

PAYCHEX INC  
Form 10-Q  
December 21, 2018  
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

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FORM 10 Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended November 30, 2018

Commission file number 0-11330

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PAYCHEX, INC.

911 Panorama Trail South

Rochester, New York 14625-2396

(585) 385-6666

A Delaware Corporation

IRS Employer Identification Number: 16-1124166

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer      Accelerated filer      Non-accelerated filer      Smaller reporting company  
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  
Yes No

The number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date:

Common Stock, \$0.01 Par Value	359,091,176	Shares
CLASS	OUTSTANDING AS OF	November 30, 2018

PAYCHEX, INC.

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## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements

## PAYCHEX, INC.

## CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME (UNAUDITED)

In millions, except per share amounts

	For the three months ended November 30, 2017		For the six months ended November 30, 2017	
	As 2018	Adjusted(1)	As 2018	Adjusted(1)
Revenue:				
Management Solutions	\$ 685.4	\$ 653.5	\$ 1,373.1	\$ 1,319.4
PEO and Insurance Services	155.2	135.5	313.2	248.8
Total service revenue	\$ 840.6	\$ 789.0	\$ 1,686.3	\$ 1,568.2
Interest on funds held for clients	18.3	14.0	35.4	27.7
Total revenue	858.9	803.0	1,721.7	1,595.9
Expenses:				
Operating expenses	264.9	248.6	530.4	480.6
Selling, general and administrative expenses	286.8	251.3	563.8	494.9
Total expenses	551.7	499.9	1,094.2	975.5
Operating income	307.2	303.1	627.5	620.4
Investment income, net	2.1	1.7	4.4	3.8
Income before income taxes	309.3	304.8	631.9	624.2
Income taxes	73.5	106.0	152.5	215.0
Net income	\$ 235.8	\$ 198.8	\$ 479.4	\$ 409.2

Other comprehensive loss, net of tax