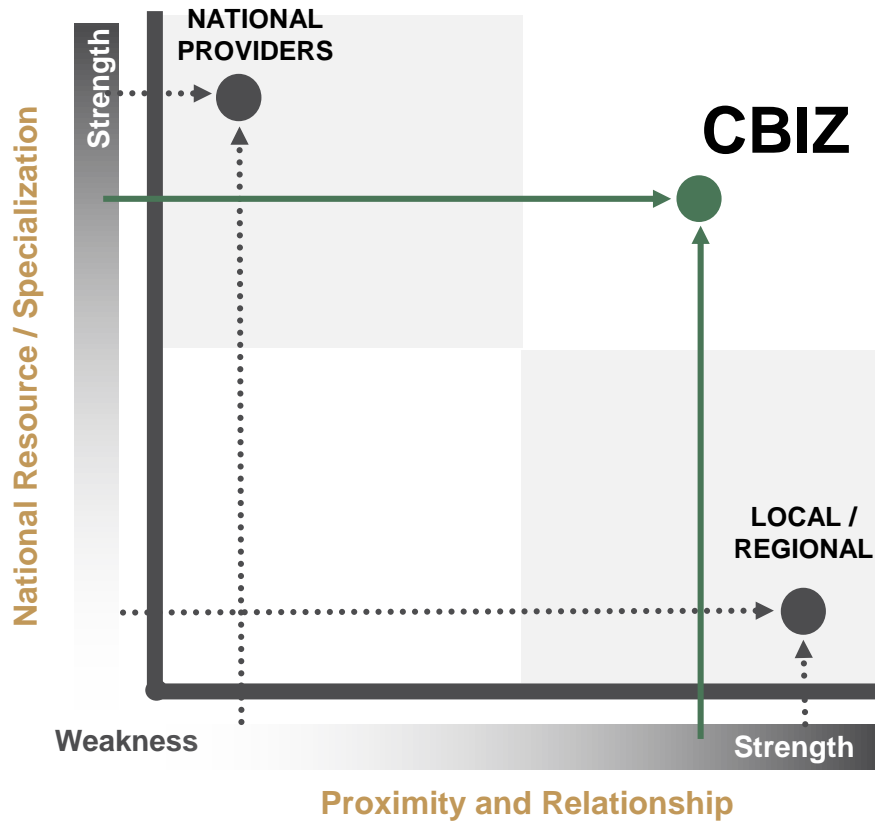
- Focus on core services in specific geographic markets
- Focus on high-growth industries and service niches
- Full integration
- Immediately accretive

- Consideration based on TTM EBITDA
- 50%+ paid up front
- Balance paid on multi-year earnout contingent upon achieving growth targets
- Consideration primarily cash with small stock component

IMMEDIATELY ACCRETIVE TO SHAREHOLDERS

# Competitive Advantage

## NATIONAL RESOURCES – PERSONAL SERVICE



“We out-local the nationals and out-national the locals”



# Financial Overview



CBIZ, Inc.

# 2019 Highlights & 2019 Guidance

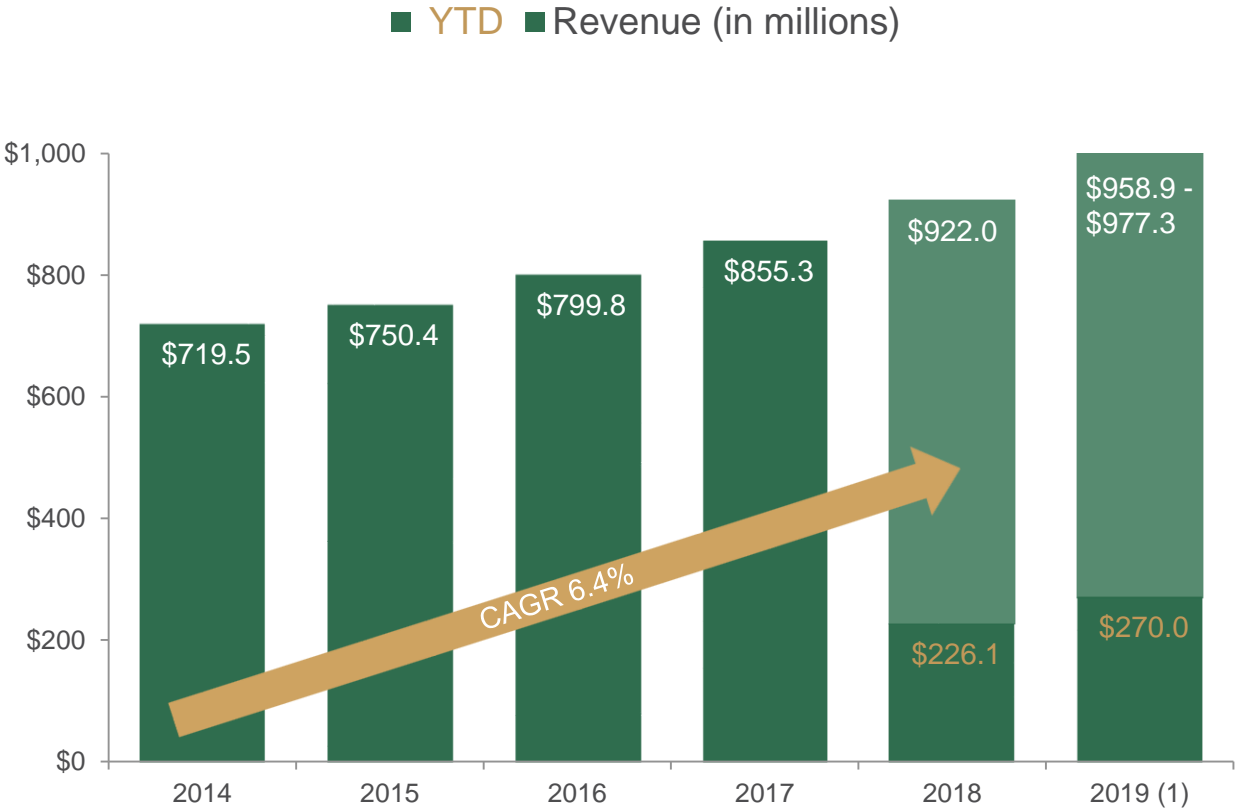
SEGMENT	YTD ORGANIC REVENUE GROWTH	YTD TOTAL REVENUE GROWTH	2019 GUIDANCE <sup>(1)</sup>
FINANCIAL SERVICES	2.7%	2.5%	-
BENEFITS AND INSURANCE SERVICES	-3.3%	-1.4%	-
NATIONAL PRACTICES	5.4%	5.4%	-
REVENUE	<b>1.0%</b>	<b>1.5%</b>	<b>4% to 6%</b>
GAAP EPS (FROM CONTINUING OPERATIONS)		<b>4.7%</b>	<b>10% to 12%</b>
TAX RATE		<b>26.6%</b>	<b>~25%</b>
SHARE COUNT		<b>55.9M</b>	<b>~56.0 to 56.5M</b>

(1) Reflects guidance reiterated by the Company on April 25, 2019. This guidance speaks only as of this date and this presentation does not constitute confirmation or updating of guidance.





# Revenue

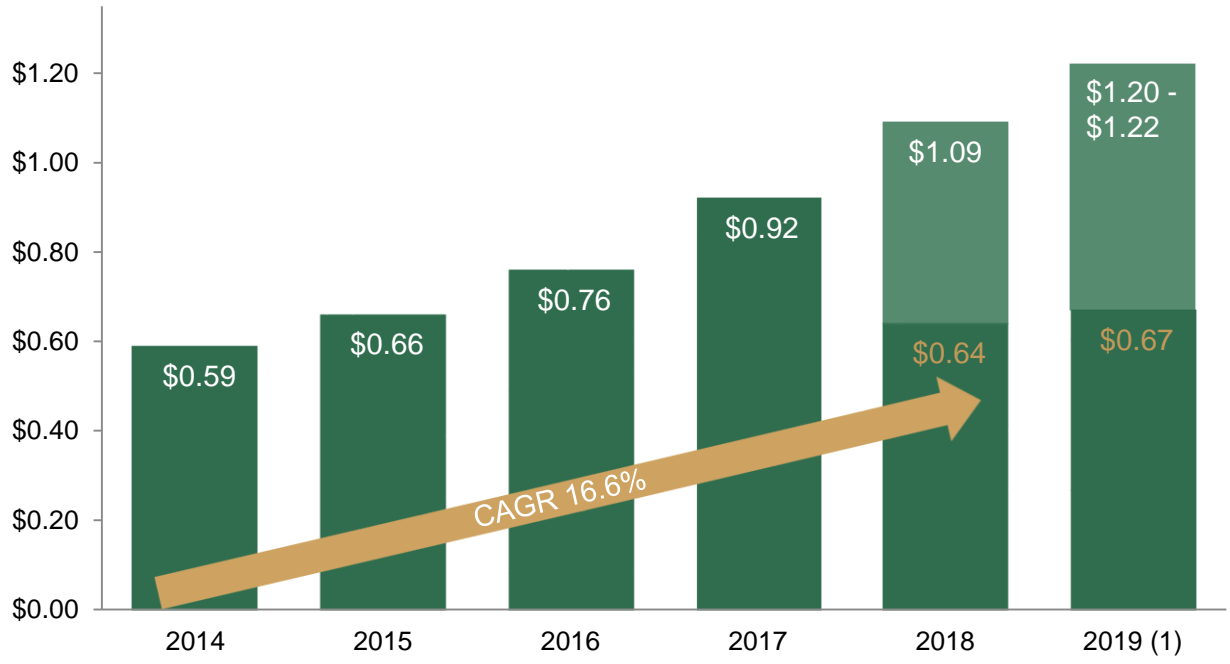


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# Diluted Earnings per Share

(from continuing operations)

■ YTD    ■ Diluted EPS from continuing operations



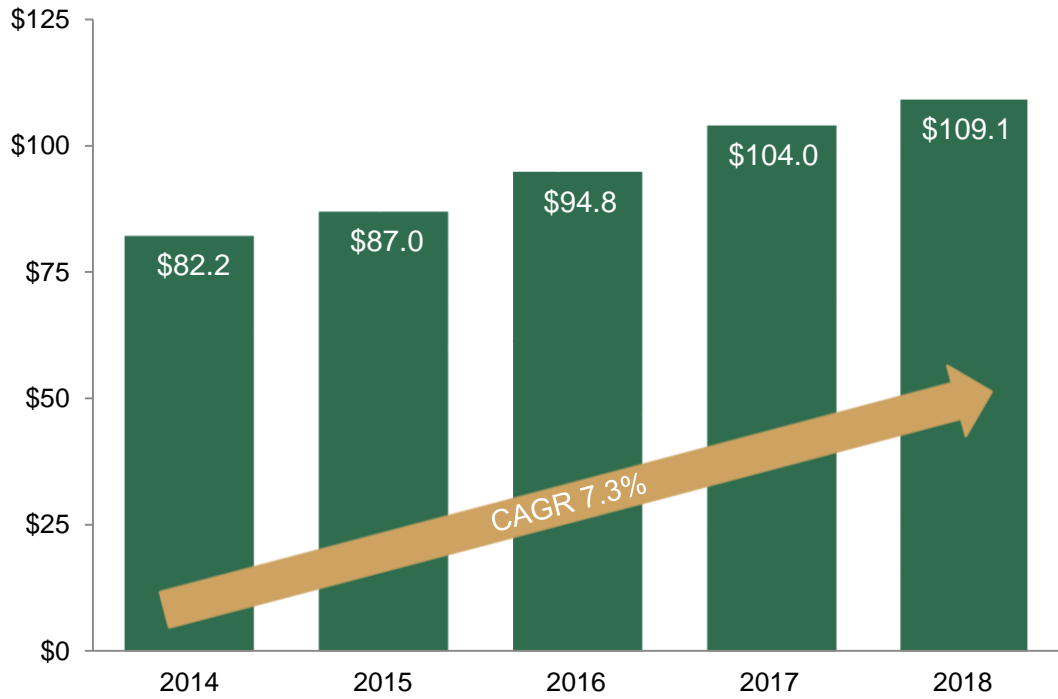
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# Adjusted EBITDA

See Appendix for GAAP Reconciliation



■ Adjusted EBITDA (in millions)



Adjusted EBITDA Margin	2014	2015	2016	2017	2018
	11.4%	11.6%	11.9%	12.2%	11.8%

# Capital Structure



- Focused on high-growth opportunities
- Typically complete three to five annually

- Opportunistic approach
- Neutralize impact of newly issued shares

- Facility improvements
- Office equipment

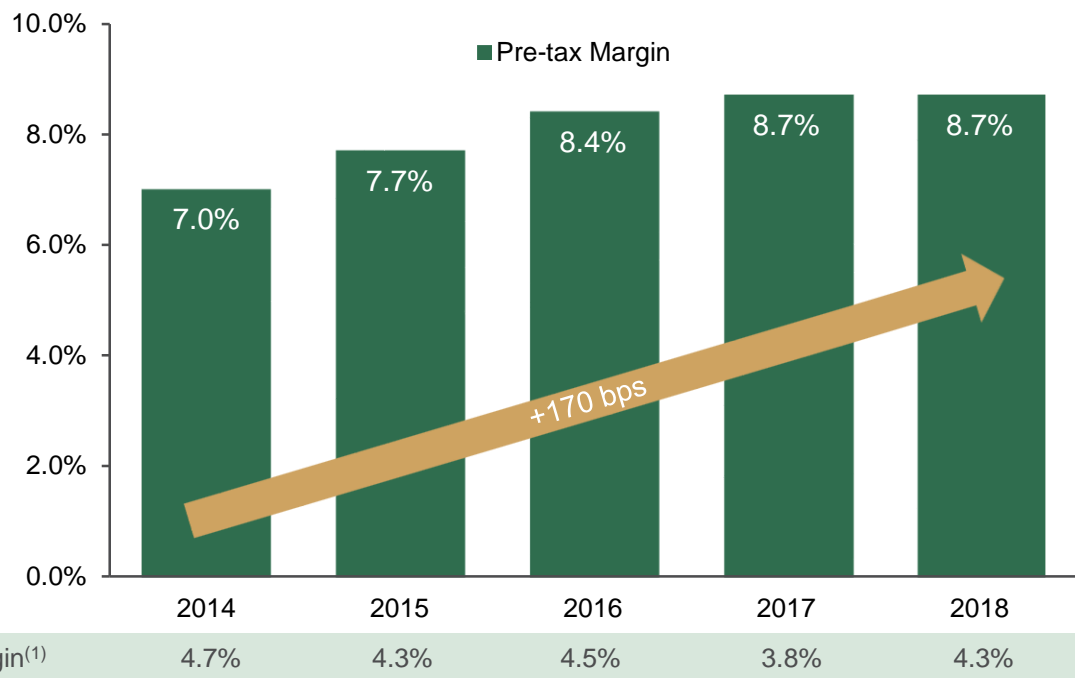
- Strong cash flow from operations
- \$400M unsecured credit facility

	Annual Capital Spend			
YTD	\$4.4M	\$11.6M	\$5.4M	1.7X
2018	\$41.7M	\$15.6M	\$14.6M	1.3X
2017	\$39.9M	\$18.3M	\$11.9M	1.8X
2016	\$51.1M	\$7.8M	\$4.7M	3.0X
2015	\$26.6M	\$35.2M	\$7.5M	3.0X

Total Capital Spend since 2002	
\$655.2M	\$507.4M
(75.4M shares avg. price \$6.73)	

# Operating Leverage

GOAL IS TO IMPROVE PRE-TAX INCOME MARGIN BY 20 TO 50 BPS PER YEAR



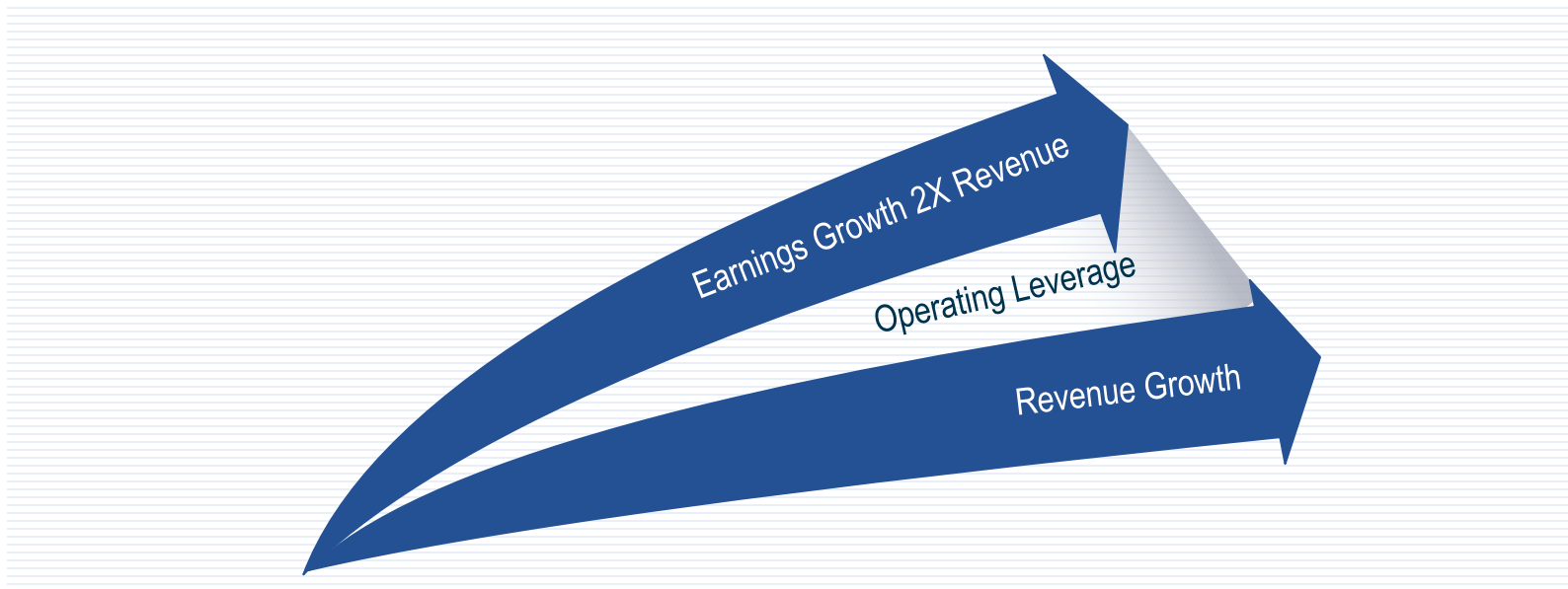
(1) See Appendix for GAAP reconciliation.

# Financial Goals

## 2019 Goals<sup>(1)</sup>



## Long-Term Goals - Beyond 2019



(1) Reflects guidance reiterated by the Company on April 25, 2019. This guidance speaks only as of this date and this presentation does not constitute confirmation or updating of guidance.

# Investment Highlights

## OPERATIONAL LEVERAGE

- Established national platform
- Full integration of acquired businesses
- Infrastructure provides margin expansion opportunity

## FINANCIAL STRENGTH

- Strong balance sheet
- Strong and consistent cash flow
- Credit facility provides flexible source of funds
- 90% client retention rates
- 80% recurring revenue
- Underserved SMB market
- Long-standing diverse client base
- Broad geographic / industry / client exposure mitigates risk

## RESULTS

- Proven ability to grow earnings at a faster rate than revenue growth
- 2014 – 2018 Revenue Growth CAGR: 6.4%
- 2014 – 2018 EPS Growth CAGR: 16.6%



# Appendix



CBIZ, Inc.



# 2018 Workplace Awards



**2018  
Workplace Awards  
By the Numbers**



**National Workplaces**

- Best Workplaces for Consulting and Professional Services
- 2018 Workplace Excellence Seal of Approval
- 2018 Best Workplaces for Millennials
- 2018 America's Best Mid-Size Employers
- Best Places to Work in Insurance 2018
- 2018 Top Entry-Level Employer | 2018 Top Intern Employer
- 2018 Best and Brightest Companies to Work For in the Nation



**Certifications and Rankings**

- Great Place to Work Certification | Vault Accounting 50
- Vault Best Accounting Internships
- Vault Best Consulting Internships
- Most Prestigious Accounting Firms
- Best Accounting Firms for Forensic Accounting
- Best Accounting Firms for Tax Accounting
- Best Practices for Supporting Workers 50+



**Local Office Workplaces**

- Akron, OH\* | Alpharetta, GA | Atlanta | Boca Raton | Boston
- Chicago\* | Cleveland\* | Irvine, CA | Kansas City | Lewiston, ID
- Maryland Heights, MO | Naperville, IL\* | Overland Park, KS
- Oxnard, CA | Phoenix\* | Providence, RI\* | San Diego | San Jose
- San Francisco | Tampa Bay\* | Torrance, CA | Tucson
- Uniontown, OH\* | Woodstock, GA

*\*Indicates multi-award winner*



**Local Health and Wellness**

- Alpharetta, GA | Atlanta | Cumberland, MD
- Dublin, OH | Fairborn, OH | Kansas City
- Overland Park, KS | Phoenix | Providence | San Jose
- South Florida | Winston-Salem | Woodstock, GA



**National Health and Wellness**

- 2018 Health & Wellness Seal of Approval
- 2018 Best and Brightest Companies in Wellness



**Credibility**

- Top 100 Retirement Plan Advisers | Top RIA Aggregators
- 2018 NAPA Top Defined Contribution Multi-Office Firm

# Adjusted EBITDA Reconciliation

## GAAP RECONCILIATION

### Income from Continuing Operations to Non-GAAP Financial Measures (1)

(In thousands)

	THREE MONTHS ENDED	
	March 31,	
	2019	2018
<b>Income from continuing operations</b>	<b>\$ 37,565</b>	<b>\$ 35,810</b>
Interest expense	1,401	1,780
Income tax expense	13,613	13,156
Gain on sale of operations, net	(497)	(663)
Depreciation	2,157	1,404
Amortization	3,502	4,371
<b>Adjusted EBITDA</b>	<b>\$ 57,741</b>	<b>\$ 55,858</b>

- (1) CBIZ reports its financial results in accordance with GAAP. This table reconciles Non-GAAP financial measures to the nearest GAAP financial measure, "Income from continuing operations". Adjusted EBITDA is not defined by GAAP and should not be regarded as an alternative or replacement to any measurement of performance or cash flow under GAAP. Adjusted EBITDA is commonly used by the Company, its shareholders and debt holders to evaluate, assess, and benchmark our operational results and to provide an additional measure with respect to our ability to meet future debt obligations.

# Adjusted EBITDA Reconciliation

## GAAP RECONCILIATION

### Reconciliation of GAAP Income from Continuing Operations to Adjusted EBITDA (1)

*(In thousands)*

	Year Ended December 31,				
	2018	2017	2016	2015	2014
<b>Income from continuing operations</b> .....	<b>\$ 61,573</b>	<b>\$ 51,032</b>	<b>\$40,607</b>	<b>\$35,003</b>	<b>\$30,414</b>
Interest expense.....	6,645	6,675	6,593	8,902	13,124
Income tax expense.....	18,267	23,288	26,399	22,829	20,154
Gain on sale of operations, net.....	(1,025)	(45)	(855)	(84)	(1,303)
Depreciation.....	6,140	5,274	5,378	5,658	5,353
Amortization.....	17,535	17,787	16,720	14,731	14,478
<b>Adjusted EBITDA (2)</b> .....	<b>\$109,135</b>	<b>\$104,011</b>	<b>\$94,842</b>	<b>\$87,039</b>	<b>\$82,220</b>

(1) CBIZ reports its financial results in accordance with GAAP. This table reconciles Non-GAAP financial measures to the nearest GAAP financial measure, "Income from continuing operations". Adjusted EBITDA is not defined by GAAP and should not be regarded as an alternative or replacement to any measurement of performance or cash flow under GAAP. Adjusted EBITDA is commonly used by the Company, its shareholders and debt holders to evaluate, assess and benchmark the Company's operational results and to provide an additional measure with respect to the Company's ability to meet future debt obligations.

# Adjusted G&A Margin Reconciliation

**GAAP RECONCILIATION**  
**Reconciliation of GAAP Corporate G&A Expenses to Corporate G&A Expenses**  
**Excluding Deferred Compensation Plan (1)**  
*(In thousands)*

	Year Ended December 31,				
	2018	2017	2016	2015	2014
<b>Corporate G&amp;A expenses</b> .....	<b>\$ 39,173</b>	<b>\$ 33,295</b>	<b>\$ 36,319</b>	<b>\$ 32,527</b>	<b>\$ 34,183</b>
Deferred compensation plan (income) / expense (2).....	(417)	1,172	684	(116)	500
<b>Corporate G&amp;A expenses excluding deferred compensation plan</b> .....	<b><u>\$ 39,590</u></b>	<b><u>\$ 32,123</u></b>	<b><u>\$ 35,635</u></b>	<b><u>\$ 32,643</u></b>	<b><u>\$ 33,683</u></b>
Corporate G&A % of revenue.....	4.2%	3.9%	4.6%	4.4%	4.8%
Corporate G&A excluding deferred compensation plan % of revenue.....	4.3%	3.8%	4.5%	4.3%	4.7%

- (1) CBIZ reports its financial results in accordance with GAAP. This table reconciles the nearest GAAP financial measure, "Corporate G&A expenses" to Non-GAAP financial measures.
- (2) CBIZ sponsors a deferred compensation plan, under which a CBIZ employee's compensation deferral is held in a rabbi trust and invested accordingly as directed by the employee. Income and expenses related to the deferred compensation plan are included in "Corporate general and administrative expenses" and are directly offset by deferred compensation gains or losses in "Other (expense) income, net." The deferred compensation plan has no impact on "Income from continuing operations before income tax expense."