

Key Statistics (USD)

Price	405.42
Market Cap	24.34B
Enterprise Value	24.74B
PEG	16.60
52 weeks high	558.97
52 weeks low	302.44
Beta (5Y-monthly)	1.47
Dividend yield %	-
EPS (TTM)	2.95
DPS	-
One year stock performance	-4,83%

Firm's Brief Description

Paycom Software, Inc. is a provider of a cloud-based human capital management (HCM) software solution delivered as Software-as-a-Service (SaaS). The Company provides functionality and data analytics that businesses need to manage the complete employment life cycle from recruitment to retirement. The Company's applications streamline client processes and provide clients and their employees with the ability to directly access and manage administrative processes, including applications that identify candidates, on-board employees, manage time and labor, administer payroll deductions and benefits, manage performance, terminate employees and administer post-termination health benefits, such as COBRA. The Company's solution allows clients to analyze employee information to make business decisions. The Company's HCM solution offers a range of applications, including talent acquisition, time and labor management, payroll, talent management and human resources (HR) management applications.

Growth Rates	Company	Sector
Revenue (Q/Q last year)	30.36%	-12.80%
Net earnings (YTD/YTD last year)	-20.52%	8.56%
Net earnings (Q/Q last year)	10.54%	18.87%

Sector Overview

- Technology-focused private equity firm Silver Lake has agreed to invest 344 million euros (\$388 million) in Germany's Software AG.
- Revenue is expected to show an annual growth rate (CAGR 2021-2026) of 7.37%, resulting in a market volume of U.S.\$824.848 by 2026
- The global information technology market is expected to reach 11866.34 billion in 2025 at a CAGR of 9%.

Margins	Company	Sector
Gross Profit margin	85.32%	50.44%
EBITDA margin	28.47%	-
EBIT margin	22.10%	14.40%
Net earnings margin	17.05%	11.26%
Gross Profit margin (5Y average)	84.52%	50.38%
Net earnings margin (5Y average)	28.05%	15.64%

Fundamental Analysis

Paycom Software Inc stock performance fell during the last year by -4.83%. Taking into consideration the last 12 months, the company underperformed its competitors in two out of three growth rates. For instance, net earnings diminution was 20.52% whereas the sector average had an enlargement equal to 8.56%. However, it seems that the company is using effective ways in reinvesting its profits, with a positive Return on Equity (ROE) percentage of 23.55% and a Return on Assets (ROA) percentage of 5.12% while the sector's average was 14.29% and 7.99% respectively. The above can be explained by the decent profitability margins financial ratios that company has. Nevertheless, price to sales ratio of the company is larger than the sector's median. Lastly, a price to book ratio of 36.59 indicates that the stock price is overvalued.

Key Ratios	Company	Sector
Current Ratio	1.07	1.80
Quick Ratio	1.08	1.78
Cash Ratio	-	-
Leverage Ratio	5.11	2.28
ROE	23.55%	14.29%
ROA	5.12%	7.99%
ROC	17.26%	8.64%
D/E	3%	45%

Valuation Metrics	Company	Sector (median)
P/E(TTM)	140.97	140.97
P/S (TTM)	29.64	7.05
P/B (TTM)	36.59	7.51

Target Price (1 year forward): 562.63\$

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