ADP Earnings Call & Webcast Q1 Fiscal 2022

October 27, 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 Q1 fiscal 2022 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 Q1 fiscal 2022 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 Q1 resulting from broad-based outperformance across the business as HCM demand accelerates
  - ES sales productivity surpassed pre-pandemic levels and reflects positive momentum for overall demand; PEO bookings accelerated significantly
  - ES and PEO retention levels remained favorable with ES reaching a new record level for a Q1
  - Robust revenue growth of 8% for ES and 15% for PEO supported strong consolidated adjusted EBIT margin expansion of 140bps
- Product enhancement momentum continues with roll-out of Run UX refresh and 7th consecutive "Top HR Product" recognition at HR Tech
- Upcoming Investor Day on November 15 to showcase ADP's strategy and commitment to long-term success

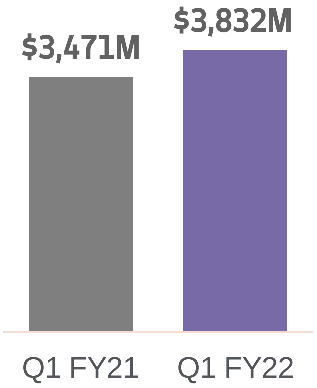
Q1 Fiscal 2022 Financial Highlights

(unaudited)

Total Revenues

↑ 10%

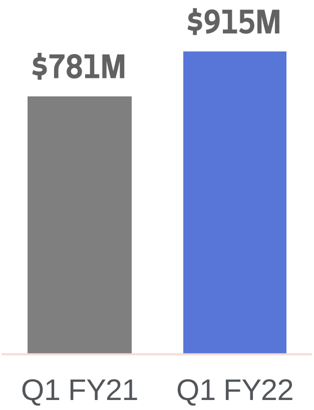
↑ 10% Organic Constant Currency (a)



Adjusted EBIT (a)

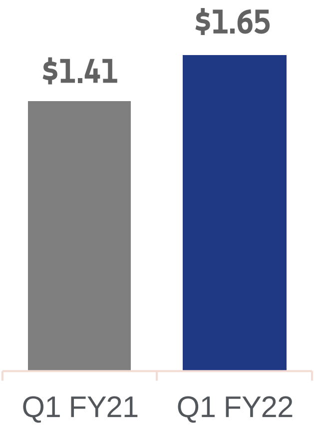
↑ 17%

Adjusted EBIT (a) Margin ↑ 140 bps



Adjusted Diluted EPS (a)

↑ 17%



(a) For a reconciliation of these non-GAAP financial metrics to their closest comparable GAAP metrics see our Q1 fiscal 2022 earnings release available at investors.adp.com.

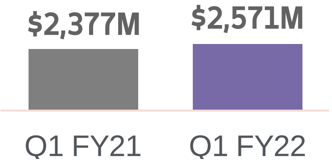
Q1 Fiscal 2022 Employer Services Segment Results

(unaudited)

ES Revenues

↑ 8%

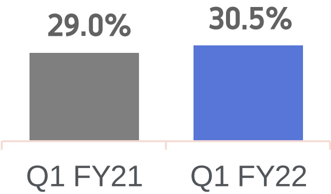
↑ 8% Organic Constant Currency[(a)]



- U.S. pays per control ↑ 7%
- Average client funds balances ↑ 22%
- Average client funds yield ↓ 40 bps

ES Margin

↑ 150 bps



- Operating leverage from strong revenue growth

Q1 Highlights

- Strong revenue growth supported by favorable bookings and revenue retention performance versus expectations
- Sales productivity surpassed pre-pandemic levels, driving better-than-expected ES new business bookings growth as demand for HCM continues to strengthen
- ES revenue retention remains resilient and set new record Q1 level

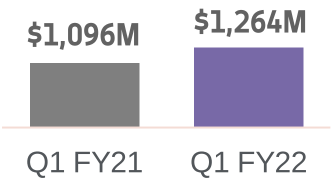
(a) For a reconciliation of this non-GAAP financial metric to its closest comparable GAAP metric see our Q1 fiscal 2022 earnings release available at investors.adp.com.

Q1 Fiscal 2022 PEO Services Segment Results

(unaudited)

PEO Revenues

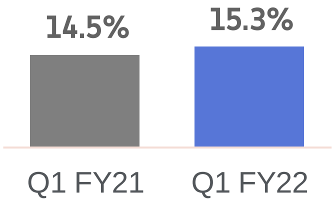
↑ 15%



- Revenues excluding zero-margin benefits pass-throughs ↑ 20%
- Average worksite employees (WSEs) ↑ 15% to 629,000

PEO Margin

↑ 70 bps



- Supported by strong revenue growth in the quarter

Q1 Highlights

- Robust WSE growth and revenue growth reflecting strong hiring within the client base, strong bookings results, and retention outperformance
- PEO sales momentum showing clear signs of improvement, with quarterly bookings growth outpacing expectations

Fiscal 2022 Outlook

		Fiscal 2021 (unaudited)	July 28, 2021 Fiscal 2022 Outlook[a]	October 27, 2021 Fiscal 2022 Outlook[a]
Total ADP	Revenues	$15,005M	6 to 7%	7 to 8%
	Adj. EBIT Margin[b]	22.6%	25 to 50 bps	50 to 75 bps
	Adj. Effective Tax Rate[b]	22.7%	~22.5%	~22.5%
	Adj. Diluted EPS[b]	$6.02	9 to 11%	11 to 13%
Employer Services	Revenues	$10,195M	4 to 6%	5 to 6%
	Margin	29.9%	50 to 75 bps	75 to 100 bps
	ES New Business Bookings	$1.5B	10 to 15%	12 to 16%
	Client Revenue Retention	92.2%	~(75) bps	~(50) bps
	U. S. Pays Per Control	(3)%	4 to 5%	4 to 5%
PEO Services	Revenues	$4,818M	9 to 11%	11 to 13%
	Revenues Ex Zero-Margin Pass-throughs	$1,726M	10 to 12%	12 to 14%
	Margin	14.9%	(75) to (25) bps	(50) bps to flat
	Average WSEs	582,000	9 to 11%	11 to 13%
Client Funds Interest	Average Client Funds Balances	$27.4B	8 to 10%	12 to 14%
	Yield on Client Funds Portfolio	1.5%	(10) bps, to 1.4%	(10) bps, to 1.4%
	Client Funds Interest Revenue	$422M	$405 to $415M	$420 to $430M
	Extended Investment Strategy	$450M	$435 to $445M	$450 to $460M

(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 Q1 fiscal 2022 earnings release available at investors.adp.com.

Appendix: Client Funds Investment Strategy Detail

	Fiscal 2022 Outlook		
	Average Balance ($)	Average Yield	Interest ($)
Client Short	6.7 – 6.9B	~0.1%	~5M
Client Extended	13.6 – 13.8B	~1.4%	190 – 195M
Client Long	10.7 – 10.9B	~2.1%	225 – 230M
Total Client Funds (a)	**31.0 – 31.6B**	**~1.4%**	**420 – 430M**
Corporate Extended Interest Income (b)	~2.5B	~1.3%	~35M
Borrowing Days Interest Expense	~2.5B	~0.2%	~(5)M
Net Impact From Client Funds Extended Investment Strategy			**450 – 460M**

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.