



Fiscal Year 2019 Fourth Quarter Conference Call

November 12, 2019



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.

Fiscal 2019 Q4 and Full Year Results

Q4 HIGHLIGHTS

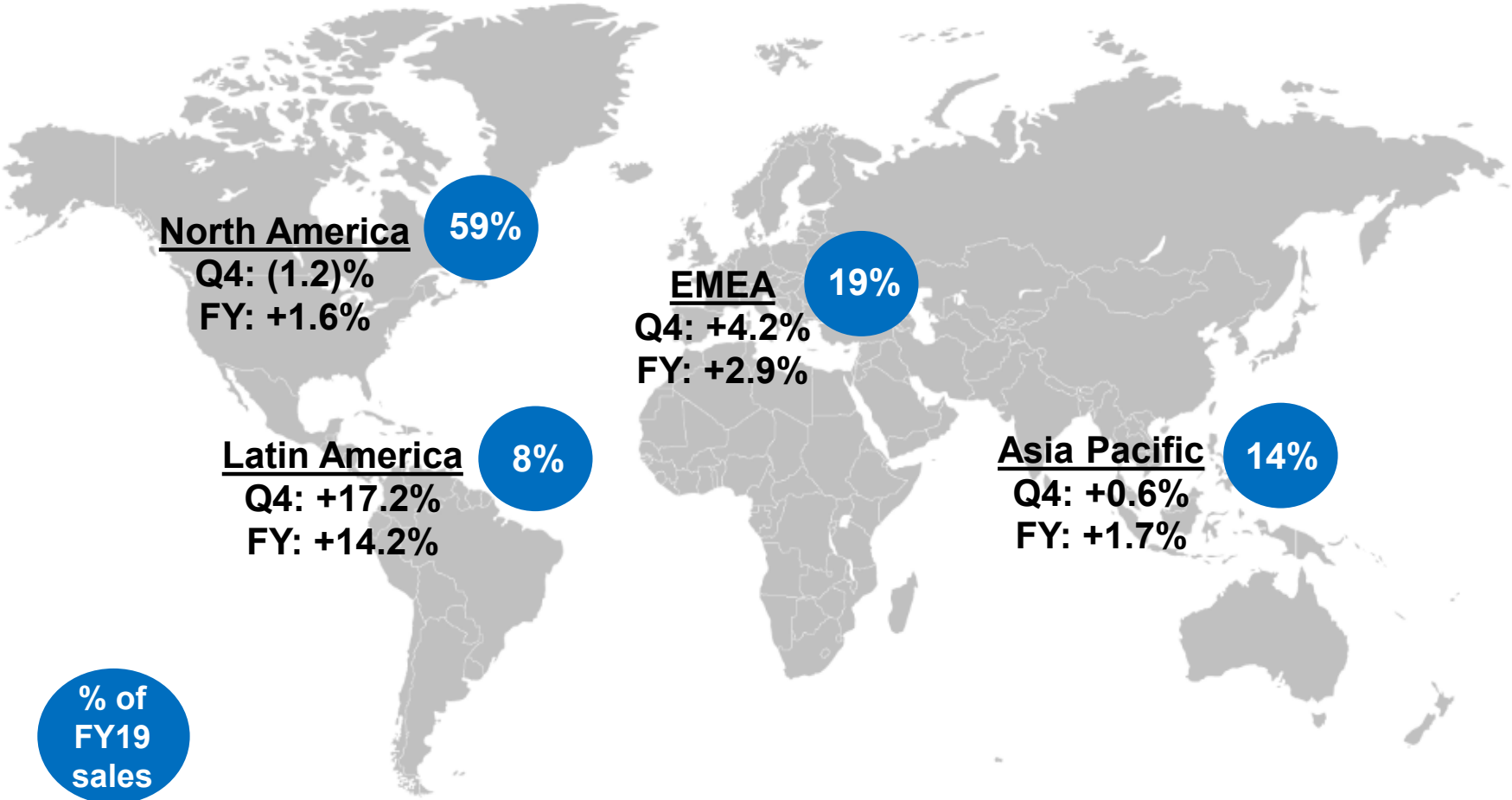
- Organic sales +1.4% YOY
 - Growth across a broad range of industries
 - Led by oil & gas, mining, and life sciences
 - Better performance in automotive and food & beverage
 - Double-digit growth in Information Solutions & Connected Services
 - Logix +3%; Process control (2)%
- Adjusted EPS of \$2.01 (includes a restructuring charge of \$0.14 and Sensia setup costs of \$0.04 that were not included in July guidance)
- Free Cash Flow conversion of 191%

FY 2019 HIGHLIGHTS

- Organic sales +2.8% YOY
 - Led by oil & gas, mining, and life sciences, partially offset by automotive and semiconductor
 - Information Solutions & Connected Services contributed ~1 pt of growth
 - Logix +1%; Process control +4%
- 22% segment operating margin, up 40 bps
- Adjusted EPS of \$8.67, +7% YOY
- Free Cash Flow conversion of 101%
- Deployed ~\$1.5B on dividends and share repurchases

7% Adjusted EPS growth for the year while investing in long-term differentiation

Fiscal 2019 Q4 and Full Year Organic Sales Growth



Fourth Quarter *

- North America decline driven by weakness in semiconductor and power generation; offset by strength in oil & gas, automotive, and mining
- EMEA strength led by growth in life sciences, food & beverage, and mining
- Asia Pacific grew; China down mid single digits
- Most countries in Latin America grew
- Emerging markets up mid single digits

* All growth comments refer to organic growth

Key Financial Information: Q4

(in millions, except per share amounts)

	Q4 2019	Q4 2018 ¹	YOY B/(W)
SALES	\$1,730	\$1,730	Organic Growth +1.4% Inorganic Growth +0.1% Currency Translation (1.5)% Reported Growth <u>—%</u>
SEGMENT OPERATING MARGIN	20.2%	20.8%	(60) bps
GENERAL CORPORATE - NET	\$36	\$18	\$(18)
ADJUSTED EPS	\$2.01	\$2.10	(4)%
ADJUSTED EFFECTIVE TAX RATE	17.0%	19.2%	220 bps
FREE CASH FLOW	\$451	\$316	\$135

¹Comparable numbers in fiscal 2018 were recast to conform to fiscal 2019 reporting, except for ASC 606, which was adopted using the modified retrospective transition method. See pages 23-25.

Key Financial Information: Full Year

(in millions, except per share amounts)

	2019	2018 ¹	YOY B/(W)	
SALES	\$6,695	\$6,666	Organic Growth	+2.8%
			Currency Translation	<u>(2.4)%</u>
			Reported Growth	+0.4%
SEGMENT OPERATING MARGIN	22.0%	21.6%		40 bps
GENERAL CORPORATE - NET	\$109	\$100		\$(9)
ADJUSTED EPS	\$8.67	\$8.10		7%
ADJUSTED EFFECTIVE TAX RATE	17.9%	19.3%		140 bps
FREE CASH FLOW	\$1,049	\$1,175		\$(126)
ROIC	25.0%	48.1%		(23)%

¹Comparable numbers in fiscal 2018 were recast to conform to fiscal 2019 reporting, except for ASC 606, which was adopted using the modified retrospective transition method. See pages 26-27.

Fiscal 2019 Q4 Segment Results

(in millions)

	SALES	SEGMENT OPERATING MARGIN	HIGHLIGHTS
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ARCHITECTURE & SOFTWARE

\$781

+0.9% reported
 +2.3% organic
 +0.1% inorganic
 (1.5)% currency

26.2%

(190) bps

- Organic sales growth across core platforms
- Segment operating margin declined 190 bps YOY driven by lower volume leverage and restructuring
- Segment operating margin includes ~ (1) pt impact related to restructuring

CONTROL PRODUCTS & SOLUTIONS

\$949

(0.6)% reported
 +0.7% organic
 (1.3)% currency

15.2%

+40 bps

- Organic sales growth in both Products and Solutions
- Segment operating margin expanded 40 bps YOY
- Segment operating margin includes ~ (1) pt impact related to restructuring
- Book-to-Bill for Solutions and Services of 0.93



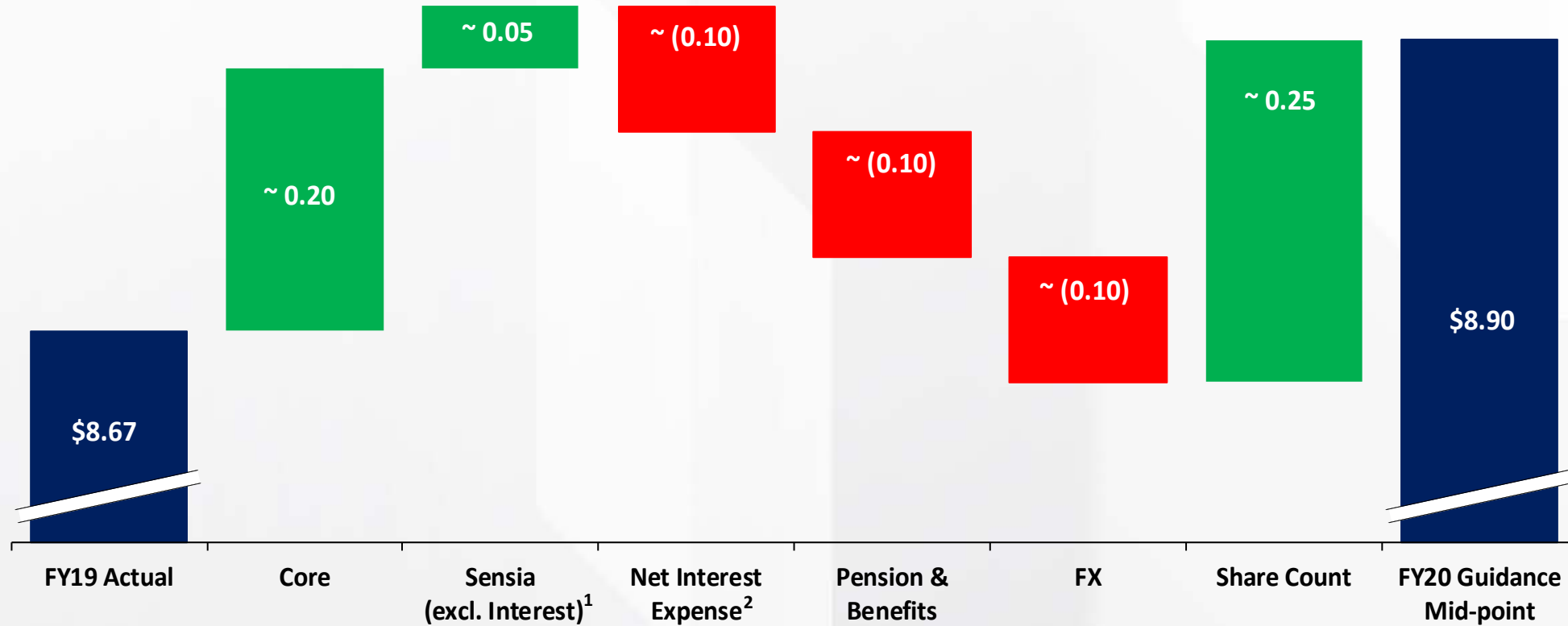
Fiscal 2020 guidance

	Full year outlook
Sales Midpoint	~ \$7.0B
Organic Growth Range	(1.5)% - 1.5%
Inorganic Growth	~ 4%
Currency Translation	~ (0.5)%
Segment Operating Margin	~ 21.5%
Adjusted Effective Tax Rate¹	~ 16.0%
Adjusted EPS²	\$8.70 - \$9.10
Free Cash Flow as a % of Adjusted Income	~ 100%
Note: As of November 12, 2019	

¹ Includes the impact of a tax benefit recognizable upon the formation of the Sensia joint venture on October 1, 2019. This tax benefit is expected to reduce the Adjusted Effective Tax Rate by approximately 200 basis points.

² Based on Adjusted Income attributable to Rockwell, which excludes Schlumberger's non-controlling interest in Sensia.

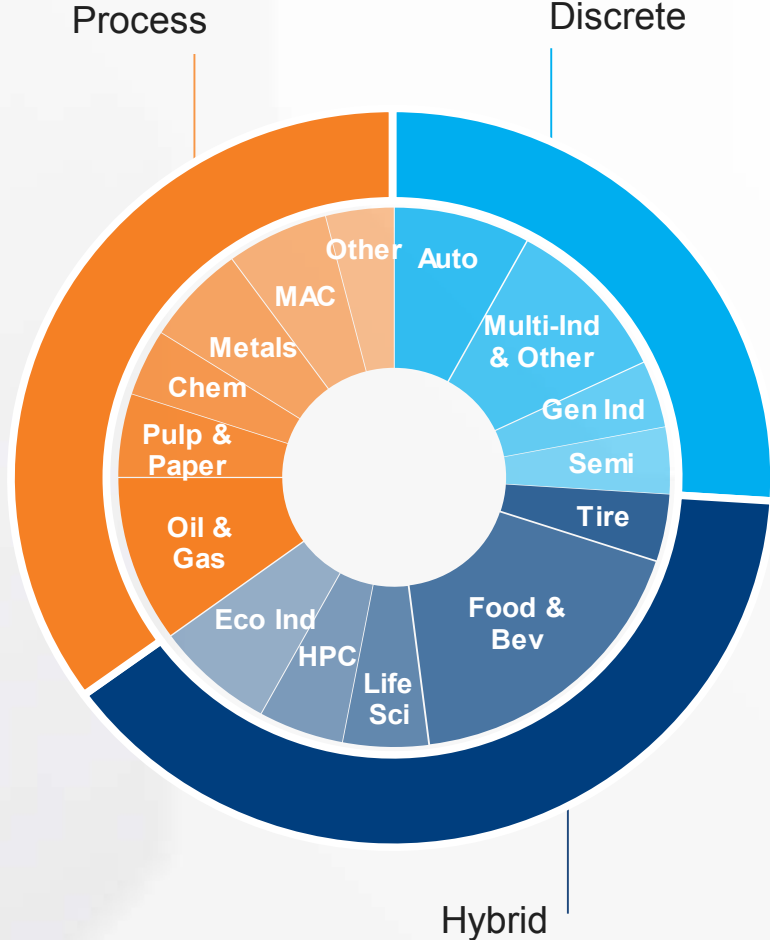
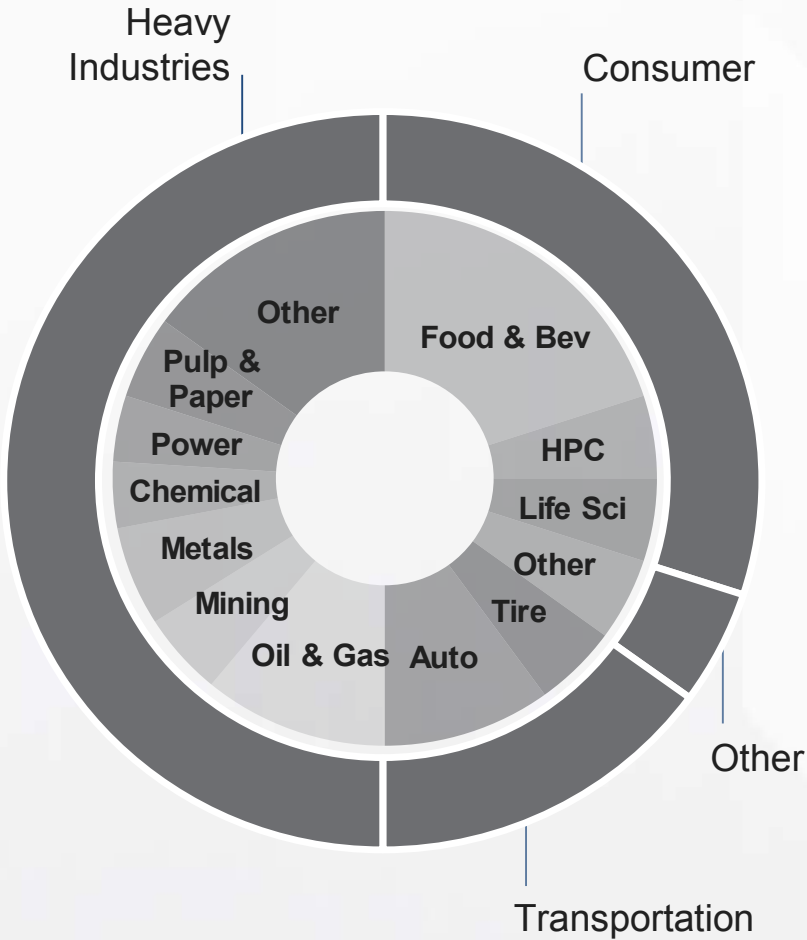
Fiscal 2019 to Fiscal 2020 Midpoint Adjusted EPS Walk



¹ Sensia consists of the incremental operating earnings, intangible amortization, transaction fees, setup costs, a tax benefit recognizable upon formation of the joint venture on October 1, 2019, and non-controlling interest adjustments related to Schlumberger's ownership in Sensia.

² Includes net interest expense related to Sensia.

Simplified Industry Segmentation



New Industry Segmentation

% of FY19 Sales

Discrete

- ~10% Automotive
- ~5% Semiconductor
- ~5% General Industries
 - Warehousing & Logistics
 - Printing & Publishing
 - Marine
 - Glass
 - Fiber/Textiles
 - Airports
 - Aerospace
- ~10% 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
 - Mass Transit
 - Renewable Energy




Total Hybrid Industries ~40% of sales

Process

- ~10% Oil & Gas
- ~5% Mining, Aggregates & Cement (MAC)
- ~5% Metals
- ~5% Chemicals
- ~5% Pulp & Paper
- ~5% Other Process
 - Traditional Power
 - Other Process

Total Process Industries ~35% of sales

Fiscal 2020 Organic Sales Outlook by Industry Segment

	% of FY19 Sales	FY19 vs. FY18	FY20 vs. FY19	Assumptions at Guidance Mid-Point
 Discrete	~ 25%	Down mid single digits	Down low single digits	<ul style="list-style-type: none"> ➔ Automotive flat ▼ Semiconductor down mid single digits
 Hybrid	~ 40%	Up mid single digits	Up low single digits	<ul style="list-style-type: none"> ▲ Life Sciences up mid single digits ▲ Food & beverage up low single digits ▲ Tire up low single digits
 Process	~ 35%	Up high single digits	Flat	<ul style="list-style-type: none"> ▲ Oil & Gas (O&G) up low single digits (excluding Sensia) ▲ Mining/Aggregate/Cement (MAC) up low single digits ▼ Chemicals down low single digits

Note: Organic growth rates depicted above exclude the impact of acquisitions and currency



**Rockwell
Automation**

Appendix

Supplemental Financial Information and
Reconciliations to Non-GAAP Measures

Fourth Quarter Results: Summary

(in millions, except per share amounts)

	<u>Q4 2019</u>	<u>Q4 2018</u>
Total Sales	\$ 1,730.2	\$ 1,729.5
Total Segment Operating Earnings	\$ 349.0	\$ 358.9
Purchase Accounting Depreciation and Amortization	(4.1)	(4.2)
General Corporate - Net	(36.4)	(18.2)
Non-operating pension and postretirement benefit credit (cost)	0.6	(6.7)
Change in fair value of investments ¹	(228.4)	166.8
Interest (expense) income, net	(24.3)	(14.9)
Income Tax Provision	(48.3)	(135.8)
Net Income	<u>\$ 8.1</u>	<u>\$ 345.9</u>
<u>Adjustments</u>		
Non-operating pension and postretirement benefit (credit) cost, net of tax	(0.6)	4.6
Change in fair value of investments ¹	228.4	(166.8)
Tax effect of change in fair value of investments ¹	—	21.7
Effects of the Tax Act	—	54.6
Adjusted Income	<u>\$ 235.9</u>	<u>\$ 260.0</u>
Adjusted EPS	<u>\$ 2.01</u>	<u>\$ 2.10</u>
Average Diluted Shares	<u>117.0</u>	<u>123.5</u>

¹Includes loss on investments and valuation adjustments related to the registration of PTC Shares.

Free Cash Flow

(in millions)	<u>Q4 2019</u>	<u>FY 2019</u>
Net Income	\$ 8	\$ 696
Depreciation/Amortization	40	152
Retirement Benefits Expense	19	71
Receivables/Inventory/Payables	149	(1)
Compensation and Benefits	29	(45)
Pension Contributions	(9)	(31)
Income Taxes ⁽¹⁾	19	(48)
Change in fair value of investments ⁽²⁾	228	369
Other ⁽³⁾	<u>(8)</u>	<u>19</u>
Cash Flow From Operations	475	1,182
Capital Expenditures	(24)	(133)
Free Cash Flow	<u>\$ 451</u>	<u>\$ 1,049</u>
Adjusted Income	\$ 236	\$ 1,035
Free Cash Flow as a % of Adjusted Income	191%	101%

⁽¹⁾ YTD includes a payment of \$31.1 million for taxes due under the Tax Act related to deemed repatriation of foreign earnings.

⁽²⁾ Includes loss on investments and valuation adjustments related to the registration of PTC Shares.

⁽³⁾ YTD includes a payment of \$35.7 million to settle hedges executed in connection with our issuance of \$1.0 billion of long-term notes in the second quarter of fiscal 2019.

Reconciliation to Non-GAAP Measures

Organic Sales

(in millions, except percentages)

Three Months Ended September 30,								
2019						2018		
	Sales(a)	Effect of Changes in Currency	Sales Excluding Changes in Currency	Effect of Acquisitions	Organic Sales(b)	Sales(c)	Sales Growth (Decline) (a)/(c)	Organic Growth (Decline) (b)/(c)
North America	\$ 1,020.4	\$ 0.8	\$ 1,021.2	\$ (0.7)	\$ 1,020.5	\$ 1,032.7	(1.2)%	(1.2)%
EMEA	316.4	13.7	330.1	(0.1)	330.0	316.6	(0.1)%	4.2%
Asia Pacific	246.8	6.2	253.0	(0.1)	252.9	251.4	(1.8)%	0.6%
Latin America	146.6	4.3	150.9	—	150.9	128.8	13.8%	17.2%
Total	\$ 1,730.2	\$ 25.0	\$ 1,755.2	\$ (0.9)	\$ 1,754.3	\$ 1,729.5	—%	1.4%

Twelve Months Ended September 30,								
2019						2018		
	Sales(a)	Effect of Changes in Currency	Sales Excluding Changes in Currency	Effect of Acquisitions	Organic Sales(b)	Sales(c)	Sales Growth (Decline) (a)/(c)	Organic Growth (Decline) (b)/(c)
North America	\$ 4,014.3	\$ 13.7	\$ 4,028.0	\$ (1.5)	\$ 4,026.5	\$ 3,964.1	1.3%	1.6%
EMEA	1,249.8	74.7	1,324.5	(0.4)	1,324.1	1,286.8	(2.9)%	2.9%
Asia Pacific	908.6	40.7	949.3	(0.3)	949.0	933.3	(2.6)%	1.7%
Latin America	522.1	28.2	550.3	—	550.3	481.8	8.4%	14.2%
Total	\$ 6,694.8	\$ 157.3	\$ 6,852.1	\$ (2.2)	\$ 6,849.9	\$ 6,666.0	0.4%	2.8%

Reconciliation to Non-GAAP Measures

Organic Sales

(in millions, except percentages)

	Three Months Ended September 30,									
	2019					2018				
	Sales(a)	Effect of Changes in Currency(d)	Sales Excluding Changes in Currency	Effect of Acquisitions(e)	Organic Sales(b)	Sales(c)	Sales Growth (Decline) (a)/(c)	Currency Growth (Decline) (d)/(c)	Acquisition Growth (e)/(c)	Organic Growth (Decline) (b)/(c)
Architecture & Software	\$ 781.2	\$ 12.2	\$ 793.4	\$ (0.9)	\$ 792.5	\$ 774.4	0.9%	(1.5)%	0.1%	2.3%
Control Products & Solutions	949.0	12.8	961.8	—	961.8	955.1	(0.6)%	(1.3)%	—%	0.7%
Total	<u>\$ 1,730.2</u>	<u>\$ 25.0</u>	<u>\$ 1,755.2</u>	<u>\$ (0.9)</u>	<u>\$ 1,754.3</u>	<u>\$ 1,729.5</u>	—%	(1.5)%	0.1%	1.4%

	Twelve Months Ended September 30,									
	2019					2018				
	Sales(a)	Effect of Changes in Currency(d)	Sales Excluding Changes in Currency	Effect of Acquisitions(e)	Organic Sales(b)	Sales(c)	Sales Growth (Decline) (a)/(c)	Currency Growth (Decline) (d)/(c)	Acquisition Growth (e)/(c)	Organic Growth (Decline) (b)/(c)
Architecture & Software	\$ 3,021.9	\$ 76.5	\$ 3,098.4	\$ (2.2)	\$ 3,096.2	\$ 3,050.2	(0.9)%	(2.5)%	0.1%	1.5%
Control Products & Solutions	3,672.9	80.8	3,753.7	—	3,753.7	3,615.8	1.6%	(2.2)%	—%	3.8%
Total	<u>\$ 6,694.8</u>	<u>\$ 157.3</u>	<u>\$ 6,852.1</u>	<u>\$ (2.2)</u>	<u>\$ 6,849.9</u>	<u>\$ 6,666.0</u>	0.4%	(2.4)%	—%	2.8%

Reconciliation to Non-GAAP Measures

Segment Operating Margin

(in millions, except percentages)

	Three Months Ended		Twelve Months Ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Sales				
Architecture & Software (a)	\$ 781.2	\$ 774.4	\$ 3,021.9	\$ 3,050.2
Control Products & Solutions (b)	949.0	955.1	3,672.9	3,615.8
Total sales (c)	<u>\$ 1,730.2</u>	<u>\$ 1,729.5</u>	<u>\$ 6,694.8</u>	<u>\$ 6,666.0</u>
Segment operating earnings				
Architecture & Software (d)	\$ 205.0	\$ 217.9	\$ 874.8	\$ 897.9
Control Products & Solutions (e)	144.0	141.0	598.8	543.9
Total segment operating earnings (f)	<u>349.0</u>	<u>358.9</u>	<u>1,473.6</u>	<u>1,441.8</u>
Purchase accounting depreciation and amortization	(4.1)	(4.2)	(16.6)	(17.4)
General corporate - net	(36.4)	(18.2)	(108.8)	(100.0)
Non-operating pension costs	0.6	(6.7)	8.4	(23.8)
Costs related to unsolicited Emerson proposals	—	—	—	(11.2)
Change in fair value of investments ⁽¹⁾	(228.4)	166.8	(368.5)	90.0
Interest (expense) income, net	(24.3)	(14.9)	(87.1)	(48.6)
Income before income taxes (g)	<u>\$ 56.4</u>	<u>\$ 481.7</u>	<u>\$ 901.0</u>	<u>\$ 1,330.8</u>
Segment operating margin:				
Architecture & Software (d/a)	26.2%	28.1%	28.9%	29.4%
Control Products & Solutions (e/b)	15.2%	14.8%	16.3%	15.0%
Total segment operating margin (f/c)	20.2%	20.8%	22.0%	21.6%
Pretax margin (g/c)	3.3%	27.9%	13.5%	20.0%

⁽¹⁾ Includes loss on investments and valuation adjustments related to the registration of PTC Shares

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, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Net Income	\$ 8.1	\$ 345.9	\$ 695.8	\$ 535.5
Non-operating pension and postretirement benefit (credit) cost	(0.6)	6.7	(8.4)	23.8
Tax effect of non-operating pension and postretirement benefit (credit) cost	—	(2.1)	1.0	(7.5)
Costs related to unsolicited Emerson proposals	—	—	—	11.2
Tax effect of costs related to unsolicited Emerson proposals	—	—	—	(3.1)
Change in fair value of investments	228.4	(166.8)	368.5	(90.0)
Tax effect of change in fair value of investments	—	21.7	(21.7)	21.7
Effects of the Tax Act	—	54.6	—	538.3
Adjusted Income	\$ 235.9	\$ 260.0	\$ 1,035.2	\$ 1,029.9
Diluted EPS	\$ 0.07	\$ 2.80	\$ 5.83	\$ 4.21
Non-operating pension and postretirement benefit (credit) cost	(0.01)	0.05	(0.07)	0.18
Tax effect of non-operating pension and postretirement benefit (credit) cost	—	(0.02)	0.01	(0.06)
Costs related to unsolicited Emerson proposals	—	—	—	0.09
Tax effect of costs related to unsolicited Emerson proposals	—	—	—	(0.02)
Change in fair value of investments	1.95	(1.35)	3.08	(0.71)
Tax effect of change in fair value of investments	—	0.18	(0.18)	0.17
Effects of the Tax Act	—	0.44	—	4.24
Adjusted EPS	\$ 2.01	\$ 2.10	\$ 8.67	\$ 8.10
Effective Tax Rate	85.6%	28.2%	22.8%	59.8%
Tax effect of non-operating pension and postretirement benefit (credit) cost	0.9%	0.3%	0.1%	0.3%
Tax effect of costs related to unsolicited Emerson proposals	—%	—%	—%	0.1%
Tax effect of change in fair value of investments	(69.5)%	2.0%	(5.0)%	(0.4)%
Effects of the Tax Act	—%	(11.3)%	—%	(40.5)%
Adjusted Effective Tax Rate	17.0%	19.2%	17.9%	19.3%

Non-operating pension and postretirement benefit (credit) cost

(in millions)

	Three Months Ended		Twelve Months Ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Interest cost	\$ 40.0	\$ 39.3	\$ 160.6	\$ 157.7
Expected return on plan assets	(61.1)	(60.9)	(244.7)	(244.8)
Amortization of prior service credit	(1.0)	(1.2)	(4.2)	(4.9)
Amortization of net actuarial loss	19.7	28.8	78.7	115.1
Settlements	1.8	0.7	1.2	0.7
Non-operating pension and postretirement benefit (credit) cost	\$ (0.6)	\$ 6.7	\$ (8.4)	\$ 23.8

Reconciliation to Non-GAAP Measures

Return On Invested Capital

(in millions, except percentages)

	Twelve Months Ended September 30,	
	2019	2018
(a) Return		
Income from continuing operations	\$ 695.8	\$ 535.5
Interest expense	98.2	73.0
Income tax provision	205.2	795.3
Purchase accounting depreciation and amortization	16.6	17.4
Return	<u>1,015.8</u>	<u>1,421.2</u>
(b) Average invested capital		
Short-term debt	416.2	460.1
Long-term debt	1,658.1	1,233.0
Shareowners' equity	1,157.8	1,965.7
Accumulated amortization of goodwill and intangibles	883.1	866.2
Cash and cash equivalents	(767.7)	(1,190.1)
Short-term and long-term investments	(210.4)	(948.3)
Average invested capital	<u>3,137.1</u>	<u>2,386.6</u>
(c) Effective tax rate		
Income tax provision ⁽¹⁾	205.2	257.0
Income from continuing operations before income taxes	\$ 901.0	\$ 1,330.8
Effective tax rate	<u>22.8%</u>	<u>19.3%</u>
(a) / (b) * (1-c) Return On Invested Capital	<u>25.0%</u>	<u>48.1%</u>

⁽¹⁾ For the twelve months ended September 30, 2018, the income tax provision used to calculate the effective tax rate is adjusted to remove \$538.3 million associated with the enactment of the Tax Act.

Reconciliation to Non-GAAP Measures

Logix and Process Control Sales Growth

	<u>Three Months Ended September 30, 2019</u>	<u>Twelve Months Ended September 30, 2019</u>
<u>Logix</u>		
Logix reported growth	2 %	(2) %
Effect of currency translation	1 %	3 %
Logix organic growth	<u>3 %</u>	<u>1 %</u>
<u>Process Control</u>		
Process reported growth	(4) %	1 %
Effect of currency translation	2 %	3 %
Process organic growth	<u>(2) %</u>	<u>4 %</u>

Control Products & Solutions Sales Growth

	<u>Three Months Ended September 30, 2019</u>	<u>Twelve Months Ended September 30, 2019</u>
<u>Control Products</u>		
Control products reported growth	(1) %	(1) %
Effect of currency translation	1 %	2 %
Control products organic growth	<u>— %</u>	<u>1 %</u>
<u>Solutions</u>		
Solutions reported growth	(1) %	3 %
Effect of currency translation	2 %	3 %
Solutions organic growth	<u>1 %</u>	<u>6 %</u>

Reconciliation to Non-GAAP Measures

Fiscal 2020 Guidance

(in billions, except percentages and per share amounts)

Organic Sales

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

Fiscal 2020 Guidance

(1.5)% - 1.5%
~ 4%
~ (0.5)%
2% - 5%

Segment Operating Margin

Total sales (a)
Total segment operating earnings (b)
Costs not allocated to segments
Income before income taxes (c)

\$ ~ 7.0
~ 1.5
~ 0.2
\$ ~ 1.3

Total segment operating margin (b/a)
Pretax margin (c/a)

~ 21.5 %
~ 18.6 %

Adjusted Effective Tax Rate⁽¹⁾

Effective tax rate
Tax effect of non-operating pension and postretirement credit
Adjusted Effective Tax Rate

~ 15.5 %
~ 0.5 %
~ 16.0 %

Adjusted EPS⁽²⁾

Diluted EPS from continuing operations
Non-operating pension and postretirement credit
Tax effect of non-operating pension and postretirement credit
Adjusted EPS

\$8.48 - \$8.88
0.30
(0.08)
\$8.70 - \$9.10

⁽¹⁾ Includes the impact of a tax benefit recognizable upon the formation of the Sensia joint venture on October 1, 2019. This tax benefit is expected to reduce the Adjusted Effective Tax Rate by approximately 200 basis points.

⁽²⁾ Based on Adjusted Income attributable to Rockwell, which excludes Schlumberger's non-controlling interest in Sensia.

Fiscal 2019 Reporting Changes

Revenue Reporting

- Adopted ASC 606 (revenue recognition) in Q1
- U.S. & Canada revenues combined and reported as North America region

Segment Reporting

- Segment P&L: Realigned certain business activities between A&S and CP&S reporting segments
- \$48M of FY18 revenue moved from A&S to CP&S

Interest Income

- Statement of Operations: No change; remains in Other (expense) income
- Segment P&L: Removed from General corporate-net; now included in interest (expense) income, net

Operating vs. Non-Operating Pension/Postretirement

- Adopting FASB definition of operating vs. non-operating; operating includes only service cost
- Statement of Operations: Non-operating amounts reclassified out of COS and SG&A into Other (expense) income
- Non-GAAP Measures: Conforming non-GAAP measures of Adjusted Income, Adjusted EPS and Adjusted ETR to FASB definition; impact immaterial
- Segment P&L: Conforming to FASB definition

Fiscal 2019 Reporting Changes - Statement of Operations Impact on Q4 FY18

(in millions, except per share amounts)

	Fiscal Year 2018 - Quarter 4		
	Originally Reported	Pension/ Postretirement	Recast
Sales	\$ 1,729.5	\$ —	\$ 1,729.5
Cost of sales	(996.9)	3.5	(993.4)
Gross profit	732.6	3.5	736.1
Selling, general and administrative	(418.3)	3.2	(415.1)
Other income (expense)	186.6	(6.7)	179.9
Interest expense	(19.2)	—	(19.2)
Income from continuing operations before income taxes	481.7	—	481.7
Income tax provision	(135.8)	—	(135.8)
Net income	\$ 345.9	\$ —	\$ 345.9
Diluted EPS	\$ 2.80	\$ —	\$ 2.80
Adjusted EPS⁽¹⁾	\$ 2.11	\$ (0.01)	\$ 2.10
Average diluted shares for EPS calculation	123.5		123.5

⁽¹⁾ Adjusted EPS is a non-GAAP measure

Fiscal 2019 Reporting Changes - Segment P&L Impact on Q4 FY18

(in millions, except per share amounts and percentages)

	Fiscal Year 2018 - Quarter 4				
	Originally Reported	Segment Realign.	Pension/ Postretirement	Interest Income	Recast
Sales					
Architecture & Software (a)	\$ 787.2	\$ (12.8)	\$ —	\$ —	\$ 774.4
Control Products & Solutions (b)	942.3	12.8	—	—	955.1
Total sales (c)	<u>\$ 1,729.5</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,729.5</u>
Segment operating earnings					
Architecture & Software (d)	\$ 219.5	\$ (1.5)	\$ (0.1)	\$ —	\$ 217.9
Control Products & Solutions (e)	139.6	1.5	(0.1)	—	141.0
Total segment operating earnings ⁽¹⁾ (f)	<u>359.1</u>	<u>—</u>	<u>(0.2)</u>	<u>—</u>	<u>358.9</u>
Purchase accounting depreciation and amortization	(4.2)	—	—	—	(4.2)
General corporate - net	(13.9)	—	—	(4.3)	(18.2)
Non-operating pension and postretirement benefit (cost) credit	(6.9)	—	0.2	—	(6.7)
Change in fair value of investments	166.8	—	—	—	166.8
Interest (expense) income, net	(19.2)	—	—	4.3	(14.9)
Income before income taxes	<u>481.7</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>481.7</u>
Income tax provision	(135.8)	—	—	—	(135.8)
Net income	<u>\$ 345.9</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 345.9</u>
Diluted EPS	<u>\$ 2.80</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 2.80</u>
Adjusted EPS ⁽²⁾	<u>\$ 2.11</u>	<u>\$ —</u>	<u>\$ (0.01)</u>	<u>\$ —</u>	<u>\$ 2.10</u>
Segment operating margin					
Architecture & Software (d/a)	<u>27.9%</u>				<u>28.1%</u>
Control Products & Solutions (e/b)	<u>14.8%</u>				<u>14.8%</u>
Total segment operating margin (f/c)	<u>20.8%</u>				<u>20.8%</u>

⁽¹⁾ Total segment operating earnings and total segment operating margin are non-GAAP measures.

⁽²⁾ Adjusted EPS is a non-GAAP measure.

Fiscal 2019 Reporting Changes - Statement of Operations Impact on FY18

(in millions, except per share amounts)

	Fiscal Year 2018		
	Originally Reported	Pension/ Postretirement	Recast
Sales	\$ 6,666.0	\$ —	\$ 6,666.0
Cost of sales	(3,793.8)	12.7	(3,781.1)
Gross profit	2,872.2	12.7	2,884.9
Selling, general and administrative	(1,599.0)	11.1	(1,587.9)
Other income (expense)	130.6	(23.8)	106.8
Interest expense	(73.0)	—	(73.0)
Income from continuing operations before income taxes	1,330.8	—	1,330.8
Income tax provision	(795.3)	—	(795.3)
Net income	\$ 535.5	\$ —	\$ 535.5
Diluted EPS	\$ 4.21	\$ —	\$ 4.21
Adjusted EPS⁽¹⁾	\$ 8.11	\$ (0.01)	\$ 8.10
Average diluted shares for EPS calculation	126.9		126.9

⁽¹⁾ Adjusted EPS is a non-GAAP measure

Fiscal 2019 Reporting Changes - Segment P&L Impact on FY18

(in millions, except per share amounts and percentages)

	Fiscal Year 2018				
	Originally Reported	Segment Realign.	Pension/ Postretirement	Interest Income	Recast
Sales					
Architecture & Software (a)	\$ 3,098.2	\$ (48.0)	\$ —	\$ —	\$ 3,050.2
Control Products & Solutions (b)	3,567.8	48.0	—	—	3,615.8
Total sales (c)	<u>\$ 6,666.0</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 6,666.0</u>
Segment operating earnings					
Architecture & Software (d)	\$ 901.3	\$ (3.1)	\$ (0.3)	\$ —	\$ 897.9
Control Products & Solutions (e)	541.3	3.1	(0.5)	—	543.9
Total segment operating earnings ⁽¹⁾ (f)	<u>1,442.6</u>	<u>—</u>	<u>(0.8)</u>	<u>—</u>	<u>1,441.8</u>
Purchase accounting depreciation and amortization	(17.4)	—	—	—	(17.4)
General corporate - net	(75.6)	—	—	(24.4)	(100.0)
Non-operating pension and postretirement benefit (cost) credit	(24.6)	—	0.8	—	(23.8)
Costs related to unsolicited Emerson proposals	(11.2)	—	—	—	(11.2)
Change in fair value of investments	90.0	—	—	—	90.0
Interest (expense) income, net	(73.0)	—	—	24.4	(48.6)
Income before income taxes	<u>1,330.8</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,330.8</u>
Income tax provision	(795.3)	—	—	—	(795.3)
Net income	<u>\$ 535.5</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 535.5</u>
Diluted EPS	<u>\$ 4.21</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 4.21</u>
Adjusted EPS ⁽²⁾	<u>\$ 8.11</u>	<u>\$ —</u>	<u>\$ (0.01)</u>	<u>\$ —</u>	<u>\$ 8.10</u>
Segment operating margin					
Architecture & Software (d/a)	<u>29.1%</u>				<u>29.4%</u>
Control Products & Solutions (e/b)	<u>15.2%</u>				<u>15.0%</u>
Total segment operating margin (f/c)	<u>21.6%</u>				<u>21.6%</u>

⁽¹⁾ Total segment operating earnings and total segment operating margin are non-GAAP measures.

⁽²⁾ Adjusted EPS is a non-GAAP measure.



Thank you



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