



Fiscal 2015

ADP Earnings Call & Webcast

July 30, 2015



Fiscal 2015 Earnings Call & Webcast

FORWARD LOOKING STATEMENTS >

This document 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” and other words of similar meaning, are forward-looking statements. These statements are based on management’s expectations and assumptions 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 include: ADP’s success in obtaining and retaining clients, and selling additional services to clients; the pricing of products and services; 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 rating and the impact on our funding costs and profitability; security or privacy breaches, fraudulent acts, and system interruptions and failures; employment and wage levels; changes in technology; availability of skilled technical associates; and the impact of new acquisitions and divestitures. ADP disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise. These risks and uncertainties, along with the risk factors discussed under “Item 1A. - Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended June 30, 2014 should be considered in evaluating any forward-looking statements contained herein.

CEO's Perspective

- Solid 2015 results with exceptionally strong performance in new business bookings
- Demonstrated execution on our three strategic pillars for growth
- Opportunity to assist our clients with growing regulatory complexity



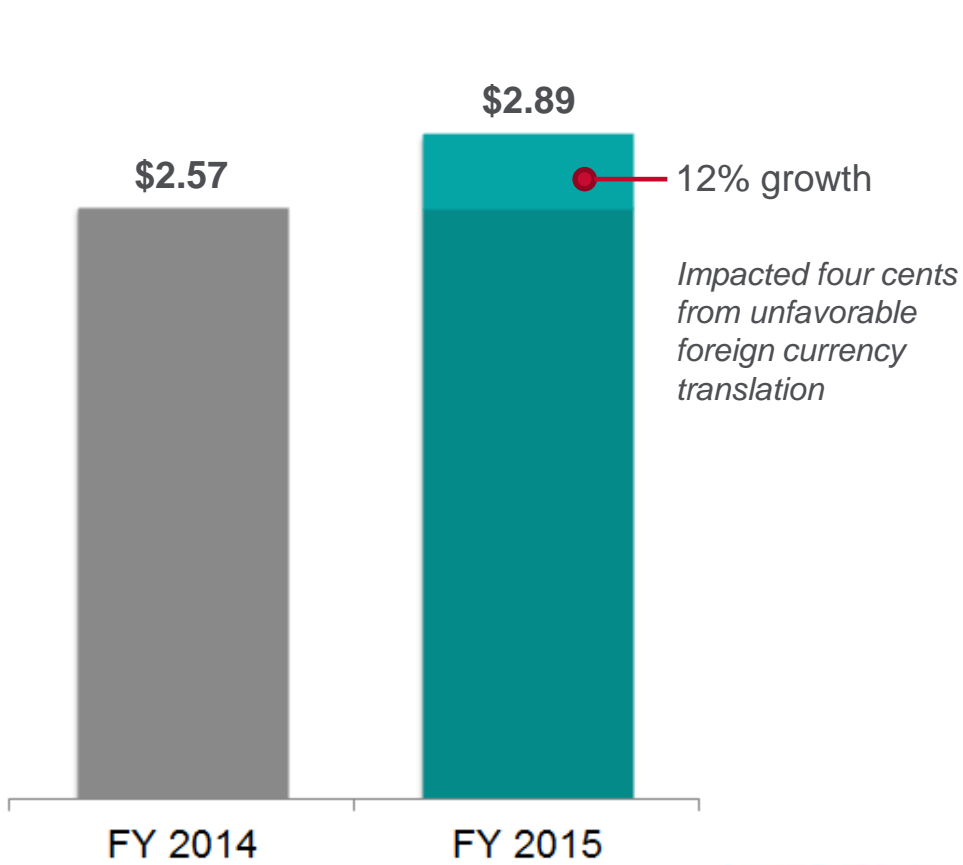
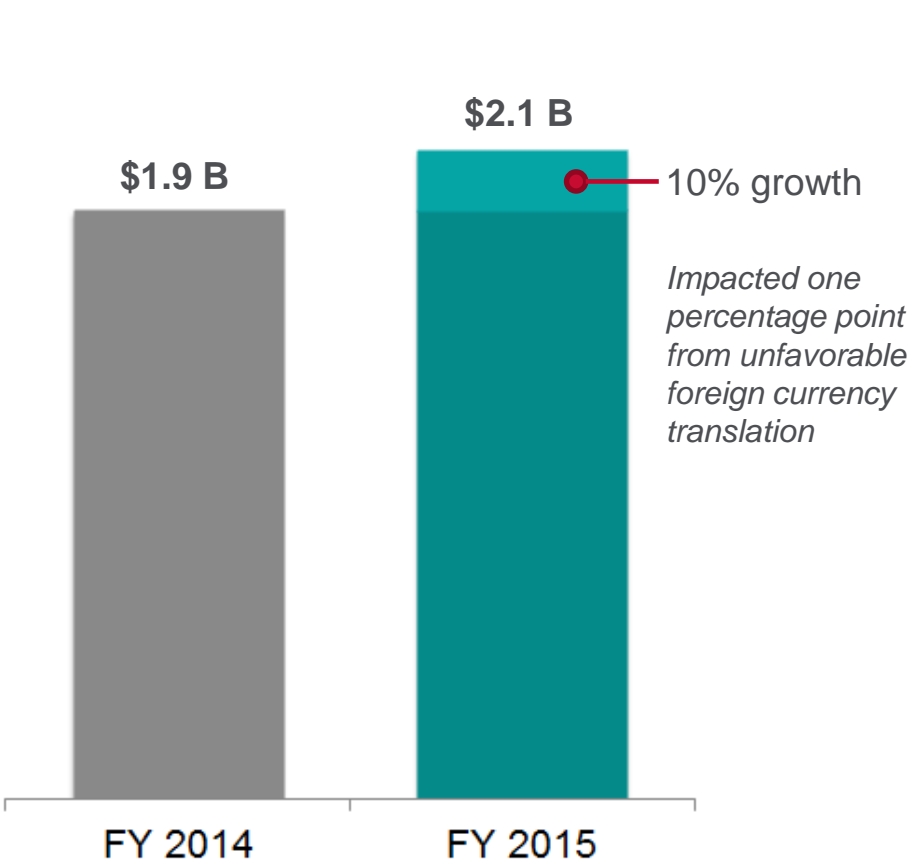
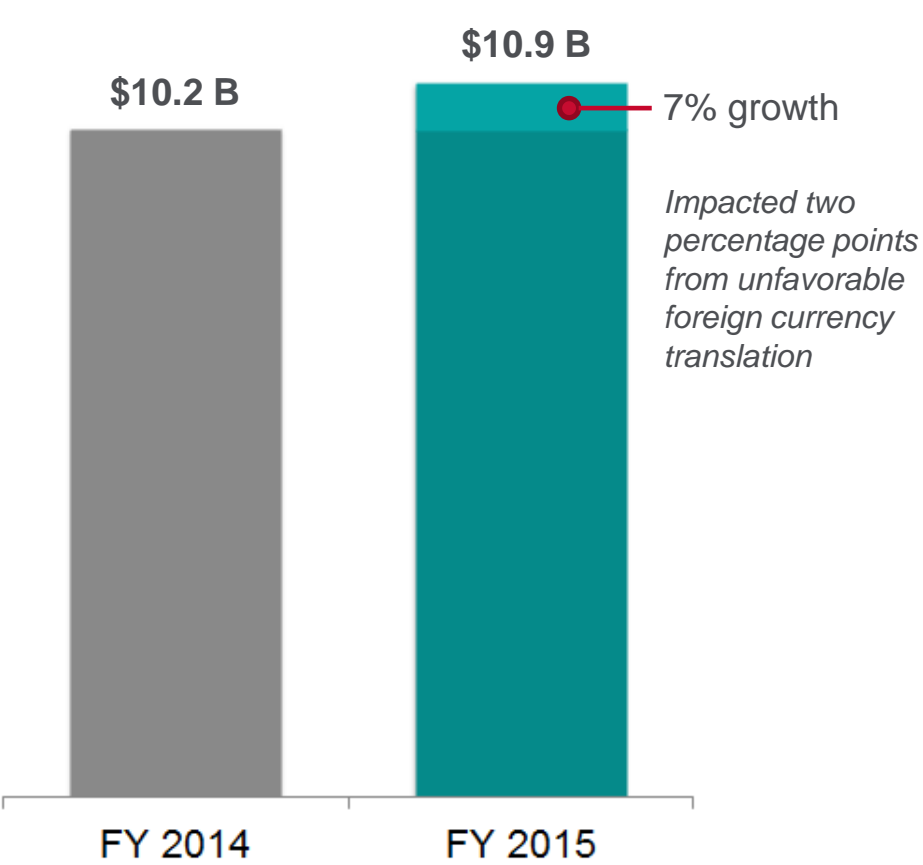
A more human resource

Fiscal 2015 Financial Highlights

\$ Revenues from Continuing Operations (unaudited)

\$ Pretax Earnings from Continuing Operations (unaudited)

\$ Diluted Earnings Per Share from Continuing Operations (unaudited)



Fiscal 2015

New Business Bookings and Reportable Segment Results



Worldwide New Business Bookings

- ↑ 13% representing annualized recurring revenues anticipated from new orders



Employer Services

- Revenues ↑ 5%; impacted two percentage points from unfavorable foreign currency translation
- Worldwide client revenue retention remained at a record level of 91.4%
- U.S. pays per control ↑ 3.0%
- Average client funds balances ↑ 5%; impacted one percentage point from unfavorable foreign currency translation
- Pretax margin ↑ 70 basis points



PEO Services

- Revenues ↑ 17%
- Average worksite employees paid ↑ 14% to 363,000
- Pretax margin ↑ 110 basis points

Fiscal 2016 Outlook

Revenues

- Total Revenues ↑ 7% - 9%
 - Includes anticipated negative impact of one to two percentage points from unfavorable foreign currency translation
 - Expected to be below forecasted range in 1H and above range in 2H
 - ES Revenues ↑ 5% - 6%
 - PEO Revenues ↑ 15% - 17%

Pretax Margin

- Total Pretax margin ↑ ~50 basis points
 - Expected flat to slightly positive pretax earnings growth in 1H
 - ES margin ↑ ~100 basis points
 - PEO margin ↑ ~50 basis points

Diluted Earnings per Share

- ↑ 12% - 14% from \$2.89 in fiscal 2015
 - Includes anticipated negative impact of about one percentage point from unfavorable foreign currency translation

Worldwide New Business Bookings

- ↑ 8% - 10% compared to \$1.6 billion sold in fiscal 2015

U.S. Pays per Control

- ↑ 2% - 3% compared to 3.0% increase in fiscal 2015

Effective Tax Rate

- ↑ Increase to 33.7% from 33.5% in fiscal 2015

Fiscal 2016 Outlook

Client Funds Portfolio Extended Investment Strategy

- Average Client Funds Balances ↑ 3-5% from \$21.8 billion in FY15; includes anticipated negative impact of one percentage point from unfavorable foreign currency translation
- Yield on the Client Funds Portfolio flat compared to 1.7% in FY15
- Client Funds Interest Revenue ↑ \$5-15 million from \$378 million in FY15
- Impact from Extended Investment Strategy ↑ Up to \$10 million from \$419 million in FY15

	FY16 Forecast			
	Average Balance		Average Yield	Client Funds Interest
Client Short	\$4.1 - \$4.2B	x	~0.4%	= ~\$15M
Client Extended	9.4 - 9.5B	x	1.6 - 1.7%	= 150 - 155M
Client Long	9.0 - 9.2B	x	~2.4%	= 215 - 220M
Total Client Funds Interest Revenue	\$22.5 - 22.9B	x	~1.7%	= \$380 - 390M
Corporate Extended Interest Income	~2.9B	x	~1.7%	= ~50M
Borrowing Days Interest Expense	~2.9B	x	~0.4%	= ~(10)M
Net FY16 Impact From Client Funds Extended Investment Strategy	\$420 - 430M			

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.

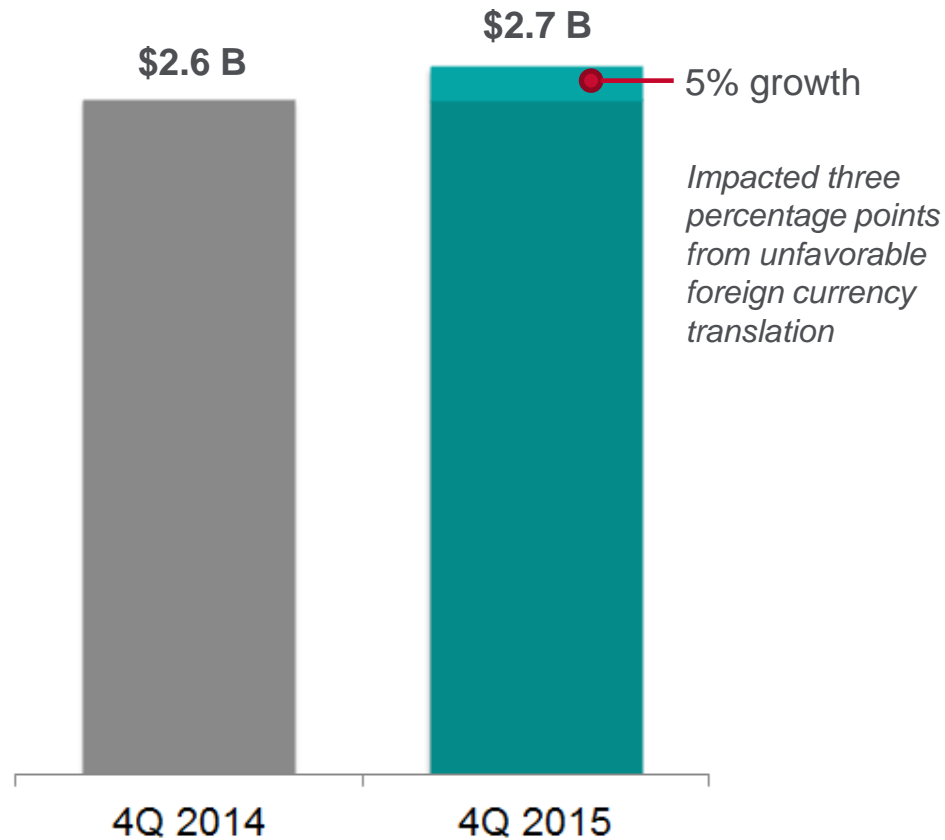


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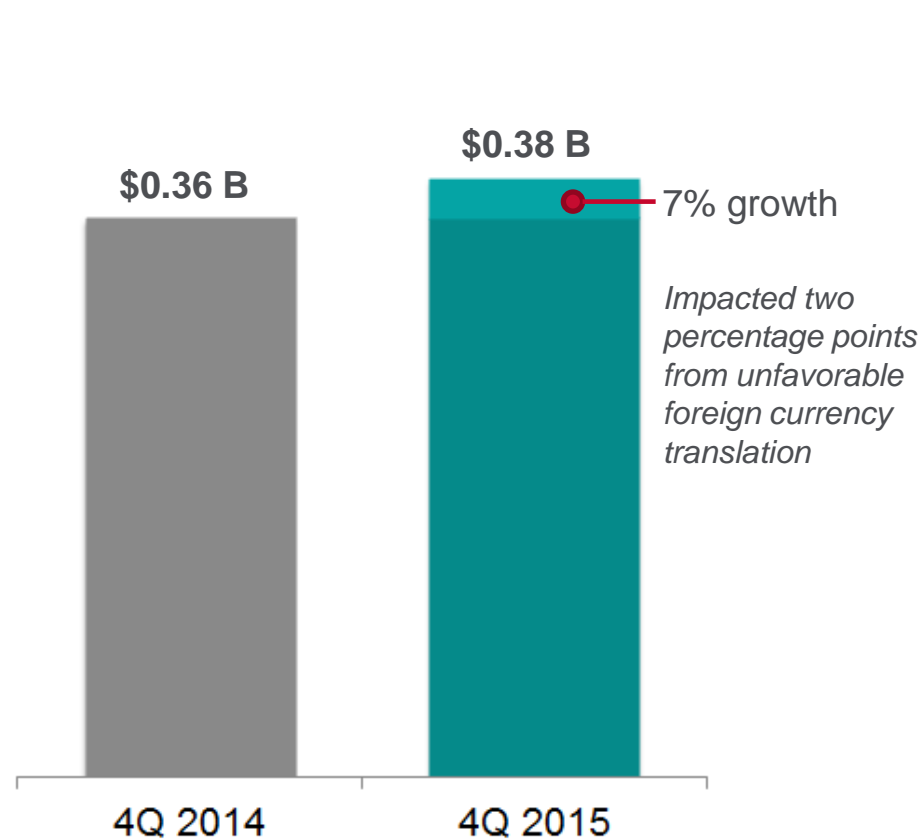
4Q Fiscal 2015 Results - Appendix

Financial Highlights

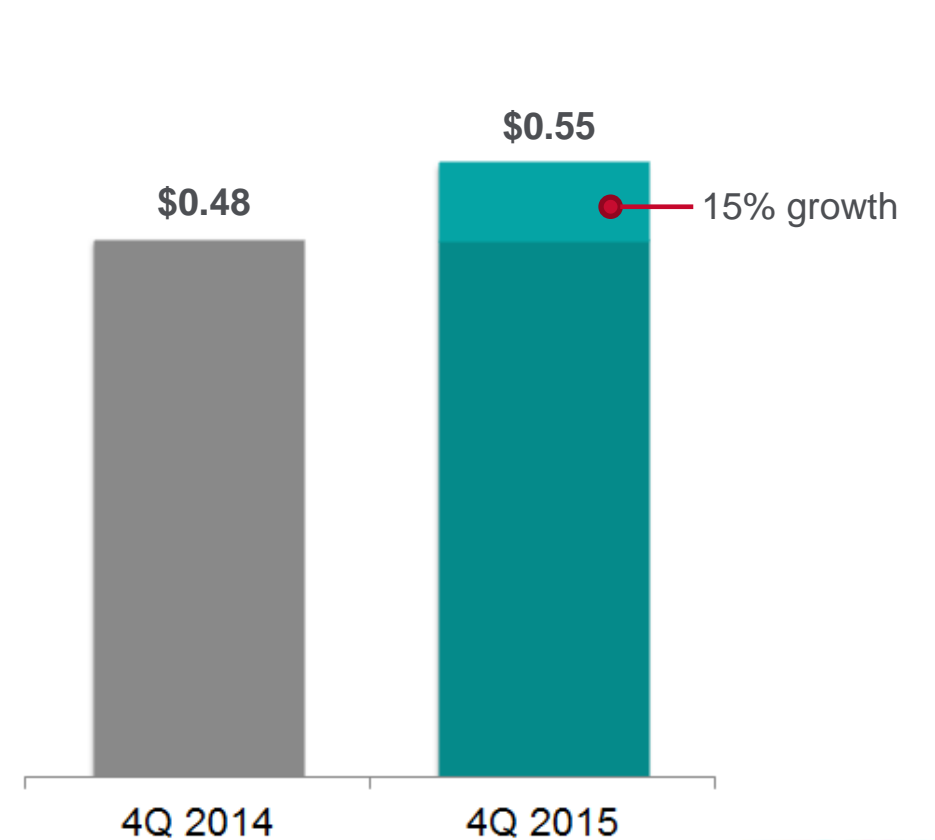
Revenue from Continuing Operations (unaudited)



Pretax Earnings from Continuing Operations (unaudited)



Diluted Earnings Per Share from Continuing Operations (unaudited)



4Q Fiscal 2015 Results - Appendix

New Business Bookings and Reportable Segment Results



Worldwide New Business Bookings

- ↑ 18% representing annualized recurring revenues anticipated from new orders



ES Employer Services

- Revenues ↑ 2%; impacted four percentage points from unfavorable foreign currency translation
- Worldwide client revenue retention ↓ 30 basis points
- U.S. pays per control ↑ 2.9%
- Average client funds balances ↑ 4%; impacted two percentage points from unfavorable foreign currency translation
- Pretax margin ↓ 80 basis points



PEO PEO Services

- Revenues ↑ 16%
- Average worksite employees paid ↑ 13% to 384,000
- Pretax margin ↑ 80 basis points

Fiscal 2015 Results - Appendix

Client Funds Portfolio Extended Investment Strategy

- Average Client Funds Balances ↑ 5% from \$20.7 billion in FY14; impacted one percentage point from unfavorable foreign currency translation
- Yield on the Client Funds Portfolio ↓ ~10 bps from 1.8% in FY14
- Client Funds Interest Revenue ↑ \$4 million from \$373 million in FY14
- Impact from Extended Investment Strategy ↑ \$7 million from \$412 million in FY14

	FY15 Results			
	Average Balance		Average Yield	Client Funds Interest
Client Short	\$4.3B	x	0.2%	= \$8M
Client Extended	9.3B	x	1.7%	= 160M
Client Long	8.2B	x	2.6%	= 210M
Total Client Funds Interest Revenue	\$21.8B	x	1.7%	= \$378M
Corporate Extended Interest Income	2.7B	x	1.7%	= 46M
Borrowing Days Interest Expense	2.7B	x	0.2%	= (5)M
Net FY15 Impact From Client Funds Extended Investment Strategy	\$419M			

A

B

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