

ADP: Driving Superior Results Through Market Leadership and Continuous Innovation

September 2017





Safe Harbor Statement

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; 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 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, except as required by law. These risks and uncertainties, along with the risk factors discussed under “Item 1A. - Risk Factors” in our Annual Report on Form 10-K should be considered in evaluating any forward-looking statements contained herein.

Note Regarding the Use of Non-GAAP Financial Metrics

This presentation contains non-GAAP financial metrics. Please refer to the accompanying financial tables in the “Additional Materials” section for a discussion and reconciliation of non-GAAP financial metrics to their comparable GAAP financial metrics.

Note Regarding Quotes and Excerpts

This presentation contains quotes and excerpts from certain previously published material. Consent of the author and publication has not been sought or obtained to use the material as proxy soliciting material.

Additional Information

ADP, its directors and certain of its executive officers may be deemed to be participants in the solicitation of proxies from Company shareholders in connection with the matters to be considered at the Company’s 2017 Annual Meeting. The Company has filed a definitive proxy statement and WHITE proxy card with the U.S. Securities and Exchange Commission (the “SEC”) in connection with any such solicitation of proxies from Company shareholders. COMPANY SHAREHOLDERS ARE STRONGLY ENCOURAGED TO READ THE DEFINITIVE PROXY STATEMENT AND ACCOMPANYING WHITE PROXY CARD AS THEY CONTAIN IMPORTANT INFORMATION. Information regarding the identity of potential participants, and their direct or indirect interests, by security holdings or otherwise, is set forth in the proxy statement and other materials filed with the SEC. Shareholders can obtain any proxy statement, any amendments or supplements to the proxy statement and other documents filed by the Company with the SEC for no charge at the SEC’s website at www.sec.gov. Copies will also be available at no charge at the Company’s website at www.adp.com.

An Industry Pioneer and the Undisputed Global Leader in Human Capital Management (HCM)

Company Overview

Powerful Technology With a Human Touch

- Leading global provider of cloud-based HCM solutions
- Delivers payroll for **26 million (1 in 6)** US workers and **14 million** international workers
- Annually moves **\$1.85 trillion** on behalf of our clients and our clients' employees
- Partners with over **7,000 different tax agencies** across all levels of government throughout the US
- 80% of the Fortune 100** use at least one ADP service

~58,000
Employees

~700,000
Clients

>110
Countries

Financial Overview

FY17 Revenue	\$12B	FY17 Adjusted Net Earnings ⁽¹⁾	\$1.7B
<i>5 Year Revenue CAGR</i>	7%	<i>5 Year Adjusted EPS CAGR ⁽¹⁾</i>	10%
July 26, 2017 Equity Market Capitalization	\$47B	S&P / Moody's Ratings	AA / Aa3
FY17 Dividend Payout Ratio	60%	Years of Consecutive Dividend Increases	42

Note:

1. Adjusted net earnings and adjusted EPS are non-GAAP metrics. Refer to the Additional Materials for reconciliations to the closest GAAP metrics.

Strategic Pillars



GROW a complete suite of cloud-based **HCM SOLUTIONS**



INVEST to grow & scale our market leading **HRBPO** (Human Resources Business Process Outsourcing) solutions by leveraging our platforms & processes



LEVERAGE our **GLOBAL** presence to offer clients **HCM SOLUTIONS** wherever they do business

Unrivaled Client Footprint

Domestic HCM Market	HRBPO Market	Global HCM Market
<i>RUN Powered by ADP®</i>	<i>ADP TotalSource®</i>	<i>ADP GlobalView®</i>
<i>ADP Workforce Now®</i>	<i>ADP Resource®</i>	<i>ADP Streamline®</i>
<i>ADP Vantage HCM®</i>	<i>ADP COS (Comprehensive Outsourcing Solutions)</i>	<i>ADP Best of Breed</i>
~615K Clients	~20K Clients	~64K Clients

Executive Summary

ADP's Leadership has Delivered Results

- ✓ 203% Total Shareholder Return (TSR) under Carlos Rodriguez, significantly outperforming the S&P 500 and peers⁽¹⁾
- ✓ Compounded annual revenue growth of 7% over the last 5 years, with 580bps increase in net operational margins⁽²⁾, resulting in 10% annual growth in adjusted EPS⁽²⁾
- ✓ Approximately \$11.3 billion of cash returned to shareholders since FY11, with 42 consecutive years of dividend increases

Executing on a Focused Transformation Strategy

- ✓ Transforming our technology through material investments in organic product innovation and technical talent; rapid adoption of new technologies like cloud, mobile and big data; and upgrading clients to strategic platforms with anticipated introduction of several next generation technologies in the next 12 months
- ✓ Streamlining our operations footprint and enhancing service to a more efficient model that increases client satisfaction
- ✓ Extending our world class distribution by optimizing routes to market and continuing to drive sales growth and productivity
- ✓ Transforming our talent and culture with an infusion of key external talent and acceleration of pay for performance

Led By a Strong, Independent Board with Best-in-Class Governance

- ✓ ADP has a best-in-class, shareholder friendly governance profile
- ✓ We are committed to board refreshment, having added four new Directors since 2014
- ✓ We are committed to driving a winning corporate strategy with deep and innovative technology, service and operational expertise

Pershing Square's Thesis & Director Candidates are Not Right for ADP

- ✗ Pershing Square and its director candidates have demonstrated a lack of knowledge and understanding of ADP and its current operations, which is a cause for concern given their lack of relevant technology experience
- ✗ Pershing Square's call for accelerated operational margin improvement presents significant business risks for ADP and for our clients
- ✗ Pershing Square owns 2.0% of ADP's common stock, not the 8.3% that the fund has represented since the start of its campaign⁽³⁾
- ✗ ADP's Board believes that Pershing Square's recently revised fee arrangements incentivize risky investment decision-making that is not aligned with the interests of most of our other shareholders. Consequently, Pershing Square and its hand-picked nominees cannot serve as true representatives of our shareholders' interests on the ADP Board

Notes:

1. See page 9 for additional details.
2. The inputs to the net operational margin calculation and adjusted EPS growth are non-GAAP metrics. Refer to the Additional Materials for reconciliations to the closest GAAP metrics.
3. As per CNBC segment on September 11, 2017.



Discussion Agenda

I. Proven Track Record of Success

II. ADP's Strategy

III. Best in Class Board / Corporate Governance

IV. Pershing Square's Proxy Contest

V. Concluding Remarks



ADP's Strategy Is Working

Our Differentiated Value Proposition Is Driving Continuous Innovation and Service for Clients and Long-Term Value Creation for Shareholders

Key Strategic Objectives...



Grow a Complete Suite of Cloud-Based **HCM Solutions**



Invest to Grow & Scale Our Market Leading **HRBPO** Solutions by Leveraging Our Platforms & Processes



Leverage Our **Global** Presence to Offer Clients **HCM Solutions** Wherever They Do Business

...Have Yielded Results



Robust Revenue Growth at 7% CAGR

+\$4.1B
FY11-FY17



Significant Net Operational Margin ⁽¹⁾ Improvement

+580 bps
FY11-FY17



Strong Cash Distribution to Shareholders

\$11.3B
Since FY11



Market Leading TSR

175% / 203%
See Note 2 below

Source: Bloomberg

Notes:

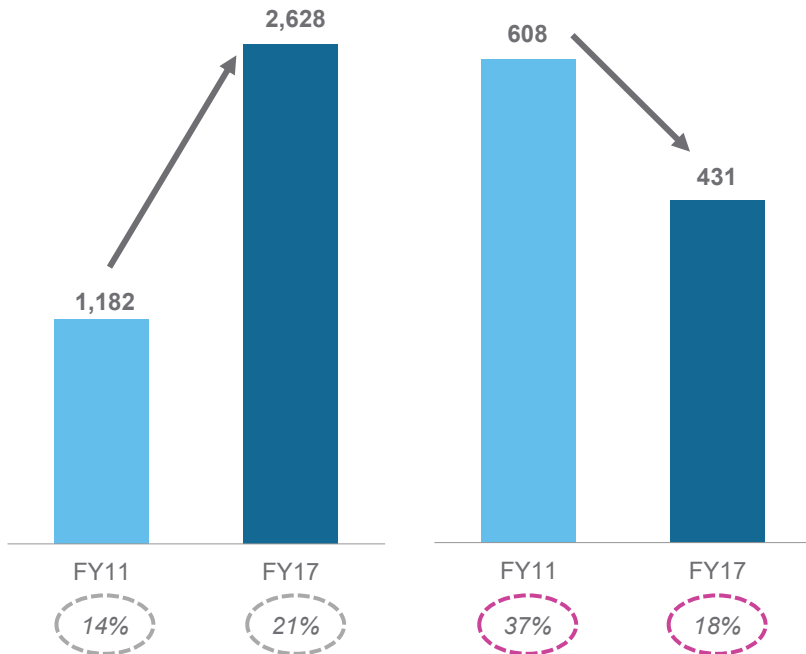
1. Net operational margin is calculated as net operational profit divided by net operational revenues, which are non-GAAP metrics. Refer to the Additional Materials for reconciliations to the closest GAAP metrics.
2. ADP TSR of 175% is from close of 11/9/2011 to close of 7/26/2017; ADP TSR of 203% is from close of 11/9/2011 to intraday 7/27/2017; see page 9 for additional detail on TSR; see page 61 for additional detail on intraday price.

Significant Margin Expansion Across Core Operations Since 2011

FY11-FY17 Margin Pressure

Growth in PEO Pass-Throughs (\$M)

Net Benefit from Client Funds (\$M)



○ % of Total Revenue
 ○ % of Adjusted EBIT (1)

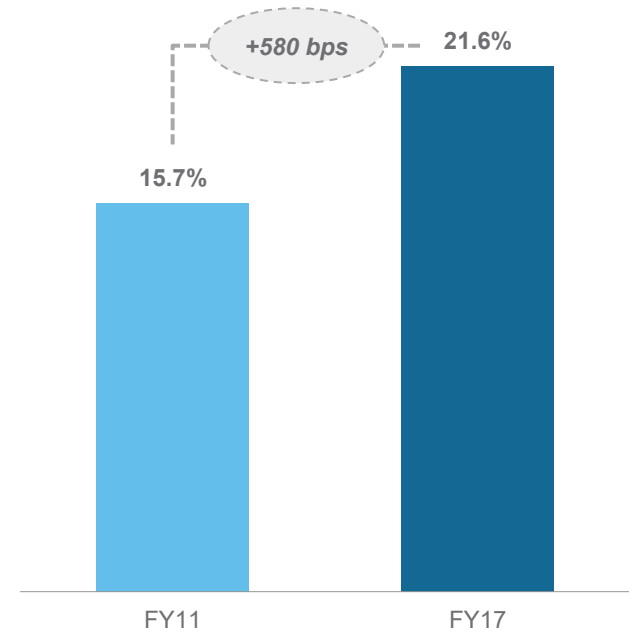
Sources: Company Filings

Note:

1. Adjusted EBIT and net operational margin are non-GAAP metrics. Refer to the Additional Materials for reconciliations to the closest GAAP metrics.

We Have Significantly Expanded Margins In Core Operations

Net Operational Margin Expansion (1)



Successful Execution of Our Strategy Has Enabled Significant Return of Cash to Shareholders

Total Cash Returned to Shareholders

Total Return of Cash – FY11-FY17



✓ **+9%** net reduction in shares outstanding

✓ **8%** dividend increase CAGR

✓ **42 consecutive years** of dividend increases

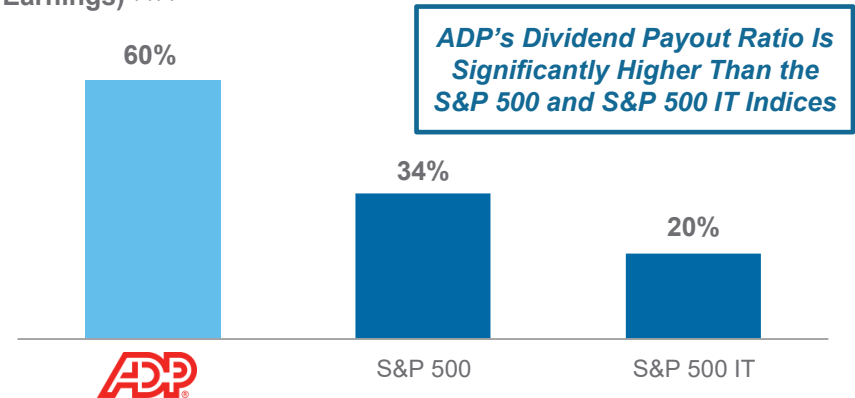
Sources: Company Filings, Bloomberg

Notes:

1. Median payout ratios as of 6/30/2017.
2. Adjusted net earnings from continuing operations is a non-GAAP metric. Refer to the Additional Materials for a reconciliation to the closest GAAP metric.
3. Represents net reduction in shares from first filing post-IPO to 6/30/2017.
4. Represents net reduction in shares from 6/30/2011 to 6/30/2017.
5. Represents net reduction in shares from 5/31/2011 to 5/31/2017.
6. Represents net reduction in shares from 4/30/2011 to 4/30/2017.

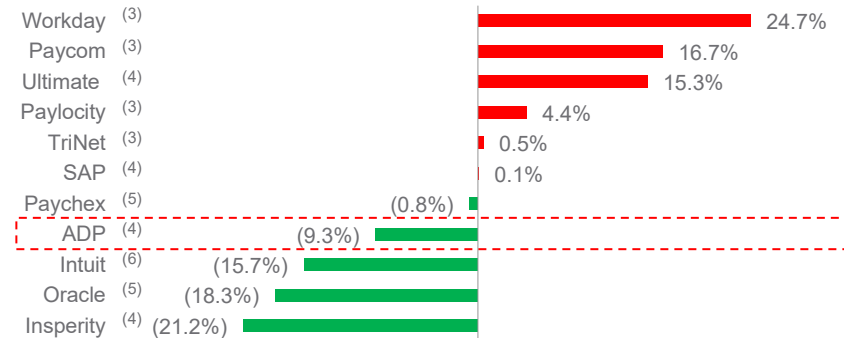
ADP vs. S&P 500 in Dividend Payout Ratio

Dividend Payout Ratio (LTM Dividends / LTM Adjusted Net Earnings) ⁽¹⁾⁽²⁾



Net Change in Shares Outstanding vs. Select HCM Peers

Net Change in Shares Outstanding (2011-2017)



ADP Has Delivered Superior Total Shareholder Returns Against a Broad Range of Comparable Company Groups Over Every Relevant Time Period

ADP Does Not Have a Direct Competitor Set but Benchmarks Well Against a Range of Technology, Software and Services Companies

TSR Rationale

- ADP is the **only large-cap, global HCM provider** that is singularly focused on the full suite of HCM products and solutions
 - We are **2.3x larger** than our closest pure-play HCM competitor ⁽¹⁾
 - None of our HCM competitors provide **ADP's full suite of HCM services**
 - Our competition is fragmented across the HCM landscape and tends to be in an earlier stage of development
 - We have leading market positions, solid top and bottom line growth, strong margins and free cash flow conversion and have returned approximately \$11.3 billion in cash to shareholders since FY11
 - Our operations and financial attributes are more similar to a broad range of leading technology, software & services companies
- Given these attributes, and in order to benchmark ourselves in the broadest and most rigorous way, we have identified 4 peer sets against which to evaluate ADP's Total Shareholder Returns
 - Comparisons to each of the peer sets indicate that our shareholders are well-served to invest their money with ADP, rather than investing in these other universes of companies (over any relevant time period)

Peer Sets

1	S&P 500 Index	<ul style="list-style-type: none"> ▪ Like many S&P 500 constituents, ADP is a mature, large-cap company with a long track-record of consistent growth, profitability, strong cash flow and significant returns of cash
2	Broader Services Landscape Across Technology, Software, IT, Processing & Payments	<ul style="list-style-type: none"> ▪ Companies at the intersection of technology & services based on the coverage of ADP's sellside research community <ul style="list-style-type: none"> – Filtered for ADP-like characteristics such as scale, capital intensity, free cash flow generation and dividends
3	HCM-Related Players	<ul style="list-style-type: none"> ▪ Broadest set of firms that either solely or partially compete in the HCM landscape ranging from early stage companies with narrow product sets to large cap software companies
4	Gartner "Magic Quadrant" for Cloud HCM	<ul style="list-style-type: none"> ▪ Publicly traded companies in the Cloud HCM sector servicing mid-market and large enterprises, as defined by Gartner Research

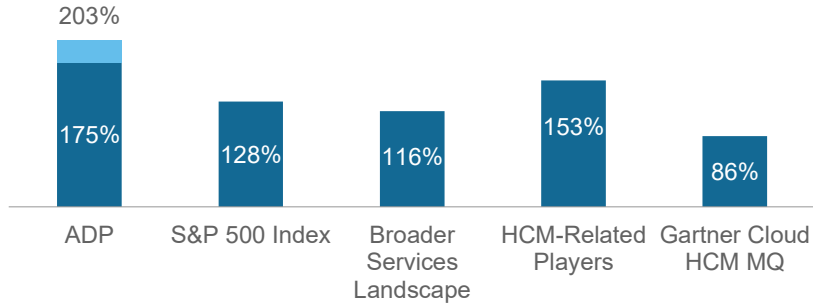
Note:

1. Based on ADP and Paychex market capitalization as of 9/5/2017.

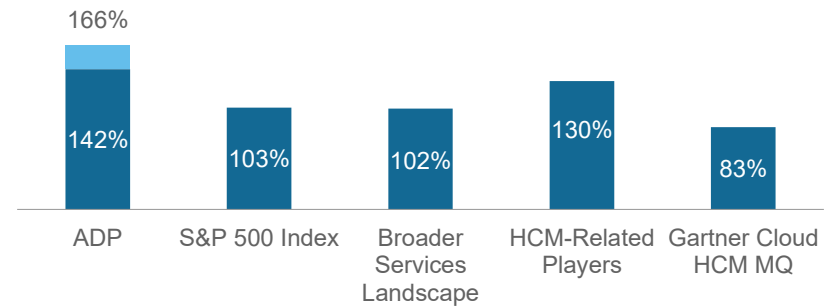
ADP TSR Benchmarking (1)(2)

Assumes Market Capitalization Weighting as of 7/26/17

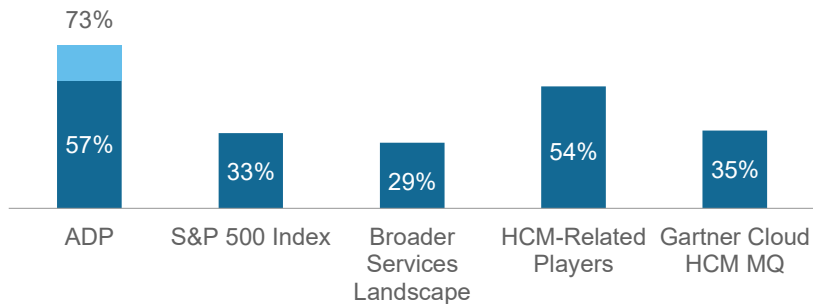
TSR - Since Carlos Rodriguez CEO Appointment (11/9/11)



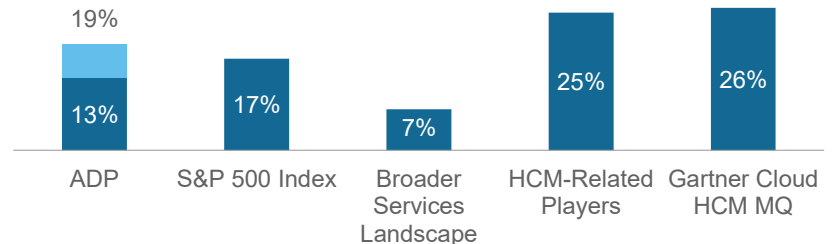
TSR - 5 Years (7/26/12)



TSR - 3 Years (7/25/14)



TSR - 1 Year (7/26/16)



■ As of 7/26/17 Close Price ■ As of 7/27/17 Intraday + CDK Reinvestment (3)(4)

Sources: Bloomberg, Capital IQ

Notes:

1. See relevant Additional Materials pages for additional details on selection criteria.
2. Consistent with Bloomberg methodology, dividends are reinvested on ex-dividend date.
3. Dividend reinvestment on dividend payment date results in 202% TSR in the "Since Carlos Rodriguez CEO Appointment (11/9/11)" timeframe.
4. Assumes ADP's 7/27/17 intraday price of \$111.65 as of 12:00PM, which is the assumed ADP "unaffected" price (see page 61 for additional detail); assumes shareholders have held their CDK shares since it was spun off from ADP on October 1, 2014 and all ADP and CDK dividends have been reinvested on the ex-dividend date.



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III. Best in Class Board / Corporate Governance

IV. Pershing Square's Proxy Contest

V. Concluding Remarks





“We believe sustained, long-term success in the HCM market requires great technology, deep domain expertise and world-class services. *To win in today’s HCM market, you have to have it all...*”

Carlos Rodriguez
President & CEO
Investor Day Presentation, March 2015

ADP's Objective Is to Be the Leading Provider of Global HCM Solutions

Strategic Pillars

Build and Leverage Leading Positions in Highly Attractive Markets



Grow a complete suite of cloud-based **HCM Solutions**



Invest to grow & scale our market leading **HRBPO Solutions** by leveraging our platforms & processes



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

Robust Opportunities

- \$125B worldwide HCM market growing 5% CAGR
- Fragmented market with continual innovation
- Driven by globalization of employment and tightening labor markets with increasing regulatory complexity
- Future trends support continued growth

Strong Competitive Position

- ✓ Largest provider with ~700,000 clients
- ✓ Broadest scope of services in the market
- ✓ Biggest global footprint with >110 countries
- ✓ Richest and most accurate workforce data, paying ~40M employees worldwide (26M in the US)

Enablers

Delivered Through Strong Execution



Invest in **product and technology** innovation



Focus on **operational excellence**



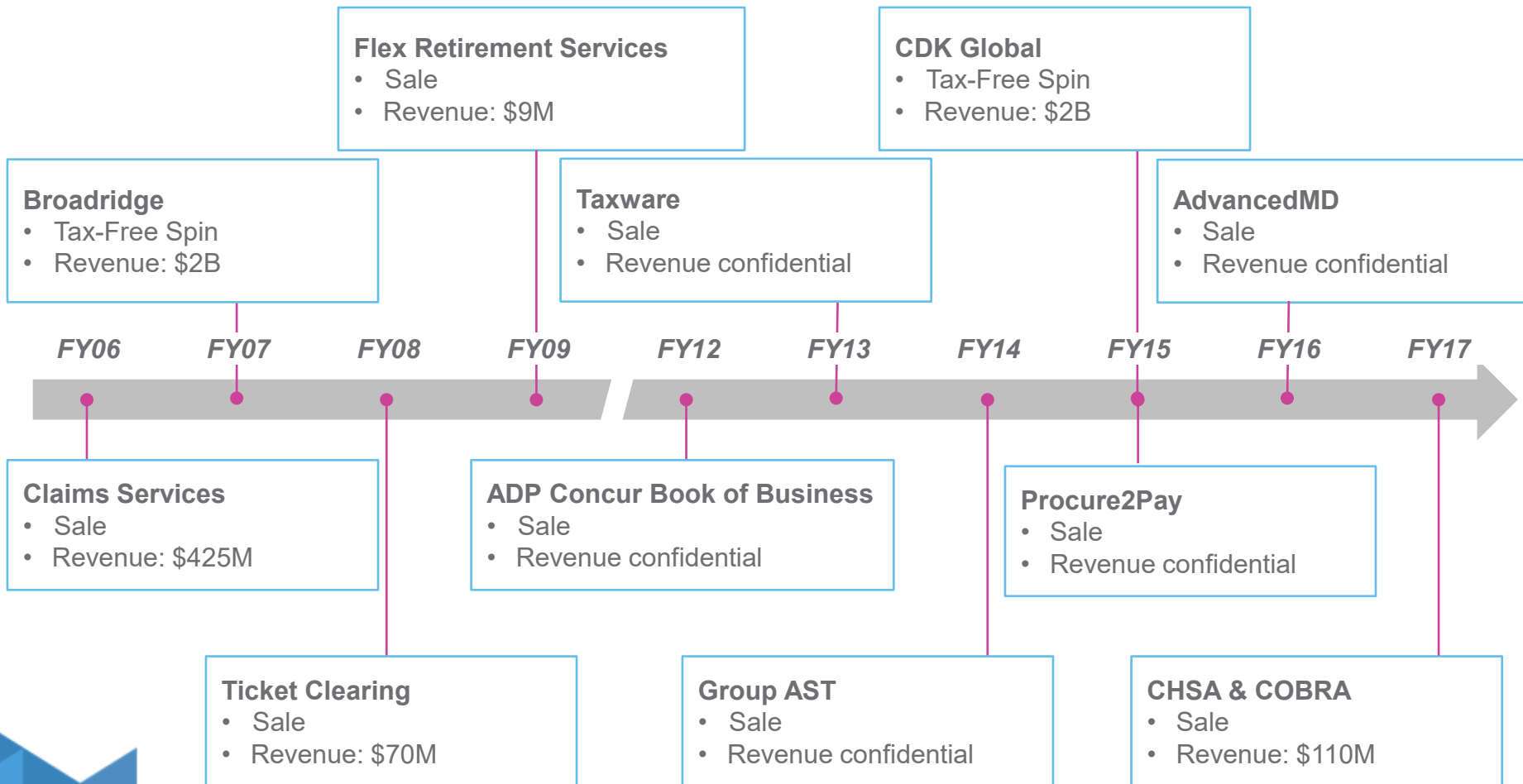
Drive enhancements in our world class **distribution**



Strengthen **talent and performance culture**

Since 2006, We Have Proactively Increased Our HCM Focus and Are “All-in On HCM”

Divested ~\$5B Non-HCM Revenue



Sources: Company Filings, Internal Management Reporting



ADP Is Focused on Three Highly Strategic Areas for Growth



Integrated HCM Solutions



HRBPO Solutions



Global Solutions

FY17 Revenues	\$6.4B	\$4.2B	\$1.8B
FY11-17 Growth	5% CAGR ⁽¹⁾	15% CAGR	3% CAGR
Competitive Position (by client count)	<ul style="list-style-type: none"> #2 in Payroll (#1 by Revenue) #1 in HCM 	<ul style="list-style-type: none"> #1 in PEO ⁽²⁾ #1 in HRBPO 	<ul style="list-style-type: none"> #1 in Global Payroll Top 5 in HCM
FY17 Market Size	~\$65B	~\$20B	~\$40B
FY11-17 Market Growth	5% CAGR	9% CAGR	1% CAGR
Key Growth Drivers	<ul style="list-style-type: none"> Tightening labor markets Changing employee expectations More sophisticated workforce analytics Regulatory complexity 	<ul style="list-style-type: none"> Compliance factors driving client demand Increased demand for HR to demonstrate business value 	<ul style="list-style-type: none"> Continued global employment growth International expansion of HCM Global compliance challenges

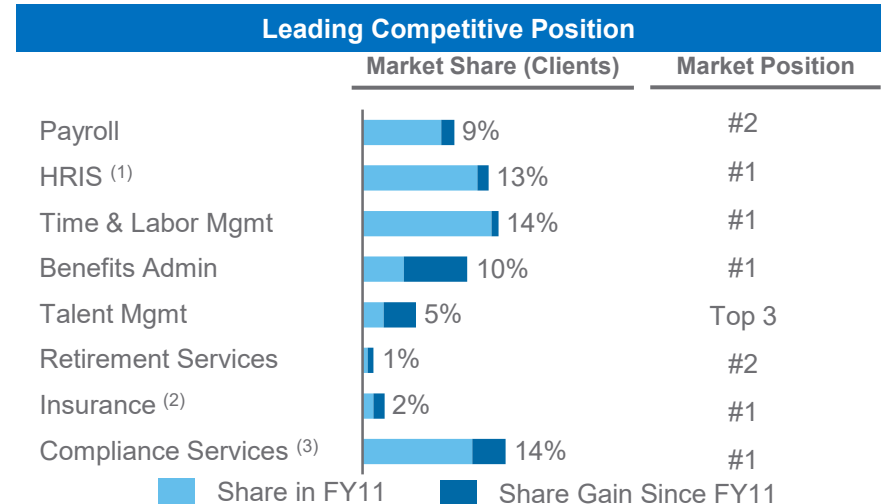
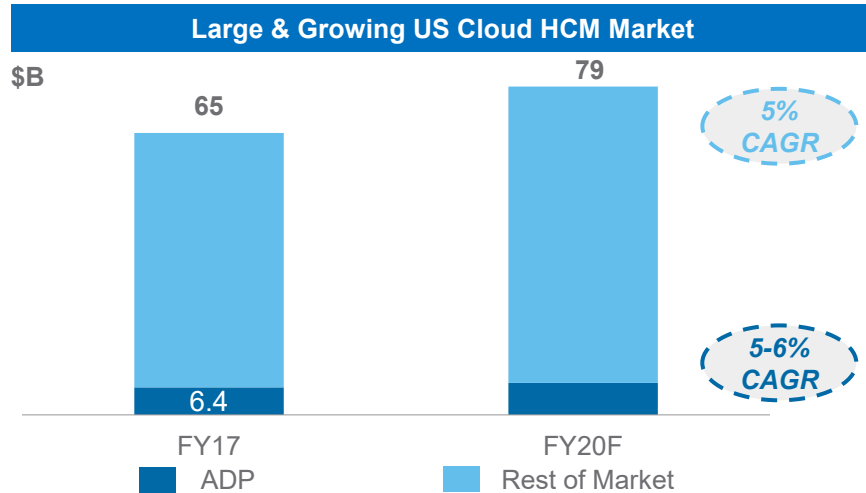
Sources: Census, D&B, IHS, Nelson Hall, Cerulli Assoc., NAPEO, IDC

Notes:

1. Excludes impact from divestitures included in revenues from continuing operations.
2. Professional Employer Organization

Cloud-Based HCM Solutions

We Have Gained Client Share in All Market Segments Where We Compete



ADP Well Positioned to Capture Value From Wide Range of HCM Upsell Opportunities With Largest Client Base and Track Record of Market Leading Distribution

ADP Leading in HCM Suite Comprehensiveness, Compliance Expertise, Big Data, and Emerging Leadership in Talent Solutions

Delivering on Growth Opportunity

- Provide a differentiated client experience through fully integrated HCM solutions (payroll, HR, time, benefits, talent)
- Reap benefits from upgrading to strategic and market leading platforms, with high value-add service layer
- Deliver on next gen technology and product investments, and leverage our best in class data to deliver analytic insights
- Build upon our recent acquisition of The Marcus Buckingham Company to become the leader in talent management and employee engagement
- Focus on new distribution channels and partnerships, as well as e-commerce and our online HCM marketplace

Sources: Census, D&B, IHS, Nelson Hall, Cerulli Assoc., Internal Financial Reporting

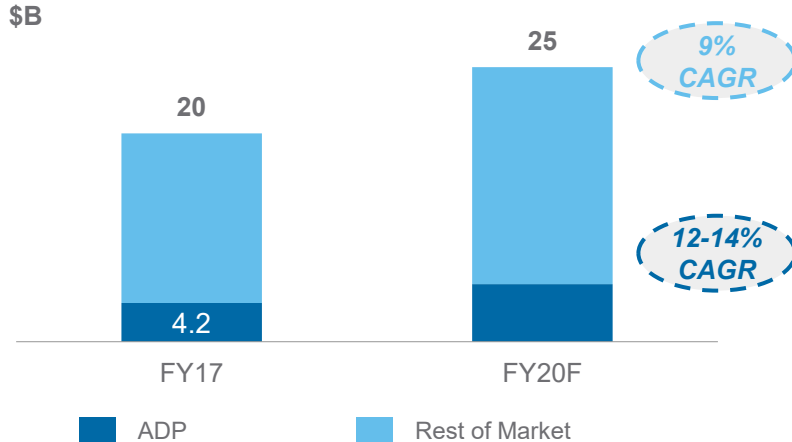
- Notes:**
1. Human Resource Information System
 2. Small business commercial market
 3. Revenue market share



HRBPO Solutions

We Have the Market Leading HRBPO Business, Growing at Double Digits

Large & Growing US HRBPO Market ⁽¹⁾



Higher Value Than Traditional HCM Clients:
 ✓ 4-5x Revenue per Employee for HRBPO
 ✓ 10-12x Revenue per Employee for PEO

Leading Competitive Position



- ✓ #1 in both PEO and HRBPO segments
- ✓ 20K combined HRBPO clients
- ✓ 2.5M client employees served ⁽²⁾
- ✓ Proven track record of strong risk management while growing faster than the market

Delivering on Growth Opportunity

- Leverage our market-leading HCM technology and analytics capabilities across our HRBPO portfolio
- Enhance our service model to provide differentiated support in the areas of data & analytics, talent engagement and compliance
- Apply effective risk management practices to maintain a competitive, cost-effective PEO offering
- Collaborate effectively across our salesforce to drive cross-sell of HRBPO offerings into our HCM client base

Sources: Census, D&B, IHS, Nelson Hall, NAPEO, Internal Financial Reporting

Notes:

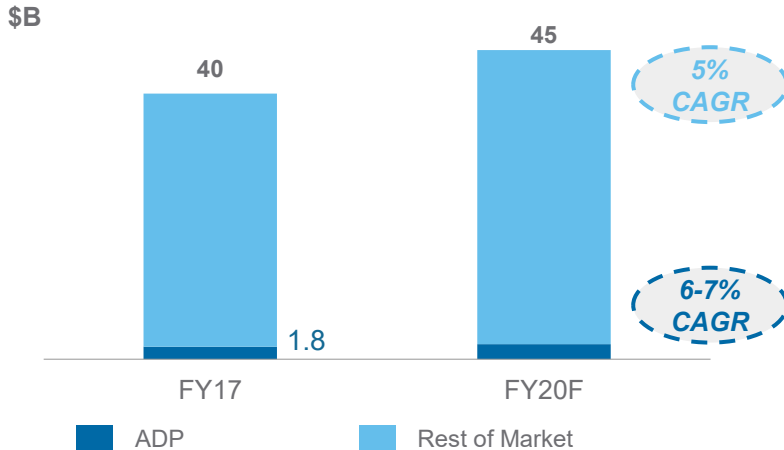
1. Market and ADP revenues include both PEO and HRBPO; market does not include pass-through revenues.
2. Includes PEO worksite employees.



Global Solutions

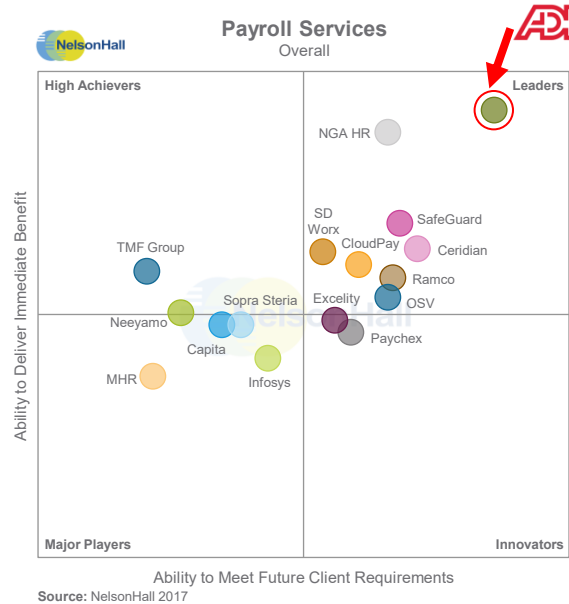
We Have the Market Leading Global HCM Business

Large & Growing Multi-National & International HCM Market



ADP Positioned to Capture Continued Global Growth as Globalization of HR Moves Increasingly Down-Market

Leading Competitive Position



- ✓ 40M employees paid worldwide
- ✓ >110 countries where employees are served
- ✓ #1 in multinational payroll market
- ✓ Top 5 position in each of our international markets

Delivering on Growth Opportunity

- Continue to expand our uniquely global footprint
- Further strengthen our multi-country payroll offering and single platform capability
- Leverage our differentiating compliance expertise and insights driven by our HCM data & analytics
- Rationalize number of platforms across international markets to fewer strategic and best-in-class platforms
- Drive distribution and product integration partnerships with multi-national enterprise resource planning (ERP) providers

Sources: IDC, IHS, Nelson Hall, Internal Financial Reporting



We Are Making Meaningful Investments That Are Transforming Our Business

Transformation Driven by Continued Investments in Technology, Service, Distribution and Talent

1

Transforming Through Product and Technology Innovation

- Increasing investments in organic research & development
- Transforming global technology organization
- Leading deployment of new and next gen technologies
- Upgrading clients to strategic platforms

2

Enhancing Service Delivery Capabilities

- Delivering more strategic services
- Providing a more effortless client experience
- Simplifying the service delivery model
- Streamlining our service delivery footprint

3

Extending World Class Distribution

- Strengthening our HCM brand
- Optimizing field distribution
- Leveraging channels to market
- Building a digital distribution channel

4

Strengthening Our Talent and Performance Culture

- Greater alignment and differentiating pay with performance
- Changing executive compensation by aligning goals and freezing the corporate officer supplemental retirement plan
- Refreshing talent with increasing external hiring at executive levels

1

We Are Transforming Our Core Products and Technologies

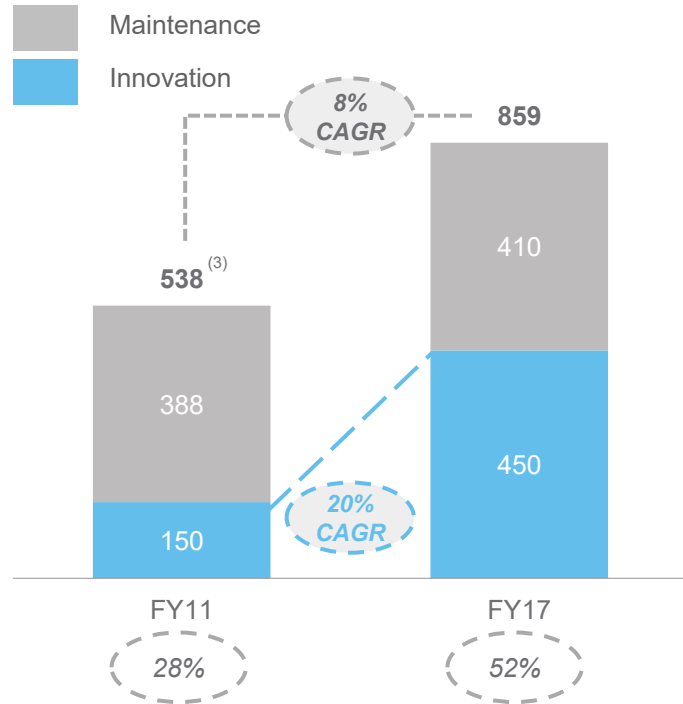
Initiative	Current Accomplishments	Building on Our Momentum: What's Next?
Increasing Investment in Organic R&D	<ul style="list-style-type: none"> ✓ Increased investment in innovation of total technology spend from 28% in FY11 to 52% in FY17 ✓ Reduced maintenance and increased focus on innovation 	<ul style="list-style-type: none"> ▪ Complete upgrades and eliminate spend on legacy systems
Transforming Global Technology Talent / Organization	<ul style="list-style-type: none"> ✓ Opened new Innovation Labs ✓ Adopted agile processes and modern tools ✓ Upgraded talent and technical skills 	<ul style="list-style-type: none"> ▪ Launch next generation of global, integrated payroll and HCM solutions ▪ Leverage big data to introduce smarter solutions based on AI and machine learning
Releasing Market-Leading New Technologies	<ul style="list-style-type: none"> ✓ #1 Mobile HCM App; used by >12M global users ✓ Largest HCM Cloud vendor with >570K clients on strategic platforms ✓ First to harness Big Data for HCM applications ✓ Industry leading HCM Apps Marketplace 	<ul style="list-style-type: none"> ▪ Continue to build out the ADP Marketplace ecosystem ▪ Leverage public cloud to lower infrastructure costs and adapt to changing global data privacy regulations
Upgrading Clients to Strategic Platforms	<ul style="list-style-type: none"> ✓ Achieved 83% of clients on strategic cloud platforms <ul style="list-style-type: none"> — Small Business 100% complete — Mid-Market will be completed by year-end ✓ Retired / divested 13 major legacy platforms since FY11 	<ul style="list-style-type: none"> ▪ Continue to strengthen and expand our mobile solutions, including introducing chat / conversational user interface ▪ Continue to refresh technology team and talent

1

We Have Increased Overall R&D Spend While Significantly Shifting Our Investment Towards Innovation

R&D Highly Focused on Innovation

ADP Global R&D Spend (\$M) ⁽¹⁾⁽²⁾



Innovation as a % of Total R&D Spend

Notes:

1. Represents systems development and programming costs, which includes expenses for activities such as client upgrades to our new strategic platforms, the development of new products and maintenance of our existing technologies, including purchases of new software and software licenses.
2. Excluding capitalized software and internal allocation charges, the R&D Innovation vs. Maintenance spend ratio was 62% vs. 38% for FY17.
3. For FY11, approximately \$128M of S&P spend removed from calculation as compared to historically disclosed data due to business dispositions (primarily Dealer Services).

Key Technology Initiatives Going Live in FY18

“Low Code” Application Development Platform



- Next Gen platform using latest technology and tools
- Enables internal & external global development teams to build country, segment & client-specific applications
- Leverages public cloud infrastructure

- ✓ Faster to market
- ✓ More efficient R&D spend
- ✓ Greater capture of global opportunities
- ✓ Lower hosting & infrastructure costs
- ✓ Enhanced global data privacy

Next Gen Transaction Processing Engines



- Next Gen payroll and tax filing engines designed for multi-country localization
- Always-on calculations enable real-time, continuous pays
- Fully API-enabled enables easier integration with other systems
- Patent-pending, reusable, policy-based design architecture

- ✓ Increased differentiation in payroll & payments
- ✓ Pioneer of employee pay financial technology transformation
 - More employee pay options
 - Real-time payments
 - Pay for flexible work
- ✓ Expand multi-country payroll capabilities to smaller employers
- ✓ Increase client satisfaction with more visibility and self-service
- ✓ More efficient client service & implementation



1

We Have Transformed Our Approach to Innovation

Structure



- Consolidated Global Product & Technology organization
- Opened new Innovation Labs in Chelsea NYC, Pasadena CA, Roseland NJ and Alpharetta GA
 - ~1,000 total associates in Innovation Labs
 - ~80% external hires

Processes



- Transformation from 100% waterfall to 100% agile development
- Introduced product owner roles and increased product management by ~300%
- Adopting industry-leading tools and technologies (e.g., OpenSource, Public Cloud)

People



- Significant infusion of external talent – +67% of roles filled by external candidates since 2013
- ~50% of R&D talent and 28% of executives hired in the last 5 years
- ~32% of R&D associates are millennials
- New hires augmenting ADP's capabilities in data science, user experience and platform architecture
- Innovation Labs attracting new talent from leading tech companies such as Google, Amazon and Microsoft

1

We Are Leading Our Industry in Every Key Technology Trend

Mobile / User Experience



- Developed industry's **1st** mobile HCM App
- #1 Mobile** HCM App; used by >12M global users
- Launched **innovative** new user experience

Big Data



- Built industry's **1st** HCM Big Data application
- Launched **DataCloud** – industry-leading big data HCM analytics and benchmarking platform
- Winner of HR Tech's **“Top Product”** and **“Awesome New Technology”** for 2016

Marketplace



- Developed industry's **1st** and largest HCM App Marketplace
- Winner of HR Tech's **“Top Product”** and **“Awesome New Technology”** for 2015

Cloud

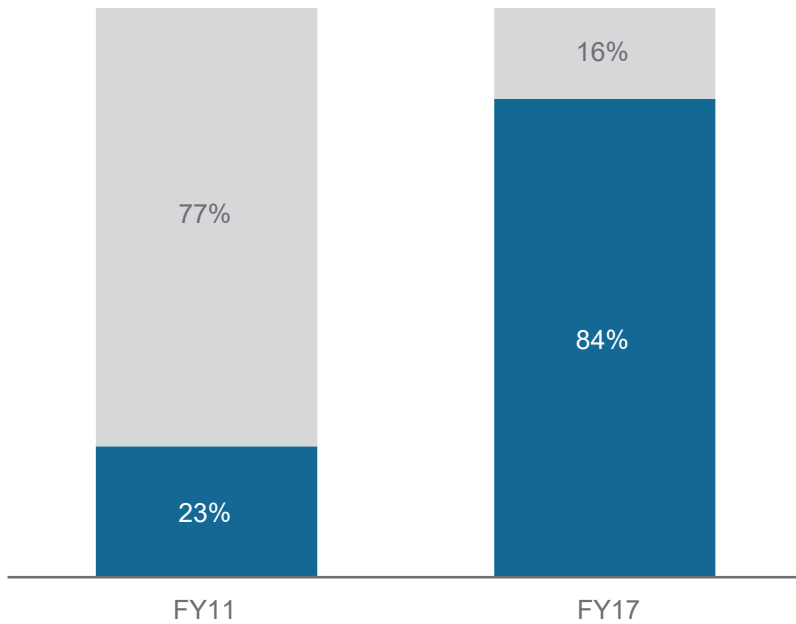


- Developed industry's **1st** HCM application in the cloud
- #1 Cloud** HCM vendor; >570K strategic cloud HCM customers

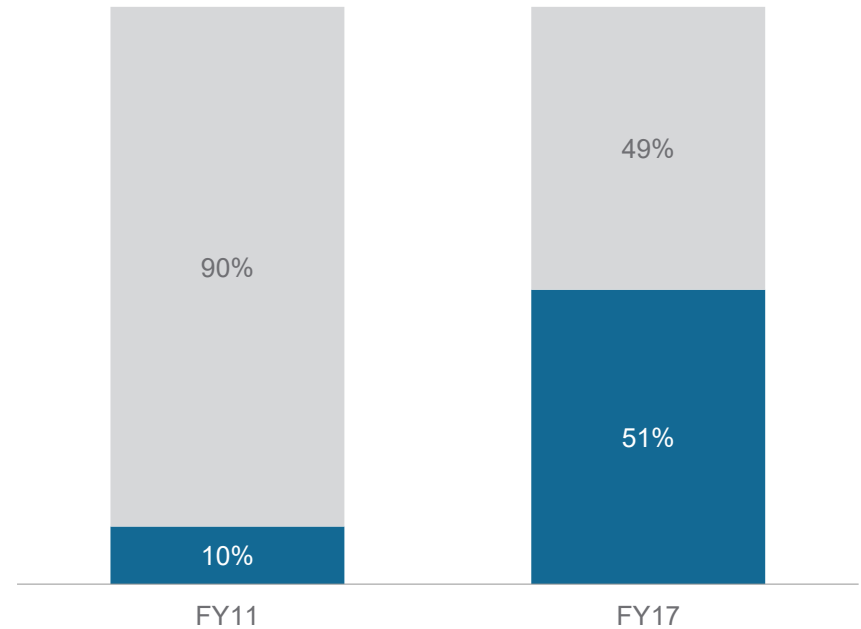
1 Our Leading Competitive Position Is Enhanced by the Evolution to Strategic, Cloud-Based Platforms

Positioning ADP for Higher Growth and Higher Value – Journey Ongoing

% ES Clients on Strategic, Cloud-Based Platforms



% of ES Revenue From Strategic, Cloud-Based Platforms



■ Cloud ■ Non-Cloud

1

We Have Proven Our Ability to Transform in the Small Business Market and Anticipate Similar Benefits in Mid- and Up-Markets

Small Business Market Transformation Impact FY11-FY17



Product and technology

- Single cloud-based strategic platform for all clients
- Streamlined development and hosting

+8.3%
Revenue
CAGR



Operational excellence

- Call reduction through effortless client experience
- Service alignment
- Streamlined implementation

Doubled
Margins



World-class distribution

- HCM upsell potential

+320 bps
Retention

Mid- and Up-Market Transformation



Product and technology

- Market-leading WorkforceNow and Vantage platforms
- 87% of mid- and up-market clients on latest version
- Migrations pacing based on client complexity and readiness



Operational excellence

- Technology-enabled self-service incorporated into products
- Client self-learning embedded into product workflows
- Continued product enhancements based on client call analytics



World-class distribution

- Significant HCM upsell with both WorkforceNow and Vantage (average ~4 HCM solutions per client)

2






We Are Enhancing Our Service Capabilities

Maximizing Service Value to Drive Client Satisfaction, Retention and Productivity

Initiative	Current Accomplishments	Building on Our Momentum: What's Next?
Delivering Strategic Services	<ul style="list-style-type: none"> ✓ Launched diagnostic and advisory service to help clients get more value out of the product through improved processes ✓ Rolled-out strategic guidance on HCM best practices ✓ Provided key support on complex regulations and compliance requirements (e.g., ACA, EEOC, etc.) 	<ul style="list-style-type: none"> ▪ Provide proactive outbound support for clients to optimize HCM process excellence ▪ Help clients capture, understand and respond to insights from their HCM data
Providing an Effortless Client Experience	<ul style="list-style-type: none"> ✓ Extended service hours (up to 24/7) in small business ✓ Rolling out “Intact” teams with dedicated service representatives in the mid- and up-market ✓ Built global service network supporting multi-national clients in 27 languages across >110 countries and all time zones 	<ul style="list-style-type: none"> ▪ Complete roll-out of “Intact” service model and drive higher client satisfaction and retention ▪ Deliver internal benchmarking on client efficiency and proactive performance monitoring
Simplifying Service Delivery	<ul style="list-style-type: none"> ✓ Achieving ~5% annual reduction in contacts per client via investment in automation and self-service ✓ Implemented cloud-based voice infrastructure ✓ Provided how-to videos and FAQs embedded in products as well as online client community forums 	<ul style="list-style-type: none"> ▪ Drive further client self-service and inbound contact reduction ▪ Enhance digital contact center technologies and Robotic Process Automation
Streamlining Our Service Footprint	<ul style="list-style-type: none"> ✓ Consolidated net 29 operations locations to date (26% net reduction) as part of Service Alignment Initiative in FY17 ✓ >5,000 associates on-boarded in large scale strategic locations 	<ul style="list-style-type: none"> ▪ Consolidate additional 33 net operations locations (56% total reduction in non-sales locations)

2

Our Service Transformation Will Improve Efficiency and Bring Additional Value to the Client Relationship

	Service model	Value to client	Progress and Timeline	Expected business value
Effortless Experience	 Shift from call center model to a dedicated rep	<ul style="list-style-type: none"> Reduced effort to get questions answered 	<ul style="list-style-type: none"> All up-market clients ~25% of mid-market clients (~75% of revenue) to cover largest, most complex accounts 	<ul style="list-style-type: none"> Fewer calls Faster time to resolution
	 Create “Intact” teams of experts to serve clients on all aspects of HCM	<ul style="list-style-type: none"> Ability to more seamlessly handle complex HCM needs 	<ul style="list-style-type: none"> All mid- and up-market HCM clients 	<ul style="list-style-type: none"> Higher NPS Higher retention
Valuable Insights	   Strategic service <ul style="list-style-type: none"> Best practices Compliance Data insights 	<ul style="list-style-type: none"> Guidance to optimize use, respond to regulations, and get value from data 	<ul style="list-style-type: none"> All up-market HCM clients Initial pilot moving to ~25% of mid-market clients (~75% of revenue) by FY20 	<ul style="list-style-type: none"> Differentiation to drive sales Accretive to margins

2 Streamlining Service Delivery

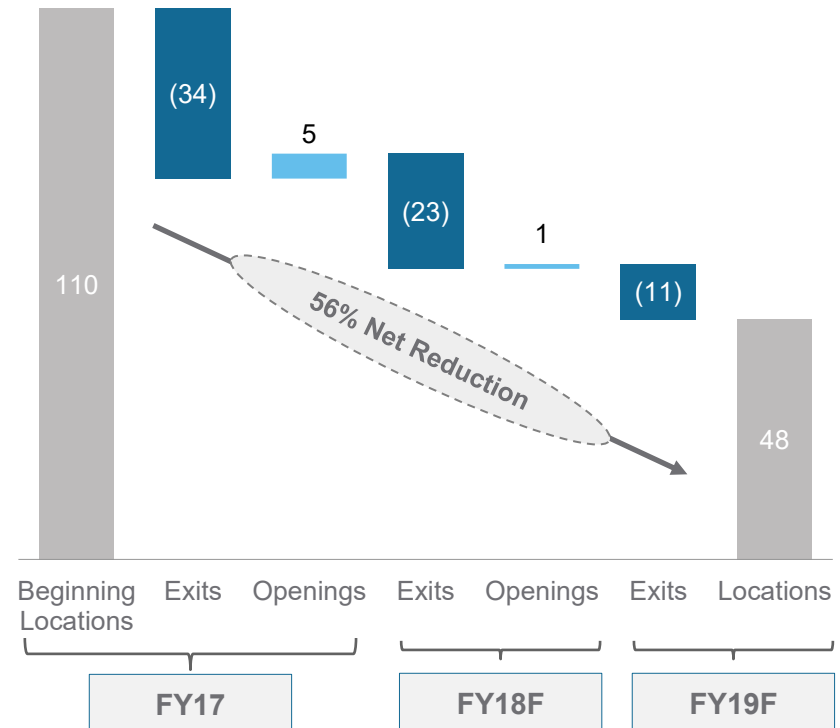
Service Alignment Initiative Efforts Resulting in Upgraded Talent and Enhanced Client Experience

Optimizing Headcount

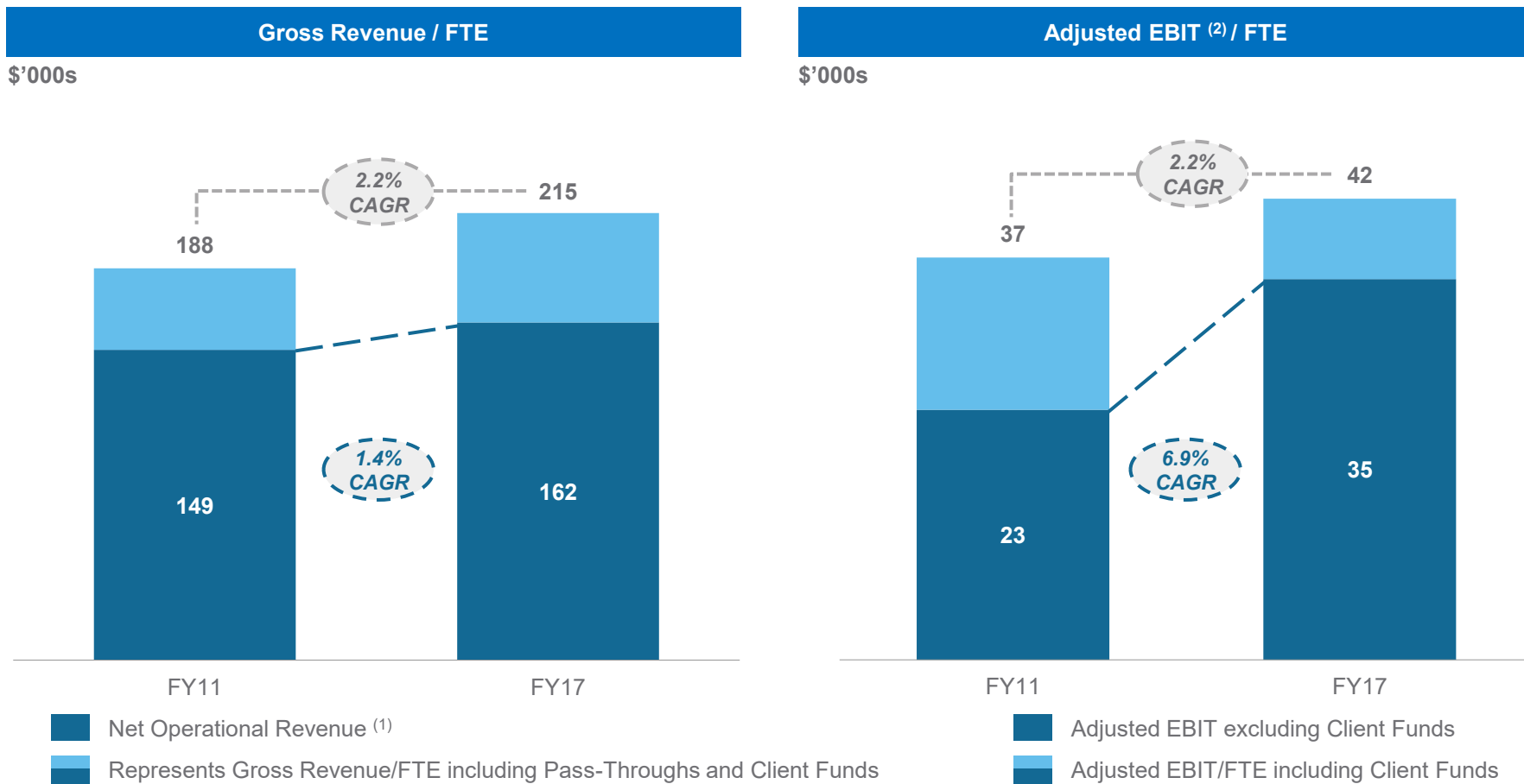
- ✓ Hire high-quality talent (e.g., education, diversity, veterans, etc.) in new scalable, lower-cost locations to refresh our workforce
- ✓ Co-locate “Intact” teams to work collaboratively across traditional BU lines, improve client satisfaction and enable greater associate engagement and career opportunities
- ✓ Continued efforts have streamlined delivery footprint by exiting smaller, sub-scale locations and reducing home-shore population by moving these service roles to new, large-scale locations in Augusta GA, El Paso TX, Orlando FL, Norfolk VA and Tempe AZ

Streamlined Geographic Footprint

US Non-Sales Locations



2 Investments in Technology and Service Are Yielding Productivity Gains



Notes:

1. Net operational revenue is a non-GAAP metric. Refer to the Additional Materials for a reconciliation to the closest GAAP metric.
2. Adjusted EBIT is a non-GAAP metric. Refer to the Additional Materials for a reconciliation to the closest GAAP metric.

3

We Are Building Upon Successful Distribution Initiatives

Initiative	Current Accomplishments	Building on Our Momentum: What's Next?
Strengthening our HCM Brand	<ul style="list-style-type: none"> ✓ Industry-leading unaided awareness across all major HCM areas ✓ Rated #5 most valuable commercial services brand in 2017 by Brand Finance (up from #6 in 2016) ✓ ADP Research Institute generates 1,000+ earned media mentions per month with unique and propriety research 	<ul style="list-style-type: none"> ▪ Continue to grow brand reach and relevance in HCM domain ▪ Extend thought leadership globally ▪ Drive brand influence through digital channels
Optimizing Distribution	<ul style="list-style-type: none"> ✓ New business bookings growth from \$1.1B in FY11 to \$1.65B in FY17 ✓ Overall sales productivity increase of 27% from FY11 to FY16; invested heavily in Inside Sales in FY17 for future growth ✓ Inside Sales headcount increase of 106% and associated new business bookings growth of 444% from FY11 to FY17 	<ul style="list-style-type: none"> ▪ Focus Field Sales on new client acquisition ▪ Continue to grow Inside Sales at a rapid pace ▪ Leverage big data for more targeted account based selling
Leveraging Channels to Market	<ul style="list-style-type: none"> ✓ Grew partner sales to account for 73% of all small-market new logos ✓ Successful partnerships with leading mid- and up-market ERP providers (Oracle, SAP, Microsoft, Infor, FinancialForce and Intacct) 	<ul style="list-style-type: none"> ▪ Continue to expand partnerships into mid- and up-market ▪ Enhance cross-sell of HCM solutions across segments and channels
Building a Digital Distribution Channel	<ul style="list-style-type: none"> ✓ ADP digital marketing-driven inbound sales opportunities increased by 56% from FY14 to FY17 ✓ Launched ADP Marketplace, an eCommerce app store, offering integrated ADP and partner solutions; 200+ apps now live 	<ul style="list-style-type: none"> ▪ Drive more self-purchase via contextual recommendations within our solutions ▪ Drive more digital sales of ADP and third-party partner products

3

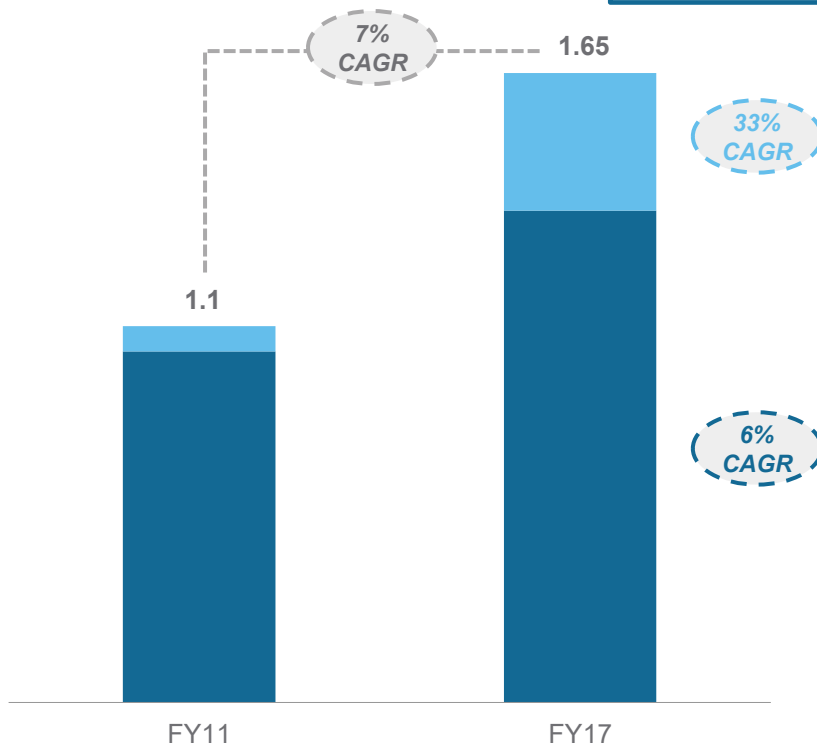
Increasing New Business Bookings Productivity

World Class Salesforce Is Growing Bookings and Productivity

Healthy Growth in Bookings

Worldwide New Business Bookings (\$B) ⁽¹⁾

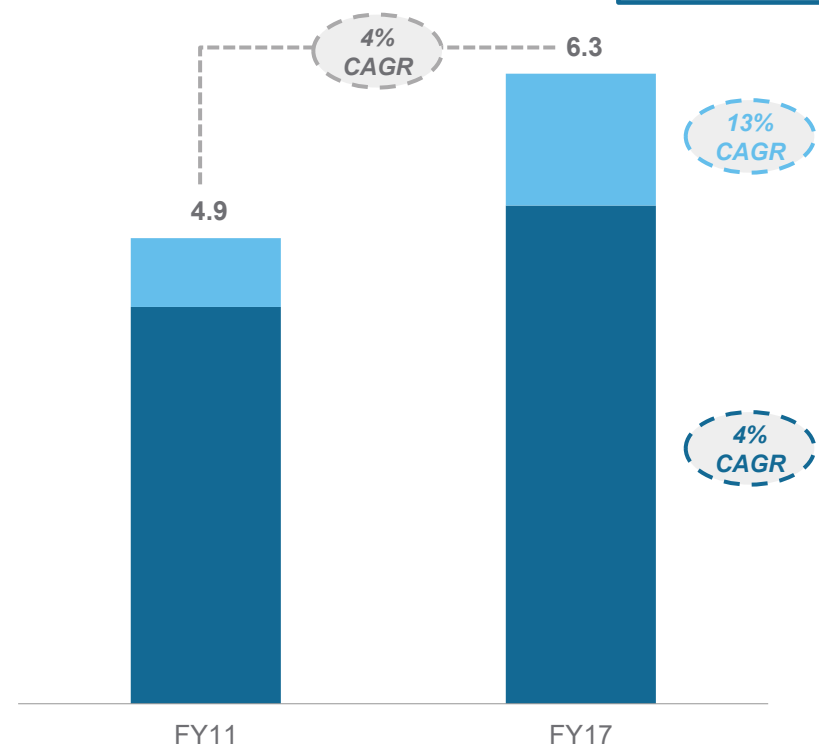
**FY11-FY16
CAGR of 10%**



Headcount Growth Slower Than Bookings Growth

Worldwide Salesforce Headcount ('000s)

**FY11-FY16
CAGR of 3%**



Field

Inside

Note:

1. New business bookings do not include zero-margin pass-throughs.

4

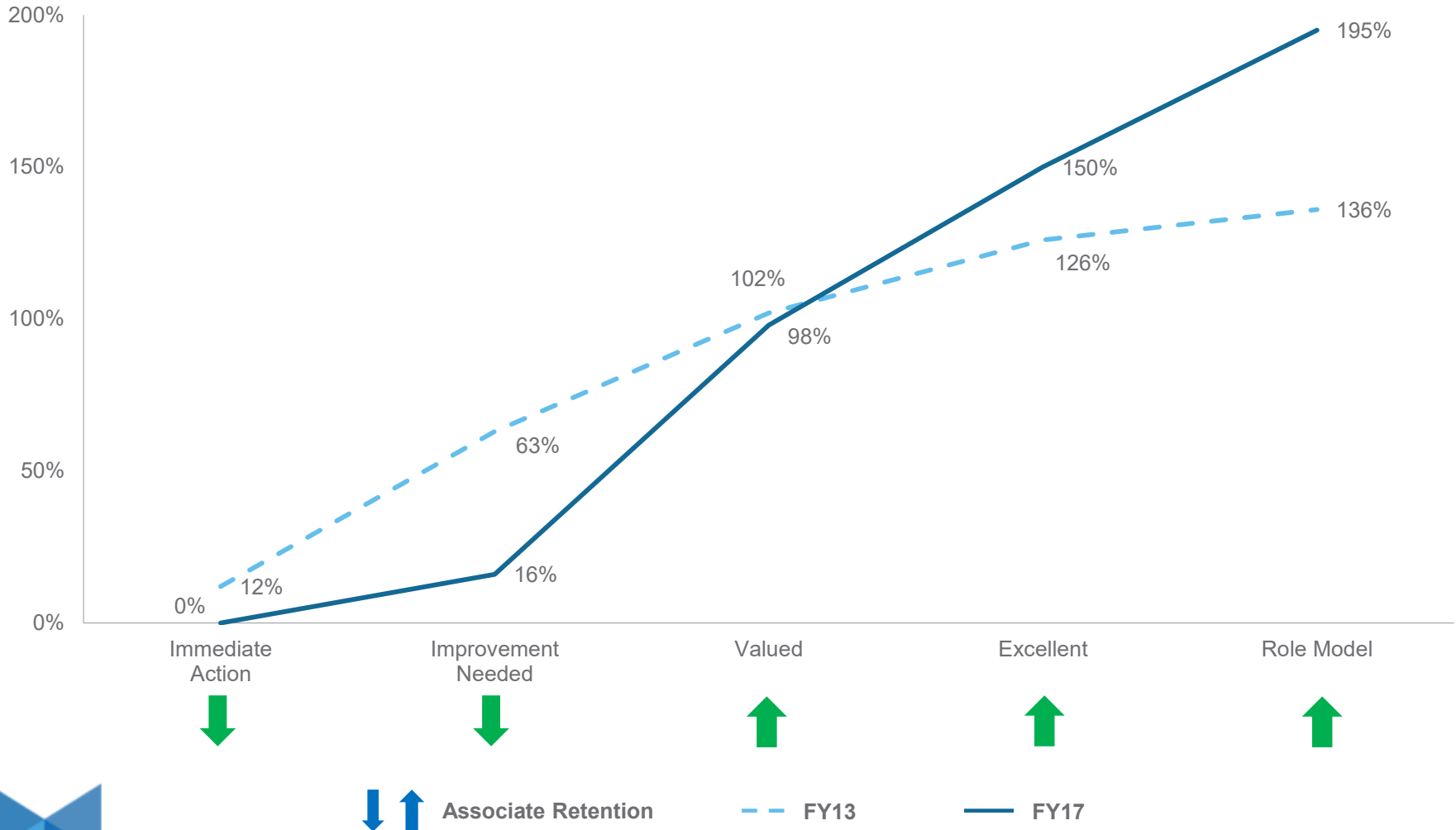
We Have Been Strengthening Our Talent and Culture

Initiative	Current Accomplishments	Building on Our Momentum: What's Next?
Better Aligning Pay with Performance	<ul style="list-style-type: none"> ✓ Tightened alignment of variable compensation with ADP overall results ✓ Shifted compensation awards based on overall performance to better differentiate and retain top performers 	<ul style="list-style-type: none"> ▪ Further differentiate awards based on performance ▪ Align job categories globally to ensure competitive market position for talent
Changing Executive Compensation	<ul style="list-style-type: none"> ✓ Fully aligned senior executive team financial goals and bonus objectives ✓ Replaced EPS goal with net income ✓ Froze the corporate officer supplemental retirement plan as of July 1, 2019 ✓ Shifted from defined benefit to defined contribution retirement plan for all new hires in the US 	<ul style="list-style-type: none"> ▪ Evaluate relative TSR as a performance metric
Refreshing and Engaging Talent	<ul style="list-style-type: none"> ✓ Infused external talent at all levels including ~30% of executive level hires ✓ Turned over >50% of executives in the last 5 years (only 1 in 4 were voluntary) ✓ Increased associate engagement survey results by +3 points year-over-year to near top-quartile 	<ul style="list-style-type: none"> ▪ Continue to target >30% external executive level hiring ▪ Implement additional tools to identify, evaluate and develop future leaders ▪ Refresh ADP's Global Employer Brand to continue attracting technical and managerial talent

4

Our Pay for Performance Culture Is Having Impact

Compensation Awards Distribution (% Merit Compensation vs. Target)



We Are Best Positioned to Win in a Growing and Dynamic Market

Selected HCM Trends

Evolution of Work

- Massive workforce demographic shifts
- Consumerization of HCM
- New employer-employee models

Transformation of the HR Function

- HR increasingly more strategic
- Next gen talent strategies
- Sophistication of people analytics

Global Business Environment

- Ever-increasing regulatory complexity
- Continued globalization
- Tightening labor markets

Technology Mega Trends

- Process automation
- Machine learning
- Digital commerce



Positioned to capture the HCM opportunity

ADP's Sustaining Advantages

- ✓ Largest base of workers
- ✓ Industry-leading mobile app
- ✓ Innovative, employee-focused solutions
- ✓ Full suite of beyond-payroll HCM products and platforms
- ✓ World's richest and most accurate workforce data set
- ✓ Unmatched global footprint
- ✓ Deep domain and global compliance expertise
- ✓ Proprietary BPO solutions
- ✓ Industry-leading e-commerce marketplace
- ✓ Next gen processing platforms



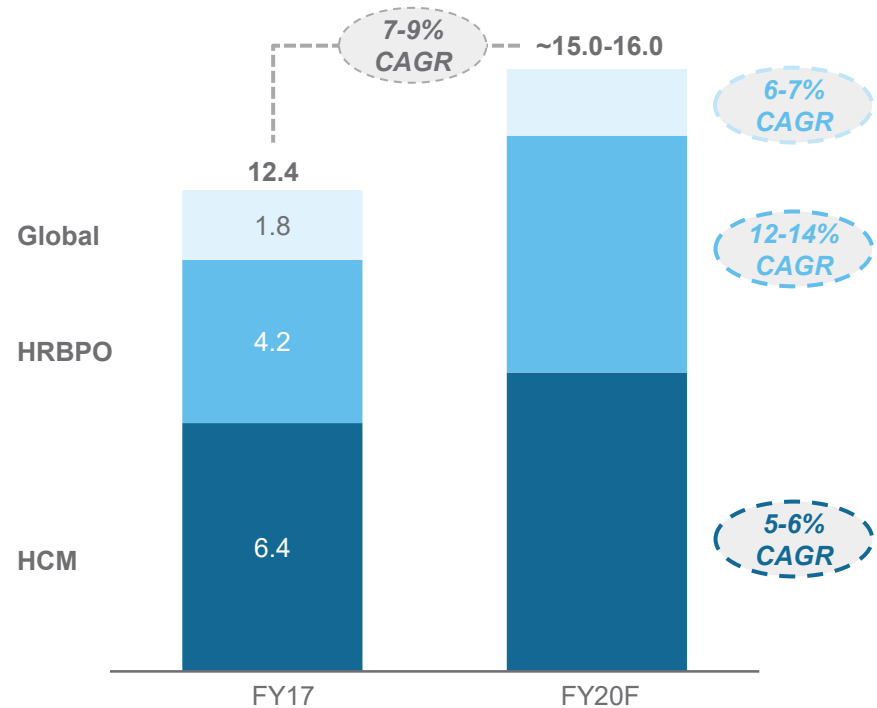
ADP's Strategy Will Continue to Deliver Superior Revenue Growth

ADP's Strategy Is:

- ✓ Focused on large, growing markets where we have a strong competitive advantage
- ✓ Supported by future trends that will continue to drive market growth and ADP differentiation
- ✓ Delivering in key areas where we have been demonstrating success
 - Innovation to continue to lead the market in product capabilities and technology trends
 - Operational excellence to continue to deliver high value service to clients at high margins
 - World-class distribution with increasingly digital presence
 - Performance culture with continually refreshed talent

Our Strategy is poised to deliver 7-9% Revenue Growth from FY17-FY20F

Revenue (\$B)



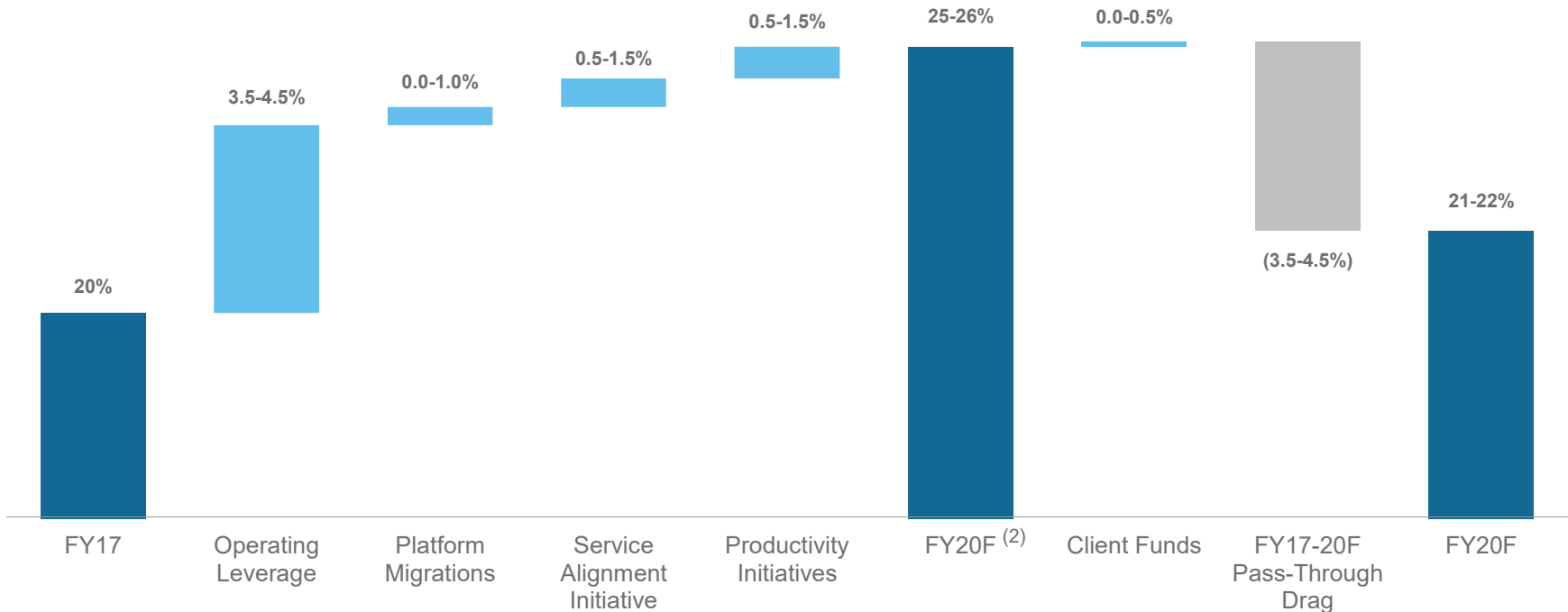
We Expect Margin Expansion of ~200 bps From FY17-FY20F

Operational Margin Expansion of ~500 bps From FY17-FY20F

Contributors to ADP's Margin Expansion

Adjusted EBIT Margin ⁽¹⁾ (%)

*FY18F down 50-25 bps
FY19F-20F ~200 bps expansion*



Note:

- Adjusted EBIT is a non-GAAP metric. Refer to the Additional Materials for a reconciliation to the closest GAAP metric.
- Excludes the expected impact of growth in client funds and pass-through drag to forecasted adjusted EBIT.

Multi-Year Investments Expected to Generate Incremental Returns in the Near-Term

Total Shareholder Return Objective – Top Quartile of S&P 500

TSR Components	Longer Term Expectations (per March 2015 Investor Day)	FY18F	FY19F-20F Annualized
Revenue Growth	7-9%	5-6%	7-9%
Annual Margin Expansion	+50-75 bps	(50)–(25) bps	~100 bps
Pretax Earnings	11-13%	4-5%	13-15%
Taxes	-	~(3)%	-
Net Share Reduction	~1%	~1%	~1%
EPS	12-14%	2-4%	14-16%
Dividend Yield	2-3%	2-3%	2-3%



Discussion Agenda

I. Proven Track Record of Success

II. ADP's Strategy

III. Best in Class Board / Corporate Governance

IV. Pershing Square's Proxy Contest

V. Concluding Remarks



Corporate Governance Best Practices

Governance Highlights	ADP Shareholder-Friendly	Prevalence Among the S&P500
Annually Elected Board	✓	90 %
Separate Chairman / CEO	✓	48
Adoption of Proxy Access	✓	62
Majority Voting Standard	✓	90
Shareholder Ability to Call Special Meeting	✓	64
Allows Action by Written Consent	✓	30
No Poison Pill in Place	✓	97
Support for Say-on-Pay	96%	95
SharkRepellent “Bullet Proof” Rating ⁽¹⁾	0.3	2.0

Sources: Institutional Shareholder Services, FactSet, Spencer Stuart Board Index 2016, Compensation Advisory Partners

Note:

1. FactSet Bullet Proof Rating System. Scale is from 0-10, with 0 representing the most shareholder-friendly defenses.

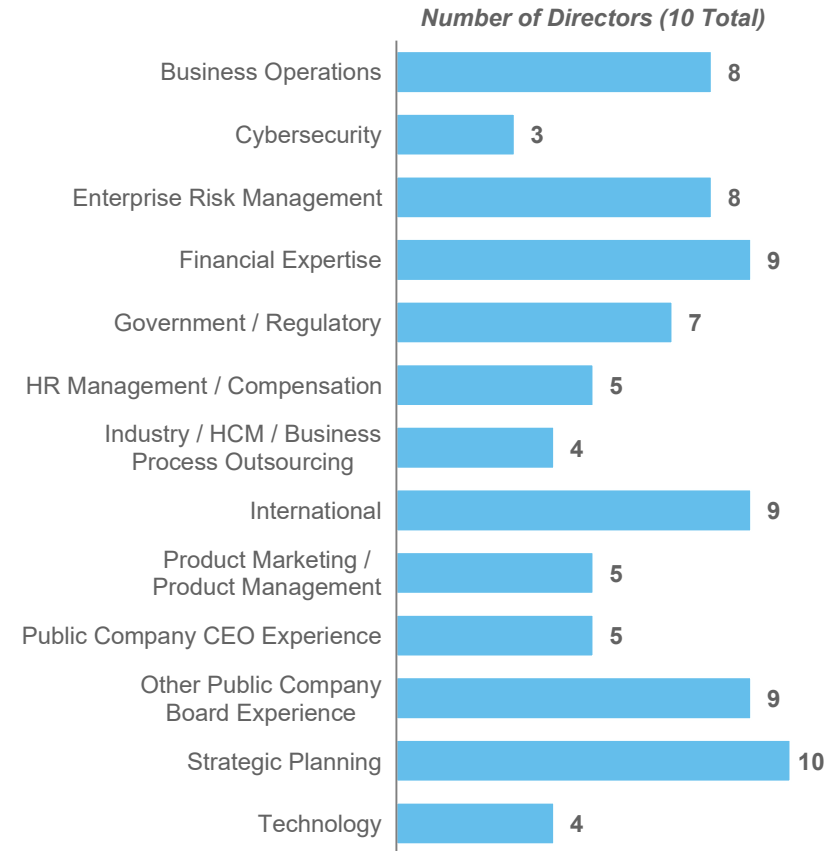


Best-in-Class Board Is Driving Corporate Strategy

Deliberate Board Composition

- **Commitment to both continuity and fresh perspectives**
 - 10 Director Board with 4 new Directors since 2014
 - Average independent Director tenure of 6.8 years⁽¹⁾, compared to an S&P 500 average of 8.3 years
 - Average Director age of 59 years⁽¹⁾
- **Director succession planning**
 - Conducted in the context of a skill set review
 - Skill set used to identify and recruit Directors
- **The right set of skills and experience to set ADP's corporate strategy**
 - 7 of 10 Directors are current or former CEOs, CFOs, or COOs of major public companies
 - Leaders with significant technology experience (CEO of CA Technologies, COO of PayPal, retired Director of McKinsey High Tech Practice, previous EVP of Information Systems and Global Solutions at Lockheed Martin)
- **Independent mindset and focus on accountability to shareholders**
 - 9 of 10 Directors are independent
 - All Board Committees are composed of independent Directors
 - Committed to formal shareholder engagement program
 - 4 out of 9 independent Directors have shorter tenure than CEO

Skill Set Aligns and Evolves With Corporate Strategy



Source: Spencer Stuart Board Index 2016

Note:

1. As of 2017 Annual Meeting.

ADP's Best-in-Class Board of Directors



Carlos Rodriguez
Age: 53
CEO

- Member of ADP Board since 2011 (6 years)
- President and CEO of ADP
- Over 18 years of experience at ADP
- Prior President of ADP's Small Business Services; under his leadership SBS launched RUN, one of ADP's fastest growing platforms
- Delivered 203% TSR vs. 128% S&P 500 as CEO of ADP



Peter Bisson
Age: 60
Director

- Member of ADP Board since 2015 (2 years)
- Member of the Nominating / Corporate Governance and the Corporate Development and Technology Advisory Committees
- Director Emeritus McKinsey & Company
- Was a leader of the McKinsey strategy and telecommunication practices



Richard T. Clark
Age: 71
Director

- Member of ADP Board since 2011 (6 years)
- Chair of the Compensation Committee and member of the Audit Committee
- Former Chairman and CEO of Merck
- Spent more than 39 years at Merck in a variety of senior management positions
- Experience dealing with activists



Eric C. Fast
Age: 68
Director

- Member of ADP Board since 2007 (10 years)
- Chair of the Audit Committee and member of the Compensation Committee
- Former Chief Executive Officer of Crane Co.
- Deep financial, transactional and accounting experience



Linda R. Gooden
Age: 64
Director

- Member of ADP Board since 2009 (8 Years)
- Chair of the Corporate Development and Technology Advisory Committee and member of the Audit committee
- Former EVP of Information Systems and Global Solutions, Lockheed Martin
- Gained 34 years' experience at Lockheed Martin; cyber expertise



Michael P. Gregoire
Age: 51
Director

- Member of ADP Board since 2014 (3 years)
- Member of the Nominating / Corporate Governance and the Corporate Development and Technology Advisory Committees
- Chief Executive Officer, CA Technologies
- More than 25 years' experience in software and information technology services industries; cyber expertise



R. Glenn Hubbard
Age: 59
Director

- Member of ADP Board since 2004 (13 years)
- Chair of the Nominating / Corporate Governance Committee and member of the Compensation Committee
- Dean of the Graduate School of Business at Columbia University
- Served as Chairman of the US Council of Economic Advisers of the President



John P. Jones
Age: 66
Director

- Non-Executive Chairman of ADP since 2015 (2 years)
- Member of ADP board since 2005
- Former Chairman and CEO, Air Products and Chemicals, Inc.



William J. Ready
Age: 37
Director

- Member of ADP Board since 2016 (1 year)
- Member of the Nominating / Corporate Governance and the Corporate Development and Technology Advisory Committees
- EVP, COO, PayPal
- Responsible for PayPal's end-to-end customer experience, product, engineering and technology
- FinTech industry leader – CEO Braintree, Venmo – with cyber expertise



Denotes experience with investors as public company executive











Sandra S. Wijnberg
Age: 61
Director

- Member of ADP Board since 2016 (1 year)
- Member of the Audit and the Corporate Development and Technology Advisory Committees
- Executive Advisor and former Partner and Chief Administrative Officer, Aquiline
- Served as CFO at Marsh & McLennan Companies



ADP's Corporate Development and Technology Advisory Committee (CDTAC) Has Been Driving Corporate Strategy

Committee Overview	Committee Overview & Relevant Experience										
<ul style="list-style-type: none"> Established in 2014 <ul style="list-style-type: none"> Drives strategy on technology and innovation, potential acquisitions, strategic investments, divestitures Holding management accountable for organic innovation and ongoing technology update Spearheaded key strategic initiatives <ul style="list-style-type: none"> Spin-off of CDK Global The Marcus Buckingham Company acquisition Next gen technologies including low code platform + payroll and tax engines CDTAC reviews and evaluates: <ul style="list-style-type: none"> Infrastructure and Operations Cost Strategy Talent of Global Product and Technology Organization Global Product and Technology Strategy Plan 	Current					Proposed					
											
	Linda Gooden	Peter Bisson	Mike Gregoire	Bill Ready	Sandra Wijnberg	Bill Ackman	Veronica Hagen	V. Paul Unruh			
	Former EVP Lockheed Martin	Former Leader High Tech Practice McKinsey	CEO of CA Technologies	EVP & COO of PayPal; CEO of Venmo	Executive Advisor Aquiline Capital	Founder and CEO of Hedge Fund	Former CEO Polymer Group	Director Symantec Corp			
	Title										
	Enterprise Software	✓	✓	✓	✓						
	Big Data			✓	✓	✓					
	Cybersecurity ⁽¹⁾	✓			✓	✓					
	Cloud Technology	✓	✓	✓	✓						
	Change Management	✓	✓	✓	✓	✓			✓	✓	
Development / Deal Activity	✓	✓	✓	✓	✓						
Shareholder Perspective	✓			✓	✓	✓			✓	✓	

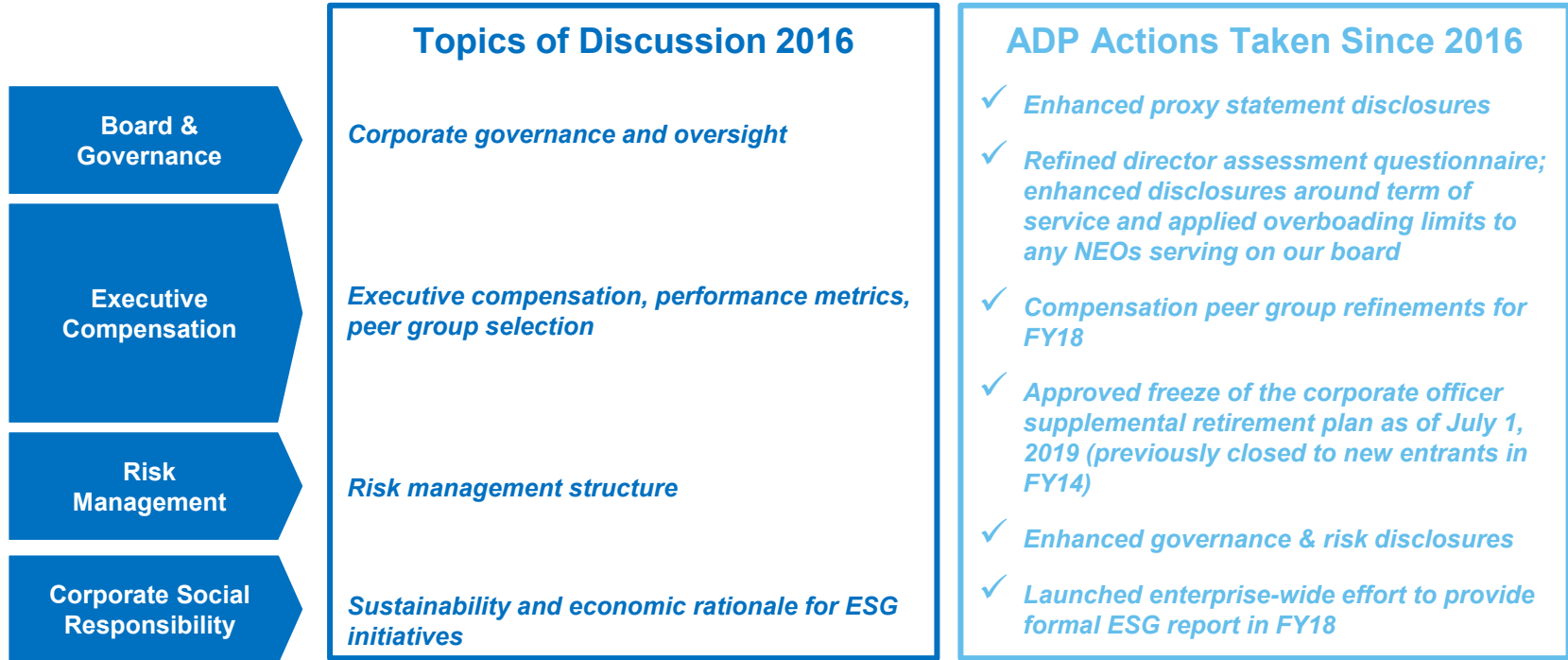
Note:

1. Audit Committee has risk oversight of ADP's cybersecurity program.



ADP Has a Robust Shareholder Engagement Program

The ADP Board Is Committed to Evaluating Every Decision With a Shareholder Perspective



Close Alignment of Pay, Performance and Achievement of Strategic Objectives

Balanced, Performance-Based Compensation Policy

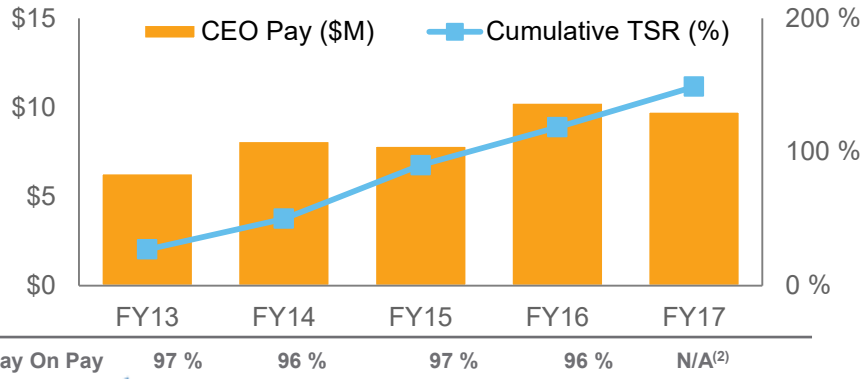
- Designed to incentivize sustainable value creation
 - Thoughtful design to encourage strategic transformation while mitigating excessive risk-taking
 - Approved by independent compensation committee using independent compensation consultant
 - FY16 and FY17 CEO compensation was below Proxy Peer Median
 - Robust clawback policy allows for cash and stock recovery
- Emphasizes equity-based compensation to foster commonality of interest between management and shareholders

Strategic Objectives at the Core of Executive Compensation

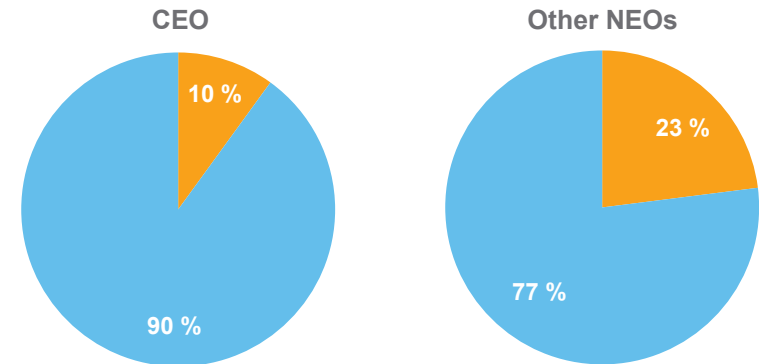
- Strategic objectives represent 40% of the short-term incentive compensation for our executive officers versus peers at 11%⁽¹⁾
- Important leading indicators of our transformation, creation of long-term value and future success
- Strategic objectives are measurable and pay out formulaically

Simplify	Innovate	Grow
<ul style="list-style-type: none"> ↑ Percentage of clients and revenues on strategic platforms ↓ Number of US non-sales locations ↓ Service and implementation tools to minimize service complexity 	<ul style="list-style-type: none"> ↑ R&D and innovation spending ↓ Number of low value service client contacts Achieve technology strategy goals and deploy key new platforms 	<ul style="list-style-type: none"> Achieve client growth goal Demonstrate improvement in net promoter scores, improving client experience Continue focus on human capital by maintaining favorable engagement score Improve workforce diversity

Strong Performance Alignment & Shareholder Support



Significant Pay at Risk



■ = Base Salary
 ■ = Performance-Based (STIP + LTIP)

Sources: Institutional Shareholder Services, ADP 2017 Proxy Statement

Notes:

- 11% weighting reflects "non-financial" goals of peers; only 3 peers include "strategic" metrics at all.
- Available on November 7th.



Pershing Square Is Attempting to Replace Strong Leaders With Less Qualified Candidates



▪ **Bill Ackman, 51**

- Director at Valeant – stock plummeted when company’s accounting practices were questioned
- Director at J.C. Penney – resigned and sold entire position after stock declined materially while on the board
- Target – ran proxy fight for majority of the board and lost
- Borders – company declared bankruptcy and Pershing Square incurred losses
- Allegations of insider trading
- No HCM experience



▪ **Veronica M. Hagen, 71**

- Director at Covanta Energy from 2001 – 2004; omitted from bios in various SEC filings over the past 10 years
 - In 2002 Covanta plunged into bankruptcy
- Director at The Southern Company since 2008
 - SEC Investigation for potentially deceptive financial reporting
- Would breach ADP’s Director age limit shortly after appointment
- Approved controversial excessive CEO compensation plan at Newmont, where she serves as chair of the Compensation Committee
- No HCM experience



▪ **V. Paul Unruh, 68**

- Director at Bechtel Enterprises for 25 years
 - Resigned during a “financial crisis” at the company
- Director at Symantec Corp. since 2005
 - Lack of current technology experience / skills
 - Audit experience not additive to ADP’s Board skill set
 - In 2013, as Chairman of the Audit Committee, shareholder suit, litigation is ongoing
- No HCM experience



▪ **John Jones, 66**

- Deep understanding of our HCM business and industry
- Has overseen different ADP management teams during a period of growth
- Former CEO of large public company
- Significant experience in businesses operating within strict/shifting regulatory frameworks
- Former Chair of our Nominating / Corporate Governance Committee who oversaw evolution of our best-in-class governance



▪ **Glenn Hubbard, 59**

- Deep expertise in global macroeconomic conditions and economic, tax, and regulatory policies
- Deep perspective on financial markets
- As current Chair of our Nominating / Corporate Governance Committee, continues best-in-class governance
- Government / regulatory experience



▪ **Eric Fast, 68**

- Risk management experience
- Deep financial, accounting, and transactional expertise
- Former CEO of large public company
- Broad managerial and operational expertise



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Pershing Square's Ever-Changing Engagement With ADP

Ackman's Last Minute Approach, Ever-Changing Demands and Refusal to Engage Demonstrate a Clear Disregard for Responsible and Effective Shareholder / Corporate Engagement

	Pershing Square Research Begins February / March	Ackman's Initial Approach August 1	Pershing Meets CEO & Chairman August 3	Pershing Challenges ADP Communication August 6	Pershing Presents 167 Page Thesis August 17	Pershing Discloses Current Holdings September 11
Snapshot	<i>Pershing begins research 6 months ahead of nomination deadline</i>	<i>Ackman contacts CEO Rodriguez regarding its ~8% stake in ADP 8 days before nomination deadline</i>	<i>Ackman sits down with Rodriguez and Jones</i>	<i>Ackman accuses ADP of misleading communications</i>	<i>Ackman presents his thesis publicly over 3 hours and 167 pages</i>	<i>Pershing is a 2% shareholder and has not exercised the call options</i>
Ackman's Evolving Stance						
CEO Confidence		Lack of confidence	Work together if shared visions	Willingness to work with Rodriguez	Suggests CEO change necessary	Willingness to work with Rodriguez
Board Seats		5 Seats	Fewer than 5 conditional on extension and acceptance of plan	3 Seats	3 Seats	3 Seats
Proxy Extension		30-45 Days	7 days	Extension not necessary	Launches proxy fight	Ongoing proxy fight



Pershing Square Is Not an 8.3% Owner of ADP

Pershing Square Misleadingly Represents 8.3% Ownership of ADP

- In referring to Pershing Square as “the company’s largest owner with an 8.3% stake” (1), Bill Ackman is misrepresenting the degree of his investment in ADP

*“In summary – we want you to elect a major shareholder to the board, in this case it would be me representing Pershing Square. **We own 8.3% of the company**... this has the effect of sending a very powerful message to the management and the board...”*

*- Bill Ackman, “The Time is Now” Presentation, August 17, 2017**

More Than 75% of Pershing Square’s “Ownership” Is Options

- Pershing Square owns 2.0% of common stock, not the 8.3% that the fund has claimed since the start of their campaign
- Pershing Square has wrongly characterized 28 million call options (right to buy the stock in the future) as “ownership”
- The call options do not provide the right to vote those 28 million underlying shares of common stock in a proxy contest
- Pershing Square elected not to convert a larger portion of its derivative position prior to the September 8 record date, leaving it with the right to vote only the 8.8 million shares that its 2% ownership represents

* Permission to use quotations neither sought nor obtained

Sources: SEC filings

Notes:

- Pershing Square Press Release, August 21, 2017.
- Cost basis for options is calculated as disclosed cost to purchase plus strike price, per Pershing Square 13D/A, dated 8/31/2017.

Snapshot of Pershing Square’s Current Ownership

Security	Shares	% O/S	Cost Basis ⁽²⁾
Common Stock	8,798,442	2.0%	\$108
Call Options	28,005,233	6.3%	\$116
Total	36,803,675	8.3%	\$114

Description of Call Options

- Over-the-counter and listed call options in ADP common stock with expiration dates ranging from 2020-2021
- Pershing Square’s derivatives agreement prohibits it from exercising or obtaining voting control
- Would require an additional ~\$2.0B investment by Pershing Square to exercise call options to achieve 8.3% ownership
- In light of Pershing Square not converting its 28 million call options (equivalent to 6.3% of total shares outstanding) into common stock, Pershing Square is not entitled to any dividend on that 6.3%

Shareholders Should Ask – Does Pershing Square Actually Understand ADP’s Business?

Pershing Assertion	Fact
<p>✗ ADP’s Sales Force Productivity Is Declining</p>	<p>FACT: ADP’s Sales Force productivity is actually increasing</p> <ul style="list-style-type: none"> ✓ ADP has been very transparent regarding sales force productivity in FY17 ✓ Following a very difficult ACA-related comparable, ADP’s new business bookings grew at a 7% CAGR from FY11 to FY17 while its salesforce only grew at 4%
<p>✗ ADP Inflates New Business Bookings by Including Zero Margin Pass-Throughs</p>	<p>FACT: ADP has never stated that new business bookings included zero-margin pass-throughs</p> <ul style="list-style-type: none"> ✓ ADP has grown new business bookings while driving efficiencies through more inbound sales ✓ ADP saw \$1.65B in new business bookings in FY17
<p>✗ ADP Has Lost Significant Market Share With Enterprise Clients</p>	<p>FACT: ADP’s total number of comparable up-market clients between FY09 and FY17 has remained largely consistent</p> <ul style="list-style-type: none"> ✓ Today ADP serves approximately 3,000 HCM clients with more than 1,000 employees
<p>✗ ADP’s Innovation Has Come Only Through Acquisitions</p>	<p>FACT: Under Carlos Rodriguez’s tenure, ADP shifted its strategy to organic, innovation driven growth</p> <ul style="list-style-type: none"> ✓ ADP has set up four strategic Innovation Labs each with a unique area of focus ✓ ADP Mobile, ADP DataCloud, ADP Marketplace, Accountant Connect products were all born organically in one of these techno-hubs
<p>✗ ADP’s Corporate Structure Is Inefficient</p>	<p>FACT: ADP proactively recognized the opportunity to streamline its corporate structure several years ago and launched its Service Alignment Initiative in FY16 in response</p> <ul style="list-style-type: none"> ✓ To date, ADP has exited a net 29 service locations for a reduction of 1/3 in total service locations ✓ ADP expects to exit 68 service locations by the end of the Service Alignment Initiative



Is Pershing Square Looking at the Right Margin?

ADP Margin Comparisons for Most Recent Fiscal Year

(\$M)	ADP	CDK ⁽¹⁾	PAYX ⁽¹⁾	ULTI ⁽¹⁾	WDAY ⁽¹⁾⁽²⁾
Fiscal Year-end	June 2017	June 2017	May 2017	December 2016	January 2017
Total Revenue	12,379.8	2,220.2	3,151.3	781.3	1,569.4
Pass-Throughs	2,628.4	-	-	-	-
Revenue w/o Pass-throughs	9,751.4	2,220.2	3,151.3	781.3	1,569.4
GAAP Net Earnings including Noncontrolling Interest	1,733.4	302.5	817.3	30.3	(408.3)
Net Earnings Margin / Total Revenue	14.0%	13.6%	25.9%	3.9%	(26.0%)
Net Earnings Margin / Revenue w/o Pass-Throughs	17.8%	13.6%	25.9%	3.9%	(26.0%)
Income Taxes	797.7	132.8	427.5	11.2	(0.8)
Net Interest Expense	36.9	57.2	(7.4)	0.7	18.8
(Gain) on Sale of a Business	(205.4)	-	-	-	-
One-time Restructuring	85.0	18.4	-	-	-
Total EBIT Adjustments	714.2	208.4	420.1	11.9	18.0
Adjusted EBIT (as defined by ADP)	2,447.6	510.9	1,237.4	42.2	(390.3)
Adjusted EBIT Margin / Total Revenue	19.8%	23.0%	39.3%	5.4%	(24.9%)
Adjusted EBIT Margin / Revenue w/o Pass-Throughs	25.1%	23.0%	39.3%	5.4%	(24.9%)
Depreciation & Amortization	316.1	70.3	126.9	27.1	115.9
Stock Compensation	138.9	55.4	35.4	113.9	378.6
Transformation / Other	47.7	77.0	-	0.8	-
Additional EBITDA Adjustments	502.7	202.7	162.3	141.8	494.5
Adjusted EBITDA	2,950.3	713.6	1,399.7	184.0	104.2
Adjusted EBITDA Margin / Revenue w/o Pass-Throughs	30.3%	32.1%	44.4%	23.6%	6.6%

Most Recent Fiscal Year Comments

- ~ +6% ES client growth
- ~ -1% DMSNA client decline
- ~ +9% DMSNA avg. client revenue
- ~ 0% payroll service client growth
- ~ +15% client growth
- ~ +25% client growth

Notes:

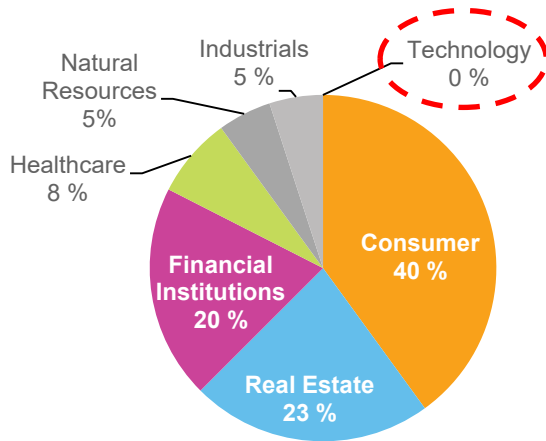
- Pro forma analysis based on externally reported documents.
- Excludes \$14 million of employer tax-related items on employee stock transactions per non-GAAP Operating Expenses in January 2017 10-K.

Pershing Square and Its Nominees Want to Set Strategy at ADP – Do They Have Any Relevant Experience?

Pershing Square's Prior Campaigns

- Pershing Square's 40 shareholder activism campaigns since 1995: 83% have been at Consumer, Real Estate and Financial Institutions
- Pershing Square has no experience in the Technology sector
- Only 1 of Pershing's 3 nominees has any technology exposure (as the Audit Chair)

Investment Industry Breakdown (1)



Sources: FactSet, Capital IQ, public release

Notes:

1. Reflects Pershing Square active investments involving public activism, excluding activism at funds.
2. Reflects year of campaign announcement.

Largest Active Investments (Last 10 Years) (1)

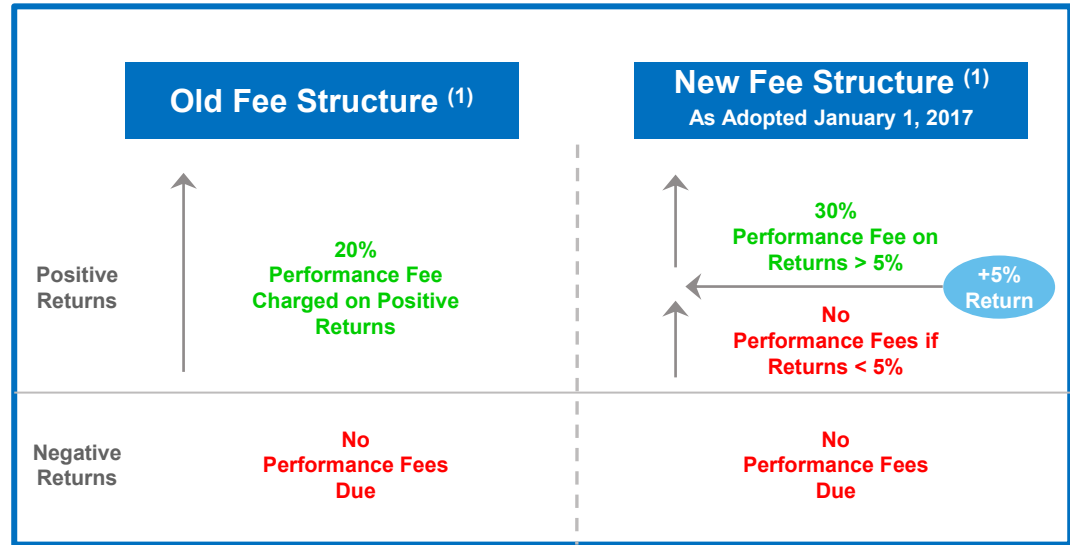
Year(2)	Company	Industry	Tech	Year(2)	Company	Industry	Tech
2016	COCA-COLA	Consumer	✗	2012	P&G	Consumer	✗
2015	VALEANT PHARMACEUTICALS INTERNATIONAL	Healthcare	✗	2011	CP	Industrials	✗
2015	Mondelēz International	Consumer	✗	2011	GGP	Real Estate	✗
2014	zoetis	Healthcare	✗	2011	AB ALEXANDER & BALDWIN, INC.	Real Estate	✗
2014	Allergan	Healthcare	✗	2010	BORDERS Group	Consumer	✗
2013	Freddie Mac We make home possible™	Financial Institutions	✗	2010	Fortune Brands Home & Security	Consumer	✗
2013	Fannie Mae	Financial Institutions	✗	2010	JCPenney	Consumer	✗
2013	JCPenney	Consumer	✗	2010	kraft foods	Consumer	✗
2013	AIR PRODUCTS	Natural Resources	✗	2009	Landry's RESTAURANTS, INC.	Consumer	✗
2012	HERBALIFE	Consumer	✗	2008	GGP	Real Estate	✗

Pershing Square's New Fee Structure Further Incentivizes Investment Decision-Making That Is Not Aligned With the Interests of Many of Our Shareholders

- Contrary to ADP's focus on long term value, Pershing's fee structure encourages a "Swing for the Fences" mentality:

- More weight on the "Ups" than typical hedge funds (30% vs. 20%)...
- ... And less weight on steady growth (no performance fee <5%) ⁽¹⁾

- Also subject to a "high-water mark" ⁽¹⁾ (cannot charge performance fees for investment gains below previous losses)
- The effect of Pershing's excessive cost basis of \$114 ⁽²⁾ takes the price target even higher



"... you know, incentives, I've come to learn, drive all human behavior."

- Bill Ackman, August 17, 2017*

"This is like driving a car the wrong way down a one way street... incentive fees are headed toward 10% with the addition of hurdles, not 30. Raising fees at any level of return is unacceptable when you think of the financial condition of our nation's pension funds. The greed and arrogance in this industry just never ceases to amaze me."

- Jacob Walthour, CEO of Blueprint Capital Advisors, which works with institutional investors to invest in hedge funds, October 28, 2016*

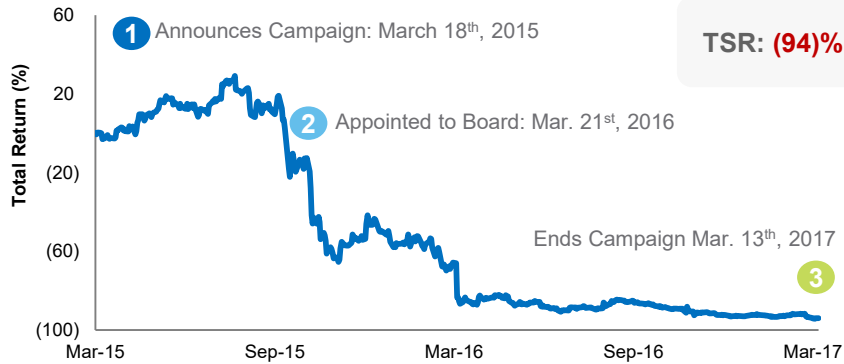
* Permission to use quotations neither sought nor obtained.

Notes:

- Source: Reuters article "Ackman's Pershing Square shakes up fees amid losses" by Lawrence Delevingne, published on October 28, 2016
- Cost basis for options is calculated as disclosed cost to purchase plus strike price, per Pershing Square 13D/A, dated 8/31/2017.

Pershing Square's Certitude Can Be Disastrous

Valeant (2015 – 2017)



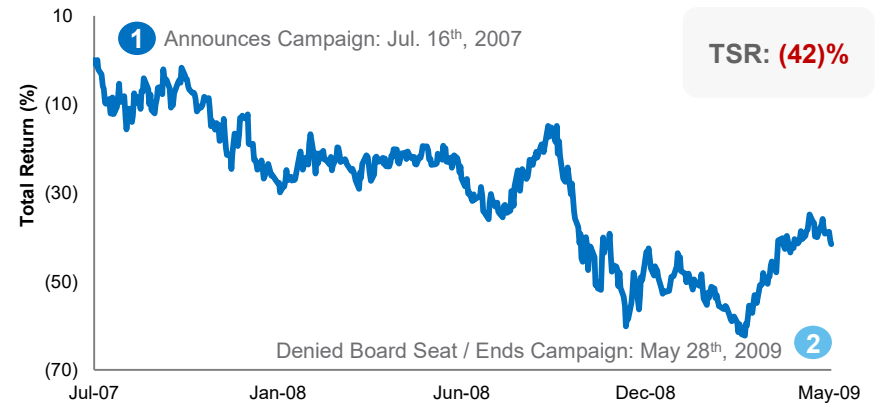
Borders Group / Barnes & Noble (2007 – 2011)



J.C. Penney (2010 – 2013)



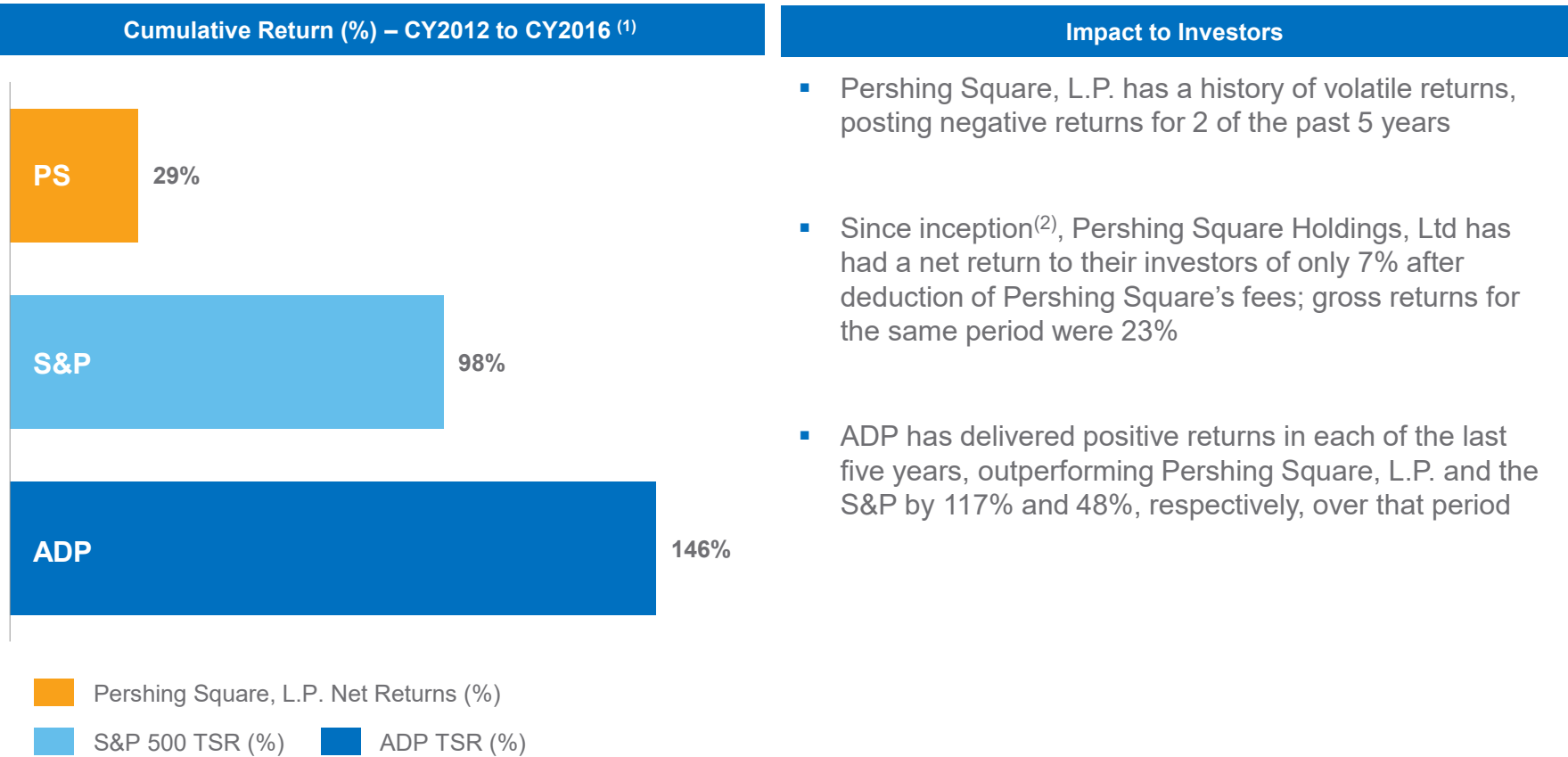
Target (2007 – 2009)



Sources: Bloomberg, SharkRepellent
 Note: Announce date reflects date of initial 13-D filing.

Pershing Square Has Delivered Inconsistent and Below Market Returns for Its Shareholders

Pershing Square Cumulative Net Return of 29% from 2012-2016



Impact to Investors

- Pershing Square, L.P. has a history of volatile returns, posting negative returns for 2 of the past 5 years
- Since inception⁽²⁾, Pershing Square Holdings, Ltd has had a net return to their investors of only 7% after deduction of Pershing Square’s fees; gross returns for the same period were 23%
- ADP has delivered positive returns in each of the last five years, outperforming Pershing Square, L.P. and the S&P by 117% and 48%, respectively, over that period

Sources: Pershing Square 2016 Annual Report, Pershing Square 1Q'17 Letter to Shareholders and Bloomberg

Notes:

1. Cumulative YOY return calculated from 12/30/2011 to 12/30/2016.
2. Time period since inception from 12/31/12 to 5/9/17.



Market Commentators Are Skeptical of Ackman's Call for Radical Margin Increase

*"We believe the **management team at ADP has done an admirable job in proactively transforming ADP from a legacy payroll processor to a top HCM provider without sacrificing short-term results.**"*

*- J.P. Morgan Research, August 16, 2017**

*"**Under an optimistic assumption, Ackman's plan would take at least three years of depressed margins, but probably several more.** We doubt management or its investors, including Pershing Square (despite claiming the opposite), would have the stomach for this... if Pershing Square is only looking at ADP through a spreadsheet, this plan makes perfect sense. However, **companies don't exist on spreadsheets, and even the best laid plans often can't overcome an unhappy workforce worried about losing their jobs.**"*

*- Morningstar Research, August 17, 2017**

*"**We do believe there are structural differences between ADP and PAYX margins, stemming from ADP's large presence in the national accounts and mid-market payroll services industry.**"*

*- Evercore Research, August 17, 2017**

*"**ADP's Corporate Governance is a model for other companies...** We doubt that many long-term shareholders would be anxious for a management change following the last six years of outperformance by ADP."*

*- Baird Research, August 18, 2017**

* Permission to use quotations neither sought nor obtained.



Discussion Agenda

I. Proven Track Record of Success

II. ADP's Strategy

III. Best in Class Board / Corporate Governance

IV. Pershing Square's Proxy Contest

V. Concluding Remarks





Concluding Remarks

1 ADP's Leadership Has Delivered Superior Results for Its Shareholders

2 The Company Continues to Execute on Its Strategy

3 ADP Is Led by a Best-in-Class Board of Directors

4 Pershing Square's Thesis and Director Candidates Are Not Right for ADP



Additional Materials

Overview of Non-GAAP Financial Metrics

In addition to our GAAP results, we use certain adjusted results and other non-GAAP metrics set forth in the table below to evaluate our operating performance in the absence of certain items and for planning and forecasting of future periods. Furthermore, we have included net operational profit and net operational revenues, both of which are non-GAAP metrics, within this deck given Pershing Square's use of an operating margin metric in their presentation dated August 17, 2017. We do not currently use these metrics either internally, for the purposes of analyzing our results against prior periods or for forecasting future periods, or externally when providing investors relevant information.

Adjusted Financial Metric	U.S. GAAP Metric	Adjustments/Explanation
Adjusted EPS	Diluted EPS from continuing operations	<p>EPS impacts of:</p> <ul style="list-style-type: none"> - Gains/losses on non-operational transactions such as sales of businesses and assets - Certain restructuring charges <p>See footnote (b)</p>
Adjusted net earnings	Net earnings from continuing operations	<p>Pre-tax and tax impacts of:</p> <ul style="list-style-type: none"> - Gains/losses on non-operational transactions such as sales of businesses and assets - Certain restructuring charges <p>See footnotes (b), (c), and (d)</p>
Adjusted EBIT	Net earnings from continuing operations	<ul style="list-style-type: none"> - Provision for income taxes - Gains/losses on non-operational transactions such as sales of businesses and assets - Certain restructuring charges - All other interest expense and income <p>See footnotes (b) and (d)</p>
Net operational profit (a)	Net earnings from continuing operations	<ul style="list-style-type: none"> - Provision for income taxes - Gains/losses on non-operational transactions such as sales of businesses and assets - Certain restructuring charges - Impact of our client funds investment strategy - Certain restructuring charges - All other interest expense and income <p>See footnotes (b) and (d)</p>
Net operational revenues (a)	Revenues from continuing operations	<ul style="list-style-type: none"> - PEO pass-through costs - Client fund interest revenues

We believe that the exclusion of the identified items helps us reflect the fundamentals of our underlying business model and analyze results against our expectations, against prior period, and to plan for future periods by focusing on our underlying operations. We believe that these adjusted results provide relevant and useful information for investors because it allows investors to view performance in a manner similar to the method used by management and improves their ability to understand and assess our operating performance. The nature of these exclusions are for specific items that are not fundamental to our underlying business operations. Since these adjusted financial metrics and other non-GAAP metrics are not measures of performance calculated in accordance with U.S. GAAP, they should not be considered in isolation from, as a substitute for, or superior to their U.S. GAAP metrics, and they may not be comparable to similarly titled metrics at other companies.

Note:

a. Our net operational margin is calculated as our net operational profit divided by net operational revenues.

Non-GAAP Reconciliations

Adj. Diluted EPS and Adj. Net Earnings from Continuing Operations

\$M (except for per share price)	Fiscal year		CAGR
	2017	2012	
Diluted EPS from continuing operations	\$ 3.85	\$ 2.42	10%
Adjustments:			
Gain on sale of businesses	(0.27)	-	
Gain on sale of assets	-	(0.08)	
Workforce Optimization Effort ^(b)	(0.01)	-	
Service Alignment Initiative ^(b)	0.12	-	
Adjusted diluted earnings per share from continuing operations	\$ 3.70	\$ 2.34	10%

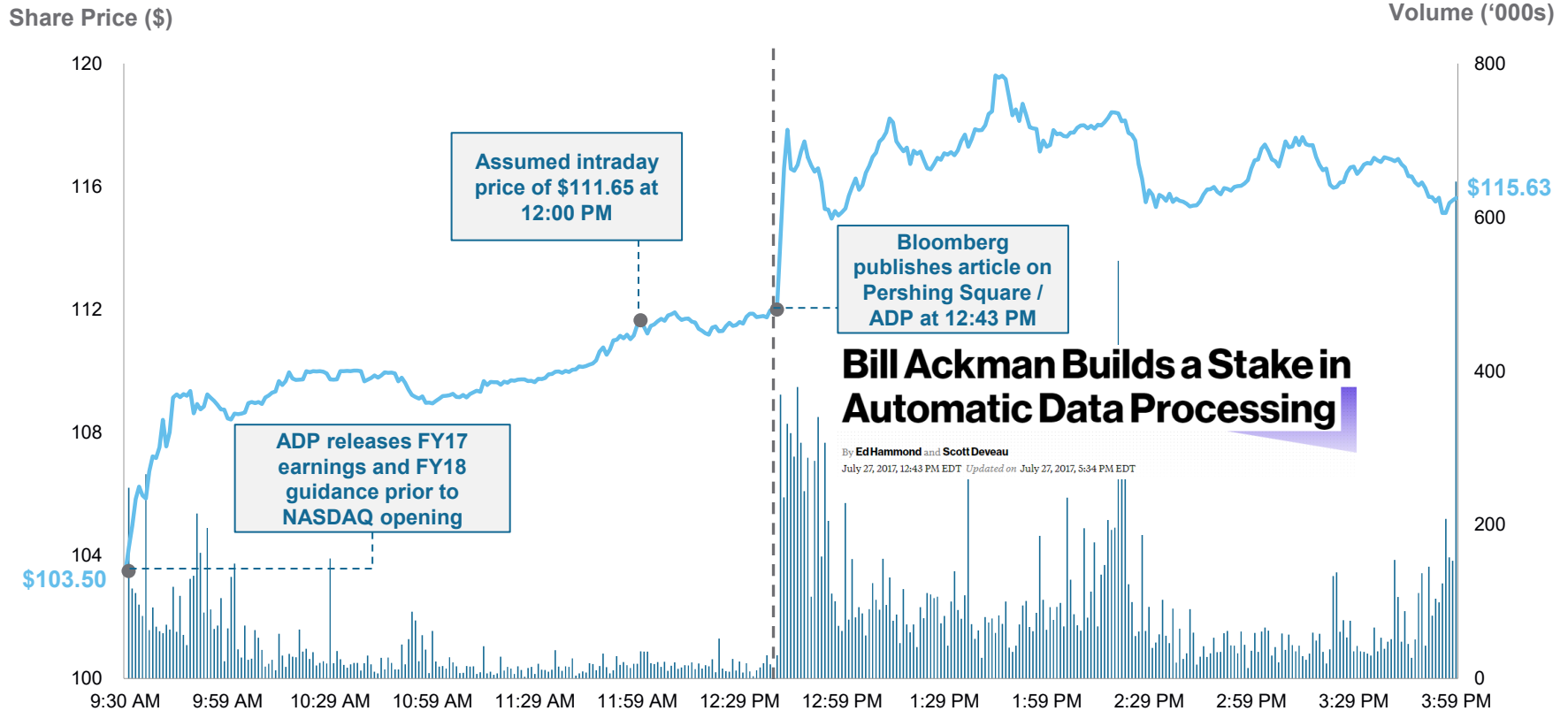
	Fiscal year
	2017
Net earnings from continuing operations	1,733.4
Adjustments:	
Gain on sale of businesses	(205.4)
Workforce Optimization Effort ^(b)	(5.0)
Service Alignment Initiative ^(b)	90.0
Provision for income taxes on gain on sale of businesses ^(c)	84.0
Provision for income taxes for Workforce Optimization Effort ^(c)	1.8
Income tax benefit for Service Alignment Initiative ^(c)	(33.8)
Adjusted net earnings from continuing operations	1,665.0

Notes:

- b. The majority of charges relating to our Service Alignment Initiative and Workforce Optimization Effort represent severance charges. Severance charges have been taken in the past and not included as an adjustment to get to adjusted results. Unlike severance charges in prior periods, these specific charges relate to our broad-based, company-wide Service Alignment Initiative and Workforce Optimization Effort. The fiscal 2017 Workforce Optimization Effort adjustment totaling approximately \$5 million represents a reversal of the fiscal 2016 estimate.
- c. The taxes on the gain on the sale of the businesses were calculated based on the annualized marginal rate in effect during the quarter of the adjustment. The tax amount was adjusted for a book vs. tax basis difference for the year ended June 30, 2017 due to the derecognition of goodwill upon the sale of the business. The tax benefit/provision on the Service Alignment Initiative and the Workforce Optimization Effort was calculated based on the annualized marginal rate in effect during the quarter of the adjustment.

ADP Share Performance on July 27, 2017

ADP Intraday Share Price and Volume for July 27, 2017



Source: Bloomberg

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ADP TSR Benchmarking Summary

Assumes Market Capitalization Weighting as of 7/26/17

	TSR				ADP vs. Comparable TSR (Assumes 7/26/17 Close Price)			
	Since Carlos	5 Year	3 Year	1 Year	Since Carlos	5 Year	3 Year	1 Year
ADP (7/26/17 close price as "unaffected")	175%	142%	57%	13%				
ADP + CDK (7/27/17 intraday price as "unaffected") ⁽¹⁾⁽²⁾	203%	166%	73%	19%				
S&P 500 Index	128%	103%	33%	17%	47%	39%	24%	(3%)
Broader Services Landscape ⁽³⁾	116%	102%	29%	7%	59%	40%	28%	6%
HCM-Related Players ⁽⁴⁾	153%	130%	54%	25%	22%	12%	3%	(12%)
Gartner Cloud HCM MQ ⁽⁵⁾	86%	83%	35%	26%	89%	59%	22%	(13%)

Sources: Bloomberg, Capital IQ

Notes:

1. Assumes ADP's 7/27/17 intraday price of \$111.65 as of 12:00PM, which is the assumed ADP "unaffected" price; see Additional Materials page 61 for additional detail.
2. See page 9 for additional detail.
3. See Additional Materials page 63 for selection criteria.
4. See Additional Materials page 64 for selection criteria.
5. See Additional Materials page 65 for selection criteria.



TSR Benchmarking: Broader Services Landscape⁽¹⁾⁽²⁾

Assumes Market Capitalization Weighting as of 7/26/17

	Market Cap (\$M)	Weighting	Beta ⁽³⁾	TSR				ADP vs. Comparable TSR (Assumes 7/26/17 Close Price)			
				Since Carlos	5 Year	3 Year	1 Year	Since Carlos	5 Year	3 Year	1 Year
ADP (7/26/17 close price as "unaffected")	\$47,384		1.0	175%	142%	57%	13%				
ADP + CDK (7/27/17 intraday price as "unaffected") ⁽⁴⁾⁽⁵⁾	\$49,896		1.0	203%	166%	73%	19%				
Accenture	85,317	17%	1.0	158%	145%	72%	16%	17%	(3%)	(15%)	(2%)
FIS	30,290	6%	0.9	303%	212%	68%	14%	(128%)	(70%)	(11%)	(0%)
IBM	135,152	28%	1.0	(8%)	(14%)	(17%)	(7%)	183%	156%	74%	20%
Infosys	36,544	7%	0.8	28%	83%	23%	(3%)	147%	59%	34%	16%
Intuit	35,656	7%	1.2	179%	153%	72%	22%	(4%)	(11%)	(15%)	(9%)
Marsh & McLennan	41,714	9%	0.9	203%	177%	66%	23%	(28%)	(36%)	(9%)	(9%)
Moodys	25,754	5%	1.3	326%	257%	52%	27%	(151%)	(115%)	5%	(14%)
Paychex	20,867	4%	1.0	146%	112%	51%	(2%)	29%	29%	6%	15%
TCS	77,702	16%	0.6	100%	104%	(2%)	7%	75%	38%	59%	6%
Market Cap Weighted	\$488,998	100%		116%	102%	29%	7%	59%	40%	28%	6%
Median			1.0	158%	145%	52%	14%	17%	(3%)	5%	(0%)
Mean			1.0	159%	136%	43%	11%	16%	5%	14%	3%

Sources: Bloomberg, Capital IQ

Notes:

1. Assumes universe of comparable companies at the intersection of technology & services and is based on the coverage universe of ADP's sellside research community and additional select comparable companies; list is filtered for ADP-like characteristics – companies presented above have at least \$20B market capitalization as of 7/26/17, capital expenditure margins of less than 5%, free cash flow margins of greater than 10% and dividend payout ratios of greater than 30%.
2. Based on respective USD closing prices adjusted for corporate actions.
3. Betas are forward-looking and benchmarked on the S&P 500 with a weekly periodicity and 2-year lookback period.
4. Assumes ADP's 7/27/17 intraday price of \$111.65 as of 12:00PM, which is the assumed ADP "unaffected" price; see Additional Materials page 61 for additional detail.
5. See page 9 for additional detail.



TSR Benchmarking: HCM-Related Players⁽¹⁾⁽²⁾

Assumes Market Capitalization Weighting as of 7/26/17

	Market Cap (\$M)	Weighting	Beta ⁽³⁾	TSR				ADP vs. Comparable TSR (Assumes 7/26/17 Close Price)					
				Since Carlos	5 Year	3 Year	1 Year	Since Carlos	5 Year	3 Year	1 Year		
ADP (7/26/17 close price as "unaffected")	\$47,384		1.0	175%	142%	57%	13%						
ADP + CDK (7/27/17 intraday price as "unaffected") ⁽⁴⁾⁽⁵⁾	\$49,896		1.0	203%	166%	73%	19%						
Benefitfocus	1,116	0%	1.5			(8%)	(17%)					65%	30%
Cornerstone OnDemand	2,342	0%	1.5	182%	84%	(1%)	(4%)			(7%)	57%	58%	17%
IBM	135,152	12%	1.0	(8%)	(14%)	(17%)	(7%)			183%	156%	74%	20%
Insperty	1,522	0%	0.9	266%	236%	152%	(8%)			(91%)	(94%)	(95%)	22%
Intuit	35,656	3%	1.2	179%	153%	72%	22%			(4%)	(11%)	(15%)	(9%)
Microsoft	574,971	49%	1.1	231%	191%	80%	34%			(56%)	(50%)	(23%)	(20%)
Oracle	217,370	19%	1.1	75%	83%	33%	27%			101%	59%	24%	(14%)
Paychex	20,867	2%	1.0	146%	112%	51%	(2%)			29%	29%	6%	15%
Paycom	4,162	0%	1.4			444%	50%					(387%)	(36%)
Paylocity	2,475	0%	1.5			139%	7%					(82%)	6%
SAP	129,312	11%	0.8	95%	80%	36%	24%			80%	62%	21%	(11%)
The Sage Group	9,787	1%	0.8	142%	127%	54%	0%			33%	15%	3%	13%
TriNet	2,369	0%	1.5			50%	47%					7%	(34%)
Ultimate Software	7,007	1%	1.0	258%	149%	73%	3%			(83%)	(8%)	(16%)	10%
Workday	21,442	2%	1.6			29%	31%					28%	(18%)
Market Cap Weighted⁽⁶⁾	\$1,165,551	100%		153%	130%	54%	25%			22%	12%	3%	(12%)
Median			1.1	163%	120%	51%	7%			12%	22%	6%	6%
Mean			1.2	157%	120%	79%	14%			19%	22%	(22%)	(1%)

Sources: Bloomberg, Capital IQ

Notes:

1. Assumes broad universe of comparable companies that either solely or partially compete in the HCM landscape.
2. Based on respective USD closing prices adjusted for corporate actions.
3. Betas are forward-looking and benchmarked on the S&P 500 with a weekly periodicity and 2-year lookback period.
4. Assumes ADP's 7/27/17 intraday price of \$111.65 as of 12:00PM, which is the assumed ADP "unaffected" price; see Additional Materials page 61 for additional detail.
5. See page 9 for additional detail.
6. Re-weights current market capitalizations in time periods where not entire comparable company set is public.



TSR Benchmarking: Gartner Cloud HCM MQ⁽¹⁾⁽²⁾

Assumes Market Capitalization Weighting as of 7/26/17

	Market Cap (\$M)	Weighting	Beta ⁽³⁾	TSR				ADP vs. Comparable TSR (Assumes 7/26/17 Close Price)			
				Since Carlos	5 Year	3 Year	1 Year	Since Carlos	5 Year	3 Year	1 Year
ADP (7/26/17 close price as "unaffected")	\$47,384		1.0	175%	142%	57%	13%				
ADP + CDK (7/27/17 intraday price as "unaffected") ⁽⁴⁾⁽⁵⁾	\$49,896		1.0	203%	166%	73%	19%				
Oracle	217,370	58%	1.1	75%	83%	33%	27%	101%	59%	24%	(14%)
SAP	129,312	34%	0.8	95%	80%	36%	24%	80%	62%	21%	(11%)
Ultimate Software	7,007	2%	1.0	258%	149%	73%	3%	(83%)	(8%)	(16%)	10%
Workday	21,442	6%	1.6			29%	31%			28%	(18%)
Market Cap Weighted⁽⁶⁾	\$375,131	100%		86%	83%	35%	26%	89%	59%	22%	(13%)
Median			1.1	95%	83%	35%	26%	80%	59%	22%	(12%)
Mean			1.2	143%	104%	43%	21%	33%	38%	14%	(8%)

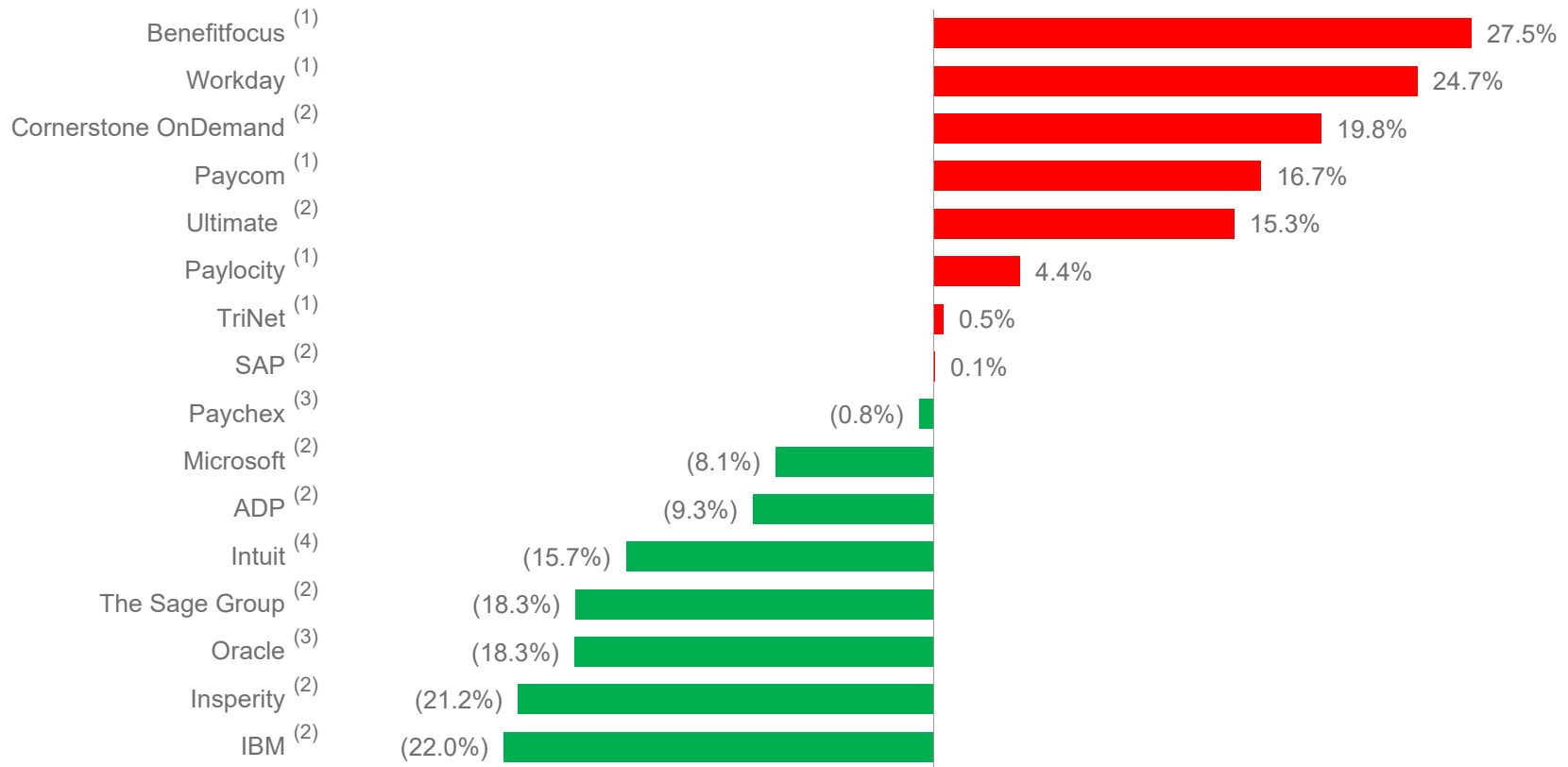
Sources: Bloomberg, Capital IQ

Notes:

1. Publically traded companies in the Gartner "Magic Quadrant" for Cloud HCM for Midmarket and Large Enterprises.
2. Based on respective USD closing prices adjusted for corporate actions.
3. Betas are forward-looking and benchmarked on the S&P 500 with a weekly periodicity and 2-year lookback period.
4. Assumes ADP's 7/27/17 intraday price of \$111.65 as of 12:00PM, which is the assumed ADP "unaffected" price; see Additional Materials page 61 for additional detail.
5. See page 9 for additional detail.
6. Re-weights current market capitalizations in time periods where not entire comparable company set is public.



Net Change in Shares Outstanding vs. HCM-Related Players



Sources: Company Filings

Notes:

1. Represents net reduction in shares from first filing post-IPO to 6/30/2017.
2. Represents net reduction in shares from 6/30/2011 to 6/30/2017.
3. Represents net reduction in shares from 5/31/2011 to 5/31/2017.
4. Represents net reduction in shares from 4/30/2011 to 4/30/2017.

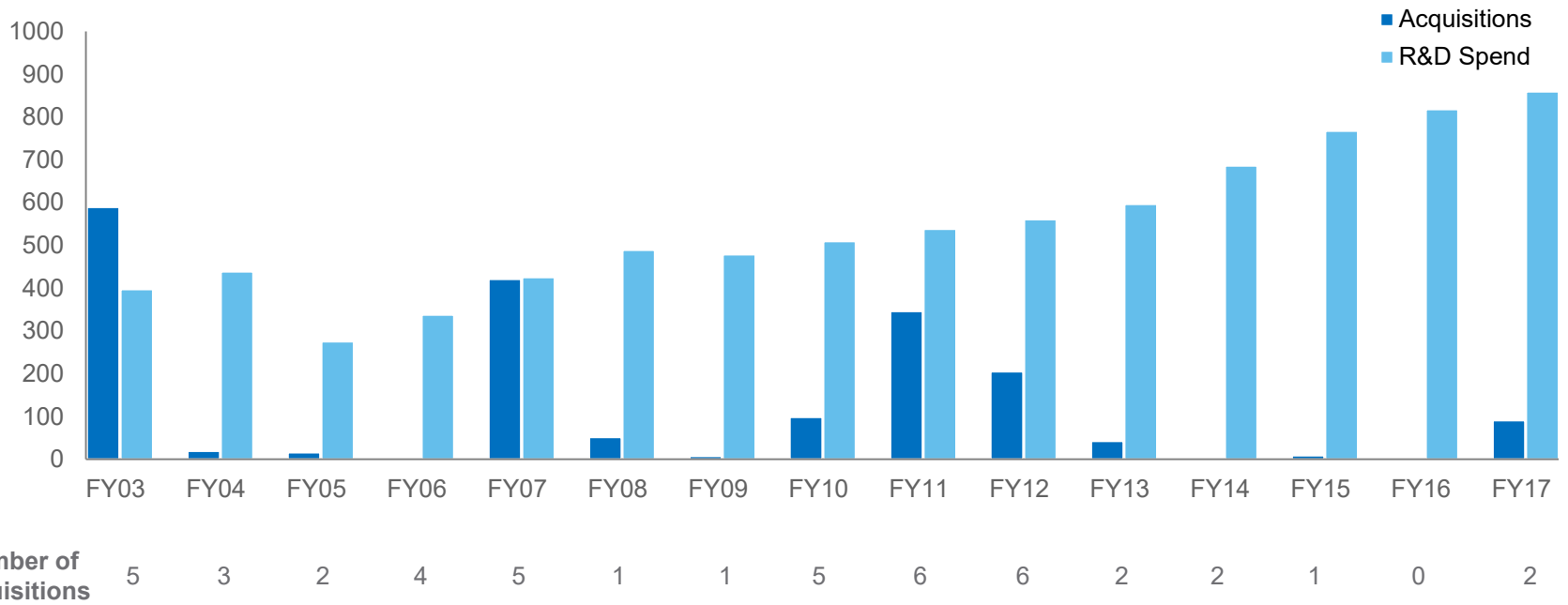


ADP Continues to be Focused on Innovation


Since FY11, Total Spend on Acquisitions Has Declined as Focus Shifted to Organic Innovation

Pershing Square's Claim That ADP's Innovation Has Come Only Through Acquisitions Is Incorrect


ADP Global Acquisitions vs. R&D Spend (\$M)





Our Technology Solutions Have Won Numerous Awards and Recognition From Industry Analysts

Run Powered by ADP	ADP TotalSource	ADP Workforce Now	ADP Vantage HCM	ADP GlobalView
   <p>Gartner Leader</p>	  <p>Gartner Leader</p>	    <p>Gartner Leader</p>	    <p>Gartner Leader</p>	   <p>Gartner Leader</p>

*  **Jason Averbuch** (@jasonaverbook) Following
 Congrats @adp on reaching an amazing milestone of 10m users on #mobile platform - huge for #hrtech industry! - #futureofwork #HCM

*  **Gary Bragar** (@Gary8_NH) Following
 ADP Demonstrates Why Service is Core Differentiator at #ADPMOTM bit.ly/2nfrUsi incl #RPO #Benefits #MPHRO @ADP #DataCloud #Mobile

*  **Holger Mueller** (@holgermu) Following
 MyPOV - When you have the data and #Bigdata skills - you can do amazing things. Today @ADP Pay Equity Explorer

*  **Mark Smith** (@marksmithvr) Following
 Our research finds 41% of orgs use 3 or more systems for Intl Payroll - looks like @adp can handle it all #ADPHCM

* Permission to use quotations neither sought nor obtained.