



**Rockwell
Automation**

expanding human possibility[®]

Q3 Fiscal 2022 Earnings Presentation

July 27, 2022



PUBLIC

Safe Harbor Statement

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

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




Q3 FY22 Results Highlights

- Total orders up 17% YOY, with strong demand across all business segments
- Reported sales up 6.5% YOY; Organic sales up 7.1% YOY
 - Acquisitions contributed 2.5%
 - Currency reduced sales (3.1)%
- Information Solutions & Connected Services (IS/CS) orders and sales up strong double digits YOY
- Total ARR up ~60%; Organic ARR up 18%
- Segment margin of 20.8%, up 90 pts YOY
 - Margins up 510 bps sequentially on higher sales and strong price/cost execution
- Adjusted EPS of \$2.66, up 15% YOY

Strong execution and continued orders strength



Q3 FY22 Organic Industry Segment Performance

	% of Q3 FY22 Sales	Q3 FY22 vs. Q3 FY21	Q3 FY22 vs. Q3 FY21
 <p>Discrete</p>	~ 25%	Up low single digits	<ul style="list-style-type: none"> ↑ Automotive up mid single digits ↓ Semiconductor down low single digits ↓ e-Commerce down mid teens
 <p>Hybrid</p>	~ 45%	Up mid single digits	<ul style="list-style-type: none"> ↑ Food & Beverage up mid single digits ↑ Life Sciences up ~15% ↑ Tire up low single digits
 <p>Process</p>	~ 30%	Up low teens	<ul style="list-style-type: none"> ↑ O&G up ~25% ↑ Mining up low teens ↑ Chemicals up high 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. Results primarily impacted by component availability versus underlying demand

Q3 FY22 Organic Sales Growth

NORTH AMERICA

+10.9%

EMEA

+3.2%

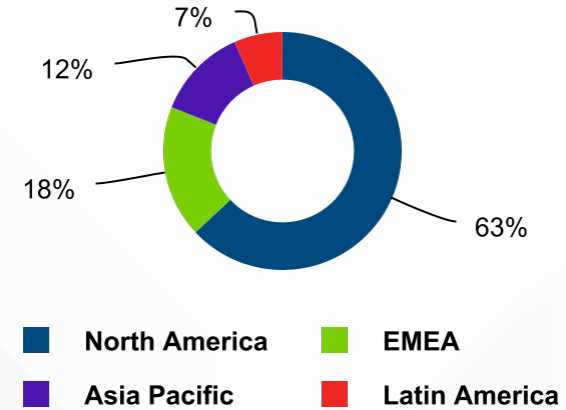
ASIA PACIFIC

(5.8)%

LATIN AMERICA

+15.5%

% of Sales



Q3 HIGHLIGHTS *

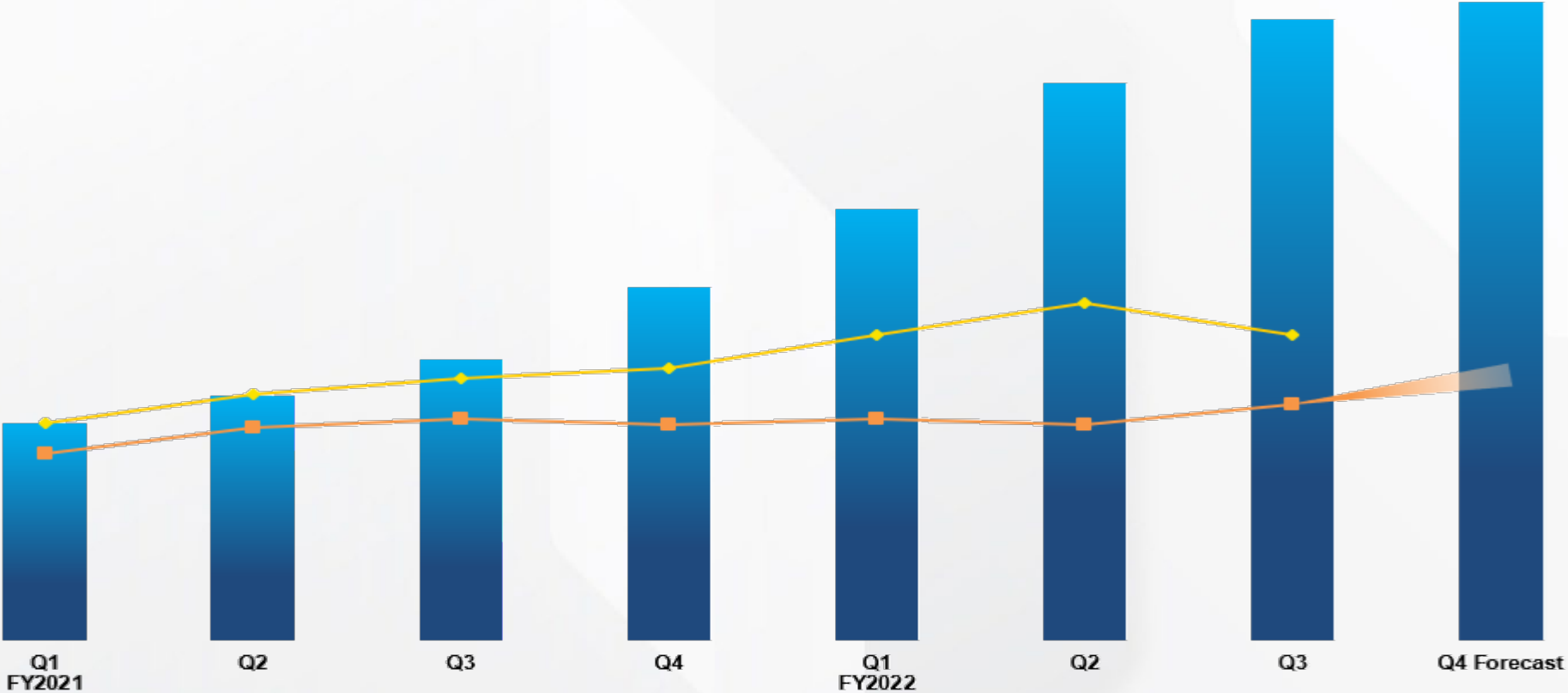
- Current quarter results reflect component availability; balanced growth year-to-date across all regions
- Asia Pacific most significantly impacted by shutdowns in China
- Expecting strong sales growth in all regions for the full year

* All growth comments refer to organic growth



Orders, Sales & Backlog

Robust orders and backlog are the foundation for strong sales in FY2022 and beyond



Cancellation %

~1% ~1% ~1% ~2% ~1% <1% ~2%

● BACKLOG ● ORDERS* ● SALES

*Net of Cancellations

FY22 Full Year Outlook Highlights




- Orders projected to exceed \$10B
- Total sales growth range of 10.5 - 12.5%; Organic growth range of 10 - 12%
 - Acquisitions to contribute ~2.5 pts of growth
 - Currency to reduce sales ~(2.0) pts
- IS/CS expected to grow double digits; sales expected to reach \$800M
- ARR expected to grow double digits
- Expect segment margin of ~20%
 - Expect margin expansion to continue in Q4, driven by higher sales and price/cost execution
- Adjusted EPS range of \$9.30 - \$9.70
- Expect Free Cash Flow conversion of 85%

Note: Guidance as of July 27, 2022

Double-digit growth and investment in the future



FY22 Organic Industry Segment Outlook

	% of FY22 Sales	FY22 vs. FY21	Assumptions at Guidance Midpoint	B/(W) vs. May Guidance
 <p>Discrete</p>	~ 25%	Up high single digits	<ul style="list-style-type: none"> ▲ Automotive up high single digits ▲ Semiconductor up ~10% ▲ e-Commerce up mid single digits 	↓
 <p>Hybrid</p>	~ 45%	Up ~10%	<ul style="list-style-type: none"> ▲ Food & Beverage up ~10% ▲ Life Sciences up mid teens ▲ Tire up ~15% 	=
 <p>Process</p>	~ 30%	Up ~15%	<ul style="list-style-type: none"> ▲ Oil & Gas up high teens ▲ Mining up mid single digits ▲ Chemicals up mid teens 	=

Note: Organic sales growth rates depicted above exclude the impact of acquisitions and currency. Arrows reflect positive/negative directional growth vs prior year. Results primarily impacted by component availability versus underlying demand

Note: Guidance as of July 27, 2022



Q3 FY22 Key Financial Information

(\$ in millions, except per share amounts)

	Q3 FY22	Q3 FY21	YOY B/(W)	
SALES	\$1,969	\$1,848	Organic Growth	+7.1 %
			Inorganic Growth	+2.5 %
			Currency Translation	(3.1) %
			Reported Growth	+6.5 %
SEGMENT OPERATING MARGIN	20.8%	19.9%		90 bps
CORPORATE AND OTHER	\$16	\$29		\$13
ADJUSTED EPS	\$2.66	\$2.31		15%
ADJUSTED EFFECTIVE TAX RATE	14.5%	14.6%		0.1 pts
FREE CASH FLOW	\$327	\$437		\$(110)

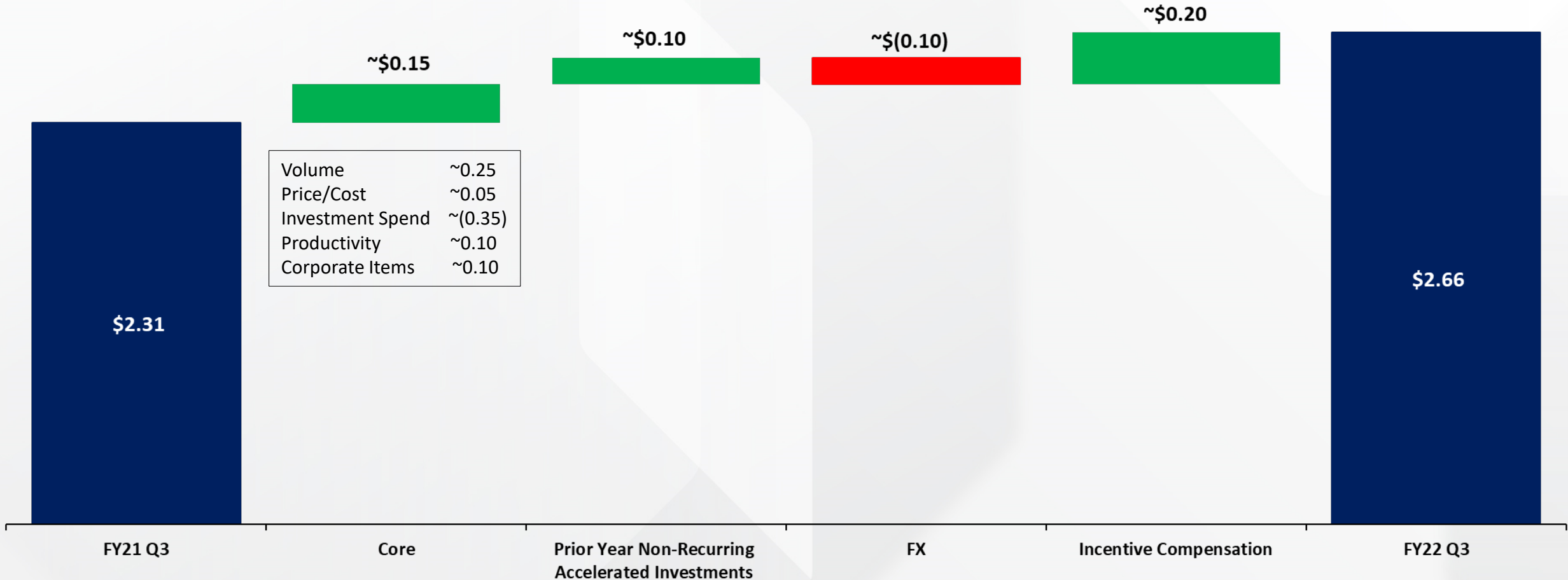


Q3 FY22 Segment Results

	SALES (\$ in millions; YOY growth %)		SEGMENT OPERATING MARGIN	SEGMENT HIGHLIGHTS
Intelligent Devices	\$878M	Organic	+2.7 %	<ul style="list-style-type: none"> Lower segment margin YOY driven by higher investment spend Sequential margin growth driven by positive price/cost and higher sales
		Inorganic	— %	
		Currency	<u>(3.2)%</u>	
		Reported	(0.5)%	
			19.7%	
			(220) bps YOY	
			+510 bps Seq	
Software & Control	\$607M	Organic	+13.4 %	<ul style="list-style-type: none"> Higher segment margin YOY driven by higher sales Sequential margin growth driven by higher sales and positive price/cost
		Inorganic	+8.5 %	
		Currency	<u>(2.8)%</u>	
		Reported	+19.1 %	
			31.4%	
			+620 bps YOY	
			+680 bps Seq	
Lifecycle Services	\$484M	Organic	+8.7 %	<ul style="list-style-type: none"> Lower segment margin YOY resulting from supply chain constraints and higher investment spend, partially offset by higher sales and lower incentive compensation Sequential margin improvement driven by higher sales Q3 Book-to-bill of 1.27
		Inorganic	+0.6 %	
		Currency	<u>(3.2)%</u>	
		Reported	+6.1 %	
			9.4%	
			(90) bps YOY	
			+210 bps Seq	



Q3 FY21 to Q3 FY22 Adjusted EPS Walk



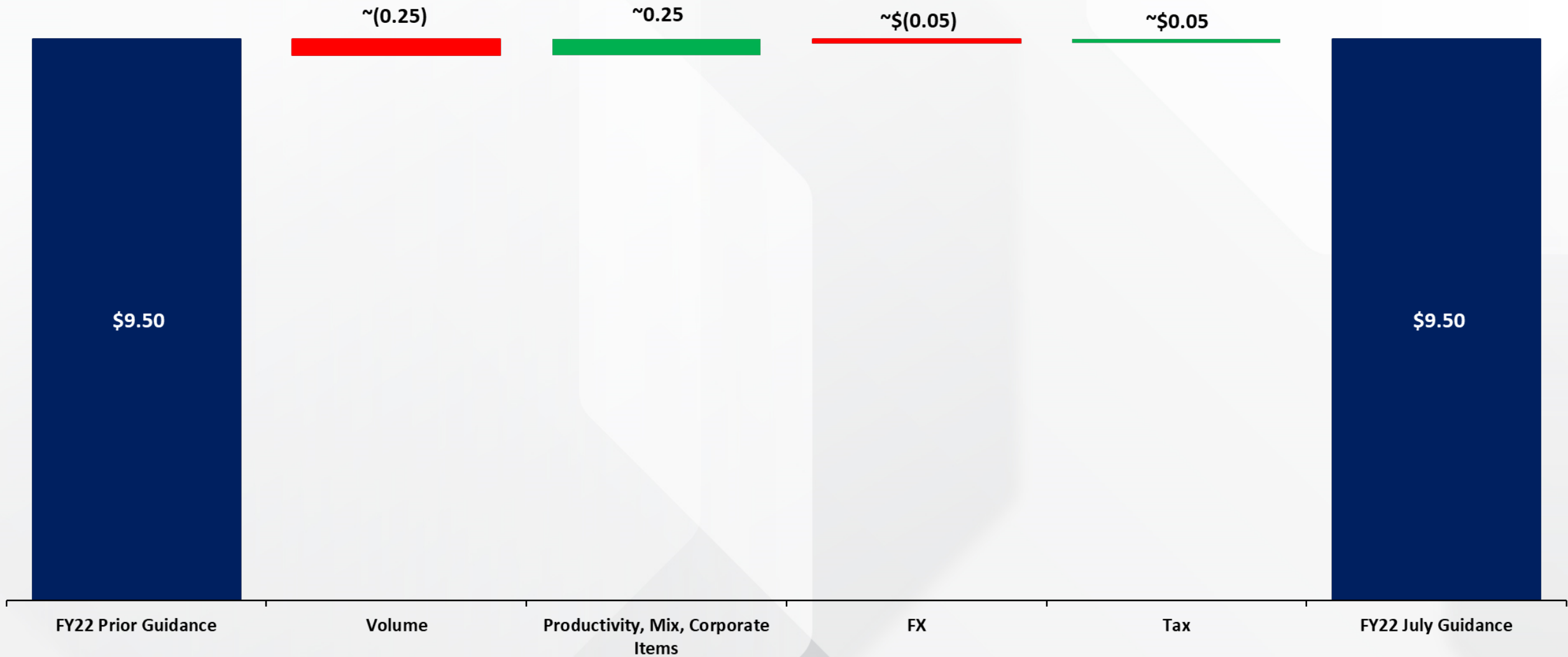
Fiscal Year 22 Guidance

	July Guidance	May Guidance
Sales Range	\$7.7B - \$7.9B	\$7.8B - \$8.0B
Organic Growth Range	10% - 12%	10% - 14%
Inorganic Growth	~ 2.5%	~ 2.5%
Currency Translation	~ (2.0)%	~ (1.5)%
Segment Operating Margin	~ 20.0%	~ 20.0%
Adjusted Effective Tax Rate	~ 16.5%	~ 17%
Adjusted EPS Range	\$9.30 - \$9.70	\$9.20 - \$9.80
Free Cash Flow as a % of Adjusted Income	~ 85%	~ 85%

Note: As of July 27, 2022



FY22 May to July Guidance Midpoint Adjusted EPS Walk





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APPENDIX

Industry Segmentation

% of FY21 Sales

Discrete

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

Total Discrete Industries ~25% of sales

Hybrid

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

Total Hybrid Industries ~40% of sales

Process

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

Total Process Industries ~35% of sales

Q3 FY22 Results: Summary

(\$ in millions, except per share amounts)

Total Sales

Total segment operating earnings

Purchase accounting depreciation and amortization

Corporate and other

Non-operating pension and postretirement benefit credit (cost)

Change in fair value of investments¹

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 cost, net of tax

Change in fair value of investments, net of tax¹

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

Adjusted Income

Adjusted EPS

Average Diluted Shares

	<u>Q3 2022</u>	<u>Q3 2021</u>
	\$ 1,968.7	\$ 1,848.2
	\$ 409.2	\$ 368.7
	(25.9)	(12.9)
	(15.6)	(29.2)
	11.9	(34.3)
	(5.2)	43.3
	(30.2)	(22.1)
	(49.4)	(44.5)
	\$ 294.8	\$ 269.0
	(3.1)	(2.3)
	\$ 297.9	\$ 271.3
	(8.1)	26.1
	4.0	(34.1)
	17.3	7.6
	\$ 311.1	\$ 270.9
	\$ 2.66	\$ 2.31
	116.5	117.0

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



Free Cash Flow

(\$ in millions)	Three Months Ended		Nine Months Ended	
	Q3 2022	Q3 2021	Q3 2022	Q3 2021
Net Income	\$ 295	\$ 269	\$ 583	\$ 1,270
Depreciation/Amortization	57	46	178	136
Change in fair value of investments ¹	5	(43)	138	(625)
Retirement Benefits Expense	4	58	62	118
Receivables/Inventory/Payables	(187)	72	(414)	(83)
Compensation and Benefits	30	79	(115)	142
Pension Contributions	(7)	(8)	(23)	(27)
Income Taxes	27	(42)	(203)	(9)
Other	121	31	218	135
Cash Flow From Operations	345	462	424	1,057
Capital Expenditures	(18)	(25)	(100)	(77)
Free Cash Flow	<u>\$ 327</u>	<u>\$ 437</u>	<u>\$ 324</u>	<u>\$ 980</u>
Adjusted Income	\$ 311	\$ 271	\$ 757	\$ 832
Free Cash Flow as a % of Adjusted Income	105 %	161 %	43 %	118 %

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



Reconciliation to Non-GAAP Measures

Organic Sales

(\$ in millions)

	Three Months Ended June 30,					Reported Sales Growth (a)/(c)	Less: Effect of Acquisitions (e)/(c)	Effect of Changes in Currency (d)/(c)	Organic Sales Growth (b)/(c)
	2022		2021						
	Reported Sales(a)	Less: Effect of Acquisitions(e)	Effect of Changes in Currency(d)	Organic Sales(b)	Sales(c)				
North America	\$ 1,239.9	\$ 39.7	\$ (4.7)	\$ 1,204.9	\$ 1,086.7	14.1%	3.7%	(0.5)%	10.9%
EMEA	352.6	3.8	(40.6)	389.4	377.3	(6.5)%	1.0%	(10.7)%	3.2%
Asia Pacific	246.8	0.4	(12.5)	258.9	274.8	(10.2)%	0.1%	(4.5)%	(5.8)%
Latin America	129.4	1.9	1.1	126.4	109.4	18.3%	1.7%	1.1%	15.5%
Total	\$ 1,968.7	\$ 45.8	\$ (56.7)	\$ 1,979.6	\$ 1,848.2	6.5%	2.5%	(3.1)%	7.1%

	Three Months Ended June 30,					Reported Sales Growth (a)/(c)	Less: Effect of Acquisitions (e)/(c)	Effect of Changes in Currency (d)/(c)	Organic Sales Growth (b)/(c)
	2022		2021						
	Reported Sales(a)	Less: Effect of Acquisitions(e)	Effect of Changes in Currency(d)	Organic Sales(b)	Sales(c)				
Intelligent Devices	\$ 878.3	\$ —	\$ (28.0)	\$ 906.3	\$ 882.9	(0.5)%	—%	(3.2)%	2.7%
Software & Control	606.9	43.1	(14.2)	578.0	509.6	19.1%	8.5%	(2.8)%	13.4%
Lifecycle Services	483.5	2.7	(14.5)	495.3	455.7	6.1%	0.6%	(3.2)%	8.7%
Total	\$ 1,968.7	\$ 45.8	\$ (56.7)	\$ 1,979.6	\$ 1,848.2	6.5%	2.5%	(3.1)%	7.1%



Reconciliation to Non-GAAP Measures

Segment Operating Margin

(\$ in millions)

	Three Months Ended	
	June 30, 2022	June 30, 2021
Sales		
Intelligent Devices (a)	\$ 878.3	\$ 882.9
Software & Control (b)	606.9	509.6
Lifecycle Services (c)	483.5	455.7
Total sales (d)	\$ 1,968.7	\$ 1,848.2
Segment operating earnings		
Intelligent Devices (e)	\$ 173.2	\$ 193.6
Software & Control (f)	190.6	128.3
Lifecycle Services (g)	45.4	46.8
Total segment operating earnings ¹ (h)	409.2	368.7
Purchase accounting depreciation and amortization	(25.9)	(12.9)
Corporate and other	(15.6)	(29.2)
Non-operating pension and postretirement benefit credit (cost)	11.9	(34.3)
Change in fair value of investments	(5.2)	43.3
Interest (expense) income, net	(30.2)	(22.1)
Income before income taxes (i)	\$ 344.2	\$ 313.5
Segment operating margin:		
Intelligent Devices (e/a)	19.7 %	21.9 %
Software & Control (f/b)	31.4 %	25.2 %
Lifecycle Services (g/c)	9.4 %	10.3 %
Total segment operating margin ¹ (h/d)	20.8 %	19.9 %
Pretax margin (i/d)	17.5 %	17.0 %

(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 (cost), change in fair value of investments, the \$70 million legal settlement in fiscal 2021, interest expense, net, and income tax provision because we do not consider these 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	
	June 30, 2022	June 30, 2021
Net Income attributable to Rockwell Automation	\$ 297.9	\$ 271.3
Non-operating pension and postretirement benefit (credit) cost	(11.9)	34.3
Tax effect of non-operating pension and postretirement benefit (credit) cost	3.8	(8.2)
Change in fair value of investments	5.2	(43.3)
Tax effect of change in fair value of investments	(1.2)	9.2
Purchase accounting depreciation and amortization attributable to Rockwell Automation	22.9	10.0
Tax effect of purchase accounting depreciation and amortization attributable to Rockwell Automation	(5.6)	(2.4)
Adjusted Income	\$ 311.1	\$ 270.9
Diluted EPS	\$ 2.55	\$ 2.32
Non-operating pension and postretirement benefit (credit) cost	(0.10)	0.29
Tax effect of non-operating pension and postretirement benefit (credit) cost	0.03	(0.07)
Change in fair value of investments	0.04	(0.37)
Tax effect of change in fair value of investments	(0.01)	0.07
Purchase accounting depreciation and amortization attributable to Rockwell Automation	0.20	0.09
Tax effect of purchase accounting depreciation and amortization attributable to Rockwell Automation	(0.05)	(0.02)
Adjusted EPS	\$ 2.66	\$ 2.31
Effective Tax Rate	14.4 %	14.2 %
Tax effect of non-operating pension and postretirement benefit (credit) cost	(0.7)	0.9
Tax effect of change in fair value of investments	0.2	(0.8)
Tax effect of purchase accounting depreciation and amortization attributable to Rockwell Automation	0.6	0.3
Adjusted Effective Tax Rate	14.5 %	14.6 %

Non-operating pension and postretirement benefit (credit) cost

(in millions)

	Three Months Ended	
	June 30, 2022	June 30, 2021
Interest cost	\$ 34.8	\$ 31.8
Expected return on plan assets	(56.4)	(60.9)
Amortization of prior service credit	(0.2)	(1.1)
Amortization of net actuarial loss	10.6	37.3
Settlement and curtailment (benefit) charges	(0.7)	27.2
Non-operating pension and postretirement benefit (credit) cost	\$ (11.9)	\$ 34.3



Reconciliation to Non-GAAP Measures

Return On Invested Capital

(\$ in millions)

	Twelve Months Ended June 30,	
	2022	2021
(a) Return		
Net income	\$ 657.7	\$ 1,533.4
Interest expense	116.8	94.5
Income tax provision	14.4	288.1
Purchase accounting depreciation and amortization	95.5	49.0
Return	<u>884.4</u>	<u>1,965.0</u>
(b) Average invested capital		
Short-term debt	476.5	129.6
Long-term debt	3,168.2	1,977.0
Shareowners' equity	2,738.9	1,803.3
Accumulated amortization of goodwill and intangibles	1,009.9	970.7
Cash and cash equivalents	(608.4)	(780.1)
Short-term and long-term investments	(2.9)	(0.6)
Average invested capital	<u>6,782.2</u>	<u>4,099.9</u>
(c) Effective tax rate		
Income tax provision	14.4	288.1
Income before income taxes	\$ 672.1	\$ 1,821.5
Effective tax rate	<u>2.1 %</u>	<u>15.8 %</u>
(a) / (b) * (1-c) Return On Invested Capital	<u>12.8 %</u>	<u>40.4 %</u>



Reconciliation to Non-GAAP Measures

Fiscal 2022 Guidance

(\$ in billions, except per share amounts)

Organic Sales

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

Segment Operating Margin

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

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

Adjusted Effective Tax Rate

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

Adjusted EPS

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

Fiscal 2022 Guidance

10% - 12%

~ 2.5%

~ (2.0)%

10.5% - 12.5%

\$ ~ 7.8

~ 1.6

~ 0.3

\$ ~ 1.3

~ 20.0%

~ 16.5 %

~ 15.0 %

~ — %

~ 1.0 %

~ 0.5 %

~ 16.5 %

\$7.74 - \$8.14

0.07

(0.02)

1.18

(0.27)

0.79

(0.19)

\$9.30 - \$9.70

¹The actual year-to-date adjustments, which are based on PTC's share price at June 30, 2022, 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 July 27, 2022



Performance Metric Definition

Organic ARR Growth

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



Thank you



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