# Paylocity Holding Corp.

**PCTY**

Nasdaq; business equipment; SIC 7372, Services-Prepackaged Software; CIK 0001591698

**B**

**second fifth of 496 graded peers in business equipment**

rank 174 of 496; percentile 34.9; sampling error 2.2 points; lower is stronger

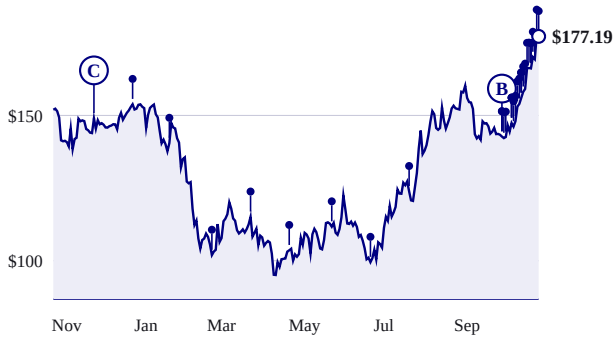
A B C D E

**B, the elk**



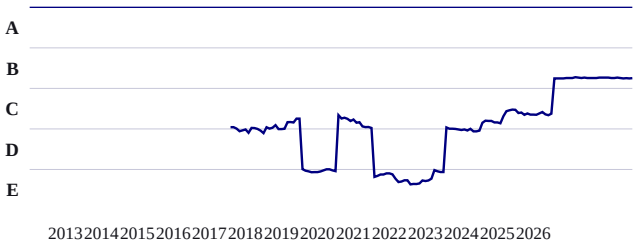
| Scoreboard | |
|---|---|
| **Profitability** | C<br>percentile 50.4 |
| **Solvency** | C<br>percentile 45.0 |
| **Growth and financing** | B<br>percentile 37.6 |
| **Reliability** | 0.94 AUC<br>filers with over $2.67B assets; 95% interval 0.88 to 0.97; 61 events, 2020 to 2025 |
| **Peer failure rate** | 0.52% a year<br>Item 1.03 bankruptcies, same asset band, 2012 to 2025 |
| **Size band** | over $2.67B assets<br>total assets $4.9B |
| **Standard universe** | inside<br>revenue above $1M and assets above $10M |
| **Warnings** | none triggered; fortress balance sheet<br>not computable: distress |
| **Inputs computable** | 12 of 14 |
| **Graded from** | filings received through Aug 5, 2026<br>80 days before the rescan; latest periodic filing 10-K received Aug 5, 2026 |
| **Last close** | $177.22<br>2026-10-23; market equity $9.4B; no price enters the letter |

**Share price, twelve months to the rescan**




*Split-adjusted close. Each lollipop is a rescan and carries the letter held then.*

**Letter at every rescan, 2012 to 2026**




*Sector percentile at each rescan, stronger toward the top; facts filed by each date only.*

## Business, in the company's words

*opening of Item 1 of the 10-K received Aug 5, 2026*

We are a leading cloud-based provider of human capital management ("HCM"), finance and IT software solutions. Our unified, easy-to-use platform helps businesses streamline HR, finance, and IT operations, manage spend and talent, and build culture and connection with artificial intelligence ("AI") embedded directly into everyday workflows to save time, reduce manual effort, and support better decision-making. Excluding clients acquired through acquisitions, as of June 30, 2026, we provided our software-as-a-service ("SaaS") solutions to approximately 44,400 clients across the U.S., which on average had over 150 employees.

## The fourteen inputs

*lower percentile is stronger; sleeves and inputs within a sleeve carry equal weight*

| Input | Value | Peer median | Percentile, 0 to 100 | Pct | Peers | Period end |
|---|---|---|---|---|---|---|
| **Profitability, sleeve percentile 50.4** | | | | | | |
| Gross profitability | 25.1% | 28.6% | | 54.9 | 557 | 2026-06-30 |
| Return on invested capital | 26.5% | 11.2% | | 23.3 | 134 | 2026-06-30 |
| Accruals ratio | (5.7%) | (7.3%) | | 61.4 | 620 | 2026-06-30 |

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| | | | | | | |
|---|---|---|---|---|---|---|
| Gross margin stability, five years | 3.1 pts | 2.3 pts | | 61.9 | 426 | 2026-06-30 |
| **Solvency, sleeve percentile 45.0** | | | | | | |
| Twelve-month failure probability | not computable | 0.05% | | | | |
| *latest liabilities, cash plus short-term investments, book equity, and shares are required* | | | | | | |
| Altman Z double-prime | 2.07 | 2.15 | | 43.8 | 567 | 2026-06-30 |
| Net debt to EBITDA | (0.38x) | 1.11x | | 14.4 | 147 | 2026-06-30 |
| Interest coverage | not computable | 3.77x | | | | |
| *one or more required annual facts are missing* | | | | | | |
| Current ratio | 1.09x | 2.01x | | 76.8 | 664 | 2026-06-30 |
| **Growth and financing, sleeve percentile 37.6** | | | | | | |
| Revenue growth, three-year compound | 14.6% | 6.4% | | 28.2 | 536 | 2026-06-30 |
| Free cash flow growth, three-year compound | 24.0% | 18.1% | | 41.1 | 264 | 2026-06-30 |
| Reinvestment rate | (66.8%) | 14.3% | | 73.5 | 224 | 2026-06-30 |
| Asset growth, three years | 9.7% | 5.1% | | 34.6 | 561 | 2026-06-30 |
| Net share issuance, one year | (3.8%) | 0.5% | | 10.5 | 409 | 2026-07-29 |

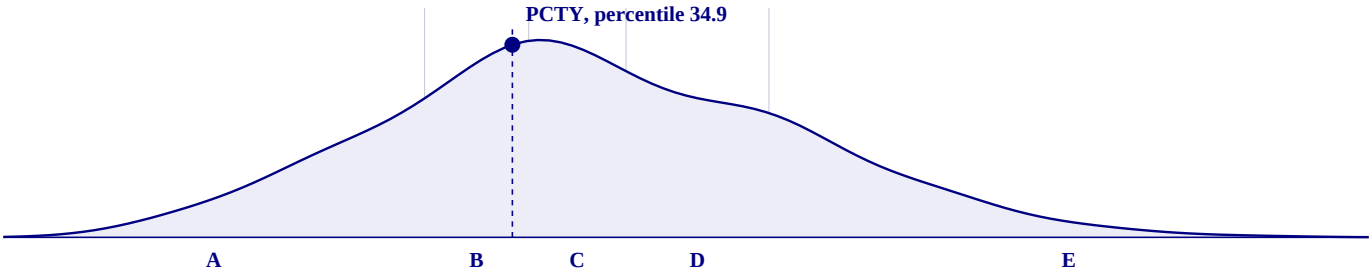
## Warnings

*1 of 7 checks triggered; none of them enters the letter*

| Check | Measured |
|---|---|
| Fortress balance sheet | cash minus debt is 190,667,000 USD; Altman Z is not used |

## Among 496 peers

*business equipment; letters are fifths of this list*




*Composite score of every graded peer, smoothed; vertical rules are the letter band edges; stronger to the left.*

| Rank | Company | Percentile | Letter | Warnings |
|---|---|---|---|---|
| 169 | Twilio Inc. (TWLO) | 33.9 | B | |
| 170 | Texas Instruments Inc. (TXN) | 34.1 | B | |
| 171 | Intapp, Inc. (INTA) | 34.3 | B | |
| 172 | Celestica Inc. (CLS) | 34.5 | B | |
| 173 | Extreme Networks Inc. (EXTR) | 34.7 | B | fortress balance sheet |
| 174 | Paylocity Holding Corp. (PCTY) | 34.9 | B | fortress balance sheet |
| 175 | Kewaunee Scientific Corp. (KEQU) | 35.2 | B | |
| 176 | Egain Corp. (EGAN) | 35.4 | B | |
| 177 | Ziprecruiter, Inc. (ZIP) | 35.6 | B | |
| 178 | Apple Inc. (AAPL) | 35.8 | B | |
| 179 | Match Group, Inc. (MTCH) | 36.0 | B | |

## What the price implies

*at the 2026-10-23 close; none of these enters the grade*

| Measure | Value | Peer median | Percentile |
|---|---|---|---|
| Twelve-month price change, skipping the latest month | 0.6% | 2.2% | 49 |
| Distance from 52-week high | (0.3%) | (32.8%) | 93 |
| EBIT to enterprise value | 4.2% | 1.6% | 73 |

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| | | | |
|---|---|---|---|
| Free cash flow yield | 5.3% | 2.9% | 69 |
| Book value to price | 0.13 | 0.26 | 28 |
| Sales to price | 0.18 | 0.32 | 34 |
| Composite equity issuance, five years | (2.9%) | 4.2% | 38 |
| Relative strength against the sector, log excess return | (0.28) | (0.26) | 49 |

## Diagnostics

*shown on every report; none enters the grade*

| Measure | Value |
|---|---|
| **Piotroski F-score 7 of 9, period end 2026-06-30** | |
| Return on assets above zero | pass |
| Operating cash flow above zero | pass |
| Return on assets improved | pass |
| Operating cash flow exceeds net income | pass |
| Long-term leverage fell | pass |
| Current ratio improved | fail |
| No new shares issued | pass |
| Gross margin improved | fail |
| Asset turnover improved | pass |
| **Cash, filings, liquidity** | |
| Cash and equivalents | $271.9M |
| Operating cash flow, four quarters | $533.3M |
| Months of runway | not finite |
| Days since last periodic filing | 80 (10-K received Aug 5, 2026) |
| Median daily dollar volume, 63 sessions | $87.8M |

## Sources

*every fact behind the inputs; each row links to its filing index on sec.gov*

| # | Concept | XBRL tag | Value | Period end | Received | Form | Accession |
|---|---|---|---|---|---|---|---|
| 1 | gross profit | us-gaap:GrossProfit | $1.2B | 2026-06-30 | 2026-08-05 | 10-K | 26-000069 |
| 2 | assets | us-gaap:Assets | $4.9B | 2026-06-30 | 2026-08-05 | 10-K | 26-000069 |
| 3 | operating income | us-gaap:OperatingIncomeLoss | $386.0M | 2026-06-30 | 2026-08-05 | 10-K | 26-000069 |
| 4 | pretax income | us-gaap:IncomeLossFromContinuingOperationsBeforeInc... | $387.3M | 2026-06-30 | 2026-08-05 | 10-K | 26-000069 |
| 5 | income tax | us-gaap:IncomeTaxExpenseBenefit | $117.6M | 2026-06-30 | 2026-08-05 | 10-K | 26-000069 |
| 6 | total debt | us-gaap:LongTermDebt | $81.2M | 2026-06-30 | 2026-08-05 | 10-K | 26-000069 |
| 7 | book equity | us-gaap:StockholdersEquity | $1.2B | 2026-06-30 | 2026-08-05 | 10-K | 26-000069 |
| 8 | cash | us-gaap:CashAndCashEquivalentsAtCarryingValue | $271.9M | 2026-06-30 | 2026-08-05 | 10-K | 26-000069 |
| 9 | total debt | us-gaap:LongTermDebt | $162.5M | 2025-06-30 | 2026-08-05 | 10-K | 26-000069 |
| 10 | book equity | us-gaap:StockholdersEquity | $1.2B | 2025-06-30 | 2026-08-05 | 10-K | 26-000069 |
| 11 | cash | us-gaap:CashAndCashEquivalentsAtCarryingValue | $398.1M | 2025-06-30 | 2026-08-05 | 10-K | 26-000069 |
| 12 | net income | us-gaap:NetIncomeLoss | $269.7M | 2026-06-30 | 2026-08-05 | 10-K | 26-000069 |
| 13 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $533.3M | 2026-06-30 | 2026-08-05 | 10-K | 26-000069 |
| 14 | assets | us-gaap:Assets | $4.4B | 2025-06-30 | 2026-08-05 | 10-K | 26-000069 |
| 15 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $1.7B | 2026-06-30 | 2026-08-05 | 10-K | 26-000069 |
| 16 | gross profit | us-gaap:GrossProfit | $1.1B | 2025-06-30 | 2026-08-05 | 10-K | 26-000069 |
| 17 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $1.5B | 2025-06-30 | 2026-08-05 | 10-K | 26-000069 |
| 18 | gross profit | us-gaap:GrossProfit | $960.8M | 2024-06-30 | 2026-08-05 | 10-K | 26-000069 |
| 19 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $1.3B | 2024-06-30 | 2026-08-05 | 10-K | 26-000069 |
| 20 | gross profit | us-gaap:GrossProfit | $807.6M | 2023-06-30 | 2025-08-06 | 10-K | 25-000087 |
| 21 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $1.1B | 2023-06-30 | 2025-08-06 | 10-K | 25-000087 |
| 22 | gross profit | us-gaap:GrossProfit | $565.6M | 2022-06-30 | 2024-08-02 | 10-K | 24-000151 |
| 23 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $847.7M | 2022-06-30 | 2024-08-02 | 10-K | 24-000151 |
| 24 | current assets | us-gaap:AssetsCurrent | $3.7B | 2026-06-30 | 2026-08-05 | 10-K | 26-000069 |
| 25 | current liabilities | us-gaap:LiabilitiesCurrent | $3.4B | 2026-06-30 | 2026-08-05 | 10-K | 26-000069 |

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| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 26 | retained earnings | us-gaap:RetainedEarningsAccumulatedDeficit | $1.2B | 2026-06-30 | 2026-08-05 | 10-K | 26-000069 |
| 27 | liabilities | us-gaap:Liabilities | $3.7B | 2026-06-30 | 2026-08-05 | 10-K | 26-000069 |
| 28 | depreciation amortization | us-gaap:DepreciationDepletionAndAmortization | $111.8M | 2026-06-30 | 2026-08-05 | 10-K | 26-000069 |
| 29 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $36.2M | 2026-06-30 | 2026-08-05 | 10-K | 26-000069 |
| 30 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $418.2M | 2025-06-30 | 2026-08-05 | 10-K | 26-000069 |
| 31 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $13.1M | 2025-06-30 | 2026-08-05 | 10-K | 26-000069 |
| 32 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $384.7M | 2024-06-30 | 2026-08-05 | 10-K | 26-000069 |
| 33 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $18.0M | 2024-06-30 | 2026-08-05 | 10-K | 26-000069 |
| 34 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $282.7M | 2023-06-30 | 2025-08-06 | 10-K | 25-000087 |
| 35 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $21.9M | 2023-06-30 | 2025-08-06 | 10-K | 25-000087 |
| 36 | current assets | us-gaap:AssetsCurrent | $3.3B | 2025-06-30 | 2026-08-05 | 10-K | 26-000069 |
| 37 | current liabilities | us-gaap:LiabilitiesCurrent | $2.9B | 2025-06-30 | 2026-08-05 | 10-K | 26-000069 |
| 38 | assets | us-gaap:Assets | $4.2B | 2024-06-30 | 2025-08-06 | 10-K | 25-000087 |
| 39 | assets | us-gaap:Assets | $3.7B | 2023-06-30 | 2024-08-02 | 10-K | 24-000151 |
| 40 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 53,056,963 | 2026-07-29 | 2026-08-05 | 10-K | 26-000069 |
| 41 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 55,161,627 | 2025-07-30 | 2025-08-06 | 10-K | 25-000087 |

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