Paycom Software, Inc.

PAYC

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

A/B

on the A/B boundary of 468 graded peers in business equipm...

rank 94 of 468; percentile 19.9; sampling error 2.3 points; lower is stronger

A B C D E

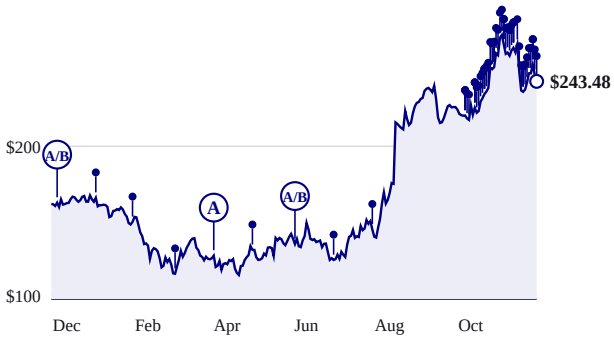
A/B, the bull



Scoreboard

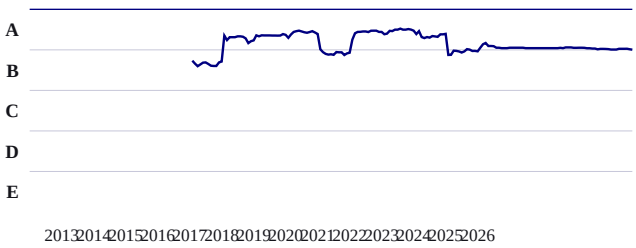
Profitability	C	percentile 49.8
Solvency	B/C	percentile 41.3
Growth and financing	B	percentile 26.6
Reliability	0.94 AUC	filers with over $2.67B assets; 95% interval 0.88 to 0.97; 61 events, 2020 to 2025
Peer failure rate	0.52% a year	Item 1.03 bankruptcies, same asset band, 2012 to 2025
Size band	over $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 13	
Graded from	filings received through Feb 19, 2026	273 days before the rescan; latest periodic filing 10-Q received Nov 5, 2026
Last close	$243.54	2026-11-18; market equity $11.0B; 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 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 thirteen 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 49.8						
Gross profitability	22.5%	29.2%		62.0	512	2025-12-31
Return on invested capital	not computable	11.0%				

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

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Accruals ratio	(3.4%)	(7.4%)	74.3	566	2025-12-31
Gross margin stability, five years	0.9 pts	2.3 pts	13.1	405	2025-12-31
Solvency, sleeve percentile 41.3					
Altman Z double-prime	2.19	2.21	44.7	516	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	4.90x	1.3	80	2025-12-31
Current ratio	1.09x	1.98x	78.0	600	2025-12-31
Growth and financing, sleeve percentile 26.6					
Revenue growth, three-year compound	14.3%	6.5%	28.9	502	2025-12-31
Free cash flow growth, three-year compound	20.6%	17.5%	44.8	253	2025-12-31
Reinvestment rate	40.2%	15.6%	39.2	213	2025-12-31
Asset growth, three years	24.9%	5.0%	13.3	519	2025-12-31
Net share issuance, one year	(5.2%)	0.5%	6.7	405	2026-02-10

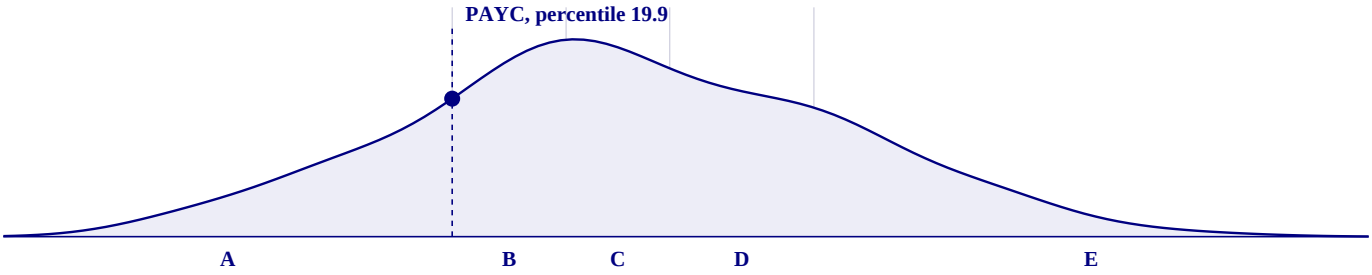
Warnings

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 468 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
89	Teradyne, Inc. (TER)	18.8	A/B	fortress balance sheet
90	Power Integrations Inc. (POWI)	19.1	A/B	
91	Verisk Analytics, Inc. (VRSK)	19.3	A/B	
92	Procore Technologies, Inc. (PCOR)	19.5	A/B	
93	Nextpower Inc. (NXT)	19.7	A/B	
94	Paycom Software, Inc. (PAYC)	19.9	A/B	fortress balance sheet
95	Grid Dynamics Holdings, Inc. (GDYN)	20.1	A/B	
96	Qualys, Inc. (QLYS)	20.3	A/B	
97	NetApp, Inc. (NTAP)	20.6	A/B	
98	Advanced Micro Devices Inc. (AMD)	20.8	A/B	fortress balance sheet
99	Clear Secure, Inc. (YOU)	21.0	A/B	

What the price implies

at the 2026-11-18 close; none of these enters the grade

Measure	Value	Peer median	Percentile
Twelve-month price change, skipping the latest month	17.4%	(2.2%)	63
Distance from 52-week high	(11.3%)	(37.2%)	81
EBIT to enterprise value	5.3%	1.8%	79
Free cash flow yield	3.7%	2.9%	56

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Book value to price	0.06	0.28	15
Sales to price	0.19	0.33	33
Composite equity issuance, five years	(31.7%)	4.3%	4
Relative strength against the sector, log excess return	(0.11)	(0.29)	63
Twelve-month failure probability, CHS model	not computable	0.05%	

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	$193.9M
Operating cash flow, four quarters	$810.0M
Months of runway	not finite
Days since last periodic filing	14 (10-Q received Nov 5, 2026)
Median daily dollar volume, 63 sessions	$153.3M

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
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

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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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