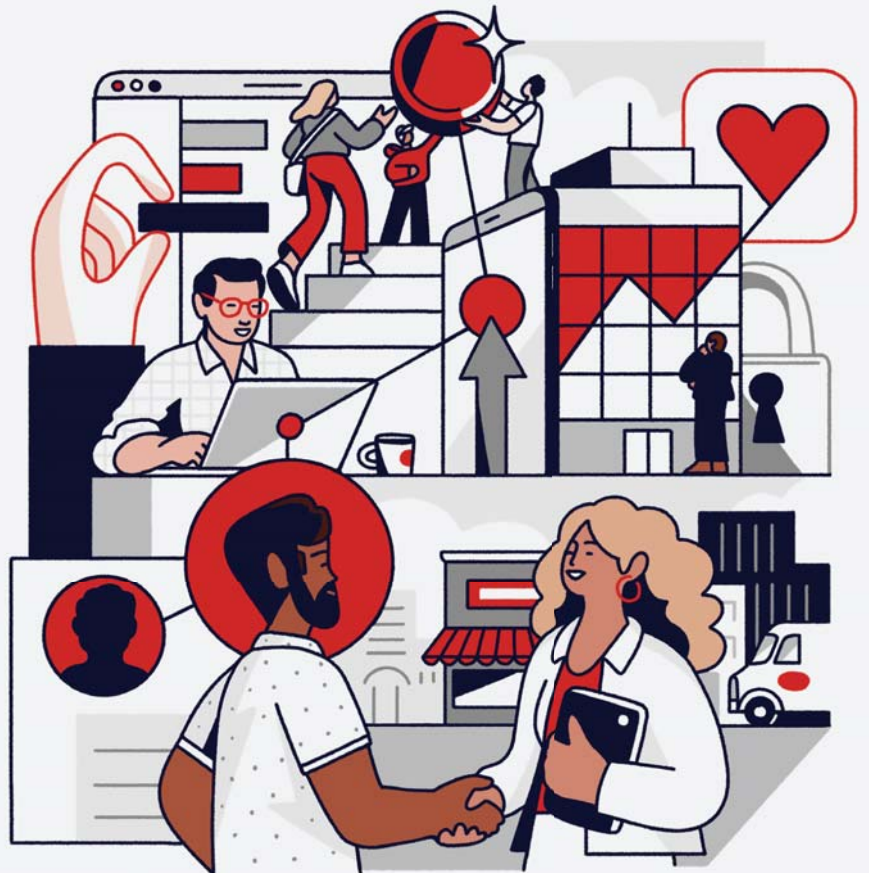


2025

Letters to Shareholders



Always Designing
for People®

A Letter from our Independent Board Chair



Fellow Shareholders,

After closing another successful fiscal year, we want to take a moment to reflect on ADP's many accomplishments in fiscal year 2025. The year was marked by continued durable growth, innovation, and a sustained commitment to serving our valued stakeholders, including our shareholders, partners, and clients. We remain steadfast in our pledge to strong corporate governance practices and active shareholder engagement, while also striving to be a reliable long-term partner to our more than 1.1 million clients. On behalf of your Board of Directors, we thank you for your investment in ADP and the trust you have placed in us to help continue to drive ADP forward.

Delivering Solid Financial Outcomes in a Dynamic Environment

ADP operates in a large and growing market that is constantly changing as business practices, regulations, and technologies evolve. Our unwavering focus on our three key strategic priorities – leading with best-in-class HCM technology, providing unmatched expertise and outsourcing solutions, and benefiting our clients with our global scale – continued to contribute to our strong financial outcomes. In fiscal year 2025, we grew revenue by 7% and increased diluted earnings per share by 10%.

We returned \$3.7 billion in capital to shareholders during fiscal year 2025, comprised of \$2.4 billion in dividends and \$1.3 billion in share repurchases. ADP's Board also increased the dividend for the 50th consecutive year. Such sustained growth is a testament to the resilience of our business and our sound capital management policies. Returning capital to our shareholders remains a priority for us.

**50 consecutive years
of dividend increases**

Commitment to Strong Corporate Governance

We remain committed to sound corporate governance practices that provide our shareholders with meaningful rights and foster strong independent leadership in our boardroom. Our approach is anchored in transparency, accountability, and independence. This method is evident in how we govern the deployment of AI throughout our business. ADP previously instituted the AI & Data Ethics Council, comprised of both industry leaders and ADP experts, and this council continues to provide guidance with respect to compliance principles ADP should follow while developing products, systems and applications that involve AI and data. As we continue to explore the potential that new technologies like generative AI can provide, we understand the great responsibility we have to approach these innovations in a way that is ethical, secure, and compliant for our business and the clients and workers we serve around the world.

In addition to overseeing governance, the Board helps to oversee talent and succession planning, ensuring a balance of tenure, experience, and culture that fits with the evolving needs of the business. The Board, together with President and CEO Maria Black, helped provide a seamless transition as Peter Hadley stepped into his new role as Chief Financial Officer from Corporate Treasurer on July 1st.

**Average tenure of
independent director
nominees is 5.5 years**

The Board not only oversees talent for Senior Leadership, but also continuously evaluates its own composition and that of its committees. This ensures the Board has the right mix of members to guide the company in delivering long-term sustainable value to our shareholders. The Board comprises both long-tenured members and those with fresher perspectives, offering expertise from diverse industries and sectors. It is in this context that we are delighted to announce the nominations of Bob Swan and Karen Lynch to the Board.

Bob has extensive global operational, financial and business expertise as a former CEO and CFO of large public technology companies. Karen possesses over three decades of experience in the health care field, including serving as CEO of a large public company, and understands how to operate effectively within highly regulated and complex frameworks. We also take this opportunity to thank each of John Jones and Bill Ready, who are not seeking re-election this year, for their respective tremendous contributions to the Board and to ADP. John joined the Board in 2005 and served as ADP's independent non-executive chairman from 2015 to 2022. His incredible service, insight, and unwavering leadership over the years has been critical to ADP's success. Bill joined the Board in 2016 and his contributions over the past decade have been vital in supporting the company's strategic direction and innovation.

Reflecting on our History and Looking Ahead

As we enter fiscal year 2026, we reflect on our history. ADP has thrived for more than three quarters of a century and across macroeconomic cycles. We are confident in our ability to meet the demands of an ever-changing HCM landscape to deliver for our shareholders.

We appreciate feedback from clients and shareholders alike as we navigate the complexities of the global world of work. In fiscal year 2025, ADP invited or met with shareholders representing nearly half of the company's shares outstanding. On behalf of the entire Board of Directors, we appreciate all of the thoughtful feedback shared.

Thank you for your continued ownership in ADP and trust in our Board.

Sincerely,



Thomas J. Lynch
Independent Board Chair of ADP

A Letter from our CEO



To our Shareholders,

For more than 75 years, ADP has shaped the world of work with innovation and expertise, transforming Human Capital Management (HCM) from an administrative challenge to a strategic business advantage. Our mission is to provide insightful HCM solutions that meet the changing needs of our clients and their workers, and we made great progress in fiscal year 2025.

We strive each day to exceed the expectations of the more than 1.1 million clients we serve and the over 42 million workers we pay in more than 140 countries and territories. Always Designing for People means we focus on people, leveraging our unparalleled data insights and innovative technology to deliver industry-leading products, premium services, and exceptional experiences that elevate the world of work.

A Crowning Achievement

We delivered strong fiscal year 2025 results with 7% revenue growth and 10% growth in diluted earnings per share. Strong execution by our sales force produced 3% growth in Employer Services new business bookings to a new record of \$2.1 billion. Employer Services client revenue retention improved to 92.1% for the year, approaching our record 92.2% level. In addition, our client satisfaction scores reached new all-time highs, underscoring our significant product investments and the commitment to exemplary service shared by our associates.

FISCAL YEAR 2025 BUSINESS HIGHLIGHTS

- 1.1M+** Clients served
- 42M+** Workers paid globally
- 7%** Revenue growth
- 10%** Diluted EPS growth
- 3%** Employer Services new business bookings growth
- 92.1%** Employer Services client revenue retention
- \$3.7B** in shareholder distributions
 - \$2.4B** Dividends
 - \$1.3B** Share Repurchases

In addition to these impressive results, we increased our dividend for the 50th consecutive year in fiscal year 2025. ADP is now among an elite group of “Dividend Kings,” a small number of publicly traded US companies with 50 or more consecutive years of dividend increases.

Strong Execution on Strategic Priorities

Our fiscal year 2025 accomplishments extend far beyond our strong financial results. We also drove meaningful momentum across all three of our strategic priorities: leading with best-in-class HCM technology, providing unmatched expertise and outsourcing, and benefiting our clients with our global scale.

Highlighting a great year for innovation at ADP, we launched ADP Lyric HCM, our flexible, intelligent and human-centric global HR platform to a very strong reception in the market. Lyric’s momentum continued following its launch, with new clients sold increasing by more than 50% in fiscal year 2025 and its number of live clients doubling compared to the prior year. Our rollout of ADP Assist, which provides the latest AI-driven capabilities in our products, continued supporting millions of interactions with heightened client engagement. In addition, we expanded our embedded payroll offering to broaden the reach of our small business distribution ecosystem.

To further build on our unmatched expertise, we deployed new AI tools to thousands of our associates, driving efficiencies across our sales, service, and technology functions. By coupling our decades of experience with our significant data insights and AI investments, we are simplifying work for our associates and elevating the end-to-end client experience. We are already seeing returns on our AI investments, and we are very excited to see how they continue to improve the experience of our clients and associates moving forward.

Lastly, we continue to benefit our clients with our global scale. In fiscal year 2025, we enhanced our unmatched global payroll capabilities by expanding our offer in markets with exciting growth opportunities and acquiring payroll businesses like Procesamiento Externo de Información, S.C. (PEI) in Mexico. We also acquired WorkForce Software, which meaningfully expands our capabilities in the time and attendance space and allows us to serve the broader workforce management needs of our clients.

Scale, Dependability, and Innovation

The success we achieved in our fiscal year 2025 financial results and across our strategic priorities is a testament to the extraordinary efforts of our 67,000 dedicated associates around the world.

We maintain leading go-to-market and distribution capabilities and are differentiated by our ability to support clients of all sizes, be it a one-employee small business or a large, global enterprise with more than 1 million employees. The scale and diversity of our business helps us to drive strong revenue growth and overall financial performance across macroeconomic cycles. We also understand the mission-critical importance of helping our clients meet the HCM needs of their employees and are proud of our well-earned reputation for dependability established over decades of client service. Finally, our unrivaled data set powers and inspires our products – helping us to harness the potential of AI.

As we look ahead, we are energized by the opportunities in front of us. We operate in a dynamic HCM market. It's large... it's growing... it's always evolving... And we are ready for what's next.

Thank you for your investment and continued interest in ADP.

Sincerely,

A handwritten signature in black ink, appearing to read 'Maria Black', with a stylized, cursive script.

Maria Black
Chief Executive Officer, ADP

FORWARD-LOOKING STATEMENTS

These letters 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 “outlook,” “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; our ability to respond successfully to changes in technology, including artificial intelligence; 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 and inflation; 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; availability of skilled associates; the impact of new acquisitions and divestitures; the impact of any uncertainties related to major natural disasters or catastrophic events; and supply-chain disruptions. 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” of our most recent Annual Report on Form 10-K, 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.