
**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): April 26, 2018

CDK Global, Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

1-36486
(Commission File Number)

46-5743146
(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 April 26, 2018, CDK Global, Inc. (the “Company”) issued a press release announcing financial results for its fiscal 2018 third quarter, ended March 31, 2018, and forward-looking statements relating to forecasted GAAP and adjusted results for the Company’s fiscal year ending June 30, 2018 and an estimated post-tax reform normalized annual adjusted effective tax rate. A copy of the press release is attached to this Current Report on Form 8-K as Exhibit 99.1 and is incorporated by reference herein.

Exhibit 99.1 includes adjusted financial measures relating to the Company’s operations, liquidity, and forecasted and targeted outlook. Certain of these adjusted measures will be used in the Company’s fiscal 2018 third quarter, ended March 31, 2018, analyst conference call. In addition, Exhibit 99.1 includes reconciliations of the reported and forecasted adjusted measures to the comparable GAAP measures, as well as an explanation of how management uses these adjusted measures and the reasons why management views these measures as providing useful information for investors. These adjusted financial measures should be viewed in addition to, and not as an alternative to, financial results prepared in accordance with GAAP, and the financial results calculated in accordance with GAAP and reconciliations from the Company’s results should be carefully evaluated.

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, if it is expressly incorporated by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

**Exhibit
Number****Description**

[99.1](#) [Press Release issued by CDK Global, Inc. on April 26, 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: April 26, 2018

By: /s/ JENNIFER A. WILLIAMS
Jennifer A. Williams
Vice President, Corporate Controller and Chief
Accounting Officer

CDK Global Reports Third Quarter Fiscal 2018 Results

- Third quarter revenues rise 4%, 2% on a constant currency basis
- GAAP net earnings attributable to CDK margin expands 280 bps to 16.7%, adjusted EBITDA margin expands 400 bps to 36.5%
- GAAP earnings per share rise 34% to \$0.71, adjusted earnings per share rise 27% to \$0.85
- Lowers full year revenue guidance to 2.5% - 3.0% from 3.0% - 4.0%

HOFFMAN ESTATES, Ill., April 26, 2018 (GLOBE NEWSWIRE) – CDK Global, Inc. (Nasdaq:CDK) today announced financial results for its fiscal 2018 third quarter, ended March 31, 2018.

Third Quarter Fiscal 2018 Results

Year-over-year highlights are below:

<u>Third Quarter Fiscal 2018 Results</u>	<u>GAAP</u>	<u>Adjusted</u>
Revenues	up 4% to \$576.6 million	up 4% to \$576.6 million
Earnings before income taxes	up 22% to \$135.0 million	up 12% to \$166.8 million
Net earnings attributable to CDK	up 24% to \$96.1 million	up 17% to \$115.5 million
Diluted net earnings attributable to CDK per share	up 34% to \$0.71 per share	up 27% to \$0.85 per share
Margin	Net earnings attributable to CDK margin up 280 bps to 16.7%	EBITDA margin up 400 bps to 36.5%

"I'm pleased to report another quarter of margin expansion and double digit earnings growth," said Brian MacDonald, chief executive officer. "As we continue making progress towards our transformation goals and adjusted EBITDA margin targets, we are also making a number of investments into the business to drive our growth strategy. Those investments include ground-breaking innovations like our Drive Flex cloud-based DMS and the Fortellis Automotive Commerce Exchange. Both received strong interest from our customers at the recent National Automotive Dealer Association trade show. I'm very proud of the efforts of our CDK Global team who are listening carefully to our customers and delivering on our commitment to be the leading enabler of automotive commerce."

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, 2017, we began incorporating additional adjustments within our calculations of certain adjusted financial measures, including adjusted net earnings attributable to CDK, adjusted EBITDA and adjusted EBITDA margin. Each adjusted growth rate is shown against a comparably calculated fiscal 2017 figure.

Impacts to the Third Quarter:

- Foreign exchange rates: Growth in revenues and earnings before income taxes were both positively impacted by 2 percentage points by foreign exchange rates.
- Tax rate: The GAAP effective tax rate for the third quarter of fiscal 2018 was 27.6% compared to 28.6% in last year's third quarter. The adjusted effective tax rate for the third quarter of fiscal 2018 was 29.6% compared to 32.9% in last year's third quarter.

CDK Segment Information

CDK North America: Retail Solutions North America

- Revenues increased 1% to \$409.3 million.
- GAAP earnings before income taxes increased 7% to \$170.5 million; adjusted earnings before income taxes increased 15% to \$182.4 million. On a constant currency basis, earnings before income taxes increased 14%.
- GAAP pretax margin expanded 240 bps to 41.7%; adjusted pretax margin expanded 530 bps to 44.6%. Margin expansion was primarily driven by revenue and operating efficiencies associated with the business transformation plan as well as lower incentive compensation.

CDK North America: Advertising North America

- Revenues were roughly flat at \$74.2 million.
- Earnings before income taxes decreased 7% to \$9.5 million.
- Pretax margin declined 90 bps to 12.8% primarily due to a shift in revenue mix.

CDK International

- Revenues increased 21% to \$93.1 million. On a constant currency basis, revenues increased 8%.
- Earnings before income taxes increased 32% to \$26.3 million. On a constant currency basis, earnings before income taxes increased 21%.
- Pretax margin expanded 230 bps to 28.2% primarily due to scale from increased revenues and operating efficiencies associated with the business transformation plan.

Fiscal 2018 Guidance

<u>Fiscal 2018 Guidance</u>	<u>GAAP</u>	<u>Adjusted</u>
Revenues	up 2.5% - 3.0%	up 2.5% - 3.0%
Diluted net earnings attributable to CDK per share	\$2.67 - \$2.72 up 34.0% - 37.0%	\$3.23 - \$3.28 up 25.0% - 27.0%
Margin	Net earnings attributable to CDK margin 16.0% - 17.0%	EBITDA margin 35.5% - 36.0%

We are reducing our revenue guidance for the fiscal year to 2.5% - 3.0% from 3.0% - 4.0%, primarily due to lower expected advertising revenues. We have narrowed our GAAP earnings per share outlook for the fiscal year to \$2.67 - \$2.72 and maintained our adjusted earnings per share outlook of \$3.23 - \$3.28. We expect EBITDA margin to be 35.5% - 36.0% in fiscal 2018, consistent with prior guidance where we expected to be at the high end of the 35.0% - 36.0% range.

Tax Rate

We maintain our tax rate expectations for fiscal 2018. We anticipate our GAAP effective tax rate for fiscal 2018 will be 25%-26% compared to 30.5% for fiscal 2017. The adjusted effective tax rate for fiscal 2018 is expected to be 29.0%-30.0% compared to 34.2% for fiscal 2017. We continue to evaluate the full impact of the Tax Reform Act, and subject to finalization of our accounting for the Tax Reform Act, we anticipate our future annual adjusted effective tax rate will be approximately three to four points lower than 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 third quarter of fiscal 2018 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, Thursday, April 26, 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 28,000 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		Nine Months Ended	
	March 31,		March 31,	
	2018	2017	2018	2017
Revenues	\$ 576.6	\$ 556.3	\$ 1,704.0	\$ 1,654.8
Expenses:				
Cost of revenues	295.0	307.7	893.5	926.0
Selling, general and administrative expenses	121.7	117.4	357.6	342.0
Restructuring expenses	2.5	6.9	16.6	10.3
Total expenses	419.2	432.0	1,267.7	1,278.3
Operating earnings	157.4	124.3	436.3	376.5
Interest expense	(24.1)	(15.1)	(70.6)	(38.1)
Other income, net	1.7	1.2	9.4	2.8

Earnings before income taxes	135.0	110.4	375.1	341.2
Provision for income taxes	(37.2)	(31.6)	(88.0)	(99.6)
Net earnings	97.8	78.8	287.1	241.6
Less: net earnings attributable to noncontrolling interest	1.7	1.5	5.7	4.7
Net earnings attributable to CDK	\$ 96.1	\$ 77.3	\$ 281.4	\$ 236.9
Net earnings attributable to CDK per common share:				
Basic	\$ 0.71	\$ 0.53	\$ 2.05	\$ 1.60
Diluted	\$ 0.71	\$ 0.53	\$ 2.03	\$ 1.59
Weighted-average common shares outstanding:				
Basic	134.6	145.2	137.2	148.1
Diluted	135.8	146.5	138.5	149.3

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

	March 31, 2018	June 30, 2017
Assets		
Current assets:		
Cash and cash equivalents	\$ 461.4	\$ 726.1
Accounts receivable, net of allowances	395.8	372.1
Other current assets	188.6	180.6
Total current assets	1,045.8	1,278.8
Property, plant and equipment, net	137.3	135.0
Other assets	171.9	184.1
Goodwill	1,226.8	1,181.2
Intangible assets, net	116.1	104.0
Total assets	\$ 2,697.9	\$ 2,883.1
Liabilities and Deficit		
Current liabilities:		
Current maturities of long-term debt and capital lease obligations	\$ 45.5	\$ 46.5
Accounts payable	25.0	38.9
Accrued expenses and other current liabilities	246.3	188.7
Accrued payroll and payroll-related expenses	82.1	106.2
Short-term deferred revenues	181.8	172.3
Total current liabilities	580.7	552.6
Long-term debt and capital lease obligations	2,093.4	2,125.2
Long-term deferred revenues	117.6	136.1

Deferred income taxes	56.3	65.9
Other liabilities	66.9	60.1
Total liabilities	<u>2,914.9</u>	<u>2,939.9</u>
Deficit:		
Preferred stock	—	—
Common stock	1.6	1.6
Additional paid-in-capital	674.0	608.6
Retained earnings	673.4	452.7
Treasury stock, at cost	(1,626.9)	(1,144.7)
Accumulated other comprehensive income	45.6	8.0
Total CDK stockholders' deficit	<u>(232.3)</u>	<u>(73.8)</u>
Noncontrolling interest	15.3	17.0
Total deficit	<u>(217.0)</u>	<u>(56.8)</u>
Total liabilities and deficit	<u>\$ 2,697.9</u>	<u>\$ 2,883.1</u>

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

	Nine Months Ended	
	March 31,	
	2018	2017
Cash Flows from Operating Activities:		
Net earnings	\$ 287.1	\$ 241.6
Adjustments to reconcile net earnings to cash flows provided by operating activities:		
Depreciation and amortization	58.6	52.0
Deferred income taxes	(8.8)	0.3
Stock-based compensation expense	27.9	32.3
Other	2.7	3.2
Changes in operating assets and liabilities, net of effect from acquisitions of businesses:		
Increase in accounts receivable	(20.1)	(42.8)
Decrease (increase) in other assets	5.8	(4.5)
(Decrease) increase in accounts payable	(13.6)	1.4
Increase in accrued expenses and other liabilities	2.9	3.7
Net cash flows provided by operating activities	<u>342.5</u>	<u>287.2</u>
Cash Flows from Investing Activities:		
Capital expenditures	(36.9)	(47.0)
Proceeds from sale of property, plant and equipment	—	0.5
Capitalized software	(27.3)	(22.9)
Acquisitions of businesses, net of cash acquired	(12.8)	—
Contributions to investments	—	(2.1)
Proceeds from investments	0.8	4.0
Net cash flows used in investing activities	<u>(76.2)</u>	<u>(67.5)</u>
Cash Flows from Financing Activities:		
Proceeds from long-term debt	—	400.0

Repayments of long-term debt and capital lease obligations	(34.8)	(25.2)
Dividends paid to stockholders	(60.4)	(61.0)
Repurchases of common stock	(438.3)	(350.0)
Proceeds from exercises of stock options	8.2	12.1
Withholding tax payments for stock-based compensation awards	(10.3)	(12.0)
Dividend payments to noncontrolling owners	(7.4)	(3.0)
Payments of deferred financing costs	(0.4)	(2.1)
Acquisition-related payments	(3.0)	(7.2)
Net cash flows used in financing activities	<u>(546.4)</u>	<u>(48.4)</u>
Effect of exchange rate changes on cash and cash equivalents	15.4	(5.2)
Net change in cash and cash equivalents	(264.7)	166.1
Cash and cash equivalents, beginning of period	726.1	219.1
Cash and cash equivalents, end of period	<u>\$ 461.4</u>	<u>\$ 385.2</u>

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, 2017, 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 and nine months ended March 31, 2017 has been restated to conform to the new presentation.

During the three months ended March 31, 2018, the Company became aware that certain transaction revenues should have been presented net of costs incurred on the condensed consolidated statement of operations. The Company assessed the materiality and concluded that the impact was not material to previously reported results of operations and had no impact on net earnings. During the three months ended March 31, 2018, the Company took corrective action to present the impacted transaction revenue as net of costs incurred on a prospective basis.

	Segment Revenues							
	<u>Three Months Ended</u>				<u>Nine Months Ended</u>			
	March 31,		Change		March 31,		Change	
	2018	2017	\$	%	2018	2017	\$	%
CDK North America:								
Retail Solutions North America:								
Subscription revenue	\$ 326.0	\$ 312.2	\$ 13.8	4%	\$ 979.0	\$ 941.9	\$ 37.1	4%
Transaction revenue	39.0	43.6	(4.6)	(11)%	121.8	133.2	(11.4)	(9)%
Other revenue	44.3	49.1	(4.8)	(10)%	108.2	119.0	(10.8)	(9)%
Total Retail Solutions North America (a)	\$ 409.3	\$ 404.9	\$ 4.4	1%	\$ 1,209.0	\$ 1,194.1	\$ 14.9	1%
Advertising North America (b)	74.2	74.5	(0.3)	—%	230.8	230.1	0.7	—%
CDK International (c)	93.1	76.9	16.2	21%	264.2	230.6	33.6	15%
Total	\$ 576.6	\$ 556.3	\$ 20.3	4%	\$ 1,704.0	\$ 1,654.8	\$ 49.2	3%

	Segment Adjusted Earnings before Income Taxes							
	<u>Three Months Ended</u>				<u>Nine Months Ended</u>			
	March 31,		Change		March 31,		Change	
	2018	2017	\$	%	2018	2017	\$	%

CDK North America:								
Retail Solutions North America (a)	\$ 182.4	\$ 159.2	23.2	15%	\$ 507.6	\$ 447.0	\$ 60.6	14%
<i>Margin</i>	44.6%	39.3%	530 bps		42.0%	37.4%	460 bps	
Advertising North America (b)	9.5	10.2	(0.7)	(7)%	29.5	31.5	(2.0)	(6)%
<i>Margin</i>	12.8%	13.7%	-90 bps		12.8%	13.7%	-90 bps	
CDK International (c)	26.3	19.9	6.4	32%	70.3	55.1	15.2	28%
<i>Margin</i>	28.2%	25.9%	230 bps		26.6%	23.9%	270 bps	
Other (d)	(51.4)	(40.6)	(10.8)	(27)%	(128.9)	(90.6)	(38.3)	(42)%
Total	\$ 166.8	\$ 148.7	\$ 18.1	12%	\$ 478.5	\$ 443.0	\$ 35.5	8%
<i>Margin</i>	28.9%	26.7%	220 bps		28.1%	26.8%	130 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				Nine Months Ended			
	March 31,		Change		March 31,		Change	
	2018	2017	\$	%	2018	2017	\$	%
Revenues	\$409.3	\$404.9	\$ 4.4	1%	\$1,209.0	\$1,194.1	\$14.9	1%
Impact of exchange rates	(1.2)	—			(3.5)	—		
Constant currency revenues (e)	\$408.1	\$404.9	\$ 3.2	1%	\$1,205.5	\$1,194.1	\$11.4	1%
Earnings before income taxes	\$170.5	\$159.2	\$11.3	7%	\$ 489.0	\$ 447.0	\$42.0	9%
<i>Margin %</i>	41.7%	39.3%	240 bps		40.4%	37.4%	300 bps	
Acquisition and integration-related expenses	9.5	—			13.2	—		
Legal and regulatory expenses related to competition matters	2.4	—			5.4	—		
Adjusted earnings before income taxes	\$182.4	\$159.2	\$23.2	15%	\$ 507.6	\$ 447.0	\$60.6	14%
<i>Margin %</i>	44.6%	39.3%	530 bps		42.0%	37.4%	460 bps	
Impact of exchange rates	(0.7)	—			(1.8)	—		
Constant currency earnings before income taxes (e)	\$181.7	\$159.2	\$22.5	14%	\$ 505.8	\$ 447.0	\$58.8	13%

(b) There are no non-GAAP adjustments to revenues and earnings before income taxes for the Advertising North America (ANA) segment including constant currency.

(c) There are no non-GAAP adjustments to revenues and earnings before income taxes for the CDK International (CDKI) segment. The table below presents a reconciliation of revenues to constant currency revenues and earnings before income taxes to constant currency earnings before income taxes for the CDKI segment.

CDK International	Three Months Ended				Nine Months Ended			
	March 31,		Change		March 31,		Change	
	2018	2017	\$	%	2018	2017	\$	%
Revenues	\$ 93.1	\$ 76.9	\$ 16.2	21%	\$264.2	\$230.6	\$ 33.6	15%
Impact of exchange rates	(9.8)	—			(17.0)	—		
Constant currency revenues (e)	\$ 83.3	\$ 76.9	\$ 6.4	8%	\$247.2	\$230.6	\$ 16.6	7%
Earnings before income taxes	\$ 26.3	\$ 19.9	\$ 6.4	32%	\$ 70.3	\$ 55.1	\$ 15.2	28%
<i>Margin %</i>	28.2%	25.9%	230 bps		26.6%	23.9%	270 bps	
Impact of exchange rates	(2.3)	—			(4.0)	—		

Constant currency earnings before income taxes (e)	\$ 24.0	\$ 19.9	\$ 4.1	21%	\$ 66.3	\$ 55.1	\$ 11.2	20%
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(d) The table below presents a reconciliation of loss before income taxes to constant currency adjusted loss before income taxes for the Other segment.

Other	Three Months Ended				Nine Months Ended			
	March 31,		Change		March 31,		Change	
	2018	2017	\$	%	2018	2017	\$	%
Loss before income taxes	\$ (71.3)	\$ (78.9)	\$ 7.6	10%	\$ (213.7)	\$ (192.4)	\$ (21.3)	(11)%
Restructuring expenses	2.5	6.9			16.6	10.3		
Other business transformation expenses	10.5	19.6			40.1	59.2		
Total stock-based compensation	6.9	11.8			27.9	32.3		
Officer transition expense	—	—			0.6	—		
Tax matters indemnifications loss (gain)	—	—			(0.4)	—		
Adjusted loss before income taxes	\$ (51.4)	\$ (40.6)	\$ (10.8)	(27)%	\$ (128.9)	\$ (90.6)	\$ (38.3)	(42)%
Impact of exchange rates	(0.5)	—			(0.9)	—		
Constant currency adjusted loss before income taxes (e)	\$ (51.9)	\$ (40.6)	\$ (11.3)	(28)%	\$ (129.8)	\$ (90.6)	\$ (39.2)	(43)%

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

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, 2017, we began incorporating additional adjustments within our calculations of adjusted earnings before income taxes, adjusted provision for income taxes, adjusted net earnings attributable to CDK, adjusted diluted net earnings attributable to CDK per share, adjusted EBITDA, and adjusted EBITDA margin where management has deemed it appropriate to better reflect our underlying operations. Information for the three and nine months ended March 31, 2017 has been restated to conform to the new presentation.

	Three Months Ended				Nine Months Ended			
	March 31,		Change		March 31,		Change	
	2018	2017	\$	%	2018	2017	\$	%
Revenues	\$ 576.6	\$ 556.3	\$ 20.3	4%	\$ 1,704.0	\$ 1,654.8	\$ 49.2	3%
Impact of exchange rates	(11.0)	—			(20.5)	—		
Constant currency revenues (a)	\$ 565.6	\$ 556.3	\$ 9.3	2%	\$ 1,683.5	\$ 1,654.8	\$ 28.7	2%
Earnings before income taxes	\$ 135.0	\$ 110.4	\$ 24.6	22%	\$ 375.1	\$ 341.2	\$ 33.9	10%
<i>Margin</i>	<i>23.4%</i>	<i>19.8%</i>	<i>360 bps</i>		<i>22.0%</i>	<i>20.6%</i>	<i>140 bps</i>	
Restructuring expenses	2.5	6.9			16.6	10.3		
Other business transformation expenses (b)	10.5	19.6			40.1	59.2		
Total stock-based compensation	6.9	11.8			27.9	32.3		
Acquisition and integration-related expenses	9.5	—			13.2	—		
Officer transition expense	—	—			0.6	—		
Legal and regulatory expenses related to competition matters	2.4	—			5.4	—		
Tax matters indemnifications loss/(gain), net	—	—			(0.4)	—		

Adjusted earnings before income taxes (a)	\$ 166.8	\$ 148.7	18.1	12%	\$ 478.5	\$ 443.0	\$ 35.5	8%
<i>Adjusted margin</i>	28.9%	26.7%	220 bps		28.1%	26.8%	130 bps	
Impact of exchange rates	(3.5)	—			(6.7)	—		
Constant currency adjusted earnings before income taxes (a)	\$ 163.3	\$ 148.7	\$ 14.6	10%	\$ 471.8	\$ 443.0	\$ 28.8	7%
Provision for income taxes	\$ 37.2	\$ 31.6	\$ 5.6	18%	\$ 88.0	\$ 99.6	\$ (11.6)	(12)%
<i>Effective tax rate</i>	27.6%	28.6%			23.5%	29.2%		
Income tax effect of pre-tax adjustments	9.9	13.9			31.9	37.0		
Excess tax benefit from stock-based compensation	1.4	3.4			5.0	12.1		
Pre spin-off filed tax return adjustment	—	—			0.4	—		
Impact of U.S. tax reform act	0.8	—			14.9	—		
Adjusted provision for income taxes (a)	\$ 49.3	\$ 48.9	\$ 0.4	1%	\$ 140.2	\$ 148.7	\$ (8.5)	(6)%
<i>Adjusted effective tax rate</i>	29.6%	32.9%			29.3%	33.6%		
Net earnings	\$ 97.8	\$ 78.8	\$ 19.0	24%	\$ 287.1	\$ 241.6	\$ 45.5	19%
Less: net earnings attributable to noncontrolling interest	1.7	1.5			5.7	4.7		
Net earnings attributable to CDK	96.1	77.3	18.8	24%	281.4	236.9	44.5	19%
Restructuring expenses (c)	2.4	6.9			16.3	10.3		
Other business transformation expenses (b) (c)	10.4	19.6			39.9	59.2		
Total stock-based compensation (c)	6.8	11.8			27.8	32.3		
Acquisition and integration-related expenses	9.5	—			13.2	—		
Officer transition expense	—	—			0.6	—		
Legal and regulatory expenses related to competition matters	2.4	—			5.4	—		
Tax matters indemnifications loss/(gain), net	—	—			(0.4)	—		
Income tax benefit on pre-tax adjustments	(9.9)	(13.9)			(31.9)	(37.0)		
Excess tax benefit from stock-based compensation	(1.4)	(3.4)			(5.0)	(12.1)		
Pre spin-off filed tax return adjustment	—	—			(0.4)	—		
Impact of U.S. tax reform act	(0.8)	—			(14.9)	—		
Adjusted net earnings attributable to CDK (a)	\$ 115.5	\$ 98.3	\$ 17.2	17%	\$ 332.0	\$ 289.6	\$ 42.4	15%
Diluted earnings attributable to CDK per share	\$ 0.71	\$ 0.53	\$ 0.18	34%	\$ 2.03	\$ 1.59	\$ 0.44	28%
Restructuring expenses (c)	0.02	0.05			0.12	0.07		
Other business transformation expenses (b) (c)	0.08	0.13			0.29	0.40		
Total stock-based compensation (c)	0.05	0.08			0.20	0.21		
Acquisition and integration-related expenses	0.07	—			0.10	—		
Officer transition expense	—	—			—	—		
Legal and regulatory expenses related to competition matters	0.01	—			0.04	—		
Tax matters indemnifications loss/(gain), net	—	—			—	—		
Income tax effect of pre-tax adjustments	(0.07)	(0.10)			(0.23)	(0.25)		

Excess tax benefit from stock-based compensation	(0.01)	(0.02)			(0.04)	(0.08)		
Pre spin-off filed tax return adjustment	—	—			—	—		
Impact of U.S. tax reform act	(0.01)	—			(0.11)	—		
Adjusted diluted earnings attributable to CDK per share	\$ 0.85	\$ 0.67	\$0.18	27%	\$ 2.40	\$ 1.94	\$ 0.46	24%

Weighted-average common shares outstanding:

Diluted	135.8	146.5			138.5	149.3		
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	Three Months Ended		Change		Nine Months Ended			
	March 31,		Change		March 31,		Change	
	2018	2017	\$	%	2018	2017	\$	%
Net earnings attributable to CDK	\$ 96.1	\$ 77.3	\$ 18.8	24%	\$ 281.4	\$ 236.9	\$ 44.5	19%
<i>Margin</i>	16.7%	13.9%	280 bps		16.5%	14.3%	220 bps	
Net earnings attributable to noncontrolling interest	1.7	1.5			5.7	4.7		
Provision for income taxes	37.2	31.6			88.0	99.6		
Interest expense	24.1	15.1			70.6	38.1		
Depreciation and amortization	19.6	17.6			58.6	52.0		
Total stock-based compensation	6.9	11.8			27.9	32.3		
Restructuring expenses	2.5	6.9			16.6	10.3		
Other business transformation expenses	10.4	18.9			39.9	56.9		
Acquisition and integration-related expenses	9.5	—			13.2	—		
Officer transition expense	—	—			0.6	—		
Legal and regulatory expenses related to competition matters	2.4	—			5.4	—		
Tax matters indemnifications loss/(gain), net	—	—			(0.4)	—		
Adjusted EBITDA (a)	\$ 210.4	\$ 180.7	\$ 29.7	16%	\$ 607.5	\$ 530.8	\$ 76.7	14%
<i>Adjusted margin</i>	36.5%	32.5%	400 bps		35.7%	32.1%	360 bps	

	Nine Months Ended	
	March 31,	
	2018	2017
Net cash flows provided by operating activities	\$ 342.5	\$ 287.2
Capital expenditures	(36.9)	(47.0)
Capitalized software	(27.3)	(22.9)
Free cash flow (a)	\$ 278.3	\$ 217.3

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

(b) Stock-based compensation expense has been removed from business transformation expense for the three and nine months ended March 31, 2017. Refer to the Non-GAAP Financial Measures section of this press release for additional information on changes to our non-GAAP adjustments.

(c) The portion of expense related to noncontrolling interest has been removed from restructuring expenses, business transformation expense, and stock-based compensation for the three and nine months ended March 31, 2018.

CDK Global, Inc.

Consolidated Fiscal 2018 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, 2017, we began incorporating additional adjustments within our calculations of adjusted earnings before income taxes, adjusted provision for income taxes, adjusted net earnings attributable to CDK, adjusted diluted net earnings attributable to CDK per share, adjusted EBITDA and adjusted EBITDA margin where management has deemed it appropriate to better reflect our underlying operations. The table below includes these adjustments for fiscal 2017 for purposes of calculating and presenting the fiscal 2018 guidance.

	Fiscal 2017	Fiscal 2018	
	Actuals	Point Estimate (a)	Guidance Increase 2.5 - 3%
Revenues	\$ 2,220.2	\$ 2,280.0	
Earnings before income taxes	\$ 435.3	\$ 502.0	
Restructuring expenses	18.4	26.0	
Other business transformation expenses (b)	78.1	51.0	
Total stock-based compensation	55.4	37.0	
Acquisition and integration-related expenses	0.7	17.0	
Officer transition expense (b)	0.7	1.0	
Legal and regulatory expenses related to competition matters	—	6.0	
Tax matters indemnifications gain	—	(1.0)	
Adjusted earnings before income taxes (c)	\$ 588.6	\$ 639.0	
Provision for income taxes	\$ 132.8	\$ 127.0	
<i>Effective tax rate</i>	30.5%	25.3%	25 - 26%
Income tax effect of pre-tax adjustments	55.5	40.0	
Excess tax benefit from stock-based compensation	13.1	5.0	
Pre spin-off filed tax return adjustment	—	1.0	
Impact of U.S tax reform act	—	15.0	
Adjusted provision for income taxes (c)	\$ 201.4	\$ 188.0	
<i>Adjusted effective tax rate</i>	34.2%	29.4%	29 - 30%
Net earnings	\$ 302.5	\$ 375.0	
Less: net earnings attributable to noncontrolling interest	6.9	8.0	
Net earnings attributable to CDK	\$ 295.6	\$ 367.0	
Restructuring expenses	18.4	26.0	
Other business transformation expenses (b)	78.1	51.0	
Total stock-based compensation	55.4	37.0	
Acquisition and integration-related expenses	0.7	17.0	
Officer transition expense (b)	0.7	1.0	
Legal and regulatory expenses related to competition matters	—	6.0	
Tax matters indemnifications gain	—	(1.0)	
Income tax effect of pre-tax adjustments	(55.5)	(40.0)	
Excess tax benefit from stock-based compensation	(13.1)	(5.0)	
Pre spin-off filed tax return adjustment	—	(1.0)	
Impact of U.S tax reform act	—	(15.0)	
Adjusted net earnings attributable to CDK (c)	\$ 380.3	\$ 443.0	
Diluted net earnings attributable to CDK per common share	\$ 1.99	\$ 2.68	\$2.67 - 2.72

Growth %			Increase 34 - 37%
Restructuring expenses	0.12	0.19	
Other business transformation expenses (b)	0.54	0.37	
Total stock-based compensation	0.37	0.27	
Acquisition and integration-related expenses	—	0.13	
Officer transition expense (b)	—	0.01	
Legal and regulatory expenses related to competition matters	—	0.05	
Tax matters indemnifications gain	—	(0.01)	
Income tax effect of pre-tax adjustments	(0.37)	(0.29)	
Excess tax benefit from stock-based compensation	(0.08)	(0.04)	
Pre spin-off filed tax return adjustment	—	(0.01)	
Impact of U.S tax reform act	—	(0.11)	
Adjusted diluted net earnings attributable to CDK per common share (c)	\$ 2.57	\$ 3.24	\$3.23 - 3.28 Increase 25 - 27%
Growth %			

	Fiscal 2017		Fiscal 2018	
			Full Year	
	Actuals	Full Year Point Estimate (a)	Guidance	
Revenues	\$ 2,220.2	\$ 2,280.0		
Net earnings attributable to CDK	\$ 295.6	\$ 367.0	Increase 24 - 27 %	
<i>Margin</i>	13.3%	16.1%	16% - 17%	
Net earnings attributable to noncontrolling interest	6.9	8.0		
Provision for income taxes	132.8	127.0		
Interest expense	57.2	99.0		
Depreciation and amortization	70.3	79.0		
Total stock-based compensation	55.4	37.0		
Restructuring expenses	18.4	26.0		
Other business transformation expenses	75.6	51.0		
Acquisition and integration-related expenses	0.7	17.0		
Officer transition expense	0.7	1.0		
Legal and regulatory expenses related to competition matters	—	6.0		
Tax matters indemnifications gain	—	(1.0)		
Adjusted EBITDA (c)	\$ 713.6	\$ 817.0	Increase 13 - 16 %	
<i>Adjusted margin</i>	32.1%	35.8%	35.5% - 36%	

(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) Stock-based compensation expense has been removed from business transformation expense and officer transition expense. Refer to the Non-GAAP Financial Measures section of this press release for additional information on changes to our non-GAAP adjustments.

(c) 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, 2016 (a)	December 31, 2016 (a)	March 31, 2017 (a)	June 30, 2017 (a)	September 30, 2017	December 31, 2017	March 31, 2018
RSNA							
<i>Automotive</i>							
DMS Customer Sites (b)	9,232	9,184	9,157	9,081	9,020	9,029	8,917
Avg Revenue Per Site (c)	\$ 7,803	\$ 7,875	\$ 7,975	\$ 8,070	\$ 8,285	\$ 8,410	\$ 8,483
<i>Adjacencies</i>							
DMS Customer Sites (b)	5,380	5,415	5,523	5,530	5,523	5,577	5,613
Avg Revenue Per Site (c)	\$ 1,556	\$ 1,569	\$ 1,575	\$ 1,578	\$ 1,602	\$ 1,600	\$ 1,619
<i>Total RSNA</i>							
DMS Customer Sites (b)	14,612	14,599	14,680	14,611	14,543	14,606	14,530
Avg Revenue Per Site (c)	\$ 5,507	\$ 5,538	\$ 5,570	\$ 5,616	\$ 5,750	\$ 5,814	\$ 5,836
Total Websites (d)	6,625	6,789	6,931	6,879	6,858	6,817	6,801
CDKI							
DMS Customer Sites (b)	13,373	13,424	13,419	13,477	13,496	13,559	13,537
Avg Revenue Per Site (c)	\$ 1,181	\$ 1,199	\$ 1,226	\$ 1,249	\$ 1,266	\$ 1,290	\$ 1,310

(a) Average revenue per Dealer Management System (DMS) customer site has been updated for fiscal 2017 to reflect budgeted foreign exchange rates for fiscal 2018.

(b) 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.

(c) 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.

(d) Websites - For the RSNA segment, we track the number of websites that we host and develop for our OEM and automotive retail customers as an indicator of business activity, regardless of whether or not the website is tied to a DMS customer site. The number of websites as of a specified date is the total number of full function dealer websites or portals that are currently accessible as of the end of the most recent calendar month.

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

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, (iv) target leverage calculations, (v) debt covenant calculations, and (vi) determining incentive-based compensation.

We believe our non-GAAP financial measures are useful for 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 together with 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, 2017, we began incorporating additional adjustments within our calculations of adjusted earnings before income taxes, adjusted provision for income taxes, adjusted net earnings attributable to CDK, adjusted diluted net earnings attributable to CDK per share, adjusted EBITDA, and adjusted EBITDA margin where management has deemed it appropriate to better reflect our underlying operations. For fiscal 2018, management modified fiscal year ended June 30, 2017 adjustments for (i) business transformation expenses and (ii) officer transition expense to remove stock-based compensation expense of \$2.5 million and \$3.1 million, respectively and excluded certain legal and regulatory expenses related to the competition matter from adjusted earnings before income taxes. There was \$1.7 million stock-based compensation expense included in business transformation expenses for the three and nine months ended March 31, 2017.

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.
- Total stock-based compensation expense included within cost of revenues and selling, general and administrative expenses.
- Acquisition and integration-related expenses that include legal, accounting, other professional fees, and other integration costs incurred in connection with assessment and integration of acquisitions included within selling, general and administrative expenses.
- Officer transition expense includes severance expense in connection with officer departures included 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 benefit of \$23.4 million from the revaluation of the Company's net deferred tax liability partially offset by a one-time expense of \$8.5 million associated with undistributed foreign earnings.

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 and \$0.3 million has been removed from restructuring expenses and \$0.1 million and \$0.2 million has been removed from other business transformation expenses for the three months ended and nine months ended March 31, 2018, respectively. Additionally, \$0.1 million related to stock-based compensation expense has been removed from other business transformation expenses for the three months ended and nine months ended March 31, 2018.

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.
- Provision for income taxes included within the financial statements.
- Interest expense included within the financial statements.
- Depreciation and amortization included within the financial statements.
- 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.
- Other business transformation expenses included within cost of revenues and selling, general and administrative expenses. Other business transformation expenses excludes depreciation expense of \$0.1 million and \$0.7 million for the three months ended March 31, 2018 and March 31, 2017, respectively, and \$0.2 million and \$2.3 million for the nine months ended March 31, 2018 and 2017, respectively.
- Acquisition and integration-related expenses that include legal, accounting, other professional fees, and other integration costs incurred in connection with assessment and integration of acquisitions included within selling, general and administrative expenses.
- Officer transition expense includes severance expense in connection with officer departures included 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. 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.

Constant Currency

We 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 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, forecasted GAAP and adjusted results for the fiscal year ending June 30, 2018, and an estimated post-tax reform normalized annual adjusted effective tax rate; 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.

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