

# Fiscal 2017 Results

August 1, 2017

# Safe Harbor for Forward-Looking Statements

This presentation contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical fact, including: CDK's business outlook and forecasted GAAP and adjusted results for CDK's fiscal year ending June 30, 2018; CDK's objectives for its multi-year business transformation plan; other plans; objectives; forecasts; goals; beliefs; business strategies; future events; business conditions; results of operations; financial position and business outlook and trends; and other information, may be forward-looking statements. Words such as "might," "will," "may," "could," "should," "estimates," "expects," "continues," "contemplates," "anticipates," "projects," "plans," "potential," "predicts," "intends," "believes," "forecasts," "future," "assumes," and variations of such words or similar expressions are intended to identify forward-looking statements. These statements are based on management's expectations and assumptions and are subject to risks and uncertainties that may cause actual results to differ materially from those expressed, or implied by, these forward-looking statements.

Factors that could cause actual results to differ materially from those contemplated by the forward-looking statements include: CDK's success in obtaining, retaining and selling additional services to customers; the pricing of products and services; overall market and economic conditions, including interest rate and foreign currency trends, and technology trends; adverse global economic conditions and credit markets and volatility in the countries in which we do business; auto sales and advertising and related industry changes; competitive conditions; changes in regulation; changes in technology; security breaches, interruptions, failures and other errors involving CDK's systems; availability of skilled technical employees/labor/personnel; the impact of new acquisitions and divestitures; employment and wage levels; availability of capital for the payment of debt service obligations or dividends or the repurchase of shares; any changes to CDK's credit ratings and the impact of such changes on CDK's financing costs, rates, terms, debt service obligations, access to capital market and working capital needs; the impact of CDK's indebtedness, access to cash and financing, and ability to secure financing, or financing at attractive rates; litigation involving contract, intellectual property, competition, shareholder, and other matters, and governmental investigations; CDK's ability to timely and effectively implement its transformation plan, which is intended to increase operating efficiency and improve CDK's global cost structure, while limiting or mitigating business disruption; and the ability of CDK's significant stockholders and their affiliates to significantly influence CDK's decisions.

There may be other factors that may cause CDK's actual results, performance or achievements to differ materially from those expressed in, or implied by, the forward-looking statements. CDK gives no assurances that any of the events anticipated by the forward-looking statements will occur or, if any of them do, what impact they will have on its results of operations and financial condition. You should carefully read the factors described in CDK's reports filed with the Securities and Exchange Commission ("SEC"), including those discussed under "Part I, Item 1A. Risk Factors" in CDK's most recent Annual Report on Form 10-K and its most recent Quarterly Report on Form 10-Q for a description of certain risks that could, among other things, cause CDK's actual results to differ from any forward-looking statements contained herein. These filings can be found on CDK's website at [www.cdkglobal.com](http://www.cdkglobal.com) and the SEC's website at [www.sec.gov](http://www.sec.gov).

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# Fiscal 2017 Highlights

- Fourth quarter results capped off a solid year with 5% revenue growth and 200 bps of net earnings attributable to CDK margin expansion and 550 bps adjusted EBITDA margin expansion
- Continued progress in our business transformation
  - MoveUp!
  - Workforce Efficiency and Footprint
  - Streamline Implementation
- Investments in product and improving customer experience resonating with our customers

○ A reconciliation of the most directly comparable GAAP measure to each "Adjusted" measure can be found in the tables accompanying our August 1, 2017 press release that we furnished to the SEC and posted to the "Financial Information" section of our Investor Relations website, <http://investors.cdkglobal.com>.

# Business Transformation Plan

## Key workstreams

WORKSTREAM	DESCRIPTION
1 MoveUp!	Migrate customers to latest software versions; engineer to reduce customizations
2 Streamline implementation	Streamline installation and training process through improved technology, process, tools, and workflow
3 Enhance customer service	Decrease resolution times through optimized case management and technology-enabled, intelligent, user-driven support
4 Optimize sales and product offering	Adjust sales structure; reduce product complexity; expand bundling; optimize discount management; standardize pricing
5 Simplify quote to cash	Reduce business complexity through integrated go-to-market model that leverages an automated contracting process, SKU rationalization, and streamlined invoicing
6 Workforce efficiency and footprint	Increase efficiency through fewer layers and larger spans of control, geographic wage arbitrage, and reduced facility footprint
7 Strategic sourcing	Disciplined vendor management and vendor consolidation
8 CDK International	Comprehensive optimization across back office, R&D, implementation, and support

# Business Transformation Plan

Q4 updates



## MoveUp!

- Software versions under 400 from initial ~1500 level
- Exceeded Q4 target of 500 versions



## Workforce efficiency and footprint

- Closed 7 facilities in Q4
- Closed 20 facilities to date, exceeding original target of 18 closures by fiscal 2018



## Streamline implementation

- 40% reduction in cycle times

# Fiscal 2017 Financial Results

Total CDK; represents growth from Fiscal 2016

	GAAP		Adjusted	
Revenues	\$2,220.2	↑ 5%	\$2,220.2	↑ 5%
Earnings before income taxes	435.3	↑ 18%	538.8	↑ 26%
Net earnings attributable to CDK	295.6	↑ 24%	360.8	↑ 31%
Diluted net earnings attributable to CDK per share	1.99	↑ 32%	2.43	↑ 40%
Margin	Net earnings attributable to CDK margin 13.3%	↑ 200bps	EBITDA margin 32.1%	↑ 550bps

- FY2017 GAAP effective tax rate was 30.5% compared to 33.1% in FY2016; FY2017 adjusted effective tax rate was 31.8% compared to 33.8% in FY2016
- A reconciliation of the most directly comparable GAAP measure to each "Adjusted" measure can be found in the tables accompanying our August 1, 2017 press release that we furnished to the SEC and posted to the "Financial Information" section of our Investor Relations website, <http://investors.cdkglobal.com>.

# Fiscal 2017 Financial Results

By segment; represents growth from Fiscal 2016

	Revenues		Pretax Earnings			Pretax Margin	
	GAAP	Constant Currency Adjusted	GAAP	Adjusted	Constant Currency Adjusted	GAAP	Adjusted
Retail Solutions North America	\$1,600.7 ↑ 5%	↑ 5%	\$605.5 ↑ 26%	\$606.2 ↑ 26%	↑ 26%	37.8% ↑ 620bps	37.9% ↑ 630bps
Advertising North America	307.6 ↑ 10%	↑ 10%	44.4 ↑ 61%	44.4 ↑ 61%	↑ 61%	14.4% ↑ 460bps	14.4% ↑ 460bps
CDK International	311.9 ↓ 1%	↑ 5%	75.0 ↑ 23%	75.0 ↑ 23%	↑ 23%	24.0% ↑ 450bps	24.0% ↑ 450bps

- A reconciliation of the most directly comparable GAAP measure to each "Adjusted" measure can be found in the tables accompanying our August 1, 2017, press release that we furnished to the SEC and posted to the "Financial Information" section of our Investor Relations website, <http://investors.cdkglobal.com>.

# Q4 FY17 Financial Results

Total CDK; represents growth from Q4 FY16

	GAAP		Adjusted	
Revenues	\$565.4	↑ 4%	\$565.4	↑ 4%
Earnings before income taxes	94.1	↑ 7%	126.4	↑ 7%
Net earnings attributable to CDK	58.7	↑ 1%	79.1	↑ 3%
Diluted net earnings attributable to CDK per share	0.41	↑ 11%	0.55	↑ 12%
Margin	Net earnings attributable to CDK margin 10.4%	↓ 40bps	EBITDA margin 32.3%	↑ 390bps

- Q4 FY2017 GAAP effective tax rate was 35.3% compared to 31.5% in Q4 FY2016; Q4 FY2017 adjusted effective tax rate was 35.7% compared to 33.1% in Q4 FY2016
- A reconciliation of the most directly comparable GAAP measure to each "Adjusted" measure can be found in the tables accompanying our August 1, 2017 press release that we furnished to the SEC and posted to the "Financial Information" section of our Investor Relations website, <http://investors.cdkglobal.com>.



# Q4 FY17 Financial Results

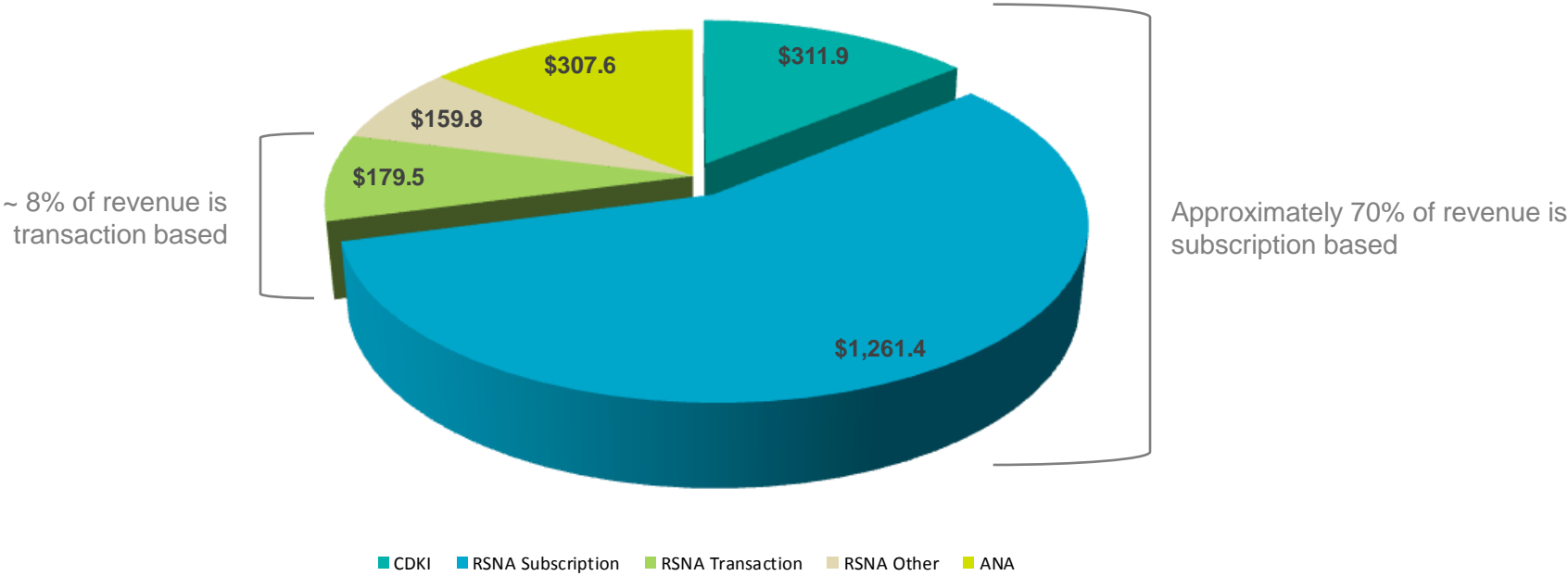
By segment; represents growth from Q4 FY16

	Revenues		Pretax Earnings			Pretax Margin	
	GAAP	Constant Currency Adjusted	GAAP	Adjusted	Constant Currency Adjusted	GAAP	Adjusted
Retail Solutions North America	\$406.6 ↑ 5%	↑ 6%	\$158.5 ↑ 20%	\$159.2 ↑ 20%	↑ 20%	39.0% ↑ 460bps	39.2% ↑ 480bps
Advertising North America	77.5 ↑ 1%	↑ 1%	12.9 ↑ 30%	12.9 ↑ 30%	↑ 30%	16.6% ↑ 370bps	16.6% ↑ 370bps
CDK International	81.3 ↑ 3%	↑ 7%	19.9 ↑ 26%	19.9 ↑ 26%	↑ 27%	24.5% ↑ 460bps	24.5% ↑ 460bps

- A reconciliation of the most directly comparable GAAP measure to each "Adjusted" measure can be found in the tables accompanying our August 1, 2017, press release that we furnished to the SEC and posted to the "Financial Information" section of our Investor Relations website, <http://investors.cdkglobal.com>.

# Fiscal 2017 Financial Results

## Segment Revenues



○ Segment revenue details can be found in the tables accompanying our August 1, 2017, press release that we furnished to the SEC and posted to the "Financial Information" section of our Investor Relations website, <http://investors.cdkglobal.com>.

# Fiscal 2018 Guidance

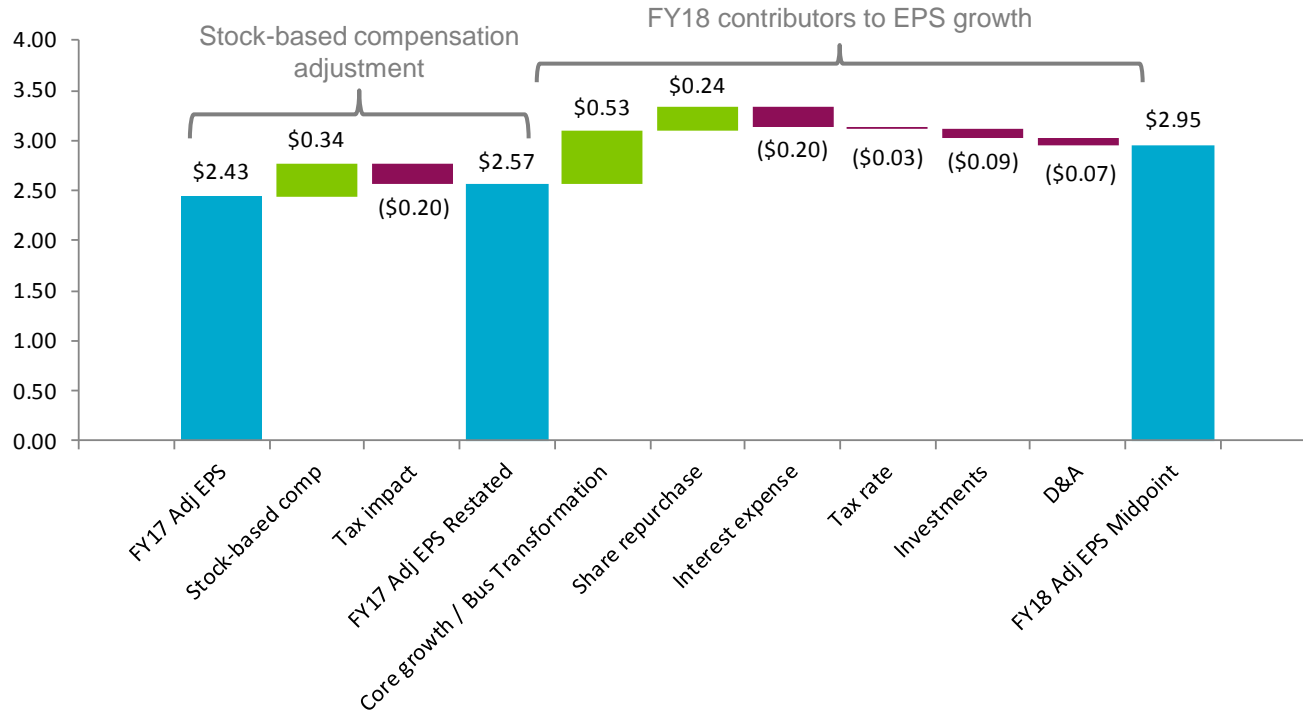
Total CDK; represents growth from Fiscal 2017

	GAAP	Adjusted
Revenues	↑ 4.0% - 5.0%	↑ 4.0% - 5.0%
Diluted net earnings attributable to CDK per share	\$2.37 – \$2.47 ↑ 19.0% – 24.0%	\$2.90 – \$3.00 ↑ 13.0% – 17.0%
Growth	Net earnings attributable to CDK ↑ 11.0% - 14.0%	EBITDA ↑ 13.0% - 16.0%
Margin	Net earnings attributable to CDK margin 14.0% - 15.0%	EBITDA margin 35.0% - 36.0%

- A reconciliation of the most directly comparable GAAP measure to each “Adjusted” measure can be found in the tables accompanying our August 1, 2017 press release that we furnished to the SEC and posted to the “Financial Information” section of our Investor Relations website, <http://investors.cdkglobal.com>.

# Adjusted Earnings per Share Reconciliation

Total CDK; represents growth from Fiscal 2017



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# Appendix

# Glossary of Non-GAAP Measures

Within this presentation, we disclose the financial measures listed below on both a GAAP and a non-GAAP (adjusted) basis. The non-GAAP financial measures disclosed should be viewed in addition to, and not as an alternative to, results prepared in accordance with GAAP. Our use of each of the following non-GAAP financial measures may differ from similarly titled non-GAAP financial measures presented by other companies, and other companies may not define these non-GAAP financial measures, or reconcile them to the comparable GAAP financial measures, in the same way. A reconciliation between the following non-GAAP measures and their most comparable GAAP measure and an explanation of why management believes the non-GAAP measures are useful for both management and investors can be found at the end of the press release posted to our Investor Relations website, <http://investors.cdkglobal.com>, in the “Financial Information” section and furnished by us to the SEC on August 1, 2017.

<b>Non-GAAP Financial Measure</b>	<b>Comparable GAAP Financial Measure</b>
Adjusted earnings before income taxes	Earnings before income taxes
Adjusted provision for income taxes	Provision for income taxes
Adjusted net earnings attributable to CDK	Net earnings attributable to CDK
Adjusted diluted earnings attributable to CDK per share	Diluted earnings attributable to CDK per share
Adjusted EBITDA	Net earnings attributable to CDK
Adjusted EBITDA margin	Net earnings attributable to CDK margin
Constant currency adjusted revenues	Revenues
Constant currency adjusted earnings before income taxes	Earnings before income taxes