



**Rockwell
Automation**

expanding human possibility[®]

Q4 Fiscal 2024 Earnings Presentation

November 7, 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.

Q4 FY24 Results Highlights

- ▶ Orders down low single digits sequentially; up ~25% YOY
- ▶ Reported and organic sales down (21)% YOY
- ▶ Total Annual Recurring Revenue (ARR) up 16% YOY
- ▶ Segment margin of 20.1%, down (220) bps YOY
- ▶ Adjusted EPS of \$2.47, down (32)% YOY
- ▶ Achieved ~\$70M of productivity savings in Q4 and ~\$110M in 2H FY24

Solid operating performance despite continued softness in end demand

Q4 FY24 Organic Industry Segment Performance

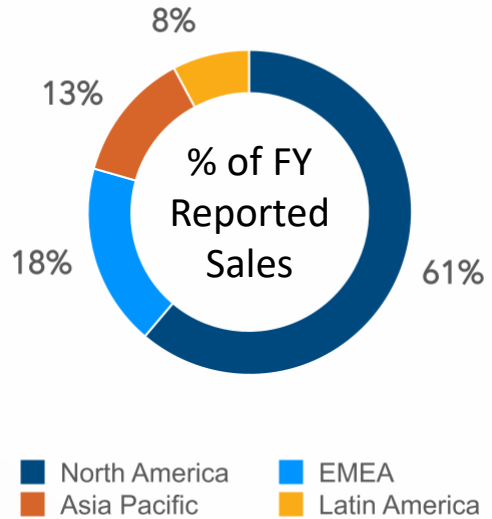
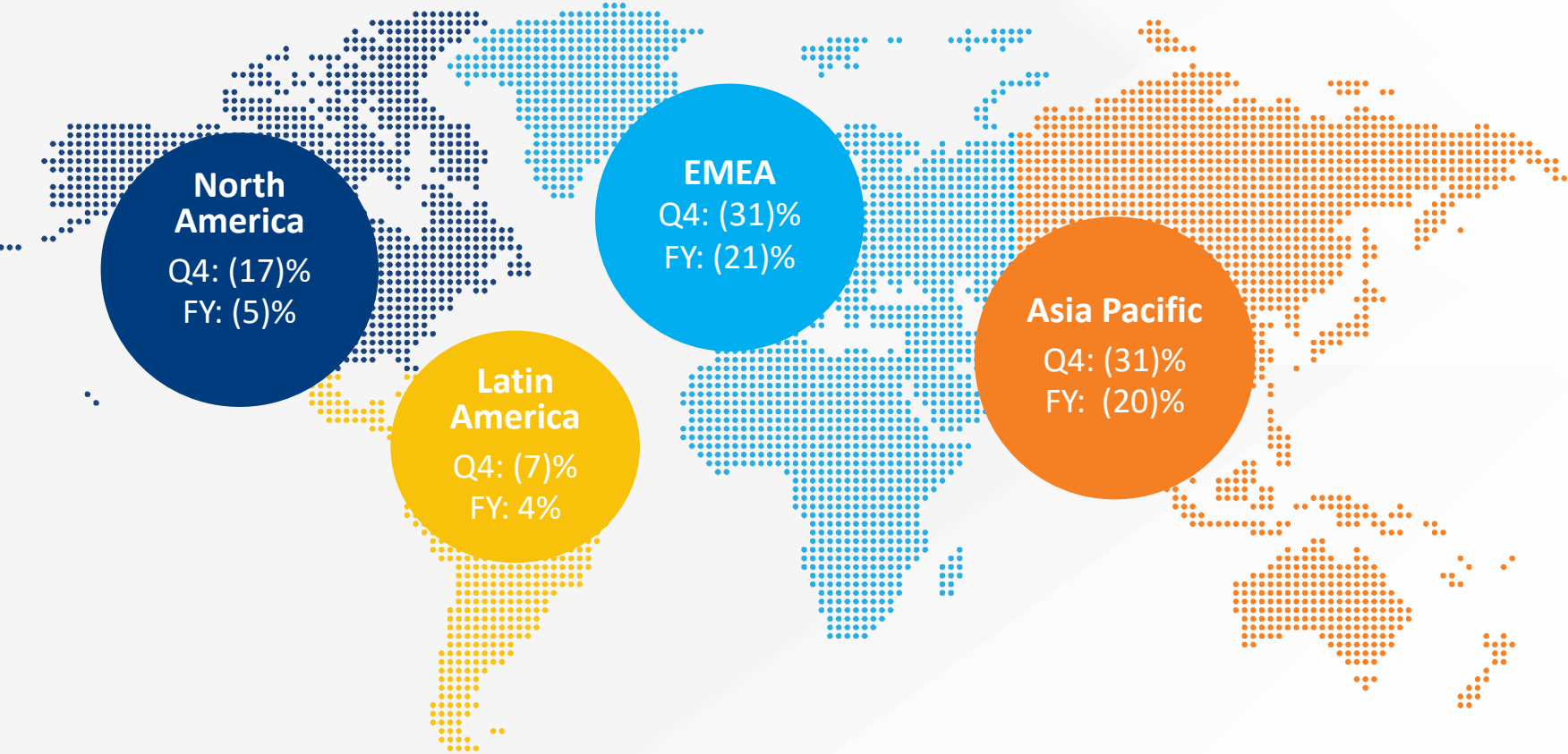
	% of Q4 FY24 Sales	Q4 FY24 vs. Q4 FY23	Q4 FY24 vs. Q4 FY23
 <p>DISCRETE</p>	~25%	Down ~20%	<ul style="list-style-type: none"> ↓ Automotive down ~35% ↓ Semiconductor down ~10% ↑ e-Commerce & Warehouse Automation* up ~25%
 <p>HYBRID</p>	~ 40%	Down ~25%	<ul style="list-style-type: none"> ↓ Food & Beverage down ~25% ↓ Life Sciences down ~25% ↓ Tire down mid teens
 <p>PROCESS</p>	~ 35%	Down ~15%	<ul style="list-style-type: none"> ↓ Oil & Gas down high single digits ↓ Mining down ~25% ↓ Chemicals down 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.

*e-Commerce and Warehouse Automation now includes Cubic data center business.



Q4 and Full Year FY24 Organic Sales Growth



Americas continued to be strongest region in FY24



Full Year FY24 Results Highlights

- ▶ Reported sales down (9)% YOY; organic sales down (10)% YOY
 - ▶ Acquisitions contributed ~1pt. of growth
- ▶ Total ARR up 16% YOY
- ▶ Segment margin of 19.3%, down (200) bps YOY; includes 2H cost reduction benefit of ~\$110M
- ▶ Adjusted EPS of \$9.71, down (20)% YOY
- ▶ Free Cash Flow conversion of ~60%

Focus on cost discipline and execution in a challenging macro environment

Full Year FY25 Outlook

- ▶ Total and organic sales growth range of (4)% to 2%
- ▶ Total ARR expected to grow ~10% YOY
- ▶ Expect segment margin of ~19%
- ▶ Adjusted EPS range of \$8.60 - \$9.80, down ~(5)% YOY at the midpoint
- ▶ Expect Free Cash Flow conversion of ~100%

Note: Guidance as of November 7, 2024

Delivering productivity while continuing to invest in high-growth areas,
positioning ROK for market-beating growth and profitability

Q4 FY24 Key Financial Information

(\$ in millions, except per share amounts)

	Q4 FY24	Q4 FY23	YOY B/(W)
Sales	\$2,036	\$2,563	Organic Growth (21)% Inorganic Growth +1 % Currency Translation (1)% Reported Growth (21)%
Segment Operating Margin	20.1%	22.3%	(220) bps
Corporate and Other	\$39	\$39	\$—
Adjusted EPS	\$2.47	\$3.64	(32)%
Adjusted Effective Tax Rate	14.9%	17.0%	2.1 pts
Free Cash Flow	\$367	\$776	\$(409)

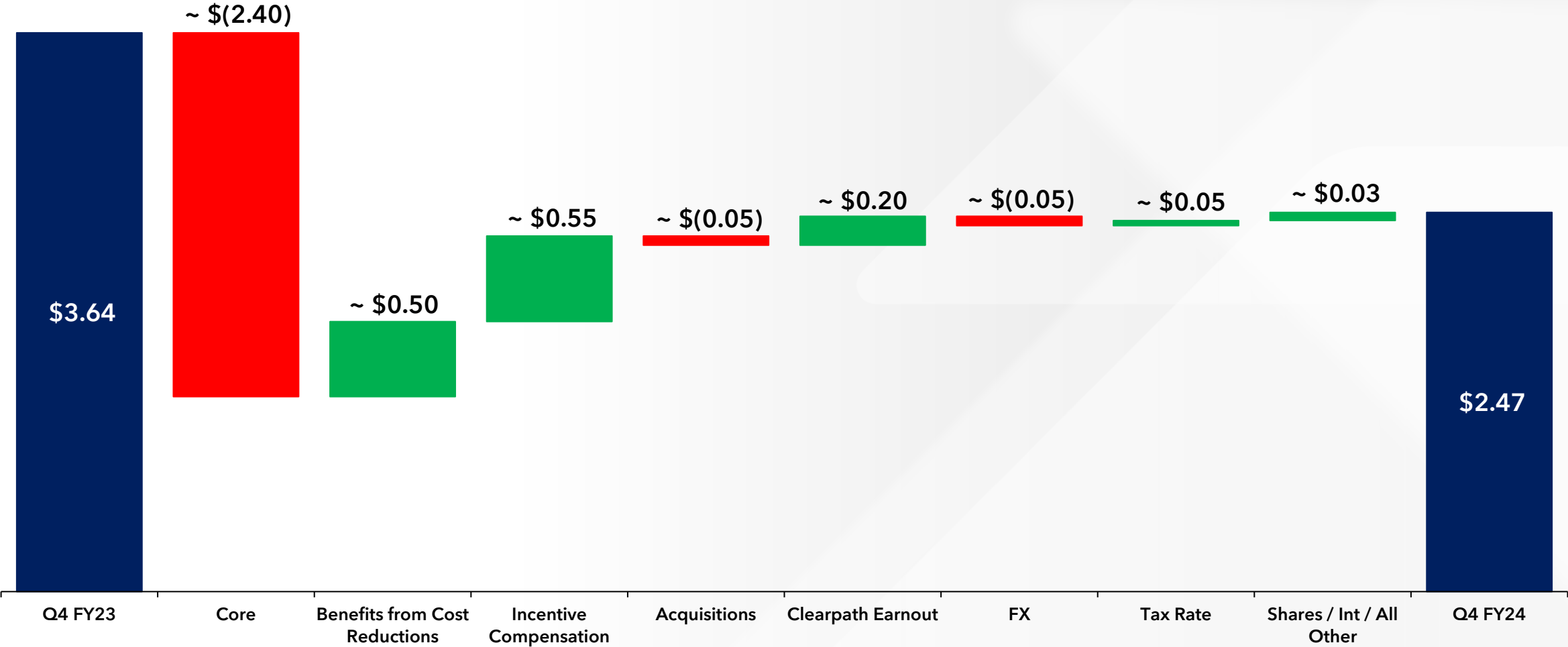


Q4 FY24 Segment Results

	Sales (\$ in millions; YOY growth %)	Segment Operating Margin	Segment Highlights								
Intelligent Devices	<p>\$946M</p> <table border="1"> <tr> <td>Organic</td> <td>(20) %</td> </tr> <tr> <td>Inorganic</td> <td>+1 %</td> </tr> <tr> <td>Currency</td> <td>— %</td> </tr> <tr> <td>Reported</td> <td>(19) %</td> </tr> </table>	Organic	(20) %	Inorganic	+1 %	Currency	— %	Reported	(19) %	<p>20.6%</p> <p>(70) bps YOY</p>	<p>Lower segment margin driven by lower sales volume and unfavorable mix, partially offset by the benefits from cost reduction actions, lower incentive compensation, and an adjustment to an earnout accrual tied to achievement of the seller’s revenue target on our Clearpath Robotics acquisition</p>
Organic	(20) %										
Inorganic	+1 %										
Currency	— %										
Reported	(19) %										
Software & Control	<p>\$502M</p> <table border="1"> <tr> <td>Organic</td> <td>(39) %</td> </tr> <tr> <td>Inorganic</td> <td>— %</td> </tr> <tr> <td>Currency</td> <td>— %</td> </tr> <tr> <td>Reported</td> <td>(39) %</td> </tr> </table>	Organic	(39) %	Inorganic	— %	Currency	— %	Reported	(39) %	<p>22.3%</p> <p>(1120) bps YOY</p>	<p>Lower segment margin driven by lower sales volume, partially offset by the benefits from cost reduction actions and lower incentive compensation</p>
Organic	(39) %										
Inorganic	— %										
Currency	— %										
Reported	(39) %										
Lifecycle Services	<p>\$588M</p> <table border="1"> <tr> <td>Organic</td> <td>+2 %</td> </tr> <tr> <td>Inorganic</td> <td>+1 %</td> </tr> <tr> <td>Currency</td> <td>— %</td> </tr> <tr> <td>Reported</td> <td>+3 %</td> </tr> </table>	Organic	+2 %	Inorganic	+1 %	Currency	— %	Reported	+3 %	<p>17.4%</p> <p>900 bps YOY</p>	<p>Book-to-bill of 0.9</p> <p>Higher segment margin driven by lower incentive compensation, strong project execution and Sensia margin improvement</p>
Organic	+2 %										
Inorganic	+1 %										
Currency	— %										
Reported	+3 %										



Q4 FY23 to Q4 FY24 Adjusted EPS Walk



Adjusted EPS excludes FY24 2nd half restructuring charges.



Full Year FY24 Key Financial Information

(\$ in millions, except per share amounts)

	FY24	FY23	YOY B/(W)
Sales	\$8,264	\$9,058	Organic Growth (10) % Inorganic Growth +1 % Currency Translation — % Reported Growth (9)%
Segment Operating Margin	19.3%	21.3%	(200) bps
Corporate and Other	\$136	\$128	\$(8)
Adjusted EPS	\$9.71	\$12.12	(20)%
Adjusted Effective Tax Rate	15.1%	16.4%	1.3 pts
Free Cash Flow	\$639	\$1,214	\$(575)
ROIC	15.2%	20.9%	(5.7) pts



Fiscal Year 2025 Guidance

Sales Midpoint

~ \$8.2B

Segment Operating Margin

~ 19%

Adjusted Effective Tax Rate

~ 17%

Adjusted EPS Range

\$8.60 - \$9.80

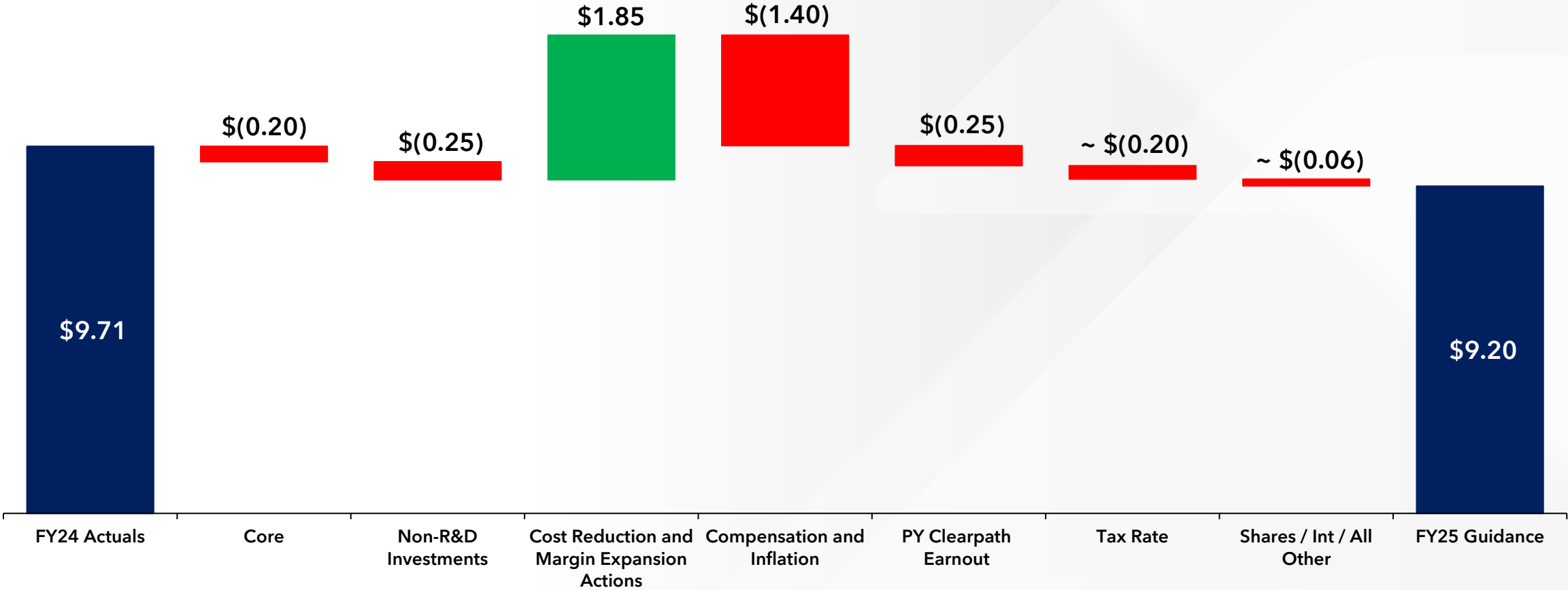
Free Cash Flow Conversion

~ 100%

Note: Guidance as of November 7, 2024

Full Year Outlook

FY24 Actuals to FY25 Guidance Adjusted EPS Walk



Adjusted EPS excludes FY24 2nd half restructuring charges.

Guidance as of Nov 7, 2024.





expanding **human possibility**[®]




Investor Day

NOV 20, 2024 | ANAHEIM, CA, USA

Appendix



FY24 Organic Industry Segment Performance

	% of FY24 Sales	FY24 vs. FY23	FY24 vs. FY23
 <p>DISCRETE</p>	~25%	Down ~15%	<ul style="list-style-type: none"> ▼ Automotive down ~25% ▼ Semiconductor down mid teens ▲ e-Commerce & Warehouse Automation* up ~10%
 <p>HYBRID</p>	~ 35%	Down ~15%	<ul style="list-style-type: none"> ▼ Food & Beverage down high teens ▼ Life Sciences down low teens ▼ Tire down ~10%
 <p>PROCESS</p>	~ 40%	Flat	<ul style="list-style-type: none"> ▲ Energy** up mid single digits (includes Oil & Gas up ~10%) ▲ Mining up low single digits ▼ Chemicals down 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.

*e-Commerce and Warehouse Automation now includes Cubic data center business.

**Energy includes Fossil Fuels, Renewables, CCUS, Low Emission Fuels, Energy Storage and Traditional Power.

Industry Segmentation

% of FY24 Sales



DISCRETE

~25%
of sales



HYBRID

~35%
of sales



PROCESS

~40%
of sales

- ~10% Automotive
- ~5% Semiconductor
- ~5% e-Commerce & Warehouse Automation*
- ~5% General Industrial
 - ▶ Marine
 - ▶ Mass Transit
 - ▶ Glass
 - ▶ Fibers & Textiles
 - ▶ Entertainment
 - ▶ Airports
 - ▶ Aerospace
 - ▶ Print & Publishing

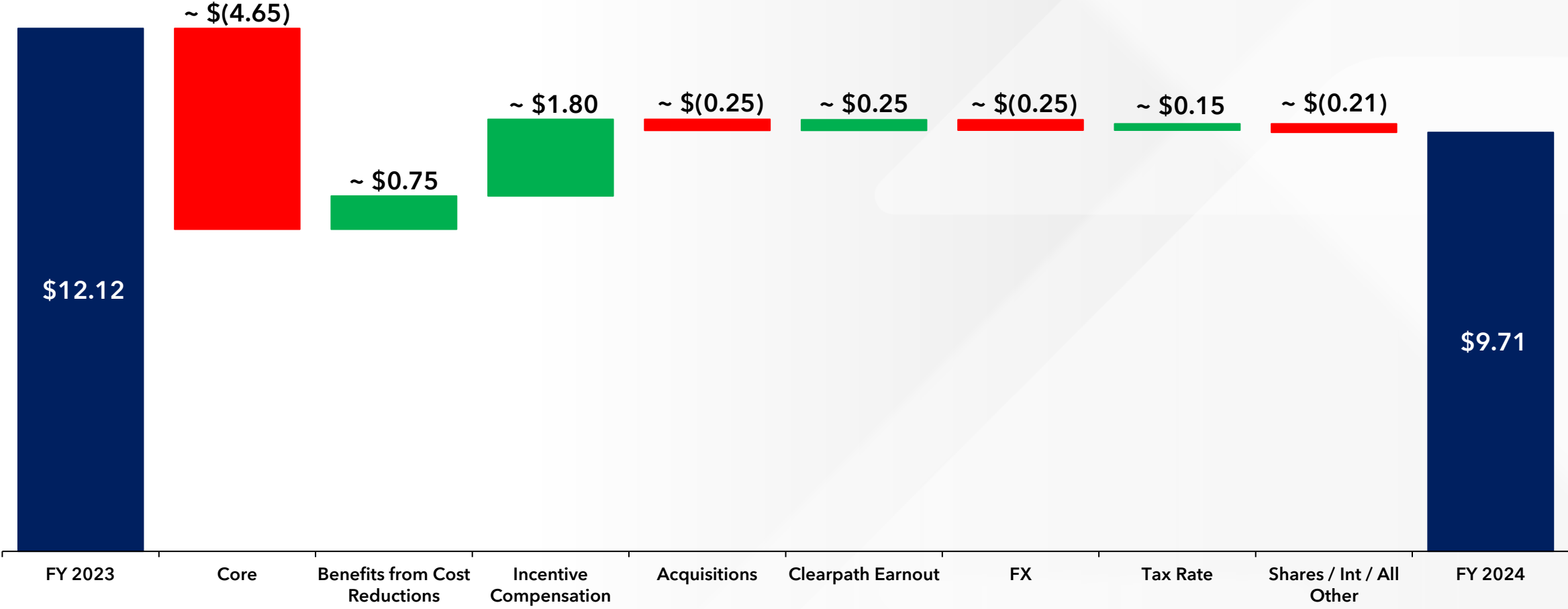
- ~20% Food & Beverage
- ~5% Life Sciences
- ~5% Household & Personal Care
- ~5% Tire

- ~15% Energy**
- ~5% Mining
- ~5% Metals
- ~5% Chemicals
- ~5% Water / Wastewater
- ~5% Pulp & Paper

*e-Commerce and Warehouse Automation now includes Cubic data center business.

**Energy includes Fossil Fuels, Renewables, CCUS, Low Emission Fuels, Energy Storage and Traditional Power.




FY23 to FY24 Adjusted EPS Walk



Adjusted EPS excludes FY24 2nd half restructuring charges.



FY25 Organic Industry Segment Outlook

	% of FY24 Sales	FY25 vs. FY24	Assumptions at Guidance Midpoint
 <p>DISCRETE</p>	~25%	Down low single digits	<ul style="list-style-type: none"> ▼ Automotive down low single digits ▼ Semiconductor down low single digits ▲ e-Commerce & Warehouse Automation up mid single digits
 <p>HYBRID</p>	~35%	Down low single digits	<ul style="list-style-type: none"> ▼ Food & Beverage down low single digits ▼ Life Sciences down low single digits ▼ Tire down low single digits
 <p>PROCESS</p>	~40%	Flat	<ul style="list-style-type: none"> ▲ Energy up low single digits ▲ Mining up low single digits ▼ Chemicals down 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 November 7, 2024.

Q4 FY24 Results: Summary

(in millions, except per share amounts)

	<u>Q4 2024</u>	<u>Q4 2023</u>
Total sales	\$ 2,035.5	\$ 2,562.9
Total segment operating earnings	409.1	571.7
Purchase accounting depreciation and amortization, and impairment	(35.6)	(184.6)
Corporate and other	(39.0)	(39.1)
Non-operating pension and postretirement benefit credit	5.1	4.8
Change in fair value of investments	(0.8)	(10.0)
Restructuring charges	(27.6)	—
Interest (expense) income, net	(37.1)	(25.4)
Income tax provision	(35.9)	(111.7)
Net income	238.2	205.7
Net loss attributable to noncontrolling interests	(0.9)	(97.2)
Net income attributable to Rockwell Automation	<u>\$ 239.1</u>	<u>\$ 302.9</u>
<u>Adjustments</u>		
Non-operating pension and postretirement benefit credit, net of tax	\$ (4.1)	\$ (3.8)
Purchase accounting depreciation and amortization, and impairment attributable to Rockwell Automation, net of tax ¹	25.4	115.5
Change in fair value of investments, net of tax	0.6	7.6
Restructuring charges, net of tax	20.9	—
Adjusted Income	<u>281.9</u>	<u>422.2</u>
Adjusted EPS	<u>2.47</u>	<u>3.64</u>
Average Diluted Shares	<u>\$ 113.7</u>	<u>\$ 115.6</u>

¹ 2023 includes (\$97.3) million net expense from (\$157.5) goodwill impairment charge included in Income before income taxes, (\$33.1) tax effect from goodwill impairment and related valuation allowances recorded in Income tax provision, and \$93.3 million Net loss attributable to noncontrolling interests.



Reconciliation to Non-GAAP Measures

<u>Free Cash Flow</u> (in millions)	<u>Q4 2024</u>	<u>FY 2024</u>
Net Income	\$ 238.2	\$ 947.3
Depreciation/Amortization	81.2	317.4
Retirement benefits expense	4.4	17.9
Receivables/Inventory/Payables	159.9	246.0
Compensation and benefits	42.2	(254.9)
Pension contributions	(9.6)	(28.3)
Income taxes	(11.0)	(304.7)
Other	<u>(73.0)</u>	<u>(76.9)</u>
Cash flow from operations	432.3	863.8
Capital expenditures	(64.9)	(224.7)
Free Cash Flow	<u>\$ 367.4</u>	<u>\$ 639.1</u>
Adjusted Income	\$ 281.9	\$ 1,117.2
Free Cash Flow as a % of Adjusted Income	130 %	57 %

Reconciliation to Non-GAAP Measures

Organic Sales

(in millions, except percentages)

	Three Months Ended September 30,								
	2024				2023				
	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)	Acquisition Growth (e)/(c)	Currency Growth (Decline) (d)/(c)	Organic Growth (b)/(c)
North America	\$ 1,243.7	\$ 22.2	\$ (1.7)	\$ 1,223.2	\$ 1,473.6	(16)%	2%	(1)%	(17)%
EMEA	362.0	0.5	4.2	357.3	516.9	(30)%	—%	1%	(31)%
Asia Pacific	266.4	0.3	0.1	266.0	383.8	(31)%	—%	—%	(31)%
Latin America	163.4	0.1	(11.8)	175.1	188.6	(13)%	—%	(6)%	(7)%
Total	\$ 2,035.5	\$ 23.1	\$ (9.2)	\$ 2,021.6	\$ 2,562.9	(21)%	1%	(1)%	(21)%

	Twelve Months Ended September 30,								
	2024				2023				
	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)	Acquisition Growth (e)/(c)	Currency Growth (Decline) (d)/(c)	Organic Growth (b)/(c)
North America	\$ 5,052.8	\$ 81.8	\$ (3.4)	\$ 4,974.4	\$ 5,224.0	(3)%	2%	—%	(5)%
EMEA	1,504.5	9.0	21.6	1,473.9	1,870.6	(20)%	—%	1%	(21)%
Asia Pacific	1,072.8	4.8	(18.2)	1,086.2	1,358.0	(21)%	—%	(1)%	(20)%
Latin America	634.1	0.4	4.5	629.2	605.4	5%	—%	1%	4%
Total	\$ 8,264.2	\$ 96.0	\$ 4.5	\$ 8,163.7	\$ 9,058.0	(9)%	1%	—%	(10)%

Reconciliation to Non-GAAP Measures

Organic Sales

(in millions, except percentages)

	Three Months Ended September 30,								
	2024		2023						
	Reported Sales(a)	Less: Effect of Acquisitions(e)	Effect of Changes in Currency(d)	Organic Sales(b)	Reported Sales(c)	Sales Growth (a)/(c)	Acquisition Growth (e)/(c)	Currency Growth (d)/(c)	Organic Growth (b)/(c)
Intelligent Devices	\$ 946.0	\$ 16.9	\$ (4.5)	\$ 933.6	\$ 1,170.7	(19)%	1%	—%	(20)%
Software & Control	501.7	—	(2.7)	504.4	821.0	(39)%	—%	—%	(39)%
Lifecycle Services	587.8	6.2	(2.0)	583.6	571.2	3%	1%	—%	2%
Total	\$ 2,035.5	\$ 23.1	\$ (9.2)	\$ 2,021.6	\$ 2,562.9	(21)%	1%	(1)%	(21)%

	Twelve Months Ended September 30,								
	2024		2023						
	Reported Sales(a)	Less: Effect of Acquisitions(e)	Effect of Changes in Currency(d)	Organic Sales(b)	Reported Sales(c)	Sales Growth (a)/(c)	Acquisition Growth (e)/(c)	Currency Growth (Decline) (d)/(c)	Organic Growth (b)/(c)
Intelligent Devices	\$ 3,804.1	\$ 68.5	\$ 3.7	\$ 3,731.9	\$ 4,098.2	(7)%	2%	—%	(9)%
Software & Control	2,187.4	—	2.2	2,185.2	2,886.0	(24)%	—%	—%	(24)%
Lifecycle Services	2,272.7	27.5	(1.4)	2,246.6	2,073.8	10%	2%	2%	8%
Total	\$ 8,264.2	\$ 96.0	\$ 4.5	\$ 8,163.7	\$ 9,058.0	(9)%	1%	—%	(10)%

Reconciliation to Non-GAAP Measures

Segment Operating Margin

(in millions, except percentages)

	Three Months Ended		Twelve Months Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Sales				
Intelligent Devices (a)	\$ 946.0	\$ 1,170.7	\$ 3,804.1	\$ 4,098.2
Software & Control (b)	501.7	821.0	2,187.4	2,886.0
Lifecycle Services (c)	587.8	571.2	2,272.7	2,073.8
Total sales (d)	\$ 2,035.5	\$ 2,562.9	\$ 8,264.2	\$ 9,058.0
Segment operating earnings				
Intelligent Devices (e)	\$ 195.3	\$ 248.8	\$ 700.0	\$ 828.2
Software & Control (f)	111.8	275.1	529.7	953.2
Lifecycle Services (g)	102.0	47.8	365.6	148.4
Total segment operating earnings ¹ (h)	409.1	571.7	1,595.3	1,929.8
Purchase accounting depreciation and amortization, and impairment	(35.6)	(184.6)	(143.9)	(264.4)
Corporate and other	(39.0)	(39.1)	(135.8)	(127.9)
Non-operating pension and postretirement benefit credit (cost)	5.1	4.8	19.8	(82.7)
Change in fair value of investments	(0.8)	(10.0)	0.1	279.3
Restructuring charges	(27.6)	—	(97.4)	—
Interest expense, net	(37.1)	(25.4)	(139.0)	(125.6)
Income before income taxes (i)	\$ 274.1	\$ 317.4	\$ 1,099.1	\$ 1,608.5
Pretax margin (i/d)	13.5 %	12.4 %	13.3 %	17.8 %
Segment operating margin:				
Intelligent Devices (e/a)	20.6 %	21.3 %	18.4 %	20.2 %
Software & Control (f/b)	22.3 %	33.5 %	24.2 %	33.0 %
Lifecycle Services (g/c)	17.4 %	8.4 %	16.1 %	7.2 %
Total segment operating margin (h/d)	20.1 %	22.3 %	19.3 %	21.3 %

¹Total segment operating earnings and total segment operating margin are non-GAAP financial measures. We exclude purchase accounting depreciation and amortization, impairment, corporate and other, non-operating pension and postretirement benefit credit (cost), change in fair value of investments, restructuring charges aligned with enterprise-wide strategic initiatives, 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		Twelve Months Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Net Income attributable to Rockwell Automation	\$ 239.1	\$ 302.9	\$ 952.5	\$ 1,387.4
Non-operating pension and postretirement benefit (credit) cost	(5.1)	(4.8)	(19.8)	82.7
Tax effect of non-operating pension and postretirement benefit (credit) cost	1.0	1.0	4.0	(20.6)
Purchase accounting depreciation and amortization, and impairment attributable to Rockwell Automation ¹	32.9	107.6	132.8	178.3
Tax effect of purchase accounting depreciation and amortization, and impairment attributable to Rockwell Automation ¹	(7.5)	7.9	(24.6)	(9.4)
Change in fair value of investments ²	0.8	10.0	(0.1)	(279.3)
Tax effect of change in fair value of investments ²	(0.2)	(2.4)	(0.7)	67.6
Restructuring charges ³	27.6	—	97.4	—
Tax effect of restructuring charges ³	(6.7)	—	(24.3)	—
Adjusted Income	<u>\$ 281.9</u>	<u>\$ 422.2</u>	<u>\$ 1,117.2</u>	<u>\$ 1,406.7</u>
Diluted EPS	\$ 2.09	\$ 2.61	\$ 8.28	\$ 11.95
Non-operating pension and postretirement benefit (credit) cost	(0.04)	(0.04)	(0.17)	0.72
Tax effect of non-operating pension and postretirement benefit (credit) cost	0.01	0.01	0.03	(0.18)
Purchase accounting depreciation and amortization, and impairment attributable to Rockwell Automation	0.29	0.93	1.16	1.54
Tax effect of purchase accounting depreciation and amortization, and impairment attributable to Rockwell Automation	(0.07)	0.07	(0.22)	(0.08)
Change in fair value of investments ²	0.01	0.09	—	(2.42)
Tax effect of change in fair value of investments ²	—	(0.03)	(0.01)	0.59
Restructuring charges	0.24	—	0.85	—
Tax effect of restructuring charges	(0.06)	—	(0.21)	—
Adjusted EPS	<u>\$ 2.47</u>	<u>\$ 3.64</u>	<u>\$ 9.71</u>	<u>\$ 12.12</u>
Effective Tax Rate	13.1 %	35.2 %	13.8 %	20.5 %
Tax effect of non-operating pension and postretirement benefit (credit) cost	(0.2)%	0.2 %	(0.1)%	0.3 %
Tax effect of purchase accounting depreciation and amortization, and impairment attributable to Rockwell Automation	0.9 %	(18.0)%	0.4 %	(3.7)%
Tax effect of change in fair value of investments ²	0.1 %	(0.4)%	0.1 %	(0.7)%
Tax effect of restructuring charges	1.0 %	— %	0.9 %	— %
Adjusted Effective Tax Rate	<u>14.9 %</u>	<u>17.0 %</u>	<u>15.1 %</u>	<u>16.4 %</u>

¹Three and twelve months ended September 30, 2023 includes \$97.3 million net expense from \$157.5 goodwill impairment charge included in Income before income taxes, \$33.1 tax effect from goodwill impairment and related valuation allowances recorded in Income tax provision, and (\$93.3) million Net loss attributable to noncontrolling interests.

²Primarily relates to the change in value of our previous investment in PTC.

³Restructuring charges include \$27.6 million for severance benefits in the three months ended September 30, 2024 and \$92.3 million for severance benefits and \$5.1 million for strategic advisory services related to the enterprise-wide severance actions in the twelve months ended September 30, 2024.



Reconciliation to Non-GAAP Measures

Non-operating pension and postretirement benefit cost

(in millions)

	Three Months Ended		Twelve Months Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Interest cost	\$ 37.3	\$ 36.2	\$ 149.1	\$ 151.9
Expected return on plan assets	(42.6)	(43.6)	(169.5)	(190.6)
Amortization of prior service cost	—	—	—	0.1
Amortization of net actuarial loss (gain)	0.1	(0.7)	0.5	(2.1)
Settlement charges	0.1	3.3	0.1	123.4
Non-operating pension and postretirement benefit (credit) cost	\$ (5.1)	\$ (4.8)	\$ (19.8)	\$ 82.7

Reconciliation to Non-GAAP Measures

Return On Invested Capital

(\$ in millions)

	Twelve Months Ended	
	September 30,	
	2024	2023
(a) Return		
Net income	\$ 947.3	\$ 1,278.0
Interest expense	154.6	135.3
Income tax provision	151.8	330.5
Purchase accounting depreciation and amortization, and impairment	143.9	264.4
Return	<u>1,397.6</u>	<u>2,008.2</u>
(b) Average invested capital		
Short-term debt	778.8	847.6
Long-term debt	2,686.2	2,866.5
Shareowners' equity	3,686.2	3,401.2
Accumulated amortization of goodwill and intangibles	1,359.9	1,107.1
Cash and cash equivalents	(571.9)	(584.4)
Short-term and long-term investments	(0.4)	(5.4)
Average invested capital	<u>7,938.8</u>	<u>7,632.6</u>
(c) Effective tax rate		
Income tax provision	\$ 151.8	\$ 330.5
Income from continuing operations before income taxes	<u>1,099.1</u>	<u>1,608.5</u>
Effective tax rate	<u>13.8 %</u>	<u>20.5 %</u>
(a) / (b) * (1-c) Return On Invested Capital	<u>15.2 %</u>	<u>20.9 %</u>

Reconciliation to Non-GAAP Measures

Fiscal 2025 Guidance

(\$ in billions)

Reported and 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 credit

Tax effect of purchase accounting depreciation and amortization, and impairment attributable to Rockwell Automation

Tax effect of change in fair value of investments¹

Adjusted Effective Tax Rate

Adjusted EPS

Diluted EPS

Purchase accounting depreciation and amortization, and impairment attributable to Rockwell Automation

Tax effect of purchase accounting depreciation and amortization, and impairment attributable to Rockwell Automation

Adjusted EPS²

Fiscal 2025 Guidance

(4)% to 2%

~ —%

~ —%

(4)% to 2%

\$ ~ 8.2

~ 1.5

~ (0.4)

\$ ~ 1.1

~ 18.9 %

~ 13.9 %

~ 16.9 %

~ — %

~ 0.1 %

~ — %

~ 17.0 %

\$7.65 - \$8.85

1.15

(0.20)

\$8.60 - \$9.80

¹Fiscal 2025 guidance excludes estimates of changes in fair value of investments on a forward-looking basis due to variability, complexity, and limited visibility of these items.

²Fiscal 2025 guidance based on Adjusted Income attributable to Rockwell, which includes an adjustment for SLB's non-controlling interest in Sensia.

Reconciliation to Non-GAAP Measures

Free Cash Flow Conversion

(\$ in billions)

	Fiscal 2025 Guidance	
Net income attributable to Rockwell Automation at the mid-point	\$ ~	0.9
Non-operating pension and postretirement benefit credit, net of tax	~	—
Purchase accounting depreciation and amortization, and impairment attributable to Rockwell Automation, net of tax	~	0.1
Change in fair value of investments, net of tax ¹	~	—
Restructuring charges, net of tax	~	—
Adjusted income at the mid-point (a)	\$ ~	1.0
Cash provided by operating activities	\$ ~	1.3
Capital expenditures	~	(0.3)
Free cash flow (b)	\$ ~	1.0
Free cash flow conversion (b/a)	~	100%

¹Fiscal 2025 guidance excludes estimates of changes in fair value of investments on a forward-looking basis due to variability, complexity, and limited visibility of these items.

Note: Guidance as of November 7, 2024

Performance Metric Definitions

Total ARR

Total 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. Total ARR growth is calculated as the dollar change in ARR, adjusted to exclude the effects of currency, divided by ARR as of the prior period. 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. 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.

Organic ARR

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.

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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