



**Rockwell
Automation**

expanding human possibility[®]

Q1 Fiscal 2022 Earnings Presentation

January 27, 2022



PUBLIC

Safe Harbor Statement

THIS PRESENTATION INCLUDES GUIDANCE AND OTHER STATEMENTS RELATED TO THE EXPECTED FUTURE RESULTS OF THE COMPANY AND ARE THEREFORE FORWARD-LOOKING STATEMENTS. ACTUAL RESULTS MAY DIFFER MATERIALLY FROM THOSE PROJECTIONS DUE TO A WIDE RANGE OF RISKS AND UNCERTAINTIES, MANY OF WHICH ARE BEYOND OUR CONTROL, INCLUDING THE SEVERITY AND DURATION OF THE IMPACTS OF THE COVID-19 PANDEMIC AND EFFORTS TO MANAGE IT ON THE GLOBAL ECONOMY, LIQUIDITY AND FINANCIAL MARKETS, DEMAND FOR OUR HARDWARE AND SOFTWARE PRODUCTS, SOLUTIONS AND SERVICES, OUR SUPPLY CHAIN, OUR WORK FORCE, OUR LIQUIDITY AND THE VALUE OF THE ASSETS WE OWN, AS WELL AS THOSE RISKS AND UNCERTAINTIES THAT ARE LISTED IN OUR SEC FILINGS.

THIS PRESENTATION ALSO CONTAINS NON-GAAP FINANCIAL INFORMATION AND RECONCILIATIONS TO GAAP ARE INCLUDED IN THE APPENDIX. ALL INFORMATION SHOULD BE READ IN CONJUNCTION WITH OUR HISTORICAL FINANCIAL STATEMENTS.



Q1 FY22 Results Highlights

- Record orders of over \$2.5B, up over 40% YOY
 - Strong growth across all business segments and regions
- Reported sales up 18.7% YOY; all segments grew double digits; acquisitions contributed 2.6%
- Organic sales up 16.8% YOY
- Information Solutions & Connected Services (IS/CS) orders and sales grew double digits YOY
- Segment margin of 19.1%, down 70 bps YOY; better than expected
- Adjusted EPS of \$2.14, down (10)% YOY
 - Adjusted EPS grew 11% YOY excluding \$0.45 prior year legal settlement gain
- Total ARR up over 50% with recent Plex acquisition; Organic ARR up double digits

Excellent start to fiscal 2022 with record sales and orders



Q1 FY22 Organic Industry Segment Performance

	% of Q1 FY22 Sales	Q1 FY22 vs. Q1 FY21	Q1 FY22 vs. Q1 FY21
 <p>Discrete</p>	~ 25%	Up ~20%	<ul style="list-style-type: none"> ▲ Semiconductor up ~25% ▲ Automotive up mid teens ▲ e-Commerce up ~50%
 <p>Hybrid</p>	~ 45%	Up ~15%	<ul style="list-style-type: none"> ▲ Food & Beverage up ~20% ▲ Life Sciences up ~10% ▲ Tire up ~35%
 <p>Process</p>	~ 30%	Up ~15%	<ul style="list-style-type: none"> ▲ O&G up low teens ▲ Mining up mid single digits ▲ Chemicals up ~20%

Note: Organic sales growth rates depicted above exclude the impact of acquisitions and currency. Arrows reflect positive/negative directional growth vs prior year.

Q1 FY22 Organic Sales Growth

NORTH AMERICA

+15.9%

EMEA

+14.8%

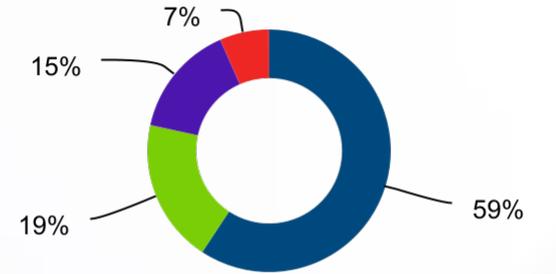
ASIA PACIFIC

+24.8%

LATIN AMERICA

+14.3%

% of Sales



Q1 HIGHLIGHTS *

- North America saw double-digit growth in all three industry segments; particular strength in Food & Beverage
- EMEA growth driven by strength in Food & Beverage, Tire, and Metals
- Asia Pacific strength led by Semi, Food & Beverage, and Auto
 - China up strong double digits
- Latin America growth led by Mining

* All growth comments refer to organic growth



FY22 Full Year Outlook Highlights

- Projecting record orders of over \$9B
- Reaffirming total sales growth of 17.5% at the midpoint; generating \$1.2B of sales growth
- Acquisitions to contribute ~2 pts of growth
- ARR expected to grow double digits
- IS/CS expected to grow double digits; sales expected to reach \$800M
- Full year core conversion of 30%-35% balances profitability and investment for the future
- Adjusted EPS range of \$10.50 - \$11.10, up 15% YOY at the midpoint

Note: Guidance as of January 27, 2022

We are on track to deliver an outstanding year of record sales and earnings

FY22 Organic Industry Segment Outlook

	% of FY22 Sales	FY22 vs. FY21	Assumptions at Guidance Midpoint	B/(W) vs. Nov Guidance
 <p>Discrete</p>	~ 25%	Up ~15%	<ul style="list-style-type: none"> ▲ Automotive up mid teens ▲ Semiconductor up mid teens ▲ e-Commerce up ~25% 	==
 <p>Hybrid</p>	~ 45%	Up ~15%	<ul style="list-style-type: none"> ▲ Food & Beverage up mid teens ▲ Life Sciences up high teens ▲ Tire up ~20% 	==
 <p>Process</p>	~ 30%	Up ~15%	<ul style="list-style-type: none"> ▲ Oil & Gas up mid teens ▲ Mining up mid teens ▲ Chemicals up mid teens 	==

Note: Organic sales growth rates depicted above exclude the impact of acquisitions and currency. Arrows reflect positive/negative directional growth vs prior year.

Note: Guidance as of January 27, 2022

Q1 FY22 Key Financial Information

(\$ in millions, except per share amounts)

	Q1 FY22	Q1 FY21	YOY B/(W)	
SALES	\$1,857	\$1,565	Organic Growth	+16.8 %
			Inorganic Growth	+2.6 %
			Currency Translation	(0.7) %
			Reported Growth	+18.7 %
SEGMENT OPERATING MARGIN	19.1%	19.8%		(70) bps
CORPORATE AND OTHER	\$29	\$28		\$(1)
ADJUSTED EPS	\$2.14	\$2.38		(10)%
ADJUSTED EFFECTIVE TAX RATE	15.3%	15.4%		0.1 pts
FREE CASH FLOW	\$(49)	\$319		\$(368)

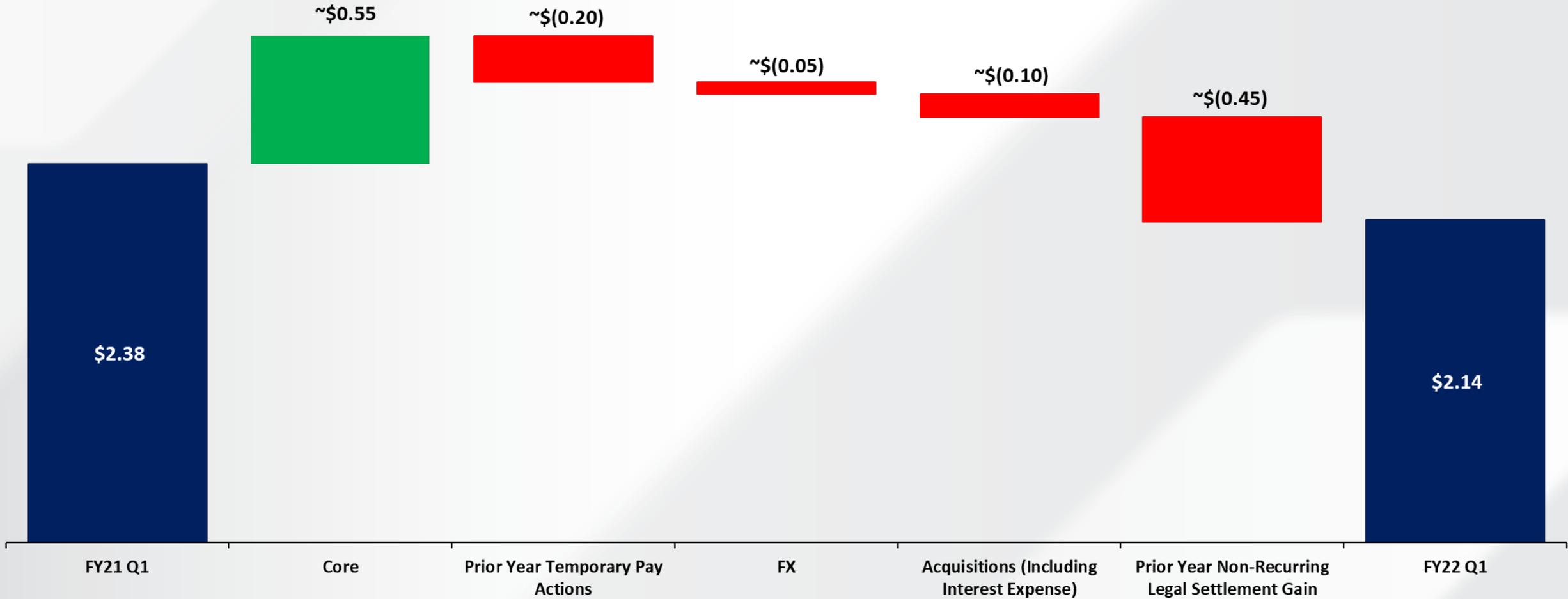


Q1 FY22 Segment Results

	SALES (\$ in millions; YOY growth %)	SEGMENT OPERATING MARGIN	SEGMENT HIGHLIGHTS
Intelligent Devices	\$900M Organic +25.6 % Inorganic — % Currency (0.9)% Reported +24.7 %	23.7% +430 bps YOY	<ul style="list-style-type: none"> Higher segment margin YOY mainly due to higher sales partially offset by negative price/cost
Software & Control	\$514M Organic +8.4 % Inorganic +8.8 % Currency (0.7)% Reported +16.5 %	22.9% (730) bps YOY	<ul style="list-style-type: none"> Lower segment margin YOY driven by higher planned spend, the impact of acquisition integration costs, and negative price/cost, partially offset by higher sales
Lifecycle Services	\$443M Organic +10.3 % Inorganic +0.4 % Currency (0.6)% Reported +10.1 %	5.5% (340) bps YOY	<ul style="list-style-type: none"> Lower segment margin YOY driven by higher planned spend, unfavorable project mix, and higher input costs, partially offset by higher sales Book-to-bill of 1.38



Q1 FY21 to Q1 FY22 Adjusted EPS Walk



Fiscal Year 22 Guidance

	January Guidance	November Guidance
Sales Midpoint	~ \$8.2B	~ \$8.2B
Organic Growth Range	14% - 17%	14% - 17%
Inorganic Growth	~ 2.0%	~ 2.0%
Currency Translation	~ 0%	~ 0%
Segment Operating Margin	~ 21.5%	~ 21.5%
Adjusted Effective Tax Rate	~ 17%	~ 17%
Adjusted EPS	\$10.50 - \$11.10	\$10.50 - \$11.10
Free Cash Flow as a % of Adjusted Income	~ 90%	~ 90%

Note: As of January 27, 2022





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APPENDIX

Industry Segmentation

% of FY21 Sales

Discrete

- ~10% Automotive
- ~5% Semiconductor
- ~5% Warehousing & E-commerce
- ~5% General Industries
 - Printing & Publishing
 - Marine
 - Glass
 - Fiber & Textiles
 - Airports
 - Aerospace
 - Other Discrete

Total Discrete Industries ~25% of sales

Hybrid

- ~20% Food & Beverage
- ~5% Life Sciences
- ~5% Household & Personal Care
- ~5% Tire
- ~5% Eco Industrial
 - Water / Wastewater
 - Waste Management
 - Mass Transit
 - Renewable Energy

Total Hybrid Industries ~40% of sales

Process

- ~10% Oil & Gas
- ~5% Mining
- ~5% Metals
- ~5% Chemicals
- ~5% Pulp & Paper
- ~5% Other Process

Total Process Industries ~35% of sales

Q1 FY22 Results: Summary

(\$ in millions, except per share amounts)

Total Sales

Total segment operating earnings

Purchase accounting depreciation and amortization

Corporate and other

Non-operating pension and postretirement benefit credit (cost)

Change in fair value of investments¹

Legal settlement

Interest (expense) income, net

Income tax provision

Net income

Net loss attributable to noncontrolling interests

Net income attributable to Rockwell Automation

Adjustments

Non-operating pension and postretirement benefit (credit) cost, net of tax

Change in fair value of investments, net of tax¹

Purchase accounting depreciation and amortization attributable to Rockwell Automation, net of tax

Adjusted Income

Adjusted EPS

Average Diluted Shares

	<u>Q1 2022</u>	<u>Q1 2021</u>
Total Sales	\$ 1,857.3	\$ 1,565.3
Total segment operating earnings	\$ 355.1	\$ 309.3
Purchase accounting depreciation and amortization	(26.1)	(11.7)
Corporate and other	(29.4)	(28.0)
Non-operating pension and postretirement benefit credit (cost)	4.4	(7.0)
Change in fair value of investments ¹	7.6	390.4
Legal settlement	—	70.0
Interest (expense) income, net	(29.1)	(22.3)
Income tax provision	(43.6)	(110.3)
Net income	\$ 238.9	\$ 590.4
Net loss attributable to noncontrolling interests	(2.6)	(2.9)
Net income attributable to Rockwell Automation	\$ 241.5	\$ 593.3
Non-operating pension and postretirement benefit (credit) cost, net of tax	(3.6)	5.0
Change in fair value of investments, net of tax ¹	(4.1)	(326.2)
Purchase accounting depreciation and amortization attributable to Rockwell Automation, net of tax	17.5	6.6
Adjusted Income	\$ 251.3	\$ 278.7
Adjusted EPS	\$ 2.14	\$ 2.38
Average Diluted Shares	117.3	117.1

¹Primarily relates to the change in value of our investment in PTC.



Free Cash Flow

(\$ in millions)	<u>Q1 2022</u>	<u>Q1 2021</u>
Net Income	\$ 239	\$ 590
Depreciation/Amortization	59	44
Change in fair value of investments ¹	(8)	(390)
Retirement Benefits Expense	16	30
Receivables/Inventory/Payables	(186)	(105)
Compensation and Benefits	(135)	7
Pension Contributions	(8)	(9)
Income Taxes	(38)	73
Other	49	106
Cash Flow From Operations	(12)	346
Capital Expenditures	(37)	(27)
Free Cash Flow	<u>\$ (49)</u>	<u>\$ 319</u>
Adjusted Income	\$ 251	\$ 279
Free Cash Flow as a % of Adjusted Income	(20)%	115 %

¹Primarily relates to the change in value of our investment in PTC.



Reconciliation to Non-GAAP Measures

Organic Sales

(\$ in millions)

	Three Months Ended December 31,					Reported Sales Growth (a)/(c)	Effect of Acquisitions (e)/(c)	Effect of Changes in Currency (d)/(c)	Organic Sales Growth (b)/(c)
	2021		2020						
	Sales(a)	Effect of Acquisitions(e)	Effect of Changes in Currency(d)	Organic Sales(b)	Sales(c)				
North America	\$ 1,100.7	\$ (40.4)	\$ (3.2)	\$ 1,057.1	\$ 912.3	20.7%	4.4%	0.4%	15.9%
EMEA	354.7	—	13.5	368.2	320.7	10.6%	—%	(4.2)%	14.8%
Asia Pacific	278.9	—	(1.9)	277.0	221.9	25.7%	—%	0.9%	24.8%
Latin America	123.0	—	3.2	126.2	110.4	11.4%	—%	(2.9)%	14.3%
Total	\$ 1,857.3	\$ (40.4)	\$ 11.6	\$ 1,828.5	\$ 1,565.3	18.7%	2.6%	(0.7)%	16.8%

	Three Months Ended December 31,					Reported Sales Growth (a)/(c)	Effect of Acquisitions (e)/(c)	Effect of Changes in Currency (d)/(c)	Organic Sales Growth (b)/(c)
	2021		2020						
	Sales(a)	Effect of Acquisitions(e)	Effect of Changes in Currency(d)	Organic Sales(b)	Sales(c)				
Intelligent Devices	\$ 900.3	\$ —	\$ 6.0	\$ 906.3	\$ 721.7	24.7%	—%	(0.9)%	25.6%
Software & Control	513.9	(38.9)	3.1	478.1	441.0	16.5%	8.8%	(0.7)%	8.4%
Lifecycle Services	443.1	(1.5)	2.5	444.1	402.6	10.1%	0.4%	(0.6)%	10.3%
Total	\$ 1,857.3	\$ (40.4)	\$ 11.6	\$ 1,828.5	\$ 1,565.3	18.7%	2.6%	(0.7)%	16.8%

Reconciliation to Non-GAAP Measures

Segment Operating Margin

(\$ in millions)

	Three Months Ended	
	December 31, 2021	December 31, 2020
Sales		
Intelligent Devices (a)	\$ 900.3	\$ 721.7
Software & Control (b)	513.9	441.0
Lifecycle Services (c)	443.1	402.6
Total sales (d)	<u>\$ 1,857.3</u>	<u>\$ 1,565.3</u>
Segment operating earnings		
Intelligent Devices (e)	\$ 213.0	\$ 140.2
Software & Control (f)	117.6	133.1
Lifecycle Services (g)	24.5	36.0
Total segment operating earnings ¹ (h)	<u>355.1</u>	<u>309.3</u>
Purchase accounting depreciation and amortization	(26.1)	(11.7)
Corporate and other	(29.4)	(28.0)
Non-operating pension and postretirement benefit credit (cost)	4.4	(7.0)
Change in fair value of investments	7.6	390.4
Legal settlement	—	70.0
Interest (expense) income, net	(29.1)	(22.3)
Income before income taxes (i)	<u>\$ 282.5</u>	<u>\$ 700.7</u>
Segment operating margin:		
Intelligent Devices (e/a)	23.7 %	19.4 %
Software & Control (f/b)	22.9 %	30.2 %
Lifecycle Services (g/c)	5.5 %	8.9 %
Total segment operating margin ¹ (h/d)	19.1 %	19.8 %
Pretax margin (i/d)	15.2 %	44.8 %

¹Total segment operating earnings and total segment operating margin are non-GAAP financial measures. We exclude purchase accounting depreciation and amortization, corporate and other, non-operating pension and postretirement benefit credit (cost), change in fair value of investments, the \$70 million legal settlement in fiscal 2021, interest expense, net, and income tax provision because we do not consider these costs to be directly related to the operating performance of our segments. We believe total segment operating earnings and total segment operating margin are useful to investors as measures of operating performance. We use these measures to monitor and evaluate the profitability of our operating segments. Our measures of total segment operating earnings and total segment operating margin may be different from measures used by other companies.



Reconciliation to Non-GAAP Measures

Adjusted Income, Adjusted EPS, and Adjusted Effective Tax Rate

(\$ in millions, except per share amounts)

	Three Months Ended	
	December 31, 2021	December 31, 2020
Net Income attributable to Rockwell Automation	\$ 241.5	\$ 593.3
Non-operating pension and postretirement benefit (credit) cost	(4.4)	7.0
Tax effect of non-operating pension and postretirement benefit (credit) cost	0.8	(2.0)
Change in fair value of investments	(7.6)	(390.4)
Tax effect of change in fair value of investments	3.5	64.2
Purchase accounting depreciation and amortization attributable to Rockwell Automation	23.1	8.7
Tax effect of purchase accounting depreciation and amortization attributable to Rockwell Automation	(5.6)	(2.1)
Adjusted Income	\$ 251.3	\$ 278.7
Diluted EPS	\$ 2.05	\$ 5.06
Non-operating pension and postretirement benefit (credit) cost	(0.04)	0.06
Tax effect of non-operating pension and postretirement benefit (credit) cost	0.01	(0.02)
Change in fair value of investments	(0.06)	(3.33)
Tax effect of change in fair value of investments	0.03	0.55
Purchase accounting depreciation and amortization attributable to Rockwell Automation	0.20	0.08
Tax effect of purchase accounting depreciation and amortization attributable to Rockwell Automation	(0.05)	(0.02)
Adjusted EPS	\$ 2.14	\$ 2.38
Effective Tax Rate	15.4 %	15.8 %
Tax effect of non-operating pension and postretirement benefit (credit) cost	—	0.1
Tax effect of change in fair value of investments	(0.9)	(0.7)
Tax effect of purchase accounting depreciation and amortization attributable to Rockwell Automation	0.8	0.2
Adjusted Effective Tax Rate	15.3 %	15.4 %

Non-operating pension and postretirement benefit (credit) cost

(in millions)

	Three Months Ended	
	December 31, 2021	December 31, 2020
Interest cost	\$ 32.7	\$ 31.6
Expected return on plan assets	(59.4)	(60.4)
Amortization of prior service credit	(0.2)	(1.0)
Amortization of net actuarial loss	22.5	37.0
Settlements	—	(0.2)
Non-operating pension and postretirement benefit (credit) cost	\$ (4.4)	\$ 7.0



Reconciliation to Non-GAAP Measures

Return On Invested Capital

(\$ in millions)

	Twelve Months Ended	
	December 31,	
	2021	2020
(a) Return		
Net income	\$ 992.8	\$ 1,298.2
Interest expense	101.6	99.7
Income tax provision	115.2	204.0
Purchase accounting depreciation and amortization	69.5	43.1
Return	<u>1,279.1</u>	<u>1,645.0</u>
(b) Average invested capital		
Short-term debt	263.3	200.8
Long-term debt	2,573.9	1,970.5
Shareowners' equity	2,416.3	1,256.8
Accumulated amortization of goodwill and intangibles	1,007.8	936.2
Cash and cash equivalents	(697.7)	(782.6)
Short-term and long-term investments	(0.6)	(0.6)
Average invested capital	<u>5,563.0</u>	<u>3,581.1</u>
(c) Effective tax rate		
Income tax provision	115.2	204.0
Income before income taxes	\$ 1,108.0	\$ 1,502.2
Effective tax rate	<u>10.4 %</u>	<u>13.6 %</u>
(a) / (b) * (1-c) Return On Invested Capital	<u>20.6 %</u>	<u>39.7 %</u>

Reconciliation to Non-GAAP Measures

Fiscal 2022 Guidance

(\$ in billions, except per share amounts)

Organic Sales

Organic sales growth
Inorganic sales growth
Foreign currency impact
Reported sales growth

Segment Operating Margin

Total sales (a)
Total segment operating earnings (b)
(Income)/costs not allocated to segments
Income before income taxes (c)
Total segment operating margin (b/a)
Pretax margin (c/a)

Adjusted Effective Tax Rate

Effective tax rate
Tax effect of non-operating pension and postretirement benefit credit
Tax effect of change in fair value of investments¹
Tax effect of purchase accounting depreciation and amortization attributable to Rockwell Automation
Adjusted Effective Tax Rate

Adjusted EPS

Diluted EPS
Non-operating pension and postretirement benefit credit
Tax effect of non-operating pension and postretirement benefit credit
Change in fair value of investments¹
Tax effect of change in fair value of investments¹
Purchase accounting depreciation and amortization attributable to Rockwell Automation
Tax effect of purchase accounting depreciation and amortization attributable to Rockwell Automation
Adjusted EPS

Fiscal 2022 Guidance

14% - 17%
~ 2%
~ 0%

16% - 19%

\$ ~ 8.2

~ 1.8

~ 0.2

\$ ~ 1.6

~ 21.5 %

~ 19.5 %

~ 16.5 %

~ — %

~ — %

~ 0.5 %

~ 17.0 %

\$10.01 - \$10.61

(0.08)

0.01

(0.06)

0.03

0.78

(0.19)

\$10.50 - \$11.10

¹The actual year-to-date adjustments, which are based on PTC's share price at December 31, 2021, are used for guidance, as estimates of these adjustments on a forward-looking basis are not available due to variability, complexity and limited visibility of these items.



Performance Metric Definition

Organic ARR Growth

Annual recurring revenue (ARR) is a key metric that enables measurement of progress in growing our recurring revenue business. It represents the annual contract value of all active recurring revenue contracts at any point in time. Recurring revenue is defined as a revenue stream that is contractual, typically for a period of 12 months or more, and has a high probability of renewal. The probability of renewal is based on historical renewal experience of the individual revenue streams, or management best estimates if historical renewal experience is not available. Organic ARR growth is calculated as the dollar change in ARR, adjusted to exclude the effects of currency translation and acquisitions, divided by ARR as of the prior period. The effects of currency translation are excluded by calculating Organic ARR on a constant currency basis. When we acquire businesses, we exclude the effect of ARR in current period for which there was no comparable ARR in the prior period. Organic ARR growth is also used as a financial measure of performance for our annual incentive compensation. Because ARR is based on annual contract value, it does not represent revenue recognized during a particular reporting period or revenue to be recognized in future reporting periods and is not intended to be a substitute for revenue, contract liabilities, or backlog.



Thank you



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