

A blurred background image of a business meeting. Several people are seated at a table, focused on their tablets. The scene is brightly lit, suggesting an indoor office environment. A decorative overlay of blue and orange geometric shapes is present at the bottom of the image.

1Q Fiscal 2019 ADP Earnings Call & Webcast

October 31, 2018

Forward Looking Statements

This presentation and other written or oral statements made from time to time by ADP may contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Statements that are not historical in nature and which may be identified by the use of words like “expects,” “assumes,” “projects,” “anticipates,” “estimates,” “we believe,” “could” “is designed to” and other words of similar meaning, are forward-looking statements. These statements are based on management’s expectations and assumptions and depend upon or refer to future events or conditions and are subject to risks and uncertainties that may cause actual results to differ materially from those expressed. Factors that could cause actual results to differ materially from those contemplated by the forward-looking statements or that could contribute to such difference include: ADP’s success in obtaining, and retaining, clients, and selling additional services to clients; the pricing of products and services; the success of our new solutions; compliance with existing or new legislation or regulations; changes in, or interpretations of, existing legislation or regulations; overall market, political and economic conditions, including interest rate and foreign currency trends; competitive conditions; our ability to maintain our current credit ratings and the impact on our funding costs and profitability; security or cyber breaches, fraudulent acts, and system interruptions and failures; employment and wage levels; changes in technology; availability of skilled technical associates; the impact of new acquisitions and divestitures; and the adequacy, effectiveness and success of our business transformation initiatives. ADP disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. These risks and uncertainties, along with the risk factors discussed under “Item 1A. Risk Factors,” and in other written or oral statements made from time to time by ADP, should be considered in evaluating any forward-looking statements contained herein.

Non-GAAP

Adjusted EBIT, adjusted EBIT margin, adjusted diluted earnings per share, adjusted effective tax rate, constant currency, and organic constant currency revenue are all non-GAAP financial measures. Please refer to the first quarter fiscal 2019 earnings release available at investors.adp.com for a discussion of why ADP believes these measures are important and for a reconciliation of non-GAAP financial measures to their comparable GAAP financial measures.

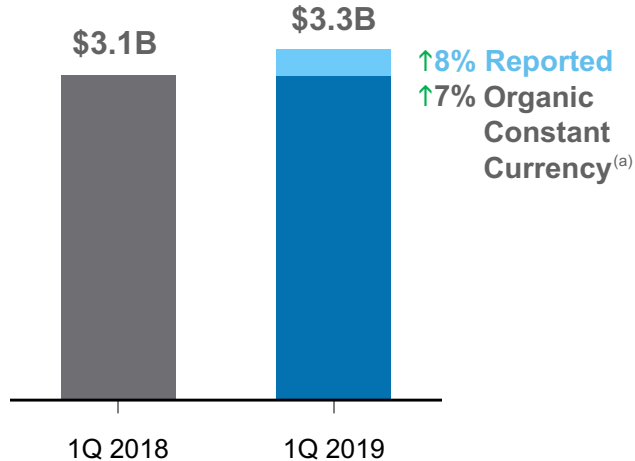
CEO's Perspective

- Continuing momentum into 2019 – revenue growth of 8% with adjusted diluted EPS growth of 28% in the quarter
- Solid ES New Business Bookings performance of 8% in the quarter following robust Q4 2018
- Improving PEO performance – raising average Worksite Employee growth outlook for the year to 8% to 9%
- Strong execution and transformation initiatives driving 180 basis point adjusted EBIT margin expansion in the quarter

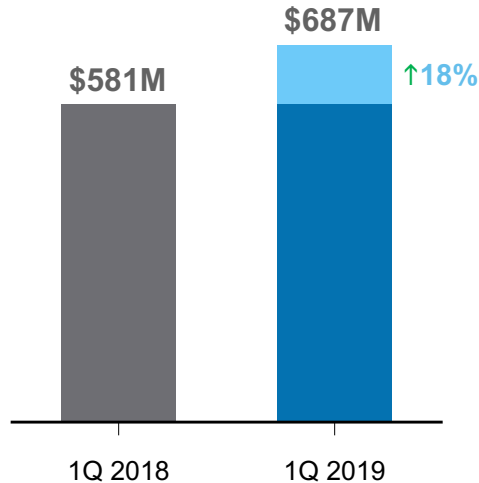


1Q Fiscal 2019 Financial Highlights

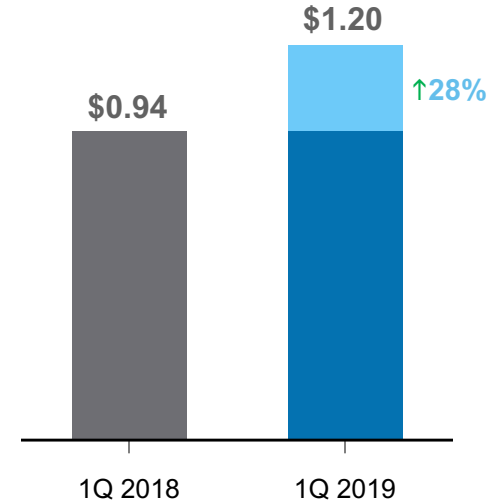
Total Revenues (unaudited)



Adjusted Earnings before Interest and Taxes (EBIT) (unaudited) ^(a)



Adjusted Diluted EPS (unaudited) ^(a)



a. For a reconciliation of these non-GAAP financial metrics to their closest comparable GAAP metrics see our Q1 FY19 earnings release available at investors.adp.com.

1Q Fiscal 2019 Segment Results



Employer Services

- Revenues ↑ 7% Reported
↑ 6% Organic Constant Currency ^(a)
- ES New Business Bookings ↑ 8%
- U.S. pays per control ↑ 2.4%
- Average client funds balances ↑ 5%
- Margin ↑ 260 basis points



PEO Services

- Revenues ↑ 10%
- Revenues excluding zero-margin benefits pass-throughs ↑ 10%
- Average Worksite Employees ↑ 9% to 528,000
- Margin ↑ 110 basis points

a. For a reconciliation of these non-GAAP financial metrics to their closest comparable GAAP metrics see our Q1 FY19 earnings release available at investors.adp.com.

Fiscal 2019 Outlook

as compared to fiscal 2018 as-adjusted financials ^(a)



Revenues

↑ 6% - 7% Consolidated ^(b)

- ES Revenues ↑ 4% - 6% ^(b)
- PEO Revenues, reported ↑ 8% - 9%
- PEO Revenues, excluding zero-margin benefits pass-throughs ↑ 6% - 7%
- PEO Average WSE growth ↑ 8% - 9%



Margin Expansion

Adjusted EBIT Margin ^(c) ↑ 100 to 125 basis points

- ES Margin ↑ 150 to 175 basis points
- PEO Margin ↓ 50 to 25 basis points



Adjusted Diluted EPS ^(c)

↑ 15% - 17%



ES New Business Bookings and Retention

- ES New Business Bookings ↑ 6% - 8%
- ES Client Revenue Retention ↑ 25 to 50 basis points



U.S. Pays Per Control

↑ ~2.5% compared to fiscal 2018



Adjusted Effective Tax Rate ^(c)

↓ 24.5% from 26.2% in fiscal 2018

a. As-adjusted results include the impact of ASC 606, the inclusion of client funds interest in our segments at actual interest rates, the inclusion of ADP Indemnity in the PEO Services segment, and changes to certain corporate allocations on prior year results. See the supplemental schedule in our Q1 FY19 earnings release available at investors.adp.com for a bridge.

b. Revenue growth includes an immaterial net expected impact from acquisitions and foreign currency.

c. For a reconciliation of these non-GAAP financial metrics to their closest comparable GAAP metrics see our Q1 FY19 earnings release available at investors.adp.com.

Appendix

ADP Fiscal 2019 Guidance History

| | 8/1/18 Forecast ^(a) | 10/31/18 Forecast ^(a) |
|--|--------------------------------|----------------------------------|
| Total ADP | | |
| Revenues | ↑ 5% - 7% | ↑ 6% - 7% |
| Adj. EBIT Margin (b) | ↑ 100 - 125 bps | ↑ 100 - 125 bps |
| Adj. Effective Tax Rate (b) | ↓ Decline to 25.1% | ↓ Decline to 24.5% |
| Adj. Diluted EPS (b) | ↑ 13% - 15% | ↑ 15% - 17% |
| Employer Services (ES) | | |
| Revenues | ↑ 4% - 6% | ↑ 4% - 6% |
| Margin | ↑ 150 - 175 bps | ↑ 150 - 175 bps |
| ES New Business Bookings | ↑ 6% - 8% | ↑ 6% - 8% |
| Client Revenue Retention | ↑ 25 - 50 bps | ↑ 25 - 50 bps |
| Pays Per Control | ↑ ~2.5% | ↑ ~2.5% |
| PEO Services | | |
| Revenues, Reported | ↑ 7% - 9% | ↑ 8% - 9% |
| Revenues Ex Zero-Margin Benefits Pass-throughs | ↑ 5% - 7% | ↑ 6% - 7% |
| Margin | ↓ (75) - (50) bps | ↓ (50) - (25) bps |
| Average WSE Growth | ↑ 7% - 8% | ↑ 8% - 9% |

a. Forecast contemplates the impact of prior fiscal year acquisitions and anticipated impact of current year acquisition of Celergo and foreign currency in revenue and operating results.

b. For a reconciliation of these non-GAAP financial metrics to their closest comparable GAAP metrics see our Q1 FY19 earnings release available at investors.adp.com.

Client Funds Portfolio Extended Investment Strategy

- Average Client Funds Balances ↑ ~3% - 4% from \$24.3 billion in FY18
- Yield on the Client Funds Portfolio ↑ ~30bps compared to 1.9% in FY18
- Client Funds Interest Revenue ↑ \$90 to \$100 million from \$466 million in FY18, compared to prior forecast of ↑ \$80 to \$90 million
- Impact from Extended Investment Strategy ↑ ~\$70 to \$80 million from \$481 million in FY18, compared to prior forecast of ↑ \$60 to \$70 million

| | FY19 Forecast | | |
|--|----------------------|---------------|----------------------------|
| | Average Balance (\$) | Average Yield | Client Funds Interest (\$) |
| Client Short | 4.5 - 4.6B | ~2.0% | ~90M |
| Client Extended | 10.9 - 11.0B | ~2.1% | 225 - 230M |
| Client Long | 9.6 - 9.7B | ~2.5% | 240 - 245M |
| Total Client Funds | 25.0 - 25.3B | ~2.2% | 555 - 565M (a) |
| Corporate Extended Interest Income | 3.1 - 3.2B | ~2.1% | 65 - 70M (b) |
| Borrowing Days Interest Expense | 3.1 - 3.2B | ~2.3% | (70) - (75)M |
| Net Impact From Client Funds Extended Investment Strategy | | | 550 - 560M |

Interest on the Extended Portfolio flows into two separate sections of the Statements of Consolidated Earnings.

(a) Reported as Interest on Funds Held for Clients in the revenue section of the Statements of Consolidated Earnings.

(b) A component of Interest Income on Corporate Funds, reported within Other Income, net, on the Statements of Consolidated Earnings.

PEO Quarterly Pass-through Detail

(\$ in millions)

| Metric | Q1 | Q2 | Q3 | Q4 | FY |
|---|-------|-------|-------|-------|----------------|
| Total Benefits, Workers' Compensation, and SUI | | | | | |
| FY14 | 386.7 | 400.9 | 508.5 | 439.9 | 1,736.0 |
| FY15 | 454.4 | 470.3 | 582.3 | 508.9 | 2,015.9 |
| FY16 | 534.1 | 554.0 | 671.8 | 576.4 | 2,336.3 |
| FY17 | 597.9 | 610.0 | 746.7 | 673.9 | 2,628.4 |
| FY18 | 686.5 | 705.2 | 821.9 | 732.0 | 2,945.5 |
| Benefits coverage pass-through (zero-margin) | | | | | |
| FY14 | 324.7 | 335.0 | 357.0 | 366.6 | 1,383.3 |
| FY15 | 382.9 | 396.3 | 418.4 | 429.5 | 1,627.1 |
| FY16 | 452.7 | 468.3 | 489.4 | 495.6 | 1,906.0 |
| FY17 | 516.1 | 527.5 | 556.5 | 573.8 | 2,173.9 |
| FY18 | 595.3 | 607.1 | 626.4 | 634.4 | 2,463.1 |
| Workers' compensation and SUI | | | | | |
| FY14 | 62.0 | 65.9 | 151.5 | 73.3 | 352.7 |
| FY15 | 71.5 | 74.0 | 163.9 | 79.4 | 388.8 |
| FY16 | 81.4 | 85.7 | 182.4 | 80.8 | 430.3 |
| FY17 | 81.8 | 82.5 | 190.2 | 100.1 | 454.5 |
| FY18 | 91.2 | 98.1 | 195.5 | 97.6 | 482.4 |

PEO Historical Revenue & Pass-through Detail

(\$ in millions, except Worksite Employee and per WSE figures)

| Metric | FY14 | FY15 | FY16 | FY17 | FY18 | FY19 Guidance ^(a) |
|--|----------------|----------------|----------------|----------------|----------------|------------------------------|
| Average Worksite Employees ("WSEs") | 319,000 | 363,000 | 412,000 | 462,000 | 504,000 | |
| <i>YoY growth</i> | 15% | 14% | 13% | 12% | 9% | 8% - 9% |
| Total PEO revenue | 2,270.9 | 2,647.2 | 3,073.1 | 3,483.6 | 3,896.6 | |
| <i>YoY growth</i> | 15% | 17% | 16% | 13% | 12% | 8% - 9% |
| (-) Benefits pass-through | 1,383.3 | 1,627.1 | 1,906.0 | 2,173.9 | 2,463.2 | |
| PEO revenue ex benefits pass-throughs | 887.6 | 1,020.1 | 1,167.1 | 1,309.7 | 1,433.4 | |
| <i>YoY growth</i> | 14% | 15% | 14% | 12% | 9% | 6% - 7% |
| (-) Workers' comp and SUI costs | 352.7 | 388.8 | 430.3 | 454.5 | 482.4 | |
| PEO processing revenue | 534.9 | 631.3 | 736.8 | 855.2 | 951.0 | |
| <i>YoY growth</i> | 16% | 18% | 17% | 16% | 11% | |

| Per-WSE Metrics | FY14 | FY15 | FY16 | FY17 | FY18 |
|------------------------------------|---------|---------|---------|---------|---------|
| Benefits pass-throughs per WSE | \$4,336 | \$4,482 | \$4,626 | \$4,705 | \$4,887 |
| Workers' comp and SUI cost per WSE | \$1,106 | \$1,071 | \$1,044 | \$984 | \$957 |
| PEO processing revenue per WSE | \$1,677 | \$1,739 | \$1,788 | \$1,851 | \$1,887 |

Reflects impact of benefits participation, plan mix, and inflation. This has historically been a positive contributor to revenue growth due primarily to medical inflation.

Reflects workers' compensation and SUI pricing and mix. Has recently been a revenue drag as pricing has declined due to improved loss experience and an improving macroeconomic environment.

Reflects mix, pricing, and wage inflation. This has historically been a positive contributor, driving processing revenue to grow faster than WSEs.

a. FY18 financials presented above are on an as-reported basis under ASC 605 for comparability to prior years. FY19 guidance is based of FY18 as-adjusted financials, which includes revenue adjustments for ASC606 and client fund interest. Please see Q1 FY19 earnings release at investors.adp.com for a reconciliation to as-reported financials.