UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event Reported): November 2, 2018

CDK Global, Inc.
(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction of Incorporation)

1-36486	**46-5743146**
(Commission File Number)	(I.R.S. Employer Identification Number)

1950 Hassell Road, Hoffman Estates, IL 60169
(Registrant's telephone number, including area code)

(847) 397-1700
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2). Emerging growth company [ ]

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. [ ]

Item 2.02. Results of Operations and Financial Condition.

On November 7, 2018, CDK Global, Inc. (the "Company"), issued a press release announcing its financial results for the first quarter ended September 30, 2018. A copy of the press release is furnished as Exhibit 99.1 hereto.

The information contained in this Item 2.02 of this Current Report on Form 8-K, as well as Exhibit 99.1, shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise be subject to the liabilities of that section. It may only be incorporated by reference in another filing under the Exchange Act or Securities Act of 1933, as amended (the "Securities Act"), if it is expressly incorporated by specific reference in such filing.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Appointment of President and Chief Executive Officer

On November 2, 2018, the Company's Board of Directors (the "Board") appointed Brian Krzanich, 58, as President, Chief Executive Officer and director, effective immediately after the filing of the Company's Form 10-Q for its first quarter ended September 30, 2018 (the "Transition Date"). Mr. Krzanich succeeds Brian MacDonald, who will resign as President, Chief Executive Officer and director effective as of the Transition Date.

In connection with his resignation from the Board, Mr. MacDonald also informed the Board that he has withdrawn his name from nomination for re-election at the Company's 2018 Annual Meeting of Stockholders (the "Annual Meeting"). The Company's definitive proxy statement on Schedule 14A (the "Proxy Statement") dated October 2, 2018, which has been furnished to holders of the Company's common stock in connection with the solicitation of proxies on behalf of the Board for use at the Annual Meeting, provides that if a nominee becomes unable or declines to serve, the accompanying proxy may be voted for a substitute nominee designated by the Board. The Board has designated Mr. Krzanich as substitute nominee and, accordingly, any shares voted for the election of Mr. MacDonald will instead be voted for the election of Mr. Krzanich. Mr. Krzanich has consented to being named as a nominee for director at the Annual Meeting and to serve if elected.

Krzanich Biography. Mr. Krzanich served as Chief Executive Officer of Intel Corporation from 2013 to June 2018. As Chief Executive Officer, he led Intel's corporate strategy and operations, including development of Intel's business model and identification of emerging technologies. Mr. Krzanich joined Intel in 1982, became a corporate Vice President in 2006, and served until 2010 as Vice President and General Manager of Assembly and Test. He was Senior Vice President and General Manager of Manufacturing and Supply Chain from 2010 to 2012. He became Executive Vice President and Chief Operating Officer in 2012, responsible for global manufacturing, supply chain, human resources, and information technology. Mr. Krzanich previously served on the board of directors of Deere & Company from 2016 to April 2018.

Compensation. On November 2, 2018, the Company and Mr. Krzanich entered into an employment agreement (the "Employment Agreement") pursuant to which Mr. Krzanich will serve as President and Chief Executive Officer of the Company for an initial three-year term beginning on the Transition Date. Mr. Krzanich will receive a base salary of $1,000,000, and he will be eligible for an annual bonus based on performance objectives pre-established by the Compensation Committee for each fiscal year, with a target bonus of 150% of base salary. Mr. Krzanich will also participate in all compensation and benefit plans and arrangements that are generally available to other Company executives in accordance with their terms as in effect from time to time.

As soon as practicable following the Transition Date, Mr. Krzanich will receive the following sign-on equity awards: (i) performance stock units ("PSUs") having an aggregate grant date fair value of $8,750,000; (ii) time-vesting stock options having an aggregate grant date fair value of $1,875,000; and (iii) performance-vesting stock options having an aggregate grant date fair value of $1,875,000. The PSUs will vest based on the achievement of the same performance metrics, and will be subject to the same terms and conditions, that apply to the PSUs granted to the Company's other senior executives for the Company's fiscal 2019 – fiscal 2021 performance period. The time-vesting stock options will have a strike price equal to the closing price of the Company's stock on the date of grant and will vest in three equal annual installments on the first three anniversaries of the Transition Date, subject to his continued employment with the Company. The performance-vesting stock options will have a strike price equal to the closing price of the Company's stock on the date of grant and will vest on the third anniversary of the Transition Date, subject to his continued employment with the Company, if and only if the average closing price of the Company's common stock over any 20 consecutive trading days ending on or prior to such anniversary equals or exceeds 110% of the closing price of the Company's common stock on the date of grant.

On or before the last day of the next open trading window for insiders of the Company, Mr. Krzanich has agreed to purchase shares of the Company's common stock having an aggregate purchase-date fair market value of up to $3,000,000 (the "Purchased Shares"). Upon the purchase of the Purchased Shares, subject to Mr. Krzanich's continued employment in good standing with the Company as of the date of the grant, Mr. Krzanich will receive a number of performance-based stock options pursuant to the Plan with a grant date fair value equal to the aggregate purchase price of the Purchased Shares (the "Co-Invest PBSOs"). The Co-Invest PBSOs will have a strike price equal to the closing price of the Company's common stock on the date of grant and will be eligible to vest in two separate tranches: (i) 50% of the Co-Invest PBSOs (as measured by grant date fair value) on the third anniversary of the Transition Date, subject to his continued employment with the Company, if and only if the average closing price of the Company's common stock over any 20 consecutive trading days ending prior to such anniversary equals or exceeds 115% of the closing price of the Company's common stock on the date of grant; and (ii) 50% of the Co-Invest PBSOs (as measured by grant date fair value) on the fourth anniversary of the Transition Date, subject to his continued employment with the Company, if and only if the average closing price of the Company's common stock over any 20 consecutive trading days ending prior to such anniversary equals or exceeds 120% of the closing price of the Company's common stock on the date of grant.

Mr. Krzanich will be eligible to participate in the Company's equity incentive compensation program in all future years of employment, in the discretion of the Board, and his target annual equity grant for fiscal year 2020 will, subject to his continued employment in good standing with the Company through the date of the grant, have an aggregate grant date fair value of approximately $12,500,000.

If Mr. Krzanich's employment is terminated without "cause" or if Mr. Krzanich resigns with "good reason" (each as defined in the Employment Agreement), and other than due to death or disability, he will be entitled to receive the severance benefits that would be paid or provided to him pursuant to the Company's Corporate Officer Severance Plan (the "Severance Plan"), as in effect from time to time, as if he were designated a participant in the Severance Plan, subject to the terms and conditions thereof; provided, that the cash severance benefit payable to him will equal 200% of his annual base salary then in effect, and the severance period thereunder will be the 24-month period following his termination. In addition, to the extent that the Severance Plan would result in the prorated vesting of the Co-Invest PBSOs, any proration will reflect only the period served from the Transition Date through the effective date of his employment termination. A copy of the Severance Plan is filed as Exhibit 10.1 to the Company's Current Report on Form 8-K, dated September 7, 2017, as filed with the Securities and Exchange Commission (the "SEC") on September 7, 2017, and is incorporated herein by reference.

Mr. Krzanich has agreed, while employed and for a period of 24 months thereafter, not to compete with the Company, not to solicit the Company's customers, subscribers or suppliers as of the date of his termination of employment, and not to solicit or hire the Company's employees or former employees within six months after the date they cease to be an employee of the Company. Mr. Krzanich has also agreed to be bound by customary covenants relating to confidentiality, non-disparagement, intellectual property and return of property.

The above description of the Employment Agreement is qualified in its entirety by the full text of the Employment Agreement, a copy of which will subsequently be filed with the SEC.

In connection with his appointment, Mr. Krzanich will be entitled to participate in the Company's Third Amended and Restated Change in Control Severance Plan for Corporate Officers (the "CIC Plan"), and, in the event of a "change in control" of the Company and a subsequent "qualifying termination" (as such terms are defined in the CIC Plan), he will not be entitled to any post-termination payments or benefits under the Employment Agreement, and the CIC Plan will govern his rights to severance payments and benefits in connection with such termination. A copy of the CIC Plan is filed as Exhibit 10.11 to the Company's Quarterly Report on Form 10-Q, as filed with the SEC on August 8, 2017, and is incorporated herein by reference. Mr. Krzanich will also enter into the Company's standard form of indemnification agreement for directors and officers, a copy of which is filed as Exhibit 10.1 to the Company's Current Report on Form 8-K, dated June 4, 2018, as filed with the SEC on June 7, 2018, and is incorporated herein by reference.

Forms of Grant Agreement

The above description of the grant of PSUs is subject to and qualified in its entirety by the Company's current form of Performance Stock Unit Award Agreement, a copy of which is filed as Exhibit 10.2 to the Company's Current Report on Form 8-K, dated September 6, 2018, as filed with the SEC on September 6, 2018, and is incorporated herein by reference. The above description of the grant of time-vesting stock options is subject to and qualified in its entirety by the Company's current form of Stock Option Grant Agreement for Corporate Officers, a copy of which is filed as Exhibit 10.8 to the Company's Quarterly Report on Form 10-Q, as filed with the SEC on February 3, 2016, and is incorporated herein by reference (provided that the vesting terms of the time-vesting stock options shall be as described above). The above description of the grants of performance-vesting stock options and the Co-Invest PBSOs is subject to and qualified in its entirety by the respective full text of the Performance Based Stock Option Grant Agreements, copies of which will subsequently be filed with the SEC.

MacDonald Transition and Release. On November 5, 2018, the Company and Mr. MacDonald entered into a Transition and Release Agreement (the "Transition Agreement") pursuant to which the Company and Mr. MacDonald have agreed that his employment with the Company is scheduled to terminate effective as of June 30, 2019, and that Mr. MacDonald will assist in the smooth transition of his functions as directed by the Board. During the remaining term of his employment with the Company, Mr. MacDonald will continue to receive the cash compensation and benefits that he currently receives in accordance with his employment agreement with the Company dated December 11, 2015 (the "MacDonald Employment Agreement"), and his equity awards will remain outstanding and continue to vest in accordance with their terms. Upon his separation from service with the Company (other than a termination by the Company with Cause (as defined in the MacDonald Employment Agreement) or a voluntary resignation by Mr. MacDonald, he will receive the severance payments and benefits described in the MacDonald Employment Agreement, subject to his continued compliance with his non-competition, non-solicitation and confidentiality undertakings in the MacDonald Employment Agreement. The foregoing description of the Transition Agreement is qualified in its entirety by the full text of the Transition Agreement, a copy of which will subsequently be filed with the SEC. A copy of the MacDonald Employment Agreement is filed as Exhibit 10.1 to the Company's Current Report on Form 8-K, dated December 10, 2015, as filed with the SEC on December 11, 2015, and is incorporated herein by reference.

Item 7.01. Regulation FD Disclosure.

On November 7, 2018, the Company issued a press release announcing the appointment of Mr. Krzanich as the Company's President and Chief Executive Officer. A copy of the press release is attached to this Current Report on Form 8-K as Exhibit 99.2 hereto, and is incorporated by reference herein.

The information contained in this Item 7.01 of this Current Report on Form 8-K, as well as Exhibit 99.2, shall not be deemed "filed" for the purposes of Section 18 of the Exchange Act or otherwise be subject to the liabilities of that section. It may only be incorporated by reference in another filing under the Exchange Act or Securities Act, if it is expressly incorporated by specific reference in such filing.

Safe Harbor for Forward-Looking Statements

This document 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: the Company's business and growth outlook; the Company'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: the Company'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 (including future interpretations, assumptions and regulatory guidance related to the Tax Cuts and Jobs Act); changes in technology, security breaches, interruptions, failures and other errors involving the Company'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 the Company's credit ratings and the impact of such changes on financing costs, rates, terms, debt service obligations, access to capital market and working capital needs; the impact of the Company'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; the Company's ability to timely and effectively implement its transformation plan; and the ability of the Company's significant stockholders and their affiliates to significantly influence the Company's decisions or cause it to incur significant costs.

There may be other factors that may cause the Company's actual results, performance or achievements to differ materially from those expressed in, or implied by, the forward-looking statements. The Company 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 the Company's reports filed with the SEC, including those discussed under "Part I, Item 1A. Risk Factors" in its 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 the Company's actual results to differ from any forward-looking statements contained herein. These filings can be found on the Company's website at www.cdkglobal.com and the SEC's website at www.sec.gov.

All forward-looking statements speak only as of the date of this document even if subsequently made available by the Company on its website or otherwise. The Company disclaims any obligation to update or revise any forward-looking statements that may be made to reflect new information or future events or circumstances that arise after the date made or to reflect the occurrence of unanticipated events, other than as required by law.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description of Exhibit
99.1	Press Release issued by CDK Global, Inc. on November 7, 2018
99.2	Press Release issued by CDK Global, Inc. on November 7, 2018

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CDK Global, Inc.

Date: November 7, 2018

By: /s/ JOSEPH A. TAUTGES
Joseph A. Tautges
Executive Vice President, Chief Financial Officer

EXHIBIT 99.1

CDK Global Reports First Quarter Fiscal 2019 Results

ASC 606

- Revenues of $554.5 million
- GAAP net earnings attributable to CDK margin of 16.3% and adjusted EBITDA margin of 37.7%
- GAAP diluted earnings attributed to CDK per share of $0.69 and adjusted diluted earnings attributable to CDK per share of $0.89
- Provides full year revenue guidance of $2.33 billion - $2.36 billion

ASC 605

- Revenues flat year-over-year at $565.9 million
- GAAP net earnings attributable to CDK margin expand 190 bps to 16.3% and adjusted EBITDA margins expand 330 bps to 37.4%
- GAAP diluted earnings attributable to CDK per share rise 25% to $0.71 and adjusted diluted earnings attributable to CDK per share rise 30% to $0.91
- Increases full year revenue guidance to $2.36 billion - $2.39 billion

HOFFMAN ESTATES, Ill., Nov. 07, 2018 (GLOBE NEWSWIRE) -- CDK Global, Inc. (Nasdaq:CDK) today announced financial results for its fiscal 2019 first quarter, ended September 30, 2018.

Effective July 1, 2018 we have adopted ASU 2014-09 "Revenue from Contracts with Customers" and related ASUs ("ASC 606"), using the modified retrospective transition approach. We will not recast historical information and will report financial results in fiscal 2019 under both standards for the transition year for comparability purposes.

First Quarter Fiscal 2019 Results

Year-over-year highlights are below:

First Quarter Fiscal 2019 Results	ASC 606	ASC 605
Revenues	$554.5 million	flat to $565.9 million
Earnings before income taxes	$127.8 million	up 9.0% to $130.3 million
Adjusted earnings before income taxes	$160.1 million	up 6.0% to $162.6 million
Diluted earnings attributable to CDK per share	$0.69	up 25.0% to $0.71
Adjusted diluted earnings attributable to CDK per share	$0.89	up 30.0% to $0.91
Net earnings attributable to CDK	$90.3 million	up 13.0% to $92.1 million
Margin	*16.3%*	*up 190 bps to 16.3%*
Adjusted EBITDA	$208.9 million	up 10% to $211.4 million
Margin	*37.7%*	*Up 330 bps to 37.4%*

"The first quarter was a solid start to fiscal 2019 as we begin to see the results from our growth initiatives," said Brian MacDonald, chief executive officer. "We continue to see strong sales results across new site wins and strategic layered applications, and we're especially pleased by the initial results of our recently completed acquisition of ELEAD1ONE. Accelerating growth in our core business remains our top priority."

Please refer to the tables at the end of this release for a reconciliation of the GAAP results to the non-GAAP results, which we refer to as our adjusted results throughout the body of this press release. Results below reflect year-over-year comparisons.

As described below under the Non-GAAP Financial Measures section at the end of this press release, effective July 1, 2018, we began incorporating an adjustment for amortization of acquired intangible assets within our calculations of adjusted earnings before income taxes, adjusted provision for income taxes, adjusted net earnings attributable to CDK, and adjusted diluted net earnings attributable to CDK per share. Each adjusted growth rate is shown against a comparably calculated fiscal 2018 figure.

Impacts to the First Quarter:

- Foreign exchange rates: Growth in revenues and earnings before income taxes remained unchanged by foreign exchange rates.

- Tax rate: The GAAP effective tax rate for the first quarter of fiscal 2019 was 27.8% under both ASC 606 and ASC 605, compared to 30.6% in last year's first quarter. The adjusted effective tax rate for the first quarter of fiscal 2019 was 25.9% under both ASC 606 and ASC 605, compared to 34.2% in last year's first quarter.

CDK Segment Information

CDK North America: Retail Solutions North America

ASC 606

- Revenues of $410.1 million
- GAAP earnings before income taxes of $175.6 million; adjusted earnings before income taxes of $181.0 million
- Pretax margins of 42.8%; adjusted pretax margins of 44.1%

ASC 605

- Revenues increased 3% to $413.2 million
- GAAP earnings before income taxes increased 11% to $174.0 million; adjusted earnings before income taxes increased 12% to $179.4 million. On a constant currency basis adjusted earnings before income taxes increased 13%
- Pretax margins expanded 320 bps to 42.1%; adjusted pretax margins expanded 360 bps to 43.4%. Margin expansion was primarily driven by operating leverage on subscription revenue growth and operating efficiencies associated with the business transformation plan

CDK North America: Advertising North America

ASC 606

- Revenues of $65.8 million
- GAAP earnings before income taxes of $6.2 million; adjusted earnings before income taxes of $6.8 million
- Pretax margins of 9.4%; adjusted pretax margins of 10.3%

ASC 605

- Revenues decreased 17% to $65.9 million
- GAAP earnings before income taxes decreased 41% to $6.3 million; adjusted earnings before income taxes decreased 39% to $6.9 million
- Pretax margins decreased 370 bps to 9.6%; adjusted pretax margins decreased 380 bps to 10.5%, primarily due to reduced leverage on revenue and higher advertising costs

CDK International

ASC 606

- Revenues of $78.6 million
- GAAP earnings before income taxes of $18.8 million; adjusted earnings before income taxes of $18.9 million
- Pretax margins of 23.9%; adjusted pretax margins of 24.0%

ASC 605

- Revenues increased 3% to $86.8 million. On a constant currency basis, revenues increased 4%
- GAAP earnings before income taxes increased 7% to $22.8 million; adjusted earnings before income taxes increased 3% to $22.9 million. On a constant currency basis earnings before income taxes increased 5%
- Pretax margins expanded 90 bps to 26.3%; adjusted pretax margins expanded 10 bps to 26.4%. Margin expansion was primarily due to scale from increased revenues and operating efficiencies associated with the business transformation plan, somewhat offset by investments related to strategic growth initiatives

Fiscal 2019 Guidance

Fiscal 2019 Guidance	ASC 606	ASC 605
Revenues	$2.32 billion - $2.35 billion	$2.35 billion - $2.38 billion
Diluted earnings attributable to CDK per share	$2.85 - $2.95	$2.90 - $3.00
Adjusted diluted earnings attributable to CDK per share	$3.70 - $3.80	$3.80 - $3.90
Net earnings attributable to CDK	$340 million - $370 million	$350 million - $380 million
Adjusted EBITDA	$860 million - $895 million	$880 million - $910 million

In order to provide like-for-like guidance on both an ASC 606 and ASC 605 basis, we will now provide guidance on a dollar basis versus on a growth basis.

On an ASC 606 basis we expect revenue to be $2.32 billion - $2.35 billion, GAAP diluted earnings per share of $2.85 - $2.95, adjusted diluted earnings per share of $3.70 - $3.80, GAAP net earnings attributable to CDK of $340 million - $370 million, and adjusted EBITDA of $860 million - $895 million.

On an ASC 605 basis we are increasing our revenue guidance for the fiscal year to $2.35 billion - $2.38 billion to account for the acquisition of ELEAD1ONE. We have reduced our GAAP earnings per share outlook to $2.90 - $3.00 and adjusted diluted earnings per share outlook to $3.80 - $3.90 to incorporate the ELEAD1ONE transaction. We expect net earnings attributable to CDK of $350 million - $380 million and adjusted EBITDA of $880 million - $910 million. Due to the dilution caused by ELEAD1ONE's revenue mix we will not achieve the previously communicated 40% EBITDA exit margin target, and will no longer provide margin guidance.

Tax Rate

We are increasing our estimated fiscal 2019 GAAP effective tax rate to 26.0% - 27.0%, up from 25.0% - 26.0%, on both an ASC 606 and ASC 605 basis, compared to 24.1% in fiscal 2018, driven by changes related to the Tax Cuts and Jobs Act. We expect to be at the high end of our fiscal 2019 adjusted effective tax rate guidance range of 25.0% - 26.0% on both an ASC 606 and ASC 605 basis, compared to 29.1% in fiscal 2018.

Website Schedules

Other financial information, including financial statements and supplementary schedules presented on a GAAP and adjusted basis, and the schedule of quarterly revenues and pretax earnings by reportable segment have been updated for the first quarter of fiscal 2019 and will be posted to the CDK Investor Relations website, http://investors.cdkglobal.com, in the “Financial Information” section.

Webcast and Conference Call

An analyst conference call will be held today, Wednesday, November 7, 2018 at 7:30 a.m. CT. A live webcast of the call will be available on a listen-only basis. To listen to the webcast go to the CDK Investor Relations website, http://investors.cdkglobal.com, and click on the webcast icon. An accompanying slide presentation will be available to download and print about 60 minutes before the webcast at the CDK Investor Relations website at http://investors.cdkglobal.com. CDK financial news releases, current financial information, SEC filings and Investor Relations presentations are accessible at the same website.

About CDK Global

With more than $2 billion in revenues, CDK Global (Nasdaq:CDK) is a leading global provider of integrated information technology and digital marketing solutions to the automotive retail and adjacent industries. Focused on enabling end-to-end automotive commerce, CDK Global provides solutions to dealers in more than 100 countries around the world, serving approximately 30,000 retail locations and most automotive manufacturers. CDK solutions automate and integrate all parts of the dealership and buying process from targeted digital advertising and marketing campaigns to the sale, financing, insuring, parts supply, repair and maintenance of vehicles. Visit cdkglobal.com.

CDK Global, Inc.
Consolidated Statements of Operations
(In millions, except per share amounts)
(Unaudited)

	Three Months Ended September 30,	
	2018	2017
Revenues	$ 554.5	$ 565.7
Expenses:		
Cost of revenues	281.6	307.7
Selling, general and administrative expenses	98.3	113.7
Restructuring expenses	17.2	6.5
Total expenses	397.1	427.9
Operating earnings	157.4	137.8
Interest expense	(32.2)	(23.3)
Other income, net	2.6	5.3
Earnings before income taxes	127.8	119.8
Provision for income taxes	(35.5)	(36.7)
Net earnings	92.3	83.1
Less: net earnings attributable to noncontrolling interest	2.0	1.8
Net earnings attributable to CDK	$ 90.3	$ 81.3
Net earnings attributable to CDK per common share:		
Basic	$ 0.70	$ 0.58
Diluted	$ 0.69	$ 0.57

Weighted-average common shares outstanding:		
Basic	129.6	140.1
Diluted	130.4	141.4

Effective July 1, 2018, the Company adopted ASC 606 using the modified retrospective approach. The comparative information has not been restated and continues to be reported under the accounting standards in effect for the period presented.

CDK Global, Inc.
Consolidated Balance Sheets
(In millions)
(Unaudited)

	September 30, 2018	June 30, 2018
Assets		
Current assets:		
Cash and cash equivalents	$ 312.8	$ 804.4
Accounts receivable, net of allowances	383.6	374.6
Other current assets	115.6	188.3
Total current assets	812.0	1,367.3
Property, plant and equipment, net	141.2	131.9
Other assets	285.5	165.5
Goodwill	1,592.4	1,217.2
Intangible assets, net	259.8	126.5
Total assets	$ 3,090.9	$ 3,008.4
Liabilities and Stockholders' Deficit		
Current liabilities:		
Current maturities of long-term debt and capital lease obligations	$ 17.9	$ 45.2
Accounts payable	44.5	50.5
Accrued expenses and other current liabilities	253.0	198.0
Accrued payroll and payroll-related expenses	63.1	85.7
Short-term deferred revenues	122.1	169.0
Total current liabilities	500.6	548.4
Long-term debt and capital lease obligations	2,673.6	2,575.5
Long-term deferred revenues	68.6	110.4
Deferred income taxes	85.6	56.7
Other liabilities	62.1	64.7
Total liabilities	3,390.5	3,355.7
Stockholders' Deficit:		
Preferred stock	—	—
Common stock	1.6	1.6
Additional paid-in-capital	654.6	679.8
Retained earnings	933.6	753.0
Treasury stock, at cost	(1,909.6)	(1,810.7)
Accumulated other comprehensive income	5.1	11.5
Total CDK stockholders' deficit	(314.7)	(364.8)
Noncontrolling interest	15.1	17.5
Total stockholders' deficit	(299.6)	(347.3)

Total liabilities and stockholders' deficit	$ 3,090.9	$ 3,008.4

Effective July 1, 2018, the Company adopted ASC 606 using the modified retrospective approach. The comparative information has not been restated and continues to be reported under the accounting standards in effect for the period presented.

CDK Global, Inc.
Consolidated Statements of Cash Flows
(In millions)
(Unaudited)

	Three Months Ended September 30,	
	2018	2017
Cash Flows from Operating Activities:		
Net earnings	$ 92.3	$ 83.1
Adjustments to reconcile net earnings to cash flows provided by operating activities:		
Depreciation and amortization	19.7	19.5
Deferred income taxes	7.8	2.3
Stock-based compensation expense	3.3	8.1
Other	1.4	1.5
Changes in operating assets and liabilities, net of effect from acquisitions of businesses:		
Decrease (increase) in accounts receivable	12.2	(1.8)
Decrease in other assets	13.0	19.8
Decrease in accounts payable	(9.5)	(3.8)
Decrease in accrued expenses and other liabilities	(0.2)	(0.9)
Net cash flows provided by operating activities	140.0	127.8
Cash Flows from Investing Activities:		
Capital expenditures	(8.8)	(10.3)
Capitalized software	(10.1)	(9.6)
Acquisitions of businesses, net of cash acquired	(513.2)	—
Contributions to investments	(10.0)	—
Proceeds from investments	—	0.8
Net cash flows used in investing activities	(542.1)	(19.1)
Cash Flows from Financing Activities:		
Proceeds from long-term debt	860.0	—
Repayments of long-term debt and capital lease obligations	(792.3)	(11.6)
Dividends paid to stockholders	(19.3)	(19.7)
Repurchases of common stock	(114.1)	(14.6)
Proceeds from exercises of stock options	1.0	2.6
Withholding tax payments for stock-based compensation awards	(14.9)	(8.5)
Dividend payments to noncontrolling owners	(4.4)	—
Payments of deferred financing costs	(4.4)	(0.4)
Acquisition-related payments	(1.1)	(0.9)
Net cash flows used in financing activities	(89.5)	(53.1)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(3.5)	6.9
Net change in cash. cash equivalents and restricted cash	(495.1)	62.5
Cash, cash equivalents, and restricted cash, beginning of period	817.1	734.0

Cash, cash equivalents, and restricted cash, end of period	$ 322.0	$ 796.5

Effective July 1, 2018, the Company adopted ASC 606 using the modified retrospective approach. The comparative information has not been restated and continues to be reported under the accounting standards in effect for the period presented. Additionally, the company adopted ASU 2016-18 retrospectively during the first quarter of fiscal year 2019, and as a result included restricted cash with cash and cash equivalents when reconciling the beginning of the period and end of the period total amounts presented on the Condensed Consolidated Statements of Cash Flows. Prior year amounts have been reclassified to conform to current year presentation.

CDK Global, Inc.
Segment Financial Data
(In millions)
(Unaudited)

As described below under the Non-GAAP Financial Measures section of this press release, effective July 1, 2018, we began incorporating additional adjustments within our calculations of adjusted earnings before income taxes, where management has deemed it appropriate to better reflect our underlying operations. Segment information for the three months ended September 30, 2017 has been restated to conform to the new presentation. In the first quarter of fiscal 2019, the Company revised segment reporting to reclassify the assets and liabilities and operating results of the April 2018 acquisition of Progressus Media LLC to the RSNA segment. The results were previously reported in the ANA segment.

Effective July 1, 2018, the Company adopted ASC 606 using the modified retrospective approach. The tables below present fiscal 2019 for both ASC 606 and ASC605 basis. The comparative information has not been restated and continues to be reported under the accounting standards in effect for the period presented.

	Segment Revenues				
	Three Months Ended September 30,			Change ASC 605	
	2018		2017		
	ASC 606	ASC 605	ASC 605	$	%
CDK North America:					
Retail Solutions North America (a)	$ 410.1	$ 413.2	$ 401.6	$ 11.6	3%
Advertising North America (b)	65.8	65.9	79.8	(13.9)	(17)%
CDK International (c)	78.6	86.8	84.3	2.5	3%
Total	**$ 554.5**	**$ 565.9**	**$ 565.7**	**$ 0.2**	**—%**

	Segment Adjusted Earnings before Income Taxes				
	Three Months Ended September 30,			Change ASC 605	
	2018		2017		
	ASC 606	ASC 605	ASC 605	$	%
CDK North America:					
Retail Solutions North America (a)	$ 181.0	$ 179.4	$ 159.9	$ 19.5	12%
Margin	*44.1%*	*43.4%*	*39.8%*	*360 bps*	
Advertising North America (b)	6.8	6.9	11.4	(4.5)	(39)%
Margin	*10.3%*	*10.5%*	*14.3%*	*-380 bps*	
CDK International (c)	18.9	22.9	22.2	0.7	3%
Margin	*24.0%*	*26.4%*	*26.3%*	*10 bps*	
Other (d)	(46.6)	(46.6)	(39.4)	(7.2)	18%
Total	**$ 160.1**	**$ 162.6**	**$ 154.1**	**$ 8.5**	**6%**
Margin	*28.9%*	*28.7%*	*27.2%*	*150 bps*	

(a) The table below presents a reconciliation of revenues to constant currency revenues and earnings before income taxes to constant currency adjusted earnings before income taxes for the Retail Solutions North America (RSNA) segment.

Retail Solutions North America

	Three Months Ended September 30,			Change ASC 605	
	2018		2017		
	ASC 606	ASC 605		$	%
Revenues	**$ 410.1**	**$ 413.2**	**$ 401.6**	**$ 11.6**	**3%**
Impact of exchange rates	1.0	1.1	—		
Constant currency revenues (e)	$ 411.1	$ 414.3	$ 401.6	$ 12.7	3%
Earnings before income taxes	**$ 175.6**	**$ 174.0**	**$ 156.2**	**$ 17.8**	**11%**
Margin %	*42.8%*	*42.1%*	*38.9%*	*320 bps*	
Amortization of acquired intangible assets	2.4	2.4	2.2		
Acquisition and integration-related expenses	1.3	1.3	0.6		
Legal and regulatory expenses related to competition matters	1.7	1.7	0.9		
Adjusted earnings before income taxes	**$ 181.0**	**$ 179.4**	**$ 159.9**	**$ 19.5**	**12%**
Adjusted Margin %	*44.1%*	*43.4%*	*39.8%*	*360 bps*	
Impact of exchange rates	0.6	0.6	—		
Constant currency earnings before income taxes (e)	$ 181.6	$ 180.0	$ 159.9	$ 20.1	13%

(b) The table below presents a reconciliation of earnings before income taxes to adjusted earnings before income taxes for the Advertising North America (ANA) segment.

Advertising North America

	Three Months Ended September 30,			Change ASC 605	
	2018		2017		
	ASC 606	ASC 605		$	%
Revenues	**$ 65.8**	**$ 65.9**	**$ 79.8**	**$ (13.9)**	**(17)%**
Earnings before income taxes	**$ 6.2**	**$ 6.3**	**$ 10.6**	**$ (4.3)**	**(41)%**
Margin %	*9.4%*	*9.6%*	*13.3%*	*-370 bps*	
Amortization of acquired intangible assets	0.6	0.6	0.8		
Adjusted earnings before income taxes (e)	**$ 6.8**	**$ 6.9**	**$ 11.4**	**$ (4.5)**	**(39)%**
Adjusted margin %	*10.3%*	*10.5%*	*14.3%*	*-380 bps*	

(c) The table below presents a reconciliation of revenues to constant currency revenues and earnings before income taxes to constant currency adjusted earnings before income taxes for the CDK International (CDKI) segment.

CDK International

	Three Months Ended September 30,			Change ASC 605	
	2018		2017		
	ASC 606	ASC 605		$	%
Revenues	**$ 78.6**	**$ 86.8**	**$ 84.3**	**$ 2.5**	**3%**
Impact of exchange rates	0.9	1.1	—		
Constant currency revenues (e)	$ 79.5	$ 87.9	$ 84.3	$ 3.6	4%
Earnings before income taxes	**$ 18.8**	**$ 22.8**	**$ 21.4**	**$ 1.4**	**7%**
Margin %	*23.9%*	*26.3%*	*25.4%*	*90 bps*	
Amortization of acquired intangible assets	0.1	0.1	0.8		
Adjusted earnings before income taxes (e)	18.9	22.9	22.2	0.7	3%
Adjusted Margin %	*24.0%*	*26.4%*	*26.3%*	*10 bps*	
Impact of exchange rates	0.2	0.4	—		
Constant currency earnings before income taxes (e)	$ 19.1	$ 23.3	$ 22.2	$ 1.1	5%

(d) The table below presents a reconciliation of loss before income taxes to adjusted loss before income taxes for the Other segment. The adoption of ASC 606 had no impact on the Other segment.

Other	Three Months Ended September 30,		Change	
	2018	2017	$	%
Loss before income taxes	**$ (72.8)**	**$ (68.4)**	**$ (4.4)**	**6%**
Restructuring expenses	17.2	6.5		
Other business transformation expenses	5.2	15.2		
Total stock-based compensation	3.3	8.1		
Acquisition and integration-related expenses	0.5	—		
Tax matters indemnifications gain	—	(0.8)		
Adjusted loss before income taxes	**$ (46.6)**	**$ (39.4)**	**$ (7.2)**	**18%**

(e) Refer to the Non-GAAP Financial Measures section of this earnings release for additional information on our non-GAAP adjustments.

CDK Global, Inc.
Revenue Disaggregation
(In millions)
(Unaudited)

The following table presents segment revenues by revenue category for the three months ended September 30, 2018 on an ASC 606 basis:

	Three Months Ended September 30, 2018			
	Retail Solutions North America	Advertising North America	CDK International	Total
Revenue:				
Subscription	$ 334.3	$ —	$ 66.6	$ 400.9
On-site license and installation	1.4	—	8.0	9.4
Transaction	41.0	—	—	41.0
Advertising	—	65.8	—	65.8
Other	33.4	—	4.0	37.4
Total revenue	$ 410.1	$ 65.8	$ 78.6	$ 554.5

The following supplemental table presents segment revenues by revenue category for the three months ended September 30, 2018 and 2017 on an ASC 605 basis:

	ASC 605 Segment Revenues			
	Three Months Ended September 30,		Change	
	2018	2017	$	%
CDK North America:				
Retail Solutions North America:				
Subscription revenue	$ 335.4	$ 326.6	$ 8.8	3%
Transaction revenue	41.2	43.7	(2.5)	(6)%
Other revenue	36.6	31.3	5.3	17%
Total Retail Solutions North America	$ 413.2	$ 401.6	$ 11.6	3%
Advertising North America	65.9	79.8	(13.9)	(17)%
CDK International	86.8	84.3	2.5	3%
Total	**$ 565.9**	**$ 565.7**	**$ 0.2**	**—%**

CDK Global, Inc.
Consolidated Adjusted Financial Information
(In millions, except per share amounts)
(Unaudited)

As described below under the Non-GAAP Financial Measures section of this press release, effective July 1, 2018 and commencing with fiscal 2019 guidance, we will adjust for amortization of acquired intangible assets within our calculations of adjusted earnings before income taxes, adjusted provision for income taxes, adjusted net earnings attributable to CDK, and adjusted diluted net earnings attributable to CDK per share. Information for three months ended September 30, 2017 has been restated to conform to the new presentation.

Effective July 1, 2018, the Company adopted ASC 606 using the modified retrospective approach. The tables below present fiscal 2019 for both ASC 606 and ASC 605 basis. The comparative information has not been restated and continues to be reported under the accounting standards in effect for the period presented.

	Three Months Ended September 30,			ASC 605 Change	
	2018		2017		
	ASC 606	ASC 605	ASC 605	$	%
Revenues	**$ 554.5**	**$ 565.9**	**$ 565.7**	**$ 0.2**	**—%**
Impact of exchange rates	1.9	2.2	—		
Constant currency revenues (a)	$ 556.4	$ 568.1	$ 565.7	$ 2.4	—%
Earnings before income taxes	**$ 127.8**	**$ 130.3**	**$ 119.8**	**$ 10.5**	**9%**
Margin	*23.0%*	*23.0%*	*21.2%*	*180 bps*	
Restructuring expenses	17.2	17.2	6.5		
Other business transformation expenses	5.2	5.2	15.2		
Total stock-based compensation	3.3	3.3	8.1		
Amortization of acquired intangible assets	3.1	3.1	3.8		
Transaction and integration-related expenses	1.8	1.8	0.6		
Legal and regulatory expenses related to competition matters	1.7	1.7	0.9		
Tax matters indemnifications gain	—	—	(0.8)		
Adjusted earnings before income taxes (a)	**$ 160.1**	**$ 162.6**	**$ 154.1**	**8.5**	**6%**
Adjusted margin	*28.9%*	*28.7%*	*27.2%*	*150 bps*	
Impact of exchange rates	0.9	1.0	—		
Constant currency adjusted earnings before income taxes (a)	$ 161.0	$ 163.6	$ 154.1	$ 9.5	6%
Provision for income taxes	**$ 35.5**	**$ 36.2**	**$ 36.7**	**$ (0.5)**	**(1)%**
Effective tax rate	*27.8%*	*27.8%*	*30.6%*		
Income tax effect of pre-tax adjustments	7.4	7.4	12.5		
Excess tax benefit from stock-based compensation	1.9	1.9	3.5		
Impact of U.S tax reform	(3.4)	(3.4)	—		
Adjusted provision for income taxes (a)	**$ 41.4**	**$ 42.1**	**$ 52.7**	**$ (10.6)**	**(20)%**
Adjusted effective tax rate	*25.9%*	*25.9%*	*34.2%*		*—%*
Net earnings	**$ 92.3**	**$ 94.1**	**$ 83.1**	**$ 11.0**	**13%**
Less: net earnings attributable to noncontrolling interest	2.0	2.0	1.8		
Net earnings attributable to CDK	**90.3**	**92.1**	**81.3**	**10.8**	**13%**
Restructuring expenses (b)	17.1	17.1	6.4		
Other business transformation expenses	5.2	5.2	15.2		
Total stock-based compensation	3.3	3.3	8.1		
Amortization of acquired intangible assets (b)	3.0	3.0	3.7		
Transaction and integration-related expenses	1.8	1.8	0.6		
Legal and regulatory expenses related to competition matters	1.7	1.7	0.9		
Tax matters indemnifications gain	—	—	(0.8)		
Income tax benefit on pre-tax adjustments	(7.4)	(7.4)	(12.5)		
Excess tax benefit from stock-based compensation	(1.9)	(1.9)	(3.5)		

Impact of U.S tax reform	3.4	3.4	—		
Adjusted net earnings attributable to CDK (a)	**$ 116.5**	**$ 118.3**	**$ 99.4**	**$ 18.9**	**19%**
Diluted earnings attributable to CDK per share	**$ 0.69**	**$ 0.71**	**$ 0.57**	**$ 0.14**	**25%**
Restructuring expenses (b)	0.13	0.13	0.04		
Other business transformation expenses (b)	0.04	0.04	0.11		
Total stock-based compensation	0.03	0.03	0.06		
Amortization of acquired intangible assets	0.02	0.02	0.03		
Transaction and integration-related expenses	0.01	0.01	—		
Legal and regulatory expenses related to competition matters	0.01	0.01	0.01		
Tax matters indemnifications gain	—	—	(0.01)		
Income tax effect of pre-tax adjustments	(0.06)	(0.06)	(0.09)		
Excess tax benefit from stock-based compensation	(0.01)	(0.01)	(0.02)		
Impact of U.S tax reform	0.03	0.03	—		
Adjusted diluted earnings attributable to CDK per share (a)	**$ 0.89**	**$ 0.91**	**$ 0.70**	**$ 0.21**	**30%**
Weighted-average common shares outstanding:					
Diluted	**130.4**	**130.4**	**141.4**		

	Three Months Ended September 30, 2018		2017	ASC 605 Change	
	ASC 606	ASC 605		$	%
Net earnings attributable to CDK	**$ 90.3**	**$ 92.1**	**$ 81.3**	**$ 10.8**	**13%**
Margin	*16.3%*	*16.3%*	*14.4%*	*190 bps*	
Net earnings attributable to noncontrolling interest	2.0	2.0	1.8		
Provision for income taxes	35.5	36.2	36.7		
Interest expense	32.2	32.2	23.3		
Depreciation and amortization	19.7	19.7	19.5		
Total stock-based compensation	3.3	3.3	8.1		
Restructuring expenses	17.2	17.2	6.5		
Other business transformation expenses	5.2	5.2	15.1		
Acquisition and integration-related expenses	1.8	1.8	0.6		
Legal and regulatory expenses related to competition matters	1.7	1.7	0.9		
Tax matters indemnifications gain	—	—	(0.8)		
Adjusted EBITDA (a)	**$ 208.9**	**$ 211.4**	**$ 193.0**	**$ 18.4**	**10%**
Adjusted margin	*37.7%*	*37.4%*	*34.1%*	*330 bps*	

	Three Months Ended September 30, 2018	2017
Net cash flows provided by operating activities	$ 140.0	$ 127.8
Capital expenditures	(8.8)	(10.3)
Capitalized software	(10.1)	(9.6)
Change in restricted cash	3.5	—
Free cash flow (a)	**$ 124.6**	**$ 107.9**

(a) Refer to the Non-GAAP Financial Measures section of this earnings release for additional information on our non-GAAP adjustments.

(b) The portion of expense related to noncontrolling interest has been removed from restructuring expenses and amortization of acquired intangible assets for the three months ended September 30, 2018 and 2017.

CDK Global, Inc.
Consolidated Fiscal 2019 Guidance
(In millions, except per share amounts)
(Unaudited)

As described below under the Non-GAAP Financial Measures section of this press release, effective July 1, 2018 and commencing with fiscal 2019 guidance, we will adjust for amortization of acquired intangible assets within our calculations of adjusted earnings before income taxes, adjusted provision for income taxes, adjusted net earnings attributable to CDK, and adjusted diluted net earnings attributable to CDK per share. The table below includes these adjustments for fiscal 2018 for purposes of calculating and presenting the fiscal 2019 guidance.

	Fiscal 2018	Fiscal 2019 under ASC 606		Fiscal 2019 under ASC 605	
	Actuals	**Point Estimate (a)**	**Guidance**	**Point Estimate (a)**	**Guidance**
Revenues	**$ 2,273.2**	**$ 2,340.0**	$2,320 - 2,350	**$ 2,376.0**	$2,350 - 2,380
Earnings before income taxes	**$ 512.0**	**$ 509.0**		**$ 519.0**	
Restructuring expenses	20.9	35.0		35.0	
Other business transformation expenses	50.3	30.0		30.0	
Total stock-based compensation	35.7	26.0		26.0	
Amortization of acquired intangible assets	15.9	17.0		17.0	
Transaction and integration-related expenses	15.7	31.0		31.0	
Officer transition expense	0.6	5.0		5.0	
Legal and regulatory expenses related to competition matters	7.4	13.0		13.0	
Tax matters indemnification gain, net	(0.4)	—		—	
Adjusted earnings before income taxes (b)	**$ 658.1**	**$ 666.0**		**$ 676.0**	
Provision for income taxes	**$ 123.3**	**$ 136.0**		**$ 139.0**	
Effective tax rate	*24.1%*	*26.7%*	*26 - 27%*	*26.8%*	*26 - 27%*
Income tax effect of pre-tax adjustments	44.3	36.0		36.0	
Excess tax benefit from stock-based compensation	5.1	4.0		4.0	
Pre spin-off filed tax return adjustment	0.4	—		—	
Impact of U.S. tax reform act	18.5	(4.0)		(4.0)	
Adjusted provision for income taxes (b)	**$ 191.6**	**$ 172.0**		**$ 175.0**	
Adjusted effective tax rate	*29.1%*	*25.8%*	*25 - 26%*	*25.9%*	*25 - 26%*
Net earnings	**$ 388.7**	**$ 373.0**		**$ 380.0**	
Less: net earnings attributable to noncontrolling interest	7.9	10.0		10.0	
Net earnings attributable to CDK	**$ 380.8**	**$ 363.0**		**$ 370.0**	
Restructuring expenses	20.6	35.0		35.0	
Other business transformation expenses	50.0	30.0		30.0	
Total stock-based compensation	35.6	26.0		26.0	
Amortization of acquired intangible assets	15.7	17.0		17.0	
Transaction and integration-related expenses	15.7	31.0		31.0	
Officer transition expense	0.6	5.0		5.0	
Legal and regulatory expenses related to competition matters	7.4	13.0		13.0	

Tax matters indemnification gain, net	(0.4)	—		—	
Income tax effect of pre-tax adjustments	(44.3)	(36.0)		(36.0)	
Excess tax benefit from stock-based compensation	(5.1)	(4.0)		(4.0)	
Pre spin-off filed tax return adjustment	(0.4)	—		—	
Impact of U.S. tax reform act	(18.5)	4.0		4.0	
Adjusted net earnings attributable to CDK (b)	**$ 457.7**	**$ 484.0**		**$ 491.0**	
Diluted net earnings attributable to CDK per share	**$ 2.78**	**$ 2.85**	$2.85 - 2.95	**$ 2.90**	$2.90 - 3.00
Restructuring expenses	0.15	0.27		0.27	
Other business transformation expenses	0.37	0.24		0.24	
Total stock-based compensation	0.26	0.20		0.20	
Amortization of acquired intangible assets	0.12	0.13		0.13	
Transaction and integration-related expenses	0.12	0.24		0.24	
Officer transition expense	—	0.04		0.04	
Legal and regulatory expenses related to competition matters	0.05	0.10		0.10	
Tax matters indemnification gain, net	—	—		—	
Income tax effect of pre-tax adjustments	(0.32)	(0.27)		(0.27)	
Excess tax benefit from stock-based compensation	(0.04)	(0.03)		(0.03)	
Pre spin-off filed tax return adjustment	—	—		—	
Impact of U.S. tax reform act	(0.14)	0.03		0.03	
Adjusted diluted net earnings attributable to CDK per share (b)	**$ 3.35**	**$ 3.80**	$3.70 - 3.80	**$ 3.85**	$3.80 - 3.90

	Fiscal 2018	**Fiscal 2019 under ASC 606**		**Fiscal 2019 under ASC 605**	
	Actuals	**Point Estimate (a)**	**Guidance**	**Point Estimate (a)**	**Guidance**
Revenues	**$ 2,273.2**	**$ 2,340.0**	$2,320 - 2,350	**$ 2,376.0**	$2,350 - 2,380
Net earnings attributable to CDK	**$ 380.8**	**$ 363.0**	$340 - 370	**$ 370.0**	$350 - 380
Margin	*16.8%*	*15.5%*		*15.6%*	
Net earnings attributable to noncontrolling interest	7.9	10.0		10.0	
Provision for income taxes	123.3	136.0		139.0	
Interest expense	95.9	141.0		141.0	
Depreciation and amortization	79.1	100.0		100.0	
Total stock-based compensation	35.7	26.0		26.0	
Restructuring expenses	20.9	35.0		35.0	
Other business transformation expenses	50.1	30.0		30.0	
Transaction and integration-related expenses	15.7	31.0		31.0	
Officer transition expense	0.6	5.0		5.0	
Legal and regulatory expenses related to competition matters	7.4	13.0		13.0	
Tax matters indemnification gain, net	(0.4)	—		—	
Adjusted EBITDA (b)	**$ 817.0**	**$ 890.0**	$860 - 895	**$ 900.0**	$880 - 910
Adjusted margin	*35.9%*	*38.0%*		*37.9%*	

(a) The point estimates are arbitrary amounts within the guidance ranges provided and are not meant to represent CDK's forecast of actual results. They are used solely to provide a means to reconcile each non-GAAP guidance range to the most directly comparable GAAP measure in dollars and percentages, where applicable.

(b) Refer to the Non-GAAP Financial Measures section of this press release for additional information on our non-GAAP adjustments.

CDK Global, Inc.
Performance Metrics
(Unaudited)

CDK management regularly reviews the following key performance measures to evaluate business results and make operating and strategic decisions. These measures are intended to provide directional information regarding trends in our recurring subscription revenues. The following table summarizes these measures for recurring subscription revenues in our segments:

	September 30, 2017 (a)	December 31, 2017 (a)	March 31, 2018 (a)	June 30, 2018 (a)	September 30, 2018 (b)
RSNA					
Automotive					
DMS Customer Sites (c)	9,020	9,029	8,917	8,933	8,920
Avg Revenue Per Site (d)	$ 8,303	$ 8,424	$ 8,498	$ 8,607	$ 8,711
Adjacencies					
DMS Customer Sites (c)	5,523	5,577	5,613	5,624	5,613
Avg Revenue Per Site (d)	$ 1,602	$ 1,599	$ 1,620	$ 1,646	$ 1,648
Total RSNA					
DMS Customer Sites (c)	14,543	14,606	14,530	14,557	14,533
Avg Revenue Per Site (d)	$ 5,758	$ 5,818	$ 5,841	$ 5,918	$ 5,984
CDKI					
DMS Customer Sites (c)	13,496	13,559	13,537	13,274	13,187
Avg Revenue Per Site (d)	$ 1,310	$ 1,335	$ 1,356	$ 1,386	$ 1,418

(a) Average revenue per Dealer Management System (DMS) customer site has been updated for fiscal 2018 to reflect budgeted foreign exchange rates for fiscal 2019.

(b) DMS Customer Sites does not include the sites related to our September acquisition of ELEAD1ONE and Average Revenue per DMS Customer Site is on an ASC 605 basis as of September 30, 2018.

(c) DMS Customer Sites - We track the number of retail customer sites with an active DMS that sell vehicles in the automotive and adjacent markets as an indicator of our opportunity set for generating subscription revenue. We consider a DMS to be active if we have billed a subscription fee for that solution during the most recently ended calendar month. Adjacent markets include heavy truck dealerships that provide vehicles to the over-the-road trucking industry, recreation dealerships in the motorcycle, marine, and recreational vehicle industries, and heavy equipment dealerships in the agriculture and construction equipment industries.

(d) Average Revenue Per DMS Customer Site - Average revenue per DMS customer site is an indicator of the adoption of our solutions by DMS customers, and we monitor changes in this metric to measure the effectiveness of our strategy to deepen our relationships with our current customer base through upgrading and expanding solutions. We calculate average revenue per DMS customer site by dividing revenue generated from our solutions, including revenue generated from websites, in an applicable period by the average number of DMS customer sites in the same period. The metric excludes subscription revenue generated by customers not included in our DMS customer site count as well as subscription revenue related to certain installation and training activities that is deferred then recognized as revenue over the life of the contract. Revenue underlying this metric is based on budgeted foreign exchange rates. When we discuss growth in average revenue per DMS customer site, revenue for the comparable prior period has been adjusted to reflect budgeted foreign exchange rates for the current period.

Non-GAAP Financial Measures

We disclose certain financial measures for our consolidated and operating segment results 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.

Non-GAAP Financial Measure	Comparable GAAP Financial Measure
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 revenues	Revenues
Constant currency adjusted earnings before income taxes	Earnings before income taxes
Free cash flow	Net cash flows provided by operating activities

We use adjusted earnings before income taxes, adjusted provision for income taxes, adjusted net earnings attributable to CDK, adjusted diluted earnings attributable to CDK per share, adjusted EBITDA and adjusted EBITDA margin internally to evaluate our performance on a consistent basis, because the measures adjust for the impact of certain items that we believe do not directly reflect our underlying operations. By adjusting for these items we believe we have more precise inputs for use as factors in (i) our budgeting process, (ii) making financial and operational decisions, (iii) evaluating ongoing segment and overall operating performance on a consistent period-to-period basis and relative to our competitors, (iv) target leverage calculations, (v) debt covenant calculations, and (vi) determining incentive-based compensation.

We believe our non-GAAP financial measures are helpful to users of the financial statements because they (i) provide investors with meaningful supplemental information regarding financial performance by excluding certain items, (ii) permit investors to view performance using the same tools that management uses, and (iii) otherwise provide supplemental information that may be useful to investors in evaluating our ongoing operating results on a consistent basis. We believe that the presentation of these non-GAAP financial measures, when considered in addition to the corresponding GAAP financial measures and the reconciliations to those measures disclosed below, provides investors with a fuller understanding of the factors and trends affecting our business than could be obtained absent these disclosures.

Effective July 1, 2018, we began including amortization of acquired intangible assets within our calculations of adjusted earnings before income taxes, adjusted net earnings attributable to CDK, and adjusted diluted net earnings attributable to CDK per share. Amortization of acquired intangible assets represents non-cash expenses associated with acquisition activities that we expect to become more meaningful due to our evolving acquisition strategy. These expenses are inconsistent in amount and frequency and are significantly affected by the timing and size of our acquisitions. Therefore, we adjust for amortization of acquired intangible assets within our calculations of these measures because it does not directly reflect our underlying operations, and excluding such information provides us with a better understanding of our ongoing operating performance across periods.

Adjusted Earnings before Income Taxes

Management has excluded the following items from adjusted earnings before income taxes for the periods presented:

- Restructuring expenses recognized in connection with our business transformation plan.
- Other business transformation expenses included within cost of revenues and selling, general and administrative expenses.
- Amortization of acquired intangible assets consists of amortization of intangible assets such as customer lists, purchased software, and trademarks acquired in connection with business combinations.
- Total stock-based compensation expense included within cost of revenues and selling, general and administrative expenses.
- Transaction and integration-related expenses that include legal, accounting, outside services fees, and other costs incurred in connection with assessment and integration of acquisitions and other strategic business opportunities included within selling, general and administrative expenses.
- Officer transition expense includes severance expense in connection with officer departures, including fiscal 2019 CEO transition, reported within selling, general and administrative expenses for the periods presented.
- Legal and regulatory expenses related to competition matters included within selling, general and administrative expenses.
- Net loss/(gain) recorded within other income, net associated with an indemnification receivable from ADP for pre spin-off tax periods in accordance with tax matters agreement.

Adjusted Provision for Income taxes

Management has excluded the following items from adjusted provision for income taxes for the periods presented:

- Income tax effect of pre-tax adjustments described above.
- Excess tax benefit derived from stock-option exercises and vesting of restricted stock in order to align the adjustments for this measure with our adjustments for total stock-based compensation in other measures.
- Net income tax benefit associated with a tax refund, offset by a pretax loss to establish a liability to ADP for the tax refund in accordance with the tax-matters agreement.
- As a result of the Tax Reform Act, an estimated one-time tax expense of $3.4 million from a revaluation of deferred tax assets associated with executive compensation during the three months ended September 30, 2018.

Adjusted Net Earnings Attributable to CDK and Adjusted Diluted Net Earnings Attributable to CDK per Share

For each respective presentation, management has excluded the items described above for adjusted earnings before income taxes and adjusted provision for income taxes from adjusted net earnings attributable to CDK and adjusted basic and diluted net earnings attributable to CDK per share.

The portion of expense related to noncontrolling interest of $0.1 million has been removed from restructuring expenses and amortization of acquired intangible assets for both the three months ended September 30, 2018 and 2017, respectively.

Adjusted EBITDA

Management has excluded the following items from net earnings attributable to CDK in order to calculate adjusted EBITDA for the periods presented:

- Net earnings attributable to noncontrolling interest included within the financial statements for the periods presented.
- Provision for income taxes included within the financial statements for the periods presented.
- Interest expense included within the financial statements for the periods presented.
- Depreciation and amortization included within the financial statements for the periods presented.
- Total stock-based compensation expense included within cost of revenues and selling, general and administrative expenses.
- Restructuring expenses recognized in connection with our business transformation plan for the periods presented.
- Other business transformation expenses were included within cost of revenues and selling, general and administrative expenses and were incurred in connection with our business transformation plan for the fiscal year ended June 30, 2018 and 2017. Other business transformation expenses excluded $0.1 million of accelerated depreciation expense for the three months ended September 30, 2017.
- Transaction and integration-related expenses that include legal, accounting, outside services fees, and other costs incurred in connection with assessment and integration of acquisitions and other strategic business opportunities included within selling, general and administrative expenses.
- Officer transition expense includes severance expense in connection with officer departures, including fiscal 2019 CEO transition, reported within selling, general and administrative expenses for the periods presented.
- Legal and regulatory expenses related to competition matters included within selling, general and administrative expenses.
- Net loss/(gain) recorded within other income, net associated with an indemnification receivable from ADP for pre spin-off tax periods in accordance with tax matters agreement.

Free Cash Flow

We also review free cash flow to measure our ability to generate additional cash from our business operations. Free cash flow is defined as cash flow from operating activities less amounts paid for capital expenditures and capitalized software and change in restricted cash. Free cash flow should be considered in addition to, rather than as a substitute for consolidated net income as a measure of our performance and net cash provided by operating activities as a measure of our liquidity.

The change in restricted cash is funds held for clients before remittance to agencies for titling and registration services on behalf of those clients. We have added the change in restricted cash to the free cash flow definition due to the adoption of ASU 2016-18, Restricted Cash, in the first quarter of fiscal 2019. Funds held for clients was $9.2 million and $12.7 million as of September 30, 2018 and June 30, 2018, respectively, and $7.9 million and $7.9 million as of September 30, 2017 and June 30, 2017.

Constant Currency

We use constant currency revenues and constant currency adjusted earnings before income taxes to review revenues and adjusted earnings before income taxes for our consolidated and operating segment results on a constant currency basis to understand underlying business trends. To present these results on a constant currency basis, current period results for entities reporting in currencies other than the U.S. dollar were translated into U.S. dollar using the average foreign monthly exchange rates for the comparable prior period. As a result, constant currency results neutralize the effects of foreign currency.

Safe Harbor for Forward-Looking Statements

This press release 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: the Company’s business outlook and the Company’s forecasted GAAP and adjusted results for fiscal 2019; the Company’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: the Company’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 (including future interpretations, assumptions and regulatory guidance related to the Tax Cuts and Jobs Act); changes in technology, security breaches, interruptions, failures and other errors involving the Company’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 the Company’s credit ratings and the impact of such changes on financing costs, rates, terms, debt service obligations, access to capital market and working capital needs; the impact of the Company’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; the Company’s ability to timely and effectively implement its transformation plan; and the ability of the Company’s significant stockholders and their affiliates to significantly influence the Company’s decisions or cause it to incur significant costs.

There may be other factors that may cause the Company’s actual results, performance or achievements to differ materially from those expressed in, or implied by, the forward-looking statements. The Company 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 the Company’s reports filed with the Securities and Exchange Commission ("SEC"), including those discussed under "Part I, Item 1A. Risk Factors" in its 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 the Company’s actual results to differ from any forward-looking statements contained herein. These filings can be found on the Company’s website at www.cdkglobal.com and the SEC's website at www.sec.gov.

All forward-looking statements speak only as of the date of this press release even if subsequently made available by the Company on its website or otherwise. The Company disclaims any obligation to update or revise any forward-looking statements that may be made to reflect new information or future events or circumstances that arise after the date made or to reflect the occurrence of unanticipated events, other than as required by law.

Investor Relations Contact:
Katie Coleman
847.485.4650
katherine.coleman@cdk.com

Media Contact:
Roxanne Pipitone
847.485.4423
roxanne.pipitone@cdk.com

EXHIBIT 99.2

CDK Global Names Brian Krzanich President and Chief Executive Officer

Brian MacDonald Steps Down

HOFFMAN ESTATES, Ill, Nov. 07, 2018 -- CDK Global, Inc. (Nasdaq: CDK), a leading enabler of end-to-end automotive commerce, today announced that Brian Krzanich, 58, former chief executive officer of Intel, has joined CDK Global as president and chief executive officer (CEO) and a member of the Board of Directors (Board).[1] Krzanich succeeds Brian MacDonald who will assist in the transition.

“In evaluating the future of CDK, the Board and Brian MacDonald concluded that this is the right time to bring in a proven technology CEO to drive top-line growth and help CDK take full advantage of its many opportunities,” said Leslie Brun, chairman, Board, CDK Global. “We are thrilled to welcome Brian Krzanich to CDK. With 36 years of experience at Intel, Krzanich combines an exceptional track record of creating shareholder value with exactly the right combination of technology and strategic leadership experience to enable CDK to deliver on its enormous promise. The Board has full confidence that he has the talent and expertise necessary to lead CDK as it pursues a growth strategy.”

Krzanich served as Intel’s CEO from May 2013 to June 2018. As CEO, he led Intel’s corporate strategy and operations, including development of Intel’s business model and identifying emerging technologies. Krzanich joined Intel in 1982, became a corporate vice president in 2006, and served until 2010 as vice president and general manager of Assembly and Test. He was senior vice president and general manager of Manufacturing and Supply Chain from 2010 to 2012. He became executive vice president and chief operating officer in 2012, responsible for global manufacturing, supply chain, human resources, and information technology.

“CDK has a leadership position in a dynamic and rapidly evolving automotive technology market, and I am energized by the chance to help grow this unique company and take it to the next level,” said Krzanich. “The automotive industry is undergoing changes that will impact and present opportunities for dealers, OEMs, consumers and the technology ecosystem that serves them. I look forward to working closely with the CDK Board, management team and employees to enable CDK to meet its full potential to generate value for all of its stakeholders.”

Brun added, “On behalf of the entire Board, I want to thank Brian MacDonald for the superb progress he has made in transforming CDK operations and cost structure, which has created a solid foundation for future growth and shareholder value-creation.”

“I’m proud of the progress we’ve made at CDK and believe the company is ready to capitalize on the significant opportunities in front of it,” said MacDonald. “Over the past few years, we have met our transformation plan goals and strengthened our commitment to our core products, while significantly improving our ability to meet customer needs. With the recent acquisition of ELEAD1ONE, CDK has enhanced its core automotive software capabilities and is well positioned for future growth. I am committed to a seamless leadership transition, and I wish Brian and our entire team success.”

Mr. Krzanich and Mr. MacDonald will both participate in the CDK FY19 Q1 earnings call to be held today, Wednesday, November 7, 2018, at 8:30 a.m. ET.

[1] Effective following the filing of the CDK 10-Q post market close on November 7, 2018.

About CDK Global
With more than $2 billion in revenues, CDK Global (Nasdaq: CDK) is a leading global provider of integrated information technology and digital marketing solutions to the automotive retail and adjacent industries. Focused on enabling end-to-end automotive commerce, CDK Global provides solutions to dealers in more than 100 countries around the world, serving approximately 30,000 retail locations and most automotive manufacturers. CDK solutions automate and integrate all parts of the dealership and buying process from targeted digital advertising and marketing campaigns to the sale, financing, insuring, parts supply, repair, and maintenance of vehicles. Visit cdkglobal.com.

Safe Harbor for Forward-Looking Statements

This press release 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: the Company’s business and growth outlook; the Company’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: the Company’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 (including future interpretations, assumptions and regulatory guidance related to the Tax Cuts and Jobs Act); changes in technology, security breaches, interruptions, failures and other errors involving the Company’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 the Company’s credit ratings and the impact of such changes on financing costs, rates, terms, debt service obligations, access to capital market and working capital needs; the impact of the Company’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; the Company’s ability to timely and effectively implement its transformation plan; and the ability of the Company’s significant stockholders and their affiliates to significantly influence the Company’s decisions or cause it to incur significant costs.

There may be other factors that may cause the Company’s actual results, performance or achievements to differ materially from those expressed in, or implied by, the forward-looking statements. The Company 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 the Company’s reports filed with the SEC, including those discussed under "Part I, Item 1A. Risk Factors" in its 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 the Company’s actual results to differ from any forward-looking statements contained herein. These filings can be found on the Company’s website at www.cdkglobal.com and the SEC's website at www.sec.gov.

All forward-looking statements speak only as of the date of this press release even if subsequently made available by the Company on its website or otherwise. The Company disclaims any obligation to update or revise any forward-looking statements that may be made to reflect new information or future events or circumstances that arise after the date made or to reflect the occurrence of unanticipated events, other than as required by law.

Contacts:

Media Contact:
Roxanne Pipitone
847.485.4423
Roxanne.pipitone@cdk.com

or

Sard Verbinnen & Co
Jim Barron/Emily Claffey/TJ White
212.687.8080

Investor Relations Contact:
Katie Coleman
847.485.4650
katherine.coleman@cdk.com