# Automatic Data Processing Inc.

**ADP**

Nasdaq; business equipment; SIC 7374, Services-Computer Processing & Data Preparation; CIK 0000008670

# C/D

**on the C/D boundary of 497 graded peers in business equip...**

rank 291 of 497; percentile 58.5; sampling error 2.2 points; lower is stronger




**C/D, the tortoise**



## Scoreboard

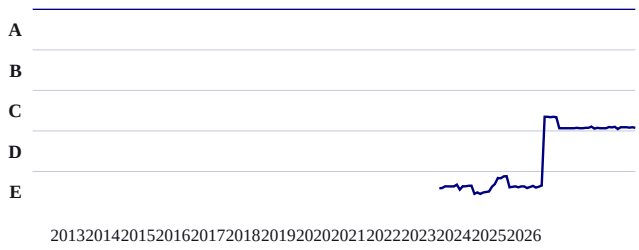
| | |
|---|---|
| **Profitability** | C/D<br>percentile 59.3 |
| **Solvency** | C<br>percentile 57.2 |
| **Growth and financing** | B<br>percentile 37.2 |
| **Reliability** | 0.94 AUC<br>filers with over $2.67B assets; 95% interval 0.88 to 0.97; 61 events, 2020 to 2025 |
| **Peer failure rate** | 0.52% a year<br>Item 1.03 bankruptcies, same asset band, 2012 to 2025 |
| **Size band** | over $2.67B assets<br>total assets $63.2B |
| **Standard universe** | inside<br>revenue above $1M and assets above $10M |
| **Warnings** | none triggered; fortress balance sheet |
| **Inputs computable** | 8 of 14 |
| **Graded from** | filings received through Aug 5, 2026<br>85 days before the rescan; latest periodic filing 10-K received Aug 5, 2026 |
| **Last close** | $285.37<br>2026-10-28; market equity $113.4B; no price enters the letter |

**Share price, twelve months to the rescan**




*Split-adjusted close. Each lollipop is a rescan and carries the letter held then.*

**Letter at every rescan, 2012 to 2026**




*Sector percentile at each rescan, stronger toward the top; facts filed by each date only.*

## Business, in the company's words

*opening of Item 1 of the 10-K received Aug 5, 2026*

-Competition" of this Form 10-K for a discussion of the competitive environment in the markets in which we operate. Many risks affect more than one category, and the risks are not in order of significance or probability of occurrence because they have been grouped by categories. The risks described below are not the only risks we face and the occurrence of any of the following risks or other risks not presently known to us or that we currently believe to be immaterial could have a materially adverse effect on our business, results of operations, financial condition or reputation.

## The fourteen inputs

*lower percentile is stronger; sleeves and inputs within a sleeve carry equal weight*

| Input | Value | Peer median | Percentile, 0 to 100 | Pct | Peers | Period end |
|---|---|---|---|---|---|---|
| **Profitability, sleeve percentile 59.3** | | | | | | |
| Gross profitability | 16.1% | 28.6% | | 69.7 | 555 | 2026-06-30 |
| Return on invested capital | not computable | 11.2% | | | | |

*one or more required annual facts are missing*

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| | | | | | |
|---|---|---|---|---|---|
| Accruals ratio | (1.8%) | (7.4%) | 81.4 | 618 | 2026-06-30 |
| Gross margin stability, five years | 1.3 pts | 2.3 pts | 26.8 | 426 | 2026-06-30 |
| **Solvency, sleeve percentile 57.2** | | | | | |
| Twelve-month failure probability | 0.04% | 0.05% | 35.0 | 101 | 2026-06-30 |
| Altman Z double-prime | not computable | 2.16 | | | |
| *one or more required annual facts are missing* | | | | | |
| Net debt to EBITDA | not computable | 1.11x | | | |
| *one or more required annual facts are missing* | | | | | |
| Interest coverage | not computable | 3.77x | | | |
| *one or more required annual facts are missing* | | | | | |
| Current ratio | 1.05x | 2.01x | 79.4 | 662 | 2026-06-30 |
| **Growth and financing, sleeve percentile 37.2** | | | | | |
| Revenue growth, three-year compound | 6.8% | 6.3% | 48.5 | 535 | 2026-06-30 |
| Free cash flow growth, three-year compound | not computable | 18.0% | | | |
| *four consecutive annual FCF observations are required; found 0* | | | | | |
| Reinvestment rate | not computable | 14.3% | | | |
| *one or more required annual facts are missing* | | | | | |
| Asset growth, three years | 7.4% | 5.1% | 41.1 | 560 | 2026-06-30 |
| Net share issuance, one year | (1.9%) | 0.5% | 22.1 | 409 | 2026-07-31 |

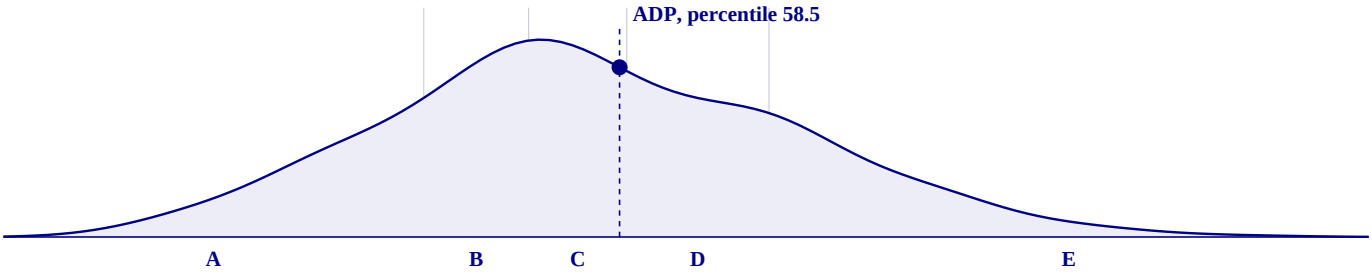
## Warnings

*1 of 7 checks triggered; none of them enters the letter*

| Check | Measured |
|---|---|
| Fortress balance sheet | cash minus debt is 1,352,400,000 USD; Altman Z is not used |

## Among 497 peers

*business equipment; letters are fifths of this list*




*Composite score of every graded peer, smoothed; vertical rules are the letter band edges; stronger to the left.*

| Rank | Company | Percentile | Letter | Warnings |
|---|---|---|---|---|
| 286 | Motorola Solutions, Inc. (MSI) | 57.5 | C | fortress balance sheet |
| 287 | Rapid7, Inc. (RPD) | 57.7 | C | |
| 288 | Q2 Holdings, Inc. (QTWO) | 57.9 | C/D | |
| 289 | Kimball Electronics, Inc. (KE) | 58.1 | C/D | |
| 290 | Ss&C Technologies Holdings Inc. (SSNC) | 58.3 | C/D | |
| 291 | Automatic Data Processing Inc. (ADP) | 58.5 | C/D | fortress balance sheet |
| 292 | Expensify, Inc. (EXFY) | 58.7 | C/D | fortress balance sheet |
| 293 | Airwa Inc. (YYAI) | 58.9 | C/D | dilution, late filer |
| 294 | Viavi Solutions Inc. (VIAV) | 59.1 | C/D | fortress balance sheet |
| 295 | Frequency Electronics Inc. (FEIM) | 59.3 | C/D | |
| 296 | Next Technology Holding Inc. (NXTT) | 59.5 | C/D | dilution, late filer |

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## What the price implies

*at the 2026-10-28 close; none of these enters the grade*

| Measure | Value | Peer median | Percentile |
|---|---|---|---|
| Twelve-month price change, skipping the latest month | (0.9%) | 2.2% | 48 |
| Distance from 52-week high | (7.3%) | (30.5%) | 81 |
| EBIT to enterprise value | not computable | 1.5% | |
| Free cash flow yield | not computable | 2.8% | |
| Book value to price | 0.05 | 0.25 | 14 |
| Sales to price | 0.19 | 0.31 | 38 |
| Composite equity issuance, five years | (17.3%) | 4.1% | 16 |
| Relative strength against the sector, log excess return | (0.29) | (0.26) | 48 |

## Diagnostics

*shown on every report; none enters the grade*

| Measure | Value |
|---|---|
| **Piotroski F-score 8 of 9, period end 2026-06-30** | |
| Return on assets above zero | pass |
| Operating cash flow above zero | pass |
| Return on assets improved | pass |
| Operating cash flow exceeds net income | pass |
| Long-term leverage fell | fail |
| Current ratio improved | pass |
| No new shares issued | pass |
| Gross margin improved | pass |
| Asset turnover improved | pass |
| **Cash, filings, liquidity** | |
| Cash and equivalents | $4.2B |
| Operating cash flow, four quarters | $5.4B |
| Months of runway | not finite |
| Days since last periodic filing | 85 (10-K received Aug 5, 2026) |
| Median daily dollar volume, 63 sessions | $571.0M |

## Sources

*every fact behind the inputs; each row links to its filing index on sec.gov*

| # | Concept | XBRL tag | Value | Period end | Received | Form | Accession |
|---|---|---|---|---|---|---|---|
| 1 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $21.9B | 2026-06-30 | 2026-08-05 | 10-K | 26-000030 |
| 2 | cost of revenue | us-gaap:CostOfGoodsAndServicesSold | $11.8B | 2026-06-30 | 2026-08-05 | 10-K | 26-000030 |
| 3 | assets | us-gaap:Assets | $63.2B | 2026-06-30 | 2026-08-05 | 10-K | 26-000030 |
| 4 | net income | us-gaap:NetIncomeLoss | $4.4B | 2026-06-30 | 2026-08-05 | 10-K | 26-000030 |
| 5 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $5.4B | 2026-06-30 | 2026-08-05 | 10-K | 26-000030 |
| 6 | assets | us-gaap:Assets | $53.4B | 2025-06-30 | 2026-08-05 | 10-K | 26-000030 |
| 7 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $20.6B | 2025-06-30 | 2026-08-05 | 10-K | 26-000030 |
| 8 | cost of revenue | us-gaap:CostOfGoodsAndServicesSold | $11.1B | 2025-06-30 | 2026-08-05 | 10-K | 26-000030 |
| 9 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $19.2B | 2024-06-30 | 2026-08-05 | 10-K | 26-000030 |
| 10 | cost of revenue | us-gaap:CostOfGoodsAndServicesSold | $10.5B | 2024-06-30 | 2026-08-05 | 10-K | 26-000030 |
| 11 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $18.0B | 2023-06-30 | 2025-08-06 | 10-K | 25-000037 |
| 12 | cost of revenue | us-gaap:CostOfGoodsAndServicesSold | $10.0B | 2023-06-30 | 2025-08-06 | 10-K | 25-000037 |
| 13 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $16.5B | 2022-06-30 | 2024-08-07 | 10-K | 24-000024 |
| 14 | cost of revenue | us-gaap:CostOfGoodsAndServicesSold | $9.5B | 2022-06-30 | 2024-08-07 | 10-K | 24-000024 |
| 15 | current assets | us-gaap:AssetsCurrent | $52.6B | 2026-06-30 | 2026-08-05 | 10-K | 26-000030 |
| 16 | current liabilities | us-gaap:LiabilitiesCurrent | $50.0B | 2026-06-30 | 2026-08-05 | 10-K | 26-000030 |
| 17 | assets | us-gaap:Assets | $54.4B | 2024-06-30 | 2026-08-05 | 10-K | 26-000030 |
| 18 | assets | us-gaap:Assets | $51.0B | 2023-06-30 | 2025-08-06 | 10-K | 25-000037 |

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| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 19 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 397,262,737 | 2026-07-31 | 2026-08-05 | 10-K | 26-000030 |
| 20 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 405,043,142 | 2025-08-01 | 2025-08-06 | 10-K | 25-000037 |