

Automatic Data Processing Inc. (ADP)

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

Automatic Data Processing Inc.	
ADP; business equipment	
Grade	C/D A B C D E on the C/D boundary of 497 graded peers percentile 58.9; sampling error 2.2 points; lower is stronger
Rank	293 of 497
Profitability	C/D percentile 59.2
Solvency	C percentile 57.5
Growth and financing	B percentile 37.1
Reliability	0.94 AUC 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 Item 1.03 bankruptcies, same asset band, 2012 to 2025
Size band	over \$2.67B assets total assets \$63.2B
Standard universe	inside revenue above \$1M and assets above \$10M
Warnings	none active; fortress balance sheet
Inputs computable	8 of 14
Graded from	filings received through Aug 5, 2026 65 days before the rescan; latest periodic filing 10-K received Aug 5, 2026
Last close	\$270.13 2026-10-08; market equity \$107.3B
Price used in grade	None



C/D, the tortoise

on the C/D boundary of its sector; letters are fifths of the 497 graded peers

Share price, twelve months to the rescan

split-adjusted close; the letter is fixed at the rescan that set it



Rescans on file: D/E from Jun 21, 2025, E from Aug 21, 2025, C from Aug 21, 2025

Letter at every rescan

Jan 21, 2012 to Oct 9, 2026; sector percentile, 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; equal-weighted sleeves

Input	Percentile, 0 to 100	Value	Peer median	Percentile	Peers	Period end
Profitability, sleeve percentile 59.2						
Gross profitability		16.1%	28.5%	69.7	558	2026-06-30
Return on invested capital		not computable	10.9%			one or more required annual facts are missing
Accruals ratio		(1.8%)	(7.4%)	81.5	621	2026-06-30
Gross margin stability, five years		1.3 pts	2.4 pts	26.4	429	2026-06-30
Solvency, sleeve percentile 57.5						
Twelve-month failure probability		0.04%	0.05%	36.0	101	2026-06-30
Altman Z double-prime		not computable	2.18			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	2.02x	78.9	666	2026-06-30
Growth and financing, sleeve percentile 37.1						
Revenue growth, three-year compound		6.8%	6.4%	48.4	538	2026-06-30
Free cash flow growth, three-year compound		not computable	17.2%			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%	5.0%	40.6	563	2026-06-30
Net share issuance, one year		(1.9%)	0.5%	22.2	407	2026-07-31

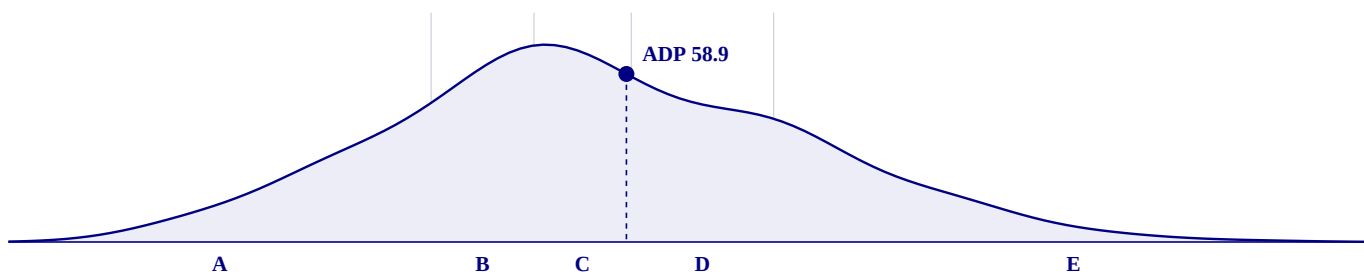
Warnings

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
288	Viavi Solutions Inc. (VIAV)	57.9	C/D	fortress balance sheet
289	Ss&C Technologies Holdings Inc. (SSNC)	58.1	C/D	
290	Kimball Electronics, Inc. (KE)	58.3	C/D	
291	Q2 Holdings, Inc. (QTWO)	58.5	C/D	
292	Expensify, Inc. (EXFY)	58.7	C/D	fortress balance sheet
293	Automatic Data Processing Inc. (ADP) <	58.9	C/D	fortress balance sheet
294	Airwa Inc. (YYAI)	59.1	C/D	dilution, late filer
295	Frequency Electronics Inc. (FEIM)	59.3	C/D	
296	Northrop Grumman Corp. (NOC)	59.5	C/D	
297	Backblaze, Inc. (BLZE)	59.7	C/D	
298	Next Technology Holding Inc. (NXTT)	59.9	C/D	dilution, late filer

What the price implies

at the 2026-10-08 close; none 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	(6.9%)	(30.0%)	85
EBIT to enterprise value	not computable	1.5%	
Free cash flow yield	not computable	2.7%	
Book value to price	0.06	0.23	16
Sales to price	0.20	0.30	38
Composite equity issuance, five years	(17.3%)	3.9%	17
Relative strength against the sector, log excess return	(0.29)	(0.26)	48

Diagnostics

not in 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	65 (10-K received Aug 5, 2026)
Median daily dollar volume, 63 sessions	\$571.0M

Sources

each row links to the filing index on sec.gov

#	Concept	XBRL tag	Value	Period end	Received	Form	Accession
1	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$21.9B	2026-06-30	2026-08-05	10-K	0000008670-26-000030
2	cost of revenue	us-gaap:CostOfGoodsAndServicesSold	\$11.8B	2026-06-30	2026-08-05	10-K	0000008670-26-000030
3	assets	us-gaap:Assets	\$63.2B	2026-06-30	2026-08-05	10-K	0000008670-26-000030
4	net income	us-gaap:NetIncomeLoss	\$4.4B	2026-06-30	2026-08-05	10-K	0000008670-26-000030
5	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$5.4B	2026-06-30	2026-08-05	10-K	0000008670-26-000030
6	assets	us-gaap:Assets	\$53.4B	2025-06-30	2026-08-05	10-K	0000008670-26-000030
7	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$20.6B	2025-06-30	2026-08-05	10-K	0000008670-26-000030
8	cost of revenue	us-gaap:CostOfGoodsAndServicesSold	\$11.1B	2025-06-30	2026-08-05	10-K	0000008670-26-000030
9	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$19.2B	2024-06-30	2026-08-05	10-K	0000008670-26-000030
10	cost of revenue	us-gaap:CostOfGoodsAndServicesSold	\$10.5B	2024-06-30	2026-08-05	10-K	0000008670-26-000030
11	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$18.0B	2023-06-30	2025-08-06	10-K	0000008670-25-000037
12	cost of revenue	us-gaap:CostOfGoodsAndServicesSold	\$10.0B	2023-06-30	2025-08-06	10-K	0000008670-25-000037
13	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$16.5B	2022-06-30	2024-08-07	10-K	0000008670-24-000024
14	cost of revenue	us-gaap:CostOfGoodsAndServicesSold	\$9.5B	2022-06-30	2024-08-07	10-K	0000008670-24-000024
15	current assets	us-gaap:AssetsCurrent	\$52.6B	2026-06-30	2026-08-05	10-K	0000008670-26-000030
16	current liabilities	us-gaap:LiabilitiesCurrent	\$50.0B	2026-06-30	2026-08-05	10-K	0000008670-26-000030
17	assets	us-gaap:Assets	\$54.4B	2024-06-30	2026-08-05	10-K	0000008670-26-000030
18	assets	us-gaap:Assets	\$51.0B	2023-06-30	2025-08-06	10-K	0000008670-25-000037
19	shares outstanding	dei:EntityCommonStockSharesOutstanding	397,262,737	2026-07-31	2026-08-05	10-K	0000008670-26-000030
20	shares outstanding	dei:EntityCommonStockSharesOutstanding	405,043,142	2025-08-01	2025-08-06	10-K	0000008670-25-000037