

# ADP Earnings Call & Webcast Q3 Fiscal 2026

April 29, 2026



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## 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 “outlook,” “expects,” “assumes,” “projects,” “anticipates,” “estimates,” “we believe,” “could,” “is designed to” and other words of similar meaning, are forward-looking statements. These statements are based on management’s expectations and assumptions and depend upon or refer to future events or conditions and are subject to risks and uncertainties that may cause actual results to differ materially from those expressed. Factors that could cause actual results to differ materially from those contemplated by the forward-looking statements or that could contribute to such difference include: ADP’s success in obtaining and retaining clients, and selling additional services to clients; the pricing of products and services; the success of our new solutions; our ability to respond successfully to changes in technology, including artificial intelligence; compliance with existing or new legislation or regulations; changes in, or interpretations of, existing legislation or regulations; overall market, political and economic conditions, including interest rate and foreign currency trends and inflation; competitive conditions; our ability to maintain our current credit ratings and the impact on our funding costs and profitability; security or cyber breaches, fraudulent acts, and system interruptions and failures, including as a result of artificial intelligence; employment and wage levels; availability of skilled associates; the impact of new acquisitions and divestitures; the impact of any uncertainties related to major natural disasters or catastrophic events; and supply-chain disruptions. ADP disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. These risks and uncertainties, along with the risk factors discussed under “Item 1A. Risk Factors” of our most recent Annual Report on Form 10-K, and in other written or oral statements made from time to time by ADP, should be considered in evaluating any forward-looking statements contained herein.

## 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 Q3 fiscal 2026 earnings release available at [investors.adp.com](https://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 closest comparable GAAP financial measures.

This presentation is a supplement to our Q3 fiscal 2026 earnings release; it is intended to be read in conjunction with, not as a substitute for, or in isolation from, the earnings release.

# STRONG Q3 PERFORMANCE; GUIDANCE RAISED

- 7% revenue growth and 10% adjusted diluted EPS<sup>1</sup> growth
- Solid Employer Services new business bookings growth
- Employer Services retention and overall client satisfaction reached new record highs for a third quarter
- Raising fiscal 2026 guidance for revenue, adjusted EBIT margin, and adjusted diluted EPS growth

# STRATEGIC PROGRESS

- Leveraging data advantages, domain expertise, and trusted brand to lead the HCM industry through its AI transformation
- Continuing to deploy ADP Assist agents to address workforce challenges across payroll and HR
- Expanding agentic AI ecosystem with launch of a dedicated space within ADP Marketplace for partner companies' AI agents
- Scaling GenAI capabilities across service operations through The Zone

1. For a reconciliation of this non-GAAP financial metric to its closest comparable GAAP metric see our Q3 fiscal 2026 earnings release available at [investors.adp.com](https://investors.adp.com).



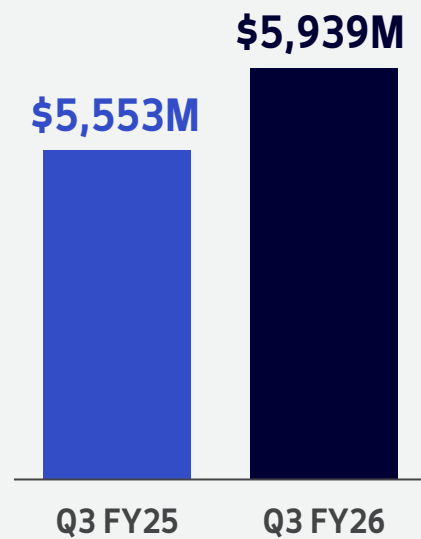
# Q3 FISCAL 2026 FINANCIAL HIGHLIGHTS

(Unaudited)

## TOTAL REVENUES

↑ 7%

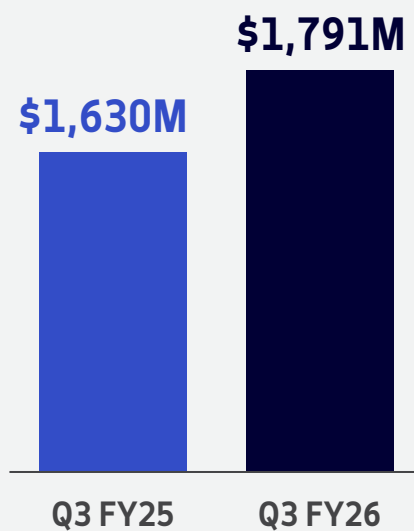
↑ 6% Organic Constant Currency<sup>1</sup>



## ADJUSTED EBIT<sup>1</sup>

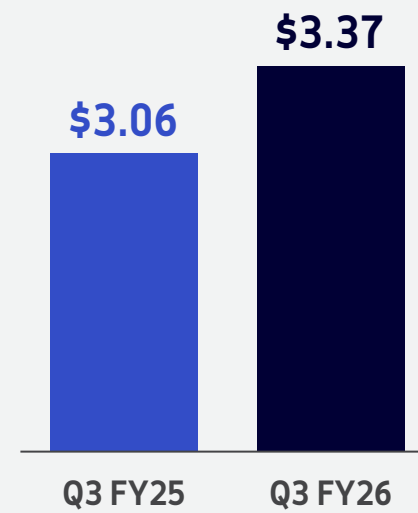
↑ 10%

Adjusted EBIT<sup>1</sup> Margin ↑ 80 bps



## ADJUSTED DILUTED EPS<sup>1</sup>

↑ 10%



1. For a reconciliation of these non-GAAP financial metrics to their closest comparable GAAP metrics see our Q3 fiscal 2026 earnings release available at [investors.adp.com](https://investors.adp.com).

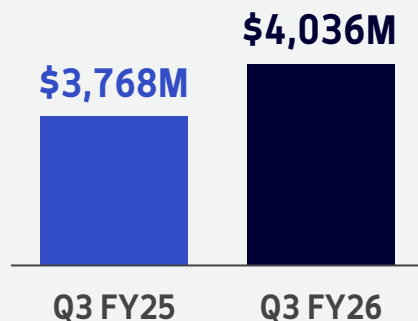
# Q3 FISCAL 2026 EMPLOYER SERVICES SEGMENT RESULTS

(Unaudited)

## ES REVENUES

↑ 7%

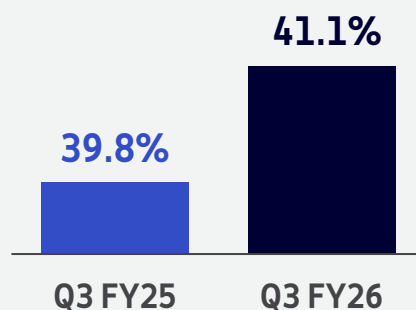
↑ 5% Organic Constant Currency<sup>1</sup>



- U.S. pays per control ↑ 1%
- Average client funds balances ↑ 9%
- Average client funds yield of 3.3%, up from 3.2% in prior year

## ES MARGIN

↑ 130 bps



- Margin increase driven by operational productivity improvements and client funds interest revenue growth

## FY26 ES OUTLOOK

	January 28, 2026	April 29, 2026
Revenues	~6%	6 to 7%
ES New Business Bookings	4 to 7%	4 to 7%
Client Revenue Retention	(30) to (10) bps	(20) bps to flat
U. S. Pays Per Control	~flat	~1%

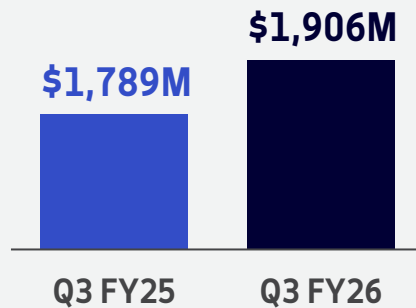
1. For a reconciliation of this non-GAAP financial metrics to its closest comparable GAAP metric see our Q3 fiscal 2026 earnings release available at investors.adp.com.

# Q3 FISCAL 2026 PEO SERVICES SEGMENT RESULTS

(Unaudited)

## PEO REVENUES

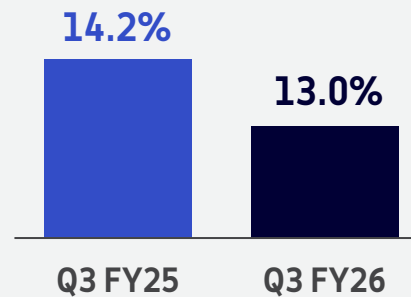
↑ 7%



- Revenues excluding zero-margin benefits pass-throughs (ZMPT) ↑ 5%
- Average worksite employees (WSEs) ↑ 2% to about 762,000

## PEO MARGIN

↓ 120 bps



- Margin decline driven mainly by zero-margin pass-through growth, higher SUI costs, and higher selling expenses

## FY26 PEO OUTLOOK

	January 28, 2026	April 29, 2026
Revenues	5 to 7%	6 to 7%
Revenues Ex ZMPT	3 to 5%	4 to 5%
Average WSEs	~2%	~2%

# FISCAL 2026 OUTLOOK

		Fiscal 2025 (unaudited)	July 30, 2025 Fiscal 2026 Outlook <sup>1</sup>	October 29, 2025 Fiscal 2026 Outlook <sup>1</sup>	January 28, 2026 Fiscal 2026 Outlook <sup>1</sup>	April 29, 2026 Fiscal 2026 Outlook <sup>1</sup>
<b>Total ADP</b>	Revenues	\$20,561M	5 to 6%	5 to 6%	~6%	6 to 7%
	Adj. EBIT Margin <sup>2</sup>	26.0%	50 to 70 bps	50 to 70 bps	50 to 70 bps	70 to 80 bps
	Adj. Effective Tax Rate <sup>2</sup>	23.2%	~23%	~23%	~23%	~23%
	Adj. Diluted EPS <sup>2</sup>	\$10.01	8 to 10%	8 to 10%	9 to 10%	10 to 11%
<b>Employer Services</b>	Revenues	\$13,883M	5 to 6%	5 to 6%	~6%	6 to 7%
	ES New Business Bookings	\$2.1B	4 to 7%	4 to 7%	4 to 7%	4 to 7%
	Client Revenue Retention	92.1%	(30) to (10) bps	(30) to (10) bps	(30) to (10) bps	(20) bps to flat
	U.S. Pays Per Control	1%	0 to 1%	~flat	~flat	~1%
<b>PEO Services</b>	Revenues	\$6,690M	5 to 7%	5 to 7%	5 to 7%	6 to 7%
	Revenues Ex Zero-Margin Pass-throughs	\$2,401M	3 to 5%	3 to 5%	3 to 5%	4 to 5%
	Average WSEs	748,000	2 to 3%	2 to 3%	~2%	~2%
<b>Client Funds Interest</b>	Average Client Funds Balances	\$37.6B	2 to 3%	3 to 4%	4 to 5%	~6%
	Yield on Client Funds Portfolio	3.2%	~3.4%	~3.4%	~3.4%	~3.4%
	Client Funds Interest Revenue	\$1,189M	\$1,290 to \$1,310M	\$1,300 to \$1,320M	\$1,310 to \$1,330M	\$1,340 to \$1,350M
	Net Impact from Client Funds Extended Strategy	\$1,073M	\$1,250 to \$1,270M	\$1,260 to \$1,280M	\$1,270 to \$1,290M	\$1,300 to \$1,310M

1. Outlook contemplates the anticipated impact of foreign currency in revenue and operating results.

2. For a reconciliation of these non-GAAP financial metrics to their closest comparable GAAP metrics see our Q3 fiscal 2026 earnings release available at [investors.adp.com](https://investors.adp.com).

# APPENDIX: CLIENT FUNDS INVESTMENT STRATEGY DETAIL

	Average Balances (\$)		Average Rates		Interest Income / (Expense) (\$)	
	Fiscal 2025 (unaudited)	April 29, 2026 Fiscal 2026 Outlook <sup>1</sup>	Fiscal 2025 (unaudited)	April 29, 2026 Fiscal 2026 Outlook <sup>1</sup>	Fiscal 2025 (unaudited)	April 29, 2026 Fiscal 2026 Outlook <sup>1</sup>
Client Short	8.5B	~9.2B	4.2%	~3.3%	355M	305 – 310M
Client Extended	15.5B	~16.3B	2.7%	~3.5%	411M	565 – 570M
Client Long	13.6B	~14.4B	3.1%	~3.3%	423M	~470M
<b>Funds Held for Clients<sup>1</sup></b>	<b>37.6B</b>	<b>~39.9B</b>	<b>3.2%</b>	<b>~3.4%</b>	<b>1,189M</b>	<b>1,340 – 1,350M</b>
Corporate Extended Interest Income <sup>2</sup>	7.0B	~7.8B	3.2%	~3.6%	225M	~280M
Short-term Financing to Support Client Funds Extended Strategy	7.0B	~7.8B	4.8%	~4.1%	(341)M	~(320)M
<b>Net Impact from Client Funds Extended Strategy</b>					<b>1,073M</b>	<b>1,300 – 1,310M</b>

Interest on the Extended Portfolio flows into two separate sections of the Statements of Consolidated Earnings.

1. Reported as Interest on Funds Held for Clients in the revenue section of the Statements of Consolidated Earnings.

2. A component of Interest Income on Corporate Funds, reported within Other Income, net, on the Statements of Consolidated Earnings.