UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 Date of Report (Date of earliest event reported): May 10, 2023

PAYCOR HCM, INC.

(Exact name of registrant as specified in its charter) ${\bf r}$

Delaware (State or other jurisdiction of incorporation) 001-40640 (Commission File Number) 83-1813909 (IRS Employer Identification No.)

4811 Montgomery Road Cincinnati, OH (Address of principal executive offices)

45212 (Zip Code)

(800) 381-0053 (Registrant's telephone number, including area code)

Not Applicable (Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.001 par value	PYCR	The NASDAQ Stock Market LLC (Nasdaq Global Select Market)

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company \boxtimes

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised	
financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. \square	

Item 2.02 Results of Operations and Financial Condition.

On May 10, 2023, Paycor HCM, Inc. (the "Company") issued a press release announcing its financial results for the third quarter ended March 31, 2023. A copy of the press release is furnished as Exhibit 99.1 to this current report and is incorporated herein by reference.

The information furnished on this Form 8-K, including the exhibits attached, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act, regardless of any general incorporation language in such filing.

The Company makes references to non-GAAP financial measures in the attached press release. A description of the non-GAAP financial measures and a reconciliation of the non-GAAP financial measures to the most closely comparable GAAP financial measures are contained in the attached press release.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
99.1	Press Release Dated May 10, 2023
104	Cover Page Interactive Data File (formatted as Inline XBRL)

SIGNATURES

Pursuant to the requirements of the Securities Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PAYCOR HCM, INC.

May 10, 2023 By: /s/ ALICE GEENE

Name: Alice Geene

Title: Chief Legal Officer and Secretary

Paycor Announces Third Quarter Fiscal Year 2023 Financial Results

- Q3 Total revenues of \$161.5 million, an increase of 32% year-over-year, while expanding margins
- Q3 Recurring revenue of \$150.8 million, an increase of 23% year-over-year, and the sixth consecutive quarter of achieving 20%+ revenue growth
- Raises FY'23 revenue and Adjusted operating income guidance \$5 million and \$3 million, respectively, year-over-year at the top end of the range

CINCINNATI – **May 10, 2023** – Paycor HCM, Inc. (Nasdaq: PYCR) ("Paycor"), a leading provider of human capital management ("HCM") software, today announced financial results for the third quarter of fiscal year 2023, which ended March 31, 2023.

"Paycor posted robust 32% revenue growth year-over-year, reflecting continued strong demand for our innovative HCM suite and consistent execution of our go to market strategy as we expand nationally," said Raul Villar, Jr., Chief Executive Officer of Paycor. "Paycor's ability to invest in differentiated cloud technology that enables all leaders to be more effective while expanding margins for the fourth consecutive quarter demonstrates the scalability of our business model."

"This quarter we launched powerful new analytics and automation capabilities that empower frontline leaders to drive business results. We continue to advance the platform with leading-edge capabilities, such as leveraging artificial intelligence to optimize sentiment in performance reviews and acquiring a behavioral science-based microlearning platform that will enable leaders to develop their employees more effectively."

Third Quarter Fiscal Year 2023 Financial Highlights

- Total revenues were \$161.5 million, compared to \$122.6 million for the third quarter of fiscal year 2022.
- **Operating loss** was \$8.0 million, compared to \$23.5 million for the third quarter of fiscal year 2022.
- Adjusted operating income* was \$39.1 million, compared to \$24.7 million for the third quarter of fiscal year 2022.
- Net loss attributable to Paycor HCM was \$7.3 million, compared to \$16.7 million for the third quarter of fiscal year 2022.
- Adjusted net income attributable to Paycor HCM* was \$31.6 million, compared to \$18.6 million for the third quarter of fiscal year 2022.

*Adjusted operating income and adjusted net income attributable to Paycor HCM are non-GAAP financial measures. Please see the discussion below under the heading "Non-GAAP Financial Measures" and the reconciliations at the end of this press release for information concerning these and other non-GAAP financial measures.

Third Quarter and Recent Business Highlights

- Acquired Verb, a modern behavioral science-based microlearning solution to develop frontline leaders and their teams. Paycor plans to integrate Verb into its HCM platform to help organizations inspire positive, sustainable behavioral change through personalized development journeys.
- Building on artificial intelligence-driven innovation such as Paycor Smart Sourcing and Predictive Resignation, Paycor introduced its existing natural language processing and sentiment analysis engines into Performance Reviews to provide frontline leaders real time feedback on the language used in evaluations to foster a more humanized, engaging work culture.
- To further support frontline leaders, we deployed Industry Reports to provide quick access to important insights about their business.
- Won six Titan Business Intelligence Awards spanning Paycor's best-in-class Talent Management solution, Paycor Smart Sourcing, and insightful analytics that help frontline leaders optimize business decisions.

Business Outlook

Based on information as of today, May 10, 2023, Paycor is issuing the following financial guidance:

Fourth Quarter Ending June 30, 2023:

- **Total revenues** in the range of \$135-\$137 million.
- **Adjusted operating income*** in the range of \$13-\$14 million.

Fiscal Year Ending June 30, 2023:

- **Total revenues** in the range of \$548-\$550 million.
- Adjusted operating income* in the range of \$80-\$81 million.

*We are unable to reconcile forward-looking adjusted operating income to forward-looking loss from operations, the most closely comparable GAAP financial measure because the information needed to provide a complete reconciliation is unavailable at this time without unreasonable effort.

Conference Call Information

Paycor will host a conference call today, May 10, 2023, at 5:00 p.m. Eastern Time to discuss its financial results and guidance. To access this call, dial 1-877-407-4018 (domestic) or 1-201-689-8471 (international). The access code is 13735321. A live webcast and replay of the event will be available on the Paycor Investor Relations website at investors.paycor.com.

About Paycor

Paycor's human capital management (HCM) platform modernizes every aspect of people management, from recruiting, onboarding, and payroll to career development and retention, but what really sets us apart is our focus on leaders. For more than 30 years, we've been listening to and partnering with leaders, so we know what they need; a unified HR platform, easy integration with third party apps, powerful analytics, talent development tools, and configurable technology that supports specific industry needs. That's why more than 30,000 customers trust Paycor to help them solve problems and achieve their goals.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements other than statements of historical fact, including statements regarding our future results of operations and financial position, our business outlook, our business strategy and plans, our objectives for future operations, and any statements of a general economic or industry specific nature, are forward-looking statements. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. Words such as "anticipate," "estimate," "expect," "project," "plan," "intend," "believe," "may," "will," "should," "can have," "likely," "outlook," "potential," "targets," "contemplates," or the negative or plural of these words and similar expressions are intended to identify forward-looking statements.

These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those described in our Annual Report on Form 10-K for the fiscal year ended June 30, 2022, as well as in our other filings with the Securities and Exchange Commission. We believe that these risks include, but are not limited to: our ability to manage our growth effectively; the potential breach of our security measures or unauthorized access to our customers' or their employees' personal data; the expansion and retention of our direct sales force with qualified and productive persons and the related effects on the growth of our business; the impact on customer expansion and retention if implementation, user experience, customer service, or performance relating to our solutions is not satisfactory; the timing of payments made to employees and taxing authorities relative to the timing of when a customer's electronic funds transfers are settled to our account; future acquisitions of other companies' businesses, technologies, or customer portfolios; the continued service of our key executives; our ability to innovate and deliver high-quality, technologically advanced products and services; our ability to attract and retain qualified personnel; the proper operation of our software; our relationships with third parties; the ongoing effects of inflation, supply chain disruptions, labor shortages and other adverse macroeconomic conditions in the market in which we and our customers operate; the impact of an economic downturn or recession in the United States or global economy; and the other risks described in our Annual Report on Form 10-K for the year ended June 30, 2022, as well as in our other filings with the Securities and Exchange Commission. You should not rely upon forward-looking statements as predictions of future events. The events and circumstances reflected in the forward-looking statements may not be achieved or occur. Although we believe that the expectations and assumptions reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, or achievements. We undertake no obligation to publicly update any forward-looking statement after the date of this report, whether as a result of new information, future developments or otherwise, or to conform these statements to actual results or revised expectations, except as may be required by law.

Non-GAAP Financial Measures

To supplement our financial information presented in accordance with generally accepted accounting principles in the United States ("GAAP"), we present the following non-GAAP financial measures in this press release and on the related teleconference call: adjusted gross profit, adjusted gross profit margin, adjusted operating income, adjusted operating income margin, adjusted sales and

marketing expense, adjusted general and administrative expense, adjusted research and development expense, adjusted net income attributable to Paycor HCM, Inc. per share. Management believes these non-GAAP measures are useful in evaluating our core operating performance and trends to prepare and approve our annual budget, and to develop short-term and long-term operating plans. Management believes that non-GAAP financial information, when taken collectively, may be helpful to investors because it provides consistency and comparability with past financial performance and assists in comparisons with other companies, some of which use similar non-GAAP financial information to supplement their GAAP results. We define (i) adjusted gross profit as gross profit before amortization of intangible assets, stock-based compensation expense, and other certain corporate expenses, in each case that are included in costs of recurring revenues, (ii) adjusted gross profit margin as adjusted gross profit divided by total revenues, (iii) adjusted operating income as loss from operations before amortization of acquired intangible assets and naming rights, stock-based compensation expense, exit cost due to exiting leases of certain facilities and other certain corporate expenses, such as costs related to acquisitions, (iv) adjusted operating income margin as adjusted operating income divided by total revenues, (v) adjusted sales and marketing expense as sales and marketing expenses before amortization of naming rights, stock-based compensation expense and other certain corporate expenses,

(vi) adjusted general and administrative expense as general and administrative expenses before amortization of acquired intangible assets, stock-based compensation expense, exit cost due to exiting leases of certain facilities and other certain corporate expenses, (vii) adjusted research and development expense as research and development expenses before stock-based compensation expense and other certain corporate expenses, (viii) adjusted net income attributable to Paycor HCM, Inc. as loss before benefit for income taxes after adjusting for amortization of acquired intangible assets and naming rights, accretion expense associated with the naming rights, stock-based compensation expense, gain or loss on the extinguishment of debt, exit costs due to exiting leases of certain facilities and other certain corporate expenses, such as costs related to acquisitions, all of which are tax effected by applying an adjusted effective income tax rate and (ix) adjusted net income attributable to Paycor HCM, Inc. per share as adjusted net income attributable to Paycor HCM, Inc. divided by adjusted shares outstanding. Adjusted shares outstanding includes potentially dilutive securities excluded from the GAAP dilutive net loss per share calculation.

Other certain corporate expenses presented include one-time costs related to secondary offerings, restructuring costs, professional, consulting and other costs, transaction expenses and other costs, costs associated with becoming a public company and implementation of a new enterprise-resource planning system.

The non-GAAP financial measures presented in this press release and discussed on the related teleconference call are not measures of financial performance under GAAP and should not be considered a substitute for gross profit, gross margin, operating income, operating income margin, sales and marketing expense, general and administrative expense, research and development expense, net income attributable to Paycor HCM, Inc. and diluted net income attributable to Paycor HCM, Inc. per share. Non-GAAP financial measures have limitations as analytical tools, and when assessing our operating performance, you should not consider them in isolation, or as a substitute for analysis of our results as reported under GAAP. The non-GAAP financial measures that we present may not be comparable to similarly titled measures used by other companies. A reconciliation is provided below under "Reconciliations of Non-GAAP Measures to GAAP Measures," for each non-GAAP financial measure to the most directly comparable financial measure stated in accordance with GAAP.

Investor Relations:

Rachel White 513-954-7388 IR@paycor.com

Media Relations: Carly Pennekamp

513-954-7282 PR@paycor.com

Paycor HCM, Inc. and Subsidiaries Condensed Consolidated Balance Sheets (in thousands, except share amounts)

Operating lease right-of-use assets 17,500 — Goodwill 761,425 750,155 Intangible assets, net 282,956 263,069 Capitalized software, net 49,819 40,002 Long-term deferred contract costs 153,519 125,705 Other long-term assets 3,991 1,179 Total assets \$ 2,742,998 \$ 3,131,317 Liabilities and Stockholders' Equity			March 31, 2023		June 30, 2022
Cash and cash equivalents \$ 82,858 \$ 133,041 Accounts receivable, ner 49,052 27,776 Perpaid expenses 167,256 9,428 Other contract costs 3,533 1,812 Other corner asserts 18,135 20,316 Funds held for clients 1,842,34 1,915,92 Total current asserts 1,442,34 1,915,92 Property and equipment, net 1,442,34 1,915,92 Operating lease right-of-use asserts 7,614,55 7,614,55 Conduil 7,614,55 7,614,55 Copitalized software, net 49,819 40,002 Capitalized software, net 49,819 40,002 Copital seaser flavof-use ses 1,215,00 1,175 Total asserts 2,242,00 1,175 Total asserts 8,243,00 1,175 Total asserts 8,243,00 1,175 Accrued expenses and other current liabilities 8,243,00 1,184,92 Accrued expenses and other current liabilities 1,245,00 1,184,92 Clienter discoult in dubligati	Assets		(Unaudited)		
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Prepaid expenses 1,756 9,421 Other current assets 3,533 1,764 Funds held for cliens 1,258,209 1,715,916 Tudis held for cliens 1,248,209 1,715,916 Tudis held for cliens 1,414,304 1,915,926 Operation dequipment, net 3,716 1,705 Operating lease right-of-use assets 1,705 -7,015 Condwill 7,81,405 2,800 Condwill 4,810 4,000 Coping term depressed assets, et 4,910 4,000 Conjug-term depred contractors 1,530 1,510 Chey term destreated contractors 3,91 1,100 Accured absoluted Sequence 3,92 3,93 1,100 Accured payroll and payroll related expenses 3,61 4,102 Accured payroll and payroll related expenses 1,20 1,100 Cheffer	Accounts receivable, net		30,506		21,511
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Operating lease right-of-use assets 17,500 76,1425 750,156 Goodwill 761,425 263,050 2	Total current assets		1,442,384		1,919,532
Operating lease right-of-use assets 17,500 75,165 75,165 75,165 75,165 75,165 26,006 26	Property and equipment, net		31,404		31,675
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Total assets 5 (2,742,948) (3,313,131,131) Libibilities and Stockholders' Equity Current liabilities \$ (2,008) \$ (3,054) </td <td>Other long-term assets</td> <td></td> <td>3,991</td> <td></td> <td>1,179</td>	Other long-term assets		3,991		1,179
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Accrued expenses and other current liabilities 18,954 13,907 Accrued payroll and payroll related expenses 36,515 44,592 Deferred revenue 12,724 11,742 Current liabilities before client fund obligations 89,180 84,186 Client fund obligations 1,260,057 1,719,047 Total current liabilities 1,349,237 1,803,233 Deferred income taxes 21,848 31,895 Long-term operating leases 16,644 — Other long-term liabilities 70,005 11,458 Total liabilities 70,005 11,458 Commitments and contingencies 31,457,734 1,846,586 Stockholders' equity: 2 176 175 Treasury stock \$0,001 par value per share, 500,000,000 shares authorized, 176,440,422 shares outstanding at March 31, 2023 and 174,909,539 shares outstanding at June 30, 2022 (245,074) 245,074) Preferred stock, \$0,001 par value, 50,000,000 shares authorized, - shares outstanding at March 31, 2023 - - - Preferred stock, \$0,001 par value, 50,000,000 shares authorized, - shares outstanding at March 31, 2023 - - -	Current liabilities:				
Accrued expenses and other current liabilities 18,954 13,907 Accrued payroll and payroll related expenses 36,515 44,592 Deferred revenue 12,724 11,742 Current liabilities before client fund obligations 89,180 84,186 Client fund obligations 1,260,057 1,719,047 Total current liabilities 1,349,237 1,803,233 Deferred income taxes 21,848 31,895 Long-term operating leases 16,644 — Other long-term liabilities 70,005 11,458 Total liabilities 70,005 11,458 Commitments and contingencies 31,457,734 1,846,586 Common stock \$0,001 par value per share, 500,000,000 shares authorized, 176,440,422 shares outstanding at March 31, 2023 and 174,909,539 shares outstanding at June 30, 2022 176 175 Treasury stock, at cost, 10,620,260 shares at March 31, 2023 and June 30, 2022 (245,074) (245,074) Preferred stock, \$0,001 par value, 50,000,000 shares authorized, — shares outstanding at March 31, 2023 — — — Additional paid-in capital 1,991,298 1,926,800 Accumulated defi	Accounts payable	\$	20,987	\$	13,945
Accrued payroll and payroll related expenses 36,515 44,592 Deferred revenue 12,724 11,742 Current liabilities before client fund obligations 89,180 84,186 Client fund obligations 1,260,057 1,719,047 Total current liabilities 21,848 31,893 Deferred income taxes 21,848 31,895 Long-term operating leases 16,644 — Other long-term liabilities 70,005 11,458 Total liabilities 1,457,734 1,846,586 Commitments and contingencies 1,457,734 1,846,586 Commitments and contingencies 1,457,734 1,846,586 Common stock \$0,001 par value per share, 500,000,000 shares authorized, 176,440,422 shares outstanding at March 31, 2023 and 174,909,539 shares outstanding at June 30, 2022 2176 175 Treasury stock, at cost, 10,620,260 shares at March 31, 2023 and June 30, 2022 (245,074) (245,074) Preferred stock, \$0,001 par value, 50,000,000 shares authorized, —shares outstanding at March 31, 2023 — — — Additional paid-in capital 1,991,298 1,926,800 1,991,298 1,926,800 <	• •				
Deferred revenue 12,724 11,742 Current liabilities before client fund obligations 89,180 84,186 Client fund obligations 1,260,057 1,719,047 Total current liabilities 13,49,237 1,803,233 Defered income taxes 21,848 31,895 Long-term operating leases 16,644 — Other long-term liabilities 70,005 11,458 Total liabilities 1,457,734 1,846,586 Commitments and contingencies 1,457,734 1,846,586 Common stock \$0.001 par value per share, 500,000,000 shares authorized, 176,440,422 shares outstanding at March 31, 2023 and 174,909,539 shares outstanding at June 30, 2022 2176 175 Treasury stock, at cost, 10,620,260 shares at March 31, 2023 and June 30, 2022 (245,074) (245,074) Preferred stock, \$0.001 par value, 50,000,000 shares authorized, — shares outstanding at March 31, 2023 — — — Additional paid-in capital 1,991,298 1,926,800 1,926,800 Accumulated deficit (459,244) (395,389)	•		36,515		44,592
Current liabilities before client fund obligations 89,180 84,186 Client fund obligations 1,260,057 1,719,047 Total current liabilities 1,349,237 1,803,233 Deferred income taxes 21,848 31,895 Long-term operating leases 16,644 — Other long-term liabilities 70,005 11,458 Total liabilities 1,457,734 1,846,586 Commitments and contingencies 5 5 Stockholders' equity: 5 5 Common stock \$0.001 par value per share, 500,000,000 shares authorized, 176,440,422 shares outstanding at March 31, 2023 and 174,909,539 shares outstanding at June 30, 2022 176 175 Treasury stock, at cost, 10,620,260 shares at March 31, 2023 and June 30, 2022 176 175 Preferred stock, \$0.001 par value, 50,000,000 shares authorized, — shares outstanding at March 31, 2023 1,291,298 1,926,800 Additional paid-in capital 1,991,298 1,926,800 Accumulated deficit (459,244) (395,389) Accumulated other comprehensive loss (1,892) (1,781)					
Client fund obligations 1,260,057 1,719,047 Total current liabilities 1,349,237 1,803,233 Deferred income taxes 21,848 31,895 Long-term operating leases 16,644 — Other long-term liabilities 70,005 11,458 Total liabilities 1,457,734 1,846,586 Commitments and contingencies ************************************	Current liabilities before client fund obligations				
Total current liabilities 1,349,237 1,803,233 Deferred income taxes 21,848 31,895 Long-term operating leases 16,644 — Other long-term liabilities 70,005 11,458 Total liabilities 1,457,734 1,846,586 Commitments and contingencies **** **** Stockholders' equity: **** **** Common stock \$0.001 par value per share, 500,000,000 shares authorized, 176,440,422 shares outstanding at March 31, 2023 and 174,909,539 shares outstanding at June 30, 2022 176 175 Treasury stock, at cost, 10,620,260 shares at March 31, 2023 and June 30, 2022 (245,074) (245,074) Preferred stock, \$0.001 par value, 50,000,000 shares authorized, — shares outstanding at March 31, 2023 and June 30, 2022 —*** —*** Additional paid-in capital 1,991,298 1,926,800 Accumulated deficit (459,244) (395,389) Accumulated other comprehensive loss (1,892) (1,781)	-				
Deferred income taxes 21,848 31,895 Long-term operating leases 16,644 — Other long-term liabilities 70,005 11,458 Total liabilities 1,457,734 1,846,586 Commitments and contingencies **** **** Stockholders' equity: *** 176 175 Common stock \$0.001 par value per share, 500,000,000 shares authorized, 176,440,422 shares outstanding at March 31, 2023 and 174,909,539 shares outstanding at June 30, 2022 (245,074) 245,074) Treasury stock, at cost, 10,620,260 shares at March 31, 2023 and June 30, 2022 (245,074) (245,074) Preferred stock, \$0.001 par value, 50,000,000 shares authorized, — shares outstanding at March 31, 2023 — — — Additional paid-in capital 1,991,298 1,926,800 Accumulated deficit (459,244) (395,389) Accumulated other comprehensive loss (1,892) (1,781)	-			_	
Long-term operating leases 16,644 — Other long-term liabilities 70,005 11,458 Total liabilities 1,457,734 1,846,586 Commitments and contingencies Stockholders' equity: Common stock \$0.001 par value per share, 500,000,000 shares authorized, 176,440,422 shares outstanding at March 31, 2023 and 174,909,539 shares outstanding at June 30, 2022 176 175 Treasury stock, at cost, 10,620,260 shares at March 31, 2023 and June 30, 2022 (245,074) (245,074) Preferred stock, \$0.001 par value, 50,000,000 shares authorized, — shares outstanding at March 31, 2023 and June 30, 2022 — — Additional paid-in capital 1,991,298 1,926,800 Accumulated deficit (459,244) (395,389) Accumulated other comprehensive loss (1,892) (1,781)	Deferred income taxes				
Other long-term liabilities 70,005 11,458 Total liabilities 1,457,734 1,846,586 Commitments and contingencies Stockholders' equity: Common stock \$0.001 par value per share, 500,000,000 shares authorized, 176,440,422 shares outstanding at March 31, 2023 and 174,909,539 shares outstanding at June 30, 2022 176 175 Treasury stock, at cost, 10,620,260 shares at March 31, 2023 and June 30, 2022 (245,074) (245,074) Preferred stock, \$0.001 par value, 50,000,000 shares authorized, — shares outstanding at March 31, 2023 and June 30, 2022 — — — Additional paid-in capital 1,991,298 1,926,800 Accumulated deficit (459,244) (395,389) Accumulated other comprehensive loss (1,892) (1,781)					_
Total liabilities 1,457,734 1,846,586 Commitments and contingencies Stockholders' equity: Common stock \$0.001 par value per share, 500,000,000 shares authorized, 176,440,422 shares outstanding at March 31, 2023 and 174,909,539 shares outstanding at June 30, 2022 176 175 Treasury stock, at cost, 10,620,260 shares at March 31, 2023 and June 30, 2022 (245,074) (245,074) Preferred stock, \$0.001 par value, 50,000,000 shares authorized, — shares outstanding at March 31, 2023 and June 30, 2022 — — Additional paid-in capital 1,991,298 1,926,800 Accumulated deficit (459,244) (395,389) Accumulated other comprehensive loss (1,882) (1,781)					11,458
Commitments and contingencies Stockholders' equity: Common stock \$0.001 par value per share, 500,000,000 shares authorized, 176,440,422 shares outstanding at March 31, 2023 and 174,909,539 shares outstanding at June 30, 2022 176 175 Treasury stock, at cost, 10,620,260 shares at March 31, 2023 and June 30, 2022 (245,074) (245,074) Preferred stock, \$0.001 par value, 50,000,000 shares authorized, — shares outstanding at March 31, 2023 and June 30, 2022 — — — Additional paid-in capital 1,991,298 1,926,800 Accumulated deficit (459,244) (395,389) Accumulated other comprehensive loss (1,892) (1,781)	-			_	
Stockholders' equity: Common stock \$0.001 par value per share, 500,000,000 shares authorized, 176,440,422 shares outstanding at March 31, 2023 and 174,909,539 shares outstanding at June 30, 2022 176 175 Treasury stock, at cost, 10,620,260 shares at March 31, 2023 and June 30, 2022 (245,074) (245,074) Preferred stock, \$0.001 par value, 50,000,000 shares authorized, — shares outstanding at March 31, 2023 and June 30, 2022 — — — Additional paid-in capital 1,991,298 1,926,800 Accumulated deficit (459,244) (395,389) Accumulated other comprehensive loss (1,892) (1,781)	Commitments and contingencies		2,101,101		_,,_
Common stock \$0.001 par value per share, 500,000,000 shares authorized, 176,440,422 shares outstanding at March 31, 2023 and 174,909,539 shares outstanding at June 30, 2022 176 175 Treasury stock, at cost, 10,620,260 shares at March 31, 2023 and June 30, 2022 (245,074) (245,074) Preferred stock, \$0.001 par value, 50,000,000 shares authorized, — shares outstanding at March 31, 2023 and June 30, 2022 — — Additional paid-in capital 1,991,298 1,926,800 Accumulated deficit (459,244) (395,389) Accumulated other comprehensive loss (1,892) (1,781)					
Treasury stock, at cost, 10,620,260 shares at March 31, 2023 and June 30, 2022 (245,074) (245,074) Preferred stock, \$0.001 par value, 50,000,000 shares authorized, — shares outstanding at March 31, 2023 and June 30, 2022 — — Additional paid-in capital 1,991,298 1,926,800 Accumulated deficit (459,244) (395,389) Accumulated other comprehensive loss (1,892) (1,781)	Common stock \$0.001 par value per share, 500,000,000 shares authorized, 176,440,422 shares outstanding		176		175
Preferred stock, \$0.001 par value, 50,000,000 shares authorized, — shares outstanding at March 31, 2023 and June 30, 2022 Additional paid-in capital 1,991,298 1,926,800 Accumulated deficit (459,244) (395,389) Accumulated other comprehensive loss (1,892) (1,781)	·		(245,074)		(245,074)
Additional paid-in capital 1,991,298 1,926,800 Accumulated deficit (459,244) (395,389) Accumulated other comprehensive loss (1,892) (1,781)	Preferred stock, \$0.001 par value, 50,000,000 shares authorized, — shares outstanding at March 31, 2023		_		_
Accumulated deficit(459,244)(395,389)Accumulated other comprehensive loss(1,892)(1,781)	·		1,991,298		1,926,800
Accumulated other comprehensive loss (1,892) (1,781)					
1,20,201	-	_		_	· · · · · ·
Total liabilities and stockholders' equity \$ 2,742,998 \$ 3,131,317		\$		\$	

Paycor HCM, Inc. and Subsidiaries Condensed Consolidated Statements of Operations (Unaudited) (in thousands, except share amounts)

	Three Mo	s Ended	Nine Months Ended					
	Marc	31,		81,				
	 2023		2022	2023			2022	
Revenues:						_		
Recurring and other revenue	\$ 150,757	\$	122,189	\$	389,908	\$	317,334	
Interest income on funds held for clients	 10,725		408		22,741		1,062	
Total revenues	 161,482		122,597		412,649		318,396	
Cost of revenues	49,323		41,157		138,692		127,850	
Gross profit	112,159		81,440		273,957		190,546	
Operating expenses:								
Sales and marketing	55,499		41,487		155,607		127,957	
General and administrative	51,033		54,090		151,405		141,963	
Research and development	13,658		9,324		39,935		30,120	
Total operating expenses	120,190		104,901		346,947		300,040	
Loss from operations	 (8,031)		(23,461)		(72,990)		(109,494)	
Other (expense) income:								
Interest expense	(1,970)		(101)		(3,461)		(448)	
Other	2,003		(12)		2,514		1,540	
Loss before benefit for income taxes	 (7,998)		(23,574)		(73,937)		(108,402)	
Income tax benefit	(658)		(6,876)		(10,082)		(24,204)	
Net loss	 (7,340)		(16,698)		(63,855)		(84,198)	
Less: Accretion of redeemable noncontrolling interests	_		_		_		11,621	
Net loss attributable to Paycor HCM, Inc.	\$ (7,340)	\$	(16,698)	\$	(63,855)	\$	(95,819)	
Basic and diluted net loss attributable to Paycor HCM, Inc. per share	\$ (0.04)	\$	(0.10)	\$	(0.36)	\$	(0.56)	
Weighted average common shares outstanding:								
Basic and diluted	176,306,017		174,819,649		175,879,962		171,881,617	

Paycor HCM, Inc. and Subsidiaries Condensed Consolidated Statements of Cash Flows (Unaudited) (in thousands)

Nine Months Ended March 31,

Net loss \$ (63,855) \$ (84,196 Adjustments to reconcile net loss to net cash provided by operating activities: 3,571 5,113 Depreciation 3,571 5,113 Amortization of intangible assets and software 92,272 95,556 Amortization of interfered contract costs 33,246 22,333 Stock-based compensation expense 58,019 55,321 Deferred lax benefit (10,287) (24,227 Bad debt expense 3,233 1,655 Loss (gain) on sale of investments 232 (6 Gain on installment sale 232 (6 Loss on foreign currency exchange 381 101 Loss on foreign currency exchange 3,198 — Change in fair value of deferred consideration (930) 66 Other (930) 66 Changes in assets and liabilities, net of effects from acquisitions: (930) 66 Accounts receivable (5,109) (5,510) (5,190) Perpaid expenses and other (5,100) (5,190) (5,900) Accounts payable <th></th> <th colspan="4">March 31,</th>		March 31,			
Net loss \$ (63,855) \$ (84,196 Adjustments to reconcile net loss to net cash provided by operating activities: 3,571 5,113 Depreciation 3,571 5,113 Amortization of intangible assets and software 92,272 95,556 Amortization of interfered contract costs 33,246 22,333 Stock-based compensation expense 58,019 55,321 Deferred lax benefit (10,287) (24,227 Bad debt expense 3,233 1,655 Loss (gain) on sale of investments 232 (6 Gain on installment sale 232 (6 Loss on foreign currency exchange 381 101 Loss on foreign currency exchange 3,198 — Change in fair value of deferred consideration (930) 66 Other (930) 66 Changes in assets and liabilities, net of effects from acquisitions: (930) 66 Accounts receivable (5,109) (5,510) (5,190) Perpaid expenses and other (5,100) (5,190) (5,900) Accounts payable <th></th> <th>2023</th> <th>2022</th>		2023	2022		
Adjustments to reconcile net loss to net cash provided by operating activities: Depreciation Amortization of intangible assets and software Amortization of intangible assets and software Stock-based compensation expense Deferred tax benefit (10,287) Bad debt expense 1,233 1,655 Loss (gain) on sale of investments 232 (6 Gain on installment sale Loss on loreign currency exchange 1,035 Loss on loreign currency exchange 1,035 Naming rights accretion expense 3,198 Change in fair value of deferred consideration Other Changes in assets and liabilities, net of effects from acquisitions: Accounts receivable Accounts payable Accounts payable Accounts payable Accounts payable Deferred revenue 1,119 Deferred contract costs Net cash provided by operating activities Purchases of client funds available-for-sale securities Purchases of client funds available-for-sale securities Purchases of client funds available-for-sale securities Redemption of Talenya Ltd., net of cash acquired Acquisition of Talenya Ltd., net of cash acquired Redemption of Redeemable Series A Preferred Stock (acquisition of noncontrolling interest) Repayments of deferred consideration Redemption of Redeemable Series A Preferred Stock (acquisition of noncontrolling interest) Redemption of Redeemable Series A Preferred Stock (acquisition of noncontrolling interest) Redemption of Redeemable Series A Preferred Stock (acquisition of noncontrolling interest) Redemption of Redeemable Series A Preferred Stock (acquisition of noncontrolling interest) Redemption of Redeemable Series A Preferred Stock (acquisition of noncontrolling interest) Redemption of Redeemable Series A Preferred Stock (acquisition of noncontrolling interest) Redemption of Redeemable Series A Preferred Stock (acquisition of noncontrolling interest) Redemption of Redeemable Series A Preferred Stock (acquisition of noncontrolling interest) Redempti	Cash flows from operating activities:				
Depreciation 3,571 5,112 Amortization of intangible assets and software 92,727 95,556 Amortization of deferred contract costs 33,246 22,333 Stock-based compensation expense 55,019 55,321 Deferred tax benefit (10,087) (24,227 Bad debt expense 3,233 1,655 Loss (gain) on sale of investments 232 (6 Gain on installment sale — (1,358) Loss on foreign currency exchange 381 101 Loss on lease exit 950 9,055 Naming rights accretion expense 3,198 — Change in fair value of deferred consideration (300) 66 Changes in sasets and liabilities, net of effects from acquisitions: (12,063) (5,391) Prepaid expenses and other assets (6,510) (5,195) Accounts receivable (2,106) (6,510) (6,195) Accounts payable (6,229) (160 (6,229) (160 Actured liabilities and other (19,602) 618 (6,510) (7,87,272) </td <td></td> <td>\$ (63,855)</td> <td>\$ (84,198)</td>		\$ (63,855)	\$ (84,198)		
Amontization of intangible assets and software 32,727 95,556 Amontization of deferred contract costs 33,246 22,335 Stock-based compensation expense 56,019 55,321 Deferred tax benefit (10,287) (24,227) Bad debt expense 3233 1,655 Loss (gain) on alse of investments 22 6 Gain on installment sale — (1,359) Loss on foreign currency exchange 381 101 Loss on lease exit 950 9,055 Naming rights accretion expense 3,198 — Change in fair value of deferred consideration — (133 Other (330) 66 Change in fair value of deferred consideration — (133 Other (6,290) (16,100) (6,190) Change in fair value of deferred consideration — (12,063) (5,391) Change in fair value of deferred consideration — (1,300) (6,500) (6,510) (6,510) (6,510) (6,510) (6,510) (6,510) (6,510)					
Amortization of deferred contract costs 33,246 22,336 Stock-based compensation expense 58,019 55,321 Deferred tax benefit (10,267) (24,227) Bad debt expense 3,233 1,655 Loss (gain) on sale of investments 232 (9 Gain on installment sale — (1,355) Loss on foreign currency exchange 381 101 Loss on lease exit 950 9,055 Naming rights accretion expense 3,198 — Change in fair value of deferred consideration — (138 Other (303) 66 Changes in assets and liabilities, net of effects from acquisitions: (12,063) (5,391) Accounts receivable (12,063) (5,391) Accounts payable 6,229 (160 Accrumt payable 6,229 (160 Accrumt payable 6,229 (160 Deferred revenue 1,119 94 Deferred contract costs (3,255) (1,861) Text and provided by operating activities (365,19			5,113		
Stock-based compensation expense 58,019 53,221 Deferred tax benefit (10,287) (24,227) Bad debt expense 3,233 1,655 Loss (gain) on sale of investments 222 (6 Gain on installment sale	5		95,556		
Deferred tax benefit (10,287) (24,227) Bad debt expense 3,233 1,655 Loss (gain) on sale of investments 22 (6 Gain on installment sale — (1,358) Loss on foreign currency exchange 381 100 Loss on lease exit 950 9,055 Naming rights accretion expense 3,198 — Change in fair value of deferred consideration (330) 66 Changes in sasers and liabilities, net of effects from acquisitions: (330) 66 Changes in sasers and liabilities, net of effects from acquisitions: (12,063) (5,391) Prepaid expenses and other assets (6,510) (5,195) Accounts payable 6,229 (166 Accrued liabilities and other (19,602) 61 Deferred revenue 1,119 94 Deferred contract costs (73,273) (58,456) Net cash provided by operating activities 16,385 11,631 Cash flows from investing activities 365,196 (178,362 Proceeds from sale and maturities of client funds available-	Amortization of deferred contract costs	33,246	22,330		
Bad debt expense 3,233 1,655 Loss (gain) on sile of investments 232 (8 Gain on installment sale — (1,355) Loss on foreign currency exchange 381 101 Loss on lease exit 950 9,055 Naming rights accretion expense 3,198 — Change in fair value of deferred consideration — (138 Other (500) (5,391 Accounts receivable (12,063) (5,391 Prepaid expenses and other assets (6,510) (5,195 Accounts payable (6,229) (166 Accounts payable (6,229) (166 Accounts payable (6,229) (166 Accounts payable (6,210) (5,195 Accounts payable (6,229) (166 Accounts payable (6,229) (166 Accounts payable (3,285) (184 Deferred contract costs (32,323) (5,845) Net cash provided by operating activities (365,196) (178,362 Purc	Stock-based compensation expense	58,019	55,321		
Loss (gain) on sale of investments 232 (9 Gain on installment sale - (1,359 Loss on foreign currency exchange 381 101 Loss on lease exit 950 9,055 Naming rights accretion expense 3,198 - (138	Deferred tax benefit	(10,287)	(24,227)		
Gain on installment sale — (1,359) Loss on foreign currency exchange 381 100 Loss on lease exit 950 9,055 Naming rights accretion expense 3,198 — Change in fair value of deferred consideration — (138 Other (930) (65 Changes in assets and liabilities, net of effects from acquisitions: — (12,063) (5,391) Accounts receivable (12,063) (5,319) (6,510) (5,195) Accounts payable (6,29) (160 (160 (229) (160 Accrued liabilities and other assets (6,510) (5,195 (6,510) (5,195 Accustis payable (6,29) (160 (18 (6,29) (160 Accrued liabilities and other (19,602) 618 (19,602) 618 Deferred revnue (1,119) 9.43 (73,273) 68,850 Net cash provided by operating activities (3,635) (1,78,362) 11,832 Purchases of client funds available-for-sale securities (35,90)	Bad debt expense	3,233	1,655		
Loss on foreign currency exchange 381 101 Loss on lease exit 950 9,055 Naming rights accretion expense 3,198 — Change in fair value of deferred consideration — (138 Other (930) 66 Changes in sasets and liabilities, net of effects from acquisitions: Accounts receivable (12,063) (5,391 Prepaid expenses and other assets (6,510) (5,195 Accounts payable 6,229 (160 Accrued liabilities and other (19,602) (618 Deferred revenue 1,119 943 Deferred contract costs (73,273) (58,450 Net cash provided by operating activities (16,510) (178,362 Purchases of client funds available-for-sale securities (365,196) (178,362 Purchase of property and equipment (3,285) (1,861 Proceeds from note receivable on installment sale (3,285) (1,861 Proceeds from note receivable on installment sale (18,842) (4,640 Acquisition of Talenya Ltd., net of cash acquired (18,793) Internally developed software costs (30,600) (22,667 Net cash used in investing activities (177,619) (76,887 Cash flows from financing activities (30,600) (22,667 Net cash used in investing activities (177,619) (76,887 Acquisition of Talenya Ltd., net of cash acquired (18,793 Internally developed software costs (30,600) (22,667 Net cash used in investing activities (30,600) (22,667 Porceeds from financing activities (30,600) (22,667 Payment of deferred consideration (30,600) (22,667 Payment of deferred consideration (30,600) (30,600 Payment of deferred consideration (30,600 (30,600 Payments of line-of-credit (30,600 (30,6	Loss (gain) on sale of investments	232	(9)		
Loss on lease exit	Gain on installment sale	_	(1,359)		
Naming rights accretion expense 3,198 — Change in fair value of deferred consideration — (138 Other (930) 66 Changes in assets and liabilities, net of effects from acquisitions: — Accounts receivable (12,063) (5,391 Prepaid expenses and other assets (6,510) (5,195 Accounts payable 6,229 (166 Accrued liabilities and other (19,602) 618 Accrued liabilities and other (19,602) 618 Deferred revenue 1,119 944 Deferred contract costs (73,273) (58,450 Net cash provided by operating activities 16,385 11,631 Cash flows from investing activities: (365,196) (178,362 Proceeds from sale and maturities of client funds available-for-sale securities 259,097 127,603 Purchase of property and equipment (3,285) (1,861 Proceeds from note receivable on installment sale — 3,044 Acquisition of intangible assets (18,00) 2,2667 Net cash used in investing activities<	Loss on foreign currency exchange	381	101		
Change in fair value of deferred consideration — (138) Other (930) 66 Changes in assets and liabilities, net of effects from acquisitions: — (12,063) (5,391) Accounts receivable (12,063) (5,391) (5,391) (5,195) (6,510) (5,195) (5,195) (6,510) (5,195) (5,195) (6,510) (5,195) (5,195) (6,510) (5,195) (5,195) (6,510) (5,195) (6,510) (5,195) (6,510) (5,195) (6,510) (5,195) (6,510) (5,195) (6,510) (5,195) (6,510) (5,195) (6,510) (5,195) (6,510) (5,195) (6,510) (7,520) (6,510) (7,520) (7,520) (7,520) (7,520) (7,520) (7,520)	Loss on lease exit	950	9,055		
Other (930) 66 Changes in assets and liabilities, net of effects from acquisitions: (12,063) (5,391) Accounts receivable (12,063) (5,391) Prepaid expenses and other assets (6,510) (5,195) Accounts payable 6,229 (160 Accrued liabilities and other (19,602) 618 Deferred revenue (1,119) 943 Deferred contract costs (73,273) (58,450) Net cash provided by operating activities 16,385 11,631 Cash flows from investing activities 16,385 11,631 Purchases of client funds available-for-sale securities 3(36,196) (178,362 Proceeds from sale and maturities of client funds available-for-sale securities 259,097 127,603 Purchase of property and equipment 3(3,285) 1,861 Proceeds from note receivable on installment sale - 3,040 Acquisition of Talenya Ltd., net of cash acquired (18,42) 4(5,444) Acquisition of Talenya Ltd., net of cash acquired (17,619) (7,687 Cash flows from financing activities: <th< td=""><td>Naming rights accretion expense</td><td>3,198</td><td>_</td></th<>	Naming rights accretion expense	3,198	_		
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Prepaid expenses and other assets (6,510) (5,195) Accounts payable 6,229 (160) Accrued liabilities and other (19,602) 616 Deferred revenue 1,119 943 Deferred contract costs (73,273) (58,450) Net cash provided by operating activities 16,385 11,631 Cash flows from investing activities 250,097 127,603 Proceeds from sale and maturities of client funds available-for-sale securities 259,097 127,603 Proceeds from sote receivable on installment sale 259,097 127,603 Proceeds from note receivable on installment sale 3,040 4,640 Acquisition of intangible assets (18,742) (4,640) Acquisition of Talenya Ltd., net of cash acquired (18,793) 12,667 Internally developed software costs (30,600) (22,667 Net cash used in investing activities (177,619) (76,887 Cash flows from financing activities (177,619) (76,887 Payment of deferred consideration (453,685) 1,204,091 Payment of deferred consideration	Accounts receivable	(12,063)	(5,391)		
Accrued liabilities and other (19,602) 616 Deferred revenue 1,119 945 Deferred contract costs (73,273) (58,450 Net cash provided by operating activities 16,385 11,631 Cash flows from investing activities Purchases of client funds available-for-sale securities (365,196) (178,362 Proceeds from sale and maturities of client funds available-for-sale securities (365,196) (178,362 Purchase of property and equipment (3,285) (1,861 Proceeds from note receivable on installment sale – 3,044 Acquisition of intangible assets (18,842) (4,640 Acquisition of Talenya Ltd., net of cash acquired (18,793) – (18,793 Internally developed software costs (30,600) (22,667 Net cash used in investing activities (177,619) (76,887 Cash flows from financing activities (453,685) 1,204,091 Payment of deferred consideration – (2,752 Proceeds from line-of-credit – (3,500 Repayments of line-of-credit – (52,600 Repayments of debt and capital lease obligations (21) – (20,752 Proceeds from the issuance of common stock sold in the IPO, net of offering costs and underwriting discount – (454,915 Redemption of Redeemable Series A Preferred Stock (acquisition of noncontrolling interest) – (260,044 Redemption of Redeemable Series A Preferred Stock (acquisition of noncontrolling interest) – (260,044 Proceeds from the issuance of common stock sold in the IPO, net of offering costs and underwriting discount – (260,044 Redemption of Redeemable Series A Preferred Stock (acquisition of noncontrolling interest) – (260,044 Redemption of Redeemable Series A Preferred Stock (acquisition of noncontrolling interest) – (260,044 Redemption of Redeemable Series A Preferred Stock (acquisition of noncontrolling interest) – (260,044 Redemption of Redeemable Series A Preferred Stock (acquisition of noncontrolling interest) – (260,044 Redemption of Redeemable Series A Preferred Stock (acquisiti	Prepaid expenses and other assets		(5,195)		
Accrued liabilities and other (19,602) 616 Deferred revenue 1,119 945 Deferred contract costs (73,273) (58,450 Net cash provided by operating activities 16,385 11,631 Cash flows from investing activities Purchases of client funds available-for-sale securities (365,196) (178,362 Proceeds from sale and maturities of client funds available-for-sale securities (365,196) (178,362 Purchase of property and equipment (3,285) (1,861 Proceeds from note receivable on installment sale – 3,044 Acquisition of intangible assets (18,842) (4,640 Acquisition of Talenya Ltd., net of cash acquired (18,793) – (18,793 Internally developed software costs (30,600) (22,667 Net cash used in investing activities (177,619) (76,887 Cash flows from financing activities (453,685) 1,204,091 Payment of deferred consideration – (2,752 Proceeds from line-of-credit – (3,500 Repayments of line-of-credit – (52,600 Repayments of debt and capital lease obligations (21) – (20,752 Proceeds from the issuance of common stock sold in the IPO, net of offering costs and underwriting discount – (454,915 Redemption of Redeemable Series A Preferred Stock (acquisition of noncontrolling interest) – (260,044 Redemption of Redeemable Series A Preferred Stock (acquisition of noncontrolling interest) – (260,044 Proceeds from the issuance of common stock sold in the IPO, net of offering costs and underwriting discount – (260,044 Redemption of Redeemable Series A Preferred Stock (acquisition of noncontrolling interest) – (260,044 Redemption of Redeemable Series A Preferred Stock (acquisition of noncontrolling interest) – (260,044 Redemption of Redeemable Series A Preferred Stock (acquisition of noncontrolling interest) – (260,044 Redemption of Redeemable Series A Preferred Stock (acquisition of noncontrolling interest) – (260,044 Redemption of Redeemable Series A Preferred Stock (acquisiti			(160)		
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Net cash provided by operating activities 11,631 Cash flows from investing activities: 7 Purchases of client funds available-for-sale securities 259,097 127,603 Purchase of property and equipment (3,285) (1,861) Proceeds from note receivable on installment sale — 3,040 Acquisition of intangible assets (18,842) (4,640) Acquisition of Talenya Ltd., net of cash acquired (18,793) (22,667) Acquisition of Talenya Ltd., net of cash acquired (18,793) (22,667) Net cash used in investing activities (177,619) (76,887) Cash flows from financing activities: (177,619) (76,887) Acquisition of deferred consideration — (2,752) Proceeds from line-of-credit — (2,752) Proceeds from line-of-credit — (3,500) Repayments of line-of-credit — (25,600) Repayments of line-of-credit — (25,600) Repayments of line-of-credit — (3,500) Repayments of elber and capital lease obligations (21) —	Deferred contract costs	(73,273)	(58,450)		
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Purchases of client funds available-for-sale securities (365,196) (178,362 Proceeds from sale and maturities of client funds available-for-sale securities 259,097 127,603 Purchase of property and equipment (3,285) (1,861 Proceeds from note receivable on installment sale — 3,040 Acquisition of intangible assets (18,842) (4,640 Acquisition of Talenya Ltd., net of cash acquired (18,793) — 1,110 Acquisition of Talenya Ltd., net of cash acquired (18,793) — 1,110 Acquisition of Talenya Ltd., net of cash acquired (18,793) — 1,110 Acquisition of Talenya Ltd., net of cash acquired (17,619) (76,887 Net cash used in investing activities (177,619) (76,887 Acquisition financing activities) (177,619) (76,887 Acquisition financing activities) (453,685) (1,204,091 Acquisition financing activities) (453,685) (1,204,091 Acquisition financing activities) (453,685					
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Purchase of property and equipment (3,285) (1,861) Proceeds from note receivable on installment sale — 3,040 Acquisition of intangible assets (18,842) (4,640) Acquisition of Talenya Ltd., net of cash acquired (18,793) — Internally developed software costs (30,600) (22,667) Net cash used in investing activities (177,619) (76,887) Cash flows from financing activities: Net change in cash and cash equivalents held to satisfy client funds obligations (453,685) 1,204,091 Payment of deferred consideration — (2,752) Proceeds from line-of-credit — 3,500 Repayments of line-of-credit — (52,600) Repayments of debt and capital lease obligations (211) — Proceeds from the issuance of common stock sold in the IPO, net of offering costs and underwriting discount — 454,915 Redemption of Redeemable Series A Preferred Stock (acquisition of noncontrolling interest) — (260,044)	Proceeds from sale and maturities of client funds available-for-sale securities		127,603		
Proceeds from note receivable on installment sale Acquisition of intangible assets (18,842) (4,640 Acquisition of Talenya Ltd., net of cash acquired (18,793) — Internally developed software costs (30,600) (22,667 Net cash used in investing activities Net change in cash and cash equivalents held to satisfy client funds obligations Payment of deferred consideration — (2,752 Proceeds from line-of-credit — 3,500 Repayments of line-of-credit — (52,600 Repayments of debt and capital lease obligations — (211) — Proceeds from the issuance of common stock sold in the IPO, net of offering costs and underwriting discount Redemption of Redeemable Series A Preferred Stock (acquisition of noncontrolling interest) — (260,044)			(1,861)		
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Internally developed software costs Net cash used in investing activities Cash flows from financing activities: Net change in cash and cash equivalents held to satisfy client funds obligations Payment of deferred consideration Proceeds from line-of-credit Repayments of line-of-credit Repayments of debt and capital lease obligations Repayments of debt and capital lease obligations Proceeds from the issuance of common stock sold in the IPO, net of offering costs and underwriting discount Redemption of Redeemable Series A Preferred Stock (acquisition of noncontrolling interest) (30,600) (177,619) (453,685) 1,204,091 (2,752) 1,204,091 (2,752) (2,7		. , ,			
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Net change in cash and cash equivalents held to satisfy client funds obligations Payment of deferred consideration Proceeds from line-of-credit Repayments of line-of-credit Repayments of debt and capital lease obligations Proceeds from the issuance of common stock sold in the IPO, net of offering costs and underwriting discount Redemption of Redeemable Series A Preferred Stock (acquisition of noncontrolling interest) (453,685) 1,204,091 (2,752 (52,600 (211) — 454,915 (260,044	6	(177,015)	(/ 5,55/)		
Payment of deferred consideration — (2,752) Proceeds from line-of-credit — 3,500 Repayments of line-of-credit — (52,600) Repayments of debt and capital lease obligations — (211) — Proceeds from the issuance of common stock sold in the IPO, net of offering costs and underwriting discount — 454,915 Redemption of Redeemable Series A Preferred Stock (acquisition of noncontrolling interest) — (260,044)	<u> </u>	(453 685)	1 204 091		
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Proceeds from the issuance of common stock sold in the IPO, net of offering costs and underwriting discount — 454,915 Redemption of Redeemable Series A Preferred Stock (acquisition of noncontrolling interest) — (260,044)		(211)	(32,300)		
discount — 454,915 Redemption of Redeemable Series A Preferred Stock (acquisition of noncontrolling interest) — (260,044		(211)			
		_	454,915		
	Redemption of Redeemable Series A Preferred Stock (acquisition of noncontrolling interest)	_	(260,044)		
Withholding taxes paid related to het share settlements (2,150)	Withholding taxes paid related to net share settlements	(2,150)			

Proceeds from exercise of stock options	345	_
Proceeds from employee stock purchase plan	8,285	3,186
Other financing activities		(395)
Net cash (used in) provided by financing activities	(447,416)	1,349,901
Impact of foreign exchange on cash and cash equivalents	(15)	18
Net change in cash, cash equivalents, restricted cash and short-term investments, and funds held for clients	(608,665)	1,284,663
Cash, cash equivalents, restricted cash and short-term investments, and funds held for clients, beginning of		
period	1,682,923	560,000
Cash, cash equivalents, restricted cash and short-term investments, and funds held for clients, end of period	\$ 1,074,258	\$ 1,844,663
Supplemental disclosure of non-cash investing, financing and other cash flow information:		
Capital expenditures in accounts payable	\$ 2	\$ 25
Cash paid for interest	_	154
Reconciliation of cash, cash equivalents, restricted cash and short-term investments, and funds held for clients to the Consolidated Balance Sheets		
Cash and cash equivalents	\$ 82,858	\$ 134,004
Funds held for clients	991,400	1,710,659
Total cash, cash equivalents, restricted cash and short-term investments, and funds held for clients	\$ 1,074,258	\$ 1,844,663

Reconciliations of Non-GAAP Measures to GAAP Measures

Adjusted Gross Profit and Adjusted Gross Profit Margin (Unaudited)

		Three Mo	nths	Ended		Nine Mon	nths Ended			
(in thousands)		ch 31, 2023	N	March 31, 2022	March 31, 2023			Tarch 31, 2022		
Gross Profit*	\$	112,159	\$	81,440	\$	273,957	\$	190,546		
Gross Profit Margin		69.5 %		66.4 %		66.4 %		59.8 %		
Amortization of intangible assets		1,358		1,433		3,786		18,017		
Stock-based compensation expense		2,440		1,710		6,755		5,205		
Adjusted Gross Profit*	\$	115,957	\$	84,583	\$	284,498	\$	213,768		
Adjusted Gross Profit Margin		71.8 %		69.0 %		68.9 %		67.1 %		

^{*} Gross Profit and Adjusted Gross Profit are burdened by depreciation expense of \$0.4 million and \$0.6 million for the three months ended March 31, 2023 and 2022, respectively, and \$1.3 million and \$2.0 million for the nine months ended March 31, 2023 and 2022, respectively. Gross Profit and Adjusted Gross Profit are burdened by amortization of capitalized software of \$7.2 million and \$5.8 million for the three months ended March 31, 2023 and 2022, respectively, and \$20.3 million and \$16.0 million for the nine months ended March 31, 2023 and 2022, respectively. Gross Profit and Adjusted Gross Profit are burdened by amortization of deferred contract costs of \$6.8 million and \$4.6 million for the three months ended March 31, 2023 and 2022, respectively, and \$18.6 million and \$12.2 million for the nine months ended March 31, 2023 and 2022, respectively.

Adjusted Operating Income (Unaudited)

		Three Mo	nth	s Ended		Nine Mon	ths Ended			
(in thousands)	Mar	ch 31, 2023]	March 31, 2022	Ma	rch 31, 2023	M	arch 31, 2022		
Loss from Operations	\$	(8,031)	\$	(23,461)	\$	(72,990)	\$	(109,494)		
Operating Margin		(5.0)%		(19.1)%		(17.7)%		(34.4)%		
Amortization of intangible assets		24,467		22,136		72,410		79,548		
Stock-based compensation expense		20,384		16,294		58,019		55,321		
Loss on lease exit*		915		9,055		1,733		9,055		
Corporate adjustments**		1,372		626		7,991		3,871		
Adjusted Operating Income	\$	39,107	\$	24,650	\$	67,163	\$	38,301		
Adjusted Operating Income Margin		24.2 %		20.1 %		16.3 %		12.0 %		

^{*} Represents exit costs due to exiting leases of certain facilities.

^{**} Corporate adjustments for the three and nine months ended March 31, 2023 relate to costs associated with secondary offerings completed in December 2022 ("December 2022 Secondary Offering") and September 2022 ("September 2022 Secondary Offering") of \$— million and \$2.2 million, respectively, professional, consulting, and other costs of \$1.0 million and \$3.5 million, respectively, and transaction expenses and other costs of \$0.4 million and \$2.3 million, respectively. Corporate adjustments for the three and nine months ended March 31, 2022 relate to certain restructuring costs of \$0.2 million and \$0.4 million, respectively, as well as costs associated with becoming a public company, including the implementation of a new enterprise-resource planning system and professional, consulting, and other costs of \$0.4 million and \$2.5 million, respectively, and costs associated with a secondary offering completed in October 2021 ("October 2021 Secondary Offering") of \$— million and \$1.0 million, respectively.

Adjusted Operating Expenses (Unaudited)

		Three Mo	s Ended	Nine Months Ended				
(in thousands)		March 31, 2023		March 31, 2022		March 31, 2023		March 31, 2022
Sales and Marketing expense	\$	55,499	\$	41,487	\$	155,607	\$	127,957
Amortization of intangible assets		(756)		_		(2,823)		_
Stock-based compensation expense		(8,311)		(7,634)		(24,408)		(29,390)
Corporate adjustments*								(53)
Adjusted Sales and Marketing expense	\$	46,432	\$	33,853	\$	128,376	\$	98,514
General and Administrative expense	\$	51,033	\$	54,090	\$	151,405	\$	141,963
Amortization of intangible assets		(22,353)		(20,703)		(65,801)		(61,531)
Stock-based compensation expense		(7,168)		(5,846)		(19,765)		(16,947)
Loss on lease exit**		(915)		(9,055)		(1,733)		(9,055)
Corporate adjustments***		(1,372)		(626)		(7,991)		(3,818)
Adjusted General and Administrative expense	\$	19,225	\$	17,860	\$	56,115	\$	50,612
Research and Development expense	\$	13,658	\$	9,324	\$	39,935	\$	30,120
Stock-based compensation expense		(2,465)		(1,104)		(7,091)		(3,779)
Adjusted Research and Development expense	\$	11,193	\$	8,220	\$	32,844	\$	26,341

^{*} Corporate adjustments for the nine months ended March 31, 2022 relate to costs associated with becoming a public company.

Adjusted Net Income Attributable to Paycor HCM, Inc. and Adjusted Net Income Attributable to Paycor HCM, Inc. Per Share (Unaudited)

	Three Months Ended					Nine Months Ended					
(in thousands)	M	arch 31, 2023	March 31, 2022			Iarch 31, 2023	M	March 31, 2022			
Net loss before benefit for income taxes	\$	(7,998)	\$	(23,574)	\$	(73,937)	\$	(108,402)			
Loss on debt amendment		_		_		_		35			
Amortization of intangible assets		24,467		22,136		72,410		79,548			
Naming rights accretion expense		1,884		_		3,198		_			
Gain on installment sale		_		_		_		(1,359)			
Stock-based compensation expense		20,384		16,294		58,019		55,321			
Loss on lease exit*		915		9,055		1,733		9,055			
Corporate adjustments**		1,372		626		7,991		3,871			
Non-GAAP adjusted income before applicable income taxes	'	41,024		24,537		69,414		38,069			
Income tax effect on adjustments***		(9,435)		(5,889)		(15,965)		(9,137)			
Adjusted Net Income Attributable to Paycor HCM, Inc.	\$	31,589	\$	18,648	\$	53,449	\$	28,932			
Adjusted Net Income Attributable to Paycor HCM, Inc. Per Share	\$	0.18	\$	0.11	\$	0.30	\$	0.17			
Adjusted shares outstanding****		176,499,160		175,116,109		176,211,488		173,269,703			

^{**} Represents exit costs due to exiting leases of certain facilities.

^{***} Corporate adjustments for the three and nine months ended March 31, 2023 relate to costs associated with the December 2022 Secondary Offering and the September 2022 Secondary Offering of \$— million and \$2.2 million, respectively, professional, consulting, and other costs of \$1.0 million and \$3.5 million, respectively, and transaction expenses and other costs of \$0.4 million and \$2.3 million, respectively. Corporate adjustments for the three and nine months ended March 31, 2022 relate to certain restructuring costs of \$0.2 million and \$0.4 million, respectively, as well as costs associated with becoming a public company, including the implementation of a new enterprise-resource planning system and professional, consulting, and other costs of \$0.4 million and \$2.4 million, respectively, and costs associated with the October 2021 Secondary Offering of \$— million and \$1.0 million, respectively.

- * Represents exit costs due to exiting leases of certain facilities.
- ** Corporate adjustments for the three and nine months ended March 31, 2023 relate to costs associated with the December 2022 Secondary Offering and the September 2022 Secondary Offering of \$\(\)— million and \$2.2 million, respectively, professional, consulting, and other costs of \$1.0 million and \$3.5 million, respectively, and transaction expenses and other costs of \$0.4 million and \$2.3 million, respectively. Corporate adjustments for the three and nine months ended March 31, 2022 relate to certain restructuring costs of \$0.2 million and \$0.4 million, respectively, as well as costs associated with becoming a public company, including the implementation of a new enterprise-resource planning system and professional, consulting, and other costs of \$0.4 million and \$2.5 million, respectively, and costs associated with the October 2021 Secondary Offering of \$\(\)— million and \$1.0 million, respectively.
- *** Non-GAAP adjusted income before applicable income taxes is tax effected using an adjusted effective income tax rate of 23.0% for the three and nine months ended March 31, 2023, respectively, and 24.0% for the three and nine months ended March 31, 2022, respectively.
- **** The adjusted shares outstanding for the three and nine months ended March 31, 2023 are based on the if-converted method and include potentially dilutive securities that are excluded from the U.S. GAAP dilutive net income per share calculation because including them would have an anti-dilutive effect. The adjusted shares outstanding for the three months ended March 31, 2022 are based on the if-converted method and include potentially dilutive securities that are excluded from the U.S. GAAP dilutive net income per share calculation because including them would have an anti-dilutive effect. The adjusted shares outstanding for the nine months ended March 31, 2022 assume the conversion of the Series A Preferred Stock as if it would have occurred on July 1, 2021, based on the if-converted method and include potentially dilutive securities that are excluded from the U.S. GAAP dilutive net income per share calculation because including them would have an anti-dilutive effect.