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): November 6, 2024

PAYCOR HCM, INC.

(Exact name of registrant as specified in its charter)

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 230.42	5)
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- 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 1 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).	12b-2
Emerging growth company □	

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. \Box

Item 2.02 Results of Operations and Financial Condition.

On November 6, 2024, Paycor HCM, Inc. (the "Company") issued a press release announcing its financial results for the first quarter ended September 30, 2024. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

The information furnished in Item 2.02 of this Form 8-K, including Exhibit 99.1 attached hereto, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (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, as amended, or the Exchange Act, regardless of any general incorporation language in such filing, except as otherwise expressly set forth by specific reference in such filing.

The Company makes references to certain 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
<u>99.1</u>	Press Release Dated November 6, 2024
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.

November 6, 2024 By: /s/ ALICE GEENE

Name: Alice Geene

Title: Chief Legal Officer and Secretary

Paycor Announces First Quarter Fiscal Year 2025 Financial Results

- Q1 Total revenues of \$167.5 million, an increase of 17% year-over-year, while expanding operating margins
- Q1 Recurring revenues of \$154.0 million, an increase of 16% year-over-year
- FY 2025 revenue guidance of \$726.0-\$733.0 million, an increase of 12% year-over-year at the top end of the range

CINCINNATI – **November 6, 2024** – Paycor HCM, Inc. (Nasdaq: PYCR) ("Paycor"), a leading provider of human capital management ("HCM") software, today announced financial results for the first quarter fiscal year 2025, which ended September 30, 2024.

"Paycor had an impressive start to the year, delivering 17% revenue growth year-over-year," said Raul Villar, Jr., Chief Executive Officer of Paycor. "Our continued success is a testament to the strength of our award-winning HCM solution, which empowers leaders to drive tangible business results through connectivity with people, data, and expertise."

"We continued to pragmatically invest in sales and product expansion to fuel future growth while demonstrating the scalability of our business model with significant margin and free cash flow expansion. We remain confident in our ability to deliver attractive growth and significantly higher operating leverage over the longer-term."

First Quarter Fiscal Year 2025 Financial Highlights

- Total revenues were \$167.5 million, an increase of 17% from the first quarter of FY 2024.
- Operating loss was \$14.3 million, compared to \$23.4 million or an improvement of 39% from the first quarter of FY 2024 or (9%) of Total revenues compared to (16%) in the first quarter of FY 2024.
- Adjusted operating income* was \$22.8 million, compared to \$15.9 million or an increase of 43% from the first quarter of FY 2024, or 14% of Total revenues compared to 11% in the first quarter of FY 2024.
- Net loss was \$7.3 million, compared to \$20.6 million for the first quarter of FY 2024.
- Adjusted net income* was \$18.7 million, compared to \$12.8 million for the first quarter of FY 2024.
- Net cash used in operating activities improved to (\$8.3) million from (\$26.1) million for the first quarter of FY 2024.
- Adjusted free cash flow* improved to (\$22.2) million from (\$40.0) million for the first quarter of FY 2024.

First Quarter and Recent Business Highlights

- Launched Paycor Assistant, an AI-powered HR companion that transforms the way customers interact with Paycor. This modern and intuitive solution is designed to boost productivity by enhancing the speed and effectiveness of responding to employees' HR-related questions, empowering leaders to focus on powering people and performance.
- Introduced the Paycor Integration Platform, enabling customers to seamlessly connect their preferred business solutions to our HCM platform. This platform provides pre-built connections to over 320 best-in-breed technology partners, along with robust developer tools and services to create custom connections, making it easier for customers to integrate their technology systems to enhance efficiency and accuracy.

Business Outlook

Based on information as of today, November 6, 2024, Paycor is issuing the following financial guidance:

Second Quarter Ending December 31, 2024:

• **Total revenues** in the range of \$176.0-\$178.0 million.

^{*}Adjusted operating income, adjusted net income and adjusted free cash flow 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 referenced in this press release.

• Adjusted operating income* in the range of \$26.0-\$27.0 million.

Fiscal Year Ending June 30, 2025:

- **Total revenues** in the range of \$726.0-\$733.0 million.
- Adjusted operating income* in the range of \$127.0-\$130.0 million.

*We are unable to reconcile forward-looking adjusted operating income to forward-looking income (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, November 6, 2024, 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 13748589. 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 HR, payroll, and talent platform connects leaders to people, data, and expertise. We help leaders drive engagement and retention by giving them tools to coach, develop, and grow employees. We give them unprecedented insights into their operational data with a unified HCM experience that can seamlessly connect to other mission-critical technology. By providing expert guidance and consultation, we help them achieve business results and become an extension of their teams. Learn more at paycor.com.

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 most recent Annual Report on Form 10-K, 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 unauthorized access to our customers' or their employees' personal data as a result of a breach of our or our vendors' security measures; 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; risks specifically associated with our development and use of artificial intelligence in our solutions, our ability to attract and retain qualified personnel; the proper operation of our software; our relationships with third parties that provide financial and other functionality integrated into our HCM platform; the extent to which negative macroeconomic conditions persist or worsen in the markets in which we or our customers operate; and the impact of an economic downturn or recession in the United States or global economy. 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, adjusted net income per share, adjusted free cash flow and adjusted free cash flow margin. 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 and stock-based compensation expense, in each case that are included in costs of revenues, (ii) adjusted gross profit margin as adjusted gross profit divided by total revenues, (iii) adjusted operating income as income (loss) from operations before amortization of acquired intangible assets and naming rights, stock-based compensation expense, exit costs due to exiting leases of certain facilities and other certain corporate expenses, such as costs related to secondary offerings, professional, consulting and other costs and acquisition costs, (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 and stock-based compensation expense, (vi) adjusted general and administrative expense as general and administrative expenses before amortization of acquired intangible assets, stock-based compensation expense, exit costs due to exiting leases of certain facilities and other certain corporate expenses, such as costs related to secondary offerings, professional, consulting and other costs and acquisition costs, (vii) adjusted research and development expense as research and development expenses before stock-based compensation expense, (viii) adjusted net income as income

(loss) before expense (benefit) for income taxes after adjusting for amortization of acquired intangible assets and naming rights, accretion expense associated with the naming rights, change in fair value of contingent consideration, stock-based compensation expense, exit costs due to exiting leases of certain facilities and other certain corporate expenses, such as costs related to secondary offerings, professional, consulting and other costs and acquisition costs, all of which are tax effected by applying an adjusted effective income tax rate, (ix) adjusted net income per share as adjusted net income divided by adjusted shares outstanding, which includes potentially dilutive securities excluded from the GAAP dilutive net income (loss) per share calculation, (x) adjusted free cash flow as cash provided (used) by operating activities less the purchase of property and equipment and internally developed software costs, excluding other certain corporate expenses, which are included in cash provided (used) by operating activities and (xi) adjusted free cash flow margin as adjusted free cash flow divided by total revenues.

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, income (loss) from operations, operating income margin, sales and marketing expense, general and administrative expense, research and development expense, net income (loss), diluted net income (loss) per share and cash provided (used) by operating activities. 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)

Asset (Umatical Extraction of Current assets) (Umatical Extraction of Current of Current assets) (Umatical Extraction of Current of Current of Current assets) (Umatical Extraction of Current of		Se	ptember 30, 2024	June 30, 2024
Cash and cash equivalents \$ 97,618 \$ 117,988 Accounts receivable, net allowance for credit losses 48,164 Deferred contract costs 73,128 73,037 Prepaid expenses 14,693 21,749 Other current assets 8,673 3,458 Current assets before funds held for clients 242,099 252,706 Funds held for clients 120,0258 13,018,182 Property and equipment, net 34,871 35,220 Operating leaser gight-of-us assets 14,021 14,192 Intagable assets, net 176,832 766,633 Intagable assets, net 70,173 67,376 Coptating lease stight-of-us assets 70,173 67,376 Coptating lease assets 70,173 67,376 Coptating lease stight-of-us assets 70,173 67,376 Coptating lease stight-of-us assets 70,173 67,376 Coptating lease stight-of-us assets 8,203 22,503 Intagable assets, net 17,192 22,503 Coptating lease stight-of-us assets 8,203 22,503 Coptating lease stight-of-us assets 2,203 22,503 Total assets 2,203 22,503 Total assets 2,204 22,503	Assets	(1	Unaudited)	
Accounts receivable, net allowance for credit losses 47,957 48,164 Deferred contract costs 73,28 70,377 Prepaid expenses 14,693 2,24,00 Current assets before funds held for clients 242,00 25,00 Funds held for clients 967,189 1,109,136 Total current assets 34,871 35,22 Property and equipment, net 34,871 16,432 Goodwill 76,683 76,683 Intagible assets, net 17,013 67,373 Copies massets 19,494 18,983 Other one-term defered contract costs 194,941 18,983 Other one-term defered contract costs 194,941 18,983 Other one-term defered contract costs 2,835 2,506 Total assets 2,835 2,506 Total current tabilities 2,835 2,506 Total current tabilities 2,935 2,509,309 Accrued expenses and other current liabilities 2,935 4,923 Accrued payroll and payroll related expenses 2,936 4,923	Current assets:			
Deferred contract costs 73,128 70,377 Prepaid expenses 14,693 12,749 Other current assets 8,633 3,488 Current assets before funds held for clients 967,189 12,001,318 Total current assets 15,001,328 13,018,182 Property and equipment, net 34,871 35,220 Operating lease right-of-us assets 14,017 766,832 766,832 Copariting lease right-of-us assets, net 147,925 711,493 767,832 Copital current deferred contract costs 194,941 89,826 766,832 766,633 767,653 767,653 767,653 766,832 766,633 767,653 766,832 <t< td=""><td>Cash and cash equivalents</td><td>\$</td><td>97,618</td><td>\$ 117,958</td></t<>	Cash and cash equivalents	\$	97,618	\$ 117,958
Prepaid expenses 14,693 12,749 Other current assets before funds held for clients 26,70 3,48 Funds held for clients 96,189 1,10,136 Total current assets 1,200,258 1,50,186 Property and equipment, net 34,87 3,522 Operating lease right-of-use assets 14,021 14,147 Goodwill 766,83 76,663 Intagible assets, net 147,925 171,03 Capitalized software, net 2,833 2,566 Total assets 2,400,43 2,506 Total assets 2,400,43 2,506 Total assets 2,400,43 2,506 Total assets 2,400,43 2,506 Total assets 2,200,43 2,506 Accrued expenses and other current liabilities 2,200,43 4,203 Accrued expenses and other current liabilities 2,200,4 4,203 Accrued expenses and other current liabilities 8,504 11,232 Deferred income taxes 1,200,4 1,200,4 English of the vincurrent asset in the cu	Accounts receivable, net allowance for credit losses		47,957	48,164
Other current assets 8,673 3,458 Current assets before funds held for clients 92,006 1,100,136 Funds held for clients 1,200,258 1,301,136 Total current assets 1,200,258 1,301,202 Operating lease right-of-us assets 1,410,41 1,410 Goodwil 766,832 766,633 Intagglica assets, net 147,925 11,493 Long-tern deferred contract costs 194,941 189,826 Operating leaser sight-of-us assets 194,941 189,826 Complex contract costs 194,941 189,826 Other long-term assets 2,240,820 2,260,320 Total assets 2,240,820 2,260,320 Total carrent assets 2,240,820 2,260,320 Accounts payable \$ 20,419 \$ 27,090 Accrued expenses and other current liabilities 29,535 26,450 Accrued express and other current liabilities 85,084 11,228 Accrued expenses and other current liabilities 1,210,20 1,228,65 Current fund obligations 65,034 <	Deferred contract costs		73,128	70,377
Current assets before funds held for clients 422,006 5.25,706 Funds held for clients 967,189 1,10,136 Total current assets 1,20,205 1,36,128 Operating dequipment, net 34,871 34,572 Operating lease right-of-use assets 14,021 14,417 Goodwill 766,832 766,583 Intagible assets, net 147,925 171,493 Capitalized software, net 194,941 189,826 Cupierer deferred contract costs 194,941 189,826 Other long-term assets 2,833 2,636 Total assets 2,833 2,636 Total assets 2,243 2,260,935 Total assets 2,243 2,260,935 Accorned Profil assets and other current liabilities 2,24,94 2,273 Accured expenses and other current liabilities 2,24,94 2,23,95 Accured exportly and payroll related expenses 2,20,45 4,25 Accured expenses and other current liabilities 8,50,84 11,22,82 Climitation obligations 9,63 1,11,23	Prepaid expenses		14,693	12,749
Funds held for clients 967,189 1,109,136 Total current assets 1,209,258 1,301,812 Property and equipment, net 34,371 35,220 Operating lease right-of-use assets 14,021 14,417 Goodwill 766,832 766,633 Intangible assets, net 701,73 67,376 Capitalized software, net 70,173 67,376 Long-term deferred contract costs 2,853 2,566 Total assets 2,853 2,560 Total assets 2,853 2,560 Total assets 2,853 2,509,303 Accounts payable \$2,410 \$2,730 Accrued expenses and other current liabilities 22,00 4,923 Accrued payroll and payroll related expenses 22,00 4,923 Accrued properting leases 22,00 4,923 Client fund obligations 85,084 11,113 Total current liabilities 1,104,908 2,236,55 Deferred revenue 1,104,908 2,236,55 Client fund obligations 1,104,908	Other current assets		8,673	3,458
Total current asserts 1,209,281 1,301,820 Property and equipment, net 34,871 35,220 Operating leaser right-of-use assets 14,021 4,604 Goodwill 766,832 766,635 Integrating leaser styneth 187,935 171,935 Capitalized software, net 0,70,173 6,73,73 Capitalized software, net 194,941 18,926 Chong-term deferred contract costs 194,941 18,926 Other and Stockholders' Equity 2,240,803 2,506 Total assets 2,240,803 2,209,303 Accounts passible for expression and other current liabilities 2,240,803 2,209,303 Accounted payroll related expenses 2,20,503 2,20,403 Accounted payroll and payroll related expenses 2,20,503 2,20,503 Accounted payroll and payroll related expenses 2,20,503 2,21,205 Current liabilities 2,20,503 2,21,205 Accounted payroll related expenses 2,20,203 2,20,203 Current liabilities <	Current assets before funds held for clients		242,069	252,706
Property and equipment, net 34,871 35,220 Operating lease right-of-use assets 14,021 14,417 Goodwill 766,832 766,633 Intangible assets, net 147,925 171,493 Capitalized software, net 70,173 6,736 Cong-term deferred contract costs 19,494 189,826 Other long-term assets 2,853 2,609 Total assets 2,853 2,509 Total assets 2,200 30 Weithits and Stockholders' Equity Usernet liabilities Current liabilities Accounts payable \$ 20,419 \$ 27,309 Accounts payable \$ 22,009 \$ 24,409 Accounts payable and payroll related expenses \$ 22,009 \$ 24,409 Accounts payable for limit fund obligations \$ 85,084 \$ 11,228 Clear devenue \$ 22,009 \$ 11,228 Clear devenue \$ 13,429 \$ 12,220 Clear dincome taxes \$ 12,209 \$ 12,205 </td <td>Funds held for clients</td> <td></td> <td>967,189</td> <td>1,109,136</td>	Funds held for clients		967,189	1,109,136
Operating lease right-of-use assets 14,021 14,147 Goodwill 766,832 766,633 Intagible assets, net 147,925 171,439 Oppitalized software, net 70,173 67,376 Logitalized contract costs 194,941 88,826 Other long-term assets 2,835 2,566 Total assets 2,240,078 2,260,933 Intellishifties Counts payable \$ 20,419 2,730 Accrued expenses and other current liabilities 29,535 26,450 Accrued payroll and payroll related expenses 22,006 44,233 Accrued expenses and other current liabilities 22,006 44,233 Accrued payroll and payroll related expenses 22,006 44,233 Accrued payroll and politiquity 85,084 112,282 Clief frud of obligations 13,142 13,040 Total current liabilities before client fund obligations 11,049 14,049 Other long-term devenue 11,197 16,019 Other long-term liabilities 68,30 13,447	Total current assets		1,209,258	1,361,842
Godwill 766,832 766,633 Intagible assets, net 147,925 717,493 Capitalized software, net 70,133 6,373 Cong-term deferred contract costs 194,941 189,826 Other long-term assets 2,835 2,506 Total assets 2,835 2,609,333 Intilities and Stockholders' Equity Userent liabilities 2,935 2,648 Accounts payable 2,936 44,923 Accounts payable 8,584 13,269 Accounts payable 8,584 11,269 Account payable payable private playable playable private playable pla	Property and equipment, net		34,871	 35,220
Intangible assets, net 147,925 171,493 Capitalized software, net 70,173 67,376 Long-term deserted contract costs 194,941 189,826 Other long-term assets 2,835 2,566 Total assets 2,240,873 2,260,933 Intellibities Current liabilities 2,935 26,450 Accrued expenses and other current liabilities 29,535 26,450 Accrued payroll and payroll related expenses 22,006 44,925 Accrued payroll and payroll related expenses 22,006 44,925 Deferred revenue 12,006 44,925 Current liabilities before client fund obligations 85,084 11,282 Client fund obligations 963,98 1,111,32 Total current liabilities 1,049,082 1,233,65 Deferred come taxes 11,197 16,019 Long-term liabilities 68,30 69,30 Ong-term operating leases 11,197 16,019 Ceftered income taxes 11,21 13,22,40 Total liabilities	Operating lease right-of-use assets		14,021	14,417
Capitalized software, net 70,173 67,376 Long-term deferred contract costs 194,94 18,856 Other long-term assets 2,566 2,508 Total assets 2,240,93 2,508,03 Intermitabilities 8,244,93 2,703 Accounts payoff and payoff related expenses 22,905 4,403 Accrued expenses and other current liabilities 22,006 4,403 Accrued payoff and payoff related expenses 22,006 4,403 Deferred revenue 13,124 13,609 Current liabilities before client fund obligations 85,084 112,282 Client fund obligations 963,998 1,111,373 Total current liabilities 11,049 1,204,005 Ceferred income taxes 11,107 16,014 Chient fund obligations 11,049 1,204,005 Total current liabilities 11,049 1,204,005 Cherred income taxes 11,117 1,610 Cherred income taxes 11,149 1,024,005 Total liabilities 1,204 1,024 </td <td>Goodwill</td> <td></td> <td>766,832</td> <td>766,653</td>	Goodwill		766,832	766,653
Long-term deferred contract costs 194,941 189,826 Othe long-term assets 2,853 2,566 Total assets 5,244,037 2,609,339 Libilities and Stockholders' Equity Current liabilities Accounts payable \$ 20,419 \$ 27,309 Accrued expenses and other current liabilities \$ 22,006 44,923 Accrued payroll and payroll related expenses 22,006 44,923 Deferred revenue 13,124 13,600 Current liabilities before client fund obligations 85,084 111,238 Client fund obligations 85,084 111,233 Deferred income taxes 11,479 16,019 Cherred income taxes 11,197 16,019 Other long-term inabilities 68,309 69,346 Other long-term inabilities 68,309 69,346 Other long-term inabilities 11,197 16,019 Commitments and contingencies 11,253 13,447 Cherred income taxes 12,553 13,447 Other long-term inabilities 12,153	Intangible assets, net		147,925	171,493
Other long-term assets 2,853 2,566 Total assets 2,2440,878 2,609,393 Lishilities and Stockholders' Equity Stochund and Stockholders' Equity Current liabilities Accounts payable \$ 20,419 \$ 27,309 Accourde expenses and other current liabilities 22,053 26,450 Accrued expenses and other current liabilities 22,006 44,233 Accrued payroll and payroll related expenses 22,006 44,233 Deferred revenue 13,124 13,600 Current liabilities before client fund obligations 85,084 111,282 Client fund obligations 85,084 111,282 Deferred income taxes 11,049,082 12,235 Deferred income taxes 11,197 16,019 Long-term liabilities 68,309 69,346 Other long-term liabilities 11,197 16,019 Commitments and contingencies 11,147 13,22,467 Commitments and contingencies 12,141 17,181 17 17 Common stock \$0,001 par value per share, \$0,000,000 shares aut	Capitalized software, net		70,173	67,376
Total assets \$ 2,440,874 \$ 2,609,393 Liabilities and Stockholders' Equity Current liabilities Accounts payable \$ 20,419 \$ 27,309 Accrued expenses and other current liabilities 29,535 26,450 Accrued payroll and payroll related expenses 22,006 44,233 Deferred revenue 13,124 13,600 Current liabilities before client fund obligations 85,084 111,137 Total current liabilities 96,3998 1,111,373 Total current liabilities 1,049,082 1,223,655 Deferred income taxes 11,07 16,019 Long-term liabilities 68,309 69,346 Other long-term liabilities 68,309 69,346 Total liabilities 68,309 69,346 Commitments and contingencies 1,141,241 1,322,467 Commitments and contingencies 2,04 2,04 Ecokholders' equity: 2,04 2,04 Common stock S0,001 par value per share, 500,000,000 shares authorized, 178,821,615 shares outstanding at June 30, 2024	Long-term deferred contract costs		194,941	189,826
Current liabilities	Other long-term assets		2,853	2,566
Current liabilities: 20,419 \$ 27,309 Accrued expenses and other current liabilities 29,535 26,450 Accrued expenses and other current liabilities 22,006 44,923 Accrued payroll and payroll related expenses 22,006 44,923 Deferred revenue 13,124 13,600 Current liabilities before client fund obligations 85,084 112,282 Client fund obligations 963,998 1,111,373 Total current liabilities 11,049,082 12,23,655 Deferred income taxes 11,049,082 12,23,655 Deferred income taxes 11,049,082 13,447 Other long-term liabilities 68,309 69,346 Total liabilities 12,653 13,447 Other long-term liabilities 68,309 69,346 Total liabilities 12,653 13,447 Other long-term liabilities 2,81,661 2,81,661 Commitments and contrigencies 2,179 178 Trasaury stock at cost, 10,620,260 shares at September 30, 2024 and 178,210,263 shares outstanding at June 30, 2024 245,074 (245,074)	Total assets	\$	2,440,874	\$ 2,609,393
Accounts payable \$ 20,419 \$ 27,309 Accrued expenses and other current liabilities 29,535 26,450 Accrued payroll and payroll related expenses 22,006 44,923 Deferred revenue 13,124 13,600 Current liabilities before client fund obligations 85,084 112,282 Client fund obligations 963,998 1,111,373 Total current liabilities 10,49,082 1,223,655 Deferred income taxes 11,197 16,019 Long-term operating leases 68,309 69,346 Other long-term liabilities 68,309 69,346 Total liabilities 1,141,241 1,322,467 Commitments and contingencies 2 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Liabilities and Stockholders' Equity			
Accrued expenses and other current liabilities 29,535 26,450 Accrued payroll and payroll related expenses 22,006 44,923 Deferred revenue 13,124 13,600 Current liabilities before client fund obligations 85,084 112,282 Client fund obligations 963,998 1,11,373 Total current liabilities 1,049,082 1,223,655 Deferred income taxes 11,197 16,019 Long-term operating leases 12,653 13,447 Other long-term liabilities 68,309 69,346 Total liabilities 68,309 69,346 Total liabilities 1,141,241 1,322,467 Commitments and contingencies Stockholders' equity: Common stock \$0.001 par value per share, 500,000,000 shares authorized, 178,821,615 shares outstanding at June 30, 2024 and 178,210,263 shares outstanding at June 30, 2024 179 178 Treasury stock, at cost, 10,620,260 shares at September 30, 2024 and June 30, 2024 (245,074) (245,074) Preferred stock, \$0.001 par value, 50,000,000 shares authorized, — shares outstanding at September 30, 2024 2,097,454 2	Current liabilities:			
Accrued payroll and payroll related expenses 22,006 44,923 Deferred revenue 13,124 13,600 Current liabilities before client fund obligations 85,084 112,282 Client fund obligations 963,998 1,111,373 Total current liabilities 1,049,082 1,223,655 Deferred income taxes 11,197 16,019 Long-term operating leases 12,653 13,447 Other long-term liabilities 68,309 69,346 Total liabilities 68,309 69,346 Commitments and contingencies 1,141,241 1,322,467 Commitments and contingencies 50,000 1,141,241 1,322,467 Common stock \$0,001 par value per share, 500,000,000 shares authorized, 178,821,615 shares outstanding at september 30, 2024 and 178,210,263 shares outstanding at June 30, 2024 179 178 Treasury stock, at cost, 10,620,260 shares at September 30, 2024 and June 30, 2024 (245,074) (245,074) Preferred stock, \$0.001 par value, 50,000,000 shares authorized, - shares outstanding at September 30, 2024 and June 30, 2024 2,097,454 2,081,668 Accumulated offeit (555,721) (548,437)	Accounts payable	\$	20,419	\$ 27,309
Deferred revenue 13,124 13,600 Current liabilities before client fund obligations 85,084 112,282 Client fund obligations 963,998 1,111,373 Total current liabilities 1,049,082 1,223,655 Deferred income taxes 11,197 16,019 Long-term operating leases 12,653 13,447 Other long-term liabilities 68,309 69,346 Total liabilities 68,309 69,346 Total liabilities 1,141,241 1,322,467 Commitments and contingencies 1,141,241 1,322,467 Common stock \$0.001 par value per share, 500,000,000 shares authorized, 178,821,615 shares outstanding at September 30, 2024 and 178,210,263 shares outstanding at June 30, 2024 179 178 Treasury stock, at cost, 10,620,260 shares at September 30, 2024 and June 30, 2024 (245,074) 245,074 Preferred stock, \$0.001 par value, 50,000,000 shares authorized, — shares outstanding at September 30, 2024 and June 30, 2024 2,097,454 2,081,668 Accumulated deficit (555,721) (548,437) Accumulated other comprehensive income (loss) 2,795 (1,409) Total stockholder	Accrued expenses and other current liabilities		29,535	26,450
Current liabilities before client fund obligations 85,084 112,282 Client fund obligations 963,998 1,111,373 Total current liabilities 1,049,082 1,223,655 Deferred income taxes 11,197 16,019 Long-term operating leases 12,653 13,447 Other long-term liabilities 68,309 69,346 Total liabilities 68,309 69,346 Commitments and contingencies 1,141,241 1,322,467 Commitments and contingencies 50,000 par value per share, 500,000,000 shares authorized, 178,821,615 shares outstanding at September 30, 2024 and 178,210,263 shares outstanding at June 30, 2024 179 178 Treasury stock, at cost, 10,620,260 shares at September 30, 2024 and June 30, 2024 (245,074) (245,074) Preferred stock, 50,001 par value, 50,000,000 shares authorized, — shares outstanding at September 30, 2024 and June 30, 2024 (245,074) 2,097,454 2,081,668 Accumulated deficit (555,721) (548,437) Accumulated other comprehensive income (loss) 2,795 (1,409) Total stockholders' equity 1,299,633 1,286,926	Accrued payroll and payroll related expenses		22,006	44,923
Client fund obligations 963,998 1,111,373 Total current liabilities 1,049,082 1,223,655 Deferred income taxes 11,197 16,019 Long-term operating leases 12,653 13,447 Other long-term liabilities 68,309 69,346 Total liabilities 1,141,241 1,322,467 Commitments and contingencies 5 5 Stockholders' equity: 1 179 178 To common stock \$0.001 par value per share, 500,000,000 shares authorized, 178,821,615 shares outstanding at September 30, 2024 and 178,210,263 shares outstanding at June 30, 2024 179 178 Treasury stock, at cost, 10,620,260 shares at September 30, 2024 and June 30, 2024 (245,074) (245,074) Preferred stock, \$0.001 par value, 50,000,000 shares authorized, — shares outstanding at September 30, 2024 and June 30, 2024 - - Additional paid-in capital 2,097,454 2,081,668 Accumulated deficit (555,721) (548,437) Accumulated other comprehensive income (loss) 2,795 (1,409) Total stockholders' equity 1,299,633 1,286,926	Deferred revenue		13,124	13,600
Total current liabilities 1,049,082 1,223,655 Deferred income taxes 11,197 16,019 Long-term operating leases 12,653 13,447 Other long-term liabilities 68,309 69,346 Total liabilities 1,141,241 1,322,467 Commitments and contingencies 500,000 par value per share, 500,000,000 shares authorized, 178,821,615 shares outstanding at September 30, 2024 and 178,210,263 shares outstanding at June 30, 2024 179 178 Treasury stock, at cost, 10,620,260 shares at September 30, 2024 and June 30, 2024 (245,074) (245,074) Preferred stock, \$0.001 par value, 50,000,000 shares authorized, — shares outstanding at September 30, 2024 and June 30, 2024 — — Additional paid-in capital 2,097,454 2,081,668 Accumulated deficit (555,721) (548,437) Accumulated other comprehensive income (loss) 2,795 (1,409) Total stockholders' equity 1,299,633 1,286,926	Current liabilities before client fund obligations		85,084	 112,282
Deferred income taxes	Client fund obligations		963,998	1,111,373
Deferred income taxes 11,197 16,019 Long-term operating leases 12,653 13,447 Other long-term liabilities 68,309 69,346 Total liabilities 1,141,241 1,322,467 Commitments and contingencies Stockholders' equity: Common stock \$0.001 par value per share, 500,000,000 shares authorized, 178,821,615 shares outstanding at September 30, 2024 and 178,210,263 shares outstanding at June 30, 2024 179 178 Treasury stock, at cost, 10,620,260 shares at September 30, 2024 and June 30, 2024 (245,074) (245,074) Preferred stock, \$0.001 par value, 50,000,000 shares authorized, — shares outstanding at September 30, 2024 and June 30, 2024 — — — Additional paid-in capital 2,097,454 2,081,668 Accumulated deficit (555,721) (548,437) Accumulated other comprehensive income (loss) 2,795 (1,409) Total stockholders' equity 1,299,633 1,286,926	Total current liabilities		1,049,082	1,223,655
Other long-term liabilities 68,309 69,346 Total liabilities 1,141,241 1,322,467 Commitments and contingencies Stockholders' equity: Common stock \$0.001 par value per share, 500,000,000 shares authorized, 178,821,615 shares outstanding at September 30, 2024 and 178,210,263 shares outstanding at June 30, 2024 179 178 Treasury stock, at cost, 10,620,260 shares at September 30, 2024 and June 30, 2024 (245,074) (245,074) Preferred stock, \$0.001 par value, 50,000,000 shares authorized, — shares outstanding at September 30, 2024 and June 30, 2024 — — Additional paid-in capital 2,097,454 2,081,668 Accumulated deficit (555,721) (548,437) Accumulated other comprehensive income (loss) 2,795 (1,409) Total stockholders' equity 1,299,633 1,286,926	Deferred income taxes			
Other long-term liabilities 68,309 69,346 Total liabilities 1,141,241 1,322,467 Commitments and contingencies Stockholders' equity: Common stock \$0.001 par value per share, 500,000,000 shares authorized, 178,821,615 shares outstanding at September 30, 2024 and 178,210,263 shares outstanding at June 30, 2024 179 178 Treasury stock, at cost, 10,620,260 shares at September 30, 2024 and June 30, 2024 (245,074) (245,074) Preferred stock, \$0.001 par value, 50,000,000 shares authorized, — shares outstanding at September 30, 2024 and June 30, 2024 — — Additional paid-in capital 2,097,454 2,081,668 Accumulated deficit (555,721) (548,437) Accumulated other comprehensive income (loss) 2,795 (1,409) Total stockholders' equity 1,299,633 1,286,926	Long-term operating leases		12,653	13,447
Commitments and contingencies Stockholders' equity: Common stock \$0.001 par value per share, 500,000,000 shares authorized, 178,821,615 shares outstanding at September 30, 2024 and 178,210,263 shares outstanding at June 30, 2024 179 178 Treasury stock, at cost, 10,620,260 shares at September 30, 2024 and June 30, 2024 (245,074) (245,074) Preferred stock, \$0.001 par value, 50,000,000 shares authorized, — shares outstanding at September 30, 2024 and June 30, 2024 — — Additional paid-in capital 2,097,454 2,081,668 Accumulated deficit (555,721) (548,437) Accumulated other comprehensive income (loss) 2,795 (1,409) Total stockholders' equity 1,299,633 1,286,926			68,309	69,346
Commitments and contingencies Stockholders' equity: Common stock \$0.001 par value per share, 500,000,000 shares authorized, 178,821,615 shares outstanding at September 30, 2024 and 178,210,263 shares outstanding at June 30, 2024 179 178 Treasury stock, at cost, 10,620,260 shares at September 30, 2024 and June 30, 2024 (245,074) (245,074) Preferred stock, \$0.001 par value, 50,000,000 shares authorized, — shares outstanding at September 30, 2024 and June 30, 2024 — — Additional paid-in capital 2,097,454 2,081,668 Accumulated deficit (555,721) (548,437) Accumulated other comprehensive income (loss) 2,795 (1,409) Total stockholders' equity 1,299,633 1,286,926	Total liabilities		1,141,241	1,322,467
Common stock \$0.001 par value per share, 500,000,000 shares authorized, 178,821,615 shares outstanding at September 30, 2024 and 178,210,263 shares outstanding at June 30, 2024 179 178 Treasury stock, at cost, 10,620,260 shares at September 30, 2024 and June 30, 2024 (245,074) (245,074) Preferred stock, \$0.001 par value, 50,000,000 shares authorized, — shares outstanding at September 30, 2024 and June 30, 2024 — — Additional paid-in capital 2,097,454 2,081,668 Accumulated deficit (555,721) (548,437) Accumulated other comprehensive income (loss) 2,795 (1,409) Total stockholders' equity 1,299,633 1,286,926	Commitments and contingencies			
at September 30, 2024 and 178,210,263 shares outstanding at June 30, 2024 Treasury stock, at cost, 10,620,260 shares at September 30, 2024 and June 30, 2024 Preferred stock, \$0.001 par value, 50,000,000 shares authorized, — shares outstanding at September 30, 2024 and June 30, 2024 Additional paid-in capital Accumulated deficit Accumulated other comprehensive income (loss) Total stockholders' equity 1,299,633 178 179 178 178 179 178 178 179 178 178	Stockholders' equity:			
Treasury stock, at cost, 10,620,260 shares at September 30, 2024 and June 30, 2024 (245,074) (245,074) Preferred stock, \$0.001 par value, 50,000,000 shares authorized, — shares outstanding at September 30, 2024 and June 30, 2024 — — Additional paid-in capital 2,097,454 2,081,668 Accumulated deficit (555,721) (548,437) Accumulated other comprehensive income (loss) 2,795 (1,409) Total stockholders' equity 1,299,633 1,286,926			179	178
Preferred stock, \$0.001 par value, 50,000,000 shares authorized, — shares outstanding at September 30, 2024 and June 30, 2024 — Additional paid-in capital 2,097,454 2,081,668 Accumulated deficit (555,721) (548,437) Accumulated other comprehensive income (loss) 2,795 (1,409) Total stockholders' equity 1,299,633 1,286,926			(245,074)	(245,074)
Accumulated deficit (555,721) (548,437) Accumulated other comprehensive income (loss) 2,795 (1,409) Total stockholders' equity 1,299,633 1,286,926	Preferred stock, \$0.001 par value, 50,000,000 shares authorized, — shares outstanding at September 30,		_	_
Accumulated deficit (555,721) (548,437) Accumulated other comprehensive income (loss) 2,795 (1,409) Total stockholders' equity 1,299,633 1,286,926	·		2,097,454	2,081,668
Accumulated other comprehensive income (loss) 2,795 (1,409) Total stockholders' equity 1,299,633 1,286,926	·			
Total stockholders' equity 1,299,633 1,286,926				
	• • • • • • • • • • • • • • • • • • • •			
	Total liabilities and stockholders' equity	\$	2,440,874	\$ 2,609,393

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

	 Three Months Ended September 30,		
	2024		2023
Revenues:			
Recurring and other revenue	\$ 153,999	\$	132,708
Interest income on funds held for clients	 13,477		10,880
Total revenues	167,476		143,588
Cost of revenues	59,217		51,378
Gross profit	108,259		92,210
Operating expenses:			
Sales and marketing	56,789		52,778
General and administrative	48,296		48,749
Research and development	 17,428		14,055
Total operating expenses	122,513		115,582
Loss from operations	 (14,254)		(23,372)
Other (expense) income:			
Interest expense	(1,138)		(1,244)
Other	1,670		931
Loss before benefit for income taxes	 (13,722)		(23,685)
Income tax benefit	(6,438)		(3,089)
Net loss	\$ (7,284)	\$	(20,596)
Basic and diluted net loss per share	\$ (0.04)	\$	(0.12)
Weighted average common shares outstanding:			
Basic and diluted	178,729,710		176,953,395

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

Three Months Ended September 30.

	September 30,		
	2024	2023	
Cash flows from operating activities:			
Net loss	\$ (7,284)	\$ (20,596)	
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation	1,451	1,511	
Amortization of intangible assets and software	34,341	34,183	
Amortization of deferred contract costs	18,834	14,366	
Stock-based compensation expense	12,665	12,915	
Deferred tax benefit	(6,795)	(3,098	
Bad debt expense	730	1,291	
Loss on sale of investments	83	61	
(Gain) loss on foreign currency exchange	(52)	184	
Loss (gain) on lease exit	6	(144	
Naming rights accretion expense	1,006	1,030	
Change in fair value of deferred consideration	(112)	_	
Other	23	23	
Changes in assets and liabilities, net of effects from acquisitions:			
Accounts receivable	(478)	(5,228	
Prepaid expenses and other assets	(6,641)	(6,393	
Accounts payable	(6,848)	(7,877	
Accrued liabilities and other	(21,914)	(21,314	
Deferred revenue	(626)	43	
Deferred contract costs	(26,700)	(27,086	
Net cash used in operating activities	(8,311)	(26,129	
Cash flows from investing activities:			
Purchases of client funds available-for-sale securities	(83,244)	(22,542	
Proceeds from sale and maturities of client funds available-for-sale securities	78,135	23,652	
Purchase of property and equipment	(1,169)	(1,435	
Acquisition of intangible assets	(127)	(12	
Internally developed software costs	(13,441)	(13,254	
Net cash used in investing activities	(19,846)	(13,591	
Cash flows from financing activities:			
Net change in cash and cash equivalents held to satisfy client funds obligations	(145,984)	(16,270	
Payment of capital expenditure financing	_	(3,689	
Repayments of debt and finance lease obligations	(297)	(266	
Withholding taxes paid related to net share settlements	(323)	(418	
Proceeds from employee stock purchase plan	3,444	4,172	
Net cash used in financing activities	(143,160)	(16,471	
Impact of foreign exchange on cash and cash equivalents	(2)	1	
Net change in cash, cash equivalents, restricted cash and short-term investments, and funds held for clients	(171,319)	(56,190	
Cash, cash equivalents, restricted cash and short-term investments, and funds held for clients, beginning of		·	
period	910,580	879,046	
Cash, cash equivalents, restricted cash and short-term investments, and funds held for clients, end of period Supplemental disclosure of non-cash investing, financing and other cash flow information:	\$ 739,261	\$ 822,856	

Capital expenditures in accounts payable	\$ 12	\$ 11
Cash paid for interest	\$ _	\$ 145
Capital lease asset obtained in exchange for capital lease liabilities	\$ _	3,393
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	\$ 97,618	\$ 54,277
Funds held for clients	641,643	768,579
Total cash, cash equivalents, restricted cash and short-term investments, and funds held for clients	\$ 739,261	\$ 822,856

Adjusted Gross Profit and Adjusted Gross Profit Margin (Unaudited)

		Three Mo	nths E	nded
(in thousands)	Septe	ember 30, 2024	Sept	ember 30, 2023
Gross Profit*	\$	108,259	\$	92,210
Gross Profit Margin		64.6 %		64.2 %
Amortization of intangible assets		875		1,375
Stock-based compensation expense		1,502		1,595
Corporate adjustments		21		_
Adjusted Gross Profit*	\$	110,657	\$	95,180
Adjusted Gross Profit Margin		66.1 %		66.3 %

^{*} Gross Profit and Adjusted Gross Profit are burdened by depreciation expense of \$0.6 million for both the three months ended September 30, 2024 and 2023, respectively. Gross Profit and Adjusted Gross Profit are burdened by amortization of capitalized software of \$10.6 million and \$8.5 million for the three months ended September 30, 2024 and 2023, respectively. Gross Profit and Adjusted Gross Profit are burdened by amortization of deferred contract costs of \$10.8 million and \$8.1 million for the three months ended September 30, 2024 and 2023, respectively.

Adjusted Operating Income (Unaudited)

		Three Mo	nths Ended
(in thousands)	Se	eptember 30, 2024	September 30, 2023
Loss from Operations	\$	(14,254)	\$ (23,372)
Operating Margin		(8.5)%	(16.3)%
Amortization of intangible assets		23,696	25,710
Stock-based compensation expense		12,665	12,915
Loss (gain) on lease exit*		6	(144)
Corporate adjustments**		687	811
Adjusted Operating Income	\$	22,800	\$ 15,920
Adjusted Operating Income Margin		13.6 %	11.1 %

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

^{**} Corporate adjustments for the three months ended September 30, 2024 relate to professional, consulting, and other costs associated with strategic initiatives of \$0.7 million. Corporate adjustments for the three months ended September 30, 2023 relate to professional, consulting, and other costs associated with strategic initiatives of \$0.8 million.

Adjusted Operating Expenses (Unaudited)

	Three Months Ended			
(in thousands)	Se	eptember 30, 2024	Septe	mber 30, 2023
Sales and Marketing expenses	\$	56,789	\$	52,778
Amortization of intangible assets		(1,059)		(1,059)
Stock-based compensation expense		(4,185)		(4,318)
Adjusted Sales and Marketing expenses	\$	51,545	\$	47,401
General and Administrative expenses	\$	48,296	\$	48,749
Amortization of intangible assets		(21,762)		(23,276)
Stock-based compensation expense		(4,786)		(5,072)
(Loss) gain on lease exit*		(6)		144
Corporate adjustments**		(666)	_	(811)
Adjusted General and Administrative expenses	\$	21,076	\$	19,734
Research and Development expenses	\$	17,428	\$	14,055
Stock-based compensation expense		(2,192)		(1,930)
Adjusted Research and Development expenses	\$	15,236	\$	12,125

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

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

	Three Months Ended			
(in thousands)	Sept	ember 30, 2024	Sej	ptember 30, 2023
Net loss before benefit for income taxes	\$	(13,722)	\$	(23,685)
Amortization of intangible assets		23,696		25,710
Naming rights accretion expense		1,006		1,030
Change in fair value of contingent consideration		(112)		_
Stock-based compensation expense		12,665		12,915
Loss (gain) on lease exit*		6		(144)
Corporate adjustments**		687		811
Non-GAAP adjusted income before applicable income taxes		24,226		16,637
Income tax effect on adjustments***		(5,572)		(3,827)
Adjusted Net Income Attributable to Paycor HCM, Inc.	\$	18,654	\$	12,810
Adjusted Net Income Attributable to Paycor HCM, Inc. Per Share	\$	0.10	\$	0.07
Adjusted shares outstanding****		177,912,794		177,334,568

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

^{**} Corporate adjustments for the three months ended September 30, 2024 relate to professional, consulting, and other costs associated with strategic initiatives of \$0.7 million. Corporate adjustments for the three months ended September 30, 2023 relate to professional, consulting, and other costs associated with strategic initiatives of \$0.8 million.

^{**} Corporate adjustments for the three months ended September 30, 2024 relate to professional, consulting, and other costs associated with strategic initiatives of \$0.7 million. Corporate adjustments for the three months ended September 30, 2023 relate to professional, consulting, and other costs associated with strategic initiatives of \$0.8 million.

^{***} Non-GAAP adjusted income before applicable income taxes is tax effected using an adjusted effective income tax rate of 23.0% for both of the three months ended September 30, 2024 and 2023.

^{****} Adjusted shares outstanding for both the three months ended September 30, 2024 and 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 in the computation of net income per share would have had an anti-dilutive effect.

Adjusted Free Cash Flow and Adjusted Free Cash Flow Margin (Unaudited)

		Three Months Ended			
(in thousands)	Septemb	September 30, 2024		September 30, 2023	
Net cash used in operating activities	\$	(8,311)	\$	(26,129)	
Purchase of property and equipment		(1,169)		(1,435)	
Internally developed software costs		(13,441)		(13,254)	
Corporate adjustments*		687		811	
Adjusted Free Cash Flow	\$	(22,234)	\$	(40,007)	
Adjusted Free Cash Flow Margin		(13.3)%		(27.9)%	

^{*} Corporate adjustments for the three months ended September 30, 2024 relate to professional, consulting, and other costs associated with strategic initiatives of \$0.7 million. Corporate adjustments for the three months ended September 30, 2023 relate to professional, consulting, and other costs associated with strategic initiatives of \$0.8 million.