ADP *INNOVATION DAY* 2020

February 10, 2020

Agenda

| Time		
9:00 am	Registration and Breakfast	
10:00 am	Welcome	Danyal Hussain, VP Investor Relations
10:05 am	Opening Remarks	Carlos Rodriguez, President and CEO
10:10 am	Our Market Thesis	Matthew Levin, Chief Strategy Officer
10:25 am	Our Innovation Thesis	Don Weinstein, CVP Global Product and Technology Members of the Global Product and Technology team
11:45 am	Our Client Experience Thesis	Dianne Greene, DVP/GM One ADP Norfolk & Louisville Vipul Nagrath, Global Chief Information Officer
12:00 pm	Break	
12:15 pm	Q&A	
1:00 pm	Closing Remarks | Program Concludes	

ADP *INNOVATION DAY* 2020

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" 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.
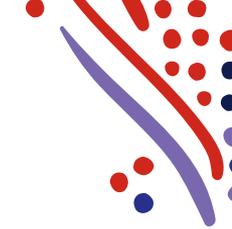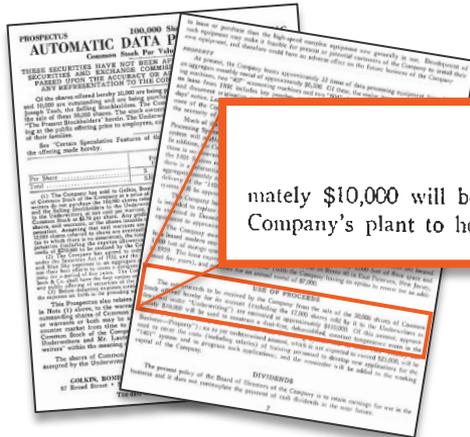
ADP INNOVATION DAY 2020

Opening Remarks

Carlos Rodriguez
President &
Chief Executive Officer

INNOVATION DAY 2020
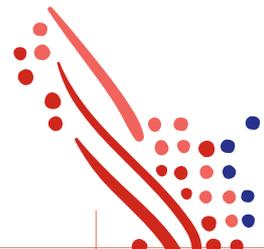
Always a Technology Company

Technology has been a differentiator for ADP from day one

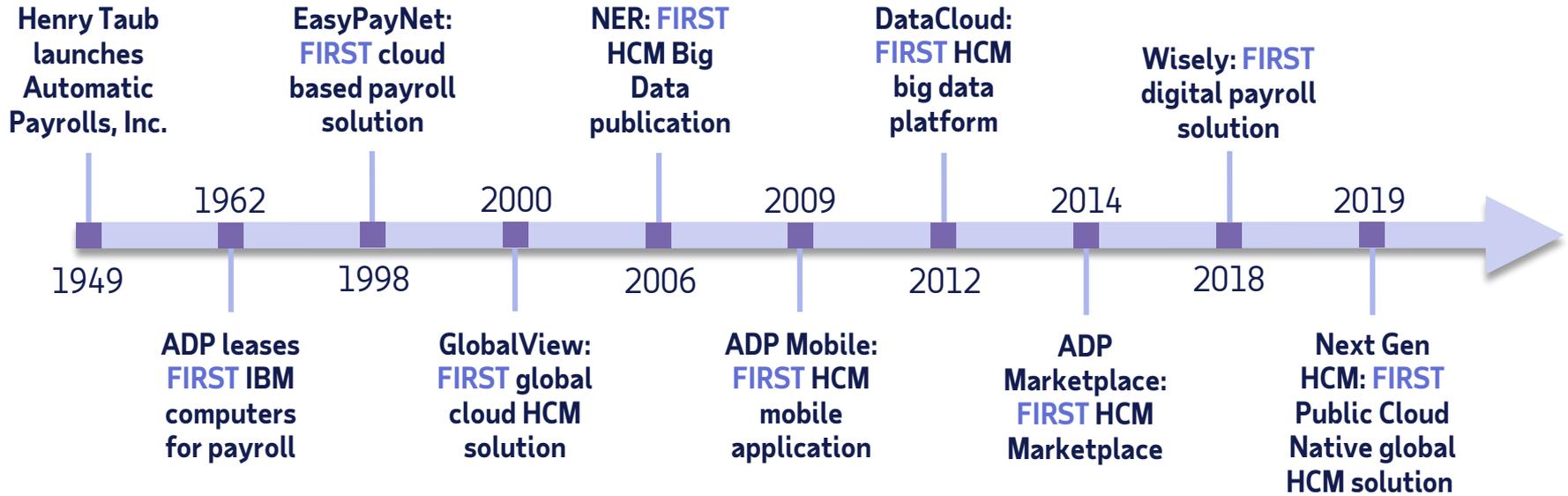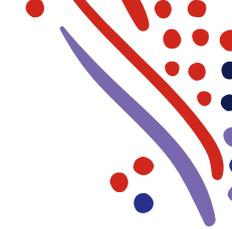
USE OF PROCEEDS

Of this amount, approximately $10,000 will be used to construct a dust-free, dehumidified, constant temperature room in the Company's plant to house the "1401" IBM Data Processing System now on order
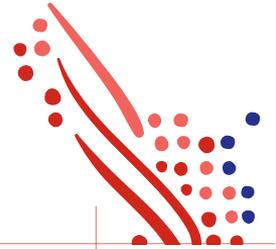
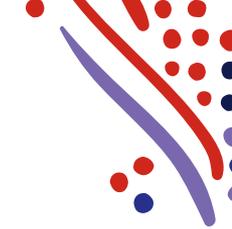(Our 1961 Prospectus)

A History of Continuous Innovation

Henry Taub launches Automatic Payrolls, Inc.

EasyPayNet: FIRST cloud based payroll solution

NER: FIRST HCM Big Data publication

DataCloud: FIRST HCM big data platform

Wisely: FIRST digital payroll solution

1962

2000

2009

2014

2019

1949

1998

2006

2012

2018

ADP leases FIRST IBM computers for payroll

GlobalView: FIRST global cloud HCM solution

ADP Mobile: FIRST HCM mobile application

ADP Marketplace: FIRST HCM Marketplace

Next Gen HCM: FIRST Public Cloud Native global HCM solution

ADP INNOVATION DAY 2020

Our Market Thesis

Matthew Levin
Chief Strategy Officer

INNOVATION DAY 2020

The HCM Market is Growing and Evolving

Large & Growing Market

$150B Addressable Global HCM Market

5-6% Growth

- $90B — US HCM
- $20B — HR Outsourcing
- $40B — International HCM
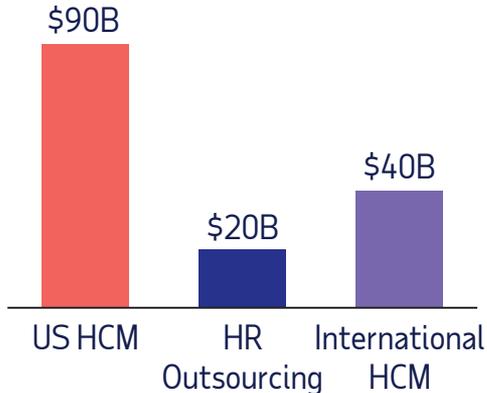
Continuous Evolution

HCM landscape continues to be shaped by secular changes across many categories

WORK
- Growth of gig economy
- Emergence of dynamic teams

PAY
- More workers paid in real-time or on tailored schedules
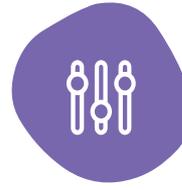
HR
- Becoming more analytical, leveraging AI/ML
- Increasing focus on talent and engagement

BUSINESS
- Globalization of workforce
- Tightening labor markets
- Growing regulatory pressure

TECH
- HCM tech transforming into platforms + app ecosystems
- Emergence of public cloud

ADP is the Industry Leader in Global HCM
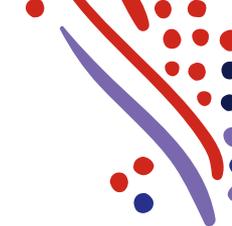
Grow a complete
suite of cloud-based
HCM solutions

- #1 or 2 in most categories
- 810,000+ clients globally

Scale our market-leading
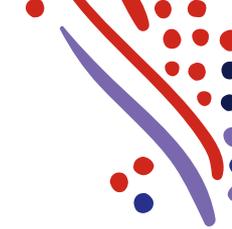**HRO solutions** by leveraging our
platforms & processes

- #1 in PEO and HRO
- 580,000+ worksite employees

Leverage our **global** presence
to offer clients **HCM solutions**
wherever they do business

- #1 in global payroll
- 140 countries and territories

Positioned to Stay at the Forefront of HCM

01 Thought Leadership

Harvard Business Review

PAUL GARLAND

DEVELOPING EMPLOYEES

The Feedback Fallacy

by Marcus Buckingham and Ashley Goodall

From the March–April 2019 Issue

02 Organic Investments

Next Gen HCM

Next Gen payroll and tax

Strategic platforms

ADP DataCloud

ADP Marketplace

Workforce Management

Wisely Payment Platform

ADP Ventures

03 Strategic Acquisitions

CELERGO
an ADP company

workmarket
an ADP® company

Global Cash Card

THE MARCUS BUCKINGHAM COMPANY
an ADP Company

Innovating on Three Dimensions
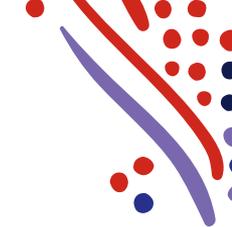
Differentiated Today
Market-leading platforms delivering sustained growth and profitability

Next Gen is Now
Designed from a clean sheet, built from the ground up, informed by our thesis on the future of HCM

Powered by a Digital Client Experience
Personalized client experience driven by machine-learning, digital service tools, and deep expertise derived over 70 years

Our Innovation Thesis

Don Weinstein
CVP Global Product & Technology

ADP INNOVATION DAY 2020
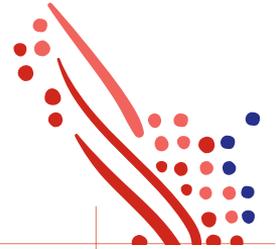
Tech at ADP

Unmatched scale, an innovation mindset, and deep domain expertise
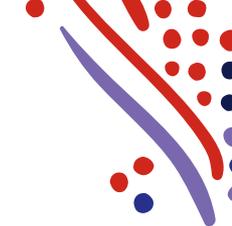
Scaled
With end-to-end expertise

- Technologists in over a dozen countries
- Fully agile development
- Focus on exceptional client experience

Innovative
With a long-term mindset

- 7 global innovation labs
- Strong track-record of successfully scaling innovation
- Experimenting with cutting-edge tech and experiences

Talented
Leveraging diverse experiences

- Deep domain expertise
- Diverse hiring profile – experienced, campus, minorities, gender, etc.
- Infused with external talent – 35%+ over past 5 years

Innovating on Three Dimensions
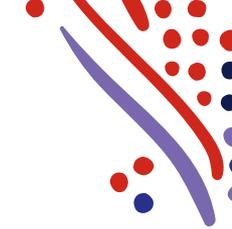
Differentiated Today

Next Gen is Now

Powered by a Digital Client Experience

INNOVATION DAY 2020

ADP RUN

Easy to use solution powering small businesses across the US
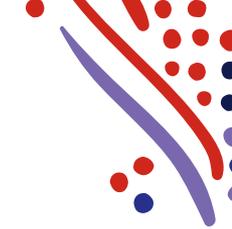
DIFFERENTIATED TODAY
Purpose-built solution delivering superior value

FUTURE READY
Enhancing the buyer and accountant experience

640K+ **Clients**

20K+ **Channel Partners**

2+ **Average Modules per Client**

End-to-end eCommerce and digital buying experience with transparent pricing, eSign, and self-purchase

Accountant Connect enables accountants to digitally purchase, onboard, manage and serve their clients on a single platform

ADP Workforce Now

Full-suite, single database HCM platform delivering enhanced user experience

DIFFERENTIATED TODAY
The HCM market leader

FUTURE READY
Enabled end-to-end on the public cloud with an enhanced user experience

70K+ **Clients**

#1 **HCM Market Share**

3+ **Average Modules per client[1]**
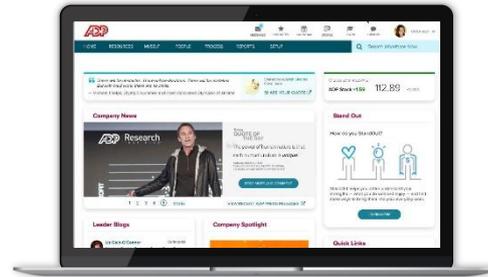
"ADP ranks first overall in this Value index evaluation due to a robust set of capabilities...ADP Workforce Now leads the field in the Capability category, while also demonstrating strength in Reliability, Manageability and Usability."

- Ventana Research

1. Among HCM mid-market clients

ADP Upmarket Portfolio

Deep functionality and platform flexibility bolstered by strategic enhancements

DIFFERENTIATED TODAY
Addressing broad client needs

2.5K+ **HCM Clients**

75%+ **of Fortune 500 on ADP Solutions**

FUTURE READY
With choice and flexibility

ADP Vantage HCM

Deep functionality across HCM pillars that meets the needs of the most complex clients

ADP Workforce Now

Strong capabilities for the 1-5K EE client segment with faster implementation

Service Enhancements	Organic Differentiators Mobile	DataCloud	Marketplace	Acquisitions

ADP INNOVATION DAY 2020

ADP Global Portfolio

Unmatched global reach and compliance capabilities
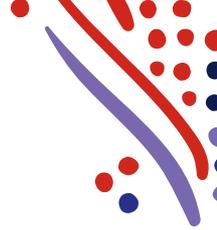
DIFFERENTIATED TODAY
Unmatched global reach

60K+   **International Clients**

140   **Countries Served**

45+   **Languages**

27   **Global MNC Locations**

Everest Group®
PEAK MATRIX™ LEADER 2019
MULTI-COUNTRY PAYROLL SOLUTIONS

Everest Group®
PEAK MATRIX™ LEADER 2019
MULTI-COUNTRY PAYROLL PLATFORM

FUTURE READY
Global leader in unified and compliant multi-country payroll

CELERGO
an ADP company
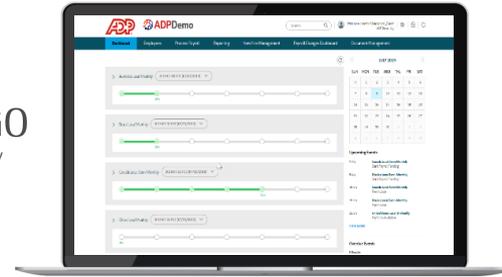
"ADP now controls two of the market's deepest global payroll capabilities which span 140 countries in scope, which gives ADP significant advantage over its peer competitors."

- NelsonHall Payroll NEAT evaluation

ADP Global Portfolio

Client Success Story: Large and complex global technology provider

Global Technology Provider   **100+ Countries**   **100K+ Employees**

Client Challenges:
Lack of standardization

50+   **Payroll Providers**

6K+   **Non-Standard Processes**

400+ **People Touching Payroll**

Transformation Outcome:
Global convergence

Consolidated to ADP Celergo
in 90+ countries

30+ Controls
Enforcing global and local standards

Limited Data Exposure
through 3 teams of data management experts

ADP INNOVATION DAY 2020

Mobile and UX
Access whenever, however, wherever

DIFFERENTIATED TODAY
First HCM mobile application

Top 5 — **Business App**

4.7 ★★★★⯨ — **Apple App Store Rating (2019)**

90M — **Monthly myADP logins**

FUTURE READY
Mobile-first self service
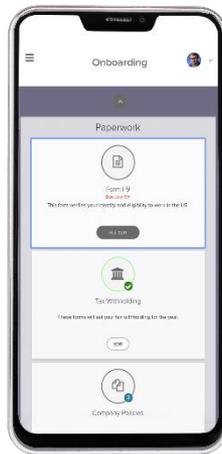
Onboarding
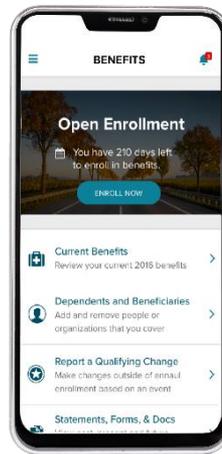
Benefits Enrollment

Pay

Workforce Management
Leading time and labor management solutions
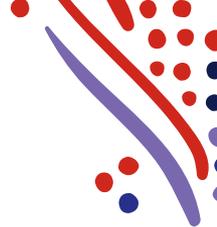
DIFFERENTIATED TODAY
Large and growing business

80K+ — **WFM Clients**

14M+ — **Employees Served**

750M+ — **Monthly Time "Punches"**

FUTURE READY
Data-powered decision making

Embedded Analytics and Insights

Geo-Pinning
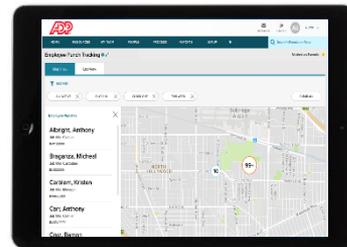
Point of Sale Integration

ADP INNOVATION DAY 2020

Talent Acquisition
All worker types supported, gig workers included

DIFFERENTIATED TODAY
Market leading solutions for permanent workers

1.6M+
Jobs Posted

40M+
Applications

32M+
Resumes received

6M+
Total Screened

1.6M+
Candidates Hired

15M+
Background Checks
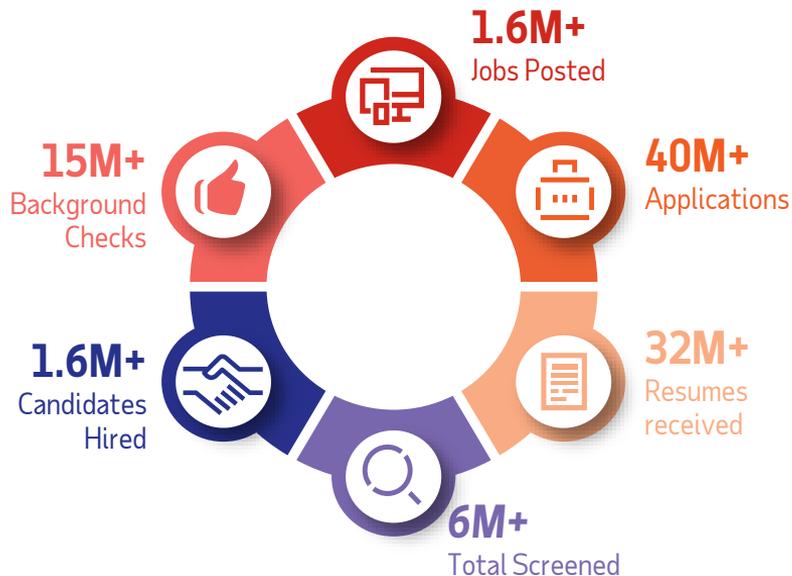
Annual amounts

FUTURE READY
Support for all worker types, including freelancer
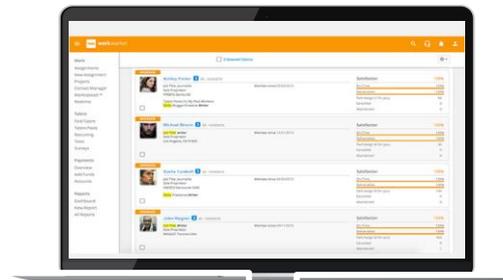
10M+
Freelancer Assignments Posted

$1.5B+
Assignment Value

Aggregate amounts over lifetime of WorkMarket

ADP INNOVATION DAY 2020

AI / ML
Data-driven insights in the flow of work
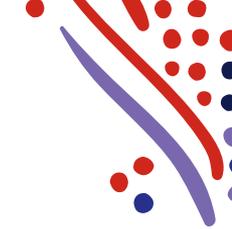
DIFFERENTIATED TODAY
Largest, most accurate dataset in DataCloud

740K+   **Companies Included in Database**

90M+   **Unique Employees Paid Over Last 10 Years**

5,000+   **Job Types**

FUTURE READY
AI in the flow of work

Executive / Manager Insights

Candidate Assessment

120K+

Managers set up with EMI across all active clients
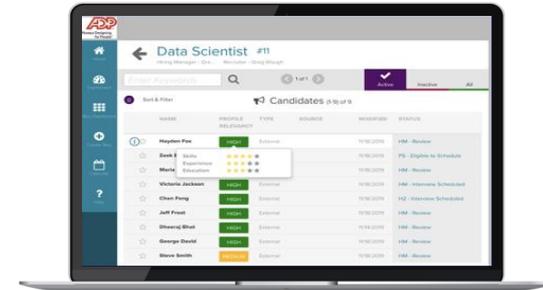
32M+

Resumes processed through ML algorithms

AI / ML
Client Success Story: Major National Auto Parts Chain
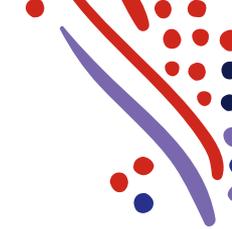
National Auto Parts Provider   **1K Locations**   **20K+ Employees**

CHALLENGE	ACTION	TRANSFORMATION

CHALLENGE

5pt

Higher turnover than industry benchmark

ACTION

- Rolled out mobile insights to provide store managers real-time visibility into turnover data

- Re-leveled compensation using the Annual Compensation Explorer to increase competitiveness

- Revamped onboarding training program to include live trainings

TRANSFORMATION

99% Managers Using Mobile App with Real-Time Data

5pt Reduction in Turnover

$10M Savings in 1 Year

ADP Marketplace
Dynamic, open platform with self-serve capabilities

DIFFERENTIATED TODAY
Largest open HCM ecosystem

400+   **Apps Available**

3K+   **Partners in Pipeline**

900M+   **API Calls per Year**

FUTURE READY
Intuitive eCommerce experience embedded in the flow of work
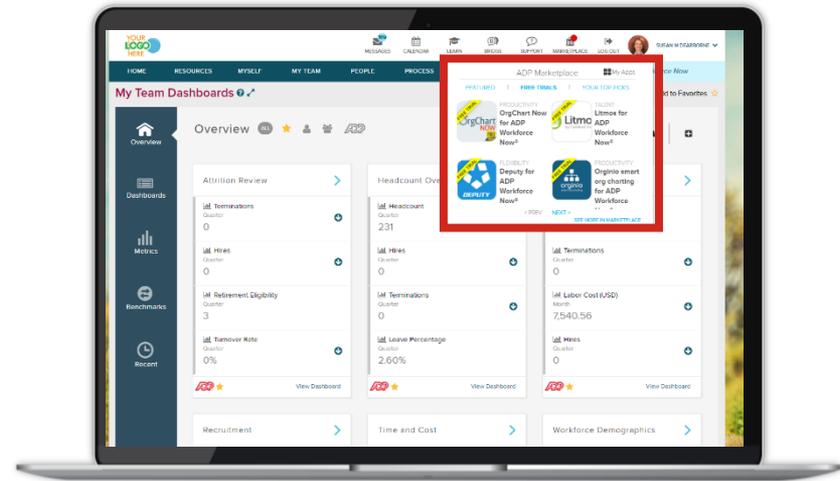
ADP Marketplace directly embedded in Workforce Now

ADP INNOVATION DAY 2020

Innovating on Three Dimensions
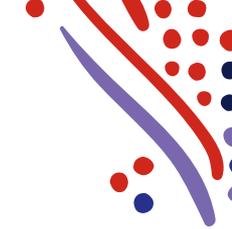
Differentiated Today

Next Gen is Now

Powered by a Digital Client Experience

ADP's Next Gen is Informed by 5 Guiding Principles
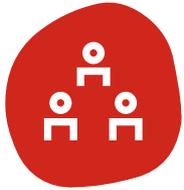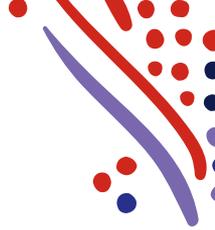
DYNAMIC TEAMS

WORK AND PAY YOUR WAY

GLOBAL COMPLIANCE

AI EVERYWHERE

ADAPTABLE TECH PLATFORM

ADP INNOVATION DAY 2020

Dynamic Teams
How work really happens
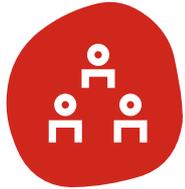
DYNAMIC TEAMS

Built for **how work really happens** – in dynamic teams

+ Empower team leaders to track and measure where work truly happens – including freelancers

+ Drive engagement and performance where it matters by providing teams and leaders the critical insights they need

+ Built natively on a graph database to capture the real nature of work

ADP INNOVATION DAY 2020
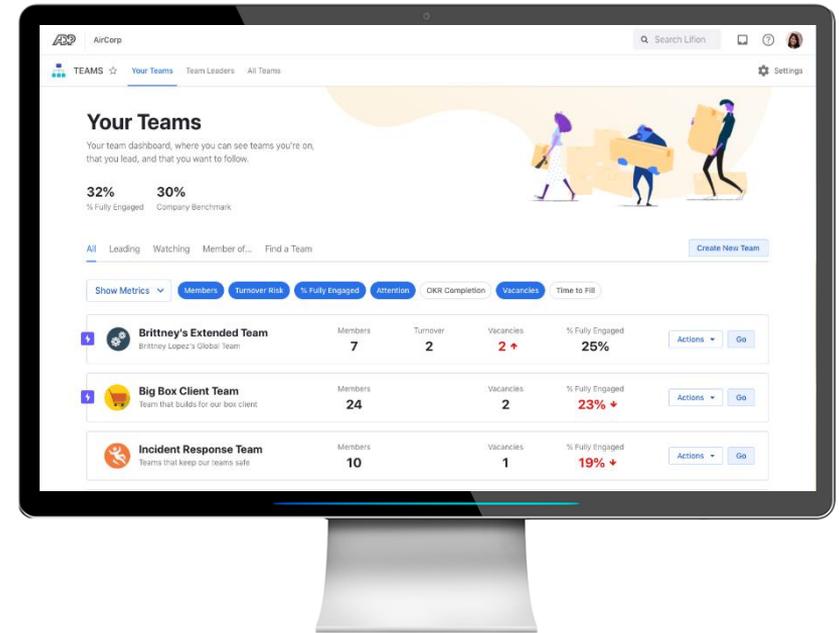
Work & Pay Your Way

Extreme personalization

WORK & PAY YOUR WAY

Consumer grade, personalized experiences
that enable teams to work and get paid the way they want

+ Smart payroll and tax engines power real-time, compliant gross-to-net calculations

+ Integrated pay anytime solutions combined with financial wellness tools designed for the workforce of the future
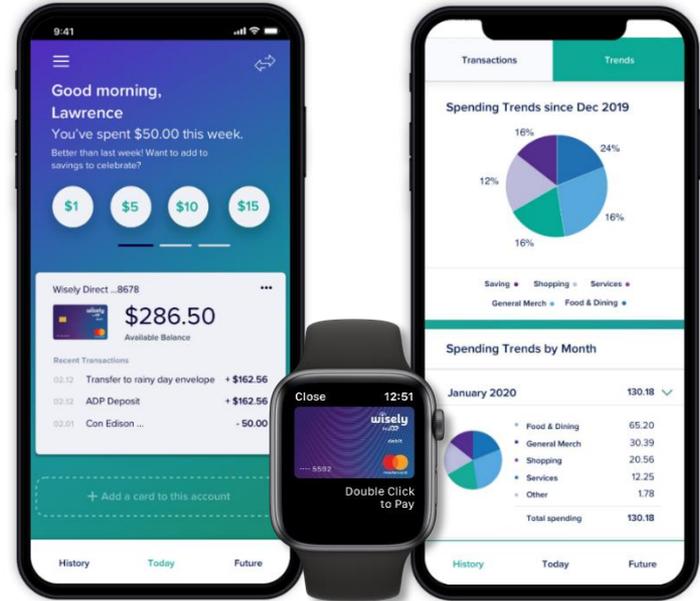
Global Compliance
Global from the ground up

GLOBAL COMPLIANCE

Deliver *compliant global capabilities easily and rapidly*

+ Rapid localization with global as configuration and federated development

+ Powered by ADP's unmatched global reach and compliance expertise
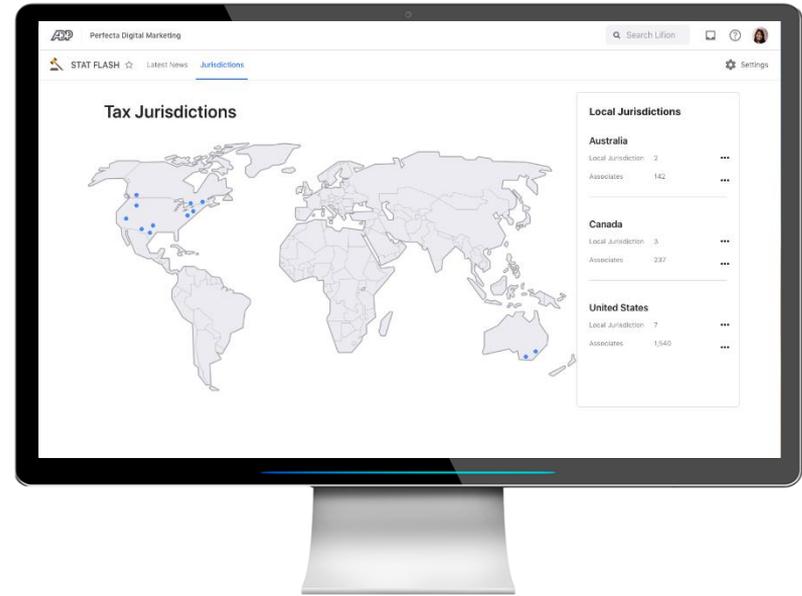
AI Everywhere
In the flow of work

AI EVERYWHERE

Real data driving real insights

+ Drive relevant, accurate, data-driven insights leveraging the world's largest HCM dataset

+ Leverage AI and ML in the flow of work to identify insights and drive prescriptive actions

+ Uncover contextual, meaningful and timely business actions for teams, practitioners and executives
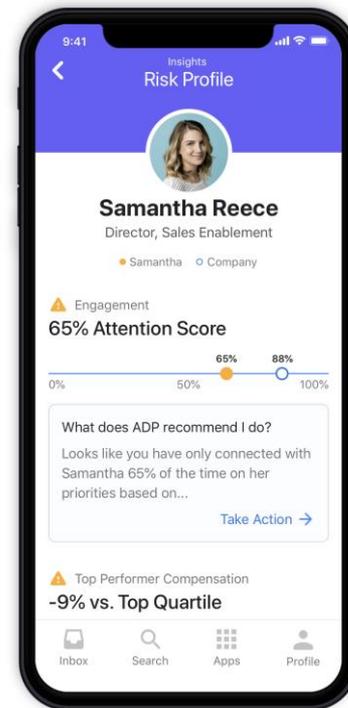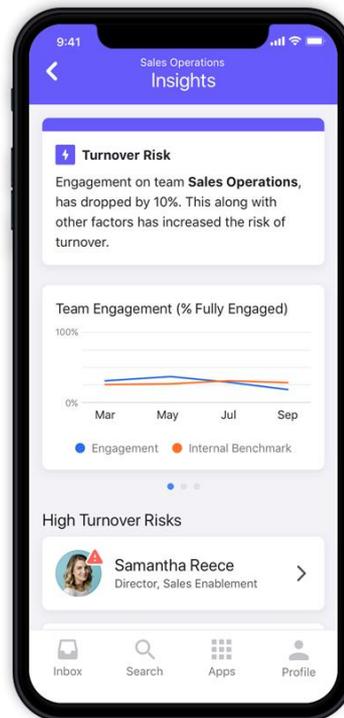
Adaptable Tech Platform

Low-code, flexible, extensible
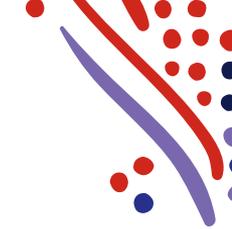
ADAPTABLE TECH PLATFORM

Next Gen Platform that powers our entire tech stack

+ Power rapid innovation with a flexible, extensible, low-code platform

+ Fully cloud native with uptime, resilience and scalability of the public cloud

+ Drives extreme personalization by enabling mini-apps at team, location, and organizational level
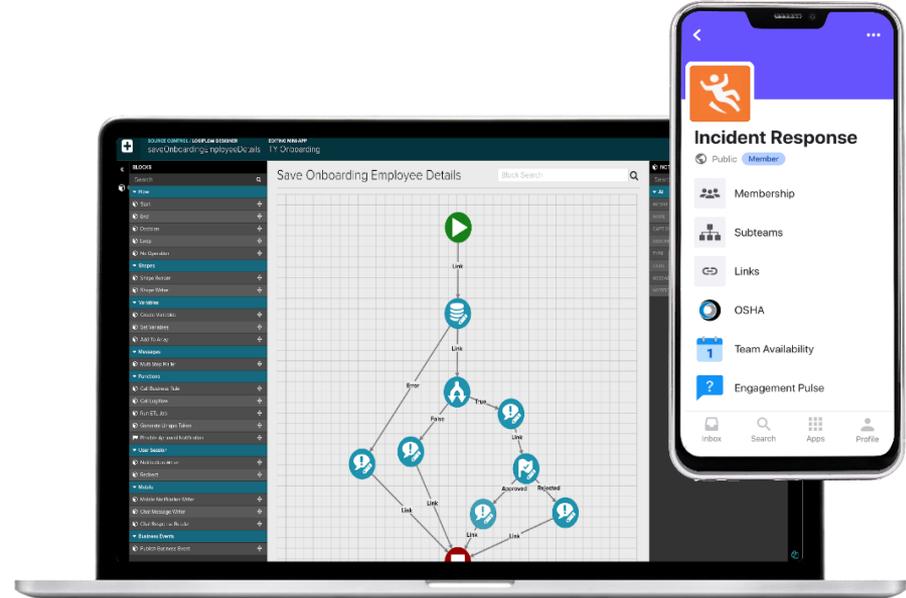
Power of ADP's Next Gen HCM System
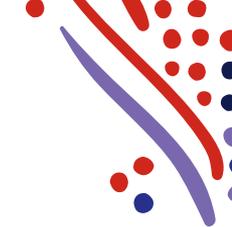
"A Day in the Life"

Powering the Future of Work – Today
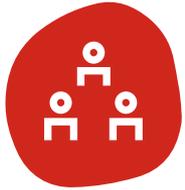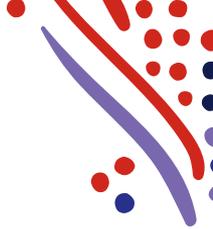
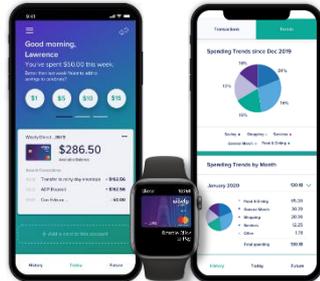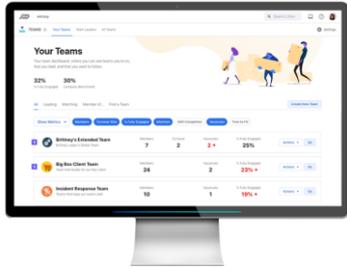**DYNAMIC TEAMS**

WORK AND PAY YOUR WAY
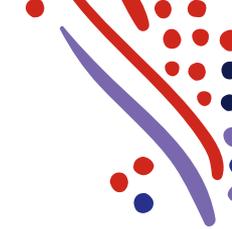
GLOBAL COMPLIANCE

AI EVERYWHERE

ADAPTABLE TECH PLATFORM
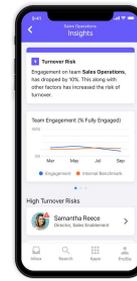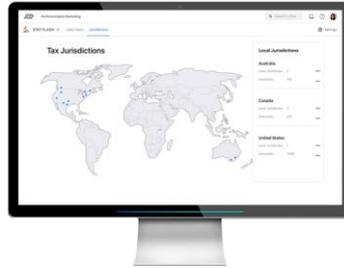
Positive Industry Feedback

Strong Positive HCM Industry Coverage

"This new ADP platform will be a force to be reckoned with. Let's watch it closely."
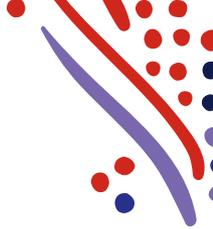**- Josh Bersin**

Next Gen HCM Award Wins

*"This is the first time in our history that a company has won the same award **five years running**, and this level of excellence is a testament to ADP's drive to address key pain points in the HR community with major tech innovations and solutions."*

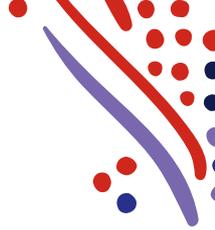**- Steve Boese**

INNOVATION DAY 2020

Client Perspective: Gold's Gym

Why Next Gen HCM

- Deploy dynamic teams and leverage team based insights

- Provide an integration ecosystem through highly flexible platform

- Enable teams to work their way by deploying Mini-apps

- Eliminate paper process and drive consumer-grade self-service

Recent Wins for ADP Next Gen HCM

15,000 Employees
Multi-location specialty retailer

Client needed:

- Next Gen solution with **modern, consumer grade experience** across Payroll, HR and Time

- **Flexible Global HR system of record** to support international expansion plans

3,000 Employees
Manufacturer of engineered products

Client needed:

- **Dynamic teams** to better represent organizational structure, along with **talent activation** solutions

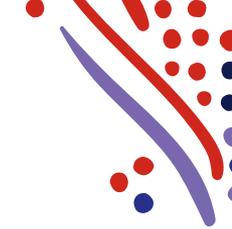- **Global solution** to grow across North America and Asia Pacific

65,000 Employees
Transportation company

Client needed:

- **Next Gen HCM capabilities** with low complexity and implementation cost

- **Global HCM solution** to support global footprint and international growth

Next Gen is Now

	FY18 PILOT	**FY19** ROLL OUT	**FY20** SCALE	**FY21** ACCELERATE
Next Gen HCM	✓ Live with pilot clients in North America ✓ Growing platform	✓ Sell 15 - 25 North America clients ✓ Start global expansion	• Sell 50 - 75 North America clients	• Sell 100+ North America clients • Global roll-out
Next Gen Payroll	✓ Live with pilot client in North America ✓ Growing platform	✓ Deploy in North America up to 10 clients ✓ Start global expansion	• Deploy in North America to hundreds of clients • Begin global roll-out to select countries	• Deploy in North America to thousands of clients • Expand global roll-out to additional countries
Next Gen Tax	✓ Live with pilot clients	✓ Deploy to ~10-20% of US client base	• Deploy in US to up to ~50% of client base	• Deploy in US to up to ~75% of client base

ADP INNOVATION DAY 2020

Innovating on Three Dimensions
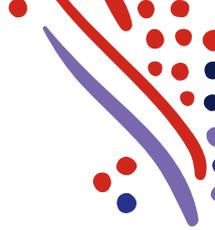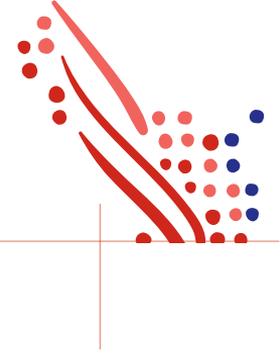
Differentiated Today

Next Gen is Now

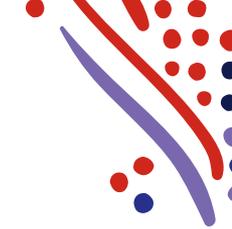**Powered by a Digital Client Experience**

Our Client Experience Thesis

Dianne Greene
DVP/GM OneADP
Norfolk &
Louisville

Vipul Nagrath
Global Chief
Information
Officer

ADP *INNOVATION DAY* 2020

Why Service Matters to our Clients

From Hire

HCM TECHNOLOGY

CLIENT SUCCESS

To Retire

Support
40M+ employees globally

Compliance
68M+ tax statements
1,000+ U.S. compliance changes annually

Insights
Data on 740k+ clients globally

How We've Evolved
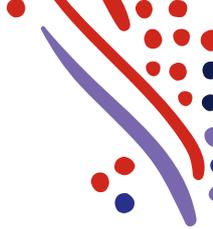
Simplified and improved service delivery

- Deployed co-located / intact teams that collaborate across traditional functions in common strategic service locations

- Nurtured an environment where associates grow their careers

- Uncovered opportunities to improve operational efficiencies
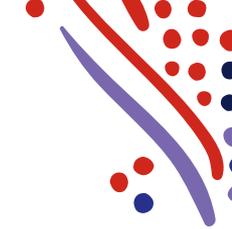
ADP INNOVATION DAY 2020

OneADP Service Strategy
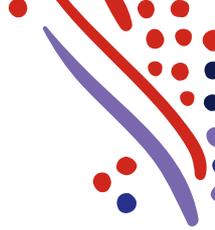
Simplified and improved service delivery

- Hire the right people and create agile teams

- Promote collaboration across teams

- Employ self-service in tools

- Empower associates

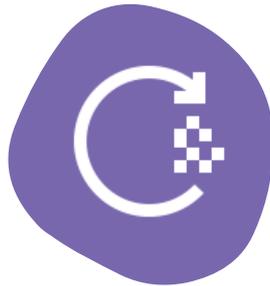- Build culture of trust and inclusion

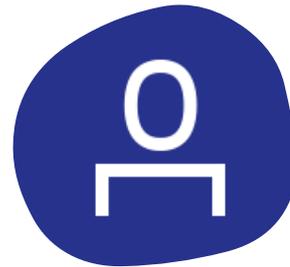# Building a Digital Service Mindset

ADP has a powerful combination of associate expertise and digital capabilities to meet our clients' needs
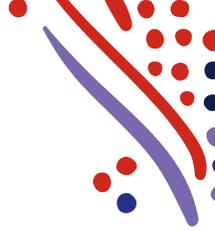
Eliminating Work

Automating Work

Working Smarter

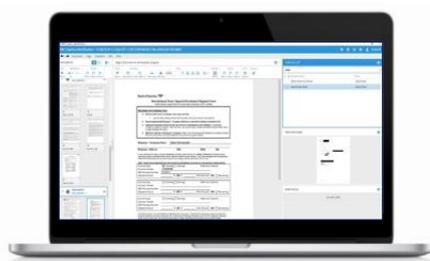**Enabling Growth**

ADP INNOVATION DAY 2020

Advanced Capabilities Across the Client Journey

**Client
onboarding**

**Client data
extraction and entry**

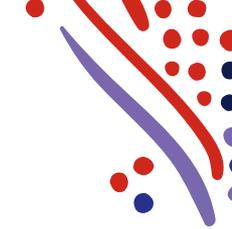**Client and Associate
service experience**

Intelligent
Automation

Smart Data
Processing

Chat and
Chatbot

Intelligent Automation – Onboarding Clients Faster

We are onboarding new clients faster than before using Intelligent Automation capabilities

RPA

Digitized sales order and Robotic Process Automation used to complete the implementation setup process

85K+

Clients implemented using automation in the setup process

30%

Reduction in work through combination of human analysis and intelligent automation during the setup process step

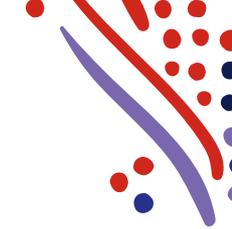| Manual	Today	Future
Review	Review	Review
Setup	Setup (0 min)	Setup
Inspection	Inspection	Inspection

ADP INNOVATION DAY 2020

Smart Data Processing Leveraging NLP and ML

Smart Data Processing combines:

Deep Learning AI Image Identification
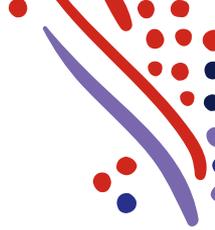
Natural Language Processing

Unsupervised Classification and Clustering

Smart Data Processing digitally reads data, extracts it, and configures it in ADP systems for quality, accuracy, and efficiency

Enhanced Service Experience with Chatbot

A.V.A., the ADP Virtual Assistant, will help you get the answers you need.
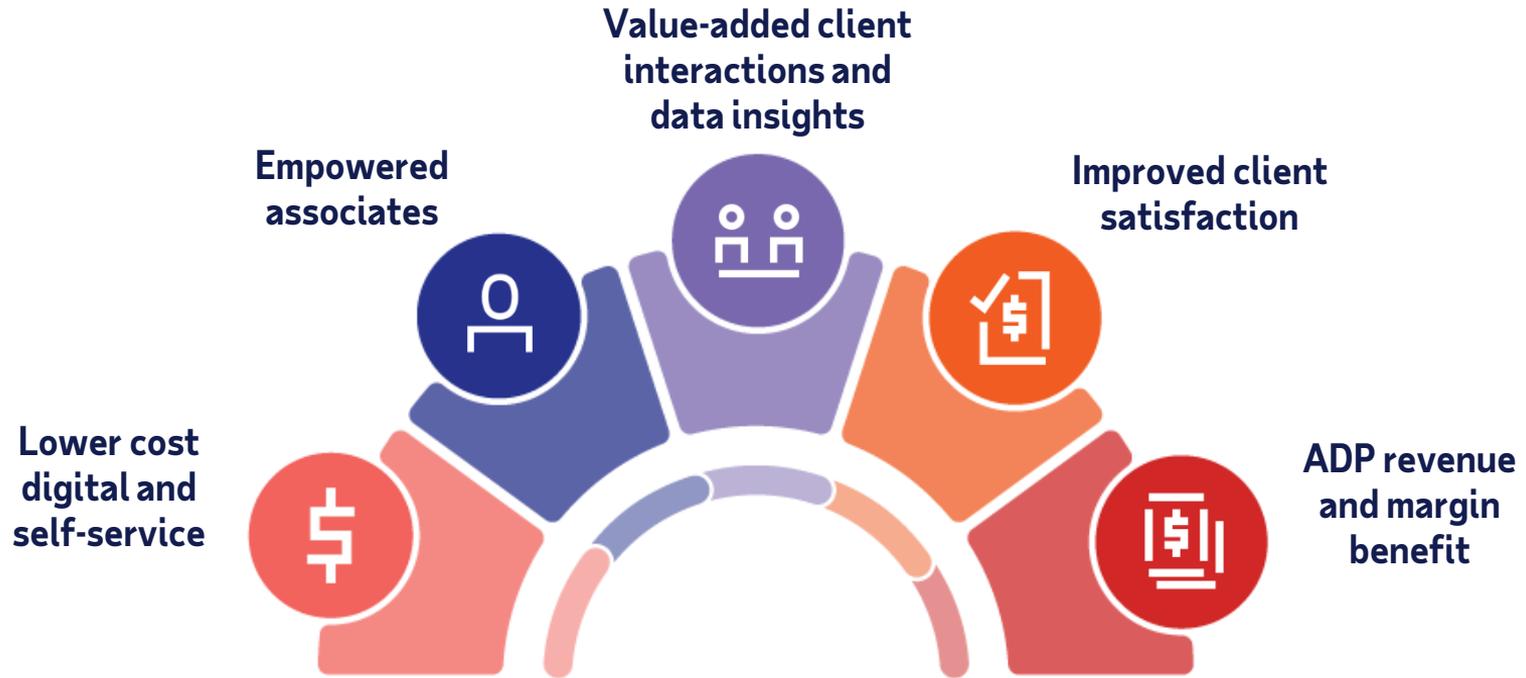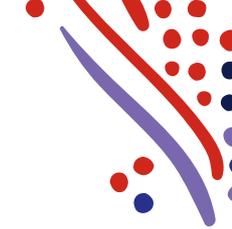
Every SBS chat begins with A.V.A.

900K client interactions were handled by A.V.A. over the last 18 months

A.V.A. answers questions across over 150 different topics

And client satisfaction scores are measurably higher for digital service channels

Fantastic.

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Results to stakeholders

Value-added client interactions and data insights

Empowered associates

Improved client satisfaction

Lower cost digital and self-service

ADP revenue and margin benefit

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Q&A

with Carlos, Matt, & Don

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