



**Rockwell
Automation**

expanding human possibility[®]

Q1 Fiscal 2025 Earnings Presentation

February 10, 2025



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 FY25 Results Highlights

- ▶ Orders up ~10% YOY and up mid single digits sequentially
- ▶ Reported sales down (8.4)% YOY; organic sales down (7.6)% YOY
 - ▶ Currency decreased sales (0.9) pts YOY
- ▶ Total Annual Recurring Revenue (ARR) up 11% YOY
- ▶ Segment margin of 17.1% and adjusted EPS of \$1.83, above expectations
- ▶ On track to achieve ~\$250M in YOY productivity benefits in FY25

Sequential order growth; strong execution on productivity

Q1 FY25 Organic Industry Segment Performance

Q1 FY25
vs. Q1 FY24

Q1 FY25
vs. Q1 FY24



Down low single digits

- ↓ Automotive down mid single digits
- ↓ Semiconductor down mid single digits
- ↑ e-Commerce & Warehouse Automation up ~30%



Down high single digits

- ↓ Food & Beverage down high single digits
- ↓ Life Sciences down ~10%
- ↓ Tire down low double digits



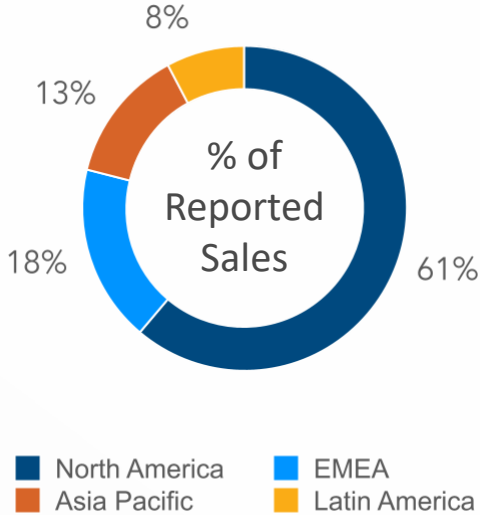
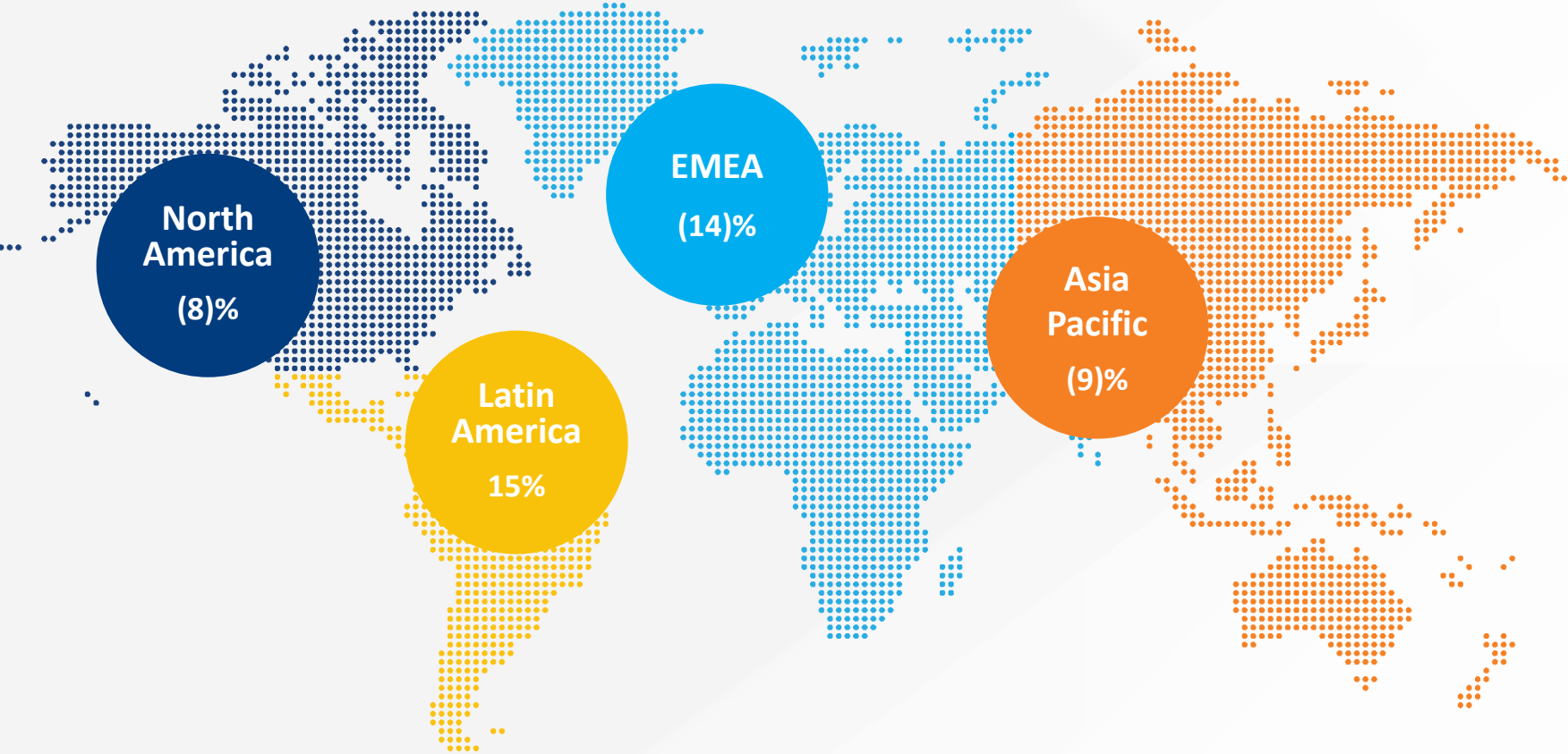
Down high single digits

- ↓ Energy down mid single digits
- ↓ Mining down low single digits
- ↓ Chemicals down low teens

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



Q1 FY25 Year-Over-Year Organic Sales Growth



Americas continue to be our strongest regions



Full Year Outlook Update

- ▶ Updating reported sales midpoint to ~\$8.1B due to currency headwinds
 - ▶ Updating reported sales growth range to (5.5)% - 0.5% YOY; currency to decrease sales ~(1.5) pts
 - ▶ Reaffirming organic sales growth range of (4)% - 2% YOY
- ▶ Total ARR expected to grow ~10% YOY
- ▶ Expect segment margin of ~19%; includes ~\$250M benefit from cost reduction and margin expansion actions
- ▶ Reaffirming adjusted EPS range of \$8.60 - \$9.80
- ▶ Expect Free Cash Flow conversion of ~100%

Note: Updated Guidance as of February 10, 2025

Focus on execution and growing market share

Q1 FY25 Key Financial Information

(\$ in millions, except per share amounts)

	Q1 FY25	Q1 FY24	YOY B/(W)
Sales	\$1,881	\$2,052	Organic Growth (7.6) % Inorganic Growth +0.1 % Currency Translation (0.9) % <hr/> Reported Growth (8.4) %
Segment Operating Margin	17.1%	17.3%	(20) bps
Corporate and Other	\$38	\$40	\$2
Adjusted EPS	\$1.83	\$2.04	(10)%
Adjusted Effective Tax Rate	17.5%	17.9%	0.4 pts
Free Cash Flow	\$293	\$(35)	\$328

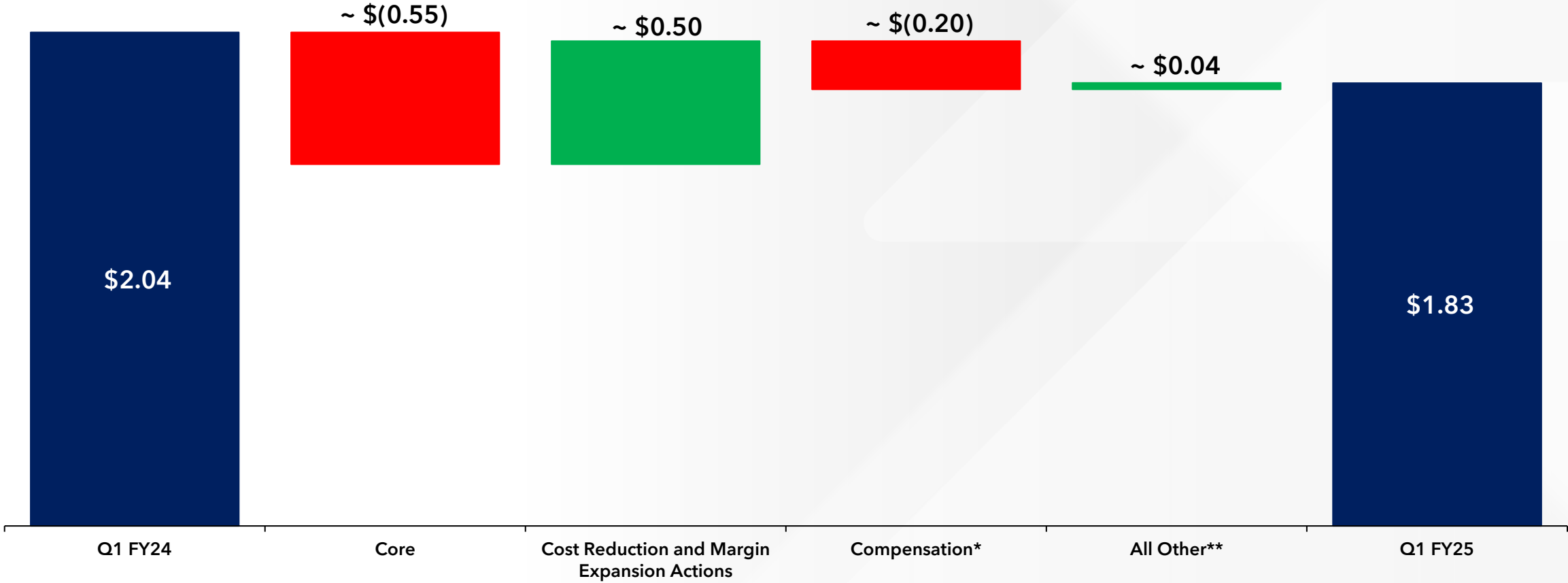


Q1 FY25 Segment Results

	Sales (\$ in millions; YOY growth %)	Segment Operating Margin	Segment Highlights								
Intelligent Devices	<p>\$806M</p> <table border="1"> <tr> <td>Organic</td> <td>(12) %</td> </tr> <tr> <td>Inorganic</td> <td>— %</td> </tr> <tr> <td>Currency</td> <td>(1) %</td> </tr> <tr> <td>Reported</td> <td>(13) %</td> </tr> </table>	Organic	(12) %	Inorganic	— %	Currency	(1) %	Reported	(13) %	<p>14.9%</p> <p>(130) bps YOY</p>	<p>Lower segment margin YOY driven by lower sales volume partially offset by the benefits from cost reduction and margin expansion actions.</p>
Organic	(12) %										
Inorganic	— %										
Currency	(1) %										
Reported	(13) %										
Software & Control	<p>\$529M</p> <table border="1"> <tr> <td>Organic</td> <td>(12) %</td> </tr> <tr> <td>Inorganic</td> <td>— %</td> </tr> <tr> <td>Currency</td> <td>(1) %</td> </tr> <tr> <td>Reported</td> <td>(12) %</td> </tr> </table>	Organic	(12) %	Inorganic	— %	Currency	(1) %	Reported	(12) %	<p>25.1%</p> <p>+10 bps YOY</p>	<p>Higher segment margin YOY driven by the benefits from cost reduction and margin expansion actions, and positive price/cost, mostly offset by lower sales volume.</p>
Organic	(12) %										
Inorganic	— %										
Currency	(1) %										
Reported	(12) %										
Lifecycle Services	<p>\$546M</p> <table border="1"> <tr> <td>Organic</td> <td>+5 %</td> </tr> <tr> <td>Inorganic</td> <td>— %</td> </tr> <tr> <td>Currency</td> <td>(1) %</td> </tr> <tr> <td>Reported</td> <td>+5 %</td> </tr> </table>	Organic	+5 %	Inorganic	— %	Currency	(1) %	Reported	+5 %	<p>12.5%</p> <p>+190 bps YOY</p>	<p>Book-to-bill of 1.05</p> <p>Higher segment margin YOY driven by the benefits from cost reduction and margin expansion actions, and higher sales volume.</p>
Organic	+5 %										
Inorganic	— %										
Currency	(1) %										
Reported	+5 %										



Q1 FY24 to Q1 FY25 Adjusted EPS Walk



*Compensation reflects merit and incentive compensation

**All Other includes: Previous Year One-Time Acquisition Costs, Interest Expense, Non-Controlling Interest, Pension, Shares, Currency, Non-R&D Investments, and Tax



Fiscal Year 2025 Guidance

	Updated Guidance	Prior Guidance
Reported Sales Midpoint	~ \$8.1B	~ \$8.2B
Organic Growth	(4)% - 2%	(4)% - 2%
Inorganic Growth	~ 0%	~ 0%
Currency Translation	~ (1.5)%	~ 0%
Segment Operating Margin	~ 19%	~ 19%
Adjusted Effective Tax Rate	~ 17%	~ 17%
Adjusted EPS Target	\$8.60 - \$9.80	\$8.60 - \$9.80
Free Cash Flow Conversion	~ 100%	~ 100%




Note: Updated Guidance as of February 10, 2025; Prior Guidance as of November 7, 2024



Appendix



FY25 Organic Industry Segment Outlook

	FY25 vs. FY24	Assumptions at Guidance Midpoint	B/(W) vs. Prior Guidance
	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 high single digits 	=
	Down low single digits	<ul style="list-style-type: none"> ↓ Food & Beverage down low single digits → Life Sciences flat ↓ Tire down low single digits 	=
	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 February 10, 2025; Prior Guidance as of November 7, 2024

Industry Segmentation

% of FY24 Sales



DISCRETE

~25%
of sales

- ~10% Automotive
- ~5% Semiconductor
- ~5% e-Commerce & Warehouse
- Automation
- ~5% General Industries

- ▶ Marine
- ▶ Mass Transit
- ▶ Glass
- ▶ Fibers & Textiles
- ▶ Entertainment
- ▶ Airports
- ▶ Aerospace
- ▶ Print & Publishing



HYBRID

~35%
of sales

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



PROCESS

~40%
of sales

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



Q1 FY25 Results: Summary

Financial 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

Change in fair value of investments

Interest expense, 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, net of tax

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

Change in fair value of investments, net of tax

Adjusted income

Adjusted EPS

Average diluted shares

	Three Months Ended	
	December 31,	
	2024	2023
	\$ 1,881	\$ 2,052
Total segment operating earnings	\$ 321	\$ 356
Purchase accounting depreciation and amortization	(35)	(36)
Corporate and other	(38)	(40)
Non-operating pension and postretirement benefit credit	—	5
Change in fair value of investments	—	3
Interest expense, net	(35)	(28)
Income tax provision	(35)	(47)
Net income	\$ 178	\$ 213
Net loss attributable to noncontrolling interests	(6)	(2)
Net income attributable to Rockwell Automation	\$ 184	\$ 215
Non-operating pension and postretirement benefit credit, net of tax	\$ —	\$ (4)
Purchase accounting depreciation and amortization attributable to Rockwell Automation, net of tax	25	27
Change in fair value of investments, net of tax	—	(2)
Adjusted income	\$ 209	\$ 236
Adjusted EPS	\$ 1.83	\$ 2.04
Average diluted shares	113.5	115.2



Reconciliation to Non-GAAP Measures

Free Cash Flow

(\$ in millions)

	Three Months Ended	
	December 31,	
	2024	2023
Net income	\$ 178	\$ 213
Depreciation/Amortization	78	77
Change in fair value of investments	—	(3)
Retirement benefits expense	10	5
Receivables/Inventory/Payables	75	52
Compensation and benefits	(12)	(243)
Pension contributions	(3)	(6)
Income taxes	(8)	2
Other	46	(64)
Cash flow from operations	364	33
Capital expenditures	(71)	(68)
Free cash flow	<u>\$ 293</u>	<u>\$ (35)</u>
Adjusted income	\$ 209	\$ 236
Free cash flow conversion	140 %	(15)%

Reconciliation to Non-GAAP Measures

Organic Sales

(\$ in millions)

	Three Months Ended December 31,								
	2024		2023		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)	Less: Effect of Acquisitions (e)/(c)	Effect of Changes in Currency (d)/(c)	Organic Sales Growth (b)/(c)
North America	\$ 1,150	\$ 2	\$ (3)	\$ 1,151	\$ 1,247	(8)%	—%	—%	(8)%
EMEA	332	—	(1)	333	388	(14)%	—%	—%	(14)%
Asia Pacific	251	—	—	251	276	(9)%	—%	—%	(9)%
Latin America	148	—	(14)	162	141	5%	—%	(10)%	15%
Total	\$ 1,881	\$ 2	\$ (18)	\$ 1,897	\$ 2,052	(8)%	—%	(1)%	(8)%

	Three Months Ended December 31,								
	2024		2023		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)	Less: Effect of Acquisitions (e)/(c)	Effect of Changes in Currency (d)/(c)	Organic Sales Growth (b)/(c)
Intelligent Devices	\$ 806	\$ —	\$ (9)	\$ 815	\$ 927	(13)%	—%	(1)%	(12)%
Software & Control	529	—	(5)	534	604	(12)%	—%	(1)%	(12)%
Lifecycle Services	546	2	(4)	548	521	5%	—%	(1)%	5%
Total	\$ 1,881	\$ 2	\$ (18)	\$ 1,897	\$ 2,052	(8)%	—%	(1)%	(8)%

Reconciliation to Non-GAAP Measures

Segment Operating Margin

(\$ in millions)

	Three Months Ended	
	December 31,	
	2024	2023
Sales		
Intelligent Devices (a)	\$ 806	\$ 927
Software & Control (b)	529	604
Lifecycle Services (c)	546	521
Total sales (d)	\$ 1,881	\$ 2,052
Segment operating earnings		
Intelligent Devices (e)	\$ 120	\$ 150
Software & Control (f)	133	151
Lifecycle Services (g)	68	55
Total segment operating earnings ⁽¹⁾ (h)	321	356
Purchase accounting depreciation and amortization	(35)	(36)
Corporate and other	(38)	(40)
Non-operating pension and postretirement benefit credit	—	5
Change in fair value of investments	—	3
Interest expense, net	(35)	(28)
Income before income taxes (i)	\$ 213	\$ 260
Pretax margin (i/d)	11.3 %	12.7 %
Segment operating margin:		
Intelligent Devices (e/a)	14.9 %	16.2 %
Software & Control (f/b)	25.1 %	25.0 %
Lifecycle Services (g/c)	12.5 %	10.6 %
Total segment operating margin ⁽¹⁾ (h/d)	17.1 %	17.3 %

⁽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 benefit 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,	
	2024	2023
Net income attributable to Rockwell Automation	\$ 184	\$ 215
Non-operating pension and postretirement benefit credit	—	(5)
Tax effect of non-operating pension and postretirement benefit credit	—	1
Purchase accounting depreciation and amortization attributable to Rockwell Automation	33	33
Tax effect of purchase accounting depreciation and amortization attributable to Rockwell Automation	(8)	(6)
Change in fair value of investments	—	(3)
Tax effect of change in fair value of investments	—	1
Adjusted income	\$ 209	\$ 236
Diluted EPS	\$ 1.61	\$ 1.86
Non-operating pension and postretirement benefit credit	—	(0.04)
Tax effect of non-operating pension and postretirement benefit credit	—	0.01
Purchase accounting depreciation and amortization attributable to Rockwell Automation	0.29	0.28
Tax effect of purchase accounting depreciation and amortization attributable to Rockwell Automation	(0.07)	(0.05)
Change in fair value of investments	—	(0.03)
Tax effect of change in fair value of investments	—	0.01
Adjusted EPS	\$ 1.83	\$ 2.04
Effective tax rate	16.4 %	18.1 %
Tax effect of non-operating pension and postretirement benefit credit	— %	(0.1)%
Tax effect of purchase accounting depreciation and amortization attributable to Rockwell Automation	1.1 %	(0.1)%
Tax effect of change in fair value of investments	— %	— %
Adjusted effective tax rate	17.5 %	17.9 %

Non-operating pension and postretirement benefit credit

(\$ in millions)

	Three Months Ended	
	December 31, 2024	December 31, 2023
Interest cost	\$ 34	\$ 37
Expected return on plan assets	(41)	(42)
Amortization of net actuarial loss	7	—
Non-operating pension and postretirement benefit credit	\$ —	\$ (5)

Reconciliation to Non-GAAP Measures

Return On Invested Capital

(\$ in millions)

	Twelve Months Ended December 31,	
	2024	2023
(a) Return		
Net income	\$ 913	\$ 1,112
Interest expense	160	135
Income tax provision	139	288
Purchase accounting depreciation and amortization	144	274
Return	<u>\$ 1,356</u>	<u>\$ 1,809</u>
(b) Average invested capital		
Short-term debt	\$ 968	\$ 754
Long-term debt	2,626	2,866
Shareowners' equity	3,615	3,558
Accumulated amortization of goodwill and intangibles	1,366	1,168
Cash and cash equivalents	(452)	(574)
Short-term and long-term investments	(2)	(3)
Average invested capital	<u>\$ 8,121</u>	<u>\$ 7,769</u>
(c) Effective tax rate		
Income tax provision	\$ 139	\$ 288
Income before income taxes	1,052	1,400
Effective tax rate	<u>13.2 %</u>	<u>20.6 %</u>
(a) / (b) * (1-c) Return On Invested Capital	<u>14.5 %</u>	<u>18.5 %</u>

Reconciliation to Non-GAAP Measures

Fiscal 2025 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 credit
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 2025 Guidance

	(4)% - 2%
	~ 0%
	~ (1.5)%
	<u>(5.5)% - 0.5%</u>
\$	~ 8.1
	~ 1.5
	~ (0.4)
\$	~ 1.1
	~ 19%
	~ 14%
	~ 17%
	~ —%
	~ —%
	~ —%
	~ 17%
	\$7.65 - \$8.85
	—
	—
	1.15
	(0.20)
	—
	—
	<u>\$8.60 - \$9.80</u>

(1) Fiscal 2025 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 February 10, 2025

Reconciliation to Non-GAAP Measures

Free Cash Flow Conversion

(\$ in billions)

	<u>Fiscal 2025 Guidance</u>
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 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)	<u>\$ ~ 1.0</u>
Cash provided by operating activities	\$ ~ 1.3
Capital expenditures	<u>~ (0.3)</u>
Free cash flow (b)	\$ ~ 1.0
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 February 10, 2025

Performance Metric Definition

Total 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. 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.

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 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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