Paycom Software, Inc.

PAYC

NYSE; business equipment; SIC 7372, Services-Prepackaged Software; CIK 0001590955

A/B

on the A/B boundary of 497 graded peers in business equipm...

rank 97 of 497; percentile 19.4; sampling error 2.2 points; lower is stronger

A B C D E

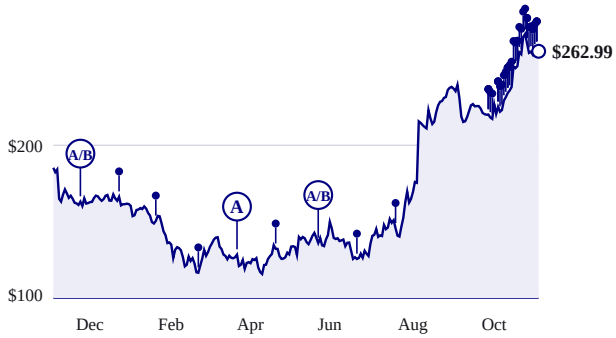
A/B, the bull



Scoreboard

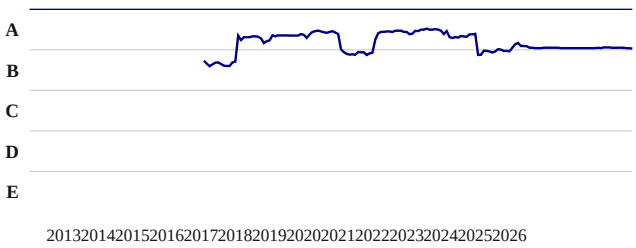
Profitability	C	percentile 48.9
Solvency	B/C	percentile 40.6
Growth and financing	B	percentile 26.9
Reliability	0.94 AUC	filers with over $2.67B assets; 95% interval 0.88 to 0.97; 61 events, 2020 to 2025
Peer failure rate	0.52% a year	Item 1.03 bankruptcies, same asset band, 2012 to 2025
Size band	over $2.67B assets	total assets $7.6B
Standard universe	inside	revenue above $1M and assets above $10M
Warnings	none triggered; fortress balance sheet	not computable: distress
Inputs computable	11 of 14	
Graded from	filings received through Feb 19, 2026	258 days before the rescan; latest periodic filing 10-Q received Aug 6, 2026
Last close	$263.14	2026-11-03; market equity $11.9B; 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 Feb 19, 2026

We are a leading provider of a comprehensive, cloud-based HCM solution delivered as Software-as-a-Service ("SaaS"). We provide functionality and data analytics that businesses need to manage the complete employment lifecycle, from recruitment to retirement. Our solution requires virtually no customization and is based on a core system of record maintained in a single database for all HCM functions, including payroll, talent acquisition, talent management, human resources ("HR") management and time and labor management applications.

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 48.9						
Gross profitability	22.5%	28.7%		60.3	555	2025-12-31
Return on invested capital	not computable	11.6%				

latest aligned inputs end 2022-12-31; latest annual assets end 2025-12-31

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Accruals ratio	(3.4%)	(7.4%)	73.6	618	2025-12-31
Gross margin stability, five years	0.9 pts	2.3 pts	12.9	426	2025-12-31
Solvency, sleeve percentile 40.6					
Twelve-month failure probability	not computable	0.06%			
latest liabilities, cash plus short-term investments, book equity, and shares are required					
Altman Z double-prime	2.19	2.16	43.3	564	2025-12-31
Net debt to EBITDA	not computable	1.08x			
latest aligned inputs end 2022-12-31; latest annual assets end 2025-12-31					
Interest coverage	166.82x	3.77x	1.2	87	2025-12-31
Current ratio	1.09x	2.01x	77.3	662	2025-12-31
Growth and financing, sleeve percentile 26.9					
Revenue growth, three-year compound	14.3%	6.4%	29.0	536	2025-12-31
Free cash flow growth, three-year compound	20.6%	18.2%	45.8	265	2025-12-31
Reinvestment rate	40.2%	14.3%	38.6	224	2025-12-31
Asset growth, three years	24.9%	5.1%	13.9	561	2025-12-31
Net share issuance, one year	(5.2%)	0.5%	7.4	408	2026-02-10

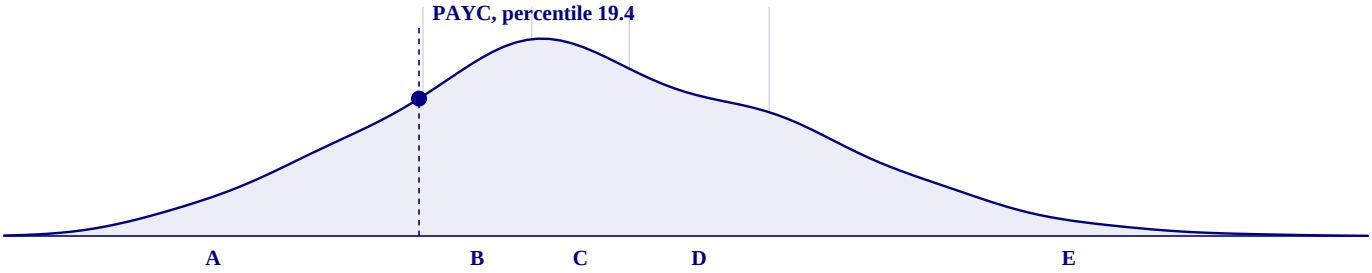
Warnings

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

Check	Measured
Fortress balance sheet	cash minus debt is 371,700,000 USD; Altman Z is not used

Among 497 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
92	Hubspot Inc. (HUBS)	18.3	A/B	
93	Nextpower Inc. (NXT)	18.5	A/B	
94	Amphenol Corp. (APH)	18.8	A/B	
95	Jack Henry & Associates Inc. (JKHY)	19.0	A/B	
96	Teradyne, Inc. (TER)	19.2	A/B	fortress balance sheet
97	Paycom Software, Inc. (PAYC)	19.4	A/B	fortress balance sheet
98	KLA Corp. (KLAC)	19.6	A/B	
99	Verisk Analytics, Inc. (VRSK)	19.8	A/B	
100	Cadence Design Systems Inc. (CDNS)	20.0	A/B	
101	Grid Dynamics Holdings, Inc. (GDYN)	20.2	A/B	
102	Qualys, Inc. (QLYS)	20.4	A/B	

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What the price implies

at the 2026-11-03 close; none of these enters the grade

Measure	Value	Peer median	Percentile
Twelve-month price change, skipping the latest month	17.2%	(2.0%)	63
Distance from 52-week high	(4.2%)	(32.7%)	91
EBIT to enterprise value	4.9%	1.6%	78
Free cash flow yield	3.4%	2.8%	56
Book value to price	0.05	0.27	13
Sales to price	0.17	0.31	33
Composite equity issuance, five years	(31.5%)	4.2%	5
Relative strength against the sector, log excess return	(0.11)	(0.29)	63

Diagnostics

shown on every report; none enters the grade

Measure	Value
Piotroski F-score None of 9, period end 2025-12-31	
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	fail
Current ratio improved	fail
No new shares issued	pass
Gross margin improved	pass
Asset turnover improved	fail
Cash, filings, liquidity	
Cash and equivalents	$198.0M
Operating cash flow, four quarters	$801.5M
Months of runway	not finite
Days since last periodic filing	90 (10-Q received Aug 6, 2026)
Median daily dollar volume, 63 sessions	$148.8M

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	$1.7B	2025-12-31	2026-02-19	10-K	26-059372
2	assets	us-gaap:Assets	$7.6B	2025-12-31	2026-02-19	10-K	26-059372
3	operating income	us-gaap:OperatingIncomeLoss	$378.7M	2022-12-31	2025-02-20	10-K	25-024136
4	pretax income	us-gaap:IncomeLossFromContinuingOperationsBeforeInc...	$389.6M	2022-12-31	2025-02-20	10-K	25-024136
5	income tax	us-gaap:IncomeTaxExpenseBenefit	$108.2M	2022-12-31	2025-02-20	10-K	25-024136
6	total debt	us-gaap:LongTermDebt	$29.0M	2022-12-31	2023-02-16	10-K	23-003049
7	book equity	us-gaap:StockholdersEquity	$1.2B	2022-12-31	2025-02-20	10-K	25-024136
8	cash	us-gaap:CashAndCashEquivalentsAtCarryingValue	$400.7M	2022-12-31	2025-02-20	10-K	25-024136
9	total debt	us-gaap:LongTermDebt	$29.2M	2021-12-31	2023-02-16	10-K	23-003049
10	book equity	us-gaap:StockholdersEquity	$893.7M	2021-12-31	2025-02-20	10-K	25-024136
11	cash	us-gaap:CashAndCashEquivalentsAtCarryingValue	$278.0M	2021-12-31	2024-02-15	10-K	24-015863
12	net income	us-gaap:NetIncomeLoss	$453.4M	2025-12-31	2026-02-19	10-K	26-059372
13	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$678.9M	2025-12-31	2026-02-19	10-K	26-059372
14	assets	us-gaap:Assets	$5.9B	2024-12-31	2026-02-19	10-K	26-059372
15	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$2.1B	2025-12-31	2026-02-19	10-K	26-059372
16	gross profit	us-gaap:GrossProfit	$1.5B	2024-12-31	2026-02-19	10-K	26-059372
17	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$1.9B	2024-12-31	2026-02-19	10-K	26-059372
18	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$1.7B	2023-12-31	2026-02-19	10-K	26-059372

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19	cost of revenue	us-gaap:CostOfRevenue	$276.3M	2023-12-31	2026-02-19	10-K	26-059372
20	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$1.4B	2022-12-31	2025-02-20	10-K	25-024136
21	cost of revenue	us-gaap:CostOfRevenue	$212.7M	2022-12-31	2025-02-20	10-K	25-024136
22	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$1.1B	2021-12-31	2024-02-15	10-K	24-015863
23	cost of revenue	us-gaap:CostOfRevenue	$161.9M	2021-12-31	2024-02-15	10-K	24-015863
24	current assets	us-gaap:AssetsCurrent	$5.8B	2025-12-31	2026-02-19	10-K	26-059372
25	current liabilities	us-gaap:LiabilitiesCurrent	$5.4B	2025-12-31	2026-02-19	10-K	26-059372
26	retained earnings	us-gaap:RetainedEarningsAccumulatedDeficit	$2.3B	2025-12-31	2026-02-19	10-K	26-059372
27	operating income	us-gaap:OperatingIncomeLoss	$567.2M	2025-12-31	2026-02-19	10-K	26-059372
28	book equity	us-gaap:StockholdersEquity	$1.7B	2025-12-31	2026-02-19	10-K	26-059372
29	liabilities	us-gaap:Liabilities	$5.9B	2025-12-31	2026-02-19	10-K	26-059372
30	depreciation amortization	us-gaap:DepreciationDepletionAndAmortization	$92.7M	2022-12-31	2025-02-20	10-K	25-024136
31	interest expense	us-gaap:InterestAndDebtExpense	$3.4M	2025-12-31	2026-02-19	10-K	26-059372
32	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$270.9M	2025-12-31	2026-02-19	10-K	26-059372
33	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$533.9M	2024-12-31	2026-02-19	10-K	26-059372
34	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$192.9M	2024-12-31	2026-02-19	10-K	26-059372
35	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$485.0M	2023-12-31	2026-02-19	10-K	26-059372
36	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$192.6M	2023-12-31	2026-02-19	10-K	26-059372
37	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$365.1M	2022-12-31	2025-02-20	10-K	25-024136
38	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$132.7M	2022-12-31	2025-02-20	10-K	25-024136
39	depreciation amortization	us-gaap:DepreciationDepletionAndAmortization	$176.3M	2025-12-31	2026-02-19	10-K	26-059372
40	pretax income	us-gaap:IncomeLossFromContinuingOperationsBeforeInc...	$619.4M	2025-12-31	2026-02-19	10-K	26-059372
41	income tax	us-gaap:IncomeTaxExpenseBenefit	$166.0M	2025-12-31	2026-02-19	10-K	26-059372
42	current assets	us-gaap:AssetsCurrent	$4.3B	2024-12-31	2026-02-19	10-K	26-059372
43	current liabilities	us-gaap:LiabilitiesCurrent	$3.9B	2024-12-31	2026-02-19	10-K	26-059372
44	assets	us-gaap:Assets	$4.2B	2023-12-31	2025-02-20	10-K	25-024136
45	assets	us-gaap:Assets	$3.9B	2022-12-31	2024-02-15	10-K	24-015863
46	shares outstanding	dei:EntityCommonStockSharesOutstanding	54,275,097	2026-02-10	2026-02-19	10-K	26-059372
47	shares outstanding	dei:EntityCommonStockSharesOutstanding	57,264,718	2025-02-11	2025-02-20	10-K	25-024136

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