Paychex Inc.

PAYX

Nasdaq; other; SIC 8700, Services-Engineering, Accounting, Research, Management; CIK 0000723531

B

second fifth of 334 graded peers in other

rank 78 of 334; percentile 23.1; sampling error 2.7 points; lower is stronger

A B C D E

B, the elk



Scoreboard

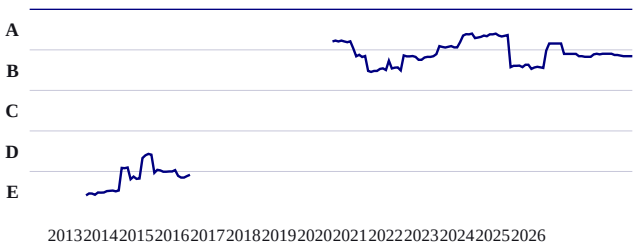
Profitability	B percentile 33.5
Solvency	C percentile 42.9
Growth and financing	B/C percentile 40.2
Reliability	0.94 AUC filers with over $2.67B assets; 95% interval 0.88 to 0.97; 61 events, 2020 to 2025
Peer failure rate	0.52% a year Item 1.03 bankruptcies, same asset band, 2012 to 2025
Size band	over $2.67B assets total assets $16.2B
Standard universe	inside revenue above $1M and assets above $10M
Warnings	none triggered
Inputs computable	13 of 14
Graded from	filings received through Jul 17, 2026 101 days before the rescan; latest periodic filing 10-Q received Sep 24, 2026
Last close	$118.05 2026-10-23; market equity $42.0B; 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 Jul 17, 2026

Unless we state otherwise or the context otherwise requires, the terms "Paychex," the "Company," "we," "our," and "us" refer to Paychex, Inc., a Delaware corporation, and its consolidated subsidiaries. We are an industry-leading human capital management ("HCM") company providing comprehensive technology and advisory solutions in human resources ("HR"), payroll processing, employee benefits, and insurance. As of May 31, 2026, we served approximately 840,000 total customers across the U.S. and parts of Europe, of which approximately 800,000 are payroll clients.

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 33.5						
Gross profitability	28.6%	27.1%		43.2	286	2026-05-31
Return on invested capital	26.1%	10.0%		11.3	151	2026-05-31
Accruals ratio	(4.9%)	(5.8%)		55.9	502	2026-05-31

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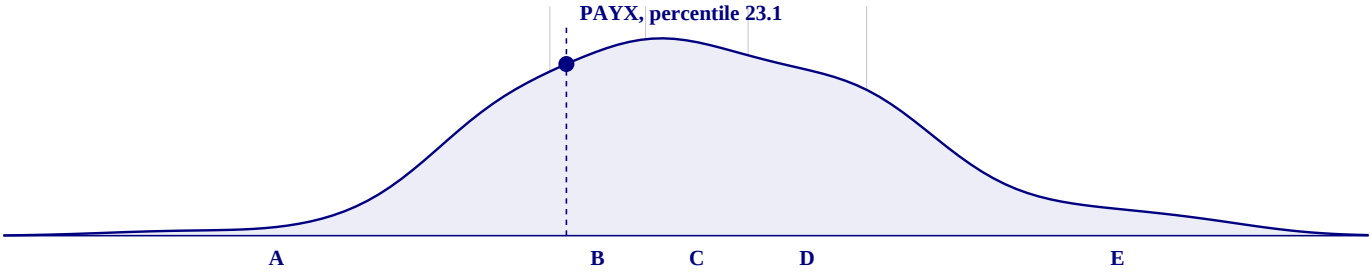
Gross margin stability, five years	1.1 pts	2.2 pts	23.5	205	2026-05-31
Solvency, sleeve percentile 42.9					
Twelve-month failure probability	0.04%	0.04%	54.5	45	2026-08-31
Altman Z double-prime	2.44	2.05	36.0	384	2026-05-31
Net debt to EBITDA	1.17x	2.52x	29.8	182	2026-05-31
Interest coverage	not computable	2.18x			
latest aligned inputs end 2024-05-31; latest annual assets end 2026-05-31					
Current ratio	1.26x	1.33x	51.1	504	2026-05-31
Growth and financing, sleeve percentile 40.2					
Revenue growth, three-year compound	8.7%	5.1%	35.2	399	2026-05-31
Free cash flow growth, three-year compound	14.1%	8.9%	42.2	219	2026-05-31
Reinvestment rate	(20.7%)	11.9%	66.1	190	2026-05-31
Asset growth, three years	15.3%	4.1%	20.3	435	2026-05-31
Net share issuance, one year	(1.3%)	(0.5%)	37.4	354	2026-06-30

Among 334 peers

other; 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
73	Etsy Inc. (ETSY)	21.6	A/B	
74	Centrus Energy Corp. (LEU)	21.9	A/B	fortress balance sheet
75	Tutor Perini Corp. (TPC)	22.2	A/B	fortress balance sheet
76	Castellum, Inc. (CTM)	22.5	A/B	
77	Prog Holdings, Inc. (PRG)	22.8	B	
78	Paychex Inc. (PAYX)	23.1	B	
79	Kirby Corp. (KEX)	23.4	B	
80	Medpace Holdings, Inc. (MEDP)	23.7	B	
81	Koppers Holdings Inc. (KOP)	24.0	B	
82	Exponent Inc. (EXPO)	24.3	B	
83	Ttec Holdings, Inc. (TTEC)	24.6	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	4.9%	2.0%	52
Distance from 52-week high	(7.3%)	(25.2%)	79
EBIT to enterprise value	5.5%	4.3%	63
Free cash flow yield	5.5%	4.1%	61
Book value to price	0.09	0.34	16
Sales to price	0.15	0.72	9
Composite equity issuance, five years	(16.2%)	(8.8%)	37
Relative strength against the sector, log excess return	(0.10)	(0.13)	52

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Diagnostics

shown on every report; none enters the grade

Measure	Value
Piotroski F-score 6 of 9, period end 2026-05-31	
Return on assets above zero	pass
Operating cash flow above zero	pass
Return on assets improved	fail
Operating cash flow exceeds net income	pass
Long-term leverage fell	pass
Current ratio improved	fail
No new shares issued	pass
Gross margin improved	pass
Asset turnover improved	fail
Cash, filings, liquidity	
Cash and equivalents	$600.9M
Operating cash flow, four quarters	$2.3B
Months of runway	not finite
Days since last periodic filing	32 (10-Q received Sep 24, 2026)
Median daily dollar volume, 63 sessions	$308.5M

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	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$6.3B	2026-05-31	2026-07-17	10-K	26-307785
2	cost of revenue	us-gaap:CostOfRevenue	$1.7B	2026-05-31	2026-07-17	10-K	26-307785
3	assets	us-gaap:Assets	$16.2B	2026-05-31	2026-07-17	10-K	26-307785
4	operating income	us-gaap:OperatingIncomeLoss	$2.5B	2026-05-31	2026-07-17	10-K	26-307785
5	pretax income	us-gaap:IncomeLossFromContinuingOperationsBeforeInc...	$2.3B	2026-05-31	2026-07-17	10-K	26-307785
6	income tax	us-gaap:IncomeTaxExpenseBenefit	$550.8M	2026-05-31	2026-07-17	10-K	26-307785
7	total debt	us-gaap:LongTermDebt	$4.6B	2026-05-31	2026-07-17	10-K	26-307785
8	book equity	us-gaap:StockholdersEquity	$3.7B	2026-05-31	2026-07-17	10-K	26-307785
9	cash	us-gaap:CashAndCashEquivalentsAtCarryingValue	$1.1B	2026-05-31	2026-07-17	10-K	26-307785
10	total debt	us-gaap:LongTermDebt	$4.9B	2025-05-31	2026-07-17	10-K	26-307785
11	book equity	us-gaap:StockholdersEquity	$4.1B	2025-05-31	2026-07-17	10-K	26-307785
12	cash	us-gaap:CashAndCashEquivalentsAtCarryingValue	$1.6B	2025-05-31	2026-07-17	10-K	26-307785
13	net income	us-gaap:NetIncomeLoss	$1.8B	2026-05-31	2026-07-17	10-K	26-307785
14	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$2.6B	2026-05-31	2026-07-17	10-K	26-307785
15	assets	us-gaap:Assets	$16.6B	2025-05-31	2026-07-17	10-K	26-307785
16	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$5.4B	2025-05-31	2026-07-17	10-K	26-307785
17	cost of revenue	us-gaap:CostOfRevenue	$1.5B	2025-05-31	2026-07-17	10-K	26-307785
18	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$5.1B	2024-05-31	2026-07-17	10-K	26-307785
19	cost of revenue	us-gaap:CostOfRevenue	$1.5B	2024-05-31	2026-07-17	10-K	26-307785
20	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$4.9B	2023-05-31	2025-07-11	10-K	25-095300
21	cost of revenue	us-gaap:CostOfRevenue	$1.5B	2023-05-31	2025-07-11	10-K	25-095300
22	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$4.6B	2022-05-31	2024-07-11	10-K	24-082958
23	cost of revenue	us-gaap:CostOfRevenue	$1.4B	2022-05-31	2024-07-11	10-K	24-082958
24	current assets	us-gaap:AssetsCurrent	$8.6B	2026-05-31	2026-07-17	10-K	26-307785
25	current liabilities	us-gaap:LiabilitiesCurrent	$6.8B	2026-05-31	2026-07-17	10-K	26-307785
26	retained earnings	us-gaap:RetainedEarningsAccumulatedDeficit	$1.8B	2026-05-31	2026-07-17	10-K	26-307785
27	liabilities	us-gaap:Liabilities	$12.4B	2026-05-31	2026-07-17	10-K	26-307785
28	depreciation amortization	us-gaap:DepreciationDepletionAndAmortization	$442.6M	2026-05-31	2026-07-17	10-K	26-307785
29	operating income	us-gaap:OperatingIncomeLoss	$2.2B	2024-05-31	2026-07-17	10-K	26-307785
30	interest expense	us-gaap:InterestExpense	$37.3M	2024-05-31	2024-07-11	10-K	24-082958
31	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$234.9M	2026-05-31	2026-07-17	10-K	26-307785

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32	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$1.9B	2025-05-31	2026-07-17	10-K	26-307785
33	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$191.8M	2025-05-31	2026-07-17	10-K	26-307785
34	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$1.9B	2024-05-31	2026-07-17	10-K	26-307785
35	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$161.4M	2024-05-31	2026-07-17	10-K	26-307785
36	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$1.7B	2023-05-31	2025-07-11	10-K	25-095300
37	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$143.0M	2023-05-31	2025-07-11	10-K	25-095300
38	current assets	us-gaap:AssetsCurrent	$8.9B	2025-05-31	2026-07-17	10-K	26-307785
39	current liabilities	us-gaap:LiabilitiesCurrent	$7.0B	2025-05-31	2026-07-17	10-K	26-307785
40	assets	us-gaap:Assets	$10.4B	2024-05-31	2025-07-11	10-K	25-095300
41	assets	us-gaap:Assets	$10.5B	2023-05-31	2024-07-11	10-K	24-082958
42	shares outstanding	dei:EntityCommonStockSharesOutstanding	355,682,860	2026-06-30	2026-07-17	10-K	26-307785
43	shares outstanding	dei:EntityCommonStockSharesOutstanding	360,243,877	2025-06-30	2025-07-11	10-K	25-095300

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