Forward-Looking Statements

Certain written and oral statements made by management may constitute “forward-looking statements” within the meaning of the safe-harbor provisions of the United States Private Securities Litigation Reform Act of 1995. 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, many of which are outside our control. Our actual results and financial conditions may differ materially from those indicated in the forward-looking statements. Therefore, you should not place undue reliance upon any of these forward-looking statements. The information provided in this document is based upon the facts and circumstances known at this time, and any forward-looking statement made in this document speaks only as of the date on which it was made. Except as required by law, we undertake no obligation to update these forward-looking statements after the date of issuance of this document to reflect events or circumstances after such date, or to reflect the occurrence of unanticipated events.
THE PAYCHEX STORY

Paychex – A Technology-Driven Growth Company

1. Leader in attractive markets
2. Innovative technology leader and trusted advisor – a key differentiator
3. Predictable and powerful business model
4. Sustainable growth and delivering long-term positive impact
## Paychex At-A-Glance – Leader in Human Capital Management (HCM) Solutions

<table>
<thead>
<tr>
<th>Market Leader</th>
<th>Consistent Growth</th>
<th>Margins</th>
<th>Technology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leading provider of HCM Solutions to SMBs with unique combination of HR Technology and tech-enabled Advisory Solutions</td>
<td>11% Adjusted Diluted EPS (^1) CAGR last 5 Years</td>
<td>#1 Best operating margins in industry at ~41%</td>
<td>Leading technology platforms recognized for innovation</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Growing Client Base</th>
<th>Improving Retention</th>
<th>Comprehensive Suite of HCM &amp; HR Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>~740,000 Payroll Clients</td>
<td>Revenue Retention 90% FY23</td>
<td>Management Solutions 76%</td>
</tr>
</tbody>
</table>
| ~2,200,000 HR Outsourcing client worksite employees | 80% FY18 | % Service Revenue |%

### Purpose: Help Businesses Succeed

Data is as of May 31, 2023, or for the fiscal year ended, May 31, 2023 ("FY23")

1 Adjusted Diluted Earnings per Share ("EPS") is not a United States ("U.S.") generally accepted accounting principle ("GAAP") measure and excludes the impact of certain discrete tax and one-time items. Refer to the FY23 Annual Report on Form 10-K for further discussion of this measure and a reconciliation to the corresponding GAAP measure.

2 PEO is Professional Employer Organization.
Leader in Small and Midsized Business Markets

**HR Outsourcing**
- #1 HR Outsourcer
- 2.2M ASO¹ and PEO worksite employees
- ~700 HR Professionals

**Payroll & HCM Software**
- Top 2 in both small and mid-market²
- $750B+ financial transactions processed
- Pay 1 in 12 American private sector workers

**Retirement**
- #1 401(k) recordkeeper in the U.S.³
- 113K 401(k) plans
- 1.4M participants

**Insurance**
- A top insurance agency in the U.S.
- ~$3B+ in premiums paid
- >200K H&B applicants

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¹ ASO is Administrative Services Organization
² HCM companies: Small is <49 employees, midsized is 50-1K employees
³ PLANSPONSOR magazine’s annual Recordkeeping Survey

Data is as of May 31, 2023 or for FY23
Leader in Large and Growing HCM Market

Market Size – Employees\(^1\)
(Total U.S.)

Employees
134M

SMB\(^2\) Segment
1-1,000 Employees
69M

Paychex
~10M

$90B+
Market Opportunity (U.S.)

5-7%
Market Growth (U.S.)

14%
(Share of U.S. SMB employees)

---

1 Census data
2 SMB is Small or Midsize Business
Secular Tailwinds Play to Our Strengths

**Market Trends**

**Technology Innovation and Adoption**
- Shift to unified software suites on cloud platform
- Self-service and e-commerce
  - Acceleration of digital adoption
- Analytics and reporting
  - Large data sets win in this world

**Complexity in Employer-Employee Relations**
- Increasing number and complexity of regulations
- Changing workforce dynamics
  - Remote and non-traditional
- Attracting and retaining talent
  - Structural long-term labor shortage

**Paychex Advantage**

Leader in innovative HCM solutions for small and midsize businesses and trusted advisor on navigating a complex world
# A C L O S E R  L O O K

## Well-Positioned in Fast Growing Market Segments

<table>
<thead>
<tr>
<th>HCM Technology</th>
<th>HR Outsourcing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adoption of cloud HCM software by SMBs</td>
<td>Secular increase in demand for assistance with navigating a complex regulatory and HR environment</td>
</tr>
<tr>
<td>HR automation/digitalization and distributed workforces with increasing employee engagement</td>
<td>Ability to offer affordable, competitive benefits to attract and retain talent</td>
</tr>
<tr>
<td>Integration of AI solutions with HCM platforms</td>
<td>Unique combination of leading HR technology, competitive benefits, and HR advisory services</td>
</tr>
<tr>
<td></td>
<td>Large data set to support advisory services</td>
</tr>
<tr>
<td></td>
<td>Available through both ASO and PEO models depending on customer needs</td>
</tr>
</tbody>
</table>

**Market Tailwinds**

- Comprehensive suite of integrated, cloud-based software to help businesses automate HR processes and manage distributed workforces
- Leverage large data set to provide customers more personal experiences, solutions, and insights

**Paychex Solutions**

- Paychex
What Differentiates Paychex

1. Award-winning SaaS platforms and customer experiences
2. HR advisory & compliance expertise
3. Comprehensive suite of solutions for SMBs
4. Analytic and AI capabilities powered by large data sets
5. Mobile & self-service capabilities with insightful analytics
6. Personalized, tech-enabled services

Powerful Experience Stack

Analytical Insights via Data
(Engaging millions of SMBs and their employees daily)
The Paychex Story

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Comprehensive Suite of Leading HCM Solutions

Full Range of Integrated HCM Solutions from Hire to Retire for Businesses and Employees

Integrated Technology
(with Open APIs)

- Recruiting, Applicant Tracking, Onboarding
- HR Services
- Analytics
- Retirement
- Payroll
- Insurance
- Time & Attendance
- Benefits Administration
- Talent Management

Complete Solution Set for SMB Life Cycle

Life-Time Value

- Integrated HCM w/ APIs
- Integrated HCM w/ PAYX Ancillary*
- HR Outsourcing

* Retirement Plan
Leading Technology Provider Leveraging Industry Leading Partners and APIs

<table>
<thead>
<tr>
<th>Azure</th>
<th>Apache</th>
<th>APPDYNAMICS</th>
<th>AWS</th>
<th>ARISTA</th>
<th>clover</th>
<th>docker</th>
</tr>
</thead>
<tbody>
<tr>
<td>EQUIFAX</td>
<td>Google</td>
<td>HIRE RIGHT</td>
<td>Java</td>
<td>Kubernetes</td>
<td>indeed</td>
<td>mongoDB</td>
</tr>
<tr>
<td>Jirav</td>
<td>RED HAT OPENSHIFT</td>
<td>sage Intacct</td>
<td>splunk</td>
<td>spring</td>
<td>xero</td>
<td>Altametrics</td>
</tr>
</tbody>
</table>
Recognized as an Industry Innovation Leader

Recent awards for Most Admired, Most Ethical, and Most Innovative Companies

1st
Real-Time Payments for Payroll
RTP Offerings

1st
Pooled Employer Plans
PEP Offerings

1st
Paycheck Protection Program
PPP COVID-19 App Tools
Innovation Horizon

Customer Experience Focused
Owner | HR | Employee Strategic Partners

Expanded Advisory Services
Tech-Enabled

Continued Leadership in HR Technology and Digital HR Solutions

DIGITAL HCM LEADER

Artificial Intelligence
Paychex Flex Intelligence Engine

Data Analytics
with Advisory Solutions

Expanded Integrations
(APIs)

Digitalization: Sales and Self-Onboarding (eCommerce)
Well Positioned to Capture the AI Opportunity

### Large and Growing Data Sets

Paychex has one of the largest SMB data sets in the industry – provides competitive advantage

- ~740K clients and 10M+ employees paid
- Millions of interactions with clients and their employees every day
- Extensive knowledge base of HR rules and regulations

### History and Experience Leveraging AI

We have been leveraging AI for years across the entire business – ahead of the curve

- Predictive analytics and AI models – over 200 deployed
- RPA and Chatbots driving service efficiencies and improved customer experience
- Predictive analytics offerings for customers (Retention Insights)

### Investing to Realize the Full Potential of AI

Accelerating AI investments to improve efficiency, enhance customer experience, and unlock new growth opportunities

- Targeting the right prospects at the right time
- Providing enhanced, personalized customer experience
- Driving efficiencies throughout the entire organization
- Embedding in our solutions to provide trusted insights/guidance

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Predictable and Powerful Business Model

1. Growing client base and expanding product attachment with high retention

2. Consistent revenue and earnings growth profile

3. Strong cash flow engine

4. Disciplined and shareholder friendly capital allocation
Consistent Revenue and Earnings Growth Profile

Total Revenue

Adjusted Diluted EPS¹

Industry-Leading Operating Margins

1 Adjusted Diluted EPS is a non-GAAP measure, which excludes the impact of certain discrete tax and one-time items. Refer to our FY23 Annual Report on Form 10-K for a discussion of this measure and a reconciliation to the corresponding GAAP measure.
2 Accounting Standards Codification Topic 606, "Revenue from Contracts with Customers" was adopted effective June 1, 2018. FY18 results were adjusted to reflect a comparable presentation.
3 Adjusted Diluted EPS growth for FY18 was impacted by the Tax Cuts and Jobs Act of 2017.
Paychex Transformation – Technology and HR Solutions

Management Solutions (FY23)

- Payroll & HCM Software: 55% - 60%
- HR Solutions (ASO): 25% - 30%
- Retirement: 5% - 10%
- Other: $3.7B (Total)

PEO & Insurance Solutions (FY23)

- PEO: 80% - 85%
- Insurance Solutions: 15% - 20%
- Payroll & HCM Software: 55% - 60%

FY23 Service Revenue in Non-Payroll Solutions: 56%

HR Outsourcing Organic WSE Growth - FY19-23 (ASO + PEO): +46%
Paychex Transformation: Technology Delivering Results for Customers and Shareholders

Increased Investments in Technology & Digital

FY18

FY23

13%
Tech-enabled HCM revenue growth (5-year CAGR)

90%
% of clients use our technology

40%
Increase in mobile sessions (FY20-23 CAGR)

~50%
% of sales digitally enabled
Strong Cash Flow Engine

**Strong Cash Flow ($B)**

- **Free Cash Flow**
  - FY19: $0.0
  - FY20: $0.5
  - FY21: $1.0
  - FY22: $1.5
  - FY23: $1.5

- **Dividends**

**Attractive Metrics (FY23)**

- **Free Cash Flow**: $1.5B
- **Capital Intensity**: LOW
- **Total Cash & Corp. Investments**: $1.6B
- **Return on Equity**: 48%
Disciplined and Shareholder-Friendly Capital Allocation Priorities

1 Invest in the Business
   - Technology Platform
   - Digital and Advisory Solutions
   - Sales & Marketing
   - Customer Experience

2 Return Capital to Shareholders
   - Industry-leading dividend yield with target payout ratio of 70-80%
   - Returned over $5B to shareholders over last 5 years (FY19-FY23)

3 Strategic M&A
   - PEO expansion
   - Technology Tuck-ins
   - Scale Transactions
   - International
   - Near adjacencies

Environmental, Social, and Governance ("ESG") continues to be an area of focus and foundational to our organizational purpose.
Paychex Values in Action: ESG Efforts are Woven into the Company Strategies with Strong Results

**Environmental**
- Published ESG Report
- Announced ambition to reach Net Zero GHG by 2050
- Excellent external scores
  - MSCI ESG Rating of AA
  - Sustainalytics ESG Risk Rating of “Low Risk”

**Social**
- DEI Efforts
  - Systemic approach
  - Building culture of inclusion
  - Developing strategic community partnerships
- Pay Equity Review
  - 61% of workforce is female
  - Achieved 100% pay equity in the U.S.

**Governance**
- Board refreshment, with focus on DEI (of last four new board members: two female and one racially diverse)
- Board increasing oversight of ESG and cyber security
- Majority of Board is independent
- Nominating & ESG and Compensation & Leadership committees of the Board comprised of independent directors

Integrity  |  Innovation  |  Service  |  Respect  |  Partnership  |  Accountability
The Paychex Story

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4. **Sustainable growth and delivering long-term positive impact**
Long Growth Runway – Multiple Drivers

2. Expand Share of Wallet: HCM Software, HR, Retirement, Insurance, and Payments
3. Leverage Technology Innovations: AI, personalization, data analytics, integrations, self-sufficiency
4. Monetize Data and Access to Employees: Monetize data and create new solutions for clients’ employees
5. Execute Strategic M&A: Industry consolidation, technology plays, near adjacency opportunities
Mid-Term Financial Goals

- **Total Revenue Growth**: Upper Single-Digit
- **Adjusted EPS Growth**: Upper Single-to Double-Digit
- **Operating Margins**: Margin Expansion
- **Dividend Growth**: Consistent with Earnings Growth
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