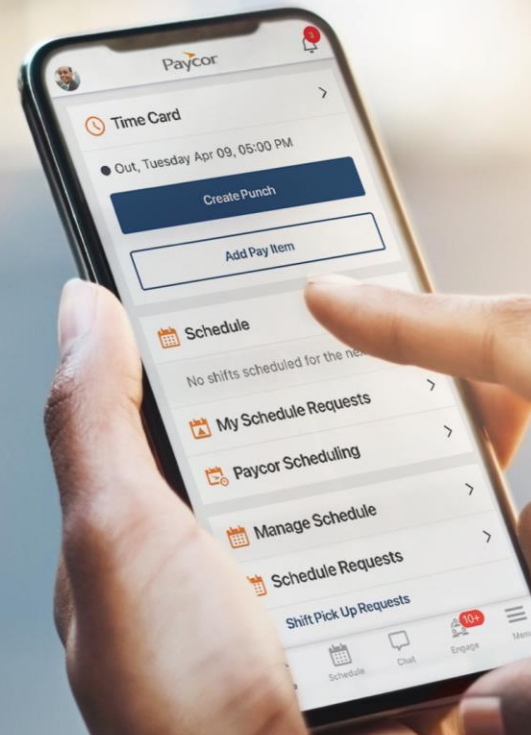


The Paycor logo is displayed in white on a dark blue background. It features the word "Paycor" in a sans-serif font, with a white arrowhead pointing to the right above the letter 'y'.

Paycor®

Investor Day

November 21, 2024





Investor Day

WELCOME

Rachel White, Vice President, Investor Relations

Legal Disclaimers

Forward-Looking Statements

This presentation contains forward-looking statements that reflect the Company's current expectations and projections with respect to, among other things, its financial condition, results of operations, plans, objectives, future performance and business. These statements may be preceded by, followed by or include the words "anticipate," "estimate," "expect," "project," "plan," "intend," "believe," "may," "will," "should," "can have," "likely," "outlook," "potential," "targets," "project," "contemplates" and the negatives thereof and other words and terms of similar meaning.

All statements other than statements of historical fact are forward-looking statements. The inclusion of forward-looking statements should not be regarded as a representation by the Company, or any other person that the future plans, estimates, or expectations contemplated by the Company will be achieved. Such forward-looking statements are subject to various risks and uncertainties and assumptions relations to the Company's operations, financial results, financial condition, business, prospects, growth strategy, and liquidity. Accordingly, there are, or will be, important factors that could cause the Company's actual results to differ materially from those indicated in these statements. 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, 2023, 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 presentation, 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.

Market and Industry Data

Unless otherwise indicated, information in this presentation concerning economic conditions, the Company's industry, the Company's markets, and the Company's competitive position is based on a variety of sources, including information from independent industry analysts and publications, as well as the Company's own estimates and research. This information involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. While the Company believes the information presented is generally reliable, forecasts, assumptions, expectations, beliefs, estimates, and projections involve risk and uncertainties and are subject to change based on various factors.

Non-GAAP Financial Measures

This presentation contains financial measures, such as Adjusted Gross Profit, Adjusted Gross Profit Margin, Adjusted Operating Income, Adjusted Operating Income Margin, Adjusted Gross Profit Excluding Depreciation and Amortization, Adjusted Gross Profit Margin Excluding Depreciation and Amortization, Adjusted Sales and Marketing Expense, Adjusted General and Administrative Expense, Adjusted Research and Development Expense, and Adjusted Free Cash Flow, which are not recognized under generally accepted accounting principles in the United States ("GAAP").

The Company 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. The non-GAAP financial information is presented for supplemental informational purposes only, and should not be considered a substitute for financial information presented in accordance with GAAP, and may be different from similarly-titled non-GAAP measures used by other companies.

Adjusted Gross Profit, Adjusted Gross Profit Margin, Adjusted Operating Income, Adjusted Operating Income Margin, Adjusted Gross Profit Excluding Depreciation and Amortization, Adjusted Gross Profit Margin Excluding Depreciation and Amortization, Adjusted Sales and Marketing Expense, Adjusted General and Administrative Expense, Adjusted Research and Development Expense, Adjusted Free Cash Flow, and Adjusted Free Cash Flow Margin have limitations as an analytical tool, and you should not consider this measure either in isolation or as a substitute for other methods of analyzing the results as reported under GAAP. A reconciliation of Adjusted Gross Profit, Adjusted Gross Profit Margin, Adjusted Operating Income, Adjusted Operating Income Margin, Adjusted Gross Profit Excluding Depreciation and Amortization, Adjusted Gross Profit Margin Excluding Depreciation and Amortization, Adjusted Sales and Marketing Expense, Adjusted General and Administrative Expense, Adjusted Research and Development, Adjusted Free Cash Flow, and Adjusted Free Cash Flow Margin to the most directly comparable GAAP financial measure can be found at the end of this presentation.





The **Paycor** Difference

Paycor empowers leaders to drive business results by connecting them to **people, data, and expertise.**



Paycor[®] is Positioned to Create Long-Term Shareholder Value



Disruptive HCM platform for leaders



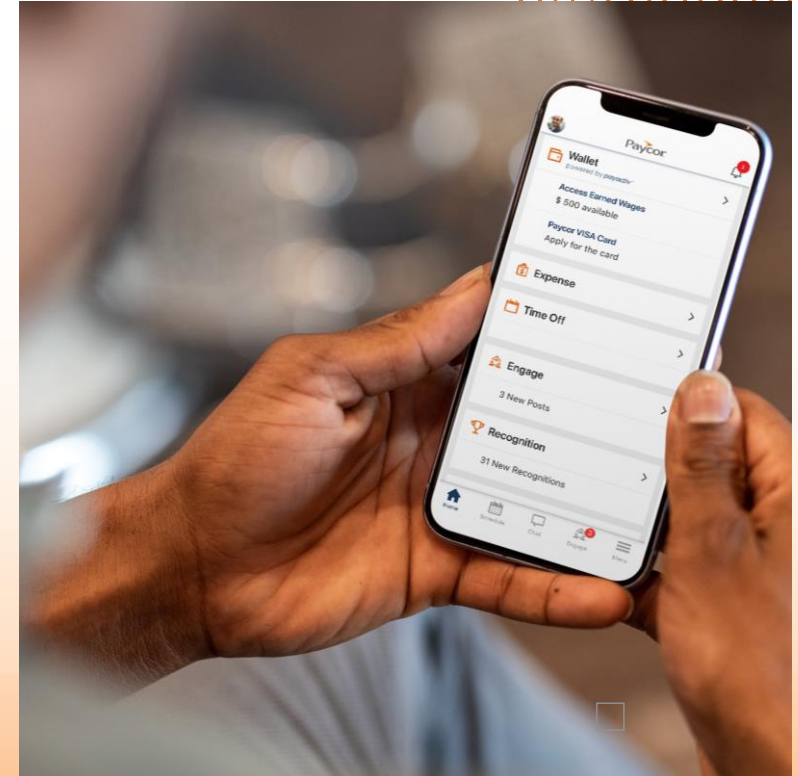
Massive, growing, and underserved TAM



Multiple, proven growth levers with diversified GTM channels



Highly recurring revenue with durable growth and accelerating FCF generation



Winning Share in the Mid-Market and Expanding Profitability



\$655m

Revenue

19%

Revenue Growth



\$40m

Adj. FCF

+800bps

Adj. FCF Margin
Expansion



30k

Customers

2.7m

Employees



Agenda

Welcome

Rachel White, Vice President, Investor Relations

01

Our Strategy

Raul Villar Jr., Chief Executive Officer

02

Direct Go-To-Market

Chuck Mueller, Chief Revenue Officer
Tiffany Sieve, Chief Marketing Officer

03

Embedded Channel

Tim Ruge, Senior Vice President,
Embedded HCM

04

Break

05

Product Innovation

Ryan Bergstrom, Chief Product & Technology Officer

06

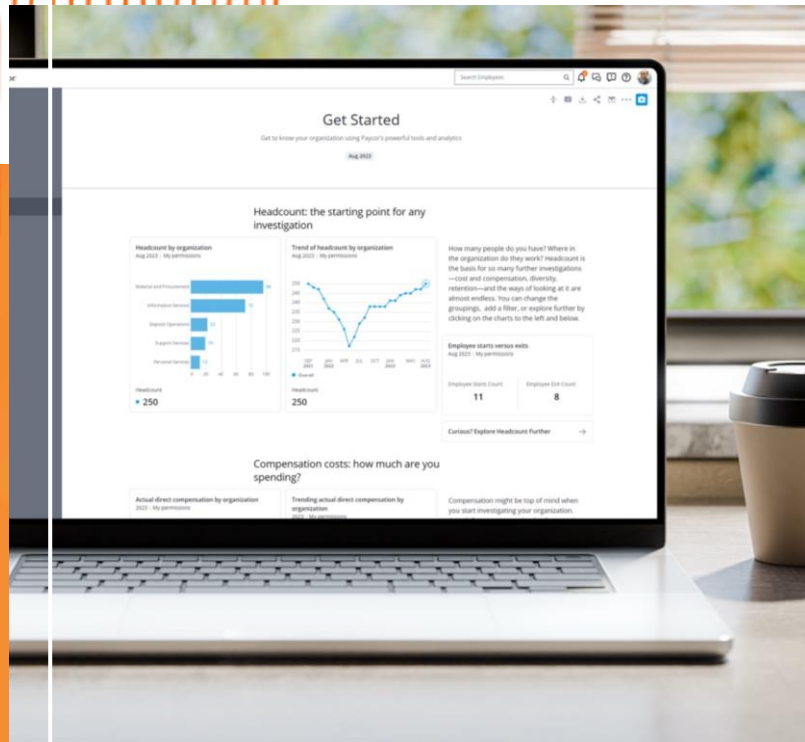
Financial Framework

Adam Ante, Chief Financial Officer

07

Question & Answer

08

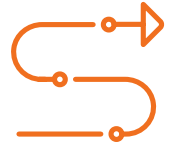


Our Strategy

THE FUTURE OF PAYCOR

Raul Villar Jr., Chief Executive Officer





Track
Record



Market
Durability



Future
Opportunity

Successfully Executing IPO Strategic Initiatives

Increase Sales Coverage



+50%

Sales Coverage

Expand Product Portfolio



+60%

List PEPM

Drive 20%+ Revenue Growth



+23%

Revenue CAGR



Our Growth Continues to Outpace the HCM Market

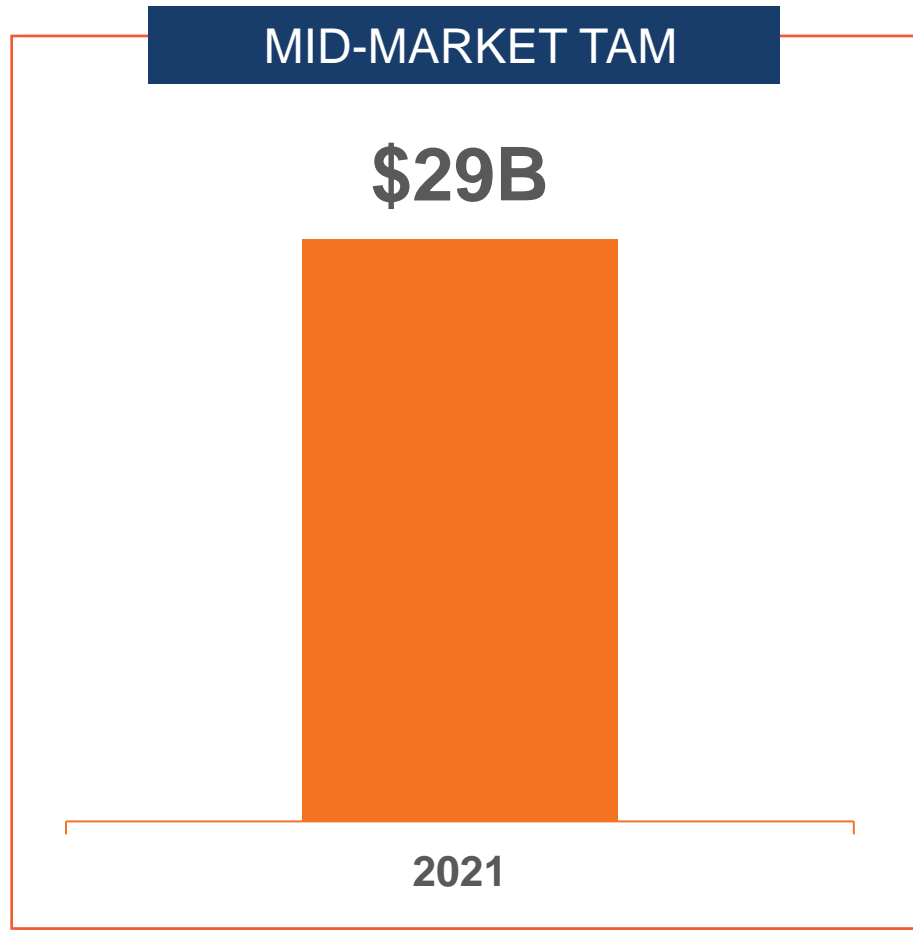
20%

Recurring Revenue
CAGR

10%

HCM TAM
CAGR

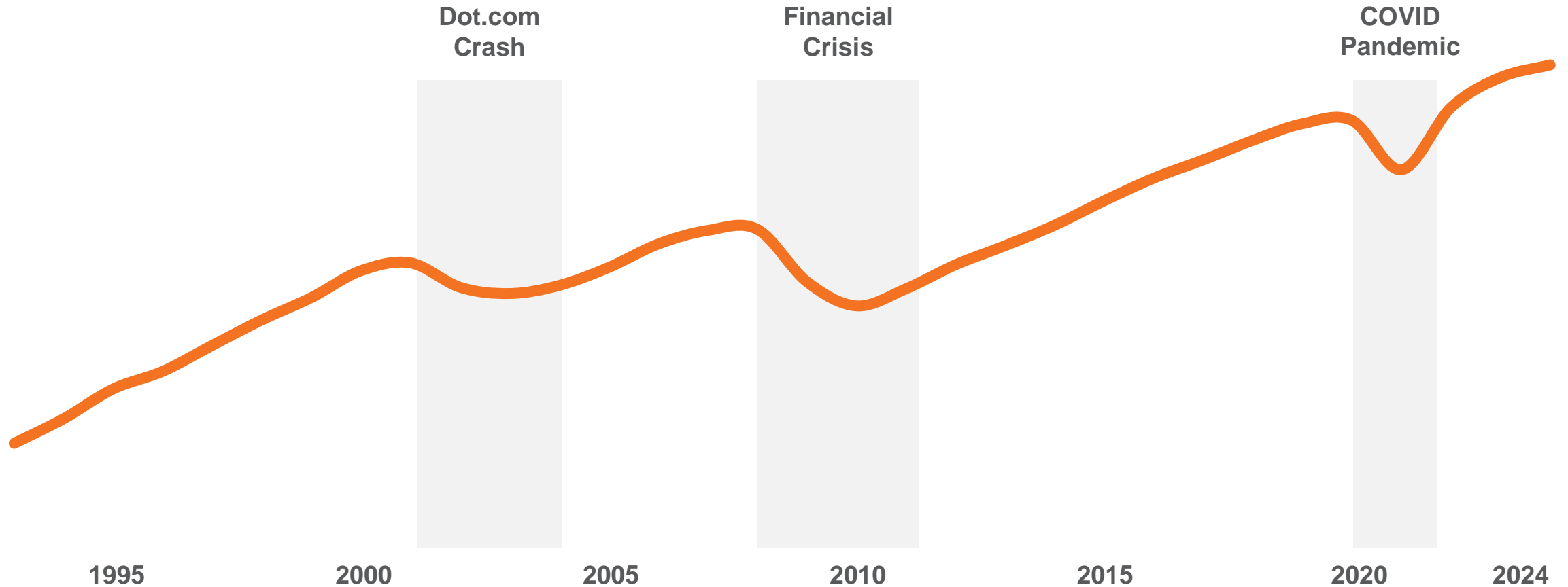
Mid-Market Opportunity at our IPO was Large and Growing



The US Labor Market is Durable

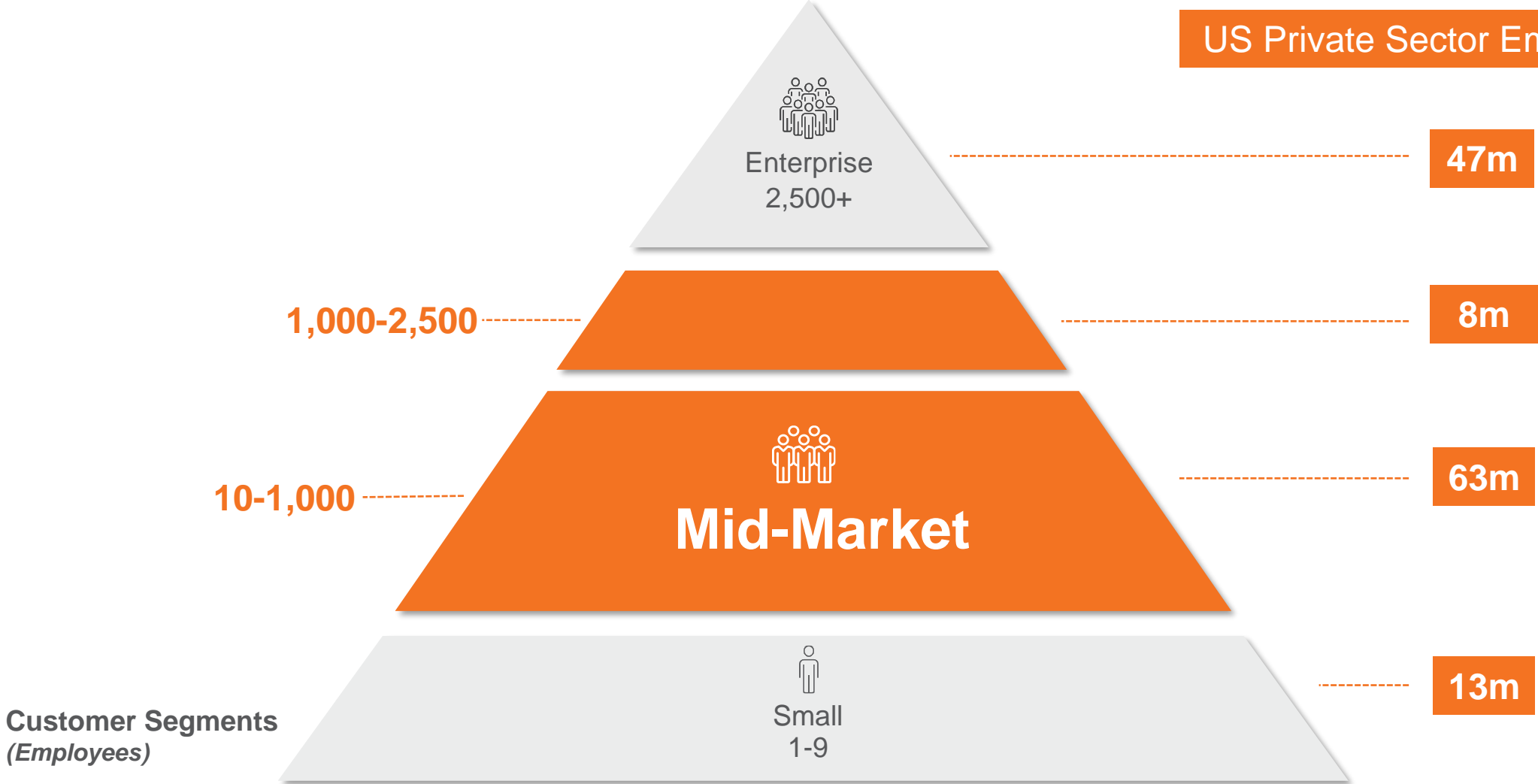
US Private Sector Employment

131m



Squarely Focused in the Mid-Market

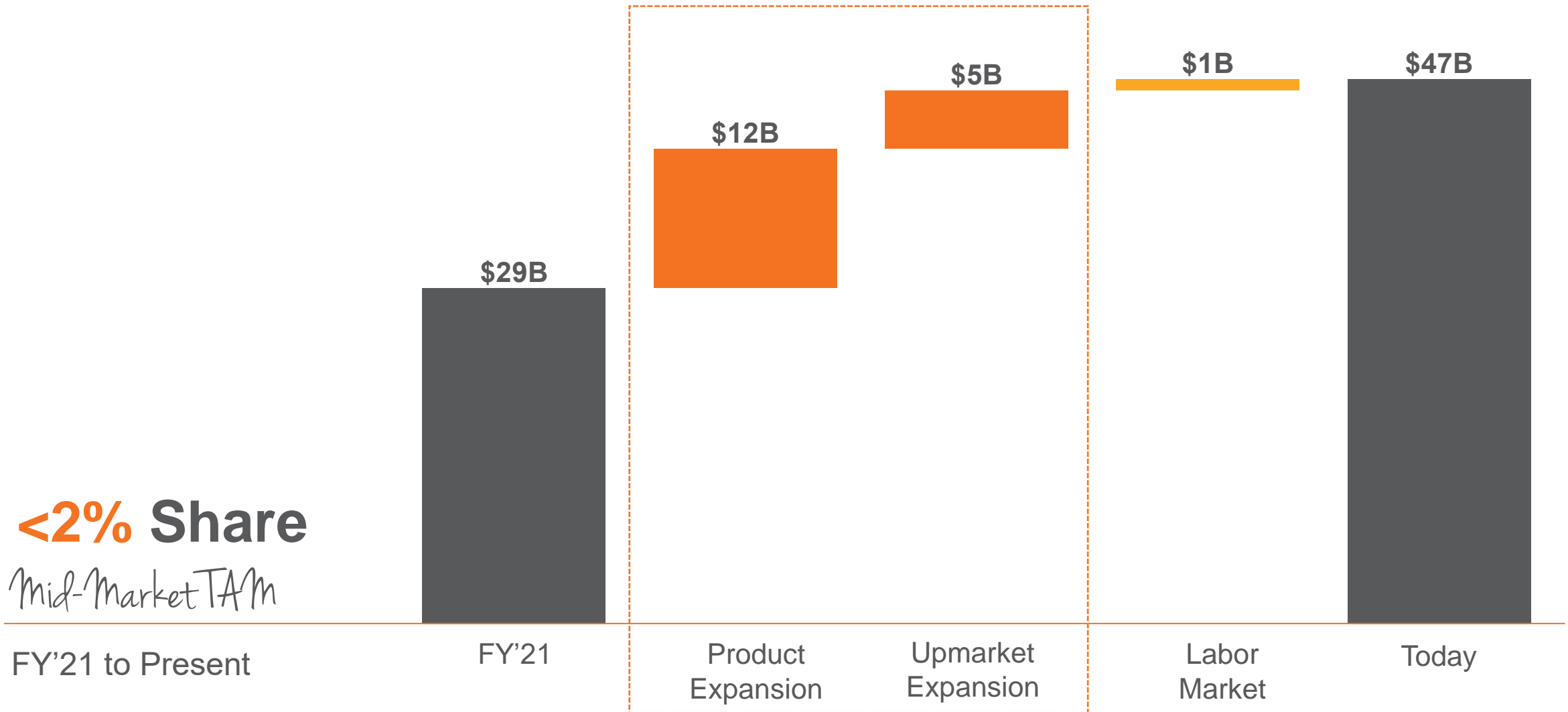
US Private Sector Employment



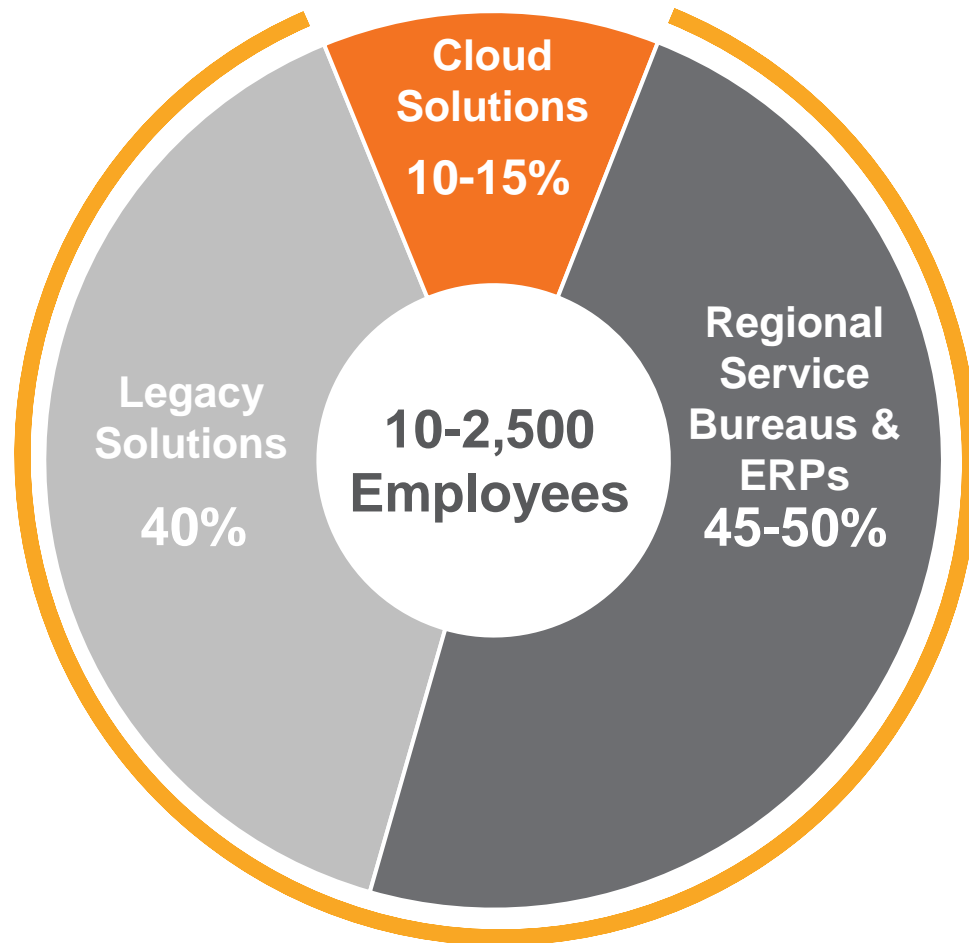
HCM Market Continues to Grow and Evolve to Meet Emerging Needs



90%+ of TAM Expansion Driven by Paycor Product Investments

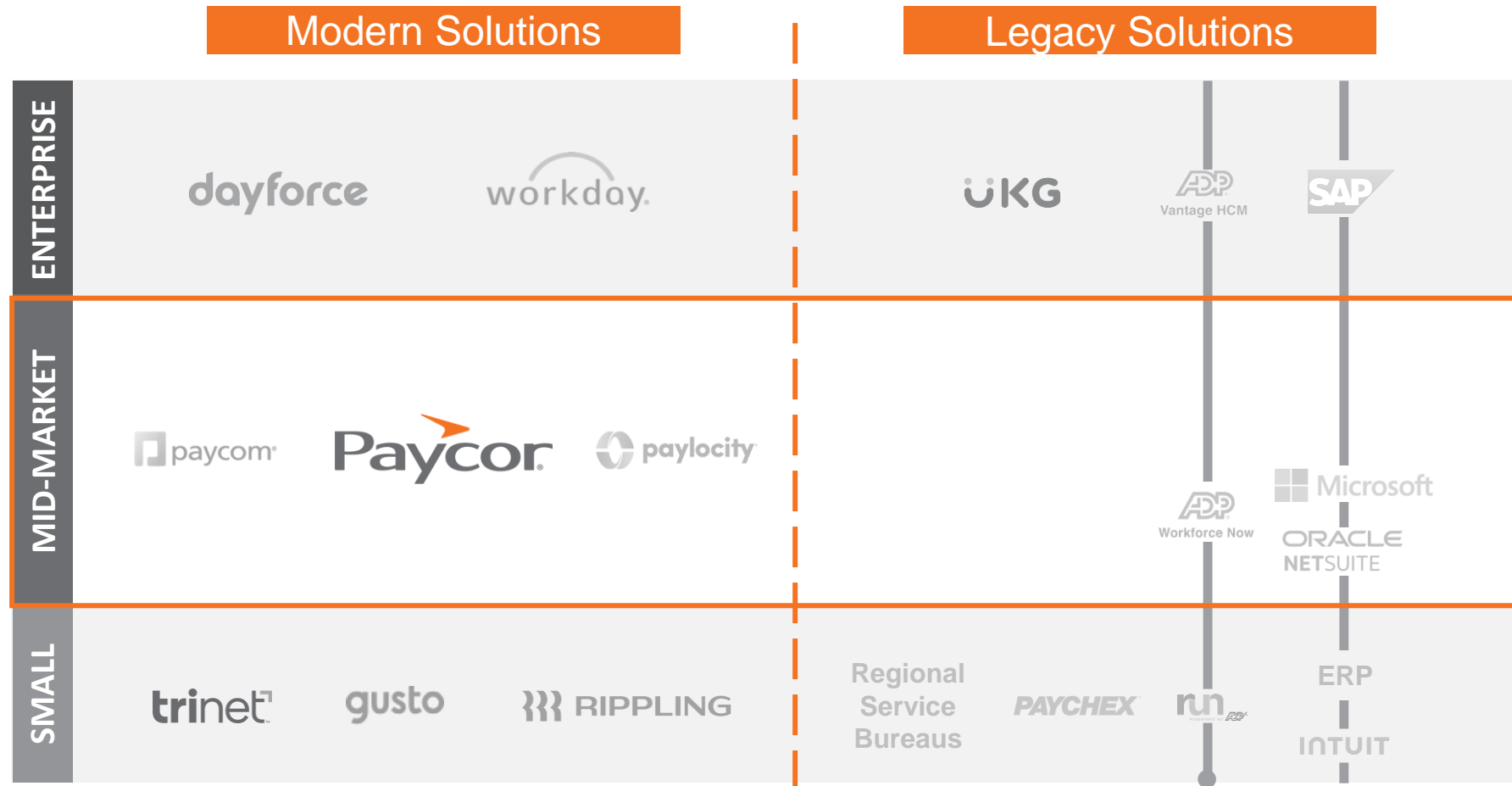


85%+ of Mid-Market Using Suboptimal Legacy Solutions



- **Mission critical** application still early in its transition to modern cloud solutions
- Market is **highly fragmented** with thousands of sub-optimal regional and ERP solutions
- **Considerable white space** remains with 85%+ of US employees using legacy solutions

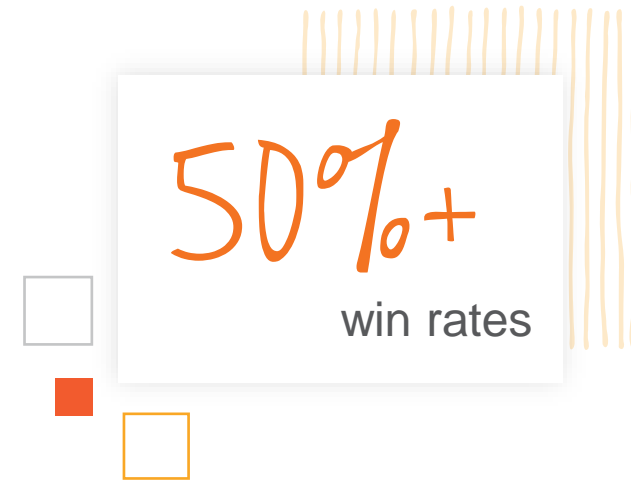
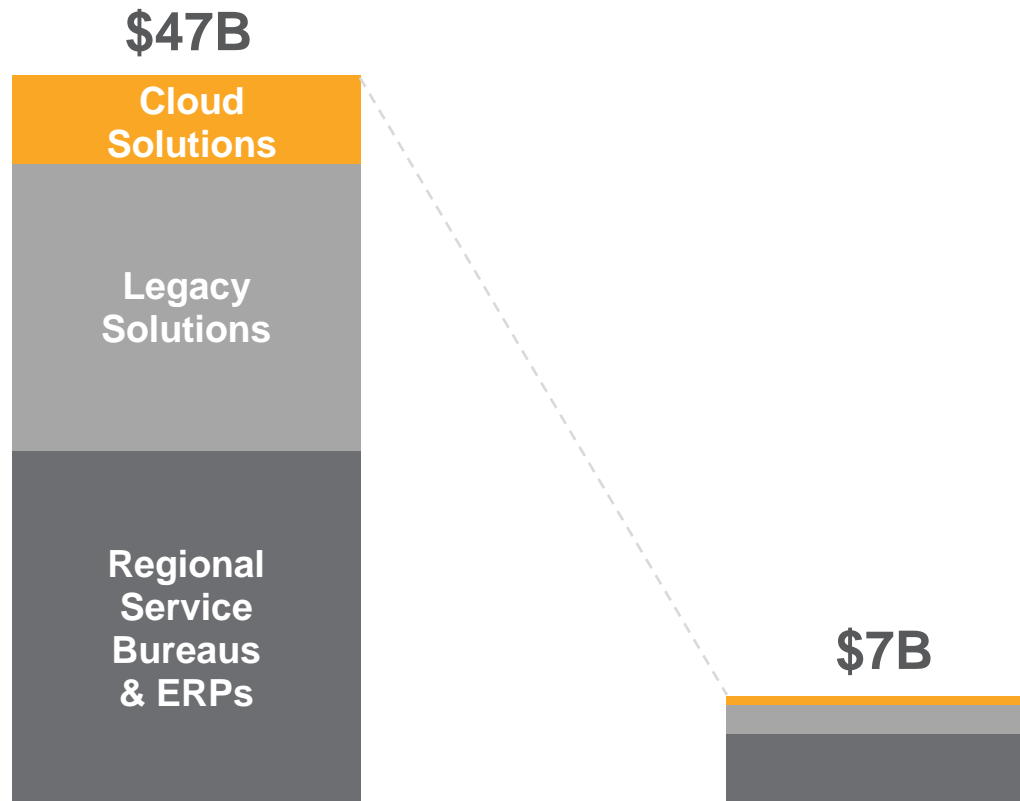
Few Modern Solutions Focused on the Mid-Market



\$7B Available Annually from Competitor Churn

Mid-Market TAM & Install Base

Annual Churn





Work

is Changing



People Are Changing

Multigenerational Workforce

A woman with her hair in a bun, wearing a yellow shirt, is sitting at a desk in a bright, warm-toned room. She is smiling and looking at a laptop. A dog is sitting next to her, looking at the camera. The room has large windows and a round mirror on the wall.

Expectations Are Changing

New Social Contracts



Jobs Are Changing

The AI Impact



How We Work Is Changing

Distributed/Agile Workforce



HCM

Needs a Revolution



Paycor® Redefining HCM

Multigenerational Workforce

New Social Contract

The Impact of AI

Distributed/Agile Workforce



Human/Machine synergy

Reskilling/ upskilling

Voice of the employee

reduce

Contingent worker integration

Mission and vision alignment

HR

Effective remote work

burden

Mental health daily tools

Flexible hours

Distributed work

Personalized rewards and recognition

Inclusion tools

Work/life harmony

VR workplace for connection

Hybrid scheduling

Intelligent compliance guidance

Personalized micro learning

Real-time skills inventory

Personalized benefit offerings

Passive candidate sourcing

Automated insight "nudges"

Data insights for more effective WFM

Agile workforce planning

New manager support and training



The Future of HCM is Connected



PEOPLE

Paycor is a behavior change tool that helps companies attract, retain, and motivate a **multigenerational workforce** while navigating the **new social contract** to inspire engaged employees that drive results.

DATA

Paycor integrates seamlessly into the way you work while harnessing **AI** to deliver critical insights that drive better hires, retention and productivity.

EXPERTISE

Paycor is an extension of your team, anticipating actions, proactively resolving issues, and providing the guidance you need to feel confident navigating the **distributed and agile workforce**.



Unique Strategy
to Drive long-term Growth
in an Expanding Market



Direct Go-To-Market

DRIVING DURABLE GROWTH & SCALE

Chuck Mueller, Chief Revenue Officer
Tiffany Sieve, Chief Marketing Officer

Evolution of Expansion and Productivity

IPO

Present

Scaling Demand Engine

Limited Channels

Diversified Approach

Expanding Market Reach

Midwest

National

Driving Productivity

Limited Tools

Robust Enablement



Multiple Proven Growth Strategies Through Diversified GTM Channels

Marketing

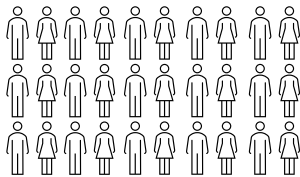
Build Brand & Drive Demand

Enablement

Training & Sales Support

Field Sales

Mid-Market
50-500 EE



~60%

Up-Market
500+ EE



~10%

Digital Sales

Cross Sales
Existing Base



~20%

Small Market
<50 EE

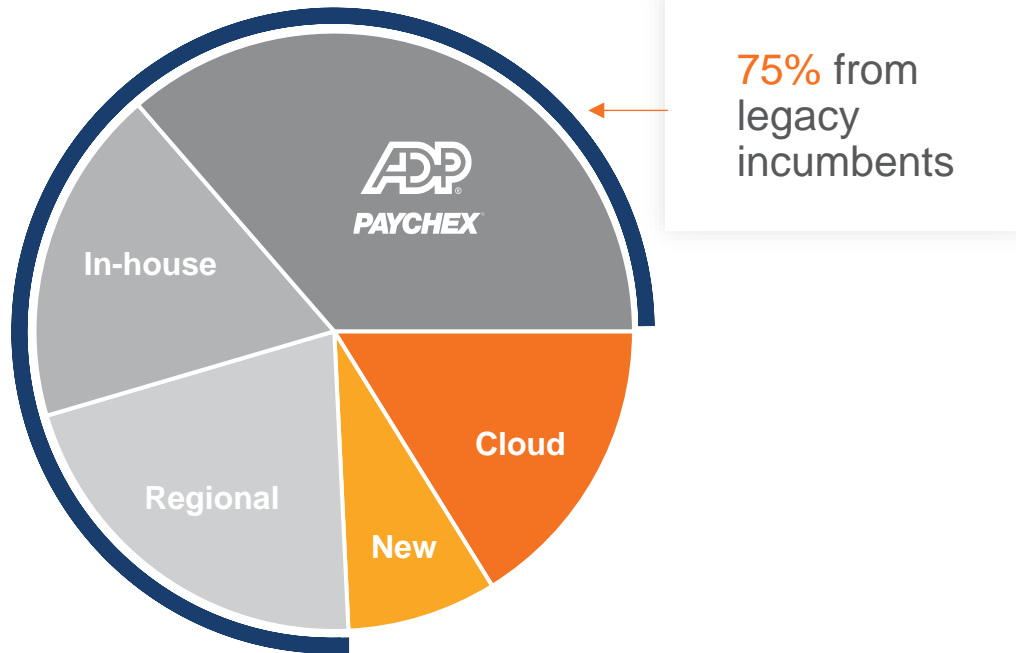


~10%



Capturing Legacy Share with a Winning Solution

Sources of FY'24 Bookings



WHY WE WIN



People: Robust Talent Suite



Data: Strong Interoperability



Expertise: Scalable Support



**Scaling Demand
Engine**



Expanding
Market Reach



Driving Sales
Productivity



Efficiently Built a Nationally Recognized Brand

TV Commercials



Display & Social



Podcasts

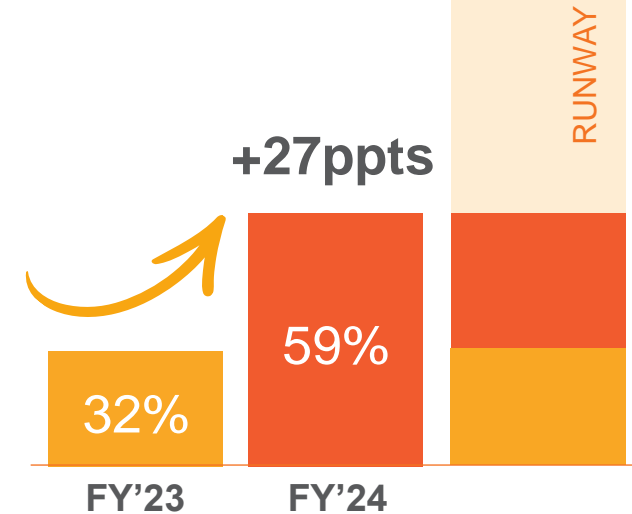


Sports Sponsorships



Brand Awareness






Increased aided brand awareness nationwide⁽¹⁾

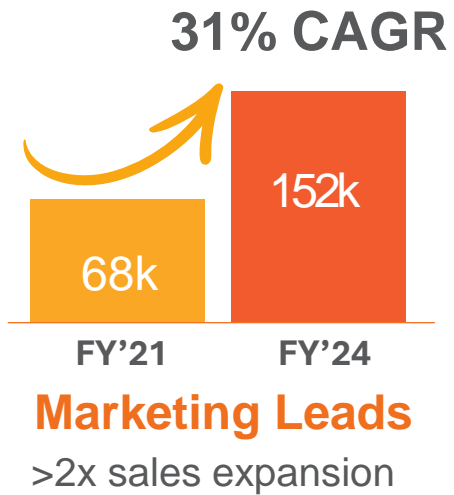


(1) Aided brand awareness metric is sourced from a third-party brand lift study that surveyed HR leaders across the country in 44 markets.




Strong Marketing Lead Growth Fuels Demand

Omni-Channel Demand Generation

-  Paid Media
-  SEO & Website
-  ABM
-  Partner Channels
-  Outbound & Events



Lead Conversion

-  AI-driven Targeting
-  Online Evaluation
-  BDR Team

Sales Meetings

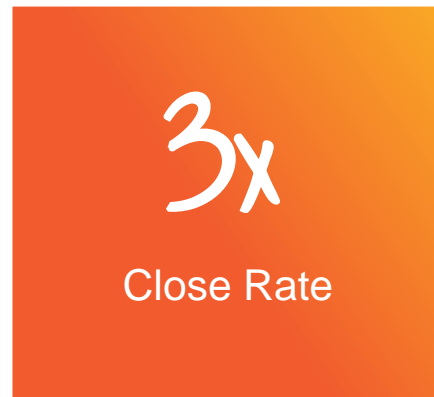


Robust Broker Channel Provides Influential Referrals

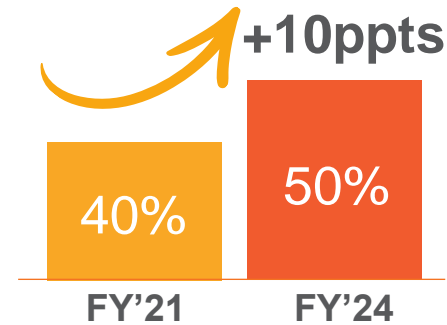
Differentiated
Value Proposition
+
Targeted
National Partnerships



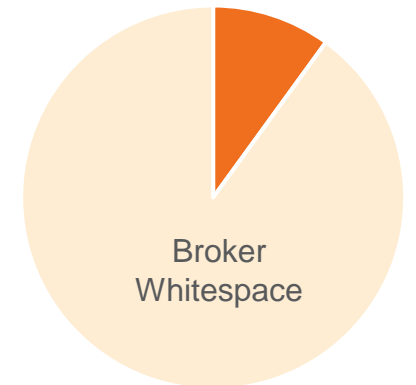
Broker Channel Expansion



Higher Velocity to Close



Increased Share of Field Bookings



Significant Runway for Channel Penetration





Scaling Demand
Engine



**Expanding
Market Reach**

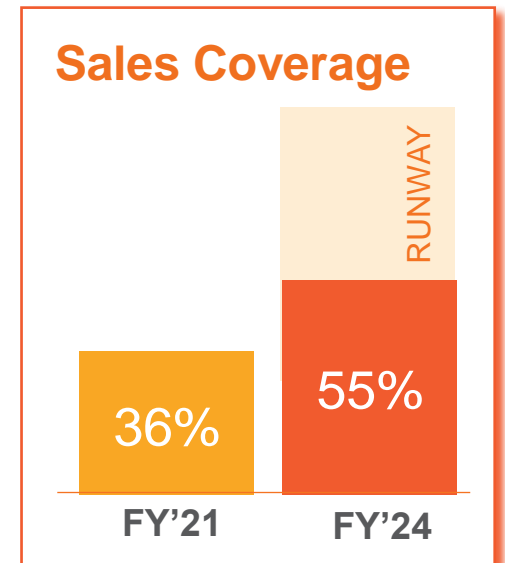
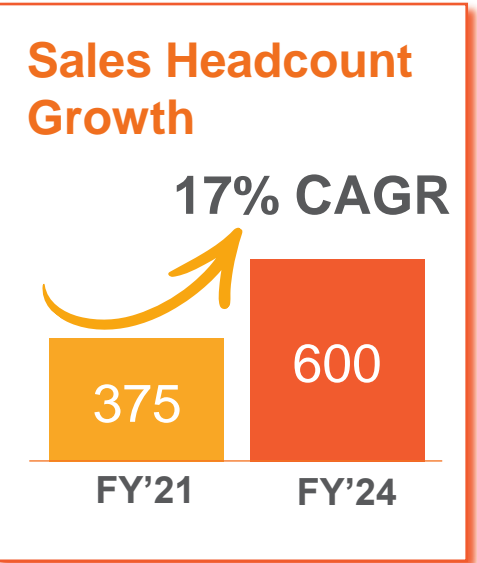
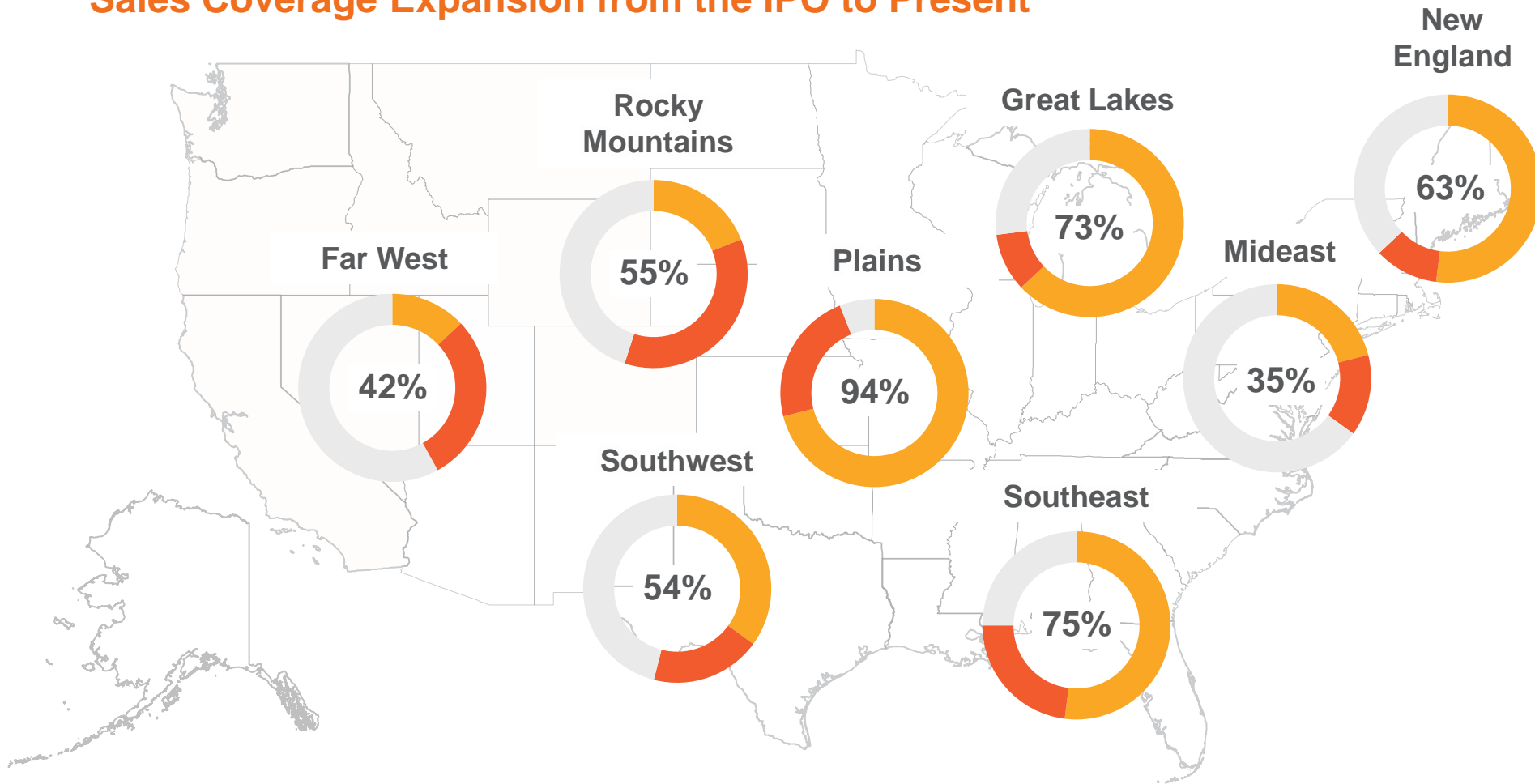


Driving Sales
Productivity

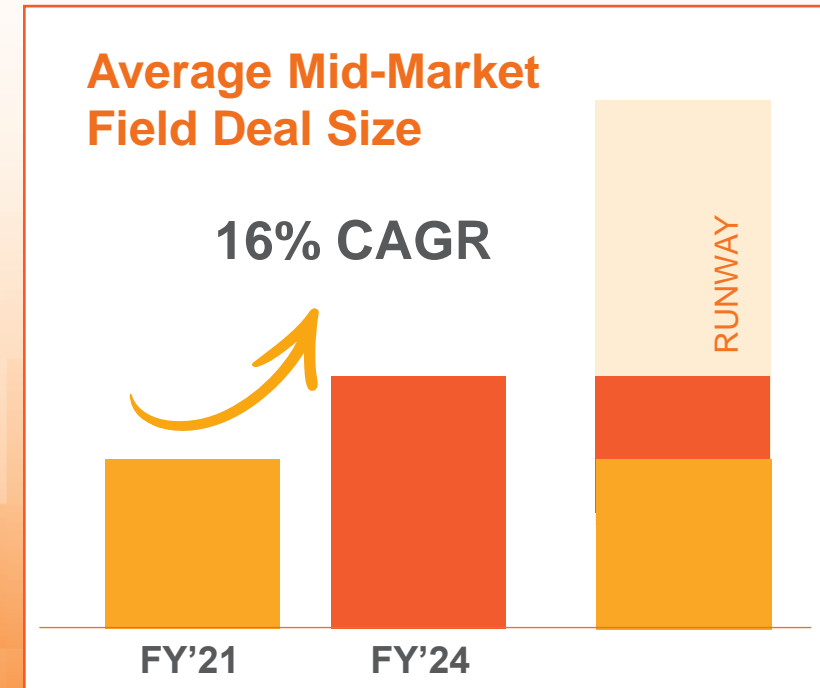
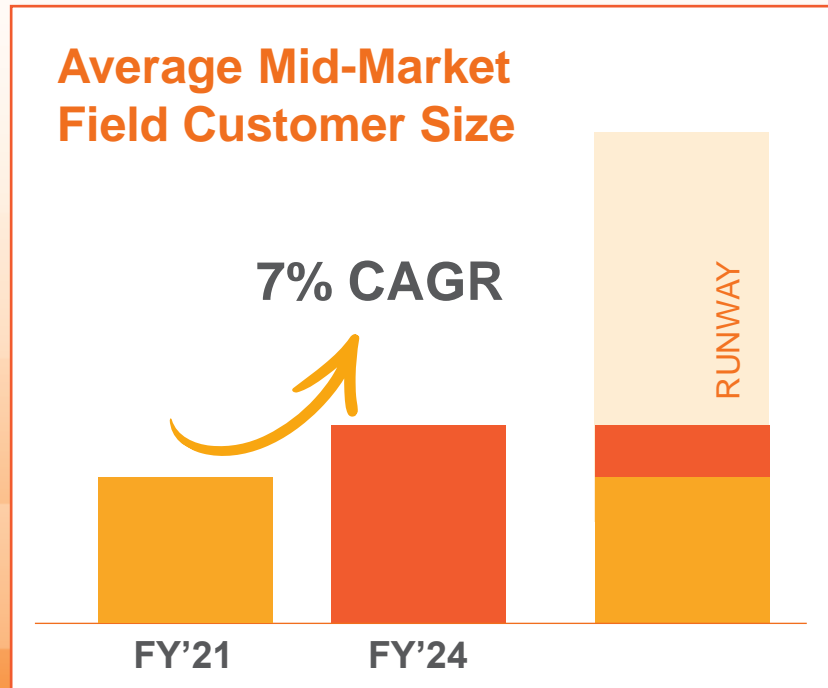


Expanded Sales Coverage Nation-wide Beyond 55%

Sales Coverage Expansion from the IPO to Present

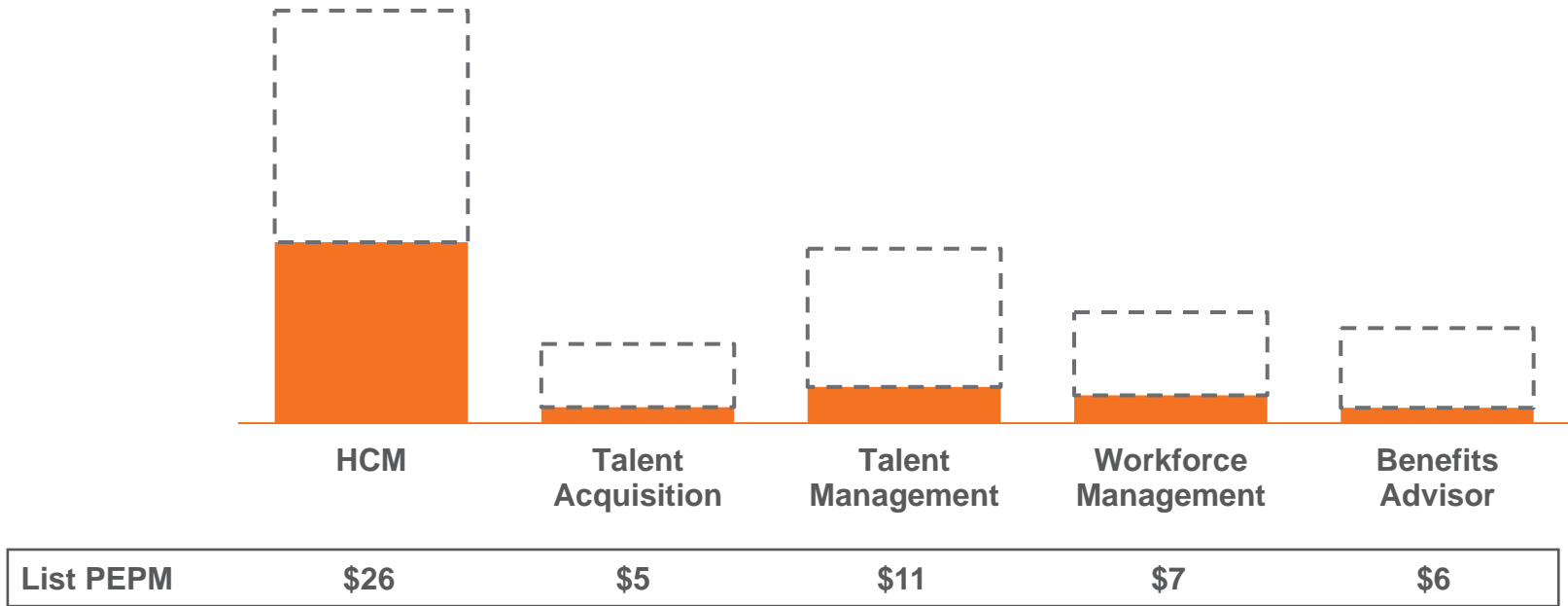
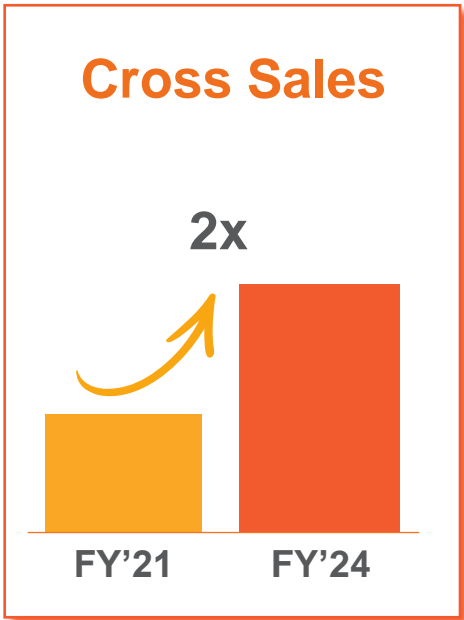


Expanding Upmarket Increases Attach Rates and Average Deal Size



Massive Opportunity to Continue Cross-selling into our Existing Base

\$1.1B+ Current Opportunity Within Client Base





Scaling Demand
Engine



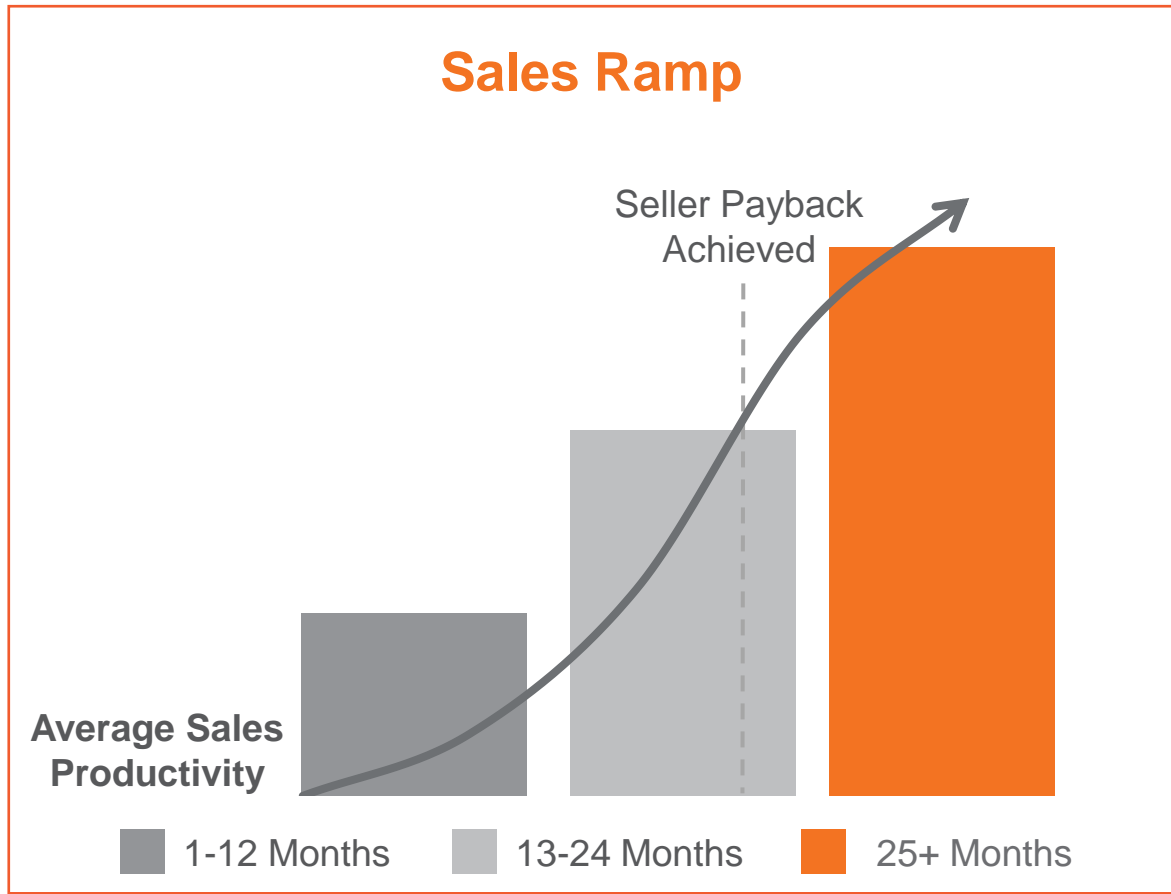
Expanding
Market Reach



**Driving Sales
Productivity**



Increasing Sales Tenure Drives Productivity



TOP DRIVERS OF SALES RAMP



Time in Territory



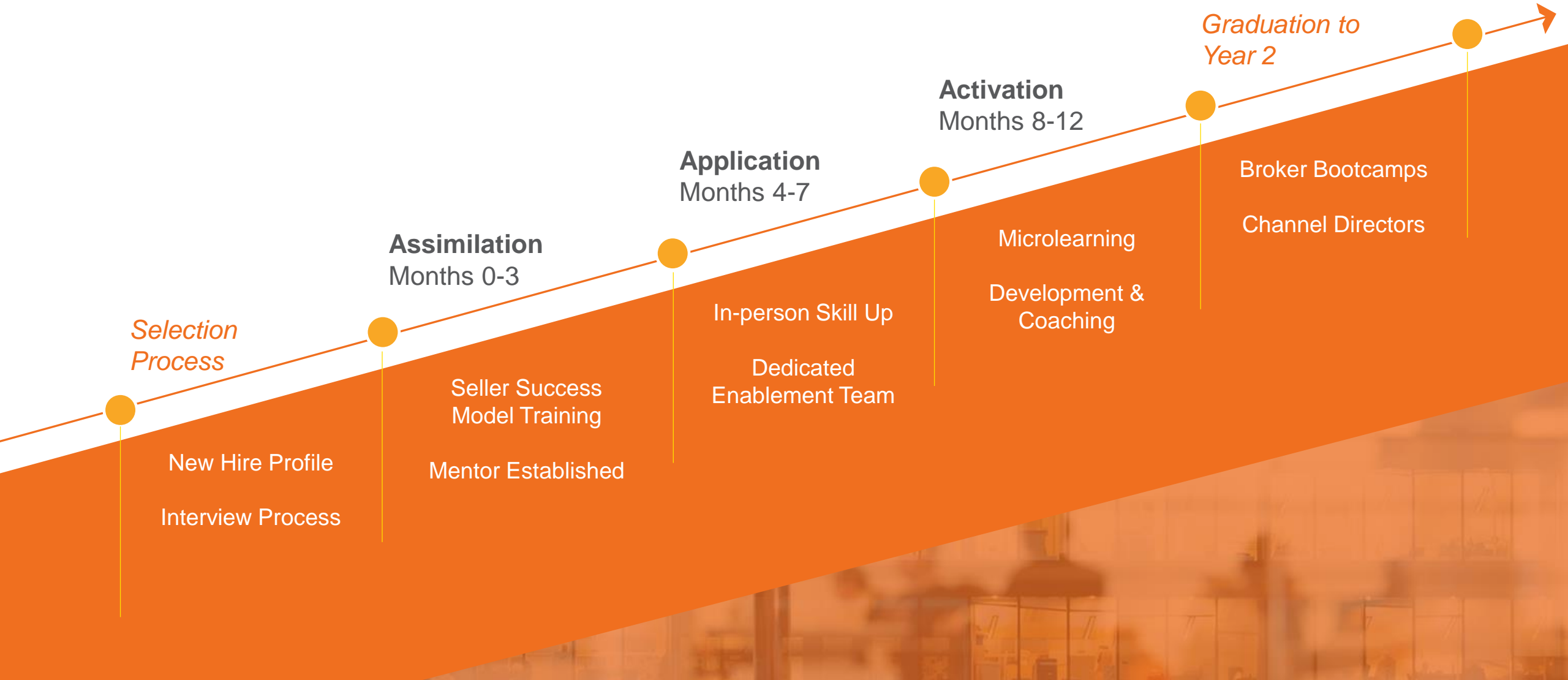
Pipeline Built Out



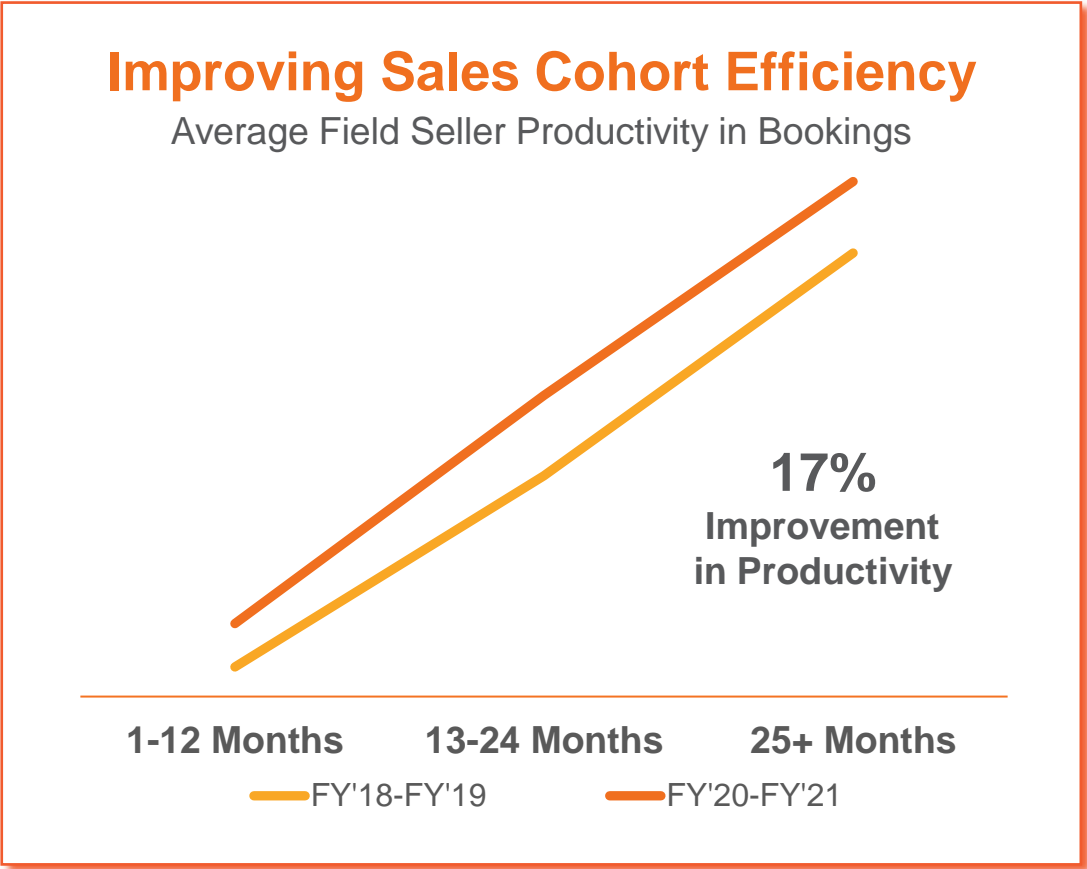
Referring Broker Partners



First Year Success Drives Seller Retention

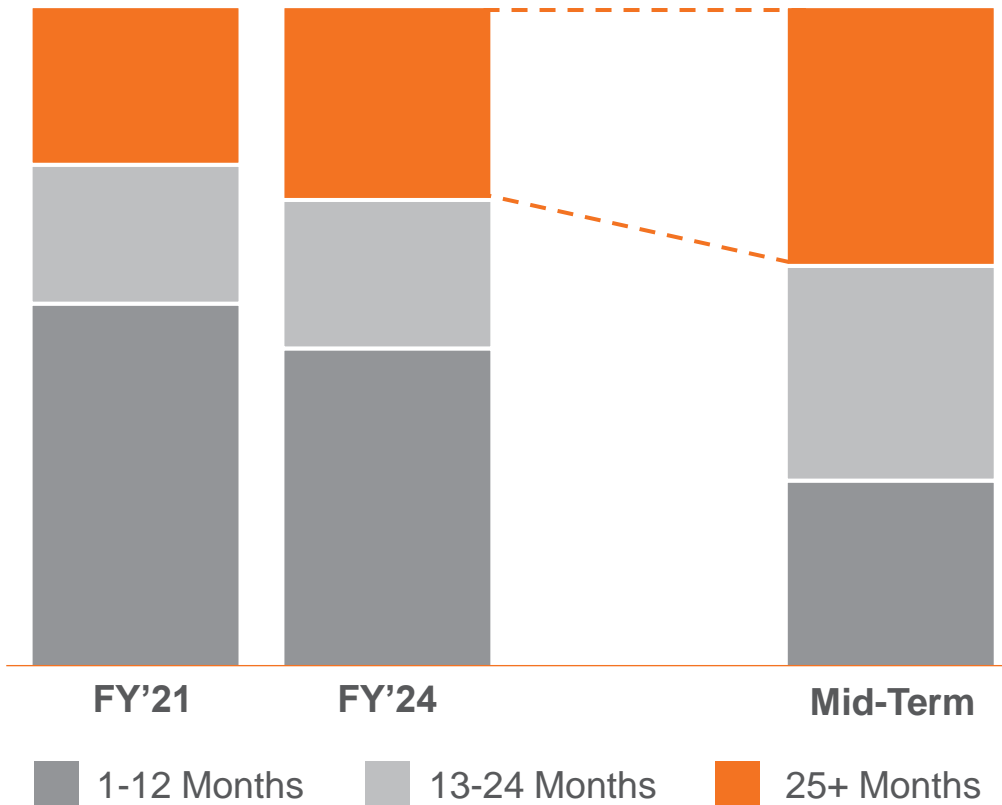


Smarter Sales Enablement Drives Strong Deal Velocity & Conversion

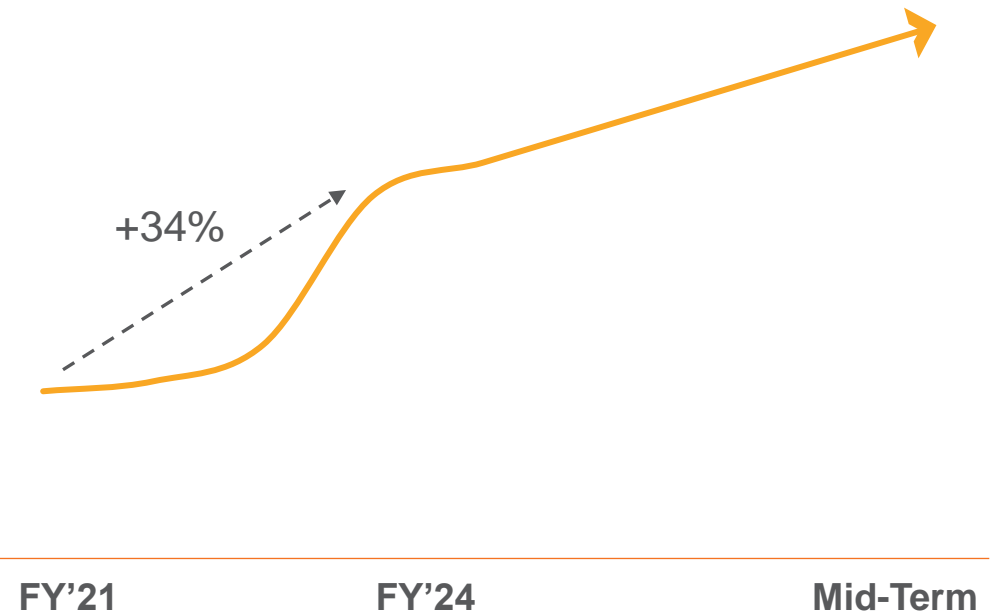


Increasing Share of Tenured Sellers Drives Productivity

Share of Field Sellers by Tenure



Average Field Seller Tenure in Months



Balancing Sales Headcount with Productivity Drives Majority of S&M Leverage

TOP DRIVERS OF S&M EFFICIENCY



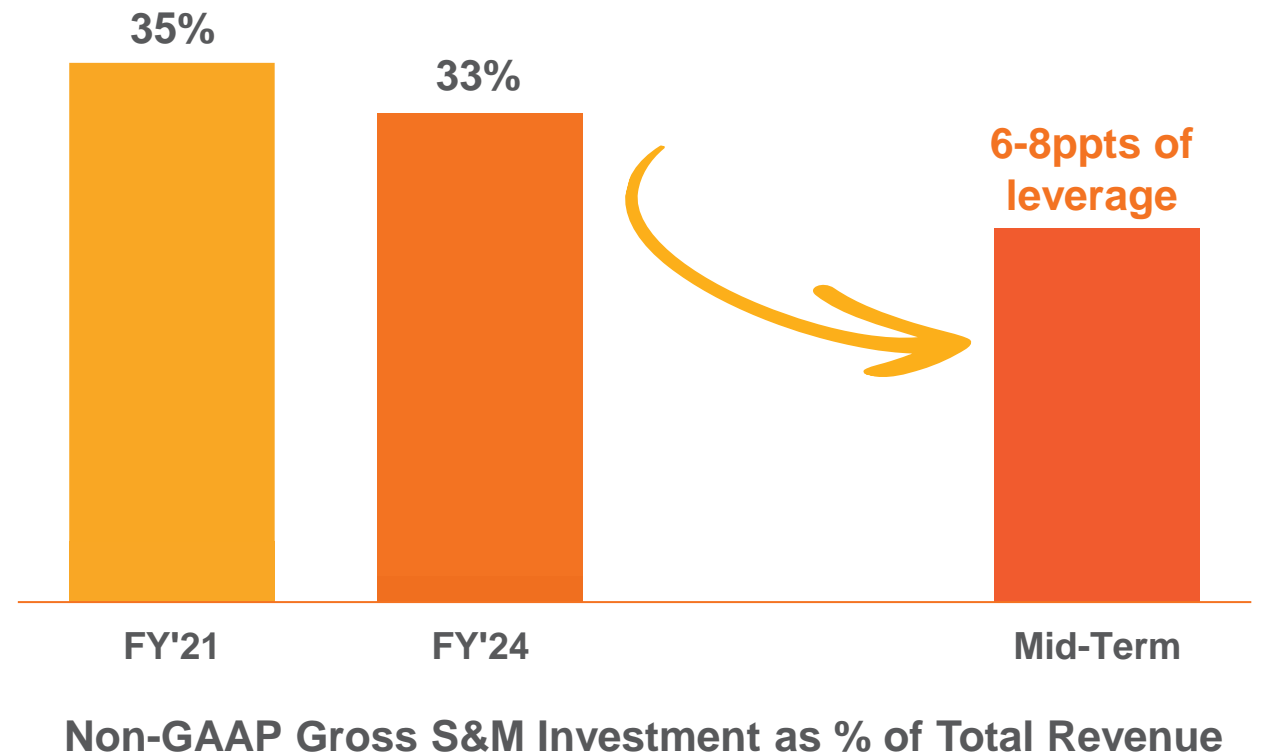
Leveraging Demand Engine



Scaling Through Enablement



Increasing Seller Tenure



Driving Efficient,
Durable Growth at Scale





Embedded Channel

CATALYST FOR GROWTH

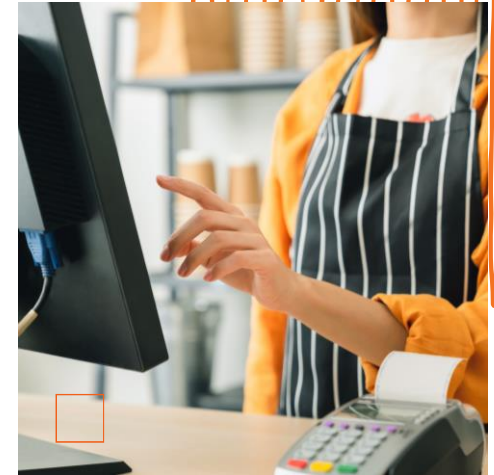
Tim Ruge, SVP, Embedded HCM

Embedded HCM is a Disruptive Innovation with Transformative Potential

Best-in-class HCM solution for partners to embed,
brand, sell, and support as part of their solutions

Opportunity for Paycor to accelerate employee growth
and revenue with accretive margins

Partners can expand their revenue potential at a very
low-cost in a complex industry with high barriers to entry



10+

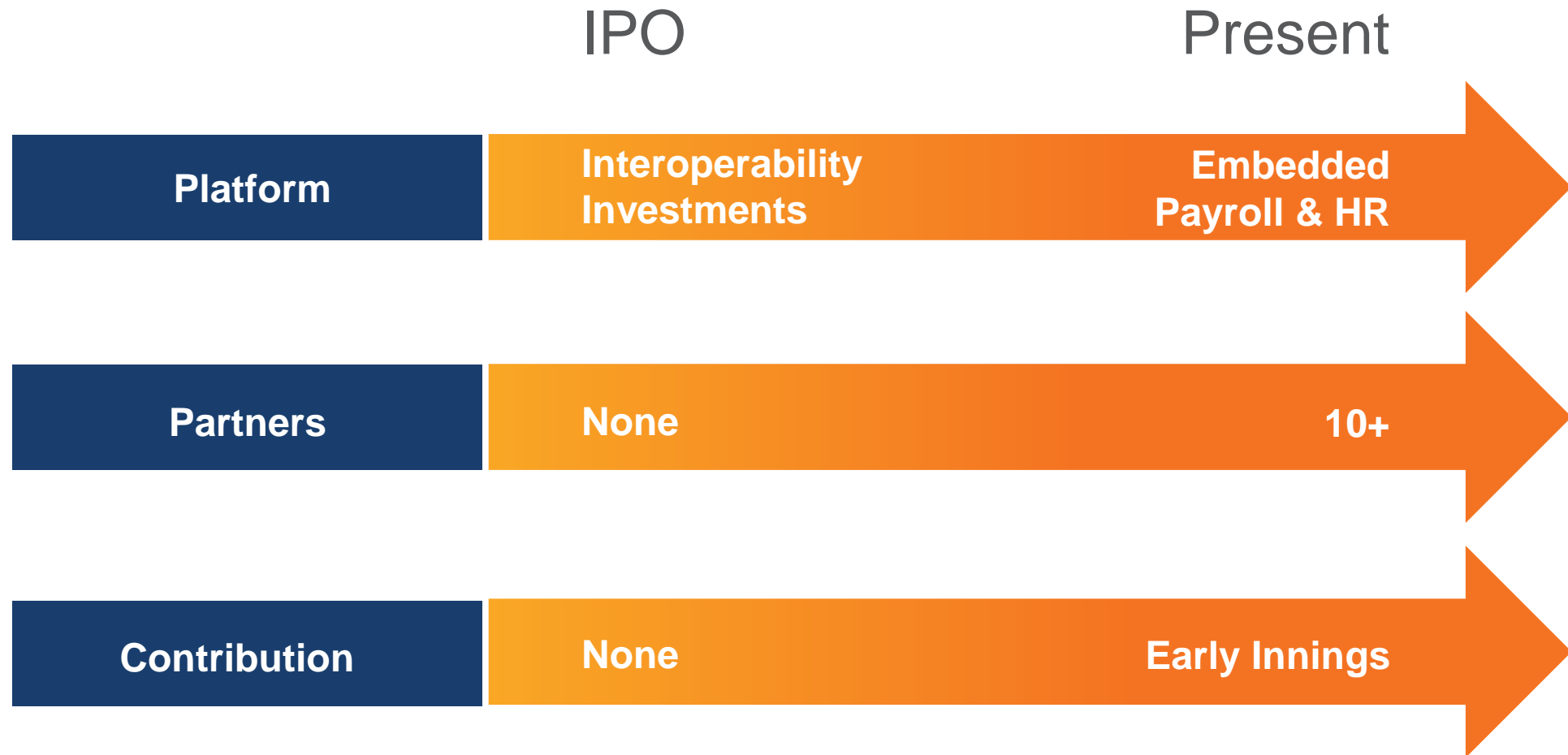
embedded partners

2 pts

FY'24 employee growth contribution



Building Embedded Channel Momentum





**GTM &
Competition**



Partner
Experience



Paycor
Opportunity

Investing in a Differentiated Go-To-Market Approach



Embedded Technology



Breadth of HCM Solutions



Data Enablement












Support Infrastructure



Personalized Branding

First Name	Monday, Jul 18	Tuesday, Jul 19	Wednesday, Jul 20	Thursday, Jul 21	Friday, Jul 22	Saturday, Jul 23	Sunday, Jul 24
Open Shifts Auto-Fill				08:15 am - 04:15 pm Server	08:15 am - 03:25 pm Server	09:00 am - 05:00 pm Server	07:45 am - 02:45 pm Server
				09:30 am - 05:30 pm Server	10:30 am - 05:30 pm Server	09:45 am - 04:15 pm Server	10:45 am - 06:45 pm Server
AB Adam Boss 40/40	10:00 am - 07:00 pm Accountant	10:00 am - 07:00 pm Accountant	10:00 am - 07:00 pm Accountant	10:00 am - 07:00 pm Accountant	10:00 am - 07:00 pm Accountant	12:00 am - 11:59 pm	12:00 am - 02:00 pm
AB Ann N Barre 40/40	06:30 am - 03:30 pm Manager- Project Servi...	06:30 am - 03:30 pm Manager- Project Servi...	06:30 am - 03:30 pm Manager- Project Servi...	06:30 am - 03:30 pm Manager- Project Servi...	06:30 am - 03:30 pm Manager- Project Servi...	03:00 pm - 09:00 pm	06:00 pm - 09:00 pm
CM Carissa McNurlin 40/40	01:00 pm - 10:00 pm Director of HR	01:00 pm - 10:00 pm Director of HR	01:00 pm - 10:00 pm Director of HR	01:00 pm - 10:00 pm Director of HR	01:00 pm - 10:00 pm Director of HR		
CN Christy Nasert 40/40	06:45 am - 03:45 pm Store Manager	07:00 am - 04:00 pm Store Manager	07:00 am - 04:00 pm Store Manager	07:00 am - 04:00 pm Store Manager	07:00 am - 04:00 pm Store Manager		
CA Connie Allen 40/40	08:00 am - 05:00 pm Server	08:00 am - 05:00 pm Server	08:00 am - 05:00 pm Server	08:00 am - 05:00 pm Server	08:00 am - 05:00 pm Server	07:00 pm - 11:59 pm	07:00 pm - 11:59 pm
DJ David Johnson 40/40	01:00 pm - 10:00 pm Sales Executive	01:00 pm - 10:00 pm Sales Executive	01:00 pm - 10:00 pm Sales Executive	01:00 pm - 10:00 pm Sales Executive	01:00 pm - 10:00 pm Sales Executive		
EM Emily Maddox 14/40						10:00 am - 06:00 pm Server	10:00 am - 06:00 pm Server
EB Eva S Byrd 24/40	04:00 am - 01:00 pm General Manager	04:00 am - 01:00 pm General Manager	04:00 am - 01:00 pm General Manager		12:00 pm - 11:59 pm		
ID Irene Dailey 40/40	07:00 am - 04:00 pm General Manager	07:00 am - 04:00 pm General Manager	07:00 am - 04:00 pm General Manager	07:00 am - 04:00 pm General Manager	07:00 am - 04:00 pm General Manager		

Paycor has the Only Complete Mid-Market Embedded Offering

	Reseller Focus Adapted 	Embedded Payroll gusto check	Embedded HCM 
Payroll			
Full Breadth of HCM Offerings			
Integrates with Partner Solutions			
Handles Complex Customer Needs			
Target Market	<100 Employees	<20 Employees	10-2,500 Employees



Partnership Momentum is Accelerating



Technology
Solutions



Centers of
Influence



Payroll
Service Bureaus



Leverages a Highly Efficient Operating Model



Paycor

Training and enablement

Implementation of new accounts

Knowledge base and ongoing training

Product innovation

Partner

Sales process

Implementation services and client communications

Tier 1 support

Co-owns the initial integration and maintenance

Primary Owner
Secondary



Building a Path to Mutual Revenue Growth



Impacts to Timeline



Customer Migration



Integration Depth



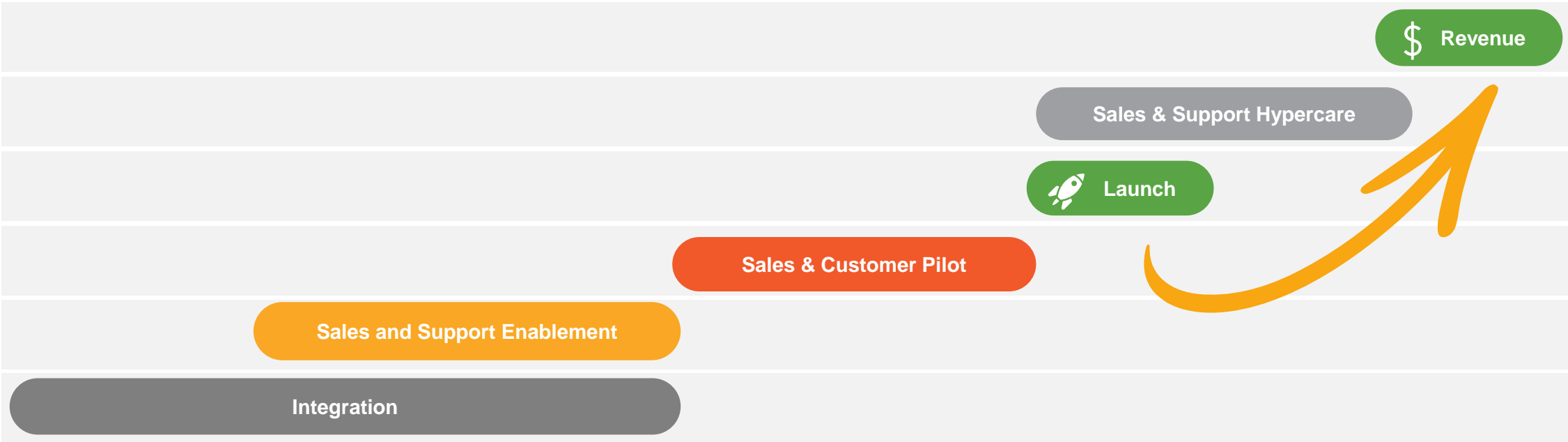
Technical Proficiency



Partner Size & Type



Pilot Feedback





GTM &
Competition



**Partner
Experience**






Paycor
Opportunity





Alchavo Differentiates by Adding HCM Technology

Meet Alchavo

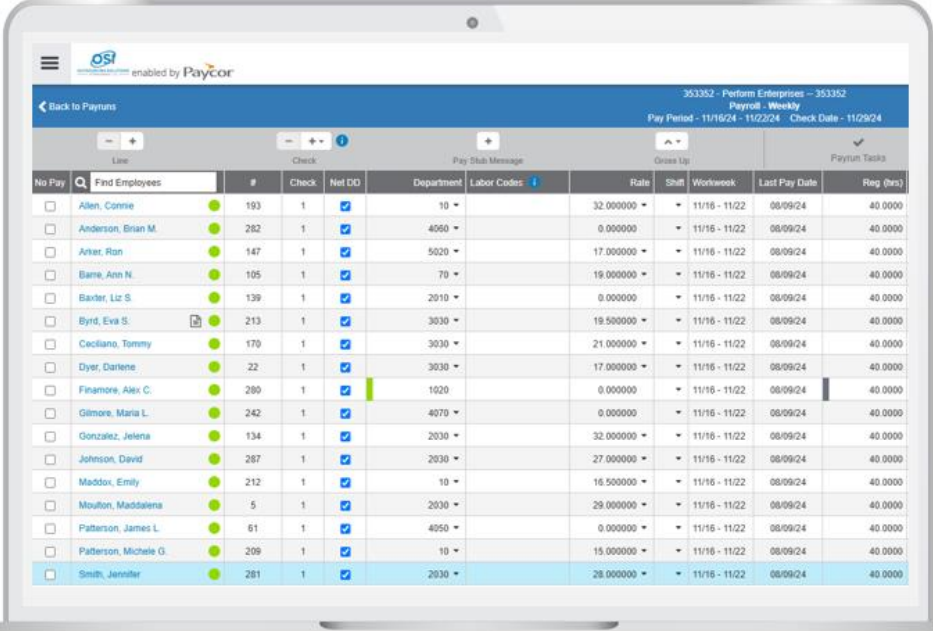
-  Top accounting technology firm in Puerto Rico
-  Previously offered limited payroll solution only
-  Expanding to more HCM technology

Benefits to Paycor

-  Access to a new market
-  Low-cost entry into an untapped market

750+ Customers

8 Sellers



No Pay	Q	Find Employees	#	Check	Net ID	Department	Labor Codes	Rate	Shift	Workweek	Last Pay Date	Req (hrs)
<input type="checkbox"/>		Allen, Connie	193	1	✓	10		32.000000		11/16 - 11/22	08/09/24	40.0000
<input type="checkbox"/>		Anderson, Brian M.	282	1	✓	4060		0.000000		11/16 - 11/22	08/09/24	40.0000
<input type="checkbox"/>		Arker, Ron	147	1	✓	5020		17.000000		11/16 - 11/22	08/09/24	40.0000
<input type="checkbox"/>		Barnes, Ann N.	105	1	✓	70		19.000000		11/16 - 11/22	08/09/24	40.0000
<input type="checkbox"/>		Barter, Liz S.	139	1	✓	2910		0.000000		11/16 - 11/22	08/09/24	40.0000
<input type="checkbox"/>		Byrd, Eva S.	213	1	✓	3030		19.500000		11/16 - 11/22	08/09/24	40.0000
<input type="checkbox"/>		Ceciliano, Tommy	170	1	✓	3030		21.000000		11/16 - 11/22	08/09/24	40.0000
<input type="checkbox"/>		Dyer, Darlene	22	1	✓	3030		17.000000		11/16 - 11/22	08/09/24	40.0000
<input type="checkbox"/>		Finamore, Alex C.	280	1	✓	1020		0.000000		11/16 - 11/22	08/09/24	40.0000
<input type="checkbox"/>		Gilmore, Maria L.	242	1	✓	4070		0.000000		11/16 - 11/22	08/09/24	40.0000
<input type="checkbox"/>		Gonzalez, Jelena	134	1	✓	2030		32.000000		11/16 - 11/22	08/09/24	40.0000
<input type="checkbox"/>		Johnson, David	287	1	✓	2930		27.000000		11/16 - 11/22	08/09/24	40.0000
<input type="checkbox"/>		Maddox, Emily	212	1	✓	10		16.500000		11/16 - 11/22	08/09/24	40.0000
<input type="checkbox"/>		Moulton, Maddalena	5	1	✓	2930		29.000000		11/16 - 11/22	08/09/24	40.0000
<input type="checkbox"/>		Patterson, James L.	61	1	✓	4060		0.000000		11/16 - 11/22	08/09/24	40.0000
<input type="checkbox"/>		Patterson, Michele G.	209	1	✓	10		15.000000		11/16 - 11/22	08/09/24	40.0000
<input type="checkbox"/>		Smith, Jennifer	281	1	✓	2030		28.000000		11/16 - 11/22	08/09/24	40.0000

One is payroll outsourcing,
and that's been one of the largest

A Growing List of Embedded HCM Partners



Industry: Healthcare

Type: Technology Solution

Average Client Size: ~900



Industry: All

Type: Centers of Influence

Average Client Size: ~60



Industry: All

Type: Technology Solution

Average Client Size: ~30





GTM &
Competition



Partner
Experience



Paycor
Opportunity



Embedded Opportunity Spans the Mid-Market and Accelerates Access






Building a Channel that Drives Accretive Unit Economics

Unit Economics	
Effective PEPM	\$4-6
Gross Margins excluding D&A	75-80%
Customer Acquisition Costs	\$0.25-0.30 per \$1 booked
FCF Margin	40-50%

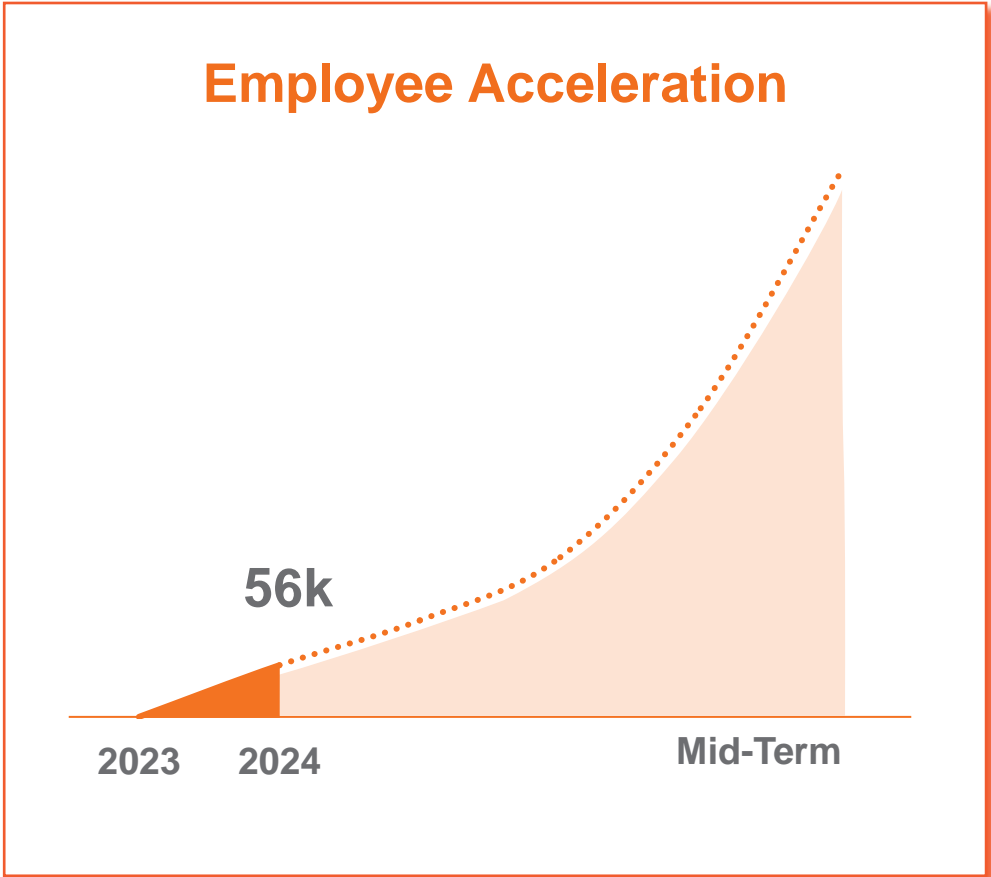
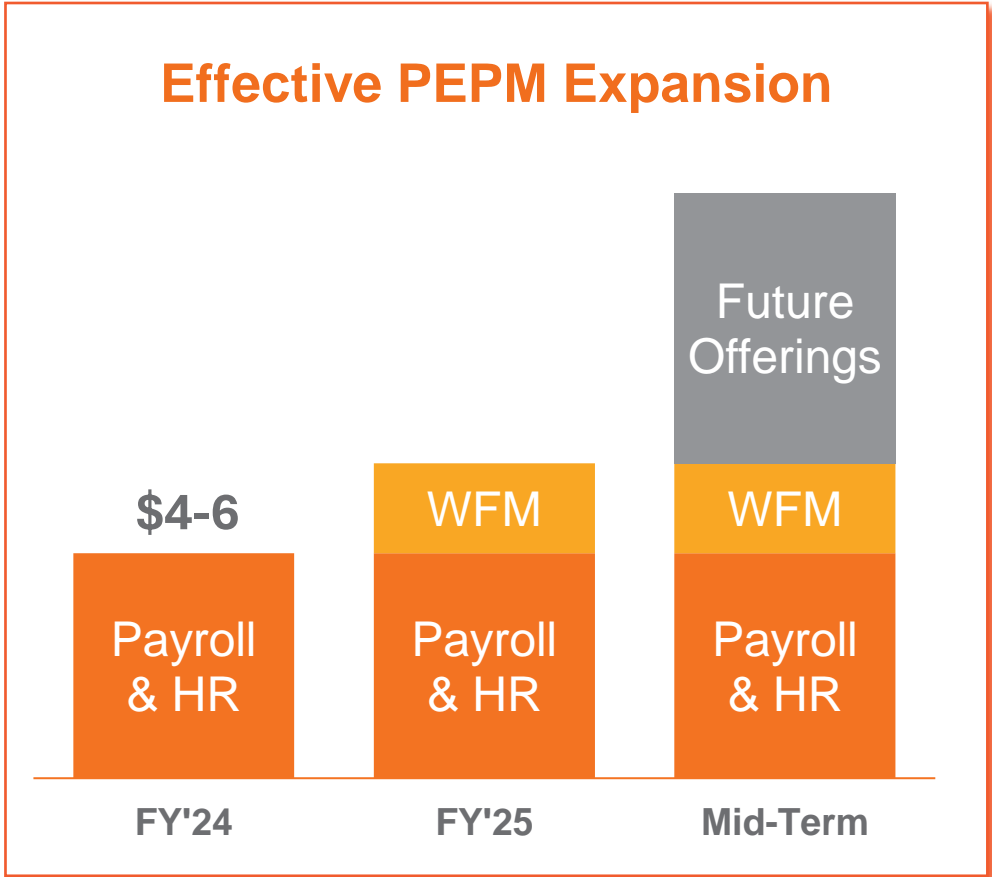
LTV:CAC
2x
Direct

EMBEDDED CHANNEL IMPACT

-  Expanding Distribution
-  Partner Tier 1 Service
-  Upside in Breadth of HCM



Accelerating Embedded HCM PEPM and Employee Expansion



Catalyst for Growth

Break

10 MIN





Product Innovation

CONNECTING LEADERS

Ryan Bergstrom, Chief Product & Technology Officer



**Our Track
Record**



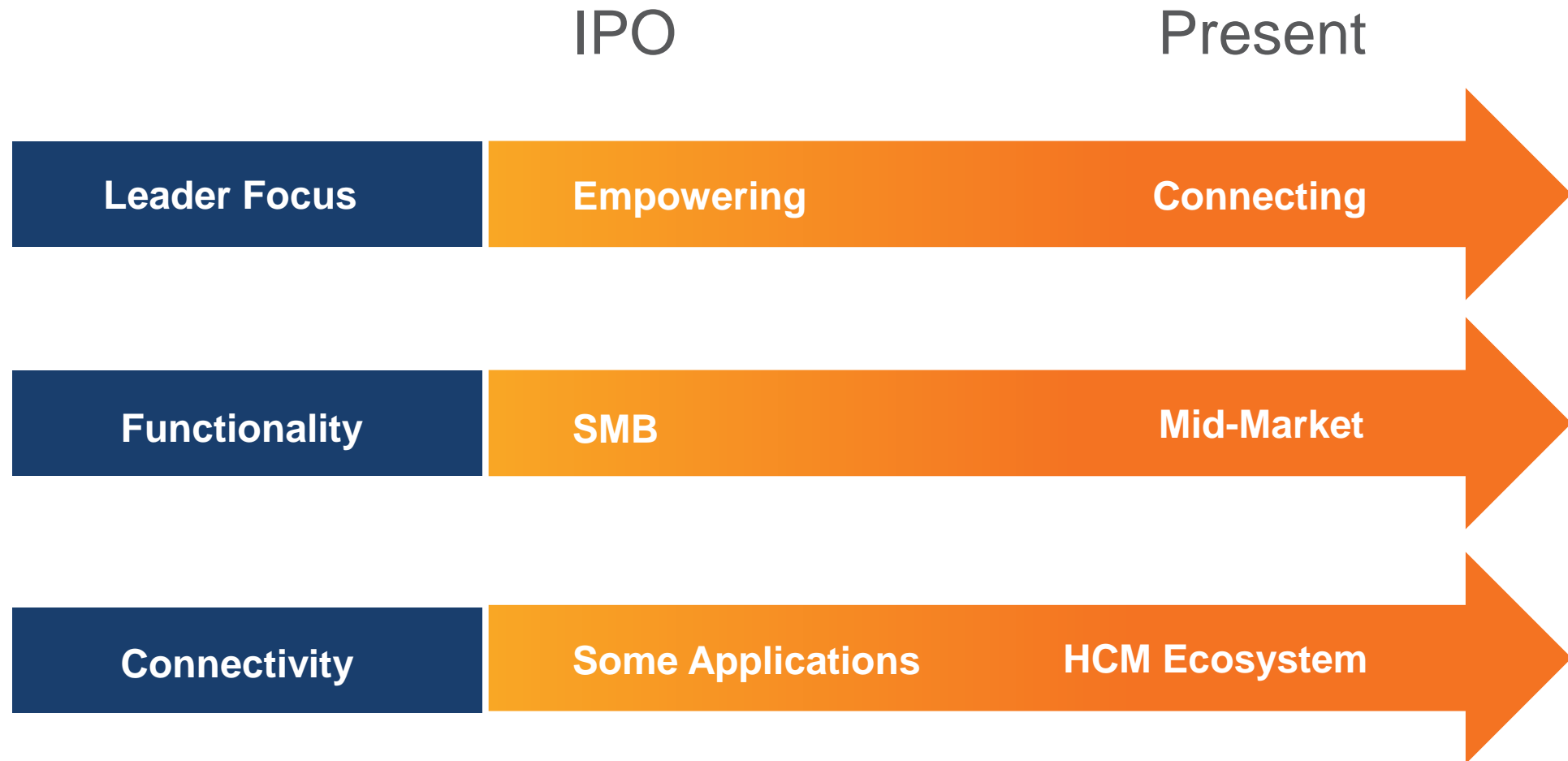
**Our
Differentiation**



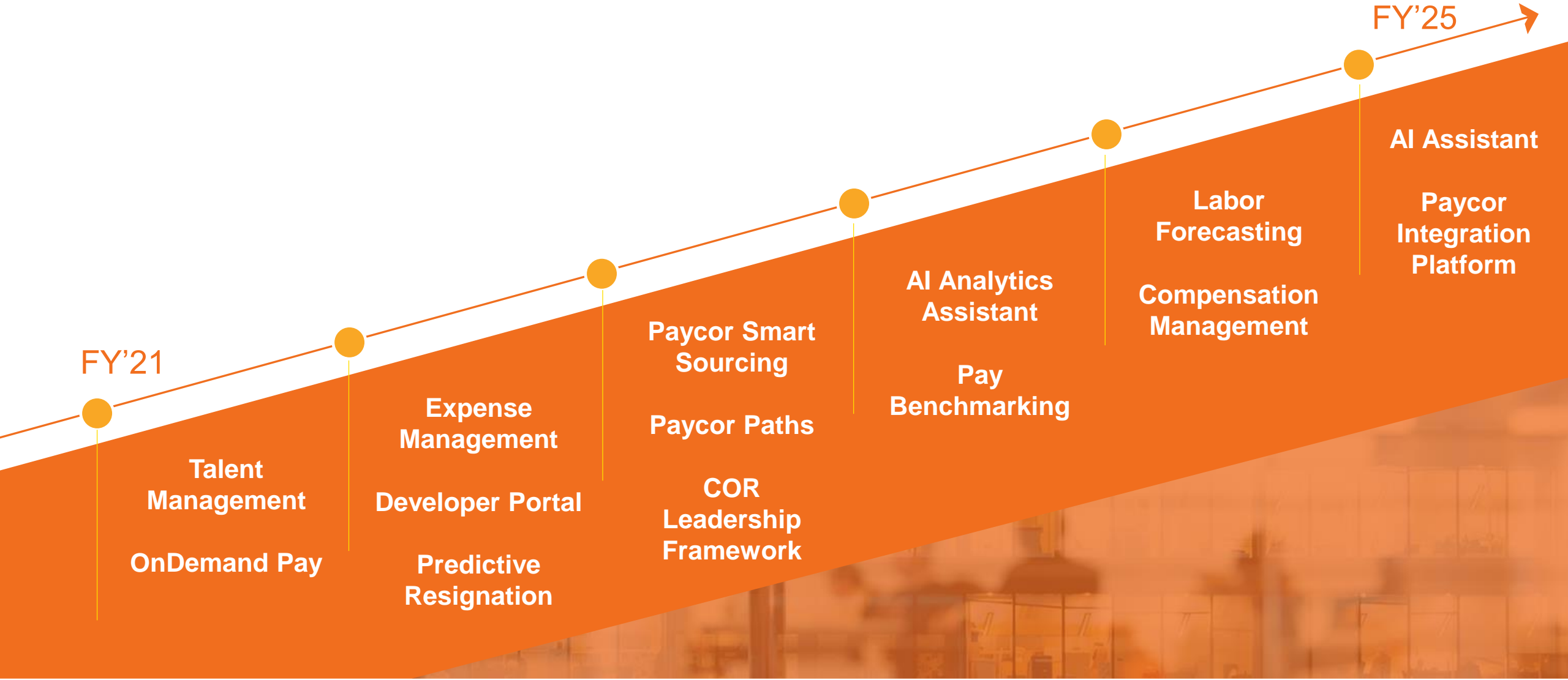
**Our Future
Opportunity**



Driving Innovation to Connect Leaders and Enable Growth Drivers



Paycor Has Continuously Evolved and Expanded to Meet Modern Needs





Our Track
Record



Our
Differentiation



Our Future
Opportunity



The Evolving Workforce is Presenting new Challenges



PEOPLE

Expectations of work have changed, and **employees expect more** from their leaders



DATA

HR leaders juggle a complex, **disconnected tech stack**, causing errors and inefficiencies

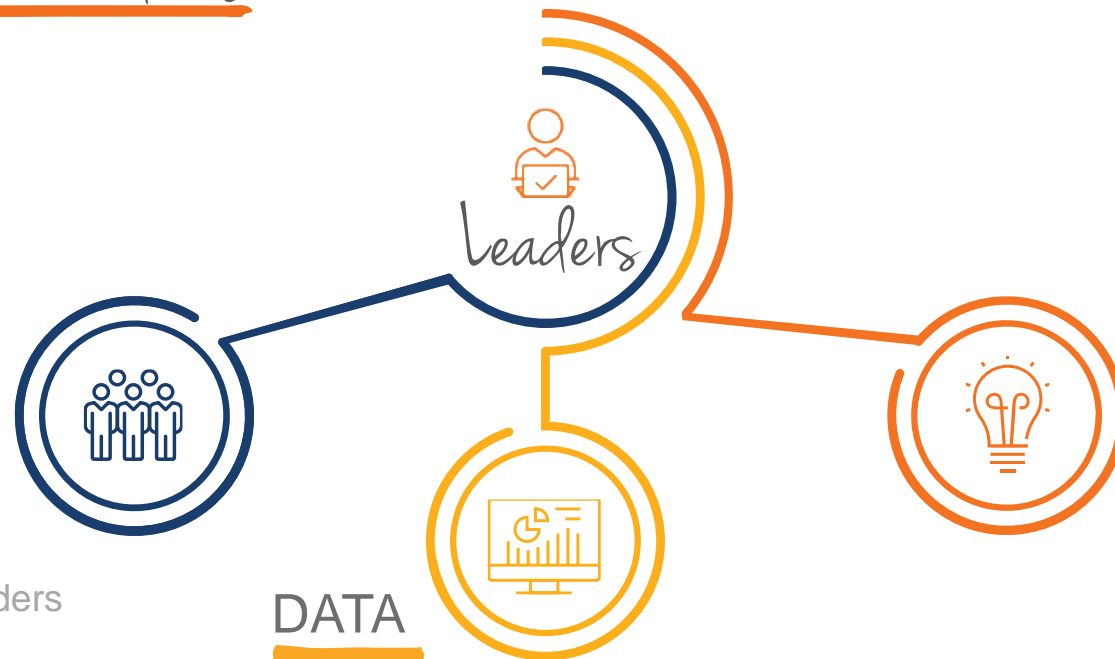


EXPERTISE

Overburdened HR leaders are being **asked to do more** in a complex regulatory environment



We are Connecting Leaders



PEOPLE

Expectations of work have changed, and **employees expect more** from their leaders

Deliver technology that empowers leaders to drive **employee engagement** and **deliver results**

10% Improvement in Employee Retention ⁽¹⁾

DATA

HR leaders juggle a complex, **disconnected tech stack**, causing errors and inefficiencies

Connect with mission-critical business applications

320+ Pre-built connections with leading technology partners

EXPERTISE

Overburdened HR leaders are being **asked to do more** in a complex regulatory environment

Automate routine tasks and provide **expert guidance** to eliminate cases

~1m AI-powered interactions across the platform ⁽²⁾

Paycor Differentiation – Connecting Leaders to People, Data, & Expertise

Paycor's all-in-one HR platform connects with your tech stack.



INNOVATION ROADMAP

The Paycor roadmap is focused on driving value true to our mission.

Connecting leaders to:

- **People** via the COR Leadership Framework
- **Data** via the Paycor Integration Studio
- **Expertise** via the AI powered Paycor Assistant

Connecting to People

Only Paycor helps customers create a talent practice to power results



10%

Improvement in retention

40%+

Talent revenue CAGR FY'21-FY'24

Leader Insights



My Overall Score **64%**

Launch a Path

Launch Leadership Survey

Coach Index	55%
Sets Role Expectations	29%
Documents Development Plans	39%
Provides Consistent Feedback	66%
Regular Check Ins	59%
Helps Develop Goals	81%

Optimize Index	56%
Removes Roadblocks	39%
Provides Clear Direction	62%
Holds Employee Accountable	88%
Motivates Team	54%
Conducts Performance Reviews	39%

Retain Index	82%
Recognizes Performance	86%
Understands Motivations	72%
Celebrates Wins	68%
Evaluates Compensation & Benefits	88%
Drives Personal Connection	94%

Team Insights

1:1s ⓘ

40%

% of 1:1s completed in the past 30 days

[View Details](#)

Recognitions ⓘ

55%

% of team who received recognition in past 12 months

Performance Reviews ⓘ

75%

% of Performance Reviews completed in the past 6 months

[View Details](#)

PTO ⓘ

50%

Average % of PTO Taken

[View Details](#)

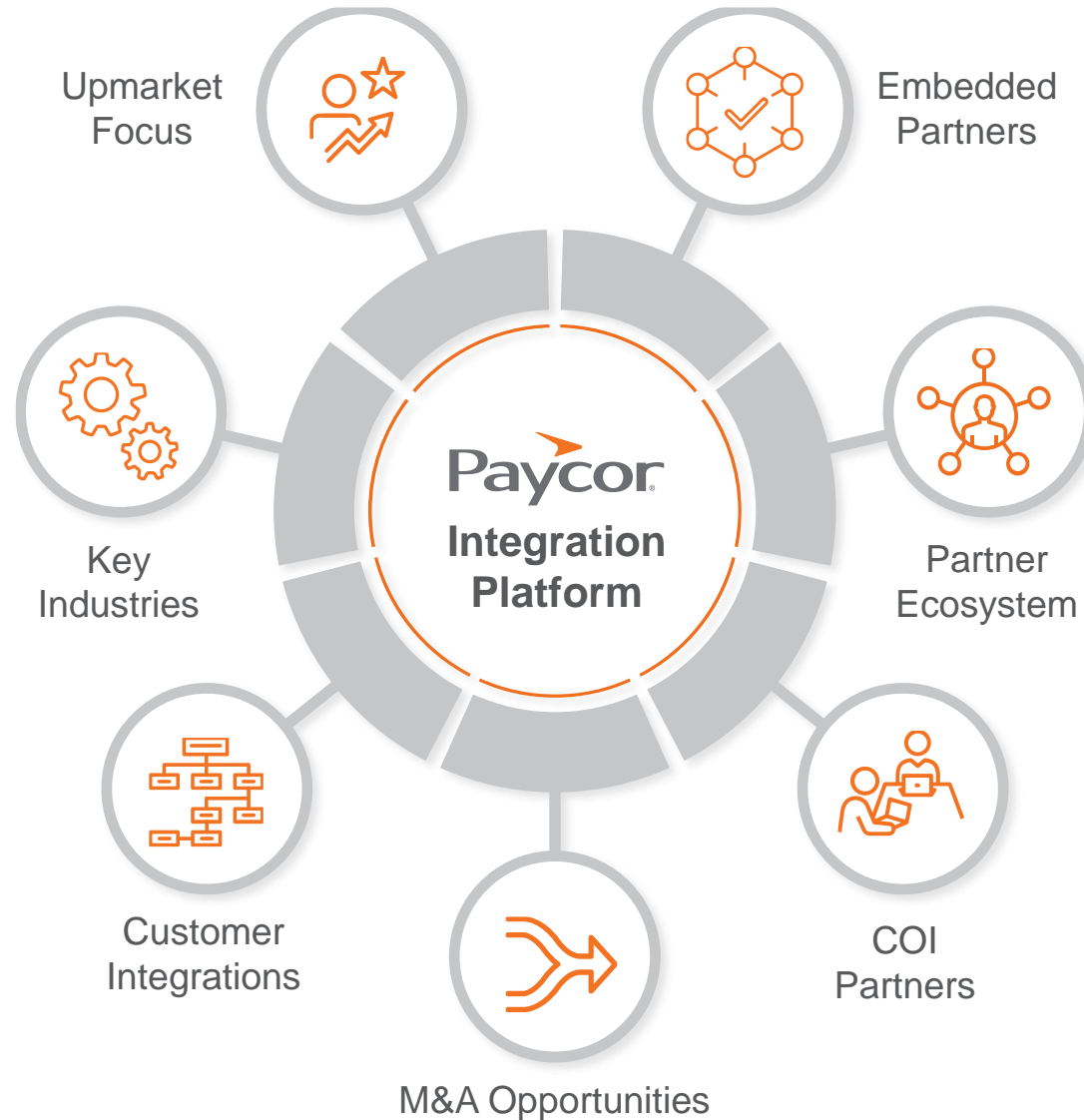
Recognition Details [Recognize an Employee](#)

	Jan Johnson #2254 Title: Associate	Last Recognition: n/a # of Recognitions: 0
	Ted Gunther #4543 Title: Lead Associate	Last Recognition: n/a # of Recognitions: 0
	Susan Black #4549 Title: Associate	Last Recognition: 1 day # of Recognitions: 2
	Emily Smith #4600 Title: Manager	Last Recognition: 5 day # of Recognitions: 20

Connecting to Data

320+
Marketplace
Partners

900%
Increase in API
usage in ~4 years



Leaders crave Seamless Integration across a growing Technology Stack

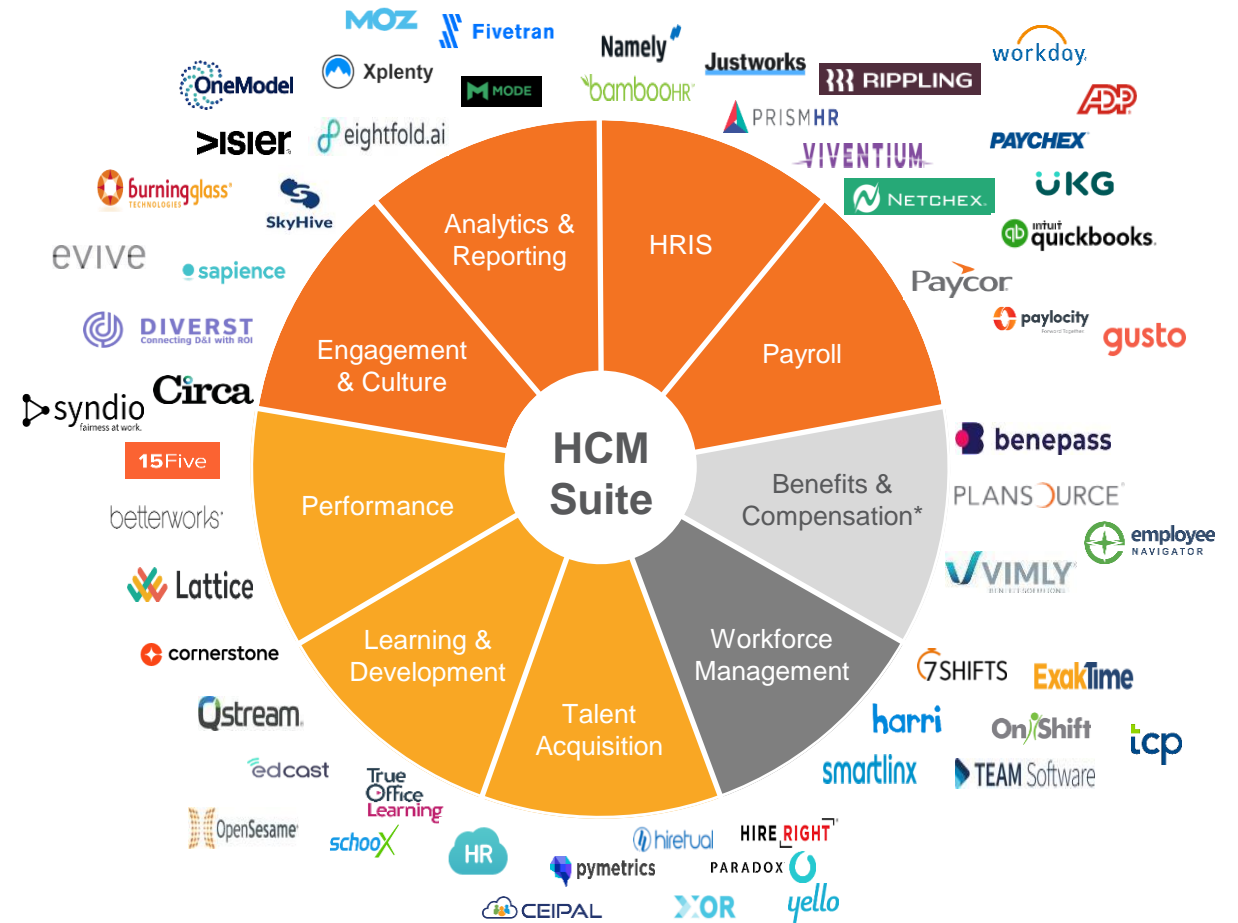
Expanding tech stacks creates a disjointed experience

49% HR professionals leverage 7-10 systems⁽¹⁾

83% View product integrations as one of their biggest priorities⁽²⁾

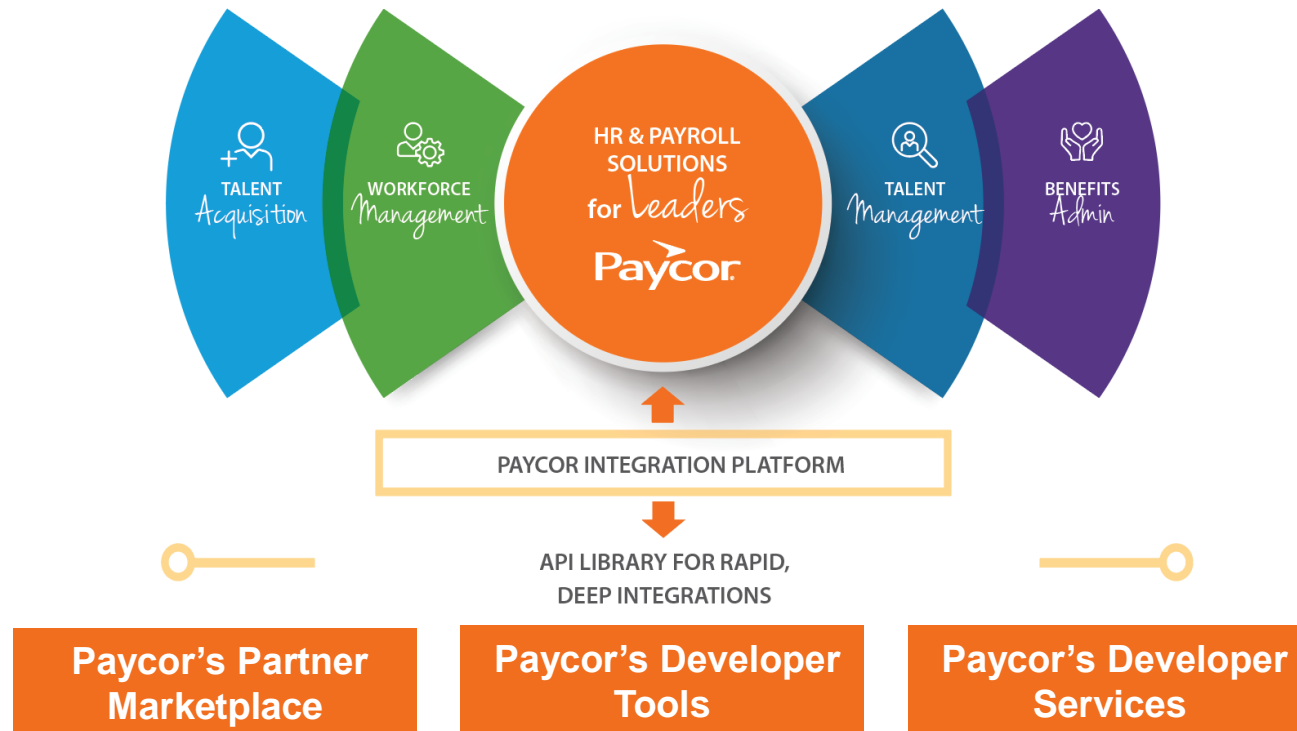
58% Less likely to churn when integrations exist⁽³⁾

Leaders demand an integrated tech stack to gain **efficiencies**, derive valuable **insights**, and deliver an amazing **employee experience**



Paycor's Integration Platform

Paycor's all-in-one HCM platform connects with your tech stack.



The MOST Open HCM Platform

150+ API endpoints across our unified solution

Faster Product Innovation

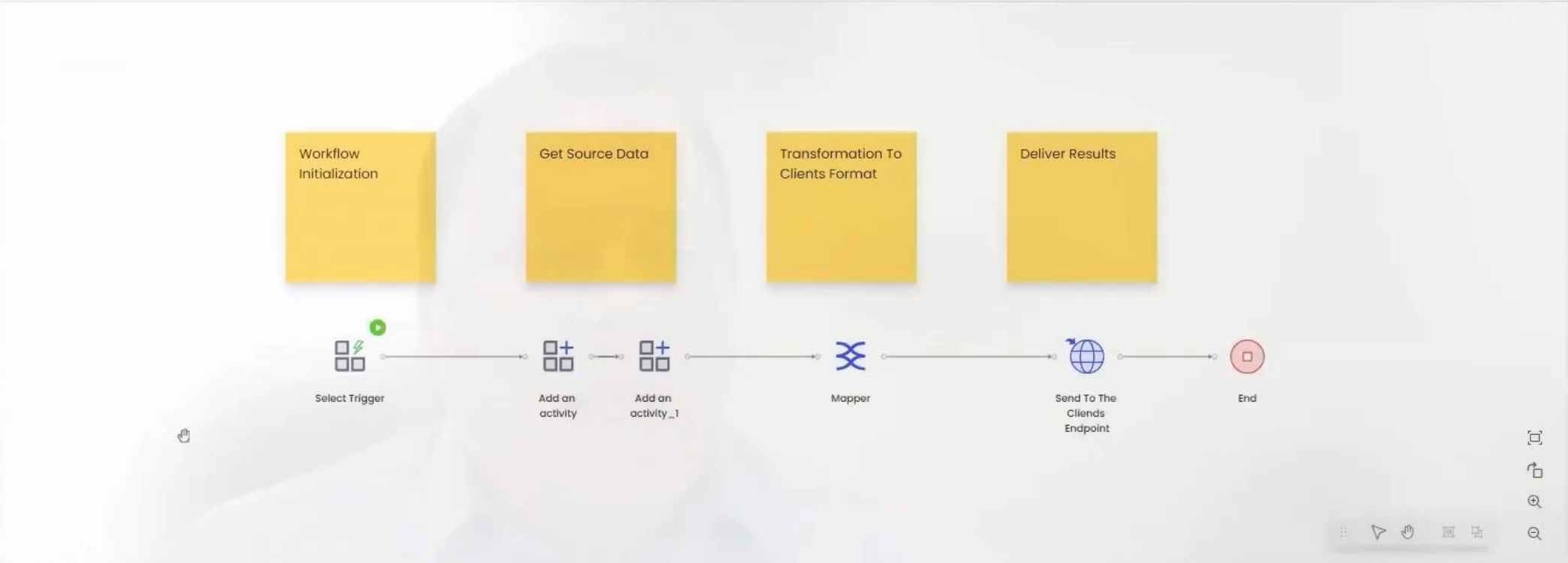
The Paycor Integration Platform allows us to expand our solution faster than our competition – both organically and via M&A

Faster PEPM Growth

Faster innovation means Paycor can continue to expand our PEPM and TAM to power growth

Applications

- ▼ Demo
 - ▼ Workflows
 - Demo Workflow
 - Example Flow
 - Sample Workflow
 - ▼ Resources
 - ▼ Schemas

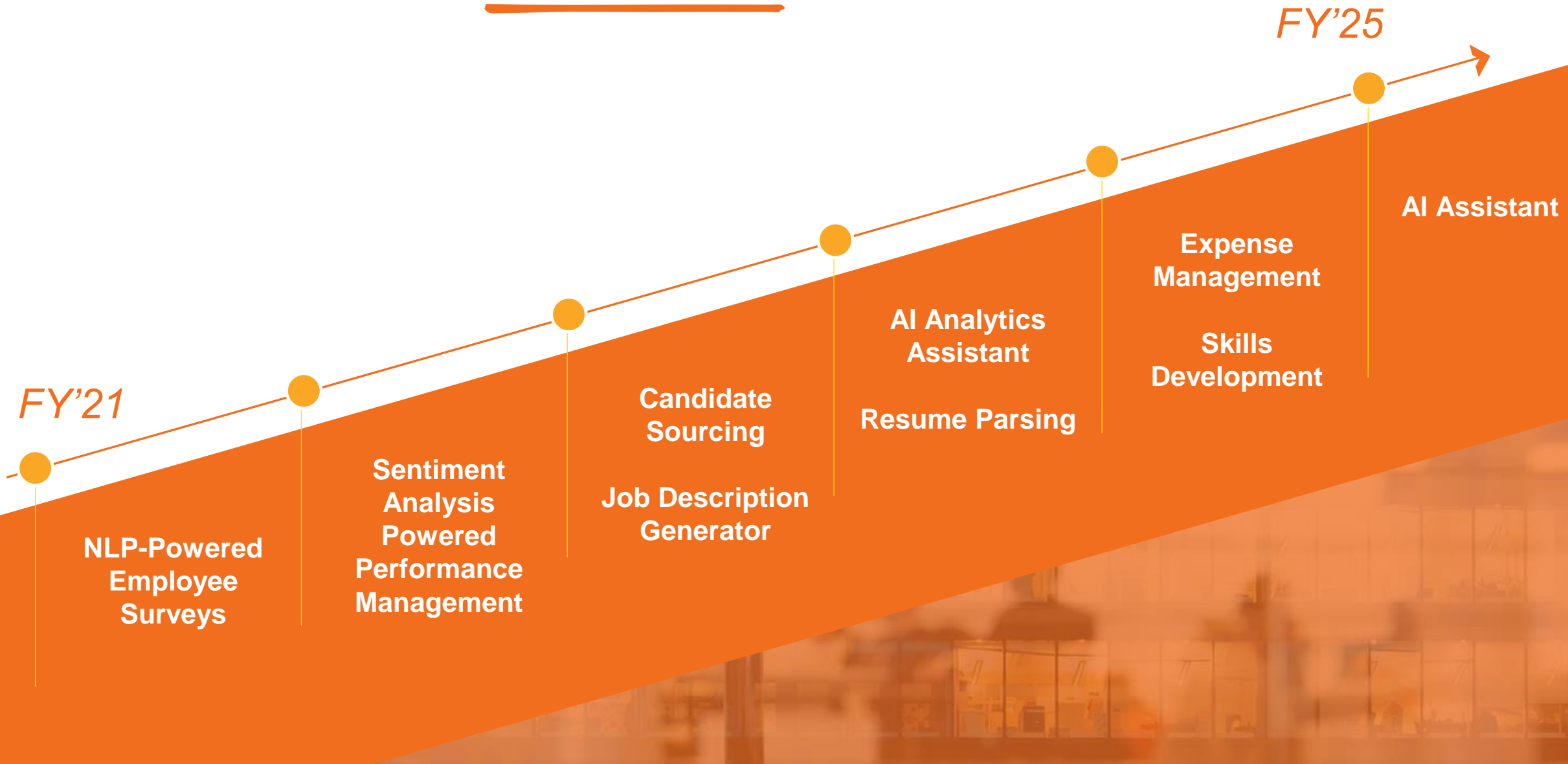


Demo Workflow

Configuration | Workflow Context

Name	Description
<input type="text" value="Demo Workflow"/>	<input type="text" value="Enter description of component"/>

Paycor Has Continuously Innovated in AI to Meet Modern Needs



Connecting Leaders to Expertise

The Challenge

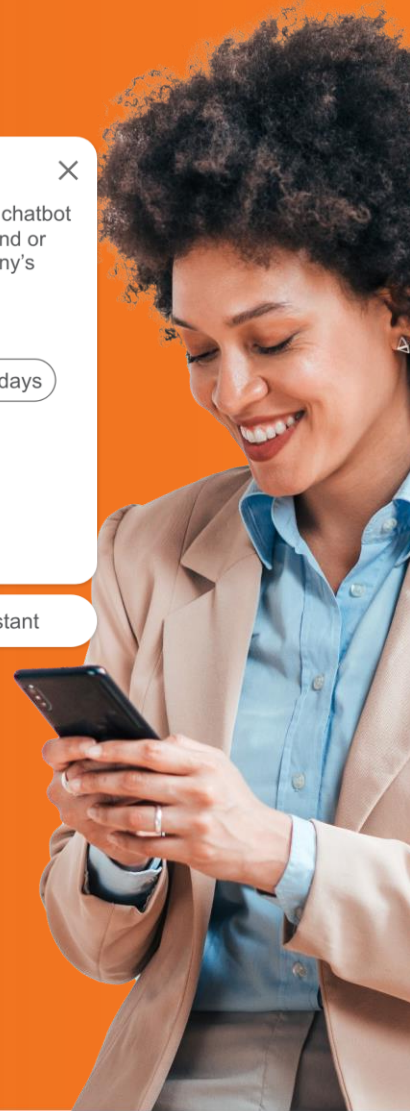
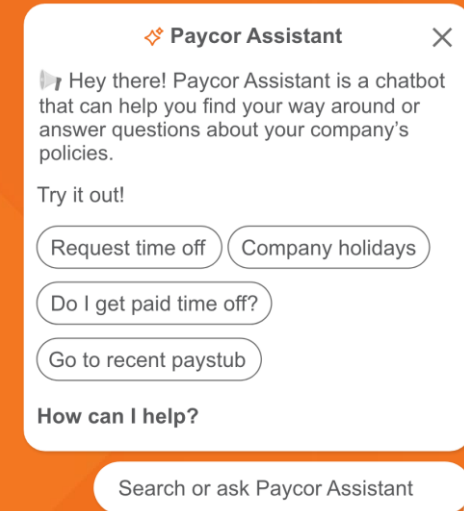
Business leaders are overwhelmed; they're expected to be experts and know the answers to everything...all the time

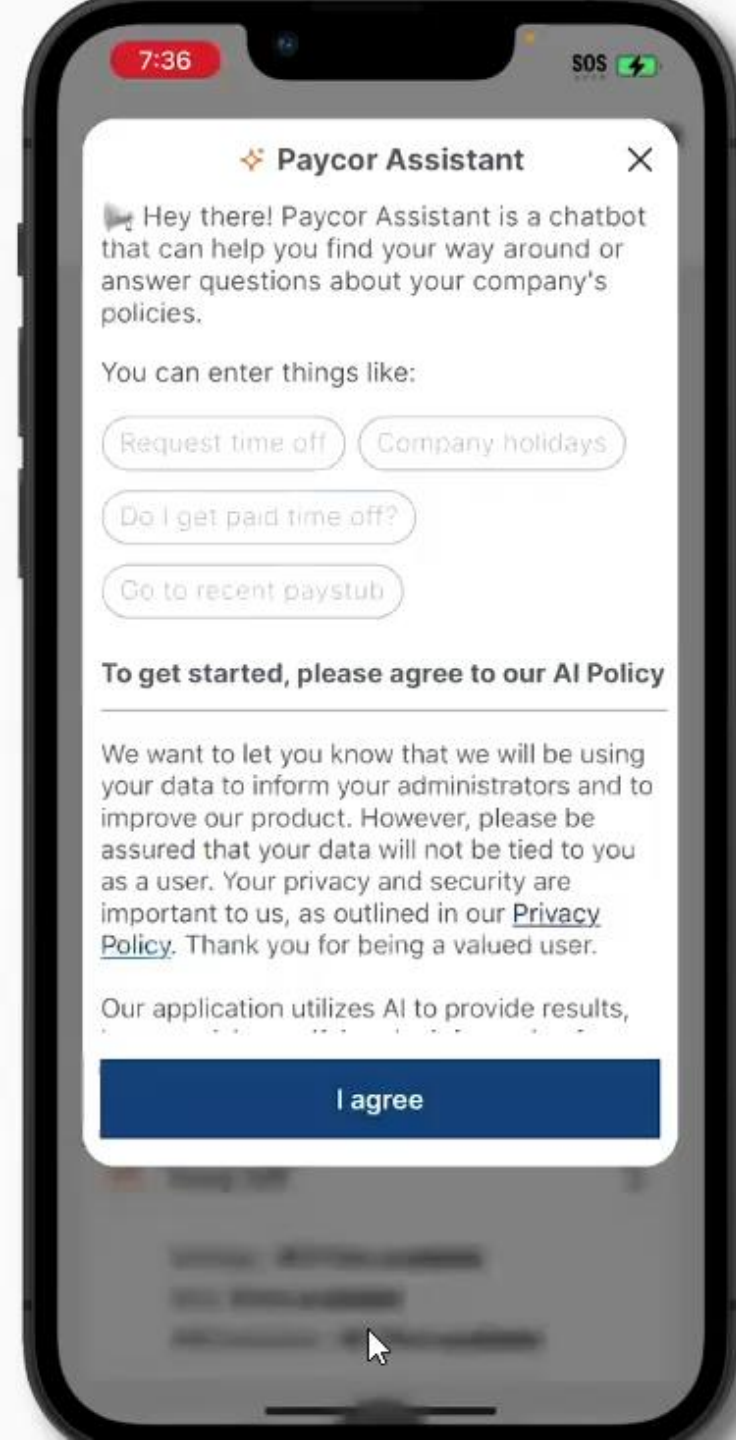
Leadership is an “always-on” challenge

Our Solution

The AI-powered Paycor Assistant

- Expert guidance for employees on questions and common tasks
- Right in the palm of their hand to fit into their busy lives
- Leaders have more time to focus on what matters – business results







Our Track
Record



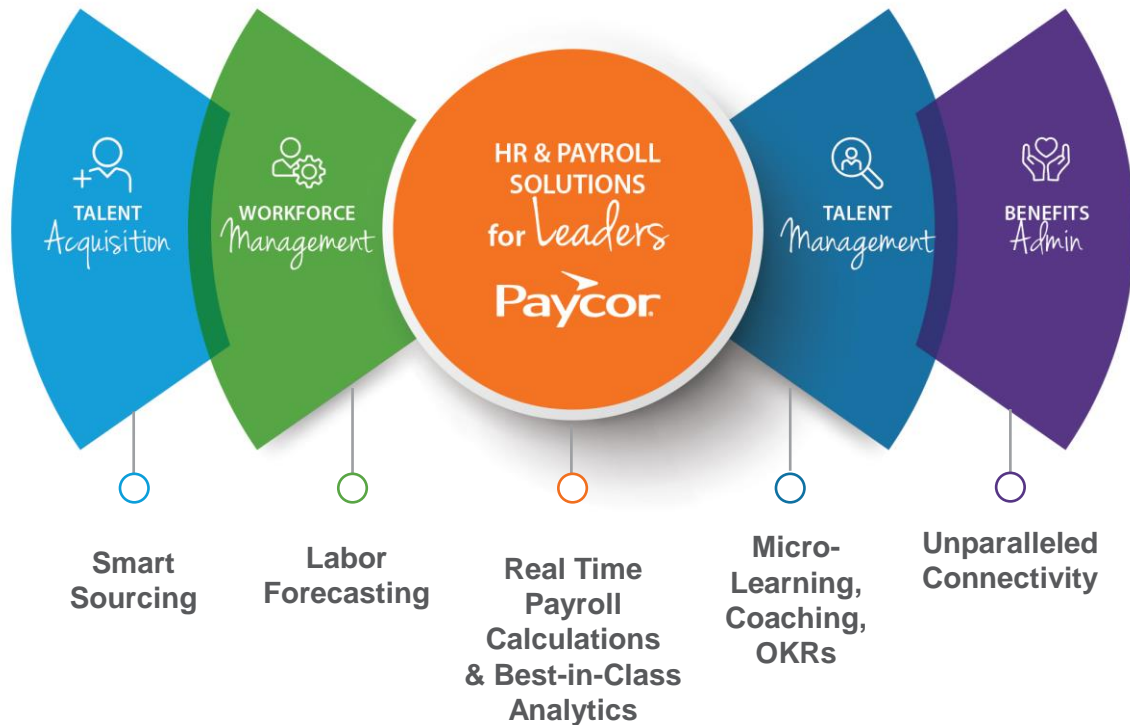
Our
Differentiation



**Our Future
Opportunity**



Robust Platform Drives Results & ROI



Connecting to People

"We have decentralized leadership. People management can't all be contained in HR. We want to empower our leaders."

Mid-Market services company vs. Paylocity

Connecting to Data

"Paycor's integration capabilities with NetSuite were superior to other vendors."

Mid-Market services company vs. ADP

Connecting to Expertise

"Paycor has a self-sourcing tool that nobody else has."

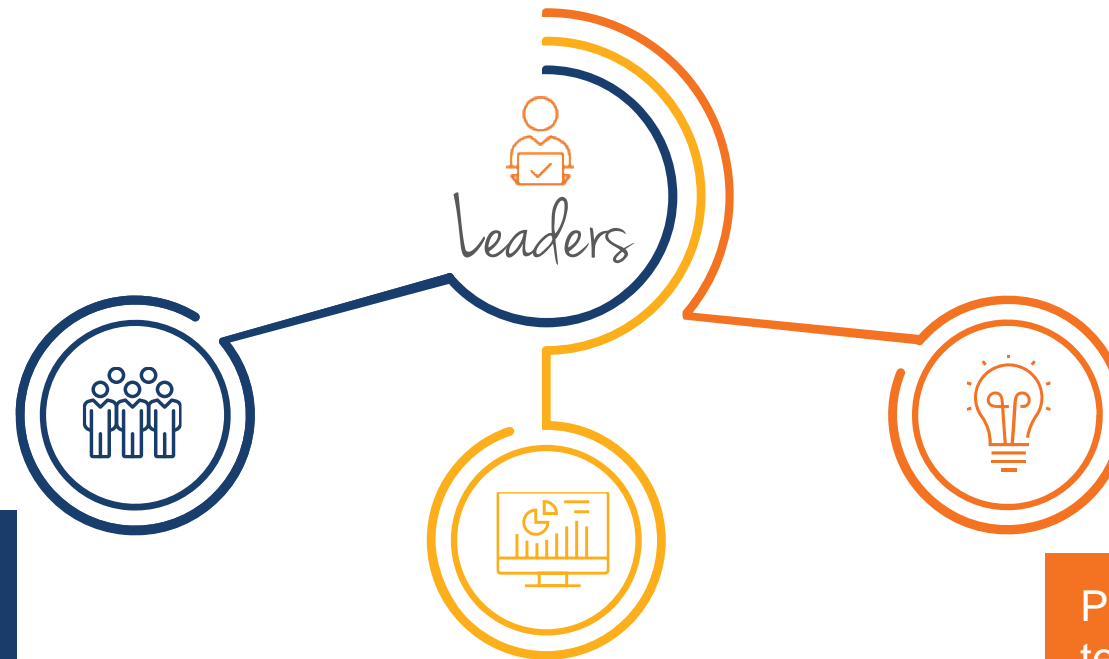
Mid-Market healthcare company vs. UKG



Award-winning Platform Continues to be Recognized



The Future of HCM is Connected



PEOPLE

Paycor is a behavior change tool that helps companies attract, retain, and motivate a **multigenerational workforce** while navigating the **new social contract** to inspire engaged employees that drive results.

DATA

Paycor integrates seamlessly into the way you work while harnessing **AI** to deliver critical insights that drive better hires, retention and productivity.

EXPERTISE

Paycor is an extension of your team, anticipating actions, proactively resolving issues, and providing the guidance you need to feel confident navigating the **distributed and agile workforce**.



Product Innovation Connects
Leaders and Fuels Growth





Financial Framework

PATH TO RULE OF 40

Adam Ante, Chief Financial Officer



Driving Durable
Growth



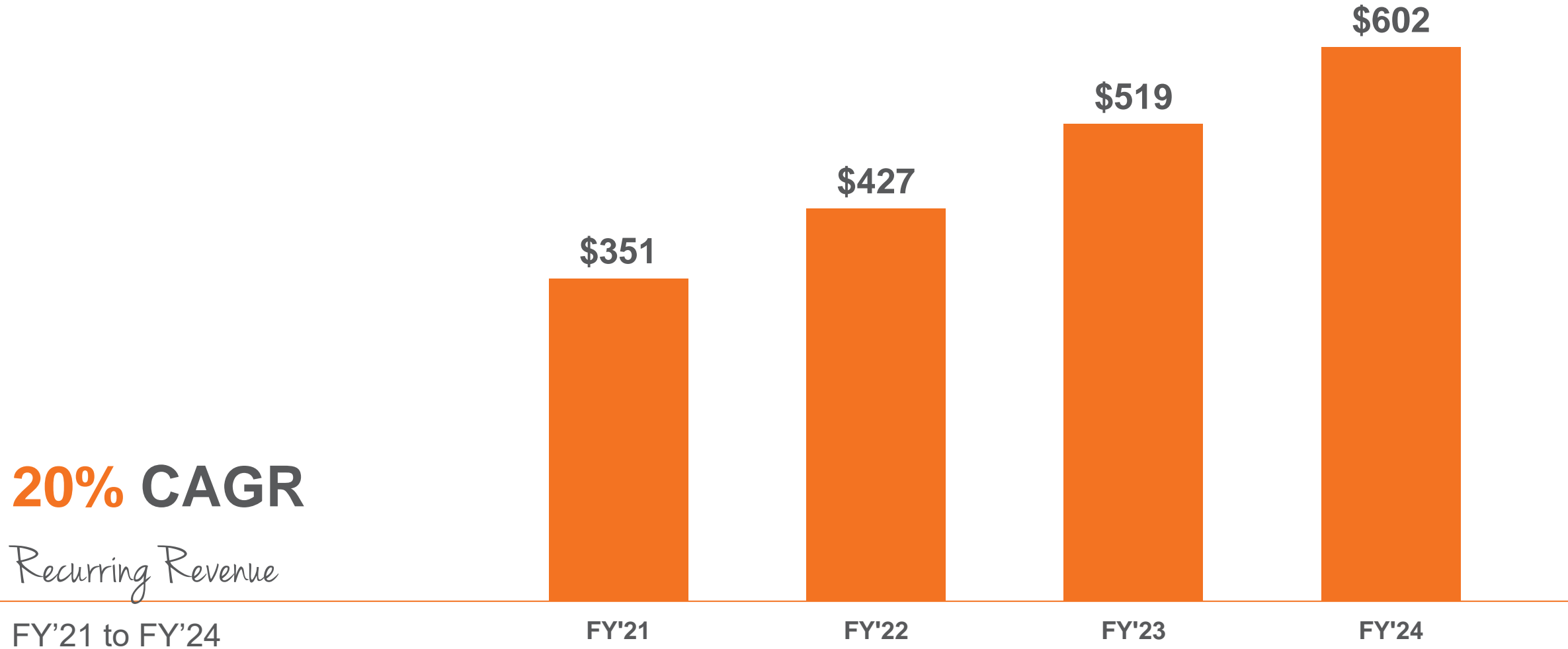
Accelerating
FCF



Creating Long-Term
Shareholder Value



Our Growth Continues to Outpace the HCM Market



\$ Millions

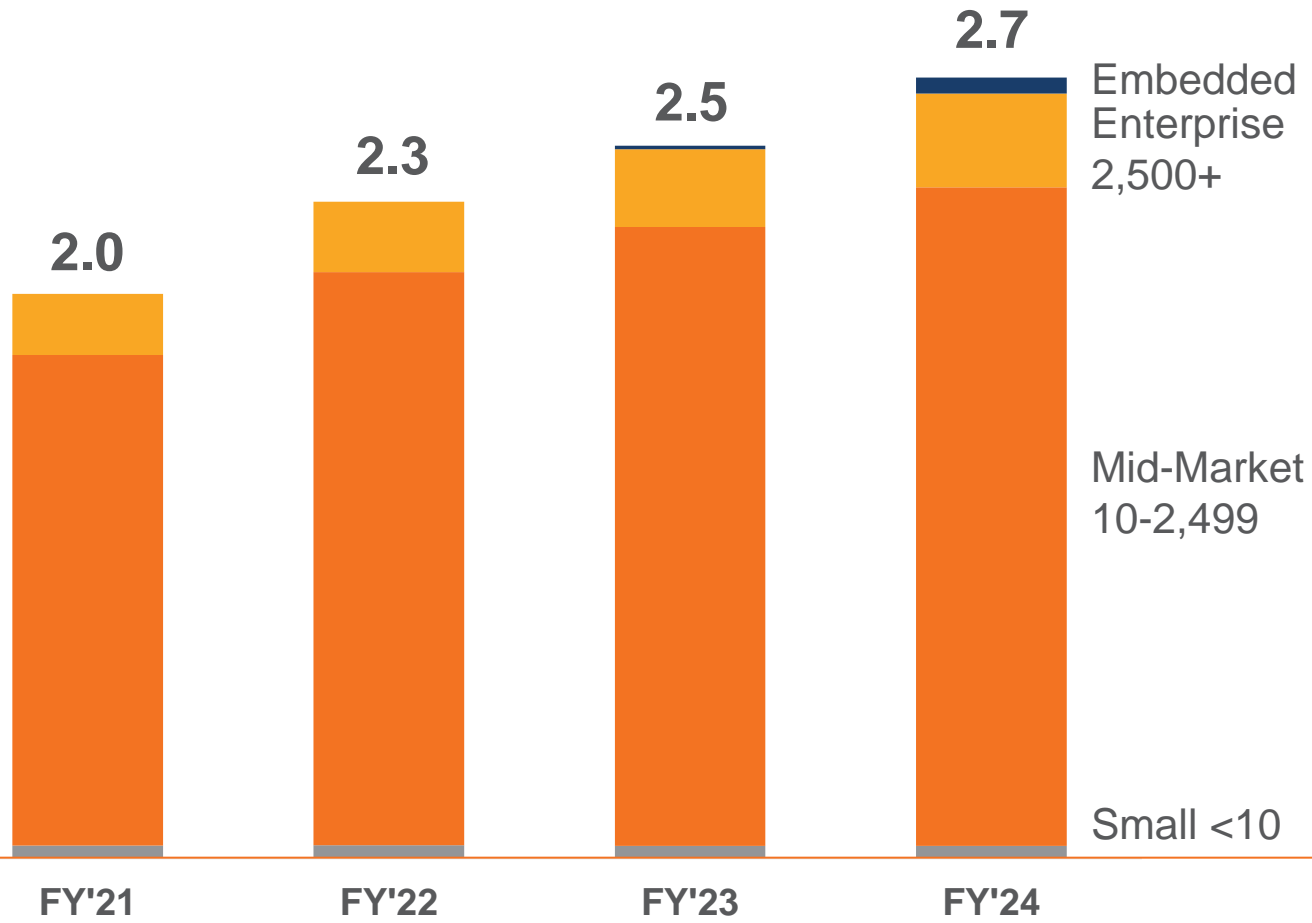


Mid-Market Focus is Driving our Growth

10% CAGR

Customer Employee Growth

FY'21 to FY'24

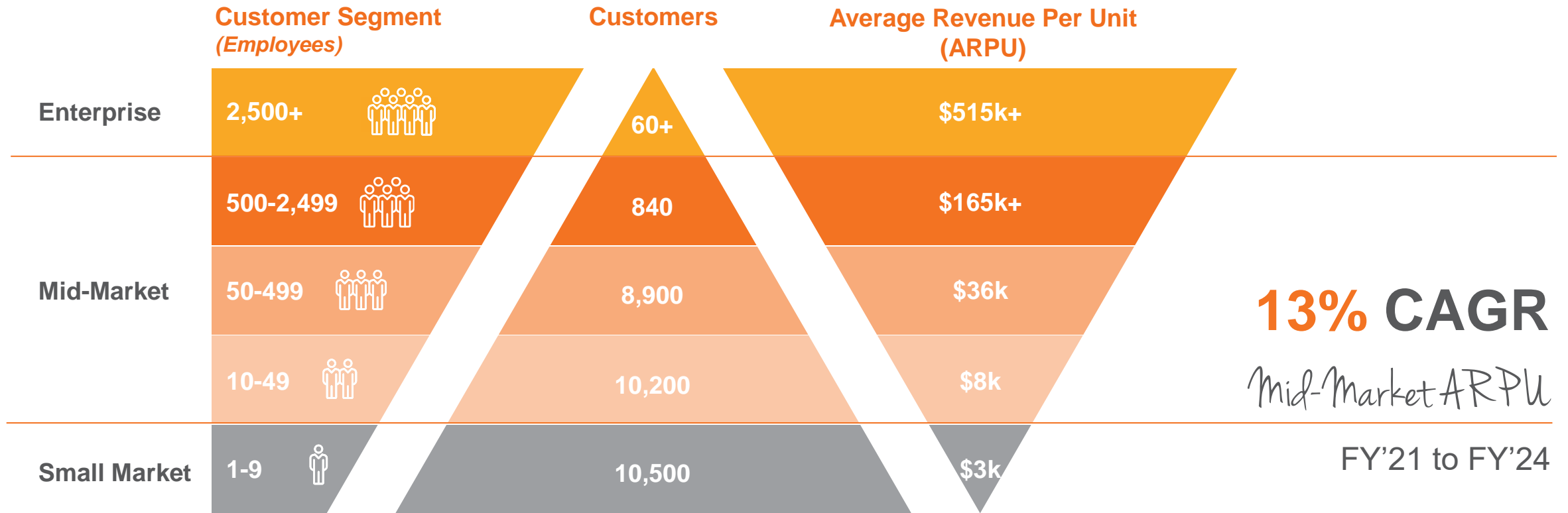


2x
Employee Growth
500+ Segment

Millions of employees



Direct Unit Economics Dramatically Improve in the Mid-Market



Expanding Upmarket to 2,500 Employees is a Catalyst for Efficient Growth

2.3x+

larger employee size

1.5x+

more product adoption

1.4x+

average revenue per customer

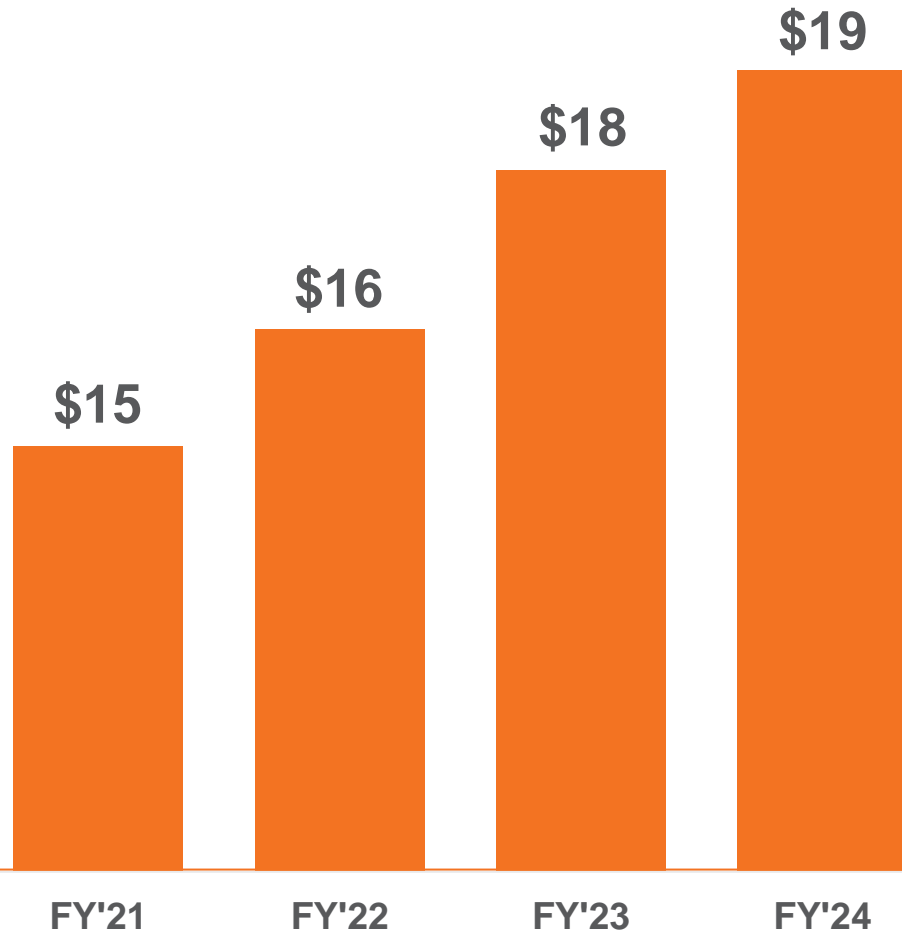
+100% LTV:CAC Improvement

Product Innovation Fuels Effective PEPM Expansion

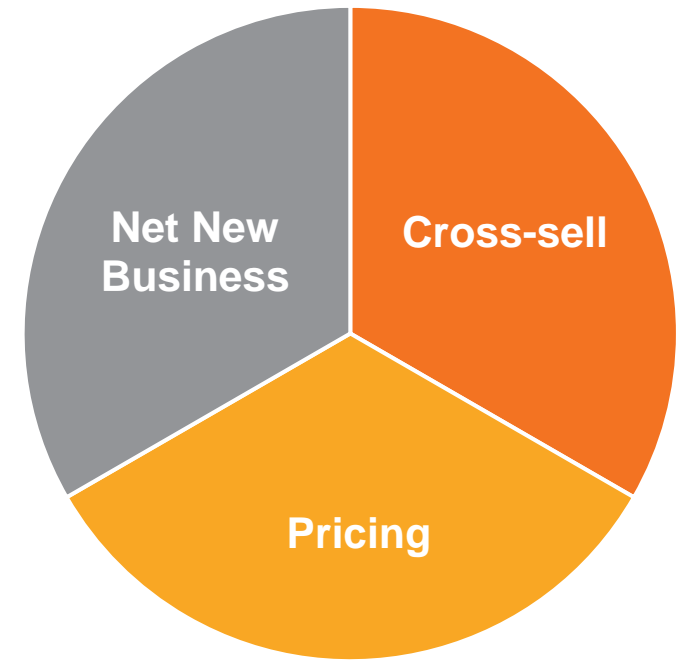
9% CAGR

Effective PEPM Growth

FY'21 to FY'24



Direct Channel Growth Contribution

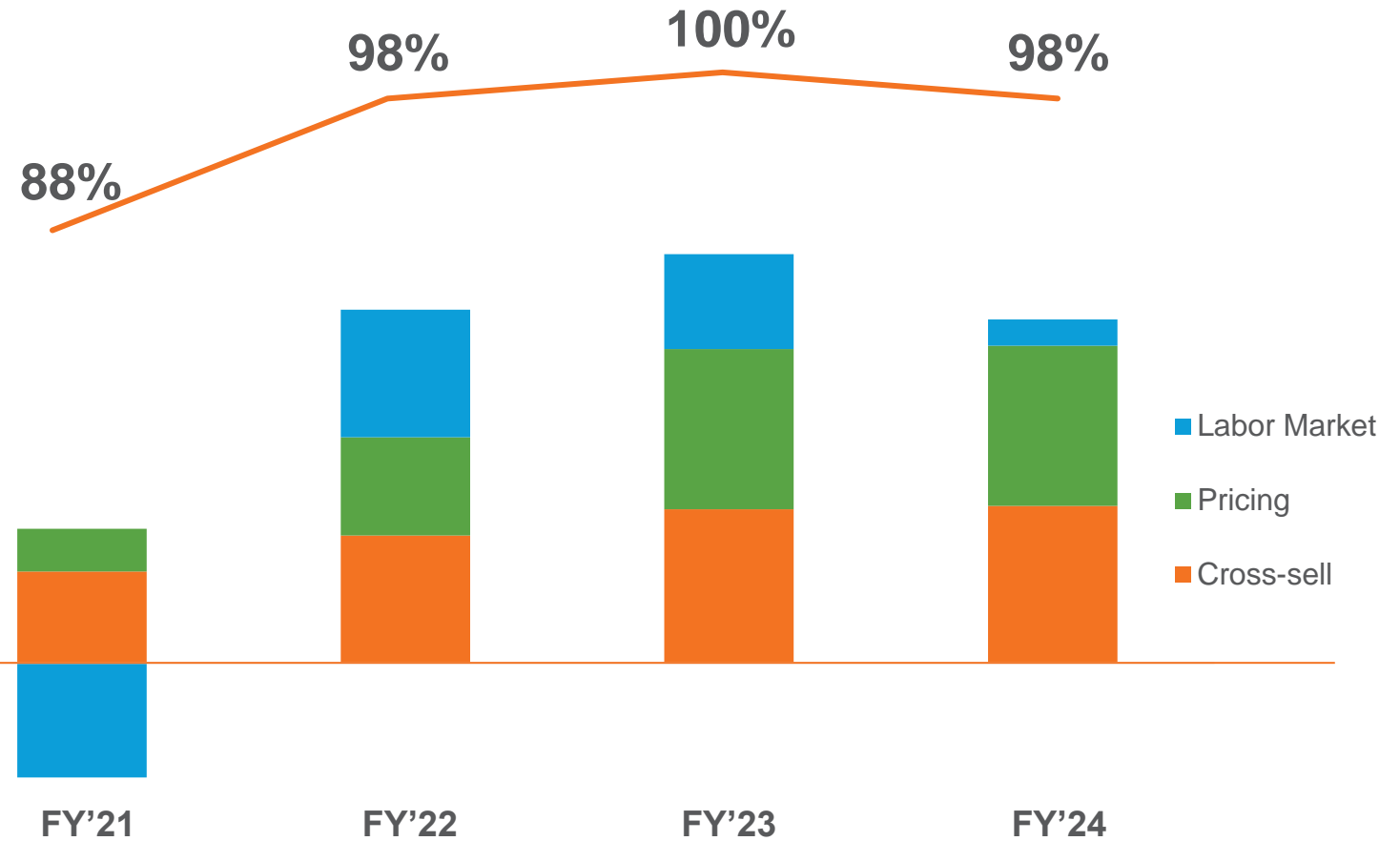


Strong Cross-sell Motion has Remained Stable in a Sluggish Macro

Consistent

Gross Revenue to Net Revenue

FY'21 to FY'24

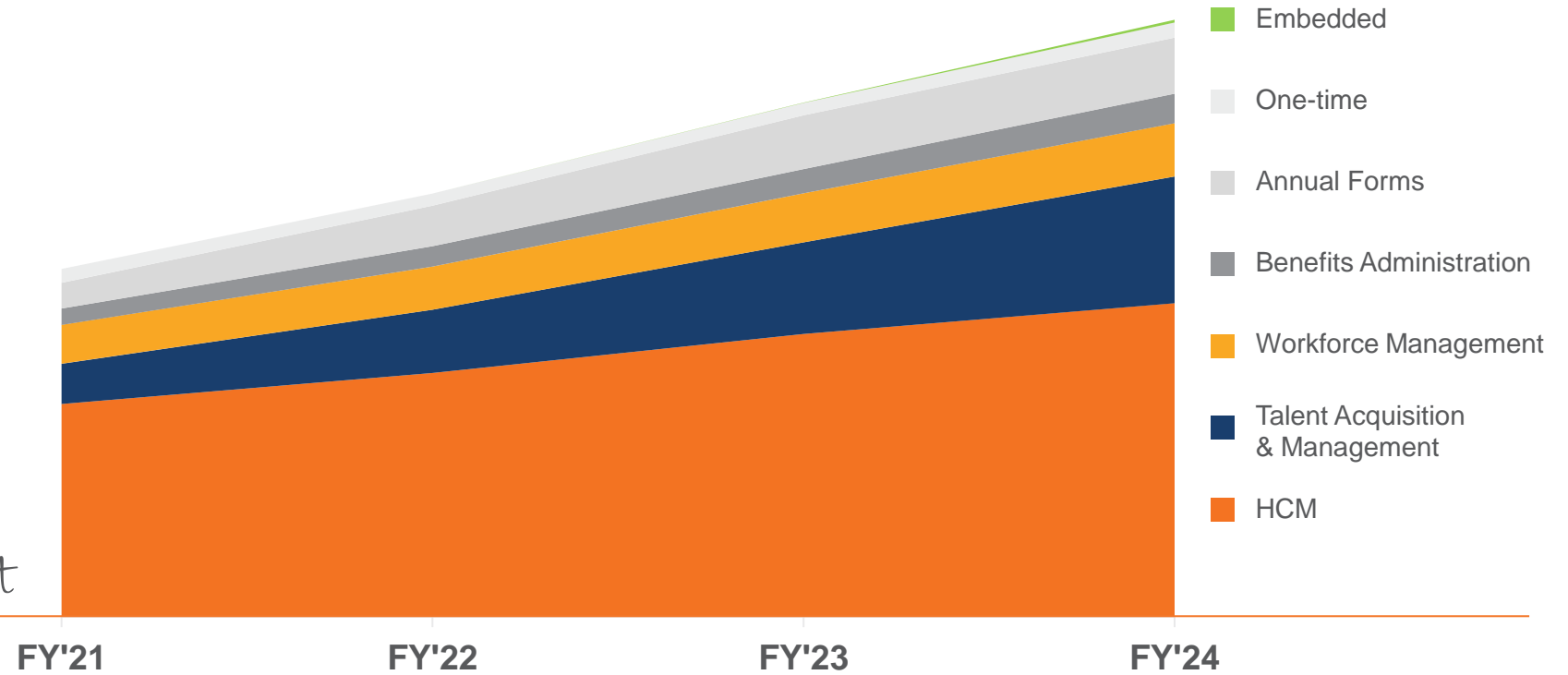


Strong Product Revenue Growth with Plenty of White Space

40%+ CAGR

Talent Acquisition & Management

FY'21 to FY'24



Embedded Channel Accretive to Growth and Profitability

	Accretive	Similar
Recurring Revenue	➤	
Net Revenue Retention		➤
Gross Margin		➤
AOI Margin	➤	
FCF Margin	➤	



**Important Accelerator
of FCF Generation**



Embedded Channel Enables Efficient Share Capture

25x

Growth opportunity
Mid-Term

2x

LTV:CAC advantage
over Direct

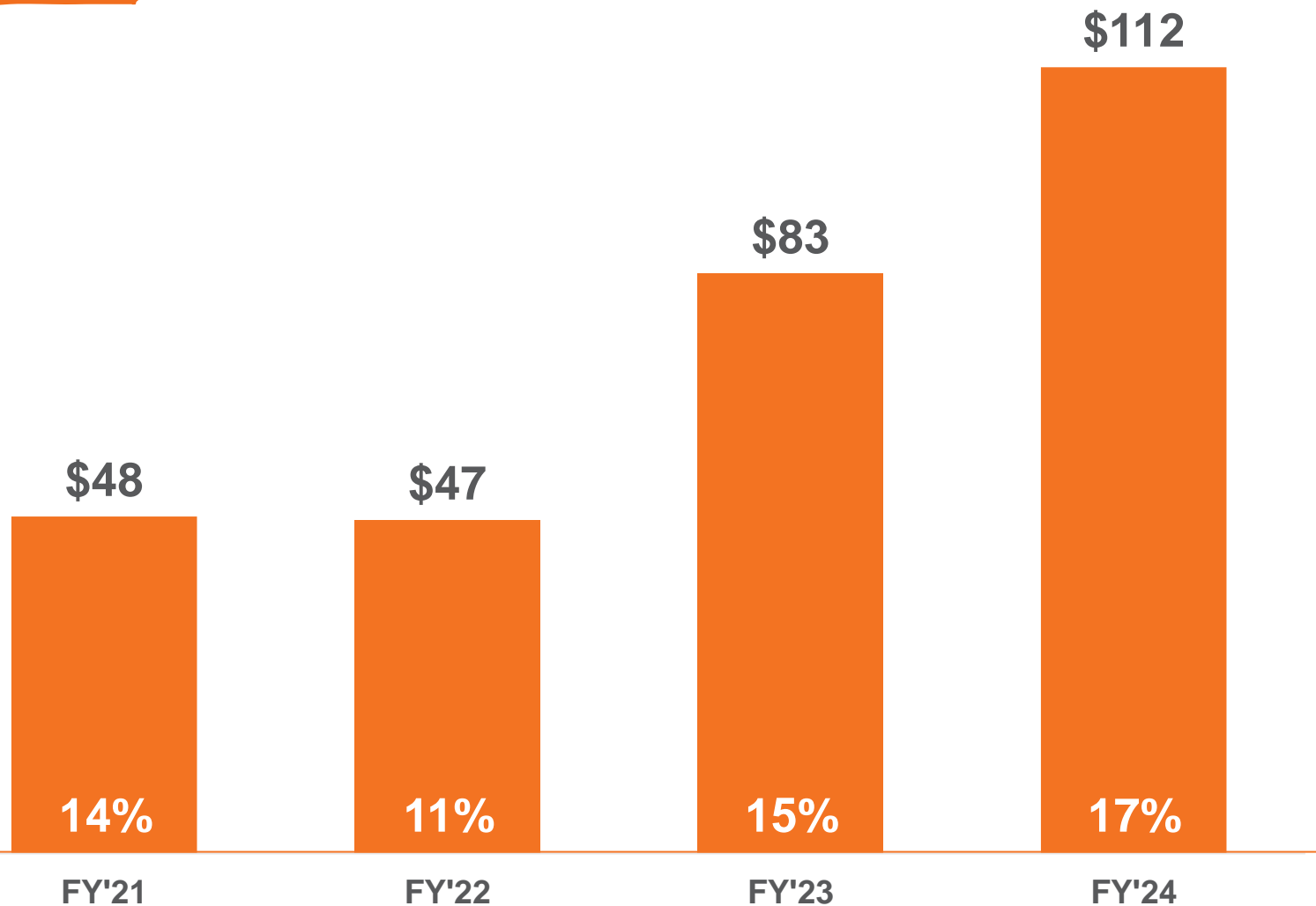


Operating Structure Built to Scale

33% CAGR

Adjusted Operating Income & Margin

FY'21 to FY'24



\$ Millions

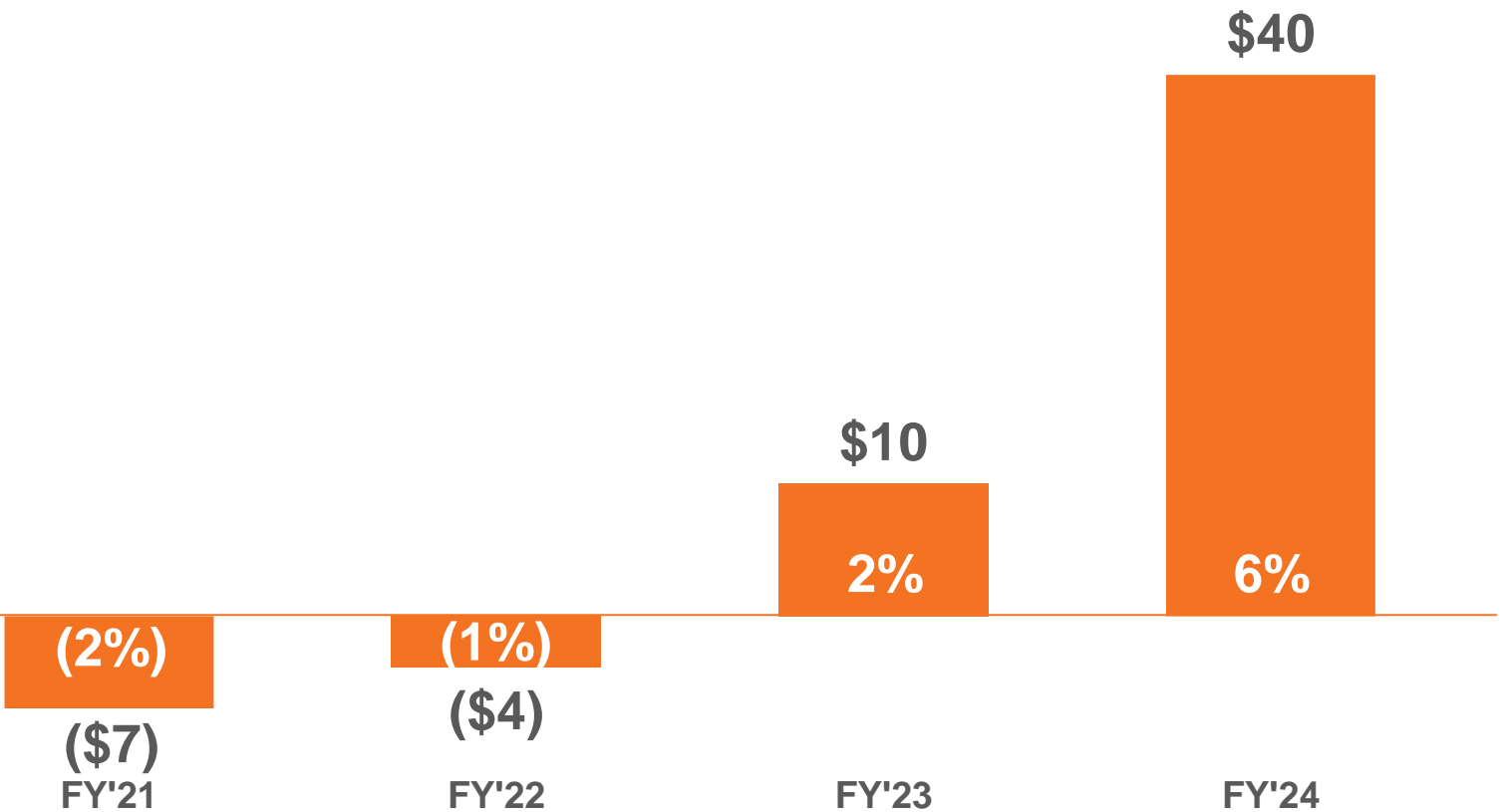
FCF is Accelerating as we Leverage our GTM & Product Investments

\$98M Net Cash⁽¹⁾

+800bps

Adjusted Free Cash Flow & Margin

FY'21 to FY'24



\$ Millions

➤ (1) Net cash as of 9/30/24.

Reiterating FY'25 Guidance

	Q2 FY'25	FY'25
Recurring & Other Revenue	\$164 to \$166	\$678 to \$683
<i>Year-over-year Growth at Mid-point</i>	12%	13%
Interest Income	\$12	\$48 to \$50
Total Revenue	\$176 to \$178	\$726 to \$733
<i>Year-over-year Growth at Mid-point</i>	11%	11%
Adjusted Operating Income	\$26 to \$27	\$127 to \$130
<i>Adjusted Operating Income Margin</i>	15%	18%

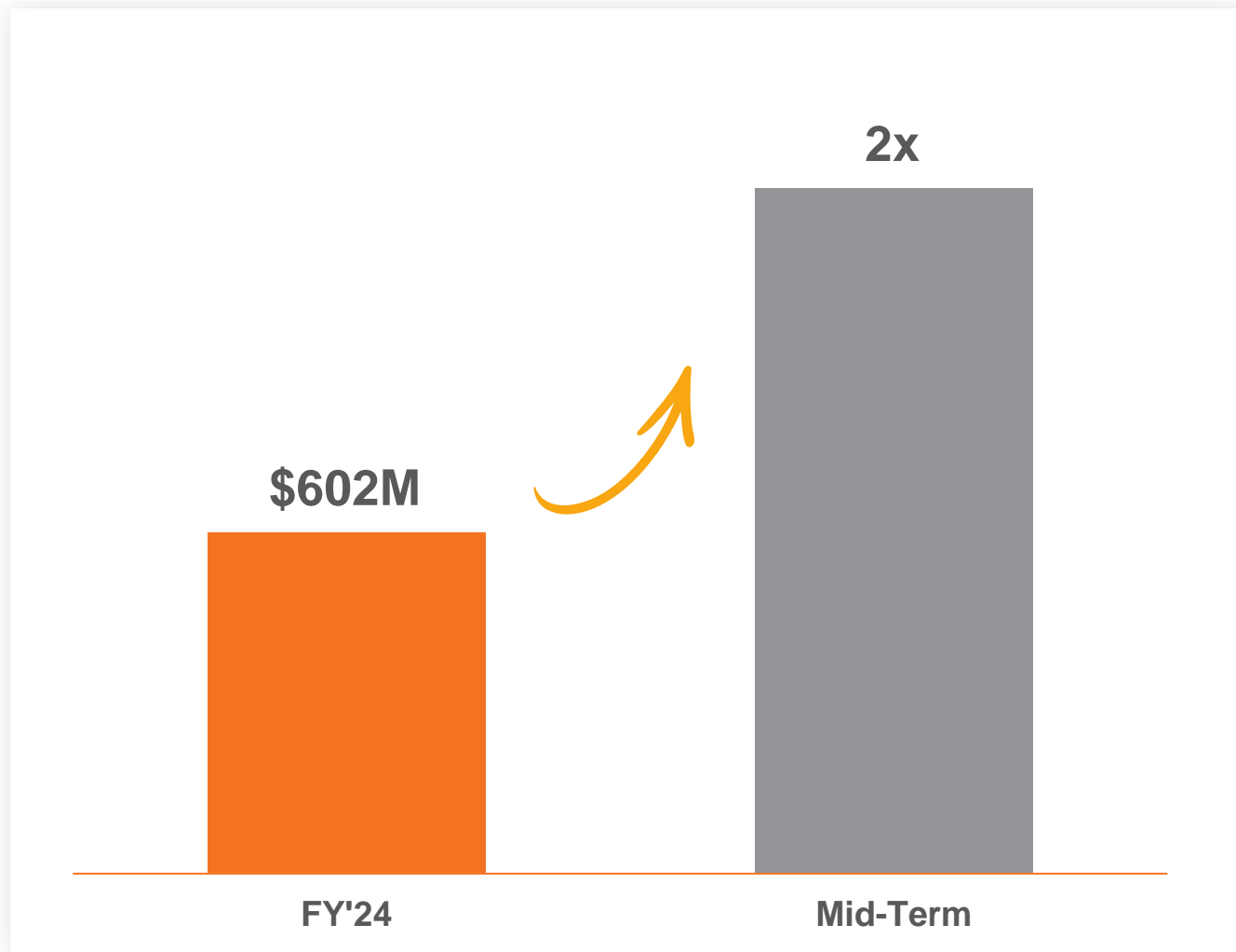
Note: We are unable to reconcile forward-looking adjusted operating income to forward-looking loss from operations, the most closely comparable GAAP financial measure, because the information needed to provide forward-looking loss from operations and to complete a reconciliation is unavailable at this time without unreasonable effort as the Company is currently unable to predict with a reasonable degree of certainty the type and extent of certain items that would be expected to impact loss from operations for these periods but would not impact adjusted operating income. Such items include stock-based and liability incentive expenses and corporate adjustments. \$ in millions.

Introducing Mid-Term Targets

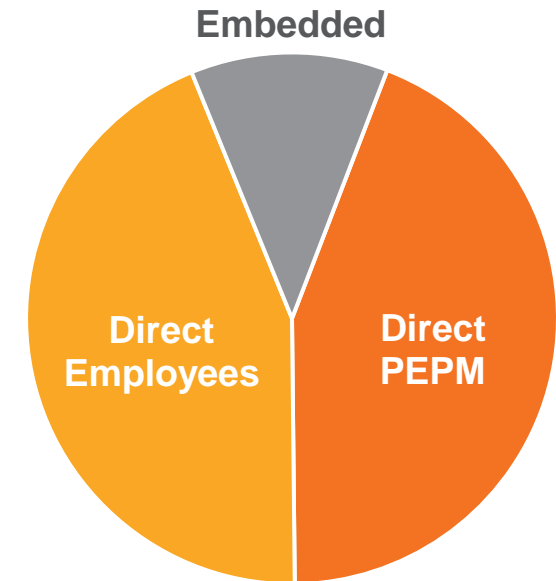
Financial Metrics	FY'21	FY'22	FY'23	FY'24	Mid-Term Targets
Recurring Revenue Growth	10%	22%	22%	16%	15%+
Adj. Operating Income Margin	14%	11%	15%	17%	25%+
Adj. FCF Margin	(2%)	(1%)	2%	6%	20%+

Targeting Cumulative FCF Generation of \$600m+ over the Mid-Term

Sustainable Recurring Revenue Growth



Growth Contribution

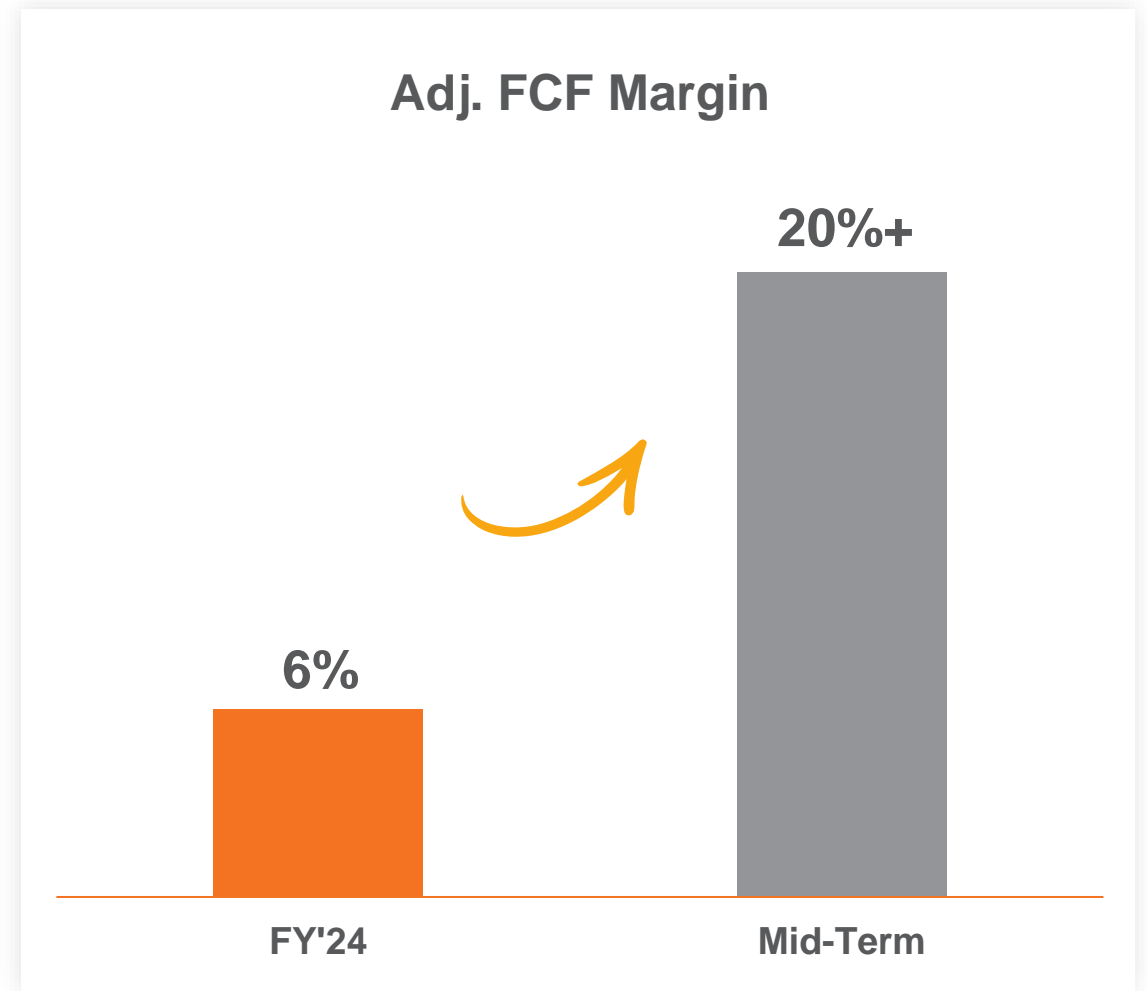
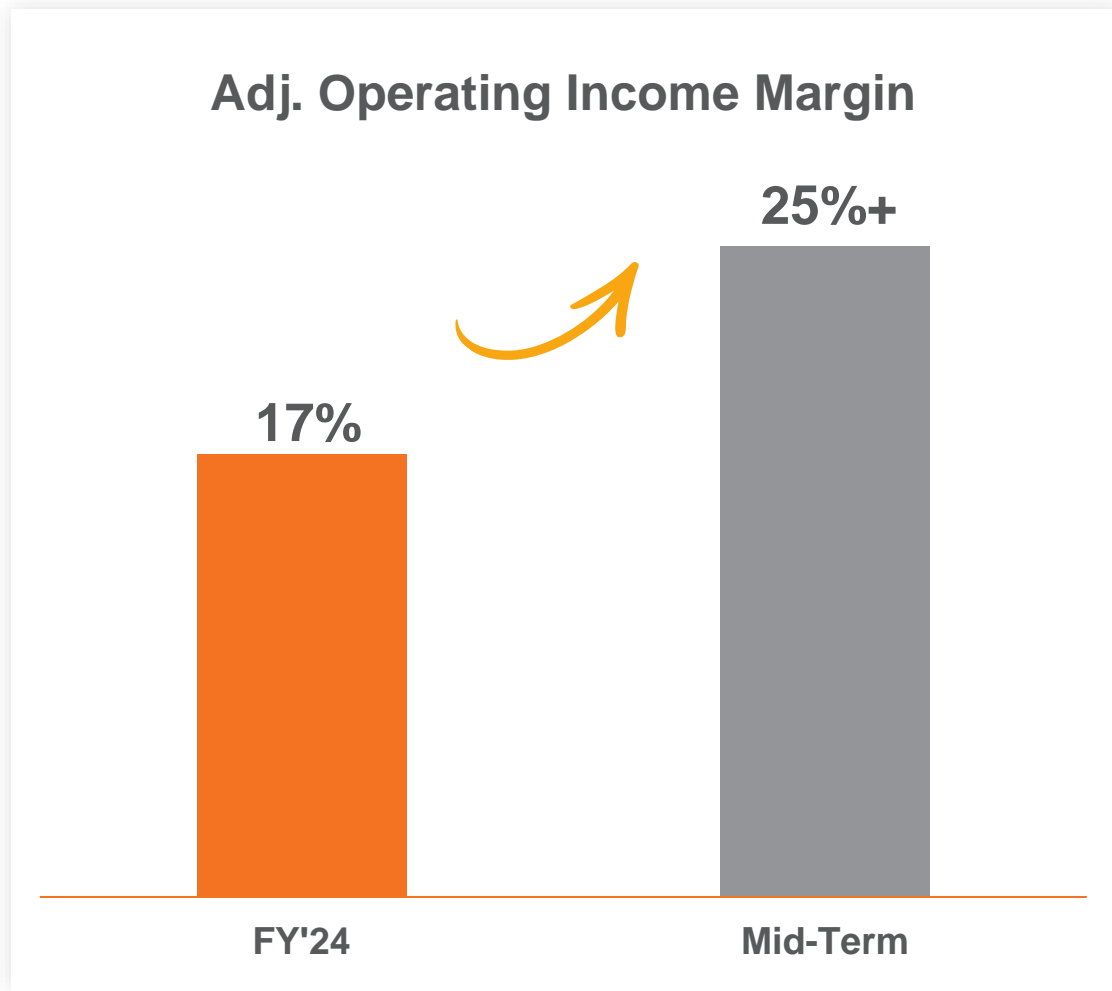


15%+ CAGR

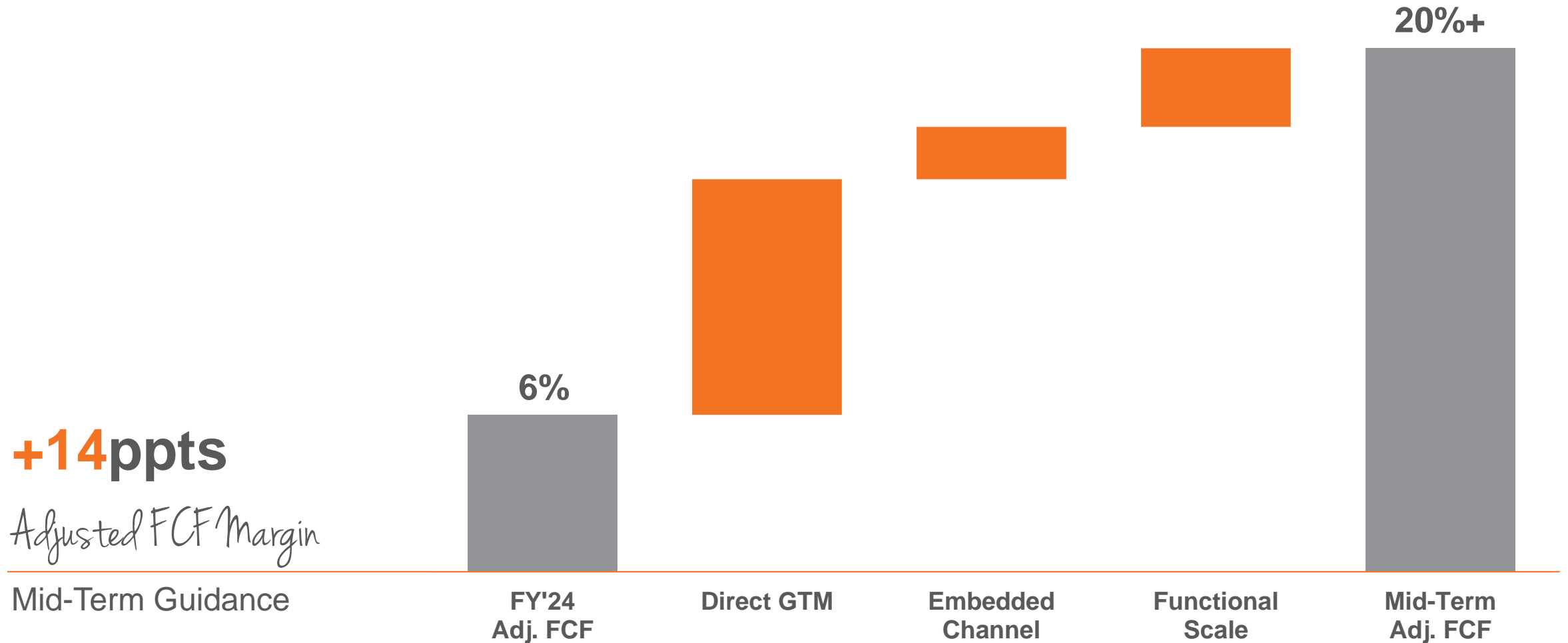
Mid-Term



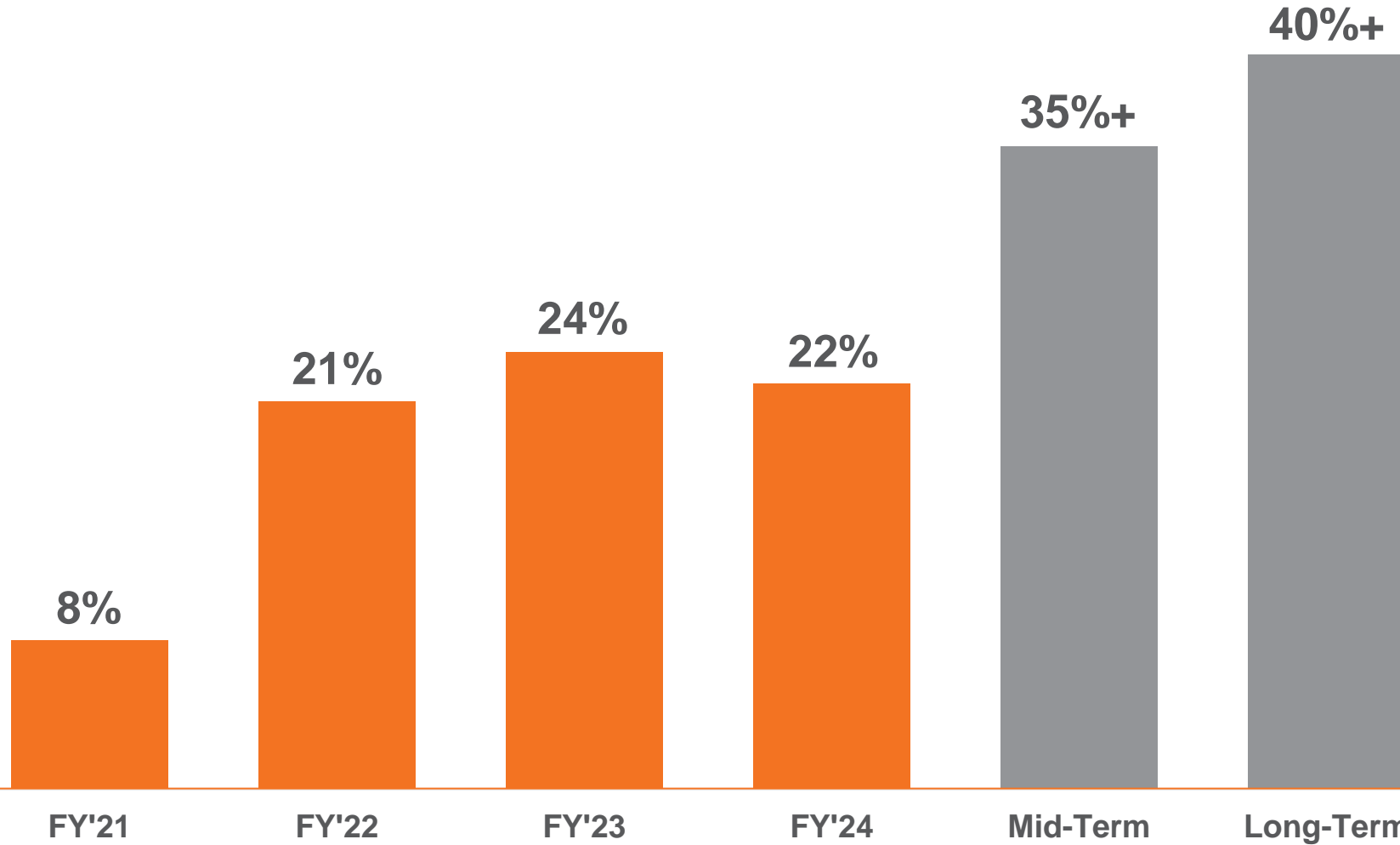
Steady Annual Expansion on Our Path to Mid-Term Targets



Channel Expansion Key to Unlocking Margin



Path to Rule of 40 Durable Growth and Accelerating FCF



- Leverage S&M Investments
- Expand Embedded Channel
- Drive Operational Efficiency



Model Considerations

Strategy & Execution

- Sales Capacity & Productivity
- PEPM Expansion
- Embedded Channel
- Margin Expansion

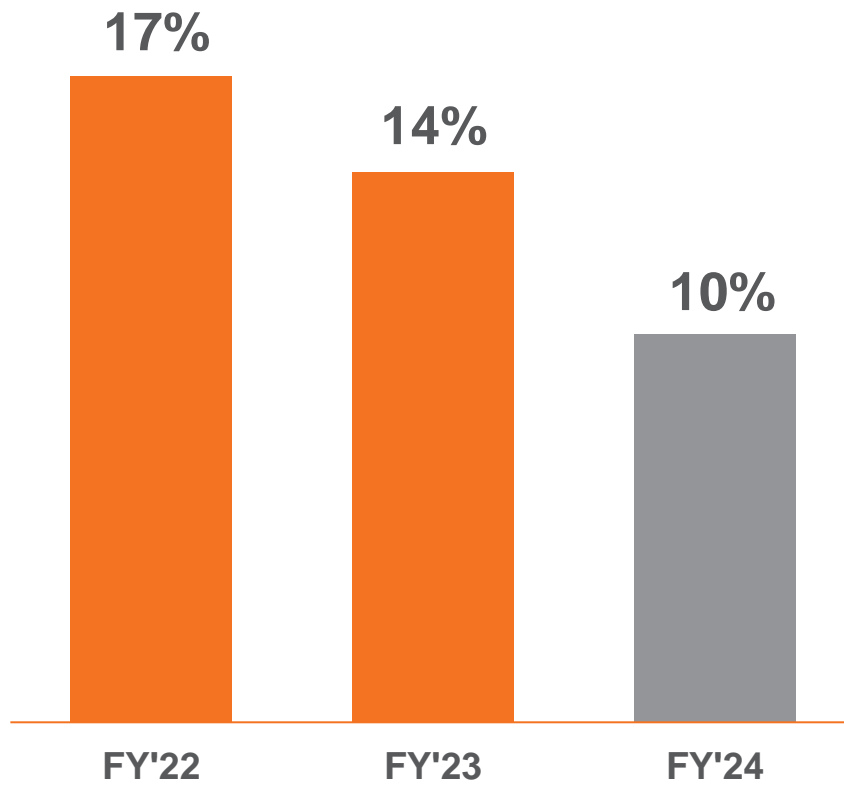
Macro & Free Cash Flow

- Labor Market
- Interest Rates
- Working Capital
- Cash Taxes

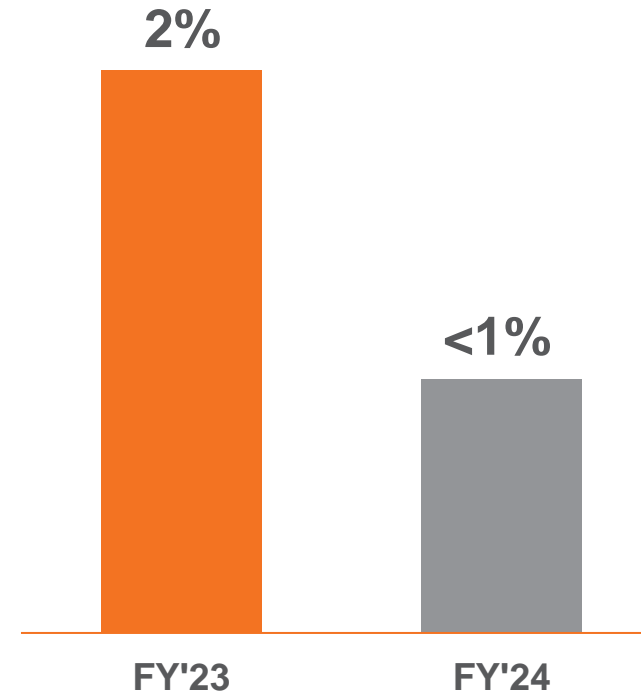


Prioritizing Shareholder Value

Stock-Based Compensation



Annual Dilution



Capital Allocation Priorities to Enhance Long-Term Shareholder Value



Organic Growth

- Organic revenue growth remains top priority
- Distribution expansion | Customer acquisition
- Product suite expansion



M&A Opportunities

- Intellectual property | Product tuck-ins
- Product extensions | Adjacencies
- Opportunistic portfolios



Share Repurchases

- Mid- to Long-Term Consideration



Balancing Growth and
Profitability to Generate
Shareholder Value



Q&A

Raul Villar Jr.
Chief Executive Officer

Adam Ante
Chief Financial Officer

Ryan Bergstrom
Chief Product & Technology Officer





Paycor®

Investor Day 2024

Thank You





Appendix

Key Definitions

“We,” “us,” “our,” “the Company,” “Paycor,” and similar references refer to Paycor HCM, Inc., and unless otherwise stated, all of its subsidiaries.

“**Net revenue retention**” refers to the current quarterly period recurring revenue for the cohort of customers at the beginning of the prior year quarterly period, divided by the recurring revenue in the prior year reporting period for that same cohort. In calculating the net revenue retention for a period longer than a quarter, such as a fiscal year, we use the weighted average of the retention rates (calculated in accordance with the preceding sentence) for each applicable quarter included in such period.

“**Gross Revenue Retention**” is calculated as one minus the prior year respective period recurring revenue for the cohort of customers at the beginning of the prior year respective period who have processed a CLR within the last twelve months, divided by the recurring revenue in the prior year reporting period for the cohort of customers at the beginning of the prior year.

“**Recurring revenue**” refers to, with respect to any period, all recurring service revenues attributable to payroll, workforce management, and HR-related cloud-based computing services.

“**Metropolitan statistical areas**” refers to the metropolitan statistical areas delineated by the United States Office of Management and Budget as in effect as of the date of this prospectus.

“**Sales Coverage**” measures the ratio of the number of salespeople in the top 50 metropolitan statistical areas to the ideal or desired number of salespeople for those markets.

“**Field Sellers**” refers to in-market sellers focused on customers with 50+ employees.

“**Close Rate**” represents the number of won deals divided by the number of first-time appointments during a period.

“**Rule of 40**” is defined as the sum of recurring revenue growth plus adj. FCF margin.

“**Total bookings**” with respect to any period is defined as the aggregate year-one values of all new customer contracts acquired during such period, including new sales to existing clients. Total bookings includes both recurring fees and implementation services.

“**Total customers**” refers to a parent company grouping, which may include multiple subsidiary client accounts with separate taxpayer identification numbers.

“**Enterprise Segment**” customers with 2,500+ employees.

“**Mid-Market Segment**” or “**MM Segment**” customers with 10-2500 employees.

“**Small Market Segment**” or “**SM Segment**” customers with 1-9 employees.

“**PEPM**” refers to per-employee-per-month, whereby our revenue is derived from the number of employees of a given customer, and the amount, type, and timing of products provided to a customer’s employees.

“**ARPU**” represents the annual recurring revenue generated per customer.



Non-GAAP Financial Measures

Adjusted Gross Profit and Adjusted Gross Profit Margin: We define Adjusted Gross Profit as gross profit before amortization of intangible assets and stock-based compensation expense. We define Adjusted Gross Profit Margin as Adjusted Gross Profit divided by total revenues.

Adjusted Gross Profit Excluding D&A and Adjusted Gross Profit Margin Excluding D&A: We define Adjusted Gross Profit Excluding D&A as gross profit before amortization of intangible assets and stock-based compensation expense and depreciation and amortization, in each case that are included in costs of revenues. We define Adjusted Gross Profit Margin Excluding D&A as Adjusted Gross Profit Excluding D&A divided by total revenues.

Adjusted Operating Income and Adjusted Operating Income Margin: We define Adjusted Operating Income as income (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 secondary offerings, professional, consulting and other costs and acquisition costs. We define Adjusted Operating Income Margin as Adjusted Operating Income divided by total revenues.

Adjusted Operating Expenses: We define Adjusted Sales and Marketing expense as sales and marketing expenses before amortization of naming rights and stock-based compensation expense. We define 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, such as costs related to secondary offerings, professional, consulting and other costs and acquisition costs. We define Adjusted Research and Development expense as research and development expenses before stock-based compensation expense.

Adjusted Free Cash Flow and Adjusted Free Cash Flow Margin: We define 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, such as costs related to secondary offerings, professional, consulting and other costs and acquisition costs, which are included in cash provided (used) by operating activities. We define Adjusted Free Cash Flow Margin as Adjusted Free Cash Flow divided by total revenues.

GAAP to Non-GAAP Reconciliation

Reconciliation to Adjusted Gross Profit Excluding D&A							
	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Fiscal Year Ended June 30, 2024	Fiscal Year Ended June 30, 2023	Fiscal Year Ended June 30, 2022	Fiscal Year Ended June 30, 2021	Fiscal Year Ended June 30, 2020
Revenue	\$164.8	\$140.0	\$654.9	\$552.7	\$429.4	\$352.8	\$327.9
Gross Profit	\$106.8	\$91.6	\$431.7	\$365.6	\$261.2	\$198.3	\$188.2
<i>Gross Profit Margin</i>	64.8%	65.4%	65.9%	66.1%	60.8%	56.2%	57.4%
Amortization of intangible assets	\$0.8	\$1.5	\$3.6	\$5.3	\$19.3	\$46.1	\$42.9
Stock-based compensation expense	\$1.7	\$2.3	\$7.3	\$9.1	\$6.6	\$0.5	\$0.6
Corporate adjustments	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$1.7
Adjusted Gross Profit	\$109.3	\$95.5	\$442.6	\$380.0	\$287.2	\$244.9	\$233.4
<i>Adjusted Gross Profit Margin</i>	66.3%	68.2%	67.6%	68.7%	66.9%	69.4%	71.2%
Amortization of deferred contract costs	\$10.2	\$7.5	\$36.7	\$26.1	\$17.3	\$10.6	\$5.7
Amortization of capitalized software	\$10.2	\$7.8	\$37.4	\$28.1	\$22.1	\$13.8	\$6.9
Depreciation	\$0.5	\$0.5	\$2.3	\$1.8	\$2.6	\$2.6	\$2.5
Adjusted Gross Profit, Excluding D&A	\$130.2	\$111.2	\$519.0	\$435.9	\$329.2	\$271.9	\$248.4
<i>Adjusted Gross Profit Margin, Excluding D&A</i>	79.0%	79.4%	79.2%	78.9%	76.6%	77.1%	75.8%

Note: \$ in millions. Amounts may not foot due to rounding.

GAAP to Non-GAAP Reconciliation (cont'd)

Reconciliation to Adjusted Operating Income							
	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Fiscal Year Ended June 30, 2024	Fiscal Year Ended June 30, 2023	Fiscal Year Ended June 30, 2022	Fiscal Year Ended June 30, 2021	Fiscal Year Ended June 30, 2020
Income (Loss) from Operations	(\$13.4)	(\$31.7)	(\$55.5)	(\$104.7)	(\$139.6)	(\$89.3)	(\$94.7)
<i>Operating Margin</i>	(8.1%)	(22.6%)	(8.5%)	(18.9%)	(32.5%)	(25.3%)	(28.9%)
Amortization of intangible assets	\$23.2	\$25.8	\$97.8	\$98.2	\$102.0	\$125.6	\$120.9
Stock-based compensation expense	\$14.6	\$20.2	\$65.4	\$78.2	\$71.4	\$4.2	\$4.9
Liability incentive award compensation expense	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	(\$0.2)	\$3.1
(Gain) loss on lease exit	\$0.0	\$0.1	\$0.0	\$1.8	\$9.1	\$0.0	\$0.0
Corporate adjustments	\$0.5	\$1.0	\$4.2	\$9.0	\$4.7	\$7.7	\$12.1
Adjusted Operating Income	\$25.0	\$15.4	\$112.0	\$82.6	\$47.5	\$48.0	\$46.3
<i>Adjusted Operating Income Margin</i>	15.2%	11.0%	17.1%	14.9%	11.1%	13.6%	14.1%

Note: \$ in millions. Amounts may not foot due to rounding.

GAAP to Non-GAAP Reconciliation (cont'd)

Reconciliation of Adjusted Operating Expenses							
	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Fiscal Year Ended June 30, 2024	Fiscal Year Ended June 30, 2023	Fiscal Year Ended June 30, 2022	Fiscal Year Ended June 30, 2021	Fiscal Year Ended June 30, 2020
Sales and Marketing Expense	\$56.7	\$56.5	\$223.0	\$212.1	\$170.6	\$106.1	\$100.0
Amortization of intangible assets	(\$1.1)	(\$1.1)	(\$4.2)	(\$3.9)	\$0.0	\$0.0	\$0.0
Stock-based compensation expense	(\$4.6)	(\$8.0)	(\$20.9)	(\$32.4)	(\$35.5)	(\$1.4)	(\$1.7)
Liability incentive award compensation expense	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.1	\$0.0
Corporate adjustments	\$0.0	\$0.0	\$0.0	\$0.0	(\$0.1)	(\$1.1)	(\$2.5)
Adjusted Sales and Marketing Expense	\$51.0	\$47.4	\$197.9	\$175.8	\$135.1	\$103.7	\$95.8
<i>% of Revenue</i>	31.0%	33.8%	30.2%	31.8%	31.5%	29.4%	29.2%
General and Administrative Expense	\$47.9	\$52.4	\$202.7	\$203.9	\$187.0	\$145.5	\$137.1
Amortization of intangible assets	(\$21.3)	(\$23.2)	(\$90.0)	(\$89.0)	(\$82.6)	(\$79.5)	(\$78.0)
Stock-based compensation expense	(\$6.0)	(\$7.3)	(\$27.1)	(\$27.1)	(\$22.5)	(\$2.2)	(\$1.9)
Liability incentive award compensation expense	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	(\$3.1)
Gain (loss) on lease exit	(\$0.0)	(\$0.1)	\$0.0	(\$1.8)	(\$9.1)	\$0.0	\$0.0
Corporate adjustments	(\$0.5)	(\$1.0)	(\$4.2)	(\$9.0)	(\$4.6)	(\$6.5)	(\$6.5)
Adjusted General and Administrative Expense	\$20.0	\$20.9	\$81.4	\$77.0	\$68.2	\$57.3	\$47.7
<i>% of Revenue</i>	12.1%	14.9%	12.4%	13.9%	15.9%	16.3%	14.5%
Research and Development Expense	\$15.6	\$14.3	\$61.4	\$54.3	\$43.1	\$36.0	\$45.9
Stock-based compensation expense	(\$2.4)	(\$2.6)	(\$10.1)	(\$9.6)	(\$6.8)	(\$0.1)	(\$0.8)
Corporate adjustments	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	(\$0.1)	(\$1.5)
Adjusted Research and Development Expense	\$13.2	\$11.8	\$51.3	\$44.6	\$36.4	\$35.9	\$43.6
<i>% of Revenue</i>	8.0%	8.4%	7.8%	8.1%	8.5%	10.2%	13.3%

Note: \$ in millions. Amounts may not foot due to rounding.

GAAP to Non-GAAP Reconciliation (cont'd)

Reconciliation to Adjusted Free Cash Flow

	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Fiscal Year Ended June 30, 2024	Fiscal Year Ended June 30, 2023	Fiscal Year Ended June 30, 2022	Fiscal Year Ended June 30, 2021	Fiscal Year Ended June 30, 2020
Net cash provided (used) by operating activities	\$50.3	\$31.7	\$90.0	\$48.1	\$24.4	\$10.8	\$0.1
Purchase of property and equipment	(\$1.0)	(\$1.8)	(\$3.5)	(\$5.0)	(\$2.0)	(\$3.3)	(\$7.8)
Internally developed software costs	(\$12.5)	(\$11.7)	(\$50.8)	(\$42.3)	(\$30.8)	(\$22.0)	(\$18.8)
Corporate adjustments	\$0.5	\$1.0	\$4.2	\$9.0	\$4.7	\$7.7	\$12.1
Adjusted Free Cash Flow	\$37.3	\$19.3	\$39.9	\$9.8	(\$3.8)	(\$6.8)	(\$14.4)
<i>Adjusted Free Cash Flow Margin</i>	22.6%	13.8%	6.1%	1.8%	(0.9%)	(1.9%)	(4.4%)