



**Rockwell
Automation**

expanding human possibility[®]

Q1 Fiscal 2024 Earnings Presentation

January 31, 2024



PUBLIC

SAFE HARBOR STATEMENT

This presentation includes 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, including those 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 FY24 Results Highlights

- ▶ Reported sales up 3.6% YOY; organic sales increased 1.0% YOY
 - ▶ Currency increased sales 1.2%
 - ▶ Acquisitions contributed 1.4%
- ▶ Clearpath, Cubic, and Verve acquisitions performed well in the quarter
- ▶ Total Annual Recurring Revenue (ARR) up 20% YOY
- ▶ Segment margin of 17.3%, down (290) bps YOY
- ▶ Adjusted EPS of \$2.04, down 17% YOY

Double-digit sequential order growth; all business segments and regions up from Q4 FY23

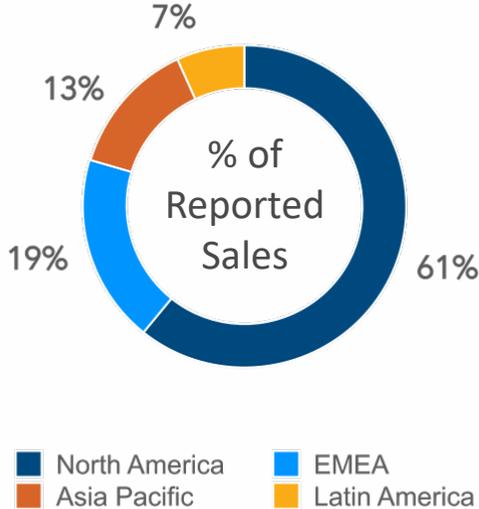
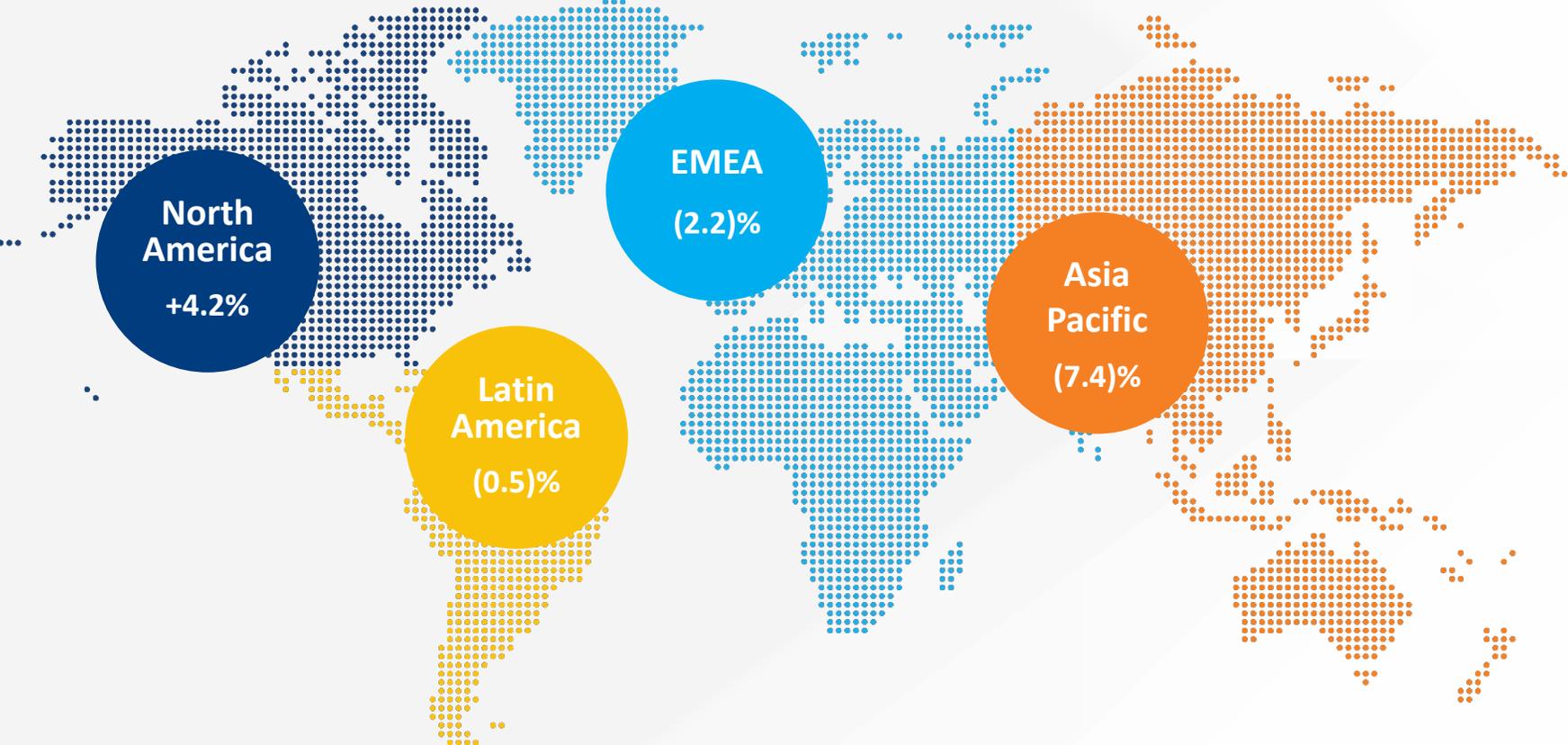
Q1 FY24 Organic Industry Segment Performance

	% of Q1 FY24 Sales	Q1 FY24 vs. Q1 FY23	Q1 FY24 vs. Q1 FY23
 <p>DISCRETE</p>	~25%	Down ~10%	<ul style="list-style-type: none"> ▼ Automotive down high single digits ▼ Semiconductor down high single digits ▼ e-Commerce & Warehouse Automation down mid teens
 <p>HYBRID</p>	~ 40%	Flat	<ul style="list-style-type: none"> ▼ Food & Beverage down high single digits ▲ Life Sciences up ~10% ▲ Tire up high single digits
 <p>PROCESS</p>	~ 35%	Up ~10%	<ul style="list-style-type: none"> ▲ Oil & Gas up ~25% ▲ Mining up high teens ▲ Chemicals up mid single digits

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



Q1 FY24 Year-Over-Year Organic Sales Growth



FY24 sales growth expected to be strongest in the Americas



Full Year Outlook Update

- ▶ Orders still expected to increase low single digits year over year
- ▶ Reaffirming total sales growth range of 0.5% - 6.5%; organic growth range of (2.0)% - 4.0%
 - ▶ Currency to increase sales ~1.0 pt
 - ▶ Acquisitions to contribute ~1.5 pts of growth
- ▶ Total ARR still expected to grow ~15% YOY
- ▶ Continue to expect segment margin of ~21.5%
- ▶ Reaffirming adjusted EPS range of \$12.00 - \$13.50, up ~5% YOY at the midpoint
- ▶ Expect Free Cash Flow conversion of ~100%

Note: Updated Guidance as of January 31, 2024

Focus on driving operational execution and winning share

Q1 FY24 Key Financial Information

(\$ in millions, except per share amounts)

	Q1 FY24	Q1 FY23	YOY B/(W)
Sales	\$2,052	\$1,981	Organic Growth +1.0 % Inorganic Growth +1.4 % Currency Translation +1.2 % <hr/> Reported Growth +3.6 %
Segment Operating Margin	17.3%	20.2%	(290) bps
Corporate and Other	\$40	\$27	\$(13)
Adjusted EPS	\$2.04	\$2.46	(17)%
Adjusted Effective Tax Rate	17.9%	17.1%	(0.8) pts
Free Cash Flow	\$(35)	\$42	\$(77)

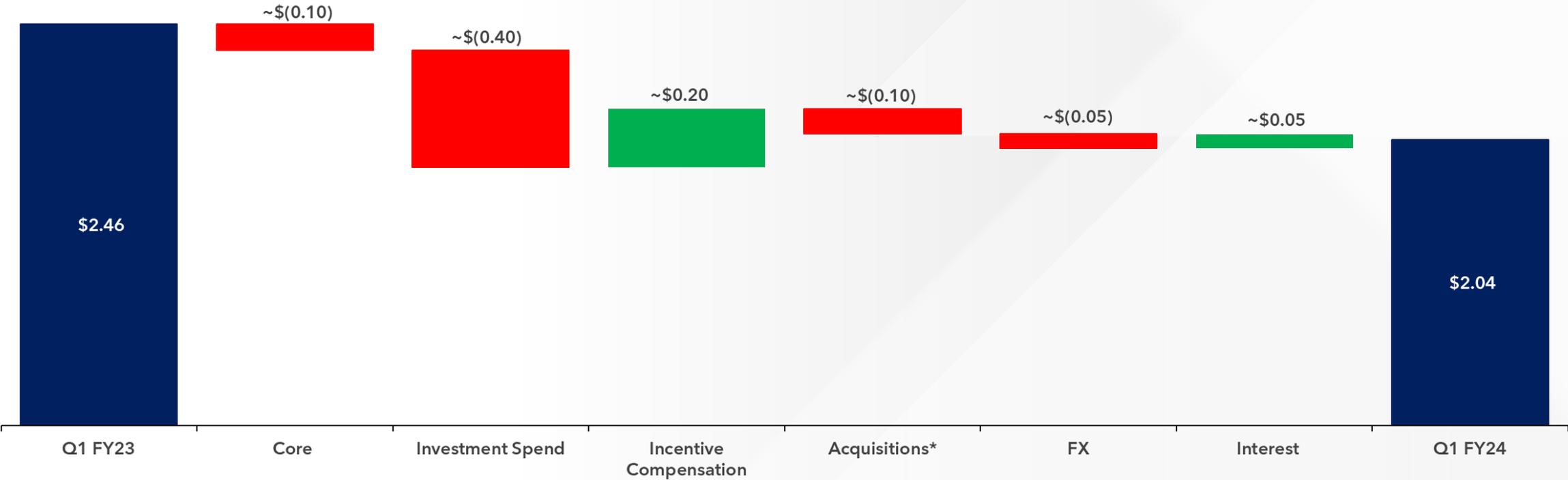


Q1 FY24 Segment Results

	Sales (\$ in millions; YOY growth %)	Segment Operating Margin	Segment Highlights								
Intelligent Devices	<p>\$927M</p> <table border="1"> <tr> <td>Organic</td> <td>(4.5) %</td> </tr> <tr> <td>Inorganic</td> <td>+2.3 %</td> </tr> <tr> <td>Currency</td> <td>+1.2 %</td> </tr> <tr> <td>Reported</td> <td>(1.0) %</td> </tr> </table>	Organic	(4.5) %	Inorganic	+2.3 %	Currency	+1.2 %	Reported	(1.0) %	<p>16.2%</p> <p>(620) bps YOY</p>	<p>Lower segment margin driven by lower sales volume, the timing of prior-year investment spend, and the impact of acquisitions partially offset by positive price/cost</p> <p>Strong acquisitions performance</p>
Organic	(4.5) %										
Inorganic	+2.3 %										
Currency	+1.2 %										
Reported	(1.0) %										
Software & Control	<p>\$604M</p> <table border="1"> <tr> <td>Organic</td> <td>+4.0 %</td> </tr> <tr> <td>Inorganic</td> <td>— %</td> </tr> <tr> <td>Currency</td> <td>+1.3 %</td> </tr> <tr> <td>Reported</td> <td>+5.3 %</td> </tr> </table>	Organic	+4.0 %	Inorganic	— %	Currency	+1.3 %	Reported	+5.3 %	<p>25.0%</p> <p>(420) bps YOY</p>	<p>Lower segment margin driven by the timing of prior-year investment spend and lower supply chain utilization partially offset by price/cost</p>
Organic	+4.0 %										
Inorganic	— %										
Currency	+1.3 %										
Reported	+5.3 %										
Lifecycle Services	<p>\$521M</p> <table border="1"> <tr> <td>Organic</td> <td>+8.1 %</td> </tr> <tr> <td>Inorganic</td> <td>+1.4 %</td> </tr> <tr> <td>Currency</td> <td>+1.0 %</td> </tr> <tr> <td>Reported</td> <td>+10.5 %</td> </tr> </table>	Organic	+8.1 %	Inorganic	+1.4 %	Currency	+1.0 %	Reported	+10.5 %	<p>10.4%</p> <p>520 bps YOY</p>	<p>Book-to-bill of 1.13 with strong activity across all businesses</p> <p>Higher segment margin driven by higher sales, lower incentive compensation, and higher margins in Sensia</p> <p>Realizing savings from prior structural actions</p>
Organic	+8.1 %										
Inorganic	+1.4 %										
Currency	+1.0 %										
Reported	+10.5 %										



Q1 FY23 to Q1 FY24 Adjusted EPS Walk



*Excludes interest expense



Fiscal Year 2024 Guidance

	Updated Guidance	Prior Guidance
Sales Midpoint	~ \$9.4B	~ \$9.4B
Organic Growth Range	(2.0)% - 4.0%	(2.0)% - 4.0%
Inorganic Growth	~ 1.5%	~ 1.0%
Currency Translation	~ 1.0%	~ 1.5%
Segment Operating Margin	~ 21.5%	~ 21.5%
Adjusted Effective Tax Rate	~ 17.0%	~ 17.0%
Adjusted EPS Range	\$12.00 - \$13.50	\$12.00 - \$13.50
Free Cash Flow Conversion	~ 100%	~ 100%

Note: Updated Guidance as of January 31, 2024; Prior Guidance as of November 2, 2023



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Appendix



FY24 Organic Industry Segment Outlook

	% of FY24 Sales	FY24 vs. FY23	Assumptions at Guidance Midpoint	B/(W) vs. Prior Guidance
 <p>DISCRETE</p>	~25%	Down low single digits	<ul style="list-style-type: none"> ▲ Automotive up low single digits ▼ Semiconductor down low single digits ▲ e-Commerce & Warehouse Automation up low single digits 	=
 <p>HYBRID</p>	~40%	Up low single digits	<ul style="list-style-type: none"> ▲ Food & Beverage up low single digits ▲ Life Sciences up low single digits ▼ Tire down low single digits 	=
 <p>PROCESS</p>	~35%	Up low single digits	<ul style="list-style-type: none"> ▲ Oil & Gas up high single digits ▲ Mining up low single digits ▲ Chemicals up low single digits 	=

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 31, 2024; Prior Guidance as of November 2, 2023



Industry Segmentation

% of FY23 Sales



DISCRETE

~25%
of sales

- ~10% Automotive
- ~5% Semiconductor
- ~5% e-Commerce & Warehouse Automation
- ~5% General Industries
 - ▶ Printing & Publishing
 - ▶ Marine
 - ▶ Glass
 - ▶ Fiber & Textiles
 - ▶ Airports
 - ▶ Aerospace
 - ▶ Other Discrete



HYBRID

~40%
of sales

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



PROCESS

~35%
of sales

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

Q1 FY24 Results: Summary

(\$ in millions, except per share amounts)

	Three Months Ended	
	Q1 2024	Q1 2023
Total Sales	\$ 2,052.1	\$ 1,981.0
Total segment operating earnings	\$ 355.5	\$ 401.0
Purchase accounting depreciation and amortization	(35.6)	(26.0)
Corporate and other	(40.0)	(27.3)
Non-operating pension and postretirement credit	4.9	12.4
Change in fair value of investments ⁽¹⁾	3.1	140.6
Interest expense, net	(28.3)	(32.8)
Income tax provision	(46.9)	(89.2)
Net income	\$ 212.7	\$ 378.7
Net loss attributable to noncontrolling interests	(2.5)	(5.3)
Net income attributable to Rockwell Automation	\$ 215.2	\$ 384.0
<u>Adjustments</u>		
Non-operating pension and postretirement benefit credit, net of tax	\$ (3.9)	\$ (9.6)
Purchase accounting depreciation and amortization attributable to Rockwell Automation, net of tax	27.2	17.4
Change in fair value of investments, net of tax ⁽¹⁾	(2.5)	(106.5)
Adjusted income	\$ 236.0	\$ 285.3
Adjusted EPS	\$ 2.04	\$ 2.46
Average Diluted Shares	115.2	115.5

⁽¹⁾ Amount in the three months ended December 31, 2022, primarily relates to the change in fair value of our previous investment in PTC.

Reconciliation to Non-GAAP Measures

Free Cash Flow

(\$ in millions)

	Three Months Ended	
	Q1 2024	Q1 2023
Net Income	\$ 212.7	\$ 378.7
Depreciation/Amortization	76.9	57.8
Change in Fair Value of Investments ⁽¹⁾	(3.1)	(140.6)
Retirement Benefits Expense (Income)	4.5	(1.7)
Receivables/Inventory/Payables	52.4	(237.7)
Compensation and Benefits	(243.4)	(40.2)
Pension Contributions	(5.9)	(7.0)
Income Taxes	1.6	73.1
Other	(63.1)	(16.1)
Cash Flow From Operations	32.6	66.3
Capital Expenditures	(67.9)	(24.2)
Free Cash Flow	\$ (35.3)	\$ 42.1
Adjusted Income	\$ 236.0	\$ 285.3
Free Cash Flow Conversion	(15)%	15 %

⁽¹⁾ Amount in the three months ended December 31, 2022, primarily relates to the change in fair value of our previous investment in PTC.

Reconciliation to Non-GAAP Measures

Organic Sales

(\$ in millions)

	Three Months Ended December 31,								
	2023				2022				
	Reported Sales(a)	Less: Effect of Acquisitions(e)	Effect of Changes in Currency(d)	Organic Sales(b)	Reported Sales(c)	Reported Sales Growth (a)/(c)	Less: Effect of Acquisitions (e)/(c)	Effect of Changes in Currency (d)/(c)	Organic Sales Growth (b)/(c)
North America	\$ 1,247.1	\$ 18.8	\$ (0.2)	\$ 1,228.5	\$ 1,178.9	5.8%	1.6%	—%	4.2%
EMEA	388.3	6.3	17.4	364.6	372.8	4.2%	1.7%	4.7%	(2.2)%
Asia Pacific	275.6	2.7	(1.7)	274.6	296.5	(7.0)%	0.9%	(0.5)%	(7.4)%
Latin America	141.1	—	8.9	132.2	132.8	6.2%	—%	6.7%	(0.5)%
Total	\$ 2,052.1	\$ 27.8	\$ 24.4	\$ 1,999.9	\$ 1,981.0	3.6%	1.4%	1.2%	1.0%

	Three Months Ended December 31,								
	2023				2022				
	Reported Sales(a)	Less: Effect of Acquisitions(e)	Effect of Changes in Currency(d)	Organic Sales(b)	Reported Sales(c)	Reported Sales Growth (a)/(c)	Less: Effect of Acquisitions (e)/(c)	Effect of Changes in Currency (d)/(c)	Organic Sales Growth (b)/(c)
Intelligent Devices	\$ 927.3	\$ 21.1	\$ 11.9	\$ 894.3	\$ 936.2	(1.0)%	2.3%	1.2%	(4.5)%
Software & Control	603.6	—	7.5	596.1	573.3	5.3%	—%	1.3%	4.0%
Lifecycle Services	521.2	6.7	5.0	509.5	471.5	10.5%	1.4%	1.0%	8.1%
Total	\$ 2,052.1	\$ 27.8	\$ 24.4	\$ 1,999.9	\$ 1,981.0	3.6%	1.4%	1.2%	1.0%

Reconciliation to Non-GAAP Measures

Segment Operating Margin

(\$ in millions)

	Three Months Ended	
	December 31, 2023	December 31, 2022
Sales		
Intelligent Devices (a)	\$ 927.3	\$ 936.2
Software & Control (b)	603.6	573.3
Lifecycle Services (c)	521.2	471.5
Total sales (d)	<u>\$ 2,052.1</u>	<u>\$ 1,981.0</u>
Segment operating earnings		
Intelligent Devices (e)	\$ 150.2	\$ 209.4
Software & Control (f)	151.0	167.3
Lifecycle Services (g)	54.3	24.3
Total segment operating earnings ⁽¹⁾ (h)	<u>355.5</u>	<u>401.0</u>
Purchase accounting depreciation and amortization	(35.6)	(26.0)
Corporate and other	(40.0)	(27.3)
Non-operating pension and postretirement benefit credit	4.9	12.4
Change in fair value of investments	3.1	140.6
Interest expense, net	(28.3)	(32.8)
Income before income taxes (i)	<u>\$ 259.6</u>	<u>\$ 467.9</u>
Pretax margin (i/d)	12.7 %	23.6 %
Segment operating margin:		
Intelligent Devices (e/a)	16.2 %	22.4 %
Software & Control (f/b)	25.0 %	29.2 %
Lifecycle Services (g/c)	10.4 %	5.2 %
Total segment operating margin ⁽¹⁾ (h/d)	17.3 %	20.2 %

⁽¹⁾Total 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 credit, change in fair value of investments, interest expense, net, and income tax provision because we do not consider these items 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, 2023	December 31, 2022
Net income attributable to Rockwell Automation	\$ 215.2	\$ 384.0
Non-operating pension and postretirement benefit credit	(4.9)	(12.4)
Tax effect of non-operating pension and postretirement benefit credit	1.0	2.8
Purchase accounting depreciation and amortization attributable to Rockwell Automation	32.7	23.0
Tax effect of purchase accounting depreciation and amortization attributable to Rockwell Automation	(5.5)	(5.6)
Change in fair value of investments ⁽¹⁾	(3.1)	(140.6)
Tax effect of change in fair value of investments ⁽¹⁾	0.6	34.1
Adjusted income	<u>\$ 236.0</u>	<u>\$ 285.3</u>
Diluted EPS	\$ 1.86	\$ 3.31
Non-operating pension and postretirement benefit credit	(0.04)	(0.10)
Tax effect of non-operating pension and postretirement benefit credit	0.01	0.02
Purchase accounting depreciation and amortization attributable to Rockwell Automation	0.28	0.20
Tax effect of purchase accounting depreciation and amortization attributable to Rockwell Automation	(0.05)	(0.05)
Change in fair value of investments ⁽¹⁾	(0.03)	(1.22)
Tax effect of change in fair value of investments ⁽¹⁾	0.01	0.30
Adjusted EPS	<u>\$ 2.04</u>	<u>\$ 2.46</u>
Effective tax rate	18.1 %	19.1 %
Tax effect of non-operating pension and postretirement benefit credit	(0.1)%	(0.1)%
Tax effect of purchase accounting depreciation and amortization attributable to Rockwell Automation	(0.1)%	0.5 %
Tax effect of change in fair value of investments ⁽¹⁾	— %	(2.4)%
Adjusted effective tax rate	<u>17.9 %</u>	<u>17.1 %</u>

Non-operating pension and postretirement benefit credit

(in millions)

	Three Months Ended	
	December 31, 2023	December 31, 2022
Interest cost	\$ 37.2	\$ 39.8
Expected return on plan assets	(42.2)	(51.3)
Amortization of net actuarial loss (gain)	0.1	(0.9)
Non-operating pension and postretirement benefit credit	<u>\$ (4.9)</u>	<u>\$ (12.4)</u>

⁽¹⁾ Amount in the three months ended December 31, 2022, primarily relates to the change in fair value of our previous investment in PTC.

Reconciliation to Non-GAAP Measures

Fiscal 2024 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)
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 cost
Tax effect of purchase accounting depreciation and amortization attributable to Rockwell Automation
Tax effect of change in fair value of investments ⁽²⁾
Adjusted effective tax rate

Adjusted EPS

Diluted EPS ⁽¹⁾
Non-operating pension and postretirement benefit credit
Tax effect of non-operating pension and postretirement benefit credit
Purchase accounting depreciation and amortization attributable to Rockwell Automation
Tax effect of purchase accounting depreciation and amortization attributable to Rockwell Automation
Change in fair value of investments ⁽²⁾
Tax effect of change in fair value of investments ⁽²⁾
Adjusted EPS

Fiscal 2024 Guidance

		(2.0)% - 4.0%
		~ 1.5%
		~ 1.0%
		<u>0.5% - 6.5%</u>
	\$	~ 9.4
		~ 2.0
		~ (0.3)
	\$	~ 1.7
		~ 1.5%
		~ 18.1%
		~ 16.8%
		~ —%
		~ 0.2%
		~ —%
		<u>~ 17.0%</u>
		\$11.24 - \$12.74
		(0.17)
		0.04
		1.15
		(0.24)
		(0.03)
		0.01
		<u>\$12.00 - \$13.50</u>

(1) Fiscal 2024 guidance based on adjusted income attributable to Rockwell, which includes an adjustment for SLB's non-controlling interest in Sensia.

(2) The actual year-to-date adjustments 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.

Note: Guidance as of January 31, 2024



Reconciliation to Non-GAAP Measures

Free Cash Flow Conversion

(\$ in billions)

	Fiscal 2024 Guidance	
Net income attributable to Rockwell Automation at the mid-point	\$ ~	1.4
Non-operating pension and postretirement benefit cost, net of tax	~	—
Purchase accounting depreciation and amortization attributable to Rockwell Automation, net of tax	~	0.1
Change in fair value of investments, net of tax ⁽¹⁾	~	—
Adjusted income at the mid-point (a)	\$ ~	1.5
Cash provided by operating activities	\$ ~	1.7
Capital expenditures	~	(0.2)
Free cash flow (b)	\$ ~	1.5
Free cash flow conversion (b/a)	~	100%

⁽¹⁾The actual year-to-date adjustments 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.

Note: Guidance as of January 31, 2024

Performance Metric Definition

Organic ARR

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's 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 the current period for which there was no comparable ARR in the prior period. We believe that Organic ARR provides useful information to investors because it reflects our recurring revenue performance period over period without the effect of acquisitions and changes in currency exchange rates. Organic ARR growth is also used as a financial measure of performance for our annual incentive compensation. Our measure of ARR may be different from measures used by other companies. 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.

Total ARR

Total ARR growth is calculated as the dollar change in ARR, adjusted to exclude the effects of currency. The effects of currency translation are excluded by calculating Total ARR on a constant currency basis. Total ARR includes acquisitions even if there was no comparable ARR in the prior period. We believe that Total ARR provides useful information to investors because it reflects our recurring revenue performance period over period including the effect of acquisitions.

Book to bill

Book to bill is a key metric that provides an indication on the level of demand. Book to bill represents the growth or decline in backlog in the Lifecycle Services segment. A book to bill greater than one indicates a growing backlog while a book to bill less than one indicates a declining backlog. Book to bill is calculated as net orders divided by sales for a specified period. We believe that book to bill provides useful information to investors about the strength of our Lifecycle Services segment backlog. Our measure of book to bill may be different from measures used by other companies.



Thank you



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