

Paychex Inc. (PAYX)

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

Paychex Inc. PAYX; other	
Grade	B A B C D E second fifth of 336 graded peers percentile 23.0; sampling error 2.6 points; lower is stronger
Rank	78 of 336
Profitability	B percentile 33.6
Solvency	C percentile 42.8
Growth and financing	B/C percentile 40.1
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 active
Inputs computable	13 of 14
Graded from	filings received through Jul 17, 2026 84 days before the rescans; latest periodic filing 10-Q received Sep 24, 2026
Last close	\$104.42 2026-10-08; market equity \$37.2B
Price used in grade	None



B, the elk

second fifth of its sector; letters are fifths of the 336 graded peers

Share price, twelve months to the rescans

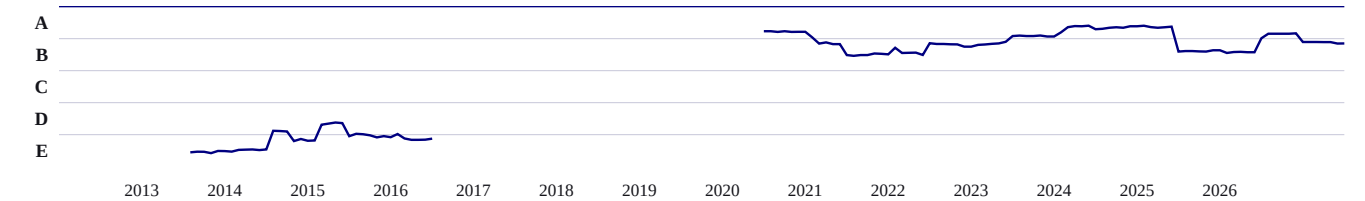
split-adjusted close; the letter is fixed at the rescans that set it



Rescans on file: A/B from Jul 21, 2026, A from Sep 26, 2026, A/B from Oct 3, 2026, B from Oct 8, 2026

Letter at every rescanscan

Jan 21, 2012 to Oct 9, 2026; sector percentile, 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.

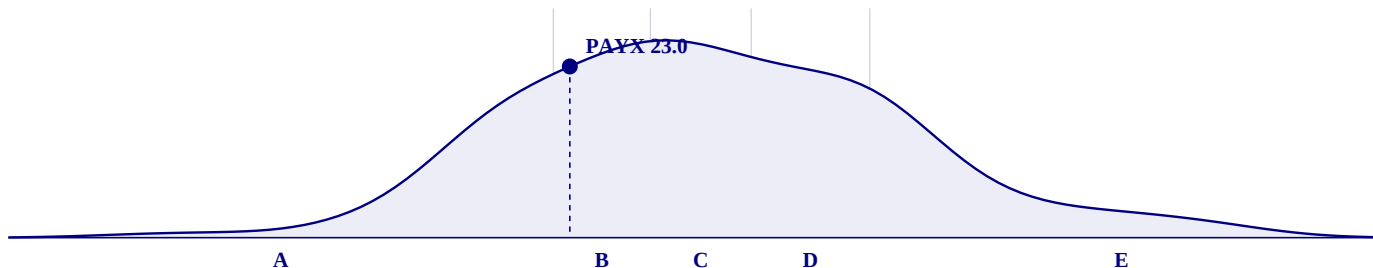
The fourteen inputs

lower percentile is stronger; equal-weighted sleeves

Input	Percentile, 0 to 100	Value	Peer median	Percentile	Peers	Period end
Profitability, sleeve percentile 33.6						
Gross profitability		28.6%	27.1%	43.4	289	2026-05-31
Return on invested capital		26.1%	10.0%	11.3	151	2026-05-31
Accruals ratio		(4.9%)	(5.9%)	56.0	506	2026-05-31
Gross margin stability, five years		1.1 pts	2.2 pts	23.6	204	2026-05-31
Solvency, sleeve percentile 42.8						
Twelve-month failure probability		0.04%	0.04%	54.5	45	2026-08-31
Altman Z double-prime		2.44	2.05	35.8	386	2026-05-31
Net debt to EBITDA		1.17x	2.52x	30.1	184	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	1.32x	50.9	506	2026-05-31
Growth and financing, sleeve percentile 40.1						
Revenue growth, three-year compound		8.7%	5.1%	35.1	403	2026-05-31
Free cash flow growth, three-year compound		14.1%	8.7%	42.0	220	2026-05-31
Reinvestment rate		(20.7%)	11.9%	66.1	190	2026-05-31
Asset growth, three years		15.3%	4.1%	20.1	438	2026-05-31
Net share issuance, one year		(1.3%)	(0.4%)	37.2	356	2026-06-30

Among 336 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	Live Nation Entertainment, Inc. (LYV)	21.5	A/B	
74	Etsy Inc. (ETSY)	21.8	A/B	
75	Tutor Perini Corp. (TPC)	22.1	A/B	fortress
				balance sheet
76	Castellum, Inc. (CTM)	22.4	A/B	
77	Centrus Energy Corp. (LEU)	22.7	B	fortress
				balance sheet
78	Paychex Inc. (PAYX) <	23.0	B	
79	Prog Holdings, Inc. (PRG)	23.3	B	
80	Kirby Corp. (KEX)	23.6	B	
81	Exponent Inc. (EXPO)	23.9	B	
82	Medpace Holdings, Inc. (MEDP)	24.2	B	
83	Ttec Holdings, Inc. (TTEC)	24.5	B	

What the price implies

at the 2026-10-08 close; none 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	(18.8%)	(26.8%)	62
EBIT to enterprise value	6.1%	4.4%	69
Free cash flow yield	6.2%	4.1%	66
Book value to price	0.10	0.34	19
Sales to price	0.17	0.70	12
Composite equity issuance, five years	(17.2%)	(8.8%)	36
Relative strength against the sector, log excess return	(0.10)	(0.13)	52

Diagnostics

not in 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	15 (10-Q received Sep 24, 2026)
Median daily dollar volume, 63 sessions	\$318.0M

Sources

each row links to the filing index on sec.gov

#	Concept	XBRL tag	Value	Period end	Received	Form	Accession
1	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$6.3B	2026-05-31	2026-07-17	10-K	0001193125-26-307785
2	cost of revenue	us-gaap:CostOfRevenue	\$1.7B	2026-05-31	2026-07-17	10-K	0001193125-26-307785
3	assets	us-gaap:Assets	\$16.2B	2026-05-31	2026-07-17	10-K	0001193125-26-307785
4	operating income	us-gaap:OperatingIncomeLoss	\$2.5B	2026-05-31	2026-07-17	10-K	0001193125-26-307785
5	pretax income	us-gaap:IncomeLossFromContinuingOperationsBeforeIncomeTaxesExtraord	\$1.3B	2026-05-31	2026-07-17	10-K	0001193125-26-307785
6	income tax	us-gaap:IncomeTaxExpenseBenefit	\$550.8M	2026-05-31	2026-07-17	10-K	0001193125-26-307785
7	total debt	us-gaap:LongTermDebt	\$4.6B	2026-05-31	2026-07-17	10-K	0001193125-26-307785
8	book equity	us-gaap:StockholdersEquity	\$3.7B	2026-05-31	2026-07-17	10-K	0001193125-26-307785
9	cash	us-gaap:CashAndCashEquivalentsAtCarryingValue	\$1.1B	2026-05-31	2026-07-17	10-K	0001193125-26-307785
10	total debt	us-gaap:LongTermDebt	\$4.9B	2025-05-31	2026-07-17	10-K	0001193125-26-307785
11	book equity	us-gaap:StockholdersEquity	\$4.1B	2025-05-31	2026-07-17	10-K	0001193125-26-307785
12	cash	us-gaap:CashAndCashEquivalentsAtCarryingValue	\$1.6B	2025-05-31	2026-07-17	10-K	0001193125-26-307785
13	net income	us-gaap:NetIncomeLoss	\$1.8B	2026-05-31	2026-07-17	10-K	0001193125-26-307785
14	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$2.6B	2026-05-31	2026-07-17	10-K	0001193125-26-307785
15	assets	us-gaap:Assets	\$16.6B	2025-05-31	2026-07-17	10-K	0001193125-26-307785
16	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$5.4B	2025-05-31	2026-07-17	10-K	0001193125-26-307785
17	cost of revenue	us-gaap:CostOfRevenue	\$1.5B	2025-05-31	2026-07-17	10-K	0001193125-26-307785
18	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$5.1B	2024-05-31	2026-07-17	10-K	0001193125-26-307785
19	cost of revenue	us-gaap:CostOfRevenue	\$1.5B	2024-05-31	2026-07-17	10-K	0001193125-26-307785
20	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$4.9B	2023-05-31	2025-07-11	10-K	0000950170-25-095300
21	cost of revenue	us-gaap:CostOfRevenue	\$1.5B	2023-05-31	2025-07-11	10-K	0000950170-25-095300
22	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$4.6B	2022-05-31	2024-07-11	10-K	0000950170-24-082958
23	cost of revenue	us-gaap:CostOfRevenue	\$1.4B	2022-05-31	2024-07-11	10-K	0000950170-24-082958

24	current assets	us-gaap:AssetsCurrent	\$8.6B	2026-05-31	2026-07-17	10-K	0001193125-26-307785
25	current liabilities	us-gaap:LiabilitiesCurrent	\$6.8B	2026-05-31	2026-07-17	10-K	0001193125-26-307785
26	retained earnings	us-gaap:RetainedEarningsAccumulatedDeficit	\$1.8B	2026-05-31	2026-07-17	10-K	0001193125-26-307785
27	liabilities	us-gaap:Liabilities	\$12.4B	2026-05-31	2026-07-17	10-K	0001193125-26-307785
28	depreciation amortization	us-gaap:DepreciationDepletionAndAmortization	\$442.6M	2026-05-31	2026-07-17	10-K	0001193125-26-307785
29	operating income	us-gaap:OperatingIncomeLoss	\$2.2B	2024-05-31	2026-07-17	10-K	0001193125-26-307785
30	interest expense	us-gaap:InterestExpense	\$37.3M	2024-05-31	2024-07-11	10-K	0000950170-24-082958
31	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$234.9M	2026-05-31	2026-07-17	10-K	0001193125-26-307785
32	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$1.9B	2025-05-31	2026-07-17	10-K	0001193125-26-307785
33	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$191.8M	2025-05-31	2026-07-17	10-K	0001193125-26-307785
34	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$1.9B	2024-05-31	2026-07-17	10-K	0001193125-26-307785
35	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$161.4M	2024-05-31	2026-07-17	10-K	0001193125-26-307785
36	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$1.7B	2023-05-31	2025-07-11	10-K	0000950170-25-095300
37	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$143.0M	2023-05-31	2025-07-11	10-K	0000950170-25-095300
38	current assets	us-gaap:AssetsCurrent	\$8.9B	2025-05-31	2026-07-17	10-K	0001193125-26-307785
39	current liabilities	us-gaap:LiabilitiesCurrent	\$7.0B	2025-05-31	2026-07-17	10-K	0001193125-26-307785
40	assets	us-gaap:Assets	\$10.4B	2024-05-31	2025-07-11	10-K	0000950170-25-095300
41	assets	us-gaap:Assets	\$10.5B	2023-05-31	2024-07-11	10-K	0000950170-24-082958
42	shares outstanding	dei:EntityCommonStockSharesOutstanding	355,682,860	2026-06-30	2026-07-17	10-K	0001193125-26-307785
43	shares outstanding	dei:EntityCommonStockSharesOutstanding	360,243,877	2025-06-30	2025-07-11	10-K	0000950170-25-095300