



Q2 Fiscal 2026
Investor Presentation

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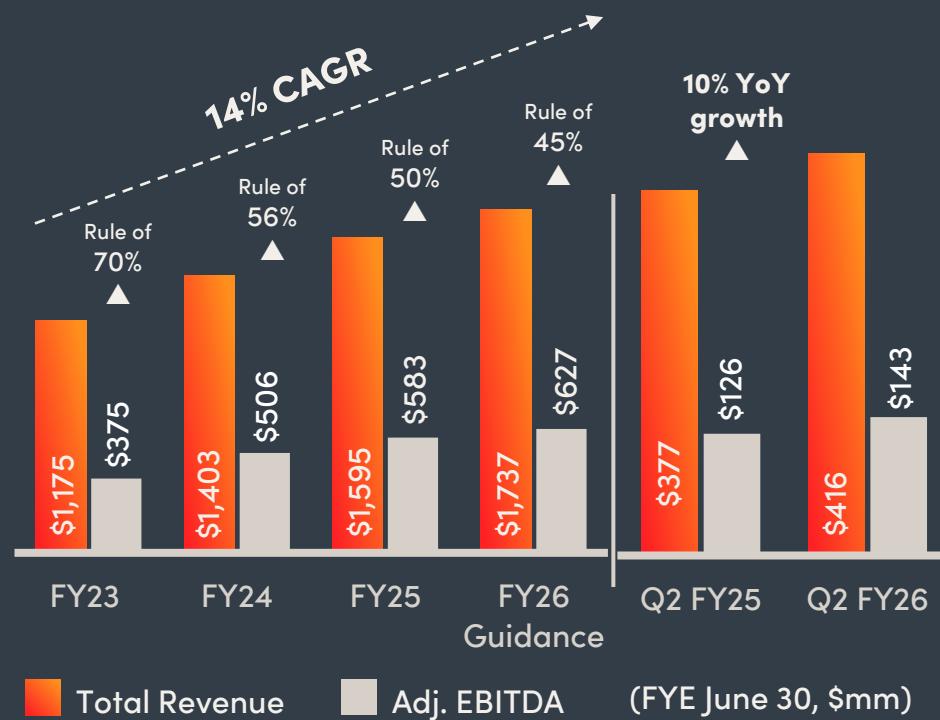
In addition to U.S. GAAP financials, this presentation includes certain non-GAAP financial measures. These non-GAAP financial measures are in addition to, and not a substitute for or superior to, measures of financial performance prepared in accordance with U.S. GAAP. Investors are encouraged to review the reconciliation of the non-GAAP measures to their most directly comparable GAAP measures for the periods presented provided in the Current Reports on Form 8-K filed with the SEC on February 5, 2026, August 5, 2025, August 1, 2024, and August 4, 2022.

This presentation contains statistical data that we obtained from industry publications and reports generated by third parties. Although we believe that the publications and reports are reliable, we have not independently verified this statistical data.

Our Business

We are a leading provider of cloud-based HR, Finance, and IT solutions to a diversified set of clients across verticals & geographies

Demonstrated ability to drive strong revenue growth with increasing profitability



*Rule of % = Total Revenue Growth + Adj. EBITDA Margin

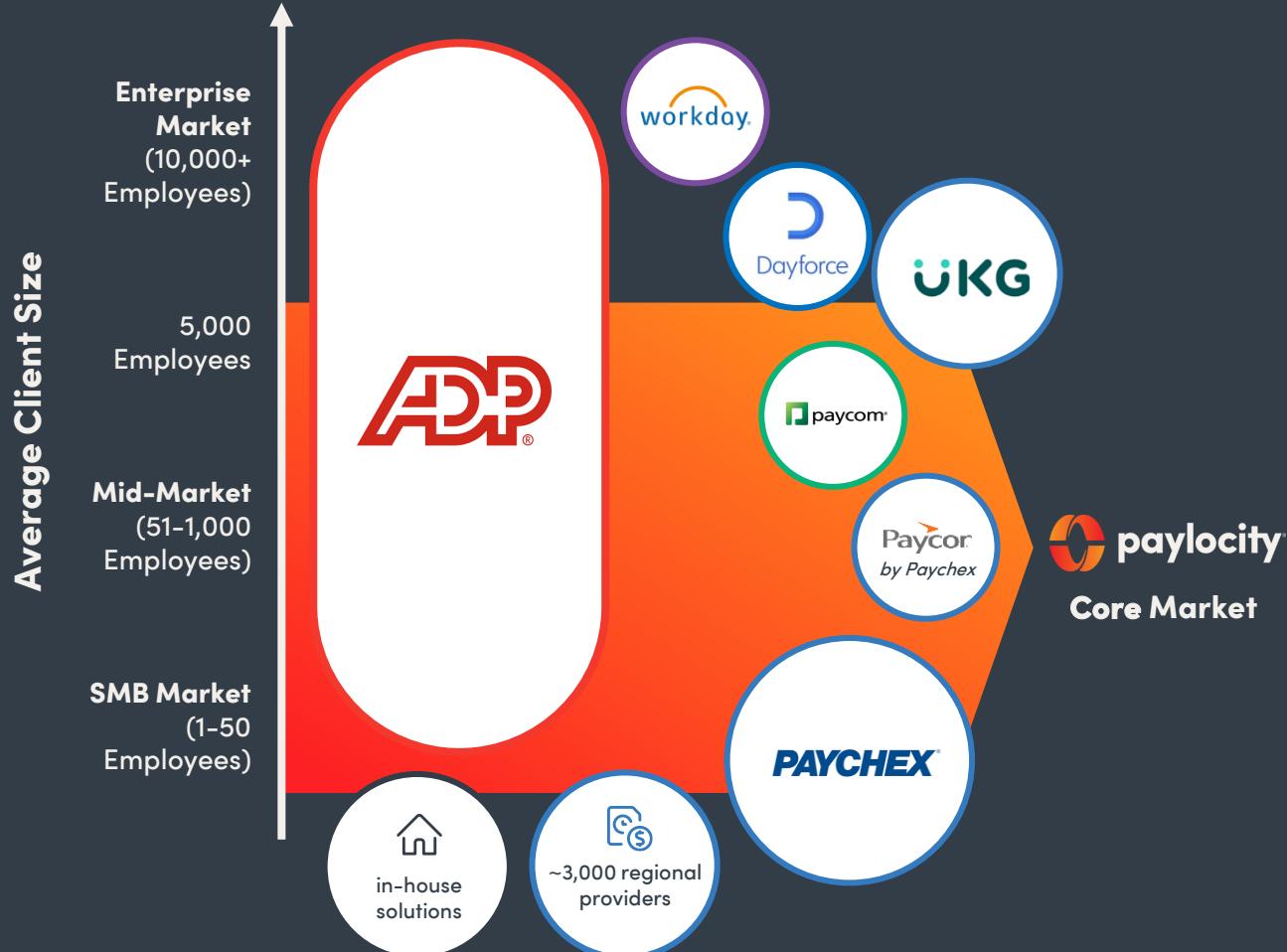
HCM Addressable Market (TAM)



We remain squarely focused on increasing our limited penetration of a large, and growing, total addressable market



HCM Competitive Landscape



Workday

Limited overlap in target market. Enterprise solutions focused on companies with several thousand employees and up – do not see them often competitively

Ultimate Kronos Group / Dayforce

Enterprise solution focusing primarily on >1,000 employee companies – seen in deals at the higher-end of our target market

Paycom

Average client size is larger than ours, generally seen at the middle / higher-end of our target market

Paycor (by Paychex)

Average client size is smaller than ours, generally seen at the middle / lower-end of our target market

ADP / PAYX

Biggest competitors – compete throughout our target market

Regionals

Smaller to mid-part of our market

In-House

Primarily lower end of the market



Paylocity differentiates with a payroll, HCM, spend management, and IT platform built for the modern workforce + best-in-class client support

Focused on taking share in our target market of roughly 1.3 million businesses



UNIFIED PLATFORM FOR
HR, FINANCE, & IT

HR

Talent, benefits, engagement,
and compliance

Finance

Payroll, time tracking, GL integration,
and budgeting

IT

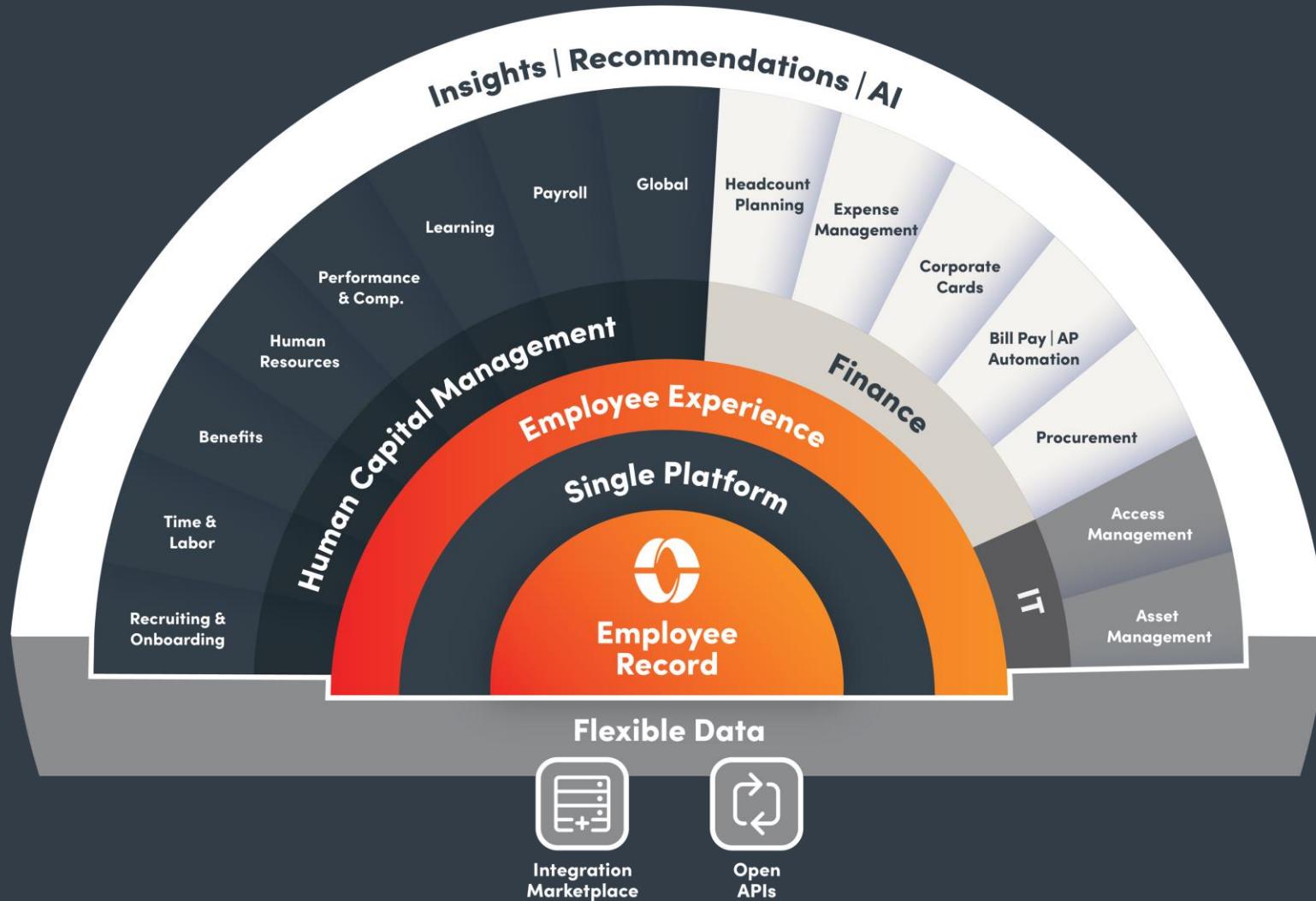
System Access and Asset Management



A single source of truth
across the enterprise.

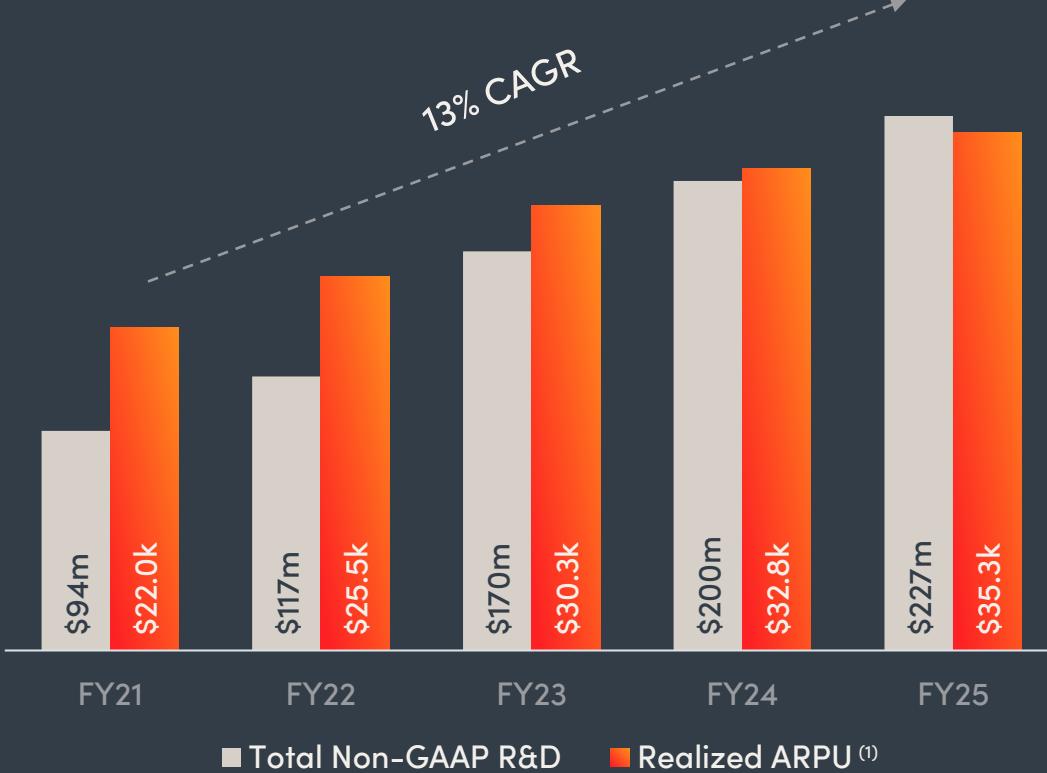


The Most Modern Platform HCM, Finance, & IT



Sustained R&D Investment Drives Product Expansion and Revenue Growth

Over 180% increase in Realized ARPU since 2014



Ongoing Product Innovation



Community



Video



Learning



Employee Voice



Market Pay

Employee Experience



Recruiting & Onboarding



Benefits



Time & Labor



Payroll



Human Resources



Performance & Compensation

HCM



Expense Management



AP Automation



Corporate Cards



Guided Procurement



Headcount Planning



Asset Management



Access Management

Finance & IT

⁽¹⁾ ARPU = Recurring & Other Revenue / # of Clients

The Most Complete HCM Platform for The Modern Workforce



The Paylocity HCM platform is a comprehensive solution designed to simplify HR, payroll, recruiting, time & labor management, and benefits administration for modern workforces. The platform features a clean, modern interface with orange accents and integrates various HR functions into a single, user-friendly dashboard.

- HR:** Manages supervisor to-dos, personal tasks, and employee engagement surveys.
- Payroll:** Handles bi-weekly payroll processing, including current payroll, audit status, and batch approval.
- Recruiting:** Provides a video-based candidate application process, including resume upload and job application collection.
- Time & Labor:** Manages employee schedules, time off requests, and labor distribution across various positions and shifts.
- Benefits:** Offers a benefits decision support tool to help employees choose the right plans based on their needs.

Process Payroll in a few Clicks

Submit payroll through a simple navigation flow reducing manual data entry and minimizing errors

Simplify Tasks for HR and Employees

Save time and money with intuitive scheduling and time tracking, bringing your team into the future of work

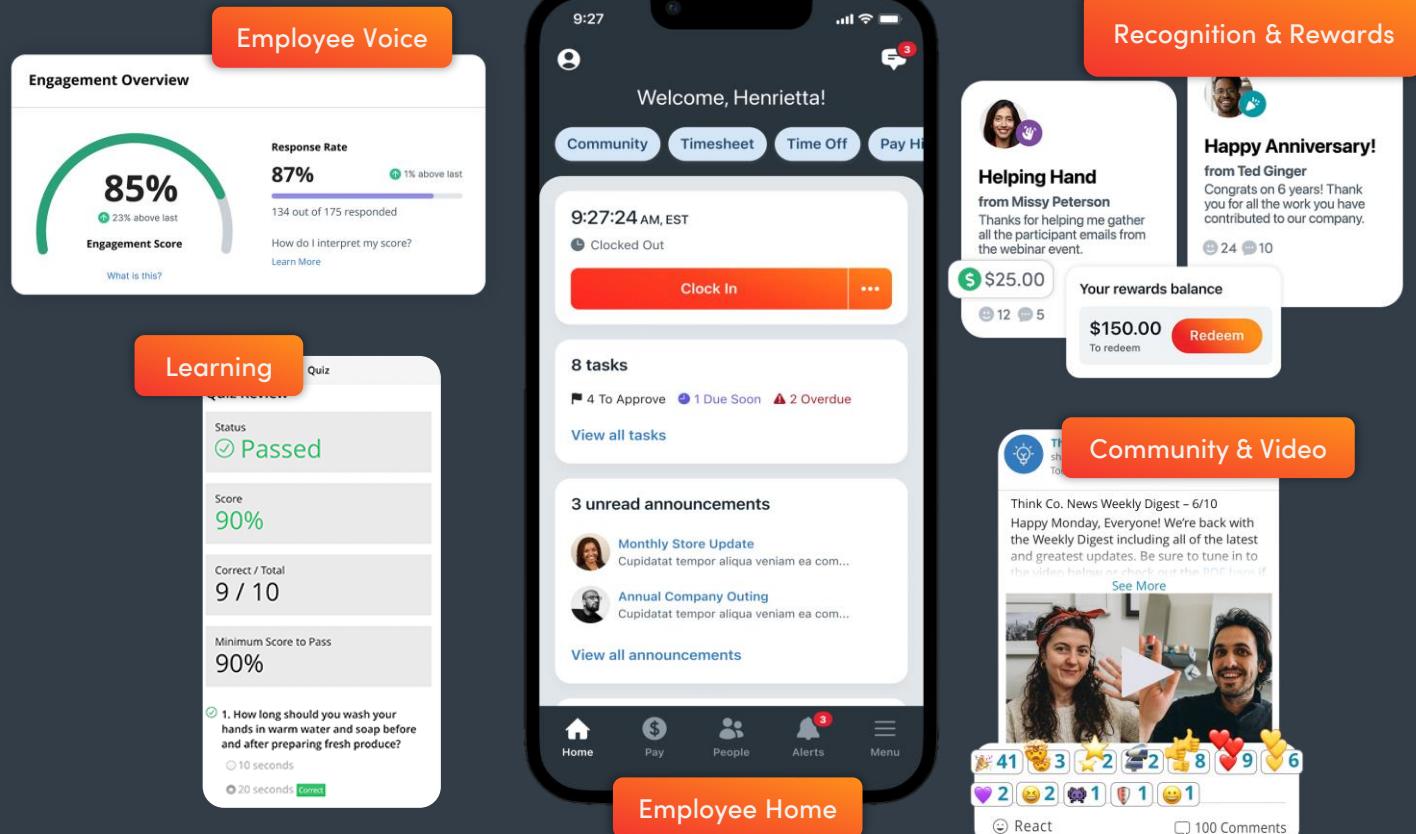
Find and Retain Top Talent

Get top candidates in the door quickly and keep them on the path to success to drive satisfaction and growth

Setup Frictionless Benefits

Easily set up enrollment, navigate compliance and automate processes

Providing HR the tools to better engage with their employees



Feeling heard & valued

Create engagement with opportunities for feedback & recognition

Flexibility & wellbeing

Empower employees to manage their shifts & pay schedule without HR overhead

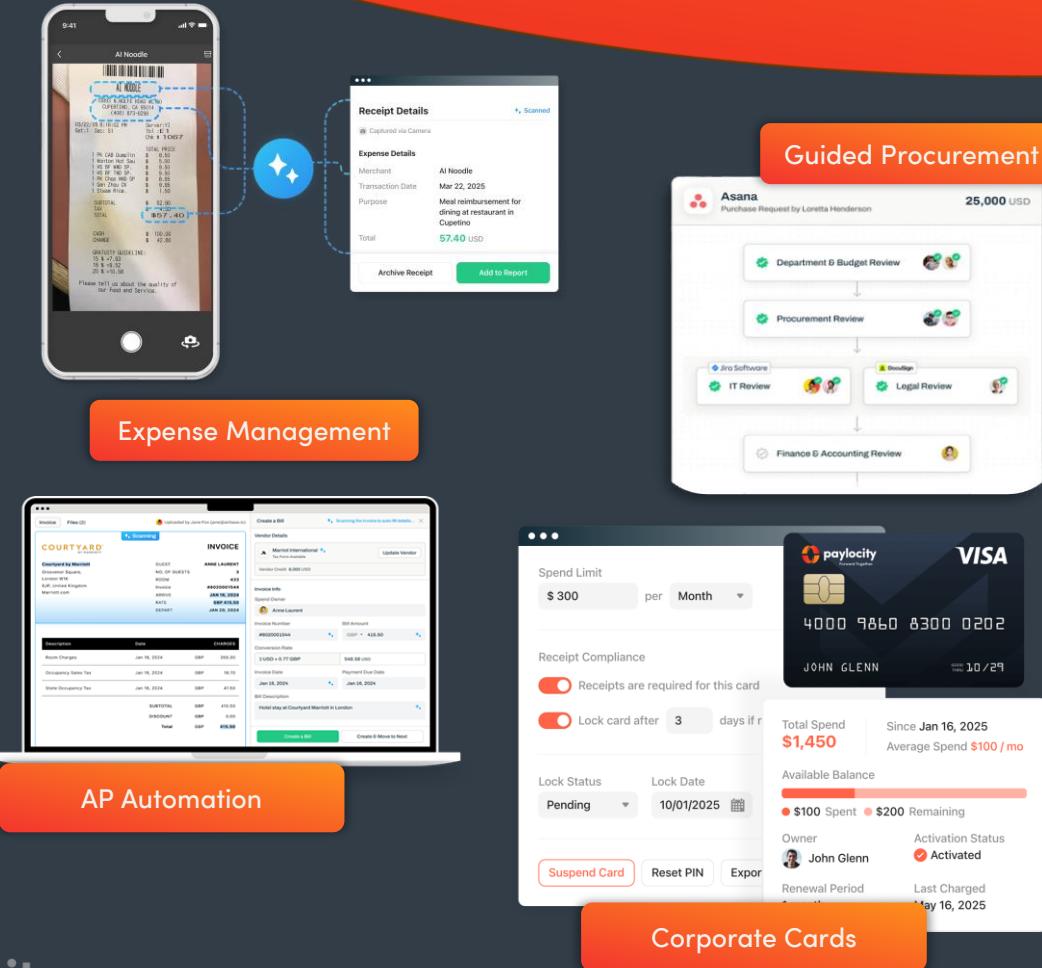
Connection across the org

Foster transparency and a sense of belonging with open communication

Mobile & on-demand

Everything employees need at their fingertips on any device

Finance & spend management software that puts CFOs in control



Expense Management

Guided Procurement

AP Automation

Corporate Cards

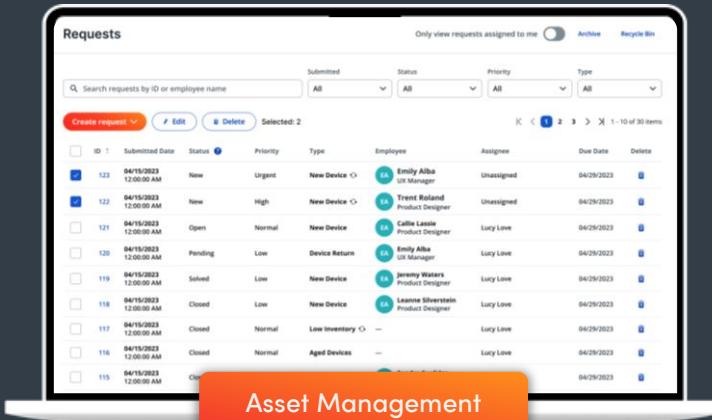
All Spend on a Single Platform
 Enables real-time visibility, faster close, seamless adoption for every part of the organization

A Singular Employee Record
 A single source of truth for Finance and HR processes for increased synergy, greater efficiencies, and better decision making

A Unified, Differentiated Experience
 Enhances employee satisfaction and increases efficiencies across HR- and spend-related processes

Significant TAM Expansion
 Opportunity to move into high-growth Office of the CFO category

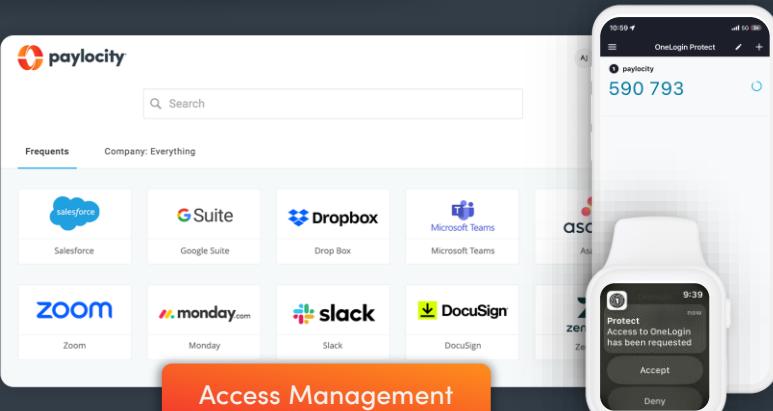
Complete control over IT identity and hardware management



Asset Management

The screenshot shows a table of requests with columns: ID, Submitted Date, Status, Priority, Type, Employee, Assigned, Due Date, and Delete. The table contains 15 rows of data, with the first two rows highlighted in blue.

ID	Submitted Date	Status	Priority	Type	Employee	Assigned	Due Date	Delete
123	04/15/2023 12:00:00 AM	New	Urgent	New Device	Emily Alba	Unassigned	04/29/2023	
122	04/15/2023 12:00:00 AM	New	High	New Device	Trent Roland	Product Designer	04/29/2023	
121	04/15/2023 12:00:00 AM	Open	Normal	New Device	Carla Lopez	Designer	04/29/2023	
120	04/15/2023 12:00:00 AM	Pending	Low	Device Return	Emily Alba	Un Manager	04/29/2023	
119	04/15/2023 12:00:00 AM	Solved	Low	New Device	Jeremy Waters	Product Designer	04/29/2023	
118	04/15/2023 12:00:00 AM	Closed	Low	New Device	Leanne Silverstein	Product Designer	04/29/2023	
117	04/15/2023 12:00:00 AM	Closed	Normal	Low Inventory	—	—	04/29/2023	
116	04/15/2023 12:00:00 AM	Closed	Normal	Aged Devices	—	—	04/29/2023	
115	04/15/2023 12:00:00 AM	Open	Normal	—	—	—	04/29/2023	



Access Management

The screenshot shows a grid of frequent applications: Salesforce, Google Suite, Drop Box, Microsoft Teams, Zoom, Monday.com, Slack, and DocuSign.

Automated Access Management

Provision and deprovision accounts automatically using employee lifecycle data for a single source of truth between HR and IT

Smarter Asset Management

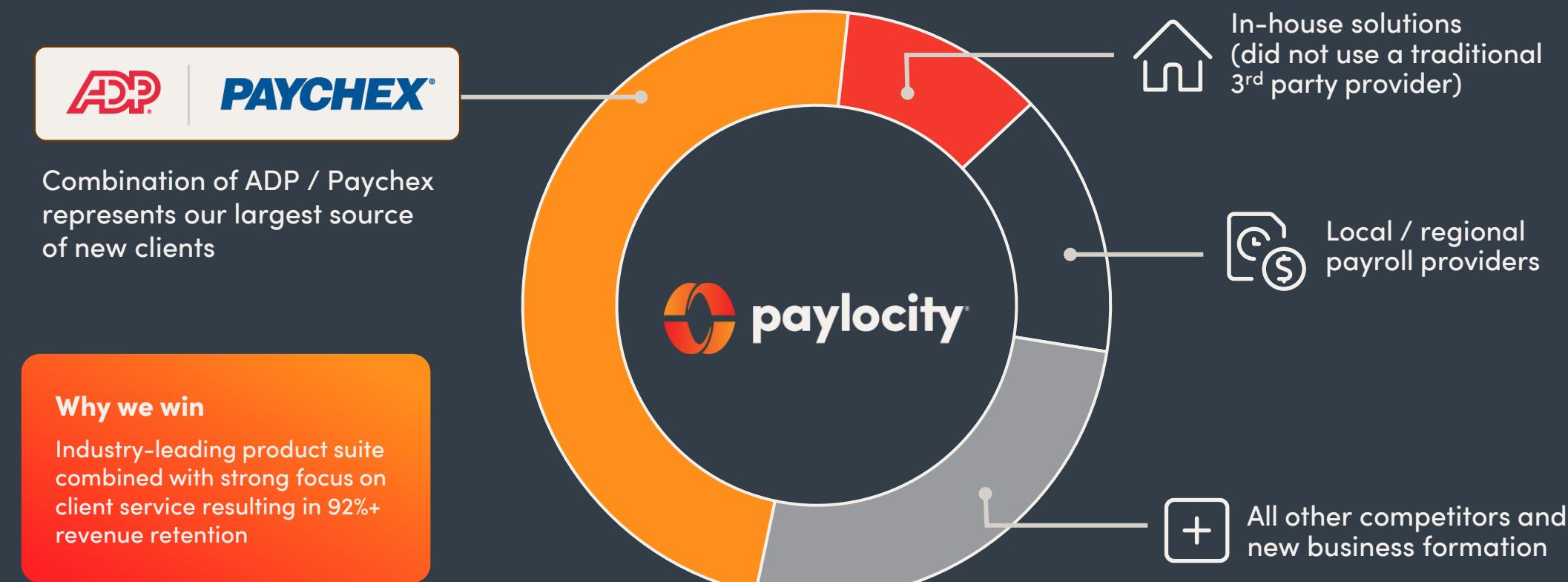
Track, order, assign, and update employee hardware from a unified platform to stay organized across all employee devices

Fewer Manual Touchpoints

Leverage employee data to drive system access, reducing risk and IT workload while freeing up hours of IT and HR time for strategic work

HCM Competitive Landscape

Where Our Clients Come From



Go-To-Market Strategy



We hire experienced sales professionals

- Most have prior HCM platform, HR technology, spend management, IT or B2B sales experience
- All sales are direct through our salesforce
- Our reps are focused on deals with 10-5,000 employees with our largest opportunities supported by our most experienced teams

952

reps in fiscal 2026

▲ 8%

From 885 reps in
fiscal 2025

All major U.S. geographies covered, but
room to add reps in every state

Our client base is well diversified across
all industry verticals and geographies



Strong Referral Channel



Channel Value Proposition

Paylocity is the most complete platform for the modern workforce which helps our channel partners reach employees in new ways



We do not compete with our channel partners

We do not sell insurance or benefits; other major payroll / HCM competitors compete with brokers and financial advisors for insurance business



Flexible platform

Integrations and open APIs for insurance, 401k and other providers. We continue to invest in integrations to add value for the broker community



Partner Portal

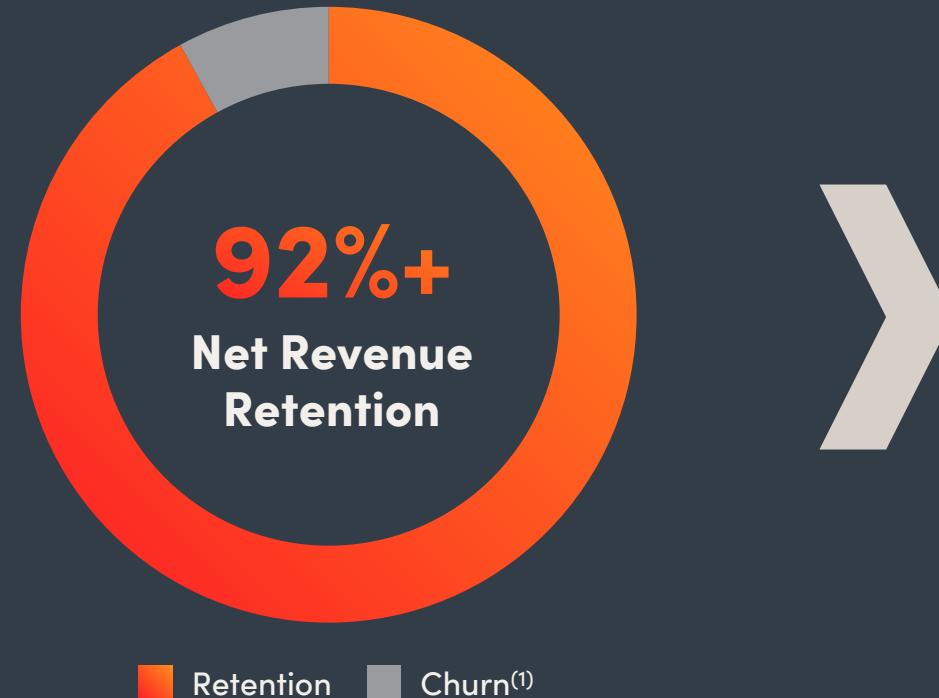
Providing visibility to brokers and helping drive change at their clients by providing unique data insights



25%+ of our new client revenue comes from referrals from channels

Continued Client Service Investments Support Strong Revenue Retention

Over **92%+** net revenue retention as a public company



Providing the most modern platform



Delivering world class service

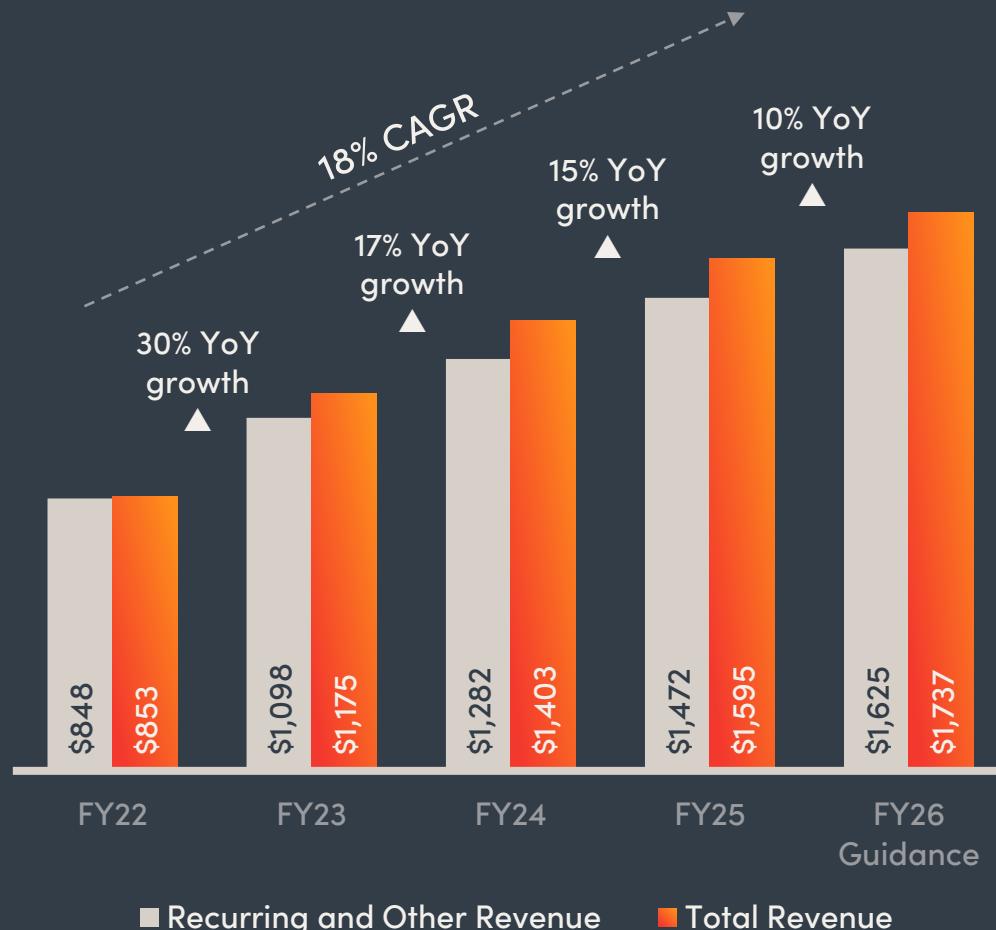
*Net Revenue Retention = total revenue for the preceding 12 months, less the annualized value of revenue lost during the preceding 12 months, divided by our total revenue for the preceding 12 months. We calculate the annualized value of revenue lost by summing the recurring fees paid by lost clients over the previous twelve months prior to their termination if they have been a client for a minimum of twelve months. For those lost clients who became clients within the last twelve months, we sum the recurring fees for the period that they have been a client and then annualize the amount. We exclude interest income on funds held for clients from the revenue retention calculation. ⁽¹⁾Includes controllable and uncontrollable churn

Financials



Recurring and Other Revenue

\$ millions



Long-Term Financial Targets

Increased profitability targets reflect commitment to driving greater operational efficiency over time

	Current
Total Revenue	\$3Bn
Adjusted Gross Profit	80%+
Non-GAAP total R&D	10% - 15%
Non-GAAP Sales & Marketing	15% - 20%
Non-GAAP General & Administrative	5% - 7%
Adjusted EBITDA	40% - 45%
Free Cash Flow	25% - 30%
Stock-Based Compensation	5%

Note: Financial targets based on percentage of total revenue

Squarely focused on **revenue growth** while demonstrating **meaningful leverage** in our business model

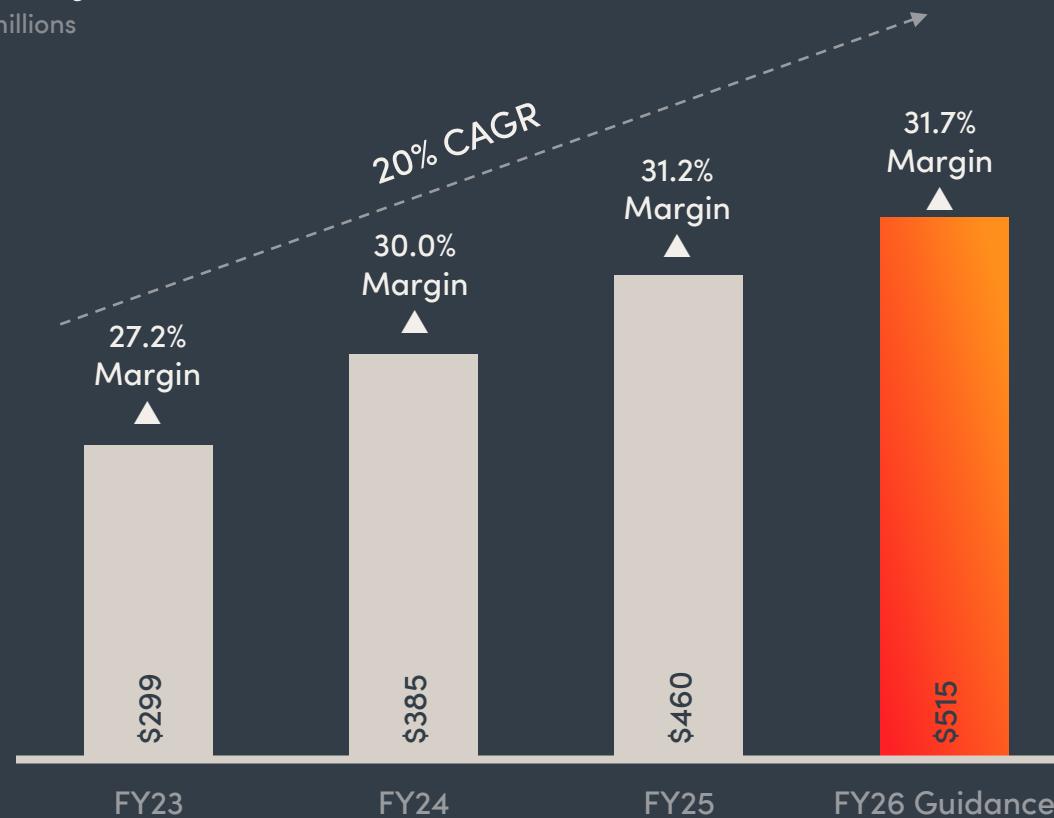
Financials (cont.)

Driving continued **margin expansion** on an annual basis

Adjusted EBITDA

excluding interest income on funds held for clients

\$ millions



Driving greater leverage over time

- Successfully driven ~450bps of Adj. EBITDA margin leverage excl. interest income on funds held for clients since FY23
- Intend to drive leverage primarily through cost of sales and G&A on a go forward basis

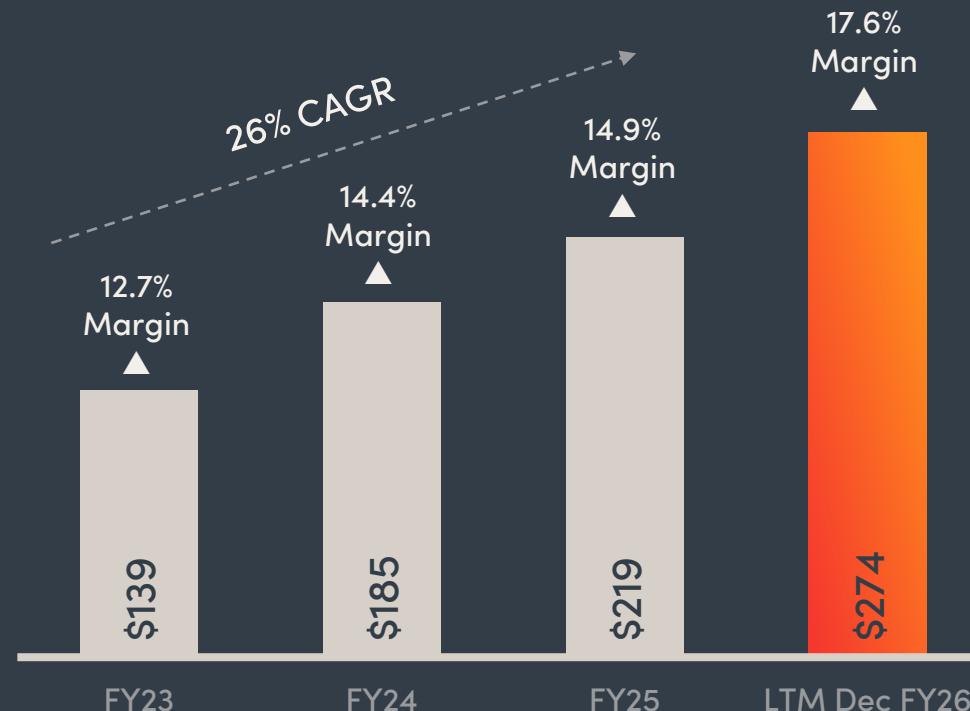
Financials (cont.)

Driving continued **margin expansion** on an annual basis

Free Cash Flow

excluding interest income on funds held for clients

\$ millions



Demonstrating meaningful FCF leverage

- Successfully driven 450bps+ of FCF margin leverage excl. interest income on funds held for clients since FY23
- **Repurchased** ~3.7m shares of common stock at an average price of \$162.88 per share for \$600m in aggregate since May 2024
- Have ~\$400m remaining under current repurchase program

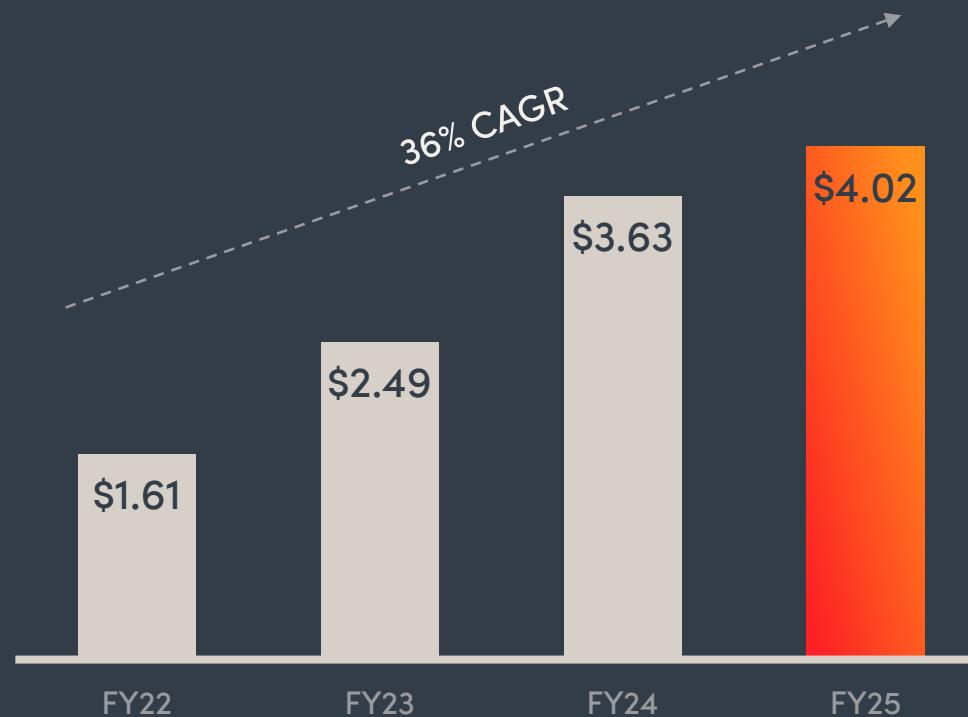
Strong Balance Sheet - \$162m Cash & Cash Equivalents as of 12/31/25

Financials (cont.)

Driving consistent growth in **Earnings per Share** on an annual basis

Earnings per Share

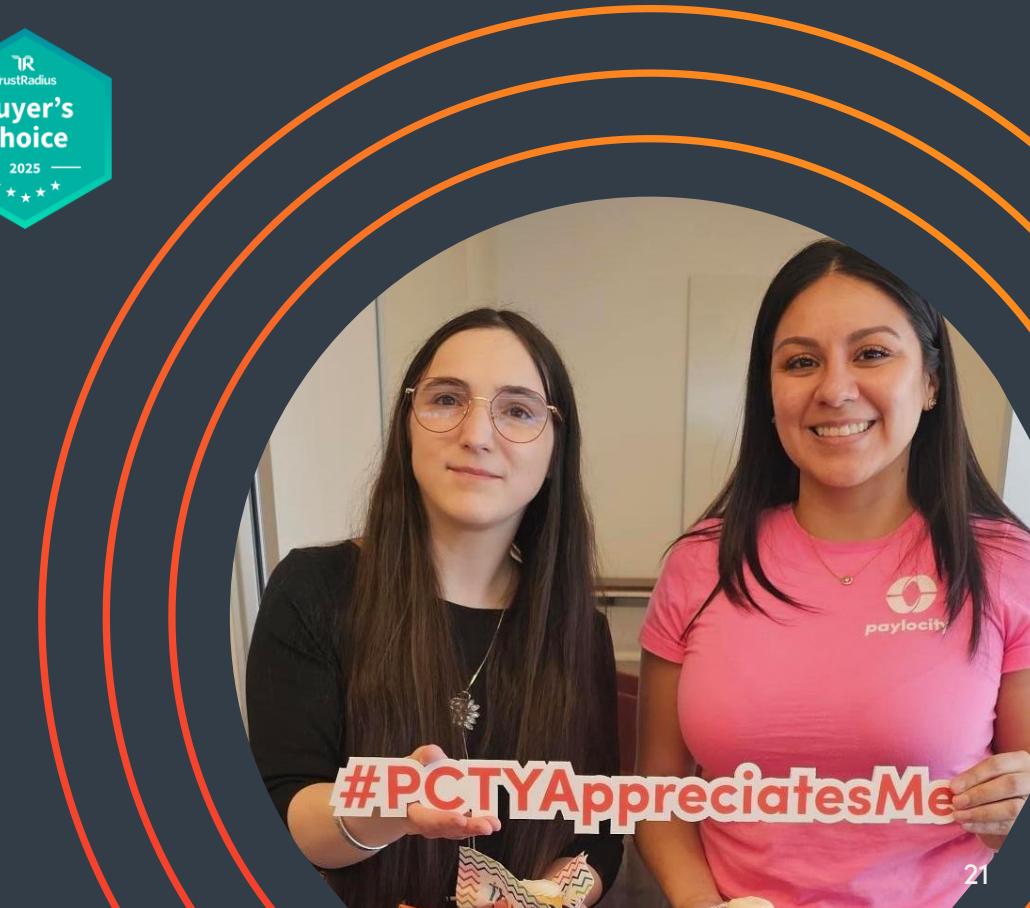
Based on Diluted share count



Driving consistent EPS growth through:

- Margin leverage – through a combination of economies of scale and operating expense management, primarily in gross margin and G&A
- Stock-based compensation – reduced by ~350bps as a % of revenue from FY23 to FY25
- Share repurchases of ~\$600m in aggregate since May 2024, reducing weighted average shares outstanding by over 2%

External Recognition





Positioned for Long-Term Growth & Margin Expansion

- Creating the most modern HCM, Finance, and IT platform
- Increasing average revenue per client
- Growing client base
- Strong client retention





www.paylocity.com