ADP Earnings Call & Webcast
Q4 Fiscal 2021

July 28, 2021

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" "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; the adequacy, effectiveness and success of our business transformation initiatives; and the impact of any uncertainties related to major natural disasters or catastrophic events, including the COVID-19 pandemic. 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.

Non-GAAP Measures

Adjusted EBIT, adjusted EBIT margin, adjusted diluted earnings per share, adjusted effective tax rate, and organic constant currency are all non-GAAP financial measures. Please refer to the Q4 fiscal 2021 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.

This presentation is a supplement to our Q4 fiscal 2021 earnings release; it is intended to be read in conjunction with, not as a substitute for, or in isolation from, the earnings release.

CEO's Perspective

- Strong Q4 results capped a resilient fiscal 2021 performance across multiple fronts and exceeded our expectations
  - ES new business bookings growth of 174% for the quarter and 23% for the year to $1.5 billion, with productivity for the year at ~90% of pre-pandemic levels
  - Continued ES retention outperformance in Q4 leading to full-year retention of 92.2%, up 170bps; record retention for both ES and PEO segments
  - Robust PEO performance with 12% average WSE growth and 12% growth in revenues
- Continued product advancements and milestones across our portfolio of solutions, including RUN, Roll, Workforce Management, HRO, and Next Gen, with a total client count now of over 920,000

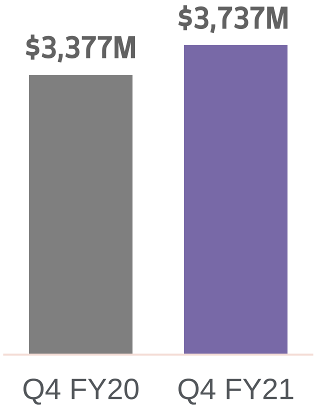
Q4 Fiscal 2021 Financial Highlights

(unaudited)

Total Revenues

↑ 11%

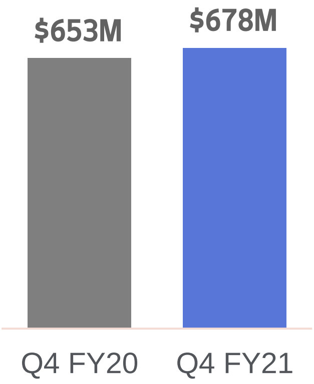
↑ 9% Organic Constant Currency (a)



Adjusted EBIT (a)

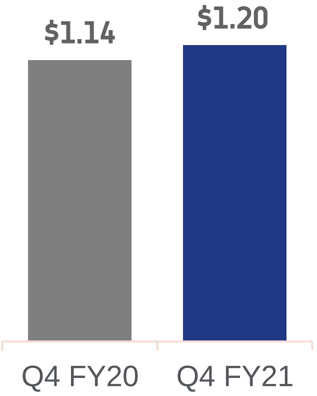
↑ 4%

Adjusted EBIT (a) Margin ↓ 120 bps



Adjusted Diluted EPS (a)

↑ 5%



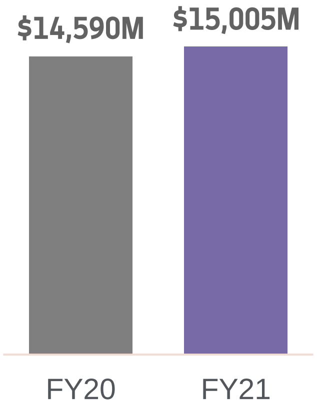
(a) For a reconciliation of these non-GAAP financial metrics to their closest comparable GAAP metrics see our Q4 fiscal 2021 earnings release available at investors.adp.com.

Fiscal 2021 Financial Highlights
(unaudited)

Total Revenues

↑ 3%

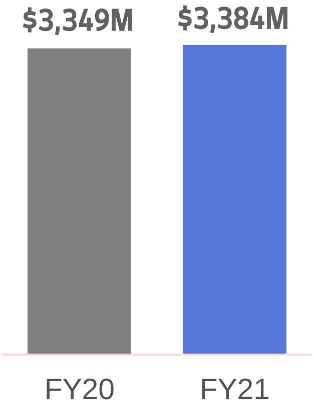
↑ 2% Organic Constant Currency (a)



Adjusted EBIT (a)

↑ 1%

Adjusted EBIT (a) Margin ↓ 40 bps



Adjusted Diluted EPS (a)

↑ 2%

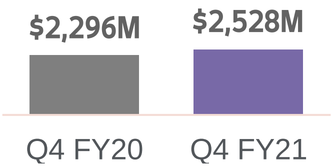
(a) For a reconciliation of these non-GAAP financial metrics to their closest comparable GAAP metrics see our Q4 fiscal 2021 earnings release available at investors.adp.com.

Q4 Fiscal 2021 Employer Services Segment Results
(unaudited)

ES Revenues

↑ 10%

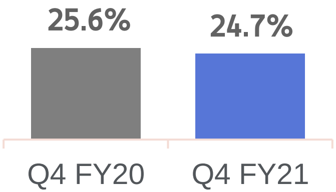
↑ 8% Organic Constant Currency [a]



- ES new business bookings ↑ 174%
- U.S. pays per control ↑ 8%
- Average client funds balances ↑ 22%
- Average client funds yield ↓ 50 bps

ES Margin

↓ 90 bps



- Higher selling expenses and other incentive compensation costs compared to prior year

Q4 Highlights

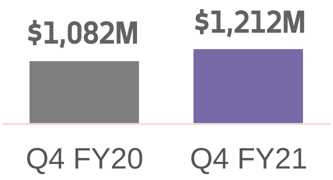
- Revenue performance driven by strong bookings, strong retention, and lapping of prior year pandemic-related declines in volume-based business
- Retention outperformance for ES resulting in record-level 92.2% retention for the year; PPC improvement in-line with expectations
- Substantial ES new business bookings growth with sales productivity continuing to improve toward pre-pandemic levels

(a) For a reconciliation of this non-GAAP financial metric to its closest comparable GAAP metric see our Q4 fiscal 2021 earnings release available at investors.adp.com.

Q4 Fiscal 2021 PEO Services Segment Results
(unaudited)

PEO Revenues

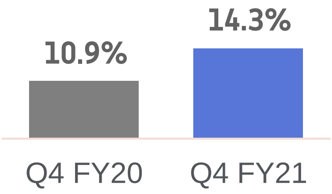
↑ 12%



- Revenues excluding zero-margin benefits pass-throughs ↑ 20%
- Average Worksite Employees ↑ 12% at 616,000

PEO Margin

↑ 340 bps



- Better than expected revenue and continued focus on cost control
- Contribution of 350 bps from lapping of workers' compensation reserve true-up in prior year

Q4 Highlights

- Better than expected revenue driven by strong WSE performance as well as payroll per WSE
- Margin benefiting from incremental revenues, expense efficiency, lower sales costs, and comparison to reserve true-up in prior year
- Sales environment gradually improving

Fiscal 2022 Outlook

		Fiscal 2021 (unaudited)	July 28, 2021 Fiscal 2022 Outlook[a]
Total ADP	Revenues	$15,005M	6 to 7%
	Adj. EBIT Margin[b]	22.6%	25 to 50 bps
	Adj. Effective Tax Rate[b]	22.7%	~22.5%
	Adj. Diluted EPS[b]	$6.02	9 to 11%
Employer Services	Revenues	$10,195M	4 to 6%
	Margin	29.9%	50 to 75 bps
	ES New Business Bookings	$1.5B	10 to 15%
	Client Revenue Retention	92.2%	~(75) bps
	U. S. Pays Per Control	(3)%	4 to 5%
PEO Services	Revenues	$4,818M	9 to 11%
	Revenues Ex Zero-Margin Pass-throughs	$1,726M	10 to 12%
	Margin	14.9%	(75) to (25) bps
	Average WSEs	582,000	9 to 11%
Client Funds Interest	Average Client Funds Balances	$27.4B	8 to 10%
	Yield on Client Funds Portfolio	1.5%	(10) bps, to 1.4%
	Client Funds Interest Revenue	$422M	$405 to $415M
	Extended Investment Strategy	$450M	$435 to $445M

(a) Outlook contemplates the anticipated impact of 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 Q4 fiscal 2021 earnings release available at investors.adp.com.

Appendix: Client Funds Investment Strategy Detail

	Fiscal 2022 Outlook		
	Average Balance ($)	**Average Yield**	**Interest ($)**
Client Short	6.1 – 6.3B	~0.1%	~5M
Client Extended	13.3 – 13.5B	~1.4%	190 – 195M
Client Long	10.1 – 10.3B	~2.1%	210 – 215M
Total Client Funds (a)	**29.5 – 30.1B**	**~1.4%**	**405 – 415M**
Corporate Extended Interest Income (b)	~2.8B	~1.3%	~35M
Borrowing Days Interest Expense	~2.8B	~0.2%	~(5)M
Net Impact From Client Funds Extended Investment Strategy			**435 – 445M**

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.

Appendix: Client Fund Portfolio Maturities