

**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): October 12, 2021

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, Ohio
(Address of principal executive offices)

45212
(Zip Code)

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

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

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

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

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

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

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

Emerging growth company

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.

Item 2.02. Results of Operations and Financial Condition.

On October 12, 2021, Paycor HCM, Inc. (the “Company”) filed with the Securities and Exchange Commission (the “Commission”) a registration statement on Form S-1 containing a preliminary prospectus (the “Preliminary Prospectus”) in connection with a proposed public offering of the Company’s common stock by certain of its stockholders. The Preliminary Prospectus contains certain estimated preliminary and unaudited selected financial and other data for the quarter ended September 30, 2021. Such estimated preliminary results are furnished under the heading “Estimated Selected Recent Operating Results (Preliminary and Unaudited)” in the excerpt from the Preliminary Prospectus furnished hereto as Exhibit 99.1.

The unaudited selected financial and other data for the quarter ended September 30, 2021 reflects the Company’s preliminary estimates with respect to such results based on currently available information, is not a comprehensive statement of its financial results and is subject to completion of its financial closing procedures. The Company’s financial closing procedures for the quarter ended September 30, 2021 are not yet complete and, as a result, its actual results may differ materially from these estimates. The preliminary estimates have been prepared by, and are the responsibility of, management. Ernst & Young LLP, the Company’s independent registered public accounting firm, has not audited, reviewed, compiled or performed any procedures with respect to the estimated preliminary financial information. Accordingly, Ernst & Young LLP does not express an opinion or any other form of assurance with respect thereto. The preliminary estimates should not be viewed as a substitute for the Company’s full interim or annual financial statements prepared in accordance with U.S. generally accepted accounting principles. Further, the preliminary estimated selected financial and other data is not necessarily indicative of the results to be expected in any future period as a result of various factors.

The information provided in this Item 2.02 of this Current Report on Form 8-K 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 in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such filing.

Item 8.01. Other Events.

On October 12, 2021, the Company issued a press release announcing the commencement of the proposed public offering of the Company's common stock by certain of its stockholders. A copy of this press release is attached hereto as Exhibit 99.2, and the information contained therein is incorporated herein by reference.

Cautionary Statement Regarding Forward-Looking Statements

This Current Report on Form 8-K and the Exhibits attached hereto contain 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 preliminary or future results of operations and financial position, our business outlook, our business strategy and plans, and our objectives for future operations 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," "preliminary," "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 the Company's Annual Report on Form 10-K filed on September 2, 2021, the Preliminary Prospectus and in the Company's other filings with the Commission. The Company believes that these risks include, but are not limited to: availability of new or different information impacting the preliminary estimated results for the quarter ended September 30, 2021 and inability to price or complete the proposed offering. Although we believe that the expectations, assumptions and estimates reflected in the forward-looking statements are reasonable, we cannot guarantee future financial or operating 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.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description of Exhibit
99.1	"Estimated Selected Recent Operating Results (Preliminary and Unaudited)" from Preliminary Prospectus dated October 12, 2021.
99.2	Press Release, dated October 12, 2021.
104	Cover Page Interactive Data File (formatted as inline XBRL)

SIGNATURES

Pursuant to the requirements of the Securities Exchange 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.

Date: October 12, 2021

By: /s/ Alice Geene

Name: Alice Geene

Title: Chief Legal Officer and Secretary

Estimated Selected Recent Operating Results (Preliminary and Unaudited)

We have presented below certain preliminary results, including non-GAAP financial measures, representing our estimates as of and for the three months ended September 30, 2021, which are based only on currently available information and do not present all necessary information for an understanding of our financial condition as of September 30, 2021. This financial information has been prepared by, and is the responsibility of, our management and is subject to revisions based on our procedures and controls associated with the completion of our financial reporting. Our independent registered public accounting firm has not audited, reviewed or performed any procedures with respect to this preliminary financial data or the accounting treatment thereof and does not express an opinion or any other form of assurance with respect thereto. The preparation and review of our consolidated condensed financial statements as of and for the three months ended September 30, 2021 will not be completed until subsequent to this offering. While we are currently unaware of any items that would require us to make adjustments to the financial information set forth below, it is possible that we or our independent registered public accounting firm may identify such items as we complete the preparation of our financial statements as of and for the three months ended September 30, 2021 and our auditors complete their procedures for the review of our consolidated condensed financial statements. Accordingly, undue reliance should not be placed on these preliminary estimates. These preliminary estimates are not necessarily indicative of any future period and should be read together with “Risk Factors” as well as the risks and uncertainties set forth under the heading “Risk Factors” in our 2021 Form 10-K, “Forward-Looking Statements”, and our consolidated financial statements and related notes included in this registration statement. Adjusted Gross Profit, Adjusted Operating Income and any metrics derived therefrom are supplemental measures that are not calculated and presented in accordance with GAAP.

Three Months Ended September 30, 2021

	Three Months Ended September 30, 2021		% Change Three Months Ended September 30, 2021 versus September 30, 2020	
	Low	High	Low	High
(in millions, except percentages)				
Consolidated Statement of Operations Data:				
Total Revenues	\$ 92.0	\$ 92.5	16%	17%
Gross Profit	46.4	46.9	4%	5%
Gross Profit Margin	50.4%	50.7%	(600)bps	(573)bps
Loss from Operations	(53.7)	(53.2)	*	*
Operating Margin	(58.4)%	(57.5)%	*	*
Other Financial Data(1):				
Adjusted Gross Profit(2)	\$ 59.8	\$ 60.3	7%	8%
Adjusted Gross Profit Margin(2)	65.0%	65.2%	(553)bps	(534)bps
Adjusted Operating Income(3)	2.5	3.0	(80)%	(76)%
Adjusted Operating Income Margin(3)	2.7%	3.2%	(1,331)bps	(1,279)bps

* Percentages not meaningful. Loss from Operations for the three months ended September 31, 2020 was \$21.5 million.

- (1) Adjusted Gross Profit, Adjusted Operating Income and any metrics derived therefrom are non-GAAP measures and should not be considered as alternatives to measures prepared in accordance with GAAP such as Gross Profit and Loss from Operations. Reconciliations of each of these metrics to the most comparable GAAP measure are set forth in the notes below. For more information on these measures and why we believe they are useful to investors, see “Management’s Discussion and Analysis of Financial Condition and Result of Operations—Non-GAAP Financial Measures” in our 2021 Form 10-K incorporated by reference in this prospectus.

- (2) Adjusted Gross Profit is defined as Gross Profit, before amortization of intangible assets, stock-based compensation expenses, and certain corporate expenses, in each case that are included in costs of recurring revenues. We define Adjusted Gross Profit Margin as Adjusted Gross Profit divided by Total Revenues.

(in millions)	Three Months Ended September 30, 2021		Three Months Ended September 30, 2020
	Low	High	
Gross Profit*	\$ 46.4	\$ 46.9	\$ 44.6
Gross Profit Margin	50.4%	50.7%	56.4%
Amortization expense	11.7	11.7	11.0
Stock-based compensation expense	1.7	1.7	0.2
Adjusted Gross Profit*	\$ 59.8	\$ 60.3	\$ 55.8
Adjusted Gross Profit Margin	65.0%	65.2%	70.5%

- * Gross Profit and Adjusted Gross Profit are burdened by depreciation expense of \$0.7 million and \$0.7 million, amortization of capitalized software of \$4.8 million and \$2.7 million and amortization of deferred contract costs of \$3.6 million and \$2.2 million for the three months ended September 30, 2021 and 2020, respectively.
- (3) Adjusted Operating Income is defined as Loss from Operations before amortization of acquired intangible assets, stock-based award and liability incentive award compensation expenses, and other certain corporate expenses, such as costs related to our IPO and acquisitions. We define Adjusted Operating Income Margin as Adjusted Operating Income divided by Total Revenues.

(in millions)	Three Months Ended September 30, 2021		Three Months Ended September 30, 2020
	Low	High	
Loss from Operations	\$ (53.7)	\$ (53.2)	\$ (21.5)
Operating Margin	(58.4)%	(57.5)%	(27.2)%
Amortization expense	32.1	32.1	30.5
Stock-based compensation expense	22.3	22.3	1.8
Corporate adjustments*	1.8	1.8	1.9
Adjusted Operating Income	\$ 2.5	\$ 3.0	\$ 12.7
Adjusted Operating Income Margin	2.7%	3.2%	16.0%

- * Corporate Adjustments for the three months ended September 30, 2021 relate to certain costs associated with our efforts to become a public company, including the implementation of a new enterprise-resource planning system and professional, consulting, and other costs of \$1.8 million. Corporate adjustments for the three months ended September 30, 2020 relate to certain costs related to the transition of the new executive leadership team and closure of a standalone facility of \$0.6 million, costs associated with our efforts to become a public company, including the implementation of a new enterprise-resource planning system and professional, consulting and other costs of \$0.9 million and transaction expenses and costs associated with the 7Geese Acquisition totaling \$0.4 million.

We expect Total Revenues to increase 16% to 17% for the three months ended September 30, 2021 compared to the three months ended September 30, 2020 primarily as a result of an increase in customers, an increase in the average number of employees per customer as many customers have started re-hiring since they terminated or furloughed employees in response to the COVID-19 pandemic, and an increase in effective PEPM.

We expect Gross Profit to increase 4% to 5% for the three months ended September 30, 2021 compared to the three months ended September 30, 2020 primarily due to an increase in revenue, partially offset by additional employee related costs to support new customers and an increase in amortization expense related to capitalized software and deferred contract costs.

We expect Adjusted Gross Profit to increase 7% to 8% for the three months ended September 30, 2021 compared to the three months ended September 30, 2020 primarily due to an increase in revenue, partially offset by additional employee related costs to support new customers and an increase in amortization expense related to capitalized software and deferred contract costs.

We expect Loss from Operations to increase \$31.7 million to \$32.2 million for the three months ended September 30, 2021 compared to the three months ended September 30, 2020 primarily due to an increase in share-based compensation expense related to the IPO, as well as continued investment in employee related costs to support new customers, expand our sales coverage, and develop our products, increased amortization related to capitalized software, deferred contract costs and intangible assets and costs associated with becoming a public company, including increased share-based compensation expense, partially offset by an increase in revenue.

We expect Adjusted Operating Income to decrease \$9.7 million to \$10.2 million for the three months ended September 30, 2021 compared to the three months ended September 30, 2020 primarily due to continued investment in employee related costs to support new customers, expand our sales coverage, and develop our products, increased amortization related to capitalized software and deferred contract costs and costs associated with becoming a public company, partially offset by an increase in revenue.

**Paycor HCM, Inc. Announces Launch of Proposed Secondary Offering
of Common Stock by Selling Stockholders**

CINCINNATI, OH. - October 12, 2021 - Paycor HCM, Inc. (Paycor) (NASDAQ: PYCR) today announced the commencement of a public offering of its common stock by certain selling stockholders (the "Offering"). The selling stockholders are offering 12,000,000 shares of Paycor's common stock pursuant to a registration statement on Form S-1 (the "Registration Statement") filed with the Securities and Exchange Commission (the "SEC"). The selling stockholders intend to grant the underwriters a 30-day option to purchase up to an additional 1,800,000 shares of Paycor's common stock. The Offering is subject to market and other conditions, and there can be no assurance as to whether or when the offering may be completed. Paycor will not receive any proceeds from the sale of shares by the selling stockholders.

Goldman Sachs & Co. LLC and J.P. Morgan Securities LLC are acting as joint book-running managers and representatives of the underwriters for the proposed Offering.

The proposed Offering will be made only by means of a prospectus. Before you invest, you should read that prospectus and other documents Paycor has filed with the SEC for more complete information about Paycor and this proposed Offering. Copies of the preliminary prospectus relating to the Offering may be obtained from: Goldman Sachs & Co. LLC, Prospectus Department, 200 West Street, New York, NY 10282, telephone: 1-866-471-2526, facsimile: 212-902-9316 or by emailing Prospectus-ny@ny.email.gs.com; or J.P. Morgan Securities LLC, Attention: Broadridge Financial Solutions, 1155 Long Island Avenue, Edgewood, NY 11717, telephone: 1-866- 803-9204 or email at Prospectus-eq_fi@jpmchase.com.

A registration statement relating to this Offering has been filed with the SEC, but has not yet become effective. These securities may not be sold, nor may offers to buy be accepted, prior to the time the Registration Statement becomes effective. This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

About Paycor

Paycor creates Human Capital Management (HCM) software for leaders who want to make a difference. Our HCM platform modernizes every aspect of people management, from the way you recruit, onboard and develop people, to the way you pay and retain them. But what really sets us apart is our focus on business leaders. For 30 years, we've been listening to and partnering with leaders, so we know what they need: HR technology that saves time, powerful analytics that provide actionable insights and Personalized Support. That's why more than 28,000 customers trust Paycor to help them solve problems and achieve their goals.

Note Regarding Forward-Looking Statements

Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements. See the items

discussed throughout the “Risk Factors” section of our Annual Report on Form 10-K filed on September 2, 2021 with the SEC for certain important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements.

Any forward-looking statement made by us in this press release is based only on information currently available to us and speaks only as of the date on which it is made. We undertake no obligation to publicly update any forward-looking statement, whether written or oral, which may be made from time to time, whether as a result of new information, future developments or otherwise, except as required by law.

For More Information:

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