



Q4 and FY26 Operational and Financial Performance

Fiscal 2026

Forward Looking Statements

Certain written statements in this presentation may contain, and members of management may from time to time make or discuss statements which constitute, "forward-looking statements" within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements include, without limitation, all matters that are not historical facts. Forward-looking statements are not 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 known and unknown uncertainties, risks, changes in circumstances, and other factors that are difficult to predict, many of which are outside our control. Our actual performance and outcomes, including without limitation, our actual results and financial condition, may differ materially from those indicated in or suggested by the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements. More information regarding these risks and uncertainties and other important factors that could cause actual results to differ materially from those indicated in or suggested by the forward-looking statements is set forth in the Company's earnings release and filings with the Securities and Exchange Commission. The information provided in this presentation is based upon the facts and circumstances known as of the date of this presentation, and any forward-looking statements made by us in this document speak only as of the date on which they are made. Except as required by law, we undertake no obligation to update these forward-looking statements after the date of issuance of this presentation to reflect events or circumstances after such date, or to reflect the occurrence of unanticipated events.

Overview

Paychex

An industry-leading human capital management (“HCM”) company delivering a full suite of technology and advisory services in human resources, employee benefits, insurance and payroll.

- Trusted HCM provider serving ~800,000 clients and paying 1 in 11 U.S. private-sector employees⁽¹⁾
- Leading provider of AI-enabled HR technology and advisory solutions powered by unrivaled data
- Top HR outsourcer with ~2.6M worksite employees⁽¹⁾
- Large and growing \$100B+ underserved market
- Durable business model with strong cash generation and disciplined capital allocation

(1) As of May 31, 2026

PAYCHEX[®]

Q4 and FY26 Highlights

Fourth Quarter Highlights

Sustained growth in revenue and earnings with strong operational performance

- Delivered strong double-digit revenue and earnings growth, accelerated organic revenue growth
- Continued strong demand for our advisory and benefits solutions across ASO, PEO and Retirement
- Outpaced the industry with high-single-digit PEO worksite employee growth
- Continued traction in the broker channel, including two new national broker partnerships
- Introduced a modern tax engine, which we expect to further enhance through integration with our WISE intelligence engine

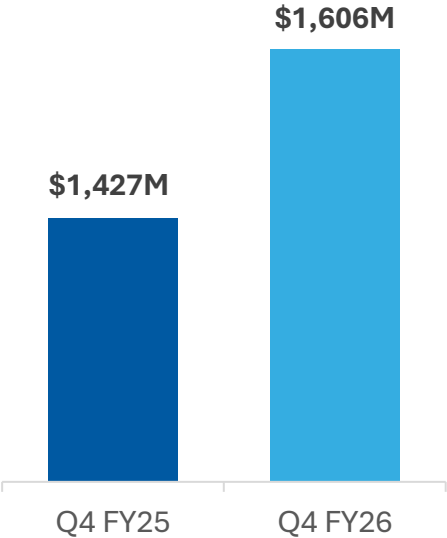
Expanded AI Leadership with the Launch of WISE

- Launched WISE, the AI-powered intelligence engine behind our expert-enabled digital workforce strategy
- WISE powers ~600 AI features and agents across our solutions and operations
- WISE draws on more than 26 trillion data points, helping make our solutions smarter, more relevant, and more proactive
- Underpinning this is our patent-pending AI knowledge mesh technology, which helps unlock insights from unstructured data — including emails, calls, and other client interactions — and turn it into actionable intelligence
- Embedded into workflows, WISE helps scale expertise, enhance productivity, and deliver better client outcomes
- Opportunities for direct monetization as well as indirect benefits, including stronger cross-sell, retention, and pricing power

Fourth Quarter Financial Highlights

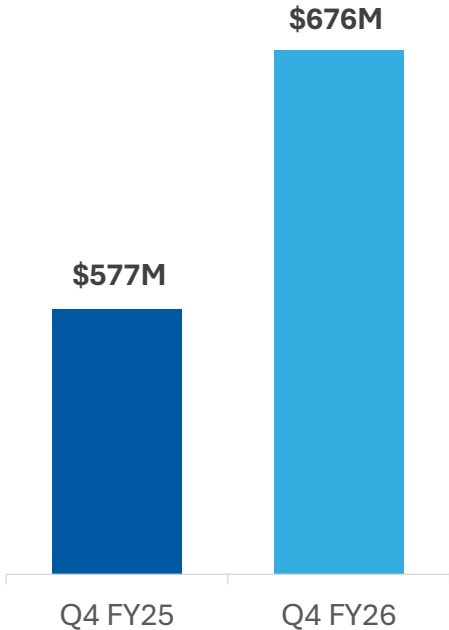
Total Revenue

↑ 12%



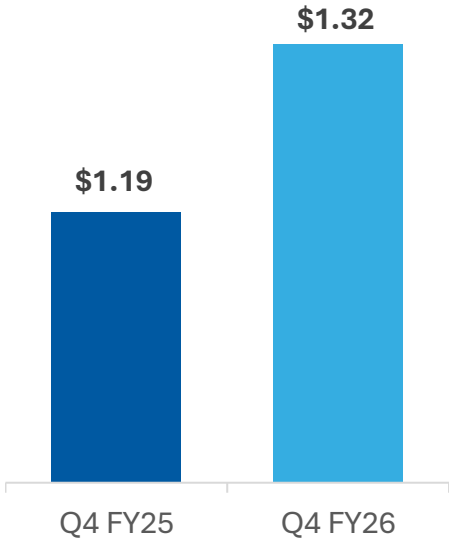
Adjusted Operating Income⁽¹⁾

↑ 17%



Adjusted Diluted EPS⁽¹⁾

↑ 11%

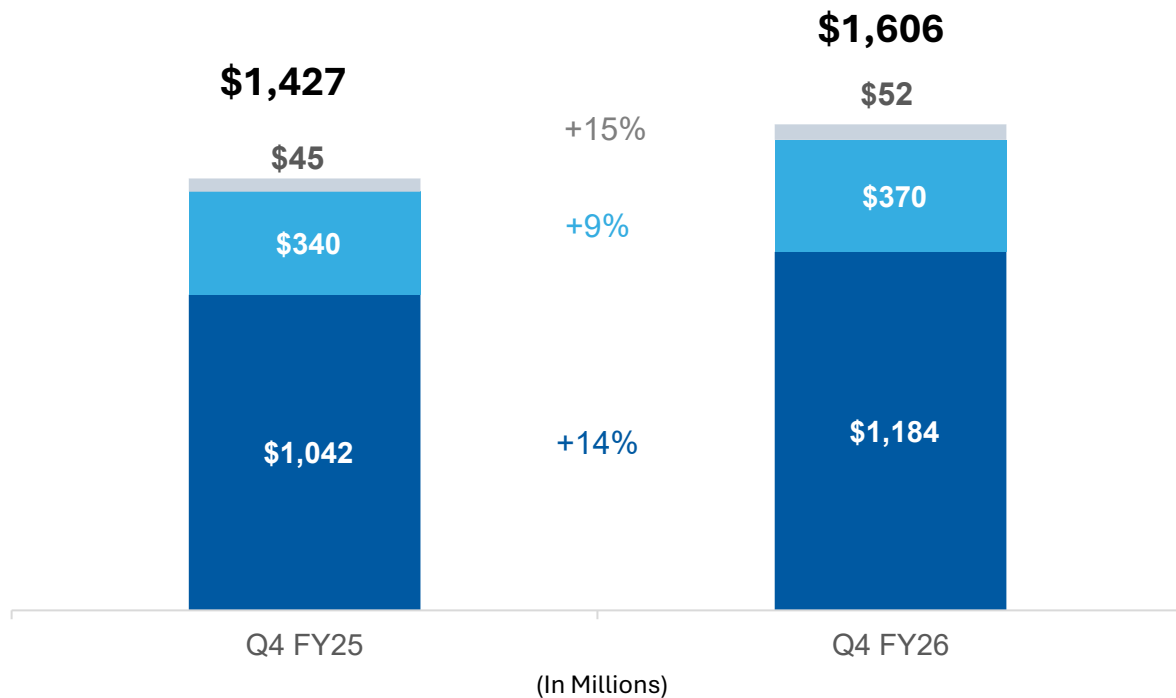


(1) Adjusted operating income and adjusted diluted earnings per share (“EPS”) are not U.S. generally accepted accounting principles (“GAAP”) measures. Refer to slides 19 and 20 for a reconciliation to the corresponding GAAP measures.

Fourth Quarter Revenue Key Drivers

Total Revenue

↑ 12%



Management Solutions

- Higher product penetration
- Growth in the number of HR Solutions (ASO) worksite employees
- Price realization and higher revenue per client driven by Paycor's upmarket client base
- Paycor contributed ~8% to Q4 revenue growth

PEO(1) & Insurance Solutions

- Growth in the number of average PEO worksite employees
- Increase in PEO insurance revenues

Interest on Funds Held for Clients

- Higher average investment balances resulting from the Paycor acquisition

(1) Professional Employer Organization ("PEO")

Fiscal 2026 Highlights

Strong growth in revenue and earnings

- Delivered total revenue guidance and exceeded earnings guidance after raising expectations twice
- Generated strong double-digit revenue and earnings growth
- Accelerated organic revenue growth in each quarter
- Achieved industry-leading 43.2% adjusted operating margin⁽¹⁾ while investing in strategic priorities and growth opportunities

Achieved strong operational performance and progress on strategic initiatives

- Maintained strong client retention, including record ASO and PEO worksite employee retention
- Expanded presence upmarket through successful Paycor acquisition integration
- Exceeded fiscal 2026 synergy targets, contributing >50 bps to revenue growth and generating >\$100 million in cost synergies
- Advanced cross-sales of advisory solutions into the Paycor client base while winning larger deals than originally anticipated
- Expanded AI leadership with WISE, enabling new agentic capabilities across our operations and solutions
- Agentic payroll solution has continued to scale, significantly reducing wait times while maintaining the accuracy our clients expect

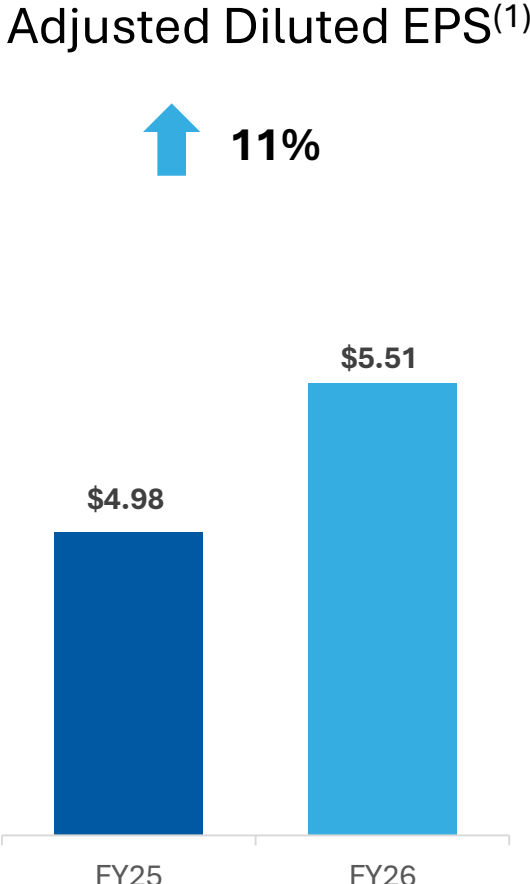
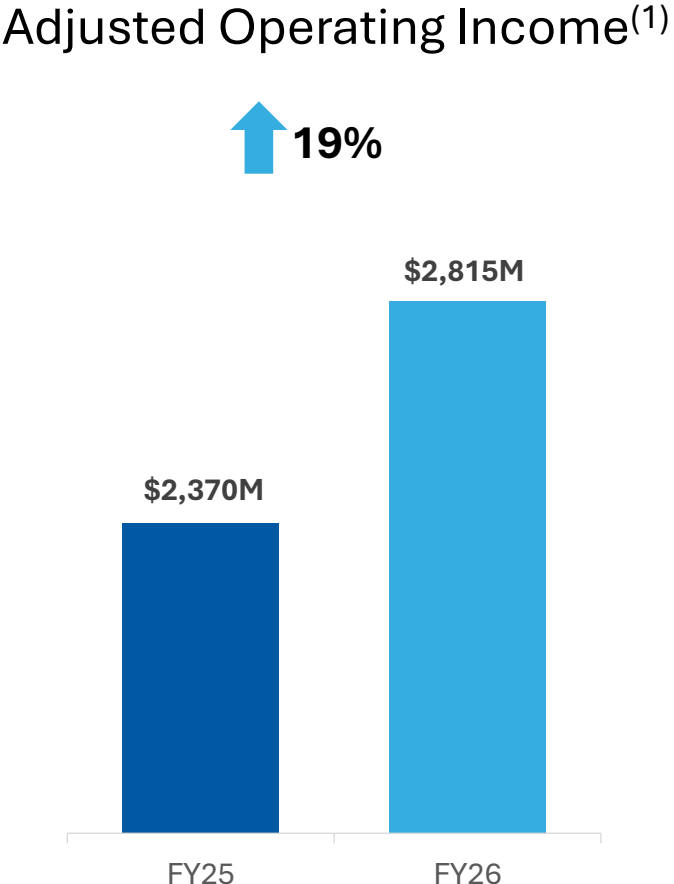
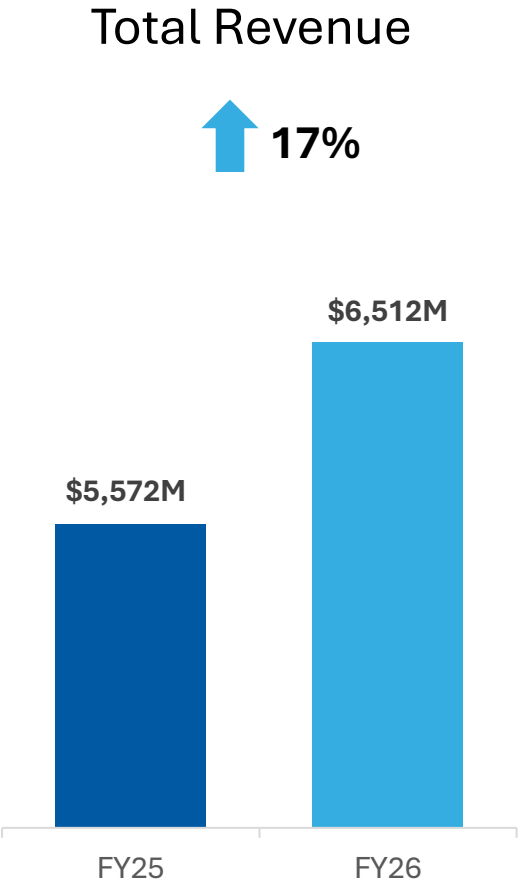
Returned \$2,201M to shareholders during FY26

- Paid \$1,590M of dividends and returned \$611M through share repurchases

(1) Adjusted operating margin is a non-GAAP financial measure. Refer to slides 19 and 20 for a reconciliation to the corresponding GAAP measures.



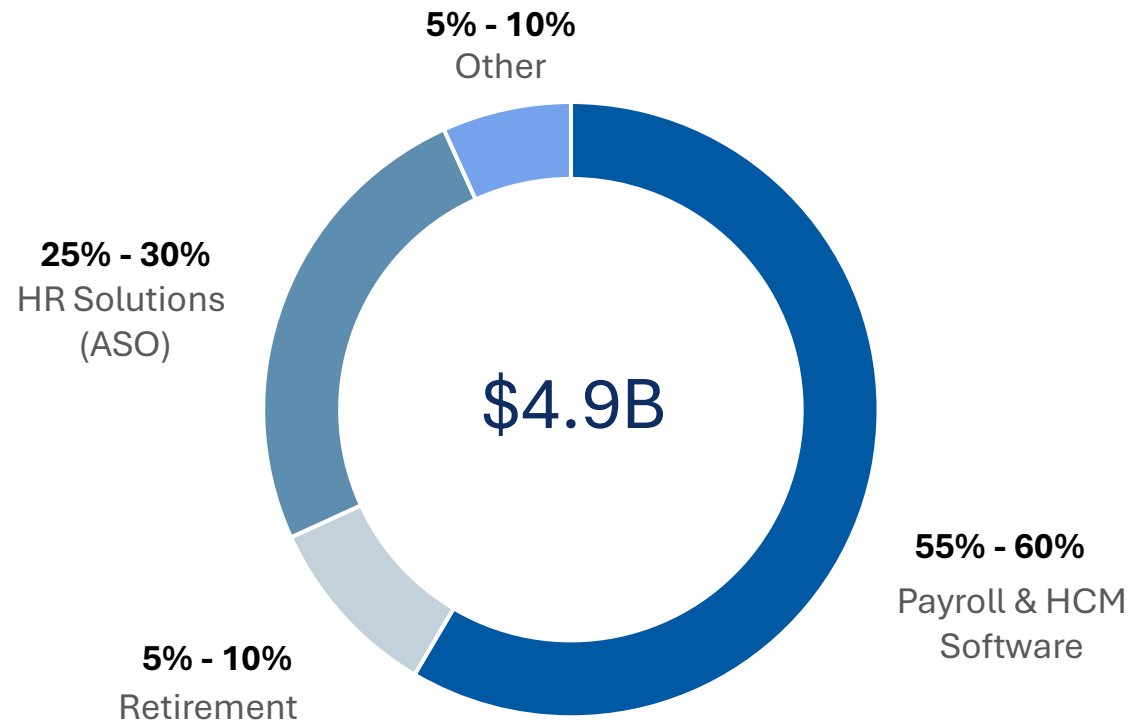
Fiscal 2026 Financial Highlights



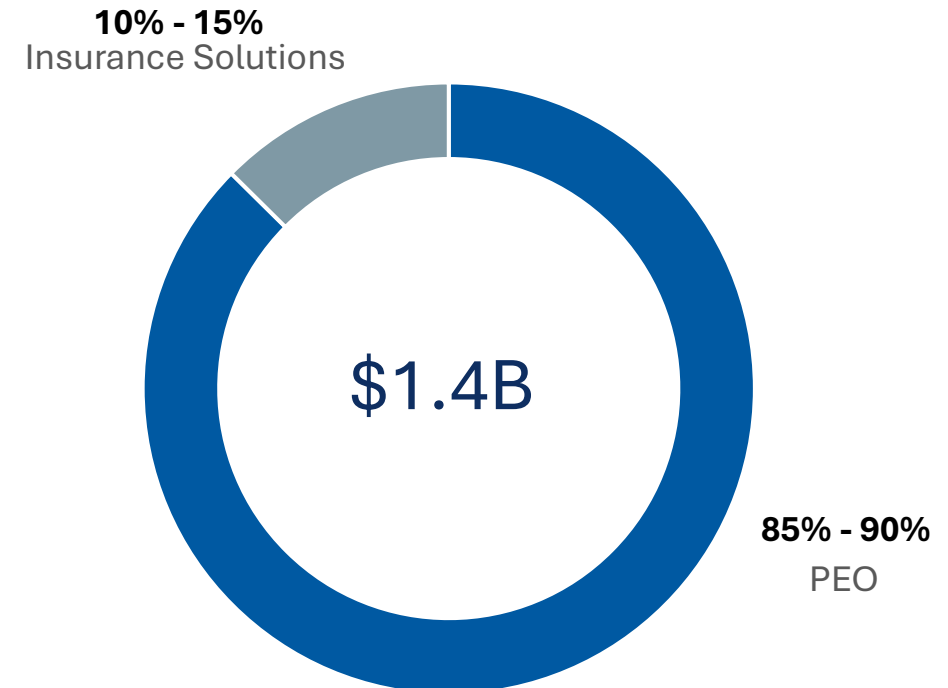
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Fiscal 2026 Revenue Composition

Management Solutions¹



PEO & Insurance Solutions



(1) Year-over-year changes in Management Solutions revenue mix reflect the inclusion of Paycor, resulting in a higher relative contribution from Payroll & HCM Solutions and a lower relative contribution from Retirement Solutions.

WISE: A Highly Differentiated, AI-Powered Intelligence Engine

Workforce Intelligence Strengthened by Expertise Designed to Enhance Productivity, Decision-making and Results

Better experiences. Smarter decisions. Stronger outcomes.

Embedded across Paychex Flex | Paycor | SurePayroll



WISE Intelligence

Aware of context

- Proactive, context-aware intelligence
- Anticipates issues and flags risks early
- Enables smarter decisions in the flow of work



WISE Assistants

Advising in the moment

- Dynamic, real-time guidance in workflows
- Reduces friction and manual effort
- Enables smarter, more efficient outcomes



WISE Agents

Acts to deliver outcomes

- Autonomous workers embedded in workflows
- Execute tasks with minimal intervention
- Delivers scalable, trusted automation

Supported by Expert Services and Managed Solutions

Built on Decades of HR Expertise and Trillions of Data Elements

Enabled by Modern Infrastructure spanning Payroll | Tax | Payment Orchestration | HR | Benefits

Recent Awards and Recognition

Paychex continues to be recognized for its innovative technology, market leadership, and corporate culture



Most Trustworthy Companies in America

Paychex was named one of the Most Trustworthy Companies in America by Newsweek, reflecting our dedication to ethical practices and earning client trust



America's Top WorkTech Companies

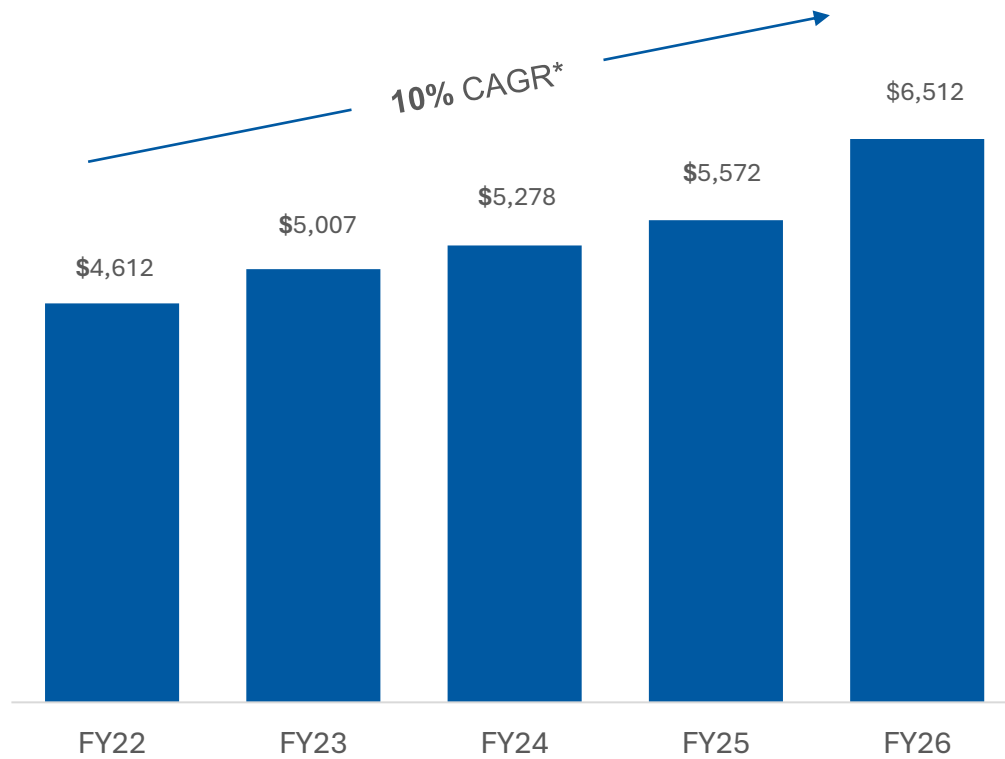
Paychex was named one of America's Top WorkTech companies by TIME, highlighting our workplace technology, financial strength, and industry impact



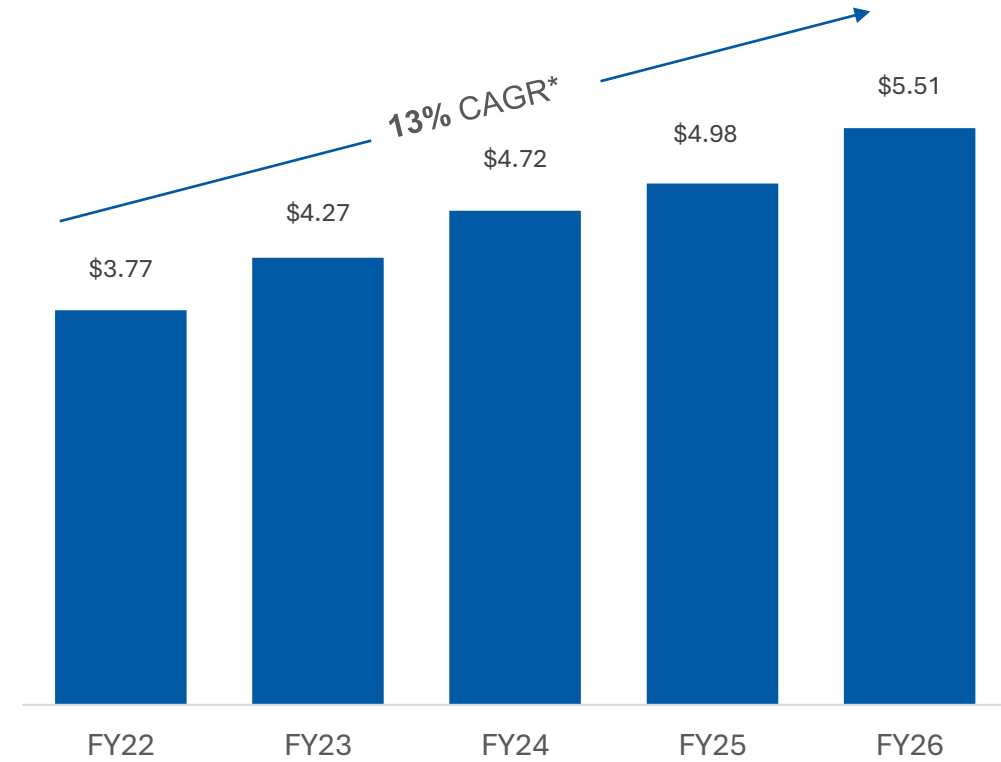
Sustained Financial Performance

(In Millions, Except Per Share Amounts)

Total Revenue



Adjusted Diluted EPS⁽¹⁾



* 5-Year CAGR

(1) Adjusted diluted earnings per share ("EPS") is not a U.S. generally accepted accounting principles ("GAAP") measure. Refer to slides 19 and 20 for a reconciliation to the corresponding GAAP measures.





Fiscal 2027 Outlook

Fiscal Year 2027 Outlook

Management Solutions Revenue
PEO & Insurance Solutions Revenue
Total Revenue
Adjusted Diluted EPS⁽¹⁾

Year-over-Year Growth

5% - 6%

6% - 7%

5% - 6%

7% - 9%

Anticipated Result

Interest on Funds Held for Clients
Adjusted Operating Income, as a Percent of Total Revenue⁽¹⁾
Effective Income Tax Rate

\$195M - \$205M

~44%

~24%

(1) Adjusted diluted EPS and adjusted operating income are non-GAAP financial measures. Refer to our discussion of non-GAAP financial measures in our fourth quarter fiscal 2026 earnings press release.



Financial Results

Financial Results

For the Three and Twelve Months ended May 31, 2026

(In millions, except per share amounts)	Three Months Ended	%	Twelve Months Ended	%
	May 31, 2026	Change	May 31, 2026	Change
Management Solutions	\$ 1,183.6	14%	\$ 4,867.9	20%
PEO and Insurance Solutions	\$ 369.7	9%	\$ 1,433.2	7%
Total Service Revenue	\$ 1,553.3	12%	\$ 6,301.1	16%
Interest on Funds Held for Clients	\$ 52.2	15%	\$ 210.9	30%
Total Revenue	\$ 1,605.5	12%	\$ 6,512.0	17%
Operating Income	\$ 604.7	40%	\$ 2,510.5	14%
Net Income	\$ 420.6	41%	\$ 1,760.1	6%
Diluted EPS	\$ 1.17	43%	\$ 4.89	7%
Non-GAAP Measures:⁽¹⁾				
Adjusted Operating Income	\$ 675.8	17%	\$ 2,814.7	19%
Adjusted EBITDA	\$ 729.7	17%	\$ 3,021.8	19%
Adjusted Net Income	\$ 474.6	10%	\$ 1,984.8	10%
Adjusted Diluted EPS	\$ 1.32	11%	\$ 5.51	11%

(1) Refer to a reconciliation of non-GAAP financial measures to the related GAAP financial measures on slides 19 and 20.

Financial Highlights

(\$ in Millions)

- Strong liquidity position with \$1.2B in cash and corporate investments
- Gross leverage ratio of ~1.5x
- Return on equity of 45%
- Consistent free cash flow generation supports industry-leading dividend payout ratio

(In millions)	<u>May 31, 2026</u>	<u>May 31, 2025</u>
Cash, Restricted Cash, & Total Corporate Investments	\$ 1,177.3	\$ 1,711.0
Total Debt, Net of Debt Issuance Costs ⁽¹⁾	\$ 4,556.1	\$ 4,966.8
Net Debt Position	\$ 3,378.8	\$ 3,255.8
Gross Leverage Ratio ⁽²⁾	1.5x	2.0x
Net Leverage Ratio ⁽³⁾	1.1x	1.3x
Return on Equity	45%	42%
Fiscal Year-to-Date Period Ended:	<u>May 31, 2026</u>	<u>May 31, 2025</u>
Operating Cash Flow	\$ 2,556.7	\$ 1,900.9
Free Cash Flow ⁽⁴⁾	\$ 2,321.8	\$ 1,709.1
Dividends Paid	\$ 1,589.6	\$ 1,448.5
Dividend Coverage Ratio ⁽⁵⁾	1.5x	1.2x

(1) Excludes operating lease liabilities of \$74.2M and \$78.0M as May 31, 2026 and May 31, 2025, respectively.

(2) Gross leverage ratio calculated as total debt divided by trailing-twelve-month adjusted EBITDA. Adjusted EBITDA is a non-GAAP financial measure. Refer to slides 19 and 20 for a reconciliation to the corresponding GAAP measures.

(3) Net leverage ratio calculated as net debt divided by trailing-twelve-month adjusted EBITDA. Adjusted EBITDA is a non-GAAP financial measure. Refer to slides 19 and 20 for a reconciliation to the corresponding GAAP measures.

(4) Free cash flow is a non-GAAP financial measure calculated as operating cash flow less purchases of property and equipment (which includes internally developed software costs). Purchases of property and equipment for the fiscal year-to-date periods ended May 31, 2026 and 2025 were \$234.9M and \$191.8M, respectively.

(5) Dividend coverage ratio is calculated as free cash flow divided by dividends paid.

Non-GAAP Financial Measures

For the Three and Twelve Months ended May 31, 2026

	Three Months Ended		% Change	Twelve Months Ended		% Change
	May 31, 2026	May 31, 2025		May 31, 2026	May 31, 2025	
Operating Income	\$ 604.7	\$ 431.1	40%	\$ 2,510.5	\$ 2,207.7	14%
Non-GAAP Adjustments:						
Acquisition-related costs ⁽¹⁾	71.1	145.6		304.2	162.3	
Adjusted Operating Income⁽²⁾	\$ 675.8	\$ 576.7	17%	\$ 2,814.7	\$ 2,370.0	19%
Adjusted Operating Margin⁽²⁾	42.1%	40.4%		43.2%	42.5%	
Net Income	\$ 420.6	\$ 297.2	41%	\$ 1,760.1	\$ 1,657.3	6%
Non-GAAP Adjustments:						
Acquisition-related costs ⁽¹⁾	71.1	166.4		304.2	196.3	
Income tax benefit for acquisition-related costs	(17.1)	(33.3)		(73.3)	(40.6)	
Discrete tax shortfall/(windfall) related to employee stock-based compensation payments ⁽³⁾	0.0	(0.7)		(6.2)	(10.1)	
Adjusted Net Income⁽²⁾	\$ 474.6	\$ 429.6	10%	\$ 1,984.8	\$ 1,802.9	10%

(1) Acquisition-related costs included in selling, general and administrative expenses include (I) \$60.5 million for the fourth quarter and \$242.0 million for the twelve months compared to \$40.7 million for both corresponding prior-year periods, in amortization of intangibles acquired in the acquisition of Paycor; (II) \$10.4 million for the fourth quarter and \$52.1 million for the twelve months compared to \$70.8 million for both corresponding prior-year periods, in compensation costs related to the acquisition and integration of Paycor, including replacement awards, severance and retention bonuses; and (III) \$0.2 million for the fourth quarter and \$10.1 million for the twelve months compared to \$34.1 million and \$50.8 million for corresponding prior-year periods, respectively, in other acquisition-related costs primarily consisting of professional service fees. In addition, acquisition-related costs for the three and twelve months ended May 31, 2025, include \$20.8 million and \$34.0 million, respectively, reflecting the amortization of financing fees related to debt instruments associated with the financing of the Paycor acquisition and the excluded component of the initial fair value of the interest rate swaption contracts that are included in Interest expense in the Company's Consolidated Statements of Income.

(2) Adjusted operating income, adjusted operating margin, and adjusted net income are non-GAAP financial measures. Refer to our fourth quarter fiscal 2026 earnings press release for further discussion.

(3) Discrete tax shortfall/(windfall) related to employee stock-based compensation payments recognized in income taxes. This item is subject to volatility and will vary based on employee decisions on exercising employee stock options and fluctuations in our stock price, neither of which is within the control of management.

Non-GAAP Financial Measures

For the Three and Twelve Months ended May 31, 2026

	Three Months Ended			Twelve Months Ended		
	May 31, 2026	May 31, 2025	% Change	May 31, 2026	May 31, 2025	% Change
Diluted EPS⁽¹⁾	\$ 1.17	\$ 0.82	43%	\$ 4.89	\$ 4.58	7%
Non-GAAP Adjustments:						
Acquisition-related costs ⁽²⁾	0.20	0.46		0.84	0.54	
Income tax benefit for acquisition-related costs	(0.05)	(0.09)		(0.20)	(0.11)	
Discrete tax shortfall/(windfall) related to employee stock-based compensation payments ⁽³⁾	0.00	(0.00)		(0.02)	(0.03)	
Adjusted Diluted EPS⁽⁴⁾	\$ 1.32	\$ 1.19	11%	\$ 5.51	\$ 4.98	11%
Net Income	\$ 420.6	\$ 297.2	41%	\$ 1,760.1	\$ 1,657.3	6%
Non-GAAP Adjustments:						
Interest expense	64.7	63.7		269.5	105.4	
Interest income on corporate investments	(13.0)	(20.5)		(63.4)	(72.8)	
Income taxes	133.6	92.1		550.8	518.6	
Depreciation and amortization expense	113.2	85.7		442.6	209.5	
EBITDA⁽⁴⁾	\$ 719.1	\$ 518.2	39%	\$ 2,959.6	\$ 2,418.0	22%
Non-GAAP Adjustments:						
Acquisition-related costs ⁽²⁾	10.6	104.9		62.2	121.6	
Adjusted EBITDA⁽⁴⁾	\$ 729.7	\$ 623.1	17%	\$ 3,021.8	\$ 2,539.6	19%
Adjusted EBITDA Margin⁽⁴⁾	45.4%	43.7%		46.4%	45.6%	

(1) The calculation of the impact of non-GAAP adjustments on diluted earnings per share is performed on each line independently. The table may not add down by +/- \$0.01 due to rounding.

(2) Acquisition-related costs included in selling, general and administrative expenses include (I) \$60.5 million for the fourth quarter and \$242.0 million for the twelve months compared to \$40.7 million for both corresponding prior-year periods in amortization of intangibles acquired in the acquisition of Paycor; (II) \$10.4 million for the fourth quarter and \$52.1 million for the twelve months compared to \$70.8 million for both corresponding prior-year periods in compensation costs related to the acquisition and integration of Paycor, including replacement awards, severance, and retention bonuses; and (III) \$0.2 million for the fourth quarter and \$10.1 million for the twelve months compared to \$34.1 million and \$50.8 million for corresponding prior year periods, in other acquisition-related costs, primarily reflecting professional service fees. In addition, acquisition-related costs for the three and twelve months ended May 31, 2025, include \$20.8 million and \$34.0 million, respectively, reflecting the amortization of financing fees related to debt instruments associated with the financing of the Paycor acquisition and the excluded component of the initial fair value of the interest rate swaption contracts that are included in Interest expense in the Company's Consolidated Statements of Income.

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(4) Adjusted diluted EPS, EBITDA, adjusted EBITDA, and adjusted EBITDA margin are non-GAAP financial measures. Refer to our fourth quarter fiscal 2026 earnings press release for further discussion.

Investment Portfolio Results

(\$ in millions)	Three Months Ended			Twelve Months Ended		
	May 31, 2026	May 31, 2025	% Change	May 31, 2026	May 31, 2025	% Change
Average Investment Balances:						
Funds Held For Clients	\$ 5,854.8	\$ 5,142.7	14%	\$ 5,768.2	\$ 4,699.5	23%
Corporate Cash Equivalents and Investments	\$ 1,463.2	\$ 1,964.0	-26%	\$ 1,672.3	\$ 1,649.2	1%
Total	\$ 7,318.0	\$ 7,106.7	3%	\$ 7,440.5	\$ 6,348.7	17%
Average Rate of Return Earned:						
Funds Held For Clients	3.5%	3.5%		3.5%	3.4%	
Corporate Cash Equivalents and Investments	3.6%	4.2%		3.8%	4.4%	
Combined	3.6%	3.7%		3.6%	3.7%	
Realized Gain/(Loss), Net	\$ 0.2	\$ -		\$ 7.6	\$ (0.4)	
<u>End of Period:</u>	<u>May 31, 2026</u>			<u>May 31, 2025</u>		
Unrealized Loss, Net	\$52.5			\$53.6		

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Thank you