



**Q4 Fiscal 2025**  
**Investor Presentation**

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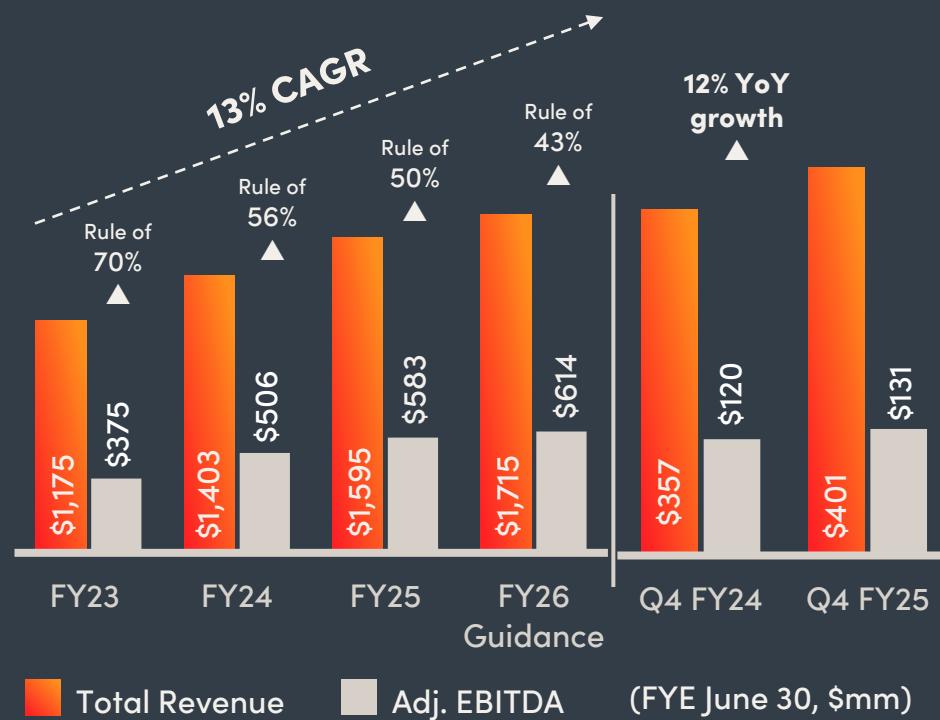
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This presentation contains statistical data that we obtained from industry publications and reports generated by third parties. Although we believe that the publications and reports are reliable, we have not independently verified this statistical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

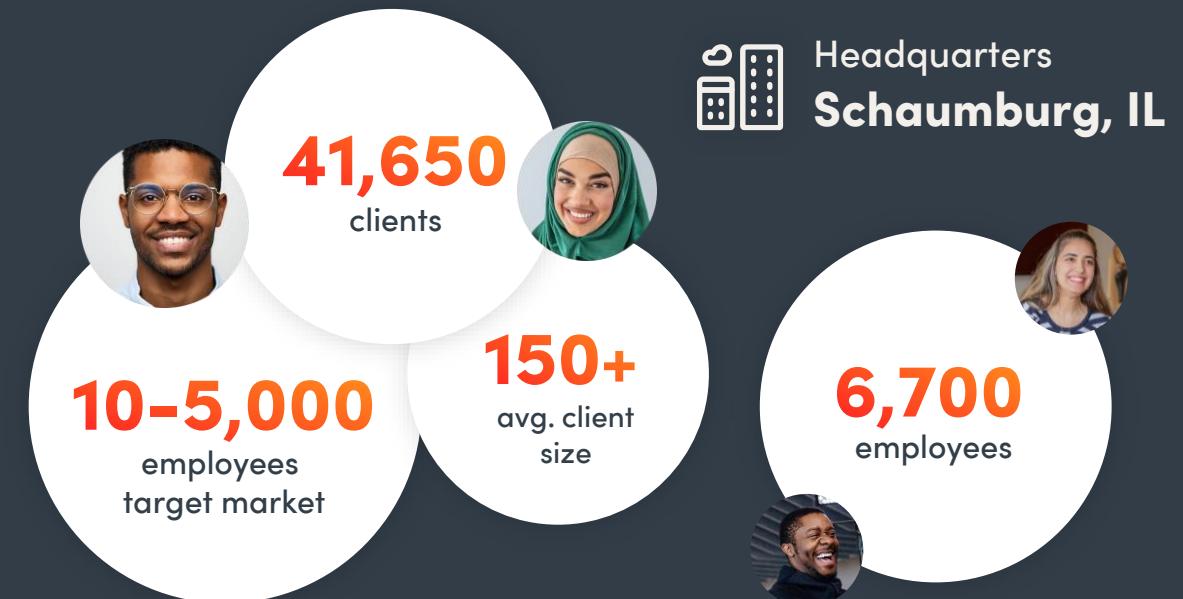
# Our Business

We are a leading provider of cloud-based HR, payroll, and spend management software solutions to a diversified set of clients across verticals & geographies

Demonstrated ability to drive strong revenue growth with increasing profitability



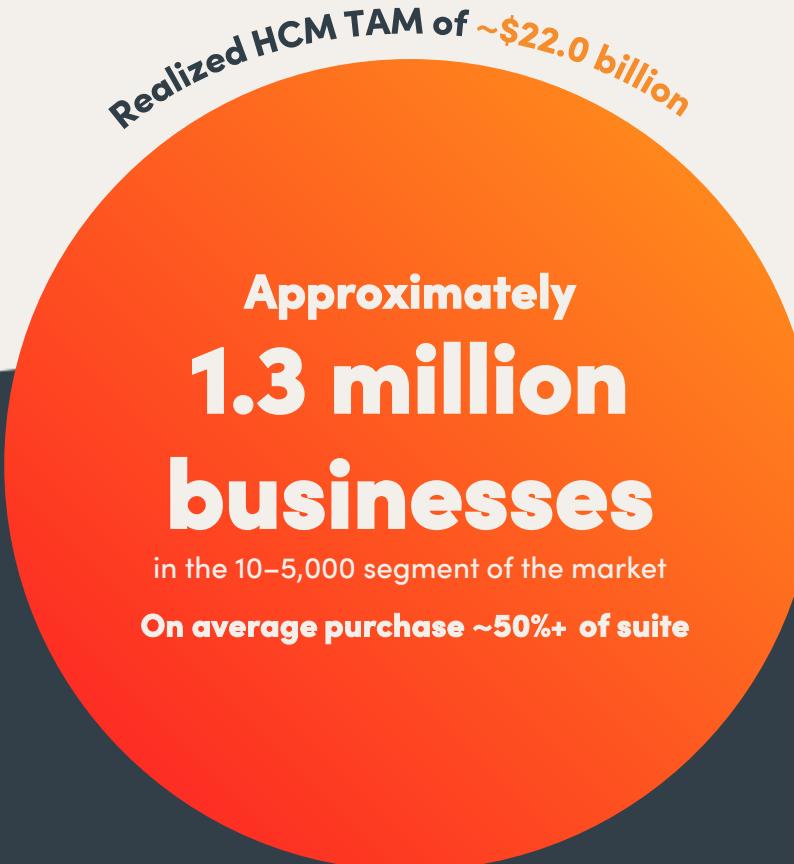
\*Rule of % = Total Revenue Growth + Adj. EBITDA Margin



# HCM Addressable Market (TAM)

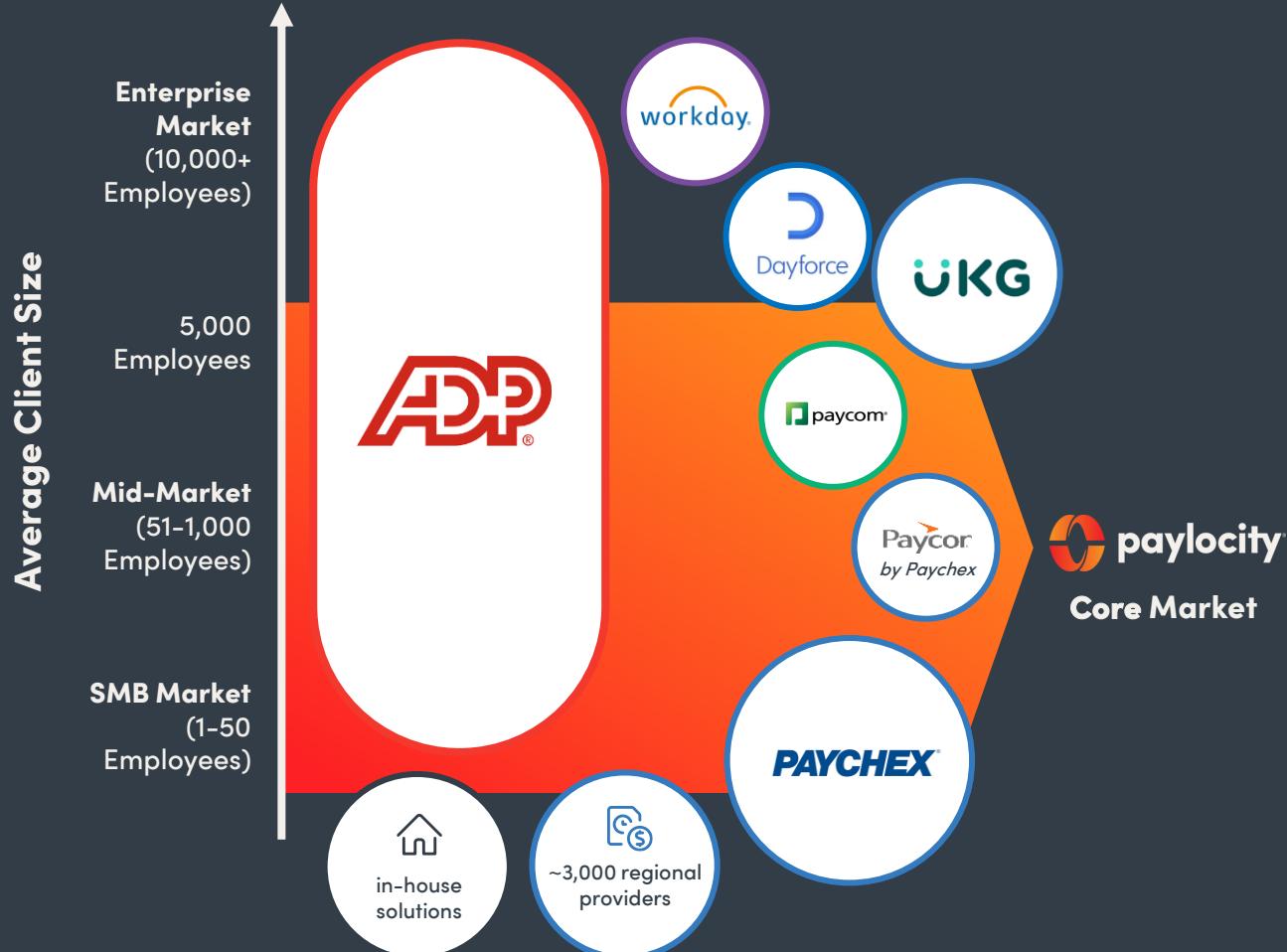


We remain squarely focused on increasing our limited penetration of a large, and growing, total addressable market



Further increasing TAM with Finance solutions

# 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

# ONE

UNIFIED PLATFORM FOR  
HR AND FINANCE

## HR

Talent, benefits, engagement,  
and compliance

## Finance

Payroll, time tracking, GL integration,  
and budgeting



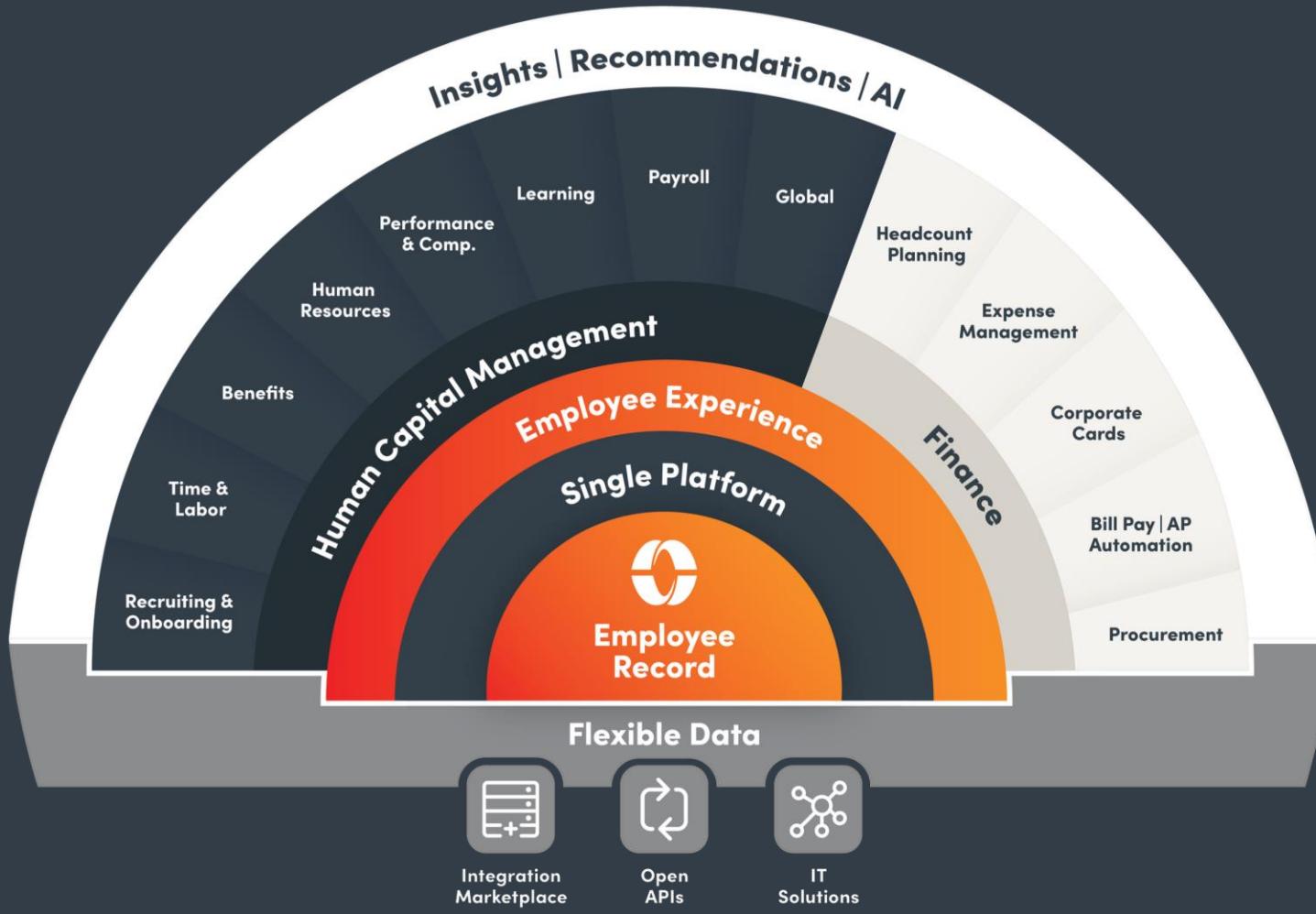
A single source of truth  
across the enterprise.

HR



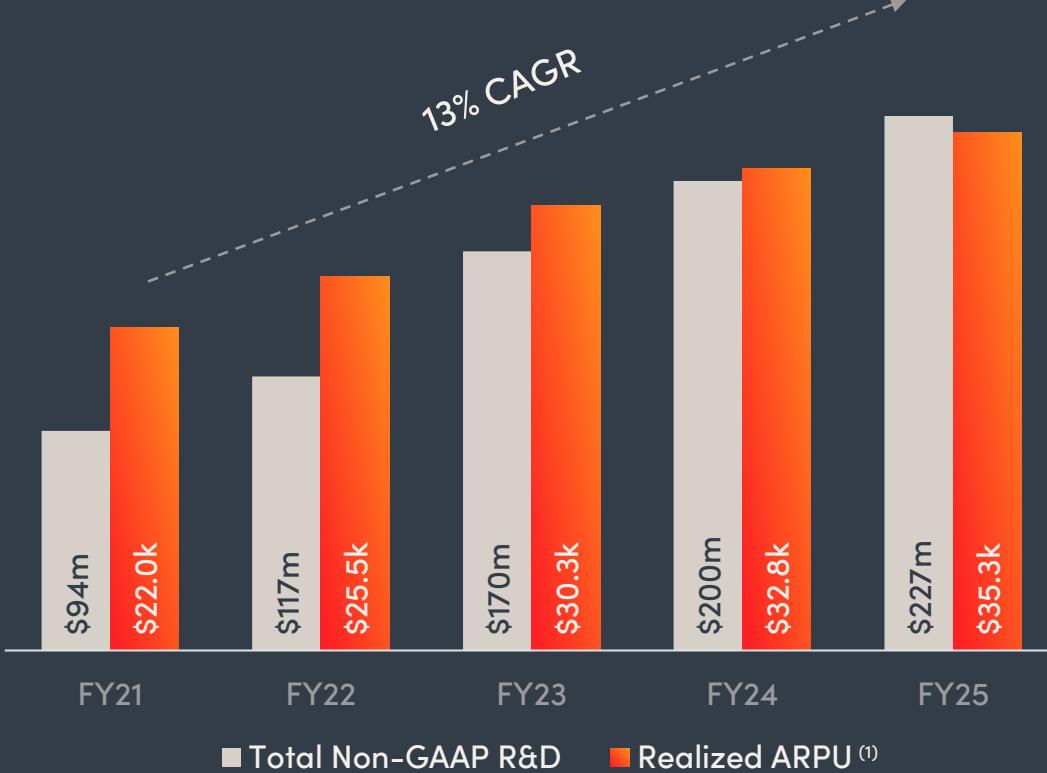
FINANCE

# The Most Modern Platform HCM & Finance



# 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

## Spend Management

<sup>(1)</sup> 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 a dark theme and orange accents. It includes a central navigation bar with links to 'HR', 'Payroll', 'Recruiting', 'Time & Labor', and 'Benefits'. Each module is represented by a screenshot:

- HR:** Shows a 'Supervisor To-dos' list with items like 'Pay Change HR Action Form' and 'Workplace Safety Training'.
- Payroll:** Shows a 'Payroll' screen for '12/1 Bi-Weekly' with sections for 'Enter', 'Review', and 'Submit'. It displays a message 'Nice work! Payroll is ready to submit.' and audit status.
- Recruiting:** Shows a 'Senior Corporate Communications Manager' profile with a photo and a 'Step 1 of 4' progress bar.
- Time & Labor:** Shows a 'Schedules - Garden Center' grid for May 28 to June 3, 2024, with various shifts and employees assigned.
- Benefits:** Shows a 'Benefits Decision Support' screen with a message: 'We've run our recommendation based on your expected needs and ranked the plans available to you!' and a list of three benefit plans.

## 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

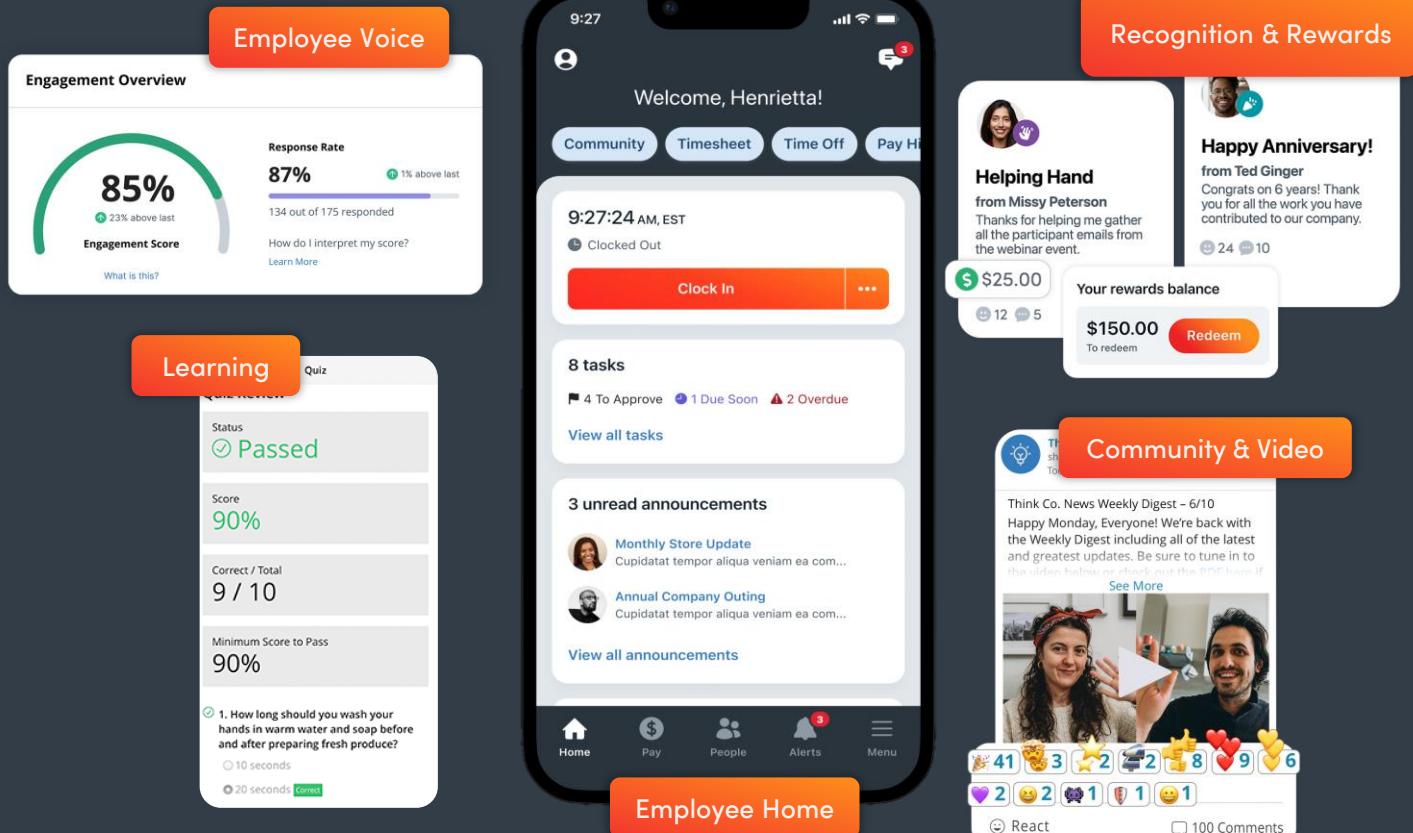
## Find and Retain Top Talent

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

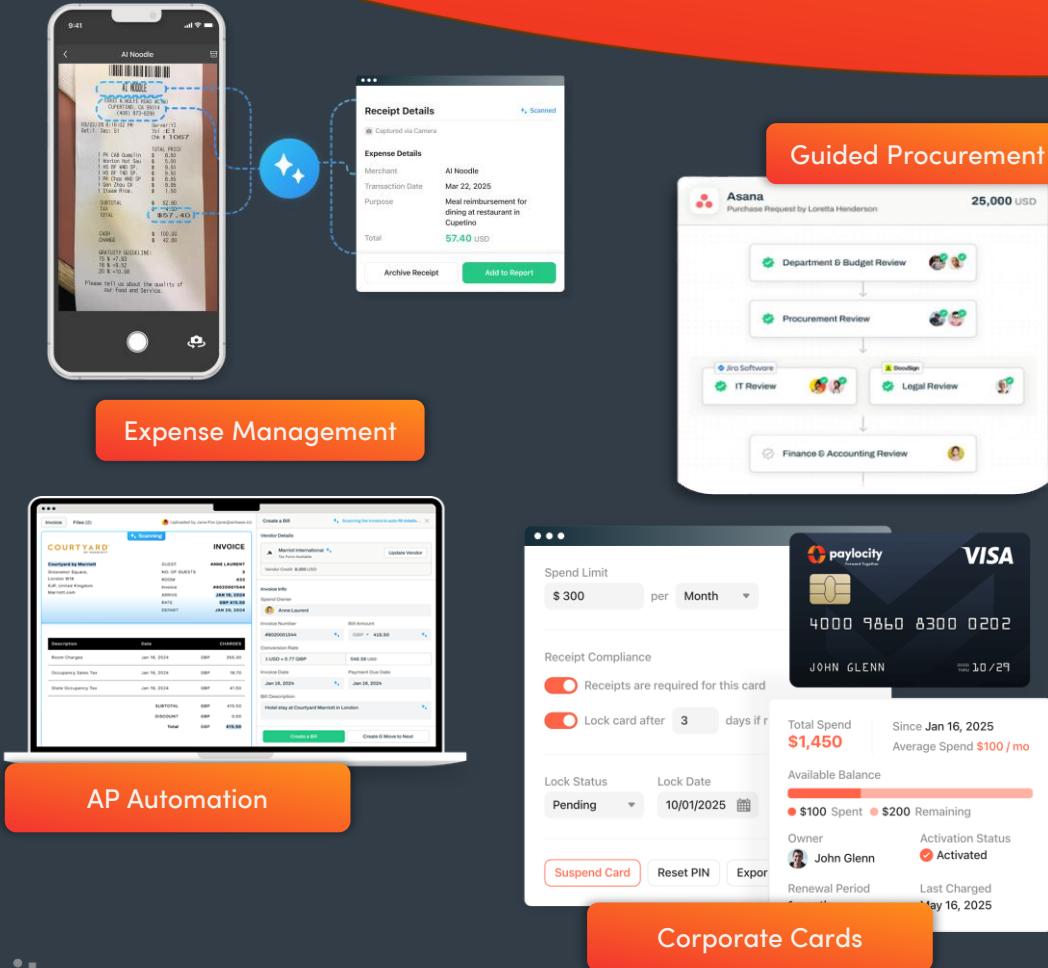
## Connection across the org

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

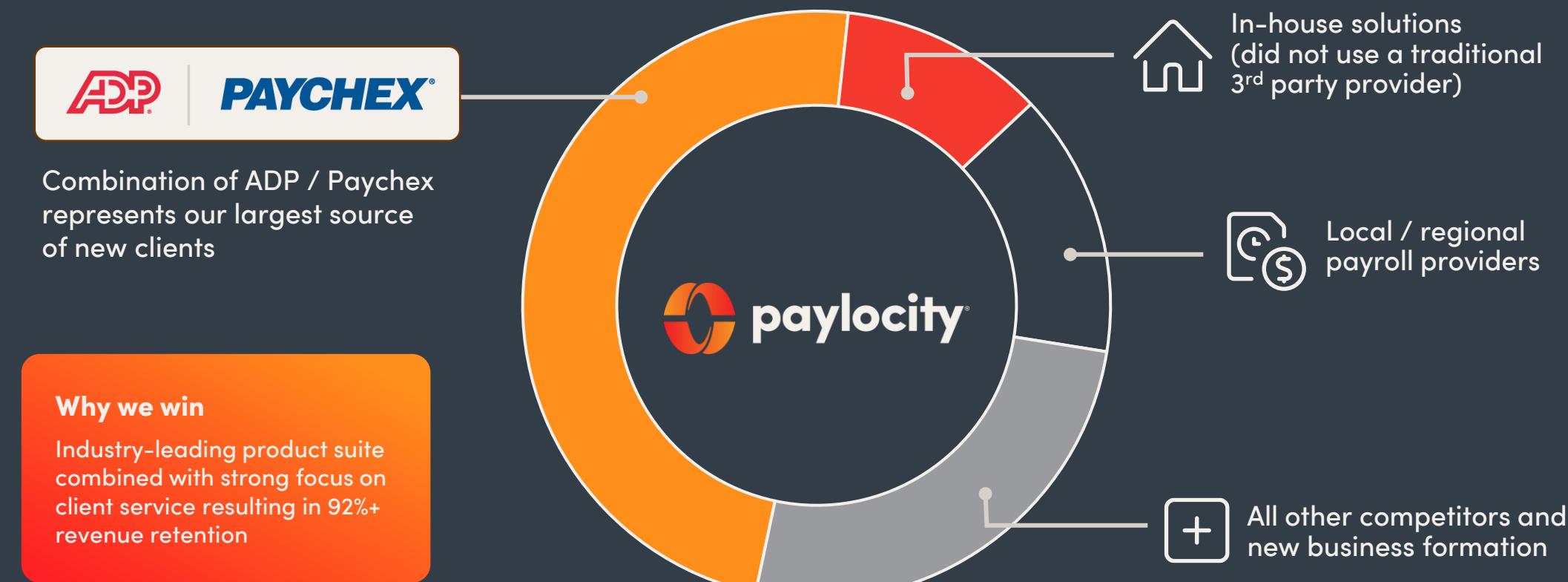
**A Singular Employee Record**  
 A single source of truth for Finance and HR processes for increased synergy, greater efficiencies, and better decision making

**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

# 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 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 2025

▲ 8%

From 885 reps in  
fiscal 2024

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

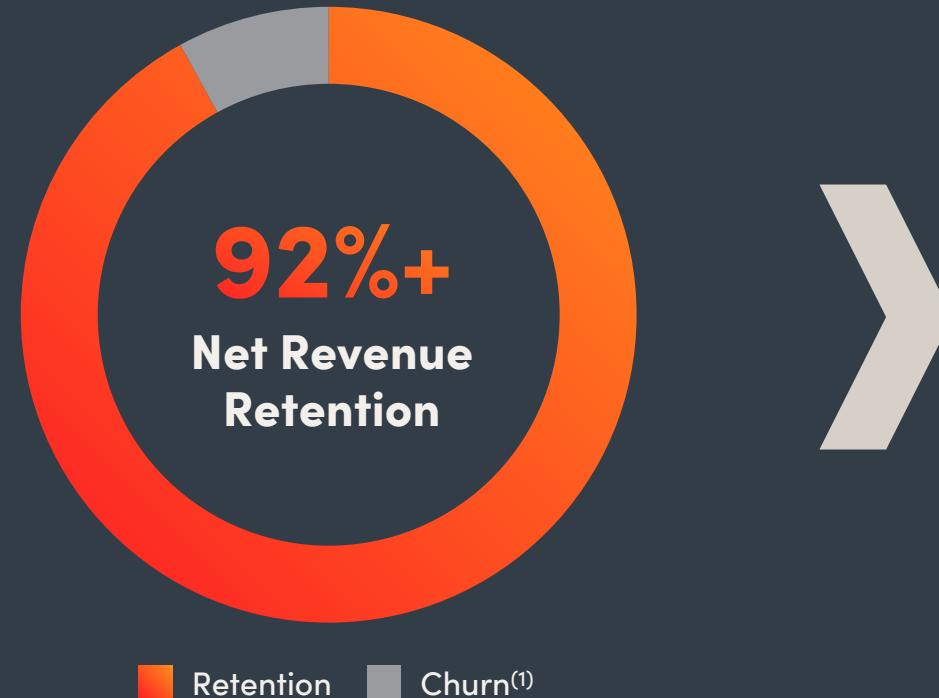
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**25%+** of our new client revenue comes from referrals from channels



# Continued Client Service Investments Support Strong Revenue Retention

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



Providing the most modern platform



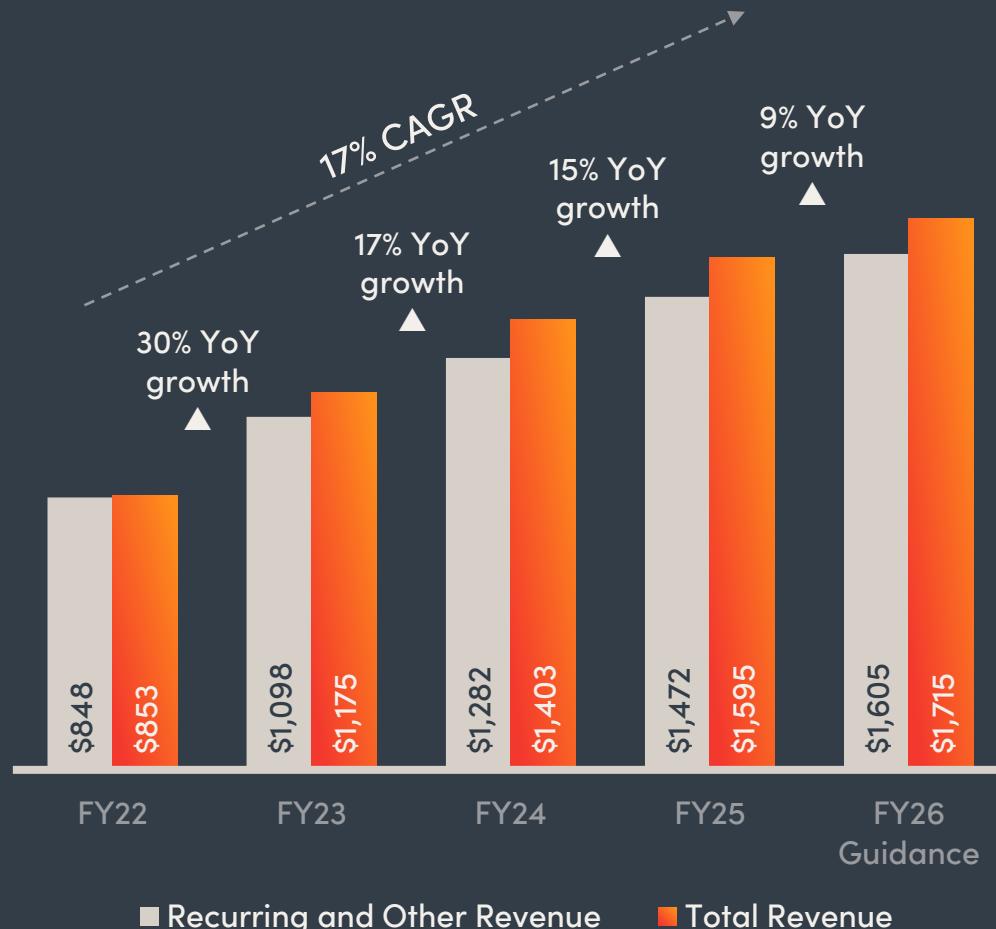
Delivering world class service

\*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. <sup>(1)</sup>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	\$2Bn+
Adjusted Gross Profit	75-80%
Non-GAAP total R&D	10-15%
Non-GAAP Sales & Marketing	20-25%
Non-GAAP General & Administrative	5-10%
Adjusted EBITDA	35-40%
Free Cash Flow	20-25%
Stock-Based Compensation	<10%

Note: Financial targets based on percentage of total revenue

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

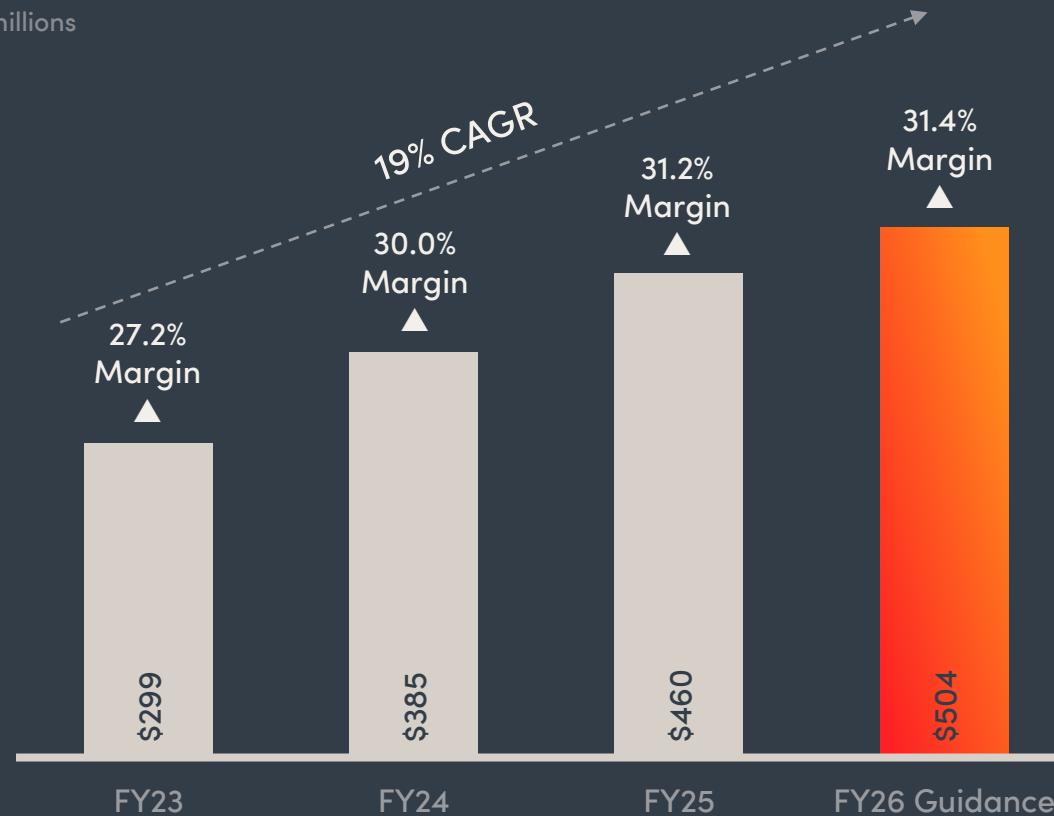
# Financials (cont.)

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 ~400bps 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

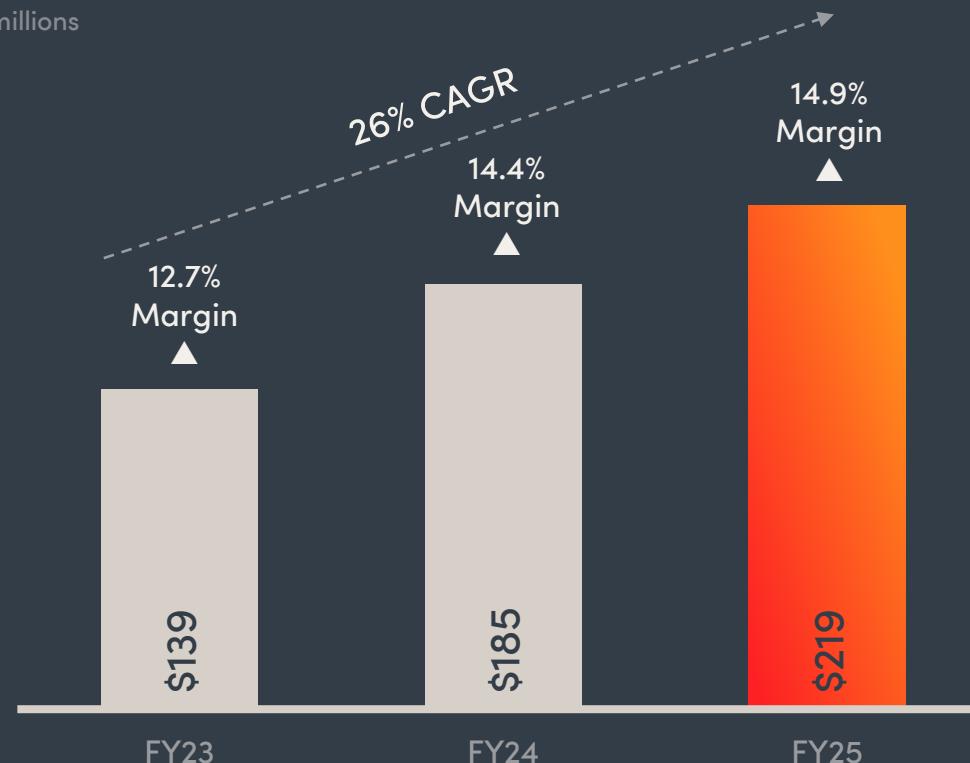
# Financials (cont.)

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 150bps+ of FCF margin leverage excl. interest income on funds held for clients since FY23
- **Repurchased** ~1.8m shares of common stock at an average price of \$163.10 per share for ~\$300m in aggregate since May 2024
- Increased share repurchase authorization by an additional \$500m in July 2025
- \$200m remaining under existing share repurchase program as of June 30, 2025

Strong Balance Sheet – \$398m Cash & Cash Equivalents as of 6/30/25

# External Recognition





## Positioned for Long-Term Growth & Margin Expansion

- Creating the most modern HCM and spend management platform
- Increasing average revenue per client
- Growing client base
- Strong client retention





[www.paylocity.com](http://www.paylocity.com)