



# Third Quarter Fiscal Year 2020

Financial Results Conference Call

May 5, 2020

# 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 outlook, including the Company's GAAP and adjusted fiscal 2020 guidance; 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 expectations regarding the potential impacts on our business of the outbreak of COVID-19; the Company's success in obtaining, retaining and selling additional services to customers; the pricing of the Company's 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 related industry changes; competitive conditions; changes in regulation; 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; the onset of or developments in litigation involving contract, intellectual property, competition, shareholder, and other matters, and governmental investigations; the Company's ability to complete the divestiture of the Digital Marketing Business; 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](http://www.cdkglobal.com) and the SEC's website at [www.sec.gov](http://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.

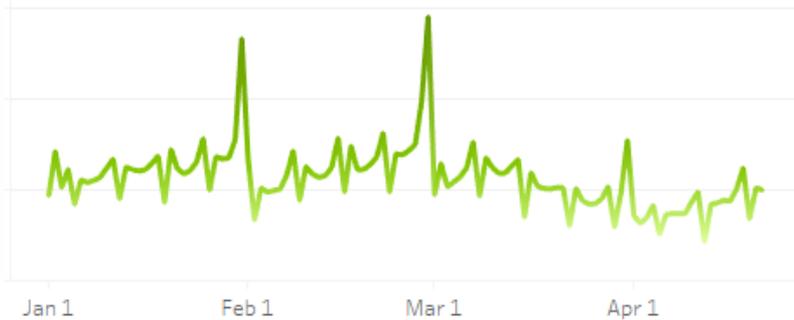
# Third Quarter Fiscal 2020 Executive Summary

- Q3 FY2020 Revenues up 3%, North America up 4%
- Providing discounts and free solutions to our customers
- Doing virtual installations and support
- Increased borrowing capacity; ample liquidity
- Reducing FY2020 Annual Guidance based on COVID-19
  - ✓ \$20-\$40 million headwind for customer discounts
  - ✓ \$20-\$30 million headwind for project and installation delays
  - ✓ \$20-\$40 million in lost transaction revenue

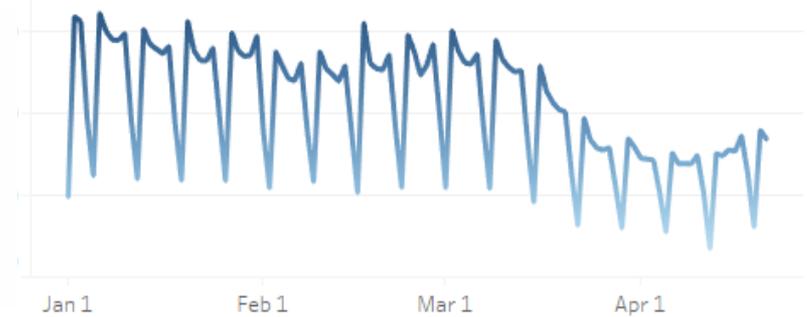
# CDK Data Trends

January 1, 2020 through April 21, 2020

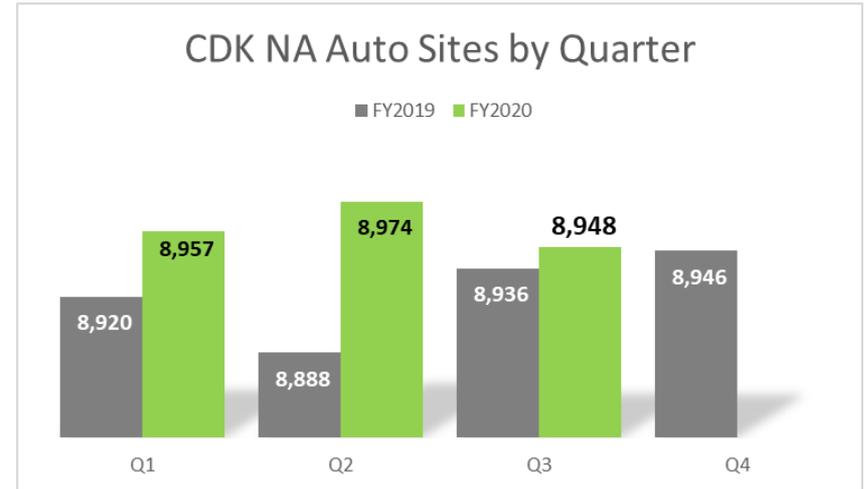
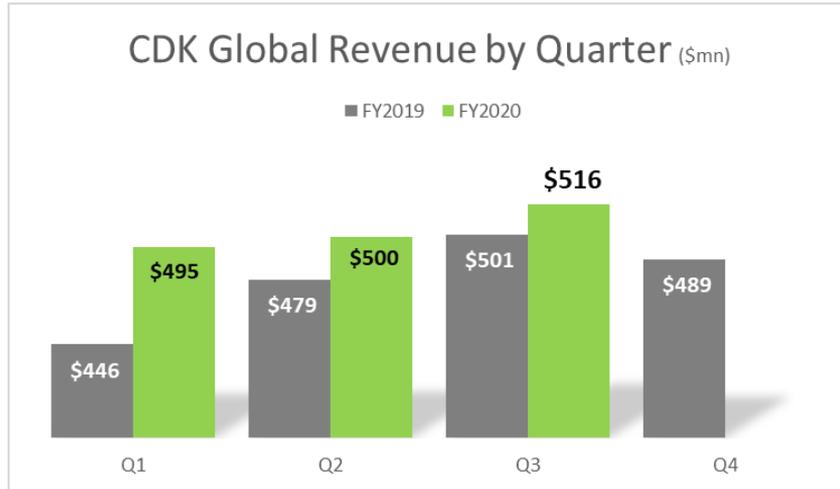
*Vehicle Sales Per Dealership*



*Repair Orders Per Service Department*

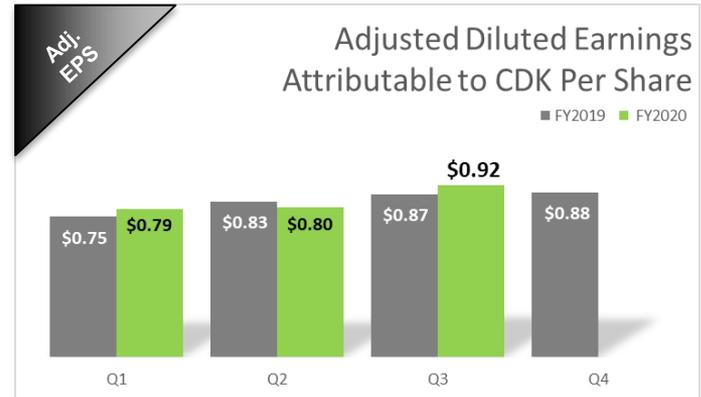
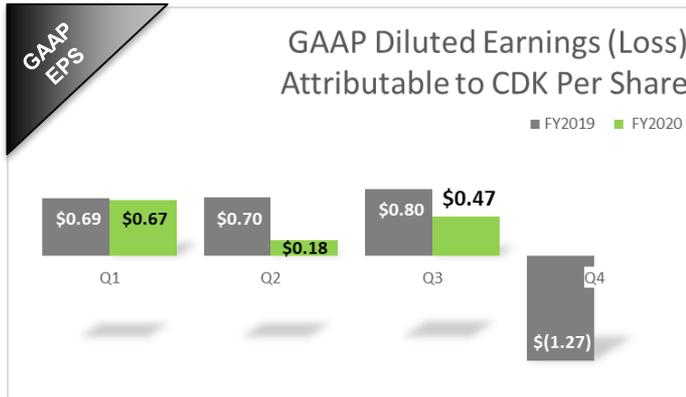
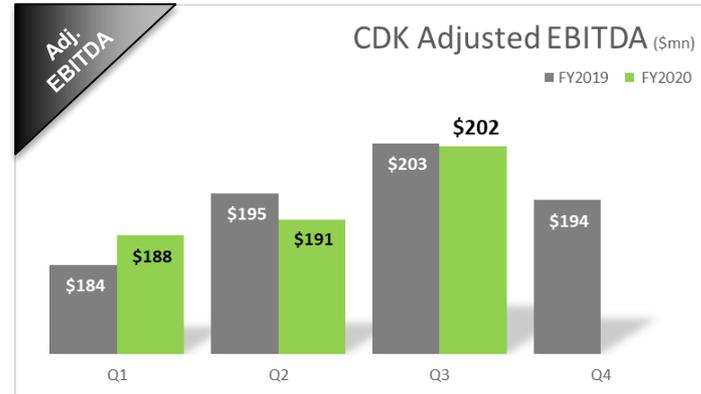
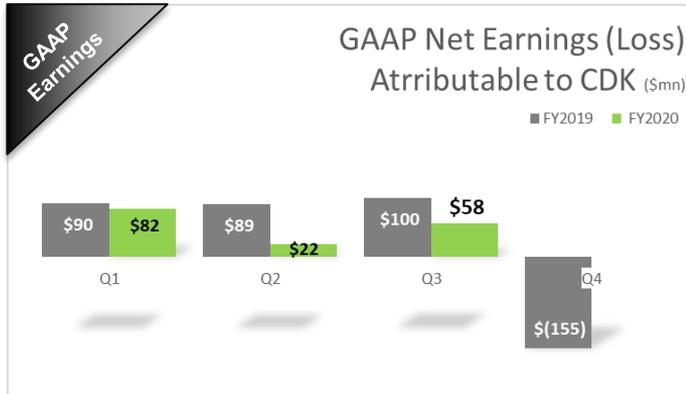


# Q3 Fiscal 2020 CDK Revenue and NA Auto Sites



All information is based on continuing operations only and does not include the Digital Marketing Business, which is presented as discontinued operations and prior year amounts have been reclassified.

# Q3 Fiscal 2020 CDK Earnings and EPS Growth



A reconciliation of the most directly comparable GAAP measure to each "Adjusted" measure can be found in the tables accompanying our May 5, 2020 press release that we furnished to the SEC and posted to the "Financial Information" section of our Investor Relations website, <https://investors.cdkglobal.com>. All information is based on continuing operations only and does not include the Digital Marketing Business, which is presented as discontinued operations and prior year amounts have been reclassified.

# Q3 Fiscal 2020 Financial Results

## CDK Global, Inc. Consolidated

### CDK Global, Inc.

(\$ million except per share)

	Q3 2020	Change from Q3 2019
Revenues	<b>516.3</b>	+3%
GAAP Earnings before income taxes	<b>132.4</b>	+10%
Non-GAAP Adjusted earnings before income taxes	<b>146.6</b>	-1%
GAAP Diluted earnings attributable to CDK per share	<b>\$0.47</b>	-41%
Non-GAAP Adjusted diluted earnings attributable to CDK per share	<b>\$0.92</b>	+6%
GAAP Net earnings attributable to CDK	<b>57.6</b>	-42%
GAAP Net earnings attributable to CDK margin	<b>11.2%</b>	-870 bps
Non-GAAP Adjusted EBITDA	<b>202.1</b>	--%
Non-GAAP Adjusted EBITDA margin	<b>39.1%</b>	-130 bps

A reconciliation of the most directly comparable GAAP measure to each "Adjusted" measure can be found in the tables accompanying our May 5, 2020 press release that we furnished to the SEC and posted to the "Financial Information" section of our Investor Relations website, <https://investors.cdkglobal.com>. All information is based on continuing operations only and does not include the Digital Marketing Business, which is presented as discontinued operations and prior year amounts have been reclassified.

# Q3 Fiscal 2020 Financial Results

## CDK North America

CDK North America		
(\$ million)		
	Q3 2020	Change from Q3 2019
Revenues	<b>426.4</b>	+4%
Earnings before income taxes	<b>161.4</b>	-3%
Earnings before income taxes margin	<b>37.9%</b>	-290 bps
Adjusted earnings before income taxes	<b>174.0</b>	-2%
Adjusted earnings before income taxes margin	<b>40.8%</b>	-270 bps

**8,948**  
**NA Auto Sites**  
 +12 YoY  
 +0.1% YoY

**\$9,009**  
**NA Auto RPS\***  
 +4% YoY

A reconciliation of the most directly comparable GAAP measure to each "Adjusted" measure can be found in the tables accompanying our May 5, 2020 press release that we furnished to the SEC and posted to the "Financial Information" section of our Investor Relations website, <https://investors.cdkglobal.com>. All information is based on continuing operations only and does not include the Digital Marketing Business, which is presented as discontinued operations and prior year amounts have been reclassified.

\*RPS metric represents Average Revenue Per DMS Customer Site as defined under Performance Metrics of our May 5, 2020 press release.

# Q3 Fiscal 2020 Financial Results

## CDK International

CDK International		
(\$ million)		
	Q3 2020	Change from Q3 2019
Revenues	<b>89.9</b>	-1%
Constant currency revenues	<b>92.3</b>	+1%
Earnings before income taxes	<b>24.1</b>	-13%
Earnings before income taxes margin	<b>26.8%</b>	-370 bps
Adjusted earnings before income taxes	<b>24.4</b>	-13%
Adjusted earnings before income taxes margin	<b>27.1%</b>	-360 bps

**12,847**  
**Int'l Sites**  
 -141 YoY  
 -1% YoY

**\$1,575**  
**Int'l RPS\***  
 +8% YoY

A reconciliation of the most directly comparable GAAP measure to each "Adjusted" measure can be found in the tables accompanying our May 5, 2020 press release that we furnished to the SEC and posted to the "Financial Information" section of our Investor Relations website, <https://investors.cdkglobal.com>. All information is based on continuing operations only and does not include the Digital Marketing Business, which is presented as discontinued operations and prior year amounts have been reclassified. \*RPS metric represents Average Revenue Per DMS Customer Site as defined under Performance Metrics of our May 5, 2020 press release.

# FY 2020 Guidance

## CDK Global, Inc. Consolidated

CDK Global, Inc. - GAAP BASIS	Previous GAAP FY 2020 GUIDANCE	Current GAAP FY 2020 GUIDANCE
Revenues	<b>\$2.00 - \$2.05 billion</b>	<b>\$1.915 - \$1.965 billion</b>
GAAP Diluted net earnings attributable to CDK per share	<b>\$2.35 - \$2.55</b>	<b>\$1.35 - \$1.70</b>
GAAP Net earnings attributable to CDK	<b>\$290 - \$310 million</b>	<b>\$165 - \$205 million</b>
GAAP Effective tax rate	<b>27.5% - 28.5%</b>	<b>29.0% - 30.0%</b>
Shareholder Returns (including dividends and share repurchases)	<b>\$75 - \$150 million</b>	<b>\$70 - \$75 million</b>

CDK Global, Inc. - Non-GAAP BASIS	Previous Adj. FY 2020 GUIDANCE	Current Adj. FY 2020 GUIDANCE
Revenues	<b>\$2.00 - \$2.05 billion</b>	<b>\$1.915 - \$1.965 billion</b>
Non-GAAP Adjusted diluted net earnings attributable to CDK per share	<b>\$3.30 - \$3.50</b>	<b>\$2.85 - \$3.20</b>
Non-GAAP Adjusted EBITDA	<b>\$780 - \$800 million</b>	<b>\$705 - \$745 million</b>
Non-GAAP Adjusted effective tax rate	<b>24.0% - 25.0%</b>	<b>24.0% - 25.0%</b>
Shareholder Returns (including dividends and share repurchases)	<b>\$75 - \$150 million</b>	<b>\$70 - \$75 million</b>

A reconciliation of the most directly comparable GAAP measure to each "Adjusted" measure can be found in the tables accompanying our May 5, 2020 press release that we furnished to the SEC and posted to the "Financial Information" section of our Investor Relations website, <https://investors.cdkglobal.com>. All information is based on continuing operations only and does not include the Digital Marketing Business, which was presented as discontinued operations during Q3FY2020 and prior year amounts have been reclassified. Current guidance as of May 5, 2020.

# Appendix

# Glossary of Non-GAAP Measures

Within this presentation, 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. A reconciliation between the following non-GAAP measures and their most comparable GAAP measure and an explanation of why management believes the non-GAAP measures are useful for both management and investors can be found at the end of the press release posted to our Investor Relations website, <https://investors.cdkglobal.com>, in the “Financial Information” section and furnished by us to the SEC on May 5, 2020.

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 from continuing operations	Net cash flows provided by operating activities